

A STUDY OF FRINGE BENEFITS PAID BY
SELECTED EMPORIA, KANSAS FIRMS

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CHAPTER I

THE PROBLEM AND DEFINITION OF TERMS

"Fringe benefit growth, during recent years, has substantially improved employee well-being, and has also increased the cost of doing business."¹

Pensions, social security, and other employer payments for employee benefits are not part of the payroll, and are not reflected in current income or wages of employees.² Such payments, however, substantially improve employee security and well-being, and of course these also increase the employer's cost of doing business.

Payments for vacations, holidays, rest periods, etc., constitute almost half of total fringe benefits.³ Such payments are usually included in government wage reports as a portion of employee wages.

This study was confined to statistical information regarding the scope and nature of fringe benefits paid in an only slightly industrialized area of the United States and

¹Economic Research Department, Fringe Benefits 1959 (Washington: Chamber of Commerce of the United States, 1960), p. 4.

²Ibid.

³Ibid.

it was not intended to show the effect of fringe benefits on employee well-being.

I. THE PROBLEM

Statement of the problem. During the past fifteen years, the majority of companies engaging in collective bargaining have altered their basic systems of paying for work by the addition of a variety of benefits that increase the income, leisure, or security of wage earners. Some of these had previously been available only to salaried employees and executives. Others are almost entirely new.⁴

While several studies have been made in highly industrialized areas of the payment of fringe benefits, such as the United States Chamber of Commerce's Fringe Benefits 1959,⁵ the less industrialized areas have been neglected.

There is a scarcity of statistical information regarding the scope and nature of fringe benefits paid in the only slightly industrialized areas of the United States, yet this type of information is important to all businessmen.

⁴George Strauss and Leonard R. Sayles, Personnel: The Human Problems of Management (Englewood Cliffs, New Jersey: Prentice-Hall, Incorporated, 1960), p. 704.

⁵Economic Research Department, Fringe Benefits 1959 (Washington: Chamber of Commerce of the United States, 1960).

It was to get information of this kind in the Emporia, Kansas area that this study was made. Some of the questions to be answered by this study are: what fringe benefits are being paid by unionized and non-unionized firms in the Emporia area; what per cent of the total labor costs do these benefits represent; and what is the difference, if any, in the fringe benefit programs of unionized and non-unionized firms in the Emporia area?

Importance of this study. In 1947, the Chamber of Commerce of the United States noted the scarcity of information regarding the scope and nature of fringe benefits, and conducted the first comprehensive fringe benefit study for a cross section of American industry.⁶ This study has been repeated biennially with extended coverage and in greater detail.

As fringe benefits grow in importance, more is being written about their importance today and what their significance may be in the future. Information for these studies usually comes from the highly industrialized areas while very little or no attention is paid to the situation in the less industrialized areas.

⁶International Union, United Automobile, Aircraft and Agricultural Implement Workers of America, "Shots Out of Darkness," UAW Ammunition, 14:34, June, 1956.

By providing specific information about the payment of fringe benefits in the Emporia area, it is hoped that this study will be an aid to businessmen in the Emporia area, and others in less industrialized areas, in planning their wage administration and fringe benefit policies. It is important for businessmen to have a better understanding of the fringe benefit policies of firms similar to theirs, doing business of a similar nature.

II. DEFINITIONS OF TERMS USED

Fringe benefits. Fringe benefits were interpreted as meaning: paid vacations, Christmas bonuses, paid rest periods, wash-up time, overtime pay, paid hospitalization, medical, and life insurance premiums, sickness and accident benefits, pension plans, thrift and saving plans, unemployment benefits, supplemental unemployment benefits, severance pay, recreation programs, discounts, medical and legal counseling, and others.⁷

Supplementary unemployment benefits. A plan calculated, in combination with unemployment benefits, to provide an eligible laid-off employee a certain percentage of his weekly take-home pay. It is commonly abbreviated SUB.⁸

⁷Strauss, op. cit., p. 700.

⁸Ibid.

Thrift and saving plans. The company supplements any savings put aside by employees (within specified limits). Sometimes the supplement is in the form of savings bonds or company stock.⁹

Call-in-pay. Pay for reporting for work when the worker has not been notified that there is no work is known as call-in-pay.

Unemployment benefits. These are paid by the state governments but financed by taxes on the employer's payroll.

Old age survivor's insurance benefits. (Popularly called Social Security). These are paid directly by the federal government, but to finance them the company must currently pay a three per cent tax on the first \$4,800 of each employee's annual earnings. The employee must pay another three per cent.

Workmen's compensation. This pays for medical and hospital bills and provides partial payment for lost earnings while an employee is disabled due to an industrial accident or illness.

Severance pay. This is a sum of money sometimes paid to employees who are released because of a plant being closed,

⁹Ibid.

disability, or because they reach retirement age and are without coverage under any retirement plan.

III. METHOD OF PROCEDURE

In preparation for this study, literature on fringe benefits was read and information on the development and growth of fringe benefits was requested of the United States Department of Labor, the United States Chamber of Commerce, and four unions representing the oil, steel, rubber and automobile industries. The literature requested from these groups was received and studied and will be reviewed in the next chapter.

Ninety-one firms in the Emporia area engaged in manufacturing, processing, freight transportation, wholesale or distribution, were chosen for this study. The Emporia telephone directory, the Chamber of Commerce's Buyers Guide, and its list of Emporia industries were used as sources for the list of firms to be used in this study. These firms were chosen because they are either unionized or are similar to firms that are unionized in other areas of the United States. It was felt that by using such firms, a comparison could be made of the fringe benefits paid by the unionized and non-unionized firms in an only slightly industrialized area. After further investigation of the firms chosen, the list was narrowed to 86.

The proposal for this study was shown to the Secretary-Manager of the Emporia Chamber of Commerce and he presented the idea to the board of directors. This group felt that the idea had merit, and that it might be of real help to the businessmen who have to make such payments. Although the Chamber of Commerce was not expected to endorse this study, the writer felt that under no circumstances should such a study be tried before having been presented to the Chamber board.

A short objective questionnaire was developed, which was similar to the questionnaire used by the United States Chamber of Commerce for their study, Fringe Benefits 1959. Most of the questions were written so that only a check-mark was needed to answer them. After recommendations of the faculty, the questionnaire was revised and approved.¹⁰

A letter of introduction was written by the author of the study and was approved by the chairman of this study and signed by him. This letter was mailed on college stationery, and explained the purpose of the study and asked for the cooperation of the businessmen from whom information was requested.¹¹

¹⁰Presented in the Appendix, page 56.

¹¹Presented in the Appendix, page 54.

A few days after the introductory letter had been mailed, a second letter was mailed with the questionnaire enclosed. This letter was also on college stationery. In this letter it was pointed out that there is a need for more knowledge of fringe benefits paid in less industrialized areas, and the importance of each firm's participation. It was also pointed out that the study was confidential.¹²

Ten days after the first questionnaire had been mailed, a second questionnaire and a request for help was mailed to those firms which had not already returned the questionnaire.¹³

Twenty days after the first mailing of questionnaires, the managers of those firms that had not returned the questionnaire were telephoned and asked if they had received the questionnaire and if they were planning to return it. Through this action, ten of the remaining 31 questionnaires were returned, for a total of 58 returned questionnaires.

After the questionnaires had been received, the results were grouped, tabulated, outlined and written up.

¹²Presented in the Appendix, page 55.

¹³Presented in the Appendix, page 57.

IV. ORGANIZATION OF REMAINDER OF THE THESIS

Chapter II is devoted to a review of literature. The growth and development of fringe benefits from 1937 to 1959 is analyzed in Chapter III. This chapter gives the history and development of some of the fringe benefits that are now prominent in the industrialized areas of the United States.

