FEBRUARY 27, 2019

GREATER AUGUSTA REGIONAL CHAMBER OF COMMERCE

WAGE & BENEFIT SURVEY FOR THE GREATER AUGUSTA REGION AND SURROUNDING AREA

REGIONAL BENEFITS & WAGES

MANGUM economics

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About Mangum Economics, LLC

Mangum Economics, LLC is a Richmond, Virginia based firm that specializes in producing objective economic, quantitative, and qualitative analysis in support of strategic decision making. Examples of typical studies include:

POLICY ANALYSIS

Identify the intended and, more importantly, unintended consequences of proposed legislation and other policy initiatives.

ECONOMIC IMPACT ASSESMENTS AND RETURN ON INVESTMENT ANALYSES

Measure the economic contribution that business, education, or other enterprises make to their localities.

WORKFORCE INFORMATION

Project the demand for, and supply of, qualified workers.

CLUSTER ANALYSIS

Use occupation and industry clusters to illuminate regional workforce and industry strengths and identify connections between the two.

ENVIRONMENTAL SCANNING

Assess the economic, demographic, and other factors likely to affect your enterprise in the future.

The Project Team

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President, Community Futures

Table of Contents

Introduction

The Greater Augusta Regional Chamber of Commerce commissioned Mangum Economics to conduct a wage and benefit survey of the Greater Augusta Region and surrounding localities. The project was a collaborative effort that, in addition to the sponsorship and direction of the Greater Augusta Regional Chamber of Commerce, involved participation by the Harrisonburg-Rockingham Chamber, the Highland County Chamber of Commerce, Lexington-Rockbridge Chamber of Commerce, the Luray-Page County Chamber of Commerce, the Shenandoah County Chamber of Commerce, and the Community Foundation of the Central Blue Ridge.

After the survey was completed, Mangum Economics partnered with Neal Barber, President of Community Futures, to have conversations with select businesses in the survey area in order to give context and insight into human resource issues that do not lend themselves to a survey format.

The survey covers private organizations, both businesses and nonprofit organizations, in the localities of

- Augusta County,
- Buena Vista,
- Harrisonburg,
- Highland County,
- Lexington,
- Page County,
- Rockbridge County,
- Rockingham County,
- Shenandoah County,
- Staunton, and
- Waynesboro.

There are five separate reports covering the results of the study. This report describes the survey methodology, the survey respondents, and results of the survey for all respondents for all eleven localities. It also summarizes the insights that we gleaned from our conversations with businesses.

Another report shows how benefits offered by respondents in twelve major industries compare to benefits offered by all respondents in all industries.

Additionally, there are three subregion reports with each one covering the responses to the benefits part of the survey. The localities are grouped into subregions as follows:

- Buena Vista, Lexington and Rockbridge;
- Augusta, Highland, Staunton, and Waynesboro; and
- Harrisonburg, Page, Rockingham, and Shenandoah.

We especially want to thank the managers and human resource specialists in the businesses who took time to meet and share with us their insights on labor market conditions and thoughts on human resources issues.

Survey Methodology

The wage and benefit survey was conducted in the autumn of 2018. The online survey had three stages. First, the survey began with four general questions about the respondent's locations, number of employees, and for-profit/non-profit status. Next, the survey asked about the employee benefits that respondents offered to full-time employees. In addition to selecting from a list of benefits those that they offer, participants could write in other unlisted benefits that they offer. Finally, the survey asked respondents to identify the economic sector (from a list of 18) that best matched their organization. Then, based on that selection, respondents were asked to provide the wages paid for any of the occupations commonly employed in that sector. Respondents could provide a single estimated wage or a range of wages for any occupation. They could also write in and provide wages for unlisted occupations.

Email invitations to participate in the online survey were sent to contacts on lists provided by each of the participating chambers. After removing duplicate and unusable email addresses, a total of 2,251 businesses and nonprofit organizations were invited to participate. We had a ten percent response rate to the survey, with 195 valid responses to the benefits section of the survey and 128 valid responses to the wage section of the survey.

Mangum Economics kept all responses to the survey confidential, and all responses have been destroyed now that the project has been completed. The project was conducted in full compliance with the U.S. Department of Justice and U.S. Federal Trade Commission antitrust safety zone for wage and benefit surveys. Participants were asked to report only wages that had been in place for at least three months, and this report only provides wage information for occupations where we received five or more responses.

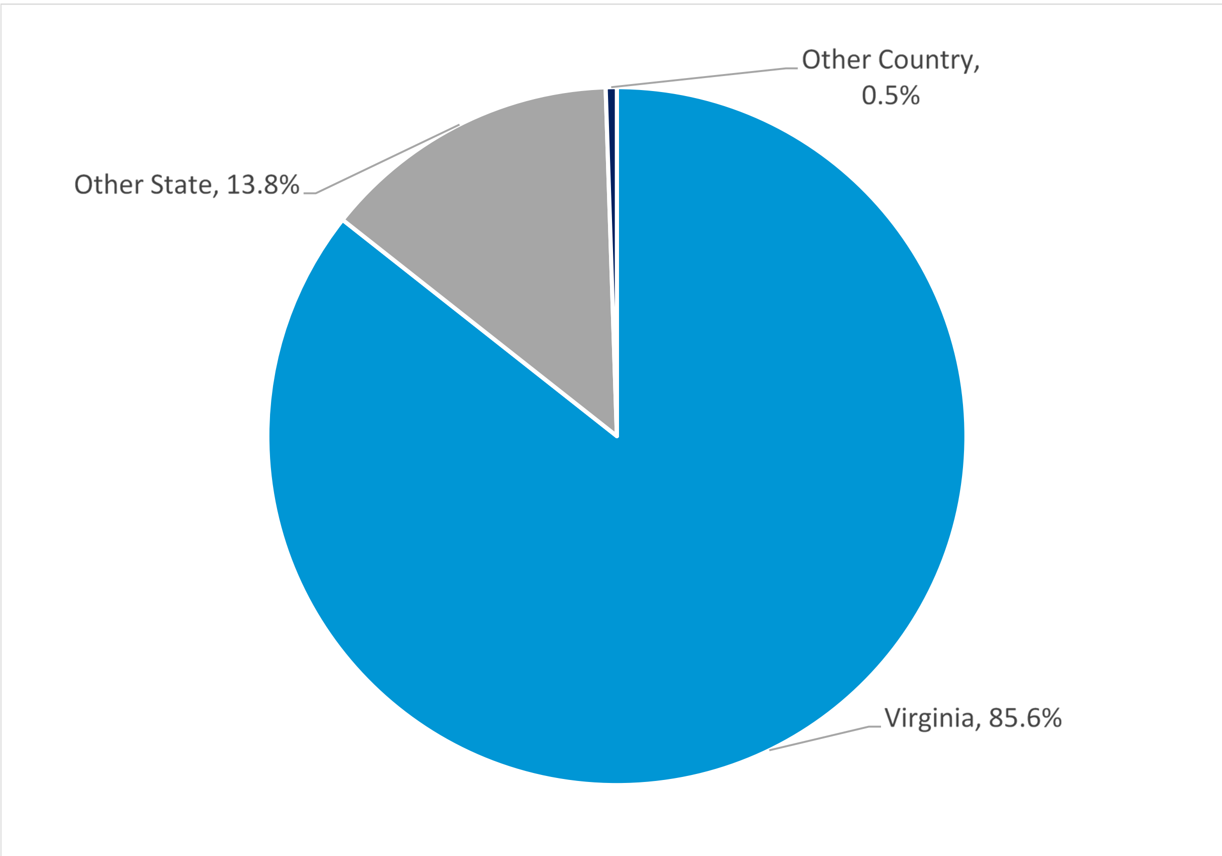
Survey Respondents

The following sections discuss the survey results of all respondents located in the eleven communities. To provide a better understanding of the types of organizations that participated in the survey, this section provides some background information on these organizations, including the location of the headquarters and its operations in Virginia, the profit/non-profit status of the organization; the size of the establishment, and the industry that the organization's economic sector.

HEADQUARTERS LOCATION

Figure 1 shows that the majority of the companies participating in the survey are headquartered in Virginia (86 percent or 167 organizations). About 14 percent of respondents (27 companies) are headquartered in another state in the U.S., and only one business has headquarters overseas.

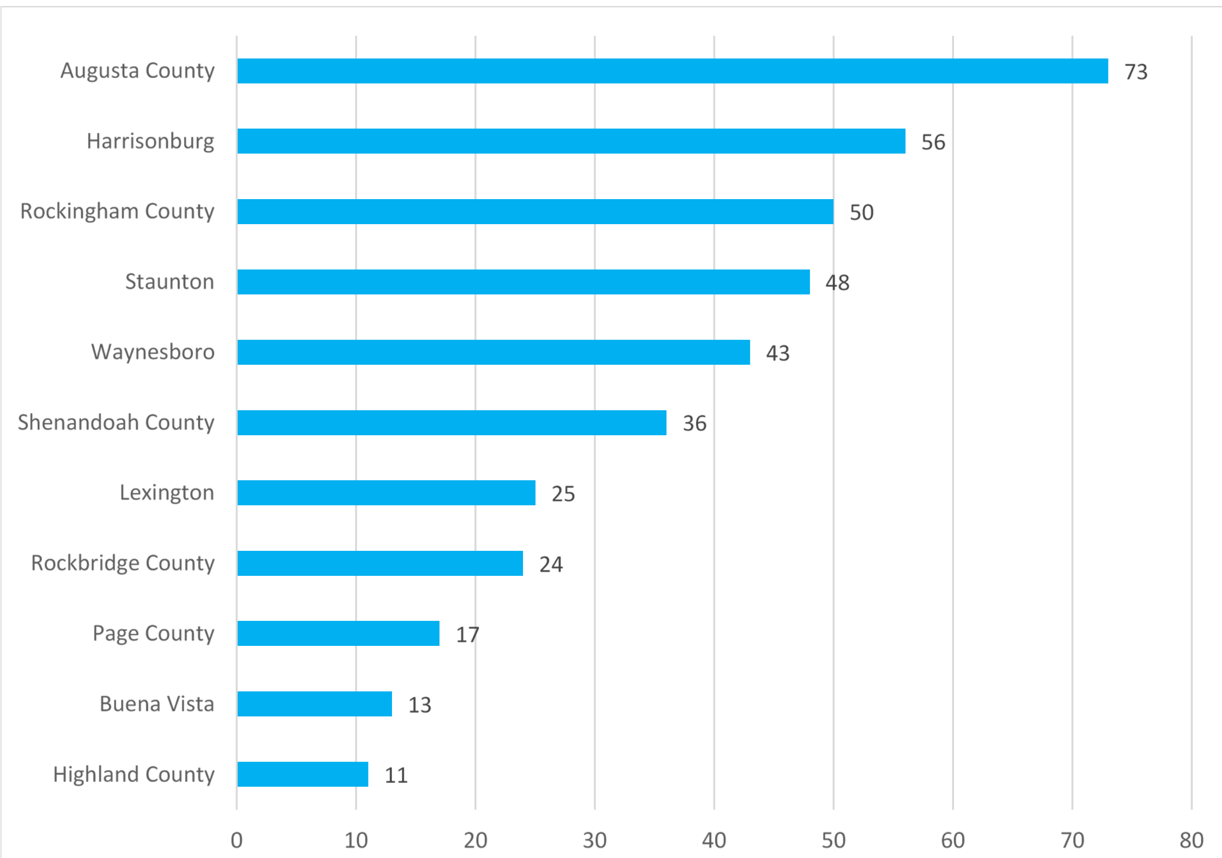
Figure 1: Location of Company Headquarters



