



The 2025 Manufacturing and Wholesale Distribution Compensation & Benefits Benchmarking Survey

Presented by





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Record Participation

**Legacy of Industry Insight /
Continuous Evolution**



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Profile of Participating Companies

Figures 1-10 describe the key profile characteristics of participating companies. Participating companies are of all sizes and engaged in all types of manufacturing or wholesale distribution. Most are manufacturers, non-union, S Corp companies that have been in business for 30 years or more.

Figure 1: Company Classification
(n=107)

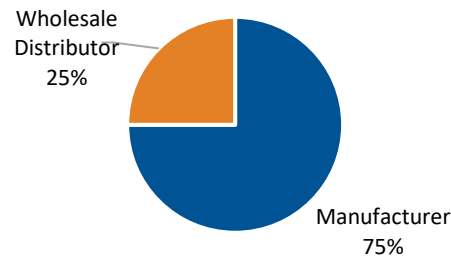


Figure 2: Union Status
(n=105)

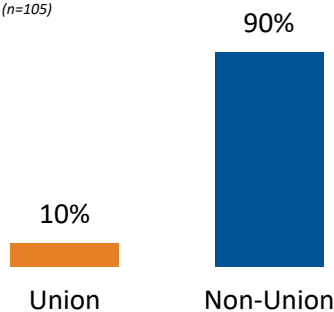


Figure 3: Type of Company
(n=107)

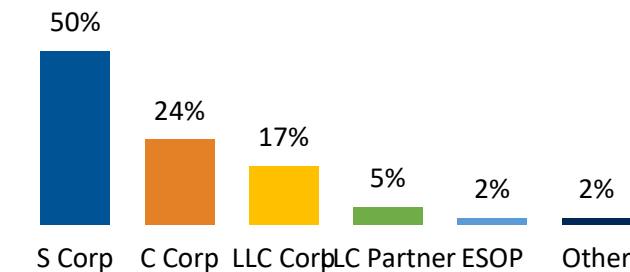
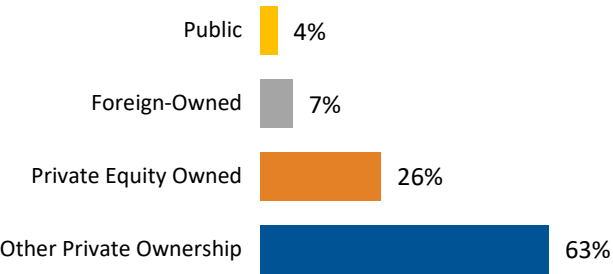


Figure 4: Total Annual Sales

	All (n=107)	Manufacturer (n=80)	Wholesale Distribution (n=27)
Less than \$10 Million	15%	18%	7%
\$10 Million - \$25.9 Million	31%	34%	22%
\$26 Million - \$50.9 Million	16%	16%	15%
\$51 Million - \$100.0 Million	22%	21%	22%
More than \$100 Million	17%	11%	33%

Figure 5: Company Ownership
(n=107)



Profile of Participating Companies

More key profile characteristics of participating companies.

Figure 6: Company Size/FTE Employees
(n=107)

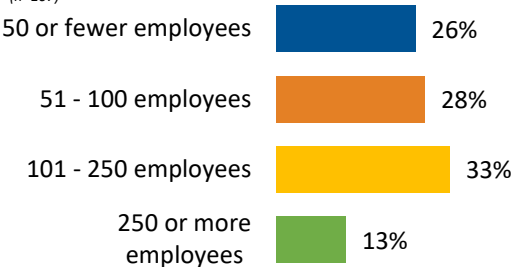


Figure 7: Years in Business
(n=107)

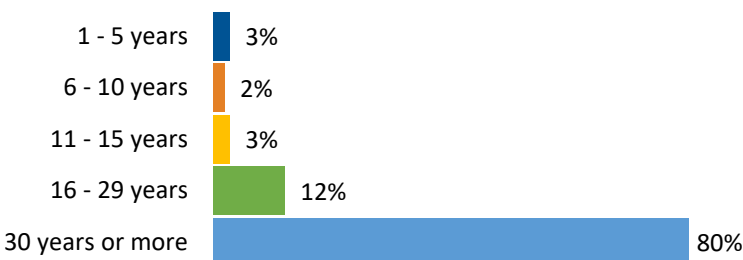


Figure 8: Geographic Coverage
(n=107)

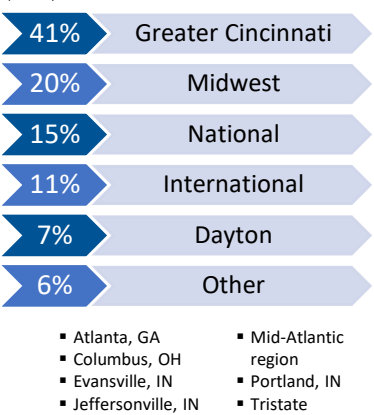


Figure 9: Primary Market
(n=107)

