

# News

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## EMPLOYMENT COST INDEX - MARCH 1988

The Employment Cost Index (ECI) rose 1.4 percent in the 3 months ended in March 1988 to a level of 140.6 (June 1981=100), the U.S. Department of Labor's Bureau of Labor Statistics reported today. For the year ended in March, the increase was 4.1 percent. The ECI measures changes in compensation costs--wages, salaries, and employer costs for employee benefits. It is not seasonally adjusted.

The 4.1 percent increase in compensation costs for the year ended in March 1988 was higher than the 3.4 percent gain a year ago. This acceleration in compensation cost increases resulted primarily from a 5.0 percent rise in the employer's social security tax rate (from 7.15 to 7.51 percent) and higher health insurance costs occurring in the first quarter 1988.

The acceleration was concentrated in private industry where compensation costs rose 3.9 percent for the year ended in March 1988, up from 3.1 percent a year ago. For the first time in the 8-year history of the series, March-to-March compensation cost increases in private industry were higher than they were the previous year, as indicated below:

### 12-month percent changes, private industry workers

<u>Year ended in March</u>	<u>Compensation costs</u>	<u>Wages and salaries</u>	<u>Benefit costs</u>
1981	10.7	9.3	14.4
1982	7.8	8.1	7.0
1983	6.4	5.4	9.0
1984	5.7	5.0	7.5
1985	4.4	4.1	5.3
1986	3.8	3.9	3.2
1987	3.1	3.2	2.9
1988	3.9	3.3	5.8

Wage and salary gains in private industry for the year ended in March 1988 (3.3 percent) were about the same as they were a year ago (3.2 percent). Benefit cost increases, in contrast, were higher than a year ago (5.8 percent, up from 2.9 percent). The rise in social security and health insurance costs were major contributors to the acceleration in benefit cost increases.

Benefit cost increases in private industry for the year ended in March 1988 were higher for blue-collar workers (6.8 percent) than for white-collar workers (5.1 percent) and service workers (4.4 percent) and higher for workers in goods-producing industries (6.4 percent) than for those in service-producing industries (5.3 percent). (See table 7.) This pattern was in contrast to the trend a year ago when benefit cost increases were lower for blue-collar workers (2.3 percent) than for service workers (3.9 percent) and white-collar workers (3.2 percent) and lower in goods-producing (2.1 percent) than in service-producing industries (3.5 percent).

The accelerating rise in benefit costs in goods-producing industries was concentrated in manufacturing which registered benefit cost increases of 7.0 percent, up dramatically from 1.5 percent a year ago. A rise in health insurance costs was a major contributor to benefit cost increases in manufacturing.

Wage and salary gains in private industry for the year ended in March 1988 were about the same for white-collar workers (3.3 percent) and blue-collar workers (3.4 percent), whereas those for service workers were lower (2.4 percent). (See table 4.) The similarity in pay gains for white- and blue-collar workers was in contrast to the trend during 1982-87 when pay gains for white-collar workers consistently outpaced those for blue-collar workers. White-collar pay increases were dampened by a small over-the-year pay increase for sales workers (0.6 percent). With sales workers excluded, white-collar pay increased by 3.9 percent.

March 1987-88 pay gains for private sector workers in service-producing industries (3.1 percent) were below those in goods-producing industries (3.5 percent). (See table 6.) Pay increases in the service-producing sector were dampened by a pay decline in finance, insurance, and real estate (-0.4 percent)--an industry heavily influenced by commission sales workers such as real estate agents and stock and bond brokers. With sales workers excluded from the comparison, pay gains were higher in service-producing industries (3.7 percent) than in goods-producing industries (3.3 percent).

Over-the-year wage and salary advances for nonunion workers (3.5 percent) exceeded those for union workers (2.6 percent), as they have since March 1983-84. With benefit cost increases included in the comparison, however, compensation cost increases for nonunion and union workers were about the same (4.0 percent and 3.9 percent, respectively). In manufacturing, compensation cost increases for union workers (5.5 percent) exceeded those for nonunion workers (4.2 percent). Increases for union workers in manufacturing reflected relatively large increases in health insurance costs and supplemental pay such as lump-sum and profit sharing payments.

