

Washington State

2005 Employee Benefits Report



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Labor Market and
Economic Analysis Branch



**Employment
Security
Department**
WASHINGTON STATE

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About the Employee Benefits Survey

The *Washington State Employee Benefits Survey* provides data for estimating the number of **private sector** firms offering fringe benefits to their workers, providing valuable insights into compensation conditions in our state. The survey was distributed to a sample of **17,702 Washington employers** in August 2005 and we received a **57 percent response rate**. Each employer was asked if they provide the following benefits to full-time and part-time employees:

- Health insurance (for employees, dependents, and retirees)
- Retirement benefits
- Paid sick leave, vacation, and holidays

New for 2005

Based on requests from customers we added a few elements to the 2005 survey. In addition to past questions, employers were asked about the cost of health insurance premiums, the percentage of the premium paid by the employer, the number of workers offered and enrolled in health insurance, and if they offered undesignated paid leave to workers.

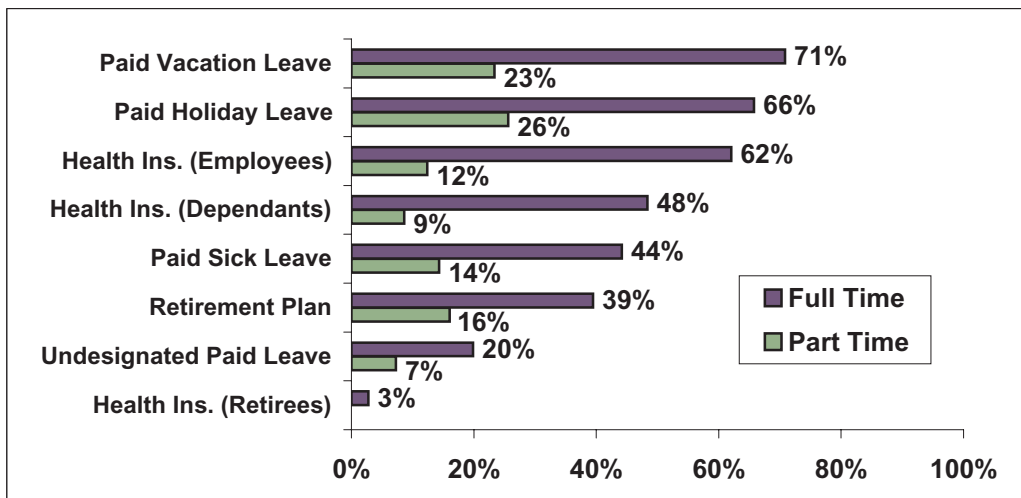
We also made some changes to the way estimates are derived and how the data are reported. For the 2005 report, many of the data estimates are now available regionally by Workforce Development Area (WDA). In addition to estimates based on firms, much of the data are also presented based on the percentage of employment that is offered the benefit.

Summary of Findings

There are several factors that play into which firms were likely to offer fringe benefits and which employees were eligible to receive them. Full-time employees were much more likely to be offered benefits than part-time employees in all cases (**figure 1**). Large firms were more likely to offer benefits than small firms regardless of industry or region. Firms in higher wage industries were more likely to offer benefits than firms in industries with relatively low wages. Industries that are largely unionized, such as manufacturing, are also significantly more likely to have firms that offer fringe benefits to employees.

Each of the cases listed above provide support for the idea that firms view fringe benefits as a part of the total employee compensation package. Employers may use employee benefits to entice prospective employees when there is a high demand for the workers' skills. They may also use them as incentive for current employees to have higher loyalty to the firm. Large firms have an advantage over small firms because of group discounted purchasing power for health insurance and wider profit margins based on economies of scale. Small and medium firms do have opportunities to purchase benefits at group rates, though, through employer organizations that negotiate lower rates based on the number of employers that participate.

Figure 1. Percent of Firms Offering Benefits to Full-time and Part-time Employees Washington State, 2005



Firms and Employment

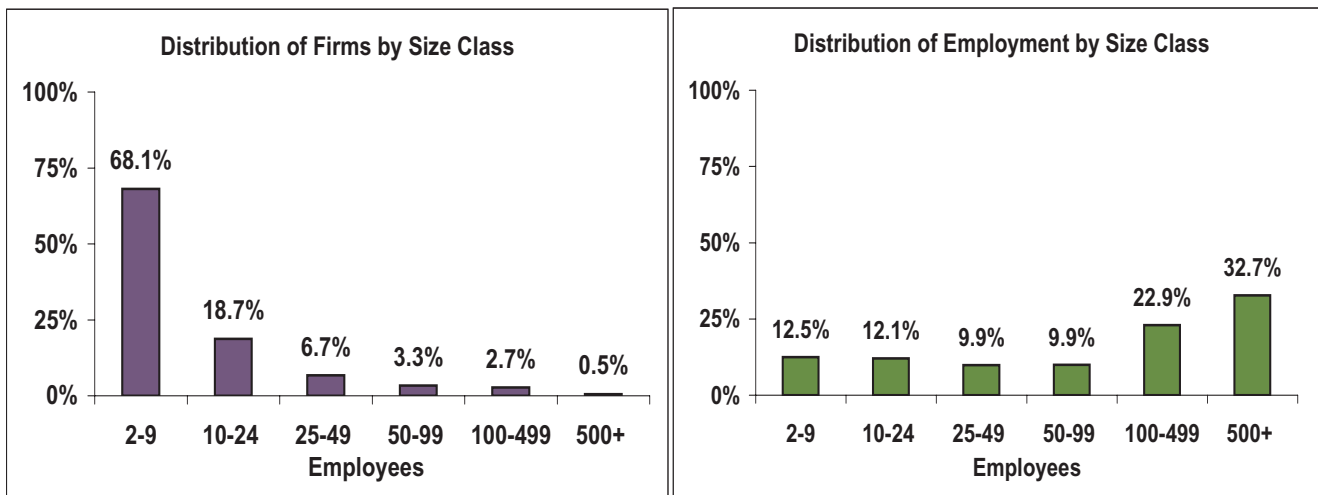
Distribution of Firms and Employment by Size Class and Industry

