

News

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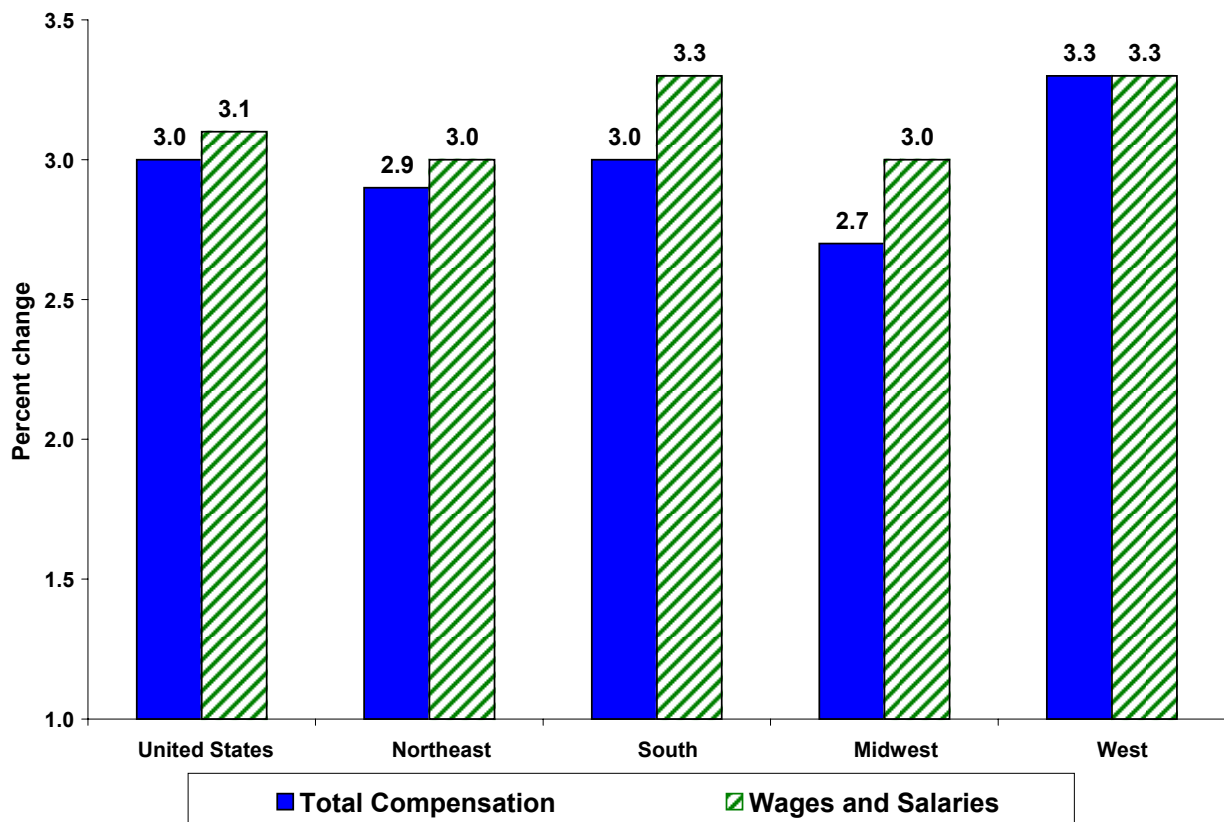
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Employment Cost Index for the Regions – June 2008

