

It Pays to be the Boss--Supervisory Wages in the National Compensation Survey, 2009

by James E. Smith
Bureau of Labor Statistics

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This article uses National Compensation Survey data to illustrate differences in annual wages for team leaders and first-line, second-line, and third-line supervisors in the United States and in the Census Divisions.

Data from the [National Compensation Survey \(NCS\)](#) show that the pay of team leaders and supervisors increases as their position in the corporate hierarchy rises. For example, team leaders of engineers in the United States averaged \$106,833 per year in 2009, while first-line supervisors averaged \$117,756, second-line supervisors averaged \$131,074, and third-line supervisors averaged \$160,554. Similar patterns can be seen for a number of other management jobs that include varying levels of supervisory responsibility. These jobs share another characteristic--their pay is typically higher than that of all but the most highly paid nonsupervisory workers in the same occupation. Team leaders of engineers averaged 23 percent higher than nonsupervisory engineers, who averaged \$87,162 per year.

Annual earnings for different supervisory levels of managers are published by the NCS for the United States and for the nine Census Divisions. This article uses the [2009 NCS earnings estimates](#) to highlight earnings differences among the supervisory hierarchies in civilian, private, and State and local government establishments. The article also analyzes the differences in supervisory pay among the nine Census Divisions. All data referenced are for full-time workers. The article also includes a comparison of 2009 supervisory data with 1997 data that was analyzed in a previous study published in 2000.

The [NCS](#), which provides comprehensive measures of occupational earnings, compensation cost trends, the incidence of benefits, and benefit plan provisions, publishes an annual national bulletin on the occupational earnings of civilian workers--defined by the NCS as those who work in private industry and in State and local government establishments.¹

The NCS has published national data on the occupational earnings of the various supervisory levels of management workers annually since the 2006 survey year.² (Prior to 2006, a different classification methodology was used and supervisory earnings were not published.) The most recent data, for the 2009 survey year, include weekly and annual earnings estimates for managers, who are classified as team leaders and first-, second-, and third-line supervisors. Both the mean and median earnings, plus mean hours, are shown for the civilian sector (private industry and State and local government combined), private industry, and State and local government. Relative standard errors are available for each estimate.³

Determination Of Supervisory Level

The NCS evaluates each surveyed job for *work level*, which is a classification of duties and responsibilities performed by the worker. In the NCS, occupations are evaluated for work levels 1 (the lowest) through 15 (the highest). Most supervisory occupations are evaluated based on their duties and responsibilities. A modified approach is used for professional and administrative supervisors when they direct professional work and are paid primarily to supervise. Such supervisory occupations are leveled based on the work level of the highest position reporting to them.⁴

The NCS program classifies supervisors according to their level of supervisory responsibility, regardless of titles:

- Team leaders, or lead workers, have the authority to make, coordinate, and review work assignments of employees performing the same general work as the lead worker on a day-to-day basis. Lead worker responsibilities may involve solving problems, providing instruction on work procedures, or providing input into performance evaluations.
- First-line supervisors direct their staff through face-to-face meetings and are responsible for conducting the employees performance appraisals.

- Second-line supervisors direct the actions of staff through intermediate supervisors. The organizational structure is divided into multiple subordinate groups that differ as to subject matter and function: there are formal procedures and administrative controls between supervisory levels and groups.
- Third-line supervisors direct the actions of staff through multiple subordinate levels of supervision. The organizational structure is complex with extensive formal coordination, clearances, and procedural controls between subordinate supervisory levels and organization sub-divisions.

Earnings Of Supervisors In The United States

Supervisory workers are found throughout the civilian sector. As table 1 illustrates, supervisors in the major group titled management occupations⁵ in civilian industries ranged from an average of \$75,485 per year for team leaders to an average of \$208,510 per year for third-line supervisors. Table 1 also includes four of the more than two dozen detailed managerial occupations that were published; these four occupations were selected because they are found in each industry sector published by NCS.