Examining how Washington’s employers and workers are spread across employment size classes and industries gives context to the information presented in this report. Since this is a survey of *employers*, most results are presented in terms of “percent of firms” relative to some type of benefit offered to workers. Results that are presented in terms of “percent of employment” are estimates based on employer responses to questions on the numbers of workers employed full time and part time. The employers included in these estimates are limited to those covered by the state’s unemployment insurance law, that have two or more employees, and are not government entities (with the exception of the education industry).

Size Class—Where are the Majority of Workers?

- Most firms (68.1 percent) employed between two and nine workers, but accounted for only 12.5 percent of employment in the first quarter of 2005.
- The opposite is true for very large firms (those that employed 500 or more workers). While making up a tiny portion of total firms (0.5 percent), they employed 32.7 percent of the workforce.

Figures 2a & b. Distribution of Firms and Employment by Size Class (Quarter 1, 2005)
Washington State

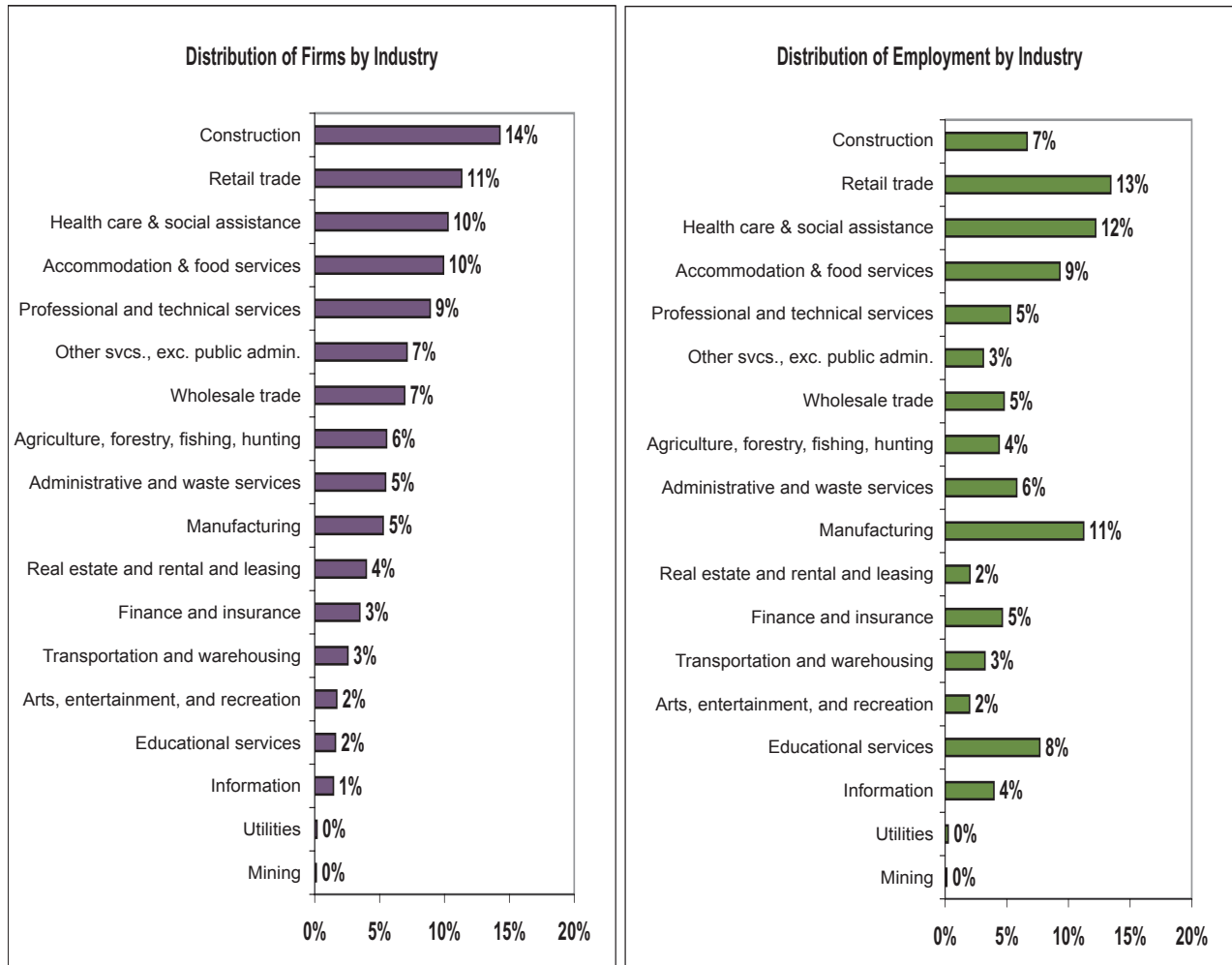


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Industry Breakdown

- During the first quarter of 2005, the construction, retail trade, and health care and social assistance industries had the largest shares of firms, 14, 11, and 10 percent respectively (**figure 3a**).
- The retail trade, health care and social assistance, and manufacturing industries made up the largest shares of employment at 13, 12, and 11 percent, respectively (**figure 3b**).

