

News

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EMPLOYMENT COST INDEX - SEPTEMBER 1989

The Employment Cost Index (ECI) rose 1.6 percent in the 3 months ended in September 1989 to a level of 151.3 (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 5.1 percent. The ECI measures changes in compensation costs--wages, salaries, and employer costs for employee benefits. It is not seasonally adjusted.

The 1.6 percent increase in compensation costs in the June-September 1989 period was above the 1.3 percent gain in the same period a year ago. This pattern held for both state and local government workers (3.3 percent, up from 2.7 percent a year ago) and private industry workers (1.2 percent, up from 1.0 percent). (See table 1.) 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.

The 5.1 percent increase in compensation costs for the year ended in September 1989 was higher than the 4.7 percent increase a year ago. This relationship was more pronounced for state and local government workers (6.4 percent, up from 5.4 percent) than for private industry workers (4.7 percent, up from 4.5 percent). The table below shows over-the-year changes in private industry since March of 1987.

12-month percent changes in the ECI, private industry workers

	12-months ended	Compensation costs	Wages and salaries	Benefit costs
1987	March	3.1	3.2	2.9
	June	3.0	3.0	3.3
	Sept.	3.3	3.3	3.1
	Dec.	3.3	3.3	3.5
1988	March	3.9	3.3	5.8
	June	4.5	3.7	6.4
	Sept.	4.5	3.7	6.7
	Dec.	4.9	4.1	6.8
1989	March	4.6	4.2	5.4
	June	4.5	4.1	5.6
	Sept.	4.7	4.4	6.0

Benefit cost increases in private industry for the year ended in September 1989 exceeded wage and salary gains primarily because of rising health insurance costs. The increases in benefit costs were below those for the same period a year ago (6.0 percent, down from 6.7 percent), however, because the social security tax rate did not increase in 1989, whereas it rose 5 percent in January 1988.

Wage and salary gains in private industry averaged 4.4 percent for the year ended in September 1989, up from 3.7 percent a year ago. Excluding sales workers, pay increases averaged 3.9 percent, up from 3.7 percent a year ago. (See table 4.) Sales worker pay, heavily influenced by volatile commission earnings, rose 7.7 percent in the year ended in September 1989, up from 3.5 percent a year ago.

Compared with a year ago, over-the-year pay increases were higher for both white-collar workers (4.8 percent, up from 3.9 percent) and blue-collar workers (3.6 percent, up from 3.3 percent), but lower for service occupations (3.3 percent, down from 3.8 percent). Excluding sales workers, white-collar pay gains were only slightly higher than those a year ago (4.2 percent, up from 4.0 percent).

Pay increases in private industry over the year ended in September 1989 were higher for workers in service-producing than for those in goods-producing industries (4.8 percent compared with 3.7 percent). September 1988-89 pay gains in the service-producing sector reflected larger-than-average increases in finance, insurance, and real estate (8.2 percent), wholesale trade (7.0 percent), and hospitals (6.6 percent). The gains in finance, insurance, and real estate and in wholesale trade were affected by commission earnings.

Over-the-year wage and salary advances for nonunion workers (4.9 percent) exceeded those for union workers (2.5 percent), as they have since March 1983-84. (See table 7.) This pattern held in both goods-producing and service-producing industries. Compensation cost increases also were higher for nonunion workers (5.3 percent) than for union workers (3.2 percent). (See table 6.)

For state and local government workers, pay gains for the year ended in September 1989 (5.5 percent) were higher than those a year ago (4.7 percent). The September 1988-89 gains were highest in elementary and secondary schools, averaging 6.6 percent. (See table 2.)

* Beginning with the ECI news release for March 1990, the base for ECI *
* series will be June 1989=100, rather than June 1981=100. This change *
* is being made so that all ECI series--including many new series that *
* began after June 1981--are published with reference to the same base *
* (June 1989=100). The change will not affect the fixed employment *
* weights being used, which will continue to be based on the 1980 census. *

ECI data for December 1989 will be released on Thursday, January 25, 1990, at 8:30 a.m. E.S.T.

