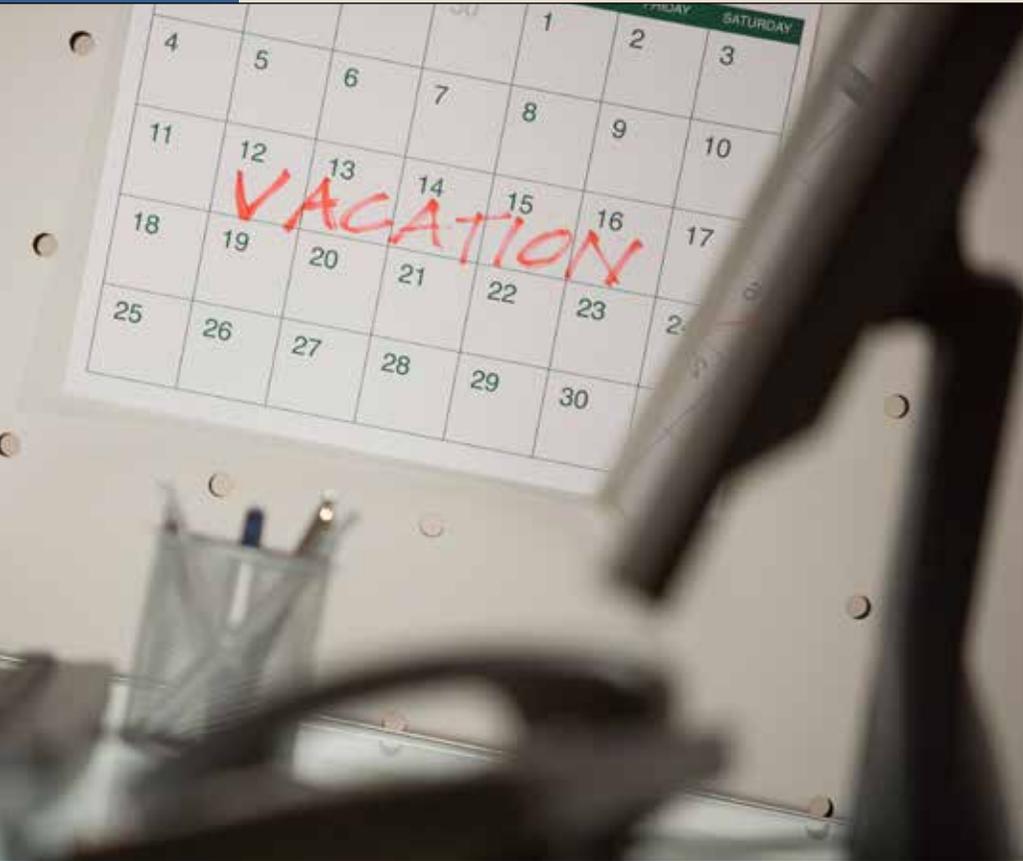


# Oregon Employer-Provided Benefits and the Impacts of Rising Costs



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The Oregon Employment Department is to  
**Support Business and Promote Employment**

**How we accomplish that mission:**

- Support economic stability for Oregonians and communities during times of unemployment through the payment of unemployment benefits.
- Serve businesses by recruiting and referring the best qualified applicants to jobs, and provide resources to diverse job seekers in support of their employment needs.
- Develop and distribute quality workforce and economic information to promote informed decision making.
- Provide access to child care that is safe, high quality, and affordable.

# Oregon Employer-Provided Benefits and the Impacts of Rising Costs

February 2013

**Oregon Employment Department  
Workforce and Economic Research Division**

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# Executive Summary

The 2012 Oregon Benefits Survey asked private employers from all industries, class sizes, and regions of the state about the benefits offered to their management employees, and full-time and part-time non-management employees, in June 2012. Employers' responses provided several key findings about overall offerings:

- Three-quarters (75%) of employers offered one or more health, retirement, leave, pay, fringe, or other insurance benefit to employees.
- More than one-half (57%) of Oregon employers offered health benefits.
- Slightly less than one-half (43%) of firms offered retirement benefits to employees.
- Almost three-quarters (74%) of eligible employees enrolled for health care benefits, while 61 percent of eligible employees enrolled for retirement benefits.

For both health and retirement benefits, the information, wholesale trade, and health care and social assistance sectors reported the highest share of firms that offered benefits to management and full-time employees. For part-time employees, industries with the largest share of employers who offered health and retirement benefits differed: health care; professional, scientific, and technical services; and financial activities topped the list.

Employers reported the changes in their health and retirement benefit costs and offerings over time. They also detailed the impacts of changing health and retirement benefit costs on their businesses. Some effects were notable:

- About one-half (54%) of firms that offered health benefits indicated that rising costs reduced their business profits between June 2011 and June 2012.
- One out of four employers that offered health benefits indicated that they either increased employee health deductibles or co-pays (27%), or reduced other employee benefits (24%) to offset rising health costs.
- A small number of firms previously offered health benefits, but discontinued them. Two-thirds (66%) of those who terminated health and retirement benefits did so between 2008 and 2012.

In addition to the more broadly recognized health and retirement categories, the Employment Department also asked employers about the leave, pay, fringe, and other insurance benefits they offered to employees. Leave benefits ranked among the highest of all employer offerings:

- A greater share of firms offered paid vacation time (51%) to full-time employees than any other benefit.
- Unpaid leave was the most-frequently offered benefit for part-time employees, with 28 percent of employers extending the option.

Across the board, a larger share of firms offered benefits to management and full-time employees than to part-time employees. In addition, the largest employers (those with 50+ employees) offered benefits more frequently than mid-sized (10 to 49 employees) or small (2 to 9 employees) firms. Regional differences also emerged: Portland-area and I-5 Corridor employers offered benefits at the highest rates. In most cases, Central Oregon reported the third-largest share of employers who offered benefits, followed by the Columbia Gorge, the Oregon Coast, and Eastern Oregon.

# Introduction

The Oregon Employment Department surveyed nearly 12,000 private employers in all industries, class sizes, and regions of the state between June and August 2012. Almost 4,300 employers responded to the survey. They provided detailed information about the health, retirement, insurance, pay, leave, and fringe benefits offered to part-time, full-time, and management employees in June 2012 (see Appendix 2 for full-time employment definition).

The findings from the 2012 Oregon Benefits Survey provide an extensive picture of many benefits offered by employers, along with the extent and impacts of changing benefit costs on businesses. This report also serves as an update to the Employment Department's 2005 Oregon Benefits Survey, and fills an unmet need for data. Other publicly published benefit and employer cost statistics are available for the U.S., but not for each individual state.

