



## **Korn Ferry 2019 Salary Forecast Shows Smaller Real-Wage Increases Across Most Parts of the World**

January 16, 2019

*- Adjusted for Inflation, Real Wages Up Only an Average of 1 Percent -*

LOS ANGELES--(BUSINESS WIRE)--Jan. 16, 2019-- A forecast issued today by [Korn Ferry](#) (NYSE: KFY) reveals that, adjusted for inflation, real-wage salaries globally are expected to grow only an average of 1.0 percent in 2019. This is down from a 1.5 percent prediction for 2018.

"With inflation rising in most parts of the world, we're seeing a cut in real-wage increases across the globe," said Bob Wesselkamper, Korn Ferry Global Head of Rewards and Benefits Solutions. "The percentage of salary increase or decrease will vary by role, industry, country and region, but one thing is clear, on average, employees are not seeing the same real pay growth they did even one year ago."

### **Highest real wage growth in Asia**

In Asia, salaries are forecast to increase by 5.6 percent, up from 5.4 percent last year. Inflation-adjusted real wage increases are expected to be 2.6 percent, the highest globally, but down from 2.8 percent last year.

China's real-wage forecasted growth for 2019 weakened at 3.2 percent, down from 4.2 percent last year. Japan saw a real-wage prediction of 0.1 percent for 2019 compared to the 2018 prediction of 1.6 percent. Asian countries that saw year-over-year increases include Vietnam's forecast of 4.8 percent, up from 4.6 percent last year, and Singapore's forecast of 3.0 percent, up from 2.3 percent last year.

### **Eastern Europe Faring Better than Western Europe**

According to the Korn Ferry forecast, employees in Eastern Europe are set to see an average salary increase of 6.6 percent in 2019. After taking inflation into account, real wages are forecast to rise by 2.0 percent, which is up from 1.4 percent last year. In Western Europe, workers are expected to see lower wage increases, with an average increase of 2.5 percent, and inflation-adjusted real wage increases of 0.7 percent. This is down from the predicted 0.9 percent real-wage growth of last year.

Wages are predicted to increase 2.5 percent in the United Kingdom. Combined with a 1.9 percent inflation rate, real wages are expected to increase by 0.6 percent. This is up more than a percentage point from 2018, when wages were predicted to decrease by -0.5 percent. Employees in two of Europe's largest economies, France and Germany, are forecast to see real-wage rises of 0.5 percent and 1.0 percent respectively.

### **North America Lagging**

In North America, the average salary growth is predicted to be 2.8 percent in 2019, and when adjusted for inflation, the real-wage growth is expected to be 0.6 percent.

In the United States, an average 3 percent pay increase is predicted, which is the same as last year and the year before. Adjusted for the expected 2.4 percent inflation rate in 2019, the real wage increase is forecast to be 0.6 percent, down from last year's 1.0 percent. Canadian workers will see salaries increase by 2.6 percent, and with inflation at 2.0 percent, will also experience real-wage growth of 0.6 percent.

### **Inflation Tempers Salary Growth in Africa**

Although top-line salaries will increase by 7.7 percent in Africa, high inflation means the real increase is predicted to be only 0.9 percent. In Egypt, salaries are expected to increase by 15 percent, but a 14.4 percent inflation rate means employees will only see a 0.6 percent real-wage increase.

### **Latin America Sees Year-Over-Year Drop in Real Wage Growth**

Employees in Latin America are forecast to see a 4.6 percent gain in wages. With inflation, the real-wage increase in the region is expected to be 1.3 percent. This is down from 2.1 percent real-wage growth predictions from last year.

In Colombia, inflation is expected to be 2.9 percent for 2019. With a salary increase projected at 5.0 percent, this puts real wages for Colombia up 2.1 percent. In Brazil, the expected salary increase is 4.2 percent, and with 4.3 percent inflation, workers are expected to see a -0.1 percent decrease in real wages.

### **Middle East Sees Second-Lowest Real Salary Increase**

In the Middle East, wages are expected to increase by 3.6 percent, compared to 3.8 percent last year. Inflation-adjusted wage increases are predicted to be 0.4 percent, compared to 0.9 percent last year and 2.5 percent the year before. Things are looking better in the UAE this year, with an inflation rate of 3.2 percent combined with pay increases of 3.9 percent, which means that real wages are expected to increase by 0.7 percent. Last year real wages were predicted to fall by -0.5 percent.

Qatar and Lebanon are both predicted to see a drop in real wages, with Qatar forecast to have a -0.5 percent loss in real wages, and Lebanon to have a -1.7 loss in real wages. This is compared to 1.8 percent growth in Lebanon last year and a 6.1 percent growth the year before.

### **The Pacific Sees the Lowest Real Salary Increase**

Wages in the Pacific are forecast to grow by 2.5 percent, and adjusted for inflation, the rise in real wages is predicted to be 0.3 percent. Australia will

see a 2.5 percent top-line growth, a 2.3 percent inflation rate, and a 0.2 percent real wage increase. In New Zealand, a 2.5 percent salary increase is forecast, and with 2.2 percent inflation, is expected to see a 0.3 percent real salary increase.

