



**FOR IMMEDIATE RELEASE**

## **Digital Dominates Compensation Landscape**

*New entrants compete for talent to fill emerging digital jobs*

**NAPERVILLE, ILL., January 5, 2018** — The boom in digital viewing, fierce pressure for talent from an ever-expanding competitor base, and continued consolidation of multiple system operators (MSOs) is transforming compensation in the cable and telecommunications industry. The Cable and Telecommunications Human Resources Association's (CTHRA) 2017 Annual Compensation Surveys revealed that digital natives are aggressively wooing sought-after talent with higher base, bonus and long-term incentives (LTIs) than in cable. Digital supremacy is driving the creation of new digital content and distribution job families at both programmers and MSOs, and industry employers continue to embrace amenities to entice and retain labor.

There were 58 participants in the 2017 surveys, including 11 MSO, satellite and telecommunications companies and 47 cable programmers, broadcast networks and digital content creators. New participants included: Verizon Communications, Fox News Network, Blizzard Entertainment, Altice USA, Riot Games and The Vanguard Group.

"CTHRA's Annual Compensation Surveys are unique in the depth and breadth of positions covered and their ability to keep pace with the rapidly changing labor market, in terms of both up-and-coming competitors and newly emerging jobs," said Pamela Williams, CAE, CTHRA's executive director.

### **Compensation Pressure Continues**

CTHRA collected its 2017 compensation data against the backdrop of a changing marketplace. Digital is now the dominant distribution platform, with TV viewing eroding steadily — falling to a projected 2018 average TV viewing hours of 3.55 per day per U.S. adult versus 6.01 digital media hours.<sup>1</sup>

Driving this shift is a plethora of original content offered by new competitors, increased over-the-top offerings by programmers and MSO platform enhancements to support cord-cutting and potential content creation. "The digital delivery movement was even more pronounced,

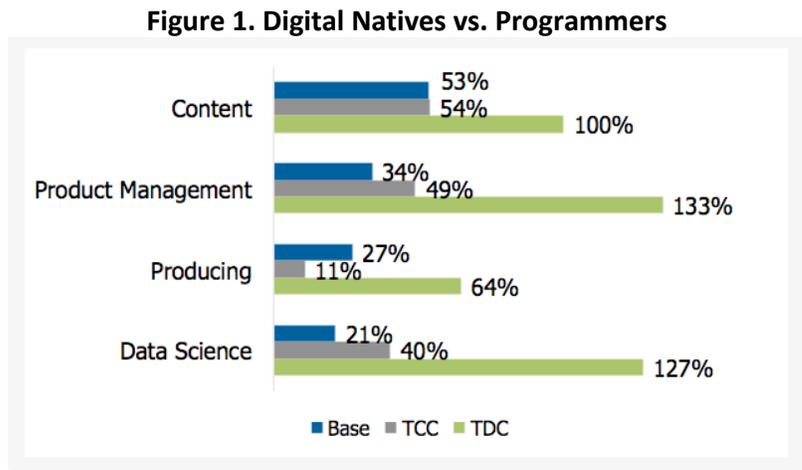
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<sup>1</sup> eMarketer 2016

with more new entrants this year than last,” said Hali Croner, president and chief executive officer (CEO) of The Croner Company, the research and compensation consulting firm that conducted the surveys for CTHRA.

As a result, compensation pressure from the expanded labor market has intensified, and it’s not going away, Croner said. “As television companies move into digital, they need to compete for new talent that is relevant to digital. We continue to see higher pay levels at digital companies, than for MSOs and programmers,” she added.

The 2017 Croner Digital Content and Technology Survey reveals that digital natives are aggressively competing for talent with skills in content, product management, producing and data science (see **Figure 1**). Base salaries at digital natives range from 21% to 53% higher than programmers that participated in the survey. Factor in bonus and LTIs, and the differences are staggering — total direct compensation ranges from 64% to 133% higher for digital.



Source: 2017 Croner Digital Content and Technology Survey

### **New Job Families Reflect Changing Market**

In response to changes in the competitive talent market, CTHRA fine-tuned the 2017 Compensation Surveys, adding new job families to both the programmer and MSO surveys. This year, CTHRA also significantly increased the number of positions for data collection — 318 MSO positions and 485 programmer positions. The programmer survey also continued to collect international salary data.

“The survey captures the significant impact that digital’s continued growth is having on the industry, including creating new job families and fueling a highly competitive labor market,” said Doug Adkins, vice president of human resources for ESPN, and co-chair of CTHRA’s Compensation Surveys.