VIRGINIA OPERATIONS

The organizations were asked to provide information on all of their locations in the region. Based on their responses, the 195 survey participants have a combined 396 operations in the eleven community region. Of these operations, most are located in Augusta County (73 organizations), followed by the City of Harrisonburg (56 organizations), Rockingham County (50 organizations), the City of Staunton (48 organizations), and the City of Waynesboro (43 organizations). The color scheme of Figure 2 groups the locations of the operations by the three sub-regions: Augusta-Staunton-Waynesboro-Highland (175 business locations), Harrisonburg-Rockingham-Shenandoah-Page (159 business locations), and Lexington-Rockbridge-Buena Vista (62 business locations). The survey responses for each sub-region will be discussed in the sections following the summary of the survey for the entire region.

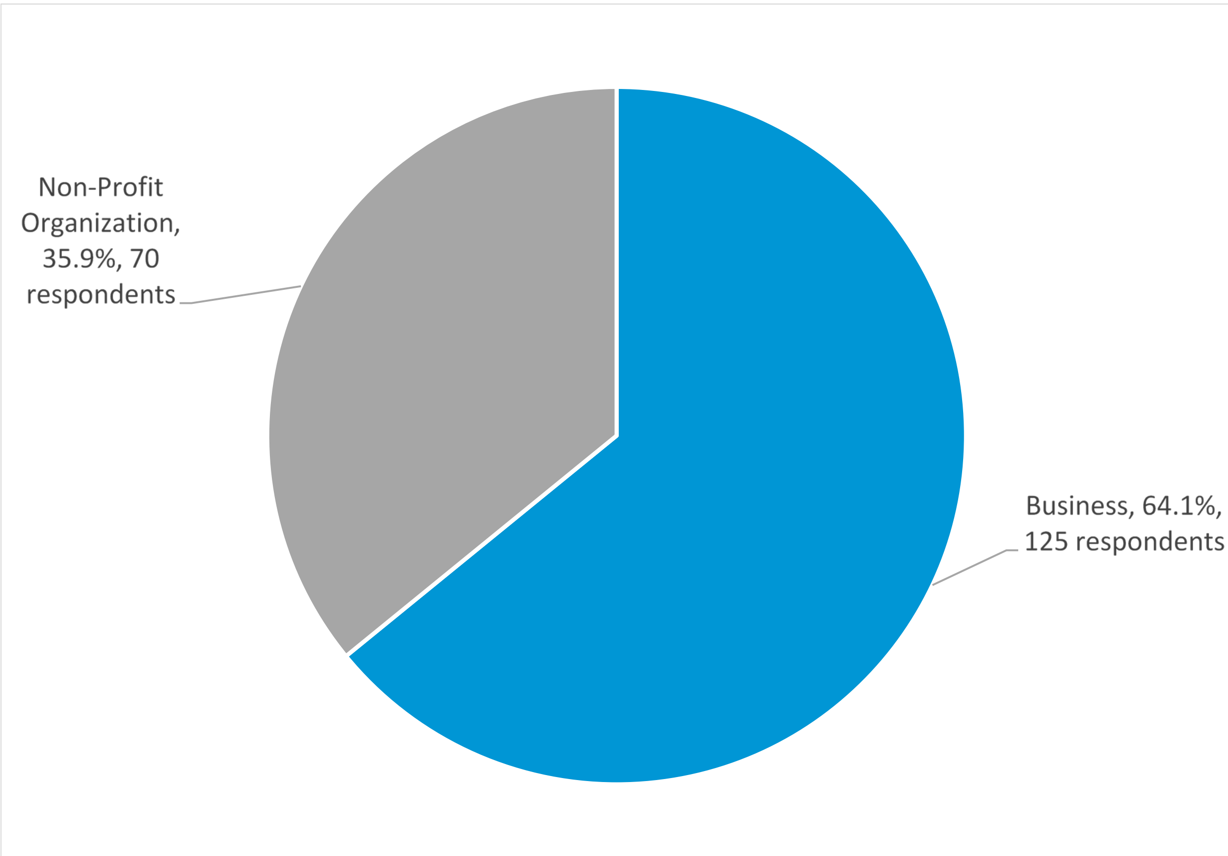
Figure 2: Locations of Virginia Operations



ORGANIZATION TYPE

Figure 3 shows that almost two thirds of the survey respondents (125 companies) are businesses and the remaining one third (75 organizations) are nonprofit organizations.

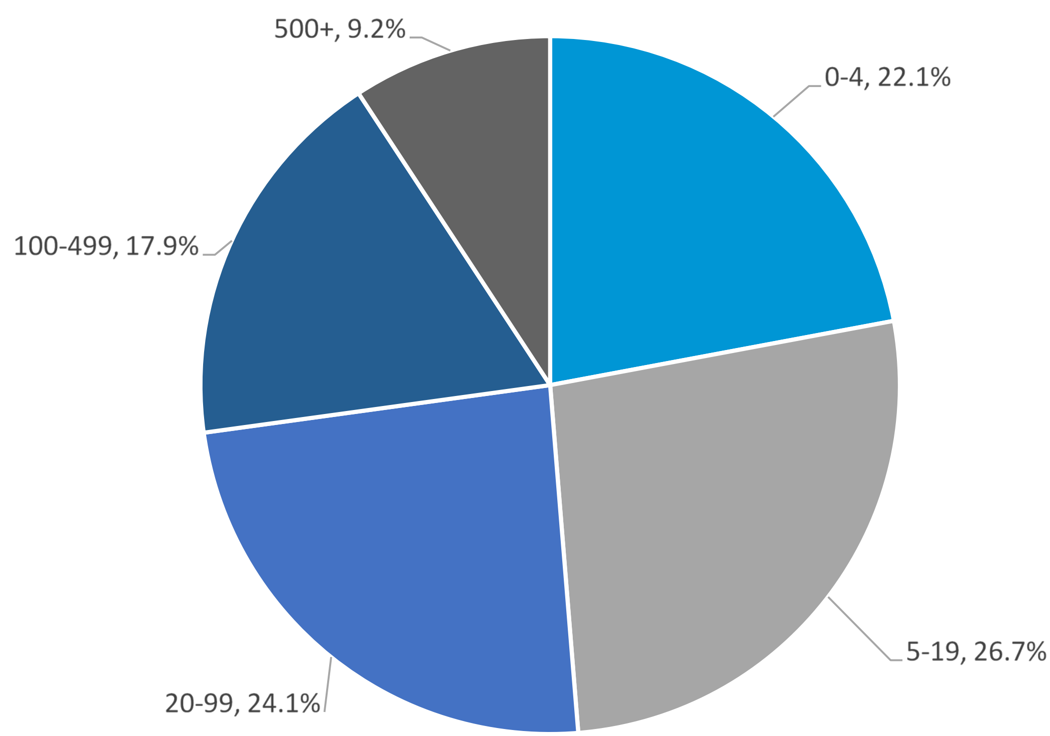
Figure 3: Business/Nonprofit Status



ESTABLISHMENT SIZE

Figure 4 details the sizes of the business establishments by number of employees in the region. Twenty-two percent (or 43) of the respondents operate a small business with less than five employees. A little over a quarter (or 52) of all respondents are organizations with 5-19 employees. Another quarter (or 47 organizations) employ between 20-99 employees. Eighteen percent (or 35 organizations) employ 100-499 individuals, and about nine percent (or 18) are large organizations with more than 500 employees.

