



**ECONOMIC  
RESEARCH  
INSTITUTE**

# ERI UPDATE

## NOTES TO SUBSCRIBERS

### ERI's Platform Library CD-ROM & 5555-5555-5555-5555

This *Update* is accompanied by **ERI's Platform Library** 10/98 release. Potential subscribers are invited to use the "To Install" and "Order and Install" commands and then type 5555-5555-5555-5555 as a "backdoor" release code. This will allow review of the new Windows95 edition of the **Salary Assessor** and access to the full *OES* salary survey results (for 631 U.S. areas and 778 positions). This complete edition of the **Salary Assessor** data will expire 12/31/98. For attorneys who must utilize the new *OES* data for immigration application purposes, **we know of no other source where *OES* national data and all states' data has been published** (including Guam, P.R., etc.)

### 1999 Geographic Reference Report

ERI's *1999 Geographic Reference Report* is scheduled for October 15, 1998 release. 298 North American cities are profiled in this hardcopy analysis report that combines key data summaries from the **Geographic Assessor**, **Salary Assessor**, and **Relocation Assessor**. Salaries for 88 benchmark positions, cost-of-living, workforce demographics, and other key indicators for 265 U.S. and 33 Canadian cities are reported.

### Lawyers & CPAs as Expert Witness

The State of California has sent storm clouds across the national landscape of those who offer themselves as authoritative and expert witnesses in matters relating to compensation:

- 1) At a joint State attorneys/judges conference this Spring, leading jurists' speeches highlighted the Courts' new unwillingness to any longer accept CPAs and/or lawyers as "compensation experts".
- 2) Since then, search firm and other surveys have been steadily rejected by the Courts (also affecting business appraisals).
- 3) All perhaps related to an Orange County case in which an individual won a malpractice claim against both her divorce lawyer and CPA firm (for performing insufficient analyses while misleadingly representing themselves as experts in compensation and benefit matters).
- 4) A consequence being that E&O carriers are now differentiating and excluding this service from their malpractice policies.

**5555-5555-5555-5555**

*the "backdoor" release code in the accompanying CD also allows a review of the **Salary Assessor's Executive Compensation** module and its new capability to list "comparable companies" via publicly available proxy data as found in **ERI's Platform Library**.*

*For Reference and/or Assessor subscribers who have not yet renewed your subscription for next year, a 1999 renewal offer accompanies this *ERI Update*. To conserve postage and packaging, ERI sends out the following year's subscription renewal offer with the last two quarterly releases of each year's subscription. Prices remain unchanged since the 1993 subscription year with **ERI's Platform Library, Salary Assessor** for Win95, and a subscriber specific **H.R. Intranet site**, being complimentary additions for **Full Assessor Series** subscribers.*

### An Economic Look to 1999

A column in the July 1998 *ERI Update* noted the rapid rise in labor costs (health care and salaries) within the U.S. and the apparent inability of most industrial sectors to raise prices (to recapture these cost increases). ERI's two year forecast is for a period of lower corporate profits, with the consequence of stock market and interest rate fluctuations. During the past three months (since printing the 7/98 *Update*) an even more dramatic increase in health costs is reported. Carriers are quoting 35 - 75% increases for health care indemnity plans and HMOs are increasing at rates of 15-25%. Moreover, this Autumn we began to see the results of consulting firms' salary increase budget surveys. The rates being reported are even more troubling. Companies must find a way to recover these cost increases.

### Salary Increase Rate Forecasts

Major consulting firms (Hewitt, Mercer, Watson Wyatt, etc.), along with the ACA, all publish U.S. and Canadian merit and general wage/salary increase budget and trend reports. A summary for 1995-1998 (with 1999 data being ERI's own forecast):

	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999*</u>
High Salary	4.1 %	4.3 %	4.5 %	4.4 %	4.7 %
Salary	4.0 %	4.1 %	4.3 %	4.3 %	4.5 %
Wage-Earner	3.9 %	4.0 %	4.1 %	4.2 %	4.3 %

(Comparable to Salary-Bonus, Salary Non-Bonus, Wage Earner and/or Exempt-Bonus, Exempt-Non-Bonus, Non-Exempt)

For Canada:

	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999*</u>
High Salary	2.5 %	3.3 %	3.3 %	3.3 %	3.3 %
Salary	2.3 %	3.0 %	3.0 %	3.1 %	3.2 %
Wage-Earner	2.4 %	3.0 %	3.0 %	3.1 %	3.0 %

Source: 1997-1998 Total Salary Increase Survey, ACA; % estimates\* for 1999 are ERI's. See [www.acaonline.org](http://www.acaonline.org) for ACA's latest 1998-1999 survey estimates which are again (as with 1997) lower than ERI's.

# NOTES

## Quarterly Trend Analyses

ERI's **Salary Assessor** software was developed in answer to our subscriber's request for an easy-to-use, automated source of consensus salary survey data and as a complementary program to the **Geographic Assessor**. The **Salary Assessor** is designed to be as simple to access as "taking a survey down from the shelf and looking up survey data for a particular job." Unlike a book, the **Salary Assessor** will perform functions which must otherwise be calculated by hand (e.g., applying a geographical differential adjustment to a specific job or trending data forward or backward to specific planning dates).

ERI performs an assessment of multiple surveys; i.e., the analysis, projection, and refinement of individual survey data, based on ERI statistical techniques. The data within the **Salary Assessor** are those for which multiple salary survey sources are available and for which reported data has been condensed, modified and compiled.

