

FRINGE BENEFITS PAID BY ARIZONA COPPER MINES

A survey made of the copper mining industry in Arizona reveals that the large copper mines are paying an average of \$715.28 per employee in fringe benefits over and above regular and overtime wages.

Fringe benefits have become an increasingly important part of the annual wage paid to industrial employees. Some of these benefits are required by state and federal laws, others are part of the union contracts, but all are in addition to the regular cash wage paid to each employee, and add to the cost of production.

The larger copper companies, employing 9200 men out of the total of 10,800 engaged in Arizona copper mining, during the years 1951 and 1952, replied to questionnaires asking for details of fringe benefits paid.

The following is a composite average of the fringe benefits paid during the years 1951-1952, as compiled from the reports of the six large copper-producing companies: (Some reported for the year 1951, others for the year 1952)

Type of Payment	Per cent of Payroll	Cents per Payroll Hour	Dollars per year per Employee
Total fringe payments	15.67	28.68	715.28
1. Legally required payments (employer's share only)	3.16	5.78	144.11
a. Old-age and Survivors Insurance			58.10
b. Unemployment Compensation (Fed. & State)			27.53
c. Workmen's Compensation			58.48
2. Pension and other agreed-upon payments (employer's share)	3.00	5.49	137.16
a. Pension-plan premiums			95.38
b. Life insurance premiums, death benefits, sickness, accident and med. care insurance premiums, hosp. insurance premiums, etc.			34.30
c. Separation or termination pay allowances.			3.90
d. Discounts on goods purchased from Co. by employees			0.76
e. Misc. payments			2.82
3. Paid rest periods, lunch periods, wash-up time, travel time, clothes-change time, etc.	3.36	6.15	153.27
4. Payments for time not worked	3.68	6.74	168.09
a. Paid vacations and bonuses in lieu of vacations			119.56
b. Payments for holidays not worked			41.78
c. Paid sick leave			5.10
d. Payments for National Guard duty, jury, witness and voting pay allowances, payments for time lost due to death in family or other personal reasons.			1.65
5.b. Christmas or other special bonuses, service awards, suggestion awards, etc.	0.11	0.20	4.98

Type of Payment	Per cent of Payroll	Cents per Payroll Hour	Dollars per Year per Employee
6. Other employee fringe benefits not listed above.	2.36	4.32	107.67
Hospital deficit			83.32
Rental Dept. loss			12.55
Social Contributions			11.80
Total fringe payments as percent of payroll	15.67		
Total fringe payments as cents per payroll hour		28.68	
Total fringe payments as dollars per year per employee			715.28
Average Hourly Wage Rate of Copper Miners (exclusive of any fringe benefits) 1951-52			
			\$ 1.830
Average Number of Employees covered in Survey, 1951-52			9201
Average Annual Wages (excl. of fringe benefits) per employee, 1951-52			\$ 4566

The accompanying tables, compiled from reports of the Arizona Employment Security Commission, give details concerning the number of employees and their average annual and weekly earnings by selected industries. These are actual cash wages and in no case are fringe benefits included.

The average annual wages paid for the years 1951 and 1952 to all mining, quarrying and smelting employes (14,200), were \$63,482,042. If all 14,200 employes received the same fringe benefits as the copper mining employes were shown to have received, a total of \$10,156,976 (14,200 x \$715.28) would have been added to the mining and smelting companies' payroll, which would have mounted to \$73,639,018 as the average for the years 1951 and 1952. Fringe benefits amount to 15.67% of the regular payroll and do not show on the employee's pay-check. In addition to the \$1.83 per hour which he averaged in 1951 and 1952, he received in fringe benefits another 28 cents per hour, or a total of \$2.11 per hour.

