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An exploratory study of employee attitudes toward and knowledge of non-wage benefits and services

Grayson Eugene Dodson

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AN EXPLORATORY STUDY OF EMPLOYEE
ATTITUDES TOWARD AND KNOWLEDGE OF
NON-WAGE BENEFITS AND SERVICES

A Thesis

Presented to
the Faculty of the School of
Business Administration
The University of Richmond

In Partial Fulfillment
of the Requirements for the
Degree of Master of Science
in Business Administration

by

Grayson Eugene Dodson

May 1962

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CHAPTER I

THE PURPOSE AND DEFINITION OF TERMS USED IN STUDY

Current importance is placed on benefits received by employees other than their paycheck. The attitudes of the interested parties seem to be indicated in current literature as follows: management, cautious and defensive; labor unions, aggressive and demanding; government, compromising; and employees, unconcerned.

I. PURPOSE

This study has a three fold purpose: first, to review the various primary non-wage benefits and services from written and published literature; second, to determine employee attitudes toward and knowledge of benefits through personal interviews; and third, to render observations that may be helpful in the future for interested parties in making decisions relative to employee benefits and services.

II. DEFINITION OF TERMS USED

Non-wage Benefits. As used in this study, the term "non-wage benefits" denotes all the advantages that accrue to the employee as a result of his employment, with the exception of wages for a standard work week. As an example, these include such benefits as payments for time not worked, premium pay for overtime, group insurance, social security, bonuses, profit sharing, subsidized food services, travel allowances, guaranteed wages, etc.

Fringe Benefits. The term "fringe benefits," for the purpose of this study, will be used synonymously with that of non-wage benefits or employee benefits and services. The term has become a misnomer. Since World War II, fringe benefits have become an important segment of employee compensation and have ceased to constitute a "fringe."¹

Payments for time not worked. The phrase as used in this study includes paid time off during the standard work week for vacations, sick leave, coffee breaks, jury duty, medical or dental appointments, voting, lunch, wash-up, funerals, weddings and personal reasons.

Severance pay. The term "severance pay" is sometimes used synonymously with "dismissal pay." As used in this study, it designates unearned compensation provided employees upon dismissal or lay-off.

Subsidized food services. The benefit "subsidized food services," for the purpose of this study, will designate an employer provided cafeteria where employees can receive a meal or meals at a reduced rate.

Nursery Services. The term "nursery services," is limited in this study to a nursery provided by the employer for the exclusive care of children of working parents. A community supported nursery is excluded from this definition.

Premium Pay. As used in this study, the term "premium pay"

¹"Fringe Benefit Packages," Studies in Personnel Policy No. 143. National Industrial Conference Board, Inc. (1954), p. 1.

designates compensation above the standard rates of pay for overtime. A pay differential for night shifts is not included in this definition.

Advances on Wages. The phrase "advances on wages," for the purpose of this study, denotes unearned advance payments by the employer. Payments through petty cash and other sources are excluded from this definition.

Escalator (cost of living) Adjustments. For the purpose of this study, the phrase "escalator (cost of living) adjustments" means any periodic adjustment in pay, not necessarily based on the cost of living index.

Savings Plan. The term "savings plan," as used in this manuscript, is limited to a plan specifically provided by the employer and is contributed to by both the employee and employer. Savings through a credit union, bond-a-month plan, or banking facilities on the premises are excluded from this definition.

Assistance in Obtaining Housing. As used in this study, the phrase "assistance in obtaining housing" means any assistance provided by the employer such as, providing housing, mortgage assistance, credit assistance, and references.

Benefit Program. As used in this manuscript, "benefit program" designates all of the benefits and services available at the employee's place of employment. A term that is used synonymously with benefit

program, in recent literature, is "benefit package" denoting a planned approach to the subject.

Cost of Benefits. As used in this study, the phrase "cost of benefits" refers to employer costs only. This includes both the cost of the benefits and the cost of administering the program.

Interview. The term "interview" as used in this study denotes the personal meetings held with employees for the collection of data for this study.

Major Benefits. As used in the following chapters, the term "major benefits" means those benefits that affect most employees and usually cost the employer a substantial sum of money. Such benefits as sick leave, vacations, holidays, coffee breaks, retirement plan, and insurance are included in this definition.

Minor Benefits and Services. The term "minor benefits and services" denotes those benefits and services that may or may not affect all employees, such as credit assistance, credit union, advances on wages, nursery services, etc.

Classified Employee. The term "classified employee" is used synonymously in this study with salaried employee.

III. TYPE OF STUDY

A. REVIEW OF LITERATURE

An attempt was made to review the various primary employee benefits from books, periodicals, business and government publications. An abundance of material has been published on the general subject and on individual benefits. Most of the literature reviewed was of a statistical nature and was concerned with costs. The main purpose of this study was to investigate the attitudes of employees towards benefits, and to determine their awareness of the various benefits and services. However, a minimum of literature was found pertaining to specific employee attitudes toward benefits. If the tremendous increase in benefits in recent years is a result of employee demands, then a glimpse of employee desires may be observed in Chapter II on the review of literature.

B. INTERVIEW PHASE

1. CONSTRUCTION OF THE STUDY

This phase of the study was conducted wholly among the employees of the Medical College of Virginia with the full cooperation and assistance of its personnel department.

The original method of research was designed on the assumption that a questionnaire would be mailed to a representative group of employees in various firms in the Richmond area. This method was not

used for two reasons: (1) certain employers were hesitant in giving their full cooperation, and (2) a test questionnaire was sent to forty-eight employees and less than 25% were returned. However, the test questionnaire was beneficial in designing the interview phase. In establishing job classifications, five personnel groupings were used. The supervisory group included such employees as the night superintendent, executive secretaries, foremen, maintenance superintendents, administrative personnel, and supervisors of records, admitting, and nursing services. The clerical group was composed of clerk typists, clerk stenographers, admitting clerks, ward clerks, information clerks, file clerks, inventory clerks, cashiers, and registrars. The technical group included laboratory technicians, x-ray technicians, dietary supervisors, I B M programmers, and laboratory specialists. The nursing group included registered nurses, licensed practical nurses, and certified sanatorium nurses. The labor classification included hospital attendants, seamstresses, security policemen, hospital aides, maids, porters, maintenance workers, janitors, and storeroom keepers.

A representative sample of 100 employees was selected from a total of approximately 2600 at the Medical College, as shown in Table I on page 8. The author conducted a personal interview with each of the 100 employees. The employees were interviewed while on duty and each lasted approximately thirty minutes. A special effort was made to prevent bias in the answers by interviewing them individually in a secluded location. Another method of preventing bias was used by informing each interviewee that his answers would be held strictly confidential. The

form of outline used in recording data collected in the interviews can be seen in Appendix B on page 135. Comments and criticisms, given readily by employees, were recorded both during and after each interview.

2. LIMITATIONS OF THE STUDY

The interview phase was limited to employees of the State of Virginia employed at the Medical College. No studies were found that could be used as a basis of comparison. The author's limited knowledge of benefits and services and particularly his limited qualifications to interpret the attitudes and desires of employees had a restrictive influence on the results of the study.

TABLE I
INTERVIEW SAMPLE

Classification		Number Interviewed
Race:	White	72
	Non-white	28
Sex:	Male	24
	Female	76
Marital Status:	Single	39
	Married	61
Age Group:	Under 20	7
	21 to 25	19
	26 to 30	11
	31 to 35	9
	36 to 45	18
	over 45	36
Number of Years with Present Employer:	Under 1	13
	1 to 2	22
	2 to 5	23
	5 to 10	16
	10 to 20	19
	over 20	7
Size of Family:	One	39
	Two	26
	Three	18
	Four	6
	Five or more	11
Position:	Supervisory	15
	Clerical	32
	Technical	13
	Nursing	16
	Labor	24
Pay Group:	Salaried	92
	Hourly	8

CHAPTER II

REVIEW OF PUBLISHED LITERATURE

I. INTRODUCTION

The growth of employee benefits and services has been phenomenal since World War II, and especially in the last decade. Since 1951 the cost of "fringe benefits" has increased by 120%, while payments for time actually worked (straight time, overtime, and bonuses) rose only 56%.¹

This increase is very impressive and is being publicized for all its worth. However, there are other considerations that are much in need of discussion and study. Very little has been written on employee attitudes toward benefits and services, which could indicate that employee desires are of very little importance in the non-wage benefit competition between the unions and management.

Another factor that is neglected in today's studies is the value employers are supposedly reaping from benefit programs in employee security and peace of mind, loyalty to the employer, and relief from fatigue.²

The sections that follow in this chapter are merely intended to review some of the more prominent aspects of employee benefits, from a

¹"Fringe benefits: 42 billion in 1961 and still going up," U. S. News and World Report (June 5, 1961), pp. 101-102.

²"The Neglected side of Fringes," Management Record, National Industrial Conference Board, Inc., XXI, No. 4 (April, 1959), p. 109.

historical point of view, a cost basis, and the neglected considerations.

II. HISTORICAL ANALYSIS

A. VOLUNTARY BENEFITS

The term "fringe benefits" was originated during 1943 by members of the War Labor Board. The Board was unable to allow direct wage increases; therefore, in their place, it encouraged companies to grant indirect benefits.³ Unions also sought to negotiate gains that would be regarded by the wage stabilization authorities as non-inflationary and thus permissible. The adjustments that were allowed were described as "fringe" payments or "fringes," meaning that they were decorative and attractive but not unstabilizing.⁴

Although World War II marked the beginning of the term "fringe benefits," it was by no means the beginning of the history of employee benefits. Many of the basic fringe benefits had been offered in some form by a few companies before 1900. In most cases these benefits were gratuitously given.⁵

The compensation of hourly employees for time spent off the job is one of the oldest of all employee benefits in this country. In the

³ Francis M. Wistert, Fringe Benefits (New York: Reinhold Publishing Corporation, 1959), p. 2.

⁴ Dale Yoder, Personnel Management and Industrial Relations (Englewood Cliffs, New Jersey: Prentice-Hall, Inc., Fourth Edition, 1956), p. 491.

⁵ Wistert, op. cit., p. 3.

beginning, vacations and holidays with pay were granted by only a few concerns. A survey in 1931 of 281 plans then in existence found that five were enacted prior to 1900 and seventy-two before 1920.⁶ Vacations were originally established as a reward for faithful service and to provide necessary rest and relaxation. Many considered it more important to relieve the mental and nervous strain of the supervisory or clerical employee than the physical fatigue of the hourly worker, mainly because the hourly worker often received enforced rests through economic layoffs.⁷

There were only a few private retirement plans in existence prior to the depression. In place of formal retirement plans many companies made payments to supervisors and other salaried personnel upon their retirement, but for the most part, ignored hourly workers.⁸ Industrial pensions first appeared in this country in the 1890's but made very little headway until the 1940's. In the beginning, private pensions were universally regarded as gratuities from a grateful employer in recognition of long and faithful service. The payments were usually discretionary, the employer assuming no legal obligation to provide benefits.⁹ Early in the 1900's certain groups sought to place on the

⁶"Vacations with pay for Wage Earners," National Industrial Conference Board (1935), p. 3.

⁷Wistert, op. cit., p. 27.

⁸Ibid., p. 36.

⁹Don M. McGill, Fundamentals of Private Pensions, Pension Research Council of the Wharton School of Finance and Commerce, University of Pennsylvania (Homewood, Illinois: Richard D. Irwin, Inc., 1955), p. 13.

employer a moral obligation to provide pensions to older employees. As early as 1912, one student of the old-age problem wrote:

. . . from the standpoint of the whole system of social economy, no employer has a right to engage men in any occupation that exhausts the individual's life in ten, twenty, or forty years; and then leaves the remnant floating on society at large as a derelict at sea.¹⁰

Most of the early pension plans were eliminated as a result of the business failures in the 1930's which caused a shift to the secure, but expensive, insured funded plans.¹¹

Group insurance is probably the oldest employee benefit in existence today. It dates back to the Middle Ages when certain trade guilds had mutual benefit funds for accident and sickness.¹² It wasn't until the 1890's, however, that American industry got into the picture in doing something about the economic hardships resulting from sickness, accident, and death. The first form of employee group accident coverage was designed to compensate a workman for on-the-job injuries.¹³ The first major group plan written by a standard insurance company was at Montgomery Ward in 1912. The company had a plan in operation before that time but it was inoperable. The plan instituted in 1912 was non-contributory, that is, the employer paid the entire premium. It was

¹⁰ Lee Welling Squier, Old Age Dependency in the United States (New York: Macmillan Company, 1912), p. 272.

¹¹ Wistert, op. cit., p. 36.

¹² Ibid., p. 66.

¹³ Ibid., p. 75.

unique for its time in that it provided temporary disability benefits, death benefits equivalent to one year's salary, survivor's annuity and medical care.¹⁴

During the 1920's a research team financed by a combination of philanthropic foundations studied the health insurance problem and issued a final report in 1932 when the economics of medical care were of general concern. The report emphasized that group hospital care should be furnished by the medical profession and furnished through the purchase of insurance by members of an established group. A few months later the first "Blue Cross" type plan was organized.¹⁵ As the Blue Cross program developed and gained acceptance during the depression years it became apparent that surgical expenses also placed a heavy burden on the lower income employees. In 1938 Group Surgical Expense insurance was initially written for these policy holders who already had Group Hospital Expense insurance. The best known of these new plans is Blue Shield.¹⁶

A Guaranteed Annual Wage is one benefit that was almost unheard of before the 1940's and the beginning of union pressure on employers. There were a few voluntary plans in existence before unions had any bargaining rights in this field. The three most noted plans were

¹⁴ L. W. Ilse, Group Insurance and Employee Retirement Plans (New York: Prentice-Hall, Inc., 1953), p. 27.

¹⁵ Wistert, op. cit., p. 79.

¹⁶ Ibid., pp. 80-81.

established by Procter and Gamble in 1923, George A. Hormel and Company in 1927, and Nunn-Bush Shoe Company in 1935.¹⁷

Many other employee benefits and services were provided wholly or partially by employers before the federal government and unions came into the picture. A few of these are company owned housing, subsidized food and meals, bonuses, rest periods, travel allowances and educational programs. In 1929 the total fringe benefits paid by all employers in all industries amounted to only \$1.5 billion, or 3% of total wages and salaries of \$50 billion. In contrast, today it is over 20%.¹⁸ For an estimated comparison between the years 1929 and 1959, see Table II on page 15.

B. GOVERNMENT INSTIGATED BENEFITS

During the depression the Federal Government took a hand in guaranteeing employees and families of employees economic security. The most important of these guarantees was the Social Security Act of 1935.¹⁹ The Act and its subsequent amendments established the following benefits or services.

¹⁷ Ibid., p. 103.

¹⁸ Joseph H. Foegen, "Product Mix for Fringe Benefits," Harvard Business Review (July-August, 1961), p. 64.

¹⁹ Yoder, op. cit., p. 683.

TABLE II

GROWTH OF FRINGE PAYMENTS, 1929 TO 1959, AS
 COMPILED FROM A STUDY MADE BY THE CHAMBER OF
 COMMERCE OF THE UNITED STATES, PUBLISHED IN 1960

Type of Payment	1929	1959
	Per Cent of Wages and Salaries	
1. Legally required	0.8%	4.2%
Old-Age and Survivors Insurance	0	1.7
Unemployment Compensation	0	0.9
Workmen's Compensation	0.6	0.6
Government employee's retirement	0.2	0.8
Other	0	0.2
2. Agreed-Upon	0.4	4.2
Pensions	0.2	2.6
Insurance	0.1	1.3
Other	0.1	0.3
3. Rest periods	1.0	3.0
4. Time not worked	0.7	6.6
Vacations	0.3	3.5
Holidays	0.3	2.2
Sick leave	0.1	0.8
Other	0	0.1
5. Bonuses, Profit-sharing, etc.	0.1	1.0
Total fringe payments	3.0%	19.0%
	Billion Dollars	
Wage and salaries	\$50	\$258.2
Total fringe payments	\$1.5	\$ 49.0

1. OLD AGE AND SURVIVORS INSURANCE (OASI)

This portion of the Act imposes a tax equally on both the employer and employee as a basis for paying pensions and survivors benefits. It is meant to provide a "basic" rather than an "adequate" income at retirement.²⁰ In 1960 the Act was amended to provide disability benefits to workers of any age who are permanently and totally disabled. The insurance also provides the family of an insured worker income benefits at his death regardless of his age.²¹

2. FEDERAL UNEMPLOYMENT INSURANCE

The original Social Security Act was written so as to encourage states to enact state unemployment insurance legislation. The effectiveness of the Act can be witnessed by the fact that all of the states and the District of Columbia have approved programs.²² The two main purposes of the insurance were to prevent serious economic deprivation and to maintain purchasing power in periods of recession.²³

Prior to the enactment of federal legislation in 1935, there was

²⁰ Wistert, op. cit., p. 8.

