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2013 MISSISSIPPI
MANUFACTURING FRINGE
BENEFITS SURVEY

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ABOUT NSPARC

The National Strategic Planning & Analysis Research Center (nSPARC) is a unique interdisciplinary research center at Mississippi State University. nSPARC translates university research into practical applications. The center brings together scientific and technical expertise from the private, public, philanthropic, and academic sectors to develop and support basic and applied research aimed at identifying best practices in education, workforce, and economic development.

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2013 Mississippi Manufacturing Fringe Benefits Survey

EXECUTIVE SUMMARY

This report details the results of a statewide survey seeking information on fringe benefits available to manufacturing workers in Mississippi. Firms were given several options for participation. These options included a telephone survey, an online survey, and a paper survey. The survey was conducted between February and May 2013.

The data reveal several straightforward conclusions regarding the provision of benefits to manufacturing workers in Mississippi. Key findings by topic are as follows:

Health Coverage

Health coverage includes a wide range of benefits, and the provision of attractive health coverage plans can increase a firms' competitiveness in attracting a qualified and highly skilled workforce. This section reports on the health coverage provided to manufacturing employees in the areas of medical, dental, vision, prescription drug, life, and disability insurance. Information is provided on types of plans offered, waiting periods, enrollment, and options to insure spouses and dependents.

Medical Insurance. Results indicate that 94 percent of firms offered medical insurance to their employees. This figure is higher than national and regional rates, which show coverage rates of 82 and 72 percent, respectively, for manufacturing-related employment¹. In terms of employee type, 99.3 percent of firms offered medical insurance to salaried employees, 97.3 percent of firms offered medical insurance to full-time hourly employees, and 9.2 percent of firms offered medical insurance to part-time hourly employees. Of those firms offering medical insurance, 97.9 percent offered family coverage.

Results indicate that the majority of firms (72.8 percent) offered plans through Preferred Provider Organizations (PPO). Other plans included Traditional Fee-for-Service (34.0 percent), plans offered through Health Maintenance Organizations (HMOs; 17.1 percent), and other plans listed by employers (11.6 percent).

The average waiting period to enroll in medical insurance benefits was 7 weeks for salaried employees and 9 weeks for full- and part-time hourly employees. On average, 82.0 percent of salaried employees, 76.5 percent of full-time hourly employees, and 61.8 percent of part-time hourly employees were enrolled in employer-provided medical insurance plans.

Dental Insurance. Results indicate that 80.3 percent of firms offered dental insurance to their employees. In terms of employee type, 98.4 percent of firms offered dental insurance to salaried employees versus 97.1 percent for full-time hourly employees and 8.7 percent for part-time hourly employees. Most firms (89.7 percent) offered dental insurance as a separate, standalone plan. Of those firms offering dental insurance, 97.1 percent offered family coverage.

Vision Insurance. Results indicate that 54.5 percent of firms offered vision insurance to their employees. In terms of employee type, 99.4 percent of firms offered vision insurance to salaried employees versus 98.2 percent for full-time hourly employees and 9.3 percent for part-time hourly employees. Vision insurance was most likely to be offered as a separate, standalone plan (85.5 percent). Of those firms offering vision insurance, 98.2 percent offered family coverage.

Prescription Drug Insurance. Results indicate that 84.4 percent of firms offered prescription drug insurance to their employees. In terms of employee type, 98.4 percent of firms offered prescription drug insurance to salaried employees versus 96.9 percent for full-time hourly employees and 7.1 percent for part-time hourly employees. Nearly all firms (95 percent) included prescription drug insurance in their medical plan. Of those firms offering prescription drug insurance, 97.3 percent offered family plans.

Life Insurance. Results indicate that 87.1 percent of firms offered life insurance to their employees. This is higher than the national rate (70 percent) and the regional rate (63 percent) for manufacturing-related employment.² In terms of employee

¹ Bureau of Labor Statistics, 2012.

² Bureau of Labor Statistics, 2012.

type, 98.9 percent of firms offered life insurance to salaried employees versus 97.7 percent for full-time hourly employees and 7.8 percent for part-time hourly employees. Of those firms offering life insurance, 63.1 percent offered family coverage.

