

# WASHINGTON STATE

## 2003 Employee Benefits

# Survey

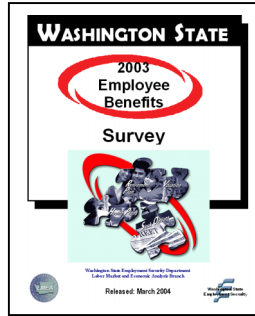


Washington State Employment Security Department  
Labor Market and Economic Analysis Branch



Released: March 2004





## 2003 Employee Benefits Survey Released: March 2004

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## About the Employee Benefits Survey

The *Washington Employee Benefits Survey* estimates the number of firms offering fringe benefits to their workers, providing valuable insights into compensation conditions in our state. The survey was distributed to a sample of **20,482 Washington employers** in October 2003 and received a **response rate of 44 percent**. Each employer was asked whether they provide the following benefits to full-time, part-time, temporary, and seasonal employees:

- Health insurance (for employees, dependents, and retirees)
- Retirement benefits
- Paid sick leave, vacation, and holidays
- Stock (options, bonuses, etc.)

Figures in this report show estimates of benefits offered by Washington firms in 2003 based on survey responses. Response rates are at the end of the report, where you will also find quick reference lists of industries and Workforce Development Areas.

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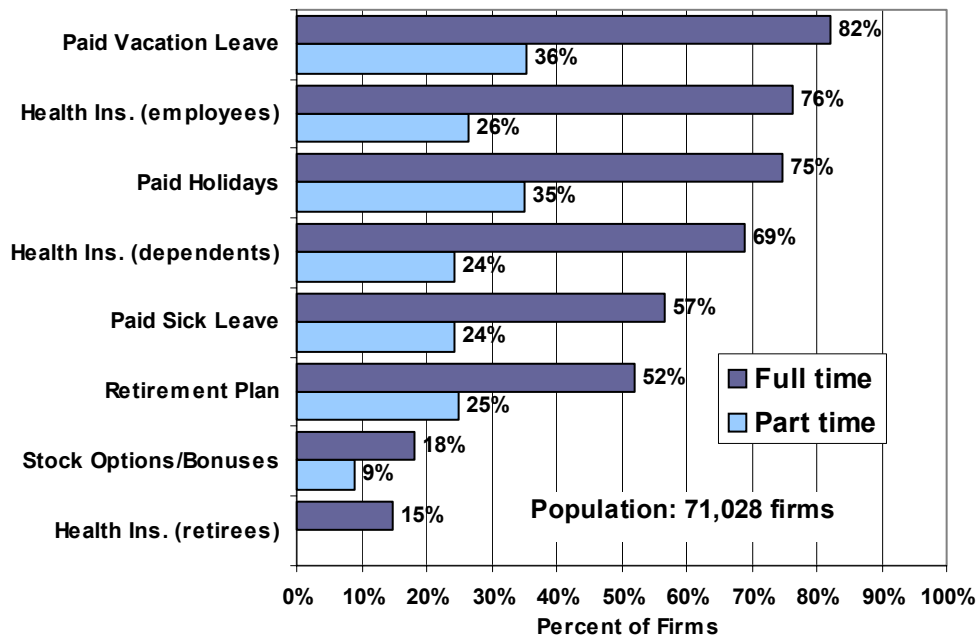
*Summary of Findings*

This report examines the rate at which employers offer benefits to their full- and part-time workers. Firms are grouped by industry, region, and size.

The results presented below show clearly the advantage held by full-time workers in terms of availability of benefits. For example, 82 percent of employers offer paid vacation to full-time employees while just 36 percent extend the offer to part-timers.

When it comes to the provision of employee benefits the evidence presented throughout this report points to firm size as the most important factor. As you examine charts throughout this report notice the cascading patterns wherever firms are distinguished by size class. It appears that volume translates to purchasing power: larger firms can offer fringe benefits more often than smaller firms because of economies of scale in purchasing group plans.

Figure 1. Percent of Firms Offering Benefits by Employee Type  
 Washington State, 2003



## Firms and Employment

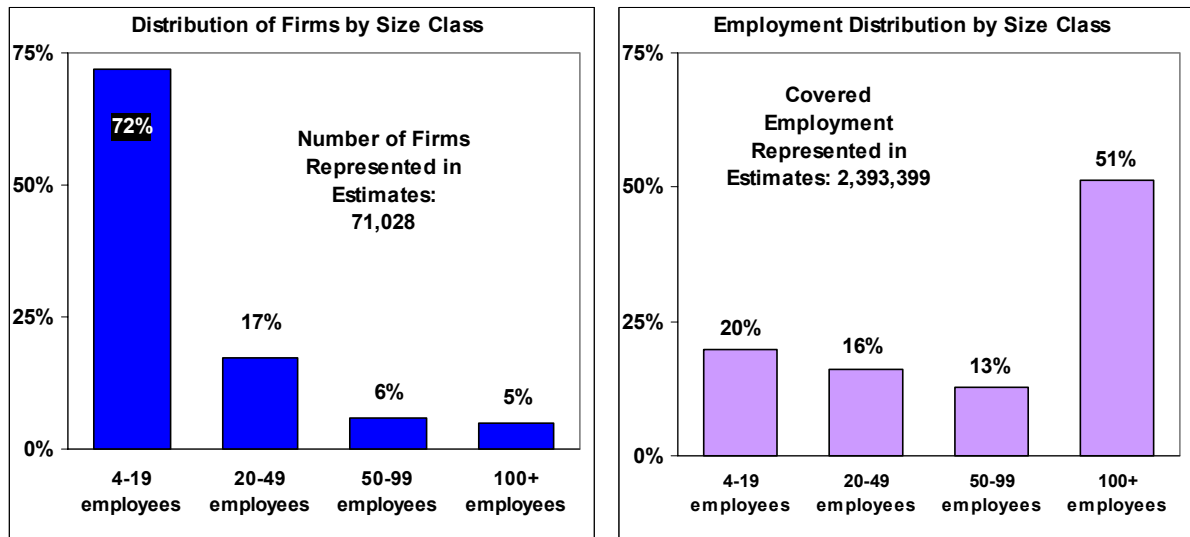
### *Distribution of Firms and Employment by Size Class, Industry, and Region*

Examining how Washington’s employers and workers are spread across employment size classes, industries, and regions lends context to the information presented in this report. Since this is a survey of *employers*, results are presented in terms of “percent of firms” relative to some type of benefit offered to workers. Further, the employers included in these estimates are limited to those covered by the state’s unemployment insurance law, that have more than four employees, and are not federal agencies.

### *Size Class – A Glance at Extremes*

- Seventy-two percent of firms in Washington are very small, with 4 to 19 employees. Collectively they employ about 20 percent of the state’s covered workforce.
- Meanwhile, the state’s large firms (100 or more employees) represent only 5 percent of total firm count but employ about 51 percent of the state’s workforce.

Figure 2. Distribution of Firms and Employment by Size Class (Quarter 2, 2002)  
 Washington State



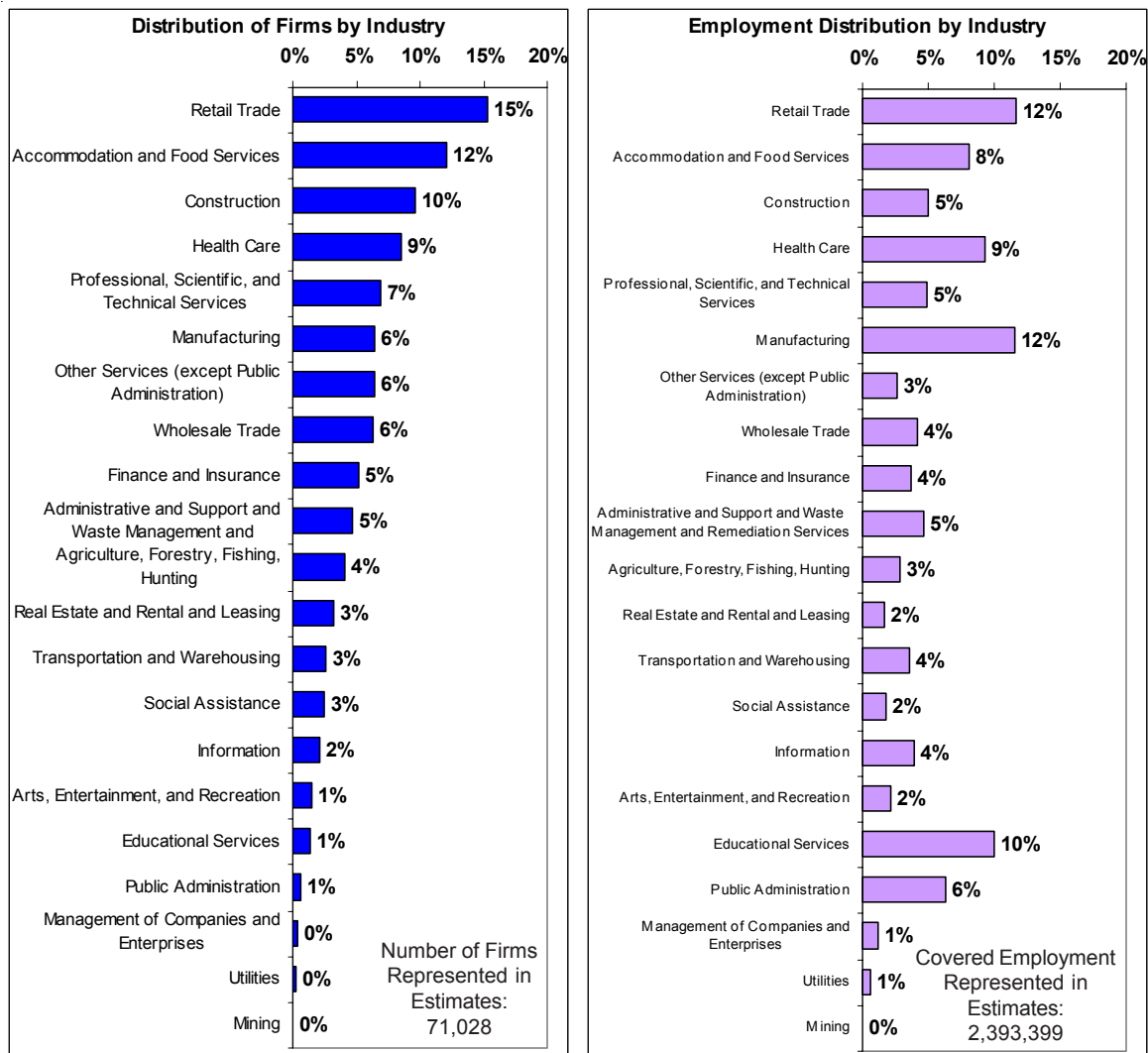
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*Industry – A Cross-Section of Washington’s Economy*

In terms of employers, Washington’s leading industries are retail trade (15 percent of all firms), accommodation and food services (12 percent), construction (10 percent), and health care (9 percent).

