Ethanol Producer Magazine’s

2015 Ethanol Industry Salary and Satisfaction Survey

A sampling of employees working in ethanol plants paints a broad picture of an industry with hard-working, well-educated, generally well-satisfied and well-paid men and women.

By Susanne Retka Schill

Ethanol Producer Magazine periodically takes a look at employment in the ethanol industry. In March, 234 individuals responded to an email request to participate in an online survey. How good is the sample? The response rate is considered extremely good at 23 percent. The profile of respondents by plant capacity is very close to the industry’s as a whole, but the data was self-reported and gathered without random sampling techniques. While all job functions are represented in the sample, it is weighted toward management positions, with 14 percent of respondents being CEOs, chief operating officers, chief financial officers or general managers and another 14 percent being plant managers. The survey was comprised of 38 questions. Respondents who said they are corporate management or general managers were directed to a set of additional questions regarding the plant as a whole, such as reporting the salary ranges for multiple plant positions and recruitment methods.

Who Are They?

Respondents represent a range of plant sizes, with nearly half working at midsize plants with annual capacities between 40 MMgy and 69 MMgy. Another 40 percent represent larger plants, which can be further broken down into 7 percent from plants 70 MMgy to 99 MMgy, 16 percent from 100 MMgy to 119 MMgy, and 16 percent from plants larger than 120 MMgy. The number of respondents from plants smaller than 39 MMgy was 14.5 percent. The distribution of survey responses by size of plant is nearly the same as the industry’s capacity profile calculated from plants appearing on Ethanol Producer Magazine’s spring plant map.

The last time we conducted the survey, in mid-April 2013, a question arose about capacity utilization as the industry was in the midst of a slump. At that time, 77 percent said their plants were operating between 90 to 100 percent capacity and 3 percent reported their plants as idled. The largest plants tended to be running at close to full capacity, with a clear trend showing lower levels of capacity utilization as plant size decreased. Not surprisingly, in early March of this year, a greater proportion—85 percent—of survey respondents report plants running between 90 and 100 percent capac-
Experience, education, job satisfaction nearly identical for men and women.

**AGE Range**
- 65 or older
- 60-64 years old
- 55-59 years old
- 50-54 years old
- 45-49 years old
- 40-44 years old
- 35-39 years old
- 30-34 years old
- 25-29 years old
- Under 25

**Experience, education, job satisfaction**
- Female Workers: 22%
- Male Workers: 78%

**HOURS Worked in a typical week**
- Less than 1 hour: 2%
- 1-2 hours: 5%
- 3-4 hours: 15%
- 5-6 hours: 20%
- 7-9 hours: 15%
- 10-14 hours: 16%
- 15-19 hours: 9%
- 20-29 hours: 7%
- 30 hours or more: 2%

**YEARS WORKED in the ethanol industry**
- 0-4 years: 37%
- 5-9 years: 21%
- 10-14 years: 6%
- 15-19 years: 2%
- 20 years or more: 6%
- Less than 1 year: 2%

**Field Services Include:**
- Repair & Overhaul
- Scheduled Maintenance
- Inspection & Evaluations
- Emergency Service
ity and another 9 percent report running between 80 and 89 percent. Only 1 percent of those responding to the survey now report being idled.

**Demographics**

The survey provides an overview of ethanol industry demographics. As would be expected, male employees far outnumber women at 78 percent of the total. The 22 percent of females responding has remained steady over past surveys, comparing to 23 percent two years ago and 24 percent responding in the previous survey conducted in late 2009.

Respondents to the survey are a well-educated lot. If you combine those with four-year or advanced degrees and studies, it amounts to 62 percent of the workforce. Combining those with some college with those reporting post-high school vocational or technical training, it’s another 28 percent.

Ethanol industry employees are a hard-working crew as well, with 98 percent of respondents working full time. Of those, over a third report working 45 to 49 hours a week, and roughly 20 percent work 41 to 44 hours. The vast majority, 75 percent, receive no compensation for hours worked over 40 per week while 20 percent report getting time-and-a-half.

Given the ethanol boom began at the turn of the century and really ramped up in 2007, it is no surprise that 29 percent of respondents report 10 to 14 years of experience in the ethanol industry and another 29 percent report 7 to 9 years of experience. The work force does not move around much, either. We asked how many plants the respondents have worked at in the past 10 years, and nearly 70 percent have worked at just one facility and another 20 percent have worked at just two facilities.

As for previous work experience, personnel came to the ethanol industry with a very broad range of previous jobs. Respondents named roughly 50 prior occupations. The two biggest categories for prior experience are agriculture (19 percent) and industrial manufacturing (15 percent). The next closest categories were chemical processing and construction at about 6 percent each, on down to food and beverage, food processing or milling, accounting, business and pharmaceuticals all coming in around 3 to 4 percent each. Recent graduates account for 4 percent and those reporting their previous work experience as being in the military accounted for 2 percent of respondents.

