

Benefits Study

of Metropolitan Utah

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2007 Metro Utah Benefit Study

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The employer-paid benefits employees receive are a very meaningful and significant aspect of compensation. In some situations, the benefits received by an employee could be more important than wages. The 2007 Metro Utah Employee Benefits Study was conducted to define, analyze and discover the incidence, participation and cost of benefits offered to employees in four-county metropolitan Utah. The studied region includes Salt Lake, Davis, Weber and Utah counties. Of the 1,400-plus employers that were surveyed during the first half of 2007, over 850 responded, totaling a usable response rate of slightly over 60 percent. Some major findings of this pilot study are as follows:

- *Forty-eight percent of workers are enrolled in medical benefits through their employer.*
- *Sixty-nine percent of firms offered medical benefits to at least one employee.*
- *Of the firms that offer medical benefits, the majority (57 percent) paid more than \$200 per month, on average, for single medical insurance premiums for each enrolled employee.*
- *Twenty-nine percent of employees are enrolled in a family medical insurance plan.*
- *Of the firms that offer family medical benefits, forty percent paid more than \$500 per month, on average, for family medical insurance premiums for each enrolled employee.*

As with any study, there are limits to what the 2007 Utah Benefits Study data can depict. Barriers to data collection prevented the gathering of information as to what percentage of the employed had *access* to workplace benefits during the sampled time period. As such, enrollment statistics like, “forty-eight percent of workers are enrolled in medical insurance through their employer” do not represent how many employees had access to medical benefits, nor do they indicate how many employees were offered medical benefits but declined to enroll. Further, the “percent of offering firms” statistics are derived from “yes or no” questions. Therefore, a firm that was only offering benefits to one employee is grouped with a firm that may have offered benefits to all of its employees.

Despite the caveats, major findings of the study shed light on the prevalence, enrollment and cost of benefits in the four-county metro area. Moreover, reference data from the U.S. Department of Labor’s National Compensation Survey (NCS) provides a benchmark of comparison on a national, metropolitan and regional level. Industry-specific benefit data was also obtained via the 2007 Benefits Study of Metropolitan Utah, and results were published for those industries that met statistical requirements for validity and confidentiality.





Percent of Firms Providing Benefits

The indicator “Percent of Firms Providing Benefits” is meant to profile the frequency at which benefits are found—or not found—among individual firms. This is an important consideration since this study did not capture information on what percent of the workforce is *offered* a given benefit. Therefore, if a firm did not offer a certain benefit, it does represent what percentage of their employees had access to benefits...zero. Benefit prevalence in terms of offering firms are as follows:

- 69 percent of companies offered some medical benefits
31 percent offered no medical benefits
- 65 percent of companies offered some family medical benefits to at least one employee
35 percent offered no family medical benefits
- 49 percent of companies offered some dental benefits to at least one employee
51 percent offered no dental benefits
- 33 percent of companies offered some vision benefits to at least one employee
67 percent offered no vision benefits
- 69 percent of companies offered some type of paid leave (e.g. sick, vacation, etc.)
31 percent offered no paid leave
- 45 percent of companies offered some type of retirement plan (e.g. stock sharing, 401k, etc.)
55 percent offered no retirement plan

Note that the difference between the percent of firms that offered any type of medical benefits and the percent of firms that offered family medical benefits is very small (4%). Also, a paid leave (vacation) benefit was relatively common, with 69 percent of firms offering some type of paid leave. Vision benefits were offered with the least frequency, which could be because of less demand for that benefit or an employer-perceived lesser demand for that benefit.

The percent-of-offering-firms statistic also shows that the metro Wasatch Front labor market benefit environment compares very closely to that of the rest of the nation, metropolitan areas and the multi-state Mountain Region (the NCS defined Mountain Region is an eight-state area that includes Utah).

Percent of Offering Firms Comparison Data

Benefit Statistic	Four-County Metro Utah	NCS Multi-State Mountain Region	NCS National Metropolitan Areas	NCS National
<i>% of Establishments Offering Retirement</i>	45	41	51	48
<i>% of Establishments Offering “Any Type” of Healthcare Benefit</i>	69*	62	63	62

* 69 percent of firms offered medical benefits, which was the most prevalent healthcare benefit.