The data gathered from the questionnaire are analyzed and interpreted in Chapter IV. The final chapter is a summary of the findings, conclusions and recommendations based on the findings of this study.

CHAPTER II

REVIEW OF THE LITERATURE

The most common type of literature concerning fringe benefits is that devoted to the enumeration and description of them. This is generally in the form of government reports, organizational surveys, and various types of union literature.

Background material obtained from the United States Department of Labor for this study included the Wage Chronology series for the Sinclair Oil Companies, General Motors Corporation, Ford Motor Company and Chrysler Corporation; and a report entitled Current Wage Developments. Other reports and literature obtained were: the United States Chamber of Commerce's Fringe Benefits 1959; various issues of Personnel, the American Management Association's monthly publication; parts of the book The Human Problems of Management; union literature such as the United Rubber, Cork, Linoleum and Plastic Workers of America's publication You Too Can Enjoy These Benefits; and UAW Ammunition, the official monthly publication of the UAW. Other material and information was obtained from numerous newspaper and periodical articles.

Current Wage Developments has a listing of selected current wage changes, with the name of the union, company,

location, date effective, approximate number of workers, wage adjustment, and related information, including fringe benefits.

The United States Chamber of Commerce's latest biennial survey, Fringe Benefits 1959, presents a biennial comparison of fringe benefits paid in various companies since 1947 and breaks fringe benefits down for discussion of variations, such as costs, per cent of companies paying fringe benefits, average fringe payments, and the distribution of fringe payments.

The studies entitled You Too Can Enjoy These Benefits and UAW Ammunition both show the progress of the union toward present fringe benefit plans as well as the other gains made toward better and safer working conditions, more pay, and so forth.

The Wage Chronology series describes changes in wage rates and related practices that have been negotiated by the union and management in American industry. Dates of collective bargaining agreements, the effective date of the provisions and the provisions are stated in each of these reports, beginning with the first collective bargaining agreement of the company.

Some of the most significant findings gained from this literature will be reviewed in the following pages.

Under the comprehensive programs of fringe benefits provided for in many collective bargaining agreements, the wage earner has certain assurances and protections available to him off the job as well as at work. He may earn financial security through a pension or savings investment plan, he may receive some income in the event of inability to work because of reasons beyond his control, he may receive various types of insurance and numerous other benefits, all of which were unheard of a comparatively few years ago. Examples of some of these will be mentioned here.

The Ford pension plan, won by the UAW in 1949, was the first pension program won through collective bargaining in any mass-production industry. It was the first to embody the three basic principles of a sound pension program:

- 1) The non-contributory principle: management financing.
- 2) The actuarially-sound principle: creation of a trust fund into which the company pays cost of both past and future service credits.
- 3) The equal representation principle: program administered by a joint union-management board.¹⁴

An example of a thrift and savings plan is the General Electric Savings Plan whereby an employee may elect to have up to six per cent of his earnings deducted from his paycheck

¹⁴International Union, United Automobile, Aircraft and Agricultural Implement Workers of America, "Shots Out of Darkness," UAW Ammunition, 14:34, June, 1956.

and deposited in a company savings account. The company matches half of this amount, provided the employee leaves his savings on deposit for at least three years.¹⁵

New types of fringe benefits and additions to already acquired fringe benefits are causing much of the increase of fringe benefit costs.

The records of the United Steelworkers of America show new fringe benefits being acquired and those fringe benefits later being expanded. In 1959 negotiations with Natus Corporation, the United Steelworkers of America, on top of wage increases, gained ten cents and fourteen cents shift differential (were eight cents and twelve cents); triple time for holiday work (was two and a quarter times straight time); double time for Sunday (was one and a quarter times straight time); an eighth paid holiday; and four weeks vacation plus an extra one-half week's vacation pay after fifteen years (had been after twenty-five years). According to the agreement, the negotiations called for these fringe benefits, and the wage adjustments to be in effect by September 1, 1961.¹⁶

¹⁵George Strauss and Leonard R. Sayles, Personnel: The Human Problems of Management (Englewood Cliffs, New Jersey: Prentice-Hall, Incorporated, 1960), p. 703.

¹⁶United States Department of Labor, Current Wage Developments, No. 154 (Washington: Government Printing Office, October 1, 1960), p. 30.

Another example of acquiring fringe benefits and those benefits being later expanded is in the Sinclair Oil Company. In 1941, workers received no shift premium pay; by 1946 they received four cents an hour premium for second shift; six cents an hour premium for third shift.¹⁷ In 1956 the workers received an increase to eight cents an hour for second shift; sixteen cents an hour for third shift.¹⁸ Hence, where there once was no fringe benefit, one was acquired and within eleven years had doubled and in part had almost tripled in size.

Probably one of the most significant of the new fringe benefits is supplementary unemployment benefits, commonly abbreviated SUB.

The United Automobile Workers won an agreement for SUB in 1955. Through SUB, workers have assurance of a measure of income protection when they are laid off.

In his speech to the UAW's 17th Constitutional Convention, Walter Reuther stated:

UAW SUB plans alone, to say nothing of the plans of other unions, have contributed more to national consumer

¹⁷United States Department of Labor, The Wage Chronology Series: Sinclair Oil Companies, 1941-52, Series 4, No. 31 (Washington: Government Printing Office, 1952), p. 3.

¹⁸United States Department of Labor, Wage Chronology No. 31: Sinclair Oil Companies, Supplement No. 1, 1953-56 (Washington: Government Printing Office, 1956), p. 3.

purchasing power than the unemployment compensation systems of most of the states.¹⁹

Under the agreement between General Motors and UAW:

The weekly Supplemental Benefit payable to any eligible applicant for any week commencing on or after September 1, 1958 shall be the lesser of

- (1) an amount which, when added to the applicant's State Benefit and other compensation (as defined in Section 2 of this Article) for such Week, will equal 65% of his weekly after-tax straight-time pay computed as provided in Subsection (b) of this Section or
- (2) Thirty Dollars (\$30)²⁰

Employees have other compelling reasons for favoring benefit programs. Many of these benefits, like paid vacations and holidays, give hourly workers increased status in the organization and in the community, placing them on a level closer to that of salaried employees. Other benefits, such as premiums for certain types of overtime and irregularly scheduled work hours and call-in-pay, work as a control mechanism on the employer and discourage him from taking advantage of workers. Americans have also become more

¹⁹International Union, United Automobile, Aircraft and Agricultural Implement Workers of America, The UAW Looks at S.U.B. (Detroit: UAW Education Department), p. 4.

²⁰International Union, United Automobile, Aircraft and Agricultural Implement Workers of America, Supplemental Agreement Covering Supplemental Unemployment Benefit Plan. (Exhibit C to Agreement between General Motors Corporation and UAW-AFL-CIO, dated October 2, 1958. Indianapolis: Allied Printing), p. 34.

management." 21

the most difficult personnel problems confronting

administering employee benefit and service programs are among

" . . . it seems clear that the problems of

to eliminate insecurity from every conceivable source.

benefits reflects a strong desire on the part of employees

security has grown stronger. The prevalence of fringe

assured, the desire to eliminate risk and increase personal

as our country has become richer and more self-

programs.

preventive and remedial treatment through health-insurance

health-conscious and are increasingly anxious to enjoy

CHAPTER III

FRINGE BENEFITS FROM 1937 TO 1959

This chapter is to show the growth and development of fringe benefits from 1937 to 1959. The year 1937 was chosen because of the availability of information of fringe benefit gains since that time. This is due to collective bargaining being used then for the first time in many companies and the records of the agreements made through collective bargaining being kept by the United States Department of Labor.²²

Through collective bargaining, unionized labor began to win such things as better and safer working conditions, seniority rights, wage increases, and various types of fringe benefits. The United States Chamber of Commerce reports that on a dollars per year per employee basis, fringe benefits increased 206% from 1947 to 1959 alone.²³

As an example, before the first collective bargaining agreement between the United States Steel Corporation and the United Steelworkers of America (AFL-CIO) was entered

²²United States Department of Labor, The Wage Chronology Series: Big Four Rubber Companies, Akron and Detroit Plants, 1937-51, Supplement No. 1 -- 1952-55 (Washington: Government Printing Office, 1956), p. 1.

