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# INDUSTRY WAGE SURVEY

## Cigarette Manufacturing

JULY-AUGUST 1965

**Bulletin No. 1472**

UNITED STATES DEPARTMENT OF LABOR  
W. Willard Wirtz, Secretary

BUREAU OF LABOR STATISTICS  
Arthur M. Ross, Commissioner





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## Preface

This bulletin summarizes the results of a Bureau of Labor Statistics survey of wages and supplementary benefits in the cigarette manufacturing industry in July-August 1965.

A separate release for the United States was issued within a few months of the payroll period to which the data relate. Copies are available from the Bureau of Labor Statistics, Washington, D.C., 20212, or from any of its regional offices.

This study was conducted in the Bureau's Division of Occupation Pay, Toivo P. Kanninen, Chief, under the general direction of L. R. Linsenmayer, Assistant Commissioner, Office of Wages and Industrial Relations. The analysis was prepared by Charles M. O'Connor, under the immediate supervision of L. Earl Lewis. Field work for the survey was directed by the Assistant Regional Directors for Wages and Industrial Relations.

Other reports available from the Bureau's program of industry wage studies, as well as the addresses of the Bureau's six regional offices, are listed at the end of this bulletin.



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# Industry Wage Survey—

## Cigarette Manufacturing, July—August 1965

### Summary

Straight-time earnings of production and related workers in the cigarette manufacturing industry averaged \$2.51 an hour in July—August 1965, according to a Bureau of Labor Statistics survey. Men, accounting for slightly more than three-fifths of the 31,507 workers covered by the study,<sup>1</sup> averaged \$2.58 an hour, compared with \$2.38 for women, who were chiefly employed as inspectors, packers, and catchers on cigarette machines. Among the occupations studied separately, averages ranged from well over \$3 an hour for machine adjusters and maintenance carpenters, electricians, and machinists (all men) to \$2.12 an hour for janitors (794 men and 185 women).

Earnings of all but about 2 percent of the workers were within a range of \$1.70 to \$3.50 an hour, with the middle half of the workers' earnings between \$2.29 and \$2.68. Approximately 5 percent of the men and 4 percent of the women earned less than \$2 an hour at the time of the study. Virtually all of the workers earning \$3 or more (10 percent of the total) were men.

Practically all of the workers were in establishments providing 7 paid holidays a year; as much as 4 weeks of vacation pay for those with qualifying periods of service; retirement pension benefits; and at least part of the cost of various types of health and insurance benefits.

### Industry Characteristics

Location and Employment. The cigarette manufacturing industry, at the time of the survey, was composed of 15 establishments (operated by 8 companies) located in three States. North Carolina had 53 percent of the 31,507 production and related workers in the industry; Virginia, 26 percent; and Kentucky, 21 percent. Five of the establishments each employed more than 2,500 workers; eight employed between 1,000 and 2,500; and the other two were substantially smaller. More than half of the employment in one State was accounted for by one company. Because of this and the Bureau's established policy of avoiding the possible disclosure of information provided by an individual company, separate State data in this report are limited to employments and averages for all production workers.

Employment in July—August 1965 was at about the same level as in May 1960 when a similar study was conducted,<sup>2</sup> despite a substantial increase in the production of cigarettes during this period.

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<sup>1</sup> See appendix A for scope and method of survey. Wage data contained in this bulletin exclude premium pay for overtime and for work on weekends, holidays, and late shifts.

<sup>2</sup> See Wage Structure: Cigarette Manufacturing, May 1960 (BLS Report 167, 1960).

Products and Processes. Cigarettes were the sole product in nine establishments which together employed two-thirds of the industry's work force. Minor products in the remaining six establishments included smoking tobacco, chewing tobacco, and small cigars. Both filter and nonfilter cigarettes were manufactured in 13 of the establishments, which altogether accounted for nine-tenths of the work force.

Cigarette manufacturing is a highly mechanized industry. The tobacco generally moves on conveyors through the various prefabrication stages such as mixing, bulking, and cutting. The cigarette-making machine, typically attended by an operator and a catcher, produces finished cigarettes from a hopper of shredded tobacco and a roll of paper. The paper is automatically filled with the proper amount of tobacco, sealed, labeled, and the cigarettes are cut into specific lengths. In the manufacture of filter cigarettes, the filters are also incorporated into the cigarettes by this machine. The packing of cigarettes into packages of 20 each, wrapped in aluminum foil, paper, and cellophane, is also accomplished automatically.

Occupational Staffing. Cigarette-making-machine operators (almost all men) and cigarette-making-machine catchers (mostly women) together accounted for nearly three-tenths of the production workers. (See table 1.) Machine packers of cigarettes accounted for slightly less than a tenth of the workers. Between May 1960 and the current survey, the proportions of machine adjusters and maintenance department jobs increased slightly, while the proportions of cigarette-making-machine operators, catchers, and machine packers decreased slightly. Improved production methods and faster machines have contributed to these changing relationships.

Union Contract Coverage. Establishments with collective bargaining agreements covering a majority of their workers employed seven-tenths of the work force. The Tobacco Workers International Union was the principal union in each establishment operating under a collective bargaining agreement.

Method of Wage Payment. Virtually all of the workers were paid on a time basis under formally established wage systems. Wage systems providing a range of rates for specific occupations applied to three-fourths of the workers; those providing single rates applied to nearly all of the remainder.

### Average Hourly Earnings

Straight-time earnings of the 31,507 production workers covered by the study averaged \$2.51<sup>3</sup> an hour in July–August 1965, an increase of approximately 25 percent since May 1960<sup>4</sup> (table 2). Workers in both North Carolina and Virginia averaged \$2.49 an hour, compared with \$2.56 for those in Kentucky.