Figure 4: Respondents by Number of Employees

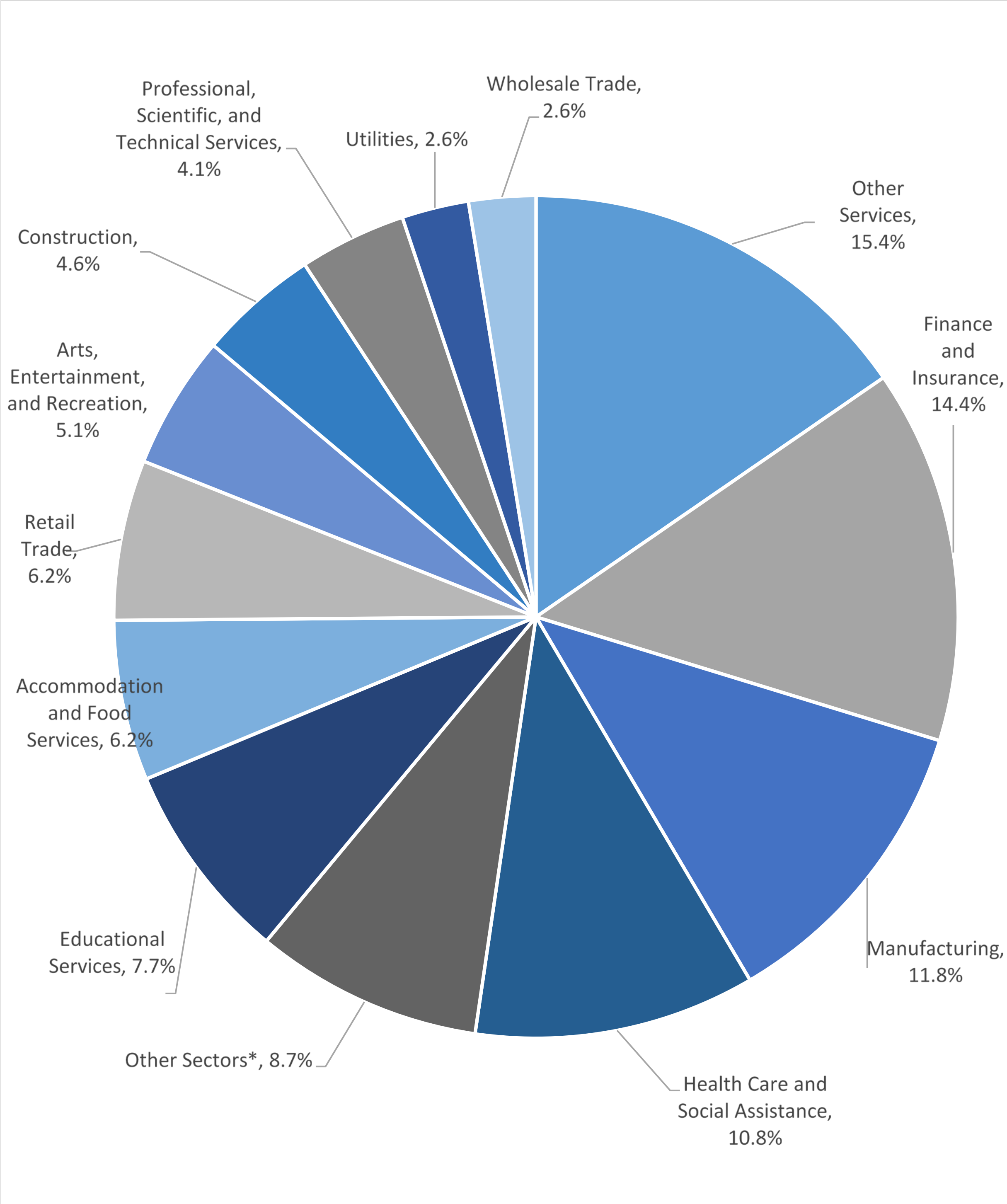


INDUSTRY

The survey respondents can be grouped into 12 industry sectors plus an additional "Other Sectors"[1] category, which contains all industries with fewer than five respondents to ensure company privacy.

[1] Other Sectors includes the following industries, which had less than five respondents per sector: Administrative & Support and Waste Management & Remediation Services; Agriculture, Forestry, Fishing & Hunting; Information & Media; Mining, Quarrying, and Oil & Gas Extraction; Real Estate and Rental & Leasing; Transportation & Warehousing; and Not Specified

Figure 5: Respondents by Industry[2]



[2] Other Sectors includes the following industries, which had less than five respondents per sector: Administrative & Support and Waste Management & Remediation Services; Agriculture, Forestry, Fishing & Hunting; Information & Media; Mining, Quarrying, and Oil & Gas Extraction; Real Estate and Rental & Leasing; Transportation & Warehousing; and Not Specified

Survey Results on Benefits

The following sections will discuss the responses of all 195 survey participants in the eleven localities. A companion report to this one, Benefits by Major Industry Sector, provides more detail on how benefits differ across various industry sectors.

LEAVE BENEFITS

Businesses and Nonprofit Organizations

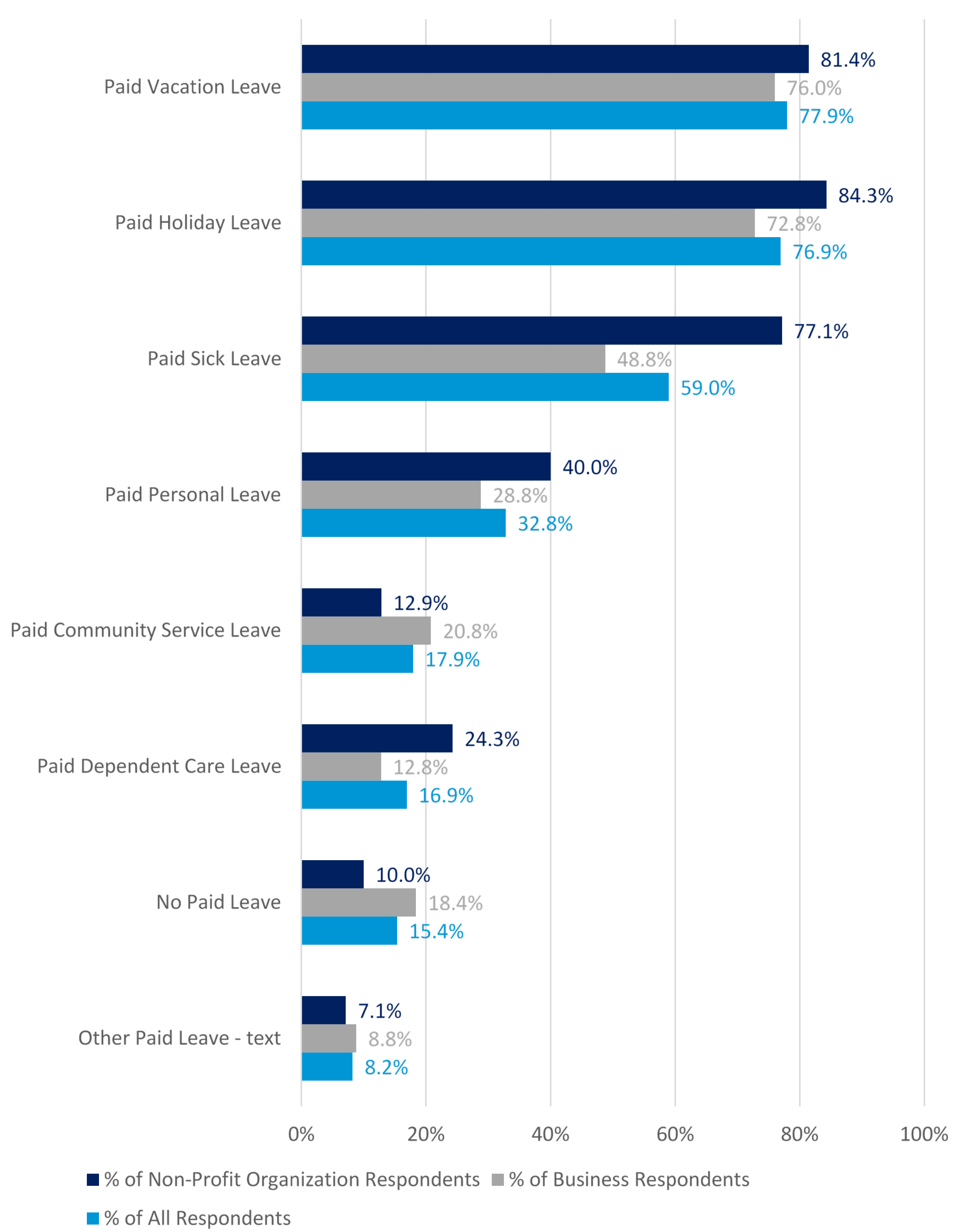
Figure 6 summarizes the leave benefits organizations in the region offer to their employees, distinguishing between businesses and nonprofit organizations. About 78 percent of all organizations offer paid vacation leave to their employees and 77 percent offer paid holiday leave. A slightly larger percentage of nonprofit organizations offers paid vacation and holiday leave than their business counterparts do. Paid sick leave (77 percent versus 49 percent), paid personal leave (40 percent versus 29 percent) and paid dependent care leave (24 percent versus 13 percent) is much higher for nonprofit organizations than for businesses while paid community service leave is less prevalent for nonprofits (13 percent) than for businesses (21 percent). Overall, 15 percent of all organizations (18 percent of businesses and 10 percent of nonprofit organizations) offer no paid leave.

Other Paid Leave

In addition to the leave benefits mentioned above, survey participants were given the option to add "Other Paid Leave". Eight percent of all respondents (Nine percent of all businesses and seven percent of all nonprofit organizations) stated that they offer additional paid leave benefits. Their responses included (some were mentioned multiple times):

- Bereavement Leave
- General/Paid Time Off Leave
- Major Illness/Injury Leave
- Shared Leave
- Civil/Jury Duty Leave
- Volunteer Time
- Education Leave
- Family and Medical Leave
- Military Leave
- Accrued Personal Leave

Figure 6: Leave Benefits – All Respondents by Business Type



The leave benefits for each industry are included in the table below. A summary of all benefit categories by industry is provided in a separate document.

Table 1: Leave Benefits – All Respondents by Industry

	Paid Vacation Leave	Paid Holiday Leave	Paid Sick Leave	Personal Leave	Community Service Leave	Dependent Care Leave	No Paid Leave
Accommodation and Food Services	50.0%	25.0%	16.7%	25.0%	0.0%	0.0%	41.7%
Arts, Entertainment, and Recreation	60.0%	60.0%	50.0%	10.0%	10.0%	10.0%	40.0%
Construction	100.0%	100.0%	44.4%	11.1%	44.4%	11.1%	0.0%
Educational Services	93.3%	93.3%	100.0%	60.0%	33.3%	46.7%	0.0%
Finance and Insurance	75.0%	78.6%	64.3%	39.3%	39.3%	17.9%	14.3%
Health Care and Social Assistance	95.2%	85.7%	81.0%	33.3%	14.3%	9.5%	0.0%
Manufacturing	100.0%	95.7%	56.5%	43.5%	21.7%	17.4%	0.0%
Other Sectors[3]	41.2%	47.1%	29.4%	23.5%	11.8%	17.6%	41.2%
Other Services	73.3%	83.3%	66.7%	30.0%	10.0%	20.0%	16.7%
Professional, Scientific, and Technical Services	62.5%	75.0%	37.5%	50.0%	12.5%	12.5%	25.0%
Retail Trade	75.0%	66.7%	66.7%	8.3%	0.0%	8.3%	25.0%
Utilities	100.0%	80.0%	40.0%	40.0%	0.0%	0.0%	0.0%
Wholesale Trade	100.0%	100.0%	60.0%	40.0%	0.0%	40.0%	0.0%
All Industries	**77.9%**	**76.9%**	**59.0%**	**32.8%**	**17.9%**	**16.9%**	**15.4%**

[3] Other Sectors includes the following industries, which had less than five respondents per sector: Administrative & Support and Waste Management & Remediation Services; Agriculture, Forestry, Fishing & Hunting; Information & Media; Mining, Quarrying, and Oil & Gas Extraction; Real Estate and Rental & Leasing; Transportation & Warehousing; and Not Specified

