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EMPLOYER COSTS FOR EMPLOYEE COMPENSATION - MARCH 1989

Employer costs for employee compensation in private industry averaged $14.28 per hour worked in March 1989, the U.S. Department of Labor's Bureau of Labor Statistics reported today. Straight-time wages and salaries--72.7 percent of the costs--averaged $10.38, while benefit costs--the remaining 27.3 percent--averaged $3.90.

Legally required benefits (e.g., social security, workers' compensation, unemployment insurance) averaged $1.27 per hour worked--the largest cost to employers among the benefit categories. Legally required benefits accounted for 8.9 percent of total compensation costs and about a third of all benefit costs. Social security, the largest legally required benefit, cost employers, on average, 84 cents per hour worked--5.9 percent of all compensation costs and about a fifth of all benefit costs. (See table 1.)

Other important benefit categories and their average costs per hour worked were: Paid leave ($1.00), insurance (85 cents), retirement and savings (42 cents), and supplemental pay (34 cents), which includes premium pay for overtime, shift pay, nonproduction bonuses, and lump-sum payments provided in lieu of wage increases. (See chart on page 3.)

Compensation costs varied widely by industry and occupational group, union status, and geographic region.

Compensation costs averaged more for workers in goods-producing industries ($17.21 per hour worked) than for those in service-producing industries ($13.12). Among service-producing industries, compensation costs ranged from $8.10 in retail trade to $20.20 in transportation and public utilities. Among the goods-producing industry groups, compensation costs were $15.33 in nondurables manufacturing and $18.43 in durables manufacturing. (See table 4.)

Among occupational categories, average compensation costs were higher for white-collar workers ($16.57) than for blue-collar workers ($14.35) and service workers ($7.16). However, the level of compensation varied considerably by occupational group within the blue-collar and white-collar categories. (See table 5.) No breakdown in compensation costs for various service occupational categories (e.g., protective service or health service occupations) is available.

In all private industry, benefits made up a larger proportion of compensation costs for blue-collar workers as a whole (30.9 percent) than for white-collar workers (25.8 percent) and service workers (23.2 percent). This relationship held when occupational groups within the blue-collar and white-collar categories were compared. (See table 5.)

Benefits also accounted for a larger proportion of total compensation costs for blue-collar workers than for white-collar workers within both goods- and service-producing industries. In goods-producing industries, benefits made up 32.2 percent of compensation costs for blue-collar workers, compared with 28.4 percent for white-collar workers. (See table 6.) The corresponding proportions in service-producing industries were 28.8 percent and 25.1 percent. (See table 7.)

Compensation costs averaged more for union workers ($18.25) in private industry than for nonunion workers ($13.48). In addition, benefits made up a larger proportion of compensation costs for union workers (33.6 percent) than for nonunion workers (25.6 percent). (See table 3.) This pattern also was found when the comparison was limited to blue-collar workers in manufacturing. (See table 10.) Union and nonunion cost levels reflect a variety of influences, including coverage by a collective bargaining agreement and variation in distribution of union and nonunion workers among occupations and industries.

Compensation costs varied by region, ranging from $16.18 in the Northeast to $12.54 in the South. The proportion of compensation costs made up of benefits, however, was similar among the four regions, ranging from 26.3 percent in the South to 28.8 percent in the Midwest. (See table 3.)

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* This release includes, for the first time, the employer *
* cost per hour worked for wages, benefits, and compensation *
* for workers in aerospace manufacturing industries. (See *
* table 11.) Funds for the development and maintenance of *
* these series are provided by the Aerospace Industries *
* Association (AIA). The series are published in this *
* release for the convenience of all users. *
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Relative Importance of Components of Employer Costs for Employee Compensation, Private Industry, March 1989

