



# 2018 Career & Salary Survey Report

The state of pay, career growth opportunities, diversity, and work-related stress among trade professionals across the beverage alcohol industry.

Presented by  SevenFifty | SevenFiftyDaily

POWERED BY  “ Wine Opinions ”

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# INTRODUCTION

The beverage alcohol industry is responsible for sustaining more than 4 million jobs in the United States. There are more people working in the beverage alcohol industry than there are active U.S. military service members, firefighters, police officers, physicians, post-secondary school teachers, and social workers combined (3.8 million).<sup>1</sup> But an abundance of jobs—even in a thriving industry—doesn't necessarily mean that there are equal opportunities for all.

In July and August 2018, [SevenFifty](#) and [SevenFifty Daily](#) partnered with [Wine Opinions](#), the leading U.S. wine market research company, to get a better understanding of the current state of the industry and the challenges it faces, as well as to learn more about potential opportunities for growth and change.

**We asked 3,200 beverage alcohol professionals across the industry, including producers, importers, distributors, and on- and off-premise buyers, a series of questions to determine:**

- 1. Total annual compensation and overall compensation satisfaction**
- 2. Career outlook and assessment of professional growth opportunities within their industry role and tier**
- 3. Level of work-related stress**

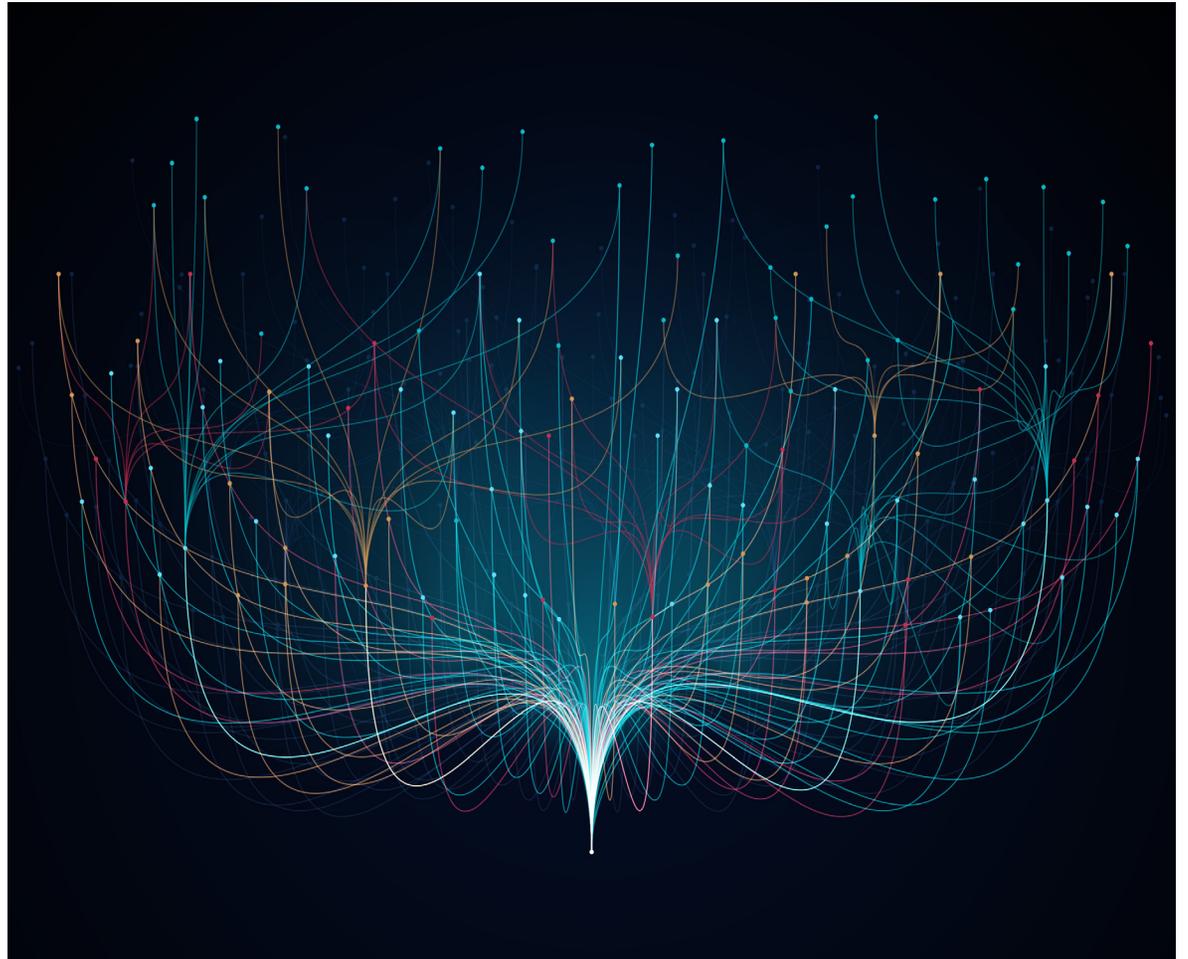
And we sought to find out how diverse and inclusive our industry actually is when it comes to ethnicity and gender identity.



# METHODOLOGY

Between July and August 2018, over **3,200** beverage alcohol professionals participated in our online survey. Included in the survey pool are SevenFifty customers, *SevenFifty Daily* newsletter subscribers, and our SevenFifty and *SevenFifty Daily* social media followers. Participants were asked questions about their industry tier, role, location, education, experience, career satisfaction, and current stress level. They also reported demographic information, including their age, gender identity, and ethnicity; survey participants were not, however, required to provide demographic information to complete the survey.

Wine Opinions analyzed the survey results data to provide the cross-sectional insights outlined in this report.



# 10 KEY TAKEAWAYS

## **1 Most respondents have 10-plus years of industry experience but don't stay in their positions longer than five years.**

The majority of respondents (56%) have between 10 and 20-plus years of industry experience, and nearly 23% have more than 20 years of experience. Less than half (43%) have been in their current positions for more than five years, including on-premise employees (76%), importers and distributors (68%), and producers (20%). On-premise respondents have been in their current positions the longest: 43% for more than five years, and 18% for more than 10 years.

## **2 The majority of producer respondents hold managerial or executive-level positions, but only 8% are engaged in actual production (winemakers, brewers, distillers).**

A whopping 74% of the producers we surveyed hold managerial or executive-level positions, including as general managers, senior managers, CEOs, and presidents. Only 8% of producer respondents self-identified as winemakers, brewers, and distillers.

## **3 Almost two-thirds of importer/distributor respondents and over a quarter of producer respondents hold sales or marketing positions.**

More than 62% of our importer/distributor respondents work in either sales or marketing. And 32% of producers (this group includes winemakers, brewers, and distillers, as well as marketers and other support staff) hold similar positions, the majority of whom are in national or regional managerial roles.

## **4 Education and industry certifications are important to people working in the three tiers.**

Certifications abound in the industry—90% of our respondents hold industry certifications, including Wine & Spirit Education Trust (or WSET, Level 1–3, Diploma) credentials (49%); 23% are Master Sommeliers (MSs), and 18% are Certified Specialists of Wine (CSWs) or Certified Wine Educators (CWEs). On-premise respondents are most likely to be certified as MSs, CSWs, or Cicerones. More women than men are WSET certified (42% vs. 37%); men are more likely to be certified Cicerones (11% vs. 8%). More than 50% of survey respondents hold a bachelor's or higher degree, including 64% of wine producers and 55% of importers/

distributors. On- and off-premise workers are the least likely to have completed a bachelor's degree (48% and 46%, respectively).

## **5 Producer respondents earn higher salaries than all other surveyed groups.**

Average annual compensation ranges from \$60.5K among off-premise respondents to nearly \$100K among producer respondents. The growing demand for senior marketing and sales leaders in the producer tier could be a factor. The majority of producers report that they receive bonuses, and 20–25% receive other forms of extra compensation, including stock and 401(k) benefits.

## **6 Producers and workers age 60+ are the most satisfied with their current pay. But it's a different story for beverage professionals in their 50s, importers/distributors, and on- and off-premise workers.**

Although more than 66% of respondents are “somewhat satisfied” with their pay, those who are “somewhat satisfied” outnumber those who are “very satisfied” by a ratio of nearly 4:1. Producers, workers with 20-plus years of experience, and respondents in their 40s are more likely to be content with their pay. Respondents age 60 and over are the



# 10 KEY TAKEAWAYS (CONTINUED)

most satisfied with their compensation, even though, statistically, they get paid less than younger age groups. Beverage professionals in their 50s, importers/distributors, and on- and off-premise workers, are the least likely to be satisfied with their level of compensation.

## **7** The future looks bright—for some.

Future career prospects are rated “very good” by 50% of respondents, while 33% rate their prospects “average.” Producer and on-premise respondents are the most optimistic about their prospects for professional growth. Off-premise workers report feeling the least confident about their careers. Those with less than 10 years of experience are more optimistic than those who have been in the business longer. Male respondents are more apt to believe they have better professional growth opportunities in their trade tier than are female respondents.

## **8** Importer/distributor and on-premise respondents report the highest stress levels among those we surveyed.

Importers/distributors and on-premise workers report higher stress levels than do producers and off-premise workers. Across all tiers, stress levels are higher for female beverage alcohol professionals, workers in their 30s, and those who’ve been in the beverage alcohol industry for 10 to 20 years.

## **9** The gender pay gap is widespread across the industry.

Among the total respondent pool, average compensation is \$13K higher for men than for women (\$79,000 vs. \$66,000) regardless of position type and seniority. That’s a wider pay gap than the national average for men and women in the U.S. labor force. (In the on- and off-premise sectors, however, the pay gap between male and female respondents is considerably smaller.) Our findings show that, in general, more women than men in the alcohol industry earn under \$50K, while more men than women earn between \$100K and \$249K—and a higher percentage of men than women (1.2% vs. 0.2%) earn \$300K to \$499K. It’s no surprise, given these disparities, that more women than men (11% vs. 7%) report being unhappy with their current compensation.

