

MIDWEST INFORMATION OFFICE
Chicago, Ill.

For release: Tuesday, September 18, 2012

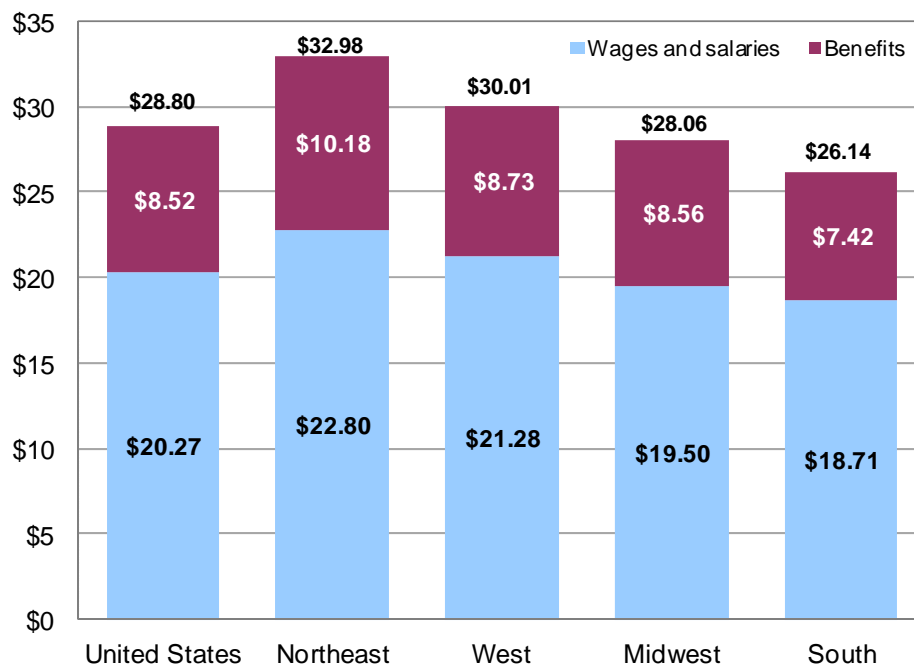
12-1915-CHI

Technical information: (312) 353-1880 • BLSInfoChicago@bls.gov • www.bls.gov/ro5
Media contact: (312) 353-1138

**EMPLOYER COSTS FOR EMPLOYEE COMPENSATION FOR THE REGIONS –
JUNE 2012**

Employer costs for employee compensation in private industry among the four geographic regions of the country ranged from \$26.14 per hour in the South to \$32.98 in the Northeast during June 2012, the U.S. Bureau of Labor Statistics reported today. Regional Commissioner Charlene Peiffer noted that employer costs for employee compensation in the other two regions were \$28.06 in the Midwest and \$30.01 in the West. (See chart 1.) In addition to regional estimates, employer costs for nine geographic divisions are also available. Within divisions, total compensation costs ranged from \$24.44 in the East South Central division to \$33.47 in the New England division. (See table 1.) Employer Costs for Employee Compensation (ECEC) are based on the National Compensation Survey, which measures employer costs for wages, salaries, and employee benefits. (Geographic definitions of the regions and divisions follow in the Technical Note.)

Chart 1. Employer costs per hour worked for employee compensation in private industry by region, June 2012



Note: The sum of individual items may not equal totals due to rounding.
Source: U.S. Bureau of Labor Statistics

In the Northeast, hourly total compensation costs were comprised of the following: wages and salaries (at \$22.80) made up 69.1 percent, while total benefits (at \$10.18), accounted for the remaining 30.9 percent. Insurance costs, which include life, health, and short- and long-term disability, averaged \$2.79 per hour worked and 8.5 percent of all compensation costs. Legally required benefits, which include Social Security and Medicare, workers' compensation, and unemployment insurance, averaged \$2.71 per hour worked and represented 8.2 percent of total compensation costs. Paid leave benefits, of which vacation, holiday, sick, and personal leave is included, was \$2.46 per hour worked and accounted for 7.5 percent of total compensation costs.

Hourly wages and salaries averaged \$21.28 in the West and accounted for 70.9 percent of all compensation costs. Total benefits averaged \$8.73, or 29.1 percent of total compensation costs. Legally required benefits averaged \$2.58 per hour worked and accounted for 8.6 percent of total compensation costs in the West. Insurance benefits averaged \$2.31 per hour worked and represented 7.7 percent of all employer costs, while paid leave was \$2.03 per hour, or 6.8 percent of total compensation costs.

