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## INTRODUCTION

Families and Work Institute's **2005 National Study of Employers (NSE)** is one of the most comprehensive and far-reaching study of the practices, policies, programs and benefits provided by U.S. employers to address the changing needs of today's workforce and workplace. Because this study was designed to build on the Institute's landmark **1998 Business Work-Life Study (BWLS)**, it is therefore able to provide trend data on changes that have occurred over the past seven years.

The 1998 BWLS was one of the first and most complete studies of how U.S. organizations are responding to the changing needs of the nation's workforce and workplace. It surveyed a nationally representative group of employers with 100 or more employees.<sup>1</sup>

The *National Study of Employers*, funded by the **Alfred P. Sloan Foundation**, will provide ongoing measurements of employer work life benefits, policies, and practices. In 2005, it was redesigned to include a nationally representative sample of employers with 50 or more employees and will be repeated next in 2007. The 2005 NSE sample included 1,092 employers with 50 or more employees—66 percent are for-profit companies and 34 percent are non-profit organizations; 44 percent operate at only one location, while 56 percent have operations at more than one location.<sup>2</sup>

Although there are similar surveys by employer membership organizations, consulting firms, nonprofits and government agencies, the NSE is notable in that it is the only study of employers in the United States that comprehensively assesses work life issues for a nationally representative group of employers and that can compare these findings with similar questions asked of employers. Both the 1998 BWLS and 2005 NSE were developed to complement Families and Work Institute's ongoing National Study of the Changing Workforce (NSCW), which interviews large representative samples of employees in the U.S. labor force. In both

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1 The BWLS surveyed a representative national sample of 1,057 for-profit (84 percent of the sample) and not-for-profit companies (16 percent of the sample) with 100 or more employees by telephone interviews with human resource directors. Harris Interactive staff conducted the interviews. Employers were selected from Dun & Bradstreet lists, using a stratified random sampling procedure in which selection was proportional to the number of people employed by each company to ensure a large enough sample of large organizations. The response rate was 45 percent, based on the percentage of all companies on the call-list that completed interviews. When analyzing data to make generalizations about the universe of organizations with 100 or more employees in the U.S., the sample was weighted to the distribution of companies of different sizes in the U.S. The questionnaire was developed to complement the Families and Work Institute's 1997 National Study of the Changing Workforce (NSCW), which surveyed a representative national sample of employees in the U.S. labor force.

2 The 2005 NSE surveyed a representative national sample of 1,092 for-profit and not-for-profit companies with 50 or more employees using telephone interviews with human resource directors. Harris Interactive staff conducted the interviews from September 23, 2004 to April 5, 2005. Employers were selected from Dun & Bradstreet lists, using a stratified random sampling procedure in which selection was proportional to the number of people employed by each company to ensure a large enough sample of large organizations. The response rate was 38 percent, based on the percentage of all companies on the call-list that completed interviews. Considerable effort was made to achieve a response rate equal to or better than that obtained in 1998 (45%) that included offering a \$50 incentive to company representatives, many call backs over an extended interview period, and special efforts to convert refusals and complete partial interviews. Despite these efforts, we were unable to achieve the 1998 response level. The problem of relatively low response rates is growing in survey research involving both individuals and organizations. However, because of our efforts, we have achieved a much better response rate than the 10 – 20 percent rate that is typical of organizational research today. When analyzing data to make generalizations about the universe of organizations with 50 or more employees in the U.S., the sample was weighted to the distribution of companies of different sizes in the U.S. The questionnaire was developed to complement the Families and Work Institute's 2002 National Study of the Changing Workforce (NSCW), which surveyed a representative national sample of employees in the U.S. labor force.

the 1997 and 2002 NSCW, we found that, among other things, employees in more effective and flexible workplaces are more likely than other workers to have:

- greater engagement in their jobs;
- higher levels of job satisfaction;
- stronger intentions to remain with their companies;
- less negative and stressful spillover from job to home;
- less negative spillover from home to job; and
- better mental health.

These findings reveal that both employers and employees can benefit from effective and flexible workplaces. Employees benefit from having higher quality jobs and more supportive workplaces that are less likely to negatively affect their personal and family lives, while employers benefit from having more engaged employees, higher retention, and potentially lower health care costs.

The 2005 NSE enables us to assess the extent to which businesses are addressing a number of the factors we have identified as predictive of workers' productivity and well-being. In this report, we address three questions:

1. **Prevalence:** What practices, policies, programs and benefits do employers provide to address the personal and family needs of employees? It is important to note that this study does not ask employers to report on whether they have "written policies" but rather whether their organization "allows employees to..." or "provides the following benefits or programs..." This wording is used for two reasons. First, employers may have written policies but not "allow" employees to use them. Second, smaller employers are less likely to have written policies than larger ones. Thus, this wording enables the NSE to obtain the most realistic picture of how employers are addressing the needs of the changing work force and workplace today, because it includes *formal* policies for working flexibly as well as a *culture of flexibility* where employers address their needs and employees' needs.
2. **Small vs. Large Employers:** How do small employers (those with 50 – 99 employees nationwide) compare with large employers (those with 1,000 or more employees nationwide) in providing these benefits, policies, and practices? To simplify the presentation and interpretation of employer-size comparisons, we exclude medium-size employers (100 – 999 employees nationwide) from the comparisons reported below. Supplemental analyses indicate that in almost every case, the responses of medium-size employers fall between those of small and large employers.<sup>3</sup>
3. **Trends from 1998 to 2005:** To what extent have employers changed between 1998 and 2005 in the provision of select practices, policies, programs and benefits?

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<sup>3</sup> This is to say that the relationships between employer size and the provision of particular benefits, policies, and practices are almost always linear.

## CHARACTERISTICS OF ORGANIZATIONS IN THE SAMPLE

The percentage of employees in organizations of different sizes is presented in Table 1. Overall, 51 percent of employees work in small organizations (those with 50 to 99 employees nationwide) while only 9 percent work in large organizations (1,000 or more employees nationwide).

**Table 1: Employer Size**

| Characteristic               | Total Sample |
|------------------------------|--------------|
| Number of employees in U.S.: |              |
| 50 – 99                      | 51 %         |
| 100 – 249                    | 25           |
| 250 – 999                    | 16           |
| 1000 or more                 | 9            |

Differences between the characteristics of small and large organizations are presented in Table 2. Small employers are significantly more likely than large employers to be engaged in the retail or wholesale trades, while large employers are somewhat more likely to be engaged in professional services and to operate at more than one location. Large organizations also tend to have larger proportions of employees who are women, minorities, union members, salaried, and part time. In addition, large organizations are more likely to have women and minorities in senior and top-level positions.

**Table 2: Organization Characteristics**

| Characteristic                  | Total Sample | Employer Size                   |     |                                       |
|---------------------------------|--------------|---------------------------------|-----|---------------------------------------|
|                                 |              | Small<br>(50 – 99<br>employees) | Sig | Large<br>(1,000 or more<br>employees) |
| Industry:                       |              |                                 |     |                                       |
| Goods producing                 | 22%          | 23%                             |     | 19%                                   |
| Professional services           | 38           | 31                              |     | 47                                    |
| Wholesale & retail trade        | 20           | 26                              | **  | 12                                    |
| Finance, insurance, real estate | 7            | 6                               |     | 9                                     |
| Other services                  | 14           | 14                              |     | 13                                    |
| For-Profit or Non-Profit:       |              |                                 |     |                                       |
| For-profit                      | 66%          | 73%                             | ns  | 63%                                   |
| Non-profit                      | 34           | 27                              |     | 37                                    |
| Number of Operating Locations:  |              |                                 |     |                                       |
| Only one                        | 44%          | 56%                             | *** | 18%                                   |
| More than one                   | 56           | 44                              |     | 82                                    |