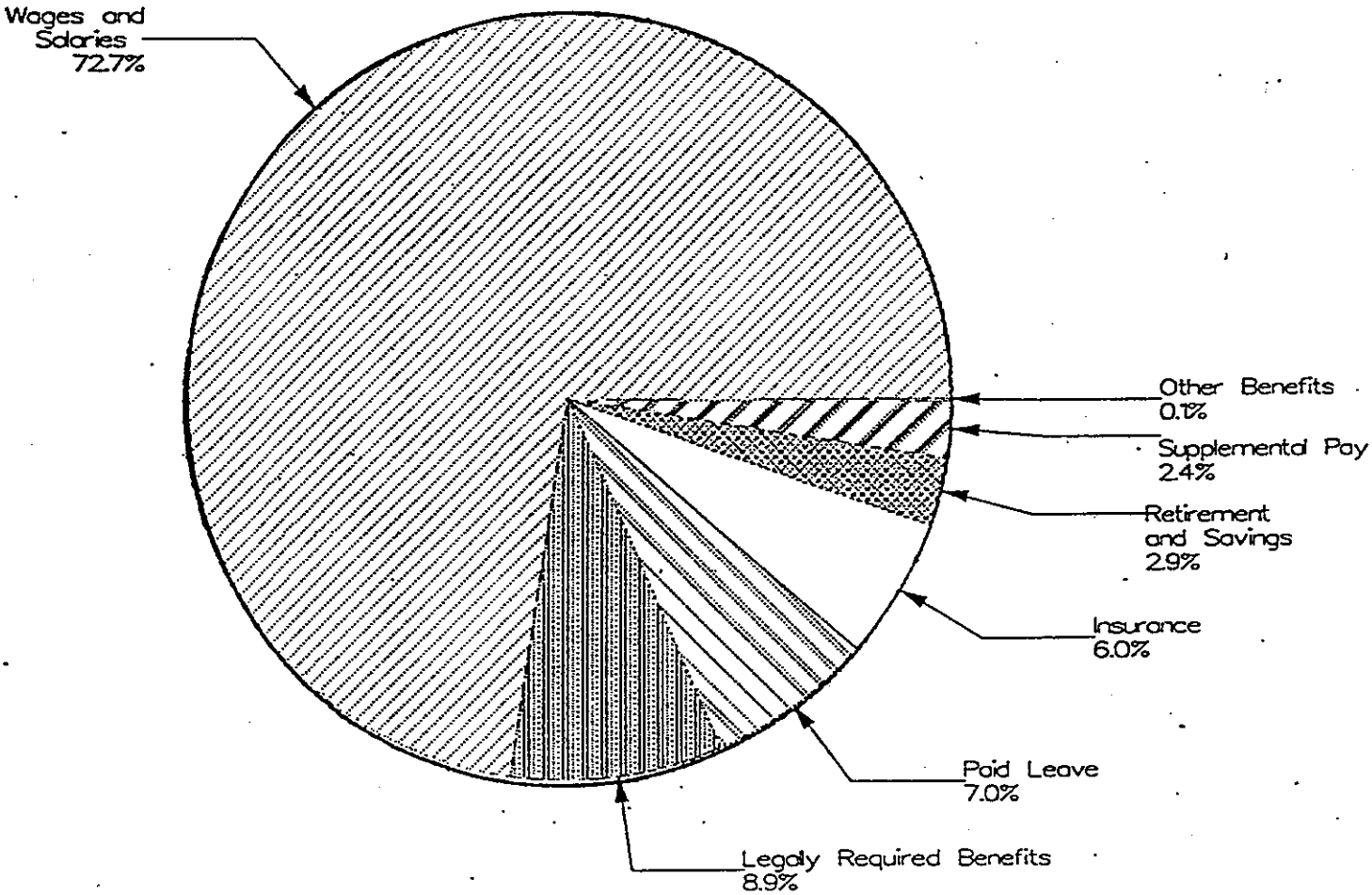

Table 1. Broad industry categories, employer costs per hour worked for employee compensation, and costs as a percent of total compensation, March 1989

Compensation component	All workers in Private industry		Goods-producing industries 1/		Service-producing industries 2/		Manufacturing industries		Nonmanufacturing industries	
	Cost	Percent	Cost	Percent	Cost	Percent	Cost	Percent	Cost	Percent
Total compensation	$14.28	100.0%	$17.21	100.0%	$13.12	100.0%	$17.16	100.0%	$13.46	100.0%
Wages and salaries	10.38	72.7	11.90	69.2	9.77	74.5	11.71	68.2	10.00	74.3
Total benefits	3.90	27.3	5.30	30.8	3.35	25.5	5.45	31.8	3.46	25.7
Paid leave	1.00	7.0	1.20	7.0	.92	7.0	1.33	7.7	.91	6.8
Vacation pay	.50	3.5	.62	3.6	.45	3.4	.68	3.9	.45	3.3
Holiday pay	.34	2.4	.43	2.5	.30	2.3	.49	2.8	.30	2.2
Sick leave pay	.12	.9	.10	.6	.13	1.0	.12	.7	.13	.9
Other leave pay	.04	.3	.04	.2	.04	.3	.04	.3	.04	.3
Supplemental pay	.34	2.4	.60	3.5	.23	1.8	.65	3.8	.25	1.8
Premium pay	.17	1.2	.37	2.2	.09	.7	.40	2.3	.11	.8
Nonproduction bonuses	.12	.8	.15	.8	.10	.8	.15	.9	.11	.8
Shift pay	.05	.3	.08	.5	.03	.3	.10	.6	.03	.2
Insurance	.85	6.0	1.28	7.4	.68	5.2	1.40	8.1	.70	5.2
Retirement and Savings	.42	2.9	.57	3.3	.36	2.7	.54	3.2	.39	2.9
Pensions	.34	2.4	.45	2.6	.30	2.3	.41	2.4	.32	2.4
Savings and thrift	.08	.6	.12	.7	.06	.5	.13	.8	.07	.5
Legally required 3/	1.27	8.9	1.61	9.3	1.14	8.7	1.48	8.6	1.21	9.0
Social Security	.84	5.9	1.00	5.8	.77	5.9	1.00	5.9	.79	5.9
Federal unemployment insurance	.03	.2	.03	.2	.03	.2	.03	.2	.03	.2
State unemployment insurance	.11	.8	.16	.9	.09	.7	.15	.9	.10	.7
Workers' compensation	.27	1.9	.41	2.4	.21	1.6	.29	1.7	.26	1.9
Other benefits 4/	.02	.1	.05	.3	*	*	.05	.3	*	*

1/ Includes mining, construction, and manufacturing

2/ Includes transportation, communication, and public utilities; wholesale and retail trade; finance, insurance, and real estate; and service industries.

3/ Includes railroad retirement, railroad unemployment, railroad supplemental unemployment, and other legally required in addition to benefits shown.

4/ Includes severance pay and supplemental unemployment benefits.

* Cost per hour worked is $0.01 or less.

NOTE: See the explanatory note for a definition of the compensation components.

Table 3. Region and union status, employer costs per hour worked for employee compensation, and costs as a percent of total compensation, March 1989

Compensation component	Region								Union status			
	Northeast		South		Midwest		West		Union		Nonunion	
	Cost	Percent	Cost	Percent	Cost	Percent	Cost	Percent	Cost	Percent	Cost	Percent
Total compensation	$16.18	100.0%	$12.54	100.0%	$14.26	100.0%	$15.00	100.0%	$18.25	100.0%	$13.48	100.0%
Wages and salaries	11.69	72.3	9.25	73.7	10.15	71.2	11.03	73.5	12.11	66.4	10.03	74.4
Total benefits	4.48	27.7	3.29	26.3	4.11	28.8	3.97	26.5	6.14	33.6	3.45	25.6
Paid leave	1.26	7.8	.82	6.5	1.00	7.0	1.01	6.7	1.33	7.3	.94	7.0
Vacation pay	.59	3.7	.41	3.3	.53	3.7	.50	3.3	.71	3.9	.46	3.4
Holiday pay	.42	2.6	.28	2.2	.33	2.3	.35	2.3	.44	2.4	.32	2.4
Sick leave pay	.18	1.1	.10	.8	.10	.7	.14	.9	.12	.7	.13	.9
Other leave pay	.07	.4	.03	.3	.03	.2	.03	.2	.05	.3	.04	.3
Supplemental pay	.38	2.3	.28	2.3	.41	2.9	.29	1.9	.69	3.8	.27	2.0
Premium pay	.18	1.1	.16	1.2	.22	1.5	.15	1.0	.47	2.6	.11	.9
Nonproduction bonuses	.14	.8	.09	.7	.14	1.0	.10	.7	.10	.5	.12	.9
Shift pay	.06	.4	.04	.3	.05	.4	.04	.3	.12	.7	.03	.2
Insurance	.98	6.1	.71	5.7	.94	6.6	.83	5.5	1.52	8.3	.72	5.3
Retirement and Savings	.49	3.0	.35	2.8	.45	3.1	.44	2.9	.76	4.2	.35	2.6
Pensions	.40	2.5	.26	2.1	.38	2.7	.35	2.4	.69	3.8	.27	2.0
Savings and thrift	.09	.5	.09	.7	.07	.5	.08	.6	.07	.4	.08	.6
Legally required 3/	1.36	8.4	1.13	9.0	1.28	9.0	1.40	9.3	1.78	9.7	1.17	8.7
Social Security	.93	5.8	.75	6.0	.84	5.9	.87	5.8	1.03	5.7	.80	5.9
Federal unemployment insurance	.03	.2	.03	.2	.03	.2	.03	.2	.03	.2	.03	.2
State unemployment insurance	.12	.7	.09	.7	.13	.9	.12	.8	.15	.8	.10	.7
Workers' compensation	.25	1.5	.24	1.9	.24	1.7	.37	2.5	.48	2.6	.23	1.7
Other benefits 4/	.02	.1	*	*	.04	.3	*	*	.06	.3	*	*

