

# 2016 Salary Survey Executive Summary

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## Survey purpose

- The Office of Financial Management – State Human Resources (State HR) is required by law (RCW 41.06.160) to conduct a salary survey to determine the prevailing pay rates for jobs that are comparable to state government jobs.
- State leaders use tools such as the salary survey to help find the appropriate balance between containing the cost of government operations, compensating state employees fairly, and competing in the job market for employees with the specialized skills and knowledge required to perform the work of state government.
- The salary survey is one source of data and should be used in conjunction with other workforce factors when informing potential changes to employee pay, benefits or working conditions.

## Overall summary

- The state offers benefits plans that are very competitive with other public and private sector offerings.
- 66 percent of surveyed state salary range midpoints are more than 25 percent behind the market average.
- State salary ranges are more competitive at the entry level but less competitive toward the top of each range (Step A to Step L).

## Survey process overview

- State HR contracted with a national survey firm, Segal Waters Consulting (Segal), to conduct the survey. Segal brings more than 70 years of industry experience to the survey.
- Additional benefits data is derived from participation in the Milliman 2015 Northwest Benefits Survey.
- Invitations were sent to 132 employers; 62 participated in the survey. Of those, 37 percent are from the private sector and 63 percent are from the public sector. Public sector employers included 13 states that provided data for jobs unique to state government: Colorado, Illinois, Indiana, Maryland, Minnesota, Missouri, New Jersey, North Carolina, Oregon, Pennsylvania, Tennessee, Utah, and Wisconsin.
- The participants also included union and non-unionized employers, and included employers from geographic regions across the state.
- In-state employer participation has steadily declined over the last three cycles of the survey.
  - In-state private sector participation: 2010 = 56, 2014 = 39, 2016 = 23
  - In-state public sector participation: 2010 = 84, 2014 = 29, 2016 = 26
- Out-of-state public sector (other state governments) participation has held relatively steady: 2010 = 12, 2014 = 10, 2016 = 13

## 2016 survey updates

- Prior to conducting the survey, State HR implemented recommendations from the 2014 survey consultant as well as stakeholder feedback to improve the salary survey process, such as:
  - Revising/updating the benchmark descriptions and indexing as necessary.
  - Soliciting additional state of Washington employer participation to ensure stronger responses to failed benchmarks (less than 5 participant responses) from 2014.
  - Supplementing the salary survey with Washington state market data from the following trusted sources:
    - Economic Research Institute (ERI) 2015 Salary Assessor
    - Towers Watson Data Services 2015 Compensation Surveys
    - Milliman 2015 Healthcare Core Salary Survey

- Other survey updates included:
  - Geographically adjusting out-of-state survey data using the Bureau of Economic Analysis (BEA) Regional Price Parities (RPP).
  - Adjustment to the state’s comparison point to the market: comparing the state’s midpoint to the average market midpoint.

### Key findings – salaries

- The survey compared salaries for 183 representative (benchmark) jobs as of July 2015. When looking at benchmarked as well as indexed job classes the results show:
  - 1 percent of state job classes are paid at or above the market. Example: Pharmacy technicians are paid 14 percent above the market average.
  - 10 percent of state job classes are paid 2.5-10 percent below the market. Example: Revenue agents are paid 7.5 percent below the market average.
  - 23 percent of state job classes are paid 12.5-25 percent below the market. Example: Social service specialists are paid 17.5 percent below the market average.
  - 66 percent of state jobs are paid more than 25 percent below the market. Of those classes, 23 percent are paid more than 50 percent below the market. Example: Budget analysts are paid 55 percent below the market average.
- The state salary ranges are more competitive at the entry level but less competitive toward the top of each range (Step A to Step L).
- The table below shows how the state compares to the salary range of surveyed entities.

	Salary Minimum	Salary Midpoint	Salary Maximum
Survey Participants	82%	77%	74%

### Key findings – vacation

- For employees with up to 20 years of service, vacation provided by the state is comparable to that reported by the majority of the survey respondents.
- “Participant days per year” in the table below reflects the selections made by the majority of the participants responding to survey. No participant selected more than 25-29 days per year.

Years of Service	State of Washington	Participant Days per Year
1 year	12 days	10 - 14 days
3 years	14 days	10 - 14 days
5 years	15 days	15 - 19 days
7 years	15 days	15 - 19 days
10 years	16 days	15 - 19 days
15 years	21 days	20 - 24 days
20 years	22 days	20 - 24 days
25 years	22 days	25 - 29 days

## Key findings – benefits

- While the survey primarily focused on base salaries, employers were also asked to report on compensation practices, paid leave practices and other fringe benefits provided to their employees.
- Additional benefits data was derived from the Milliman 2015 Northwest Benefits Survey for employers within the state of Washington.
- The state remains competitive in health, dental and retirement benefits in a comparison to the Washington state market (public/private sectors combined) average benefits.
- The table below represents the benefit value per employee (annual value or percent of base salary) as of January 2015:

Benefit	Market Average	State of Washington
Medical	\$9,629	\$11,564
Dental	\$1,026	\$1,390
Defined Benefit Plan	11.3%	13.1%
Defined Contribution Plan	6.10%	0.00%
Long-Term Disability	0.16%	0.05%
Life Insurance	0.31%	0.09%

- Private sector employers, who have an increasingly mobile workforce, tend to use defined contribution plans over a defined benefit plan.
- Most state employees are covered under the Public Employees’ Retirement System (PERS), PERS 2 in the table above. Most other public sector employees in Washington are covered by the same or similar plans.
- The state of Washington also offers a hybrid defined contribution/defined benefit plan in addition to the defined benefit PERS 2 plan. In this plan, the state contributes to the defined benefit and the employee contributes to the defined contribution.

## Key findings – fringe benefits

- The market offers the following reimbursements and perquisites. The state varies in its implementation of these:

Type of Benefit	Market
Flexible schedules	65%
Telecommuting	50%
Relocation reimbursement (for new hires)	24%
Tuition assistance or reimbursement	66%
Student loan deferral, repayment, forgiveness program	5%

Reimbursement for membership to job-related professional associations	48%
Reimbursement for fees associated with certification/licensing attainment or maintenance	48%
Free or subsidized work cell/smart phone, tablet, or similar	44%
Free or subsidized parking	40%
Transportation/commuting assistance*	53%
Employee Assistance Program (EAP)*	89%
Legal services or counseling	31%
Financial services or counseling	31%
Child or elder care referral services	21%
On-site child care facilities (whether or not subsidized)	10%
On-site cafeteria (whether or not subsidized)	27%

\* *Benefit offered universally to state employees.*