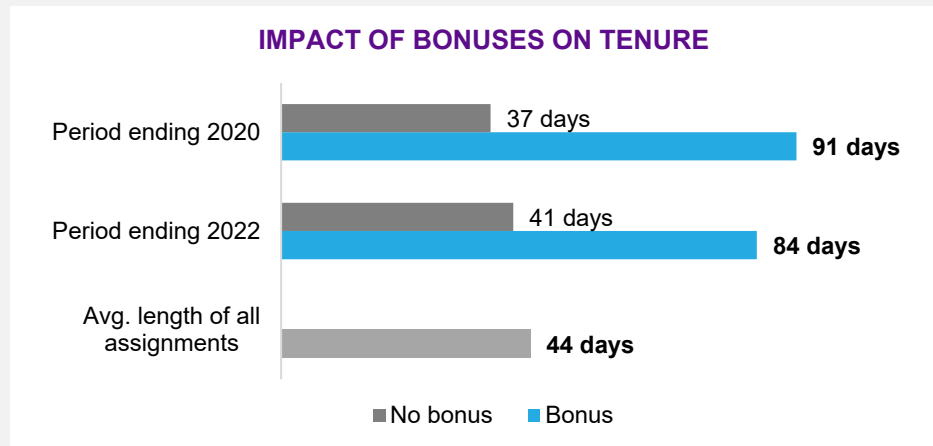


ARE EMPLOYEE BONUSES AN EFFECTIVE RETENTION STRATEGY IN 2023?

While labor market trends have shifted dramatically in the last four years, our data show one thing hasn't: the positive impact of employee bonuses on attendance, productivity, and turnover. And with economic uncertainty driving caution among employers, bonuses are an appealing way to invest in talent retention while maintaining financial flexibility. Unlike other perks or base-wage increases that drive up fixed costs, bonus programs can be paused in tough times or withdrawn entirely.

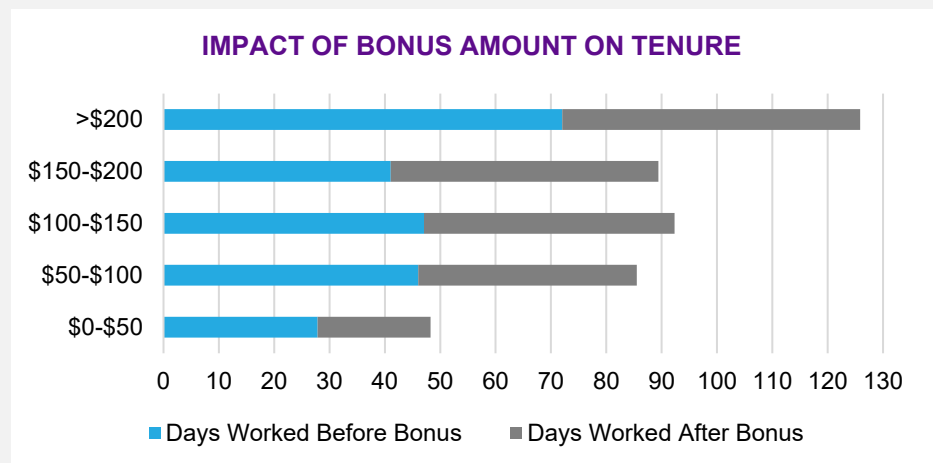
THE CORRELATION BETWEEN BONUSES AND TENURE

In 2020, we reported that Elwood associates who received at least one bonus stayed on assignment significantly longer than those who didn't. The same is still true today. Over the last 2 years, Elwood associates who received a bonus stayed on assignment an average of 43 days longer than those who didn't. And if you're thinking that's because people waited to get their bonus and then quit—you're wrong! Our data also show bonused associates stayed on assignment an additional 38 days AFTER receiving their first bonus.



DOES THE BONUS AMOUNT MATTER? OUR FINDINGS SAY YES!

In the last two years, our working associates received bonus payments averaging \$140. Associates who received less than \$50 worked an average of 48 days, while associates who received between \$100-\$150 bonus worked an average of 92 days! The higher the dollar amount, the longer associates stayed prior to receiving the bonus—and after. And while there was an exceptionally large impact on length of stay over \$200, simply offering a bonus between \$50-\$100 increases the average length of an assignment by 38 days per associate!



THE BONUS OF ... EMPLOYEE BONUSES

We can comfortably say that bonuses, whether attendance, performance, or otherwise, have a significant impact on tenure. To get the most bang for your buck, our recommendation is to heavily promote your bonus offering upfront in your recruiting process and to offer your bonus within the first 30 days of employment. Despite the proven impact this incentive has on length of stay, only 5% of our active workforce is currently receiving bonus payments as part of their total compensation. So, if you've never considered offering a bonus, or if you've paused your offering, you have a great opportunity to capitalize on this perk and reap the rewards of retention!

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