It is always a philosophical debate between preserving historical city job comparisons versus providing the best city job data each quarter. ERI's philosophy is to present the best data available to our subscribers each quarter. It is for this reason ERI developed the quarterly subscriber data updates to the **Assessor** software and database. Periodically, new city data sources become available or the quality of an existing survey deteriorates. In these instances, there may be some effect on the wage trends for certain jobs in certain cities.

Little if any distortion in national U.S or Canadian wage trends will ever occur as a result of new city data sources becoming available and /or previous sources dropped. Due to the relatively smaller amounts of published area data, subscribers may wish to use some caution when performing an area or city trend analysis over the period of only two consecutive quarters.

Certain jobs in certain cities may have some wage trend distortion when compared to the previous quarter due to new sources of city data becoming available and/ or previous sources dropped. Subscribers may wish to consider performing wage trend analysis for a particular job in a particular city over multiple quarters rather than comparing to only the previous quarter for best wage trend analysis results.

## Geographic Assessor

In the July Update, we described the modification factors applied because of the overweighting of the new *OES* data in our April editions. There were several reasons noted but unmentioned... and we quote from *OES/BLS* technical methodology:

*"... a responding establishment may provide employment information, but refuse to provide wage distribution information for selected occupations. The OES survey currently uses a mean of cell procedure to impute the missing data for this partial report. The imputation procedure replaces the missing data by determining the distribution of the reported occupational wage data across wage intervals in the current Area/SIC/Size Class."*

## H.R. Intranet Site

A new H.R. Intranet site capability has been added to ERI services. It allows ERI subscribers to periodically download the most current **Assessor Series** data. An Internet sent, self-extracting program with the most recent files will search your PC and replace any current year subscription's datasets. (Quarterly diskettes will also/still be sent in 1999.)

An H.R. Intranet site also creates the ability to maintain up-to-date corporate forms/files for branch office administration. For example, change this prose area, 'news.htm' to post a notice for managers. Maintain up-to-date personnel guidelines, logos, and expense reimbursement forms.

For those taking advantage of the Internet for benefit communications (automatically answering FAQs, displaying Provider Directories, and satisfying "electronic safeharbor" disclosure requirements) and who have differing classes of benefits (Hourly, Salaried, Executive), a 'census.txt' file exists so that at this confidential, password protected site, you may change your employees' benefit coverage profiles. Because this data relates to insurance, benefit sites are maintained by BTA, a third-party firm, licensed in all States.

Capture any file and alter, edit, and upload your changes. A unique, company specific HR Intranet site is provided on a complimentary basis to all ERI 1999 **Full Assessor Series** subscribers. For others, this site is provided for a calendar year subscription of \$ 649. Benefit communications subscriptions via the Internet, subject to size/usage limitations, are \$ 1,647/year per organization/division. (Again, ERI is not licensed in insurance nor does ERI provide compensation and/or benefit consulting, so this site is maintained by a third-party benefit consulting firm). Visit: [www.erieri.com/clients](http://www.erieri.com/clients) to review a demonstration site.

**Full Assessor Series** subscribers will be sent their "null" password and account # in late November 1998. For a preliminary view, call (800) 627-3697, for the 7 digit account number given to your directory. (Or you may already know it! The # initially to be used will be 00#####, with the 5 digit ##### being your ERI Account number.) Type in:

[www.erieri.com/clients/?id=00#####](http://www.erieri.com/clients/?id=00#####)

and then change your password. This site is not intended for employee use, but rather as a site just for Human Resource Managers within an organization who might wish to utilize an Internet site specifically designed to assist H.R. Management.

## Relocation Assessor

ERI researchers continue to add small Canadian cities that serve as RCMP "detachment" locations. Other work is concentrated on incorporating the data gathered via ERI's survey instruments found at its Internet site (see page 6 of this Update for a discussion of ERI's International Cost-of-Living Survey).

# H.R. INTRANET SITE

## A Note to ERI's Full Assessor Series Subscribers

You may now download ERI's latest datasets via the Internet. And in 1999, ERI is providing a free Human Resource Intranet site to all Full Assessor Series subscribers as we further develop these capabilities.



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**Assessor Series®**  
software and reports:  
Geographic Reference Report  
Salary Reference Reports  
Geographic Assessor  
Salary Assessor  
Relocation Assessor  
Consultants' Assessor  
ERI Platform Library

AREA WAGE & SALARY DIFFERENTIALS • COMPETITIVE SALARY INFORMATION • JOB DESCRIPTIONS • COST-OF-LIVING, PER DIEM, & RELOCATION ALLOWANCES • INTERNATIONAL COSTS • APPRAISAL AREA & INDUSTRY SUMMARIES • EXECUTIVE COMPENSATION DATA • WORKFORCE/ AREA DEMOGRAPHICS • GLASS CEILING ANALYSES • HEALTH BENEFIT COSTS • REASONABLE COMPENSATION ANALYSES •

## Save Years of Your Staff Members' Time; Let the Internet Answer Employee Benefit Questions

**Summary of Benefits**

**AAA ShowMe**  
THE FOLLOWING DATA IS FOR DEMONSTRATION PURPOSES ONLY

Welcome to AAA ShowMe (California) employee benefits. This guide outlines the key features of your benefit package. For more detailed information regarding your coverage, please select SED under the plan name or see your employer's insurance carrier provided benefit booklet. If any conflict arises between the guideline below and any plan provisions, actual plan documents/carriers' booklets will govern in all cases.

