

Alabama Department of Industrial Relations Employer Benefits Survey 2011 Report



Center for Business and Economic Research
and
Institute for Social Science Research

THE UNIVERSITY OF ALABAMA

Alabama Department of Industrial Relations Employer Benefits Survey 2011 Report



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by

Samuel Addy, Kilungu Nzaku, and Dong-Yop Oh

Center for Business and Economic Research
Culverhouse College of Commerce and Business Administration
THE UNIVERSITY OF ALABAMA

for



Alabama Department of Industrial Relations
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Contributors to the 2011 Alabama Employer Benefits Study

Center for Business and Economic Research

Samuel Addy, Ph.D., Director and Research Economist & Associate Dean for Research and Outreach

Kilungu Nzaku, Ph.D., Postdoctoral Researcher

Dong-Yop Oh, Graduate Research Assistant

Deborah Hamilton, Associate Director and Project Manager

Ahmad Ijaz, Director of Economic Forecasting

Carolyn Trent, Socioeconomic Analyst

Kathleen Gabler, Socioeconomic Research Associate

Jonathan Law, Socioeconomic Research Associate

Sherry Lang, Senior Graphic Designer

Arben Skivjani, Economic Forecaster

Institute for Social Science Research

Debra McCallum, Ph.D., Director of ISSR, Director of the Capstone Poll, Senior Research Social Scientist

Tom Stem, Director of the Research and Consulting Services

For more information contact:

Center for Business and Economic Research

Culverhouse College of Commerce and Business Administration

The University of Alabama

Box 870221

Tuscaloosa, Alabama 35847-0221

(205) 348-6191 or email: uacber@cba.ua.edu

<http://cber.cba.edu.edu>

Institute for Social Science Research

College of Arts and Sciences

The University of Alabama

Box 870216

Tuscaloosa, Alabama 3587-0216

(205) 348-6233

<http://bama.ua.edu/-issr/>

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Overview

The Alabama Employer Benefits Study is a collaborative effort between the Alabama Department of Industrial Relations (ADIR) and The University of Alabama’s Center for Business and Economic Research (CBER) and Institute for Social Science Research (ISSR) to assess employee benefits offered by employers in general. Employers throughout the state were surveyed by the Capstone Poll, a unit of both CBER and ISSR, for information on employer benefits to employees and the relation to compensation costs. This report presents the results of the survey based on 2,217 successfully completed responses.

The results of the survey are organized in five sections as follows:

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

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

Businesses are classified into 10 industry categories:

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



Business locations are identified by the respective workforce development regions. The state is divided into 10 regions as shown on the map. While each region contains multiple counties, cities, and towns of note, for the purpose of this analysis and ease of interpretation, each of the regions is identified by the region number.

The surveyed businesses are also categorized by number of employees:

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

The data used to prepare this report are from a sample of firms and were collected by a mail-out survey that could be completed online. When data from such samples are categorized, the resulting category statistics can suffer from sampling error. Sampling errors in this study occur when a firm in a category over- or underrepresents the category’s true characteristics. A more detailed technical report and a copy of the survey instrument can be found in a separate methodology report.

Section 1 - Insurance

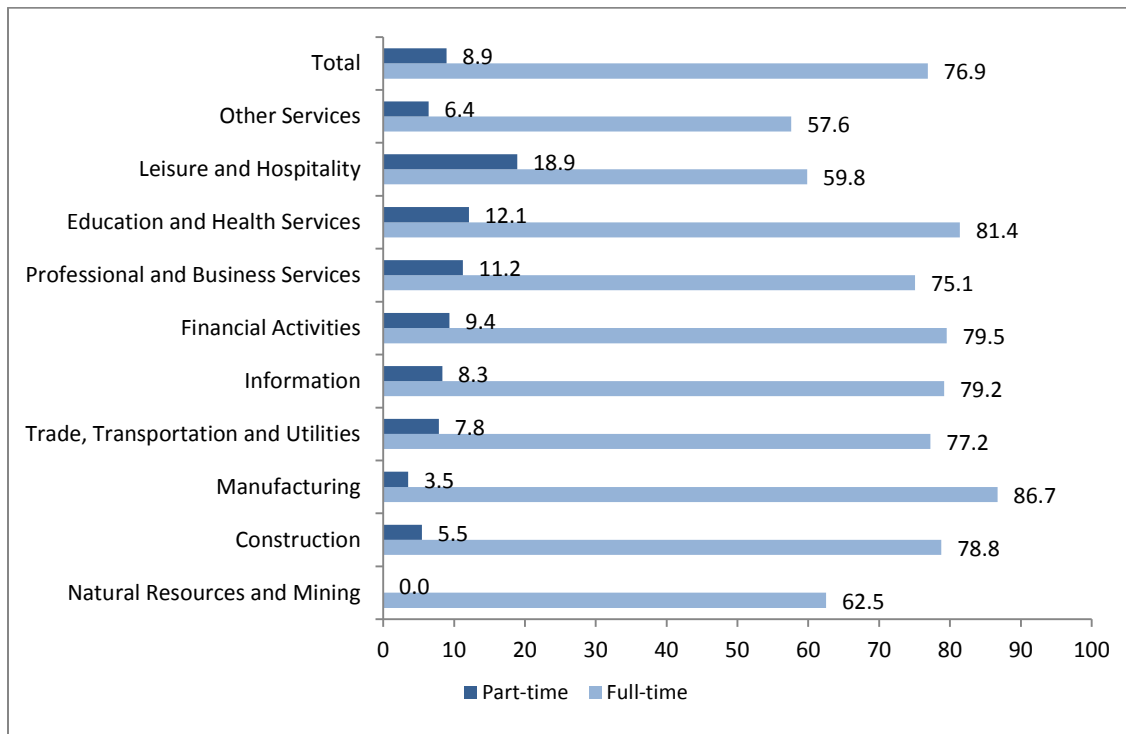
1-1 Medical Insurance

Industry

In the questionnaire, businesses were asked to indicate if they provide medical insurance to their workers. A large majority of Alabama employers, 76.9 percent, offer medical insurance to their full-time employees. Only 8.9 percent of the employers provide medical insurance to part-time employees. Manufacturing (86.7 percent) and education and health services (81.4 percent) industries are most likely to offer medical insurance to full-time employees. The businesses that are least likely to offer medical insurance to full-time employees are in other services (57.6 percent) and leisure and hospitality (59.8 percent) industries. Figure 1-1.1 presents more details.

Businesses in leisure and hospitality and education and health service industries are more likely to offer medical insurance to part-time employees—nearly 19 percent of leisure and hospitality and 12 percent of firms in education and health services. Although the outcome is expected of education and health service employers, that of leisure and hospitality is a surprise. Natural resources and mining industry businesses did not report offering medical insurance to part-time employees.

Figure 1-1.1 Percent of Employers Offering Medical Insurance by Industry



Across all industries, about 67 percent of Alabama employers jointly pay medical insurance premiums with employees; 28.1 percent pay the entire premium for their employees; and 5.5 percent require the employee to pay the full premium (Figure 1-1.2). The picture for part-time workers is somewhat different. Medical insurance premiums are jointly paid by 57.8 percent of Alabama companies; paid by the employer alone in 15.6 percent; and solely by the worker in 26.6 percent (Figure 1-1.3).

Figure 1-1.2 Source of Medical Insurance Premiums for Full-time Employees

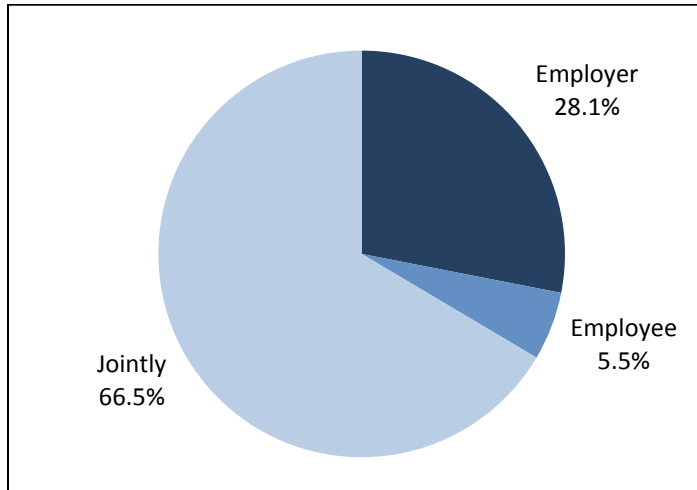
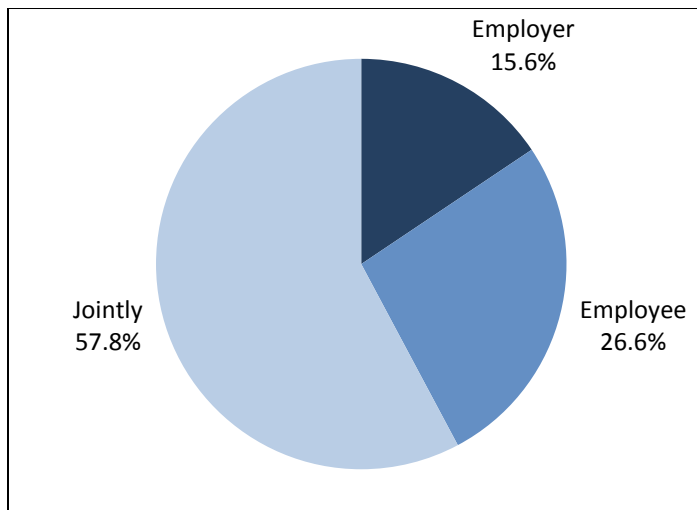


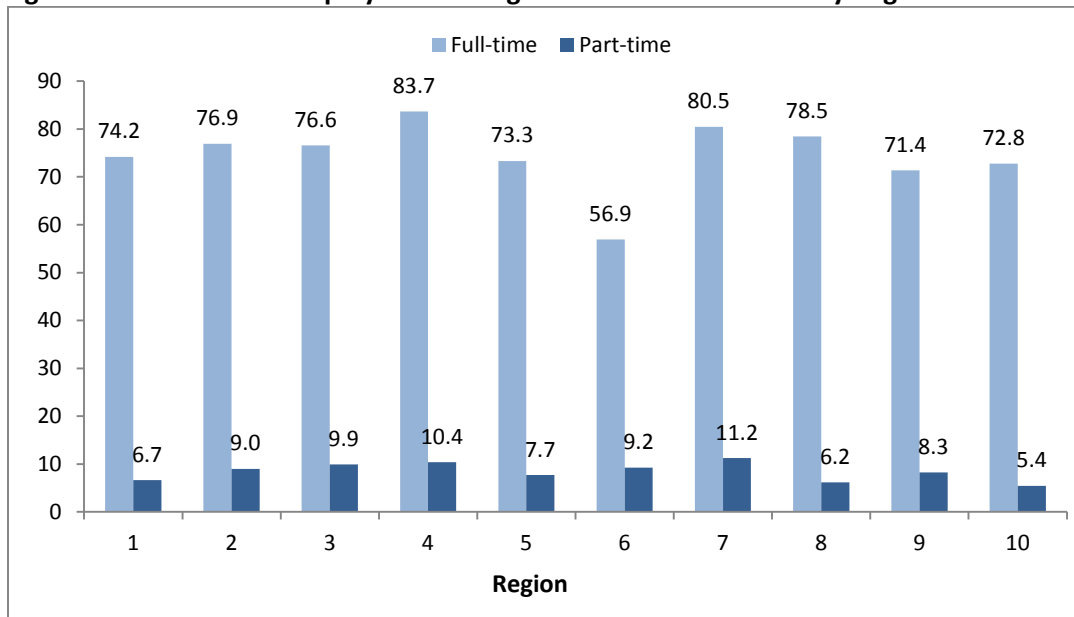
Figure 1-1.3 Source of Medical Insurance Premiums for Part-time Employees



Region

The majority of businesses in all workforce development regions offer medical insurance benefits to full-time employees but very few offer benefits to part-time employees (Figure 1-1.4). Regions 4 and 7 have the highest percentages of businesses that offer medical insurance to full-time employees—approximately 84 and 81 percent, respectively. Employers who offer medical insurance to part-time employees range from a low of 5.4 percent of businesses in Region 10 to a high of 11.2 percent in Region 7.

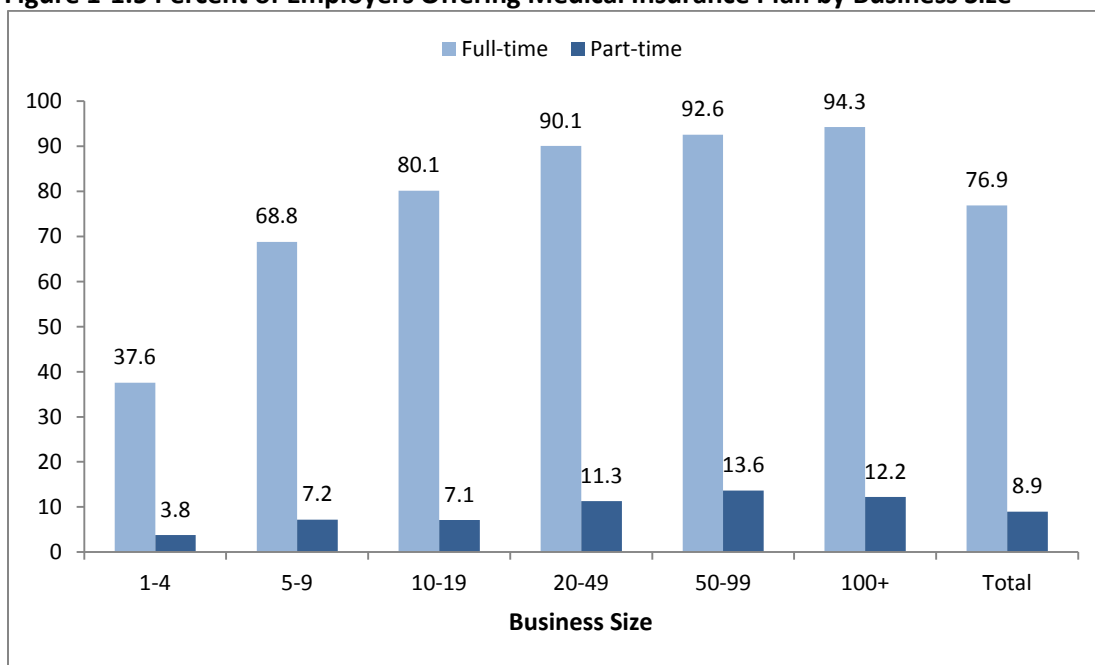
Figure 1-1.4 Percent of Employers Offering Medical Insurance Plan by Region



Business Size

By employment size, the larger the size of business, the more likely it will offer medical insurance to its employees. About 94 percent of businesses with 100 or more employees offer medical insurance to their full-time employees, followed by businesses with 50-99 employees at 92.6 percent (Figure 1-1.5). The percentage of businesses offering medical insurance to part-time employees likewise increases with the size of businesses but is very small compared to those offering benefits to full-time employees.

Figure 1-1.5 Percent of Employers Offering Medical Insurance Plan by Business Size



1-2 Medical Insurance for Employees' Spouses or Dependents

Figures 1-2.1 and 1-2.2 present results on who bears the costs of insuring the employees' spouses or dependents. Of those employers that offer health insurance to full-time employees' spouses or dependents, slightly less than 10 percent pay 100 percent of the costs. About 54 percent of the employers pay jointly with their employees while employees absorb the full costs of insurance in about 36 percent of companies. For part-time employees, medical insurance costs for spouses or dependents are fully paid by the employer in only 4.3 percent of Alabama businesses, jointly between employers and employees by 49.8 percent, and solely by the employee in 45.9 percent of the businesses.

Figure 1-2.1 Source of Spouses or Dependents Medical Insurance Premiums for Full-time Employees

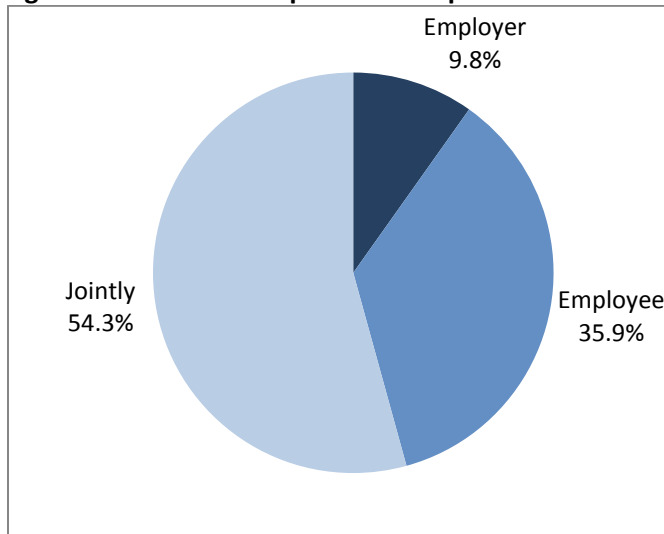
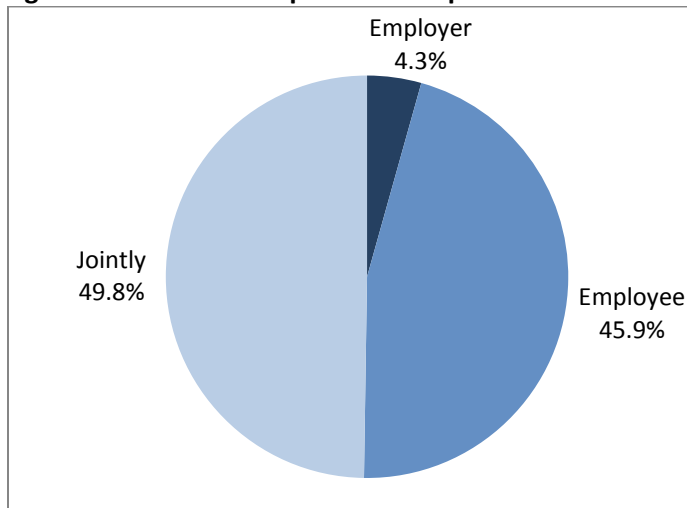


Figure 1-2.2 Source of Spouses or Dependents Medical Insurance Premiums for Part-time Employees

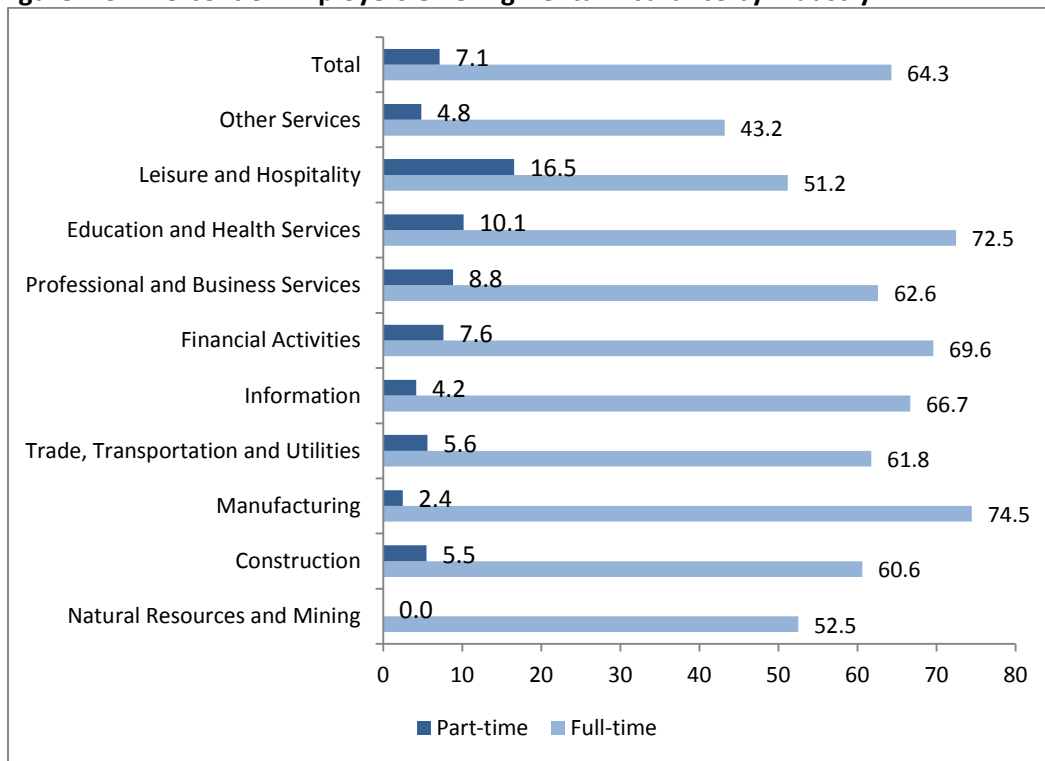


1-3 Dental Insurance

Industry

About 64 percent of Alabama employers offer dental insurance to full-time employees but only 7 percent of the businesses provide the benefits to part-time workers. Full-time employees are more likely to be offered dental insurance by businesses in manufacturing (74.5 percent), education and health services (72.5 percent), and financial activities (69.6 percent). Surprisingly, most employers who provide dental insurance to part-time employees are in the leisure and hospitality industry (16.5 percent), while in the natural resources and mining industry such benefits are nonexistent (Figure 1-3.1).

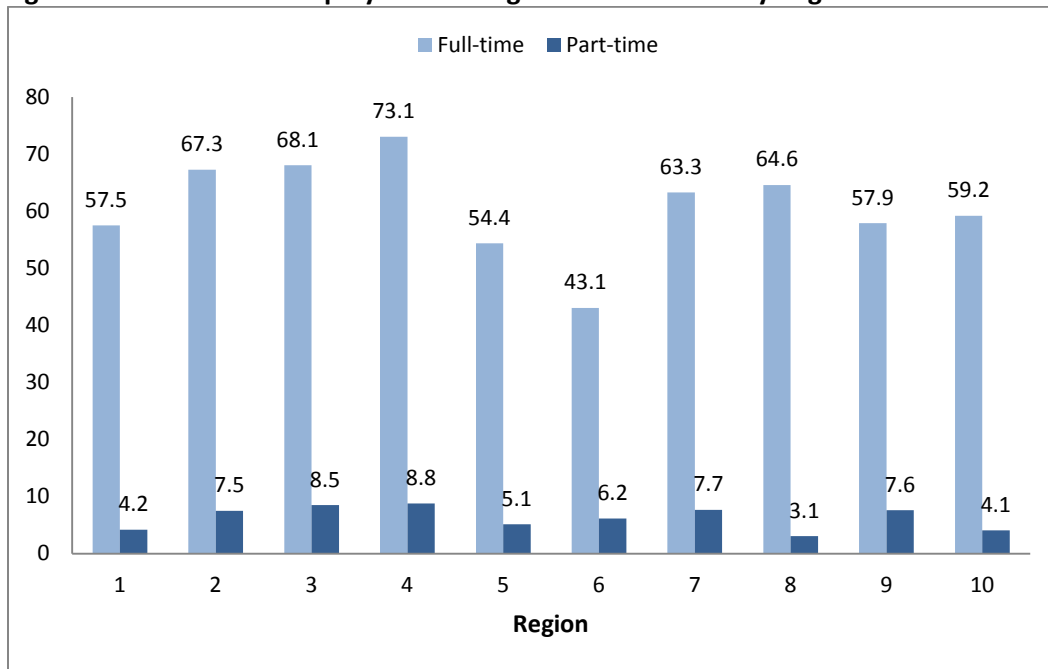
Figure 1-3.1 Percent of Employers Offering Dental Insurance by Industry



Region

Region 4 businesses top all other regions in providing dental insurance to full-time employees; about 73 percent offer dental insurance to employees. Region 4 also has the highest percent of businesses that offer dental insurance benefits to part-time workers at 8.8 percent. Across the state the proportion of businesses offering dental insurance to full-time employees range from a minimum of 43.1 percent in Region 6 (Figure 1-3.2).

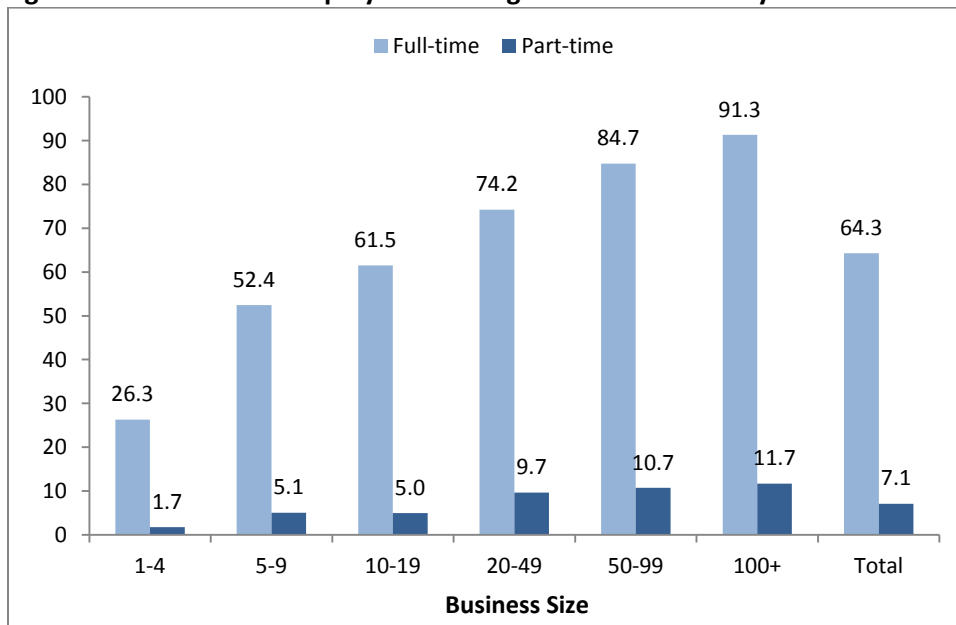
Figure 1-3.2 Percent of Employers Offering Dental Insurance by Region



Business Size

The percentage of employers offering dental insurance increases with employer size. About 91 percent of businesses with 100 or more employees offer dental insurance to full-time employees, in sharp contrast to 26.3 percent of businesses with four or fewer employees. Only 1.7 percent of employers with fewer than five employees offer dental insurance to part-time employees compared to 11.7 percent of employers with 100 or more employees. See Figure 1-3.3 for complete details.

Figure 1-3.3 Percent of Employers Offering Dental Insurance by Business Size



Almost 46 percent of employers offering dental insurance to full-time employees jointly share the costs with their employees (Figure 1-3.4). Another 23.6 percent of employers pay 100 percent of the costs of dental insurance for employees. The employees pay 100 percent of the cost of dental insurance in 30.5 percent of the businesses. About 11 percent of employers that offer dental insurance to part-time employees pay 100 percent of the costs. Nearly 43 percent of employers offering dental insurance to part-time employees jointly pay the cost with employees. Employees pay 100 percent of dental insurance costs in 46.6 percent of all Alabama businesses (Figure 1-3.5).

Figure 1-3.4 Source of Dental Insurance Premiums for Full-time Employees

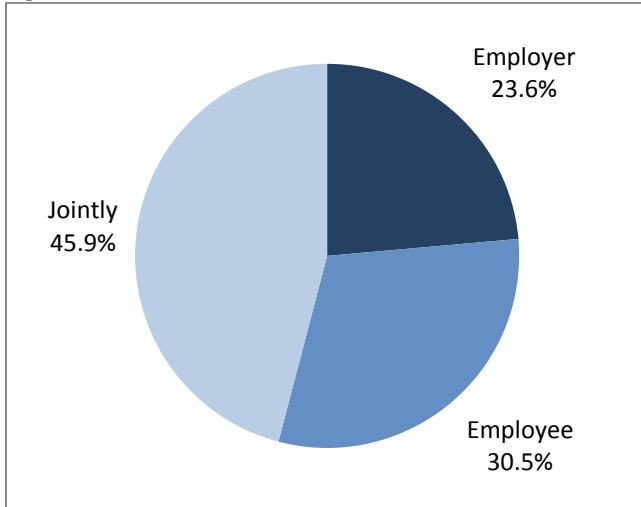
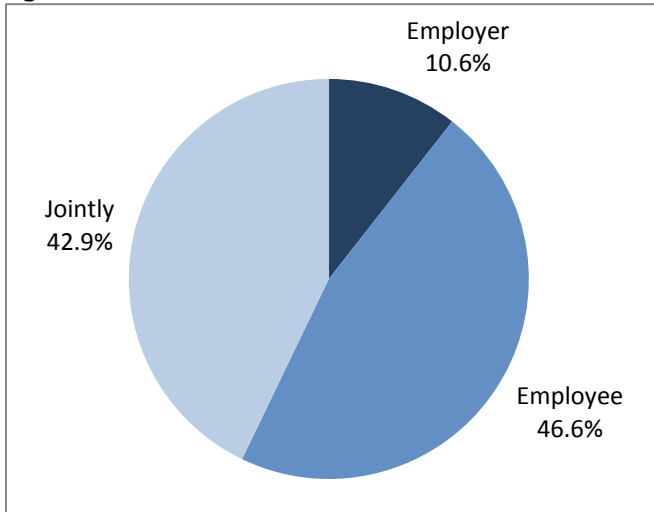


Figure 1-3.5 Source of Dental Insurance Premiums for Part-time Employees



1-4 Dental Insurance to Employees' Spouses or Dependents

Employers who provide employees' spouses or dependents dental insurance were asked who pays the premiums. About half of the businesses indicated that the employees pay 100 percent of the dental insurance premiums. Forty-one percent of the employers share the insurance costs with their employees and 9.6 percent cover the full costs (Figure 1.4.1). For part-time employees, family dental insurance costs are fully paid by the employer in only 4.5 percent of Alabama businesses, jointly between employers and employees in nearly 37.9 percent of the cases, and solely by the employee in 57.6 percent of the businesses (Figure 1-4.2).

