

# News

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## EMPLOYMENT COST INDEX - JUNE 1982

The Employment Cost Index (ECI), measuring changes in employer compensation costs, increased 1.1 percent in the 3 months ended in June 1982, the U.S. Department of Labor's Bureau of Labor Statistics reported today. Wages and salaries alone rose 0.9 percent. The index stood at 107.5 for compensation costs (wages, salaries, and employer costs for employee benefits) based on June 1981=100. The ECI does not cover farm, private household, and Federal government workers and is not seasonally adjusted.

The deceleration in rates of increase for both compensation costs and for wages and salaries alone that began in 1981 continued to be widespread among occupational and industrial groups measured by the ECI. Compensation costs for all private nonfarm workers slowed to a 1.3 percent rise in the 3 months ended in June 1982, down from 1.9 percent a year earlier. The corresponding wage and salary increase, 1.1 percent, was down from 2.0 percent a year earlier.

Workers in occupations and industries that typically receive the bulk of their wage adjustments in the second quarter showed relatively small gains in the March-June 1982 period. Transport equipment operatives, for example, posted a 0.9 percent wage increase in the second quarter of 1982. The advance was dampened by the recent trucking industry bargaining settlements that provided no specified wage increases and diverted part of the cost-of-living adjustment to maintain existing employee benefits. Over the past 5 years, second-quarter wage increases for transport equipment operatives ranged between 3 and 5 percent.

Wages for workers in the construction industry rose 1.3 percent in the March-June 1982 period--an unusually low increase for an industry with a heavy bargaining schedule in the spring and summer months. Second-quarter wage increases in construction ranged between 2 and 3 percent over the past 5 years.

### June 1981-June 1982

A substantial deceleration in rates of increase in compensation costs and wages and salaries for the year ended in June 1982 compared with the preceding year also occurred. A particularly dramatic slowdown occurred in compensation cost increases for blue-collar workers in private industry. These costs slowed to a 7.0 percent increase in the year ended in June 1982, from a 10.5 percent rise in the year ended in June 1981. Wage increases alone for these workers slowed to 6.6 percent, down from 9.2 percent a year earlier.

Among white-collar workers, compensation costs rose 7.2 percent for the 12 months ended in June 1982 compared with 10.2 percent during the year ended in June 1981; their wages and salaries increased 7.3 percent, down from 9.4 percent in June 1981. Rates of change within the white-collar group varied substantially, however. Sales workers' wages, which include volatile commission earnings, rose only slightly, 1.8 percent, for the June 1981-82 period in contrast to 10.2 percent for June 1980-81. Wage increases for clerical workers, on the other hand, 8.3 percent for the 12 months ended in June 1982, were only slightly below the June 1981 advance of 8.8 percent.

Compensation costs for union workers rose 8.4 percent in the June 1981-82 period, contrasted to 11.5 percent a year earlier; their wage and salary increases dropped to 8.1 percent from 10.1 percent.

The slowdown was also evident for nonunion workers. Compensation costs increased 6.5 percent for the 12 months ended in June 1982, down from 9.8 percent in June 1980-81; wage increases were 6.5 percent and 9.0 percent, respectively.

Compensation costs for State and local government employees, introduced in the ECI in June 1981, increased 9.3 percent over the year; their wages advanced 8.7 percent.

COMPENSATION

Table 1. Employment Cost Index for compensation (wages, salaries, and employer costs for employee benefits), civilian nonfarm workers, 1/ by occupation and industry group

