

# UBS Compensation Survey 2021

## Outlook

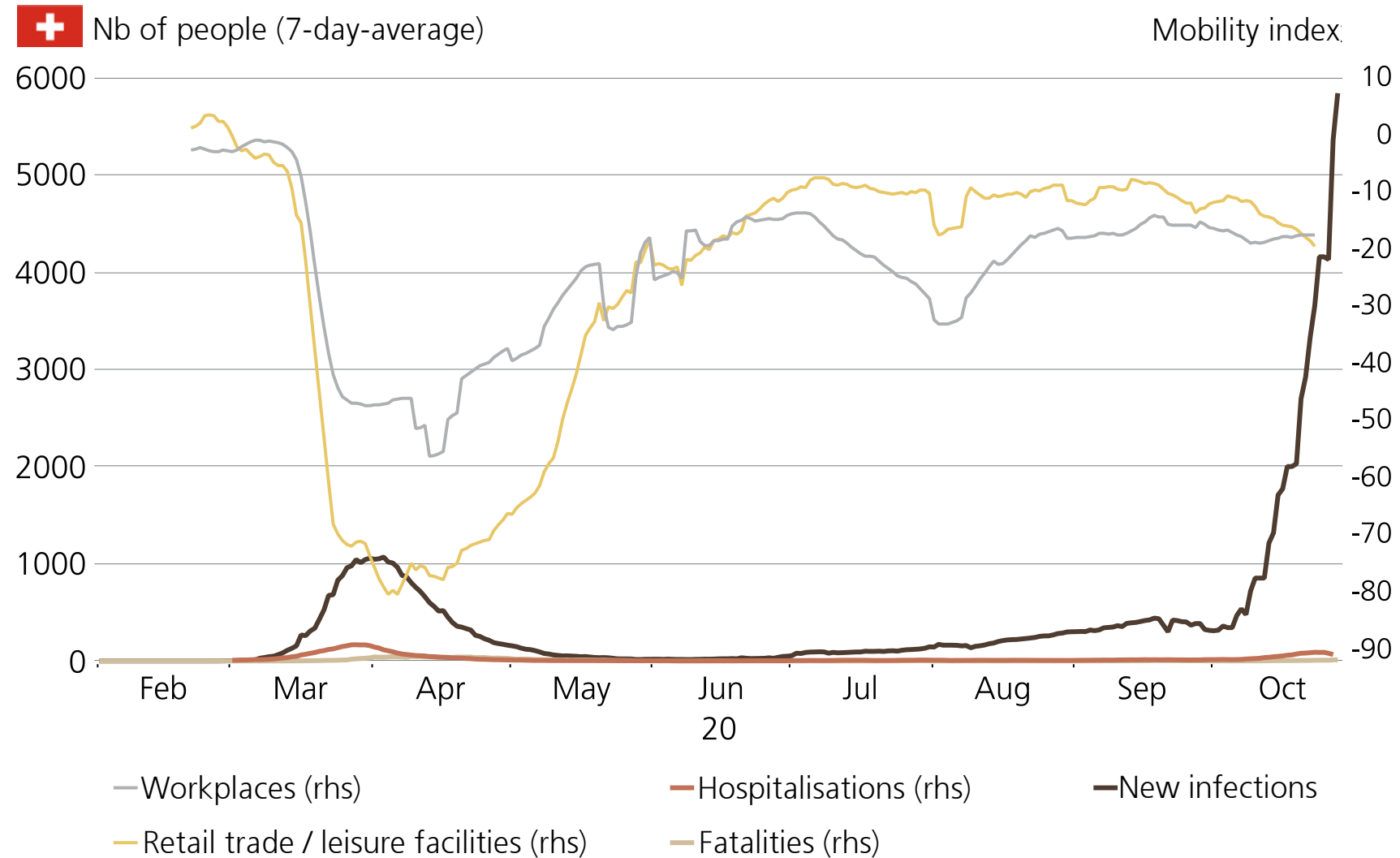
Dr. Daniel Kalt

UBS Chief Economist & Chief Investment Officer Switzerland

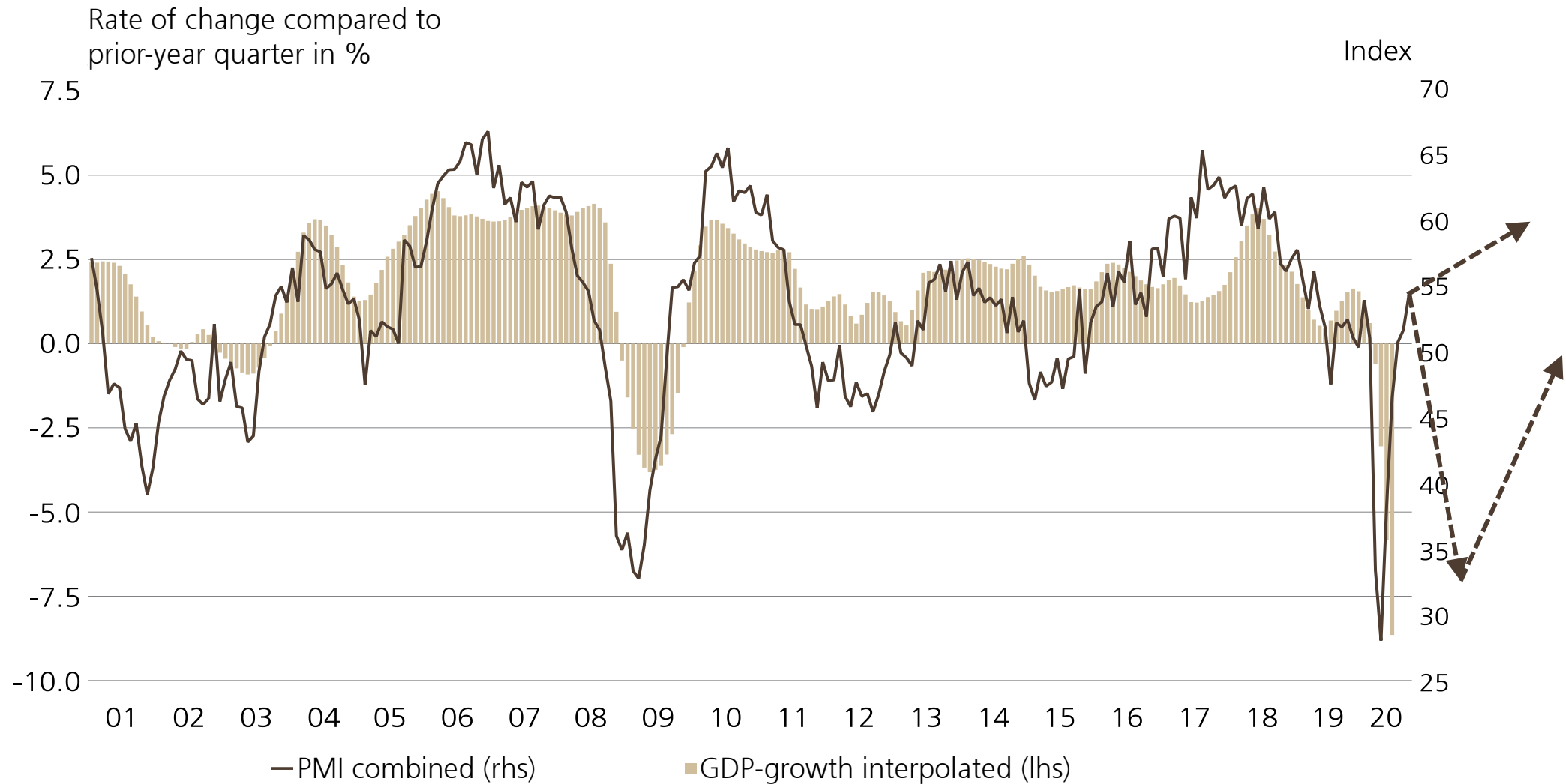
October 2020



# Coronavirus: Case figures vs strain on healthcare system and lock down effects

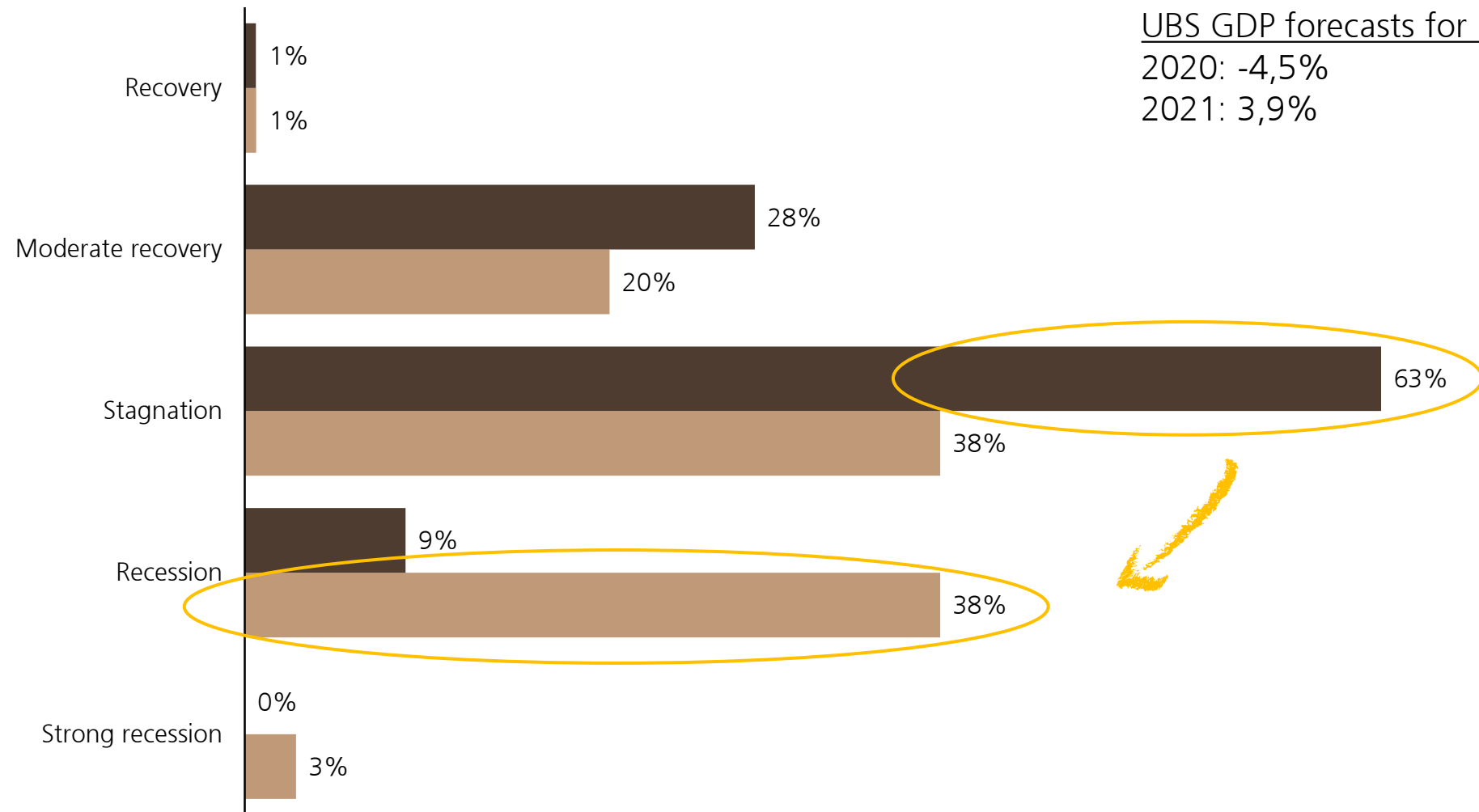


# Switzerland: GDP-growth and purchasing managers' index



# Expected economic trend for 2021

Survey participants expect the economy to stagnate or recede next year