Percent of Workers Enrolled

The 2007 Utah Benefits Study captured benefit enrollment rates as a percentage of the employed. This allows us to gauge what percentage of workers actually takes advantage of employer-offered benefits. In the four-county surveyed area, enrollment rates were as follows:

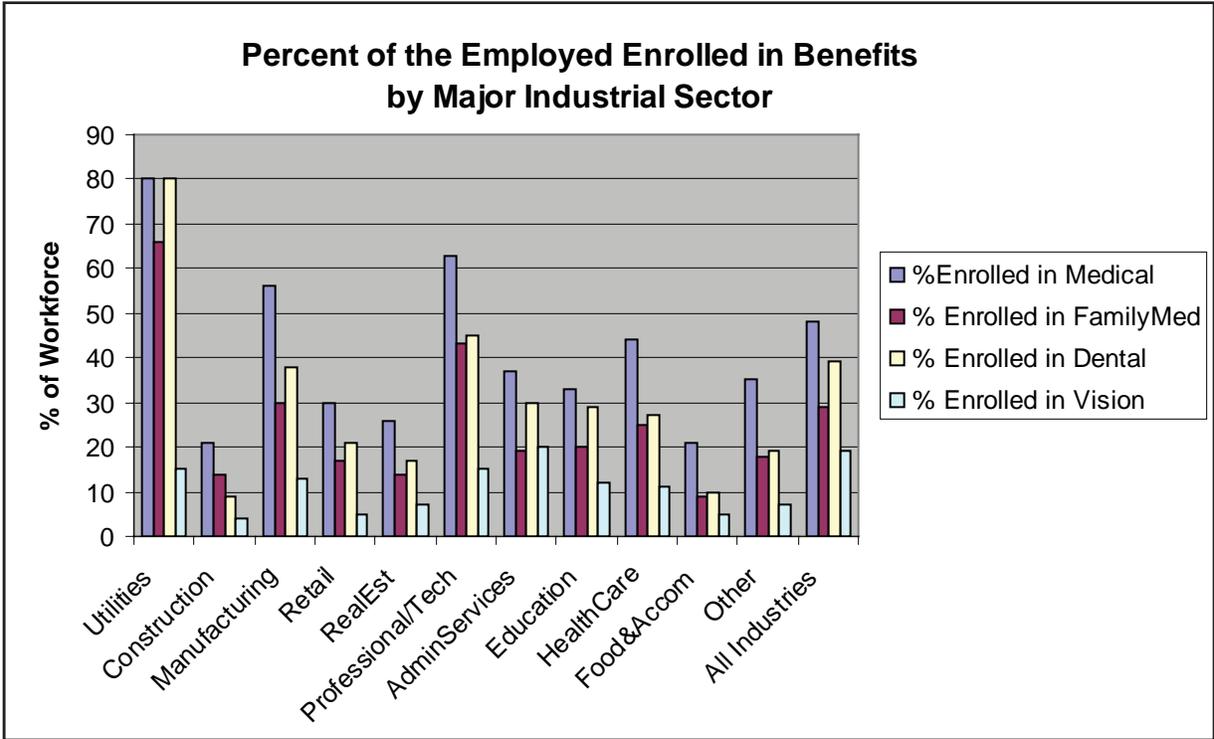
- *Forty-eight percent of the employed are enrolled in a medical benefit plan through their employer.*
- *Twenty-nine percent of the employed are enrolled in a family medical benefit plan through their employer.*
- *Thirty-nine percent of the employed are enrolled in a dental benefit plan through their employer.*
- *Nineteen percent of the employed are enrolled in a vision benefit plan through their employer.*

With virtually half of the employed enrolled in some type of medical benefit through their employer, Utah’s benefit situation can be characterized as being generally consistent with national, regional and metropolitan enrollment rates across major healthcare benefit categories. As shown below, the NCS estimates 51 percent of the Mountain Region’s workers are enrolled in employer-provided medical benefits. At 48-percent enrollment, the four-county Utah estimate is within the statistical margin for error. And, even when discounting statistical error, Utah’s enrollment rates could be slightly lower because of a unique labor market demographic. Utah has a greater proportion of workers under the age of 18 than any other state and, as such, a significant portion of this workforce could already be covered under their parents’ medical insurance plan, and consequently decline the medical benefits offered to them by their employer.

