

> THE MONEY TRAIL > > > >

Our biennial salary survey serves up some good news for in-house designers. But paychecks for many creative professionals are barely keeping pace with inflation. Here's a look at where the money is.

BY BRYN MOOTH

In-house design salaries are on the rise. And corporations offer their creative staffs more perks and benefits than design firms and ad agencies do. So that's the good news. The rest of the findings from HOW's 2006 salary survey are a mixed bag: They reflect modest growth in salaries and benefits for creative professionals compared to our 2004 survey, but in many parts of the country, the cost of living is outpacing designers' paychecks.

We conducted the 2006 salary survey via HOWdesign.com from June 10 through July 10. The number of respondents (1,942) dropped from 2004, when 3,494 designers participated. To complement the research, we contacted five professionals who work in major design hubs to get an on-the-ground sense of the job and salary scene in their areas, and we consulted with HOW's career partner, The Creative Group.

The results make the in-house life look pretty sweet. But before you make any major decisions about changing jobs or asking for a raise, keep in mind that this, like all salary surveys, is merely a representative picture; you need to consider your own unique job situation. (For some real-world career guidance, visit HOWdesign.com/jobs/career_advice.asp.)

TERRI EDELMAN
THE EDELMAN GROUP,
NEW YORK CITY

"With businesses battling rising benefit costs, I doubt perks are increasing. I believe we're all struggling to maintain the benefits we currently have for our employees."

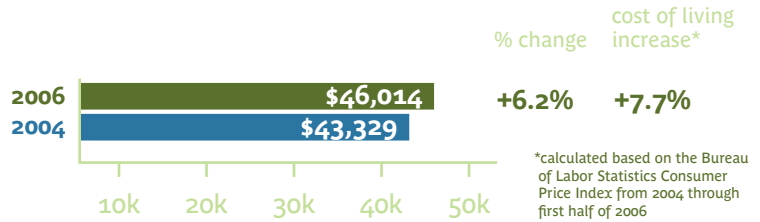
BENEFITS & PERKS

As in 2004, in-house designers enjoy the most generous benefits packages, although the percentage of design firms and ad agencies also offering these perks has increased slightly. The high cost of health insurance is especially hard on small creative shops and freelancers.

	2006	in-house	design firm	ad agency	freelancer
pension	18%	6%	6%	6%	6%
401(k)	25%	25%	31%	10%	10%
matching 401(k)	62%	32%	39%	6%	6%
profit-sharing	12%	14%	13%	3%	3%
fully paid health ins	24%	34%	30%	16%	16%
partially paid health ins	66%	46%	55%	12%	12%
life insurance	77%	30%	45%	17%	17%
short-term disability	68%	20%	39%	12%	12%
long-term disability	60%	22%	31%	9%	9%
vision insurance	66%	30%	47%	13%	13%
dental insurance	86%	49%	64%	20%	20%
Rx drug coverage	72%	48%	55%	18%	18%
tuition assistance	51%	18%	19%	13%	13%
family/medical leave	69%	31%	38%	15%	15%
flex benefit plan	35%	10%	12%	6%	6%

AVERAGE NATIONAL SALARY FOR DESIGNERS

Since 2004, the average national salary for designers (in all job titles and for all employers) has risen by just over 6%. The increased average U.S. cost of living, however, has eaten away that increase and then some. Higher grocery and gas prices have especially upped the cost of living through the first half of 2006.



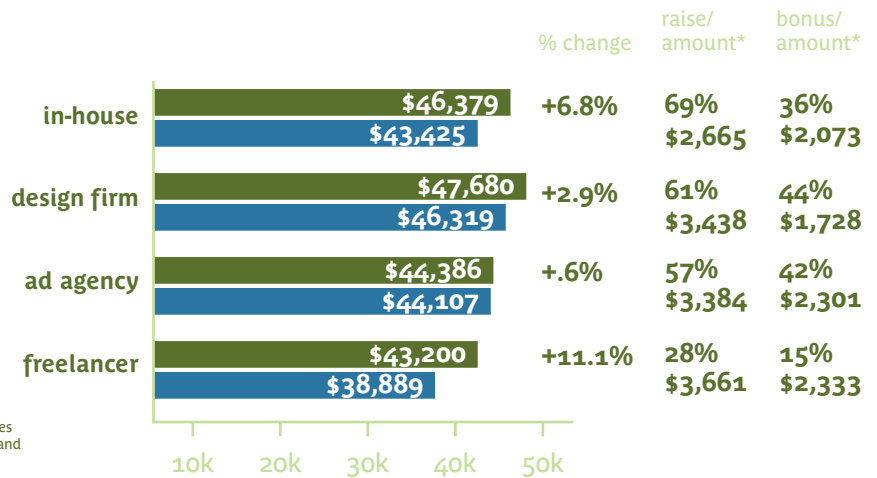
ROBYNNE RAYE
MODERN DOG,
SEATTLE

"Salaries across the board haven't kept up with the exploding [Seattle] housing market, both for the renters and first-time home buyers."

