

Salary Increases Across Countries and Industries: 2021 vs. 2020



Salary increases are rising in some markets and industries to keep pace with inflation and address employee turnover in a competitive job market. However, our compensation data and client work indicates that many organizations are relying heavily on other areas of total rewards to deliver on their hiring and retention goals. These tools include equity and cash incentives, wellbeing initiatives, and learning and development opportunities.

Overall salary increases were flat or down in most countries with two exceptions

Salary increases were up 0.4 percentage points in the United States and 0.2 percentage points in Brazil.

Year	Australia	Brazil	Canada	China	France	Germany	India	Mexico	Singapore	United Kingdom	United States
2020	3.0%	4.0%	3.0%	6.0%	2.5%	3.0%	9.0%	4.6%	3.7%	3.0%	3.1%
2021	3.0%	4.2%	3.0%	5.8%	2.5%	3.0%	8.8%	4.5%	3.6%	3.0%	3.5%



82% of companies say **individual performance** is a key factor in deciding salary increases. Other top factors include internal and external equity (65%) as well as manager discretion (59%).


Across industries in the United States, overall salary increases were mixed

Despite disruption from the COVID-19 pandemic and supply chain issues, gaming, entertainment and media companies saw overall salary increases rise 0.5 percentage points. Salary increases at technology companies rose an average 0.3 percentage points.

Year	Financial Services	Gaming, Media and Entertainment	Life Sciences and Medical Devices	Manufacturing	Retail/ e-Commerce	Technology
2020	3.0%	3.1%	4.0%	3.0%	3.0%	3.6%
2021	3.0%	3.6%	4.0%	3.0%	3.0%	3.9%

Note: Data represents median overall actual salary increases in 2020 and 2021; numbers are diluted, meaning they include firms that did not give increases.

Source: Aon Salary Increase and Turnover Study, 2020 and 2021, second editions.

 To learn more about participating in our compensation and workforce surveys, please visit radford.aon.com. To purchase a copy of the latest survey results, please visit bit.ly/SITS_2021.

