SLOWING INFLATION MAKES
FOR HIGHER REAL-WAGE
**INCREASES ACROSS MOST
PARTS OF THE WORLD**

# 2020

## KORN FERRY®

**GLOBAL SALARY
FORECAST: 2.1%**
Global average after adjusting for inflation

**NORTH AMERICA**
Salary Increase
2.8%
Real Salary Increase
1.1%

**WESTERN EUROPE**
Salary Increase
2.5%
Real Salary Increase
1.2%

**EASTERN EUROPE**
Salary Increase
6.2%
Real Salary Increase
2.6%

**ASIA**
Salary Increase
5.3%
Real Salary Increase
3.1%

**LATIN AMERICA**
Salary Increase
4.9%
Real Salary Increase
2.0%

**MIDDLE EAST**
Salary Increase
3.6%
Real Salary Increase
1.6%

**AFRICA**
Salary Increase
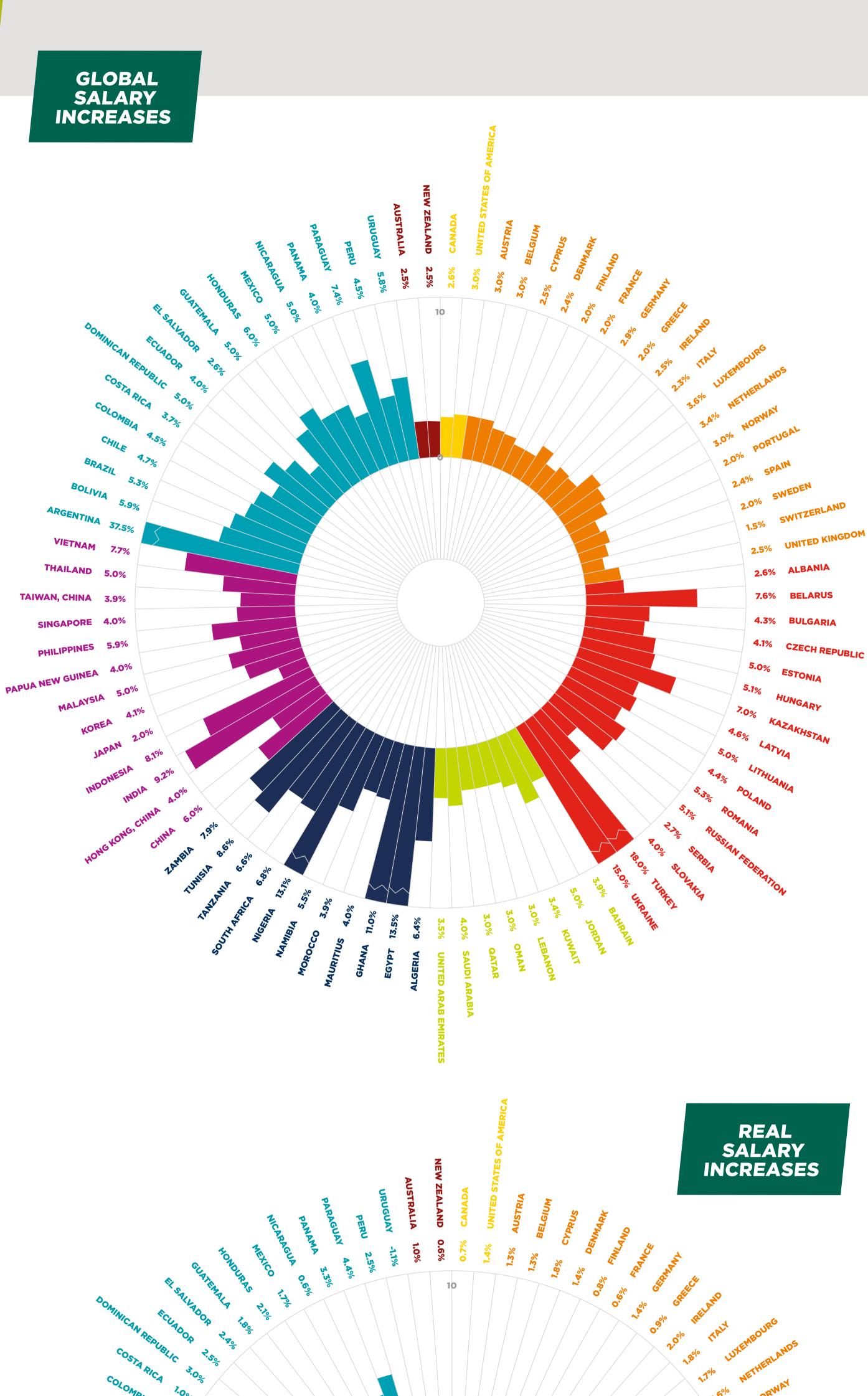7.9%
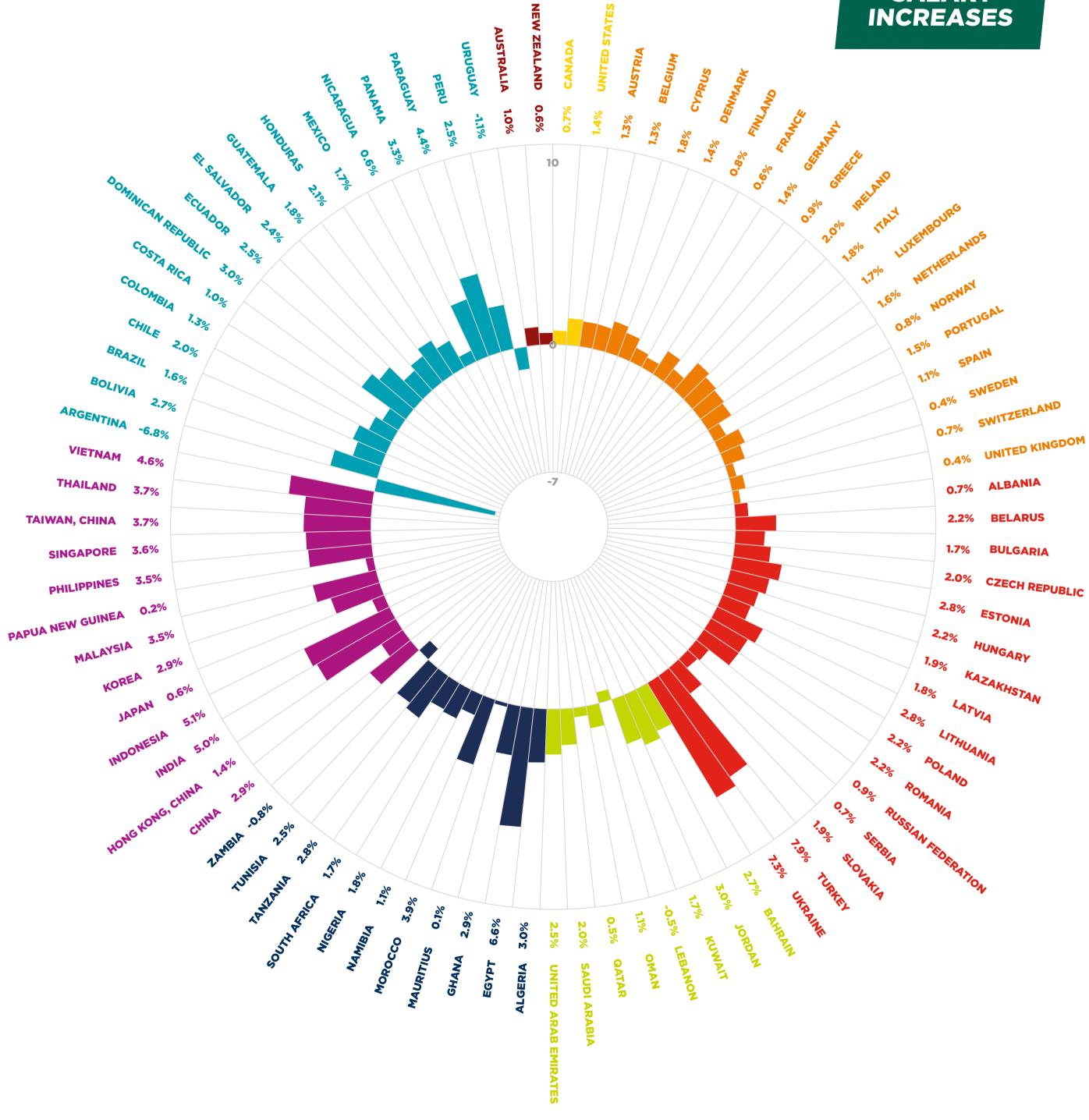Real Salary Increase
2.3%