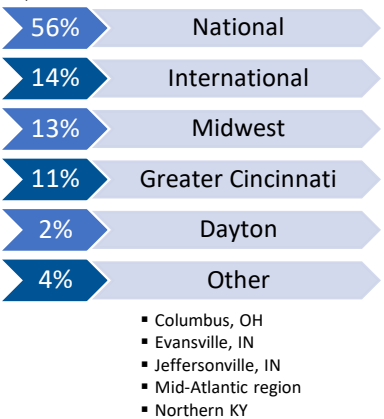
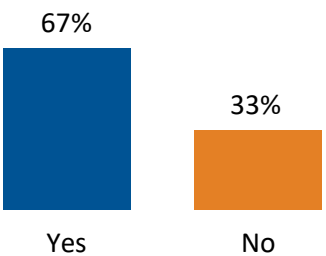


Figure 10: Family Owned
(n=106)

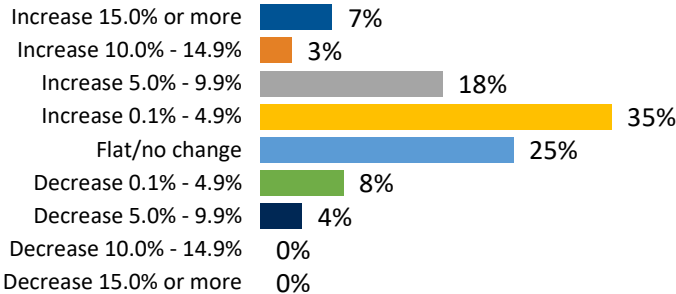


Business Insights: The State of the Industry

Most respondents expect their gross margins to either slightly increase (35%) or remain flat (25%) in 2025, with only a small portion anticipating significant changes. The biggest concerns about maintaining or improving margins are the rising cost of goods (45%) and labor (20%). Economically, 41% of companies report no change, but others are adjusting through attrition, salary increases, or workforce cuts.

Q. What is your gross margin forecast for 2025?

(n=98)

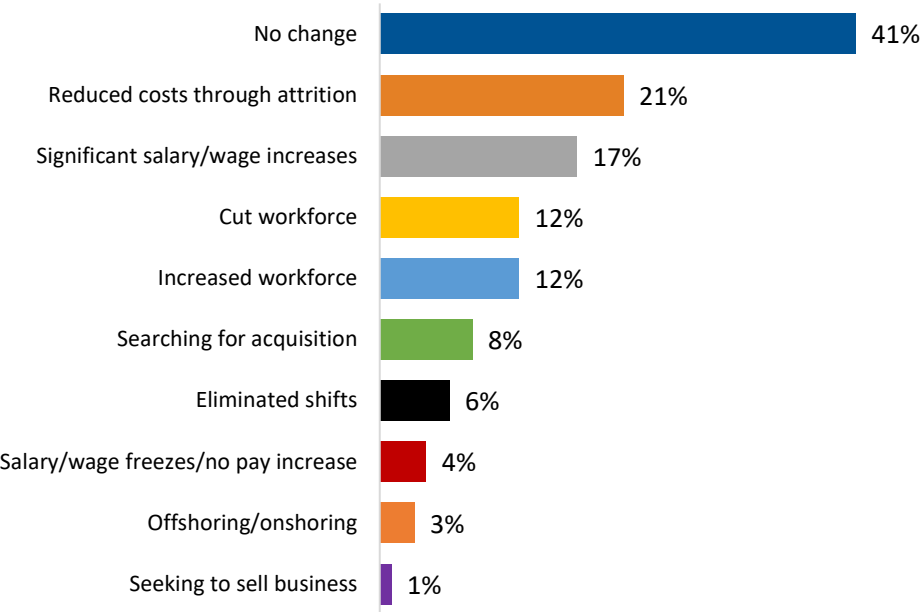


Q. What is your biggest concern about maintaining or improving your gross margin?

		n=99
Rising cost of goods		45%
Rising cost of labor		20%
Rising freight costs		2%
Pricing power and failure to fully pass along price increases		15%
Other		18%
• Availability of labor	• Tariffs (11 mentions)	
• Climate	• Weak demand	
• Margin leakage		

Q. How is the economic environment affecting your company?

(n= 100: Multiple responses allowed)



Business Insights: Operations

Over the past 12 months, 88% of companies reported increases in raw material costs—44% saw a moderate increase (6%–15%), and 44% saw a small increase (1%–5%). In response, 85% of companies raised prices to customers—most commonly by 1%–5% (54%), followed by 6%–15% (25%). Very few reported decreases or no change in pricing or costs.

Q. In the past 12 months, how much have raw materials (cost of goods) prices changed?

	n=97
Significant decreased (more than -15%)	-
Moderately decreased (-6% to -15%)	1%
Some decrease (-1% to -5%)	3%
Remained the same (no increase)	2%
Some increase (1% to 5%)	44%
Moderately increased (6% to 15%)	44%
Significantly increased (more than 15%)	6%

Q. In the past 12 months, how much have you adjusted prices to customers due to raw material (cost of goods) and labor costs?