Figures 3a & b. Distribution of Firms and Employment by Industry (Quarter 1, 2005)
Washington State



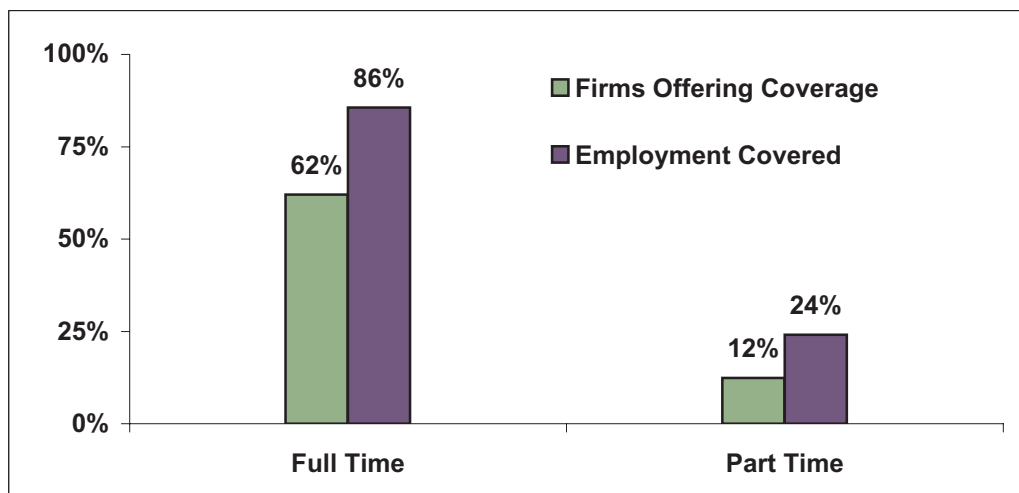
Section 1. Summary of Benefits Offered by Firms

In the 2005 Employee Benefits Survey, businesses were asked several questions about their health insurance offerings to employees. From their responses we were able to estimate how many firms offer health insurance, how many of the workers who were offered insurance enrolled, what the costs were, and who paid for premiums. All of the data are broken down by full-time and part-time workers and most elements are reported by industry and firm size class. Select data elements are available at the regional level as well.

Health Insurance for Employees

- The majority (62 percent) of Washington employers offered health insurance to their workers in 2005. The firms that offered coverage employed 86 percent of all workers. **Figure 4** displays the percentage of firms that offered health insurance as well as the percentage of employment that is offered coverage. The difference between the two is a result of the distribution of employment in firms. Large firms are more likely to offer health insurance and they employ the majority of workers.
- When dissected by industry, there is a strong correlation between the amount of monetary wages paid and the likeliness of health insurance to be offered to workers. The top five paying industries are also the top five most likely to offer health insurance (**figure 6**).
- Firms located in Western Washington Workforce Development Areas (WDAs) were the most likely to offer health insurance. More than 60 percent of firms in six of the seven west side WDAs offered health insurance to full-time workers (**figure 7**); while only one of the five east side WDAs was over that mark.

Figure 4. Percent of Firms Offering Health Insurance for Employees



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Figure 5. Percent of Firms Offering Health Insurance to Employees by Employer Size Class