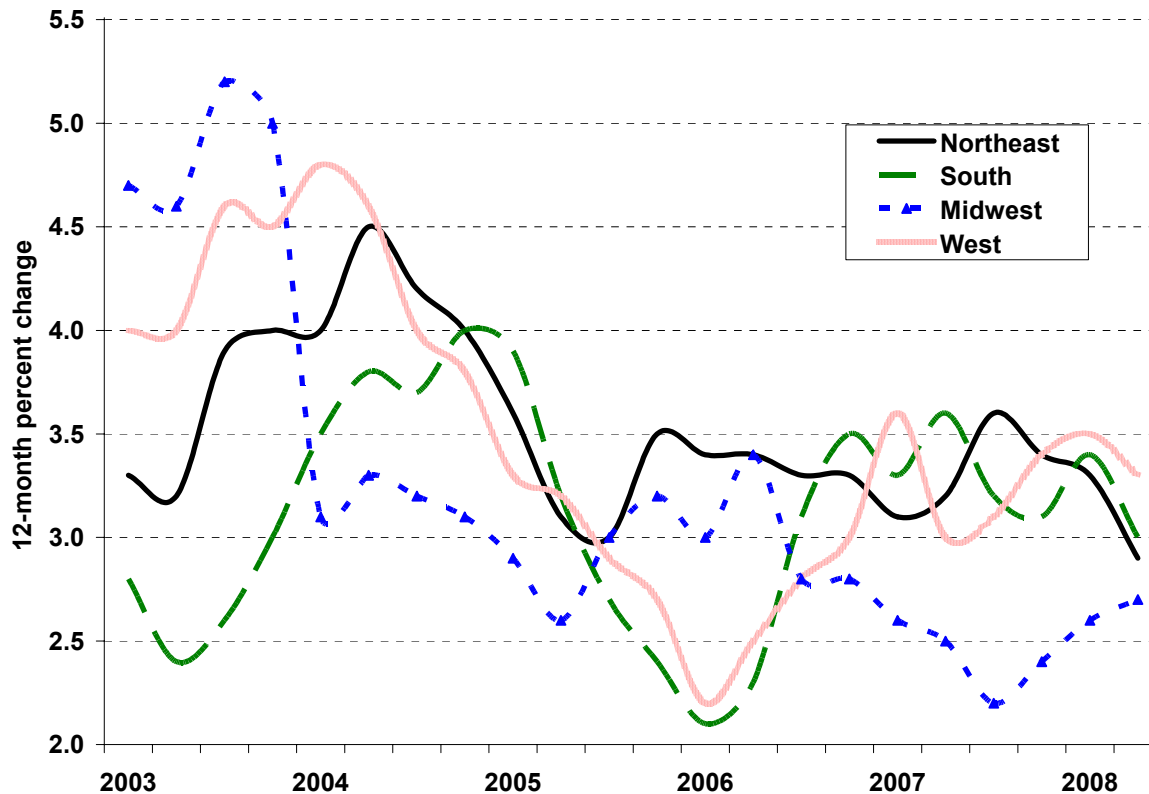
Total compensation costs for private industry workers rose 3.3 percent in the West for the year ended June 2008, according to the Bureau of Labor Statistics of the U.S. Department of Labor. Compensation growth rates in the South and the Northeast followed with increases of 3.0 and 2.9 percent, respectively, while the Midwest recorded a 2.7-percent advance. (See charts A and B.) Richard J. Holden, the Bureau's regional commissioner, noted that the West and Midwest experienced larger annual gains in the latest 12-month period compared to a year ago, while the South and the Northeast had smaller annual gains. Nationally, total compensation costs rose 3.0 percent during the last year, close to the 3.1-percent gain registered in June 2007. (See Technical Note for regional definitions.)

Chart A. Percent change in the ECI for private industry workers, total compensation versus wages and salaries, United States and regions, June 2007-June 2008



The Employment Cost Index (ECI), a component of the National Compensation Survey, measures quarterly changes in compensation costs, which include wages, salaries, and employer costs for employee benefits. In addition to regional estimates, ECI data for nine smaller geographical divisions are also available. Growth rates for total compensation costs ranged from 4.0 percent in the Mountain division to 2.2 percent in the New England division. (See table 1.) Increases in the ECI for wages and salaries (a component of the total index that excludes benefit costs) ranged from 4.2 percent in the Mountain and West North Central divisions to 2.5 percent in the East North Central division.

Chart B. Over-the-year percent change in the ECI for total compensation in the regions, private industry workers, 2003-2008



Among the regions, the South and West registered wage and salary advances of 3.3 percent for the year ended June 2008, followed by increases of 3.0 percent in both the Northeast and Midwest. (See chart C.) Compared to a year ago, annual wage and salary gains were little changed in the Midwest, Northeast, and West, but slowed in the South. Nationally, wages and salaries rose 3.1 percent during the last year, compared with the 3.3-percent gain registered in June 2007.