Disability Insurance. In terms of disability insurance, 71.9 percent of firms offered short-term disability insurance, and 61.6 percent of firms offered long-term disability insurance separate from worker's compensation. Comparisons employee type show that 93.6 percent of firms offered short-term disability insurance to salaried employees versus 95.4 percent for full-time hourly employees and 5.2 percent for part-time hourly employees. Of those firms offering long-term disability insurance, 99.5 percent offered this benefit to salaried employees versus 82.7 percent for full-time hourly employees and 6.6 percent for part-time hourly employees.

Paid Leave

This section reports on the types of paid leave provided to manufacturing employees in the areas of paid vacation and personal leave, sick leave, and holiday leave. Information is provided by employee type and the amount of leave offered by years of service.

Vacation and Personal Leave. Results indicate that 96 percent of firms offered paid vacation and personal leave to their employees. Ninety percent of firms nationally and 78 percent of firms regionally offer similar benefits.³ Comparisons by type of employee show that 98.6 percent of firms offered paid vacation and personal leave to salaried employees versus 97.2 percent for full-time hourly employees and 10.9 percent for part-time hourly employees.

Results for vacation and personal leave also indicate that employees were allowed more paid time off as the length of their employment with the firm increased. On average, salaried employees were allowed 9.8 vacation days after one year of employment, 15.1 days after five years of employment, and 18.7 days after 10 years of employment. By comparison, full-time hourly employees were allowed 8.9 vacation days after one year of employment, 14.3 days after five years of employment, and 18.1 days after 10 years of employment.

Sick Leave. Of surveyed firms, 40.4 percent offered sick leave to their employees, compared to 54 percent of firms nationally and 57 percent of firms regionally.⁴ Of those firms that offered sick leave, 90.6 percent offered this benefit to salaried employees versus 70.1 percent for full-time hourly employees and 4.7 percent for part-time hourly employees.

On average, salaried employees were allowed 12.6 sick leave days after one year of employment, 14.1 days after five years of employment, and 14.7 days after 10 years of employment. In comparison, full-time hourly employees were allowed 10.6 sick leave days after one year of employment, 12.1 days after five years of employment, and 12.6 days after 10 years of employment.

Holiday Leave. Results showed that 95.3 percent of firms offered holiday leave to their employees, compared to 91 percent of firms nationally and 79 percent of firms at the regional level.⁵ Of the firms that offered holiday leave, 98.9 percent offered this benefit to salaried employees versus 97.9 for full-time hourly employees and 11.4 percent for part-time hourly employees. Surveyed firms offered an average of eight paid holidays per year.

Pension & Retirement

The ability of a firm to offer attractive pension and retirement packages not only can aid in the recruitment of top-level talent; it can also play a major role in influencing workers to remain with their employer on a long-term basis. This section reports on the types of pension and retirement plans that surveyed firms offer by type of employee as well as the participation rates by type of employee.

Defined Contribution. Three-fourths (75 percent) of the surveyed firms offered their employees a defined contribution retirement plan; compared to a national rate of 69 percent and a regional rate of 66 percent.⁶ Of the surveyed firms that offered a defined contribution retirement plan, 96.4 percent offered it to salaried employees versus 95.1 percent for full-time hourly employees and 15.3 percent for part-time hourly employees. When offered, an average of 67.6 percent of salaried employees, 54.3 percent of full-time hourly employees, and 33.5 percent of part-time hourly employees elected to enroll.

³ Bureau of Labor Statistics, 2012.

⁴ Bureau of Labor Statistics, 2012.

⁵ Bureau of Labor Statistics, 2012.

⁶ Bureau of Labor Statistics, 2012.

Defined Benefit. Only 13.8 percent of surveyed firms offered defined benefit pension plans. Of those, 87.5 percent offered it to salaried employees, 95.8 percent of firms offered defined benefit pension plans to full-time hourly employees, and 4.2 percent of firms offered defined benefit pension plans to part-time hourly employees. When offered, an average of 79.7 percent of salaried employees, 80.6 percent of full-time hourly employees, and 50 percent of part-time hourly employees elected to enroll.

Profit Sharing & Other Benefits

In addition to the traditional types of health insurance, paid leave, and pension and retirement benefits several other types of unique benefits can be offered that can make an establishment a more attractive place to work. This section reports on the prevalence of firms that offered these benefits by employee type.

