



ECONOMIC
RESEARCH
INSTITUTE

ERI UPDATE

Quarterly Notes For ERI Subscribers

Executive Compensation Assessor

Subscribers may download full proxies and 10-Ks for years 1994 - present. 19,703 corporations' SEC data are available.* ERI's fileservers now host 226,304 retrievable reports and proxies.

ERIXA was originally developed to ascertain "maximum reasonable compensation." IRS Districts and the National Appraisal Services Office have been subscribers since 1989. Standard Error calculations are now available to assist subscribers with Daubert Challenges. Also see the View | Reliability Statistics and Survey Population menu selections.

Geographic Assessor

NEW!

A test Internet import of a major survey firm's data is found in the Immigration | Survey Input section of the **Geographic Assessor**. Plotted sample "dots" illustrate that of OES data for use in 2001.

Non Profit/Public Data

Form 990 data will soon be incorporated in a special, **free** edition of the **Executive Compensation Assessor** for charitable organizations - see the beta **Non Profit/Public** tab on **ERI's Platform Library** (which is also free). *Note that there are a similar number of nonprofit Form 990s, representing 18,340 organizations reporting executive compensation.

NEW!

ERI's Platform Library

The **Comparables** tab now calculates instantaneous appraisal norm averages and identifies the closest (1-20) comparable companies for any industry, area, year or size. This feature has been added at the request of **AICPA** (American Institute of Certified Public Accountants) business valuation and consulting members. Approximately 65,000 **AICPA** members are full-time consultants.

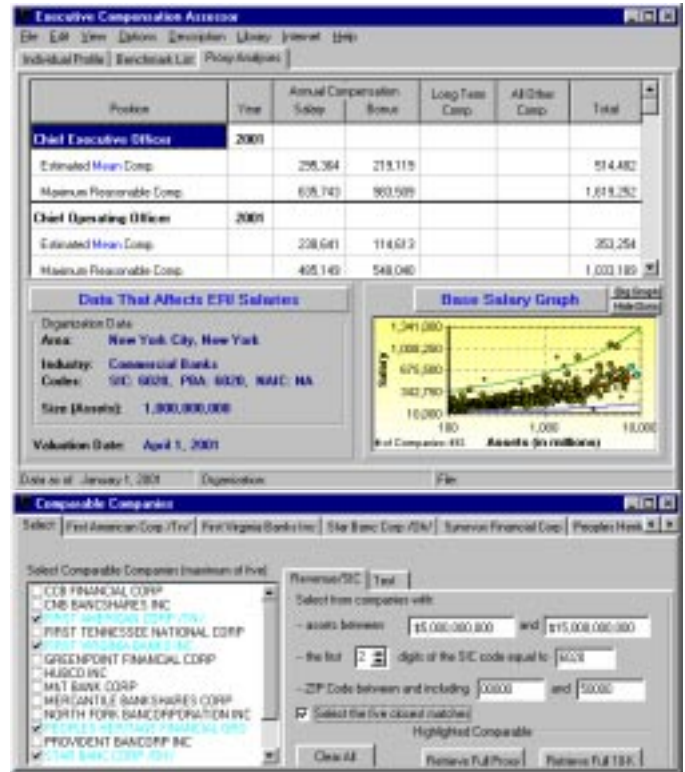
Other News

Using the www.SalariesReview.com database (ERI does not now survey management pay via the Internet), we are developing an application to provide foundation data for a major magazine's new **Global Executive** compensation offering. As of the printing date of this newsletter we can't publicly announce an affiliation, but we can refer you to ERI's advertising at www.economist.com.

We are also developing a database of SEC Form 20-Fs (international corporations) for **View | International Corporations** and **View | Canadian Corporations** data in the **Executive Compensation Assessor**. Don't be surprised if you find executive compensation summary tables, proxy, Form 990, and 10-K imports available via a major national professional organization (in addition to ERI's AICPA affiliation).

