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Wage Differentials and Rate Structures Among 40 Labor Markets

1951-52

Bulletin No. 1135

UNITED STATES DEPARTMENT OF LABOR

Martin P. Durkin, *Secretary*

BUREAU OF LABOR STATISTICS

Ewan Clague, *Commissioner*



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1951-52

From the Monthly Labor Review
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Letter of Transmittal

UNITED STATES DEPARTMENT OF LABOR,
BUREAU OF LABOR STATISTICS,
Washington, D. C., April 2, 1953.

The SECRETARY OF LABOR:

I have the honor to transmit herewith a report providing a comparison of pay levels and wage structures, supplementary benefits, and union-agreement coverage among 40 labor markets. The articles in this publication were based on data collected in community wage surveys conducted by the Bureau between September 1951 and May 1952.

This report was prepared by members of the staff of the Division of Wages and Industrial Relations.

EWAN CLAGUE, *Commissioner.*

HON. MARTIN P. DURKIN,
Secretary of Labor.

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Preface

The articles in this bulletin are based on data obtained by the Bureau in community wage surveys conducted in 40 major labor-market areas between September 1951 and May 1952. Occupational earnings and related wage benefits data were collected on a community-wide basis in each of these areas.

Survey techniques, with only minor exceptions, were identical in all areas. Six broad industry divisions were covered. These are: manufacturing; transportation (except railroads), communication, and other public utilities; wholesale trade; retail trade; finance, insurance, and real estate; and services. Whenever possible, separate data were presented for individual broad industry divisions. Only establishments above a predetermined employment size were included within the scope of the studies. This minimum size varied according to the industry division and area studied; in no instance were establishments with fewer than 21 workers included. The earnings information collected excluded premium pay for overtime and night work, and data relating to fringe benefits were confined to formal plans for which at least a part of the cost was borne by the employer.

Individual bulletins were prepared for each area studied and provide a detailed report on the survey findings. In addition, a summary report was prepared which consolidates in a single publication the area-job averages and fringe-benefit provisions. These bulletins are available for purchase from the Superintendent of Documents, Government Printing Office, Washington 25, D. C. See last page of this bulletin for a listing of the bulletin reports.

the areas, the period studied differed from the survey month for New York by 2 months or less.² Measures of intercity differences in pay levels presented here are therefore subject to some understatement or overstatement depending primarily upon the time difference among the survey dates for the areas being compared. Resurveys could result in some changes in the relative position of some of the areas. Data for Birmingham and Pittsburgh, for example, do not reflect the most recent wage increase executed in the steel industry.

The city relatives are based on averages, in each area, for 24 office jobs and for 17 manual-type jobs commonly found in the broad industry divisions represented. Intercity wage relationships differ somewhat by type of occupation, and the selection of occupations other than those used in these comparisons presumably could yield somewhat different results.

Minor differences in city relatives and rank position should thus be viewed in light of the above limitations, and also in light of the differences in industrial composition of the labor force

TABLE 2.—Relative pay levels for plant workers in indirect jobs in 40 major labor markets, 1951–52¹

[New York City=100]

Relative	Rank	New England	Middle Atlantic	South	Middle West	Far West
113	1					San Francisco-Oakland.
111	2				Detroit	
106	3				Chicago	Seattle.
105	4				Milwaukee	Los Angeles.
103	6		Newark-Jersey City			
101	7		Pittsburgh			
100	9		New York City			
99	10		Buffalo			
96	12				Cleveland	
95	14		Trenton		{Minneapolis-St. Paul	
94	15				{St. Louis	
93	16		{Albany-Schenectady-Troy		{Cincinnati	
92	20	Boston	{Rochester		{Indianapolis	
91	22		{Philadelphia		{Columbus	
89	24	{Hartford	{Allentown-Bethlehem-Easton		{Louisville	
88	27	{Worcester				{Phoenix.
86	29					{Salt Lake City.
85	30	Providence				Denver.
84	31		Scranton			
83	32			Houston		
78	33			Birmingham		
76	34			Richmond		
75	35			{Norfolk-Portsmouth		
72	38			{Oklahoma City		
70	39			{Atlanta		
69	40			Memphis		
				Jacksonville		
				New Orleans		

¹ The relatives presented in the first column relate the average hourly earnings in seven maintenance jobs, four custodial jobs, and six warehousing and shipping jobs in each city to the corresponding averages for New York

City. Relatives were based on straight-time earnings, excluding premium pay for overtime and night work. See footnote to table 1 for method of computation of the average.

among areas as explained later. However, information on area-wage differentials, used with care, does provide an essential tool to individuals and organizations in the administration of wage and salary structures, in wage negotiations, and in the selection of locations for new establishments.

Relative Levels Among Labor Markets

Office-worker salaries in New York City were exceeded, among the areas studied, only in Chicago, Detroit, Los Angeles, and the San Francisco-Oakland area. Five percentage points or less below New York in the scale were cities as widely separated geographically as Seattle, Cleveland, Houston, and Pittsburgh. A majority of the 40 areas were clustered at the 90–99 percent

² The other 12 areas were studied as follows: September 1951, Seattle; October 1951, Cleveland, Hartford, Oklahoma City, Philadelphia, and Richmond; April 1952, Birmingham, Boston, and Columbus; and May 1952, Allentown-Bethlehem-Easton, Jacksonville, and Louisville.

(of New York) level. Providence, New Orleans, and Scranton were the only areas in which office-worker salaries were less than 85 percent of the New York average (table 1).

TABLE 3.—Relative pay levels for plant workers in selected work categories in 40 major labor markets, 1951-52

[New York City=100]			
Labor market	Maintenance (7 jobs)	Custodial (4 jobs)	Warehousing and shipping (6 jobs)
New England:			
Boston.....	93	94	91
Hartford.....	90	93	86
Providence.....	85	91	82
Worcester.....	89	95	86
Middle Atlantic:			
Albany-Schenectady-Troy.....	96	95	91
Allentown-Bethlehem-Easton.....	92	91	87
Buffalo.....	100	101	98
Newark-Jersey City.....	103	105	101
New York.....	100	100	100
Philadelphia.....	96	91	91
Pittsburgh.....	100	100	102
Rochester.....	94	95	92
Scranton.....	88	80	84
Trenton.....	95	97	94
South:			
Atlanta.....	88	74	69
Birmingham.....	90	70	77
Houston.....	101	74	78
Jacksonville.....	91	63	64
Memphis.....	85	68	67
New Orleans.....	80	60	68
Norfolk-Portsmouth.....	89	73	68
Oklahoma City.....	80	72	75
Richmond.....	90	73	71
Middle West:			
Chicago.....	107	106	103
Cincinnati.....	95	90	93
Cleveland.....	100	98	100
Columbus.....	94	90	91
Detroit.....	111	113	111
Indianapolis.....	97	94	89
Kansas City.....	99	91	93
Louisville.....	101	87	88
Milwaukee.....	102	102	100
Minneapolis-St. Paul.....	99	97	93
St. Louis.....	101	94	95
Far West:			
Denver.....	92	86	84
Los Angeles.....	106	103	105
Phoenix.....	97	85	86
Salt Lake City.....	92	88	87
San Francisco-Oakland.....	111	114	113
Seattle.....	104	108	106

¹ See footnote to table 1 for method of computation of the average.

Intercity wage relationships for plant job groups were generally similar to those for office workers in regions other than the South. For all plant jobs combined (table 2) and for the custodial, and warehousing and shipping job groups (table 3), the southern cities were grouped at the bottom of the city rankings. In the case of skilled maintenance trades, Houston workers' pay was well above average, and pay levels in Jacksonville, Richmond, and Birmingham also compared favor-

ably with prevailing levels in the New England cities, and Scranton, Denver, and Salt Lake City. As suggested by these comparisons, skill differentials (measured on either a percentage or cents-per-hour basis) tend to be greater in the South than in other regions.

