RCLCO
REAL ESTATE CONSULTING

MONTHLY WEBINAR

NEW YEAR, NEW TRENDS – COMPENSATION & TALENT MANAGEMENT

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TODAY'S PANELISTS

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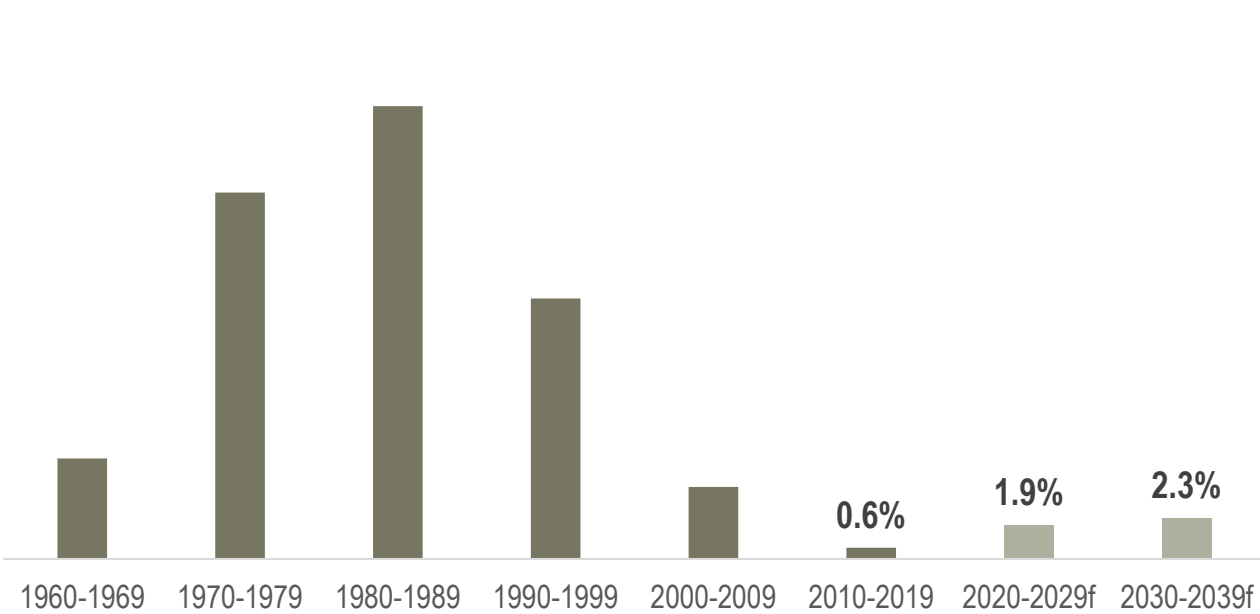**P:** (310) 294-1192
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THE BIG SHIFT
US Demographics Create Some Headwinds For Employers Looking Forward

Prime working age population growth has slowed...

Prime Working Age Population Growth (25-54 yrs, 1960-2039)

1960-1969	1970-1979

0.6%   1.9%   2.3%

1960-1969 1970-1979 1980-1989 1990-1999 2000-2009 2010-2019 2020-2029f 2030-2039f

...and we're increasingly reliant on aging Baby Boomers.

Civilian Labor Force, 55 and older (2002-2032)