SPECIAL PAY BENEFITS

Businesses and Nonprofit Organizations

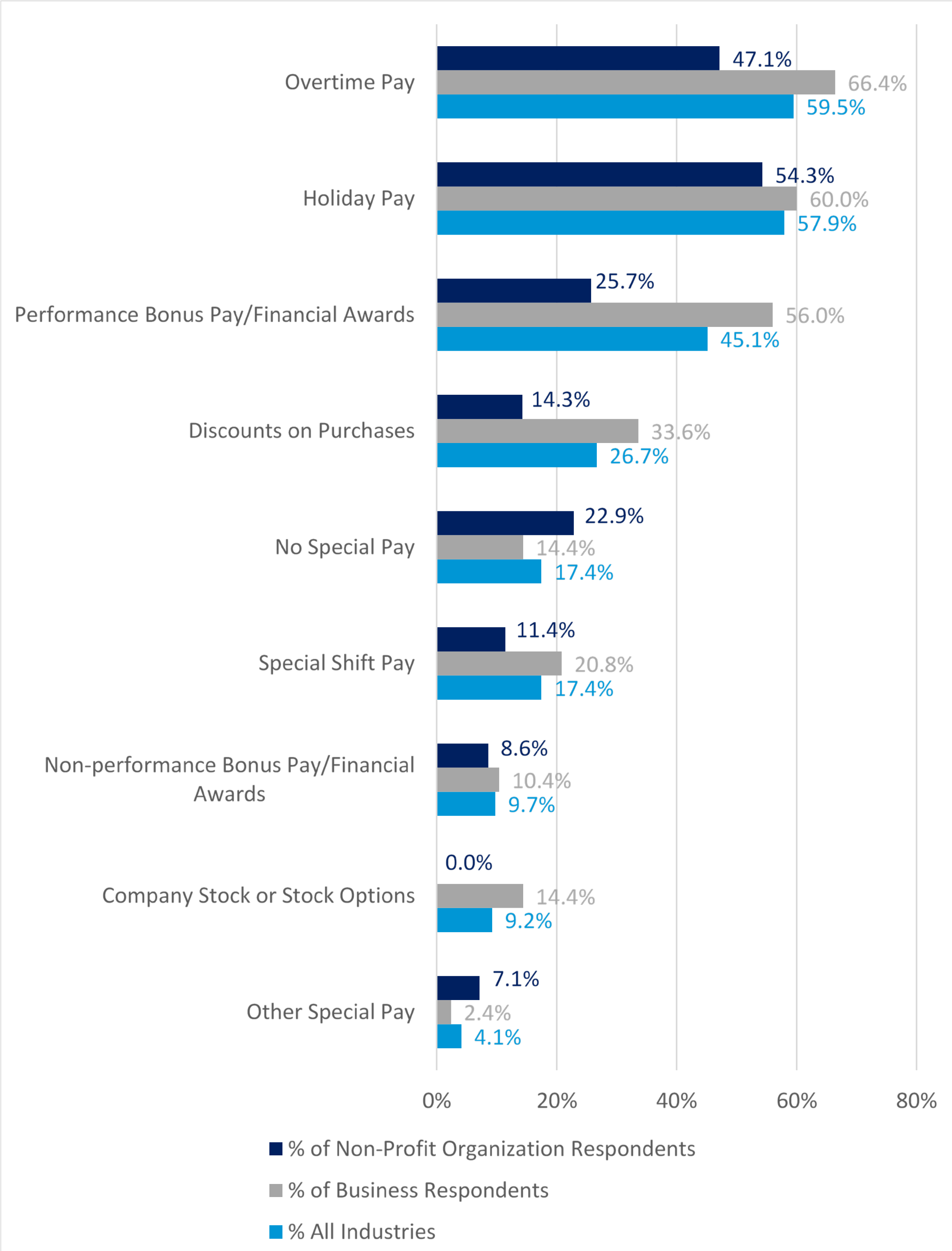
Figure 7 provides an overview of the special pay benefits that organizations in the region offer. The difference between businesses and nonprofit organizations is higher for some types of special pay benefits than others. For example, two-thirds of businesses offer overtime pay compared to 47 percent of nonprofit organizations. Similarly, 56 percent of businesses offer performance bonus pay compared to only 26 percent of nonprofits and one third of the businesses provide discounts on purchases compared to 14 percent of nonprofits. Overall, almost 23 percent of all nonprofit organizations do not offer any special pay benefits compared to 14 percent of businesses.

Other Special Pay

In addition to the pay benefits detailed in Figure 7, survey participants could provide information on "Other Special Pay" they offer. Four percent of all respondents (Two percent of all businesses and seven percent of all nonprofit organizations) said that they offer additional pay benefits Their responses included (some were mentioned multiple times):

- Merit raises
- On-call Pay for Certain Facilities
- Cost of Living Increases

Figure 7: Special Pay Benefits – All Respondents



The special pay benefits for each industry are included in the table below. A summary of all benefit categories by industry is provided in a separate document.

Table 2: Special Pay Benefits – All Respondents by Industry

	Overtime Pay	Holiday Pay	Performance Bonus Pay/Financial Awards	Discounts on Purchases	No Special Pay	Special Shift Pay	Non-performance Bonus Pay/Financial Awards	Company Stock or Stock Options
Accommodation and Food Services	41.7%	41.7%	58.3%	33.3%	25.0%	8.3%	25.0%	8.3%
Arts, Entertainment, and Recreation	20.0%	40.0%	30.0%	30.0%	10.0%	0.0%	10.0%	0.0%
Construction	88.9%	100.0%	66.7%	0.0%	0.0%	44.4%	11.1%	33.3%
Educational Services	60.0%	53.3%	40.0%	13.3%	6.7%	6.7%	13.3%	0.0%
Finance and Insurance	64.3%	71.4%	57.1%	14.3%	10.7%	0.0%	17.9%	21.4%
Health Care and Social Assistance	52.4%	47.6%	19.0%	14.3%	19.0%	14.3%	0.0%	0.0%
Manufacturing	91.3%	73.9%	69.6%	56.5%	0.0%	69.6%	8.7%	17.4%
Other Sectors	47.1%	52.9%	47.1%	29.4%	29.4%	11.8%	11.8%	11.8%
Other Services	46.7%	50.0%	33.3%	13.3%	30.0%	13.3%	3.3%	0.0%
Professional, Scientific, and Technical Services	50.0%	25.0%	37.5%	25.0%	50.0%	25.0%	0.0%	12.5%
Retail Trade	58.3%	41.7%	33.3%	66.7%	25.0%	0.0%	8.3%	0.0%
Utilities	80.0%	80.0%	40.0%	20.0%	20.0%	20.0%	20.0%	20.0%
Wholesale Trade	100.0%	100.0%	60.0%	60.0%	0.0%	0.0%	0.0%	0.0%
All Industries	**59.5%**	**57.9%**	**45.1%**	**26.7%**	**17.4%**	**17.4%**	**9.7%**	**9.2%**

RETIREMENT BENEFITS

Businesses and Nonprofit Organizations

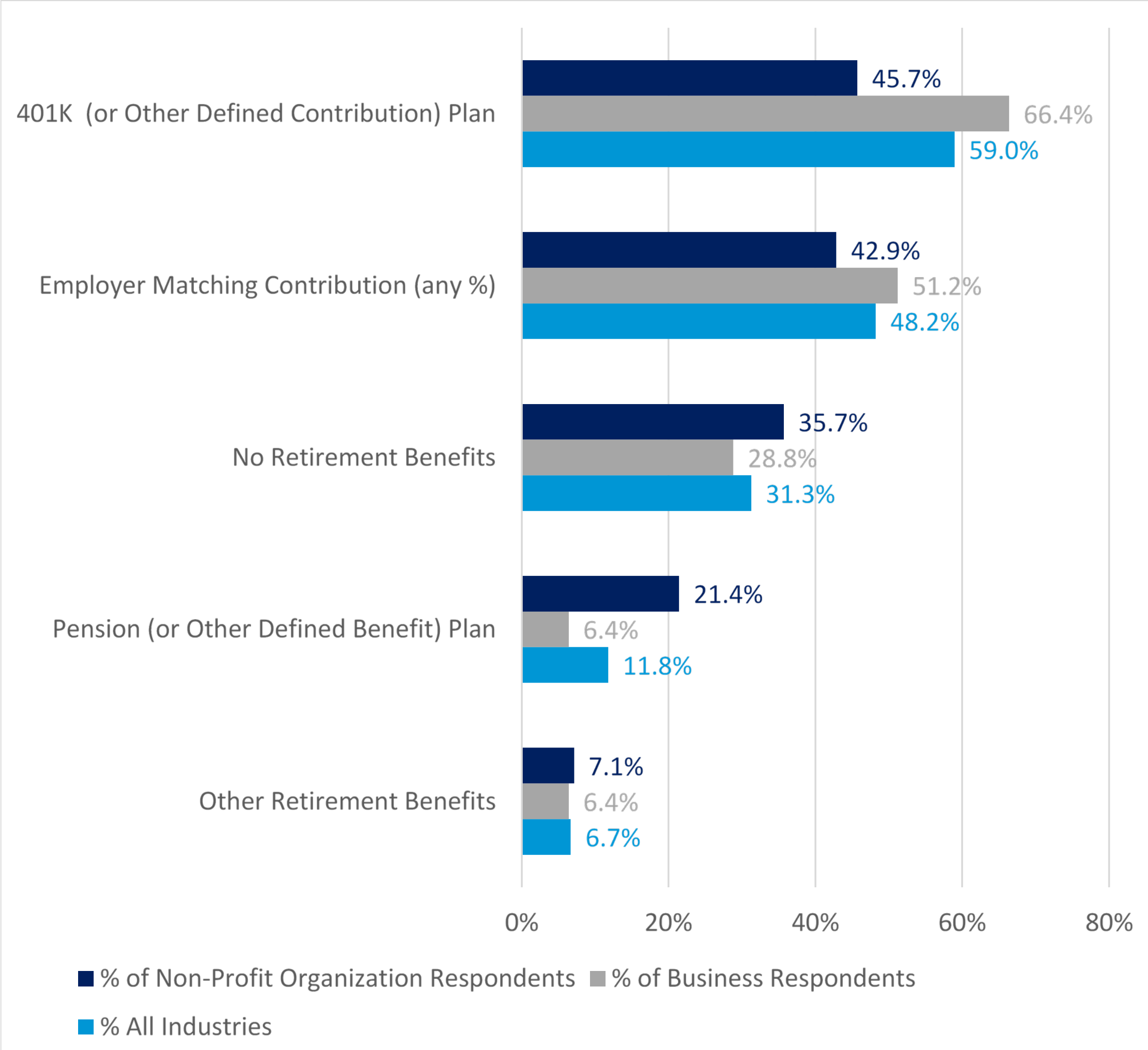
Figure 8 details the retirement benefits provided by the region's businesses and nonprofit organizations. Almost one third of all respondents do not offer any retirement benefits to their employees (consisting of 29 percent of businesses and 36 percent of nonprofit organizations). Retirement plans like 401K plans and employer matching contributions are more prevalent in businesses (66 percent and 51 percent respectively) than in nonprofit organizations (46 percent and 43 percent). On the other hand, pensions are offered more frequently by nonprofit organizations (21 percent compared to 6 percent of businesses).