MSO participants added six new job families and 35 new positions to the 2017 survey. Many of these address critical digital tasks such as cybersecurity and marketing, as well as sales, installation and support of new services.

New MSO job families include: legal counsel, home security installation/service, customer advocacy, home security sales, sales operations, and lead generation. New positions include: vice president of strategy and development, senior information technology security engineer, digital marketing specialist, home security installation/service technician, manager of home security sales, vice president of MDU sales and director of commercial sales engineering.

Programmers and broadcasters added four new job families and 42 new positions in 2017, the bulk of these related to digital content development and distribution. These families include: multimedia producing, motion graphics design, digital partner marketing, and international distribution. New positions include: lead digital media analyst, director of multimedia producing, vice president of content or news editing, senior broadcast engineer (server-based), vice president of digital media delivery engineering, lead motion graphics artist, senior vice president of digital partner marketing, associate research analyst, data scientist and vice president of information technology

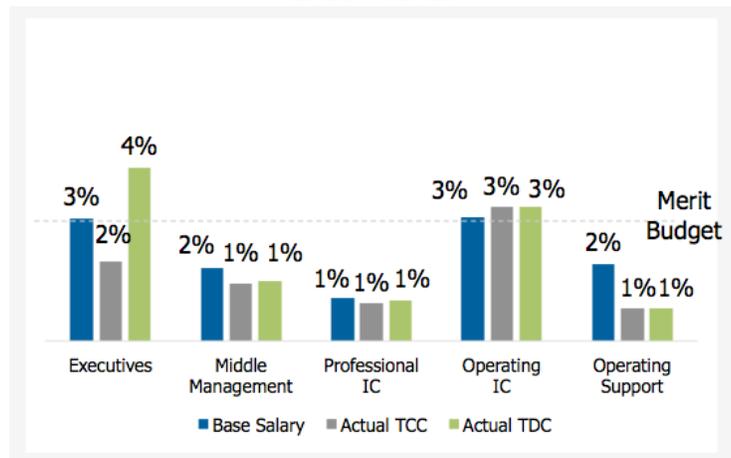
### Programmer Salary Budgets Stable, Sales Comp Increases

Programmers reported average 2017 salary adjustment budgets (merit) of 3%. This annual increase is on par with the national average and has remained stable since 2011.

At programmers, year-over-year base salary growth ranged from 1% for professional individual contributors (ICs) to 3% for executives (see **Figure 2**). Operational ICs also achieved 3% compensation increases.

Unlike in past years, several of the labor categories reported pay growth below the 3% merit budget. “There is a lot of disruption in the industry right now. This may be a reflection of that,” Croner explained. She added that it’s likely that the middle management, professional IC and operating support positions, which experienced only 1% and 2% salary growth, saw greater influx of new personnel due either to promotions or new hires, resulting in lower year-over-year compensation increases.

**Figure 2. Programmers Compensation Growth 2016 to 2017**



For companies participating in both the 2017 and 2016 CTHRA surveys, excludes sales positions. Represents incumbent weighted average movement.

One labor category, operating ICs, did achieve the 3% merit budget, likely spurred by competitive pressure. These positions are usually in the control room and are stage-based or broadcast center-based. Although they are generally non-union jobs, they are treated like a union. “That’s a category where everyone gets the 3%, just like competitors, which include union employees,” explained Croner.

Programmer ad sales compensation also rose. “Sales people are getting paid well, and compensation is growing,” Croner said. “Regardless of the volatile market, sales people are making more this year than last year.” Total cash compensation (TTC) (salary and bonus) growth exceeded target for ad sales management and affiliate sales, growing by 8% and 4%, respectively. Ad sales ICs and affiliate sales ICs also saw TCC increase by 4%.

“The level of insights and analysis that CTHRA’s Compensation Surveys provide off the shelf is equal to none,” said Robert Talmas, vice president of total rewards for Univision. “I love that this survey is holistic,” he continued. “I don’t need to participate in an executive survey versus

one for the general employee population. I get all of the insights in one survey with year-over-year breakouts for the individual populations.”

