



**ECONOMIC
RESEARCH
INSTITUTE**

ERI UPDATE

Request a Free 30 Day Subscription Trial!

Assessor Enhancements

Assessor Series® subscribers found a host of new applications and research data in the July 1999 quarter releases.

- **Executive Compensation Assessor™** analyses and proxy comparisons by zip code, SIC, and size, displaying both current and historic compensation data for ~10,000 corporations and >50,000 incumbents (with 6 years history).
- The latest 1999 NCS/OES data for **Immigration Analyses**.
- International additions to **ERI's Platform Library™ HR Comp/Tax Codes** section (additional data gathered in the creation of ERI's **International Reference Report 1999**).
- Licensing features that facilitate automatic downloading of **Assessor** updates from the Internet or **Platform Library**.
- **Geographic Assessor Immigration Analyses** table with a new "search surveys by position title" function (e.g., search for surveys that report on Auditors in the state of Alabama).
- **Geographic Assessor** differentials continue to increasingly diverge reflecting many areas' record low unemployment.
- **Assessors** incorporate new analyses of Canadian wage /cost data for 289 "counties" (Census Subdivisions) plus Nunavut.
- **Salary Assessor** variable pay and total compensation screens.
- Retrieval of additional data (large datasets) using the Internet via the **Assessors** (10-Ks, full proxies, actual survey data).

Executive Compensation Assessor

ERI researchers and programmers have tied actual proxy retrievals to management analyses differentiated for any selection among over 2,000 industries, 5,400 locations, and 300 executive titles on a "real time" basis for as many analyses as you might require.



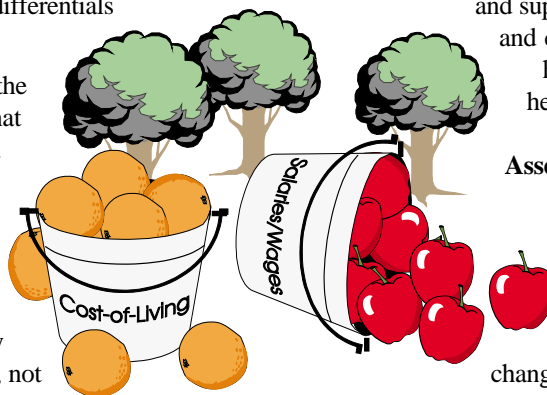
Year 2000 Salary Increase Planning

Surveys are reporting ~4.0%, much like past years (Canada being ~1/2 that amount). ERI researchers report very low real rates of growth in wages for the first half of 1999 and find additional compensation \$s being spent by many on high/key performers and/or variable pay.

Geographic Wage & Salary Differentials

Each year ERI's customer service staff attempt to emphasize the difference between geographic cost-of-living differentials and geographic wage/salary differentials.

ERI geographic wage/salary differentials are the result of multiple linear regression analyses that compare local position pay to national norms. Sources include selected salary surveys available to our research library. **Assessor** and **Reference Report** r correlations with COL are less than .10 (that is, COL does not predict salary levels). Popular Internet sites greatly confuse these issues. Wage and salary levels reflect the demand and supply of labor, not cost-of-living.



Geographic Cost-of-Living Differentials

Cost-of-living levels are the result of the demand and supply for goods and services. ERI collects and compiles information (categories include housing costs, taxes, transportation costs, health services, consumables) from various existing sources for the **Relocation Assessor®**, supplemented by Internet surveys.

COL differentials, as reported by ERI, reflect specific cost models (an auto driven "x" miles/kilometres, of "x" value), rental with no mortgage tax deductions, etc. Subscribers may change assumptions to customize comparisons (home ownership vs. rental, family size, etc.).