UBS GDP forecasts for Switzerland:

2020: -4,5%

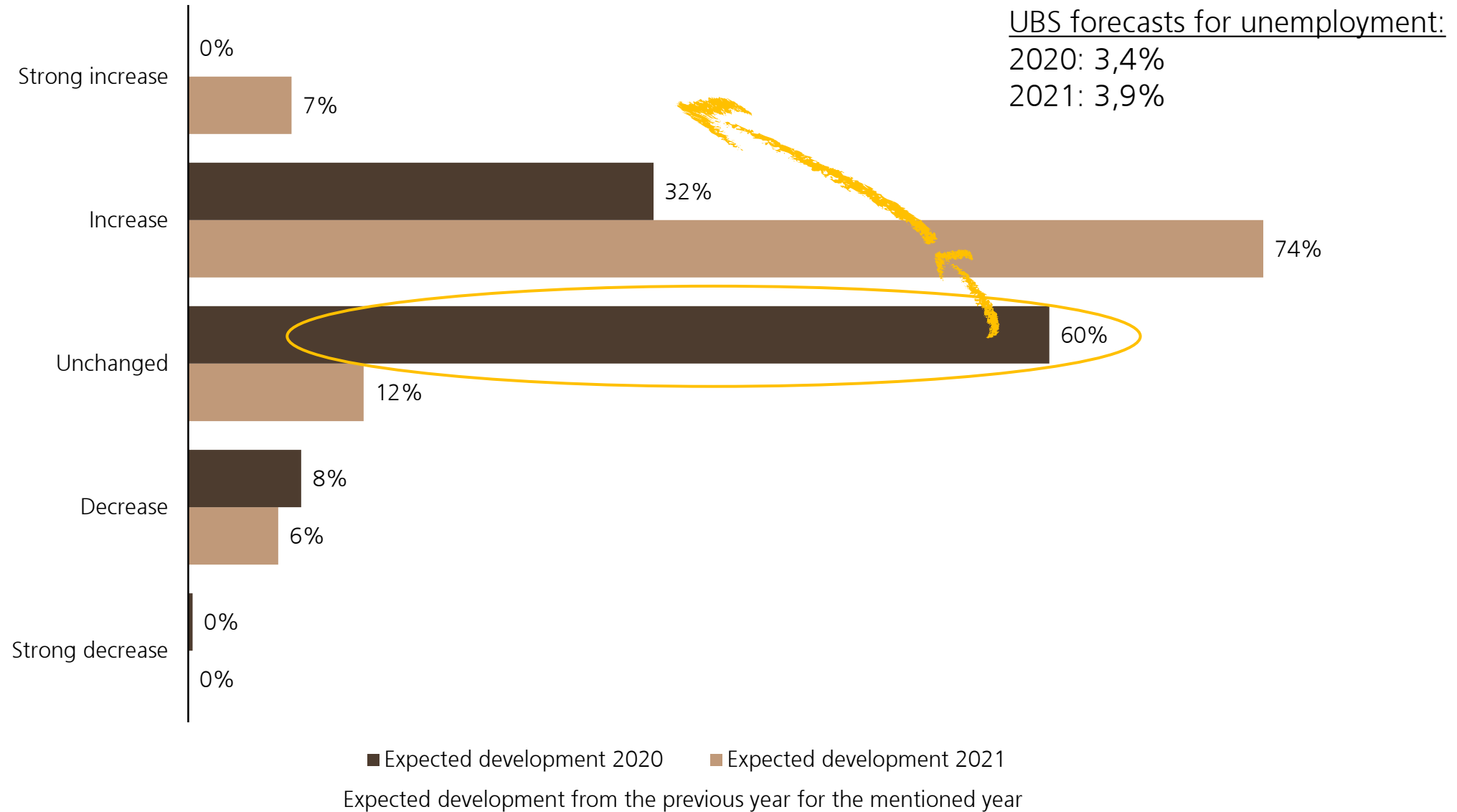
2021: 3,9%

■ Expected development 2020   ■ Expected development 2021

Expected development from the previous year for the mentioned year

# Expected unemployment rate 2021

Survey participants expect an increase of the unemployment rate next year



# Inflation

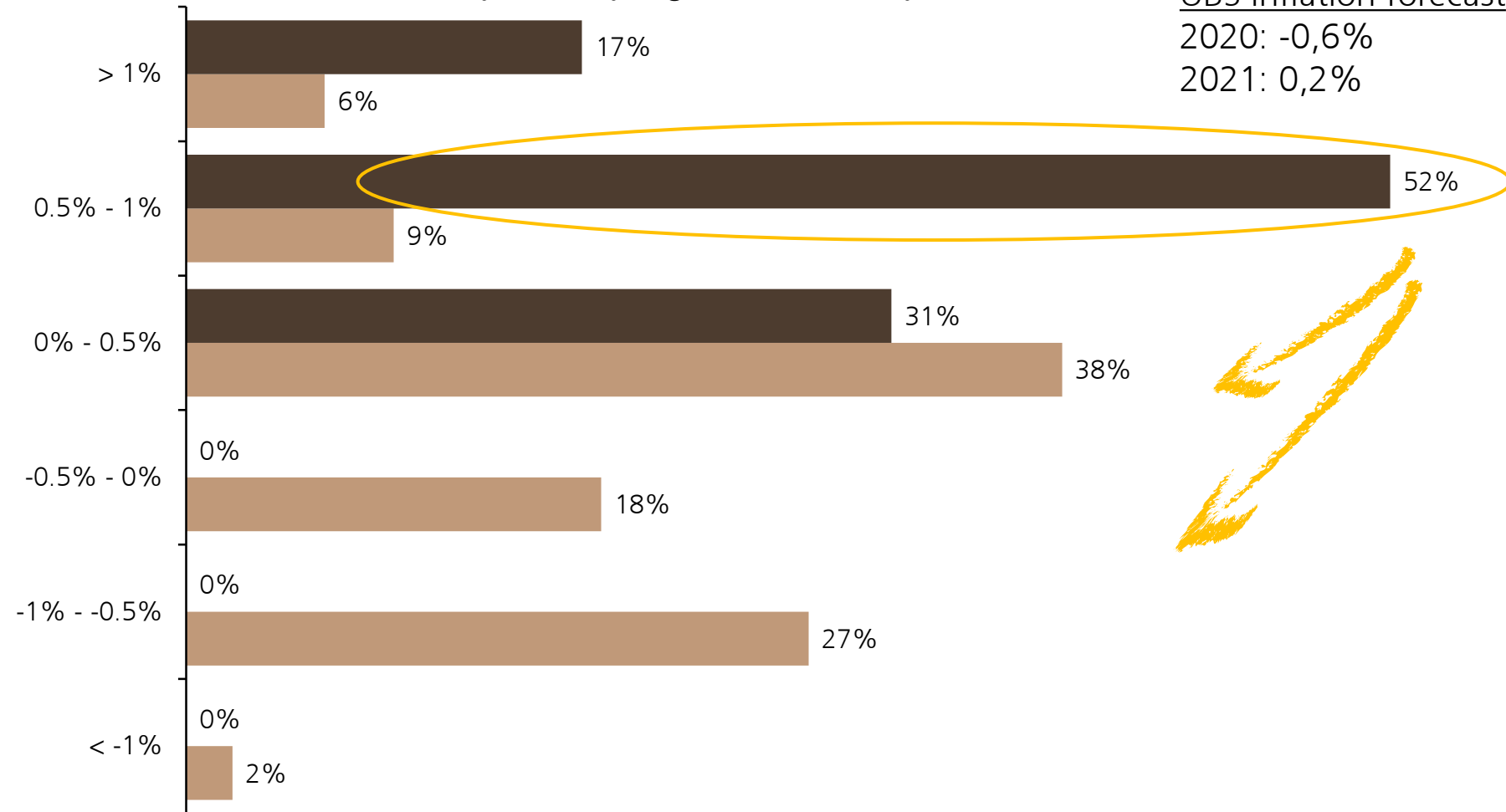
Survey participants expect a lower inflation rate than last year

Which inflation rate is at the basis of your salary negotiations for the year 2021?

