

An Overview of the EBS and the NCS

The Bureau of Labor Statistics has been compiling data on employee benefits since the 1950s. Current plans are to enhance and continue these surveys into the 21st century.

ALLAN P. BLOSTIN

The Employee Benefits Survey (EBS) is an annual survey conducted by the Bureau of Labor Statistics (BLS) to provide data on the incidence and detailed provisions of major employee benefits in the public and private sectors. This article examines the survey's structural changes since its inception, reviews the beneficial effects these changes produced, describes the integration of the EBS with the National Compensation Survey (NCS), and summarizes the Bureau's outreach efforts to enhance the survey to better meet users needs.

Early efforts and structural changes of the survey

The Bureau has been compiling data on employee benefits on a regular basis since the 1950s. The direct predecessors to the EBS were the Bureau's "Digest of Selected Health and Insurance Plans" and the "Digest of Selected Pension Plans." The digests were published beginning in 1955 and continued through 1979; they detailed

benefit plans sponsored by large companies in major industries. Separate information was provided for office and non-office hourly and salaried employees. There was no data analysis. Some of the principal plan features in the health digests were maternity benefits, allowances for surgical and medical care, basic and major medical benefits, and vision care. The pension digest included details such as benefit formulas, normal retirement

This is the first of a series of three related articles that appear in this issue of *Compensation and Working Conditions*. Together, they trace the Bureau's Employee Benefits Survey from its inception and explain how it will become part of the Bureau's National Compensation Survey. Two articles focusing on health and retirement benefits follow this overview. They discuss how these benefits developed as part of the Employee Benefits Survey and how each will be enhanced with its incorporation into the National Compensation Survey.

Allan P. Blostin is an economist in the Division of Compensation Data Analysis and Planning, Bureau of Labor Statistics. Telephone: (202) 606-6240 E-mail: Blostin_A@bls.gov

requirements, early retirement requirements and reductions, and disability benefits.

The successor to the digests was the Level of Benefits Survey (LOB), which began in 1977 as an integral part of the Federal pay comparability process established by the Federal Reform Act of 1962 and later by the Federal Pay Comparability Act of 1970. The purpose of LOB was to provide detailed data on private sector employee benefits to the Office of Personnel Management (OPM). Combining LOB data with wage data from the Bureau's National Survey of Professional, Administrative, Technical, and Clerical Pay helped OPM to compare compensation of private sector and Federal employees.¹ In 1979, the LOB survey was upgraded from a test study to a pilot project, eventually becoming known as the EBS.

Between 1979 and 1986, the EBS included medium and large private establishments—those employing at

least 50, 100, or 250 workers, depending on the industry. (See table.) Most service industries were excluded as were establishments in Alaska and Hawaii and part-time employees everywhere. Data were collected for three broad occupational groups: Professional/administrative, technical/clerical, and production. During this period, the EBS represented 24 percent of the non-Federal, nonfarm workforce. In 1987, the survey was expanded to represent a larger share of the civilian workforce by including a one-time survey of State and local governments employing 50 or more workers, increasing survey coverage to 32 percent of the non-Federal, nonfarm workforce. Then, in 1988, it was expanded to include all service industries and all private sector establishments with 100 or more employees. This expansion increased the survey coverage to 40 percent.

Starting in 1990, EBS data were collected in concert with data for the

Employment Cost Index program. As part of the integration, Alaska and Hawaii were added to the survey; coverage was expanded to include virtually all occupations; and small private establishments (those employing fewer than 100 workers) and part-time workers were included. In addition, State and local government employees were surveyed on a regular basis. Medium and large private establishments were surveyed in odd-numbered years and small private establishments and State and local governments in even-numbered years. (There have been two exceptions in this cycle: The survey on State and local governments was not conducted in 1996, and the survey on small private establishments was not conducted in 1998.) Excluded from the survey are the self-employed, major stockholders, members of a corporate board who are not otherwise officers of the corporation, volunteers, unpaid workers, family members who are paid token wages, the permanently

Development of the Employee Benefits Survey and the survey's publications, 1979-97