²¹ National Foreman's Institute, Inc., Your New Social Security: More Benefits for you (New London: Prentice-Hall, Inc., 1961), p. 13.

²² Yoder, op. cit., p. 662.

²³ M. S. Gordon and R. W. Amerson, Unemployment Insurance, University of California Institute of Industrial Relations (1957), p. 9.

only one state, Wisconsin, which had an established plan.²⁴ The Wisconsin plan was enacted into law in 1932. One other state, Massachusetts, had attempted to enact legislation on the subject in 1916.²⁵ Other states had been reluctant to enact unemployment compensation because of the financial burden that would apparently be placed on local industries as against competitors in states that did not have the same provisions.²⁶

3. FAIR LABOR STANDARDS ACT

In 1938 the Federal Government passed the Wage and Hour Law, which required employers engaged in interstate commerce and in producing goods for interstate commerce to reduce the normal work week by several steps to 40 hours by 1940.²⁷ Minimum wage rates were also prescribed for men, women and children, with certain exceptions, engaged in interstate commerce. From time to time the rate has been increased. In 1956 the minimum became one dollar per hour.²⁸ It was further increased to one dollar and fifteen cents in 1961.

²⁴Poyntz Tyler (ed.), Social Welfare in the United States, The Reference Shelf, XXVII, No. 3 (New York: The H. W. Wilson Company, 1955), p. 29.

²⁵Yoder, op. cit., p. 661.

²⁶Wistert, op. cit., p. 17.

²⁷"The Fair Labor Standards Act," The Federal Labor Laws, a manual for supervisors (New York, Deep River, Conn., Chicago: National Foreman's Institute, Inc., 1946), p. 14.

²⁸Yoder, op. cit., p. 512.

4. WORKMEN'S COMPENSATION

Workmen's Compensation is one area the Federal Government has been active in since the beginning of the twentieth century. In 1908 legislation was enacted to cover injuries to civil service employees. In 1911 ten states enacted similar laws and by 1920 forty-two states had joined with legislation. The main purpose of all of the laws was to eliminate the problems and uncertainties faced by an injured worker who attempted to sue for damages at common law or under employers' liability laws. The new legislation assured prompt payment to persons injured while at work for their employer regardless of fault and with a minimum of legal formality.²⁹

C. UNION-MANAGEMENT ERA

The fringe benefit movement, as stated earlier, gained momentum during World War II. It appears that since the government withdrew wartime controls in this area, unions, management, and government have opened the flood-gates for complete cradle to the grave security for employees and their families. The benefits continue to increase in quantity and quality each year but in no planned package. The unions usually instigate the "fringes" in piecemeal fashion and management negotiates on the basis of its best interests. Of course, there are instances where management takes the initiative to increase morale, to

²⁹ Wistert, op. cit., pp. 22-23.

meet a recognized moral obligation, or to take advantage of tax provisions.³⁰

The number of benefits today are substantial. One authority lists 105 separate items, broken down into four categories: extra payments for time worked, payments for time not worked, payments for employment security, and payments for employee services.³¹ In another breakdown, the Chamber of Commerce apportioned 22.8% of total payroll in 1959 to fringe payments as follows: legally required payments (employer's share only), 4.2%; pensions and other agreed-upon payments (employer's share only), 7.2%; paid rest periods, lunch periods, wash-up time, travel time, clothes-change time, get-ready time, etc., 2.4%; payments for time not worked, 7.2%; and other items, 1.8%.³² The details of this breakdown may be seen on Table III, pages 20 to 22.

It is apparent from the above breakdown that the biggest part of the total benefit program falls in the "time not worked" and the "agreed-upon payments" categories. These are the categories that have had the biggest increase in the last twenty years.

³⁰ Foegen, op. cit., p. 64.

³¹ D. W. Belcher, Wage and Salary Administration (New York: Prentice-Hall, Inc., 1955), pp. 454-457.

³² Chamber of Commerce of The United States, Fringe Benefits, 1959, a survey of 1,064 companies in the United States, (Washington, D.C.: 1960), p. 9.

TABLE III

FRINGE PAYMENTS BY TYPE OF PAYMENT, 1959
 COMPILED FROM A STUDY OF 1064 COMPANIES IN 1959
 BY THE CHAMBER OF COMMERCE OF THE UNITED STATES

Type of Payment	Total All Companies	Total All Manufacturing	Total All Nonmanufacturing
Total fringe payments as per cent of payroll	22.8	21.6	25.1
1. Legally required payments (employer's share only)	4.2	4.5	3.8
a. Old Age, Survivors and Disability Insurance	2.3	2.3	2.2
b. Unemployment Compensation			
(1) 0.3% tax to Federal Government	0.2	0.2	0.2
(2) State tax (net)	0.9	1.0	0.8
c. Workmen's Compensation (including estimated cost for self-insured)	0.7	0.9	0.5
d. Railroad Retirement Tax, Railroad Unemployment Insurance, state sickness benefits insurance, etc. **	0.1	0.1	0.1
2. Pension and other agreed-upon payments (employer's share only)	7.2	6.1	9.2
a. Pension plan premiums and pension payments not covered by insurance-type plan (net)	4.3	3.3	6.1
b. Life insurance premiums, death benefits, sickness, accident and medical-care insurance premiums, hospitalization insurance, etc. (net)	2.3	2.4	2.1

TABLE III (Cont'd.)

Type of Payment	Total All Companies	Total All Manufacturing	Total All Nonmanufacturing
c. Contributions to privately financed unemployment benefit funds	0.1	0.1	*
d. Separation or termination pay allowances	*	*	*
e. Discounts on goods and services purchased from company by employees	0.1	0.1	0.3
f. Miscellaneous payments (free meals, compensation payments in excess of legal requirements, payments to needy employees, tuition refunds, savings and stock purchase plans, etc.)	0.4	0.2	0.7
3. Paid rest periods, lunch periods, wash-up time, travel time, clothes-change time, get-ready time, etc.	2.4	2.7	2.0
4. Payments for time not worked	7.2	6.7	7.9
a. Paid vacations and bonuses in lieu of vacation	4.0	4.0	3.8
b. Payments for holidays not worked	2.3	2.3	2.3
c. Paid sick leave	0.7	0.3	1.4
d. Payments for State or National Guard duty, jury, witness and voting pay allowances, payments for time lost due to death in family or other personal reasons, etc.	0.2	0.1	0.4

TABLE III (Cont'd.)

Type of Payment	Total All Companies	Total All Manu- facturing	Total All Normanu- facturing
5. Other items	1.8	1.6	2.2
a. Profit-sharing payments	0.9	0.9	0.9
b. Christmas or other special bonuses, service awards, suggestion awards, etc.	0.7	0.5	1.0
c. Special wage payment ordered by courts, payments to union stewards, etc.	0.2	0.2	0.3
Total fringe payments as cents per payroll hour	54.8	53.0	58.1
Total fringe payments as dollars per year per employee	1132	1103	1188
Number of companies	1064	692	372

* Less than 0.05%

** Figure shown is considerably less than legal rate, as most reporting companies had only a small portion of employees covered by tax.

1. VACATIONS AND HOLIDAYS

The War Labor Board encouraged and consistently followed a policy of ordering vacations with pay whenever presented with the issue. The minimum acceptable formula was one week's vacation with pay after from one to five years of service and two weeks after five or more years. Today the trend is towards two weeks after one year of service, three weeks after fifteen and four weeks after twenty-five years of service.³³

The history of paid holidays parallels closely that of vacation pay. A survey in 1936 showed only 9% of the companies surveyed granting paid holidays to production workers.³⁴ In the Chamber of Commerce survey of 1959, vacation payments were reported by 98% of the companies reporting and holiday payments were reported by 93% of the firms.³⁵ Many unions have acquired or are demanding the following occasion as holidays: Good Friday, Friday following Thanksgiving, Employee's birthday, and Monday following Easter.³⁶

2. PENSION AND RETIREMENT PLANS

Private pension plans in this country increased from 720 plans

³³Wistert, op. cit., p. 30

³⁴Irving Reubenstein and Rose Theodore, Monthly Labor Review, 72, (1951), pp. 24-26.

³⁵Chamber of Commerce of The United States, op. cit., p. 21.

³⁶Wistert, op. cit., p. 35.

covering some 2.4 million employees in 1930 to 15,000 plans covering 11 million employees in 1956.³⁷ This was partially due to legislation in this area. Many unions branded the Labor Management Relations Act (Taft-Hartley) as a "slave labor" law but actually it was instrumental in the growth of employee pensions. The National Labor Relations Board established that the act which encouraged the bargaining of "wages and other conditions of employment" would extend to pension and other welfare benefits.³⁸

A union spokesman proposed that Labor must continue to work for improvement in both OASI and private plans by adjusting both plans to the periodic changes in the cost-of-living index. He also stated that there is a need to continually push for higher levels of retirement income.³⁹

3. GROUP INSURANCE

Group life insurance dates back to the middle ages but it was of little importance in this country until after World War II. The main reason for the slow progress was the lack of uniform state legislation to apply to group coverage. In 1945 only one-third of the states had Group Life statutes. A movement for a uniform law began in 1946 and by

³⁷Yoder, op. cit., p. 681.

³⁸Wistert, op. cit., p. 44.

³⁹Jerome Pollock, "Controlling Employee Benefit and Pension Costs," (New York: American Management Association Special Report No. 23, 1957), p. 29.

1950 thirty states and the District of Columbia had statutory Group Life insurance definitions and policy provisions.⁴⁰

Group Hospital and Surgical Expense Insurance, as stated earlier, came about as a result of the depression. These plans have continued to grow in increased benefits and almost universal participation. Recently Major Medical Insurance plans have developed to cover prolonged or serious illness.⁴¹

A survey conducted in 1959 showed 98% of the companies reporting payments for employee insurance programs, with payments averaging 2.3% of payroll.⁴²

4. MISCELLANEOUS BENEFITS

The "coffee break" is probably the most popular of all benefits today. It came about as a wartime innovation to make factory and office work more palatable to women. A recent survey showed that 65% of the factories and 70% of the offices practice this ritual.⁴³

The paid sick leave gained momentum during the fifties. A survey conducted in 1955 showed a formal sick leave plan for 50% of the

⁴⁰ Ilse, op. cit., p. 83.

⁴¹ United States Department of Labor, "Analysis of Health and Insurance Plans Under Collective Bargaining, Late 1955," (Bulletin No. 1221, 1957), p. 83.

⁴² Chamber of Commerce of The United States, op. cit., p. 5.

⁴³ "Personnel Practices in Factory and Office," Studies in Personnel Policy No. 145, National Industrial Conference Board, Inc., Fifth Edition, (1954), p. 13.

salaries and 14% for hourly employees.⁴⁴ A great many concerns that have no formal plans give paid sick leave to salaried employees at management's discretion. These informal programs often provide extremely liberal treatment to some employees, but only token benefits to others who may not be in management's favor.⁴⁵

Profit Sharing has had a long record of experience in the United States. The first known plan was made in 1794 when Albert Gallatin, Secretary of the Treasury under Presidents Jefferson and Madison, tried it in his glass works.⁴⁶ There were other attempts at profit sharing during the nineteenth century and the early part of the twentieth century, but most of the plans were short lived. In 1927, The National Industrial Conference Board conducted a study among manufacturing establishments and found that only 197 out of 4,655 concerns, or 4.2% had a profit-sharing arrangement. A similar study in 1939 showed 158 companies out of 2,700, or 5.9%, had a type of profit sharing. The Conference Board estimated 10,000 or more plans in effect in 1957.⁴⁷ In 1961 the American Motors Corporation negotiated a profit sharing provision in its contract with the United Auto Workers' Union, which was the first of its kind in the auto industry. It was claimed to be the

⁴⁴Harland Fox, Management Record, National Industrial Conference Board, Inc., No. 17, (1955), pp. 152-153.

⁴⁵Wistert, op. cit., p. 90.

⁴⁶"Sharing Profits With Employees," Studies in Personnel Policy, No. 162, National Industrial Conference Board, Inc., (1957), p. 8.

⁴⁷Ibid., p. 9.

largest U. S. Company to negotiate a profit sharing and stock gift plan with a union.⁴⁸

III. BENEFIT COST

Management is becoming concerned, and rightly so, at the cost of employee benefits and services. Payments for time not worked constituted one-third of total fringe benefits in 1959. The payments are included in most government wage reports as a portion of employee wages. The payments give employees increased compensation for each hour actually on the job and the result is to increase the employer's cost for each hour of productive labor.⁴⁹

Pensions, group insurance, social security, and other payments for employee benefits are not a part of the payroll, and are not reflected in current income of employees. However, such benefits improve employee security and peace of mind, and also increase the cost of doing business.⁵⁰ In figuring costs, concerns will include not only the obvious expense but also the hidden costs expended in the administration of the benefit. When computed, the cost can be expressed in four ways: total annual cost for all employees, annual cost per employee, per cent

⁴⁸ "Profit-Sharing Plan is Victory for UAW," Business Week, (September 2, 1961), p. 37.

⁴⁹ Chamber of Commerce of The United States, op. cit., p. 4.

⁵⁰ Ibid.

of payroll, or cents per employee per hour.⁵¹

Benefit cost varies widely by industries, ranging from a high of 84 cents an hour, per employee, in petroleum to a low of 18 cents in hotels.

The spread in cost per employee as cents per payroll hour and as dollars per year can be seen in the following breakdown:

<u>Industry</u>	<u>Payroll Hour</u>	<u>Per Year</u>
Petroleum	83.6	\$1754
Banks, finance & trust companies	70.1	1384
Miscellaneous (mining, warehousing, construction, etc.)	68.8	1461
Public Utilities (water, electric, gas, etc.)	63.7	1342
Chemicals	61.6	1303
Primary metals	60.2	1212
Insurance	58.8	1152
Transportation equipment	56.1	1156
Fabricated Metals	55.3	1100
Machinery	54.7	1142
Printing & Publishing	53.6	1077
Instruments	52.7	1101
Electrical machinery	51.3	1083
Rubber and leather products	51.0	1039

⁵¹Wistert, op. cit., pp. 142-143.

<u>Industry</u>	<u>Payroll Hour</u>	<u>Per Year</u>
Food, beverages & Tobacco	50.3	\$1078
Stone, clay & glass products	46.7	980
Trade (wholesale & retail)	43.0	912
Pulp, paper, lumber & furniture	42.3	930
Textile products & apparel	38.0	801
Hotels	<u>18.4</u>	<u>401</u>
Average all industries	54.8	\$1132 ⁵²

In the study described above, the Chamber of Commerce found that payments ranged from less than 6% of payroll for benefits in a few hotels to more than 60% of payroll in some banks, with an average for all reporting concerns at 22.8% of payroll. The Chamber of Commerce warns that this should not be interpreted to mean that some industries or companies are laggard, because in many cases both the employer and the workers may prefer to have income reflected entirely in the pay envelope. ⁵³

High taxes on individual income is one of the many factors influencing increased employee benefits. The raise in pay is losing some of its appeal because it must be shared with the Government. ⁵⁴

⁵² Chamber of Commerce of The United States, op. cit., p. 10.

