

# Supplementary Wage Practices in American Industry

1945-46

**Bulletin No. 939**

**UNITED STATES DEPARTMENT OF LABOR**

**L. B. Schwellenbach, *Secretary***

**BUREAU OF LABOR STATISTICS**

**Ewan Clague, *Commissioner***



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## Letter of Transmittal

UNITED STATES DEPARTMENT OF LABOR,  
BUREAU OF LABOR STATISTICS,  
*Washington, D. C., May 13, 1948.*

**THE SECRETARY OF LABOR:**

I have the honor to transmit herewith a report on selected wage practices in American industry, 1945-46. Although collective bargaining and individual employer action with respect to "wages" still relate basically to wage rates and the earnings such rates yield, increasing interest in working conditions and supplementary wage practices has developed in recent years. Information on these practices, therefore, is necessary for a complete picture of the American wage structure. The Bureau's industry wage study program provides for the collection of data on some of these practices in each of the manufacturing and nonmanufacturing industries surveyed. Such information is reported, together with basic wage data, in each of the individual industry wage studies issued by the Division of Wage Analysis. The present bulletin provides summary information on each of six types of wage practices (vacation and sick leave plans, shift differentials, nonproduction bonuses, incentive methods of pay, insurance and pension plans, and rate structure) in all of the industries studied during 1945-46. Although many industries were not surveyed during this period, those that were surveyed provide a relatively good cross-section of all manufacturing industry. Information is also provided for selected nonmanufacturing industries.

The study was conducted in the Branch of Industry Wage Studies, Harry Ober, chief, under the general direction of Lily Mary David and Kermit B. Mohn. Appropriate acknowledgment for individual contributions will be found in the form of footnotes to each selection of the bulletin.

EWAN CLAGUE, *Commissioner.*

HON. L. B. SCHWELLENBACH,  
*Secretary of Labor.*



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## Shift Differentials in Manufacturing, 1945-46<sup>1</sup>

THE MAJORITY of manufacturing establishments in the United States operating evening or night shifts<sup>2</sup> paid shift differentials in 1945-46; most frequently these premium payments amounted to 5 cents an hour added to the first-shift hourly rate. However, despite high war and postwar production levels during this period, only about a fourth of the workers in the industries studied were employed on late shifts. Most of these employees were on evening shifts; only about 1 worker in 16 was employed on a night-shift schedule.

Shift differentials increased in importance during the war; and the extension of the practice of premium pay for late-shift work was an issue of some significance during the period of wartime wage stabilization.

The information presented here represents a summary of shift-employment and shift-differential practices in 56 industries studied by the Bureau of Labor Statistics during 1945-46.<sup>3</sup> Together, these industries employed almost half of all manufacturing workers and were representative of all broad manufacturing industry groups except rubber, petroleum refining, lumber, printing, shipbuilding, and basic iron and steel.<sup>4</sup>

With a few exceptions, notably in the textile industries, premium pay was about as common for second- as for third-shift work (table 1). The size of the premium, however, tended to be somewhat greater for third than for second shifts. Five cents was the most common second-shift

TABLE 1.—Proportion of manufacturing establishments with late-shift operations paying shift differentials, by shift and industry, 1945-46

Industry	Pay-roll period studied	Percent paying shift differentials for—	
		Second shift	Third and/or other shifts
All manufacturing industries studied.....		57	63
Apparel <sup>1</sup> .....		53	72
Knit outerwear.....	July 1946.....	45	70
Knit underwear.....	.....do.....	75	74
Chemicals <sup>2</sup> .....		71	71
Industrial chemicals.....	January 1946.....	63	66
Soap and glycerin.....	July 1946.....	94	96
Metalworking <sup>3</sup> .....		75	78
Aircraft engines and engine parts.....	January 1945.....	91	88
Automobiles.....	.....do.....	79	86
Communication equipment.....	.....do.....	81	88
Copper alloying, rolling, and drawing.....	Spring-summer 1946.....	97	100
Electric generating and distribution equipment.....	January 1945.....	89	96
Electroplating, plating and polishing.....	.....do.....	62	68
Fabricated structural steel.....	.....do.....	71	86
Foundries, ferrous.....	.....do.....	57	56
Foundries, nonferrous.....	.....do.....	66	79
Iron and steel forgings.....	.....do.....	72	73
Machine tool accessories.....	.....do.....	88	85
Machine tools.....	.....do.....	88	82
Machinery.....	.....do.....	78	79
Oil burners, hot-water and steam heating apparatus.....	July 1946.....	85	100
Power boilers and associated products.....	January 1945.....	76	60
Radios, radio equipment (except tubes), and phonographs.....	.....do.....	79	82
Small arms.....	.....do.....	83	86
Stoves and ranges.....	July 1946.....	83	84
Tanks.....	January 1945.....	90	100
Tool and die jobbing shops.....	.....do.....	73	55
Textiles.....		32	69
Cotton textiles.....	April 1946.....	10	65
Hosiery, full-fashioned.....	January 1946.....	43	42
Hosiery, seamless.....	.....do.....	22	41
Rayon and silk textiles.....	July 1946.....	28	90
Textile dyeing and finishing.....	.....do.....	43	68
Woolens and worsted textiles.....	April 1946.....	60	80
Other manufacturing industries <sup>4</sup> .....		38	42
Bakeries.....	July 1945.....	28	37
Cigarettes.....	January 1945.....	83	-----
Corrugated and fiber boxes.....	October 1945.....	75	100
Fiber cans and tubes.....	.....do.....	50	100
Folding paper boxes.....	.....do.....	70	61
Paperboard.....	.....do.....	42	45
Pulp and paper.....	.....do.....	45	46
Structural clay products.....	.....do.....	27	30

<sup>1</sup> Prepared in the Bureau's Wage Analysis Branch by Karl Hafen.

<sup>2</sup> I. e., second or third and/or other shifts.

<sup>3</sup> The industries studied are listed in table 1. The individual surveys summarized here covered a representative group of plants rather than all firms in each industry; altogether 15,636 establishments were studied. As these surveys were made primarily to obtain wage-rate information, a larger proportion of large establishments and of establishments in large cities and in certain regions were included in order to permit presentation of separate data by region. Moreover, the proportion of establishments studied varied from industry to industry. No attempt was made in the summary of shift-differential practices, presented in terms of number of establishments, to compensate for differences in coverage between industries or between segments of the same industry, although the information on shift employment was adjusted to allow for these differences.

<sup>4</sup> Although field studies were not made in the printing, rubber tire and tube, shipbuilding, or basic iron and steel industries, shift differentials are known to be widely paid in these industries.

<sup>1</sup> Also includes data for men's and boys' dress shirts and night wear, overalls, industrial garments, work pants, and work shirts; and women's and misses' dresses and suits and coats.

<sup>2</sup> Also includes data for drugs and medicines, paints and varnishes, and perfumes and cosmetics.

<sup>3</sup> Also includes data for sheet metal establishments.

<sup>4</sup> Also includes data for chewing and smoking tobacco, cigars, costume and precious jewelry, footwear, set-up boxes, and wood furniture.

differential, whereas 6 to 10 cents was slightly more frequent for third-shift workers (table 2).

About 2 out of 3 establishments paying differentials made payment in the form of a uniform cents-per-hour addition to first-shift rates. Next most common was a uniform percentage differ-

TABLE 2.—Shift differential practices in selected manufacturing industry groups, 1945-46

Extent and type of shift differential	All manufacturing industries studied <sup>1</sup>		Chemicals		Metal working		Textiles	
	Second shift	Third and/or other shifts	Second shift	Third and/or other shifts	Second shift	Third and/or other shifts	Second shift	Third and/or other shifts
Establishments operating extra shifts.....	5,690	2,781	306	247	2,773	995	1,161	642
Establishments paying shift differentials.....	3,239	1,765	217	175	2,086	770	371	439
<i>Amount of shift differential</i>								
Percent of establishments paying differentials								
Uniform cents addition to first shift hourly rate.....	64	69	81	79	55	52	79	82
Under 5 cents.....	15	6	22	6	6	2	33	5
5 cents.....	37	28	40	22	3	27	41	37
Over 5 and under 10 cents.....	5	22	13	27	4	12	3	33
10 cents.....	5	10	5	22	5	10	1	6
Over 10 cents.....	2	3	1	2	1	1	1	1
Uniform percent addition to first-shift hourly rate.....	22	19	6	7	28	32	16	13
Under 5 percent.....	( <sup>2</sup> )	( <sup>2</sup> )	4	2	( <sup>2</sup> )	6	11	( <sup>2</sup> )
5 percent.....	7	4	4	2	8	4	1	3
Over 5 and under 10 percent.....	2	2	( <sup>2</sup> )	2	2	4	1	2
10 percent.....	12	11	2	3	17	19	3	7
Over 10 percent.....	1	2	-----	-----	1	3	( <sup>2</sup> )	1
Full day's pay for reduced hours.....	2	2	-----	-----	2	3	1	1
Paid lunch period not provided for first shift.....	3	2	3	3	4	2	1	-----
Other <sup>3</sup> .....	9	8	10	11	11	11	3	4
Total.....	100	100	100	100	100	100	100	100

<sup>1</sup> Includes industry groups not shown separately (industries studied are listed in table 1). The total of all establishments studied (including those operating one shift), was 15,636, of which 999 were in chemicals, 6,647 in metal-working industries, and 1,448 in textiles.