The ECI for total compensation in the West rose 3.3 percent in the year ended June 2008, higher than the 3.0-percent increase recorded in June 2007. The regional ECI for wages and salaries also rose 3.3 percent during the latest period, similar to the year-ago rate of 3.2 percent. (See tables 2 and 3.) Retail prices in the West, as measured by the Consumer Price Index for All Urban Consumers (CPI-U), increased 4.9 percent during the year ended June 2008.

Total compensation costs in the South rose 3.0 percent for the 12 months ended June 2008, lower than the 3.6-percent gain registered during the year ended June 2007. The Region's wage and salary costs also rose more slowly during the last 12 months, up 3.3 percent during the period compared to 3.9 percent a year ago. Retail prices in the South advanced 5.3 percent during the year ended June 2008.

From June 2007 to June 2008, total compensation costs in the Northeast rose 2.9 percent, compared to a 3.2-percent increase recorded in the previous year. Wages and salaries in the Northeast increased 3.0 percent for the year ended June 2008, close to the 3.2-percent gain

reported in June 2007. Retail prices in the Northeast rose 5.0 percent during the year ended June 2008.

In the Midwest, total compensation costs advanced 2.7 percent during the year ended June 2008, similar to the 2.5-percent increase registered during the previous 12-month period. The latest 3.0 percent advance in the Midwest ECI for wages and salaries was identical to the over-the-year increase posted last June. Retail prices in the Midwest increased 4.9 percent from June 2007 to June 2008.

For the United States as a whole, private industry compensation costs rose 3.0 percent for the year ended June 2008, close to the 3.1-percent over-the-year increase reported in June 2007. During the latest 12-month period, wages and salaries advanced 3.1 percent nationwide, slightly below the year-ago gain of 3.3 percent. (See chart D.) The national CPI-U rose 5.0 percent from June 2007 to June 2008.

Chart C. Over-the-year percent change in the ECI for wages and salaries in the regions, private industry workers, 2003-2008