2002   2012   2022   2032f

■ 55 to 64   ■ 65 to 74   ■ 75 and older   ● Percent of Labor Force
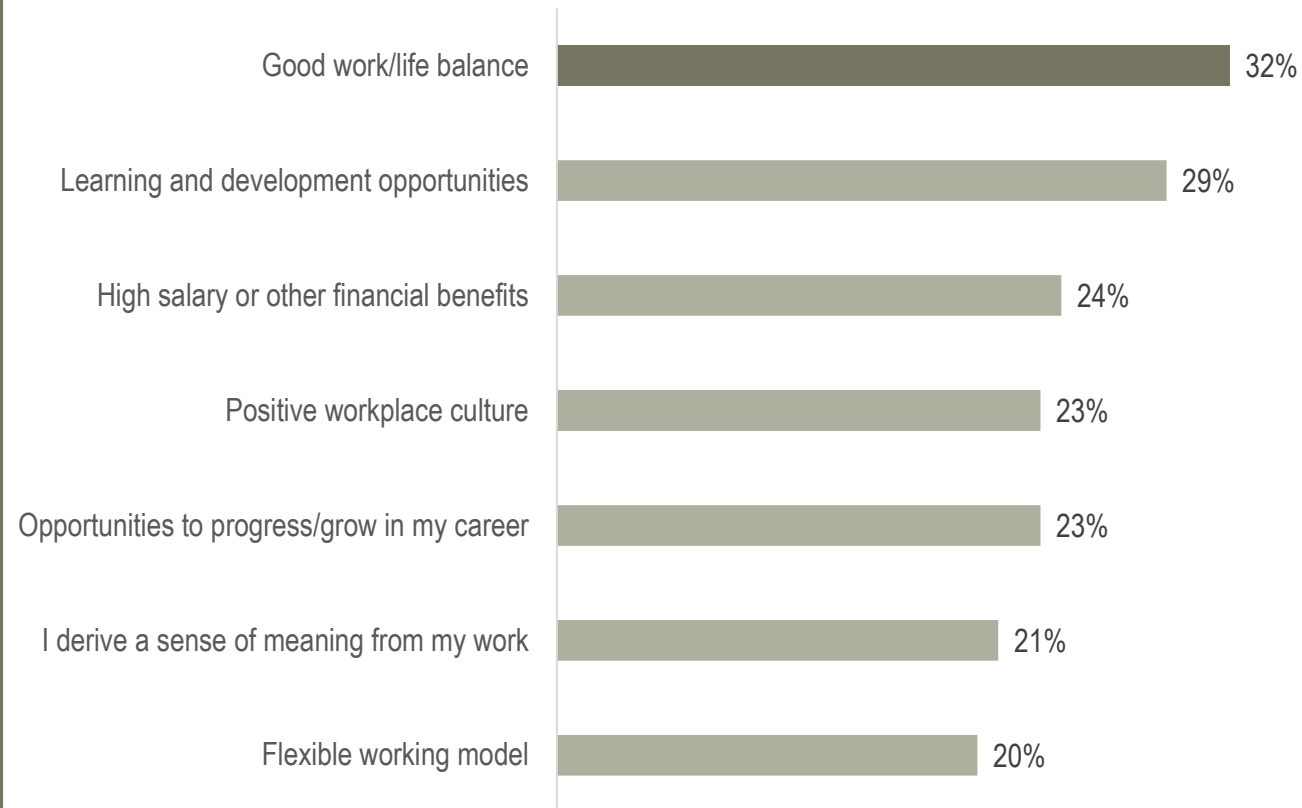
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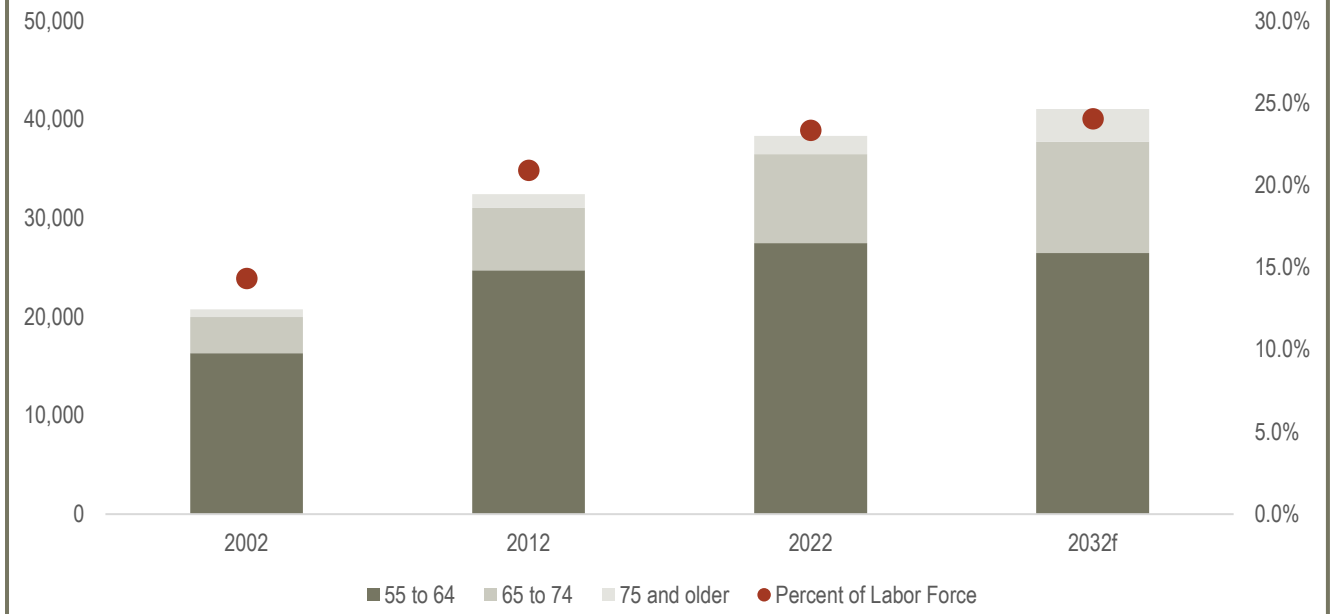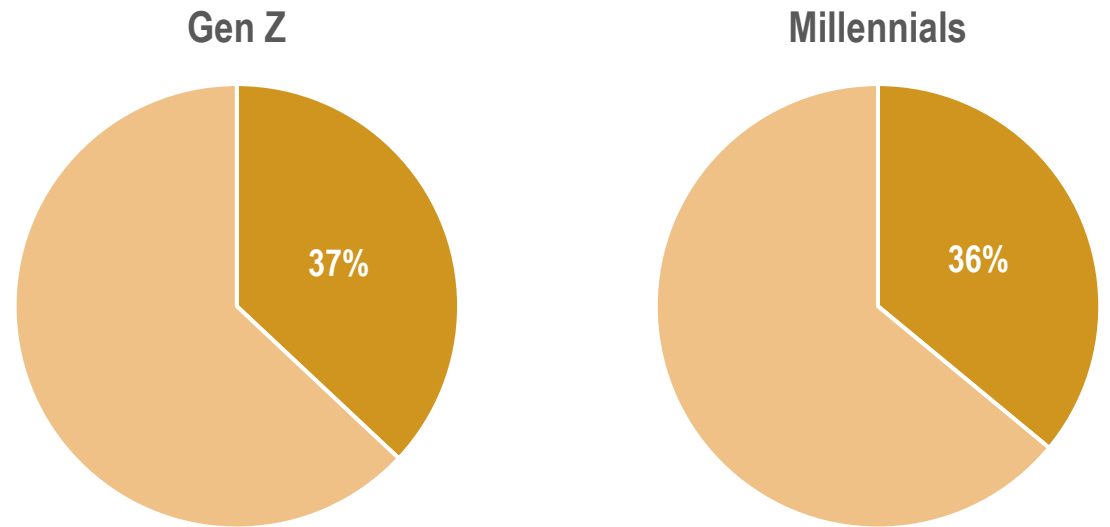
THE BIG SHIFT
And talent has different priorities