⁵³ Ibid.

⁵⁴ "Why Unions are turning from Raises to Fringes," U. S. News and World Report, (December 11, 1961), p. 99.

Recent union contracts in the auto industry, tool-and-die industry, meat-packing industry, and many others indicate that the trend will continue toward more and more "fringes" and smaller increases in pay.⁵⁵

The total cost of fringe benefits has steadily increased each year since World War II. In 1947 the cost was 10.5 billion dollars. From there it jumped to 15.5 billion in 1950, 20.5 billion in 1952, 25.5 billion in 1955, 32 billion in 1958, 39.5 billion in 1960 and an estimated 42 billion in 1961.⁵⁶

Statistics on costs of benefits should be taken lightly. Even in individual concerns the best analysis is only an estimate. This can best be seen in an example of an employee making \$2.00 an hour, getting two 15-minute coffee breaks a day for 240 days a year. The cost for time not worked would be 240 dollars a year for that employee. This same employee extending each coffee break for an additional 7 or 8 minutes would cost the company 360 dollars a year. For a concern with 1000 employees this would mean an additional cost of 120,000 dollars. It can be seen from this simple example that fringe benefit costs cannot be stated with much accuracy.

It would be inappropriate to summarize the costs of non-wage payments to the employee without mentioning the benefits employers receive in return for paying the bill. The next section will present this point of view.

⁵⁵Ibid., p. 100.

⁵⁶U. S. News and World Report, (June 5, 1961), op. cit., p. 101.

IV. NEGLECTED CONSIDERATIONS

A consideration that has long been neglected is a planned approach to employee benefits. One authority has listed the following reasons conventionally given for granting fringe benefits:

1. It is the "right thing to do."
2. It is necessary to attract and retain employees.
3. Unions must keep on demanding "more."
4. A government board sets a pattern and generalizes it.
5. A union forces a concession and generalizes it.
6. "We can afford it."
7. "We can get a better deal for our employees."
8. Keeping up with the Jones's.⁵⁷

Most of the conventional arguments for granting fringe benefits seem to rest on shaky economic grounds. For this reason the same author has listed the following criteria to guide management in considering the problem of fringe benefits:

1. The benefit should be of value both to the employer and the employee.
2. The benefit should not discriminate against the third party who pays the bill--the consumer.
3. The benefit should not interfere with the sound operation of the business.
4. The cost of the benefit must be calculable and its financing realistic and actuarially sound.
5. The benefit should not be a reward separate and apart from performance.
6. The benefit must lend itself to uniform, equitable, and strict administration.
7. Benefits should have an identifiable base.⁵⁸
8. The cost of the benefit should be shared.⁵⁸

⁵⁷"Fringe Benefits: Some Neglected Considerations," Personnel, (New York: American Management Association, Inc., January, 1957), pp. 337-340.

⁵⁸Ibid., pp. 121-122.

Many companies have become concerned with the rising costs of benefits and services and have tended to neglect the possibility that they may help to build a more loyal and productive work force if properly publicized. This does not mean merely telling employees how much the company spends on fringe benefits, but of much more importance to the employee are the benefits he actually reaps from the fringes the company provides.⁵⁹

One authority on the subject would play down the employer costs in publicizing the benefit program. This is done by communicating the facts about both fringe costs and fringe benefits to employees. For example, one company tells its employees:

We have a fringe benefit program that requires us to pay \$1,000 a year for each employee on our payroll. It's a sizable expense to pay over and above our regular wage and salary rates, but we pay it to protect you.

If you or a member of your family has to go to the hospital for a serious operation, the medical benefits we purchase will cover your major expenses. If you are still with us when you reach retirement age, the contributions we make to the pension plan in your behalf will assure you a comfortable income during your leisure years. If you should die before then, the insurance premiums we are paying in your name will leave your dependents provided for.

These are just a few of the benefits you get for the \$1,000 we spend each year to protect you. The same protection would cost you, as an individual, many times the \$1,000 we pay. Why not verify this by calling an insurance agent and requesting an estimate? Remember too, that while we pay reduced rates because we buy in volume, there is no reduction in the value of the protection you get. Thus, in effect, our fringe program is a joint venture from which we both profit. And the same kind of two-way profit can be realized from all our mutual undertakings. A company depends on

⁵⁹ Management Record, (April, 1959), op. cit., p. 109.

its employees. If the employees are doing their jobs in the best way they know how, the company should prosper.

You have our pledge: if we prosper, you'll prosper too.⁶⁰

The above approach is probably the most effective, but the least used. The most common approach is devised to bring the cost of fringe benefits to the attention of employees. This has been done in the form of facsimile paychecks or bank books, or various brochures using charts and graphs to illustrate the distribution of the payroll dollar.⁶¹

V. CONCLUSIONS

In this chapter no attempt has been made to cover in detail any one benefit. The benefits are so numerous and varied that a detailed study of any one of them would be voluminous. It is hoped that this chapter has served as a review of some of the aspects of non-wage benefits to the reader.

An appropriate conclusion to the chapter could probably best be expressed in the following quotation by an authority in this area:

The prime concern of a business is to provide a return on the capital invested by its owners or shareholders. Yet, paradoxically, the employees of the average company receive far more dollars in fringe benefits than do the investors in dividends. But by this imbalance the investor is (unhappily) subsidizing the future of free enterprise as opposed to the Socialistic State and thus guaranteeing future outlets for investment capital.

Narrowing the problem down to the individual company, it is difficult to place an accurate dollar value on the return from fringe

⁶⁰ Ibid., pp. 121-122.

⁶¹ Wistert, op. cit., p. 146.

expenditures when dealing with such intangibles as being a good place to work or the loyalty of one's employees or the respect of the community. But whatever the value received by the employer, it is proportional to the effort expended toward a sound and thorough job of communication to the employees and the general public.⁶²

⁶² Ibid., p. 145.

CHAPTER III

INTERVIEW RESULTS

I. INTRODUCTION

This chapter is devoted entirely to information obtained from the 100 employees interviewed at the Medical College of Virginia. The measurable data has been classified and is included in this chapter and in the appendices.

II. EMPLOYEE INTEREST IN BENEFITS

Three questions in the interview were devoted to determining employee interest or disinterest in benefits. They were as follows:

- (1) When someone mentions employee benefits or fringe benefits to you, what is the first thing that comes to mind?
- (2) When you were employed, was the benefit program explained to you and, if not, did you inquire about any benefits at that time or have you made inquiries since? and
- (3) Would you like to have the benefit program explained to you or would you like to have more information regarding your benefits?

A. FIRST THOUGHTS AT MENTION OF EMPLOYEE BENEFITS

Interviewees indicated that the following thoughts came to mind at the mention of benefits: vacations, holidays, insurance, retirement, sick leave, credit union, reduced hospital bills, extras for employees, and nothing.

Of the total of 100 interviewed, twenty-three indicated that nothing came to mind or that they did not understand the terms used; seventeen thought of sick leave; sixteen were reminded of insurance; fifteen said extras for employees; eleven thought of holidays; nine said retirement; seven said vacations; one thought of credit union; and one thought of reduced hospital bills. A detailed classification may be seen in the appendices in Table XVII, pages 83 through 88.

A significant variance was noted in the racial classification in that only one of the twenty-eight non-white employees interviewed, or 3%, thought of retirement at the mention of employee benefits, whereas eight of the seventy-two, or 11%, of the white employees suggested retirement as a first thought.

A similar variance was noted by sex. None of the twenty-four male employees interviewed mentioned retirement, as compared to nine of the seventy-six female employees, or 12%, who gave retirement as a first thought at the mention of benefits. A percentage comparison may be noted in Table IV on page 37.

A noticeable difference was recorded between single and married employees. Single employees thought mostly of vacations and insurance while married employees had first thoughts of sick leave and extras for employees.

It should be noted that none of the employees interviewed under thirty years of age thought of holidays or retirement and six of the seven employees that thought of vacations had been with the employer two years or less.

TABLE IV

FIRST THOUGHTS AT MENTION OF EMPLOYEE BENEFITS
AND SERVICES BY RACIAL AND SEX GROUPS

First Thoughts	Number Responding by Category	White	Non-white	Male	Female
Vacations	7	6%	11%	4%	8%
Holidays	11	11%	11%	17%	9%
Insurance	16	18%	11%	17%	16%
Retirement	9	11%	3%	0%	12%
Sick leave	17	17%	18%	8%	19%
Credit Union	1	0%	3%	0%	1.5%
Reduced Hospital Bills	1	1%	0%	0%	1.5%
Extras for Employees	15	14%	18%	17%	15%
Nothing	23	22%	25%	37%	18%
Total	100	100%	100%	100%	100%

NOTE: read as follows - Of the white employees interviewed, 17% thought of sick leave at the mention of employee benefits.

B. INQUIRIES MADE REGARDING BENEFITS BEFORE OR DURING EMPLOYMENT

Employees were asked if they had made inquiries regarding benefits or if the benefit program had been explained to them. Of the total of 100 interviewed, twenty said that they had made inquiries; forty-nine indicated that they had not made inquiries and to their knowledge the benefit program had not been explained to them; and thirty-one said that the benefits had been explained to them fully when they were employed without having to ask. It has been the practice for some years for the personnel department to inform all new employees of the benefits available. A large percentage of those interviewed were employed before the personnel department was established and have subsequently received secondhand information on benefits. Further details of results may be seen in the appendices in Table XVIII, pages 89 through 91.

It is noted that no inquiries had been made relative to benefits from the following groups: under 20 years of age, seven interviewed; between 31 and 35 years of age, nine interviewed; over 20 years with the present employer, seven interviewed; and hourly employees, eight interviewed.

The over 45 age group showed a low percentage of inquiries, which could possibly be of some significance. Only three of the thirty-six interviewed, or 8%, had made inquiries regarding benefits.

A classification that had a significant variation was sex. Only two of the twenty-four male employees interviewed, or 8%, had made inquiries regarding the benefit program, whereas, eighteen of the

seventy-six, or 24%, of the female employees had made such inquiries. This breakdown may be noted in Table V on page 40.

It was noted that only two of the fifteen supervisory personnel interviewed indicated that the benefit program had been explained to them at the time they were employed.

C. DESIRE FOR INFORMATION REGARDING THE BENEFIT PROGRAM

The interviewees were asked if they would like to have more information on the benefits available to them or if they would like to have the benefit program more fully explained to them. Of the total interviewed, thirty-eight indicated that they would like more information; and sixty-two indicated that they understood the benefit program completely and would rather not be bothered with more information. A compilation of the results may be noted in the appendices in Table XIX, pages 92, 93, and 94.

Of the various classifications, a greater desire was noted for more information in the following groups: non-white, fourteen of the twenty-eight, or 50%, expressed a desire for more information; age group between 36 and 45 years of age, nine of the eighteen, or 50%, wanted more information; and the group that had been with the present employer from 2 to 5 years, twelve of the twenty-three interviewed, or 52%, expressed a desire for more information.

The groups that expressed a complete understanding of the benefit program were: over 45 years of age, twenty-five, of the thirty-six interviewed, or 70%, of the group; and over 20 years with the

TABLE V
A COMPARISON BY SEX AND AGE GROUPS OF
INQUIRIES MADE BEFORE OR DURING
EMPLOYMENT REGARDING EMPLOYEE BENEFITS

Inquiries Made	Number Responding by Category	Male	Female	Over 45 Years of Age
Yes	20	8%	24%	8%
No	49	46%	50%	56%
Explained when Employed	31	46%	26%	36%
Total	100	100%	100%	100%

NOTE: read as follows - 56% of the over forty-five age group indicated they had not made inquiries regarding benefits.

present employer, five of the seven interviewed, or 71%, indicated a complete understanding of the benefit program. A percentage breakdown can be seen in Table VI on page 42.

III. EMPLOYEE KNOWLEDGE OF BENEFITS

Two questions in the interview were directed at employee knowledge of benefits and services. They were: (1) (from a list of numerous benefits) identify the benefits which are provided partially or wholly by your employer; and (2) give the number of paid holidays. It is recommended that the reader review the "definition of the terms used" in Chapter I before proceeding, to eliminate any doubts concerning the meaning of terms used in this section.

A. MAJOR BENEFITS READILY IDENTIFIED

Of the total of one hundred individuals interviewed, ninety-two were salaried and eight were hourly paid. The hourly employees were segregated in the compilation because their benefits were limited.

The major benefits available to salaried employees were as follows: paid sick leave, coffee breaks, guaranteed salary, group life insurance, group hospitalization and surgical insurance, retirement plan, paid vacations, and paid holidays. Detailed results may be seen in Table VII on page 43.

Of the ninety-two salaried employees interviewed, one was uncertain about the availability of sick leave; twenty indicated that coffee breaks were not available; three said they did not have a guaranteed

TABLE VI
DESIRE FOR INFORMATION REGARDING BENEFITS
BY AGE AND RACIAL GROUPS

Employees' Desires	Number Responding by Category	Non-white	White	Over 20 Years with Employer
Would Like More Information	38	50%	33%	29%
Understood Benefit Program Completely	62	50%	67%	71%
Total	100	100%	100%	100%

NOTE: read as follows - 50% of the non-white group indicated that they would like more information regarding benefits.

TABLE VII

**OPINION OF 92 SALARIED EMPLOYEES REGARDING THE AVAILABILITY
OF MAJOR BENEFITS AND SERVICES COMPARED TO ACTUAL**

Major Benefits and Services	Employee Opinion				Benefits Available to Salaried Employees
	Available	Not Available	Uncertain	Total	
Sick Leave	91	0	1	92	Yes
Christmas Bonuses	1	91	0	92	No
Coffee Breaks	72	20	0	92	Yes
Guaranteed Wage (annual)	89	3	0	92	Yes
Group Life Insurance (employee)	76	13	3	92	Yes
Group Hospitalization and Surgical Insurance (family)	87	4	1	92	Yes
Premium Pay (overtime)	8	84	0	92	No
Retirement Plan	90	0	2	92	Yes
Paid time off for:					
Vacation	91	1	0	92	Yes
Employee Birthday	2	88	2	92	No
Holidays	92	0	0	92	Yes
Maternity Leave	14	77	1	92	No

salary; thirteen said that group life insurance was not available and one was uncertain; two were uncertain whether the employer provided a retirement plan; one said that he did not get paid vacations; and all interviewees identified holidays as a benefit paid for by the employer. Most of the employees interviewed stated that coffee breaks were not granted in the benefit program but were taken by individuals out of habit.

Of the major benefits not available to salaried employees, the following results were obtained: one employee said Christmas bonuses were provided, eight said it was possible to get premium pay for overtime, two said they would receive paid time off for their birthday and two were uncertain, and fourteen said they would receive paid time off for maternity leave and one was uncertain.

B. MINOR BENEFITS AND SERVICES WHERE THERE WAS DOUBT

The minor benefits and services available to a majority of the salaried employees were: travel allowances (where applicable), credit assistance, credit union, discounts on purchases of drugs and hospital bills, escalator (cost of living) adjustments, food services subsidised, workmen's compensation, and paid time off for jury duty and voting. A list of minor benefits may be seen in Table VIII on pages 45 and 46.

Some of the doubts in this category were attributable to the fact that employees had never inquired about the benefits because they had no need for them. Of the ninety-two salaried employees interviewed, considerable doubt was detected regarding the following benefits and

TABLE VIII

OPINION OF 92 SALARIED EMPLOYEES REGARDING THE AVAILABILITY
OF MINOR BENEFITS AND SERVICES COMPARED TO ACTUAL

Minor Benefits and Services	Employee Opinion				Benefits Available to Salaried Employees
	Available	Not Available	Uncertain	Total	
Advances on Wages	68	19	5	92	No
Board and Room Allowances	1	89	2	92	No
Travel Allowances (where applicable)	21	71	0	92	Yes
Severance Pay	7	85	0	92	No
Credit Assistance (provide references to banks or other concerns)	47	35	10	92	Yes
Credit Union	71	17	4	92	Yes
Discounts on Purchases of Drugs and Hospital Bills	81	9	2	92	Yes
Educational Grants and Refunds	21	60	11	92	No
Escalator (cost of living) adjustments	14	72	6	92	Yes
Food Services (subsidized)	23	69	0	92	Yes
Assistance in Obtaining Housing	22	64	6	92	Yes

TABLE VIII (Cont'd.)

