

News

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Department
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EMPLOYMENT COST INDEX—DECEMBER 2003

Total compensation costs for civilian workers rose 0.7 percent from September to December 2003, seasonally adjusted, moderating from the 1.0 percent gain from June to September, the Bureau of Labor Statistics of the U.S. Department of Labor reported today. Benefit costs increased 1.2 percent and continued to strongly outpace the gain in wages and salaries for civilian workers, 0.5 percent. 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 for nonfarm private and State and local government workers.

Although contributing only 30 percent of total compensation costs, about half of the increase in compensation costs was attributable to rises in benefit costs during the September to December 2003 period. Among State and local government workers, benefit costs accounted for 53 percent of compensation gains during the quarter, with health insurance and defined benefit retirement costs accounting for nearly three-quarters of the rise in State and local government benefit costs. Among private industry workers, the pattern of compensation gains was similar, with benefit costs attributing 51 percent of compensation gains during the September to December period. Health insurance and defined benefit retirement contributions accounted for approximately three-fifths of the gain in benefit costs.

Quarterly changes, seasonally adjusted

Compensation costs for both private sector and State and local government workers rose 0.7 percent from September to December. For State and local government workers, the increase in compensation costs was the same as in the prior quarter, while the gain for private sector workers had been 1.0 percent in September. December gains in private sector compensation costs were led by increases in retail trade and services, while private sector compensation gains were less in wholesale trade and in finance, insurance, and real estate. (See tables A and 1.)

Benefit costs advanced 1.2 percent for civilian workers (nonfarm private industry and State and local government) in the December 2003 quarter, following a gain of 1.5 percent in the September quarter. Private sector benefit costs rose 1.2 percent for the December quarter, following a 1.4 percent gain in the previous quarter. Benefit increases for State and local governments slowed to 1.1 percent in the December quarter, following a jump of 2.0 percent in September 2003.

Wages and salaries for civilian, private, and State and local workers all advanced 0.5 percent during the December quarter. This increase was lower than the 0.9 percent increase in private industry wages and salaries over the previous quarter. In contrast, in State and local government, this increase was higher compared with the modest 0.1 change during the prior quarter. Private sector wage gains were led by service-producing industries, especially retail trade and services. Increases in wages and salaries in the private sector were slowed by durable manufacturing and finance, insurance, and real estate industries.

Table A. 3-month percent changes in Employment Cost Index, seasonally adjusted

Compensation Component	Mar. 2002	June 2002	Sep. 2002	Dec. 2002	Mar. 2003	June 2003	Sep. 2003	Dec. 2003
Civilian workers								
Compensation costs	0.9	1.0	0.8	0.7	1.3	0.9	1.0	0.7
Wages and salaries	0.8	0.9	0.6	0.5	1.0	0.6	0.7	0.5
Benefit costs	1.0	1.3	1.2	1.3	2.2	1.4	1.5	1.2
Private industry								
Compensation costs	0.9	1.1	0.6	0.7	1.4	0.8	1.0	0.7
Wages and salaries	0.9	0.9	0.4	0.5	1.0	0.6	0.9	0.5
Benefit costs	1.1	1.3	1.1	1.2	2.4	1.3	1.4	1.2
State and local government								
Compensation costs	0.8	0.9	1.3	1.0	0.9	1.0	0.7	0.7
Wages and salaries	0.8	0.8	0.8	0.7	0.7	0.8	0.1	0.5
Benefit costs	1.0	1.1	2.2	1.7	1.5	1.3	2.0	1.1

Over-the-year changes, not seasonally adjusted

Annual compensation costs for civilian workers (not seasonally adjusted) increased 3.8 percent for the year ended December 2003, compared with a 3.4 percent over-the-year increase for December 2002. Compensation costs in private industry rose 4.0 percent in the year ended December 2003, higher than the more modest increase of 3.2 percent in December 2002. In contrast, compensation costs slowed to a 3.3 percent increase for State and local government for the year ended December 2003, compared with an over-the-year gain of 4.1 percent in December 2002. (See tables B, 2, and 3.)

The components of compensation continued to show significant differences. While increases in wages and salaries slowed, benefit costs rose sharply during the year ended December 2003. For private industry workers, wages and salaries rose 3.0 percent in the year ended December 2003, compared with a gain of 6.4 percent for benefits. Wages and salaries rose a modest 2.1 percent for State and local government workers, while benefits increased 6.1 percent for the year ended December 2003. (See tables B, 5, 6, and 8.)

Table B. 12-month percent changes in Employment Cost Index, not seasonally adjusted

Compensation Component	Dec. 1998	Dec. 1999	Dec. 2000	Dec. 2001	Dec. 2002	Dec. 2003
Civilian workers						
Compensation costs	3.4	3.4	4.1	4.1	3.4	3.8
Wages and salaries	3.7	3.5	3.8	3.7	2.9	2.9
Benefit costs	2.6	3.3	4.9	5.2	5.0	6.3
Private industry						
Compensation costs	3.5	3.4	4.4	4.2	3.2	4.0
Wages and salaries	3.9	3.5	3.9	3.8	2.7	3.0
Benefit costs	2.4	3.4	5.6	5.1	4.7	6.4
State and local government						
Compensation costs	3.0	3.4	3.0	4.2	4.1	3.3
Wages and salaries	3.1	3.6	3.3	3.6	3.2	2.1
Benefit costs	3.0	2.8	2.4	5.5	6.2	6.1

Nonfarm private industry

For the year ended December 2003, compensation costs in private industry increased 4.0 percent for goods-producing industries, compared with the 3.7 percent advance for the year ended December 2002. Compensation costs for manufacturing advanced 4.1 percent in December 2003, after increasing 3.8 percent in December 2002. Compensation costs for construction rose 3.4 percent in December 2003, compared with a 3.2 percent rise in December 2002. (See table 3.)

The over-the-year increase in compensation for service-producing industries was 4.0 percent, compared with the 3.1 percent gain for the year ended December 2002. Among service-producing industries, the 12-month increase for finance, insurance, and real estate was 7.4 percent for the year ended in December 2003, led by a large increase in banking, savings and loan, and other credit agencies. Compensation costs rose modestly in wholesale trade, increasing 3.2 percent in the year ended December 2003.

Over-the-year compensation cost increases were 4.1 percent for white-collar occupations, 4.0 percent for blue-collar occupations, and 3.2 percent for service occupations for the year ended December 2003. Among white-collar occupational groups, compensation changes ranged from 3.2 for sales workers to 5.2 percent for executive, administrative, and managerial employees. Among blue-collar workers, compensation cost increases ranged from 3.4 percent for transportation and material moving workers to 4.1 percent for the remaining three blue-collar occupational groups. (See table 3.)

Compensation costs for union workers advanced 4.6 percent over the year ended December 2003, compared with a 3.9 percent increase for nonunion workers. Compensation costs among blue-collar union workers rose 4.9 percent, higher than the gain of 3.5 percent for blue-collar nonunion workers. In goods-producing industries, a 5.1 percent increase for union workers was greater than the 3.7 percent advance for nonunion workers. (See tables C and 4.)

Wages and salaries for union workers rose a modest 2.4 percent for the 12 months ended in December 2003. This compares with an over-the-year increase of 3.1 percent for nonunion workers. In contrast, benefit costs for union workers rose sharply, 8.3 percent, greater than the increase of 6.0 percent for nonunion workers in December 2003. (See tables C, 7, and 8.)

