

# 2017 Regional Wage and Benefit Study: Manufacturing Results

Conducted by

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Sponsored by



Champaign, Clark, Logan,  
Madison and Union Counties

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## Executive Summary

Organizations from five counties (Champaign, Clark, Logan, Madison, and Union) received a link to an electronic survey via email to participate in a benefit survey. Survey items were created to capture information about the company's demographics, pre-employment practices, insurance plans, and other benefits and incentives. The results of the survey can be used to benchmark existing organizations' benefits against the overall sample or attract prospective organizations to the community.

There are 48 companies that provided usable data for analyses. Below is a summary of the results.

- Manufacturing organizations in Clark county represent over half of the sample while Champaign county manufacturing organizations make up 19% of the sample. The remaining manufacturing companies from Logan, Madison and Union counties account for 18% of the sample.
- There is a minimum of eight and maximum of 948 total number of employees at any given manufacturing facility. The average number of employees across all companies is 140 with a total of 6,734 employees represented in the data for 2017. Companies with 11-50 employees and greater than 100 employees have the highest participation in the study. Only 25% of manufacturing organizations report hiring contractors while 63% indicate hiring temporary/seasonal employees. The organization with the most number of seasonal/temporary employees has 286.
- Few organizations represented in the sample have union employees.
- Forty-nine percent of companies report the average employee tenure is between 6 to 10 years with 2 years being the lowest average tenure and 41 years being the highest average tenure. The overall average tenure across the manufacturing companies is 10 years.
- The most common method by which manufacturers post jobs is via online-paid job boards. OhioMeansJobs County Office is the second most frequent way organizations advertise job openings.
- Forty-one percent of manufacturing organizations report giving preference to veterans in the hiring process.
- More than half the sample is willing to hire a convicted felon. Conditions under which these organizations are willing to do so include if the conviction was for a non-violent crime or the conviction occurred after a specified time had passed.
- The majority conducts a pre-employment background check.
- Very few organizations conduct a credit check.
- The two most frequent reasons for conducting drug/alcohol testing is during pre-employment and post-accident. Reasonable suspicion is a close third.
- Over half of the sample has a second chance policy for alcohol/drug violations.
- Less than half of the sample offers job shadowing.

- Thirty-three percent of manufacturers offer apprenticeships.
- There is 48% of the sample that offers internships, and most of them pay their interns. Individuals attending college are the most likely to be hired as an intern. On average, the minimum age across all organizations that would be willing to hire an intern is 18 years of age.
- Forty-percent of organizations offer a flexible spending account. This percentage may decrease over time as more organizations consider offering Health Savings Accounts.
- A small percentage (19%) of companies offer Health Reimbursement Accounts. Of those organizations that do, the average amount contributed by employers is around \$3,000; however, this average should be interpreted with caution as it is based on a small sample size.
- Although the majority does not offer Health Savings Accounts (i.e., 65%), there is a greater percentage of manufacturers that offer Health Savings Accounts (35%) as compared to Health Reimbursement Accounts (19%). For those companies that contribute to employees' H.S.A., there is variability in the amount that organizations contribute.
- A majority (83%) offers a traditional co-pay health insurance plan with employee only and family as the most frequently offered coverage levels. Of those employers that offer a traditional health insurance plan, less than a fourth have a working spouse provision.
- Forty-five percent of the sample spends \$10,000 or more per employee per year on health insurance expenses.
- Health insurance costs 10-29% of the employee's wage for 70% of the sample.
- Among manufacturing organizations, employers are more likely to offer and pay for short-term disability and life/accidental death and dismemberment insurance. However, there is variability in terms of how manufacturing organizations handle dental insurance, with some sharing or paying for the expense while others offer it as an employee paid only benefit. Long-term disability and vision insurance are less likely to be offered by manufacturers compared to the other types of insurance.
- The most common type of retirement plan offered is the 401K, 403B. Most organizations offered a dollar for dollar or 50% match on the first 3-6% of employee's wage.
- Thirty-two percent of the sample lumps all three types of leave into one paid time off (PTO) category, and 30% combine personal and sick days while vacation is considered a separate category. The average number of PTO days for one year of service is 8 days; for two years of service is 10 days; for five years of service is 13 days; for ten years of service is 17 days.
- All 44 manufacturing organizations offer paid holidays with the average number of days being 8. Bereavement and jury duty are the next most frequently offered types of other paid leave.

- In terms of incentives, over half of the manufacturers offers a premium paid shift differential and merit pay. Interestingly, few offer piece-rate pay, which has been traditionally used in manufacturing.
- A large majority (78%) provides funds for employees' professional development and/or tuition reimbursement. Of those organizations, 97% offer professional development and 68% offer tuition reimbursement. For both types of benefits, the average dollar amount contributed by organizations is less than \$5,000.
- Thirty-two percent of the manufacturing organizations offer fringe benefits that make up 21-30% of salaried employees' wages. For 20% of the sample, fringe benefits make up 10-20% of salaried employees' wages and another 20% of the sample offers fringe benefits that account for 31-40% of salaried employees' wages.
- For hourly employees, 36% of manufacturers indicate fringe benefits account for 31-40% of wages while 25% report fringe benefits are 21-30% of wages.
- The majority has opted for state-funded workers' compensation.

## Research Objectives

The main purpose of this research is to provide wage and benefit benchmarks for businesses in Champaign, Clark, Logan, Madison, and Union counties. By providing data on common benefits, incentives, and wage averages, businesses will be able to determine if they lag behind, match, or lead the market in terms of compensation practices. Employee turnover and productivity issues may be avoided if businesses are able to use this information to become more competitive in attracting and retaining reliable and effective employees. In addition, the information provided by the data in this report should assist economic development in our communities. Having knowledge of the competitive market may result in a more beneficial strategy to attract new businesses to the area and spur the growth of economic development.

## Methodology

A detailed explanation is provided in the Overall Results.

## Analysis of Benefit Data

Excel was used to analyze the survey data. The data were screened for missing data and data entry errors. Respondents were contacted if data were missing (e.g., indicated paid holidays as a benefit but didn't provide the average number of paid holidays provided). Not all organizations that were contacted responded, even after repeated attempts. In addition, variables with responses outside the expected range were either corrected or considered outliers and deleted from analyses. For example, the PTO portion of the survey asked respondents to indicate the number of paid days off that employees were given. Some respondents answered the question in hours; these companies were contacted and the data were changed from hours to days. If the contact person could not be reached the responses for that item were not included in analyses. Thus, the number of responses (i.e., n-size) for each item will vary.

Frequencies and/or descriptive statistics were then calculated for each survey item. For questions in which the organization could select more than one option, data is represented in terms of frequency count. For questions in which the organization could only select one option, data is represented in terms of percentage of organizations.

Finally, it is important to note that the data comes from a self-selected non-probability sample. Thus, results should not be generalized to all manufacturing organizations in Champaign, Clark, Logan, Madison, and Union counties. Instead, data are only representative of those companies that responded to the survey.

## Company Information

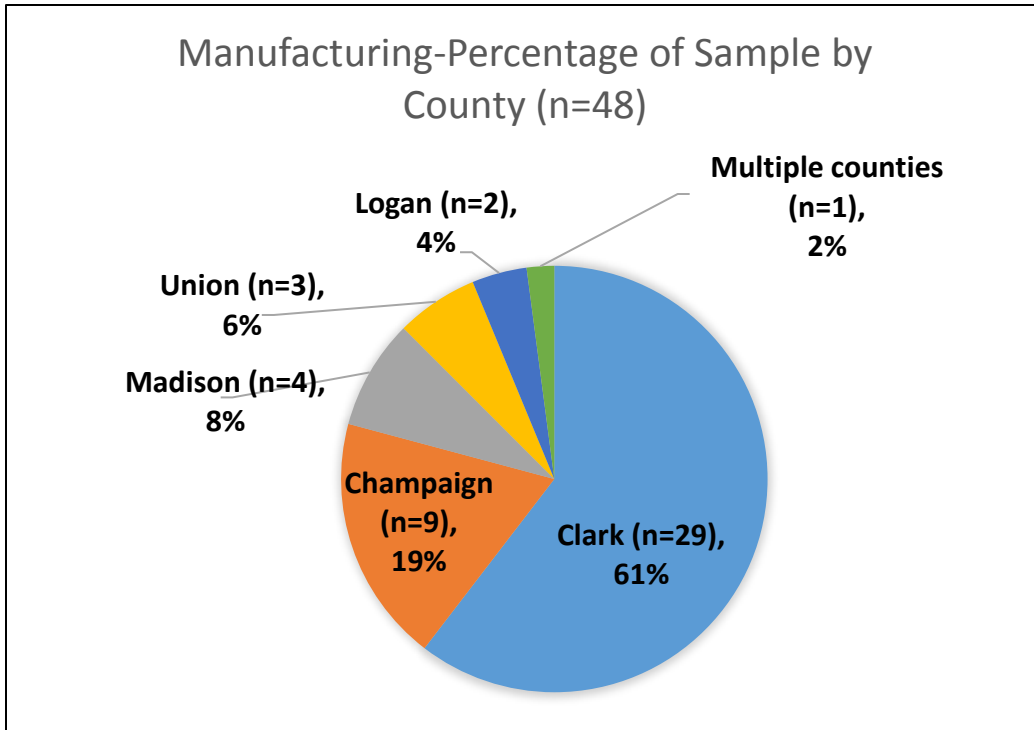
### Contact Information

- Information of who completed the questionnaire was useful when there was a need to clarify data.

Organization Name

- The company name was collected but will remain confidential.

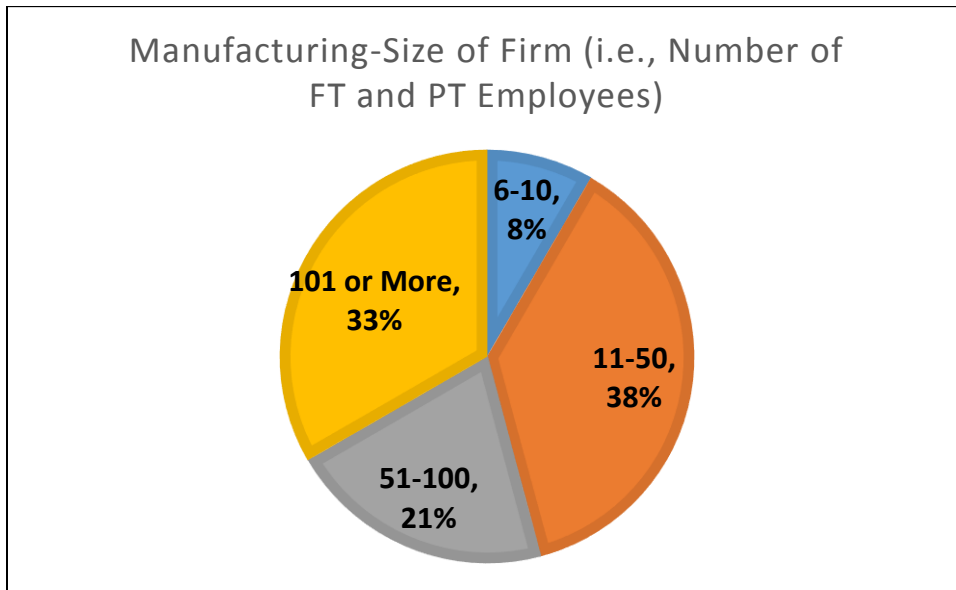
County Representation



Manufacturing organizations in Clark County represent over half of the sample while Champaign County manufacturing organizations make up 19% of the sample. The remaining manufacturing companies from Logan, Madison and Union counties accounted for 18% of the sample.



