



UPSTATE NEW YORK

CONTRACTORS COMPENSATION AND BENEFITS STUDY

2017 Results

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I. Introduction and Overall Summary Results

In 2017, The Bonadio Group's (TBG) Construction Team conducted a survey of Upstate New York construction companies and contractors regarding salary, benefits and other forms of compensation. The companies that responded to the survey came from all parts of New York State.

It comes as no surprise to see that both strategically and tactically, firms are trying to stretch their dollars to survive while satisfying their employee's needs.

Survey results are reported by small (under \$10 million in revenue), medium (\$10 to \$50 million in revenue) and large (over \$50 million in revenue) categories, as well as in an overview summary. Among the key issues explored in the survey are:

- Changes in employment levels
- Salary and bonus information for 24 different positions
- How bonuses are calculated
- Plans for wage increases
- Plans for 401(k) contributions
- Types of health care plans offered
- Health care premiums and employer contributions
- Strategies for controlling health care costs

The objectives of the survey were to take a snapshot of the industry's employment and compensation practices that could serve as benchmarks for strategy and planning and, to a large degree, competitive differentiation. Benefits have become increasingly important to manage costs without upsetting employees.

Of the firm's reporting this year, 31% had revenues under \$10 million, 44% had revenues between \$10 million and \$50 million, and 25% had revenues over \$50 million.

Of these firms, 87% have been in business over 15 years, over 31% are specialty firms, 74% are open shop.

Survey Participants

Types of Contractors

- Construction Management
- General
- Industrial
- Heavy Highway
- Mechanical
- Specialty

Specialties

- Electrical
- Environmental
- Excavation, wrecking, demolition
- Masonry, stone, concrete
- Municipal sewer and water
- Painting, drywall, wall covering
- Plumbing/HVAC
- Roofing and siding
- Utilities

I. Introduction and Overall Summary Results (Continued)

Relative to employment levels, no firms expect to reduce employment and slightly over 50% expect to increase employment. Additionally, statistics on firms having EEOC insurance or not carrying any were 61% “Yes” and 39% “No” respectively. This statistic is somewhat surprising as awards by Jury’s are continuing to rise with averages exceeding \$500,000.

Payroll continues to be an in-house function with only 21% outsourcing payroll services.

Across all workers titles (management, project managers/estimators, administrative and field workers) discretionary bonuses continue to be the way bonuses are paid. Field workers continued to be the group not receiving bonuses (17%), while other groups not receiving bonuses averaged substantially less (6%).

Of all of the firms surveyed, 63% stated that 2017 raises will be between 1% and 3% and only 10% stated they expect not to have any raises during 2015. For 2016, actual increases in the 1% to 3% were 70% of all firms reporting and 10% for firms giving no raises.

Besides salary data, firms now are almost all giving health insurance benefits of some kind (97%) as compared to 2015 survey results of only 93% as Obamacare has firmly rooted. Additionally, 401K plans, including a match, are 96% from previous 2015 survey of only 60%.

Continuing with health care issues, health savings accounts (HSA) and health reimbursement arrangements (HRA) are 70% from 43% in 2015. Most firms now use either a HMO or PPO plan. Health cost coverage for a single plan has risen from \$313 in 2009 to \$682 in 2017—an increase of 85%. Most of this increase has fallen on employers as coverage that employers paid has gone from \$234 in 2009 to \$624 in 2015 (up 60%).

Healthcare costs for employee plus one has risen to \$1,289 in 2017 with the employer paying on average \$1,145 and family costs have risen to \$1,620 a month in 2017 with employers paying \$1,420 per month.

Not surprisingly, HSA and HRA continue to be key strategies to reduce costs while others have fallen into the not considered category. It appears that firms have given up trying to fight down costs of insurance under Obamacare. Firms should not give up as long-term reductions in cost can be achieved through a combination of cost savings ideas such as wellness programs, disease management, and in some cases, experienced rated plans.

II. Firm Responses—All Participants

Salary Information

	President/ CEO	CFO	VP of Operations	Controller
Average Base Salary	\$170,676	\$126,736	\$118,032	\$89,494
Average Bonus Amount	\$91,696	\$53,333	\$56,570	\$15,714

	Assistant Controller	Payroll Accountant	AP Accountant	AR Accountant
Average Base Salary	\$59,776	\$51,748	\$44,218	\$43,845
Average Bonus Amount	\$3,338	\$4,225	\$2,401	\$2,965

	IT Manager	Network Administrator	Project Executive	Project Manager
Average Base Salary	\$94,854	\$59,516	\$116,705	\$83,555
Average Bonus Amount	\$4,810	\$4,772	\$15,123	\$8,873

	Project Engineer	Project Assistant	Project Administrator	Safety Manager
Average Base Salary	\$60,135	\$43,791	\$42,661	\$74,745
Average Bonus Amount	\$3,656	\$2,423	\$1,999	\$4,054

