

# 2023 pay trends in the U.S. Health Care industry



## Employee attraction and retention challenges plague U.S. organizations

Organizations are struggling to fill key roles at every level



Voluntary attrition rate

**19%**

Involuntary attrition rate

**7%**

## 2022 saw the highest salary budget increases in nearly 20 years

Given the fundamental role salary plays in an organization's ability to attract and retain talent, employers plan to carry this adjustment through to 2023 – yet remain cautious about how and when they allocate the overall budget

2022 Overall Actual Salary Increases (Median)

**4%**

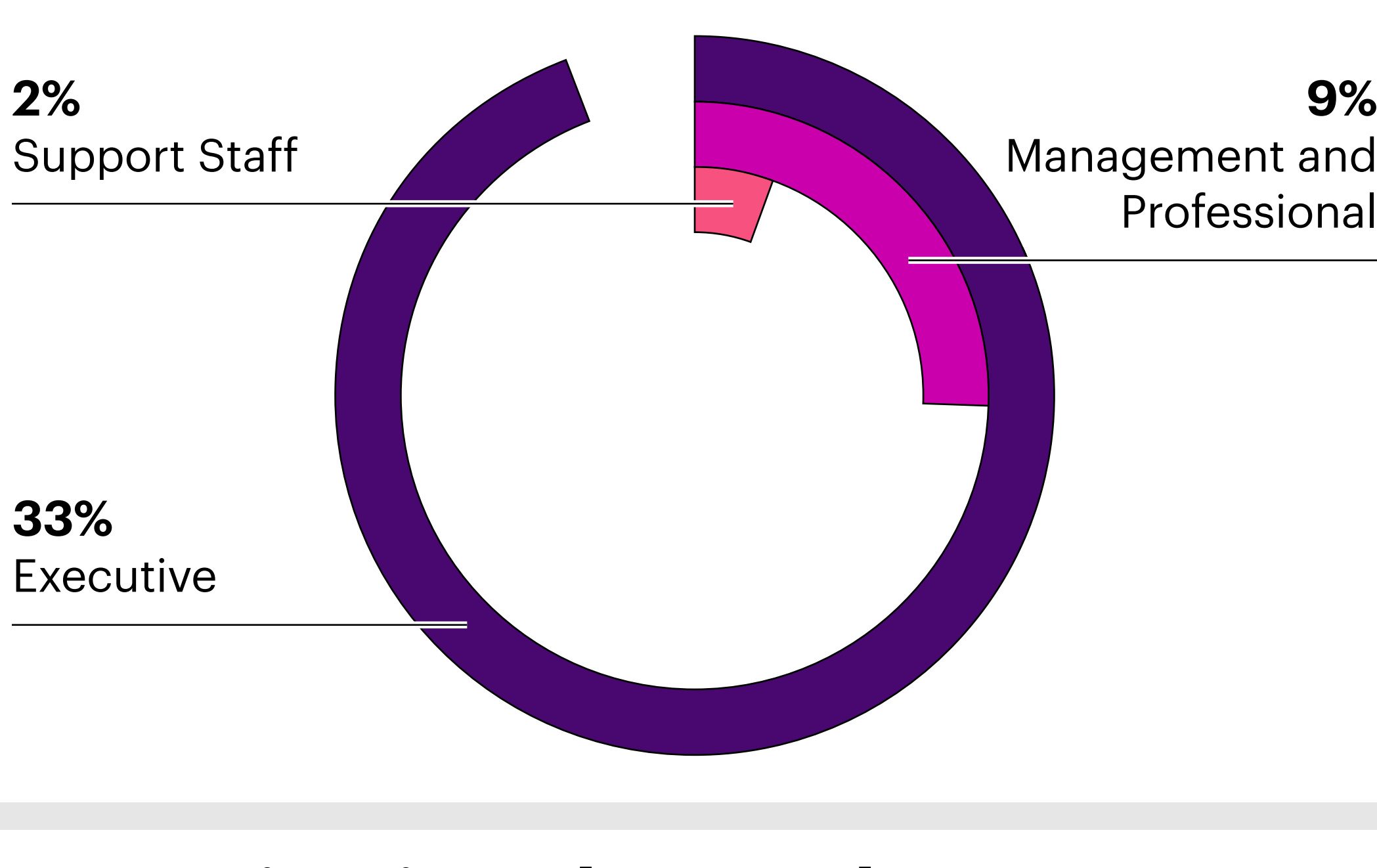
