



2014 FLEXIBLE PACKAGING INDUSTRY COMPENSATION REPORT

185 Admiral Cochrane Drive, Suite 105
Annapolis MD 21401
Tel: (410) 694-0800
Fax: (410) 694-0900
Email: Business@flexpack.org
Web Site: <http://www.flexpack.org>

This report was produced by the Flexible Packaging Association's Business & Economic Research Division. CliftonLarsonAllen LLP, acted as the confidential source for data tabulation.

© 2015 Flexible Packaging Association. The contents of this report may not be reproduced or redistributed without the written consent of the Flexible Packaging Association.

THIS PAGE INTENTIONALLY LEFT BLANK

CONTENTS

GRAPHS INDEX	v
TABLES INDEX	vii
LETTER FROM LARSONALLEN LLP	ix
SURVEY METHODOLOGY	xii
EXECUTIVE SUMMARY	xiv

I. GENERAL INFORMATION

2014 Company Sales	
Revenue	i
Employment Data	i
Plants Operated	
Per Company	2
Union vs non-Union Plants	2
Primary Manufacturing	
Operation, By Company	3

II. BENEFITS

Employee Benefits	5
Pension Plan	7
'Other' Category	7
Benefit Costs	7
Other Benefits	8
Health Benefit Premiums	8
Vacations	9
Sick Days	10
Holidays	10
2014 Compensation	
Increases	11
2015 Expected	
Compensation Increases	12

III. SALES REPRESENTATIVES' COMPENSATION PRACTICES

Method of Compensation	13
Automobile/Mileage Practices	14
Commissions Paid to	
Company Sales Force	14
Frequency of Commission	
Payments	14
Base for Commissions	14
Constant or Prorated	
Commissions	14
Limitations Imposed on	
Commissions	14
Formula Used to Determine	
Commission Payments	15
Bonuses Paid to	
Company Sales Force	15
Frequency of Bonus	
Payments	15
Base For Bonuses	15
Constant or Prorated	
Bonuses	16
Limitations Imposed on	
Bonuses	16
Formula Used to Determine	
Bonuses	17
Sales Management Personnel	17
First Level of Sales	
Management	17
Number of Sales	
Representatives Reporting	
to First Level Manager	18
Number of First Level	
Sales Managers	18
Manager Required to Sell	19
Sales Volume Supervised By	
First Level Sales Managers	19

IV. SALARY COMPENSATION PRACTICES	
Range Structures.....	21
2015 Salary Adjustment.....	21
Merit Increases	22
V. COMPANY SALARY DATA	
Company Location.....	23
Annual Net Sales of Companies.....	26
Primary Manufacturing Operations, By Company.....	26
Total Number of Employees	27
Average Number of Incumbents	27
Average Annual Base Salary	28
Average “Other Cash Compensation”	28
Average Annual Total Compensation.....	29
Administrative/Clerical, Paid Overtime	29
Number of Years in Position	31
Executive Positions, By Company	31
Average Incumbents Per Executive Position, By Company	32

VI. PLANT SALARY DATA	
Plant Location	33
Annual Net Sales of Plants	36
Primary Manufacturing Operations, By Plant.....	36
Total Number of Employees	37
Average Number of Incumbents	37
Average Annual Base Salary	38
Average “Other Cash Compensation”	38
Average Annual Total Compensation.....	39
Number of Years in Position	41

VII. LABOR COMPENSATION PRACTICES	
Unionized Labor.....	43
Average Dollar Per Hour and Shift Differentials	43
Overtime	44
Weekend and Holiday Overtime	44
Hourly Compensation Rate Ranges—All Employees	45
Union Versus Nonunion Hourly Rate Comparisons.....	46
Rate Increases—Union Contracts	47
Cost of Living Allowance (COLA).....	47