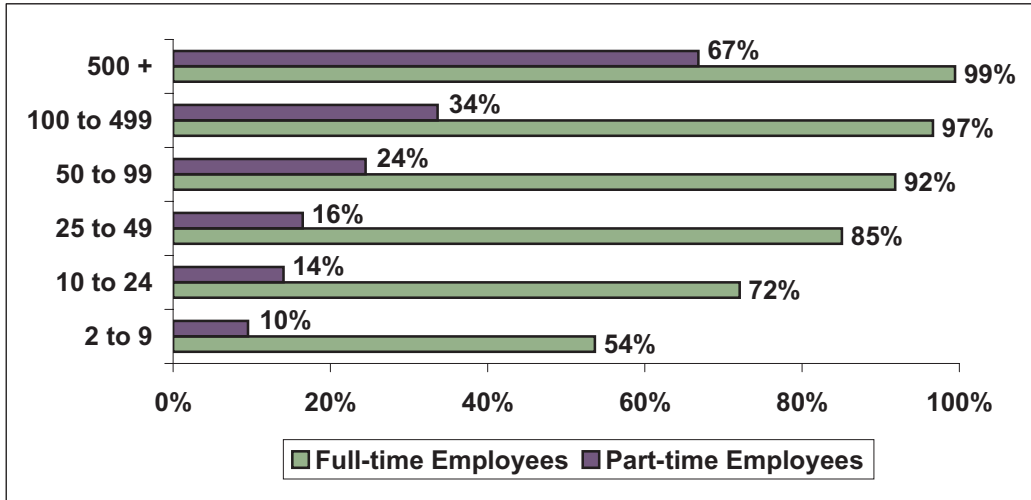


Figure 6. Percent of Firms Offering Health Insurance to Employees by Industry

Industry	Firms Represented	Full Time	Part Time	2004 Wage
Finance and insurance	3,517	84%	20%	\$62,045
Wholesale trade	7,008	83%	13%	\$52,057
Professional and technical services	9,008	81%	27%	\$58,507
Manufacturing	5,334	80%	11%	\$51,797
Information	1,455	75%	25%	\$88,262
Other Industries*	337	74%	32%	\$72,549
Health care and social assistance	10,393	74%	22%	\$34,939
Educational services	1,612	72%	37%	\$28,456
Transportation and warehousing	2,585	67%	8%	\$41,808
Real estate and rental and leasing	4,023	60%	12%	\$30,612
Other services, except public administration	7,200	58%	13%	\$20,793
Retail trade	11,458	57%	8%	\$26,612
Construction	14,442	57%	7%	\$40,192
Administrative and waste services	5,520	54%	6%	\$33,482
Arts, entertainment, and recreation	1,716	52%	9%	\$24,343
Agriculture, forestry, fishing and hunting	5,603	41%	3%	\$20,501
Accommodation and food services	10,039	28%	4%	\$14,771
All Industries	101,250	62%	12%	\$39,208

*Includes industries (mining, utilities, and management of companies) that did not meet confidentiality requirements for individual publishing.

Figure 7. Percent of Firms Offering Health Insurance to Employees
by Workforce Development Area (WDA)

Workforce Development Area	Offered to Full-time Employees	Offered to Part-time Employees	2004 Average Annual Wage
WDA 1 Olympic Consortium	52%	13%	\$33,420
WDA 2 Pacific Mountain	62%	11%	\$32,476
WDA 3 Northwest	63%	15%	\$29,584
WDA 4 Snohomish County	66%	14%	\$39,202
WDA 5 Seattle-King County	76%	18%	\$49,071
WDA 6 Pierce County	68%	11%	\$36,004
WDA 7 SW Washington	68%	15%	\$34,705
WDA 8 North Central Washington/Columbia Basin	48%	9%	\$25,424
WDA 9 Tri-County	57%	14%	\$26,481
WDA 10 Eastern Washington	51%	8%	\$28,940
WDA 11 Benton-Franklin	57%	11%	\$37,627
WDA 12 Spokane	70%	17%	\$31,556

Health Insurance for Dependents

- A similar percentage of larger firms offered health insurance to the dependents of full-time workers as they did to the workers themselves. The drop-off in offerings by smaller firms is much steeper, though, as 38 percent (**figure 8**) of the smallest firms offered health insurance to dependents compared to 54 percent (**figure 5**) offering it to the workers.
- Health insurance offerings to the dependents of employees varied widely by industry. At the top of the list is wholesale trade with 74 percent of firms offering. In sharp contrast at the bottom is accommodation and food services with only 18 percent offering (**figure 9**).
- Regionally, firms that were located in Workforce Development Areas that have major urban centers (e.g. Seattle, Spokane) were the most likely to offer health insurance to the dependents of employees (**figure 10**).

Figure 8. Percent of Firms Offering Health Insurance to Dependents of Employees by Employer Size Class

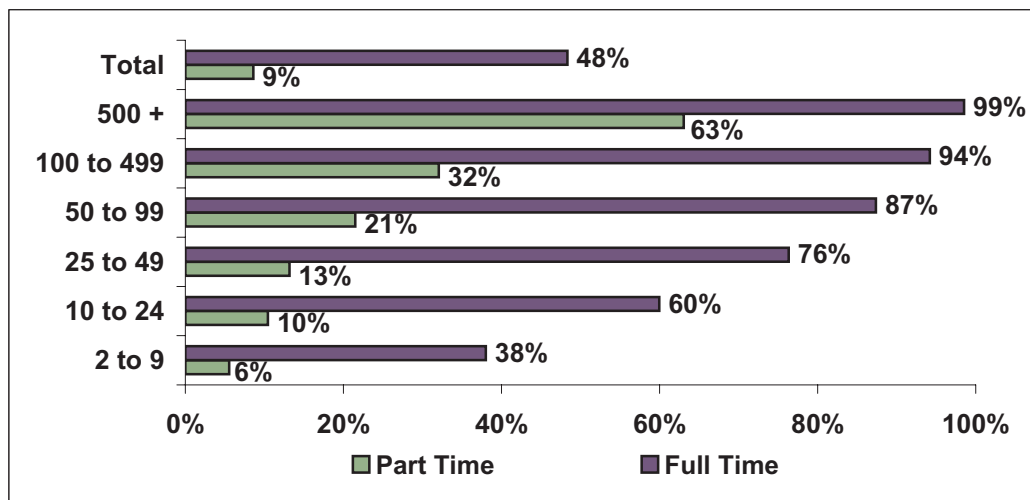


Figure 9. Percent of Firms Offering Health Insurance to Dependents of Employees by Industry

