

News

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Department
of Labor



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EMPLOYMENT COST INDEX—DECEMBER 2004

Total compensation costs for civilian workers increased 0.7 percent from September to December 2004, seasonally adjusted, moderating from the 0.9 percent gain from June to September, the Bureau of Labor Statistics of the U.S. Department of Labor reported today. Benefit costs rose 1.4 percent, while wage and salary costs increased 0.4 percent, the smallest quarterly increase in wage and salaries in 2004. The Employment Cost Index (ECI), a component of the National Compensation Survey, measures quarterly changes in compensation costs, which include wages, salaries, and employer costs for employee benefits for nonfarm private and State and local government workers.

Rises in benefit costs accounted for more than 60 percent of the increase in compensation costs for civilian workers from September to December 2004. Among private industry workers, benefit costs contributed nearly two-thirds of compensation gains during the quarter, with defined benefit retirement costs accounting for nearly one-third of the gain in compensation costs. Among State and local government workers, benefit costs composed half of compensation gains during the September to December period, with health insurance costs accounting for one-fifth of the gain in compensation costs.

Quarterly changes, seasonally adjusted

Compensation costs for the private sector rose 0.7 percent from September to December 2004, after advancing 0.9 percent in the prior quarter. December gains were led by goods-producing industries. For State and local government workers, compensation costs rose 1.0 percent in December, a gain from the 0.5 percent advance in September. (See tables A and 1.)

Benefit cost increases accelerated to 1.4 percent for civilian workers (nonfarm private industry and State and local government) in the December 2004 quarter, following a gain of 1.1 percent in the September quarter. Private sector benefit costs rose 1.5 percent for the December quarter, significantly higher than the 1.0 percent gain in the previous quarter. Benefit costs for State and local governments increased 1.5 percent in the December quarter, following an increase of 1.4 percent in September 2004.

Gains in wages and salaries for civilian workers increased 0.4 percent during the December quarter, moderating from a gain of 0.7 percent in September 2004. Wages and salaries for private industry workers rose 0.4 percent for the December quarter, slowing from the 0.9 percent gain during the prior period. Wage and salary gains slowed in goods-producing, transportation and public utilities, and wholesale trade industries. Wages and salaries in State and local government advanced 0.7 percent during the September-to-December period, after a 0.1 percent change in the previous quarter.

Table A. 3-month percent changes in Employment Cost Index, seasonally adjusted

Compensation Component	Mar. 2003	June 2003	Sep. 2003	Dec. 2003	Mar. 2004	June 2004	Sep. 2004	Dec. 2004
Civilian workers								
Compensation costs	1.2	0.9	1.0	0.8	1.1	0.9	0.9	0.7
Wages and salaries	1.0	0.6	0.7	0.5	0.6	0.6	0.7	0.4
Benefit costs	2.0	1.4	1.5	1.4	2.4	1.8	1.1	1.4
Private industry								
Compensation costs	1.4	0.8	1.1	0.8	1.1	1.0	0.9	0.7
Wages and salaries	1.0	0.6	0.9	0.5	0.6	0.6	0.9	0.4
Benefit costs	2.1	1.4	1.5	1.4	2.6	1.7	1.0	1.5
State and local government								
Compensation costs	1.0	1.0	0.5	0.8	1.0	1.1	0.5	1.0
Wages and salaries	0.6	0.8	0.1	0.6	0.6	0.7	0.1	0.7
Benefit costs	1.6	1.5	1.6	1.3	1.7	1.9	1.4	1.5

Over-the-year changes, not seasonally adjusted

Annual compensation costs for civilian workers increased 3.7 percent for the year ended December 2004, virtually unchanged from a 3.8 percent over-the-year increase for December 2003. Compensation costs in private industry rose 3.8 percent in the year ended December 2004, compared with a 4.0 percent increase in December 2003. Compensation costs increased 3.5 percent for State and local governments for the year ended December 2004, compared with an over-the-year gain of 3.3 percent in December 2003. (See tables B, 2, and 3.)

