BLS white-collar pay survey now covers small firms

JOHN D. MORTON

Clerical workers and recent hires in professional and administrative positions typically are paid 10 to 20 percent more in large firms employing 2,500 workers or more than in small firms employing 50 to 999 workers. In contrast, the pay advantage for fully experienced professionals in these large firms is usually under 5 percent. (See table 1.)

The national survey of professional administrative, technical, and clerical pay (PATC survey) in 1986 increased its coverage of firms with as few as 50 workers. As a result of the expansion, 156,000 establishments employing 33.3 million workers were covered in 1986 (previously, the survey covered 47,000 establishments employing 23.3 million workers). Establishments in Alaska and Hawaii are excluded. The survey is conducted by the Bureau of Labor Statistics, but survey occupations and coverage, such as establishment size and the private industries to be included, are determined by the President’s Pay Agent (the Secretary of Labor and the Directors of the Office of Management and Budget and the Office of Personnel Management).¹

In addition to the size of a firm’s work force, skill and experience also influence white-collar pay, as can be readily seen from the survey results. (See table 2.) Engineers, the survey’s most numerous occupational group, illustrate the effect of rising skill levels on pay: recent engineering graduates (level I) averaged $27,866 annually in March 1986, while engineers responsible for highly complex engineering programs (level VIII) averaged $79,021.²

In contrast, skill levels can act as a source of pay uniformity for the same level of work among different occupations. The following tabulation shows a relatively narrow (9 percent) spread separated the highest paid and lowest paid of six equivalent work levels in the survey:

<table>
<thead>
<tr>
<th>Work levels</th>
<th>Annual salary level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attorney IV</td>
<td>$63,933</td>
</tr>
<tr>
<td>Director of personnel III</td>
<td>63,855</td>
</tr>
<tr>
<td>Chief accountant III</td>
<td>62,880</td>
</tr>
<tr>
<td>Accountant VI</td>
<td>61,546</td>
</tr>
<tr>
<td>Chemist VI</td>
<td>60,796</td>
</tr>
<tr>
<td>Engineer VI</td>
<td>58,883</td>
</tr>
</tbody>
</table>

Unequal market demands, however, can nullify this cluster effect. For example, average pay for beginning engineers in the survey was well above that of their accountant and chemist counterparts.

Although the PATC survey focuses on salary levels at a given time, its history permits a look at salary trends. White-collar salaries increased moderately between March 1985 and March 1986 in medium and large firms. Average salaries for most occupations surveyed rose between 3.0 and 5.5 percent—in line with gains reported a year earlier. In contrast, occupational salary increases averaged about 7 percent a year during the 1970’s and more than 9 percent in 1981 and 1982. However, the rate of increase has been declining since 1982.³

A detailed analysis of white-collar salaries and complete results of this year’s survey are included in the National Survey of Professional, Administrative, Technical, and Clerical Pay, March 1986, Bulletin 2271 (Bureau of Labor Statistics, 1986). The bulletin contains, for example, separate salary data by size of community and size of establishment.

