

SAMPLE PAGES FROM:

2004 Wage & Fringe Benefit Report

Figures Based on 2003 Compensation Data



Confidential

PREPARED BY:

The Profit Planning Group
1525 Spruce Street, Suite 300
Boulder, CO 80302

© National Tooling & Machining Association, 2004



National Tooling & Machining Association

9300 Livingston Road, Ft. Washington, MD 20744-4998

(301)248-6200

(800)248-6862

Fax: (301)248-7104

<http://www.ntma.org>

Dear Member:

I am pleased to present the 2004 Wage and Fringe Benefit Report, available exclusively to NTMA members. This report contains the most comprehensive and up-to-date wage and fringe benefit statistics for the precision custom manufacturing industry.

Compiled from responses by 438 survey participants, covering over 19,806 employees in 62 wage classifications, the data presented in the following tables will help you see how competitive you are. The survey results are presented as follows:

- Employee Wage Summary (by job description)
- Regional Analysis
- Sales Volume Analysis
- Line of Business Analysis

To gain the most benefit from this report, we recommend that you study the results carefully, comparing local, regional and national statistics to your company's wage and fringe benefit structure.

A sample individual *Annual Wage and Benefit Summary* is also provided at the end of the report. Many members find it useful to calculate the total wage & benefit summary for each employee and share the overall hourly wage rate with them as a valuable means of employee communications.

NTMA thanks those members who contributed data for this vital report.

If you have any questions concerning this report, please contact Vicki Satterfield with NTMA at (800) 248-6862.

Cordially,

Matthew B. Coffey
President

NTMA

2004 Wage & Fringe Benefit Report

Table Of Contents

Introduction	1
Employee Wage Summary	2
Regional Analysis.....	6
New England (Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont)	16
Connecticut	16
Massachusetts	16
Mid Atlantic (Delaware, Maryland, New Jersey, New York, Pennsylvania, Virginia, Washington D.C., West Virginia).....	16
New York.....	16
Pennsylvania	26
Southeast (Alabama, Florida, Georgia, Mississippi, North Carolina, South Carolina, Tennessee).....	26
Tennessee.....	26
Midwest (Illinois, Indiana, Kentucky, Michigan, Minnesota, Ohio, Wisconsin)	36
Illinois	36
Indiana.....	36
Kentucky.....	36
Michigan	36
Minnesota.....	46
Ohio.....	46
Wisconsin	46
North Central (Colorado, Iowa, Kansas, Missouri, Montana, Nebraska, North Dakota, South Dakota, Utah, Wyoming)	56
Missouri.....	56
South Central (Arkansas, Louisiana, New Mexico, Oklahoma, Texas)	56
Texas.....	56
West (Arizona, California, Idaho, Nevada, Oregon, Washington)	66
Arizona	66
California	66
Sales Volume Analysis.....	76
Line of Business Analysis (Tools & Dies, Molds, General Precision Machining, Aerospace Machining & Fabrication, Special Machines, Production Operations, Diversified)	86
Annual Wage and Benefit Summary	
Sample.....	96
Worksheet	97

Prepared For:
National Tooling & Machining Association
9300 Livingston Road
Ft. Washington, MD 20744-4998
301/248-6200 (voice)
301/248-7104 (fax)

Prepared By:
Profit Planning Group
1525 Spruce Street, Suite 300
Boulder, CO 80302
303/444-6212 (voice)
303/444-9245 (fax)

Introduction

This report reviews the results from the 2003 NTMA Wage & Fringe Benefit survey finalized in December, 2003. A total of 438 manufacturers participated in this survey, providing data on wages and benefits for hourly employees. This report presents detailed analyses of beginning and experienced employee compensation. Data is presented for the typical NTMA manufacturer, by region, by company sales volume category and by line of business. Please note that the regional section presents data at the finest level of detail available (including state and metro market).

Explanation Of Statistics

Median—This report profiles the median number for all variables and calculations. The median is the middle number of all values reported arrayed from lowest to highest. The median represents the **typical** company's results. In comparison to the average or the mean, the median is not influenced by any extremely high or low values reported. Thus, the median is the preferred statistic for this analysis.

Quartile—The word quartile means that something is divided into quarters, or segments of twenty-five percent each. The first quartile is the figure halfway between the median and the lowest performance value. Twenty-five percent of the firms are below this figure and seventy-five percent are above it. The third quartile is the figure between the median and the highest value. Therefore, the values between the first and third quartiles profile the middle fifty percent of the performance statistic. The purpose of showing the first and third quartile values is to show the "range of common experience" in the industry. Where provided, readers can develop an understanding of the variability of the data without having to consider extreme results.

No One "Typical" Firm—There is no single median or "typical" firm profiled in this report. The firm whose performance is the median value for one measure is probably different from the firm whose result is the median for another measure. This occurs because medians are calculated independently for each performance measure.