* Cost per hour worked is $0.01 or less.
NOTE: See footnotes at end of table 1.

Table 2. Broad occupational categories, employer costs per hour worked for employee compensation, and costs as a percent of total compensation, March 1989

Compensation component	All workers in Private industry		White-collar workers		Blue-collar workers		Service workers	
	Cost	Percent	Cost	Percent	Cost	Percent	Cost	Percent
Total compensation	$14.28	100.0%	$16.57	100.0%	$14.35	100.0%	$7.16	100.0%
Wages and salaries	10.38	72.7	12.29	74.2	9.91	69.1	5.50	76.8
Total benefits	3.90	27.3	4.28	25.8	4.44	30.9	1.66	23.2
Paid leave	1.00	7.0	1.30	7.9	.87	6.1	.34	4.8
Vacation pay	.50	3.5	.63	3.8	.46	3.2	.18	2.5
Holiday pay	.34	2.4	.43	2.6	.31	2.2	.10	1.4
Sick leave pay	.12	.9	.19	1.1	.07	.5	.05	.7
Other leave pay	.04	.3	.06	.3	.03	.2	*	*
Supplemental pay	.34	2.4	.29	1.7	.53	3.7	.10	1.4
Premium pay	.17	1.2	.09	.5	.37	2.5	.05	.7
Nonproduction bonuses	.12	.8	.16	1.0	.09	.6	.02	.3
Shift pay	.05	.3	.04	.2	.07	.5	.03	.4
Insurance	.85	6.0	.92	5.5	1.02	7.1	.32	4.5
Retirement and Savings	.42	2.9	.50	3.0	.45	3.1	.11	1.6
Pensions	.34	2.4	.38	2.3	.40	2.8	.09	1.3
Savings and thrift	.08	.6	.12	.7	.05	.4	.02	.3
Legally required 3/	1.27	8.9	1.25	7.6	1.53	10.7	.78	10.9
Social Security	.84	5.9	.96	5.8	.84	5.9	.46	6.4
Federal unemployment insurance	.03	.2	.03	.2	.03	.2	.03	.4
State unemployment insurance	.11	.8	.10	.6	.14	.9	.08	1.2
Workers' compensation	.27	1.9	.15	.9	.48	3.4	.20	2.8
Other benefits 4/	.02	.1	*	*	.03	.2	*	*

* Cost per hour worked is $0.01 or less.
NOTE: See footnotes at end of table 1.

Table 4. Industry groups, employer costs per hour worked for employee compensation, and costs as a percent of total compensation, March 1989

Industry group	Total compen-sation	Wages and salaries	Benefit costs: Total	Paid leave	Supple-mental pay	Insurance	Retireme-nt and savings	Legally required	Other bene fits4/
	Cost per hour worked								
All workers, private industry	$14.28	$10.38	$3.90	$1.00	$0.34	$0.85	$0.42	$1.27	$0.02
Goods-producing industries 1/	17.21	11.90	5.30	1.20	.60	1.28	.57	1.61	.05
Construction	16.70	12.20	4.50	.62	.40	.75	.67	2.05	.02
Manufacturing	17.16	11.71	5.45	1.33	.65	1.40	.54	1.48	.05
Durables	18.43	12.44	5.98	1.44	.73	1.60	.55	1.58	.08
Nondurables	15.33	10.65	4.68	1.16	.54	1.10	.53	1.34	.02
Service-producing industries 2/	13.12	9.77	3.35	.92	.23	.68	.36	1.14	x
Transportation and public utilities	20.20	13.97	6.23	1.65	.43	1.35	.84	1.94	.03
Wholesale trade	16.50	12.10	4.41	1.16	.41	.97	.47	1.37	.02
Retail trade	8.10	6.31	1.79	.36	.14	.33	.13	.83	x
Finance, insurance, and real estate	17.11	12.76	4.35	1.39	.28	.98	.53	1.16	x
Service industries	13.44	10.09	3.35	1.01	.20	.66	.36	1.12	x
	Percent of total compensation								
All workers, private industry	100.0%	72.7%	27.3%	7.0%	2.4%	6.0%	2.9%	8.9%	0.1%
Goods-producing industries 1/	100.0	69.2	30.8	7.0	3.5	7.4	3.3	9.3	.3
Construction	100.0	73.1	26.9	3.7	2.4	4.5	4.0	12.3	.1
Manufacturing	100.0	68.2	31.8	7.7	3.8	8.1	3.2	8.6	.3
Durables	100.0	67.5	32.5	7.8	3.9	8.7	3.0	8.6	.4
Nondurables	100.0	69.5	30.5	7.5	3.5	7.2	3.5	8.7	.1
Service-producing industries 2/	100.0	74.5	25.5	7.0	1.8	5.2	2.7	8.7	x
Transportation and public utilities	100.0	69.2	30.8	8.1	2.1	6.7	4.1	9.6	.1
Wholesale trade	100.0	73.3	26.7	7.1	2.5	5.9	2.8	8.3	.1
Retail trade	100.0	77.9	22.1	4.4	1.7	4.1	1.6	10.2	x
Finance, insurance, and real estate	100.0	74.6	25.4	8.1	1.6	5.7	3.1	6.8	x
Service industries	100.0	75.1	24.9	7.5	1.5	4.9	2.7	8.4	x

x Cost per hour worked is $0.01 or less.
NOTE: See footnotes at end of table 1.