Table C. 12-month percent changes in Employment Cost Index, not seasonally adjusted

Compensation Component	Dec. 1998	Dec. 1999	Dec. 2000	Dec. 2001	Dec. 2002	Dec. 2003
Union workers						
Compensation costs	3.0	2.7	4.0	4.2	4.2	4.6
Wages and salaries	3.3	2.6	3.4	4.4	3.5	2.4
Benefit costs	2.5	2.8	5.2	3.7	5.7	8.3
Nonunion workers						
Compensation costs	3.5	3.6	4.4	4.1	3.2	3.9
Wages and salaries	4.0	3.6	4.0	3.6	2.7	3.1
Benefit costs	2.4	3.5	5.7	5.4	4.5	6.0

Among the four geographic regions, increases in compensation costs ranged from 3.1 percent in the South to 4.8 percent in the Midwest. Compensation costs rose 4.1 percent in the Northeast and 4.4 percent in the West. (See table 4.)

State and local government

Employer costs for wages and salaries among State and local government workers rose 2.1 percent for the year ended December 2003. Wage and salary increases for State and local government workers for years ending from December 1982 through December 2002 ranged from 2.7 percent in December 1993 and December 1997 to 6.6 percent in December 1982. Benefit costs rose 6.1 percent for the year ended December 2003. Benefit increases from December 1992 through December 2002 ranged from 1.3 percent in December 1997 to 6.2 percent in December 2002.

For the year ended December 2003, compensation costs increased 2.9 percent for educational services, slowing from the 3.8 percent gain for the year ended December 2002. Compensation cost gains moderated for health services, rising 3.3 percent for the year ended December 2003 compared with a 4.4 percent rise for the year ended December 2002. Among occupational groups, compensation costs of service workers rose 4.0 percent for the year ended December 2003, compared with gains of 3.4 percent for blue-collar workers and 3.1 percent for white-collar workers. (See tables B, 5, and 8.)

NOTES:

The new seasonal factors for 2004, along with revised seasonally adjusted indexes for the past five years will be available Tuesday, April 27, 2004, on the Internet site <http://www.bls.gov/ncs/ect/home.htm>, by e-mail request ocltinfo@bls.gov, or by telephone (202) 691-6199. The ECI for March 2004 is scheduled to be released Thursday, April 29, 2004, at 8:30 a.m. (EDT).

Supplemental data from the ECI, providing 12-month percent changes in employer costs for health insurance in private industry from June 1982 to December 2003, will be available shortly after publication of this news release on the Internet site <http://www.bls.gov/ect/home.htm> or upon request.

The costs per hour worked of compensation components, based on data from the ECI, were published on November 25, 2003, in a news release titled "Employer Costs for Employee Compensation—September 2003."

ECI data are available on the Compensation Cost Trends page at <http://www.bls.gov/ncs/ect/home.htm>. To access data using Anonymous FTP, use the Internet address <ftp://ftp.bls.gov>.

For technical assistance in using the BLS Internet site, send e-mail to webmaster@bls.gov. For ECI data requests, send e-mail to ocltinfo@bls.gov.

The ECI news release is available through an e-mail subscription service. See the subscription link on <http://www.bls.gov/ncs/ect/home.htm> or <http://www.bls.gov/bls/newsrels.htm>.

News releases and other information are available from the BLS fax-on-demand service. To request a document fax, call (202) 691-6325. To request a catalog of available documents, select option 2 at the initial voice prompt. To request data found in this news release, enter the following codes:

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Employment Cost Index

Chart A. Changes in wages and salaries and in benefit costs, private industry, 1980-2003

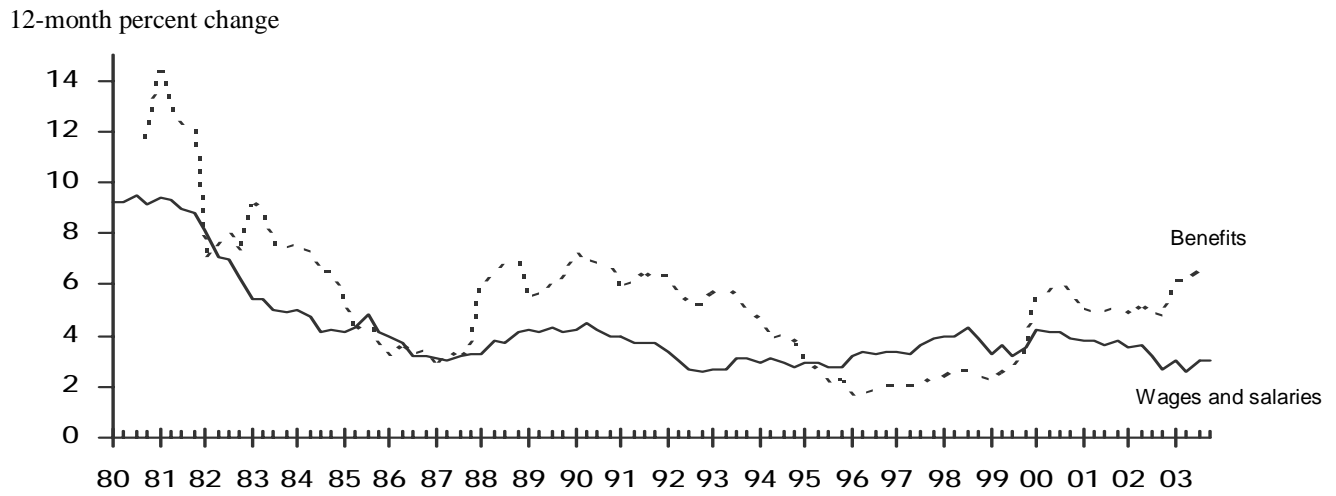


Chart B. Changes in wages and salaries, private industry and State and local government, 1980-2003

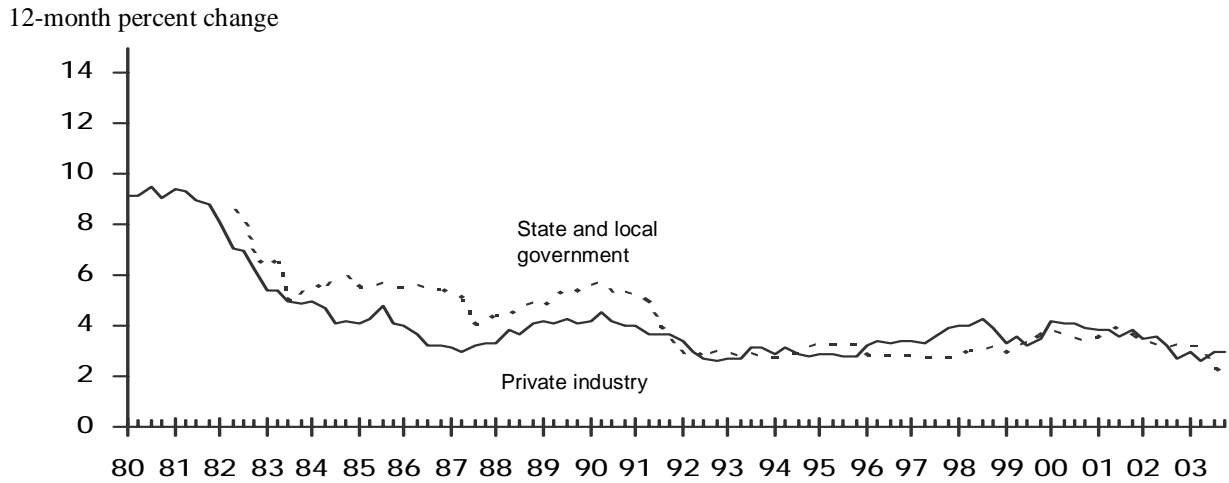


Chart C. Changes in benefits, private industry and State and local government, 1980-2003