Table 1. Team leaders and supervisory workers, mean annual earnings, selected management occupations, 2009

Occupation and supervisory hierarchy	Civilian	Private	State and local government
Management occupations			
Team leader	\$75,485	\$76,449	\$70,770
First line	84,460	84,822	82,640
Second line	118,880	120,212	113,793
Third line	208,510	225,018	88,354
General and operations managers			
Team leader	72,143	72,948	69,852
First line	87,179	90,426	69,817
Second line	122,284	123,164	117,471
Third line	234,453	241,588	(-)
Financial managers			
Team leader	74,588	73,916	80,794
First line	88,316	88,172	89,928
Second line	120,811	121,722	112,332
Third line	273,767	289,635	(-)
Engineering managers			
Team leader	106,833	106,858	(-)
First line	117,756	119,107	108,055
Second line	131,074	131,865	(-)
Third line	160,554	160,554	(-)
Medical and health services managers			
Team leader	81,807	84,836	69,135
First line	79,704	80,254	76,860
Second line	122,541	110,598	137,522

A dash (-) indicates that no statistically reliable or otherwise publishable estimate is available for the occupation.

Source: National Compensation Survey: Occupational Earnings in the United States, 2009, table 24, "Civilian supervisory workers: Mean and median weekly and annual earnings and mean weekly and annual hours;" table 25, "Private industry supervisory workers: Mean and median weekly and annual earnings and mean weekly and annual hours," and table 26, "State and local government supervisory workers: Mean and median weekly and annual earnings and mean weekly and annual hours," on the Internet at <http://www.bls.gov/ncs/ncswage2009.htm>.

Occupation and supervisory hierarchy	Civilian	Private	State and local government
Third line	(-)	(-)	(-)

A dash (-) indicates that no statistically reliable or otherwise publishable estimate is available for the occupation.

Source: National Compensation Survey: Occupational Earnings in the United States, 2009, table 24, "Civilian supervisory workers: Mean and median weekly and annual earnings and mean weekly and annual hours;" table 25, "Private industry supervisory workers: Mean and median weekly and annual earnings and mean weekly and annual hours," and table 26, "State and local government supervisory workers: Mean and median weekly and annual earnings and mean weekly and annual hours," on the Internet at <http://www.bls.gov/ncs/ncswage2009.htm>.

Earnings Of Supervisors In The Census Divisions

The [National Compensation Survey](#) also publishes wage data for each of the nine Census Divisions.⁶ Table 2 compares supervisory earnings in the nine Census Divisions. Estimates on third-line supervisors, when publishable, ranged from an average of \$177,191 per year in the South Atlantic Census Division to an average of \$238,749 per year in the East North Central Census Division.

Table 2. Team leaders and supervisory workers in the Census Divisions, management occupations, mean and median annual earnings and mean annual hours, 2009

Census division and supervisory hierarchy	Mean	Median	Hours
New England			
Team leader	\$74,283	\$66,880	2,037
First line	86,482	77,530	2,007
Second line	105,192	107,380	2,215
Third line	182,715	190,000	2,211
Middle Atlantic			
Team leader	82,543	78,375	1,968
First line	94,735	85,218	2,049
Second line	129,488	112,010	2,094
Third line	220,338	214,999	2,077
South Atlantic			
Team leader	77,516	71,760	2,068
First line	81,222	73,499	2,111
Second line	126,201	107,488	2,175
Third line	177,191	165,115	2,155
East North Central			
Team leader	73,276	69,009	2,035
First line	79,601	74,075	2,075
Second line	109,587	104,119	2,128
Third line	238,749	265,221	2,266
West North Central			
Team leader	74,348	70,081	2,060
First line	75,599	70,533	2,091