\* This site is designed to satisfy requirements for delivery of Summary Plan Descriptions and Material Modifications. Please review the 1 Jan 1998 SMM regarding your health plan. If print capability to paper form does not exist, printed materials are available upon request, via Email or Fax buttons above, or by

## Link to Carriers' Sites/SPDs/SMMs

MEDICAL - AETNA HMO PLAN	
AETNA/US HEALTHCARE	
SPD	SMM
Feature	Benefit
Dr. Office Copay	\$5 copay
Hospitalization	\$250 per admission
Prescriptions	\$5 Generic / \$10 Brand
Mail Order Prescriptions	\$10 for 90 day supply
Emergency Room	\$50 copay
Durable Medical Equipment	\$200 deductible, \$700 annual maximum
Outpatient	\$30 per visit, 20 visit annual maximum
Inpatient	\$50 per day, 30 day annual maximum
Maximum Copay	\$1,500 Individual / \$3,000 Family
Plan Maximum	Unlimited

## Take Advantage of the DOL's Electronic Safeharbor for Reporting and Disclosure

(link directly to your Benefit site from your Firm's Home Page and/or via an organization's specific URL)

## Update Assessor Data

**LATEST ASSESSOR SERIES® DATA UPDATES**

Single, All-Inclusive Dataset Update  
Full Series 01-Oct-1998 12:00 96K Self-installing update of all Full Assessor Series datasets

Single Windows Dataset Updates  
Win\_SA 01-Oct-1998 12:00 46K Self-installing update of Windows95 Salary Assessor data  
Win\_RA 01-Oct-1998 12:00 36K Self-installing update of Windows3.1 Relocation Assessor data

Single Windows Dataset Updates  
DOS\_SA 01-Oct-1998 12:00 26K Self-installing update of DOS Salary Assessor data  
DOS\_RA 01-Oct-1998 12:00 36K Self-installing update of DOS Relocation Assessor data  
DOS\_GA 01-Oct-1998 12:00 36K Self-installing update of DOS Geographic Assessor data  
DOS\_CA 01-Oct-1998 12:00 66K Self-installing update of DOS Consultants' Assessor data  
DOS\_BA 01-Feb-1998 12:00 26K Self-installing update of DOS Benefit Assessor data

Latest CD ROM - ERI's Platform Library

**Organization Files**

Name	Last Modified	Size	Description
Parent Directory	15-Jul-1998 16:15	-	You are currently at this level
Expform.xls	14-Jul-1998 15:51	40K	Expense & Reimbursement Form
Guidelines.rtf	14-Jul-1998 15:52	16K	Employment Guidelines
Logo.gif	14-Jul-1998 15:51	3K	Your Organization Logo (above)
News.htm	15-Jul-1998 16:36	2K	The Message (at left)
Xcensus.txt	15-Jul-1998 16:23	<1K	Employee Census File for Your Benefit Communication Site "Profile Type;SSN;Password"

Please use file extensions appropriate for the file type.

Select the service desired, fill in all fields below, and send via the mails, e-mail or fax your order for a 1999 calendar year subscription to either:

**YOUR OWN HR INTRANET SITE** - calendar year service fee - \$649/year  
1999 Subscription (provided on a complimentary basis to all ERI Full Assessor Series subscribers) - **If not a Full Assessor Series subscriber, you will be invoiced by ERI. After your subscription payment is received, a paid invoice receipt will be returned with your 7 digit access code and password (the latter should be changed upon activation of your site).**

**YOUR EMPLOYEE BENEFITS COMMUNICATION INTERNET SITE**  
1999 Subscription - calendar year service fee - \$1,647/year - To activate your site send copies of your Benefit booklets/coverages to BTA, 901 Dove St, Newport Beach, CA, 92660 along with a check for \$1,647 made out to BTA. After your subscription payment is received, a paid invoice receipt will be returned. (Subscriptions are offered pursuant to the "Limitations of Access and Plan Profiles" as described.)

(If more than one Benefit Plan Profile is Used within Your Organization or if Passwords are desired, an HR Intranet subscription is also required.)

(Review this site at: <http://www.eri.com/clients>)

The above flyer/description is included with ERI's Autumn marketing campaign.

Supporting benefit communications appears to make great sense, if for no reason other than satisfying DOL reporting requirements. We would very much appreciate subscriber comments, suggestions, and feedback.

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telephone  
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e-mail

or visit us at:  
[www.eri.com/clients/](http://www.eri.com/clients/) website

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# OES SURVEY & DATA ANALYSES



## 10/98 ERIPL and ERISA

Although ERI will no longer be using *OES* data in calculating means for professional and managerial positions, **ERI's Platform Library** contains a full dataset of recently released *OES* and *NCS* data from the BLS. Menus allow for comparisons of **ERISA** positions and areas against BLS-defined job families and labor markets (which vary between *OES* and *NCS*).

