

Apple is latest Big Tech company to raise employee salaries

Article

The news: Apple told employees Wednesday that it is increasing its overall compensation budgets and its starting salaries, per The Wall Street Journal.

A timely move: Faced with surging inflation, an upswell in labor unionization efforts, and resistance to full-time return-to-office plans, Apple is increasing its corporate and retail salaries across the board.

“Supporting and retaining the best team members in the world enables us to deliver the best, most innovative products and services for our customers,” an Apple spokesman said in a statement.

- Tech companies are doubling down on employee retention through pay raises, promotions, and incentives—a cheaper option than recruiting and training new talent, especially in a tight labor market.
- In context, **U.S. employers posted a record 11.5 million job openings in March**, and some 4.5 million Americans quit or changed positions, per The Washington Post.
- Starting pay for Apple’s hourly workers in the U.S. will rise to **\$22 an hour**, or a 10% increase from last year, per Business Standard, and a 45% increase from 2018.
- Some employees, including retail store workers, were told annual reviews would be moved up three months, with pay increases coming in July as opposed to the fall.
- Tech companies like Amazon, Google, Microsoft and Apple are leaning on salary increases to retain talent now that incentives like stock options and equity may not be as attractive due to Big Tech’s era of uncertainty.

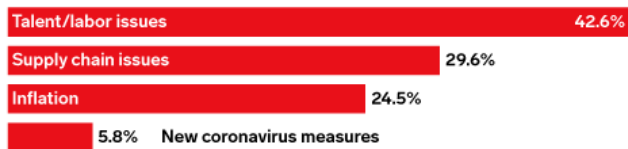
Trendspotting: Employees who feel they are valued and supported during tougher economic times are more likely to remain and have better job satisfaction. Big Tech’s lead could serve as an example for other companies serious about retaining top talent.

Counterpoint: Tech startups are going the opposite way, with less investment and a more conservative business environment. Many are scaling back and cutting jobs, per the Observer. This could lead to job seekers avoiding the tech startup sector.

This situation could result in decreased innovation, where monolithic companies continue to thrive as competition from beleaguered startups wanes.

Potential Headwinds to Growth in 2022 According to US CMOs

% of respondents



Note: top 1 response out of a rank of 1 to 5
Source: Chief Outsiders, “2022 CMO Survey,” March 2022

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