- From an employment base perspective, the workforce is concentrated in retail trade (12 percent of the covered workforce), manufacturing (12 percent), and educational services (10 percent).
- The preponderance of especially large employers in some industries creates big differences between relative shares of firms and workforce. Overt differentials are found in manufacturing, education, and public administration.

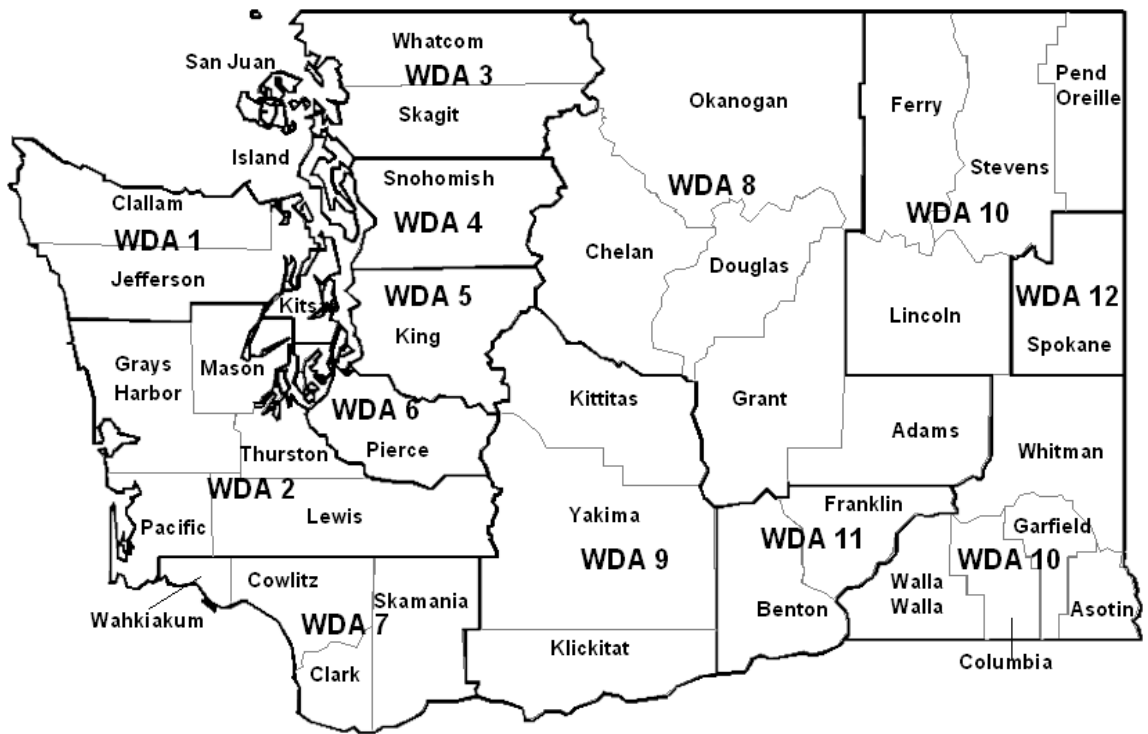
Figure 3. Distribution of Firms and Employment by Industry  
 Washington State, Quarter 2, 2002



*Regions – Washington’s Workforce Development Areas*

- Seattle-King County dominates both the realms of employer base (37 percent of all firms) and job base (42 percent of all jobs).
- The vastly rural Eastern Washington Partnership, with territory from the international border in the north, Idaho to the east, and Oregon to the south, makes up the state’s smallest employer and workforce bases (3 percent and 2 percent, respectively).

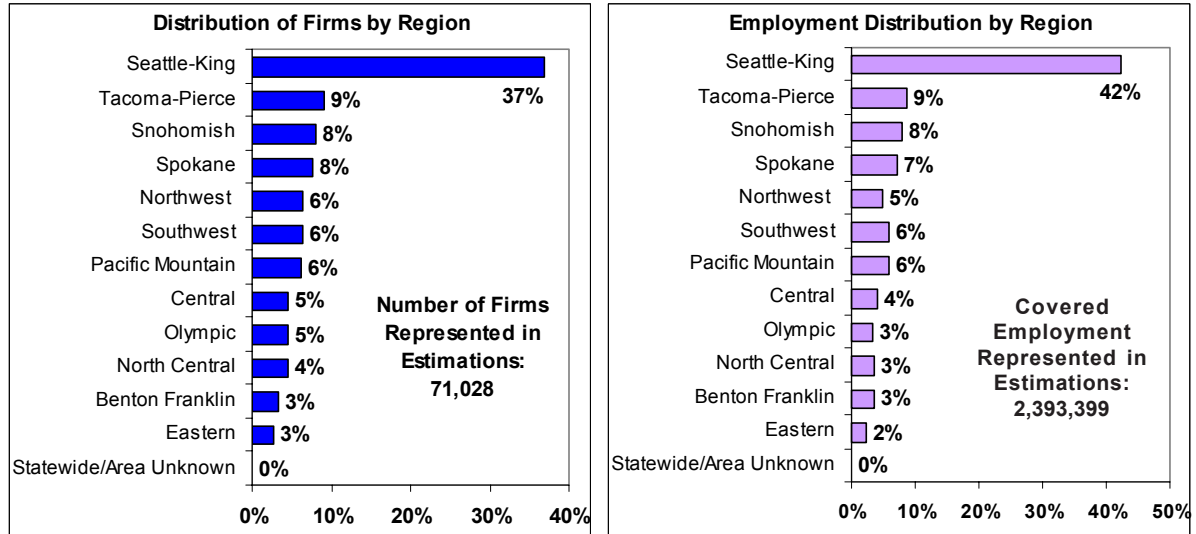
**Workforce Development Areas and their Counties**



- |                             |  |
|-----------------------------|--|
| WDA 01 Olympic Consortium   | WDA 07 Southwest Washington                    |
| WDA 02 Pacific Mountain     | WDA 08 North Central Washington/Columbia Basin |
| WDA 03 Northwest Washington | WDA 09 Tri-County                              |
| WDA 04 Snohomish County     | WDA 10 Eastern Washington Partnership          |
| WDA 05 Seattle-King County  | WDA 11 Benton-Franklin                         |
| WDA 06 Tacoma-Pierce County | WDA 12 Spokane                                 |

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Figure 4. Distribution of Firms and Employment by Region  
 Washington State, Quarter 2, 2002





## Summary of Major Benefit Offerings

### *Health Insurance*

#### **Health Insurance – Employee Coverage**

- Statewide, 76 percent of firms offer health insurance to full-time employees, while 26 percent of firms cover part-time employees (**figure 5**). The significantly lower share of firms that offer health care benefits to part-time workers is reflected across all regions, industries, and employer size classes.
- Size of firm is a significant factor in the availability of health insurance to workers: 97 percent of very large firms (100 or more employees) offer insurance to full-time workers. Seventy-two percent of very small firms (4 to 19 employees) offer the same (**figure 6**).
- By region, the share of firms providing health insurance to full-time workers ranges from a high of 85 percent in Seattle-King County to a low of 56 percent in the North Central area (Okanogan, Chelan, Douglas, Grant, and Adams counties) (**figure 7**).
- All enterprise management employers offered health insurances to their full-time workforce (**figure 8**). Finance and insurance (99 percent) and public administration (98 percent) followed close behind. At 37 percent, firms engaged in agriculture, forestry, and fishing have the lowest share offering health insurance to full-time workers, closely followed by accommodation and food service (40 percent).
- **Figure 8**, which includes data on average annual wages, seems to indicate some loose relationship between wages and the provision of health insurance, in that more firms in industries with higher wages offer health coverage. The correlation coefficient for wages and health care coverage is .65, meaning there is some positive association between wages and health coverage. This relationship may be driven, in turn, by a correlation between firm size and wages.

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Figure 5. Percent of Firms Offering Health Insurance to Employees  
 Washington State, 2003

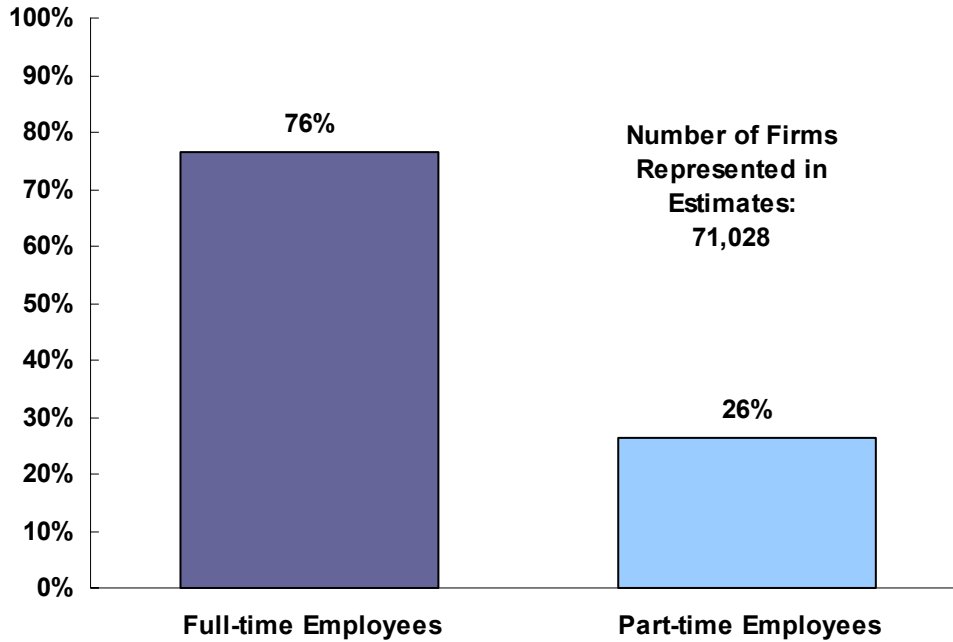


Figure 6. Percent of Firms Offering Health Insurance by Employer Size Class  
 Washington State, 2003