OES Code	Level	Overall Mean	Level I Mean Beginning	Level II Mean Fully Competent	OES Title
13002	1	48,922	24,274	81,235	FINANCIAL MANAGERS
13005	1	44,849	24,252	55,307	PERSONNEL, TRAINING, AND LABOR RELATIONS MANAGER
13008	1	44,817	27,582	52,268	PURCHASING MANAGERS
13011	1	40,726	25,230	48,464	MARKETING, ADVERTISING, AND PUBLIC RELATIONS MANAGER
13014	1	46,130	24,708	54,768	ADMINISTRATIVE SERVICES MANAGERS
13017	1	59,613	36,884	85,878	ENGINEERING, MATHEMATICAL, AND NATURAL SCIENCES MANAGER
15002	2	36,837	29,882	40,394	POSTMASTERS AND MAIL SUPERINTENDENTS
15005	1	65,411	26,610	85,312	EDUCATION ADMINISTRATORS
15008	1	40,525	27,206	60,894	MEDICINE AND HEALTH SERVICES MANAGERS
15011	3	31,098	14,282	39,458	PROPERTY AND REAL ESTATE MANAGERS AND ADMINISTRATORS
15014	1	42,390	16,552	50,294	INDUSTRIAL PRODUCTION MANAGERS
15017	1	51,584	36,982	58,885	CONSTRUCTION MANAGERS
15021	2	44,512	23,053	60,752	MINING, QUARRYING, AND OIL AND GAS WELL DRILLING MAINTENANCE AND REPAIR WORKERS
15023	1	49,882	37,253	58,347	COMMUNICATIONS, TRANSPORTATION, AND UTILITIES OPERATIONS MANAGERS
15026	1	22,880	14,248	27,206	FOOD SERVICE AND LODGING MANAGERS
15031	2	24,419	17,889	25,584	NURSERY AND GREENHOUSE MANAGERS
15032	1	21,362	16,926	22,069	LAWYER SERVICE MANAGERS
19002	4	29,824	10,379	32,571	PUBLIC ADMINISTRATION CHIEF EXECUTIVES, LEGISLATOR
19005	1	50,752	24,544	63,856	GENERAL MANAGERS AND TOP EXECUTIVES
19009	1	47,424	27,414	57,488	ALL OTHER MANAGERS AND ADMINISTRATORS
21102	2	50,888	29,073	81,381	UNDERWRITERS
21105	4	36,982	22,838	44,034	CREDIT ANALYSTS
21108	2	38,020	22,227	42,430	LOAN OFFICERS AND COUNSELORS
21111	4	34,050	16,037	43,058	TAX PREPARERS
21114	1	35,983	23,878	41,995	ACCOUNTANTS AND AUDITORS
21117	2	38,086	20,910	44,595	BUDGET ANALYSTS
21199	2	41,434	24,378	49,962	ALL OTHER FINANCIAL SPECIALISTS

Occupation(3)	Mean	10	25	Mediar
All occupations	616.53	86.78	89.62	813.88
All occupations excluding sales	16.63	6.90	9.67	14.08
White-collar occupations	19.33	9.75	11.13	16.25
White-collar occupations excluding sales	25.73	14.49	18.33	24.36
Professional specialty and technical occupations	23.89	12.50	16.00	21.66
Professional specialty occupations	25.73	14.49	18.33	24.36
Engineers, architects, and surveyors	26.92	16.09	20.19	25.77
Electrical and electronic engineers	27.44	-	-	-
National and computer scientists	25.23	16.13	19.26	24.25
Computer systems analysts and scientists	25.88	16.35	19.64	25.00
Natural scientists	18.36	-	-	-
Health related occupations	23.08	15.00	16.94	20.66
Registered nurses	22.77	15.78	17.59	20.86
Teachers, college and university	29.72	20.22	23.23	31.68
Teachers, except college and university	22.27	15.78	17.59	20.86
Elementary school teachers	26.93	15.00	21.00	26.22
Secondary school teachers	28.45	17.79	21.61	28.94
Teachers, special education	26.56	-	-	-
Librarians, archivists, and curators	20.25	-	-	-
Librarians	20.21	-	-	-
Social scientists and related workers	-	-	-	-
Social, recreation, and relations workers	-	-	-	-

## The OES Survey

After a year of study and struggle working with the new *OES* salary survey, ERI is no longer incorporating *OES* data for professional, paraprofessional, managerial, and other positions as part of ERI position pay analyses (as of 10/1 editions). Subscribers now may review a **Prevailing Wage Comparison**: "what real salary surveys show as compared to the *OES* head count extracts." Our exclusion of *OES* survey data in our analyses of position pay is explained by *OES* practices of:

- 1) reporting inflated "typical" and "experienced" "means."
- 2) reporting "winsorized means" (i.e., "plug data" is published).
- 3) reporting "n's" that are not representative of the actual survey sample.
- 4) combining paraprofessionals, professionals, and first line supervisors as a single "job."

## ERI's Salary Assessor Prevailing Wage Comparison

Presently, it is ERI's understanding each state's employment security agency makes its own interpretation of the guidelines in GAL No. 2-98. Consequently, the year of 1998 and 1999 may be a time in which many different State interpretations of GAL 2-98 are made. Hopefully, with time, there may become a more consistent interpretation of GAL No 2-98 among the States. Many employers and attorneys are reporting the prevailing wage determinations made by States (based on *OES* data) are unreasonably high. Others have raised the question as to whether or not the present application of the regulations should be legally challenged.

Many States are accepting ERI Economic Research Institute findings related to prevailing wages as a supplement to *OES* data. It should be noted that ERI's DOS Salary Assessor (first released in 1988) was not designed for GAL No. 2-98 which was issued October 31, 1997. However, our "Prevailing Wage Comparison" (released in 1998 as a module of the Windows95 Salary Assessor) is in direct response to GAL No. 2-98. The Prevailing Wage module of ERISA Win95 compares the consensus weighted averages of all surveys collected and analyzed by ERI ... along with the *OES* data for comparison purposes. Hence the title of the analysis presented: "Prevailing Wage Comparison".

While many States are accepting ERI Economic Research Institute (ERISA Win95) findings related to prevailing wages as an supplement to *OES* data, two States (to our knowledge at this time) are not: New York and New Jersey. While their interpretations appear to be based on the pre GAL 2-98 version of our product (ERISA DOS) and not (ERISA Win95), their comments are cited below:

ERI data is based on multiple surveys which helps assure all industry coverage per GAL No 2-98. However, New Jersey has interpreted the guidelines that: "...the regulations outlined in General Administrative Letter No. 2-98 (GAL 2-98) do not allow for combining of wage data from separate surveys....".