Figure 1-4.1 Source of Family Dental Insurance Premiums for Full-time Employees

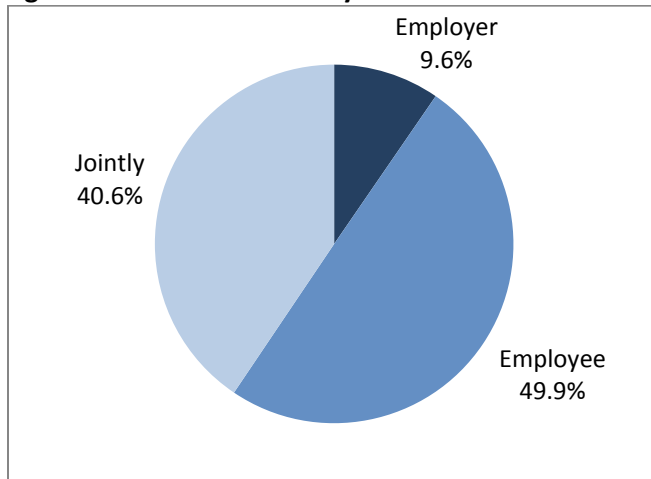
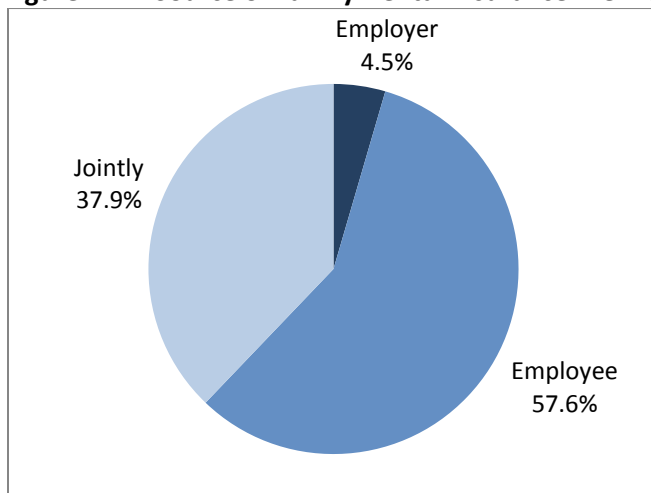


Figure 1-4.2 Source of Family Dental Insurance Premiums for Part-time Employees

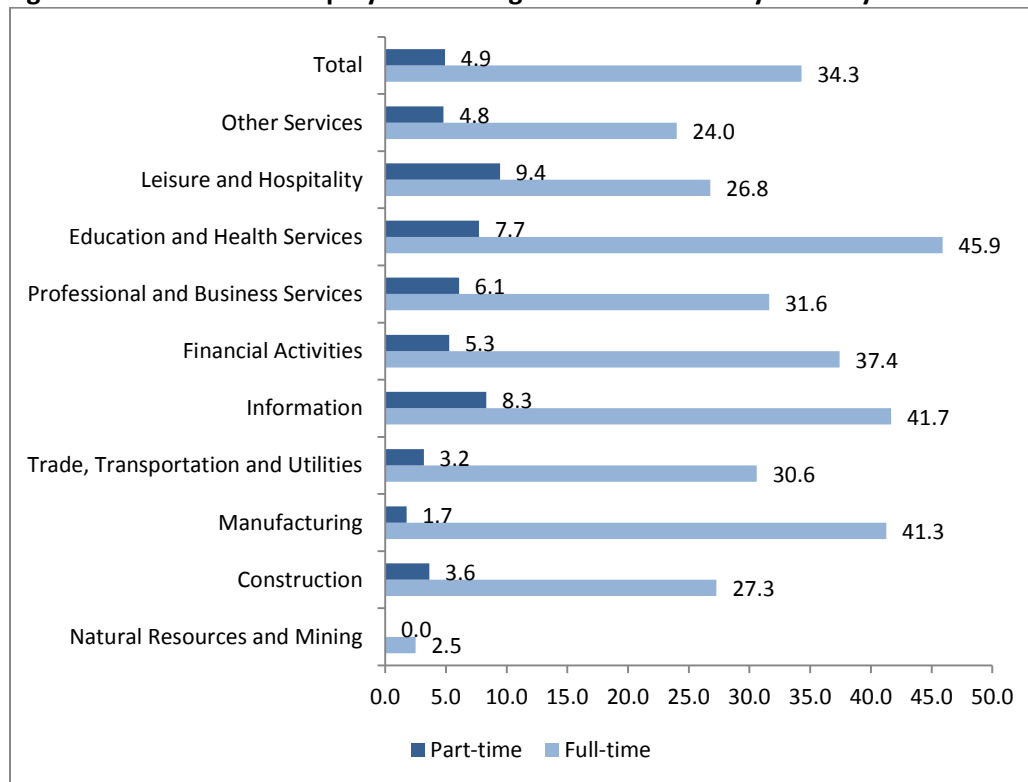


1-5 Vision Insurance

Industry

Businesses were also asked whether they offer vision insurance to their employees. Vision insurance is offered to full-time employees by about a third of all employers in Alabama and by 4.9 percent of companies to part-time employees. Full-time employees are most likely to be offered vision insurance by businesses in education and health services (45.9 percent), information (41.7 percent), and manufacturing (41.3 percent). Most of the employers who provide vision insurance to part-time employees are, surprisingly, in the leisure and hospitality industry (9.4 percent); no natural resources and mining industry employers reported offering such benefits (Figure 1-5.1).

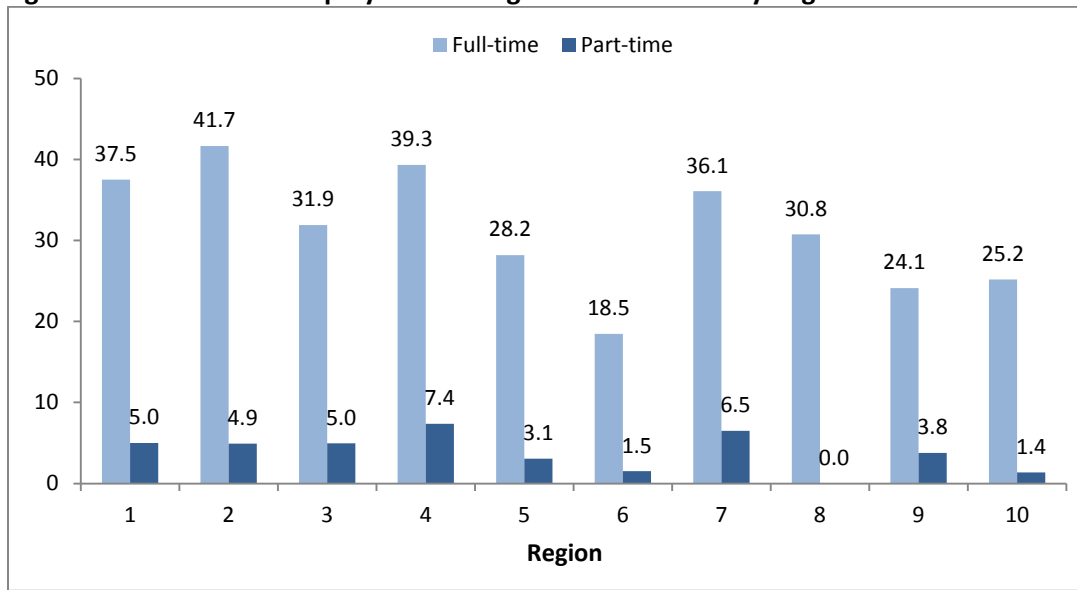
Figure 1-5.1 Percent of Employers Offering Vision Insurance by Industry



Region

Figure 1-5.2 presents the percentage of employers that offer vision insurance to employees by workforce development region. More businesses in Region 2 and 4 offer vision insurance to full-time employees than in the other regions. Region 6 has the lowest percentage of companies offering vision insurance to full-time employees. Region 4 also has the highest proportion of businesses that offer vision insurance to part-time workers. No businesses in Region 8 reported such a benefit for part-time workers.

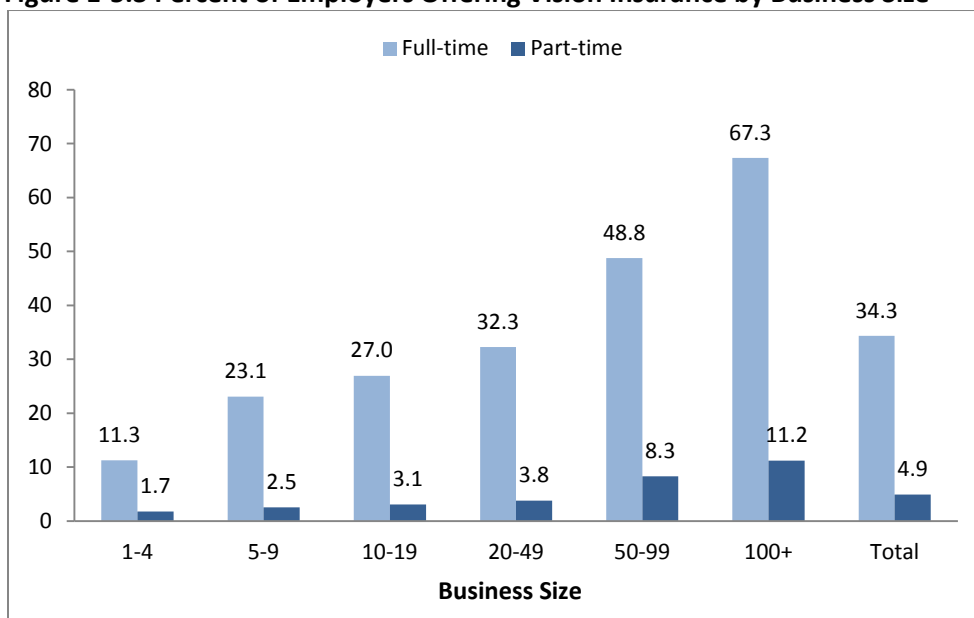
Figure 1-5.2 Percent of Employers Offering Vision Insurance by Region



Business Size

As in medical and vision insurance benefits, the percentage of employers offering vision insurance to both full-time and part-time employees increases with size of business. About 67 percent of businesses with 100 or more employees offer vision insurance to full-time employees compared to 11.3 percent for businesses with four or fewer employees. Only 1.7 percent of employers with fewer than five employees offer vision insurance to part-time employees in contrast to 11.2 percent of employers with 100 or more employees (Figure 1-5.3).

Figure 1-5.3 Percent of Employers Offering Vision Insurance by Business Size

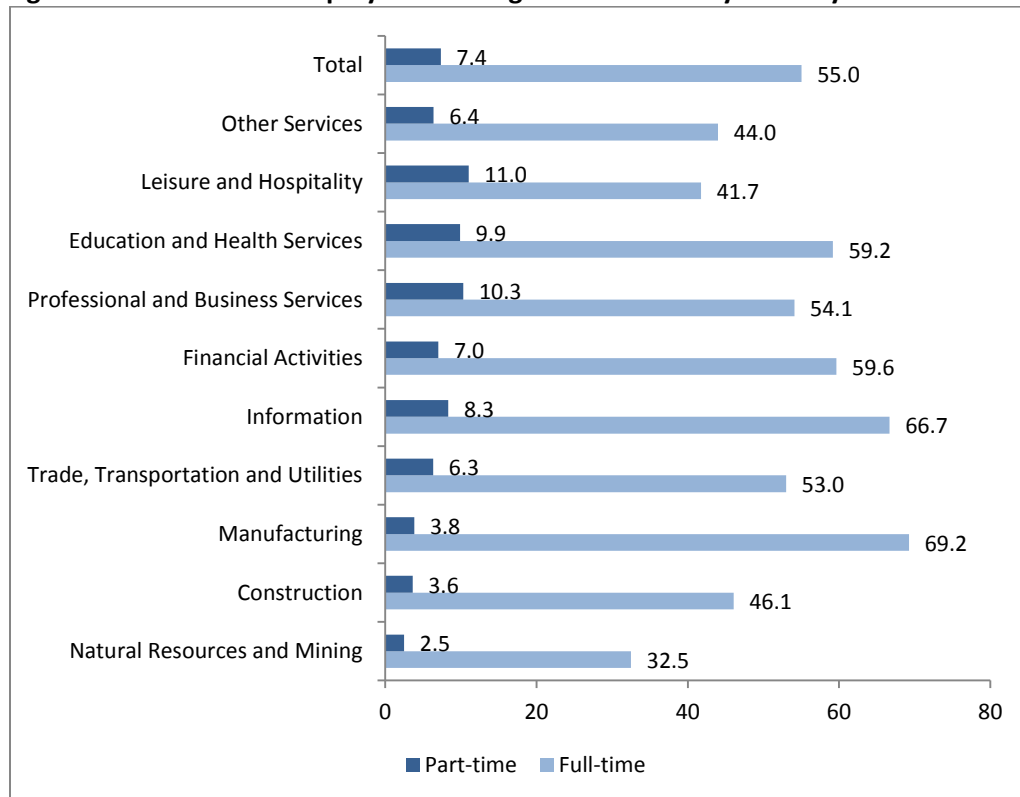


1-6 Life Insurance

Industry

Employers were asked about their life insurance benefits to employees. More than half (55 percent) of Alabama employers offer life insurance to full-time employees and about 7 percent of companies offer the benefit to part-time employees. Employers in the manufacturing industry (69.2 percent) are more likely to offer life insurance to full-time employees than in any other industry. Natural resources and mining has the lowest proportion of employers that offer life insurance to both full-time and part-time employees (see Figure 1-6.1).

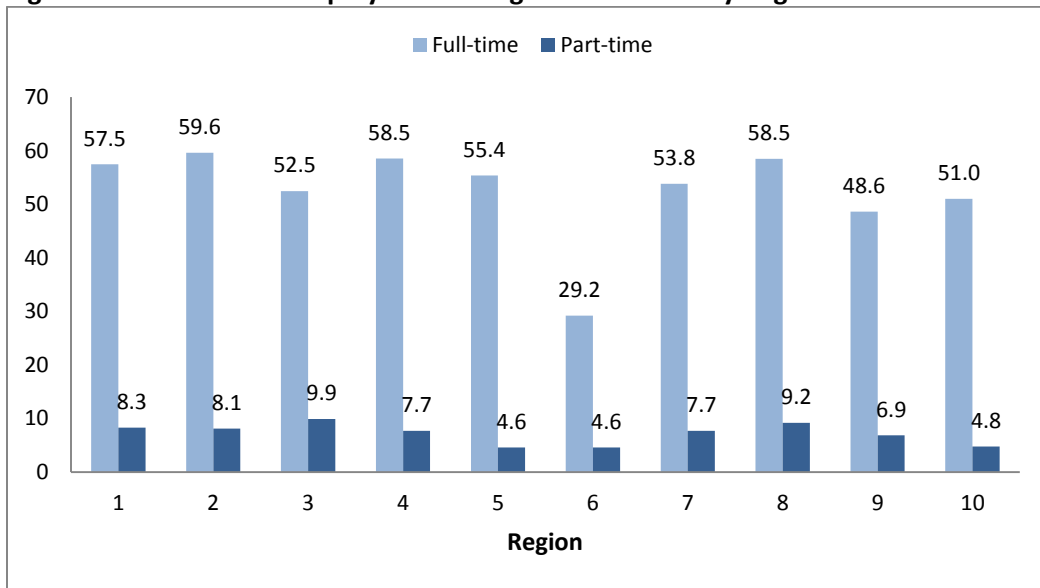
Figure 1-6.1 Percent of Employers Offering Life Insurance by Industry



Region

Life insurance is offered to full-time employees by 59.6 percent of businesses in Region 2, followed closely by businesses in Regions 4 and 8 each with 58.5 percent. Region 6 had the smallest percentage (29.2 percent) of businesses that offer life insurance to full-time employees. The percentages are much lower for part-time workers where Region 3 has the highest with nearly 10 percent of businesses and Regions 5 and 6 trail with 4.6 percent (Figure 1-6.2).

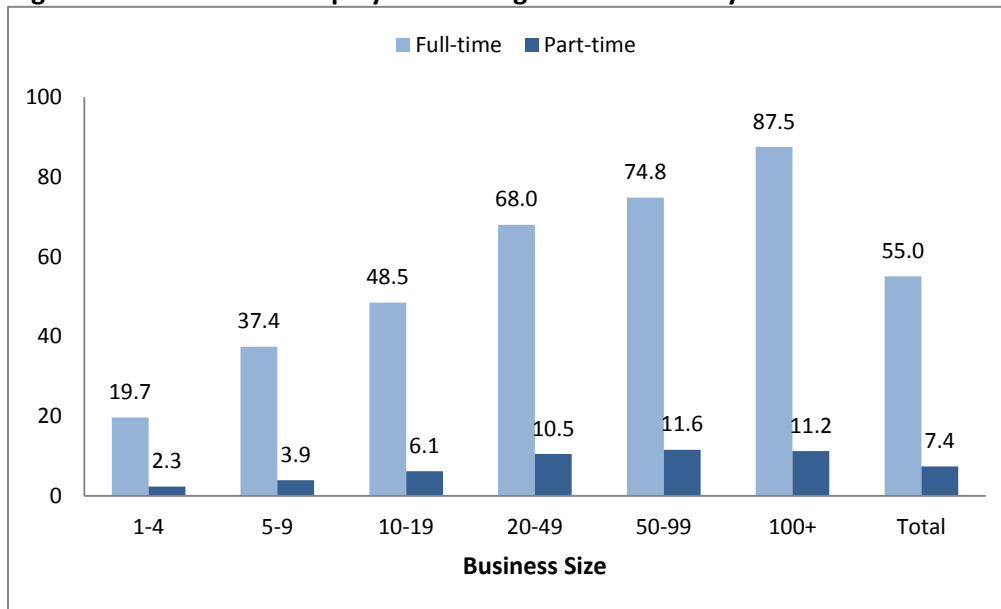
Figure 1-6.2 Percent of Employers Offering Life Insurance by Region



Business Size

The likelihood of offering life insurance to employees increases with the number of employees (Figure 1-6.3). About 88 percent of businesses with 100 or more employees offer life insurance to full-time employees compared to 20 percent of businesses with fewer than five employees. For part-time employees, 11 percent of the large employers provide life insurance compared to about 2 percent of the small businesses. Firms with 50-99 employees (11.6 percent) are slightly more likely to offer life insurance to part-time employees than those with 100 or more employees (11.2 percent).

Figure 1-6.3 Percent of Employers Offering Life Insurance by Business Size

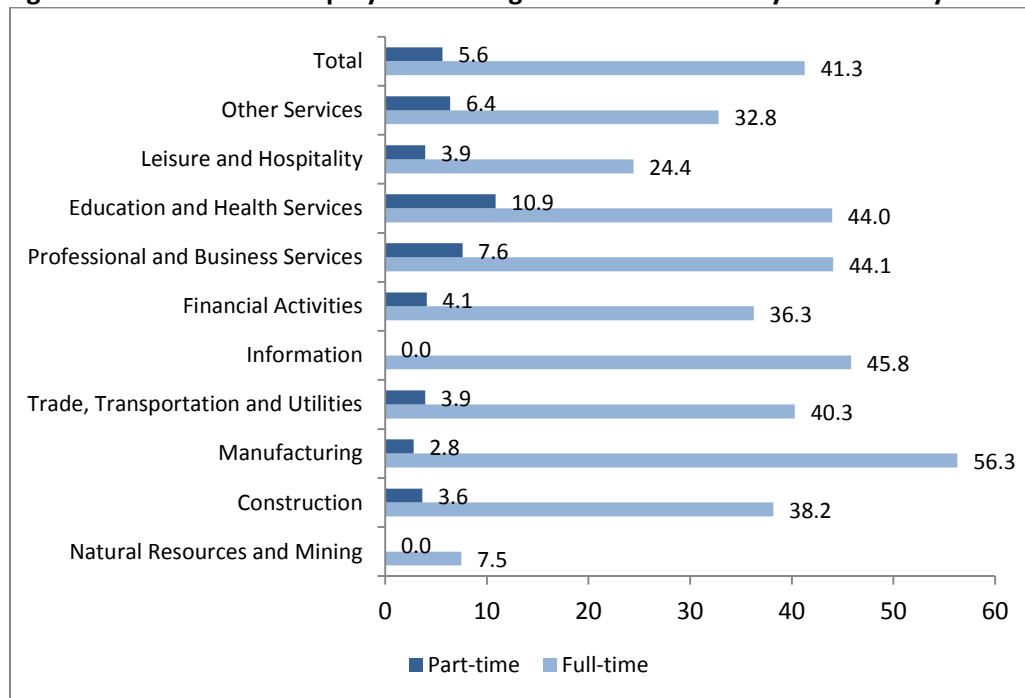


1-7 Short-term Disability Insurance

Industry

Overall, less than half (41.3 percent) of all businesses in Alabama offer short-term disability insurance to full-time employees and less than 6 percent offer the benefits to part-time employees. The provision of short-term disability insurance to full-time employees ranges from a high of 56.3 percent of employers in manufacturing to a low of 7.5 percent of businesses in natural resources and mining. Employers in education and health services are more likely to provide short-term disability to part-time employees (10.9 percent) than those in the other industries. None of the employers in natural resources and mining and information industries reported offering this benefit to part-time employees. See Figure 1-7.1 for more details.

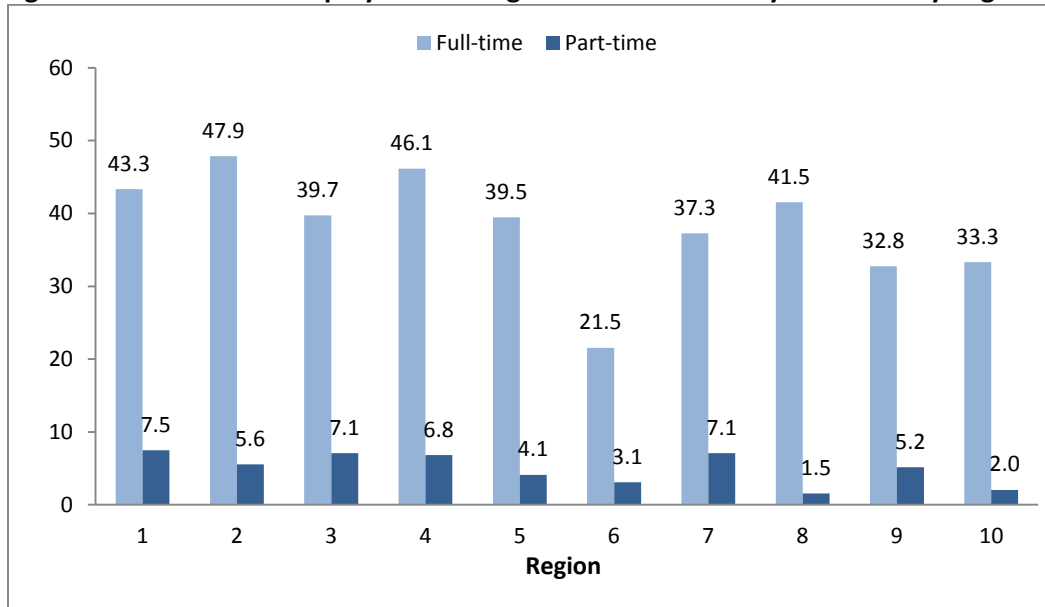
Figure 1-7.1 Percent of Employers Offering Short-term Disability Insurance by Industry



Region

At least a third of businesses in all the workforce development regions provide short-term disability insurance to full-time employees, except for Region 6 which has 21.5 percent. Employers in Region 2 (47.9 percent) are most likely to offer full-time employees short-term disability insurance followed by businesses in Region 4 (46.1 percent). The percentages are much smaller for part-time workers where, Region 1 (7.5 percent) has the highest percent of businesses and Region 8 is at the bottom with 1.5 percent (Figure 1-7.2).

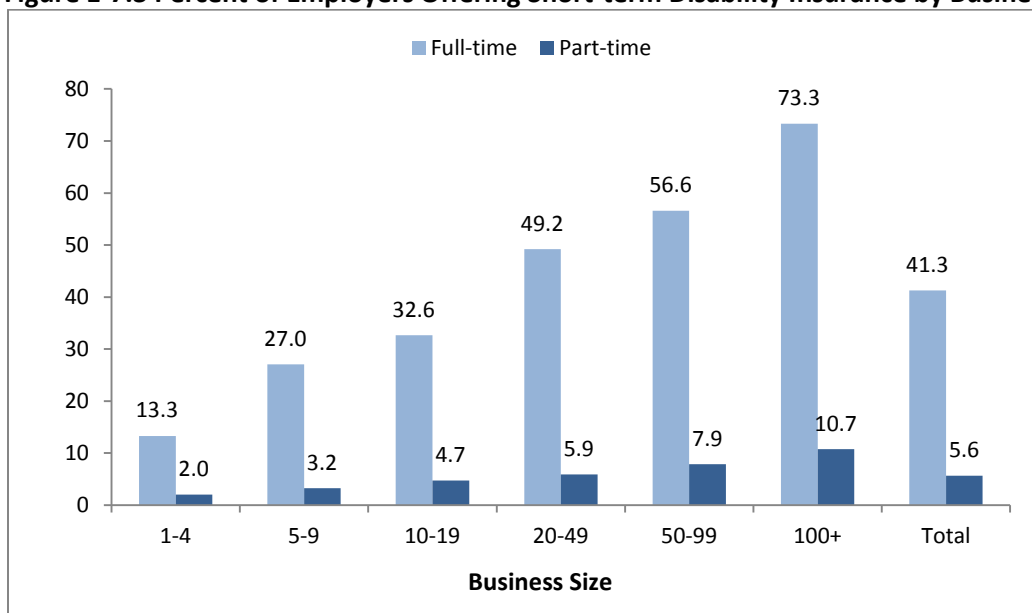
Figure 1-7.2 Percent of Employers Offering Short-term Disability Insurance by Region



Business Size

As the size of the business increases, so does the proportion of businesses that offer short-term disability insurance to employees (Figure 1-7.3). However the proportion increases with business size at a higher rate for full-time employees compared to part-time employees. The percentage of businesses offering short-term disability insurance to full-time employees ranges from 13.3 percent for employers with four or fewer employees to 73.3 percent for firms with 100 or more employees. For part-time employees, the range is from 2 percent of employers with four or fewer workers on the lower side to about 11 percent of businesses with 100 or more employees on the higher side.