(Not seasonally adjusted)

| Series                                       | Indexes (June 1981=100) |            |           |           | Percent changes for |            |           |                 |            |           |
|--|-------------------------|------------|-----------|-----------|---------------------|------------|-----------|-----------------|------------|-----------|
|  | June 1981               | March 1982 | June 1982 | June 1981 | 3 months ended      |            |           | 12 months ended |            |           |
|  |                         |            |           |           | June 1981           | March 1982 | June 1982 | June 1981       | March 1982 | June 1982 |
| Civilian nonfarm workers 1/ . . . . .        | 100.0                   | 106.3      | 107.5     | -         | 1.7                 | 1.1        | -         | -               | -          | 7.5       |
| Workers, by occupational group               |                         |            |           |           |                     |            |           |                 |            |           |
| White-collar workers . . . . .               | 100.0                   | 106.5      | 107.7     | -         | 1.5                 | 1.1        | -         | -               | -          | 7.7       |
| Blue-collar workers . . . . .                | 100.0                   | 105.7      | 107.1     | -         | 1.5                 | 1.3        | -         | -               | -          | 7.1       |
| Service workers . . . . .                    | 100.0                   | 107.2      | 108.3     | -         | 2.9                 | 1.0        | -         | -               | -          | 8.3       |
| Workers, by industry division                |                         |            |           |           |                     |            |           |                 |            |           |
| Manufacturing . . . . .                      | 100.0                   | 106.0      | 107.2     | -         | 1.9                 | 1.1        | -         | -               | -          | 7.2       |
| Nonmanufacturing . . . . .                   | 100.0                   | 106.4      | 107.7     | -         | 1.5                 | 1.2        | -         | -               | -          | 7.7       |
| Services . . . . .                           | 100.0                   | 108.2      | 109.2     | -         | 1.0                 | .9         | -         | -               | -          | 9.2       |
| Public administration 2/ . . . . .           | 100.0                   | 108.1      | 109.1     | -         | 2.0                 | .9         | -         | -               | -          | 9.1       |
| Private nonfarm workers 3/ . . . . .         | 100.0                   | 105.8      | 107.2     | 1.9       | 1.7                 | 1.3        | 10.3      | 7.8             | -          | 7.2       |
| Workers, by occupational group               |                         |            |           |           |                     |            |           |                 |            |           |
| White-collar workers . . . . .               | 100.0                   | 105.8      | 107.2     | 1.8       | 1.7                 | 1.3        | 10.2      | 7.6             | -          | 7.2       |
| Blue-collar workers . . . . .                | 100.0                   | 105.6      | 107.0     | 2.3       | 1.5                 | 1.3        | 10.5      | 8.0             | -          | 7.0       |
| Service workers . . . . .                    | 100.0                   | 106.7      | 107.9     | .7        | 3.5                 | 1.1        | 10.1      | 7.5             | -          | 7.9       |
| Workers, by industry division                |                         |            |           |           |                     |            |           |                 |            |           |
| Manufacturing . . . . .                      | 100.0                   | 106.0      | 107.2     | 2.0       | 1.9                 | 1.1        | 10.5      | 8.2             | -          | 7.2       |
| Nonmanufacturing . . . . .                   | 100.0                   | 105.7      | 107.1     | 1.8       | 1.7                 | 1.3        | 10.2      | 7.6             | -          | 7.1       |
| State and local government workers . . . . . | 100.0                   | 108.8      | 109.3     | -         | 1.3                 | .5         | -         | -               | -          | 9.3       |
| Workers, by occupational group               |                         |            |           |           |                     |            |           |                 |            |           |
| White-collar workers . . . . .               | 100.0                   | 109.1      | 109.5     | -         | 1.2                 | .4         | -         | -               | -          | 9.5       |
| Blue-collar workers . . . . .                | 100.0                   | 108.2      | 108.9     | -         | 2.2                 | .6         | -         | -               | -          | 8.9       |
| Workers, by industry division                |                         |            |           |           |                     |            |           |                 |            |           |
| Services . . . . .                           | 100.0                   | 109.0      | 109.4     | -         | 1.0                 | .4         | -         | -               | -          | 9.4       |
| Schools . . . . .                            | 100.0                   | 108.9      | 109.1     | -         | .9                  | .2         | -         | -               | -          | 9.1       |
| Elementary and secondary . . . . .           | 100.0                   | 109.3      | 109.5     | -         | .9                  | .2         | -         | -               | -          | 9.5       |
| Hospitals and other services 4/ . . . . .    | 100.0                   | 109.5      | 110.3     | -         | 1.6                 | .7         | -         | -               | -          | 10.3      |
| Public administration 2/ . . . . .           | 100.0                   | 108.1      | 109.1     | -         | 2.0                 | .9         | -         | -               | -          | 9.1       |

1/ Excludes private household and Federal government workers.  
 2/ Consists of legislative, judicial, administrative, and regulatory activities.  
 3/ Excludes private household workers.  
 4/ Includes, for example, library, social, and health services.  
 - Data not available.