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<sup>3</sup> The straight-time average hourly earnings in this bulletin differ in concept from the gross average hourly earnings published in the Bureau's monthly hours and earnings series (\$2.60 in July 1965). Unlike the latter, the estimates presented here exclude premium pay for overtime and for work on weekends, holidays, and late shifts. Average earnings were calculated by summing individual hourly earnings and dividing by the number of individuals; in the monthly series, the sum of the man-hour totals reported by establishments in the industry was divided into the reported payroll totals.

<sup>4</sup> BLS Report 167, op. cit.

Nationwide, earnings of men averaged \$2.58 an hour, compared with \$2.38 for women. Average hourly earnings of women were nearly the same in each of the three States; those for men were \$2.54 in North Carolina, \$2.57 in Virginia, and \$2.69 in Kentucky. The differences in pay for men and women may have resulted from several factors, including variations in the distribution of the sexes among establishments and jobs with disparate pay levels. For example, slightly more than a third of the women were employed as catchers on cigarette machines (a comparatively unskilled job), whereas only about 2 percent of the men were so employed. On the other hand, a tenth of the men were employed as machine adjusters or as skilled maintenance workers; none of the women were employed in these jobs. Differences noted in nationwide averages for men and women in the same job may reflect geographic wage differentials. Also, job descriptions used in classifying workers in wage surveys are usually more generalized than those used in individual establishments because allowance must be made for minor differences among establishments in specific duties performed.

Earnings of all but about 2 percent of the workers were within a range of \$1.70 to \$3.50 an hour; 4.4 percent earned less than \$2 an hour and 10.1 percent (almost all men) earned \$3 or more. The middle half of the workers earned between \$2.29 and \$2.68. Largely because of their heavy employment in a few jobs having similar skill levels, women's earnings were more concentrated than men, as indicated in the following tabulation:

Average hourly earnings	Percent of production workers		
	All workers	Men	Women
Total -----	100.0	100.0	100.0
Under \$2.00 -----	4.4	4.7	3.7
\$2.00 and under \$2.20-----	11.8	12.9	9.9
\$2.20 and under \$2.40-----	27.8	22.1	37.0
\$2.40 and under \$2.60-----	22.3	13.8	36.1
\$2.60 and under \$2.80-----	16.6	19.0	12.6
\$2.80 and under \$3.00-----	7.1	11.2	.5
\$3.00 and over -----	10.1	16.2	.1

NOTE: Because of rounding, sums of individual items may not equal 100.

### Occupational Earnings

Occupational classifications for which earnings data are shown separately in table 2 accounted for nearly three-fifths of the production workers. Among these occupations, average hourly earnings were lowest for janitors (\$2.12) and highest for maintenance electricians (\$3.41). Maintenance carpenters, machinists, and machine adjusters also averaged more than \$3 an hour. Cigarette-making-machine operators, accounting for an eighth of the workers, averaged \$2.72 an hour—\$2.77 on filter and \$2.61 on nonfilter cigarettes. Catchers for either type of cigarette averaged \$2.36 an hour; machine packers, \$2.64.

Earnings of individual workers in many of the occupations were narrowly distributed. To illustrate, the spread of the middle range<sup>5</sup> of earnings for cigarette packing inspectors was 13 cents an hour; for catchers, 12 cents; and for packing-machine operators, 9 cents. Such concentrations largely reflect the fact that almost all of the workers in the industry were time rated; furthermore, they indicate that comparatively little variation existed among plant averages for specified jobs, as shown in the tabulation on the next page.

<sup>5</sup> The middle range is defined by two rates of pay; a fourth of the employees earned less than the lower of these rates and a fourth earned more than the higher rate.

Average hourly earnings	Distribution of establishments by average earnings of—	
	Cigarette-making- machine operators	Cigarette-machine catchers
Total establishments reporting the occupation-----	15	15
Under \$2.20 -----	-	2
\$2.20 and under \$2.30-----	-	-
\$2.30 and under \$2.40-----	-	11
\$2.40 and under \$2.50-----	2	2
\$2.50 and under \$2.60-----	-	-
\$2.60 and under \$2.70-----	5	-
\$2.70 and under \$2.80-----	5	-
\$2.80 and under \$2.90-----	3	-

Also, within individual establishments, all workers in the same occupation received the same rate, in many instances; when differences did exist among workers within an occupation studied separately, earnings of the highest paid worker usually exceeded those of the lowest paid by less than 15 percent.

#### Establishment Practices and Supplementary Wage Provisions

Data were also obtained on work schedules, shift differentials, and supplementary wage provisions, including paid holidays, paid vacations, and various health, insurance, and pension plans.

Scheduled Weekly Hours. A work schedule of 37½ hours a week was in effect in establishments employing 54 percent of the production workers in July–August 1965. Forty-hour schedules applied to 38 percent, and 32-hour schedules applied to the remaining 8 percent.

Shift Provisions and Practices. All of the workers were employed in plants having provisions for second shifts and slightly more than four-fifths were in plants with provisions for third shifts (table 3). Second shifts actually accounted for three-tenths of the workers at the time of the survey. Differentials for these workers varied, with a third receiving 8 percent, a third receiving 16 cents, and the remainder receiving either 15 cents or 10 cents above first-shift rates. Third-shift operations accounted for about 1 percent of the work force.

Paid Holidays. Paid holidays were provided by all establishments in the survey (table 4). Almost all of the production workers were in plants granting 7 days annually. New Year's Day, Fourth of July, Labor Day, Thanksgiving Day, and Christmas Day were paid holidays in all plants. Additional holidays included Christmas Eve in plants employing seven-tenths of the workers, and Easter Monday in plants employing four-fifths of the workers.