The industrial composition of the areas studied varied substantially. Thus, the explanation for some of the intercity wage differences may be found in dissimilar industrial distributions of the labor force. Manufacturing industries employed more than half of the workers in each of the New England and Middle Atlantic areas (except New York City) and in the Middle West areas studied. Nonmanufacturing industries dominated employment in all southern areas except Birmingham and all western areas except Los Angeles. Average earnings for comparable occupations were usually higher in manufacturing than in nonmanufacturing; the earnings advantage held by workers in manufacturing was more consistent among office jobs than among the indirect plant jobs studied. However, Detroit and Chicago, centers of the relatively high-wage automotive and metalworking industries, respectively, ranked between New York and San Francisco where trade, finance, and service industries were comparatively more important. Earnings of office and maintenance workers in the southern cities compared favorably with New England pay levels, despite the lower degree of industrialization.

Occupational earnings of plant workers tended to be highest in the largest cities, particularly those in which a large proportion of the plant workers were employed in establishments operating under terms of union agreements. Of the top 10 areas in the ranking (table 2), 7 were among the 10 largest in population and 7 were among the first 10 areas in a ranking by degree of unionization.³ Of the last 10 areas (9 in the South) in the earnings scale, only 5 ranked among the 10 smallest areas studied, but 8 were among the lowest 10 in terms of collective-bargaining contract coverage. Office-worker salary levels seemed

³ In 17 of the 40 areas, 75 percent or more of the plant workers were in establishments with agreements covering such workers; in 7 areas, less than 50 percent were covered.

to be more often related to population size than to degree of contract coverage. Union-contract coverage of office workers ranged from less than 10 percent in 12 areas to 20 percent or more in only 8 areas.

Available data indicate that wage levels tended to be lower in smaller cities than in nearby large urban centers. Data collected by the Bureau in cities of 50,000 to 200,000 population during the last year⁴ indicate that pay levels for comparable jobs were substantially lower in the Augusta (Ga.)—Aiken (S. C.) area than in Atlanta; in the

Green Bay and Manitowoc-Sheboygan areas of Wisconsin than in Milwaukee; and in Pueblo, Colo., as compared with Denver. However, as among the 40 larger labor markets dealt with in greater detail, a number of exceptions were noted in which pay levels in smaller cities exceeded those in larger cities in the same State or region.

⁴ Because of the limited amount of occupational earnings available from the studies in these smaller areas, which were conducted at the request of the Wage Stabilization Board, comparisons were made in individual jobs rather than the comparable job groups upon which the tables are based.

Occupational Wage Differentials in Major Labor Markets, 1951-52

Occupational wage differentials measured on both a percentage and a cents-per-hour basis were greatest in the South, according to a Bureau of Labor Statistics analysis¹ of data collected in late 1951 and early 1952. In the process of occupational wage setting, differentials provide a means of compensating workers in accordance with differences in requirements of skill, responsibility, effort, working conditions, and other factors. They provide individual workers with the incentive to attain higher skills. The high degree of job specialization which is characteristic of most industries is reflected in a diversity of pay scales in individual establishments.

Measured in percentage terms, differences in pay between skilled and unskilled occupations have exhibited substantial regional variations for a long period of time.² Previous studies have indicated a long-term trend toward a reduction in the magnitude of percentage differentials in wages for skilled and unskilled jobs; average hourly earnings of skilled workers in the United States in 1907 were about double those of unskilled workers, whereas 1947 skilled rates, on the average, were only 50 percent higher. This narrowing of differentials can be attributed to the fact that wage adjustments made in recent years have, in many

¹ This study compares occupational wage differentials in six different regions of the United States.

² See Occupational Wage Differentials, 1907-47, Monthly Labor Review, August 1948 (p. 127).

cases, been applied on a uniform cents-per-hour basis. While maintaining wage differentials in absolute terms, such increases have tended to further narrow percentage differentials in the establishments or industries involved.

Relationships between earnings of skilled maintenance and unskilled occupations, in all industries, 1951-52¹

Area group	Number of areas studied	Differentials in straight-time hourly earnings between skilled maintenance workers and—			
		Stock handlers		Janitors	
		Percentage	Cents-per-hour	Percentage	Cents-per-hour
New England.....	4	37	48	54	62
Middle Atlantic.....	9	38	53	62	73
South.....	8	83	82	108	95
Middle West.....	11	41	57	66	78
Mountain.....	2	40	52	71	76
Pacific Coast.....	3	31	49	58	76

¹ Differentials were computed as follows: (1) a simple average of the differentials in the area-wide averages for maintenance carpenters, electricians, and machinists and each of the unskilled jobs (stock handlers and janitors) was derived to obtain area differentials; (2) a simple average of the area differentials was made to obtain the average differential for the area groupings.

The area groupings used in this study include: *New England*—Boston, Hartford, Providence, and Worcester; *Middle Atlantic*—Albany-Schenectady-Troy, Buffalo, Newark-Jersey City, New York, Philadelphia, Pittsburgh, Rochester, Scranton, and Trenton; *South*—Atlanta, Birmingham, Houston, Jacksonville, Memphis, Norfolk-Portsmouth, Oklahoma City, and Richmond; *Middle West*—Chicago, Cincinnati, Cleveland, Columbus, Detroit, Indianapolis, Kansas City, Louisville, Milwaukee, Minneapolis-St. Paul, and St. Louis; *Mountain*—Denver and Salt Lake City; *Pacific Coast*—Los Angeles, San Francisco-Oakland, and Seattle.

Scope and Method of Analysis

Occupational wage differentials presented in the accompanying table were based on area-wide earnings information for selected skilled and unskilled jobs obtained from the Bureau's 40-area community-wage-study program conducted

between September 1951 and May 1952.³ For purposes of analysis, three skilled maintenance jobs—carpenters, electricians, and machinists—and two unskilled jobs—stock handlers and janitors—were selected in order to measure percentage and cents-per-hour differentials between skilled and unskilled workers; the published earnings data in 37 areas were used. Area differences in all-industry averages between the skilled and unskilled jobs were averaged to obtain regional wage relationships. Earnings in all jobs selected relate to men workers.

Because occupational staffing patterns and pay levels vary within and among industries in an area, wage differentials based on all-industry averages may differ, therefore, from average differentials within individual establishments. However, such all-industry differentials are considered to be reasonably accurate for the purpose of illustrating the existing spread in pay levels for particular jobs and, more specifically, for an examination of regional differences in wage relationships.

Percentage Differentials

Percentage wage differentials between the maintenance trades and unskilled jobs in the South greatly exceeded those in other regions (see table). Pay levels for workers in the maintenance trades in the southern cities compared favorably with prevailing levels in many of the northern cities, but unskilled labor rates were substantially lower in the South.⁴ The greater wage differentials in the South thus reflect the comparatively low wage levels at the bottom of the wage scale.

Differentials in wages for skilled maintenance workers and stock handlers were grouped at 37–41 percent for New England, Middle Atlantic, Mountain, and Middle West areas as compared with the 83-percent estimate for the eight southern cities combined. Pacific coast areas (Los Angeles, Seattle, and San Francisco-Oakland) had a combined wage spread of only 31 percent. As would be expected, the wage spread between maintenance trades and janitors was greater than that between maintenance trades and stock

handlers. The average wage differentials between the latter two categories ranged from 54 percent in New England to 108 percent in the South.

Variation noted in average wage differentials among areas within the same regional grouping was in some cases traceable to the nature of the wage structure in the dominant industry in particular areas. Maintenance workers in Detroit, for example, averaged only 31 percent more than stock handlers as compared with differentials of 40 percent or more found in Chicago, Indianapolis, Kansas City, and St. Louis. The all-industry differential for Detroit was, nevertheless, several percentage points higher than the percentage difference between the same job categories in the motor vehicle and motor-vehicle equipment industry in this area. Similarly, the average wage differentials in Birmingham and Pittsburgh were well below the differentials indicated for the South and Middle Atlantic city groupings, respectively, and indicate the influence of the wage structure in the basic iron and steel industry.

Louisville was grouped with midwestern cities for purposes of this report, but the maintenance-trade-stock-handler differential (62 percent) places this area midway between the South and Middle West in the matter of wage spread. Stock handlers in Louisville averaged \$1.23 an hour compared with a range of 86 cents to \$1.12 among the southern cities and a \$1.31 to \$1.64 range among other midwestern areas.