Figure 1-7.3 Percent of Employers Offering Short-term Disability Insurance by Business Size

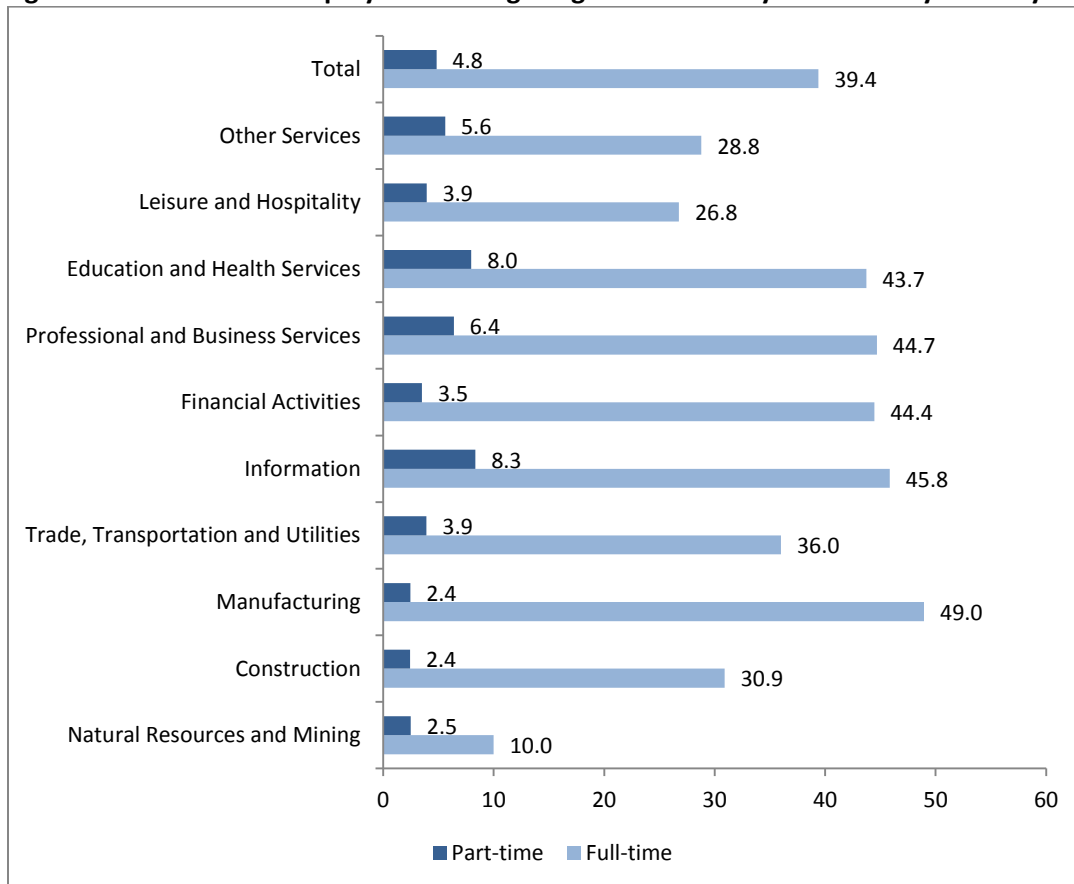


1-8 Long-term Disability Insurance

Industry

Thirty-nine percent of Alabama employers offer long-term disability insurance to full-time employees and less than 5 percent of them offer the insurance to part-time employees. Employers in the manufacturing industry (49 percent) are more likely to provide this type of insurance to their full-time employees compared to employers in the other industry groups. Information (8.3 percent) and education and health services (8 percent) employers are more likely to offer the benefit to part-time workers. See Figure 1-8.1 for complete details.

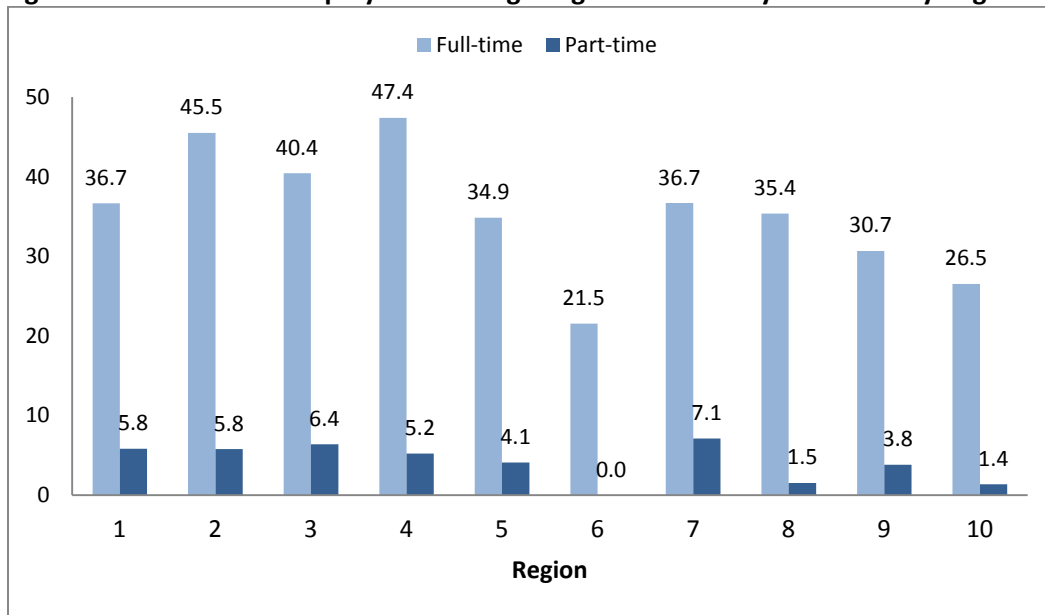
Figure 1-8.1 Percent of Employers Offering Long-term Disability Insurance by Industry



Region

Employers in Regions 4 (47.4 percent) and 2 (45.5 percent) are more likely to offer long-term disability insurance to their full-time employees than those in the other regions (Figure 1-8.2). Region 6 companies are less likely to offer long-term disability with only 21.5 percent offering insurance to full-time employees and none to part-time workers.

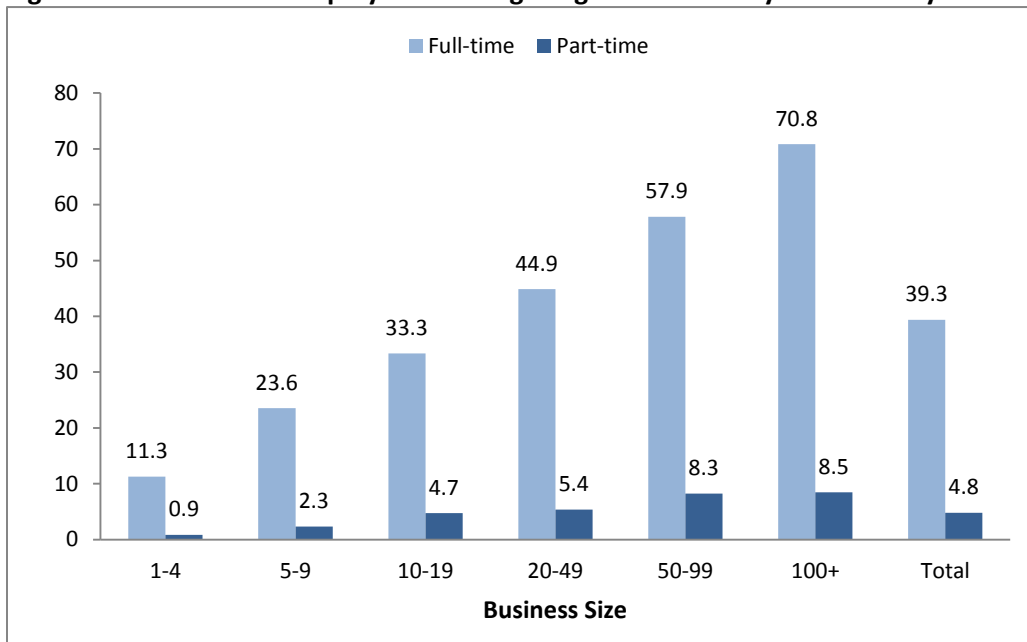
Figure 1-8.2 Percent of Employers Offering Long-term Disability Insurance by Region



Business Size

Figure 1-8.3 presents the proportion of businesses offering long-term insurance to their employees. As expected, more larger-sized employers offer long-term insurance to employees than small ones. Of the employers with four or fewer employees, 11.3 percent provide long-term insurance to full-time employees. As shown in the figure, the likelihood of offering these benefits increases with business size to 70.8 percent of employers with 100 or more workers. Similarly, part-time employees are more likely to be offered long-term disability insurance by a larger employer.

Figure 1-8.3 Percent of Employers Offering Long-term Disability Insurance by Business Size

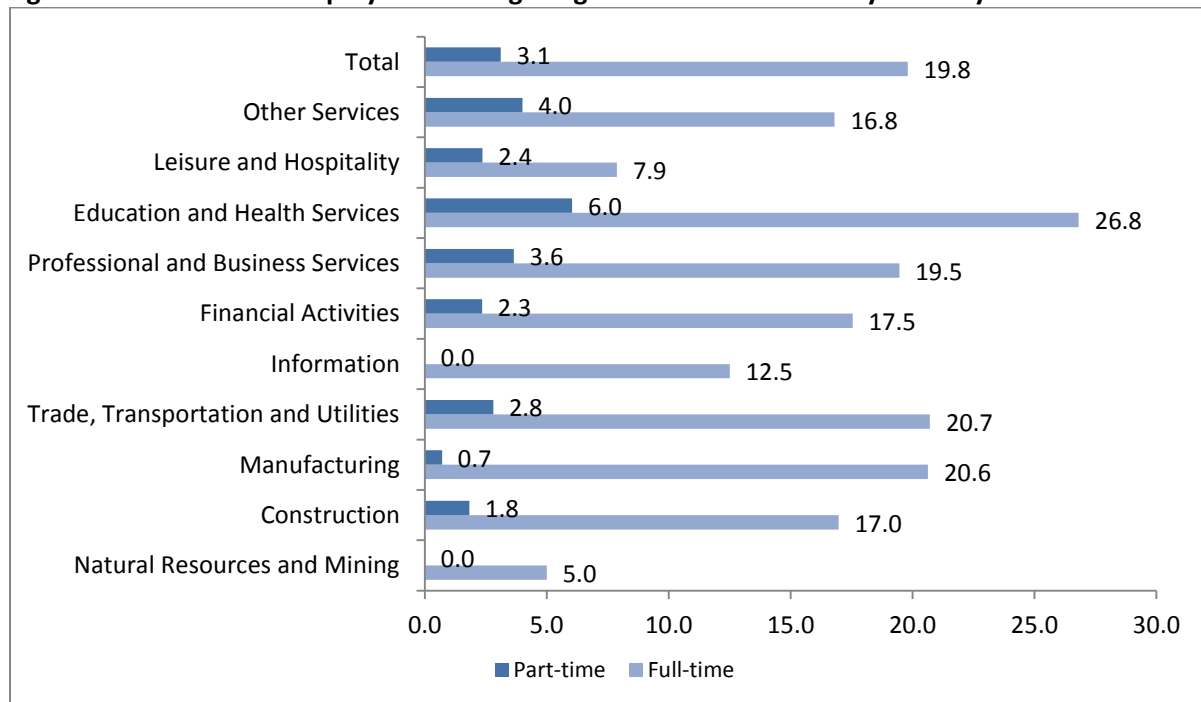


1-9 Long-term Care Insurance

Industry

When asked about long-term care insurance, 19.8 percent of Alabama businesses indicated offering the benefit to full-time workers but only 3.1 percent offer the benefit to part-time workers. At 26.8 percent, employers in education and health services industry are more likely to offer long-term insurance to full-time workers. Businesses in the natural resources and mining industry (5 percent) are less likely to provide long-term care insurance to full-time employees than those in all other industries. Education and health services employers are also the top providers of long-term care insurance to part-time workers. None of the information and natural resources and mining employers reported providing any long-term care benefits for part-time employees (Figure 1-9.1).

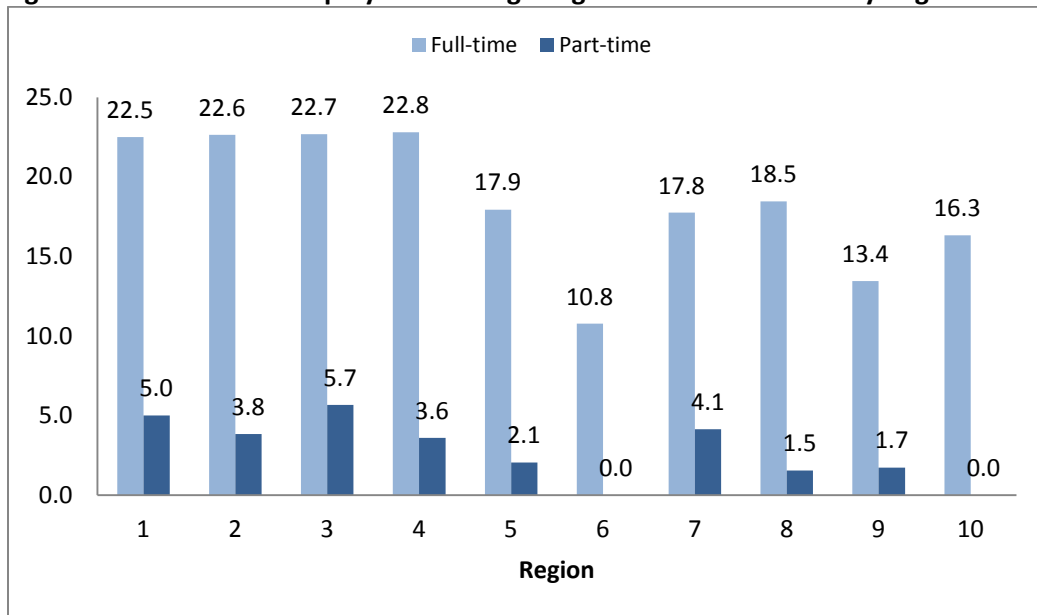
Figure 1-9.1 Percent of Employers Offering Long-term Care Insurance by Industry



Region

Interestingly, about 23 percent of employers located in Regions 1, 2, 3, and 4 offer long-term care insurance to full-time employees. Employees working in Region 6 are least likely to get long-term care insurance with only 10.8 percent of employers offering the benefit. Employers in Regions 6 and 10 did not report providing long-term care insurance to part-time employees. Region 3 has the most employers who offer the benefit to part-time employees (Figure 1-9.2).

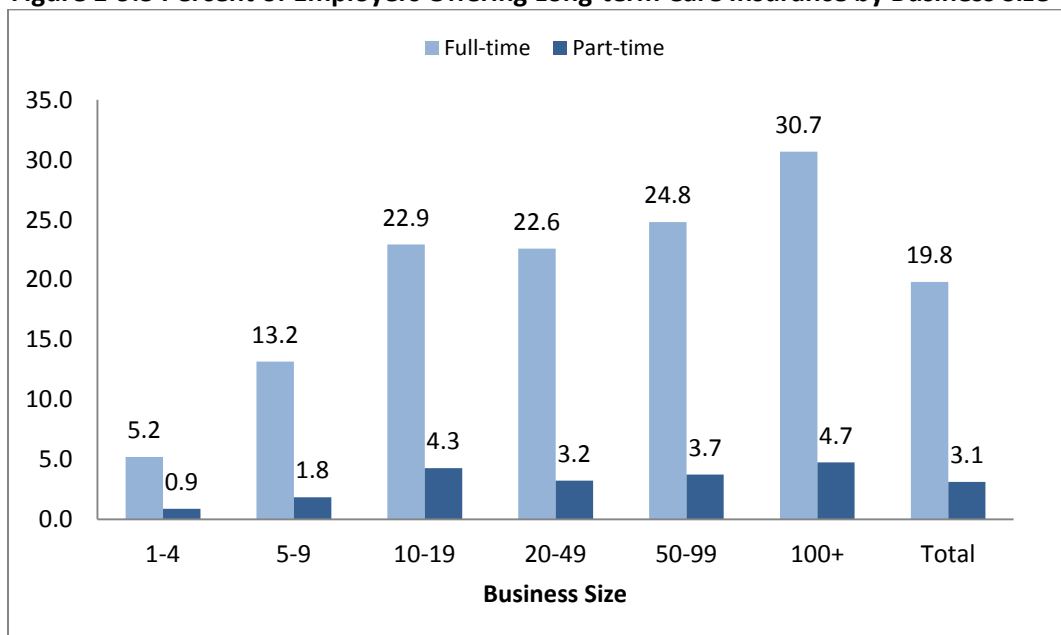
Figure 1-9.2 Percent of Employers Offering Long-term Care Insurance by Region



Business Size

Larger firms are more likely to offer long-term care insurance to their employees as opposed to small business establishments (Figure 1-9.3). About 31 percent of businesses with 100 or more employees offer life insurance to full-time employees compared to only 5.2 percent of businesses with fewer than five employees. For part-time employees, 4.7 percent of the largest employers provide life insurance compared to 0.9 percent of small businesses.

Figure 1-9.3 Percent of Employers Offering Long-term Care Insurance by Business Size

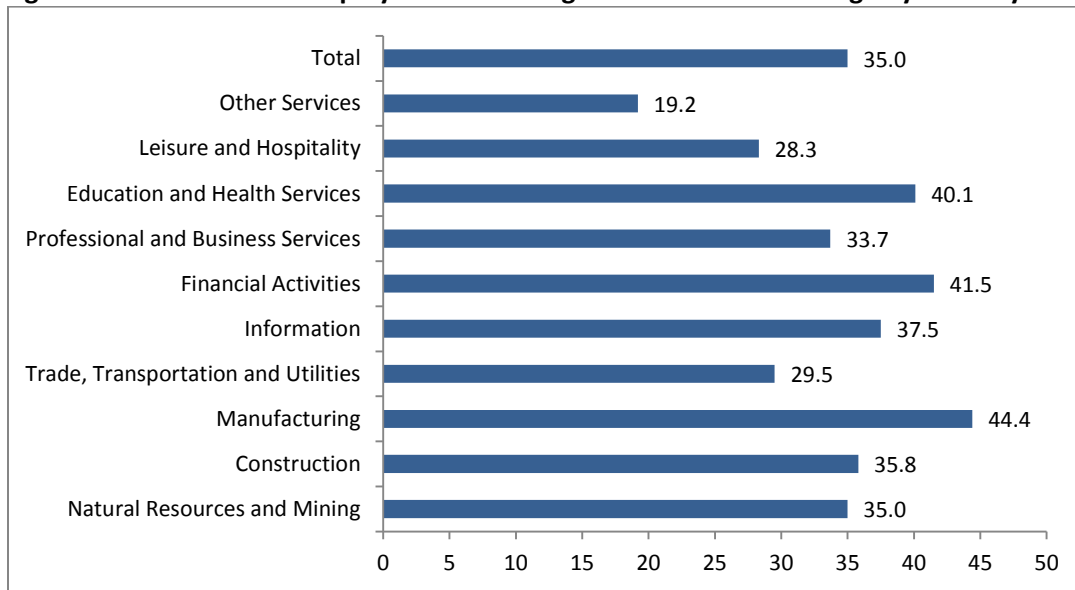


1-10 Health-Care Coverage Changes

Industry

Employers were asked whether they made any changes to their employee health-care coverage in 2009 due to increasing health-care costs. Thirty-five percent of all the employers reported that they made changes to their employee health-care coverage. By industry groupings, most of the employers who made changes to health-care coverage are in manufacturing (44.4 percent), financial activities (41.5 percent), and education and health services (40.1 percent) (Figure 1-10.1). Fewer employers in the other services industry (19.2 percent) reported changes to their health-care benefits.

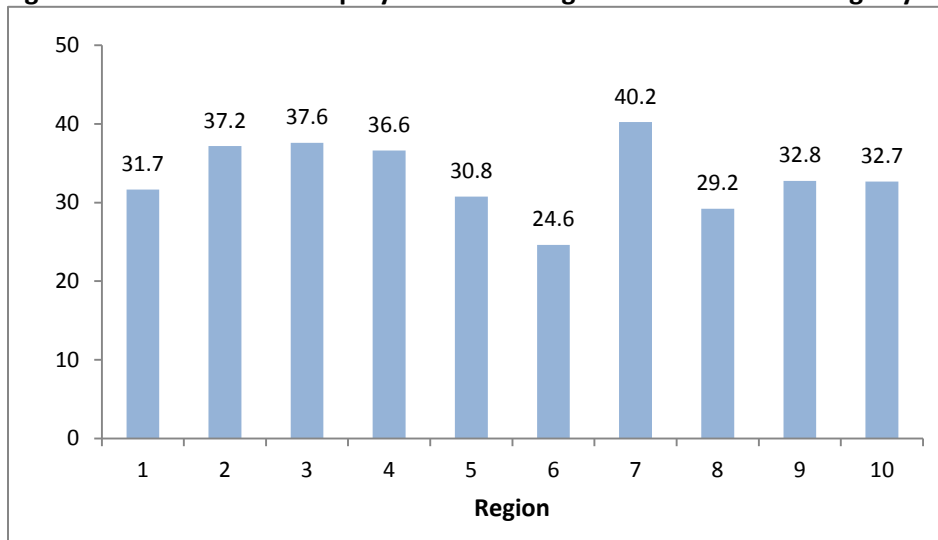
Figure 1-10.1 Percent of Employers Who Changed Health-Care Coverage by Industry



Region

The highest percentage of employers who made changes to their health-care coverage are located in Regions 7, 3, 2, and 4 (Figure 1-10.2). Fewer companies in Region 6 (24.6 percent) reported changes in employee health-care coverage in 2009 compared to the other regions.

Figure 1-10.2 Percent of Employers Who Changed Health-Care Coverage by Region



Business Size

Figure 1-10.3 shows that the percentage of employers who changed employees' health-care coverage increases with the size of business. Just over 14 percent of the small-sized business establishments (1-4 employees) changed their coverage while 56.1 percent of the large employers made changes. The finding that a higher percentage of larger employers changed health-care coverage is not surprising given that most large employers offer health-care benefits to employees. Increases in health-care costs affected budgets for many employers at a time when revenue was low due to the recent economic recession. Many of the companies made changes to offset these costs.

Figure 1-10.3 Percent of Employers Who Changed Health-Care Coverage by Business Size

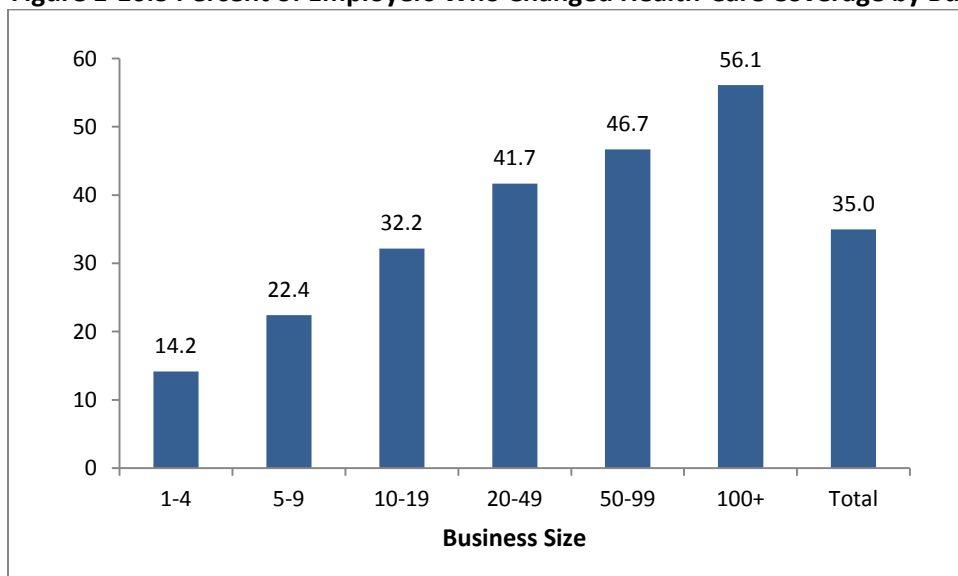
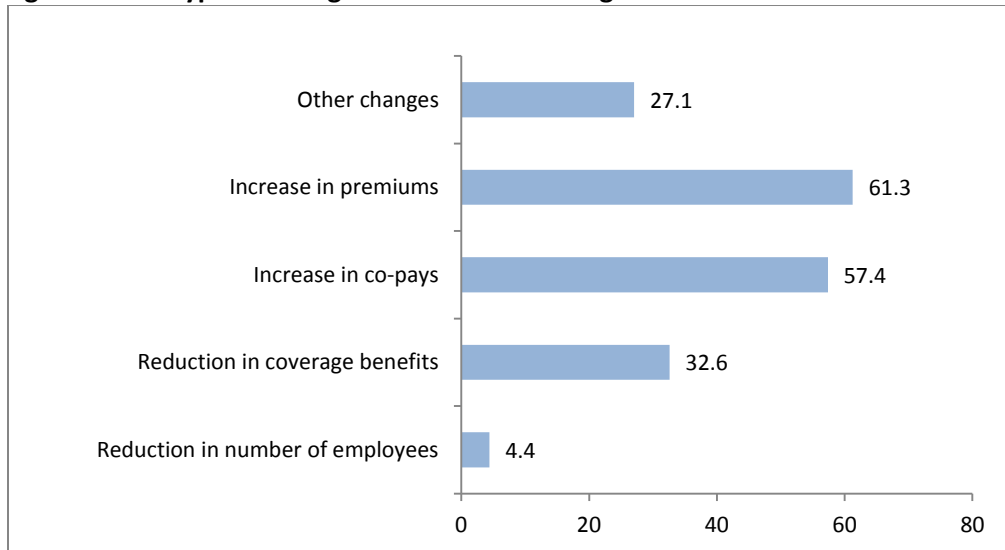


Figure 1-10.4 shows the kind of health-care changes made by employers and the percentage of employers who implemented the change. About 61 percent of employers increased premiums and 57 percent raised co-pays. Roughly one-third (32.6 percent) of the employers reduced health-care coverage benefits for their employees and 27.1 percent made other changes. Just a small proportion of employers (4.4 percent) reported a reduction in the number of employees on health insurance. Based on the findings in Figure 1-10.4, it is obvious that employees in the businesses that made changes to health-care coverage are paying more for health-care services than they used to before the changes.

Figure 1-10.4 Type of Change Health-Care Coverage



Section 2 - Paid Leave

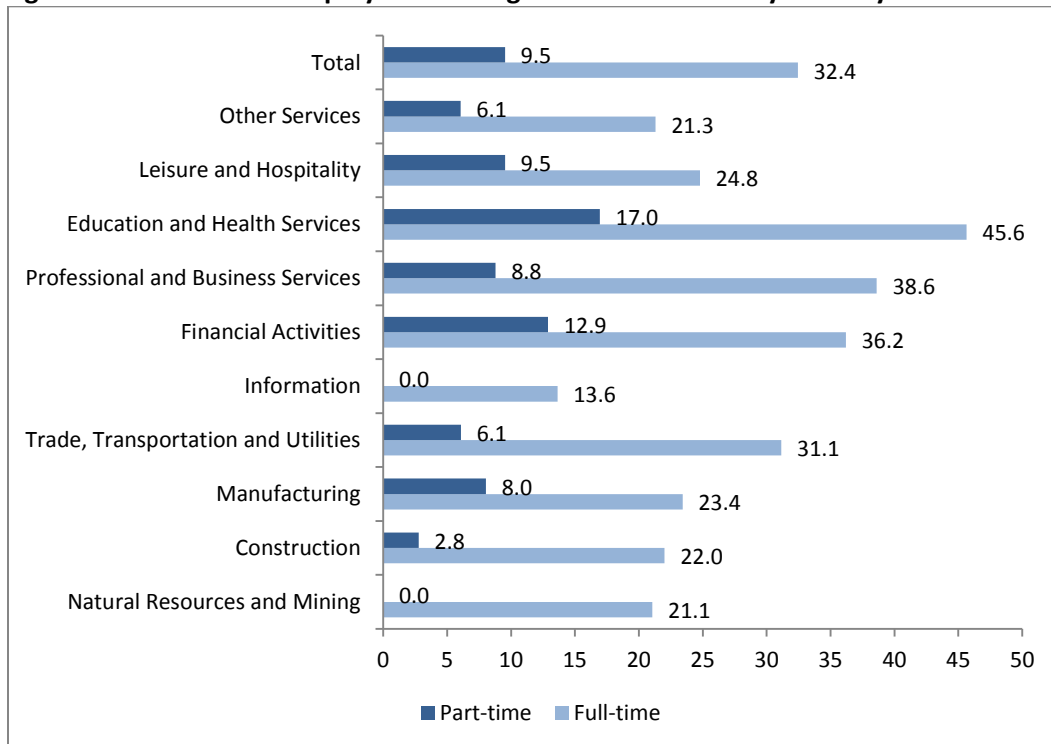
2-1 Consolidated Paid Time Off (PTO)

Industry

Consolidated paid time off (PTO) is used more often by Alabama employers, but there is some confusion about the relationship between PTO, sick leave, and vacation leave. It is possible that companies that do use PTO in lieu of sick and vacation days answered these questions correctly. However, employers who offer sick and vacation days to their employees could also have answered yes to these PTO questions thinking that they do provide paid time off to their employees. Unfortunately we are not able to determine the degree to which the responses on these questions may be confounded by this misinterpretation of PTO. Consequently, the results on PTO should be viewed with caution because of the ambiguous nature of the survey responses.