The Midwest Region witnessed hourly wage and salary averages of \$19.50 in June 2012, and that represented 69.5 percent of all compensation costs. Total benefits averaged \$8.56, and accounted for the remaining 30.5 percent of all compensation costs. The three highest employee-cost areas for employers included: insurance benefits (\$2.55 per hour worked), legally required benefits (\$2.29 per hour), and paid leave (\$1.86 per hour). These cost areas represented 9.1 percent, 8.2 percent, and 6.6 percent, respectively, of total employer compensation costs in the Midwest.

In the South, wages and salaries averaged \$18.71 per hour and comprised 71.6 percent of total employer compensation, while total benefits, at \$7.42 per hour, accounted for the remaining 28.4 percent. Legally required benefits represented the largest benefit category, averaging \$2.09 per hour worked, or 8.0 percent of total compensation costs. Insurance benefits, at \$1.96 per hour, or 7.5 percent of total compensation costs, represented the second largest benefit category in the South. Paid leave, the third largest benefit category, averaged \$1.73 per hour and represented 6.6 percent of all costs.

Overall, compensation costs among private industry employers in the United States averaged \$28.80 per hour worked in June 2012. Wages and salaries, at \$20.27 per hour, accounted for 70.4 percent of these costs, while benefits, at \$8.52, made up the remaining 29.6 percent.

Technical note

Employer Costs for Employee Compensation (ECEC) measures the average cost to employers for wages and salaries and benefits per employee hour worked.

Employer Costs for Employee Compensation data in this release cover private industry. Excluded from private industry are the self-employed and farm and private household workers. The cost levels for this quarter were collected from a probability sample of approximately 47,400 occupations selected from a sample of about 9,500 establishments in private industry. The private industry sample is rotated over approximately 5 years, which makes the sample more representative of the economy and reduces respondent burden. Data are collected for the pay period including the 12th day of the survey months of March, June, September, and December.

Employer Costs for Employee Compensation data on total compensation, wages and salaries, and benefits in private industry are produced annually in the March reference period for 15 combined and metropolitan statistical areas (CSA and MSA). For further information about metropolitan area ECEC

estimates see: “BLS Introduces New Employer Costs for Employee Compensation Data for Private Industry Workers in 15 Metropolitan Areas,” at www.bls.gov/opub/cwc/cm20090921ar01p1.htm.

For detailed information on Employer Costs for Employee Compensation, see Chapter 8, “National Compensation Measures,” of the BLS Handbook of Methods at www.bls.gov/opub/hom/pdf/homch8.pdf and www.bls.gov/opub/hom/homch8_a.htm.

Current and historical BLS data are also posted on our Web site at www.bls.gov/ect.

Information from the Employer Costs for Employee Compensation program is available to sensory impaired individuals upon request. Voice phone: (202) 691-5200, Federal Relay Services: 1-800-877-8339.

Regional definitions

Northeast region

- New England division: Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont
- Middle Atlantic division: New Jersey, New York, Pennsylvania

Midwest region

- East North Central division: Illinois, Indiana, Michigan, Ohio, Wisconsin
- West North Central division: Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota

South region

- South Atlantic division: Delaware, District of Columbia, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, West Virginia
- East South Central division: Alabama, Kentucky, Mississippi, Tennessee
- West South Central division: Arkansas, Louisiana, Oklahoma, Texas

West region

- Mountain division: Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, Wyoming
- Pacific division: Alaska, California, Hawaii, Oregon, Washington

Table 1. Employer costs per hour worked for employee compensation and costs as a percent of total compensation: Private industry workers, by census region and division, June 2012