The components of compensation showed dramatic differences in the rate of change. While increases in wages and salaries continued at a moderate pace, benefit costs continued to rise sharply. For civilian workers, wages and salaries rose 2.4 percent in the year ended December 2004, compared with a gain of 2.9 percent in December 2003. Wages and salaries for private industry workers also gained 2.4 percent for the year ended December, compared with an increase of 3.0 percent in December 2003. Benefit costs rose 6.9 percent for civilian workers for the period ended December 2004, compared with the increase of 6.3 percent for the year ended December 2003. (See tables B, 5, 6, and 8.)

Table B. 12-month percent changes in Employment Cost Index, not seasonally adjusted

Compensation Component	Dec. 1999	Dec. 2000	Dec. 2001	Dec. 2002	Dec. 2003	Dec. 2004
Civilian workers						
Compensation costs	3.4	4.1	4.1	3.4	3.8	3.7
Wages and salaries	3.5	3.8	3.7	2.9	2.9	2.4
Benefit costs	3.3	4.9	5.2	5.0	6.3	6.9
Private industry						
Compensation costs	3.4	4.4	4.2	3.2	4.0	3.8
Wages and salaries	3.5	3.9	3.8	2.7	3.0	2.4
Benefit costs	3.4	5.6	5.1	4.7	6.4	6.9
State and local government						
Compensation costs	3.4	3.0	4.2	4.1	3.3	3.5
Wages and salaries	3.6	3.3	3.6	3.2	2.1	2.1
Benefit costs	2.8	2.4	5.5	6.2	6.1	6.7

Nonfarm private industry

For the year ended December 2004, compensation costs in private industry increased 4.7 percent for goods-producing industries, compared with an advance of 4.0 percent for the year ended December 2003. Compensation costs for manufacturing advanced 5.0 percent in December 2004, after increasing 4.1 percent in December 2003. Compensation costs for construction rose 2.4 percent in December 2004, compared with a 3.4 percent rise in December 2003. (See table 3.)

The over-the-year increase in compensation for service-producing industries was 3.3 percent, compared with a 4.0 percent gain for the year ended December 2003. Among service-producing industries, the 12-month increase for transportation and public utilities was 3.9 percent for the year ended in December 2004, led by a 5.0 percent increase in the electric, gas, and sanitary services industry. Compensation costs rose modestly in retail trade and wholesale trade, increasing 2.3 percent and 2.7 percent, respectively, in December 2004. (See table 3.)

Over-the-year compensation cost increases were 4.4 percent for blue-collar occupations, 3.5 percent for white-collar occupations, and 2.9 percent for service occupations for the year ended December 2004. Among white-collar occupational groups, compensation cost increases ranged from 2.4 percent for executive, administrative, and managerial employees to 4.5 percent for professional specialty and technical workers. Among blue-collar occupational groups, compensation cost increases ranged from 3.4 percent for transportation and material moving workers and handlers, equipment cleaners, helpers, and laborers to 5.7 percent for machine operators, assemblers, and inspectors. (See table 3.)

Gains in compensation costs for union workers continued to outpace those for nonunion workers. Compensation costs for union workers advanced 5.6 percent over the year ended December 2004, significantly higher than the 3.4 percent increase for nonunion workers. Among blue-collar workers, compensation costs advanced 5.7 percent for union workers, greater than the gain of 3.7 percent for nonunion workers. In manufacturing industries, compensation costs for union workers advanced sharply, rising 7.6 percent, significantly higher than the 4.2 percent increase for nonunion workers for the year ended December 2004. (See tables C and 4.)

Wages and salaries for union workers rose 2.8 percent for the 12 months ended in December 2004, compared with an over-the-year increase of 2.4 percent for nonunion workers. Benefit costs for union workers continued to rise sharply, 10.3 percent, compared with an increase of 6.2 percent for nonunion workers in December 2004. (See tables C, 7, and 8.)

