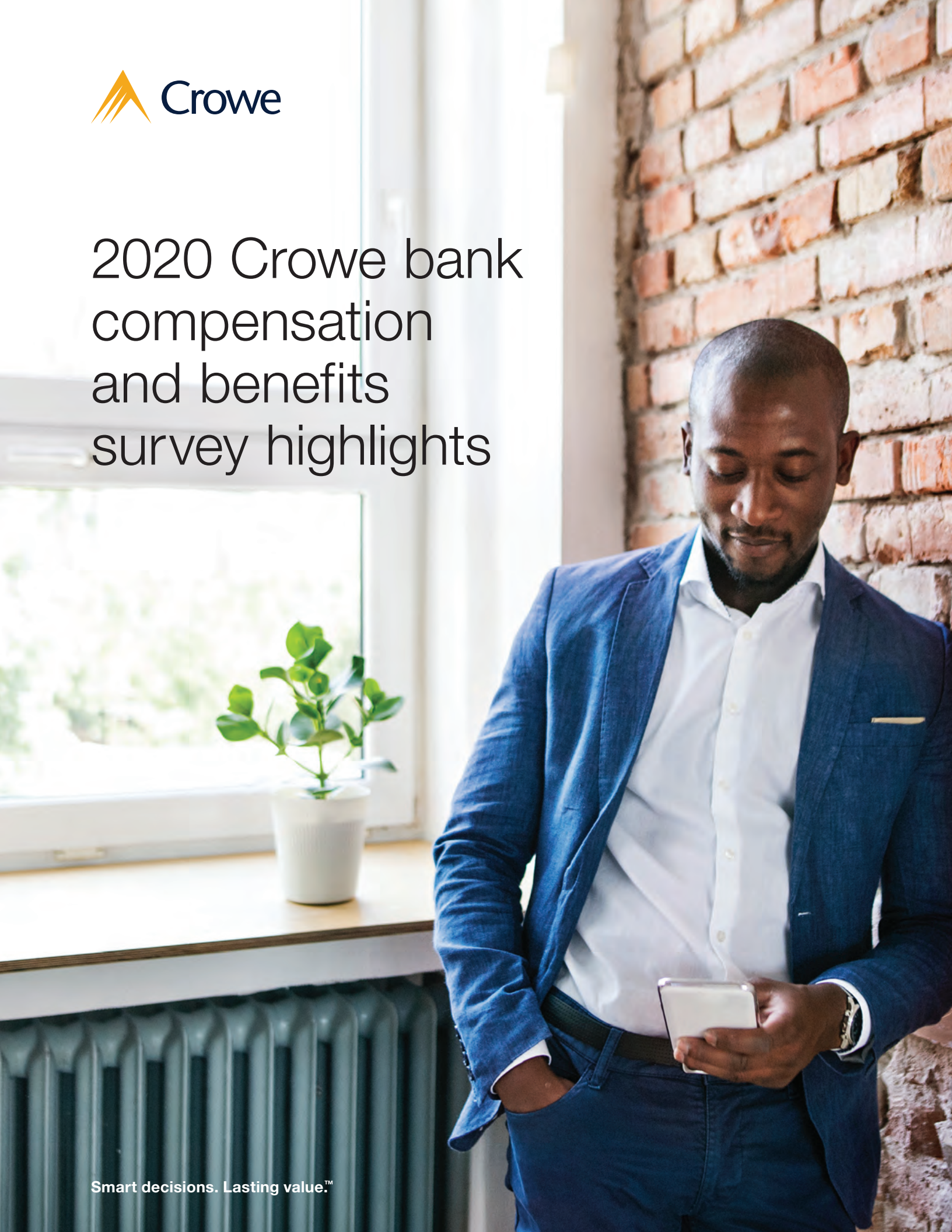
Crowe

2020 Crowe bank compensation and benefits survey highlights



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Highlights

A total of 386 banks and credit unions contributed information to the "2020 Crowe Bank Compensation and Benefits Survey." The participants represented a broad sample of the industry by asset size and geographic location.

The survey results provide salary and bonus benchmarks for 273 job positions as well as information regarding benefits, incentives, director compensation, and human resource practices. Following are several observations that showcase the trends and comparisons identified through our survey results.