Korn Ferry pay experts recommend taking a holistic approach when determining pay.

"While inflation indices are a solid benchmark for reviewing market trends in pay, we recommend that companies take a broader perspective by defining and agreeing upon their own measures of cost drivers, business strategy and local trading conditions," said Benjamin Frost, Korn Ferry's Global General Manager – Pay. "Compensation programs need to be regularly reviewed to make sure they align with changing business and market conditions."

### About the study

The data was drawn from Korn Ferry's pay database which contains data for more than 20 million job holders in 25,000 organizations across more than 110 countries.

It shows predicted salary increases, as forecasted by global HR leaders, for 2019 and compares them to predictions made at this time last year regarding 2018. It also compares them to 2019 inflation forecasts from the Economist Intelligence Unit.

Our interactive site with more detailed figures, and a downloadable infographic with headline figures for each country is [here](#).

**Editor's Note:** Global and regional averages exclude Argentina due to its particularly high inflation.

Region	Country	2019 Salary Forecast	2019 Inflation forecast	"Real" salary forecast	2018 Salary forecast	2018 "real" increase prediction
Africa	Algeria	6.8%	6.4%	0.4%	6.5%	0.8%
Latin America	Argentina	27.0%	35.3%	-8.3%	21.9%	7.3%
East Europe	Armenia	5.3%	3.2%	2.1%	5.3%	2.0%
Pacific	Australia	2.5%	2.3%	0.2%	2.5%	0.4%
West Europe	Austria	3.0%	2.0%	1.0%	2.5%	0.8%
East Europe	Azerbaijan	8.0%	4.1%	3.9%	10.0%	4.8%
Middle East	Bahrain	3.0%	3.8%	-0.8%	4.0%	1.9%
East Europe	Belarus	8.1%	5.3%	2.8%	10.2%	-0.3%
West Europe	Belgium	3.0%	2.2%	0.8%	3.0%	1.3%
Latin America	Bolivia	5.5%	3.2%	2.3%	6.8%	2.4%
Africa	Botswana	4.8%	4.0%	0.8%	4.7%	0.7%
Latin America	Brazil	4.2%	4.3%	-0.1%	7.3%	3.3%
East Europe	Bulgaria	4.4%	3.2%	1.2%	3.8%	1.8%
North America	Canada	2.6%	2.0%	0.6%	2.6%	0.9%
Latin America	Chile	5.0%	3.2%	1.8%	4.8%	2.1%
Asia	China	6.0%	2.8%	3.2%	6.0%	4.2%
Latin America	Colombia	5.0%	2.9%	2.1%	5.3%	2.6%
Latin America	Costa Rica	3.0%	4.2%	-1.2%	3.7%	0.4%
East Europe	Croatia	2.9%	1.5%	1.4%	2.8%	1.0%
West Europe	Cyprus	2.9%	1.5%	1.4%	3.7%	2.4%
East Europe	Czech Republic	4.7%	2.1%	2.6%	3.9%	1.9%
West Europe	Denmark	2.4%	1.3%	1.1%	2.0%	0.1%
Latin America	Dominican Republic	5.0%	4.3%	0.7%	5.1%	1.3%
Latin America	Ecuador	2.5%	1.5%	1.0%	5.0%	4.4%
Africa	Egypt	15.0%	14.4%	0.6%	15.0%	-3.8%
Latin America	El Salvador	4.5%	1.6%	2.9%	3.7%	2.2%
East Europe	Estonia	4.1%	3.3%	0.8%	3.5%	0.5%
West Europe	Finland	1.8%	1.8%	0.0%	1.0%	-0.2%
West Europe	France	2.0%	1.5%	0.5%	2.0%	0.7%
East Europe	Georgia	5.8%	3.3%	2.5%	5.7%	2.6%
West Europe	Germany	3.0%	2.0%	1.0%	2.4%	0.8%
Africa	Ghana	13.6%	10.0%	3.6%	15.6%	5.9%
West Europe	Greece	2.0%	1.2%	0.8%	2.0%	1.0%
Latin America	Guatemala	5.0%	4.2%	0.8%	4.7%	0.0%
Latin America	Honduras	6.1%	4.6%	1.5%	5.1%	1.0%
Asia	Hong Kong, China	4.0%	2.3%	1.7%	4.0%	1.7%
East Europe	Hungary	5.3%	3.3%	2.0%	4.6%	1.7%
Asia	India	10.0%	5.0%	5.0%	9.0%	4.7%
Asia	Indonesia	7.8%	4.1%	3.7%	8.0%	3.4%
West Europe	Ireland	2.5%	1.4%	1.1%	2.3%	2.0%
West Europe	Italy	2.2%	1.4%	0.8%	2.7%	1.8%
Asia	Japan	2.0%	1.9%	0.1%	2.0%	1.6%