Industry	Number of Firms Represented	Dependents of Full-time Employees	Dependents of Part-time Employees
Wholesale trade	7,008	74%	11%
Information	1,455	68%	20%
Professional and technical services	9,008	67%	19%
Finance and insurance	3,517	66%	15%
Manufacturing	5,334	66%	8%
Educational services	1,612	65%	33%
Transportation and warehousing	2,585	59%	7%
Other Industries*	337	58%	14%
Health care and social assistance	10,393	50%	14%
Construction	14,442	46%	4%
Other services, except public administration	7,200	43%	8%
Arts, entertainment, and recreation	1,716	42%	6%
Retail trade	11,458	42%	5%
Real estate and rental and leasing	4,023	41%	10%
Administrative and waste services	5,520	38%	4%
Agriculture, forestry, fishing and hunting	5,603	34%	2%
Accommodation and food services	10,039	18%	2%
Total	101,250	48%	9%
<i>*Includes industries (mining, utilities, and management of companies) that did not meet confidentiality requirements for individual publishing.</i>			

Figure 10. Percent of Firms Offering Health Insurance to Dependents of Employees by WDA

Workforce Development Area	Dependents of Full-time Employees	Dependents of Part-time Employees
WDA 1 Olympic Consortium	40%	9%
WDA 2 Pacific Mountain	46%	9%
WDA 3 Northwest	46%	9%
WDA 4 Snohomish County	53%	10%
WDA 5 Seattle-King County	61%	13%
WDA 6 Pierce County	52%	8%
WDA 7 SW Washington	54%	10%
WDA 8 North Central Washington/Columbia Basin	38%	8%
WDA 9 Tri-County	47%	10%
WDA 10 Eastern Washington	40%	5%
WDA 11 Benton-Franklin	51%	9%
WDA 12 Spokane	55%	14%

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Retirement Plans

Firms were asked about their provision of two general categories of retirement plans: defined contribution and defined benefit.

Defined contribution plans, the broader of the two categories, encompass a variety of plans each involving individual accounts for each employee. Those plans included target-benefit and money-purchase pensions, profit sharing, 401(k) plans, and stock bonus plans.

Defined benefit plans, a narrower group, typically include plans where a given benefit is guaranteed to employees at retirement age and plan actuaries determine contributions. Those plans include defined benefit pensions and cash balance pension plans. The Washington State Public Employees Retirement System (PERS) plans one and two are examples of defined benefit plans. It is worth noting that the two plan categories are not mutually exclusive—firms can and do offer both.

The majority of firms reported offering defined contribution plans in all categories when grouped by size class, industry, or region. Additionally, industries and regions that typically have higher wages also had higher rates of retirement plan offerings. This indicates that retirement plans, along with wages and health insurance, factor into total compensation when firms are trying to retain and recruit skilled labor.

Note: In each of the following tables on retirement plans, the percentages of defined contribution, defined benefit, and other categories are of firms that offer a retirement plan. For example, in Figure 11a it should be understood that defined contribution plans were offered by 74 percent of firms that offered some type of retirement plan.

Full-time Employees Size of Firm	Total	Defined Contribution	Defined Benefit	Other
2 to 9	32.1%	72.3%	19.0%	22.3%
10 to 24	46.8%	74.3%	23.5%	23.1%
25 to 49	57.1%	77.8%	22.8%	18.8%
50 to 99	70.2%	76.9%	24.0%	20.8%
100 to 499	79.6%	85.2%	30.1%	15.8%
500 +	89.4%	89.0%	47.9%	18.7%
Total	39.5%	74.5%	21.6%	21.7%

Part-time Employees Size of Firm	Total	Defined Contribution	Defined Benefit	Other
2 to 9	11.3%	70.5%	19.9%	24.2%
10 to 24	19.2%	72.1%	24.0%	24.8%
25 to 49	25.0%	79.9%	25.3%	17.2%
50 to 99	35.6%	80.2%	21.4%	18.4%
100 to 499	52.4%	85.2%	29.0%	16.9%
500 +	73.7%	91.5%	48.9%	19.9%
Total	16.1%	74.5%	23.1%	22.4%

Figures 11a & b. Percent of Firms Offering Retirement Plans by Size of Firm

Full-time Employees Industry	Total	Defined Contribution	Defined Benefit	Other
Agriculture, forestry, fishing and hunting	23.0%	81.8%	11.0%	18.2%
Mining	*	*	*	*
Utilities	*	*	*	*
Construction	31.6%	74.2%	22.3%	21.6%
Manufacturing	50.8%	75.7%	24.9%	19.4%
Wholesale trade	52.4%	74.7%	21.1%	20.7%
Retail trade	32.7%	73.6%	22.1%	21.4%
Transportation and warehousing	34.8%	73.2%	34.7%	27.3%
Information	46.3%	76.2%	26.7%	21.1%
Finance and insurance	65.6%	74.3%	16.9%	24.3%
Real estate and rental and leasing	30.4%	75.0%	18.4%	18.7%
Professional and technical services	63.8%	76.3%	13.9%	23.0%
Management of Companies and Enterprises	*	*	*	*
Administrative and waste services	31.4%	79.7%	15.0%	16.8%
Educational services	54.0%	70.3%	52.7%	26.8%
Health care and social assistance	61.4%	70.4%	27.3%	23.4%
Arts, entertainment, and recreation	20.5%	77.0%	21.3%	18.7%
Accommodation and food services	8.7%	77.5%	14.6%	18.7%
Other services, except public administration	32.1%	76.0%	22.4%	17.3%
Total	39.5%	74.5%	21.6%	21.7%

