

Alabama Department of  
Industrial Relations  
Employer Benefits Survey 2004  
*Revised*



**Institute for Social Science Research**

**Center for Business and Economic Research**

**THE UNIVERSITY OF ALABAMA**

# Alabama Department of Industrial Relations Employer Benefits Survey 2004



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## Overview

Sections 1 through 5 below summarize the report findings. The findings are organized by five categories—

1. Insurance
2. Paid leave
3. Retirement
4. Miscellaneous benefits
5. Cost of benefits.

Each section is divided into sub-sections as described in the survey questionnaire. Findings for each subsection are further summarized by industry, region of the state, and by business size.

Businesses were classified into ten industry categories:

- Construction;
- Education and health services;
- Financial activities;
- Information;
- Leisure and hospitality;
- Professional and other business services;
- Other services;
- Manufacturing;
- Natural resources and mining;
- Trade, transportation and utilities.

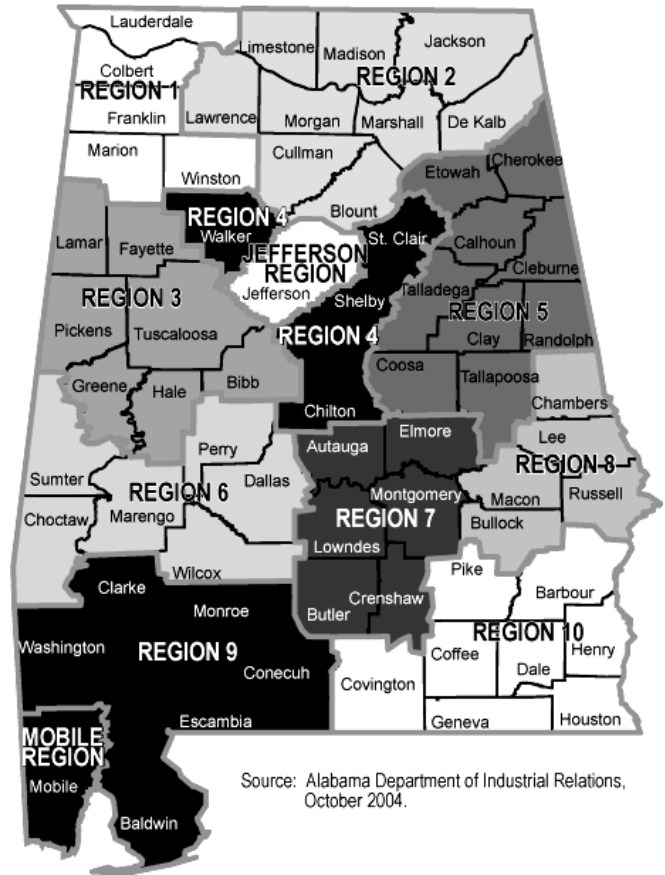
The state was divided into 12 regions for geographical purposes. The twelve region boundaries are shown on the map. While each region contains multiple counties, cities, and towns of note, for the purpose of this analysis and ease of interpretation, each of the regions is identified by a region number. They are:

- 1—Region 1;
- 2—Region 2;
- 3—Region 3;
- 4—Region 4;
- 5—Region 5;
- 6—Region 6;
- 7—Region 7;
- 8—Region 8;
- 9—Region 9;
- 10—Region 10;
- 11—Jefferson Region;
- 12—Mobile Region.

Businesses surveyed were also categorized by number of employees:

- 1 to 4;
- 5 to 9;
- 10 to 19;
- 20 to 49;
- 50 to 99;
- 100 or more.

## Alabama Workforce Investment Areas (WIA)



Source: Alabama Department of Industrial Relations, October 2004.

The data used to prepare this report were from a sample of firms and were collected by a mail survey. When data from such samples are categorized, the resulting category summary statistics can suffer from sampling error. Sampling errors in this study occur when a firm in a category over- or underrepresents the category's true characteristics. We call this to the reader's attention when we believe sampling error has occurred.

## Section 1- Insurance

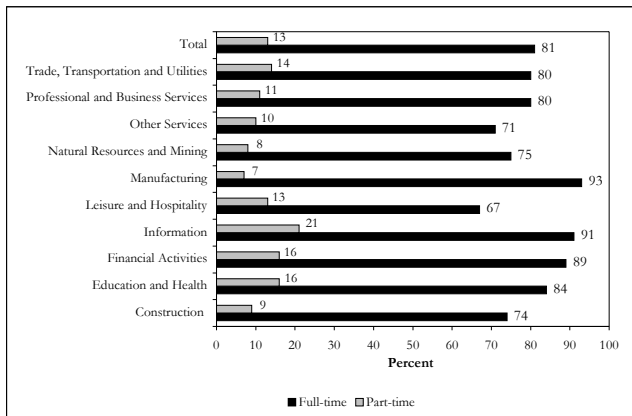
### 1-1 Medical Insurance

#### Industry

The overwhelming majority of Alabama businesses, 81 percent of all companies, offer full-time employees medical insurance. Conversely, only 13 percent of Alabama businesses offer part-time employees medical insurance. Manufacturing, information, and financial services industries are most likely to offer medical insurance to their full-time employees—91, 90, and 89 percent respectively. Eighty-four percent of education and health services companies offer their workers medical insurance, while 80 percent of both professional and business services and trade, transportation and utilities companies provide their full-time workers with medical insurance. The lowest incidence of medical insurance for full-time employees was 67 percent in the leisure and hospitality industry. See Figure 1 for complete details.

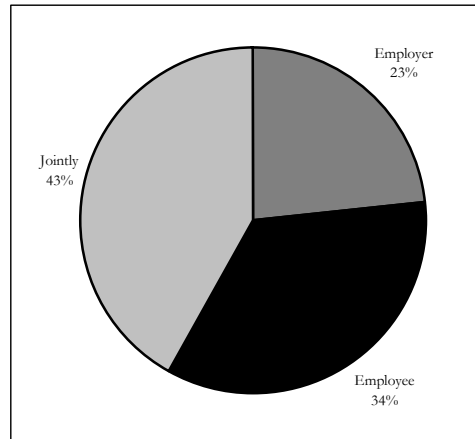
Information, financial services, and education and health service industries are most likely to offer medical insurance to part-time employees—21 percent in the information industry, 16 percent in the financial activities industry, and 16 percent in the education and health service industry. Trade, transportation and utilities and leisure and hospitality follow at 14 and 13 percent respectively. In all other industries, 10 percent or fewer businesses offer medical insurance to part-time employees.

**Figure 1. Percent of Employers Offering Medical Insurance by Industry**



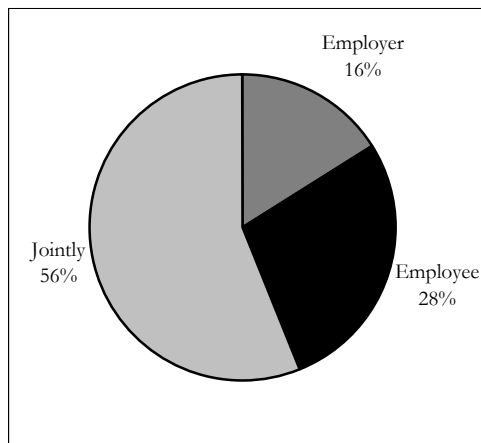
Across all industries, 43 percent of Alabama employers jointly pay medical insurance premiums; 23 percent pay the entire premium; and 34 percent require the employee to pay the full premium. While 23 percent of all companies pay the entire premium, from 40 to 43 percent of professional and business services, financial services, and natural resources and mining employers pay the full cost of medical insurance.

**Figure 2. Source of Medical Insurance Premiums for Full-time Employees**



The picture for part-time workers is quite different. Medical insurance premiums are jointly paid by 56 percent of Alabama companies; paid by the employer alone in 16 percent; and by the worker alone in 28 percent. Approximately 33 percent of natural resources and mining employers and 23 percent of construction employers pay the full premium for part-time workers. Not surprisingly, only 3 percent of leisure and hospitality companies pay the premium, while 46 percent require the employee to pay and 50 percent jointly pay.

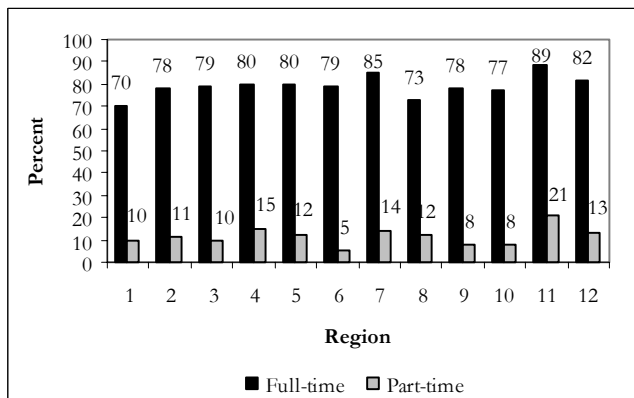
**Figure 3. Source of Medical Insurance Premiums for Part-time Employees**



### Region

Jefferson County companies are most likely to offer full-time employees medical insurance—89 percent offer coverage for full-time employees. Eighty-five percent of region 7 companies offer coverage for their full-time employees. Not surprisingly, far fewer companies provide medical insurance to their part-time employees. Only 21 percent of Jefferson County companies offer medical insurance to their part-time employees, followed by 15 percent in region 4.

**Figure 4. Percent of Employers Offering Medical Insurance by Region**



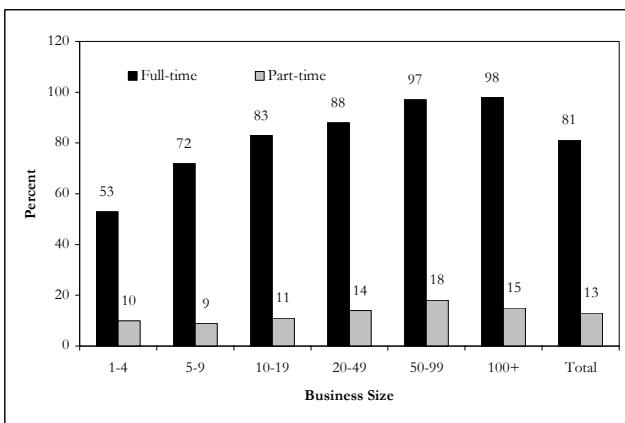
### Business Size

The larger the business is, the more likely it will offer medical insurance to its employees. Ninety-eight percent of businesses with 100 or more employees offer medical insurance to their full-time employees. This percentage

drops to 97, 72, and 53 percent respectively for firms with 50, five to nine, and less than five employees.

The percent of companies offering medical insurance to their part-time employees generally increases as the size of the company increases. However, we see in Figure 5 the effects of sampling error noted on p. 1. The reader is encouraged not to make a distinction between the percentage differences shown for firms hiring 50-99 and for firms hiring over 100 people. This anomaly exhibits itself in several graphs between these two firm sizes throughout the report describing several different kinds of benefits.

**Figure 5. Percent of Employers Offering Medical Insurance by Business Size**



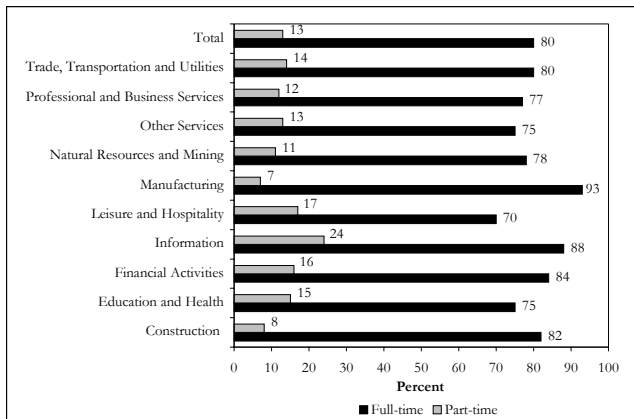
## 1-2 Medical Insurance for Employees' Spouses or Dependents

### Industry

Medical insurance for employees' spouses and dependents is offered to full-time employees by 80 percent of all companies—a comparable percentage of companies offering medical insurance to their own employees. Employers in the leisure and hospitality industry are least likely to offer health insurance to full-time employees' spouses or dependents—70 percent.

Not surprisingly, only 13 percent of employers offer health insurance benefits to part-time employees' spouses and dependents. Of all part-time employees, persons working in the information industry are most likely to have health insurance benefits offered to spouses and dependents—24 percent. See Figure 6 for complete details.

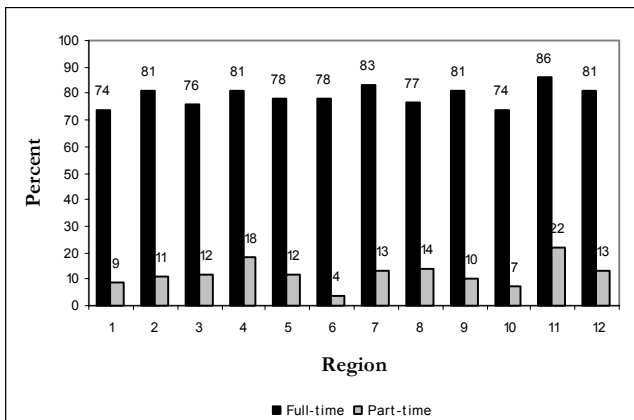
**Figure 6. Percent of Employers Offering Family Medical Insurance by Industry**



### Region

Jefferson County companies are more likely to offer family medical insurance coverage—86 percent offer coverage to full-time employees, and 22 percent offer coverage for part-time employees. Companies across the balance of the state follow closely behind offering between 74 and 83 percent of their full-time employees family medical insurance coverage. Twenty-two percent of Jefferson County companies offer their part-time employees coverage—once again the highest of all the regions.

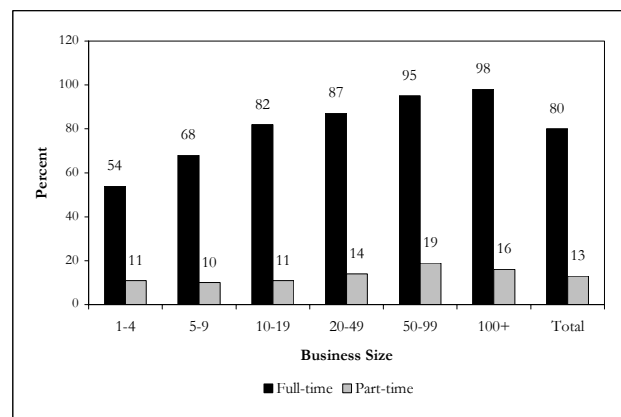
**Figure 7. Percent of Employers Offering Family Medical Insurance by Region**



### Business Size

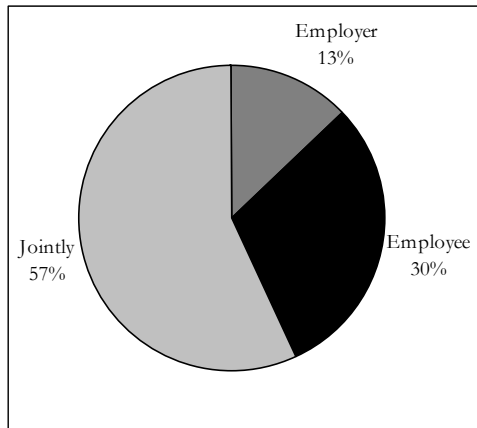
Once again the chance that an employer will offer health insurance benefits increases significantly as the size of the business increases. Over 98 percent of businesses with 100 or more employees offer health insurance to full-time employees' spouses or dependents. More than 16 percent of employers with 100 or more employees offer health insurance to part-time employees' spouses and dependents. For complete details see Figure 8. The anomalous difference in part-time offerings between 50-99 and 100 or more is the result of sampling error.

