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Engineers are in High Demand. Most are Not Missing the Opportunity.

Electronic Design's latest Salary Survey revealed that 70% of engineers expect to see their compensation go up this year, as employers continue to compete over hard-to-find expertise.

As electrical and electronics engineers find themselves in high demand, they're pushing their employers to raise salaries, increase bonuses, and offer other perks to complement their pay increases this year.

Around 70% of respondents say that they will see their compensation grow in 2022, up from about 60% in the same situation just last year, according to data from the latest annual survey from *Electronic Design* and Endeavor Business Media's Design Engineering Group. The results signal that engineers still have a strong hand to play when it comes to getting raises and bonuses, as companies compete over scarce talent to fill open positions.

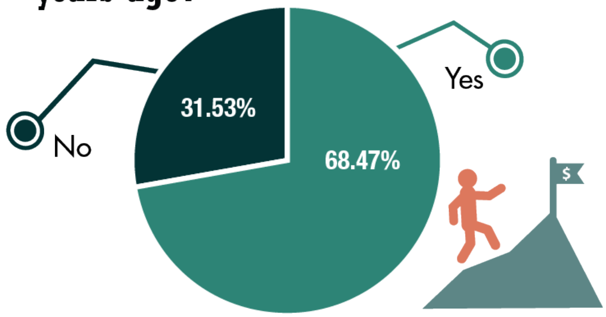
Only a fraction of the nearly 600 respondents, ranging from rank-and-file design engineers to those in executive and engineering management roles, anticipate a reduction in their overall pay this year.

"There will always be new technologies to integrate and old systems becoming obsolete," said one of the respondents to the survey, which polled engineers about their salaries and other forms of compensation. "The opportunities to contribute will never go away."

As most electrical and electronics engineers will tell you, not everyone can do what they do. But while they tend to regard engineering as more of an identity than a profession, they always have money on the mind. Each year, compensation ranks as one of the top factors in their job satisfaction, rivaling the rush that comes with the challenges of designing a new product and the impact their innovations have on the world at large.

While engineers continue to struggle with long hours, tight deadlines, and continuous education, they're prospering for the most part, as rising consumer prices and strong demand for workers help drive up wages.

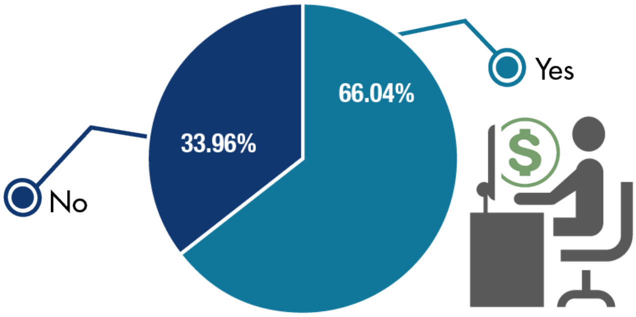
Do you believe that a career path in engineering and the potential for salary advancement is as promising today as it was five years ago?