Other Retirement Benefits

Respondents were provided the option to provide detail on additional retirement benefits their organization offers. Seven percent of all respondents (a minimally larger percentage of nonprofit organizations than businesses) stated that they offer additional retirement benefits. Their responses included (some were mentioned multiple times):

- 403b Employee only- no match
- Employer Safe Harbor Non-elective
- Profit-sharing
- IRA/SEP
- Residual income
- SERP
- Simple IRA
- Virginia Retirement System

Figure 8: Retirement Benefits – All Respondents



The retirement benefits for each industry are included in the table below. A summary of all benefit categories by industry is provided in a separate document.

Table 3: Retirement Benefits – All Respondents by Industry

	401K Plan (or Other Defined Contribution)	Employer Matching Contribution (any %)	No Retirement Benefits	Pension Plan (or Other Defined Benefit)
Accommodation and Food Services	16.7%	8.3%	83.3%	0.0%
Arts, Entertainment, and Recreation	20.0%	30.0%	70.0%	10.0%
Construction	66.7%	55.6%	33.3%	0.0%
Educational Services	66.7%	53.3%	20.0%	40.0%
Finance and Insurance	89.3%	78.6%	3.6%	14.3%
Health Care and Social Assistance	52.4%	52.4%	23.8%	19.0%
Manufacturing	100.0%	78.3%	0.0%	8.7%
Other Sectors	35.3%	23.5%	52.9%	5.9%
Other Services	40.0%	30.0%	43.3%	10.0%
Professional, Scientific, and Technical Services	50.0%	50.0%	50.0%	12.5%
Retail Trade	58.3%	16.7%	41.7%	0.0%
Utilities	80.0%	80.0%	0.0%	20.0%
Wholesale Trade	60.0%	60.0%	20.0%	0.0%
All Industries	**59.0%**	**48.2%**	**31.3%**	**11.8%**

INSURANCE BENEFITS

Businesses and Nonprofit Organizations

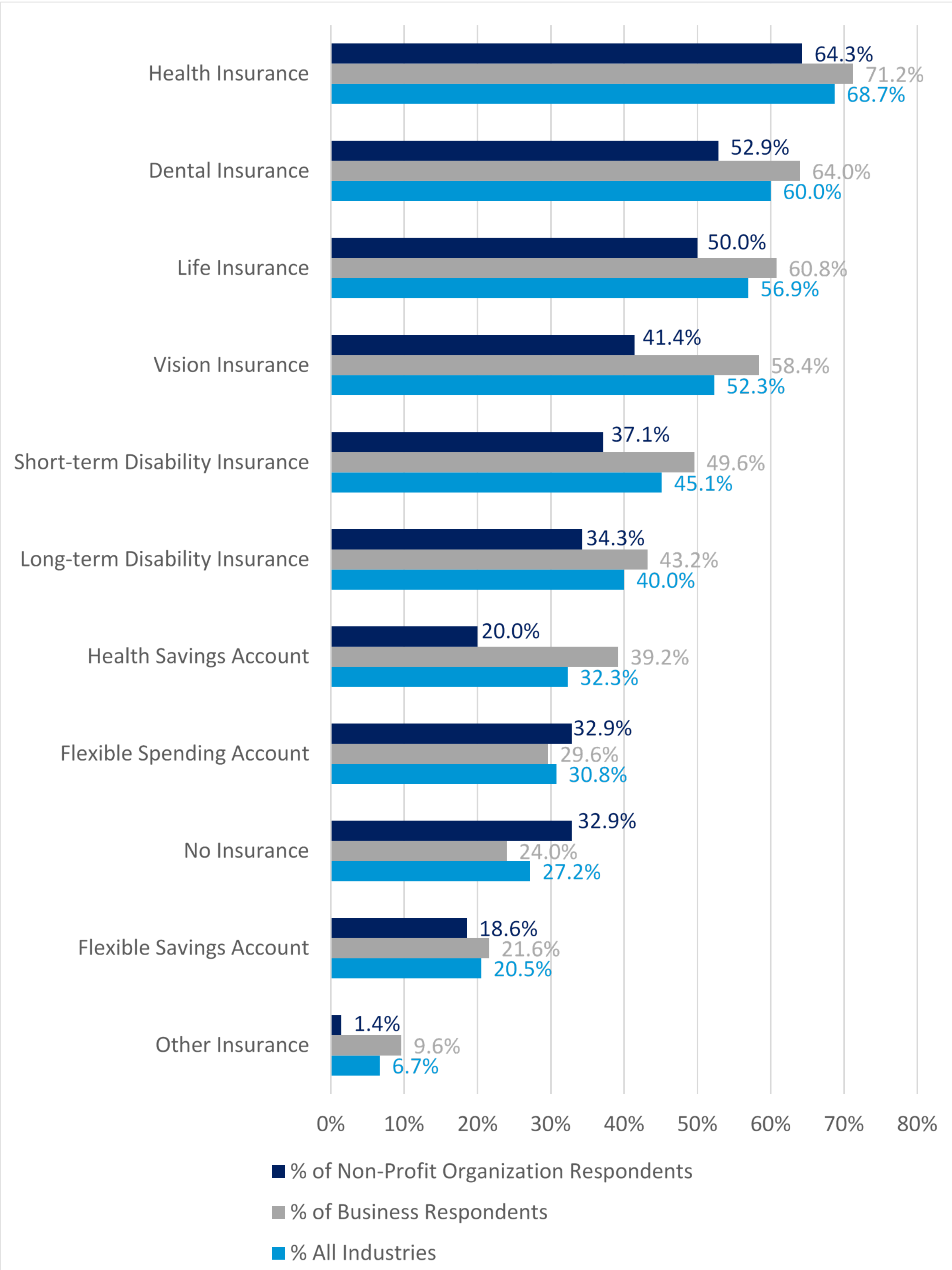
Figure 9 displays the insurance benefits by companies in the region. Generally, businesses offer a wider range of insurance benefits than the nonprofit organizations in the region. In fact, almost one third of nonprofits offer no insurance benefits to their employees compared to about one quarter of businesses. While only slightly more businesses (71 percent) offer health insurance than the nonprofit organizations (64 percent) in the region, the gap for other insurance benefits such as dental insurance, life insurance, vision insurance and disability insurance is bigger. About the same percentage of both types of organizations offer flexible spending and savings accounts but health savings accounts are more prevalent in businesses.

Other Insurance Benefits

Survey participants were given the option to add “Other Insurance Benefits” to their responses. Seven percent of all respondents (Ten percent of all for profit business and one percent of all nonprofit organizations) stated that they offer additional insurance benefits. Their responses included (some were mentioned multiple times):

- Critical Care
- Accident and Cancer Insurance
- Supplemental Insurance (e.g. AFLAC)
- Additional Voluntary Life for self, spouse and children
- Healthcare Reimbursement Account
- Identity Theft Insurance

Figure 9: Insurance Benefits – All Respondents



The insurance benefits for each industry are included in the table below. A summary of all benefit categories by industry is provided in a separate document.

Table 4: Insurance Benefits – All Respondents by Industry

	Health Insurance	Dental Insurance	Life Insurance	Vision Insurance	Short-term Disability Insurance	Long-term Disability Insurance	Health Savings Account	Flexible Spending Account	No Insurance	Flexible Savings Account
Accommodation and Food Services	25.0%	16.7%	16.7%	8.3%	16.7%	8.3%	0.0%	8.3%	75.0%	0.0%
Arts, Entertainment, and Recreation	20.0%	10.0%	10.0%	10.0%	10.0%	10.0%	20.0%	10.0%	80.0%	10.0%
Construction	88.9%	77.8%	66.7%	66.7%	44.4%	55.6%	55.6%	11.1%	0.0%	11.1%
Educational Services	93.3%	80.0%	80.0%	66.7%	53.3%	46.7%	46.7%	53.3%	6.7%	33.3%
Finance and Insurance	85.7%	75.0%	78.6%	75.0%	64.3%	53.6%	42.9%	42.9%	7.1%	25.0%
Health Care and Social Assistance	66.7%	57.1%	42.9%	42.9%	38.1%	28.6%	23.8%	28.6%	23.8%	19.0%
Manufacturing	91.3%	91.3%	91.3%	91.3%	82.6%	82.6%	73.9%	73.9%	0.0%	47.8%
Other Sectors	47.1%	47.1%	47.1%	35.3%	29.4%	29.4%	17.6%	23.5%	47.1%	5.9%
Other Services	63.3%	56.7%	50.0%	40.0%	40.0%	30.0%	10.0%	16.7%	36.7%	10.0%
Professional, Scientific, and Technical Services	50.0%	37.5%	37.5%	37.5%	25.0%	25.0%	37.5%	25.0%	50.0%	25.0%
Retail Trade	58.3%	41.7%	41.7%	41.7%	33.3%	25.0%	16.7%	8.3%	41.7%	8.3%
Utilities	100.0%	60.0%	60.0%	60.0%	40.0%	40.0%	40.0%	20.0%	0.0%	60.0%
Wholesale Trade	100.0%	100.0%	80.0%	80.0%	60.0%	60.0%	40.0%	20.0%	0.0%	20.0%
All Industries	**68.7%**	**60.0%**	**56.9%**	**52.3%**	**45.1%**	**40.0%**	**32.3%**	**30.8%**	**27.2%**	**20.5%**