ECI news releases for 1990 will be published on the following schedule:

<u>Reference Month</u>	<u>Release Date</u>
March 1990	April 24, 1990
June 1990	July 24, 1990
September 1990	October 25, 1990

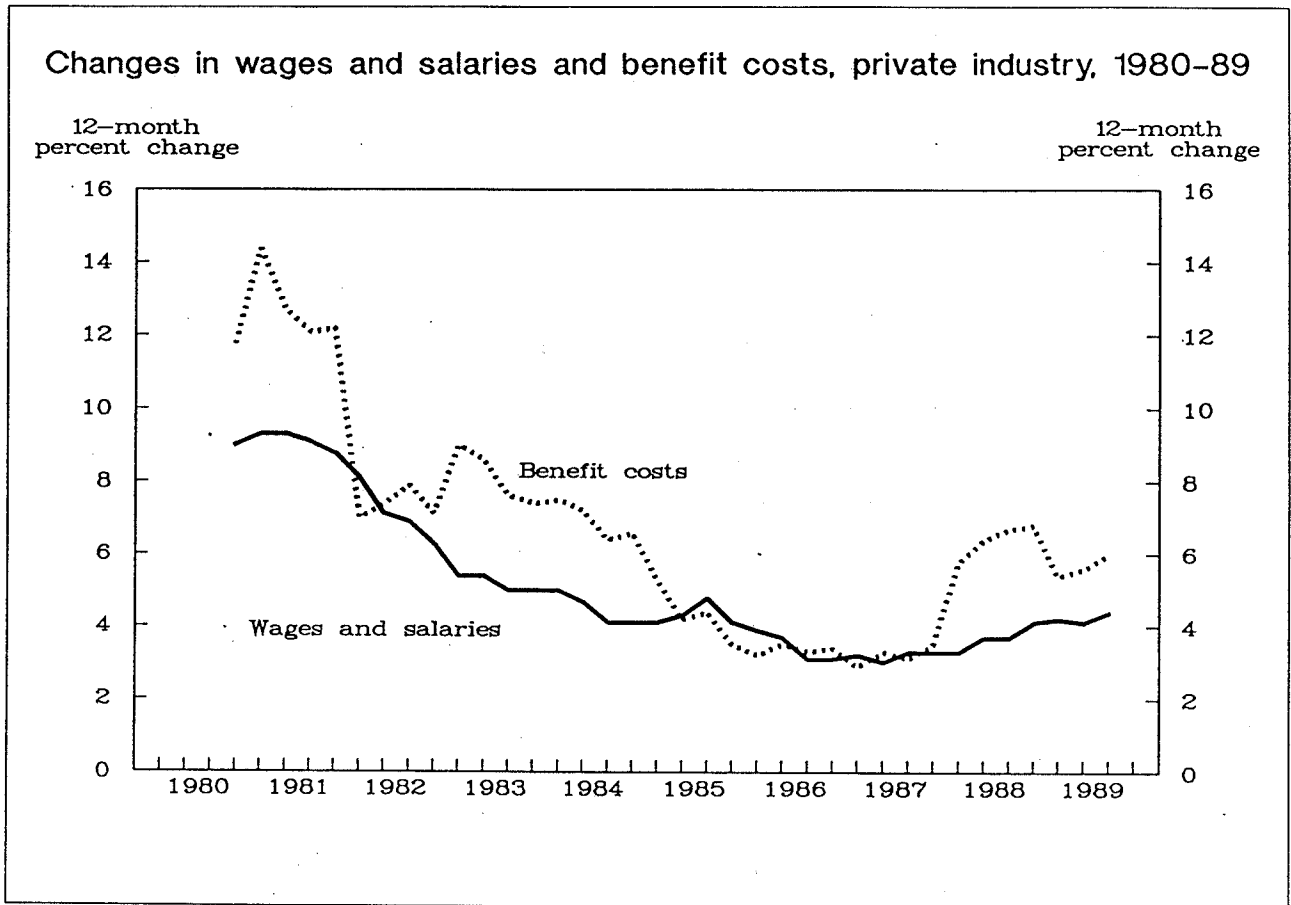


Table 1. COMPENSATION: Employment Cost Index for total compensation, by industry and occupational group
(Not seasonally adjusted)