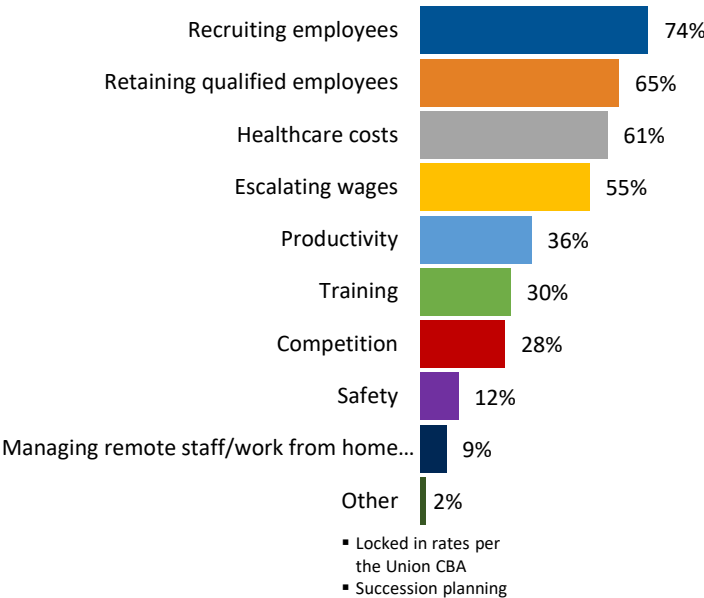
	n=98
Significant decreased (more than -15%)	-
Moderately decreased (-6% to -15%)	-
Some decrease (-1% to -5%)	1%
Remained the same (no increase)	14%
Some increase (1% to 5%)	54%
Moderately increased (6% to 15%)	25%
Significantly increased (more than 15%)	6%

Business Insights: Challenges & Operational Issues

In 2025, manufacturers and distributors are primarily concerned with attracting and retaining employees, managing rising healthcare costs, and addressing escalating wages. Operationally, controlling labor, benefits, and material costs, along with finding and retaining skilled workers, are top priorities. Economic uncertainty, including tariffs and profit margins, also weighs heavily on their outlook.

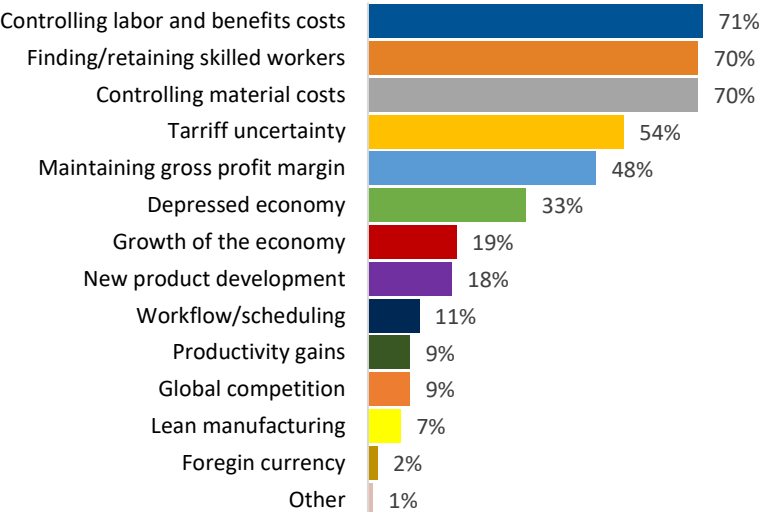
Q. What do you see as the top personnel issues facing manufacturers and distributors in 2025?

(n=105: Multiple responses allowed)



Q. What do you see as the top operational issues facing manufacturers and distributors in 2025?

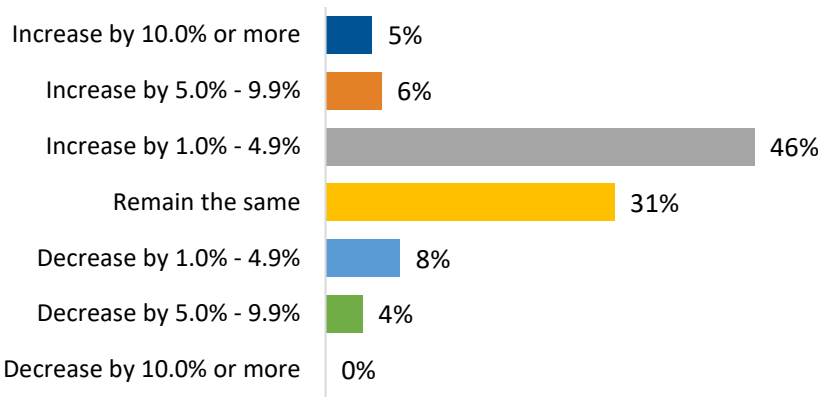
(n=102: Multiple responses allowed)