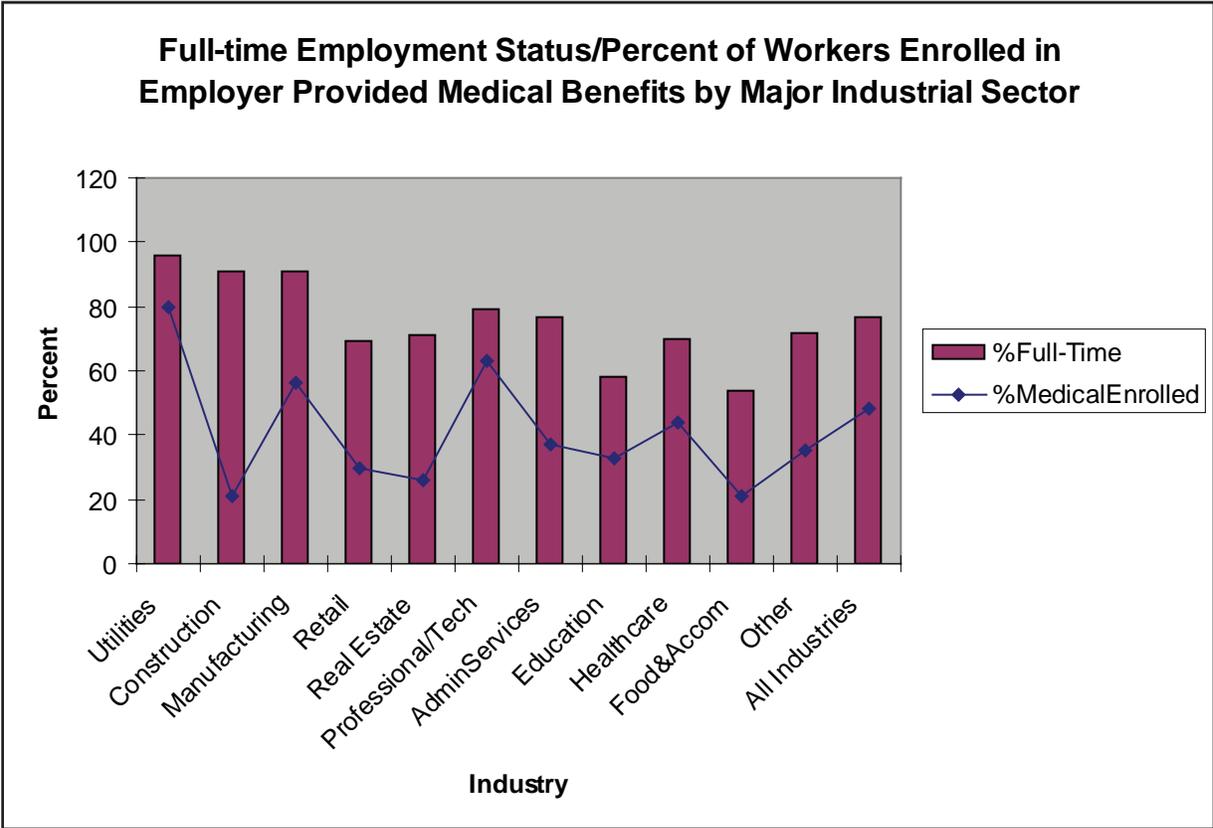
Percent of Workers Enrolled Comparison Data

Benefit Statistic	Four-County Metro Utah	NCS Multi-State “Mountain” Region	NCS National Metropolitan Areas	NCS National
% of Workers Enrolled in Medical Benefits	48	51	53	52
% of Workers Enrolled in Dental Benefits	39	36	37	36
% of Workers Enrolled in Vision Benefits	19	24	22	22

Enrollment rates among publishable industries were also consistent with anecdotal knowledge of industrial composition.