Series	Indexes (June 1981=100)			Percent Changes for					
				3 Months Ended		12 Months Ended			
	Sept. 1988	June 1989	Sept. 1989	Sept. 1988	June 1989	Sept. 1988	June 1989	Sept. 1988	June 1989
Civilian workers	144.0	148.9	151.3	1.3	1.1	4.7	4.8	4.7	5.1
Workers, by occupational group									
White-collar occupations.....	147.9	153.4	156.4	1.5	1.0	4.7	5.3	4.7	5.7
Blue-collar occupations.....	137.2	141.3	142.9	.7	1.2	4.5	3.7	4.5	4.2
Service occupations.....	147.2	151.2	153.7	2.0	.8	5.2	4.8	5.2	4.4
Workers, by industry division									
Goods-producing 1/.....	138.2	142.3	143.9	.7	1.1	4.5	3.6	4.5	4.1
Manufacturing.....	139.0	143.5	145.1	.7	1.1	4.7	3.9	4.7	4.4
Service-producing 2/.....	147.6	152.9	155.9	1.7	1.0	4.8	5.4	4.8	5.6
Services.....	157.7	163.1	167.5	2.5	.8	5.7	6.0	5.7	6.2
Health services.....	-	-	-	1.7	1.2	5.6	6.2	5.6	6.7
Hospitals.....	-	-	-	1.8	1.3	5.8	6.5	5.8	7.0
Educational services.....	-	-	-	-	.5	-	-	-	-
Public administration	154.0	157.9	161.8	1.9	.8	5.2	4.4	5.2	5.1
Nonmanufacturing.....	146.1	151.2	154.0	1.5	1.0	4.7	5.1	4.7	5.4
Private industry workers	141.2	146.1	147.9	1.0	1.2	4.5	4.5	4.5	4.7
Workers, by occupational group									
White-collar occupations.....	144.6	150.3	152.4	1.1	1.1	4.4	5.1	4.4	5.4
Blue-collar occupations.....	136.5	140.6	142.2	.7	1.2	4.5	3.7	4.5	4.2
Service occupations.....	142.2	146.5	148.1	1.5	.8	4.6	4.6	4.6	4.1
Workers, by industry division									
Goods-producing 1/.....	137.9	142.0	143.6	.6	1.1	4.5	3.6	4.5	4.1
Service-producing 2/.....	143.8	149.5	151.5	1.2	1.2	4.4	5.2	4.4	5.4
State and local government workers.....	157.8	162.5	167.9	2.7	.6	5.4	5.8	5.4	6.4
Workers, by occupational group									
White-collar occupations.....	159.6	164.6	170.5	2.8	.5	5.6	6.1	5.6	6.8
Blue-collar occupations.....	148.4	153.0	156.2	1.7	.7	3.6	4.9	3.6	5.3
Workers, by industry division									
Services.....	160.5	165.5	171.8	3.1	.5	5.7	6.4	5.7	7.0
Excluding schools 3/.....	153.2	158.7	162.6	1.9	1.0	5.6	5.5	5.6	6.1
Health services.....	-	-	-	2.3	1.3	4.9	5.9	4.9	6.8
Hospitals.....	-	-	-	2.3	1.5	-	5.5	-	6.4
Educational services.....	-	-	-	-	.5	-	-	-	-
Schools.....	163.1	167.8	175.1	3.7	.4	5.8	6.7	5.8	7.4
Elementary and secondary.....	165.4	169.9	177.7	3.8	.4	5.7	6.6	5.7	7.4
Colleges and universities.....	-	-	-	-	.4	-	-	-	-
Public administration	154.0	157.9	161.8	1.9	.8	5.2	4.4	5.2	5.1

- Data not available.

NOTE: See footnotes at end of table 7.