²³Economic Research Department, op. cit., p. 29.

into, in 1937, the workers received none of the following: shift premium pay, holiday pay, severance allowance, pension plan, insurance benefit plan, or call-in-pay.²⁴ Within seven years the union had won: shift premium, holiday pay, call-in-pay, and increases in the existing overtime pay and paid vacations. By 1950, the union had won additions to all the benefits mentioned above plus an insurance benefit plan and a pension plan. In 1956, the union won pay for Sunday work, jury-duty-pay, and a supplemental unemployment plan.²⁵

The steel industry has calculated that its "fringe costs" increased tenfold in the twenty years from 1940 to 1960.²⁶ Their data, incorporated in Figure 1 on page 19, show the magnitude of this increase as compared to the slower rate of increase in direct wage payments.

For many years, if a company offered fringe benefits or employee services, the workers thought the company to be paternalistic. A change in thought was taking place by the early 1940's as was stated in Personnel: The Human Problems of Management:

²⁴United States Department of Labor, The Wage Chronology Series: United States Steel Corporation, series 3, No. 106 (Washington: Government Printing Office, July, 1956), pp. 8-13.

²⁵Ibid.

²⁶Strauss, op. cit., p. 704.

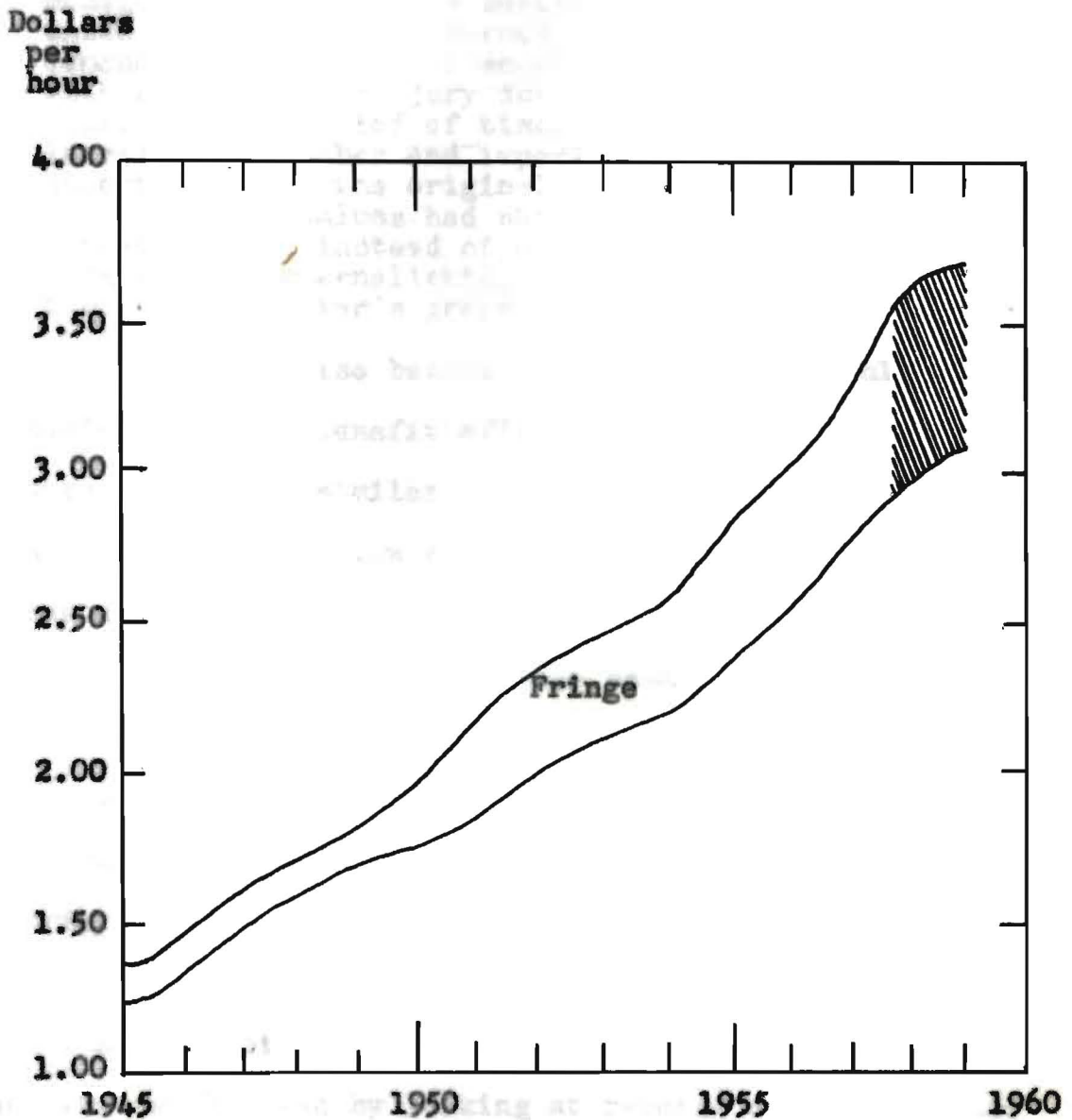


FIGURE 1

DIFFERENCE BETWEEN AVERAGE PAY FOR TIME WORKED AND TOTAL
EMPLOYMENT COSTS PER MAN HOUR IN THE IRON AND STEEL INDUSTRY.
(SOURCE: AMERICAN IRON AND STEEL INSTITUTE; 1959
ESTIMATED FROM DATA FOR FIRST SIX MONTHS)

The special conditions prevailing during and just after World War II also help explain the expansion of company-paid benefits. During the war, when union-management negotiations became deadlocked, both the union and management learned that the offer of or the demand for some special concession like an extra holiday with pay or pay for jury duty would resolve the stalemate. Over a period of time, these concessions increased in number and importance far beyond the expectations of the original negotiators. By the end of World War II, unions had shifted their position dramatically: instead of opposing company welfare programs as paternalistic, they had come to insist on them as the worker's proper due.²⁷

Unions had also become increasingly skillful in parlaying a fringe benefit offered by one company in lieu of greater wages into similar grants elsewhere. Nonunion firms found they had to follow suit if they were to attract labor during a prolonged period of labor shortage.²⁸

New fringe benefit programs usually take in a number of different types of benefits, and some of these areas have proven so popular that they are now included in most contracts. As stated in Personnel, "The overwhelming majority of labor-management contracts now contain provisions for employee health benefits."²⁹

An idea of the growth and development of some of these benefits can be seen by looking at records of union fringe

²⁷ Strauss, op. cit., p. 704.

²⁸ Ibid.

²⁹ American Management Association, "Trends in Bargaining on Health Benefit Plans," Personnel, Sept./Oct., 1960, p. 56.

benefit gains. One example might be The United Rubber, Cork, Linoleum, and Plastic Workers of America, AFL-CIO.