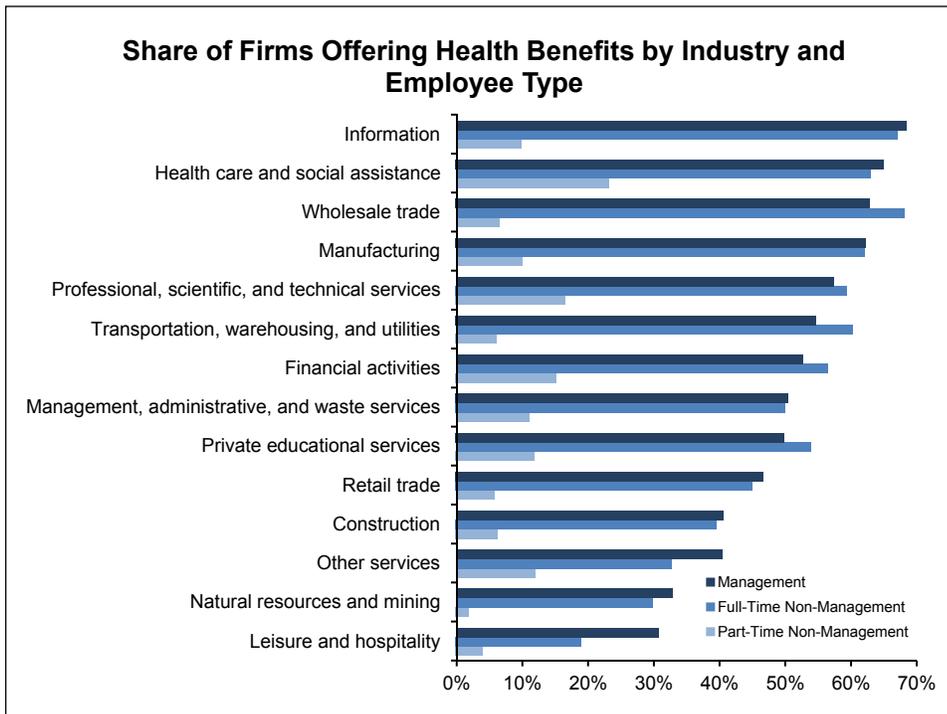


# Health Care: Employee Eligibility, Rising Costs, and Impacts

## More Employers Offer Health Benefits to Management and Full-Time Employees

In all industries, a greater share of firms offered health benefits to management and full-time employees than to part-time employees (Graph 1). The industry with the largest share of employers that offered benefits to management and full-time employees was information (69% to management and 67% to full-time);

information sector employers include firms in software publishing, broadcasting, and telecommunications, among others. Other top industries for health care benefit offerings to management and full-time employees included health care and social assistance (65% and 63%), and wholesale trade (63% and 68%). Overall, at least one-half of employers in nine of the 14 industries surveyed offered health benefits to management and full-time employees.



Graph 1

Health care and social assistance employers offered health benefits to part-time employees at the highest rate (23%). The next-largest share who offered health benefits to part-timers was in professional, scientific, and technical services (17%), followed by financial activities (15%). Employers in leisure and hospitality and natural resources and mining were least likely to offer health benefits to part-time employees; this was also the case for management and full-time employees.

Table 1

Industry	Medical for Employee			Dental Insurance Coverage			Medical for Dependent		
	Management	Full-Time	Part-Time	Management	Full-Time	Part-Time	Management	Full-Time	Part-Time
All Industries	50%	49%	10%	37%	36%	9%	37%	35%	7%
Information	70%	70%	11%	60%	59%	11%	63%	63%	7%
Wholesale trade	65%	70%	6%	54%	58%	6%	56%	59%	5%
Health care and social assistance	64%	65%	21%	51%	51%	19%	45%	43%	16%
Manufacturing	63%	63%	9%	50%	50%	7%	52%	52%	7%
Financial activities	59%	61%	23%	43%	45%	16%	43%	43%	15%
Professional, scientific, and technical svcs	58%	61%	17%	37%	38%	13%	43%	40%	10%
Transportation, warehousing, and utilities	56%	63%	6%	45%	51%	4%	46%	49%	6%
Management, administrative, and waste svcs	53%	54%	12%	44%	45%	12%	39%	38%	10%
Private educational services	52%	54%	16%	40%	42%	16%	28%	34%	10%
Retail trade	47%	47%	7%	37%	37%	6%	37%	34%	5%
Other services	41%	36%	12%	27%	24%	9%	30%	24%	9%
Construction	40%	40%	7%	26%	25%	4%	30%	29%	4%
Natural resources and mining	33%	31%	2%	19%	16%	1%	22%	19%	2%
Leisure and hospitality	32%	21%	4%	22%	15%	4%	21%	13%	3%

## Medical and Dental are Most Common Health Benefits

Employers identified a variety of specific health benefits they offered to employees. Options included employee medical coverage; medical coverage for dependents; dental insurance; vision insurance; and a flexible spending or health savings account. Employee medical coverage was the health benefit offered by the greatest share of employers for all employee types, followed by dental coverage, and medical coverage for dependents (Table 1).

For management and full-time employees, the information sector reported the largest share of firms that offered employee medical coverage (70% for each). For part-time employees, financial activities (23%) firms offered employee medical coverage most frequently. Natural resources and mining, and leisure and hospitality reported the smallest share of firms who offered the benefit. Similar industry trends existed for dental coverage, and medical coverage for dependents.

## Rising Costs Impact Oregon Employers and Employees

More than one-half (57%) of employers offered health benefits to at least some of their employees in June 2012 (Table 2). Nearly three-quarters (72%) of employers who offered health benefits reported a change in the cost of health benefit plans over the year. While some employers reported cost declines, employers faced an average monthly increase of \$48.48 per month. The median change was an increase of \$30.00 per month.

The survey asked employers if they changed any aspects of their health plans over the last year. Options included reductions or increases to the total health package; increases in employee premiums, deductibles, or co-pays; or the addition of a flexible spending account or health savings plan. Of these options, employers most frequently cited an increase in the employee deductibles or co-pays for health benefits – roughly one-quarter (27%) of employers who offered health benefits did so. Some employers noted anecdotally that they absorbed rising costs.

Table 2

Health Care Costs Rose for Oregon Employers in 2012	
Survey respondents	4,281
Offered health care to employees	2,419
Employer health costs changed	1,730
Average cost change <sup>1</sup>	\$48.48
Median cost change <sup>1</sup>	\$30.00

<sup>1</sup> Based on the 1,499 employers who provided amount of cost change

Employers also identified ways that health benefit costs affected aspects of their business over the past year. More than one-half (54%) of employers who offered health benefits reported that costs had reduced their business profits. Nearly one-quarter (24%) indicated that health care costs caused them to reduce other benefits to their employees.

Additionally, some firms listed other changes to their health plans or business impacts of health costs over the last year. A small number of firms (75) wrote in other health plan changes; of these, 19 employers elaborated on the listed changes already provided in the survey. For instance, some employers detailed the specific reductions to pieces of plans that contributed to the overall package reduction. Another 17 respondents indicated that they increased their annual maximum dollar limits on health benefits to comply with the Affordable Care Act health care law.

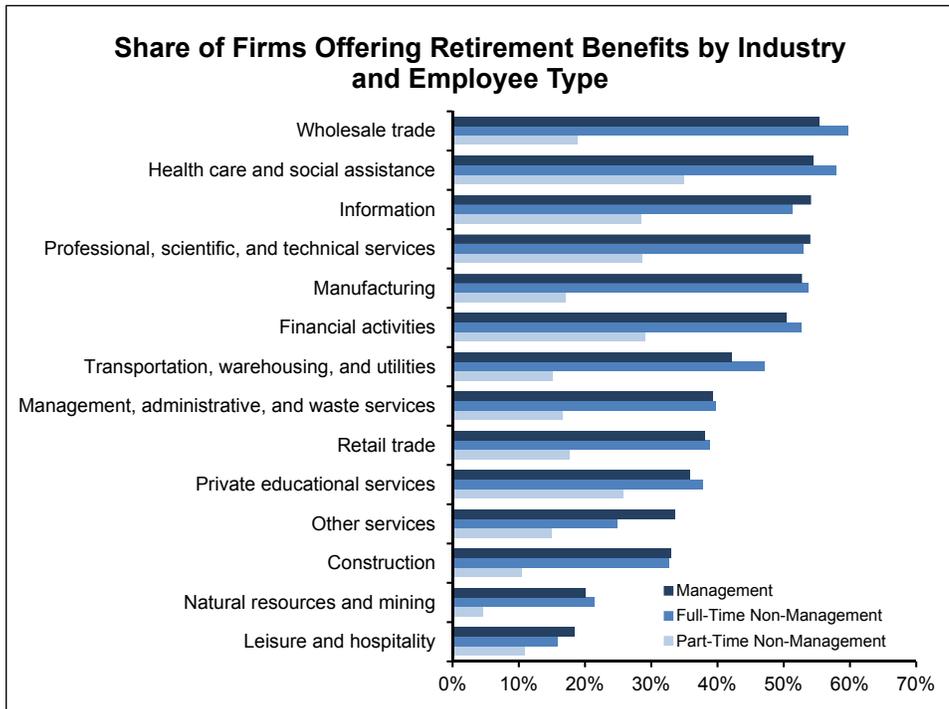
## Discontinued Health Benefits

Employers who did not offer health benefits in June 2012 indicated if those benefits were previously offered, but discontinued. A relatively small number (227) of employers indicated that health benefits were previously offered. Although employers cited the last year of health benefits as far back as 1989, about two-thirds (66%) of these firms ended their health benefits between 2008 and 2012.

