

Salary Survey Report 2009

Salaries Continue to Inch Up Despite Industry-wide Downsizing

Cathy Fisher

THE 2009 SALARY SURVEY REPORT indicates that, overall, salary increases continue to take place despite the recession and rampant downsizing throughout the wine industry.

Most notable of the increases is that winemaker salaries increased 3.5 percent and vice president of sales by 6.3 percent, signaling a need by wineries to retain their highest quality key employees.

Overall salaries in the wine industry increased by 4.1 percent in 2009 (compared to 4.7 percent in 2008), outpacing the national average (across all industries) of 3.3 percent, according to data collected by **Western Management Group** (WMG), a Los Gatos, California-based research firm that has conducted the survey since 1991. (The effective date of the data is February 1, 2009, and it was collected through April 2009.) Wine industry salary increases in the major categories were seen, including winemaker, vineyard manager, vice president of sales, office manager and tasting room manager.

Since the end of 2008, wineries have been focused on working more efficiently and generating more sales, as well as maintaining lower expense levels, which has included slashing their workforces. In general, larger wineries have laid off more employees because they started out with bigger teams and can more easily balance the work that remains following lay-offs whereas smaller wineries are just “trying to hang on,” as one recruiter put it.

“Both small and large wineries are being affected, but the big guys can dance,” said **Donna Parker**, co-owner

Wineries have been focused on working more efficiently and generating more sales, as well as maintaining lower expense levels, which has unfortunately included slashing their workforces.

of the Santa Rosa, California-based firm **Wine Pro Recruiters International**. “They have more to juggle with.” Additionally, wineries who produce wines at lower price-points (\$7 to \$15) have seen increased sales in many cases while those selling at higher price-points (\$50 and up) are having a harder time with sales and are seeing their inventories build up.

While it is difficult to say just how many wine jobs have been eliminated, industry recruiters agree that a high percentage of the top 10 wineries in North America have restructured their wineries, resulting in fewer overall employees, with no function being spared. “I don’t know the number, but for the top 10 wineries as a whole I’d estimate somewhere around a 5 to 10 percent reduction in overall staff through forced reductions or normal attrition,” said **Fred Philpott**, a principal with **The Stevensville Group**, an executive search firm in Healdsburg, California.

For many wineries it’s been purely about survival. “This is a very difficult period in the wine industry,” said Philpott. “Within the industry, we’ve seen an absence of merit increase pools in 2009.” Many wineries have also gone to shorter work weeks, forced temporary furloughs, and eliminated or greatly modified benefits—anything to reduce expenses. As a result, overall cash compensation has, in a number of cases, gone down regardless of the position.

MAJOR SALARY CATEGORIES

Winemakers, who typically earn the highest salaries after winery executives and sales and marketing personnel, have not been immune to lay-offs. But as one of the most important positions to a winery, smart owners and shareholders are identifying their top performers and compensating them at levels that minimize the risk of their leaving the company. “Wineries aren’t putting golden handcuffs on their winemakers, but they are now paying

them what they should have been paid to begin with,” said **Hank Teahen**, principal with **The Teahen Group**, a wine recruiting firm based in Temecula, California.

Recruiters agree that this need for retention is likely the reason that we are seeing a jump in winemaker salaries this year. Salaries increased by 3.5 percent, reaching \$103,744 (see **CHART 1**). In 2008 winemakers saw a 5.6 percent increase; in years previous, increases were often closer to 1.5 percent. “It’s not surprising that salaries are up for winemakers,” said Philpott. “But, I believe it’s less about overall increases for winemakers and more about wineries compensating their top performers—their key winemaking talent.”

In addition, many wineries are seeking to expand the winemaking position to make up for some of their sales and marketing cuts. **Courtney Andrain**, a partner with **The Cypress Group**, a wine industry executive search firm in Napa Valley, said that sales and marketing staff have been more affected than winemakers by lay-offs since wineries are hoping they can add more marketing and presentation responsibilities to winemakers’ already existing technical responsibilities.

