

Documenting Benefits Coverage for all Workers

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BLS data on employee benefits have, until recently, focused on subsets of the economy. As a result, aggregate data for all civilian and private industry workers could only be obtained in a piecemeal fashion. This article makes these data available for the first time in a single place.

Over the period from 1989 to 2003, the percentage of workers participating in many employer-provided benefits plans--from medical care and life insurance to retirement plans and paid vacation time--slowly declined. BLS data on the availability of benefits throughout this period provide an overview of trends in this important component of compensation, which constitutes nearly 30 percent of employer compensation costs.¹

Among workers in both private industry and State and local governments--referred to hereafter as civilian workers--the percent of full-time employees with medical care coverage declined from 83 percent in 1989-90 to 68 percent in 1998-99.² For full-time workers in the private sector, medical care coverage declined by 15 percentage points over a somewhat longer period,³ from 80 percent in 1989-90 to 65 percent in 2003. Trends in retirement benefits also show declining coverage since the late 1980s, although less so than for medical care. Among full-time civilian workers, retirement coverage declined from 68 percent in 1989-90 to 62 percent in 1998-99. For those in the private sector, retirement coverage remained about the same, with roughly 60 percent of full-time workers participating in such plans. (See tables 1 and 2.)

This article serves two purposes: 1) It documents benefits data on the civilian and private sector economies since 1989, and 2) it explains some of the changes that have occurred in these data. BLS data series on employee benefits were only recently specifically designed to provide data on the entire private sector economy. These aggregate data--which have received considerable interest from policymakers, researchers, employers, and employees--were merely byproducts of other data series designed to highlight subsets of the economy. As a result, they have not been published consistently. This article provides a repository of these aggregate data series for the transition years of the 1990s. Data on benefits coverage in the private sector are now published annually and thus provide a continuation of these data series as they become available.⁴

The Benefits Survey And Its Coverage

BLS has been collecting data on benefits coverage for more than a century, with consistent series going back to the late 1970s. At that time, benefits data were available for full-time workers in large private companies, which represented about a quarter of all civilian workers. Survey coverage was expanded incrementally beginning in 1987. By 1991, survey coverage included all full- and part-time workers in private industry and State and local governments. Resource constraints required that BLS subdivide the economy into three sections--small private establishments, medium and large private establishments, and State and local government--for data collection and processing over a 2- to 3-year period. The results are data that span multiple and overlapping time periods. Not until 1999 was the entire private sector economy surveyed at one time, resulting in expanded data by worker, establishment, and geographic characteristics.⁵

Changes to the benefits survey over the past quarter century reflect a number of influences, including changes in the composition of the workforce and the nature of work. For example, the women's labor force participation rate--the percent of the female population either working or actively seeking work--grew rapidly during the 1970s and early 1980s.⁶ This increase may have contributed to the introduction of such benefits as family and medical leave and child care assistance. In addition, the trend toward a more transient workforce--with greater numbers of individuals working part-time and temporary jobs or changing jobs more frequently--may have influenced the increase in benefits such as defined contribution plans, which are more portable than traditional retirement plans.

Perhaps the overriding trend in benefits over the past 25 years is toward more employee responsibility for their benefits. Evidence of this phenomenon includes the availability of choices among medical care plans, the requirement that employees help to fund the cost of their medical care plans, and the requirement that employees contribute to their retirement plans and make investment decisions. BLS benefits data help to document all of these trends.