Table 2. WAGES AND SALARIES: Employment Cost Index for wages and salaries only, by industry and occupational group
(Not seasonally adjusted)

Series	Indexes (June 1981=100)			Percent Changes for					
	Sept. 1988	June 1989	Sept. 1989	3 Months Ended		12 Months Ended			
				Sept. 1988	June 1989	Sept. 1989	Sept. 1988	June 1989	Sept. 1989
Civilian workers	140.5	144.6	146.9	1.3	0.8	1.6	3.9	4.3	4.6
Workers, by occupational group									
White-collar occupations	145.2	149.8	152.6	1.5	.8	1.9	4.2	4.8	5.1
Blue-collar occupations	132.5	136.0	137.4	.7	1.0	1.0	3.3	3.3	3.7
Service occupations	141.8	144.8	146.8	1.8	.6	1.4	4.3	3.9	3.5
Workers, by industry division									
Goods-producing 1/	134.1	137.7	139.0	.5	1.0	.9	3.3	3.2	3.7
Manufacturing	135.1	138.8	140.0	.5	1.0	.9	3.3	3.3	3.6
Service-producing 2/	144.2	148.7	151.4	1.6	.8	1.8	4.1	4.8	5.0
Services	154.0	158.4	162.4	2.4	.6	2.5	4.9	5.3	5.5
Health services	-	-	-	1.8	1.0	2.0	5.3	5.9	6.1
Hospitals	-	-	-	1.8	1.1	2.2	5.6	6.1	6.5
Educational services	-	-	-	-	.5	3.8	-	-	-
Public administration	148.9	151.8	155.0	1.7	.6	2.1	4.4	3.7	4.1
Nonmanufacturing	142.7	147.0	149.6	1.6	.8	1.8	4.1	4.6	4.8
Private industry workers	137.9	142.2	143.9	1.0	1.0	1.2	3.7	4.1	4.4
Workers, by occupational group									
White-collar occupations	142.4	147.3	149.3	1.1	1.0	1.4	3.9	4.6	4.8
Blue-collar occupations	131.9	135.4	136.7	.6	1.0	1.0	3.3	3.3	3.6
Service occupations	137.6	140.9	142.1	1.3	.6	.9	3.8	3.8	3.3
Workers, by industry division									
Goods-producing 1/	133.9	137.4	138.8	.5	1.0	1.0	3.3	3.2	3.7
Service-producing 2/	141.0	145.8	147.8	1.2	.9	1.4	3.9	4.7	4.8
State and local government workers	153.0	156.6	161.4	2.6	.5	3.1	4.7	5.0	5.5
Workers, by occupational group									
White-collar occupations	154.9	158.7	164.1	2.7	.4	3.4	4.9	5.2	5.9
Blue-collar occupations	143.5	146.8	149.6	1.7	.5	1.9	3.2	4.0	4.3
Workers, by industry division									
Services	155.6	159.3	165.0	3.0	.4	3.6	5.0	5.4	6.0
Excluding schools 3/	147.4	151.5	155.3	1.9	.9	2.5	4.4	4.7	5.4
Health services	-	-	-	2.4	1.1	2.7	4.8	5.9	6.3
Hospitals	-	-	-	2.3	1.3	2.9	-	5.5	6.1
Educational services	-	-	-	-	.4	3.8	-	-	-
Schools	158.0	161.7	168.1	3.3	.3	4.0	5.1	5.7	6.4
Elementary and secondary	159.7	163.3	170.2	3.5	.3	4.2	5.1	5.8	6.6
Colleges and universities	-	-	-	-	.4	2.9	-	-	-
Public administration	148.9	151.8	155.0	1.7	.6	2.1	4.4	3.7	4.1

- Data not available.

NOTE: See footnotes at end of table 7.

Table 3. COMPENSATION; Employment Cost Index for total compensation, private industry workers, by industry and occupational group-Continued
(Not seasonally adjusted)

