

# News

United States  
Department  
of Labor



Bureau of Labor Statistics

Washington, D.C. 20212

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

USDL: 87-164

Media contact: (202) 523-1913

FOR RELEASE: 10:00 A.M. E.D.T.  
Tuesday, April 28, 1987

## EMPLOYMENT COST INDEX - MARCH 1987

The Employment Cost Index (ECI) increased 0.9 percent in the 3 months ended in March 1987, the U.S. Department of Labor's Bureau of Labor Statistics reported today. For the year ended in March 1987, the increase was 3.4 percent. The March 1987 ECI level stood at 135.0, based on June 1981=100. The ECI measures changes in compensation costs--wages, salaries, and employer costs for employee benefits. It is not seasonally adjusted.

The 0.9 percent increase in compensation costs in the December 1986-March 1987 period was similar to the 1.1 percent increase in the same period a year ago. This similarity held for both private industry workers (1.0 and 1.1 percent, respectively) and state and local government workers (0.8 percent and 1.0 percent).

The 3.4 percent compensation cost increase for the year ended in March 1987 was below the 4.1 percent gain a year ago. A similar pattern was recorded for wages and salaries alone (3.5 percent, down from 4.2 percent)--indicating that benefit costs have increased at about the same pace as wages over the past two years and that the pace has slowed.

In private industry, over-the-year compensation cost increases were higher for white-collar workers (3.7 percent) than for blue-collar (2.1 percent) or

\*\*\*\*\*  
\* This release presents, for the first time, estimates of \*  
\* quarterly change in compensation costs, and in wages and \*  
\* salaries only, for workers in banking, savings and loan, \*  
\* and other credit agencies and for workers in business ser- \*  
\* vices. (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. \*  
\* \*  
\* Since June 1986, ECI measures have been based on fixed em- \*  
\* ployment counts from the 1980 Census of Population rather \*  
\* than from the 1970 Census. ECI estimates for the period \*  
\* March 1985 to March 1986 were recalculated, using the 1980 \*  
\* Census weights. The recalculations, which are available \*  
\* upon request, provide a one-year overlap for ECI estimates \*  
\* based on 1970 and 1980 weights. \*  
\*\*\*\*\*

service workers (2.9 percent). Among white-collar workers, compensation cost increases ranged from 2.8 percent for sales workers to 4.3 percent for executive, administrative, and managerial occupations. (See table 3.) The larger increase for managers partly reflects increases in nonproduction bonuses.

Over-the-year gains in wages and salaries for private industry workers ranged from 1.6 percent for laborers to 4.3 percent for professional and technical occupations. (See table 4.) The relatively large pay increases for professionals occurred in most industries, but were particularly high in legal and health services.

Workers in private service-producing industries had over-the-year pay gains averaging 3.4 percent compared with 2.7 percent for those in goods-producing industries. (See table 6.) The increase for goods-producing industries was the lowest over-the-year pay gain recorded in the 11-year history of that series. Other record low wage and salary increases covered workers in:

- \* Manufacturing (2.7 percent)
- \* The South (2.6 percent)
- \* Machine operating occupations (2.4 percent)
- \* Skilled craft occupations (2.1 percent)
- \* Union occupations (1.7 percent)
- \* Transportation and public utilities (1.4 percent)

Wages and salaries rose 3.5 percent for nonunion workers over the year ended in March 1987, compared with the record-low pay gain of 1.7 percent for union workers. (See table 8.) Pay gains for nonunion workers have outpaced those for union workers for the past 4 years.