Younger employees place a high value on holistic wellbeing and purpose-driven organizations

Top Reasons for Working for Current Organization (Gen Z)

Reason	Percentage
Good work/life balance	32%
Learning and development opportunities	29%
High salary or other financial benefits	24%
Positive workplace culture	23%
Opportunities to progress/grow in my career	23%
I derive a sense of meaning from my work	21%
Flexible working model	20%

Rejected a job and/or assignment based on their personal ethics

Gen Z
37%

Millennials
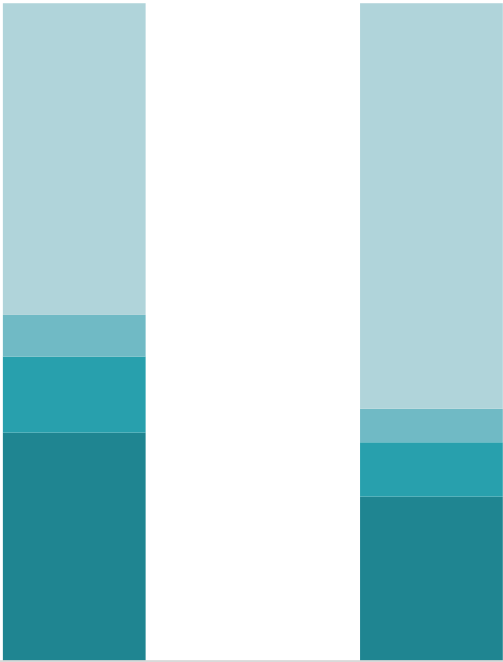36%

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HERE FOR THE LONG-RUN
LTIPs have become more inclusive, particularly for aligning incentives with senior management