AVERAGE ANNUAL SALARY, RAISES & BONUSES (BY EMPLOYER)

As corporations beef up their internal creative departments, the salary gap between in-housers and their design-firm peers has nearly vanished since 2004. Note that staffers at design firms and ad agencies have seen greater raises in that same period—a sign, perhaps, that creative shops are using dollars to keep their employees from jumping ship.

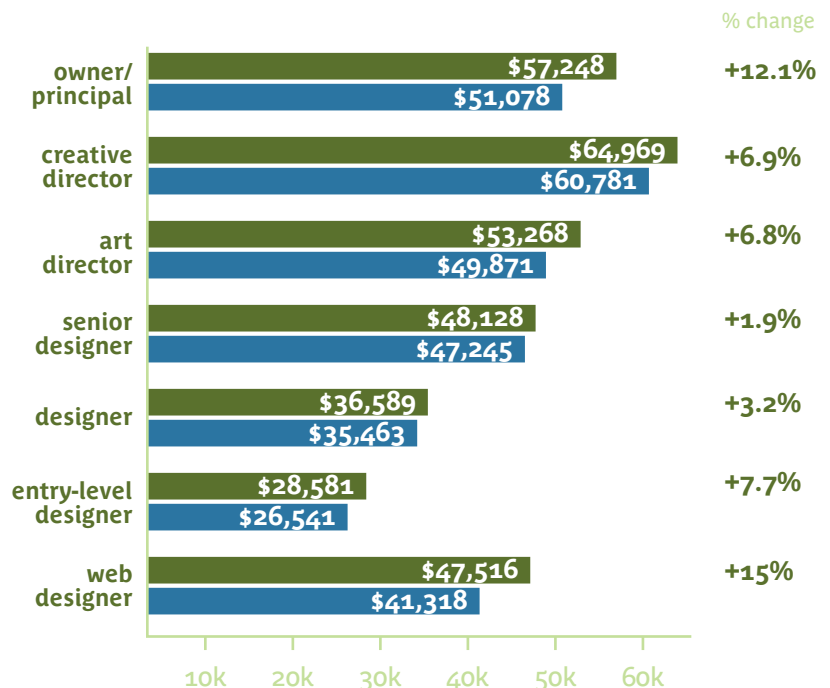
*percentage of companies offering raises or bonuses in the previous 12 months and average dollar amounts



AVERAGE ANNUAL SALARY (BY JOB TITLE)

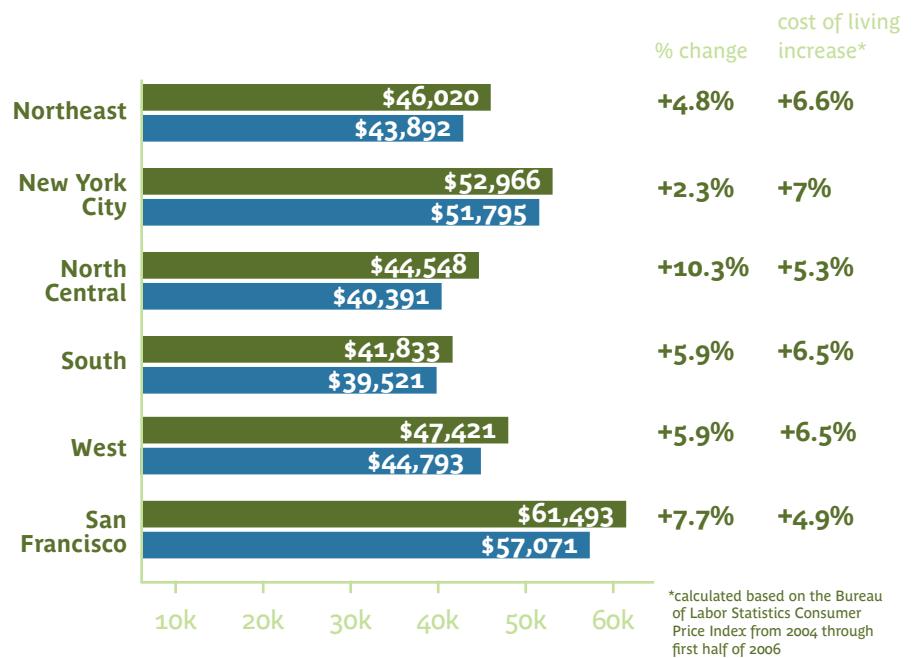
Web designers, take note: You're seeing your paychecks grow significantly compared to 2004—a 15% increase. And that's bound to continue as clients demand a new generation of content-rich, user-driven websites and other digital media to fully support their brands.