---

ECI data for June 1987 will be released on Tuesday, July 28, 1987, 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						
	March 1986	Dec. 1986	March 1987	3 Months Ended		12 Months Ended		March 1986	Dec. 1986	March 1987
				March 1986	Dec. 1986	March 1986	Dec. 1986			
Civilian workers .....	130.6	133.8	135.0	1.1	0.6	0.9	4.1	3.6	3.4	3.4
Workers, by occupational group										
White-collar occupations.....	133.1	136.9	138.5	1.1	.7	1.2	4.6	4.0	4.1	4.1
Blue-collar occupations.....	126.2	128.4	129.1	1.0	.5	.5	3.3	2.8	2.3	2.3
Service occupations.....	133.1	136.6	138.0	1.0	.9	1.0	4.1	3.6	3.7	3.7
Workers, by industry division										
Goods-producing 1/.....	126.9	129.5	130.2	1.1	.5	.5	3.0	3.2	2.6	2.6
Manufacturing.....	127.7	130.1	130.7	1.3	.6	.5	3.1	3.3	2.3	2.3
Service-producing 2/.....	132.9	136.5	138.1	1.1	.7	1.2	4.7	3.8	3.9	3.9
Services.....	138.8	143.6	145.2	1.2	.8	1.1	5.2	4.7	4.6	4.6
Health services.....	-	-	-	1.2	1.1	1.2	3.6	4.7	4.7	4.7
Hospitals.....	-	-	-	-	1.1	1.0	-	-	-	-
Public administration.....	136.8	141.6	144.1	1.5	.7	1.8	5.1	5.0	5.3	5.3
Nonmanufacturing.....	131.9	135.4	136.9	1.0	.6	1.1	4.5	3.7	3.8	3.8
Private industry workers .....	128.9	131.6	132.9	1.1	.6	1.0	3.8	3.2	3.1	3.1
Workers, by occupational group										
White-collar occupations.....	131.3	134.3	136.1	1.2	.6	1.3	4.4	3.5	3.7	3.7
Blue-collar occupations.....	125.7	127.8	128.4	1.0	.5	.5	3.1	2.7	2.1	2.1
Service occupations.....	130.9	133.5	134.7	1.1	.9	.9	3.6	3.1	2.9	2.9
Workers, by industry division										
Goods-producing 1/.....	126.7	129.2	129.9	1.1	.5	.5	3.0	3.1	2.5	2.5
Service-producing 2/.....	130.8	133.5	135.3	1.1	.6	1.3	4.5	3.2	3.4	3.4
State and local government workers.....	138.9	144.7	145.9	1.0	.8	.8	5.5	5.2	5.0	5.0
Workers, by occupational group										
White-collar occupations.....	140.0	146.0	147.2	1.0	.7	.8	5.7	5.3	5.1	5.1
Blue-collar occupations.....	134.7	139.5	140.8	1.5	.7	.9	5.2	5.1	4.5	4.5
Workers, by industry division										
Services.....	140.4	146.6	147.3	.9	.8	.5	5.7	5.4	4.9	4.9
Hospitals and other services 3/.....	136.8	141.1	142.5	1.2	1.2	1.0	4.3	4.4	4.2	4.2
Health services.....	-	-	-	.8	.7	.8	4.2	4.1	4.1	4.1
Schools.....	141.5	148.4	148.9	.9	.5	.3	6.1	5.8	5.2	5.2
Elementary and secondary.....	143.0	150.3	150.5	.7	.6	.1	6.4	5.8	5.2	5.2
Public administration.....	136.8	141.6	144.1	1.5	.7	1.8	5.1	5.0	5.3	5.3