Table C. 12-month percent changes in Employment Cost Index, private industry workers, not seasonally adjusted

Compensation Component	Dec. 1999	Dec. 2000	Dec. 2001	Dec. 2002	Dec. 2003	Dec. 2004
Union workers						
Compensation costs	2.7	4.0	4.2	4.2	4.6	5.6
Wages and salaries	2.6	3.4	4.4	3.5	2.4	2.8
Benefit costs	2.8	5.2	3.7	5.7	8.3	10.3
Nonunion workers						
Compensation costs	3.6	4.4	4.1	3.2	3.9	3.4
Wages and salaries	3.6	4.0	3.6	2.7	3.1	2.4
Benefit costs	3.5	5.7	5.4	4.5	6.0	6.2

Among the four geographic regions, increases in compensation costs ranged from 3.1 percent in the Midwest to 4.1 percent in the South for the year ended December 2004. Compensation costs rose 3.8 percent in the Northeast and 3.9 percent in the West. In the Midwest, gains in wages and salaries slowed to 1.6 percent for the year ended December 2004, significantly less than the 3.9 percent gain for the year ended December 2003. Among the remaining regions, wages and salaries rose 2.5 percent in the Northeast, 2.6 percent in the West, and 2.8 percent in the South for the year ended December 2004. (See tables 4 and 7.)

State and local government

Wages and salaries for State and local government workers edged up 2.1 percent in the year ended December 2004, the same as the gain for December 2003. Benefit costs rose 6.7 percent for the year ended December 2004, greater than the gain of 6.1 percent for the year ended December 2003. (See tables B, 5, and 8.)

For the year ended December 2004, compensation costs increased 3.0 percent for educational services, almost identical to the 2.9 percent increase for the year ended December 2003. Within educational services, compensation increases were 3.4 percent for elementary and secondary schools and 1.9 percent for colleges and universities. Among occupational groups, compensation costs of service workers rose 4.3 percent for the year ended December 2004, compared with gains of 3.5 percent for blue-collar workers and 3.3 percent for white-collar workers. (See table 2.)

NOTE:

The new seasonal factors for 2005, along with revised seasonally adjusted indexes for the past five years, will be available Wednesday, April 27, 2005, on the Internet site <http://www.bls.gov/ncs/ect/home.htm>, by e-mail request ocltinfo@bls.gov, or by telephone (202) 691-6199. The ECI for March 2005 is scheduled to be released Friday, April 29, 2005, at 8:30 a.m. (EDT).

ECI data are available on the Compensation Cost Trends page at <http://www.bls.gov/ncs/ect/home.htm>. To access data using Anonymous FTP, use the Internet address <ftp://ftp.bls.gov>.

For technical assistance in using the BLS Internet site, send e-mail to webmaster@bls.gov. For ECI data requests, send e-mail to ocltinfo@bls.gov.

The ECI news release is available through an e-mail subscription service. See the subscription link on <http://www.bls.gov/ncs/ect/home.htm> or <http://www.bls.gov/bls/newsrels.htm>.

Information in this release will be made available to sensory impaired individuals upon request. Voice phone: (202) 691-5200; Federal Relay Service Number: 1-800-877-8339.

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To request a catalog of available documents, select option 2 at the initial voice prompt.

Chart A. Changes in wages and salaries and in benefit costs, private industry, 1980-2004