EMPLOYEE ASSISTANCE BENEFITS

Businesses and Nonprofit Organizations

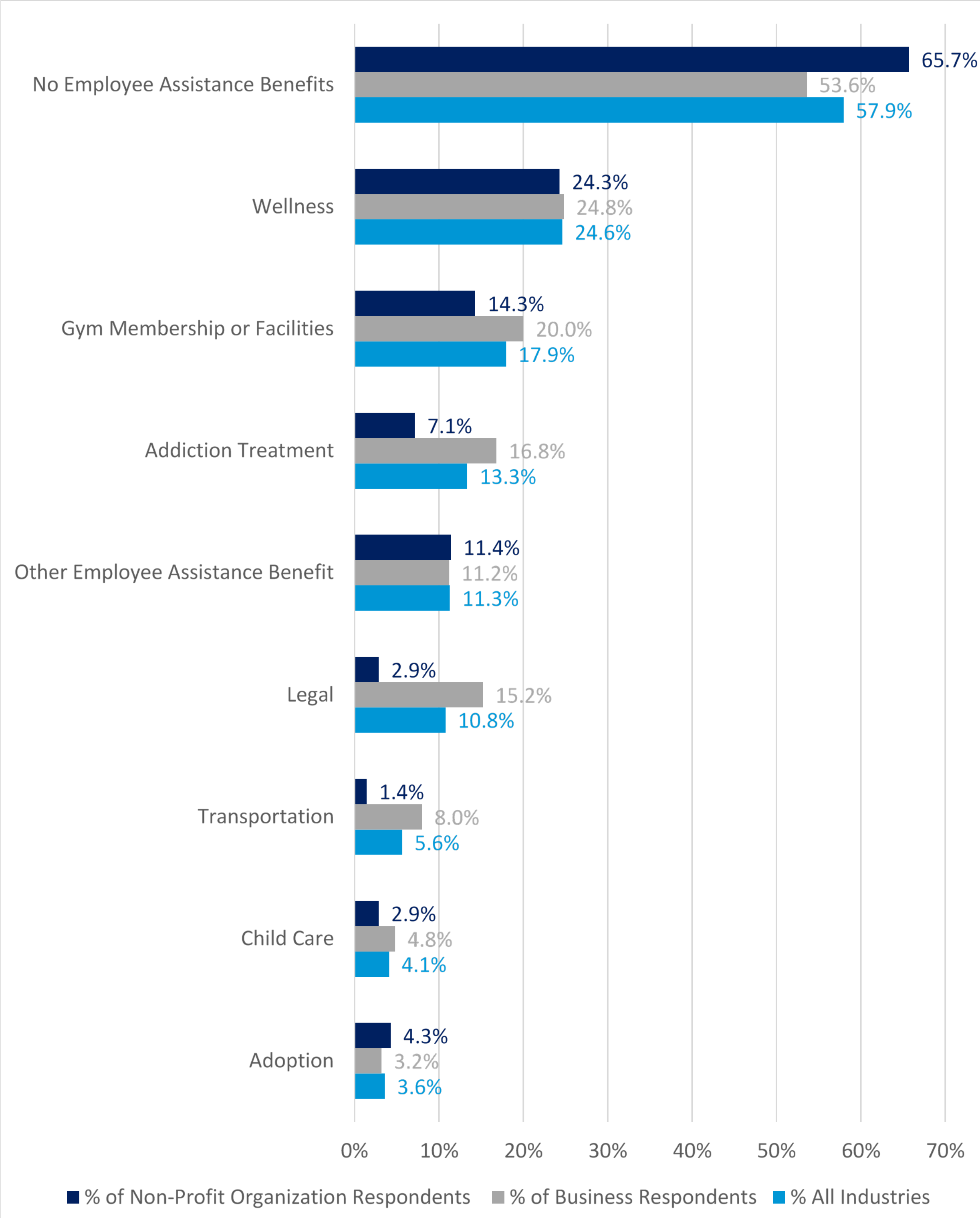
Figure 10 summarizes the employee assistance benefits provided by organizations in the region. More than half of all organizations (58 percent, composed of 66 percent of nonprofit organizations and 54 percent of businesses) do not offer any employee assistance benefits. The most common benefit offered in about one quarter of all companies is wellness, followed by gym memberships or facilities (about 18 percent of all organizations). Legal assistance and addiction treatment are two benefits much more prevalent by businesses (15 percent and 17 percent respectively) than nonprofit organizations (3 percent and 7 percent respectively). Benefits such as transportation, child care, and adoption assistance are not very common as only six percent or less of regional organizations offer these benefits.

Other Employee Assistance Benefits

In addition to the employee assistance benefits listed in Figure 10, survey participants were given the option to list “Other Employee Assistance Benefits”. Eleven percent of all respondents (with an equal proportion of businesses and nonprofit organizations) stated that they offer additional employee assistance benefits. Their responses included (some were mentioned multiple times):

- Credit
- Employee Assistance Program - Counseling / Life Coaching
- Financial Literacy Classes
- Free dietary supplements
- Reimbursement for cell phone if they are ""in the field"" or work evenings/weekends

Figure 10: Employee Assistance Benefits – All Respondents



The employee assistance benefits for each industry are included in the table below. A summary of all benefit categories by industry is provided in a separate document.

Table 5: Employee Assistance Benefits – All Respondents by Industry

	No Employee Assistance Benefits	Wellness	Gym Membership or Facilities	Addiction Treatment	Legal	Transpor-tation	Child Care	Adoption
Accommodation and Food Services	83.3%	0.0%	16.7%	0.0%	0.0%	0.0%	0.0%	0.0%
Arts, Entertainment, and Recreation	90.0%	10.0%	10.0%	10.0%	0.0%	0.0%	0.0%	0.0%
Construction	55.6%	0.0%	11.1%	11.1%	0.0%	11.1%	0.0%	0.0%
Educational Services	40.0%	53.3%	20.0%	13.3%	20.0%	6.7%	6.7%	13.3%
Finance and Insurance	32.1%	53.6%	28.6%	21.4%	32.17%	3.6%	3.6%	0.0%
Health Care and Social Assistance	76.2%	14.3%	4.8%	4.8%	0.0%	0.0%	4.8%	0.0%
Manufacturing	26.1%	43.5%	43.5%	43.5%	30.4%	17.4%	17.4%	17.4%
Other Sectors	76.5%	5.9%	5.9%	5.9%	0.0%	0.0%	0.0%	0.0%
Other Services	70.0%	16.7%	10.0%	6.7%	3.3%	3.3%	0.0%	3.3%
Professional, Scientific, and Technical Services	62.5%	12.5%	12.5%	12.5%	12.5%	0.0%	0.0%	0.0%
Retail Trade	50.0%	25.0%	8.3%	8.3%	0.0%	25.0%	0.0%	0.0%
Utilities	60.0%	0.0%	40.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Wholesale Trade	80.0%	20.0%	20.0%	0.0%	0.0%	0.0%	20.0%	0.0%
All Industries	**57.9%**	**24.6%**	**17.9%**	**13.3%**	**10.8%**	**5.6%**	**4.1%**	**3.6%**

EDUCATION BENEFITS

Businesses and Nonprofit Organizations

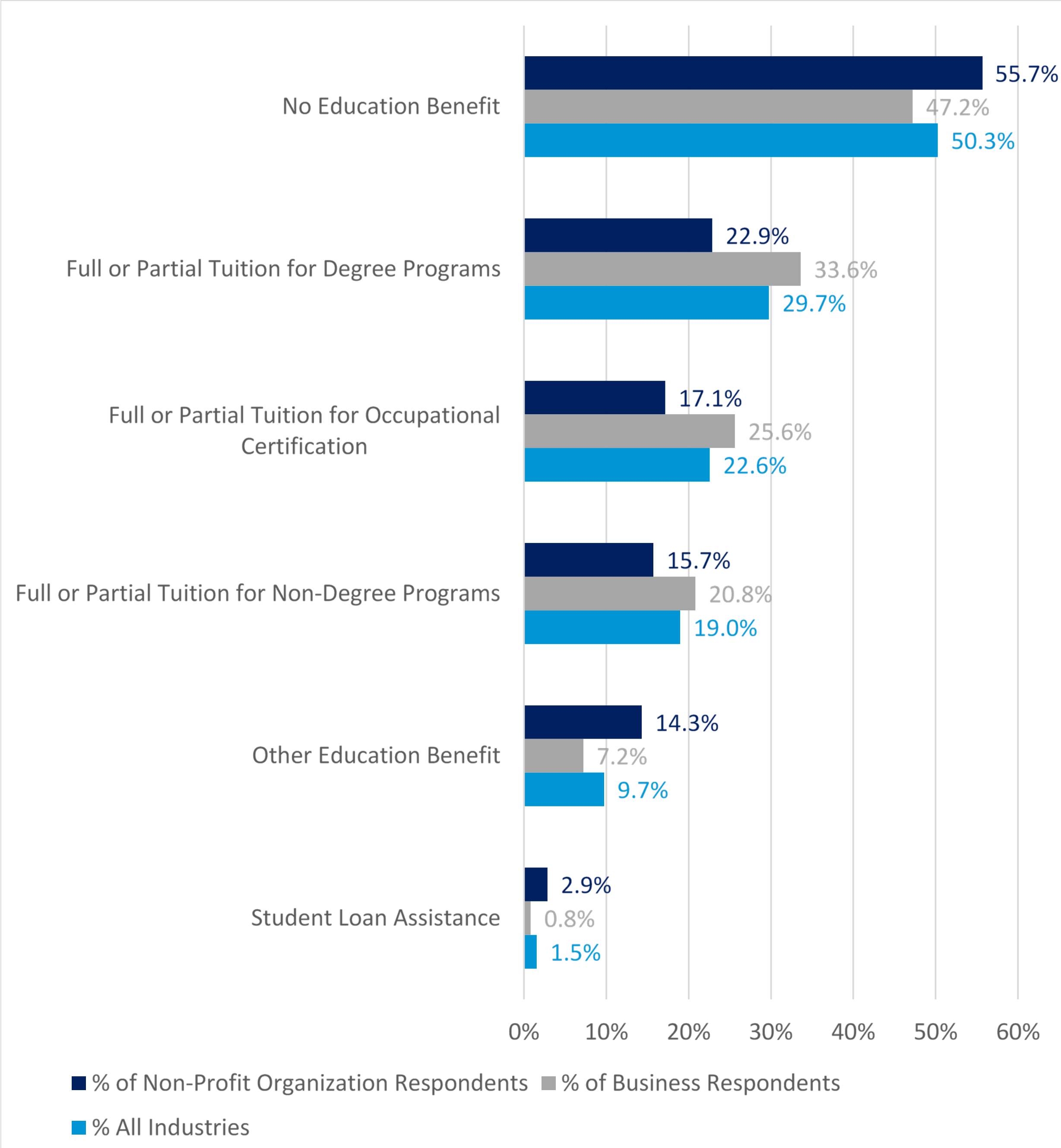
Figure 11 displays the types of education benefits provided by companies located in the region. About half of all companies do not offer any kind of education benefit. The percentage of nonprofit organizations (56 percent) who do not offer any education benefits is somewhat higher than businesses (47 percent). Of the benefits offered, tuition assistance for degree programs is the most commonly named benefit (34 percent of businesses and 23 percent of nonprofit organizations), followed by tuition assistance for occupational certifications (26 percent of businesses and 17 percent of nonprofit organizations), and tuition assistance for non-degree programs (21 percent of businesses and 16 percent of nonprofit organizations).

Other Education Benefits

Ten percent of all survey respondents also provided information on "Other Education Benefits" (seven percent of all for profit business and fourteen percent of all nonprofit organizations). Their responses included (some were mentioned multiple times):

- Education time off
- Certain percent refund of tuition per year for certain courses under certain conditions
- Tuition reimbursement
- Tuition Remission and Exchange Program
- Company pays up to a fixed amount per year for educational benefits
- Company pays for school if it directly benefits the company
- All continuing education training for those who hold licenses and certifications
- Professional conferences
- Professional association dues and associated training
- Attending 1-2 training courses/conferences a year
- Business education for certain companies
- Continuing Education Units (CEUs)
- Professional Development/Training
- Continuing Education allowance
- Company pays for food/bar service related certifications for independent contractor employees
- Product Training
- Training workshops

Figure 11: Education Benefits – All Respondents



The education benefits for each industry are included in the table below. A summary of all benefit categories by industry is provided a separate document.