## **10** Women and people of color are still underrepresented in higher-paying, executive-level roles.

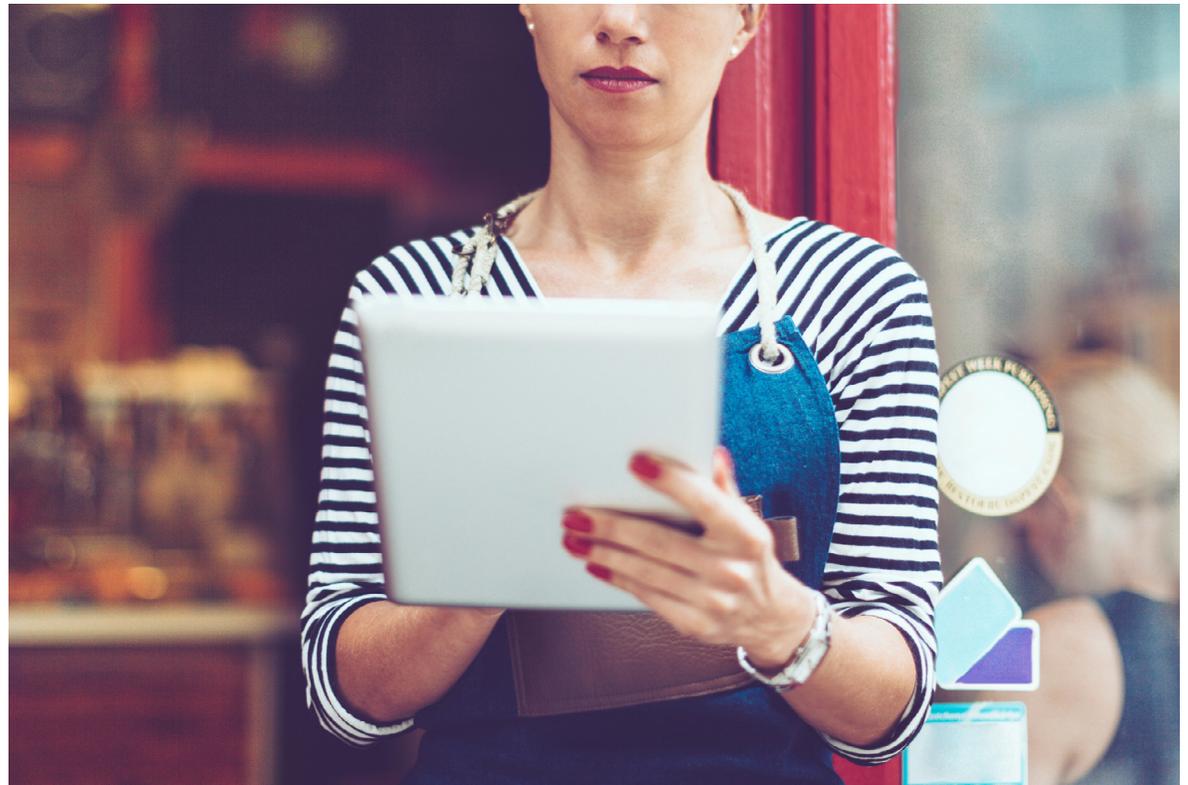
The vast majority of our survey participants (85%) self-report as Caucasian/White. The remaining respondents self-reported as Hispanic/Latino (7%), Asian (4%), Black/African Americans (2%), and Other (2%). Across the industry, women and people of color are still underrepresented in higher-paying executive and managerial-level positions and overrepresented in lower-level support roles. In the on-premise sector, white males occupy the highest-paying bartender and server positions in fine-dining restaurants, while women, Hispanic/Latinos, and Black/African Americans hold a disproportionately higher number of lower-paying positions in casual dining and fast food restaurants.

In California—where 90% of the country’s wine is produced—only 10% of winemakers are women. And only 4% of those women own their own wineries. Black/African Americans own less than 1% of the 6,300 independent craft breweries in the U.S.



# RESPONDENT PROFILE: WHO ANSWERED OUR CALL?

More than 3,200 trade professionals from all three tiers of the beverage alcohol industry responded to our survey. This sizable survey respondent population not only provides data and insights pertaining to the industry as a whole, but it also offers analysis and reporting on specific industry segments, including age, gender, education, location, and industry tier. While the base sizes of these segments are both substantial and statistically significant, we acknowledge that there are skews in the trade tiers and employment categories among those in the databases of SevenFifty and *SevenFifty Daily*, which should be taken into account when reviewing the survey results.



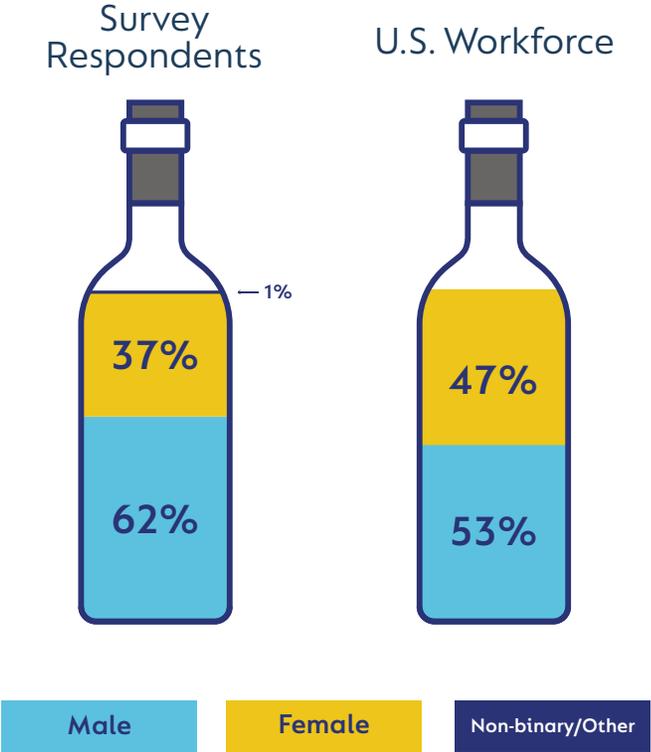
**Before we dive in, here's a profile breakdown of our survey respondents. ▶▶**



# RESPONDENT PROFILE: WHO ANSWERED OUR CALL? (CONTINUED)

### GENDER IDENTITY

Survey Respondents (left graph) U.S. workforce (right graph).



### Workplace Background by Trade Tier (Top States)

	Total	Producer	Importer/ Distributor	On Premise	Off Premise
New York	16%	11%	20%	14%	19%
California	10%	36%	11%	6%	5%
Colorado	6%	3%	4%	8%	7%
Georgia	6%	2%	4%	9%	5%
Texas	6%	6%	6%	7%	6%
Massachusetts	6%	2%	5%	5%	9%
Florida	5%	3%	6%	7%	3%
Illinois	5%	2%	4%	7%	5%

### LOCATION

Beverage professionals from **49 states** and Washington, D.C., participated in our survey; the majority hail from major urban centers in New York, Massachusetts, Florida, Texas, and California.

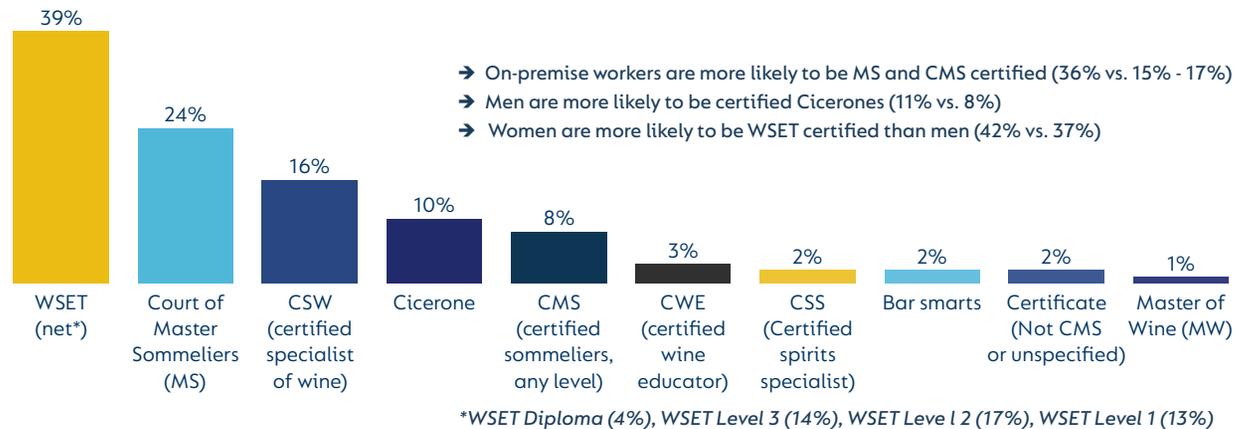
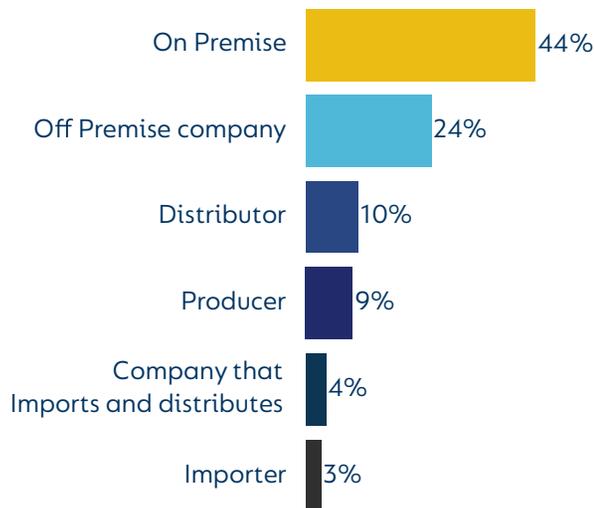


# RESPONDENT PROFILE: WHO ANSWERED OUR CALL? (CONTINUED)

## INDUSTRY SECTORS

The largest percentage of respondents (44%) work for on-premise establishments, including bars and restaurants. An additional 24% work for off-premise alcohol retailers, including wine and liquor stores.

### Participants by Trade Tier



## INDUSTRY EDUCATION

The importer/distributor respondents have the highest percentage of WSET certifications compared with the rest of the survey pool, with more than half having completed at least Level 1. Respondents who work in on-premise positions are more likely than other respondents to be MS- or CSW-certified (36% vs. 15%-17%) or certified as a Cicerone.

The Master Sommelier (MS), Master of Wine (MW), and Cicerone certifications are geared toward on-premise workers (that

is, sommeliers, beer professionals). The WSET is more likely to appeal to a broader audience of beverage alcohol professionals (importers and distributors).