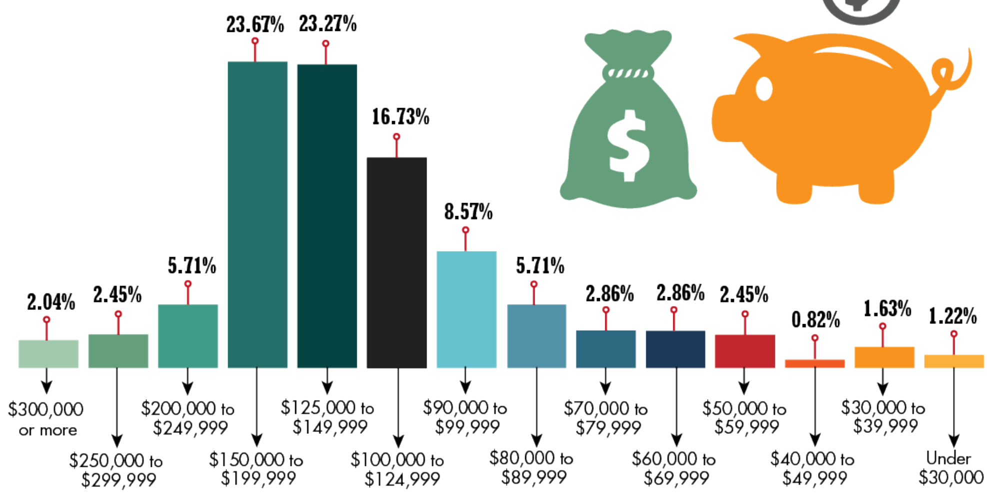
Bonus Points

While the economic fallout from the pandemic weighed

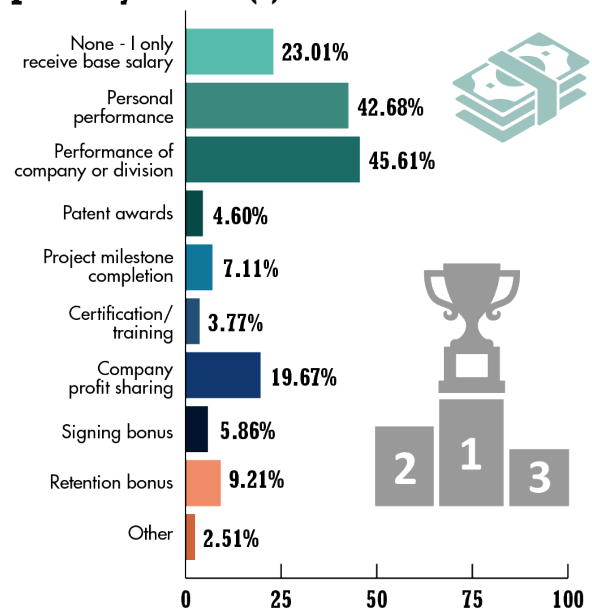
Do you feel your company adequately compensates you for the work you do?



What do you expect your total compensation to be in 2022? (Base Salary)



Of the bonuses and other direct cash payments over and above base salary that you receive, please specify the primary reason(s) for them?



on wages in 2020, times are changing. Last year, many employers doled out bigger pay increases to attract and retain skilled engineers in a tight labor market.

Some warned that high inflation threatens to wipe out many of their pandemic-era pay increases. However, the survey reveals that most professional engineers will still see strong gains in overall compensation this year.

Employers are putting more money into the pockets of electrical and electronics engineers apparently across the board. Among the engineers who responded to the survey say that they expect to have a median base salary of $125,000 to $149,999 in 2022. More than 60% of respondents said their base salary will fall into the range of $100,000 to $199,999, signaling that companies are willing to pay for engineering talent.

Nevertheless, compensation for engineers is rising at uneven rates in different industries, and it often depends on a wide range of other factors like education, title, experience, age, and geographic location, among others.

"Technology is constantly evolving," said one of the engineers who responded to the survey. "Those that can train themselves in a skill that is or will be in high demand will do well."

The vast majority of employers plan to pay out bonuses this year, supplementing engineers' salaries with a median bonus of $2,000 to $2,999. About 21.5% of respondents are in store for $5,000 or more in bonus pay this year.

Lots of factors are at play when it comes to calculating bonuses. Many of the respondents (42.7%) get bonus pay based on their personal performance, while others (45.6%) said that their bonus depends on the company's performance. Still others (19.7%) indicated that they partake in profit sharing. It's relatively rare for engineers to get bonuses for anything else, such as finishing a design, hitting a project milestone, or being awarded a patent.

Only around a third of respondents said they expect stocks to be part of their compensation package this year. About 15% noted their employers offer purchase plans so that they can buy stock at a discount. And approximately 13% of professional engineers are counting on $10,000-plus in stock awards in 2021, according to the survey.

In terms of compensation, about 25% said that it will rise by more than 6% this year—almost double the total in 2021—signaling that companies are raising engineering pay even as the global economic outlook darkens.

According to the results, around 45% report they will see wage growth of between 1% and 6% in 2022. But as inflation rises rapidly, these paychecks will not go as far as they used to—or as far as they want.

