FRINGE BENEFITS**

1. TYPES AND DEFINITIONS


A comprehensive review of the types of fringe benefits in operation in this country. Details of plans are given.


Includes a wide selection of examples of fringes, international in scope, and an appendix dealing with the definition and theory of fringes. Underlying the argument is a conviction that fringes are dangerous because they deny individuals the exercise of free choice in spending decisions. Supporting arguments include effects on incentives, mobility of labor, and the supply of risk capital.


The theme of this book is diametrically opposed to that by Dr. Rubner. Fringes are to be viewed from a social rather than an income point of view. "Workers have fixed upon the very industries which most persistently opposed social legislation the same kind of obligation to provide social benefits that public measures would have fixed upon those industries." Illustrations derive overwhelmingly from the history of paid vacations, and are legal rather than economic in character.

2. IMPACT IN COLLECTIVE BARGAINING

Foegen, Joseph H. "Product mix for fringe benefits." Harvard Business Review (Graduate School of Business Administration, Harvard University, Boston, Mass. 02163), July-August, 1961. pp. 64-68. $2.00.

Argues that management should recover the initiative from unions in determining the composition of package deals. It should attempt to determine that mix of fringes and wages which will maximize employee satisfaction and assure efficient production. The use of operations research techniques in furthering this aim is discussed.

*Compiled by Desmond B. Hughes, Instructor in Economics.

**Items from this list should be ordered directly from the publisher. Addresses are given in connection with each reference.

Examines the effect of fringe benefits on wage structure and also the contention that unionism has had a substantial influence on the form of compensation. Thorough study of automobile negotiations reveals that the advent of fringes has reduced occupational differentials and increased personal differentials. Despite many qualifications, MacDonald confirms the general impression of a union impact on the form of compensation even though this is more marked in the case of some fringes than in others.


Mrs. Somers discusses the future development of fringe benefits. She predicts that fringe costs will continue to rise in total, and discusses the likely contribution of individual fringes to this increase. A second topic is the effect of fringe developments on the organization and administration of industrial relations, particularly the increasing specialization required of industrial relations staff. Finally, the question of management participation in the administration of payments is discussed.

3. **Attitudes Towards Fringe Benefits**


Explores employee and employer attitudes by means of a survey of 162 firms in the Portland metropolitan area. Results are disaggregated by industry, size and age of firm, turnover, and size of benefit expenditure. Main findings include demonstrations of management misconceptions of employee preferences and of management beliefs that unions dominate fringe negotiations.


A psychologist discusses the questions of whether employee preferences in regard to pay and benefit options can be measured in a meaningful way and, if so, whether the determinants of these expressed preferences can be identified. An affirmative answer is given to both questions. Three methods of measurement are mentioned, and a report on three studies using two of these is presented. The persons interviewed came from the electrical industry on both coasts. Sick leave was preferred over more costly pension and pay raise options, while pensions were rated at about the same level as a pay raise. Life insurance came out rather poorly. Preferences, it is shown, are related to age, sex, income, and job attitude.


This study is based on personal interviews with three hundred male members of the United Steelworkers of America and an equal number of members of other unions, all living or working in the Pittsburgh area. Answers are tabulated into Steelworker, non-Steelworker, white collar, white non-collar, and Negro sections. Fringe increases were desired more than wage increases, with pensions the leading fringe considered, followed by group life and health insurance.

4. "Fringe Barriers" to Employment*


In an address before the Midwinter Personnel Conference of the American Management Association, Professor Northrup examines, *inter alia*, the nature of overtime work and the question of whether the existence of fringe benefits makes scheduling overtime a more attractive proposition than employing additional workers. Citing Chamber of Commerce and Bureau of Labor Statistics data, he concludes that an affirmative answer must be given.


Uses Bureau of Labor Statistics manufacturing overtime data to demonstrate that over the period 1956-62 there was no distinct upward trend in overtime worked. A marginalist analysis of the data used by Professor Northrup leads Garbarino to suggest that, on the basis of existing arguments, fringe benefits provided no barrier to employment. However he invokes additional considerations to rehabilitate partially the "fringe barrier" argument.

5. Principal Sources of Basic Data


The latest report of a biennial survey began in 1947. Data are based on 1150 reporting companies and are disaggregated according to region, industry, and size of company. A section of the report investigates the growth of fringes in eighty-six companies which have responded to each of the Chamber's surveys. Data are given mainly on a percentage of payroll basis.


*Selected References No. 124, Public policy and private pension plans, July, 1965 covers the impact of fringe benefits on labor mobility.
The most recent in an annual series conducted by the Social Security Administration, this report provides estimates of the coverage of benefit plans. Also included are estimates of cost and benefits, both on a current basis. The series is based primarily on reports of plan underwriters.


The first resurvey of a questionnaire study made in 1959. Analyzes the major fringes on a composition-of-payroll basis. Industry and size-of-firm breakdowns are given. Specific industry studies conducted on the same basis are listed below.


Data based on 808 affiliated companies, each having at least one hundred wage earners.


This study covers manual workers employed by 350 companies listed on the London Stock Exchange. Data are on a percentage-of-payroll basis and are tabulated by industry, size of firm, and geographical location.

Reid, G. L. "Supplementary labour costs in Europe and Britain." Chapter 4 in Fringe benefits, labour costs and social security, edited by G. L. Reid and D. J. Robertson. pp. 92-123.

Summarizes European studies, including some French-language studies of European Economic Community countries. National and industrial tabulations are provided.