12-month percent change

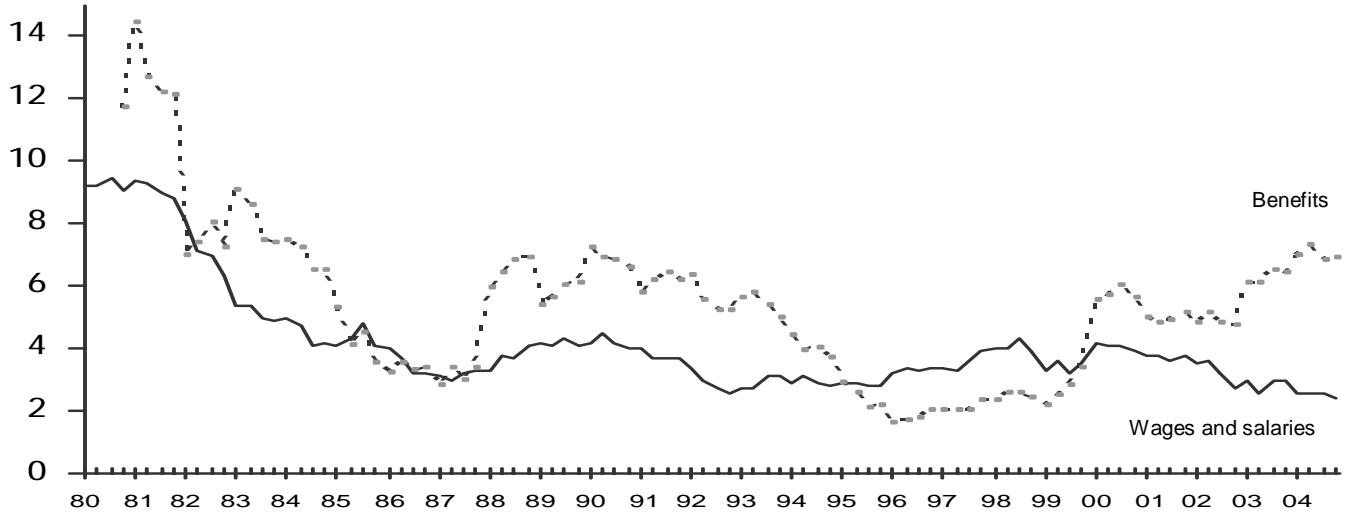


Chart B. Changes in wages and salaries, private industry and State and local government, 1980-2004

12-month percent change

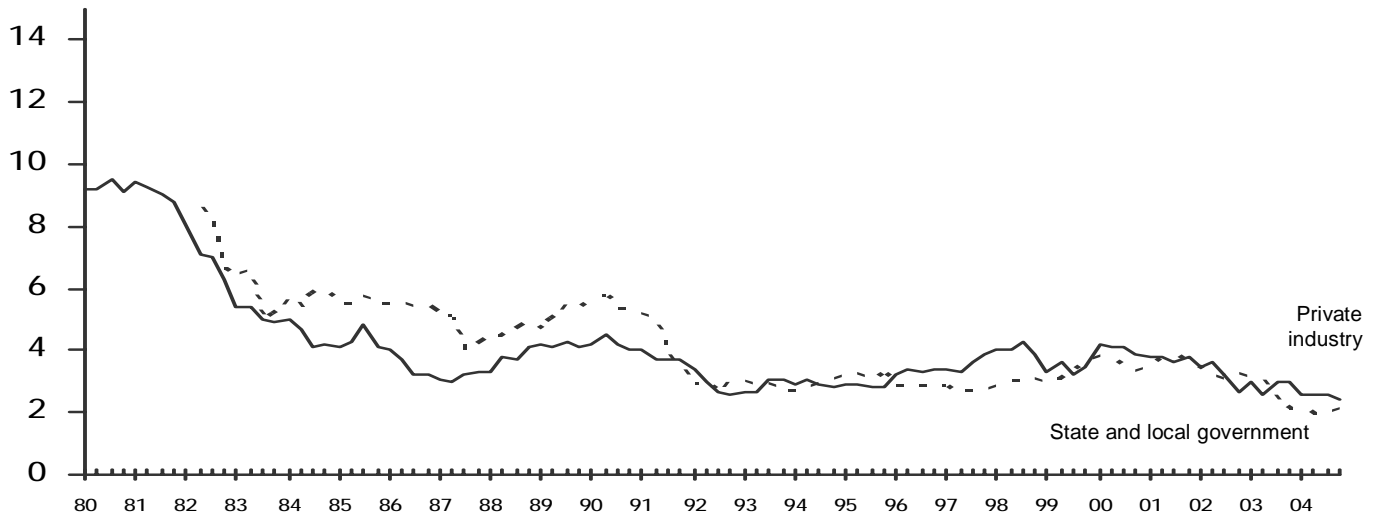


Chart C. Changes in benefits, private industry and State and local government, 1980-2004