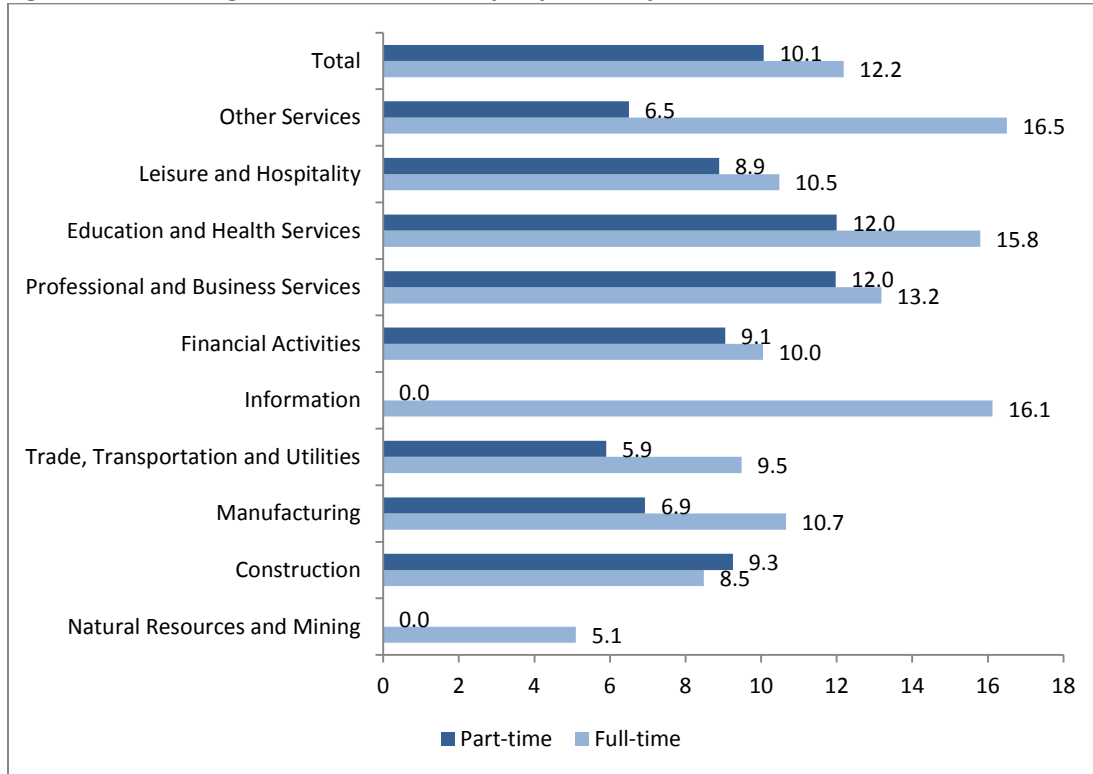
Overall 32.4 percent of all employers reported that they offer PTO to full-time employees and less than 10 percent offer the benefit to part-time employees (Figure 2-1.1). More employers in the education and health services industry offer PTO to all employees than any other industry; 45.6 and 17 percent for full- and part-time workers respectively. Employers in the professional and business services and financial activities are both likely to offer PTO to full-time employees at 38.6 and 36.2 percent respectively. Education and health services and financial activities industries also have the highest percentage of companies that offer PTO to part-time employees. None of the information and natural resources and mining employers reported offering PTO to part-time workers.

Figure 2-1.1 Percent of Employers Offering Consolidated PTO by Industry



The average PTO days by industry are shown in Figure 2-1.2. Other services, education and health services, and information companies provide more PTO days to full-time employees than all the other industries; about 17 days for other services and 16 for information and education and health services. Natural resources and mining employers provide the least days (5.1) for PTO. Overall, all Alabama employers provide about 12 and 10 PTO days for full-time and part-time employees respectively.

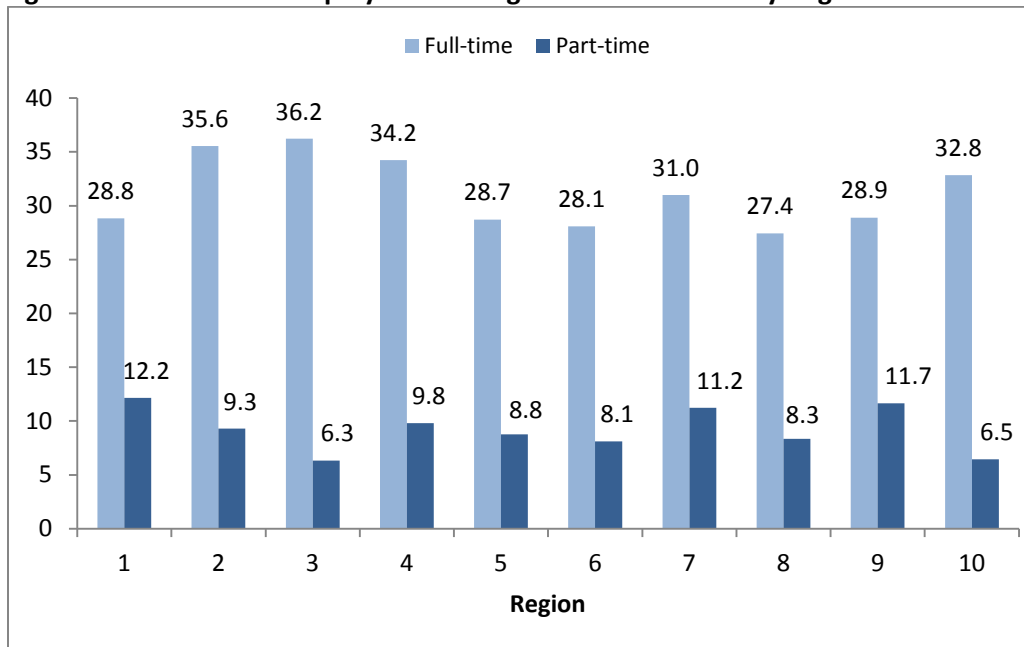
Figure 2-1.2 Average Number of PTO Days by Industry



Region

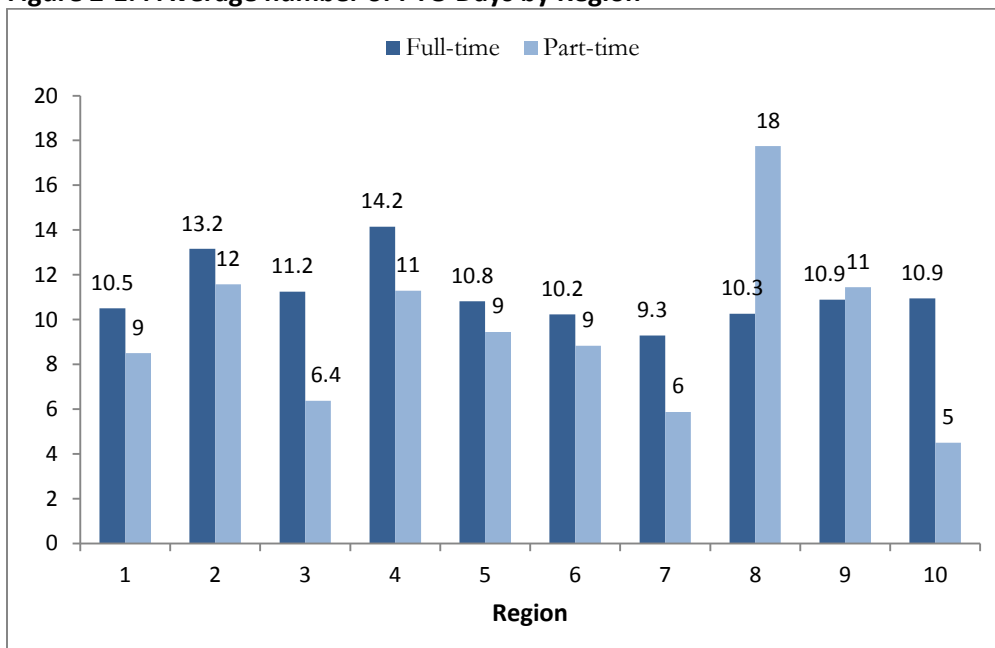
Regions 3, 2, and 4 have the highest percentage of companies that provide PTO to full-time workers; 36.2, 35.6, and 34.2 percent of businesses respectively. Region 8 companies are less likely to offer PTO to full-time employees where 27.4 percent of businesses located in the region provide the benefit. For part-time workers, the percentage of firms that provide PTO is very low compared to full-time employees (Figure 2-1.3). Employers in Region 1 (12.2 percent) are more likely to offer PTO to part-time workers than any other region while Region 3 employers (6.3 percent) trail all the others.

Figure 2-1.3 Percent of Employers Offering Consolidated PTO by Region



The average number of PTO days is shown in Figure 2-1.4. Employers based in Region 4 provide more days for PTO (14.2 days) to full-time employees than those in any other workforce development region. Employers in Region 7 provide the least days. The finding that part-time employees in Regions 8 and 9 are offered more PTO days than their full-time counterparts is most likely due to sampling error and misinterpretation of the question. At five days, Region 10 offers the lowest number of PTO days.

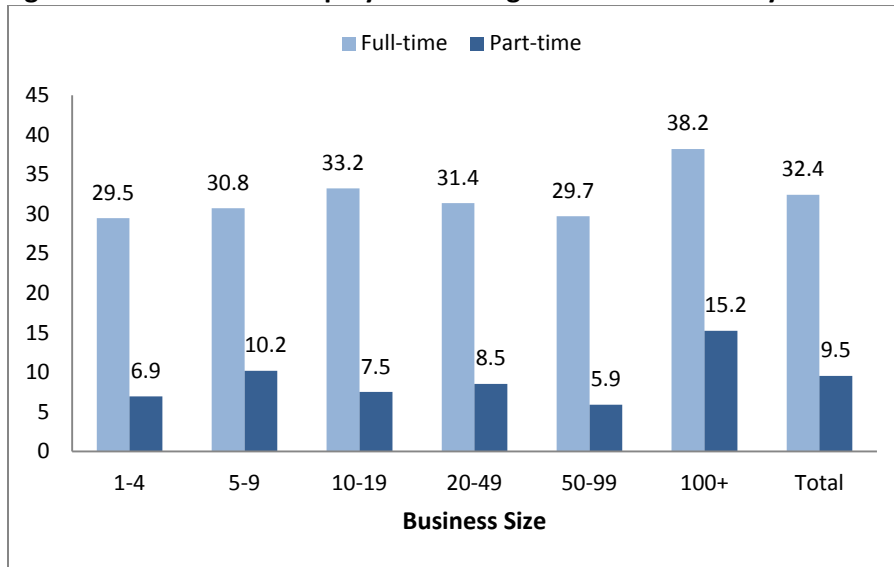
Figure 2-1.4 Average number of PTO Days by Region



Business size

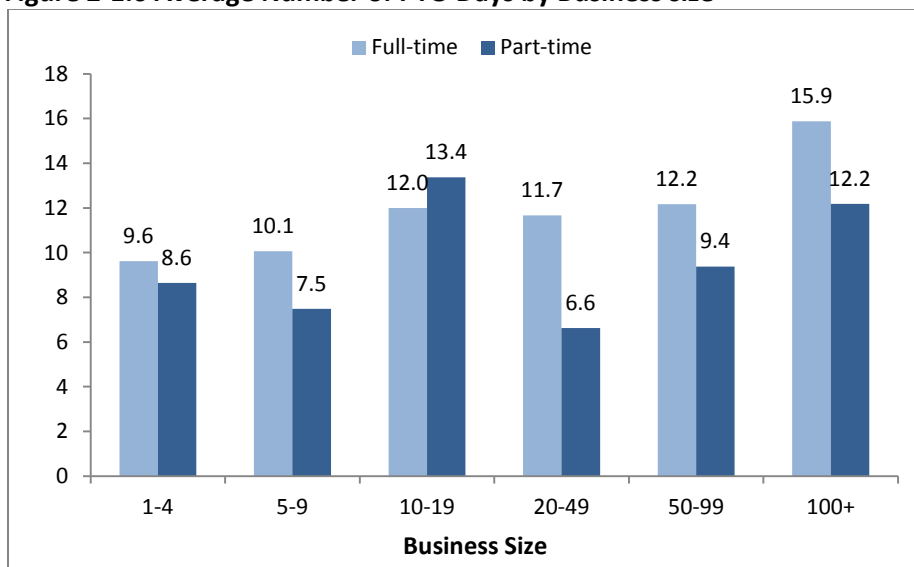
More employers with 100 or more employees offer PTO to full-time employees than businesses with fewer employees. Figure 2-1.5 shows that more firms (33.2 percent) with 10-19 employees offer PTO benefits than those with 20-49 (31.4 percent) and 50-99 (29.7 percent) employees. For part-time employees, the picture is different. Employers with 100 or more employees (15.2 percent) are more likely to offer PTO to part-time workers, followed by firms with 5-9 employees (10.2 percent). Companies employing 50-99 workers (5.9 percent) are least likely to offer PTO.

Figure 2-1.5 Percent of Employers Offering Consolidated PTO by Business size



PTO days offered to full-time employees are more for employees with 100 or more employees and few for employees with four or fewer employees (Figure 2-1.6). Again sampling error and ambiguity of the question are likely to be the reason why PTO days for part-time employees are more than those for full-time employees for employers with 10 to 19 employees.

Figure 2-1.6 Average Number of PTO Days by Business size



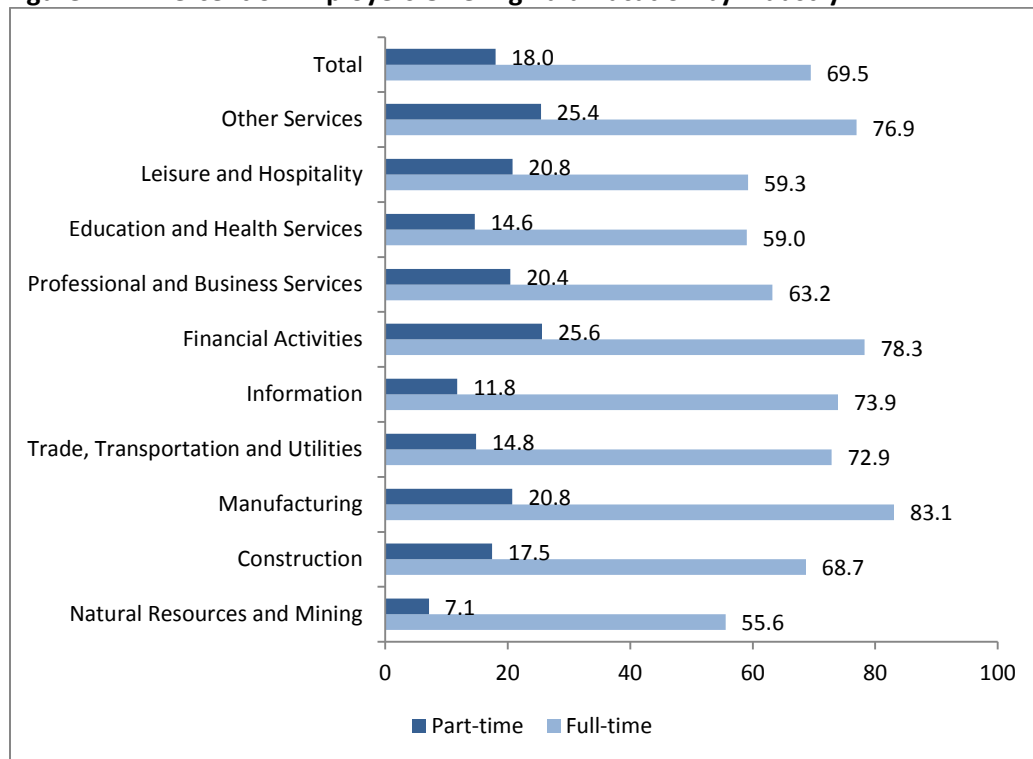
2-2 Paid Vacation Leave

Industry

The majority of employers in every industry offer paid vacation leave to full-time employees. The percent of employers offering paid vacation ranges from 55.6 percent in the natural resources and mining industry to 83.1 percent in manufacturing. Overall, about 70 percent of employers reported offering this benefit to full-time employees.

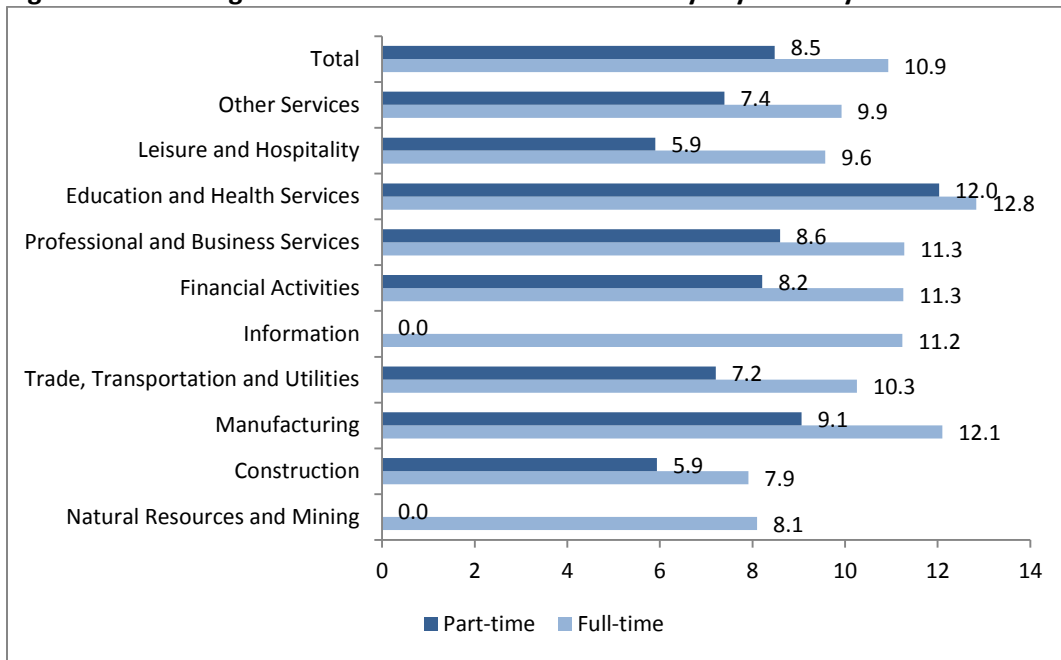
At about 26 percent, employers in the financial activities industry are more likely to offer paid vacation to part-time employees more than any other industry followed by those in the other services industry (25.4 percent). Only 7.1 percent of employers in the natural resources and mining industry offer paid vacation leave to part-time employees, a percentage significantly lower than in all other industries. See Figure 2-2.1 for more details.

Figure 2-2.1 Percent of Employers Offering Paid Vacation by Industry



On average Alabama employers provide about 11 days of paid vacation leave to full-time employees and 8.5 days to part-time employees (Figure 2-2.2). Education and health services and manufacturing are the two industries whose employers offer the most paid vacation leave. Full-time employees are offered almost 13 days by education and health services employers and 12 days by manufacturing companies. Construction and natural resources and mining employers offer the least paid vacation days. Industries with companies that offer more vacation days to full-time workers are also the providers of the most to part-time employees. Employers in information and natural resources and mining did not report any paid vacation leave days for part-time employees.

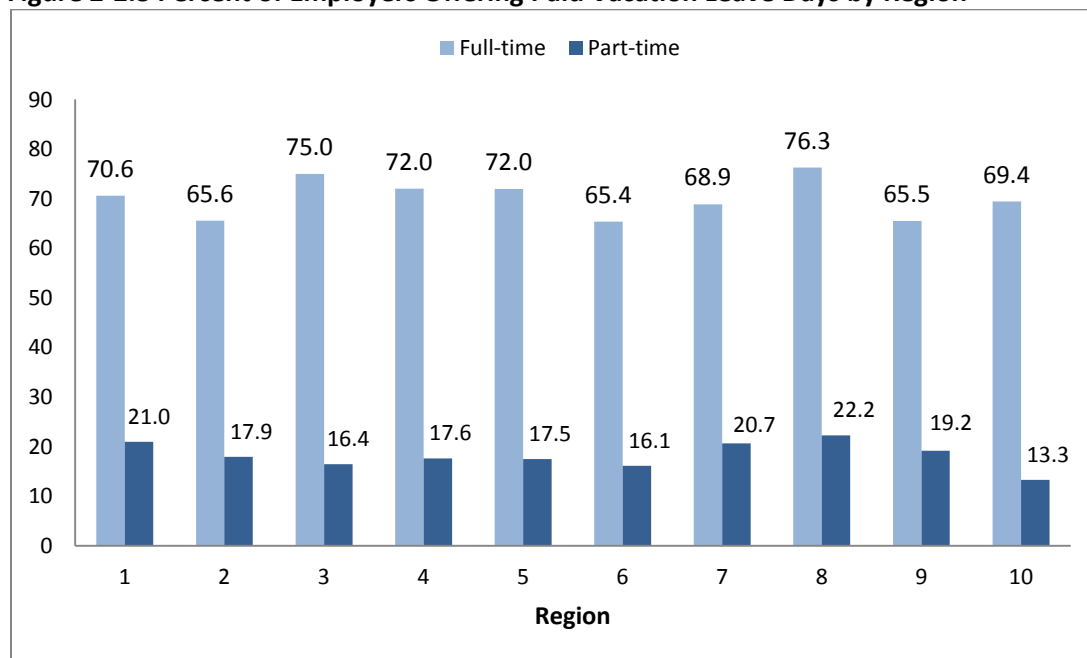
Figure 2-2.2 Average Number of Paid Vacation Leave Days by Industry



Region

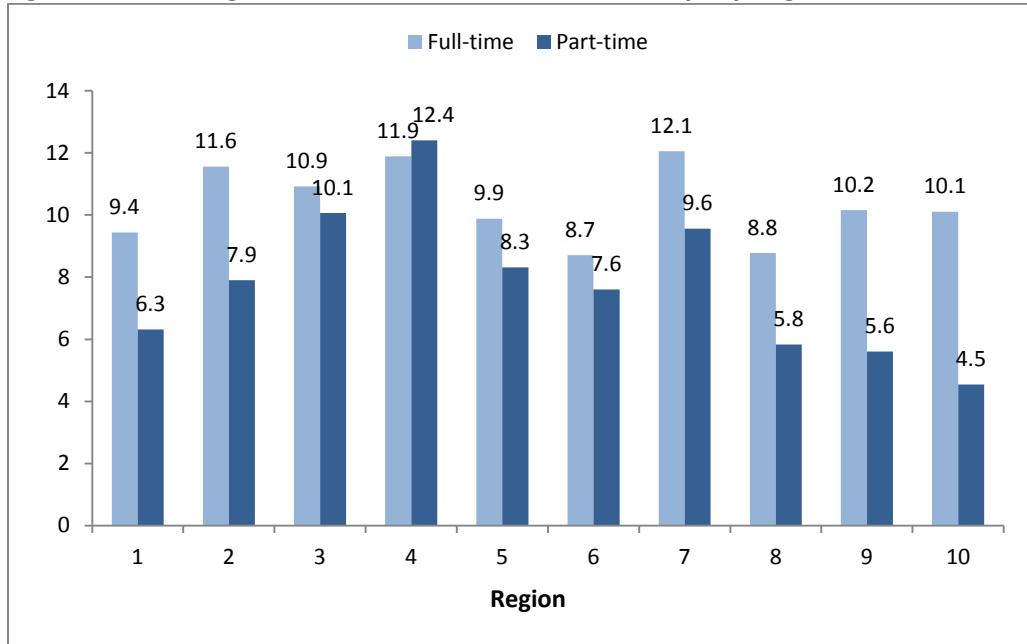
At least 65 percent of employers across all workforce development regions reported offering paid vacation leave to full-time workers. Employers located in Region 8 are more likely to offer paid vacation leave than those in other regions; about 76 percent offer paid vacation to full-time employees and 22.2 percent to part-time workers (Figure 2-2.3).

Figure 2-2.3 Percent of Employers Offering Paid Vacation Leave Days by Region



Employers located in Region 7 provide 12.1 days of paid vacation leave to full-time employees, which is more than in any other workforce development region (Figure 2-2.4). Employers in Region 6 provide the least paid vacation at 8.7 days. The least paid vacation (4.5 days) is offered by employers in Region 10 to part-time employees.

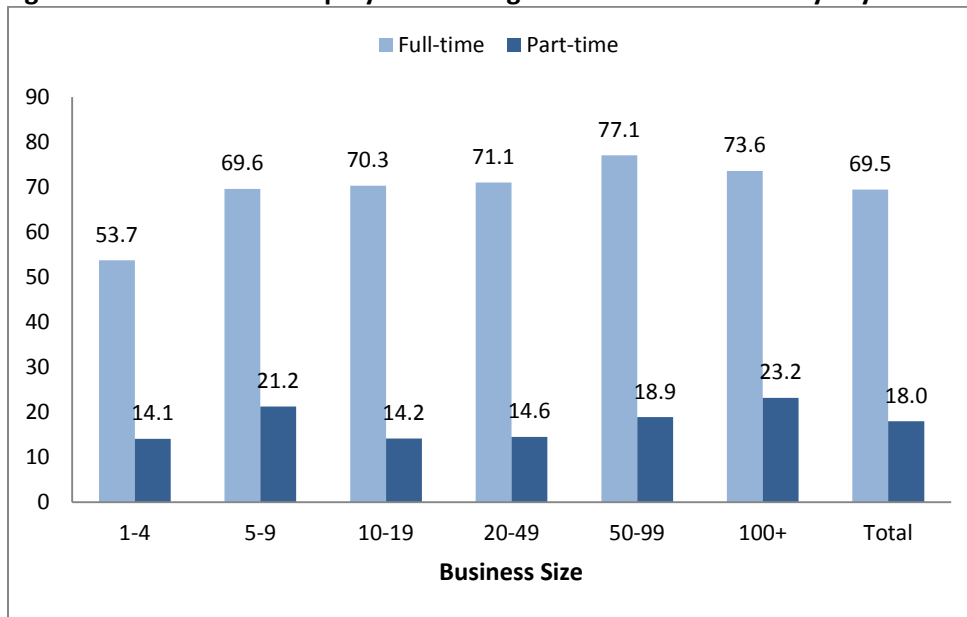
Figure 2-2.4 Average Number of Paid Vacation Leave Days by Region



Business size

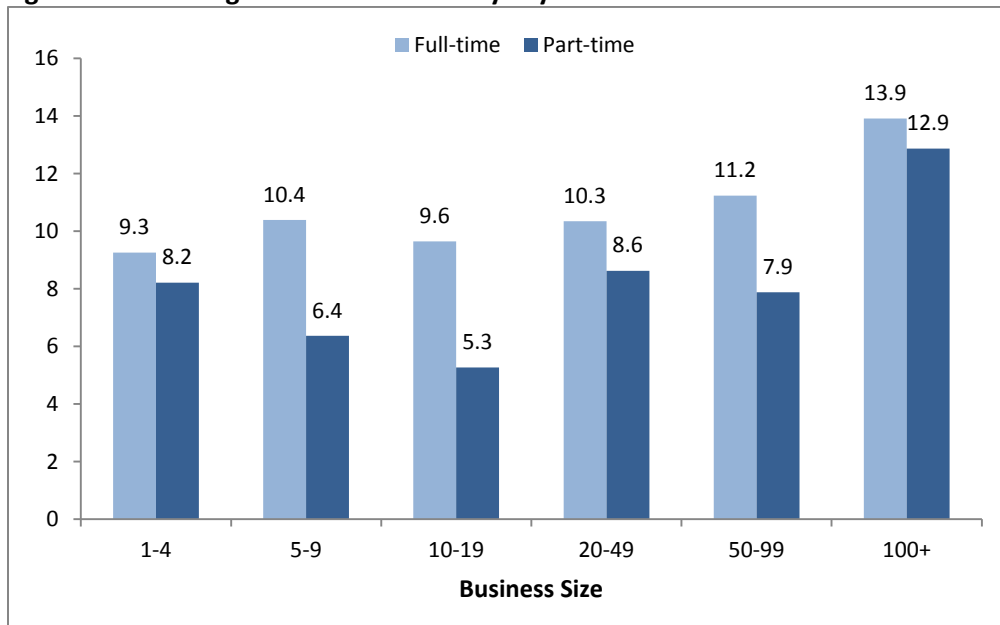
More large employers give paid vacation days than small employers but the business entities with 50-99 employees are the most likely providers of this benefit. The rate is above 69 percent for all sizes of businesses excluding employers with fewer than five employees. See Figure 2-2.5 for more details.

Figure 2-2.5 Percent of Employers Offering Paid Vacation Leave Days by Business Size



The average paid vacation leave days by size of the business range from about 9 to 14 days for full-time employees and 5 to 13 days for part-time workers (Figure 2-2.6). Employers with 100 or more workers offer the most days of paid vacation; 13 and 14 days for part- and full-time employees respectively. Employers with fewer than 5 employees give the fewest days to full-time employees and those with 10-19 employees give the fewest to part-time employees.

