

Beyond Wages

Delaware Job Benefits

Including:

Day Care

Telecommuting

Holidays

Vacation

Health Care

Retirement

Tuition Assistance



Vacation

Health Care



Day Care



Office of Occupational & Labor Market Information
Delaware Department of Labor

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Introduction

This is the fourth survey of benefits and conditions of employment in Delaware; the first three were conducted in 1997, 1999, and 2001. In the first three surveys, we found that benefits provision was changing too slowly to warrant continued surveys every other year. With a four-year period between surveys, this latest finds many significant changes since 2001, almost all in the direction of fewer employee benefits.

Previous surveys have included public as well as private employers; in this survey only private employers were included. In all comparisons with previous survey rounds, all public employer responses were removed and the responses were re-weighted to reflect only the private employer population.

During the second half of June 2005, a two-page survey form was mailed to 1,443 private employers in the state randomly selected from a stratified sample (technical details about the survey, as well as the survey form itself, are included in the Appendix). Half of the state's private workforce is employed at firms included in the survey. The survey responses represent a broad cross section of employers by size, industry, and geography.

We would like to thank each employer in Delaware who took the time to complete and return the survey form. We are grateful for their efforts and hope that they find this report useful.

For additional copies of the report, or to offer comments, please contact George Sharpley at 1-800-452-1589 or (302) 761-8060. You may also contact Dr. Sharpley by e-mail at george.sharpley@state.de.us or by regular mail at: Office of Occupational and Labor Market Information, 19 Lea Blvd., Wilmington, DE 19802.

HIGHLIGHTS

- There has been a clear decline in benefits offered by Delaware employers since 2001 in all major benefits categories: health care, paid time off, and retirement.
- Sixty percent of the state's private employers offer health care benefits.
- Most firms that offer health care benefits offer only one type of plan. Preferred Provider Organization (PPO) plans are most common.
- Approximately 88 percent of the state's private workforce work at firms where health care benefits are offered, down from 93 percent in 2001.
- Firms with 50 or more workers almost universally provide health care benefits (only five percent of them do not). Nearly 60 percent of Delaware's total private workforce is at firms of this size.
- Among firms with fewer than 50 workers, 58 percent make health care benefits available.
- About one in four workers is employed where flexible schedules are available. This is more common at smaller firms.
- Eighty-five percent of large firms (100 or more workers) have at least one type of retirement plan in place for full-time workers.
- Fifty-six percent of the firms with fewer than 100 workers have at least one type of retirement plan in place for full-time workers.
- Thirty-seven percent of the firms with fewer than 10 workers have at least one type of retirement plan in place for full-time workers.
- There has been a decline in the number of workers being paid the minimum wage of nearly 50 percent since 2001. The state's minimum wage was last increased in late 2000.
- College tuition assistance has declined as a benefit, especially in New Castle County.

I. EMPLOYMENT CONDITIONS

Part-time Work

Overall, close to one-quarter (23 percent) of the jobs at private employers in Delaware are part-time. As we show below, most of these jobs provide fewer benefits than similar full-time positions, but the added flexibility of working 35 or fewer hours per week¹ probably compensates for that somewhat. We say that because other data show that the great majority of part-time workers prefer part-time work. During the period covered by this survey, only 16 percent of Delawareans working part-time said they would prefer to be working full-time. Those working part-time because they cannot find full-time work are said to be working part-time for economic reasons.

The estimate that 16 percent of Delawareans are working part-time for economic reasons comes from the monthly Current Population Survey (CPS), averaged from September 2004 through August 2005. Overall, the CPS indicates that

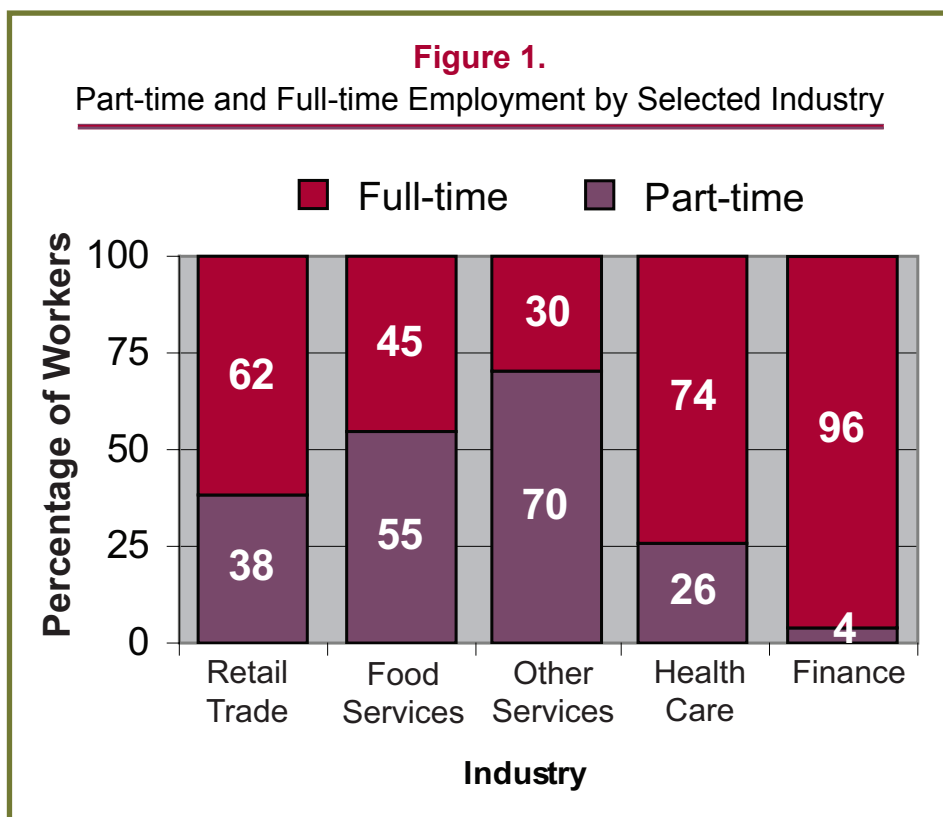
14 percent of the workers in Delaware were working part-time during that period, compared to 18 percent of workers in the US for all of 2004. These lower figures are not contradictory with the 23 percent found in our current benefits survey, as this looks at jobs, while the CPS looks at people. One major difference between them is people who hold multiple jobs: someone holding two jobs and averaging 20 hours per week at each would be considered a full-time worker in the CPS, while this benefits survey would count two part-time jobs. Somewhere between five and ten percent of working Delawareans hold two or more jobs, hence the higher count here.