Year	Coverage	Percent of civilian workforce ¹ covered	Major publication
1979-86	Scope included private establishments employing at least 50, 100, or 250 workers depending on the industry Excluded most service industries Excluded Alaska and Hawaii Excluded part-time employees	24	<i>Employee Benefits in Medium and Large Private Establishments</i> , annually beginning in 1979
1987	Published one-time survey of State and local governments with 50 or more employees	32	<i>Employee Benefits in State and Local Governments, 1987</i>
1988-89	Expanded scope to include establishments with 100 employees or more Expanded scope to include all service industries	40	<i>Employee Benefits in Medium and Large Private Establishments, 1988, 1989</i>
1990-97	Expanded scope to include part-time employees Expanded scope to include Alaska and Hawaii Expanded scope to include small private establishments—those employing fewer than 100 employees Expanded scope to include all State and local governments	96	<i>Employee Benefits in Medium and Large Private Establishments, 1991, 1993, 1995</i> <i>Employee Benefits in State and Local Governments, 1990, 1992, 1994</i> <i>Employee Benefits in Small Private Establishments, 1990, 1992, 1994, 1996</i> (not published yet) All-economy incidence data, 1990 through 1996 (In the last several years, these estimates have appeared in <i>Compensation and Working Conditions</i>)

¹ Civilian workforce refers to a non-Federal, nonfarm workforce.

disabled, partners in unincorporated firms, and U.S. citizens working overseas. From 1991 through 1998, 96 percent of the non-Federal, nonfarm workforce were covered by the survey.

Publishing survey results

The expansion of workforce coverage increased the importance of published estimates from the EBS. The survey now reports on trends in employee benefits in all sectors of the economy on a regular basis. (See table.) The survey's estimates allow for comparison of benefit coverage between various segments of the economy. Combining data from surveys of private industries and State and local governments allows tabulations of all-economy estimates.

In all its iterations, the EBS has collected and analyzed data on benefits for which the employer pays the total cost or the cost is shared between the employer and the employee. Plans paid in full by employees are not included, although there are a few exceptions to this rule. Because the guarantee of insurability and availability of coverage at group premium rates can be considered a benefit, the survey provides data on the availability of employee-paid post retirement medical care and life insurance, dependent life insurance, and supplemental life insurance.

Regular annual publications of the Bureau have been the major medium used to disseminate EBS data. However, other media are also extensively used, including news releases and articles in BLS periodicals, such as the *Monthly Labor Review* and *Compensation and Working Conditions*. EBS data are also available on the Internet.²

Introduction of the National Compensation Survey

Until recently, the EBS was one of four compensation programs within the Office of Compensation and Working Conditions. The other three programs were the Employment Cost Index (ECI), the Employer Costs For Em-

ployee Compensation (ECEC), and the Occupational Compensation Survey (OCS). The ECI measures the change in employer costs for employee compensation. The ECEC measures the average employer cost per employee hour worked for wages, salaries, and benefits.³ The OCS estimates pay for a multitude of occupations and occupational levels in various metropolitan areas nationwide.⁴

The National Compensation Survey is an effort to produce a more comprehensive survey by combining these four programs into a single survey program. The NCS goals include eliminating the duplication of data collection and processing techniques that exist among these programs and improving the quality and utility of published data. The NCS will produce wage and benefits data for localities, geographic regions, and the United States as a whole.⁵

Testing for the NCS began in 1994 and results were published in 1996 and 1997. These initial tests centered on job classification and wage collection, processing, and estimation issues. In 1998, measures of benefit costs were included. Benefit incidence (the percentage of workers participating in selected employee benefit programs) and provisions will be included in 1999 and 2000, respectively.⁶

The integration of the EBS with the NCS will bring improvements to the Bureau's published benefits data. NCS occupational characteristics (such as full- and part-time and union and non-union status) and wage data will be collected from a sample of 36,000 units. The detailed benefit costs and incidence of benefits data (such as the percentage of workers participating in selected employee benefits programs, like health and life insurance) will be collected from a sub-sample of approximately 12,000 employer units. This represents about a 70-percent increase in the size of the sample as compared to the sample providing data for the ECI, ECEC, and EBS. This larger sample will provide better estimates and expand the publishable data. For example, incidence data will be pub-

lished for more establishment size groups; more detailed estimates by industry, occupation, and region will be available; the incidence of employee benefits for the entire economy will be available every year instead of every other year; and, the data will be published in a more timely fashion. Incidence data will be published 4 to 5 months after the survey date each year, coinciding with estimates of employer costs for employee benefits (publication coordination between these two surveys was not possible before).

