

memo

City of Appleton

To: Human Resources Committee
From: Sandy Behnke, HR Director *SB*
CC: Common Council
Date: 6/7/2013
Re: Compensation Study

As part of the Council's directive of March 20, 2013, (Work with the Human Resources Department to calculate market averages for wages utilizing previously collected public sector data and published private sector data, including the cost of benefits packages and amending previously collected data as needed) staff has analyzed benefits as they relate to total compensation.

I have attached an "Employer Costs for Employee Compensation" Chart for your review in analyzing how City Compensation and Benefits compare with other entities. Staff used the BLS (Bureau of Labor Statistics) as a source for comparison. BLS compares Civilian Workers, Private Industry and State and Local Government in their review of total compensation. Staff has added the City of Appleton to the comparison based on data from the Finance Department.

The comparison shows that the City of Appleton's benefits as they relate to total compensation are competitive.

If you have any questions regarding this information, please contact me prior to committee.

EMPLOYER COSTS FOR EMPLOYEE COMPENSATION

Compensation Component	Civilian Workers (6)	Private Industry (7)	State and Local Government (8)	City of Appleton
Wages and salaries	69.2%	70.3%	65.0%	63.6%
Benefits	30.8	29.7	35.0	36.5
(1) Paid Leave	7.0	6.9	7.4	5.2
(2) Supplemental pay	2.4	2.8	0.8	3.4
(3) Insurance	8.9	8.2	12.0	14.6
Health benefits	8.5	7.7	11.6	14.3
(4) Retirement and Savings	4.7	3.6	8.8	7.8
Defined benefit	2.9	1.5	8.0	7.8
Defined contribution	1.8	2.1	0.8	0.0
(5) Legally required	7.8	8.2	6.1	5.5

Source: Bureau of Labor Statistics Department of Labor, March 12, 2013 News Release USDL-13-0421.

Employer Costs for Employee Compensation (ECEC) December 2012 a product of a National Comp Survey

(1) Paid Leave includes vacations, holidays, sick and personal.

(2) Supplemental pay includes overtime and premium, shift differentials and nonproduction bonuses.

(3) Insurance includes life, health and disability.

(4) Retirement and Savings includes defined benefit and defined contribution plans.

(5) Legally required benefits include social security and medicare, workers compensation, state unemployment insurance and federal unemployment insurance.

(6) Civilian Workers includes private industry and state and local government.

(7) Private industry excludes self-employed and farm and private household workers

(8) State and Local Government excludes Federal government workers from the public sector.

Differences between these sectors stem from factors such as variation in work activities and Occupational structures. Manufacturing and sales, for example, make up a large part of private industry work activities but are rare in state and local government. Professional and administrative support occupations (including teachers) account for two-thirds of the state and local government workforce, compared with one-half of private industry.

6/7/2013