<sup>2</sup> Less than one-half of 1 percent.

<sup>3</sup> Includes establishments paying two or more types of differentials listed above.

ential, found in 1 out of 5 establishments; these differentials were generally larger, when translated into cents, than the uniform cents-per-hour premiums. A full day's pay for reduced hours of work and paid lunch periods, not provided for first-shift workers, were each provided by 2 or 3 percent of the plants paying shift differentials. The remaining tenth paid a combination of the types of differentials described. Uniform cents-per-hour additions were especially common in the textile and chemical industries.

Although late-shift work was virtually nonexistent in the apparel industries, 40 percent of the textile employees worked on second or third shifts (table 3). Individual industries in which extra-shift operations were most common included industrial chemicals, copper alloying, rolling, and drawing, and paper, pulp, and paperboard manufacture, all characterized by continuous processes. Late-shift work was also widespread in cotton, rayon, and woolen textiles, and full-fashioned hosiery manufacture.

There was less variation among industries and industry groups in the payment of shift differentials than in the extent of extra-shift operations. Premium pay for late shifts was more frequent in metalworking establishments, and less frequent for second-shift operations in the textile industries

TABLE 3.—Percentage of distribution of establishments and plant employment in selected manufacturing industry groups, by shift, 1945-46.

Industry group and shift	Percent of—	
	Establishments operating specified shifts	Plant employment on specified shifts
All manufacturing industries studied: <sup>1</sup>		
First shift.....	100	76
Second shift.....	36	18
Third and/or other shift.....	18	6
Apparel:		
First shift.....	100	99
Second shift.....	6	1
Third and/or other shift.....	1	( <sup>2</sup> )
Chemicals:		
First shift.....	100	81
Second shift.....	31	11
Third and/or other shift.....	25	8
Metalworking:		
First shift.....	100	74
Second shift.....	42	20
Third and/or other shift.....	15	6
Textiles:		
First shift.....	100	60
Second shift.....	80	29
Third and/or other shift.....	44	11

<sup>1</sup> Includes data for other manufacturing industries in addition to industry groups shown separately. (<sup>2</sup>For a list of industries studied, see table 1.)

<sup>2</sup> Less than ½ of 1 percent.

(particularly in cotton mills), than in other manufacturing. Only 1 out of 3 textile plants paid a differential for second-shift work, whereas 2 out of 3 provided a premium for their third-shift employees. Although there were individual industries in other industry groups in which shift operations were more common, the textile indus-

tries as a whole had the highest percentage of establishments with second- and third-shift operations and the lowest percentage of plants paying shift differentials. Premium rates were paid by less than 1 in 3 bakeries and structural-clay-products establishments operating extra shifts. Almost every copper alloying, rolling, and drawing plant provided premium rates for late-shift work.

Considering individual industry groups as well as all manufacturing industries studied, shift differentials tended to be less common in the Southeast and Southwest and to be most frequent in the Pacific States.<sup>5</sup> Differentials were somewhat smaller in the Southeast and Border States. Plants in these two regions most commonly added 4 cents or less to the first-shift rate, but in other regions 5 cents an hour was most often paid second-shift workers.

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## Extent of Nonproduction Bonuses, 1945-46<sup>6</sup>

NONPRODUCTION BONUSES were paid by two-fifths of the manufacturing and about half of the non-manufacturing establishments surveyed during 1945 and 1946, in connection with extensive wage studies by the Bureau of Labor Statistics. Christmas bonuses were by far the most common type and were paid in over four-fifths of both the manufacturing and nonmanufacturing establishments that provided bonuses. Profit-sharing bonuses ranked second. The importance of bonuses is chiefly that the payments are usually made lump sum and at Christmas—a time of special expenditures. On an annual basis, there were few instances in which bonuses raised hourly pay by as much as 1 cent for plant workers and 2 cents for office workers. Such payments appear to be associated with particular industries rather than with geographic location.

<sup>5</sup> The regions used in this study include the following: *New England*—Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont; *Middle Atlantic*—New Jersey, New York, and Pennsylvania; *Border States*—Delaware, District of Columbia, Kentucky, Maryland, Virginia, and West Virginia; *Southeast*—Alabama, Florida, Georgia, Mississippi, North Carolina, South Carolina, and Tennessee; *Great Lakes*—Illinois, Indiana, Michigan, Minnesota, Ohio, and Wisconsin; *Middle West*—Iowa, Kansas, Missouri, Nebraska, North Dakota, and South Dakota; *Southwest*—Arkansas, Louisiana, Oklahoma, and Texas; *Mountain*—Arizona, Colorado, Idaho, Montana, New Mexico, Utah, and Wyoming; *Pacific*—California, Nevada, Oregon, and Washington.

<sup>6</sup> Prepared by Louis Badenhop of the Bureau's Wage Analysis Branch.

In general, the data obtained by the Bureau<sup>7</sup> provide information on the extent of nonproduction bonus payments in various industries, and their relative importance in the general wage picture, rather than detail on variations in individual firm practice.

For the most part, the payments seem to be intended to boost morale, to improve attendance at the plant, store, or office, to stimulate workers to save power and materials, and to grant workers a share in the profits of the firm. Insofar as such payments heighten the interest of workers in their jobs, output per worker may be stimulated. Directly, however, nonproduction bonuses are not related to the output of individuals or groups of workers. The payment of such bonuses should not be confused with the use of incentive methods of pay. Moreover, they are not paid frequently enough nor are they sufficiently regular in amount to be associated with hourly rates of pay; in this respect they may be contrasted with cost-of-living bonuses. Moreover, the decision as to whether such bonuses will be paid and how large they will be are generally subject to the discretion of management alone.

### Extent of Practice

Plant workers received some form of nonproduction bonuses in two-fifths of the manufacturing establishments studied. Of the industry groups presented in the accompanying table, the chemical and metalworking industries appeared to lead, with half of the establishments reporting such payments; the apparel industries had relatively few (1 in 4) establishments in which nonproduction bonuses were paid. In the textile industry, about two-fifths of the plants reported such bonuses. Office workers in manufacturing industries appeared to receive bonus payments more frequently than plant workers.

<sup>7</sup> Data on nonproduction bonuses were obtained for plant workers in some 22,000 establishments, including nearly 16,000 manufacturing and over 6,000 nonmanufacturing establishments and for office workers in about 17,000 establishments. In scope, these data relate to a fairly large cross section of American industry as a whole and to a wide variety of individual industries. In presenting the information in terms of number of establishments, no attempt has been made to compensate for differences among industries in the proportion of establishments studied or for differences in coverage between segments of the same industry. As the individual industry surveys were made primarily to obtain wage-rate information, a larger proportion of large establishments and establishments in large cities and in certain regions were included in order to permit presentation of separate wage data by region, city, and size of establishment. A list of industries studied and information relative to nonproduction bonuses in specific industries will be available on request.

TABLE 4.—Percentage distribution of establishments paying nonproduction bonuses to plant and office workers in selected manufacturing and nonmanufacturing industries, by type of bonus, 1945-46

Type of nonproduction bonus	Manufacturing					Nonmanufacturing						
	Allman- ufactur- ing studied <sup>1</sup>	Apparel	Chem- icals	Metal- working	Textiles	Auto- mobile repair shops	Cloth- ing stores	Depart- ment stores	Electric light and power	Limited price variety stores	Power laun- dries	Ware- housing
<b>PLANT WORKERS</b>												
Establishments having bonuses.....	40	24	50	48	37	30	66	63	25	82	27	37
Attendance bonus.....	1	1	2	1	2	(?)	(?)	(?)	1	(?)	3	(?)
Christmas bonus.....	33	20	37	39	30	26	55	48	22	74	21	34
Profit-sharing bonus.....	2	(?)	4	3	1	2	2	4	-----	(?)	(?)	(?)
Other <sup>2</sup> .....	4	3	7	5	4	2	9	11	2	8	3	3
Establishments having no bonus.....	60	76	49	52	63	70	33	36	75	18	73	63
Information not available.....	(?)	(?)	1	(?)	(?)	(?)	1	1	-----	(?)	(?)	-----
Total.....	100	100	100	100	100	100	100	100	100	100	100	100
Number of establishments studied.....	15,636	2,261	999	6,647	1,448	1,399	759	355	130	1,441	1,621	724
<b>OFFICE WORKERS</b>												
Establishments having bonuses.....	45	35	49	52	42	(?)	64	62	26	86	29	42
Attendance bonus.....	(?)	1	1	(?)	1	-----	(?)	(?)	1	(?)	1	(?)
Christmas bonus.....	38	29	38	43	34	-----	54	47	23	78	25	38
Profit-sharing bonus.....	2	1	4	3	1	-----	1	4	-----	(?)	(?)	1
Other <sup>2</sup> .....	5	4	6	6	6	-----	9	11	2	8	3	3
Establishments having no bonus.....	54	64	49	47	57	-----	35	37	74	13	70	58
Information not available.....	1	1	2	1	1	-----	1	1	-----	1	1	(?)
Total.....	100	100	100	100	100	-----	100	100	100	100	100	100
Number of establishments studied.....	13,080	1,470	946	6,002	1,251	-----	597	341	125	1,075	1,220	674

<sup>1</sup> Includes other manufacturing industries not shown separately.

<sup>2</sup> Less than one-half of 1 percent.

<sup>3</sup> Includes establishments providing more than one type of bonus listed above.

<sup>4</sup> Office workers were not covered in the study of automobile repair shops.