Profit Sharing. One out of five firms surveyed (20 percent) offered profit sharing plans to their employees. Of these firms, 100 percent offered profit sharing plans to salaried employees versus 93.3 percent for full-time hourly employees and 10.5 percent for part-time hourly employees. An average of 9.5 weeks of employment was required before employees were eligible to participate in profit sharing.

Non-production Bonuses. Approximately 20 percent of firms offered non-production bonuses such as signing or attendance bonuses to their employees. Of firms offering this benefit, 60.3 percent offered it to salaried employees versus 93.3 percent for full-time hourly employees and 10.5 percent for part-time hourly employees.

Flexible Spending Accounts. One out of three firms (33.3 percent) offered flexible spending accounts to their employees. Of firms offering this benefit, 99.0 percent offered it to salaried employees versus 93.2 percent for full-time hourly employees and 10.9 percent for part-time hourly employees.

Education Assistance. Approximately 42 percent of firms offered education assistance to their employees. Of firms offering education assistance, 98.4 percent offered it to salaried employees, 92 percent offered education assistance to full-time hourly employees, and 10.6 percent offered education assistance to part-time hourly employees.

Child Care. Only 2.4 percent of firms offered child care assistance in the form of either on- or off-site daycare or reimbursements. Of those firms offering this benefit, 71.4 percent offered it to salaried and full-time hourly employees, while no firms offered child care assistance to part-time hourly employees.

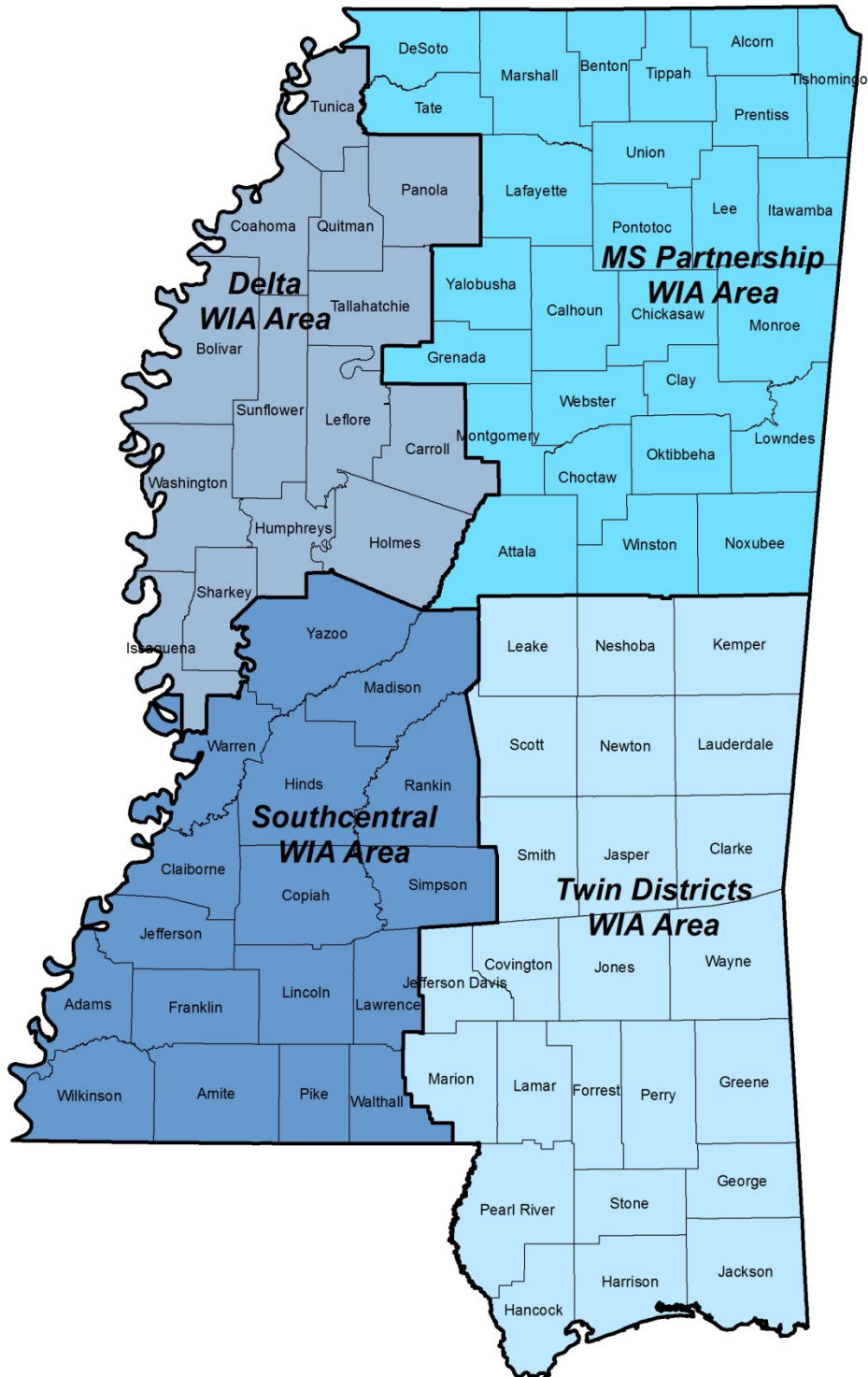
Elder Care. One percent of firms offered elder care in the form of placement assistance or reimbursements. Of those firms offering this benefit, 100 percent offered it to salaried employees versus 66.7 percent for full-time hourly employees and 33.3 percent for part-time hourly employees.