**Figure 8. Percent of Employers Offering Family Medical Insurance by Size**

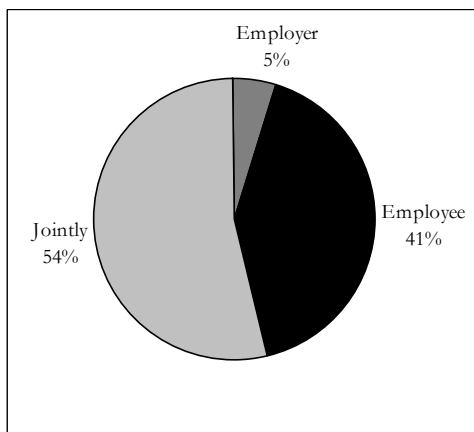


Of those employers that offer health insurance to full-time employees' spouses and dependents, over 13 percent pay 100 percent of the costs. About 57 percent of employers pay jointly with employees the cost of health insurance for full-time employees' spouses and dependents. For part-time employees, family medical insurance premiums are paid by the employer alone by only 5 percent of Alabama business, jointly between employers and employees by 54 percent, and by the employee alone by 41 percent.

**Figure 9. Source of Family Medical Insurance Premiums, Full-time Employees**



**Figure 10. Source of Family Medical Insurance Premium for Part-time Employees**

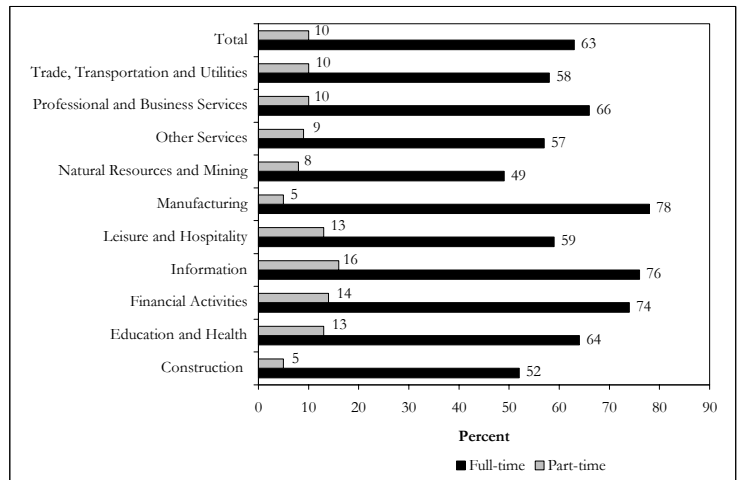


### 1-3 Dental Insurance

#### Industry

Dental insurance is offered to full-time employees by 63 percent of all employers and by 10 percent of Alabama companies to part-time employees. Full-time employees are most likely to be offered dental insurance by businesses in manufacturing (78 percent), information (76 percent), and financial activities (74 percent). Part-time employees receive dental insurance benefits mainly in the information (16 percent), financial activities (14 percent), and leisure and hospitality industries (13 percent). The manufacturing (5 percent) and the construction (5 percent) industries are least likely to offer dental insurance benefits. See Figure 11 for complete details.

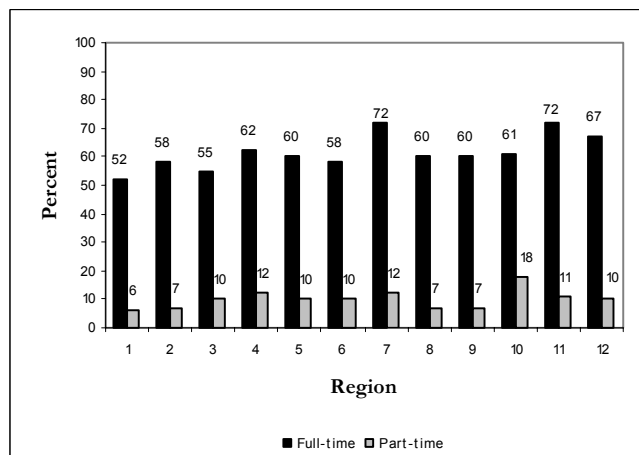
**Figure 11. Percent of Employers Offering Dental Insurance by Industry**



#### Region

Dental insurance is offered to employees in 72 percent of Jefferson County and region 7 companies. This number falls to 11 and 12 percent respectively for part-time employees. Across the balance of the state, between 52 and 67 percent of companies offer dental insurance to their full-time employees. Like wise, between 6 and 11 percent offer such coverage to their part-time employees.

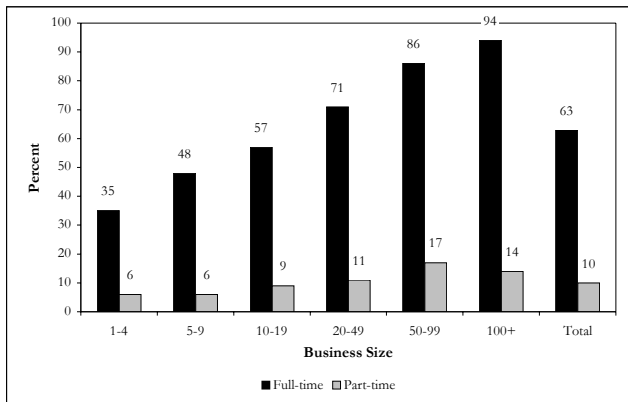
**Figure 12. Percent of Employers Offering Dental Insurance by Region**



## Business Size

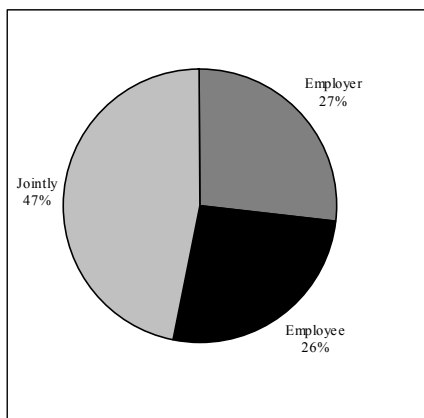
The percentage of employers offering dental insurance increases significantly as employer size increases. Ninety-four percent of businesses with 100 or more employees offer dental insurance to full-time employees, in sharp contrast to 35 percent of businesses with four or fewer employees. Only 6 percent of employers with fewer than five employees offer dental insurance to part-time employees. This percentage increases gradually to 11 percent of businesses with 20-49 employees and jumps to 17 percent of employers with 50-99 employees. See Figure 13 for complete details.

**Figure 13. Percent of Employers Offering Dental Insurance by Business Size**



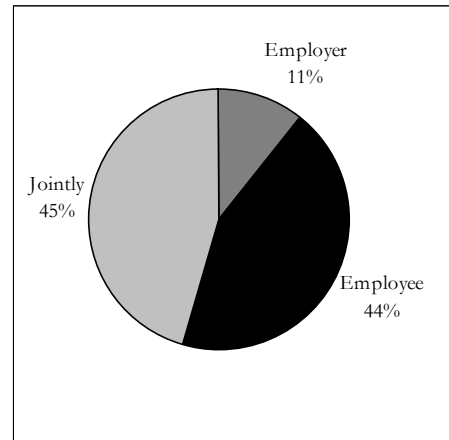
Nearly half of employers offering dental insurance to full-time employees jointly pay the costs with employees. About a quarter of employers that offer dental insurance to full-time employees pay 100 percent of the costs of dental insurance.

**Figure 14. Source of Dental Insurance Premiums for Full-time Employees**



Eleven percent of employers that offer dental insurance to part-time employees pay 100 percent of the costs. About 45 percent of employers offering dental insurance to part-time employees jointly pay the cost.

**Figure 15. Source of Dental Insurance Premium for Part-time Employees**



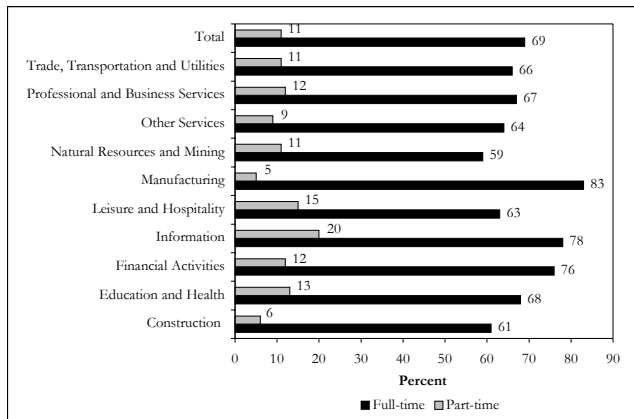
## 1-4 Dental Insurance to Employees' Spouses or Dependents

### Industry

On average, 69 percent of Alabama's employers offer dental insurance to full-time employees' spouses or dependents and 11 percent of employers offer dental insurance benefits to part-time employees' spouses or dependents.

Eighty-three percent of manufacturing employers offer dental insurance to part-time employees' spouses or dependents. Employers in the natural resources and mining are least likely to offer dental insurance to full-time employees' spouses or dependents. For part-time employees' spouses or dependents, manufacturing employers are least likely to offer such benefits. Employers in the information industry are most likely to offer dental insurance to part-time employees' spouses or dependents. See Figure 16 for complete details.

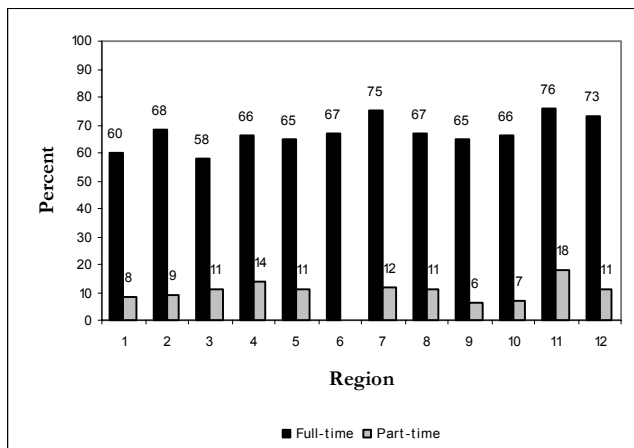
**Figure 16. Percent of Employers Offering Family Dental Insurance by Industry**



**Region**

Family dental insurance is offered to employees in 76 and 75 percent of Jefferson County and region 7 companies respectively. This number falls to 18 and 12 percent for part-time employees. Across the balance of the state, between 58 and 73 percent of companies offer dental insurance to their full-time employees. Like wise, between 6 and 14 percent offer such coverage to their part-time employees.

**Figure 17. Percent of Employers Offering Family Dental Insurance by Region**

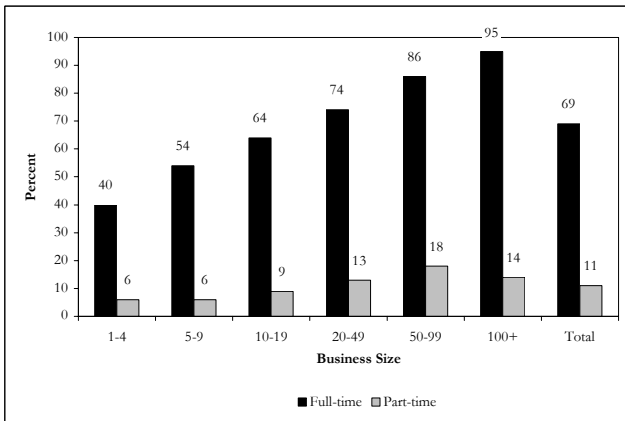


**Business Size**

As previously observed, the number of companies offering insurance coverage is very dependent on the size of the employer. Figure 18 reports the percentage of employers offering family dental insurance by size of business. While only 69 percent of all businesses offer

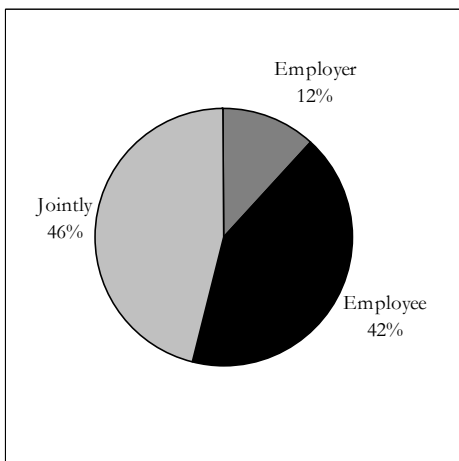
family dental coverage, over 95 percent of all businesses with over 100 employees offer such coverage.

**Figure 18. Percent of Employers Offering Family Dental Insurance by Business Size**



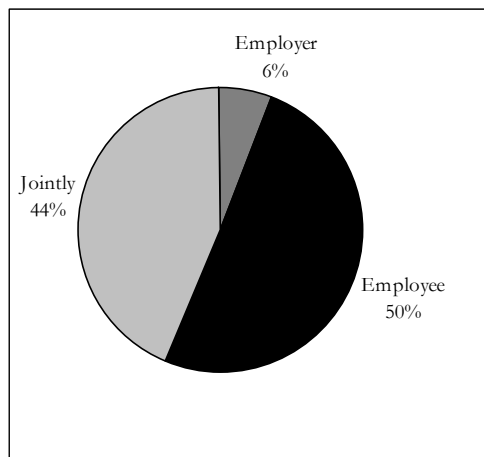
Dental insurance to employees' spouses or dependents for full-time employees is paid jointly by 46 percent of all employers, by the employer 12 percent of the time, and by the employee alone in 42 percent of Alabama companies.

**Figure 19. Source of Family Dental Insurance Premiums for Full-time Employees**



Of those employers that offer dental insurance premiums to spouses or dependents of part-time employees, 6 percent pay 100 percent of the costs, employers and employees jointly pay 44 percent of the time, and in 50 percent of the firms offering this benefit, the employee pays the full cost of the premium.

**Figure 20. Source of Family Dental Insurance Premium for Part-time Employees**



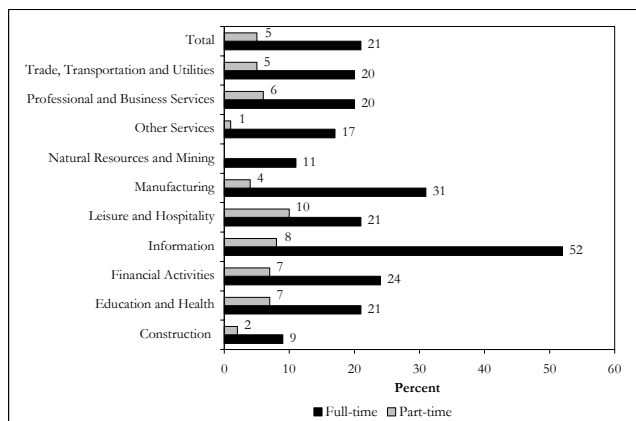
## 1-5 Vision Insurance

### Industry

Vision insurance is offered to full-time employees by about one in five of all Alabama employers and by 5 percent of Alabama companies to part-time employees. Full-time employees are more likely to be offered vision insurance by businesses in the information (52 percent) and manufacturing (31 percent) industries. Only 9 percent of employers in the construction industry offer vision insurance to their full-time employees—the lowest percentage of any industry group.

Part-time employees are most likely to be offered vision insurance by businesses in leisure and hospitality (10 percent) and information (8 percent).

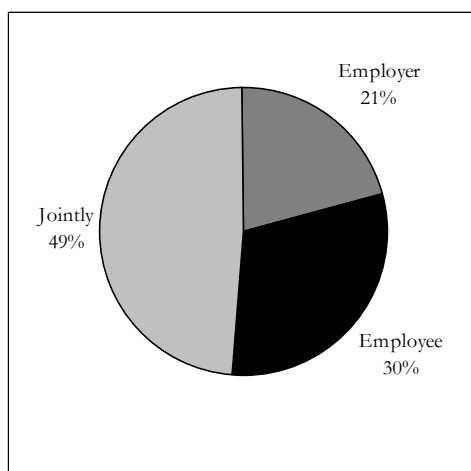
**Figure 21. Percent of Employers Offering Vision Insurance by Industry**



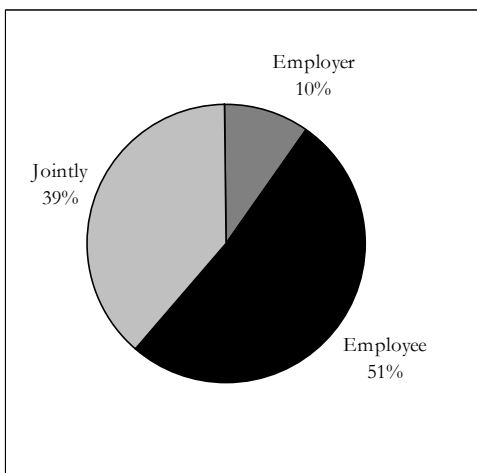
The cost of vision insurance premiums for full-time employees is paid jointly by about half of Alabama employers, by the employer only 21 percent of the time, and by the employee only in 30 percent of Alabama companies.