Minor Benefits and Services	Employee Opinion				Benefits Available to Salaried Employees
	Available	Not Available	Uncertain	Total	
Nursery Services	23	65	4	92	No
Savings Plan	47	43	2	92	No
Unemployment Benefits	26	58	8	92	No
Workmen's Compensation	65	18	9	92	Yes
Paid Time off for: Funerals	53	35	4	92	Yes
Jury Duty	35	45	12	92	Yes
Lunch	40	52	0	92	No
Medical or Dental Appointments	29	56	7	92	No
Personal Reasons	25	65	2	92	No
Weddings	5	86	1	92	No
Voting	54	35	3	92	Yes

services: advances on wages, sixty-eight employees thought this available and ten were uncertain; credit union, seventeen said they had no knowledge of this benefit and four were uncertain; savings plan, forty-seven stated that one was available and two were uncertain; and paid time off for jury duty, forty-five did not know it was provided and twelve were uncertain.

Doubts were noted to some extent in all categories. There was much confusion regarding unemployment benefits, workmen's compensation, and paid time off.

C. KNOWLEDGE OF BENEFITS AND SERVICES PROVIDED HOURLY EMPLOYEES

Only eight hourly employees were included in this study. The number interviewed was not significant. The main objective in including this group, receiving fewer benefits, was to use it as a basis for comparison.

The benefits and services available to most hourly employees were as follows: coffee breaks, credit assistance, discounts on drugs and hospital bills, escalator (cost of living) adjustments, group hospitalization, assistance in obtaining housing, and workmen's compensation. A list of the benefits and services may be seen in Table IX on pages 48 and 49.

There was comparatively more confusion among the hourly employees regarding benefits and services available because benefits are not stressed for this group. Statements made by hourly employees indicated that discounts on drugs and hospital bills were by far the first choice.

TABLE IX

**OPINION OF 8 HOURLY PAID EMPLOYEES REGARDING THE AVAILABILITY
OF BENEFITS AND SERVICES COMPARED TO ACTUAL**

Benefits and Services	Employee Opinion			Total	Benefits Available to Hourly Employees
	Available	Not Available	Uncertain		
Advances on Wages	5	3	0	8	No
Coffee Breaks	6	2	0	8	Yes
Credit Assistance (Provide References to Bank etc.)	3	4	1	8	Yes
Discounts on Drugs and Hospital Bills	5	3	0	8	Yes
Food Services (Subsidized)	3	5	0	8	No
Credit Union	2	5	1	8	No

TABLE IX (Cont'd.)

Benefits and Services	Employee Opinion			Total	Benefits Available to Hourly Employees
	Available	Not Available	Uncertain		
Escalator (Cost of Living) Adjustments	2	6	0	8	Yes
Group Life Insurance	4	4	0	8	No
Retirement Plan	1	7	0	8	No
Savings Plan	3	5	0	8	No
Workmen's Compensation	0	5	3	8	Yes
Group Hospitalization and Surgical Insurance (family)	3	5	0	8	Yes
Assistance in Obtaining Housing	1	7	0	8	Yes

D. KNOWLEDGE OF PAID HOLIDAYS

Only salaried employees receive paid holidays, therefore this section includes ninety-two interviews. The actual number of paid holidays for this group was eleven plus an additional one or two days at the discretion of the governor.

The ninety-two employees, when questioned regarding the number of paid holidays, answered as follows: twelve indicated that they received less than 9 holidays; three said 10 holidays; twenty-two said 11 holidays; twenty said 12 holidays; twenty-one said 13 holidays; and fourteen had no idea. A further breakdown may be noted in the appendices in Table XX, pages 95 through 100.

Some of the confusion was attributable to the fact that the number of paid holidays varies from year to year. The over forty-five age group seemed to be more confused than the younger employees. This could possibly have been caused by the lack of desire for holidays among older employees. There was very little confusion among supervisory personnel concerning the number of paid holidays. These facts can be seen in Table X on page 51.

IV. EMPLOYEE CHOICE OF AND PREFERENCE FOR BENEFITS

Questions were directed at employees to determine the following: (1) first and second choice among major benefits (sick leave, vacations, holidays, retirement, and insurance); (2) benefits employees considered unnecessary and should be eliminated; (3) preference for benefits versus

TABLE X

KNOWLEDGE OF THE SUPERVISORY PERSONNEL AND AGE GROUP
REGARDING THE NUMBER OF PAID HOLIDAYS

Number of Paid Holidays	Number Responding by Category	Under 20 Years of Age Group	Over 45 Years of Age Group	Supervisory
Under Nine	12	0%	8%	7%
Ten	3	0%	8%	0%
Eleven	22	0%	31%	53%
Twelve	20	25%	25%	33%
Thirteen	21	25%	17%	7%
No Idea	14	50%	11%	0%
Total	92	100%	100%	100%

NOTE: read as follows - Of the supervisory personnel interviewed, 53% said they received eleven paid holidays per year.

pay; and (4) choice between the elimination of benefits and a substantial raise in salary.

A. FIRST AND SECOND CHOICE AMONG MAJOR BENEFITS

The one hundred employees interviewed indicated their first choice among major benefits as follows: twenty-eight employees indicated sick leave; twenty-eight said vacations; twenty-three said retirement; seventeen said insurance; and only four considered holidays their first choice. The trend for second choice was very similar: thirty-one employees indicated sick leave; twenty-three said vacations; twenty said retirement; sixteen would take insurance; and only ten considered holidays their second choice. A complete classification of the results may be observed in the appendices in Table XXI on pages 101 through 105.

Sick leave was mentioned most often as the first or second choice among major benefits, indicating a desire for continued pay during sickness.

An unusual occurrence appeared in the results in that only four of the one hundred interviewed mentioned holidays as a first choice and only ten mentioned holidays as a second choice. Three of the four considering holidays as a first choice were male employees. This was unusual in that the interviewed employees receive eleven or more paid holidays, which the author considers the maximum.

A variance occurred in the non-white classification in that only five of the twenty-eight interviewed, or 18%, considered sick leave their first choice.

It was noted that of the thirteen employees with the present employer less than one year, only two, or 15%, indicated sick leave as a first choice among major benefits and four, or 31%, mentioned vacations. The seven employees interviewed having over twenty years with the employer expressed the opposite view point in that three, or 43%, chose sick leave and one, or 14%, picked vacations. This comparison may be seen in Table XI on page 54.

B. UNNECESSARY BENEFITS

Employees were asked if they considered any of the benefits available to them to be unnecessary and if they thought the benefit or benefits should be eliminated. Only ten of the one hundred interviewees answered this in the affirmative. Three employees said there were too many holidays; three employees would give up coffee breaks; two employees thought the retirement plan unnecessary; one would eliminate social security if possible; and one had no desire to receive meals at a reduced price in the cafeteria. A further compilation may be seen in the appendices in Table XXII, pages 106 through 110.

It was noted that only white salaried employees considered some benefits to be unnecessary. The two interviewees that thought retirement benefits unnecessary were under twenty-five years of age and the three that would eliminate coffee breaks were over thirty years of age. A comparison may be seen in Table XII on page 55.

TABLE XI

FIRST AND SECOND CHOICE AMONG MAJOR BENEFITS
CLASSIFIED BY RACE, AGE, AND LENGTH OF EMPLOYMENT

Major Benefits	Number Responding by Choice and by Category		Non-white	Under 1 Year with Employer	Over 20 Years with Employer
	1st choice	2nd choice	1st choice	1st choice	1st choice
Sick Leave	28	31	18%	15%	43%
Vacations	28	23	32%	31%	14%
Holidays	4	10	7%	15%	0%
Retirement	23	20	25%	8%	29%
Insurance	17	16	18%	31%	14%
Total	100	100	100%	100%	100%

NOTE: read as follows - Of those employees interviewed with the employer less than one year, 31% indicated vacations their first choice among major benefits.

TABLE XII

BENEFITS CONSIDERED UNNECESSARY BY AGE GROUP

Benefits	Number Responding by Category	Under 25	Over 30
		Years of Age Number	Years of Age Number
Holidays	3	2	1
Coffee Breaks	3	0	3
Retirement	2	2	0
Social Security	1	0	1
Subsidized Food Services	1	0	1
All Necessary	90	x	x
Total	100	x	x

NOTE: read as follows - Of the ten interviewees who considered some benefits unnecessary, three in the over thirty age group considered coffee breaks unnecessary.

C. EMPLOYEE PREFERENCE FOR BENEFITS VERSUS PAY

Interviewees were asked to indicate their choice among the following categories: same benefits with more pay, sixty-six of the 100 employees picked this category; greater benefits with same pay was chosen by twenty-six employees; less benefits with more pay, the choice of seven; and no benefits with more pay was chosen by only one interviewee. Of course, it was explained that the more or less differences would be in the same ratio. An analysis of the preferences is presented in the appendices in Table XXIII, pages 111 through 116.

A substantial difference was noted in the following classifications: fifty-three of the seventy-six female employees, or 70%, preferred the same benefits with more pay in contrast to thirteen of the twenty-four, or 54%, of the male employees; twenty-eight of the thirty-nine single employees, or 72%, preferred same benefits with more pay, whereas only thirty-eight of the sixty-one married employees, or 62%, preferred this category; and twenty-seven of the thirty-six interviewees over forty-five years of age, or 75%, preferred the same benefits with more pay as compared to three of the seven employees under twenty years of age, or 43%, preferring this category.

Some noted differences were found in the job classification. Of the fifteen supervisory personnel interviewed, only two, or 13%, preferred greater benefits with the same pay and only two of the sixteen nursing personnel, or 13%, preferred that category. Of the thirty-two clerical employees interviewed, eleven or, 34%, preferred greater

benefits with the same pay and four of the thirteen technical employees, or 31%, preferred that category. The preference between pay and benefits may be seen in Table XIII on page 58.

D. CHOICE BETWEEN ELIMINATION OF BENEFITS AND RAISE IN SALARY

Employees were asked if they would agree to eliminate all benefits including social security, holidays, vacations, overtime pay, insurance, pensions, sick leave, coffee breaks, etc., in exchange for a \$1,000 raise in salary.

Eighty-one of the 100 interviewed would flatly refuse the raise. The other nineteen indicated, offhand, that they would gladly welcome the exchange. It was noted that social security most often influenced the decision not to accept the exchange. The complete results of the answers to this question may be seen in the appendices in Table XXIV on pages 117 through 119.

When confronted with making a choice, eight of the twenty-four male employees interviewed, or 33%, indicated a desire to accept a raise and eliminate benefits. Only eleven of the seventy-six female interviewees, or 14%, indicated that choice.

In the under twenty years of age group, all of the seven employees interviewed expressed a desire to keep the present benefits and services and refuse a raise of one thousand dollars. Only one of the fifteen supervisory personnel and only one of the sixteen nursing personnel expressed a desire to accept the raise in exchange for benefits and services. In contrast, nine of the twenty-four laborers

TABLE XIII

PREFERENCE: PAY VERSUS BENEFITS, CLASSIFIED BY POSITION

Pay Versus Benefits	Number Responding by Category	Supervisory	Nursing	Clerical	Technical
Greater Benefits with Same Pay	26	13%	13%	34%	31%
Less Benefits with More Pay	7	0%	6%	10%	15%
No Benefits with More Pay	1	0%	0%	0%	0%
Same Benefits with More Pay	66	87%	81%	56%	54%
Total	100	100%	100%	100%	100%

NOTE: read as follows - 87% of the supervisory group indicated a preference to keep the same benefits with more pay.

expressed such a desire. A comparison may be seen in Table XIV on page 60.

V. OPINION CONCERNING COSTS

Questions regarding costs were prompted by literature on the subject. Statistics on the national average of costs to employers can be seen on page 29. Two questions were devoted to determining employee knowledge of benefit costs: (1) What percentage of your income is provided in benefits and services by your employer? and (2) What is the average cost of benefits and services provided by your employer, per employee, per year? All answers were from offhand knowledge.

A. PERCENTAGE OF INCOME PROVIDED IN BENEFITS AND SERVICES BY EMPLOYER

The answers to the question regarding percentage of payroll were for the most part "guesstimates." It has been estimated that the actual percentage for the individuals interviewed would range between 21% and 25%.

The 100 employees interviewed as to the percentage of income provided in benefits and services by the employer answered as follows: eleven thought the range would be under 5%; forty-three said between 5% and 10%; sixteen said between 10% and 15%; five were of the opinion that that it would range between 15% and 20%; four picked from 20% to 25%; no one considered the range between 25% and 30%; one individual thought it to be over 30% of his income; and twenty had no idea and refused to

TABLE XIV

PREFERENCE WHEN CONFRONTED WITH CHOICE OF \$1,000 RAISE
IN EXCHANGE FOR ELIMINATING ALL BENEFITS INCLUDING
SOCIAL SECURITY BY SEX GROUP AND POSITION

Preference	Number Responding by Category	Male	Female	Supervisory	Labor
Accept Raise, Eliminate Benefits	19	33%	14%	7%	37%
Refuse Raise, Keep Benefits	81	67%	86%	93%	63%
Total	100	100%	100%	100%	100%

NOTE: read as follows - 93% of the supervisory group indicated that they would refuse a \$1,000 raise in exchange for present benefits.

answer. A further analysis may be observed in Table XXV on pages 120 through 125 in the appendices.

It should be noted that 43% of those interviewed thought the percentage of income provided in benefits and services by the employer would range between 5% and 10%.

Some significance may be drawn from two large variances. Three of the seven interviewed in the under 20 years of age group, or 43%, stated that less than 5% of their income was provided in benefits and services. Five of the eight hourly employees thought that the percentage of income provided in benefits and services by the employer would be under 5%.

It was noted that supervisory personnel, as a whole, had a better understanding of the percentage of income provided in benefits and services by the employer than the other groups. This comparison may be seen in Table XV on page 62.

B. AVERAGE COST OF BENEFITS AND SERVICES TO THE EMPLOYER

It has been estimated that the average cost of benefits provided the interviewed employees would range between 600 and 700 dollars.

The employees were informed that time off with pay should be included along with administrative costs and payments into insurance and retirement. The answers were as follows: seven of the 100 interviewed indicated that the average cost per year would be under \$100; thirty-nine were of the opinion that it would range between \$100 and \$300; eighteen thought it to be between \$300 and \$500; ten said between

TABLE XV

OPINION REGARDING THE PERCENTAGE OF INCOME PROVIDED
IN BENEFITS AND SERVICES BY THE EMPLOYER,
CLASSIFIED BY AGE GROUP AND POSITION

Percentage of Income in Benefits	Number of Responses by Category	Under 20 Years of Age	Hourly Employees	Supervisory	Labor
Under 5%	11	43%	62%	7%	21%
5% to 10%	43	14%	0%	3%	54%
10% to 15%	16	0%	0%	27%	0%
15% to 20%	5	0%	0%	13%	4%
20% to 25%	4	0%	0%	13%	4%
25% to 30%	0	0%	0%	0%	0%
Over 30%	1	0%	0%	0%	0%
No Idea	20	38%	38%	7%	17%
Total	100	100%	100%	100%	100%

NOTE: read as follows - Of the labor group, 17% had no idea as to the percentage of income provided in benefits by the employer.

\$500 and \$700; two said between \$700 and \$900; five picked between \$900 and \$1100; one thought the cost to be over \$1100; and eighteen had no idea and refused to reply. A complete compilation of the results may be seen in the appendices in Table XXVI on pages 126 through 133.

It was noted that 39% of the employees, or the largest single group, said that the costs of benefits and services to the employer would range between 100 and 300 dollars. Possible significance may be drawn from the fact that no supervisory or clerical employees thought the cost of benefits to be under one hundred dollars, and no one in the under twenty years of age group thought the costs to be over three hundred dollars. The above facts may be noted in Table XVI on page 64.