Telecommuting. Approximately 12 percent of firms gave employees options to telecommute, meaning they could work from home or an alternate location. Of those firms offering this benefit, 97.1 percent offered it to salaried employees versus 35.3 percent for full-time hourly employees and 5.9 percent for part-time hourly employees.

Flextime. Only 2.4 percent of surveyed firms offered flextime to their employees. Of those firms offering this benefit, 85.7 percent offered it to salaried employees, 57.1 offered it to full-time hourly employees, and 14.3 percent of firms offered flextime to part-time hourly employees.

Transportation Subsidies. Results indicated that 8.4 percent of firms offered their employees transportation subsidies. Of those firms offering this benefit, 92 percent offered it to salaried employees, 60 offered it to full-time hourly employees, and 8 percent of firms offered it to part-time hourly employees.

MAP OF MISSISSIPPI'S WORKFORCE INVESTMENT AREAS



INTRODUCTION

The convergence of workforce development issues within economic development is altering federal, state and local approaches to industrial outreach. Ask an existing industry or industrial location prospect and they will very likely confirm that the availability and affordability of skilled labor is a key concern for management decisions. The decline of Low Skill/Low Pay jobs is being displaced by Middle Skill and High Skill requirements that match the private investment and level of technology in today's manufacturing environment. Present day manufacturing has become more advanced and is a symbol of innovation in a knowledge based economy characterized by a higher skilled workforce. With this frame of mind, providing a regionally or nationally competitive wage and benefits package is essential to attracting the workforce needed to compete in the global marketplace.

The Mississippi Development Authority recognizes these concerns and is partnering with workforce development entities to support the needs of all industrial development partners. The Wage and Benefit Survey is one benchmarking tool that used in conjunction with cost of living surveys can support informed decisions for attracting and retaining the best workforce possible.

Manufacturing continues to be one of the most crucial industries for the success of the nation's economy and the economy of Mississippi. Manufacturing plays a major role in the state's economic identity, accounting for 13 percent of all covered employment (Bureau of Labor Statistics, 2013). Employment projections indicate that manufacturing will continue to play a major role in the state's economy, especially with the emergence of advanced manufacturing (see Table 1).

TABLE 1: CURRENT AND EXPECTED EMPLOYMENT BY MANUFACTURING SUB-SECTOR

Sub-sector	2011	2021	Change	Pct. Change	Earnings Per Worker
Transportation Equipment	26,106	25,872	-234	-0.9	\$57,211
Food	24,239	25,729	1,490	6.1	\$27,074
Furniture	17,220	18,096	876	5.1	\$29,984
Machinery	9,628	9,483	-145	-1.5	\$43,595
Wood	8,986	10,767	1,781	19.8	\$36,142
Fabricated Metal	8,666	9,593	927	10.7	\$43,213
Electrical Equipment & Appliance	6,971	6,414	-557	-8.0	\$45,220
Plastics & Rubber	6,440	7,161	721	11.2	\$42,856
Chemical	5,752	5,382	-370	-6.4	\$57,674
Paper	4,483	4,253	-230	-5.1	\$61,356
Primary Metal	3,180	3,159	-21	-0.7	\$58,790
Nonmetallic Mineral	2,654	3,047	393	14.8	\$39,800
Computer & Electronic	2,455	2,168	-287	-11.7	\$46,976
Petroleum & Coal	2,180	1,907	-273	-12.5	\$96,583
Textile Product Mills	1,344	1,206	-138	-10.3	\$24,165
Miscellaneous	1,330	1,250	-80	-6.0	\$35,722
Apparel	1,271	460	-811	-63.8	\$27,765
Textile Mills	1,042	924	-118	-11.3	\$45,353
Printing & Related Activities	929	892	-37	-4.0	\$32,376
Total	134,876	137,763	2,887	2.1	\$44,834