Compensation costs for state and local government workers rose 4.9 percent for the year ended in March 1988, about the same as the 5.0 percent increase a year ago. Wages and salaries alone rose 4.4 percent, down from 5.2 percent a year ago--indicating that accelerating benefit cost increases for state and local government workers over the past year have offset a slowdown in pay gains.

\*\*\*\*\*  
 \* This release presents first-time estimates of quarterly changes \*  
 \* in compensation costs and in wages and salaries for workers in \*  
 \* electric, gas, and sanitary services. (See tables 5 and 6.) \*  
 \* The addition of these series is part of the Federal government's \*  
 \* effort to improve statistical programs for service-producing \*  
 \* industries. \*  
 \* \*  
 \* This release also provides first-time index series that exclude \*  
 \* sales workers from wholesale and retail trade and from wholesale \*  
 \* trade alone. (See tables 5 and 6.) These new series permit \*  
 \* examination of compensation and wage trends, free from the influence \*  
 \* of sales worker pay which reflects volatile changes in commission \*  
 \* earnings. \*  
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ECI data for June 1988 will be released on Tuesday, July 26, 1988, at 10:00 a.m. E.D.T.

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			
	Mar. 1987	Dec. 1987	Mar. 1988	Mar. 1987	Dec. 1987	Mar. 1988	Mar. 1987	Dec. 1987	Mar. 1988
Civilian workers .....	135.0	138.6	140.6	0.9	0.8	1.4	3.4	3.6	4.1
Workers, by occupational group									
White-collar occupations .....	138.5	142.2	144.2	1.2	.7	1.4	4.1	3.9	4.1
Blue-collar occupations .....	129.1	132.5	134.7	.5	.9	1.7	2.3	3.2	4.3
Service occupations .....	138.0	140.8	142.9	1.0	.6	1.5	3.7	3.1	3.6
Workers, by industry division									
Goods-producing 1/ .....	130.2	133.5	135.8	.5	1.0	1.7	2.6	3.1	4.3
Manufacturing .....	130.7	134.1	136.8	.5	1.1	2.0	3.3	3.1	4.7
Service-producing 2/ .....	138.1	141.7	143.6	1.2	.6	1.3	3.9	3.8	4.0
Services .....	145.2	150.6	152.8	1.1	.9	1.5	4.6	4.9	5.2
Health services .....	-	-	-	1.2	1.2	1.2	4.7	4.4	4.3
Hospitals .....	-	-	-	1.0	1.2	1.5	-	4.8	5.1
Public administration .....	144.1	148.1	150.3	1.8	1.2	1.5	5.3	4.6	4.3
Nonmanufacturing .....	136.9	140.5	142.3	1.1	.6	1.3	3.8	3.8	3.9
Private industry workers .....	132.9	136.0	138.1	1.0	.7	1.5	3.1	3.3	3.9
Workers, by occupational group									
White-collar occupations .....	136.1	139.3	141.2	1.3	.6	1.4	3.7	3.7	3.7
Blue-collar occupations .....	128.4	131.8	134.1	.5	.9	1.7	2.1	3.1	4.4
Service occupations .....	134.7	136.7	138.6	.9	.6	1.4	2.9	2.4	2.9
Workers, by industry division									
Goods-producing 1/ .....	129.9	133.2	135.6	.5	1.0	1.8	2.5	3.1	4.4
Service-producing 2/ .....	135.3	138.4	140.2	1.3	.5	1.3	3.4	3.7	3.6
State and local government workers .....	145.9	151.1	153.1	.8	.9	1.3	5.0	4.4	4.9
Workers, by occupational group									
White-collar occupations .....	147.2	152.7	154.8	.8	1.0	1.4	5.1	4.6	5.2
Blue-collar occupations .....	140.8	144.3	145.9	.9	.7	1.1	4.5	3.4	3.6
Workers, by industry division									
Services .....	147.3	153.1	155.2	.5	.9	1.4	4.9	4.4	5.4
Hospitals and other services 3/ .....	142.5	146.3	150.3	1.0	.8	2.7	4.2	3.7	5.5
Health services .....	-	-	-	.8	1.1	1.1	4.1	4.7	5.0
Schools .....	148.9	155.5	156.8	.3	.9	.8	5.2	4.8	5.3
Elementary and secondary .....	150.5	157.8	158.9	.1	.8	.7	5.2	5.0	5.6
Public administration .....	144.1	148.1	150.3	1.8	1.2	1.5	5.3	4.6	4.3