While benefit coverage declined throughout the 1990s, several measures of employer benefits costs reveal different trends. The proportion of employer compensation dollars spent on benefits (as opposed to wages), for example, has remained relatively stable at about 28 percent of compensation costs throughout the decade. This may suggest that the benefits that are currently provided are more costly than they have been in the past. In fact, benefit cost increases outpaced wage cost increases during the early 1990s, but moderated in the latter part of the decade. Since 2000, benefit costs have once again outpaced wage costs. Several factors influence these benefit cost data. For example, employer costs for health care benefits rose at very high rates in the early 1990s, but moderated substantially in the middle part of the decade. In addition, costs for defined benefit pensions fluctuated with changes in investment performance. Finally, many benefit costs, such as those for time off, defined contribution, and life insurance plans, are directly related to wage changes--as wages increase, the cost of the benefit increases proportionally.⁷

Trends In Benefit Participation

While the overall trend in the availability of benefits has shown a decline, a number of different trends can be observed in certain kinds of benefits. For example, the availability of paid leave has remained widespread and little changed since 1989-90. Paid holidays and vacations are available to the majority of all workers, and they are nearly universally available to full-time workers. The availability of specialized leave plans, such as funeral and jury duty leave, has also remained relatively stable over the period. Curiously, military leave coverage declined through the 1990s, although these data largely reflect the period after the Gulf War and before the current war on terrorism. It is not unusual for newer employers to forego establishing a military leave policy until the need arises. The percent of private industry workers with such coverage was up sharply in 2003.

Employee leave benefits were expanded in 1993 with the passage of the Family and Medical Leave Act; this law requires many employers to provide employees with unpaid time off for their own medical needs or to care for their family members.⁸ Data from the early 1990s on the availability of unpaid maternity and paternity leave (beyond the time immediately surrounding childbirth for new mothers) indicated growing availability of such benefits even before the new law became effective.

Retirement plans have seen many changes over the decade, as participation in traditional defined benefit pension plans declined, while participation in defined contribution plans increased. While not shown from these data, the nature of retirement plans is changing as well, with more defined benefit plans using cash account and pension equity formulas and nearly all defined contribution plans using the savings and thrift model.⁹

There is much debate among policymakers and others regarding medical care coverage, or the lack of such coverage. BLS benefits data document a steady decline in participation in employer-provided medical care plans over the past decade or so.¹⁰ Other data from the same surveys show the trend toward rising employee costs (both premiums and partial payments for services) among those with employer-provided medical care coverage.

Participation in employee benefits that provide continuation of income while employees are ill or become disabled--such as sick leave, short-term disability benefits, and long-term disability insurance--has been relatively stable over the period. The types of plans and their features have changed, however, to coordinate with family leave coverage and changes in retirement plans.

Finally, BLS tracked the percentage of workers eligible for a number of other benefits that were generally considered new to the compensation package.¹¹ Many of these benefits were designed to assist employees with family responsibilities. Child care assistance and long-term care insurance are two examples of the kind of family-friendly benefits that employers have begun to introduce. While the number of employees to whom these benefits are available is still quite low, the survey has

documented some growth in employee eligibility. For example, the percent of full-time private industry workers eligible for long-term care insurance--the cost of which often is paid entirely by the employees but at group rates--has grown from 2 percent in 1991-92 to 11 percent in 2003.¹² (See table 3.)

New Benefits Data

BLS began to restructure its benefits data program in the late 1990s so that data for the entire private sector would be available each year. In future years, data for the entire civilian economy, with separate data for private industry and for State and local government, will also be available annually. The new private industry estimates also provide data by worker and establishment characteristics, many of which were not available in the past.¹³ Tables 4 and 5 provide an overview of the latest data on benefits participation by these characteristics.

These new data help to illuminate certain contrasts. For example, service workers tend to participate in benefit plans less frequently than their white-collar and blue-collar counterparts; full-time workers participate much more often than part-time workers; and union workers have certain benefits--notably defined benefit pensions--substantially more often than do nonunion workers. New data showing benefits participation for workers with different average salary levels may provide insight into the debate about the quality of jobs. These data are a first step toward providing comprehensive data that combine employer costs, employee wages, and benefits participation and provisions.

This article does not attempt to give the reasons behind some of the differences shown in tables 1-5. Instead, it offers a repository of historic data to be used in future analyses. In fact, BLS currently is examining some of the factors that may have influenced the changes in medical care and retirement plan participation over the past several years. The availability of new data linking many aspects of employee compensation will increase the analytical possibilities for the future.