# Retirement Benefits: Employee Eligibility and Relatively Low Enrollment

## Retirement Benefits Also More Likely for Management and Full-Time Employees

Slightly less than one-half of employers (43%) offered retirement benefits to at least some of their employees in June 2012. By industry, similarities existed between health care and retirement benefits. The same three industries had the largest share of employers who offered retirement benefits to management and full-time employees (Graph



Graph 2

2), although in a different order: wholesale trade employers (56% to managers and 60% to full-time employees) led the group. Health care (55% and 58%) employers came in second, followed by information (54% and 51%). At least one-half of employers offered retirement benefits to management and full-time employees in six of the 14 industries surveyed.

As with health benefits, fewer firms offered retirement benefits to part-time employees than to management and full-time employees. Health care reported the largest share of firms with retirement benefits for part-timers, at 35 percent. Financial activities (29%) and professional, scientific, and technical services (29%) had the next-highest share of firms that offered retirement benefits to part-time employees. These three sectors with the highest rates of retirement benefits offerings also topped the health benefits list for part-time employees.

One more consistency between health and retirement benefits surfaced along industry lines. Leisure and hospitality, and natural resources

and mining reported the smallest shares of firms that offered retirement benefits to management, full-time, and part-time employees.

## Defined Contribution Most Common Retirement Benefit

Employers provided details about their defined benefit or defined contribution plans. Defined contribution options included 401k, 403b, or 457 plans; stock ownership or profit sharing plans; SEP or SIMPLE; and thrift or savings plans. The 401k, 403b, or 457 plan option proved to be the most popular, by far, among employers.

Across all industries, roughly one out of four employers offered a 401k, 403b, or 457 plan to management and full-time employees (Table 3). The industries with the largest share of employers who offered this benefit fell into the information, wholesale trade, and manufacturing sectors. For part-time employees, industries with the largest share of firms who offered these plans included information, health care, and financial activities.

Few private employers offered defined benefit

plans – those with guaranteed pensions – to employees. Overall, 5 percent of all firms offered this retirement benefit to management or full-time employees, and nearly 3 percent of firms offered this type of retirement option to part-time employees. Roughly one-third of the employers who did offer defined benefit plans to management and full-time employees fell into the financial activities or health care sectors. These two industries reported almost one-half of all firms that offered defined benefit plans to part-time workers.

### Few Changes Reported in Retirement Plans, Costs, and Impacts

Relatively few employers that offered retirement benefits reported changes in their monthly costs of offering them between June 2011 and June 2012. One-tenth of employers that offered benefits reported a cost change over the year; three-fourths of those with changes said they were less than \$15.00 per month.

Similarly, few employers that offered retirement benefits identified changes in their retirement

**Table 3**

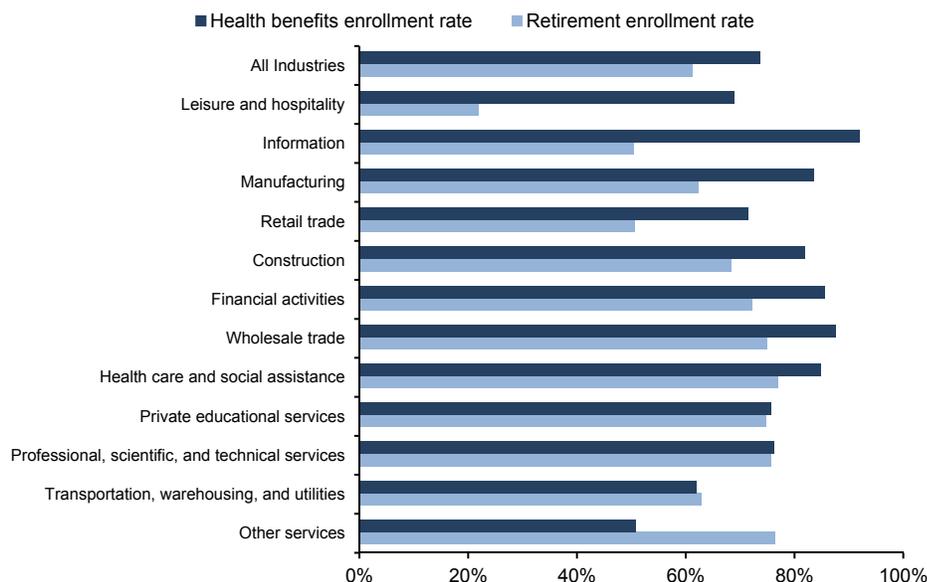
Industry	Share of Employers Offering 401k, 403b, or 457 Defined Contribution Plans by Industry		
	401k, 403b, or 457 Plan		
	Management	Full-Time	Part-Time
<b>All Industries</b>	<b>27%</b>	<b>27%</b>	<b>13%</b>
Information	44%	43%	26%
Wholesale trade	44%	48%	14%
Manufacturing	41%	41%	11%
Health care and social assistance	40%	42%	25%
Financial activities	39%	39%	21%
Professional, scientific, and technical services	29%	30%	16%
Management, administrative, and waste services	28%	27%	11%
Transportation, warehousing, and utilities	27%	28%	11%
Retail trade	27%	27%	14%
Private educational services	24%	26%	20%
Other services	19%	16%	10%
Construction	18%	18%	5%
Leisure and hospitality	12%	11%	6%
Natural resources and mining	8%	9%	2%

plans over the past year. Nor did they note widespread impacts of retirement costs on their businesses. The most-cited impact was a reduction in business profits; 14 percent of firms who offered retirement benefits indicated that costs affected their bottom line. Along the same lines, a small number of firms (48) provided other retirement plan changes or impacts to their businesses. Most of these other responses elaborated on existing options listed in the survey (e.g., detailed descriptions of increases or reductions in match limits).

### Discontinued Retirement Benefits

A small number (157) of employers indicated that they previously offered retirement benefits, but discontinued them. Employers reported that they terminated retirement benefits as early as 1991. Even so, the majority (66%)

### Higher Health Benefit Enrollment Than Retirement Enrollment in Most Industries



Professional and business services and natural resources and mining excluded; see Cautionary Notes in Appendix 2

**Graph 3**

who discontinued their retirement offerings did so between 2008 and 2012.

### **Lower Enrollment in Retirement Plans**

Employers identified the number of employees at their firms who were eligible for health care benefits, and the number of those eligible who enrolled for benefits. Firms reported generally lower rates of enrollment for retirement benefits by eligible employees than for health benefits.