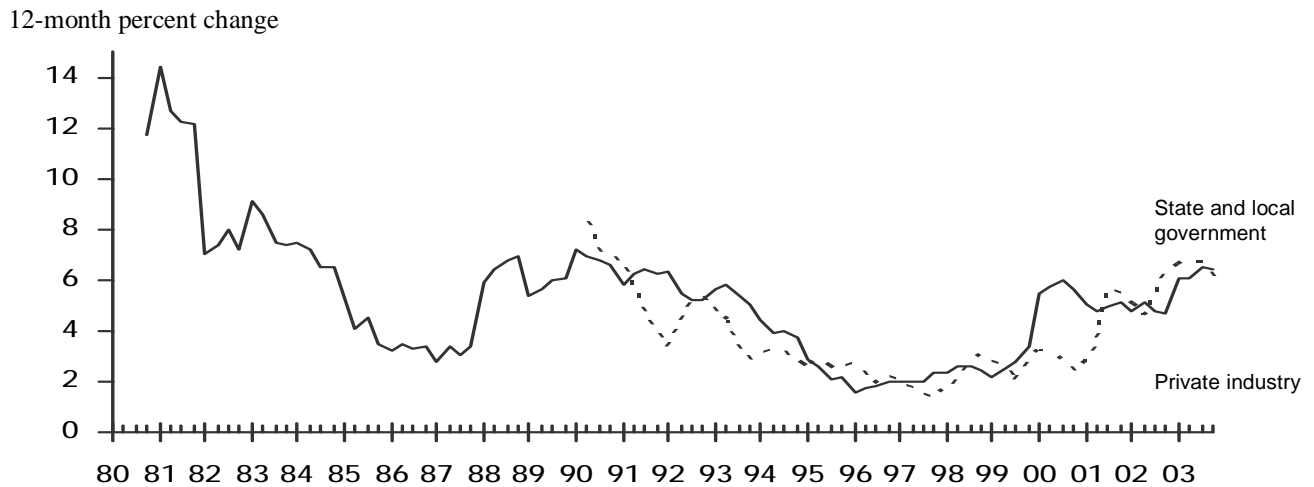


Table 1. Employment Cost Index for total compensation¹, wages and salaries, and benefit costs by industry and occupational group

(Seasonally adjusted data)

Industry and occupational group	Indexes (June 1989=100)		Percent changes for 3-months ended-							
	Sep. 2003	Dec. 2003	Mar. 2002	Jun. 2002	Sep. 2002	Dec. 2002	Mar. 2003	Jun. 2003	Sep. 2003	Dec. 2003
TOTAL COMPENSATION										
Civilian workers	167.5	168.7	0.9	1.0	0.8	0.7	1.3	0.9	1.0	0.7
State and local government	165.3	166.4	.8	.9	1.3	1.0	.9	1.0	.7	.7
Private industry	168.0	169.2	.9	1.1	.6	.7	1.4	.8	1.0	.7
Industry										
Goods producing ²	166.2	167.1	1.0	1.0	.8	1.0	1.6	1.0	.9	.5
Construction	162.3	163.3	.7	.6	.8	1.0	.8	1.1	.8	.6
Manufacturing	166.5	167.4	1.0	1.0	.8	1.1	1.8	.9	.8	.5
Durables	166.7	167.5	.8	.8	.6	1.1	2.2	.6	.8	.5
Nondurables	166.1	167.2	1.2	1.2	1.2	1.0	1.1	1.4	.8	.7
Service producing ³	168.8	170.2	.9	1.1	.6	.6	1.2	.8	1.1	.8
Transportation and public utilities	166.3	167.3	1.0	1.0	1.1	.9	.7	1.3	.6	.6
Wholesale trade	172.0	172.3	1.6	2.2	.1	.7	1.7	.5	.8	.2
Retail trade	159.8	161.7	-.3	1.3	.4	.4	-.1	.4	1.7	1.2
Finance, insurance, and real estate ⁴	180.2	180.9	2.4	1.3	.4	.3	4.9	.9	1.1	.4
Services	170.2	171.7	.9	.7	.6	.6	.8	.8	1.1	.9
Nonmanufacturing	168.0	169.4	.8	1.1	.6	.6	1.2	.8	1.1	.8
Occupational group										
White collar	171.1	172.5	.8	1.1	.6	.7	1.4	.7	1.2	.8
Blue collar	162.7	163.9	.9	.8	.8	.9	1.3	.9	.9	.7
Service	163.8	164.9	1.0	.7	1.0	.6	1.2	.7	.7	.7
WAGES AND SALARIES										
Civilian workers	161.5	162.3	.8	.9	.6	.5	1.0	.6	.7	.5
State and local government	160.7	161.5	.8	.8	.8	.7	.7	.8	.1	.5
Private industry	161.7	162.5	.9	.9	.4	.5	1.0	.6	.9	.5
Industry										
Goods producing ^{2,4}	158.3	158.7	.8	.9	.5	.7	.8	.7	.6	.3
Construction	153.6	154.1	.5	.6	.7	.9	.3	1.0	.9	.3
Manufacturing ⁴	159.7	160.1	.9	.9	.6	.7	1.0	.6	.4	.3
Durables ⁴	160.6	160.9	.9	.9	.5	.8	1.0	.6	.6	.2
Nondurables	158.3	159.1	.8	.9	.9	.8	.5	.8	.4	.5
Service producing ³	163.2	164.2	.9	.9	.5	.4	1.1	.6	1.1	.6
Transportation and public utilities ⁴	156.0	156.5	.9	1.1	.9	.5	.5	.5	.3	.3
Wholesale trade	165.0	165.6	1.7	1.7	.1	.4	1.6	-.1	.8	.4
Retail trade	156.2	157.1	-.4	1.1	.3	.3	-.3	.4	1.8	.6
Finance, insurance, and real estate ⁴	174.1	174.5	2.8	1.1	.2	.1	5.2	.8	1.0	.2
Services	165.7	166.9	.8	.6	.6	.4	.6	.8	1.0	.7
Nonmanufacturing	162.0	162.9	.8	.8	.5	.4	1.0	.6	1.1	.6

See footnotes at end of table.

Table 1. Employment Cost Index for total compensation¹, wages and salaries, and benefit costs by industry and occupational group — Continued

(Seasonally adjusted data)

Industry and occupational group	Indexes (June 1989=100)		Percent changes for 3-months ended—							
	Sep. 2003	Dec. 2003	Mar. 2002	Jun. 2002	Sep. 2002	Dec. 2002	Mar. 2003	Jun. 2003	Sep. 2003	Dec. 2003
WAGES AND SALARIES—Continued										
Occupational group										
White collar	165.2	166.2	0.8	0.9	0.5	0.5	1.2	0.6	1.0	0.6
Blue collar ⁴	155.6	156.1	.9	.9	.5	.5	.8	.7	.6	.3
Service ⁴	157.1	157.8	.9	.5	.7	.4	.6	.4	.6	.4
BENEFIT COSTS										
Civilian workers	182.3	184.5	1.0	1.3	1.2	1.3	2.2	1.4	1.5	1.2
State and local government	176.2	178.1	1.0	1.1	2.2	1.7	1.5	1.3	2.0	1.1
Private industry	183.8	186.0	1.1	1.3	1.1	1.2	2.4	1.3	1.4	1.2
Industry										
Goods producing ²	182.6	184.4	1.2	1.2	1.2	1.5	3.4	1.4	1.5	1.0
Manufacturing	181.5	182.9	1.4	1.2	1.3	1.4	4.0	1.3	1.6	.8
Service producing ³	184.5	186.9	.9	1.5	1.0	1.0	1.8	1.3	1.4	1.3
Nonmanufacturing	184.9	187.3	1.0	1.3	1.0	1.1	1.9	1.3	1.3	1.3
Occupational group										
White collar	187.7	189.9	.8	1.4	.9	1.1	2.3	1.0	1.4	1.2
Blue collar	178.3	180.4	1.4	1.2	1.3	1.3	2.5	2.1	1.3	1.2
Service	184.1	186.6	1.4	1.1	1.7	1.0	2.7	1.3	1.0	1.4

¹ Includes wages, salaries, and employer costs for employee benefits.² Includes mining, construction, and manufacturing.³ Includes transportation, communication, and public utilities; wholesale and

retail trade; finance, insurance, and real estate; and service industries.