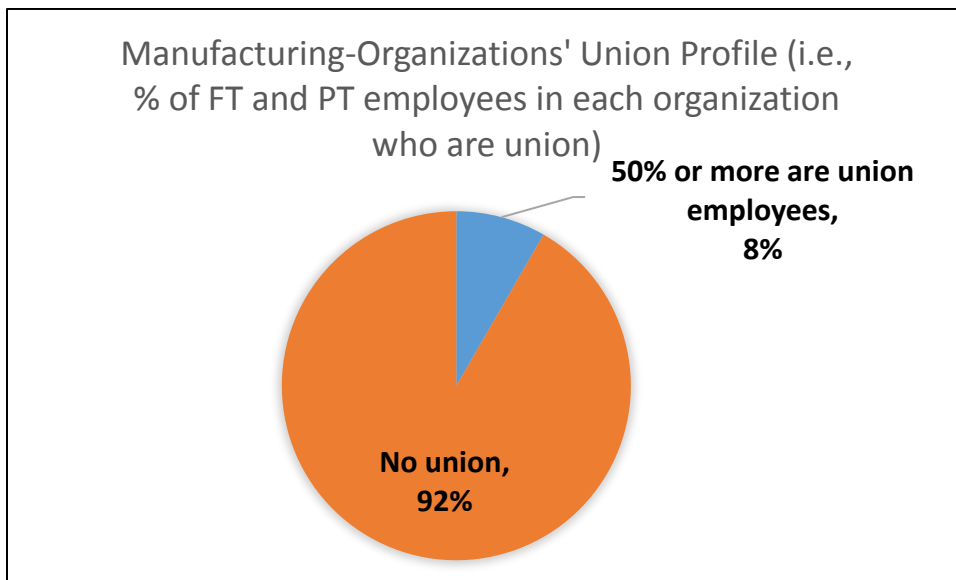
Size of Firm



There is a minimum of eight and maximum of 948 total number of employees at any given manufacturing facility. The average number of employees across all companies is 140 with a total of 6,734 employees represented in the data for 2017.

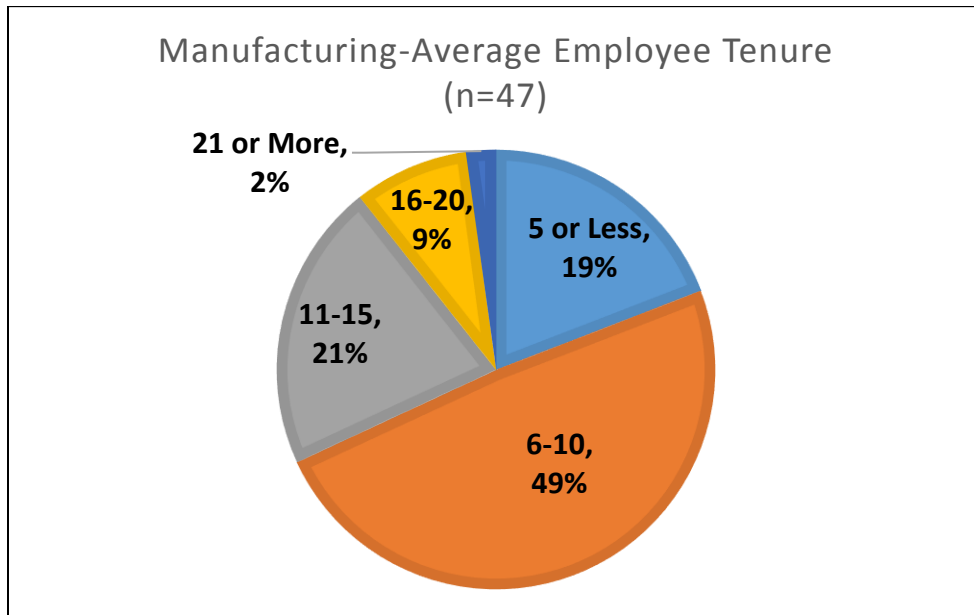
Companies with 11-50 employees and greater than 100 employees have the highest participation in the study. Only 25% of manufacturing organizations report hiring contractors while 63% indicate hiring temporary/seasonal employees. The organization with the most number of seasonal/temporary employees has 286.

Organizations' Union Profile



Few organizations represented in the sample have union employees.

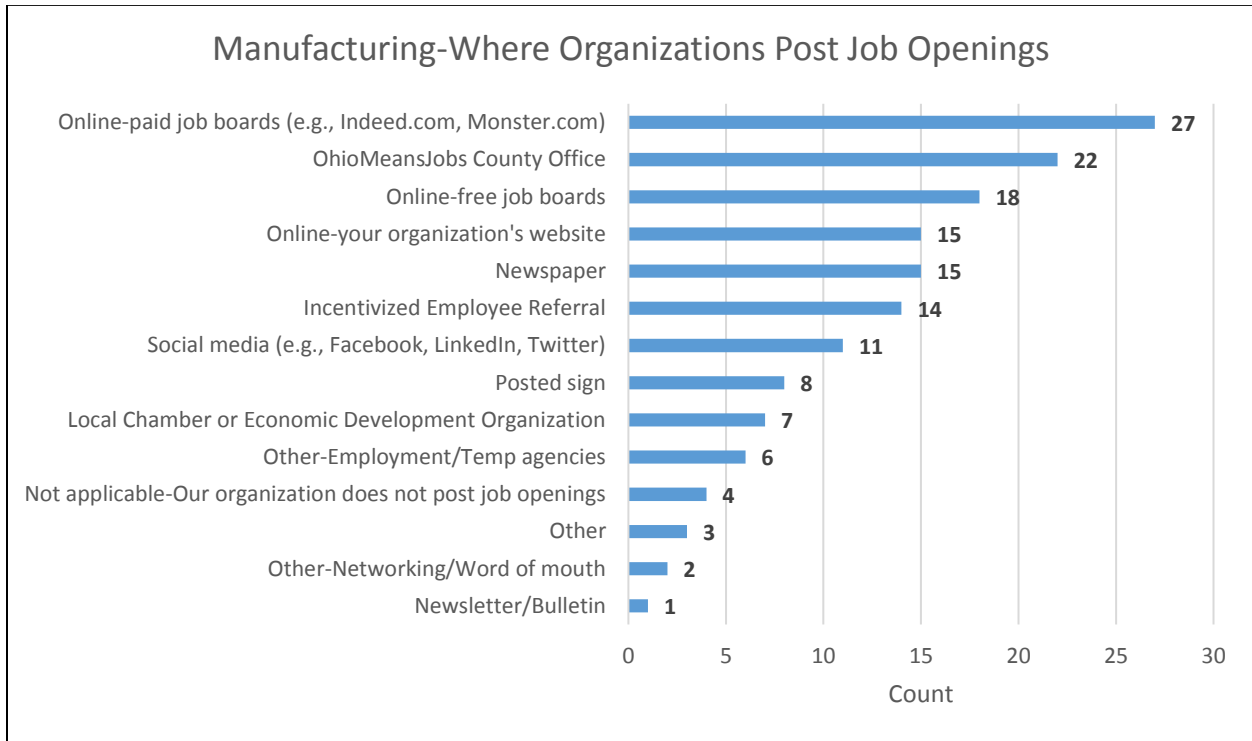
Average Employee Tenure (i.e., Number of Years with the Company)



Forty-nine percent of companies report the average employee tenure is between 6 to 10 years with 2 years being the lowest average tenure and 41 years being the highest average tenure. The overall average tenure across the manufacturing companies is 10 years.

Pre-employment Processes

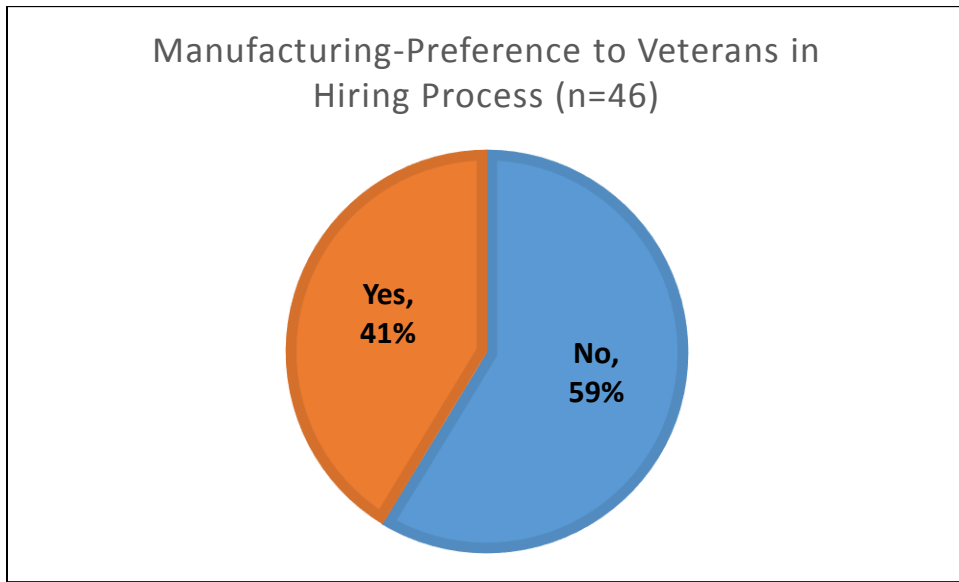
Where Organizations Post Job Openings



Note: Companies could select more than one option.

The most common method by which manufacturers post jobs is via online-paid job boards. OhioMeansJobs County Office is the second most frequent way organizations advertise job openings.

Preference to Veterans in Hiring Process

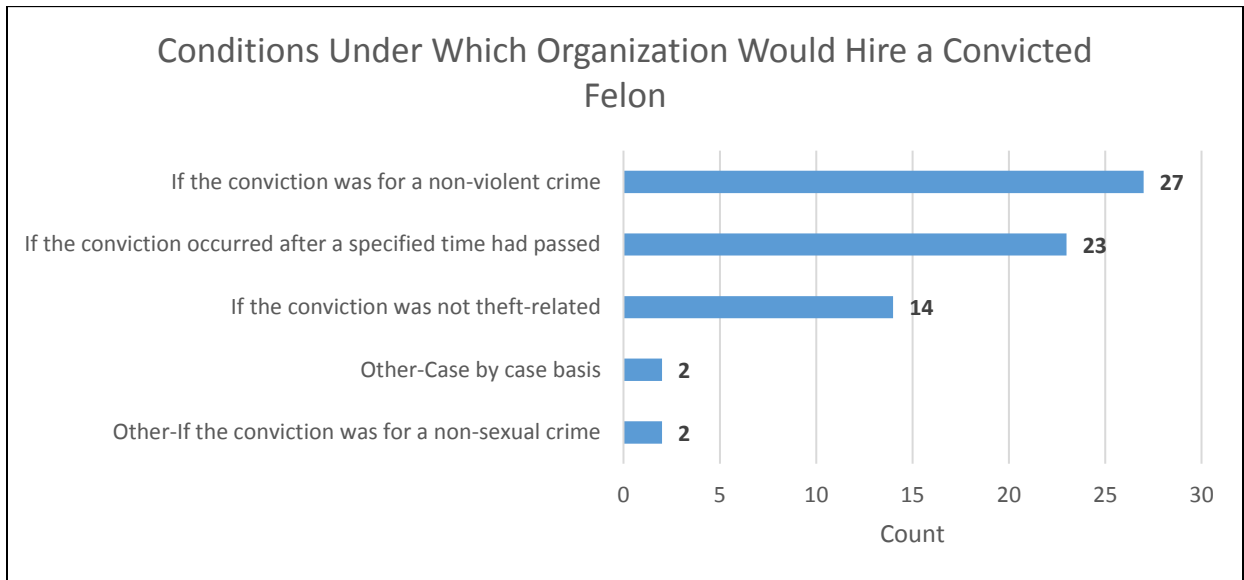


Forty-one percent of manufacturing organizations report giving preference to veterans in the hiring process.

