

News

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EMPLOYMENT COST INDEX - DECEMBER 1982

The Employment Cost Index (ECI) increased 1.2 percent in the 3 months ended in December 1982, the U.S. Department of Labor's Bureau of Labor Statistics reported today. The Index stood at 111.4 for compensation costs (wages, salaries, and employer costs for employee benefits), based on June 1981=100. The ECI covers private industry and State and local government workers. It is not seasonally adjusted.

The 1.2 percent rise in compensation costs during September-December 1982 was substantially below the 1.9 percent increase in the same period the previous year. A similar slowdown was recorded in wage and salary increases (1.1 percent, down from 1.9 percent). The pattern of smaller increases in 1982 compared with 1981 was widespread and pervasive in the State and local government and private industry sectors, as well as among nearly all ECI occupational and industrial series.

Wages and salaries for private industry workers, for example, rose 6.3 percent in the 12 months ended in December 1982, compared with a rise of 8.8 percent a year earlier. The 6.3 percent rise was the lowest annual increase since BLS began this measure in September 1976. Occupational and industrial groups with comparatively high unemployment rates in 1982 also posted the lowest annual wage increases since 1976: Blue-collar workers (5.6 percent); operatives, except transport (5.0 percent); nonfarm laborers (4.4 percent); durable goods manufacturing industries (5.6 percent); and construction (5.2 percent).

Wages for union workers rose 6.5 percent in 1982, the lowest annual increase since 1976 and down from 9.6 percent in 1981. Union wage increases in 1982 reflected collective bargaining wage concessions during the year and settlements which provided no specified wage increases (e.g., autos and trucking).

Slowdowns also were registered for nonunion workers whose wages advanced only 6.1 percent in 1982, a record low in this series and down from 8.5 percent in 1981.

Regionally, 1982 wage increases were highest (6.8 percent) in the Northeast and South. The lowest increase (5.1 percent) was recorded in the North Central region, which has a heavy concentration of union workers in durable goods manufacturing industries.

Consistent with trends in the private sector, 12-month compensation cost and wage increases for State and local government workers steadily declined in 1982. For the December 1981-82 period, compensation costs rose 7.2 percent while wages increased 6.5 percent. Corresponding increases were 8.5 percent and 8.1 percent in the September 1981-82 period and 9.3 percent and 8.7 percent in the June 1981-82 period.

COMPENSATION

Table 1. Employment Cost Index by occupation and industry group ^{1/}

(Not seasonally adjusted)

Series	Indexes (June 1981=100)			Percent changes for					
	Dec. 1981	Sept. 1982	Dec. 1982	3 months ended			12 months ended		
				Dec. 1981	Sept. 1982	Dec. 1982	Dec. 1981	Sept. 1982	Dec. 1982
Civilian workers ^{2/}	104.5	110.1	111.4	1.9	2.4	1.2	-	7.3	6.6
Workers, by occupational group									
White-collar workers	104.9	110.7	111.9	2.1	2.8	1.1	-	7.8	6.7
Blue-collar workers	104.1	109.2	110.5	1.8	2.0	1.2	-	6.7	6.1
Service workers	104.2	110.8	112.4	1.4	2.3	1.4	-	7.8	7.9
Workers, by industry division									
Manufacturing	104.0	109.3	110.4	1.9	2.0	1.0	-	7.1	6.2
Nonmanufacturing	104.8	110.5	111.8	1.9	2.6	1.2	-	7.5	6.7
Services	107.1	113.5	115.0	2.6	3.9	1.3	-	8.7	7.4
Public administration ^{3/}	106.0	112.8	113.6	1.6	3.4	.7	-	8.1	7.2
Private industry workers ^{4/}	104.0	109.3	110.7	2.0	2.0	1.3	9.8	7.2	6.4
Workers, by occupational group									
White-collar workers	104.0	109.5	110.8	2.2	2.1	1.2	10.1	7.6	6.5
Blue-collar workers	104.0	109.0	110.3	1.8	1.9	1.2	9.6	6.7	6.1
Service workers	103.1	109.6	111.8	1.2	1.6	2.0	9.3	7.6	8.4
Workers, by industry division									
Manufacturing	104.0	109.3	110.4	1.9	2.0	1.0	9.8	7.1	6.2
Nonmanufacturing	103.9	109.3	110.8	1.9	2.1	1.4	9.7	7.2	6.6
State and local government workers . .	107.4	114.3	115.1	2.0	4.6	.7	-	8.5	7.2
Workers, by occupational group									
White-collar workers	107.8	114.9	115.8	2.0	4.9	.8	-	8.7	7.4
Blue-collar workers	105.9	112.7	113.0	1.6	3.5	.3	-	8.2	6.7
Workers, by industry division									
Services	107.9	114.9	115.9	2.0	5.0	.9	-	8.6	7.4
Schools	107.9	114.8	115.8	1.8	5.2	.9	-	8.3	7.3
Elementary and secondary	108.3	115.6	116.6	1.9	5.6	.9	-	8.7	7.7
Hospitals and other services ^{5/}	107.8	115.3	116.0	2.7	4.5	.6	-	9.8	7.6
Public administration ^{3/}	106.0	112.8	113.6	1.6	3.4	.7	-	8.1	7.2