About half of the nonmanufacturing establishments studied also reported the payment of nonproduction bonuses. Upwards of two-thirds of the retail-trade establishments (limited-price variety stores, clothing stores, and department stores) reported this practice. Relatively fewer establishments in other industries—such as public utilities and selected service industries—reported nonproduction bonuses; the proportion of plants ranged from one-fourth for the electric light and power industry to nearly two-fifths for warehouses.

The payment of nonproduction bonuses appears to be associated with particular industries rather than with the geographic location of establishments. A regional distribution of establishments paying bonuses indicates that particular industries maintained their rank in most regions; that is, industries that ranked high in the payment of such bonuses in the country as a whole generally ranked high in each region.

### Form of Bonus

Numerous forms of nonproduction bonuses were reported; but many kinds did not occur frequently enough to warrant separate study. In some establishments more than one type of bonus was

paid. Christmas bonuses were by far the most common type; they were provided in over four-fifths of both manufacturing and nonmanufacturing establishments paying bonuses. Profit-sharing bonuses, ranking second, were paid mainly in the chemical, metalworking, and department-store fields, and in about the same proportions (4, 3, and 4 percent, respectively). Attendance bonuses were of some importance in laundries.

### Size of Bonus Payments

Nonproduction bonuses are of considerable importance to those workers who receive them, particularly since they are generally paid in lump sums at Christmas, a time of special expenditures. However, one of the chief interests, in the present study centered on how much such payments raised the hourly earnings of workers in particular industries. When averaged over all workers in each of the various industries on an annual basis, there were few instances in which such bonuses increased hourly pay by as much as 1 cent for plant workers and 2 cents for office workers. Nevertheless, some establishments in nearly all industries made average payments of at least 10 cents an hour or about \$200 annually per employee.

Generally, however, all workers in a plant did not share equally in these payments. In some establishments bonuses were limited to specific categories of workers such as working foremen, but in most cases they applied to all workers. In the latter situations, bonuses to individuals usually varied with length of service, total amount earned annually, number of weeks worked in the year, or other factors. Usually, profit-sharing bonuses, although much less frequently found than Christmas bonuses, yielded the highest amounts per worker.

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## Incentive Pay in American Industry 1945-46

JOSEPH M. SHERMAN<sup>8</sup>

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ABOUT 30 PERCENT of the plant workers in manufacturing industries studied by the Bureau of Labor Statistics in 1945 and 1946 were paid on an incentive basis. Comparison with previous studies indicates that there has been little change in the extent of incentive payment in recent years. Among the major industry groups studied in 1945 and 1946, incentive methods were most widespread in the manufacture of apparel. In this industry a relatively high proportion of time is spent in handling as contrasted with machine operation. Consequently, control over output is exercised predominantly by the worker rather than the machine. This factor, together with the comparatively small danger of spoilage in most operations, makes the use of incentive payments highly advantageous.

<sup>8</sup> Formerly of the Bureau's Wage Analysis Branch.

Incentive systems were least common in industries such as industrial chemicals and tool and die jobbing shops. In the former, the speed of production is set to a large degree by the requirements of the manufacturing process and cannot be controlled by the worker, and in the latter, output is on a unit rather than a mass production basis and a high degree of precision is emphasized.

Information for the present summary was obtained by the Bureau of Labor Statistics in a comprehensive series of industry wage studies during 1945 and 1946. Altogether, 56 manufacturing industries, including 34,000 establishments with about 5½ million workers, and 8 nonmanufacturing industries, including 21,000 establishments with about 1½ million employees, were surveyed.<sup>9</sup> Together they are believed to provide a fairly representative sample of wage-payment practices in manufacturing as a whole, although the studies, which were made primarily to provide data on wages in individual industries, do not include such important industries as basic iron and steel, printing, rubber, and lumber.<sup>10</sup> Because of the limited number of industries studied, no generalizations are drawn for non-manufacturing as a whole.

### Prevalence of Incentive Methods

Two-thirds of the workers in the apparel group were paid on an incentive basis and 85 percent of the apparel establishments were predominantly incentive (table 5).<sup>11</sup> Incentive workers were

<sup>9</sup> Data were obtained in the Bureau's studies for about 46 percent of the plants, employing 88 percent of the workers, in these manufacturing industries and from about one-third of the establishments, with two-fifths of the workers, in the nonmanufacturing industries surveyed.

<sup>10</sup> It should be borne in mind that the proportion of establishments studied varied among segments of the same industry and among industries. Larger proportions of large establishments and of establishments in large cities and in certain regions were included in order to permit presentation of separate wage data by region, city, and size of establishment. The effect of this varying coverage on the proportion of incentive workers was offset by weighting so that each industry and each industry segment was given only its appropriate influence on the data; however, the proportion of establishments that are predominantly on an incentive basis has not been adjusted to compensate for differences in coverage.

<sup>11</sup> The proportion of the labor force paid on an incentive basis was lower than the proportion of apparel establishments with incentive systems, since some workers, such as cutters and those in maintenance jobs, were paid on a time basis. However, because incentive pay is more common among larger establishments, the proportion of workers on incentive pay exceeds the proportion of establishments with incentive systems. Establishments paying at least a fourth of their plant workers under a piece-rate or bonus system were considered as predominantly incentive, but, in determining the proportion of workers paid on an incentive basis, workers in all establishments were included regardless of their predominant method of wage payment.

numerically important in all apparel industries, varying from over two-fifths of the plant labor force in the manufacture of women's suits and coats and of knit underwear to four-fifths in work shirt manufacture (table 6).

The textile group, with nearly two-fifths of its workers on incentive systems, ranked next to apparel in the extent of incentive pay. Full-fashioned and seamless hosiery plants used such methods more extensively than any other textile industry studied. About 1 in 3 workers in the cotton, wool, and rayon textile industries were on incentive. In contrast, textile dyeing and finishing, with its small plants and with processes more closely allied to the chemical industries than to textile manufacture, paid only about a fifth of its workers under incentive systems.

About a fourth of the labor force in the metal-working industries, considered as a group, was paid on an incentive basis. Among these industries, copper alloying, rolling, and drawing ranked highest in prevalence of incentive methods, paying two-thirds of its workers in this manner. At the other extreme, tool and die jobbing shops paid all but 2 percent of their workers on a time basis.

In the chemical industries, where speed of production is typically set by the requirements of the process rather than by the worker, time work was comparatively more important than in the other major industry groups shown in table 1. Only 3 percent of the plant workers in industrial chemical production were paid on an incentive

basis. Soap and glycerin manufacture had the highest proportion of incentive workers (18 percent) in this industry group.

The extent of incentive payment varied widely among the remaining manufacturing industries studied. Whereas about three-fourths of the workers in the manufacture of cigars were paid in this manner, all but 6 percent of the labor force of the cigarette industry, with its widespread use of automatic machinery, were time workers. Similarly, a third of the workers making corrugated and fiber boxes were on incentive, while the machine-paced pulp and paper industry reported less than a tenth of its workers on incentive work.

In New England chemical, textile, and apparel plants, incentive plans were somewhat less common than in most other regions. Among metal-working and other manufacturing industries, incentive payments were most common in the New England, Middle Atlantic, and Great Lakes States and least common in the Southwest, Mountain, and Pacific regions.<sup>12</sup>

<sup>12</sup> The regions used in this study include the following: *New England*—Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont; *Middle Atlantic*—New Jersey, New York, and Pennsylvania; *Border States*—Delaware, District of Columbia, Kentucky, Maryland, Virginia, and West Virginia; *Southeast*—Alabama, Florida, Georgia, Mississippi, North Carolina, South Carolina, and Tennessee; *Great Lakes*—Illinois, Indiana, Michigan, Minnesota, Ohio, and Wisconsin; *Middle West*—Iowa, Kansas, Missouri, Nebraska, North Dakota, and South Dakota; *Southwest*—Arkansas, Louisiana, Oklahoma, and Texas; *Mountain*—Arizona, Colorado, Idaho, Montana, New Mexico, Utah, and Wyoming; *Pacific*—California, Nevada, Oregon, and Washington.

TABLE 5.—Extent and type of incentive plans for plant workers in selected manufacturing and nonmanufacturing industry groups, 1945-46

Item	Manufacturing					Nonmanufacturing					
	Total plants studied <sup>1</sup>	Apparel	Chemicals	Metal-working	Textiles	Automobile repair shops	Bituminous coal (underground)	Clothing stores	Department stores	Limited price variety stores	Power laundries
Percent of all employees studied paid on an incentive basis.....	30	65	7	25	39	37	22	34	28	3	14
Percent of establishments—											
With incentive systems for plant workers.....	34	85	6	17	70	58	61	72	64	6	14
Predominantly piece rate.....	29	82	2	11	67	51	60	15	9	(?)	10
Individual.....	28	81	2	10	66	51	58	15	9	(?)	8
Group.....	1	1	(?)	1	1	(?)	2	(?)			2
Predominantly bonus.....	5	3	4	6	3	7	1	57	55	6	4
Individual.....	3	2	2	4	2	7	1	56	55	6	3
Group.....	2	1	2	2	1	(?)		1	(?)	(?)	1
With no incentive system.....	66	15	94	83	30	42	39	28	36	94	86
Information not available.....	(?)			(?)	(?)			(?)		(?)	(?)
All establishments studied.....	100	100	100	100	100	100	100	100	100	100	100
Number of establishments studied.....	15, 636	2, 261	999	6, 647	1, 448	1, 399	492	759	355	1, 441	1, 621

<sup>1</sup> Includes other manufacturing industries not shown separately.