	Sales/Mktg Manager	HR Manager	Chief Estimator	Estimator
Average Base Salary	\$87,665	\$64,936	\$90,281	\$71,312
Average Bonus Amount	\$10,286	\$3,876	\$8,131	\$8,577

	Superintendent	Field Foreman	Admin Assistant	Receptionist
Average Base Salary	\$84,100	\$68,984	\$44,949	\$32,259
Average Bonus Amount	\$8,680	\$3,694	\$2,497	\$1,556

II. Firm Responses—Small Firms (4 Responders)

Salary Information

	President/ CEO	CFO <i>(1 Response)</i>	VP of Operations	Controller
Average Base Salary	\$133,290	\$180,000	\$85,200	\$85,650
Average Bonus Amount	\$95,000	∅	\$50,000	\$100,000 <i>(1 Response)</i>

	Assistant Controller	Payroll Accountant	AP Accountant	AR Accountant
Average Base Salary	\$52,787	\$34,000 <i>(1 Response)</i>	\$48,850	\$34,000
Average Bonus Amount	-	∅	∅	∅

	IT Manager	Network Administrator	Project Executive	Project Manager
Average Base Salary	-	-	\$120,640	\$69,966
Average Bonus Amount	-	-	-	\$9,500

	Project Engineer	Project Assistant	Project Administrator	Safety Manager
Average Base Salary	-	\$48,960	\$40,000	\$45,760
Average Bonus Amount	-	-	\$2,500	∅

	Sales/Mktg Manager	HR Manager	Chief Estimator	Estimator
Average Base Salary	\$62,400	-	\$50,000	\$81,560
Average Bonus Amount	∅	-	∅	\$19,167

	Superintendent	Field Foreman	Admin Assistant	Receptionist
Average Base Salary	\$72,453	\$76,467	\$48,940	\$45,000
Average Bonus Amount	\$6,000	\$7,000	\$3,500	\$1,500

II. Firm Responses—Medium Firms (11 Responders)

Salary Information

	President/ CEO	CFO	VP of Operations	Controller
Average Base Salary	\$171,973	\$104,526	\$117,634	\$76,800
Average Bonus Amount	\$121,250	\$82,000	\$55,188	\$8,100

	Assistant Controller	Payroll Accountant	AP Accountant	AR Accountant
Average Base Salary	\$60,733	\$56,210	\$39,977	\$47,520
Average Bonus Amount	\$2,500	\$4,714	\$1,667	\$2,600

	IT Manager	Network Administrator	Project Executive	Project Manager
Average Base Salary	\$90,200	-	\$109,500	\$88,021
Average Bonus Amount	∅	-	\$16,000	\$9,164

	Project Engineer	Project Assistant	Project Administrator	Safety Manager
Average Base Salary	\$53,333	\$36,500	\$43,300	\$72,500
Average Bonus Amount	\$3,750	\$2,000	\$2,500	\$3,750

	Sales/Mktg Manager	HR Manager	Chief Estimator	Estimator
Average Base Salary	\$100,000	\$63,333	\$101,250	\$71,500
Average Bonus Amount	\$4,500	\$1,250	\$9,750	\$7,411

	Superintendent	Field Foreman	Admin Assistant	Receptionist
Average Base Salary	\$87,975	\$67,867	\$44,273	\$26,860
Average Bonus Amount	\$12,171	\$3,311	\$2,100	\$1,000

II. Firm Responses—Large Firms (10 Responders)

Salary Information

	President/ CEO	CFO	VP of Operations	Controller
Average Base Salary	\$206,281	\$153,400	\$129,639	\$99,350
Average Bonus Amount	\$49,538	\$38,000	\$59,510	\$9,938

	Assistant Controller	Payroll Accountant	AP Accountant	AR Accountant
Average Base Salary	\$64,300	\$48,756	\$47,621	\$42,138
Average Bonus Amount	\$4,591	\$3,539	\$3,762	\$3,421

	IT Manager	Network Administrator	Project Executive	Project Manager
Average Base Salary	\$95,785	\$59,516	\$125,000	\$88,851
Average Bonus Amount	\$6,013	\$4,772	\$12,500	\$8,059

	Project Engineer	Project Assistant	Project Administrator	Safety Manager
Average Base Salary	\$64,216	\$42,776	\$42,938	\$82,337
Average Bonus Amount	\$3,600	\$2,564	\$1,798	\$4,296

	Sales/Mktg Manager	HR Manager	Chief Estimator	Estimator
Average Base Salary	\$83,634	\$65,738	\$89,681	\$62,585
Average Bonus Amount	\$12,600	\$4,751	\$7,052	\$4,444

	Superintendent	Field Foreman	Admin Assistant	Receptionist
Average Base Salary	\$89,546	\$68,832	\$42,963	\$33,524
Average Bonus Amount	\$5,400	\$2,400	\$2,493	\$1,803



Accountants & Advisors For:

- Carpenters, Cabinet Makers & Framers
- Concrete Work
- Electrical Contractors
- Environmental Contractors
- General Contractors
- Heavy Highway Construction
- Homebuilders
- Insulation/Asbestos Abatement Contractors
- Masonry & Stonework Contractors
- Mechanical Contractors
- Plastering, Painting & Drywall Contractors
- Real-Estate Development
- Residential & Commercial Construction
- Roofing & Siding Contractors
- Utility Contractors
- Water Well Drilling Contractors
- Wrecking, Demolition & Excavation Contractors

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BONADIO CONSTRUCTION DIVISION

We Deliver Concrete Advice

Running a construction company can be a challenge, but the right tools can make a world of difference. Intuitive, experienced, and dependable, The Bonadio Group has become a trusted resource of the construction industry, helping construction firms, contractors, and business owners achieve financial success and peace of mind through exceptional service, the right solutions to their problems, and accessibility.

Our construction team understands the construction industry's unique challenges. Our knowledge and decades of experience enable us to guide our clients and help them operate successful, thriving businesses. We provide assistance in nearly every aspect of business planning and management for construction companies and their owners.

We thoroughly understand the fine line that separates the business from its owner, and the myriad of tax, business planning, and financing issues that lurk at this crossroad. We are well equipped and versed in helping business owners thrive in the complicated construction environment.

The result: a trusted strategic relationship that enables our clients to build on their success, maintain a competitive advantage, and achieve growth and profitability.

Construction company owners encounter operational and financial issues throughout the year—that's why we don't just prepare financial statements and tax returns, deliver them and say "see you next year." We talk to our clients throughout the year to make sure that all of their needs are being taken care of. Additionally, we provide guidance and insight through our annual construction survey and construction summits. We are committed to your industry!



Our relationship with The Bonadio Group extends well beyond the typical vendor/client engagement, as they treat us as true business partners with our best interests as their first priority. Their engagement team's knowledge is exemplary, of course, but let's be honest—tax laws and accounting rules don't change much from one provider to the next. The Bonadio difference is in the level of service they provide to us. They delve deep, uncover savings, provide advisement on a broad spectrum of matters, and quite honestly, go well beyond the role of the typical accounting firm. For these reasons, I have the greatest confidence and trust in our Bonadio team."

LeChase Construction Services, LLC Chuck Caranci, Executive VP & CFO

Client Testimonials

“ The Bonadio Group does excellent audit and tax work, but what makes them truly unique is the sound business advice they give us on diverse business problems—when we were involved in a lawsuit, they were there to help—when we needed to sell properties, they were there to help. It’s reassuring to know that at every business turn they are always there for us.”

Mark Burritt, CFO
Fahs Construction Group

“ The Bonadio Group markets itself as “Big Firm Capabilities Small Firm Personality” and that is so true. We aren’t just a client to them—we are treated as true friends. They care about us and they care about our business. The personalized service we receive goes well beyond traditional accounting and tax advice. Whenever we have a new project, venture, or idea we turn to them for advice and help. They are our most trusted business advisors.”

John Zoladz, President
Zoladz Construction Co., Inc.



Our construction professionals have a thorough understanding of the issues and trends that affect the industry and your business. The services we provide our construction clients include:

Operational Solutions

- Multi-state licensing & pre-qualification
- CFO and controller consulting
- Cost reduction strategies
- Estimating services
- Executive search
- Information technology audits & system selection services
- Operational cost reviews
- Pre-qualification & filings to do business in other states
- Process improvement
- Productivity studies
- Profit improvement analysis
- Stock purchase plans
- Strategic management plans
- Company training & development programs
- Family business counseling
- Executive support for CEO's
- Management retreat facilitation

Continuity Solutions

- Business valuations
- Construction claims
- DOL audit assistance

Financial Solutions

- Assistance with contract claim preparation
- Audit, review & compilation services
- Bank and surety consultation
- Key management incentive plans
- Insurance risk and cost analysis
- Cost segregation analysis
- Credits and incentives
- Like-kind exchanges
- Sale and acquisition strategies
- Tax planning
- Tax return preparation
- Consulting on sale/leasebacks of real estate & equipment
- Demolition cost write-offs
- Real estate development planning

Continuity Solutions

- Review of buy-sell agreements
- Employee benefits, pensions, & retirement plans
- Estate, gift and trust planning
- Pension planning
- Personal financial planning
- Succession planning

Our construction clients expect more and get more. In addition to our accounting (surety approved financial statement format) and tax services, we provide our clients with the advice they need to successfully manage their companies now and in the future.

Bonadio's Construction Division serves over 250 construction/contractor clients throughout New York State and beyond. Construction company owners need advisors who know construction and who have the know-how, skills, and experience to provide the guidance, advice, and solutions to ensure profitability. That's why the specialists on our team include, CPAs, tax specialists, valuation experts, engineers, CCIFPs, CITs, Certified Fraud Examiners, and Certified Exit Planning Advisors.

Big firm capability. Small firm personality.