United States

2023 Overall Forecasted Salary Increases (Median)

**4%**

## Additionally, organizations leveraged bonus payouts in 2022 and, again, are on track to the same in 2023

10%: Average 2022 projected overall variable payout

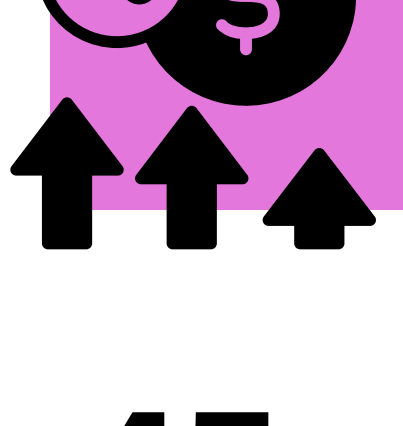


## Organizations have taken or are considering taking the same three actions



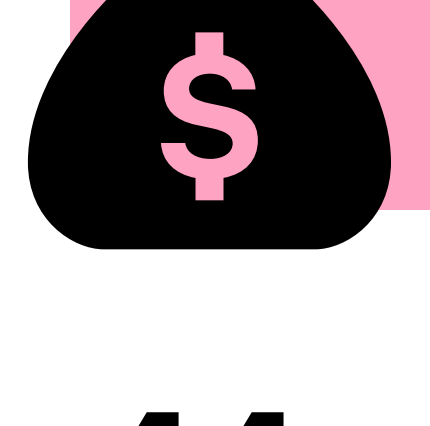
**51%**

Compensation review of specific employee populations



**45%**

Targeted increases for specific employee populations

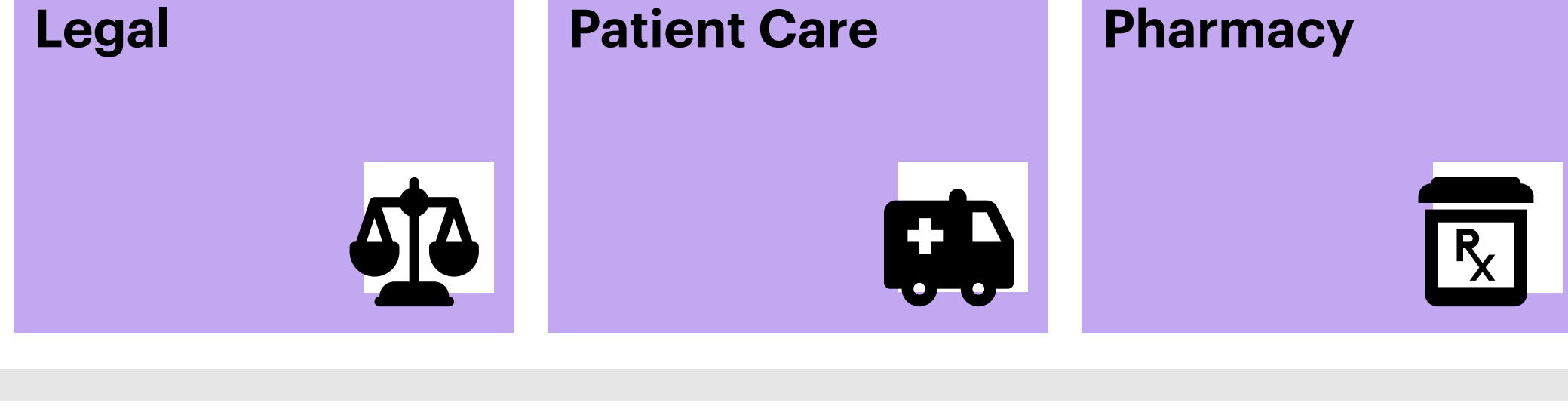


**44%**

One-off cash payments (e.g., retention bonus, lump-sum payment or allowance)