“Making a quality product continues to be the focus, but selling the product is equally as important, and this requires winemakers who are willing to be out on the road, telling the story and working effectively in the market with trade and consumers,” said Andrain. This new demand, she said, “has no doubt contributed to some upward

CHART 1

Winemaker salaries jump 3.5% over last year

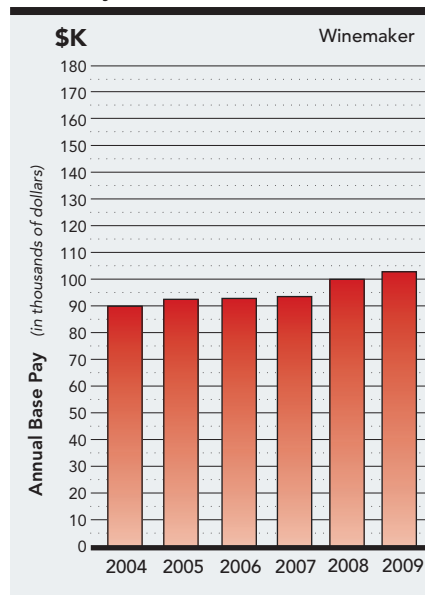


CHART 2

Salaries for vice president of sales increased 6.3% in last year

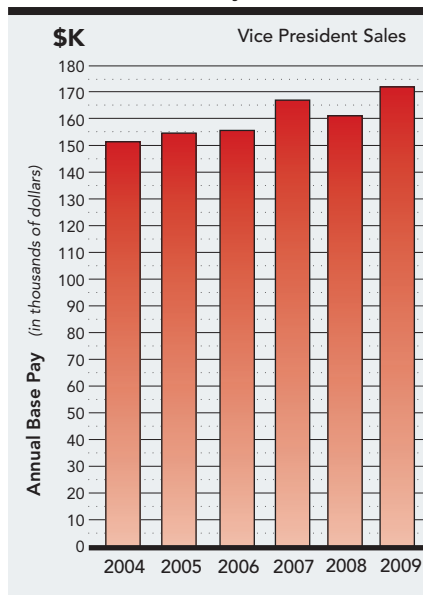


CHART 3

Tasting room manager salaries up by 2.5%

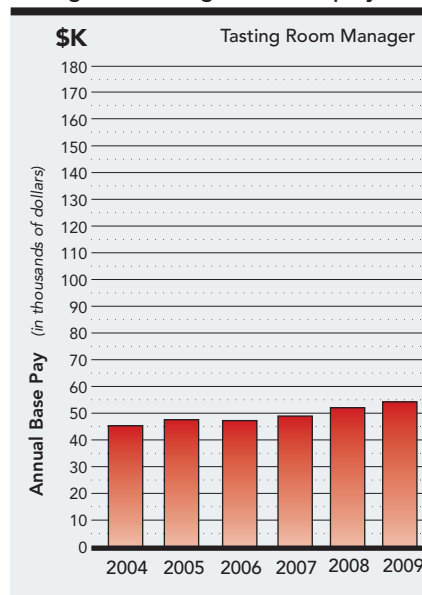
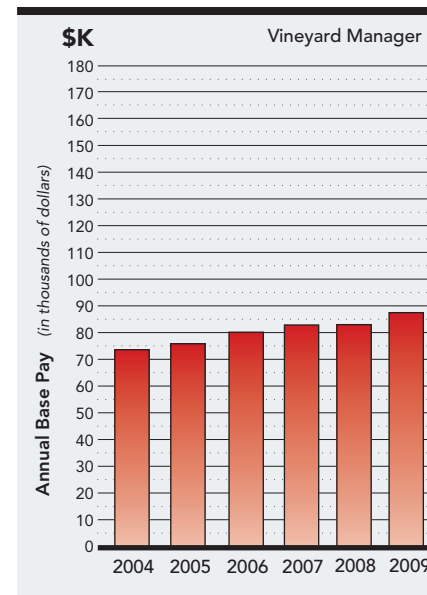


CHART 4

Vineyard manager salaries up by 4.3% over 2008



movement in compensation in order to attract this rare breed of winemaker.”

In addition to winemakers having the skills and flexibility to take on more of a marketing role, how a winemaker’s personality fits into a winery’s culture is of great consideration during hiring. “I just sent out two excellent candidates for an interview, and they came in as the winery’s second and third choices; but they weren’t less qualified,” said **Tom Hill of Hill & Associates**, a boutique executive search firm in Napa Valley. “People are going to hire people they are most comfortable with since they are usually hiring for the long-term,” he said.

Recruiters have echoed the idea that this is an excellent time for wineries to reposition themselves for success and upgrade their teams, given the exceptional talent that is out in the market. But for winemakers, it can take a while to find the right job due to the enormous competition. “I know of one winemaker who looked for nine months before finding a job,” said Parker. “That’s about the same amount of time it takes to sell your house.”