Table 5. Occupational groups, employer costs per hour worked for employee compensation, and costs as a percent of total compensation, March 1989

Occupational group	Total compen-sation	Wages and salaries	Benefit costs: Total	Paid leave	Supple-mental pay	Insurance	Retireme-nt and savings	Legally required	Other bene fits4/
	Cost per hour worked								
All workers, private industry	$14.28	$10.38	$3.90	$1.00	$0.34	$0.85	$0.42	$1.27	$0.02
White-collar workers	16.57	12.29	4.28	1.30	.29	.92	.50	1.25	*
Professional specialty and technical	21.79	16.12	5.68	1.83	.37	1.14	.69	1.63	.02
Executive, administrative, managerial	25.22	18.74	6.47	2.24	.46	1.19	.82	1.74	.02
Sales workers	11.39	8.91	2.48	.60	.16	.51	.24	.96	*
Administrative support, clerical	12.03	8.64	3.38	.93	.22	.89	.38	.95	*
Blue-collar workers	14.35	9.91	4.44	.87	.53	1.02	.45	1.53	.03
Precision production, craft, repair	17.70	12.40	5.30	1.10	.62	1.12	.57	1.84	.04
Machine opers./assemblers/inspectors	13.59	9.04	4.55	.93	.65	1.21	.40	1.31	.05
Transportation and material moving	15.06	10.42	4.64	.89	.43	.97	.53	1.80	*
Handlers, cleaners, helpers, laborers	10.51	7.40	3.11	.52	.33	.69	.31	1.25	*
Service workers	7.16	5.50	1.66	.34	.10	.32	.11	.78	*
	Percent of total compensation								
All workers, private industry	100.0%	72.7%	27.3%	7.0%	2.4%	6.0%	2.9%	8.9%	0.1%
White-collar workers	100.0	74.2	25.8	7.9	1.7	5.5	3.0	7.6	*
Professional specialty and technical	100.0	74.0	26.0	8.4	1.7	5.2	3.2	7.5	.1
Executive, administrative, managerial	100.0	74.3	25.7	8.9	1.8	4.7	3.3	6.9	.1
Sales workers	100.0	78.3	21.7	5.3	1.4	4.5	2.1	8.4	*
Administrative support, clerical	100.0	71.9	28.1	7.7	1.8	7.4	3.2	7.9	*
Blue-collar workers	100.0	69.1	30.9	6.1	3.7	7.1	3.1	10.7	.2
Precision production, craft, repair	100.0	70.1	29.9	6.2	3.5	6.4	3.2	10.4	.2
Machine opers./assemblers/inspectors	100.0	66.6	33.4	6.8	4.8	8.9	3.0	9.6	.4
Transportation and material moving	100.0	69.2	30.8	5.9	2.9	6.4	3.5	11.9	*
Handlers, cleaners, helpers, laborers	100.0	70.4	29.6	5.0	3.2	6.6	2.9	11.9	*
Service workers	100.0	76.8	23.2	4.8	1.4	4.5	1.6	10.9	*

* Cost per hour worked is $0.01 or less.
NOTE: See footnotes at end of table 1.

Table 7. Service-producing industries, employer costs per hour worked for employee compensation, anc costs as a percent of total compensation, by occupational group, March 1989

Occupational group	Total compen-sation	Wages and salaries	Benefit costs						
			Total	Paid leave	Supple-mental pay	Insurance	Retireme-nt and savings	Legally required	Other bene fits4/
	Cost per hour worked								
All workers, service-producing indus.2/...	$13.12	$9.77	$3.35	$0.92	$0.23	$0.68	$0.36	$1.14	*
White-collar workers.....	15.59	11.68	3.91	1.19	.25	.81	.46	1.18	*
Professional specialty and technical..	21.14	15.83	5.32	1.73	.35	.98	.66	1.58	*
Executive, administrative, managerial.	24.04	18.00	6.04	2.13	.39	1.08	.78	1.65	$0.02
Sales workers.....	11.06	8.68	2.38	.57	.16	.48	.22	.93	*
Administrative support including clerical.....	11.68	8.47	3.21	.90	.20	.82	.36	.92	*
Blue-collar workers.....	12.82	9.13	3.69	.82	.33	.76	.36	1.41	*
Precision production, craft, repair...	16.37	11.71	4.65	1.22	.42	.96	.42	1.61	.02
Transportation and material moving...	14.56	10.20	4.35	.89	.34	.88	.48	1.76	*
Handlers, cleaners, helpers, laborers.	9.49	6.79	2.71	.49	.27	.59	.25	1.10	*
Service workers.....	7.01	5.43	1.59	.33	.09	.30	.11	.77	*
	Percent of total compensation								
All workers, service-producing indus.2/...	100.0%	74.5%	25.5%	7.0%	1.8%	5.2%	2.7%	8.7%	*
White-collar workers.....	100.0	74.9	25.1	7.7	1.6	5.2	3.0	7.6	*
Professional specialty and technical..	100.0	74.9	25.1	8.2	1.7	4.6	3.1	7.5	*
Executive, administrative, managerial.	100.0	74.9	25.1	8.9	1.6	4.5	3.3	6.8	0.1%
Sales workers.....	100.0	78.5	21.5	5.2	1.5	4.4	2.0	8.4	*
Administrative support including clerical.....	100.0	72.5	27.5	7.7	1.7	7.0	3.1	7.8	*
Blue-collar workers.....	100.0	71.2	28.8	6.4	2.6	6.0	2.8	11.0	*
Precision production, craft, repair...	100.0	71.6	28.4	7.4	2.6	5.8	2.6	9.9	.1
Transportation and material moving...	100.0	70.1	29.9	6.1	2.3	6.0	3.3	12.1	*
Handlers, cleaners, helpers, laborers.	100.0	71.5	28.5	5.1	2.9	6.2	2.6	11.6	*
Service workers.....	100.0	77.4	22.6	4.7	1.2	4.2	1.5	11.0	*

* Cost per hour worked is $0.01 or less.
NOTE: See footnotes at end of table 1.

