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WHAT THE INDUSTRY READS FIRST

COVID Comp: C2HR Shows Virus' Negative Impact on Industry Pay

Hoping for a big raise this year to make up for 2020? Don't bet on it. The COVID-19 pandemic resulted in more modest pay increases last year and slower compensation growth is expected to continue in 2021, according to data from **The Content & Connectivity Human Resources (C2HR)** Association's annual Compensation Surveys.

Content developers have been much harder hit than connectivity providers buoyed by broadband, and that plays out in survey results. Not only did COVID take a toll, but the content side has been dealing with the ongoing impacts of consolidation. Before pandemic lockdowns, content developers had anticipated spending 3.1% on 2020 merit pay budgets. Instead that figure fell to 2.3%, and content developers expect 2021 merit budgets to average 1.8%, according to the surveys.

It's a better story on the connectivity side, with companies generally meeting a merit budget of 2.9% last year. For 2021, surveys show merit increases dropping slightly to 2.8%. C2HR noted that figure is an average, with the scale going from zero to 3.5%.

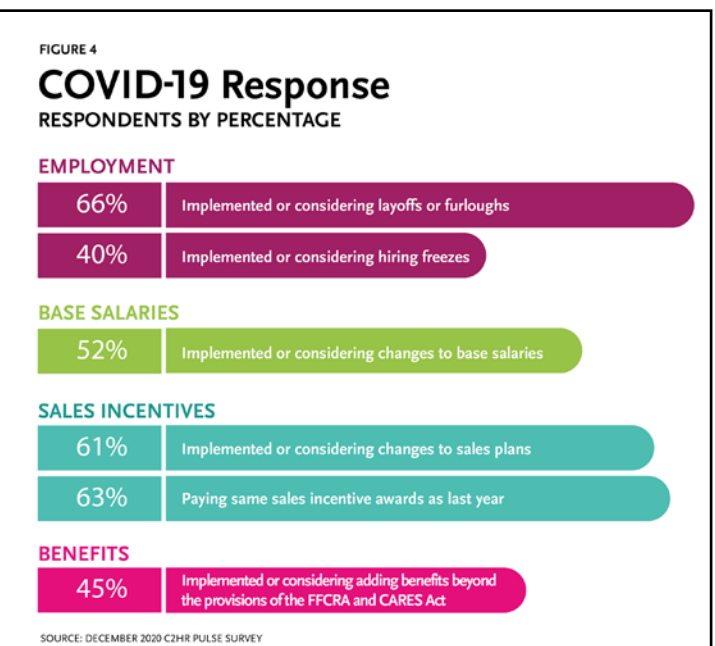
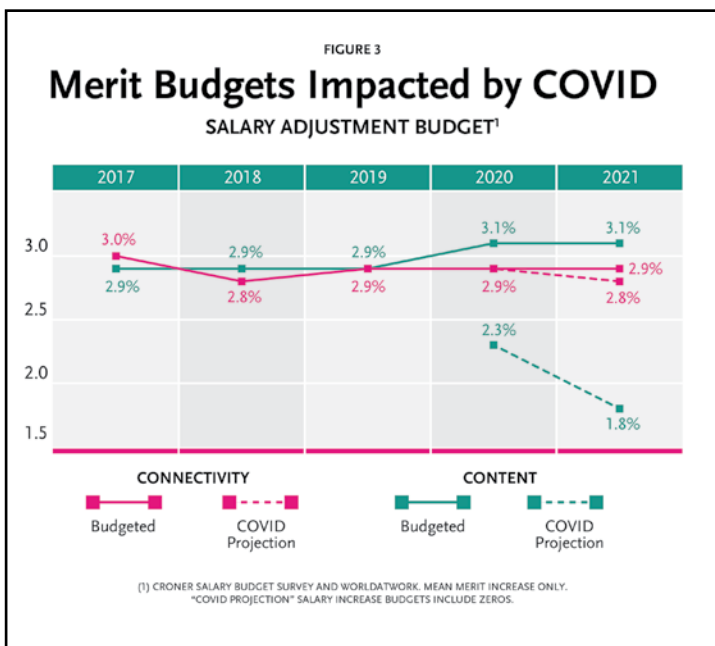
Furloughs and layoffs aren't off the table either. C2HR's year-end Pulse Survey found that 66% of companies implemented or are considering furloughs, layoffs or reduced hours (the majority have already implemented layoffs). Some 40% surveyed have implemented or are considering hiring freezes.