**Table 2: Organization Characteristics (Continued)**

| Characteristic                                                                             | Total Sample | Employer Size             |     |                                 |
|--------------------------------------------------------------------------------------------|--------------|---------------------------|-----|---------------------------------|
|                                                                                            |              | Small (50 – 99 employees) | Sig | Large (1,000 or more employees) |
| % of Employees Who Are Women:                                                              |              |                           |     |                                 |
| 0%                                                                                         | <1%          | <1%                       |     | 0%                              |
| 1 – 24%                                                                                    | 23           | 33                        | **  | 6                               |
| 25 – 50%                                                                                   | 30           | 26                        |     | 39                              |
| 51 – 75%                                                                                   | 29           | 23                        |     | 41                              |
| More than 75%                                                                              | 17           | 17                        |     | 15                              |
| % of Employees Who Are Minorities:                                                         |              |                           |     |                                 |
| 0%                                                                                         | 5%           | 8%                        |     | 0%                              |
| 1 – 24%                                                                                    | 47           | 49                        | **  | 26                              |
| 25 – 50%                                                                                   | 29           | 23                        |     | 56                              |
| 51 – 75%                                                                                   | 11           | 9                         |     | 15                              |
| More than 75%                                                                              | 8            | 10                        |     | 4                               |
| % of Employees Who Are Union Members:                                                      |              |                           |     |                                 |
| 0%                                                                                         | 82%          | 89%                       |     | 55%                             |
| 1 – 24%                                                                                    | 4            | 2                         | *** | 16                              |
| 25 – 50%                                                                                   | 5            | 4                         |     | 13                              |
| 51 – 75%                                                                                   | 2            | <1                        |     | 7                               |
| More than 75%                                                                              | 7            | 5                         |     | 9                               |
| % of Employees Who Are Hourly (non-exempt):                                                |              |                           |     |                                 |
| 0%                                                                                         | 2%           | 2%                        |     | 3%                              |
| 1 – 24%                                                                                    | 13           | 14                        | *   | 9                               |
| 25 – 50%                                                                                   | 17           | 13                        |     | 29                              |
| 51 – 75%                                                                                   | 25           | 26                        |     | 33                              |
| More than 75%                                                                              | 43           | 46                        |     | 28                              |
| % of Employees Who Are Part-Time:                                                          |              |                           |     |                                 |
| 0%                                                                                         | 16%          | 21%                       |     | 3%                              |
| 1 – 24%                                                                                    | 55           | 56                        |     | 60                              |
| 25 – 50%                                                                                   | 19           | 14                        | *   | 28                              |
| 51 – 75%                                                                                   | 5            | 4                         |     | 8                               |
| More than 75%                                                                              | 5            | 6                         |     | 1                               |
| Organizations with Women in Senior/Top-Level Positions? <sup>4</sup>                       | 73%          | 70%                       | *   | 84%                             |
| Organizations with Racial or Ethnic Minorities in Senior/Top-Level Positions? <sup>5</sup> | 1%           | 28%                       | *** | 51%                             |

(n=1,092) Percentages do not always add to 100% because of rounding errors.

4 This is defined as having women in any one of the following positions: CEO, Managing Partner, President, Chair or Vice Chair of the Board; COO (Chief Operating Officer) or CFO (Chief Financial Officer), or other officers reporting directly to the Chair, President, CEO or COO, such as executive or senior vice-presidents, or senior partners.

5 This is defined as having racial or ethnic minorities in any one of the following positions: CEO, Managing Partner, President, Chair or Vice Chair of the Board; COO (Chief Operating Officer) or CFO (Chief Financial Officer), or other officers reporting directly to chair, president, CEO or COO, such as executive or senior vice-presidents, or senior partners.

## TO WHAT EXTENT DO EMPLOYERS PROVIDE IMPORTANT SUPPORTS TO EMPLOYEES AND THEIR FAMILIES, AND HOW DO THESE DIFFER BY EMPLOYER SIZE AND OVER TIME?

### Flexibility

In some other surveys, flexibility is defined primarily as flextime: allowing employees to change their daily arrival and departure times. That was a relevant definition in the late 20th century, but not in the 21st century. Furthermore, this limited definition has sometimes led to the erroneous conclusion that flexibility is decreasing, when, in fact, our studies show the opposite. The *NSE* is notable for defining flexibility in ways that reflect the growing diversity of working flexibly in companies today.

**Prevalence:** Of the 17 options for working flexibly we consider in this report (Table 3), employers with 50 or more employees most frequently allow at least *some* workers to return to work gradually after leaves for childbirth and adoption (86%) and to take time off for education or training to improve job skills (83%). They are next most likely to allow at least *some* employees to have control over when they take breaks (78%), take time off for important family and personal needs without loss of pay (77%), and take extended career breaks for care giving or other family and personal responsibilities (73%).

The proportion of employers offering these same options for working flexibly to *all or most* workers is significantly lower—from 67 to 3 percent. On average, the proportion of employers offering flexible work options to *all or most* employees is 24 percentage points lower than the proportion who offer the same options to *some* employees. Again, a gradual return to work after childbirth or adoption is the most prevalent option (67%), while work-at-home options are least likely to be offered to all or most workers (3%).

**Small vs. Large Employers:** As stated earlier, we define small employers as those with 50 – 99 employees nationwide and large employers as those with 1,000 or more employees nationwide. Medium-size employers with 100 – 999 employees nationwide are excluded from these analyses as discussed on page 2 of the Introduction to this report. The rightmost columns in Table 3 show the percentages of small and large employers that offer various ways of working flexibly to *all or most* of their employees. Tests of statistical significance for the comparisons are reported in the center column, between the percentages for the two groups.

Perhaps quite surprisingly, in most instances, small employers are significantly more likely to offer flexibility to all or most employees than employers of other sizes, and in no instance are they significantly less likely to offer these options. This is, in our view, a very important finding. Much attention is paid to the progressive actions of very large employers in the U.S. This study provides new and refreshing evidence that the small employers in our economy may, in fact, provide more flexibility than their large counterparts, presumably out of a first-hand understanding of the effectiveness of doing so in order to make work “work” for both the employer and the employees.

Table 3: Flexibility

| Flexible Work Options                                                                          | Does organization allow <i>some</i> employees to... | Does organization allow <i>all or most</i> employees to... | Employer Size Does company allow <i>all or most</i> employees to... |     |                                 |
|------------------------------------------------------------------------------------------------|-----------------------------------------------------|------------------------------------------------------------|---------------------------------------------------------------------|-----|---------------------------------|
|                                                                                                |                                                     |                                                            | Small (50 – 99 employees)                                           | Sig | Large (1,000 or more employees) |
| Periodically change starting and quitting times?                                               | 68%                                                 | 33%                                                        | 37%                                                                 | **  | 26%                             |
| Change starting and quitting times on a daily basis?                                           | 34%                                                 | 13%                                                        | 17%                                                                 | *** | 4%                              |
| Have control over when they take breaks?                                                       | 78%                                                 | 53%                                                        | 52%                                                                 | *   | 44%                             |
| Have control/choice over which shifts they work?                                               | 39%                                                 | 20%                                                        | 21%                                                                 | ns  | 17%                             |
| Have control over paid and unpaid overtime hours?                                              | 28%                                                 | 14%                                                        | 16%                                                                 | **  | 8%                              |
| Move from full-time to part-time and back again while remaining in the same position or level? | 53%                                                 | 21%                                                        | 23%                                                                 | **  | 13%                             |
| Share jobs?                                                                                    | 46%                                                 | 13%                                                        | 15%                                                                 | *** | 4%                              |
| Work a compressed workweek for at least part of the year?                                      | 39%                                                 | 10%                                                        | 12%                                                                 | ns  | 8%                              |
| Work part of workweek at home <b>occasionally</b> ?                                            | 34%                                                 | 3%                                                         | 3%                                                                  | ns  | 2%                              |
| Work at home or off-site on a <b>regular basis</b> ?                                           | 31%                                                 | 3%                                                         | 4%                                                                  | ns  | 2%                              |
| Return to work gradually after childbirth or adoption?                                         | 86%                                                 | 67%                                                        | 66%                                                                 | *** | 49%                             |
| Take time off for important personal and family needs without loss of pay?                     | 77%                                                 | 60%                                                        | 58%                                                                 | ns  | 63%                             |
| Phase into retirement?                                                                         | 50%                                                 | 28%                                                        | 25%                                                                 | *** | 14%                             |
| Take sabbaticals paid or unpaid of 6 months or more and return to a comparable job?            | 49%                                                 | 28%                                                        | 28%                                                                 | *   | 19%                             |
| Take time for education/training to improve skills?                                            | 83%                                                 | 55%                                                        | 55%                                                                 | **  | 42%                             |
| Take extended career breaks for care giving or other family/personal responsibilities?         | 73%                                                 | 57%                                                        | 53%                                                                 | ns  | 48%                             |
| Work part year on an annual basis?                                                             | 38%                                                 | 16%                                                        | 16%                                                                 | ns  | 12%                             |

(Sample sizes: total=1,092; small employers=552; large employers=93) Percentages do not add to 100%

because some response categories are omitted. Statistical significance: \*\*\* =  $p < .001$ ; \*\* =  $p < .01$ ;

\* =  $p < .05$ ; ns= not significant.