Figure 2-2.6 Average Number of PTO Days by Business Size

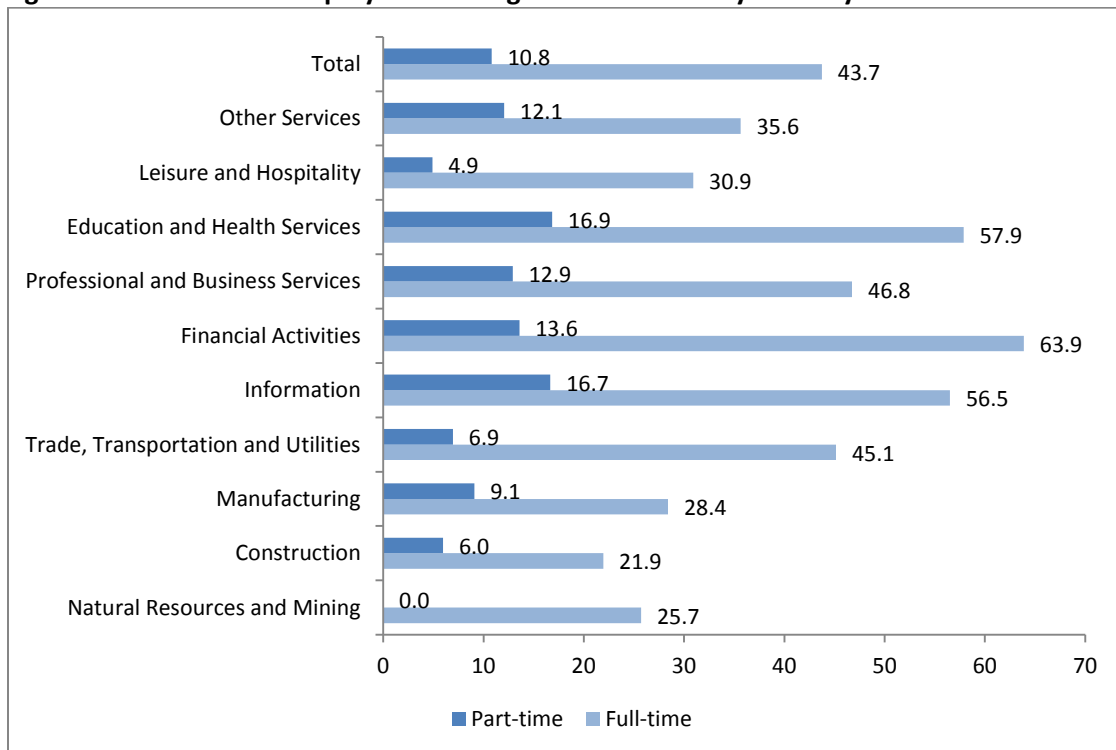


2-3 Paid Sick Leave

Industry

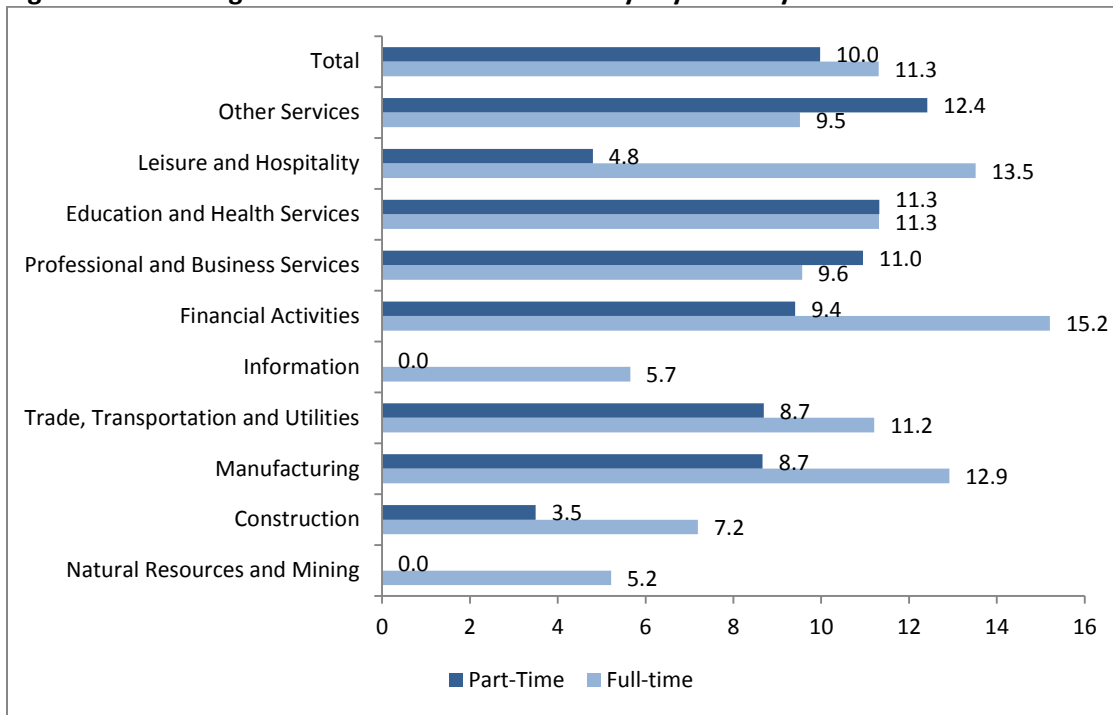
About 44 percent of all employers reported offering paid sick leave to full-time employees. Employers in the financial activities (63.9 percent), education and health services (57.9 percent), and information industries (56.5 percent) are the most likely to offer paid sick leave to full-time employees. About 17 percent of employers in information and education and health services reported offering paid sick leave benefits to part-time employees, a rate higher than all other industries for part-time workers. Employers in the natural resources and mining industry did not report such benefits for part-time employees. See Figure 2-3.1 for more details.

Figure 2-3.1 Percent of Employers Offering Paid Sick Leave by Industry



The average number of sick leave days is shown in Figure 2-3.2, which indicates that full-time employees in Alabama get about 11 days of sick days and part-time employees get 10 days. Full-time employees working for financial services companies get the most sick leave days while those in natural resources and mining get the fewest sick leave days. For part-time workers, education and health services employers provide the most sick leave days while those in information and natural resources and mining do not offer the benefit.

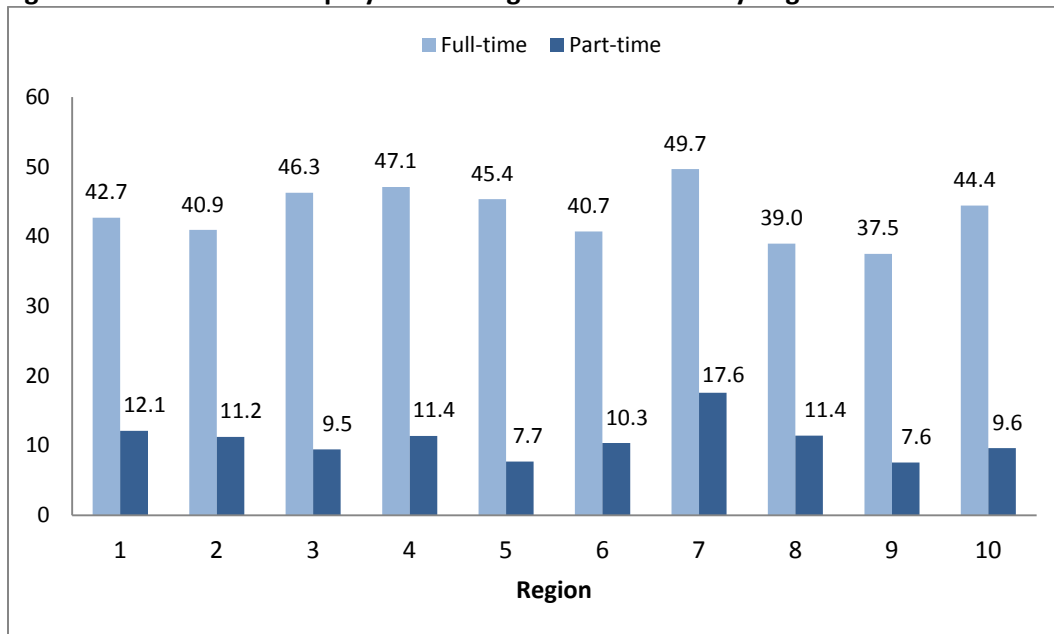
Figure 2-3.2 Average number of Paid Sick Leave Days by Industry



Region

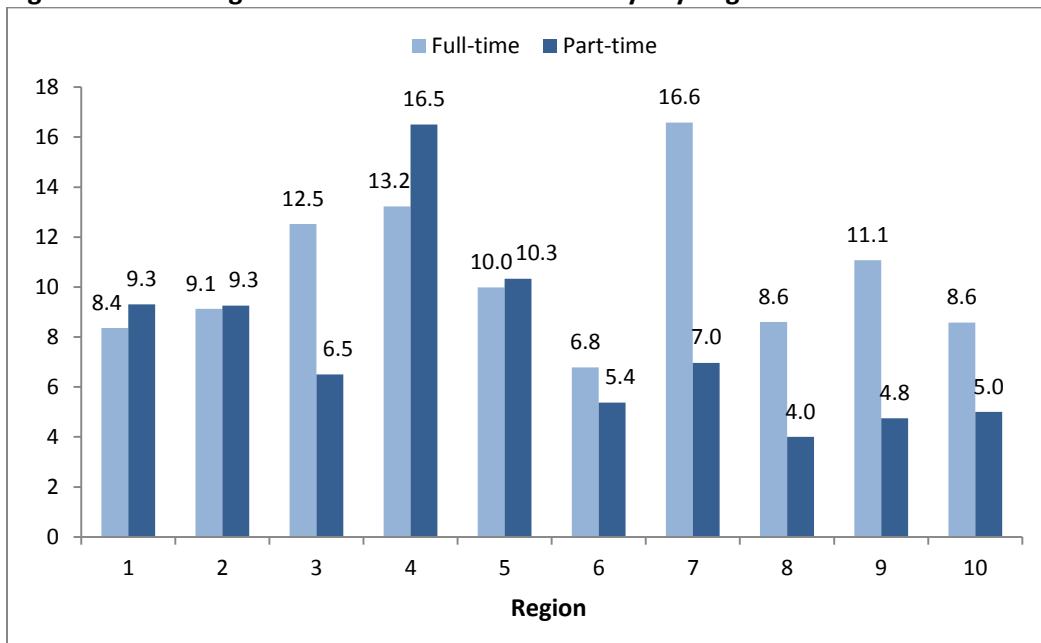
Region 7 companies at 49.7 percent are most likely to offer paid sick leave to full-time employees followed by Region 4 with 47.1 percent (Figure 2-3.2). The lowest proportion of businesses who provide paid sick leave are located in Region 9 (37.5 percent). Fewer companies offer paid sick leave to their part-time employees; this ranges from a low of 7.6 percent in Region 9 to a high of 17.6 percent in Region 7.

Figure 2-3.3 Percent of Employers Offering Paid Sick Leave by Region



The average sick leave days by region are presented in Figure 2-3.4. For full-time employees, the average sick leave days range from 6.8 days in Region 6 to 16.6 days in Region 7. We believe the finding that part-time workers in Region 4 get more sick leave days than full-time employees is due to either sampling error or misinterpretation of the question.

Figure 2-3.4 Average Number of Paid Sick Leave Days by Region



Business Size

About 38 percent of employers with fewer than five workers offer paid sick leave to their full-time workers, compared to 50 percent of employers with 100 or more employees offering that same benefit. The percentage of firms offering paid sick leave to part-time workers varies little by size of firm, ranging from 8.5 percent to 14.6 percent (Figure 2-3.5).

Businesses with 100 or more employees offer more sick leave days than other business sizes for full-time and part-time employees. See Figure 2-3.6 for more details on the number of sick leave days by size of business for both full-time and part-time employees.

Figure 2-3.5 Percent of Employers Offering Paid Sick Leave Days by Business Size

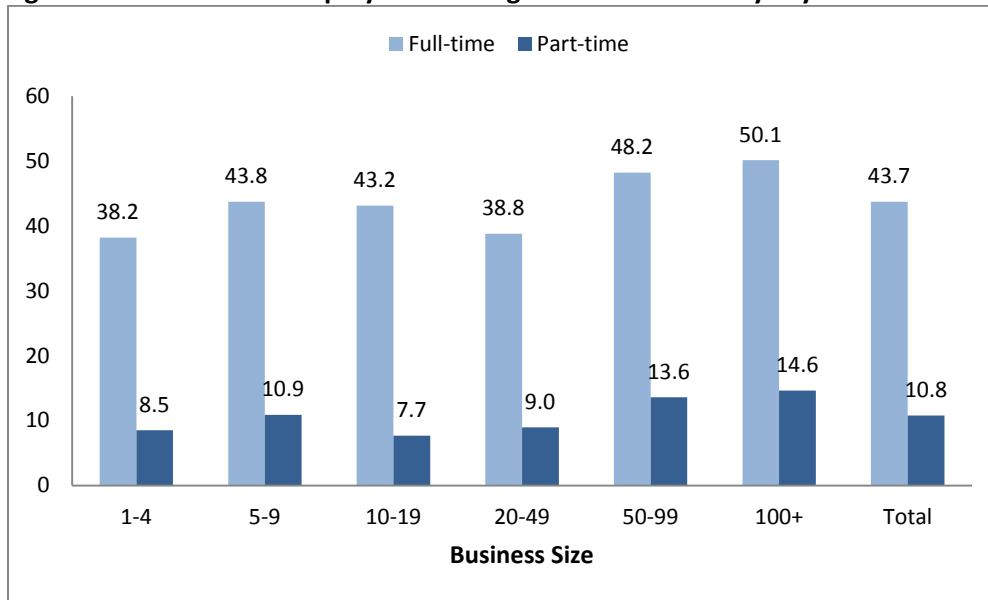
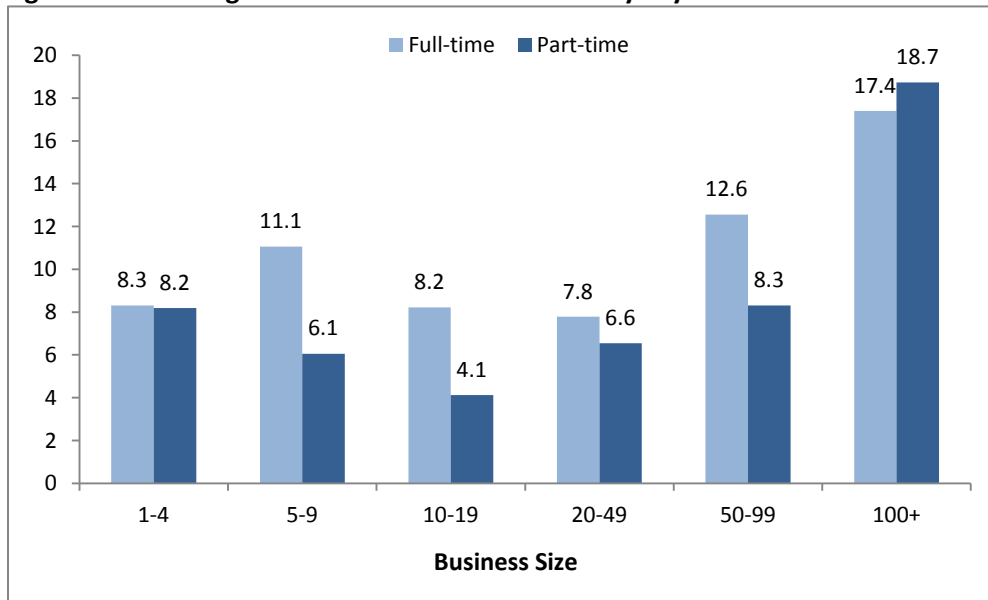


Figure 2-3.6 Average Number of Paid Sick Leave Days by Business Size



2-4 Paid Holidays

Industry

About 80 percent of Alabama employers provide full-time employees with paid holidays. Ninety-three percent of employers in the financial activities industry offer paid holidays to full-time employees, a rate that is higher than all other industries. Those in the information and manufacturing industries follow with 91.3 and 89.3 percent, respectively. At about 51 percent, employers in the leisure and hospitality industry are least likely to offer paid holidays to full-time employees. Part-time employees are most likely to be offered paid holidays when working for employers in the financial activities (41.3 percent), information (36.8 percent), or professional and business services (35.6 percent) industries. Overall, 28.1 percent of Alabama businesses provide the benefit to part-time workers. See Figure 2-4.1 for more details.

On average all employees are offered 7 days of paid holidays in Alabama (Figure 2-4.2). Full-time employees working in education and health services, professional and business services, financial activities, and manufacturing industries get the most paid holidays (about 8 days). Information and natural resources and mining employers offer no paid holiday to part-time workers. The finding that part-time workers receive more paid holidays than their full-time counterparts in education and health services and financial activities is likely due to sampling error.

Figure 2-4.1 Percent of Employers Offering Paid Holidays by Industry

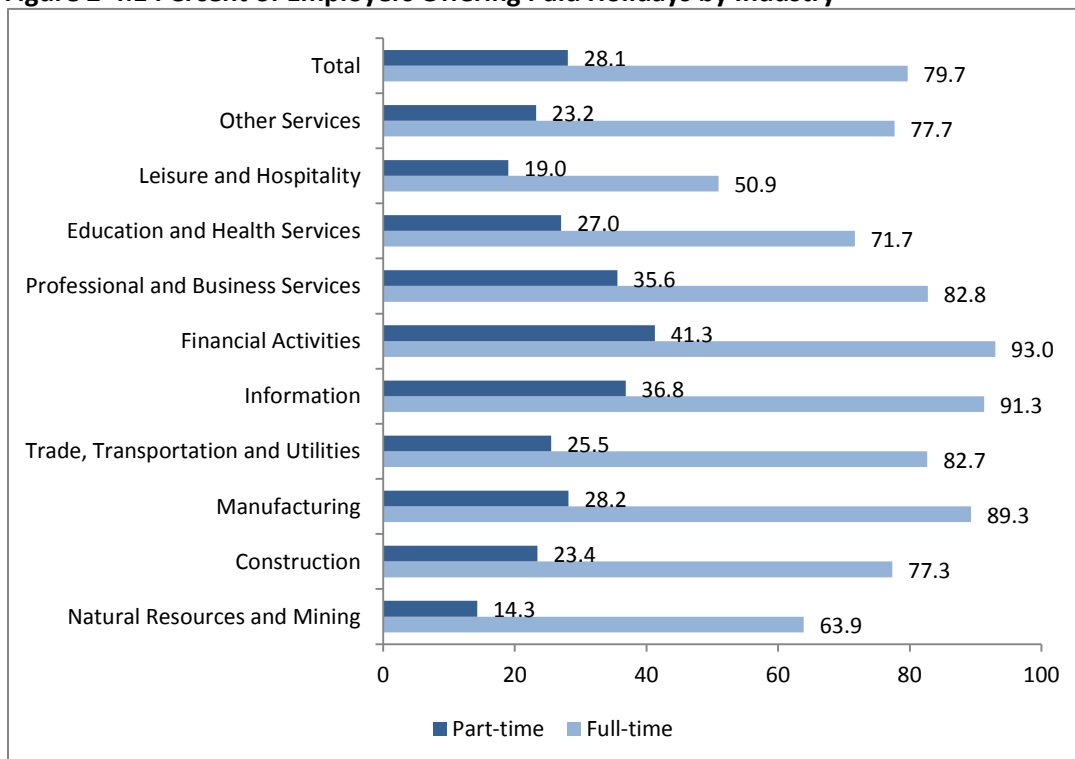
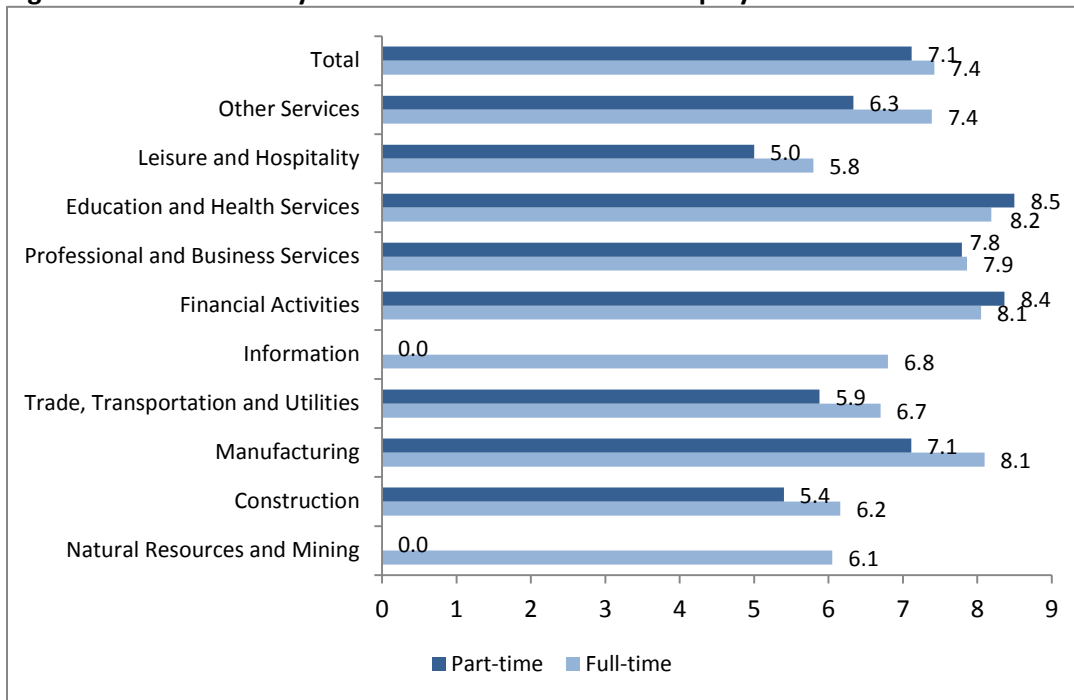


Figure 2-4.2 Paid Holidays for Full-time and Part-time Employees



Region

A relatively high percentage of employers across all the workforce development regions offer paid holidays (Figure 2-4.3). This ranges from a high of 84.6 percent in Region 6 to a low of 73.7 percent in Region 8 for full-time employees. For part-time workers, the range is from 20 percent of businesses in Region 6 to 35.8 percent for those in Region 7.

Figure 2-4.4 presents the average number of paid holidays across the 10 workforce development regions. The averages are mostly 7 days for full-time and part-time employees except in Region 1 which has about 6 days for part-time employees. We believe the finding that part-time employees in Region 8 and 10 get more paid holidays than their full-time colleagues, is a result of sampling error. See Figure 2-4.4 for more details.

Figure 2-4.3 Percent of Employers Offering Paid Holidays by Region

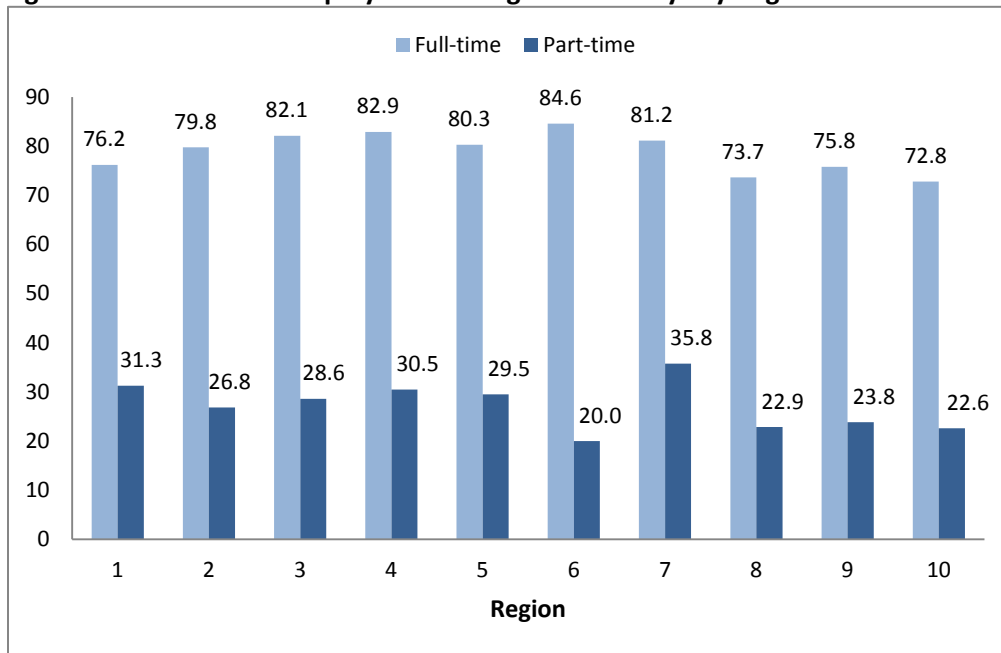
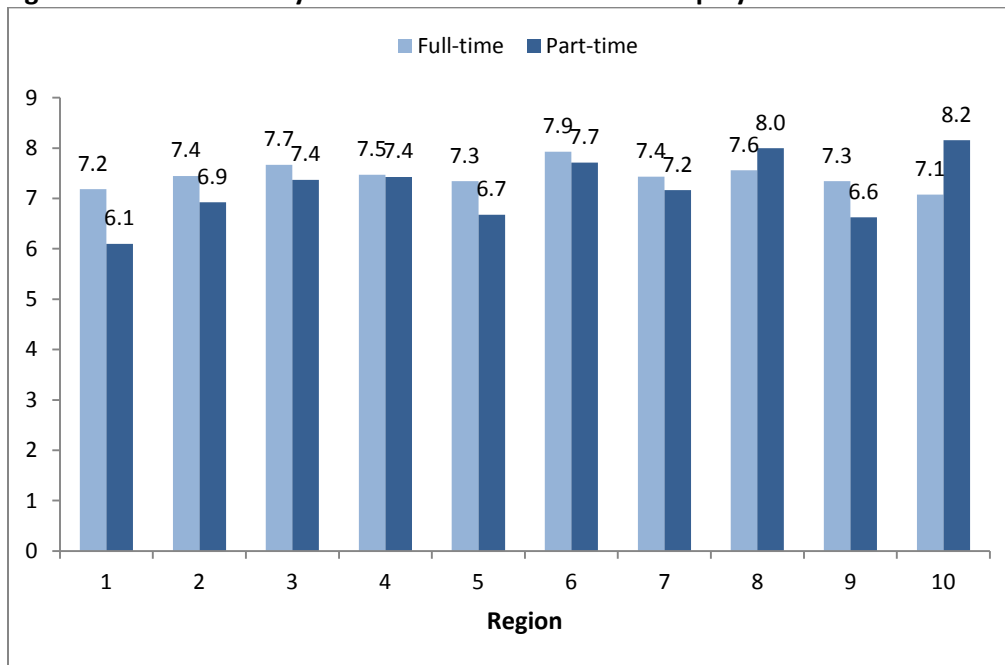


Figure 2-4.4 Paid Holidays for Full-time and Part-time Employees



Business Size

Overall, about 80 percent of employers reported offering paid holiday leave to full-time employees—ranging from about 67 percent of companies with fewer than five employees to 84.2 percent of those with 5-9 employees. The percentage of employers offering paid holidays is high and almost the same across all business sizes except for companies with fewer than five employees. Overall 28.1 percent of

part-time employers offer paid holiday leave. Part-time employees are more likely to be offered paid holidays by employers with 100 or more (32.2 percent) followed by firms with four or fewer employees (31.6 percent) and those with 5-9 employees (31 percent). Employers with 10-99 employees are the least likely to offer paid holidays to part-time workers. See Figure 2-4.5 for more details.

The average paid holiday days by business size are shown in Figure 2-4.6. Employees working for a business with 100 or more employees get the most paid holidays. However the finding that part-time employees working for firms with 100 or more employees receive more days than their full-time counterparts is likely due to sampling error.