Under this interpretation, it appears the only single wage survey which will comply with New Jersey's interpretation is the *OES* survey itself. Few, if any, single published surveys (except *OES*) cover all industries in every location. And the fact that, to our knowledge, the Level I and Level II prevailing wage means have not been published by New Jersey puts the State's services in a commanding position.

The other State is New York and involves the same issue - Economic Research data being based on multiple wage surveys (which helps assure all industries are covered per GAL No. 2-98). New York State has stated: "what steps were taken to insure that the employees in the component surveys are not represented more than once. It is noted that the inclusion of results (by ERI) from *OES* and BLS National Compensation Survey makes duplication representation highly likely".

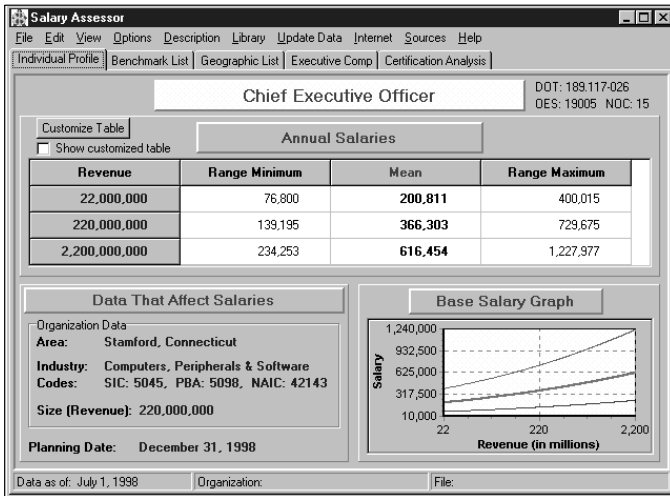
This interpretation apparently means in the State of New York a survey can only be used if the companies who participated in one wage survey did not provide data to any other wage surveys during the two year period specified in GAL No. 2-98 (either a private survey or a government survey). If a company provided data to more than one survey during the two year period, then the surveys may not be used as part of a multiple survey approach. Being that ERI uses both private and governmental wage surveys and most major employer participate in more than one survey over a two year period, this interpretation appears to effectively block the use of multiple surveys in the State of New York.

At some future date the Department of Labor may release further guidelines to bring about consistency among the States in their interpretations of GAL No. 2-98. In the interim, ERI Economic Research Institute does not plan on developing a new methodology or product each time one State makes a different interpretation of GAL No. 2-98 as compared to other States. At such future time the Department of Labor issues further clarification of GAL No. 2-98, ERI will review its Prevailing Wage Comparison methodology (as contained in ERISA Win95) to comply as best we can with DOL interpretations of GAL No. 2-98. Hence, at this time, ERI can not predict which States will or will not accept its Prevailing Wage Comparison analyses for immigration application purposes.

# EXECUTIVE COMPENSATION ANALYSES

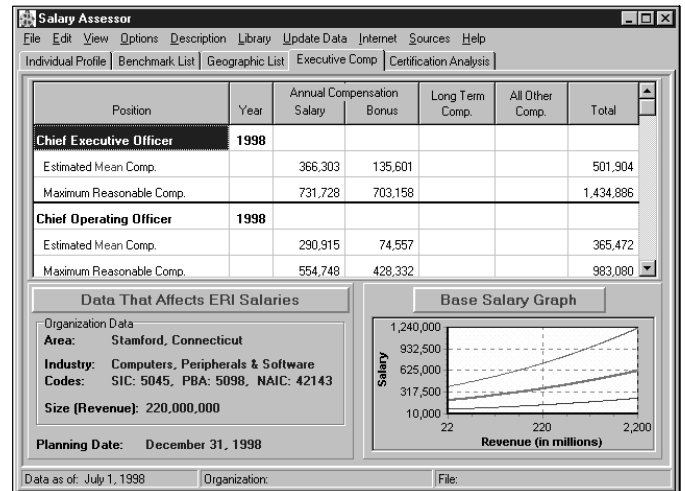
## Individual Profile

Top management competitive base salaries are reported by industry, date, organization size, and geographic area.



## Maximum Reasonable Compensation

The Salary Assessor for Windows95 now includes an Executive Compensation module taken from the DOS Consultants' Assessor.

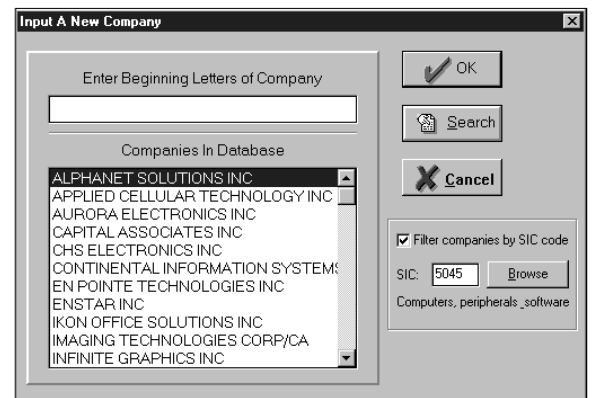


## Maximum Compensation Definition

ERI combines the results of other executive compensation surveys with its analysis of proxy data extracts (those proxies can be reviewed using the Executive Compensation Menu found in ERI's Platform Library). Base salary and annual incentives are analyzed with "maximum" compensation ranges being set at 3.01 standard error above the mean in a very skewed distribution.

## Automated SIC Search Proxy Search Menu

A filter has been added so that subscribers may review only companies within a specific SIC. The Platform "buffer" contains the SIC# last used in an Assessor so that the closest public company's compensation proxy data is easily accessed.