The share of companies reporting that nearly all (75%+) of senior management has **LTIP participation increased from 30% to 50%**
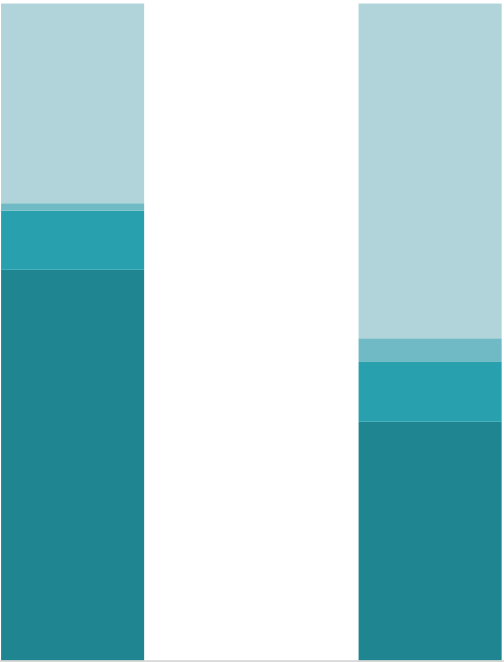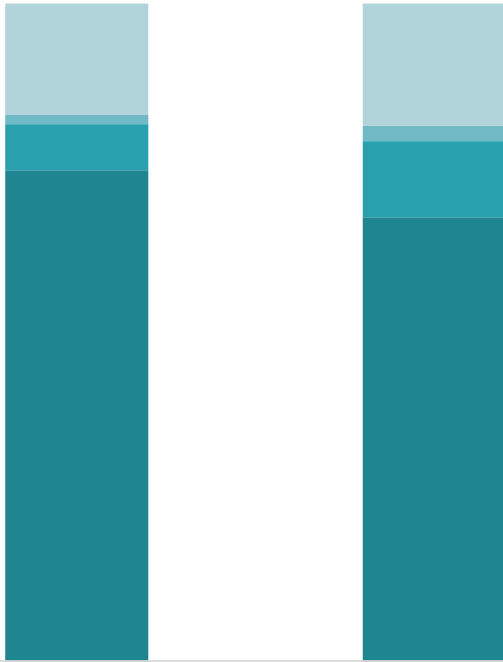
Owner/C-Suite Sr. Executive