Dawn Woffard of recruiting firm **Benchmark Consulting** seemed surprised that the survey for the most part shows salaries inching up again this year. “I disagree,” she says. “This is the first year in the last 15 that we haven’t had a winemaker search of some sort. I would say salaries stayed the same or fell this year. You are seeing people not wanting to reveal how bad it really is out there so they’re reporting flat to

slight growth numbers. They don’t want to tell you they’re not hiring.”

Sales positions are also not protected when the industry is hit hard, both at the supplier and distributor levels (as territories have been consolidated). But this year we find that **vice president of sales** salaries still increased by 6.3 percent (see **CHART 2**), probably for similar reasons as winemakers: wineries want to keep their remaining high-quality, high-level employees happy where they are. Vice president of sales positions are earning an average of \$172,583 annually in 2009, compared to \$161,676 in 2008.

Teahen says that July was the hardest month for vice president of sales positions. Industry-wide, he said that almost 150 sales and marketing positions were let go in one week, leaving a lot of talented employees without work. “Typically, when lay-offs happen we don’t want the people who were laid-off, we want the people who were not laid-off,” he said. “But now there are some really talented people out of work, which is quite a difference from what we normally see; these are the people who will be rehired first.”

Given that it has not been unusual to hear of revenues being off by 30 percent on the wholesale (and not much better on the retail side), sales and marketing departments have seen a great deal of restructuring over the last year, with a movement toward consolidating efforts and eliminating teams who were each selling a specific portion of a portfolio. However, Andrain says she sees a light at the end of this tunnel. “There

may be additional positions let go as restructuring continues,” she said, “although we seem to be seeing the end of broad-scale restructuring.”

Tasting room managers received a small increase of 2.5 percent this year, reflecting a leveling off after 2008’s increase of 6.3 percent (see **CHART 3**). The role of the tasting room manager has become more recognized and respected in past years as consumer-direct and on-premise sales received increased attention; however, decreased tasting room traffic as a result of the recession has played a part in the lay-offs of tasting room employees.

With the increased focus on improving practices in the vineyard, **vineyard manager** salaries continue to rise. Wineries are now competing for vineyard managers as they have with winemakers, looking for proactive, smart managers with a college degree and experience.

Vineyard managers received a nice boost in salary over the past year: a 4.3 percent increase to reach an average pay of \$87,194 compared to 2008’s average pay of \$83,482 (see **CHART 4**). Looking back over past years, 2006 was the best year for vineyard manager salaries when they received a 4.5 percent average increase.

Another position that has seen an increase in salary over the last year is that of **office manager**. Although office manager (and office supervisor) pay has been gradually increasing over the past five years, it took its biggest jump (4.1 percent) over the last year, reaching an average salary of \$54,248

(see **CHART 5**). This increase is likely driven in part by down-sizing; while other clerical employees are getting laid off, office managers’ workloads and responsibilities are increasing. Hill agrees: “Office managers are obviously not receiving increased salaries because wineries are making more money.” Parker, however, feels that in many cases office managers are being laid-off while their subordinates are being kept on and promoted in an effort to cut costs. “I haven’t seen many jobs posted for office managers, but I have had office managers coming into my office looking for jobs—they say it’s really bad out there,” she said.

SALARY CATEGORIES IN DETAIL

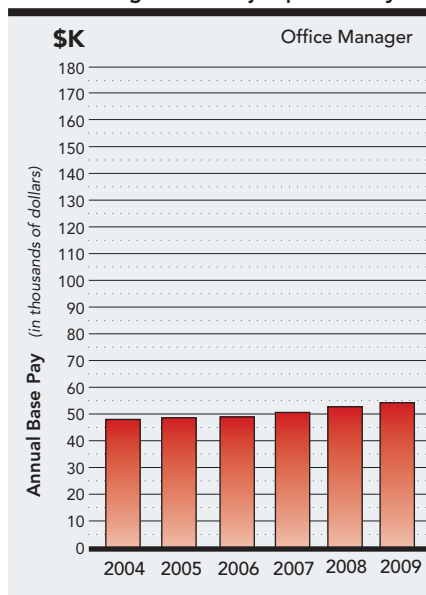
The following is a more specific look at wine industry salaries by winery size: small wineries (under 50,000 cases), mid-size wineries (between 50,000 and 99,999 cases), large wineries (between 100,000 and 499,999 annual cases), and extra-large wineries (producing over 500,000 cases).