12-month percent change

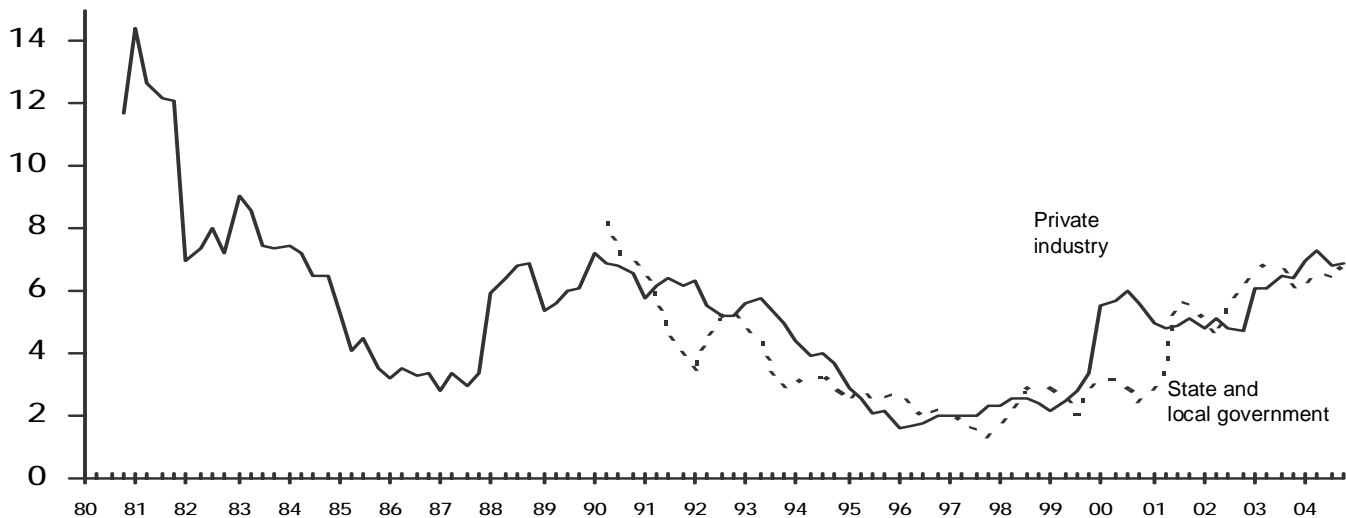


Table 1. Employment Cost Index for total compensation¹, wages and salaries, and benefit costs by industry and occupational group

(Seasonally adjusted data)

Industry and occupational group	Indexes (June 1989=100)		Percent changes for 3-months ended-							
	Sep. 2004	Dec. 2004	Mar. 2003	Jun. 2003	Sep. 2003	Dec. 2003	Mar. 2004	Jun. 2004	Sep. 2004	Dec. 2004
TOTAL COMPENSATION										
Civilian workers	173.9	175.2	1.2	0.9	1.0	0.8	1.1	0.9	0.9	0.7
State and local government	170.7	172.4	1.0	1.0	.5	.8	1.0	1.1	.5	1.0
Private industry	174.5	175.8	1.4	.8	1.1	.8	1.1	1.0	.9	.7
Industry										
Goods producing ²	174.0	175.5	1.6	1.0	1.0	.7	1.8	.9	1.1	.9
Construction	166.9	167.4	.8	1.0	.8	.7	.9	.5	.7	.3
Manufacturing	174.9	175.9	1.6	.8	1.0	.7	2.3	.8	1.2	.6
Durables	176.0	176.8	2.0	.5	1.0	.7	2.6	.9	1.4	.5
Nondurables	173.1	174.4	1.1	1.1	.9	.8	1.6	.8	1.1	.8
Service producing ³	174.8	176.0	1.3	.8	1.1	.8	.8	1.0	.8	.7
Transportation and public utilities	173.3	173.9	.8	1.2	.6	.7	1.5	1.4	.6	.3
Wholesale trade	177.8	177.5	1.3	.5	.9	.5	.6	.6	1.6	-2
Retail trade	164.0	165.0	.2	.5	1.5	1.0	.4	1.0	.2	.6
Finance, insurance, and real estate ⁴	184.8	186.0	4.9	.9	1.1	.4	.9	.6	.7	.6
Services	176.6	178.2	.8	.8	1.0	.9	1.0	.9	.9	.9
Nonmanufacturing	173.7	175.1	1.2	.9	1.0	.8	.8	.9	.8	.8
Occupational group										
White collar	177.2	178.6	1.4	.7	1.2	.8	.9	.7	1.0	.8
Blue collar	170.0	171.3	1.2	1.0	.9	.9	1.6	1.0	.9	.8
Service	169.2	170.0	1.1	.7	.8	.7	1.2	.9	.5	.5
WAGES AND SALARIES										
Civilian workers	165.5	166.2	1.0	.6	.7	.5	.6	.6	.7	.4
State and local government	163.8	165.0	.6	.8	.1	.6	.6	.7	.1	.7
Private industry	165.8	166.4	1.0	.6	.9	.5	.6	.6	.9	.4
Industry										
Goods producing ^{2,4}	162.3	162.4	.8	.7	.6	.3	.8	.6	.9	.1
Construction	156.9	157.0	.5	.8	.8	.4	1.0	.1	.8	.1
Manufacturing ⁴	163.8	164.0	1.0	.6	.4	.3	.7	.7	.9	.1
Durables ⁴	164.5	164.7	1.0	.6	.6	.2	.6	.6	1.0	.1
Nondurables	162.8	163.3	.5	.8	.4	.5	.7	.7	.9	.3
Service producing ³	167.4	168.2	1.1	.6	1.1	.6	.5	.5	.9	.5
Transportation and public utilities ⁴	160.4	160.5	.5	.5	.3	.3	.7	1.0	.8	.1
Wholesale trade	169.9	168.3	1.3	-1	.9	.7	.2	.1	2.0	-9
Retail trade	158.5	159.6	.0	.4	1.6	.4	.3	.7	.1	.7
Finance, insurance, and real estate ⁴	176.5	177.7	5.2	.8	1.0	.2	.4	.1	.7	.7
Services	170.8	172.2	.6	.8	.9	.8	.7	.8	.8	.8
Nonmanufacturing	166.0	166.9	1.0	.6	1.0	.6	.5	.5	.9	.5