If **ERI's Platform Library** CD-ROM accompanies this newsletter, use this License Code for a 30 day free trial of any **Assessor**; good until 30 June 2001:

(or download from the Web) **GC93P-55RH9-GVATX-34XPB**



Note the use of **light blue** to identify the five closest comparable companies (matched by size, industry, and/or zip code). **Pink** indicates the firm's most recent data retrieved. **Red** will indicate the comparable with the highest total compensation within a group of companies +/- 20% of revenue/asset size. This **red** selection will be shown in the list, but may not show on the graph as it may be "off the chart."

Standard Error

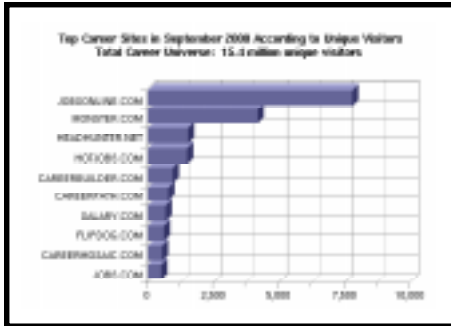
A representative standard error was added to the October 2000 **Salary Assessor**. As mentioned, the **Executive Compensation Assessor** now reports a standard error for comparison firms. The April 2001 edition of the **Geographic Assessor** also incorporates a calculated standard error for geographic differentials as compared to a single survey source; see **View | Reliability Statistics**. The **Geographic Assessor** calculates these reliability statistics using OES and Statistics Canada census population counts as found at www.eri.com/soctrends. In this age of dot coms providing salary information, where the sole purpose is to attract "hits", we see Standard Error reporting as an important defense and test of reported compensation data (see the next page).

ERI has moved to larger offices in Redmond, Washington. Our new address is 8575 - 164th Avenue NE. We hope to see you at a 2001 Spring/Summer SHRM, WaW, AILA, ERC, AICPA, ASA, WAE, ASAE, eRecruiters, NACVA, or NACE convention(s).

SALARY DATA FROM THE INTERNET

Free Internet Salary Data

In September of 2000, we were surprised to see Internet recruiting sites reporting 20,000,000 unique visitors for the month. It is reported that 18% of recruiting firms' visitors access free salary information.



Source: www.mediamatrix.com

Extrapolated, this equates to 20% of the U.S. workforce reviewing their salaries in 2001. Traditionally, recruiting surveys have been loathe to report anything but high values. (If a search firm's survey states an accountant earns \$43,000 and the accountant they send you demands \$52,000, it creates a conversation that recruiters like to avoid.) Some of these "free sites" also give "advice," but don't seem to be licensed to do so. In an exchange for advertising, ERI now assists a consulting firm provide an alternative. This site does not present **Assessor Series** data, but rather, U.S. Government OES data.

The data ERI provides SalaryExpert.com is based on low source wages. The OES survey forces all jobs within the US into 769 "job groups." Most jobs such as Accountant, have "paraprofessional" accountants in the "Accountant" job group along with first-line supervisors (OES is not consistent by job group). Typically, the abundance of paraprofessionals make the averages low. The U.S. Government appears to recognize this and requires that OES weighted averages not be used for immigration analyses purposes. Instead, the 67th percentile, Level II, is the standard. SalaryExpert.com reports data extracted from the OES mean wages, with the result that values are typically conservative.

Inflated Internet data is already taking its toll. A Utica, NY organization recently reported the first free salary, data caused, unionization drive (maintenance workers).

Are you besieged by employees unhappy with their salaries compared to Internet data? The average manager might have 10 minutes per job per year to analyze a single position's data. An employee can spend far more time analyzing his/her pay. The Internet allows every employee to become an expert. ERI notes that published consulting firms' advice is to attempt to reason with employees and/or to train them in salary analyses techniques. ERI would argue that 30,000,000 such conversations in 2001 would not be beneficial to the American economy. We would recommend four questions: "What is the source? What is the incumbent population? What is the survey's standard error? What does the *SalaryExpert.com* say?" (Note: under ERI's License Agreement, **Assessor** data is not available to the general public.)