- 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					
	(June 1981=100)			3 Months Ended			12 Months Ended		
	March 1986	Dec. 1986	March 1987	March 1986	Dec. 1986	March 1987	March 1986	Dec. 1986	March 1987
Civilian workers .....	128.3	131.5	132.8	1.0	0.6	1.0	4.2	3.5	3.5
Workers, by occupational group									
White-collar occupations.....	131.2	135.0	136.6	1.1	.7	1.2	4.8	4.0	4.1
Blue-collar occupations.....	123.4	125.6	126.2	.9	.5	.5	3.4	2.7	2.3
Service occupations.....	129.8	132.8	134.2	.9	.8	1.1	4.0	3.3	3.4
Workers, by industry division									
Goods-producing 1/.....	124.4	127.0	127.8	1.1	.6	.6	3.4	3.2	2.7
Manufacturing.....	125.3	127.9	128.7	1.2	.6	.6	3.6	3.3	2.7
Service-producing 2/.....	130.7	134.2	135.8	1.0	.6	1.2	4.8	3.7	3.9
Services.....	136.4	141.1	142.7	1.2	.9	1.1	5.2	4.7	4.6
Health services.....	-	-	-	1.1	1.2	1.3	3.4	4.8	5.0
Hospitals.....	-	-	-	-	1.2	1.2	-	-	-
Public administration .....	133.8	138.1	140.5	1.4	.4	1.7	5.4	4.6	5.0
Nonmanufacturing.....	129.6	133.0	134.5	.9	.6	1.1	4.6	3.6	3.8
Private industry workers .....	126.8	129.5	130.8	1.0	.5	1.0	3.9	3.1	3.2
Workers, by occupational group									
White-collar occupations.....	129.6	132.7	134.6	1.0	.5	1.4	4.5	3.4	3.9
Blue-collar occupations.....	123.1	125.1	125.6	.9	.5	.4	3.4	2.5	2.0
Service occupations.....	128.0	130.1	131.4	1.1	.9	1.0	3.4	2.8	2.7
Workers, by industry division									
Goods-producing 1/.....	124.2	126.8	127.5	1.1	.6	.6	3.3	3.2	2.7
Service-producing 2/.....	129.0	131.6	133.4	.9	.5	1.4	4.5	3.0	3.4
State and local government workers.....	135.5	141.4	142.5	1.0	.7	.8	5.5	5.4	5.2
Workers, by occupational group									
White-collar occupations.....	136.6	142.8	143.9	1.0	.7	.8	5.6	5.5	5.3
Blue-collar occupations.....	130.4	135.1	136.3	1.6	.4	.9	5.0	5.2	4.5
Workers, by industry division									
Services.....	136.8	143.3	143.9	.9	.8	.4	5.7	5.7	5.2
Hospitals and other services 3/.....	132.4	137.3	138.6	1.1	1.1	.9	3.7	4.9	4.7
Health services.....	-	-	-	.7	.5	.7	3.7	4.1	4.1
Schools.....	138.0	145.1	145.5	.7	.7	.3	6.2	5.9	5.4
Elementary and secondary.....	139.4	146.4	146.5	.6	.5	.1	6.6	5.7	5.1
Public administration .....	133.8	138.1	140.5	1.4	.4	1.7	5.4	4.6	5.0

- 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		12 Months Ended			
	March 1986	Dec. 1986	March 1986	Dec. 1986	March 1986	Dec. 1986	March 1987	March 1987
Private industry workers	126.8	129.5	1.0	0.5	1.0	3.9	3.1	3.2
Excluding sales	127.3	129.9	1.1	.6	1.0	3.9	3.2	3.1
Workers, by occupational group								
White-collar occupations	129.6	132.7	1.0	.5	1.4	4.5	3.4	3.9
Excluding sales	131.1	134.3	1.3	.8	1.4	4.4	3.8	3.9
Professional specialty and technical	132.7	136.4	.9	.7	1.5	3.9	3.7	4.3
Executive, administrative, and managerial	130.5	133.5	1.6	.8	1.6	5.4	4.0	3.9
Sales	122.4	124.9	-.1	-.2	1.4	5.2	2.0	3.5
Administrative support, including clerical	129.6	132.7	1.3	.8	1.2	3.9	3.8	3.6
Blue-collar occupations	123.1	125.1	.9	.5	.4	3.4	2.5	2.0
Precision production, craft, and repair	125.3	127.4	1.2	.6	.4	3.7	2.9	2.1
Machine operators, assemblers, and inspectors	122.6	124.9	.8	.6	.5	3.1	2.7	2.4
Transportation and material moving	118.0	120.1	.2	.3	.3	3.1	2.0	2.1
Handlers, equipment cleaners, helpers, and laborers	120.0	121.4	.2	.4	.4	2.8	1.3	1.6
Service occupations	128.0	130.1	1.1	.9	1.0	3.4	2.8	2.7