Overall, ethanol plant employees are satisfied with their jobs. When asked to rate their satisfaction levels on a scale of 1 to 5, with 5 meaning extremely satisfied, the weighted average was 3.69. That response was virtually identical to what respondents reported two years ago, when the weighted average was 3.68. Respondents were also asked to rate how important 11 different work-place conditions or values are to job satisfaction. No one factor clearly stands out, though job security is named as very important by 59 percent. In looking at the weighted average for each factor, job security edges out the others at 4.42 (5 being very important). Just behind that, and rated roughly the same at around a 4.3 weighted average, are competitive salary, good benefits and a positive atmosphere. The lowest ranked value is having a short commute at a weighted average of 3.28. Other work-place values between those mentioned include working for the renewable fuels industry, manageable workload, flexible hours, recognition by employers and opportunities to advance.

Another way of viewing job satisfaction is to ask whether the respondent is considering a different job. Just over 13 percent are actively looking or seriously considering launching a job search. Nearly 40 percent aren’t considering a different job, but 46 percent would consider one if a good opportunity came along. Most, at 60 percent, say they are compensated about right, while 36 percent say they are compensated too little.

**Let’s Talk Dollars**

Payroll cost, including benefits, for even the smallest ethanol plants range be-
**Introducing VF RAC**, A Patented Stillage Optimization Technology Platform From ValiCor.

**Experience the advantages:**
- Double Your Corn Oil Recovery Over Mid-Evap Systems
- 2% Ethanol Yield Increase
- Improved Evaporator Efficiencies
- Protein Recovery
- Cellulosic Ethanol

**Salary Ranges for 15 Positions**

<table>
<thead>
<tr>
<th>Position</th>
<th>$200,000 or more</th>
<th>$199,999-$150,000</th>
<th>$149,999-$100,000</th>
<th>$99,999-$75,000</th>
<th>$79,999-$50,000</th>
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<td>Controller/CFO</td>
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As reported by 59 senior managers. The highest percentage salary range for each position is highlighted for emphasis.

**Ethanol Fermentation Plants Will Never Be The Same.**

**Introducing VF RAC**, A Patented Stillage Optimization Technology Platform From ValiCor.
### Salary Ranges for 15 Positions

As reported by 59 senior managers. The highest percentage salary range for each position is highlighted for emphasis.

<table>
<thead>
<tr>
<th>Position</th>
<th>Salary Range</th>
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Between $1 million and $2 million. Payrolls for the larger plants, 70 MMgy and up, range from $3.6 million to over $5 million. The average annual payroll for the 37 senior managers responding to this question is $3 million, albeit responses to this question are dominated by plants in the 40 to 70 MMgy size category, which have an average annual payroll of $3 million.

Senior managers reporting for the plant as a whole gave salary ranges for 15 job functions. This was the one question where one can see a significant change from the 2013 survey, with most job functions seeing more employees in higher salary ranges. In some cases, there is a big shift. In 2013, for example, 37 percent of the top corporate managers (owner, partner, president, CEO, COO) received salaries of $200,000 or more and 26 percent reported a range of $150,000 to $199,000. In 2015, there is a big jump to 59 percent reporting salaries in the $200,000 and higher and 28 percent are in the $150,000 to $199,000 range.

General managers also jump a bracket. Two years ago, the dominant salary range was $100,000 to $149,999 with 45 percent in that salary range and roughly equal numbers getting salaries in the next two higher brackets. This year, the dominant bracket for general managers moves up to $150,000 to $199,999 with 56 percent reporting in that range. About 20 percent are in the lower bracket and just under 20 percent higher. Operations and plant manager positions also see shifts into higher salary brackets. The only job function not seeing a shift to higher salary ranges is operator, which possibly indicates new hires are starting in this position at lower salaries and experienced operators are moving up.

Promoting from within is considered the most effective way to fill open positions, senior managers report, and recruiting new people by word of mouth ranks high as well. Other recruitment methods ranking in the middle are newspaper classified ads, personally recruited from related industries, headhunters, Internet job sites.
Experience, education, job satisfaction nearly identical for men and women.