Willingness to Hire Convicted Felons



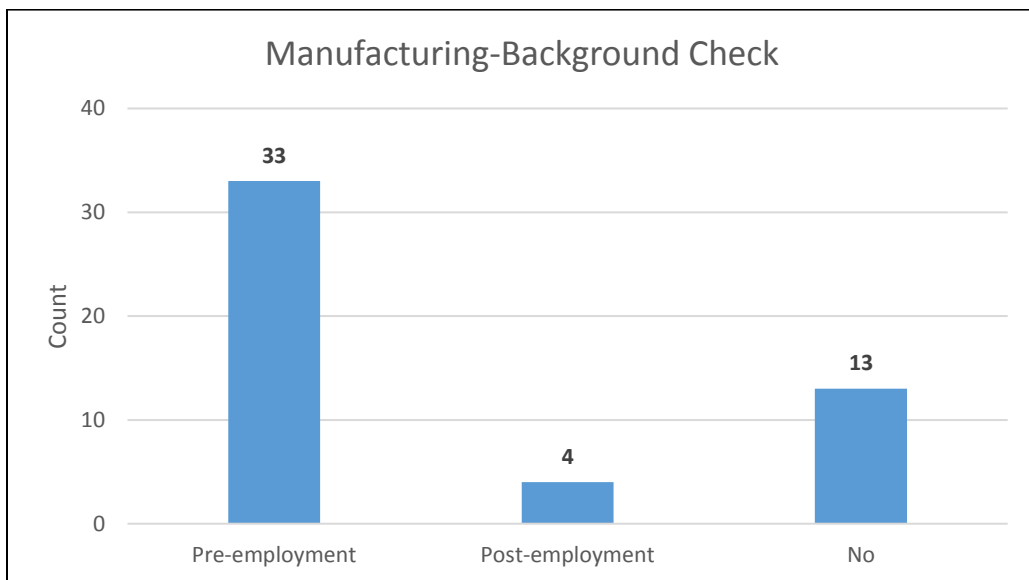
Conditions Under Which Organization Would Hire a Convicted Felon



Note: Companies could select more than one option.

More than half the sample is willing to hire a convicted felon. Conditions under which these organizations are willing to do so include if the conviction was for a non-violent crime or the conviction occurred after a specified time had passed.

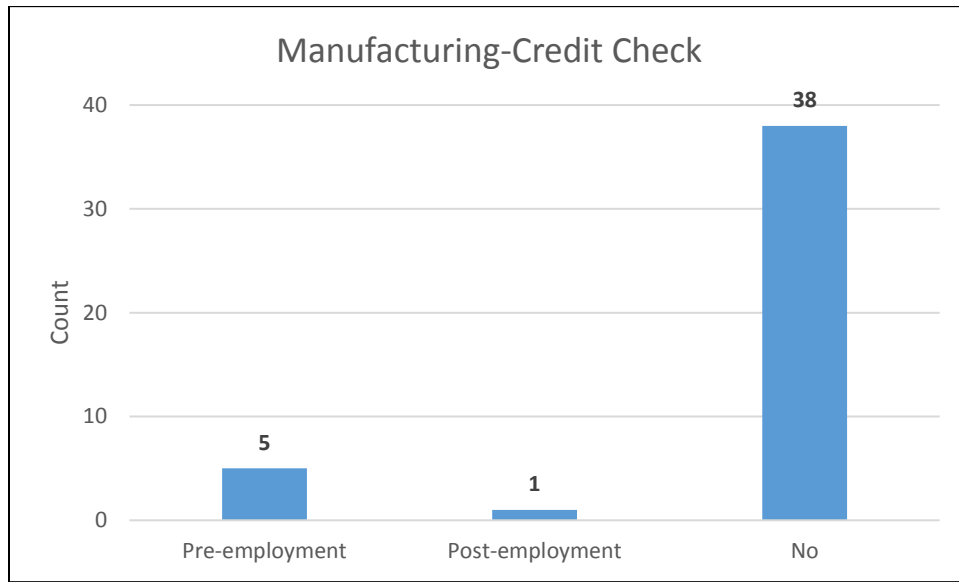
Background Check



Note: Companies could select more than one option.

The majority conducts pre-employment background checks.

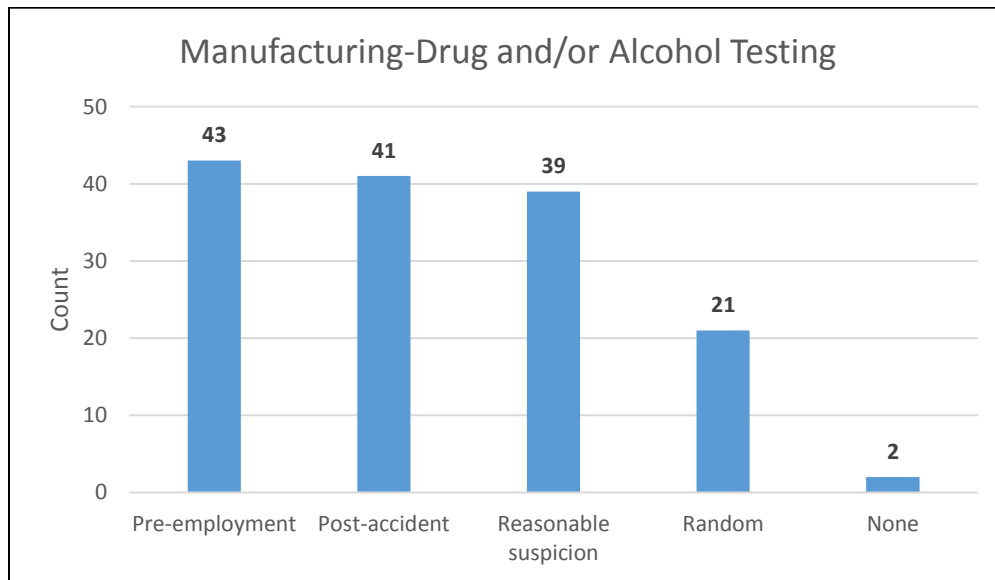
Credit Check



Note: Companies could select more than one option.

Very few organizations conduct a credit check.

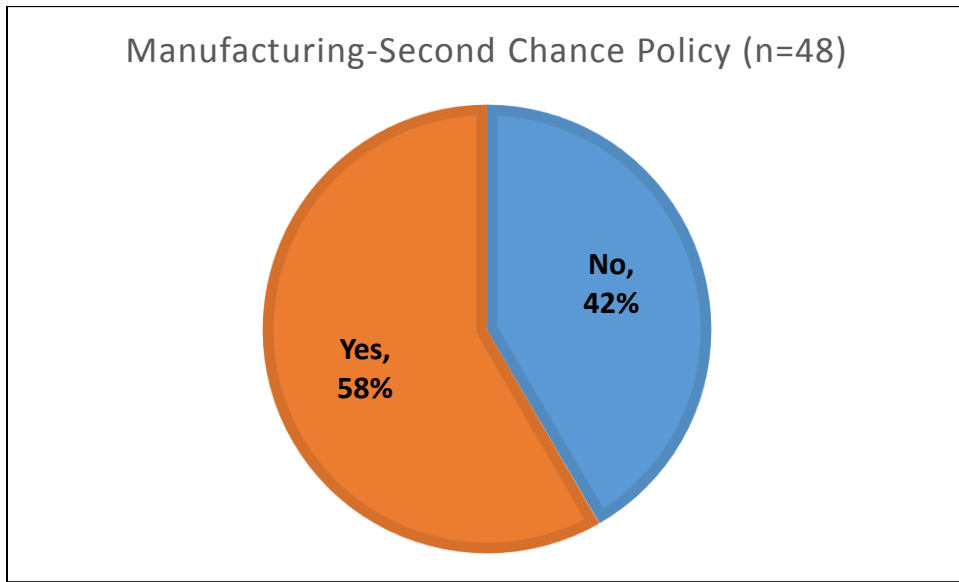
Drug and/or Alcohol Testing



Note: Companies could select more than one option.

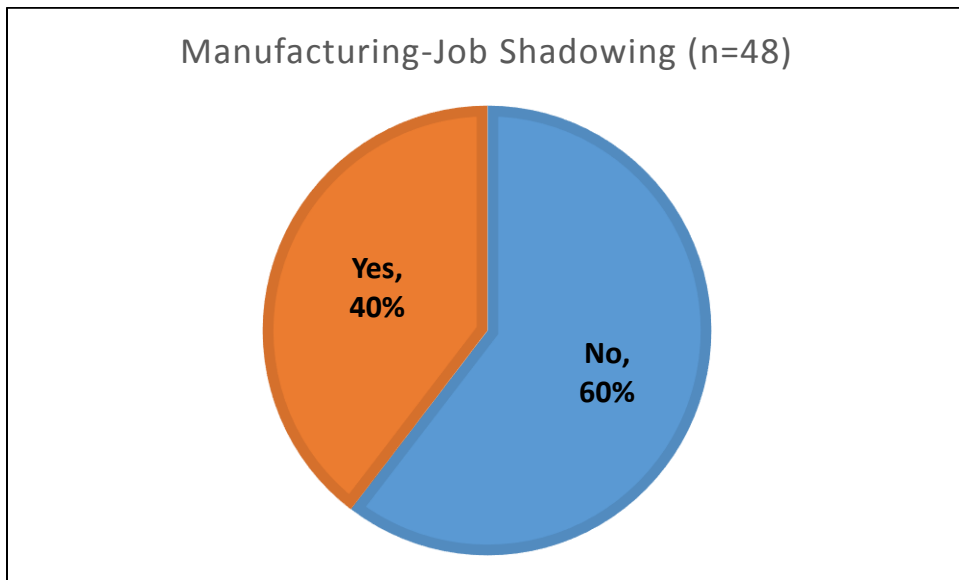
The two most frequent reasons for conducting drug/alcohol testing is during pre-employment and post-accident. Reasonable suspicion is a close third.

Second Chance Policy for Drug and/or Alcohol Violations



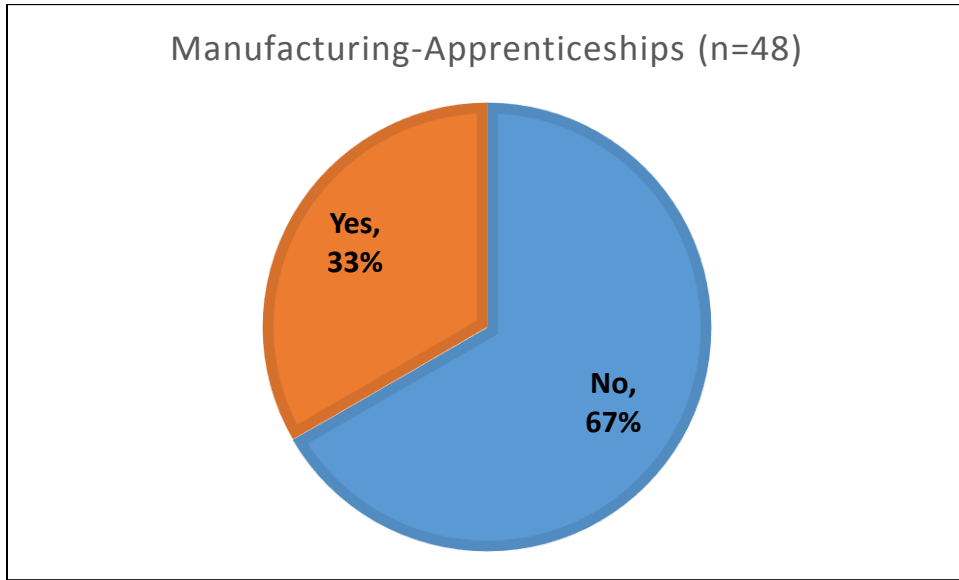
Over half of the sample has a second chance policy for alcohol/drug violations.