Across all industries 61 percent of eligible employees enrolled for retirement benefits (Graph 3). That's 13 percentage points below the health benefit enrollment rate for all industries in June 2012. This pattern held across most industries. In eight of the industries surveyed, enrollment rates for health benefits outpaced retirement uptake rates. The greatest difference in health and retirement enrollment occurred in leisure and hospitality (47 percentage points) and information (42 percentage points). A few industries showed comparable rates of employee enrollment in both health and retirement benefits. These included private educational services; professional, scientific, and technical services; and transportation, warehousing, and utilities. Other services countered the prevailing trend when comparing health and retirement enrollment: 76 percent of eligible employees took up retirement benefits, while 51 percent of those eligible enrolled for health benefits.

The disparity in enrollment existed for each type of worker. Roughly three-quarters (77%) of eligible management employees enrolled for retirement benefits; by comparison, 83 percent of eligible managers enrolled for health benefits. Similarly, retirement enrollment rates for full-time (65%) and part-time (37%) employees fell below the health benefits enrollment rates (75% and 48%, respectively).

### **Why the Health and Retirement Disparity?**

The reason for the disparity in enrollment for health benefits and retirement benefits is unknown. Several possible explanations could be at play. Industries with a larger share of younger workers – such as leisure and hospitality and retail trade – may naturally tend toward lower rates of retirement plan enrollment.

In the first quarter of 2012 (the most recent data available), these two industries reported the largest shares of workers under the age of 25 among all sectors.

Another possibility could be that employees find fewer barriers to establishing an independent retirement account than establishing their own health care plan. Because of this, some individuals may adequately invest in retirement, just not through their employers' plans. However, many employers offer matching incentives for employee retirement contributions which would seemingly entice employees to enroll in the employer-sponsored plan. A majority (63%) of Oregon employers who offered retirement benefits in June 2012 also offered some level of matching for employee contributions.

Some research suggests that workers may delay planning or underprepare for their retirement years. The Center for Retirement Research at Boston College has reported that 53 percent of households are at risk of not having enough resources to maintain their standard of living in retirement. Regardless of employer incentives, the time-value of money could affect retirement planning decisions: an extra \$20.00 in the pay check now seems more valuable than \$20.00 in an account with funds available 20 years from now, even with the enhanced value and economic security that comes with that money at the later date. Also, employees in tight financial situations may not feel they can sacrifice those extra dollars now.

Another possible deterrent could be dealing with the complexity of retirement plans. While health plans are also complex, the potential adverse effects of delaying or opting out of a retirement plan are less immediate than the risk and cost of a catastrophic medical event without a health plan.

### **Leave, Pay, Other Insurance, and Fringe Benefits**

In addition to the more commonly recognized health and retirement benefits, employers also detailed a broad range of leave, pay, other insurance, and fringe benefits provided to employees. Almost universally, a larger share of employers offered these benefits to management and full-time employees than part-time workers.

## Leave Benefits are Among the Most Commonly Offered

Leave benefits showed up as the most commonly offered for management and full-time employees (Table 4). Paid vacation topped the list; 49 percent of firms offered this perk to managers, and 51 percent offered it to full-time employees. The next three most common benefits for management and full-time employees also involved leave time: paid holidays (44% and 45%); unpaid leave (34% and 39%); and paid sick leave (32% and 31%).

Employers reported that unpaid leave was the most commonly offered for part-time employees;

28 percent of firms extended this benefit. One-fourth of employers offered flexible schedules (24%) to part-timers, and 22 percent offered discounted company merchandise.

## Lesser-Known (and Offered) Benefits

The survey listed several leave, pay, other insurance, and fringe benefits that received few affirmative responses from employers. Although less frequently available to employees, these benefits highlighted some interesting points.

For example, one in 10 firms offered paid parental leave to management and full-time employees, when only unpaid parental leave is federally or state-mandated for firms with 50+ or 25+ employees, respectively.

Telecommuting served as another interesting example. Although a relatively small share of firms offered this benefit to management (12%), full-time (8%), and part-time (4%) employees, these numbers may actually be relatively large. A report released in 2012 from the U.S. Census Bureau showed that 2.5 percent of workers in private companies telecommuted in 2010.

## Leave Benefits by Industry

The industries with the largest share of employers that offered leave, pay, other insurance, and fringe benefits lined up closely with those who were most likely to offer health and retirement benefits (Table 5). The top industries offering paid holidays, paid sick leave, and paid vacation to management and full-time employees included information; wholesale trade; and health care and social assistance. Two more industries rounded out the top five for these most-common leave benefits: financial activities and manufacturing.

For part-time employees, information, health care, and financial activities reported the largest shares of firms that offered the most common leave benefits. In addition, employers in the professional, scientific, and technical

**Table 4**

Benefit Type	Share of Firms That Offered Leave, Pay, Insurance, and Fringe Benefits by Type of Employee		
	Management	Non-Management Full-time	Part-time
Paid vacation	49%	51%	18%
Paid holidays	44%	45%	18%
Unpaid leave	34%	39%	28%
Paid sick leave	32%	31%	12%
Discounted merchandise	24%	27%	22%
Flexible schedule	27%	26%	24%
Life insurance	28%	26%	7%
Production or performance bonus	23%	24%	12%
Accidental death insurance	24%	23%	7%
Disability insurance	24%	23%	7%
Paid development training	25%	22%	9%
Tuition remission	14%	15%	5%
Cost of living adjustments	12%	14%	12%
Service award	12%	14%	8%
Meals	6%	12%	11%
Member dues or fees	18%	12%	4%
Financial planning	11%	11%	5%
Health savings account	11%	9%	3%
Telecommute	12%	8%	4%
<b>Benefits that less than 1 in 10 employers offered to employees in any category...</b>			
Paid parental leave	9%	9%	3%
Long-term care insurance	9%	8%	3%
Paid charity time	9%	7%	3%
Gym membership	7%	6%	4%
Legal services	6%	5%	3%
Relocation assistance	9%	4%	1%
Child care	2%	2%	1%
Stock option	3%	1%	1%

**Table 5**

Share of Employers Offering Selected Leave Benefits by Industry						
Industry	Paid Vacation			Paid Holidays		
	Management	Full-Time	Part-Time	Management	Full-Time	Part-Time
<b>All industries</b>	<b>49%</b>	<b>51%</b>	<b>18%</b>	<b>44%</b>	<b>45%</b>	<b>18%</b>
Information	70%	69%	31%	67%	66%	33%
Wholesale trade	66%	75%	15%	64%	72%	21%
Financial activities	62%	67%	35%	62%	68%	34%
Health care and social assistance	60%	70%	34%	62%	68%	36%
Manufacturing	66%	70%	12%	60%	66%	16%
Professional, scientific, and technical services	57%	65%	26%	57%	62%	25%
Management, administrative, and waste services	53%	55%	18%	49%	47%	17%
Private educational services	36%	42%	14%	48%	52%	24%
Other services	50%	42%	22%	47%	39%	21%
Transportation, warehousing, and utilities	43%	57%	6%	43%	49%	8%
Retail trade	50%	55%	18%	39%	43%	18%
Construction	35%	36%	7%	31%	27%	7%
Leisure and hospitality	34%	21%	8%	19%	12%	5%
Natural resources and mining	26%	28%	3%	18%	19%	5%
Industry	Unpaid Leave			Paid Sick Leave		
	Management	Full-Time	Part-Time	Management	Full-Time	Part-Time
<b>All industries</b>	<b>34%</b>	<b>39%</b>	<b>28%</b>	<b>32%</b>	<b>31%</b>	<b>12%</b>
Information	47%	47%	36%	59%	57%	33%
Wholesale trade	40%	45%	26%	48%	53%	11%
Financial activities	41%	47%	33%	53%	59%	27%
Health care and social assistance	49%	58%	49%	49%	54%	26%
Manufacturing	47%	54%	28%	36%	31%	6%
Professional, scientific, and technical services	40%	50%	37%	48%	51%	21%
Management, administrative, and waste services	33%	39%	28%	34%	34%	11%
Private educational services	42%	40%	34%	46%	50%	22%
Other services	25%	26%	24%	36%	28%	18%
Transportation, warehousing, and utilities	30%	36%	17%	26%	27%	7%
Retail trade	34%	39%	34%	25%	25%	8%
Construction	25%	31%	17%	13%	10%	3%
Leisure and hospitality	23%	23%	21%	18%	9%	3%
Natural resources and mining	17%	22%	13%	13%	11%	2%

services and the private educational services sectors ranked among the highest for firms offering this series of leave benefits to part-time employees. Retail trade also fell in among the top industries for offering unpaid leave to part-timers.

