

# News

United States  
Department  
of Labor



Bureau of Labor Statistics

Washington, D.C. 20212

Technical, historical contact:  
Felicia Nathan (202) 523-1165

USDL: 87-463

Media contact:  
Kathryn Hoyle (202) 523-1913

FOR RELEASE: 10:00 A.M. E.S.T.  
Tuesday, October 27, 1987

## EMPLOYMENT COST INDEX - SEPTEMBER 1987

The Employment Cost Index (ECI) increased 1.2 percent in the 3 months ended in September 1987 to a level of 137.5 (June 1981=100), the U.S. Department of Labor's Bureau of Labor Statistics reported today. For the year ended in September, the increase was 3.4 percent. The ECI measures changes in compensation costs--wages, salaries, and employer costs for employee benefits. It is not seasonally adjusted.

The 1.2 percent increase in compensation costs in June-September 1987 was similar to the 1.1 percent gain in the same period a year ago, reflecting different trends in private industry compared with state and local governments. Private industry workers had a 1.0 percent increase (up from 0.7 percent a year ago), while state and local government workers registered a 2.3 percent gain (down from 2.8 percent a year ago). Compensation cost changes for state and local government workers are heavily concentrated in the June-September period, whereas those for private industry workers are spread throughout the year.

Overall, compensation cost increases for the year ended in September 1987 were close to the gains a year ago (3.4 percent, compared with 3.6 percent). The increase for private industry workers was 3.3 percent, compared with 3.2 percent a year ago, while that for state and local government workers averaged 4.2 percent, down from 5.2 percent in September 1985-86. This slowdown narrowed the gap in the rate of compensation cost change between state and local government and private industry workers.

For private industry workers, wages and salaries alone rose 3.3 percent for the year ended in September 1987, up from 3.1 percent a year ago. The

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\* This release presents, for the first time, benefit cost indexes for \*  
\* selected private industry series. (See table 7.) Historical bene- \*  
\* fit cost indexes for the 1979-87 period are available upon request. \*  
\* \* \* \* \*  
\* This release also presents first-time estimates of quarterly \*  
\* changes in compensation costs and in wages and salaries only for \*  
\* workers in the insurance industry. (See tables 5 and 6.) \*  
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year-to-year difference in pay gains was more pronounced when salesworkers were excluded from the comparison: 3.5 percent in September 1986-87, compared with 2.9 percent in September 1985-86. Sales worker pay, heavily influenced by volatile commission earnings, rose 1.4 percent, down from 4.9 percent a year ago. (See table 4.)

Wage and salary increases in private industry for the year ended in September 1987 were larger for white-collar occupations (3.8 percent) than for blue-collar (2.6 percent) and service occupations (2.9 percent). Twelve-month pay gains for white-collar workers have been consistently higher than those for blue-collar workers since 1981.

Over-the-year pay gains in private industry were lower for workers in goods-producing industries (2.8 percent) than for those in service-producing industries (3.7 percent). There was considerable variation among the service-producing industries, with wage and salary increases ranging from 1.6 percent in transportation to 5.6 percent in the service industry, which includes education and business as well as other services. (See table 6.)

Wage and salary gains for nonunion workers (3.8 percent) outpaced those for union workers (1.7 percent) in private industry in the September 1986-87 period. (See table 9.) This pattern held in goods-producing industries (3.2 percent, compared with 1.6 percent), as well as in service-producing industries (4.1 percent, compared with 1.8 percent).

The benefit cost index for private industry workers (a new ECI series) increased 3.1 percent for the year ended in September 1987, slightly lower than the 3.3 percent increase a year ago. (See table 7.) Benefit cost increases were higher for white-collar workers (3.5 percent) than for blue-collar (2.8 percent) and service workers (2.4 percent). Benefit cost increases were also higher for workers in service-producing industries (3.8 percent) than for those in goods-producing industries (2.4 percent).

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ECI data for December 1987 will be released on Tuesday, January 26, 1988 at 10:00 a.m. E.S.T.