Paid Vacations. Vacation pay was provided to all production workers with qualifying periods of service (table 5). Vacation payments for seven-tenths of the workers were determined on the basis of the worker's regular pay for a specified length of time (e.g., 1 week, 2 weeks); for the others, payments were computed as a percentage of their annual earnings. All establishments provided 2 weeks of pay after 1 year of service, 3 weeks after 10 years, and 4 weeks after 25 years. Establishments employing one-fourth of the workers granted 4 weeks' pay after 20 years of service.

Health, Insurance, and Pension Plans. Life, hospitalization, and surgical insurance, for which employers paid at least part of the cost, were available to all of the production workers (table 6). Provisions for either sickness and accident insurance or sick leave (partial pay or waiting period) applied to all workers; medical insurance, to seven-tenths; accidental death and dismemberment insurance, to about two-fifths; and catastrophe insurance, to a sixth.

Pension plans, providing regular payments upon retirement (in addition to those under the Federal social security program) were universally provided in the industry.

Except for the employees paying part of the cost of hospitalization, surgical, medical, and sickness and accident insurance in one establishment, the above mentioned benefits were financed wholly by the employers.

Other Selected Benefits. Paid leave for jury duty was provided in establishments having 99 percent of the workers and funeral leave pay was provided in those employing 72 percent of the workers.

Formalized profit-sharing plans, independent of retirement pension plans, were in effect in establishments employing 72 percent of the work force. Participation in the plans was contingent upon employment for a specified length of time; company contributions were allocated to the accounts of participating employees on the basis of their earnings; and distribution of the profit shares to employees was deferred for a specified number of years or until retirement.

Table 1. Occupational Staffing Pattern

(Percent distribution of production workers in cigarette manufacturing establishments, by department and occupational classifications, United States, July-August 1965)

Department and occupation	All workers	Men	Women
Total .....	100.0	100.0	100.0
Maintenance .....	5.0	8.0	-
Carpenters .....	.3	.4	-
Electricians .....	.5	.8	-
Machinists .....	1.1	1.8	-
Other .....	3.1	5.0	-
Leaf processing (stemming, thrashing, searching, etc.) .....	1.4	.9	2.3
Prefabrication (mixing, cutting, etc.) .....	5.1	7.4	1.4
Fabrication (or manufacturing) .....	61.3	52.4	75.8
Cigarettes .....	59.5	51.2	73.0
Adjusters, cellophaning machines ..	.2	.4	-
Adjusters, cigarette-making machines .....	2.8	4.5	-
Adjusters, cigarette-packing machines .....	2.1	3.4	-
Catchers, cigarette machines .....	15.0	2.4	35.5
Filter cigarettes .....	10.0	1.8	23.4
Nonfilter cigarettes .....	5.0	.6	12.1
Making-machine operators, cigarette .....	13.1	20.2	1.6
Filter cigarettes .....	9.1	14.6	.2
Nonfilter cigarettes .....	4.0	5.6	1.4
Packers, cigarette, machine .....	8.5	5.9	12.7
Other <sup>1</sup> .....	17.8	14.4	23.2
Other tobacco products .....	1.8	1.2	2.8
Inspection .....	8.1	3.2	16.2
Inspectors, cigarette making .....	2.3	.1	6.0
Inspectors, cigarette packing .....	2.6	.5	6.0
Other .....	3.2	2.6	4.2
Material movement .....	7.4	11.9	.2
Laborers, material handling .....	5.8	9.2	.2
Truckdrivers .....	.4	.7	-
Truckers, power (forklift) .....	.8	1.4	-
Truckers, power (other than forklift) .....	.1	.1	-
Other .....	.3	.5	-
Custodial .....	4.6	6.0	2.1
Janitors .....	3.1	4.1	1.5
Watchmen .....	.7	1.1	-
Other .....	.8	.8	.6
Powerplant .....	.6	1.0	-
Other .....	6.5	9.3	1.9
Number of workers .....	31,507	19,519	11,988

<sup>1</sup> Among the miscellaneous jobs included are cellophane-machine operators, carton packers, and box-machine operators.

NOTE: Because of rounding, sums of individual items may not equal 100.

Table 2. Occupational Earnings

(Number and average straight-time hourly earnings<sup>1</sup> of production workers in selected occupations in cigarette manufacturing establishments, United States, July-August 1965)

