

SALARY SNAPSHOT

BY BRYN MOOTH

The good news: Overall, design salaries are on the rise. The bad news: Not everyone is seeing a big bump. See how your paycheck stacks up in HOW's latest industry survey.

In the past two years, gas prices have gone up, grocery prices have gone up ... and if you're a designer, your salary has gone up, too. Nationwide, designers saw bigger bumps in their paychecks since 2006 than they saw between 2004 and 2006.

That's the big news in HOW's 2008 Design Salary Survey. We polled the U.S. design community via an online survey that ran from April 28 through July 18; 2,254 designers responded. HOW conducts the survey every two years, using the same questions, to examine trends in designers' salaries, benefits and bonuses.

SALARIES ARE UP*

*But not everywhere. Nationwide, designers overall saw an average 8.1% increase in their take-home pay from 2006 to 2008; that compares to 6.2% in the previous two-year period.

According to the HOW survey, four interesting trends have emerged involving big-city designers, in-house creatives, freelancers and web designers.

First, the news isn't great for designers in New York City and San Francisco. Those creative hotbeds have seen flat or declining salary trends in the past two

years (the average salary in San Francisco *decreased* just over 3% since 2006; NYC saw no change).

In New York, the flat trend may be a function of the now-slowing economy, notes Sarah Durham, principal of Big Duck in Brooklyn. "There's a sense that the market has eased up and that it's harder for designers to find desirable positions, especially during the current economic climate," Durham says. "I know more and more designers who are opting to freelance instead." The flip side for employers, Durham says, is that the wealth of designers looking for work means it's getting easier to find good help, and at reasonable wages. At press time, she was hiring for her nine-person shop, which helps nonprofits with branding and design.

By contrast, paychecks in the Northeast and South increased by 13.9% and 19%, respectively. Compensation in all regions except NYC and San Francisco outpaced the growth we saw in the 2006 survey.

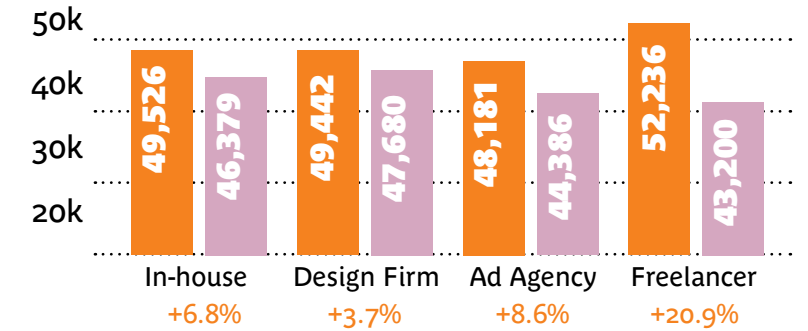
The second trend: The wage gap between in-house designers and their agency peers has all but disappeared (it's currently less than \$100). That continues a pattern that this survey revealed in 2004 and 2006: In-house salaries have caught up to design-firm salaries.

Third, freelance designers, whose salaries have in recent years lagged behind creatives working in corporations, firms and advertising agencies, reported the biggest spike in this year's survey, a whopping 21% change from 2006. The average freelancer's salary in 2008 is more than \$9,000 higher than in 2006 (freelancers made up similar proportions of the survey group in both years). For the first time since 2002, independent creatives are making more than their peers working for others.

And fourth, the double-digit growth in salaries for web designers that we saw between 2004 and 2006 (15%) has cooled to 4.4% between 2006 and 2008. While the survey doesn't pinpoint regional differences for web designers, it's possible that salaries for these creatives may vary by market. In Dallas, for example, web designers are hot commodities according to Phillip Carpenter with Redonk Marketing, which specializes in online marketing. "Because client budgets have shifted to more accountable online channels, print designers have not been an ongoing need," Carpenter says, noting that his firm has found it difficult to find new hires recently. "Web and interactive designers are in high demand, and it's been a challenge to fill open positions."