The percentage of part-time workers varies greatly by industry, ranging from 1 percent in Manufacturing up to 70 percent in the industry known as Other Services (included in this industry are things such as repair and maintenance services, personal care services, and religious, civic and professional organizations).

The percentage of part-time workers also varies by employer size, although not as dramatically. Businesses with 250 or more employees have the lowest percentage of part-time workers, averaging 19 percent. Firms with 50 to 249 employees have, on average, 21 percent part-timers. Smaller firms show even higher levels of part-time employment. Those with 20 to 49 employees are 27 percent part-time, with the smallest firms of fewer than 20 employees at 26 percent part-time. This trend of smaller firms having a greater percentage of part-time workers has been a consistent result from each of our three previous benefits surveys.

Temporary Employment

A large majority of firms report that, on average, none of their workforce is contracted through temporary employment services. Only 17 percent, or 85 out of 587 firms, reported above zero percentages of temps. This is not significantly different from the 19 percent of private firms with nonzero temp levels in



¹ This is the most commonly used definition of part-time work, but we did not specify any demarcation between full and part-time work. We asked employers for the percentage of their employees who work part-time, allowing the employers to define it according to their own standards.

the 2001 survey.

The use of temporary help varies widely by firm size, becoming less likely at smaller firms, another finding consistent

with earlier surveys. Among the largest firms (250+ employees), about half (32 out of 62) reported zero temps. The 30 firms reporting some temp usage averaged 3 percent of their workforce contracted through temp agencies.

At medium-sized firms (50 - 249 employees), the percentage employing temporary workers drops to 19 percent (28 out of 146 firms), but those that do contract 10 percent of their workforces from temp agencies, on average. Ten percent of small firms (20 to 49 employees) reported that they hired some temps; their average was 5 percent of their workforces comprised of temporary help. Only five percent of the very smallest firms (fewer than 20 employees) hired any temporary employees; at those that did, temps averaged 10 percent of the workforce.

Minimum Wage

Overall, about 6,700 workers at private firms were paid the minimum wage in 2005. This represents 1.9 percent of the total private covered² workforce, and is a substantial

decline from the 3 percent of private-firm workers that was found in 2001. Given that the state minimum wage had just increased to \$6.15 in October of 2000 and has since remained there, it should not come as a surprise that the number of workers at the minimum has since declined. As inflation gradually erodes the real value of a nominally fixed wage, it becomes less binding and labor markets set wages above it on their own. In real terms, it would take \$7.17 an hour in October 2005 to equal the buying power \$6.15 had in October 2000. Conversely, the 6,700 workers in Delaware who are currently earning just \$6.15 an hour have much less buying power than they would have had at that wage five years ago.

The percentage of workers at the minimum is pretty constant at about 2.3 percent for firms up to 250 workers in size. At the largest firms, it drops down to only 0.9 percent of the workforce being paid the minimum wage.

Only three industries average greater than one percent of their workforces at the minimum: Administrative and Support and Waste Management and Remediation Services, at 1.2 percent; Real Estate and Rental and Leasing, at 6.1 percent, and Accommodation and Food Services, at 12.6 percent.

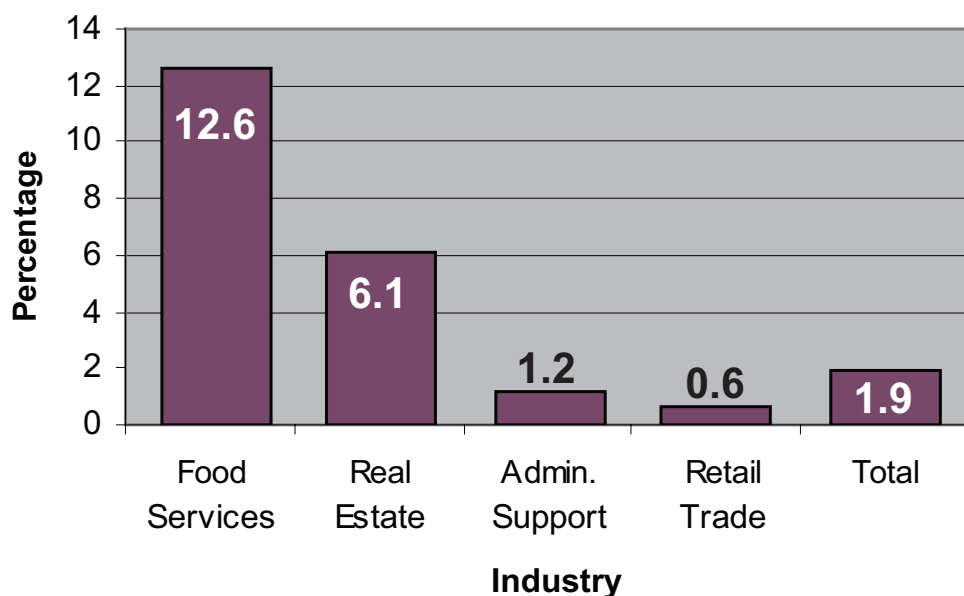
In this last industry, it is notoriously difficult to pin down who is actually earning just the minimum wage. The Delaware law calls for tip-earning employees to be paid \$2.23 in wages per hour, with tips averaging \$3.92 per hour. It is impossible to determine what the average level of tips is for the 12.6 percent reported at the minimum in this industry, and whether they are over, under, or accurately reported.

Our 2001 report found that 13 percent of the workers in Retail Trade were paid the minimum, with all other industries well below that. That was under the previous industry classification system, which included food service establishments in Retail

Trade. Now that these industries are classified separately, we find that only 0.6 percent of the workers in Retail Trade are paid the minimum.

Figure 2.