ECI news releases for 1988 will be published on the following schedule:

<u>Reference Month</u>	<u>Release Date</u>
March 1988	April 26, 1988
June 1988	July 26, 1988
September 1988	October 25, 1988

COMPENSATION

Table 1. Employment Cost Index by occupation and industry group

(Not seasonally adjusted)

Series	Indexes (June 1981=100)			Percent Changes for					
				3 Months Ended		12 Months Ended			
	Sept. 1986	June 1987	Sept. 1987	Sept. 1986	June 1987	Sept. 1986	June 1987	Sept. 1987	Sept. 1987
Civilian workers .....	133.0	135.9	137.5	1.1	0.7	3.6	3.3	1.2	3.4
Workers, by occupational group									
White-collar occupations.....	136.0	139.3	141.2	1.3	.6	4.1	3.8	1.4	3.8
Blue-collar occupations.....	127.8	130.1	131.3	.8	.8	2.7	2.6	.9	2.7
Service occupations.....	135.4	138.5	139.9	1.3	.4	3.4	3.6	1.0	3.3
Workers, by industry division									
Goods-producing 1/.....	128.8	131.1	132.2	.5	.7	3.1	2.3	.8	2.6
Manufacturing.....	129.3	131.5	132.7	.5	.6	3.0	2.2	.9	2.6
Service-producing 2/.....	135.6	138.9	140.8	1.4	.6	3.7	3.9	1.4	3.8
Services.....	142.4	145.8	149.2	2.2	.4	4.4	4.6	2.3	4.8
Health services.....	-	-	-	1.6	.6	3.8	4.3	1.3	4.3
Hospitals.....	-	-	-	1.6	.8	-	4.5	1.7	4.6
Public administration.....	140.6	144.7	146.4	1.9	.4	4.8	4.9	1.2	4.1
Nonmanufacturing.....	134.6	137.8	139.6	1.4	.7	3.8	3.8	1.3	3.7
Private industry workers .....	130.8	133.8	135.1	.7	.7	3.2	3.0	1.0	3.3
Workers, by occupational group									
White-collar occupations.....	133.5	137.0	138.5	.8	.7	3.6	3.4	1.1	3.7
Blue-collar occupations.....	127.2	129.5	130.6	.7	.9	2.6	2.5	.8	2.7
Service occupations.....	132.3	135.2	135.9	.9	.4	2.7	3.1	.5	2.7
Workers, by industry division									
Goods-producing 1/.....	128.6	130.8	131.9	.6	.7	3.2	2.3	.8	2.6
Service-producing 2/.....	132.7	136.3	137.7	.8	.7	3.1	3.6	1.0	3.8
State and local government workers.....	143.6	146.3	149.7	2.8	.3	5.2	4.7	2.3	4.2
Workers, by occupational group									
White-collar occupations.....	145.0	147.5	151.2	3.2	.2	5.4	5.0	2.5	4.3
Blue-collar occupations.....	138.5	141.3	143.3	1.6	.4	5.0	3.7	1.4	3.5
Workers, by industry division									
Services.....	145.5	147.6	151.8	3.3	.2	5.5	4.8	2.8	4.3
Hospitals and other services 3/.....	139.4	143.3	145.1	1.1	.6	4.0	3.9	1.3	4.1
Health services.....	-	-	-	1.5	.6	3.9	3.8	2.1	4.4
Schools.....	147.6	149.1	154.1	4.2	.1	6.1	5.2	3.4	4.4
Elementary and secondary.....	149.4	150.7	156.5	4.3	.1	6.0	5.2	3.8	4.8
Public administration.....	140.6	144.7	146.4	1.9	.4	4.8	4.9	1.2	4.1

- Data not available.  
NOTE: See footnotes at end of tables.