Since 1947 the union's record of fringe benefit gains shows:

- 1947 - Six paid holidays
- 1949 - Non-contributory pension and insurance program with joint contributions
- 1953 - Comprehensive 120-day hospitalization for worker and his family and other welfare benefits
- 1955 - Seventh paid holiday
- 1956 - Supplemental Unemployment Benefit program financed by company contributions. Also three week's vacation for employees with eleven years service
- 1957 - Fourth week of vacation for employees with twenty-five years service
- 1959 - Improvements in the pension program³⁰

The United States Chamber of Commerce survey tells of the development of fringe benefits for 108 identical companies since 1947. The information given below is graphically illustrated in Figure 2, page 22.

The 108 firms responding in the 1947 and later surveys reported fringe payments increasing from 14.7% of payroll in 1947 to 19.1% in 1951, 21.9% in 1955, and 24.6% in 1959. This was a rise of 67% in the 12 year period.

Legally required payments were 2.9% in 1947, increased to 3.0% in 1955, and 3.7% in 1959.

Pension and other agreed-upon payments increased steadily from 4.3% in 1947 to 5.6% in 1951, 7.3% in 1955, and 8.3% in 1959.

³⁰United Rubber, Cork, Linoleum, and Plastic Workers of America, AFL-CIO, You Too Can Enjoy These Benefits! (Akron: Allied Printing, 1960).

COMPARISON OF 1947, 1951, 1955, AND 1959
FRINGE PAYMENTS FOR 108 IDENTICAL COMPANIES

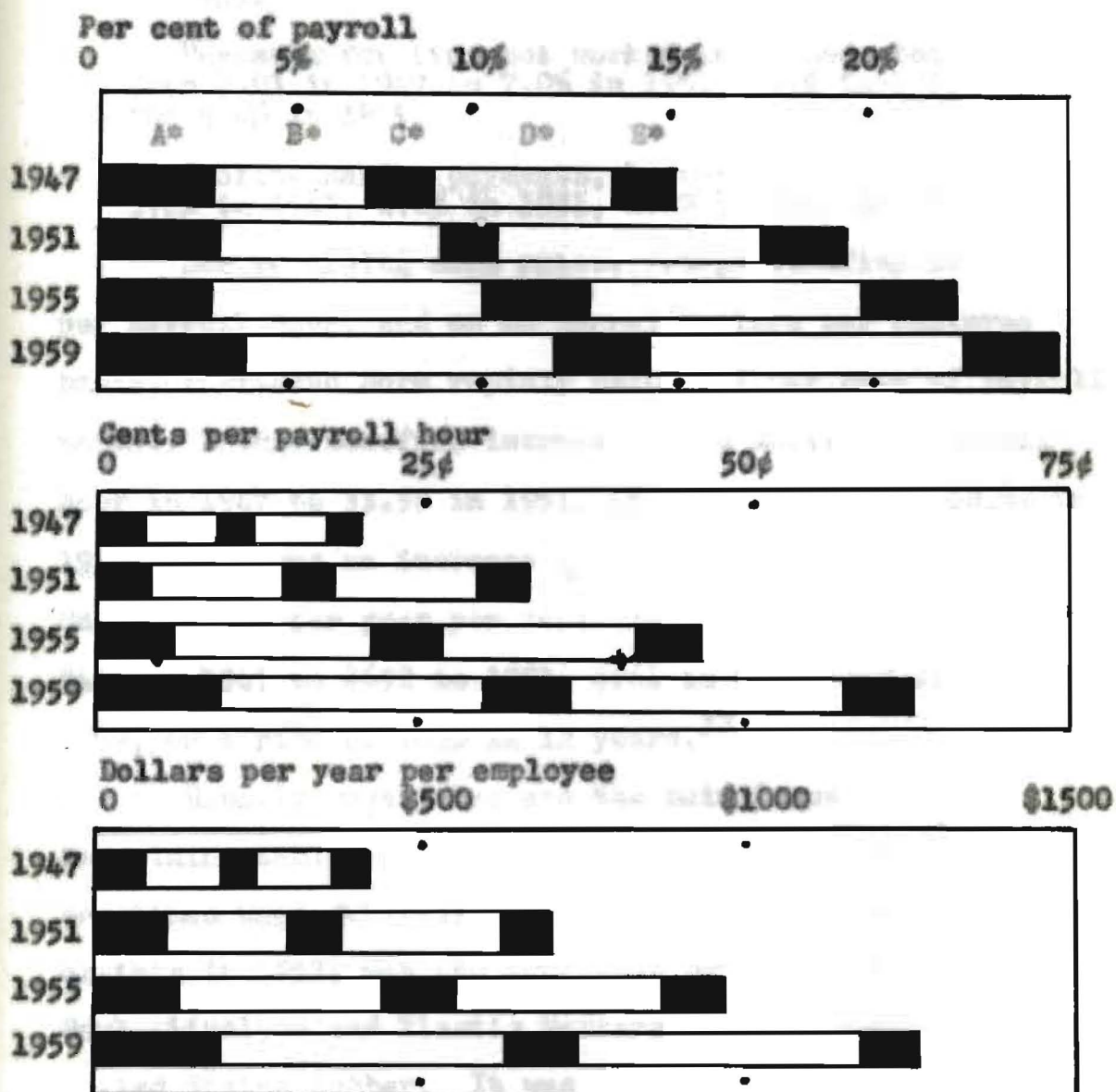


FIGURE 2

- *A-Legally required payments
- *B-Agreed upon payments
- *C-Paid rest periods, etc.
- *D-Pay for time not worked
- *E-Profit-sharing payments, bonuses, etc.

Paid rest periods, lunch periods, etc., were 1.4% in 1947, 1.7% in 1951, 2.3% in 1955, and 2.2% in 1959.

Payments for time not worked increased steadily from 5.0% in 1947 to 7.0% in 1951, 7.3% in 1955, and 8.4% in 1959.

Profit-sharing payments, bonuses, etc., were 1.1% in 1947, 1.8% in 1951, 2.0% in 1955 and 1959.³¹

Due to rising wage rates, fringe benefits on a cents per payroll hour, and on an annual dollars per employee basis, increased more rapidly than on a per cent of payroll basis. Fringe benefits increased from 20.4¢ per payroll hour in 1947 to 33.5¢ in 1951, 46.2¢ in 1955, and 62.6¢ in 1959. This was an increase of 207% in the 12 year period. On a dollars per year per employee basis they increased from \$418 in 1947 to \$692 in 1951, \$961 in 1955, and \$1281 in 1959, or a rise of 206% in 12 years.³²

Usually wage rates are the main issue at the bargaining table, with fringe benefits as an "extra", but sometimes wage rates aren't even the side issue. An example of this in 1953, was the agreement between the United Rubber, Cork, Linoleum and Plastic Workers and both Goodyear and United States Rubber. It was stated:

In 1953, . . . the Rubber Workers bargained with both Goodyear and U. S. Rubber and agreed on new 2-year

³¹Economic Research Department, Fringe Benefits 1959 (Washington: Chamber of Commerce of the United States, 1960), p. 28.

³²Ibid., p. 29.

contracts providing for changes in supplementary benefits. In the case of Goodyear, the new supplementary benefits included liberalized provisions for vacations, holiday pay, and severance benefits; at U. S. Rubber, the terms also liberalized vacation provisions and initiated a company-paid hospital, surgical, and medical benefits plan established in June. Wage rates were not an issue.³³

In 1959, fringe benefit payments varied widely among the 1,064 companies reporting in the United States Chamber of Commerce survey. At one extreme were two hotels paying less than 6%, while at the other extreme were two banks with fringe payments of over 60% of the payroll. Fifteen firms paid less than 10% of payroll for fringe benefits, while thirty-two firms paid 40% or more.³⁴

Expressed as cents per payroll hour, the range was even more extreme, with four firms paying less than ten cents per hour, while thirty-three firms paid \$1.00 or more. On an annual basis, four firms paid less than \$200 per employee, while thirty-eight firms paid \$2,000 or more.³⁵ The distribution of fringe payments for the 1,064 companies participating in the United States Chamber of Commerce survey is shown in Table I on page 25.