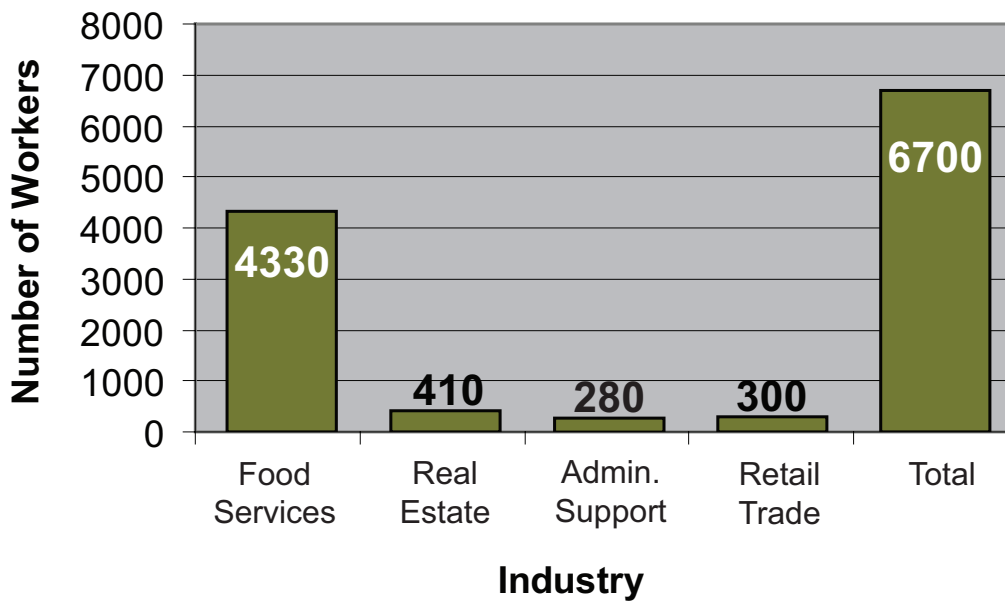
Percentage of Workforce at Minimum Wage by Selected Industry



² This survey is based on employment covered by the Unemployment Insurance system. It cannot address the approximately seven percent of workers who are not covered. It seems likely there is additional employment at the minimum wage among these workers, particularly in agriculture, that remains outside the scope of this survey.

Figure 3.

Minimum Wage Employment by Selected Industry



Of the 587 firms which responded to this question, 530 indicated that all of their workers earned more than the minimum wage. The other 57 reported some workers being paid the minimum wage. These firms which did report some minimum wage employment averaged 24 percent of their workforces at the minimum.

Day Care

There has been no change in the provision of day care benefits at Delaware's private employers. On-site day care and/or subsidies for off-site day care remain extremely rare. If anything, this benefit has declined since our first survey in 1997, although the change is statistically insignificant.

Out of 590 employers responding to this question, 12 said they provided on-site day care facilities, 2 said they provided subsidies for off-site care, and another 2 indicated that they provided both facilities and subsidies. Six of the 14 employers with on-site facilities were in the day care industry themselves.

Flexible Work Schedules

About one in four workers in Delaware work where flexible schedules are available to a majority of the workforce.

This benefit is more prevalent at smaller firms, with over 40 percent of firms with fewer than 50 workers allowing flexible work schedules, while fewer than 30 percent of firms with 50 or more workers allow flexible work schedules.

New Castle and Kent counties had the same rate of flexible schedule provision, while in Sussex County it is considerably more common. This is most likely due to the industry mix there - the Accommodation and Food Service industry is the only one where a majority of firms (67 percent) allow flexible schedules, and this industry

is more important to Sussex County than to either Kent or New Castle County.

Telecommuting

If telecommuting is a growing trend in Delaware, it is growing at such a slow rate as to be nearly imperceptible. The current survey finds that 22 percent of employers have some workers who sometimes telecommute. Previous surveys found the percentage to be 17 percent in 1997, 18 percent in 1999, and 19 percent in 2001. The change from 1997 to the present is statistically significant at the 90 percent significance level, but not at the 95 percent level. Roughly speaking, it looks like telecommuting has increased over the last decade, but we can't be too sure about it. In any event, the dramatic increases in telecommuting many predicted have not yet come to pass.

Of the 122 firms which said they allowed some telecommuting, 91 said 10 percent of their workers or less sometimes telecommute. Nine firms said they had between 11 and 20 percent of their workforces telecommuting, and 22 firms said more than 20 percent of their workers sometimes telecommute.

Larger firms are more likely to allow some telecommuting, but smaller firms that do tend to allow a larger proportion

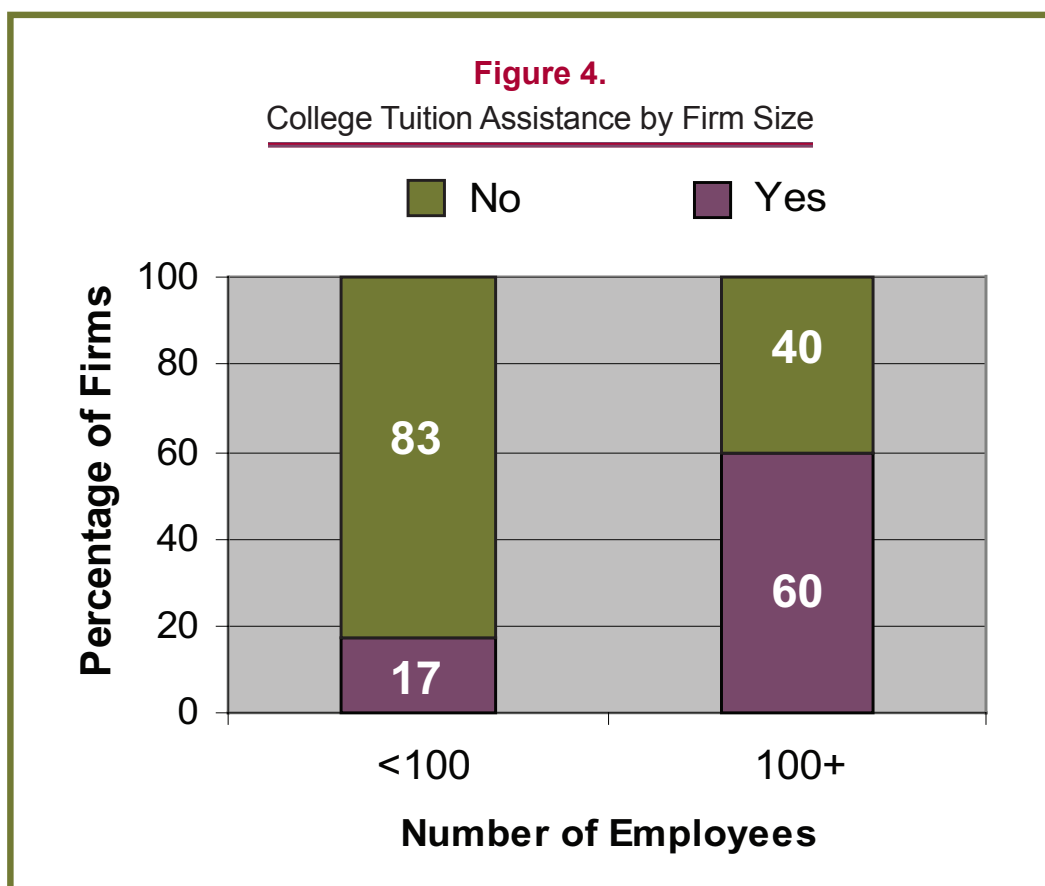
of their workers to telecommute. One-third of the firms with 100 or more employees said they allowed some telecommuting, but the average firm size at firms where over 20 percent of the workforce telecommutes was only 31 workers.