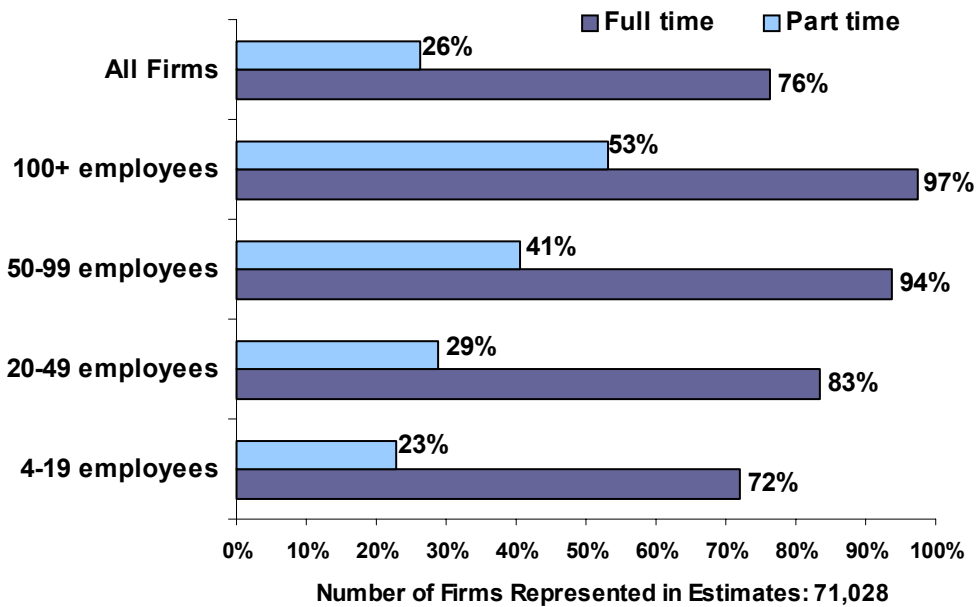


Figure 7. Percent of Firms Offering Health Insurance by Workforce Development Area  
Washington State, 2003

<b>Workforce Development Area</b>	<b>Total Number of Firms</b>	<b>Percent of Firms Offering Health Insurance to Full-time Employees</b>	<b>Percent of Firms Offering Health Insurance to Part-time Employees</b>
Seattle-King	26,212	85%	29%
Southwest	4,494	77%	28%
Snohomish	5,660	77%	27%
Tacoma-Pierce	6,435	76%	27%
Spokane	5,357	75%	29%
Pacific Mountain	4,369	72%	23%
Northwest	4,610	71%	27%
Olympic	3,213	69%	26%
Eastern	1,864	67%	25%
Benton Franklin	2,387	64%	24%
Central	3,221	59%	17%
North Central	3,191	56%	16%
<b>Statewide</b>	<b>71,028</b>	<b>76%</b>	<b>26%</b>

*Source: Washington Employment Security Department, Labor Market and Economic Analysis Branch. Employee Benefits Survey, October 2003.*

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Figure 8. Percent of Firms Offering Health Insurance by Industry  
 Washington State, 2003

Industry	Total Number of Firms	Percent of Firms Offering Health Insurance to Full-time Employees	Percent of Firms Offering Health Insurance to Part-time Employees	2002 Avg. Annual Wages
Management of Companies and Enterprises	296	100%	45%	\$67,674
Finance and Insurance	3,655	99%	63%	\$53,898
Public Administration	404	98%	76%	\$45,128
Utilities	178	94%	48%	n/a
Wholesale Trade	4,438	93%	20%	\$47,689
Professional, Scientific, and Technical Services	4,904	92%	32%	\$54,414
Health Care	6,059	91%	40%	\$35,462
Information	1,487	91%	45%	\$98,572
Mining	25	90%	0%	n/a
Transportation and Warehousing	1,816	88%	28%	\$41,187
Manufacturing	4,540	87%	23%	\$51,287
Educational Services	1,005	84%	60%	\$32,695
Other Services (except Public Administration)	4,533	80%	23%	\$19,841
Real Estate and Rental and Leasing	2,253	79%	21%	\$28,974
Social Assistance	1,789	78%	39%	\$22,754
Construction	6,828	76%	19%	\$39,479
Retail Trade	10,858	74%	24%	\$25,444
Arts, Entertainment, and Recreation	1,058	71%	26%	\$23,213
Administrative and Support and Waste Management and Remediation Services	3,365	69%	19%	\$30,963
Accommodation and Food Services	8,618	40%	10%	\$13,971
Agriculture, Forestry, Fishing, Hunting	2,919	37%	7%	\$19,954
<b>All Industries</b>	<b>71,028</b>	<b>76%</b>	<b>26%</b>	<b>\$38,249</b>

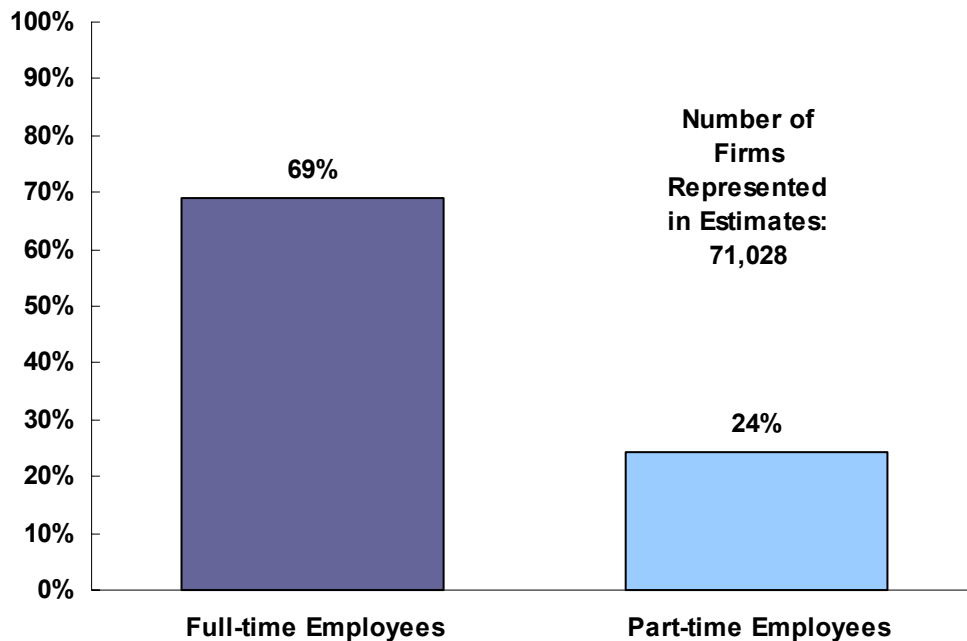
*Note: Industries are categorized according to the North American Industry Classification System (NAICS). A reference table of industry group definitions is located at the end of this report.*

*Source: Washington Employment Security Department, Labor Market and Economic Analysis Branch. Employee Benefits Survey, October 2003.*

### Health Insurance – Dependent Coverage

- Overall, 69 percent of firms offer health insurance coverage to dependents of full-time workers, compared to 24 percent for families of part-time workers (**figure 9**).
- As with health insurance for the employee, dependent coverage availability appears to be directly defined by firm size. Ninety-five percent of large firms, those with 100 or more employees, offer dependent coverage to full-time workers. The rate is only 63 percent for small firms (**figure 10**).
- The availability of health coverage to dependents of full-time workers is highest among firms engaged in enterprise management (100 percent), public administration (98 percent), and finance and insurance (98 percent). Mining and utilities also rank high. With the exception of finance and insurance, however, these are relatively small industries in terms of employment (**figure 11**).
- By region, the range of firms offering health insurance for dependents of full-time workers ranges from a high of 77 percent in Seattle-King County to a low of 48 percent in North Central Washington (Okanogan, Chelan, Douglas, Grant, and Adams counties) (**figure 12**).

Figure 9. Percent of Firms Offering Health Insurance to Dependents of Employees  
Washington State, 2003



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Figure 10. Percent of Firms Offering Health Insurance for Dependents by Employer Size Class, Washington State, 2003

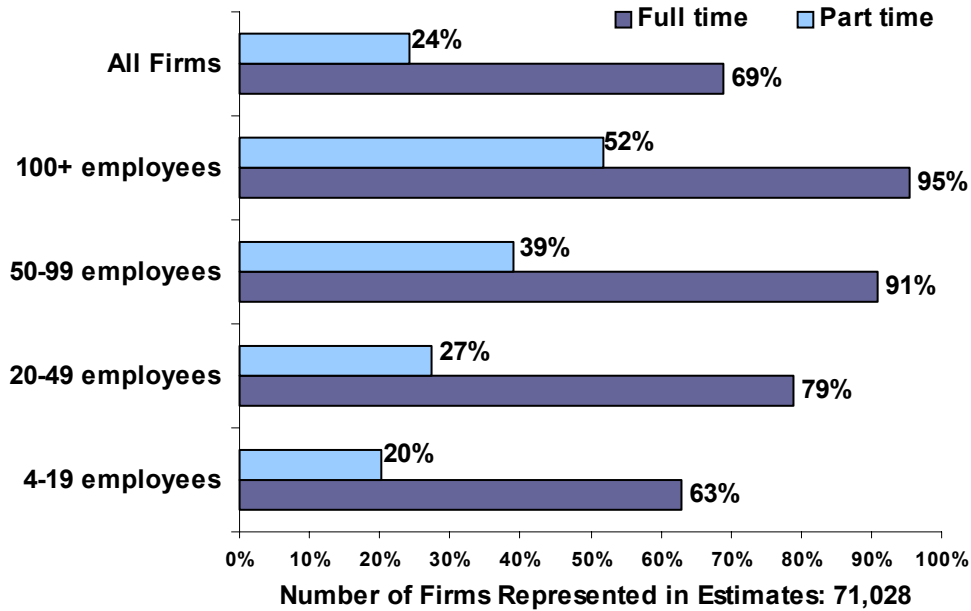


Figure 11. Percent of Firms Offering Health Insurance to Dependents of Employees Washington State, 2003

Industry	Total Number of Firms	Percent of Firms Offering Health Insurance to Dependents of Full-time Employees	Percent of Firms Offering Health Insurance to Dependents of Part-time Employees
Management of Companies and Enterprises	296	100%	48%
Public Administration	404	98%	40%
Finance and Insurance	3,655	98%	63%
Utilities	178	96%	45%
Mining	25	90%	0%
Wholesale Trade	4,438	89%	20%
Information	1,487	86%	45%
Professional, Scientific, and Technical Services	4,904	85%	32%
Manufacturing	4,540	81%	21%
Health Care	6,059	78%	36%
Transportation and Warehousing	1,816	77%	24%
Educational Services	1,005	75%	54%
Real Estate and Rental and Leasing	2,253	72%	19%
Construction	6,828	70%	15%
Other Services (except Public Administration)	4,533	70%	22%
Social Assistance	1,789	68%	37%
Retail Trade	10,858	66%	23%
Administrative and Support and Waste Management and Remediation Services	3,365	63%	18%
Arts, Entertainment, and Recreation	1,058	51%	12%
Agriculture, Forestry, Fishing, Hunting	2,919	34%	8%
Accommodation and Food Services	8,618	32%	8%
<b>Overall/All Industries</b>	<b>71,028</b>	<b>69%</b>	<b>24%</b>

Source: Washington Employment Security Department, Labor Market and Economic Analysis Branch. Employee Benefits Survey, October 2003.