U.S. Immigration Data

The BLS *Occupational Employment Statistics Survey (OES)* methodology and job families have been changed for use in the Year 2001. Labor markets include three new areas: Auburn, AL, Corvallis, OR and Missoula, MT. The major change, however, is the shift from *OES* job group descriptions and numbers (5 digit) to *SOC* descriptions and codes (6 digits). 2001 data is not easily cross-referenced with 1998, 1999, or 2000 data in that new descriptions have been used. And although this data is found on various government websites (Federal and state), few provide the Level I and Level II data required for immigration prevailing wages (GAL 2-98). Level I and Level II are easily accessed through **ERI's Platform Library** (historical) and the **Geographic Assessor** (current). Historical *OES* means can be found at www.eri.com/doltrends. *SOC-based*, 1999 data for use in 2001, can be reviewed at www.eri.com/soctrends.



Distance Learning Center

If you manage compensation or benefits and you've just employed a new analyst, you might be interested in his/her taking ERI's **DLC** free Self-Evaluation Exam.



Three levels of the Exam exist: Consultant's, Analyst's and College Student (250, 200, and 150 questions respectively). Recommended courses blend simulations (**ERIBA**), **Assessor Series** tutorials and demos, and ERI's on-line textbook into an Internet interactive learning experience (courses modeled to knowledge).

Canadian Prevailing Wages

ERI's www.eri.com/soctrends' Canadian data is supplied under license from Statistics Canada. Neither Canada nor any of the provinces has "prevailing wage" regulations that relate to foreign workers. Policy ensures employers first consider Canadian citizens, as well as permanent residents, and that the entry of foreign workers will not adversely affect employment or career opportunities for Canadian citizens and permanent residents. In general, the offer of employment to a foreign worker requires validation by a Human Resources Canada Centre (HRCC), except when a foreign worker is exempt through an international agreement or falls under one of the exemption categories (wages and working conditions, the employer's efforts to consider Canadian citizens as well as permanent residents, etc.). These cases must be examined by a Human Resources and Development Canada (HRDC) officer in order to grant a validation of an offer of employment. Canada does not have any salary scale established, but rather the officers consider the experience of the worker, the education, and the job market situation, unions, and job advertisements to determine whether the pay is acceptable.

ERI PRODUCT ORDER SHEET

www.erieri.com
800.627.3697

PRODUCT SUITE SERIES

- Full Analyst's Series** Single User License: \$1,767. \$ _____
Annual subscription (four quarterly updates) to **ERIGA, ERISA, ERIRA, ERIPL**, an H.R. Intranet site, and the current year Geographic Reference Report
- Complete Consultant's Series** Single User License: \$2,845. \$ _____
Annual subscription (four quarterly updates) to all **Assessors** including **ERI's Platform Library**, an H.R. Intranet site, and all current year Reference Reports

ASSESSOR SERIES *software databases (annual 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. \$ _____
- Benefit and Compensation Administration Assessor® ERIBA**
(As the simulation program for ERI's DLC, ERIBA, like ERI's Platform Library, is free.)

REFERENCE SERIES *(single, annual hardcopy editions)*

- Geographic Reference Report \$389. (scheduled release September 2001) \$ _____
- International Reference Report \$389. (scheduled release August 2001) \$ _____

LAN/WAN SUBSCRIPTIONS

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

DISTANCE LEARNING CENTER *(token system counting, any number of employees)*

- 100 Course Package (100 tokens, 1 token = 1 course) \$1,767. \$ _____
- 200 Course Package individually, \$ 19/each; available 7/1/2001) \$2,845. \$ _____

Downloads are available via the Internet **Subscriber Internet Annual Access Fee: \$19.50** \$ _____
www.erieri.com/order or **SUB-TOTAL** \$ _____

- Credit Card below Sales to State of WA and CA subscribers add applicable Sales Tax: \$ _____
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INSTALLATION GUIDELINES

(See: INSTALLCD.TXT)

ORDER ASSESSOR SOFTWARE AND DATABASES FROM THE INTERNET

For those who have browser access to www.eri.com, ERI subscriptions are quickly delivered via the Internet. Subscribers may utilize a corporate credit card or request an invoice.