³³United States Department of Labor, The Wage Chronology Series: Big Four Rubber Companies, Akron and Detroit Plants, 1937-51, Supplement No. 1--1952-55 (Washington: Government Printing Office, 1956), p. 1.

³⁴Economic Research Department, op. cit., p. 6.

³⁵Ibid.

TABLE I
DISTRIBUTION OF FRINGE PAYMENTS, 1959³⁶

Per cent of payroll	Number of companies	Cents per payroll hour	Number of companies	Dollars per year per employee	Number of companies
Under 6.0	2	Under 10.0	4	Under 200	4
6.0-7.9	3	10.0-14.9	16	200-299	11
8.0-9.9	10	15.0-19.9	17	300-399	22
10.0-11.9	24	20.0-24.9	21	400-499	19
12.0-13.9	53	25.0-29.9	38	500-599	30
14.0-15.9	67	30.0-34.9	64	600-699	62
16.0-17.9	106	35.0-39.9	78	700-799	56
18.0-19.9	147	40.0-44.9	97	800-899	84
20.0-21.9	127	45.0-49.9	127	900-999	119
22.0-23.9	134	50.0-54.9	117	1000-1099	138
24.0-25.9	103	55.0-59.9	108	1100-1199	104
26.0-27.9	71	60.0-64.9	94	1200-1299	105
28.0-29.9	61	65.0-69.9	82	1300-1399	81
30.0-31.9	47	70.0-74.9	52	1400-1499	61
32.0-33.9	32	75.0-79.9	40	1500-1599	42
34.0-35.9	15	80.0-84.9	25	1600-1699	40
36.0-37.9	15	85.0-89.9	20	1700-1799	18
38.0-39.9	15	90.0-94.9	19	1800-1899	20
40.0-44.9	16	95.0-99.9	12	1900-1999	10
45.0-49.9	8	100.0-and over	33	2000 and over	38
50.0 and over	8				
Total	1064		1064		1064

³⁶Ibid.

This survey also showed that the average fringe benefit payments varied widely from industry to industry. Hotels paid 13.8%; pulp, paper, lumber and furniture paid 18.8%; and stone, clay and glass products paid 19.4%. Banks, finance and trust companies paid 31.7%; the petroleum industry paid 28.3%; and insurance companies paid 27.1%, and annual dollars per employee varied from \$401 for hotels to \$1754 for the petroleum industry.³⁷

³⁷Ibid., p. 10.

CHAPTER IV

THE FINDINGS OF THIS STUDY

This chapter is divided into three main parts. The first division is a discussion of the fringe benefits paid by all of the companies participating in this study. The second section is divided into four parts which discuss the fringe benefits paid by the manufacturing, processing, wholesale and distribution, and the freight transportation firms respectively. The last section compares the payment of fringe benefits by the firms in this study and the payment of fringe benefits for the firms in the United States Chamber of Commerce's study, Fringe Benefits 1959.

Of the 86 firms mailed questionnaires, 58 or 67.4% either partially or completely filled in the questionnaire and returned it. Of this number, seven showed only the fringe benefits paid, 41 told the total cost of fringe benefits paid, 48 showed the total cost of wages paid to the employees included in this study, and 38 firms stated both the total cost of fringe benefits and the total cost of wages paid to the employees included in this study in 1960. One of the firms returning the questionnaire did not state either the cost of fringe benefits or the cost of wages, but gave the per cent of wages made up of fringe benefits, and

another company stated the cost of fringe benefits on the cents per hour basis, which of course could not be used in this study.

Legally required payments, such as Old Age, Survivors and Disability Insurance, were not included in this study; therefore, it should be remembered that the employer is paying for other fringe benefits in addition to the ones mentioned.

I. FRINGE BENEFITS PAID BY ALL THE COMPANIES

Of the 58 firms participating in this study, there were seven manufacturers, 31 processors, 17 wholesalers or distributors, and three firms in the freight transportation business.

As some of the companies participating in this study did not fill in the amount of payroll paid in fringe benefits or the total cost of wages paid to employees in 1960 including fringe benefits, the average payments of wages and fringe benefits was figured only for the companies that gave this information.

The average total yearly wages per employee, including fringe benefits, for the companies which reported wages was \$4,735.52. The largest average annual wage for any one group of companies was \$7,264.58, while the smallest average annual wage for any group of companies was \$3,578.48.

1960 fringe benefit payments averaged 13.3% of payroll for the 39 firms that stated this expense. The highest per cent of wages paid in fringe benefits by any one group was 18.8%, the lowest was 7.9%.

Fringe benefit payments varied widely among the companies reporting. At one extreme was one firm paying no part of payroll for fringe benefits, other than legally required payments, while at the other extreme was one firm with fringe benefits representing 33% of payroll.

Expressed on an annual dollar basis, the one firm paid no optional fringe benefits while two firms paid over \$1,000 and one firm paid over \$800 average per employee. The average annual cost per employee for all the firms was \$654.06.

Ten firms paid between one and six per cent of their payroll in fringe benefits, fourteen paid between six and eleven per cent, one firm paid between eleven and sixteen per cent, four paid between sixteen and twenty-one per cent, and eight firms paid over twenty-one per cent of their payroll in fringe benefits. This can be seen in Table II, page 30.

Manufacturing firms ranked highest in the average number of fringe benefits paid per company with an average of 11.57. This represents an average annual expenditure of \$514.79 per employee. The most fringes benefits paid by any

TABLE II

THE PER CENT OF TOTAL WAGES MADE UP OF FRINGE BENEFITS
FOR THE 37 FIRMS PROVIDING THIS INFORMATION

Type Firm	Per cent of total wages paid in fringe benefits					Total
	1-5.9	6-10.9	11-15.9	16-20.9	21-	
Manufacturing	2	1	-	-	1	4
Processing	4	7	1	4	4	20
Wholesale & Distribution	4	5	-	-	1	10
Freight Transportation	-	1	-	2	-	3
Total	10	14	1	6	6	37

one company was nineteen, while the least paid was none, and the average number of fringe benefits paid by the companies providing that information for this study was 9.68.

Payments for rest periods, coffee breaks, etc., were reported by almost all of the companies surveyed, with fifty, or 86.2% of them paying this benefit. The second most often paid fringe benefit was payments for holidays not worked, with 49 of the 58 companies, or 84.5% of them paying this fringe benefit. Forty-four companies, or 75.9% paid overtime premium pay, 42 or 72.4% made payments for or in lieu of vacations, and 39 firms made payments for time lost due to death in family, etc.

The least frequently paid fringe benefits shown by the local firms were: death benefits not covered by insurance, paid by only five firms or 8.6%; shift differential premium, paid by eight firms representing 13.8% of the total; and profit-sharing payments were paid by only ten firms or 17.2%.

Unionized firms in this study. Nine of the firms in this study are unionized. While this is a small percentage of the companies, this group employs 3,222 of the 4,732 employees included in this study. Of the nine unionized firms, five are processing firms, two are wholesalers or distributors, and two are freight transportation businesses.

