

New Incentive for attracting employees: Cash Bonuses

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U.S. businesses are increasingly offering incentives like cash hiring bonuses as they compete to add workers in a rapidly rebounding economy, according to data from jobseeker firm Indeed.

In the week ending June 28, 4.2% of Indeed job postings offered some kind of incentive beyond basic pay and benefits. That's more than double the share at the same time last year.

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Surging demand during the recovery -- especially in low-wage industries like restaurants and travel that were largely shuttered last year -- has encouraged businesses to restore staff levels. But even with headline unemployment still close to 6%, many bosses say they're having trouble hiring at what were the prevailing rates of pay before Covid-19.

Incentives vary widely by geography and job type, according to Indeed. It said some nursing jobs are offering signing bonuses of as much as \$30,000, while in food preparation and service they typically range from \$100 to \$2,500.

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Signing bonuses appeal to many employers because they don't get locked into paying higher wages, or offering better benefits such as paid leave, over the longer term.

For employees, the prospect of a one-time income boost is balanced by some more ominous trends in the workplace, like businesses turning to machines to replace labor.

In the latest survey of manufacturers by the Federal Reserve Bank of Kansas City, one respondent cautioned: "We are choosing to invest more in equipment and automation, which over time should lead to our company to have a lower number of workers."