Job Shadowing



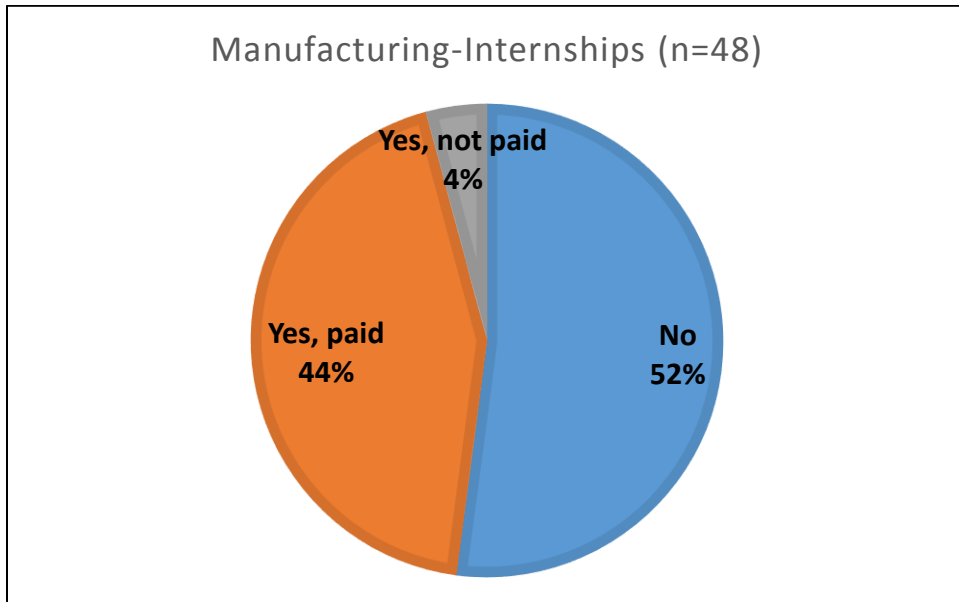
Less than half of the sample offers job shadowing.

Apprenticeships



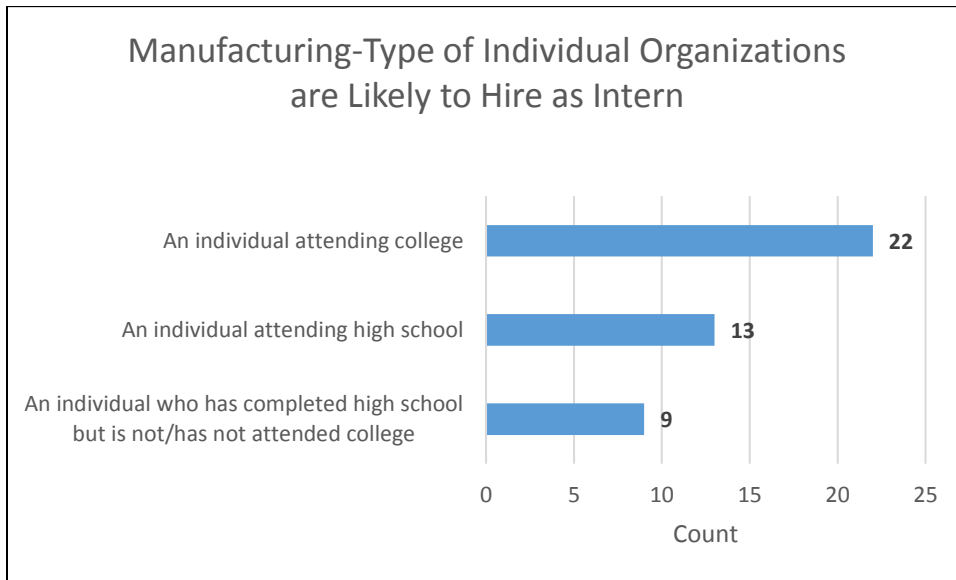
Thirty-three percent of manufacturers offer apprenticeships.

Internships





Type of Individual Organizations are Likely to Hire as Intern

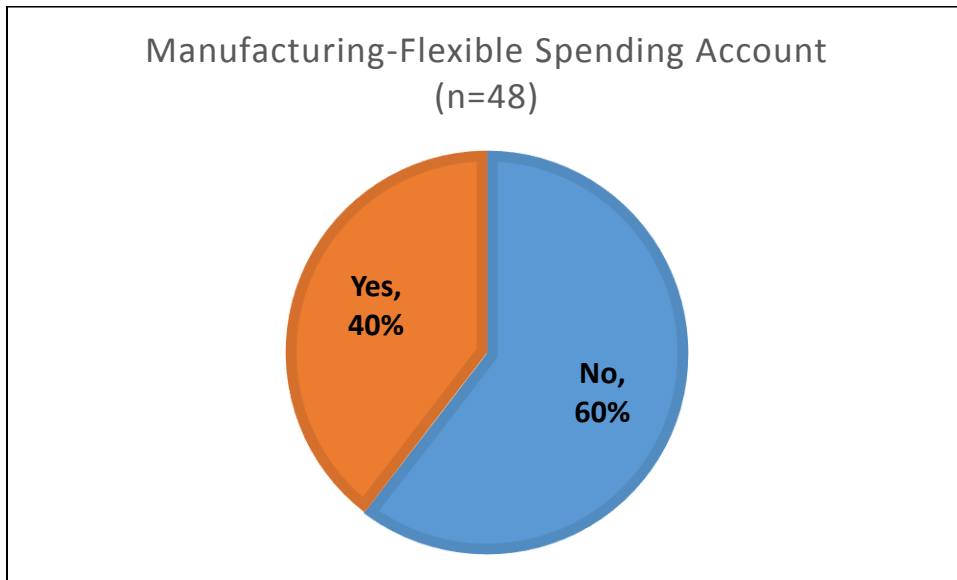


Note: Companies could select more than one option.

There is 48% of the sample that offers internships, and most of them pay their interns. Individuals attending college are the most likely to be hired as an intern. On average, the minimum age across all organizations that would be willing to hire an intern is 18 years of age.

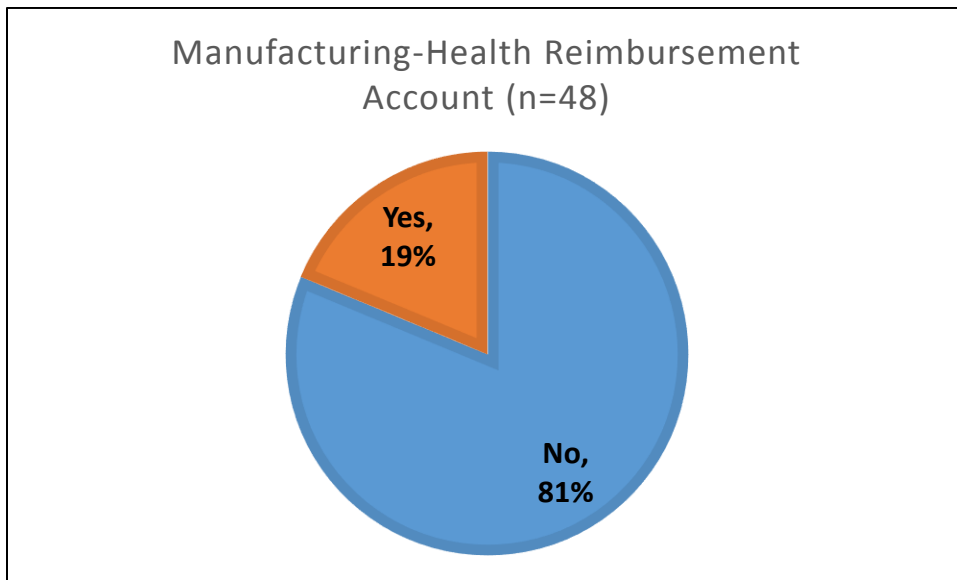
Insurance

Does organization offer a Flexible Spending Account?



Forty-percent of organizations offer a flexible spending account. This percentage may decrease over time as more organizations consider offering Health Savings Accounts.

Does organization offer a Health Reimbursement Account?

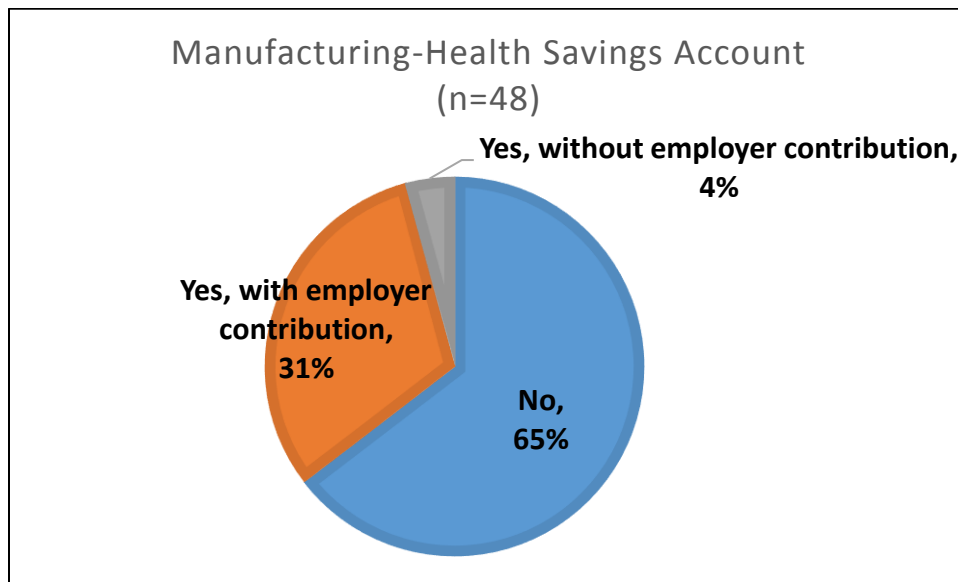


If organization offers a Health Reimbursement Account, what is the dollar amount per coverage level contributed by the organization?

H.R.A. Coverage Levels	Average	Range
Employee only (n=6)	\$2,470	\$500-\$7,500
Employee plus spouse (n=5)	\$3,702	\$1,000-\$7,500
Employee plus dependent (n=5)	\$3,663	\$1,000-\$7,500
Family (n=6)	\$3,815	\$1,000-\$7,500

A small percentage (19%) of companies offer Health Reimbursement Accounts. Of those organizations that do, the average amount contributed by employers is around \$3,000; however, this average should be interpreted with caution as it is based on a small sample size.

Does organization offer a Health Savings Account?

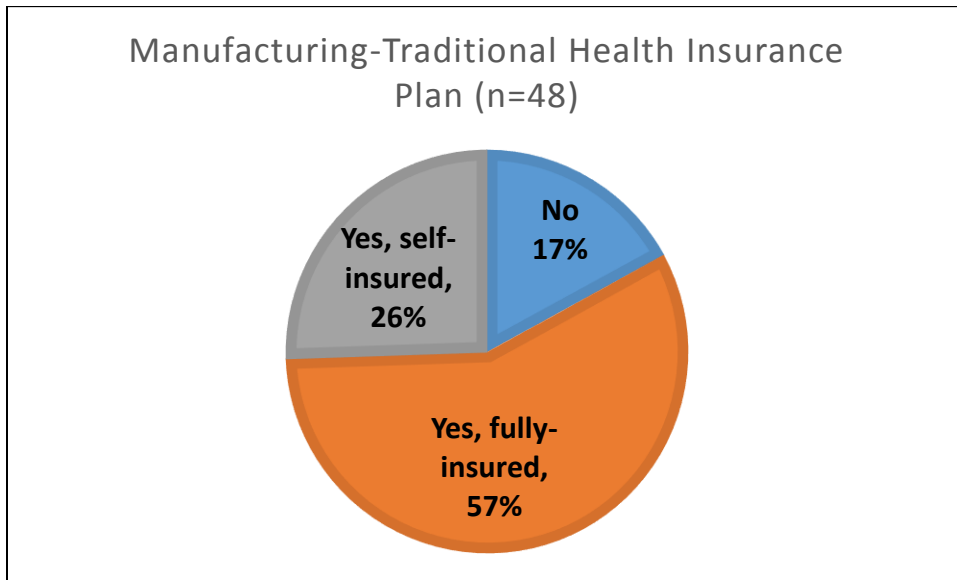


If organization offers a Health Savings Account, what is the dollar amount per coverage level contributed by the organization?