1. Click on "Order".
2. Fill out the requested material and download the **Assessor Series** application.

Quarterly **ERI Update** newsletters and **ERI's Platform Library** (both free) will be sent via the mails. **ERI's Platform Library** CD-ROM will also self-install programs and updates with a valid License code for the current subscription year. **Assessor Series** software databases may be installed using Windows 95, 98 or NT. Keep **ERI's Platform Library** as a backup. If the CD-ROM does not auto-run, double click on the **eri.exe** file.

You may refer to **Technical Support** at www.eri.com for more information or please read the following:

- Installation of **Assessor Series** software databases Using a License Code
- Installation of **ERI's Platform Library** software
- Update **ERI's Assessor Series** software from the Internet or **ERI's Platform Library** software
- Running **ERI's Assessor Series** software
- Running **ERI's Platform Library** software

INSTALLATION OF ASSESSOR SERIES SOFTWARE DATABASES USING A LICENSE CODE

These are instructions for new subscribers and renewing subscribers who **HAVE NOT** yet entered a valid license code for the current subscription year. Note: If you are prompted to "update" **Assessor** software databases at any time during the following procedure, click **NO**.

1. Download the latest **Assessor Series** software edition from www.eri.com or run **ERI's Platform Library** from the latest quarterly CD-ROM.
2. Select **To Install | Install Assessor** software Using License Code.
3. In the License Code field, type the license code found on the invoice or instruction sheet mailed with the latest quarterly update.
4. In the **Company** or **User Name** field, type the name of your organization or your name.
5. Click the **Apply** button.
6. Click the **OK** button.
7. Follow the instructions on the installation screens that follow.

If you have a LAN subscription for multiple **Assessor Series** software, and the quantity of subscriptions for each is not the same—i.e., you have eight **Salary Assessor** subscriptions, but only one (1) **Relocation Assessor** subscription—you will have multiple license codes. First type in one of the license codes, then repeat steps 2-7 using the other code.

You must enter the License Code within 8 weeks of receiving it. If you do not enter the License Code within 8 weeks, it will no longer be valid. Also, if sometime during the subscription year you change computers, get a new hard drive, or delete the **Assessor Series** software, you will need to contact **ERI** for a new License Code in order to reinstall. **LAN Users:** Please enter the License Code and install all four quarterly updates *from the same PC!* Otherwise, you will need to contact **ERI** for a new License Code.

UPDATE YOUR LICENSE CODE

UPDATE YOUR LICENSE CODE

If you renew or upgrade your subscription, you will need to enter a new license code for the new subscription. Your new license code may be found on the accompanying invoice.

1. From an **Assessor** program or **ERI's Platform Library**, select **Help | License Code**.
2. Click the **View/Modify** button.
3. In the **License Code** field, type the License Code printed on the renewal invoice.
4. In the **Company** or **User Name** field, type your or the name of your organization.
5. Click the **Apply** button.
6. Click the **OK** button, then click the **Close** button.

UPDATE ASSESSOR SERIES SOFTWARE DATABASES FROM THE CD-ROM

These are instructions for subscribers who **HAVE** entered a valid license code for the current subscription year.

1. Run **ERI's Platform Library** software from the latest quarterly CD-ROM. (See "Running **ERI's Platform Library**" at the right.)
2. A dialogue box should appear asking if you want to update **Assessors** applications already installed on your PC. (If you are not prompted to update your **Assessors** programs, select **To Install | Update Assessors already installed.**) Click **YES**.

Once **Assessor Series** software for the current year is found, it will be automatically updated. If **Assessor Series** software for the current year is not found in the default directory, you will be prompted to direct the software to the drive where the **Assessor Series** software is installed. Follow the instructions on the screen. After updating the **Assessor Series** software, you will automatically be prompted to install **ERI's Platform Library** software. The **Platform Library** software and the additional databases can be run from the CD-ROM and do not have to be installed. If you do not want to install the **Platform Library** software, click the **Cancel** button, then click the **Yes** button to abort the installation. If you do want to install the **Platform Library** software, follow the instructions on the installation screens.

