



Written by [Bob Adelman](#) on August 28, 2020

## Survey: Most U.S. Companies Planning to Give Salary Increases and Bonuses Next Year

Workers at most of the nation's employers can expect a three percent salary increase next year as the economy continues to improve, [according to a survey](#) of more than 1,000 U.S. companies.

The survey by Willis Towers Watson, a global advisory company, said that three out of four of them will also be granting bonuses, averaging from six to 11 percent.

This is the topping on the cake of good news that continues to show that the U.S. economy is rebounding nicely from the COVID shutdown. And just in time for the November elections, too.



It reflects the improving cash position of most of those companies, noted Maurie Blackman writing for Fool.com: "The fact that most companies plan to give out raises means they expect to be in a strong enough financial position to do so."

Friday's report from the Commerce Department emphasized that point, noting that consumer spending, responsible for more than two-thirds of the country's economy, increased more than expected in July. It rose by 1.9 percent last month after jumping by 6.2 percent in June. Economists once again underestimated the strength of the recovery. They expected spending would increase by 1.5 percent.

The report also showed that consumption of goods such as SUVs and trucks has rebounded above their pre-pandemic level.

The ebullience of the U.S. consumer is reflected in gains in consumer sentiment as reported by the University of Michigan on Friday, with half of all consumers expecting the economy to continue its rebound into the New Year.

The U.S. consumer is buying homes at record rates, according to the National Association of Realtors (NAR), which reported last week that the sale of previously owned homes rose nearly 25 percent between June and July. Not only was that a record, said the NAR, but the sales volume was the highest it had seen in 15 years.

And, with savings rate at a lofty 17.8 percent, there is plenty of financial firepower to drive the economy forward as it continues to recover.

Prospects for third-quarter GDP growth were also reflected by another report from the Commerce Department showing retail inventories rebounding by 1.2 percent in July. This is reflective of a strong holiday season as wholesalers begin to prepare for Thanksgiving, Black Friday and Christmas.

That's why economists surveyed by the *Wall Street Journal* are expecting such a strong rebound into the third quarter. They are projecting that the U.S. economy will grow at nearly a 20 percent



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annualized rate, with the final numbers likely coming in (just before the election) even stronger, given their propensity to underestimate the strength of the U.S. economy.

That most of the 1,010 U.S. companies surveyed by Willis Towers Watson are promising salary increases and bonuses gives additional comfort to those expecting the U.S. economy to continue its recovery and rebound into the New Year, along with a president enjoying another four years in the White House.

*Photo: Dilok Klaisataporn/iStock/Getty Images Plus*

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