

# News

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Department  
of Labor



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## **EMPLOYMENT COST INDEX—DECEMBER 2004**

Total compensation costs for civilian workers increased 0.7 percent from September to December 2004, seasonally adjusted, moderating from the 0.9 percent gain from June to September, the Bureau of Labor Statistics of the U.S. Department of Labor reported today. Benefit costs rose 1.4 percent, while wage and salary costs increased 0.4 percent, the smallest quarterly increase in wage and salaries in 2004. 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.

Rises in benefit costs accounted for more than 60 percent of the increase in compensation costs for civilian workers from September to December 2004. Among private industry workers, benefit costs contributed nearly two-thirds of compensation gains during the quarter, with defined benefit retirement costs accounting for nearly one-third of the gain in compensation costs. Among State and local government workers, benefit costs composed half of compensation gains during the September to December period, with health insurance costs accounting for one-fifth of the gain in compensation costs.

### Quarterly changes, seasonally adjusted

Compensation costs for the private sector rose 0.7 percent from September to December 2004, after advancing 0.9 percent in the prior quarter. December gains were led by goods-producing industries. For State and local government workers, compensation costs rose 1.0 percent in December, a gain from the 0.5 percent advance in September. (See tables A and 1.)

Benefit cost increases accelerated to 1.4 percent for civilian workers (nonfarm private industry and State and local government) in the December 2004 quarter, following a gain of 1.1 percent in the September quarter. Private sector benefit costs rose 1.5 percent for the December quarter, significantly higher than the 1.0 percent gain in the previous quarter. Benefit costs for State and local governments increased 1.5 percent in the December quarter, following an increase of 1.4 percent in September 2004.

Gains in wages and salaries for civilian workers increased 0.4 percent during the December quarter, moderating from a gain of 0.7 percent in September 2004. Wages and salaries for private industry workers rose 0.4 percent for the December quarter, slowing from the 0.9 percent gain during the prior period. Wage and salary gains slowed in goods-producing, transportation and public utilities, and wholesale trade industries. Wages and salaries in State and local government advanced 0.7 percent during the September-to-December period, after a 0.1 percent change in the previous quarter.

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

Compensation Component	Mar. 2003	June 2003	Sep. 2003	Dec. 2003	Mar. 2004	June 2004	Sep. 2004	Dec. 2004
<b>Civilian workers</b>								
Compensation costs	1.2	0.9	1.0	0.8	1.1	0.9	0.9	0.7
Wages and salaries	1.0	0.6	0.7	0.5	0.6	0.6	0.7	0.4
Benefit costs	2.0	1.4	1.5	1.4	2.4	1.8	1.1	1.4
<b>Private industry</b>								
Compensation costs	1.4	0.8	1.1	0.8	1.1	1.0	0.9	0.7
Wages and salaries	1.0	0.6	0.9	0.5	0.6	0.6	0.9	0.4
Benefit costs	2.1	1.4	1.5	1.4	2.6	1.7	1.0	1.5
<b>State and local government</b>								
Compensation costs	1.0	1.0	0.5	0.8	1.0	1.1	0.5	1.0
Wages and salaries	0.6	0.8	0.1	0.6	0.6	0.7	0.1	0.7
Benefit costs	1.6	1.5	1.6	1.3	1.7	1.9	1.4	1.5

Over-the-year changes, not seasonally adjusted

Annual compensation costs for civilian workers increased 3.7 percent for the year ended December 2004, virtually unchanged from a 3.8 percent over-the-year increase for December 2003. Compensation costs in private industry rose 3.8 percent in the year ended December 2004, compared with a 4.0 percent increase in December 2003. Compensation costs increased 3.5 percent for State and local governments for the year ended December 2004, compared with an over-the-year gain of 3.3 percent in December 2003. (See tables B, 2, and 3.)

The components of compensation showed dramatic differences in the rate of change. While increases in wages and salaries continued at a moderate pace, benefit costs continued to rise sharply. For civilian workers, wages and salaries rose 2.4 percent in the year ended December 2004, compared with a gain of 2.9 percent in December 2003. Wages and salaries for private industry workers also gained 2.4 percent for the year ended December, compared with an increase of 3.0 percent in December 2003. Benefit costs rose 6.9 percent for civilian workers for the period ended December 2004, compared with the increase of 6.3 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. 1999	Dec. 2000	Dec. 2001	Dec. 2002	Dec. 2003	Dec. 2004
<b>Civilian workers</b>						
Compensation costs	3.4	4.1	4.1	3.4	3.8	3.7
Wages and salaries	3.5	3.8	3.7	2.9	2.9	2.4
Benefit costs	3.3	4.9	5.2	5.0	6.3	6.9
<b>Private industry</b>						
Compensation costs	3.4	4.4	4.2	3.2	4.0	3.8
Wages and salaries	3.5	3.9	3.8	2.7	3.0	2.4
Benefit costs	3.4	5.6	5.1	4.7	6.4	6.9
<b>State and local government</b>						
Compensation costs	3.4	3.0	4.2	4.1	3.3	3.5
Wages and salaries	3.6	3.3	3.6	3.2	2.1	2.1
Benefit costs	2.8	2.4	5.5	6.2	6.1	6.7

Nonfarm private industry

For the year ended December 2004, compensation costs in private industry increased 4.7 percent for goods-producing industries, compared with an advance of 4.0 percent for the year ended December 2003. Compensation costs for manufacturing advanced 5.0 percent in December 2004, after increasing 4.1 percent in December 2003. Compensation costs for construction rose 2.4 percent in December 2004, compared with a 3.4 percent rise in December 2003. (See table 3.)

The over-the-year increase in compensation for service-producing industries was 3.3 percent, compared with a 4.0 percent gain for the year ended December 2003. Among service-producing industries, the 12-month increase for transportation and public utilities was 3.9 percent for the year ended in December 2004, led by a 5.0 percent increase in the electric, gas, and sanitary services industry. Compensation costs rose modestly in retail trade and wholesale trade, increasing 2.3 percent and 2.7 percent, respectively, in December 2004. (See table 3.)

Over-the-year compensation cost increases were 4.4 percent for blue-collar occupations, 3.5 percent for white-collar occupations, and 2.9 percent for service occupations for the year ended December 2004. Among white-collar occupational groups, compensation cost increases ranged from 2.4 percent for executive, administrative, and managerial employees to 4.5 percent for professional specialty and technical workers. Among blue-collar occupational groups, compensation cost increases ranged from 3.4 percent for transportation and material moving workers and handlers, equipment cleaners, helpers, and laborers to 5.7 percent for machine operators, assemblers, and inspectors. (See table 3.)

Gains in compensation costs for union workers continued to outpace those for nonunion workers. Compensation costs for union workers advanced 5.6 percent over the year ended December 2004, significantly higher than the 3.4 percent increase for nonunion workers. Among blue-collar workers, compensation costs advanced 5.7 percent for union workers, greater than the gain of 3.7 percent for nonunion workers. In manufacturing industries, compensation costs for union workers advanced sharply, rising 7.6 percent, significantly higher than the 4.2 percent increase for nonunion workers for the year ended December 2004. (See tables C and 4.)