The average total annual wage per employee for the unionized firms reporting this cost was \$5,792.29, as compared to \$3,693.65 for the non-unionized firms. The largest average annual wage for any one unionized firm was \$7,368.35, while the smallest was \$3,400.

The highest percentage of wages paid in fringe benefits by a unionized firm was 27% and the lowest was 9%. The average amount of payroll made up of fringe benefits in the unionized firms was 17.9% while the non-unionized firms averaged 9.3%.

The average number of fringe benefits paid by the unionized firms was 10.3, which is 1.1 more than the 9.2 average for the non-unionized firms in this study.

The average annual cost of fringe benefits for the unionized firms reporting this expense was \$685.66, while the average cost of fringe benefits for the non-unionized firms was \$470.79.

The fringe benefits most often paid were not the same for the non-unionized firms as for the unionized firms.

The most paid fringe benefits for the non-unionized firms were: payments for rest periods, coffee breaks, etc., payments for or in lieu of vacations, and payments for time lost due to death in family, etc.

The fringe benefits most often paid by the unionized firms were: overtime premium pay, life insurance premiums, payment for time lost due to death in family, etc., sickness, accident, surgical or medical insurance premiums, and payments for or in lieu of vacations. Death benefits not covered by insurance ranked lowest for both the unionized and non-unionized firms.

II. FRINGE BENEFITS PAID BY INDIVIDUAL GROUPS

Fringe benefits paid by manufacturing firms. Seven manufacturing firms, with 780 non-management employees, were included in this study. The average total annual wage per employee for the firms reporting this cost was \$4,029.56.

Overtime premium pay, paid rest periods, coffee breaks, etc., holiday premium pay, payments for holidays not worked, and payments for or in lieu of vacations, were the most frequently paid fringe benefits for the manufacturing firms, with all of the firms paying them. The least common was death benefits not covered by insurance, being paid by only one firm.

The most fringe benefits listed by any one manufacturing firm was 19. This firm did not show the cost, but another firm that listed 13 fringe benefits, paid an average of \$509 per employee annually for fringe benefits, which represented 10.8% of total wage costs. One firm, which paid only eight fringe benefits, paid an average of \$1,222 in annual fringe benefits per employee for 21.4% of total payroll. The average payment of fringe benefits for this group was 9.8% of total payroll.

Fringe benefits paid by some of the manufacturing firms in addition to those listed in the questionnaire were: the cost of tuition in an accredited college or school and

books for any course that is in line with his work; one-third the cost of employees' work uniforms; living expenses of employees while on jobs away from home; a thrift savings plan through which 20% of the employees' savings is matched by the company; and educational loans for employees' families at a minimum interest charge.

Fringe benefits paid by processing firms. The average total wage per year for 788 non-management employees of the processing firms was \$3,578.48, the lowest of the four groups. There were 31 firms of this type included in the survey.

The per cent of processing firms paying the various fringe benefits were: 77% paid rest periods, coffee breaks, etc.; 75% paid overtime premium and payments for or in lieu of vacations; and 71% of the processing firms paid special bonuses, suggestion awards, etc. Death benefits not covered by insurance was the least paid with only 10%, and profit sharing payments were made by only 13%.

The most fringe benefits paid by any one processing firm was sixteen, while the largest average cost of fringe benefits per employee was \$1,000, and the largest per cent of total wages made up of fringe benefits for any one company was 33%. The least fringe benefits paid by any processing firm was none. This firm stated that it had just organized

and contemplated no fringe benefit program until it got on a profitable operation basis. The average per cent of wages paid in fringe benefits for the entire processing group was 12.7%, at a cost of \$453.63 per employee per year.

Additional fringe benefits listed by processing firms were: a restricted common stock option plan; one-half payment for all uniforms; two yearly dinners for employees and their wives and quarterly dinners for employees only; and cash loans to employees, interest free.

Fringe benefits paid by wholesalers and distributors.

Paid rest periods, coffee breaks, etc., ranked highest with the 17 wholesale and distribution companies, with 82% of them paying this class of benefit. Payments for holidays not worked, payment for time lost due to death in family, etc., and sick leave pay were paid by 76% of the firms. Shift differential premium was not paid by any of the wholesalers or distributors and only 17% paid pension plan premiums.

The average annual total wage for employees in this group was \$4,069.44, of which 7.9% was made up of fringe benefits. This was the smallest percentage of total wages paid in fringe benefits for the four groups. The annual average cost of fringe benefits, \$321.53, likewise was the least paid by any group although the annual wage was not the lowest.

The most fringe benefits paid by any one wholesale or distribution firm was 13, while the largest amount of total wages made up of fringe benefits was 26.5%, at an average annual cost of \$1,167 per employee. The least number of fringe benefits paid by any one company was one, and the smallest per cent of total wages paid in fringe benefits was 3%, at an annual average cost of \$83 per employee.

One-half cost for certain employee education plans was the only additional fringe benefit paid by the wholesale and distribution firms that was not listed in the questionnaire.

Fringe benefits paid by freight transportation firms.
The average total yearly wage for the non-management freight transportation employees was \$7,264.58, the highest average wage for the four groups.

Each of the freight transportation firms paid overtime premium pay, special bonuses, suggestion awards, etc., paid rest periods, coffee breaks, etc., payments for or in lieu of vacations, and payments for holidays not worked.

None of these firms paid death benefits not covered by insurance, profit-sharing payments, or discounts on goods, etc. Pension plan premiums and unemployment benefit fund payments were made by two of these firms.

Eleven fringe benefits was the most paid by one firm in this group. The same firm paid 9.1% of its total wages

in fringe benefits, at an annual cost of \$672.50 average per person. The highest per cent of wages paid in fringe benefits was 27%. Five fringe benefits was the least paid by any one freight transportation firm. However, this firm paid 20.3% of its total wages in fringe benefits. The average per cent of wages made up in fringe benefits for this group was the highest of the four groups at 18.8%. The average yearly cost of fringes for this group was \$1,326.31 per employee. This figure is more than three times the average for the other three groups of firms.

The annual average total wage per employee, the average annual cost of fringe benefits per employee, and the average per cent of total wages made up of fringe benefits is shown in Table III, page 38.

III. A COMPARISON OF FRINGE BENEFITS PAID BY
LOCAL FIRMS AND BY FIRMS IN THE UNITED STATES
CHAMBER OF COMMERCE STUDY, FRINGE BENEFITS 1959

For this section of the study, the local firms included are classified as either manufacturing or non-manufacturing, so that comparisons can be made with the findings of the United States Chamber of Commerce study, Fringe Benefits 1959. The manufacturing and processing firms in this section are classified as manufacturing firms and the

TABLE III

AVERAGE ANNUAL TOTAL WAGES AND FRINGE BENEFITS PAID
AND THE AVERAGE PER CENT OF TOTAL WAGES MADE
UP OF FRINGE BENEFITS FOR EACH GROUP
OF FIRMS AND THE AVERAGE FOR ALL
(Reported by 38 firms)

Type firm	Average per cent of wages paid in fringe benefits	Average annual fringe benefit cost per employee	Average annual total wage per employee
Manufacturing	13.9%	\$514.79	\$4029.56
Processing	12.7%	\$453.63	\$3578.48
Freight Transportation	18.8%	\$1326.31	\$7264.58
Wholesale and Distribution	7.9%	\$321.53	\$4069.44
All Firms	13.3%	\$654.06	\$4735.52

wholesale and distribution firms and the freight transportation firms are classified as nonmanufacturing firms.

It should be remembered that while the study made by the United States Chamber of Commerce was concerned with the fringe benefits paid by a cross section of American industry in 1959, the purpose of this study was to obtain information regarding fringe benefits paid in an area which is only slightly industrialized.

