



U.S. CHAMBER OF COMMERCE

Thank you American Workers!

Facts on how American Employers Support their Workers 2010

- Employers spent \$8,035.8 billion on total compensation in 2008. Wages and salaries accounted for \$6,540.8 billion.
- Employers spent \$1,494.9 billion on employee benefits in 2008, or 18.4% of total compensation.

Health Benefits

- In 2008, according to Census Bureau data, 176.3 million Americans received their health insurance from employment-based coverage.
- Employers spent \$544.6 billion for group health insurance in 2008, and a total of \$637.9 billion for all health benefits.
- In 2008, 61.1% of the non-elderly (under the age of 65) were covered by employment-based benefits, and 69.7% of workers had employment-based health benefits.
- The total cost of health benefits for active employees in 2009 averaged \$8,945 per employee.
- Employers are using cost containment strategies to lower costs. Almost half of those employers with 20,000 or more employees use health management incentives such as health risk assessments, disease management programs, and behavior modification programs.
- In 2009, employers offering account-based, high-deductible consumer-directed health plans continued to climb. Among employers between 10-499 employees, offerings jumped from 9% to 15%.

Retirement Benefits

- Private employers spent \$205.7 billion on retirement income benefits in 2008.
- 401(k) plans are tremendously popular with employees – 82.7% of eligible employees participate in their 401(k) plan.
- The average employer contribution to 401(k) and profit sharing retirement plans was 4.1% of payroll.
- Most companies encourage catch-up contributions for participants aged 50 or older who participate in either a 401(k) or a profit sharing plan. Catch-up contributions for participants aged 50 and older are permitted in 98.8% of these types of plan, and 32.7% of these plans offer a match on the catch-up contribution.
- For both 401(k) and profit sharing plans, more than half of all plans offer investment advice to participants.
- Immediate vesting is present for matching contributions in 37.1% of both profit sharing and 401(k) plans.
- In 2009, 57.4% of all plans and 71.1% of plans with 1,000 or more employees now permit immediate participation in their 401(k) programs, up from 24% of plans in 1998.
- Defined Benefit retirement plans cover 44 million participants. Defined Contribution plans have been on the rise, and as of 2007, cover 81.5 million participants, up from 47 million in 1995.

Other Benefits

- Paid leave is one of the most common benefits offered by employers – over three-fourths of employees (including part-time workers) receive paid time off.
- Life insurance is offered to over half of all employees in private industry.
- Over 55% of employers with over 100 employees provide both undergraduate and graduate educational assistance to workers.

Updated August 2010

Sources:

U.S. Chamber of Commerce; Employee Benefits Research Institute; Profit Sharing/401(k) Council of America; U.S. Department of Labor, Bureau of Labor Statistics' "National Compensation Survey"; U.S. Department of Commerce, Bureau of Economic Analysis Report: "Income, Poverty and Health Insurance Coverage in the United States: 2008"; Mercer's "2009 National Survey of Employer-Sponsored Health Plans"; PBGC "Pension Insurance Data Book 2009"; BLS "Abstract of 2007 Form 5500" published in June 2010; Society of Human Resource Management "2010 Benefits Survey Report".