



ECONOMIC
RESEARCH
INSTITUTE

ERI UPDATE

NOTES TO SUBSCRIBERS

Survey & Data Sources

ERI continues daily to identify new sources and add to our library of salary and cost-of-living survey information. Data of special interest are the results of the new U.S. Government *OES* surveys which are being conducted in all states (as reported in the October 1995 and April 1996 *Updates*). ERI estimates for U.S. **Geographic Assessor**[®] wage and salary structures are enhanced by the reported results of this nationwide effort, and some *OES* publications will contain "first ever" surveys for certain areas. We also note the addition of over 300 new positions to the 1/1/98 **Salary Assessor**[®] with the addition of hospital, banking, and communications/technology surveys which have provided sufficient sample sizes for inclusion. The 1/1/98 **Consultants' Assessor**[®] database has been enhanced by ERI's collection of 1997 SEC proxies (via the Internet and FTP scripts) for comparison with **ERICA**'s executive compensation maximum reasonable compensation estimates. The complete set of proxy extracts will be available in the 4/1/98 release of ERI's **Platform Library**[®] CD-ROM. The **Relocation Assessor**[®] has been enriched with new survey data relating to auto (Fixed and Variable Rate Analyses), housing, state, county, and city tax information.

At least once a week, ERI Customer Service Staff receive calls inquiring as to the difference between ERI data and that found on the Internet at such sites as www.homefair.com. These and other sites offer estimates of "COL", but generally do not specify their methodology nor define COL categories, do not include area income tax differentials; and some seem to confuse salary with COL data. In general, these sites appear to be designed to attract home buyers, rather than to present carefully researched cost-of-living information.

*Happy New Year and thank you
for renewing your subscription for 1998!*

ERI's 1998 Assessor Series Release Schedule

ERI is a compensation, benefits, and cost-of-living research firm and most of our staff focus on gathering and analyzing data. At the same time, we must follow the evolution from DOS to Windows programs, from 3 1/2" diskettes to CD-ROMs, from diskettes sent in the mail to downloads over the Internet. Our programming release goals for 1998:

Salary Assessor for Windows beta
scheduled for February 1998 release.

ERI Platform Library
(formerly called the Full Assessor Series Platform)
scheduled for April 1998 release. Interim test editions
are available upon request.

Consultants' Assessor for Windows beta
scheduled for July 1998 release.

Geographic Assessor for Windows beta
scheduled for October 1998 release.

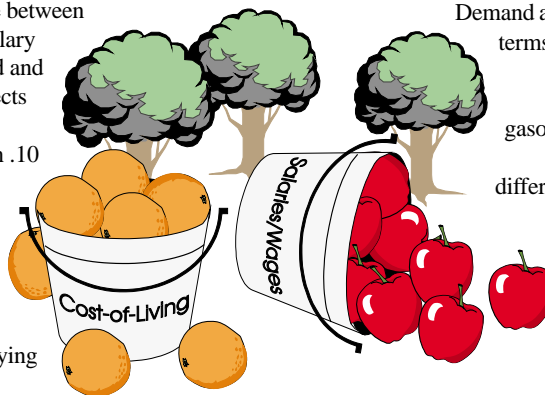
Product download via ERI's website is currently under development. This feature was available via ERI's MSN home page, but ERI is no longer an Independent Content Provider with MSN.

We note that over 1/2 of all subscribers to the **Relocation Assessor** continue to request the DOS version and that most (over 70%) of our subscribers do not utilize PCs with CD-ROMs at work.

GEOGRAPHIC DIFFERENTIALS

Geographic Wage & Salary Differentials

Each year we try to emphasize the difference between **Assessor** geographic cost-of-living versus salary differentials. The former reflects the demand and supply for goods and services, the latter reflects the demand and supply for labor. Wage and Salary R² correlations with COL are less than .10 (that is, COL does not predict salary levels). The application of geographic differentials for branch pay adjustment assures that companies are paying a competitive wage appropriate to attract, retain, and motivate employees (neither underpaying and risking losing employees to competitors, nor overpaying and incurring higher costs than competitors).



Geographic Cost-of-Living Differentials

Demand and supply for goods and services are defined in terms of the data ERI downloads for **Assessor** COL databases from existing sources: rental rates, housing prices, income taxes, property taxes, gasoline prices, medical costs/services, major retail grocery and drug store prices, etc. COL differentials, as reported by ERI, reflect cost models (e.g., an auto of "x" value driven "x" miles/kilometres, home rental with no mortgage tax deductions, home ownership with mortgage tax deductions, etc...). Local wages and salaries do not predict local cost-of-living. Cost-of-living indicates the comparable local buying power for any given salary.

