

# A Study of Firm Benefits\*

Anja Decressin, Julia Lane, Kristin McCue, and Martha Stinson

- Provides information about the provision of health insurance and pension benefits by firms.
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U S C E N S U S B U R E A U

# Why Should We Care About Employer-provided Benefits?

- Jobs with benefits = “good” jobs
- Jobs without benefits
  - ⇒ potential need of social assistance from state and local governments
- Change in the types of benefits offered.

We address these issues by using the  
firm/benefit/QWI data uniquely linked by LEHD.

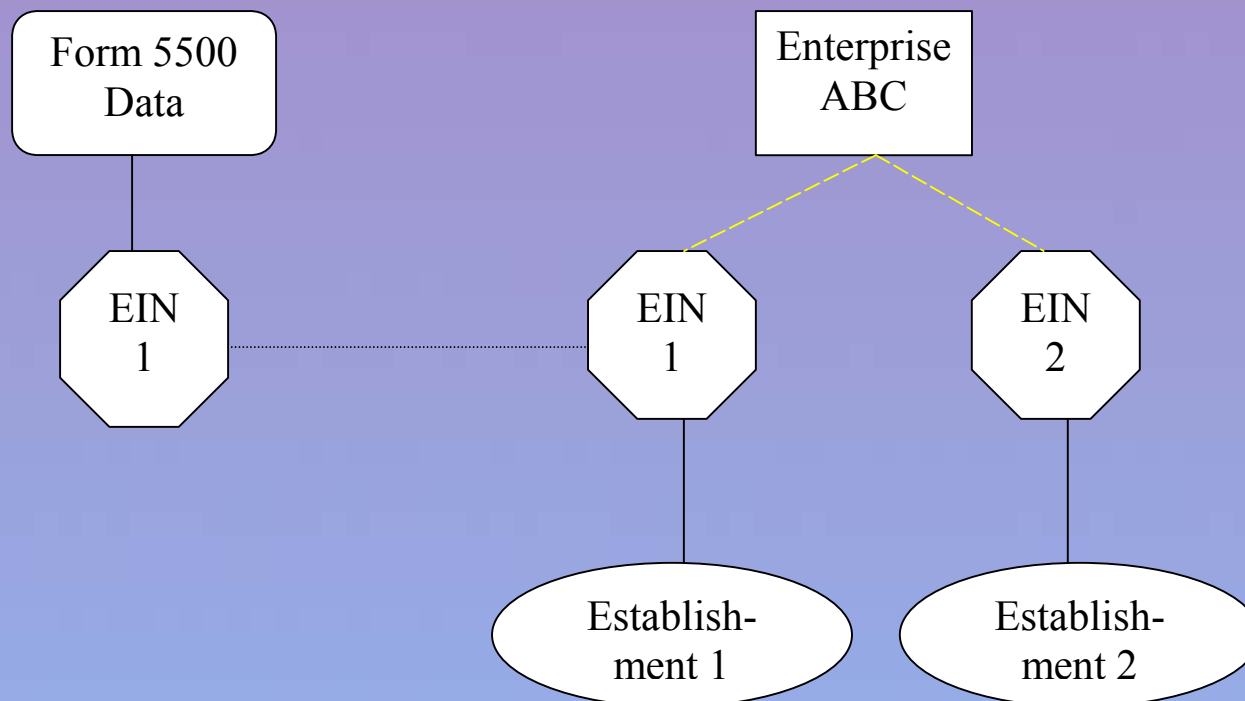
# Integrating Firm and Benefit Data

- Employer-provided benefit information from the IRS Form 5500 data (EIN-level).

Employers are required by law to file Form 5500 in order to obtain the tax benefits granted to spending on employee benefit plans.

- Parent/subsidiary information from the Business Register of the U.S. Census Bureau.

# One Enterprise With Two EINs and Two Establishments



# How Successful Is the Match?

- 96 % of the EINs  
from the 1997 Form 5500 file  
match to the Business Register.

(= 710,896 EINs have matching EINs in the BR)

# Using State ES-202 and UI wage data

- Link Form 5500 to QWI databases and investigate what types of businesses (SEINs) offer benefits
- Use Texas as proto-type state
- Look at match results for 1997, quarter 1

# Firm Size

- Large businesses are likely to offer benefits
  - 68% of multi-unit businesses
  - 81% of businesses with over 100 employees
- Businesses with benefits account for a large share of employment in Texas
  - 62% of all workers are employed by businesses with benefit plans

# Industry

Some industries are more likely to provide benefits than others

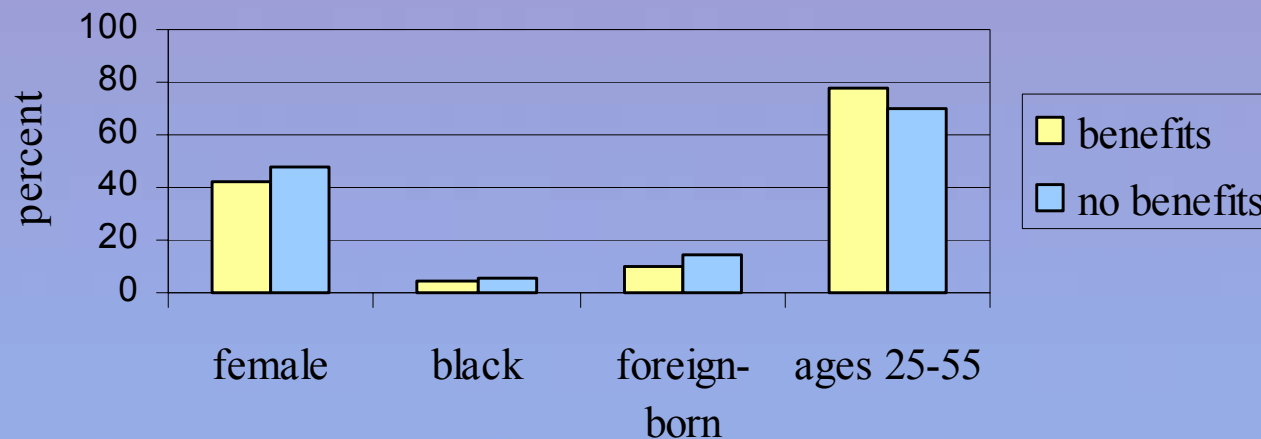
- Businesses in mining, manufacturing, wholesale trade, and FIRE industries are most likely.
- Businesses in agriculture and retail trade are the least likely.



# Workforce Composition

Workers at firms that offer benefits are less likely to be women, minorities, or foreign-born and are more likely to be middle-aged.

**Percentage of workers in various demographic groups**



# Turnover statistics:

Firms that offer benefits have lower turnover.

## Manufacturing Firms with 100+ workers Job and Worker Flows



# Next Steps

- Research Projects:
  - Impact of firm benefit offerings on worker turnover
  - Trends in benefit offerings over time
    - Defined benefit plans are becoming less common as companies shift to offering defined contribution plans.
  - Benchmarking to SIPP/CPS
    - Compare worker-provided survey reports about job benefits to firm-provided reports on Form 5500