Table 6: Education Benefits – All Respondents by Industry

	No Education Benefit	Full or Partial Tuition for Degree Programs	Full or Partial Tuition for Occupational Certification	Full or Partial Tuition for Non-Degree Programs	Student Loan Assistance
Accommodation and Food Services	75.0%	0.0%	16.7%	0.0%	0.0%
Arts, Entertainment, and Recreation	80.0%	0.0%	0.0%	0.0%	0.0%
Construction	33.3%	44.4%	55.6%	11.1%	0.0%
Educational Services	20.0%	60.0%	33.3%	46.7%	13.3%
Finance and Insurance	42.9%	46.4%	10.7%	14.3%	3.6%
Health Care and Social Assistance	66.7%	9.5%	14.3%	9.5%	0.0%
Manufacturing	13.0%	73.9%	60.9%	56.5%	0.0%
Other Sectors	52.9%	11.8%	29.4%	17.6%	0.0%
Other Services	66.7%	20.0%	13.3%	13.3%	0.0%
Professional, Scientific, and Technical Services	50.0%	37.5%	12.5%	0.0%	0.0%
Retail Trade	75.0%	0.0%	8.3%	8.3%	0.0%
Utilities	40.0%	20.0%	20.0%	20.0%	0.0%
Wholesale Trade	40.0%	20.0%	0.0%	20.0%	0.0%
All Industries	**50.3%**	**29.7%**	**22.6%**	**19.0%**	**1.5%**

Survey Results on Wages

This section describes the results from the wage section of the survey. We received 128 valid responses to the wage section of the survey, as opposed to the 195 valid responses to the benefits section. Respondents were not required to complete all sections of the survey in order to submit their responses. We allowed this in order to increase the response rate to at least some part of the survey.

Participants reported wage information by choosing occupations that matched their employees from a list of occupations commonly employed in their economic sector. They also had the opportunity to write in unlisted occupations and provide wages for them.

For privacy and compliance reasons, we may only report the survey results if we received five or more responses on any individual occupation. This turned out to be very limiting. At least one respondent provided wage information for over 200 different occupations. However, there were only 22 different occupations for which five or more respondents provided wage information. Table 7 shows the hourly pay information collected for each of the 22 occupations. The table shows the minimum and maximum hourly pay provided by respondents. From the responses, we also calculated the median hourly pay for each of the listed occupations. The median hourly pay is the pay that is in the middle of the responses we received. By definition, half of the responses are below the median and half of the responses are above the median.

For most of the occupations the distance between the minimum and maximum is very large. This points to some things to keep in mind when interpreting the results of the survey. There are many legitimate reasons why the hourly pay for one person in an occupation may be much greater than the pay for another person. A few reasons are:

- Pay usually increases with tenure and seniority even if an employee’s occupational title remains unchanged.
- In some organizations, especially very small ones, employees fill multiple roles beyond a single occupation, and they are compensated for taking responsibility for a wide range of duties.
- Employers that offer above-average benefits packages may be able to pay below-average wages and still offer very competitive overall compensation.
- Some companies may have cost structures that allow them to pay more for the same occupation than other companies.
- Some employees in an occupation may not bargain as well for pay as other employees.

Regardless of the reason, the median hourly pay gives a good indication of the overall central-tendency of pay for each occupation within the range of pay across companies and employees in the area.

Table 7: Hourly Pay by Occupation

Occupation	Minimum	Median	Maximum
Accountants and auditors	$15.55	$31.22	$46.98
Administrative services managers	$14.42	$17.85	$29.81
Bookkeeping, accounting, and auditing clerks	$12.00	$20.00	$41.00
Computer user support specialists	$16.83	$21.02	$31.22
Cost estimators	$24.00	$32.68	$38.46
Customer service representatives	$10.50	$15.00	$21.63
Executive secretaries and executive administrative assistants	$12.02	$22.52	$26.00
Financial managers	$22.60	$37.95	$54.56
First-line supervisors of office and administrative support workers	$14.00	$16.25	$29.14
First-line supervisors of production and operating workers	$19.48	$24.24	$38.46
Food preparation workers	$7.75	$10.70	$15.96
General and operations managers	$10.00	$25.96	$78.13
Human resources specialists	$12.02	$25.10	$52.77
Janitors and cleaners	$8.48	$12.00	$21.03
Maids and housekeeping cleaners	$7.25	$10.00	$15.00
Maintenance and repair workers, general	$11.00	$19.00	$43.27
Managers	$17.00	$27.84	$43.27
Network and computer systems administrators	$19.77	$32.44	$37.50
Office clerks, general	$8.00	$17.00	$28.85
Receptionists and information clerks	$8.00	$13.00	$19.00
Registered nurses	$15.55	$24.16	$52.88
Secretaries and administrative assistants	$8.48	$15.42	$21.14

Context for Benefits and Wages in the Central Shenandoah Valley

To provide some context for the results of this wage and benefit survey of businesses and nonprofit organizations in the central part of the Shenandoah Valley, this section reviews the reliable government data on wages and benefits at the national, regional, and state levels.

TRENDS IN BENEFITS AT THE NATIONAL AND REGIONAL LEVELS

The Bureau of Labor Statistics' National Compensation Survey provides data on employer-sponsored benefits in the United States. The latest data is available is from 2017. To determine a trend, we compare 2017 data to 2014 data. The information collected prior to 2014 was different than for the more recent surveys, so this four-year period is the longest period of available comparable data. The survey does not report results down to the state level. The regional level is the lowest level available from the National Compensation Survey.

In general, at the national level, the number of employers that offered health benefits to employees declined from 61 percent in 2014 to 58 percent in 2017. However, in terms of the number of workers who had access to employer-provided health insurance, the decline was only from 72 percent in 2014 to 71 percent in 2017. This is because organizations that employ more workers are more likely to offer health insurance to their employees than organizations that employ fewer workers. Most of the decline in the number of organizations that offered health insurance was from smaller organizations dropping health care plans for their employees. A look at the industry distribution reveals that the percentage of organizations in the service-producing sectors that offered healthcare benefits didn't change much (dropping from 61 percent to 59 percent), but the percentage of organizations in the goods-producing sector that offered healthcare benefits declined significantly from 60 percent to 50 percent. In the South Atlantic region (of which Virginia is a part), the decline was steeper. In 2014, 61 percent of organizations in the South Atlantic offered health care insurance for employees, but in 2017 only 55 percent of organizations in the region offered health insurance.

Nationally, the overall percentage of organizations that offered retirement benefits increased slightly from 47 percent in 2014 to 48 percent in 2017. The percentage of organizations with fewer than 50 employees that offered retirement benefits increased slightly from 44 percent to 45 percent, while the percentage of establishments with 100 or more employees that offered retirement benefits remained unchanged. The percentage of organizations in the service-producing sectors that offered retirement benefits slightly increased to 49 percent but the percentage of counterparts in the goods-producing sectors dropped from 44 percent to 39 percent. The South Atlantic region (including Virginia) did not move consistently with the national trend, as the percentage of organizations that offered retirement benefits remained stable at 47 percent.

Nationally, the percentage of workers receiving the major types of leave benefits increased between 2014 and 2017. Paid holidays is the most common leave benefit (76 percent of workers – up slightly from 75 percent), followed by paid vacation leave (74 percent of workers – unchanged), and paid sick leave (72 percent of all workers, up from 65 percent). The number of employees receiving paid funeral leave, jury duty leave, and military leave dropped some during the same timeframe. Smaller organizations offered less paid leave benefits than their larger counterparts. Also, a larger percentage of employees in the goods-producing sector receive leave benefits than employees in the service sector. Paid sick leave is the only category in which a greater percentage of employees in the service sector receives the benefit. The percentage of workers receiving paid sick leave rose in both sector categories between 2014 and 2017. Trends in the South Atlantic region mirrored the national trends between 2014 and 2017, but a larger number of employees in the South Atlantic region received paid leave benefits than the nationwide average. The only exception was for paid sick leave (70 percent in the region compared to 72 percent nationwide).