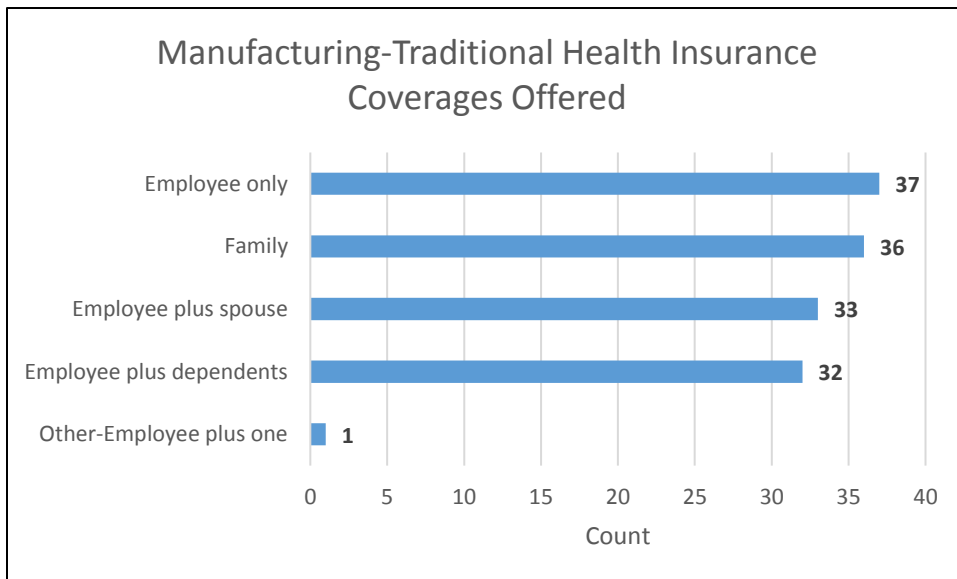
H.S.A. Coverage Levels	Average	Range
Employee only (n=12)	\$1,203	\$250-\$3,180
Employee plus spouse (n=10)	\$1,635	\$250-\$6,990
Employee plus dependent (n=10)	\$1,461	\$250-\$5,368
Family (n=12)	\$2,471	\$250-\$9,817

Although the majority does not offer Health Savings Accounts (i.e., 65%), there is a greater percentage of manufacturers that offer Health Savings Accounts (35%) as compared to Health Reimbursement Accounts (19%). For those companies that contribute to employees' H.S.A., there is variability in the amount that organizations contribute.

Does organization offer traditional co-pay health insurance plans?



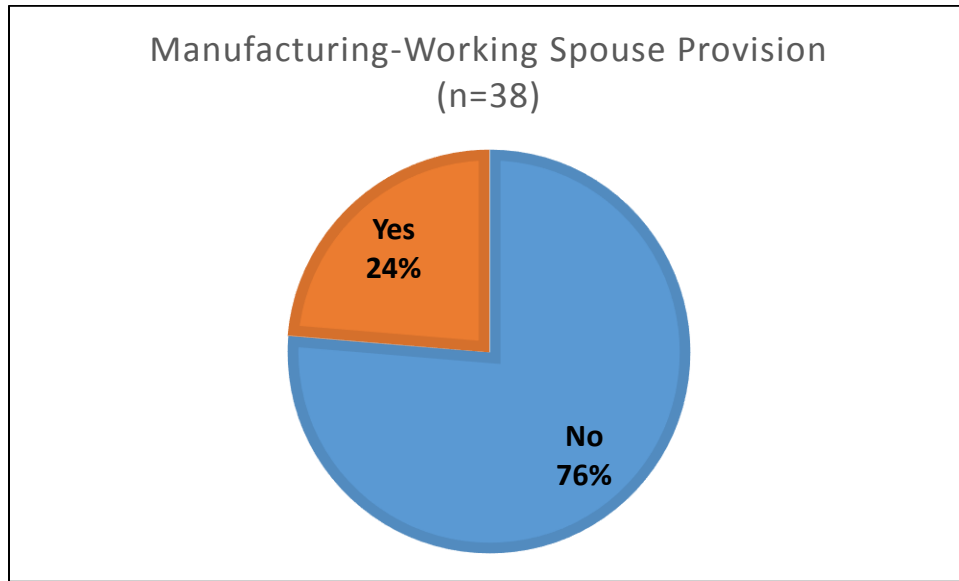
Types of Traditional Health Insurance Coverage Plans



Note: Companies could select more than one option.

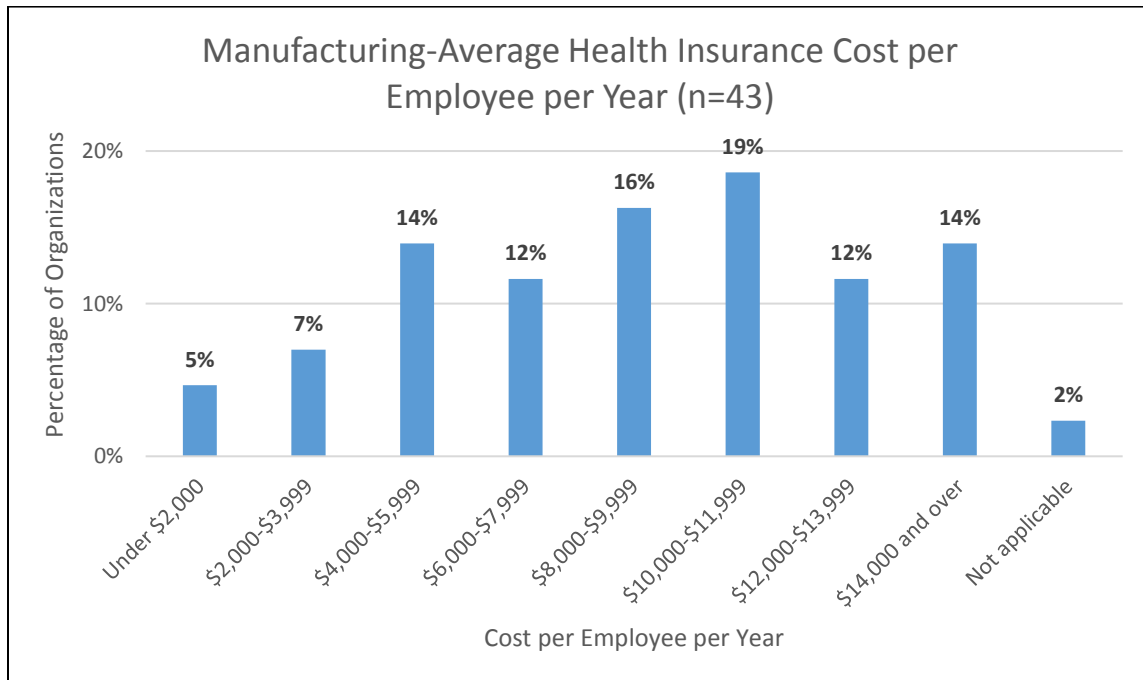
A majority (83%) offers a traditional co-pay health insurance plan with employee only and family as the most frequently offered coverage levels.

If organization offers traditional health insurance plan, does it have a working spouse provision?



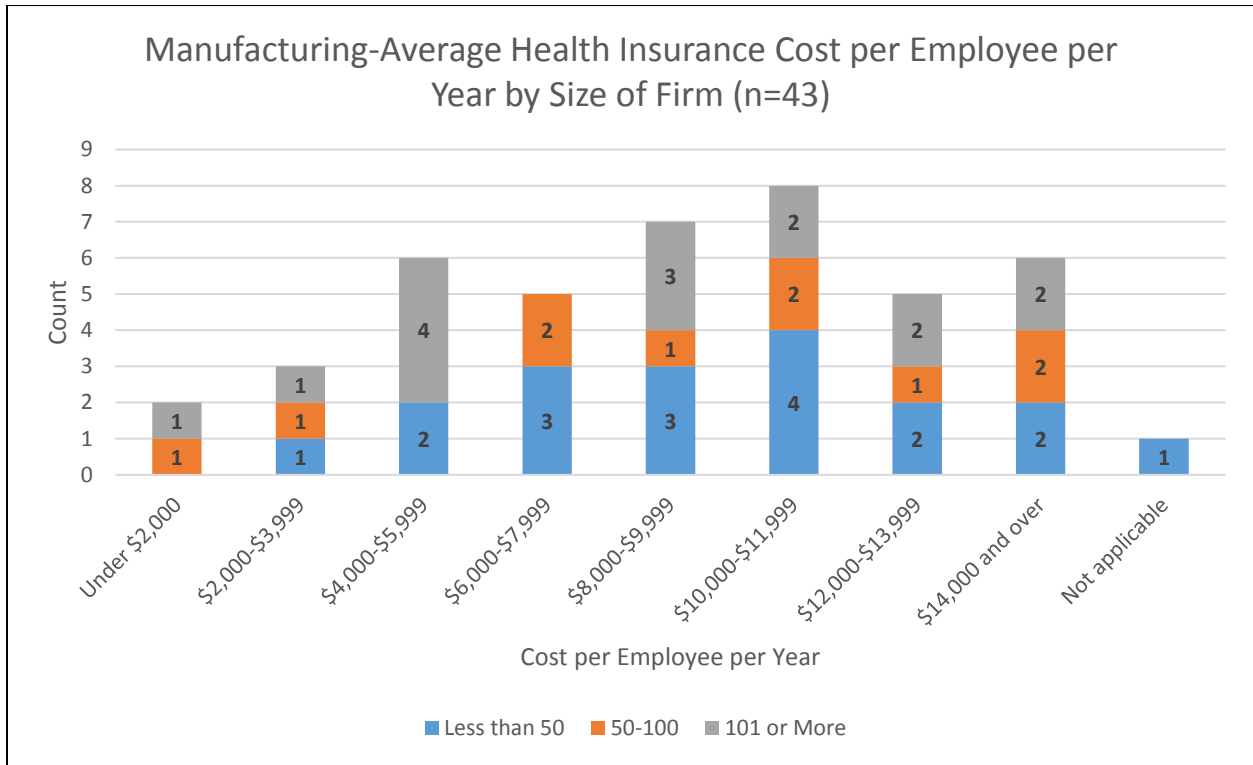
Of those employers that offer a traditional health insurance plan, less than a fourth have a working spouse provision.