Asset size	Participants
Less than $250 million	140
$250 million-$500 million	111
$500 million-$1 billion	79
$1 billion-$5 billion	48
Greater than $5 billion	9

Branch closings

In this year's survey, Crowe asked banks and credit unions to provide information about how COVID-19 affected their organizations and what changes they made a result. The most surprising response was that even though most have stayed extremely busy administering Paycheck Protection Program (PPP) loans, 5% of banks and credit unions have laid off employees since March. These layoffs primarily were done all at once rather than in multiple rounds.

5%

of banks and credit unions laid off employees

One factor that might explain layoffs is that activity at many branches has declined significantly. The decline in branch traffic appears to have been the opportunity executives were looking for to close lagging branches. Branch closures might be the largest contribution to the layoffs, although our survey did not ask a specific question about this.

Supplying personal protective equipment

Because personal protective equipment (PPE) has been a major concern this year, especially for branch staff, some organizations provided PPE to employees who were still required to work on-site during the pandemic. More than half (55%) of banks and credit unions provided gloves, but only a small percentage provided face masks (18%) or face shields (2%). As a result, many employees were left to procure these items on their own.

55%

18%

2%


1
2
3

Working from home

Because banks and credit unions generally were deemed essential businesses, many continued to staff their offices during various states' stay-at-home orders. However, others allowed employees to work from home when possible. Allowing employees to work from home has been a big shift for most banks and credit unions, especially those that actively discouraged remote work prior to the pandemic. This shift has been remarkable not only because of industry culture but also because of technology, as small to midsized banks and credit unions were generally not equipped to broadly grant employees remote access to bank systems and have had to change very quickly.

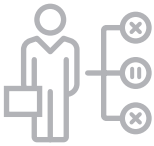
While on average banks and credit unions allowed only 19% of their employees to work remotely at least one day per week, this statistic does not tell the whole story. Crowe found a stark difference in responses when reviewing the data. The organizations that did permit employees to work remotely tended to allow a majority of employees to do so – around 75%. On the other hand, many did not permit any employees to work from home. This opposite response might be due simply to technology limitations, but it is fairly surprising in the current climate.

19%

of employees work remotely at least one day per week

Hiring trends and raises

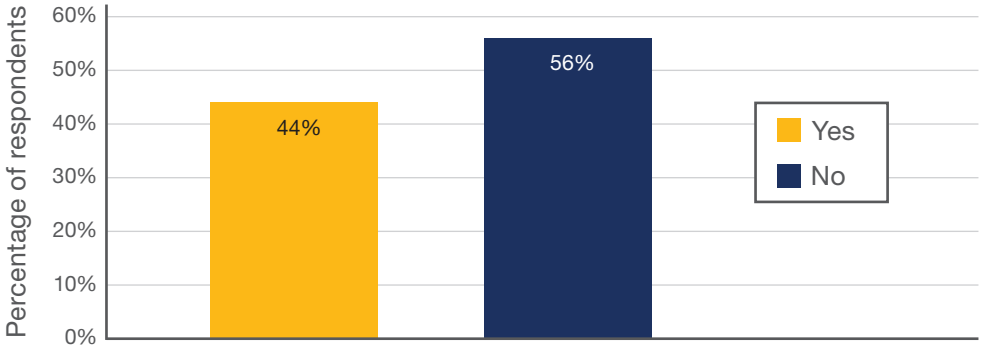
29%



of banks and credit unions eliminated or deferred planned new hires

With concerns regarding economic downturn on the horizon, 29% of banks and credit unions kept costs down by delaying hiring for any new position openings. Eliminating and deferring planned new hires has created challenges for overworked staff and for bankers who were laid off as a result of COVID-19.