### **Paid Time Off and Supplemental Insurance Offerings**

As with health and retirement benefits, a small number of employers detailed additional leave, pay, other insurance, and fringe benefits aside from those pre-listed on the survey. Almost 200 employers wrote in additional leave benefits; of

those, one-fourth offered a paid time off (PTO) package. Rather than offering a designated number of paid vacation, holiday, and sick days, PTO combines any or all of these options into one pool of paid leave time to be used at the employee’s discretion.

More than 100 employers identified other insurance benefits offered by their firms. In particular, 44 identified supplemental insurance – offered by companies such as Aflac – as another benefit. Supplemental insurance pays expenses that are not covered by medical insurance during a major health event.

# Comparisons Across Size Classes and Regions

## Leave and Health Benefits Top the List

Looking at all benefits together, the most frequently offered consisted primarily of leave

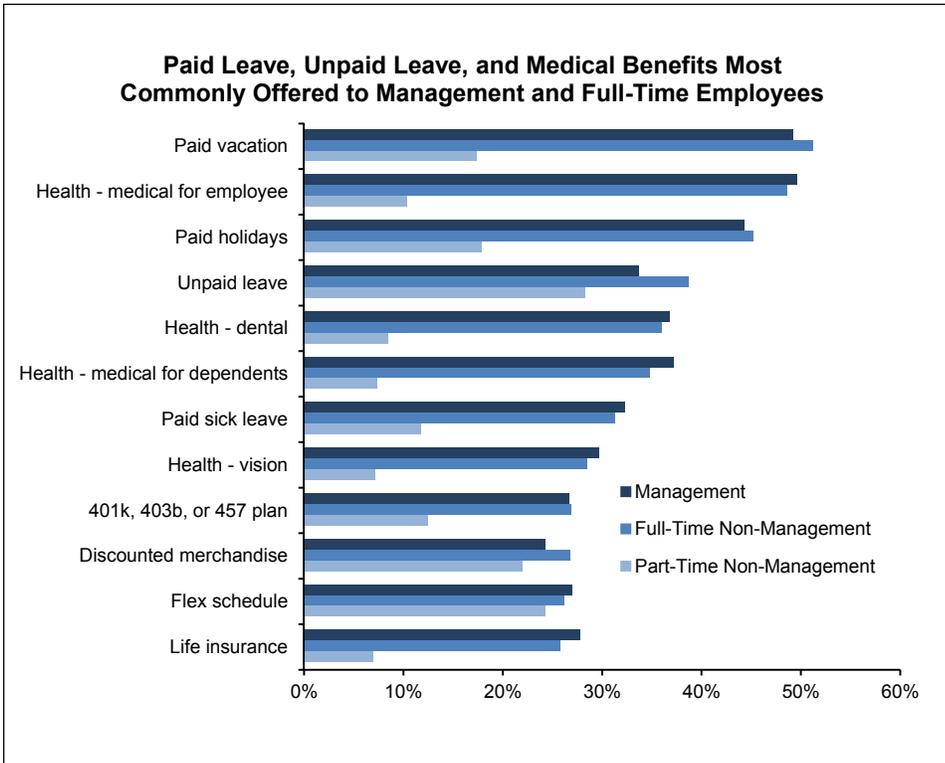
and health options. Overall, 12 different benefits were offered to management and full-time employees by at least one-fourth of Oregon

employers (Graph 4). Eight of these benefits fell under the leave or health benefits categories; the other four represented a mix of retirement, fringe, and other insurance benefits.

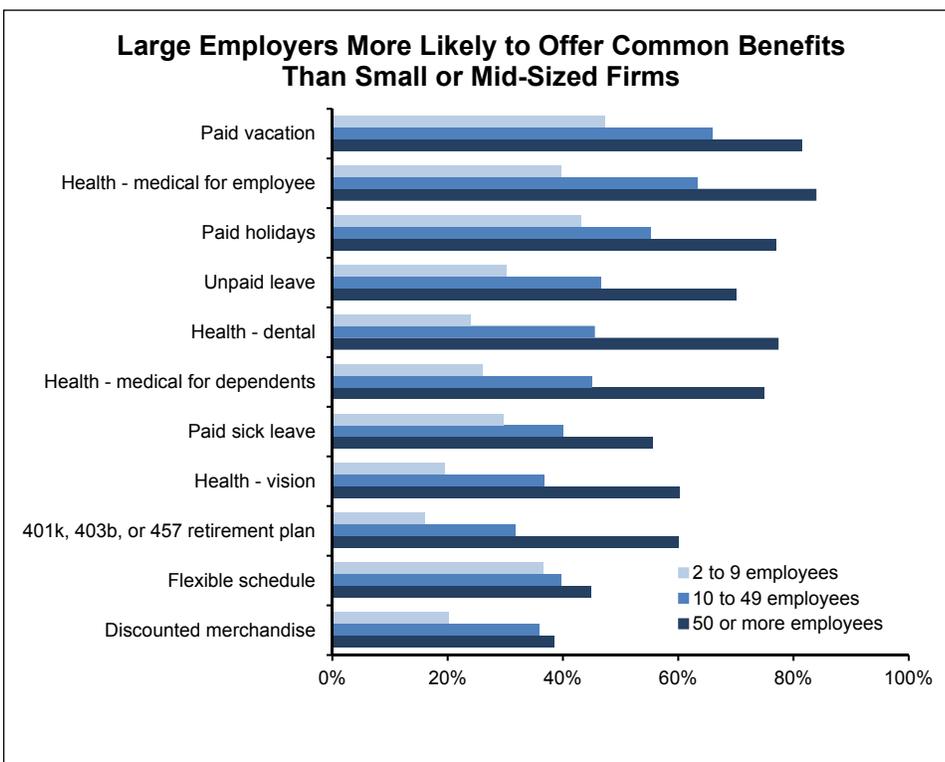
For managers, medical coverage for employees topped the list of all benefits; one-half of firms offered this benefit. For full-time employees, the largest share of firms (51%) offered paid vacation time. Among all the benefits listed on the survey, unpaid leave was the most frequently offered benefit for part-time employees, with 28 percent of employers extending the option.

