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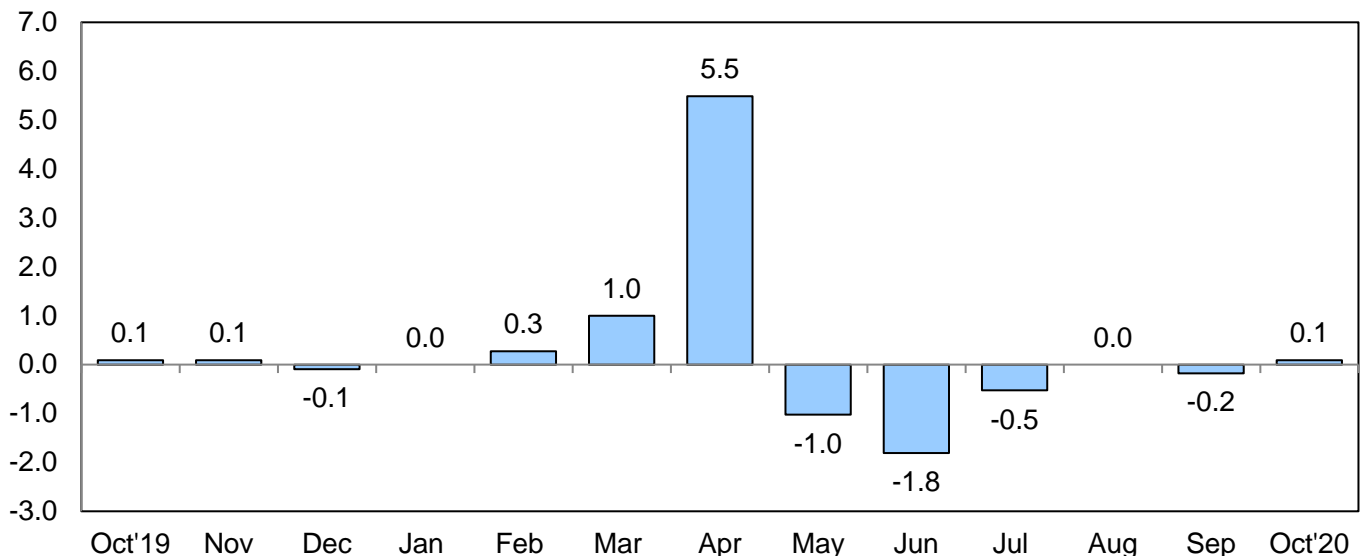
BLS

REAL EARNINGS – OCTOBER 2020

All employees

Real average hourly earnings for all employees increased 0.1 percent from September to October, seasonally adjusted, the U.S. Bureau of Labor Statistics reported today. This result stems from an increase of 0.1 percent in average hourly earnings combined with no change in the Consumer Price Index for All Urban Consumers (CPI-U).

Real average weekly earnings increased 0.1 percent over the month due to the change in real average hourly earnings combined with no change in the average workweek.

Chart 1: Over-the-month percent change in real average hourly earnings for all employees, seasonally adjusted, October 2019–October 2020

Percent Change

Real average hourly earnings increased 3.2 percent, seasonally adjusted, from October 2019 to October 2020. The change in real average hourly earnings combined with an increase of 1.2 percent in the average workweek resulted in a 4.4-percent increase in real average weekly earnings over this period.

Production and nonsupervisory employees

Real average hourly earnings for production and nonsupervisory employees increased 0.2 percent from September to October, seasonally adjusted. This result stems from a 0.2-percent increase in average hourly earnings combined with no change in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W).

Real average weekly earnings increased 0.5 percent over the month due to the change in real average hourly earnings combined with a 0.3-percent increase in average weekly hours.