Table 6. Goods-producing industries, employer costs per hour worked for employee compensation, and costs as a percent of total compensation, by occupational group, March 1989

Occupational group	Total compensation	Wages and salaries	Benefit costs: Total	Paid leave	Supplemental pay	Insurance	Retirement and savings	Legally required	Other benefits4/
	Cost per hour worked								
All workers, goods-producing industries1/	$17.21	$11.90	$5.30	$1.20	$0.60	$1.28	$0.57	$1.61	$0.05
White-collar workers	21.36	15.29	6.07	1.85	.43	1.44	.71	1.59	.04
Professional specialty and technical	23.92	17.06	6.86	2.18	.43	1.64	.78	1.77	.06
Executive, administrative, managerial	28.63	20.90	7.73	2.55	.66	1.51	.94	2.03	.04
Administrative support including clerical	13.75	9.49	4.27	1.08	.31	1.26	.48	1.10	.03
Blue-collar workers	15.46	10.48	4.98	.92	.67	1.20	.52	1.62	.05
Precision production, craft, repair	18.56	12.84	5.71	1.02	.75	1.23	.66	1.99	.06
Machine operators, assemblers, inspectors	14.03	9.26	4.77	.96	.70	1.30	.42	1.33	.06
Transportation and material moving	16.44	11.01	5.43	.91	.69	1.21	.69	1.89	.04
Handlers, cleaners, helpers, laborers	12.28	8.46	3.81	.58	.44	.87	.41	1.50	.02
Service workers	13.24	8.56	4.68	.94	.62	1.41	.46	1.20	.06
	Percent of total compensation								
All workers, goods-producing industries1/	100.0%	69.2%	30.8%	7.0%	3.5%	7.4%	3.3%	9.3%	0.3%
White-collar workers	100.0	71.6	28.4	8.7	2.0	6.7	3.3	7.5	.2
Professional specialty and technical	100.0	71.3	28.7	9.1	1.8	6.9	3.3	7.4	.2
Executive, administrative, managerial	100.0	73.0	27.0	8.9	2.3	5.3	3.3	7.1	.1
Administrative support including clerical	100.0	69.0	31.0	7.9	2.3	9.1	3.5	8.0	.2
Blue-collar workers	100.0	67.8	32.2	5.9	4.4	7.8	3.4	10.5	.3
Precision production, craft, repair	100.0	69.2	30.8	5.5	4.1	6.6	3.6	10.7	.3
Machine operators, assemblers, inspectors	100.0	66.0	34.0	6.9	5.0	9.3	3.0	9.5	.4
Transportation and material moving	100.0	67.0	33.0	5.6	4.2	7.4	4.2	11.5	.2
Handlers, cleaners, helpers, laborers	100.0	68.9	31.1	4.7	3.6	7.1	3.3	12.3	.1
Service workers	100.0	64.6	35.4	7.1	4.6	10.6	3.5	9.1	.5

NOTE: See footnotes at end of table 1.

Table 8. Manufacturing industries, employer costs per hour worked for employee compensation, and costs as a percent of total compensation, by occupational group, March 1989

Occupational group	Total compensation	Wages and salaries	Benefit costs: Total	Paid leave	Supplemental pay	Insurance	Retirement and savings	Legally required	Other benefits4/
	Cost per hour worked								
All workers, manufacturing industries.....	$17.16	$11.71	$5.45	$1.33	$0.65	$1.40	$0.54	$1.48	$0.05
White-collar workers.....	21.54	15.32	6.23	1.92	.43	1.51	.74	1.58	.05
Professional specialty and technical..	23.81	16.96	6.85	2.19	.42	1.64	.78	1.76	.06
Executive, administrative, managerial.	28.92	21.02	7.90	2.67	.64	1.57	1.00	1.96	.05
Administrative support including clerical.....	13.93	9.42	4.51	1.12	.35	1.37	.53	1.10	.03
Blue-collar workers.....	15.13	10.04	5.09	1.05	.75	1.34	.45	1.44	.06
Precision production, craft, repair...	18.83	12.62	6.20	1.37	1.00	1.53	.54	1.69	.08
Machine operators, assemblers, inspectors.....	14.02	9.24	4.78	.97	.70	1.31	.42	1.33	.06
Transportation and material moving....	16.17	10.67	5.50	1.13	.68	1.42	.53	1.70	.05
Handlers, cleaners, helpers, laborers.	12.21	8.15	4.06	.74	.52	1.10	.36	1.32	.03
Service workers.....	13.44	8.61	4.83	.98	.64	1.47	.48	1.20	.07
	Percent of total compensation								
All workers, manufacturing industries.....	100.0%	68.2%	31.8%	7.7%	3.8%	8.1%	3.2%	8.6%	0.3%
White-collar workers.....	100.0	71.1	28.9	8.9	2.0	7.0	3.4	7.3	.2
Professional specialty and technical..	100.0	71.2	28.8	9.2	1.8	6.9	3.3	7.4	.2
Executive, administrative, managerial.	100.0	72.7	27.3	9.2	2.2	5.4	3.5	6.8	.2
Administrative support including clerical.....	100.0	67.6	32.4	8.1	2.5	9.9	3.8	7.9	.2
Blue-collar workers.....	100.0	66.4	33.6	6.9	5.0	8.9	3.0	9.5	.4
Precision production, craft, repair...	100.0	67.0	33.0	7.3	5.3	8.1	2.9	9.0	.4
Machine operators, assemblers, inspectors.....	100.0	65.9	34.1	6.9	5.0	9.3	3.0	9.5	.4
Transportation and material moving....	100.0	66.0	34.0	7.0	4.2	8.8	3.3	10.5	.3
Handlers, cleaners, helpers, laborers.	100.0	66.7	33.3	6.1	4.2	9.0	2.9	10.8	.2
Service workers.....	100.0	64.1	35.9	7.3	4.8	10.9	3.6	8.9	.5

NOTE: See footnotes at end of table 1.

