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**FIFTY-ONE PERCENT OF EMPLOYEES UNDERESTIMATE THE VALUE OF
THEIR TOTAL COMPENSATION**

***Survey of Full-Time Employees Indicates a Strong Correlation Between
Understanding and Satisfaction With Compensation and Benefits***

Rockville, Md. - (April 11, 2007) – A majority of workers misunderstand the value of their total compensation packages, including salary and benefits. This may lead to potential employee satisfaction problems, among other issues, for employers, reports a new survey conducted by Harris Interactive and Charlton Consulting Group, a benefits communications consultancy.

The results, released today, indicate 51 percent of the U.S. full-time workforce believe their employer pays 30 percent or less – over and above their wages – for employee benefits such as health, life and disability insurance as well as retirement benefits and paid time off. In contrast, employers are actually paying 43 percent over and above wages and salary for employee benefits, according to a September 2006 report from the U.S. Department of Labor’s Bureau of Labor Statistics.

“There continues to be a disconnect between what companies spend on benefits and how employees perceive that investment,” said David Janus, a principal of Charlton Consulting Group. “In today’s rapidly changing economy, people are an organization’s most important asset. Employers need to clearly communicate the total compensation message in order to enhance their return on investment for the benefit dollars being spent.”

Another important survey finding shows the connection between employees’ understanding of and satisfaction with their total compensation. According to the survey, 75 percent of employees who say they are “very satisfied” with their total compensation also have at least “quite a bit” of understanding of their benefits packages. “This survey reinforces what Charlton Consulting Group has been telling employers for years. A strong correlation exists between employee understanding and satisfaction when it comes to compensation and benefits,” Janus said.

Furthermore, the survey also revealed only 19 percent of employees “completely” understand the total dollar value of benefits they receive from their employer. Similarly, less than a quarter (22%) of workers report being “very” satisfied with their current total compensation and benefits package while more than one-third (33%) are “very” or “somewhat” *dissatisfied*.

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Perspective from HR and Benefits Executives

According to an earlier [survey](#) of HR and benefits executives conducted by Charlton Consulting Group in November 2006, a large majority believed that personalized communications, such as total compensation statements, improve employees' understanding and appreciation of the value of their benefits, yet far fewer employers were actually using these types of communications tools.

Ninety-seven percent of the respondents said personalized communications played a distinct role in helping employees better understand their benefits as well as the overall value of their total compensation. An overwhelming 96 percent of respondents felt total compensation statements, in particular, were important in communicating this value to employees. However, the majority of HR departments were not taking advantage of these tools, as more than half of respondents (55%) currently did *not* use total compensation statements as part of their employee communications.

“Both surveys indicate an increase in the use of total compensation statements; however, there are still a large number of companies missing a golden opportunity to provide clear, simple and focused benefits communications that will bridge the knowledge gap and help educate employees on the overall value of their total compensation,” said Janus.

In addition, companies can better communicate total compensation information in the context of recruitment and retention. In fact, 93 percent of HR and benefits executives said that personalized communications were valuable tools for recruiting and retaining employees.

The State of Delaware is one employer that realized the benefits of educating its workforce about their total compensation. Due to a number of compensation assumptions from its employees, the State made the decision to implement an employee communications program to better educate its merit and merit-comparable workforce of approximately 16,000, utilizing total compensation statements.

“Employees now have a grander appreciation for both their job and their employer,” said Leslie Ramsey, Human Resource Specialist V, Statewide Benefits Office, Delaware’s Office of Management and Budget. “In addition to all the other wonderful benefits, total compensation statements are excellent retention tools.”

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About Charlton Consulting Group

Charlton Consulting Group is a team of highly-focused benefits communications experts with more than 15 years in the business. We provide personalized benefits statements and total compensation communications programs to our clients. These programs have been proven to increase employee loyalty, retention and appreciation. To learn more about Charlton Consulting Group, visit <http://www.charltonconsulting.com>.

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