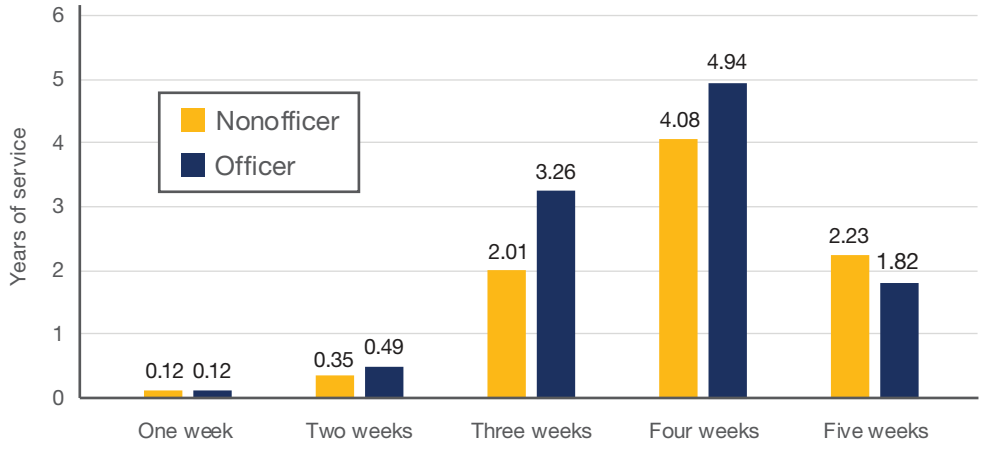
Anticipating smaller-than-normal raises in 2021



Banks and credit unions that are concerned about the current and future economic slowdown also are anticipating smaller raises for current personnel. While unemployment grows nationwide, the competition for talent is still strong in the industry. Will the fact that 44% of banks and credit unions are planning for smaller-than-normal raises in 2021 affect turnover next year? During 2020, only 7% of banks and credit unions froze planned raises, but this decision might prompt smaller raises next year.

Paid time off

Average years of service required per week of PTO



Crowe has been tracking paid time off (PTO) requirements in its Bank Compensation Survey for years, and there are a lot of changes happening in the market and potential misconceptions on the survey data to review.

It might seem odd at first that the years-of-service requirement for five weeks of PTO is less than the requirement for four weeks. But according to the data, the reason is that many banks and credit unions simply do not offer five weeks of PTO and stop at four. Those organizations that do offer five weeks or more often have lower tenure requirements overall.

What is surprising is the large split between those organizations that require 25 to 30 years to earn four or five weeks of PTO and those that provide five weeks automatically to new hires.

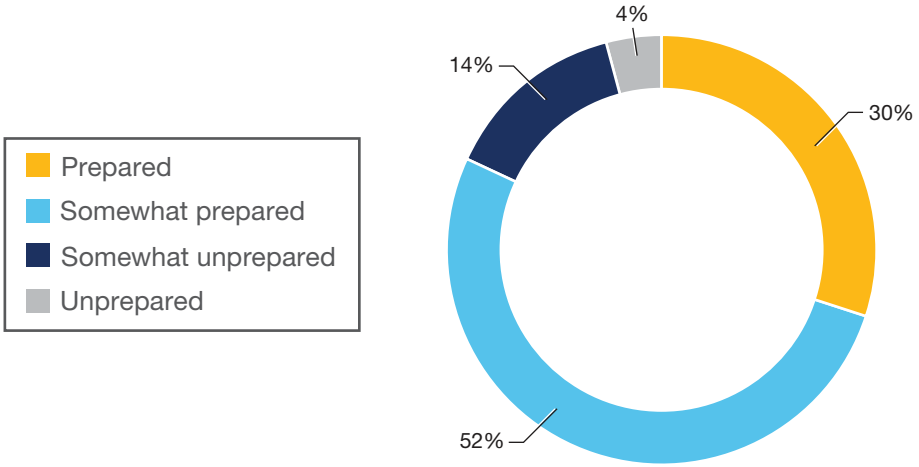
This distinction skews the averages slightly, and it makes the representation of the data show that five weeks of PTO requires less tenure than four.

Notably, when looking at organizations that require more than 25 years of tenure for an additional week of PTO compared with organizations that automatically grant more PTO, one must take into account the shift in PTO policies in the market. It is becoming more common in banking and especially in other industries to offer more flexible time-off polices.