Cents-Per-Hour Differentials

Cents-per-hour occupational wage differentials were also greatest in the South but were more closely grouped than the percentage measures of wage spread. Cents-per-hour differences between the averages for skilled maintenance workers and stock handlers ranged from 48 cents in New England to 82 cents in the South. The maintenance-trade-janitor differential amounted to 62 cents in New England and 95 cents in the South; among the other four regional groupings of cities, the differential ranged from 73 to 78 cents. Regional differences in pay levels account for the greater variation in percentage differentials.

The long-term trend of wages in the United States has been toward a widening of cents-per-hour differentials between skilled and unskilled

³ The study in each area covered manufacturing, public utilities, wholesale trade, retail trade, finance, and selected service industries. Results of these surveys were published in occupational wage survey bulletins for each of the 40 areas. For list of bulletins, see page 18.

⁴ See *Wage Differences Among 40 Labor Markets*, p. 1.

workers, but a narrowing of percentage differentials. Uniform cents-per-hour adjustments preserve absolute differences and diminish relative differences; uniform percentage adjustments maintain percentage differences and increase absolute differences. Since adjustments in the future, for

the most part, will probably represent a mixture of these two forms, the outlook is for a continuation of these opposing trends. It is possible, of course, that some adjustments will be of such a nature as to increase relative differences in particular situations.

Wage Formalization in Major Labor Markets, 1951-52

The extent and nature of wage formalization differed substantially among the industry divisions and the 40 labor-market areas included in the community wage-survey program conducted recently by the Bureau of Labor Statistics. Formal wage structures that provide an established rate or a range of rates for each job classification have been widely adopted in industry—particularly in manufacturing and public utilities. Nevertheless, individual rates, related to training, ability, skill, and bargaining power of individual workers, were commonly employed in some industries in many of the areas—especially among office occupations. Proportionately, more office workers than plant (or nonoffice) employees worked under the individual-rate system in each area, although a majority of office workers in 32 of the 40 areas were employed in establishments with formalized rate structures in office departments.

Wage formalization involves the establishment of a single rate or a rate range for each job category in the establishment.¹ A “single-rate” establishment can be defined as one that pays the same rate to experienced workers in a job classification.² Learners or apprentices may be paid according to rate schedules which start below the single rate and permit the worker to achieve the full job rate over a period of time. Individual experienced workers may occasionally be paid above or below the single rate for special reasons, but such payments are regarded as exceptions to the usual

rule. The definition of a “job” or “classification” may be very narrow or very broad, and the single rate may, therefore, be applicable to a very few workers on identical jobs or to large numbers performing a number of essentially different jobs which are regarded as meriting the same rate of pay.

“Rate-range” plans provide that specific rates for individual workers within the range are determined by merit, length of service, or a combination of various concepts of merit and length of service. Rate ranges may be set up with various degrees of formality and more or less rigid rules respecting the position within the range at which new workers are hired and concerning their automatic or nonautomatic advancement to the maximum rate. A rate range, like a single rate, is usually established for experienced workers. However, a complete and separate rate structure below the minimum is frequently established for workers not fully qualified (e. g., learners or apprentices) for the job rates.

Incentive wage plans—applicable chiefly to production workers in manufacturing—may be considered as a third type of formal wage structure even though earnings may vary as a result of differences in individual or group accomplishment under a given plan. This analysis is concerned mainly with the nature of the wage structure for time-rated workers and therefore no attempt has been made to examine the various types of incentive wage plans as such. However, the incidence of incentive pay plans in manufacturing industries has been summarized briefly in this article.

Basis and Scope of Analysis

The degree of utilization of the various types of wage structures for office workers and time-rated plant workers has been expressed in this study as

¹ Establishment practice differed greatly as between office and plant departments, and information is summarized separately for these employee groups.

² The terms, “individual rate,” “rate range,” and “single rate” are more completely defined in the Glossary of Currently Used Wage Terms, BLS Bulletin No. 983, June 1950.

TABLE 1.—Nature of wage structure for office workers in 40 major labor markets, by industry division, September 1951–May 1952¹

Area	Percent of workers employed in—																				
	All industries		Manufacturing		Public utilities		Wholesale trade		Retail trade		Finance		Services								
	Formal wage structure	Individual rates	Formal wage structure	Individual rates	Formal wage structure	Individual rates	Formal wage structure	Individual rates	Formal wage structure	Individual rates	Formal wage structure	Individual rates	Formal wage structure	Individual rates	Formal wage structure	Individual rates					
																	Single rate	Rate range	Single rate	Rate range	Single rate
<i>New England</i>																					
Boston.....	5	63	32	18	52	30	(²)	87	13	2	50	48	62	38	79	21	1	30	69		
Hartford.....	1	86	13	2	88	10		87	13		14	86	12	66	22	1	88	11	27	73	
Providence.....	4	50	46	4	41	55	22	49	29	1	48	51	30	70	83	17		15	85		
Worcester.....	16	54	30	25	41	34	50	36	14	3	48	49	3	46	51	6		6	94		
<i>Middle Atlantic</i>																					
Albany-Schenec-																					
lady-Troy.....	21	48	31	43	43	14	(²)	95	5	1	36	63	23	77	62	38		19	81		
Allentown-Beth-																					
lehem-Easton.....	2	58	40	2	67	31	6	71	23	5	11	84	2	98	11	89			100		
Buffalo.....	3	58	39	1	69	30	17	56	27	2	34	64	6	26	68	59	41	3	46	51	
Newark-Jersey																					
City.....	4	70	26	8	70	22	(²)	95	5	5	44	51	48	52	(²)	71	29		43	57	
New York.....	1	68	31	(²)	53	47	1	83	16		55	45	(²)	68	32	70	30	2	54	44	
Philadelphia.....	3	63	34	2	70	28	8	84	8	7	21	72	3	66	31	2	69	29	3	32	65
Pittsburgh.....	3	69	28	4	74	22	6	69	25	3	33	64		77	23	2	75	23		20	80
Rochester.....	(²)	76	24		86	14		92	8	3	27	70		45	55		61	39		100	
Scranton.....	2	47	51	4	56	40		34	66		3	97		39	61		71	29	24	76	
Trenton.....	1	62	37	(²)	62	38		80	20		31	69	4	54	42		64	36	10	27	63
<i>South</i>																					
Atlanta.....	(²)	47	53	1	44	55		69	31		57	43		45	55		39	61		28	72
Birmingham.....	1	43	56		39	61	1	72	27	7	42	51	(²)	34	66		42	58	2	15	83
Houston.....	1	46	53	2	43	55		77	23		30	70	3	31	66	1	43	56	9	34	48
Jacksonville.....	2	43	55	10	25	65		83	17		49	51	2	19	79		39	61	17	35	57
Memphis.....	3	46	51	8	43	49		55	45		35	65	4	38	58		79	21		11	89
New Orleans.....	6	35	59	15	32	53	2	28	70	3	41	56		46	54	6	27	67	14	49	37
Norfolk-Ports-																					
mouth.....	3	54	43	2	78	20	2	21	77		73	27		34	66		17	83	34	14	52
Oklahoma City.....	3	50	47	1	21	78	8	76	16	9	26	65		51	49		67	33		47	53
Richmond.....	(²)	24	76	(²)	15	85		76	24		6	94		7	93		28	72			100
<i>Middle West</i>																					
Chicago.....	1	62	37	1	58	41	1	88	11	5	25	70	2	79	19	(²)	74	26	3	44	53
Cincinnati.....	7	60	33	10	59	31		78	22	5	27	68		43	57	1	80	19	5	47	48
Cleveland.....	1	71	28	2	79	19		89	11	(²)	37	63		45	55		67	33	6	37	57
Columbus.....	1	74	25		77	23		81	19	8	77	15		48	52		81	19	6	31	63
Detroit.....	2	75	23	(²)	85	15	1	88	11	6	49	45	4	55	41		69	31	19	30	51
Indianapolis.....	2	65	33		78	22		81	19	10	48	42		66	34	4	46	50	1	41	58
Kansas City.....	4	61	35	4	60	36	(²)	90	10	6	49	45	2	75	23	3	55	42	9	32	59
Louisville.....	1	63	36		69	31		72	28	4	61	35	1	45	54		67	33	1	28	71
Milwaukee.....	10	61	29	15	62	23	(²)	90	10	14	17	69		33	67		81	19	8	35	57
Minneapolis-St.																					
Paul.....	2	52	46	4	70	26		77	23	2	28	70	1	56	43		35	65	5	38	57
St. Louis.....	1	60	39	1	69	30	4	73	23	(²)	49	51	2	23	75	(²)	56	44	7	30	63
<i>Far West</i>																					
Denver.....	1	57	42	3	55	42		72	28		50	50		53	47		56	44	13	25	52
Los Angeles.....	2	77	21	2	84	14	5	90	5	2	60	38	5	56	39	1	80	19	3	57	40
Phoenix.....	2	66	32		74	26	1	88	11		62	38		18	82	4	81	15	15	20	65
Salt Lake City.....	6	60	34	6	53	41	1	87	12	9	46	45	5	51	44		71	29	41	16	41
San Francisco-																					
Oakland.....	6	63	31	6	69	25	10	85	5	1	42	57	23	52	25	3	67	30	9	45	46
Seattle.....	5	49	46	3	67	30	11	56	33	3	49	48	10	10	80		53	47	12	37	51

