



## NEWS RELEASE

### FOR IMMEDIATE RELEASE

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## Cable Paychecks Outpace U.S. Averages CTHRA's Salary Survey Findings

**NAPERVILLE, ILL., February 4, 2013**—In spite of the sluggish economy, cable industry employees saw their salaries increase for the second year in a row. Results of the Cable and Telecommunications Human Resources Association's (CTHRA) 2012 Annual Compensation Surveys reveal that base salaries in the cable industry once again outpaced gains in the broader U.S. employment population, with programmers seeing their largest increases in four years. Technology and marketing jobs at multiple system operators (MSOs) and managerial positions at programmers earned the highest salary increases in 2012. Short-term and long-term incentives continued to be popular planks in compensation platforms, with most MSOs and programmers offering incentives.

While the subscriber base remains largely unchanged, increased revenues from digital video, high-speed Internet and cable phone fueled MSOs' growth. On the programmer side, cable ad sales continue to rise as advertising dollars shift from broadcast TV to cable. These positive revenue gains helped support pay increases at both MSOs and programmers.

"One of the most interesting and powerful observations in the survey is that our industry has continued to provide increases over the last several years and at a rate higher than general industry. I think this goes to show that while the industry is changing, we are growing and are investing in people," said Bill Strahan, executive vice president (EVP) of HR for Comcast Cable.

### Methodology

Participation in CTHRA's 2012 Compensation Surveys increased this year to 60 companies from 47 in 2011 (see attached complete listing), including all of the top 25 national cable networks, five national broadcast networks, the majority of the largest cable and satellite MSOs, and two regional MSOs. The survey results are industry-specific, providing an in-depth analysis of pay practices for more than 145,000 incumbents, including both exempt and nonexempt positions ranging from technicians to top executives. In 2012, the 60 participants submitted data reflecting 2012 budgets and base compensation figures. 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.

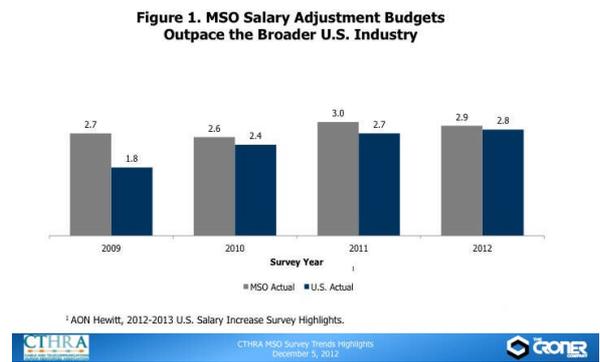
“The CTHRA compensation surveys contain all of the industry’s major players,” explained Hali Croner, president and chief executive officer of the Croner Company. “We know with certainty that the data reported in these surveys tells us what is going on in compensation in the industry.”

The 2012 MSO survey included an assessment of 220 positions including 31 new positions and seven new job families: business intelligence, general counsel, fiber installation, customer care outsourcing, building access, fraud, and inside collections. Of particular significance is the fiber installation job family and fiber technician position, which is responsible for maintaining, servicing, and repairing the HFC broadband network and components. This deeper attention to fiber-related positions reflects operators’ growing emphasis on broadband delivery especially in the business sector. Nine positions that were included in prior years were excluded from the 2012 survey based on participants’ input.

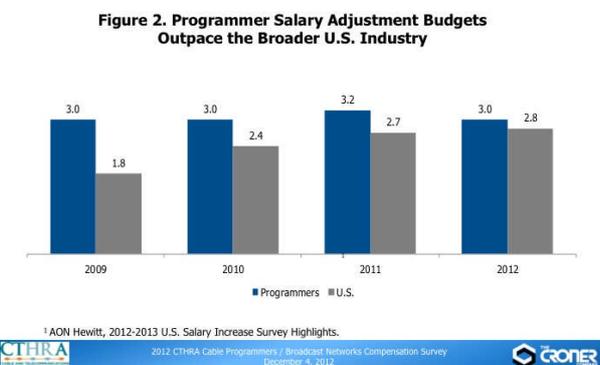
The 2012 programmer survey included 295 positions with 17 new positions and 10 deletions. Of significance for programmers was CTHRA’s deeper examination of digital media marketing positions and whether they include social media marketing. The survey also included new questions about consumer marketing and consumer analytics, which reflects the growing emphasis on sophisticated tracking of viewer habits, trends and preferred content delivery mechanisms.