Wages and salaries for union workers rose 2.8 percent for the 12 months ended in December 2004, compared with an over-the-year increase of 2.4 percent for nonunion workers. Benefit costs for union workers continued to rise sharply, 10.3 percent, compared with an increase of 6.2 percent for nonunion workers in December 2004. (See tables C, 7, and 8.)

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

Compensation Component	Dec. 1999	Dec. 2000	Dec. 2001	Dec. 2002	Dec. 2003	Dec. 2004
<b>Union workers</b>						
Compensation costs	2.7	4.0	4.2	4.2	4.6	5.6
Wages and salaries	2.6	3.4	4.4	3.5	2.4	2.8
Benefit costs	2.8	5.2	3.7	5.7	8.3	10.3
<b>Nonunion workers</b>						
Compensation costs	3.6	4.4	4.1	3.2	3.9	3.4
Wages and salaries	3.6	4.0	3.6	2.7	3.1	2.4
Benefit costs	3.5	5.7	5.4	4.5	6.0	6.2

Among the four geographic regions, increases in compensation costs ranged from 3.1 percent in the Midwest to 4.1 percent in the South for the year ended December 2004. Compensation costs rose 3.8 percent in the Northeast and 3.9 percent in the West. In the Midwest, gains in wages and salaries slowed to 1.6 percent for the year ended December 2004, significantly less than the 3.9 percent gain for the year ended December 2003. Among the remaining regions, wages and salaries rose 2.5 percent in the Northeast, 2.6 percent in the West, and 2.8 percent in the South for the year ended December 2004. (See tables 4 and 7.)

#### State and local government

Wages and salaries for State and local government workers edged up 2.1 percent in the year ended December 2004, the same as the gain for December 2003. Benefit costs rose 6.7 percent for the year ended December 2004, greater than the gain of 6.1 percent for the year ended December 2003. (See tables B, 5, and 8.)

For the year ended December 2004, compensation costs increased 3.0 percent for educational services, almost identical to the 2.9 percent increase for the year ended December 2003. Within educational services, compensation increases were 3.4 percent for elementary and secondary schools and 1.9 percent for colleges and universities. Among occupational groups, compensation costs of service workers rose 4.3 percent for the year ended December 2004, compared with gains of 3.5 percent for blue-collar workers and 3.3 percent for white-collar workers. (See table 2.)

NOTE:

The new seasonal factors for 2005, along with revised seasonally adjusted indexes for the past five years, will be available Wednesday, April 27, 2005, on the Internet site <http://www.bls.gov/ncs/ect/home.htm>, by e-mail request [ocltinfo@bls.gov](mailto:ocltinfo@bls.gov), or by telephone (202) 691-6199. The ECI for March 2005 is scheduled to be released Friday, April 29, 2005, at 8:30 a.m. (EDT).

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](mailto:webmaster@bls.gov). For ECI data requests, send e-mail to [ocltinfo@bls.gov](mailto: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>.

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Text	4110
Tables 1-4	4115
Tables 5-7	4120
Table 8	4125
Explanatory notes	4190

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Chart A. Changes in wages and salaries and in benefit costs, private industry, 1980-2004

12-month percent change

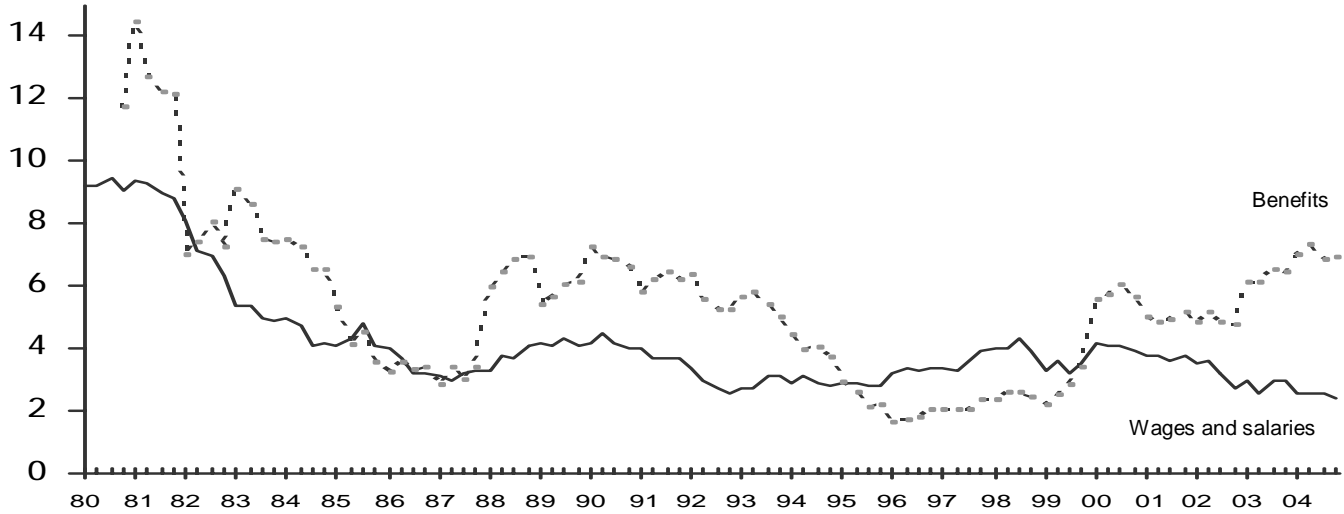


Chart B. Changes in wages and salaries, private industry and State and local government, 1980-2004