Table 9. Nonmanufacturing industries, employer costs per hour worked for employee compensation, and costs as a percent of total compensation, by occupational group, March 1989

Occupational group	Total compensation	Wages and salaries	Benefit costs: Total	Paid leave	Supplemental pay	Insurance	Retirement and savings	Legally required	Other benefits4/
	Cost per hour worked								
All workers, nonmanufacturing industries..	$13.46	$10.00	$3.46	$0.91	$0.25	$0.70	$0.39	$1.21	*
White-collar workers.....	15.75	11.79	3.95	1.20	.26	.82	.46	1.20	*
Professional specialty and technical..	21.23	15.88	5.35	1.73	.36	1.00	.67	1.59	*
Executive, administrative, managerial.	24.30	18.18	6.12	2.13	.41	1.09	.78	1.69	$0.02
Sales workers.....	11.12	8.73	2.39	.57	.16	.49	.22	.94	*
Administrative support including clerical.....	11.74	8.52	3.21	.90	.20	.82	.36	.92	*
Blue-collar workers.....	13.74	9.81	3.93	.74	.36	.76	.45	1.60	*
Precision production, craft, repair...	17.12	12.29	4.84	.96	.43	.92	.58	1.92	.03
Transportation and material moving...	14.83	10.37	4.46	.85	.38	.87	.53	1.82	*
Handlers, cleaners, helpers, laborers.	10.04	7.19	2.85	.46	.28	.58	.29	1.23	*
Service workers.....	7.02	5.43	1.59	.33	.09	.30	.11	.77	*
	Percent of total compensation								
All workers, nonmanufacturing industries..	100.0%	74.3%	25.7%	6.8%	1.8%	5.2%	2.9%	9.0%	*
White-collar workers.....	100.0	74.9	25.1	7.6	1.7	5.2	2.9	7.6	*
Professional specialty and technical..	100.0	74.8	25.2	8.2	1.7	4.7	3.1	7.5	*
Executive, administrative, managerial.	100.0	74.8	25.2	8.8	1.7	4.5	3.2	7.0	0.1%
Sales workers.....	100.0	78.5	21.5	5.2	1.5	4.4	2.0	8.4	*
Administrative support including clerical.....	100.0	72.6	27.4	7.7	1.7	6.9	3.1	7.9	*
Blue-collar workers.....	100.0	71.4	28.6	5.4	2.6	5.6	3.3	11.7	*
Precision production, craft, repair...	100.0	71.8	28.2	5.6	2.5	5.4	3.4	11.2	.2
Transportation and material moving...	100.0	69.9	30.1	5.7	2.6	5.9	3.6	12.3	*
Handlers, cleaners, helpers, laborers.	100.0	71.6	28.4	4.6	2.8	5.7	2.9	12.2	*
Service workers.....	100.0	77.4	22.6	4.7	1.2	4.2	1.5	11.0	*

* Cost per hour worked is $0.01 or less.
NOTE: See footnotes at end of table 1.

Table 10. Union status, employer costs per hour worked for employee compensation, and costs as a percent of total compensation, by industry and occupation, March 1989

Union status, by industry and occupational group	Total compensation	Wages and salaries	Benefit costs						
			Total	Paid leave	Supplemental pay	Insurance	Retirement and savings	Legally required	Other benefits4/
	Cost per hour worked								
All union workers, private industry.....	$18.25	$12.11	$6.14	$1.33	$0.69	$1.52	$0.76	$1.78	$0.06
Blue-collar workers.....	19.44	12.61	6.84	1.36	.85	1.70	.87	1.98	.08
Goods-producing industries 1/.....	19.78	12.72	7.06	1.33	.95	1.85	.89	1.94	.11
Service-producing industries 2/.....	16.73	11.51	5.22	1.32	.42	1.20	.64	1.62	.02
Manufacturing.....	18.53	11.79	6.74	1.42	1.00	1.85	.63	1.72	.12
Blue-collar workers.....	18.52	11.77	6.75	1.41	1.02	1.85	.63	1.73	.12
Nonmanufacturing industries.....	18.05	12.34	5.71	1.26	.46	1.29	.85	1.82	.03
All nonunion workers, private industry....	13.48	10.03	3.45	.94	.27	.72	.35	1.17	*
Blue-collar workers.....	11.70	8.51	3.19	.62	.37	.66	.23	1.30	*
Goods-producing industries 1/.....	16.13	11.56	4.57	1.14	.45	1.04	.44	1.47	.02
Service-producing industries 2/.....	12.64	9.54	3.10	.87	.21	.62	.32	1.07	*
Manufacturing.....	16.53	11.68	4.85	1.28	.48	1.19	.50	1.37	.03
Blue-collar workers.....	12.40	8.65	3.75	.76	.54	.93	.30	1.21	*
Nonmanufacturing industries.....	12.80	9.66	3.14	.86	.22	.61	.32	1.12	*

* Cost per hour worked is $0.01 or less.
NOTE: See footnotes at end of table 1.

Table 10. Union status, employer costs per hour worked for employee compensation, and costs as a percent of total compensation, by industry and occupation, March 1989--continued