**Salary Adjustment Budgets Remain Stable**

CTHRA’S analysis determined that 2012 salary adjustment budgets (which include pay raises delivered through merit increase, promotional increase, market and/or cost of living adjustment) remained mostly on par with 2011 numbers for both MSOs and content providers. MSOs reported an average salary budget increase of 2.9 percent in 2012 compared to 3.0 percent in 2011. Programmers reported an average budget of 3.0 percent, compared to 3.2 percent to 2011. Both industry groups reported higher salary budget increases than the U.S. average of 2.8 percent (see Figures 1 and 2).



“CTHRA’s compensation data is absolutely critical in helping the industry craft compensation policies that help hire and retain top talent. Armed with this data, both programmers and MSOs can be more effective as they compete for talent, especially against tech-driven industries,” said Lisa Kaye, CTHRA board member and president and CEO of greenlightjobs.com.

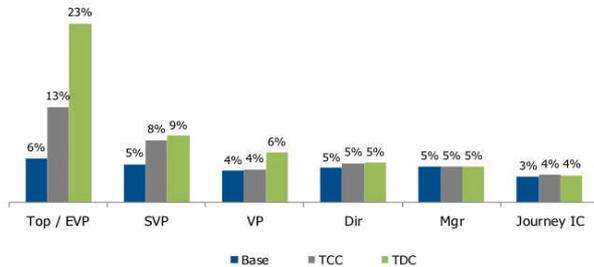


## Programmer Base Pay Rises, MSOs See Gains in Technology Salaries

Programmers reported robust movement in base salaries, which grew on average 4.2 percent in 2012, the greatest year-over-year average increase in the last four years (see Figure 3). Growth was

particularly strong at management levels, which saw base salaries rise on average from 4.1 percent to 5.8 percent, depending on the managerial level. Gains in total cash compensation (TCC), which includes base salary and bonus, and total direct compensation (TDC), which includes base salary, short-term incentives (STIs) or bonus, and annualized long-term incentives (LTIs) were highest for top-level managers.

Figure 3. 2012 Programmer Non-Sales Compensation



TTC: Total cash compensation (base salary and short-term incentives or bonus). TDC: Total direct compensation (base salary, bonus, and annualized long-term incentives)



highest for corporate managers. However, there were some significant exceptions. Technology positions at MSOs saw base salary increases of 6.8 percent, while salaries for marketing positions rose 4.2 percent.

“Salaries for technology jobs saw substantial growth among cable operators. We expect this increase is a result of additional competition for talent from emerging competitors and other high tech industries,” said CTHRA’s executive director, Pamela Williams, CAE.

“From an MSO perspective, the need to compete more aggressively for talent in the technology space comes through clearly from the data,” added Strahan.

Higher salary increases for tech positions at MSOs and for managers at programmers are also reflective of the country’s economic conditions.

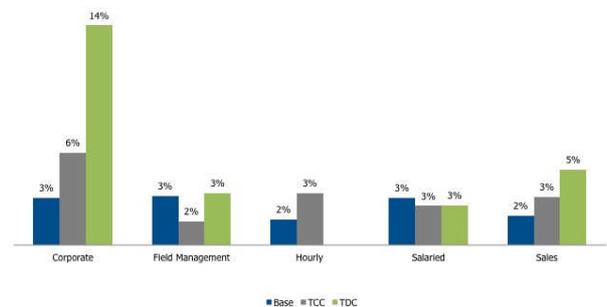
“During tight economic times, employers are challenged by more limited short- and long-term award pools. Most do their best to continue to reward all strong performers,” explained Croner. “Where we have seen the most differentiation in base salary spending is for those positions that have seen strong growth based on strategic need. For cable operators, we see this with technology positions. For cable programmers, we see this with management and executives who need to create the next great hit.”