**Trends from 1998 to 2005:** Seven of the 17 questions about working flexibly asked in 2005 were also asked in 1998. In order to compare data from 2005 and 1998, it was necessary to restrict the sample to employers with 100 or more employees—the minimum size included in the 1998 sample.

Of the seven comparisons made in Table 4, two reached statistical significance, and both suggest that employers in 2005 are *more likely* to offer flexibility. These findings differ from the media interpretation of recent studies conducted during a similar time period (see 2005 Benefits by SHRM). In this nationally representative study, we find first that 31 percent of 2005 employers allowed *at least some* employees to change starting and quitting times *daily* versus 24 percent in 1998. Second, 44 percent of 2005 employers allowed at least some employees to compress their workweek versus 37 percent in 1998. These findings parallel the 2002 National Study of the Changing Workforce that similarly showed increases in the percentage of employees with access to daily flextime.

**Table 4: Provision of Flexibility from 1998 to 2005**

| Flexibility Options                                                                                           | 1998         | Sig. | 2005         |
|---------------------------------------------------------------------------------------------------------------|--------------|------|--------------|
| % Allowing (at least some) Employees to Periodically Change Starting and Quitting Times:                      | (554)<br>68% | ns   | (428)<br>70% |
| % Allowing (at least some) Employees to Change Starting and Quitting Times Daily:                             | (552)<br>24% | *    | (432)<br>31% |
| % Allowing (at least some) Employees to Move from Full-Time to Part-Time Work then Back in the Same Position: | (544)<br>57% | ns   | (421)<br>55% |
| % Allowing (at least some) Employees to Share Jobs:                                                           | (547)<br>38% | ns   | (413)<br>44% |
| % Allowing (at least some) Employees to Compress Their Workweek:                                              | (554)<br>37% | *    | (427)<br>44% |
| % Allowing (at least some) Employees to Work at Home or Off-Site on A Regular Basis:                          | (555)<br>33% | ns   | (432)<br>35% |
| % Allowing (at least some) Employees to Return to Work Gradually after Childbirth:                            | (548)<br>81% | ns   | (421)<br>85% |

Statistical significance: \*  $p < .05$ ; \*\*  $p < .01$ ; \*\*\*  $p < .001$ ; ns = not significant. Because of rounding errors, when findings are presented as percentage distributions across several response categories, they do not always add to 100%. Fractional percentages are not reported in order to simplify presentation.

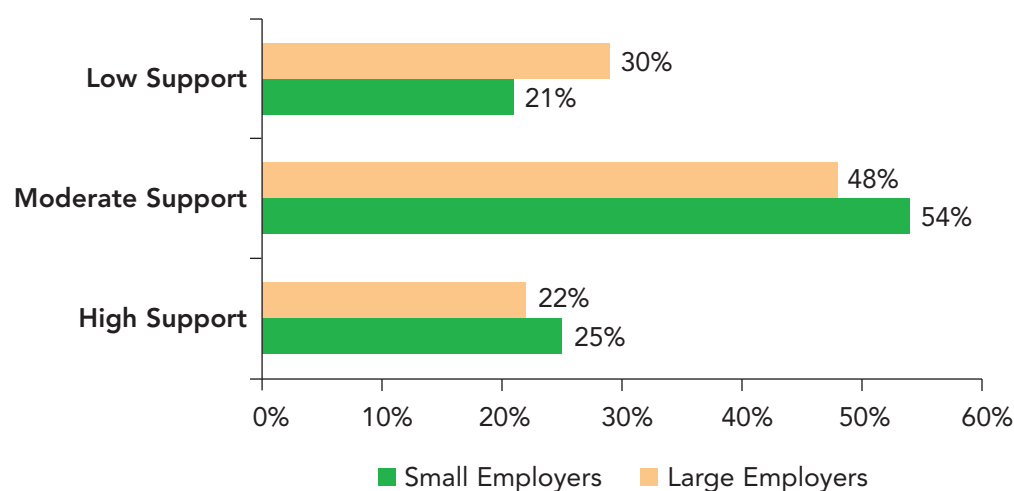
6 Note that employers were interviewed from September 23, 2004 to April 5, 2005.

**Discussion:** Because of the importance of the finding that small organizations were more likely to provide flexibility, we decided to look at data from our nationally representative study of employees, conducted three years ago in 2002, the National Study of the Changing Workforce. Surprisingly, we did *not* find employees who worked for small organizations reporting that they were any more likely to have access to flexibility than those who worked for larger organizations except in two cases—taking breaks and working a compressed work-week—where employees in large organizations were slightly more likely to have access. When we constructed an overall scale of access to various kinds of flexibility, there were *no* differences for employees in different-sized organizations.

We wondered why there is an apparent discrepancy between what employers and employees report. Perhaps things have changed in the several years since we conducted the NSCW. Or perhaps employees in smaller organizations have greater access to what we term a *culture of flexibility*, meaning that their supervisors are more supportive when work life issues arise and they also see the workplace as more supportive of having a job and having a life.

In order to test these hypotheses, we first looked at how employees in the 2002 National Study of the Changing Workforce responded when asked a series of five questions about their supervisors' support when work life issues arise and we did find differences, favoring employees working in smaller organizations. They are more likely to somewhat or strongly agree that they feel comfortable bringing up personal or family issues with their supervisor compared with those who work for large organizations. Likewise, employees who work for small organizations are more likely to somewhat or strongly agree that their supervisor cares about the impact of work on their personal or family life compared with those who work for large organizations. When we constructed a scale of these five measures, looking at supervisor support for a culture of flexibility, we found that employees in smaller organizations are significantly more likely to feel supported than those in large organizations (Figure 1).

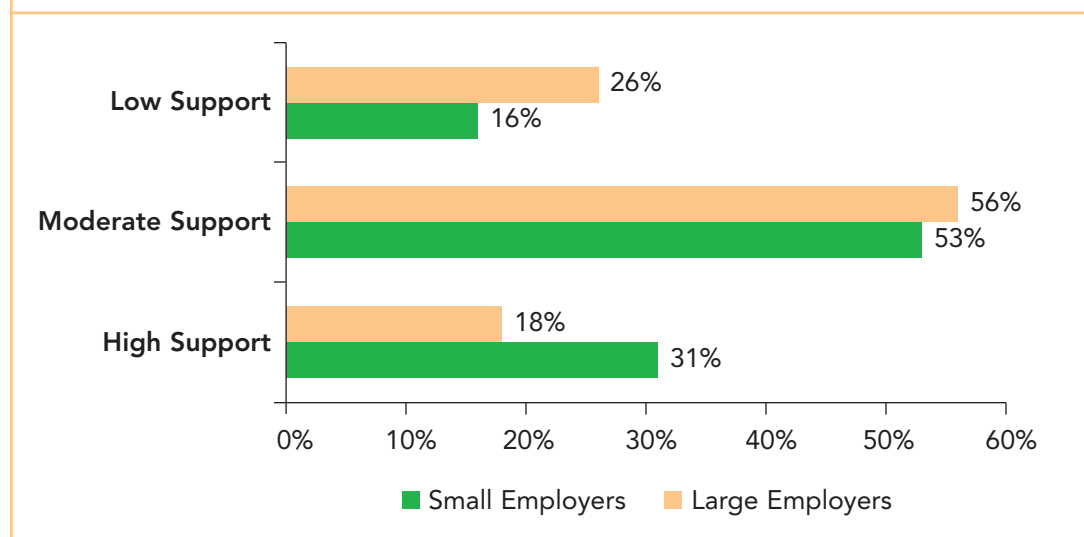
**Figure 1: Supervisor Support for a Culture of Flexibility**



Statistical significance:  $p < .05$

Second, we also looked at four items from the 2002 National Study of the Changing Workforce assessing employees' perceptions of how the workplace culture supports them when personal or family issues arise and again found greater support in small workplaces than in large ones. Specifically, employees in small organizations were more likely to somewhat or strongly disagree with the statement: "If you have a problem managing your work and family responsibilities, the attitude at my place of employment is: 'You made your bed, now lie in it!'" Likewise, employees at small organizations were more likely to somewhat or strongly disagree with the statement: "At my place of employment, employees have to choose between advancing in their jobs and paying attention to their personal or family life." When we constructed a scale summarizing the four items measuring workplace support for a culture of flexibility, we found that employees in small organizations work in more supportive cultures than those in large ones (Figure 2).

