

AGMA 2005 Wage & Benefit Survey

Executive Summary

- The 2005 AGMA Wage and Benefit Survey was produced under the guidance of AGMA's Statistical Council. It provides a comprehensive view of the state of wages, benefits and employment conditions in the gear industry.
- The results presented in this report are based upon 38 responses from a wide range of gear establishments.
- The average wage for production workers was \$15.93 per hour in 2005. Benefits averaged \$9.75 for a total average hourly compensation of \$25.68.
- Only 25.0 percent of gear firms provided a benefit improvement in 2005. Even fewer, 12.5 percent, expect to make a benefit improvement in 2006.
- 89 percent of gear firms gave a raise in 2005 and the average raise was 2.9 percent. 94 percent of respondents indicated that they plan to give a raise in 2006 and the average expected raise is 3.1 percent.
- 40 percent of respondents indicated that finding new employees is their primary challenge in the wage and benefit area. The next most listed challenge was rising health care costs.
- Gear firms followed a variety of strategies in dealing with higher health care costs. The most widespread were increasing deductibles (55% of firms), increasing co-payments (42% of firms) and increasing employee premiums (45% of firms). Gear firms average just over \$6,000 a year in health care costs per employee.
- Over half of reporting gear firms employs cellular manufacturing. Only 17 percent run just one shift. 55 percent of gear production workers are 45 years of age or older.

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IV. HEALTH BENEFITS

Health benefits are covered in this section. Initially, the general information on the cost and distribution of health plans is presented, followed by descriptions of offered HMO, PPO, and indemnity plans.

What is your current estimated annual cost for health care benefits?

	Average	Median	Range
Per Employee:	\$6,094	\$6,000	\$10,109
Per Retiree:	\$4,028	\$4,037	\$9,600

(Costs per retiree include only those firms that indicated they provide health care benefits for retirees)

How large was last year's increase in the cost of providing health care insurance

Annual Increase	% of Firm Reporting this Increase
0-5%	21.9%
6-10%	28.1%
11-15%	28.1%
16-20%	9.4%
21-25%	6.3%
Over 25%	6.3%

Strategies gear firms have pursued in attempting to hold down health care costs

Alternative Strategies	% of Firm Reporting this Increase
Increase Deductibles	52.6%
Increase Co-Payment	42.1%
Increase Employee Premium	44.7%
Switch Carrier	28.9%
Mandate Managed Care	7.9%
Self-Insure	7.9%
Reduce Coverage	15.8%

Percentages add to more than 100% because some firms provided multiple responses.

Are you self-insured for health insurance?

YES:	26.5%
NO:	73.5%

VI. HOURLY SHOP EMPLOYEE WAGE RATES

(As of December 31, 2005)

Number of Employees	Average Values			Median Values			
	Low End of the Scale	Middle of the Scale	Top of the Scale	Low End of the Scale	Middle of the Scale	Top of the Scale	
<p>Saw Operator Operate power band, hack or abrasive saw. Measure and mark dimensions for cutting. Change stops and adjust feeds and speeds. Replace blades or abrasive cutters. Store stock.</p>							
26	\$13.09	\$14.02	\$14.90		\$12.13	\$13.88	\$15.92
<p>NC/CNC Lathe Machinist Set up, adjust and operate numeric or computer numeric controlled lathes to perform close tolerance turning and cutting operations. Proof and edit program tapes and manually program machining instructions into computer console.</p>							
296	\$14.16	\$16.71	\$18.99		\$13.05	\$16.27	\$18.53
<p>Manual Lathe Machinist Perform a variety of operations such as turning, boring, drilling, facing and threading on a variety of parts to close tolerance. Make exacting setups. Select feeds and speeds, tooling and operational sequence.</p>							
61	\$15.28	\$16.97	\$18.56		\$14.93	\$16.75	\$18.37
<p>Manual Gear Cutting Machinist Set up, adjust and operate a variety of gear hobbing, shaping and shaving machines, producing close tolerance gears, splines and pinions. Calculate change gear ratios, select speeds and feeds, determine index settings and adjust backlash.</p>							
140	\$14.13	\$16.38	\$18.53		\$13.75	\$16.45	\$17.95
<p>NC/CNC Gear Cutting Machinist Set up, adjust and operate numeric or computer numeric controlled hobbors, shapers and shavers, producing a variety of close tolerance gears, splines and pinions. Proof and edit program tapes. Manually program machining instructions into computer console.</p>							
692	\$15.04	\$17.31	\$19.01		\$14.73	\$16.54	\$19.00
<p>Bevel Gear Machinist Set up, adjust and operate either manual or NC/CNC bevel gear generators, producing a variety of close tolerance bevel and spiral bevel gears. Perform math calculations to determine feeds and speeds and to adjust index gearing and generator settings.</p>							
30	\$13.96	\$16.65	\$21.50		\$12.00	\$17.99	\$19.57
<p>Manual OD/ID/Grinding Machinist Set up, adjust and operate internal and/or external grinders to grind surfaces of exacting dimensional and finish requirements. Select wheels, feeds and speeds. Dress wheels to obtain desired contours.</p>							
34	\$16.29	\$17.49	\$18.12		\$15.15	\$17.01	\$17.64