Tuition Assistance

College tuition assistance as a benefit of employment has become less common in recent years. Among firms with fewer than 100 workers, only 17 percent said they provide college tuition assistance, down from 23 percent in 2001. This change is statistically significant. At larger firms, those with

100 or more workers, 60 percent said they provide this benefit, down from 69 percent in 2001. This apparent change is not statistically significant.

The decline in tuition assistance is most evident in New Castle County, where only one-quarter of the firms surveyed said they provide it, compared to one-third in 2001. This decline is significant. The proportion of firms in Sussex County which said they provide college tuition assistance to their employees fell from 29 percent to 21 percent, but this change is not statistically significant. In Kent County, the proportion was essentially unchanged at 30 percent.



II. PAID TIME OFF

Firms were asked whether they provide their full-time and part-time workers paid time off for a variety of reasons. Since 2001, there have been significant declines in the percentage of workers receiving paid time off in a majority of these categories. Significant declines have occurred in the provision of paid holidays, vacations, sick leave, military leave, and maternity leave. These declines have not been made up for with an increase in general-use personal leave, which also declined, but not quite enough to be statistically significant.

Our first two surveys in 1997 and 1999 found that workers in Delaware were more likely to receive paid time off than their counterparts across the nation. This survey finds that, in most categories, Delaware workers are less likely to receive paid time off.

In our previous studies, Delaware's employers were divided into two size categories to match the federal studies, Small (fewer than 100 employees), and Large (100 or more employees). We retain these categories for ease of comparison with our previous reports, and add the category Very Small, representing firms with fewer than 10 employees. This category is a subset of the Small category; a firm with fewer than 10 employees would be reported in both the Very Small and Small categories. It should be noted that the categories refer only to the firm's Delaware employment levels. A branch of a major corporation which employs fewer than 100 people in the state would be placed in the Small category (and Very Small, if it has fewer than 10 employees in Delaware).

A total of 486 small firms with a combined 12,170 workers (9,283 full-time) responded to our survey. Of these, 204 firms had fewer than 10 employees, putting them into the Very Small category as well. There were 106 large firms which responded; they had a combined 46,974 employees, 37,885 of whom work full-time.

Holidays

The provision of paid holidays was little changed from 2001 for full-time workers, but there was a clear decline among part-time workers. Since at the same time there was an increase in the proportion of part-time workers, it is safe to say that there is now a lower proportion of Delawareans receiving paid holidays than there was in 2001.

Virtually all full-time workers (98 percent) at large firms get paid holidays, and a large majority (91 percent) of the full-time workers at small firms do as well. The proportion drops somewhat at very small firms, to 82 percent.

Part-time workers are less likely than full-time workers to get paid holidays. At large firms, 55 percent of part-time workers receive paid holidays. In 2001, the proportion was 66 percent, but this change is not statistically significant. There were significant declines at small and very small firms, however. At small firms, 16 percent get paid holidays; it was 25 percent in 2001. At very small firms, the percentage of part-time workers receiving paid holidays dropped from 34 percent in 2001 to 20 percent in the current survey.

Vacation

Paid vacation for full-time workers remained nearly universal at large firms, where 99.7 percent received it. At small firms, the percentage of workers receiving paid vacation declined from 97 percent in 2001 to 94 percent currently, a drop which is significant. Among very small firms, 82 percent of full-time workers receive paid vacation, down from 88 percent in 2001. That change is not statistically significant.

There were significant declines in the proportion of part-time workers receiving paid vacation at both large and small firms. At large firms, 57 percent get paid vacation, compared with 78 percent in 2001. At small firms, 26 percent of the part-time workers receive this benefit, down from 37 percent. The apparent decline from 32 percent to 24 percent at very small firms is not significant.

Table 1.

Percentage of Full-time Workers in Delaware Receiving Paid Time Off for Selected Reasons

	Large Firms	Small Firms	Very Small Firms
Holidays	98	91	82
Vacation	100	94	82
Sick leave	93	61	61
Military leave	44	27	26
Jury duty leave	89	51	53
Maternity leave	63	31	28
Paternity leave	36	15	25
Personal leave	27	30	32

Sick Leave

After holding steady across our first three benefits surveys, there were declines in the proportion of workers receiving paid sick time at both large and small firms, for both full- and part-time workers.

Full-time workers at large firms did not see a change here; 93 percent get paid sick leave, compared with 92 percent in 2001. There was a significant decline at small firms, with 61 percent of full-time workers receiving paid sick leave, versus 70 percent in 2001. The proportions at very small firms were identical to those at small firms.

Part-time workers faced significant declines in paid sick leave at both large and small firms. At large firms, 42 percent had paid sick leave benefits, down from 54 percent in 2001. Among small firms, the decrease was from 17 percent in 2001 to 10 percent in the current survey.

Military Leave

Although the federal government requires that employers allow members of the National Guard or Reserves to take time off for military training and then return to their jobs, there is no requirement that employers pay workers for this time. Some do not, some make up the difference between the worker's normal salary and military pay, and some pay full salary. We asked employers only if their employees in the Guard or Reserves received paid time off, not if it was full or partial pay.

In 2001, we found that Delaware's employers were less likely to offer paid military leave than they were in 1999. With the military actions since then, and the increased reliance

on National Guard and Reserve troops, one might expect that trend to reverse. Such an expectation would be mistaken - there have been large, significant declines in paid military leave at Delaware's large employers, while small employers provide it at about the same rate as in 2001.