**Figure 2: Workplace Culture Support for a Culture of Flexibility**



Statistical significance:  $p < .001$

Researchers who study issues of workplace flexibility acknowledge that having both more formal programs and policies in place and having a culture of flexibility are important. In creating this culture, employers seem to look for and find flexibility options that work for the employee and the employer. It is interesting to note that small employers seem to be leading the way in this kind of flexibility. Obviously, there are lessons that large employers can learn from small ones, and vice versa.

## Leaves of Absence

**Prevalence:** Except for employers meeting the legal exemption of having fewer than 50 employees within a 75-mile radius of all work sites, companies interviewed are mandated to comply with the federal Family and Medical Leave Act (FMLA) of 1993 at some or all sites. This law requires that at least 12 weeks of unpaid, job-guaranteed leave for childbirth, adoption, foster care placement, a serious personal medical condition, or care of a child or spouse with a serious medical condition be granted to employees who have worked at least 1,250 hours during the preceding year.

Between 21 and 29 percent of employers with 50 or more employees provide fewer than 12 weeks of leave of different types, while 19 – 29 percent provide 13 weeks or more (Table 5).

**Table 5: Summary of Leave Practices and Policies**

| Leave Policies                       | Fewer than<br>12 Weeks | 12 Weeks | More than<br>12 Weeks |
|--------------------------------------|------------------------|----------|-----------------------|
| Maternity Leave                      | 22%                    | 50       | 29                    |
| Paternity Leave                      | 29%                    | 52       | 19                    |
| Adoption, Foster Care Leave          | 22%                    | 58       | 19                    |
| Care of Seriously Ill Children Leave | 21%                    | 59       | 19                    |

(n=1,092) Read percentages left to right. Percentages do not always add to 100% because of rounding errors.

**Small vs. Large Employers:** Small employers are significantly less likely—31 percent—to provide at least 12 weeks of family and medical leave than others. Of course, some proportion of small employers (a proportion that unfortunately cannot be calculated from *NSE* data) is exempt from provisions of the FMLA by virtue of having fewer than 50 employees at any one location within a 75-mile radius. However, it is surprising that 30 percent of employers that have 50 – 99 employees at a single location, and are therefore covered by the FMLA, report offering fewer than 12 weeks of family leave. Perhaps some of these employers are simply unaware of their responsibilities under the federal FMLA, while others may deliberately violate the law. *NSE* data do not enable us to further address this issue.

**Trends from 1998 to 2005:** When we compare the provision of leaves by employers with 100 or more employees in 1998 and 2005, we find only one change (Table 6). Despite a more volatile economy, employers have not cut back on providing leaves to employees—probably because the federal Family and Medical Leave Act sets a minimum requirement for most employers in our sample. The one significant change concerns men, where the average maximum job-guaranteed leave has increased somewhat from 13.1 weeks in 1998 to 14.5 weeks in 2005. Data from the *NSE* do not reveal whether fathers are actually taking more leave for paternity today than in 1998. However, we do know from the 2002 National Study of the Changing Workforce that fathers, particularly young fathers, are spending more time with their children than fathers did in the past. The observed increase in paternity leave might be a response to changes in the attitudes and behaviors of male employees as caregivers.

**Table 6: Provision of Leaves of Absence from 1998 to 2005**

| Leave Policy/Benefit                                                                         | 1998                | Sig.      | 2005                |
|----------------------------------------------------------------------------------------------|---------------------|-----------|---------------------|
| Maximum Job-Guaranteed Leave for Women Following the Birth of a Child:                       | (522)               |           | (374)               |
| Fewer than 12 weeks                                                                          | 13%                 | <i>ns</i> | 14%                 |
| 12 weeks                                                                                     | 55                  |           | 56                  |
| More than 12 weeks                                                                           | 31                  |           | 31                  |
| Average Maximum Job-Guaranteed Leave for Women Following the Birth of a Child:               | (522)<br>16.1 weeks | <i>ns</i> | (374)<br>16.7 weeks |
| Maximum Job-Guaranteed Leave for Men Following the Birth of Their Child:                     | (487)               |           | (364)               |
| Fewer than 12 weeks                                                                          | 15%                 | <i>ns</i> | 18%                 |
| 12 weeks                                                                                     | 69                  |           | 61                  |
| More than 12 weeks                                                                           | 15                  |           | 20                  |
| Average Maximum Job-Guaranteed Leave for Men Following the Birth of Their Child:             | (487)<br>13.1 weeks | *         | (364)<br>14.5 weeks |
| Maximum Job-Guaranteed Leave for Employees Following the Adoption of a Child:                | (487)               |           | (364)               |
| Fewer than 12 weeks                                                                          | 13%                 | <i>ns</i> | 15%                 |
| 12 weeks                                                                                     | 72                  |           | 66                  |
| More than 12 weeks                                                                           | 15                  |           | 19                  |
| Average Maximum Job-Guaranteed Leave for Following the Adoption of a Child:                  | (487)<br>13.4 weeks | <i>ns</i> | (364)<br>14.8 weeks |
| Maximum Job-Guaranteed Leave for Employees to Care for Seriously Ill Family Members:         | (487)               |           | (364)               |
| Fewer than 12 weeks                                                                          | 14%                 | <i>ns</i> | 13%                 |
| 12 weeks                                                                                     | 73                  |           | 68                  |
| More than 12 weeks                                                                           | 13                  |           | 19                  |
| Average Maximum Job-Guaranteed Leave for Employees to Care for Seriously Ill Family Members: | (487)<br>13.5 weeks | <i>ns</i> | (364)<br>14.7 weeks |

Statistical significance: \*  $p < .05$ ; \*\*  $p < .01$ ; \*\*\*  $p < .001$ ; *ns* = not significant. Because of rounding errors, when findings are presented as percentage distributions across several response categories, they do not always add to 100%. Fractional percentages are not reported in order to simplify presentation.

## Replacement Pay During Leaves

**Prevalence:** Women on maternity leave are much more likely than men on paternity leave to receive some replacement pay during their period of disability and beyond (Table 7).

**Small vs. Large Employers:** Although small employers are equally likely (or “unlikely” if you will) to offer any replacement pay to men during paternity leave, they are significantly less likely (36%) than large employers (66%) to offer any replacement pay to women during disability leave, and a small percent (7%) offer pay beyond the period of disability.

Of companies providing at least some pay to women during their period of disability, most (75%) fund this pay through a general temporary disability insurance (TDI) plan, which typically provides partial wage replacement during the period of maternity-related disability. Only 58 percent of small employers, versus 80 percent of large employers, offer TDI coverage.

**Table 7: Replacement Pay During Leave**

| Some Replacement Pay During Leaves                                                                                                                                   | At Least Some Replacement Pay | “Some Pay” by Employer Size |     |                                 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|-----------------------------|-----|---------------------------------|
|                                                                                                                                                                      |                               | Small (50 – 99 employees)   | Sig | Large (1,000 or more employees) |
| Among Employers that Offer at Least Some Time Off for Maternity: Pay for Women During Period of Maternity-Related Disability (excluding paid vacation and sick time) | 46%                           | 36%                         | *** | 66%                             |
| Among Employers that Offer at Least 6 Weeks Off for Maternity: Pay for Women Following the Period of Maternity-Related Disability                                    | 7%                            | 7%                          | ns  | 6%                              |
| Among Employers that Offer at Least Some Time Off for New Fathers: Pay for Men During Paternity Leave (excluding paid vacation and sick time)                        | 13%                           | 14%                         | ns  | 13%                             |

(Sample sizes: total=1,092; small employers=552; large employers=93)  
Only the % responding “Yes” is reported for each option.

Although paid time off to care for *mildly* ill children is not required by law, 50 percent of companies with 50 or more employees allow employees to take some time for this purpose without having to use vacation days or losing pay. This policy or practice is also considered an aspect of the flexible workplace.

**Trends from 1998 to 2005:** Although there has been no cutback in employers’ provision of pay during leaves of absence for care of mildly ill children or leave following childbirth for mothers and fathers, new mothers who receive disability pay after childbirth are less likely to receive full pay (18%) in 2005 than they were in 1998 (27%) (Table 8). This parallels the pattern of cutbacks in employers’ contribution to health care costs (discussed later in this report), in general.