There are several different ways that **Assessor** applications may be run (see "Running **ERI's Assessor** software" at the right). If running **Assessor** software via an installed **Platform Library** software, then you must also update **ERI's Platform Library**. **Assessor** software may not be run via **ERI's Platform Library** when the CD-ROM is from a previous quarter. Example, if you update **Assessor** software with a data date of 04/01/2001 and an expiration date of 03/31/2002, you may only run it from **ERI's Platform Library** dated April 2001.

UPDATE ASSESSOR SERIES SOFTWARE DATABASES FROM THE INTERNET

These are instructions for subscribers who have browser access to www.eri.com.

1. Click on "Subscriber Services Quarterly Updates".
2. Click on a "Single Quarterly Dataset Update".
3. You will be given two download choices: a) Run This Program From Its Current Location and b) Save This Program to Disk. The former allows you to write over your present subscription, the latter downloads a file to be extracted later.

INSTALLATION OF ERI'S PLATFORM LIBRARY SOFTWARE

Although **ERI's Assessor Series** software must be installed/updated each quarter, **ERI's Platform Library** software does not have to be installed. You may run the latest **Platform Library** software (including the shortcut screen and the non-copyrighted databases) directly from the CD-ROM. The CD-ROM may be located in your PC's CD-ROM drive or a CD-ROM tower linked to your network. To Install **ERI's Platform Library** software:

1. Download from the Internet or run **ERI's Platform Library** software from the latest CD-ROM. (See "Running **ERI's Platform Library**" below.)
2. Select **To Install | Update Platform Library**.
3. Follow the screen's instructions. You will be given the option of whether or not to install the maps, as well as where to install **ERI's Platform Library** software. If you must change the destination directory, be sure to retain the \Platform folder at the end of the selected path.

You will also be informed as to how much disk space is required and how much you will have left after installation. If a message appears saying you do not have enough disk space, but you have a previous version of the **Platform Library** software installed and you have directed the software to install over the old **Platform Library** software, then chances are you will have enough space. Click the **Ignore** button. The software does not take into account that you will be copying over the old **Platform Library** software.

RUNNING ASSESSOR SERIES SOFTWARE DATABASES

To Execute Assessor Series Software from ERI's Platform Library Software

Click on the icon of the **Assessor Series** software database or Select **File | Run a Program** and the application name. To Execute an **Assessor Series** program from the Windows Start Menu Select **Start | Programs | Economic Research Institute** and the application name. To execute an **Assessor Series** software database from a Windows Desktop Shortcut Icon:

1. Create a shortcut icon for the **Assessor** software application. (See Windows Help files for instructions about creating shortcuts.)
2. Click on the icon to run the **Assessor** software application.

RUNNING ERI'S PLATFORM LIBRARY SOFTWARE

To Run ERI's Platform Library Software from the Latest CD-ROM

1. Check the date printed on the front of the CD-ROM to make sure that it is for the most recent quarter.
2. Place the CD-ROM in your CD-ROM drive and shut the drive door.
3. If after 30 seconds the CD-ROM does not auto-run, check your drive or the device drivers (as they may not be running correctly). In the meantime try this alternative:
 1. Click the Windows Start button.
 2. Click Run.
 3. Type `d:\eri.exe` (assuming that D:\ is your CD-ROM drive).
 4. Click the **OK** button.

RUNNING ERI'S PLATFORM LIBRARY SOFTWARE

To Run ERI's Platform Library Software from the Installed Files

If **ERI's Platform Library** software is installed to your PC, you have several options for running the installed **Library**: 1) Use the shortcut created on your Programs List (**Start | Programs | Economic Research Institute | Platform**); or 2) Run the executable file. (In Windows Explorer, double-click `platform\eri.exe`); or 3) Use the shortcut icon on your Windows Desktop. For LAN Users, the first and third options may not be available if the **Platform Library** software was installed to a network drive from a different PC.

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