Part-time Employees Industry	Total	Defined Contribution	Defined Benefit	Other
Agriculture, forestry, fishing and hunting	5.7%	80.0%	15.2%	21.5%
Mining	*	*	*	*
Utilities	*	*	*	*
Construction	7.4%	78.3%	29.4%	13.7%
Manufacturing	21.8%	75.7%	27.1%	21.5%
Wholesale trade	16.5%	65.0%	13.4%	37.9%
Retail trade	10.6%	77.9%	22.9%	19.1%
Transportation and warehousing	12.2%	66.7%	24.0%	20.0%
Information	19.4%	75.5%	35.2%	25.9%
Finance and insurance	32.0%	81.7%	23.8%	13.2%
Real estate and rental and leasing	12.6%	67.3%	8.7%	29.6%
Professional and technical services	31.6%	77.2%	14.8%	25.3%
Management of Companies and Enterprises	*	*	*	*
Administrative and waste services	11.0%	89.8%	12.8%	5.8%
Educational services	35.0%	86.0%	76.6%	12.7%
Health care and social assistance	33.2%	70.0%	24.1%	25.1%
Arts, entertainment, and recreation	11.7%	62.9%	23.8%	29.2%
Accommodation and food services	4.4%	74.7%	15.8%	20.2%
Other services, except public administration	12.3%	69.7%	26.3%	17.9%
Total	16.1%	74.5%	23.1%	22.4%

* Data not releasable due to confidentiality restrictions.

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Figures 12a & b. Percent of Firms Offering Retirement Plans by Industry

Full-time Employees Workforce Development Area	Total	Defined Contribution	Defined Benefit	Other
WDA 1 Olympic Consortium	36.8%	77.9%	20.7%	18.8%
WDA 2 Pacific Mountain	41.9%	71.4%	19.6%	27.1%
WDA 3 Northwest	45.0%	75.3%	25.9%	18.0%
WDA 4 Snohomish County	42.2%	73.0%	22.1%	23.2%
WDA 5 Seattle-King County	50.4%	74.9%	21.5%	21.2%
WDA 6 Pierce County	42.8%	72.5%	26.9%	22.7%
WDA 7 SW Washington	43.1%	77.9%	21.2%	18.0%
WDA 8 North Central Washington/Columbia Basin	28.6%	69.1%	22.1%	28.6%
WDA 9 Tri-County	38.0%	76.3%	24.6%	21.2%
WDA 10 Eastern Washington	34.3%	80.8%	31.3%	14.9%
WDA 11 Benton-Franklin	38.8%	81.6%	21.2%	22.4%
WDA 12 Spokane	51.0%	74.8%	19.3%	21.3%

Part-time Employees Workforce Development Area	Total	Defined Contribution	Defined Benefit	Other
WDA 1 Olympic Consortium	19.1%	79.5%	19.7%	18.8%
WDA 2 Pacific Mountain	16.7%	69.7%	23.4%	29.7%
WDA 3 Northwest	22.3%	69.8%	24.1%	24.6%
WDA 4 Snohomish County	17.2%	77.3%	19.5%	23.7%
WDA 5 Seattle-King County	20.9%	75.6%	24.9%	20.0%
WDA 6 Pierce County	16.7%	74.3%	25.9%	19.7%
WDA 7 SW Washington	20.4%	82.3%	16.0%	14.2%
WDA 8 North Central Washington/Columbia Basin	10.1%	74.6%	27.8%	23.2%
WDA 9 Tri-County	18.4%	71.3%	22.7%	25.8%
WDA 10 Eastern Washington	10.2%	85.7%	28.6%	15.0%
WDA 11 Benton-Franklin	19.6%	80.5%	21.5%	19.7%
WDA 12 Spokane	22.2%	78.9%	25.1%	22.0%

Paid Leave

Firms were asked if they offered paid leave to full-time and part-time workers. Paid leave was broken into four categories; undesignated leave, sick leave, vacation leave, and holidays. Undesignated leave was a new option on the 2005 survey and it refers to plans commonly called “time banks” or “paid time off (PTO) accounts,” which are being used by some firms in place of designated vacation and sick leave.

- Overall, paid vacation leave was the most common type of leave offered to full-time employees and paid holidays were the most offered to part-time workers.
- Very large firms (500 + workers) were the most likely to offer each type of leave to both full-time and part-time workers. Those large firms, while small in numbers (0.5 percent of total firms), employed a significant portion of Washington’s workforce (33 percent) in 2004. This is why the overall percentage of workers offered benefits has typically been higher than the percentage of firms offering.