About 22% said their compensation will be unchanged, whether because of economic pressures, business challenges, cost-saving measures, or other factors, such as older workers reaching the top of their pay range or retiring. Only about 8% of engineers said their wages will decrease this year, about the same percentage as last year.

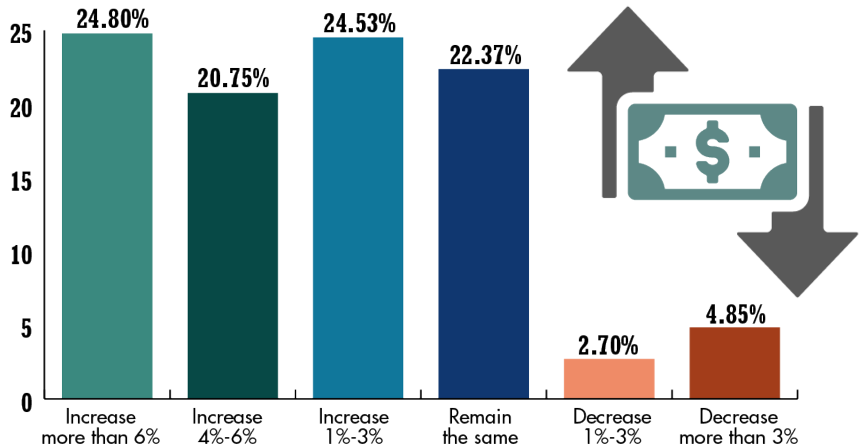
The gains in compensation come as companies confront what they claim is a widening talent shortage. The apparent shortage of engineers—or at least the perception of it—has been worsening for years at this point.

In 2020, 54% of survey respondents said their companies were having hiring troubles. In 2021, the figure soared to 67%. Now, over 76% say they're struggling to find qualified candidates for open positions.

And while many engineers complain that they have to move into management or executive roles to start seeing strong gains in compensation, the shortage of engineering talent is paying off for workers with the skills sought by companies.

As one pointed out, "I think companies are starting to realize they need to pay better to keep their top talent."

How will your total 2022 compensation (salary, bonuses, etc.) compare to what you earned in 2021?



Staying Competitive

While many engineers feel as though they deserve to be making more money, around 90% say they would recommend engineering as a career path to young people looking for competitive pay and room for growth.

Said one respondent, "The need for engineers will always be there and, if history proves anything, new fields of engineering will be developed in future generations."

Around two-thirds of engineers say their employers sufficiently compensate them for their work, a slight increase compared to last year. But many can't shake the feeling that the grass is greener on the other side of the electronics industry.

About 36% feel their compensation is as competitive as what other companies are paying for the same job, while only 25% said they're probably better compensated than their peers at other employers.

Over 39% indicated that their compensation is likely less competitive than what other firms are willing to pay this year.

While most respondents said that their companies pay them what they're worth, others feel that they deserve to be making more money—in some cases a lot more. Many think that their salaries are out of step with the level of education that's required for the job, the level of expertise they need to bring to the table, and the increasingly wide range of responsibilities and technologies they must stay on top of to succeed.

Among the one-third of respondents who feel shortchanged by employers, more than half believe they're entitled to a raise of 10% to 25%, while around 30% indicate that they should be paid more than 25% over their current salary.

Employers also are increasing non-wage compensation and offering other perks to keep engineers from leaving for other jobs. Many are putting up the money for continuing education, as the engineering shortage pushes them to nurture new skills internally, and even reimbursing for tuition. Some respondents say they're also footing the bill for travel to in-person industry conferences and training courses to keep them up-to-date.

Covering the cost of healthcare continues to be one of the top priorities for employers, according to respondents, and many also are paying for work-from-home-related expenses and resources, including internet.

While electrical engineering can be a grind at times, most professionals said there is room for growth. The potential for salary advancement in engineering, said 68.5% of respondents, is at least as favorable as it was before the pandemic.

As one put it, "Business majors are not going to design these things."