ERI RESEARCH NOTES

H.R. - A Look Toward the Year 2000

ERI's Founding Director spoke at two dozen seminars in 1997, afternoon talks over coffee or lunch, during which H.R. attendees were asked to describe their concerns, anticipations, and expectations for 1998 to the Year 2000. Sessions averaged 24 attendees so the following is not the result of an all-encompassing survey of H.R.; however, meetings were held from DC to Atlanta, from Dallas to Boise, from San Diego to Chicago, and they did allow for informal discussion and development of topics that are rarely covered by written or telephone surveys. Considering the breadth of the audience and the random sampling of the 600+ attendees, the following observations could be argued to be statistically significant (or at the least, worth a quick review). A summary of the views expressed:

Retirement Plans have shifted from company funded pension plans to defined contribution plans. Today, employees fund their own retirements with 401k contributions. The hidden consequence is that executive total compensation has been reduced.

Salary Planning for 1998 remains unchanged from prior years. U.S. companies are again projecting 4% merit increases in a year of record low unemployment! What goes untold is that many are spending their considerable extra salary dollars on new hires, creating and ignoring long-term compression issues. Turnover is at 30% in some firms (50% among technical positions). Many companies only trade employees. Most have "*more immediate problems to address*" (i.e., recruiting/staffing) when queried concerning internal equity.

Employee Benefits has seen its first national law (HIPAA) where state legislation is allowed to supersede Federal. U.S. benefits administration is now 50 times more complex with most states varying their insurance codes from the previous, national standards. Multi-state employers are finding that they must work with consulting firms knowledgeable and (insurance) licensed in each and every state in which they have employees. With the use of self-funded medical plans decreasing (most, if offered with managed care/HMOs, cannot pass Section 105h discrimination testing), this Balkanization of employee medical benefits appears likely to continue.

Relocations are more and more matched with a "*signing bonus*" of some type, with this award being rationalized (so that it is non recurring) as a decreasing, prorated, three year cost-of-living adjustment. With some bonuses exceeding six figures, however, even these cost-of-living rationalizations are seeing their credibility strained.

Communication of pay plan features is imploding under the promise of the Internet. We wonder if there has ever been a technological development more perfectly designed for benefit communications. We heard, "*If your broker/agent/consultant doesn't have your employee benefit communications on the Internet, it is probably time you find another consultant.*"

Law and more law is an easy forecast. A consistently voiced H.R. managers' concern is that their organizations' supervisors possess a "*fear to manage and communicate*" (i.e., fear of legal actions and/or complaints).

Research used to be the means by which consulting firms differentiated themselves. Today, any company has more research data at its command with the Internet (and ERI's **Assessor Series**) than a brokerage/consulting firm of ten years ago.

Merger & Acquisition activity foretells a future with only a few national consulting firms, higher fees/commissions, less innovation, less purchaser's choice and service. During the next years, major consulting firms should provide very frustrating workplaces as consultants work under huge client loads and fee schedules designed to pay off acquisition debt.

Ratios of H.R. staff to total employee population were discussed, with 1 H.R. specialist per every 75 employees being the stated ideal and 1 PC/IS technician per every 15 technical/managerial/clerical (anyone with a PC on his/her desk) being the "*practical reality.*" With Canada and the U.S. having ~300,000 organizations (headquarters) with more than 100 employees, PC/IS personnel are seen as the greatest internal staffing need. Many voiced the observation that ½ of these organizations (150,000) have no individual assigned full-time to the human resource function.

Time or the lack of it was a commonly voiced concern. The real average work week for those attending was 60-65 hours per week. The laptop PC and E-mail are viewed as tools promising that the H.R. professional's work week will grow to 65-70 hours in the Year 2000.

Complexity of H.R. (especially employee benefits and the Internet/communications) makes many experienced and well-trained professionals feel that their vendors take too much time in an educational process which helps them to learn inconsequential items that will be applied once, if at all. Only 2 in 65 were "*single specialty*" professionals (i.e., a compensation specialist who handled only compensation function issues/problems); most H.R. professionals have responsibility for multiple functions.

Vendors and their control lead some to observe that the Chief Human Resource Officer's title may soon change to that of Chief Vendor Control Officer as outsourcing and delegation of key H.R. functions continue to evolve.

"The Best Advice Heard" – simplify!