Figures 14a & b. Percent of Firms Offering Paid Leave by Firm Size

Full-time Employees Size of Firm	Undesignated Leave	Sick Leave	Vacation Leave	Holidays
2 to 9	18.1%	41.3%	66.2%	61.3%
10 to 24	20.4%	44.7%	75.9%	69.7%
25 to 49	21.8%	50.4%	85.2%	76.6%
50 to 99	28.4%	60.1%	87.3%	84.4%
100 to 499	39.9%	68.6%	88.0%	89.6%
500 +	54.0%	87.2%	93.3%	94.5%
Total	19.9%	44.2%	70.8%	65.8%

Part-time Employees Size of Firm	Undesignated Leave	Sick Leave	Vacation Leave	Holidays
2 to 9	5.7%	12.1%	20.4%	22.6%
10 to 24	7.5%	14.7%	26.1%	27.6%
25 to 49	8.8%	18.0%	28.3%	29.6%
50 to 99	13.2%	22.8%	32.6%	36.0%
100 to 499	23.4%	33.3%	41.5%	48.3%
500 +	42.2%	61.1%	65.3%	69.3%
Total	7.3%	14.3%	23.4%	25.6%

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Figures 15a & b. Percent of Firms Offering Paid Leave by Industry

Full-time Employees Industry	Undesignated Leave	Sick Leave	Vacation Leave	Holidays
Agriculture, forestry, fishing and hunting	13.2%	23.1%	47.3%	36.7%
Mining	*	*	*	*
Utilities	*	*	*	*
Construction	8.5%	23.9%	57.6%	52.9%
Manufacturing	21.2%	40.4%	83.7%	83.5%
Wholesale trade	28.2%	69.2%	89.7%	88.1%
Retail trade	11.0%	36.6%	73.1%	62.7%
Transportation and warehousing	12.6%	30.3%	70.3%	58.5%
Information	42.1%	68.2%	74.8%	89.6%
Finance and insurance	36.1%	74.9%	89.5%	90.1%
Real estate and rental and leasing	20.3%	65.2%	82.1%	80.3%
Professional and technical services	33.1%	72.4%	87.6%	86.7%
Management of Companies and Enterprises	*	*	*	*
Administrative and waste services	23.4%	41.6%	64.2%	62.5%
Educational services	55.6%	69.1%	72.7%	77.9%
Health care and social assistance	31.9%	66.6%	85.6%	84.6%
Arts, entertainment, and recreation	19.9%	35.3%	57.5%	48.6%
Accommodation and food services	6.6%	13.2%	39.1%	23.8%
Other services, except public administration	16.9%	35.7%	74.9%	65.4%
Total	19.9%	44.2%	70.8%	65.8%

Part-time Employees Industry	Undesignated Leave	Sick Leave	Vacation Leave	Holidays
Agriculture, forestry, fishing and hunting	1.7%	3.8%	9.0%	9.7%
Mining	*	*	*	*
Utilities	*	*	*	*
Construction	1.3%	3.3%	11.1%	11.2%
Manufacturing	7.8%	9.9%	24.4%	31.5%
Wholesale trade	8.0%	19.9%	25.8%	34.1%
Retail trade	3.8%	9.2%	20.0%	21.9%
Transportation and warehousing	1.4%	9.1%	13.2%	19.8%
Information	26.2%	29.0%	33.4%	39.8%
Finance and insurance	15.0%	23.9%	33.3%	38.6%
Real estate and rental and leasing	4.8%	20.5%	31.4%	30.9%
Professional and technical services	14.0%	26.3%	33.9%	39.3%
Management of Companies and Enterprises	*	*	*	*
Administrative and waste services	5.8%	9.4%	19.6%	24.1%
Educational services	34.7%	44.0%	32.7%	44.2%
Health care and social assistance	16.2%	34.1%	43.7%	45.9%
Arts, entertainment, and recreation	9.5%	12.0%	19.3%	18.7%
Accommodation and food services	1.3%	2.3%	13.2%	8.7%
Other services, except public administration	5.3%	11.6%	24.7%	24.6%
Total	7.3%	14.3%	23.4%	25.6%

* Data not releasable due to confidentiality restrictions.

Figures 16a & b. Percent of Firms Offering Paid Leave by Workforce Development Area

Full-time Employees Workforce Development Area	Undesignated Leave	Sick Leave	Vacation Leave	Holidays
WDA 1 Olympic Consortium	20.2%	38.2%	65.2%	57.5%
WDA 2 Pacific Mountain	19.2%	39.8%	71.6%	63.6%
WDA 3 Northwest	22.6%	48.3%	75.4%	69.4%
WDA 4 Snohomish County	18.4%	45.8%	70.7%	67.6%
WDA 5 Seattle-King County	25.4%	58.6%	80.7%	78.4%
WDA 6 Pierce County	17.8%	47.4%	74.6%	71.1%
WDA 7 SW Washington	17.2%	40.4%	74.9%	67.0%
WDA 8 North Central Washington/Columbia Basin	22.1%	39.1%	62.6%	59.0%
WDA 9 Tri-County	22.1%	37.3%	71.2%	62.6%
WDA 10 Eastern Washington	15.7%	40.8%	60.0%	55.6%
WDA 11 Benton-Franklin	19.8%	41.6%	67.4%	66.0%
WDA 12 Spokane	23.3%	50.2%	79.0%	75.8%