⁴ No identifiable seasonality was found for this series.

Table 2. Employment Cost Index for total compensation¹ for civilian and State and local government workers by industry and occupational group

(Not seasonally adjusted data)

Industry and occupational group	Indexes (June 1989=100)			Percent changes for—					
	Dec. 2002	Sep. 2003	Dec. 2003	3 months ended—			12 months ended—		
				Dec. 2002	Sep. 2003	Dec. 2003	Dec. 2002	Sep. 2003	Dec. 2003
Civilian workers	162.2	167.6	168.4	0.6	1.1	0.5	3.4	3.9	3.8
Excluding sales occupations	162.2	167.7	168.6	.6	1.1	.5	3.4	4.0	3.9
Industry									
Goods producing ²	160.2	165.8	166.6	.9	.7	.5	3.8	4.5	4.0
Manufacturing	160.5	166.5	167.1	.9	.7	.4	3.8	4.7	4.1
Service producing ³	162.8	168.2	169.1	.4	1.2	.5	3.3	3.7	3.9
Services	163.9	168.5	169.5	.4	1.3	.6	3.1	3.2	3.4
Health services	164.5	169.3	170.7	.9	1.0	.8	3.9	3.8	3.8
Hospitals	167.6	173.1	174.8	1.1	1.3	1.0	4.8	4.5	4.3
Educational services	162.8	166.9	167.6	.7	1.6	.4	4.0	3.3	2.9
Public administration ⁴	161.7	167.3	168.1	.9	1.8	.5	4.2	4.4	4.0
Nonmanufacturing	162.4	167.8	168.6	.4	1.2	.5	3.3	3.8	3.8
Occupational group									
White collar	164.3	169.9	170.7	.5	1.2	.5	3.4	3.9	3.9
Excluding sales	164.6	170.3	171.1	.5	1.2	.5	3.4	4.0	3.9
Professional specialty and technical	162.4	167.0	168.0	.6	1.2	.6	3.1	3.5	3.4
Executive, administrative, and managerial	166.7	174.0	174.9	.2	1.2	.5	3.4	4.6	4.9
Administrative support, including clerical	166.1	171.7	172.5	.7	1.0	.5	3.8	4.1	3.9
Blue collar	157.5	162.9	163.7	.7	.9	.5	3.6	4.2	3.9
Service	162.2	166.8	167.9	.6	1.1	.7	3.4	3.4	3.5
State and local government	161.5	165.9	166.8	.9	1.7	.5	4.1	3.6	3.3
Industry									
Services	160.9	164.9	165.7	.8	1.6	.5	3.9	3.3	3.0
Excluding schools	162.8	166.8	168.2	1.1	1.6	.8	4.3	3.6	3.3
Health services	165.5	169.5	171.0	1.2	1.7	.9	4.4	3.7	3.3
Hospitals	166.2	170.3	171.4	1.3	1.8	.6	4.5	3.8	3.1
Educational services	160.3	164.3	165.0	.7	1.6	.4	3.8	3.2	2.9
Schools	160.7	164.7	165.3	.7	1.7	.4	3.8	3.2	2.9
Elementary and secondary	158.8	163.0	163.7	.7	1.9	.4	3.7	3.4	3.1
Colleges and universities	165.8	169.2	170.0	.7	1.0	.5	3.9	2.7	2.5
Public administration ⁴	161.7	167.3	168.1	.9	1.8	.5	4.2	4.4	4.0
Occupational group									
White collar	160.7	164.9	165.7	.9	1.7	.5	4.1	3.5	3.1
Professional specialty and technical	159.4	163.4	164.1	.8	1.6	.4	4.0	3.4	2.9
Executive, administrative, and managerial	163.8	168.0	169.1	.9	1.4	.7	3.9	3.5	3.2
Administrative support, including clerical	162.4	167.9	168.5	.9	2.1	.4	4.4	4.3	3.8
Blue collar	159.8	163.6	165.2	.9	1.2	1.0	4.3	3.3	3.4
Service	166.3	172.0	173.0	.7	1.8	.6	3.6	4.1	4.0

¹ Includes wages, salaries, and employer costs for employee benefits.² Includes mining, construction, and manufacturing.³ Includes transportation, communication, and public utilities; wholesale and retail trade; finance, insurance, and real estate; service

industries; and public administration.

⁴ Includes executive, legislative, judicial, administrative, and regulatory activities of State and local governments, SICs 91 through 96.

Table 3. Employment Cost Index for total compensation¹ for private industry workers, by industry and occupational group

(Not seasonally adjusted data)

Industry and occupational group	Indexes (June 1989=100)			Percent changes for—					
	Dec. 2002	Sep. 2003	Dec. 2003	3 months ended—			12 months ended—		
				Dec. 2002	Sep. 2003	Dec. 2003	Dec. 2002	Sep. 2003	Dec. 2003
Private industry workers	162.3	168.1	168.8	0.4	1.0	0.4	3.2	4.0	4.0
Excluding sales occupations	162.4	168.1	169.0	.5	.9	.5	3.3	4.0	4.1
Industry									
Goods producing ²	160.1	165.7	166.5	.9	.7	.5	3.7	4.5	4.0
Excluding sales	159.2	165.0	165.9	.8	.7	.5	3.6	4.5	4.2
White collar	164.3	170.1	170.5	.9	.5	.2	3.9	4.4	3.8
Excluding sales	162.3	168.5	169.2	.7	.6	.4	3.7	4.6	4.3
Blue collar	157.3	162.9	163.9	.9	.9	.6	3.6	4.5	4.2
Construction	157.9	162.3	163.3	1.0	.7	.6	3.2	3.8	3.4
Manufacturing	160.5	166.5	167.1	.9	.7	.4	3.8	4.7	4.1
White collar	163.3	169.5	169.6	.7	.5	.1	4.1	4.5	3.9
Excluding sales	160.7	167.4	167.8	.7	.6	.2	3.9	4.9	4.4
Blue collar	158.3	164.1	165.1	1.0	.8	.6	3.7	4.7	4.3
Durables	160.6	166.6	167.3	1.1	.7	.4	3.4	4.8	4.2
Aircraft manufacturing (SIC 3721) ..	172.3	184.4	182.1	2.1	.4	-1.2	5.4	9.2	5.7
White collar	165.3	177.5	177.0	1.0	.1	-3	4.0	8.4	7.1
Blue collar	182.3	193.9	188.4	3.9	.8	-2.8	7.8	10.5	3.3
Nondurables	160.3	166.0	166.6	.7	.7	.4	4.6	4.3	3.9
Service producing ³	163.1	168.8	169.7	.2	1.1	.5	3.1	3.7	4.0
Excluding sales	164.0	169.7	170.6	.3	1.0	.5	3.1	3.8	4.0
White collar	165.1	171.2	172.0	.2	1.2	.5	3.0	3.9	4.2
Excluding sales	167.0	173.1	174.2	.3	1.1	.6	3.0	4.0	4.3
Blue collar	156.9	162.2	162.6	.2	.9	.2	3.6	3.6	3.6
Service	159.3	163.2	164.3	.5	.7	.7	3.3	3.0	3.1
Transportation and public utilities	161.7	166.5	167.0	.6	.7	.3	4.0	3.5	3.3
Transportation	156.1	159.4	159.6	.5	.3	.1	3.3	2.6	2.2
Public utilities	169.2	176.4	177.0	.6	1.3	.3	4.8	4.9	4.6
Communications	170.1	178.4	179.0	.7	1.7	.3	4.1	5.6	5.2
Electric, gas, and sanitary services	168.1	173.8	174.6	.5	.7	.5	5.7	3.9	3.9
Wholesale and retail trade	159.7	164.3	165.0	.1	1.1	.4	2.7	2.9	3.3
Excluding sales	160.4	165.0	165.9	.1	1.4	.5	2.1	2.9	3.4
Wholesale trade	166.7	172.0	172.0	.5	.4	.0	4.5	3.7	3.2
Excluding sales	167.2	171.2	171.3	.7	.8	.1	4.1	3.1	2.5
Retail trade	155.8	159.9	161.0	-.1	1.6	.7	1.7	2.5	3.3
General merchandise stores	155.1	161.2	165.6	-.6	1.3	2.7	2.8	3.3	6.8
Food stores	156.3	159.3	160.3	.0	.4	.6	3.0	1.9	2.6
Finance, insurance, and real estate	168.5	180.2	180.9	.3	1.1	.4	4.5	7.3	7.4
Excluding sales	173.1	185.3	186.1	.6	.7	.4	4.9	7.7	7.5
Banking, savings and loan, and other credit agencies	185.3	207.6	209.0	.4	.6	.7	6.3	12.5	12.8
Insurance	167.9	175.1	176.2	.5	.7	.6	4.1	4.8	4.9
Excluding sales	165.7	172.8	173.7	.4	.6	.5	4.0	4.7	4.8
Services	165.4	170.4	171.4	.3	1.2	.6	2.7	3.3	3.6
Business services	167.5	171.9	172.6	.2	1.6	.4	.8	2.8	3.0
Health services	164.4	169.4	170.8	.7	.9	.8	3.8	3.8	3.9
Hospitals	168.1	173.9	175.9	1.1	1.2	1.2	4.9	4.6	4.6
Nursing homes	—	—	—	.8	.8	.6	4.0	3.6	3.4
Educational services	175.2	180.2	181.3	1.0	1.8	.6	4.5	3.9	3.5
Colleges and universities	173.7	178.4	179.4	1.0	1.7	.6	3.7	3.7	3.3