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					
	March 1986	Dec. 1986	March 1986	Dec. 1986	March 1986	Dec. 1986	March 1987	March 1987		
Private industry workers .....	128.9	131.6	132.9	132.9	1.1	0.6	1.0	3.8	3.2	3.1
Excluding sales.....	129.1	131.8	133.1	133.1	1.2	.6	1.0	3.7	3.3	3.1
Workers, by occupational group										
White-collar occupations.....	131.3	134.3	136.1	136.1	1.2	.6	1.3	4.4	3.5	3.7
Excluding sales.....	132.2	135.4	137.2	137.2	1.4	.8	1.3	4.3	3.8	3.8
Professional specialty and technical.....	-	-	-	-	1.1	.7	1.2	-	3.6	3.7
Executive, administrative, and managerial....	-	-	-	-	1.6	.8	1.8	-	4.1	4.3
Sales.....	-	-	-	-	-	-.1	1.1	-	-	2.8
Administrative support, including clerical....	-	-	-	-	1.3	.7	1.1	-	3.6	3.4
Blue-collar occupations.....	125.7	127.8	128.4	128.4	1.0	.5	.5	3.1	2.7	2.1
Precision production, craft, and repair.....	-	-	-	-	1.3	.5	.5	-	2.9	2.1
Machine operators, assemblers, and inspectors.....	-	-	-	-	1.0	.6	.5	-	2.7	2.2
Transportation and material moving.....	-	-	-	-	.6	.3	.5	-	2.7	2.6
Handlers, equipment cleaners, helpers, and laborers.....	-	-	-	-	.6	.6	.3	-	2.1	1.8
Service occupations.....	130.9	133.5	134.7	134.7	1.1	.9	.9	3.6	3.1	2.9

- 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			
	March 1986	Dec. 1986	March 1986	Dec. 1986	March 1986	Dec. 1986	March 1987	March 1987
Workers, by industry division								
Goods-producing 1/								
Excluding sales occupations.....	124.2	126.8	1.1	0.6	0.6	3.3	3.2	2.7
Construction.....	124.2	126.7	1.0	.5	.5	3.3	3.0	2.7
Manufacturing.....	118.3	120.8	.3	.2	.2	2.4	2.5	2.9
Durables.....	125.3	127.9	1.2	.6	.6	3.6	3.3	2.7
Nondurables.....	124.8	127.2	1.1	.6	.6	3.5	3.1	2.3
Service-producing 2/	126.1	129.3	1.2	.6	.6	3.7	3.8	3.5
Excluding sales occupations.....	129.0	131.6	.9	.5	.5	4.5	3.0	3.4
Transportation and public utilities.....	130.0	132.8	1.1	.8	.8	4.3	3.3	3.4
Public utilities.....	126.3	127.5	.9	.2	.2	3.8	1.8	1.4
Wholesale and retail trade.....	-	-	1.1	-.3	-.3	3.6	1.3	.4
Wholesale trade.....	-	-	.5	.7	.7	4.0	2.5	2.7
Retail trade.....	124.5	126.9	.6	.3	.3	4.8	2.6	2.7
Finance, insurance, and real estate.....	129.7	133.1	1.1	1.0	1.0	4.9	3.7	3.9
Excluding sales occupations.....	122.5	124.5	.5	.1	.1	4.8	2.1	2.2
Banking, savings and loan, and other credit agencies.....	126.6	130.0	.1	.8	.8	3.8	2.8	5.5
Services.....	129.0	132.1	2.0	.9	.9	4.6	4.4	4.4
Business services.....	-	-	-	-	-	-	-	-
Health services.....	136.2	139.5	1.6	.9	.9	4.8	4.0	4.1
Hospitals.....	-	-	1.2	1.5	1.5	3.3	5.1	5.2
Nonmanufacturing.....	-	-	-	1.5	1.5	-	-	-
	127.7	130.4	.9	.5	.5	4.2	3.0	3.3