Figure 2-4.5 Percent of Employers Offering Paid Holidays by Business Size

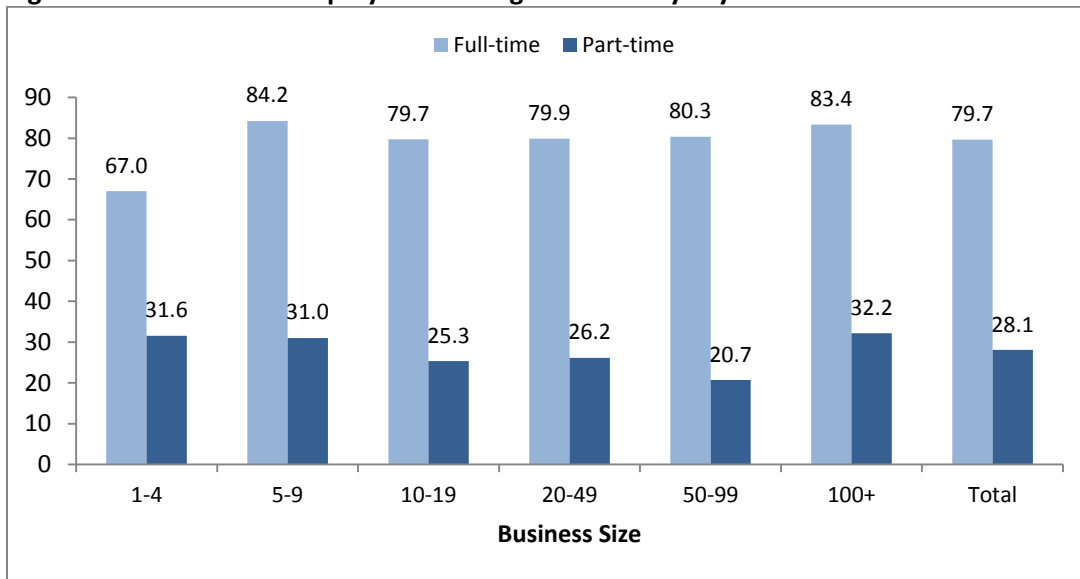
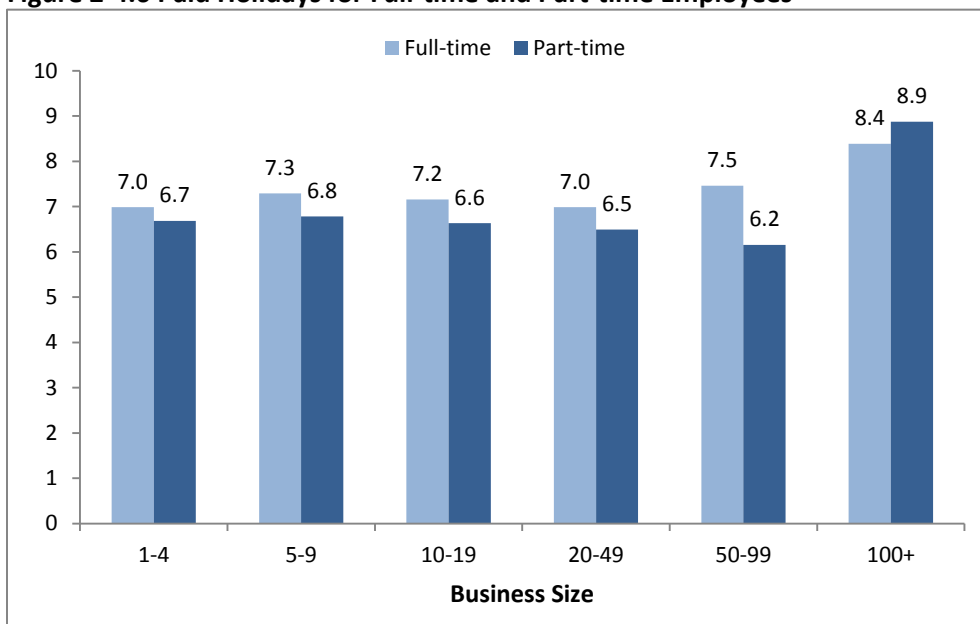


Figure 2-4.6 Paid Holidays for Full-time and Part-time Employees



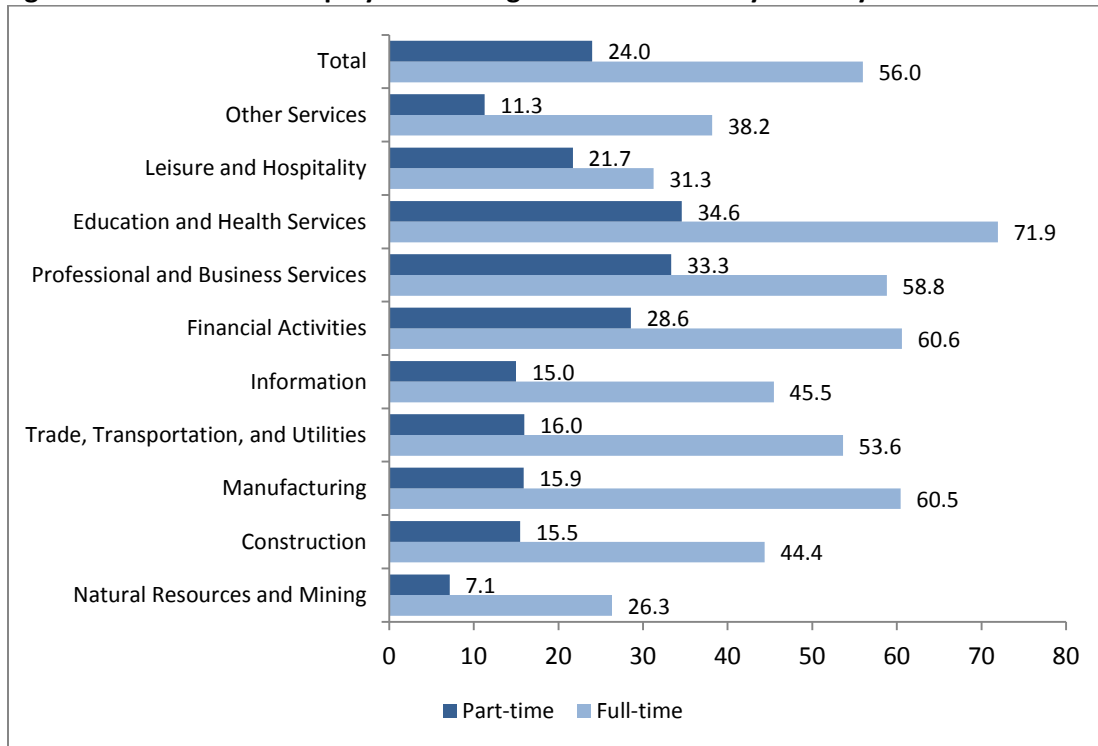
Section 3 - Retirement Benefits

3-1 Retirement Plan

Industry

Employers were asked whether they provide retirement plans to their employees. More than half of Alabama employers offer retirement plans to full-time employees and 24 percent offer the plans to part-time workers. The top five industries with the highest percentage of businesses offering a retirement plan to full-time employees are education and health services (72 percent), financial services (61 percent), manufacturing (61 percent), professional and business services (59 percent), and trade, transportation, and utilities (54 percent). Natural resources and mining has the fewest businesses offering a retirement plan for both full-time and part-time workers; about 26 percent and 7 percent respectively. See Figure 3-1.1 for more details.

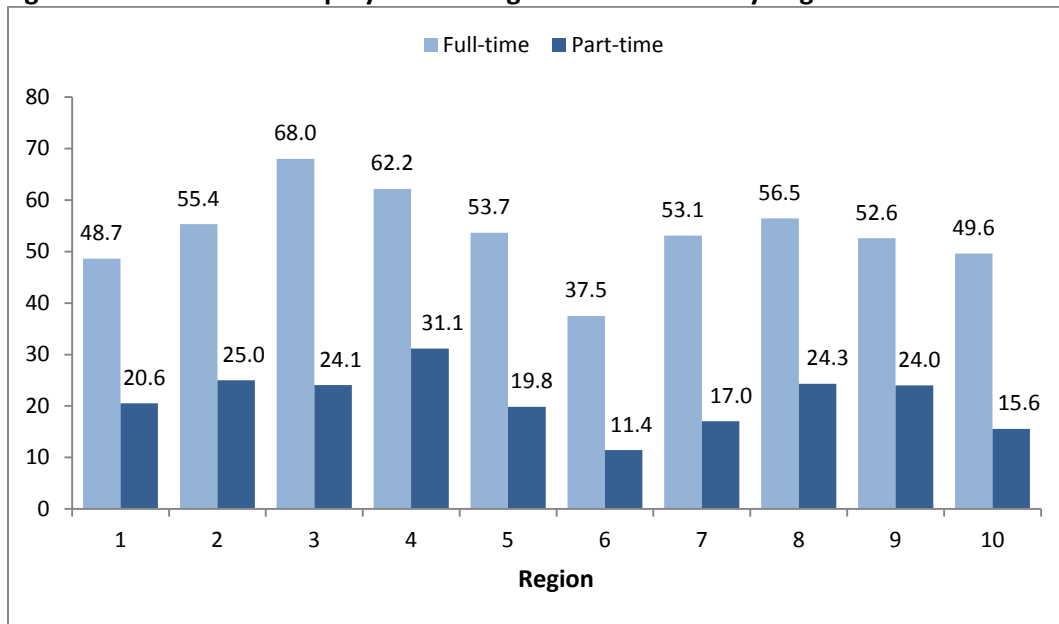
Figure 3-1.1 Percent of Employers Offering Retirement Plan by Industry



Region

The proportion of companies offering a retirement plan to their full-time employees varies from a high of 68 percent of companies in Region 3 to a low of 37.5 percent of those in Region 6. Only three regions—Regions 1, 6 and 10—have less than half of their employers offering a retirement plan to full-time employees. Companies located in Region 4 are more likely to offer a retirement plan to part-time employees—31 percent (Figure 3-1.2).

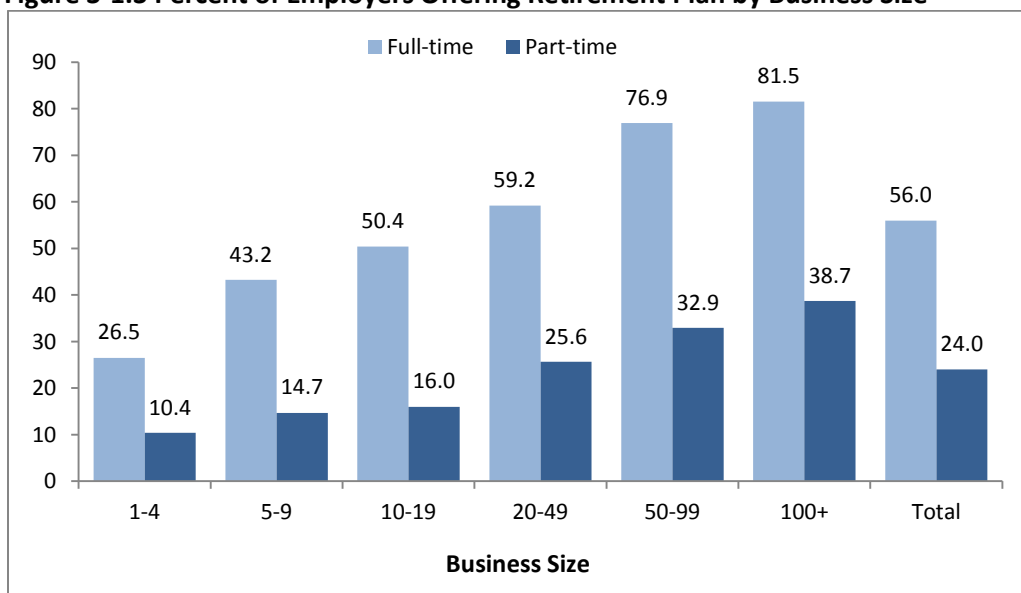
Figure 3-1.2 Percent of Employers Offering Retirement Plan by Region



Business Size

The size of an employer is a good indicator of whether or not retirement options will be offered to all employees. Almost 82 percent of employers with 100 or more employees offer a retirement plan to full-time employees, compared to about 59 percent for medium sized firms (20-49 employees) and 27 percent of those with fewer than five employees. See Figure 3-1.3 for details.

Figure 3-1.3 Percent of Employers Offering Retirement Plan by Business Size



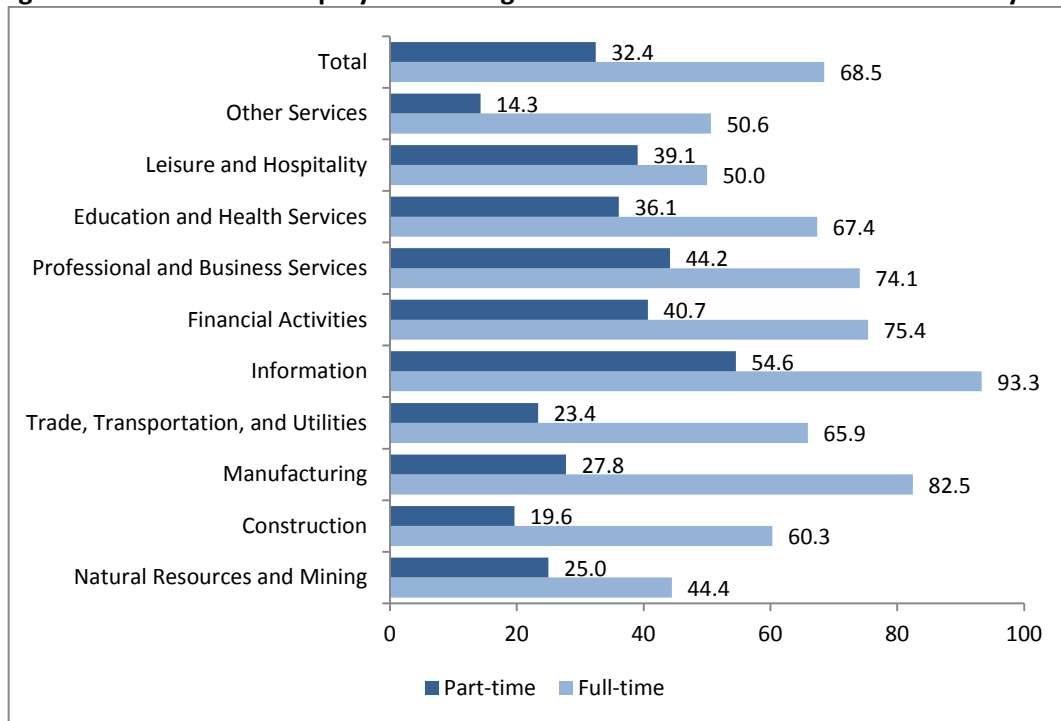
3-2 Defined Contribution Retirement Plan

Industry

When asked about defined contribution plan provision, more employers reported offering the benefit than those who said they have retirement plan in place (Section 3-1); 68.5 percent offer defined contribution retirement plan compared to 56 percent who reported a retirement plan. This is an indication that some of the respondents did not understand the question for Section 3-1.

Employers in information (93.3 percent) and manufacturing (82.5 percent) are most likely to offer defined contribution retirement plans to full-time employees while those in natural resources and mining (44.4 percent) and leisure and hospitality industries (50 percent) are least likely to offer that same benefit to full-time employees. Almost 55 percent of businesses in the information industry offer defined contribution retirement benefits to part-time workers compared to 14.3 percent of businesses in other services, which is the lowest. See Figure 3-2.1 for more details.

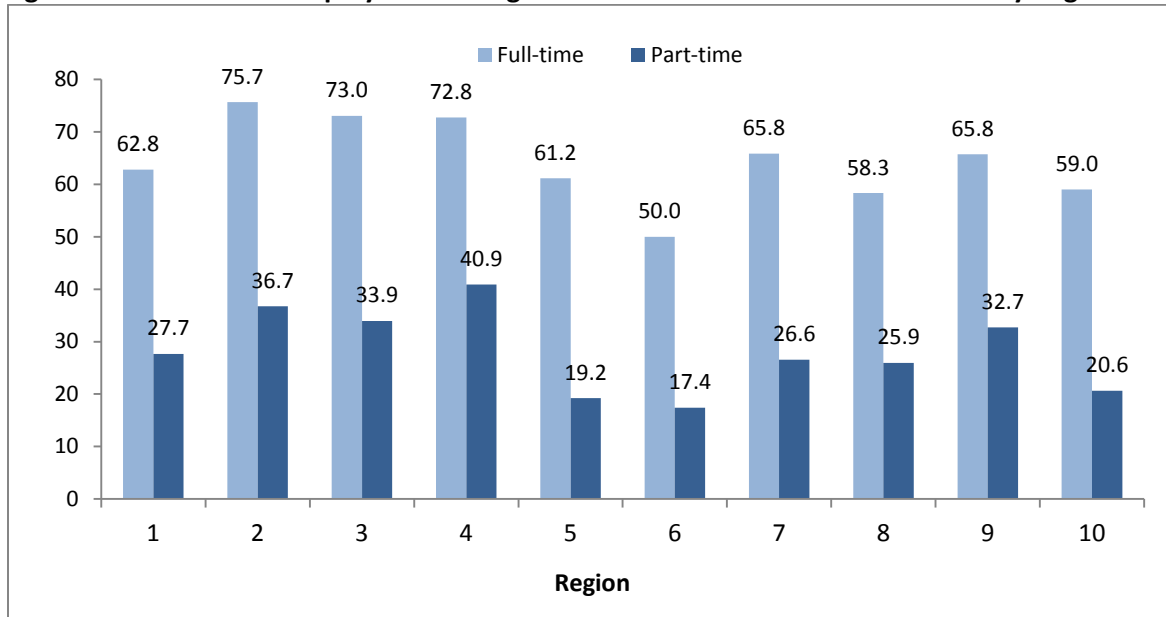
Figure 3-2.1 Percent of Employers Offering Defined Contribution Retirement Plan by Industry



Region

Surprisingly, a majority of companies across all the workforce development regions offer defined contribution retirement plans for their full-time employees; the lowest is 50 percent of businesses in Region 6 and the highest is about 76 percent in Region 2. A high number of employers offer these benefits to part-time employees as well. The percentage ranges from a high of about 41 percent of firms in Region 4 to a low of 17.4 percent in Region 6. Figure 3-2.2 provides more complete details.

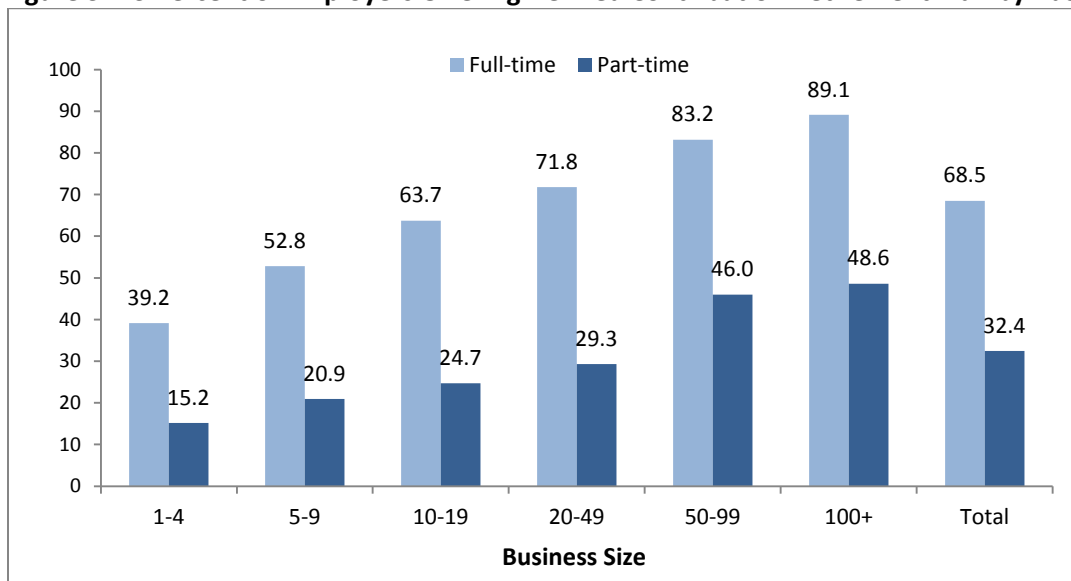
Figure 3-2.2 Percent of Employers Offering Defined Contribution Retirement Plan by Region



Business Size

Overall, 68.5 percent of employers offer defined contribution retirement plans to full-time employees and 32.4 percent offer this benefit to part-time employees. As expected, the proportion of employers offering a defined contribution retirement plan to both part- and full-time employees increases as the size of the company increases. See Figure 3-2.3 for complete details.

Figure 3-2.3 Percent of Employers Offering Defined Contribution Retirement Plan by Business Size



As shown in Figure 3-2.4 defined contribution retirement plans for full-time employees are jointly paid by both employers and employees in 75 percent of all businesses. Ten percent of employers pay 100 percent of the costs associated with defined contribution retirement benefits and employees pay 100 percent of the benefit costs in almost 15 percent of the firms. Defined contribution retirement plan funds for part-time employees are jointly provided in 70.7 percent of businesses, 100 percent employer provided in 11.3 percent of Alabama companies, and fully employee provided in 17.1 percent of employers (Figure 3-2.5).

Figure 3-2.4 Source of Defined Contribution Retirement Payments for Full-time Employees

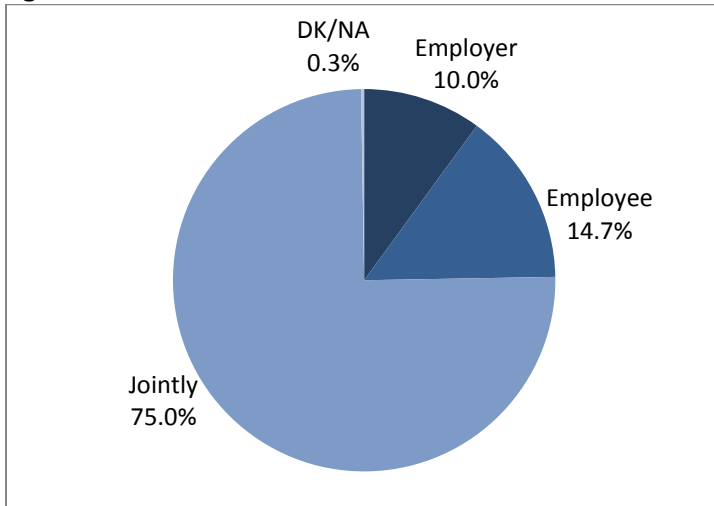
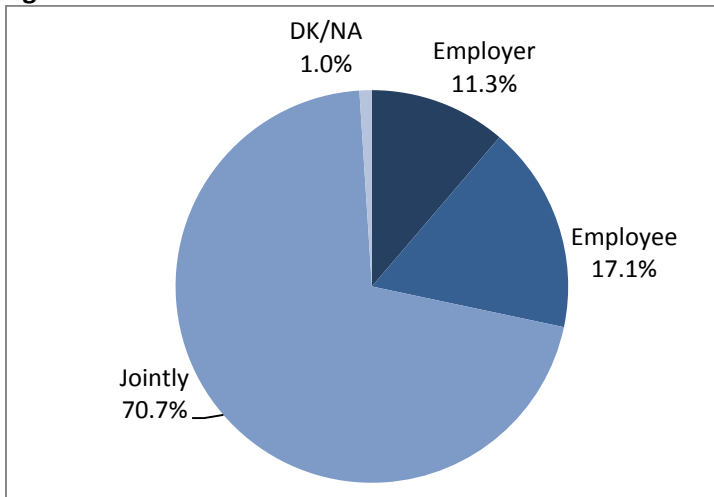


Figure 3-2.5 Source of Defined Contribution Retirement Payments for Part-time Employees



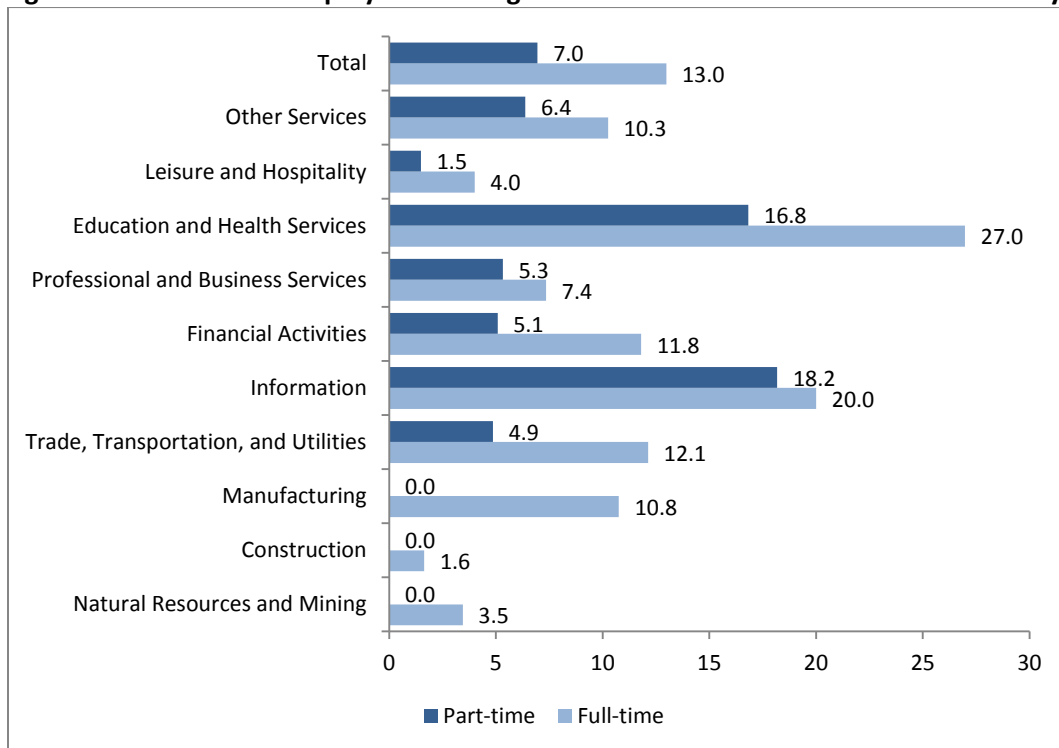
3-3 Defined Benefit Pension Retirement Plan

Industry

Thirteen percent of all employers in Alabama offer defined benefit pension plans to full-time employees and 7 percent of them to part-time employees. Employers in education and health services (27 percent) are more likely to offer defined benefit pension plans to full-time employees than any other industry. With about 2 percent of businesses, construction industry employers are less likely to offer this benefit to full-time employees.

None of the employers in construction, manufacturing, or natural resources and mining reported offering a defined benefit pension plan for part-time employees. On the other hand, 18 percent of information companies provide defined benefit pension plans to part-time employees. See Figure 3-3.1 for more detailed information.

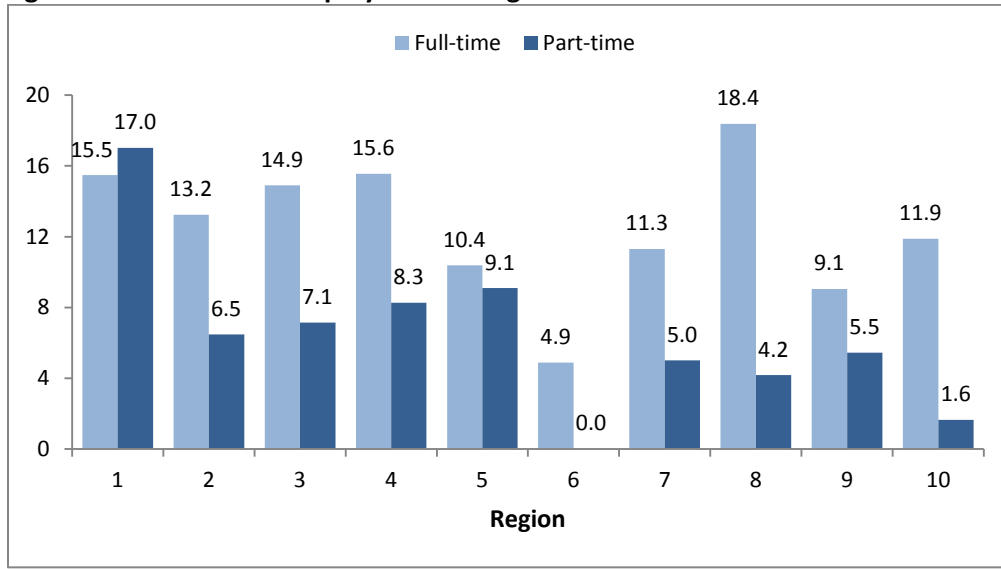
Figure 3-3.1 Percent of Employers Offering Defined Benefit Pension Retirement Plan by Industry



Region

The highest percentage of companies (18.4 percent) that offer defined benefit pension retirement plans are located in Region 8 followed by those in Region 4 at 15.6 percent. None of the businesses in Region 6 offer defined benefit pension plan to part-time workers. The finding that more businesses in Region 1 offer defined benefit pension retirement plans to part-time than full-time employees is likely due to sampling error. Figure 3-3.2 has more details.