Chart 2: Over-the-month percent change in real average hourly earnings for production and nonsupervisory employees, seasonally adjusted, October 2019–October 2020
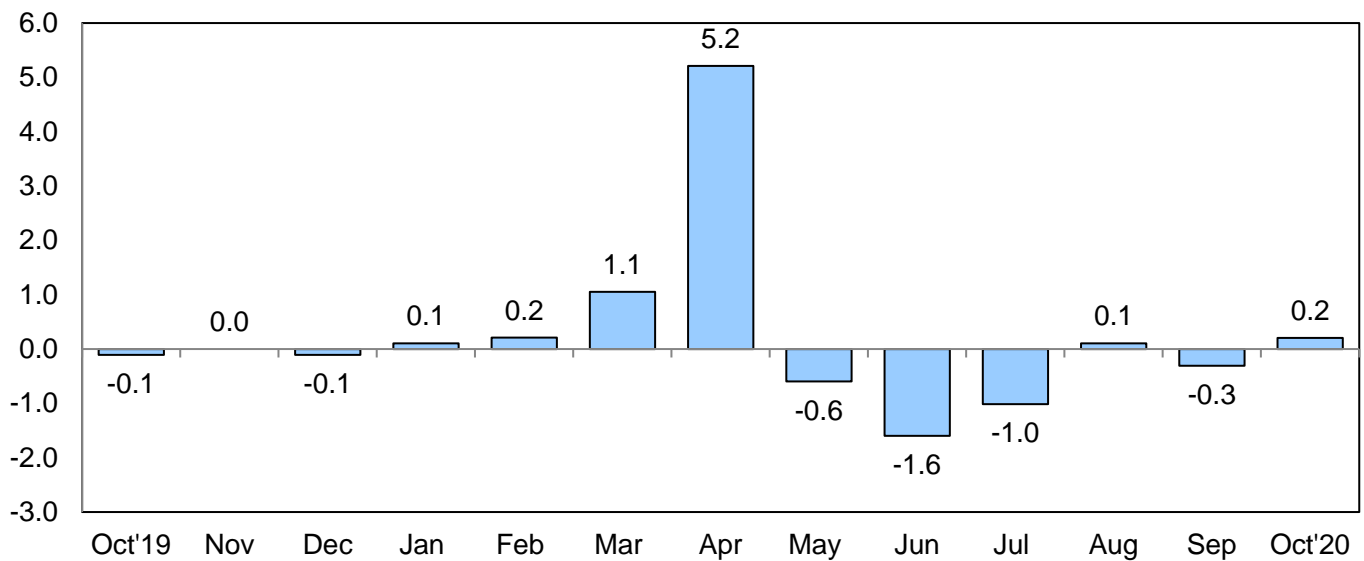
Percent Change

From October 2019 to October 2020, real average hourly earnings increased 3.2 percent, seasonally adjusted. The change in real average hourly earnings combined with a 1.8-percent increase in the average workweek resulted in a 5.0-percent increase in real average weekly earnings over this period.

Coronavirus (COVID-19) Impact on October 2020 Establishment Survey Data

Earnings data from the establishment survey for October reflect the continued resumption of economic activity that had been curtailed due to the coronavirus (COVID-19) pandemic and efforts to contain it. The "Frequently Asked Questions" at www.bls.gov/covid19/employment-situation-covid19-faq-october-2020.htm address questions about the impact of the pandemic on the establishment survey (Current Employment Statistics, or CES) for October 2020.

Real Earnings for November 2020 is scheduled to be released on Thursday, December 10, 2020 at 8:30 a.m. (ET).

Table A-1. Current and real (constant 1982-1984 dollars) earnings for all employees on private nonfarm payrolls, seasonally adjusted

	Oct. 2019	Aug. 2020	Sept. 2020[p]	Oct. 2020[p]
Real average hourly earnings[1]	$10.98	$11.34	$11.32	$11.33
Real average weekly earnings[1]	$377.66	$393.53	$393.99	$394.35
Consumer Price Index for All Urban Consumers	257.229	259.681	260.209	260.325
Average hourly earnings	$28.24	$29.45	$29.46	$29.50
Average weekly hours	34.4	34.7	34.8	34.8
Average weekly earnings	$971.46	$1,021.92	$1,025.21	$1,026.60
OVER-THE-MONTH PERCENT CHANGE				
Real average hourly earnings[1]	0.1	0.0	-0.2	0.1
Real average weekly earnings[1]	0.0	0.3	0.1	0.1
Consumer Price Index for All Urban Consumers	0.2	0.4	0.2	0.0
Average hourly earnings	0.3	0.3	0.0	0.1
Average weekly hours	0.0	0.3	0.3	0.0
Average weekly earnings	0.3	0.6	0.3	0.1
OVER-THE-YEAR PERCENT CHANGE				
Real average hourly earnings[1]	1.5	3.2	3.2	3.2
Real average weekly earnings[1]	1.1	4.1	4.4	4.4
Consumer Price Index for All Urban Consumers	1.8	1.3	1.4	1.2
Average hourly earnings	3.2	4.6	4.6	4.5
Average weekly hours	-0.3	0.9	1.2	1.2
Average weekly earnings	2.9	5.5	5.8	5.7

[1] The Consumer Price Index for All Urban Consumers (CPI-U) is used to deflate the earnings series for all employees.
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Table A-2. Current and real (constant 1982-1984 dollars) earnings for production and nonsupervisory employees on private nonfarm payrolls, seasonally adjusted[1]