- 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 12 Months Ended						
				3 Months Ended		3 Months Ended		3 Months Ended		Mar. 1988
	Mar. 1987	Dec. 1987	Mar. 1988	Mar. 1987	Dec. 1987	Mar. 1987	Dec. 1987	Mar. 1987	Dec. 1987	
Civilian workers .....	132.8	136.1	137.4	1.0	0.7	1.0	3.5	3.5	3.5	3.5
Workers, by occupational group										
White-collar occupations.....	136.6	140.2	141.5	1.2	.6	.9	4.1	3.9	3.6	3.6
Blue-collar occupations.....	126.2	129.4	130.4	.5	.9	.8	2.3	3.0	3.3	3.3
Service occupations.....	134.2	136.6	138.0	1.1	.4	1.0	3.4	2.9	2.8	2.8
Workers, by industry division										
Goods-producing 1/.....	127.8	131.0	132.2	.6	.9	.9	2.7	3.1	3.4	3.4
Manufacturing.....	128.7	132.2	133.3	.6	1.1	.8	2.7	3.4	3.6	3.6
Service-producing 2/.....	135.8	139.2	140.5	1.2	.5	.9	3.9	3.7	3.5	3.5
Services.....	142.7	148.2	149.5	1.1	1.0	.9	4.6	5.0	4.8	4.8
Health services.....	-	-	-	1.3	1.1	.7	5.0	4.6	4.0	4.0
Hospitals.....	-	-	-	1.2	1.2	1.0	-	5.0	5.0	4.8
Public administration.....	140.5	143.8	145.5	1.7	.8	1.2	5.0	4.1	3.6	3.6
Nonmanufacturing.....	134.5	137.8	139.0	1.1	.5	.9	3.8	3.6	3.3	3.3
Private industry workers .....	130.8	133.8	135.1	1.0	.6	1.0	3.2	3.3	3.3	3.3
Workers, by occupational group										
White-collar occupations.....	134.6	137.6	139.0	1.4	.4	1.0	3.9	3.7	3.3	3.3
Blue-collar occupations.....	125.6	128.9	129.9	.4	.9	.8	2.0	3.0	3.4	3.4
Service occupations.....	131.4	133.2	134.5	1.0	.5	1.0	2.7	2.4	2.4	2.4
Workers, by industry division										
Goods-producing 1/.....	127.5	130.8	132.0	.6	.9	.9	2.7	3.2	3.5	3.5
Service-producing 2/.....	133.4	136.2	137.5	1.4	.4	1.0	3.4	3.5	3.1	3.1
State and local government workers.....	142.5	147.4	148.7	.8	.9	.9	5.2	4.2	4.4	4.4
Workers, by occupational group										
White-collar occupations.....	143.9	149.3	150.5	.8	1.1	.8	5.3	4.6	4.6	4.6
Blue-collar occupations.....	136.3	139.6	141.1	.9	.4	1.1	4.5	3.3	3.5	3.5
Workers, by industry division										
Services.....	143.9	149.5	150.7	.4	.9	.8	5.2	4.3	4.7	4.7
Hospitals and other services 3/.....	138.6	142.2	144.5	.9	.7	1.6	4.7	4.3	4.3	4.3
Health services.....	-	-	-	.7	1.0	.6	4.1	4.4	4.4	4.3
Schools.....	145.5	151.8	152.6	.3	1.0	.5	5.4	4.6	4.9	4.9
Elementary and secondary.....	146.5	153.4	154.0	.1	.9	.4	5.1	4.8	5.1	5.1
Public administration.....	140.5	143.8	145.5	1.7	.8	1.2	5.0	4.1	3.6	3.6