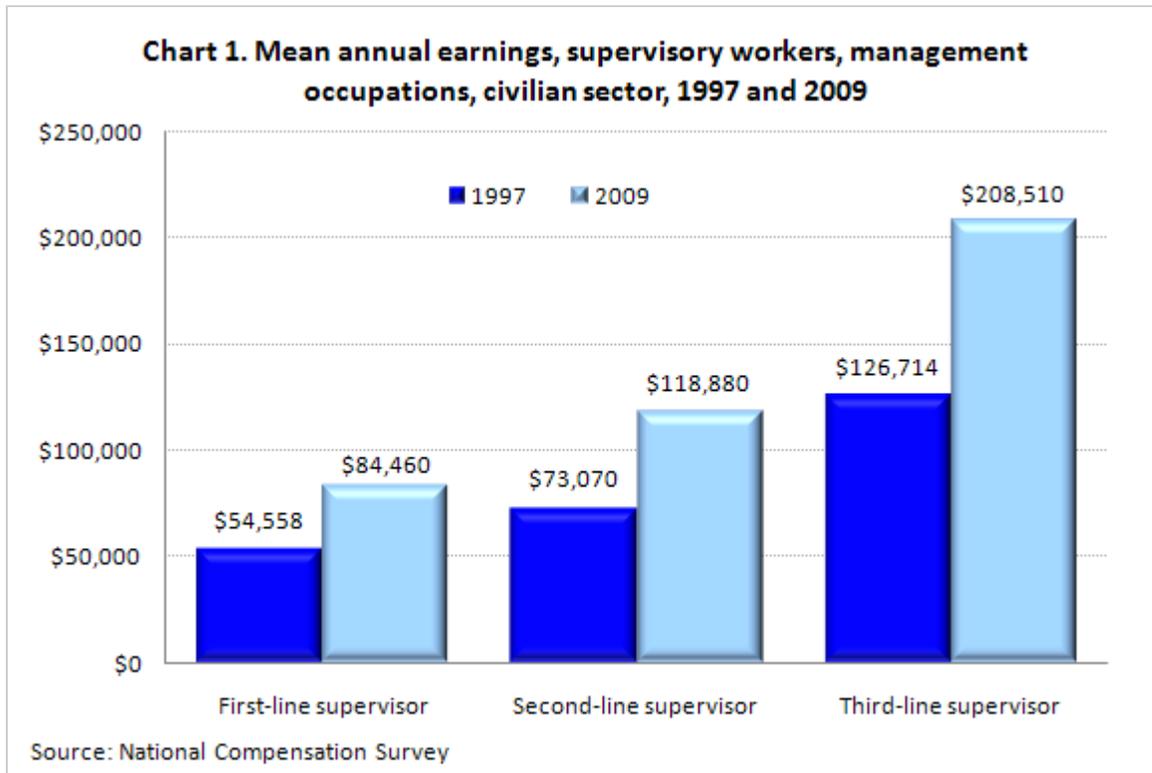
A dash (-) indicates that no statistically reliable or otherwise publishable estimate is available for the occupation.

Source: Table 21, "Civilian supervisory workers: Mean and median weekly and annual earnings and mean weekly and annual hours" in each of the nine NCS 2009 Census Division publications, on the Internet at <http://www.bls.gov/ncs/ocs/compub.htm#Division>.

Census division and supervisory hierarchy	Mean	Median	Hours
Second line	102,877	95,992	2,097
Third line	(-)	(-)	(-)
East South Central			
Team leader	70,442	66,787	2,061
First line	68,080	66,300	2,097
Second line	108,517	90,481	2,130
Third line	(-)	(-)	(-)
West South Central			
Team leader	65,533	58,074	2,004
First line	85,833	78,252	2,130
Second line	119,380	105,435	2,118
Third line	235,959	163,971	2,014
Mountain			
Team leader	80,211	81,078	2,118
First line	78,571	77,395	2,104
Second line	126,920	107,801	2,184
Third line	(-)	(-)	(-)
Pacific			
Team leader	76,525	71,053	2,082
First line	89,877	84,781	2,064
Second line	121,555	111,259	2,089
Third line	216,827	169,971	2,238
A dash (-) indicates that no statistically reliable or otherwise publishable estimate is available for the occupation.			
Source: Table 21, "Civilian supervisory workers: Mean and median weekly and annual earnings and mean weekly and annual hours" in each of the nine NCS 2009 Census Division publications, on the Internet at http://www.bls.gov/ncs/ocs/compub.htm#Division .			