WAGES AND SALARIES

Table 2. Employment Cost Index for wages and salaries, civilian nonfarm workers, 1/ by occupation and industry group

| Series   | Indexes (June 1981=100) |            |           |            | Percent changes for |            |                 |            |     |
|--|-------------------------|------------|-----------|------------|---------------------|------------|-----------------|------------|-----|
|  | June 1981               |            | June 1982 |            | 3 months ended      |            | 12 months ended |            |     |
|  | June 1981               | March 1982 | June 1982 | March 1982 | June 1982           | March 1982 | June 1981       | March 1982 |     |
| Civilian nonfarm workers <u>1/</u> . . . . .     | 100.0                   | 106.3      | 107.3     | 106.3      | 1.8                 | 0.9        | -               | -          | 7.3 |
| Workers, by occupational group                   |                         |            |           |            |                     |            |                 |            |     |
| White-collar workers . . . . .                   | 100.0                   | 106.7      | 107.6     | 106.7      | 1.9                 | .8         | -               | -          | 7.6 |
| Blue-collar workers . . . . .                    | 100.0                   | 105.5      | 106.7     | 105.5      | 1.4                 | 1.1        | -               | -          | 6.7 |
| Service workers . . . . .                        | 100.0                   | 106.8      | 107.9     | 106.8      | 3.1                 | 1.0        | -               | -          | 7.9 |
| Workers, by industry division                    |                         |            |           |            |                     |            |                 |            |     |
| Manufacturing . . . . .                          | 100.0                   | 105.9      | 107.0     | 105.9      | 1.8                 | 1.0        | -               | -          | 7.0 |
| Nonmanufacturing . . . . .                       | 100.0                   | 106.5      | 107.5     | 106.5      | 1.9                 | .9         | -               | -          | 7.5 |
| Services . . . . .                               | 100.0                   | 108.6      | 109.5     | 108.6      | 1.9                 | .8         | -               | -          | 9.5 |
| Public administration <u>2/</u> . . . . .        | 100.0                   | 107.5      | 108.4     | 107.5      | 1.9                 | .8         | -               | -          | 8.4 |
| Private nonfarm workers <u>3/</u> . . . . .      | 100.0                   | 105.9      | 107.1     | 105.9      | 2.0                 | 1.1        | 2.0             | 9.3        | 7.1 |
| Workers, by occupational group                   |                         |            |           |            |                     |            |                 |            |     |
| White-collar workers . . . . .                   | 100.0                   | 106.2      | 107.3     | 106.2      | 2.2                 | 1.0        | 1.9             | 9.4        | 7.3 |
| Blue-collar workers . . . . .                    | 100.0                   | 105.4      | 106.6     | 105.4      | 1.4                 | 1.1        | 2.4             | 9.2        | 6.6 |
| Service workers . . . . .                        | 100.0                   | 106.7      | 107.9     | 106.7      | 3.9                 | 1.1        | .8              | 8.9        | 7.9 |
| Workers, by industry division                    |                         |            |           |            |                     |            |                 |            |     |
| Manufacturing . . . . .                          | 100.0                   | 105.9      | 107.0     | 105.9      | 1.8                 | 1.0        | 2.2             | 9.0        | 7.0 |
| Nonmanufacturing . . . . .                       | 100.0                   | 105.9      | 107.1     | 105.9      | 2.0                 | 1.1        | 2.0             | 9.5        | 7.1 |
| State and local government workers . . . . .     | 100.0                   | 108.2      | 108.7     | 108.2      | 1.1                 | .5         | -               | -          | 8.7 |
| Workers, by occupational group                   |                         |            |           |            |                     |            |                 |            |     |
| White-collar workers . . . . .                   | 100.0                   | 108.5      | 108.9     | 108.5      | .9                  | .4         | -               | -          | 8.9 |
| Blue-collar workers . . . . .                    | 100.0                   | 107.5      | 107.9     | 107.5      | 1.9                 | .4         | -               | -          | 7.9 |
| Workers, by industry division                    |                         |            |           |            |                     |            |                 |            |     |
| Services . . . . .                               | 100.0                   | 108.4      | 108.8     | 108.4      | .7                  | .4         | -               | -          | 8.8 |
| Schools . . . . .                                | 100.0                   | 108.3      | 108.5     | 108.3      | .6                  | .2         | -               | -          | 8.5 |
| Elementary and secondary . . . . .               | 100.0                   | 108.7      | 108.8     | 108.7      | .7                  | .1         | -               | -          | 8.8 |
| Hospitals and other services <u>4/</u> . . . . . | 100.0                   | 108.8      | 109.5     | 108.8      | 1.4                 | .6         | -               | -          | 9.5 |
| Public administration <u>2/</u> . . . . .        | 100.0                   | 107.5      | 108.4     | 107.5      | 1.9                 | .8         | -               | -          | 8.4 |