---FOOTNOTES---

¹ The Pay Agent has designated the industrial coverage as follows: mining; construction; manufacturing; transportation, communications, and public utilities; wholesale and retail trade; finance, insurance, and real estate; and selected services. The pay-setting role of the PATC survey is described in George L. Stelluto’s “Federal pay comparability: facts to temper the debate,” Monthly Labor Review, June 1979, pp. 18–28.
<table>
<thead>
<tr>
<th>Occupation and class</th>
<th>Number of employees</th>
<th>Average annual salaries</th>
<th>Occupation and class</th>
<th>Number of employees</th>
<th>Average annual salaries</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accountants and auditors</td>
<td></td>
<td></td>
<td>Chemists and engineers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accountants I</td>
<td>13,846</td>
<td>$21,024</td>
<td>Engineers III</td>
<td>145,185</td>
<td>$35,715</td>
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<td>28,711</td>
<td>26,554</td>
<td>Engineers IV</td>
<td>157,033</td>
<td>42,977</td>
</tr>
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<td>Accountants III</td>
<td>46,926</td>
<td>31,143</td>
<td>Engineers V</td>
<td>111,913</td>
<td>50,769</td>
</tr>
<tr>
<td>Accountants IV</td>
<td>23,723</td>
<td>36,293</td>
<td>Engineers VI</td>
<td>52,105</td>
<td>58,683</td>
</tr>
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<td>Accountants V</td>
<td>8,227</td>
<td>49,231</td>
<td>Engineers VII</td>
<td>13,385</td>
<td>68,002</td>
</tr>
<tr>
<td>Accountants VI</td>
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<td>61,546</td>
<td>Engineers VIII</td>
<td>3,097</td>
<td>79,041</td>
</tr>
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<td>Auditors I</td>
<td>1,756</td>
<td>21,545</td>
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<td>30,116</td>
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</tr>
<tr>
<td>Public accountants II</td>
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<td>32,116</td>
<td>Engineers VI</td>
<td>52,105</td>
<td>58,683</td>
</tr>
<tr>
<td>Chief accountants I</td>
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<td>47,963</td>
<td>Engineers VII</td>
<td>13,385</td>
<td>68,002</td>
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<td>Chief accountants II</td>
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<td>69,960</td>
<td>Engineers VIII</td>
<td>3,097</td>
<td>79,041</td>
</tr>
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<td>Attorneys I</td>
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<td>31,014</td>
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<td>3,169</td>
<td>39,635</td>
</tr>
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<td>39,635</td>
<td>Attorneys IV</td>
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</tr>
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<td>Buyers II</td>
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<td>14,871</td>
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<td>12,156</td>
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<td>File clerks III</td>
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<td>Systems analysts VI</td>
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<td>49,615</td>
<td>Key entry operators I</td>
<td>66,827</td>
<td>13,146</td>
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<tr>
<td>Personnel management</td>
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<td>Key entry operators II</td>
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<td>Job analysts I</td>
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<td>22,240</td>
<td>Messengers</td>
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<td>Job analysts III</td>
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<td>35,288</td>
<td>Personnel clerks/assistants I</td>
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<td>14,193</td>
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<td>Job analysts IV</td>
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<td>38,206</td>
<td>Personnel clerks/assistants II</td>
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<td>16,903</td>
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<tr>
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<td>39,817</td>
<td>Personnel clerks/assistants III</td>
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<td>19,696</td>
</tr>
<tr>
<td>Directors of personnel II</td>
<td>2,082</td>
<td>46,328</td>
<td>Personnel clerks/assistants IV</td>
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<td>23,702</td>
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<tr>
<td>Directors of personnel III</td>
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<td>63,853</td>
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<td>13,944</td>
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<tr>
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<td>75,170</td>
<td>Purchasing clerks/assistants II</td>
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<tr>
<td>Chemists</td>
<td>3,586</td>
<td>22,509</td>
<td>Purchasing clerks/assistants III</td>
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<td>22,381</td>
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<tr>
<td>Chemists III</td>
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<td>27,265</td>
<td>Purchasing clerks/assistants IV</td>
<td>1,037</td>
<td>29,384</td>
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<tr>
<td>Chemists IV</td>
<td>10,244</td>
<td>34,141</td>
<td>Secretaries I</td>
<td>59,859</td>
<td>16,326</td>
</tr>
<tr>
<td>Chemists V</td>
<td>9,237</td>
<td>41,048</td>
<td>Secretaries II</td>
<td>69,450</td>
<td>16,306</td>
</tr>
<tr>
<td>Chemists VI</td>
<td>7,266</td>
<td>50,076</td>
<td>Secretaries III</td>
<td>110,804</td>
<td>21,152</td>
</tr>
<tr>
<td>Chemists VII</td>
<td>3,832</td>
<td>60,790</td>
<td>Secretaries IV</td>
<td>49,423</td>
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</tr>
<tr>
<td>Engineers I</td>
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<td>27,866</td>
<td>Secretaries V</td>
<td>16,038</td>
<td>28,051</td>
</tr>
<tr>
<td>Engineers II</td>
<td>71,536</td>
<td>31,194</td>
<td>Stenographers I</td>
<td>8,611</td>
<td>18,378</td>
</tr>
<tr>
<td>1 Occupational employment estimates relate to the total in all establishments within scope of the survey and not to the number actually surveyed.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 Excludes premium pay for overtime and for work on weekends, holidays, and late shifts. Also excluded are performance bonuses and lump-sum payments of the type negotiated in the auto and aerospace industries, as well as profit-sharing payments, attendance bonuses, Christmas or year-end bonuses, and other nonproduction bonuses. Pay increases—but not bonuses—under cost-of-living clauses and incentive payments, however, are included.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NOTE: The following occupational levels were surveyed but insufficient data were obtained to warrant publication: chief accountant I and V; director of personnel V; chemist VIII; computer programmer VI; and personnel clerk/assistant V. Published in 1986 but not in 1985 are photographer I, a new first level of purchasing clerk/assistant, and a newly added series of general clerks.</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>
What happened to the high school class of 1985?