## Selection of Comparable Corporations

Each Quarter ERI's Internet file server downloads the most recently posted SEC proxy extracts (Edgar). These prose files are used for two purposes: 1) reproducing them on ERI's Platform Library (where one may review them much more quickly and easily than by using the relatively slow and cumbersome SEC Edgar program and 2) parsing out the data reported in the Direct Compensation Tables into ASCII test files that can be analyzed by ERI's regression analysis programs. For those who have done these type of analyses, we should also note that 10-K and other sources are used to extract "size" dimensions (usually revenues), SIC#, addresses, and other data required for our analyses.

NAME	AGE	CAPACITIES IN WHICH SERVED	IN CURRENT POSITION SINCE
<S>		<C>	<C>
Stan Gang	62	Chairman of the Board, President and Chief Executive Officer	June 1984
Sophien Benmaceur	35	Executive Vice President and Chief Operating Officer	October 1996
Gary S. Finkel	39	Vice President, Chief Financial Officer and Treasurer	November 1995
John Centinaro	41	Vice President--Sales	February 1997
John Crescenzo	48	Vice President--Customer Technology Services	February 1997
Bruce Flitcroft	31	Vice President--Network Consulting Services	February 1997
Lawrence Mahon	33	Vice President--National Accounts	May 1996
Philip M. Pfau	42	Vice President--Operations and Administration	May 1996
Dennis Samuelson	40	Vice President--Education Services	May 1996

Name of Individual	Capacities in Which Served	Year	Salary	Bonus	Other Comp. (1)
<S>	<C>	<C>	<C>	<C>	<C>
Bob Bin	President and Chief Executive Officer	1996	\$381,280		
Javed Latif (2)	Executive Vice President	1995	\$231,000	\$ 22,250	
		1996	\$125,833	\$126,300	
		1995	\$168,500	\$ 22,160	
Kevin Schaezle (2)	Senior Vice President	1996	\$142,500	\$190,330	
		1995	\$178,000		
Ellis Posner (2)	Vice President of Sales	1996	\$120,000	\$ 62,515	
		1995	\$122,000	\$ 8,339	

# INTERNATIONAL REFERENCE & SURVEYS

## International Data & Analyses

ERI hosted a booth at eight national association conventions in 1998 and noted the overuse of the words: "global", "worldwide", "international", and "foreign" by consulting firms. But that is all we observed; we saw very little in the way of data collection efforts and/or results related to international benefit and compensation information. The consequence being ERI's decision to again publish an International Reference (last published by ERI in 1992), but this time with the use of the Internet to assist in data collection.

## International Assessor

Unbeknownst to many, ERI has been compiling and publishing international cost-of-living analyses (type *erira i* to boot the DOS Relocation Assessor or see Data Options in the Windows edition) Data, until now, has been combined from UN and US sources.

Prepared For		Housing		Automobile(s)	
Name:	Example Executive	Own or Rent:	Rent	Number Owned:	0
Annual Earnings:	180,000	Square Feet:	1,000	Total Value:	0
		Family Size:	2	Miles/Year:	0

Two City Cost Comparison Data As Of: Jul 01, 1998	Base City: Victoria, Hong Kong United States Dollar	Destination City: Beijing, China United States Dollar	Differentials U.S. Dollar
Consumables	19,641	14,142	-5,499
Transportation	861	229	-632
Health Services	3,202	2,206	-996
Rent/Utilities/Insurance	90,799	113,311	22,512
Income+Payroll Taxes	65,406	65,406	0
Miscellaneous	91	91	0
<b>Total Cost of Living</b>	<b>180,000</b>	<b>195,385</b>	<b>15,385</b>
COL % of Base City	100.0 %	108.5 %	8.5 %
COL % of U.S. Average	206.7 %	224.4 %	

## International Cost-of-Living

International cost-of-living data is now being collected daily using ERI's Internet site. Participating organizations receive copies of the results, the 1999 International Reference, at 1/2 price.

ERI's Cost of Living Survey Input

Choose the country for which you are entering data:

Albanian  
Albania  
Algeria  
Andorra  
Angola

Select Country

## International Salary Survey

In a like manner, salary data is being collected for 24 positions per industry (positions vary by industry) with a focus on U.S. expatriate and national comparisons.

International Wage Survey  
Participant Information

Please fill in data for all Organization Information fields shown below. Tab between fields. Input data for at least 5 positions. Survey input will automatically be sent via E-Mail to the before listed official.

Please register your organization information

(\* Submittal Required)

\* Your Name: \_\_\_\_\_

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- ERI's Platform Library

**ASSESSOR SERIES**

- Geographic Reference
- Geographic Assessor
- Relocation Assessor
- Salary Assessor
- Consultants' Assessor

**RESEARCH BACKGROUND**

- ERI Update 1 July 1998
- Freq Asked Questions
- About ERI
- Notes for Subscribers
- Available Salary Surveys & COL Sources

**INTERNATIONAL SURVEYS**

- Wage and Salary
- Cost of Living
- FOREIGN LANGUAGE OFFERINGS
  - Passeport pour la Canada ERI
  - Deutscher Reisepass
  - Sverige-passet-ERI
  - Passeport pour la France-ERI
  - Relocation-España-ERI
- CAREER & COLLEGE PLANNING
  - Maximum Job or Career Earnings Potential for 5,000+ Jobs
  - Student Cost of Living in Any of 5,000+ College or Work Areas

Salary & wage survey data, salary software, executive compensation, cost of living COL (cost-of-living), and area & geographic differential analyses for relocation and pay planning from ERI Economic Research Institute's Assessor Series® and Reference Series. Review ERI's Salary Assessor® (ERISA), Relocation Assessor® (ERIRA), Geographic Assessor® (ERISA), Geographic Reference Report, or any of nine Salary Survey References published by ERI. Responsible for market pricing, benchmark listings, bonus & incentive plans, employee transfers, or salary administration? Need Two City Comparisons (housing costs, home prices, apartment rents, taxes, services, consumables, transportation); wage differentials for branch office salary planning, or do you have litigation needs such as glass ceiling analyses or executive reasonable compensation defenses?