"The Employer of Choice" is a summary goal expressed by many H.R. managers. Once competitive pay, adequate benefits, and H.R. policies and practices are established, what retains key employees are "*intangibles*" made up of noncompensatory items/issues. Few see the trend toward 800 numbers, PC/E-mail memos, and voice recorded systems as being the type of "*intangibles*" complementary to the attraction and retention of the human spirit, especially key technical and sales/marketing personnel.

ERI RESEARCH NOTES

U. S. January 1, 1998

Geographic Reference Benchmark Positions	Median Salaries
Accountant	41,736.
Accounting Clerk	21,314.
Administrative Assistant	31,150.
Aircraft Mechanic	38,862.
Attorney/Solicitor	68,464.
Automobile Mechanic	36,300.
Bank Teller	16,770.
Benefits Analyst	37,593.
Biologist	38,378.
Bookkeeper	24,825.
Bus Driver	25,803.
Buyer/Purchasing Agent	40,817.
Carpenter (Gen/Maint)	31,726.
Cashier	16,176.
Chemical Engineer	62,094.
Chemical Technician	32,916.
Chemist	41,986.
Civil Engineer	47,425.
Computer Operator	26,685.
Computer Programmer	40,904.
Computer Programmer Lead	44,330.
Construction Worker	23,398.
Controller, Top Corporate	94,828.
Cost Estimator	34,384.
Data Entry Operator	19,358.
Dental Assistant	21,181.
Dental Hygienist	37,558.
Designer Artist	34,261.
Drafter	30,832.
Electrical Engineer	56,916.
Electrician - Certified	38,227.
Electronics Assembler	24,433.
Electronics Technician	38,876.
Engineering Technician	37,013.
Executive Secretary	31,317.
File Clerk	15,841.
Food Service Worker	14,606.
Fork Lift Operator	26,370.
Gate Guard	16,807.
General Clerk	20,833.
General/Institution Cook	20,475.
Heavy Truck Driver	30,923.
Insurance Claims Adjuster	38,684.
Internal Auditor	43,279.
Janitor	16,906.
Librarian	35,410.
Light Truck Driver	18,281.
Machine Tool Operator	26,460.
Machinery Mechanic	34,869.
Machinist General	38,172.
Maintenance Helper	21,100.
Maintenance Repair Worker	26,341.
Market Research Analyst	39,019.
Materials Handler	20,620.
Mechanical Engineer	55,138.
Medical Lab Technician	27,317.
Messenger	15,892.
Millwright	32,001.
Office Manager	38,913.
Order Clerk	21,001.
Painter/Paperhanger	28,495.
Payroll Clerk	24,363.
PC Specialist	34,044.
Personnel Analyst	38,899.
Personnel Clerk	22,516.
Pharmacist	54,383.
Physical Therapist	49,327.
Physician	138,912.
Physicist, PhD	63,518.
Plumber	40,662.
Primary School Teacher	33,225.
Production Supervisor	41,393.
Property Manager/Admin	40,255.
Receptionist	19,472.
Registered Nurse	41,125.
Sales Representative	33,356.
Secondary School Teacher	34,595.
Secretary	24,469.
Secretary to CEO	41,982.
Security Guard	23,548.
Shipping Clerk	21,982.
Stationary Engineer	43,461.
Systems Analyst	52,011.
Systems Analyst Lead	60,735.
Tool & Die Maker	38,705.
Warehouse Worker	25,976.
Welder	29,810.
Word Processor	23,898.

Reference Descriptions/Norms

Each year ERI's 1/1 Update reports the latest national norms from the Geographic Reference Report (the 1998 edition was released in October 1997). Salary data for individual positions has undergone extensive refinement during 1997. In particular, the refinement of position descriptions has caused some change in salary estimates for the 1998 Reference (as compared to 1997).

Examples include:

ACCOUNTANT

The position excludes paraprofessional Accountants. In 1998, Accountants data is restricted to a level of responsibilities typically requiring a four-year degree in Accounting.

ADMINISTRATIVE ASSISTANT

Previously, this position included data for Administrative Assistance / Secretary / Administrative Analyst / Clerk. For 1998, the data is no longer a composite and reflects data reported for Administrative Assistant.

AUTOMOTIVE MECHANIC

The position description and requirements have been revised requiring a higher level of skill and training.

BENEFIT ANALYST

Previously, this position included data for Benefit Specialist / Benefit Analyst. For 1998, the data is no longer a composite and reflects data reported for Benefit Analyst.