UBS inflation forecast

2020: -0,6%

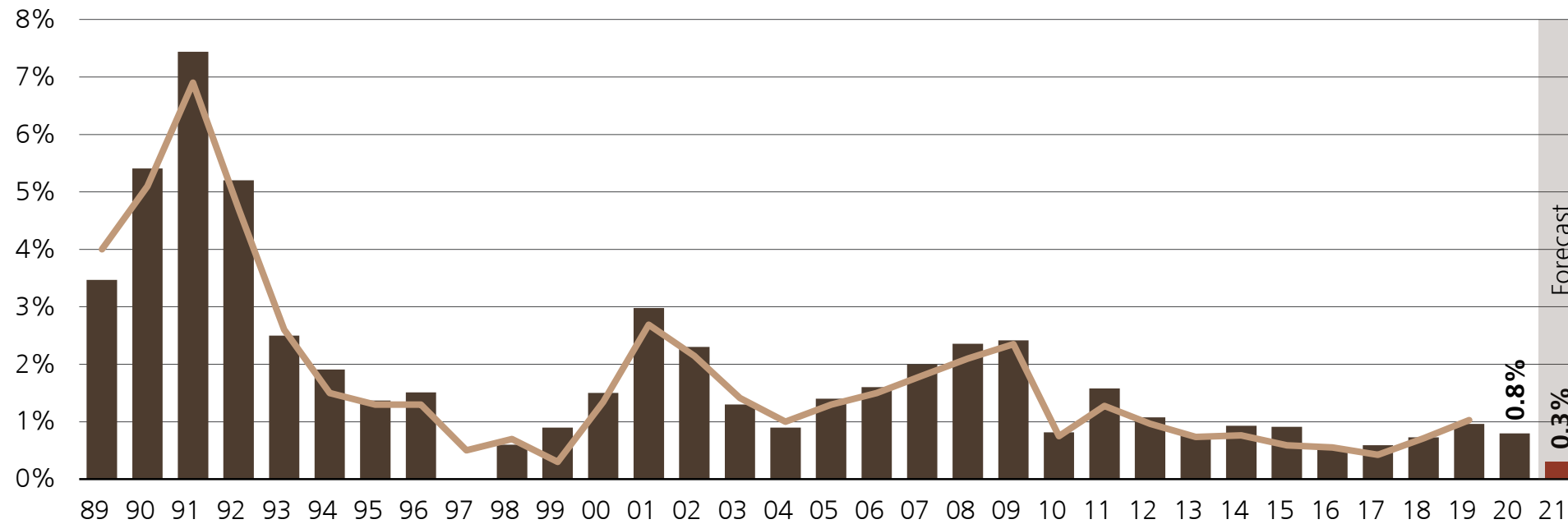
2021: 0,2%



■ Expected development 2020 ■ Expected development 2021

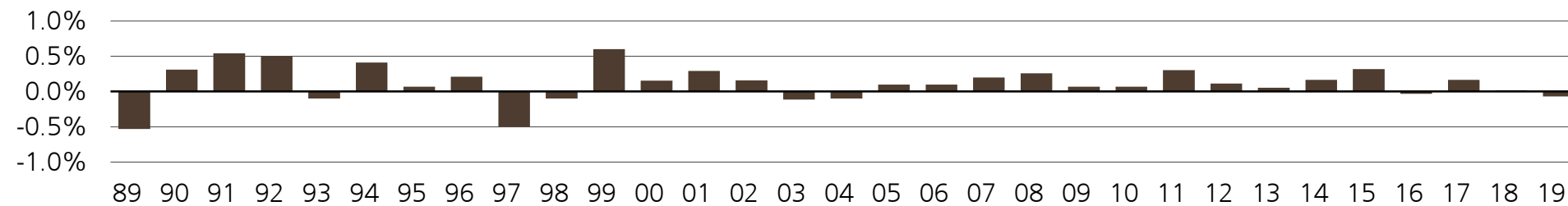
Expected development from the previous year for the mentioned year

# Expected nominal wage growth rates since 1989



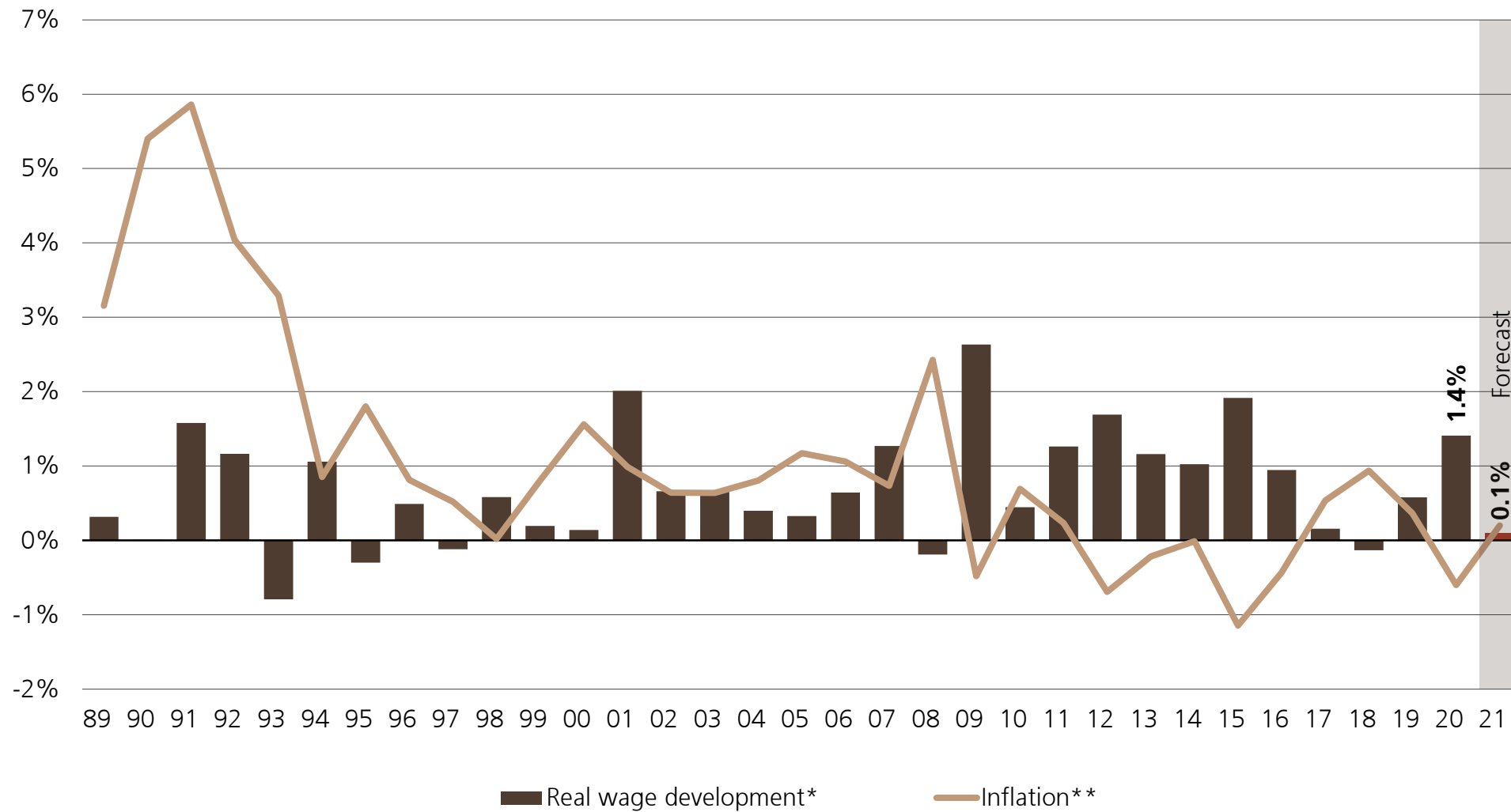
UBS Compensation Survey: expected salary development\*  
 \*before negotiations

Average nominal salary development\*\*  
 \*\*FSO Index of nominal wages & CLA (since 2019 only FSO (forecast 2020 canceled))