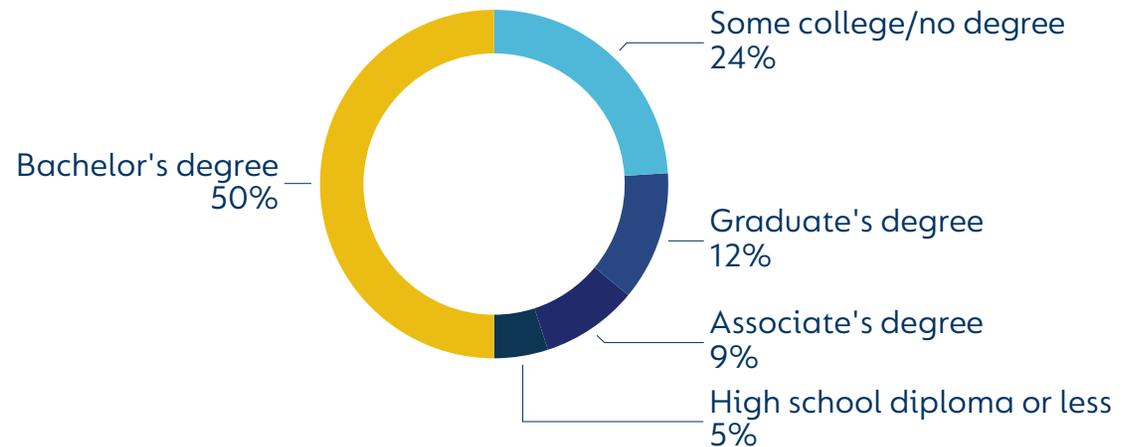
Those with less industry experience are more likely to be WSET-certified than those with more experience. In addition, women are more likely to be WSET-certified than men (42% vs. 37%), while men are more likely than women to be certified as Cicerones (11% vs. 8%).



# RESPONDENT PROFILE: WHO ANSWERED OUR CALL? (CONTINUED)

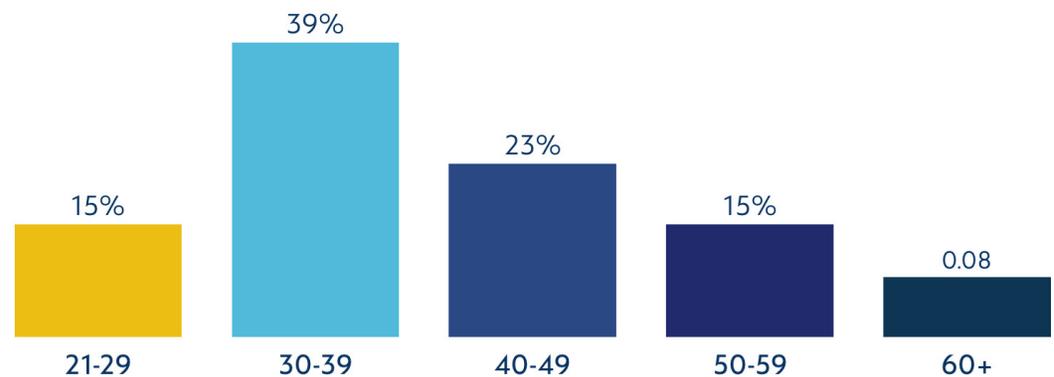
## COLLEGE EDUCATION

The respondents who participated in our survey report having a higher level of education than the average American—50% have earned a bachelor's degree or higher degree, compared with the national average of 33.4%<sup>2</sup>. Among the tiers, 64% of wine producers and 55% of importers/distributors hold a bachelor's degree or higher degree compared with 48% of on-premise and 46% of off-premise respondents.



## AGE

The average age of survey participants is 41. More than 50% are in their 20s and 30s. On-premise respondents skew younger than off-premise—49% of on-premise respondents are in their 30s, whereas 52% of off-premise respondents are over the age of 42, and 14.5% are age 60 and over.



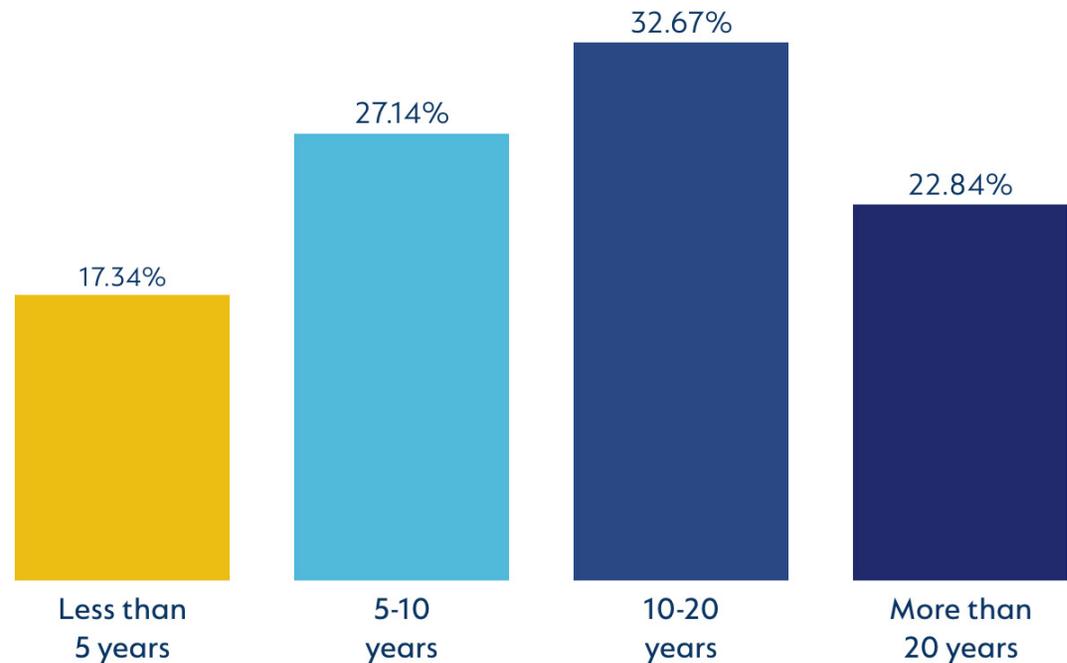
# RESPONDENT PROFILE: WHO ANSWERED OUR CALL? (CONTINUED)

## INDUSTRY EXPERIENCE

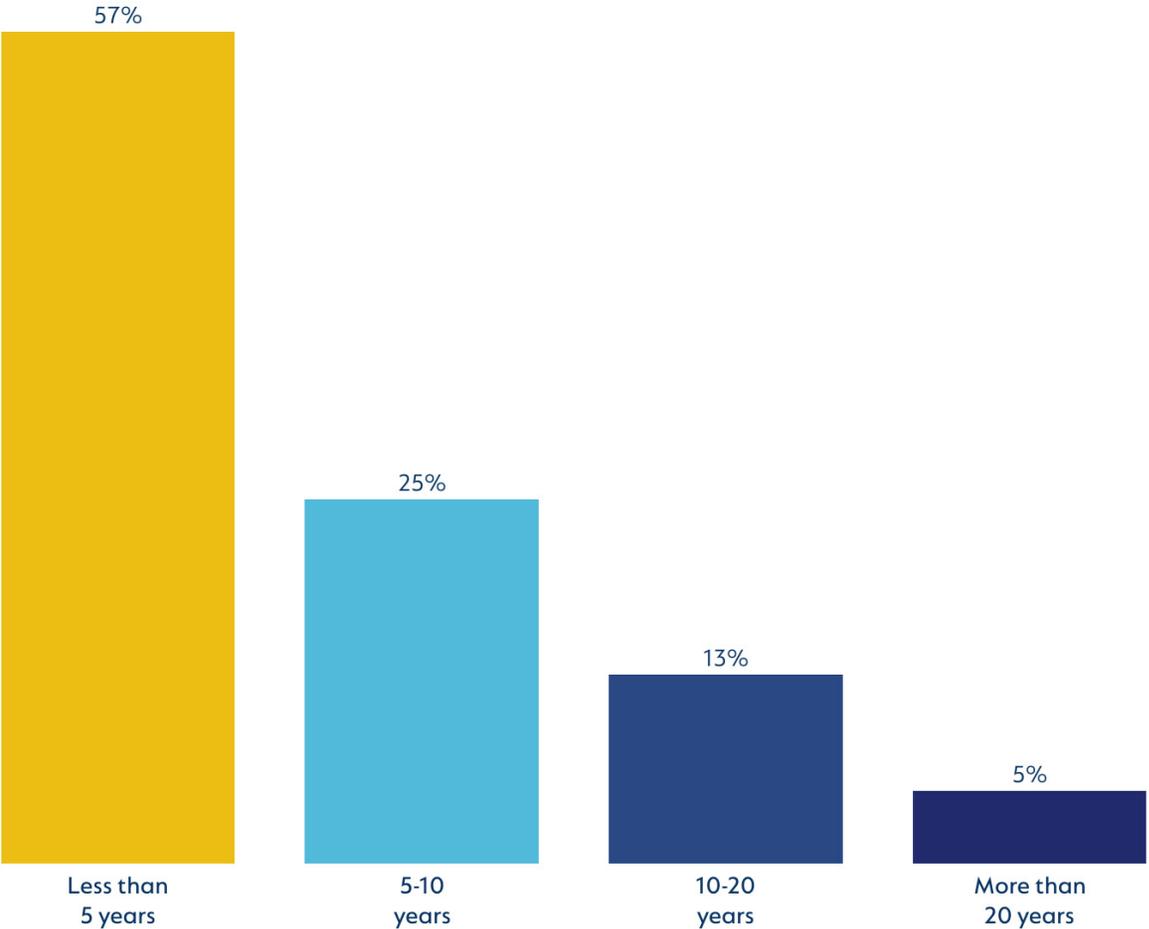
Our respondents know the industry. The majority (56%) have between 10 and 20-plus years of experience, and nearly 23% of all respondents have more than 20 years of experience. More than 70% of survey respondents ages 21 to 39 have less than five years of industry experience. In contrast, 74% of respondents ages 50 to 60 and over have 10 or more years of experience.

Most executive and managerial positions are held by producers and importers/distributors over age 40, while senior-level/owner positions in the on- and off-premise sectors tend to be held by 30- to 49-year-olds. Workers in the on-premise and off-premise sectors are also more likely to move on from their current jobs into other tiers. For example, wine directors or bartenders may move on to distributor, supplier, or brand ambassador jobs.

## Years of Experience



# RESPONDENT PROFILE: WHO ANSWERED OUR CALL? (CONTINUED)



### HOW LONG HAVE THEY BEEN IN THEIR CURRENT POSITIONS?

The majority (57%) have been in their current positions for less than five years.

- Less than 5 years: **57%**
- 5-10 years: **25%**
- 10-20 years: **13%**
- 20+ years: **5%**

Breaking down the 57%, Producer and on-premise respondents represent the largest percentage of workers who've been in their current positions for less than five years (78% and 76%, respectively).

Who has held their current jobs the longest? Off-premise respondents—43% have been in their current roles for at least five years, and another 18% for 10 to 20-plus years.