**PACIFIC**
Salary Increase
2.5%
Real Salary Increase
0.8%

## GLOBAL SALARY INCREASES



Radial chart of salary increases by country, including:
AUSTRALIA 2.5%, NEW ZEALAND 2.5%, UNITED STATES OF AMERICA 3.0%, CANADA 2.6%, AUSTRIA 3.0%, BELGIUM 2.8%, CYPRUS 2.0%, DENMARK 3.0%, FINLAND 2.5%, FRANCE 2.6%, GERMANY 3.0%, GREECE 2.0%, IRELAND 2.5%, ITALY 2.2%, LUXEMBOURG 3.4%, NETHERLANDS 3.0%, NORWAY 2.6%, PORTUGAL 2.4%, SPAIN 1.5%, SWEDEN 2.5%, SWITZERLAND 2.6%, UNITED KINGDOM 2.6%, ALBANIA 7.6%, BELARUS 4.3%, BULGARIA 4.1%, CZECH REPUBLIC 5.0%, ESTONIA 5.1%, HUNGARY 7.0%, KAZAKHSTAN 4.6%, LATVIA 4.4%, LITHUANIA 5.3%, POLAND 5.2%, ROMANIA 5.3%, RUSSIAN FEDERATION 2.7%, SERBIA 4.0%, SLOVAKIA 11.5%, TURKEY 13.5%, UKRAINE 6.4%, ...SAUDI ARABIA..., ALGERIA 6.4%, EGYPT 13.5%, GHANA 11.0%, MAURITIUS 4.0%, MOROCCO 3.6%, NAMIBIA 5.6%, NIGERIA 12%, SOUTH AFRICA 5.5%, TANZANIA 6.6%, TUNISIA 7.9%, ZAMBIA 8.6%, CHINA 6.0%, HONG KONG, CHINA 4.0%, INDIA 9.2%, INDONESIA 8.5%, JAPAN 2.0%, KOREA 4.1%, MALAYSIA 5.0%, PAPUA NEW GUINEA 4.0%, PHILIPPINES 5.9%, SINGAPORE 4.0%, TAIWAN, CHINA 3.9%, THAILAND 5.0%, VIETNAM 7.7%, ARGENTINA 37.5%, BOLIVIA 5.9%, BRAZIL 5.3%, CHILE 4.7%, COLOMBIA 5.7%, COSTA RICA 4.8%, DOMINICAN REPUBLIC 5.0%, ECUADOR 4.0%, EL SALVADOR 3.6%, GUATEMALA 5.0%, HONDURAS 6.0%, MEXICO 5.0%, NICARAGUA 5.0%, PANAMA 5.4%, PARAGUAY 4.0%, PERU 5.2%, URUGUAY 5.6%

## REAL SALARY INCREASES



Radial chart of real salary increases by country, including:
AUSTRALIA 0.7%, NEW ZEALAND 0.6%, UNITED STATES OF AMERICA 1.0%, CANADA 0.8%, AUSTRIA 1.2%, BELGIUM 1.3%, CYPRUS 1.4%, DENMARK 1.4%, FINLAND 0.6%, FRANCE 1.4%, GERMANY 1.5%, GREECE 2.0%, IRELAND 1.3%, ITALY 1.7%, LUXEMBOURG 1.6%, NETHERLANDS 1.6%, NORWAY 0.8%, PORTUGAL 1.1%, SPAIN 0.4%, SWEDEN 0.7%, SWITZERLAND 0.4%, UNITED KINGDOM 0.7%, ALBANIA 2.2%, BELARUS 1.7%, BULGARIA 2.0%, CZECH REPUBLIC 2.8%, ESTONIA 2.2%, HUNGARY 1.9%, KAZAKHSTAN 1.6%, LATVIA 2.8%, LITHUANIA 3.0%, POLAND 2.3%, ROMANIA 2.3%, RUSSIAN FEDERATION 0.7%, SERBIA 1.9%, SLOVAKIA 2.5%, TURKEY 2.5%, UKRAINE 2.5%, ALGERIA 3.0%, EGYPT 2.5%, GHANA 2.5%, MAURITIUS 0.0%, MOROCCO 2.5%, NAMIBIA 1.6%, NIGERIA 1.2%, SOUTH AFRICA 1.0%, TANZANIA 2.7%, TUNISIA 2.5%, ZAMBIA -2.8%, CHINA 2.2%, HONG KONG, CHINA 1.4%, INDIA 5.1%, INDONESIA 5.1%, JAPAN 0.8%, KOREA 2.9%, MALAYSIA 3.2%, PAPUA NEW GUINEA 0.5%, PHILIPPINES 3.5%, SINGAPORE 3.6%, TAIWAN, CHINA 3.7%, THAILAND 3.7%, VIETNAM 4.6%, ARGENTINA -6.8%, BOLIVIA 2.7%, BRAZIL 1.6%, CHILE 2.0%, COLOMBIA 1.3%, COSTA RICA 2.0%, DOMINICAN REPUBLIC 2.4%, ECUADOR 2.4%, EL SALVADOR 2.4%, GUATEMALA 2.0%, HONDURAS 2.0%, MEXICO 2.0%, NICARAGUA 0.9%, PANAMA 3.0%, PARAGUAY 4.3%, PERU 2.6%, URUGUAY 1.0%