Difference between the survey (ex ante) and effective development according to the FSO and CLA

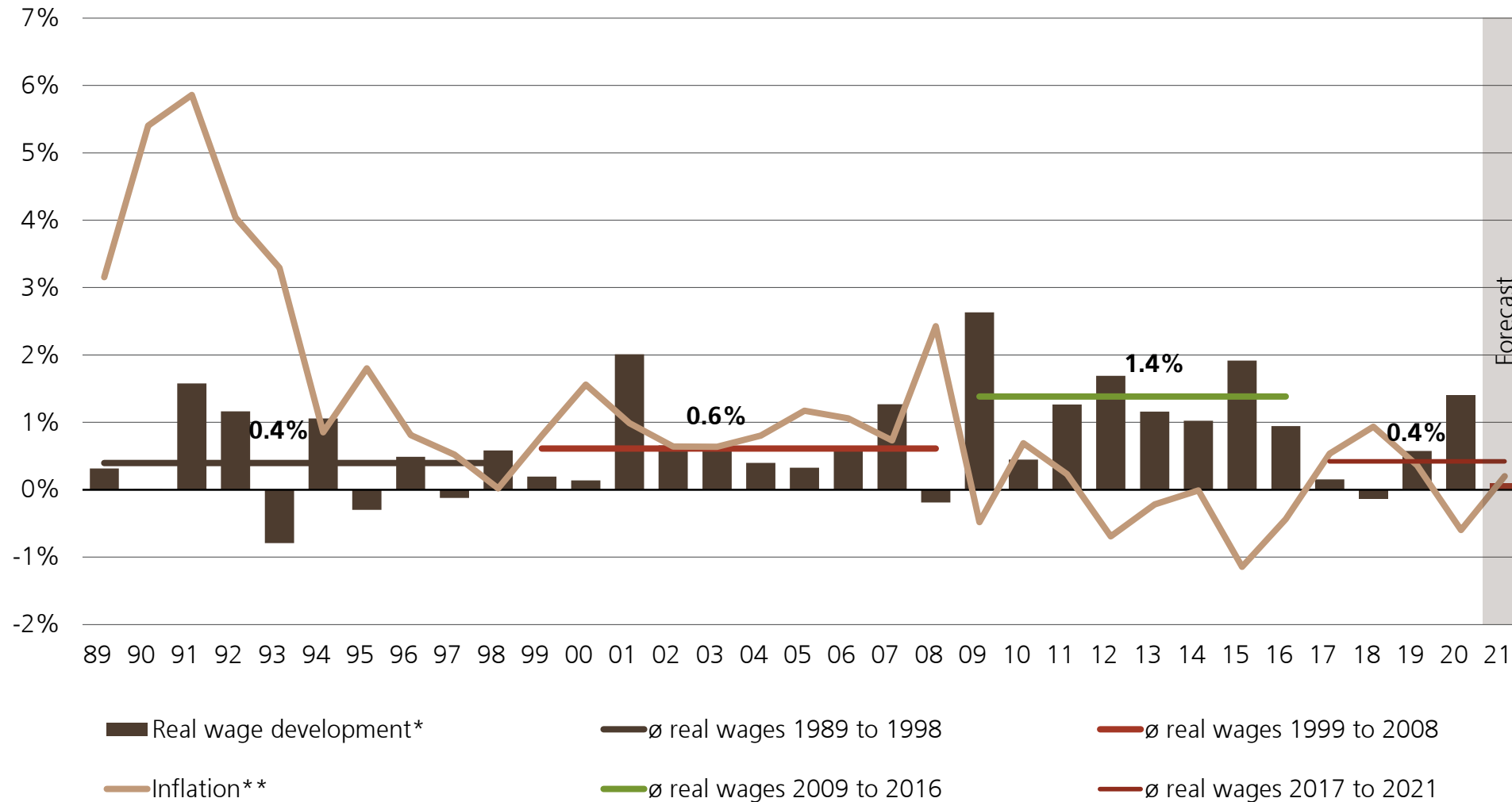
# Real wage growth rates and inflation



\*Survey results following wage negotiations (except 2021) \*\*2020 & 2021 UBS forecasts