BUYER / PURCHASING AGENT

The position description excludes paraprofessional buyers. In 1998, data is restricted to a level of responsibilities typically requiring a four-year degree.

CASHIER

The scope of the position was expanded to include those positions which may authorize expenditures and purchases; may prepare payroll and paychecks; may issue itemized statement to customer. May be designated as Cash-Accounting Clerk, Agency Cashier (insurance); Cashier Front Office (hotel & rest.).

CHEMICAL ENGINEER

The position description excludes paraprofessionals. In 1998, data is restricted to a level of responsibilities typically requiring a degree in Chemical Engineering.

CHEMIST

The position description excludes paraprofessionals. In 1998, data is restricted to a level of responsibilities typically requiring a degree in Chemistry.

CIVIL ENGINEER

The position description excludes paraprofessionals. In 1998, data is restricted to a level of responsibilities typically requiring a degree in Civil Engineering.

CONTROLLER

Previously the Controller was the median of all Controllers reported regardless of the size of the company. For 1998 the median base salary is for a Controller in an organization of \$100 million revenues.

ELECTRICAL ENGINEER

The position description excludes paraprofessionals. In 1998, data is restricted to a level of responsibilities typically requiring a degree in Electrical Engineering.

(see Reference for other description improvements)

1998 medians are not comparable to 1997 medians!

Canada 1 January 1998

Geographic Reference Benchmark Positions	Median Salaries
Accountant	47,268.
Accounting Clerk	26,845.
Administrative Assistant	37,155.
Aircraft Mechanic	41,930.
Attorney/Solicitor	71,078.
Automobile Mechanic	41,554.
Bank Teller	21,024.
Benefits Analyst	43,039.
Biologist	44,199.
Bookkeeper	29,061.
Bus Driver	31,831.
Buyer/Purchasing Agent	45,846.
Carpenter (Gen/Maint)	36,062.
Cashier	21,383.
Chemical Engineer	65,215.
Chemical Technician	38,343.
Chemist	46,948.
Civil Engineer	52,414.
Computer Operator	30,185.
Computer Programmer	44,604.
Computer Programmer Lead	48,224.
Construction Worker	32,901.
Controller, Top Corporate	89,784.
Cost Estimator	40,236.
Data Entry Operator	26,148.
Dental Assistant	27,048.
Dental Hygienist	42,036.
Designer Artist	36,145.
Drafter	36,322.
Electrical Engineer	60,660.
Electrician - Certified	41,151.
Electronics Assembler	26,533.
Electronics Technician	40,416.
Engineering Technician	38,078.
Executive Secretary	38,104.
File Clerk	24,732.
Food Service Worker	18,901.
Fork Lift Operator	29,784.
Gate Guard	21,498.
General Clerk	26,356.
General/Institution Cook	22,995.
Heavy Truck Driver	34,516.
Insurance Claims Adjuster	40,092.
Internal Auditor	48,679.
Janitor	21,928.
Librarian	41,266.
Light Truck Driver	27,934.
Machine Tool Operator	33,813.
Machinery Mechanic	37,107.
Machinist General	36,092.
Maintenance Helper	26,501.
Maintenance Repair Worker	32,200.
Market Research Analyst	44,152.
Materials Handler	26,515.
Mechanical Engineer	59,132.
Medical Lab Technician	33,370.
Messenger	20,752.
Millwright	38,010.
Office Manager	44,047.
Order Clerk	26,313.
Painter/Paperhanger	31,045.
Payroll Clerk	28,908.
PC Specialist	36,062.
Personnel Analyst	44,729.
Personnel Clerk	29,264.
Pharmacist	54,043.
Physical Therapist	47,774.
Physician	116,774.
Physicist, PhD	66,448.
Plumber	41,981.
Primary School Teacher	43,224.
Production Supervisor	49,879.
Property Manager/Admin	42,053.
Receptionist	22,970.
Registered Nurse	41,091.
Sales Representative	39,765.
Secondary School Teacher	47,018.
Secretary	28,124.
Secretary to CEO	47,676.
Security Guard	30,963.
Shipping Clerk	27,098.
Stationary Engineer	44,076.
Systems Analyst	56,454.
Systems Analyst Lead	63,904.
Tool & Die Maker	41,072.
Warehouse Worker	30,481.
Welder	37,109.
Word Processor	27,707.