1/ Excludes private household and Federal government workers.  
 2/ Consists of legislative, judicial, administrative, and regulatory activities.  
 3/ Excludes private household workers.  
 4/ Includes, for example, library, social, and health services.  
 - Data not available.

WAGES AND SALARIES

Table 3. Employment Cost Index for wages and salaries, private nonfarm workers, <sup>1/</sup> by occupation and industry group  
(Not seasonally adjusted)

| Series  | Indexes (June 1981=100) |            |           |           | Percent changes for |            |           |           |                 |           |
|---|-------------------------|------------|-----------|-----------|---------------------|------------|-----------|-----------|-----------------|-----------|
|   | June 1981               | March 1982 | June 1982 | June 1981 | 3 months ended      |            | June 1982 |           | 12 months ended |           |
|   |                         |            |           |           | June 1981           | March 1982 | June 1982 | June 1981 | March 1982      | June 1982 |
| Private nonfarm workers <sup>1/</sup> . . . . . | 100.0                   | 105.9      | 107.1     | 2.0       | 2.0                 | 1.1        | 9.3       | 8.1       | 7.1             |           |
| <u>Workers, by occupational group</u>           |                         |            |           |           |                     |            |           |           |                 |           |
| White-collar workers . . . . .                  | 100.0                   | 106.2      | 107.3     | 1.9       | 2.2                 | 1.0        | 9.4       | 8.3       | 7.3             |           |
| Professional and technical workers . . . . .    | 100.0                   | 108.0      | 109.4     | 1.8       | 2.4                 | 1.3        | 10.1      | 10.0      | 9.4             |           |
| Managers and administrators . . . . .           | 100.0                   | 105.8      | 107.2     | 1.4       | 2.9                 | 1.3        | 8.7       | 7.3       | 7.2             |           |
| Sales workers . . . . .                         | 100.0                   | 102.2      | 101.8     | 3.9       | .3                  | -.4        | 10.2      | 6.2       | 1.8             |           |
| Clerical workers . . . . .                      | 100.0                   | 107.0      | 108.3     | 1.4       | 2.7                 | 1.2        | 8.8       | 8.5       | 8.3             |           |
| Blue-collar workers . . . . .                   | 100.0                   | 105.4      | 106.6     | 2.4       | 1.4                 | 1.1        | 9.2       | 7.9       | 6.6             |           |
| Craft and kindred workers . . . . .             | 100.0                   | 106.2      | 107.6     | 2.2       | 1.8                 | 1.3        | 9.4       | 8.6       | 7.6             |           |
| Operatives, except transport. . . . .           | 100.0                   | 105.4      | 106.6     | 2.3       | 1.2                 | 1.1        | 9.3       | 7.8       | 6.6             |           |
| Transport equipment operatives. . . . .         | 100.0                   | 103.2      | 104.1     | 3.3       | .5                  | .9         | 8.4       | 6.6       | 4.1             |           |
| Nonfarm laborers . . . . .                      | 100.0                   | 104.1      | 105.1     | 2.5       | .8                  | 1.0        | 9.0       | 6.8       | 5.1             |           |
| Service workers . . . . .                       | 100.0                   | 106.7      | 107.9     | .8        | 3.9                 | 1.1        | 8.9       | 7.6       | 7.9             |           |
| <u>Workers, by industry division</u>            |                         |            |           |           |                     |            |           |           |                 |           |
| Manufacturing . . . . .                         | 100.0                   | 105.9      | 107.0     | 2.2       | 1.8                 | 1.0        | 9.0       | 8.2       | 7.0             |           |
| Durables . . . . .                              | 100.0                   | 106.3      | 107.4     | 2.1       | 1.7                 | 1.0        | 9.6       | 8.6       | 7.4             |           |
| Nondurables . . . . .                           | 100.0                   | 105.3      | 106.3     | 2.2       | 2.1                 | .9         | 7.9       | 7.7       | 6.3             |           |
| Nonmanufacturing . . . . .                      | 100.0                   | 105.9      | 107.1     | 2.0       | 2.0                 | 1.1        | 9.5       | 8.0       | 7.1             |           |
| Construction . . . . .                          | 100.0                   | 105.9      | 107.3     | 2.4       | 1.5                 | 1.3        | 8.9       | 8.5       | 7.3             |           |
| Transportation and public utilities . . . . .   | 100.0                   | 105.7      | 106.9     | 2.3       | 2.0                 | 1.1        | 10.9      | 8.2       | 6.9             |           |
| Wholesale and retail trade . . . . .            | 100.0                   | 103.9      | 105.8     | 1.9       | 1.6                 | 1.8        | 8.5       | 5.8       | 5.8             |           |
| Wholesale trade . . . . .                       | 100.0                   | 106.3      | 108.9     | 1.5       | 2.8                 | 2.4        | 8.5       | 7.9       | 8.9             |           |
| Retail trade . . . . .                          | 100.0                   | 103.0      | 104.5     | 2.0       | 1.1                 | 1.5        | 8.5       | 5.0       | 4.5             |           |
| Finance, insurance, and real estate . . . . .   | 100.0                   | 103.7      | 102.4     | 4.5       | 1.4                 | -1.3       | 11.8      | 8.4       | 2.4             |           |
| Services . . . . .                              | 100.0                   | 108.8      | 110.0     | .4        | 2.8                 | 1.1        | 8.8       | 9.2       | 10.0            |           |

<sup>1/</sup> Excludes private household workers.

COMPENSATION

Table 4. Employment Cost Index for compensation (wages, salaries, and employer costs for employee benefits), private nonfarm workers, 1/ by bargaining status and area size