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					
	June 1987		Sept. 1987	3 Months Ended		12 Months Ended			
	Sept. 1986	June 1987	Sept. 1987	Sept. 1986	June 1987	Sept. 1986	June 1987	Sept. 1987	
Civilian workers .....	130.7	133.5	135.2	1.1	0.5	1.3	3.5	3.2	3.4
Workers, by occupational group									
White-collar occupations.....	134.1	137.3	139.4	1.3	.5	1.5	4.1	3.7	4.0
Blue-collar occupations.....	125.0	127.1	128.3	.7	.7	.9	2.5	2.4	2.6
Service occupations.....	131.7	134.7	136.0	1.3	.4	1.0	2.9	3.6	3.3
Workers, by industry division									
Goods-producing 1/.....	126.3	128.5	129.8	.6	.5	1.0	3.1	2.3	2.8
Manufacturing.....	127.2	129.5	130.8	.6	.6	1.0	3.2	2.4	2.8
Service-producing 2/.....	133.4	136.5	138.5	1.4	.5	1.5	3.7	3.8	3.8
Services.....	139.9	143.4	146.8	2.1	.5	2.4	4.2	4.7	4.9
Health services.....	-	-	-	1.7	.6	1.5	3.7	5.0	4.7
Hospitals.....	-	-	-	1.6	.7	1.8	-	4.7	4.9
Public administration.....	137.5	141.0	142.6	2.2	.4	1.1	4.6	4.8	3.7
Nonmanufacturing.....	132.2	135.2	137.1	1.4	.5	1.4	3.6	3.7	3.7
Private industry workers .....	128.8	131.7	133.0	.7	.7	1.0	3.1	3.0	3.3
Workers, by occupational group									
White-collar occupations.....	132.0	135.4	137.0	.7	.6	1.2	3.7	3.3	3.8
Blue-collar occupations.....	124.5	126.6	127.7	.6	.8	.9	2.3	2.3	2.6
Service occupations.....	128.9	131.9	132.6	.7	.4	.5	2.1	3.0	2.9
Workers, by industry division									
Goods-producing 1/.....	126.1	128.3	129.6	.6	.6	1.0	3.1	2.3	2.8
Service-producing 2/.....	130.9	134.3	135.7	.8	.7	1.0	3.1	3.4	3.7
State and local government workers.....	140.4	142.8	146.1	3.2	.2	2.3	5.4	5.0	4.1
Workers, by occupational group									
White-collar occupations.....	141.8	144.7	147.7	3.5	.1	2.5	5.6	5.2	4.2
Blue-collar occupations.....	134.5	136.9	139.0	2.0	.4	1.5	5.2	3.8	3.3
Workers, by industry division									
Services.....	142.1	144.2	148.2	3.6	.2	2.8	5.7	5.2	4.3
Hospitals and other services 3/.....	135.8	139.4	141.2	1.9	.6	1.3	4.3	4.6	4.0
Health services.....	-	-	-	2.2	.6	1.9	3.9	4.1	3.8
Schools.....	144.1	145.6	150.3	4.3	.1	3.2	6.1	5.4	4.3
Elementary and secondary.....	145.7	146.6	152.0	4.5	.1	3.7	6.0	5.2	4.3
Public administration.....	137.5	141.0	142.6	2.2	.4	1.1	4.6	4.8	3.7

- Data not available.

NOTE: See footnotes at end of tables.

COMPENSATION

Table 3. Employment Cost Index, private industry workers, by occupation group  
(Not seasonally adjusted)

Series	Indexes (June 1981=100)		Percent Changes for					
	(June 1987)		3 Months Ended		12 Months Ended			
	Sept. 1986	June 1987	Sept. 1986	June 1987	Sept. 1986	June 1987	Sept. 1986	June 1987
Private industry workers .....	130.8	133.8	0.7	0.7	3.2	3.0	3.3	3.3
Excluding sales .....	131.0	134.1	.8	.8	3.1	3.2	3.4	3.4
Workers, by occupational group								
White-collar occupations .....	133.5	137.0	.8	.7	3.6	3.4	3.7	3.7
Excluding sales .....	134.3	138.2	.7	.7	3.5	3.6	4.2	4.2
Professional specialty and technical .....	-	-	1.0	.6	-	3.5	3.9	3.9
Executive, administrative, and managerial .....	-	-	.5	.7	-	3.9	4.8	4.8
Sales .....	-	-	.6	.5	-	2.1	1.5	1.5
Administrative support, including clerical .....	-	-	.7	1.0	-	3.5	3.9	3.9
Blue-collar occupations .....	127.2	129.5	.7	.9	2.6	2.5	2.7	2.7
Precision production, craft, and repair .....	-	-	.7	.8	-	2.4	2.8	2.8
Machine operators, assemblers, and inspectors .....	-	-	.6	1.0	-	2.7	2.7	2.7
Transportation and material moving .....	-	-	1.1	1.1	-	3.0	2.6	2.6
Handlers, equipment cleaners, helpers, and laborers .....	-	-	.6	.5	-	2.0	2.2	2.2
Service occupations .....	132.3	135.2	.9	.4	2.7	3.1	2.7	2.7

- Data not available.  
NOTE: See footnotes at end of tables.