<sup>2</sup> Less than 0.5 of 1 percent.

Among nonmanufacturing industries, about one-third of the employees of clothing stores and department stores and nearly two-fifths of those in automobile repair shops were on incentive. About one-fifth of the underground bituminous coal miners were paid incentive rates, but none of the surface soft coal mines studied provided incentive pay. Few incentive workers were reported in the electric light and power and warehousing industries.

Regional variations in methods of wage payment were minor in automobile repair shops and clothing and department stores, compared with those in power laundries. In the latter industry, incentive methods of pay were most common in the Middle Atlantic and Border States. In variety stores incentive pay was important only in New England.

Incentive systems, especially individual piece-rate plans, rarely apply to all workers in an establishment. They cover workers engaged in direct production; maintenance, custodial, supervisory, and other workers whose output cannot readily be measured are usually paid on a time basis. Exceptions to this rule are found largely in establishments with group or other bonus systems, in which a certain proportion of the incentive pay of direct production workers is set aside for the indirect workers. Among production workers, those whose work must conform to exact specifications or whose output is not standardized are generally paid on a time basis, as are those whose work is machine-paced. In contrast, workers who control their own output and whose production can be measured and identified are frequently paid on an incentive basis, unless emphasis on speed can result in costly material losses. In retail trade, incentive systems are limited largely to clerks.

### Nature of Incentive Plans

Among the manufacturing industries piece-rate plans, nearly all based on individual output, predominated. Such plans were reported by five-sixths of the plants with incentive systems. In the apparel and textile industries, 19 out of 20 incentive plans provided for individual piece rates.

TABLE 6.—Extent of incentive plans for plant workers in selected manufacturing industries, 1945-46

Industry	Number of plants studied	Percentage of—	
		Plants with incentive systems	Workers on incentive pay
All manufacturing industries studied.....	15,636	34	30
<i>Apparel</i>			
Knit outerwear.....	253	64	67
Knit underwear.....	161	94	44
Men's and boys' dress shirts and nightwear.....	220	88	74
Overalls and industrial garments.....	132	86	70
Women's and misses' dresses.....	976	92	69
Women's and misses' suits and coats.....	305	67	44
Work pants, cotton.....	155	89	67
Work shirts.....	59	88	80
<i>Chemicals</i>			
Drugs and medicines.....	258	7	11
Industrial chemicals.....	255	4	3
Paints and varnishes.....	291	4	6
Perfumes and cosmetics.....	121	6	9
Soap and glycerin.....	74	18	18
<i>Metalworking</i> <sup>1</sup>			
Aircraft engines and engine parts.....	201	23	20
Communication equipment.....	115	15	16
Copper alloying, rolling, and drawing.....	37	59	66
Electric generating and distribution equipment.....	267	28	(*)
Electroplating, plating, and polishing.....	252	9	7
Fabricated structural steel.....	324	4	7
Foundries, ferrous.....	646	28	29
Foundries, nonferrous.....	350	20	20
Iron and steel forgings.....	168	57	34
Machine tool accessories.....	156	13	19
Machine tools.....	181	21	29
Machinery.....	2,034	14	23
Oil burners, hot-water and steam-heating apparatus.....	68	41	25
Power boilers and associated products.....	271	5	6
Radios, radio equipment (except tubes), and phonographs.....	277	18	24
Sheet metal.....	385	5	10
Small arms.....	72	40	36
Stoves and ranges.....	164	52	39
Tanks.....	10	10	3
Tool and die jobbing shops.....	623	3	2
<i>Textiles</i>			
Cotton textiles.....	346	75	35
Hosiery, full-fashioned.....	187	98	73
Hosiery, seamless.....	206	95	68
Rayon and silk textiles.....	237	65	35
Textile dyeing and finishing.....	193	19	22
Woolen and worsted textiles.....	279	65	34
<i>Other manufacturing industries</i>			
Bakeries.....	1,320	1	(*)
Chewing and smoking tobacco.....	31	39	21
Cigarettes.....	18	28	6
Cigars.....	198	98	73
Corrugated and fiber boxes.....	171	43	33
Fiber cans and tubes.....	52	27	23
Folding paper boxes.....	188	16	21
Footwear (except house slippers and rubber footwear).....	347	89	69
Jewelry, costume.....	94	17	22
Jewelry, precious.....	123	8	14
Paperboard.....	111	12	9
Pulp and paper.....	208	6	9
Set-up boxes.....	286	24	19
Structural clay products.....	331	34	26
Wood furniture, other than upholstered.....	514	25	19
Wood furniture, upholstered.....	289	43	33

<sup>1</sup> Includes data for automobiles.

<sup>2</sup> Information not presented because of sample limitations.

<sup>3</sup> Less than 0.5 of 1 percent.

In contrast, nearly half of the comparatively small number of incentive plans in the chemical industry group provided group bonus payments for above-standard production since frequently the output of individual workers cannot be readily identified or measured.

In retail trade, incentive plans were mainly of the individual bonus type, with commissions paid in addition to salary, although some retail clerks are paid on a straight commission basis. PM's ("push money") paid during special sales, or other commissions for selling slow-moving items, may constitute additional payment. Individual piece-rate plans were the predominant type of incentive reported in power laundries, underground soft coal mines, and automobile repair shops. In the latter establishments, workers typically receive a certain percentage of the labor charge on the repair work that they perform.

#### Earnings Vary With Method of Wage Payment

Generally, incentive workers receive higher earnings than do time workers in comparable jobs, although the size of differential is not consistent from industry to industry. The earnings advantage of incentive workers ranged from less than 5 percent to at least 40 percent in the individual manufacturing industries studied in 1945-46; in many of the industries the difference was between 15 and 25 percent.

Among the four major manufacturing industry groups presented in table 1, the largest differential appeared in the apparel industries where incentive workers earned from a fifth to two-fifths more than time workers. In the metalworking industries, incentive workers most commonly received from a fourth to a fifth more than time workers, whereas in the textile industries the differentials were typically between a sixth and a tenth. The chemical industries, in which incentive pay is relatively unimportant, showed no consistent pattern of differences between time and incentive earnings, although in several of these industries the difference was small. Among the nonmanufacturing industries in which incentive pay was most important—automobile repair shops and clothing and department stores—the differential amounted to about a third.

## Manufacturing Industries: Wage Rate Structure, 1945-46<sup>13</sup>

FORMAL RATE STRUCTURES were reported by about 3 out of 4 manufacturing establishments in 1945-46. These provide a written or otherwise generally recognized scale of rates for the most important occupational classifications in the plant. Among the establishments with formal rate structures, a single rate was somewhat more common (in 3 out of 5 plants) than a range of rates for experienced workers in an occupation, with increases in earnings based on seniority and merit.

One plant out of four reported individual determination of rates, with relatively less attention paid to occupational classification in wage determination. In such plants the workers' rates of pay are frequently set by the owner, manager, or foreman on an individual basis, and wage increases are granted in the same way. Workers may not know why their pay is set at a certain level nor what rate is paid to other employees performing similar tasks; nor do they know in advance what their earnings will be if they are transferred to other work.

This information on rate structure was obtained in wage studies made by the Bureau of Labor Statistics in 56 manufacturing industries; together, these industries employed almost half of all manufacturing workers in the country and were representative of all broad manufacturing industry groups except rubber, petroleum, lumber, printing, shipbuilding, and basic iron and steel.<sup>14</sup> Despite the exclusions, it is believed that the industrial coverage was sufficiently diversified to comprise a relatively good cross section of manufacturing as a whole.<sup>15</sup>

<sup>13</sup> Prepared by Lily Mary David of the Bureau's Wage Analysis Branch.

<sup>14</sup> Although field studies were not made in these industries, formal rate structures are known to be widespread in them.

<sup>15</sup> Coverage of manufacturing was incomplete because the data were obtained from studies intended primarily to provide information on individual industries rather than a picture of manufacturing as a whole. The industries studied are listed in the table.

The individual surveys covered a representative group of plants rather than all firms in each industry; altogether 15,636, or over two-fifths of all establishments in these industries, were studied. As these studies were made primarily to obtain wage rate information, a greater proportion of large establishments and of establishments in large cities and in certain regions were included in order to permit presentation of data by region. Moreover, the proportion of establishments studied varied from industry to industry. No attempt has been made in the table to compensate for differences in coverage among industries or between segments of the same industry. In most industries, establishments with less than 8 workers were not studied.

A large majority of the establishments in the 4 manufacturing industry groups for which separate data are presented in the accompanying table reported a formal rate structure. Such methods of wage determination were, however, more typical of the textile and apparel industries than of chemicals and metalworking. Nine out of 10 textile establishments and over 8 out of 10 apparel establishments reported a formal rate structure, compared with 7 out of 10 chemical and metalworking establishments. Among the industries studied outside the groups just discussed, individual rate structures were most widespread in the manufacture of jewelry and were least common in the footwear, the pulp, paper, and paperboard, and the tobacco industries. Single rate scales tended to be more common, compared with rate ranges, in industries in which formal rate structures were most widespread. The textile and apparel groups were characterized by a very high proportion of establishments having a single rate rather than a

range of rates; in contrast, most of the metalworking establishments with formal rate structures provided a range of rates for a job, and in the chemical industries rate ranges were almost as numerous as single rate scales. In textile and apparel manufacture, plants with one rate for a job were 7 or 8 times as numerous as those with a range of rates.