See footnotes at end of table.

Table 3. Employment Cost Index for total compensation¹ for private industry workers, by industry and occupational group — Continued

(Not seasonally adjusted data)

Industry and occupational group	Indexes (June 1989=100)			Percent changes for—					
	Dec. 2002	Sep. 2003	Dec. 2003	3 months ended—			12 months ended—		
				Dec. 2002	Sep. 2003	Dec. 2003	Dec. 2002	Sep. 2003	Dec. 2003
Industry—Continued									
Nonmanufacturing industries	162.5	168.1	169.0	0.3	1.0	0.5	3.1	3.8	4.0
White collar	165.3	171.2	172.1	.3	1.1	.5	3.0	3.9	4.1
Excluding sales	167.1	173.2	174.2	.3	1.1	.6	3.0	4.0	4.2
Blue collar	155.9	161.1	161.7	.3	.9	.4	3.5	3.7	3.7
Service	159.2	163.2	164.2	.5	.7	.6	3.3	3.0	3.1
Occupational group									
White collar	165.2	171.2	172.0	.4	1.1	.5	3.2	4.0	4.1
Excluding sales	165.9	172.1	173.0	.4	1.0	.5	3.1	4.1	4.3
Professional specialty and technical	164.4	169.4	170.5	.5	1.0	.6	2.6	3.5	3.7
Executive, administrative, and managerial	167.2	175.0	175.9	.1	1.1	.5	3.3	4.8	5.2
Sales	161.9	167.2	167.1	.2	1.3	-.1	3.3	3.5	3.2
Administrative support, including clerical	166.7	172.3	173.1	.7	.8	.5	3.7	4.0	3.8
Blue collar	157.3	162.8	163.6	.6	.9	.5	3.6	4.2	4.0
Precision production, craft, and repair	157.8	163.1	164.2	.6	.7	.7	3.5	4.0	4.1
Machine operators, assemblers, and inspectors	156.7	162.6	163.2	.8	.9	.4	3.4	4.6	4.1
Transportation and material moving	151.8	156.7	156.9	.5	1.0	.1	3.8	3.8	3.4
Handlers, equipment cleaners, helpers, and laborers	162.9	168.6	169.5	.9	1.1	.5	4.1	4.5	4.1
Service	159.8	163.8	164.9	.5	.7	.7	3.2	3.0	3.2
Production and nonsupervisory occupations⁴	160.5	165.7	166.6	.5	1.0	.5	3.2	3.8	3.8

¹ Includes wages, salaries, and employer costs for employee benefits.² Includes mining, construction, and manufacturing.³ Includes transportation, communication, and public utilities; wholesale and retail trade; finance, insurance, and real estate; and service industries.⁴ This series has the same industry and occupational coverage as the Hourly Earnings Index, which was discontinued in January 1989.

NOTE: Dashes indicate data not available.

Table 4. Employment Cost Index for total compensation¹ for private industry workers, by bargaining status, region, and area

(Not seasonally adjusted data)

Bargaining status, region, and area	Indexes (June 1989=100)			Percent changes for—					
	Dec. 2002	Sep. 2003	Dec. 2003	3 months ended—			12 months ended—		
				Dec. 2002	Sep. 2003	Dec. 2003	Dec. 2002	Sep. 2003	Dec. 2003
Bargaining status									
Union	159.5	165.7	166.8	0.9	1.0	0.7	4.2	4.8	4.6
Blue-collar occupations	156.6	163.1	164.2	.9	1.1	.7	4.4	5.1	4.9
Goods-producing industries ²	157.8	164.7	165.9	1.0	.8	.7	4.0	5.4	5.1
Service-producing industries ³	161.1	166.5	167.5	.8	1.2	.6	4.5	4.1	4.0
Manufacturing	157.9	165.0	166.3	1.3	.7	.8	4.3	5.8	5.3
Blue-collar occupations	157.0	163.7	165.1	1.3	.7	.9	4.0	5.6	5.2
Nonmanufacturing	159.9	165.5	166.5	.7	1.1	.6	4.2	4.2	4.1
Nonunion	162.8	168.4	169.1	.4	1.0	.4	3.2	3.8	3.9
Blue-collar occupations	157.7	162.6	163.2	.5	.8	.4	3.1	3.6	3.5
Goods-producing industries ²	160.8	166.1	166.7	.8	.7	.4	3.5	4.1	3.7
Service-producing industries ³	163.3	169.0	169.8	.2	1.1	.5	3.0	3.7	4.0
Manufacturing	161.3	166.9	167.3	.7	.7	.2	3.7	4.2	3.7
Blue-collar occupations	158.8	164.1	164.8	.8	.9	.4	3.5	4.2	3.8
Nonmanufacturing	162.9	168.5	169.3	.3	1.1	.5	3.0	3.8	3.9
Region⁴									
Northeast	161.3	166.9	167.9	.5	1.0	.6	3.2	4.0	4.1
South	159.0	163.2	163.9	.1	1.0	.4	2.8	2.7	3.1
Midwest	164.6	171.7	172.5	.7	.8	.5	3.8	5.0	4.8
West	165.0	171.4	172.2	.7	1.1	.5	3.5	4.6	4.4
Area									
Metropolitan	162.5	168.3	169.1	.4	1.0	.5	3.2	4.0	4.1
Other	160.8	166.1	166.9	.5	.7	.5	3.3	3.8	3.8

¹ Includes wages, salaries, and employer costs for employee benefits.² Includes mining, construction, and manufacturing.³ Includes transportation, communication, and public utilities; wholesale and retail trade; finance, insurance, and real estate; and service industries.⁴ The regional coverage is as follows: Northeast: Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont; South: Alabama, Arkansas, Delaware, District of Columbia, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi,

North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, and West Virginia; Midwest: Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin; and West: Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming.

NOTE: The indexes for these series are not strictly comparable to those for the aggregate, occupation, and industry series.