Occupation and sex	Number of workers	Average hourly earnings <sup>1</sup>	Number of workers receiving straight-time hourly earnings of—																									
			Under \$1.70	\$1.70 and under \$1.80	\$1.80	\$1.90	\$2.00	\$2.10	\$2.20	\$2.30	\$2.40	\$2.50	\$2.60	\$2.70	\$2.80	\$2.90	\$3.00	\$3.10	\$3.20	\$3.30	\$3.40	\$3.50	\$3.60	\$3.70	\$3.80	and over		
All production workers	31,507	\$ 2.51	54	438	274	610	1099	2607	2897	5862	4518	2508	3468	1750	1560	692	785	864	172	813	42	305	38	115	36			
Men	19,519	2.58	35	300	164	428	383	2134	2162	2160	1232	1466	2051	1652	1502	692	785	864	172	813	42	293	38	115	36			
Women	11,988	2.38	19	138	110	182	716	473	735	3702	3286	1042	1417	98	58	-	-	-	-	-	-	12	-	-	-			
<b>Selected occupations</b>																												
Adjusters (all men):																												
Cellophaning machine	73	3.24	-	-	-	-	-	-	-	-	-	-	-	3	1	3	-	31	3	19	-	13	-	-	-	-	-	
Cigarette-making machines	876	3.19	-	-	-	-	-	-	-	-	2	4	2	2	16	56	224	208	35	254	-	73	-	-	-	-	-	
Cigarette-packing machines	670	3.15	-	-	-	-	-	-	-	-	4	5	7	8	21	39	207	139	22	169	-	49	-	-	-	-	-	
Carpenters, maintenance (all men)	82	3.29	-	-	-	-	-	-	-	-	-	-	-	3	1	1	10	5	7	33	10	9	3	-	-	-	-	
Catchers, cigarette machine	4,721	2.36	-	129	22	2	83	20	241	2356	1404	464	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Women	4,253	2.38	-	2	22	2	67	18	202	2345	1131	464	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Filter cigarettes	3,155	2.36	-	127	11	-	55	13	24	1547	1028	350	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Women	2,809	2.39	-	-	11	-	55	12	1	1538	842	350	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Nonfilter cigarettes	1,566	2.36	-	-	2	11	2	28	7	217	809	376	114	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Women	1,444	2.36	-	-	2	11	2	12	6	201	807	289	114	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Electricians, maintenance (all men)	151	3.41	-	-	-	-	-	-	-	-	2	-	2	-	-	-	-	9	6	7	6	67	5	35	-	-	13	
Inspectors, cigarette making	738	2.53	-	-	-	-	-	-	2	27	263	201	171	74	-	-	-	-	-	-	-	-	-	-	-	-	-	
Women	722	2.52	-	-	-	-	-	-	2	27	263	201	170	59	-	-	-	-	-	-	-	-	-	-	-	-	-	
Inspectors, cigarette packing	819	2.46	-	-	-	47	8	1	47	488	43	185	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Women	724	2.47	-	-	-	23	7	-	46	421	43	184	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Janitors	979	2.12	3	-	23	103	293	407	113	37	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Men	794	2.13	3	-	20	76	173	376	109	37	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Women	185	2.06	-	-	3	27	120	31	4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Laborers, material handling	1,821	2.22	7	1	3	128	7	828	291	537	14	-	-	-	-	-	5	-	-	-	-	-	-	-	-	-	-	
Men	1,795	2.22	4	1	3	128	7	822	291	520	14	-	-	-	-	-	5	-	-	-	-	-	-	-	-	-	-	
Women	351	3.38	-	-	-	-	-	-	-	1	-	5	3	2	20	9	47	12	157	-	-	-	-	-	95	-	-	
Machinists, maintenance (all men)	4,122	2.72	-	-	1	-	-	12	2	27	37	709	988	1017	1022	307	-	-	-	-	-	-	-	-	-	-	-	
Men	3,935	2.73	-	-	1	-	-	12	2	27	37	574	944	1009	1022	307	-	-	-	-	-	-	-	-	-	-	-	
Women	187	2.58	-	-	-	-	-	-	-	-	-	135	44	8	-	-	-	-	-	-	-	-	-	-	-	-	-	
Filter cigarettes	2,870	2.77	-	-	-	-	-	2	8	28	123	582	816	1004	307	-	-	-	-	-	-	-	-	-	-	-	-	
Men	2,844	2.77	-	-	-	-	-	2	8	28	121	558	816	1004	307	-	-	-	-	-	-	-	-	-	-	-	-	
Nonfilter cigarettes	1,252	2.61	-	-	1	-	-	12	-	19	9	586	406	201	18	-	-	-	-	-	-	-	-	-	-	-	-	
Men	1,091	2.61	-	-	1	-	-	12	-	19	9	453	386	193	18	-	-	-	-	-	-	-	-	-	-	-	-	
Women	161	2.57	-	-	-	-	-	-	-	-	-	133	20	8	-	-	-	-	-	-	-	-	-	-	-	-	-	
Packers, cigarette machine	2,688	2.64	2	-	1	-	10	15	2	7	358	262	1461	255	315	-	-	-	-	-	-	-	-	-	-	-	-	
Men	1,160	2.70	2	-	1	-	-	15	2	4	3	106	539	226	262	-	-	-	-	-	-	-	-	-	-	-	-	
Women	1,528	2.59	-	-	-	-	10	-	-	3	355	156	922	29	53	-	-	-	-	-	-	-	-	-	-	-	-	
Truckers, power (all men):																												
Forklift	264	2.41	2	-	-	-	2	-	85	22	103	31	19	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other than forklift	22	2.38	-	-	-	-	-	2	7	3	-	10	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Watchmen (all men)	211	2.34	1	-	-	-	1	25	68	63	-	53	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

<sup>1</sup> Excludes premium pay for overtime and for work on weekends, holidays, and late shifts. Virtually all of the production workers covered by the study were paid on a time basis.

Table 3. Shift Differentials

(Shift differentials of production workers in cigarette manufacturing establishments by type and amount of differential, United States, July–August 1965)

Shift differential	Percent of production workers—			
	In establishments having formal provisions <sup>1</sup> for—		Actually working on—	
	Second shift work	Third or other late shift work	Second shift	Third or other late shift
Total .....	100.0	84.6	30.6	0.9
With shift pay differential .....	100.0	84.6	30.6	0.9
Uniform cents per hour .....	56.0	55.6	20.6	.8
8 cents .....	.4	-	-	-
10 cents .....	9.7	-	3.7	-
15 cents .....	17.8	9.7	6.9	-
16 cents .....	28.1	28.1	10.0	.7
20 cents .....	-	17.8	-	.1
Uniform percentage .....	44.0	29.0	10.0	.1
8 percent .....	44.0	3.8	10.0	-
10 percent .....	-	25.2	-	.1

<sup>1</sup> Includes establishments currently operating late shifts, and establishments with formal provisions covering late shift even though they were not currently operating late shifts.