Of those employers that offer vision insurance premiums to part-time employees, 10 percent pay 100 percent of the costs. About 39 percent of Alabama businesses jointly pay the vision premiums, and in 51 percent of the companies the employee pays the full cost of this benefit.

**Figure 22. Source of Vision Insurance for Full-time Employees**



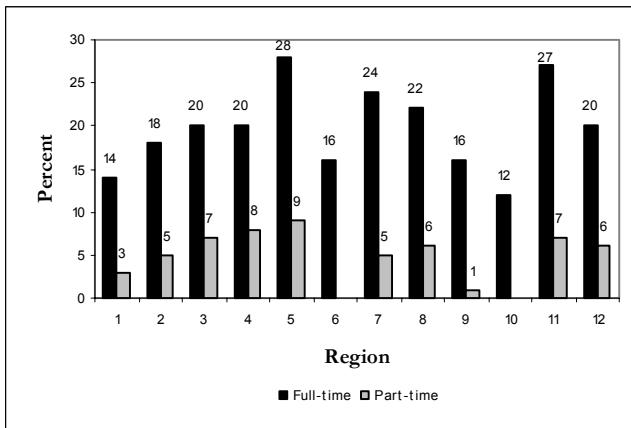
**Figure 23. Source of Vision Insurance Premium for Part-time Employees**



## Region

Region 5 companies, with 28 percent, are most likely to offer vision insurance to full-time employees. Jefferson County companies, at 27 percent, are close behind. There is considerable variation across the regions, with a low of 12 percent to the high of 28 percent. As expected, dramatically fewer companies offer vision insurance to their part-time employees. This ranges from a high of 9 percent in region 5 to a low of 1 percent in region 9.

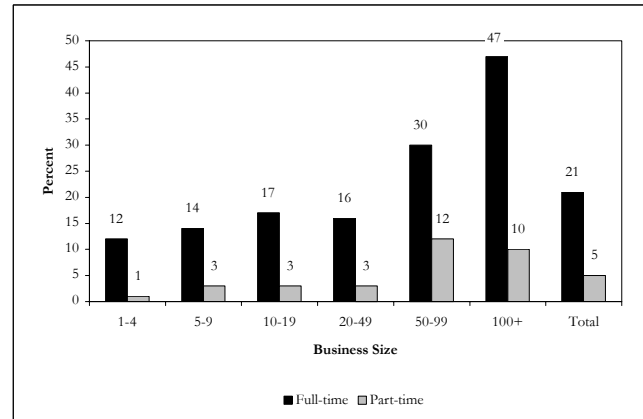
**Figure 24. Percent of Employers Offering Vision Insurance by Region**



## Business Size

Twenty-one percent of Alabama businesses offer vision insurance to full-time employees overall. The chance that an employer will offer vision insurance to full-time employees is significantly higher for employers with 100 or more employees. Five percent of employers offer vision insurance to part-time employees. See Figure 25 for complete details.

**Figure 25. Percent of Employers Offering Vision Insurance by Business Size**



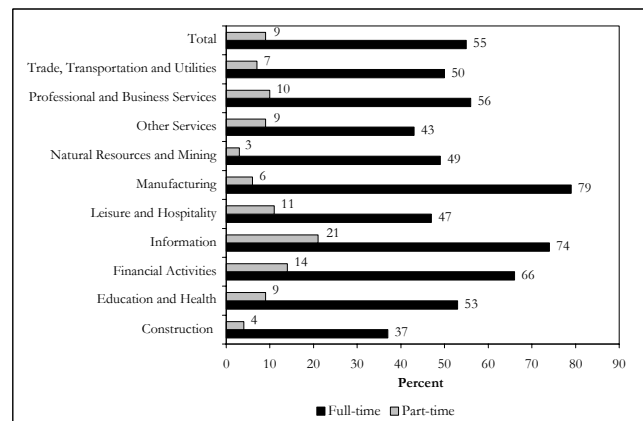
## 1-6 Life Insurance

### Industry

Overall, more than half (55 percent) of Alabama employers offer life insurance to full-time workers. More than two out of three employers in manufacturing (79 percent) and information (74 percent) offer this benefit, the most of any industry.

Over 20 percent of employers in the information industry offer life insurance to part-time employees, a rate significantly higher than all other industries. Those in manufacturing (6 percent), construction (4 percent), and natural resources and mining (3 percent) industries are considerably less likely to offer life insurance to part-time workers. See Figure 26 for details.

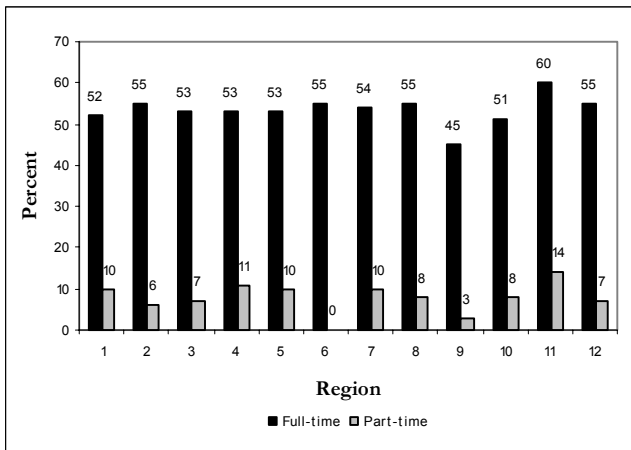
**Figure 26. Percent of Employers Offering Life Insurance by Industry**



## Region

Life insurance is offered to employees by 60 percent of Jefferson County companies. Across the balance of the regions, between 45 and 55 percent of companies offer life insurance to their full-time employees. These numbers fall to between 0 and 14 percent for part-time employees in other regions.

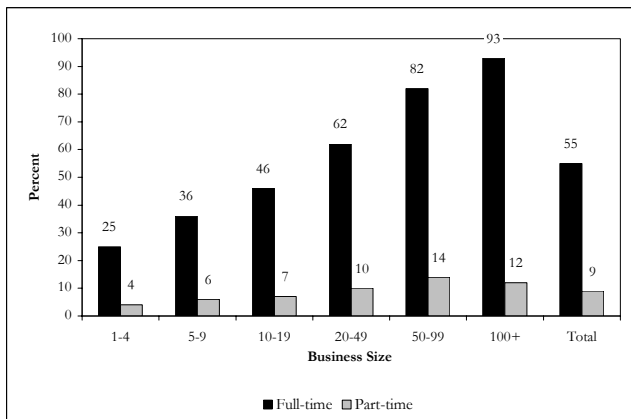
**Figure 27. Percent of Employers Offering Life Insurance by Region**



## Business Size

About one out of four employers with four or fewer employees offer life insurance. This rate increases with employer size to 93 percent of employers with 100 or more employees. Over 14 percent of employers with 50 to 99 employees offer life insurance to part-time employees. See Figure 28 for details.

**Figure 28. Percent of Employers Offering Life Insurance by Business Size**



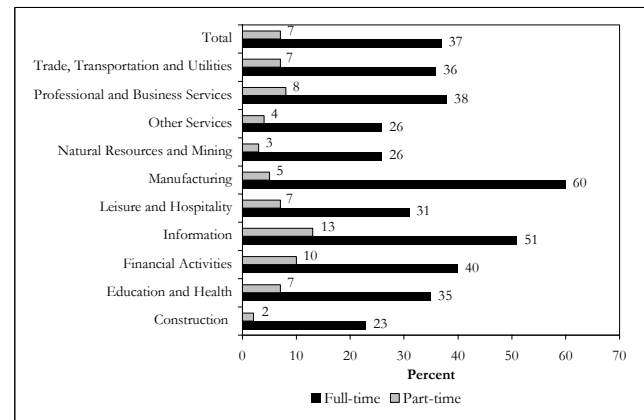
## 1-7 Short-term Disability Insurance

### Industry

Overall, 37 percent of all Alabama employers offer short-term disability insurance to full-time employees. Approximately 7 percent of all Alabama companies offer this benefit to their part-time employees. Sixty percent of manufacturers offer short-term disability insurance while only 23 percent of construction companies offer short-term disability insurance to full-time employees.

Part-time employees in the information (13 percent) and financial activities (10 percent) industries are most likely to receive short-term disability insurance, in contrast with part-time employees in the construction (2 percent) or the natural resources and mining (3 percent) industries that are least likely to receive short-term disability benefits. See Figure 29 for details.

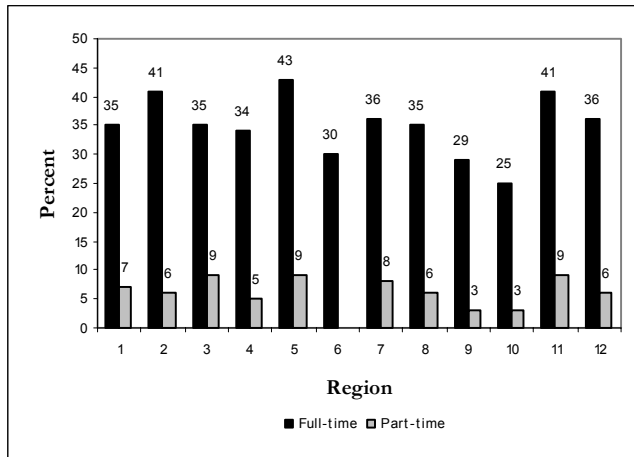
**Figure 29. Percent of Employers Offering Short-term Disability Insurance by Industry**



## Region

Forty-three percent of companies in region 5 offer short-term disability insurance to their full-time employees. This is followed closely by region 2 and Jefferson County where 41 percent of the companies offer disability insurance. Very few companies offer disability insurance for part-time employees. The number ranges from a high of 9 percent in regions 3, 5, and Jefferson County to a low of 3 percent in regions 9 and 10.

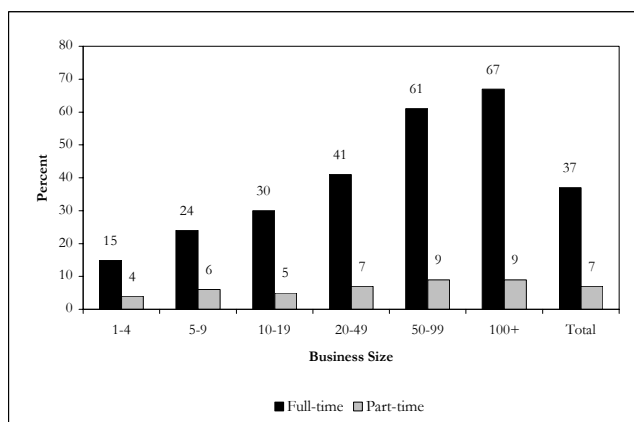
**Figure 30. Percent of Employers Offering Short-term Disability Insurance by Region**



### Business Size

As the size of business increases, so does the number of employers that will offer short-term disability benefits. Over 60 percent of employers with 50 or more employees offer short-time disability insurance to full-time employees. And about 9 percent of employers with 50 or more employees offer this benefit to part-time employees. See Figure 31 for complete details.

**Figure 31. Percent of Employers Offering Short-term Disability Insurance by Business Size**



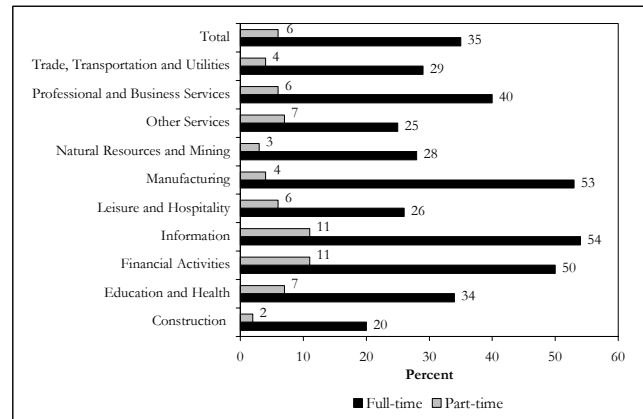
## 1-8 Long-term Disability Insurance

### Industry

Overall, 35 percent of employers offer long-term disability insurance to full-time employees, while 6

percent of all employers offer this benefit to part-time employees. The information (54 percent) and manufacturing (53 percent) industries most often offer long-term disability insurance to full-time employees. Part-time employees are most likely to receive the benefit in the financial activities (11 percent) and information (11 percent) industries. See Figure 32 for details.

**Figure 32. Percent of Employers Offering Long-term Disability Insurance by Industry**

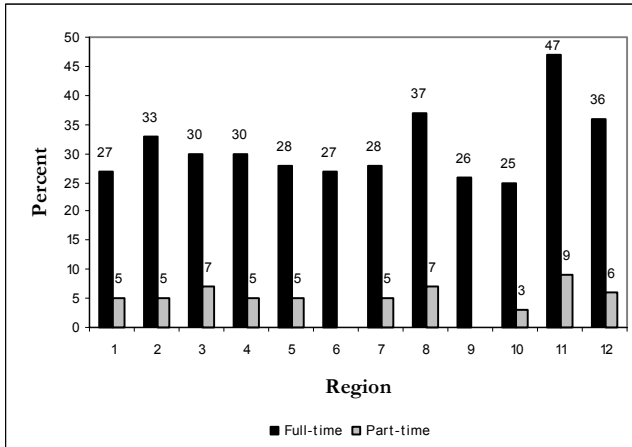


### Region

Forty-seven percent of Jefferson County companies offer long-term disability insurance. This percentage falls to 37 percent in region 8 and 36 percent in Mobile County. Companies in the balance of the regions range from a low of 3 percent in region 10 to a high of 9 percent in Jefferson County.

Part-time employees are slightly more likely to be offered long-term disability insurance from employers in the Birmingham region (9 percent) and in regions 3 and 8 (7 percent). Part-time employees in region 6 (0 percent) are the least likely to receive long-term disability insurance from their employers. See Figure 33 for details

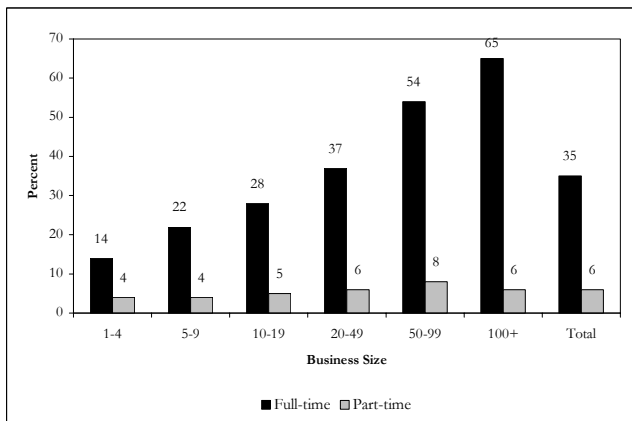
**Figure 33. Percent of Employers Offering Long-term Disability Insurance by Region**



**Business Size**

About 35 percent of all employers reported offering long-term disability insurance to full-time employees. Not surprisingly, smaller employers offer this benefit significantly less often than do larger employers. Sixty-five percent of employers with more than 100 employees reported offering long-term disability insurance to full-time employees, compared with 14 percent of those with fewer than five employees. Part-time employees are also somewhat more likely to be offered disability insurance from larger employers. See Figure 34 for details.

**Figure 34. Percent of Employers Offering Long-term Disability Insurance by Business Size**



**Section 2- Paid Leave**

**2-1 Consolidated Paid Time Off (PTO)**

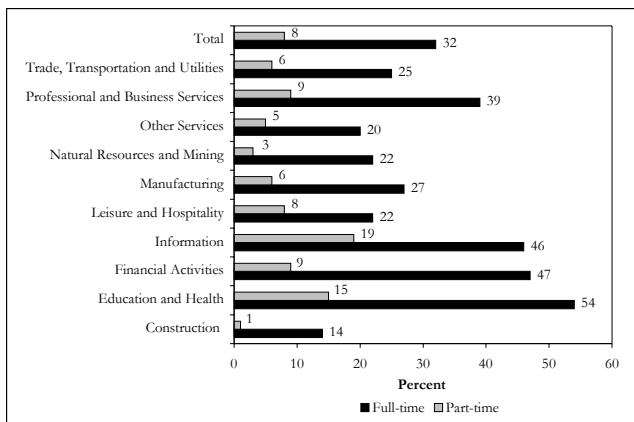
**Industry**

Although consolidated paid time off (PTO) is being used more often by Alabama employers, there remains some confusion about the relationship between PTO, sick leave, and vacation leave. It is probably reasonable to assume companies that do use PTO in lieu of sick and vacation days answered these questions correctly. However, it is possible that some companies that offer sick and vacation days answered yes to these questions thinking that they do provide paid time off. We were not able to estimate the degree to which the data may be confounded by this misinterpretation of PTO. The following percentages should be viewed with caution, given the ambiguous nature of some of the survey responses.

