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## Little Confidence That Benefits Cut by Companies Will Be Reinstated When Economic Crisis Ebbs

*More than a third of Americans in the labor force say they have considered starting their own business*

**ROCHESTER, N.Y. – April 9, 2009** – The current economic crisis has caused many companies worldwide to make changes in the benefits they offer their employees, such as cutting bonuses, pensions, 401(k) matches or salary increases. But what happens when the economic crisis is over – will these companies reinstate these benefits or not? At the moment, only a minority of Americans believe these benefits will be reinstated.

These are some of the findings of *The Harris Poll*, a new nationwide survey of 2,280 U.S. adults surveyed online between March 24 and 26, 2009 by Harris Interactive:

Specifically, Americans believe:

- Only just over one-third of adults (36%) believe that companies will reinstate annual salary increases that match or exceed inflation if they were cut while 23% say they will not and 41% are not at all sure;
- Only one-third (32%) of Americans say companies will reinstate pensions if they were cut while one-quarter (25%) say they will not and 43% are not at all sure;
- When it comes to bonuses that were cut, one-third (32%) of adults believe those will be reinstated while 27% believe they will not be reinstated and 41% say they are not at all sure; and,
- Only three in ten (30%) Americans believe that the 50% match on the first 6% an employee contributes to his/her 401(k) plan will be reinstated if they were cut while 23% say they will not be reinstated and just under half (47%) are not at all sure.

Certain groups are more likely to believe these cuts will be reinstated than others. For example, regionally, those in the Midwest are optimists as they are more likely to believe all four of these benefits will be reinstated than people in other areas of the country. Men are also more likely than women to believe companies will reinstate annual salary increases (41% vs. 32%), bonuses (37% vs. 27%) and the 50% match on 401(k) contributions (32% vs. 28%).

### Entrepreneurial Considerations

As more and more people struggle economically or are laid off from jobs, there are a small number who may be considering plans to start their own businesses. Among those who are currently employed or are looking for work, almost one in ten (9%) say they have started or currently run their own business and 6% say they have begun making plans to start their own business. Fully 37% of those employed or looking for work have considered starting their own business in the past or recently, but have not done so, and about half (48%) have never considered starting their own business.

**So What?**

“Overall, there is a great deal of uncertainty about how companies will behave in the future. Large pluralities of Americans are uncertain if businesses will reinstate any of the cuts in salaries and benefits made in the wake of the economic crisis,” says Howard Lax, Senior Vice President, Financial Services Research Group, Harris Interactive. “There is a ray of hope, however, in that one-third of respondents are optimists expecting cuts to be reversed, outnumbering the one-quarter of pessimists who think the cuts will be permanent.”

**TABLE 1  
EXPECTATIONS OF BENEFIT REINSTATEMENT**

“During the recent economic crisis, many companies have made certain cuts to benefits and salaries. Assuming each of the following were cut, which do you think employers will reinstate and which will they not reinstate?”

Base: All U.S. adults

	Will Reinstatement	Will not reinstate	Not at all sure
	%	%	%
Annual salary increases that match or exceed inflation	36	23	41
Pensions	32	25	43
Bonuses	32	27	41
A 50% match on the first 6% an employee contributes to his/her 401(k) plan	30	23	47

Note: Percentages may not add up to 100% due to rounding

**TABLE 2  
EXPECTATIONS OF BENEFIT REINSTATEMENT – By Region and Gender**

“During the recent economic crisis, many companies have made certain cuts to benefits and salaries. Assuming each of the following were cut, which do you think employers will reinstate and which will they not reinstate?”

*Percentage saying “Will Reinstatement”*

Base: All U.S. adults

	Total	Region				Gender	
		East	Midwest	South	West	Male	Female
	%	%	%	%	%	%	
Annual salary increases that match or exceed inflation	36	33	42	36	34	41	32
Pensions	32	34	36	30	30	31	34
Bonuses	32	27	34	32	33	37	27
A 50% match on the first 6% an employee contributes to his/her 401(k) plan	30	28	34	30	29	32	28

Note: Percentages may not add up to 100% due to rounding

**TABLE 3  
ENTREPRENEURIAL CONSIDERATION**

“Which of the following best describes you in regard to starting your own business?”

Base: Currently Employed Or Looking For Work But Not Self Employed

	Total	Age			
		18-34	35-44	45-54	55+
	%	%	%	%	%
I have started/currently run my own business	9	9	5	9	13
I have begun making plans to start my own business	6	6	7	8	3
I have considered starting my own business in the past/recently but have never done so	37	32	45	41	32
I have never considered starting my own business	48	53	42	43	52

Note: Percentages may not add up to 100% due to rounding

**TABLE 4  
EMPLOYMENT STATUS**

“What is your employment status? Please select all that apply.”

Base: All U.S. adults

	Total
	%
Currently Employed Full/Part Time/Self Employed (Net)	54
Employed full time	37
Employed part time	13
Self-employed	7
Not employed, but looking for work	10
Not employed and not looking for work	3
Not employed, unable to work due to a disability or illness	4
Retired	19
Student	14
Homemaker	10
Currently Employed Or Looking For Work But Not Self Employed (Net)	57

Note: Percentages may not add up to 100% due to rounding

**Methodology**

This *Harris Poll* was conducted online within the United States March 24 and 26, 2009 among 2,280 adults (aged 18 and over). Figures for age, sex, race/ethnicity, education, region and household income were weighted where necessary to bring them into line with their actual proportions in the population. Propensity score weighting was also used to adjust for respondents’ propensity to be online.

All sample surveys and polls, whether or not they use probability sampling, are subject to multiple sources of error which are most often not possible to quantify or estimate, including sampling error, coverage error, error associated with nonresponse, error

associated with question wording and response options, and post-survey weighting and adjustments. Therefore, Harris Interactive avoids the words “margin of error” as they are misleading. All that can be calculated are different possible sampling errors with different probabilities for pure, unweighted, random samples with 100% response rates. These are only theoretical because no published polls come close to this ideal.

Respondents for this survey were selected from among those who have agreed to participate in Harris Interactive surveys. The data have been weighted to reflect the composition of the adult population. Because the sample is based on those who agreed to participate in the Harris Interactive panel, no estimates of theoretical sampling error can be calculated.

***These statements conform to the principles of disclosure of the National Council on Public Polls.***

### **About Harris Interactive**

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Harris Interactive Inc. 4/09