Part-time Employees Workforce Development Area	Undesignated Leave	Sick Leave	Vacation Leave	Holidays
WDA 1 Olympic Consortium	10.0%	12.4%	22.3%	21.6%
WDA 2 Pacific Mountain	6.7%	12.9%	23.4%	24.5%
WDA 3 Northwest	9.8%	22.0%	31.8%	32.2%
WDA 4 Snohomish County	6.7%	17.0%	24.5%	27.2%
WDA 5 Seattle-King County	9.2%	19.2%	28.0%	32.1%
WDA 6 Pierce County	7.5%	15.7%	26.0%	28.0%
WDA 7 SW Washington	8.8%	13.6%	29.4%	29.9%
WDA 8 North Central Washington/Columbia Basin	6.5%	10.1%	18.1%	21.5%
WDA 9 Tri-County	8.1%	14.3%	22.5%	27.0%
WDA 10 Eastern Washington	4.2%	6.0%	11.0%	13.3%
WDA 11 Benton-Franklin	8.6%	15.5%	28.5%	29.4%
WDA 12 Spokane	9.9%	18.6%	28.5%	31.6%

Response Rates and Industry Definitions

Sample Summary

The sample for the *2005 Employee Benefits Survey* included establishments covered by unemployment insurance tax law in Washington State, that employed an average of two or more employees during the second quarter of 2004. Estimates do not include individual parts of multi-master accounts (a company with multiple locations was counted as a single firm). Also excluded are establishments that fall under government (except public sector education) ownership.

Sample Summary	Number of Establishments
Population of establishments	101,250
Original Sample Drawn	22,121
Adjusted Sample (less multi-parts and government)	17,702
Number of firms in sample (see reason code below)	15,437
Contacted In-Sample	9,191
No Response	6,246

Total In and Out of Sample, by Reason		
Reason Code	Number of Establishments	In/out of Sample
Null - Did not respond	6,246	In
1 - Responded/questionnaire complete	8,782	In
2 - Responded/questionnaire incomplete	31	In
3 - Refusal	378	In
4 - Invalid location	1,394	Out
5 - Out of business	408	Out
6 - Inactive/Out of scope	457	Out
7 - Inactive/Out of state	6	Out

Response Rate	
Number of firms in-sample (see reason codes, above)	15,437
1 - Responded/questionnaire complete	8,782
2 - Responded/questionnaire incomplete	31
Total Response	8,813
Response Rate	57%

Industry Group Definitions

Washington's *Employee Benefits Survey* used a sample of firms representative of the industry composition of Washington employers. The North American Industry Classification System (NAICS) was used to define and group firms by common production features. Firms are classified by industry as part of the ongoing administration of the unemployment insurance tax program. Major NAICS codes are outlined below:

	NAICS Industry	Industry Description
11	Agriculture, Forestry, Fishing, Hunting	Firms engaged in growing crops, raising animals, harvesting timber, harvesting fish and other animals from farms, ranches, or the animals' natural habitat.
21	Mining	Firms that extract naturally occurring mineral solids, liquid minerals, and gases.
22	Utilities	Firms engaged in generating, transmitting, and/or distributing electricity, gas, steam, and water, and removing sewage through a permanent infrastructure.
23	Construction	Firms engaged in erecting buildings and other structures; heavy construction other than buildings; and alterations, reconstruction, installation, and maintenance and repairs.
31-33	Manufacturing	Firms engaged in the mechanical, physical, or chemical transformation of material, substances, or components into new products.
41-43	Wholesale Trade	Firms engaged in selling or arranging for the purchase or sale of goods for resale; capital or durable nonconsumer goods; and raw and intermediate materials and supplies used in productions, and providing services incidental to the sale of the merchandise.
44-46	Retail Trade	Firms engaged in retailing merchandise generally in small quantities to the general public and providing services incidental to the sale of the merchandise.
48-49	Transportation and Warehousing	Firms that provide transportation of passengers and cargo, warehousing and storing goods, scenic and sightseeing transportation, and supporting these activities.
51	Information	Firms engaged in distributing information and cultural products, providing the means to transmit or distribute these products as data or communications, and processing data.
52	Finance and Insurance	Firms engaged in the creation, liquidation, or change in ownership of financial assets (financial transactions) and/or facilitating financial transactions.
53	Real Estate and Rental and Leasing	Firms engaging in renting, leasing, or otherwise allowing the use of tangible or intangible assets (except copyrighted works), and providing related services.
54	Professional, Scientific, and Technical Services	Firms specializing in performing professional, scientific, and technical services for the operations of other organizations.
55	Management of Companies and Enterprises	Firms that hold securities of companies and enterprises, for the purpose of owning controlling interest or influencing their management decision, or administering, overseeing, and managing other establishments of the same company or enterprise and normally undertaking the strategic or organizational planning and decision making of the company or enterprise.
56	Administrative and Support and Waste Management and Remediation Services	Firms performing routine support activities for the day-to-day operation of other organizations.
61	Educational Services	Firms providing instruction and training in a wide variety of subjects.
62	Health Care and Social Assistance	Firms providing health care and social assistance for individuals.
71	Arts, Entertainment, and Recreation	Firms engaged in operating or providing services to meet varied cultural, entertainment, and recreational interests of their patrons.
72	Accommodation and Food Services	Firms providing customers with lodging and/or preparing meals, snacks, and beverages for immediate consumption.
81	Other Services (except Public Administration)	Firms providing services not elsewhere specified, including repairs, religious activities, grant making, advocacy, laundry, personal care, death care, and other personal services.
91-93	Public Administration	Federal, state and/or local agencies that administer, oversee, and manage public programs and have executive, legislative, or judicial authority over other institutions in a given area.