2013 2023

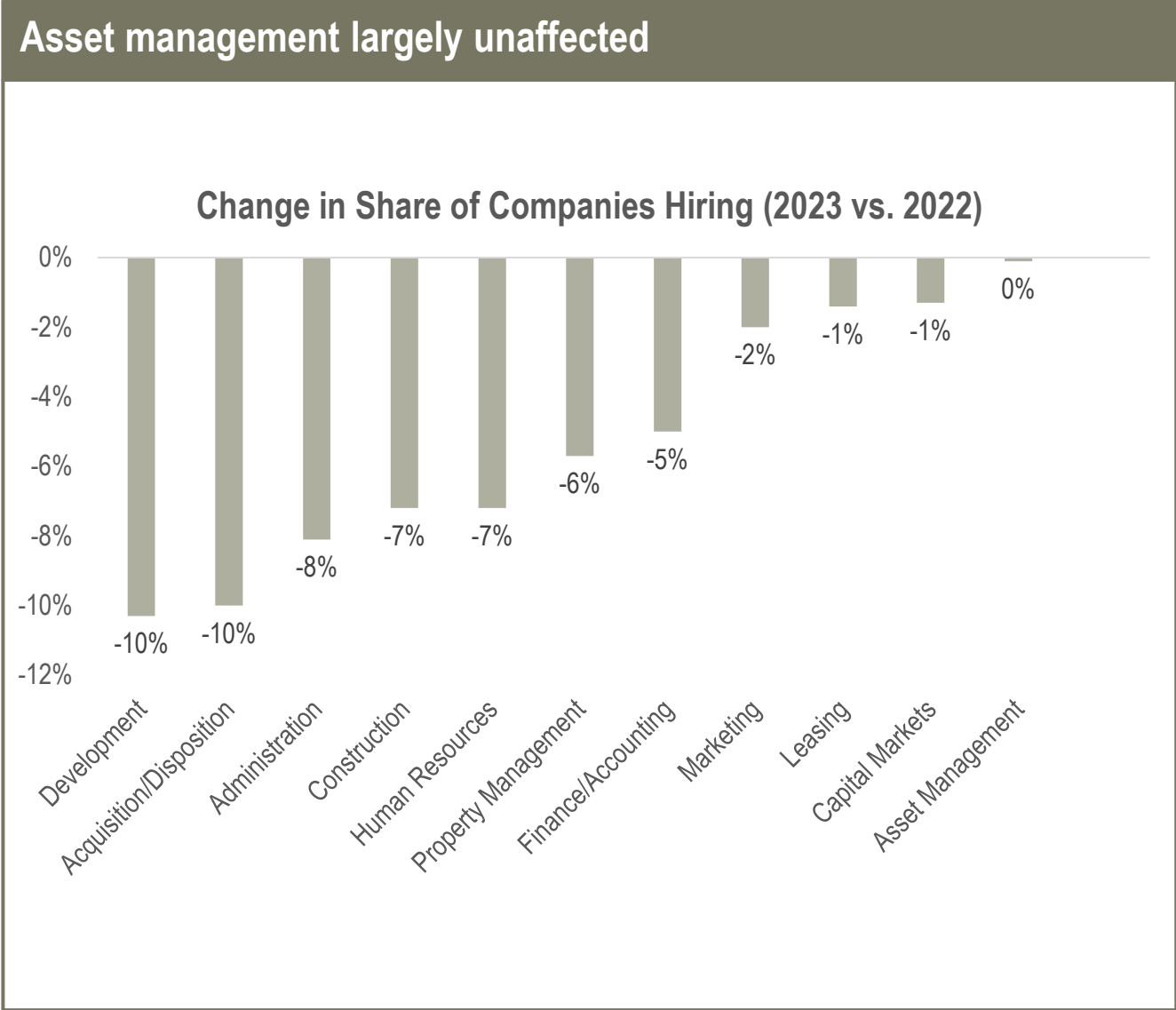**Senior Management**

2013 2023

Middle Management

2013 2023

Legend: ■ 0 to 25% ■ 26 to 50% ■ 51 to 75% ■ 76 to 100%

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CHOPPY WATERS
CRE hiring is down across the board led by transactional roles

Asset management largely unaffected

Change in Share of Companies Hiring (2023 vs. 2022)

- Development: -10%
- Acquisition/Disposition: -10%
- Administration: -8%
- Construction: -7%
- Human Resources: -7%
- Property Management: -6%
- Finance/Accounting: -5%
- Marketing: -2%
- Leasing: -1%
- Capital Markets: -1%
- Asset Management: 0%

CHOPPY WATERS

Majority show no change in merit increase budget for 2024 (vs. 2023)

Merit Increase Year	Percentile	Selected Employee Groups				
		Top Executives	Senior Management	Exempt Employees	Non-Exempt Employees	Company Average
2022 (Actual)	50th	4.0%	4.5%	4.7%	4.4%	4.6%
	75th	5.7%	6.0%	5.8%	5.5%	5.8%
2023 (Reported)	50th	3.5%	4.3%	4.3%	4.2%	4.3%
	75th	5.3%	5.5%	5.3%	5.1%	5.5%
2024 (Projection)	50th	4.6%	4.4%	4.5%	4.3%	4.3%
	75th	5.3%	5.6%	5.5%	5.0%	5.4%

On average, merit increases have come down slightly since 2022 but **remain largely steady**

THANK YOU! – QUESTIONS?

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