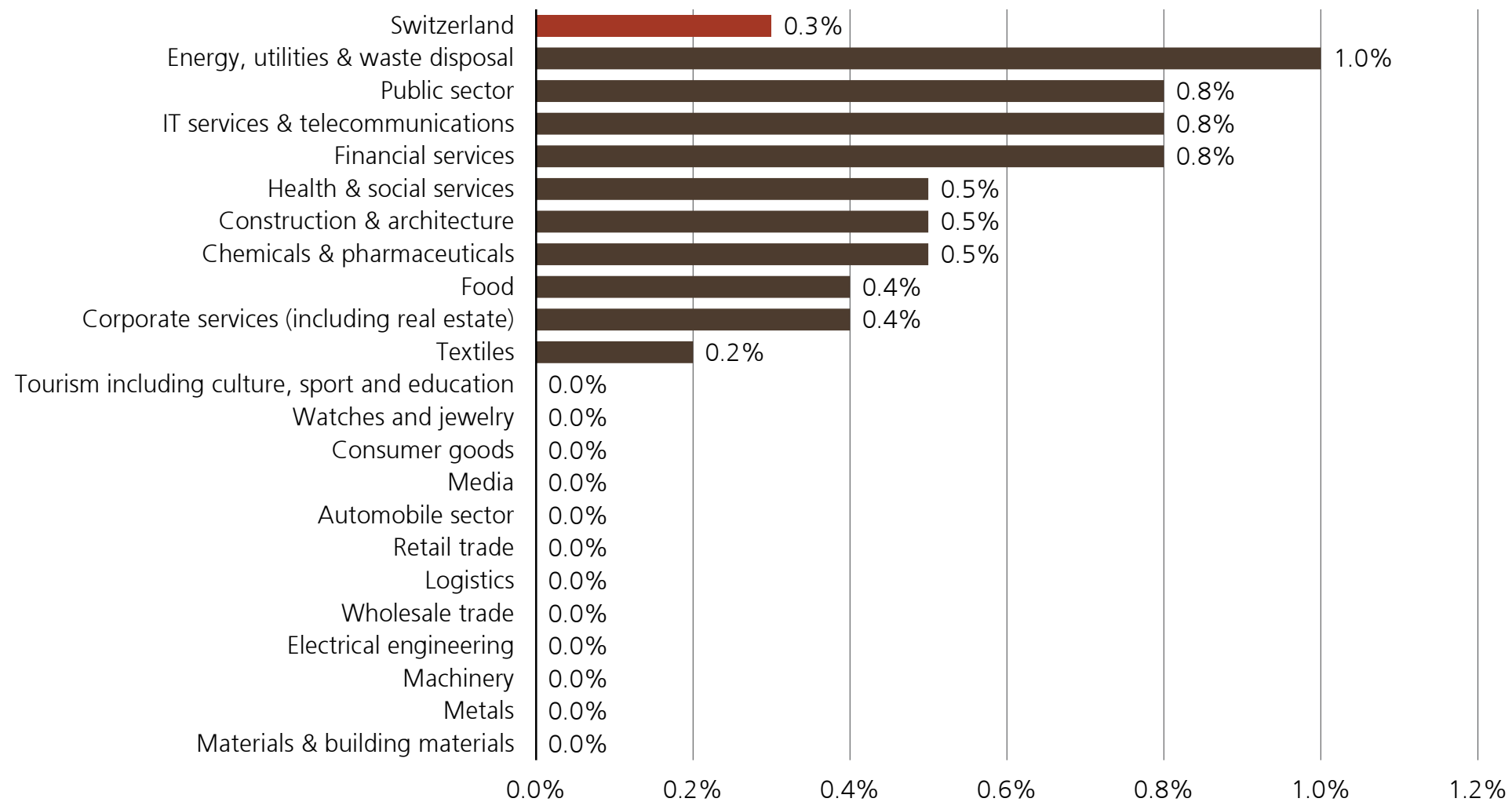


# Real wage growth rates with period averages

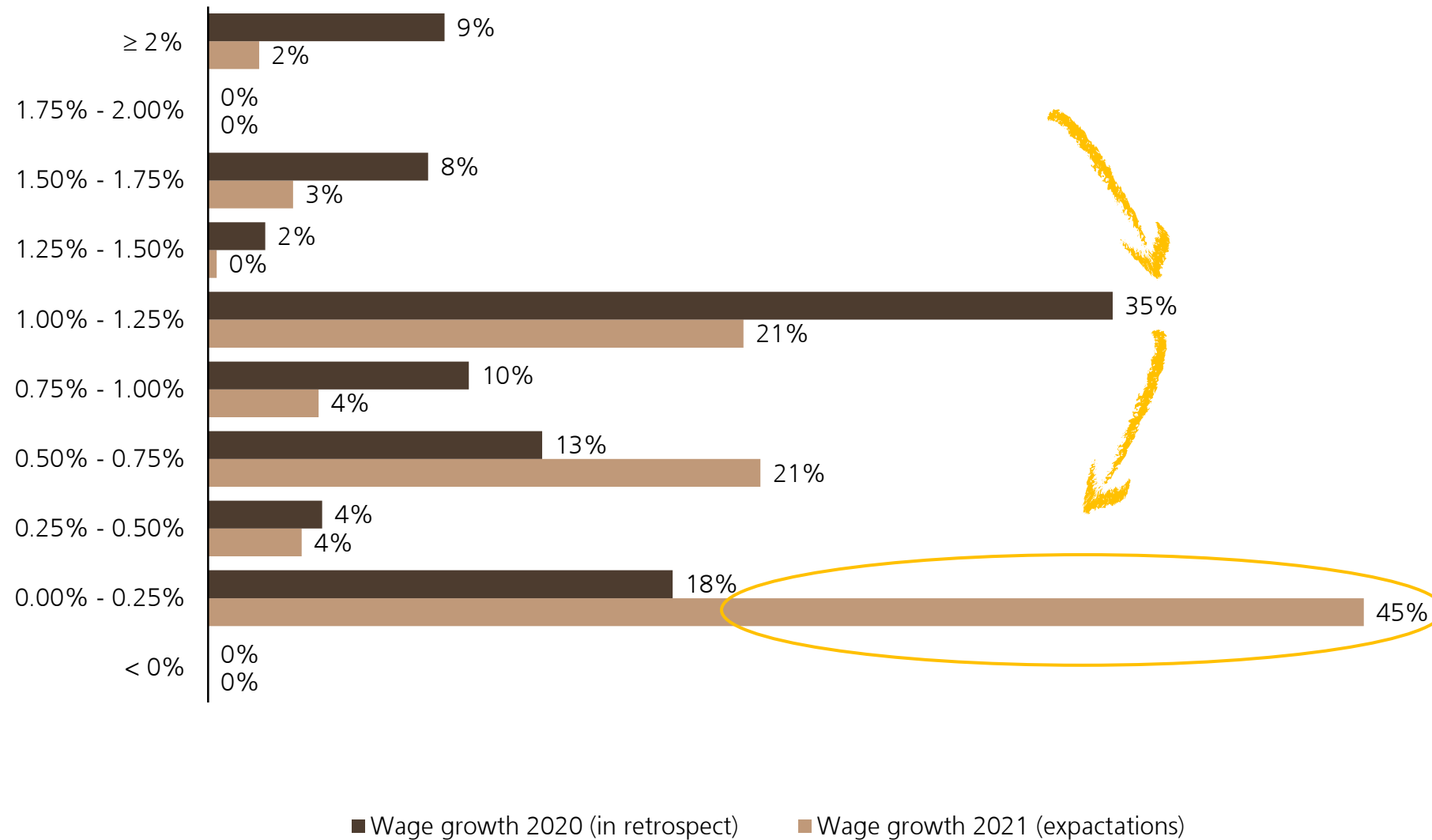


\*Survey results following wage negotiations (except 2021) minus inflation \*\*2020 & 2021 UBS forecasts

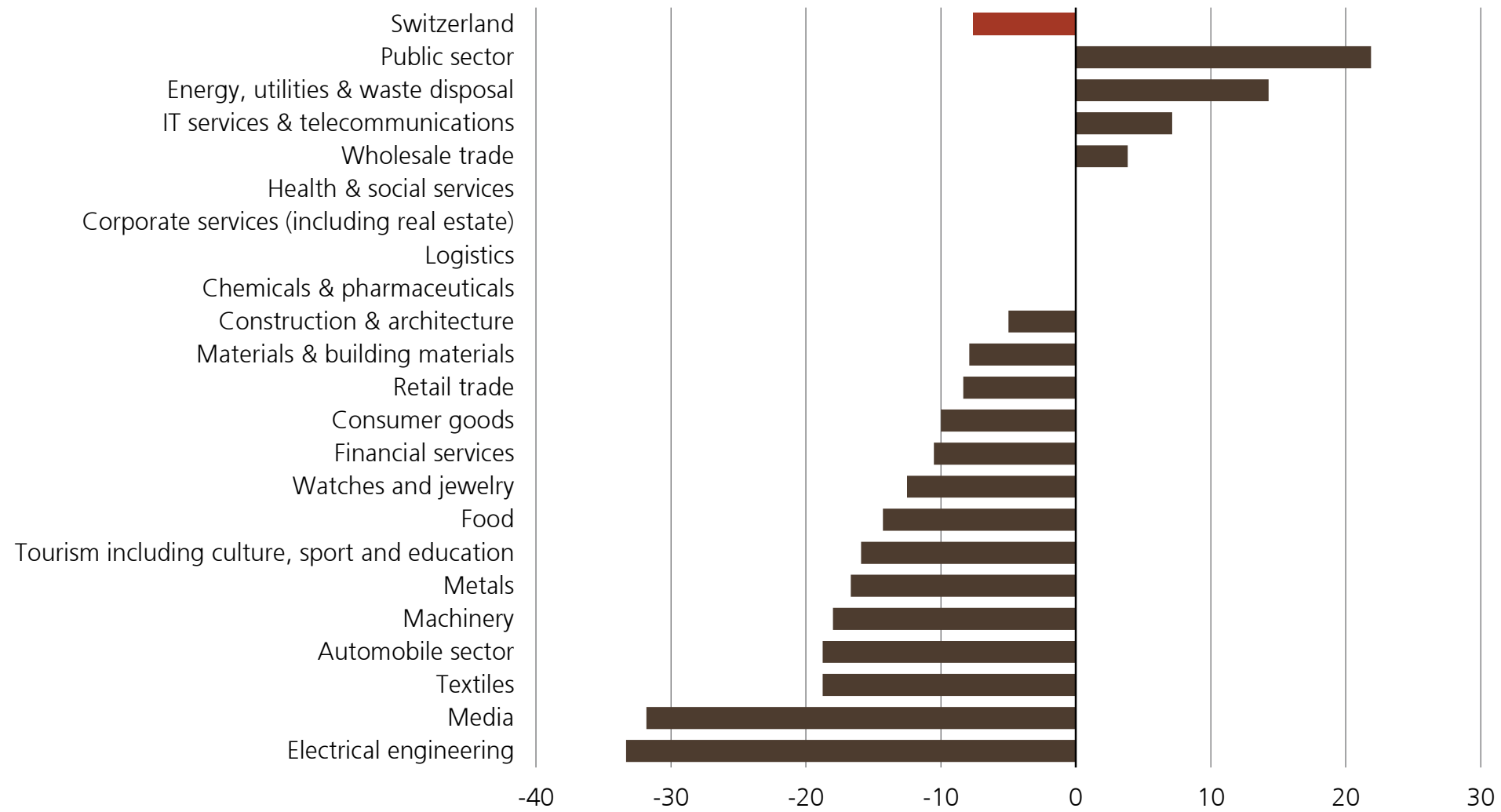
# Expected nominal wage growth rates 2021 by sector



# Nominal wage growth divided by increase in %



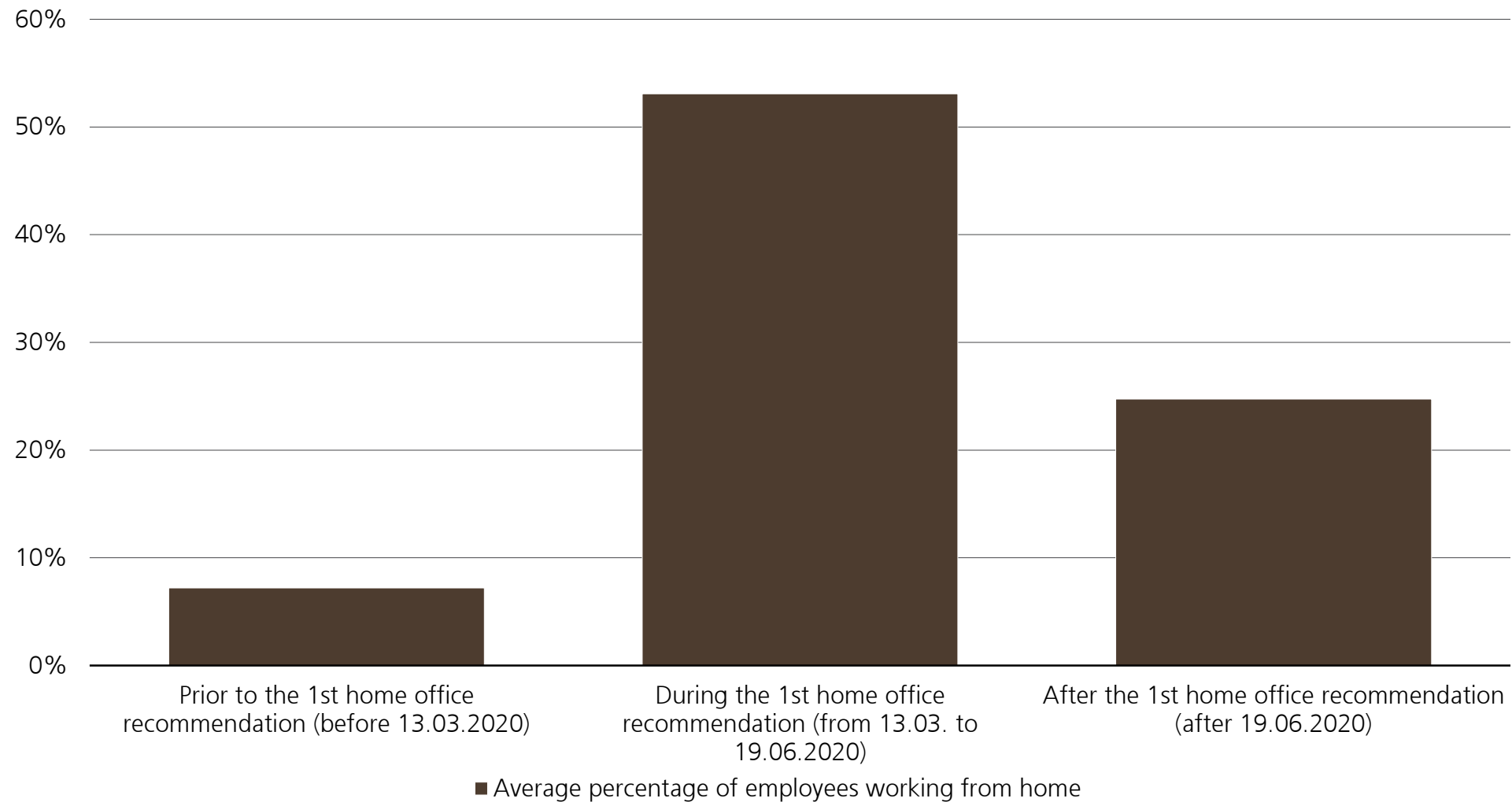
# Expected 2021 head count development by sector



Data evaluated using a diffusion index. The scale goes from -100 (strong decrease) to 0 (unchanged) to +100 (strong increase).