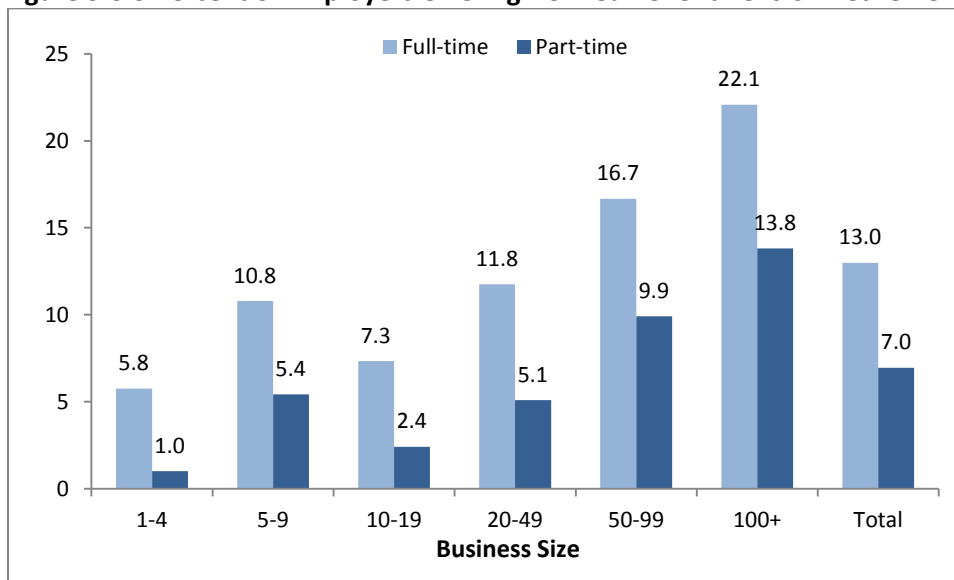
Figure 3-3.2 Percent of Employers Offering Defined Benefit Pension Retirement Plan by Region



Business Size

Figure 3-3.3 presents the percentage of businesses offering defined benefit pension retirement plans by size of businesses. The percentage of companies offering a defined benefit pension plan to full-time employees increases significantly with the size of the company from about 6 percent for employers with four or fewer employees to 22.1 percent for employers with 100 or more employees. The smallest businesses are the least likely (1 percent) to offer defined benefit pension plans to their part-time employees. The percentage is 10 or lower for employers with 50 or more employees. However, more firms in the second smallest companies (5-9 employees) offer defined benefit pension retirement plan to their employees than those in the next largest businesses (10-19 employees).

Figure 3-3.3 Percent of Employers Offering Defined Benefit Pension Retirement Plan by Business Size



Approximately 43 percent of Alabama’s businesses pay 100 percent of the cost of defined benefit pension retirement plan for their full-time employees (Figure 3-3.4). The employer and employee jointly share the cost of the pension plan in about 52 percent of the all the companies while the employee pays 100 percent of the pension plan in about 6 percent of all the businesses.

Among firms that provide a defined benefit pension retirement plan to part-time workers, 49.3 percent of employers reported that the employer pays the full costs. About 7 percent of the businesses reported that the employee pays the entire cost of the plan. The cost is shared jointly by the employee and the employer in about 44 percent of the businesses (Figure 3-3.5).

Figure 3-3.4 Source of Defined Benefit Pension Retirement Payments for Full-time Employees

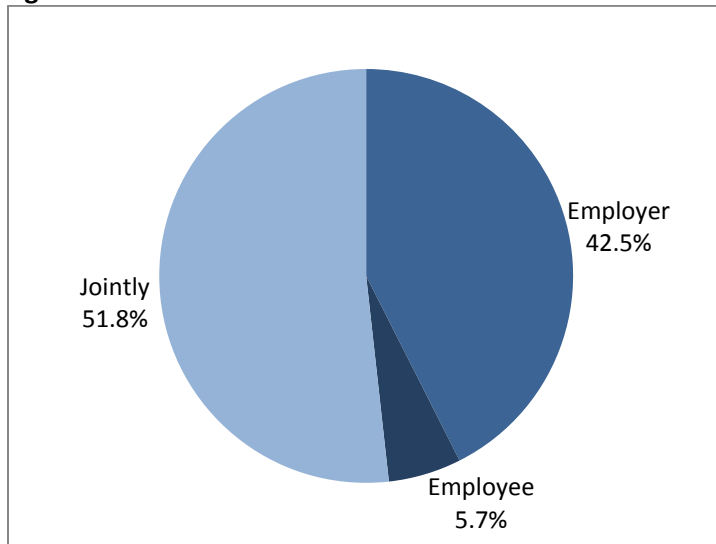
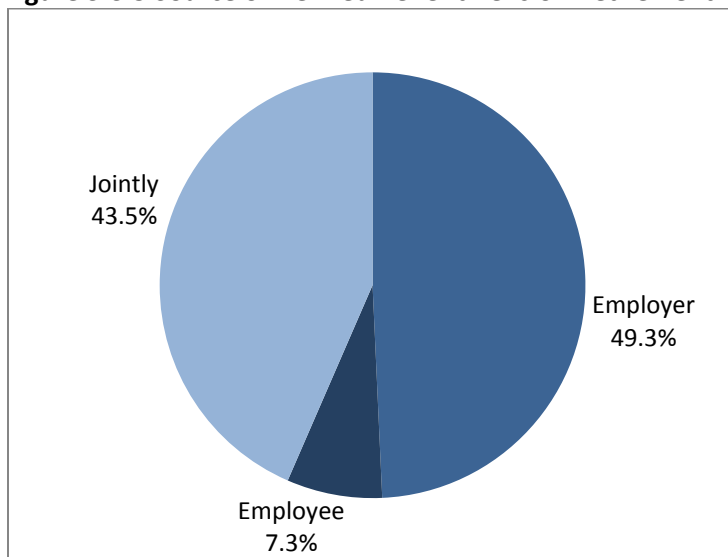


Figure 3-3.5 Source of Defined Benefit Pension Retirement Payments for Part-time Employees



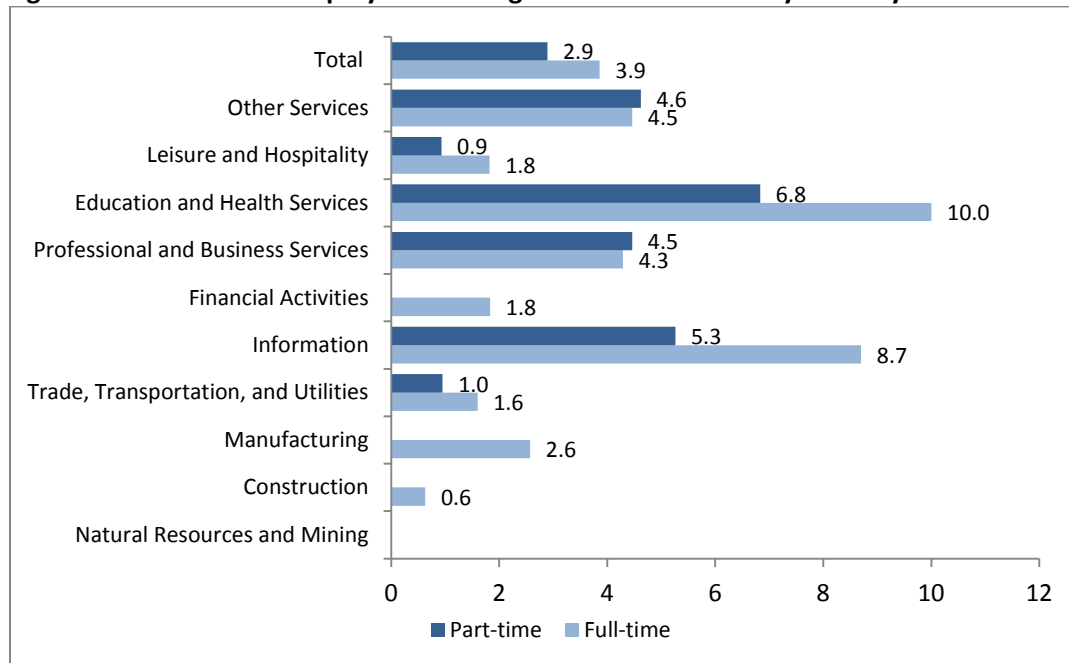
Section 4 - Miscellaneous Benefits

4-1 Child Care Benefits

Industry

Overall, 3.9 percent of employers offer child care benefits to full-time employees. At 10 and 8.7 percent respectively, employers in education and health and information industries are more likely to offer child care benefits to full-time employees than those in any other industry (Figure 4-1.1). Employers in natural resources and mining did not report offering child care benefits. Overall, about 3 percent of employers offer child care benefits to part-time employees. Businesses in education and health services (6.8 percent), information (5.3 percent), and other services (4.5 percent) industries are most likely to offer child care benefits to part-time employees. We believe that the finding that slightly more employers in the professional and business services and other services industries offer child care benefits to part-time than full-time workers is likely due to sampling or response error.

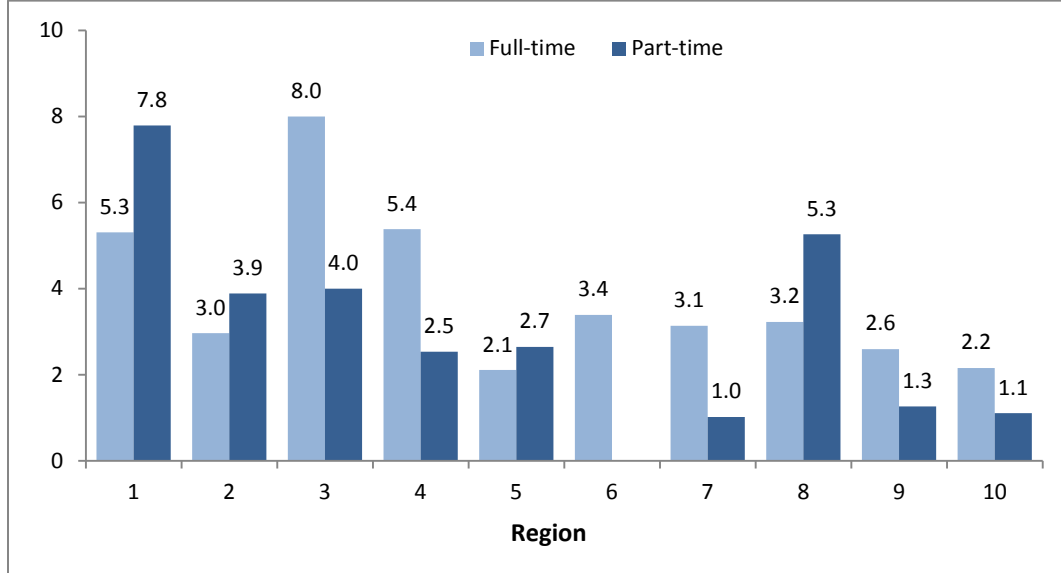
Figure 4-1.1 Percent of Employers Offering Child Care Benefits by Industry



Region

Employers located in workforce development Region 3 (8 percent) are the most likely to offer child care benefits to their full-time employees followed by those in Regions 4 (5.4 percent) and 1 (5.3 percent). Businesses in Regions 5 (2.1 percent) and 10 (2.2 percent) are the least likely to offer child care benefits to full-time employees. Interestingly, more businesses in Regions 1 and 8 offered more child care benefits to part-time workers than those in any other region but also more than they offer to full-time workers, which could be due to sampling error. Businesses in Region 6 are less likely to offer child care benefits to part-time workers. See Figure 4-1.2 for complete details.

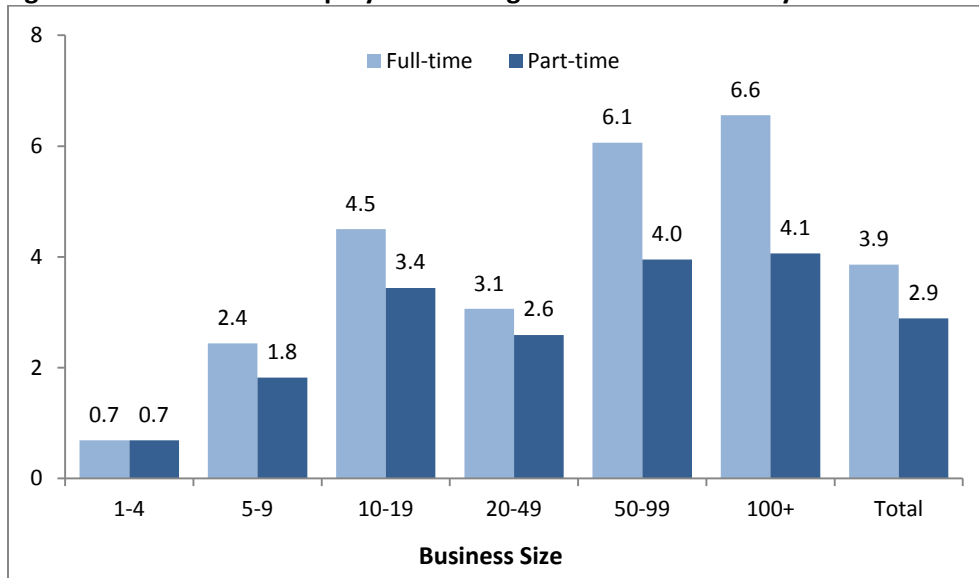
Figure 4-1.2 Percent of Employers Offering Child Care Benefits by Region



Business Size

Not surprisingly, large businesses are more likely to offer child care benefits to their employees than smaller businesses with the percentage rising from 0.7 percent for employers with four or fewer workers to 6.6 percent for firms with 100 or more employees. However, businesses with 20-49 employees are less likely to provide child care benefits to employees than those with 10-19 employees. A somewhat similar but lower percentage of employers offer child care benefits to part-time workers. See Figure 4-1.3 for details.

Figure 4-1.3 Percent of Employers Offering Child Care Benefits by Business Size

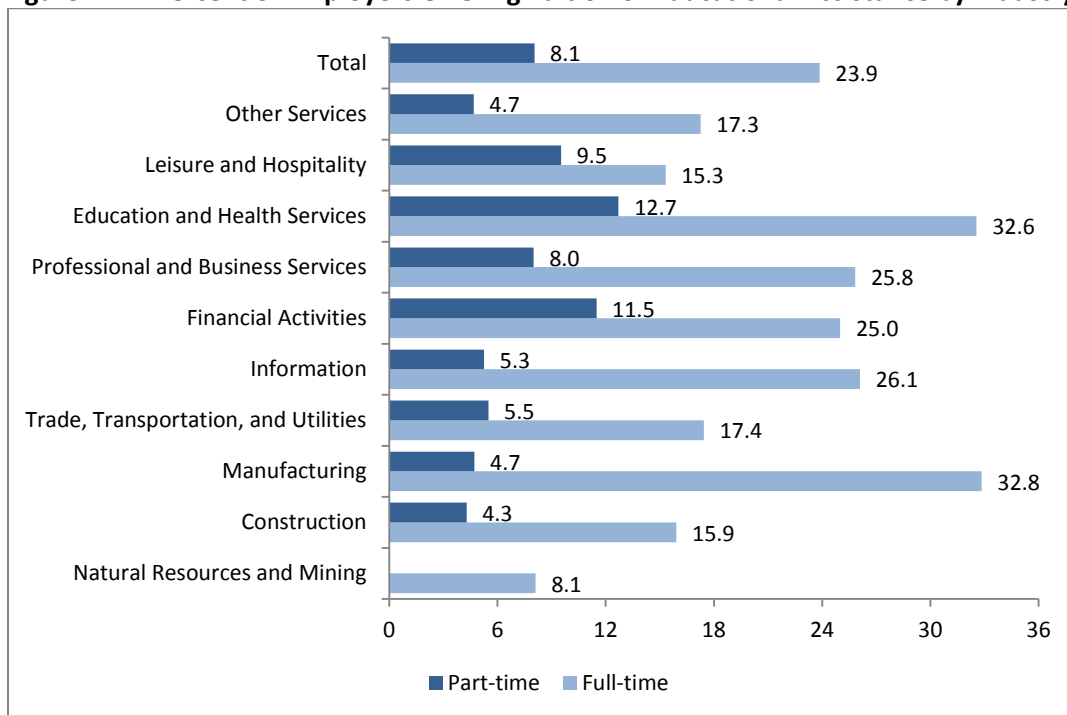


4-2 Tuition/Educational Assistance or Reimbursement

Industry

Overall, about 24 and 8 percent of employers in Alabama offer tuition or educational assistance to their full-time and part-time employees respectively. Employers in manufacturing (32.8 percent) and educational and health services (32.6 percent) are the most likely to provide tuition/educational assistance or reimbursement benefits to full-time workers than those in the other industries (Figure 4-2.1). Employers in the natural resources and mining industry are the least likely providers of tuition/educational assistance with only 8 percent of the companies offering the benefit to full-time workers. Educational and health services and financial activities businesses top the list with about 13 and 12 percent of employers offering tuition benefits to part-time employees, respectively. None of the employers in natural resources and mining offer the benefit to part-time workers.

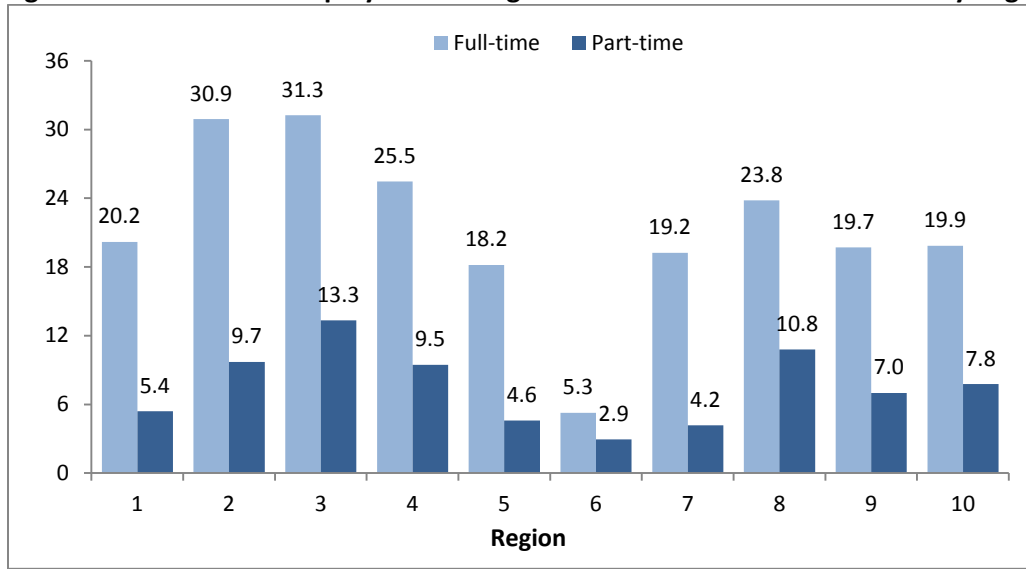
Figure 4-2.1 Percent of Employers Offering Tuition or Educational Assistance by Industry



Region

About 31 percent of businesses in Regions 2 and 3 offer their full-time employees tuition or education assistance (Figure 4-2.2). Region 6 has the fewest companies (5.3 percent) that offer this benefit to their full-time employees. A similar picture is seen with part-time employee tuition benefits; where Region 3 is at the top of all regions with 13.3 percent of companies offering tuition or educational reimbursement to part-time employees. At 3 percent, Region 6 has the lowest percentage of companies offering tuition or educational reimbursement to part-time employees.

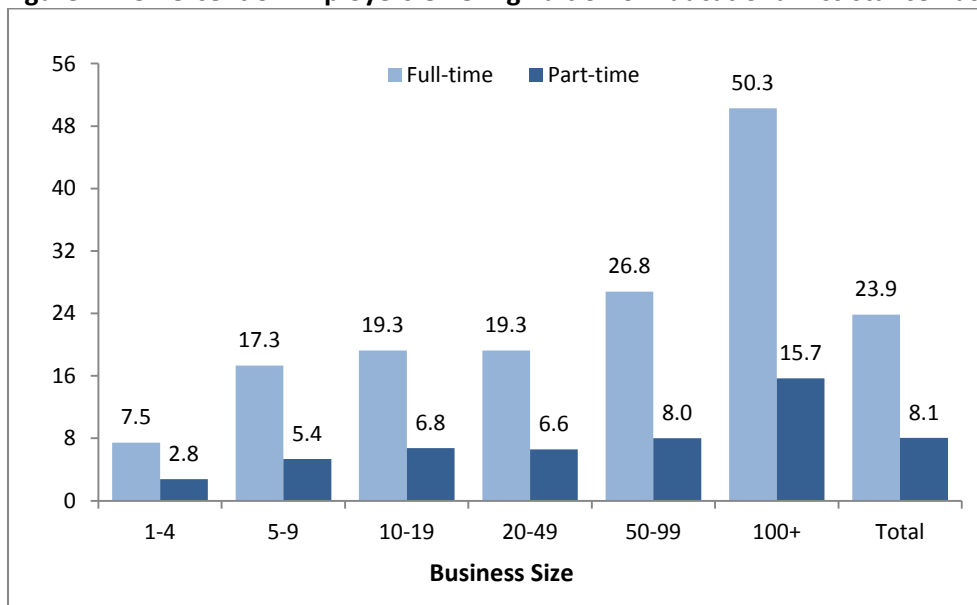
Figure 4-2.2 Percent of Employers Offering Tuition or Educational Assistance by Region



Business Size

Large companies are more likely to provide tuition or educational assistance benefits to their employees compared to small businesses (Figure 4-2.3). A little more than half, 50.3 percent, of all Alabama businesses with 100 or more employees offer full-time employees tuition or education assistance. About 16 percent of the firms in the same category also offer tuition or education assistance to their part-time employees. When the business size drops to fewer than five employee establishments, the percentage drops to about 8 and 3 percent for full-time and part-time workers respectively. The proportion of businesses offering tuition or educational assistance is roughly the same for employers with 5-9, 10-19, and 20-49 employees.

Figure 4-2.3 Percent of Employers Offering Tuition or Educational Assistance Business Size

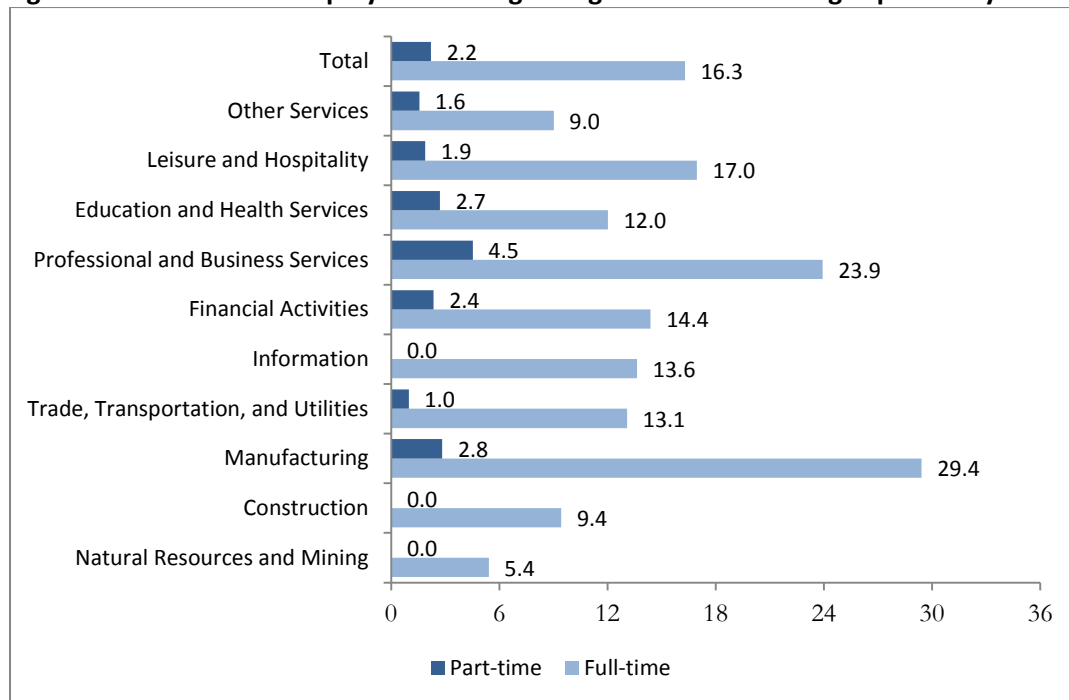


4-3 Hiring Bonuses or Moving Expenses

Industry

Overall, 16.3 percent of Alabama employers reported offering hiring bonuses or moving expenses to newly hired full-time employees but only 2.2 percent of all the companies offered this to part-time employees (Figure 4-3.1). Employers in manufacturing activities (29.4 percent) and professional and business services (23.9 percent) top the list of businesses that offer hiring bonuses or moving expenses reimbursement. Natural resources and mining employers are the least likely to offer hiring bonuses to full-time employees. A small percentage of employers offer hiring bonuses and moving expenses to part-time workers. The professional and business services industry had the largest proportion (4.5 percent) of employers that offer hiring bonuses or moving expenses to part-time employees. Businesses in natural resources and mining, construction, and information did not report offering hiring bonuses or moving expenses to part-time employees.

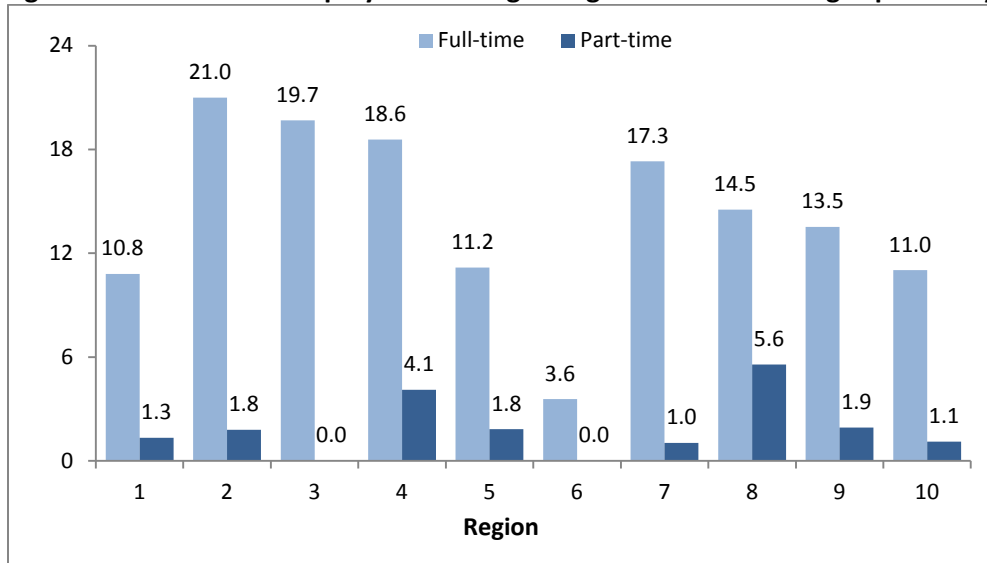
Figure 4-3.1 Percent of Employers Offering Hiring Bonuses or Moving Expenses by Industry



Region

At 21 percent, Region 2 has the largest percentage of businesses that offer full-time employee hiring bonuses or moving expenses, followed closely by Region 3 with about 20 percent (Figure 4-3.2). Region 6 businesses are less likely to offer hiring bonuses to full-time employees. Fewer businesses offer this benefit to part-time workers; Region 8 employers are at the top with about 6 percent of the businesses. Employers in Region 6 did not report offering hiring bonuses or moving expenses to part-time employees.

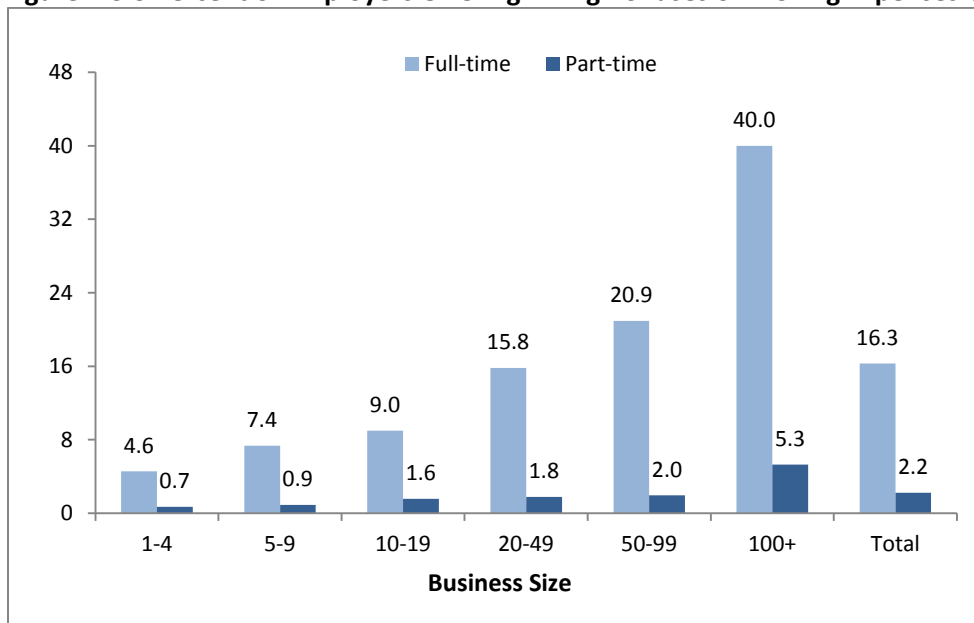
Figure 4-3.2 Percent of Employers Offering Hiring Bonuses or Moving Expenses by Region



Business Size

As shown in Figure 4-3.3, the percentage of companies offering hiring bonuses or moving expenses to employees increase with the size of the business for both full-time and part-time workers. For full-time workers, this percentage ranges from less than 5 percent for businesses with fewer than five employees to 40 percent for those with 100 or more. A small percentage of businesses offer this benefit to part-time workers with those with 100 or more employees leading at 5.3 percent. This percentage drops to 2 percent or lower for businesses employing 99 or fewer employees.