¹ Percentages are based on total office employment in establishments according to their predominant type of wage structure for time-rated workers.² Less than 1 percent.

proportions of all workers employed in offices (or plant departments) in which the given practice predominated.³ The extent of incentive pay plans in manufacturing is reported in terms of workers actually being paid under this method.

The data were obtained from the Bureau's community wage-study program conducted during late 1951 and early 1952.⁴ Information concerning the nature of the wage structure and the extent of incentive pay was collected on a community-wide basis for each of 40 areas in 6 broad industry divisions, thereby permitting both inter-area and inter-industry comparisons.⁵ More than 10 million workers were within the scope of the surveys in these areas which have a combined population of over 52 million.

Office-Worker Rate Structures

A majority of the office workers in 32 of the 40 areas studied were employed in establishments that had formalized wage structures, in nearly all cases providing a range of rates for each occupation. Single-rate structures were of minor importance, applying to more than 10 percent of the workers in Albany-Schenectady-Troy and Worcester only. In eight areas, office salaries were primarily determined on an individual basis. (See table 1.) The basic importance of individual rates in offices was such, however, that even in areas in which payment was predominantly by the range-of-rates method, the proportion of informally rated workers ranged from a fifth to more than two-fifths and represented a slight majority in seven of the nine southern areas and in Scranton.

The degree of wage formalization varied greatly among the industries studied, with rate ranges most common in the public utility and finance groups and least common among the service industries. Areas in which a majority of the office workers were employed in rate-range establish-

ments totaled 35 for public utilities, 30 for finance, 29 for manufacturing, 16 for retail trade, 9 for wholesale trade, and only 2 for service industries. In the latter two industry groups, the use of individual rates was particularly widespread. Formalized wage structures tended to be most common in divisions with the highest average number of employees per office.

Plant-Worker Wage Structure

For time-rated plant workers, among the industries and establishment-size groups studied, formal single-rate and rate-range wage structures were generally used in all areas and informal plans were comparatively unimportant. Whereas individual determination was found to be of substantial importance for office workers, it was of significance for plant workers in only a few of the 40 areas. (See table 2.) In two areas only—Jacksonville and Richmond—were more than a fourth of the workers employed in establishments that had rates of pay for plant workers on an informal basis; the proportion in most areas ran well below 20 percent.

In many of the areas, none of the three types of wage structures was applicable to a majority of the plant workers, inasmuch as both types of formalized wage structure were used extensively and individual determination applied at least to a few workers. Formalized structures providing a rate range for each occupation were predominant in 20 areas, but covered a majority in only 11; single-rate plans were the most prevalent type in 18 areas, but applied to a majority in only 12. Allentown-Bethlehem-Easton, Detroit, Phoenix, Pittsburgh, San Francisco-Oakland, and Seattle were the only areas in which as many as three-fifths of the workers were employed in establishments having single-rate plans; Hartford and Rochester, on the other hand, were the only areas in which equally large proportions of workers were in establishments with rate ranges.

The types of wage structures varied among the broad industry groups studied. Both single-rate and rate-range plans affected substantial numbers of workers in manufacturing and public utilities in nearly all areas, with individual determination applying to comparatively few workers. In manufacturing, the areas were nearly equally divided between those in which single rates predominated

³ The exclusion of incentive workers from plant employment figures would result in somewhat different estimates of the prevalence of particular types of wage structures for time-rated workers in some areas and industry divisions.

⁴ Comprehensive results of these surveys including wages and related benefits data were published in occupational wage-survey bulletins for each of the 40 areas.

⁵ The study in each area covered: manufacturing; transportation (except railroads), communication, and other public utilities; wholesale trade; retail trade; finance, insurance, and real estate; and selected service industries.

TABLE 2.—Nature of wage structure for time-rated production workers in 40 major labor markets, by industry division, September 1951–May 1952¹

Area	Percent of plant workers employed in—																	
	All industries ²			Manufacturing			Public utilities			Wholesale trade			Retail trade			Services		
	Formal wage structure		Individual rates	Formal wage structure		Individual rates	Formal wage structure		Individual rates	Formal wage structure		Individual rates	Formal wage structure		Individual rates	Formal wage structure		Individual rates
	Single rate	Rate range		Single rate	Rate range		Single rate	Rate range		Single rate	Rate range		Single rate	Rate range		Single rate	Rate range	
<i>New England</i>																		
Boston.....	40	48	12	49	45	6	31	65	4	30	40	30	16	60	24	45	28	27
Hartford.....	26	66	8	24	72	4	39	59	2	31	22	47	31	51	18	19	4	77
Providence.....	37	39	24	38	38	24	68	32	-----	4	57	39	15	53	32	42	7	51
Worcester.....	37	45	18	38	47	15	55	45	-----	34	35	31	22	40	38	33	9	58
<i>Middle Atlantic</i>																		
Albany-Schenectady-Troy.....	57	25	18	64	23	13	43	55	2	28	28	44	36	30	34	56	13	31
Allentown-Bethlehem-Easton.....	66	18	16	70	17	13	45	46	9	34	29	37	34	15	51	22	19	59
Buffalo.....	44	41	15	60	45	5	40	47	13	32	25	43	9	28	63	74	14	12
Newark-Jersey City.....	37	51	12	38	55	7	38	56	6	46	38	16	22	37	41	21	22	57
New York.....	38	44	18	37	42	21	44	48	8	32	46	22	18	52	30	53	39	8
Philadelphia.....	44	42	14	46	44	10	63	36	1	28	25	47	27	53	20	42	15	43
Pittsburgh.....	64	30	6	77	20	3	27	66	7	41	43	16	17	75	8	38	30	32
Rochester.....	13	75	12	12	82	6	10	88	2	19	35	46	12	45	43	34	27	39
Scranton.....	51	28	21	51	31	18	63	37	-----	29	5	66	39	13	48	64	14	22
Trenton.....	41	46	13	44	46	10	40	60	-----	37	37	26	15	47	38	43	29	28
<i>South</i>																		
Atlanta.....	34	47	19	44	50	6	45	53	2	8	53	39	13	33	54	43	45	12
Birmingham.....	56	33	11	67	28	5	15	80	5	65	22	13	20	42	38	63	27	10
Houston.....	41	38	21	47	44	9	60	36	4	31	37	32	18	37	45	34	19	47
Jacksonville.....	40	19	41	78	9	13	40	50	10	7	39	54	13	10	77	34	13	53
Memphis.....	37	41	22	44	51	5	46	49	5	38	29	33	27	22	51	16	31	53
New Orleans.....	52	27	21	70	12	18	81	19	(*)	19	47	34	7	48	45	44	38	18
Norfolk-Portsmouth.....	30	50	20	30	67	3	64	22	14	26	63	11	25	32	43	55	33	12
Oklahoma City.....	22	56	22	40	50	10	19	81	-----	30	32	38	5	59	36	20	65	15
Richmond.....	22	37	41	31	41	28	16	65	19	-----	21	79	8	31	61	18	6	76
<i>Middle West</i>																		
Chicago.....	38	54	8	35	60	5	39	60	1	46	32	22	24	54	22	78	18	4
Cincinnati.....	36	50	14	31	58	11	50	50	(*)	30	17	53	43	29	28	72	8	20
Cleveland.....	42	51	7	45	51	4	51	49	-----	24	56	20	17	71	12	46	21	33
Columbus.....	30	57	13	34	59	7	51	49	-----	16	74	10	20	52	28	14	58	28
Detroit.....	70	26	4	79	20	1	39	61	-----	45	39	16	19	62	19	81	8	11
Indianapolis.....	35	53	12	39	53	8	51	49	(*)	17	57	26	5	65	30	39	26	35
Kansas City.....	46	42	12	57	34	9	42	52	6	49	39	12	18	62	20	64	21	15
Louisville.....	50	37	13	57	34	9	37	63	-----	23	57	20	26	44	30	65	7	28
Milwaukee.....	27	58	15	26	65	9	33	67	-----	58	23	19	19	30	51	34	6	60
Minneapolis-St. Paul.....	51	39	10	57	36	7	42	44	14	66	26	8	33	51	16	66	22	12
St. Louis.....	47	48	5	46	51	3	62	36	2	45	46	9	33	49	18	73	17	10
<i>Far West</i>																		
Denver.....	38	47	15	49	42	9	42	58	-----	34	56	10	24	45	31	50	37	13
Los Angeles.....	49	47	4	42	56	2	43	57	-----	55	33	12	61	33	6	77	13	10
Phoenix.....	71	15	14	79	15	6	76	23	1	37	39	24	69	11	20	55	6	39
Salt Lake City.....	47	40	13	54	41	5	41	59	-----	41	37	22	45	35	20	37	30	33
San Francisco-Oakland.....	74	25	1	89	10	1	27	73	-----	84	15	1	68	32	-----	80	11	9
Seattle.....	73	25	2	94	6	-----	38	59	3	76	24	-----	41	53	6	81	11	8