SHARON R. COHANY

Almost 3.3 million youths either graduated from high school or dropped out between October 1984 and 1985.1 The proportion of graduates who enrolled in college set a record.2 Graduates who did not attend college were typically in the labor force, and their unemployment rate was 11 percentage points lower than the 36-percent rate recorded for those who dropped out of high school and entered the labor force. The differing labor market experiences for these three groups highlight the fact that youth with educational deficiencies typically encounter work-related problems which may last for the rest of their lives.

Going on to college

Reflecting the declining school-age population of the "baby-bust" generation, the high school graduating class of 1985 was smaller than those in recent years. A total of 2.7 million young people graduated from high school, down half a million from the peak reached in the mid-1970's. (See table 1.) Despite the smaller number, the proportion of seniors going on to college has been rising gradually over the past few years. It reached a record 58 percent in 1985, after hovering between 50 and 55 percent for most of the 1970's and early 1980's. (See table 2.)

Sex. In recent years, college enrollment rates for men and women just out of high school have drawn closer together, eliminating the wide differences that existed in the early 1970's. By 1985, enrollment rates for men and women were 59 and 57 percent, respectively. The rate for men had returned to the high levels recorded during the early 1970's—the tail end of the Vietnam-era's military draft—while that for women was at its highest level ever.

Once enrolled in college, men and women have roughly the same labor force participation rates—around 44 percent. Despite substantial increases in tuition and other college expenses, this overall participation rate has changed little since the late 1970's. Grants, loans, family contributions, and summer earnings have continued to enable a majority of full-time students to stay out of the labor force during the school year.3 (See table 3.)

Race. A large gap still exists in the proportion of black and white high school graduates who go on to college. In October 1985, the proportion of enrolled black seniors was 42 percent, compared with 59 percent for whites. Despite some improvement over the last few years, the black proportion was still well below their 46- to 48-percent range during the 1970's.

Large differences by race also persist with regard to labor force participation. Only 31 percent of the black college enrollees were in the labor force, compared with almost 47 percent of the whites. One reason for this difference was that a higher proportion of black students were enrolled in 2-year institutions, which are, on average, less expensive than 4-year colleges and universities.4

Not going on to college

About 1.1 million members of the class of 1985 did not enroll in college. Their overall rate of labor force participation was 82 percent, somewhat lower than that prevailing during the past decade. Participation rates for men in this category were higher than those for women, and rates for whites were higher than those for blacks and Hispanics.

The incidence of unemployment for these high school graduates in the labor force has drifted upward during the 1980's. In 1985, about 1 of 4 were looking for work, compared with around 1 of 6 during the 1970's. Thus, despite a shrinking youth population and less competition for entry-level positions, young people who end their formal education with a high school diploma still have a hard time finding jobs. In part, this may result from the increasing demands of employers for better educated workers, given the higher educational level of the work force and a surplus of college graduates in some fields.5

High school dropouts

A total of 612,000 youths dropped out of high school between October 1984 and 1985. This was about the same number as in the previous 2 years, but lower than in the 1970's, reflecting mainly the declining teenage population.

Male dropouts were much more likely to be labor force participants than the women, a fourth of whom had family responsibilities. One study showed that many of the young women who dropped out of high school as sophomores in 1980 gave such family-related reasons as marriage or plans to marry (31 percent), pregnancy (23 percent), and the need to support a family (8 percent).6

Leaving school before graduation particularly affects the labor force participation of black youth. While 72 percent of the white dropouts were in the labor force, only 52 percent...