Table 5. Employment Cost Index for wages and salaries for civilian and State and local government workers, by industry and occupational group

(Not seasonally adjusted data)

Industry and occupational group	Indexes (June 1989=100)			Percent changes for—					
	Dec. 2002	Sep. 2003	Dec. 2003	3 months ended—			12 months ended—		
				Dec. 2002	Sep. 2003	Dec. 2003	Dec. 2002	Sep. 2003	Dec. 2003
Civilian workers	157.8	161.8	162.3	0.4	0.9	0.3	2.9	2.9	2.9
Excluding sales occupations	157.8	161.7	162.3	.4	.9	.4	2.9	2.9	2.9
Industry									
Goods producing ¹	155.1	158.3	158.7	.8	.5	.3	3.1	2.9	2.3
Manufacturing	156.5	159.7	160.1	.7	.4	.3	3.2	2.8	2.3
Service producing ²	158.8	163.0	163.6	.3	1.0	.4	2.8	2.9	3.0
Services	161.1	164.7	165.4	.2	1.2	.4	2.5	2.5	2.7
Health services	160.9	164.7	165.9	.8	.9	.7	3.5	3.2	3.1
Hospitals	162.2	166.3	167.7	1.2	1.2	.8	4.3	3.7	3.4
Educational services	160.1	162.7	163.2	.5	1.2	.3	3.2	2.1	1.9
Public administration ³	155.8	159.4	160.0	.6	.9	.4	2.8	3.0	2.7
Nonmanufacturing	158.0	162.1	162.7	.3	1.0	.4	2.7	2.9	3.0
Occupational group									
White collar	160.1	164.5	165.1	.3	1.0	.4	2.9	3.1	3.1
Excluding sales	160.7	165.0	165.7	.4	.9	.4	2.9	3.1	3.1
Professional specialty and technical	158.6	161.8	162.5	.4	1.1	.4	2.3	2.4	2.5
Executive, administrative, and managerial	163.8	170.5	171.2	.2	.9	.4	3.6	4.3	4.5
Administrative support, including clerical	160.6	164.3	164.9	.6	.7	.4	3.1	2.9	2.7
Blue collar	152.6	155.8	156.3	.5	.6	.3	2.8	2.6	2.4
Service	156.9	159.8	160.6	.4	.7	.5	2.5	2.3	2.4
State and local government	158.6	161.3	161.9	.6	1.0	.4	3.2	2.3	2.1
Industry									
Services	159.2	161.6	162.1	.5	1.1	.3	3.2	2.0	1.8
Excluding schools	160.3	163.2	164.5	.8	.9	.8	3.5	2.6	2.6
Health services	162.2	165.1	166.7	1.1	1.0	1.0	4.1	2.9	2.8
Hospitals	162.5	165.5	166.7	1.2	1.0	.7	4.4	3.1	2.6
Educational services	158.9	161.2	161.6	.5	1.2	.2	3.2	2.0	1.7
Schools	159.0	161.4	161.8	.4	1.2	.2	3.2	2.0	1.8
Elementary and secondary	158.1	160.6	160.9	.4	1.3	.2	3.3	2.0	1.8
Colleges and universities	161.6	163.5	164.0	.6	.9	.3	3.1	1.7	1.5
Public administration ³	155.8	159.4	160.0	.6	.9	.4	2.8	3.0	2.7
Occupational group									
White collar	158.4	161.0	161.5	.6	1.1	.3	3.3	2.3	2.0
Professional specialty and technical	158.4	161.0	161.4	.6	1.2	.2	3.3	2.2	1.9
Executive, administrative, and managerial	160.1	162.5	163.3	.7	.9	.5	3.2	2.2	2.0
Administrative support, including clerical	156.0	159.1	159.5	.6	1.2	.3	3.4	2.6	2.2
Blue collar	155.1	157.6	158.3	.4	.7	.4	2.9	2.0	2.1
Service	161.2	164.9	165.8	.4	.7	.5	2.4	2.7	2.9

¹ Includes mining, construction, and manufacturing.² Includes transportation, communication, and public utilities; wholesale and retail trade; finance, insurance, and real estate; service

industries; and public administration.

³ Includes executive, legislative, judicial, administrative, and regulatory activities of State and local governments, SICs 91 through 96.

Table 6. Employment Cost Index for wages and salaries for private industry workers by industry and occupational group

(Not seasonally adjusted data)

Industry and occupational group	Indexes (June 1989=100)			Percent changes for—					
	Dec. 2002	Sep. 2003	Dec. 2003	3 months ended—			12 months ended—		
				Dec. 2002	Sep. 2003	Dec. 2003	Dec. 2002	Sep. 2003	Dec. 2003
Private industry workers	157.5	161.7	162.3	0.3	0.8	0.4	2.7	3.0	3.0
Excluding sales occupations	157.5	161.7	162.4	.3	.7	.4	2.7	3.0	3.1
Industry									
Goods producing ¹	155.0	158.3	158.7	.7	.6	.3	3.0	2.9	2.4
Excluding sales	154.0	157.4	158.0	.7	.6	.4	2.9	2.9	2.6
White collar	158.6	161.9	162.1	.7	.3	.1	3.3	2.8	2.2
Excluding sales	156.3	159.9	160.4	.6	.4	.3	3.0	2.9	2.6
Blue collar	152.6	155.9	156.4	.7	.7	.3	2.8	2.9	2.5
Construction	150.2	153.6	154.0	.8	.8	.3	2.7	3.1	2.5
Manufacturing	156.5	159.7	160.1	.7	.4	.3	3.2	2.8	2.3
White collar	158.6	162.0	162.1	.6	.2	.1	3.5	2.7	2.2
Excluding sales	155.9	159.5	160.0	.6	.4	.3	3.2	2.9	2.6
Blue collar	154.7	157.9	158.5	.8	.6	.4	2.9	2.9	2.5
Durables	157.3	160.6	160.9	.8	.6	.2	3.1	2.9	2.3
Aircraft manufacturing (SIC 3721) ..	163.1	167.4	167.7	.4	.3	.2	3.0	3.0	2.8
White collar	156.2	160.3	160.6	.2	.1	.2	2.6	2.8	2.8
Blue collar	173.2	177.8	178.2	.6	.7	.2	3.5	3.3	2.9
Nondurables	155.2	158.3	158.7	.5	.3	.3	3.3	2.5	2.3
Service producing ²	158.6	163.3	163.9	.1	1.0	.4	2.7	3.1	3.3
Excluding sales	159.6	164.2	165.0	.2	.9	.5	2.6	3.1	3.4
White collar	160.7	166.0	166.6	.1	1.2	.4	2.7	3.4	3.7
Excluding sales	162.8	168.2	169.0	.2	1.0	.5	2.6	3.5	3.8
Blue collar	152.0	155.1	155.4	.1	.5	.2	2.6	2.2	2.2
Service	154.1	156.6	157.4	.4	.6	.5	2.6	2.0	2.1
Transportation and public utilities	154.1	156.0	156.5	.5	.3	.3	3.3	1.7	1.6
Transportation	150.1	150.4	150.8	.3	-.1	.3	3.0	.5	.5
Public utilities	159.3	163.4	164.1	.7	.8	.4	3.7	3.3	3.0
Communications	160.7	165.4	165.9	.7	1.2	.3	3.5	3.6	3.2
Electric, gas, and sanitary services	157.4	161.0	161.8	.6	.4	.5	3.8	2.9	2.8
Wholesale and retail trade	155.5	159.2	159.5	.0	1.1	.2	2.2	2.4	2.6
Excluding sales	157.0	160.7	161.3	-.1	1.3	.4	1.6	2.3	2.7
Wholesale trade	161.0	164.8	165.3	.4	.1	.3	4.0	2.7	2.7
Excluding sales	163.7	165.7	166.3	.7	.3	.4	3.7	1.9	1.6
Retail trade	152.7	156.3	156.5	-.1	1.6	.1	1.3	2.2	2.5
General merchandise stores	149.2	153.1	153.6	-.6	.7	.3	1.8	2.0	2.9
Food stores	150.3	152.2	152.8	.1	.4	.4	2.5	1.4	1.7
Finance, insurance, and real estate	162.6	174.1	174.5	.1	1.0	.2	4.2	7.2	7.3
Excluding sales	167.3	179.2	179.8	.7	.4	.3	5.2	7.9	7.5
Banking, savings and loan, and other credit agencies	183.9	209.1	210.2	.7	.2	.5	7.1	14.4	14.3
Insurance	159.1	163.9	164.5	-.3	.6	.4	2.6	2.7	3.4
Excluding sales	155.9	160.4	160.7	.0	.5	.2	3.1	2.9	3.1
Services	161.7	165.9	166.7	.1	1.2	.5	2.2	2.7	3.1
Business services	164.8	169.1	169.8	.1	1.6	.4	.7	2.7	3.0
Health services	160.7	164.6	165.8	.8	.9	.7	3.4	3.2	3.2
Hospitals	162.1	166.5	167.9	1.2	1.2	.8	4.3	3.9	3.6
Nursing homes	—	—	—	.9	.7	.6	4.1	3.1	2.8
Educational services	166.5	170.3	171.0	.8	1.6	.4	3.7	3.1	2.7
Colleges and universities	164.3	167.6	168.4	.7	1.5	.5	2.9	2.8	2.5