Fewer than half of the full-time workers at large firms could get paid military leave, down from 72 percent in 2001. At small firms, the percentage dropped from 30 percent to 27 percent, a decline which is not statistically significant. At very small firms, 26 percent of the workforce had access to this benefit, similar to the 25 percent we found in 2001.

The percentage of part-time workers working where paid military leave is offered to them also declined at large firms, while remaining steady at small firms, albeit at a very low percentage. At large firms, 27 percent of part-timers could receive paid military leave, versus 44 percent in 2001. At small firms, 6 percent work where this benefit is offered, up from 2 percent in 2001, a difference which is not statistically significant.

Jury Duty Leave

There were apparent declines in the percentage of workers whose employers provide paid leave for jury duty, but they all fell below the change required for statistical significance. For full-time workers at large firms, the decline was from 96 percent in 2001 to 89 percent currently. This change is just outside the bounds of our chosen level of significance. At small firms, 51 percent of full-time workers can get paid jury leave; it was 55 percent in 2001.

Just under half of the part-time workers at large firms (48 percent) work where paid jury leave is offered to them, a decline from 61 percent in 2001. This was also just outside the bounds of significance. For part-time workers at small firms the proportion was 12 percent, versus 11 percent in 2001.

Personal Leave

Instead of providing paid time off for specific reasons, some employers allot a fixed number of paid personal days, to be taken at the employees' discretion. A decrease in sick time, vacation, or paid holidays could be offset by an increase in personal days, leaving workers at least as well off as before. This, apparently, is not the case in Delaware, where paid personal time off has not increased. If anything, it has declined, although the decreases are not statistically significant.

Table 2.

Percentage of Part-time Workers in Delaware Receiving Paid Time Off for Selected Reasons

	Large Firms	Small Firms	Very Small Firms
Holidays	55	16	20
Vacation	57	26	24
Sick leave	42	10	18
Military leave	27	6	5
Jury duty leave	48	12	9
Maternity leave	26	6	3
Paternity leave	19	2	3
Personal leave	23	5	4

At large firms, 27 percent of full-time workers receive paid personal time, compared with 36 percent in 2001. At small firms, 30 percent of full-time workers receive paid personal time; it was 34 percent in 2001.

Part-time workers receive personal time at similar rates as full-time workers at large firms, but not at small firms. At large firms, 23 percent receive it, compared with 28 percent in 2001. At small firms, 5 percent receive it, compared with 3 percent in 2001.

Maternity and Paternity Leave

There were statistically significant decreases in maternity leave for full-time workers, while for part-time workers there were less than significant declines. New fathers were also less likely to receive paid time off than in 2001, although the declines here also were not enough to be statistically significant.

Fewer than half (43 percent) of the large firms surveyed said they provide paid maternity leave, down from 60 percent in 2001. Because the very largest firms were more likely to provide this benefit, 63 percent of large-firm workers work where paid maternity leave is available, down from 80 percent in 2001.

One-quarter of small firms said that they provide paid maternity leave to full-time workers, down from one-third in 2001. There was a significant decline in the percentage of small-firm workers who work where paid maternity leave is available, from 41 percent in 2001 to 31 percent in 2005.

Part-time workers were less likely to receive paid maternity leave than full-time workers. Fifteen percent of large firms said they provide this benefit to their part-time workers, down from 26 percent in 2001. Five percent of small firms said they provide paid maternity leave for their part-time workers, while seven percent did in 2001.

Paid paternity leave remains about half as common as paid maternity leave. At large firms, 36 percent of workers are employed where this benefit is available. The comparable proportion was 46 percent in 2001, but this change falls short of statistical significance. At small firms, 15 percent of the full-time workforce works where paid paternity leave is available; it was 17 percent in 2001.

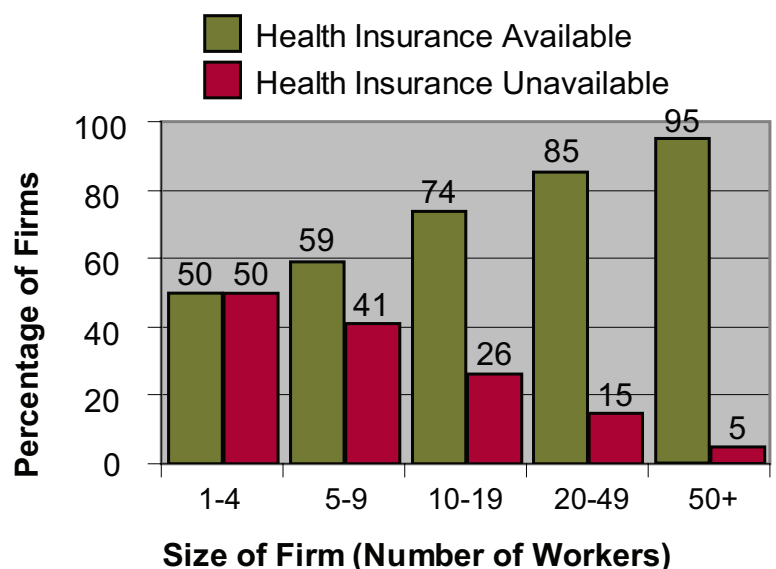
Ten percent of large firms said they provide their part-time workers with paid paternity leave, while two percent of small firms do. These numbers are essentially unchanged from our last survey.

III. HEALTH CARE AND RETIREMENT BENEFITS

There have been some significant declines in the percentage of firms which provide health care benefits to their employees. In 2001, 103 out of 160 (64 percent) private firms with fewer than 10 employees said that they made health care benefits available. In 2005, 107 out of 204 (53 percent) firms this size do so, a decline which is statistically significant. At firms with from 20 to 49 workers, 119 out of 125 (95 percent) responded that they made health care benefits available in 2001. In the current survey, 121 out of 142 (85 percent) firms this size responded in the affirmative, again a significant decline. Firms with 50 or more workers, those with from 10 to 19 workers, and those with fewer than 5 workers all had declines in the percentage of firms providing health care benefits that fell below the level required for statistical significance.

There were fewer workers employed where health care benefits were available in 2005 than in 2001. Overall, private employment declined in Delaware by 1,807 jobs from March 2001 to March 2005, while there were 18,500 fewer jobs where health care benefits were available in March 2005 than in March 2001. In percentage terms, 93 percent of all workers at private firms worked where health care benefits were available in 2001; this dropped to 88 percent in 2005. This is the first time out of four benefits surveys that we have detected a decline in the availability of health care benefits.