Figure 12. Availability of Health Insurance for Dependents by Workforce Development Area  
Washington State, 2003

<b>Workforce Development Area</b>	<b>Number of Firms</b>	<b>Percent of Firms Offering Health Insurance to Dependents of Full-time Employees</b>	<b>Percent of Firms Offering Health Insurance to Dependents of Part-time Employees</b>
Seattle-King	26,212	77%	27%
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Olympic	3,213	61%	23%
Central	3,221	55%	17%
North Central	3,191	48%	12%
<b>Statewide</b>	<b>71,028</b>	<b>69%</b>	<b>24%</b>

*Source: Washington Employment Security Department, Labor Market and Economic Analysis Branch. Employee Benefits Survey, October 2003.*

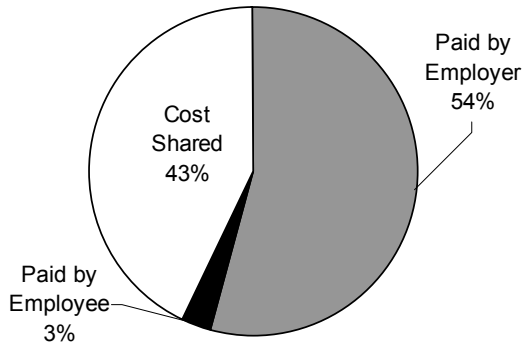
**Payment for Health Insurance Plans**

- The five charts contained in **figure 13** show that full-time employees are most likely to have health insurance for themselves paid by the employer. Other plans and coverage are more likely to be paid by the employee. For example, just 3 percent of firms offer health insurance that is full paid by full-time employees, while 18 percent of employers offer employee paid insurance to part-time workers.
- For both full- and part-time employees, 34 percent of firms shared the costs of dependent health insurance plans with their workers (**figure 13**).
- Sixty-three percent of firms that provide health insurance for retirees require the retiree to cover all costs, while 29 percent of firms share costs with retirees (**figure 13**).
- Employer coverage of the costs associated with health insurance varies by industry. As shown in **figure 14**, costs for full-time employees were most frequently covered by utilities and construction firms (69 percent and 68 percent, respectively), while educational services and accommodation and food service firms more frequently shared costs with employees (55 percent and 66 percent, respectively).

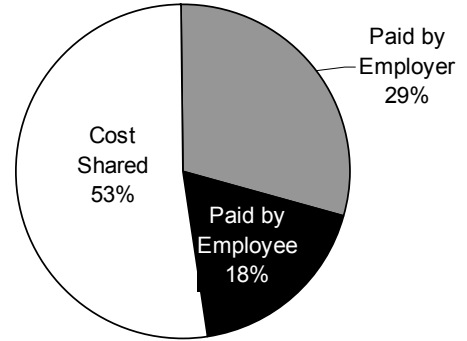


Figure 13. Coverage of Health Insurance Costs (employees, dependents, and retirees)  
 Washington State, 2003

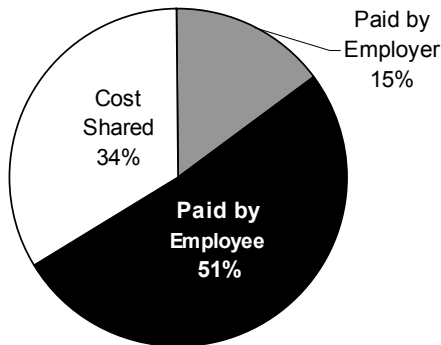
Health Insurance - **Employee** Coverage  
**Full-time** employees



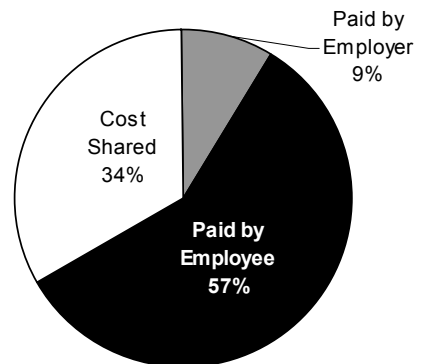
Health Insurance - **Employee** Coverage  
**Part-time** employees



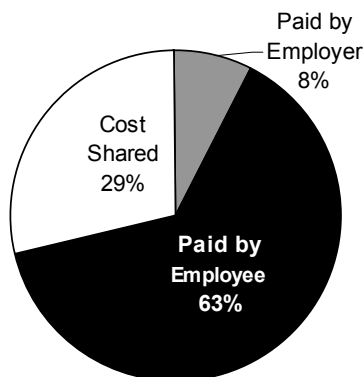
Health Insurance - **Dependent** Coverage  
**Full-time** employees



Health Insurance - **Dependent** Coverage  
**Part-time** employees



Health Insurance - **Retiree** Coverage



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Figure 14. Distribution of Firms According to Who Pays for Health Insurance  
 Washington State, 2003

Industry	Health Insurance - Full-time Employee Coverage		
	Paid by Employer	Paid by Employee	Cost Shared
Utilities	69%	3%	28%
Construction	68%	3%	29%
Transportation and Warehousing	66%	0%	33%
Professional, Scientific, and Technical Services	66%	1%	33%
Health Care	62%	2%	36%
Finance and Insurance	59%	1%	40%
Information	59%	1%	40%
Arts, Entertainment, and Recreation	58%	6%	36%
Other Services (except Public Administration)	57%	5%	38%
Real Estate and Rental and Leasing	57%	4%	39%
Management of Companies and Enterprises	55%	0%	45%
Public Administration	53%	0%	47%
Manufacturing	51%	1%	48%
Mining	51%	0%	49%
Wholesale Trade	51%	0%	49%
Retail Trade	46%	3%	51%
Social Assistance	45%	4%	51%
Administrative and Support and Waste Management and Remediation Services	45%	4%	51%
Agriculture, Forestry, Fishing, Hunting	45%	13%	42%
Educational Services	38%	7%	55%
Accommodation and Food Services	28%	6%	66%
<b>All Industries</b>	<b>54%</b>	<b>3%</b>	<b>43%</b>

Source: Washington Employment Security Department, Labor Market and Economic Analysis Branch. Employee Benefits Survey, October 2003.

### Leading Reasons for Not Offering Health Insurance

The *Employee Benefits Survey* asked employers to respond to the question, “What is the main reason your firm doesn’t offer health insurance to some employees, dependents, or retirees?” Respondents could choose the leading reason from six possible answers:

- It’s too expensive
  - It’s too complicated
  - Administrative costs/time
  - Competitors don’t offer it
  - Don’t know enough about health insurance to offer it
  - Don’t know why
- 
- Expense was the leading reason firms don’t offer health insurance to employees. Seventy-three percent of firms that don’t offer health insurance to at least some employees said that it’s too expensive (**figure 15**).
  - Industry standards also matter. Eight percent of firms said they don’t offer insurance because their competitors don’t (**figure 15**).
  - Worth noting is the 11 percent of firms that said they don’t know why they don’t offer health insurance to employees. These estimates are based on responses given by a sample of employers, typically staff in human resources departments. It’s likely that the lack of information possessed by the individuals responding to the survey on behalf of firms drove many of the responses in the “don’t know” category (**figure 15**).
  - When evaluated by size category (**figure 16**), larger firms less frequently cited expense as the main reason for not providing health insurance than smaller organizations. For example, 62 percent of firms with 100 or more employees said it was too expensive, while 75 percent of firms with 4 to 19 employees cited expense.

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Figure 15. Leading Reasons for Not Offering Health Insurance  
 Washington State, 2003

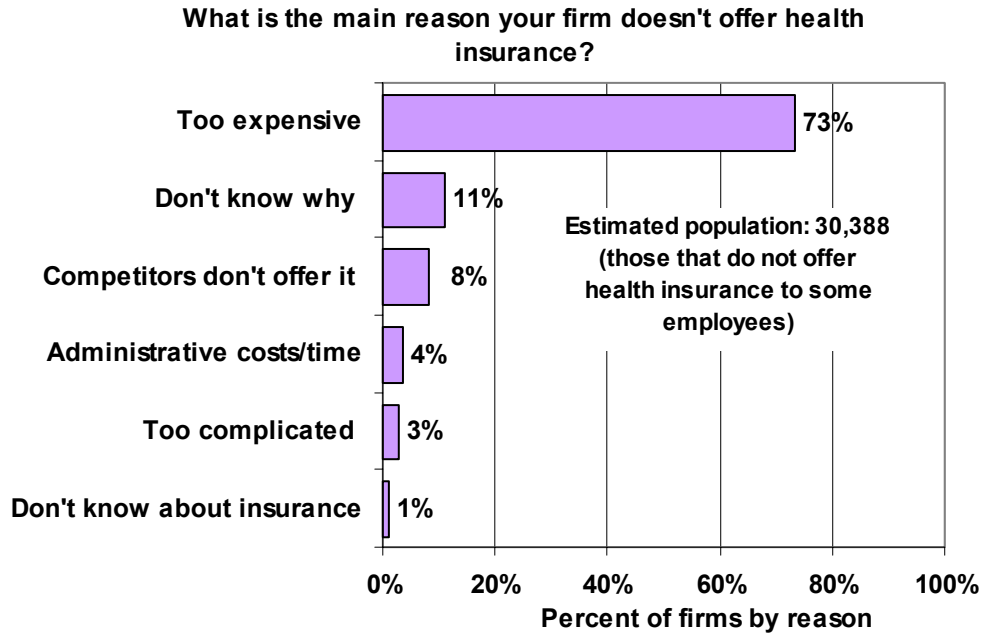


Figure 16. Leading Reasons for Not Offering Health Insurance  
 Washington State, 2003

Reason for Not Offering Health Coverage to Employees	4-19 employees	20-49 employees	50-99 employees	100+ employees	All Firms
Too expensive	75%	69%	64%	62%	73%
Too complicated	3%	2%	4%	2%	3%
Administrative costs/time	3%	4%	5%	8%	4%
Competitors don't offer it	8%	9%	11%	7%	8%
Don't know enough about health insurance	1%	1%	2%	0%	1%
Don't know why	10%	14%	15%	20%	11%
Estimated Firms Represented by Reason Response	22,919	5,243	1,318	909	30,388
<b>Total Firms in Size Group</b>	<b>51,150</b>	<b>12,277</b>	<b>4,094</b>	<b>3,507</b>	<b>71,028</b>

Source: Washington Employment Security Department, Labor Market and Economic Analysis Branch. Employee Benefits Survey, October 2003.