# WINE, BEER, AND SPIRITS PRODUCERS

## Top Job Titles



**IN 1995, THERE WERE** 1,800 wineries in North America. Fast-forward to today, and the number is nearly 10,000 (and growing)<sup>3</sup>. And in recent years, the craft beer and spirits industries have transformed from small, niche markets into multi-million-dollar industries with 5%<sup>4</sup> and 26%<sup>5</sup> year-over-year (YOY) growth, respectively. Millennials (defined as anyone born between 1981 and 1996<sup>6</sup>) are a driving force behind the niche wine, beer, and spirits boom. Unlike previous generations, millennials are generally more willing to branch out beyond “safe” table wines to try unique products—especially if there’s a compelling story behind the brands.<sup>7</sup>

Along with the increase in North American wineries and year-over-year industry growth, there are more hurdles and challenges today too. In particular, producers are facing challenges stemming from climate change, rising labor costs, and the consolidation of distributors. Although the number of producers in the U.S. has grown, the number of distributors has decreased from 3,000 in 1995 to around 700 today.<sup>8</sup> This could put even more pressure on small and medium-sized domestic producers to secure distribution in order to survive.



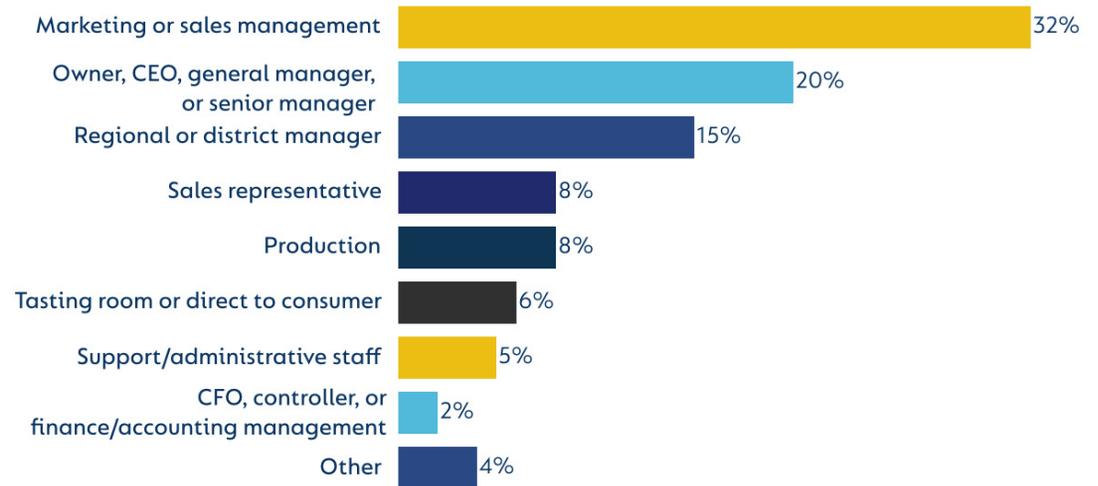
# WINE, BEER, AND SPIRITS PRODUCERS

(CONTINUED)

Producers of wine, beer, or spirits make up the smallest group of our survey respondents (9%). But of that 9%, a surprisingly high number (32%) hold sales or marketing roles, the majority of which are national or regional managerial positions. The marketing pool in the producer tier has roughly equal numbers of brand managers, marketing coordinators, and sales directors. Production and operations staff are underrepresented in our survey—only 8% of respondents report engaging in actual production or operations.

Over half of our respondents (52%) describe themselves as working in some form of “management”—22% of them either run their companies or hold senior-level positions, such as CEO/president, CFO/financial director, or founder/co-founder. But although more than half of all surveyed producers hold management-level positions, they represent the smallest percentage (20%) of workers who’ve been in their current jobs for more than five years. The rise of sales and marketing positions, which tend to be jobs with a higher-than-average turnover rate, may be the reason that so few of our producer respondents have been in their current positions for more than five years.

## Role at Company

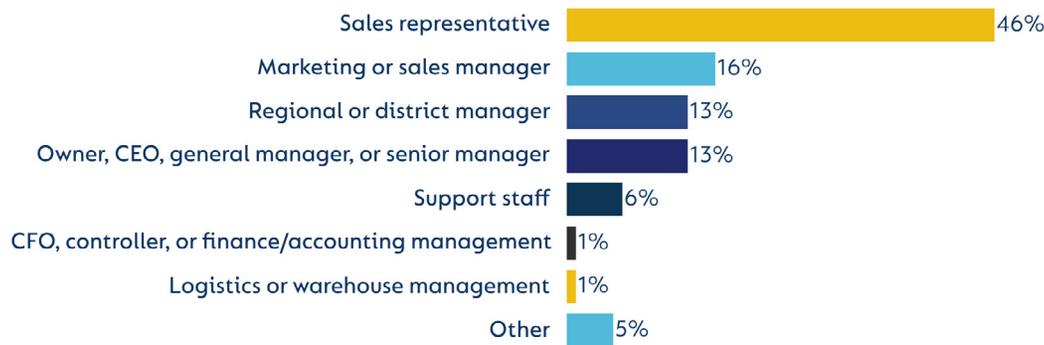


## Years in Current Position



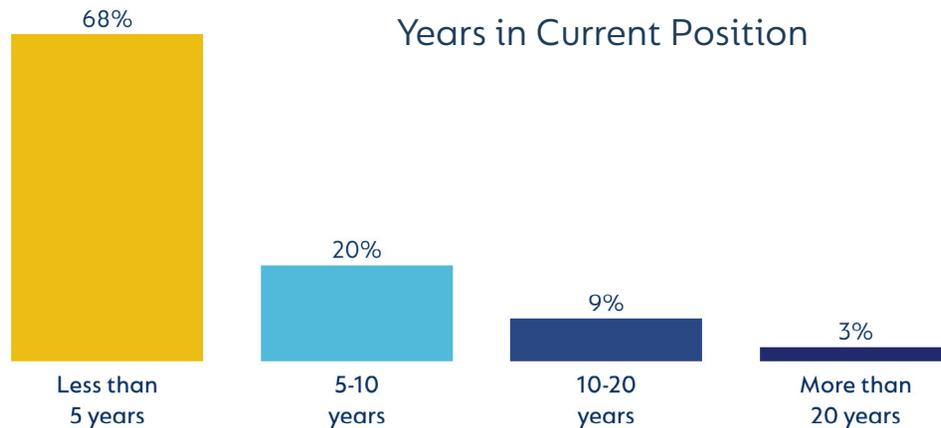
# IMPORTERS AND DISTRIBUTORS

Role at the Company



**THE YEARS-LONG** consolidation trend among large distributors is also affecting small and medium-sized importers and distributors. To help boost market share and brand visibility in the increasingly competitive marketplace, more and more small to medium-sized distributors are merging together.<sup>9</sup> This trend puts even more pressure on sales reps and marketing professionals to meet or exceed their sales goals. Sixty-two percent of the importers and distributors we surveyed hold either sales or marketing positions (46% and 16%, respectively).

Years in Current Position



**Importers and distributors represent 16% of our survey pool.** Of the importers and producers we surveyed, 46% are sales reps and 16% hold marketing and/or sales-related positions, possibly reflecting the growing need (and importance) for those types of roles within the sector.

Only 14% of all importers and producers we surveyed are executive-level staff (e.g., owner, CEO, senior manager). More than half (68%) have been in their current position for less than five years. Historically, and across most industries, the average turnover rate for sales-related positions is 27%<sup>10</sup>—higher than the national average turnover rate (18.5%)<sup>11</sup>. Some of the factors that may be contributing to this high percentage include unrealistic sales goals, inadequate training, and relatively low pay for these roles.<sup>12</sup> However, despite the high turnover rate, over a quarter (32%) of importer and distributor respondents have been in their current positions for more than five years.



# ON-PREMISE: WORKERS AT RESTAURANTS AND BARS

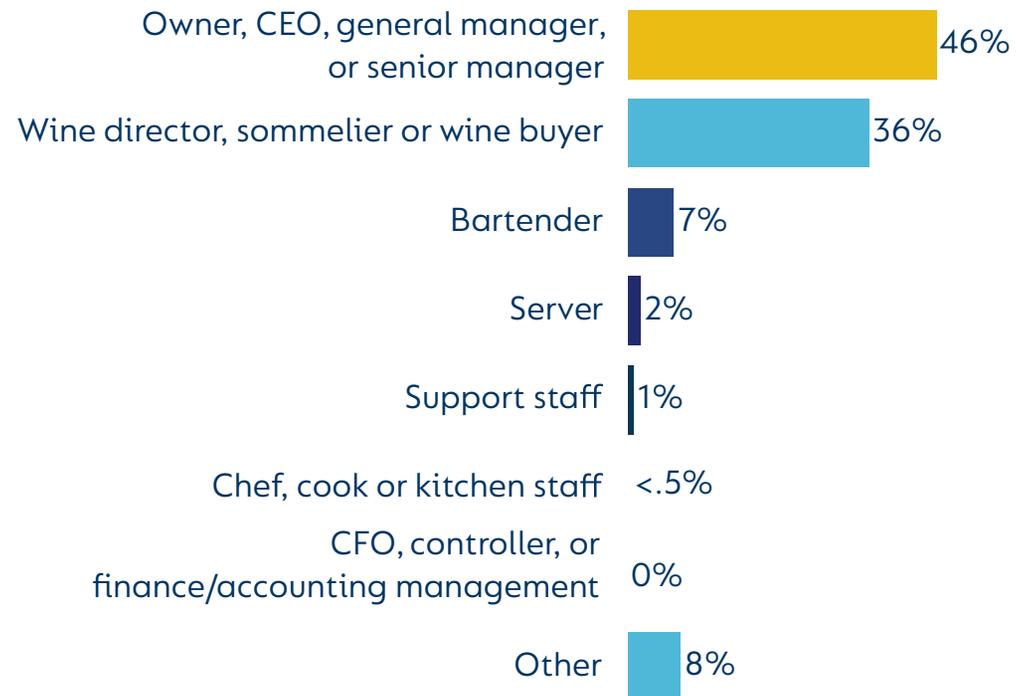
**TODAY'S CONSUMERS** have more options than ever when it comes to buying wine, beer, and spirits. In addition to bars and fine-dining restaurants, consumers can purchase and drink alcohol at hotels, fast-casual restaurants, sports stadiums, movie theaters, and many other on-premise venues.

This increased level of competition makes capturing consumer attention more challenging than it has been in the past. Factors such as declining foot traffic to traditional drinking establishments and the growing popularity of app-based alcohol delivery, have also been leading to decreases in on-premise alcohol sales.<sup>13</sup>

On-premise respondents represent the most significant percentage (44%) of our survey pool. More than 50% work for an independent restaurant. Of that group, 31% work in casual dining, and more than 37% in fine dining. Thirty-six percent of those working for independent restaurants are wine specialists, including wine directors, sommeliers, and wine buyers, and 46% hold upper-management positions, including owner, CEO, general manager, and senior manager.