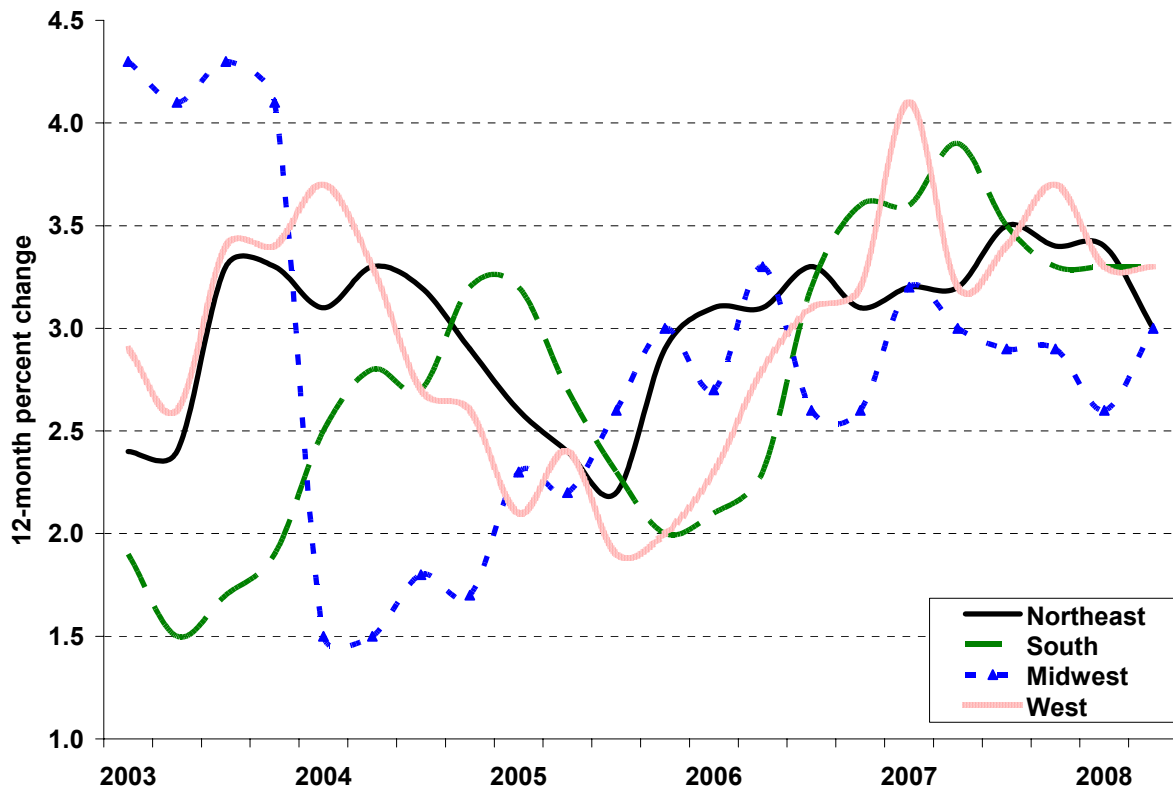
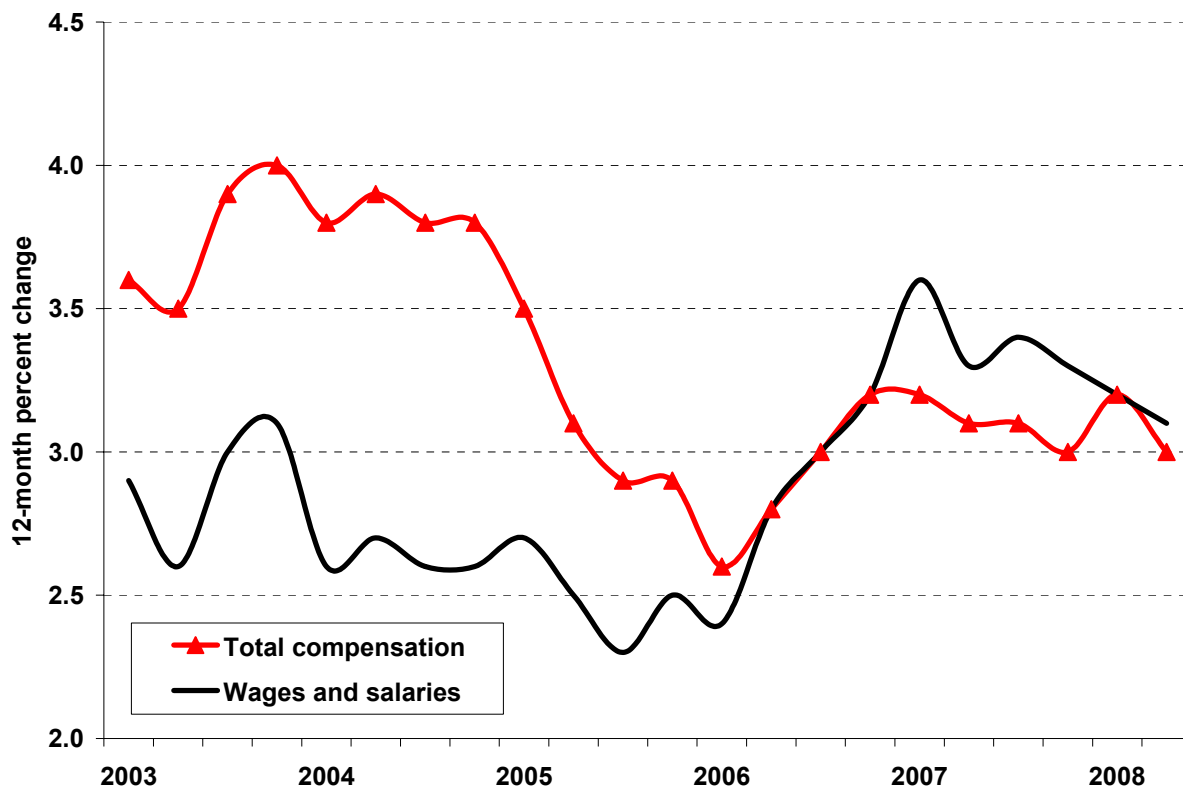


Chart D. Over-the-year percent change in the ECI for private industry workers, total compensation versus wages and salaries, United States, 2003-2008



Further information:

In addition to the geographical data, a comprehensive national report is available that provides data by industry, occupational group, union status, and all metropolitan and non-metropolitan areas combined. This report also presents data for both private and state and local government employees. The report on the Employment Cost Index and further technical information may be obtained from the U.S. Bureau of Labor Statistics, Western Information Office by calling (415) 625-2270. The release is available on the Bureau's Web site at www.bls.gov/ncs/ect/. Current and historical information from other Bureau programs may be accessed via our regional homepage at www.bls.gov/ro9/. The ECI for September 2008 is scheduled to be released Friday, October 31, 2008 at 8:30 a.m. (ET). Information from the Employment Cost Index program is available to sensory impaired individuals upon request. Voice phone: 202-691-5200, Federal Relay Services: 1-800-877-8339.

NOTE: Effective with the December 2008 release, series for metropolitan areas and nonmetropolitan areas will be discontinued.

Technical Note

The Employment Cost Index (ECI) is a measure of the change in the cost of labor, free from the influence of employment shifts among occupations and industries. The compensation series includes changes in wages and salaries and employer costs for employee 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, and nonproduction bonuses such as 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.

Beginning with the release of the March 2006 data, indexes were rebased to December 2005 = 100 from June 1989 = 100. The percentage changes shown in the historical tables were calculated from the rebased indexes. Thus, changes may differ from those originally published because of rounding. More information on rebasing is included in the article, "Changes affecting the Employment Cost Index" in the April 2006 issue of the *Monthly Labor Review*.

Seasonally adjusted data for 2002-2007 were revised with the March 2008 estimates to reflect updated seasonal factors. The new seasonal factors and historical listings containing revised seasonally adjusted indexes are available on the Web site www.bls.gov/ncs/ect/ectsfact.htm.

Regional and divisional definitions:

Northeast Region: Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont.

New England Division: Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont.

Middle Atlantic Division: New Jersey, New York, and Pennsylvania.

South Region: Alabama, Arkansas, Delaware, the District of Columbia, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, and West Virginia.

South Atlantic Division: Delaware, District of Columbia, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, and West Virginia.

East South Central Division: Alabama, Kentucky, Mississippi, and Tennessee.

West South Central Division: Arkansas, Louisiana, Oklahoma, and Texas.

Midwest: Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin.

East North Central Division: Indiana, Illinois, Michigan, Ohio, and Wisconsin.

West North Central Division: Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, and South Dakota.

West: Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming.

Mountain Division: Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, and Wyoming.

Pacific Division: Alaska, California, Hawaii, Oregon, and Washington.

Table 1. Employment Cost Index for total compensation and for wages and salaries, private industry workers, United States and geographical regions and divisions, 2007-2008, not seasonally adjusted

Area	Total compensation					Wages and salaries				
	Index (December 2005 = 100)			Percent change from		Index (December 2005 = 100)			Percent change from	
	June 2007	March 2008	June 2008	March 2008	June 2007	June 2007	March 2008	June 2008	March 2008	June 2007
United States	104.9	107.3	108.0	0.7	3.0	105.1	107.6	108.4	0.7	3.1
Northeast	105.1	107.4	108.1	0.7	2.9	105.0	107.5	108.2	0.7	3.0
New England	104.8	106.7	107.1	0.4	2.2	104.8	107.1	107.6	0.5	2.7
Middle Atlantic	105.3	107.8	108.6	0.7	3.1	105.1	107.6	108.4	0.7	3.1
South	105.3	107.8	108.5	0.6	3.0	105.6	108.1	109.1	0.9	3.3
South Atlantic	106.0	108.5	109.1	0.6	2.9	106.1	108.6	109.5	0.8	3.2
East South Central	103.8	106.5	107.2	0.7	3.3	104.5	107.2	107.9	0.7	3.3
West South Central	104.8	107.3	108.2	0.8	3.2	105.3	107.8	108.8	0.9	3.3
Midwest	104.2	106.0	107.0	0.9	2.7	104.4	106.3	107.5	1.1	3.0
East North Central	104.1	105.5	106.5	0.9	2.3	104.4	105.8	107.0	1.1	2.5
West North Central	104.3	107.3	108.4	1.0	3.9	104.5	107.9	108.9	0.9	4.2
West	104.9	107.8	108.4	0.6	3.3	105.4	108.3	108.9	0.6	3.3
Mountain	105.2	108.4	109.4	0.9	4.0	105.5	108.9	109.9	0.9	4.2
Pacific	104.8	107.6	108.1	0.5	3.1	105.3	108.1	108.6	0.5	3.1