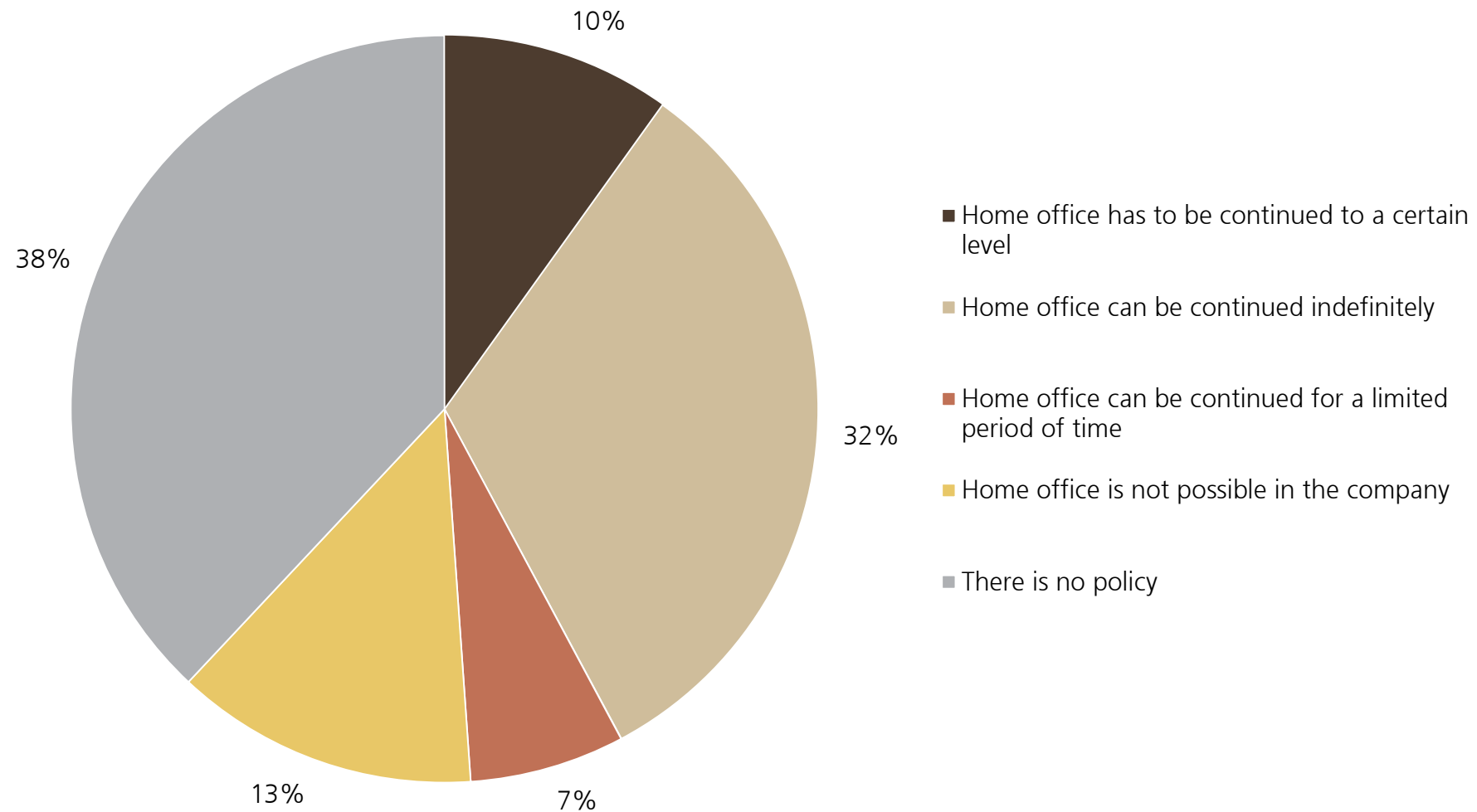
# Impact of Covid-19 on home office

Strong increase of home office due to Covid-19



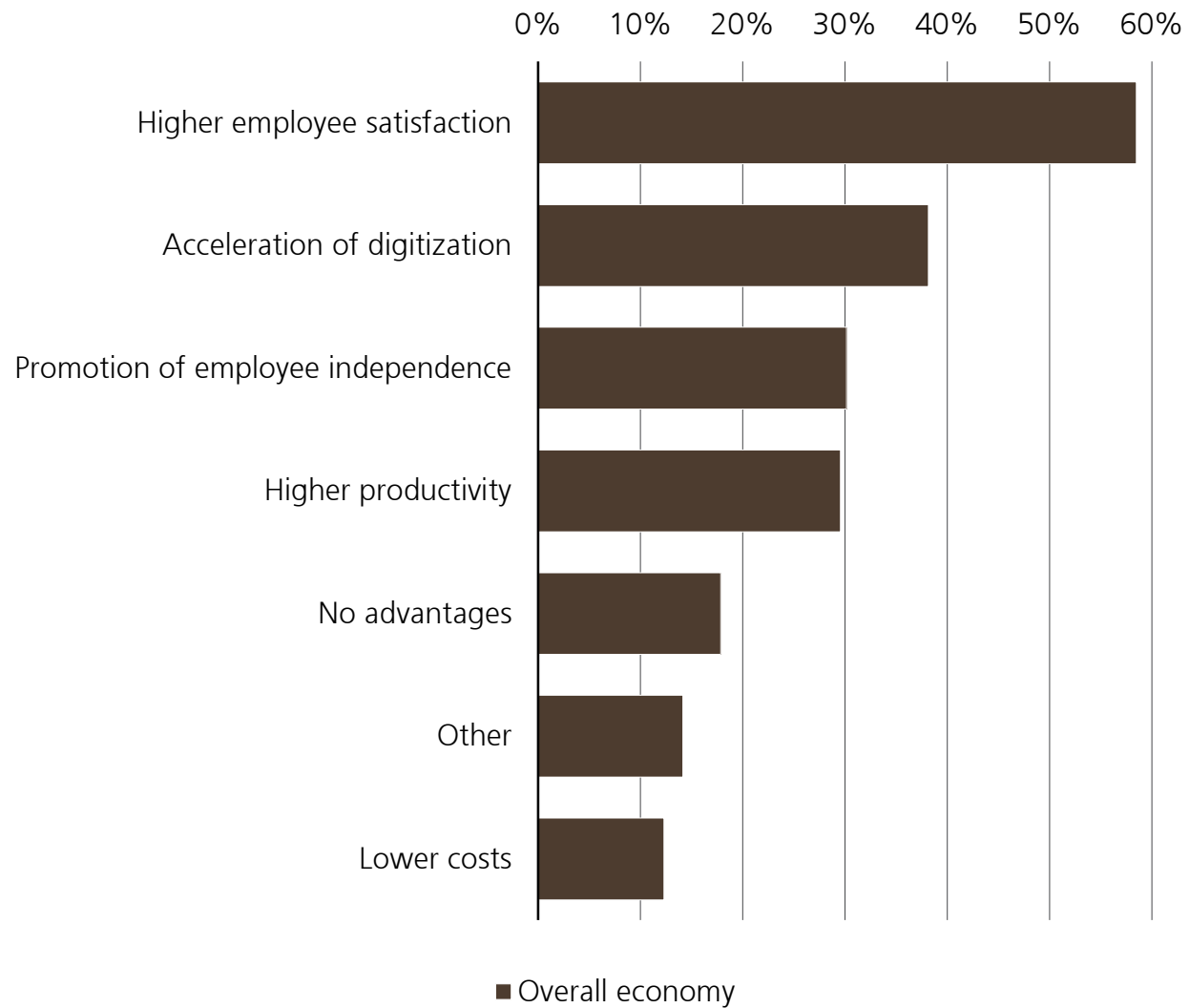
# Company policy regarding home office

One third of the surveyed companies now offer their employees the option of working from home indefinitely