Predictably, the overall salary picture translated into bigger raises for designers. Nearly 69% of respondents reported receiving a pay increase in the past 12 months, compared to nearly 62% in 2006. The average raise was \$2,835. Employers were still a bit stingy on bonus payouts, though: Of the 44.3% of respondents eligible to receive cash bonuses at work, 37.3% actually pocketed that perk. The average bonus, \$1,485, was down from \$2,050 in 2006.

SALARY BY WORKPLACE



stock in their firms; 13% are eligible for profit-sharing. Those responses mirror what we saw in 2006.

Again this year, most respondents (54.6%) say their employer partially pays for their health insurance; 26.4% enjoy fully paid premiums, while 19% do not receive paid health insurance. Among other benefits, dental insurance, life insurance and prescription drug coverage were the most prevalent.

MONEY ISN'T EVERYTHING

As we've advised in previous Design Salary Reports, you're encouraged to use this data as a general guideline, not a hard-and-fast pay scale. Perhaps more than ever, regional differences make it important for designers to base their salary expectations on their markets, not just on these figures.

Before you march into the boss's office to demand a raise, also consider the non-monetary factors that enhance your paycheck, such as job satisfaction, creative freedom and camaraderie with your co-workers. "Salary plays a secondary role for me," says Erin Potter, a designer with an ad agency in Mooresville, NC, who notes that he suffers an 80-minute commute every day because he likes his gig. "Mostly, it's about 'Do I like the people I work with? Are the projects engaging enough to hold my interest?' and then, 'Do I get compensated fairly for what I'm asked to do on a daily basis?' I feel like you have to like what you do, like the people you work with and be open-minded to truly succeed."

Furthermore, it's wise to look at any salary data as a snapshot of a particular period in time. "Salary surveys are really a history lesson," says Megan Slabinski, executive director of staffing agency The Creative Group. "With the economic changes we're looking at now, I'm wondering if six months from now we'll start to see salaries drop." **HOW**

Bryn Mooth is HOW's editor. www.howdesign.com

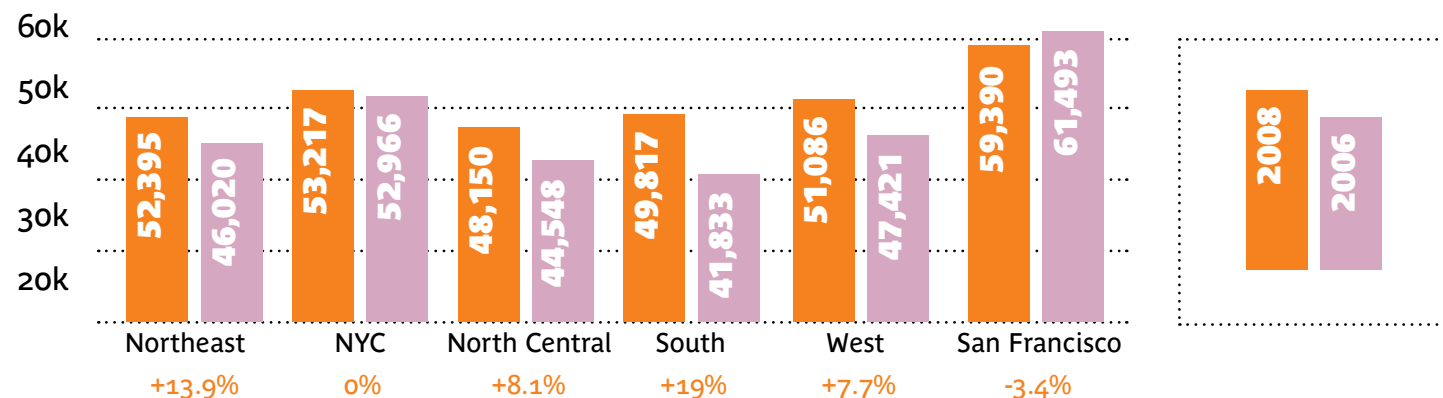
PHILLIP CARPENTER DALLAS www.redonkmarketing.com