- 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					
			3 Months Ended		12 Months Ended			
	Mar. 1987	Dec. 1987	Mar. 1987	Dec. 1987	Mar. 1988	Mar. 1987	Dec. 1987	Mar. 1988
Private industry workers .....	132.9	136.0	1.0	0.7	1.5	3.1	3.3	3.9
Excluding sales .....	133.1	136.6	1.0	.8	1.5	3.1	3.6	4.2
Workers, by occupational group								
White-collar occupations .....	136.1	139.3	1.3	.6	1.4	3.7	3.7	3.7
Excluding sales .....	137.2	141.1	1.3	.8	1.3	3.8	4.2	4.2
Professional specialty and technical .....	-	-	1.2	.9	1.5	3.7	4.1	4.4
Executive, administrative, and managerial .....	-	-	1.8	.5	.9	4.3	4.4	3.5
Sales .....	-	-	1.1	-.3	1.4	2.8	1.2	1.5
Administrative support, including clerical .....	-	-	1.1	.9	1.9	3.4	4.1	4.9
Blue-collar occupations .....	128.4	131.8	.5	.9	1.7	2.1	3.1	4.4
Precision production, craft, and repair .....	-	-	.5	.8	1.4	2.1	3.1	4.1
Machine operators, assemblers, and inspectors .....	-	-	.5	1.3	2.1	2.2	3.4	5.0
Transportation and material moving .....	-	-	.5	.6	1.6	2.6	2.9	4.0
Handlers, equipment cleaners, helpers, and laborers .....	-	-	.3	1.1	2.2	1.8	2.8	4.6
Service occupations .....	134.7	136.7	.9	.6	1.4	2.9	2.4	2.9

- 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 occupation group  
(Not seasonally adjusted)

Series	Indexes (June 1981=100)			Percent Changes for					
				3 Months Ended		12 Months Ended			
	Mar. 1987	Dec. 1987	Mar. 1988	Mar. 1987	Dec. 1987	Mar. 1988	Mar. 1987	Dec. 1987	Mar. 1988
Private industry workers	130.8	133.8	135.1	1.0	0.6	1.0	3.2	3.3	3.3
Excluding sales	131.2	134.7	135.9	1.0	.8	.9	3.1	3.7	3.6
Workers, by occupational group									
White-collar occupations									
Excluding sales	134.6	137.6	139.0	1.4	.4	1.0	3.9	3.7	3.3
Professional specialty and technical	136.2	140.1	141.5	1.4	.7	1.0	3.9	4.3	3.9
Executive, administrative, and managerial	138.4	142.6	144.0	1.5	1.0	1.0	4.3	4.5	4.0
Sales	135.6	139.2	139.9	1.6	.4	.5	3.9	4.3	3.2
Administrative support, including clerical	126.7	126.1	127.5	1.4	-.7	1.1	3.5	1.0	.6
Administrative support, including clerical	134.3	138.1	140.2	1.2	.7	1.5	3.6	4.1	4.4
Blue-collar occupations									
Precision production, craft, and repair	125.6	128.9	129.9	.4	.9	.8	2.0	3.0	3.4
Machine operators, assemblers, and inspectors	127.9	131.1	132.1	.4	.7	.8	2.1	2.9	3.3
Transportation and material moving	125.5	129.2	129.9	.5	1.3	.5	2.4	3.4	3.5
Handlers, equipment cleaners, helpers, and laborers	120.5	122.9	123.7	.3	.5	.7	2.1	2.3	2.7
Service occupations	121.9	125.0	126.7	.4	1.1	1.4	1.6	3.0	3.9
Service occupations	131.4	133.2	134.5	1.0	.5	1.0	2.7	2.4	2.4