Salaries can vary widely among different sized wineries. According to Hill, big companies are letting some people go but not shopping salaries whereas smaller wineries are negotiating for what they want based on demand for an individual. “Large companies have more structure than smaller, family-owned operations whose owners are more emotionally tied to who they hire,” he said. “And for the right fit they’ll pay whatever it takes within their budget.”

ADMINISTRATIVE

CHART 5

Office manager salaries jump 4% this year



Administrative

Employees in the Administrative category typically earn the highest salaries in the wine industry. They include CEOs, presidents, general managers, controllers and HR directors. CEOs averaged salaries of \$289,914 across all winery sizes, with those at large wineries earning the highest salary: \$330,067 (see SALARY DATA TABLES). CEOs at extra-large wineries were next in line (\$291,067) followed by small wineries (\$274,073) and mid-size wineries (\$263,723).

Winery presidents earned an average of \$182,524, with large wineries paying the highest salaries (\$214,212), followed by mid-size wineries and then small wineries. Data for extra-large wineries producing over 500,000 cases was not available for this year; however, last year's data showed that presidents of these wineries earned the highest average salary: \$253,571.

General managers were next in line, earning an average salary of \$154,812, with large wineries earning the most (\$161,634). Human resource directors earned an average salary of \$120,294 (although data was only available for extra-large wineries), and controllers earned an average salary of \$111,477, with controllers at extra large wineries earning the highest salary (\$121,103).

Executive administrators are focusing even more on the details and needs of the winery than in previous years, say recruiters. "Executives are really paying attention now and signing off on everything," said Parker. "Eight months ago we were all like lemmings

on a cliff, ready to go over, and now we're all learning that we can do with less than we've ever thought we could, such as foregoing that new bottling line." Executives at smaller wineries, notes Parker, are also more involved with sales and marketing in the wake of restructuring and lay-offs of some of their sales and marketing positions.

Sales & Marketing

Employees in the Sales and Marketing category are made up of vice president of sales, vice president of marketing, national account managers, sales representatives, and public relations directors. Vice president of sales salaries were up this year by 6.3 percent, from an average of \$161,676 in 2008 to \$172,583 this year. VP of sales employees are typically hired by mid-size to extra-large wineries.

Among this group, this year's salaries are fairly similar, with extra-large and mid-size wineries both paying their VP of sales a little over \$182,000, and large wineries paying an average of \$152,301. Compared to last year's figures by winery size, one notable change in this category appears to be that mid-size winery salaries rose considerably (16 percent) from \$154,286 in 2008 to \$182,601 in 2009.

Although vice president of sales salaries continue to rise, recruiters say there is a trend toward more leveraged compensation plans for new sales executives, with a softening in base salary and greater commissions and bonuses. "Companies are willing to pay for performance but are expecting the executive/salesperson to assume more of the risk," said Andrain.

Additionally, wineries that focus on producing and distributing value wines (below \$10) have generally been less affected by staff cuts as their sales in some cases are actually up over 2008's. "However, when you look at the market above the \$10 price-point, the same is not true," said Philpott, "and whether you're big, small or a boutique winery, sales staff in many cases have been trimmed."

Vice president of marketing salaries were down only slightly this year (2 percent), averaging \$174,329 across all four winery sizes, compared with last year's average of \$177,872, with the largest wineries paying the highest salaries this year (\$196,006).

CHIEF EXECUTIVE OFFICER

CASE PRODUCTION	AVERAGE SALARY	MEDIAN SALARY
Under 50,000	\$274,073	\$258,888
50,000 to 99,999	\$263,723	\$255,379
100,000 to 499,999	\$330,794	\$236,950
Over 500,000	\$291,067	\$275,000

PRESIDENT

CASE PRODUCTION	AVERAGE SALARY	MEDIAN SALARY
Under 50,000	\$143,194	\$120,000
50,000 to 99,999	\$190,167	\$200,000
100,000 to 499,999	\$214,212	\$217,500
Over 500,000	---	---

GENERAL MANAGER

CASE PRODUCTION	AVERAGE SALARY	MEDIAN SALARY
Under 50,000	\$148,477	\$130,000
50,000 to 99,999	---	---
100,000 to 499,999	\$161,634	\$161,834
Over 500,000	\$154,325	\$151,000

CONTROLLER

CASE PRODUCTION	AVERAGE SALARY	MEDIAN SALARY
Under 50,000	\$105,046	\$98,822
50,000 to 99,999	\$110,415	\$110,000
100,000 to 499,999	\$109,345	\$109,200
Over 500,000	\$121,103	\$115,000