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REVISION NOTE #1: The revised version of this article, which was originally posted on May 26, 2004, includes revised data on medical care and dental care for 2003. The 2003 data were recalculated in order to make them comparable with data tabulated for 2004 and earlier years. The revised 2003 data differ from the originally published data by including imputations for missing information on the types of health insurance plans. More information on the recalculated data can be found here: <http://www.bls.gov/ncs/ebs/notice112004.htm>.

REVISION NOTE #2: Table 2 of this article was revised on July 14, 2006, to reflect the revised data on medical care and dental care for 2003 described in Revision Note #1 above. (Table 4 had been revised in December 2005, but not table 2.)

Notes

1 Data from the BLS survey of Employer Costs for Employee Compensation indicate that 28.6 percent of employer compensation costs in December 2003 went toward benefits, with the remaining cost attributed to wages. See *Employer Costs for Employee Compensation--December 2003*, USDL: 04-288 (U.S. Department of Labor), February 26, 2004.

2 This article uses the terms "participation" and "coverage" interchangeably to refer to workers currently enrolled in a benefit plan, having met all eligibility requirements and other conditions of enrollment, such as agreeing to pay any required plan costs.

3 Because survey coverage changed from year to year, private sector data are available from 1989-90 to 2003, while civilian worker data are available from 1989-90 to 1998-99. As tables 1 to 5 in this article show, data for some years are available only for full-time workers, while for other years, they are available for all workers but not separately for full-time workers.

4 BLS has not yet determined when benefits data for State and local governments will be collected again. Until that time, data for the entire civilian economy will not be available.

5 Benefits data were aggregated over the entire civilian or private economy by summing the numerators (number of employees participating in a benefit plan) and the denominators (number of employees in a particular segment of the economy) and dividing the results to obtain a percentage of workers participating. Because statistical techniques such as nonresponse adjustment and imputation were done for each set of data separately and not for all data combined, these aggregated results may differ slightly from data for 1999 forward, which are derived from a single survey of all private sector workers.

6 See *Women in the Labor Force: A Databook*, Report 973 (Bureau of Labor Statistics, February 2004), table 2, pp. 8-10; available on the Internet at <http://www.bls.gov/cps/wlf-databook.htm>.

7 For more information on the costs of employee benefits, see *Employment Cost Index--March 2004*, USDL 04-751 (U.S. Department of Labor), April 29, 2004; available on the Internet at <http://www.bls.gov/ncs/ect/sp/ecnr0049.pdf>.

8 The Family and Medical Leave Act of 1993, as amended, generally requires employers with 25 or more workers to provide up to 12 weeks of unpaid leave in the event of worker illness, for the care of a newborn, or for care of an ill family member.

9 Cash account and pension equity plans are two types of defined benefit plans that specify an employee's benefit as a lump sum rather than as a periodic retirement payment. Savings and thrift plans establish for employees individual accounts that consist of employee and employer contributions plus investment earnings.

10 Data from the Employee Benefits Survey are collected from employers. In contrast, the Current Population Survey collects data on benefits coverage from households. For a comparison of these data, see Diane E. Herz, Joseph R. Meisenheimer II, and Harriet G. Weinstein, "Health and Retirement Benefits: Data from Two BLS Surveys," *Monthly Labor Review*, March 2000, pp. 3-20.

11 For these benefits, BLS captures the percentage of workers who are offered the benefit--regardless of whether they choose to be covered--and not the percentage actually participating.

12 For more information on long-term care insurance, see Jordan Pfunter and Elizabeth Dietz, "Long-term Care Insurance Gains Prominence," *Compensation and Working Conditions Online* (Bureau of Labor Statistics, January 28, 2004), on the Internet at <http://www.bls.gov/opub/cwc/cm20040123ar01p1.htm>.

13 Prior to 1999, the majority of benefits data were presented for full-time workers with limited detail by industry or geographic location.