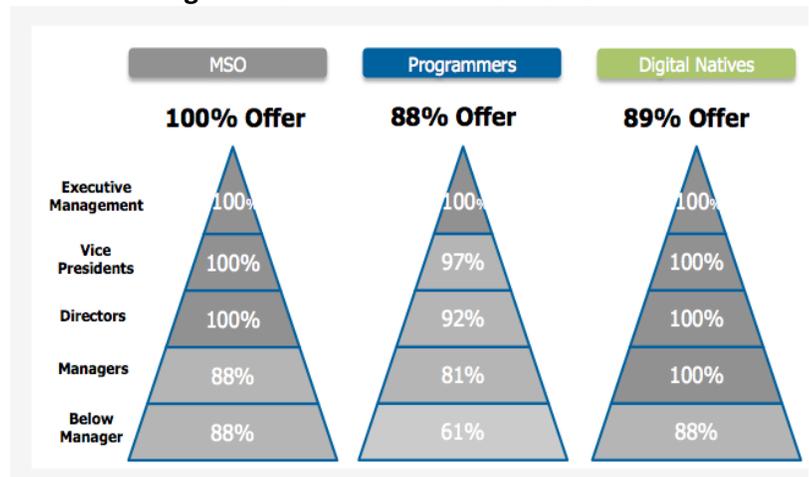
MSO paired comparisons were not possible in 2017 due to mergers and every-other-year participation, which reduced the number companies contributing to both the 2016 and 2017 surveys. However, Croner reported that on average MSO compensation, excluding sales, grew approximately 4% over last year.

Geography continues to impact salaries for MSO installers and service technicians. Base salaries were higher in the West and East, while MSOs in the Southwest, Mountain, Midwest and South reported lower salaries for installers and techs.

### Bonuses Prevalent Across Industry

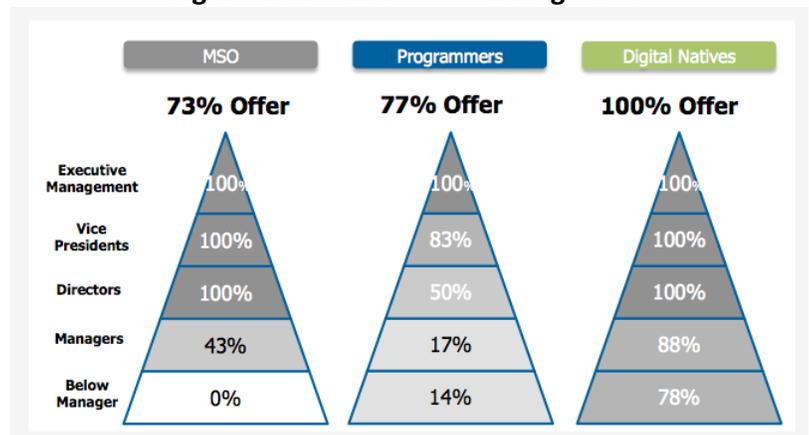
The industry continued its broad-based support for short-term incentives or bonuses. In the 2017 Surveys, 100% of MSOs offered bonuses, as did 88% of programmers and 89% of digital natives. Eligibility reached deep into the organizations, as 88% of MSOs, 61% of programmers, and 89% of digital natives offered bonuses to employees below managers, although digital natives drove bonuses still deeper offering them to more people and more levels below manager. (See **Figure 3**).

**Figure 3. Bonuses Remain Broad-Based**



In the cable industry, long-term incentives (LTIs) such as shares, stock options and long-term cash awards remained largely limited to management. At MSOs, 73% of participants offered LTIs, as did 77% of programmers. None of the MSOs and 14% of programmers extended LTI eligibility to employees below managers (See **Figure 4**). By comparison, 100% of digital natives offered LTIs with 78% of those offering them to employees below manager, and pushing those below-manager bonuses deeper in their organizations. Cable employers continued to primarily offer full-value shares rather than options or cash. This year’s surveys also highlighted the continued use of performance-based metrics when awarding equity.

**Figure 4. LTIs Limited to Management**



Some of the resistance to pushing LTIs deeper into employee ranks could be their potentially dilutive nature, if paid as equity. Univision’s Talmas suggested offering cash LTIs to lower-level employees.

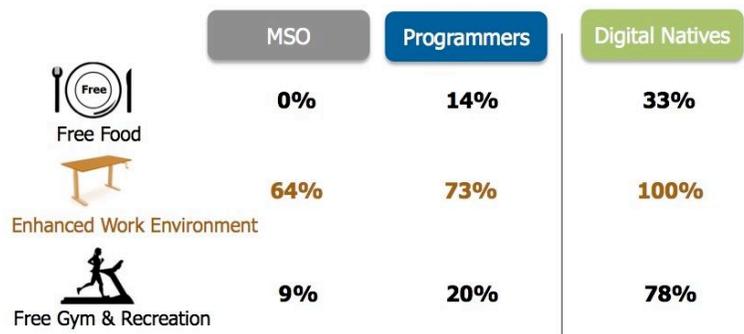
“The days of LTIs being part of the executive club are probably gone in our industry, given the big push for digital,” Talmas said. “I think the digital population wants to be part of the longer-term goals. While the mix doesn’t have to be the same as for an executive, being part of the longer-term strategy does get some buy-in.”