12-month percent change

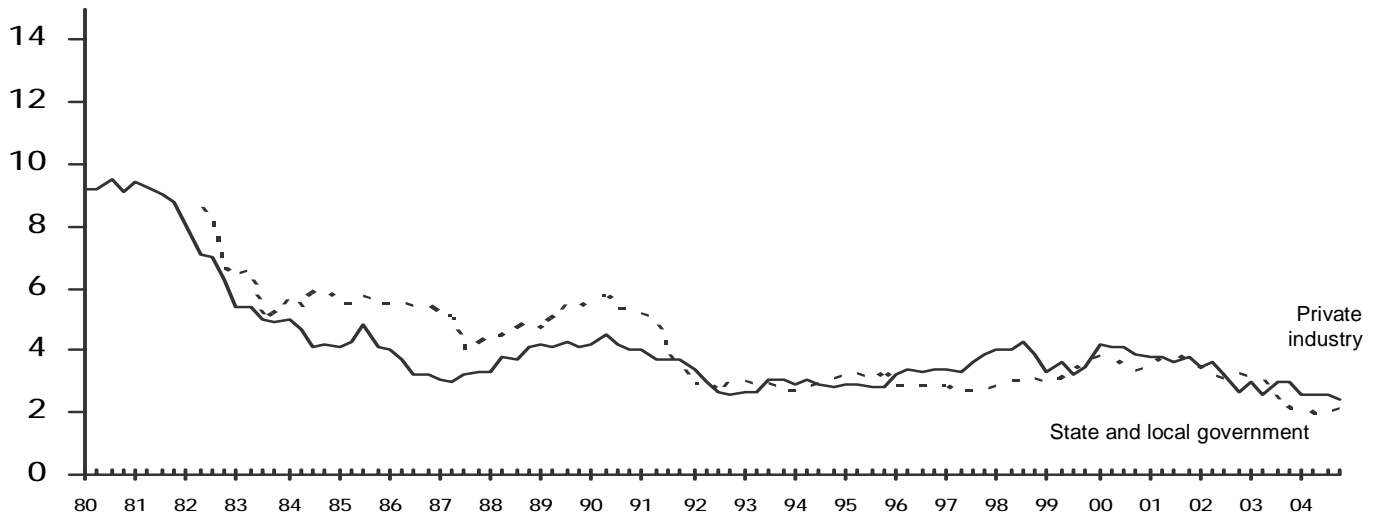
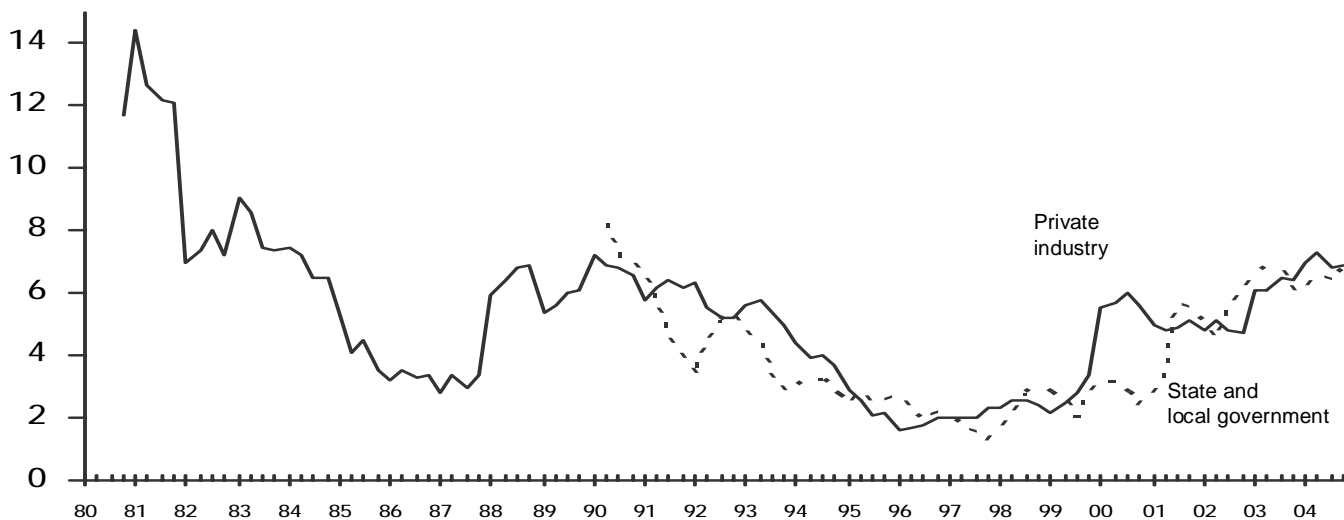


Chart C. Changes in benefits, private industry and State and local government, 1980-2004

12-month percent change



**Table 1. Employment Cost Index for total compensation<sup>1</sup>, 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. 2004	Dec. 2004	Mar. 2003	Jun. 2003	Sep. 2003	Dec. 2003	Mar. 2004	Jun. 2004	Sep. 2004	Dec. 2004
<b>TOTAL COMPENSATION</b>										
Civilian workers .....	173.9	175.2	1.2	0.9	1.0	0.8	1.1	0.9	0.9	0.7
State and local government .....	170.7	172.4	1.0	1.0	.5	.8	1.0	1.1	.5	1.0
Private industry .....	174.5	175.8	1.4	.8	1.1	.8	1.1	1.0	.9	.7
<b>Industry</b>										
Goods producing <sup>2</sup> .....	174.0	175.5	1.6	1.0	1.0	.7	1.8	.9	1.1	.9
Construction .....	166.9	167.4	.8	1.0	.8	.7	.9	.5	.7	.3
Manufacturing .....	174.9	175.9	1.6	.8	1.0	.7	2.3	.8	1.2	.6
Durables .....	176.0	176.8	2.0	.5	1.0	.7	2.6	.9	1.4	.5
Nondurables .....	173.1	174.4	1.1	1.1	.9	.8	1.6	.8	1.1	.8
Service producing <sup>3</sup> .....	174.8	176.0	1.3	.8	1.1	.8	.8	1.0	.8	.7
Transportation and public utilities .....	173.3	173.9	.8	1.2	.6	.7	1.5	1.4	.6	.3
Wholesale trade .....	177.8	177.5	1.3	.5	.9	.5	.6	.6	1.6	-2
Retail trade .....	164.0	165.0	.2	.5	1.5	1.0	.4	1.0	.2	.6
Finance, insurance, and real estate <sup>4</sup> .....	184.8	186.0	4.9	.9	1.1	.4	.9	.6	.7	.6
Services .....	176.6	178.2	.8	.8	1.0	.9	1.0	.9	.9	.9
Nonmanufacturing .....	173.7	175.1	1.2	.9	1.0	.8	.8	.9	.8	.8
<b>Occupational group</b>										
White collar .....	177.2	178.6	1.4	.7	1.2	.8	.9	.7	1.0	.8
Blue collar .....	170.0	171.3	1.2	1.0	.9	.9	1.6	1.0	.9	.8
Service .....	169.2	170.0	1.1	.7	.8	.7	1.2	.9	.5	.5
<b>WAGES AND SALARIES</b>										
Civilian workers .....	165.5	166.2	1.0	.6	.7	.5	.6	.6	.7	.4
State and local government .....	163.8	165.0	.6	.8	.1	.6	.6	.7	.1	.7
Private industry .....	165.8	166.4	1.0	.6	.9	.5	.6	.6	.9	.4
<b>Industry</b>										
Goods producing <sup>2,4</sup> .....	162.3	162.4	.8	.7	.6	.3	.8	.6	.9	.1
Construction .....	156.9	157.0	.5	.8	.8	.4	1.0	.1	.8	.1
Manufacturing <sup>4</sup> .....	163.8	164.0	1.0	.6	.4	.3	.7	.7	.9	.1
Durables <sup>4</sup> .....	164.5	164.7	1.0	.6	.6	.2	.6	.6	1.0	.1
Nondurables .....	162.8	163.3	.5	.8	.4	.5	.7	.7	.9	.3
Service producing <sup>3</sup> .....	167.4	168.2	1.1	.6	1.1	.6	.5	.5	.9	.5
Transportation and public utilities <sup>4</sup> .....	160.4	160.5	.5	.5	.3	.3	.7	1.0	.8	.1
Wholesale trade .....	169.9	168.3	1.3	-1	.9	.7	.2	.1	2.0	-9
Retail trade .....	158.5	159.6	.0	.4	1.6	.4	.3	.7	.1	.7
Finance, insurance, and real estate <sup>4</sup> .....	176.5	177.7	5.2	.8	1.0	.2	.4	.1	.7	.7
Services .....	170.8	172.2	.6	.8	.9	.8	.7	.8	.8	.8
Nonmanufacturing .....	166.0	166.9	1.0	.6	1.0	.6	.5	.5	.9	.5

See footnotes at end of table.