The vast majority of on-premise respondents (76%) have been in their current jobs for less than five years.

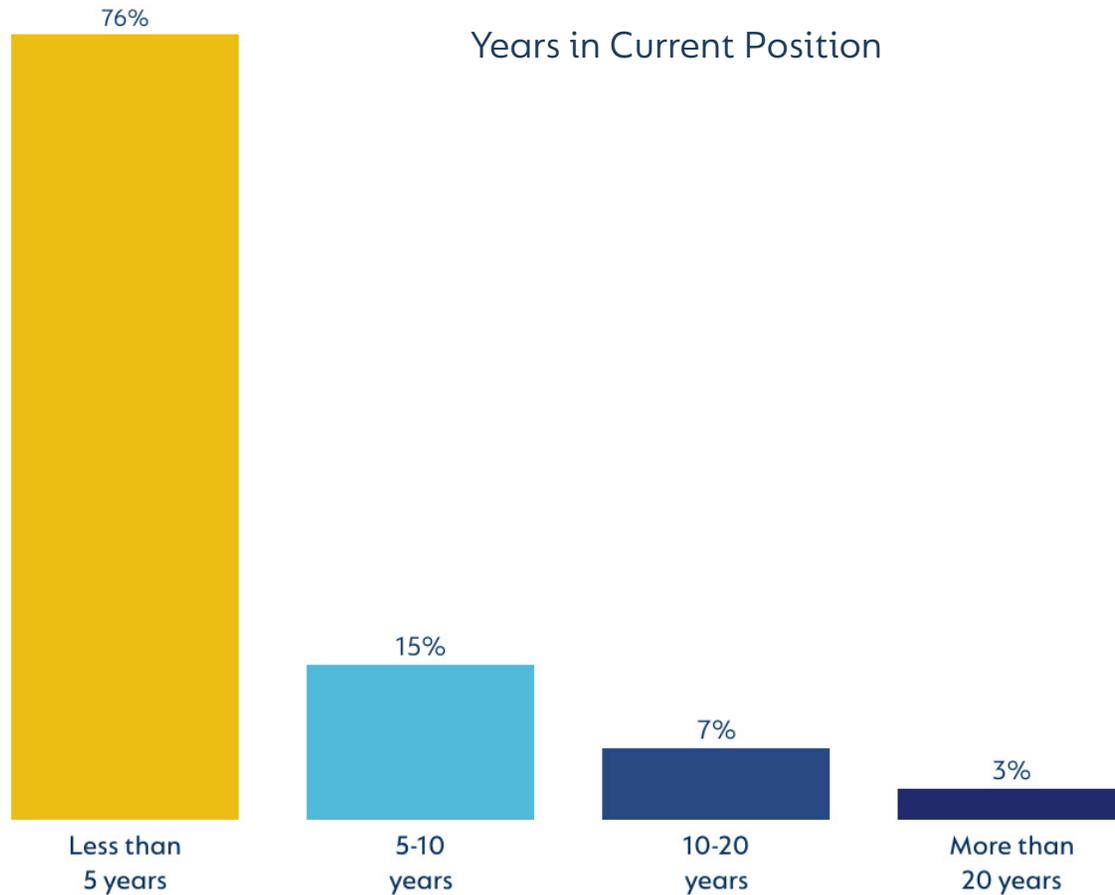
## Role at Company



**Let's take a closer look.**



# ON-PREMISE: WORKERS AT RESTAURANTS AND BARS (CONTINUED)



The average turnover rate across all jobs in the restaurant industry is a whopping 73%, according to the National Restaurant Association. That's almost double the average turnover rate for all industries in the private sector (46%).<sup>14</sup>

Why the high turnover rate in the on-premise sector? A large number of factors are most likely responsible, but one that may play a significant part is seniority. Statistically, roles with greater responsibility, including management-level positions, have a lower turnover rate (23%) compared to support-level positions like bussers, dishwashers, and runners (34%).<sup>15</sup>

Another reason for high turnover: seasonality. According to a recent Pew Research Center study, 30% of seasonal restaurant jobs are occupied by students (ages 18–22), who only work from July to September.<sup>16</sup> And lack of health insurance may also be a factor. We know that on-premise respondents are less likely than the other groups we surveyed to be offered health insurance through their employers.



# OFF-PREMISE: BEER, WINE, AND LIQUOR STORES

## Company Type



## Role at Company



**THE RISE IN APP-BASED** alcohol delivery has put the squeeze on wine, beer, and liquor retailers, especially smaller, family-owned stores that already have thin margins. Year-over-year, there's more competition from larger franchises and

big box stores that often offer wine, beer, and spirits at lower prices.<sup>17</sup> Despite the increased competition, off-premise sector sales, overall, are still higher than the on-premise sector. This may be due to the increasing demand for

premium, higher-priced products.<sup>18</sup>

In many cases, the brick-and-mortar stores that are thriving are those that are adopting new and creative ways to bring customers through the door. For example, some shops are now offering classes, in-

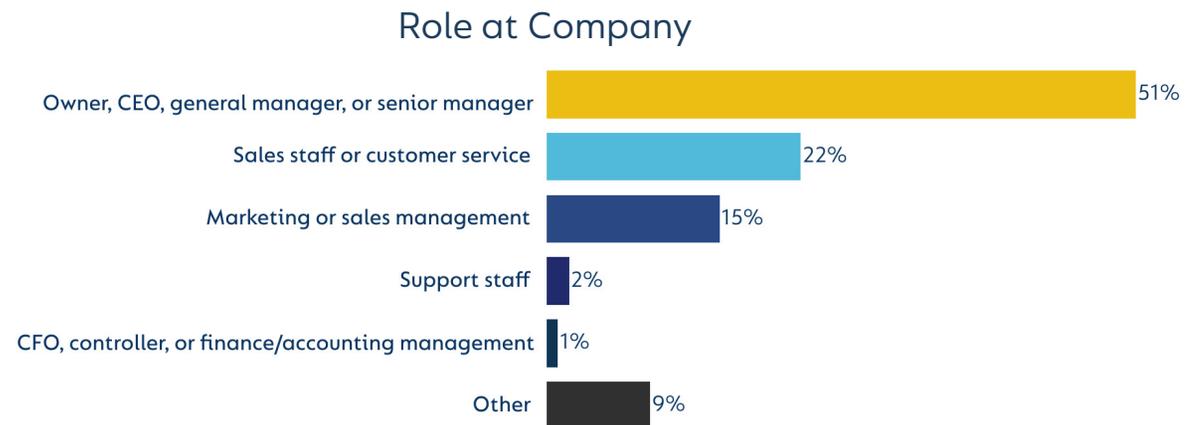
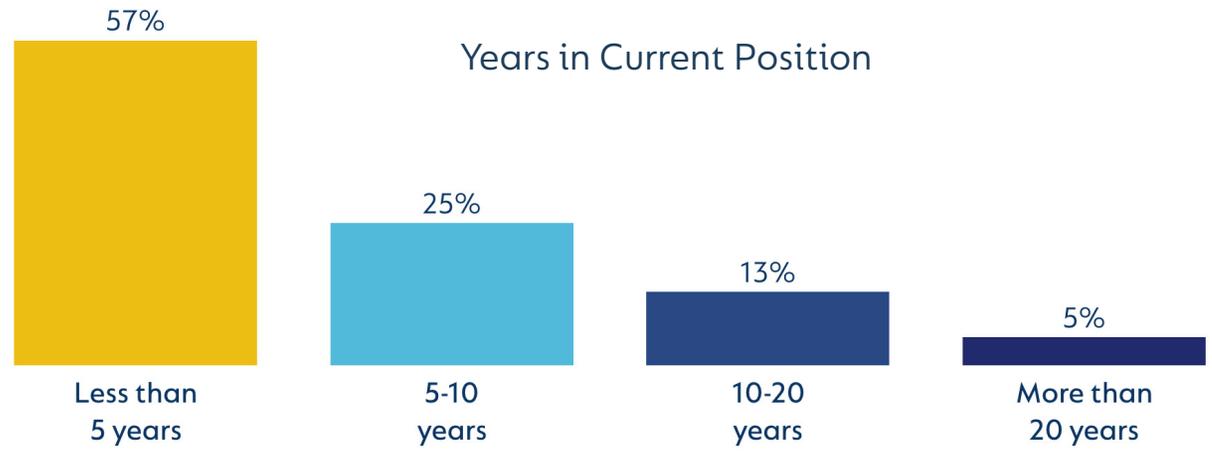


# OFF-PREMISE: BEER, WINE, AND LIQUOR STORES (CONTINUED)

store tastings, and hard-to-find niche wines or small-batch spirits.

Off-premise respondents represent 24% of our total survey pool. The majority (70%) work for independent liquor/wine/beer stores, and more than half (55%) own or manage them. They skew older than the rest of our respondents, have more industry experience, and are more likely to hold top-level positions. Nearly half (43%) have been in their current jobs for more than five years, and 18% for more than ten years.