## Larger Firm Size = Larger Share of Firms Offering Benefits

Another look at the most commonly offered benefits revealed a clear trend across employer class sizes (Graph 5). For each of these benefits, a larger share of the biggest firms (50+ employees) offered the benefit than mid-sized employers (10 to 49 employees). In turn, mid-sized firms



Graph 4



Graph 5

**Table 6**

<b>Region</b>	<b>Share of Firms</b>					
	<b>Portland</b>	<b>I-5 Corridor</b>	<b>Central Oregon</b>	<b>Columbia Gorge</b>	<b>Oregon Coast</b>	<b>Eastern Oregon</b>
Paid vacation	71%	68%	58%	54%	50%	48%
Health - medical for employee	49%	47%	41%	34%	34%	27%
Paid holidays	67%	61%	52%	45%	41%	42%
Unpaid leave	54%	49%	40%	37%	35%	33%
Health - dental	37%	35%	28%	21%	24%	15%
Health - medical for dependents	37%	33%	29%	26%	23%	14%
Paid sick leave	49%	45%	33%	34%	28%	28%
Health - vision	27%	29%	23%	21%	18%	13%
401k, 403b, or 457 plan	36%	35%	28%	23%	20%	22%
Flexible schedule	45%	43%	40%	37%	35%	31%
Discounted merchandise	30%	33%	30%	27%	29%	26%
Life insurance	39%	36%	25%	24%	23%	22%

consistently showed higher rates of offering each benefit than small employers (those with 2 to 9 employees).

**Larger Portion of Portland and I-5 Employers Offer Benefits**

Clear distinctions also emerged in the share of employers that offered the most popular benefits from one region to the next (see Appendix 1 for regional definitions). For each of the 12 benefits most commonly offered by all firms, companies in the Portland area and along the I-5 Corridor extended these options to employees most frequently (Table 6). In most cases, Central Oregon reported the third-largest share of employers who offered this series of benefits, followed by the Columbia Gorge, the Oregon Coast, and Eastern Oregon.

**Regional and Size Class Differences in Discontinued Benefits**

Regional differences also surfaced in the share of employers who discontinued health or retirement benefits. Employers who indicated that they previously offered health benefits but discontinued them were slightly overrepresented in the Coast, I-5 Corridor, or Central and South Central

Oregon regions (Table 7). For instance, 15 percent of all survey responses came from the Oregon Coast region, but 22 percent of all employers who ended health benefits were located along the coast.

Employers who indicated that they previously offered retirement benefits but discontinued them were more likely to be located along the I-5 Corridor or in Central and South Central Oregon. I-5 Corridor employers made up 20 percent of all survey respondents, but made up 24 percent of employers who reported discontinuing health

**Table 7**

<b>Region</b>	<b>Share of Firms</b>		
	<b>All</b>	<b>Discontinued Health</b>	<b>Discontinued Retirement</b>
		<b>All</b>	<b>Health</b>
Oregon Coast	15%	22%	16%
Portland	18%	9%	18%
I-5 Corridor	20%	24%	24%
Columbia Gorge	14%	14%	11%
Central and South Central	16%	21%	23%
Eastern Oregon	13%	10%	6%
<b>Size Class</b>	<b>All</b>	<b>Discontinued Health</b>	<b>Discontinued Retirement</b>
2 to 9 employees	47%	53%	41%
10 to 49 employees	38%	41%	41%
50+ employees	15%	6%	17%

benefits, and 24 percent of employers who ended retirement benefits. Employers from the Columbia Gorge and Eastern Oregon were slightly less likely to report ending retirement benefits for employees.

By size class, the largest employers were less likely to have discontinued health benefits. On the other hand, the state's smallest employers were less likely to have discontinued retirement benefits.

Some correlation exists between these regional trends and the previously discussed industry and size class trends for benefits. For example, the Portland area and I-5 Corridor contain a higher share of information industry employers, and more firms with 50 or more employees, than other regions. Therefore, in cases where the information sector or the largest employers reported the highest share of firms that offered a specific benefit to employees, Portland-area or I-5 Corridor firms would also show the largest share of firms that offered the same benefit.

## References

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# Appendix 1: About the Oregon Benefits Survey

## Methodology

The Oregon Employment Department conducted the 2012 Oregon Benefits Survey between June and August. We surveyed private firms with at least two employees covered by the state's Unemployment Insurance program in the third quarter of 2011. The survey universe consisted of 81,038 employers, categorized into 14 industries, six regions, and three size classes.

Employers were selected by random sample. Each firm in the sample received an Oregon Benefits Survey form by mail (see form in Appendix 3). Employers could respond by mail, by fax, or by completing the online version of the survey. The Employment Department provided a toll-free number for employers to call with questions about completing the form. Employers who did not

**Table 1**

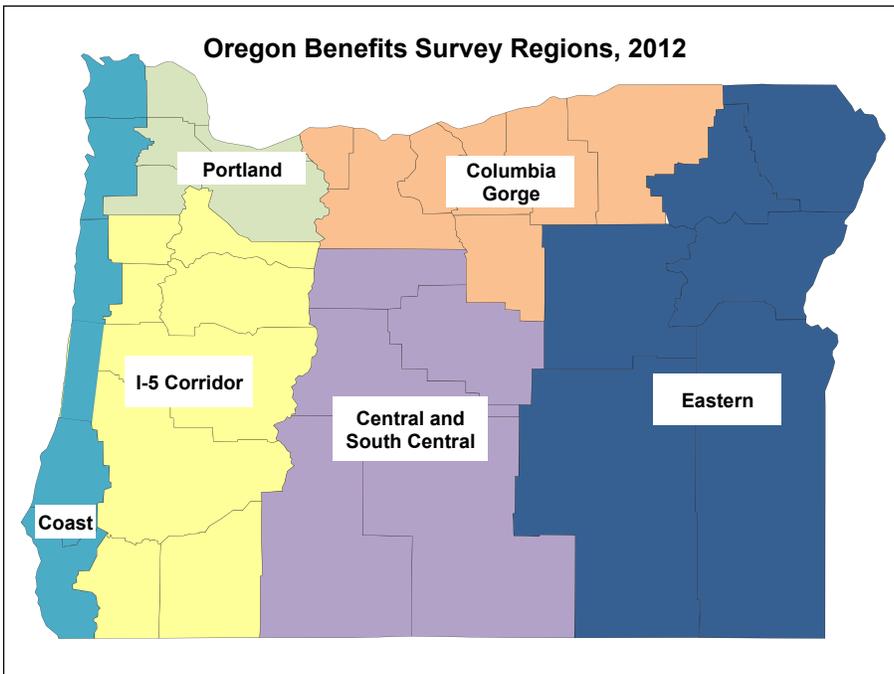
Oregon Benefits Survey Response Rates and Error Ranges					
	Universe	Sample Size	Responses	Response Rate	Error Range
<b>Industry Data</b>					
Natural resources and mining	3,004	756	297	39%	5.4%
Construction	6,962	888	423	48%	4.6%
Manufacturing	4,607	766	325	42%	5.2%
Wholesale trade	5,037	786	227	29%	6.4%
Retail trade	11,037	1,642	560	34%	4.0%
Transportation, warehousing, and utilities	2,213	378	144	38%	7.9%
Information	1,457	245	70	29%	11.4%
Financial Activities	7,352	823	267	32%	5.9%
Professional, scientific, and technical services	6,828	786	299	38%	5.5%
Management, administrative, and waste services	4,853	800	251	31%	6.0%
Private educational services	1,141	150	50	33%	13.6%
Health care and social assistance	9,323	1,278	485	38%	4.3%
Leisure and hospitality	10,365	1,707	560	33%	4.0%
Other services	6,731	721	323	45%	5.3%
Not classified	128	18	0	0%	n/a
Total	81,038	11,744	4,281	36%	1.5%
<b>Regional Data</b>					
Oregon Coast	5,004	1,565	663	42%	3.5%
Portland	38,226	2,394	762	32%	3.5%
I-5 Corridor	24,619	2,273	841	37%	3.3%
Columbia Gorge	3,077	1,494	597	40%	3.6%
Central and South Central	5,867	1,685	665	39%	3.6%
Eastern Oregon	2,234	1,256	566	45%	3.6%
Multi-region or not defined	2,011	1,077	187	17%	6.8%
Total	81,038	11,744	4,281	36%	1.5%
<b>Size Class Data</b>					
2 to 9 employees	52,770	5,235	2,027	39%	2.1%
10 to 49 employees	23,762	4,443	1,629	37%	2.3%
50+ employees	4,506	2,066	625	30%	3.6%
Total	81,038	11,744	4,281	36%	1.5%

respond to the first survey received a second mailing of the same form. As a final step in the data collection process, Employment Department staff members conducted non-response follow up calls to a random selection of employers to increase the overall survey response rates.