### *Retirement Plans*

Firms were asked about their provision of two general categories of retirement plans: defined contribution and defined benefit. Defined contribution plans, the broader of the two categories, encompass a variety of plans each involving individual accounts for each employee. Those plans include target-benefit and money-purchase pensions, profit sharing, 401(k) plans, and stock bonus plans. Defined benefit plans, a narrower group, typically include plans where a given benefit is guaranteed to employees at retirement age and plan actuaries determine contributions. Those plans include defined benefit pensions and cash balance pension plans. Worth noting, the two plan categories are not mutually exclusive—firms can, and do, offer both.

- Fifty-two percent of firms statewide offer retirement plans to full-time workers, while 25 percent of firms employing part-time workers support retirement plans (**figure 17**).
- Defined contribution plans were the most popular, with 40 percent of firms offering them to full-time workers and 19 percent to part-time workers (**figure 18**).
- As was observed for health insurance, firm size is a distinguishing characteristic when it comes to the availability of retirement plans in an employee's benefit package (**figure 19**). While 86 percent of large firms (100 or more employees) offer this benefit to their full-time employees, just 46 percent of very small firms (4 to 19 employees) do.
- The availability of retirement plans among industries is similar to that of health insurance, in that the most industries toward the top are the same, although in slightly varied order (**figure 20**). Defined benefit plans are overwhelmingly popular in public administration and utilities (and somewhat in education), while defined contribution plans are more commonly offered across other industries.
- By region, the share of firms offering retirement plans to full-time workers varies only somewhat from what was observed with regards to health insurance (**figure 21**). The Seattle-King County area is at the top, with 59 percent of firms offering retirement plans, with North Central Washington (Adams, Chelan, Douglas, Grant, and Okanogan counties) rounding out the list at 37 percent.

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Figure 17. Percent of Firms Offering Retirement Plans  
Washington State, 2003

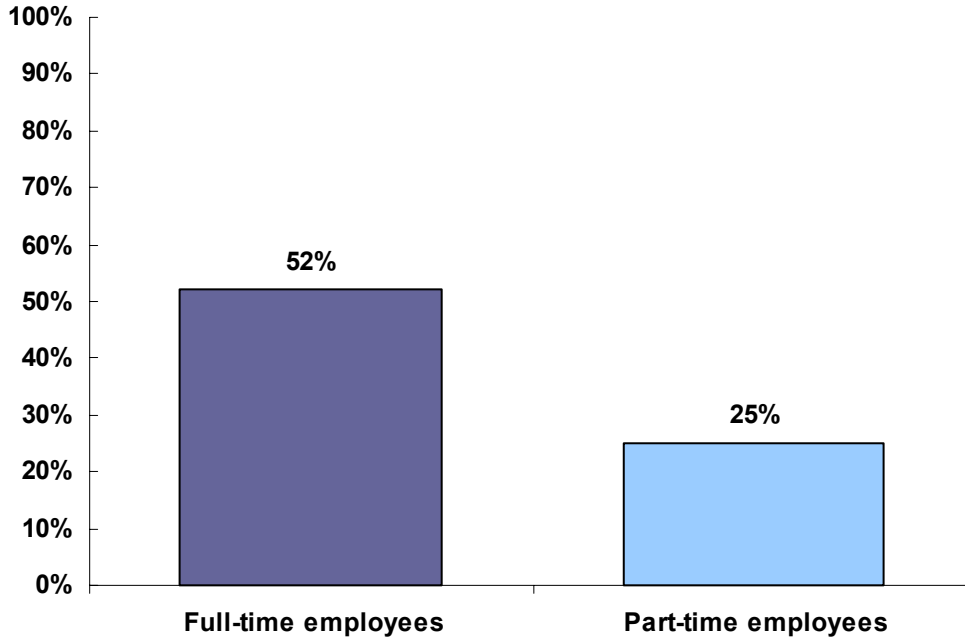


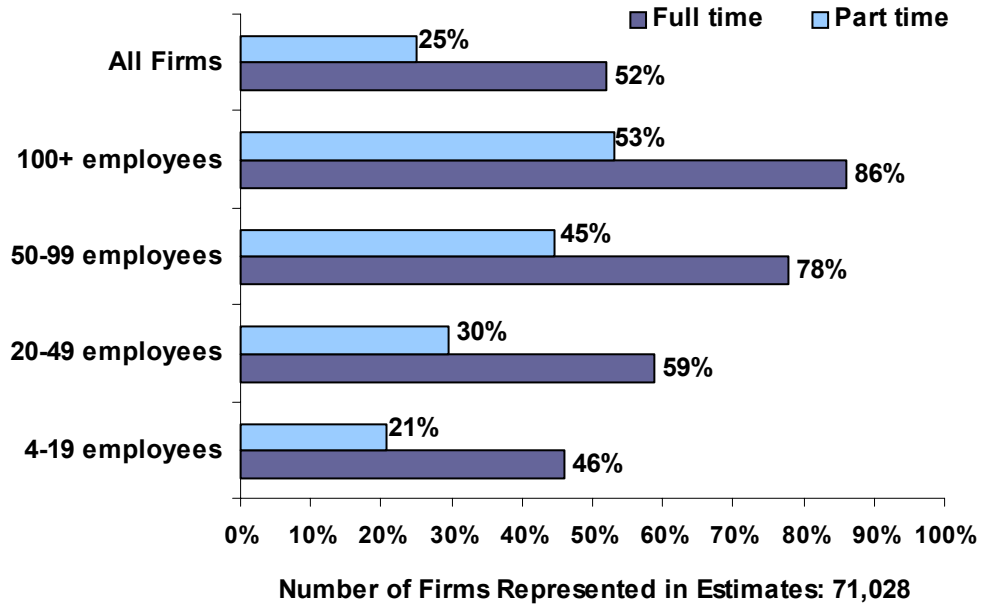
Figure 18. Percent of Firms Offering Retirement Plans by Plan Type  
Washington State, 2003

<b>Full-time employees</b>	Percent of Firms
Defined Contribution Plans	40%
Defined Benefit Plans	14%
Other Retirement Plans	8%
<b>None Offered</b>	<b>48%</b>
<b>Part-time employees</b>	
Defined Contribution Plans	19%
Defined Benefit Plans	7%
Other Retirement Plans	4%
<b>None Offered</b>	<b>75%</b>

*Note: Defined contribution, defined benefit, and other retirement plans are not mutually exclusive (i.e., include duplicate firms)*

*Source: Washington Employment Security Department, Labor Market and Economic Analysis Branch. Employee Benefits Survey, October 2003.*

Figure 19. Percent of Firms Offering Any Type of Retirement Plan by Size Class  
Washington State, 2003



Source: Washington Employment Security Department, Labor Market and Economic Analysis Branch.  
Employee Benefits Survey, October 2003.

Figure 20. Percent of Firms Offering Retirement Plan by Industry  
Washington State, 2003

Industry	Retirement Plan Offered		Defined Contribution Plans		Defined Benefit Plans		Other Retirement Plans	
	Full-time employees	Part-time employees	Full-time employees	Part-time employees	Full-time employees	Part-time employees	Full-time employees	Part-time employees
Public Administration	97%	27%	85%	25%	62%	14%	4%	0%
Utilities	94%	73%	68%	67%	68%	63%	33%	35%
Mining	90%	n/a	90%	n/a	8%	n/a	0%	n/a
Finance and Insurance	86%	70%	72%	58%	29%	26%	9%	6%
Health Care	77%	46%	58%	33%	20%	13%	13%	9%
Management of Companies and Enterprises	76%	57%	74%	57%	19%	5%	4%	4%
Professional, Scientific, and Technical Services	73%	37%	57%	29%	15%	5%	12%	7%
Educational Services	73%	58%	62%	49%	38%	37%	7%	6%
Wholesale Trade	68%	23%	47%	18%	21%	6%	11%	3%
Information	68%	35%	42%	23%	30%	17%	11%	5%
Transportation and Warehousing	66%	19%	51%	12%	17%	10%	9%	4%
Manufacturing	55%	20%	40%	14%	15%	5%	9%	4%
Other Services (except Public Administration)	53%	22%	42%	17%	12%	5%	8%	3%
Real Estate and Rental and Leasing	51%	16%	38%	12%	5%	3%	12%	3%
Social Assistance	49%	30%	37%	23%	14%	9%	7%	4%
Construction	46%	16%	36%	12%	11%	4%	7%	2%
Retail Trade	44%	20%	33%	13%	11%	5%	9%	5%
Admin. & Support & Waste Mgmt. & Remediation Svcs.	42%	19%	34%	12%	8%	9%	8%	4%
Arts, Entertainment, and Recreation	36%	17%	21%	8%	20%	9%	3%	1%
Accommodation and Food Services	18%	9%	15%	8%	3%	1%	2%	1%
Agriculture, Forestry, Fishing, Hunting	13%	4%	10%	3%	2%	1%	2%	0%
<b>All Industries</b>	<b>52%</b>	<b>25%</b>	<b>40%</b>	<b>19%</b>	<b>14%</b>	<b>7%</b>	<b>8%</b>	<b>4%</b>

Source: Washington Employment Security Department, Labor Market and Economic Analysis Branch. Employee Benefits Survey, October 2003.