**Table 8: Replacement Pay During Leaves from 1998 to 2005**

| Practice, Policy or Benefit                                                                                                   | 1998          | Sig. | 2005          |
|-------------------------------------------------------------------------------------------------------------------------------|---------------|------|---------------|
| % Offering (most) Employees A Few Days Off to Care for Mildly Ill Children without Losing Pay or Having to Use Vacation Days: | (554)<br>49 % | ns   | (443)<br>51 % |
| Do Female Employees Who Give Birth Receive Any Pay From Any Source During the Period of Their Disability?                     | (512)         | ns   | (364)         |
| Yes                                                                                                                           | 53 %          |      | 54 %          |
| No                                                                                                                            | 47            |      | 46            |
| Do Employees Who Receive at Least Some Pay During the Period of Maternity-Related Disability Receive Full or Part Pay?        | (256)         | **   | (192)         |
| Full pay                                                                                                                      | 27 %          |      | 18 %          |
| Part pay                                                                                                                      | 60            |      | 64            |
| Depends on situation                                                                                                          | 13            |      | 19            |
| Is Disability Pay Provided as Part of a Temporary Disability Insurance Benefit?                                               | (269)         | ns   | (192)         |
| Yes                                                                                                                           | 81 %          |      | 78 %          |
| No                                                                                                                            | 19            |      | 22            |
| Do Men Receive Any Paid Time Off Following the Birth of Their Child?                                                          | (476)         | ns   | (336)         |
| Yes                                                                                                                           | 13 %          |      | 12 %          |
| No                                                                                                                            | 87            |      | 88            |

Statistical significance: \*  $p < .05$ ; \*\*  $p < .01$ ; \*\*\*  $p < .001$ ; ns = not significant. Because of rounding errors, when findings are presented as percentage distributions across several response categories, they do not always add to 100%. Fractional percentages are not reported in order to simplify presentation.

## Use of Flexible Time and Leave Policies without Jeopardizing Advancement

**Prevalence:** Only 9 percent of company representatives responding to the 2005 NSE survey feel that the use of flexible time and leave policies jeopardizes employees' opportunities for advancement. In contrast, the Institute's 2002 National Study of the Changing Workforce found that among employees of private-sector organizations with 50 or more employees nationally, 39 percent of employees felt somewhat or strongly that using flexible schedules and taking time off for family reasons would impede their job advancement. Although the questions are not exactly identical in the two surveys, they are substantively the same, and the difference between employers' and employees' views is large enough to suggest that there is strong disagreement between employers and employees on the extent to which the use of flexible policies jeopardizes advancement—a difference that is likely to inhibit employees' use of flexible work options unless the employer makes a specific effort to reduce this jeopardy.

**Small vs. Large Employers:** We found no significant difference between small and large employers in 2005. Moreover, we found no difference between large and small employers when we compared responses from employees in the 2002 National Study of the Changing Workforce.

**Trends from 1998 to 2005:** We found no significant difference between the responses of employers in 1998 and 2005.

## Child Care Assistance

**Prevalence:** Not unexpectedly, employers are more likely to provide low- or no-cost child care options—such as Dependent Care Assistance Plans (45%) and Child Care Resource and Referral (34%)—than those that are more costly (Table 9). Among employers with 50 or more employees, only 7 percent provide child care at or near the worksite.

**Small vs. Large Employers:** Large employers are significantly more likely to offer five of the 10 child care options considered. In the case of financial assistance for child care and vacation child care for school-age children, the differences are very small and the incidence very low. However, in the case of Child Care Resource and Referral, Dependent Care Assistance Plans, and on- or near-site child care services the differences are not only statistically significant, but fairly large. Only the latter option—on- or near-site child care—has significant direct costs for employers and might be expected to be more common among large employers that have greater resources and enough employee demand to justify an investment in on- or near-site child care. The other two options—Child Care Resource and Referral and Dependent Care Assistance Plans—mainly require awareness of community resources and some administrative attention, which may well challenge small organizations that do not have human resource (HR) personnel.

**Table 9: Child Care Assistance**

| Does Your Organization Provide...                                                                   | Yes | "Yes" by Employer Size          |     |                                       |
|-----------------------------------------------------------------------------------------------------|-----|---------------------------------|-----|---------------------------------------|
|                                                                                                     |     | Small<br>(50 – 99<br>employees) | Sig | Large<br>(1,000 or more<br>employees) |
| Access to information to help locate child care in the community?                                   | 34% | 30%                             | *** | 54%                                   |
| Child care at or near the worksite?                                                                 | 7%  | 5%                              | *** | 17%                                   |
| Payment for child care with vouchers or other subsidies that have direct costs to the company?      | 3%  | 2%                              | *   | 8%                                    |
| Dependent Care Assistance Plans (DCAPs) that help employees pay for child care with pretax dollars? | 45% | 35%                             | *** | 72%                                   |
| Reimbursements of child care costs when employees work late?                                        | 4%  | 5%                              | ns  | 1%                                    |
| Reimbursement of child care costs when employees travel for business?                               | 6%  | 7%                              | ns  | 4%                                    |
| Child care for school-age children on vacation?                                                     | 3%  | 3%                              | *   | 8%                                    |
| Back-up or emergency care for employees when their regular child care arrangements fall apart?      | 6%  | 7%                              | ns  | 4%                                    |
| Sick care for the children of employees?                                                            | 5%  | 5%                              | ns  | 3%                                    |
| Financial support of local child care through a fund or corporate contributions beyond United Way?  | 7%  | 5%                              | ns  | 9%                                    |

(Sample sizes: total=1,092; small employers=552; large employers=93)

Only the % responding "Yes" is reported for each option.

Statistical significance: \*\*\* =  $p < .001$ ; \*\* =  $p < .01$ ; \* =  $p < .05$ ; ns= not significant.

**Trends from 1998 to 2005:** All 10 child care option questions asked in 2005 were also asked in 1998. In order to compare data from 2005 and 1998, it was necessary to restrict the sample to employers with 100 or more employees—the minimum size included in the 1998 sample.

No statistically significant differences were found between 1998 and 2005, suggesting that at the very least employers did not cut back on child care assistance during the recent economic downturn.

## Programs for the Parents of Teenage Children

**Prevalence:** Only 7 percent of companies with 50 or more employees offer some type of program for the parents of teenage children (Table 10). Among the small proportion of employers offering such programs, most frequently offered are Employee Assistance Programs (43 percent) and counseling (21 percent).

Interestingly, data from FWI's 2002 National Study of the Changing Workforce indicate that parents of teenage children are less satisfied with their marital relationship and less satisfied with their family life. Perhaps most important, they feel much less successful as parents than employees who have younger children. In addition, FWI's 2004 *Overwork in America* study found that among parents, the parents of teens were the most likely to be overworked. These findings strongly suggest that parents of teenagers might benefit from programs addressing their specific needs. Surely, parents who feel better about their marriages, family lives, and competencies as parents would be more productive employees.

**Table 10: Programs for Parents of Teenagers**

| Does Your Company Provide...                           | Yes | No |
|--------------------------------------------------------|-----|----|
| Any program for parents of teenagers?                  | 7%  | 93 |
| <b>Of Employers Offering Any Program What % Offer:</b> |     |    |
| Employee Assistance Programs (EAP)?                    | 43% | 57 |
| Counseling?                                            | 21% | 79 |
| After-school programs?                                 | 15% | 85 |
| Scholarship programs/educational assistance?           | 10% | 90 |
| Financial support for community programs?              | 9%  | 91 |
| Summer programs?                                       | 6%  | 94 |
| Parenting programs?                                    | 5%  | 95 |
| Seminars/workshops?                                    | 3%  | 97 |
| Internships?                                           | 3%  | 97 |
| Referral services?                                     | 2%  | 98 |
| Work life programs?                                    | 2%  | 98 |

(Sample sizes: total=1,092; small employers=552; large employers=93) Only the % responding "Yes" is reported for each option. Read percentages left to right. Because of rounding errors, do not always add to 100%.

**Employer Size and Trends:** We found few differences for employers of different sizes and from 1998 to 2005. Only one bears discussion: there has been an increase in the number of organizations offering EAP programs specifically geared to parents of teens. The main finding, however, is that very few employers of any size in 1998 or 2005 offer any programs to parents of teenage children.