## Incentives Still Popular

Incentives continue to be important components of compensation in the cable industry. Among CTHRA’s survey respondents, 100 percent of large MSOs and 57 percent of mid-size to small operators offer long-term incentives (LTIs), while 67 percent of programmers offer them. LTIs are linked to a company’s financial performance and value creation over multiple years. Examples include stock options, shares and long-term cash awards. While large MSOs had substantial increases in the value of LTI awards, mid-size to small MSOs decreased LTI awards slightly from 2011 levels. Higher LTIs at large

For MSOs, growth was modest with base salary increases averaging 2.6 percent overall (see Figure 4), while gains in TCC and TDC were

Figure 4. 2012 MSO Compensation



TTC: Total cash compensation (base salary and short-term incentives or bonus). TDC: Total direct compensation (base salary, bonus, and annualized long-term incentives)



MSOs were attributable to both the increase in stock price and increased number of shares awarded, mostly to more senior level employees. Content providers also saw LTI values rise for the second year in a row, with substantial increases for executives at the vice president level or above.

One hundred percent of large MSOs and 86 percent of mid-size to small operators offer short-term incentives (STIs) such as bonus awards. Among programmers, 89 percent offer STIs. Overall, STIs for cable operators were at or below target and less than in previous years, while 2012 STI awards for programmers were above target, but lower than in 2011.

“Like most mature industries, cable programmers and operators continue to use all forms of pay to ensure comprehensive and competitive pay packages for their employees. Use of both short-term and long-term incentives is almost universal across the industry,” added Croner. “While both industries limit participation generally to management, cable operators drive eligibility deeper into the organization.”

### **CTHRA's 2013 Compensation Surveys**

CTHRA is currently enrolling eligible employers to participate in its 2013 Compensation Surveys. For more information, interested companies should contact The Croner Company at 415.485.5530.

### **About CTHRA**

The Cable and Telecommunications Human Resources Association (CTHRA) is the premier human capital resource for the industry and a growing nonprofit organization with more than 1,600 members spanning 80 companies. CTHRA provides industry-specific benchmarks, information and resources, as well as networking and educational opportunities. Its groundbreaking initiatives include compensation, employee benefits, and human capital metrics surveys, an Annual HR Symposium, roundtables and webinars. For more information, visit [www.cthra.com](http://www.cthra.com).

**[2012 survey participants are listed on the next page]**

## CTHRA'S 2012 COMPENSATION SURVEY PARTICIPANTS

### Programmer Survey Participants

A&E Television Networks  
AMC Networks Inc.  
AT&T Services  
CBS Corp.—CBS Television  
CBS Corp.—Showtime Networks  
Crown Media Holdings Inc.  
C-SPAN  
Cybernet Entertainment  
DIRECTV Inc.  
Discovery Communications Inc.  
Disney ABC Media Networks—ABC Cable  
Disney ABC Media Networks—ABC Television  
ESPN Inc.  
Fox Networks Group—Fox Broadcasting  
Fox Networks Group—Fox Cable Networks Group  
GMC (Gospel Music Channel TV)  
HBO Latin America Production Services  
Home Box Office Inc.  
HSN Inc.  
Ion Media  
Jet Propulsion Laboratory  
Madison Square Garden  
Major League Baseball Productions  
MLB Network LLC  
National Basketball Association  
National Football League  
NBC Universal—Cable Networks, Comcast  
Programming Group  
NBC Universal—NBN  
New England Sports Network Ltd.  
Nuvo TV (formerly Si TV)  
Outdoor Channel Holdings Inc.  
QVC Inc.  
Scripps Networks Interactive Inc.  
Sony Pictures Entertainment  
Starz Entertainment  
The Inspiration Networks  
The Tribune Company  
The Weather Channel  
Time Warner Cable  
Turner Broadcasting System Inc.  
Univision Communications Inc.  
Viacom Media Networks  
Warner Bros. Entertainment—  
The CW Television Network

Warner Bros. Entertainment—WBTV  
World Wrestling Entertainment Inc.  
YES Network LLC

### Operator Survey Participants

AT&T U-verse  
Atlantic Broadband Inc.  
BendBroadband  
Bright House Networks  
Cable ONE Inc.  
Cablevision Systems Corporation  
Charter Communications Inc.  
Click! Network  
Comcast Cable Communications Inc.  
Cox Communications Inc.  
DIRECTV Inc.  
General Communication Inc.  
Harron Communications L.P. dba  
MetroCast  
Time Warner Cable Inc.

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