■ 2006
■ 2004



AVERAGE ANNUAL SALARY (BY REGION)

Terri Edelman, principal of New York City-based The Edelman Group, calls the New York salary climate “flat”—and she’s right: NYC designers have seen the biggest disconnect between their salaries and the high cost of living there. In Seattle and the Bay Area, however, it’s not so much stagnant paychecks as hefty rent that’s forcing designers to watch their pennies.

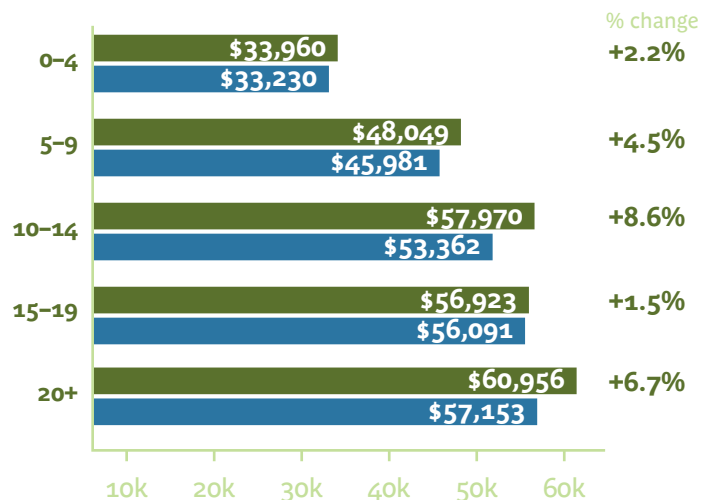


TIM LARSEN
LARSEN DESIGN + INTERACTIVE,
MINNEAPOLIS

“Beyond salaries and benefits, most designers consider a culture of flexibility, creativity and camaraderie to be important. That’s true across the country.”

AVERAGE ANNUAL SALARY (BY YEARS OF EXPERIENCE)




Predictably, salaries increase the longer you’ve been in the design field.



■ 2006
■ 2004

JULIE SIMS
THE CREATIVE GROUP,
MENLO PARK, CA

“People who can design for both print and the web are the most highly sought by employers. Firms want people who can wear multiple hats. And there’s a huge need for people who can do both front-end design and back-end programming. If you’re that rare person who possesses both those skills, you’re in a great position.”

	Boston	New York City	Minneapolis	Seattle	Bay Area
					
	Clifford Stoltze, principal, Stoltze Design	Terri Edelman, principal, The Edelman Group	Tim Larsen, principal, Larsen Design + Interactive	Robynne Raye, principal, Modern Dog	Erin Sarpa, principal, EandI Design

How’s the job scene?	Healthy. “Design studios are getting busier.”	Flat.	Healthy. “Companies like Target have continued to fuel a strong design economy.”	Healthy. “It’s never been better to be an entry-level designer in Seattle.”	Flat. “Employers haven’t forgotten the pain of layoffs during the dot-com bust.”
Who’s hiring?	“Small- to mid-size firms are busy.”	“Corporations trying to staff up their internal departments to reduce outsourcing.”	“Design firms, ad agencies, in-house design groups—all seem to be hiring.”	Small studios started by designers laid off from larger firms. “Those studios are hiring interns and employees for the first time.”	“In-house design is making a comeback in the Bay Area; design firms are hiring (cautiously) as business improves.”
How do salaries compare to 2004?	“Salaries and perks are better.”	“Salaries for designers haven’t increased since 2004; we’re all struggling to maintain the benefits we currently have for employees.”	“Salaries have gone up across the board, and benefits have remained intact, despite rising health care costs.”	“They’ve inched up but haven’t kept up with the exploding housing market.”	“Salaries have been flat as a result of really inflated salaries during the boom.”
If you were hiring, would you find good candidates?	“Currently, we have some very good ones to consider.”	“We recently were deluged with résumés, but very few had the exact skills, talent and experience we were looking for.”	“With patience it’s possible to find the right people.”	“We’ve met so many students through the Cornish College of the Arts that we’ve become a talent source for some firms in the area.”	“We’re having a tough time finding people who can afford to live in the Bay Area or are willing to commute more than an hour.”