¹ Percentages are based on total plant employment in establishments according to their predominant type of wage structure for time-rated workers, rather than on the number of workers actually receiving pay under one type of plan or another. Because of the prevalence of substantial numbers of incentive workers in some establishments, percentages based on the

labor method would differ to some extent from the data presented herein.

² Includes data for finance, insurance, and real estate in addition to those industry groups shown separately.

³ Less than 1 percent.

and those in which rate ranges were most prevalent. On the other hand, rate ranges were predominant in twice as many areas as were single rates in the

TABLE 3.—*Proportion of plant workers paid by incentive methods in manufacturing industries in 40 areas, 1951-52*

40 percent or more	30 to 39 percent	20 to 29 percent	10 to 19 percent	Under 10 percent
Albany-Schenectady-Troy. Allentown-Bethlehem-Easton. Boston. Cleveland. Milwaukee. Norfolk-Portsmouth. Pittsburgh. Rochester. Scranton.	Chicago. Columbus. Hartford. Newark-Jersey City. New York. Philadelphia. Providence. St. Louis. Trenton. Worcester.	Atlanta. Buffalo. Cincinnati. Denver. Indianapolis. Louisville.	Birmingham. Detroit. Jacksonville. Kansas City. Los Angeles. Memphis. Minneapolis-St. Paul. Richmond. San Francisco-Oakland.	Houston. Oklahoma City. Phoenix. Salt Lake City. Seattle.

public utilities group. In wholesale trade, single-rate structures were predominant in 13 areas, as against 17 areas in which rate ranges predominated. In retail trade, rate-range structures were most characteristic in 23 of the 40 areas. Single-rate structures were most common among the services industries and were used by establishments with a majority of the workers in 25 areas; in only 3 areas were rate-range plans predominant in this industry group.

Individual rates were considerably more prevalent in the trade and services industries than in manufacturing or public utilities. This method

of rate determination was predominant in 11 areas for both wholesale and retail trade and in 12 areas among the services industries.

Incentive-Rate Systems

A variety of types of incentive-rate systems are employed, including both individual and group-bonus plans and the most common type—straight piecework. Although these plans are frequently employed in some nonmanufacturing industries, they are of most importance in the manufacturing industries to which the study on incentive rates has been limited. Office workers are rarely paid under this wage system.

Approximately 30 percent of the manufacturing plant workers in the 40 areas studied were paid on the basis of incentive rates. The proportion of workers paid in this manner varied substantially among the areas studied, ranging from less than a tenth to more than a half.

Areas in which the highest proportions of manufacturing-plant workers were paid on incentives include: Allentown-Bethlehem-Easton, with large steel-manufacturing operations; Norfolk-Portsmouth, an important shipbuilding center; Scranton, important for garment and textile manufacturing; and Milwaukee, which has a diversified machinery (both electrical and nonelectrical) industry. Individual area variations are outlined in table 3.

Related Wage Practices in Major Labor Markets, 1951-52

Employee benefits which supplement payments made directly for hours worked or units produced are commonly referred to as "supplementary," "related," or "fringe." A notable development of "fringe" benefits has occurred in recent years and has contributed substantially to the general welfare of the worker and his family. According to a Bureau of Labor Statistics study of data collected in major labor markets in late 1951 and early 1952, a variety of such benefits were widespread for all workers, although the proportion of office workers profiting from the fringe benefits which were ana-

lyzed was usually greater than that of manual workers who received them.

Provisions summarized in this analysis were paid vacations, paid holidays, paid sick leave, insurance benefits, retirement pensions, and non-production bonuses.¹ Their prevalence has been expressed in terms of the proportion of all workers employed in offices or plant departments that observe the practice in question. Because of eligibility requirements, the proportion actually receiving specific benefits may be smaller. The analysis has been limited to formal plans and excludes those informal arrangements whereby benefits are granted at the discretion of the employer.

¹ Although not summarized herein, provisions relating to the payment of shift differentials in manufacturing industries are also available in individual bulletins.

Scope and Method of Analysis

Data used in this analysis were obtained from the Bureau's studies of earnings and related wage practices in 40 major labor-market areas between September 1951 and May 1952.² More than 10 million workers were employed in the industries and establishment-size groups studied.³ Information in each area was collected on an all-industry basis; separate detail was shown, whenever possible, for each of six major industry groups: manufacturing; transportation (except railroads), communication, and other public utilities; wholesale trade; retail trade; finance, insurance, and real estate; and services.

Vacations

Paid vacation plans have become so extensive during the past few years that virtually all workers in the 40 major labor markets were employed in establishments providing such benefits. These plans, with only a few exceptions, provided regular pay for a specified period of time, graduated in accordance with the worker's length of service.⁴ In a few instances, vacation payments were based on a percentage of earnings or were in the form of flat-sum amounts; such plans, however, were infrequent and have been converted to comparable length-of-time payments for the purpose of this article.

Among the 40 areas studied, vacation benefits customarily were more liberal for office workers than for plant workers. Office workers usually received 2-week vacations after a year of employment, compared with 1 week for plant workers. Vacation plans typically provided increased benefits for additional periods of continuous employment, with service periods of 2, 5, and 15 years being of particular significance. Virtually all office workers and a substantial number of plant workers were eligible for a 2-week vacation after

completing 2 years of service. After 5 years, a majority of the plant workers in all areas received 2-week vacations; no significant change in benefits for office workers occurred at the 5-year point. After 15 years of continuous employment, vacation provisions, on the whole, were still more liberal for office workers than for plant workers, although to a lesser extent. A 2-week vacation was most commonly granted after 15 years of service to both office and plant workers in a majority of the areas; 3-week vacations were frequently reported in each area and applied to a majority of all these workers with 15-year employment in Buffalo, Chicago, Detroit, and Rochester. Additional areas in which more than half the office workers were eligible for 3-week vacations with pay after 15 years include Boston, Indianapolis, Milwaukee, Minneapolis-St. Paul, Newark-Jersey City, New York, and Pittsburgh. Paid vacations in excess of 3 weeks were uncommon for either office or plant workers.