| Series                               | Indexes (June 1981=100) |           |            |           |           |           | Percent changes for |            |           |            |                 |           |
|--------------------------------------|-------------------------|-----------|------------|-----------|-----------|-----------|---------------------|------------|-----------|------------|-----------------|-----------|
|                                      | June 1981               |           | March 1982 |           | June 1982 |           | 3 months ended      |            | June 1982 |            | 12 months ended |           |
|                                      | June 1981               | June 1982 | March 1982 | June 1982 | June 1981 | June 1982 | June 1981           | March 1982 | June 1981 | March 1982 | June 1981       | June 1982 |
| <u>Workers, by bargaining status</u> |                         |           |            |           |           |           |                     |            |           |            |                 |           |
| Union . . . . .                      | 100.0                   | 108.4     | 106.5      | 108.4     | 2.4       | 1.6       | 1.8                 | 11.5       | 9.1       | 8.4        | 8.0             | 8.7       |
| Manufacturing . . . . .              | 100.0                   | 108.0     | 106.3      | 108.0     | -         | 1.6       | 1.6                 | -          | -         | 8.0        | 8.0             | 8.7       |
| Nonmanufacturing . . . . .           | 100.0                   | 108.7     | 106.8      | 108.7     | -         | 1.7       | 1.8                 | -          | -         | 8.7        | 8.7             | 8.7       |
| Nonunion . . . . .                   | 100.0                   | 106.5     | 105.3      | 106.5     | 1.7       | 1.7       | 1.1                 | 9.8        | 7.0       | 6.5        | 6.6             | 6.4       |
| Manufacturing . . . . .              | 100.0                   | 106.6     | 105.7      | 106.6     | -         | 2.1       | .9                  | -          | -         | 6.6        | 6.6             | 6.4       |
| Nonmanufacturing . . . . .           | 100.0                   | 106.4     | 105.2      | 106.4     | -         | 1.6       | 1.1                 | -          | -         | 6.4        | 6.4             | 6.4       |
| <u>Workers, by area size</u>         |                         |           |            |           |           |           |                     |            |           |            |                 |           |
| Metropolitan areas . . . . .         | 100.0                   | 107.2     | 105.7      | 107.2     | 1.9       | 1.5       | 1.4                 | 10.3       | 7.7       | 7.2        | 7.2             | 7.0       |
| Other areas . . . . .                | 100.0                   | 107.0     | 106.2      | 107.0     | 2.0       | 2.9       | .8                  | 10.7       | 8.3       | 7.0        | 7.0             | 7.0       |

1/ Excludes private household workers.

- 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.

Source: Bureau of Economic Analysis, Bureau of Labor Statistics, Employment Cost Index, 1982.

WAGES AND SALARIES

Table 5. Employment Cost Index for wages and salaries, private nonfarm workers, 1/ by bargaining status, region, and area size

| Series                               | Indexes (June 1981=100) |           |            |           |           |           | Percent changes for |            |                |            |                 |  |
|--------------------------------------|-------------------------|-----------|------------|-----------|-----------|-----------|---------------------|------------|----------------|------------|-----------------|--|