^{1/} The index measures changes in total compensation costs (wages, salaries, and employer costs for employee benefits).
^{2/} Includes private industry and State and local government workers and excludes farm, household, and Federal government workers.
^{3/} Consists of legislative, judicial, administrative, and regulatory activities.
^{4/} Excludes farm and household workers.
^{5/} Includes, for example, library, social, and health services.
- Data not available.

WAGES AND SALARIES

Table 2. Employment Cost Index for wages and salaries only, by occupation and industry group

(Not seasonally adjusted)

Series	Indexes (June 1981=100)			Percent changes for					
	Dec. 1981	Sept. 1982	Dec. 1982	3 months ended			12 months ended		
				Dec. 1981	Sept. 1982	Dec. 1982	Dec. 1981	Sept. 1982	Dec. 1982
Civilian workers <u>1/</u>	104.4	109.7	110.9	1.9	2.2	1.1	-	7.0	6.2
Workers, by occupational group									
White-collar workers	104.7	110.4	111.4	2.0	2.6	.9	-	7.6	6.4
Blue-collar workers	104.0	108.6	109.8	1.6	1.8	1.1	-	6.1	5.6
Service workers	103.6	110.1	111.8	1.1	2.0	1.5	-	7.4	7.9
Workers, by industry division									
Manufacturing	104.0	108.8	109.8	1.9	1.7	.9	-	6.6	5.6
Nonmanufacturing	104.5	110.1	111.3	1.8	2.4	1.1	-	7.2	6.5
Services	106.6	113.2	114.4	2.1	3.4	1.1	-	8.4	7.3
Public administration <u>2/</u>	105.5	111.9	112.6	1.6	3.2	.6	-	7.8	6.7
Private industry workers <u>3/</u>	103.8	109.0	110.3	1.8	1.8	1.2	8.8	6.9	6.3
Workers, by occupational group									
White-collar workers	103.9	109.4	110.6	2.1	2.0	1.1	9.1	7.5	6.4
Blue-collar workers	103.9	108.5	109.7	1.6	1.8	1.1	8.6	6.1	5.6
Service workers	102.7	109.3	111.4	.9	1.3	1.9	8.3	7.4	8.5
Workers, by industry division									
Manufacturing	104.0	108.8	109.8	1.9	1.7	.9	8.7	6.6	5.6
Nonmanufacturing	103.8	109.1	110.5	1.8	1.9	1.3	9.0	7.0	6.5
State and local government workers	107.0	113.5	114.0	1.9	4.4	.4	-	8.1	6.5
Workers, by occupational group									
White-collar workers	107.5	114.2	114.6	2.0	4.9	.4	-	8.3	6.6
Blue-collar workers	105.5	111.5	112.0	1.5	3.3	.4	-	7.3	6.2
Workers, by industry division									
Services	107.6	114.2	114.6	2.0	5.0	.4	-	8.2	6.5
Schools	107.7	114.2	114.5	1.9	5.3	.3	-	8.0	6.3
Elementary and secondary	107.9	114.9	115.1	1.8	5.6	.2	-	8.4	6.7
Hospitals and other services <u>4/</u>	107.3	114.3	114.9	2.6	4.4	.5	-	9.3	7.1
Public administration <u>2/</u>	105.5	111.9	112.6	1.6	3.2	.6	-	7.8	6.7

1/ Includes private industry and State and local government workers and excludes farm, household, and Federal government workers.
2/ Consists of legislative, judicial, administrative, and regulatory activities.
3/ Excludes farm and household workers.
4/ Includes, for example, library, social, and health services.
- Data not available.