Table 1. Percent of workers participating in selected employee benefit plans, private industry and State and local government, 1989-99

Employee benefit program	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95	1994-96	1994-97	1996-98	1998-99
All Workers										
Paid:										
Holidays	-	77	76	76	73	73	72	72	72	74
Vacations	-	80	79	79	77	77	76	76	76	77
Personal leave	-	18	18	18	18	18	18	17	18	-
Funeral leave	-	57	57	58	56	56	56	56	57	-
Jury duty leave	-	67	67	68	67	66	65	66	67	-
Military leave	-	39	38	37	33	31	31	32	33	-
Sick leave	-	56	58	56	53	50	50	50	51	-
Unpaid maternity leave/family leave(1)	-	28	29	37	54	62	61	66	66	-
Short-term disability benefits(2)		30	30	29	29	33	32	30	34	34
Long-term disability insurance		25	26	26	24	25	25	26	27	26
Medical care	-	69	68	67	62	61	60	60	61	57
Dental care	-	42	43	42	39	37	36	34	39	36
Life insurance	-	70	69	67	64	63	62	63	64	59
All retirement	-	59	59	58	56	57	58	58	59	54
Defined benefit pension	-	43	41	40	37	36	35	35	35	30

Footnotes:

(1) The definition of this benefit was changed from unpaid maternity leave to unpaid family leave in 1993.

(2) The definition of this benefit was changed from sickness and accident insurance to short-term disability benefits in 1995.

(3) Includes plans that offer a choice of two or more benefits.

NOTE: Dashes indicate data were not collected or not tabulated in a given year. In a few cases, data have been revised from those previously published.

Employee benefit program	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95	1994-96	1994-97	1996-98	1998-99
Defined contribution	-	30	31	31	30	33	35	36	36	33
Plan type:										
Savings and thrift	-	14	15	15	16	21	23	23	23	-
Deferred profit sharing	-	12	12	11	10	10	9	10	10	-
Money purchase pension	-	6	6	6	6	5	5	5	6	-
Employee stock ownership plan		1	1	1	1	2	2	2	2	-
Flexible benefits plan(3)		6	6	6	6	6	6	7	7	7
Full-time Workers										
Paid:										
Holidays	87	85	85	85	84	84	-	-	83	85
Vacations	88	88	88	88	88	88	-	-	87	86
Personal leave	20	19	20	20	20	20	-	-	20	-
Funeral leave	65	63	65	65	64	64	-	-	66	-
Jury duty leave	76	74	76	77	76	75	-	-	76	-
Military leave	44	45	44	43	40	37	-	-	39	-
Sick leave	64	63	65	65	62	59	-	-	60	-
Unpaid maternity leave/family leave	31	31	32	41	60	69	-	-	74	-
Short-term disability benefits(2)	32	33	33	32	32	38	-	-	39	39
Long-term disability insurance	31	29	31	31	30	31	-	-	33	32
Medical care	83	79	79	78	75	73	-	-	73	68
Dental care	52	48	49	49	46	45	-	-	47	42
Life insurance	81	80	80	78	77	76	-	-	77	71
All retirement	68	66	66	66	65	66	-	-	68	62
Defined benefit pension	50	48	47	45	43	42	-	-	41	35
Defined contribution	34	34	35	35	35	39	-	-	42	38
Plan type:										
Savings and thrift	17	16	18	18	19	24	-	-	27	-
Deferred profit sharing	12	13	13	12	11	11	-	-	11	-
Money purchase pension	6	7	6	7	6	6	-	-	6	-
Employee stock ownership plan	2	1	2	2	2	3	-	-	2	-
Flexible benefits plan (3)	5	5	6	6	6	7	-	-	8	8

Footnotes:

- (1) The definition of this benefit was changed from unpaid maternity leave to unpaid family leave in 1993.
- (2) The definition of this benefit was changed from sickness and accident insurance to short-term disability benefits in 1995.
- (3) Includes plans that offer a choice of two or more benefits.

NOTE: Dashes indicate data were not collected or not tabulated in a given year. In a few cases, data have been revised from those previously published.