|                                      | June 1981               |           | March 1982 |           | June 1982 |           | 3 months ended      |            | 6 months ended |            | 12 months ended |  |
|                                      | June 1981               | June 1982 | March 1982 | June 1982 | June 1982 | June 1981 | June 1982           | March 1982 | June 1982      | March 1982 | June 1982       |  |
| <u>Workers, by bargaining status</u> |                         |           |            |           |           |           |                     |            |                |            |                 |  |
| Union . . . . .                      | 100.0                   | 108.1     | 106.5      | 108.1     | 108.1     | 2.6       | 1.4                 | 1.5        | 10.1           | 9.3        | 8.1             |  |
| Manufacturing . . . . .              | 100.0                   | 107.3     | 105.9      | 107.3     | 107.3     | 2.3       | 1.1                 | 1.3        | 9.6            | 8.4        | 7.3             |  |
| Nonmanufacturing . . . . .           | 100.0                   | 108.8     | 107.0      | 108.8     | 108.8     | 3.0       | 1.7                 | 1.7        | 10.6           | 10.2       | 8.8             |  |
| Nonunion . . . . .                   | 100.0                   | 106.5     | 105.6      | 106.5     | 106.5     | 1.8       | 2.3                 | .9         | 9.0            | 7.5        | 6.5             |  |
| Manufacturing . . . . .              | 100.0                   | 106.7     | 105.9      | 106.7     | 106.7     | 2.1       | 2.5                 | .8         | 8.4            | 8.2        | 6.7             |  |
| Nonmanufacturing . . . . .           | 100.0                   | 106.4     | 105.5      | 106.4     | 106.4     | 1.7       | 2.2                 | .9         | 9.2            | 7.3        | 6.4             |  |
| <u>Workers, by region</u>            |                         |           |            |           |           |           |                     |            |                |            |                 |  |
| Northeast . . . . .                  | 100.0                   | 106.7     | 106.1      | 106.7     | 106.7     | 1.7       | 1.6                 | .6         | 8.1            | 7.9        | 6.7             |  |
| South . . . . .                      | 100.0                   | 107.4     | 105.7      | 107.4     | 107.4     | 2.0       | 2.8                 | 1.6        | 9.4            | 7.9        | 7.4             |  |
| North Central . . . . .              | 100.0                   | 106.1     | 104.7      | 106.1     | 106.1     | 1.9       | 1.4                 | 1.3        | 9.2            | 6.7        | 6.1             |  |
| West . . . . .                       | 100.0                   | 108.6     | 107.9      | 108.6     | 108.6     | 2.1       | 2.7                 | .6         | 10.7           | 10.2       | 8.6             |  |
| <u>Workers, by area size</u>         |                         |           |            |           |           |           |                     |            |                |            |                 |  |
| Metropolitan areas . . . . .         | 100.0                   | 107.1     | 105.9      | 107.1     | 107.1     | 2.1       | 1.8                 | 1.1        | 9.4            | 8.2        | 7.1             |  |
| Other areas . . . . .                | 100.0                   | 106.8     | 106.0      | 106.8     | 106.8     | 1.7       | 2.8                 | .8         | 9.2            | 7.8        | 6.8             |  |