## Elder Care Assistance

**Prevalence:** Interestingly and perhaps surprisingly, 79 percent of employers say that they provide paid or unpaid time off for employees to provide elder care without jeopardizing their jobs (Table 11). Elder care leave is not required by the federal Family and Medical Leave Act. This high prevalence is perhaps indicative of the fact that decision makers in organizations are typically older and more likely to experience elder care issues than those not in decision-making positions and thus may be more sensitive to providing help to others who have similar needs. Another 29 percent provide employees with information about elder care services. Only 6 percent provide direct financial support for local elder care programs.

**Small vs. Large Employers:** Small and large employers are equally likely (81%) to allow employees time off to provide elder care without jeopardizing their jobs, and this is likely to be the single most important policy for employees who have pressing elder care responsibilities. As was true for the provision of child care resource and referral services, small employers are significantly less likely (25%) than large employers (50%) to provide these services. Interestingly, fewer employers provide information about elder care (29%) than child care (34%). This trend is also true for small employers. Sometimes the same community agencies or vendors provide both child care and elder care resource and referral services; however, small employers may not even be aware of the existence of such community services or government services (such as Area Agencies on Aging) or they are less likely to use national vendors to purchase these services as a package.

**Table 11: Elder Care Assistance**

| Does Your Organization Provide...                                             | Yes | "Yes" by Employer Size          |     |                                       |
|-------------------------------------------------------------------------------|-----|---------------------------------|-----|---------------------------------------|
|                                                                               |     | Small<br>(50 – 99<br>employees) | Sig | Large<br>(1,000 or more<br>employees) |
| Elder care resource and referral services?                                    | 29% | 25%                             | *** | 50%                                   |
| Time off for employees to provide elder care without jeopardizing their jobs? | 79% | 81%                             | ns  | 81%                                   |
| Direct financial support for local elder care programs?                       | 6%  | 7%                              | ns  | 6%                                    |

(Sample sizes: total=1,092; small employers=552; large employers=93) Only the % responding "Yes" is reported for each option.

**Trends from 1998 to 2005:** Only two of the three elder care questions asked in 2005 were also asked in 1998—the question about employees being able to take time off without jeopardizing their jobs was not asked in 1998. In order to compare data from 2005 and 1998, it was necessary to restrict the sample to employers with 100 or more employees—the minimum size included in the 1998 sample. Of these two questions, employers in 2005 were more likely (34%) to report that they offered Elder Care Resource and Referral services than employers in 1998 (23%) (Table 12).

**Table 12: Elder Care Assistance from 1998 to 2005**

| Benefits, Policies, and Practices                                                            | 1998          | Sig. | 2005          |
|----------------------------------------------------------------------------------------------|---------------|------|---------------|
| % Providing Access to Information about Needed Services for Elderly Family Members:          | (549)<br>23 % | ***  | (432)<br>34 % |
| % Providing Financial Support for Local Elder Care Services beyond United Way Contributions: | (540)<br>5 %  | ns   | (421)<br>5 %  |

Statistical significance: \*  $p < .05$ ; \*\*  $p < .01$ ; \*\*\*  $p < .001$ ; ns = not significant. Because of rounding errors, when findings are presented as percentage distributions across several response categories, they do not always add to 100%. Fractional percentages are not reported in order to simplify presentation.

## Helping Employees Resolve Personal and Family Problems

**Prevalence:** Forty-six percent of employers provide Employee Assistance Programs (EAPs) that help employees deal with personal problems that may negatively affect their work or personal lives. In addition, about one in five (21%) provide work life seminars or workshops at the workplace addressing issues of parenting, child development, elder care, and so forth (Table 13).

**Small vs. Large Employers:** Clearly, large employers are more likely than small employers to provide Employee Assistance Programs and workshops/seminars on work life issues. EAPs involve direct costs to employers that are more difficult for small employers to shoulder. In addition, very small employers are less likely to have human resource personnel or departments (in-house or out-sourced) capable of identifying and developing contracts with EAP vendors. These same limitations affect offerings of work life seminars and workshops.

**Table 13: Assistance in Resolving Personal and Family Problems**

| Does Your Organization Provide...                                                                                         | Yes | "Yes" by Employer Size          |     |                                       |
|---------------------------------------------------------------------------------------------------------------------------|-----|---------------------------------|-----|---------------------------------------|
|                                                                                                                           |     | Small<br>(50 – 99<br>employees) | Sig | Large<br>(1,000 or more<br>employees) |
| An Employee Assistance Program designed to help employees deal with problems that may affect their work or personal life? | 46% | 36%                             | *** | 76%                                   |
| Workshops or seminars on parenting, child development, care of the elderly, or work family problems?                      | 21% | 15%                             | *** | 39%                                   |

(Sample sizes: total=1092; small employers=552; large employers=93) Read percentages left to right.

**Trends from 1998 to 2005:** There has been no change in the percentages of organizations providing assistance to help employees resolve personal and family problems over the past seven years.

## Supportiveness of Supervisors and the Workplace Culture

**Prevalence:** Organizational representatives were asked to assess the supportiveness of their workplaces (Table 14). Although one can certainly question whether organizational representatives can accurately assess the supportiveness of supervisors and the workplace culture (and we know from studies we have conducted where employers and employees are both answering the same questions that employers are more positive about their organizations' cultures than employees are), we present the findings with this caveat.

Approximately three quarters responded "very true" to statements assessing whether men and women who must attend to family matters are equally supported by the organization (76%) and whether supervisors are encouraged to assess employees' performance by what they accomplish rather than "face time" (72%). However, far fewer (31%) responded "very true" when asked whether management rewards those within the organization who support flexible work arrangements and even fewer (27%) feel that their organization makes a real and ongoing effort to inform employees of the availability of work life assistance.

**Small vs. Large Employers:** It is very interesting to note that all statistically significant differences between small and large employers (5 of 9 comparisons) suggest that small employers (their supervisors and workplaces) are more supportive than large employers, paralleling our finding from employees that a culture of flexibility is more prevalent in small than large organizations. As sometimes noted in the work life literature, managers of very small organizations are more likely to have personal relationships with their employees, to know about employees' personal and family situations and even to know employees' family members. In addition, small employers may be less able to afford more expensive benefits and thus may provide a more supportive culture as compensation. These factors may help to explain why very small workplaces tend to be more flexible.

**Table 14: Supportiveness of Supervisors and the Workplace Culture**

| Organizational<br>Representatives' Statements<br>about Supportiveness                                                                                                   | Very True | "Very True" by Employer Size    |     |                                       |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|---------------------------------|-----|---------------------------------------|
|                                                                                                                                                                         |           | Small<br>(50 – 99<br>employees) | Sig | Large<br>(1,000 or more<br>employees) |
| Supervisors are encouraged to be supportive of employees with family needs and by finding solutions that work for both employees and the organization                   | 63%       | 63%                             | ns  | 58%                                   |
| Employees are encouraged to openly discuss their needs for flexibility with their supervisors                                                                           | 53%       | 56%                             | ns  | 46%                                   |
| Men and women who must attend to family matters are equally supported by supervisors and the organization                                                               | 76%       | 79%                             | *   | 66%                                   |
| The organization makes a real and ongoing effort to inform employees of available assistance for managing work and family responsibilities                              | 27%       | 26%                             | ns  | 30%                                   |
| The importance of working and managing flexibly is clearly communicated throughout the organization                                                                     | 46%       | 50%                             | *   | 37%                                   |
| All employees' requests for flexible work arrangements are considered through an equitable process                                                                      | 62%       | 65%                             | **  | 51%                                   |
| Supervisors are encouraged to assess employees' performance by what they accomplish and not just by "face time"—that is the number of hours they spend at the workplace | 72%       | 72%                             | ns  | 76%                                   |
| Management rewards those within the organization who support effective flexible work arrangements                                                                       | 31%       | 36%                             | *   | 20%                                   |
| Management tries to structure work requirements so they don't have a negative impact on employees' personal and family lives                                            | 52%       | 53%                             | *   | 38%                                   |

(Sample sizes: total=1,092; small employers=552; large employers=93) Read percentages left to right. Percentages do not always add to 100% because of rounding error.

## Employer Efforts to Develop Supportive Supervisors

**Prevalence:** Organizations in this study are most likely to provide training for supervisors in managing diversity and least likely to have a career counseling or management/leadership program for women—65 percent versus 22 percent, a striking difference of 43 percentage points (Table 15). Falling between these extremes are supervisor training to respond to the work family needs of employees and considering how well supervisors manage flexible work arrangements when making job performance appraisals and compensation decisions.