It has been theorized that industries with a greater ratio of part-time workers will have lower benefit enrollment rates because part-time jobs tend to offer benefits less often. In the past, it has been documented that the availability of benefits is heavily influenced by full-time job status. The 4th Quarter of 2005 *Job Vacancy Study*² found that almost 81 percent of full-time job vacancies offered at least one benefit, whereas only 25 percent of part-time vacancies offered any benefits.



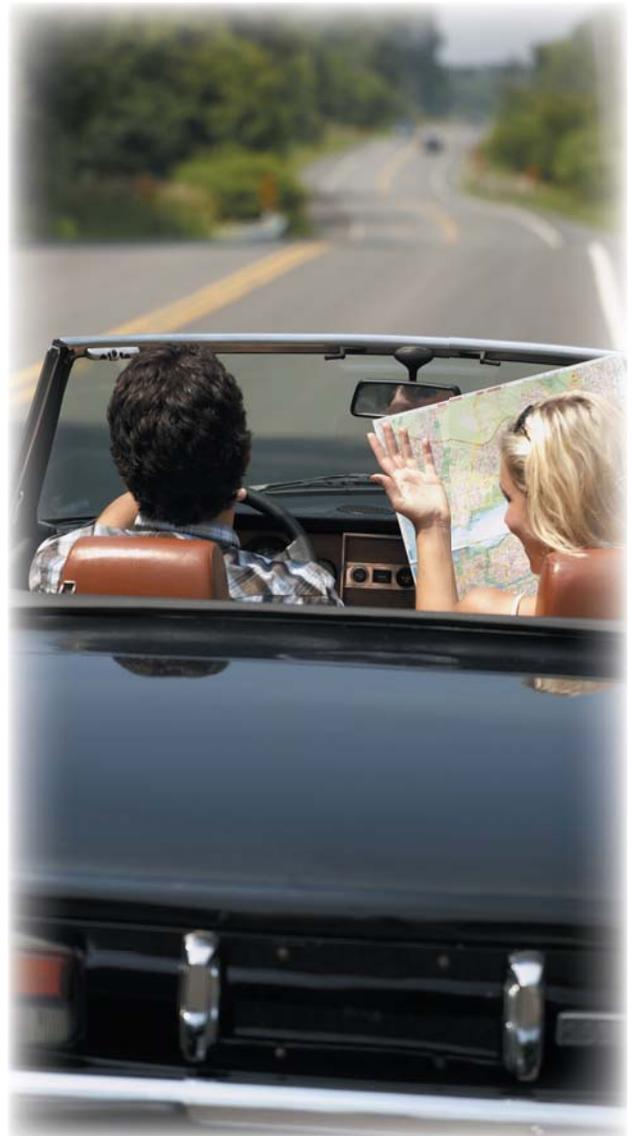
Note the high correlation between medical benefit enrollment rates and full-time employment status. Of the publishable data, the top five industrial medical benefit enrollment rates were found in utilities (80%), professional and technical services (63%), manufacturing (56%), healthcare (44%) and administrative services (37%). Meanwhile, within the industries containing publishable benefit data, the top five with the greatest proportion of full-time workers were utilities (96% full-time employment), manufacturing (91%), construction (91%), professional and technical services (79%) and administrative services (77%).

The only variations between these two rankings are found in the healthcare and construction industries. Healthcare ranks in the top five in terms of medical benefit enrollment but only boasts a 70-percent full-time labor force. Presumably, this is the result of a higher concentration of part-time workers being offered and enrolled in medical benefits. Construction, conversely, has a medical benefit enrollment rate of only 21 percent but 91 percent of its workforce is full-time. This incongruity could be a result of the industry's distinctive composition with regard to temporary employment. The 4th quarter of 2005 *Job Vacancy Study*² found that 36 percent of construction job openings during that quarter were temporary. Since many construction companies employ labor from project to project, it's possible that a greater portion of the construction workforce isn't offered medical benefits due to their temporary job status, and therefore can't enroll.