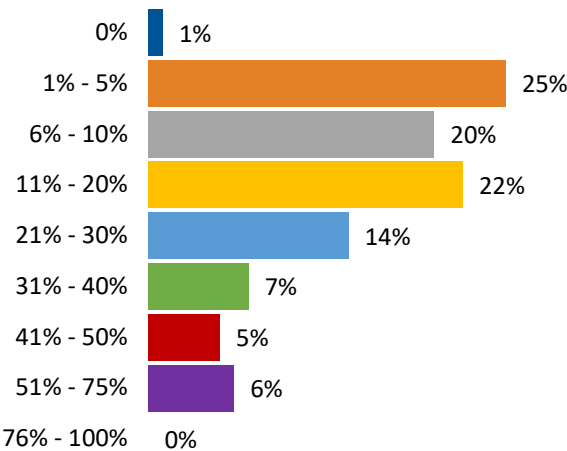
Business Insights: Employee Levels & Turnover

In 2025, nearly half (46%) of companies expect staffing levels to increase slightly (1.0%–4.9%), while 31% expect no change. Over the past year, employee turnover was relatively low for most companies, with 68% reporting rates of 20% or less. Overtime usage varies, but the average annual overtime as a percentage of regular time is 7.5%, with 48% of companies reporting more than 6% overtime.

Q. How do you project your staffing levels to be in 2025?
(n=105)



Q. What was your employee turnover rate over the last year?
(n=106)



Business Insights: Pay Increases

In 2024, the majority of companies (76%) provided average pay increases of 3%–4%, with 11% offering 5%–6%. Only 2% gave no raises. For 2025, expectations remain similar, with 73% projecting 3%–4% increases and a slight rise in 1%–2% raises (12%). Few anticipate no raises (3%), and no companies expect increases above 10%.

Q. What were the average pay increase ranges across all employee groups for your company in 2024?

	n=106
0%, we did not give a pay increase	2%
1% - 2%	6%
3% - 4%	75%
5% - 6%	11%
7% - 10%	5%
11% - 15%	-
16% - 20%	-
More than 20%	1%

Q. What do you anticipate the average pay increase ranges will be across all employee groups for your company for 2025?

	n=104
0%, we do not anticipate giving pay increases	3%
1% - 2%	12%
3% - 4%	72%
5% - 6%	12%
7% - 10%	1%
11% - 15%	-
16% - 20%	-
More than 20%	-

Compensation Data: Summary

2025 Average Metrics

Job/Position	# Reporting	Shareholder	Years in Position	Base Salary	Bonus	Commission	Total Compensation
President/Chief Executive Officer (CEO)	88	71%	13.3	\$263,505	\$154,872	-	\$366,092
Executive/Senior Vice President	33	59%	12.5	\$211,377	\$61,530	-	\$267,061
COO/VP Manufacturing	49	23%	6.4	\$190,322	\$64,377	-	\$234,682
Chief Financial Officer (CFO)/VP Finance	64	27%	12.9	\$189,080	\$62,358	-	\$235,888
VP Sales/Sales and Marketing Executive	65	30%	8.5	\$180,825	\$75,131	\$116,032	\$255,520
HR Executive	50	22%	8.6	\$130,047	\$38,174	-	\$154,478

Note: "-" = insufficient # of organizations reporting.

Note: Base Salary, Bonus, and Commission figures may not equal Total Compensation.

Vice President of Sales/Sales & Marketing Executive

Reports to: President/CEO

The Vice President of Sales/Sales & Marketing Executive manages and directs a sales force to achieve sales and profit goals. They design and recommend sales and marketing programs and set short- and long-term sales strategies. Often, they rely on experience and judgment to plan and accomplish goals. This job may require a bachelor's degree in business, marketing, or related area, and at least 7 years of experience in the field.