VI. EMPLOYEE COMMENTS

The interviewed employees participated in the study by giving offhand comments in addition to answering questions in the constructed interview. Some of the more prominent comments were as follows:

1. Would like the State to pay more of the insurance premium.
2. We don't get many benefits compared to those given in industry.
3. Could do without holidays such as Lee-Jackson's birthday.
4. Look forward to receiving social security and retirement benefits.
5. Carry my own hospitalization plan with an outside company.
6. Don't need retirement plan, don't expect to stay here that long.
7. Would like to receive time and a half for overtime.
8. Would like better retirement benefits even if it cost more.
9. In taking this position, weighed benefits against higher salary at other places.
10. Would prefer less sick leave and more money.
11. Had a chance for two other jobs, but did not take them because of excellent benefit program here.
12. Think benefits are taken for granted.

TABLE XVI

OPINION REGARDING THE COST OF BENEFITS AND SERVICES
TO THE EMPLOYER, CLASSIFIED BY AGE GROUP AND POSITION

Cost of Benefits	Number of Responses by Category	Clerical	Supervisory	Under 20 Years of Age	Over 45 Years of Age
Under \$100	7	0%	0%	14%	0%
\$100 to \$300	39	38%	40%	43%	45%
\$300 to \$500	18	16%	26%	0%	14%
\$500 to \$700	10	9%	7%	0%	8%
\$700 to \$900	2	3%	7%	0%	0%
\$900 to \$1100	5	3%	13%	0%	8%
Over \$1100	1	3%	0%	0%	0%
No Idea	18	28%	7%	43%	25%
Total	100	100%	100%	100%	100%

NOTE: read as follows - 43% of the under twenty age group thought the cost of benefits to the employer would range between \$100 and \$300.

13. Wish state would pay interests on retirement funds.
14. Never heard of terms, "employee benefits and services," "fringe benefits," or "non-wage benefits."
15. Had job short time, know nothing about benefit program.
16. Excellent benefits here, cannot improve.
17. Social Security is unnecessary.
18. Excellent working conditions at Medical College.
19. Benefit program should be improved.
20. Like vacations and holidays, would prefer more money.
21. Would prefer all salary, no benefits.
22. We need all the benefits received.
23. Benefit program is wonderful.
24. Have no interest in benefits.
25. Not satisfied, would like timeoff with pay (hourly paid employee).
26. Prefer benefits to remain as is.
27. Pay too low for attendants (hourly paid employee).
28. Benefit program explained to me, but don't remember details.
29. Retirement something to look forward to.
30. Don't get enough benefits.
31. Benefits chosen wisely.
32. Never thought about benefits, never concerned me.
33. The pay is good here and I like my work.

Of course, some of the comments above were made by more than one interviewee.

VII. CONCLUSIONS AND COMMENTS

A statement that was constantly heard from the interviewees in all categories was that they were satisfied with the benefits but would like more pay. Another topic that constantly appeared in the discussion was the coffee break. A large portion of the interviewed employees would not accept the fact that coffee breaks and other similar types of time off would actually be a cost to the employer. Others saw no cost to the employer for vacations and holidays because no one had to be hired to take their place during that time.

The results of this study could not be considered typical for all

concerns because a majority of those interviewed were women and a good portion of the women had no family obligations.

The results presented in this chapter were not biased by the author's knowledge of the benefits and services available to the interviewed employees because the actual benefits were not made known to the author until after the study was conducted.

CHAPTER IV

COMPARISONS AND OBSERVATIONS

I. INTRODUCTION

This chapter is intended to present comparisons and observations based on the findings in Chapter II on the review of literature, in Chapter III on the results of personal interviews and on the actual status of the benefit program at the Medical College of Virginia. It is not the author's intention to prove or disprove any facts on the subject of employee benefits, but merely to review and point out some of the factors influencing the subject that may be beneficial to interested parties in the future.

II. OPINION VERSUS ACTUAL

The interview results showed some definite opinions held by the employees under study towards non-wage benefits. Of course, the opinions are subject to many interpretations besides the author's. The term "actual" used in this section is based on information received from management regarding the benefit program available to the employees under study. Where costs were involved, management gave conservative estimates.

Knowledge of Benefits

When compared with the actual benefits and services available to the interviewed employees, the author is of the opinion that the study

group had a better than average knowledge of their benefit program.

Of the major benefits available to classified employees, over 95% recognized the existence of such benefits with two exceptions. Twenty of the ninety-two employees said coffee breaks were not available, which was possibly true in their cases, because of the nature of their jobs. The other exception was the availability of group life insurance for the employee. Thirteen of the ninety-two said it was not available and three were uncertain. An explanation for this variance could be the fact that participation in the program was not compulsory.

Classified employees were much less informed concerning the availability of minor benefits and services. An explanation for this could possibly be the lack of need for such benefits and services by all employees. Particular attention should be given to the following minor benefits or services: (1) Credit assistance, only 51% were sure of its availability; (2) Educational grants and refunds, only 65% recognized that this was not available; (3) Escalator (cost of living) adjustments, only 15% knew this to be true; (4) Assistance in obtaining housing, only 24% knew of this service; (5) Savings plan, 51% thought one available when in fact one, as such, does not exist; (6) Unemployment benefits, only 63% were sure that the state did not provide such; (7) Paid time off for jury duty, only 38% recognized this as a benefit provided by the state; and (8) Paid time off for lunch, 43% of the interviewed employees thought this time paid for by the employer.

Of all groups, hourly employees were probably the most uninformed on benefits and services, possibly because benefits are not stressed as

a strong point for them. None of the eight interviewed employees knew that workmen's compensation was available; only three of the eight recognized the availability of group hospitalization; only one knew that he could get assistance in obtaining housing; two recognized escalator (cost of living) adjustments; and only three knew that credit assistance was given by the employer.

The actual number of paid holidays for classified employees was eleven plus an additional one or two days given at the discretion of the governor. Only twenty-two of the ninety-two employees knew this as a fact. Although there was some confusion about the exact number of paid holidays, the majority, or sixty-three of the ninety-two employees, thought the number of paid holidays to be between eleven and thirteen.

Cost of Benefits

A majority of the interviewed employees had no knowledge of benefit costs. As can be seen in figures 1 and 2 on pages 70 and 71, the majority opinion concerning costs was far below actual. The Chamber of Commerce determined in 1959, through a survey of 1,064 concerns in the United States, that the average cost to the employer, for benefits and services per employee, per year was approximately 1132 dollars. The costs ranged from a low of \$401 in hotels to a high of \$1754 in petroleum. It was also determined from the survey that fringe payments averaged 22.8% of payroll. The percentage ranged from a low of 13.8% in hotels to a high of 31.7% in banks, finance and trust companies.¹

¹Chamber of Commerce of The United States, op. cit., p. 10.

Figure 1

PERCENTAGE OF PAYROLL

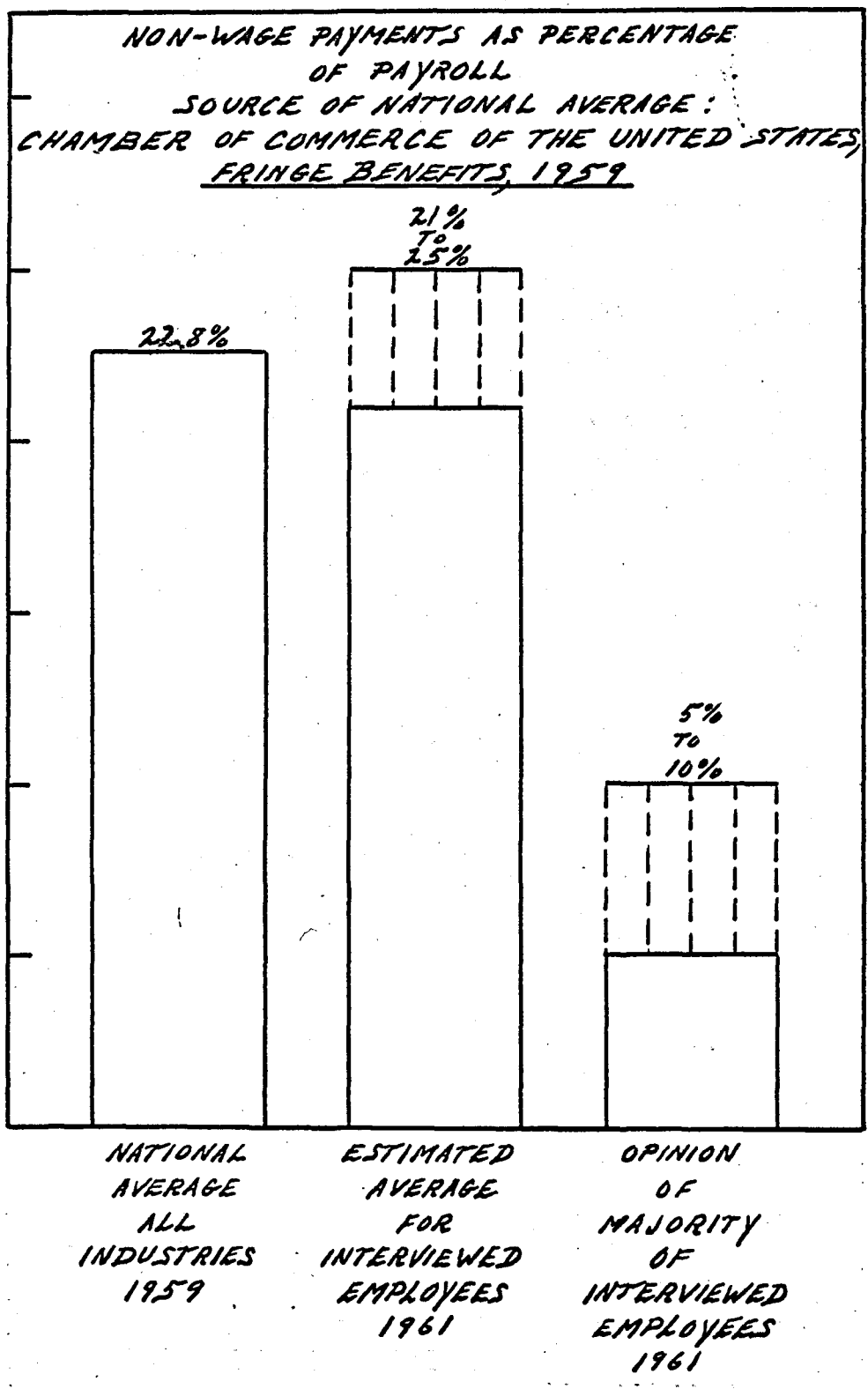
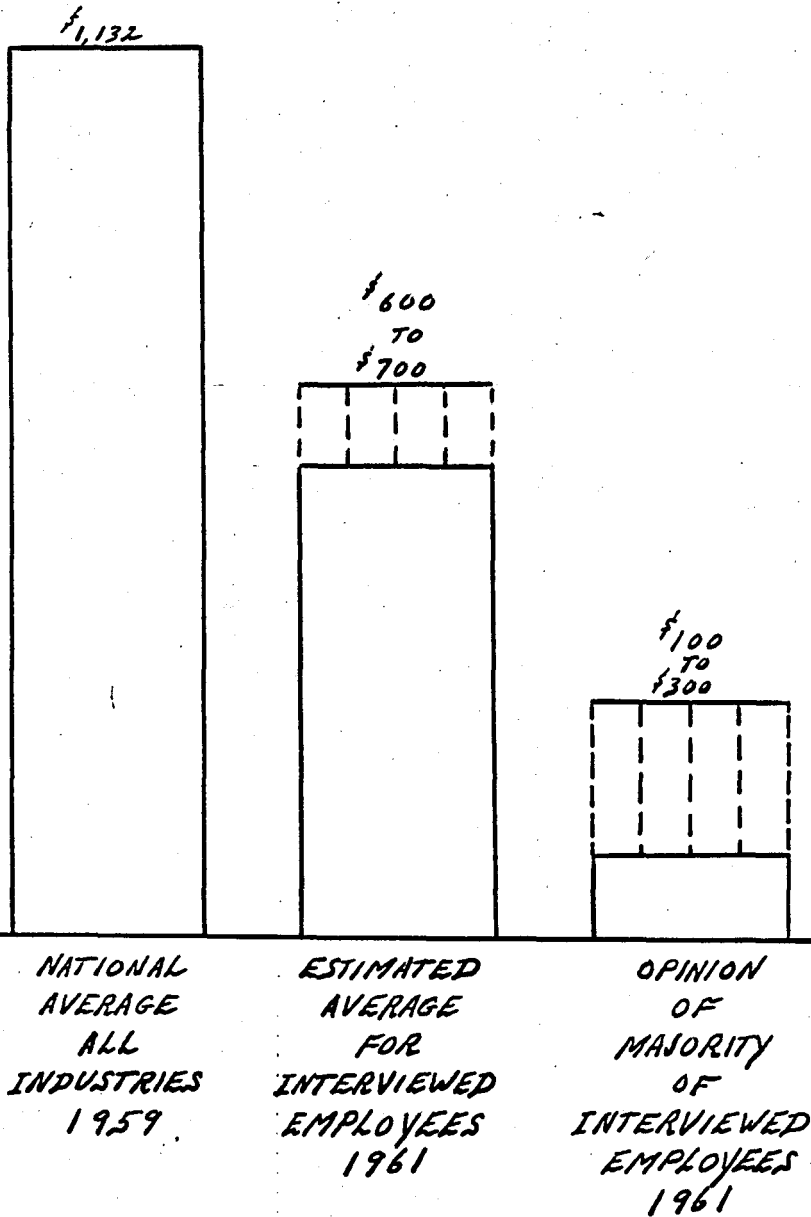


Figure 2

DOLLARS PER YEAR PER EMPLOYEE

NON-WAGE PAYMENTS AS DOLLARS PER YEAR
PER EMPLOYEE
SOURCE OF NATIONAL AVERAGE:
CHAMBER OF COMMERCE OF THE UNITED STATES,
FRINGE BENEFITS, 1959

\$1400
\$1300
\$1200
\$1100
\$1000
\$900
\$800
\$700
\$600
\$500
\$400
\$300
\$200
\$100



The actual cost of benefits and services per employee, per year, for the interviewed employees was estimated by management to be between six hundred and seven hundred dollars based on an average salary of \$3,000 per year. Management also estimated the percentage of cost for all employees to range between 21% and 25%.

A majority of the interviewed employees expressed an opinion that costs would range between one hundred and three hundred dollars and guessed the percentage to range between 5% and 10%. Only five of the one hundred employees interviewed said the percentage of income provided in benefits and services would range as high as the actual or above. There was very little discernible difference concerning costs noted between the groups under study.

III. OBSERVATIONS AND RECOMMENDATIONS

A. OBSERVATIONS FROM THE REVIEW OF LITERATURE

The limited review of fringe benefit literature by the author revealed the following facts:

(1) That, nationally, benefits and benefit costs have increased every year since World War II. Benefit costs have increased by a much larger percentage than have salaries during this period. The bulk of the literature found and reviewed pertained to costs.

(2) That the demand for benefits expressed in literature on the subject results not from employees, but from unions and management. It appears that benefits are used competitively by unions and management to

secure the goodwill and loyalty of employees.

(3) That employee attitudes and desires regarding benefits have not been publicized or stressed. There has either been neglect in this area or the cost of such involved studies is prohibitive. There is an indication that limited facts regarding employee attitudes towards benefits have been gathered from general attitude surveys by various concerns.

(4) That confusion reigns in literature concerning what actually constitutes a fringe benefit. As an example, premium pay for overtime is considered by some to be a fringe benefit and by others to be wages.

B. OBSERVATIONS AND RECOMMENDATIONS FROM THE INTERVIEW PHASE

For the most part, the interviewed employees showed very little concern for benefits and services. As expected, their biggest concern was for more cash in the pay envelope. As seen from another viewpoint, 90% of the interviewees did not desire to give up any of the benefits and services available to them.