Note: Defined contribution, defined benefit, and other retirement plans are not mutually exclusive (i.e., include duplicate firms)



Figure 21. Percent of Firms Offering Retirement Plan by Workforce Development Area  
Washington State, 2003

Workforce Development Area	Retirement Plan Offered		Defined Contribution Plans		Defined Benefit Plans		Other Retirement Plans	
	Full-time employees	Part-time employees	Full-time employees	Part-time employees	Full-time employees	Part-time employees	Full-time employees	Part-time employees
Seattle-King	59%	29%	45%	22%	15%	7%	10%	5%
Tacoma-Pierce	55%	21%	40%	15%	15%	6%	9%	3%
Eastern	55%	29%	41%	20%	18%	11%	10%	5%
Southwest	52%	26%	42%	21%	14%	8%	6%	3%
Spokane	50%	22%	39%	19%	13%	8%	8%	2%
Snohomish	49%	25%	37%	19%	13%	10%	7%	3%
Olympic	48%	29%	34%	21%	15%	9%	8%	6%
Pacific Mountain	47%	25%	35%	18%	13%	7%	9%	6%
Northwest	44%	23%	36%	16%	12%	8%	4%	3%
Central	42%	16%	36%	13%	10%	5%	5%	2%
Benton Franklin	39%	23%	31%	18%	9%	7%	6%	3%
North Central	37%	13%	28%	11%	14%	5%	4%	1%
<b>Statewide</b>	<b>52%</b>	<b>25%</b>	<b>40%</b>	<b>19%</b>	<b>14%</b>	<b>7%</b>	<b>8%</b>	<b>4%</b>

Source: Washington Employment Security Department, Labor Market and Economic Analysis Branch. Employee Benefits Survey, October 2003.

Note: Defined contribution, defined benefit, and other retirement plans are not mutually exclusive (i.e., include duplicate firms)

*Paid Leave*

- With 82 percent of firms offering paid vacation to full-time workers, it is the most common benefit type (**figure 22**). Paid holidays are the third most commonly offered benefit—75 percent of firms offer them, compared to 76 percent for health insurance. Paid sick leave ranks much lower, with just 57 percent of firms offering it as a component of a benefits package for full-time workers.
- As with all benefits, far fewer firms offer paid leave to their part-time workers than to full-timers. Paid vacation and holidays were offered to part-timer employees by about the same share of firms—36 percent and 35 percent, respectively.
- Once again, firm size matters when it comes to the provision of paid leave to full-time workers—both vacation and sick leave are offered by nearly all very large firms (96 percent and 95 percent, respectively) (**figure 23**). However, paid vacation and holidays can be relatively inexpensive to offer, so the difference among smaller and larger firms in their provision is less dramatic than was seen with health care.
- The industries least likely to provide paid leave are agriculture, forestry, fishing, and hunting; accommodation and food services; and construction (**figure 24**).
- Regional provision of paid leave probably has more to do with the concentration of certain industries and average firm size than the particulars of the location itself (**figure 25**).

Figure 22. Percent of Firms Offering Paid Leave  
 Washington State, 2003

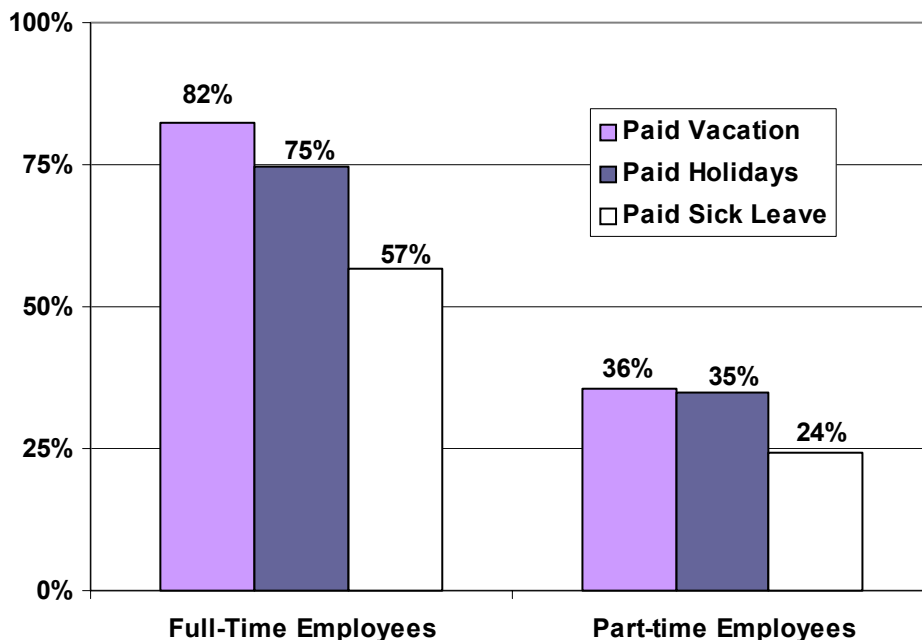
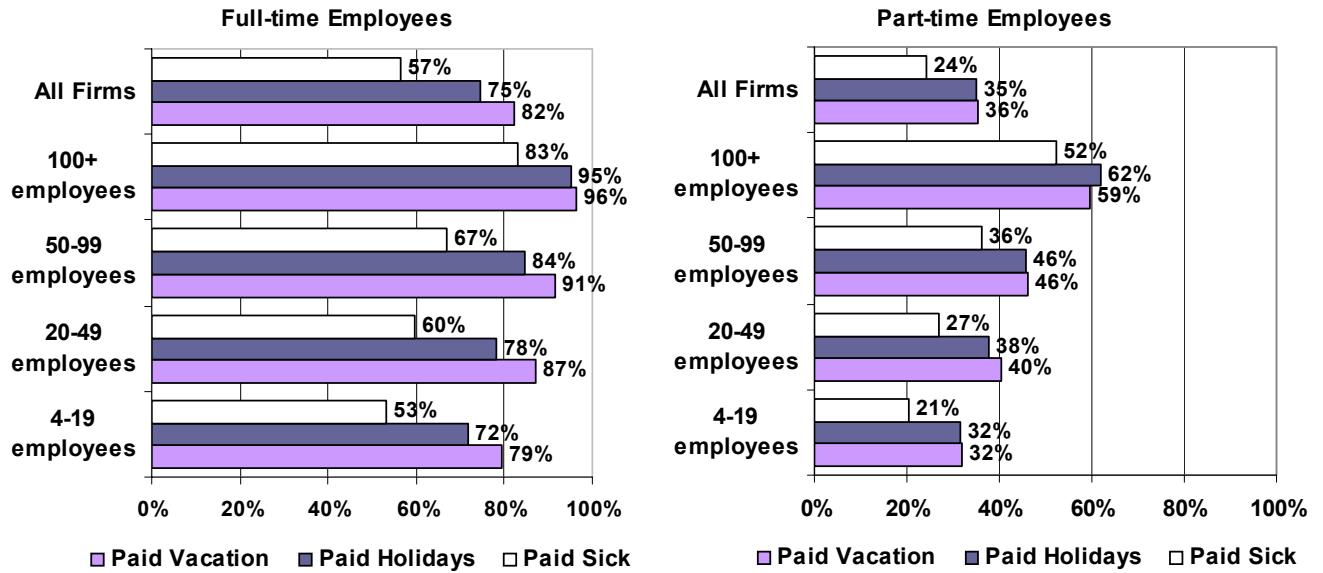


Figure 23. Percent of Firms Offering Paid Leave by Size Class  
Washington State, 2003



Source: Washington Employment Security Department, Labor Market and Economic Analysis Branch. Employee Benefits Survey, October 2003.

Figure 24. Percent of Firms Offering Paid Leave by Industry  
Washington State, 2003

Industry	Paid Vacation		Paid Holidays		Paid Sick Leave	
	Full-time Employees	Part-time Employees	Full-time Employees	Part-time Employees	Full-time Employees	Part-time Employees
Management of Companies and Enterprises	100%	57%	100%	62%	97%	56%
Public Administration	100%	70%	98%	75%	98%	77%
Utilities	100%	41%	95%	36%	99%	39%
Finance and Insurance	100%	68%	100%	62%	95%	61%
Health Care	97%	62%	92%	58%	82%	52%
Professional, Scientific, and Technical Services	97%	48%	92%	47%	84%	41%
Information	96%	50%	93%	52%	90%	45%
Wholesale Trade	95%	26%	94%	35%	75%	21%
Manufacturing	92%	32%	90%	39%	48%	17%
Real Estate and Rental and Leasing	91%	33%	86%	34%	74%	28%
Other Services (except Public Administration)	90%	35%	83%	40%	49%	18%
Social Assistance	89%	57%	87%	60%	77%	52%
Mining	88%	n/a	100%	n/a	60%	n/a
Retail Trade	87%	37%	74%	36%	53%	19%
Transportation and Warehousing	82%	20%	81%	28%	56%	11%
Educational Services	81%	47%	86%	51%	90%	62%
Arts, Entertainment, and Recreation	78%	25%	69%	26%	55%	24%
Administrative & Support & Waste Management & Remediation Services	75%	32%	72%	33%	44%	16%
Construction	68%	19%	62%	19%	32%	7%
Accommodation and Food Services	52%	17%	28%	9%	22%	3%
Agriculture, Forestry, Fishing, Hunting	43%	9%	35%	7%	20%	2%
<b>All Industries</b>	<b>82%</b>	<b>36%</b>	<b>75%</b>	<b>35%</b>	<b>57%</b>	<b>24%</b>

Source: Washington Employment Security Department, Labor Market and Economic Analysis Branch. Employee Benefits Survey, October 2003.