On the whole there was a good deal of uniformity in rate structure among industries within an industry group, although there was a greater variation within the chemical and metalworking groups than in apparel or textile manufacture. Thus, while four-fifths of the establishments in the industrial chemical and soap and glycerin industries had formal rate structures, from a third to more than two-fifths of the plants engaged in manufacturing drugs and medicines, paints and varnishes, and perfumes and cosmetics reported individual determination of rates. Similarly, in the metalworking group, at least a third of the

TABLE 7.—Distribution of establishments by rate structure, in selected manufacturing industries, 1945-46

Industry	Number of establishments studied	Percent of establishments with—			Industry	Number of establishments studied	Percent of establishments with—			
		Individual determination	Formal rate structure				Individual determination	Formal rate structure		
			All	Single rate				Range of rates	All	Single rate
All manufacturing industries studied <sup>1</sup> .....	15,636	25	75	43	32					
Apparel.....	2,261	14	86	75	11					
Knit outerwear.....	253	30	70	60	10					
Knit underwear.....	161	4	96	92	4					
Men's and boys' dress shirts and nightwear.....	220	19	81	73	8					
Overalls and industrial garments.....	132	17	83	65	18					
Women's and misses' dresses.....	976	13	87	78	9					
Women's and misses' suits and coats.....	305	8	92	76	16					
Work pants, cotton.....	155	8	92	75	17					
Work shirts.....	59	15	85	54	31					
Chemicals.....	999	28	72	39	33					
Drugs and medicines.....	258	35	65	33	32					
Industrial chemicals.....	255	11	89	56	33					
Paints and varnishes.....	291	33	67	31	36					
Perfumes and cosmetics.....	121	44	56	21	35					
Soap and glycerin.....	74	20	80	53	27					
Metalworking <sup>1</sup> .....	6,647	28	72	19	53					
Aircraft engines and engine parts.....	201	20	80	11	69					
Copper alloying, rolling, and drawing.....	37	5	95	52	43					
Electric generating and distribution equipment.....	267	20	80	9	71					
Electroplating, plating, and polishing.....	252	38	62	19	43					
Fabricated structural steel.....	324	27	73	28	45					
Foundries, ferrous.....	646	27	73	36	37					
Foundries, nonferrous.....	350	25	75	27	48					
Iron and steel forgings.....	168	21	79	25	54					
Machine tool accessories.....	156	34	66	6	60					
Machine tools.....	181	21	79	8	71					
Machinery.....	2,034	32	68	12	56					
Oil burners, hot-water and steam-heating apparatus.....	68	19	81	40	41					
Metalworking—Continued.										
Power boilers and associated products.....	271	25	75	28	47					
Radios, radio equipment (except tubes), and phonographs.....	277	16	84	10	74					
Sheet metal.....	385	29	71	35	36					
Small arms.....	72	15	85	11	74					
Stoves and ranges.....	164	7	93	51	42					
Tanks.....	10	-----	100	70	30					
Tool and die jobbing shops.....	623	38	62	8	54					
Textiles.....	1,448	8	92	82	10					
Cotton textiles.....	346	3	97	81	6					
Hosiery, full-fashioned.....	187	7	93	89	4					
Hosiery, seamless.....	206	5	95	86	9					
Rayon and silk textiles.....	237	11	89	78	11					
Textile dyeing and finishing.....	193	14	86	65	21					
Woolen and worsted textiles.....	279	9	91	80	11					
Other manufacturing industries										
Bakeries.....	1,320	33	67	49	19					
Chewing and smoking tobacco.....	31	13	87	61	26					
Cigarettes.....	18	11	89	22	67					
Cigars.....	198	4	96	88	8					
Corrugated and fiber boxes.....	171	18	82	56	26					
Fiber cans and tubes.....	52	37	63	44	19					
Folding paper boxes.....	188	31	69	33	36					
Footwear (except house slippers and rubber footwear).....	347	10	90	81	9					
Jewelry, costume.....	94	70	30	8	22					
Jewelry, precious.....	123	54	46	27	19					
Paperboard.....	111	12	88	70	18					
Pulp and paper.....	208	3	97	83	14					
Set-up boxes.....	286	45	55	42	13					
Structural clay products.....	331	21	79	68	11					
Wood furniture, other than upholstered.....	514	37	63	20	43					
Wood furniture, upholstered.....	289	44	56	40	16					

<sup>1</sup> Includes data for automobiles and communications equipment.

establishments in some industries, such as machinery, machine tool accessories, and electroplating and polishing, reported individual rate determination; most metalworking industries, however, had at least three out of four establishments with formal rate structures.

No one industry characteristic appears to explain the variation in rate structure among industries. The extent to which formal rate structures have been adopted seem to have been influenced by a number of factors. Thus, there appears to be some tendency for this type of rate structure to be more common in industries characterized by large establishments; however, there are numerous exceptions, among which are the apparel industries. Industries in which incentive work is widespread also tend to have formal rate structures more often than those in which time work is most common; piece rates are unlikely to vary among workers performing the same task. Industries characterized by a fairly definite and well established occupational structure are more likely to have a formal rate structure than those in which the division of labor varies widely from plant to plant and has not been long established. The type of rate structure seems to be less closely related to the extent of unionization than some of the other factors previously mentioned; formal rate structures appear to be about as common in some industries not highly unionized as in others with extensive unionization. Although unions frequently obtain a formalization of the occupational and wage structure of an establishment, there are union plants in which a formal rate structure has not been adopted.

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## Extent of Insurance and Pensions in Industrial Employment<sup>16</sup>

INSURANCE AND PENSION plans financed wholly or partly by employers have been widely adopted. According to wage surveys made by the Bureau of Labor Statistics in 1945 and 1946, nearly half of

<sup>16</sup> Prepared by Hilda W. Callaway of the Bureau's Wage Analysis Branch. Information on these plans for specific industries will be presented in a forthcoming report "Insurance and Pension Plans, 1945-46." Similar cross-industry reports on paid vacations, method of wage payment, nonproduction bonuses, and shift differentials will also be made available.

the establishments in manufacturing maintained some types of protection for their workers—over and above the benefits prescribed by social-security law. The proportion furnishing such protection among seven nonmanufacturing industry groups ranged from 14 to 86 percent.

The limitations of the survey information on insurance and pension plans need to be carefully stated. This article presents merely a brief summary of the extent of insurance and pension plans among the establishments studied in selected industries<sup>17</sup> for the country as a whole and for major geographic regions. The material was obtained to supplement the more basic data on occupational wage rates; coverage in terms of workers, specific benefits, and other provisions of these plans are not available. However, in view of the wide current interest in private industry measures for workers, even this limited information has value.

Over two-fifths of the 15,636 manufacturing establishments surveyed by the Bureau during 1945 and 1946 had some type of insurance and/or pension plan.<sup>18</sup> Health and life insurance were by far the most prevalent types.<sup>19</sup> Pension plans were comparatively uncommon, in part owing to the benefits available under the Social Security Act. In the textile, chemical, and metalworking industry groups, about the same proportion of employers extended insurance and/or pension benefits to office and plant workers alike. By contrast, in the apparel industries (exclusive of men's and boys' suits and coats), the proportion of establishments which had instituted plans for office workers was considerably less than half as great as for those having provisions for plant employees. However, the office employees in total apparel employment are relatively unimportant, numerically.

The textile industry, with 60 percent of the mills surveyed operating some type of insurance or pension system, ranked highest among the four sepa-

<sup>17</sup> Detailed information on the wage structures of approximately 50 important industries have been made available in bulletin form. In each industry, the establishments were carefully selected to give proportionate representation to union and nonunion establishments, localities of various sizes, and establishments of various sizes as measured by employment. In practically all industries, the studies were limited to establishments with 8 or more employees.

<sup>18</sup> Some establishments provide more than one type of plan and have been included in the figures for each type of plan they provide. However, each establishment has been counted only once in the total number of plants.

<sup>19</sup> For a discussion of union health and welfare plans, see *Monthly Labor Review*, February 1947 (p. 191).

rate manufacturing groups shown in the accompanying table. In apparel and chemicals, 55 and 56 percent of the establishments, respectively, had some type of program; the proportion in the metalworking industries was 44 percent.

Considering the seven individual nonmanufacturing industries <sup>20</sup> for the country as a whole, only 14 percent of the power laundries as compared

with 86 percent of the electric light and power systems had established insurance or pension plans. In other industries, the proportion ranged from 24 percent in warehousing and storage establishments to 57 percent in department stores. As in manufacturing, life and health insurance predominated in every industry. Pension plans were significant in the electric light and power industry and in department and limited-price variety stores.

\* Coverage of the nonmanufacturing industries except limited-price variety stores was usually restricted to those in cities of 100,000 or more population.