- Data not available.  
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		12 Months Ended		
	March 1986	Dec. 1986	March 1987	March 1986	Dec. 1986	March 1987	March 1986	Dec. 1986	March 1987	
<b>Workers, by industry division</b>										
Goods-producing 1/	126.7	129.2	129.9	1.1	0.5	0.5	3.0	3.1	2.5	
Excluding sales occupations	126.4	128.9	129.7	1.0	.5	.6	3.0	3.0	2.6	
Construction	-	-	-	.3	.2	.9	2.8	2.8	3.4	
Manufacturing	127.7	130.1	130.7	1.3	.6	.5	3.1	3.3	2.3	
Durables	-	-	-	1.2	.5	.3	-	2.8	1.9	
Nondurables	-	-	-	1.3	.7	.8	-	4.0	3.4	
Service-producing 2/	130.8	133.5	135.3	1.1	.6	1.3	4.5	3.2	3.4	
Excluding sales occupations	131.6	134.6	136.3	1.2	.8	1.3	4.3	3.5	3.6	
Transportation and public utilities	-	-	-	1.3	.1	.9	4.0	2.2	1.9	
Transportation	-	-	-	2.0	-.4	1.0	4.3	2.2	1.2	
Public utilities	-	-	-	.3	.7	.9	3.7	2.0	2.6	
Wholesale and retail trade	-	-	-	.6	.5	.8	4.2	2.6	2.8	
Wholesale trade	-	-	-	-	1.0	1.2	-	-	3.9	
Retail trade	-	-	-	.4	.3	.6	4.3	2.2	2.3	
Finance, insurance, and real estate	-	-	-	.9	.8	2.6	4.3	3.1	4.9	
Excluding sales occupations	-	-	-	2.1	1.0	2.2	4.7	4.3	4.4	
Banking, savings and loan, and other credit agencies	-	-	-	-	-	2.7	-	-	-	
Services	-	-	-	1.5	1.0	1.5	4.9	4.3	4.3	
Business services	-	-	-	-	-	1.4	-	-	-	
Health services	-	-	-	1.2	1.3	1.3	3.5	4.9	4.9	
Hospitals	-	-	-	-	1.2	1.1	-	-	-	
Nonmanufacturing	129.7	132.4	134.1	1.0	.5	1.3	4.3	3.1	3.4	

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



WAGES AND SALARIES

Table 8. 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				
	March 1986	Dec. 1986	March 1987	March 1986	Dec. 1986	March 1986	Dec. 1986	March 1986	March 1987	
<b>Workers, by bargaining status</b>										
Union.....										
Goods-producing 1/.....	125.6	127.2	127.7	0.7	0.2	0.4	3.2	2.0	1.7	1.7
Service-producing 2/.....	123.4	124.8	125.0	.6	.2	.2	2.8	1.7	1.3	1.3
Service-producing 2/.....	129.0	130.9	131.7	.9	.3	.6	3.9	2.4	2.1	2.1
Nonunion.....										
Manufacturing.....	124.2	125.5	125.6	.7	.4	.1	3.2	1.8	1.1	1.1
Nonmanufacturing.....	126.9	128.7	129.5	.8	.2	.6	3.3	2.2	2.0	2.0
Nonunion.....										
Goods-producing 1/.....	127.3	130.3	131.8	1.1	.7	1.2	4.3	3.5	3.5	3.5
Service-producing 2/.....	124.5	127.8	128.8	1.2	.6	.8	3.6	3.9	3.5	3.5
Service-producing 2/.....	128.9	131.7	133.6	.9	.7	1.4	4.7	3.1	3.6	3.6
Manufacturing.....	126.1	129.5	130.6	1.4	.8	.8	3.8	4.1	3.6	3.6
Nonmanufacturing.....	127.8	130.6	132.4	.9	.6	1.4	4.5	3.2	3.6	3.6
<b>Workers, by region</b>										
Northeast.....										
South.....	129.2	133.1	135.4	.9	.6	1.7	5.0	3.9	4.8	4.8
Midwest (formerly North Central).....	126.8	129.4	130.1	1.1	.5	.5	3.7	3.2	2.6	2.6
West.....	124.2	126.2	127.4	1.1	.7	1.0	3.8	2.7	2.6	2.6
West.....	128.1	130.1	131.2	.8	.6	.8	3.3	2.4	2.4	2.4
<b>Workers, by area size</b>										
Metropolitan areas.....	127.4	130.2	131.6	.9	.6	1.1	4.1	3.1	3.3	3.3
Other areas.....	123.6	125.6	126.6	1.3	.5	.8	3.3	3.0	2.4	2.4

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.