1/ Excludes private household workers.

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 quarterly 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 straight-time average hourly earnings. Straight-time earnings are total earnings before payroll deductions, excluding premium pay for overtime, work on weekends and holidays, and shift differentials. Production bonuses, incentive earnings, commission payments, and cost-of-living adjustments are included in straight-time earnings, whereas nonproduction bonuses (such as Christmas or year-end bonuses) are excluded. Also excluded are such items as payments-in-kind, free room and board, and tips.

The compensation series includes employer costs for employee benefits as well as wages and salaries. Benefits covered by the ECI include:

Hours related benefits - Premium pay for overtime and work on weekends and holidays, paid holidays, paid vacations, paid sick leave, and other paid leave;

Supplemental pay - Shift differentials, nonproduction bonuses, severance pay, and supplemental unemployment plans;

Insurance benefits - Life, health, and sickness and accident insurance;

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 insurance; and

Other benefits - Merchandise discounts in department stores.

The ECI collects data for both the private and public sectors, which are published separately and also combined as the total civilian nonfarm economy. The private sector includes the total private nonfarm economy, excluding private households. The public sector covers State and local governments, but excludes the Federal government.

Each quarter, straight-time average hourly earnings and benefit cost data (cents-per-hour-worked) are collected from a probability sample of about 10,000 occupations within 2,000 sample establishments in the private sector and about 3,700 occupations within 750 sample establishments in State and local governments.

Occupations were classified according to definitions used in the 1970 Census. Within an establishment, specific job categories are selected to represent broader occupational definitions. The sample establishments were classified in industry categories based on the 1972 Standard Industrial Classification (SIC), as defined by the U.S. Office of Management and Budget. Within the private sector sample, establishments are designated by a 2-digit SIC, while in State and local governments, industrial categories vary from a more specific 3-digit SIC such as elementary and secondary schools to a broader major industry division such as public administration. Each establishment is also classified by ownership--State, local, or private.

Fixed employment weights from the 1970 Census are used each quarter to calculate the most aggregate indexes--civilian nonfarm, private nonfarm, and State and local government. 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, however, employment data are not available from the Census. The 1970 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.



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. For example, the 1.1 percent change in wage and salary rates for "private nonfarm workers" in the second quarter of 1982 (table 3) is the actual percent change in straight-time average hourly earnings from the pay period including the 12th day of March 1982 to the comparable pay period in June 1982.

More detailed information on the ECI is available in several articles and publications. These include a chapter in the BLS Handbook of Methods (Bulletin 1910), "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 are available upon request.