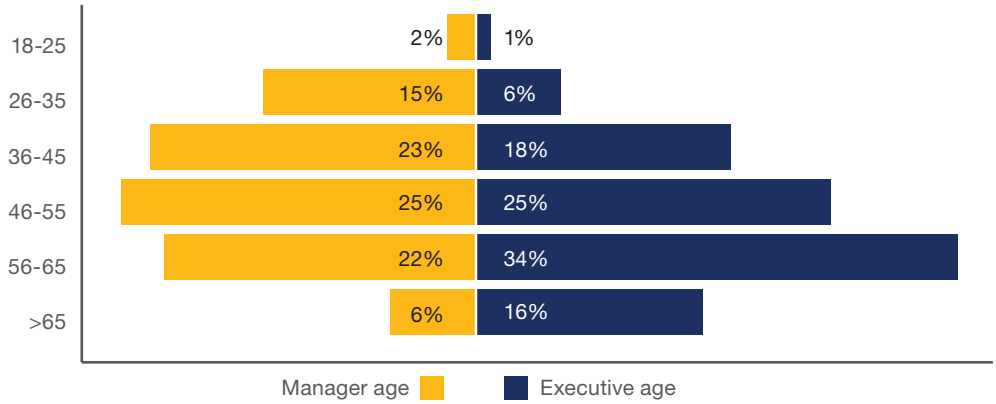
Some organizations have made the switch to an unlimited PTO plan in which employees work with their managers to determine the right amount of time off for their needs and career goals. While these types of plans are relatively new, they are growing more common, and it will be interesting to keep an eye on this development in the next few years.

Succession planning

Levels of succession planning



Manager and executive age breakdown



*Due to inconsistencies in the survey responses, results may not equal 100%.
The results shown are the averages of the responses for each category.

It is surprising, given the breakdown of executives and managers for each age group, that only 58% of organizations reported that they have a documented, board-approved succession plan. While many banks and credit unions might not have a documented succession plan, executives likely have managers who they expect will be able to succeed them after retirement.

It is important to document a plan that makes clear for the board which executive roles might be able to be filled from within the organization and which areas might require external hires. Especially in the case of CEOs, for whom the process of identifying and selecting successors takes much longer, it is critical for banks and credit unions to have a plan for succession.

Salary trends

Position	Median salary 2018 (420 banks)	Median salary 2019 (778 banks)	Median salary 2020 (386 banks)	Percent change 2019 to 2020	Percent change 2018 to 2020
CEO/President	$242,887	$231,082	$245,000	6.0%	0.9%
Chief credit officer	$153,381	$153,500	$155,000	1.0%	1.1%
Chief financial officer	$153,355	$150,754	$156,413	3.8%	2.0%
Chief information officer	$117,880	$130,000	$121,000	-6.9%	2.6%
Commercial loan officer III	$115,650	$120,000	$121,000	0.8%	4.6%
Chief human resources officer	$104,502	$112,586	$110,095	-2.2%	5.4%
Top retail banking officer	$111,000	$112,000	$110,000	-1.8%	-0.9%
Chief compliance officer	$87,000	$88,350	$87,500	-1.0%	0.6%
Branch manager II	$61,000	$64,727	$61,007	-5.7%	0.0%
Credit analyst I	$46,998	$46,870	$49,000	4.5%	4.3%
Commercial loan processor	$42,600	$45,000	$45,384	0.9%	6.5%
Teller operations supervisor	$38,976	$37,877	$40,062	5.8%	2.8%
Loan operations processor	$36,289	$37,000	$37,800	2.2%	4.2%
Personal banker I	$34,230	$34,503	$36,071	4.5%	5.4%
New accounts representative	$34,000	$33,831	$34,930	3.2%	2.7%
Lead teller	$32,652	$33,663	$34,000	1.0%	4.1%
Universal banker	$32,004	$32,605	$33,000	1.2%	3.1%
Customer service representative I	$33,243	$32,365	$34,230	5.8%	3.0%
Teller III	$30,269	$31,689	$31,970	0.9%	5.6%
Data entry/Item processing clerk	$30,450	$30,660	$32,743	6.8%	7.5%
Teller II	$26,502	$28,287	$28,214	-0.3%	6.5%
Teller I	$24,461	$25,725	$26,103	1.5%	6.7%

This year's survey results indicate a mixed bag in terms of salary increases and decreases. When compared to 2018, all sample positions showed an increase with the exception of top retail banking officer. Notably, the CEO position had the largest increase since 2019, which could be due to the change in dataset over the last three survey years.

Back-office positions tended to have smaller increases or decreases when compared to front-office positions such as branch staff. As banks continue to compete for deposits, having excellent customer-facing staff is important, but it cannot be at the expense of back-office staff who keep the bank running efficiently.

Reversing the trend over the past several years, the chief information officer (CIO) position saw a significant decrease in salary since 2019. This change might reflect a correction in the market as banks competed for the best talent and raised salaries for other positions. Additionally, CIO salaries might be lower because of expanded staffing needs in IT and budgetary limits.

Learn more

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