### Industry Adds Amenities

In recognition of the expanded notion of compensation prevalent at digital and high-tech competitors, CTHRA’s Salary Surveys also collect data on amenities and culture offered to employees.

“Perks play a big role in helping define a company’s culture,” said Lisa Kaye, president and CEO of greenlightjobs, and co-chair of CTHRA’s Compensation Surveys. “The up-and-coming generation has come to expect a certain workplace dynamic that makes the home/office concept one in the same. They want to feel as comfortable in the office as they would in their own living room.”

**Figure 5. Amenities Prevalent**



None of the MSOs and 14% of programmers offered free food, compared to 33% of digital natives. Enhanced work environments are popular across the board with 64% of MSO, 73% of programmers, and 100% of digital natives offering them (See **Figure 5**). Free gym and recreation amenities are less popular with this year’s survey respondents. Only 9% of MSOs and 20% of programmers offer them, compared to 78% of digital natives.

### Methodology

CTHRA’s 2017 Compensation Surveys included 58 participants. Companies included 11 MSOs and 47 programmers (see attached 2017 participant list). The survey results are industry-specific, providing an in-depth analysis of pay practices for roughly 186,000 incumbents, including both exempt and nonexempt positions ranging from technicians to top executives. The participants submitted data reflecting 2017 budgets, base compensation figures, amenities and benefits.

The Croner Company, a leading compensation consulting firm specializing in compensation plan design, compensation surveys and organizational design, developed the surveys and collected and analyzed the data, separating results into two participant categories: MSOs and programmers. Given the highly confidential survey data, the results from any given company cannot be seen. Only summary information pertaining to all participants is available. This reporting approach complies with Federal Trade Commission (FTC) regulation and encourages participation without fear of exposing proprietary information to the public.

CTHRA is currently seeking participants for its 2018 Compensation Surveys. For more information, please visit [www.CTHRA.com](http://www.CTHRA.com).

**About CTHRA**

CTHRA is the premier human capital resource for the industry and a growing nonprofit organization with more than 3,800 members spanning 50 companies. CTHRA provides industry-specific human resources benchmarks, information and resources, as well as networking and educational opportunities. Its groundbreaking initiatives include its Compensation Surveys, Annual HR Symposium and Think Tank for HR Executives. For more information, visit [www.cthra.com](http://www.cthra.com).

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**2017 MSO Participants**

Altice USA  
AT&T  
Atlantic Broadband, LLC  
Charter Communications, Inc.  
Comcast Cable Communications, Inc.  
Cox Communications, Inc.  
General Communication, Inc.  
Midcontinent Media, Inc.  
RCN Telecom Services, LLC  
TDS Broadband Service LLC  
Verizon Communications, Inc.

**2017 Programmer Participants**

A+E Networks, LLC  
Altice USA  
Amazon.com, Inc.  
AMC Networks Inc.  
AT&T  
Blizzard Entertainment  
CBS Corporation – CBS Television  
CBS Corporation – Showtime Networks  
Crown Media United States, LLC  
C-SPAN  
Discovery Communications, Inc.  
Disney ABC Television Group – ABC  
Television  
Disney ABC Television Group – Disney ABC  
Cable Networks  
ESPN, Inc.  
Fox Networks Group, Inc. – Fox  
Broadcasting Company  
Fox Networks Group, Inc. – Fox Cable  
Networks Group  
Fox News Network, LLC  
HBO Latin America Production Services  
Home Box Office, Inc.  
HSN, Inc.  
Hulu, LLC  
INSP, LLC  
ION Media Networks, Inc.  
Jet Propulsion Laboratory  
Madison Square Garden  
MLB Network, LLC

National Basketball Association  
National Football League  
NBCUniversal Media, LLC – NBCU  
Television  
NBCUniversal Media, LLC – NBCU Cable  
Networks  
PGA Tour  
Public Broadcasting Service  
QVC, Inc.  
Red Bull Media House North America  
Riot Games, Inc.  
Scripps Networks Interactive Inc.  
Sony Pictures Entertainment  
Starz Entertainment, LLC  
The E.W. Scripps Company  
The Vanguard Group, Inc.  
Tribune Media  
Turner Broadcasting System, Inc.  
Univision Communications Inc.  
Viacom Media Networks  
Warner Bros. Entertainment Inc. – The  
CW Television Network  
Warner Bros. Entertainment Inc. –  
WBTV  
World Wrestling Entertainment, Inc.