Health Insurance Cost (i.e., annual total employer-paid premiums, as well as H.R.A. and H.S.A. contributions, divided by the number of enrolled employees) per Employee per Year

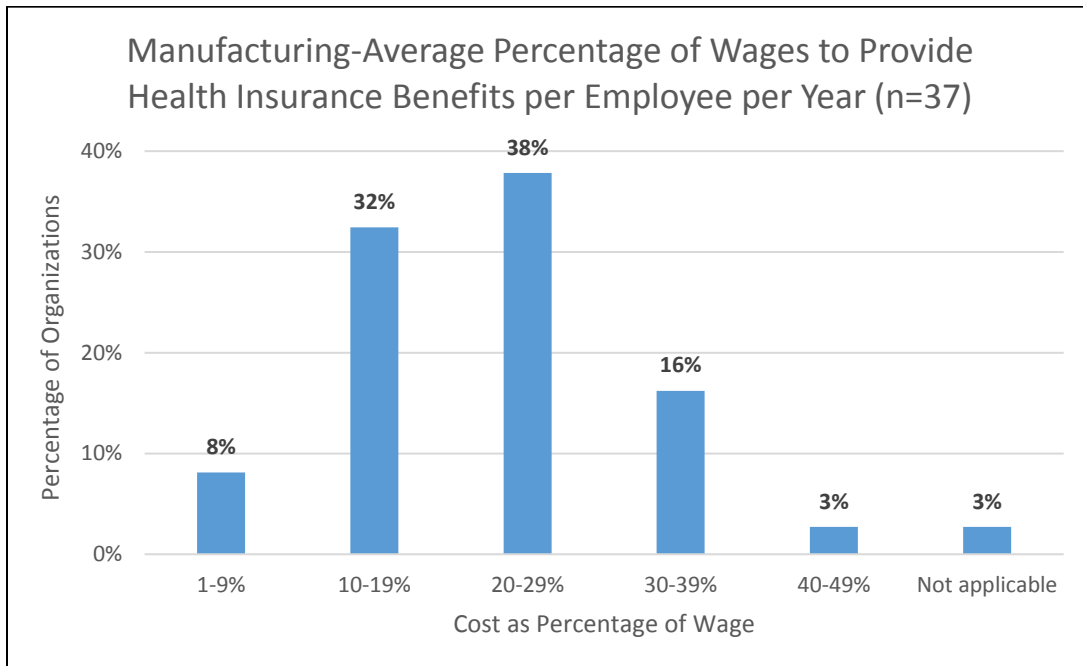


Forty-five percent of the sample spends \$10,000 or more per employee per year on health insurance expenses.

Health Insurance Cost per Employee per Year by Size of Firm

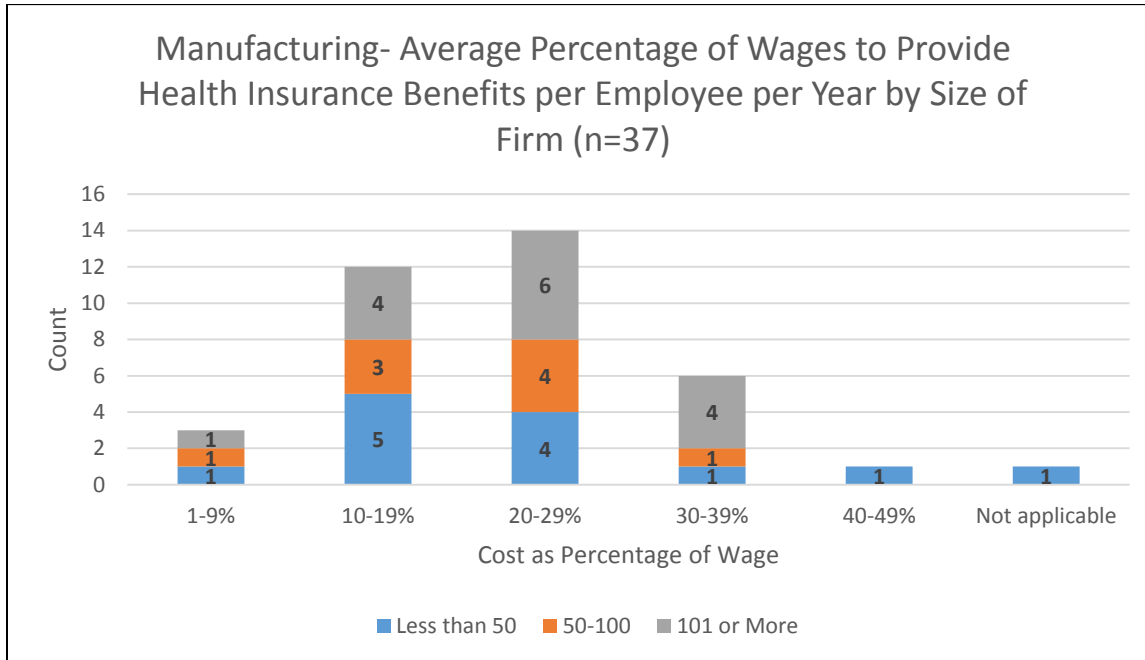


Average Percentage of Wages to provide Health Insurance Benefits (employer-paid premiums, Health Reimbursement Account and Health Savings Account contributions) Per Employee per Year



Health insurance costs 10-29% of the employee's wage for 70% of the sample.

Average Percentage of Wages to provide Health Insurance Benefits Per Employee per Year by Size of Firm



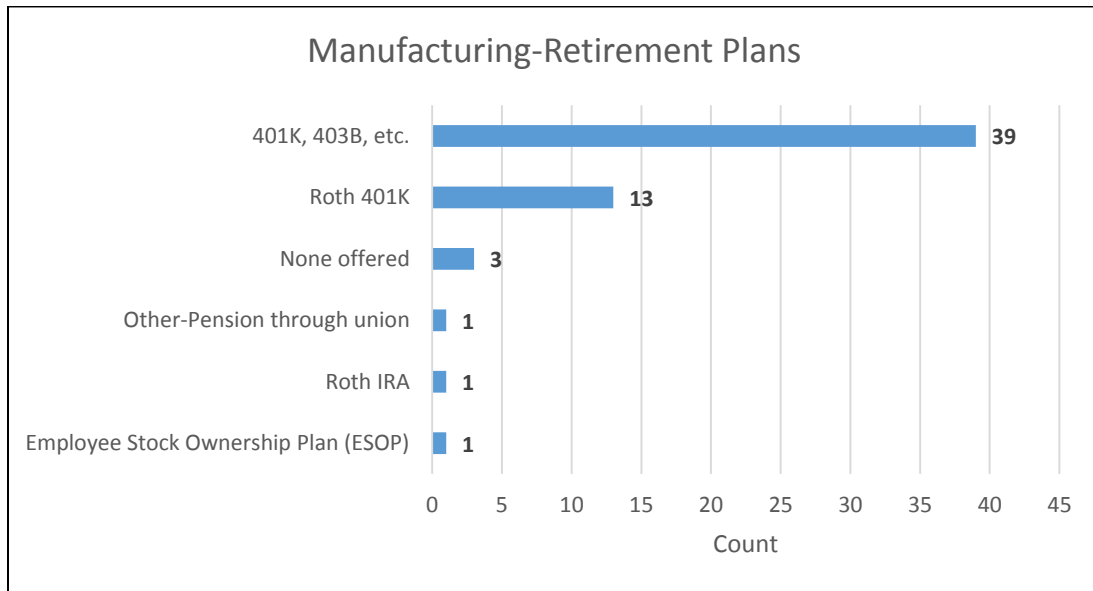
Other Types of Insurance

Type of Insurance	Employee paid only	Employer paid only	Shared cost	N/A
Dental (n=43)	15	10	15	3
Disability, Long-term (n=41)	8	19	5	9
Disability, Short-term (n=43)	11	23	5	4
Life/Accidental Death & Dismemberment (n=43)	4	32	5	2
Vision (n=42)	15	8	8	11

Among manufacturing organizations, employers are more likely to offer and pay for short-term disability and life/accidental death and dismemberment insurance. However, there is variability in terms of how manufacturing organizations handle dental insurance, with some sharing or paying for the expense while others offer it as an employee paid only benefit. Long-term disability and vision insurance are less likely to be offered by manufacturers compared to the other types of insurance.

## Benefits and Incentives

### Retirement Plans



Note: Companies could select more than one option.

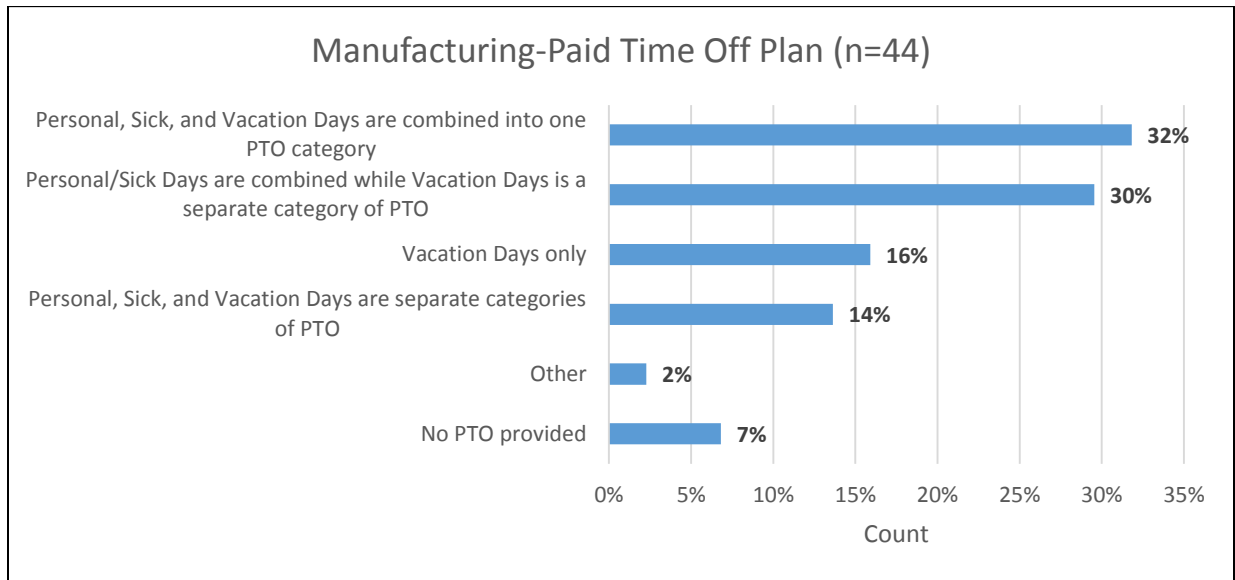
The most common type of retirement plan offered is the 401K, 403B.

### Organization's Contribution to Retirement

Most organizations offered a dollar for dollar or 50% match on the first 3-6% of employee's wage.



**Paid Time Off Plan**

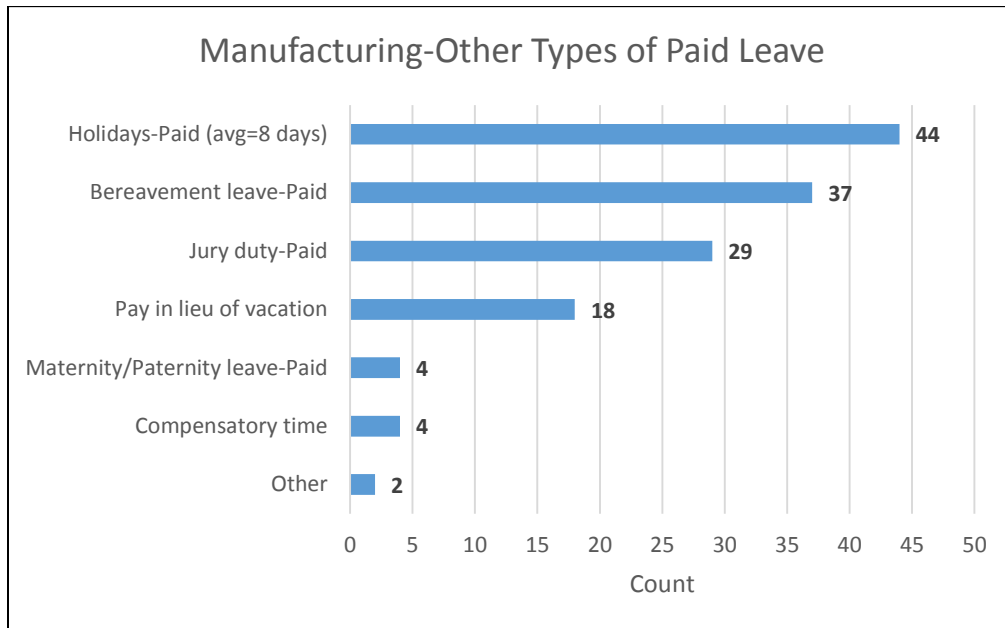


Thirty-two percent of the sample lumps all three types of leave into one paid time off (PTO) category, and 30% combine personal and sick days while vacation is considered a separate category.