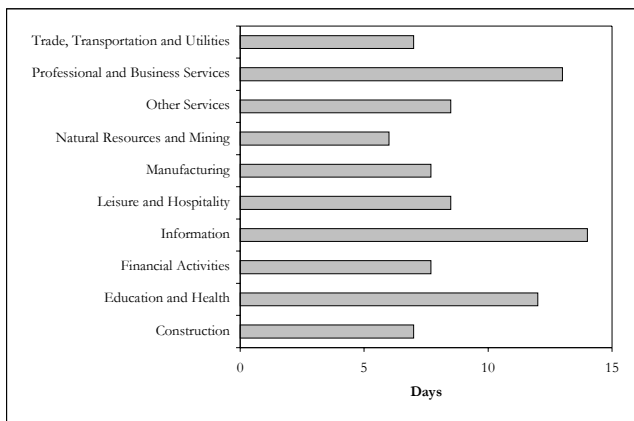
Thirty-two percent of all employers offer PTO to full-time employees. Fifty-four percent of employers in the education and health service industries offer PTO to their full-time employees, a rate statistically higher than all other industries. Companies in the financial activities (47 percent) and information (46 percent) industries are both about as likely to offer PTO to full-time employees and both offer this benefit at rates statistically higher than other industries.

Only 8 percent of all employers offer PTO to part-time employees. The percentage of employers offering this benefit to part-time employees ranges from 1 percent in the construction industry to 15 percent and 19 percent in the education and health services and information industries, respectively. See Figures 35, 36, and 37 for additional details.

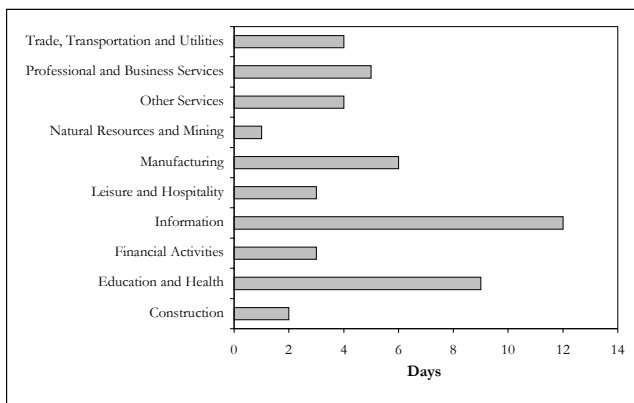
**Figure 35. Percent of Employers Offering Consolidated “Paid Time Off” (PTO) by Industry**



**Figure 36. Number of Days PTO for Full-time Employees by Industry**



**Figure 37. Number of Days PTO for Part-time Employees by Industry**



**Region**

PTO is offered by 30 to 34 percent of companies in 8 of the 12 regions—34 percent of Jefferson County companies being the highest. Not unexpectedly, only between 4 and 11 percent of companies offer PTO to their part-time employees.

Employers in regions 4, 5, and 6 are least likely to offer PTO to part-time employees, where only 4 percent of employers offer this benefit. Those in region 10 and 12 (11 percent) are most likely to offer PTO to part-time employees. See Figures 38, 39, and 40 for more details

**Figure 38. Percent of Employers Offering Consolidated PTO by Region**

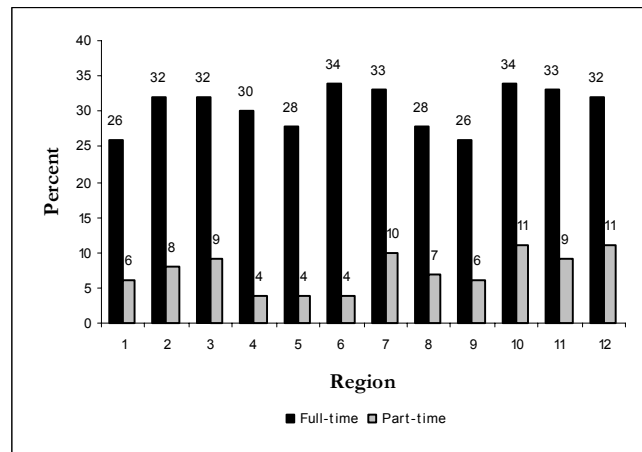
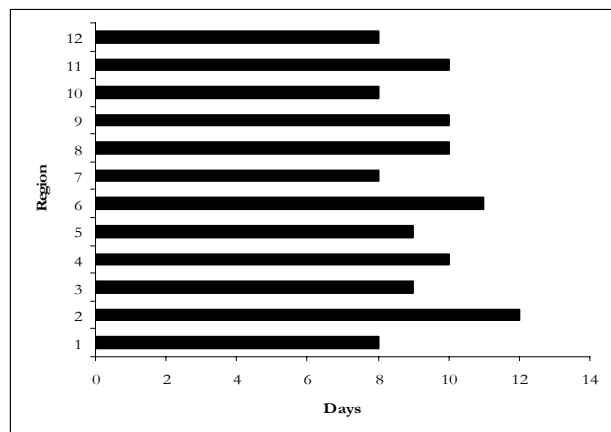
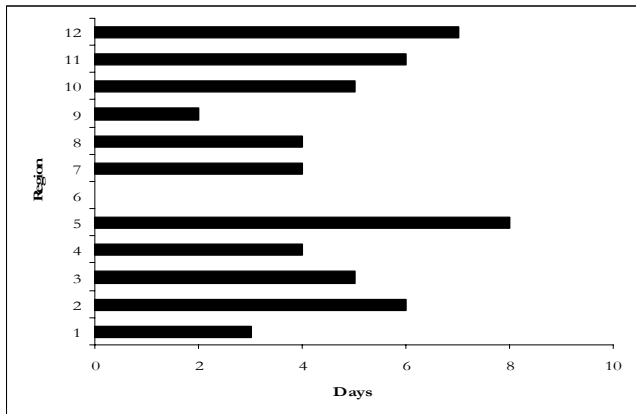


Figure 39 reveals that region 2 companies, on average, offer more PTO days to their full-time employees than any other region. The majority of companies across Alabama offer between 8 and 10 days.

**Figure 39. Number of Days PTO for Full-time Employees**



**Figure 40. Number of Days PTO for Part-time Employees**

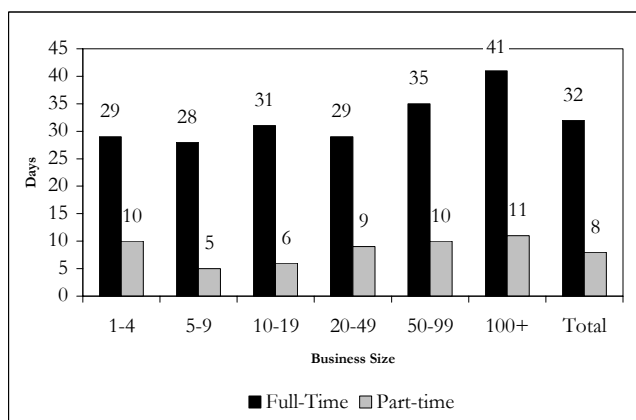


**Business Size**

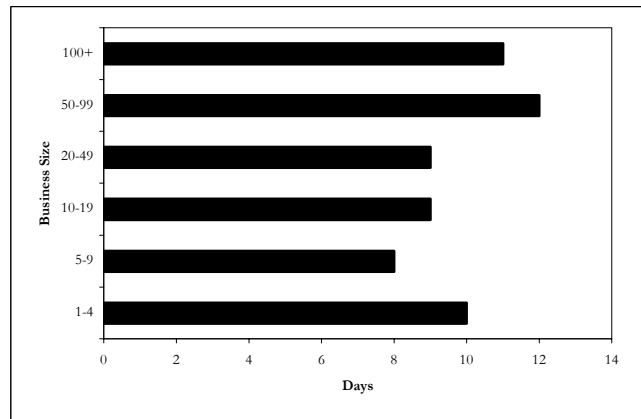
Twenty-nine percent of employers with fewer than five employees reported offering PTO to full-time employees. Larger employers are more likely to offer PTO to full-time employees. Forty-one percent of employers with 100 or more employees offer PTO to full-time employees.

Part-time employees are also more likely to receive PTO benefits from larger employers. About 10 percent of employers with fewer than five employees offer PTO benefits to part-time employees. This percentage decreases to 5 percent and 6 percent for employers with 5-9 and 10-19 employees, respectively, and jumps significantly to 10 percent of those with 50 to 99 employees. See Figure 41, 42, and 43 for more details.

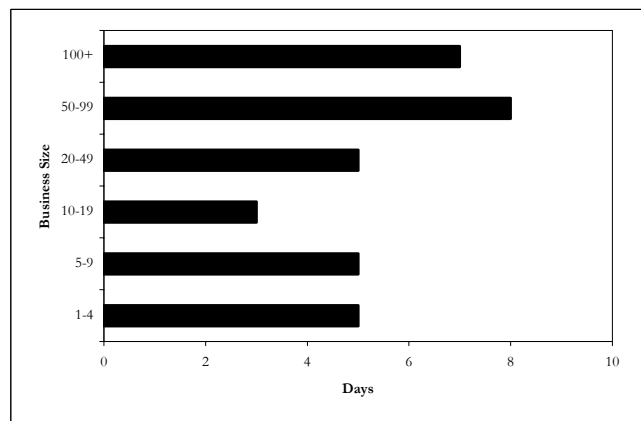
**Figure 41. Percent of Employers Offering Consolidated PTO by Business Size**



**Figure 42. Number of Days PTO for Full-time Employees by Business Size**



**Figure 43. Number of Days PTO for Part-time Employees by Business Size**



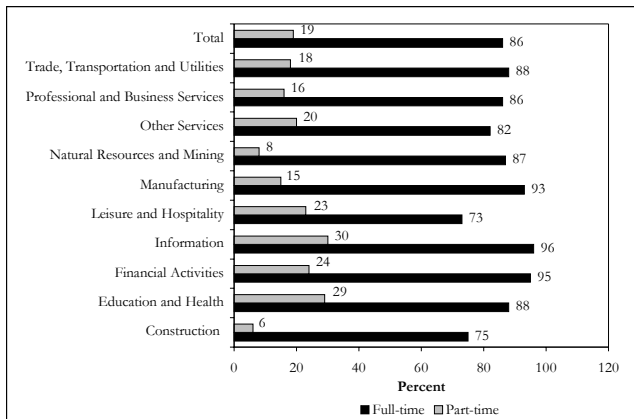
**2-2 Paid Vacation Leave**

**Industry**

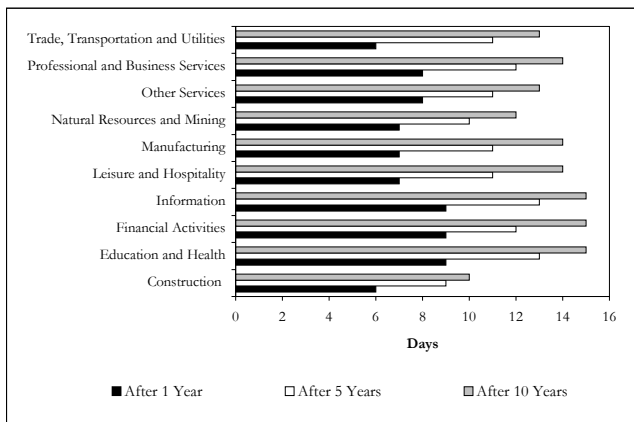
More than two out of three employers in every industry offer paid vacation leave to full-time employees, ranging from 73 percent in the leisure and hospitality industry to 96 percent in the information industry. Overall, about 86 percent of employers reported offering this benefit to full-time employees.

Thirty percent of businesses in the information industry reported offering this benefit to part-time employees a rate significantly higher than all other industries. Only 6 percent of employers in the construction industry reported offering paid vacation leave to part-time employees, a percentage significantly lower than in all other industries. See Figure 44, 45, and 46 for more details.

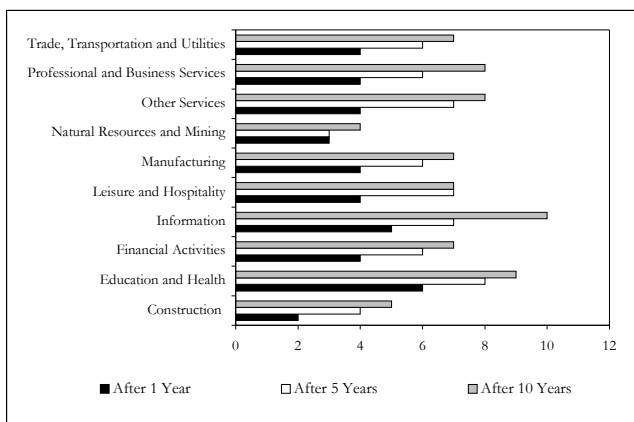
**Figure 44. Percent of Employers Offering Paid Vacation Leave by Industry**



**Figure 45. Paid Vacation Leave for Full-time Employees by Industry**



**Figure 46. Paid Vacation Leave for Part-time Employees by Industry**

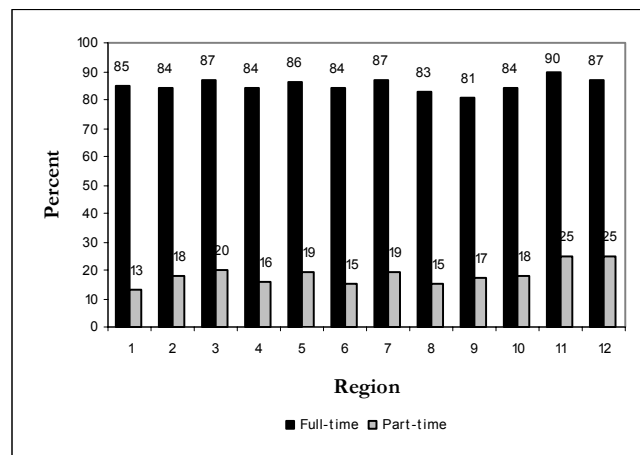


**Region**

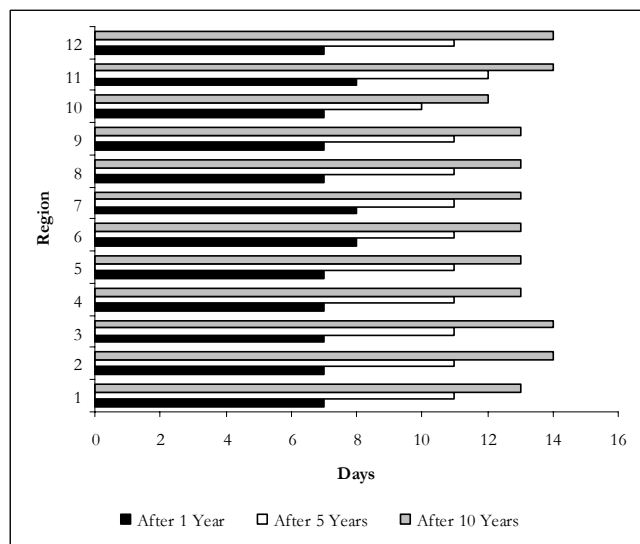
A remarkably consistent percentage of companies across all regions offer paid vacation leave. The greatest number, 90 percent is in Jefferson County. The fewest percentage, 81 percent is in region 9. As is typically the case, many fewer companies offer such benefits to their part-time workers. The percentage varies from a high of 25 percent in Jefferson and Mobile Counties to a low of 13 percent in region 1.

The average number of paid vacation days after 1, 5, and 10 years of employment is remarkable consistent across Alabama. See Figure 48 for details.