Series	Indexes (June 1981=100)			Percent Changes for					
				3 Months Ended		6 Months Ended		12 Months Ended	
	Sept. 1988	June 1989	Sept. 1989	Sept. 1988	June 1989	Sept. 1989	Sept. 1988	June 1989	Sept. 1989
Service-producing industries 2/.....	143.8	149.5	151.5	1.2	1.2	1.3	4.4	5.2	5.4
Excluding sales occupations.....	145.4	150.4	152.2	1.3	1.1	1.2	4.5	4.8	4.7
White-collar occupations.....	-	-	-	1.5	1.2	1.4	4.4	5.6	5.8
Excluding sales.....	-	-	-	1.9	1.0	1.4	4.6	5.1	5.0
Blue-collar occupations.....	-	-	-	1.6	1.3	1.1	4.4	3.9	4.0
Service occupations.....	-	-	-	.8	.8	1.1	4.6	4.6	4.1
Transportation and public utilities.....	-	-	-	.7	1.3	.7	3.2	3.3	3.3
Transportation.....	-	-	-	.7	1.3	.5	4.0	3.2	3.0
Public utilities.....	-	-	-	.6	1.2	1.0	2.2	3.4	3.8
Communications.....	-	-	-	.7	1.5	1.0	2.0	3.3	3.6
Electric, gas, and sanitary services.....	-	-	-	.5	.8	1.0	-	3.5	4.0
Wholesale and retail trade.....	-	-	-	1.1	1.1	1.6	4.6	4.4	4.9
Excluding sales occupations.....	-	-	-	1.1	.8	1.3	4.2	3.9	4.1
Wholesale trade.....	-	-	-	1.0	1.5	2.6	4.4	5.6	7.3
Excluding sales occupations.....	-	-	-	1.1	1.1	1.8	4.0	3.9	4.8
Retail trade.....	-	-	-	1.1	.9	1.1	4.7	3.9	3.9
General merchandise stores.....	-	-	-	1.4	.5	.4	-	2.9	1.9
Food stores.....	-	-	-	.2	.2	.8	2.7	3.3	3.8
Finance, insurance, and real estate.....	-	-	-	.1	1.7	.4	3.0	7.8	8.0
Excluding sales occupations.....	-	-	-	.9	1.6	.1	3.8	5.7	4.8
Banking, savings and loan, and other credit agencies.....	-	-	-	1.0	1.2	.6	6.1	4.1	3.7
Insurance.....	-	-	-	.9	1.7	-.1	6.1	5.3	4.3
Services.....	-	-	-	2.0	1.0	1.8	5.6	5.8	5.6
Business services.....	-	-	-	1.4	1.9	.7	4.9	5.4	4.7
Health services.....	-	-	-	1.6	1.1	1.9	5.8	6.2	6.6
Hospitals.....	-	-	-	1.7	1.2	1.9	5.9	6.9	7.1
Educational services.....	-	-	-	-	.9	3.9	-	-	-
Colleges and universities.....	-	-	-	-	1.0	3.3	-	-	-
Nonmanufacturing industries.....	142.4	147.6	149.5	1.1	1.2	1.3	4.4	4.8	5.0
White-collar occupations.....	-	-	-	1.2	1.0	1.4	4.4	5.5	5.8
Excluding sales.....	-	-	-	1.4	1.0	1.4	4.6	5.0	5.0
Blue-collar occupations.....	-	-	-	.7	1.2	1.1	4.1	3.3	3.6
Service occupations.....	-	-	-	1.6	.8	1.0	4.6	4.6	4.1

- Data not available.

NOTE: See footnotes at end of table 7.

Table 4. WAGES AND SALARIES: Employment Cost Index for wages and salaries only, private industry workers, by industry
and occupational group-Continued
(Not seasonally adjusted)