Figure 5.
Percentage of Firms Which Offer Health Insurance by Firm Size



At the very smallest private firms, those with up to four workers, just under half (49 percent) of the workforce was employed at firms which offered health care benefits, down from just under two-thirds (64 percent) in 2001. At the next larger firm size, those with from 5 to 9 workers, the percentage of those working where health care benefits were available dropped from 75 percent in 2001 to 61 percent in 2005.

At middle-sized firms, those with from 10 to 49 workers, 85 percent of the workforce was employed at firms which made health care benefits available. This is down from 93 percent in 2001 at firms of this size.

The option of health care coverage remained available to an overwhelming majority of workers at private firms with 50 or more workers, although even here it appears to have declined slightly. At these largest firms, 98.6 percent of the employment was at firms which offered health care benefits, down from 99.5 percent in 2001.

Worker Contributions Towards Health Care Coverage

Although firms of all sizes appeared less likely to pay the entire cost of health care benefits than in 2001, larger firms still require employees to pay part of the cost much more frequently than smaller firms. Changes since 2001 were not statistically significant, but the differences between small and large firms are still clearly significant.

One in ten firms (10 percent) with 100 or more employees pays the entire cost of health care insurance, down from 17 percent in 2001. There were 104 firms of this size responding to this question in each of the last two surveys; 18 said that employees do not contribute to health care costs in 2001, while 10 said that in 2005.

At firms with fewer than 100 employees, about two out of three firms (65 percent) require worker contributions, up from 60 percent in 2001. Among these smaller firms, the smallest were again most likely to pick up the entire cost of health care benefits when they are offered. About half of these firms do so, with 53 firms saying they require worker contributions and 54 saying they do not. In 2001, 63 out of 103 firms (61 percent) said they did not require worker contributions for health care benefits. This much greater likelihood of smaller firms paying the entire cost has been consistent across all four benefits surveys.

Type of Health Care Coverage

Preferred provider organizations (PPOs) have become the dominant type of health insurance at Delaware’s private firms, clearly outpacing both health maintenance organizations (HMOs) and fee-for-service (FFS) plans. This is a turnabout from 2001, when HMOs were slightly more common, with the change driven by larger employers. Traditional FFS plans have continued to lag far behind in popularity.

Nearly half (47 percent) of all workers with health care coverage are covered by PPOs, up from 41 percent in 2001. HMOs, which were the most popular type of plan in 2001 with 44 percent of all covered workers, are now clearly less popular than PPOs; HMOs proportion of workers covered has dropped to 34 percent now. The FFS plans cover 8 percent of workers with health care coverage, the same percentage as in 2001.

Traditional FFS plans are most popular at the smallest firms, and least popular at the largest. At firms with fewer than 10 employees, 22 percent of the workers with coverage are enrolled in FFS plans. This drops to just 5 percent at firms with 50 or more workers.

As noted above, larger firms clearly moved away from HMO coverage and toward PPO coverage. At firms with 20 or more workers, 35 percent of covered workers are currently in HMOs, down from 46 percent in 2001. The percentage of covered workers in PPOs at firms of this size rose to 47 percent in 2005, from 41 percent in 2001.

It should be noted that percentages across the three types of plans do not add to 100 percent. This

Table 3.
Employee Contribution Towards the Cost of Healthcare Coverage

No. of Employees	Percentage of Firms Where:	Ave. Size of Firm
100+	Employees Contribute to Cost of Health Benefits.....90%	457
	Employees Do Not Contribute to Cost.....10%	374
10-99	Employees Contribute to Cost of Health Benefits.....65%	35
	Employees Do Not Contribute to Cost.....35%	22
1-9	Employees Contribute to Cost of Health Benefits.....50%	3
	Employees Do Not Contribute to Cost.....50%	4

Table 4.

Provision of Health Care Benefits in Delaware by Size of Firm and Type of Plan

No. of Employees	% of Firms Offering Coverage	Percent of Covered Employees by Type of Plan		
		FFS	HMO	PPO
1 to 4	50	20	34	39
5 to 9	59	23	21	44
10 to 19	74	12	36	42
20 to 49	85	8	33	51
50+	95	5	35	47

Note: Row totals reflect actual firm reporting and do not sum to 100 percent.

is due to some employers reporting percentages that summed to less than 100 percent.

A majority of firms, 60 percent, do not offer employees a choice of health care coverage. There were 180 firms which did offer more than one type of plan, and 274 which offered only one. Choice is more likely at larger firms. The average number of workers at firms with a choice of plans was 162, while firms not offering a choice averaged 103 workers. This has been a consistent finding across all four of our surveys.

Among firms where all covered workers were enrolled in one type of plan (some employers said that they offered a choice of plans, but also indicated that all covered workers were in one type of plan), PPOs were most popular. The current survey shows 315 firms with all covered workers in one type of plan; at 170 of these firms, the plan was a PPO. The average size of these firms was 125 employees. There were 102 firms out of the 315 whose sole plan was an HMO. The average size of these firms was 91 employees. Forty-three firms reported that all of their covered workers were in FFS plans; these firms averaged 29 workers.

Dental and Vision Benefits

Just as with basic health care, workers at larger firms are more likely to be offered dental and vision insurance than those at smaller firms.

Ninety out of 106 firms with 100 or more workers said they provide dental benefits. This 85 percent is essentially unchanged from the 84 percent that offered dental benefits in 2001.

Fewer than half of the firms with less than 100 workers offer dental benefits. There were 217 firms of this size which said they do provide them, and 269 which said they did not. In 2001, just over half (51 percent) of the firms with fewer than 100 workers offered dental benefits; the change falls just short of statistical significance. As a

subset of these smaller firms, just over one-quarter (27 percent) of the smallest, those with fewer than 10 employees, provide dental benefits. In 2001 it was 36 percent, but this change also falls just short of significance.

The provision of vision benefits also appeared to be unchanged from 2001. Three-quarters of the firms with 100 or more workers said they provide vision benefits. This drops to 40 percent at firms with fewer than 100 workers, with one-quarter of the firms with fewer than 10 employees providing vision benefits.

Table 5.