WAGES AND SALARIES

Table 3. Employment Cost Index for wages and salaries only, private industry workers, 1/ by occupation and industry group

(Not seasonally adjusted)

Series	Indexes (June 1981=100)			Percent changes for					
	Dec. 1981	Sept. 1982	Dec. 1982	3 months ended			12 months ended		
				Dec. 1981	Sept. 1982	Dec. 1982	Dec. 1981	Sept. 1982	Dec. 1982
Private industry workers <u>1/</u>	103.8	109.0	110.3	1.8	1.8	1.2	8.8	6.9	6.3
<u>Workers, by occupational group</u>									
White-collar workers	103.9	109.4	110.6	2.1	2.0	1.1	9.1	7.5	6.4
Professional and technical workers	105.5	111.8	112.9	2.1	2.2	1.0	10.7	8.2	7.0
Managers and administrators . .	102.8	108.5	109.3	1.2	1.2	.7	8.6	6.8	6.3
Sales workers	101.9	104.5	106.2	4.0	2.7	1.6	7.5	6.6	4.2
Clerical workers	104.2	110.3	111.6	1.5	1.8	1.2	8.9	7.4	7.1
Blue-collar workers	103.9	108.5	109.7	1.6	1.8	1.1	8.6	6.1	5.6
Craft and kindred workers . . .	104.3	109.6	111.2	1.4	1.9	1.5	8.5	6.5	6.6
Operatives, except transport. . .	104.1	108.3	109.3	2.0	1.6	.9	9.0	6.1	5.0
Transport equipment operatives. .	102.7	106.0	106.9	1.7	1.8	.8	7.8	5.0	4.1
Nonfarm laborers	103.3	106.5	107.8	1.8	1.3	1.2	7.9	4.9	4.4
Service workers	102.7	109.3	111.4	.9	1.3	1.9	8.3	7.4	8.5
<u>Workers, by industry division</u>									
Manufacturing	104.0	108.8	109.8	1.9	1.7	.9	8.7	6.6	5.6
Durables	104.5	109.0	110.3	2.4	1.5	1.2	9.2	6.8	5.6
Nondurables	103.1	108.5	109.1	1.1	2.1	.6	7.7	6.4	5.8
Nonmanufacturing	103.8	109.1	110.5	1.8	1.9	1.3	9.0	7.0	6.5
Construction	104.3	109.1	109.7	1.3	1.7	.6	8.8	5.9	5.2
Transportation and public utilities	103.6	109.5	111.1	1.6	2.4	1.5	8.4	7.4	7.2
Wholesale and retail trade . . .	102.3	106.5	107.2	1.0	.7	.7	7.6	5.1	4.8
Wholesale trade	103.4	109.0	109.8	1.4	.1	.7	7.8	6.9	6.2
Retail trade	101.9	105.5	106.1	.9	1.0	.6	7.5	4.5	4.1
Finance, insurance, and real estate	102.3	106.1	109.0	4.1	3.6	2.7	9.9	7.9	6.5
Services	105.8	112.5	114.3	2.1	2.3	1.6	10.6	8.6	8.0

1/ Excludes farm and household workers.

COMPENSATION

Table 4. Employment Cost Index, private industry workers, by bargaining status and area size ^{1/}

(Not seasonally adjusted)

Series	Indexes (June 1981=100)			Percent changes for					
	Dec. 1981	Sept. 1982	Dec. 1982	3 months ended			12 months ended		
				Dec. 1981	Sept. 1982	Dec. 1982	Dec. 1981	Sept. 1982	Dec. 1982
<u>Workers, by bargaining status</u>									
Union	104.8	110.6	112.3	2.2	2.0	1.5	10.7	7.9	7.2
Manufacturing	104.6	110.3	111.8	2.2	2.1	1.4	-	7.8	6.9
Nonmanufacturing	105.0	111.0	112.8	2.2	2.1	1.6	-	8.1	7.4
Nonunion	103.5	108.5	109.7	1.8	1.9	1.1	9.4	6.7	6.0
Manufacturing	103.5	108.4	109.2	1.7	1.7	.7	-	6.5	5.5
Nonmanufacturing	103.5	108.6	109.9	1.8	2.1	1.2	-	6.8	6.2
<u>Workers, by area size</u>									
Metropolitan areas	104.1	109.4	110.9	2.0	2.1	1.4	9.9	7.1	6.5
Other areas	103.2	108.6	109.1	1.4	1.5	.5	9.6	6.7	5.7

^{1/} The index measures changes in total compensation costs (wages, salaries, and employer costs for employee benefits). Farm and household workers are excluded.