	Base Salary							Bonus							Commission						
	# Orgs	25th	Median	75th	Mean	Min	Max	# Orgs	25th	Median	75th	Mean	Min	Max	# Orgs	25th	Median	75th	Mean	Min	Max
Total Responses	65	\$136,966	\$185,000	\$228,282	\$180,825	\$19,500	\$350,000	43	\$20,000	\$43,000	\$94,500	\$75,131	\$3,035	\$529,000	14	\$35,250	\$68,864	\$165,000	\$116,032	\$18,873	\$387,492
Company Size																					
Over 100 Ees	33	\$161,151	\$201,000	\$255,000	\$213,563	\$93,000	\$350,000	25	\$29,788	\$50,000	\$100,000	\$88,405	\$8,570	\$529,000	6	\$38,468	\$160,000	\$339,243	\$182,420	\$18,873	\$387,492
100 Ees and Under	32	\$96,633	\$152,000	\$190,025	\$147,064	\$19,500	\$260,000	18	\$13,750	\$35,000	\$63,750	\$56,696	\$3,035	\$320,000	8	\$31,750	\$62,849	\$87,590	\$66,241	\$27,873	\$145,000
Company Classification																					
Manufacturer	48	\$127,233	\$166,000	\$213,000	\$175,406	\$19,500	\$350,000	31	\$24,000	\$43,000	\$94,500	\$62,421	\$5,500	\$325,000	11	\$37,000	\$66,366	\$145,000	\$118,202	\$18,873	\$387,492
Wholesale Distributor	17	\$153,038	\$191,700	\$255,000	\$196,127	\$56,250	\$320,600	12	\$12,500	\$42,500	\$132,500	\$107,967	\$3,035	\$529,000	3	-	-	-	-	\$27,873	\$225,000
Total Annual Sales																					
Less than \$26 Million	24	\$91,250	\$134,344	\$181,728	\$142,306	\$19,500	\$316,000	12	\$8,500	\$28,000	\$71,250	\$37,711	\$3,035	\$100,000	6	\$51,999	\$68,864	\$106,000	\$77,510	\$30,000	\$145,000
\$26 Million to \$100 Million	27	\$150,000	\$190,000	\$236,900	\$191,257	\$93,000	\$350,000	20	\$28,557	\$41,500	\$80,637	\$52,233	\$8,570	\$150,000	6	\$25,623	\$41,000	\$152,040	\$91,151	\$18,873	\$323,160
More than \$100 Million	14	\$196,250	\$205,000	\$300,000	\$226,739	\$115,000	\$320,600	11	\$42,968	\$94,500	\$320,000	\$157,588	\$10,000	\$529,000	2	-	-	-	-	\$225,000	\$387,492

Note: "-" = insufficient # of organizations reporting.

	Total Compensation					
	25th	Median	75th	Mean	Min	Max
Total Responses	\$171,422	\$220,366	\$288,450	\$255,520	\$19,500	\$794,750
Company Size						
Over 100 Ees	\$205,000	\$250,000	\$403,225	\$313,704	\$125,000	\$794,750
100 Ees and Under	\$140,154	\$197,000	\$231,173	\$195,517	\$19,500	\$520,000
Company Classification						
Manufacturer	\$171,177	\$220,183	\$250,000	\$242,808	\$19,500	\$630,461
Wholesale Distributor	\$167,323	\$230,000	\$398,000	\$291,412	\$56,250	\$794,750
Total Annual Sales						
Less than \$26 Million	\$125,840	\$170,956	\$240,750	\$180,540	\$19,500	\$396,000
\$26 Million to \$100 Million	\$200,000	\$235,000	\$253,137	\$250,204	\$133,510	\$566,160
More than \$100 Million	\$205,000	\$429,750	\$521,250	\$394,308	\$125,000	\$794,750

Note: Base Salary, Bonus, and Commission figures may not equal Total Compensation.

Years in position	Mean (Years)	Median (Years)	Min (Years)	Max (Years)
All companies	8.5	7.0	1.0	38.0
Manufacturers	7.6	6.0	1.0	30.0
Wholesalers & Distributors	11.0	8.5	1.0	38.0

Shareholder	Yes %	No %
All companies	30%	70%
Manufacturers	28%	72%
Wholesalers & Distributors	33%	67%



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Vice President, Business
Development