Middle East	Jordan	4.0%	3.7%	0.3%	4.0%	1.6%
East Europe	Kazakhstan	8.4%	6.6%	1.8%	9.0%	2.8%
Africa	Kenya	6.6%	6.2%	0.4%	7.5%	1.0%
Asia	Korea	4.5%	1.7%	2.8%	4.5%	2.8%
Middle East	Kuwait	3.8%	1.6%	2.2%	4.3%	0.7%
East Europe	Latvia	4.9%	2.7%	2.2%	4.0%	1.0%
Middle East	Lebanon	3.0%	4.7%	-1.7%	5.0%	1.8%
East Europe	Lithuania	5.0%	3.0%	2.0%	5.0%	2.2%
West Europe	Luxembourg	3.2%	1.9%	1.3%	2.6%	1.0%
Asia	Malaysia	5.0%	1.4%	3.6%	6.0%	3.5%
Africa	Mauritius	4.1%	4.6%	-0.5%	4.2%	2.9%
Latin America	Mexico	5.5%	4.4%	1.1%	4.6%	0.7%
Africa	Morocco	3.7%	1.3%	2.4%	3.8%	2.6%
Africa	Mozambique	7.8%	6.1%	1.7%	10.0%	3.5%
Africa	Namibia	6.6%	5.4%	1.2%	7.0%	1.2%
West Europe	Netherlands	3.0%	2.5%	0.5%	2.6%	1.2%
Pacific	New Zealand	2.5%	2.2%	0.3%	2.5%	1.0%
Latin America	Nicaragua	6.6%	3.9%	2.7%	6.6%	2.1%
Africa	Nigeria	11.0%	13.6%	-2.6%	10.8%	-3.2%
West Europe	Norway	3.0%	2.1%	0.9%	2.5%	0.7%
Middle East	Oman	3.0%	3.0%	0.0%	3.0%	0.8%
Latin America	Panama	3.2%	1.7%	1.5%	3.0%	1.6%
Asia	Papua New Guinea	5.0%	6.2%	-1.2%	4.0%	-2.6%
Latin America	Peru	4.0%	2.7%	1.3%	4.3%	1.5%
Asia	Philippines	5.8%	4.5%	1.3%	5.0%	2.8%
East Europe	Poland	4.0%	2.0%	2.0%	3.5%	1.3%
West Europe	Portugal	2.1%	1.8%	0.3%	2.0%	0.7%
Middle East	Qatar	3.3%	3.8%	-0.5%	3.7%	1.1%
East Europe	Romania	5.1%	3.5%	1.6%	5.0%	2.5%
East Europe	Russian Federation	5.8%	4.5%	1.3%	7.0%	3.0%
Middle East	Saudi Arabia	4.9%	2.3%	2.6%	3.2%	0.1%
East Europe	Serbia	4.1%	2.7%	1.4%	4.8%	2.1%
Asia	Singapore	4.0%	1.0%	3.0%	3.7%	2.3%
East Europe	Slovakia	4.1%	2.3%	1.8%	3.0%	1.3%
Africa	South Africa	6.5%	5.5%	1.0%	7.0%	1.6%
West Europe	Spain	2.4%	1.8%	0.6%	2.0%	1.0%
West Europe	Sweden	2.0%	1.9%	0.1%	2.0%	0.2%
West Europe	Switzerland	1.5%	1.3%	0.2%	1.7%	1.1%
Asia	Taiwan, China	3.9%	1.5%	2.4%	4.0%	3.3%
Africa	Tanzania	6.1%	4.8%	1.3%	7.9%	2.7%
Asia	Thailand	5.5%	1.6%	3.9%	5.5%	4.5%
Africa	Tunisia	8.0%	5.0%	3.0%	7.1%	2.2%
East Europe	Turkey	20.0%	14.5%	5.5%	9.0%	1.0%
Africa	Uganda	6.2%	5.1%	1.1%	8.0%	2.5%
East Europe	Ukraine	14.0%	8.1%	5.9%	15.0%	4.4%
Middle East	United Arab Emirates	3.9%	3.2%	0.7%	4.1%	-0.5%
West Europe	United Kingdom	2.5%	1.9%	0.6%	2.0%	-0.5%
North America	United States of America	3.0%	2.4%	0.6%	3.0%	1.0%
East Europe	Uzbekistan	8.0%	12.5%	-4.5%	7.3%	-7.7%
Asia	Vietnam	8.8%	4.0%	4.8%	8.6%	4.6%
Africa	Zambia	9.0%	9.8%	-0.8%	12.3%	5.4%

### About Korn Ferry

Korn Ferry is a global organizational consulting firm. We help clients synchronize strategy and talent to drive superior performance. We work with organizations to design their structures, roles, and responsibilities. We help them hire the right people to bring their strategy to life. And we advise them on how to reward, develop, and motivate their people.

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Source: Korn Ferry

**Korn Ferry**

**Tracy Kurschner**

[Tracy.Kurschner@KornFerry.com](mailto:Tracy.Kurschner@KornFerry.com)

**612.309.3957**