Table 4. Paid Holidays

(Percent of production workers in cigarette manufacturing establishments with formal provisions for paid holidays, United States, July–August 1965)

Number of paid holidays and holidays provided	Percent
All production workers .....	100
Workers in establishments providing:	
7 paid holidays .....	99
8 paid holidays .....	1
Holidays provided:	
New Year's Day .....	100
Good Friday .....	28
Easter Monday .....	79
Memorial Day .....	22
Fourth of July .....	100
Labor Day .....	100
Thanksgiving Day .....	100
Day after Thanksgiving .....	( <sup>1</sup> )
Christmas Eve .....	72
Christmas Day .....	100

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

Table 5. Paid Vacations

(Percent of production workers in cigarette manufacturing establishments with formal provisions for paid vacations, United States, July–August 1965)

Vacation policy	Percent
All production workers .....	100
<u>Method of payment</u>	
Workers in establishments providing paid vacations <sup>1</sup> .....	100
Length-of-time payment .....	72
Percentage payment .....	28
<u>Amount of vacation pay<sup>2</sup></u>	
After 1 year:	
2 weeks .....	100
After 10 years:	
3 weeks .....	100
After 20 years:	
3 weeks .....	75
4 weeks .....	25
After 25 years:	
4 weeks .....	100

<sup>1</sup> Service payments either during the summer or at the end of the year to workers with specified periods of service were classified as vacation pay regardless of whether workers took time off from work.

<sup>2</sup> Vacation payments such as percent of annual earnings were converted to an equivalent time basis.

Table 6. Health, Insurance, and Pension Plans

(Percent of production workers in cigarette manufacturing establishments with specified health, insurance, and pension plans, United States, July–August 1965)

Type of plan <sup>1</sup>	Percent
All production workers .....	100
Workers in establishments providing:	
Life insurance .....	100
Accidental death and dismemberment insurance .....	38
Sickness and accident insurance or sick leave or both <sup>2</sup> .....	100
Sickness and accident insurance .....	76
Sick leave (full pay, no waiting period) .....	-
Sick leave (partial pay or waiting period) .....	24
Hospitalization insurance .....	100
Surgical insurance .....	100
Medical insurance .....	72
Catastrophe insurance .....	16
Retirement pension .....	100

<sup>1</sup> Includes only those plans for which at least part of the cost is borne by the employer and excludes legally required plans such as workmen's compensation and social security. All life insurance, accidental death and dismemberment insurance, catastrophe insurance, and retirement pension benefits were financed wholly by the employers; such financing also applied to hospitalization, surgical, medical, and sickness and accident insurance in all establishments providing these benefits, except 1 that accounted for less than 1 percent of the workers.

<sup>2</sup> Unduplicated total of workers receiving sick leave or sickness and accident insurance shown separately.



## Appendix A. Scope and Method of Survey

### Scope of Survey

The survey included all establishments primarily engaged in manufacturing cigarettes (industry 2111 as defined in the 1957 edition of the Standard Industrial Classification Manual and 1963 Supplement, prepared by the U.S. Bureau of the Budget). Separate auxiliary units such as central offices and research laboratories were excluded.

The number of establishments and workers estimated to be within scope of the survey during the payroll period studied, are shown in the following tabulation:

	Establishments	All workers <sup>1</sup>	Production workers
United States -----	15	36,127	31,507
Kentucky -----	4	7,931	6,765
North Carolina -----	5	19,033	16,629
Virginia -----	6	9,163	8,113

<sup>1</sup> Includes executive, professional, office, and other workers excluded from the production worker category shown.

### Method of Study

Data were obtained by personal visits of Bureau field economists under the direction of the Bureau's Assistant Regional Directors for Wages and Industrial Relations.

### Establishment Definition

An establishment, for purposes of this study, is defined as a single physical location where industrial operations are performed. An establishment is not necessarily identical with the company, which may consist of one or more establishments.

### Production Workers

The term "production workers," as used in this bulletin, includes working foremen and all nonsupervisory workers engaged in nonoffice functions. Administrative, executive, professional, and technical personnel, and force-account construction employees, who were utilized as a separate work force on the firm's own properties, were excluded.

### Occupations Selected for Study

Occupational classification was based on a uniform set of job descriptions designed to take account of interestablishment and interarea variations in duties within the same job. (See appendix B for these descriptions.) The occupations were chosen for their numerical importance, their usefulness in collective bargaining, or their representativeness of the entire job scale in the industry. Working supervisors, apprentices, learners, beginners, trainees, handicapped, part-time, temporary, and probationary workers were not reported in the data for selected occupations, but were included in the data for all production workers.

### Wage Data

The wage information relates to average straight-time hourly earnings, excluding premium pay for overtime and for work on weekends, holidays, and late shifts. Incentive payments, such as those resulting from piecework or production bonus systems, and cost-of-living bonuses were included as a part of the workers' regular pay; but nonproduction bonus payments, such as Christmas or yearend bonuses, were excluded.

Average hourly rates or earnings for each occupation or other group of workers, such as men, women, or production workers, were calculated by weighting each rate (or

hourly earnings) by the number of workers receiving the rate, totaling, and dividing by the number of individuals. The hourly earnings of salaried workers were obtained by dividing their straight-time salary by normal rather than actual hours.

### Method of Wage Payment

Information on method of wage payment relates to the number of workers paid under the various time and incentive wage systems. Formal rate structures for time-rated workers provide single rates or a range of rates for individual job categories. In the absence of a formal rate structure, pay rates are determined primarily with reference to the qualifications of the individual worker. A single rate structure is one in which the same rate is paid to all experienced workers in the same job classification. Learners, apprentices, or probationary workers may be paid according to rate schedules which start below the single rate and permit the workers 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. Range-of-rates plans are those in which the minimum and/or maximum rates paid experienced workers for the same job are specified. Specific rates of individual workers within the range may be determined by merit, length of service, or a combination of various concepts of merit and length of service. Incentive workers are classified under piecework or bonus plans. Piecework is work for which a predetermined rate is paid for each unit of output. Production bonuses are based on production in excess of a quota or for completion of a job in less than standard time.

### Scheduled Weekly Hours

Data on weekly hours refer to the predominant work schedule for full-time production workers employed on the day shift.