**Small vs. Large Employers:** Not surprisingly, large employers that presumably have HR departments are more likely to implement formal training and counseling programs focused on work family needs, diversity, and management and leadership roles for women. Interestingly, however, there is no statistically significant difference between small and large employers with respect to whether or not they “consider how well supervisors and managers manage flexible work arrangements when making job performance appraisals and compensation decisions.” Indeed, the absolute difference in percentage points (66% versus 55%, significant at  $p < .1$ ) favors small employers, although it does not reach our criteria for significance.<sup>7</sup>

**Table 15: Programs for Supervisors and Career Development**

| Program                                                                                                                                        | Provide | “Provide” by Employer Size      |     |                                       |
|------------------------------------------------------------------------------------------------------------------------------------------------|---------|---------------------------------|-----|---------------------------------------|
|                                                                                                                                                |         | Small<br>(50 – 99<br>employees) | Sig | Large<br>(1,000 or more<br>employees) |
| Train supervisors in responding to work family needs of employees                                                                              | 48%     | 44%                             | **  | 61%                                   |
| Train supervisors in managing diversity                                                                                                        | 65%     | 58%                             | *** | 86%                                   |
| Consider how well supervisors and managers manage flexible work arrangements when making job performance appraisals and compensation decisions | 63%     | 66%                             | ns  | 55%                                   |
| Career counseling program or a management/leadership program for women                                                                         | 22%     | 17%                             | *** | 39%                                   |

(Sample sizes: total=1092; small employers=552; large employers=93) Read percentages left to right.

<sup>7</sup> As stated in footnote 3, we only report findings that are significant at  $p < .05$  as “statistically significant” though some would report findings at  $p < .10$  as significant, particularly given the relatively small number of large companies in the sample.

## Health Care Benefits

**Prevalence:** Health insurance coverage for oneself and one's family is the single most important benefit to U.S. workers and their families, who rely almost exclusively on employers for coverage. Ninety-five percent of companies with 50 or more employees offer personal health insurance coverage for full-time employees (Table 16). Among organizations offering personal health insurance, 24 percent pay all of the premium, 74 percent pay some of the premium, and 2 percent pay none of the premium. Among companies offering personal health insurance, 40 percent increased employees' premium co-pay during the preceding two years.

Eighty-eight percent of companies offer family coverage, with only 9 percent of these paying all of the premium for family members, another 68 percent paying part of the premium, and 23 percent paying none of the premium. Among companies offering family health insurance, 37 percent increased employees' premium co-pay during the preceding 2 years.

Only 33 percent of companies offer full or pro-rated benefits to part-time workers, while 23 percent offer health insurance coverage for unmarried partners who live with the employee. Forty-seven percent of companies offer wellness programs for employees and their families, and 34 percent provide space and milk storage facilities that allow mothers who are nursing to continue to do so by expressing milk.

**Small vs. Mid-Sized vs. Large Employers:** Small employers with 50 – 99 employees are almost as likely (92%) to offer personal health insurance coverage as large employers (100%), and when they do, small employers are more likely (25%) than large employers (10%) to pay all of the premium. In recent years, as health care costs have risen dramatically, employers have begun to shift the costs of premiums to employees. Interestingly and perhaps very surprisingly, small employers are also less likely (37%) than large employers (51%) to have required employees to pay a larger proportion of their personal health insurance premium over the past two years.

On the other hand, small employers are significantly less likely (83%) than large employers (99%) to offer family health insurance coverage, and they are more likely (29%) than large employers (10%) to pay none of the premium. When small employers do offer partly or fully paid family coverage, however, they are less likely (28%) than large employers (52%) to have required employees to pay a higher proportion of their family insurance premium over the past two years. Small employers are also less likely than large employers to provide health insurance to part-time employees on a full or pro-rated basis, to provide wellness programs for employees and their families, and to provide space and storage facilities at work to allow women who are nursing to continue doing so by expressing milk. Interestingly, small employers are just as likely as large employers to offer health insurance coverage for unmarried partners living with employees.

**Table 16: Health Care Benefits**

| Does Your Organization Provide...                                                                               | Yes  | "Provide" by Employer Size      |     |                                       |
|-----------------------------------------------------------------------------------------------------------------|------|---------------------------------|-----|---------------------------------------|
|                                                                                                                 |      | Small<br>(50 – 99<br>employees) | Sig | Large<br>(1,000 or more<br>employees) |
| Personal health insurance for full-time employees?                                                              | 95 % | 92 %                            | **  | 100 %                                 |
| Among organizations offering personal coverage: Full or part payment of premiums for personal health insurance? |      |                                 | *** |                                       |
| Full                                                                                                            | 24 % | 25 %                            |     | 10 %                                  |
| Part                                                                                                            | 74   | 73                              |     | 89                                    |
| None                                                                                                            | 1    | 2                               |     | 2                                     |
| Over past two years, employees asked to pay a larger proportion of personal health insurance premium?           | 40 % | 37 %                            | *   | 51 %                                  |
| Health insurance that includes coverage for family members?                                                     | 88 % | 83 %                            | *** | 99 %                                  |
| Among organizations offering family coverage: Full or part payment of premium for family members?               |      |                                 | **  |                                       |
| Full                                                                                                            | 9 %  | 10 %                            |     | 4 %                                   |
| Part                                                                                                            | 68   | 61                              |     | 87                                    |
| None                                                                                                            | 23   | 29                              |     | 10                                    |
| Over past two years, employees asked to pay a larger proportion of family health insurance premium?             | 37 % | 28 %                            | *** | 52 %                                  |
| Health insurance for part-time employees on a full or pro-rated basis?                                          | 33 % | 28 %                            | **  | 47 %                                  |
| Health insurance coverage for unmarried partners who live together?                                             | 23 % | 25 %                            | ns  | 27 %                                  |
| Wellness program for employees and their families?                                                              | 47 % | 40 %                            | *** | 65 %                                  |
| Space and storage facilities at work that allow women who are nursing to continue to do so by expressing milk?  | 34 % | 32 %                            | *   | 45 %                                  |

(Sample sizes: total=1092; small employers=552; large employers=93) Read percentages left to right.

**Trends from 1998 to 2005:** Six of the health care benefit questions asked in 2005 were also asked in 1998 (Table 17). In 2005, employers are less likely (7%) to pay the entire premium for family health insurance than they were in 1998 (12%). This finding parallels the finding that 37 percent increased employees' premium co-pay during the preceding two years. Interestingly, significantly more employers in 2005 (21%) than in 1998 (14%) offered health insurance coverage for the unmarried partners of employees—no doubt indicative of a gradual shift in values about the legitimacy of nontraditional relationships.

**Table 17: Health Care Benefits from 1998 to 2005**

| Benefits                                                                                                                   | 1998          | Sig. | 2005          |
|----------------------------------------------------------------------------------------------------------------------------|---------------|------|---------------|
| % Providing health insurance coverage for full-time employees:                                                             | (556)<br>97 % | ns   | (436)<br>98 % |
| % Providing health insurance coverage for family members:                                                                  | (555)<br>95 % | ns   | (434)<br>94 % |
| % Paying all, part or none of the premium for family members health insurance:                                             | (527)         |      | (404)         |
| All                                                                                                                        | 12 %          | **   | 7 %           |
| Part                                                                                                                       | 75            |      | 75            |
| None                                                                                                                       | 13            |      | 17            |
| % Providing health insurance coverage for unmarried partners of employees:                                                 | (513)<br>14 % | *    | (372)<br>21 % |
| % Providing health insurance benefits to part-time employees:                                                              | (529)<br>33 % | ns   | (373)<br>38 % |
| % Providing space and storage facilities at work that allow women who are nursing to continue to do so by expressing milk? | (546)<br>37 % | ns   | (420)<br>36 % |

Statistical significance: \*  $p < .05$ ; \*\*  $p < .01$ ; \*\*\*  $p < .001$ ; ns = not significant. Because of rounding errors, when findings are presented as percentage distributions across several response categories, they do not always add to 100%. Fractional percentages are not reported in order to simplify presentation.