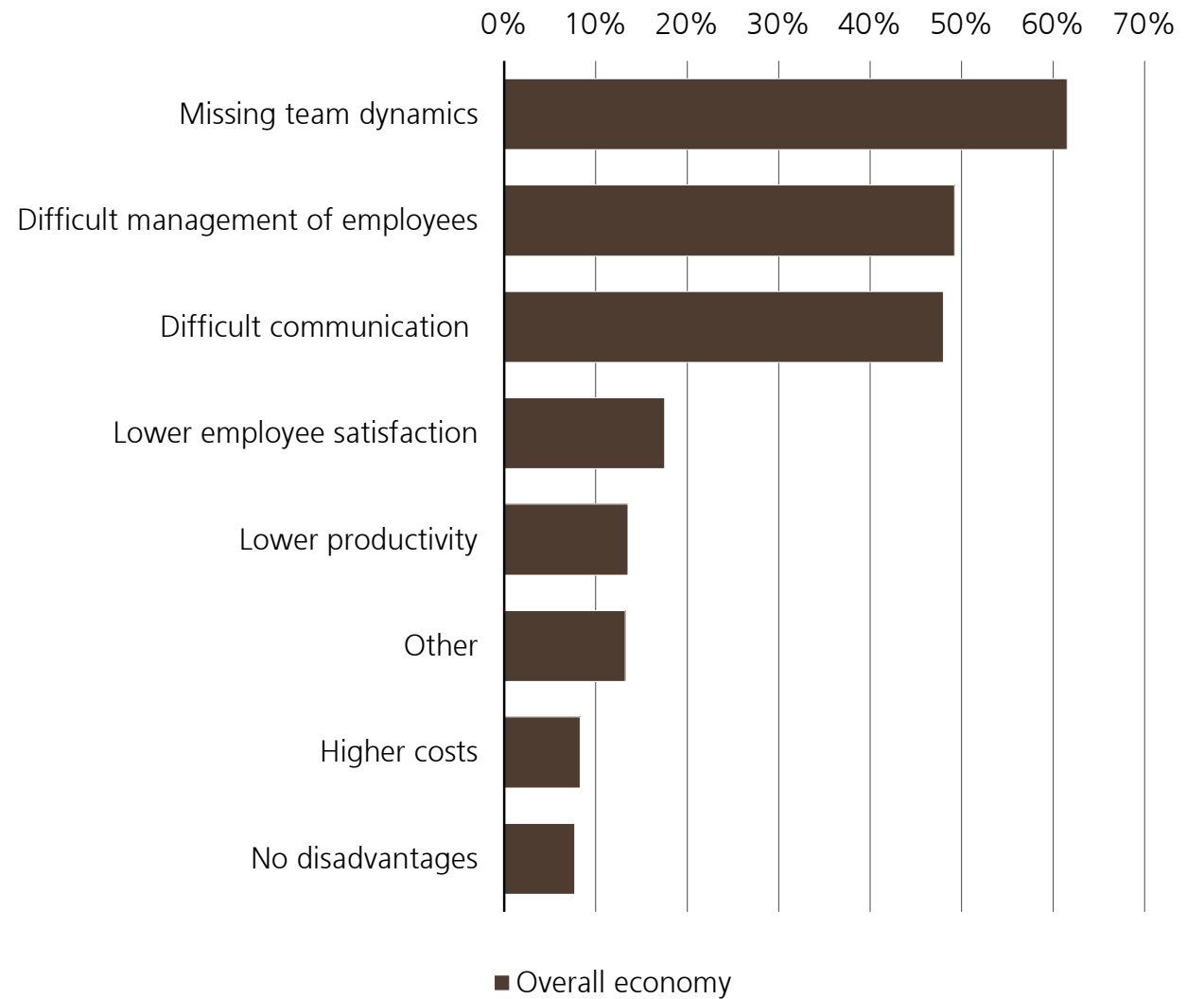


# Home office leads to a better work-life balance but also to lacking team dynamics

## Advantages of home office

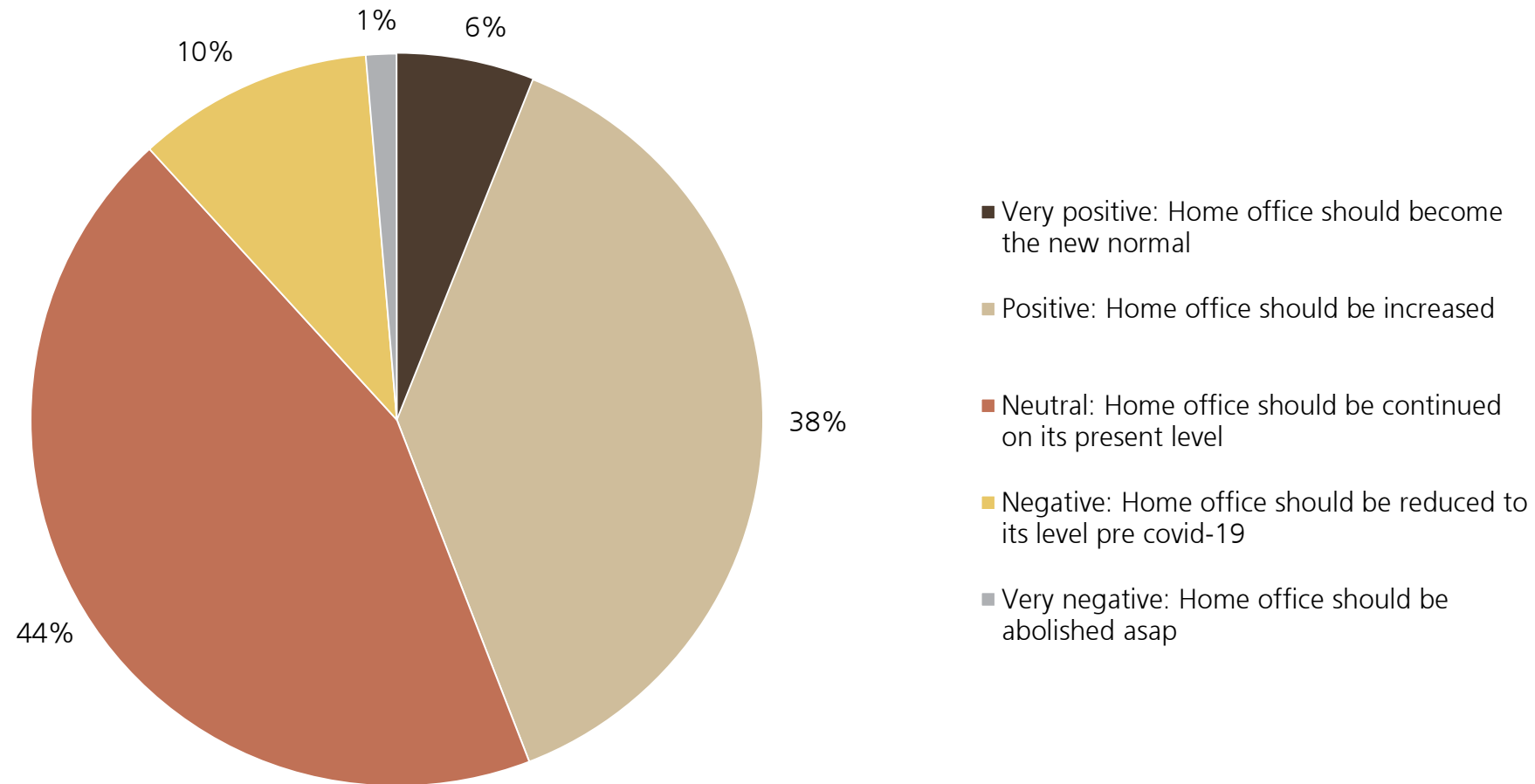


## Disadvantages of home office



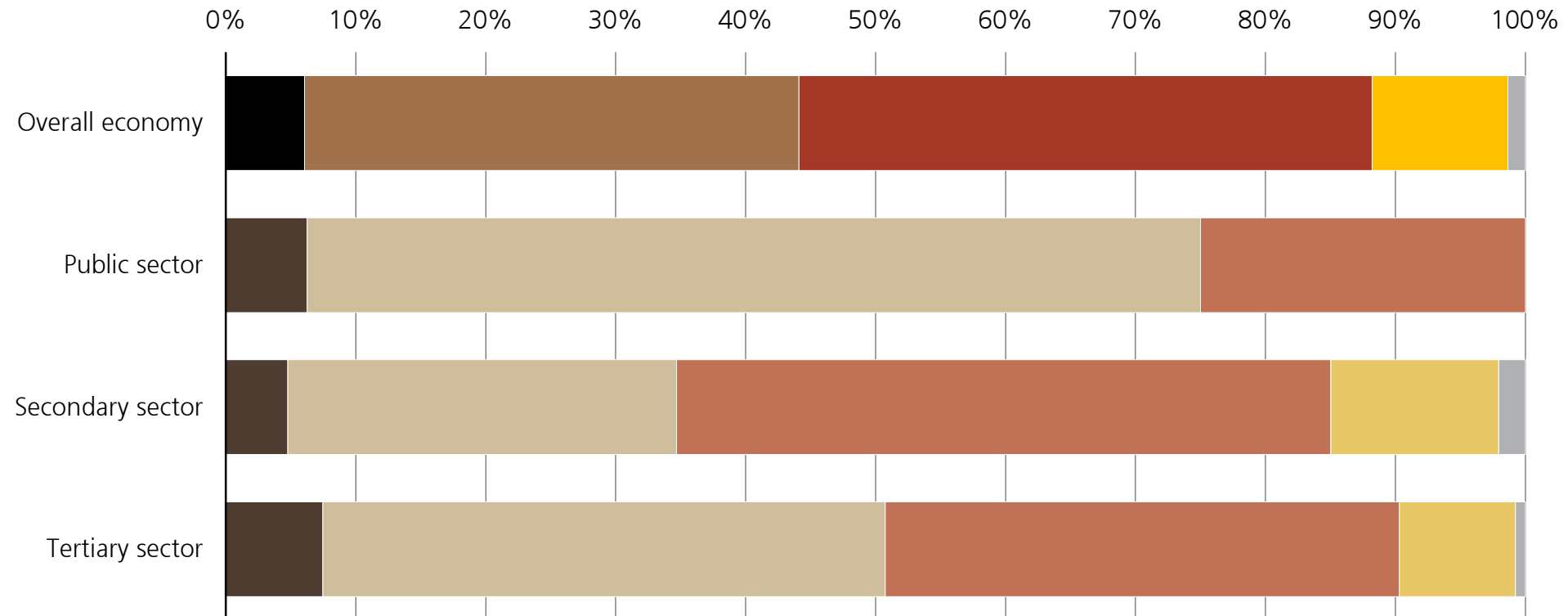
# Evaluation of the future development of home office