Series	Indexes (June 1981=100)		Percent Changes for					
	Sept. 1988	June 1989	3 Months Ended		12 Months Ended			
			Sept. 1988	June 1989	Sept. 1988	June 1989	Sept. 1989	
Service-producing industries 2/.....	141.0	145.8	1.2	0.9	1.4	3.9	4.7	4.8
Excluding sales occupations.....	142.7	146.9	1.3	.8	1.2	3.9	4.3	4.1
White-collar occupations.....	-	-	1.3	1.0	1.5	4.0	5.1	5.4
Excluding sales.....	-	-	1.5	.8	1.3	4.0	4.7	4.6
Blue-collar occupations.....	-	-	.9	1.0	.9	3.6	3.5	3.5
Service occupations.....	-	-	1.5	.6	.8	3.9	3.8	3.2
Transportation and public utilities.....	133.5	135.3	.8	.5	.7	2.7	2.1	2.1
Transportation.....	-	-	.9	.6	.6	2.6	1.9	1.5
Public utilities.....	-	-	.7	.5	1.1	2.7	2.5	2.8
Communications.....	-	-	.8	1.1	1.1	2.6	1.9	2.2
Electric, gas, and sanitary services.....	-	-	.4	1.0	1.0	-	3.2	3.7
Wholesale and retail trade.....	136.0	139.9	1.0	.9	1.6	4.1	3.9	4.5
Excluding sales occupations.....	136.5	140.0	1.0	.6	1.1	3.6	3.6	3.7
Wholesale trade.....	143.2	149.0	1.1	1.0	2.8	3.9	5.2	7.0
Excluding sales occupations.....	139.6	142.9	1.0	.8	1.7	3.5	3.4	4.1
Retail trade.....	133.2	136.3	1.1	.9	1.0	4.2	3.5	3.4
General merchandise stores.....	-	-	1.5	.8	.3	-	4.6	3.4
Food stores.....	-	-	.4	.0	.4	2.4	2.3	2.3
Finance, insurance, and real estate.....	134.9	145.2	.0	1.8	.6	2.4	7.6	8.2
Excluding sales occupations.....	140.6	147.5	.9	1.7	.2	3.0	5.8	5.1
Banking, savings and loan, and other credit agencies.....	-	-	1.1	1.2	1.1	5.7	4.2	4.3
Insurance.....	-	-	.9	1.6	-.4	5.9	4.8	3.5
Services.....	152.9	157.8	2.1	.9	1.6	4.8	5.3	4.9
Business services.....	-	-	1.5	1.6	.9	3.9	5.2	4.6
Health services.....	-	-	1.7	.9	1.9	5.5	5.9	6.1
Hospitals.....	-	-	1.7	1.1	1.9	5.7	6.4	6.6
Educational services.....	-	-	-	.9	3.7	-	-	-
Colleges and universities.....	-	-	-	.9	3.3	-	-	-
Nonmanufacturing industries.....	139.4	143.9	1.2	.9	1.4	3.9	4.4	4.7
White-collar occupations.....	-	-	1.3	.9	1.5	4.1	5.0	5.2
Excluding sales.....	-	-	1.5	1.0	1.3	4.1	4.6	4.4
Blue-collar occupations.....	-	-	.8	1.0	1.0	3.6	3.1	3.4
Service occupations.....	-	-	1.5	.6	.8	3.9	3.8	3.2

- Data not available.

NOTE: See footnotes at end of table 7.

Table 5. BENEFITS: Employment Cost Index for benefits only, private industry workers, by industry and occupational group (Not seasonally adjusted)

Series	Indexes (June 1981=100)		Percent Changes for					
			3 Months Ended		6 Months Ended		12 Months Ended	
	Sept. 1988	June 1989	Sept. 1988	June 1989	Sept. 1989	June 1989	Sept. 1988	June 1989
Private industry workers.....	149.7	156.5	1.0	1.6	1.4	6.7	5.6	6.0
Workers, by occupational group								
White-collar occupations.....	150.9	158.8	1.1	1.7	1.4	6.0	6.4	6.8
Blue-collar occupations.....	147.5	152.9	.8	1.5	1.4	7.4	4.5	5.2
Service occupations.....	-	-	1.9	1.4	1.6	7.3	7.1	6.8
Workers, by industry division								
Goods-producing industries 1/.....	147.3	152.7	.8	1.3	1.5	7.2	4.5	5.2
Service-producing industries 2/.....	151.9	160.1	1.2	1.8	1.4	6.1	6.7	6.8
Manufacturing.....	147.8	154.2	1.0	1.2	1.6	8.0	5.3	6.0
Nonmanufacturing.....	150.9	158.0	1.1	1.8	1.4	5.8	5.8	6.2

- Data not available.

NOTE: See footnotes at end of table 7.