See footnotes at end of table.

Table 6. Employment Cost Index for wages and salaries for private industry workers by industry and occupational group — Continued

(Not seasonally adjusted data)

Industry and occupational group	Indexes (June 1989=100)			Percent changes for—					
	Dec. 2002	Sep. 2003	Dec. 2003	3 months ended—			12 months ended—		
				Dec. 2002	Sep. 2003	Dec. 2003	Dec. 2002	Sep. 2003	Dec. 2003
Industry—Continued									
Nonmanufacturing industries	157.5	162.1	162.6	0.2	1.0	0.3	2.6	3.1	3.2
White collar	160.5	165.7	166.3	.2	1.1	.4	2.6	3.4	3.6
Excluding sales	162.5	167.7	168.5	.2	1.0	.5	2.7	3.5	3.7
Blue collar	150.2	153.4	153.8	.3	.7	.3	2.6	2.4	2.4
Service	154.0	156.5	157.3	.4	.6	.5	2.6	2.0	2.1
Occupational group									
White collar	160.4	165.3	165.9	.3	.9	.4	2.8	3.3	3.4
Excluding sales	161.3	166.2	167.0	.3	.8	.5	2.8	3.4	3.5
Professional specialty and technical	158.5	162.1	163.0	.2	1.0	.6	1.7	2.5	2.8
Executive, administrative, and managerial	164.5	171.8	172.5	.1	.9	.4	3.7	4.6	4.9
Sales	156.8	161.6	161.1	-.1	1.4	-.3	2.8	3.0	2.7
Administrative support, including clerical	161.3	165.1	165.7	.6	.7	.4	3.1	3.0	2.7
Blue collar	152.4	155.6	156.1	.5	.6	.3	2.8	2.6	2.4
Precision production, craft, and repair	152.3	155.5	156.2	.3	.5	.5	2.6	2.4	2.6
Machine operators, assemblers, and inspectors	153.2	156.8	156.9	.8	1.0	.1	2.8	3.2	2.4
Transportation and material moving	146.9	149.8	149.8	.4	.5	.0	2.9	2.4	2.0
Handlers, equipment cleaners, helpers, and laborers	157.2	159.9	160.6	.8	.6	.4	3.1	2.5	2.2
Service	154.5	157.1	157.8	.4	.6	.4	2.6	2.1	2.1
Production and nonsupervisory occupations³	155.2	158.8	159.4	.3	.9	.4	2.4	2.7	2.7

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 This series has the same industry and occupational coverage as the

Hourly Earnings Index, which was discontinued in January 1989.

NOTE: Dashes indicate data not available.

Table 7. Employment Cost Index for wages and salaries for private industry workers by bargaining status, region, and area

(Not seasonally adjusted data)

Bargaining status, region, and area	Indexes (June 1989=100)			Percent changes for—					
	Dec. 2002	Sep. 2003	Dec. 2003	3 months ended—			12 months ended—		
				Dec. 2002	Sep. 2003	Dec. 2003	Dec. 2002	Sep. 2003	Dec. 2003
Bargaining status									
Union	152.5	155.3	156.2	0.8	0.6	0.6	3.5	2.6	2.4
Blue-collar occupations	149.6	152.8	153.5	.8	.8	.5	3.4	3.0	2.6
Goods-producing industries ¹	151.2	154.8	155.4	.8	.6	.4	3.3	3.2	2.8
Service-producing industries ²	154.1	156.3	157.3	.8	.8	.6	3.5	2.2	2.1
Manufacturing	153.1	156.7	157.1	1.0	.5	.3	3.4	3.4	2.6
Blue-collar occupations	151.8	155.2	155.8	1.0	.5	.4	3.3	3.3	2.6
Nonmanufacturing	152.1	154.6	155.6	.7	.7	.6	3.4	2.3	2.3
Nonunion	158.5	163.0	163.4	.3	.9	.2	2.7	3.1	3.1
Blue-collar occupations	154.2	157.5	157.8	.3	.6	.2	2.5	2.5	2.3
Goods-producing industries ¹	156.6	159.7	160.1	.7	.5	.3	3.0	2.7	2.2
Service-producing industries ²	159.0	164.0	164.5	.1	1.0	.3	2.5	3.2	3.5
Manufacturing	157.8	160.9	161.3	.6	.4	.2	3.1	2.6	2.2
Blue-collar occupations	156.8	159.8	160.4	.7	.7	.4	2.8	2.6	2.3
Nonmanufacturing	158.3	163.1	163.7	.1	1.0	.4	2.5	3.2	3.4
Region³									
Northeast	155.7	160.0	160.9	.4	1.0	.6	2.6	3.2	3.3
South	154.6	157.4	157.9	-.1	.8	.3	2.2	1.7	2.1
Midwest	160.2	166.1	166.5	.6	.7	.2	3.6	4.3	3.9
West	160.1	164.7	165.2	.5	1.0	.3	2.6	3.4	3.2
Area									
Metropolitan	157.9	162.2	162.7	.3	.9	.3	2.7	3.0	3.0
Other	154.8	158.9	159.5	.7	.6	.4	2.9	3.3	3.0

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 The regional coverage is as follows: Northeast: Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont; South: Alabama, Arkansas, Delaware, District of Columbia, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia,

and West Virginia; Midwest: Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin; and West: Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming.

NOTE: The indexes for these series are not strictly comparable to those for the aggregate, occupation, and industry series.