	Oct. 2019	Aug. 2020	Sept. 2020[p]	Oct. 2020[p]
Real average hourly earnings[2]................................	$9.47	$9.78	$9.75	$9.77
Real average weekly earnings[2]................................	$318.35	$333.59	$332.63	$334.17
Consumer Price Index for Urban Wage Earners and Clerical Workers...........	250.774	253.304	253.935	254.012
Average hourly earnings................................	$23.76	$24.78	$24.77	$24.82
Average weekly hours................................	33.6	34.1	34.1	34.2
Average weekly earnings................................	$798.34	$845.00	$844.66	$848.84
OVER-THE-MONTH PERCENT CHANGE				
Real average hourly earnings[2]................................	-0.1	0.1	-0.3	0.2
Real average weekly earnings[2]................................	0.0	0.4	-0.3	0.5
Consumer Price Index for Urban Wage Earners and Clerical Workers...........	0.3	0.4	0.2	0.0
Average hourly earnings................................	0.3	0.6	0.0	0.2
Average weekly hours................................	0.0	0.3	0.0	0.3
Average weekly earnings................................	0.3	0.9	0.0	0.5
OVER-THE-YEAR PERCENT CHANGE				
Real average hourly earnings[2]................................	2.2	3.4	2.8	3.2
Real average weekly earnings[2]................................	1.9	4.9	4.4	5.0
Consumer Price Index for Urban Wage Earners and Clerical Workers...........	1.6	1.4	1.6	1.3
Average hourly earnings................................	3.8	4.8	4.5	4.5
Average weekly hours................................	-0.3	1.5	1.5	1.8
Average weekly earnings................................	3.4	6.4	6.1	6.3

[1] Data relate to production employees in mining and logging and manufacturing, construction employees in construction, and nonsupervisory employees in the service-providing industries. These groups account for approximately four-fifths of the total employment on private nonfarm payrolls.

[2] The Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) is used to deflate the earnings series for production and nonsupervisory employees.

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Technical Note

The earnings series presented in this release are derived from the Bureau of Labor Statistics' Current Employment Statistics (CES) survey, a monthly establishment survey of employment, payroll, and hours. The deflators used for constant-dollar earnings series presented in this release come from the Consumer Price Indexes Program. The Consumer Price Index for All Urban Consumers (CPI-U) is used to deflate earnings for the all employees series, while the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) is used to deflate earnings for the production and nonsupervisory employees series.

Seasonally adjusted data are used for estimates of percent change from the same month a year ago for current and constant average hourly and weekly earnings. Special techniques are applied to the CES hours and earnings data in the seasonal adjustment process to mitigate the effect of certain calendar-related fluctuations. Thus, over-the-year changes of these hours and earnings are best measured using seasonally adjusted series. A discussion of the calendar-related fluctuations in the hours and earnings data and the special techniques to remove them is available in the February 2004 issue of *Employment and Earnings* or at www.bls.gov/ces/cesfltxt.htm.

Earnings series from the monthly establishment survey are estimated arithmetic averages (means) of the hourly and weekly earnings of all jobs in the private nonfarm sector of the economy, as well as of all production and nonsupervisory jobs in the private nonfarm sector of the economy. Average hourly earnings estimates are derived by dividing the estimated industry payroll by the corresponding paid hours. Average weekly hours estimates are similarly derived by dividing estimated aggregate hours by the corresponding number of jobs. Average weekly earnings estimates are derived by multiplying the average hourly earnings and the average weekly hours estimates. This is equivalent to dividing the estimated payroll by the corresponding number of jobs. The weekly and hourly earnings estimates for aggregate industries, such as the total private sector averages printed in this release, are derived by summing the corresponding payroll, hours, and employment estimates of the component industries. As a result, each industry receives a "weight" in the published averages that corresponds to its current level of activity (employment or total hours). This further implies that fluctuations and varying trends in employment in high-wage versus low-wage industries as well as wage rate changes influence the earnings averages.

There are several characteristics of the series presented in this release that limit their suitability for some types of economic analyses. (1) The denominator for the all employee weekly earnings series is the number of private nonfarm jobs. Similarly, the denominator of the production and nonsupervisory employee weekly earnings series is the number of private nonfarm production and nonsupervisory employee jobs. This number includes full-time and part-time jobs as well as the jobs held by multiple jobholders in the private nonfarm sector. These factors tend to result in weekly earnings averages significantly lower than the corresponding numbers for full-time jobs. (2) Annual earnings averages can differ significantly from the result obtained by multiplying average weekly earnings times 52 weeks. The difference may be due to factors such as turnovers and layoffs. (3) The series are the average earnings of all employees or all production and nonsupervisory jobs, not the earnings average of "typical" jobs or jobs held by "typical" workers. Specifically, there are no adjustments for occupational, age, or schooling variations or for household type or location. Many studies have established the significance of these factors and that their impact varies over time.

Seasonally adjusted data are preferred by some users for analyzing general earnings trends in the economy since they eliminate the effect of changes that normally occur at the same time and in about the same magnitude each year and, therefore, reveal the underlying trends and cyclical movements. Changes in average earnings may be due to seasonal changes in the proportion of workers in high-wage and low-wage industries or occupations or to seasonal changes in the amount of overtime work, and so on.

For more information, see Thomas Gavett, "Measures of Change in Real Wages and Earnings," Monthly Labor Review, February 1972.

Information in this release will be made available to sensory impaired individuals upon request. Voice phone: 202-691-5200; TDD Message Referral Phone Number: 1-800-877-8339.