

Enterprise FAQs

What is the purpose of this tool?

This tool has many benefits to your company, benefits that fall into two categories. First, understanding your employees' and potential employees' market values. Knowledge of their market value will help your company budget for new positions, negotiate with new hires, and identify appropriate raises and promotions.

The second benefit category is understanding what builds a worker's market value. What is the value of adding a degree or a certification? How should you tradeoff between credentials and experience? Questions like these can help you sift through candidates to identify the best hires. Such knowledge can also help your workforce development by identifying what improvements have benefits outweighing their acquisition costs.

How do I use the tool?

Usage varies depends on your goals. We'll start with using the tool to set a salary for a new position. To do this, enter the core requirements for the position into the boxes and note the median salary. Note: if the number is higher than you want to pay, you'll want to consider what requirements you can relax. Also consider how your core requirements compare to what you actually hope to hire. Core requirements only might be the salary floor position, and you might want to pay more for someone who exceeds the basics. Consider inputting the traits of an exceptional candidate to develop a possible salary ceiling for the role.

The next key usage case is using the tool to identify an employee or potential employee's market value. To do this, enter their traits into the dropdown boxes. The graph will then show the median, 25th percentile, and 75th percentile of total compensation for someone with those traits. As you enter the data for each trait, consider how their personal traits compare to what might be normal. Is their industry experience especially relevant to the job? Did their education build useful skills? Such details impact their market value, moving them up or down in the given range.

A third key use case is studying how you can improve the value of your workforce. To do this, we recommend entering a common employee profile as a base case, then tweaking the inputs to see how different traits affect market value. How does compensation evolve if you add a degree or a certification? What does it mean for an employee to be promoted from an engineer to designer? Give special consideration to the most feasible and likely changes, then plan how to incorporate them into your workforce development.

Where do the numbers come from?

The measurement involves two parts: a massive survey and an economic model. The first step is our annual compensation survey. In 2021, we collected data from over 5000 AV professionals around the world, with about half in the U.S. and half outside the U.S. We defined AV professionals as people who either worked on AV equipment as their primary job responsibility or worked for an AV company in any role.

Our next step was to take all the data and run it through a standard economic model to estimate how different traits affect market value. The numbers you see are product of that model.

How do benefits fit in?

Other than bonuses, overtime, and other extra pay that is actually distributed in the year it is awarded (in other words, excluding retirement benefits), benefits are not explicitly included in our model. Instead, the model implicitly assumes benefits are at the industry standard. Benefit norms are part of the reason why we have separate U.S. and non-U.S. tabs. In the U.S., industry norms include paid time off, health, vision and dental care, including for dependents, and some retirement benefits as well. If your company does not include these benefits, you may need to pay more to compensate. On the other hand, if you offer exceptional benefits, you can likely expect to be pay a little less. In the rest of the world, PTO is common, but health, vision, and dental care are less common, in large part because provision often runs through the government. If a non-U.S. job excludes these insurance benefits, you should generally not expect significant additional pay to compensate.

You can see some effect from benefits by toggling between end user and provider. Our dataset shows that on average, end users pay slightly less but offer better benefits packages. Note that the tradeoff between better benefits and more pay will affect your workforce compensation, with better benefits drawing less risk averse employees.

I'm skeptical. Is this data really correct?

There's a famous quote in statistics: "All models are wrong, but some models are useful." Models simplify our reality to make it manageable for us to study. But when you simplify, you step away from the underlying, perfect truth. If you can't have the perfect truth, a decent approximation likely has significant value. Such is the case with AV salaries: our model isn't the perfect truth, but it is a helpful approximation. Given the wealth of data underlying it and the reliability of the modeling approach involved, we feel very strongly that our data is a useful piece of understanding a worker's fair market value. It will help you supercharge your workforce development, better calibrate pay, and improve worker retention.

What is the meaning of the range?

Just as our categories in the dropdown boxes cannot fully capture your market value, one single number cannot communicate the appropriate pay for someone with the given traits. That's actually a strength of our model: it gives more than just the midpoint. In addition to the median salary, we also provide the 25th and 75th percentiles. Then, the yellow points show the full plausible range. As we note elsewhere, how one fits into each of the traits guides where they belong within the range. If an individual has a maximally valuable degree, has exceptionally useful experience, lives in a particularly high paying area, and so on, their true market value could be up near the very top of range.