### Shift Provisions and Practices

Shift provisions relate to the policies of establishments either currently operating late shifts or having formal provisions covering late shift work. Practices relate to workers employed on late shifts at the time of the survey.

### Supplementary Wage Provisions

Supplementary benefits were treated statistically on the basis that if formal provisions were applicable to half or more of the production workers in an establishment, the benefits were considered applicable to all such workers. Similarly, if fewer than half of the workers were covered, the benefit was considered nonexistent in the establishment. Because of length-of-service and other eligibility requirements, the proportion of workers receiving the benefits may be smaller than estimated.

Paid Holidays. Paid-holiday provisions relate to full-day and half-day holidays provided annually.

Paid Vacations. The summary of vacation plans is limited to formal arrangements, excluding informal plans whereby time off with pay is granted at the discretion of the employer or the supervisor. Payments not on a time basis were converted; for example, a payment of 2 percent of annual earnings was considered the equivalent of 1 week's pay.

Health, Insurance, and Pension Plans. Data are presented for health, insurance, and pension plans for which all or a part of the cost is borne by the employer, excluding programs required by law, such as workmen's compensation and social security. Among the plans included are those underwritten by a commercial insurance company and those paid directly by the employer from his current operating funds or from a fund set aside for this purpose.

Death benefits are included as a form of life insurance. Sickness and accident insurance is limited to that type of insurance under which predetermined cash payments are made directly to the insured on a weekly or monthly basis during illness or accident disability. Information is presented for all such plans to which the employer contributes at least a part of the cost.

Tabulations of paid sick leave plans are limited to formal plans which provide full pay or a proportion of the worker's pay during absence from work because of illness; informal arrangements have been omitted. Separate tabulations are provided according to (1) plans which provide full pay and no waiting period and (2) plans providing either partial pay or a waiting period.

Medical insurance refers to plans providing for complete or partial payment of doctors' fees. Such plans may be underwritten by a commercial insurance company or a nonprofit organization, or they may be self-insured.

Catastrophe insurance, sometimes referred to as extended medical insurance, includes plans designed to cover employees in case of sickness or injury involving an expense which goes beyond the normal coverage of hospitalization, medical, and surgical plans.

Tabulations of retirement pensions are limited to plans which provide, upon retirement, regular payments for the remainder of the worker's life.

Paid Funeral and Jury-Duty Leave. Data for paid funeral and jury-duty leave are limited to formal plans which provide at least partial payment for time lost as a result of attending funerals of specified family members or serving as a juror.

Profit-Sharing Plans. To be considered a formal profit-sharing plan for purposes of this study, there must be a definite formula for computing employee shares which is announced in advance, and there must be a fixed commitment to make payments, either current or deferred, which bears a direct relationship to company profits or declared dividends. Therefore, such payments as Christmas or yearend bonuses, which are not fixed commitments on the part of management, are excluded even though they are determined on some basis in relation to the year's profit. Payments need not be shared equally by employees; they may be shared according to employees' length of service, pay level, or annual income.

## Appendix B. Occupational Descriptions

The primary purpose of preparing job descriptions for the Bureau's wage surveys is to assist its field staff in classifying into appropriate occupations workers who are employed under a variety of payroll titles and different work arrangements from establishment to establishment and area to area. This permits the grouping of occupational wage rates representing comparable job content. Because of this emphasis on interestablishment and inter-area comparability of occupational content, the Bureau's job descriptions may differ significantly from those in use in individual establishments or those prepared for other purposes. In applying these job descriptions, the Bureau's field economists are instructed to exclude working supervisors, apprentices, learners, beginners, trainees, handicapped, part-time, temporary, and probationary workers.

### ADJUSTER, MACHINE

(Fixer)

Sets up, regulates, and/or repairs tobacco processing machines. Work involves most of the following: Setting up machines to produce the desired product; regulating and adjusting the machines for efficient operation; attaching fixtures or special devices to the machines; examining machines faulty in operation to determine whether adjustments or repairs are necessary; dismantling or partly dismantling the machines, replacing broken, damaged, or worn parts, or performing other repairs and reassembling the machines. Uses a variety of handtools in adjusting, fitting, or replacing parts, fixtures, or attachments.

For wage study purposes, workers are classified as follows:

Adjuster, cellophaning machines  
Adjuster, cigarette-making machines  
Adjuster, cigarette-packing machines

### CARPENTER, MAINTENANCE

Performs the carpentry duties necessary to construct and maintain in good repair building woodwork and equipment such as bins, cribs, counters, benches, partitions, doors, floors, stairs, casings, and trim made of wood in an establishment. Work involves most of the following: Planning and laying out of work from blueprints, drawings, models, or verbal instructions; using a variety of carpenter's handtools, portable powertools, and standard measuring instruments; making standard shop computations relating to dimensions of work; and selecting materials necessary for the work. In general, the work of the maintenance carpenter requires rounded training and experience usually acquired through a formal apprenticeship or equivalent training and experience.

### CATCHER, CIGARETTE MACHINE

Gathers up double handfuls of cigarettes at the discharge end of the making machine and glances at both ends to check on condition, tossing out imperfect ones and placing perfect cigarettes in trays for packaging; and informs the making-machine operator of defects such as open seams and improper filling.

For wage study purposes, workers are classified as follows:

Catcher, filter cigarettes  
Catcher, nonfilter cigarettes

ELECTRICIAN, MAINTENANCE

Performs a variety of electrical trade functions such as the installation, maintenance, or repair of equipment for the generation, distribution, or utilization of electric energy in an establishment. Work involves most of the following: Installing or repairing any of a variety of electrical equipment such as generators, transformers, switchboards, controllers, circuit breakers, motors, heating units, conduit systems, or other transmission equipment; working from blueprints, drawings, layout, or other specifications; locating and diagnosing trouble in the electrical system or equipment; working standard computations relating to load requirements of wiring or electrical equipment; and using a variety of electrician's handtools and measuring and testing instruments. In general, the work of the maintenance electrician requires rounded training and experience usually acquired through a formal apprenticeship or equivalent training and experience.