The following observations were made in the study concerning attitudes toward and knowledge of benefits by classifications:

Race Classification. Among major benefits, the white employees indicated a preference for sick leave. The non-white group preferred vacations. There were no major differences in the response for benefits versus pay. The white interviewees did show a slightly better understanding of costs than did the non-white. The attitudes and knowledge

of the non-white group could have been influenced by the fact that a large portion were in the labor classification.

Sex Classification. Male employees, for the most part, indicated a preference for vacations as their first choice among major benefits, while females preferred sick leave. The female response to a preference for holidays was almost nonexistent. Both groups indicated a preference for same benefits with more pay, but a larger percentage of males preferred greater benefits with same pay than the female group. The response was mixed concerning costs, with neither group showing any substantial knowledge.

Marital Status. The response was varied regarding the major benefits, but single employees did show a greater interest in vacations than the married group. The married employees preferred sick leave. There was no major difference in the response for benefits versus pay or in the understanding of costs.

Age Group. A review of the first and second choices among major benefits indicated no pattern of responses by the various age groups. It was of interest that sick leave was not mentioned as a first choice by any employees in the under twenty age group. It is noted that 83% of those that mentioned retirement as a first choice were over thirty-six years of age. Regarding the preferences for benefits or pay, no perceptible pattern was established between the age groups. All age groups were uninformed concerning costs of benefits and services.

Length of Service. There was no discernible pattern of choices among benefits in the classification of length of service. It is noted that no persons employed five or more years indicated holidays as their first choice. The differences in the response in this group for benefits versus pay were negligible. The differences regarding costs were also minor.

Size of Family. The response in this group followed no perceptible pattern. The only differences noted were between the single and married employees.

Job Classification. The supervisory, clerical, and technical groups indicated a preference for sick leave in their choices among major benefits, while the nursing and labor groups preferred vacations. The technical and nursing groups evidenced a low interest in retirement. This may be explained by the fact that these groups were composed predominantly of young women. Again, the preference for same benefits with more pay was predominant in all classifications, but nursing and supervisory personnel indicated a stronger preference than the other groups. None of the groups had substantial knowledge of the cost of benefits; however, the supervisory group did indicate a greater understanding than the others.

Pay Group. Classified employees were predominantly in favor of sick leave and had very little desire for holidays. Hourly paid employees did not receive the major benefits but all listed as first and

second choices, vacations and holidays to the exclusion of any other major benefits. There was no major difference between the groups concerning benefits versus pay or regarding the costs of benefits and services. The group of hourly paid employees was so small that no definite conclusions could be stated regarding it.

Based on the foregoing, the following general observations and recommendations are made:

(1) The interviewed employees evidenced very little interest in paid holidays; only 4% of the total first choice responses indicated holidays as a preference. It is the author's opinion that one of the main factors influencing employee disinterest in holidays is the fact that compensatory time is often substituted for holidays because of the nature of work schedules. It is recommended that, in the future, an employee attitude study be conducted before any additional holidays are added to the program.

(2) The order of preference of the major benefits was indicated as follows: first, sick leave; second, vacations; third, retirement; fourth, insurance; and fifth, holidays.

(3) Employee interests for increased pay were much more pronounced than their concern for additional benefits. This preference was clearly shown in both the constructed interview and the comments by interviewees. It is recommended that this employee preference be considered before further extensions of benefits and services are made.

(4) The interviewed employees had very little knowledge of benefit costs. The author is of the opinion that costs had not been

reviewed or stressed by management. Employees might become more interested in and appreciative of benefits if costs were stressed in the information program.

(5) In general, employee benefits and services were taken for granted by the younger personnel interviewed. Many took the position that the employer had an obligation to provide benefits. If desirable by the employer, this attitude could be partly rectified through the information program.

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APPENDICES

TABLE XVII

FIRST THOUGHTS AT MENTION OF EMPLOYEE BENEFITS

Classification		Vacations	Holidays	Insurance	Retire- ment	Sick Leave	Extras for Employees	Miscel- laneous *	Nothing	Total
Race										
White	Number	4	8	13	8	12	10	1	16	72
	Percent	6	11	18	11	17	14	1	22	100
Non-white	Number	3	3	3	1	5	5	1	7	28
	Percent	11	11	11	3	18	18	3	25	100
Sex										
Male	Number	1	4	4	0	2	4	0	9	24
	Percent	4	17	17	0	8	17	0	37	100
Female	Number	6	7	12	9	15	11	2	14	76
	Percent	8	9	16	12	19	15	3	18	100

NOTE: read as follows - Four white employees, or 6% of a total of seventy-two interviewed, thought of vacations at the mention of benefits.

TABLE XVII (Cont'd.)

Classification		Vacations	Holidays	Insurance	Retire- ment	Sick Leave	Extras for Employees	Miscel- laneous *	Nothing	Total
Age Group										
Under 20	Number	0	0	3	0	1	1	0	2	7
	Percent	0	0	13	0	14	14	0	29	100
21 to 25	Number	3	0	2	0	4	3	0	7	19
	Percent	16	0	10	0	21	16	0	37	100
26 to 30	Number	2	0	2	0	2	2	0	3	11
	Percent	18	0	18	0	18	18	0	28	100
31 to 35	Number	1	2	3	0	0	1	0	2	9
	Percent	11	22	34	0	0	11	0	22	100
36 to 45	Number	1	2	1	4	2	3	1	4	18
	Percent	6	11	6	22	11	16	6	22	100
Over 45	Number	0	7	5	5	8	5	1	5	36
	Percent	0	19	14	14	22	14	3	14	100

TABLE XVII (Cont'd.)

Classification		Vacations	Holidays	Insurance	Retire- ment	Sick Leave	Extras for Employees	Miscel- laneous *	Nothing	Total
Number of years with Present Employer										
Under 1	Number	4	0	3	0	0	1	0	5	13
	Percent	31	0	23	0	0	8	0	38	100
1 to 2	Number	2	1	6	0	2	6	0	5	22
	Percent	9	5	27	0	9	27	0	23	100
2 to 5	Number	0	4	2	2	2	3	1	9	23
	Percent	0	17	9	9	9	13	4	39	100
5 to 10	Number	0	2	2	2	6	3	0	1	16
	Percent	0	12	12	12	38	19	0	7	100
10 to 20	Number	0	4	2	4	6	2	0	1	19
	Percent	0	21	11	21	31	11	0	5	100
Over 20	Number	1	0	1	1	1	0	1	2	7
	Percent	14	0	14	14	14	0	14	30	100

TABLE XVII (Cont'd.)

Classification		Vacations	Holidays	Insurance	Retirement	Sick Leave	Extras for Employees	Miscellaneous *	Nothing	Total
Size of Family										
One	Number	5	5	6	4	5	3	1	10	39
	Percent	13	13	15	10	13	8	3	25	100
Two	Number	0	3	2	3	4	5	0	9	26
	Percent	0	11	8	11	15	20	0	35	100
Three	Number	1	0	5	1	4	3	0	4	18
	Percent	6	0	28	6	22	16	0	22	100
Four	Number	0	2	1	0	0	2	1	0	6
	Percent	0	33	17	0	0	33	17	0	100
Five or More	Number	1	1	2	1	4	2	0	0	11
	Percent	9	9	18	9	37	18	0	0	100

TABLE XVII (Cont'd.)

Classification		Vacations	Holidays	Insurance	Retire- ment	Sick Leave	Extras for Employees	Miscel- laneous *	Nothing	Total
Position										
Supervisory	Number	2	5	0	2	0	3	0	3	15
	Percent	13	34	0	13	0	20	0	20	100
Clerical	Number	1	2	7	6	8	3	1	4	32
	Percent	3	6	22	19	25	9	3	13	100
Technical	Number	1	0	3	0	3	2	0	4	13
	Percent	8	0	23	0	23	15	0	31	100
Nursing	Number	2	1	1	0	4	4	1	3	16
	Percent	13	6	6	0	25	25	6	19	100
Labor	Number	1	3	5	1	2	3	0	9	24
	Percent	4	13	21	4	8	12	0	38	100

TABLE XVII (Cont'd.)

Classification		Vacations	Holidays	Insurance	Retire- ment	Sick Leave	Extras for Employees	Miscel- laneous *	Nothing	Total
Marital Status										
Single	Number	5	5	6	4	5	3	1	10	39
	Percent	13	13	18	10	13	7	3	25	100
Married	Number	2	6	10	5	12	12	1	13	61
	Percent	3	10	16	8	20	20	2	21	100
Pay Group										
Salaried	Number	7	11	13	9	17	13	2	20	92
	Percent	8	12	14	10	18	14	2	22	100
Hourly	Number	0	0	3	0	0	2	0	3	8
	Percent	0	0	38	0	0	25	0	37	100
Total Each Classification Number		7	11	16	9	17	15	2	23	100

* Credit Union and reduced hospital bills.

TABLE XVIII
INQUIRIES MADE BEFORE OR DURING EMPLOYMENT
REGARDING EMPLOYEE BENEFITS

Classification	Yes		No		Explained when Employed		Total Number
	Number	Percent	Number	Percent	Number	Percent	
Race							
White	12	17	35	48	25	35	72
Non-white	8	29	14	50	6	21	28
Sex							
Male	2	8	11	46	11	46	24
Female	18	24	38	50	20	26	76
Marital Status							
Single	7	18	18	46	14	36	39
Married	13	21	31	51	17	28	61
Age Group							
Under 20	0	0	5	71	2	29	7
21 to 25	6	32	8	42	5	26	19
26 to 30	5	46	3	27	3	27	11
31 to 35	0	0	5	56	4	44	9
36 to 45	6	33	8	45	4	22	18
Over 45	3	8	20	56	13	36	36

NOTE: read as follows - Eighteen female employees, or 24% of this group, made inquiries before or during employment regarding benefits.

TABLE XVIII (Cont'd.)

Classification	Yes		No		Explained when Employed		Total
	Number	Percent	Number	Percent	Number	Percent	Number
Number of Years with Present Employer							
Under 1	2	15	4	30	7	55	13
1 to 2	6	27	10	46	6	27	22
2 to 5	5	22	12	52	6	26	23
5 to 10	4	25	6	38	6	37	16
10 to 20	3	16	12	63	4	21	19
over 20	0	0	5	71	2	29	7
Size of Family							
One	7	18	18	46	14	36	39
Two	4	15	15	58	7	27	26
Three	4	22	8	45	6	33	18
Four	1	17	4	66	1	17	6
Five or more	4	36	4	36	3	28	11

TABLE XVIII (Cont'd.)

Classification	Yes		No		Explained when Employed		Total
	Number	Percent	Number	Percent	Number	Percent	Number
Position							
Supervisory	4	27	9	60	2	13	15
Clerical	5	16	15	47	12	37	32
Technical	1	8	8	61	4	31	13
Nursing	7	44	6	37	3	19	16
Labor	3	13	11	46	10	41	24
Pay Group							
Salaried	20	22	47	51	25	27	92
Hourly	0	0	2	33	6	67	8
Total Each Classification	20		49		31		100

TABLE XIX
DESIRE OF 100 EMPLOYEES FOR
INFORMATION REGARDING BENEFITS

Classification	Would Like More Information		Understand Benefit Program Completely		Total
	Number	Percent	Number	Percent	Number
Race					
White	24	33	48	67	72
Non-white	14	50	14	50	28
Sex					
Male	9	38	15	62	24
Female	29	38	47	62	76
Marital Status					
Single	14	36	25	64	39
Married	24	39	37	61	61

NOTE: read as follows - Twenty-four married employees, or 39% of this group, indicated a desire for more information regarding benefits.

TABLE XIX (Cont'd.)

Classification	Would Like More Information		Understand Benefit Program Completely		Total Number
	Number	Percent	Number	Percent	
Age Group					
Under 20	3	43	4	57	7
21 to 25	8	42	11	58	19
26 to 30	4	36	7	64	11
31 to 35	3	33	6	67	9
36 to 45	9	50	9	50	18
over 45	11	30	25	70	36
Number of Years With Present Employer					
Under 1	5	38	8	62	13
1 to 2	7	32	15	68	22
2 to 5	12	52	11	48	23
5 to 10	5	31	11	69	16
10 to 20	7	37	12	63	19
Over 20	2	29	5	71	7

TABLE XIX (Cont'd.)

Classification	Would Like More Information		Understand Benefit Program Completely		Total
	Number	Percent	Number	Percent	Number
Size of Family					
One	14	36	25	64	39
Two	11	42	15	58	26
Three	7	39	11	61	18
Four	2	33	4	67	6
Five or More	4	36	7	64	11
Position					
Supervisory	5	33	10	67	15
Clerical	11	34	21	66	32
Technical	6	46	7	54	13
Nursing	6	38	10	62	16
Labor	10	42	14	58	24
Pay Group					
Salaried	35	38	57	62	92
Hourly	3	37	5	63	8
Total Each Classification	38		62		100

TABLE XX

KNOWLEDGE OF SALARIED EMPLOYEES REGARDING THE NUMBER OF PAID HOLIDAYS

Classification	Under 9		10		11		12		13		No Idea		Total
	Num-ber	Per-cent	Num-ber	Per-cent	Num-ber	Per-cent	Num-ber	Per-cent	Num-ber	Per-cent	Num-ber	Per-cent	
Race													
White	8	12	2	3	17	25	16	24	15	22	9	14	67
Non-white	4	16	1	4	5	20	4	16	6	24	5	20	25
Sex													
Male	3	19	0	0	1	6	5	31	4	25	3	19	16
Female	9	11	3	4	21	29	15	20	17	22	11	14	76

NOTE: read as follows - Four non-white employees, or 16% of this group, said they received less than nine paid holidays per year.

TABLE XX (Cont'd.)

Classification	Under 9		10		11		12		13		No Idea		Total
	Num-ber	Per-cent	Num-ber	Per-cent	Num-ber	Per-cent	Num-ber	Per-cent	Num-ber	Per-cent	Num-ber	Per-cent	
Age Group													
Under 20	0	0	0	0	0	0	1	25	1	25	2	50	4
21 to 25	3	18	0	0	6	35	2	12	4	23	2	12	17
26 to 30	0	0	0	0	2	21	3	30	4	40	1	10	10
31 to 35	2	25	0	0	1	12	2	25	1	13	2	25	8
36 to 45	4	23	0	0	2	12	3	18	5	29	3	18	17
Over 45	3	8	3	8	11	31	9	25	6	17	4	11	36

TABLE XX (Cont'd.)

Classification	Under 9		10		11		12		13		No Idea		Total
	Num-ber	Per-cent	Num-ber	Per-cent	Num-ber	Per-cent	Num-ber	Per-cent	Num-ber	Per-cent	Num-ber	Per-cent	
Marital Status													
Single	4	12	1	3	7	22	9	29	4	12	7	22	32
Married	8	13	2	3	15	25	11	19	17	28	7	12	60
Pay Group													
Salaried	12	13	3	3	22	24	20	22	21	23	14	15	92
Hourly	0	0	0	0	0	0	0	0	0	0	0	0	0

TABLE XX (Cont'd.)

Classification	Under 9		10		11		12		13		No Idea		Total
	Num-ber	Per-cent	Num-ber	Per-cent	Num-ber	Per-cent	Num-ber	Per-cent	Num-ber	Per-cent	Num-ber	Per-cent	
Position													
Supervisory	1	7	0	0	8	53	5	33	1	7	0	0	15
Clerical	4	14	2	7	5	17	7	24	8	28	3	10	29
Technical	3	23	0	0	2	16	1	8	3	23	4	30	13
Nursing	1	6	0	0	3	19	1	6	7	44	4	25	16
Labor	3	16	1	5	4	21	6	32	2	10	3	16	19

TABLE XI (Cont'd.)