Figure 25. Percent of Firms Offering Paid Leave by Workforce Development Area  
Washington State, 2003

Workforce Development Area	Paid Vacation		Paid Holidays		Paid Sick Leave	
	Full-time Employees	Part-time Employees	Full-time Employees	Part-time Employees	Full-time Employees	Part-time Employees
Seattle-King	88%	38%	84%	40%	67%	28%
Southwest	85%	42%	72%	38%	51%	24%
Spokane	84%	40%	77%	39%	58%	28%
Snohomish	81%	35%	71%	36%	53%	23%
Tacoma-Pierce	81%	33%	75%	29%	52%	19%
Pacific Mountain	80%	33%	65%	29%	46%	21%
Eastern	78%	34%	71%	32%	58%	28%
Olympic	78%	35%	69%	36%	49%	22%
Northwest	77%	35%	70%	37%	49%	23%
Central	71%	25%	63%	24%	40%	15%
North Central	68%	19%	56%	17%	43%	13%
Benton Franklin	68%	30%	63%	31%	49%	23%
<b>Statewide</b>	<b>82%</b>	<b>36%</b>	<b>75%</b>	<b>35%</b>	<b>57%</b>	<b>24%</b>

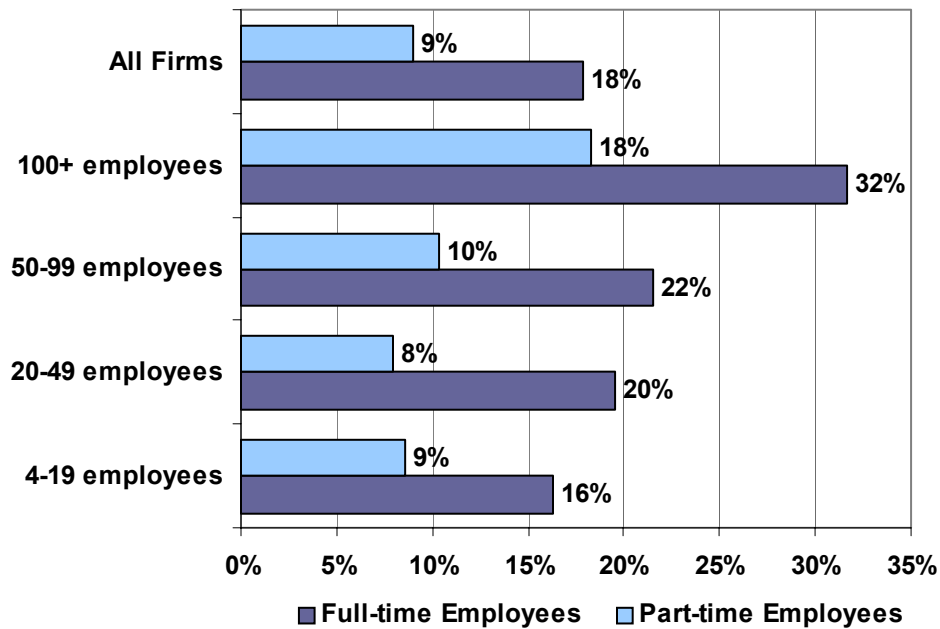
Source: Washington Employment Security Department, Labor Market and Economic Analysis Branch. Employee Benefits Survey, October 2003.

*Stock Options*

Employers were asked if they offer stock to employees as part of their benefits packages. Stock can include options, bonuses, ownership plans, and dividends. While the survey questionnaire inquired about stock offerings separately from retirement plans, the two were not explicitly divided. That is, some of the firms that provide stock may do so as a component of retirement plans, while others may not.

- Overall, 18 percent of firms offered some form of stock to full-time employees (9 percent to part-time workers) (**figure 26**).
- With all of the talk about tech stocks and software billionaires, one would imagine the information industry as a leader in offering stock to employees. However, half of finance and insurance firms offered stock to full-timers, while only 29 percent of information firms offered stock (**figure 27**).

Figure 26. Percent of Firms Offering Stock by Size Class  
 Washington State, 2003



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Figure 27. Percent of Firms Offering Stock by Industry  
Washington State, 2003

Industry	Stock Options	
	Full-time Employees	Part-time Employees
Finance and Insurance	50%	42%
Professional, Scientific, and Technical Services	30%	16%
Information	29%	14%
Wholesale Trade	28%	6%
Retail Trade	20%	11%
Manufacturing	18%	8%
Health Care	18%	11%
Construction	14%	6%
Real Estate and Rental and Leasing	13%	4%
Other Services (except Public Administration)	12%	8%
Arts, Entertainment, and Recreation	11%	8%
Administrative & Support & Waste Management & Remediation Services	11%	4%
Transportation and Warehousing	11%	6%
Accommodation and Food Services	8%	2%
Management of Companies and Enterprises	7%	5%
Educational Services	7%	1%
Social Assistance	6%	5%
Agriculture, Forestry, Fishing, Hunting	6%	0%
Utilities	6%	0%
Public Administration	2%	0%
Mining	0%	0%
<b>All Industries</b>	<b>18%</b>	<b>9%</b>

Source: Washington Employment Security Department, Labor Market and Economic Analysis Branch. Employee Benefits Survey, October 2003.

Figure 28. Percent of Firms Offering Stock by Workforce Development Area  
Washington State, 2003

Area	Stock Options	
	Full-time Employees	Part-time Employees
Seattle-King	22%	11%
Snohomish	18%	11%
Olympic	18%	13%
Tacoma-Pierce	17%	9%
Spokane	17%	7%
Benton Franklin	15%	5%
Eastern	14%	8%
Southwest	14%	7%
Northwest	13%	10%
North Central	13%	6%
Pacific Mountain	13%	7%
Central	12%	4%
<b>Statewide</b>	<b>18%</b>	<b>9%</b>

Source: Washington Employment Security Department, Labor Market and Economic Analysis Branch. Employee Benefits Survey, October 2003.

*Temporary and Seasonal Workers*

- Overall, the provision of benefits to seasonal and temporary workers is quite low. For example, five percent of firms offer health insurance to seasonal employees, and 3 percent to temporary workers (**figure 29**)
- Public administration employers outpaced all other industries in offering health insurance to seasonal (59 percent) and temporary (61 percent) workers (**figure 30**). Interestingly, many of the industries that ranked relatively high in providing health benefits to full-time workers, including health care, professional, scientific, and technical services, and information, are near the bottom of the list in offering the same to seasonal and temporary employees.
- Paid holidays are the most commonly offered benefit to seasonal and temporary employees (6 percent and 7 percent of firms, respectively) (**figure 31**). The provision of other paid leave (vacation and sick) to seasonal and temporary workers is minimal at two to three percent.

Figure 29. Percent of Firms Offering Health Insurance to Seasonal and Temporary Employees, Washington State, 2003

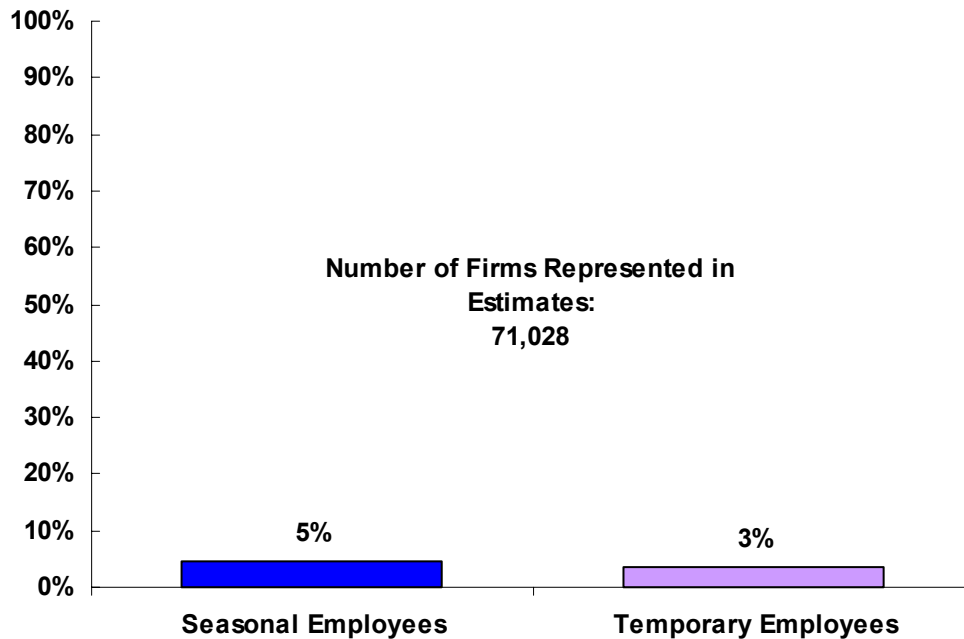
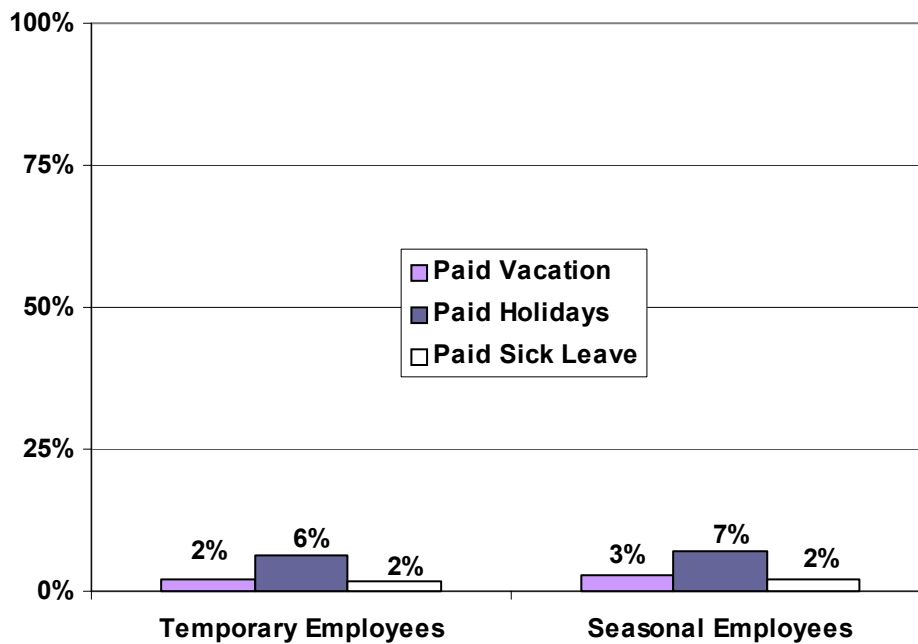




Figure 30. Percent of Firms Offering Health Insurance to Seasonal and Temporary Employees by Industry, Washington State, 2003

Industry	Seasonal Employees	Temporary Employees
Public Administration	59%	61%
Educational Services	19%	23%
Transportation and Warehousing	14%	2%
Agriculture, Forestry, Fishing, Hunting	8%	5%
Arts, Entertainment, and Recreation	8%	2%
Management of Companies and Enterprises	7%	0%
Wholesale Trade	7%	5%
Social Assistance	7%	5%
Construction	7%	3%
Manufacturing	4%	3%
Administrative & Support & Waste Management & Remediation Services	4%	4%
Finance and Insurance	4%	3%
Other Services (except Public Administration)	3%	4%
Retail Trade	3%	2%
Utilities	3%	1%
Real Estate and Rental and Leasing	3%	3%
Information	3%	6%
Professional, Scientific, and Technical Services	2%	3%
Health Care	1%	2%
Accommodation and Food Services	1%	1%
Mining	n/a	15%
<b>All Industries</b>	<b>5%</b>	<b>3%</b>

Figure 31. Percent of Firms Offering Paid Leave Seasonal and Temporary Employees by Industry, Washington State, 2003



## Response Rates, and Regional and Industry Definitions

### Sample Summary

Universe: Population of establishments covered by unemployment insurance tax law in Washington State employing an average of more than four employees during the second quarter of 2002. Excludes multi-masters (that is, headquarters of firms with multiple locations in a given region) and federal agencies.