HUMAN RESOURCES DIRECTOR

CASE PRODUCTION	AVERAGE SALARY	MEDIAN SALARY
Under 50,000	---	---
50,000 to 99,999	---	---
100,000 to 499,999	---	---
Over 500,000	\$120,294	\$117,400

SALES & MARKETING

VICE PRESIDENT SALES

CASE PRODUCTION	AVERAGE SALARY	MEDIAN SALARY
Under 50,000	---	---
50,000 to 99,999	\$182,601	\$157,000
100,000 to 499,999	\$152,301	\$140,000
Over 500,000	\$182,847	\$172,660

VICE PRESIDENT MARKETING

Under 50,000	---	---
50,000 to 99,999	\$152,652	\$152,250
100,000 to 499,999	---	---
Over 500,000	\$196,006	\$175,633

NATIONAL ACCOUNT MANAGER

Under 50,000	---	---
50,000 to 99,999	---	---
100,000 to 499,999	\$87,332	\$80,000
Over 500,000	\$107,205	\$108,150

SALES REPRESENTATIVE

Under 50,000	\$45,128	\$42,823
50,000 to 99,999	\$83,592	\$81,120
100,000 to 499,999	---	---
Over 500,000	---	---

PUBLIC RELATIONS DIRECTOR

CASE PRODUCTION	AVERAGE SALARY	MEDIAN SALARY
Under 50,000	---	---
50,000 to 99,999	\$102,339	\$1,000,000
100,000 to 499,999	---	---
Over 500,000	\$103,618	\$103,480

Although many wineries are focusing more on sales than marketing right now, marketing remains the golden key to growth. "I don't think you can have consistent profitable growth without strong brand marketing and messaging: The two go hand in hand," said Philpott, who added that forward-thinking companies recognize that it's not only about price. Given the proliferation of brands the consumer must choose from, companies are beginning to reinvest in effective marketing and messaging to differentiate themselves.

National account managers, typically found in larger wine companies, earned an average of \$97,269, just slightly down from last year's \$99,023 average, with wineries producing over 500,000 annual cases paying their managers the most: \$107,205. **Sales representatives** earned an average of \$64,360, with mid-size wineries paying significantly higher salaries than small wineries (\$83,593 vs. \$45,125). **Public relations directors** earned an average salary of \$102,979 in 2009, up from 2008's \$97,034 (a 5.8 percent increase), with the largest wineries paying the most.

Direct to Consumer

The Direct to Consumer category is made up of wine club managers, tasting room managers, tasting room staff and special events coordinators. **Wine club managers** saw a 7 percent increase in salary over last year, reaching \$56,514 in 2009 compared with \$52,797 in 2008, with mid-size and large winery managers earning the highest salaries (\$60,466 and \$61,504 respectively). **Tasting room managers** received a small average increase in salary of 2.5 percent this year, with managers at the largest wineries earning the highest salaries (\$58,346) and mid-size wineries paying the lowest salaries (\$51,130).

Although **tasting room staff** members have received some salary increases in recent years, these salaries remain the lowest of all industry positions; however, these numbers do not account for commissions, bonuses and other incentives, which contribute to a greater total compensation. This year's average salary of \$28,607 is up only very slightly (about \$1,200 annually) over last year's average of \$27,358. Across all four winery sizes, average

salaries are virtually the same. It has been noted by recruiters that tasting room employees, like sales executives, are being offered increased commission and leveraged compensation plans in order to boost sales productivity and reduce lost sales opportunities.

Special event coordinators earned an average salary of \$41,748 this year, which has not changed much compared to last year's average of \$41,437, possibly as a result of fewer events being held due to the economy. Special event coordinators at large wineries earn the highest salaries (\$45,325), with those at small wineries earning the lowest (\$39,895).

Additionally, Parker noted that one of the hottest up-and-coming positions is that of direct to consumer manager, a position that oversees the wine club, tasting room, website, special events and hospitality. But qualified direct to consumer managers are hard to find, especially from outside of the industry since they are not familiar with wine clubs and tasting rooms. Tasting room managers, on the other hand, may not be as savvy with web marketing, for example.

Vineyard Managers

Vineyard manager salaries averaged \$87,194 this year, up 4.3 percent over last year's average of \$83,482. All salaries were also up this year for each of the four winery sizes. Salaries are among the highest for those working at mid-sized wineries (\$93,330) and small wineries (\$88,960). For vineyard managers at extra-large wineries, salaries average \$87,052, and for those working at large wineries, salaries average \$79,434. Despite this year's boost, however, vineyard manager salaries are still considered on the low side compared to other key management positions, such as wine-maker and vice president of sales.