What is the difference between the U.S. and non-U.S. tabs?

Both tabs use the same approach of building a model from our survey data. There are two differences though: which datapoints are used to build the model, and which factors are included. For the U.S., thanks to the abundance of data, we were able to build our model with U.S. data only. Using U.S.-only data allows us to add a useful variable: region. Different regions have different pay rates, so its inclusion makes your market value estimate more precise.

For the non-U.S. tab, we use a derived global dataset. Specifically, we use all the non-U.S. datapoints, then randomly sample from the U.S. datapoints such that the U.S. datapoints account for 10% of the total dataset. We do not use all the U.S. datapoints because we don't want the U.S. to have outsize influence. We then run the same model as for the U.S., with two differences: first, we do not include region, since midwest, northeast, etc, do not exist outside the U.S, and second, we control for per capita

GDP. This is an extremely important control, as country's pay rates are substantially impacted by the prevailing incomes.

How do you have estimates for all the countries?

This comes down to our data and our model. In the data there is a clear relationship between the pay observed in our survey and countries' per capita GDP. The best fit for this relationship was a [log-log relationship](#). We then add together our model's estimate of the impact of per capita GDP with IMF data on each country's per capita GDP to create estimates for all countries.

Total Income? What does that mean?

Total income means every dollar earned, including bonuses, profit-sharing, overtime, etc. It is more than just base salary. Please note that it does not include any estimates of the present cash value of insurance or retirement benefits.

I am paying a worker more than the median. What does that mean?

Half of all workers earn more than the median, so paying more than the median is common and expected. There are lots of reasons why a worker might have a market value above the median. For one, they might be on the more valuable side of one of the traits. For example, we measured a certain market value for a bachelor's degree, but many study courses fall under the bachelor's degree umbrella. Someone with a bachelor's in electrical engineering is probably gaining more AV market value than someone with a bachelor's in biology. Similar stories can be told for each category.

Is this data full time or part time?

In order to provide annual totals, we chose to show data for full-time employment. If you'd like to convert to part time, just multiply the total by the percentage of full time you plan to work. For example, if you plan to work 25 hours a week rather than a full 40-hour week (U.S. standard), multiply the total by 25/40 (\$80,000 for full time * 25/40 = \$50,000 for part time).

You can also convert to hourly. The quick and easy way is to divide the total by 2000—aka, divide in half, then remove three zeroes. For example, for a total income of \$70,000, half is \$35,000, and then remove three zeroes to get \$35 an hour. Remember though: this is a total value. Base hourly rate will likely be below this, with the gap made up by bonuses, overtime, and so on.

How do I use this to negotiate?

First, our tool can only provide useful starting information. An employee's true market value is whatever they can find on the open market. At the end of the day, they may simply be able to find a better offer than you think they're worth.

Keeping that in mind, the first step with this tool is to use the worker's traits to identify the appropriate range. As you do, carefully consider each of their traits to see if you belong on the high or low side of the range. Use this by-trait consideration to identify a point in the range that best fits your traits. Remember though, rather than provide you an absolute indicator of what they should be paid, the results offer a useful starting number for negotiations.

Part of the challenge in negotiations and searching is that a worker will provide different value to different companies. They might be the perfect missing piece at one company, while their skills are redundant or underused at another. An applicant with extensive design experience may do a wonderful job in a non-senior technician role, but the value they provide your company in that may not justify the

salary their design skills command. Seeking out the perfect fit is critical to filling a position at the lowest cost to your company.

Where can I learn more?

We have an extensive written report on employment in the pro AV channel that is also available to companies. It has much more detail about the value of skills, how to construct a benefits package, and current trends in AV employment. The report and dashboard can be used independently, but they will provide the most value when consumed in conjunction. The strength of the dashboard is that it gives hard estimates for millions of possible situations. The strength of the written report is how far its analysis stretches beyond total salary.

I don't see my question answered here.

Email us at marketresearch@avixa.org.