Table 6. COMPENSATION: Employment Cost Index for total compensation, private industry workers, by bargaining status, region, and area size
(Not seasonally adjusted)

Series	Indexes (June 1981=100)		Percent Changes for						
	Sept. 1988	June 1989	3 Months Ended		12 Months Ended				
			Sept. 1988	June 1989	Sept. 1988	June 1989	Sept. 1989		
Workers, by bargaining status									
Union	137.9	141.1	0.7	1.0	0.9	4.5	3.1	3.2	
Blue-collar occupations			.7	1.1	.9	4.8	3.1	3.3	
Goods-producing industries 1/	136.2	139.4	.7	1.1	.9	5.2	3.0	3.2	
Service-producing industries 2/	140.5	143.9	.8	.9	.8	3.4	3.2	3.3	
Manufacturing	137.0	141.3	.6	1.0	.8	5.8	3.7	4.0	
Blue-collar occupations			.6	1.0	.9	6.0	3.8	4.1	
Nonmanufacturing	138.6	141.0	.8	1.1	.8	3.2	2.5	2.5	
Nonunion	142.2	147.7	1.1	1.2	1.4	4.5	5.0	5.3	
Blue-collar occupations			.7	1.4	1.3	4.3	4.2	4.8	
Goods-producing industries 1/	138.7	143.2	.7	1.1	1.3	4.2	3.9	4.5	
Service-producing industries 2/	144.4	150.5	1.3	1.3	1.5	4.7	5.6	5.7	
Manufacturing	140.1	144.8	.6	1.2	1.2	4.1	4.0	4.6	
Blue-collar occupations			.7	1.3	1.4	3.8	4.4	5.2	
Nonmanufacturing	143.2	149.1	1.2	1.2	1.4	4.7	5.4	5.6	
Workers, by region									
Northeast	147.8	155.5	1.3	1.3	1.8	5.3	6.6	7.1	
South	140.4	144.1	.8	1.0	1.2	4.6	3.4	3.8	
Midwest	136.7	140.9	.9	1.1	1.0	4.2	4.0	4.1	
West	140.6	144.9	.8	1.2	1.0	3.5	3.9	4.1	
Workers, by area size									
Metropolitan areas	142.0	147.4	1.1	1.2	1.4	4.6	4.9	5.2	
Other areas	136.2	138.3	.5	.6	.8	3.7	2.1	2.3	

-- Data not available.

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 table 7.

Table 7. WAGES AND SALARIES: 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								
	Sept. 1988	June 1989	3 Months Ended		12 Months Ended		Sept. 1989	Sept. 1988	June 1989	Sept. 1989	
			Sept. 1988	June 1989	Sept. 1988	June 1989					
Workers, by bargaining status											
Union	132.9	135.4	0.7	0.8	0.6	2.9	2.9	2.6	2.5	2.9	2.9
Blue-collar occupations	-	-	.6	.9	.7	2.9	2.9	2.9	2.9	2.9	2.9
Goods-producing industries 1/	130.4	133.4	.5	1.1	.6	3.1	3.1	2.9	2.9	2.9	2.9
Service-producing industries 2/	136.7	138.4	1.0	.4	.7	2.9	2.9	2.2	1.9	1.9	1.9
Manufacturing	131.0	134.4	.5	1.1	.5	3.1	3.1	3.1	3.1	3.1	3.1
Blue-collar occupations	-	-	.5	1.1	.6	3.2	3.2	3.1	3.2	3.2	3.2
Nonmanufacturing	134.5	136.2	.9	.6	.7	2.8	2.8	2.2	1.9	1.9	1.9
Nonunion	139.5	144.4	1.0	1.0	1.3	3.9	3.9	4.6	4.9	4.9	4.9
Blue-collar occupations	-	-	.6	1.3	1.2	3.5	3.5	3.7	4.3	4.3	4.3
Goods-producing industries 1/	135.7	139.5	.5	.9	1.1	3.5	3.5	3.3	4.0	4.0	4.0
Service-producing industries 2/	141.8	147.2	1.3	1.1	1.4	4.1	4.1	5.1	5.3	5.3	5.3
Manufacturing	137.4	141.4	.5	1.1	1.0	3.3	3.3	3.4	3.9	3.9	3.9
Blue-collar occupations	-	-	.5	1.3	1.2	2.8	2.8	3.8	4.5	4.5	4.5
Nonmanufacturing	140.4	145.6	1.2	1.0	1.4	4.1	4.1	4.9	5.2	5.2	5.2
Workers, by region											
Northeast	144.6	152.0	1.2	1.3	1.8	4.6	4.6	6.4	7.0	7.0	7.0
South	137.1	140.0	.7	.8	1.2	3.8	3.8	2.9	3.4	3.4	3.4
Midwest	133.3	136.9	.9	1.0	.8	2.9	2.9	3.6	3.5	3.5	3.5
West	137.4	140.7	1.0	.9	.8	3.2	3.2	3.5	3.2	3.2	3.2
Workers, by area size											
Metropolitan areas	138.7	143.4	1.0	1.1	1.3	3.7	3.7	4.4	4.7	4.7	4.7
Other areas	133.5	135.2	.4	.4	.7	3.4	3.4	1.7	1.9	1.9	1.9