Arizona Department of Mineral Resources

May, 1953

AVERAGE NUMBER OF COVERED EMPLOYEES, TOTAL WAGES, AVERAGE ANNUAL WAGE, AND AVERAGE WEEKLY WAGE
Years 1942, 1947, 1951 and 1952 (Estimated)

Source: Arizona Employment Security Commission

	Average No. of Employees	Total Wages	Average Annual Wage	Average Weekly Wage	Average No. of Employees	Total Wages	Average Annual Wage	Average Weekly Wage
	1942				1947			
Copper Mining Only	13,073	\$ 30,604,037	\$ 2,341	\$ 45.02	11,340	\$ 36,365,277	\$ 3,207	\$ 61.67
All Mining & Quarrying	15,233	34,302,289	2,252	43.31	12,724	40,186,847	3,158	60.73
Smelting *	1,735	3,469,384	2,000	38.47	1,376	4,251,314	3,090	59.42
All Min., Quar. & Smelting	16,968	37,771,673	2,226	42.81	14,100	44,438,161	3,152	60.62
Manufacturing(Excl.Smelting)	9,597	17,552,133	1,829	35.17	12,563	34,522,325	2,748	52.85
Construction	18,599	44,737,133	2,405	46.25	10,747	31,977,603	2,975	57.21
Transp.& Utilities(Excl.RRs)	6,592	10,413,396	1,580	30.38	9,953	25,867,424	2,599	49.98
Wholesale-Retail Trade	23,419	32,296,135	1,379	26.52	35,568	85,883,308	2,415	46.44
Services & Misc.(Incl.Agri.)	12,745	17,947,402	1,408	27.08	18,152	40,077,872	2,208	42.46
Totals and Averages	87,087	\$160,717,872	\$ 1,830	\$ 35.19	101,083	\$262,771,693	\$ 2,600	\$ 50.00

	1951				(Estimated) 1952 (Estimated)			
Copper Mining Only	10,754	\$ 47,825,698	\$ 4,447	\$ 85.52	10,900	\$ 51,066,500	\$ 4,685	\$ 90.10
All Mining & Quarrying	12,600	54,504,083	4,326	83.19	12,700	58,420,000	4,600	88.46
Smelting *	1,500	6,600,000	4,400	84.62	1,600	7,440,000	4,650	89.42
All Min. Quar. & Smelting	14,100	61,104,083	4,334	83.35	14,300	65,860,000	4,606	88.58
Manufacturing(Excl.Smelting)	16,542	57,891,802	3,500	67.31	26,600	101,496,600	3,816	73.39
Construction	12,775	51,789,225	4,054	77.96	15,500	69,688,000	4,496	86.47
Transp.& Utilities(Excl.RRs)	11,698	40,417,858	3,455	66.44	14,000	49,238,000	3,517	67.63
Wholesale-Retail Trade	41,316	118,864,726	2,877	55.33	48,400	149,168,800	3,082	59.26
Services & Misc.(Incl.Agri.)	24,937	72,021,402	2,888	55.54	30,300	90,900,000	3,000	57.70
Totals and Averages	121,368	\$402,089,096	\$ 3,313	\$ 63.71	149,100	\$526,351,400	\$ 3,530	\$ 67.89

* The Security Commission includes "Smelting" under "Manufacturing". In this table it has been segregated to give the total employees in the Mining and Smelting Industry.

FOR RELEASE UPON RECEIPT:

A report recently issued by the Arizona Department of Mineral Resources reveals that the large copper mines of the state are paying an annual average of \$715.28 per employee in fringe benefits over and above regular and overtime wages.

Fringe benefits have become an increasingly important part of the annual wage paid to industrial employees. Some of these benefits are required by State and Federal laws, others are part of the Union contracts, but all are in addition to the regular cash wage paid to each employee, and add to the cost of production.

The larger copper companies employing 9200 men out of the total of 10,800 engaged in Arizona copper mining, during the years 1951 and 1952, replied to questionnaires asking for details of fringe benefits paid.

Also accompanying the report is a table showing the average number of covered employees, total wages, average annual wage, and average weekly wage for the years 1942, 1947, 1951 and 1952; all classified under seven different categories of employment.

This table shows that the average annual wages paid for the years 1951 and 1952 to all mining, quarrying and smelting employees (14,200) were \$63,482,042. If all 14,200 employees received the same fringe benefits as the copper mining employees were shown to have received, a total of \$10,156,976 would have been added to the mining and smelting companies' payroll.

Fringe benefits, which do not show on the employee's paycheck amounted to 15.67% of the regular payroll. In addition to the \$1.83 per hour which the employee averaged in 1951 and 1952, he received in fringe benefits another 28 cents per hour, or a total of \$2.11 per hour.

Copies of this report may be had by writing to the Arizona Department of Mineral Resources, Minerals Building, Fairground, Phoenix, Arizona.