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				
	Mar. 1987	Dec. 1987	Mar. 1987	Dec. 1987	Mar. 1987	Dec. 1987	Mar. 1988	Dec. 1988	
Workers, by industry division									
Goods-producing 1/	129.9	133.2	0.5	1.0	1.8	2.5	3.1	4.4	
Excluding sales occupations	129.7	132.9	.6	1.0	1.7	2.6	3.1	4.2	
Construction	-	-	.9	.7	1.2	3.4	3.7	4.0	
Manufacturing	130.7	134.1	.5	1.1	2.0	2.3	3.1	4.7	
Durables	-	-	.3	1.0	2.3	1.9	2.7	4.7	
Nondurables	-	-	.8	1.2	1.5	3.4	3.8	4.5	
Service-producing 2/	135.3	138.4	1.3	.5	1.3	3.4	3.7	3.6	
Excluding sales occupations	136.3	140.0	1.3	.6	1.4	3.6	4.0	4.1	
Transportation and public utilities	-	-	.9	.4	1.1	1.9	3.0	3.2	
Transportation	-	-	1.0	.2	1.4	1.2	2.7	3.2	
Public utilities	-	-	.9	.6	.7	2.6	3.3	3.1	
Communications	-	-	-	.7	.4	-	-	-	
Electric, gas, and sanitary services	-	-	-	.7	1.1	-	-	-	
Wholesale and retail trade	-	-	.8	.2	1.3	2.8	3.0	3.6	
Excluding sales occupations	-	-	.8	.5	1.2	3.2	3.3	3.7	
Wholesale trade	-	-	1.2	.7	1.9	3.9	4.0	3.6	
Excluding sales occupations	-	-	1.0	.7	1.1	3.7	3.7	3.8	
Retail trade	-	-	.6	1.1	1.5	2.3	2.5	3.5	
Food stores	-	-	-	1.1	.8	-	-	-	
Finance, insurance, and real estate	-	-	2.6	.1	1.2	4.9	2.0	.6	
Excluding sales occupations	-	-	2.2	.7	1.4	4.4	4.1	3.3	
Banking, savings and loan, and other credit agencies	-	-	2.7	1.8	3.3	-	5.5	6.1	
Insurance	-	-	-	-	.8	-	-	-	
Services	-	-	1.5	1.0	1.5	4.3	5.2	5.2	
Business services	-	-	1.4	.9	1.4	4.3	6.1	6.1	
Health services	-	-	1.3	1.2	1.2	4.9	4.3	4.2	
Hospitals	-	-	1.1	1.3	1.3	-	4.9	5.1	
Nonmanufacturing	134.1	137.1	1.3	.5	1.3	3.4	3.5	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						
				3 Months Ended		12 Months Ended				
	Mar. 1987	Dec. 1987	Mar. 1988	Mar. 1987	Dec. 1987	Mar. 1987	Dec. 1987	Mar. 1988	Mar. 1988	