Comparison To A 1997 Study Of Supervisors

A previous study similar to this one analyzed unpublished 1997 NCS estimates, which reflect a different methodology in classifying levels of supervision.⁷ Despite the methodological differences, some broad comparisons can be made. Chart 1 illustrates the change in annual supervisory pay for management occupations between 1997 and 2009:



In 1997, first-line supervisors in the United States classified as executives, administrators, and managers⁸ averaged \$54,558 per year; in 2009, those classified in management occupations averaged \$84,460 per year. Second-line supervisors in 1997 averaged \$73,070; in 2009 they averaged \$118,880. Third-line supervisors averaged \$126,714 in 1997; in 2009 they averaged \$208,510.

Conclusion

In 2009, within management occupations in the civilian sector, mean annual earnings for those classified as first-line supervisors were 12 percent higher than those classified as team leaders. Annual earnings for second-line supervisors were 41 percent higher than those for first-line supervisors; and annual earnings for third-line supervisors were 75 percent higher than those for second-line supervisors. These ratios were about the same as they were in 1997.

James E. Smith

Economist, formerly with the Division of Compensation Data Estimation, Office of Compensation and Working Conditions, Bureau of Labor Statistics.

Telephone: (202) 691-6199.

Notes

¹ The National Compensation Survey excludes agriculture, forestry, fishing and hunting, private households, Federal Government workers, and the self-employed. For more information, see *BLS Handbook of Methods*, chapter 8, “National Compensation Measures,” on the Internet at http://www.bls.gov/opub/hom/homch8_a.htm.

² For NCS national earnings archives, see the [National Compensation Survey Publications List](#), on the Internet at <http://www.bls.gov/ncs/ncspubs.htm>.

³ *National Compensation Survey: Occupational Earnings in the United States, 2009*, Bulletin 2738 (Bureau of Labor Statistics, June 2010), on the Internet at <http://www.bls.gov/ncs/ncswage2009.htm>. See tables 24, 25, and 26 for weekly and annual earnings and hours; and RSE tables 24, 25, and 26 for the relative standard errors.

⁴ The NCS determines a work level for each surveyed job using a “point factor leveling” process. Point factor leveling matches certain aspects, or factors, of a job to specific levels of work with assigned point values. Points for each factor are then totaled to determine the overall work

level for the job. For a complete description of point factor leveling, see *National Compensation Survey: Guide for Evaluating Your Firm's Jobs and Pay*, (Bureau of Labor Statistics, October 2003), p. 3, on the Internet, at <http://www.bls.gov/ncs/ocs/sp/ncbr0004.pdf>.

5 Estimates of supervisors wages are published only for workers classified within management occupations, defined by the *Standard Occupational Classification Manual, 2000*, published by the U.S. Office of Management and Budget, as code 11-0000, which includes general and operations managers, financial managers, engineering managers, medical and health services managers, and other categories of managers. For more information, see “[Archived Materials on the 2000 SOC](http://www.bls.gov/soc/#archives),” on the Internet at <http://www.bls.gov/soc/#archives>.

6 The nine Census Divisions, and the particular areas that are studied, can be found in the individual publications located at <http://www.bls.gov/ncs/ocs/compub.htm#Division>.

7 James Smith, “Supervisory Duties and the National Compensation Survey,” *Compensation and Working Conditions*, spring 2000, on the Internet at <http://www.bls.gov/opub/cwc/archive/spring2000art2.pdf>. The NCS changed from a nine-factor system to a four-factor system with the September 2005 publications. See Paul Carney, “Converting from Nine Factors to Four in the Occupational Work Leveling System of the NCS,” September 29, 2004, on the Internet at <http://www.bls.gov/opub/cwc/cm20040924yb01p1.htm>.

8 The 2000 study analyzing 1997 data used an occupational classification system based on the 1990 Census of Population. That study presented average hourly rates for full-time executives, administrators, and managers classified as first-, second-, and third-line supervisors (see table 2 of the Spring 2000 Smith article); the annual earnings cited for this article were computed by multiplying 2,080 hours per year (40 hours per week and 52 weeks per year) by \$26.23 per hour for first-line supervisors, \$35.13 for second-line supervisors, and \$60.92 for third-line supervisors.

Chart 1. Mean annual earnings, supervisory workers, management occupations, civilian sector, 1997 and 2009

	1997	2009
First-line supervisor	54,558	84,460
Second-line supervisor	73,070	118,880
Third-line supervisor	126,714	208,510