**Table 1. Employment Cost Index for total compensation<sup>1</sup>, 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. 2004	Dec. 2004	Mar. 2003	Jun. 2003	Sep. 2003	Dec. 2003	Mar. 2004	Jun. 2004	Sep. 2004	Dec. 2004
<b>WAGES AND SALARIES—Continued</b>										
<b>Occupational group</b>										
White collar .....	169.5	170.4	1.1	0.6	0.9	0.7	0.5	0.5	1.0	0.5
Blue collar <sup>4</sup> .....	159.5	159.9	.8	.7	.6	.3	.7	.7	.8	.3
Service <sup>4</sup> .....	159.8	160.6	.6	.4	.6	.4	.4	.6	.3	.5
<b>BENEFIT COSTS</b>										
Civilian workers .....	194.7	197.5	2.0	1.4	1.5	1.4	2.4	1.8	1.1	1.4
State and local government .....	187.1	189.9	1.6	1.5	1.6	1.3	1.7	1.9	1.4	1.5
Private industry .....	196.4	199.3	2.1	1.4	1.5	1.4	2.6	1.7	1.0	1.5
<b>Industry</b>										
Goods producing <sup>2</sup> .....	198.4	202.6	3.0	1.4	1.7	1.4	4.2	1.4	1.5	2.1
Manufacturing .....	199.5	202.2	3.3	1.3	1.8	1.4	5.1	1.4	1.8	1.4
Service producing <sup>3</sup> .....	195.3	197.4	1.6	1.4	1.3	1.4	1.7	1.9	.7	1.1
Nonmanufacturing .....	195.6	198.5	1.6	1.4	1.4	1.4	1.5	1.8	.9	1.5
<b>Occupational group</b>										
White collar .....	199.2	202.2	2.0	1.1	1.5	1.3	1.9	1.6	1.2	1.5
Blue collar .....	193.2	196.1	2.1	2.0	1.5	1.5	3.8	1.9	1.0	1.5
Service .....	197.8	198.7	2.4	1.4	1.2	1.4	3.1	1.8	.9	.5

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

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

<sup>4</sup> No identifiable seasonality was found for this series.

**Table 2. Employment Cost Index for total compensation<sup>1</sup> 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. 2003	Sep. 2004	Dec. 2004	3 months ended—			12 months ended—		
				Dec. 2003	Sep. 2004	Dec. 2004	Dec. 2003	Sep. 2004	Dec. 2004
<b>Civilian workers</b> .....	168.4	173.9	174.7	0.5	1.0	0.5	3.8	3.8	3.7
Excluding sales occupations .....	168.6	173.9	175.0	.5	.9	.6	3.9	3.7	3.8
<b>Industry</b>									
Goods producing <sup>2</sup> .....	166.6	173.4	174.4	.5	.9	.6	4.0	4.6	4.7
Manufacturing .....	167.1	174.9	175.4	.4	1.0	.3	4.1	5.0	5.0
Service producing <sup>3</sup> .....	169.1	174.0	174.7	.5	1.0	.4	3.9	3.4	3.3
Services .....	169.5	174.5	175.5	.6	1.3	.6	3.4	3.6	3.5
Health services .....	170.7	176.7	177.7	.8	1.3	.6	3.8	4.4	4.1
Hospitals .....	174.8	180.5	181.8	1.0	1.3	.7	4.3	4.3	4.0
Educational services .....	167.6	171.8	172.9	.4	1.7	.6	2.9	2.9	3.2
Public administration <sup>4</sup> .....	168.1	174.1	175.4	.5	1.6	.7	4.0	4.1	4.3
Nonmanufacturing .....	168.6	173.5	174.4	.5	1.0	.5	3.8	3.4	3.4
<b>Occupational group</b>									
White collar .....	170.7	175.8	176.6	.5	1.0	.5	3.9	3.5	3.5
Excluding sales .....	171.1	176.2	177.4	.5	1.0	.7	3.9	3.5	3.7
Professional specialty and technical .....	168.0	173.6	174.7	.6	1.4	.6	3.4	4.0	4.0
Executive, administrative, and managerial .....	174.9	178.2	179.4	.5	.6	.7	4.9	2.4	2.6
Administrative support, including clerical .....	172.5	178.7	180.0	.5	.8	.7	3.9	4.1	4.3
Blue collar .....	163.7	170.1	170.9	.5	.8	.5	3.9	4.4	4.4
Service .....	167.9	172.7	173.6	.7	1.1	.5	3.5	3.5	3.4
<b>State and local government</b> .....	166.8	171.5	172.6	.5	1.7	.6	3.3	3.4	3.5
<b>Industry</b>									
Services .....	165.7	169.7	170.8	.5	1.7	.6	3.0	2.9	3.1
Excluding schools .....	168.2	173.0	173.8	.8	1.7	.5	3.3	3.7	3.3
Health services .....	171.0	175.7	176.8	.9	1.6	.6	3.3	3.7	3.4
Hospitals .....	171.4	176.3	177.4	.6	1.8	.6	3.1	3.5	3.5
Educational services .....	165.0	168.8	169.9	.4	1.7	.7	2.9	2.7	3.0
Schools .....	165.3	169.2	170.3	.4	1.7	.7	2.9	2.7	3.0
Elementary and secondary .....	163.7	168.0	169.2	.4	2.1	.7	3.1	3.1	3.4
Colleges and universities .....	170.0	172.4	173.2	.5	.8	.5	2.5	1.9	1.9
Public administration <sup>4</sup> .....	168.1	174.1	175.4	.5	1.6	.7	4.0	4.1	4.3
<b>Occupational group</b>									
White collar .....	165.7	170.0	171.2	.5	1.5	.7	3.1	3.1	3.3
Professional specialty and technical .....	164.1	168.4	169.4	.4	1.7	.6	2.9	3.1	3.2
Executive, administrative, and managerial .....	169.1	172.1	174.3	.7	.6	1.3	3.2	2.4	3.1
Administrative support, including clerical .....	168.5	174.3	175.5	.4	1.5	.7	3.8	3.8	4.2
Blue collar .....	165.2	169.9	171.0	1.0	1.4	.6	3.4	3.9	3.5
Service .....	173.0	179.4	180.5	.6	2.3	.6	4.0	4.3	4.3

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

industries; and public administration.