Although prevailing practices were remarkably similar among the areas, the proportions of workers comprising the majority varied considerably. For example, while more than half the office workers in nine-tenths of the areas were employed in establishments providing a 2-week vacation after a year of service, these proportions ranged from slightly more than 50 percent in 7 areas to more than 80 percent in 6 areas. Although no sharply defined regional pattern of differences was apparent, vacation benefits for office workers tended to be more liberal in New England than in other regions; plant workers in New England were not similarly affected.

Among the broad industry divisions studied, vacation benefits for office workers were most liberal in the finance, insurance, and real estate group and least in retail trade. In each area, a majority of office workers in finance were employed by establishments providing vacations of 2 weeks or more after a year of service and in more than three-fourths of the areas these proportions ran over 85 percent. On the other hand, 2-week vacations were granted to a majority of the office workers in retail trade in only a tenth of the areas. Vacation provisions for plant workers were generally most liberal in wholesale trade and public utilities and least in the manufacturing and services industries.

² Results of these surveys were published in occupational wage survey bulletins for each of the 40 areas.

³ Small establishments were omitted in the interest of economy. Because of this, proportions indicated may be slightly inflated in some instances since larger establishments customarily have more liberal provisions.

⁴ Required length-of-service periods varied among establishments; for minimum benefits, however, periods of 1 year were most common, although shorter periods were frequently employed, especially for office workers.

Holiday Pay

Pay for holidays not worked was provided to nearly all office workers in each major labor market and to the vast majority of the plant workers in all areas except Birmingham and Pittsburgh where less than half the plant workers received holiday pay. The absence of holiday provisions in the steel industry at the time of the study accounted for these exceptions.⁵

Six days were most frequently provided to both plant and office workers in a little over half the areas studied. Most liberal benefits were received by workers in the four New England labor markets, together with New York City and adjacent Newark-Jersey City, in which a large proportion of workers received 9 or more days. On the other hand, substantial numbers of workers in 4 southern areas (Atlanta, Birmingham, Jacksonville, and Memphis) received 5 paid holidays annually. In each of the areas studied, paid holiday provisions were more liberal for office workers than for plant workers.

Among the broad industry divisions studied, holiday provisions were most liberal in the finance, insurance, and real estate division. In this industry group, a majority of the workers employed in three-fourths of the areas received 7 or more days a year and in 15 of the areas commonly received 11 or more days annually.

Paid Sick Leave

Plans providing for the payment of wages or salaries in case of sickness or injury, while not nearly as prevalent as vacation or holiday plans, were nevertheless frequently reported in each of the areas studied. The composition of these plans differed greatly not only with respect to qualifying requirements and length-of-leave allowances, but also as to the proportion of wages or salaries paid during illness. For the purpose of this analysis, only those plans providing full pay and requiring no waiting period have been considered; no attempt was made to evaluate differences in the number of days of leave granted. Paid sick-leave plans typically affected greater proportions of office workers than plant workers. In 34 of the 40 areas studied, the proportion of office

workers receiving these benefits ranged from a fourth to slightly more than a half; on the other hand, in only 2 areas were as many as a fourth of the plant workers similarly covered and the proportion was less than a tenth in 26 areas.

The wide differences between the numbers of office and plant workers receiving paid sick leave were due in large part to the prevailing practice among manufacturing industries. Although relatively more office workers than plant workers were eligible for sick-leave benefits in each of the broad industry groups studied, the difference was much the greatest in the manufacturing group. Only 8 areas had as many as a tenth of the manufacturing plant workers employed in establishments providing these benefits, while all but 2 of the areas had more than a tenth of office workers in manufacturing similarly employed. Sick-leave provisions for plant workers were most prevalent in public utilities and in wholesale and retail trade establishments; and for office workers, in manufacturing and public utilities.

Insurance Benefits

Several million workers in the 40 major labor markets were covered by one or more types of insurance benefits paid for, either wholly or in part, by the employer. Many of these workers were employed in establishments that maintained more than one insurance plan—over and above those prescribed by social security laws. Life insurance was the most common of the insurance benefits, although health and hospitalization plans were also applicable to large numbers of workers. In general, office workers received these benefits more frequently than plant workers. Differences, however, were not great in most cases and, in a few areas, the advantage was in the direction of plant workers and was due to the widespread adoption of these benefits through collective bargaining.

The proportions of workers covered by insurance plans varied somewhat among the areas; however, no striking regional variations were apparent. For example, the 4 areas in which fewer than 70 percent of the office workers were covered by life insurance benefits (Oklahoma City, Phoenix, Providence, and Scranton) were distributed among 4 widely separated geographic regions.

Among industry groups, the prevalence of insurance benefits differed distinctly. Life insurance

⁵ Holiday-pay benefits have since been negotiated and the workers were granted 6 days annually, effective August 15, 1952.

Percent¹ of workers employed in establishments having formal provisions for selected supplementary wage benefits in 40 major labor markets, September 1951–May 1952

Labor markets	Office workers								Plant workers													
	Paid vacations (after 1 year of service)			Paid holidays			Life insurance	Health insurance	Hospitalization	Retirement pensions	Paid vacations (after 1 year of service)			Paid holidays			Life insurance	Health insurance	Hospitalization	Retirement pensions		
	Total with provisions ²	1 wk.	2 wks.	Total	Less than 6 days	6 days					More than 6 days	Total	Less than 6 days	6 days	More than 6 days							
<i>New England</i>																						
Boston.....	100	7	87	98	2	3	93	84	74	61	63	99	60	35	88	9	17	62	75	76	58	46
Hartford.....	100	7	92	100	(3)	16	84	93	66	67	73	98	74	17	91	2	44	44	78	65	67	33
Providence.....	99	25	73	99	1	8	90	63	61	63	45	92	78	14	87	8	42	37	60	63	69	19
Worcester.....	99	12	87	99	2	42	55	90	71	62	59	97	79	17	91	15	50	26	80	72	62	42
<i>Middle Atlantic</i>																						
Albany-Schenectady-Troy... Allentown-Bethlehem- Easton.....	99	23	75	99	2	33	64	84	71	69	67	99	85	12	93	4	50	39	77	66	66	59
Buffalo.....	99	45	54	97	3	70	24	76	64	63	64	98	93	5	64	8	47	9	70	77	74	57
Newark-Jersey City.....	100	14	82	100	(3)	10	90	84	73	59	67	100	69	26	98	2	27	69	83	73	62	59
Philadelphia.....	100	9	90	100	1	3	96	84	54	52	67	99	53	35	92	8	18	66	77	68	64	44
Pittsburgh.....	100	28	69	99	(2)	28	71	83	47	39	64	99	81	16	97	5	54	38	81	64	47	47
Rochester.....	100	22	76	100	1	67	32	87	59	57	71	99	91	6	48	5	26	17	90	79	70	63
Scranton.....	99	19	78	100	1	78	21	86	45	26	72	99	57	36	97	2	85	10	84	44	29	57
Trenton.....	98	48	48	98	(3)	66	29	69	53	53	30	97	72	23	78	15	48	15	56	66	60	23
Trenton.....	100	19	72	99	1	60	38	85	76	73	53	100	85	11	86	2	62	22	75	68	73	48
<i>South</i>																						
Atlanta.....	98	31	67	99	47	31	21	89	48	61	52	91	67	24	77	43	30	4	81	57	66	25
Birmingham.....	99	33	62	84	37	34	13	81	49	46	44	94	57	34	46	26	16	4	66	49	57	44
Houston.....	97	32	63	99	10	55	34	85	50	69	46	84	57	26	76	13	38	25	74	60	60	33
Jacksonville.....	100	37	61	97	44	32	21	79	49	66	51	82	63	19	65	42	21	2	58	41	54	26
Memphis.....	98	44	54	100	46	29	25	74	50	58	33	93	80	13	89	50	31	8	64	46	43	29
New Orleans.....	98	29	67	98	5	37	56	76	39	46	36	81	53	25	66	7	37	22	49	31	33	18
Norfolk-Portsmouth.....	96	62	32	97	10	69	18	83	65	66	40	83	67	16	72	13	55	4	72	58	59	36
Oklahoma City.....	98	42	55	99	6	66	27	63	37	58	40	91	72	16	88	22	53	13	61	32	46	16
Richmond.....	99	27	68	97	10	40	47	73	43	35	51	92	50	38	85	13	58	14	74	48	29	36
<i>Middle West</i>																						
Chicago.....	100	22	75	99	(2)	67	32	85	74	56	63	99	77	17	90	3	78	9	83	83	72	47
Cincinnati.....	100	38	60	99	1	75	23	74	56	58	54	97	79	14	85	4	73	8	70	56	52	36
Cleveland.....	100	26	73	99	1	85	13	87	64	42	52	87	75	9	78	4	70	4	82	70	47	49
Columbus.....	100	45	54	99	1	71	27	81	77	71	62	98	74	22	76	4	68	4	73	74	65	31
Detroit.....	99	13	84	96	(2)	79	17	90	79	78	69	98	81	11	81	1	77	3	85	82	79	68
Indianapolis.....	100	39	58	99	5	77	17	84	73	66	62	98	74	17	86	6	70	10	82	79	71	51
Kansas City.....	100	42	56	99	1	68	30	81	67	61	54	93	81	11	83	5	60	18	72	66	55	37
Louisville.....	100	33	66	97	5	67	25	82	69	64	54	96	74	19	80	7	66	7	74	69	66	42
Milwaukee.....	99	50	46	99	(2)	82	17	85	85	77	72	98	85	11	88	4	82	2	78	76	73	57
Minneapolis-St. Paul.....	99	36	61	98	1	62	35	81	65	64	50	98	78	18	96	4	78	14	72	64	59	35
St. Louis.....	100	28	72	100	2	54	44	84	65	54	54	99	83	16	92	4	62	26	84	79	65	46
<i>Far West</i>																						
Denver.....	100	38	60	95	1	55	39	70	42	35	40	98	81	17	77	4	61	12	54	32	26	27
Los Angeles.....	99	30	65	100	5	51	44	80	73	67	45	97	67	23	90	6	64	20	71	70	65	38
Phoenix.....	98	44	54	95	3	29	63	62	59	61	59	90	68	21	68	2	32	34	51	55	57	39
Salt Lake City.....	100	51	48	99	1	5	93	83	73	65	34	100	88	9	79	5	17	57	76	73	68	26
San Francisco-Oakland.....	100	24	76	100	(2)	11	89	85	61	57	52	100	68	27	91	2	18	71	74	61	53	45
Seattle.....	100	29	69	99	(2)	8	91	79	40	26	37	99	63	14	84	3	11	70	63	44	22	18