TABLE 8.—Percentage distribution of establishments having insurance or pension plans, for plant workers in selected manufacturing and nonmanufacturing industries, by type of plan and region, 1945-46

Type of plan and region	Manufacturing					Nonmanufacturing						
	Total studied <sup>1</sup>	Apparel	Chemicals	Metal working	Textiles	Auto-mobile repair shops	Clothing stores	Department stores	Electric light and power	Limited price variety stores	Power laundries	Warehousing
<i>United States<sup>2</sup></i>												
Total establishments with insurance or pension plans <sup>2</sup> .....	47	55	56	44	60	37	26	57	86	36	14	24
Life insurance.....	37	35	47	36	47	31	21	43	78	29	11	20
Health insurance.....	30	46	29	26	41	16	13	27	37	9	6	8
Retirement pension.....	5	14	13	4	2	1	4	14	35	13	(*)	1
Other.....	12	17	11	9	24	6	4	6	12	1	2	6
No insurance or pension plan.....	53	45	44	56	40	63	74	43	13	64	86	76
Information not available.....	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	1	(*)	(*)	-----
Total.....	100	100	100	100	100	100	100	100	100	100	100	100
Total number of establishments studied.....	15,636	2,261	999	6,647	1,443	1,399	769	355	135	1,441	1,621	724
<i>New England</i>												
Total establishments with insurance or pension plans <sup>2</sup> .....	45	29	45	47	78	31	40	60	95	29	19	32
Life insurance.....	39	13	30	39	63	28	25	33	84	23	16	25
Health insurance.....	30	22	19	25	56	9	17	27	53	5	7	15
Retirement pension.....	4	4	8	6	2	-----	4	7	74	14	-----	-----
Other.....	23	12	27	14	59	16	19	17	37	1	5	15
No insurance or pension plan.....	52	71	55	53	22	69	58	40	5	70	81	68
Information not available.....	(*)	-----	-----	(*)	-----	-----	-----	-----	-----	1	-----	-----
Total.....	100	100	100	100	100	100	100	100	100	100	100	100
Total number of establishments studied.....	1,977	194	64	849	339	134	48	30	19	93	139	68
<i>Middle Atlantic</i>												
Total establishments with insurance or pension plans <sup>2</sup> .....	51	73	55	37	55	34	22	55	94	33	19	19
Life insurance.....	38	48	48	31	35	29	20	43	89	26	10	16
Health insurance.....	37	65	30	21	38	13	12	17	22	13	13	10
Retirement pension.....	9	24	15	3	1	(*)	5	2	33	21	(*)	1
Other.....	15	25	10	8	27	5	6	4	11	1	1	1
No insurance or pension plan.....	49	27	45	63	45	66	78	45	6	67	81	81
Information not available.....	(*)	-----	(*)	(*)	-----	-----	-----	-----	-----	-----	-----	-----
Total.....	100	100	100	100	100	100	100	100	100	100	100	100
Total number of establishments studied.....	4,782	1,265	316	1,610	478	231	169	47	18	234	286	177
<i>Southeast</i>												
Total establishments with insurance or pension plans <sup>2</sup> .....	43	37	62	37	53	43	20	71	100	43	13	7
Life insurance.....	37	31	60	31	46	39	19	59	70	41	10	7
Health insurance.....	26	25	26	21	35	18	6	35	40	10	7	1
Retirement pension.....	2	-----	17	3	2	2	3	24	40	15	-----	-----
Other.....	(*)	1	-----	1	-----	-----	-----	-----	-----	-----	-----	-----
No insurance or pension plan.....	57	63	38	63	47	57	80	26	-----	57	87	93
Information not available.....	(*)	-----	-----	(*)	(*)	-----	-----	3	-----	-----	-----	-----
Total.....	100	100	100	100	100	100	100	100	100	100	100	100
Total number of establishments studied.....	1,401	152	42	298	477	171	79	34	10	298	215	67

See footnotes at end of table.

TABLE 8.—Percentage distribution of establishments having insurance or pension plans, for plant workers in selected manufacturing and nonmanufacturing industries, by type of plan and region, 1945-46—Continued

Type of plan and region	Manufacturing					Nonmanufacturing						
	Total studied <sup>1</sup>	Apparel	Chemicals	Metal working	Textiles	Auto-mobile repair shops	Clothing stores	Department stores	Electric light and power	Limited price variety stores	Power laundries	Warehousing
<i>Great Lakes</i>												
Total establishments with insurance or pension plans <sup>2</sup> .....	48	33	58	51	67	40	30	55	80	32	14	26
Life insurance.....	39	21	49	41	48	33	21	40	80	22	13	23
Health insurance.....	31	27	28	33	45	14	19	38	43	11	3	8
Retirement pension.....	5	3	12	5	7	1	7	19	30	14	-----	2
Other.....	9	5	14	8	12	6	2	5	10	3	1	4
No insurance or pension plan.....	51	67	42	48	33	60	69	45	20	68	86	74
Information not available.....	1	( <sup>4</sup> )	-----	1	-----	( <sup>4</sup> )	1	-----	-----	( <sup>4</sup> )	-----	-----
Total.....	100	100	100	100	100	100	100	100	100	100	100	100
Total number of establishments studied.....	4,080	242	250	2,511	58	345	209	113	30	294	304	163
<i>Middle West</i>												
Total establishments with insurance or pension plans <sup>2</sup> .....	50	46	56	55	-----	43	47	59	86	43	15	28
Life insurance.....	40	33	46	45	-----	38	44	37	80	32	14	27
Health insurance.....	23	14	22	27	-----	18	28	26	47	2	2	9
Retirement pension.....	2	1	2	4	-----	1	3	7	40	16	-----	2
Other.....	19	22	5	25	-----	6	14	22	13	-----	3	6
No insurance or pension plan.....	50	54	44	45	-----	57	53	41	7	56	85	72
Information not available.....	-----	-----	-----	-----	-----	-----	-----	-----	7	1	-----	-----
Total.....	100	100	100	100	-----	100	100	100	100	100	100	100
Total number of establishments studied.....	668	78	81	251	-----	119	36	27	15	112	170	64
<i>Southwest</i>												
Total establishments with insurance or pension plans <sup>2</sup> .....	33	23	69	29	64	50	27	58	83	39	11	40
Life insurance.....	30	19	64	25	50	41	27	50	83	34	8	30
Health insurance.....	12	-----	37	5	32	36	4	25	17	4	5	11
Retirement pension.....	1	-----	10	-----	-----	-----	-----	-----	8	2	-----	-----
Other.....	4	4	-----	8	18	-----	-----	-----	-----	-----	-----	-----
No insurance or pension plan.....	67	77	31	71	36	50	73	42	17	61	88	60
Information not available.....	( <sup>4</sup> )	-----	-----	-----	-----	-----	-----	-----	-----	-----	1	-----
Total.....	100	100	100	100	100	100	100	100	100	100	100	100
Total number of establishments studied.....	633	53	59	248	22	70	52	24	12	166	168	53
<i>Pacific</i>												
Total establishments with insurance or pension plans <sup>2</sup> .....	34	28	53	35	50	29	18	44	57	32	9	29
Life insurance.....	24	7	38	27	38	21	12	35	57	25	9	20
Health insurance.....	22	21	39	22	25	22	11	18	29	6	5	19
Retirement pension.....	3	2	14	2	6	-----	3	12	-----	-----	-----	5
Other.....	2	1	5	2	-----	2	-----	-----	-----	4	-----	-----
No insurance or pension plan.....	66	72	47	65	50	71	82	56	43	68	91	71
Information not available.....	( <sup>4</sup> )	-----	-----	( <sup>4</sup> )	-----	-----	-----	-----	-----	-----	-----	-----
Total.....	100	100	100	100	100	100	100	100	100	100	100	100
Total number of establishments studied.....	1,238	180	109	616	16	181	74	34	7	95	140	59

<sup>1</sup> Includes other manufacturing not shown separately.

<sup>2</sup> Includes data for Border and Mountain regions in addition to those shown separately.

<sup>3</sup> Unduplicated total.

<sup>4</sup> Less than 0.5 of 1 percent.

## Regional Differences

Striking regional differences in the extent of pensions and insurance existed among the industries studied. The concentration of various industries in certain regions has probably led to more uniform and widespread practices in these industries. Insurance and pension plans have been more widely adopted in some low-wage than high-wage manufacturing industries, as indicated previously by their extent in textiles and metalwork-

ing. Collective bargaining has also influenced the adoption of these plans. Prior to World War II, insurance or pension provisions were seldom written into the union-employer agreements, but currently a substantial number of the contracts in apparel, textiles, machinery, paper and retail trade contain specific provisions relating to these benefits. Size of establishment and location in terms of size of community appear to be important factors. The fact that employer participation

represents a labor-cost item, particularly important in the case of marginal employers, helps to account for part of the variation among industries.

*Manufacturing:* The largest number of establishments studied by the Bureau were located in the Middle Atlantic and Great Lakes States.<sup>21</sup> The former with 51 percent of the plants studied having insurance or pension systems for plant employees ranked higher than any other region, but only slightly higher than the Middle West, New England and the Great Lakes. Among the four industry groups shown in the table, the Middle Atlantic area had the highest proportion of insurance and pension plans only in apparel. This industry is extensively unionized and, especially the women's apparel branch, is largely concentrated in New York City. In fact, a majority of the women's apparel establishments in the Middle Atlantic region operated under union agreements which provided for a vacation-health fund to which employers paid a fixed percent of their pay roll and from which the union distributed sickness benefits in accordance with an established scale.

The Great Lakes region accounted for over a third of the metalworking plants studied and about half of these establishments had instituted some type of insurance or pension. The proportion of Middle West plants (relatively unimportant in the total industry group) providing insurance or pension benefits was slightly higher. In the Middle Atlantic States only 37 percent of the 1,610 metalworking plants had adopted such plans.