Some connectivity providers, particularly given the impor-

tance and risks of connecting customers during the pandemic, pushed through raises. **Charter**, which participated in the survey, announced in April it would increase its minimum wage over the next two years to \$20 from \$15. In 2020, it accelerated the move by raising hourly field operations and customers service employees pay by \$1.50/hour. "While the pandemic impacted our business in a variety of ways, it was not a significant factor in how we approached developing our compensation plans for 2021," *Nick Dunlap*, Charter vp, executive compensation, said in a statement.

C2HR found three company participants offered additional compensation to essential workers, including stipends, meals, parking and ride-share services. Another 15 of the respondents were considering incentives for customer-facing employees such as front counter and payment representatives and employees who enter customer's homes, such as technicians.

COVID forced C2HR to adapt its processes for compensation collection. With its survey partner **The Croner Company**, the association conducted three Pulse surveys in March, July and November to gather supplemental insights on essential workers, changes to compensation, COVID's impact on salary budgets and return to office/geographic pay. Companies responded to the crisis by reducing executive pay, offering additional paid time off, extending healthcare benefits and establishing salary floors. C2HR executive director *Pamela Williams* said the organization was able to provide its members with real-time info to help employers adjust their compensation practices.



Much of the compensation increases for 2020 reflect raises made prior to the pandemic. Content development executives saw total direct compensation (includes base salary, bonus and stock incentives) rise 3.3% (compared to 6.9% in 2019), while middle management grew 3.8% vs 6.1% a year ago; professional individual contributor (IC) saw 2.5% increases; and operating IC/support averaged 2.2%. For connectivity providers, management's total direct compensation in 2020 rose 3.8% vs 5.3% in the prior year. Salaried employees saw gains of 2.8% vs 4.1% in 2019, while hourly rose 3.2% vs 4.1% a year ago.

While compensation may not be as robust as 2019, C2HR said the surveys showed employers were only making changes when they had to and were attempting to balance compensation tweaks with new incentives, such as flex schedules, work-from-home stipends and free telemedicine visits. Among C2HR Pulse Survey respondents, 45% added benefits beyond those provided by the CARES Act.

C2HR's 2020 surveys featured 50 participants. There were 13 connectivity providers, including **Altice USA, AT&T, Comcast, GCI** and **WOW!**, and 37 content developers, such as **A+E Networks, Discovery Inc, NFL** and **ViacomCBS**.

D&I, REMOTE WORK TAKEAWAYS FROM C2HR

COVID impacts weren't the only things revealed in **C2HR's** compensation surveys. Employers, both on the content and operator side, identified diversity/equity/inclusion as their most pressing current issue by far. Gender pay equity was listed as the second most significant issue for content developers. For connectivity providers, pay equity came after performance management and learning & development. As for remote work, connectivity providers appear to have made the most adjustments. The research found 40% of connectivity companies have hired new employees who will be permanently working remotely vs 8% for content companies, and 60% of providers indicated they are allowing existing employees to relocate and continue remote work permanently vs 8% for content companies. At the same time, 20% of providers reported adjusting base salaries to employees' new geographic locations.

ATVA, LAWMAKER CALL OUT COX MEDIA GROUP

The **American Television Alliance** filed a notice of ex parte with the **FCC** Friday drawing attention to **Apollo Global Management** and subsidiary **Cox Media Group** for removing stations from **AT&T/DirecTV** ahead of Super Bowl Sunday. "Apollo Global has chosen to use the moment in which it can inflict maximum harm on viewers in order to extract maximum fees well into the future," ATVA said. Rep **Jared Huffman** (D-CA) sent a letter to Cox Media Group Thursday urging it to restore access to nationwide channels after its failed retrans negotiations with AT&T/DirecTV. His constituents were also affected when CMG channels went dark

on **Suddenlink** in January. "I'm sure there's some blame to go around, but CMG is the common denominator in the two recent blackouts," Huffman said in a statement. "At a minimum, that suggests they're not working proactively to protect consumers. At worst, it suggests they're using consumers as hostages by letting blackouts happen to maximize their negotiating leverage."

Public Knowledge chimed in, calling on the FCC to act if the companies don't ensure viewers can see Sunday's game. "As Public Knowledge has argued for years, the FCC has the statutory authority to order interim carriage during program carriage disputes. Additionally, timing blackouts to coincide with marquee events like the Super Bowl should be considered unlawful under the 'good faith' standard that governs retransmission consent negotiations," said PK legal director **John Bergmayer**. "The FCC and Congress should further examine how media concentration makes these blackouts more likely." Cox Media stations are encouraging customers to call AT&T/DirecTV to demand the blackout end. "CMG stations take pride in being trustworthy resources for our communities, and we will fight to continue to fulfill this responsibility," the broadcaster said.