Table 2. Employment Cost Index for total compensation¹, private industry workers, United States and geographical regions, 2003-2008, not seasonally adjusted

Period	Index (December 2005=100)					3-month percent change					12-month percent change				
	U.S.	Northeast	South	Midwest	West	U.S.	Northeast	South	Midwest	West	U.S.	Northeast	South	Midwest	West
2003															
Mar.	91.4	90.6	92.0	92.1	90.9	1.6	1.5	0.9	2.9	1.2	3.6	3.3	2.8	4.7	4.0
Jun.	92.3	91.4	92.7	92.8	92.0	1.0	0.9	0.8	0.8	1.2	3.5	3.2	2.4	4.6	4.0
Sep.	93.2	92.4	93.6	93.6	93.2	1.0	1.1	1.0	0.9	1.3	3.9	3.9	2.6	5.2	4.6
Dec.	93.6	92.9	93.9	94.0	93.8	0.4	0.5	0.3	0.4	0.6	4.0	4.0	3.0	5.0	4.5
2004															
Mar.	94.9	94.2	95.2	95.0	95.3	1.4	1.4	1.4	1.1	1.6	3.8	4.0	3.5	3.1	4.8
Jun.	95.9	95.5	96.2	95.9	96.2	1.1	1.4	1.1	0.9	0.9	3.9	4.5	3.8	3.3	4.6
Sep.	96.7	96.3	97.1	96.6	96.9	0.8	0.8	0.9	0.7	0.7	3.8	4.2	3.7	3.2	4.0
Dec.	97.2	96.6	97.7	96.9	97.4	0.5	0.3	0.6	0.3	0.5	3.8	4.0	4.0	3.1	3.8
2005															
Mar.	98.2	97.6	98.9	97.8	98.4	1.0	1.0	1.2	0.9	1.0	3.5	3.6	3.9	2.9	3.3
Jun.	98.9	98.5	99.3	98.4	99.3	0.7	0.9	0.4	0.6	0.9	3.1	3.1	3.2	2.6	3.2
Sep.	99.5	99.2	99.7	99.5	99.7	0.6	0.7	0.4	1.1	0.4	2.9	3.0	2.7	3.0	2.9
Dec.	100.0	100.0	100.0	100.0	100.0	0.5	0.8	0.3	0.5	0.3	2.9	3.5	2.4	3.2	2.7
2006															
Mar.	100.8	100.9	101.0	100.7	100.6	0.8	0.9	1.0	0.7	0.6	2.6	3.4	2.1	3.0	2.2
Jun.	101.7	101.8	101.6	101.7	101.8	0.9	0.9	0.6	1.0	1.2	2.8	3.4	2.3	3.4	2.5
Sep.	102.5	102.5	102.8	102.3	102.5	0.8	0.7	1.2	0.6	0.7	3.0	3.3	3.1	2.8	2.8
Dec.	103.2	103.3	103.5	102.8	103.0	0.7	0.8	0.7	0.5	0.5	3.2	3.3	3.5	2.8	3.0
2007															
Mar.	104.0	104.0	104.3	103.3	104.2	0.8	0.7	0.8	0.5	1.2	3.2	3.1	3.3	2.6	3.6
Jun.	104.9	105.1	105.3	104.2	104.9	0.9	1.1	1.0	0.9	0.7	3.1	3.2	3.6	2.5	3.0
Sep.	105.7	106.2	106.1	104.6	105.7	0.8	1.0	0.8	0.4	0.8	3.1	3.6	3.2	2.2	3.1
Dec.	106.3	106.8	106.7	105.3	106.5	0.6	0.6	0.6	0.7	0.8	3.0	3.4	3.1	2.4	3.4
2008															
Mar.	107.3	107.4	107.8	106.0	107.8	0.9	0.6	1.0	0.7	1.2	3.2	3.3	3.4	2.6	3.5
Jun.	108.0	108.1	108.5	107.0	108.4	0.7	0.7	0.6	0.9	0.6	3.0	2.9	3.0	2.7	3.3

¹ The index measures change in total compensation costs: wages, salaries, and employer costs for employee benefits.