Union status, by industry and occupational group	Total compensation	Wages and salaries	Benefit costs						
			Total	Paid leave	Supplemental pay	Insurance	Retirement and savings	Legally required	Other benefits4/
	Percent of total compensation								
All union workers, private industry.....	100.0%	66.4%	33.6%	7.3%	3.8%	8.3%	4.2%	9.7%	0.3%
Blue-collar workers.....	100.0	64.8	35.2	7.0	4.4	8.7	4.5	10.2	.4
Goods-producing industries 1/.....	100.0	64.3	35.7	6.7	4.8	9.3	4.5	9.8	.6
Service-producing industries 2/.....	100.0	68.8	31.2	7.9	2.5	7.2	3.8	9.7	.1
Manufacturing.....	100.0	63.6	36.4	7.7	5.4	10.0	3.4	9.3	.6
Blue-collar workers.....	100.0	63.6	36.4	7.6	5.5	10.0	3.4	9.3	.6
Nonmanufacturing industries.....	100.0	68.4	31.6	7.0	2.5	7.1	4.7	10.1	.1
All nonunion workers, private industry....	100.0	74.4	25.6	7.0	2.0	5.3	2.6	8.7	*
Blue-collar workers.....	100.0	72.8	27.2	5.3	3.1	5.6	2.0	11.1	*
Goods-producing industries 1/.....	100.0	71.7	28.3	7.1	2.8	6.4	2.8	9.1	.1
Service-producing industries 2/.....	100.0	75.5	24.5	6.9	1.6	4.9	2.6	8.5	*
Manufacturing.....	100.0	70.7	29.3	7.8	2.9	7.2	3.0	8.3	.2
Blue-collar workers.....	100.0	69.8	30.2	6.1	4.3	7.5	2.4	9.8	*
Nonmanufacturing industries.....	100.0	75.5	24.5	6.7	1.7	4.8	2.5	8.8	*

* Cost per hour worked is $0.01 or less.
NOTE: See footnotes at end of table 1.

Table 11. Aerospace industries 1/, employer costs per hour worked for employee compensation, and costs as a percent of total compensation, March 1989

Industry and occupation	Total compensation	Wages and salaries	Benefit costs: Total	Paid leave	Supplemental pay	Insurance	Retirement and savings	Legally required	Other benefits2/
	Cost per hour worked								
Aircraft and parts manufacturing (SIC 372)	$22.02	$15.08	$6.94	$1.95	$0.96	$1.67	$0.64	$1.67	$0.06
White-collar workers	24.11	17.08	7.03	2.26	.53	1.69	.78	1.69	.07
Professional and technical workers	25.55	18.28	7.28	2.43	.42	1.70	.80	1.82	.09
Blue-collar workers	19.72	12.84	6.88	1.59	1.47	1.66	.48	1.65	.03
Precision production, craft, and repair	20.90	13.77	7.14	1.72	1.46	1.70	.47	1.75	.03
Machine operators, inspectors, and assemblers	18.40	11.82	6.58	1.43	1.48	1.58	.50	1.55	.03
Aircraft manufacturing (SIC 3721)	22.67	15.66	7.01	2.08	.93	1.61	.68	1.69	.02
White-collar workers	24.05	17.10	6.96	2.33	.50	1.61	.80	1.70	.02
Blue-collar workers	20.64	13.50	7.14	1.71	1.62	1.62	.49	1.69	*
Aircraft engines and parts manufacturing (SIC 3724)	22.27	14.85	7.43	1.95	1.02	2.09	.51	1.67	.19
Aircraft parts and equipment manufacturing, not elsewhere classified (SIC 3728)	20.32	13.98	6.34	1.63	1.00	1.42	.66	1.61	.02
Guided missiles and space vehicles manufacturing (SIC 3761)	25.79	18.27	7.52	2.40	.83	1.78	.81	1.69	*
	Percent of total compensation								
Aircraft and parts manufacturing (SIC 372)	100.0%	68.5%	31.5%	8.8%	4.4%	7.6%	2.9%	7.6%	0.3%
White-collar workers	100.0	70.8	29.2	9.4	2.2	7.0	3.2	7.0	.3
Professional and technical workers	100.0	71.5	28.5	9.5	1.6	6.7	3.1	7.1	.4
Blue-collar workers	100.0	65.1	34.9	8.1	7.5	8.4	2.4	8.4	.2
Precision production, craft, and repair	100.0	65.9	34.1	8.2	7.0	8.1	2.3	8.3	.2
Machine operators, inspectors, and assemblers	100.0	64.2	35.8	7.8	8.1	8.6	2.7	8.4	.2
Aircraft manufacturing (SIC 3721)	100.0	69.1	30.9	9.2	4.1	7.1	3.0	7.4	.1
White-collar workers	100.0	71.1	28.9	9.7	2.1	6.7	3.3	7.0	.1
Blue-collar workers	100.0	65.4	34.6	8.3	7.8	7.9	2.4	8.2	*
Aircraft engines and parts manufacturing (SIC 3724)	100.0	66.6	33.4	8.7	4.6	9.4	2.3	7.5	.8
Aircraft parts and equipment manufacturing, not elsewhere classified (SIC 3728)	100.0	68.8	31.2	8.0	4.9	7.0	3.2	7.9	.1
Guided missiles and space vehicles manufacturing (SIC 3761)	100.0	70.8	29.2	9.3	3.2	6.9	3.1	6.5	*

1/ Funds for the development and maintenance of these series are provided by the Aerospace Industries Association (AIA). The series are published in this release for the convenience of all users.

2/ Includes severance pay and supplemental unemployment benefits.

* Cost per hour worked is $0.01 or less.

NOTE: See the explanatory note for a definition of the compensation components.

EXPLANATORY NOTES

Employer costs for employee compensation is a measure of the average cost per employee hour worked to employers for wages and salaries and benefits.

Wages and salaries are defined as the hourly straight-time wage rate, or for workers not paid on an hourly basis, straight-time earnings divided by the corresponding hours. Straight-time wage and salary rates are total earnings before payroll deductions, excluding premium pay for overtime and for work on weekends and holidays, shift differentials, nonproduction bonuses, and lump-sum payments provided in lieu of wage increases. Production bonuses, incentive earnings, commission payments, and cost-of-living adjustments are included in straight-time wage and salary rates.

Benefits covered are:

Paid leave--paid vacations, holidays, sick leave, and other leave.

Supplemental pay--premium pay for overtime and work on weekends and holidays, shift differentials, nonproduction bonuses, and lump-sum payments provided in lieu of wage increases.

Insurance benefits--life, health, and sickness and accident insurance.

Retirement and savings benefits--pension and other retirement plans and savings and thrift plans.

Legally required benefits--social security, railroad retirement and supplemental retirement, railroad unemployment insurance, Federal and state unemployment insurance, workers' compensation, and other benefits required by law, such as state temporary disability insurance.

Other benefits--severance pay and supplemental unemployment plans.

The Survey

Employer costs for employee compensation cover all occupations in private industry, excluding farms and households. These cost levels are published once a year with the payroll period including March 12th as the reference period.