Winemaking

Winemakers saw an overall average salary increase in 2009, as noted earlier, with winemakers working for mid-size wineries having the largest salaries (\$112,408), those at large wineries earning \$103,649, those at small wineries earning \$102,746, followed by very large winery winemakers earning \$96,172. In 2006, winemakers at mid-size and large wineries were making similar salaries as in 2009: rising in

DIRECT TO CONSUMER

WINE CLUB MANAGER

CASE PRODUCTION	AVERAGE SALARY	MEDIAN SALARY
Under 50,000	\$54,101	\$53,404
50,000 to 99,999	\$60,466	\$55,000
100,000 to 499,999	\$61,504	\$55,000
Over 500,000	\$49,984	\$50,016

TASTING ROOM STAFF

CASE PRODUCTION	AVERAGE SALARY	MEDIAN SALARY
Under 50,000	\$28,111	\$27,716
50,000 to 99,999	\$29,561	\$30,160
100,000 to 499,999	\$28,228	\$28,080
Over 500,000	\$28,529	\$28,184

SPECIAL EVENTS COORDINATOR

CASE PRODUCTION	AVERAGE SALARY	MEDIAN SALARY
Under 50,000	\$39,895	\$38,940
50,000 to 99,999	\$41,775	\$40,560
100,000 to 499,999	\$45,325	\$41,060
Over 500,000	\$39,996	\$37,440

TASTING ROOM MANAGER

CASE PRODUCTION	AVERAGE SALARY	MEDIAN SALARY
Under 50,000	\$52,381	\$52,500
50,000 to 99,999	\$51,130	\$51,150
100,000 to 499,999	\$54,860	\$52,000
Over 500,000	\$58,346	\$57,000

VINEYARD

VINEYARD MANAGER

CASE PRODUCTION	AVERAGE SALARY	MEDIAN SALARY
Under 50,000	\$88,960	\$82,500
50,000 to 99,999	\$93,330	\$90,856
100,000 to 499,999	\$79,434	\$75,000
Over 500,000	\$87,052	\$86,345

2007, then down in 2008, and then back up in 2009.

Wineries can afford to pay winemakers more money because wineries are laying other employees off, said Parker. "Wineries can save a lot of money just by moving people around; and then they can designate a portion of this money to the salaries of the most valuable and qualified employees," she said, adding that many wineries now are opting to supplement with consulting winemakers, who are doing quite well in the recession. "Even though consultants can be expensive, wineries are using them because their time and fees are short-term, and wineries can feel good that their wines are well taken care of."

The base pay for winemakers working for Napa Valley wineries with annual cases below 100,000 is \$109,384, 7.3 percent higher than for Sonoma Valley winemakers (\$101,409). Although Napa salaries in this category

have historically been higher than Sonoma's, Sonoma salaries saw a larger jump over their 2008 figure. Looking at five of the top wine regions in California, Napa salaries lead (\$109,384), followed by Sonoma (\$101,324), Central Coast (\$100,436), Monterey Bay (\$92,124) and Central Valley (\$90,927).

Winemaking directors earned an average of \$139,199, with large wineries paying their directors the most, \$144,866, although these salaries are fairly close among the four different winery sizes. **Assistant winemakers** earned an average of \$65,713 in 2009, with large wineries once again paying this position the most (\$68,973) among all winery sizes. Assistant winemakers at small wineries earn considerably less (almost \$5,000) than the next highest salary of \$66,255. **Cellar masters** earn an average of \$68,101, with salaries increasing starting with employees at the smallest wineries (\$59,707) up

WINEMAKING

WINEMAKER

CASE PRODUCTION	AVERAGE SALARY	MEDIAN SALARY
Under 50,000	\$102,746	\$97,500
50,000 to 99,999	\$112,408	\$106,340
100,000 to 499,999	\$103,649	\$95,040
Over 500,000	\$96,172	\$94,703

WINEMAKING DIRECTOR

CASE PRODUCTION	AVERAGE SALARY	MEDIAN SALARY
Under 50,000	\$138,696	\$140,000
50,000 to 99,999	\$134,208	\$125,000
100,000 to 499,999	\$144,866	\$137,000
Over 500,000	\$139,027	\$132,000

ASSISTANT WINEMAKER

CASE PRODUCTION	AVERAGE SALARY	MEDIAN SALARY
Under 50,000	\$61,337	\$60,000
50,000 to 99,999	\$66,255	\$62,081
100,000 to 499,999	\$68,973	\$67,724
Over 500,000	\$66,286	\$65,000