WAGES AND SALARIES

Table 4. Employment Cost Index for wages and salaries only, private industry workers, by occupational group  
(Not seasonally adjusted)

Series	Indexes (June 1981=100)			Percent Changes for						
				3 Months Ended		6 Months Ended		12 Months Ended		
	Sept. 1986	June 1987	Sept. 1987	Sept. 1986	June 1987	Sept. 1986	June 1987	Sept. 1986	June 1987	Sept. 1987
Private industry workers .....	128.8	131.7	133.0	0.7	0.7	1.0	0.7	3.1	3.0	3.3
Excluding sales .....	129.1	132.1	133.6	.7	.7	1.1	.7	2.9	3.0	3.5
Workers, by occupational group										
White-collar occupations .....	132.0	135.4	137.0	.7	.6	1.2	.6	3.7	3.3	3.8
Excluding sales .....	133.3	137.1	139.1	.7	.7	1.5	.7	3.5	3.5	4.4
Professional specialty and technical .....	135.4	139.1	141.2	1.0	.5	1.5	.5	3.2	3.8	4.3
Executive, administrative, and managerial .....	132.4	136.4	138.6	.2	.6	1.6	.6	3.7	3.3	4.7
Sales .....	125.2	127.1	127.0	.7	.3	-.1	.3	4.9	2.3	1.4
Administrative support, including clerical .....	131.7	135.5	137.1	.7	.9	1.2	.9	3.6	3.6	4.1
Blue-collar occupations .....	124.5	126.6	127.7	.6	.8	.9	.8	2.3	2.3	2.6
Precision production, craft, and repair .....	126.7	128.8	130.2	.8	.7	1.1	.7	2.4	2.5	2.8
Machine operators, assemblers, and inspectors .....	124.1	126.7	127.5	.4	1.0	.6	1.0	2.5	2.5	2.7
Transportation and material moving .....	119.8	121.5	122.3	.8	.8	.7	.8	1.8	2.2	2.1
Handlers, equipment cleaners, helpers, and laborers .....	120.9	122.6	123.7	.5	.6	.9	.6	1.9	1.9	2.3
Service occupations .....	128.9	131.9	132.6	.7	.4	.5	.4	2.1	3.0	2.9

NOTE: See footnotes at end of tables.

COMPENSATION

Table 5. Employment Cost Index, private industry workers, by industry group  
(Not seasonally adjusted)

Series	Indexes (June 1981=100)			Percent Changes for					
				3 Months Ended		12 Months Ended			
	Sept. 1986	June 1987	Sept. 1987	Sept. 1986	June 1987	Sept. 1986	June 1987	Sept. 1986	Sept. 1987
Workers, by industry division									
Goods-producing 1/	128.6	130.8	131.9	0.6	0.7	0.8	3.2	2.3	2.6
Excluding sales occupations	128.3	130.5	131.6	.6	.6	.8	3.1	2.4	2.6
Construction	-	-	-	.7	1.3	.8	3.3	3.1	3.1
Manufacturing	129.3	131.5	132.7	.5	.6	.9	3.0	2.2	2.6
Durables	-	-	-	.5	.7	.7	-	2.0	2.3
Nondurables	-	-	-	.6	.5	1.3	-	2.6	3.3
Service-producing 2/	132.7	136.3	137.7	.8	.7	1.0	3.1	3.6	3.8
Excluding sales occupations	133.5	137.4	139.1	.8	.8	1.2	3.0	3.8	4.2
Transportation and public utilities	-	-	-	.6	1.1	.5	2.5	2.8	2.7
Transportation	-	-	-	.8	1.4	.2	2.6	2.8	2.2
Public utilities	-	-	-	.5	.9	1.0	2.2	2.9	3.4
Wholesale and retail trade	-	-	-	.6	1.5	.5	2.8	3.4	3.3
Wholesale trade	-	-	-	.5	1.5	.6	-	4.3	4.3
Retail trade	-	-	-	.6	1.4	.5	2.7	3.0	2.8
Finance, insurance, and real estate	-	-	-	.6	-1.0	.3	3.9	3.0	2.7
Excluding sales occupations	-	-	-	.5	.3	1.0	4.0	4.0	4.5
Banking, savings and loan, and other credit agencies	-	-	-	-	1.1	.8	-	-	-
Insurance	-	-	-	-	-	.9	-	-	-
Services	-	-	-	1.2	.6	2.0	3.6	4.3	5.2
Business services	-	-	-	-	1.1	2.5	-	-	-
Health services	-	-	-	1.7	.7	1.1	3.9	5.0	4.3
Hospitals	-	-	-	1.6	.7	1.7	-	4.6	4.7
Nonmanufacturing	131.7	135.1	136.4	.8	.7	1.0	3.2	3.4	3.6

