

Real-time insights survey:

# Inflation is hitting Americans hard

## – how are employers responding?

With the Consumer Price Index (CPI) rising to 7.9 percent in the year through February, the US hit a new 40-year high for inflation. With Americans feeling the sting of increased gas, food and rental prices across the country, how are US employers responding?

Here are the top 3 findings from Mercer’s March 2022 survey of over 300 US employers.

To see the complete survey results and question wording for the data shown, [access the results here](#).

## Labor shortages continue to be a strain on most US companies

**47%** of US organizations rank labor shortages as a significant issue

**77%** of respondents cited dissatisfaction with pay/and or ability to get a higher salary at another company as a top 5 reason for turnover

**35%** of US organizations cited a significant increase in turnover of 3+ percentage points among their hourly-paid frontline workforce

**42%** of US employers cited burnout



## Inflation vs Cost of Living (COL)?

**46%** of US organizations do not factor inflation in salary budgets

However, **43%** of respondents reported employees were requesting financial action to be taken to offset the rise of inflation

Less than **25%** of organizations say they are revising salary budgets due to inflation, though **44%** of organizations say they will reassess the need for additional salary reviews

**50%** of organizations say they will conduct additional salary reviews for all or some employees in response to heightened inflation



## Pay is viewed as a critical lever for attraction and retention

 50% of organizations say they are paying higher than market rate in response to challenges attracting and retaining employees, with 42% implementing retention bonuses

 60% of organizations say that they’ve seen an increase in the number of counter-offers received by candidates, of which 29% say they are typically beating or matching those counter-offers

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