In textiles, New England, the Middle Atlantic, and the Southeast (named in order of prevalence of plans) are the major producing regions. Seventy-eight percent of the New England as compared to 53 percent of the Southeastern mills had initiated some sort of plan. In every region<sup>22</sup> at least half of the plants offered some benefits. Similarly,

<sup>21</sup> The States included in these regions with one exception are as follows: New England—Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont. Middle Atlantic—New Jersey, New York, and Pennsylvania. Border—Delaware, District of Columbia, Kentucky, Maryland, Virginia, and West Virginia. Southeast—Alabama, Florida, Georgia, Mississippi, North Carolina, South Carolina, and Tennessee. Southwest—Arkansas, Louisiana, Oklahoma, and Texas. Great Lakes—Illinois, Indiana, Michigan, Minnesota, Ohio, and Wisconsin. Middle West—Iowa, Kansas, Missouri, Nebraska, North Dakota, and South Dakota. Pacific—California, Nevada, Oregon, and Washington.

The exception: In all textile industries, except hosiery and knitwear, in the apparel group, Virginia was included with the Southeast.

<sup>22</sup> No plants were covered in Middle West or Mountain regions.

the development was widespread in the chemical industries, but the relative positions of the regions were changed, with New England ranking lowest (45 percent) and the Southwest highest (69 percent).

In all of the manufacturing industries the regional positions frequently changed, depending upon the type of plan. For example, in apparel the Middle Atlantic and in textiles the New England region had the greatest proportion of plants with both life and health insurance provisions. In the chemical industry group the Pacific region showed the highest proportion of health-insurance plans, while the Southwest led in life-insurance plans. In the metalworking industries the Great Lakes outranked all other regions in health plans and the Midwest in life insurance.

It is significant that the Pacific region, which typically shows the highest straight-time average hourly earnings by industry, ranks among the lowest in extent of all types of plans even though its industries are highly unionized. Partial explanation may be that the high wage rates themselves attract and hold the necessary labor force without extra forms of compensation. Furthermore, a number of the industries were developed and expanded at a comparatively more recent date than those in the Eastern regions.

The Mountain and Southwest regions only had a smaller proportion of plants providing benefits than the Pacific region. In Border and Southeastern States, where lower wages generally prevail, the extent of benefits offered is considerably greater than on the West Coast.

*Nonmanufacturing:* Because of the heterogeneity in many respects of the nonmanufacturing industries studied, no combination of industry data has been attempted.

Health and insurance provisions were more prevalent among electric light and power systems than in any other industry surveyed in all regions. All 10 Southeastern systems studied had instituted programs for their plant employees and in all other regions (except the Pacific Coast where only 4 of 7 reported provisions) the proportion was very high. Few of the power laundries, which have a relatively low wage level, provided any type of benefit in any of the regions. Only 9 percent of such establishments in the Pacific and Mountain

States had adopted some provision. In New England and the Middle Atlantic, the highest ranking regions for the industry, less than a fifth of the power laundries had established insurance or pension provisions for their plant workers.

Insurance or pension provisions for plant workers in warehousing and storage establishments ranged from 7 percent in the Southeast to 43 percent in Mountain States. Plans for automobile repair shop workers were more prevalent in most regions. In the Pacific and Mountain States, the lowest ranking regions, insofar as prevalence of plans was concerned, at least 29 percent of the automobile repair shops were contributing to employee insurance or pension benefits. The highest proportion (50 percent) was in the Southwest region.

Regional differences were rather large in the extent of plans for retail-store workers among the 3 branches studied. Most extensive plans were offered to department store workers (exclusive of office personnel) in the Southeast region—71 compared to 43 percent of the limited-price variety stores had some type of provision. Corresponding figures for the two kinds of stores in the Pacific region were 44 and 32 percent. The extent of provisions in clothing establishments ranged from 15 percent in Mountain States to 47 percent in the Middle West.

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## Paid Vacations and Sick Leave in Industry, 1945-46<sup>23</sup>

ABOUT 3 OUT OF 4 MANUFACTURING establishments, by 1945-46, had formal paid vacation plans for plant workers after a year's service, and almost 9 out of 10 provided paid vacations for office workers with similar length of service. In contrast, formal plans for paid sick leave were uncommon both for plant and office workers. Typically, plant workers received a 1-week vacation with pay after a year's employment; office workers were allowed 2-week vacations in more than two-fifths of the establishments with vacation plans. Information available for the machinery industries indicated that after 5 years' service, 2-week vaca-

tions were most common for plant as well as for office workers.<sup>24</sup>

In contrast, paid vacations in 1937 were provided for plant workers by only 1 in 4 manufacturing establishments. Even at that time, however, about 8 out of 10 establishments granted vacations with pay to office and other salaried workers.<sup>25</sup> Although extension of paid vacation plans from office to plant workers began prior to World War II, rapid progress was made during the war years. Under wartime wage stabilization, the National War Labor Board developed a vacation policy under which virtually automatic approval was given to the voluntary introduction of paid vacations of specified duration.<sup>26</sup>

The interest in vacations as an objective of collective bargaining is reflected in the rapid increase in the number of agreements providing vacations. In 1940, only about 25 percent of all workers under union agreement were entitled to paid vacations, as compared with 85 percent in 1944.<sup>27</sup>

### Method and Coverage

Data for 1945-46 were collected as part of the Bureau's general wage surveys of 56 manufacturing and 7 nonmanufacturing industries.<sup>28</sup> The manufacturing industries together employed about 5½ million workers, or more than a third of the entire manufacturing labor force of the country, and contained more than 34,000 establishments. The nonmanufacturing industries included 19,000 establishments having 1,300,000 employees.<sup>29</sup>

Although it is believed that the coverage of manufacturing industries is sufficiently large and representative to provide a rough picture of

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<sup>24</sup> For further discussion of vacations in the machinery industries, see *Wages in the Machinery Industries*, October 1946, *Monthly Labor Review*, September 1947, p. 317.

<sup>25</sup> *Monthly Labor Review*, August 1938, p. 269. The present study differs in coverage from the earlier survey, but it is believed that rough comparisons are warranted.

<sup>26</sup> This automatic approval was limited to plans for 1 week of vacation after 1 year's employment and 2 weeks after 5 years. Further details regarding War Labor Board policies on vacation plans will be available in the forthcoming *Termination Report of the National War Labor Board*.

<sup>27</sup> See *Paid-Vacation Provisions in Union Agreements*, November 1944, *Monthly Labor Review*, February 1945, p. 299.

<sup>28</sup> The manufacturing industries studied are listed in table 2; the nonmanufacturing industries appear in table 1.

<sup>29</sup> For the basis of this study, 15,500 manufacturing establishments employing slightly above 3 million workers and 6,400 nonmanufacturing establishments having 600,000 employees were actually surveyed. Establishments with less than 8 workers were omitted, except in a few industries where small establishments accounted for a substantial proportion of the industry's employment.

<sup>23</sup> Prepared by Edyth M. Bunn of the Bureau's Wage Analysis Branch.

vacation and sick-leave practices for manufacturing as a whole, it should be borne in mind that the individual studies were made primarily to provide data for individual industries.<sup>30</sup> Such important segments of manufacturing as basic iron and steel, lumber, printing, meat packing, and the rubber industries were not studied. Coverage of nonmanufacturing was limited to a few industries, so that no generalizations could be drawn for nonmanufacturing as a whole.

This article is intended to provide only a general picture of the prevalence of formal vacation and sick-leave plans and the amount of vacation provided after 1 year's service. It does not attempt to cover differing vacation provisions

\* No attempt, moreover, has been made in the summary of paid vacations and sick-leave practices, presented in terms of number of establishments, to compensate for differences among industries in the proportion of establishments studied or for differences in coverage between segments of the same industry. As the individual industry surveys were made primarily to obtain wage-rate information, a larger proportion of large establishments and establishments in large cities and in certain regions were included in order to permit presentation of separate wage data by region, city, and size of establishment.

for workers who had been employed longer than a year.

Arrangements whereby workers were given vacations or paid wages during illness at the discretion of their employer or supervisor were not studied; these informal arrangements are particularly important with respect to sick leave.

### Formal Paid Vacation Practices

Formal vacation plans tended to be most common in industries characterized by large operating units and high wage rates and, within the individual industries, were most frequently provided in large unionized establishments.