Self-Reported SALARY

<table>
<thead>
<tr>
<th>Salary Range</th>
<th>Percentage</th>
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<td>$40,000 - $49,999</td>
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<td>$50,000 - $59,999</td>
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<tr>
<td>$60,000 - $74,999</td>
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<td>$75,000 - $99,999</td>
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<tr>
<td>$150,000 - $199,999</td>
<td>15%</td>
</tr>
<tr>
<td>$200,000 or more</td>
<td>3%</td>
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</tbody>
</table>

80% GOT A RAISE LAST YEAR

- 15% or more
- 10%-14%
- 6%-9%
- 3%
- 5%
- 4%

INCREASE OF YOUR LAST RAISE

- 50,000 or more: 15%
- 25,000 - $49,999: 10%
- $15,000 - $24,999: 6%
- $10,000 - $14,999: 5%
- $7,500 - $9,999: 4%
- $5,000 - $7,499: 3%
- $2,500 - $4,900: 2%
- Less than $2,500: 1%

PERSONNEL

JOB SATISFACTION

- Very or extremely satisfied: 66%
- Somewhat satisfied: 25%
- Unsatisfied: 8%

- Say compensated just right: 60%
- Say compensated too little: 36%
- Say compensated too much: 2%
personally recruited from other ethanol plants and job service. At the bottom of the list for effectiveness in recruiting is job fairs. A strong majority of senior managers, 65 percent, expect to be hiring two or more people in the next 12 months.

**Raises & Bonuses**

Moving back to analyzing questions posed of all survey respondents, annual salary reviews are the norm in the industry, with 77 percent reporting that practice at their plants. Another 15 percent say there is no regular schedule, but only a handful say they don’t get salary reviews at all and a similar number report six-month reviews. That said, 80 percent of respondents got a raise in the previous 12 months, and just 12.5 percent said the raise was associated with a promotion or change in responsibility. Half of respondents got a 3 percent or smaller raise and another 28 percent got 4 or 5 percent raises. There were higher raises as well, with 12 percent getting between a 6 and 9 percent raise, 6 percent getting a 10 to 14 percent raise and 3.5 percent getting a 15 percent raise or higher.

Given the extraordinarily strong margins in the industry last year, it is not surprising that 90 percent report having received a bonus in the past 12 months. Those bonuses ranged all over the board, with roughly the same percentage getting bonuses in each of the seven categories from $2,500 to $5,000 on up to $50,000 or more, and the smallest number reporting bonuses of $2,500 or less.

Nearly all respondents, at 97 percent, receive health insurance as part of a benefits package. More than 75 percent report benefits such as bonuses, life insurance, disability insurance, dental insurance and a 401(k). Among less standard benefits, 65 percent report receiving a cell phone as a benefit and 42 percent get long-term care insurance. Another 28 percent have profit sharing and 14 percent receive incentive pay. Continuing education benefits are offered to 31 percent of respondents. Other benefits hovering around the 10 percent mark each include stock options and flex time.
Guys & Gals

The survey tool was also used to compare responses by gender and age. While no women general managers appear in this sample of the ethanol industry, women work as plant managers and in senior management positions. (CEO, COO, CFO, owners, were categorized together.) Women outnumber men in two job functions—lab and quality control and human resources—and are well-represented in accounting, commodities and environmental-health-and-safety job functions. No women report working in maintenance or plant operations.

Men and women give similar responses to many survey questions. Both sexes report working in the industry for similar periods of time and have similar education levels. They report nearly identical job satisfaction levels and rate the various factors impacting job satisfaction in virtually the same pattern. In the question about their involvement in decision making, the profile is very similar for the women as for men.

When looking at gender and salaries, it shows women in all but the very top salary categories. One comparison, though, shows the proportion of women in lower salary categories is much higher than for men. Among males, just 4 percent report annual pay of $50,000 or less while 34 percent of the women report that. When looking at salaries between $50,000 and $100,000, 60 percent of the men are in that salary range compared to 50 percent of...
the women. Of the 60 women responding, just three report working in receptionist or general administrative job functions.

When looking at hours worked, 23 percent of women work 40 hours a week, compared to 4 percent of men reporting the same work week. On the other hand, similar percentages of women (51 percent) and men (59 percent), report work weeks between 41 and 49 hours.

Age Vs Job Function

To get an idea whether any particular segment of the ethanol industry is soon to face more retirements, we cross-referenced reported age to job function. A handful of individuals are working beyond age 65 in various positions. When looking at top management—CEO, COO, CFO, general managers—there is a good distribution across age categories from age 35 on up. Plant managers tend to be younger, a good thing if that is a likely spot to look for promotions. Of the plant managers reporting, 10 percent are age 30 to 34, 55 percent are 35 to 45 years old and 20 percent are older. One plant manager responding to the survey is over 65.

Younger respondents report job functions in lab and quality control, environmental health and safety, engineering and commodities. The 30- to 40-year olds are spread across all job functions, including top management positions. In general, no single job function stands out as having a large number of people nearing retirement. About half the senior managers report their facilities have succession planning in place for the top leadership positions at their plant.