T-MOBILE KEEPS QUARTERLY GROWTH PATTERN

T-Mobile increased its postpaid subscriber base by 824,000 in 4Q20, the wireless provider announced Thursday, and it expects to ride this growth wave into 2021. This year, management believes the company will see postpaid net customer additions of between 4-4.7 million. "Others may try to buy customer loyalty, because they see what we see. We're pulling ahead of the pack on network, and we're about to take all their customers," T-Mobile pres/CEO **Mike Sievert** said on the company's earnings call. "But unfortunately, their results show that it's painfully expensive and ultimately just a band-aid to mask real drivers of why customers eventually leave. The fact is there are no shortcuts to creating genuine loyalty and sustainably low churn." Total revenue rose to \$20.34 billion, up from \$11.9 billion in the same time period last year. Little was said about its deal to acquire **Shentel's** wireless operations, but CFO **Peter Osvaldik** did comment that T-Mobile was looking forward to finalizing the purchase agreement and starting the same network and customer integration it has done with **Sprint**.

SECTION 230 REFORM PROPOSED

Senators **Mark Warner** (D-VA), **Mazie Hirono** (D-HI) and **Amy Klobuchar** (D-MN) announced legislation Friday to reform Section 230. The Safeguarding Against Fraud, Exploitation, Threats, Extremism and Consumer Harms (SAFE TECH) Act would clarify that Section 230 does not apply to ads or other paid content, bar injunctive relief or impair enforcement of civil rights laws, amongst other things. The bill's introduction came as House Commerce Republicans sent a letter to committee chair **Frank Pallone** (D-NJ) asking him to take leadership on the reform of policies surrounding Big Tech.

DOING GOOD

History Channel is partnering with the James Beard Foundation to #SaveOurRestaurants. The philanthropic effort is aimed at providing resources and aid to help preserve US-based historic, landmark restaurants affected by the COVID-19 pandemic. History is asking viewers to share a photo, video or memory of their favorite local eatery by using #SaveOurRestaurants and tagging @HISTORY on Instagram. For every submission, History will donate \$1, up to \$20,000, to the James Beard Foundation. The first recipient of funds is Ben's Chili Bowl in DC.

DISTRIBUTION

Locast is now available to more than 4 million residents living in the Sacramento market, which includes Stockton and Modesto. Sacramento is the 29th market for the free broadcast streaming app.

HONORS

WICT is accepting applications for the *Martha Soehren Women Veterans Fellowship*. The fellowship, which is open to high potential women veterans employed by a programmer, operator or tech company, offers the recipient a one-year WICT membership and will underwrite registration costs and travel stipends for the WICT Leadership Conference, Executive Development Series and Tech It Out.

PEOPLE

Laura Lee joined **Devine, Millimet & Branch** as an attorney in its litigation department, working on matters in telecom and technology. Lee previously served as evp, distribution at **Crown Media Family Networks** and held various positions at **E!**.

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Up Ahead

- FEB 9:** STRONG WOMEN ALLIANCE VIRTUAL PANEL
- FEB 17:** FCC OPEN MEETING
- FEB 22-23:** APTS PUBLIC MEDIA SUMMIT
- MARCH 2-3:** NCTC SMARTCLICKS MARKETING & VIDEO SERIES
- MARCH 16-20:** SXSW ONLINE

Research

- > The average number of OTT services among households that have at least one is 3.8.
- > Households with pay-TV services plus at least one OTT service subscribe to 4.2 OTT services, on average.
- > 43% of pay-TV households are interested in having video calls on their TV.
- > 20% are interested in controlling smart home devices and security systems from the TV.

(Source: [Parks Associates](#))

Quotable

"History and A&E have already green-lighted several projects that speak to more diverse communities, but we're really doing this on a multi-tiered level. Obviously, there's what everyone sees—which is who's on camera and the subject matter you're doing, but for us it's going much deeper than that and we really are committed to changing our company itself and bringing more diverse voices to our workforce. But we're also expecting that from our production partners... We are really valuing and sort of demanding that our producers diversify their teams because that is what we want to see in our production partners. If you're going to have content that resonates authentically with diverse communities, you have to have diverse makers."
 - A+E Networks programming president Rob Sharenow at Realscreen Summit

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