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



**Table 3. Employment Cost Index for total compensation<sup>1</sup> 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. 2003	Sep. 2004	Dec. 2004	3 months ended—			12 months ended—		
				Dec. 2003	Sep. 2004	Dec. 2004	Dec. 2003	Sep. 2004	Dec. 2004
<b>Private industry workers</b> .....	168.8	174.4	175.2	0.4	0.8	0.5	4.0	3.7	3.8
Excluding sales occupations .....	169.0	174.6	175.6	.5	.8	.6	4.1	3.9	3.9
<b>Industry</b>									
<b>Goods producing</b> <sup>2</sup> .....	166.5	173.3	174.3	.5	.9	.6	4.0	4.6	4.7
Excluding sales .....	165.9	172.5	173.7	.5	.8	.7	4.2	4.5	4.7
White collar .....	170.5	176.4	177.8	.2	1.0	.8	3.8	3.7	4.3
Excluding sales .....	169.2	174.5	176.4	.4	.7	1.1	4.3	3.6	4.3
Blue collar .....	163.9	171.3	172.0	.6	.9	.4	4.2	5.2	4.9
Construction .....	163.3	167.0	167.3	.6	.7	.2	3.4	2.9	2.4
Manufacturing .....	167.1	174.9	175.4	.4	1.0	.3	4.1	5.0	5.0
White collar .....	169.6	176.4	176.7	.1	1.0	.2	3.9	4.1	4.2
Excluding sales .....	167.8	174.1	174.7	.2	.9	.3	4.4	4.0	4.1
Blue collar .....	165.1	173.7	174.3	.6	1.0	.3	4.3	5.9	5.6
Durables .....	167.3	175.8	176.3	.4	1.0	.3	4.2	5.5	5.4
Aircraft manufacturing (SIC 3721) ..	182.1	201.6	202.0	-1.2	.3	.2	5.7	9.3	10.9
White collar .....	177.0	195.2	195.3	-.3	.2	.1	7.1	10.0	10.3
Blue collar .....	188.4	210.9	211.8	-2.8	1.2	.4	3.3	8.8	12.4
Nondurables .....	166.6	173.1	173.6	.4	.8	.3	3.9	4.3	4.2
Service producing <sup>3</sup> .....	169.7	174.7	175.3	.5	.8	.3	4.0	3.5	3.3
Excluding sales .....	170.6	175.6	176.5	.5	.8	.5	4.0	3.5	3.5
White collar .....	172.0	177.3	177.8	.5	.9	.3	4.2	3.6	3.4
Excluding sales .....	174.2	179.4	180.4	.6	.9	.6	4.3	3.6	3.6
Blue collar .....	162.6	167.4	168.1	.2	.6	.4	3.6	3.2	3.4
Service .....	164.3	168.1	168.9	.7	.4	.5	3.1	3.0	2.8
Transportation and public utilities .....	167.0	173.6	173.5	.3	.6	-.1	3.3	4.3	3.9
Transportation .....	159.6	166.2	166.2	.1	.9	.0	2.2	4.3	4.1
Public utilities .....	177.0	183.6	183.4	.3	.3	-.1	4.6	4.1	3.6
Communications .....	179.0	183.8	183.5	.3	.1	-.2	5.2	3.0	2.5
Electric, gas, and sanitary services .....	174.6	183.3	183.3	.5	.5	.0	3.9	5.5	5.0
Wholesale and retail trade .....	165.0	169.1	169.1	.4	.6	.0	3.3	2.9	2.5
Excluding sales .....	165.9	169.6	170.4	.5	.6	.5	3.4	2.8	2.7
Wholesale trade .....	172.0	177.8	176.6	.0	1.1	-.7	3.2	3.4	2.7
Excluding sales .....	171.3	175.3	176.3	.1	.7	.6	2.5	2.4	2.9
Retail trade .....	161.0	164.2	164.7	.7	.3	.3	3.3	2.7	2.3
General merchandise stores .....	165.6	168.8	169.5	2.7	1.6	.4	6.8	4.7	2.4
Food stores .....	160.3	163.5	164.0	.6	.0	.3	2.6	2.6	2.3
Finance, insurance, and real estate .....	180.9	184.8	186.0	.4	.7	.6	7.4	2.6	2.8
Excluding sales .....	186.1	190.0	191.2	.4	.7	.6	7.5	2.5	2.7
Banking, savings and loan, and other credit agencies .....	209.0	210.5	212.3	.7	.8	.9	12.8	1.4	1.6
Insurance .....	176.2	182.1	183.6	.6	.9	.8	4.9	4.0	4.2
Excluding sales .....	173.7	179.1	180.3	.5	.6	.7	4.8	3.6	3.8
Services .....	171.4	176.9	177.9	.6	1.0	.6	3.6	3.8	3.8
Business services .....	172.6	178.5	179.1	.4	.9	.3	3.0	3.8	3.8
Health services .....	170.8	177.0	178.0	.8	1.3	.6	3.9	4.5	4.2
Hospitals .....	175.9	181.8	183.2	1.2	1.2	.8	4.6	4.5	4.2
Nursing homes .....	—	—	—	.6	.5	.6	3.4	3.1	3.0
Educational services .....	181.3	187.0	188.5	.6	1.5	.8	3.5	3.8	4.0
Colleges and universities .....	179.4	185.2	186.2	.6	1.5	.5	3.3	3.8	3.8

See footnotes at end of table.

**Table 3. Employment Cost Index for total compensation<sup>1</sup> 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. 2003	Sep. 2004	Dec. 2004	3 months ended—			12 months ended—		
				Dec. 2003	Sep. 2004	Dec. 2004	Dec. 2003	Sep. 2004	Dec. 2004
<b>Industry—Continued</b>									
<b>Nonmanufacturing industries</b> .....	169.0	173.9	174.7	0.5	0.8	0.5	4.0	3.5	3.4
White collar .....	172.1	177.2	178.0	.5	.9	.5	4.1	3.5	3.4
Excluding sales .....	174.2	179.3	180.6	.6	.9	.7	4.2	3.5	3.7
Blue collar .....	161.7	166.4	167.3	.4	.5	.5	3.7	3.3	3.5
Service .....	164.2	168.0	168.9	.6	.4	.5	3.1	2.9	2.9
<b>Occupational group</b>									
<b>White collar</b> .....	172.0	177.3	178.1	.5	.9	.5	4.1	3.6	3.5
Excluding sales .....	173.0	178.3	179.5	.5	.9	.7	4.3	3.6	3.8
Professional specialty and technical .....	170.5	176.8	178.1	.6	1.2	.7	3.7	4.4	4.5
Executive, administrative, and managerial .....	175.9	179.2	180.2	.5	.6	.6	5.2	2.4	2.4
Sales .....	167.1	173.1	171.4	-.1	1.1	-1.0	3.2	3.5	2.6
Administrative support, including clerical .....	173.1	179.4	180.7	.5	.7	.7	3.8	4.1	4.4
<b>Blue collar</b> .....	163.6	170.1	170.8	.5	.8	.4	4.0	4.5	4.4
Precision production, craft, and repair .....	164.2	170.2	171.2	.7	.7	.6	4.1	4.4	4.3
Machine operators, assemblers, and inspectors .....	163.2	172.2	172.5	.4	1.0	.2	4.1	5.9	5.7
Transportation and material moving .....	156.9	161.8	162.3	.1	.7	.3	3.4	3.3	3.4
Handlers, equipment cleaners, helpers, and laborers .....	169.5	174.3	175.3	.5	.6	.6	4.1	3.4	3.4
<b>Service</b> .....	164.9	168.9	169.7	.7	.4	.5	3.2	3.1	2.9
<b>Production and nonsupervisory occupations<sup>4</sup></b> .....	166.6	172.4	173.0	.5	.8	.3	3.8	4.0	3.8