Premium Cost

Besides simply exploring the incidence and participation of employer-provided benefits, it is also telling to collect and analyze information pertaining to how much a benefit plan costs an employer. How much an employer is paying for a benefit can be an indicator of how "good" or competitive the plan is with benefit options available to a worker outside of his/her place of employment. The caveat associated with cost data is that the amount an enrolled employee must contribute to these plans went uncollected. Therefore, while we can quantify average contribution ranges for employers, we cannot derive how much a plan may cost an average employee.

Average employer-paid costs of medical insurance were classified under the following ranges: For single coverage an employer was asked if they spent more or less than \$200 a month, on average, per enrolled employee. For family coverage, employers were asked if they spent less than \$200, \$200 to \$500 or more than \$500 a month, on average, per enrolled employee. If employers simply couldn't provide average costs estimates, their responses were recorded as "undeterminable." As shown in the chart below, the majority of employers contributed an average of more than \$200 per month per enrolled employee for single medical benefits, and the vast majority contributed more than \$200 per month per enrolled employee for family medical benefits.



Average Employer-Paid Cost of Premium, by Medical Benefit Type

Benefit	<\$200	>\$200	\$200-\$500	>\$500	Undeter- minable
<i>Average Single Insurance Premium per employee</i>	31%	57%	Not Surveyed	Not Surveyed	12%
<i>Average Family Insurance Premium per Employee</i>	12%	(sum of columns to the right)	34%	40%	14%

The *Benefit Study of Metropolitan Utah*'s data collection format for the cost of insurance benefits isn't completely consistent with the NCS. The NCS publishes the average cost of single and family coverage premiums. NCS estimated that, nationally, employers contributed an average of \$246.72 per enrolled employee for single coverage and \$592.38 per enrolled employee for family coverage. Although different data collection formats make it difficult to determine how Utah stacks up against the rest of the nation, with 57 percent of Utah employers contributing an average of more than \$200 per month for single medical benefits and 40 percent contributing an average of more than \$500 per month for family medical benefits one could speculate that, like the other more comparable benefits statistics, Utah is on par with national employer contribution costs.



Firm Size and Benefits

Other than factors such as industry, employment status and premium cost, the size of a firm tends to have a bearing on the availability of benefits to its workers. Publishable size-class data for this study include companies with 10–49 employees, 50–99 employees and 100–249 employees. As might be expected, benefit prevalence and enrollment rates among workers increased as firm size increased.

Benefit Prevalence by Firm Size

Benefit	10-49 Employees	50-99 Employees	100-249 Employees
<i>% Of Firms Offering Medical Benefits</i>	71	91	94
<i>% of Firms Offering Family Medical Benefits</i>	70	91	94
<i>% of Firms Offering Paid Leave</i>	75	80	88
<i>% of Firms Offering Retirement Benefits</i>	49	79	89
<i>% of Employees Enrolled in Single Medical Benefits</i>	36	45	58
<i>% of Employees Enrolled in Family Medical Benefits</i>	20	24	36

Strikingly, firms with as few as 50-99 employees frequently offered benefits and had relatively high enrollment rates. But even firms with 10-49 employees ranked above average in many benefit-offering categories.

Conclusion

In sum, discoveries from the 2007 Metro Utah Benefits Study reveal that, for the most part, metropolitan Utah's benefit environment is relatively consistent with that of the rest of the nation. Also, it was found that medical benefit enrollment rates within major industrial sectors were influenced by temporary and part-time job status, and firm size is positively correlated with benefit offerings and enrollment rates. For further information concerning Utah's labor market, and to see how Utah's economic environment differs from the rest of the nation, visit our Web site at <http://jobs.utah.gov>.



1 Complete National Compensation Survey results can be viewed at www.bls.gov/ncs.

2 The 4th Quarter 2005 *Job Vacancy Study* was conducted by DWS. Comprehensive JVS results are available at <http://jobs.utah.gov>.

To see this, and other labor market information publications, on the Web, log on to <http://jobs.utah.gov/wi>. Click on “Publications” in the list on the left.

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The Workforce Development and Information Division generates accurate, timely, and understandable data and analyses to provide knowledge of ever-changing workforce Environments that support sound planning and decision-making.

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