Source: Bureau of Labor Statistics, 2013

GOALS & OBJECTIVES

The overall goal of the 2013 Mississippi Manufacturing Fringe Benefits Survey is to gather information on the types of fringe benefits that are offered to manufacturing workers in Mississippi. To this end, the following objectives are addressed:

- Analyze the extent to which manufacturing workers are offered and enrolled in fringe benefit programs.
- Analyze the types of benefits offered to workers and their dependents.
- Analyze the costs of offering benefits to the employer.

METHODS

Data

Data for the 2013 Mississippi Manufacturing Fringe Benefits Survey were collected through a survey of manufacturing firms in Mississippi. Firms were given the option of completing the survey via telephone, online, or in paper form. Manufacturing firms were identified through administrative data provided by the Mississippi Department of Employment Security. Firms were required to employ a minimum of 25 workers to be eligible to participate. Data collection was undertaken between February and May 2013. A total of 316 surveys were completed, yielding a response rate of 38 percent.

Sample Characteristics

Characteristics of the participating firms are reported in Table 1. Firms employing between 25 and 49 employees made up the largest group of respondents (39.6 percent), followed by firms employing 50 to 99 employees (23 percent), 100 to 249 employees (22.2 percent), and 250 or more employees (15.2 percent). Firms in fabricated metal manufacturing made up the largest group of respondents (15.2 percent), followed by firms in wood product manufacturing (10.8 percent), machinery manufacturing (8.5 percent), and furniture manufacturing (8.5 percent). In terms of location, the greatest amount of participation came from firms located in the Mississippi Partnership WIA region (44.9 percent), followed by the Southcentral Mississippi Works WIA region (22.8 percent), the Twin Districts WIA region (20.6 percent) and the Delta WIA region (11.7 percent).

TABLE 2: CHARACTERISTICS OF SURVEY RESPONDENTS (N=316)

	N	PERCENT
Firm Size		
25 to 49 employees	125	39.6%
50 to 99 employees	73	23.0%
100 to 249 employees	70	22.2%
250 or more employees	48	15.2%
Sector		
Durable Goods		
Wood Products	34	10.8%
Nonmetallic Mineral Products	12	3.8%
Primary Metal	10	3.2%
Fabricated Metal	48	15.2%
Machinery	27	8.5%
Computer & Electronic	6	2.0%
Electrical Equipment, Appliance, & Component	14	4.4%
Transportation Equipment	17	5.4%
Furniture	27	8.5%
Miscellaneous	18	5.7%
Nondurable Goods		
Food	22	7.0%
Beverage & Tobacco	6	2.0%
Textile Mills	3	0.9%
Textile Product Mills	2	0.6%
Apparel	9	2.8%
Paper	15	4.7%
Printing & Related Support Activities	5	1.6%
Petroleum & Coal Products	3	0.9%
Chemical	15	4.7%
Plastics & Rubber Products	23	7.3%
Workforce Investment Areas		
Mississippi Partnership	142	44.9%
Southcentral Mississippi Works	72	22.8%
Twin Districts	65	20.6%
Delta	37	11.7%

RESULTS

The following sections summarize the results of the 2013 Mississippi Manufacturing Fringe Benefits Survey. Data is presented on topics related to health coverage, paid leave, pension and retirement, profit sharing and other benefits, and cost of benefits.

Health Coverage.

Does your business offer the following types of health insurance benefits?

TABLE 3: PERCENT OF FIRMS OFFERING HEALTH INSURANCE COVERAGE BY TYPE OF EMPLOYEE

BENEFIT	Overall	Salaried	Full-time Hourly	Part-time Hourly
Medical Insurance	94.0%	99.3%	97.3%	9.2%
Dental Insurance	80.3%	98.4%	97.1%	8.7%
Vision Insurance	54.5%	99.4%	98.2%	9.3%
Prescription Drug Insurance	84.4%	98.4%	96.9%	7.1%
Life Insurance	87.1%	98.9%	97.7%	7.8%
Short-term Disability Insurance	71.9%	93.6%	95.4%	5.2%
Long-term Disability Insurance	61.6%	99.5%	82.7%	6.6%

Does your business offer family coverage for the following types of health insurance?