CELLAR MASTER

CASE PRODUCTION	AVERAGE SALARY	MEDIAN SALARY
Under 50,000	\$59,707	\$57,429
50,000 to 99,999	\$66,013	\$65,000
100,000 to 499,999	\$72,656	\$75,591
Over 500,000	\$74,028	\$75,000

CELLAR WORKER 2

CASE PRODUCTION	AVERAGE SALARY	MEDIAN SALARY
Under 50,000	\$30,719	\$31,803
50,000 to 99,999	\$34,362	\$33,800
100,000 to 499,999	\$31,319	\$31,720
Over 500,000	\$36,753	\$35,568

ENOLOGIST

CASE PRODUCTION	AVERAGE SALARY	MEDIAN SALARY
Under 50,000	\$46,333	\$47,000
50,000 to 99,999	\$49,056	\$47,320
100,000 to 499,999	\$48,901	\$48,410
Over 500,000	\$50,540	\$48,880

LAB TECHNICIAN 2

CASE PRODUCTION	AVERAGE SALARY	MEDIAN SALARY
Under 50,000	\$39,021	\$34,840
50,000 to 99,999	\$41,486	---
100,000 to 499,999	\$40,479	\$36,774
Over 500,000	\$39,572	\$37,065

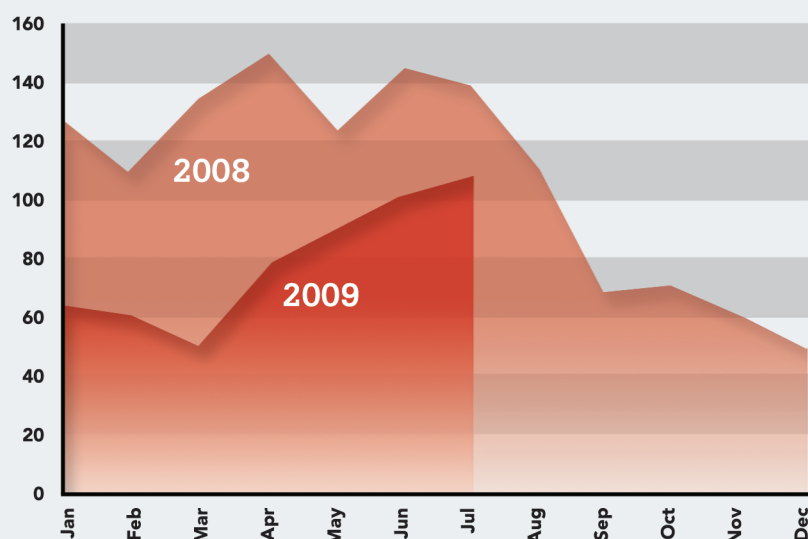
LAB MANAGER

CASE PRODUCTION	AVERAGE SALARY	MEDIAN SALARY
Under 50,000	---	---
50,000 to 99,999	---	---
100,000 to 499,999	\$70,785	\$68,250
Over 500,000	\$74,832	\$71,400

Wine industry job trends

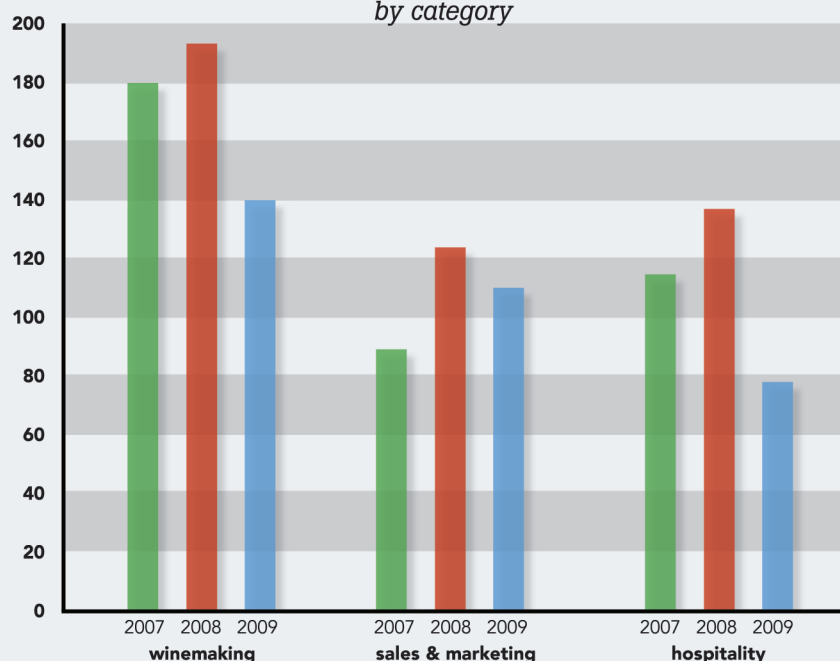
According to *Winejobs.com*, the wine industry's leading online job site, **job postings** by wineries in July 2009 increased 6 percent over the previous month, with July being the fourth consecutive month showing an increase (since March, the index has risen by 57 percent). Despite this increase, however, job postings by wineries remain well below July 2008 levels and slightly below July 2007 levels (see table and line chart below). July 2009 job postings were 22 percent below what they were in 2008 and 9 percent below July 2007 posting figures.