Along with enhancements to published incidence estimates, improvements will also be made to the published estimates of benefit plan provision details. These plan details describe the actual value or services received by the employees and the limits and restrictions to receiving them. Beginning in the year 2000, the NCS will capture detailed benefit plan provisions, first for employee leave plans and life and disability insurance plans, and about a year later for health and retirement plans. Although the frequency with which to publish estimates of benefit plan provisions is still to be determined, these estimates will relate to the entire civilian non-Federal, nonfarm economy each year. Under the NCS, detailed benefit cost data will be linked for the first time to specific benefit plans and provisions. This will enable analysis of plan costs relative to specific provisions.

Another important enrichment under the NCS will be the ability to initiate both quick issue surveys and special studies related to wages, benefit costs, and benefit provisions. This ability will allow data to be published on topical benefit issues in a more timely fashion. Medical savings accounts are a good example of an emerging benefit that could be studied quickly.

The NCS outreach program

The NCS outreach program targets data users from many professional disciplines: Academia, government, research organizations, unions, and the media. The Bureau regularly main-

tains contact with data users to determine the types of published data that interests them. Vehicles employed to determine user interests include:

- Special conferences to exchange ideas
- Regularly scheduled meetings with representatives from business and organized labor to present information and receive input (For example, the Bureau meets twice a year with representatives from the Business and Labor Research Advisory Councils⁷)
- Visits with compensation organizations to present recent publications and explain development projects
- Articles in non-Bureau publications
- An Internet site at:
<http://stats.bls.gov/comhome.htm>

In addition, as part of the NCS outreach program, research was conducted to determine the level of detail required to analyze health and retirement plan provisions. This research consisted of informal contacts with data users from the health and retirement business communities. These data users were asked to comment on the current details published by the survey and to suggest alternative ways to present the data. The research results are discussed in the following two articles.

Summary

The Bureau of Labor Statistics has completed the planning and most of the design to continue surveying the incidence and characteristics of employee benefits into the next century. From 1979 through 1997, the EBS published estimates of the incidence of a wide variety of benefits and the detailed provisions for many of them. Survey coverage has expanded over this period to include 96 percent of the civilian non-Federal, nonfarm

economy. Beginning in 1999, these estimates of incidence and plan provisions will be published under the NCS, an integrated program that coordinates multiple processes, makes efficient use of establishments in the survey, and produces more comprehensive estimates than were possible from its predecessor programs. The design of the NCS program to capture and disseminate data on plan provision details is nearly complete and the requisite systems development is ongoing.

It has always been the policy of the Bureau of Labor Statistics to present the most timely and relevant data. The implementation of the NCS is a major evolutionary step towards presenting a more complete picture of compensation programs in all sectors of the economy. While it is a major step, the NCS surely will not be the final step in this goal. It is expected that the NCS will undergo revisions to keep pace with technology and future developments in the compensation field. ■

¹ See Robert N. Frumkin and William J. Wiatrowski, "Bureau of Labor Statistics Takes a New Look at Employee Benefits," *Monthly Labor Review*, August 1982, p. 41.

² Additional information about the EBS can be obtained from the Bureau of Labor Statistics Internet site at:

<http://stats.bls.gov/ebshome.htm>

³ Additional information about the ECI and the ECEC can be obtained from the Bureau of Labor Statistics Internet site at:

<http://stats.bls.gov/ecthome.htm>

⁴ Additional information about the OCS can be obtained from the Bureau of Labor Statistics Internet site at:

<http://stats.bls.gov/ocshome.htm>

⁵ Additional information about the NCS can be obtained from the Bureau of Labor Statistics Internet site at:

<http://stats.bls.gov/comhome.htm>

⁶ William J. Wiatrowski, "Bureau of Labor Statistics New National Compensation Survey,"

Compensation and Benefits Review, September/October 1998, p. 29. This article provides a comprehensive look at the development, design, and goals of the National Compensation Survey.

⁷ The Business Research Advisory Council and the Labor Research Advisory Council are formally constituted boards that provide technical advice to the Bureau of Labor Statistics on problems and issues in data collection and reporting from the perspective of their constituencies.