GUIDELINES FOR USING ASSESSOR SOFTWARE

DOS® - Windows®

DOS **Geographic, Relocation, and Salary Assessor** programs may be run from the diskette. We recommend, however, copying your **Assessor** software to your hard drive and saving the diskette(s) as backup copy(s). Windows versions of **Assessor** software require installation (may not be run from the diskette) as do the **Consultants' Assessor** and the optional Full Position Description database for the **Salary Assessor**. Power Mac users may not access **Assessor Series** data without first partitioning your hard drive and adding DOS operating programs.

Running from your PC's Floppy Drive

DOS **Geographic, Relocation, and Salary Assessor** programs may be run from the diskette. Place the **Assessor** for DOS diskette in your floppy drive. Make this disk drive your current directory and type the **Assessor's short name + enter**, e.g. *erisa* for the **Salary Assessor + enter**. The DOS **Assessor** executable names are *eriga, erira, erira i, erisa*. The **Consultants' Assessor, Relocation Assessor** for Windows, **Salary Assessor** for Windows, and **Salary Assessor** for DOS diskette #2 datasets must be installed to your hard drive (may not be accessed from the diskette). Please remember: when running a program from the diskette, do not remove the diskette from the floppy drive or turn off your PC until you have completely exited the program.

Running from your PC's Hard Drive

Locate or create your **Assessor Series** program sub-directory or folder (example *c:\er\eriga*). For DOS versions, copy all files to the directory and then execute. For Windows versions, run the *install* program from the diskette. Please remember to use different directories or folders for each different product. Keep the **Assessor** diskette as a backup.

Assessor for DOS Function Keys

F1	Access Help Screens and Program Notes
F2	Choose from a Listing
F5	Save file to disk
F6	Load file from disk
F8	Print to file or printer
Alt	+/plus screen number, Jump to any screen
PgUp	Move to previous screen
PgDn	Move to next screen
Esc	Move to previous screen or escape from Help Screen
Alt + Q	Quit Program (or Esc from 1st Screen)
Alt + S	View alternative survey sources

All **Assessor Series** programs store data (areas, positions, etc.) alphabetically. Type the *city name* and *comma* and begin to spell the *state name* to prompt the correct city and state.

Geographic Assessor for DOS

In Screens 7 and 8 you may compare up to ninety-nine areas to one Base City at a time. "*National Average, U.S.*", "*Canadian National Average*", and "*zz00*", "*zz10*", etc. are available for use as standard Base Cities.

F5	Load listing - Screens 7 and 8
F6	Save listing - Screens 7 and 8
Insert	Insert a city to a listing
Delete	Delete a city from a listing
F2	Select an area from a listing by state, province, or county
F9	Override the \$99,999 salary limit in Screen 4, or to convert value types (percentages to dollars) in Screens 7 and 8.

Salary Assessor for DOS

Screen 2 provides detailed pay range information for a single position. Screen 4 lists pay for multiple benchmark positions. Screen 5 lists pay for a single position in multiple locations. Diskette 2 must be installed in order to access full position descriptions and alternative survey sources.

F2	Select position from a listing
F3	Delete data from any entered line
F11	Toggle between median and mean salary estimates
Ctrl + ↑	Insert above a line in a listing
Ctrl + ↓	Insert below a line in a listing

Salary Assessor for Windows

Requires installation to your hard drive, may not be run from the diskette. Please refer to on-line help menus (scheduled release date: 1 September).

Relocation Assessor for DOS

Use other commands as described in the **ERIGA** section. *erira i.exe* runs the international city database.

Relocation Assessor for Windows

Requires installation to your hard drive, may not be run from the diskette. Please refer to on-line help menus.

Downloading from the Internet

<http://www.erieri.com>

Product Download shortcut under development.

Consultants' Assessor for DOS

Requires installation to your hard drive, may not be run from the diskette. Please refer to on-line help menus.

Alt + M Main Menu of functions and subprograms

Alt + Q Quit subprogram or program

Platform Library CD-ROM

ERI's **Platform Library** (beta test) is a run-only compendium of non-copyrighted data and includes **Assessor Maps**, Full Position Descriptions, Compensation Related Tax and Law Code, Census Data, and other large reference datasets. These datasets may be accessed conveniently from the CD-ROM, without requiring installation to large amounts of hard drive space.

Documentation

The **Assessor Series Documentation Manual** is available upon request (800) 627-3697. All new subscribers receive this DOS edition; Windows edition documentation is contained in each Windows edition program.

Geographic Assessor	Data Expires 06/30/98
Salary Assessor	Data Expires 06/30/98
Relocation Assessor	Data Expires 06/30/98
Consultants' Assessor	Data Expires 06/30/98

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