INSPECTOR, CIGARETTE MAKING

Inspects the output of cigarette-making machine to see that quality of cigarettes is up to standard; and may supervise the cigarette-machine catchers. Work involves: Examining handfuls of cigarettes for proper filling, printing, and gluing; checking weight of a prescribed sample on small scales and length in a small gage; and notifying cigarette-making-machine operator of irregularities so that machine can be properly adjusted.

INSPECTOR, CIGARETTE PACKING

Inspects a random sample of packages of cigarettes coming from the packing machine to check that the printed and/or cellophane or glassine wrapper is sealed, that the printed wrapper is centered, and that the labels are affixed in the correct position in accordance with specifications; and notifies packing-machine operator of any defects in packaging so that the machine can be properly adjusted.

JANITOR

(Sweeper; charwoman; janitress; cleaner)

Cleans and keeps in an orderly condition factory working areas and washrooms, or premises of an office, apartment house, or commercial, or other establishment. Duties involve a combination of the following: Sweeping, mopping or scrubbing, and polishing floors; removing chips, trash, and other refuse; dusting equipment, furniture, or fixtures; polishing metal fixtures or trimmings; and providing supplies and minor maintenance services, cleaning lavatories, showers, and restrooms. Workers who specialize in window washing are excluded.

LABORER, MATERIAL HANDLING

(Loader and unloader; handler and stacker; shelver; trucker; stockman or stock helper; warehouseman or warehouse helper)

A worker employed in a warehouse, manufacturing plant, store, or other establishment whose duties involve one or more of the following: Loading and unloading various materials and merchandise on or from freight cars, trucks, or other transporting devices; unpacking, shelving, or placing materials or merchandise in proper storage location; transporting materials or merchandise by handtruck, car, or wheelbarrow. Longshoremen, who load and unload ships are excluded.

MACHINIST, MAINTENANCE

Produces replacement parts and new parts in making repairs of metal parts of mechanical equipment operated in an establishment. Work involves most of the following: Interpreting written instructions and specifications; planning and laying out of work; using a variety of machinist's handtools and precision measuring instruments; setting up and operating standard machine tools; shaping of metal parts to close tolerances; making standard shop computations relating to dimensions of work, tooling, and feeds and speeds of machining; having knowledge of the working properties of the common metals; selecting standard materials, parts,

MACHINIST, MAINTENANCE—Continued

and equipment required for his work; and fitting and assembling parts into mechanical equipment. In general, the machinist's work normally requires a rounded training in machine-shop practice usually acquired through a formal apprenticeship or equivalent training and experience.

MAKING-MACHINE OPERATOR, CIGARETTE

Operates one automatic cigarette-making machine or more. Work involves: Loading or regulating the loading of tobacco into the feed hopper of machine (also filter plugs or rods into hopper for filter cigarettes); may adjust the mechanism regulating the flow of tobacco; placing rolls of cigarette paper and tipping material (for the making of cork, straw, or ivory tipped cigarettes) on holding spindles; threading paper and tipping material between guide rolls and adjusting for friction tension; setting the monogram printing device; observing operation of machine to see that it is functioning properly; and making any necessary adjustment or reporting mechanical faults to cigarette-making-machine adjuster.

For wage study purposes, workers are classified as follows:

Making-machine operator, filter cigarettes  
 Making-machine operator, nonfilter cigarettes

PACKER, CIGARETTE, MACHINE

Tends machine that automatically groups and wraps cigarettes into packages and affixes labels to each package. Work involves: Filling cigarette hopper by sliding tray of cigarettes over hopper and removing edge of tray, allowing cigarettes to fall into hopper; filling appropriate hoppers with labels, and paste; placing spools of paper on spindles and threading through rollers; inspecting packages coming from machine for proper centering, folding, and gluing of labels; cleaning machine; and making minor adjustments to machine, such as setting guides and adjusting tension on rollers.

TRUCKER, POWER

Operates a manually controlled gasoline- or electric-powered truck or tractor to transport goods and materials of all kinds about a warehouse, manufacturing plant, or other establishment.

For wage study purposes, workers are classified by type of truck, as follows:

Trucker, power (forklift)  
 Trucker, power (other than forklift)

WATCHMAN

Makes rounds of premises periodically in protecting property against fire, theft, and illegal entry.

## Industry Wage Studies

The most recent reports for industries included in the Bureau's program of industry wage surveys since January 1950 are listed below. Those for which a price is shown are available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C., 20402, or any of its regional sales offices. Those for which a price is not shown may be obtained free as long as a supply is available, from the Bureau of Labor Statistics, Washington, D.C., 20212, or from any of the regional offices shown on the inside back cover.