Home office is rated positively for the most part





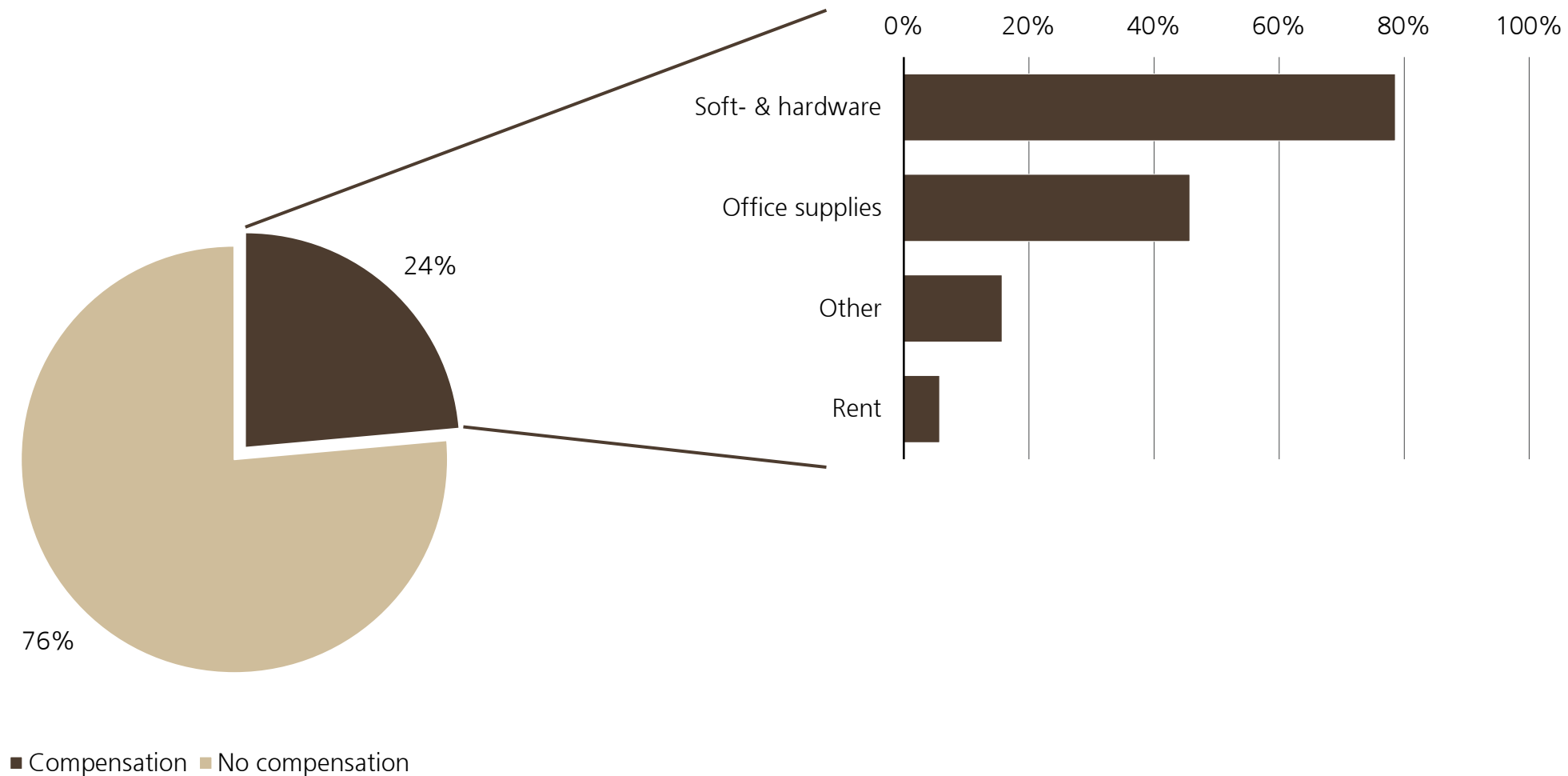
# Evaluation of the future development of home office



- Very positive: Home office should become the new normal
- Positive: Home office should be increased
- Neutral: Home office should be continued on its present level
- Negative: Home office should be reduced to its level pre covid-19
- Very negative: Home office should be abolished asap

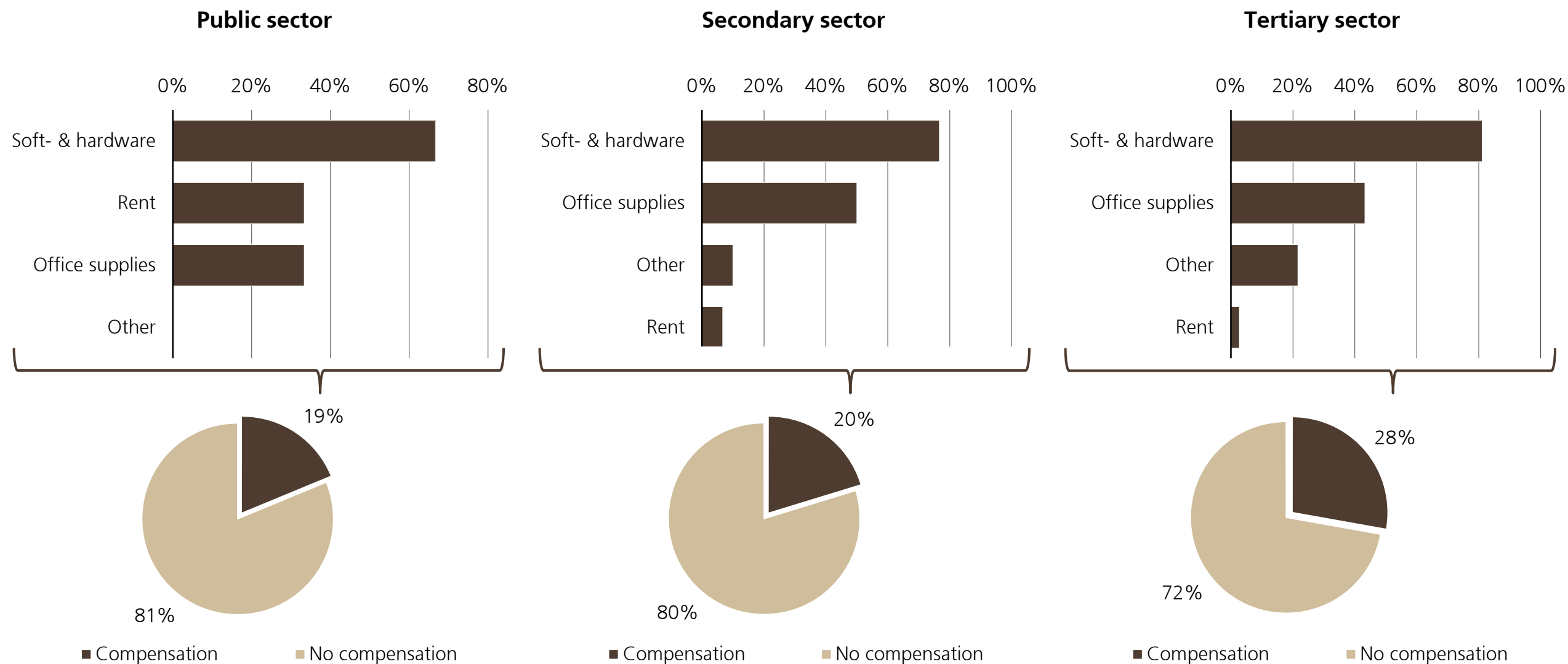
# Compensation for home office costs

A quarter of the participating companies help to pay home office costs



Bar chart: Percentage of companies that compensate costs caused by home office in the respective department (as a share of those companies that answered "yes" in regard to compensation for home office costs), multiple answers possible

# Compensation for home office costs by sector



Bar charts: Percentage of companies that compensate costs caused by home office in the respective department (as a share of those companies that answered "yes" in regard to compensation for home office costs), multiple answers possible

# Contact information

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