Workers, by industry division										
Goods-producing 1/	127.5	130.8	132.0	0.6	0.9	0.9	2.7	2.7	3.2	3.5
Excluding sales occupations	127.6	130.8	131.8	.7	1.0	.8	2.7	2.7	3.2	3.3
Construction	121.7	124.7	125.9	.7	.7	1.0	2.9	2.9	3.2	3.5
Manufacturing	128.7	132.2	133.3	.6	1.1	.8	2.7	2.7	3.4	3.6
Durables	127.7	131.1	132.1	.4	1.1	.8	2.3	2.3	3.1	3.4
Nondurables	130.5	134.1	135.6	.9	1.0	1.1	3.5	3.5	3.7	3.9
Service-producing 2/	133.4	136.2	137.5	1.4	.4	1.0	3.4	3.4	3.5	3.1
Excluding sales occupations	134.4	138.1	139.4	1.2	.6	.9	3.4	3.4	4.0	3.7
Transportation and public utilities	128.1	130.2	131.3	.5	.2	.8	1.4	1.4	2.1	2.5
Transportation	-	-	-	.3	-.2	.9	.4	.4	1.7	2.3
Public utilities	-	-	-	.7	.6	.8	2.7	2.7	2.6	2.7
Communications	-	-	-	-	.7	.5	-	-	-	-
Electric, gas, and sanitary services	-	-	-	-	-	1.2	-	-	-	-
Wholesale and retail trade	127.9	130.7	131.9	.8	.1	.9	2.7	2.7	3.0	3.1
Excluding sales occupations	129.1	132.3	133.4	.9	.5	.8	3.1	3.1	3.4	3.3
Wholesale trade	134.8	138.5	139.0	1.3	.5	.4	3.9	3.9	4.1	3.1
Excluding sales occupations	132.4	136.0	136.8	.9	.8	.6	3.6	3.6	3.7	3.3
Retail trade	125.2	127.7	129.2	.6	-.1	1.2	2.2	2.2	2.6	3.2
Food stores	-	-	-	-	.9	.6	-	-	-	-
Finance, insurance, and real estate	133.5	131.6	132.9	2.7	-.2	1.0	5.5	5.5	1.2	-.4
Excluding sales occupations	134.7	137.1	138.4	2.0	.4	.9	4.4	4.4	3.8	2.7
Banking, savings and loan, and other credit agencies	-	-	-	2.5	.8	3.0	-	-	5.4	5.9
Insurance	-	-	-	-	1.7	.8	-	-	-	-
Services	141.8	147.1	148.6	1.6	.8	1.0	4.1	4.1	5.4	4.8
Business services	-	-	-	1.7	.7	.8	-	-	6.7	5.8
Health services	-	-	-	1.4	1.1	.7	5.2	5.2	4.6	3.9
Hospitals	-	-	-	1.3	1.2	1.1	-	-	5.1	4.9
Nonmanufacturing	131.9	134.8	136.0	1.2	.4	.9	3.3	3.3	3.4	3.1