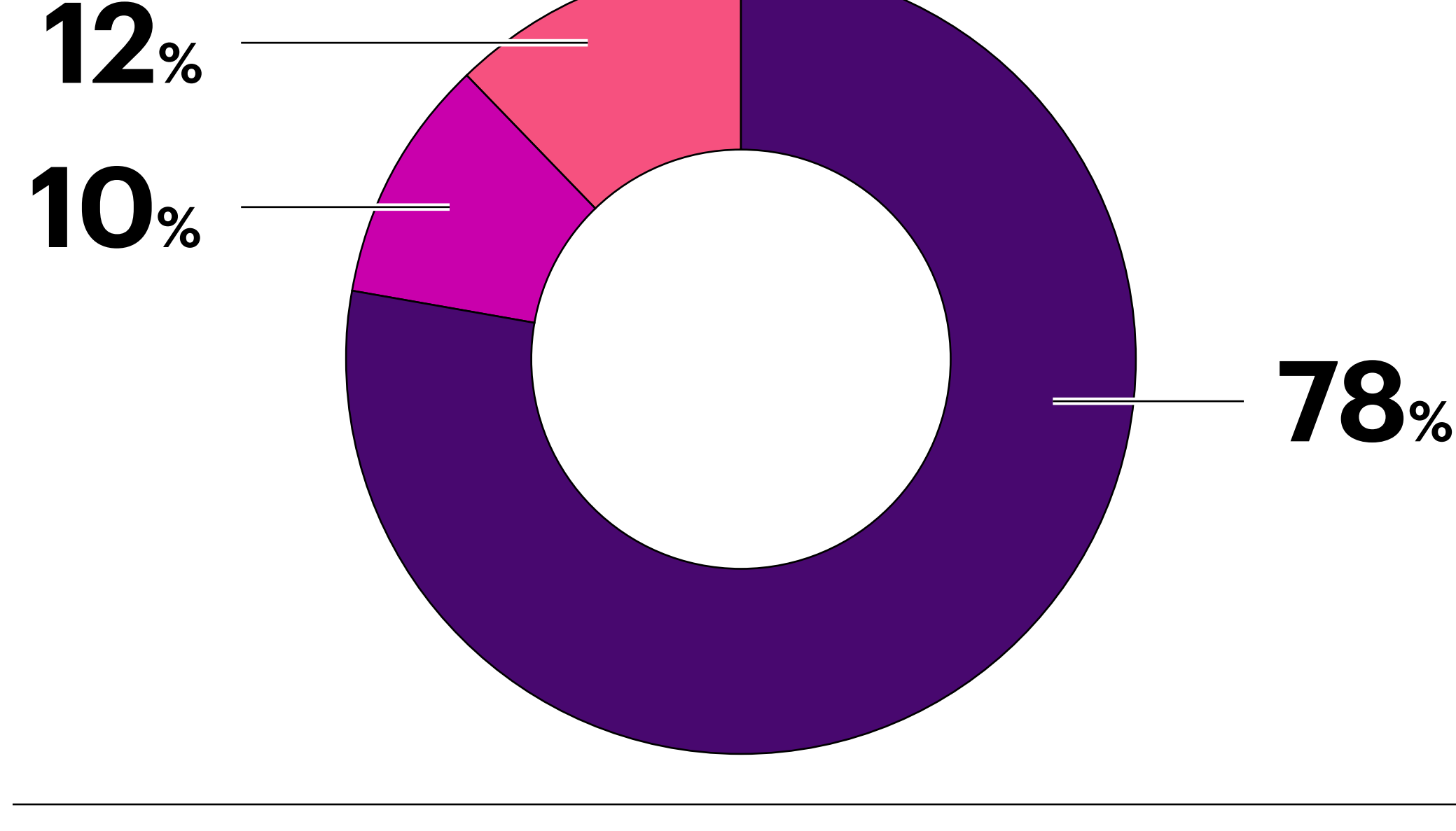
## Top 3 highest-paid disciplines across all industries at Professional Level 3 (P3)

United States



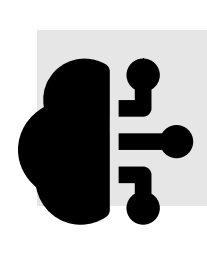
## Median pay mix for Manager Level 3 (M3) in the Data Scientist function

United States



■ Base (%) ■ Bonus (%) ■ LTI (%)

## There are a handful of roles that will receive the highest pay premiums



AI/machine learning frameworks



Cryptography, distributed ledger development, smart contract programming

**15%**

Asia Pacific

**20%**

Europe, Middle East and Africa

**15%**

Latin America

North America

The U.S. Healthcare Databases include data on over 1.9 million incumbents, including Nursing data on over 600,000 incumbents.

## Trends that will drive 2023 rewards decisions

- 1 While labor challenges are not expected to dissipate in 2023, health care organizations may be forced to contend with a diminishing financial outlook, thereby pivoting total rewards decisions toward elements that do not negatively impact the cost structure of the organization and with a focus on total rewards optimization.
- 2 Economic volatility and uncertainty could lead to lower investment levels and economic growth, which will force organizations to review their workforces and be more cautious about increasing salaries (among many other things).
- 3 Organizations will look beyond pay and take a holistic view of total rewards to create employee experiences that attract and retain the talent needed to drive business objectives.
- 4 To effectively compete against industry peers, compensation and HR professionals will seek a more sophisticated understanding and application of data in their strategic total rewards practices and policies.