NOTES

Year 2000 Salary Structures

When the Institute's Founding Director first published a geographic report in 1977, the U.S. minimum wage was \$ 2.30 and the national structure equations were defined as:

Minimum Wage - \$15,600	Non Exempt (FLSA Short Test)
\$15,601 - \$32,000	Salaried Non Bonus
\$32,001 - \$ 48,000	Salaried Bonus

In 1988 when we introduced the **Geographic Assessor**, ERI updated the basis for the structure equations to:

Minimum Wage - \$24,000	Wage Earner (with Canadian #s
\$24,001 - \$48,000	Salary where FLSA was
\$48,001 - \$72,000	High Salary not applicable)

In late 1999, with U.S. low structure positions (e.g., Administrative Assistant) at ~\$33,000 nationally and wage growth averaging ~3% for the period, base structure point equations are again to be altered:

Minimum Wage - \$36,000	Wage Earner/Low Salary
\$36,001 - \$72,000	Mid Salary
\$72,001 - \$108,000	High Salary

in keeping with market movement. **Assessors** will use these break points in Year 2000 (with a trial test in the October 1999) editions. We can't begin to explain the amount of work that these changes entail at ERI (as all code and analyses are reprogrammed).

Your Employees' Requests

The most common e-mail message/request received at ERI is:

- >Do you have a discounted price for employees looking for
- >salary survey data? \$689 per year is too high for me to pay
- >for survey data on my position (Economic Analyst and/or
- >Consultant) in the San Francisco area.

ERI's answer is "No!" Many ERI researchers are retired comp professionals and we well understand the pain and trouble caused by employees negotiating for salaries without understanding the basis for the competitive norms they are quoting. ERI's clients are corporate professionals skilled in interpreting data. We do not wish to sell to unskilled individuals for their personal interpretations.

We mention this because we find subscribers making **Assessor** data available to all employees via their LAN/Intranets. We also find consulting firms posting **Assessor** results on the Internet. We note that these practices are both copyright and license violations.

Common Applications

Our customer service log of the most common applications of **Assessor** data include: 1) competitive pricing of positions, 2) branch office pay analyses/differentials, 3) creation of benchmark listings, 4) analyzing executive compensation, including variable pay, 5) litigation support, 6) immigration prevailing wage analyses, 7) searching of surveys by job title, 8) two-city COL comparisons, including international pay and cost-of-living research, 9) reviews of proxy/survey data, 10) reference to state/province HR, benefit and tax codes/laws, 11) retrieval of survey data, including DOT position descriptions, and 12) using the **Assessors** and/or **ERI's Platform Library's** Internet connections to find answers to HR questions.

Salary Assessor Changes

During 1998 and 1999, we have used the **Salary Assessor** as a development platform while creating a new **Geographic Assessor** for Windows edition as well as a series of executive total compensation analyses tied to proxy data now included in the new **Executive Compensation Assessor**. Key notes:

- Executive compensation analyses (proxy collection, coding, analyses) are so time-consuming that it would be unfair to charge **Salary Assessor** subscribers (who are not interested in executive pay) for this additional research. The **Executive Compensation Assessor** has thus been spun off as a separate product/pricing.
- The new **Geographic Assessor** does not include COL summary indexes because the **Relocation Assessor** now utilizes a complex income tax model that was never incorporated in the old **ERIGA** for DOS (explaining why differences have existed between **ERIRA** for Windows and the old **ERIGA** for DOS cost indexes).
- Immigration Analyses (what the Government calls "Prevailing Wage") are included in the **Geographic Assessor** and not the **Salary Assessor** because State Agencies accept only geographic pay differences (not industry, size, or time variances - see GA Letter 2-98).

U.S. Government Surveys

Visit <http://www.bls.gov/comhome.htm> and read: "Errors in the calculation of sample unit employment weights were identified ... the Bureau is republishing." ERI researchers have never observed a survey recall of these proportions. The error does not refer to weighting by "n," the number of incumbents, but by disagreement over a subjective weighting of larger versus smaller employers. BLS has created its own definition of "average".

At the same time, the State Labor Departments (which have a funding related, OMB-BLS goal of an 80% response rate from all mailed OES survey questionnaires) have been given guidance on "mean imputation" and "nearest neighbor hot decking."