The average total yearly wages per employee, including fringe benefits, for all the companies in this study was \$4,735.52, as compared to an average of \$4,965 for the firms reporting in Fringe Benefits 1959.

For the manufacturing firms the average annual wage payment per employee was \$3,804.02 for the firms in this study while the average was \$5,106 for the manufacturing firms in the United States Chamber of Commerce study.

The average annual wage per employee for the non-manufacturing firms in this study was \$5,667.01, as compared to an average of \$4,733 per employee as reported by the United States Chamber of Commerce study.

Fringe benefit payments in 1960 averaged 13.3% of payroll for the firms in this study while the average was 22.8% of payroll for the firms reporting in the United States Chamber of Commerce study. The average per cent of payroll paid in fringe benefits by the local manufacturing and non-manufacturing firms was 13.3% and 13.3% respectively, as

compared to 21.6% and 25.1% for the firms reporting in Fringe Benefits 1959.

Average annual costs per employee for fringe benefits was \$654.06 for all the local firms and \$1,132 for all the firms in the United States Chamber of Commerce study. The local manufacturing and nonmanufacturing firms paid an average of \$484.21 and \$823.92 respectively, while an average of \$1,103 and \$1,188 was paid by the manufacturing and nonmanufacturing firms in Fringe Benefits 1959.

These figures are presented in Table IV, page 41.

TABLE IV

AVERAGE ANNUAL TOTAL WAGES, FRINGE BENEFITS PAID AND AVERAGE PER CENT OF TOTAL WAGES PAID IN FRINGE BENEFITS BY LOCAL FIRMS AND FIRMS IN THE STUDY, FRINGE BENEFITS 1959

(All firms classified as either manufacturing or nonmanufacturing)

	Average per cent of wages paid in fringe benefits	Average annual fringe benefit cost per employee	Average annual total wage per employee
Manufacturing			
Local	13.3%	\$484.21	\$3804.02
National	21.6%	\$1103.00	\$5106.00
Nonmanufacturing			
Local	13.3%	\$823.92	\$5667.01
National	25.1%	\$1188.00	\$4733.00
All Firms			
Local	13.3%	\$654.06	\$4735.52
National	22.8%	\$1132.00	\$4965.00

CHAPTER V

SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

As the growth of fringe benefits becomes increasingly important in today's business world it materially increases the cost of doing business.

While several studies have been made in highly industrialized areas of the payment of fringe benefits, few studies of this nature have been made in the less industrialized areas. The need for more knowledge concerning fringe benefits paid in less industrialized areas, such as the Emporia, Kansas area is the reason for this study having been made.

By providing specific information about the payment of fringe benefits in the Emporia area, it is hoped that this study will be an aid to businessmen in the Emporia area, and to others in less industrialized areas, in planning their wage administration and fringe benefit policies.

The questionnaire method was used to obtain the information for this study. Eighty-six firms in the Emporia area, engaged in manufacturing, processing, wholesale or distribution, or freight transportation were included in the survey to provide the desired information.

Fifty-eight of the questionnaires mailed out, or 67.4% were returned in time to be included in this study. Of the 58 questionnaires returned, 38 gave all the information

asked for and the others gave only part of the information. Eighteen firms showed the fringe benefits paid, ten stated the total cost of fringe benefits in 1960, and three gave the total cost of wages for 1960.

I. SUMMARY

Of the 58 firms participating in this study, there were seven manufacturers, 31 processors, 17 wholesalers and distributors, and three firms engaged in the business of freight transportation.

This study revealed that the average total yearly wages per employee in 1960 for all the companies reporting this cost was \$4,735.52. Fringe benefit payments averaged 13.3% of payroll costs, or \$654.06. This expense varied widely among the companies with one paying no optional fringe benefits while two firms paid over \$1,000 per employee; eight of the firms paid more than 21% of payroll in fringe benefits and one firm paid 33%.

Payments for rest periods, coffee breaks, etc., were reported by almost all of the companies surveyed. Pay for holidays not worked was reported by 84.5% of the firms, while 75.9% paid overtime premium pay, and 72.4% of the firms made payments for, or in lieu of, vacations.

Some of the least frequently paid fringe benefits were: death benefits not covered by insurance, paid by only

8.6% of the firms, and shift differential premium paid by 13.8% of the companies reporting.

Nine of the firms were unionized. The total number of unionized employees was 3,222. Of the nine unionized firms, five were processors, two were wholesalers or distributors, and two were freight transportation companies. The average amount of payroll costs made up of fringe benefits in the unionized firms was \$685.66, whereas the average amount of fringe benefits paid annually by the non-unionized firms was \$470.79. The unionized firms averaged a payment of 17.9% of total wages in fringe benefits as compared to 9.3% for the non-unionized firms. The average total annual wage per employee was \$5,792.29 for the unionized firms and \$3,693.65 was the average for the non-unionized firms.

The average total wage per year for the 305 manufacturing firm employees employed by the firms reporting this information was \$4,029.56. The largest amount paid for fringe benefits was an average of \$1,222 per employee paid by one manufacturing firm. This represents 21.4% of the total average wage. The average fringe benefit payment for this group was 9.8% of payroll. Several of the firms in this group listed fringe benefits other than the ones shown on the questionnaire, such as the cost of tuition and books, partial payment for employees' work uniforms, living expenses

for employees while on jobs away from home, a thrift savings plan, and educational loans for employees' families.

Processing firm employees had an average total yearly wage of \$3,578.48, the lowest of the four groups. This figure was based on the wages received by the 425 processing firm employees who work for the firms reporting this expense. The largest average cost of fringe benefits in this group was \$1,000 per employee, and the largest per cent of total wages paid in fringe benefits was 33%. The processing firms had an average fringe benefit payment of 12.7% of total payroll.

The wholesale and distribution firms paid an average of \$4,069.44 total annual wage. The firms reporting this expense have a total of 79 non-management employees. Of the total annual wage, 7.9% or \$321.53, was paid in fringe benefits. This was the smallest percentage of total wages paid in fringe benefits for the four groups.

Freight transportation firms paid the highest average annual total wage of the four groups, with an average of \$7,264.58. Average annual fringe benefit costs for this group was \$1,326.31 per employee, or 18.8% of total wages. This group paid the highest average annual total wage, the highest per cent of wages in fringe benefits, and the most fringe benefits, dollarwise.

The average total yearly wages per employee, including fringe benefits, for all the companies in this study was \$4,735.52, as compared to an average of \$4,965 for the firms in the United States Chamber of Commerce study, Fringe Benefits 1959. With all the firms classified as either manufacturing or nonmanufacturing, the average annual wage payment per employee for manufacturing firms was \$3,804.02 for the firms in this study while the average was \$5,106 for the manufacturing firms in the Fringe Benefits 1959 study. The average annual wage per employee for the non-manufacturing firms in this study was \$5,667.01, as compared to an average of \$4,733 per employee as reported by the United States Chamber of Commerce study.

Fringe benefit payments in 1960 averaged 13.3% of payroll for all the firms in this study while the average was 22.8% of payroll for the firms reporting in Fringe Benefits 1959. The average per cent of payroll paid in fringe benefits by the local manufacturing and non-manufacturing firms was 13.3% and 13.3% respectively, as compared to 21.6% and 25.1% for the firms studied by the United States Chamber of Commerce.

The average annual cost per employee for fringe benefits was \$654.06 for all the local firms and \$1,132 for all the firms in the United States Chamber of Commerce study. The local manufacturing and nonmanufacturing firms paid

\$484.21 and \$823.92 respectively, while an average of \$1,103 and \$1,188 was paid by the manufacturing and nonmanufacturing firms in the United States Chamber of Commerce study.