**Average Number of Days Employees Receive in Paid Time Off by Years of Service (n=41)**

Years of Service	Average PTO Days	Mode	Range
1	8	5	0-16
2	10	10	1-16
5	13	10	2-20
10	17	15	3-25
15	19	15	3-30
20	20	20	4-30
25	20	25	4-30

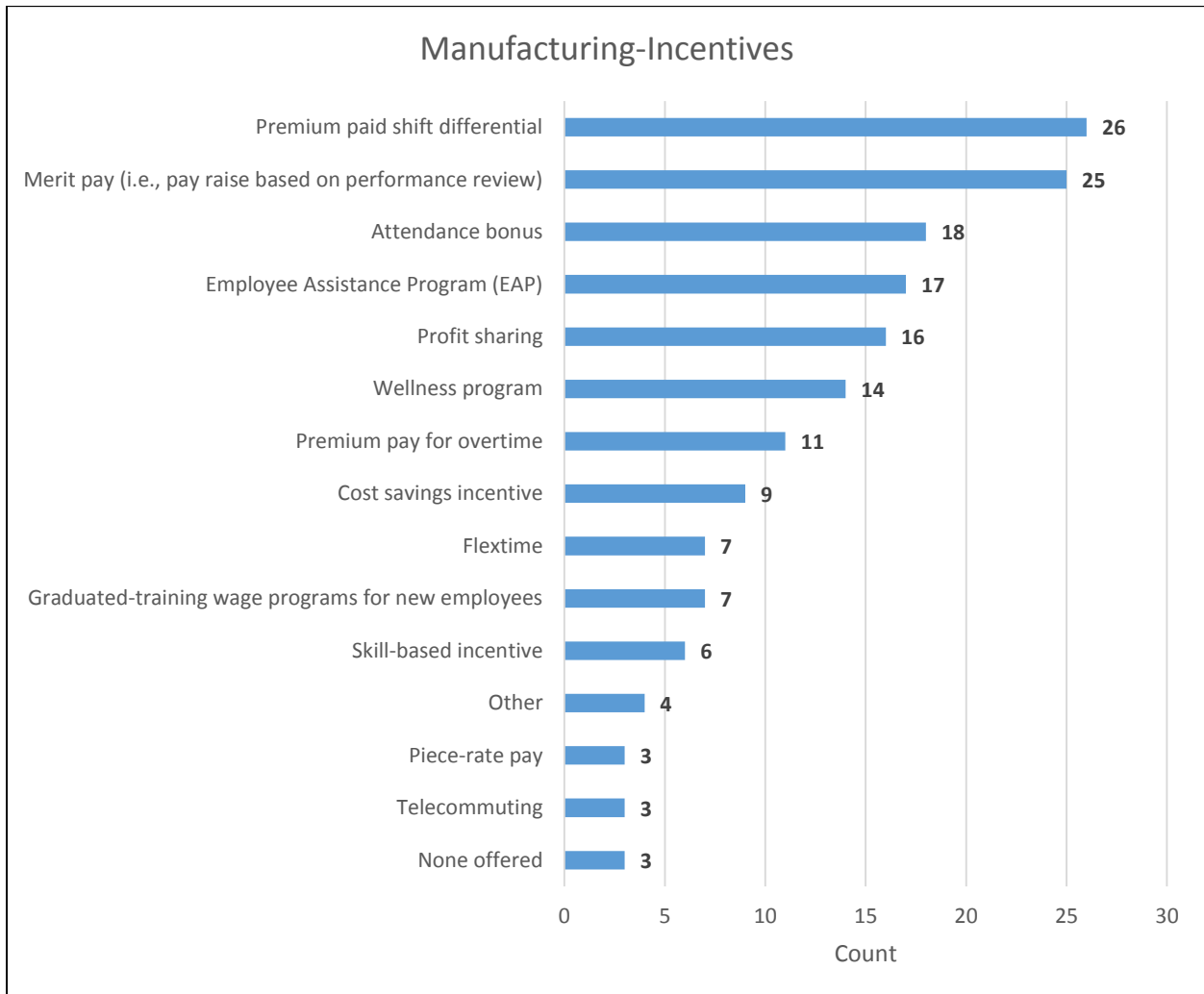
Other Types of Paid Leave



Note: Companies could select more than one option.

All 44 manufacturing organizations offer paid holidays with the average number of days being 8. Bereavement and jury duty are the next most frequently offered types of other paid leave.

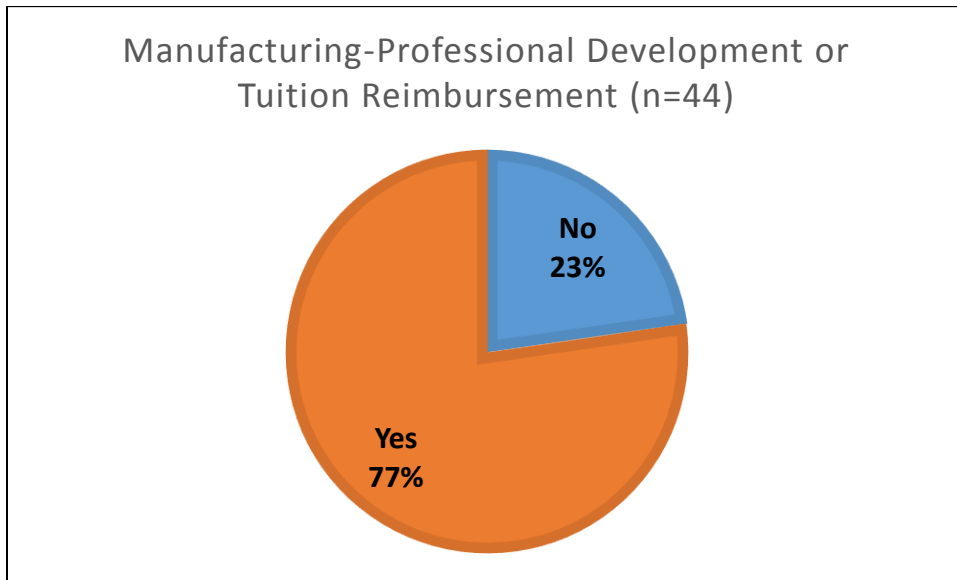
Incentives



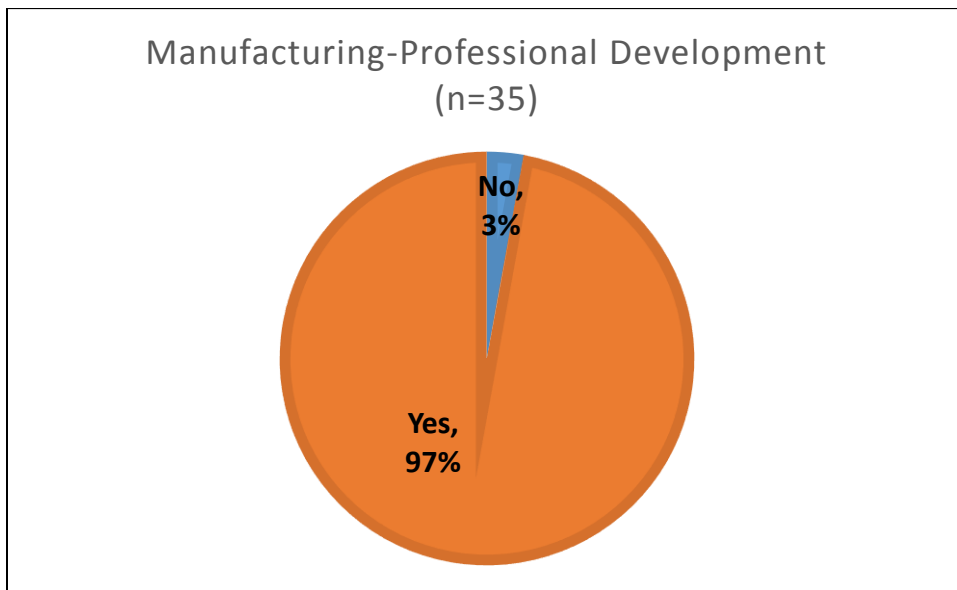
Note: Companies could select more than one option.

In terms of incentives, over 50% of manufacturers offer a premium paid shift differential and merit pay. Interestingly, few offer piece-rate pay, which has been traditionally used in manufacturing.

Does organization offer professional development or tuition reimbursement?



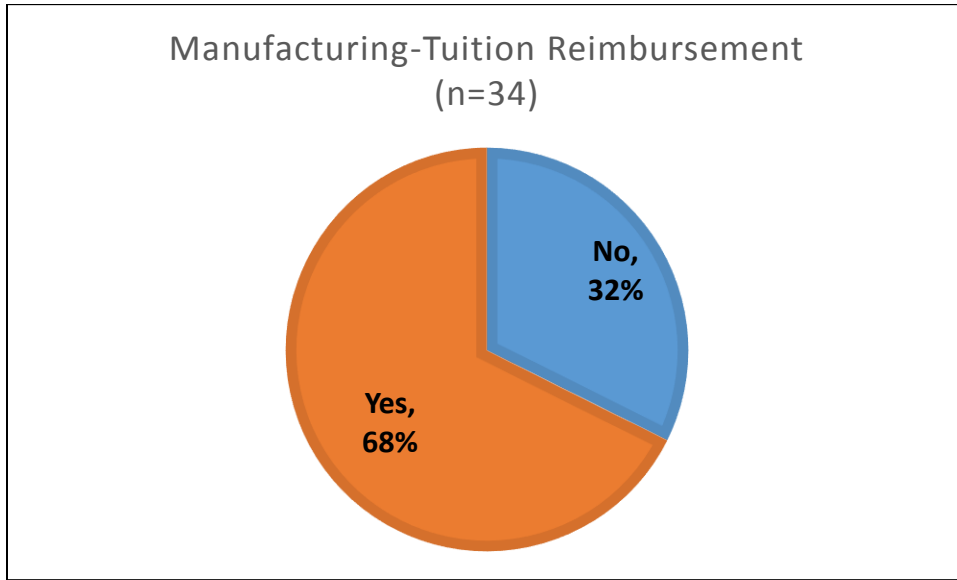
Does organization offer professional development?



What is the maximum employer contribution toward professional development per employee per year?

Maximum Employer Contribution toward Professional Development			
n	Average	Mode	Range
15	\$2,393	\$500	\$200 -\$5,000

Does organization offer tuition reimbursement?