To explain: the OES survey consists of both head count and salary data collection. When wage data is missing and head counts exist, missing data is "imputed" (national distributions). When head counts are not reported, but wage data exists, "hot decking" is the selection of the closest comparable company ("donor") and then utilization of that donor's wage data. When both total employment and wage-employment data are missing, both hot decking and imputation are used. We understand, with an 80% participation goal, why *imputation* and *hot decking* have been adopted, but it truly discourages "real world" use of results.

Free! Additional Subscriptions

Full Assessor Series subscribers receive either a complimentary copy of ERI's new International Reference Report 1999 or a Year 2000 **Executive Compensation Assessor** subscription if their subscription payment is received by 1 December 1999.

ERI PRODUCT ORDER SHEET

FULL ASSESSOR SERIES®

- Full Assessor Series®** Single User License: \$1,767. \$ _____
Annual subscription (four quarterly updates) to **Geographic, Salary, and Relocation Assessors, ERI's Platform Library™**, an H.R. Intranet site, and the Geographic Reference Report 2000.

ASSESSOR SERIES® (annual software subscriptions, updated quarterly)

- Salary Assessor® ERISA** Annual subscription \$689. \$ _____
- Relocation Assessor® ERIRA** Annual subscription \$689. \$ _____
- Geographic Assessor® ERIGA** Annual subscription \$689. \$ _____
- Executive Compensation Assessor™ ERIXA** Annual subscription \$2,189*. \$ _____

REFERENCE SERIES (single, annual hard copy editions)

- Geographic Reference Report 2000 \$389 (Scheduled release date 10/15/1999). \$ _____
- International Reference Report 2000 \$1,189* (Scheduled release date 05/15/2000). \$ _____

SUBSCRIBER SUPPORT

- ERI's Platform Library™ ERIPL** -no charge- (Demo only for nonsubscribers). \$ _____
- H.R. Intranet Site erieri.com/clients** -no charge- (\$689 for nonsubscribers). \$ _____

EMPLOYEE BENEFIT COMMUNICATIONS VIA THE INTERNET

- BenefitsReview.com** (Year 2000, Standard 3 Health Plan Profile) \$ 689. \$ _____

LOCAL AREA NETWORKS SUBSCRIPTIONS

- Single LAN Subscription with # of users = _____ \$ _____
Additional 50% for a LAN license with 2 users total. Additional 25% for each additional user above 2.

Standard **Shipping & Handling** to U.S.: \$19.45, to Canada: \$44.45 \$ _____
(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 \$64.45 \$ _____
(Overnight Shipping pays additional charges for initial shipment)

SUB-TOTAL \$ _____

International orders: Sales to State of Washington subscribers add applicable Sales Tax: \$ _____
Foreign duties and taxes are the subscriber's responsibility

TOTAL \$ _____

Year 2000
*** Full Assessor Series Subscribers**
*may subscribe at 50% of the listed subscription price for either the **Executive Compensation Assessor** and/ or the International Reference Report*

- Payment Enclosed
- Please Bill My Organization

Your Name: _____ Title: _____

Organization: _____

Address: _____

Tel: _____ Fax: _____ E-Mail: _____

Purchase Order Number (if required for accounts payable): _____

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GUIDELINES FOR USING ASSESSOR SOFTWARE

Installing Windows Assessors

ERI's Platform Library will self-install programs and dataset updates (if previous quarter datasets and codes are found). ERI's Platform Library and ERIRA are 16-bit applications and may be installed and run using Windows 3.1, 95, 98 or NT. ERISA, ERIGA and ERIXA are 32-bit applications and may be installed and run using Windows 95, 98 or NT.

Using Windows 3.1: Go to **File Manager**, select the 3.5" disk drive (usually A:) and double-click the **install.exe** file. Keep your diskettes as backup.

Using Windows 95, 98 or NT: Go to **Start**, select **Run**, type **a:\install.exe** and click **OK**. Follow installation instructions. Keep diskettes as backup.

You may also refer to the **Technical Support FAQ** page at www.eri.com.