Please note that throughout the report, a blank designates data that are not available due to an inadequate sample size for a particular statistic.

Regional Analysis

Employee Compensation

	Typical NTMA Mfr	New England	Mid Atlantic	Southeast	Midwest	North Central	South Central	West
Lathe (Automatic) Set-up & Operator								
Beginning/Early Hire	\$13.00		\$12.27		\$14.00	\$12.00		\$13.00
Experienced	\$18.00	\$20.00	\$16.63		\$17.00	\$18.20		\$18.25
Lathe (Automatic) Operator Only								
Beginning/Early Hire	\$11.13				\$13.39			\$9.75
Experienced	\$13.93				\$15.55			\$12.75
Lathe (Engine) Set-up & Operator								
Beginning/Early Hire	\$12.00		\$11.64		\$12.39			\$12.00
Experienced	\$17.50	\$20.00	\$16.73		\$16.75		\$18.25	\$19.25
Machine Repair & Maintenance								
Beginning/Early Hire	\$14.00	\$17.00	\$12.00		\$14.50	\$13.47		\$14.00
Experienced	\$19.00	\$20.00	\$17.50	\$16.75	\$19.99	\$20.50	\$17.15	\$21.00
Machinist, All Around (Journeyman)								
Beginning/Early Hire	\$14.00	\$16.03	\$12.25	\$15.00	\$15.00	\$13.18		\$15.15
Experienced	\$18.75	\$20.00	\$18.00	\$18.75	\$18.30	\$20.25	\$16.75	\$20.00
Machinist, Trainee (not formal apprenticeship)								
Beginning/Early Hire	\$10.00		\$9.50	\$9.93	\$10.00	\$10.00		\$9.00
Experienced	\$13.00		\$12.00		\$14.00			\$12.00
Milling Machine (Manual) Set-up & Operator								
Beginning/Early Hire	\$13.65	\$14.00	\$12.00		\$13.80	\$12.00		\$15.87
Experienced	\$17.46	\$17.50	\$16.50	\$17.00	\$16.65			\$20.00
Moldmaker/Die Cast Diemaker								
Beginning/Early Hire	\$15.50		\$18.25		\$15.00			
Experienced	\$22.00		\$19.00		\$22.00	\$25.54		
Polisher (Molds)								
Beginning/Early Hire	\$12.00		\$9.70		\$12.75			
Experienced	\$17.00		\$13.87		\$18.54	\$19.50		
Punch Press Set-up & Operator								
Beginning/Early Hire	\$11.61		\$10.85		\$11.00			\$12.00
Experienced	\$15.00		\$16.18		\$14.00			\$17.25
Punch Press Operator Only								
Beginning/Early Hire	\$8.75		\$9.50		\$8.50			\$8.00
Experienced	\$11.18		\$11.80		\$10.63			\$12.37
Shipping/Receiving Clerk								
Beginning/Early Hire	\$10.00	\$11.75	\$9.43	\$8.00	\$10.00	\$9.33	\$10.75	\$10.00
Experienced	\$13.84	\$14.50	\$13.00	\$13.13	\$14.00	\$14.50	\$11.50	\$13.50
Special Machine Builder								
Beginning/Early Hire	\$13.02		\$12.00		\$15.00			
Experienced	\$18.25		\$16.00		\$19.98			
Supervisor/Foreman								
Beginning/Early Hire	\$19.00	\$18.00	\$17.53	\$16.00	\$20.00	\$20.00		\$20.00
Experienced	\$24.00	\$26.00	\$23.34	\$22.50	\$24.45	\$26.00	\$21.00	\$25.00
Toolmaker (Jigs, Fixtures, Gages)								
Beginning/Early Hire	\$15.00	\$18.00	\$13.25		\$16.00	\$15.75		\$17.00
Experienced	\$20.00	\$21.13	\$19.12		\$20.00	\$21.16		\$20.53
Toolmaker Assistant/Helper								
Beginning/Early Hire	\$10.40				\$10.50			
Experienced	\$14.86		\$13.90		\$15.00			
Welder, Combination (Arc, Gas, MIG, Tig, SubArc)								
Beginning/Early Hire	\$13.00	\$15.01	\$12.14	\$12.00	\$13.50	\$12.50	\$12.00	\$15.00
Experienced	\$17.00	\$19.50	\$16.75	\$17.26	\$16.61	\$18.50	\$15.25	\$19.62