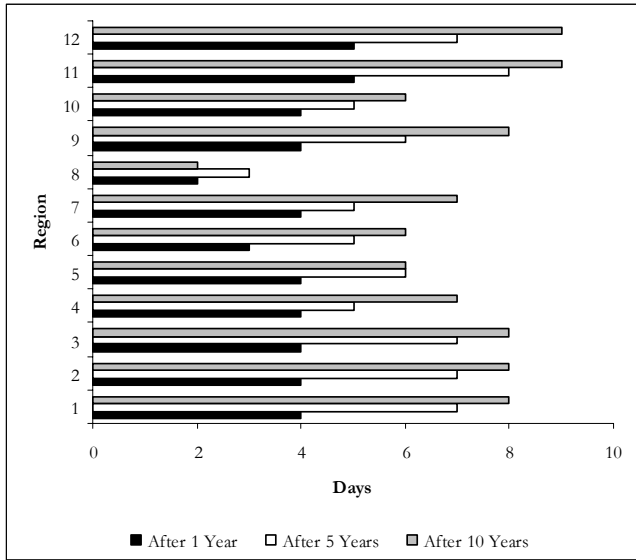
**Figure 47. Percent of Employers Offering Paid Vacation Leave by Region**



**Figure 48. Paid Vacation Leave for Full-time Employees by Region**



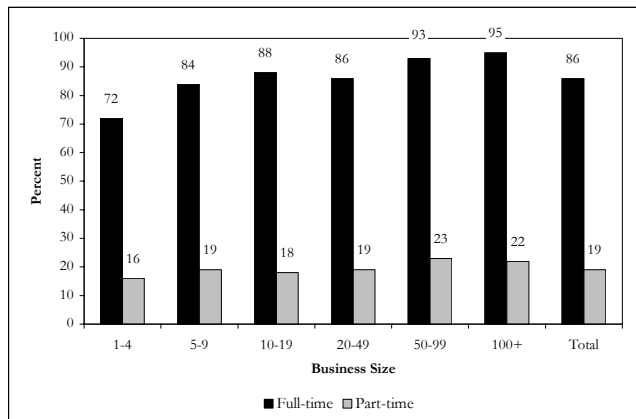
**Figure 49. Paid Vacation Leave for Part-time Employees by Region**



**Business Size**

Seventy-two percent of employers with fewer than five employees offer paid vacation leave to full-time employees. The rate jumps to 84 percent of those with five to nine employees and to over 90 percent for businesses with 50 or more employees. Ninety-five percent of employers with 100 or more employees offer paid vacation leave to full-time employees. See Figure 50 for more details.

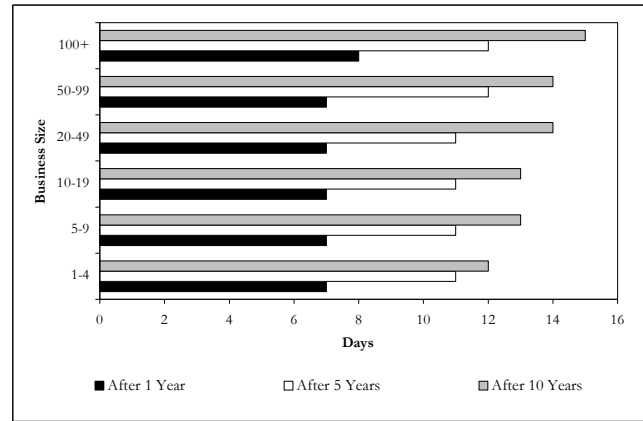
**Figure 50. Percent of Employers Offering Paid Vacation Leave by Business Size**



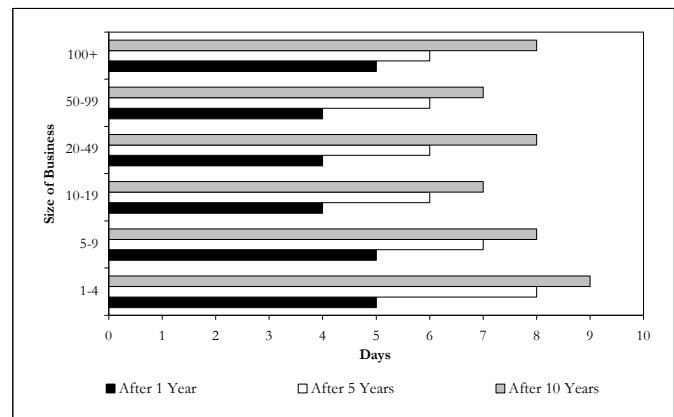
Among the employers who offer paid vacation leave to full-time employees, 15 percent offer the benefit as part of a PTO plan and 84 percent as part of a separate benefit. Among those employers who offer paid

vacation leave for part-time employees, 18 percent offer the benefit as part of a PTO plan and 81 percent as part of a separate benefit. See Figure 51 and 52 for details.

**Figure 51. Paid Vacation Leave for Full-time Employees by Business Size**



**Figure 52. Paid Vacation Leave for Part-time Employees by Business Size**



**2-3 Paid Sick Leave**

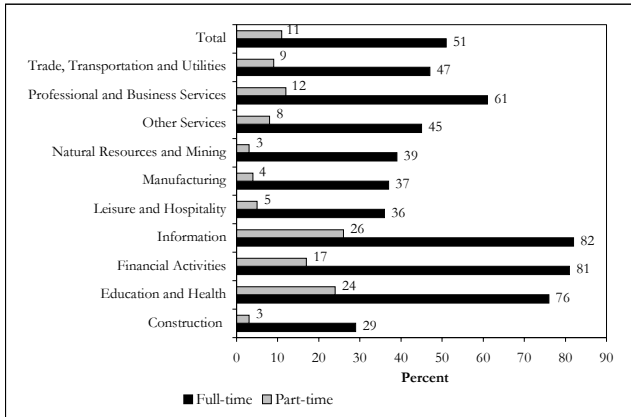
**Industry**

About half of all employers reported offering paid sick leave to full-time employees. At 82 and 81 percent respectively, employers in the information and financial activities industries are the most likely to offer paid sick leave to full-time employees.

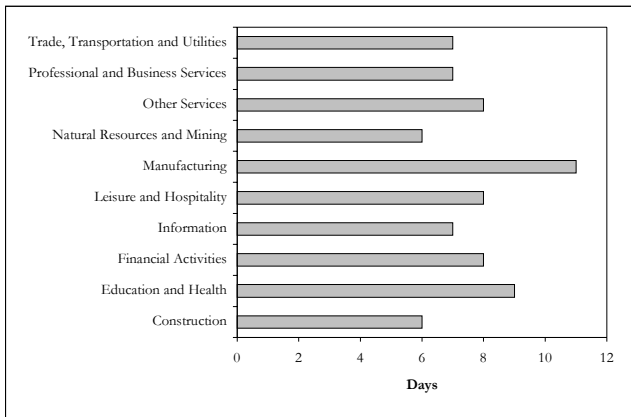
Twenty-six percent of employers in the information industry reported offering paid sick leave benefits to part-time employees, a rate significantly higher than all other industries for part-time workers. Employers in the

natural resources and mining (3 percent) and construction (3 percent) industries were least likely to offer the benefit to part-time employees. See Figures 53, 54, and 55 for more details.

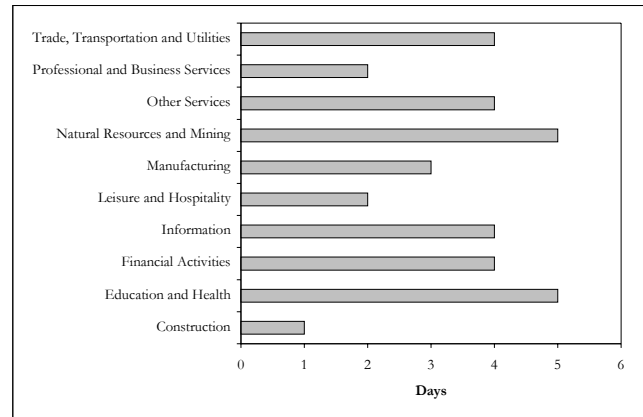
**Figure 53. Percent of Employers Offering Paid Sick Leave by Industry**



**Figure 54. Paid Sick Leave for Full-time Employees**



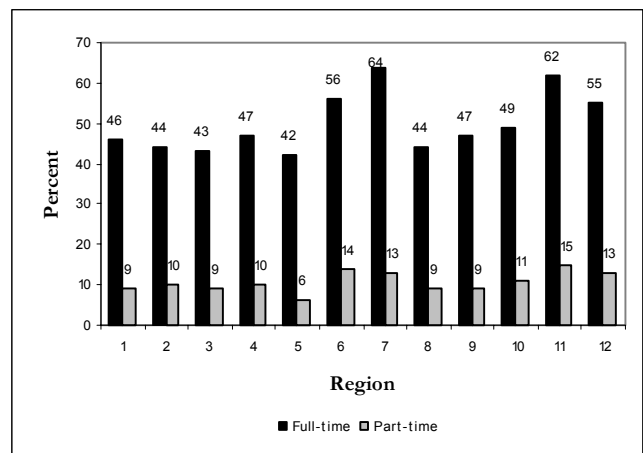
**Figure 55. Paid Sick Leave for Part-time Employees**



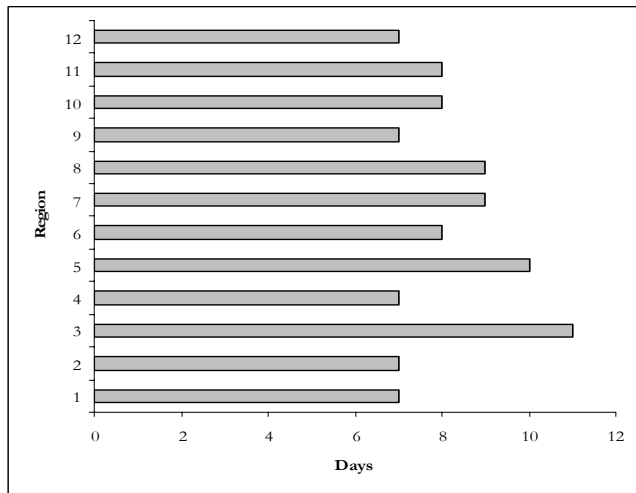
**Region**

Region 7 companies at 64 percent, are most likely to offer paid sick leave to full-time employees. Sixty-two percent of Jefferson County companies also offer this benefit. The balance of the regions range from a low of 42 percent in region 5 to a high of 56 percent in region 6. Many fewer companies offer paid sick leave to their part-time employees. This ranges from a low of 6 percent in region 5 to a high of 15 percent in Jefferson County.

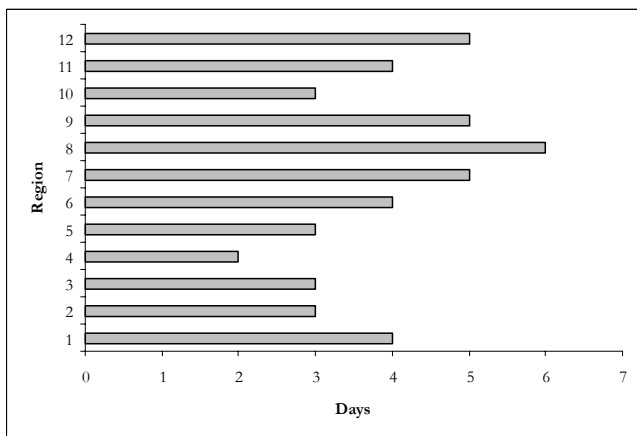
**Figure 56. Percent of Employers Offering Paid Sick Leave**



**Figure 57. Paid Sick Leave for Full-time Employees**



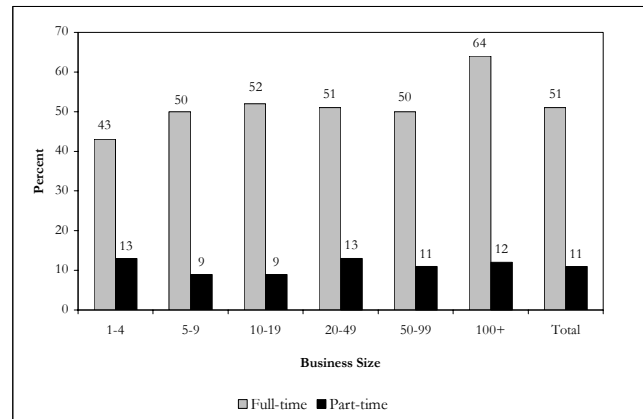
**Figure 58. Paid Sick Leave for Part-time Employees**



**Business Size**

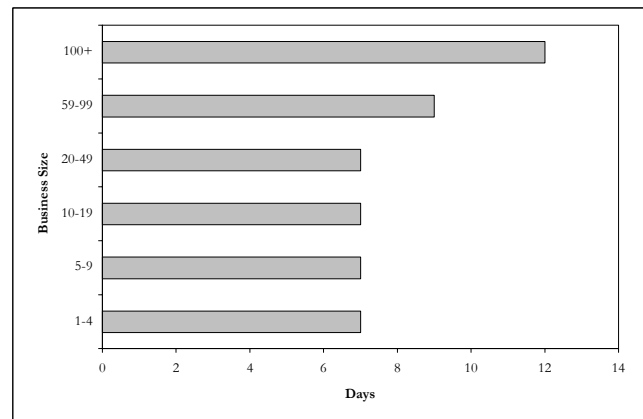
The likelihood that a company offers paid sick leave to full-time employees increases moderately as the size of the company increases. About 43 percent of employers with fewer than five workers offer paid sick leave to their full-time workers, in contrast with 64 percent of employers with 100 or more employees offering that same benefit. The percentage of firms offering paid sick leave to part-time workers varies little by size of firm—ranging from 9 to 13 percent. See Figure 59 for more details.

**Figure 59. Percent of Employers Offering Paid Sick Leave by Business Size**

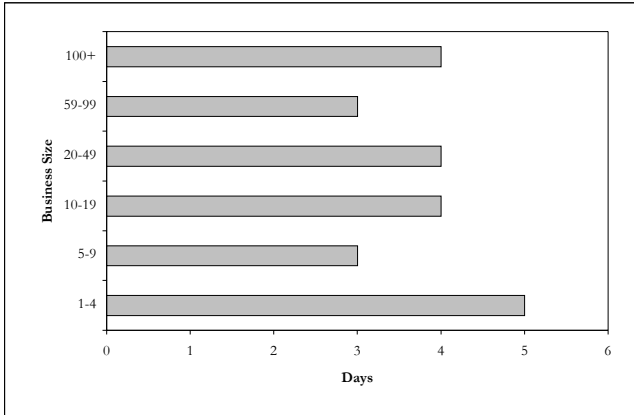


Among the employers who offer paid sick leave to full-time employees, 28 percent offer the benefit as part of a PTO plan and 72 percent as part of a separate benefit. Among employers who offer paid sick leave for part-time employees, 35 percent offer the benefit as part of a PTO plan and 65 percent as part of a separate benefit. See Figures 60 and 61 for detail on number of days of sick leave by size of business for full- and part-time employees.