Classification	Under 9		10		11		12		13		No Idea		Total
	Num-ber	Per-cent	Num-ber	Per-cent	Num-ber	Per-cent	Num-ber	Per-cent	Num-ber	Per-cent	Num-ber	Per-cent	
Number of Years with Present Employer													
Under 1	0	0	0	0	3	33	1	12	3	33	2	22	9
1 to 2	1	5	0	0	3	15	5	25	6	30	5	25	20
2 to 5	5	23	0	0	4	18	5	23	5	23	3	13	22
5 to 10	2	13	0	0	6	37	4	25	3	19	1	6	16
10 to 20	4	22	2	11	4	22	2	11	3	17	3	17	18
Over 20	0	0	1	14	2	29	3	43	1	14	0	0	7

TABLE XX (Cont'd.)

Classification	Under 9		10		11		12		13		No Idea		Total
	Num-ber	Per-cent	Num-ber	Per-cent	Num-ber	Per-cent	Num-ber	Per-cent	Num-ber	Per-cent	Num-ber	Per-cent	
Size of Family													
One	4	12	1	3	7	22	9	29	4	12	7	22	32
Two	2	8	0	0	7	27	5	19	7	27	5	19	26
Three	3	17	2	10	5	28	3	17	5	28	0	0	18
Four	1	17	0	0	1	17	2	33	1	17	1	17	6
Five or More	2	20	0	0	2	20	1	10	4	40	1	10	10
Total Each Classification	12		3		22		20		21		14		92

TABLE XXI

FIRST AND SECOND CHOICE AMONG MAJOR BENEFITS

Classification		Sick Leave		Vacations		Holidays		Retirement		Insurance		Total
		1st choice	2nd choice	1st choice	2nd choice	1st choice	2nd choice	1st choice	2nd choice	1st choice	2nd choice	
Race												
White	Number	23	26	19	17	2	7	16	14	12	8	72
	Percent	33	36	26	24	3	10	22	19	16	11	100
Non-white	Number	5	5	9	6	2	3	7	6	5	8	28
	Percent	18	18	32	21	7	11	25	21	18	29	100
Sex												
Male	Number	6	4	10	7	3	6	4	7	1	0	24
	Percent	25	17	42	29	12	25	17	29	4	0	100
Female	Number	22	27	18	16	1	4	19	13	16	16	76
	Percent	29	36	24	21	1	5	25	17	21	21	100

NOTE: read as follows - Six male employees, or 25% of this group, indicated sick leave as their first choice among major benefits.

TABLE XII (Cont'd.)

Classification	Sick Leave		Vacations		Holidays		Retirement		Insurance		Total	
	1st choice	2nd choice	1st choice	2nd choice	1st choice	2nd choice	1st choice	2nd choice	1st choice	2nd choice		
Marital Status												
Single	Number	6	15	14	8	3	6	8	6	8	4	39
	Percent	15	39	36	21	7	15	21	15	21	10	100
Married	Number	22	16	14	15	1	4	15	14	9	12	61
	Percent	36	26	23	24	2	7	24	23	15	20	100
Age Group												
Under 20	Number	0	2	2	2	1	2	2	0	2	1	7
	Percent	0	29	29	29	14	28	29	0	28	14	100
21 to 25	Number	7	6	8	3	0	4	0	3	4	3	19
	Percent	37	31	42	16	0	21	0	16	21	16	100
26 to 30	Number	3	3	2	2	2	2	1	3	3	1	11
	Percent	27	27	18	18	18	18	9	28	28	9	100
31 to 35	Number	1	3	4	4	1	0	1	2	2	0	9
	Percent	11	33	44	44	11	0	11	23	23	0	100
36 to 45	Number	5	3	5	5	0	1	7	5	1	4	18
	Percent	28	17	28	28	0	5	39	28	5	22	100
Over 45	Number	12	14	7	7	0	1	12	7	5	7	36
	Percent	33	39	20	20	0	3	33	19	14	19	100

TABLE XXI (Cont'd.)

Classification	Sick Leave		Vacations		Holidays		Retirement		Insurance		Total	
	1st choice	2nd choice	1st choice	2nd choice	1st choice	2nd choice	1st choice	2nd choice	1st choice	2nd choice		
Number of Years with Present Employer												
Under 1	Number	2	4	4	2	2	2	1	2	4	3	13
	Percent	15	31	31	15	15	15	8	15	31	24	100
1 to 2	Number	7	8	7	5	1	3	3	4	4	2	22
	Percent	32	36	32	23	5	13	13	18	18	10	100
2 to 5	Number	5	6	7	5	1	3	8	4	2	5	23
	Percent	22	26	30	22	4	13	35	17	9	22	100
5 to 10	Number	5	7	3	5	0	0	3	3	5	1	16
	Percent	31	44	19	31	0	0	19	19	31	6	100
10 to 20	Number	6	4	6	5	0	2	6	5	1	3	19
	Percent	32	21	32	27	0	10	32	26	4	16	100
Over 20	Number	3	2	1	1	0	0	2	2	1	2	7
	Percent	43	29	14	14	0	0	29	29	14	28	100

TABLE XXI (Cont'd.)

Classification	Sick Leave		Vacations		Holidays		Retirement		Insurance		Total	
	1st choice	2nd choice	1st choice	2nd choice	1st choice	2nd choice	1st choice	2nd choice	1st choice	2nd choice		
Size of Family												
One	Number	6	15	14	8	3	6	8	6	8	4	39
	Percent	16	39	36	20	8	16	20	16	20	9	100
Two	Number	11	7	6	7	0	3	7	6	2	3	26
	Percent	42	27	23	27	0	11	27	24	8	11	100
Three	Number	7	3	4	4	0	0	4	6	3	5	18
	Percent	39	17	22	22	0	0	22	33	17	28	100
Four	Number	1	3	2	1	0	0	1	1	2	1	6
	Percent	17	50	33	17	0	0	17	17	33	16	100
Five or more	Number	3	3	2	3	1	1	3	1	2	3	11
	Percent	27	27	18	27	10	10	27	9	18	27	100
Pay Group												
Salaried	Number	28	31	22	21	2	4	23	20	17	16	92
	Percent	31	33	24	23	2	4	25	22	18	18	100
Hourly	Number	0	0	6	2	2	6	0	0	0	0	8
	Percent	0	0	75	25	25	75	0	0	0	0	100

TABLE XXI (Cont'd.)

Classification	Sick Leave		Vacations		Holidays		Retirement		Insurance		Total
	1st choice	2nd choice	1st choice	2nd choice	1st choice	2nd choice	1st choice	2nd choice	1st choice	2nd choice	
Position											
Supervisory	5	6	4	1	0	0	4	5	2	3	15
Percent	33	40	27	7	0	0	27	33	13	20	100
Clerical	11	10	9	8	1	5	7	4	4	5	32
Percent	34	31	28	25	3	16	22	13	13	15	100
Technical	5	5	2	5	0	0	2	2	4	1	13
Percent	39	39	15	39	0	0	15	15	31	7	100
Nursing	3	5	5	3	1	1	3	2	4	5	16
Percent	19	31	31	19	6	6	19	13	25	31	100
Labor	4	5	8	6	2	4	7	7	3	2	24
Percent	17	21	33	24	8	17	29	29	13	8	100
Total Each Classification	28	31	28	23	4	10	23	20	17	16	100

TABLE XXII

BENEFITS EMPLOYEES FEEL ARE UNNECESSARY

Classification	One or More Benefits Unnecessary		Type of Benefit Unnecessary				
	Yes	No	Holidays	Coffee Breaks	Retirement	Social Security	Food Services (Subsidized)
Race							
White	10	62	3	3	2	1	1
Non-white	0	28	0	0	0	0	0
Sex							
Male	3	21	1	1	1	0	0
Female	7	69	2	2	1	1	1
Marital Status							
Single	3	36	0	1	1	0	1
Married	7	54	3	2	1	1	0

NOTE: read as follows - Of the sixty-two white employees interviewed, ten indicated that at least one benefit was unnecessary and should be eliminated.

TABLE XXII (Cont'd.)

Classification	One or More Benefits Unnecessary		Type of Benefit Unnecessary				
	Yes	No	Holidays	Coffee Breaks	Retirement	Social Security	Food Services (Subsidized)
Age Group							
Under 20	1	6	0	0	1	0	0
21 to 25	3	16	2	0	1	0	0
26 to 30	0	11	0	0	0	0	0
31 to 35	3	6	1	1	0	1	0
36 to 45	1	17	0	1	0	0	0
Over 45	2	34	0	1	0	0	1

TABLE XXII (Cont'd.)

Classification	One or More Benefits Unnecessary		Type of Benefit Unnecessary				
	Yes	No	Holidays	Coffee Breaks	Retirement	Social Security	Food Services (Subsidized)
Number of Years with Present Employer							
Under 1	2	11	1	1	0	0	0
1 to 2	3	19	2	0	1	0	0
2 to 5	2	21	0	0	1	1	0
5 to 10	1	15	0	1	0	0	0
10 to 20	0	19	0	0	0	0	0
Over 20	2	5	0	1	0	0	1
Pay Group							
Salaried	10	82	3	3	2	1	1
Hourly	0	8	0	0	0	0	0

TABLE XXII (Cont'd.)

Classification	One or More Benefits Unnecessary		Type of Benefit Unnecessary				
			Holidays	Coffee Breaks	Retirement	Social Security	Food Services (Subsidized)
	Yes	No					
Position							
Supervisory	2	13	1	0	0	0	1
Clerical	2	30	0	1	0	1	0
Technical	4	9	2	1	1	0	0
Nursing	1	15	0	1	0	0	0
Labor	1	23	0	0	1	0	0

TABLE XXII (Cont'd.)

Classification	One or More Benefits Unnecessary		Type of Benefit Unnecessary				
	Yes	No	Holidays	Coffee Breaks	Retirement	Social Security	Food Services (Subsidized)
Size of Family							
One	3	36	0	1	1	0	1
Two	1	25	1	0	0	1	0
Three	4	14	1	2	1	0	0
Four	1	5	0	0	0	0	0
Five or More	1	10	1	0	0	0	0
Total Each Classification	10	90	3	3	2	1	1

TABLE XXIII

PREFERENCE: BENEFITS VERSUS PAY

Classification	Greater Benefits with Same Pay		Less Benefits with More Pay		No Benefits with More Pay		Same Benefits with More Pay		Total
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	
Race									
White	19	26	5	7	0	0	48	67	72
Non-white	7	25	2	7	1	4	18	64	28
Sex									
Male	9	38	2	8	0	0	13	54	24
Female	17	22	5	7	1	1	53	70	76

NOTE: read as follows - Seventeen female employees, or 22% of this group, indicated they would prefer "greater benefits with the same pay."

TABLE XXIII (Cont'd.)

Classification	Greater Benefits with Same Pay		Less Benefits with More Pay		No Benefits with More Pay		Same Benefits with More Pay		Total
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	
Marital Status									
Single	9	23	2	5	0	0	28	72	39
Married	17	28	5	8	1	2	38	62	61
Pay Group									
Salaried	23	25	7	8	1	1	61	66	92
Hourly	3	37	0	0	0	0	5	63	8

TABLE XXIII (Cont'd.)

Classification	Greater Benefits with Same Pay		Less Benefits with More Pay		No Benefits with More Pay		Same Benefits with More Pay		Total
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	
Age Group									
Under 20	3	43	1	14	0	0	3	43	7
21 to 25	4	21	2	10	0	0	13	69	19
26 to 30	2	18	1	9	0	0	8	73	11
31 to 35	1	11	1	11	0	0	7	78	9
36 to 45	9	50	1	6	0	0	8	44	18
Over 45	7	19	1	3	1	3	27	75	36

TABLE XXIII (Cont'd.)

Classification	Greater Benefits with Same Pay		Less Benefits with More Pay		No Benefits with More Pay		Same Benefits with More Pay		Total
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	
Number of Years with Present Employer									
Under 1	5	38	2	16	0	0	6	46	13
1 to 2	5	23	3	13	0	0	14	64	22
2 to 5	8	35	2	9	0	0	13	56	23
5 to 10	2	13	0	0	0	0	14	87	16
10 to 20	4	21	0	0	1	5	14	74	19
Over 20	2	29	0	0	0	0	5	71	7

TABLE XXIII (Cont'd.)

Classification	Greater Benefits with Same Pay		Less Benefits with More Pay		No Benefits with More Pay		Same Benefits with More Pay		Total
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	
Size of Family									
One	9	23	2	5	0	0	28	72	39
Two	8	30	0	0	1	4	17	66	26
Three	4	22	1	6	0	0	13	72	18
Four	3	50	3	50	0	0	0	0	6
Five or More	2	18	1	9	0	0	8	73	11

TABLE XXIII (Cont'd.)

Classification	Greater Benefits with Same Pay		Less Benefits with More Pay		No Benefits with More Pay		Same Benefits with More Pay		Total
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	
Position									
Supervisory	2	13	0	0	0	0	13	87	15
Clerical	11	34	3	10	0	0	18	56	32
Technical	4	31	2	15	0	0	7	54	13
Nursing	2	13	1	6	0	0	13	81	16
Labor	7	29	1	4	1	4	15	63	24
Total Each Classification	26		7		1		66		100

TABLE XXIV

PREFERENCE WHEN CONFRONTED WITH THE CHOICE OF \$1000 RAISE IN EXCHANGE FOR ELIMINATING ALL BENEFITS INCLUDING SOCIAL SECURITY

Classification	Would Accept Raise, Eliminate Benefits		Refuse Raise Keep Benefits		Total Number
	Number	Percent	Number	Percent	
Race					
White	12	17	60	83	72
Non-white	7	25	21	75	28
Sex					
Male	8	33	16	67	24
Female	11	14	65	86	76
Marital Status					
Single	7	18	32	82	39
Married	12	20	49	80	61
Pay Group					
Salaried	16	17	76	83	92
Hourly	3	37	5	63	8

NOTE: read as follows - Sixteen salaried employees, or 17% of this group, would accept a raise of \$1,000 in exchange for eliminating all benefits, including Social Security.

TABLE XXIV (Cont'd.)

Classification	Would Accept Raise, Eliminate Benefits		Refuse Raise, Keep Benefits		Total Number
	Number	Percent	Number	Percent	
Age Group					
Under 20	0	0	7	100	7
21 to 25	5	26	14	74	19
26 to 30	3	27	8	73	11
31 to 35	1	11	8	89	9
36 to 45	5	28	13	72	18
Over 45	5	14	31	86	36
Number of Years with Present Employer					
Under 1	3	23	10	77	13
1 to 2	3	14	19	86	22
2 to 5	6	26	17	74	23
5 to 10	2	13	14	87	16
10 to 20	4	21	15	79	19
Over 20	1	14	6	86	7

TABLE XXIV (Cont'd.)

Classification	Would Accept Raise, Eliminate Benefits		Refuse Raise, Keep Benefits		Total Number
	Number	Percent	Number	Percent	
Size of Family					
One	7	18	32	82	39
Two	5	19	21	81	26
Three	3	17	15	83	18
Four	1	17	5	83	6
Five or More	3	27	8	73	11
Position					
Supervisory	1	7	14	93	15
Clerical	4	13	28	87	32
Technical	4	31	9	69	13
Nursing	1	6	15	94	16
Labor	9	37	15	63	24
Total Each Classification	19		81		100

TABLE XIV

OPINION OF 100 EMPLOYEES CONCERNING THE PERCENTAGE OF INCOME
PROVIDED IN BENEFITS AND SERVICES BY EMPLOYER

Classification		Under 5%	5% to 10%	10% to 15%	15% to 20%	20% to 25%	25% to 30%	Over 30%	No Idea	Total
Race										
White	Number	9	31	10	4	2	0	1	15	72
	Percent	12	43	14	6	3	0	2	20	100
Non-white	Number	2	12	6	1	2	0	0	5	28
	Percent	7	43	21	4	7	0	0	18	100
Sex										
Male	Number	4	11	1	2	1	0	0	5	24
	Percent	17	46	4	8	4	0	0	21	100
Female	Number	7	32	15	3	3	0	1	15	76
	Percent	9	42	20	4	4	0	1	20	100

NOTE: read as follows - Nine white employees, or 12% of this group, were of the opinion that the percentage of income provided in benefits and services by the employer would range under 5%.