Provision of Dental and Vision Benefits by Size of Firm

No. of Employees	Benefit Type	Provided by Firm?	% of Firms	Average Firm Size
100+	Dental	Yes	85	474
		No	15	272
	Vision	Yes	75	481
		No	25	326
10 to 99	Dental	Yes	45	34
		No	55	18
	Vision	Yes	40	35
		No	60	19
1 to 9	Dental	Yes	27	3
		No	73	4
	Vision	Yes	25	4
		No	75	3

Retirement Benefits

Although there were apparent declines in the proportion of firms which offer some type of retirement plan, the declines fell just shy of the 95 percent level of statistical significance. There was, however, a clear movement away from traditional defined benefit plans and towards defined contribution 401(k) plans at larger firms.

Of the 106 large firms (those with 100 or more workers) which responded to the survey, 90 (85 percent) said that they had some type of retirement plan in place for full-time workers, while 16 indicated that they did not. In 2001, 96 out of 105 firms responding (91 percent) said full-time workers had access to some type of retirement plan.

At smaller firms, those with fewer than 100 workers, 273 out of 486 firms (56 percent) responded that they had a retirement plan. Our last survey in 2001 found that 61 percent of the firms of this size said they had at least one type of retirement plan. At the smallest firms, those with fewer than 10 workers, 75 out of 204 firms (37 percent) said they had a retirement plan; it was 44 percent in 2001.

Among large firms, the percentage of workers who were in traditional defined benefit plans was nearly cut in half. In 2001, we found that 48 percent of the full-time workers at firms with 100 or more employees were in defined benefit plans. The current survey finds that 27 percent of the workers at firms of this size are in defined benefit plans. It should be noted that the great majority of workers in defined benefit plans, 87 percent, also have access to defined contribution 401(k) plans. This was also the case, with a similar percentage, in 2001.

Traditional defined benefit plans, already uncommon at smaller firms, became more so. Four percent of full-time employees at firms with fewer than 100 workers were reported enrolled in these plans; it was 11 percent in 2001.

Even as the percentage of workers in defined benefit plans has declined, the percentage in defined contribution plans has not increased. In fact, it has also declined at large firms. Firms with 100 or more workers reported that 49 percent of their full-time workers were in defined contribution plans, down from 61 percent in 2001. At smaller firms, the percentage remained about the same, at 42 percent of full-time workers. The smallest firms, those with fewer than 10 workers, reported

20 percent of full-time workers in defined contribution plans, down from 25 percent in 2001.

Looking at the percentage of employees who participate in a defined contribution plan when one is offered, we find that 57 percent of the full-time workforce tend to enroll in such plans, on average. Somewhat surprisingly, at firms where a defined contribution is the only retirement plan available, only 55 percent of full-time workers participate, on average.

The other two types of retirement plans we asked employers about, employee stock ownership and deferred profit-sharing, remained uncommon. Five percent of the workers at firms with 100 or more workers are enrolled in employee stock plans; this falls to just one percent at firms with fewer than 100 workers.

Somewhat the reverse occurs with deferred profit sharing - it is more popular at smaller firms, where eight percent of the workforce participates, double the percentage found at larger firms.

Table 6.

Percentage of Full-time Employees Participating in Retirement Plans, by Type

Size Class of Firm (No. of Employees)	Type of Plan	Percent of Workers Covered
100+	Defined Benefit	34
	Defined Contribution	49
	Employee Stock Ownership	5
	Deferred Profit Sharing	4
10-99	Defined Benefit	6
	Defined Contribution	42
	Employee Stock Ownership	1
	Deferred Profit Sharing	8
1-9	Defined Benefit	10
	Defined Contribution	20
	Employee Stock Ownership	2
	Deferred Profit Sharing	7

IV. APPENDIX

This study was designed, conducted, and written by George A. Sharpley Jr., Ph.D., Senior Economist at the Delaware Department of Labor, Office of Occupational and Labor Market Information. To offer comments, or to request further information, please contact Dr. Sharpley at (302) 761-8060 or george.sharpley@state.de.us.

Methodology

Sample Selection

The firms selected for inclusion in the survey were drawn from the Quarterly Census of Employment and Wages (QCEW) list of all employers subject to unemployment insurance laws, third quarter 2004. The QCEW is only available with a six month lag, so a list contemporaneous with the survey is not possible. Employment levels are as of September, 2004.

Under the assumption that employer size is a primary determinant of the benefits offered to workers, and to ensure accurate representation across all firm sizes, the employer universe was segmented into four size categories prior to selecting the survey sample: employers with from 1 to 19 employees, those with 20 to 49 employees, those with 50 to 249 employees, and employers with 250 or more employees. In all cases, it is the firm's employment in Delaware that matters.

Unlike our previous benefits surveys, where government offices were included in the survey universe and subject to being included in the survey, this survey was restricted to private employers. In all comparisons between the results from this survey and the previous survey in 2001, all government responses were stripped from the data, then the 2001 survey

responses were recalculated using only data from private employers. This was not done with the 1997 and 1999 survey responses, so the results from those surveys are, for the most part, not directly comparable to those from the current survey. Comparisons with the previous surveys are only drawn when the inclusion of government agencies is unlikely to have an impact.

There were only 163 private employers in Delaware with 250 or more workers during the reference period; they employed nearly one-third (31 percent) of the state's workers. Due to their importance, they were all included in the survey. The other size classes were randomly sampled, with 320 firms selected from each of the middle two size classes. The smallest firms were over sampled, with 640 included in the survey, both to account for below average return rates and to ensure adequate representation of small employers. Firms in the largest two classes were mailed follow-up survey forms about six weeks after the first mailing.

In all, 592 usable survey firms were returned. Combined, the firms supplying information employ more than 59,000 workers. Table A1 provides a breakdown of response rates by size class.

While obviously a 100 percent response rate would be most desirable, that is impossible to achieve in a voluntary survey of this size. The 592 usable survey forms returned are enough to provide a high degree of accuracy; the 41 percent response rate is only a problem if the firms responding are substantially different from those which do not respond. There is no evidence that this is so, therefore, no nonresponse corrections have been applied, as these themselves may introduce distortions to the data. The distribution of surveyed firms by industry is provided in Table A2, the breakdown by county in Table A3.

Table A1.