- Data not available.  
NOTE: See footnotes at end of tables.

WAGES AND SALARIES

Table 6. Employment Cost Index for wages and salaries only, private industry workers, by industry group  
(Not seasonally adjusted)

Series	Indexes (June 1981=100)		Percent Changes for								
	Sept. 1986	June 1987	3 Months Ended		6 Months Ended		12 Months Ended				
			Sept. 1986	June 1987	Sept. 1986	June 1987	Sept. 1986	June 1987			
Workers, by industry division											
Goods-producing 1/	126.1	128.3	0.6	0.6	1.0	3.1	2.3	2.8			
Excluding sales occupations	126.1	128.3	.6	.5	.9	3.0	2.4	2.7			
Construction	120.5	122.7	.6	.8	.9	2.7	2.4	2.7			
Manufacturing	127.2	129.5	.6	.6	1.0	3.2	2.4	2.8			
Durables	126.4	128.7	.5	.8	.8	3.0	2.3	2.6			
Nondurables	128.5	131.0	.5	.4	1.4	3.6	2.4	3.3			
Service-producing 2/	130.9	134.3	.8	.7	1.0	3.1	3.4	3.7			
Excluding sales occupations	131.8	135.5	.8	.8	1.3	2.8	3.6	4.2			
Transportation and public utilities	127.3	129.3	.6	.9	.5	2.0	2.1	2.1			
Transportation	-	-	.6	1.3	.4	1.5	1.8	1.6			
Public utilities	-	-	.4	.7	.6	2.8	2.6	2.8			
Wholesale and retail trade	126.5	129.9	.6	1.6	.5	3.1	3.3	3.2			
Wholesale trade	131.8	137.2	.5	1.8	.4	3.2	4.6	4.6			
Retail trade	124.4	127.1	.6	1.5	.6	3.0	2.7	2.7			
Finance, insurance, and real estate	129.0	131.5	.8	-1.5	.2	3.9	2.7	2.2			
Excluding sales occupations	130.9	135.0	.7	.2	1.1	4.1	3.8	4.3			
Banking, savings and loan, and other credit agencies	-	-	-	1.1	.9	-	-	-			
Insurance	-	-	-	-	.9	-	-	-			
Services	138.2	142.8	.9	.7	2.2	3.2	4.3	5.6			
Business services	-	-	-	1.3	2.9	-	-	-			
Health services	-	-	1.6	.7	1.4	3.7	5.1	5.0			
Hospitals	-	-	1.3	.7	1.8	-	4.8	5.3			
Nonmanufacturing	129.7	132.8	.8	.7	1.1	3.0	3.2	3.5			

- Data not available.

NOTE: See footnotes at end of tables.



BENEFITS

Table 7. Employment Cost Index for benefits only, private industry workers, by occupation and industry group  
(Not seasonally adjusted)