Index of Winery Job Postings from 2008 to 2009



The **winemaking, sales and marketing, and hospitality** jobs indexes are all below their July 2008 levels, with only the **sales and marketing** jobs index above its July 2007 level (see chart below).

Index of Winery Job Postings in July from 2007 to 2009 by category



Source: *Winejobs.com* is a resource for both job seekers and employers. Since the online job board is specific to the wine industry, employers will find only the most serious and qualified job candidates. With more than 4,000 jobs posted in 2008, *Winejobs.com* is unmatched in usage by those seeking to advance their career or grow their company in the wine industry.

through employees at the very largest wineries (\$74,028).

According to the Salary Survey's author **Donna Bowman**, merit budgets among West Coast wineries were down this year, averaging only about 3 percent among the following positions: non-exempt (2.9 percent), exempt (2.8 percent), managers and supervisors (3.6 percent), and senior executives (3 percent). The 3 percent average is up only slightly from the nationwide average of 2 to 3 percent for merit budgets. Additionally, said Bowman, salary increases may not as closely reflect the discord being felt throughout the industry since the data was collected earlier this year (January through April 2009). "The economy started hitting wineries more strongly at the beginning of this year, so this is when we began to see more layoffs

occurring," she said, "so I suspect that we may see flatter numbers in next year's report." (Note: Participants in the survey can answer questions at any time during the year, so a winery might have supplied data of 3.5 percent for their average merit budget, but when merit budgets were due they now have a budget of 0 percent.)

It's anyone's guess what is next for the wine industry workforce, but one recruiter feels that the industry is poised for change sooner than later, and is betting that the old saying "the bigger the recession, the bigger the recovery" will hold true. "There's a pulse in the wine industry right now, and there is hiring going on," said Teahen. "Wineries are positioning themselves and betting that springtime will be good." But, he added, that following harvest in November is when

winemaker jobs will begin to see a hiccup, which will continue through January and February.

Hill agrees that there is still some hiring going on but that the near future will bring greater relief. "I think within six months we'll be seeing the recession ease and will see more hiring take place," he said, noting that in the meantime people will need to look harder for the jobs that are out there. "Since employers can now be more selective," he said, "the more highly skilled and educated people who have proven themselves in the industry will be the ones to find work first." **wbm**

Cathy Fisher lives in Sonoma and has been writing on the wine industry for five years.

METHODOLOGY

This survey polled 211 wineries; 29 percent of the surveyed wineries produce fewer than 50,000 cases, 19 percent produce between 50,000 and 99,999 cases, 25 percent produce between 100,000 and 499,999 cases, and 27 percent produce more than 500,000 cases.

Geographically, 37 percent of respondents were from Napa County, 22 percent were from Sonoma County, 10 percent were from California's Central Coast, 5.3 percent from Central Valley and 4.1 percent from Monterey Bay. The remaining respondents were from other regions throughout California as well as respondents from Washington and Oregon.

In terms of number of employees, 14 percent of the surveyed wineries have fewer than 25 employees, 22 percent have 25 to 49, 24 percent have 50 to 99, 18 percent have 100 to 249, and 22 percent have 250 or more. The survey was designed so that each category had to have at least three wineries reporting data, each winery had to have at least three existing employees in the category, and no single employer could account for more than a third of the data.

Editor's Note: For this survey, *Wine Business Monthly* has partnered with an independent consulting firm that specializes in compensation and salary surveys. The firm, Western Management Group, has been conducting the Wine Industry Compensation Survey since 1991. For more information, visit www.wmgnet.com or call 408-358-0450.