Survey Respondents

Size Class (# of Employees)	Survey Forms Returned/Sent	Percent Returned
1 to 19	242/640	38%
20 to 49	142/320	44%
50 to 249	146/320	46%
250+	62/163	38%
OVERALL	592/1443	41%

Estimation

Estimates of the proportion of employers providing a benefit when the survey question is dichotomous (yes/no) are derived by simply calculating the proportion of "yes" answers, ignoring nonresponses. Estimates of employees covered by the benefits in those questions are arrived at by summing the appropriate type of employment (full or part-time) for each employer responding "yes" and dividing by the total of that type of employment for all firms responding to that question. It should be noted that this really produces an upper bound estimate. If for some reason some employees working where a

Table A2.**Survey Distribution by Industry Sector**

Industry Sector	Universe		Sent Survey Forms		Returned Forms	
	# Firms	Total Employed	# Firms	Total Employed	# Firms	Total Employed
Agriculture	127	1,711	5	160	2	25
Construction	2,513	27,317	155	6,778	83	4,079
Manufacturing	573	33,847	65	22,544	38	16,054
Trans., Wareh., Util.	639	12,153	47	4,610	22	1,487
Wholesale Trade	1,605	14,904	88	2,905	32	663
Retail Trade	2,971	52,367	206	27,389	78	5,839
Finance & Info.	2,085	51,915	136	35,993	47	4,245
Prof., Admin. Serv.	6,545	61,827	342	31,200	96	5,350
Educ. & Health	1,824	47,902	149	26,131	86	12,024
Leisure & Hosp.	1,728	42,612	172	16,992	71	7,553
Other Services	1,760	12,572	78	3,159	37	1,825
TOTAL	22,370	359,127	1,443	177,861	592	59,144

Notes: 1. Universe from September 2004 QCEW.

2. 47 survey forms were returned undeliverable.

Table A3.**Survey Distribution by County**

County	Survey Sample				Universe		
	# of Employers	Forms Returned	% of State Total	Total Employment	# of Employers	% of State Total	Average Employment
Kent	168	83	14	11,642	2,553	11	14
New Castle	993	385	65	31,285	14,864	66	13
Sussex	244	118	20	16,128	4,226	18	12
Statewide	38	6	1	89	727	5	4

benefit is offered are either ineligible or choose not to receive the benefit, the actual number of Delaware workers receiving the benefit would be lower. Statistical significance of changes in these variables between the 2001 and 2005 surveys is determined using the following formula:

$$\text{Estimated standard deviation} = \sqrt{\frac{p_1 q_1}{n_1 - 1} + \frac{p_2 q_2}{n_2 - 1}}, \text{ where}$$

p_a = the proportion of “yes” answers, where $a=1$ for the 2001 survey and $a=2$ for the 2005 survey,

q_a = the proportion of “no” answers, where $a=1$ for the 2001 survey and $a=2$ for the 2005 survey, and

n_a = the number of firms responding to that question, where $a=1$ for the 2001 survey and $a=2$ for the 2005 survey.

A 95 percent level of significance is used, meaning that the difference in proportions between the two surveys must equal or exceed 1.96 standard deviations for the change to be considered significant. A finite population correction factor is applied when the sample exceeds five percent of the universe. This is typically the case when dealing with large firms.

Estimates of continuous variables, such as the proportion of part-time employees, are arrived at by multiplying the response from each firm by its reported employment. The resulting figures are summed across some firm characteristic, such as industry or firm size, and then projected to statewide levels by expanding along that characteristic. Statistical significance is determined by estimating the mean and standard deviation of the hybrid variable (response x firm employment).

Survey Form

Dear Employer,

The Delaware Department of Labor, Office of Occupational and Labor Market Information, is currently conducting its survey of benefits and conditions of employment in the state. This survey, which was last conducted in 2001, is the only source of this information for Delaware’s employers - we need your help to make these data as accurate and useful as possible. All responses will remain strictly confidential; we will release data only across broad categories of firms. Under no circumstances will we release any data on individual firms.

Please take a few minutes to answer the questions below. Your cooperation is crucial and is greatly appreciated. All respondents will be mailed a copy of the finished report (expected completion: September 2005). The 2001 report is available on our website. Go to “www.oolmi.net” and click on “Publications,” “Online Publications,” then “Beyond Wages.”

You may return this form in the envelope provided, or fax it to us at (302) 761-6598.

What percentage of your employees work part-time? _____%
(Do not include those hired through temp services)

On average, what percentage of your workforce is contracted through temporary employment services? _____%

What percentage of your workers earn exactly the minimum wage (not more than) _____% (\$6.15 per hour for non tip-earning employees)

Does your firm anticipate expanding its labor force in 2005? Yes ____ No ____
If Yes, what percentage will be full-time? _____%

Does your firm provide day care facilities? Yes___ No___ Subsidies? Yes___ No___

Does the firm provide college tuition assistance? Yes___ No___

Does the firm offer flexible work schedules to a majority of its employees? Yes___ No___

Approximately what percentage of the workforce sometimes telecommute?

0%___; 1% to 10%___; 11% to 20%___; more than 20%___

Do employees receive paid time off for:

Full-time Workers

Part-time Workers

Holidays

Yes___ No___

Yes___ No___

Vacation

Yes___ No___

Yes___ No___

Sick Leave

Yes___ No___

Yes___ No___

Jury Leave

Yes___ No___

Yes___ No___

Paternity Leave

Yes___ No___

Yes___ No___

Military Leave

Yes___ No___

Yes___ No___

Personal Leave

Yes___ No___

Yes___ No___

Maternity Leave

Yes___ No___

Yes___ No___

Does the firm provide healthcare benefits? Yes___ No___

If Yes, do employees contribute to the cost? (individual coverage) Yes___ No___

What percentage of employees with healthcare coverage are enrolled in the following types of plans?

Traditional fee-for-service _____%

Health maintenance organization _____%

Preferred provider organization _____%

Can employees choose between healthcare plans? Yes___ No___

Does the firm provide dental benefits? Yes___ No___

Does the firm provide vision benefits? Yes___ No___

Approximately what percentage of the firm's full-time employees participate in the following types of retirement plans?

Traditional defined-benefit pension _____% Deferred profit sharing _____%

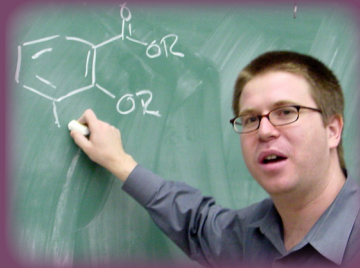
Defined contribution plan,
such as a 401(k) _____% Employee stock ownership _____%

Thank you very much for your time. We encourage you to call George Sharpley at (302) 761-8060 if you have any questions or comments.

Delaware Department of Labor



Holidays



Tuition Assistance

Telecommuting



Retirement



Office of Occupational & Labor Market Information

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