## International Reference Report

After five years of effort, ERI found in 1992 that it was impossible to reproduce the type of reference report for international locations that it did for the U.S. and Canada. The consequence was our discontinuing the publishing of this report (which then closely mirrored the content of the Geographic Reference). In mid 1998 we began collecting data on different categories, instituted the collection of cost-of-living and salary data on the Internet, and tested international markets for participation and subscription purposes. At this time, the categories of data being collected include:

GENERAL CITY/AREA INFORMATION	LOCAL NATIONAL INFORMATION
MAP	UNEMPLOYMENT RATES
GENERAL DESCRIPTION	LOCAL NATIONALS - MEDIAN WAGES/SALARIES
ESTIMATED GDP PER CAPITA	24 positions with the greatest # data points
AVERAGE EXCHANGE RATES [1 US \$]	ADDITIONAL WAGE COSTS
INFLATION RATES	Benefits
WEATHER	mandated
EXPATRIATE INFORMATION	social security
COST OF LIVING VS. U.S. AVERAGES	pensions
U.S. EXPATRIATE - MEDIAN SALARIES	workers compensation
24 positions with the greatest # data points	customary
(data collected via the Internet, most common jobs/positions found within specified industries)	automobiles
AREA SALARY STRUCTURES	meals
PRICE INDICES	expenses
PRICES FOR GOODS/SERVICES VIA INTERNET	benefits as a % of base pay
consumables	Bonuses
services	amounts
housing	timing
transportation	number months per year
PER DIEM ALLOWANCES	Allowances
maximum lodging amount	position related
meals and incidentals	person related
MOVING AND TRAVEL COSTS	EMPLOYMENT LAW
household goods	minimum pay
airfare	hours of work and overtime
home leave	holidays and vacations
HARDSHIP AND DANGER ALLOWANCES	termination
children's education	notice requirements
housing	payments
transportation	social security
security	coverage
SPOUSAL INFORMATION	types
cultural expectations	stock plans and bonuses
working allowed?	required or allowed
VISA REQUIREMENTS	union or participation plans
short stay	level at which bargaining takes place
long stay	PAY SYSTEM AND PRACTICES
	establishing wage rates
	sources of wage data
	wage progression

Suggestions for other categories are welcomed; release scheduled 4/15/99.

# 1999 ERI PRODUCT ORDER SHEET

**ASSESSOR SERIES®** (quarterly updates released: 1/99, 4/99, 7/99, and 10/99\*)

- Geographic Assessor® ERIGA** 1999 calendar year subscription \$649. \$ \_\_\_\_\_  
Calculates wage/salary and COL differentials among 5,500+ U.S. & Canadian cities
- Salary Assessor® ERISA** 1999 calendar year subscription \$649. \$ \_\_\_\_\_  
Salaries for 2,500+ positions compiled from available salary surveys  
Prevailing Wage Comparisons require both **ERISA** and **ERIGA**.
- Consultants' Assessor® ERICA** 1999 calendar year subscription \$649. \$ \_\_\_\_\_  
Expanded DOS **Salary Assessor** includes reasonable executive compensation analyses
- Relocation Assessor® ERIRA** 1999 calendar year subscription \$649. \$ \_\_\_\_\_  
Current cost-of-living analyses between any of 6,900+ domestic & international locations
- ERI's Platform Library™ ERIPL** 1999 calendar year subscription \$649. \$ \_\_\_\_\_  
Will execute all versions of **Assessor** programs and works interactively with  
quarterly **Assessors**; *DOT* Position Descriptions, *OES* & *NCS* Survey Data, Census  
Demographics, Comp/Benefits Law/Code, and SEC Comp Proxy Extract.

**REFERENCE SERIES** (single, annual hardcopy editions)

- 1999 Geographic Reference Report** 10/15/98 scheduled release \$349. \$ \_\_\_\_\_  
298 U.S. & Canadian area report with salary, cost-of-living, & demographics data
- 1999 International Reference Report** 4/15/99 scheduled release \$349. \$ \_\_\_\_\_  
232 countries' expatriate, TCN, & national salary, cost-of-living, & demographics data

**YOUR OWN H.R. INTRANET SITE** (a calendar year subscription)

- erieri.com/clients** \$649. \$ \_\_\_\_\_  
A confidential Internet site for branch personnel/human resource offices' use.

**FULL ASSESSOR SERIES®**

- Full Assessor Series®** Single User License: \$1,647. \$ \_\_\_\_\_  
Calendar year subscription to ERIGA, ERIRA, ERISA, ERICA,  
ERIPL, an H.R. Intranet site, and the 1999 Geographic Reference Report.