APPENDIX I—DATA TABLES

APPENDIX II—RAW SURVEY DATA SUMMARY

APPENDIX III—SURVEY QUESTIONNAIRE

GRAPHS

	Page
Graph 1-A: Flexible Packaging Net Sales Revenue, 2014	1
Graph 1-B: Type of Employee As a Percent of Total Employment.....	2
Graph 1-C: Primary Manufacturing Operation	3
Graph 2-A: Percent of Respondents Providing Year-End Bonuses	6
Graph 2-B: Average Percent of Health Benefit Premiums the Employee Pays, By Type of Employee.....	8
Graph 2-C: 2014 Average Percent Increases in Compensation, By Employee Type.....	11
Graph 2-D: 2015 Expected Percent Increases in Compensation, By Employee Type.....	12
Graph 3-A: Method of Compensation Used For Sales Force	13
Graph 3-B: Commission Payment Formulas Used (Percent of Respondents)	15
Graph 3-C: Limitations on Bonuses, By Company Size	16
Graph 3-D: Bonus Payment Formulas Used (Percent of Respondents).....	17
Graph 3-E: First Level of Sales Management Above Sales Representative	18
Graph 4-A: Companies Using Salary Ranges (Percent of Respondents)	21
Graph 5-A: States Representing Two or More Companies	23
Graph 5-B: 2014 Dollar Volume of Annual Net Sales (Percent of Companies)	26
Graph 5-C: Primary Manufacturing Operation, By Company.....	26
Graph 5-D: Number of Employees Per Plant (Percent of Companies)	27

Graph 5-E: Top Ten Base Company Level Salaries, 2014..... 28

Graph 6-A: Top Ten States with % Total Plants..... 33

Graph 6-B: 2014 Dollar Volume of Annual Net Sales (Percent of Plants) 36

Graph 6-C: Primary Manufacturing Operation, By Plant..... 36

Graph 6-D: Number of Employees Per Plant (Percent of Plants) 37

Graph 6-E: Top Ten Base Plant Level Salaries, 2014..... 38

Graph 7-A: Is Your Labor Unionized? (Percent of Plants)..... 43

Graph 7-B: Average Compensation Increase in Union Contracts, By Year..... 47

TABLES

	Page
Table 2-1: Top Ten Benefits Companies Offered to Employees, By Type of Employee (Percent of Respondents)	5
Table 2-2: Types of Pension Plans Offered to Various Levels of Employees (Percent of Respondents)	7
Table 2-3: Most Common Number of Years in Service Required to Receive Listed Weeks of Vacation, By Type of Employee, As a Percentage of Respondents	9
Table 2-4: Holidays Provided to Employees, By Employee Type (Percent of Respondents)	10
Table 2-5: 2014 Average Percent Increases in Compensation, By Company Dollar Volume and Employee Type	11
Table 2-6: 2015 Average Expected Percent Increases in Compensation, By Company Dollar Volume and Type of Employee	12
Table 3-1: Sales Volume Supervised By First Level Sales Managers	19
Table 4-1: Average Budgeted and Actual Merit Increases, 2013 and 2014	22
Table 5-1: Companies By Region, As a Percent of Companies	24
Table 5-2: The Regions and Their Representative States	25
Table 5-3: Top and Bottom Five Company Level Positions Receiving Other Cash Compensation, As a Percent of Annual Average Base Salary, By Position Title	29
Table 5-4: 2014 Average Annual Total Compensation for 25 Salaried Positions, By Overall, Sales Volume, Primary Manufacturing Operation, and Region	30
Table 5-5: Number of Years in Company Level Position Compared With Average Annual Total Compensation	31

	Page
Table 5-6: Average Annual Total Compensation for Executive Positions, By Number of Plants Operated By a Company	32
Table 5-7: Average Number of Incumbents Per Company For Executive Positions, By Number of Plants Operated By a Company	32
Table 6-1: Plants By Region, As a Percent of Plants	34
Table 6-2: The Regions and Their Representative States	35
Table 6-3: Top and Bottom Five Plant Level Positions Receiving Other Cash Compensation, As a Percent of Annual Average Base Salary, By Position Title	39
Table 6-4: 2014 Average Annual Total Compensation for 25 Salaried Positions, By Overall, Sales Volume, Primary Manufacturing Operation, and Region	40
Table 6-5: Number of Years in Plant Level Position Compared With Average Annual Total Compensation.....	41
Table 7-1: Average Hourly Pay and Shift Differentials, By Union Status and Sales Volume.....	44
Table 7-2: Minimum, Average, and Maximum Hourly Rates By Position, 2014	45
Table 7-3: Average Hourly Rates By Position, Average, Union, Nonunion, 2014	46