Minimum wage stability affects shirt and nightwear industry pay

Absence of change in the Federal minimum wage during the May 1981–84 survey period helps to explain the relatively modest wage gains of production and related workers in the men's and boy's shirts and nightwear manufacturing industry. Straight-time earnings averaged $4.68 an hour in May 1984, according to the latest Bureau of Labor Statistics survey. This was 11 percent above the $4.23 recorded in a similar survey conducted in May 1981—an increase averaging 3.4 percent a year. By comparison, wages and salaries in all nondurable goods manufacturing as reported by the Bureau's Employment Cost Index rose 17.1 percent, or 5.4 percent a year, during the 3 years ending in the second quarter of 1984.

In establishments employing about half of the industry's production workers in May 1984, pay was linked to the minimum wage by a policy of adjusting wage rates for all jobs to reflect changes in the statutory minimum. (See table 1.)

A more moderate rate of inflation between May 1981 and May 1984 also helps to explain the shirt industry's pace of wage increases. The Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) rose 13.5 percent, or 4.3 percent a year, at a time when one-fifth of the shirt workers were under collective bargaining agreements providing for cost-of-living wage adjustments.

Workers in the Southeast, who accounted for seven-tenths of the production work force, averaged $4.62 an hour in May 1984. Among the other five regions studied separately, average hourly earnings were highest in New England ($5.43) and lowest in the Southwest ($4.17).

Hourly earnings of more than 64,000 workers covered by the study ranged from the minimum wage of $3.35 to $9 and over. The middle 50 percent of the workers earned between $3.68 and $5.42 an hour. About 14 percent of the workers earned within 5 cents of the Federal minimum wage, down from 22 percent in 1981.

Among the 23 occupational classifications selected to represent the shirtmaking process, average hourly earnings ranged from $7.49 for sewing-machine adjusters to $4.03 for thread trimmers. Machine cutters ($6.18) and markers ($5.57) were the only other jobs studied separately with hourly averages over $5.50. Sewing-machine operators, by far the largest occupational group studied, with nearly 37,000 workers, averaged $4.59 an hour. Averages for the other jobs with more than 2,000 workers were $4.66 for combination final inspectors and thread trimmers, $4.62 for garment folders, and $4.48 for finish pressers.

Occupational pay levels varied widely by region. While pay levels typically exceeded the national averages by 15 to 25 percent in New England and by 5 to 15 percent in the Border States and Middle Atlantic States, occupational averages in the Southeast and Pacific generally fell slightly below the national levels, and those in the Southwest were usually 10 to 20 percent below. Regional pay patterns, however, were not consistent among individual jobs. For example, shipping clerks in the Border States averaged 48 percent more than those in the Southwest, but clicker-machine operators (who cut or stamp small pieces of various shapes from material or cardboard) in the latter region averaged 9 percent more than those in the Border States.

Occupational pay levels were generally higher in metropolitan than in nonmetropolitan areas, in plants with at least 250 employees than in smaller establishments, in union plants than in nonunion plants, and in establishments primarily making dress shirts than in those principally making sport shirts.

Extensive use of incentive pay plans, notably piece rate systems, contributed to wide ranges of rates within an occupation and area. Incentive earnings vary according to work experience, effort, work flow, and other factors which the worker may or may not control. Workers paid under incentive systems, four-fifths of the production workers, usually averaged from 10 to 15 percent more than time-rated workers in the same occupation. Incentive workers accounted for virtually all of the sewing-machine operators and were also predominant among the other sewing and finishing occupations. Workers paid on a time-rated basis, however, were predominant among sewing-machine adjusters, janitors, shipping clerks, and work distributors.

Virtually all production workers were in establishments with formal provisions for paid holidays and vacations. Three-fifths of the workers received 5 to 8 holidays annually; while nearly three-tenths—mainly workers under contracts negotiated by the Amalgamated Clothing and Textile
Workers Union (ACTWU)—were entitled to 10 holidays. Vacation plans in the industry typically provided 1 week of pay after 1 year of service, 2 or more weeks’ pay after 3 years of service, and 3 weeks after 10 years. About one-fifth of the workers could receive 3 weeks after 1 year of service. Most of these workers were in plants covered by the ACTWU plan, which provides for a 2-week summer vacation for employees with 1 year of service (1 week after 6 months) and a 1-week winter vacation for employees with 1 year of service.

Life, hospitalization, and surgical insurance were provided for about nine-tenths of the workers. At least three-fifths of the workers were covered by accidental death and dismemberment insurance and basic medical and major medical plans. Slightly more than one-half were included in private pension plans, nearly all of which were paid for entirely by the employer. Paid funeral leave was available to seven-tenths of the workers and jury-duty pay to nearly three-fifths.

The study included establishments engaged primarily in manufacturing men’s, youth’s, and boys’ shirts (including polo and sport shirts) and nightwear, cut and sewn from purchased woven or knit fabric. In May 1984, establishments within the scope of the survey—those with 20 workers or more—employed 64,789 production workers. This is almost exactly the same number of workers reported in 1981 and breaks a pattern of decline reported in similar BLS studies since 1964. In 1984, about one-half of the production workers were in establishments primarily making sport shirts. Plants making dress shirts accounted for just under two-fifths of the work force.

In addition to the six major regions studied, separate data were obtained for nine States and three local areas. These localities employed slightly more than four-fifths of the industry’s production workers. Among the States, employment ranged from 10,500 in North Carolina to about 600 in Maryland.