COMPENSATION

Table 7. Employment Cost Index, private industry workers, by bargaining status, region, and area size  
(Not seasonally adjusted)

Series	Indexes (June 1981=100)			Percent Changes for							
	March 1986		March 1987	3 Months Ended March 1986		3 Months Ended March 1987		12 Months Ended March 1986		12 Months Ended March 1987	
	March 1986	Dec. 1986	March 1987	March 1986	Dec. 1986	March 1987	Dec. 1986	March 1987	March 1986	Dec. 1986	March 1987
<b>Workers, by bargaining status</b>											
Union.....	128.4	129.8	130.5	1.0	0.3	0.5	2.9	2.1	1.6		
Goods-producing 1/.....	126.4	127.5	128.0	1.0	.2	.4	2.3	1.8	1.3		
Service-producing 2/.....	131.6	133.4	134.4	1.1	.5	.7	3.9	2.5	2.1		
Nonunion.....	127.0	127.9	128.0	1.2	.3	.1	2.3	1.9	.8		
Manufacturing.....	129.7	131.5	132.6	.9	.2	.8	3.5	2.3	2.2		
Nonmanufacturing.....	129.0	132.1	133.6	1.2	.7	1.1	4.2	3.6	3.6		
Goods-producing 1/.....	126.7	130.0	130.8	1.3	.7	.6	3.5	3.9	3.2		
Service-producing 2/.....	130.4	133.4	135.3	1.1	.7	1.4	4.6	3.4	3.8		
Manufacturing.....	128.1	131.4	132.2	1.4	.8	.6	3.6	4.0	3.2		
Nonmanufacturing.....	129.5	132.5	134.3	1.1	.7	1.4	4.5	3.4	3.7		
<b>Workers, by region</b>											
Northeast.....	131.6	135.2	137.4	1.3	.7	1.6	5.2	4.1	4.4		
South.....	128.7	131.4	132.1	1.2	.5	.5	3.6	3.3	2.6		
Midwest (formerly North Central).....	125.9	128.1	129.1	1.0	.6	.8	3.2	2.8	2.5		
West.....	130.8	132.8	134.1	.8	.5	1.0	3.2	2.3	2.5		
<b>Workers, by area size</b>											
Metropolitan areas.....	129.5	132.2	133.5	1.1	.6	1.0	3.8	3.2	3.1		
Other areas.....	125.5	127.9	129.0	1.3	.6	.9	3.4	3.2	2.8		

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.

EXPLANATORY NOTE

The Employment Cost Index (ECI) is a measure of the change in the price of labor, free from the influence of employment shifts among occupations and industries. The ECI wage and salary series is limited to changes in wage and salary rates, 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.

The compensation series includes employer costs for employee benefits as well as wages and salaries. 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); 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 both the private and public sectors, which are published separately and also combined as the total civilian economy. The private sector includes the total private economy, excluding farms and households. The public sector covers state and local governments, but excludes the Federal government.

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 16,000 occupations within 2,800 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.

Within an establishment, specific job categories are selected to represent broader occupational definitions. Beginning in June 1986, the jobs are classified according to definitions used in the 1980 Census. Prior to June 1986, they were classified according to the 1970 Census. The titles of the published 1970 and 1980 occupation groups are listed below for comparison. 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.

<u>1970 Census Category</u>	<u>1980 Census Category</u>
Managers and administrators	Executive, administrative, and managerial occupations
Professional and technical workers	Professional specialty and technical occupations
Sales workers	Sales occupations
Clerical workers	Administrative support occupations, including clerical
Craft and kindred workers	Precision production, craft, and repair occupations
Operatives, except transport	Machine operators, assemblers, and inspectors
Transport equipment operatives	Transportation and material moving occupations
Nonfarm laborers	Handlers, equipment cleaners, helpers, and laborers
Service workers	Service occupations

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.

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.

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 complete historical listing of ECI data are available upon request.