TABLE XXV (Cont'd.)

Classification		Under 5%	5% to 10%	10% to 15%	15% to 20%	20% to 25%	25% to 30%	Over 30%	No Idea	Total
Marital Status										
Single	Number	7	13	5	1	2	0	1	10	39
	Percent	18	33	13	3	5	0	3	25	100
Married	Number	4	30	11	4	2	0	0	10	61
	Percent	7	49	18	7	3	0	0	15	100
Pay Group										
Salaried	Number	6	13	16	5	4	0	1	17	92
	Percent	7	47	17	5	4	0	1	19	100
Hourly	Number	5	0	0	0	0	0	0	3	8
	Percent	62	0	0	0	0	0	0	38	100

TABLE XIV (Cont'd.)

Classification		Under 5%	5% to 10%	10% to 15%	15% to 20%	20% to 25%	25% to 30%	Over 30%	No Idea	Total
Number of Years with Present Employer										
Under 1	Number	1	8	1	0	0	0	0	3	13
	Percent	8	61	8	0	0	0	0	23	100
1 to 2	Number	2	8	2	2	0	0	0	8	22
	Percent	9	36	9	9	0	0	0	37	100
2 to 5	Number	3	10	5	3	1	0	0	1	23
	Percent	13	44	22	13	4	0	0	4	100
5 to 10	Number	1	10	2	0	0	0	1	2	16
	Percent	6	62	13	0	0	0	6	13	100
10 to 20	Number	4	5	4	0	2	0	0	4	19
	Percent	21	26	21	0	11	0	0	21	100
Over 20	Number	0	2	2	0	1	0	0	2	7
	Percent	0	29	29	0	13	0	0	29	100

TABLE XXV (Cont'd.)

Classification		Under 5%	5% to 10%	10% to 15%	15% to 20%	20% to 25%	25% to 30%	Over 30%	No Idea	Total
Age Group										
Under 20	Number	3	1	0	0	0	0	0	3	7
	Percent	43	14	0	0	0	0	0	43	100
21 to 25	Number	2	9	1	3	0	0	0	4	19
	Percent	11	47	5	16	0	0	0	21	100
26 to 30	Number	1	7	2	0	0	0	1	0	11
	Percent	9	64	18	0	0	0	9	0	100
31 to 35	Number	0	4	2	1	1	0	0	1	9
	Percent	0	45	22	11	11	0	0	11	100
36 to 45	Number	1	9	3	1	1	0	0	3	18
	Percent	6	50	16	6	6	0	0	16	100
Over 45	Number	4	13	8	0	2	0	0	9	36
	Percent	11	36	22	0	6	0	0	25	100

TABLE XXV (Cont'd.)

Classification		Under 5%	5% to 10%	10% to 15%	15% to 20%	20% to 25%	25% to 30%	Over 30%	No Idea	Total
Size of Family										
One	Number	7	13	5	1	2	0	1	10	39
	Percent	18	33	13	3	5	0	3	25	100
Two	Number	4	11	3	1	1	0	0	6	26
	Percent	15	42	12	4	4	0	0	23	100
Three	Number	0	7	5	2	1	0	0	3	18
	Percent	0	39	28	10	6	0	0	17	100
Four	Number	0	5	1	0	0	0	0	0	6
	Percent	0	83	17	0	0	0	0	0	100
Five or More	Number	0	7	2	1	0	0	0	1	11
	Percent	0	64	18	9	0	0	0	9	100

TABLE XXV (Cont'd.)

Classification	Under 5%	5% to 10%	10% to 15%	15% to 20%	20% to 25%	25% to 30%	Over 30%	No Idea	Total
Position									
Supervisory									
Number	1	5	4	2	2	0	0	1	15
Percent	7	33	27	13	13	0	0	7	100
Clerical									
Number	4	14	3	0	0	0	1	10	32
Percent	13	44	9	0	0	0	3	31	100
Technical									
Number	0	5	2	2	1	0	0	3	13
Percent	0	39	15	15	8	0	0	23	100
Nursing									
Number	1	6	7	0	0	0	0	2	16
Percent	6	38	44	0	0	0	0	12	100
Labor									
Number	5	13	0	1	1	0	0	4	24
Percent	21	54	0	4	4	0	0	17	100
Total Each Classification	11	43	16	5	4	0	1	20	100

TABLE XXVI

OPINION OF 100 EMPLOYEES CONCERNING THE COST
OF BENEFITS AND SERVICES TO EMPLOYER

Cost of Benefits	Race				Total Number
	White		Non-white		
	Number	Percent	Number	Percent	
Under \$100	4	5	3	10	7
\$100 to \$300	26	36	13	46	39
\$300 to \$500	13	18	5	18	18
\$500 to \$700	9	12	1	4	10
\$700 to \$900	1	2	1	4	2
\$900 to \$1100	5	7	0	0	5
Over \$1100	1	2	0	0	1
No Idea	13	18	5	18	18
Total	72	100	28	100	100

NOTE: read as follows - Twenty-six white employees, or 36% of this group, said the cost of benefits to the employer would range between \$100 and \$300 per person, per year.

TABLE XXVI (Cont'd.)

Cost of Benefits	Sex				Total Number
	Male		Female		
	Number	Percent	Number	Percent	
Under \$100	3	12	4	5	7
\$100 to \$300	7	29	32	43	39
\$300 to \$500	4	17	14	18	18
\$500 to \$700	4	17	6	8	10
\$700 to \$900	0	0	2	3	2
\$900 to \$1100	1	4	4	5	5
Over \$1100	1	4	0	0	1
No Idea	4	17	14	18	18
Total	24	100	76	100	100

TABLE XXVI (Cont'd.)

Cost of Benefits	Marital Status				Total Number
	Single		Married		
	Number	Percent	Number	Percent	
Under \$100	2	5	5	8	7
\$100 to \$300	17	43	22	36	39
\$300 to \$500	7	18	11	18	18
\$500 to \$700	1	3	9	15	10
\$700 to \$900	0	0	2	3	2
\$900 to \$1100	2	5	3	5	5
Over \$1100	1	3	0	0	1
No Idea	9	23	9	15	18
Total	39	100	61	100	100

TABLE XXVI (Cont'd.)

Cost of Benefits	Age Group												Total Number
	Under 20		21 to 25		26 to 30		31 to 35		36 to 45		Over 45		
	Num-ber	Per-cent	Num-ber	Per-cent	Num-ber	Per-cent	Num-ber	Per-cent	Num-ber	Per-cent	Num-ber	Per-cent	
Under \$100	1	14	2	11	2	18	1	11	1	6	0	0	7
\$100 to \$300	3	43	4	21	5	46	3	33	8	44	16	45	39
\$300 to \$500	0	0	3	16	4	36	3	33	3	16	5	14	18
\$500 to \$700	0	0	3	16	0	0	1	11	3	16	3	8	10
\$700 to \$900	0	0	1	5	0	0	0	0	1	6	0	0	2
\$900 to \$1100	0	0	2	11	0	0	0	0	0	0	3	8	5
Over \$1100	0	0	0	0	0	0	0	0	1	6	0	0	1
No Idea	3	43	4	20	0	0	1	12	1	6	9	25	18
Total	7	100	19	100	11	100	9	100	18	100	36	100	100

TABLE XXVI (Cont'd.)

Cost of Benefits	Number of Years with Present Employer												Total Number
	Under 1		1 to 2		2 to 5		5 to 10		10 to 20		Over 20		
	Num-ber	Per-cent	Num-ber	Per-cent	Num-ber	Per-cent	Num-ber	Per-cent	Num-ber	Per-cent	Num-ber	Per-cent	
Under \$100	1	8	1	5	5	22	0	0	0	0	0	0	7
\$100 to \$300	3	23	11	50	6	26	6	38	10	53	3	43	39
\$300 to \$500	2	15	2	9	2	9	6	38	3	16	3	43	18
\$500 to \$700	1	8	3	13	3	13	2	12	0	0	1	14	10
\$700 to \$900	1	8	0	0	1	4	0	0	0	0	0	0	2
\$900 to \$1100	2	15	0	0	0	0	0	0	3	16	0	0	5
Over \$1100	0	0	0	0	0	0	0	0	1	5	0	0	1
No Idea	3	23	5	23	6	26	2	12	2	10	0	0	18
Total	13	100	22	100	23	100	16	100	19	100	7	100	100

TABLE XXVI (Cont'd.)

Cost of Benefits	Size of Family										Total Number
	One		Two		Three		Four		Five or More		
	Number	Per-cent	Number	Per-cent	Number	Per-cent	Number	Per-cent	Number	Per-cent	
Under \$100	2	5	1	4	1	6	1	17	2	18	7
\$100 to \$300	17	43	10	38	8	45	1	17	3	28	39
\$300 to \$500	7	18	5	19	3	16	2	34	1	9	18
\$500 to \$700	1	3	3	12	3	16	1	16	2	18	10
\$700 to \$900	0	0	0	0	1	6	1	16	0	0	2
\$900 to \$1100	2	5	0	0	2	11	0	0	1	9	5
Over \$1100	1	3	0	0	0	0	0	0	0	0	1
No Idea	9	23	7	27	0	0	0	0	2	18	18
Total	39	100	26	100	18	100	6	100	11	100	100

TABLE XXVI (Cont'd.)

Cost of Benefits	Position										Total Number
	Supervisory		Clerical		Technical		Nursing		Labor		
	Number	Per-cent	Number	Per-cent	Number	Per-cent	Number	Per-cent	Number	Per-cent	
Under \$100	0	0	0	0	3	23	1	6	3	13	7
\$100 to \$300	6	40	12	38	2	16	8	50	11	46	39
\$300 to \$500	4	26	5	16	3	23	4	25	2	8	18
\$500 to \$700	1	7	3	9	2	15	1	6	3	13	10
\$700 to \$900	1	7	1	3	0	0	0	0	0	0	2
\$900 to \$1100	2	13	1	3	2	15	0	0	0	0	5
Over \$1100	0	0	1	3	0	0	0	0	0	0	1
No Idea	1	7	9	28	1	8	2	13	5	20	18
Total	15	100	32	100	13	100	16	100	24	100	100

TABLE XXVI (Cont'd.)

Cost of Benefits	Pay Group				Total Number
	Salaried		Hourly		
	Number	Percent	Number	Percent	
Under \$100	6	7	1	12	7
\$100 to \$300	37	40	2	25	39
\$300 to \$500	18	19	0	0	18
\$500 to \$700	10	11	0	0	10
\$700 to \$900	2	2	0	0	2
\$900 to \$1100	5	6	0	0	5
Over \$1100	0	0	1	13	1
No Idea	14	15	4	50	18
Total	92	100	8	100	100

MEDICAL COLLEGE OF VIRGINIA
Hospital Division
1200 East Broad Street
Richmond 19, Virginia

November 28, 1961

TO: Employees of the Medical College
FROM: Benj. T. Cullen, Jr. - Personnel Director

Mr. Grayson E. Dodson, a graduate student in the School of Business Administration, University of Richmond, has requested that the Medical College assist him in the completion of his research project involving fringe benefit programs.

It is Mr. Dodson's plan to have a short interview with approximately one hundred classified employees in many occupational areas concerning their knowledge and understanding of institutional fringe benefits. All interviews will be confidential and the results of the study will be received by the Medical College in summary form.

Your assistance and cooperation in this study will be greatly appreciated.

BTC/jcm

BENJ. T. CULLEN JR. (Signed)

EMPLOYEE NON-WAGE BENEFITS
AND SERVICES QUESTIONNAIRE

1. Name (optional) _____
2. Employed by _____
3. Number of years with your present employer _____ Years.
4. Present position (Check one)
 - (a) Management or Supervisory ()
 - (b) Clerical or Technical ()
 - (c) Production or Labor ()
 - (d) Other _____
5. How are you paid? (Check one)
 - (a) By the hour ()
 - (b) Salaried ()
6. Sex () Male . . . () Female
7. Marital Status () Single . . () Married . . No. in Family ()
8. Which age group are you in?
 - (a) Under 20 ()
 - (b) 21 - 25 ()
 - (c) 26 - 30 ()
 - (d) 31 - 35 ()
 - (e) 36 - 45 ()
 - (f) Over 45 ()
9. When someone mentions Employee Benefits or "fringe benefits" to you, what is the first thing that comes to mind? _____

10. Identify the benefits and services provided partially or wholly by your employer.

	<u>Provided by Employer</u>	<u>First and Second Choice Among Major Benefits</u>
(a) Advances on wages	()	()
(b) Sick Leave	()	()

	<u>Provided by Employer</u>	<u>First and Second Choice Among Major Benefits</u>
(c) Board and room allowance	()	()
(d) Bonuses (Christmas and other)	()	()
(e) Travel Allowances	()	()
(f) Severance Pay	()	()
(g) Coffee Breaks	()	()
(h) Credit assistance (provide refer- ences to banks or other concerns)	()	()
(i) Credit Union	()	()
(j) Discounts on purchases (drugs, etc.)	()	()
(k) Educational grants and refunds	()	()
(l) Escalator (cost-of-living) adjustments	()	()
(m) Food services (subsidized)	()	()
(n) Guaranteed weekly or annual wage	()	()
(o) Assistance in obtaining housing	()	()
(p) Life Insurance		
(1) Employee	()	()
(2) Family	()	()
(q) Hospitalization		
(1) Employee	()	()
(2) Family	()	()
(r) Medical or Surgical Insurance		
(1) Employee	()	()
(2) Family	()	()
(s) Nursery services	()	()
(t) Paid time off for:		
(1) Vacation	()	()
(2) Birthdays	()	()
(3) Change clothing	()	()
(4) Fishing	()	()
(5) Funerals	()	()
(6) Grievances	()	()
(7) Holidays	()	()
(Please give the number of paid holidays _____)		
(8) Hunting	()	()
(9) Jury Duty	()	()
(10) Lunch	()	()
(11) Maternity Leave	()	()
(12) Medical or Dental Appointments	()	()
(13) "Personal" Reasons	()	()
(14) Travel time	()	()
(15) Weddings	()	()
(16) Voting	()	()
(17) Wash up	()	()

<u>Provided by Employer</u>	<u>First and Second Choice Among Major Benefits</u>
---------------------------------	---

- (u) Premium pay for:
 - (1) Hazardous or unpleasant work () ()
 - (2) Holidays () ()
 - (3) Overtime () ()
 - (4) Saturday () ()
 - (5) Sunday () ()
- (v) Profit sharing () ()
- (w) Rest Periods () ()
- (x) Retirement plan () ()
- (y) Savings plans () ()
- (z) Unemployment benefits () ()
- (zz) Workmen's compensation () ()

11. If you had your choice, which would you pick?

- (a) Greater benefits with same pay () ()
- (b) Less benefits with more pay () ()
- (c) No benefits with more pay () ()
- (d) Same benefits with more pay () ()

12. What percentage of your income do you think is provided in benefits and services by your employer?

- (a) Under 5% ()
- (b) 5% to 10% ()
- (c) 10% to 15% ()
- (d) 15% to 20% ()
- (e) 20% to 25% ()
- (f) 25% to 30% ()
- (g) Over 30% ()

13. What do you think is the average cost of benefits and services provided by your employer, per employee, per year? \$ _____

14. When you were employed, was the benefit program explained to you and, if not, did you inquire about any benefits at that time or have you made inquiries since?

- () Yes () No

(If "yes") Which benefits _____

15. Would you like to have your fringe benefit program explained to you, or would you like to have more information regarding your benefits?

- () Yes () No

16. Do you feel that any of the benefits are unnecessary?
 Yes No
(If "yes") What particular benefits _____
-

17. If your pay would be raised by \$1,000 per year by eliminating all benefits including social security, holidays, vacation, overtime pay, insurance, pensions, sick leave, etc., would you accept it?
 Yes No

18. Comments: _____
-
-