SARAH DURHAM NEW YORK CITY www.bigducknyc.com

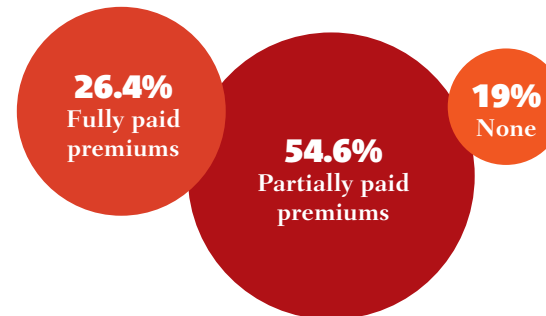
ERIN POTTER MOORESVILLE, NC

MEGAN SLABINSKI MENLO PARK, CA www.creativegroup.com

SALARY BY REGION



HEALTH INSURANCE



BENEFITS ARE STEADY

Compared to results from the 2006 HOW Salary Survey, designers are receiving similar benefits packages from their employers. The percentage of respondents reporting on their companies' retirement plans, for example, again showed that employer-matched 401 (k) retirement plans are the most popular option, with 51.5% of designers receiving that benefit. Just under 10% of survey participants are eligible to purchase

REGIONS WITH THE BIGGEST SALARY GROWTH SINCE 2006



"My sense is that the [Dallas] market is trending above the nation in terms of the economy. There are jobs with several agencies for web and interactive designers and perhaps a slowing demand for print designers." — Phillip Carpenter

Biggest Salary Growth

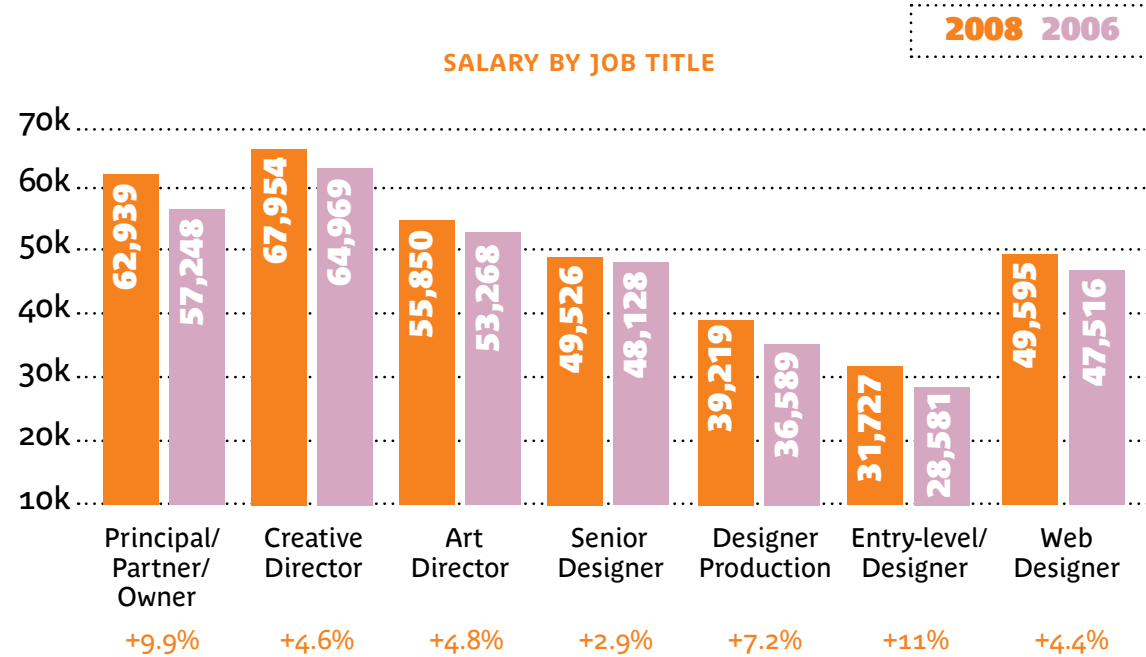
Freelancers are earning 21% more than in '06
Followed by ad-agency creatives (8.6%), in-house creatives (6.8%) and designers working for firms (3.7%).