Regional Analysis Compensation Policies

	Typical NTMA Mfr	New England	Mid Atlantic	Southeast	Midwest	North Central	South Central	West
Basis for Overtime								
1½ times base pay after 40 hours/week	77%	75%	90%	88%	78%	86%	100%	51%
1½ times base pay after 8 daily hours	23	22	10	12	22	14	0	48
2 times base pay	0	0	0	0	0	0	0	0
No overtime premium paid	0	3	0	0	0	0	0	1
Basis for Holiday Pay								
1½ times base pay	17%	9%	13%	24%	19%	29%	15%	13%
2 times base pay	35	31	44	29	35	34	54	23
2½ times base pay	6	11	7	18	6	3	0	3
3 times base pay	5	3	3	0	7	3	0	3
Other	1	3	0	6	1	0	0	1
No work on stated holidays	36	43	33	24	32	31	31	57
Unworked holiday hours included in O/T	64%	74%	76%	59%	68%	58%	54%	41%
Pay Saturday Premium								
Yes	15%	22%	7%	12%	18%	19%	8%	10%
No	83	78	89	88	81	78	92	83
No Saturday work	3	0	4	0	2	3	0	7
Pay Sunday Premium								
Yes	29%	36%	23%	18%	35%	36%	15%	15%
No	48	31	51	71	46	53	69	44
No Sunday work	24	33	26	12	19	11	15	41
Basis for Premium Pay								
Second Shift								
Percentage above base	29%	42%	36%	24%	31%	22%	15%	18%
Flat add-on per hour	22	3	21	24	25	33	23	21
No premium paid for second shift	7	3	9	0	7	6	0	14
No second shift	41	53	34	53	38	39	62	46
Third Shift								
Percentage above base	9%	11%	19%	6%	7%	8%	0%	7%
Flat add-on per hour	9	0	10	12	8	19	0	7
No premium paid for third shift	3	0	3	0	4	3	0	1
No third shift	79	89	69	82	80	69	100	85
Performance Appraisal								
Formal performance appraisal program	58%	64%	64%	47%	57%	64%	46%	55%
Evaluations discussed with employee	98%	100%	100%	100%	97%	95%	100%	100%
Frequency of Evaluations								
Once/year	79%	88%	89%	40%	78%	65%	67%	83%
Twice/year	14	8	4	40	15	26	17	10
Three times/year	1	4	2	0	1	0	0	0
Four times/year	2	0	0	10	2	0	17	0
Depends on seniority or position	4	0	0	10	5	9	0	8
Other	1	0	4	0	0	0	0	0

Regional Analysis Compensation Policies

	Typical NTMA Mfr	New England	Mid Atlantic	Southeast	Midwest	North Central	South Central	West
Cost-Of-Living Allowances (COLA)								
Provide COLA Increases	8%	6%	9%	0%	8%	8%	8%	11%
Frequency of COLA increases								
Quarterly	6%		0%		13%	0%		0%
Semiannually	3		0		7	0		0
Annually	88		100		73	100		100
Other	3		0		7	0		0
Basis for COLA increases								
Percentage of base rate	74%		67%		80%	75%		83%
Flat rate (cents-per-hour)	26		33		20	25		17
Provision of Safety Glasses								
Plain Lenses Furnished								
Company Contribution	61%	58%	67%	71%	63%	72%	62%	44%
100% (no dollar limit)	70%	48%	66%	100%	71%	62%	63%	80%
100% (to limit of \$45)	27	48	32	0	25	31	25	20
Cost shared (no limit, 60% company paid)	2	0	2	0	2	4	13	0
Cost shared (\$50 limit, 80% company paid)	2	5	0	0	2	4	0	0
Prescription Lenses Furnished								
Company Contribution	44%	53%	50%	35%	49%	53%	38%	18%
100% (no dollar limit)	27%	16%	29%	50%	27%	17%	40%	31%
100% (to limit of \$78)	61	68	68	50	58	56	60	62
Cost shared (no limit, 50% company paid)	6	5	3	0	8	6	0	0
Cost shared (\$50 limit, 75% company paid)	7	11	0	0	6	22	0	8
Workplace Injuries/Illnesses								
Facilities Available								
First aid equipment	93%	92%	97%	100%	92%	89%	92%	92%
Trained first aid specialist	34	28	50	18	36	33	38	18
Nearby medical facility	92	86	90	88	94	92	92	94
Injury Compensation (other than workers comp)								
Provide injury compensation (1 st 7 days)	13%	25%	10%	24%	11%	11%	23%	11%
Provide for day of injury only	42	44	44	47	38	42	38	48
No compensation	46	31	46	29	52	47	38	41
Physical exams required for new employees	29%	28%	34%	18%	33%	31%	42%	13%
Drug Testing Required								
New employees	37%	25%	29%	47%	43%	50%	25%	28%
All employees	10	0	9	29	9	6	33	10
No testing	53	75	63	24	48	44	42	62
Severance Pay Upon Involuntary Termination								
Severance Pay Provided	8%	11%	4%	6%	7%	11%	0%	13%
Years of Service Required								
Less than one year	15%				8%	25%		10%
One year	18				23	0		10
Two years	3				8	0		0
Three years	3				0	0		10
Four years	0				0	0		0
Five years	9				8	25		10
Six or more years	0				0	0		0
No established policy	53				54	50		60
Supplemental unemployment benefit provided during layoff	3%	3%	1%	6%	3%	6%	0%	6%