

Nearly Forty Percent of Employers Plan to Trim Benefits and Office Perks This Year, Finds New CareerBuilder.com Survey

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As U.S. companies navigate through serious economic challenges and await the anticipated impact of the economic stimulus plan, managers are looking for ways to curb overall operating expenses. Nearly four-in-ten (38 percent) employers say the current economy will force them to make administrative cuts sometime this year, according to a recent CareerBuilder.com survey. The survey was conducted among more than 3,000 hiring managers and HR professionals between November 12 and December 1, 2008.

Employees can expect fewer social functions and business trips in 2009. Among employers expecting administrative cuts at their organizations this year, nearly two-thirds (65 percent) indicate that they will be cutting or scaling back company social events such as picnics and holiday parties. Sixty-one percent will curtail business travel.

Health and wellness benefits are also being impacted as employers take measures to weather today's economic situation. One-in-four employers (25 percent) expect to scale back on healthcare benefits and one-in-ten (11 percent) plan to reduce wellness benefits.

Other areas companies plan to cut or reduce spending on include:

- Special office perks - i.e. coffee, ice machines, discounted vending - (34 percent)
- Incentive trips - (28 percent)
- Philanthropic activities - (21 percent)

"Employers are making tough decisions on where they can allocate spending and resources during this downturn while at the same time keeping in mind the importance of retaining their top talent," said Rosemary Haefner, Vice President of Human Resources for CareerBuilder.com. "While reigning in spending in certain areas, we also see companies offering more flexible work arrangements and placing an increased emphasis on employee recognition programs to help maintain job satisfaction levels within their organizations."

Nearly four-in-ten (39 percent) of employers say they are now offering increased telecommuting and flexible work schedules to help employees reduce their commuting costs. Other perks include public transportation discounts and incentives, compressed workweeks, and increased mileage reimbursement rates.

Survey Methodology

This survey was conducted online within the U.S. by Harris Interactive on behalf of CareerBuilder.com among 3,259 hiring managers and human resource professionals (employed full-time; not self-employed; with at least significant involvement in hiring decisions; non government) ages 18 and over between November 12 and December 1, 2008 (percentages for some questions are based on a subset US Employers or Employees, based on their responses to certain questions). With a pure probability sample of 3,259 one could say with a 95 percent probability that the overall results have a sampling error of +/- 1.72 percentage points. Sampling error for data from sub-samples is higher and varies.

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