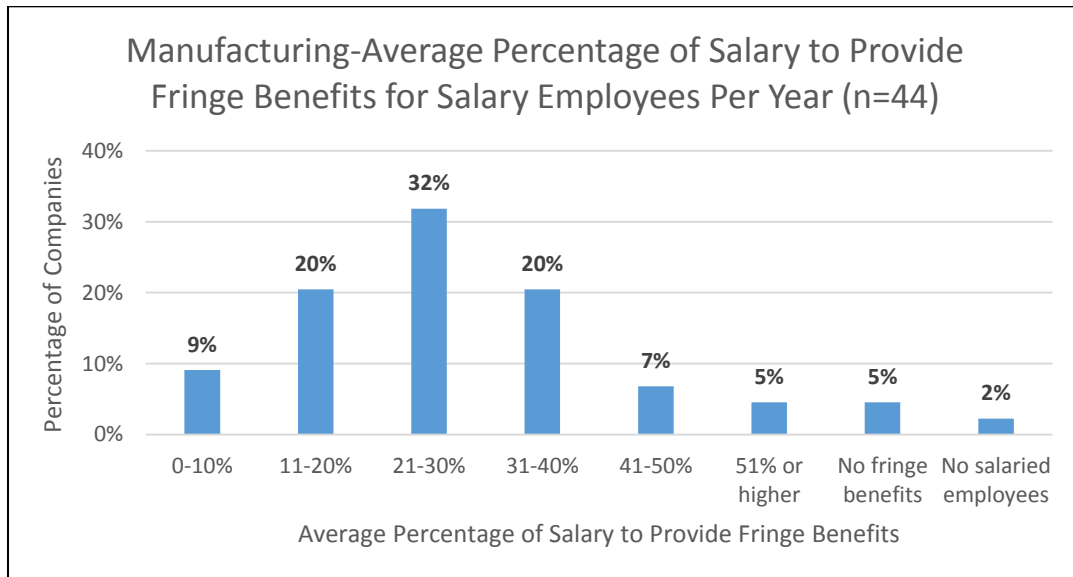


What is the maximum employer contribution toward tuition reimbursement per employee per year?

Maximum Employer Contribution toward Tuition Reimbursement			
n	Average	Mode	Range
15	\$4,772	\$5,250	\$80-\$20,000

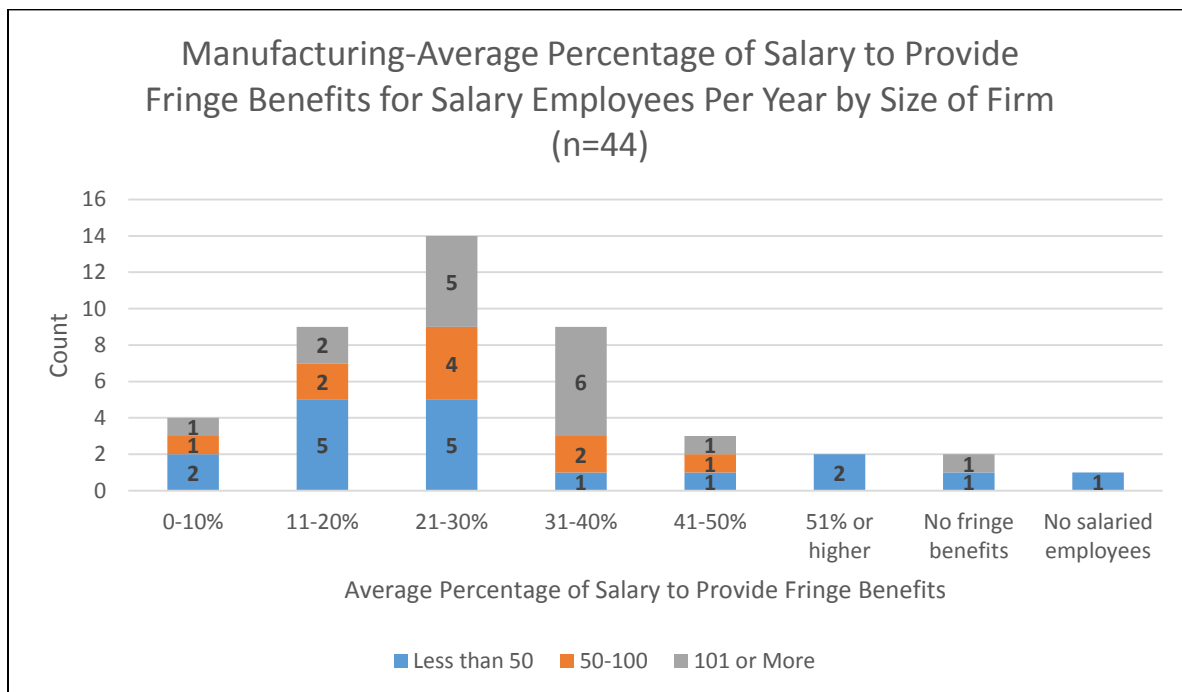
A large majority (78%) provides funds for employees’ professional development and/or tuition reimbursement. Of those organizations, 97% offer professional development and 68% offer tuition reimbursement. For both types of benefits, the average dollar amount contributed by organizations is less than \$5,000.

Average Percentage of Salary to Provide Fringe Benefits (insurance, retirement, paid time off, and incentives) for Salary Employees Per Year

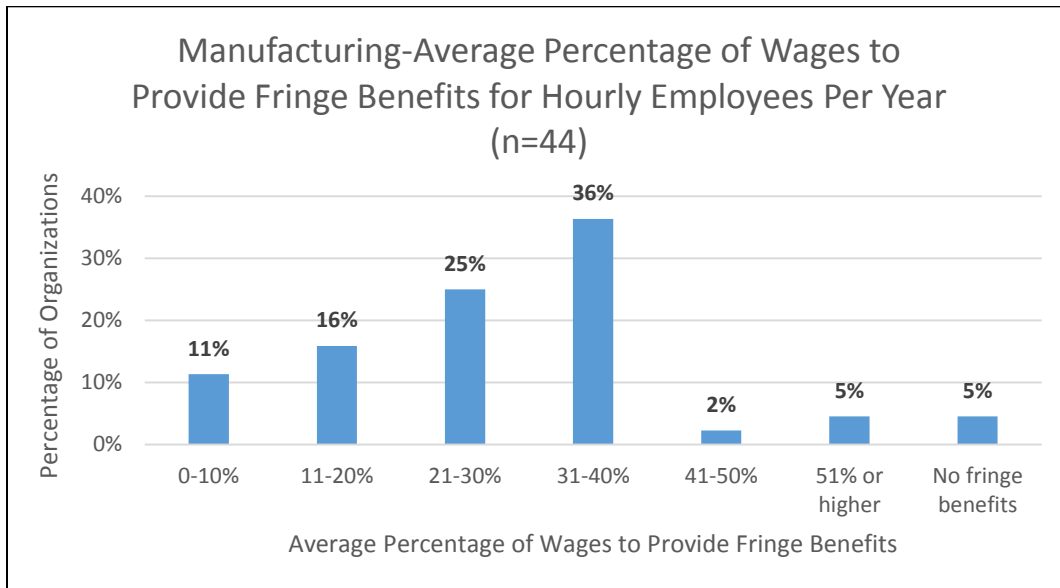


Thirty-two percent of the manufacturing organizations offer fringe benefits that make up 21-30% of salaried employees' wages. For 20% of the sample, fringe benefits make up 10-20% of salaried employees' wages and another 20% of the sample offers fringe benefits that account for 31-40% of salaried employees' wages.

Average Percentage of Salary to Provide Fringe Benefits for Salary Employees Per Year by Size of Firm

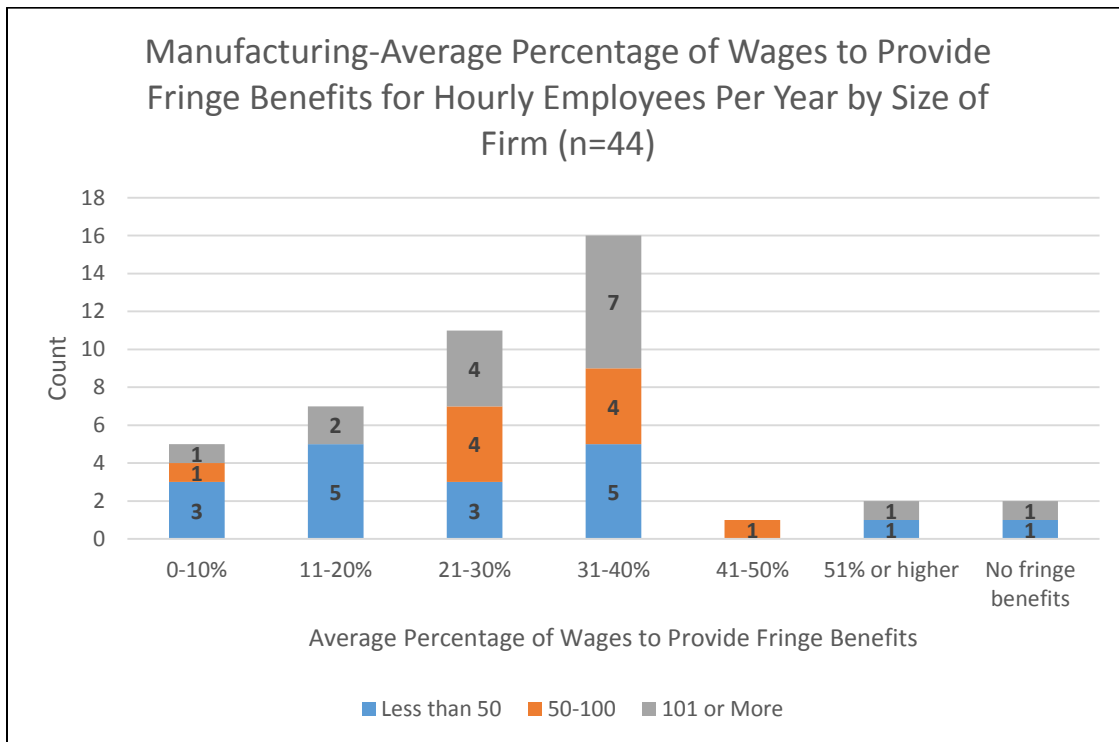


Average Percentage of Wages to Provide Fringe Benefits (insurance, retirement, paid time off, and incentives) for Hourly Employees Per Year

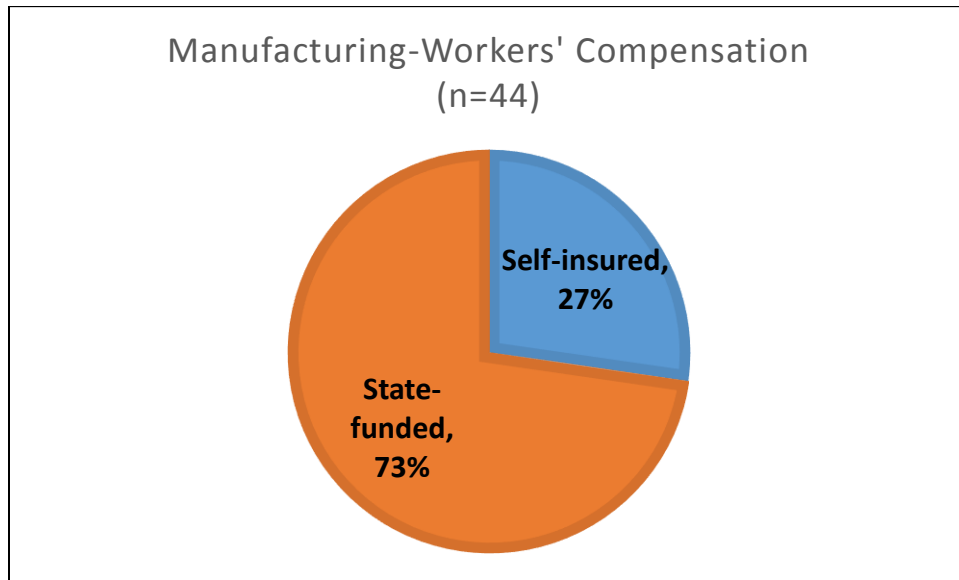


For hourly employees, 36% of manufacturing organizations state fringe benefits account for 31-40% of wages while 25% report fringe benefits are 21-30% of wages.

Average Percentage of Wages to Provide Fringe for Hourly Employees Per Year by Size of Firm



Workers' Compensation



The majority has opted for state-funded workers' compensation.

Limitations

A detailed list of limitations is provided in the Overall Results.