Overall, the survey received a 36 percent response rate. Non-responses came from employers who elected not to participate, had no valid address to receive the form, were no longer in business, or responded after the data collection period ended.

### Survey Regions

The Oregon Benefits Survey responses were organized into six broad regions: the Oregon Coast; the Portland area; the I-5 Corridor; the Columbia Gorge; Central and South Central Oregon; and Eastern Oregon. For a representative sample, firms with locations in multiple regions or unidentified exact locations were also included in the sample.



The Oregon Coast region included Clatsop, Coos, Curry, Lincoln, and Tillamook counties, along with the coastal portions of Douglas and Lane counties. The Portland area consisted of Clackamas, Columbia, Multnomah, Washington, and Yamhill counties. I-5 Corridor employers included those in Benton, Douglas, Jackson, Josephine, Lane, Linn, Marion, and Polk counties. The Columbia Gorge region was comprised of firms in Gilliam, Hood River, Morrow, Sherman, Umatilla, Wasco, and Wheeler counties. Central

**Figure 1**

and South Central Oregon included Crook, Deschutes, Jefferson, Klamath, and Lake counties. The Eastern Oregon region included Baker, Grant, Harney, Malheur, Union, and Wallowa counties.

### Cautionary Notes

Outside factors may have influenced some perceptions and responses to the survey. Surveys were mailed to employers a short time after a Supreme Court ruling upheld the individual mandate component of the Affordable Care Act health care reform law.

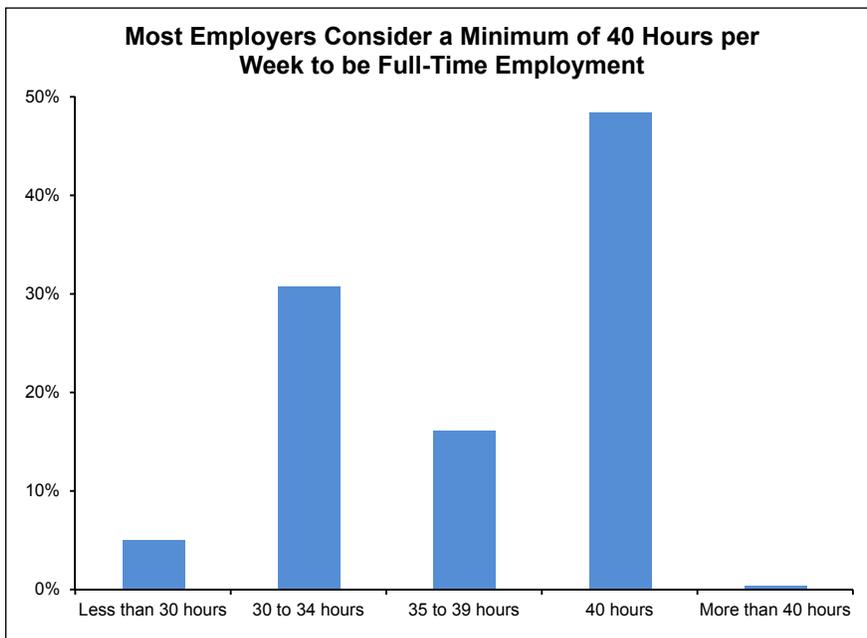
Professional staffing agencies also posed a challenge in the survey data. A small number of these firms reported benefits data for their office personnel, but omitted the temporary workers who technically belong to their payrolls. Although we believe the temporary workers generally do not receive health, retirement, or other benefits from the staffing firm, the omission of temporary employees in these survey responses could result in improper size class categorization of the firms. The industries with these staffing firm responses were also suppressed in our analysis of the total share of employees eligible and enrolled for benefits.

# Appendix 2: Defining Full-Time Employment

The survey asked employers to identify the benefits they offered to full-time and part-time employees who are not managers, along with all management employees, regardless of full-time or part-time status. As a first step, the survey asked each employer how they define full-time employment.

Overall, nearly one-half (48%) of employers indicated that full-time meant working a minimum of 40 hours per week. Close to another one-third (31%) indicated that full-time employment meant working at least 30 to 34 hours per week. Smaller shares of employers identified full-time work as at least 35 to 39 hours (16%), less than 30 hours (5%), or more than 40 hours (less than 1%) per week.

The full-time threshold varied by industry. Firms were more likely to require at least 40 hours per week for full-time employment status in natural resources and mining (73%); other services (62%); and transportation, warehousing, and utilities (58%). The health care and information industries defined full-time employment as working a minimum of 30 to 34 hours per week (50% and 46%, respectively) to a greater degree than other sectors.



Employer minimums for full-time employment also varied by region. Portland-area employers were more likely than those in other regions to report full-time employment at 30 to 34 hours per week. Meanwhile, relatively large portions of Columbia Gorge and Eastern Oregon employers reported 40 hours per week as full-time employment.

Graph 1

Table 1

Region	Less Than 30 Hours	30 to 34 Hours	35 to 39 Hours	40 hours	More Than 40 Hours
<b>Oregon Statewide</b>	5%	31%	16%	48%	less than 1%
Oregon Coast	7%	30%	16%	47%	less than 1%
Portland Area	6%	35%	17%	42%	less than 1%
I-5 Corridor	5%	32%	18%	45%	less than 1%
Columbia Gorge	5%	25%	14%	56%	1%
Central and South Central	4%	32%	16%	48%	less than 1%
Eastern Oregon	3%	23%	16%	57%	less than 1%

# Appendix 3: Oregon Benefits Survey Form



## June 2012 Oregon Employee Benefits Survey

### About the Survey

Please direct this survey to your Employee Benefits Manager or Human Resources Department. Your response to this survey will help give Oregon's businesses and job seekers a valuable tool for understanding today's job market. Your information is important, as it will be used to produce estimates for your industry and local area. Information from this survey is confidential; your individual response and company information will not be made public in any way.

### Contact Person

Name: \_\_\_\_\_  
 Telephone: \_\_\_\_\_  
 Email: \_\_\_\_\_

### Options for Responding

- 1) Return the survey in the postage-paid envelope
- 2) Respond online at <http://tinyurl.com/oregonbenefits>
- 3) Fax all four pages to (503) 947-1210

Would you like a free report with our survey results?  Yes

**PLEASE REPORT FOR THIS LOCATION ONLY**

**Please respond no later than August 24th, 2012**

### Section 1: Company Information & Total Costs

How many **management and executive** employees did your firm have in June 2012? \_\_\_\_\_

How many **non-management** employees did your firm have in June 2012? \_\_\_\_\_

Of these non-management employees:

How many worked **part time**? \_\_\_\_\_

How many worked **full time**? \_\_\_\_\_

How many hours must an employee work per week to be considered full time at your firm? \_\_\_\_\_

Please answer the following questions for the month of June 2012	NON-MANAGEMENT		
	PART-TIME	FULL-TIME	MANAGEMENT
What was the average monthly wage your firm paid to each type of employee?	\$ _____	\$ _____	\$ _____
What was the average monthly cost of all benefits* for each type of employee?	\$ _____	\$ _____	\$ _____
<i>*Excludes payments required by state and federal law, such as Workers' Compensation and Unemployment Insurance tax</i>			
Did your firm offer any health, retirement, leave, fringe, or other benefits to any employees?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	YES		NO
	Continue on to Section 2 (next page)		Skip to Section 4 (third page)

**Section 2: Leave, Pay, Fringe, and Other Benefits Offered**

For each of the benefits listed below, please indicate all employee types who were offered that benefit in June 2012. If your business did not offer that benefit to any employees, please mark the "Not Offered" column.