Cory Thum
Regional Sales Manager

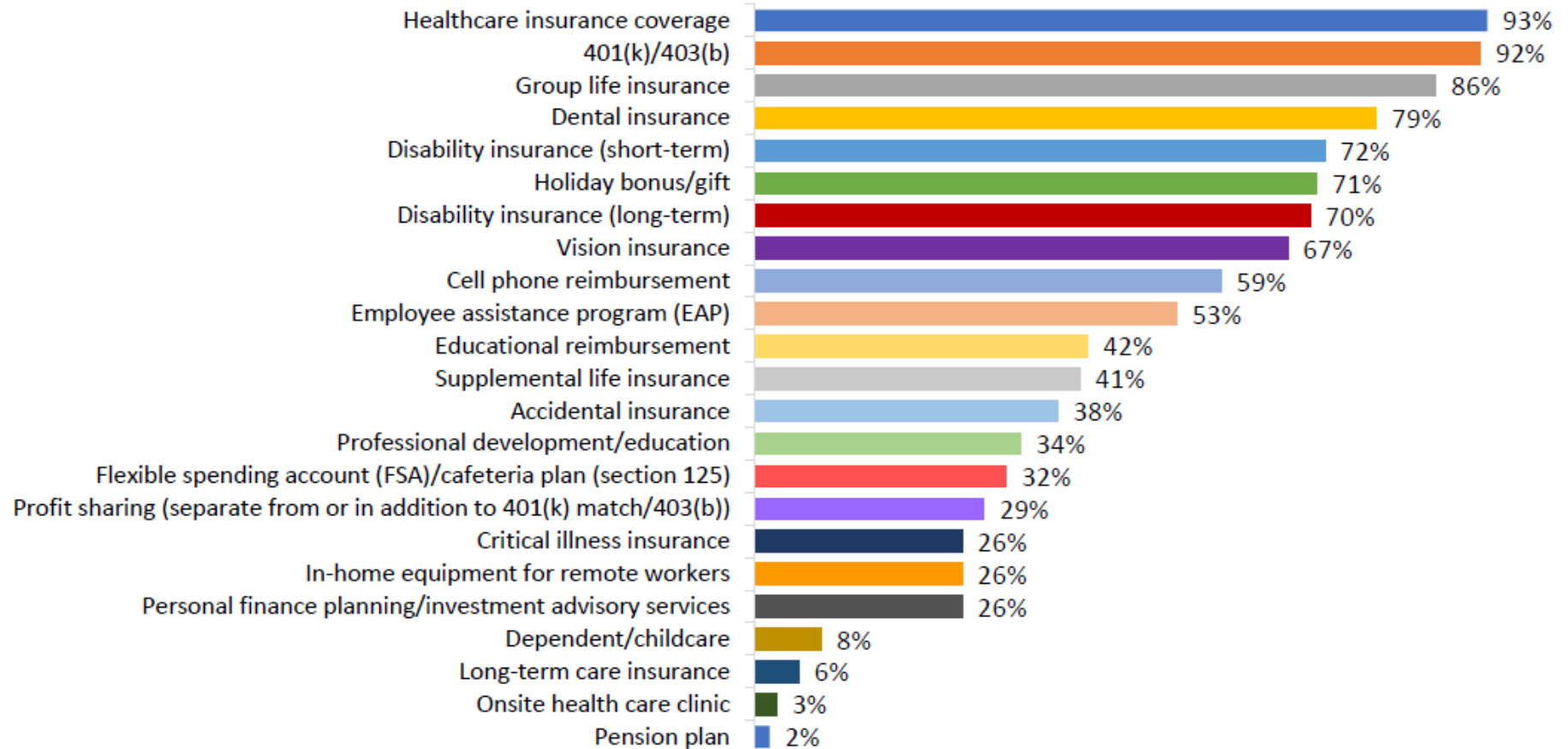




Employee Benefits Hot Topics

- » Pharmacy Spend
- » Reference Based Pricing/Direct Contracting/Narrow Networks
- » Mental Health and Well Being
- » Onsite/Near Site Clinics

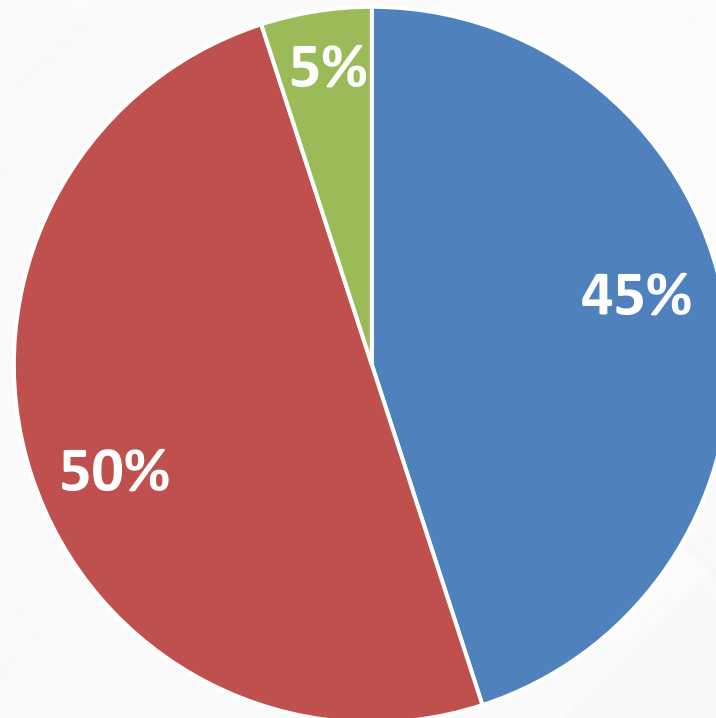
Benefits Offered by Participating Companies