The Bureau’s eight regional offices will provide free of charge, while the supply lasts, separate releases issued earlier for the following States and areas: Alabama; Georgia; Maryland; Mississippi; North Carolina; Pennsylvania; South Carolina; Tennessee; Virginia; Allentown–Bethlehem–Easton, PA–NJ; Los Angeles–Long Beach, CA; and Pottsville–Shamokin, PA. A comprehensive bulletin, Industry Wage Survey: Men’s and Boys’ Shirts and Nightwear, May 1984, Bulletin 2232, is for sale by the Superintendent of Documents, Washington 20402.

---FOOTNOTES---

1Earnings data exclude premium pay for overtime and for work on weekends, holidays, and late shifts.


3New England, Middle Atlantic States, Border States, Southwest, and Pacific States.

Expert panel offers suggestions on 1990 census methodology

Pursuant to a 1982 recommendation by the American Statistical Association, the Committee on National Statistics of the National Research Council established a panel under the aegis of the Census Bureau to make recommendations on methodology for the 1990 decennial census. Formally designated the Panel on Decennial Census Methodology, this group of experts was charged with suggesting research, experiments, and new methods and with guiding the Census Bureau in evaluating alternative techniques. Their work continued the longstanding policy of evaluating the results of the most recent census with a view toward resolving problems and testing new procedures well before the next census is undertaken.

The final report of the panel, The Bicentennial Census: New Directions for Methodology in 1990, was published in 1985. The 404-page volume first examines the history of the decennial census, noting particularly the great expansion in usage of census data since the first national study was conducted in 1790 and concomitant growth in numbers of criticisms of census procedures and results. Against this background, the authors present an analysis of existing problems with census methodology and propose solutions.

The major issues confronted in the most recent round of methodology review involved: (1) the proper adjustment of census counts and characteristics; (2) the appropriateness of sampling techniques within a census framework; and (3) the possible use of administrative records to improve the accuracy of census counts and the efficiency of census operations. In developing its recommendations, the panel considered the stated goal of the Census Bureau to develop better and more timely estimates for 1990 without an appreciable increase in per-housing-unit costs over 1980 levels. Following are selected recommendations from the final report:

---TABLE 1---

<table>
<thead>
<tr>
<th>Survey date</th>
<th>Average hourly earnings Federal minimum</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Level</td>
</tr>
<tr>
<td>May 1984</td>
<td>$4.68</td>
</tr>
<tr>
<td>May 1981</td>
<td>4.23</td>
</tr>
<tr>
<td>May 1978</td>
<td>3.25</td>
</tr>
<tr>
<td>June 1974</td>
<td>2.54</td>
</tr>
<tr>
<td>October 1971</td>
<td>2.05</td>
</tr>
<tr>
<td>October 1968</td>
<td>1.83</td>
</tr>
<tr>
<td>June 1964</td>
<td>1.45</td>
</tr>
</tbody>
</table>

1Percent change from previous period.
That the Census Bureau assess the need for a mid-decade census, particularly by studying the effect of errors in postcensal population estimates compared with errors in the decennial census on major data uses. Unless these studies do not support the value of a mid-decade census, the Bureau should make every effort to secure funding for a census in 1995.

That the Bureau prune its proposed research and testing program for 1986 by deferring certain projects until 1987 or later and by forgoing research on proposals that are unlikely to be implemented in the 1990 study or that appear to hold little promise based on previous census experience or other survey research results. Other cutbacks might be accomplished by making fuller use of 1980 census data and experimental results. To this end, the Bureau should assign a high priority to the completion of 1980 census methodology studies and further analysis of 1980 data.

That the Bureau assign a high priority to the completion of studies of undercount and overcount of various population groups in the 1980 census. A variety of question designs for sensitive race and ethnicity information should be tested for the 1990 study, including some that combine the collection of information on Hispanic origin with other race and ethnicity information. The report also recommends that the Census Bureau, the National Center for Health Statistics, and other Federal agencies work closely together to design questions and response editing rules on race and ethnicity that minimize conceptual differences between census and vital statistics records.

That the Census Bureau not pursue research on or testing of a sample survey as a replacement for complete enumeration in 1990. This recommendation reflects the panel's belief that a large sample survey would result in less complete coverage than a census, and that there would be only minor cost savings in sampling on the scale necessary for satisfaction of present demands for small-area data from the census. However, the Bureau should include in its 1987 pretest program the testing of sampling for the follow-up of households that do not return their questionnaires. Sampling could prove cost-effective in the final stages of follow-up, where it becomes very expensive to count an additional person.

Given the likelihood that the census will continue to produce different rates of undercoverage for various population groups, it is recommended that work proceed on the development of adjustment procedures and that adjustment be implemented if there is reasonable confidence that it will reduce differential coverage errors. The Census Bureau should also explore methods for providing estimates of errors associated with estimates of census over- and undercoverage, with a view to publishing such error estimates along with coverage evaluation results and any adjusted census data that may be issued.

That the Census Bureau conduct research and testing in the area of improved accuracy of responses to content items (income, utility costs, and so forth) in the census. Further, the content improvement procedures examined should not be limited to reinterviews of samples of respondents, but should also include the use of administrative records. A specific recommendation urges the Bureau to investigate the cost and feasibility of obtaining data on housing structure items through alternative uses of local administrative records.

Copies of the full report of the Panel on Decennial Census Methodology, edited by Constance F. Citro and Michael L. Cohen, may be purchased from the National Academy Press, Washington, DC. Price: $23.95.