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

- Data not available.

WAGES AND SALARIES

Table 5. Employment Cost Index for wages and salaries only, private industry workers, ^{1/} by bargaining status, region, and area size
(Not seasonally adjusted)

Series	Indexes (June 1981=100)			Percent changes for					
	Dec. 1981	Sept. 1982	Dec. 1982	3 months ended			12 months ended		
				Dec. 1981	Sept. 1982	Dec. 1982	Dec. 1981	Sept. 1982	Dec. 1982
<u>Workers, by bargaining status</u>									
Union	105.0	110.3	111.8	2.2	2.0	1.4	9.6	7.4	6.5
Manufacturing	104.7	109.5	110.8	2.0	2.1	1.2	8.9	6.7	5.8
Nonmanufacturing	105.2	111.1	112.7	2.3	2.1	1.4	10.2	8.1	7.1
Nonunion	103.2	108.3	109.5	1.6	1.7	1.1	8.5	6.6	6.1
Manufacturing	103.3	108.2	109.1	1.6	1.4	.8	8.3	6.4	5.6
Nonmanufacturing	103.2	108.3	109.6	1.6	1.8	1.2	8.6	6.6	6.2
<u>Workers, by region</u>									
Northeast	104.4	109.7	111.5	2.7	2.8	1.6	8.8	7.9	6.8
South	102.8	108.8	109.8	.9	1.3	.9	8.3	6.8	6.8
North Central	103.3	107.6	108.6	1.7	1.4	.9	8.4	5.9	5.1
West	105.1	110.7	112.0	1.8	1.9	1.2	10.3	7.3	6.6
<u>Workers, by area size</u>									
Metropolitan areas	104.0	109.1	110.5	1.9	1.9	1.3	9.0	6.9	6.3
Other areas	103.1	108.3	108.8	1.3	1.4	.5	8.4	6.4	5.5

^{1/} Excludes farm and household workers.

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

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EXPLANATORY NOTE

The Employment Cost Index (ECI) is a quarterly measure of the change in the price of labor, free from the influence of employment shifts among occupations and industries. The ECI wage and salary series is limited to changes in wage and salary rates, defined as straight-time average hourly earnings. Straight-time earnings are total earnings before payroll deductions, excluding premium pay for overtime, work on weekends and holidays, and shift differentials. Production bonuses, incentive earnings, commission payments, and cost-of-living adjustments are included in straight-time earnings, whereas nonproduction bonuses (such as Christmas or year-end bonuses) are excluded. Also excluded are such items as payments-in-kind, free room and board, and tips.

The compensation series includes employer costs for employee benefits as well as wages and salaries. Benefits covered by the ECI include:

Hours related benefits - Premium pay for overtime and work on weekends and holidays, paid holidays, paid vacations, paid sick leave, and other paid leave;

Supplemental pay - Shift differentials, nonproduction bonuses, severance pay, and supplemental unemployment plans;

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 legally required benefits such as State temporary disability insurance; and

Other benefits - Merchandise discounts in department stores.

The ECI collects data for both the private and public sectors, which are published separately and also combined as the total civilian economy. The private sector includes the total private economy, excluding farms and households. The public sector covers State and local governments, but excludes the Federal government.

Each quarter, straight-time average hourly earnings and benefit cost data (cents-per-hour-worked) are collected from a probability sample of about 10,000 occupations within 2,000 sample establishments in the private sector and about 3,700 occupations within 750 sample establishments in State and local governments.

Occupations were classified according to definitions used in the 1970 Census. Within an establishment, specific job categories are selected to represent broader occupational definitions. The sample establishments were classified in industry categories based on the 1972 Standard Industrial Classification (SIC), as defined by the U.S. Office of Management and Budget. Within the private sector sample, establishments are designated by a 2-digit SIC, while in State and local governments, industrial categories vary from a more specific 3-digit SIC such as elementary and secondary schools to a broader major industry division such as public administration. Each establishment is also classified by ownership--State, local, or private.

Fixed employment weights from the 1970 Census are used each quarter to calculate the most aggregate indexes--civilian, private, and State and local governments. These fixed weights are also used to derive all of the industry and occupation series indexes. For the series based on bargaining status, region, or area size, however, employment data are not available from the Census. The 1970 employment weights are reallocated within these series each quarter based on the current 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.