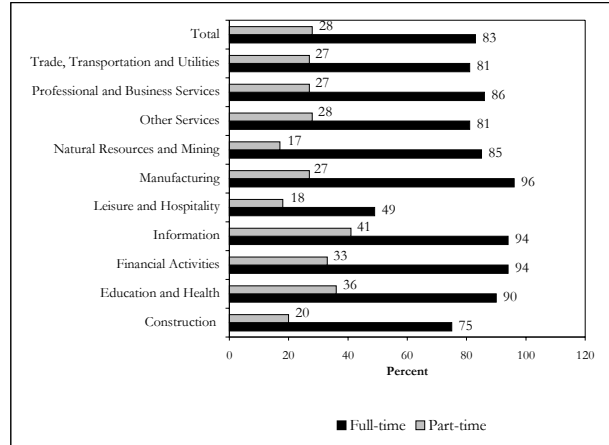
**Figure 60. Paid Sick Leave for Full-time Employees by Size of Business**



**Figure 61. Paid Sick Leave for Part-time Employees by Size of Business**



**Figure 62. Percent of Employers Offering Paid Holidays by Industry**



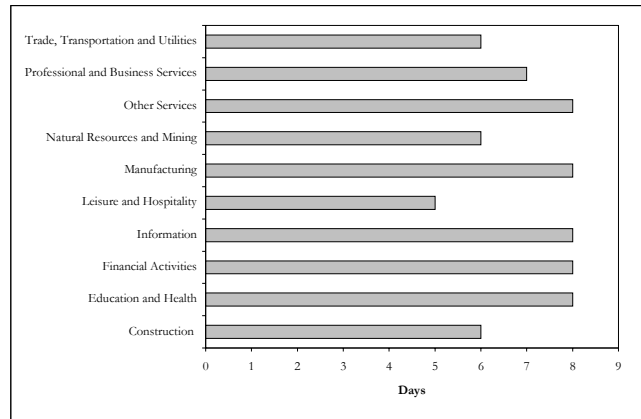
## 2-4 Paid Holidays

### Industry

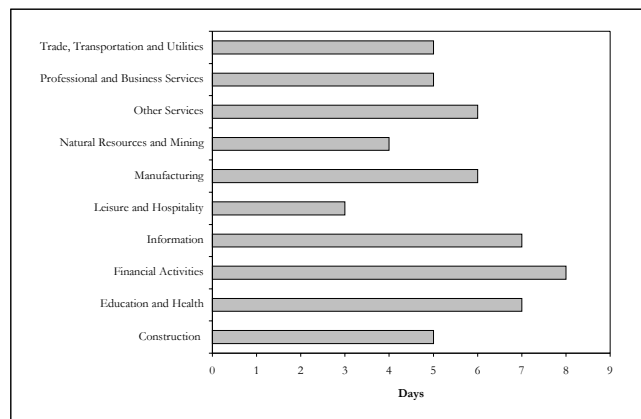
Ninety-six percent of employers in the manufacturing industry offer paid holidays to full-time employees, a rate statistically higher than all other industries. Those in the information (94 percent) and financial activities (94 percent) industries are also statistically more likely to offer paid holidays to full-time workers than all other industries. At 75 percent, employers in the construction industry are least likely to offer paid holidays to full-time employees.

Part-time employees are most likely to be offered paid holidays when working for employers in the information (41 percent) or educational and health service (36 percent) industries. See Figures 62, 63, and 64 for more details.

**Figure 63. Paid Holidays for Full-time Employees**



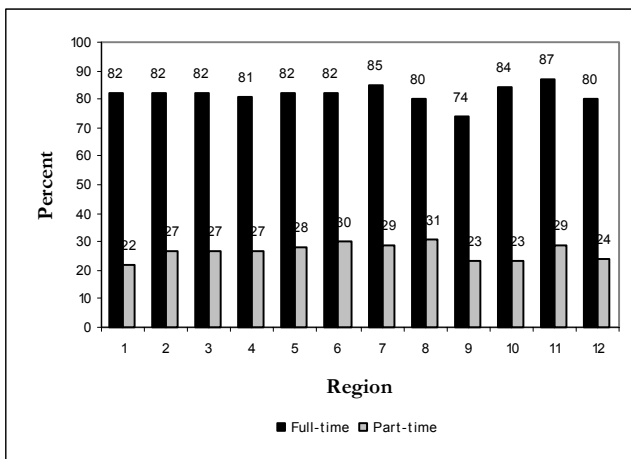
**Figure 64. Paid Holidays for Part-time Employees**



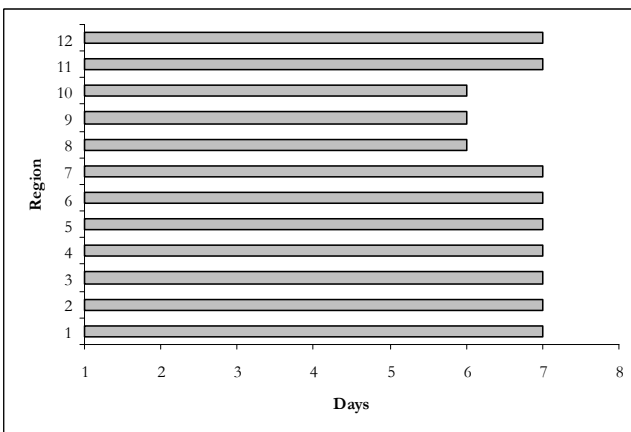
## Region

A relatively consistent percentage of the region's companies offer paid holidays. Ranging from a high of 87 percent in Jefferson County to a low of 74 percent in region 9, an average of 80 percent of the companies offer this benefit in the 12 regions. A relatively large and consistent percentage of companies also offer paid holidays to their part-time employees. The largest percentage, 31 percent is in region 8 and the smallest percentage, 22 percent is in region 1.

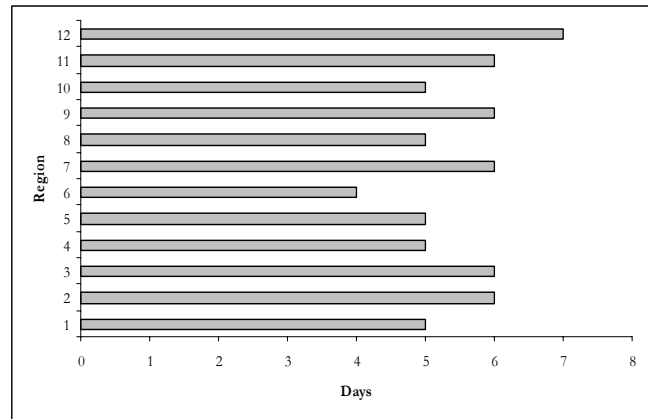
**Figure 65. Percent of Employers Offering Paid Holidays by Region**



**Figure 66. Paid Holidays for Full-time Employees**



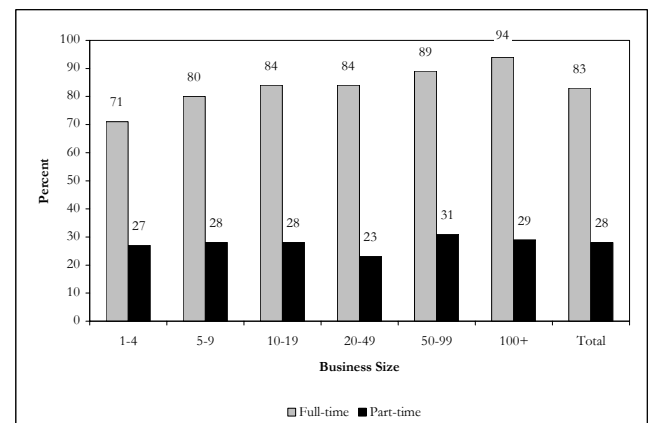
**Figure 67. Paid Holidays for Part-time Employees**



## Business Size

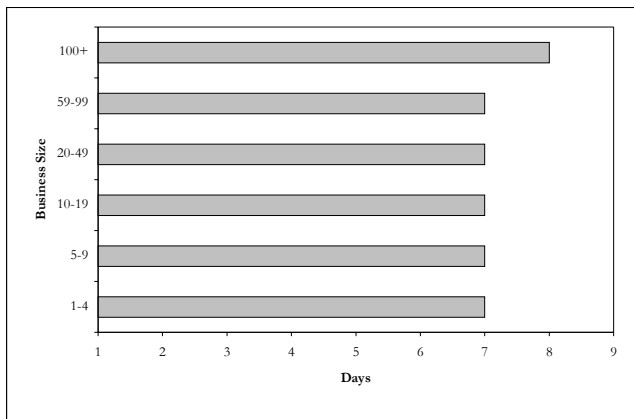
Overall, 83 percent of employers reported offering paid holiday leave to full-time employees—ranging from 71 percent of companies with fewer than five employees to 94 percent with 100 or more employees. Part-time employees are more likely to be offered paid holidays from employers with 50 to 99 employees (31 percent). See Figure 68 for more details.

**Figure 68. Percent of Employers Offering Paid Holidays by Business Size**

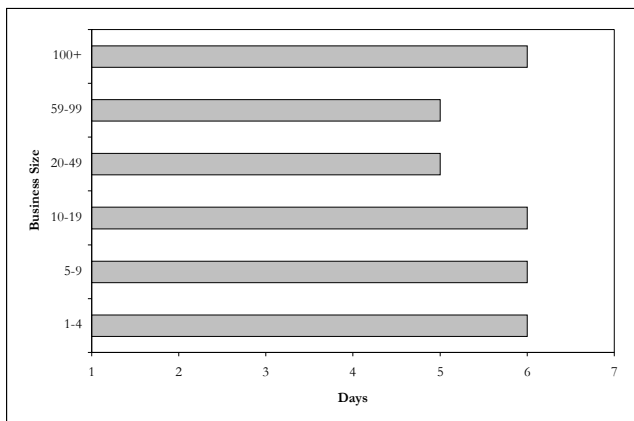


Among the employers who offer paid holiday leave to full-time employees, 7 percent of all employers offer the benefit as part of a PTO plan and 92 percent as part of a separate benefit. Of those employers offering paid holiday leave to part-time employees, 10 percent offer the benefit as part of a PTO plan and 89 percent as part of a separate benefit. See Figure 69 and 70 for more details.

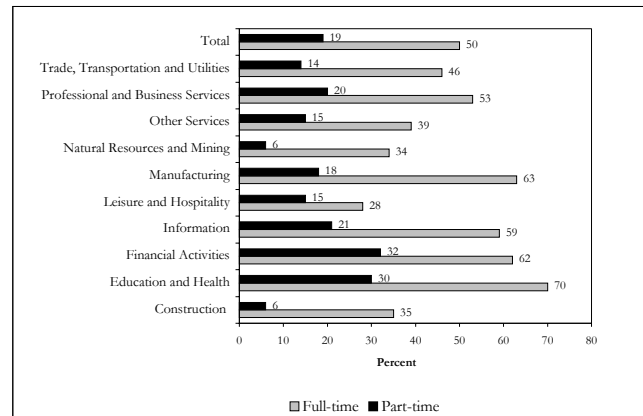
**Figure 69. Paid Holidays for Full Time Employees**



**Figure 70. Paid Holidays for Part-time Employees**



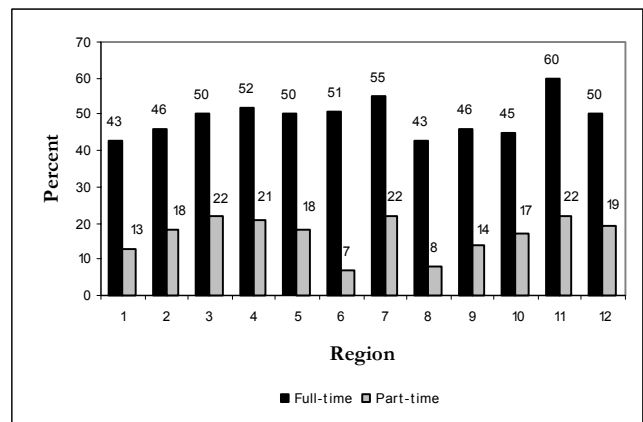
**Figure 71. Percent of Employers Offering Retirement Plan by Industry**



**Region**

Companies offering retirement plans for their full-time employees varies a high of 60 percent of companies in Jefferson County offer this benefit, to a low of 43 percent in region 8. In a majority of regions, from 45 to 55 percent of companies offer their full-time employees retirement plans. Region 7 and Jefferson County companies are most likely to offer retirement plans to part-time employees—22 percent.

**Figure 72. Percent of Employers Offering Retirement Plan by Region**



**Section 3- Retirement**

**3-1 Retirement Plan**

**Industry**

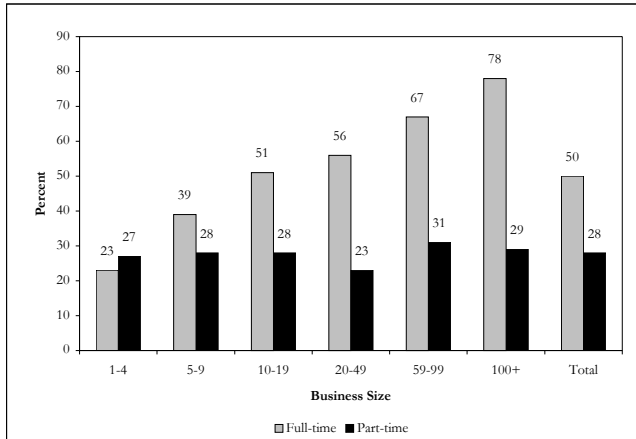
About 50 percent of all employers offer a retirement plan to full-time employees. There is quite a bit of variation in the percentage of businesses in each industry offering a retirement plan to full-time employees. Seventy percent of employers in the education and health industry offer retirement plans while only 28 percent of Alabama companies in the leisure and hospitality industry offer this benefit to full-time employees. Overall, 19 percent of employers offer retirement plan benefits to part-time employees. Coverage ranges from 6 percent of employers in the construction industry to over 30 percent in the financial activities industry.

**Business Size**

The size of an employer is the best indicator of whether or not retirement options will be offered to both full- and part-time employees. Seventy-eight percent of employers with 100 or more employees offer a retirement plan to full-time employees, compared with 23 percent of those with fewer than five employees.

Twenty-nine percent of employers with more than 100 employees offer retirement benefits to part-time employees. We believe the reported results of more part-time workers receiving retirement benefits than full-time workers in companies with 1-4 employees is the result of sampling error. See Figure 73 for more details.

**Figure 73. Retirement Benefits by Business Size**



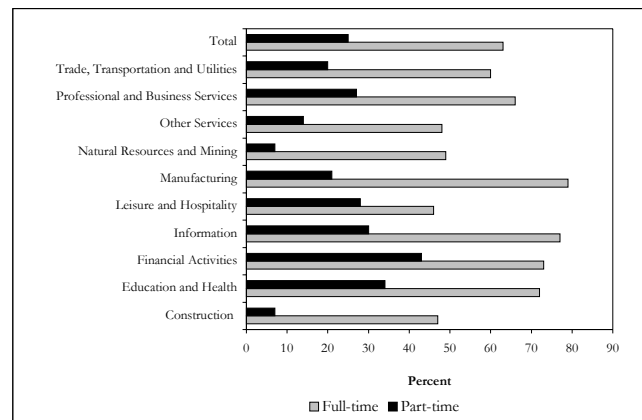
### 3-2 Defined Contribution Retirement Plan

#### Industry

Employers in manufacturing (78 percent) and information (76 percent) are most likely to offer defined contribution retirement plans to full-time employees. Employers in construction (46 percent) and natural resources and mining (49 percent) are least likely to offer that same benefit to full-time employees.

Forty-three percent and 34 percent of employers in the financial activities and education and health services industries respectively offer defined contribution retirement plans to their part-time employees. Those in the natural resources and mining and construction industries are least likely to offer defined contribution retirement plans to part-time employees. See Figure 74 for details.

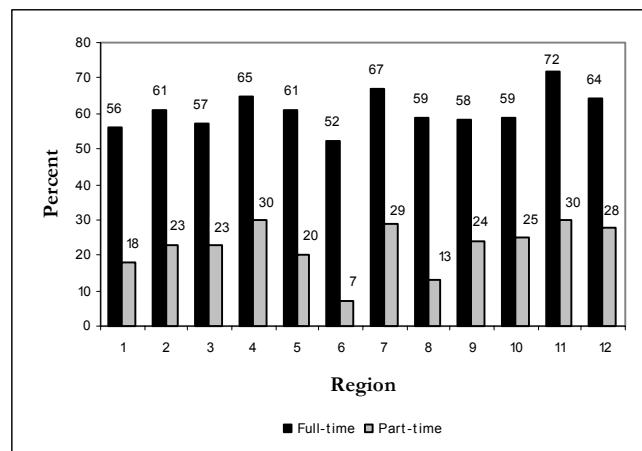
**Figure 74. Percent of Employers Offering Defined Contribution Retirement Plan by Industry**



#### Region

Almost three-quarters of all Jefferson County companies, 72 percent, offer their full-time employees defined contribution retirement plans. The lowest percentage of companies, 52 percent, is located in region 3. A somewhat surprising number of companies offer their part-time employees defined contribution plans. The percentages range from a high of 30 percent in region 4 and Jefferson County, to as few as 7 percent in region 6.