**Assessor** subscribers, please specify your preference for:  DOS or  Windows95/NT

Standard **Shipping & Handling** to U.S.: \$19.50, to Canada: \$44.50 \$ \_\_\_\_\_  
(Standard Shipping & Handling includes quarterly updates throughout calendar year)  
Additional charges for **Overnight Shipping** to my UPS or FedEx acct. # \_\_\_\_\_  
or for **ERI's Standard Overnight Shipping**  additional \$64.50 \$ \_\_\_\_\_  
(Overnight Shipping pays additional charges for initial shipment)

**International orders:** **SUB-TOTAL** \$ \_\_\_\_\_  
*Foreign duties and taxes are the subscriber's responsibility*  
Sales to State of Washington add applicable Sales Tax: \$ \_\_\_\_\_

\*1999 Subscription Orders received before 12/31/98 are sent any remaining 1998 quarterly updates free.  Payment Enclosed **TOTAL** \$ \_\_\_\_\_  
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# GUIDELINES FOR USING ASSESSOR SOFTWARE

## DOS® and Windows®

DOS versions of the **Geographic Assessor**, **Relocation Assessor**, and **Salary Assessor** 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). **Assessor** for Windows versions 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** for DOS. 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 versions of the **Geographic Assessor**, **Relocation Assessor**, and **Salary Assessor** (without Position Descriptions) 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 **Assessor** for DOS executable names are **eriga**, **erira**, **erira i**, **erica**, **erisa**. The **Consultants' Assessor**, **Relocation Assessor** for Windows, **Salary Assessor** for Windows95, and **Salary Assessor** for DOS Position Description 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:\eri\eriga**). For DOS versions, copy all files to the directory and then execute. For Window 3.1 editions and the **Consultants' Assessor**, run the **install** program from the diskette. Please remember to use different directories or folders for each different product. Keep the **Assessor** diskette(s) as backup. You may also install all **Assessor Series** from the **Platform Library** CD-ROM. Utilize the "To Order" tab on the Platform's top bar and call (800) 627-3697 to obtain an access code.

## Y2K

All ERI programs are **Year 2000** compliant (four digit year). Because **Assessor** software is accessible only during the quarter for which it is released, Y2K compliance is really only an issue with the 10/1/99 editions.

## Assessor for DOS Function Keys

DOS **Assessor Series** programs use "short cut" keys to assist applications.

F1	Access Help Screens and program notes
F2	Choose from a listing
F3	Clear a field of data
F5	Save file to disk
F6	Load file from disk
F8	Print to file or printer
Alt+screen number	Jump to any screen
PgUp	Move to previous screen
PgDn	Move to the next screen
Esc	Move to previous screen or escape 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) alphabetically. For some cities, type the **city name** and **comma** and begin to spell the **state name** to prompt the correct city and state (e.g. **Springfield, Misso**).

## Relocation Assessor for DOS

**erira i.exe** runs the international city database.

## Relocation Assessor for Windows 3.1 (16 bit)

**ERIRA** for Windows requires installation to your hard drive and may not be run from the diskette. Please refer to on-line help menus. This program now allows for direct access to the Internet for data updates.

## DOS, Windows 3.1 (16 bit) & Windows95/NT (32 bit)

Some subscribers may be unaware of the evolution sweeping the PC programming landscape. In 1997, ERI adopted a development program to maintain DOS/3.1 programs, while looking toward programming our applications to the "32 bit" environment associated with Windows95. (Think of Windows 3.1 as a "fancy DOS" but now as outdated as DOS itself.) 32 bit programs allow ERI to utilize maps, interact with the Internet, blend data from many sources, etc. A downside of 32 bit programs is that they are very large and can not be placed on a single diskette. For this reason, ERI is pursuing on-line quarterly updates as an alternative to mailing large quantities of diskettes to our subscribers each quarter. Another development downside is that "object oriented programming" is as similar to DOS as Chinese is to Hungarian. We appreciate our subscribers' patience as we make this transition.

## Salary Assessor for Windows95/NT (32 bit)

**ERISA** for Windows95 requires installation to your hard drive and may not be run from the diskettes. Some data used by the program is contained in the **ER IPL** CD (to save hard drive space). Please refer to on-line help menus. Several calculation tables are included in the Windows95 version that are not included in the DOS edition. These tables include: **Prevailing Wage Comparisons** for immigration wage certification (requires interaction with **ER IPL** CD); **OES** survey data (requires interaction with **ER IPL** CD); access to the **Geographic and Relocation Assessors'** additional 5,000+ U.S. and Canadian cities; and an updated version of the **Consultants' Assessor Maximum Reasonable Executive Compensation** tables/analyses (with access to **ER IPL** proxy extracts).

## Downloading DOS data from the Internet

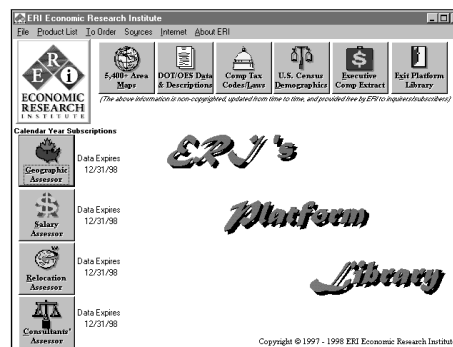
Visit ERI @ [www.eri.com/clients](http://www.eri.com/clients). If you have lost, mislaid, or did not receive quarterly update diskettes sent via the mail, call (800) 627-3697.

## Downloading Assessor data from the Internet

On-line dataset updates and downloading are available for **Full Assessor Series** Windows95 subscribers at [www.eri.com/clients/0000000](http://www.eri.com/clients/0000000).

## ERI's Platform Library CD-ROM

ERI's **Platform Library** contains the **Assessor Series** and a compendium of non-copyrighted data: Maps, **DOT** Position Descriptions, **NCS** and **OES** survey data, Compensation Related Tax and Law Codes, Census Data, and Edgar Proxy Summary Compensation tables extracted from the SEC.



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