Series	Indexes (June 1981=100)			Percent Changes for						
	Sept. 1986	June 1987	Sept. 1987	3 Months Ended		6 Months Ended		12 Months Ended		
				Sept. 1986	June 1987	Sept. 1986	June 1987	Sept. 1986	June 1987	Sept. 1987
Private industry workers.....	136.1	139.3	140.3	1.0	0.9	0.7	3.3	3.3	3.3	3.1
Workers, by occupational group										
White-collar occupations.....	137.6	141.2	142.4	.8	.8	.8	3.4	3.4	3.4	3.5
Blue-collar occupations.....	133.6	136.3	137.3	1.0	1.0	.7	3.2	3.2	3.0	2.8
Service occupations.....	-	-	-	1.5	.2	.3	4.7	4.7	3.6	2.4
Workers, by industry division										
Goods-producing.....	134.2	136.5	137.4	.6	.8	.7	3.2	3.2	2.3	2.4
Service-producing.....	137.8	141.9	143.1	1.1	.9	.8	3.5	3.5	4.1	3.8
Manufacturing.....	134.2	136.0	136.9	.5	.7	.7	2.8	2.8	1.9	2.0
Nonmanufacturing.....	137.3	141.4	142.6	1.1	.9	.8	3.6	3.6	4.1	3.9

- Data not available.  
NOTE: See footnotes at end of tables.

COMPENSATION

Table 8. Employment Cost Index, private industry workers, by bargaining status, region, and area size  
(Not seasonally adjusted)

Series	Indexes (June 1981=100)			Percent Changes for					
	(June 1981=100)			3 Months Ended		12 Months Ended		12 Months Ended	
	Sept. 1986	June 1987	Sept. 1987	Sept. 1986	June 1987	Sept. 1986	June 1987	Sept. 1986	June 1987
<b>Workers, by bargaining status</b>									
Union.....	129.4	131.2	132.0	0.5	0.5	2.3	1.9	2.0	2.0
Goods-producing 1/.....	127.3	128.7	129.5	.5	.5	2.2	1.6	1.7	1.7
Service-producing 2/.....	132.8	135.2	135.9	.7	.6	2.5	2.5	2.3	2.3
Manufacturing.....	127.5	128.7	129.5	.5	.5	2.0	1.4	1.6	1.6
Nonmanufacturing.....	131.2	133.5	134.3	.6	.7	2.7	2.4	2.4	2.4
Nonunion.....	131.2	134.6	136.1	.8	.7	3.5	3.4	3.7	3.7
Goods-producing 1/.....	129.1	131.8	133.1	.7	.8	3.8	2.8	3.1	3.1
Service-producing 2/.....	132.5	136.4	137.9	.8	.8	3.3	3.8	4.1	4.1
Manufacturing.....	130.4	133.2	134.6	.5	.8	3.7	2.7	3.2	3.2
Nonmanufacturing.....	131.6	135.3	136.8	.9	.7	3.4	3.8	4.0	4.0
<b>Workers, by region</b>									
Northeast.....	134.2	138.6	140.3	.7	.9	4.2	4.0	4.5	4.5
South.....	130.7	133.2	134.2	.8	.8	3.3	2.8	2.7	2.7
Midwest (formerly North Central).....	127.3	130.2	131.2	.9	.9	2.5	3.2	3.1	3.1
West.....	132.1	134.2	135.8	.4	.1	2.3	2.0	2.8	2.8
<b>Workers, by area size</b>									
Metropolitan areas.....	131.4	134.4	135.8	.7	.7	3.2	3.0	3.3	3.3
Other areas.....	127.2	130.2	131.3	.6	.9	2.7	3.0	3.2	3.2

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

See footnotes at end of tables.

WAGES AND SALARIES

Table 9. Employment Cost Index for wages and salaries only, private industry workers, by bargaining status, region, and area size

(Not seasonally adjusted)