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/ Formerly called 'Hospitals and other services.'

4/ This series has the same industry and occupational coverage as the Hourly Earnings Index, which was discontinued in January 1989

- Data not available.

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

Table 8. AEROSPACE: Employment Cost Index for workers in aerospace manufacturing by industry and occupation 1/
(Not seasonally adjusted)

Series	Percent changes for 3 months ended									
	March 1989	June 1989	Sept. 1989	March 1989	June 1989	Sept. 1989	March 1989	June 1989	Sept. 1989	
	Compensation				Wages and Salaries				Benefits	
Aircraft and parts manufacturing (SIC 372).....	0.8	0.9	1.1	0.6	0.8	0.8	1.2	1.2	1.2	1.7
White-collar occupations.....	.7	1.1	.9	.6	.8	.6	.9	.9	1.8	1.4
Professional specialty and technical.....	.5	.8	.5	.6	.8	.4	.1	.1	.9	.6
Blue-collar occupations.....	1.0	.6	1.4	.7	.6	1.0	1.5	.5	.5	2.1
Precision production, craft, and repair.....	.8	.6	1.1	.7	.6	.9	1.1	.3	.3	1.7
Machine operators, assemblers, and inspectors.....	1.2	.7	1.7	.8	.6	1.2	2.1	.8	.8	2.3
Aircraft manufacturing (SIC 3721).....	.4	.8	1.0	.6	.6	.6	.1	.9	.9	2.0
White-collar occupations.....	.3	.9	.8	.6	.7	.4	-.2	1.1	1.1	1.7
Blue-collar occupations.....	.6	.5	1.4	.7	.4	.9	.4	.8	.8	2.3
Aircraft engines and parts manufacturing (SIC 3724).....	1.2	.4	1.1	.5	.8	1.0	2.5	-.3	-.3	1.3
Aircraft parts and equipment manufacturing, not elsewhere classified (SIC 3728).....	1.4	1.6	1.3	.9	.9	1.1	2.6	3.1	3.1	1.5
Guided missiles and space vehicles manufacturing (SIC 3761).....	1.8	.3	1.1	.9	.3	.8	3.9	.6	.6	1.5

1/ Funds for the development and maintenance of these series are provided by the Aerospace Industries Association (AIA). The series are published in this release for the convenience of all users.

- Data not available.

NOTE: SIC refers to the 1972 Standard Industrial Classification System code as defined by the U.S. Office of Management and Budget.

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 series¹ 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 overtime, shift differentials, and nonproduction bonuses such as 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 and supplemental unemployment plans).

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 22,000 occupations within 4,200 sample establishments in private industry and about 5,800 occupations within 1,000 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.

¹ 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).

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.

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 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.

The costs per hour worked of compensation components, based on March 1988 data from the ECI, are published in a separate news release titled "Employer Costs for Employee Compensation--March 1989." A description of the cost levels is provided 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 are 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 usually differ from those in the ECI.

More detailed information on the ECI is available in several sources. These include an annual bulletin, Employment Cost Indexes and Levels, 1975-89, (Bulletin 2339); a chapter in the BLS Handbook of Methods (Bulletin 2285), "The Employment Cost Index;" and several articles published in the Monthly Labor Review. The annual bulletin is available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402, or Bureau of Labor Statistics, Publications Sales Center, P.O. Box 2145, Chicago, Illinois 60690. Reprints of the articles plus other descriptive pieces and a complete historical listing are available upon request. ECI historical data are also available on data diskettes formatted for use with Lotus 1-2-3.