<sup>1</sup> Includes wages, salaries, and employer costs for employee benefits.<sup>2</sup> Includes mining, construction, and manufacturing.<sup>3</sup> Includes transportation, communication, and public utilities; wholesale and retail trade; finance, insurance, and real estate; and service industries.<sup>4</sup> 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 compensation<sup>1</sup> 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. 2003	Sep. 2004	Dec. 2004	3 months ended—			12 months ended—		
				Dec. 2003	Sep. 2004	Dec. 2004	Dec. 2003	Sep. 2004	Dec. 2004
<b>Bargaining status</b>									
<b>Union</b> .....	166.8	175.3	176.2	0.7	0.8	0.5	4.6	5.8	5.6
Blue-collar occupations .....	164.2	172.6	173.5	.7	.8	.5	4.9	5.8	5.7
Goods-producing industries <sup>2</sup> .....	165.9	176.0	176.7	.7	.8	.4	5.1	6.9	6.5
Service-producing industries <sup>3</sup> .....	167.5	174.4	175.4	.6	.9	.6	4.0	4.7	4.7
Manufacturing .....	166.3	178.4	178.9	.8	.8	.3	5.3	8.1	7.6
Blue-collar occupations .....	165.1	177.3	177.8	.9	.8	.3	5.2	8.3	7.7
Nonmanufacturing .....	166.5	173.0	174.1	.6	.8	.6	4.1	4.5	4.6
<b>Nonunion</b> .....	169.1	174.2	174.9	.4	.9	.4	3.9	3.4	3.4
Blue-collar occupations .....	163.2	168.6	169.2	.4	.7	.4	3.5	3.7	3.7
Goods-producing industries <sup>2</sup> .....	166.7	172.4	173.5	.4	.9	.6	3.7	3.8	4.1
Service-producing industries <sup>3</sup> .....	169.8	174.6	175.1	.5	.8	.3	4.0	3.3	3.1
Manufacturing .....	167.3	173.8	174.3	.2	1.0	.3	3.7	4.1	4.2
Blue-collar occupations .....	164.8	171.2	171.9	.4	1.1	.4	3.8	4.3	4.3
Nonmanufacturing .....	169.3	174.0	174.7	.5	.8	.4	3.9	3.3	3.2
<b>Region<sup>4</sup></b>									
Northeast .....	167.9	173.7	174.2	.6	.8	.3	4.1	4.1	3.8
South .....	163.9	169.5	170.6	.4	1.0	.6	3.1	3.9	4.1
Midwest .....	172.5	177.6	177.9	.5	.8	.2	4.8	3.4	3.1
West .....	172.2	178.1	179.0	.5	.7	.5	4.4	3.9	3.9
<b>Area</b>									
Metropolitan .....	169.1	174.6	175.3	.5	.9	.4	4.1	3.7	3.7
Other .....	166.9	173.3	174.3	.5	.7	.6	3.8	4.3	4.4

<sup>1</sup> Includes wages, salaries, and employer costs for employee benefits.<sup>2</sup> Includes mining, construction, and manufacturing.<sup>3</sup> Includes transportation, communication, and public utilities; wholesale and retail trade; finance, insurance, and real estate; and service industries.<sup>4</sup> 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. 2003	Sep. 2004	Dec. 2004	3 months ended—			12 months ended—		
				Dec. 2003	Sep. 2004	Dec. 2004	Dec. 2003	Sep. 2004	Dec. 2004
<b>Civilian workers</b> .....	162.3	165.7	166.2	0.3	0.9	0.3	2.9	2.4	2.4
Excluding sales occupations .....	162.3	165.6	166.3	.4	.9	.4	2.9	2.4	2.5
<b>Industry</b>									
Goods producing <sup>1</sup> .....	158.7	162.3	162.4	.3	.8	.1	2.3	2.5	2.3
Manufacturing .....	160.1	163.8	164.0	.3	.9	.1	2.3	2.6	2.4
Service producing <sup>2</sup> .....	163.6	167.0	167.5	.4	.9	.3	3.0	2.5	2.4
Services .....	165.4	169.3	170.1	.4	1.1	.5	2.7	2.8	2.8
Health services .....	165.9	170.8	171.7	.7	1.3	.5	3.1	3.7	3.5
Hospitals .....	167.7	171.8	173.2	.8	1.1	.8	3.4	3.3	3.3
Educational services .....	163.2	166.0	166.8	.3	1.3	.5	1.9	2.0	2.2
Public administration <sup>3</sup> .....	160.0	162.6	163.5	.4	.7	.6	2.7	2.0	2.2
Nonmanufacturing .....	162.7	166.0	166.5	.4	.9	.3	3.0	2.4	2.3
<b>Occupational group</b>									
White collar .....	165.1	168.7	169.1	.4	1.0	.2	3.1	2.6	2.4
Excluding sales .....	165.7	169.1	169.9	.4	.9	.5	3.1	2.5	2.5
Professional specialty and technical .....	162.5	166.5	167.0	.4	1.3	.3	2.5	2.9	2.8
Executive, administrative, and managerial .....	171.2	173.4	174.4	.4	.6	.6	4.5	1.7	1.9
Administrative support, including clerical .....	164.9	168.8	169.7	.4	.8	.5	2.7	2.7	2.9
Blue collar .....	156.3	159.7	160.0	.3	.8	.2	2.4	2.5	2.4
Service .....	160.6	162.8	163.6	.5	.6	.5	2.4	1.9	1.9
<b>State and local government</b> .....	161.9	164.5	165.3	.4	1.0	.5	2.1	2.0	2.1
<b>Industry</b>									
Services .....	162.1	164.8	165.5	.3	1.3	.4	1.8	2.0	2.1
Excluding schools .....	164.5	167.5	168.3	.8	1.1	.5	2.6	2.6	2.3
Health services .....	166.7	169.6	170.7	1.0	1.1	.6	2.8	2.7	2.4
Hospitals .....	166.7	169.9	171.0	.7	1.2	.6	2.6	2.7	2.6
Educational services .....	161.6	164.2	164.9	.2	1.3	.4	1.7	1.9	2.0
Schools .....	161.8	164.3	165.0	.2	1.2	.4	1.8	1.8	2.0
Elementary and secondary .....	160.9	163.8	164.5	.2	1.4	.4	1.8	2.0	2.2
Colleges and universities .....	164.0	165.4	166.3	.3	.6	.5	1.5	1.2	1.4
Public administration <sup>3</sup> .....	160.0	162.6	163.5	.4	.7	.6	2.7	2.0	2.2
<b>Occupational group</b>									
White collar .....	161.5	164.1	164.9	.3	1.0	.5	2.0	1.9	2.1
Professional specialty and technical .....	161.4	164.4	165.0	.2	1.3	.4	1.9	2.1	2.2
Executive, administrative, and managerial .....	163.3	164.3	166.1	.5	.3	1.1	2.0	1.1	1.7
Administrative support, including clerical .....	159.5	162.6	163.0	.3	1.1	.2	2.2	2.2	2.2
Blue collar .....	158.3	160.7	161.4	.4	.9	.4	2.1	2.0	2.0
Service .....	165.8	168.5	169.4	.5	.9	.5	2.9	2.2	2.2

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

industries; and public administration.