**Figure 75. Percent of Employers Offering Defined Contribution Retirement Plan by Region**

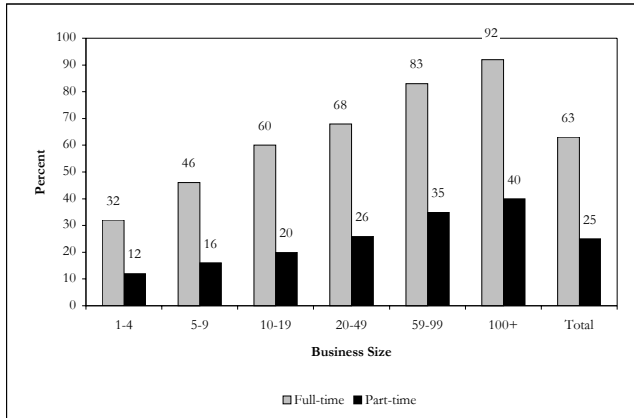


#### Business Size

Overall, 63 percent of employers offer defined contribution retirement plans to full-time employees and 25 percent offer this benefit to part-time employees.

Not surprisingly as the company size increases, so does the number of employers offering both part- and full-time employees a defined contribution retirement plan. See Figure 76 for details.

**Figure 76. Percent of Employers Offering Defined Contribution Retirement Plan by Business Size**



Seventy-four percent of all retirement plans for full-time employees are jointly paid by both employers and employees. Twelve percent of employers provided 100 percent of the costs associated with the benefit—employees paid 100 percent of the benefit costs in 13 percent of the firms. Retirement plan funds for part-time employees are jointly funded 70 percent of the time, employer funded in 13 percent of Alabama companies, and 15 percent employee funded.

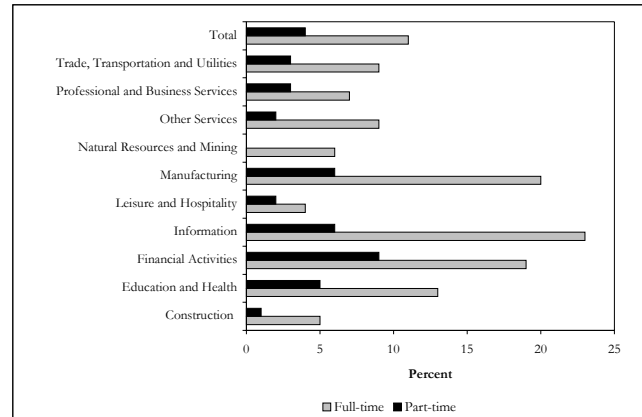
### 3-3 Defined Benefit Pension Retirement Plan

#### Industry

About 11 percent of all employers offer defined benefit pension plans for full-time employees, and 3 percent of them to part-time employees. Employers in the information industry (23 percent) are more likely to offer defined benefit pension plans to full-time employees than any other industry. And with 5 percent, the construction industry is the least likely to offer this benefit to full-time employees.

No mining industry employer reported offering a defined benefit pension plan for part-time employees. On the other hand, 8 percent of financial activities companies are providing defined benefit pension plans to part-time employees.

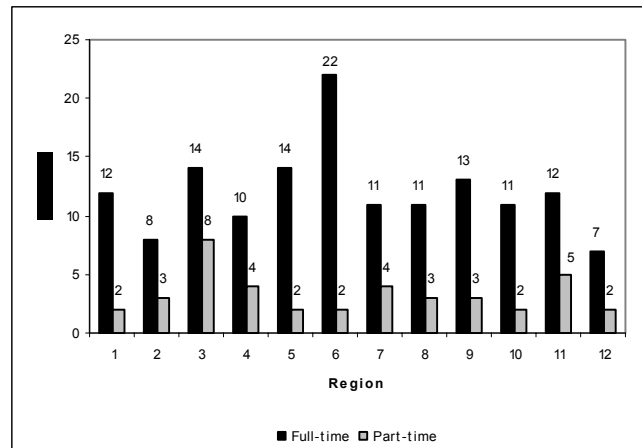
**Figure 77. Percent of Employers Offering Defined Benefit Pension Plan by Industry**



#### Region

As noted previously, a relatively small percentage of companies offer defined benefit pension retirement plans to their full- and part-time employees. The highest percentage of companies, 22 percent, are found in region 6. The lowest percentage, 7 percent, are found in Mobile County. Eight percent of region 3 companies offer defined benefit pension retirement plans to their part-time employees. This falls to 2 percent in regions 1, 5, 6, 10, and Mobile County.

**Figure 78. Percent of Employers Offering Defined Benefit Pension Retirement Plan by Region**

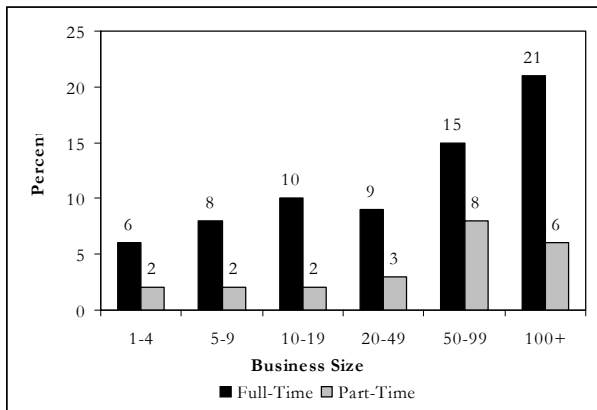


#### Business Size

The likelihood that a company offers a defined benefit pension plan usually increases significantly as the size of the company increases. Over 5 percent of employers

with five or fewer full-time employees offer this benefit, jumping quickly to 21 percent for employers with 100 or more employees. The smallest businesses are the least likely (2 percent) to offer defined benefit pension plan to their part-time employees. This number goes up to 8 percent of part-timers for employers with 50-99 or more part-time employees. See Figure 79.

**Figure 79. Percent of Employers Offering Defined Benefit Pension Retirement Plan by Business Size**



Seventy percent of employers provide 100 percent of the costs associated with the defined benefit pension plan for full-time employees. Employer and employee in 26 percent of all companies jointly fund the plan; 3 percent of employers reported employees pay 100 percent of the benefit costs.

In firms providing a defined benefit plan for part-time employees, 72 percent of employers reported they jointly fund the plan, 21 percent are employer funded, and 7 percent totally employee funded.

## Section 4- Miscellaneous Benefits

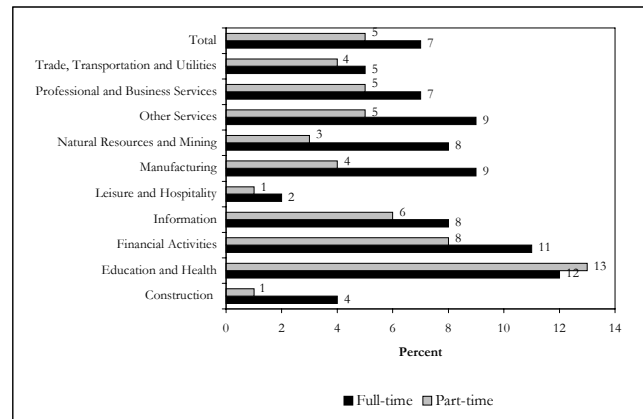
### 4-1 Child Care Benefits

#### Industry

Overall, 7 percent of employers offer child care benefits to full-time employees. At 12 and 11 percent respectively, employers in the education and health and financial activities industries are significantly more likely to offer child care benefits to full-time employees than those in any other industry. Leisure and hospitality at 2 percent, is the industry least likely to offer child care benefits. Overall, 5 percent of employers offer child care benefits

to part-time employees. Businesses in the education and health (13) and financial activities (8) industries are most likely to offer child care benefits to part-time employees. We believe the finding that slightly more education and health companies offer child care benefits to part-time than full-time workers, 13 percent compared to 12 percent, is the result of sampling error. The two percentages should be considered to be equal. See Figure 80 for more details.

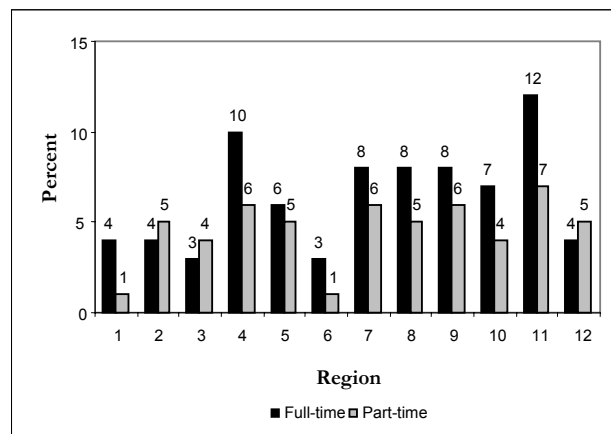
**Figure 80. Percent of Employers Offering Child Care Benefits by Industry**



#### Region

Jefferson County companies, 12 percent, are most likely to offer child care benefits to their full-time employees. This falls to 3 percent of companies in regions 3 and 6. Interestingly, 7 percent of companies in Jefferson County offer this benefit to their part-time employees. This number falls to as few as 1 percent of companies in regions 1 and 6.

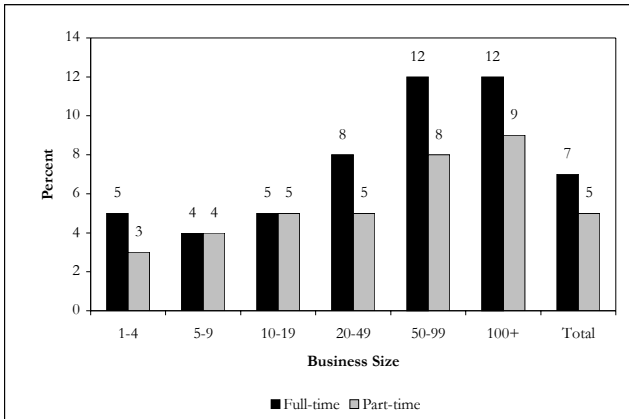
**Figure 81. Percent of Employers Offering Child Care Benefits by Region**



## Business Size

Not surprisingly, the larger businesses are more likely to offer child care services, with the percentage rising to 12 percent for firms with 100 or more employees. A somewhat similar percentage offer child care benefits to part-time employees—the most being 9 percent in firms with 100 or more employees. See Figure 82 for details.

**Figure 82. Percent of Employers Offering Child Care Benefits by Business Size**



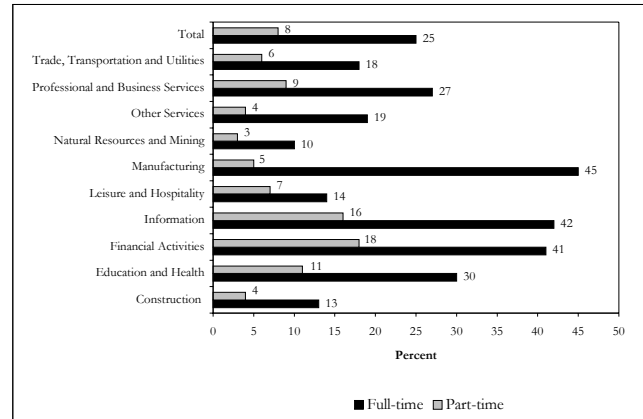
## 4-2 Tuition/Educational Assistance or Reimbursement

### Industry

Forty-five percent of employers in the manufacturing, followed by 42 and 41 percent in information and financial activities respectively, are the top three providers of tuition/educational assistance or reimbursement benefits. Twenty-five percent of all employers offer such benefits to their full-time employees.

Part-time employees receive education benefits from 8 percent of Alabama’s employers. Financial activities, education and health, and leisure and information companies top the list with 18, 16, and 11 percent of their employers offering tuition benefits. See Figure 83 for additional details.

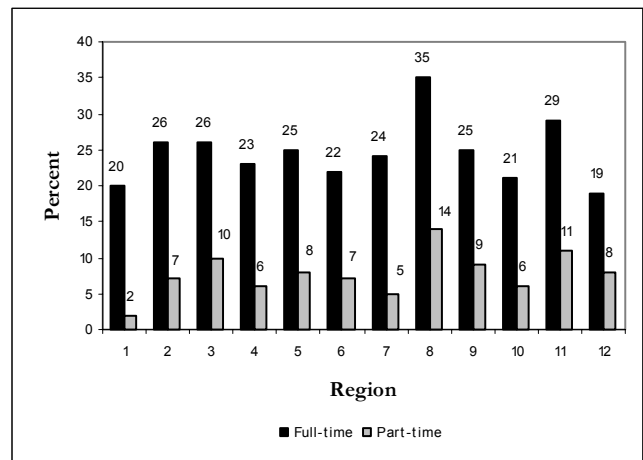
**Figure 83. Percent of Employers Offering Tuition or Education Assistance by Industry**



### Region

Thirty-five percent of region 8 companies offer their full-time employees tuition or education assistance. Jefferson County follows with 29 percent. The fewest percentage of companies that offer this benefit to their full-time employees, 19 percent, is found in Mobile County. Only fourteen percent of the companies in region 8 offer this benefit to their part-time employees—the highest percentage of all regions. This number falls to 2 percent for companies located in region 1.

**Figure 84. Percent of Employers Offering Tuition or Education Assistance by Region**

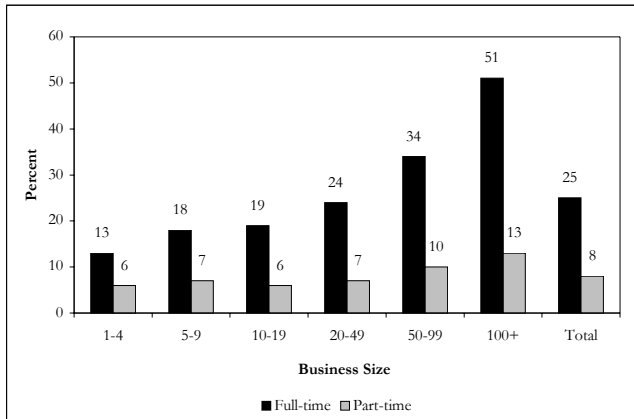


### Business Size

A little more than half, 51 percent, of Alabama companies with 100 or more employees offer tuition or education assistance to their full-time employees. Thirteen percent of companies in this same category also

offer tuition or education assistance to their part-time employees. As one would expect, the percentage of companies offering these benefits declines as the size of company declines. See Figure 85 for details.

**Figure 85. Percent of Employers Offering Tuition or Education Assistance by Business Size**



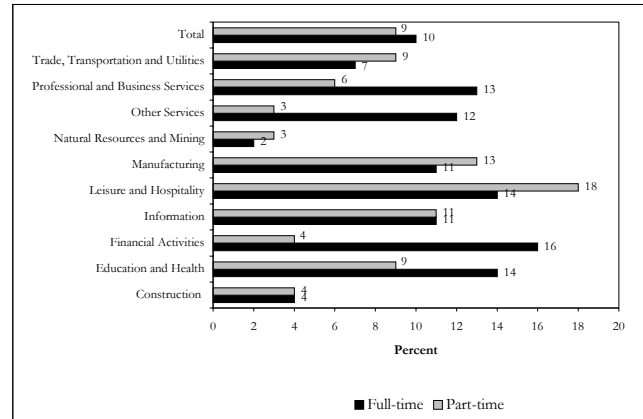
### 4-3 Hiring Bonuses

#### Industry

Overall, 10 percent of employers reported offering hiring bonuses to full-time employees. Employers in financial activities (16 percent), leisure and hospitality (14 percent), education and health (14 percent), and professional and business services (13 percent) top the list of industries offering hiring bonuses.

Approximately 9 percent of all employers offer hiring bonuses to part-time employees. Somewhat surprisingly, 18 percent of leisure and hospitality employers offer hiring bonuses to part-time workers. This rate is notably higher than manufacturing at 13 percent. We believe the finding that more part-time leisure and hospitality works receive hiring bonuses than full-time workers is a statistical artifact—the result of sampling error. The difference should be considered within the margin for error. See Figure 86 for details.