*Manufacturing Industries:* Among the major manufacturing industry groups for which data are available, the chemical industries provided vacations most commonly after 1 year's service and also tended to furnish the longest vacations (table 9). Although the metalworking industry

TABLE 9.—Length of paid vacations after 1 year's service in selected manufacturing and nonmanufacturing industry groups 1945-46

Length of vacation	Manufacturing					Nonmanufacturing						
	All industries studied <sup>1</sup>	Apparel	Chemicals	Metalworking	Textiles	Automobile repair shops	Clothing stores	Department stores	Electric light and power	Limited price variety stores	Power laundries	Warehousing
<i>Plant workers</i>												
Establishments studied:												
Number.....	15,567	2,258	999	6,605	1,447	1,397	754	355	130	1,439	1,620	723
Percent.....	100	100	100	100	100	100	100	100	100	100	100	100
Percent of establishments with paid vacations after 1 year's service.....	73	81	92	68	75	76	94	97	98	95	45	73
Less than 1 week.....	2	1	1	4	1	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	98	1	2	—
1 week.....	65	63	70	61	73	67	67	79	46	87	43	67
Over 1 week but under 2 weeks.....	( <sup>2</sup> )	( <sup>2</sup> )	1	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	1	—	1	( <sup>2</sup> )	( <sup>2</sup> )
2 weeks.....	4	2	20	3	1	9	26	17	52	6	( <sup>2</sup> )	6
Over 2 weeks.....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	—	—	1	( <sup>2</sup> )	—	—	—	—
Other <sup>2</sup> .....	2	15	—	—	—	—	—	—	—	—	—	—
Percent of establishments with no paid vacations after 1 year's service.....	27	19	8	32	25	24	6	3	2	5	55	27
<i>Office workers</i>												
Establishments studied:												
Number.....	12,880	1,451	932	5,915	1,241	( <sup>2</sup> )	588	341	125	1,063	1,206	668
Percent.....	100	100	100	100	100	( <sup>2</sup> )	100	100	100	100	100	100
Percent of establishments with paid vacations after 1 year's service.....	87	83	95	86	88	( <sup>2</sup> )	94	97	100	98	69	89
Less than 1 week.....	1	( <sup>2</sup> )	( <sup>2</sup> )	1	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	100	1	1	—
1 week.....	47	56	38	42	55	( <sup>2</sup> )	64	78	38	83	60	46
Over 1 week but under 2 weeks.....	1	1	1	1	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	1	—	1	( <sup>2</sup> )	2
2 weeks.....	38	26	56	42	33	( <sup>2</sup> )	29	18	62	8	8	41
Over 2 weeks.....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	1	( <sup>2</sup> )	—	( <sup>2</sup> )	—	( <sup>2</sup> )
Percent of establishments with no paid vacations after 1 year's service.....	13	17	5	14	12	( <sup>2</sup> )	6	3	—	2	31	11

<sup>1</sup> Includes other manufacturing industries not shown separately (see table 10.)

<sup>2</sup> Less than 1/100 of 1 percent.

<sup>3</sup> Establishments (in women's and misses' dresses and coats and suits) operating under union agreements which provide for a health-vacation fund into

which employers pay a determined percent of their pay roll and from which vacation payments are distributed. Also includes firms providing vacations to begin in 1947.

<sup>4</sup> No coverage.

TABLE 10.—Extent of paid vacation plans for plant workers after 1 year's service in selected manufacturing industries, 1945-46

Industry group	Pay-roll period studied	Number of establishments studied	Percent of establishments having paid vacation plans after 1 year's service	Industry group	Pay-roll period studied	Number of establishments studied	Percent of establishments having paid vacation plans after 1 year's service
All manufacturing industries studied.....	Jan. 1945-July 1946	15,567	73	Metalworking—Continued			
Apparel.....		2,258	81	Oil-burners, hot-water and steam-heating apparatus.....	July 1946.....	68	87
Knit outerwear.....	July 1946.....	252	81	Power boilers.....	Jan. 1945.....	270	65
Knit underwear.....	July 1946.....	161	90	Radios.....	Jan. 1945.....	277	78
Men's and boys' dress shirts and nightwear.....	Apr. 1945.....	220	77	Sheet-metal work.....	Jan. 1945.....	384	28
Overalls and industrial garments.....	Apr. 1945.....	132	64	Small arms.....	Jan. 1945.....	72	86
Women's and misses' dresses.....	Apr. 1945.....	975	83	Stoves and ranges.....	July 1946.....	163	33
Women's and misses' suits and coats.....	July 1946.....	305	95	Tanks.....	Jan. 1945.....	10	100
Work pants, cotton.....	Apr. 1945.....	154	56	Tool and die jobbing (shops).....	Jan. 1945.....	619	66
Work shirts.....	Apr. 1945.....	59	54	Textiles.....		1,447	75
Chemicals.....		999	92	Cotton textiles.....	Apr. 1946.....	346	76
Chemicals, industrial.....	Jan. 1946.....	255	92	Hosiery, full-fashioned.....	Jan. 1946.....	187	67
Drugs and medicines.....	July 1946.....	258	93	Hosiery, seamless.....	Jan. 1946.....	205	59
Paints and varnishes.....	July 1946.....	291	94	Rayon and silk textiles.....	July 1946.....	237	89
Perfumes and cosmetics.....	July 1946.....	121	91	Textile dyeing and finishing.....	July 1946.....	193	88
Soap and glycerin.....	July 1946.....	74	85	Woolen and worsted textiles.....	Apr. 1946.....	279	83
Metalworking.....		6,605	68	Other industries.....		4,258	
Aircraft engines.....	Jan. 1945.....	199	77	Bakeries.....	July 1945.....	1,309	81
Communication equipment.....	Jan. 1945.....	46	78	Cigarettes.....	Jan. 1946.....	18	78
Copper alloying, rolling, and drawing.....	Spring-summer 1946.....	37	97	Cigars.....	Jan. 1946.....	197	52
Electric generating and distribution equipment.....	Jan. 1945.....	265	85	Corrugated-fiber boxes.....	Oct. 1945.....	170	88
Electroplating.....	Jan. 1945.....	252	52	Costume jewelry.....	Jan. 1946.....	94	76
Fabricated structural steel.....	Jan. 1945.....	323	63	Fiber cans and tubes.....	Oct. 1945.....	52	75
Foundries, ferrous.....	Jan. 1945.....	642	68	Folding boxes.....	Oct. 1945.....	187	76
Foundries, nonferrous.....	Jan. 1945.....	346	68	Footwear.....	Oct. 1945.....	345	86
Iron and steel forgings.....	Jan. 1945.....	167	77	Paper and pulp.....	Oct. 1945.....	208	88
Machine-tool accessories.....	Jan. 1945.....	156	75	Paperboard.....	Oct. 1945.....	111	86
Machine tools.....	Jan. 1945.....	181	82	Precious jewelry.....	Jan. 1946.....	123	89
Machinery (miscellaneous).....	Jan. 1945.....	2,013	69	Set-up boxes.....	Oct. 1945.....	283	62
Motor vehicles.....	Jan. 1945.....	115	78	Smoking, chewing, and snuff tobacco.....	Jan. 1946.....	31	77
				Structural clay products.....	Oct. 1945.....	328	45
				Upholstered furniture.....	Oct. 1945.....	288	56
				Wood furniture.....	Oct. 1945.....	514	57

group granted vacations somewhat less frequently than other industry groups, there was considerable variation among the separate industries within this group (table 10). The apparel trades,<sup>31</sup> although ranking relatively high in paid vacations for plant workers, provided somewhat shorter vacations for office employees than did the other industries studied. Considering individual industries outside these major industry groups, the cigar, set-up box, structural-clay product, and furniture industries fell below the all-manufacturing average for formal vacation arrangements (table 10).<sup>32</sup>

<sup>31</sup> Union agreements in the women's coat and suit and dress industries, particularly in the New England and Middle Atlantic regions, frequently provided that employers contribute a portion of the pay roll for a health and vacation fund. This fund was distributed among the workers according to a predetermined plan, which varied in details in the different markets.

<sup>32</sup> The size of the interindustry differences in vacation provisions presented in the tables of this article was affected by the fact that the periods studied varied among industries (from January 1945 to July 1946), and that paid vacation plans were being extended during this period. The changes during the interval, however, were apparently not large enough to alter the relative position of the industries discussed in the text.

An example of the increase in vacation plans is provided by the machinery industries, which were studied in both January 1945 and October 1946. The

*Nonmanufacturing Industries:* Of the nonmanufacturing industries for which data were available, almost all department, clothing, and limited-price variety stores and electric light and power systems provided vacations for both plant and office workers after 1 year's service. On the other hand, less than half of the power laundries and under three-fourths of the warehousing establishments reported such plans for plant workers; 7 out of 10 power laundries provided paid vacations for their office employees. In 9 out of 10 warehouse establishments, office workers were granted vacations after 1 year (table 9).

Electric light and power was the only industry in which a 2-week vacation period after a year's service was more common than 1 week for plant workers. Among office workers, the 2-week period was more frequent than 9 week in the chemical industries, as well as in the electric utility in-

proportion of machinery establishments having vacation plans for plant workers increased from 70 to more than 80 percent between the two periods, but there was no marked increase in the length of the vacation period provided.

dustry; in the metalworking industries it was of equal importance with the 1-week vacation.

*Regional Vacation Practices:* The Southeastern and Southwestern regions <sup>33</sup> lagged behind other areas in paid-vacation practices in most manufacturing industries; the Pacific region ranked highest in the proportion of such plans. New England clothing and department stores granted 2-week vacations more frequently than 1-week periods; stores elsewhere generally followed the custom of 1-week vacations in effect in both manufacturing and nonmanufacturing industries. Although vacations were more common for office employees than for plant workers in almost all industries studied, this pattern was not found in every region, apparently because office workers were sometimes given vacations on an informal basis.

<sup>33</sup> For definition of regions, see *Wages in the Machinery Industries*, October 1946, *Monthly Labor Review*, September 1947, p. 317.

## Sick Leave

Formal plans for paid sick leave for plant workers were found in less than 3 percent of the manufacturing establishments studied, although more than 8 percent granted sick leave to office workers. Chemical establishments led other manufacturing industries in formal sick-leave plans and also differed from other establishments in providing such leave more frequently for plant than for office workers. Sick leave was granted more frequently in the nonmanufacturing industries studied than in manufacturing. More than a half of the electric light and power systems regularly paid their workers for time lost while sick, and a third of all retail stores studied had plans in operation in 1945 and 1946. In view of the low incidence of formal sick leave plans in most industries, no tabulations are presented.