<sup>3</sup> 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. 2003	Sep. 2004	Dec. 2004	3 months ended—			12 months ended—		
				Dec. 2003	Sep. 2004	Dec. 2004	Dec. 2003	Sep. 2004	Dec. 2004
<b>Private industry workers</b> .....	162.3	165.9	166.2	0.4	0.9	0.2	3.0	2.6	2.4
Excluding sales occupations .....	162.4	165.8	166.5	.4	.8	.4	3.1	2.5	2.5
<b>Industry</b>									
<b>Goods producing</b> <sup>1</sup> .....	158.7	162.3	162.4	.3	.9	.1	2.4	2.5	2.3
Excluding sales .....	158.0	161.2	161.6	.4	.6	.2	2.6	2.4	2.3
White collar .....	162.1	166.0	165.9	.1	.9	-.1	2.2	2.5	2.3
Excluding sales .....	160.4	163.6	164.1	.3	.6	.3	2.6	2.3	2.3
Blue collar .....	156.4	159.8	160.1	.3	.8	.2	2.5	2.5	2.4
Construction .....	154.0	157.1	157.0	.3	.8	-.1	2.5	2.3	1.9
Manufacturing .....	160.1	163.8	164.0	.3	.9	.1	2.3	2.6	2.4
White collar .....	162.1	166.1	166.1	.1	.9	.0	2.2	2.5	2.5
Excluding sales .....	160.0	163.5	163.9	.3	.6	.2	2.6	2.5	2.4
Blue collar .....	158.5	162.1	162.4	.4	.9	.2	2.5	2.7	2.5
Durables .....	160.9	164.5	164.7	.2	1.0	.1	2.3	2.4	2.4
Aircraft manufacturing (SIC 3721) ..	167.7	172.4	172.6	.2	.3	.1	2.8	3.0	2.9
White collar .....	160.6	165.7	165.9	.2	.1	.1	2.8	3.4	3.3
Blue collar .....	178.2	183.0	183.3	.2	1.3	.2	2.9	2.9	2.9
Nondurables .....	158.7	162.8	162.9	.3	.7	.1	2.3	2.8	2.6
Service producing <sup>2</sup> .....	163.9	167.5	167.9	.4	.8	.2	3.3	2.6	2.4
Excluding sales .....	165.0	168.5	169.3	.5	.8	.5	3.4	2.6	2.6
White collar .....	166.6	170.4	170.8	.4	.9	.2	3.7	2.7	2.5
Excluding sales .....	169.0	172.8	173.6	.5	.9	.5	3.8	2.7	2.7
Blue collar .....	155.4	158.9	159.4	.2	.7	.3	2.2	2.5	2.6
Service .....	157.4	159.4	160.2	.5	.4	.5	2.1	1.8	1.8
Transportation and public utilities .....	156.5	160.4	160.5	.3	.8	.1	1.6	2.8	2.6
Transportation .....	150.8	155.0	155.1	.3	1.0	.1	.5	3.1	2.9
Public utilities .....	164.1	167.5	167.5	.4	.7	.0	3.0	2.5	2.1
Communications .....	165.9	168.8	168.3	.3	.8	-.3	3.2	2.1	1.4
Electric, gas, and sanitary services .....	161.8	165.9	166.6	.5	.5	.4	2.8	3.0	3.0
Wholesale and retail trade .....	159.5	162.5	162.1	.2	.6	-.2	2.6	2.1	1.6
Excluding sales .....	161.3	163.5	164.1	.4	.4	.4	2.7	1.7	1.7
Wholesale trade .....	165.3	169.7	167.5	.3	1.1	-1.3	2.7	3.0	1.3
Excluding sales .....	166.3	168.6	168.9	.4	.6	.2	1.6	1.8	1.6
Retail trade .....	156.5	158.7	159.3	.1	.2	.4	2.5	1.5	1.8
General merchandise stores .....	153.6	157.5	158.1	.3	1.7	.4	2.9	2.9	2.9
Food stores .....	152.8	154.5	155.0	.4	.1	.3	1.7	1.5	1.4
Finance, insurance, and real estate .....	174.5	176.5	177.7	.2	.7	.7	7.3	1.4	1.8
Excluding sales .....	179.8	181.8	182.9	.3	.7	.6	7.5	1.5	1.7
Banking, savings and loan, and other credit agencies .....	210.2	209.5	211.3	.5	.9	.9	14.3	.2	.5
Insurance .....	164.5	168.9	170.4	.4	1.0	.9	3.4	3.1	3.6
Excluding sales .....	160.7	164.6	165.5	.2	.5	.5	3.1	2.6	3.0
Services .....	166.7	171.1	172.0	.5	1.1	.5	3.1	3.1	3.2
Business services .....	169.8	174.3	175.0	.4	.9	.4	3.0	3.1	3.1
Health services .....	165.8	170.9	171.9	.7	1.2	.6	3.2	3.8	3.7
Hospitals .....	167.9	172.4	173.8	.8	1.1	.8	3.6	3.5	3.5
Nursing homes .....	—	—	—	.6	.5	.5	2.8	2.5	2.5
Educational services .....	171.0	175.5	176.8	.4	1.7	.7	2.7	3.1	3.4
Colleges and universities .....	168.4	172.9	173.6	.5	1.7	.4	2.5	3.2	3.1

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. 2003	Sep. 2004	Dec. 2004	3 months ended—			12 months ended—		
				Dec. 2003	Sep. 2004	Dec. 2004	Dec. 2003	Sep. 2004	Dec. 2004
<b>Industry—Continued</b>									
<b>Nonmanufacturing industries</b> .....	162.6	166.2	166.6	0.3	0.8	0.2	3.2	2.5	2.5
White collar .....	166.3	170.1	170.5	.4	.9	.2	3.6	2.7	2.5
Excluding sales .....	168.5	172.3	173.1	.5	.9	.5	3.7	2.7	2.7
Blue collar .....	153.8	157.1	157.5	.3	.6	.3	2.4	2.4	2.4
Service .....	157.3	159.2	160.1	.5	.3	.6	2.1	1.7	1.8
<b>Occupational group</b>									
<b>White collar</b> .....	165.9	169.7	170.0	.4	.9	.2	3.4	2.7	2.5
Excluding sales .....	167.0	170.6	171.4	.5	.8	.5	3.5	2.6	2.6
Professional specialty and technical .....	163.0	167.6	168.0	.6	1.3	.2	2.8	3.4	3.1
Executive, administrative, and managerial .....	172.5	174.9	175.7	.4	.6	.5	4.9	1.8	1.9
Sales .....	161.1	165.9	164.0	-.3	1.2	-1.1	2.7	2.7	1.8
Administrative support, including clerical .....	165.7	169.7	170.8	.4	.7	.6	2.7	2.8	3.1
<b>Blue collar</b> .....	156.1	159.5	159.9	.3	.8	.3	2.4	2.5	2.4
Precision production, craft, and repair .....	156.2	159.3	159.7	.5	.6	.3	2.6	2.4	2.2
Machine operators, assemblers, and inspectors .....	156.9	161.6	161.6	.1	1.1	.0	2.4	3.1	3.0
Transportation and material moving .....	149.8	152.9	153.3	.0	.7	.3	2.0	2.1	2.3
Handlers, equipment cleaners, helpers, and laborers .....	160.6	163.6	164.5	.4	.6	.6	2.2	2.3	2.4
<b>Service</b> .....	157.8	159.8	160.6	.4	.3	.5	2.1	1.7	1.8
<b>Production and nonsupervisory occupations<sup>3</sup></b> .....	159.4	163.1	163.4	.4	.9	.2	2.7	2.7	2.5