Leave Benefits	NON-MANAGEMENT		MANAGEMENT	NOT OFFERED
	PART-TIME	FULL-TIME		
Paid holidays	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Paid parental leave	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Paid sick leave	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Paid vacation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Paid leave for charity or other activities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Unpaid leave	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other (please specify): _____	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Pay Benefits	NON-MANAGEMENT		MANAGEMENT	NOT OFFERED
	PART-TIME	FULL-TIME		
Cost of living adjustments	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Length of service awards	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Overtime pay	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Production or performance bonuses	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Stock option bonuses	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other (please specify): _____	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Other Insurance Benefits	NON-MANAGEMENT		MANAGEMENT	NOT OFFERED
	PART-TIME	FULL-TIME		
Accidental death and dismemberment insurance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Disability insurance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Life insurance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Long-term care insurance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other (please specify): _____	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Fringe Benefits	NON-MANAGEMENT		MANAGEMENT	NOT OFFERED
	PART-TIME	FULL-TIME		
Ability to telecommute	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Flexible work schedule	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Dues, subscriptions, or membership fees	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Gym membership or on-site athletic facilities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Financial planning & wealth management services	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Legal services or legal assistance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Tuition reimbursement	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Paid professional development or continuing education	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Relocation assistance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Child care assistance or on-site child care	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Free or subsidized refreshments or meals	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Employee discounts on company products	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other (please specify): _____	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please continue on to Section 3 (next page)

**Section 3: Health Benefits Offered**

Please indicate all employee types that apply	NON-MANAGEMENT			MANAGEMENT
	NONE OFFERED	PART-TIME	FULL-TIME	
Did your business offer any health benefits in June 2012?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<i>(if none offered, skip to Section 4 below)</i>				

Please indicate which health benefits were offered:	NON-MANAGEMENT		
	PART-TIME	FULL-TIME	MANAGEMENT
Medical insurance coverage for employee .....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Medical insurance coverage for dependents .....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Dental insurance coverage .....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Vision insurance coverage .....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Flexible spending account .....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Health savings account .....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other (please specify): _____	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please write the number for each employee category	NON-MANAGEMENT		
	PART-TIME	FULL-TIME	MANAGEMENT
How many employees were eligible for health benefits in June 2012?	_____	_____	_____
How many eligible employees were enrolled?	_____	_____	_____

Please indicate the dollar amount for each coverage type. If your firm offers more than one plan, report for the plan that covers the majority of employees.	EMPLOYEE		FAMILY	
What was the <i>total monthly</i> premium per employee for health insurance?	\$ _____		\$ _____	
What share (in dollars) of this premium was paid by the employee?	\$ _____		\$ _____	

Please select yes or no for each question or category	YES	NO
	Did your cost of providing health benefits change between June 2011 and June 2012?	<input type="radio"/>
If yes, what was the <i>monthly</i> change? (Use minus sign to indicate a decrease) \$ _____ per employee		

Did your business change any of the following aspects of the health plan over the last year?	YES	NO
	Reduced the total health benefit package .....	<input type="radio"/>
Increased the total health benefit package .....	<input type="radio"/>	<input type="radio"/>
Increased employee share of premiums .....	<input type="radio"/>	<input type="radio"/>
Increased employee deductibles or co-payments .....	<input type="radio"/>	<input type="radio"/>
Added a flexible spending account or health savings plan .....	<input type="radio"/>	<input type="radio"/>
Other (please specify): _____		

Have health benefit costs affected aspects of your business in the past year?	YES	NO
	Prevented hiring of new employees .....	<input type="radio"/>
Put off equipment or other purchases .....	<input type="radio"/>	<input type="radio"/>
Raised prices to customers .....	<input type="radio"/>	<input type="radio"/>
Reduced business profits .....	<input type="radio"/>	<input type="radio"/>
Reduced other benefits to employees .....	<input type="radio"/>	<input type="radio"/>
Other (please specify): _____		

*Please continue on to Section 5 (back page)*

**Section 4: Health Benefits Not Offered**

	YES	NO
Did your business previously offer health benefits, but discontinue them?	<input type="radio"/>	<input type="radio"/>
If yes, in which year did the health benefits plan end? _____		

*Please continue on to Section 5 (back page) if your firm offers retirement benefits. Skip to Section 6 (bottom of back page) if your firm does **not offer** retirement benefits.*

**Section 5: Retirement Benefits Offered**

Please indicate all employee categories that apply	NONE OFFERED	NON-MANAGEMENT PART-TIME	NON-MANAGEMENT FULL-TIME	MANAGEMENT
Did your business offer any retirement benefits in June 2012?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

*(if none offered, skip to Section 6 below)*

Please indicate which retirement benefits were offered:	PART-TIME	FULL-TIME	MANAGEMENT
Defined benefit plan (annuity or pension) .....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Defined contribution plan .....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
401/403/457 plan .....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Stock ownership plan .....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Profit sharing plan .....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
SEP/SIMPLE .....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Thrift or savings plan .....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other (please specify): _____	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please write the total number for each employee category	NON-MANAGEMENT PART-TIME	NON-MANAGEMENT FULL-TIME	MANAGEMENT
How many employees were eligible for retirement benefits in June 2012?	_____	_____	_____
How many eligible employees were enrolled?	_____	_____	_____

Employer match for defined contribution plans	NONE OFFERED	NON-MANAGEMENT PART-TIME	NON-MANAGEMENT FULL-TIME	MANAGEMENT
For which employees did your firm match contributions?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
If offered, what was the maximum amount matched by the employer?		\$_____	\$_____	\$_____

Please select yes or no for each question or category	YES	NO
Did your cost of providing retirement benefits change between June 2011 and June 2012?	<input type="radio"/>	<input type="radio"/>
If yes, what was the <i>monthly</i> change? (Use minus sign to indicate a decrease) \$_____ per employee		

Did the business change any aspects of its retirement benefits over the last year?	YES	NO
Reduced the total retirement benefit package .....	<input type="radio"/>	<input type="radio"/>
Increased the total retirement benefit package .....	<input type="radio"/>	<input type="radio"/>
Reduced the defined contribution match limit .....	<input type="radio"/>	<input type="radio"/>
Increased the defined contribution match limit .....	<input type="radio"/>	<input type="radio"/>
Moved from defined benefit plan to defined contribution plan .....	<input type="radio"/>	<input type="radio"/>
Other (please specify): _____		

Have retirement benefit costs affected aspects of your business in the past year?	YES	NO
Prevented hiring of new employees .....	<input type="radio"/>	<input type="radio"/>
Put off equipment or other purchases .....	<input type="radio"/>	<input type="radio"/>
Raised prices to customers .....	<input type="radio"/>	<input type="radio"/>
Reduced business profits .....	<input type="radio"/>	<input type="radio"/>
Reduced other benefits to employees .....	<input type="radio"/>	<input type="radio"/>
Other (please specify): _____		

*Please stop here and return the survey.*

**Section 6: Retirement Benefits Not Offered**

Please select yes or no for each question or category	YES	NO
Did your business previously offer retirement benefits, but discontinue them?	<input type="radio"/>	<input type="radio"/>
If yes, in which year did the retirement benefit plan end? _____		





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