¹ Rounded to nearest whole number.

² Includes data for provisions not shown separately.

³ Less than 0.5 of 1 percent.

plans were most prevalent among the manufacturing, public-utility, and finance industries and least common in services, with the retail and wholesale trade groups holding a median position. Establishments maintaining these benefits employed more than four-fifths of the office workers in manufacturing in 28 areas, in the public-utilities group in 26 areas, and in finance in 29 areas. As

large a proportion, on the other hand, was recorded in only 1 area for office workers in the services group, and in 16 of the areas the proportion was less than half.

Although health and hospitalization insurance plans were not as widespread as life insurance plans, their application has increased substantially during the past few years and many hundred-

thousands of workers were covered by these benefits at the time of the study. A majority of both office and plant workers in three-fourths of the areas were employed in establishments that maintained one or both of these plans. Hospitalization benefits were most common in the manufacturing industries, applying to more than half the office workers in 34 of the areas and comparable numbers of the plant workers in 33 areas. They were least frequent for office workers in the public-utilities group in which a majority of the workers were covered in only 8 areas. Among plant workers, the smallest proportion covered was in the services group.

Health insurance provisions which include accident and sickness, medical and surgical benefits were of about the same importance as hospitalization benefits and were frequently combined with them into a single "package" for administrative purposes. However, among the public-utility industries, health insurance provisions were much more prevalent than hospitalization and applied to more than half the office and plant workers in three-fourths or more of the areas. These benefits were also widely found in manufacturing in as many areas. Health insurance plans were least common in the services group.

Pensions

The coverage of both plant and office workers by private retirement-pension plans increased rapidly during the past few years. Only about 5 percent of the more than 30,000 selected establishments studied by the Bureau in 1945 and 1946 provided pension benefits to plant workers, and the coverage of office workers was not markedly greater.⁶ The spread of these plans was indicated by the proportion of workers similarly covered in the 40 major labor markets studied in late 1951

⁶See Monthly Labor Review, July 1947 (p. 53).

and early 1952. More than a fourth of the plant workers in all except 4 of these areas were employed by establishments granting pensions and in 9 of the areas the proportion exceeded a half. In each of the areas, relatively larger numbers of office than plant workers were employed in establishments with pension plans; the number of office workers having pension benefits ranged from about a third in 5 areas to more than two-thirds in 8 areas.

Pension benefits tended to be most widely found in the New England and Middle Atlantic regions and least in the South and Far West. Among the major industry groups studied, plans providing retirement-pension benefits were most common in the public-utilities and finance groups and least frequent among establishments in the services group.

Nonproduction Bonuses

Nonproduction bonuses may be defined as bonuses whose payment depends upon factors other than the output of an individual worker or group of workers. Such plans were frequently reported in each of the major labor markets, but applied to a majority of the workers in only a few. Christmas or year-end bonuses were, by all measures, the most common type of nonproduction bonus in use; profit-sharing plans and other types of bonuses were of negligible importance. Christmas bonuses were provided to a larger proportion of office workers than plant workers in all except five of the areas. These provisions generally were most common in the trade and finance industries and were usually least common in public utilities. The amounts of and the eligibility requirements for nonproduction bonuses varied widely among individual establishments, ranging from "food-baskets" to sizable monetary payments and for periods of service ranging from a few weeks to several years.

Extent of Unionization in Major Labor Markets, 1951-52

Three-fourths of the plant workers as contrasted with about a seventh of the office employees in 39 metropolitan areas were employed in establishments having collective-bargaining agreements relating to these 2 categories of workers, respectively. The extent of unionization among plant workers varied from nearly half the workers in the Southern cities as a group to over four-fifths in the Middle Atlantic and Far Western cities.¹ About a fifth of the office workers in the latter two regions were employed in establishments with union agreements relating to office employees, as contrasted with a tenth in the South and New England. The degree of unionization of both plant and office workers also varied widely among different industry groups.

Method and Coverage

A series of wage studies conducted by the Bureau of Labor Statistics in major metropolitan areas between September 1951 and May 1952 provided the information for this analysis of unionization.² These areas had a combined population exceeding 52 million and were located in 28 States. The estimated employment in the areas covered by the surveys was over 10 million workers (about a fourth of the workers in comparable industries in the country). Six broad industry divisions were covered in compiling data: manufacturing; transportation (except railroads), communication, and other public utilities; wholesale trade; retail trade; finance, insurance, and real estate; and services.³ The most important exclusions were the construction industries and railroads.

This analysis is not intended to measure the proportion of workers belonging to labor organi-

¹ The 39 cities for the broad comparative purposes of this article have been grouped into 5 regions: New England, Middle Atlantic, South, Middle West, and the Far West.

² Information on unionization was available for only 39 of the 40 areas covered by the wage studies.

³ Establishments employing 21 or more workers were covered in all industry divisions in all cities except New York City, Chicago, Boston, Cleveland, Detroit, Los Angeles, Minneapolis-St. Paul, Newark-Jersey City, Philadelphia, Pittsburgh, St. Louis, and San Francisco-Oakland. In these areas the minimum was 101 workers for manufacturing; transportation (except railroads), communication, and other public utilities; and retail trade. In New York City and Chicago, a minimum of 51 workers applied in wholesale trade; finance, insurance and real estate; and services.

zations or even the proportion actually covered by union agreements. The estimates relate to all workers employed in an establishment (plant or office) that met the test of unionization. In these estimates each worker category—plant or office—was computed separately; plant departments or offices were considered unionized if the union contract in effect covered a majority of the workers in their respective category.⁴

The proportions given may be an overstatement of the extent of union coverage in the several industry groups, in that the surveys related only to plants above a certain size (see footnote 3). The small plants that were excluded from the scope of the surveys may not be as highly organized as those surveyed; this is most likely to be true in such industry groups as retail and wholesale trade.