The cost levels are based on compensation cost data collected for the Bureau of Labor Statistics Employment Cost Index (ECI), released quarterly. Cost data were collected from the ECI's March 1989 private industry sample which consisted of about 21,000 occupations within 4,000 sample establishments. The sample establishments are classified in industry categories based on the 1972 Standard Industrial Classification (SIC) system, as defined by the U.S. Office of Management and Budget. Within an establishment, specific job categories are selected to represent broader major occupational groups such as professional specialty and technical occupations.

The cost levels are calculated with current employment weights each year. In contrast, the ECI, which measures the change in employer costs for employee compensation, is calculated with fixed employment counts from the 1980 Census to pre-

vent employment shifts among occupations and industries from influencing the changes. Therefore, year-to-year changes in the cost levels will differ from those in the ECI.

The March 1989 compensation cost levels were calculated with the March 1989 private industry employment counts from the Bureau of Labor Statistics Current Employment Statistics program benchmarked to the 1988 universe of all private nonfarm establishments. In most cases, the employment counts used were total private industry employment estimates for 2-digit major industry groups (such as primary metal manufacturing or food stores) as defined by the SIC system. (For the aerospace industries, employment estimates for 4-digit industries such as aircraft manufacturing were used.) The employment data from these 2-digit groups (or 4-digit industries) were distributed to major occupational groups (such as executives, administrators, and managers or machine operators, assemblers, and inspectors), using the relative importance of the groups as estimated by the ECI sample.

More information on the cost levels, including how the costs are calculated, appears in the article "Analyzing employers' costs for wages, salaries, and benefits" in the October 1987 issue of the Monthly Labor Review. The published cost levels for March 1987 also appear in that article.

An annual bulletin is issued from the ECI program. The first bulletin, Employment Cost Indexes and Levels--1975-88 (Bulletin 2319), provides complete historical data on ECI indexes and levels, and measures of the precision of the two series through June 1988. It also includes an explanation of survey methods and discussion of the published information. The second annual bulletin, to be issued later this year, will include this material as well as complete historical ECI data and measures of precision through March 1989.

The Relative Standard Errors

Because the data are based on a sample survey, the compensation cost estimates probably differ from the figures that would be obtained from all units covered by the survey. To determine the precision of each cost level estimate, a standard error was calculated.

The standard error defines a range (confidence interval) around the cost estimate. The approximate 95-percent confidence interval is the estimate plus or minus twice the standard error. The standard error can also be expressed as a percent of the cost estimate, or the relative standard error. For example, the 95-percent confidence interval for a cost estimate of $10 with a relative standard error of 1.0 percent would be $10.00 plus or minus 2.0 percent (2 times 1.0 percent) or $9.80 to $10.20. We can be 95 percent confident that the "true" cost falls within the confidence interval.

The relative standard error is shown with the cost estimates for some series in the appendix. Relative standard errors for all published estimates are available upon request. They also will appear in the 1989 ECI annual bulletin to be published later this year. A fuller explanation of the relative standard errors is provided in the article "Analyzing employers' costs for wages, salaries, and benefits" in the October 1987 issue of the Monthly Labor Review.

Appendix. Employer costs per hour worked for components of compensation, and relative standard errors, 1/ by major industry and occupation categories, March 1989

Industry or Occupation Category	Total Compensation	Wages and Salaries	Benefit Costs						
			Total	Paid Leave	Supplemental Pay	Insurance	Pensions and Savings	Legally Required	Other Benefits
All private industry workers									
Cost per hour worked.....	$14.28	$10.38	$3.90	$1.00	$0.34	$0.85	$0.42	$1.27	$0.02
Relative Error.....	.8%	.7%	1.1%	1.6%	2.5%	1.5%	3.1%	.8%	8.4%
Goods-producing industries									
Cost per hour worked.....	$17.21	$11.90	$5.30	$1.20	$.60	$1.28	$.57	$1.61	$.05
Relative Error.....	1.5%	1.4%	1.8%	2.2%	3.8%	2.2%	4.8%	1.6%	10.6%
Service-producing industries									
Cost per hour worked.....	$13.12	$9.77	$3.35	$.92	$.23	$.68	$.36	$1.14	*
Relative Error.....	1.0%	1.0%	1.4%	2.1%	3.7%	2.1%	4.0%	.8%	
Manufacturing									
Cost per hour worked.....	$17.16	$11.71	$5.45	$1.33	$.65	$1.40	$.54	$1.48	$.05
Relative Error.....	1.5%	1.5%	1.8%	2.2%	4.5%	2.2%	4.2%	1.6%	10.4%
Aircraft manufacturing (SIC 372)									
Cost per hour worked.....	$22.02	$15.08	$6.94	$1.95	$.96	$1.67	$.64	$1.67	$.06
Relative Error.....	0.8%	0.8%	0.8%	0.9%	2.1%	0.7%	1.2%	0.7%	3.4%
Nonmanufacturing									
Cost per hour worked.....	$13.46	$10.00	$3.46	$.91	$.25	$.70	$.39	$1.21	*
Relative Error.....	1.0%	.9%	1.5%	2.0%	3.2%	2.1%	4.0%	.9%	
White-collar workers									
Cost per hour worked.....	$16.57	$12.29	$4.28	$1.30	$.29	$.92	$.50	$1.25	*
Relative Error.....	1.1%	1.1%	1.5%	2.1%	4.7%	1.9%	3.4%	.8%	
Blue-collar workers									
Cost per hour worked.....	$14.35	$9.91	$4.44	$.87	$.53	$1.02	$.45	$1.53	$.03
Relative Error.....	1.2%	1.1%	1.7%	1.9%	2.9%	2.4%	4.5%	1.5%	10.1%
Service Workers									
Cost per hour worked.....	$7.16	$5.50	$1.66	$.34	$.10	$.32	$.11	$.78	*
Relative Error.....	1.8%	1.7%	3.1%	5.2%	6.1%	5.6%	15.6%	1.9%	

1/ The relative standard error is the standard error expressed as a percent of the cost. We can be 95 percent confident the interval around the cost estimate bounded by two times plus and two times minus the relative error contains the 'true' cost. See explanatory note.

* Cost per hour worked is $0.01 or less.