Table 3. Employment Cost Index for wages and salaries only, private industry workers, United States and geographical regions, 2003-2008, not seasonally adjusted

Period	Index (December 2005=100)					3-month percent change					12-month percent change				
	U.S.	Northeast	South	Midwest	West	U.S.	Northeast	South	Midwest	West	U.S.	Northeast	South	Midwest	West
2003															
Mar.	93.3	92.4	93.5	94.2	93.0	1.2	1.0	0.3	2.7	0.6	2.9	2.4	1.9	4.3	2.9
Jun.	94.0	93.2	94.1	94.7	93.9	0.8	0.9	0.6	0.5	1.0	2.6	2.4	1.5	4.1	2.6
Sep.	94.8	94.1	94.9	95.2	95.1	0.9	1.0	0.9	0.5	1.3	3.0	3.3	1.7	4.3	3.4
Dec.	95.1	94.5	95.0	95.5	95.5	0.3	0.4	0.1	0.3	0.4	3.1	3.3	1.9	4.1	3.4
2004															
Mar.	95.7	95.3	95.8	95.6	96.4	0.6	0.8	0.8	0.1	0.9	2.6	3.1	2.5	1.5	3.7
Jun.	96.5	96.3	96.7	96.1	97.0	0.8	1.0	0.9	0.5	0.6	2.7	3.3	2.8	1.5	3.3
Sep.	97.3	97.1	97.5	96.9	97.7	0.8	0.8	0.8	0.8	0.7	2.6	3.2	2.7	1.8	2.7
Dec.	97.6	97.2	98.0	97.1	98.0	0.3	0.1	0.5	0.2	0.3	2.6	2.9	3.2	1.7	2.6
2005															
Mar.	98.3	97.8	98.9	97.8	98.4	0.7	0.6	0.9	0.7	0.4	2.7	2.6	3.2	2.3	2.1
Jun.	98.9	98.6	99.3	98.2	99.3	0.6	0.8	0.4	0.4	0.9	2.5	2.4	2.7	2.2	2.4
Sep.	99.5	99.2	99.7	99.4	99.6	0.6	0.6	0.4	1.2	0.3	2.3	2.2	2.3	2.6	1.9
Dec.	100.0	100.0	100.0	100.0	100.0	0.5	0.8	0.3	0.6	0.4	2.5	2.9	2.0	3.0	2.0
2006															
Mar.	100.7	100.8	101.0	100.4	100.7	0.7	0.8	1.0	0.4	0.7	2.4	3.1	2.1	2.7	2.3
Jun.	101.7	101.7	101.6	101.4	102.1	1.0	0.9	0.6	1.0	1.4	2.8	3.1	2.3	3.3	2.8
Sep.	102.5	102.5	102.9	102.0	102.7	0.8	0.8	1.3	0.6	0.6	3.0	3.3	3.2	2.6	3.1
Dec.	103.2	103.1	103.6	102.6	103.2	0.7	0.6	0.7	0.6	0.5	3.2	3.1	3.6	2.6	3.2
2007															
Mar.	104.3	104.0	104.6	103.6	104.8	1.1	0.9	1.0	1.0	1.6	3.6	3.2	3.6	3.2	4.1
Jun.	105.1	105.0	105.6	104.4	105.4	0.8	1.0	1.0	0.8	0.6	3.3	3.2	3.9	3.0	3.2
Sep.	106.0	106.1	106.5	105.0	106.2	0.9	1.0	0.9	0.6	0.8	3.4	3.5	3.5	2.9	3.4
Dec.	106.6	106.6	107.0	105.6	107.0	0.6	0.5	0.5	0.6	0.8	3.3	3.4	3.3	2.9	3.7
2008															
Mar.	107.6	107.5	108.1	106.3	108.3	0.9	0.8	1.0	0.7	1.2	3.2	3.4	3.3	2.6	3.3
Jun.	108.4	108.2	109.1	107.5	108.9	0.7	0.7	0.9	1.1	0.6	3.1	3.0	3.3	3.0	3.3