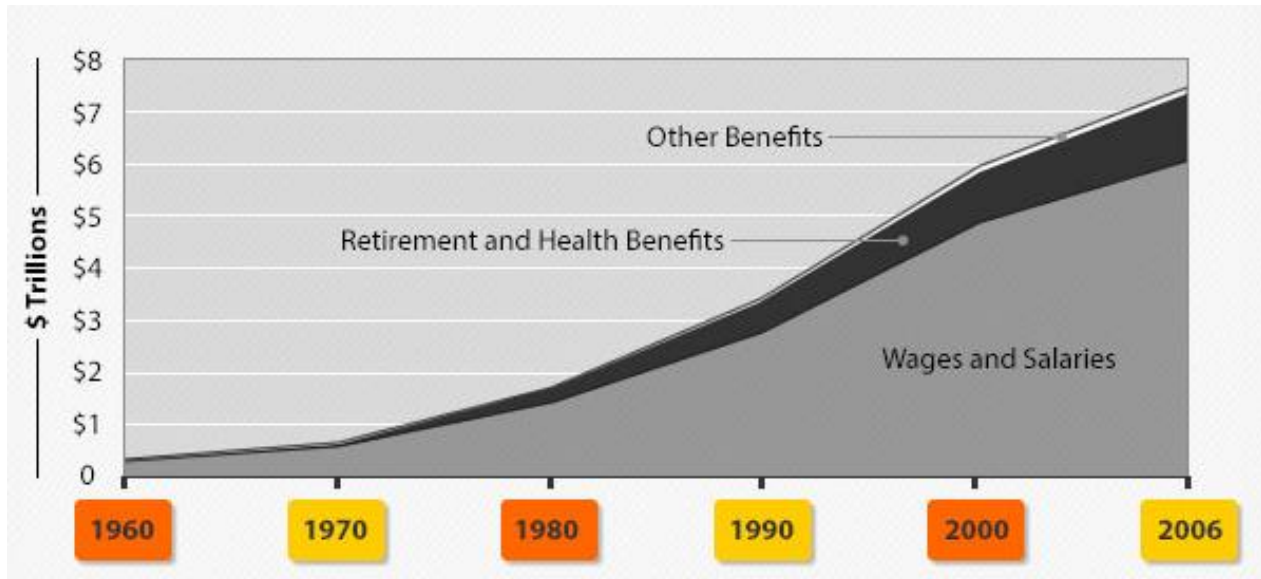


Incentives/Options for Employees

Timeline

The following graph illustrates the growth of employee benefits and other incentives throughout the U.S. over the past several decades.

Here you can learn more about the growth of employee benefits during each of the following periods.



1960: The total compensation spent by employers was \$296.5 billion. This included the amount spent on wages and salaries (\$272.8 billion), retirement benefits (\$14.1 billion), health benefits (\$3.4 billion), and other benefits (\$6.1 billion). Other benefits include unemployment insurance, workers' compensation, and group life insurance.

1970: The total compensation spent by employers was \$617.1 billion. This included the amount spent on wages and salaries (\$551.5 billion), retirement benefits (\$40.1 billion), health benefits (\$14.6 billion), and other benefits (\$10.8 billion). The early 1970s provided a buildup to the eventual 1974 enactment of the Employment Retirement Security Act (ERISA). ERISA provides regulation for the operation of established pension and healthcare plans within private companies. This federal oversight for funding (and significant increases in healthcare costs) lead to an increase in organizational spending for retirement and health benefits.

1980: The total compensation spent by employers was \$1,651.6 billion. This included the amount spent on wages and salaries (\$1,377.4 billion), retirement benefits (\$160.1 billion), health benefits (\$73 billion), and other benefits (\$40.6 billion).

1990: The total compensation spent by employers was \$3,350.3 billion. This included the amount spent on wages and salaries (\$2,754.6 billion), retirement benefits (\$291.7 billion), health benefits (\$223.6 billion), and other benefits (\$78.7 billion).

2000: The total compensation spent by employers was \$5,874 billion. This included the amount spent on wages and salaries (\$4,950.6 billion), retirement benefits (\$432.5 billion), health benefits (\$397.2 billion), and other benefits (\$90.8 billion).

2006: The late 1990s to 2006 saw a rise in other benefits. During this time, many organizations found it especially difficult to fill positions because in many industries there were more jobs available than qualified workers to fill them. In an effort to attract and retain workers, these companies began to include other benefits such as stock options plans, bonus plans, car allowances, pay-for-performance plans, childcare services, and gym and health facilities.

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