II. CONCLUSIONS

The purpose of this study was to obtain statistical information regarding the scope and nature of fringe benefits paid in an area of the United States which is only slightly industrialized. However, when compiling the information received, it became apparent that the study did not provide any clue as to reasons for the patterns which seem to exist. Time did not permit further investigation and, therefore, the conclusions which could be drawn are extremely limited.

Some of the facts obtained through this study and conclusions based upon these facts are:

1. The main differences in the fringe benefit programs of the unionized and non-unionized firms in the Emporia area are the total wages paid and the per cent of wages paid in fringe benefits. The type of fringe benefit most paid, and the number of fringe benefits paid, did not vary a lot for the two groups.

The unionized firms in this study are firms whose employees have to be highly responsible individuals that are willing to work long hard hours, some of the work being heavy, and some, perhaps, undesirable.

2. The local manufacturing firms paid considerably less in 1960, both in total wages and per cent of wages paid in fringe benefits, than the firms reporting in the United States Chamber of Commerce study paid in 1959.

This is possibly due to the fact that many of the firms in the United States Chamber of Commerce study were from highly industrialized and unionized areas of the United States. These areas usually do pay higher wages, but the cost of living is also usually higher than in the only slightly industrialized areas.

The local nonmanufacturing firms, however, paid considerably more in wages, on the average, than did the nonmanufacturing firms in the United States Chamber of Commerce study. No apparent reason can be given for this.

3. The great difference between the total annual wages paid by the local manufacturing and nonmanufacturing firms, \$3,804.02 and \$5,667.01 respectively, seems to indicate that the manufacturing firm employees are not as skilled and are more easily replaced than the nonmanufacturing firm employees, or perhaps their jobs do not involve as much responsibility as the jobs of the nonmanufacturing firm employees. Of course many other factors are probably involved, however, as expressed above, this study was not designed to explain such factors.

III. RECOMMENDATIONS

The following recommendations are drawn from conclusions gained from this study.

1. It is recommended that a further study, or studies, be made to determine, if possible, the reasons for the differences found to exist between the local and national studies, and also for the differences between the various classifications in the local study.

2. It is recommended that a study be made to determine the value of fringe benefits as a contributor to better employer-employee relations.

The employer's viewpoint of fringe benefits and their effectiveness as a promoter of "good-will" and the employee's personal opinion of fringe benefit payments might be determined through such a study.

One section of this study might be concerned with employees' knowledge of the total cost of their wages and a recognition of the fringe benefits that they receive.

3. It is recommended that studies similar to this study be made periodically to determine trends in fringe benefits and wage administration policies in an area such as Emporia.

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Geology, U.S. Geological Survey.

1917-1918. The Rubber Industry
of the United States. Bureau of Economic
Geology, U.S. Geological Survey.

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APPENDIX

1941
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This study was based
on the results of a survey
of the...
and that it... **APPENDIX**
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...
... presented to the Charter board.

... questionnaire very
... to fill in. We hope you
... the blanks and giving
... This information
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... communities if they should

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KANSAS STATE TEACHERS COLLEGE

EMPORIA, KANSAS

March 28, 1961

54

Box 551
Emporia, Kansas
March 30, 1961

James J. Brittain, one of the graduate students at Kansas State Teachers College, is interested in making a study of the fringe benefit payments made by manufacturers, processors, wholesalers, and distributors in the Emporia area. Information of this kind has been gathered in a number of the industrialized areas, but very little or nothing has been done in this field in the less industrialized areas. It is for this reason that Mr. Brittain wishes to make a study in the local area. It is hoped that the information secured will be of benefit to the community and to its businessmen.

The proposal for this study has been shown to the Secretary-Manager of the Emporia Chamber of Commerce and he has presented the idea to the board of directors. This group felt that the idea had merit, and that it might be of real help to the businessmen who have to make such payments. This is not intended to be thought of as a recommendation or endorsement; but the writer felt that under no circumstances should such a study be tried before having been presented to the Chamber board.

Mr. Brittain will mail you a questionnaire very shortly. It is short, concise, and simple to fill in. We hope you will cooperate in this study by filling in the blanks and giving the information as it pertains to your company. This information will be seen only by Mr. Brittain and he will compile it and disclose it only in the form of totals for groups of companies, or in other group form. The findings of the survey will be written up in thesis form. A copy of the thesis will be made available to the Chamber of Commerce office so it can be used by businessmen of the community, or by men from other communities if they should find a need for such a study.

As advisor for this young man's thesis project, I solicit your cooperation; and assure you that all concerned will be grateful for your help. If you have any questions at all concerning this project, please call me. DI2-5000, Ext. 227.

Cordially yours,



Herman Baehr
Professor of Business

KANSAS STATE TEACHERS COLLEGE
EMPORIA, KANSAS

55

Box 551
Emporia, Kansas
March 30, 1961

There is need for more knowledge of fringe benefits paid in less industrialized areas, such as the Emporia, Kansas area. For my master's thesis, I am making a study of the fringe benefits paid by manufacturing, processing, wholesale and distribution firms in Emporia. Your firm has been chosen for this study, and it will be appreciated if you will fill in the enclosed questionnaire and return it in the addressed, stamped envelope.

This study is confidential! Data of individual firms will not be disclosed other than in the form of totals for groups of companies. I am the only one that will see your report.

The importance of your cooperation cannot be overstressed! Representation of many like firms is essential for this study to be a success.

The findings will be available to the Chamber of Commerce, and through it, to you.

Sincerely yours,

J. J. Brittain

Enclosures

Name of firm _____

Number of employees _____ . Is your firm unionized? _____

Notice: Please limit data included in this survey to hourly-rated employees and to salaried employees who are paid on a similar basis.

Check any of the fringe benefits shown below that were paid by your firm in 1960.

- | | |
|--|-----|
| 1. Life insurance premiums | () |
| 2. Discounts on goods, etc. | () |
| 3. Profit-sharing payments | () |
| 4. Pension plan premiums | () |
| 5. Unemployment benefit fund payments | () |
| 6. Paid rest periods, coffee breaks, etc. | () |
| 7. Jury, witness and voting pay allowances | () |
| 8. Sick leave pay | () |
| 9. Shift differential premium | () |
| 10. Holiday premium pay. | () |
| 11. Overtime premium pay | () |
| 12. Special bonuses, suggestion awards, etc. | () |
| 13. Payments for or in lieu of vacations | () |
| 14. Payments for holidays not worked | () |
| 15. Payment for time lost due to death in family, etc. | () |
| 16. Death benefits not covered by insurance | () |
| 17. Sickness, accident, surgical or medical insurance premiums | () |
| 18. Any other? (Please explain) | () |

To give the researcher an idea of the percentage of total labor costs paid in fringe benefits, please fill in the following blanks. Remember, this information is confidential and will be seen only by the researcher, and will be reported only in percentages for the groups of firms cooperating in this study.

1. Number of employees included in this survey _____.
2. Total cost of fringe benefits paid in 1960. Please estimate if unknown _____.
3. Total cost of wages paid to employees included in this survey, fringe benefits included. _____.

Box 551
Emporia, Kansas
April 7, 1961

A questionnaire was mailed to you recently to obtain information of the fringe benefits paid by Emporia firms in 1960.

The information you are able to provide about your firm is important to make this study complete. More replies are needed; yours included.

For your convenience, I am enclosing another questionnaire with a stamped and addressed envelope. Would you please complete the questionnaire so that I may include your firm in my study?

Sincerely yours,

J. J. Brittain

Enclosures 2