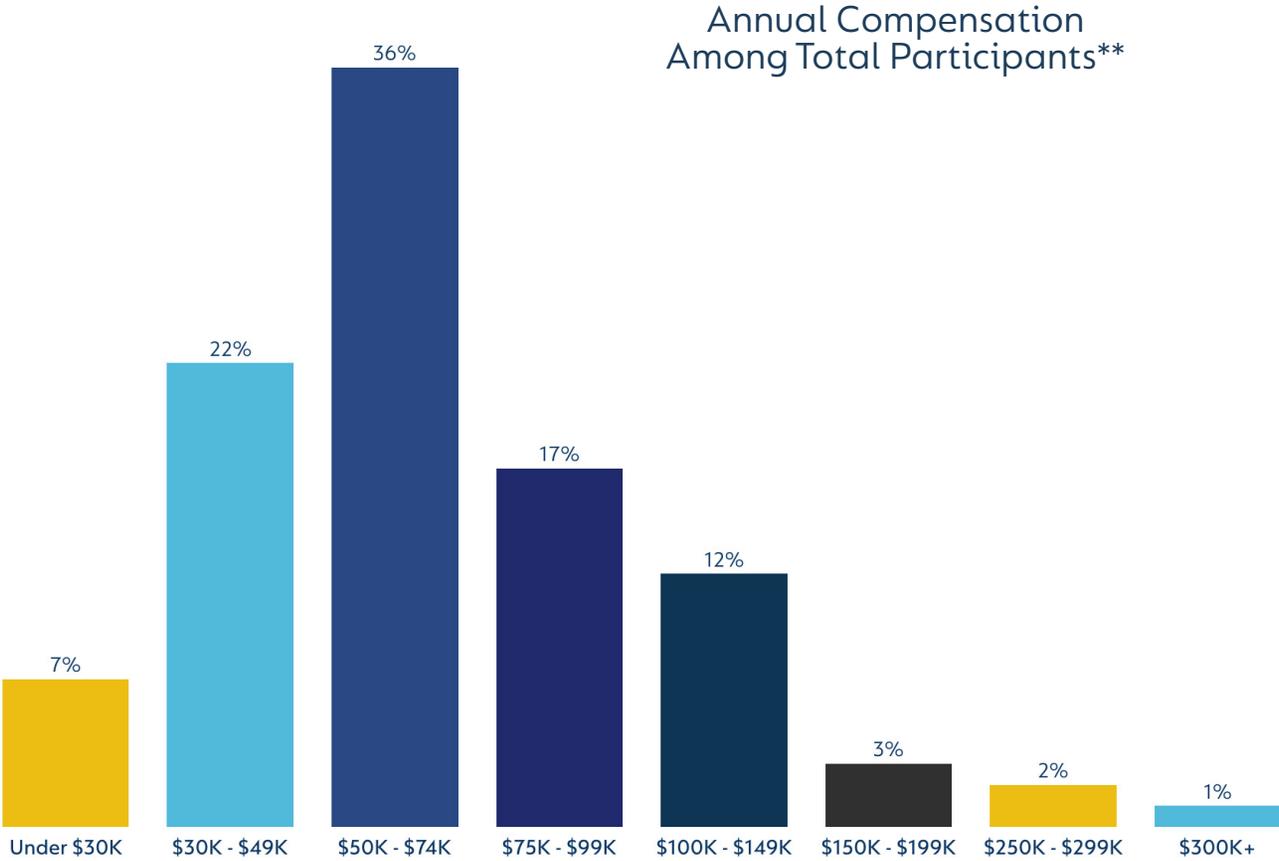
Of the 192,000 off-premise wine retailers in the U.S.,<sup>19</sup> many are small to medium-sized family-run businesses, some of which may have been passed down from generation to generation. This could explain why so many of our off-premise respondents have more than a decade of experience and why so many hold management-level positions.



# THE STATE OF INDUSTRY PAY

**GIVEN THE NUMBER** of different roles throughout the industry, it comes as no surprise that pay levels run the gamut, from minimum wage to well over six figures. And most of those who answered our survey—white men with manager-level positions—represent the upper-middle to higher-end of that wage spectrum.

The average annual compensation across all survey respondents is \$73.8K\*, with a higher proportion of workers making \$30K-\$75K, and a much lower percentage making above \$100K. The vast majority, 92%, earn a salary or wage; 46% receive bonus or incentive pay (including commissions); 18% earn tips; and 18% earn other compensation (stock, 401(k) benefits, profit sharing, and so forth).



\*Survey respondent salaries are skewed higher because of seniority level and location. \*\* May skew high because of a larger proportion of big companies in the distributor tier.



# THE STATE OF INDUSTRY PAY (CONTINUED)

## Compensation Level by Industry Tier

Average annual compensation is highest among respondents in the producer and importer/distributor tiers (\$98K and \$87K, respectively). Forty-one percent of producers and 29% of importers/distributors earn over \$100K per year.

As consolidation continues to reduce the number of distributors, wineries may need to hire more sales or marketing managers to help establish relationships with importers and distributors in their desired markets. Because of the level of responsibility and skills required to succeed in those demanding roles, the average annual salary is over \$250K for a VP-level sales manager, according to a recent report from *Wine Business Monthly*.<sup>20</sup> In the importer/distributor sector, the demand for sales and marketing positions continues to grow. Recent studies show that regional sales managers can earn over \$145K with bonuses, profit sharing, and sales incentives.<sup>21</sup>

On- and off-premise respondents have the lowest average annual compensation (\$70K and \$60K, respectively). Just 13% of off-premise and 11% of on-premise respondents earn over \$100K per year. Since both producer and importer/distributor respondents are more likely to receive a bonus or some kind of incentive pay, their total annual compensation tends to be higher than our on- and off-premise groups.

## Compensation Satisfaction by Trade Tier\*

	Producer	Importer/ Distributor	On Premise	Off Premise
Very satisfied	16%	14%	11%	17%
Somewhat satisfied	56%	48%	56%	48%
Not very satisfied	19%	23%	23%	22%
Not at all satisfied	8%	10%	7%	10%
Prefer not to say	1%	4%	3%	2%



# THE STATE OF INDUSTRY PAY (CONTINUED)

Compensation Increases in the Past Two Years by Trade Tier

**Do Trade Professionals Pay a Price to Work in the Industry They Love?**

The answer might be yes, at least for those at the top of their careers. Although nearly half (44%) of those we surveyed receive a pay increase once a year, a surprisingly high percentage (29%) haven't received a raise in more than two years. This could be because many of those surveyed are business owners or in senior management and may already have reached the top of their pay range.

	Total	Producer	Importer/ Distributor	On Premise	Off Premise
Monthly	2%	<.5%	6%	1%	1%
Every few months	4%	3%	6%	4%	3%
Twice a year	6%	4%	5%	5%	8%
Once per year	44%	52%	42%	46%	40%
Once in two years	16%	17%	12%	16%	17%
Not in the past two years	29%	24%	30%	28%	31%



# THE STATE OF INDUSTRY PAY (CONTINUED)

## Annual Compensation by Trade Tier

	Total	Producer	Importer/ Distributor	On Premise	Off Premise
<b>Salary or wage</b>	<b>92%</b>	96	84%	93%	95%
<b>Bonus or incentive pay (including commissions)</b>	<b>47%</b>	59%	78%	38%	37%
<b>Tips</b>	<b>18%</b>	6%	2%	34%	4%
<b>Other compensations (stock, 401k, profit-sharing)</b>	<b>18%</b>	21%	25%	15%	19%

## Compensation Level by Industry Tier

Average annual compensation is highest among respondents in the producer and importer/distributor tiers (\$98K and \$87K, respectively). Forty-one percent of producers and 29% of importers/distributors earn over \$100K per year.

As consolidation continues to reduce the number of distributors, wineries may need to hire more sales or marketing managers to help establish relationships with importers and distributors in their desired markets. Because of the level of responsibility and skills required to succeed in those demanding roles, the average annual salary is over \$250K for a VP-level sales manager, according to a recent report from Wine Business Monthly. In the importer/distributor sector, the demand for sales and marketing positions also continues to grow. Recent studies show that regional sales managers can earn over \$145K with bonuses, profit sharing, and sales incentives.

On- and off-premise respondents have the lowest average annual compensation (\$70K and \$60K, respectively). Just 13% of off-premise and 11% of on-premise respondents earn over \$100K per year. Since both producer and importer/distributor respondents are more likely to receive a bonus or some kind of incentive pay, their total annual compensation skews higher than our on- and off-premise groups.



# THE STATE OF INDUSTRY PAY (CONTINUED)

## Annual Compensation by Age

	21-29	30-39	40-49	50-59	60+
Under \$30K	9%	4%	5%	9%	18%
\$30K - \$49K	36%	20%	19%	17%	20%
\$50K - \$74K	39%	40%	32%	31%	30%
\$75K - \$99K	12%	20%	19%	15%	14%
\$100K - \$149K	3%	11%	18%	17%	10%
\$150K - \$199K	1%	2%	4%	6%	3%
\$200K - \$299K	<.5%	1%	2%	4%	3%
\$300K+	1%	1%	1%	2%	3%
<b>Mean Compensation</b>	<b>\$55.3K</b>	<b>\$72.3K</b>	<b>\$80.5K</b>	<b>\$86.2K</b>	<b>\$72.8K</b>

## Annual Compensation by Beverage Alcohol Industry Experience Level

	<5 Years	5 - 10 Years	10 - 20 Years	20+ Years
Under \$30K	16%	8%	3%	5%
\$30K - \$49K	35%	26%	18%	14%
\$50K - \$74K	33%	39%	38%	31%
\$75K - \$99K	10%	17%	20%	19%
\$100K - \$149K	3%	8%	15%	18%
\$150K - \$199K	1%	2%	3%	6%
\$200K - \$299K	1%	<.5%	1%	4%
\$300K+	1%	<.5%	1%	3%
<b>Mean Compensation</b>	<b>\$56.3K</b>	<b>\$64.4K</b>	<b>\$77.3K</b>	<b>\$91.4K</b>

### Age + Experience = Higher Salaries?

Our findings suggest that compensation in the drinks industry tends to increase with experience, as is true in many other industries. Average yearly compensation is \$56.3K among respondents with less than five years experience, and \$91.4K among those with 20-plus years experience.

Pay also increases with age. The average cross-tier salary for respondents in their 20s is just over \$55K. For professionals in their 30s, that number rises to \$86K. However, the average salary drops to \$73K after trade professionals turn 60. Factors that may contribute to the drop in salary include reduced hours, part-time employment, and/or retirement.

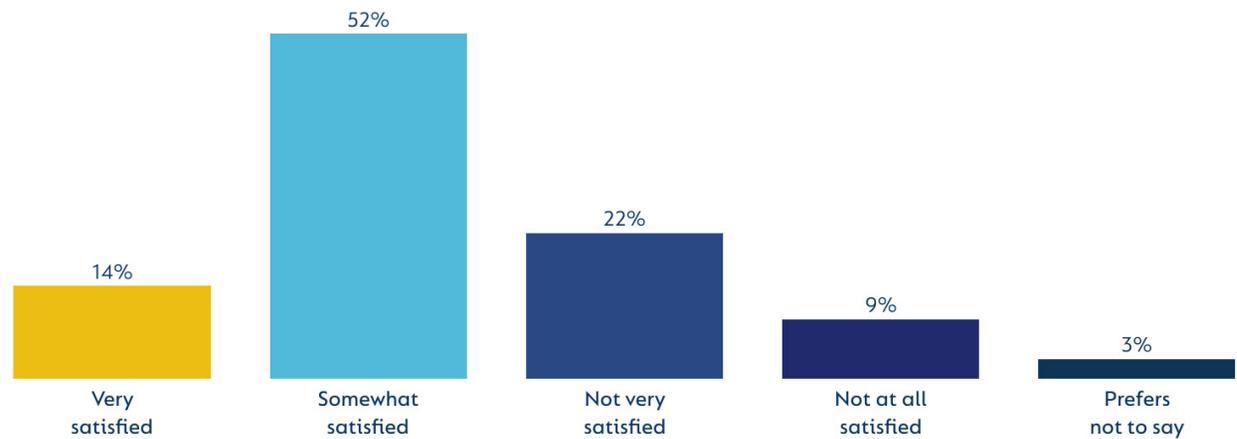


# THE STATE OF INDUSTRY PAY (CONTINUED)

**Who Is the Most Satisfied with Their Pay?** Respondents who are “somewhat” satisfied with their pay outnumber those who are “very satisfied” by a ratio of nearly 4:1. Overall pay satisfaction is highest among those in the producer tier and lowest among importers/distributors and off-premise respondents.