## Korn Ferry 2020 Salary Forecast shows slowing inflation makes for higher real-wage increases across most parts of the world.

The Korn Ferry Global Salary Forecast reveals that while 2020 salary increases across the globe are expected to grow at about the same rate as 2019, slowing inflation will mean an increase in real-wage salary growth.

Salaries are predicted to grow at a rate of approximately 4.9% globally in 2020. With a global inflation rate prediction of approximately 2.8%, that puts the real-wage salary increase prediction at 2.1%.

The highest real wage growth is expected in Asia, with salaries forecast to grow by 5.3% in 2020. With an inflation rate of 2.2%, real-salaries are expected to be 3.1%.

In North America, the average salary growth is predicted to be 2.8% in 2020, which is the same as last year. When adjusted for inflation, the real-wage growth is expected to be 1.1%.

Employees in Eastern Europe are set to see an average salary increase of 6.2% in 2020. After inflation, real wages are forecast to rise by 2.6%, which is up from 2.0% last year.

In Western Europe, workers are expected to see an average increase of 2.5%, and inflation-adjusted real increase of 1.2%. That is up from 0.7% real-wage growth of last year.

In the Middle East, wages are predicted to increase by 3.6% in 2020, which is the same as last year. However, slower inflation means the real-wage increase is predicted at 1.6%, up from 0.4% last year. Top-line salaries in Africa are predicted to increase by 7.9% in 2020, and the real-wage increase is predicted to be 2.3%. That's up from 0.9% last year.

Employees in Latin America are forecast to see a 4.9% gain in wages. With inflation, the real-wage increase in the region is expected to be 2.0%, up from last year's 1.3%. Wages in the Pacific are forecast to grow by 2.5% in 2020, which is the same as last year. Adjusted for inflation, the rise in real wages is predicted to be 0.8%, which is up from last year's 0.3%.

## Korn Ferry Pay experts recommend taking a holistic approach when determining pay.

"There is good news for workers in these numbers in that real-wage growth is projected to be higher than 2019. But the lower rate of inflation embedded in the numbers may also foreshadow expectations of a stalling economy in several key countries, which could in turn lead to higher rates of unemployment," says Don Lowman, Korn Ferry Global Leader, Rewards and Benefits.

Benjamin Frost, Korn Ferry's Global General Manager – Pay, says: "These numbers are a good starting point when thinking about salary increases, but they are not the whole story. Organizations should always use these numbers alongside other inputs including thinking about their business strategy, cost structure, employee base, and the markets in which they compete for people. We recommend keeping compensation programs under regular review to make sure they are responding to changes in the market."

### About the Study

The data was drawn from Korn Ferry Digital's pay database, which contains data on more than 20 million job holders in 25,000 organizations from over 130 countries.

It shows predicted salary increases, as forecasted by global HR leaders, for 2020 and compares them to predictions made at this time last year regarding 2019. It also compares them to 2020 inflation forecasts from the Economist Intelligence Unit.

Visit the interactive website here to get
your personalized salary forecast for 2020.