Figure 4-3.3 Percent of Employers Offering Hiring Bonuses or Moving Expenses by Business Size

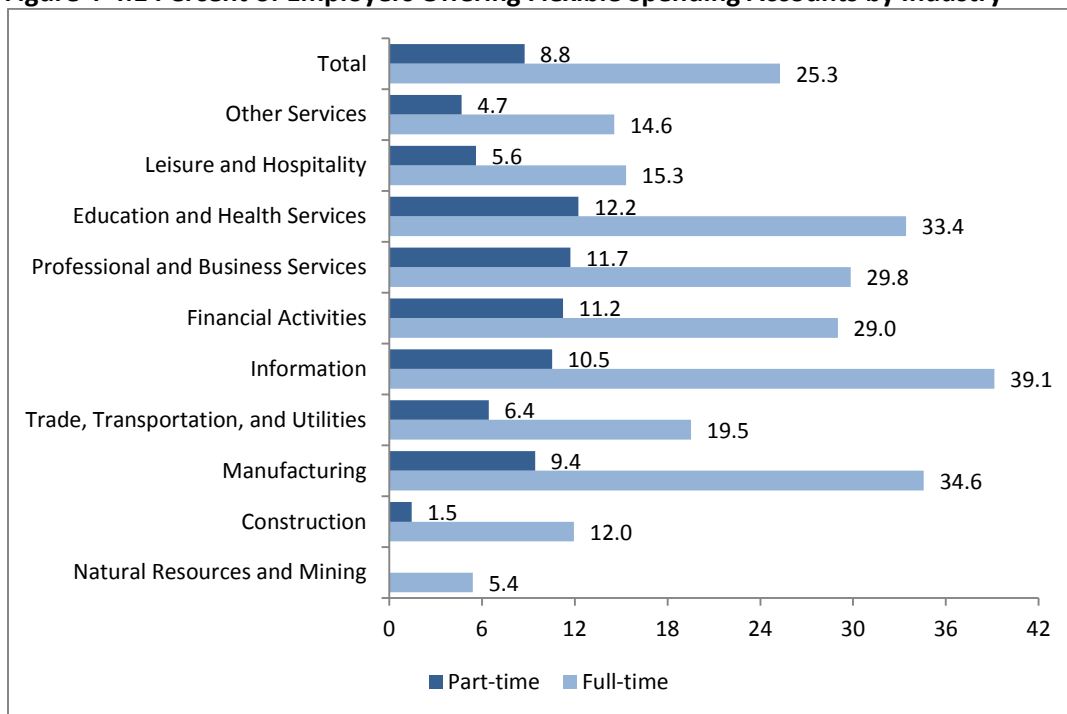


4-4 Flexible Spending Accounts

Industry

About 25 percent of businesses in Alabama offer flexible spending account benefits to full-time employees and 8.8 percent offer such benefits to part-time workers. The percentage of businesses offering flexible spending accounts varies across the industries significantly. Over 39 percent of businesses in the information industry offer flexible spending account benefits to full-time employees; this is the highest for all industry groups (Figure 4-4.1). This is followed by the manufacturing and education and health services industries with 34.6 and 33.4 percent of businesses respectively. At 5.4 percent, firms in natural resources and mining industry are the least likely to offer these benefits to their full-time employees. Employers in the education and health services (12.2 percent), professional and business services (11.7 percent), and financial activities (11.2 percent) are more likely to offer flexible spending account benefits to their part-time workers than those in any other industry. Natural resources and mining businesses did not report any flexible spending accounts for part-time employees.

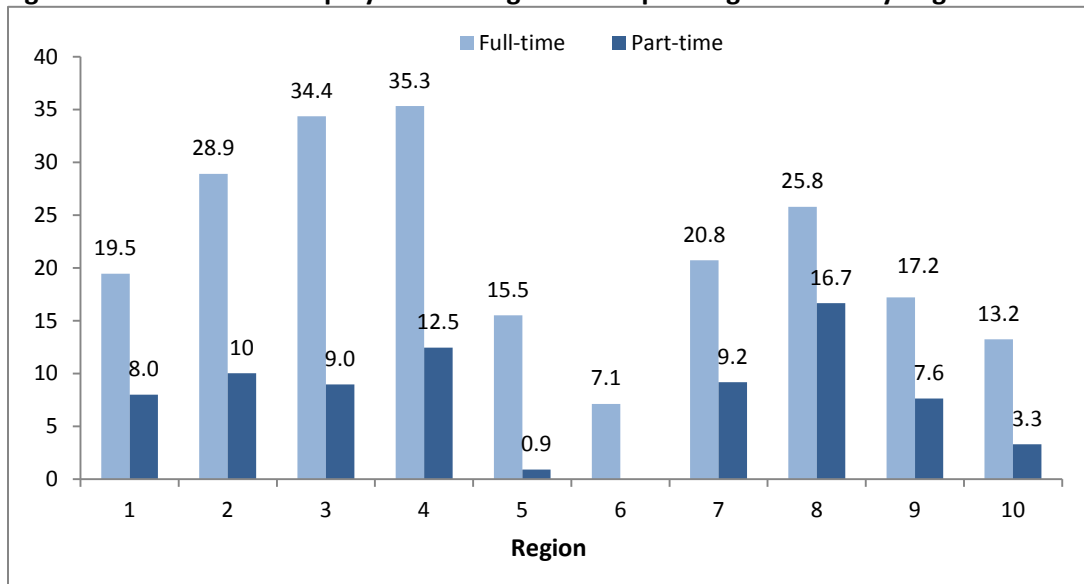
Figure 4-4.1 Percent of Employers Offering Flexible Spending Accounts by Industry



Region

Regions 4 and 3 have the highest percentage of companies that offer their full-time employees flexible spending accounts than the other workforce development regions; 35.3 and 34.4 percent respectively (Figure 4-4.2). The proportion falls to 7.1 percent in Region 6 which is the lowest. At about 17 percent, employers in Region 8 are most likely to offer flexible spending accounts to part-time workers compared to the other regions while those in Region 6 offer none.

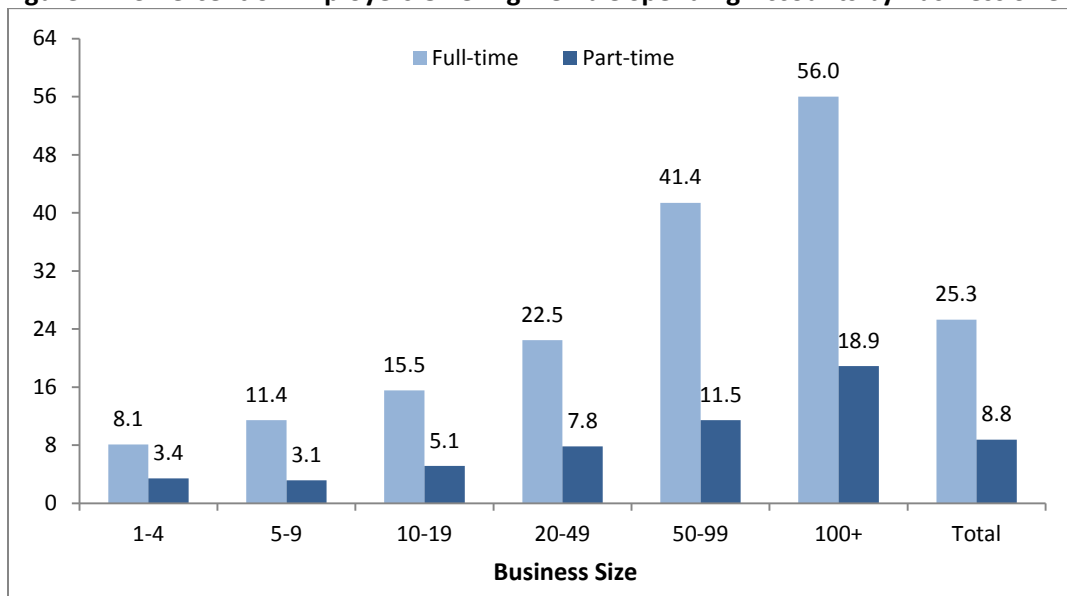
Figure 4-4.2 Percent of Employers Offering Flexible Spending Accounts by Region



Business Size

The proportion of firms that offer flexible spending accounts rises with the size of business for both full-time and part-time employees at an increasing rate (Figure 4-4.3). The majority (56 percent) of businesses with 100 or more employees offer flexible spending account to full-time workers compared to a quarter of all Alabama employers and 8.1 percent of firms with fewer than five employees. These percentages are much smaller for part-time workers. Almost 19 percent of firms with 100 or more workers provide flexible spending accounts to part-time workers compared to about 3 percent of companies with 1 to 9 employees.

Figure 4-4.3 Percent of Employers Offering Flexible Spending Accounts by Business Size

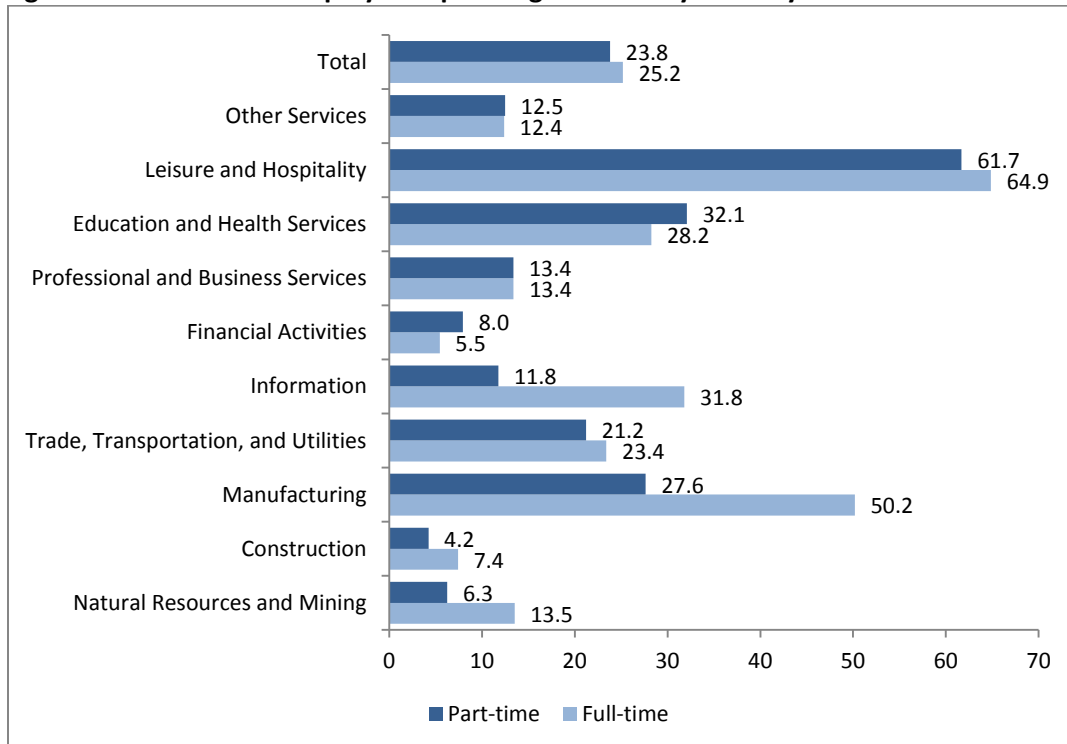


4-5 Shifts and Shift Differential

Industry

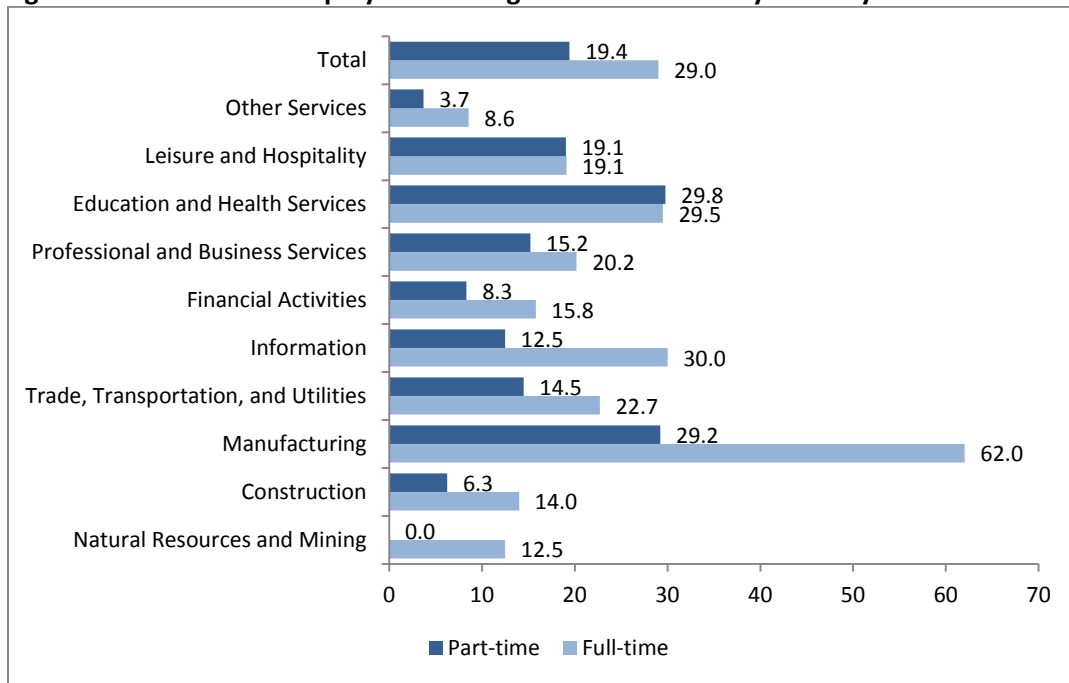
About a quarter of all the Alabama employers operate on shifts for full-time and part-time employees (Figure 4-5.1). Leisure and hospitality employers are at the top of the all other industry groups with over 60 percent of businesses operating on shifts for both full- and part-time employees, followed by manufacturing employers at about 50 percent. For part-time workers, education and health services companies (32.1 percent) are the second most likely employers to operate on shifts after leisure and hospitality. Financial activities and construction industries have the smallest percentage of businesses that operate on shifts.

Figure 4-5.1 Percent of Employers Operating on Shifts by Industry



Overall, 29 percent of Alabama businesses offer shift differentials to full-time employees and 19.4 percent of them offer the benefit to part-time employees. Companies in the manufacturing (62 percent) and education and health services (nearly 30 percent) are the most likely to offer shift differentials to all employees. At 8.6 percent, companies in the other services industry are the least likely to provide shift differentials to full-time workers. None of the employers in the natural resources and mining industry reported offering shift differential to part-time employees respectively. See Figure 4-5.2 for more details.

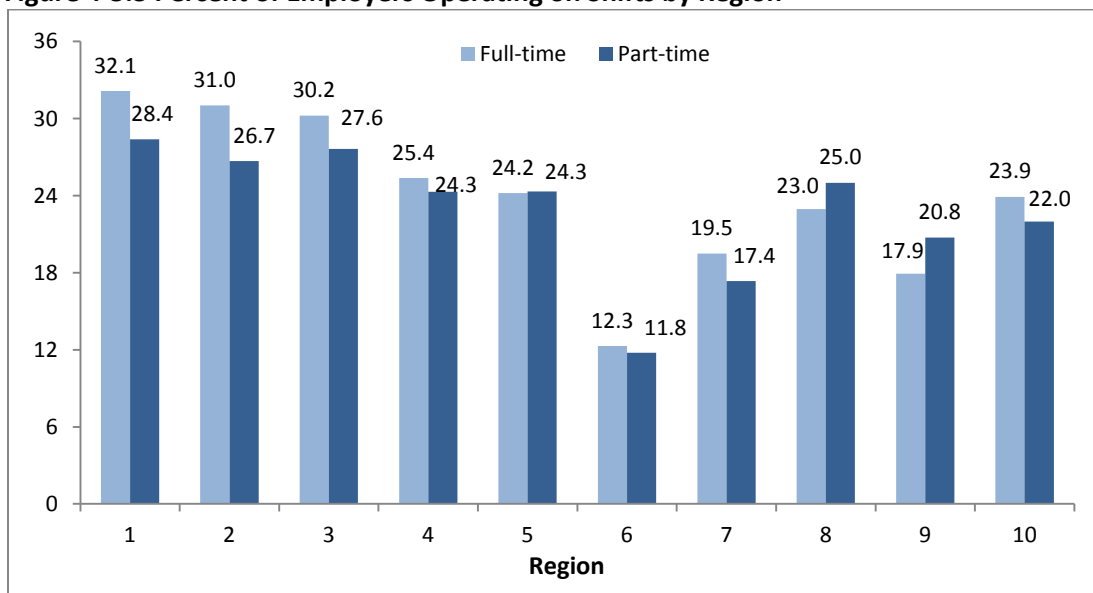
Figure 4-5.2 Percent of Employers Offering Shift Differential by Industry



Region

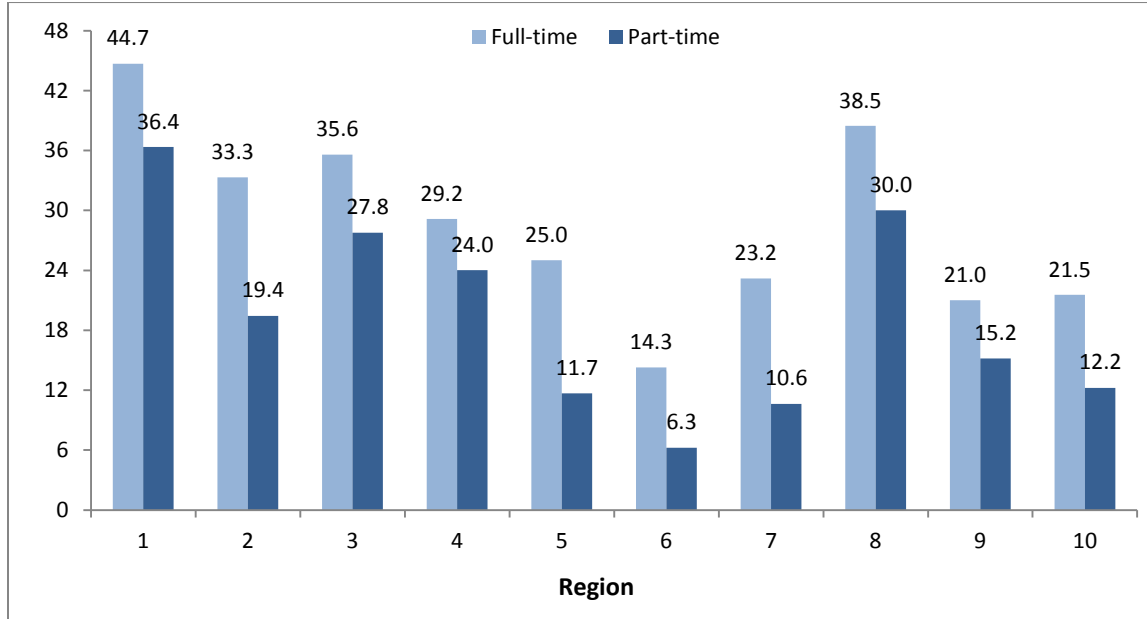
A higher percentage of companies in Regions 1, 2, and 3 operate on shifts for both full-time and part-time employees. A much smaller percentage of employers in Region 6 operate on shift. See Figure 4-5.3 for more details.

Figure 4-5.3 Percent of Employers Operating on Shifts by Region



About 45 and 36 percent of businesses located in Region 1 pay shift differentials to their full-time and part-time employees respectively. This proportion falls to about 14 and 6 percent in Region 6, which is the lowest. See Figure 4-5.4 for more details.

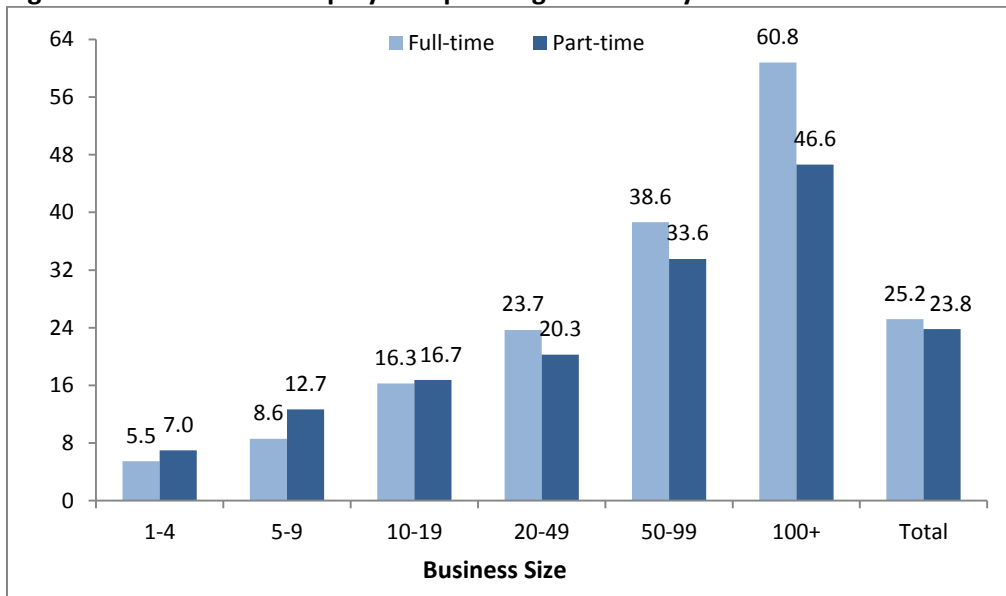
Figure 4-5.4 Percent of Employers Offering Shift Differential by Region



Business Size

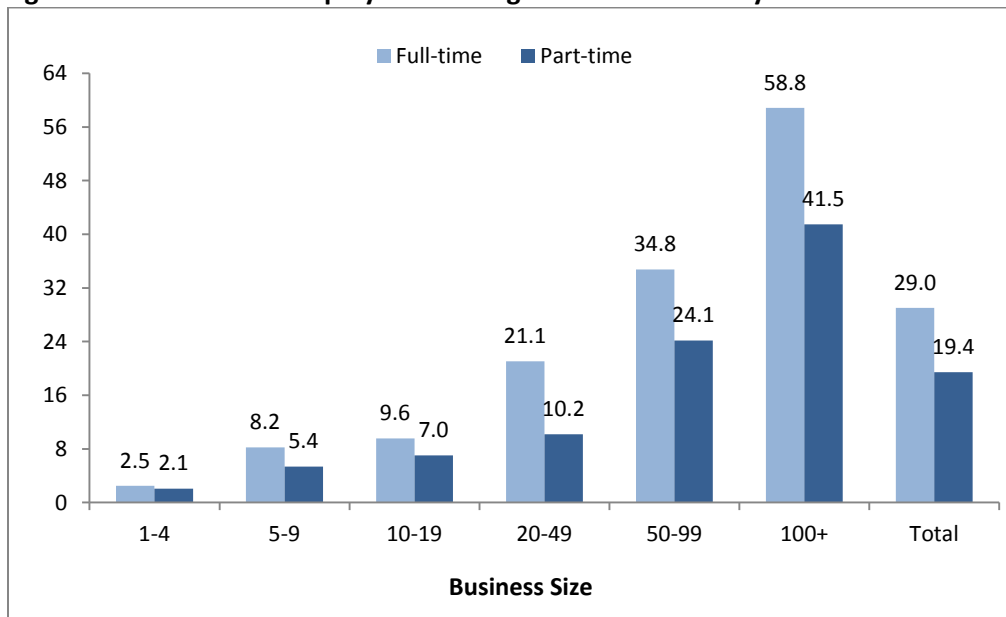
Larger businesses operate on shifts for both full-time and part-time employees at a significantly higher rate than smaller businesses. About 61 percent and 47 percent of businesses with 100 or more employees operate on shifts with full-time and part-time workers respectively. The percentage significantly falls as the size of business declines to about 39 and 34 percent for businesses with 50-99 employees. At about 6 and 7 percent for full-time and part-time employees, businesses with 1-4 employees are the least likely to operate on shifts. However, more small businesses—those with 1-19 employees—operate on shifts for part-time employees than those who do for full-time. This is not necessarily a sampling error issue. Small businesses that operate on shifts are more likely to use part-time workers on more irregular work shifts than full-time employees based on their immediate labor needs compared to large and more organized firms. See Figure 4-5.5 for details.

Figure 4-5.5 Percent of Employers Operating on Shifts by Business Size



As with shift operation, the percentage of businesses paying shift differentials increases with the size of business for both full-time and part-time employees. For full-time workers, the percentage ranges from a low of 2.5 percent of businesses with fewer than five employees to a high of 58.8 percent of those with 100 or more employees. See Figure 4-5.6 for more details.

Figure 4-5.6 Percent of Employers Offering Shift Differential by Business Size



Section 5 - Costs of Benefits

5-1 Compensation Costs

The survey also requested employers to report their annual total expenditure on wages and salary, insurance, and retirement plans for the year 2009. The information is summarized in tables to show what Alabama companies spent on each of component of total compensation as a proportion of the total compensation. The tables present the component spending proportions by industry, workforce development region, and size of business. Overall, Alabama businesses spent 90 percent of their total employee compensation expenses on wages and salaries and 10 percent on insurance and retirement plans.

Table 5-1.1 shows that natural resources and mining industry spent a smaller proportion of compensation in form of insurance and retirement plans followed by construction, leisure and hospitality, and other services. Three industries—manufacturing, trade, transportation, and utilities, and financial activities—spent the most on insurance and retirement plans for their employees.

Table 5-1.1 Compensation Component Costs by Industry

Industry	Number of Businesses	Wages and Salaries	Insurance	Retirement Plans	Total
Natural Resources and Mining	40	95%	5%	0%	100%
Construction	165	94%	5%	1%	100%
Manufacturing	286	88%	10%	2%	100%
Trade, Transportation, and Utilities	536	88%	9%	3%	100%
Information	24	92%	6%	2%	100%
Financial Activities	171	89%	7%	5%	100%
Professional and Business Services	329	90%	8%	2%	100%
Education and Health Services	414	90%	6%	4%	100%
Leisure and Hospitality	127	94%	5%	1%	100%
Other Services	125	94%	4%	2%	100%
Alabama	2,217	90%	7%	3%	100%

Table 5-2.2 summarizes the proportion of compensation costs by workforce development region. By proportion of compensation costs, Regions 1 and 10 spent the most on insurance and retirement plans for employees while Regions 6 and 5 spent the least. The level of benefits also increases with the size of business (Table 5-3.1). Large businesses (100 or more workers) spent more (17 percent) on insurance and retirement plans for their employees compared to small businesses (6 percent for businesses with fewer than five employees).

Table 5-2.2 Compensation Component Costs by Region

Region	Number of Businesses	Wages and Salaries	Insurance	Retirement Plans	Total
1	120	86%	11%	3%	100%
2	468	92%	6%	2%	100%
3	141	89%	7%	4%	100%
4	557	88%	9%	3%	100%
5	195	93%	5%	1%	100%
6	65	94%	3%	3%	100%
7	169	88%	11%	1%	100%
8	65	87%	10%	3%	100%
9	290	91%	7%	2%	100%
10	147	86%	7%	7%	100%
Alabama	2,217	90%	7%	3%	100%

Table 5-3.1 Compensation Component Costs by Size of Business

Size of Business	Number of Businesses	Wages and Salaries	Insurance	Retirement Plans	Total
1-4	346	94%	5%	1%	100%
5-9	433	91%	6%	2%	100%
10-19	423	94%	5%	1%	100%
20-49	372	87%	8%	5%	100%
50-99	242	90%	8%	3%	100%
100+	401	83%	13%	4%	100%
Alabama	2,217	90%	7%	3%	100%