Unionization of Plant Workers

On an all-industry basis, unionization of plant workers ranged from less than a third of the workers in Oklahoma City to virtually all in San Francisco-Oakland and Seattle. The unionization of workers was usually more extensive in the Middle Atlantic, Midwestern, and Far Western cities than in New England or the South. In only seven of the areas studied, less than half of the plant workers were employed in union establishments. Five of these areas were located in the South, one in New England, and one in the Far West. In 17 of the areas, three-fourths or more of the plant workers were covered by union agreements. None of these cities was located in the South or New England.

The most highly organized of the six broad industry groups studied was transportation and public utilities. Over nine-tenths of the plant workers in this industry group were in establishments with collective-bargaining agreements, as compared with about five-sixths in manufacturing and two-thirds in the nonmanufacturing industries combined. Only about half the workers in nonmanufacturing were in union establishments when the public utilities group was excluded. Among

⁴ "Plant workers" include working supervisors and all nonsupervisory employees engaged in processing, receiving, shipping, warehousing, maintenance, and other related functions. "Office workers" include all office employees except executive, administrative, supervisory, and professional employees.

the industry groups studied, retail trade had the lowest degree of plant-worker unionization; it was the only group in which less than half of the workers were employed in establishments with union agreements.

Unionization of Office Workers

Unionization was much less prevalent among office than among plant workers. In only five of the areas were a fifth or more of the office workers employed in union establishments. Three of these areas were located in the Middle Atlantic region and two in the Far West. About a fifth of the office employees in these two regions were unionized as contrasted with a tenth in the other three regions. The Middle West ranked with the Middle Atlantic and Far Western cities in plant-worker unionization; with respect to office-worker coverage, however, the Middle West was more closely aligned with New England and the South. Unionization of office workers was highest in Newark-Jersey City and Pittsburgh and lowest in Hartford and Columbus.

By industry, unionization of offices was notable only in the transportation and public utilities group where over half of the workers were covered by union agreements. In other groups, unionization ranged from virtually none of the workers in the finance group to about a fifth in retail trade. In all 39 areas combined, about a sixth of the office employees in manufacturing establishments were covered by collective-bargaining agreements.

Organized office workers, in part, were represented by unions whose predominant membership consisted of office employees. However, they were represented to an appreciable extent by unions whose basic membership was composed of plant employees.

Influence of Industrial Composition

In making interarea comparisons of unionization on an all-industry basis, the industrial

composition of the 39 areas should be considered. Since the extent of unionization varies among industry groups, the relative importance of certain industries or industry groups within an area has a direct bearing on the over-all extent of unionization. For example, on an all-industry basis, about three-fourths of the plant workers in Cincinnati as compared with about two-thirds in Phoenix were employed in establishments with union agreements. However, if these figures are separated into manufacturing and nonmanufacturing, about five-sixths of the plant workers in manufacturing and a half of the plant workers in nonmanufacturing were employed in union plants in both cities. The difference in proportions is due to the relative importance of manufacturing and nonmanufacturing in the two cities. In Cincinnati, nearly two-thirds of the workers within the scope of the survey were employed in the more highly unionized manufacturing establishments as contrasted with less than a third in Phoenix.

Birmingham and Richmond were the only two southern cities studied in which more than three-fourths of the plant workers were employed in manufacturing establishments having union agreements. The importance of the heavily unionized steel industry in Birmingham and the large unionized tobacco plants in Richmond greatly influenced the extent of unionization in these areas.

Emphasis should be given to the fact that the extent of unionization is usually greater in large cities and in large plants. The occupational wage surveys on which these union-coverage estimates are based relate primarily to the larger cities and plants. Moreover, the proportions of workers covered by union agreements in this analysis relate to total employment (plant or office) in firms having union agreements covering a majority of these workers rather than to the number actually covered by agreements or the number who are members of labor organizations.

Proportion of workers covered by union agreements in 39 major labor markets, 1951-52¹

Plant workers				Office workers			
Percent	All industries	Manufacturing	Nonmanufacturing	Percent	All industries	Manufacturing	Nonmanufacturing
90 or more	Detroit Pittsburgh San Francisco-Oakland Seattle	Albany-Schenectady-Troy Buffalo Cleveland Detroit Milwaukee Newark-Jersey City New York Pittsburgh St. Louis San Francisco-Oakland Seattle	San Francisco-Oakland Seattle	20-33	Albany-Schenectady-Troy Los Angeles Newark-Jersey City Pittsburgh Seattle	Albany-Schenectady-Troy Atlanta Birmingham Boston Denver Detroit Los Angeles Newark-Jersey City New York Pittsburgh Salt Lake City	Albany-Schenectady-Troy Allentown-Bethlehem-Easton Milwaukee Newark-Jersey City Phoenix Pittsburgh Seattle Trenton
75-89	Albany-Schenectady-Troy Allentown-Bethlehem-Easton Buffalo Cleveland Kansas City Los Angeles Milwaukee Minneapolis-St. Paul Newark-Jersey City New York Philadelphia St. Louis Trenton	Allentown-Bethlehem-Easton Birmingham Boston Cincinnati Hartford Indianapolis Kansas City Los Angeles Louisville Minneapolis-St. Paul Philadelphia Phoenix Richmond Trenton	Los Angeles Minneapolis-St. Paul New York Pittsburgh St. Louis	15-19	Birmingham Buffalo Detroit Milwaukee New York Philadelphia Phoenix San Francisco-Oakland Scranton Trenton	Buffalo Philadelphia Scranton	Buffalo Cleveland Indianapolis Los Angeles New York Oklahoma City St. Louis San Francisco-Oakland Scranton
50-74	Birmingham Boston Chicago Cincinnati Columbus Denver Hartford Indianapolis Louisville Memphis Norfolk-Portsmouth Phoenix Providence Richmond Scranton	Chicago Columbus Denver Houston Jacksonville Memphis New Orleans Norfolk-Portsmouth Providence Salt Lake City Scranton	Boston Chicago Cincinnati Cleveland Denver Detroit Kansas City Milwaukee Newark-Jersey City Philadelphia Phoenix Scranton Worcester	10-14	Atlanta Boston Chicago Cleveland Denver Indianapolis Jacksonville Kansas City Oklahoma City Richmond St. Louis Salt Lake City	Milwaukee Providence Richmond San Francisco-Oakland	Birmingham Chicago Cincinnati Denver Jacksonville Kansas City Minneapolis-St. Paul Philadelphia Richmond Worcester
20-49	Atlanta Houston Jacksonville New Orleans Oklahoma City Salt Lake City Worcester	Atlanta Oklahoma City Worcester	Albany-Schenectady-Troy Allentown-Bethlehem-Easton Atlanta Birmingham Buffalo Columbus Hartford Houston Indianapolis Jacksonville Louisville Memphis New Orleans Norfolk-Portsmouth Oklahoma City Providence Richmond Salt Lake City Trenton	Under 10	Allentown-Bethlehem-Easton Cincinnati Columbus Hartford Houston Louisville Memphis Minneapolis-St. Paul New Orleans Norfolk-Portsmouth Providence Worcester	Allentown-Bethlehem-Easton Chicago Cincinnati Cleveland Columbus Hartford Houston Louisville Memphis Indianapolis Jacksonville Kansas City Louisville Memphis Minneapolis-St. Paul New Orleans Norfolk-Portsmouth Oklahoma City Phoenix St. Louis Seattle Trenton Worcester	Atlanta Boston Columbus Detroit Hartford Houston Louisville Memphis New Orleans Norfolk-Portsmouth Providence Salt Lake City

¹ The study covered manufacturing, public utilities, wholesale trade, retail trade, finance, and selected service industries. Major groups excluded from

study were building construction and railroads. For size of establishments covered, see footnote 3 (p. 15).

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