Downloading Data from the Internet

Current year subscribers may also download Assessor dataset updates (for April, July, and October) via a general Internet site. At www.eri.com/clients select **Download ERI Data** and then select the **Assessor** that you wish to update. This use of the Internet is not required, but offered as a subscription enhancement (data will be sent via the mail as in past years). If you have lost, misplaced, or did not receive your quarterly CD/diskettes, please contact Customer Service at (800) 627-3697. ERI's Platform Library also will soon be capable of automatically checking the Internet for the most recent datasets (if an Internet connection exists).

Running Windows Assessors

Using Windows 3.1: Go to **File Manager**, select the drive and folders of your Assessor (i.e., C:\ERI\ERISAWIN), double-click on the Assessor *.exe file (Example: **erisawin.exe**).

Using Windows 95/98/NT: Go to **Start**, select **Programs**, select **ERI**, select the Assessor, OR go to **Windows Explorer**, select the drive and folders of your installed Assessor files (i.e., C:\ERI\ERISAWIN), double-click on the Assessor *.exe file (Example: **erisawin.exe**).

Using ERI's Platform Library: If Assessors are installed, but a *data expired* note appears, use the right mouse button to assign correct directories.

ERI's Platform Library CD-ROM

ERI's Platform Library supports the Assessor Series with a compendium of datasets: Maps, DOT Position Descriptions, NCS and OES survey data, Compensation Related Tax and Law Codes, Census Data, SEC Corporate proxies and 10-K reports, and Survey Sources.



Macintosh Users

Power Mac users must first partition the hard drive and add DOS and/or Windows before accessing ERI Assessor Series software. (Sufficient demand for Apple editions does not yet exist to warrant the cost of programming Apple versions of Assessor Series software.)

Assessors for Windows95/98/NT (32 bit)

ERISA, ERIGA, and ERIXA for Windows require installation to your hard drive and may not be run from the diskettes or CD. Some data used by Assessor programs resides on the ERIPL CD (to save hard drive space). Please refer to on-line help menus. Several analyses alternatives are included in the Windows versions that are not included in the DOS editions. Analyses which require access to the ERIPL in your CD drive: **Immigration Analyses** for immigration wage comparisons; **OES** survey data reference; **Maximum Reasonable Executive Compensation** tables/analyses; and salary and COL survey **Source** Internet survey links.

Running DOS Assessors

Using DOS: Change the DOS directory to the directory where your Assessor files are located (i.e., A:\ or C:\) and type the Assessor's short name (**erira**, **erira i**, **erisa**, **eriga**, **erica**) then press **Enter**. **Please note:** When running a DOS program from diskette, DO NOT remove the diskette from the floppy drive or turn off your PC until you have completely exited the program. Tentative plans call for the retirement of all Assessor Series DOS editions with the October 1999 releases.

Human Resource Administrative Intranet

All Assessor and Reference subscribers are provided an Internet site using each subscriber's license number allowing for accurate and (in the future) automatic data updating. This site also allows for internal H.R. branch office communication, sharing of files, and establishing the basis for employee benefit communications. Subscribers' Internet addresses are determined by their ERI account #, allowing channeling of specific Assessor datasets and free access to participating on-line Internet International and Domestic Wage/Salary, Cost-of-Living, and Benefit Survey datasets. Call ERI (800) 627-3697, Extension # 1 for your H.R. Intranet address: (also found on all renewal offers) www.eri.com/clients/?id=0xxxxxx



Y2K

Assessor Series software meet Year 2000 compliance requirements, utilizing the four-digit year format. Y2K compliance may be tested in the **Salary Assessor** by trending salary data to a date later than 31 December 1999. Please use this statement as ERI's Certificate of Y2K Compliance.

LAN Usage

Assessor Series subscribers will receive an authorization code for Year 2000 subscriptions which will assist LAN usage and the quarterly updating of data.

ERI Economic Research Institute is a small business corporation; WOB; U.S. EIN 33-0356443 www.eri.com info@eri.com

ERI's continuing mission is to provide consistently excellent market pricing information and research relating to compensation and benefits issues.

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