Funding a Health Insurance Plan

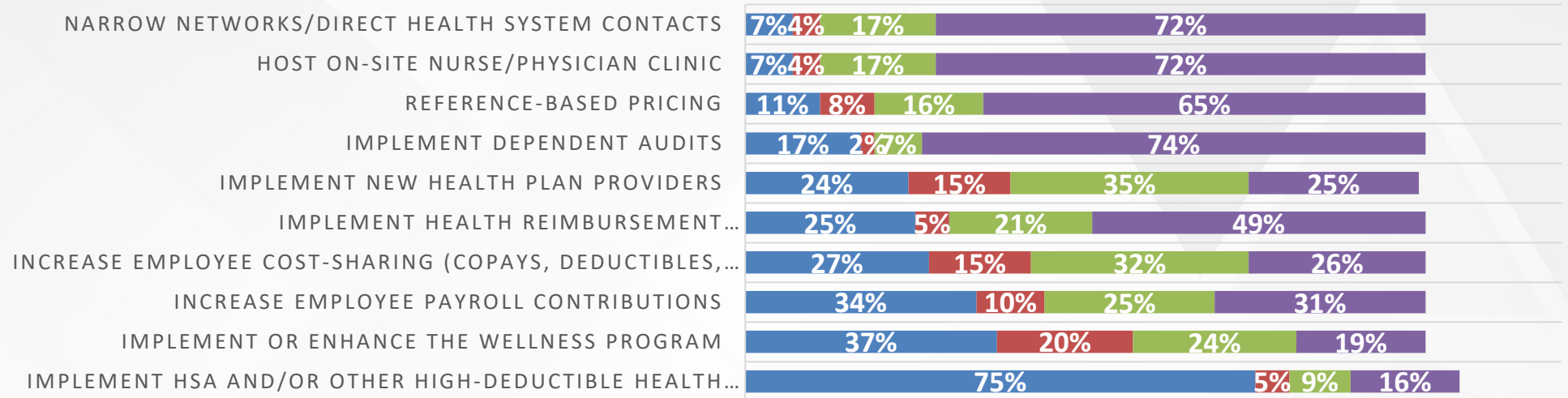


Funding



■ Fully Insured ■ Self Insured ■ Other

Future Strategies for Controlling Costs

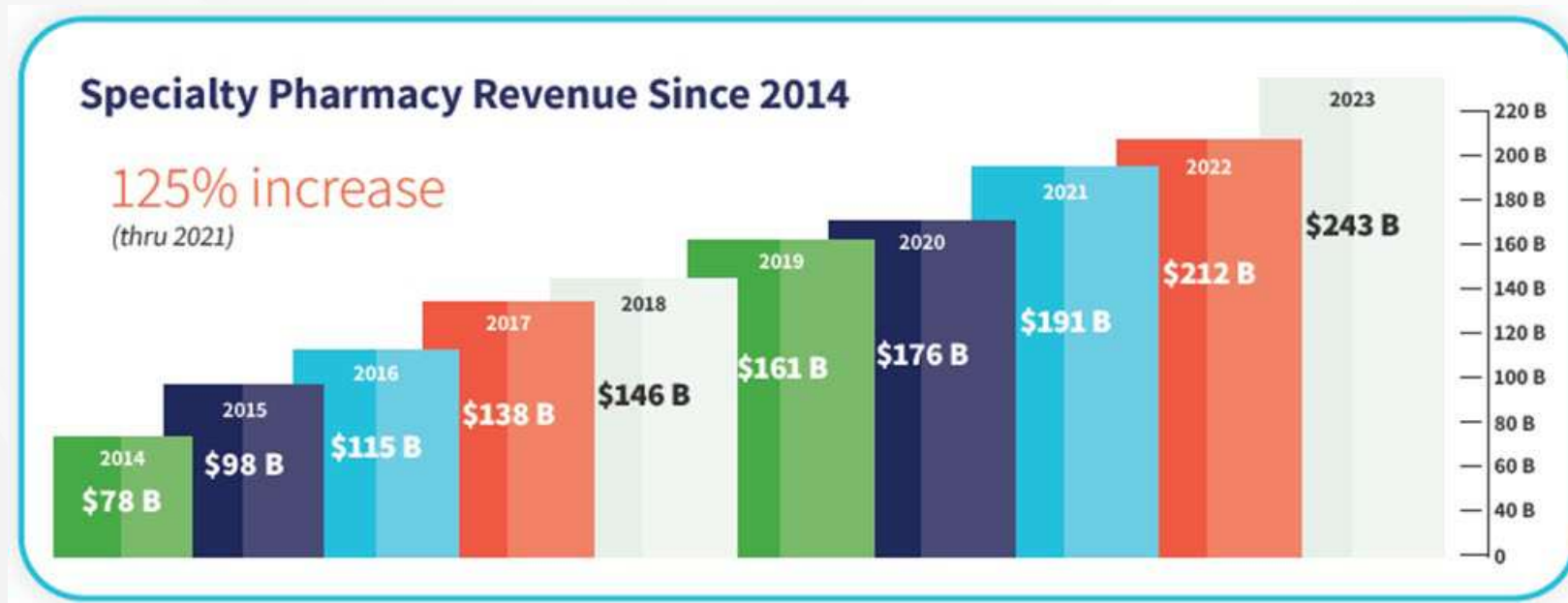


	Implement HSA and/or other high-deductible health plans	Implement or enhance the wellness program	Increase employee payroll contributions	Increase employee cost-sharing (copays, deductibles, etc.)	Implement Health Reimbursement Arrangements/Accounts (HRA)	Implement new health plan providers	Implement dependent audits	Reference-based pricing	Host on-site nurse/physician clinic	Narrow networks/direct health system contacts
■ Currently Utilizing	75%	37%	34%	27%	25%	24%	17%	11%	7%	7%
■ Significant Interest	5%	20%	10%	15%	5%	15%	2%	8%	4%	4%
■ Some Interest	9%	24%	25%	32%	21%	35%	7%	16%	17%	17%
■ Not Utilizing	16%	19%	31%	26%	49%	25%	74%	65%	72%	72%