TABLE 4: PERCENT OF FIRMS OFFERING FAMILY COVERAGE

BENEFIT	PERCENT
Medical Insurance	97.9%
Dental Insurance	97.1%
Vision Insurance	98.2%
Prescription Drug Insurance	97.3%
Life Insurance	63.1%

Paid Leave.

Does your business offer the following types of paid leave?

TABLE 5: LEAVE OFFERED BY EMPLOYEE TYPE

BENEFIT	Overall	Salaried	Full-time Hourly	Part-time Hourly
Vacation/Personal Leave	96.0%	98.6%	97.2%	10.9%
Sick Leave	40.4%	90.6%	70.1%	4.7%
Holiday Leave	95.3%	98.9%	97.9%	11.4%

How many days of paid leave are offered per year?

TABLE 6: AMOUNT OF LEAVE OFFERED BY EMPLOYEE TYPE & YEARS OF SERVICE

	After 1 Year	After 5 Years	After 10 Years
Vacation/Personal Leave			
Salaried Employees	9.8	15.1	18.7
Full-time Hourly Employees	8.9	14.3	18.1
Part-time Hourly Employees	11.4	15.7	17.7
Sick Leave			
Salaried Employees	12.6	14.1	14.7
Full-time Hourly Employees	10.6	12.1	12.6
Part-time Hourly Employees	8.8	10.4	10.4

Pension & Retirement.

What type of pension or retirement plan does your business offer?

TABLE 7: PENSION AND RETIREMENT PLANS OFFERED BY TYPE OF EMPLOYEE

BENEFIT	Overall	Salaried	Full-time Hourly	Part-time Hourly
Defined Contribution	75.3%	96.4%	95.1%	15.3%
Defined Benefit	13.8%	87.5%	95.8%	4.2%

What percent of employees enroll in your business' pension or retirement plan?

TABLE 8: ENROLLMENT IN PENSION & RETIREMENT PLANS BY TYPE OF EMPLOYEE

DEFINED CONTRIBUTION	PERCENT ENROLLED
Salaried Employees	67.6%
Full-time Hourly Employees	54.3%
Part-time Hourly Employees	33.5%
DEFINED BENEFIT	
Salaried Employees	79.7%
Full-time Hourly Employees	80.6%
Part-time Hourly Employees	50.0%

Profit Sharing & Other Benefits.

Does your business offer the following types of benefits?

TABLE 9: PERCENT OF FIRMS OFFERING PROFIT SHARING AND OTHER BENEFITS BY EMPLOYEE TYPE

BENEFIT	Overall	Salaried	Full-time Hourly	Part-time Hourly
Profit Sharing	20.0%	100.0%	93.3%	10.5%
Non-production Bonuses	20.0%	60.3%	93.3%	10.5%
Flexible Spending Accounts	33.3%	99.0%	93.2%	10.9%
Education Assistance	42.0%	98.4%	92.0%	10.6%
Child Care	2.4%	71.4%	71.4%	0.0%
Elder Care	1.0%	100.0%	66.7%	33.3%
Telecommuting	12.0%	97.1%	35.3%	5.9%
Flextime	2.4%	85.7%	57.1%	14.3%
Transportation Subsidies	8.4%	92.0%	60.0%	8.0%

Cost of Benefits.


For the following types of insurance, what percentage of premiums is employer paid?

TABLE 10: PERCENT OF PREMIUMS PAID BY EMPLOYER FOR SINGLE AND FAMILY COVERAGE

BENEFIT	SINGLE	FAMILY
Medical Insurance	69.7%	40.4%
Dental Insurance	34.9%	28.5%
Vision Insurance	25.4%	25.2%
Prescription Drug Insurance	68.5%	43.4%
Life Insurance	73.9%	20.0%
Short-term Disability	55.5%	n/a
Long-term Disability	51.7%	n/a
Defined Benefits Plans	63.9%	n/a
Defined Contribution Plans	26.6%	n/a

NOTES

NOTES



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