- 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						
	Mar. 1987	Dec. 1987	3 Months Ended		12 Months Ended		Mar. 1988	Mar. 1987	Mar. 1988
			Mar. 1987	Dec. 1987	Mar. 1987	Dec. 1987			
Private industry workers.....	138.1	141.7	146.1	0.9	1.0	3.1	2.9	3.5	5.8
Workers, by occupational group									
White-collar occupations.....	140.1	143.7	147.3	1.0	.9	2.5	3.2	3.6	5.1
Blue-collar occupations.....	134.9	138.7	144.1	.6	1.0	3.9	2.3	3.4	6.8
Service occupations.....	-	-	-	.7	1.1	2.7	3.9	2.4	4.4
Workers, by industry division									
Goods-producing 1/.....	135.4	138.8	144.1	.4	1.0	3.8	2.1	2.9	6.4
Service-producing 2/.....	140.6	144.4	148.1	1.2	.9	2.6	3.5	4.0	5.3
Manufacturing.....	135.0	138.4	144.5	.1	1.1	4.4	1.5	2.6	7.0
Nonmanufacturing.....	140.1	143.8	147.2	1.3	.8	2.4	3.7	4.0	5.1

- 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		
	Mar. 1987	Dec. 1987	Mar. 1988	Mar. 1987	Dec. 1987	Mar. 1988	Mar. 1987	Dec. 1987	Mar. 1988	
<b>Workers, by bargaining status</b>										
Union.....										
Goods-producing 1/.....	130.5	133.4	135.6	0.5	1.1	1.6	1.6	2.8	3.9	
Service-producing 2/.....	128.0	131.3	134.1	.4	1.4	2.1	1.3	3.0	4.8	
.....	134.4	136.7	138.0	.7	.6	1.0	2.1	2.5	2.7	
Manufacturing.....	128.0	131.5	135.0	.1	1.5	2.7	.8	2.8	5.5	
Nonmanufacturing.....	132.6	135.1	136.2	.8	.6	.8	2.2	2.7	2.7	
Nonunion.....										
Goods-producing 1/.....	133.6	136.9	138.9	1.1	.6	1.5	3.6	3.6	4.0	
Service-producing 2/.....	130.8	134.1	136.2	.6	.8	1.6	3.2	3.2	4.1	
.....	135.3	138.6	140.5	1.4	.5	1.4	3.8	3.9	3.8	
Manufacturing.....	132.2	135.6	137.8	.6	.7	1.6	3.2	3.2	4.2	
Nonmanufacturing.....	134.3	137.5	139.4	1.4	.5	1.4	3.7	3.8	3.8	
<b>Workers, by region</b>										
Northeast.....										
South.....	137.4	141.9	143.7	1.6	1.1	1.3	4.4	5.0	4.6	
Midwest (formerly North Central).....	132.1	135.4	137.1	.5	.9	1.3	2.6	3.0	3.8	
West.....	129.1	131.7	134.4	.8	.4	2.1	2.5	2.8	4.1	
.....	134.1	136.3	138.3	1.0	.4	1.5	2.5	2.6	3.1	
<b>Workers, by area size</b>										
Metropolitan areas.....	133.5	136.7	138.9	1.0	.7	1.6	3.1	3.4	4.0	
Other areas.....	129.0	132.0	133.6	.9	.5	1.2	2.8	3.2	3.6	

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			
	Mar. 1987	Dec. 1987	Mar. 1988	Mar. 1987	Dec. 1987	Mar. 1987	Dec. 1987	Mar. 1988	Mar. 1988
<b>Workers, by bargaining status</b>									
Union.....	127.7	130.5	131.0	0.4	1.1	0.4	1.7	2.6	2.6
Goods-producing 1/.....	125.0	128.5	128.7	.2	1.6	.2	1.3	3.0	3.0
Service-producing 2/.....	131.7	133.6	134.4	.6	.5	.6	2.1	2.1	2.1
Nonunion.....	125.6	129.3	129.6	.1	1.8	.2	1.1	3.0	3.2
Manufacturing.....	129.5	131.5	132.1	.6	.5	.5	2.0	2.2	2.0
Nonmanufacturing.....	131.8	135.0	136.4	1.2	.5	1.0	3.5	3.6	3.5
Goods-producing 1/.....	128.8	132.1	133.6	.8	.8	1.1	3.5	3.4	3.7
Service-producing 2/.....	133.6	136.7	138.0	1.4	.4	1.0	3.6	3.8	3.3
Manufacturing.....	130.6	133.9	135.5	.8	.7	1.2	3.6	3.4	3.8
Nonmanufacturing.....	132.4	135.4	136.8	1.4	.4	1.0	3.6	3.7	3.3
<b>Workers, by region</b>									
Northeast.....	135.4	139.7	140.9	1.7	1.0	.9	4.8	5.0	4.1
South.....	130.1	133.0	134.0	.5	.7	.8	2.6	2.8	3.0
Midwest (formerly North Central).....	127.4	129.9	131.3	1.0	.2	1.1	2.6	2.9	3.1
West.....	131.2	133.5	134.9	.8	.3	1.0	2.4	2.6	2.8
<b>Workers, by area size</b>									
Metropolitan areas.....	131.6	134.6	135.8	1.1	.7	.9	3.3	3.4	3.2
Other areas.....	126.6	129.8	130.9	.8	.5	.8	2.4	3.3	3.4

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.

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

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, shift differentials, nonproduction bonuses, and 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 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 18,000 occupations within 3,400 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 in mid-June, 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 sources. These include a chapter in the BLS Handbook of Methods (Bulletin 2134-1), "The Employment Cost Index," and several articles published in the Monthly Labor Review. Reprints of these articles plus 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.