Compensation component	Census region and division [1]									
	Northeast		Northeast divisions				South		South divisions	
	Cost	Percent	New England		Middle Atlantic		Cost	Percent	South Atlantic	
			Cost	Percent	Cost	Percent			Cost	Percent
Total compensation.....	\$32.98	100.0	\$33.47	100.0	\$32.81	100.0	\$26.14	100.0	\$26.37	100.0
Wages and salaries.....	22.80	69.1	23.41	70.0	22.58	68.8	18.71	71.6	19.04	72.2
Total benefits.....	10.18	30.9	10.05	30.0	10.22	31.2	7.42	28.4	7.33	27.8
Paid leave.....	2.46	7.5	2.46	7.4	2.47	7.5	1.73	6.6	1.77	6.7
Vacation.....	1.24	3.7	1.27	3.8	1.22	3.7	0.87	3.3	0.90	3.4
Holiday.....	0.75	2.3	0.77	2.3	0.74	2.3	0.55	2.1	0.56	2.1
Sick.....	0.34	1.0	0.31	0.9	0.35	1.1	0.21	0.8	0.22	0.8
Personal.....	0.15	0.4	0.12	0.4	0.15	0.5	0.09	0.3	0.09	0.3
Supplemental pay.....	1.01	3.1	0.90	2.7	1.05	3.2	0.80	3.1	0.68	2.6
Overtime and premium [2].....	0.24	0.7	0.24	0.7	0.24	0.7	0.27	1.0	0.23	0.9
Shift differentials.....	0.07	0.2	0.08	0.3	0.07	0.2	0.06	0.2	0.06	0.2
Nonproduction bonuses.....	0.70	2.1	0.57	1.7	0.74	2.3	0.48	1.8	0.39	1.5
Insurance.....	2.79	8.5	2.78	8.3	2.80	8.5	1.96	7.5	1.95	7.4
Life.....	0.05	0.1	0.05	0.1	0.05	0.1	0.04	0.1	0.04	0.1
Health.....	2.62	7.9	2.61	7.8	2.62	8.0	1.84	7.0	1.83	6.9
Short-term disability.....	0.08	0.2	0.06	0.2	0.08	0.3	0.04	0.2	0.04	0.2
Long-term disability.....	0.05	0.2	0.05	0.2	0.05	0.2	0.04	0.1	0.04	0.1
Retirement and savings.....	1.20	3.6	1.21	3.6	1.20	3.6	0.84	3.2	0.80	3.0
Defined benefit.....	0.49	1.5	0.48	1.4	0.50	1.5	0.33	1.3	0.29	1.1
Defined contribution.....	0.71	2.1	0.73	2.2	0.70	2.1	0.51	1.9	0.51	2.0
Legally required benefits.....	2.71	8.2	2.71	8.1	2.71	8.3	2.09	8.0	2.13	8.1
Social Security and Medicare.....	1.90	5.8	1.95	5.8	1.88	5.7	1.57	6.0	1.59	6.0
Social Security [3].....	1.52	4.6	1.56	4.7	1.50	4.6	1.26	4.8	1.27	4.8
Medicare.....	0.38	1.2	0.39	1.2	0.38	1.2	0.31	1.2	0.31	1.2
Federal unemployment insurance.....	0.03	0.1	0.03	0.1	0.04	0.1	0.03	0.1	0.03	0.1
State unemployment insurance.....	0.32	1.0	0.33	1.0	0.31	0.9	0.16	0.6	0.17	0.6
Workers' compensation.....	0.46	1.4	0.40	1.2	0.48	1.5	0.33	1.3	0.34	1.3

See footnotes at end of table.

Table 1. Employer costs per hour worked for employee compensation and costs as a percent of total compensation: Private industry workers, by census region and division, June 2012 - Continued

Compensation component	Census region and division[1]									
	South divisions				Midw est		Midw est divisions			
	East South Central		West South Central		Cost	Percent	East North Central		West North Central	
	Cost	Percent	Cost	Percent			Cost	Percent	Cost	Percent
Total compensation.....	\$24.44	100.0	\$26.45	100.0	\$28.06	100.0	\$28.00	100.0	\$28.18	100.0
Wages and salaries.....	17.22	70.5	18.78	71.0	19.50	69.5	19.26	68.8	20.03	71.1
Total benefits.....	7.22	29.5	7.67	29.0	8.56	30.5	8.74	31.2	8.15	28.9
Paid leave.....	1.57	6.4	1.71	6.5	1.86	6.6	1.84	6.6	1.89	6.7
Vacation.....	0.79	3.2	0.86	3.2	1.00	3.6	0.99	3.5	1.05	3.7
Holiday.....	0.50	2.1	0.56	2.1	0.57	2.0	0.57	2.1	0.56	2.0
Sick.....	0.19	0.8	0.21	0.8	0.20	0.7	0.19	0.7	0.21	0.8
Personal.....	0.09	0.4	0.09	0.3	0.09	0.3	0.09	0.3	0.07	0.2
Supplemental pay.....	0.74	3.0	1.04	3.9	0.77	2.7	0.84	3.0	0.60	2.1
Overtime and premium [2].....	0.29	1.2	0.32	1.2	0.26	0.9	0.27	1.0	0.23	0.8
Shift differentials.....	0.06	0.3	0.06	0.2	0.07	0.3	0.08	0.3	0.05	0.2
Nonproduction bonuses.....	0.38	1.6	0.66	2.5	0.43	1.6	0.48	1.7	0.33	1.2
Insurance.....	2.01	8.2	1.96	7.4	2.55	9.1	2.63	9.4	2.37	8.4
Life.....	0.05	0.2	0.04	0.2	0.04	0.1	0.04	0.1	0.04	0.2
Health.....	1.88	7.7	1.84	7.0	2.41	8.6	2.49	8.9	2.23	7.9
Short-term disability.....	0.04	0.2	0.04	0.1	0.05	0.2	0.06	0.2	0.04	0.1
Long-term disability.....	0.04	0.2	0.04	0.1	0.05	0.2	0.04	0.2	0.05	0.2
Retirement and savings.....	0.87	3.6	0.90	3.4	1.09	3.9	1.11	3.9	1.05	3.7
Defined benefit.....	0.42	1.7	0.37	1.4	0.50	1.8	0.56	2.0	0.36	1.3
Defined contribution.....	0.45	1.9	0.52	2.0	0.59	2.1	0.55	1.9	0.69	2.4
Legally required benefits.....	2.02	8.3	2.06	7.8	2.29	8.2	2.32	8.3	2.24	8.0
Social Security and Medicare.....	1.48	6.0	1.58	6.0	1.63	5.8	1.63	5.8	1.63	5.8
Social Security [3].....	1.20	4.9	1.26	4.8	1.31	4.7	1.31	4.7	1.30	4.6
Medicare.....	0.28	1.2	0.31	1.2	0.32	1.1	0.32	1.1	0.33	1.2
Federal unemployment insurance.....	0.03	0.1	0.02	0.1	0.04	0.1	0.04	0.2	0.03	0.1
State unemployment insurance.....	0.15	0.6	0.15	0.6	0.24	0.9	0.25	0.9	0.22	0.8
Workers' compensation.....	0.37	1.5	0.31	1.2	0.39	1.4	0.40	1.4	0.36	1.3