Sample Summary	Number of establishments
<b>Population of establishments</b>	<b>72,676</b>
Original Sample Drawn	21,408
Number of firms in-sample (see reason codes, below)	20,482
<b>Contacted In-Sample</b>	<b>11,364</b>
<b>Not Contacted</b>	<b>9,118</b>

### Total In and Out of Sample, by Reason

Reason Code	Number of Establishments	In/out of Sample
Null - Did not respond	9,118	In
100 - Responded/questionnaire complete	6,405	In
200 - Responded/questionnaire incomplete	2,565	In
3 - Refusal	213	In
4 - Invalid location	556	Out
5 - Inactive/replaced unit	157	Out
6 - Non response	2,181	In
7 - Out of Business	213	Out

### Response Rate

Number of firms in-sample (see reason codes, above)	20,482
100 - Responded/questionnaire complete	6,405
200 - Responded/questionnaire incomplete	2,565
<b>Total Response</b>	<b>8,970</b>
<b>Response Rate</b>	<b>44%</b>

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**Response Rates by Workforce Development Area**

Workforce Development Area	Firms in Sample	Firm Response	Response Rate
Olympic	865	391	45%
Pacific Mountain	1,238	562	45%
Northwest	1,688	813	48%
Snohomish	1,648	700	42%
Seattle-King County	7,405	3,074	42%
Tacoma-Pierce County	1,781	746	42%
Southwest	1,310	614	47%
North Central	856	389	45%
Tri-County	903	398	44%
Eastern	570	296	52%
Benton and Franklin	654	284	43%
Spokane	1,518	688	45%
Balance of State	46	15	14%
<b>Statewide</b>	<b>20,482</b>	<b>8,970</b>	<b>44%</b>

**Response Rates by Industry**

Industry	Firms in Sample	Firm Response	Response Rate
Agriculture, Forestry, Fishing, Hunting	572	213	37%
Mining	18	7	39%
Utilities	56	27	48%
Construction	1,709	865	51%
Manufacturing	4,350	2,451	56%
Wholesale Trade	868	421	49%
Retail Trade	2,123	839	40%
Transportation and Warehousing	376	170	45%
Information	1,381	540	39%
Finance and Insurance	709	275	39%
Real Estate and Rental and Leasing	445	204	46%
Professional, Scientific, and Technical Services	957	487	51%
Management of Companies and Enterprises	87	34	39%
Administrative & Support & Waste Management & Remediation Services	660	237	36%
Educational Services	272	111	41%
Social Assistance	1,707	647	38%
Health Care	1,189	586	49%
Arts, Entertainment, and Recreation	242	68	28%
Accommodation and Food Services	1,689	381	23%
Other Services (except Public Administration)	889	306	34%
Public Administration	183	101	55%
<b>All Industries</b>	<b>20,482</b>	<b>8,970</b>	<b>44%</b>

**Response Rates by Firm Size Class**

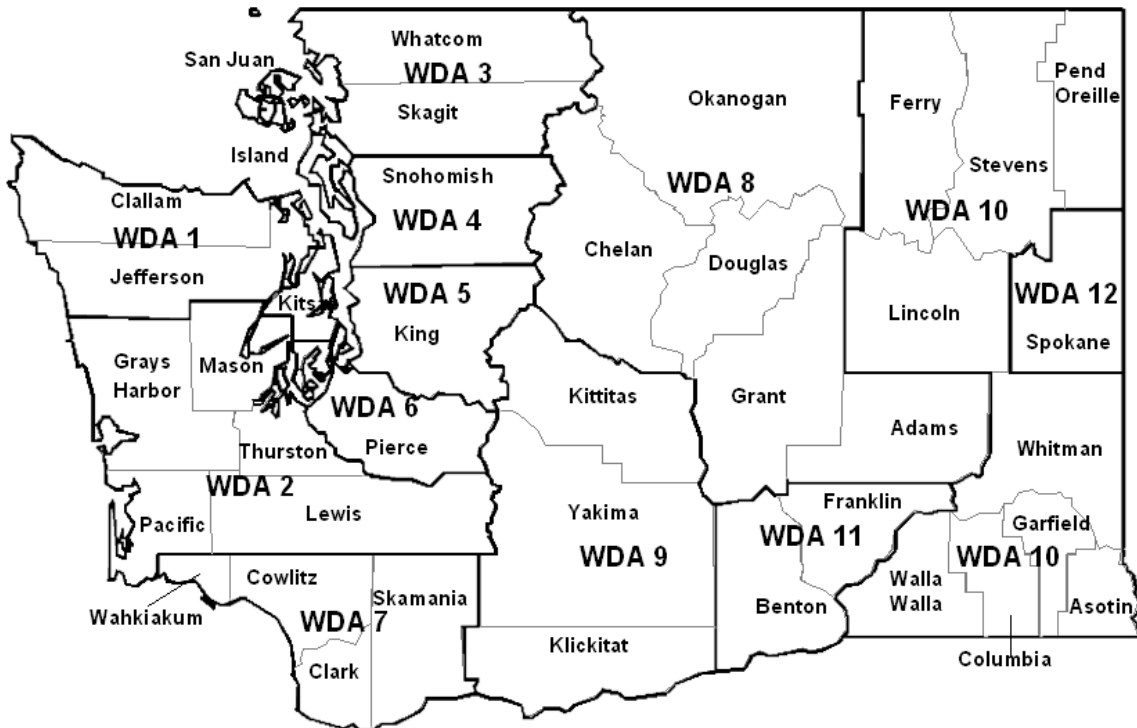
Size Class (number of employees)	Firms in Sample	Firm Response	Response Rate
4-19 employees	9,782	4,434	45%
20-49 employees	5,048	2,262	45%
50-99 employees	2,638	1,009	38%
100+ employees	3,014	1,265	42%
<b>Total</b>	<b>20,482</b>	<b>8,970</b>	<b>44%</b>

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*Workforce Development Areas*

Workforce Development Areas (WDA) were established under the Workforce Investment Act to provide workforce development services across the state's diverse regions. There are twelve WDAs in Washington, collectively representing all of the state's 39 counties.

**Workforce Development Areas and their Counties**



- |                             |  |
|-----------------------------|--|
| WDA 01 Olympic Consortium   | WDA 07 Southwest Washington                    |
| WDA 02 Pacific Mountain     | WDA 08 North Central Washington/Columbia Basin |
| WDA 03 Northwest Washington | WDA 09 Tri-County                              |
| WDA 04 Snohomish County     | WDA 10 Eastern Washington Partnership          |
| WDA 05 Seattle-King County  | WDA 11 Benton-Franklin                         |
| WDA 06 Tacoma-Pierce County | WDA 12 Spokane                                 |

### *Industry Group Definitions*

Washington's *Employee Benefits Survey* used a sample of firms representative of the industry composition of Washington employers. The North American Industry Classification System (NAICS) was used to define and group firms by common production features. Firms are classified by industry as part of the ongoing administration of the unemployment insurance tax program. Major NAICS codes are outlined below:

Industry	Definition
11 Agriculture, Forestry, Fishing, Hunting	Firms engaged in growing crops, raising animals, harvesting timber, harvesting fish and other animals from farms, ranches, or the animals' natural habitat.
21 Mining	Firms that extract naturally occurring mineral solids, liquid minerals, and gases.
22 Utilities	Firms engaged in generating, transmitting, and/or distributing electricity, gas, steam, and water, and removing sewage through a permanent infrastructure.
23 Construction	Firms engaged in erecting buildings and other structures; heavy construction other than buildings; and alterations, reconstruction, installation, and maintenance and repairs.
31-33 Manufacturing	Firms engaged in the mechanical, physical, or chemical transformation of material, substances, or components into new products.
41-43 Wholesale Trade	Firms engaged in selling or arranging for the purchase or sale of goods for resale; capital or durable nonconsumer goods; and raw and intermediate materials and supplies used in productions, and providing services incidental to the sale of the merchandise.
44-46 Retail Trade	Firms engaged in retailing merchandise generally in small quantities to the general public and providing services incidental to the sale of the merchandise.
48-49 Transportation and Warehousing	Firms that provide transportation of passengers and cargo, warehousing and storing goods, scenic and sightseeing transportation, and supporting these activities.
51 Information	Firms engaged in distributing information and cultural products, providing the means to transmit or distribute these products as data or communications, and processing data.
52 Finance and Insurance	Firms engaged in the creation, liquidation, or change in ownership of financial assets (financial transactions) and/or facilitating financial transactions.
53 Real Estate and Rental and Leasing	Firms engaging in renting, leasing, or otherwise allowing the use of tangible or intangible assets (except copyrighted works), and providing related services.
54 Professional, Scientific, and Technical Services	Firms specializing in performing professional, scientific, and technical services for the operations of other organizations.
55 Management of Companies and Enterprises	Firms who hold securities of companies and enterprises, for the purpose of owning controlling interest or influencing their management decision, or administering, overseeing, and managing other establishments of the same company or enterprise and normally undertaking the strategic or organizational planning and decision making of the company or enterprise.
56 Administrative and Support and Waste Management and Remediation Services	Firms performing routine support activities for the day-to-day operation of other organizations.
61 Educational Services	Firms providing instruction and training in a wide variety of subjects.
62 Health Care/Social Assistance	Firms providing health care and social assistance for individuals.
71 Arts, Entertainment, and Recreation	Firms engaged in operating or providing services to meet varied cultural, entertainment, and recreational interests of their patrons.
72 Accommodation and Food Services	Firms providing customers with lodging and/or preparing meals, snacks, and beverages for immediate consumption.
81 Other Services (except Public Administration)	Firms providing services not elsewhere specified, including repairs, religious activities, grant making, advocacy, laundry, personal care, death care, and other personal services.
91-93 Public Administration	Federal, state and/or local agencies that administer, oversee, and manage public programs and have executive, legislative, or judicial authority over other institutions in a given area.

Source: *North American Industry Classification System, United States Office of Management and Budget, 1997.*

NAICS Web page: [www.census.gov/epcd/www/naics.html](http://www.census.gov/epcd/www/naics.html)

Washington State Employment Security Department, Labor Market and Economic Analysis Branch