## Benefits to Enhance Economic Security

**Prevalence:** Of the benefits most directly related to economic security considered in this study, companies with 50 or more employees are most likely (83%) to offer 401(k) or 403(b) retirement plans, with for-profit companies using the former and non-profits the latter (Table 18). Moreover, 74 percent of companies operating individual retirement plans also make contributions to them. Only 34 percent of companies offer defined-benefit pensions. The next most popular fringe benefit (64%) is temporary disability insurance. Sixty-two percent of companies also offer some measure of financial assistance for employees to continue their education or training. The incidence of other benefit offerings is much lower.

**Small vs. Mid-Sized vs. Large Employers:** Small employers are less likely than large employers to offer benefits that enhance employees' economic security when those benefits have

clear direct cost implications (all benefits above the double line in Table 18). The costs of such benefits may be considerable and are more easily borne by large than small employers. About one in five small and large employers take some steps to help employees obtain public benefits for which they are eligible. Among low-wage employees from low-income families such benefits can greatly enhance family economic security. Relatively few companies—large or small—offer phased retirement *and* defined-benefit pension plans. Among those that do, small employers are just as likely as large employers to allow employees to phase into retirement without reducing pension payouts. What cost, if any, this imposes on these employers is not clear. However, it is an important benefit to older workers.

**Table 18: Benefits to Enhance Economic Security**

| Does Your Organization Provide...                                                                                                                                                                      | Yes | "Provide" by Employer Size      |     |                                       |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|---------------------------------|-----|---------------------------------------|
|                                                                                                                                                                                                        |     | Small<br>(50 – 99<br>employees) | Sig | Large<br>(1,000 or more<br>employees) |
| Temporary disability insurance (TDI)?                                                                                                                                                                  | 64% | 58%                             | *** | 80%                                   |
| Defined/guaranteed benefit pension plan?                                                                                                                                                               | 34% | 28%                             | *** | 48%                                   |
| 401(k) or 403(b) individual retirement plan?                                                                                                                                                           | 83% | 76%                             | *** | 96%                                   |
| Of companies offering individual retirement plan, company contribution to plan?                                                                                                                        | 74% | 68%                             | *** | 90%                                   |
| Financial assistance for employees to continue their education/training?                                                                                                                               | 62% | 56%                             | *** | 79%                                   |
| Scholarships or other educational assistance for the children of employees?                                                                                                                            | 15% | 8%                              | *** | 29%                                   |
| Financial assistance for adoptive parents?                                                                                                                                                             | 7%  | 5%                              | *** | 18%                                   |
| Assistance in obtaining public benefits for potentially eligible employees—such as tax credits, child care subsidies, food stamps, housing subsidies, and transportation subsidies?                    | 20% | 19%                             | ns  | 21%                                   |
| Among companies allowing phased retirement <i>and</i> offering defined-benefit pension plans ( <i>only 16% of companies</i> ), what % allow employees to do so without reducing their pension payouts? | 80% | 76%                             | ns  | 77%                                   |

(Sample sizes: total=1092; small employers=552; large employers=93) Read percentages left to right.

**Trends from 1998 to 2005:** Four questions asked in 2005 were also asked in 1998. Two statistically significant differences were found. Employers in 2005 are less likely (41%) than those in 1998 (48%) to provide defined-benefit pension plans. This trend has been widely documented over the past several decades. Second, employers in 2005 are less likely (81%) than employers in 1998 (91%) to make contributions to employees' retirement plans (Table 19).

**Table 19: Benefits to Enhance Economic Security from 1998 to 2005**

| Benefits                                                       | 1998          | Sig. | 2005          |
|----------------------------------------------------------------|---------------|------|---------------|
| % Providing short-term, non-occupational disability insurance: | (550)<br>70 % | ns   | (428)<br>70 % |
| % Providing defined-benefit pension plan:                      | (550)<br>48 % | *    | (420)<br>41 % |
| % Providing 401(k), 403(b), or other retirement plan:          | (556)<br>90 % | ns   | (433)<br>90 % |
| % Contributing to employee retirement plans:                   | (499)<br>91 % | ***  | (432)<br>81 % |

Statistical significance: \*  $p < .05$ ; \*\*  $p < .01$ ; \*\*\*  $p < .001$ ; ns = not significant. Because of rounding errors, when findings are presented as percentage distributions across several response categories, they do not always add to 100%. Fractional percentages are not reported in order to simplify presentation.

## Company Involvement in Community Life

**Prevalence:** Fourteen percent of companies with 50 or more employees are engaged in some type of partnership with local or state government to assist working families in the community to meet their family and personal responsibilities. Sixty-one percent of companies with 50 or more employees allow their workers to volunteer in community activities for some period of time during work hours. Among these employers, 11 percent provide no pay during volunteer hours, while 40 percent compensate employees for some number of hours up to a maximum of 19 hours per year, while 49 percent provide 20 or more hours of paid time for volunteer work annually.

## Main Reasons for Implementing Work Life Policies

We asked employers that offered eight or more work life policies and programs (like flexibility, family leave, child care, and elder care assistance) what their reasons were for doing so. Interestingly, this represents the vast majority, or 92 percent, of employers. Their diverse responses to this open-ended question are grouped and summarized in Table 20.

The largest proportion of companies (47%) report that the main reason for implementing work life policies and programs is to recruit and retain employees. Effective recruitment and retention are at the heart of organizational success, as are productivity and job commitment, which 25 percent report as the main reason for implementing work life policies and programs. Six percent also mentioned other specific reasons, such as meeting organizational needs for flexible scheduling, reducing absenteeism, and lower costs to the organization.

Interestingly, although most report implementing these programs, policies, and practices for business reasons, 39 percent of companies claim to implement these policies and programs for the sake of employees and their families. We included in this category the 20 percent of companies that gave as their main reason “to help employees manage work and family life.” These companies may be looking out for their own self-interest as much as the interests of employees and families, since problems managing work and family life can rebound negatively on the job, affecting productivity and retention. From our perspective, this rationale may reflect the mutual interests of employers and employees—a win-win situation. Another 19 percent of employers gave reasons for implementing work life policies that appear to be purely *altruistic*—“we are a caring organization;” “it’s the right thing to do;” “we are a family organization, and it’s the way we do things.”

**Table 20: Business Reasons for Implementing Family-Friendly Policies**

| Reasons                             | Yes |
|-------------------------------------|-----|
| Recruit and retain employees        | 47% |
| Enhance productivity and commitment | 25% |
| Other specific business reasons     | 6%  |
| To support employees and families   | 39% |
| Other                               | 23% |

(n=1,001) Only the % mentioning each option is reported. The percentages add to more than 100% because respondents could mention multiple reasons.

## Main Obstacles to Implementing Work Life Policies

We also asked all employers in the survey sample what the main obstacles were to implementing work life benefits, policies and programs—“such as flexible work schedules, family leave, child care or elder care benefits?” We suspect that including “child care” in the list may have biased responses since many employers think of “child care benefits” as offering near- or on-site child care services to employees, which can be costly, while a number of types of flexible work schedules pose no direct costs. Nonetheless, “cost” is most frequently cited (46%) as an obstacle to work life policies (Table 21).

Next most important are various perceived impracticalities (41%) related to work schedule flexibility, supervision, fairness and, possibly, family leave policies—such as “job doesn’t allow,” “hard to supervise,” “inflexible work arrangements,” “lack of staff,” “small organization,” “administrative hassles,” “could lead to coworker resentment,” “union considerations,” and “equal treatment for all employees.” Five percent of employers report no obstacles to implementing work life benefits, policies, and programs.

Despite these obstacles, 92 percent of employers offer eight or more work life policies, programs or practices, indicating that the business reasons for doing so may be seen as outweighing the obstacles.

**Table 21: Business Obstacles to Implementing Family-Friendly Policies**

| Obstacles              | Yes |
|------------------------|-----|
| Costs                  | 46% |
| Impracticality         | 41% |
| Other – unclassifiable | 23% |

*(n=1092) Only the % mentioning each option is reported. The percentages add to more than 100% because respondents could mention multiple obstacles.*

## CONCLUSION

In the seven years since we last conducted this study, the economy has been quite volatile and common wisdom would have it that employers would cut back on the work life assistance they offer employees. Except for reductions in how much employers pay toward benefits that cost money (their contribution to health care, disability programs, and pension plans), we did not find this to be the case. Employers have largely maintained or increased the support they provide to employees in managing their personal and family lives, probably because, as they report, these are increasingly seen as strategic business tools for recruitment, retention, commitment, and productivity—and for making work “work” for both employers and employees.