Table 8. Employment Cost Index for benefits for civilian, State and local government, and private industry workers by industry, occupational group, and bargaining status

(Not seasonally adjusted data)

Industry, occupational group, and bargaining status	Indexes (June 1989=100)			Percent changes for—					
	Dec. 2002	Sep. 2003	Dec. 2003	3 months ended—			12 months ended—		
				Dec. 2002	Sep. 2003	Dec. 2003	Dec. 2002	Sep. 2003	Dec. 2003
Civilian workers	173.3	182.8	184.3	0.9	1.6	0.8	5.0	6.5	6.3
State and local government	168.2	176.9	178.5	1.4	3.1	.9	6.2	6.7	6.1
Private industry	174.6	184.3	185.8	.9	1.3	.8	4.7	6.5	6.4
Industry									
Goods producing ¹	171.0	182.3	183.8	1.3	1.2	.8	5.2	8.0	7.5
Service producing ²	175.9	184.7	186.2	.6	1.3	.8	4.5	5.6	5.9
Manufacturing	168.9	181.1	182.3	1.3	1.2	.7	5.3	8.6	7.9
Aircraft manufacturing (SIC 3721)	192.4	221.4	213.4	5.4	.5	-3.6	10.3	21.2	10.9
White collar	187.0	218.7	216.3	2.6	.2	-1.1	6.9	20.0	15.7
Blue collar	199.3	224.0	207.5	9.6	1.0	-7.4	15.6	23.2	4.1
Nonmanufacturing	176.3	185.1	186.7	.6	1.3	.9	4.4	5.7	5.9
Occupational group									
White collar	178.5	187.7	189.2	.7	1.2	.8	4.3	5.9	6.0
Blue collar	167.8	178.4	179.9	1.0	1.3	.8	5.4	7.3	7.2
Service	174.9	184.1	186.4	.9	1.1	1.2	5.4	6.2	6.6
Bargaining status									
Union	172.7	185.4	187.1	1.1	1.5	.9	5.7	8.5	8.3
Nonunion	174.7	183.7	185.1	.7	1.2	.8	4.5	5.9	6.0

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.

EXPLANATORY NOTES

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. The wage and salary series and the benefit cost series provide the change for the two components of compensation.

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.

Benefits covered by the ECI are: Paid leave—vacations, holidays, sick leave, and other leave; supplemental pay—premium pay for work in addition to the regular work schedule (such as overtime, weekends, and holidays), shift differentials, and nonproduction bonuses (such as referral bonuses and lump-sum payments provided in lieu of wage increases); insurance benefits—life, health, short-term disability, and long-term disability; retirement and savings benefits—defined benefit and defined contribution plans; legally required benefits—Social Security, Medicare, Federal and State unemployment insurance, and workers' compensation; and other benefits—severance pay and supplemental unemployment plans.

The ECI provides data for the civilian economy, which includes the total private nonfarm economy excluding households and the public sector excluding the Federal government. The private industry series and the State and local government series provide data for the two sectors separately.

Data for this quarter were collected from a probability sample of approximately 36,200 occupational observations within about 8,300 sample establishments in private industry and approximately 3,600 occupations within about 800 sample establishments in State and local governments. Data are collected for the pay period including the 12th day of the survey months of March, June, September, and December.

The sampled establishments are classified by industry categories based on the 1987 Standard Industrial Classification (SIC), as defined by the U.S. Office of Management and Budget. Details on the sample design are included in the bulletin, Employment Cost Indexes, 1975-99, (Bulletin 2532). Within an establishment, specific job categories are selected and classified into about 500 occupational classifications according to the 1990 Census of Population. Individual occupations are combined into broader occupational groups. Fixed employment weights are used each quarter to calculate the most aggregate series—civilian, private, and State and local government. These fixed weights are also used to derive all of the industry and occupation series indexes. Since March 1995, 1990 employment counts, primarily from the Bureau's Occupational Employment Statistics survey, have been used. For more information on these topics, see the articles, "Introducing New Weights for the Employment Cost Index," in the June 1985 issue of the Monthly Labor Review and "Introducing 1990 Weights for the Employment Cost Index" in the June 1995 issue of Compensation and Working Conditions.

For the series based on bargaining status, region, and area size, employment data are not available. The employment weights are reallocated within these series each quarter based on the current ECI sample. The indexes for these series, consequently, are not strictly comparable to those for the aggregate, industry, and occupation series. A fuller explanation of the calculation of index numbers appears in an article, "Estimation Procedures for the Employment Cost Index," in the May 1982 issue of the Monthly Labor Review. Beginning with the March 1990 ECI release, indexes were rebased to June 1989=100. A description of the rebasing is included in the article "Employment Cost Index Rebased to June 1989," in the April 1990 issue of the Monthly Labor Review.

Beginning with the December 1990 ECI release, seasonally adjusted data are available for selected ECI series. Seasonal adjustment removes the effects of events that follow a more or less regular pattern each year. These adjustments make nonseasonal patterns easier to identify. For more information on the methodology used to seasonally adjust ECI series, see the bulletin, Employment Cost Indexes, 1975-99, (Bulletin 2532). The seasonal adjustment factors are recalculated once a year. The March release contains data reflecting the

newly updated seasonal adjustment factors. The historical data for the last five years are then revised based on the newly estimated factors. The seasonal factors for 2003 and revised seasonally adjusted indexes for the past five years are available on the Internet site (<http://www.bls.gov/ncs/ect/home.htm>) or upon request.

The ECI sample is rotated over approximately five years, which makes the sample more representative and reduces respondent burden. The sample is replaced on a cross-area, cross-industry basis.

Because the ECI is a sample survey, it is subject to sampling errors. Sampling errors are differences that occur between the results computed from a sample of observations and those computed from all observations in the population. The estimates derived from different samples selected using the same sample design may differ from one other. A measure of the variation among these differing estimates is the standard error. It can be used to measure the precision with which an estimate from a particular sample approximates the expected result of all possible samples. The chances are about 68 out of 100 that an estimate from the survey differs from a complete population figure by less than the standard error. The chances are about 90 out of 100 that this difference would be less than 1.6 times the standard error. The statements of comparisons appearing in this publication are significant at a 1.6 standard error level or better, unless otherwise indicated. This means that for differences cited, the estimated difference is greater than 1.6 times the standard error of the difference.

Because standard errors vary from quarter to quarter, the ECI uses a five-year moving average of standard errors to evaluate published series. To assist users in ascertaining the reliability of series, the five-year moving average of standard errors for all estimates (excluding seasonally adjusted series) will be available on the Internet site (<http://www.bls.gov/ncs/ect/home.htm>) shortly after publication of the news release.

When determining data to be used in contract negotiations, it is important to note that differences by bargaining status may be due to factors other than union status, such as occupational and industry mix. For example, union occupations tend to be concentrated in blue-collar occupations within manufacturing industries. Thus, differences between blue-collar and white-collar pay or differences in manufacturing versus nonmanufacturing industries could explain such differences. An important consideration when choosing a series for escalation is the number of workers covered. Series with smaller numbers of workers may have larger sampling errors or be dominated by a smaller number of employers. For more information, see the web site: (<http://www.bls.gov/ect/escalator.htm>).

More detailed information on the ECI is available from several sources. These include an historical bulletin—Employment Cost Indexes, 1975-99, (Bulletin 2532), a chapter, “National Compensation Measures,” in the BLS Handbook of Methods (Bulletin 2490), and several articles published in the Monthly Labor Review and Compensation and Working Conditions. The bulletin is available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402, or Bureau of Labor Statistics, Publications Sales Center, P.O. Box 2145, Chicago, Illinois 60690, (312) 353-1880. Reprints of the articles and other descriptive pieces are available upon request by calling (202) 691-6199 or sending e-mail to (ocltinfo@bls.gov). Current and historical data are available at the web site: (<http://www.bls.gov/ncs/ect/home.htm>).

The costs per hour worked of compensation components, based on data from the ECI, were recently published in a separate news release titled "Employer Costs for Employee Compensation—September 2003." Historical data and related articles are included in the bulletin, Employer Costs for Employee Compensation, 1986-99, (Bulletin 2526). An annual historical summary from March 1986 through March 2002 is also available on the Internet site (<http://www.bls.gov/ncs/ect/home.htm>) or upon request. Data are also available on a quarterly basis beginning with June 2002 data. The December 2003 data are expected to be published in February 2004. The cost levels are calculated with current employment weights, rather than the fixed 1990 weights used in computing the ECI. Therefore, year-to-year changes in the cost levels usually differ from those in the ECI.

Information in this release will be made available to sensory impaired individuals upon request. Voice phone: (202) 691-5200; Federal Relay Service Number: 1-800-877-8339.