11%

Entry-level designers now earn 11% more than reported in 2006

SALARY SURVEY

Every two years, HOW polls U.S. graphic designers via an online survey to take a picture of salaries, benefits and bonuses in the industry. This year's survey ran from April 28 through July 18; we promoted the research project through HOWdesign.com, various e-mail newsletters, forums and blogs. Just over 2,250 designers from across the country responded.



Life in the Big City

New York City reported no salary change since 2006, while San Francisco reported a 3.4% salary decrease.

The unstable U.S. economy makes salary data more unpredictable than in 2006. "With the economic changes we're looking at now, I'm wondering if six months from now we'll start to see salaries drop." — Megan Slabinski

3.9%

Current unemployment rate for designers (vs. 5.7% for all industries)

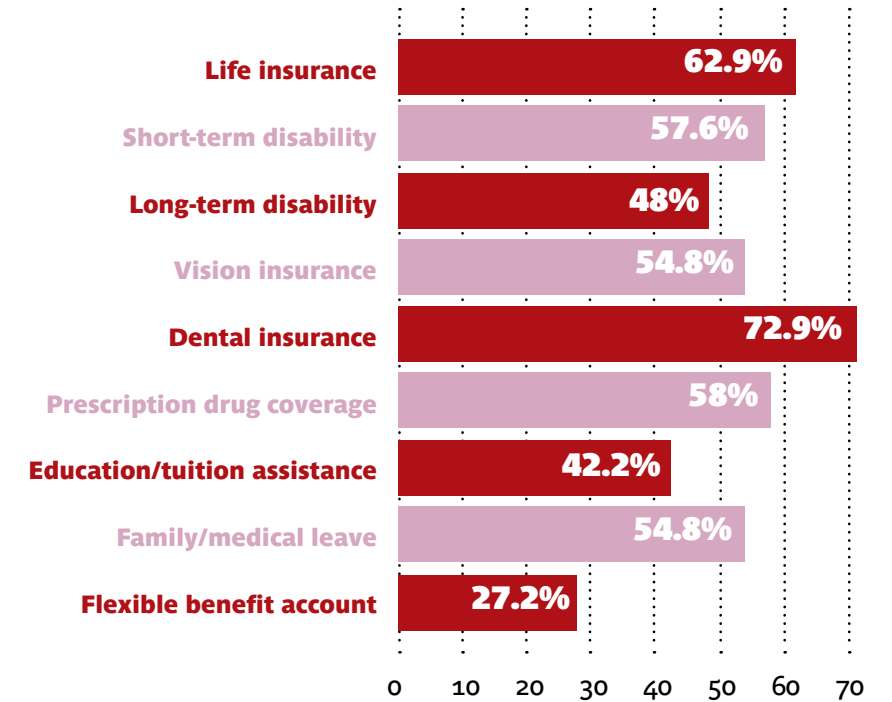
"I feel you have to like what you do, like the people you work with, and be open-minded to truly succeed."

— Erin Potter

SALARY BY GENDER



DESIGNERS RECEIVING BENEFITS COVERAGE



8.1%

growth in national average designer salary since 2006

\$49,753

national average annual salary for designers

81%

of creatives receive fully or partially company-paid life insurance

"We're still seeing the same level of demand from our clients, and candidates aren't backing off their salary requests; companies are still having to offer high salaries to attract the top talent." — Megan Slabinski