### I. Occupational Wage Studies

#### Manufacturing

- Basic Iron and Steel, 1962. BLS Bulletin 1358 (30 cents).  
Candy and Other Confectionery Products, 1960. BLS Report 195.  
\*Canning and Freezing, 1957. BLS Report 136.  
Cigar Manufacturing, 1964. BLS Bulletin 1436 (30 cents).  
Cigarette Manufacturing, 1960. BLS Report 167.  
Cotton Textiles, 1963. BLS Bulletin 1410 (40 cents).  
Distilled Liquors, 1952. Series 2, No. 88.  
Fabricated Structural Steel, 1964. BLS Bulletin 1463 (30 cents).  
Fertilizer Manufacturing, 1962. BLS Bulletin 1362 (40 cents).  
Flour and Other Grain Mill Products, 1961. BLS Bulletin 1337 (30 cents).  
Fluid Milk Industry, 1964. BLS Bulletin 1464 (30 cents).  
Footwear, 1962. BLS Bulletin 1360 (45 cents).  
Hosiery, 1964. BLS Bulletin 1456 (45 cents).  
Industrial Chemicals, 1955. BLS Report 103.  
Iron and Steel Foundries, 1962. BLS Bulletin 1386 (40 cents).  
Leather Tanning and Finishing, 1963. BLS Bulletin 1378 (40 cents).  
Machinery Manufacturing, 1964. BLS Bulletin 1429 (35 cents).  
Meat Products, 1963. BLS Bulletin 1415 (75 cents).  
Men's and Boys' Shirts (Except Work Shirts) and Nightwear, 1964.  
BLS Bulletin 1457 (40 cents).  
Men's and Boys' Suits and Coats, 1963. BLS Bulletin 1424 (65 cents).  
Miscellaneous Plastics Products, 1964. BLS Bulletin 1439 (35 cents).  
Miscellaneous Textiles, 1953. BLS Report 56.  
Motor Vehicles and Motor Vehicle Parts, 1963. BLS Bulletin 1393 (45 cents).  
Nonferrous Foundries, 1960. BLS Report 180.  
Paints and Varnishes, 1961. BLS Bulletin 1318 (30 cents).  
Petroleum Refining, 1959. BLS Report 158.  
Pressed or Blown Glass and Glassware, 1964. BLS Bulletin 1423 (30 cents).  
\*Processed Waste, 1957. BLS Report 124.  
Pulp, Paper, and Paperboard Mills, 1962. BLS Bulletin 1341 (40 cents).  
Radio, Television, and Related Products, 1951. Series 2, No. 84.  
Railroad Cars, 1952. Series 2, No. 86.  
\*Raw Sugar, 1957. BLS Report 136.  
Southern Sawmills and Planing Mills, 1962. BLS Bulletin 1361 (30 cents).  
Structural Clay Products, 1964. BLS Bulletin 1459 (45 cents).  
Synthetic Fibers, 1958. BLS Report 143.  
Synthetic Textiles, 1963. BLS Bulletin 1414 (35 cents).  
Textile Dyeing and Finishing, 1961. BLS Bulletin 1311 (35 cents).  
\*Tobacco Stemming and Redrying, 1957. BLS Report 136.

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\* Studies of the effects of the \$1 minimum wage.

## I. Occupational Wage Studies—Continued

### Manufacturing—Continued

- West Coast Sawmilling, 1964. BLS Bulletin 1455 (30 cents).  
Women's and Misses' Coats and Suits, 1962. BLS Bulletin 1371 (25 cents).  
Women's and Misses' Dresses, 1963. BLS Bulletin 1391 (30 cents).  
Wood Household Furniture, Except Upholstered, 1962. BLS Bulletin 1369 (40 cents).  
\*Wooden Containers, 1957. BLS Report 126.  
Wool Textiles, 1962. BLS Bulletin 1372 (45 cents).  
Work Clothing, 1964. BLS Bulletin 1440 (35 cents).

### Nonmanufacturing

- Auto Dealer Repair Shops, 1964. BLS Bulletin 1452 (30 cents).  
Banking, 1964. BLS Bulletin 1466 (30 cents).  
Bituminous Coal Mining, 1962. BLS Bulletin 1383 (45 cents).  
Communications, 1964. BLS Bulletin 1467 (20 cents).  
Contract Cleaning Services, 1961. BLS Bulletin 1327 (25 cents).  
Crude Petroleum and Natural Gas Production, 1960. BLS Report 181.  
Department and Women's Ready-to-Wear Stores, 1950. Series 2, No. 78.  
Eating and Drinking Places, 1963. BLS Bulletin 1400 (40 cents).  
Electric and Gas Utilities, 1962. BLS Bulletin 1374 (50 cents).  
Hospitals, 1963. BLS Bulletin 1409 (50 cents).  
Hotels and Motels, 1963. BLS Bulletin 1406 (40 cents).  
Laundries and Cleaning Services, 1963. BLS Bulletin 1401 (50 cents).  
Life Insurance, 1961. BLS Bulletin 1324 (30 cents).

## II. Other Industry Wage Studies

- Factory Workers' Earnings—Distribution by Straight-Time Hourly Earnings, 1958. BLS Bulletin 1252 (40 cents).  
Factory Workers' Earnings—Selected Manufacturing Industries, 1959. BLS Bulletin 1275 (35 cents).

### Retail Trade:

- Employee Earnings in Retail Trade, June 1962 (Overall Summary of the Industry). BLS Bulletin 1380 (45 cents).  
Employee Earnings at Retail Building Materials, Hardware, and Farm Equipment Dealers, June 1962. BLS Bulletin 1380-1 (25 cents).  
Employee Earnings in Retail General Merchandise Stores, June 1962. BLS Bulletin 1380-2 (45 cents).  
Employee Earnings in Retail Food Stores, June 1962. BLS Bulletin 1380-3 (40 cents).  
Employee Earnings at Retail Automotive Dealers and in Gasoline Service Stations, June 1962. BLS Bulletin 1380-4 (40 cents).  
Employee Earnings in Retail Apparel and Accessory Stores, June 1962. BLS Bulletin 1380-5 (45 cents).  
Employee Earnings in Retail Furniture, Home Furnishings, and Household Appliance Stores, June 1962. BLS Bulletin 1380-6 (40 cents).  
Employee Earnings in Miscellaneous Retail Stores, June 1962. BLS Bulletin 1380-7 (40 cents).  
Employee Earnings in Nonmetropolitan Areas of the South and North Central Regions, 1962. BLS Bulletin 1416 (40 cents).

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\* Studies of the effects of the \$1 minimum wage.

## BUREAU OF LABOR STATISTICS REGIONAL OFFICES