Table 2. Percent of workers participating in selected employee benefit plans, private industry, 1989-2003

Employee benefit program	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1999	2000	2003
All Workers											
Paid:											
Holidays	-	79	77	77	75	74	-	73	75	77	79
Vacations	-	83	82	82	80	80	-	79	79	80	79
Personal leave	-	14	14	15	14	15	-	15	-	-	-
Funeral leave	-	56	57	57	56	55	-	56	-	-	-
Jury duty leave	-	62	63	64	63	62	-	63	-	-	70
Military leave	-	32	31	30	27	25	-	27	-	-	50
Sick leave	-	50	52	50	47	44	-	44	53	-	-
Unpaid maternity leave/family leave(1)	-	24	24	34	48	58	-	62	-	-	-
Short-term disability benefits(2)	-	31	31	30	30	35	-	36	36	33	37
Long-term disability insurance	-	25	26	25	23	25	-	26	25	25	28
Medical care	-	66	65	63	59	58	-	57	53	52	53
Dental care	-	39	39	39	35	34	-	37	32	29	36
Life insurance	-	68	67	64	61	60	-	61	56	54	47
All retirement	-	53	54	53	50	51	-	53	48	48	49
Defined benefit pension	-	35	34	32	28	28	-	27	21	19	20
Defined contribution	-	34	35	35	34	37	-	40	36	36	40
Plan type:											
Savings and thrift	-	17	18	17	18	24	-	26	-	26	-
Deferred profit sharing	-	14	14	13	11	11	-	11	-	8	-
Money purchase pension	-	6	6	6	5	5	-	5	-	4	-
Employee stock ownership plan	-	1	2	2	2	3	-	2	-	2	-
Flexible benefits plan(3)	-	6	6	6	6	-	-	7	7	-	-
Full-time Workers											
Paid:											
Holidays	90	88	87	-	86	85	84	85	87	87	91
Vacations	93	92	92	-	92	92	91	91	90	91	91
Personal leave	16	16	16	-	16	17	18	17	-	-	-
Funeral leave	65	63	65	-	65	65	64	66	-	-	-
Jury duty leave	72	70	71	-	72	71	71	73	-	-	77
Military leave	37	37	37	-	33	30	30	32	-	-	56
Sick leave	57	57	60	-	57	52	54	53	63	-	-

Footnotes:

- (1) The definition of this benefit was changed from unpaid maternity leave to unpaid family leave in 1993.
- (2) The definition of this benefit was changed from sickness and accident insurance to short-term disability benefits in 1995.
- (3) Includes plans that offer a choice of two or more benefits.

NOTE: Dashes indicate data were not collected or not tabulated in a given year. In a few cases, data have been revised from those previously published.

Employee benefit program	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1999	2000	2003
Unpaid maternity leave/family leave(1)	27	27	27	-	53	65	64	70	-	-	-
Short-term disability benefits(2)	34	35	35	-	34	41	40	42	43	39	45
Long-term disability insurance	32	29	31	-	30	31	31	32	32	31	36
Medical care	80	76	77	-	73	71	70	70	64	61	65
Dental care	50	45	46	-	43	42	40	45	39	35	45
Life insurance	79	79	78	-	74	74	73	74	68	65	59
All retirement	62	60	61	-	58	60	61	62	56	55	58
Defined benefit pension	42	39	39	-	33	33	32	32	25	22	24
Defined contribution	40	39	40	-	40	44	46	47	42	42	48
Plan type:											
Savings and thrift	20	19	21	-	22	28	31	31	-	31	-
Deferred profit sharing	15	15	16	-	13	13	12	13	-	9	-
Money purchase pension	6	7	6	-	6	6	5	6	-	4	-
Employee stock ownership plan	2	2	2	-	2	3	3	3	-	2	-
Flexible benefits plan(3)	5	5	6	-	7	7	8	8	9	-	-

Footnotes:
 (1) The definition of this benefit was changed from unpaid maternity leave to unpaid family leave in 1993.
 (2) The definition of this benefit was changed from sickness and accident insurance to short-term disability benefits in 1995.
 (3) Includes plans that offer a choice of two or more benefits.