Dissatisfaction is slightly higher for respondents with less than five years of industry experience. This may be because of the disproportionately higher number of lower-paying jobs at entry level in the drinks industry compared with other industries (for example, tech and finance). Owners/CEOs, general managers, and other top executives are somewhat more likely to be “very satisfied” with their pay. Respondents over 60 years old report feeling the most satisfied with their pay, even though they earn less than some of the younger age groups.

Compensation Satisfaction Among Total Participants



Compensation Satisfaction by Trade Tier

	Producer	Importer/Distributor	On Premise	Off Premise
Very satisfied	16%	14%	11%	17%
Somewhat satisfied	56%	48%	56%	48%
Not very satisfied	19%	23%	23%	22%
Not at all satisfied	8%	10%	7%	10%
Prefer not to say	1%	4%	3%	2%



# THE STATE OF INDUSTRY PAY (CONTINUED)

Company Provided Health Insurance Coverage

	Total	Producer	Importer/ Distributor	On Premise	Off Premise
<b>100% covered by company</b>	<b>14%</b>	28%	15%	12%	12%
<b>Premium partly covered by company, partly by participant</b>	<b>53%</b>	52%	69%	54%	40%
<b>No health insurance offered</b>	<b>34%</b>	20%	16%	34%	48%

**Health Insurance: Who’s Covered?**

Drinks industry employers pay health insurance premiums either fully or partially for 67% of respondents. This is on par with the national average (69%) of all industries in the private sector.<sup>22</sup> Additionally, our findings suggest that producers are more likely to receive 100% coverage through their employers, while importers/distributors are more likely to receive partial coverage.

A relatively high percentage of survey respondents (34%) don’t receive any health insurance coverage from employers at all. Workers in the on- and off-premise sectors are less likely than producers and importers/distributors to receive employer-provided health insurance. This could be because of a larger proportion of part-time employment in these tiers.



# CAREER GROWTH AND OUTLOOK



## **OVERALL, SURVEY RESPONDENTS**

are optimistic about their career growth opportunities. Nearly half (46%) assess their career opportunities as “very good” to “excellent,” and 38% rate their career prospects as “average.” Positive career assessment across trade tiers is only slightly higher among on-premise and importer/distributor respondents, and among those with less than 10 years of industry experience.

It’s a different story for off-premise respondents, 23% of whom rate their career opportunities as “not very good” to “not good at all,” compared with 16% of importers/distributors, 12% of producers, and 12% of on-premise respondents. The lack of optimism may be explained by the proportionately higher number of off-premise respondents who either own or manage smaller, family-owned establishments, as smaller businesses tend to offer fewer growth opportunities than larger companies with bigger staffs and budgets.

But “less satisfied” doesn’t necessarily mean “less happy.” We know that off-premise respondents skew older, so their low satisfaction may be the result of their already having reached the height of their career potential.



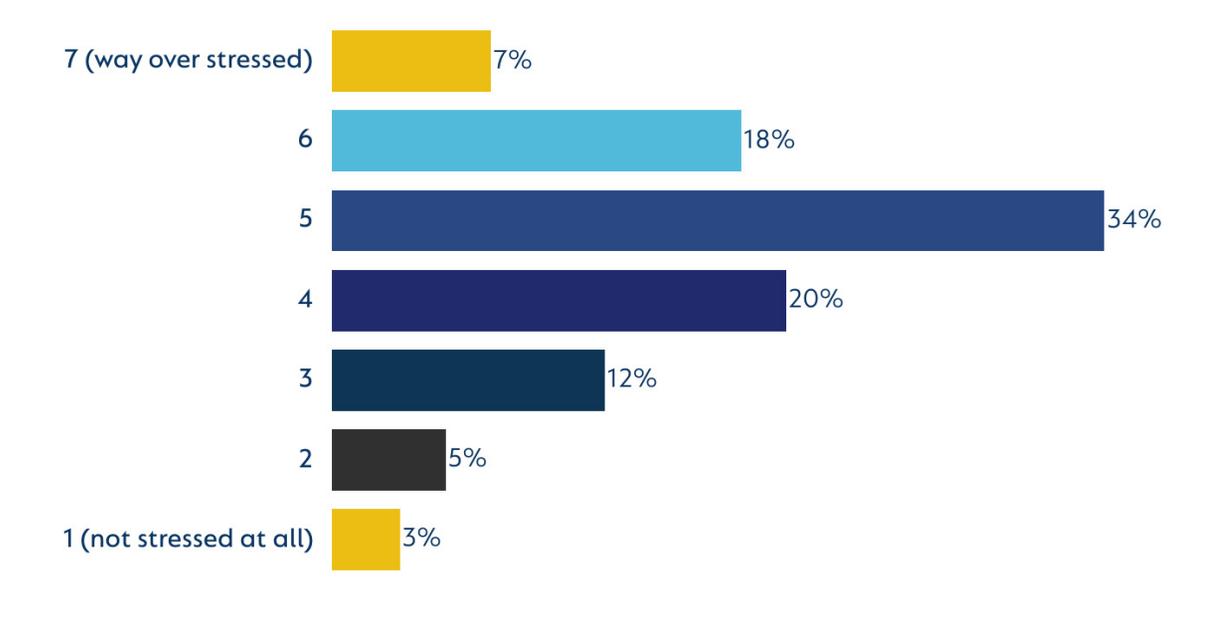
# WORK-RELATED STRESS LEVELS

**STRESS CAN BE** harmful for both the employee and the company. According to a study released by the *International Journal of Immunopathology and Pharmacology*, stress can wreak havoc on an individual's immune system,<sup>23</sup> which can lead to more sick days, higher employee turnover, lower productivity, and a decreased level of employee engagement.<sup>24</sup>

We asked our survey participants to rate their overall work-related stress level on a scale of 1–7, with 1 meaning “not at all stressed,” and 7 meaning “way overstressed.” The mean stress rating across all respondents (4.6) skews toward the “more stressed” end of the spectrum. And a much higher percentage of total respondents (25%) rate their stress level as very high (6 or 7) compared with the percentage of total respondents (8%) who report their stress level as being very low (1 or 2).

Although work-related stress skews toward “more stressed” for all respondents, it's especially high among on-premise workers and importers/distributors. High pressure sales or marketing jobs among importers/distributors may be a factor.

According to a research study conducted by Paychex, a company that provides human resources services, professionals in the hotel, food services, and hospitality industries report feeling stressed 3.31 days of the week. That's



more days than those who work in finance/insurance, medical/health care, legal, and government positions.<sup>25</sup>

What's more, the food service and hospitality industries account for the highest rates of substance abuse disorders and the third-highest rates of heavy alcohol use in any industry, according to the Substance Abuse and Mental Health Services Administration.<sup>26</sup> Restaurant workers in the U.S. who rely on tips are statistically more likely to report depression,

sleep disturbances, and stress than those who work in other private-sector industries.<sup>27</sup> Factors such as long hours, irregular pay, lack of control over work schedules, and having to deal with difficult customers can all lead to physical and mental exhaustion.

Respondents who are in the mid- to senior-level point in their careers, including workers in their 30s and those with 10 to 20 years of industry experience, report the highest average stress rating (4.6).



# DIVERSITY AND INCLUSION: ARE WE MAKING PROGRESS?

Americans are speaking up as never before, exposing the individuals, organizations, and industries that continue to exclude, harass, and exploit women and people of color. But are we gaining momentum toward equality in the beverage alcohol industry? The answer depends on whom you ask.

## THE GENDER PAY GAP

The gender pay gap still exists across all industries. In 2017, women earned 80.5 cents for every dollar earned by a man (a wage gap of 19.5%), unchanged since 2016. At this pace of change in annual earnings, it'll take another forty-one years for men and women to reach parity, according to the Institute for Women's Policy Research (IWPR).<sup>28</sup>

## So how does the beverage alcohol industry compare with the national average?

Across the three-tier system, men earn an average of 26% or \$13K more than women (\$79K-\$66K). That's a wider pay gap than the national average. More women than men make less than \$50K per year, while a disproportionately high number of men make between \$100K-\$499K per year.\*

The majority of our male respondents report feeling satisfied with their compensation and career prospects, but there's a significant bump among women who are "not at all satisfied" (11% vs. 7% of men). Since most of our survey respondents are male executives, the

*\* Due to covariance, additional analysis would be needed to discover if women are underpaid for the same jobs as men.*



# DIVERSITY AND INCLUSION: ARE WE MAKING PROGRESS? (CONTINUED)

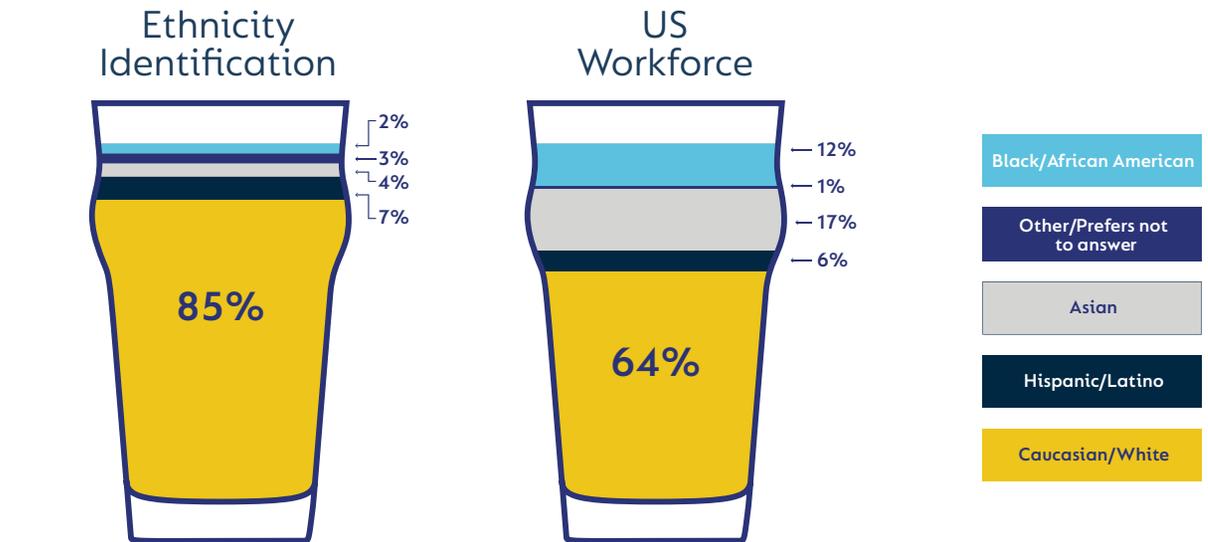
dissatisfaction reported by female respondents could be resulting from the frustration of seeing male colleagues climb the ladder faster, and at a higher rate.