Series	Indexes (June 1981=100)			Percent Changes for						
				3 Months Ended		12 Months Ended				
	Sept. 1986	June 1987	Sept. 1987	Sept. 1986	June 1987	Sept. 1987	Sept. 1986	June 1987	Sept. 1987	
<b>Workers, by bargaining status</b>										
Union.....	126.9	128.3	129.1	0.6	0.5	0.6	2.3	1.7	1.7	1.6
Goods-producing 1/.....	124.5	125.8	126.5	.3	.6	.6	1.9	1.4	1.4	1.6
Service-producing 2/.....	130.5	132.2	132.9	.9	.4	.5	2.7	2.2	2.2	1.8
Nonunion.....	125.0	126.2	127.0	.3	.5	.6	1.8	1.3	1.3	1.6
Manufacturing.....	128.5	130.1	130.8	.9	.5	.5	2.6	2.1	2.1	1.8
Nonmanufacturing.....	129.4	132.8	134.3	.7	.8	1.1	3.4	3.3	3.3	3.8
Goods-producing 1/.....	127.0	129.6	131.1	.7	.6	1.2	3.8	2.8	2.8	3.2
Service-producing 2/.....	130.8	134.6	136.2	.7	.7	1.2	3.1	3.6	3.6	4.1
Manufacturing.....	128.5	131.5	133.0	.6	.7	1.1	3.9	3.0	3.0	3.5
Nonmanufacturing.....	129.8	133.4	134.9	.7	.8	1.1	3.1	3.5	3.5	3.9
<b>Workers, by region</b>										
Northeast.....	132.3	136.6	138.3	.8	.9	1.2	4.3	4.0	4.0	4.5
South.....	128.8	131.1	132.1	.8	.8	.8	3.2	2.6	2.6	2.6
Midwest (formerly North Central).....	125.3	128.5	129.6	.7	.9	.9	2.3	3.3	3.3	3.4
West.....	129.3	131.1	133.1	.3	-.1	1.5	2.1	1.7	1.7	2.9
<b>Workers, by area size</b>										
Metropolitan areas.....	129.4	132.4	133.7	.7	.6	1.0	3.1	3.0	3.0	3.3
Other areas.....	125.0	127.8	129.1	.4	.9	1.0	2.5	2.7	2.7	3.3

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

- 1/ Includes mining, construction, and manufacturing.
- 2/ Includes transportation, public utilities, trade, finance, insurance, real estate, services, and, where applicable, public administration in State and local governments.
- 3/ Includes, for example, library, social, and health services.

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<sup>1</sup> 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, 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, and shift differentials. 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 overtime, shift differentials, nonproduction bonuses, and lump-sum payments provided in lieu of wage increases); insurance benefits (life, health, and sickness and accident); 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); and other benefits (severance pay, supplemental unemployment plans, and merchandise discounts in department stores).

The ECI provides data for the civilian economy, which includes the total private economy, excluding farms and 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.

Each quarter, straight-time average hourly wage and salary rates and benefit cost data (cents-per-hour-worked) are collected from a probability sample of about 17,400 occupations within 3,300 sample establishments in private industry and about 3,500 occupations within 700 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. ECI statistics are neither annualized nor adjusted for seasonal influences.

The sample establishments are classified in industry categories based on the 1972 Standard Industrial Classification (SIC), as defined by the U.S. Office of Management and Budget.

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<sup>1</sup> The benefit cost indexes provide the change in the cost of benefits to a fixed labor force. They are not price indexes for a fixed market basket of benefits. Therefore, the indexes will change as a result of either a change in the price of benefits provided (for example, higher pay for holidays) or a change in the benefits (for example, an additional holiday).

Within an establishment, specific job categories are selected to represent broader occupational definitions. Since June 1986, the jobs have been classified according to definitions used in the 1980 Census. Prior to June 1986, they were classified according to the 1970 Census. Differences between the two classification systems are slight, as indicated in the article "Introducing new weights for the Employment Cost Index," in the June 1985 issue of the Monthly Labor Review.

Fixed employment weights 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. Since June 1986, employment counts from the 1980 Census have been used as weights. Prior to June 1986, employment counts from the 1970 Census were used.

For the series based on bargaining status, region, or area size, employment data are not available from the Census. The 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.

The costs per hour worked of compensation components, based on March 1987 data from the ECI, are published in the article "Analyzing employers' costs for wages, salaries, and benefits" in the October 1987 issue of the Monthly Labor Review. The cost levels, which will be published annually, are calculated with current employment weights, rather than the fixed 1980 Census weights used in computing the ECI. Therefore, year-to-year changes in the cost levels will differ from those in the ECI.

More detailed information on the ECI is available in several articles and publications. These include a chapter in the BLS Handbook of Methods (Bulletin 2134-1), "The Employment Cost Index." Two articles also appeared in the Monthly Labor Review: "Employment Cost Index: a measure of change in the 'price of labor'," July 1975; and "How benefits will be incorporated into the Employment Cost Index," January 1978. Reprints of these articles plus several other descriptive pieces and a historical listing are available upon request. ECI historical data are also available on data diskettes formatted for use with Lotus 1-2-3.