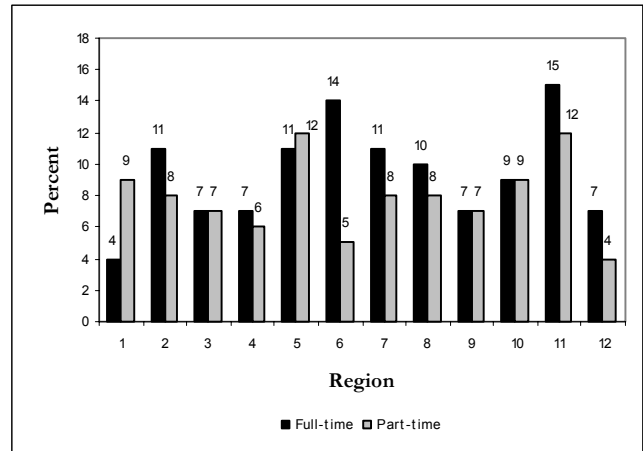
**Figure 86. Percent of Employers Offering Hiring Bonuses by Industry**



#### Region

Jefferson County companies, 15 percent, are most likely to offer hiring bonuses to their employees. This number falls to 4 percent of companies in region 1. Interestingly, a remarkably consistent percentage of companies offer hiring bonuses to their part-time employees. This ranges from a high of 12 percent in regions 5 and Jefferson County, to a low of 4 percent in Mobile County.

**Figure 87. Percent of Employers Offering Hiring Bonuses by Region**

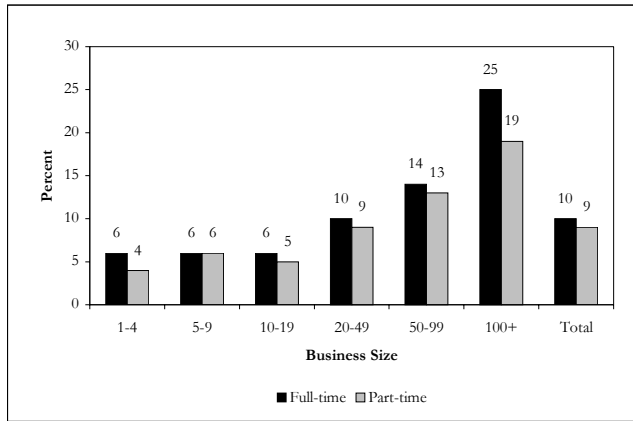


#### Business Size

As we have seen frequently, the percentage of companies offering a given benefit increases with the size of the business. Approximately a quarter of all employers with 100 or more employees offer hiring bonuses for full-time employees. This percentage drops to 19 percent for part-time employees. When a firm employs 1-19

employees, the percentage of firms offering signing bonuses for full- and part-time employees falls to about 6 and 5 percent respectively. See Figure 88 for details.

**Figure 88. Percent of Employers Offering Hiring Bonuses by Business Size**



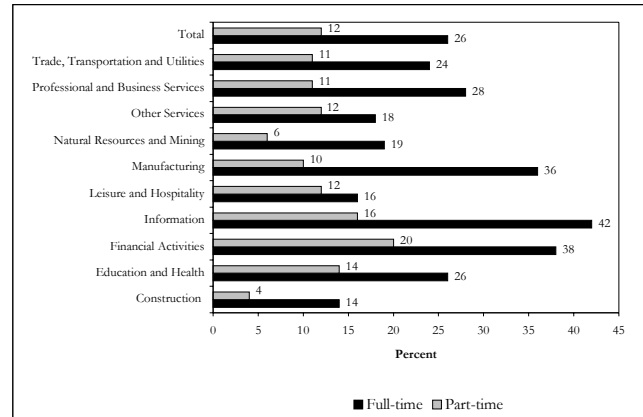
## 4-4 Flexible Spending Accounts

### Industry

There is a large variation among the percentages of businesses in each industry offering flexible spending accounts. Over 40 percent of employers in the information industry offer flexible spending accounts to full-time employees, the largest percentage of all industry groups. Manufacturing and financial activities industries follow closely at 36 and 38 percent respectively. Overall, a little more than 25 percent of all employers offer flexible spending accounts to their full-time employees.

The financial activities industry, at 20 percent, offers this benefit more often to part-time employees than any other industry group. This falls to only 4 percent for the construction industry.

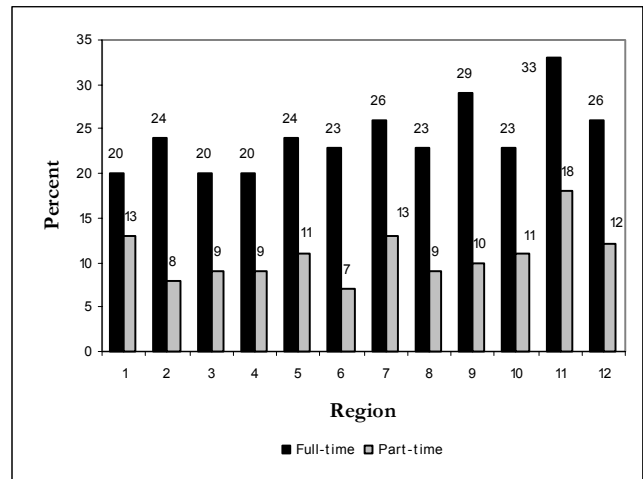
**Figure 89. Percent of Employers Offering Flexible Spending Accounts by Industry**



### Region

Thirty-three percent of companies in Jefferson County offer their employees flexible spending accounts. This number falls to 20 percent in regions 1, 3, and 4. Jefferson County firms are also most likely to offer this benefit to their part-time employees, 18 percent, compared to a low of 7 percent of companies in region 6.

**Figure 90. Percent of Employers Offering Flexible Spending Accounts by Region**

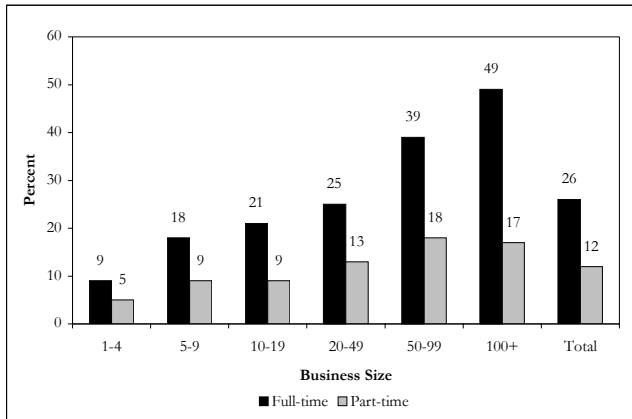


### Business Size

Almost half of all businesses with 100 or more employees offer flexible spending accounts benefits, compared to about a quarter of all Alabama employers. These percentages fall dramatically for part-time employees. Overall, only 12 percent of all employers

offer flexible spending accounts to their part-time employees. This percentage falls to 5 percent for employers with 1-4 employees. See Figure 91 for more details.

**Figure 91. Percent of Employers Offering Flexible Spending Accounts by Business Size**

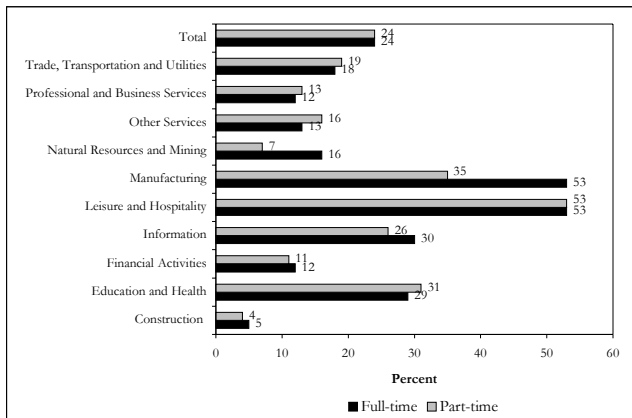


### 4-5 Shifts

### Industry

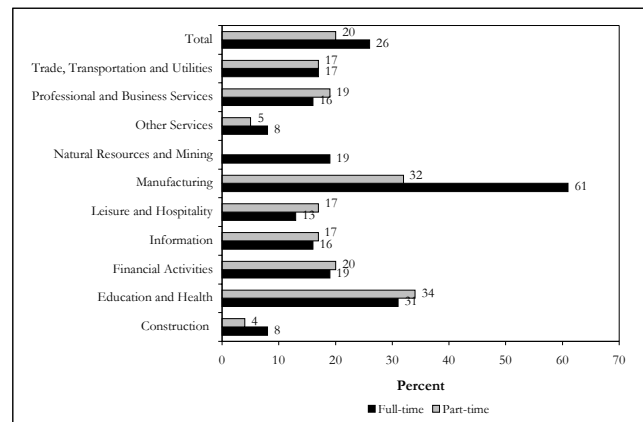
Almost a quarter of all Alabama employers operate shifts for both their full- and part-time employees. Over half of all leisure and hospitality employers operate shifts for both their full- and part-time employees. Over half of all manufacturing employers operate shifts for their full-time employees and 35 percent of manufacturers employ shifts for their part-time workers. See Figure 92 for additional detail.

**Figure 92. Percent of Employers Operating on Shifts by Industry**



Overall, over a quarter of all employers offer shift differentials to full-time employees, and 20 percent of them to part-time employees. Companies in the manufacturing (61 percent) and education and health industries (31 percent) are the most likely to offer shift differentials to full-time employees. Construction and other services, at 8 percent, are the least likely to offer shift differentials to full-time employees. Education and health (34 percent) and manufacturing (32 percent) are the most likely to offer shift differentials to part-time employees. See Figure 93 for more details.

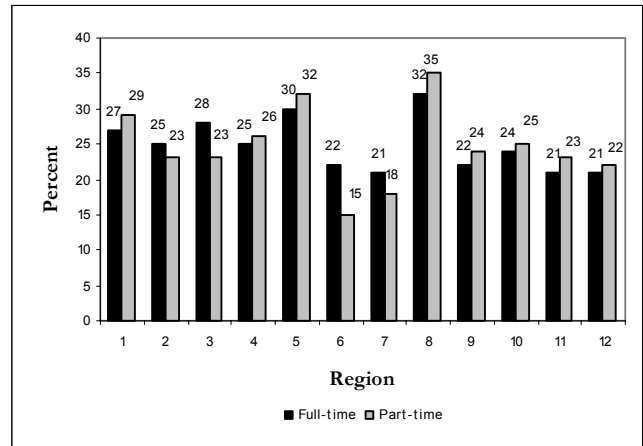
**Figure 93. Percent of Employers Offering Shift Differential by Industry**



### Region

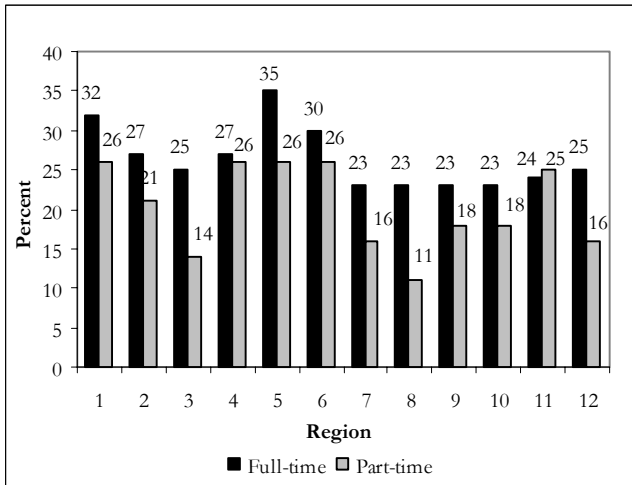
A higher percentage of companies in region 8 operate on shifts for both full- and part-time employees. These percentages are much smaller in region 6 and in region 7. See figure 94 for details.

**Figure 94. Percent of Employers Operating on Shifts by Region**



Thirty-five percent of the companies located in region 5 pay shift differentials. This number falls to 23 percent in regions 7 and 8. Notably few companies pay shift differentials to their part-time employees. Companies in regions 1, 4, 5, 6 and Jefferson County are most likely to pay differential wages to part-time shift workers.

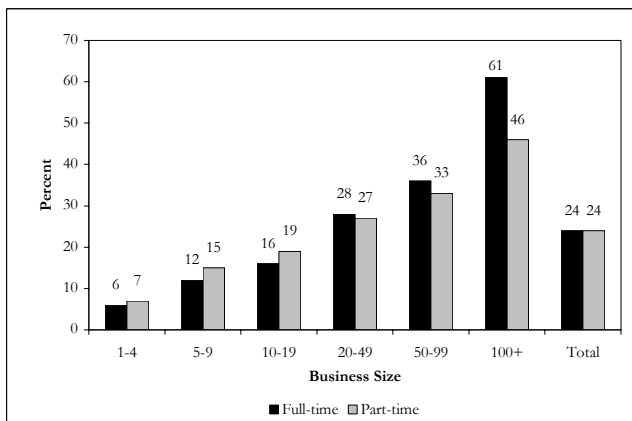
**Figure 95. Percent of Employers Offering Shift Differential by Region**



**Business Size**

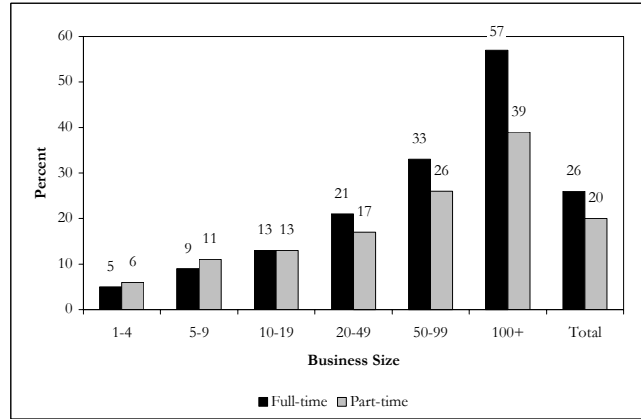
Larger businesses operate on shifts with both full- and part-time employees at a significantly higher rate than do smaller businesses. Sixty-one percent of employers with 100 or more employees operate on shifts, compared to 36 percent for companies with 50-99 employees. Part-time employees are also more likely to operate on shifts if they work for an employer with 100 or more employees. See Figure 96 for more details.

**Figure 96. Percent of Employers Operating on Shifts by Business Size**



The same applies to shift differentials. As the size of the company increases, so does the percentage of employers offering shift differentials to their employees.

**Figure 97. Percent of Employers Offering Shift Differential by Business Size**



**Section 5- Costs of Benefits**

The following tables report what Alabama companies spent in 2002 on each of the components of compensation as a percent of total compensation. The tables summarize component spending by industry, region, and size of business.

Table 1 confirms that the construction industry spends the least compensation in the form of insurance and retirement plans. Trade, transportation, and utilities and professional and business services spend the most on insurance and retirement plans for their employees. See Table 1 for additional details.

**Table 1. Compensation Component Costs by Industry**

Industry	Wages and Salaries	Insurance	Retirement Plans	Total
Construction	97%	2%	0%	100
Leisure and Hospitality	94%	5%	1%	100
Natural Resources and Mining	92%	6%	3%	100
Information	89%	9%	2%	100
Manufacturing	88%	10%	2%	100
Other Services	88%	9%	3%	100
Education and Health Services	87%	9%	5%	100
Financial Activities	86%	6%	8%	100
Trade, Transportation and Utilities	83%	16%	2%	100
Professional and Business Services	81%	16%	2%	100

Table 3 summarizes compensation component costs by size of business. As seen earlier in this report, the level of benefits increases with the size of business.

**Table 3. Compensation Component Costs by Size of Business**

Size of Business	Wages and Salaries	Insurance	Retirement Plans	Total
1-4	99%	1%	0%	100%
5-9	91%	6%	3%	100%
10-19	91%	7%	2%	100%
20-49	91%	7%	3%	100%
50-99	84%	14%	2%	100%
100+	85%	12%	3%	100%

Table 2 summarizes compensation component costs by region.

**Table 2. Compensation Component Costs by Region**

Region	Wages and Salaries	Insurance	Retirement Plans	Total
1	93%	6%	2%	100%
2	89%	7%	3%	100%
3	92%	6%	3%	100%
4	89%	9%	2%	100%
5	90%	8%	2%	100%
6	90%	6%	4%	100%
7	94%	6%	1%	100%
8	91%	7%	2%	100%
9	92%	6%	2%	100%
10	91%	5%	3%	100%
11	87%	10%	3%	100%
12	92%	6%	2%	100%