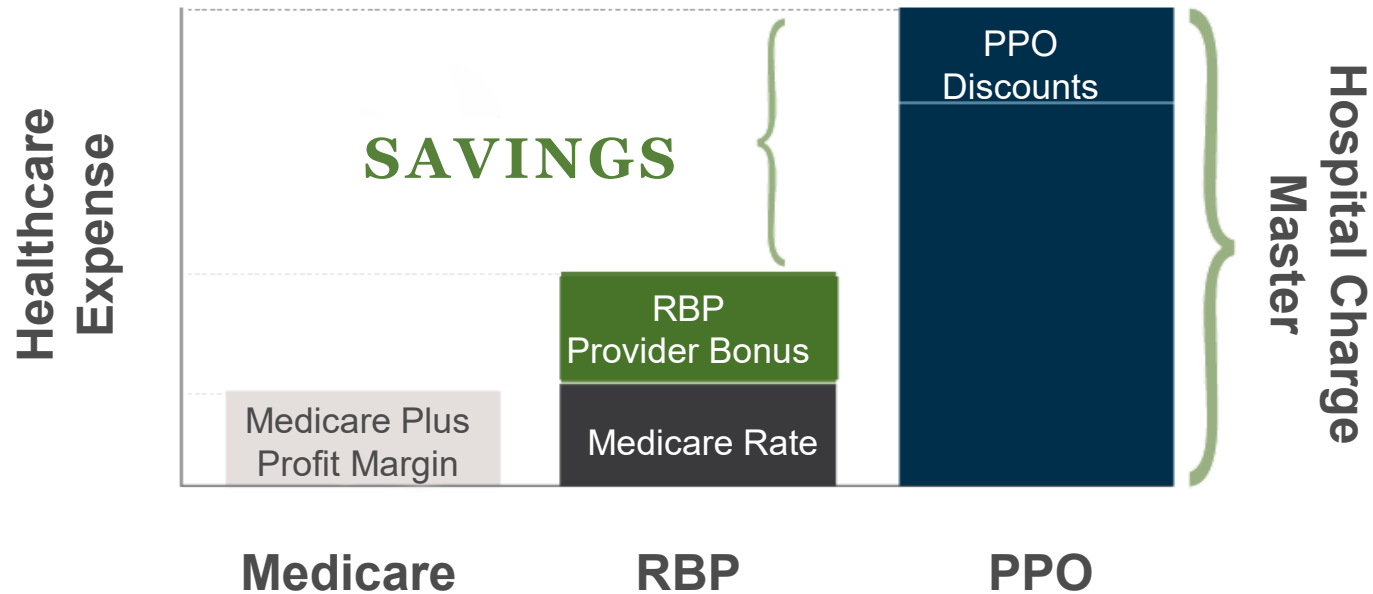
Reduce the Impact of Pharmacy Spend



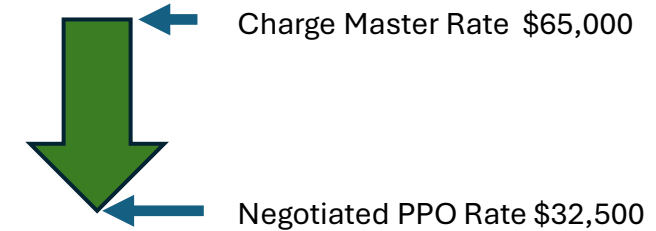
143% increase in 10 years



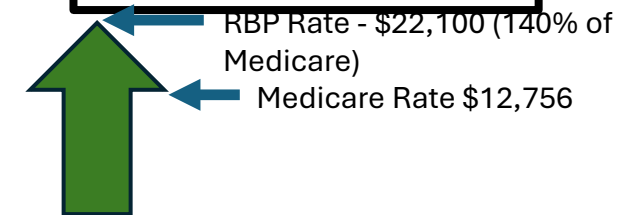
Reference Based pricing vs. Billed Charges Discount



PPO Model



Plan Savings =
\$10,400



RBP Model

Emerging Benefits



Health and Wellness

Biometric Screenings – Onsite or at PCP

Health Risk Assessment – Paired with biometric screening

Incentive Programs – Activities & Preventive exams with rewards

Health Coaching – Personalized goal setting

Consider adding – Diabetes Mgmt, Cancer Care solutions

Lifestyle Spending Accounts

Physical – Gym, Athletic equipment, personal trainer, fitness trackers, Nutritional supplements, entry fees

Financial – Home purchased expense reimbursement, Financial advisor, Student loan reimbursement, Financial classes

Emotional/Other – Retreats, Camping supplies, Annual park passes, Hunting & fishing licenses

Emerging Benefits

Behavioral/Mental Health/ EAP Solutions

In-the-Moment – In times of crisis or acute need

Ongoing Care – Can be scheduled

Specialized Resources – For teens; Work-life benefits

Onsite or Near Site Clinics

Cost Saving – In times of crisis or acute need

Convenience – Can be scheduled

Improved Access – For teens; Work-life benefits



QUESTIONS?

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