<sup>1</sup> Includes mining, construction, and manufacturing.<sup>2</sup> Includes transportation, communication, and public utilities; wholesale and retail trade; finance, insurance, and real estate; and service industries.<sup>3</sup> 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. 2003	Sep. 2004	Dec. 2004	3 months ended—			12 months ended—		
				Dec. 2003	Sep. 2004	Dec. 2004	Dec. 2003	Sep. 2004	Dec. 2004
<b>Bargaining status</b>									
<b>Union</b> .....	156.2	160.0	160.6	0.6	0.8	0.4	2.4	3.0	2.8
Blue-collar occupations .....	153.5	156.7	157.2	.5	.8	.3	2.6	2.6	2.4
Goods-producing industries <sup>1</sup> .....	155.4	158.7	158.9	.4	.8	.1	2.8	2.5	2.3
Service-producing industries <sup>2</sup> .....	157.3	161.7	162.6	.6	.9	.6	2.1	3.5	3.4
Manufacturing .....	157.1	160.5	160.7	.3	.8	.1	2.6	2.4	2.3
Blue-collar occupations .....	155.8	159.2	159.2	.4	.9	.0	2.6	2.6	2.2
Nonmanufacturing .....	155.6	159.6	160.4	.6	.8	.5	2.3	3.2	3.1
<b>Nonunion</b> .....	163.4	167.0	167.3	.2	.8	.2	3.1	2.5	2.4
Blue-collar occupations .....	157.8	161.4	161.7	.2	.7	.2	2.3	2.5	2.5
Goods-producing industries <sup>1</sup> .....	160.1	163.8	163.9	.3	.9	.1	2.2	2.6	2.4
Service-producing industries <sup>2</sup> .....	164.5	168.0	168.4	.3	.8	.2	3.5	2.4	2.4
Manufacturing .....	161.3	165.2	165.3	.2	.9	.1	2.2	2.7	2.5
Blue-collar occupations .....	160.4	164.1	164.5	.4	.9	.2	2.3	2.7	2.6
Nonmanufacturing .....	163.7	167.1	167.5	.4	.8	.2	3.4	2.5	2.3
<b>Region<sup>3</sup></b>									
Northeast .....	160.9	164.9	165.0	.6	.8	.1	3.3	3.1	2.5
South .....	157.9	161.6	162.3	.3	.9	.4	2.1	2.7	2.8
Midwest .....	166.5	169.2	169.2	.2	.9	.0	3.9	1.9	1.6
West .....	165.2	169.1	169.5	.3	.7	.2	3.2	2.7	2.6
<b>Area</b>									
Metropolitan .....	162.7	166.3	166.6	.3	.8	.2	3.0	2.5	2.4
Other .....	159.5	163.3	163.8	.4	.7	.3	3.0	2.8	2.7

<sup>1</sup> Includes mining, construction, and manufacturing.<sup>2</sup> Includes transportation, communication, and public utilities; wholesale and retail trade; finance, insurance, and real estate; and service industries.<sup>3</sup> 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. 2003	Sep. 2004	Dec. 2004	3 months ended—			12 months ended—		
				Dec. 2003	Sep. 2004	Dec. 2004	Dec. 2003	Sep. 2004	Dec. 2004
<b>Civilian workers</b> .....	184.3	195.2	197.0	0.8	1.2	0.9	6.3	6.8	6.9
State and local government .....	178.5	188.3	190.4	.9	2.9	1.1	6.1	6.4	6.7
Private industry .....	185.8	196.9	198.7	.8	.8	.9	6.4	6.8	6.9
<b>Industry</b>									
Goods producing <sup>1</sup> .....	183.8	198.1	201.2	.8	1.0	1.6	7.5	8.7	9.5
Service producing <sup>2</sup> .....	186.2	195.5	196.5	.8	.7	.5	5.9	5.8	5.5
Manufacturing .....	182.3	199.2	200.4	.7	1.2	.6	7.9	10.0	9.9
Aircraft manufacturing (SIC 3721) .....	213.4	265.2	266.0	-3.6	.5	.3	10.9	19.8	24.6
White collar .....	216.3	265.9	265.9	-1.1	.2	.0	15.7	21.6	22.9
Blue collar .....	207.5	262.9	264.9	-7.4	1.2	.8	4.1	17.4	27.7
Nonmanufacturing .....	186.7	195.7	197.6	.9	.7	1.0	5.9	5.7	5.8
<b>Occupational group</b>									
White collar .....	189.2	199.1	201.1	.8	.9	1.0	6.0	6.1	6.3
Blue collar .....	179.9	193.3	194.9	.8	.8	.8	7.2	8.4	8.3
Service .....	186.4	197.5	198.2	1.2	.7	.4	6.6	7.3	6.3
<b>Bargaining status</b>									
Union .....	187.1	205.0	206.4	.9	.8	.7	8.3	10.6	10.3
Nonunion .....	185.1	194.6	196.5	.8	.8	1.0	6.0	5.9	6.2

<sup>1</sup> Includes mining, construction, and manufacturing.<sup>2</sup> Includes transportation, communication, and public utilities;

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



## **EXPLANATORY 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. 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 43,000 occupational observations within about 9,700 sample establishments in private industry and approximately 3,500 occupations within about 800 sample establishments in State and local governments. Data are collected for the pay period including the 12<sup>th</sup> 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 2004 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 of the economy 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. Orders for bulletins should be made to the Bureau of Labor Statistics, Publication Sales Center, Room 960, 230 South Dearborn Street, Chicago, IL 60604, (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](mailto:ocltinfo@bls.gov)).

Historical data series are available, beginning with some wage and salary series begun in 1975. In addition, constant-dollar ECI series derived from the Consumer Price Index for All Urban Consumers (CPI-U) are available. Supplemental data from the ECI, providing 12-month percent changes in employer costs for health insurance in private industry beginning with June 1982 are also available. This information is available at 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 recently published in a separate news release titled "Employer Costs for Employee Compensation—September 2004." Beginning with the March 2004 estimates, industry estimates are based on the 2002 North American Industry Classification (NAICS) system and the occupational categories are classified according to the 2000 Standard Occupational (SOC) system. These systems replace the 1987 Standard Industrial Classification System (SIC) and the Occupational Classification System (OCS). The release and information on the transition to the new industry and occupational classification systems are available by e-mail request at [ocltinfo@bls.gov](mailto:ocltinfo@bls.gov), on the Internet site <http://www.bls.gov/ect/home.htm>, or by telephone (202) 691-6199. Historical data and related articles are included in the bulletin, Employer Costs for Employee Compensation, 1986-99, (Bulletin 2526). Also available on the Internet site (<http://www.bls.gov/ncs/ect/home.htm>) or upon request is an annual historical summary from March 1986 through March 2002. Data on a quarterly basis beginning with June 2002 are also available. 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.