See footnotes at end of table.

Table 1. Employer costs per hour worked for employee compensation and costs as a percent of total compensation: Private industry workers, by census region and division, June 2012 - Continued

Compensation component	Census region and division[1]					
	West		West divisions			
	Cost	Percent	Mountain		Pacific	
			Cost	Percent	Cost	Percent
Total compensation.....	\$30.01	100.0	\$27.99	100.0	\$30.94	100.0
Wages and salaries.....	21.28	70.9	20.18	72.1	21.78	70.4
Total benefits.....	8.73	29.1	7.82	27.9	9.16	29.6
Paid leave.....	2.03	6.8	1.89	6.7	2.10	6.8
Vacation.....	1.07	3.6	1.03	3.7	1.09	3.5
Holiday.....	0.62	2.1	0.53	1.9	0.65	2.1
Sick.....	0.27	0.9	0.23	0.8	0.28	0.9
Personal.....	0.08	0.3	0.10	0.3	0.07	0.2
Supplemental pay.....	0.74	2.5	0.72	2.6	0.75	2.4
Overtime and premium [2].....	0.22	0.7	0.21	0.8	0.22	0.7
Shift differentials.....	0.05	0.2	0.04	0.2	0.05	0.2
Nonproduction bonuses.....	0.48	1.6	0.46	1.7	0.49	1.6
Insurance.....	2.31	7.7	1.95	7.0	2.47	8.0
Life.....	0.04	0.1	0.04	0.1	0.03	0.1
Health.....	2.20	7.3	1.84	6.6	2.36	7.6
Short-term disability.....	0.04	0.1	0.03	0.1	0.04	0.1
Long-term disability.....	0.04	0.1	0.05	0.2	0.04	0.1
Retirement and savings.....	1.07	3.6	1.03	3.7	1.09	3.5
Defined benefit.....	0.45	1.5	0.32	1.1	0.51	1.6
Defined contribution.....	0.62	2.1	0.71	2.5	0.58	1.9
Legally required benefits.....	2.58	8.6	2.23	8.0	2.74	8.9
Social Security and Medicare.....	1.76	5.9	1.64	5.8	1.81	5.9
Social Security [3].....	1.41	4.7	1.30	4.7	1.46	4.7
Medicare.....	0.35	1.2	0.33	1.2	0.36	1.2
Federal unemployment insurance....	0.03	0.1	0.03	0.1	0.04	0.1
State unemployment insurance.....	0.24	0.8	0.19	0.7	0.27	0.9
Workers' compensation.....	0.55	1.8	0.38	1.3	0.62	2.0

[1] The States that comprise the census divisions are: New England: Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island and Vermont; Middle Atlantic: New Jersey, New York, and Pennsylvania; South Atlantic: Delaware, District of Columbia, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, and West Virginia; East South Central: Alabama, Kentucky, Mississippi, and Tennessee; West South Central: Arkansas, Louisiana, Oklahoma, and Texas; East North Central: Illinois, Indiana, Michigan, Ohio, and Wisconsin; West North Central: Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, and South Dakota; Mountain: Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, and Wyoming; and Pacific: Alaska, California, Hawaii, Oregon, and Washington.

[2] Includes premium pay for work in addition to the regular work schedule (such as overtime, weekends, and holidays).

[3] Comprises the Old-Age, Survivors, and Disability Insurance (OASDI) program.

Note: The sum of individual items may not equal totals due to rounding.