## DIVERSITY & INCLUSION OF WOMEN AND PEOPLE OF COLOR:

According to the U.S. Bureau of Labor Statistics, the U.S. workforce is approximately 64% white, 17% Latino, 12% Black/African American, 6% Asian, and 1% other.<sup>29</sup> It breaks down by gender as 53% male and 47% female.<sup>30</sup>

Although the U.S. workforce is almost evenly split between men and women, men—specifically, white men—hold the majority of senior leadership and executive-level positions. Only 21% of Fortune 500 companies are run by women, and women of color lead just 3%.<sup>31</sup> By the time men reach mid-career, they're 70% more likely than women to be in an executive role. And by late career, they're 142% more likely than women to occupy VP or C-suite roles.<sup>32</sup>

In 2018, lack of diversity in the upper ranks continues to be an issue for some of the fastest-growing U.S. industries. Industries with the highest percentage of white employees, as reported by the U.S. Bureau of Labor Statistics,



are legal (81%), social sciences (81%), arts and entertainment (80%), sales (78%), education (78%), architecture (78%), engineering—all types (73%), and tech (72%).<sup>33</sup>

### The beverage alcohol industry is no exception.

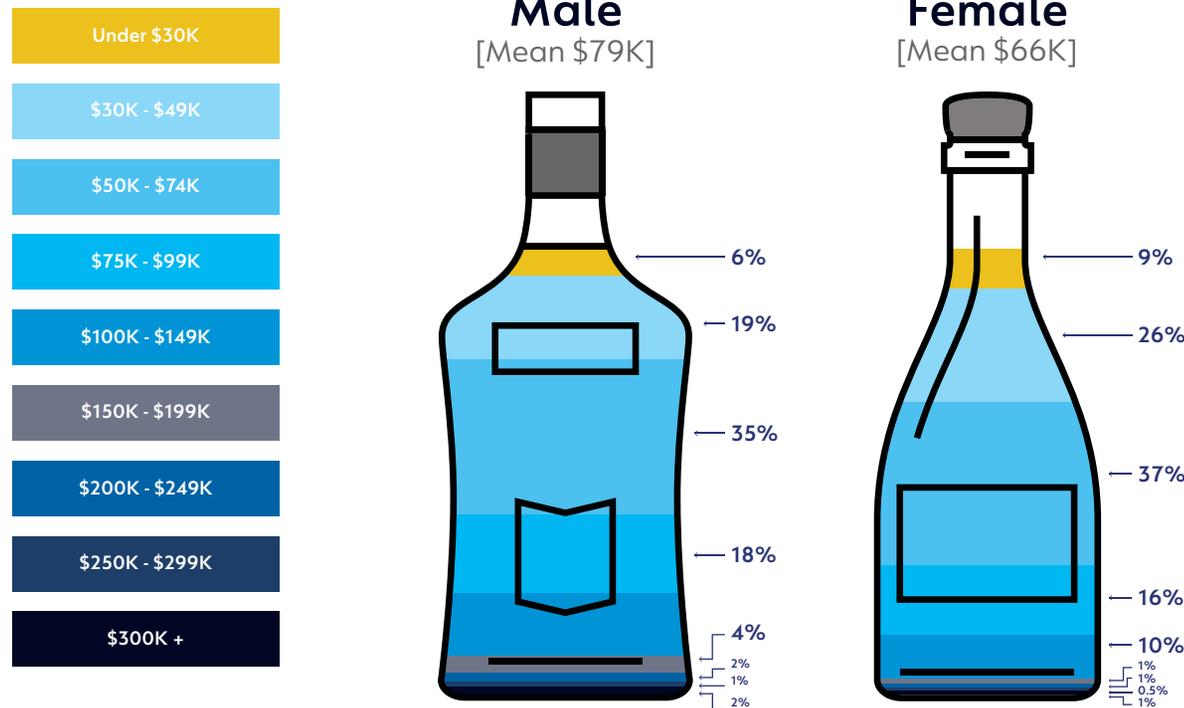
Over three-quarters (85%) of our survey respondents self-identify as white (the majority

are white men in executive-level roles); 7% self-identify as Hispanic/Latino versus 17% nationally; 2% self-identify as black/African American versus 12% nationally; and 4% self-identify as Asian versus 6% nationally. The majority of Hispanic/Latino respondents work in the on-premise sector (57%), and the vast majority of Asian respondents (87%) work in the on- and off-premise sectors.



# DIVERSITY AND INCLUSION: ARE WE MAKING PROGRESS? (CONTINUED)

## Annual Compensation by Gender\*



\*Bars do not add to 100% due to rounding

The restaurant industry (part of the on-premise sector) is much more diverse than our survey results (62% men, 37% women) indicate. According to a report released by Restaurant Opportunities Centers United (ROC), the restaurant industry is 52% women and 48% men, on par with the national average.<sup>34</sup> Although the number of women and people of color entering the restaurant industry is increasing, the ROC report states that they are still underrepresented in higher-paying executive and managerial-level positions, and overrepresented in lower-level support roles. For example, researchers at the ROC say that most of the top bartender and server positions in fine-dining restaurants are held by white men, while women, Hispanic/Latinos, and black/African Americans hold a disproportionately higher number of lower-paying positions (e.g., bussers, dishwashers, line cooks) in casual dining and fast-food restaurants.

Just 6% of head chefs and restaurant owners in the U.S. are women.<sup>35</sup> Of the 182 Master Sommeliers in the Americas, only 29 are women, according to the Court of Master Sommeliers.<sup>36</sup>



# DIVERSITY AND INCLUSION: ARE WE MAKING PROGRESS? (CONTINUED)

The U.S. beer industry is also dominated by men, especially at the wholesaler level, where beer distributorships are often passed down to other men from generation to generation. In the craft beer sector, only 4% of the 1,717 head brewers/brewmasters are women.<sup>37</sup> And of the 6,300 independent craft breweries in the U.S., only 50 (less than 1%) are owned by black/African Americans.<sup>38</sup>

In the wine industry (which accounts for part of the producer sector), women and people of color represent a small fraction of winemakers and vineyard owners. In 2017, 62% of the graduates of the University of California at Davis's prestigious Viticulture and Enology program were women. But women make up just 10% of the state's winemakers. And only 4% of those women own their wineries, while 48% of men own theirs.<sup>39</sup> Less than 1% of the 9,654 wineries in the U.S.<sup>40</sup> are owned by black/African Americans.<sup>41</sup>

California's Napa Valley is home to over 400 wineries.<sup>42</sup> According to a recent article published by the Matador Network, Hispanic/Latinos own just 4% of those vineyards, but represent 95% of vineyard laborers.<sup>43</sup> A recent study on Mexican immigration published by the University of California at Berkeley,<sup>44</sup> found that low wages and harsh working conditions are just a few of the many challenges facing Hispanic/Latino workers who aspire to be winemakers and vineyard owners.



# SUMMARY

**OVERALL, THE BEVERAGE** alcohol industry continues to grow, offering more positions, higher pay, and increasing opportunities for career advancement, particularly for those in sales and marketing roles. And the majority of our survey respondents, with their wealth of industry knowledge, experience, and senior-level positions, appear to be benefiting from the current industry climate. A large percentage of our respondents report feeling stressed at work, but most are satisfied with their current pay levels and career trajectories.

But our survey respondent pool isn't representative of the majority of beverage alcohol professionals, because of the disproportionately high number of participants who self-report as white male executives. In reality, the industry is much more diverse. Women and people of color work in all three tiers of the industry, but they are statistically more likely to hold lower-paying—and often undervalued—service-level roles. Our survey analysis clearly reflects this lack of diversity and inclusion.

## **But there's good news: Change is already happening.**

More companies are instituting policies and practices to help make their workforces more inclusive. Inclusive workplaces welcome and respect individual differences, values, and viewpoints while offering more opportunities for women, people of color, people of different genders and sexual orientations, and other historically marginalized groups.<sup>45</sup>

And research suggests that having a diverse and inclusive workforce benefits the bottom line by introducing multiple perspectives to help solve business challenges.<sup>46</sup>

According to Deloitte's 2018 Global Human Capital Trends report, nearly two-thirds of the 10,000 leaders surveyed cited diversity and inclusion as "important" or "very important" to their business.<sup>47</sup>

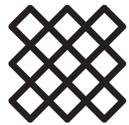
## **Here are some actions you can take to effect change in your organization:**

1. Implement initiatives that focus on hiring entry-level candidates from diverse backgrounds.
2. Establish mentorship programs for underrepresented communities within the industry.
3. Create a safer and more inclusive workplace by implementing a zero-tolerance policy for harassment of any kind.
4. Encourage your employees to voice their viewpoints and concerns.
5. Give your managers the flexibility they need to deal with real-life scenarios, such as supervising an employee who needs accommodation for a disability or a worker who is a single parent with challenging child-care problems.

Exposing the inequities that exist across the three-tier system creates a greater level of awareness. And with greater awareness, beverage alcohol professionals like you can help tip the scales toward equality and inclusivity throughout the industry by enacting positive change within your organization—and beyond.



# ABOUT US



## SevenFifty

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**SevenFifty** powers a connected beverage alcohol supply chain, bringing innovative technology to the massive but antiquated wholesale alcohol sales and distribution industry. A first-of-its-kind communication platform and marketplace, SevenFifty helps producers, importers, distributors, and retail buyers connect with each other and do business in the modern world. Founded by industry professionals in 2012, SevenFifty now operates in 42 U.S. markets.

## SevenFifty Daily

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**SevenFifty Daily** is an online magazine owned and published by SevenFifty that focuses on the business and culture of the beverage alcohol industry. The publication analyzes the issues people are talking about, uncovers new insights and innovations, and explores the people, places, and traditions beyond the bottle. Covering the three tiers of the alcohol industry, SevenFifty Daily connects a global community of drinks professionals, creating a forum for conversation and a platform for showcasing the people and ideas moving the industry forward.

## “ Wine Opinions ”

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**Wine Opinions** is the leading provider of U.S. wine market research to wineries, wine-marketing companies, and wine trade associations around the globe, offering unparalleled trade and wine-consumer insights and wine-market intelligence. Capabilities and services include quantitative surveys of U.S. wine consumers and the wine trade; qualitative research, including online and in-person focus groups and moderated wine tastings; baseline and tracking studies; and studies of consumer and trade trends and market data.



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