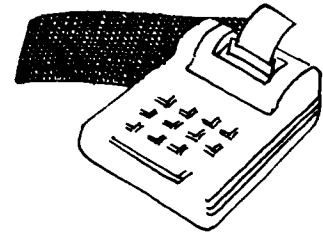


# Technical Note



## Federal agencies updating base year of indexes to 1977

Along with other Federal agencies, the Bureau of Labor Statistics is changing the base year used in its statistical indexes from 1967 to 1977. The rebasing of most BLS series will be completed by December 1981, the target date for conversion of all Federal index numbers adopted by the Office of Federal Statistical Policy and Standards. The BLS Producer, Consumer, and import and export price indexes and price-related indexes (such as the Spendable Earnings Series) will be rebased to 1977 with the release of data for January 1982.

### Periodic revision

The base period of Federal statistical indexes is revised approximately every 10 years. In announcing the latest revision, the Office of Statistical Policy and Standards noted that reference periods are changed to "facilitate the visual comprehension of rates of change from a base period that is not too distant in time."

The Office of Statistical Policy chose the year 1977 for two reasons. First, the most recent quinquennial economic censuses were taken for 1977, and many economic series are benchmarked to these censuses. Second, the continued recovery of the economy in 1977 from the 1974-75 recession was "relatively balanced, with no particular extreme conditions that would make it unrepresentative of the recent period."

The proposal to change the reference period from 1967 to 1977 appeared in the *Federal Register* of August 1, 1979, and the *Statistical Reporter* of August 1979. The announcement provided a 30-day period for public comment on the proposal. Notice of adoption of the 1977 reference period appeared in the *Federal Register* of March 4, 1980.

It should be noted that the BLS rebasing to 1977 is essentially an arithmetic change to make the index numbers easier to comprehend. It does not involve changes in the weights of index components nor any other substantive or conceptual changes. For example, the con-

**Exhibit 1. Schedule of dates for converting BLS statistical series to a base year of 1977 = 100**

Statistical series	Scheduled completion date
<b>Employment data: establishment</b>	
Aggregate weekly hour indexes . . .	July 1981
Aggregate weekly payroll indexes . .	July 1981
Average weekly earnings indexes . .	July 1981
Federal Government hours and earnings indexes . . . . .	July 1981
Gross and spendable earnings indexes . . . . .	February 1982
<b>Price data</b>	
Consumer Price Indexes . . . . .	February 1982
Import and export price indexes . .	February 1982
Producer Price Indexes . . . . .	February 1982
<b>Productivity data</b>	
Compensation per hour indexes . .	January 1981
Output per hour indexes . . . . .	January 1981
Prices indexes . . . . .	January 1981
Unit labor cost indexes . . . . .	January 1981
Unit nonlabor cost indexes . . . . .	January 1981
Unit profit index . . . . .	January 1981
Productivity for the Federal Government . . . . .	June 1981
Productivity for selected industries	June 1981
Productivity for United States and 11 industrialized countries . . . .	May 1981
Unpublished indexes of deflated value per employee hour . . . . .	January 1981
<b>Wage data</b>	
Area Wage Survey indexes . . . . .	(1)
Hourly Earnings Index . . . . .	July 1981
Industry Wage Survey Indexes . . .	(1)
Salary trend indexes . . . . .	Fall-Winter 1981-82
Union wage rate indexes: building trades . . . . .	January 1981
Union wage rate indexes: other industries . . . . .	July 1981

<sup>1</sup>Completed.

version of the annual index numbers for the Consumer Price Index (All Items) from a 1967=100 base to a 1977=100 base involves dividing the all items index numbers by the 1977 all items index number (181.5) and multiplying by 100:

	1967	1969	1973	1977
1967=100 . . . . .	100.0	109.8	133.1	181.5
1977=100 . . . . .	55.1	60.5	73.3	100.0

**The Bureau schedule**

The BLS Area Wage Survey and Industry Wage Survey indexes have already been changed to the new base year. (See exhibit 1.)

In January 1981, some Bureau productivity indexes were changed to a 1977=100 base. These include the indexes of output per hour, compensation per hour, unit labor costs, unit nonlabor payments, and productivity in the private economy, and in major sectors of the private economy—nonfarm, manufacturing, and nonfinancial corporations. Also the indexes of union wage rates for the major building trades were rebased.

During the middle of this year, the balance of the in-

dexes in the productivity area (productivity for selected industries, for the Federal Government, and for the United States and 11 industrialized countries) will be changed to the new base year. Other indexes scheduled to be changed at midyear are the union wage rates for workers in industries other than the building trades. The employment, hours, and earnings indexes derived from the BLS survey of establishments will be changed to the 1977 base when the annual benchmark revisions are introduced in July 1981. (The Spendable Earnings Series, as noted earlier, will be rebased concurrent with the price index data in January 1982.)

In late 1981 and early 1982, the balance of BLS statistical series, including the price indexes, will be indexed to 1977=100.

The Bureau will publish additional information concerning rebasing of specific series as it becomes available. For instance, a price pamphlet is planned for publication coincident with the release of the rebased price indexes in early 1982. Regular notices indicating the change of the base year will appear in Bureau of Labor Statistics periodicals, bulletins, reports, press releases, and other publications. This will give users ample opportunity to plan any required adjustments. □

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**A note on communications**

The *Monthly Labor Review* welcomes communications that supplement, challenge, or expand on research published in its pages. To be considered for publication, communications should be factual and analytical, not polemical in tone. Communications should be addressed to the Editor-in-Chief, *Monthly Labor Review*, Bureau of Labor Statistics, U.S. Department of Labor, Washington, D.C. 20212.

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