NOTE: Dashes indicate data were not collected or not tabulated in a given year. In a few cases, data have been revised from those previously published.

Table 3. Percent of workers eligible for selected employee benefit plans, private industry and State and local government, 1991-2003

Employee benefit program	1991-92	1992-93	1993-94	1994-95	1994-96	1996-98	1999	2000	2003
All Workers									
Severance pay	25	24	23	22	21	22	-	-	-
Child care benefits	5	4	4	5	5	5	-	-	-
Long-term care insurance	4	4	3	3	3	5	-	-	-
Wellness programs	19	20	19	19	19	21	-	-	-
Employee assistance programs	36	38	37	36	35	38	-	-	-
Job-related educational assistance	49	48	48	46	46	47	-	-	-
Non-job-related educational assistance	12	12	12	11	11	12	-	-	-
Private Industry									
Footnote: (1) In 2003, the definition of child care benefits was expanded to include resource and referral services in addition to child care centers and financial support.									

NOTE: Dashes indicate data were not collected or not tabulated in a given year.

Employee benefit program	1991-92	1992-93	1993-94	1994-95	1994-96	1996-98	1999	2000	2003
Severance pay	24	23	23	21	-	21	22	20	-
Child care benefits(1)	4	4	3	4	-	5	6	4	18
Long-term care insurance	2	3	2	3	-	4	6	7	11
Wellness programs	18	18	17	16	-	19	17	18	-
Employee assistance programs	31	33	31	31	-	33	33	-	-
Job-related educational assistance	47	46	46	44	-	45	41	38	-
Non-job-related educational assistance	12	11	11	10	-	11	10	9	-

Footnote:

(1) In 2003, the definition of child care benefits was expanded to include resource and referral services in addition to child care centers and financial support.

NOTE: Dashes indicate data were not collected or not tabulated in a given year.

Table 4. Percent of workers participating in selected employee benefit plans, by worker and establishment characteristic, private industry, 2003

	Medical care	Dental care	Life insurance	All retirement	Defined benefit pension	Defined contribution
All workers	53	36	47	49	20	40
White-collar occupations	58	42	54	59	22	51
Blue-collar occupations	61	38	50	50	24	38
Service occupations	25	18	25	21	7	16
Full-time	65	45	59	58	24	48
Part-time	13	7	9	18	8	14
Union	82	67	61	83	72	39
Non-union	50	33	46	45	15	40
Average wage less than \$15 per hour	40	25	37	35	11	29
Average wage \$15 per hour or higher	72	54	64	70	33	57
Goods-producing industries	68	50	58	63	31	49
Service-producing industries	48	32	44	45	16	37
Establishments with fewer than 100 workers	42	23	33	35	8	31
Establishments with 100 or more workers	65	51	64	65	33	51
Metropolitan areas	54	37	48	50	21	41
Nonmetropolitan areas	48	29	45	42	14	36

Table 5. Percent of workers participating in selected employee benefit plans, by worker and establishment characteristic, private industry, 2003

	Paid vacations	Paid holidays	Paid jury duty leave	Paid military leave	Short-term disability benefits	Long-term disability benefits
All workers	79	79	70	50	37	28
White-collar occupations	84	86	79	59	40	40
Blue-collar occupations	84	85	69	46	44	20
Service occupations	61	54	46	34	20	10
Full-time	91	91	77	58	45	36
Part-time	40	43	45	33	12	4
Union	90	91	85	56	68	27
Non-union	78	78	68	50	34	29
Average wage less than \$15 per hour	73	72	60	42	27	16
Average wage \$15 per hour or higher	90	91	84	64	52	49
Goods-producing industries	87	90	76	56	54	29
Service-producing industries	77	76	68	48	32	28
Establishments with fewer than 100 workers	73	74	57	38	26	18
Establishments with 100 or more workers	87	86	84	64	50	40
Metropolitan areas	79	79	71	51	38	30
Nonmetropolitan areas	79	80	61	44	31	17