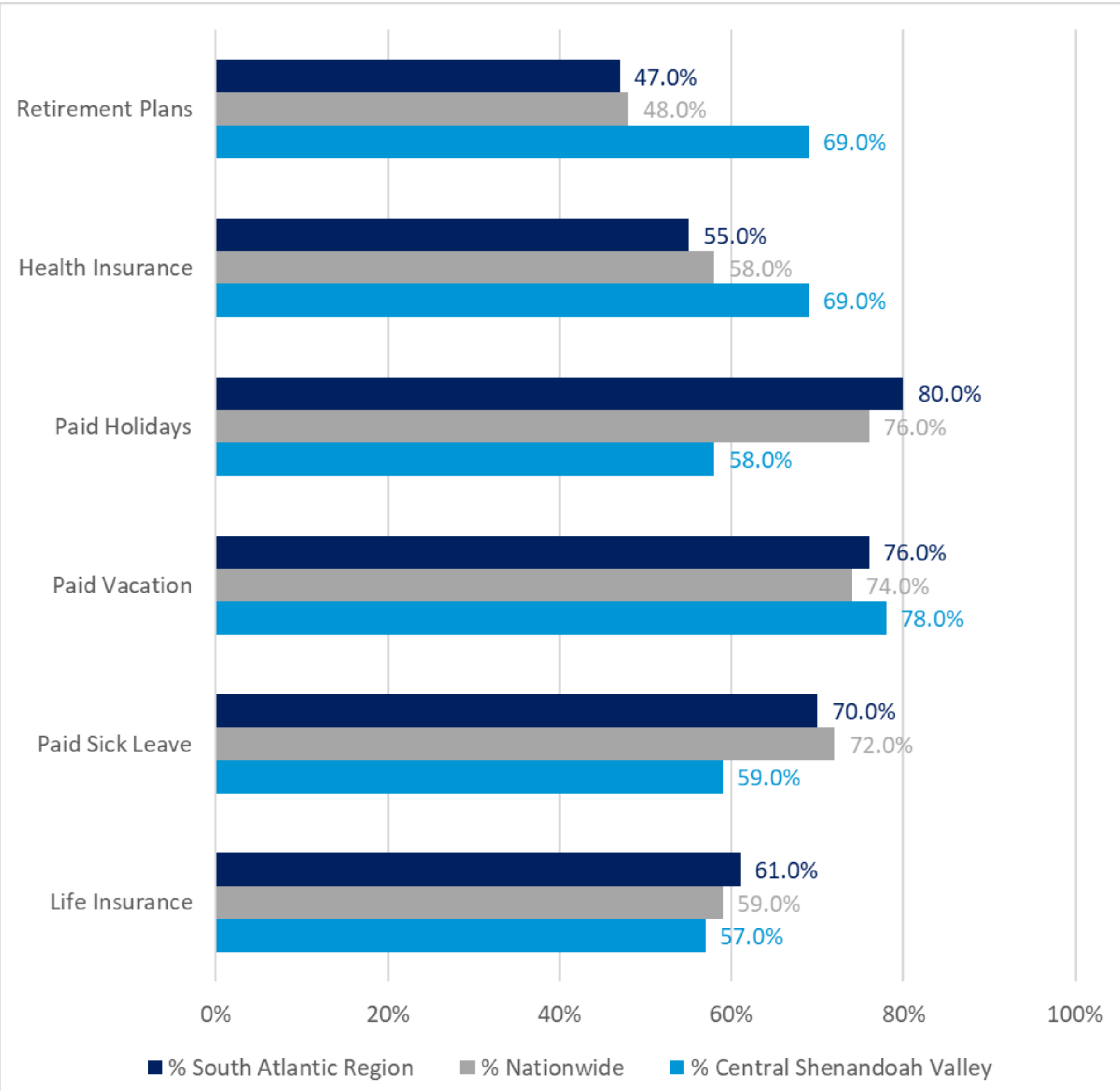
Across the United States, in 2017, 59 percent of employees had access to employer-sponsored life insurance, 39 percent to short-term disability, and 34 percent to employer-supplied long-term disability insurance. While access to the latter remained stable over the period, the percentage for the former two types of insurance was slightly reduced from 2014 to 2017. Employees in the goods-producing industry have greater access to these insurance benefits than their service-sector peers. Similarly, in 2017, the percentage of employees of larger organizations with access to these insurance benefits is double the percentage of employees in smaller organizations (i.e., 76 percent of employees in larger organizations had access to life insurance compared to 37 percent of employees in a smaller organization). Overall, a slightly greater percentage of employees in the South Atlantic region had access to these benefits than do employees across the entire nation. In the region, the percentage of employees with access to employer-sponsored life insurance slightly declined from 62 percent in 2014 to 61 percent in 2017. However, the percentage of employees being offered employer-sponsored short-term (34 percent to 38 percent) and long-term disability (35 percent to 36 percent) increased.

At the national level in 2017, the most common “other” or “quality of life” benefits were Employee Assistance Programs (55 percent of employees) and wellness programs (43 percent of employees). Other benefits such as childcare (11 percent of employees), flexible workspace (6 percent of employees), and subsidized commuting (7 percent of employees) were not as common. The most significant change from 2014 to 2017 for these types of benefits was the increase in wellness programs being offered from 39 percent to 43 percent. Employees in the service-producing industries were slightly more likely to have access to these benefits than employees in the goods-producing sectors. And a considerably larger percentage of employees of larger organizations are offered quality of life benefits than of smaller organizations. More South Atlantic region employees receive these benefits than their counterparts at the national level, especially the Employee Assistance programs (60 percent regionally to 55 percent nationwide) and wellness programs (49 percent regionally compared to 43 percent nationwide).

In general, the trend across the nation and in the South Atlantic region has been for a larger percentage of all types of employers to offer more generous benefits packages. The notable exception is the decline in smaller organizations offering employer-sponsored health insurance.

More notable is that employers in the central Shenandoah Valley region are far more likely to offer retirement and health care benefits to their employees than the average employers in the nation as a whole or in the South Atlantic region. Figure 12 shows how survey respondents compare to employers in the nation and South Atlantic region.

Figure 12: Offerings of Major Benefit Types – Comparing the Central Shenandoah Valley to the Nation



TRENDS IN WAGES AT THE NATIONAL AND STATE LEVELS

The Quarterly Census of Employment and Wages program at the Bureau of Labor Statistics publishes a quarterly count of employment and wages reported by employers at the county, state and national levels. The most recent data available is from the second quarter of 2018. To identify the trend in wages we compare date over a five-year period going back to the second quarter of 2014.

Over the five-year period, nationwide, average weekly pay rose 12.4 percent, while at the same time average weekly pay in the state of Virginia rose only 10 percent. However, average weekly pay in the region covered by this report rose by an even greater amount. From 2014 to 2018 in the 11-locality area, average weekly pay rose by 13.4 percent.

Information Gleaned from Human Resource Managers

In January of 2019, we met with several businesses in the region. We are grateful to the managers who took time to respond to our questions and share with us their insights for this report. We promised them complete confidentiality, so we will not name the companies or describe them in any way, even by what sectors they are in. We had brief conversations with each business about the labor market conditions in the region, the human resource challenges that they deal with, and their thoughts on strategies to address human resource issues.

THE LABOR MARKET

All employers agreed that the labor market in the central Shenandoah Valley area was very tight. Most of the interviewees knew the latest exact unemployment statistics for the area ("2.4 percent") and that the unemployment rate was one of the very lowest in the state of Virginia. They agreed that the tight labor market made it harder to fill positions than in the past and caused the companies to evaluate their wages and benefits more frequently.

In general, the companies were all expanding their activities in the area. This combined with the already tight labor market caused them concern about their ability to fill positions in the future.

Most employers are seeing smaller applicant pools for hourly and entry level positions. All of the companies were taking proactive steps to address the situation. They have taken a wide variety of initiatives to increase the number of applicants and the quality of the applicant pool: job fairs, creative marketing, increases in starting wages, referral bonuses, reduced entry qualifications, outreach to the high schools, outreach to area colleges and vocational programs, internships, orientation programs, etc.

To some extent, on average, applicants have less experience or qualifications than in the past. Entry level and hourly positions typically require just a high school education or GED. Several employers indicated that the qualifications that many applicants lack are the "soft skills" required even for entry-level positions. For example, issues include timeliness, absenteeism, treating customers with respect, and general responsible behavior.

The hourly and entry-level workers come from the surrounding area. In general, the wages do not support extensive commuting distances. For professional and management positions the companies have to recruit from a larger geographic area, in many cases the search goes out of state. The more skilled positions are harder to fill and require more specialized approaches to recruitment.

However, so far, in general, the employers were satisfied that the new hires that they selected were sufficiently qualified for the positions. Some employers attributed their ability to attract a sufficient pool of applicants to their "reputation" in the area. Interestingly, this reputation effect differed among employers. For some it was working conditions and workplace culture, for others it was relative wage premiums, and for others it was premium benefit packages.

Most employers explained that their retention challenges mainly involved workers with less than one year of tenure or those who had worked with the company for decades and were approaching retirement. For newer employees, adjusting to corporate culture and working conditions are common reasons given for employees leaving voluntarily. After the first year, all of the businesses agreed that employees tend to stay with the company for long periods of time – often 20 years or more.

WAGES

The companies all agreed that the tight labor market was placing upward pressure on wages. Some had raised wages in the last year. They all expected that wages would rise in the next few years, but only at about the traditional rate of growth for the last several years. Like most businesses across the nation, the companies face limitations on the extent to which they can absorb or pass on higher labor costs.

Employers stated that new and especially younger employees were very sensitive to take home pay, rather than overall compensation. This poses some difficulties for companies that offer very generous benefits packages but somewhat lower pay. For example, younger employees lack an appreciation of the value of a pension or health insurance that is completely employer-subsidized. Employers tried to address this issue with intensive training and explanation on various benefits, however, they felt that they were only partially successful. In the opinion of some of the employers, younger workers primarily only valued take-home pay and time off.

BENEFITS

All of the companies that we spoke with felt very confident that the benefits packages offered by their companies were strong and more than generous enough to be attractive to potential employees. Most companies have seen significant increases in health insurance costs and expect additional increases/changes in the future. They have adjusted to these increases by changing the insurance plans offered, increasing the employee share of the costs, focusing on prevention (wellness programs), going to high-deductible plans, and providing greater health education and coaching to employees.

Several employers expressed concern that younger people were not receiving enough education pre-employment about basic financial matters – the impact of taxes on take-home pay, retirement plans (what is a pension and how does it differ from any other retirement plan), how to manage a checking and savings account, etc. A number of employers spend time training employees in these matters and others (e.g., how to be an efficient consumer of healthcare), but the managers believed that the lack of understanding of these things in the general population made it difficult to use benefits to attract and sometimes even retain workers.

REGIONAL ISSUES

There was disagreement among the employers about the geographic effect of the region. Some employers attributed the challenge in filling senior and executive positions to the geographic distance from major cities. Candidates often wanted more big-city amenities. Other employers noted that the geography of the area served to restrict mobility and limit the labor pool. Long commutes would be required to hire people living outside of the Central Valley. However, other employers stated that the geography of the area was a major selling point. As one executive said, “The place sells itself! The scenery is beautiful year-round. The weather is good. You are minutes away from hunting, fishing, hiking, biking, camping, and all kinds of outdoor activities. Two major universities are just two hours away. The cost of living is very reasonable.”

Some employers noted that the number of women in the region’s labor force seems to have declined in the last several years. In general, they attributed the phenomenon to the lack of child care in the area. If mothers are unable to rely on family members who are not working outside the home to take care of their children, there are few daycare providers, few openings at the existing providers, and open slots come at a high cost. In the opinion of these employers, there are many mothers who would like to join the labor force, but for whom child care is just too expensive or completely unavailable. For employers that have shift work, new employees fill the least desirable second and third shifts. For mothers to fill these shift openings, they would have to have child care during the evening or overnight. As is true everywhere (not just in the Central Shenandoah Valley region), evening and night-time child care is nonexistent except for care provided by extended family. The employers that discussed this issue with us, were hopeful that the regional community could find novel ways to address this need.

Conclusion

This report and a companion report, *Benefits by Major Industry Sector*, describe the results of a wage and benefit survey of businesses and nonprofit organizations in the central Shenandoah Valley. The survey was commissioned by the Greater Augusta Regional Chamber of Commerce.

Although businesses in the area are expanding and needing to add employees and the area has one of the tightest labor markets in Virginia, employers have been proactive at offering wage and benefits packages that are generally adequate to fill needed positions. In fact, when we compare employers in the central Shenandoah Valley to those in the South Atlantic region and the nation as a whole, central Shenandoah Valley employers are much more likely to offer retirement and health insurance benefits to their employees.

Wages in the eleven-locality region have grown significantly more than wages in Virginia overall and wages across the nation. The pace of pay increases are likely to continue in the near future, given that businesses in the area are adding capacity to meet increasing demand and that it takes time significantly increase the supply of labor.

This report would not have been possible without the generous support of these sponsors.

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