See footnotes at end of table.

Table 1. Employment Cost Index for total compensation¹, wages and salaries, and benefit costs by industry and occupational group — Continued

(Seasonally adjusted data)

Industry and occupational group	Indexes (June 1989=100)		Percent changes for 3-months ended—							
	Sep. 2004	Dec. 2004	Mar. 2003	Jun. 2003	Sep. 2003	Dec. 2003	Mar. 2004	Jun. 2004	Sep. 2004	Dec. 2004
WAGES AND SALARIES—Continued										
Occupational group										
White collar	169.5	170.4	1.1	0.6	0.9	0.7	0.5	0.5	1.0	0.5
Blue collar ⁴	159.5	159.9	.8	.7	.6	.3	.7	.7	.8	.3
Service ⁴	159.8	160.6	.6	.4	.6	.4	.4	.6	.3	.5
BENEFIT COSTS										
Civilian workers	194.7	197.5	2.0	1.4	1.5	1.4	2.4	1.8	1.1	1.4
State and local government	187.1	189.9	1.6	1.5	1.6	1.3	1.7	1.9	1.4	1.5
Private industry	196.4	199.3	2.1	1.4	1.5	1.4	2.6	1.7	1.0	1.5
Industry										
Goods producing ²	198.4	202.6	3.0	1.4	1.7	1.4	4.2	1.4	1.5	2.1
Manufacturing	199.5	202.2	3.3	1.3	1.8	1.4	5.1	1.4	1.8	1.4
Service producing ³	195.3	197.4	1.6	1.4	1.3	1.4	1.7	1.9	.7	1.1
Nonmanufacturing	195.6	198.5	1.6	1.4	1.4	1.4	1.5	1.8	.9	1.5
Occupational group										
White collar	199.2	202.2	2.0	1.1	1.5	1.3	1.9	1.6	1.2	1.5
Blue collar	193.2	196.1	2.1	2.0	1.5	1.5	3.8	1.9	1.0	1.5
Service	197.8	198.7	2.4	1.4	1.2	1.4	3.1	1.8	.9	.5

¹ Includes wages, salaries, and employer costs for employee benefits.² Includes mining, construction, and manufacturing.³ Includes transportation, communication, and public utilities; wholesale and

retail trade; finance, insurance, and real estate; and service industries.

⁴ No identifiable seasonality was found for this series.

Table 2. Employment Cost Index for total compensation¹ for civilian and State and local government workers by industry and occupational group

(Not seasonally adjusted data)

Industry and occupational group	Indexes (June 1989=100)			Percent changes for—					
	Dec. 2003	Sep. 2004	Dec. 2004	3 months ended—			12 months ended—		
				Dec. 2003	Sep. 2004	Dec. 2004	Dec. 2003	Sep. 2004	Dec. 2004
Civilian workers	168.4	173.9	174.7	0.5	1.0	0.5	3.8	3.8	3.7
Excluding sales occupations	168.6	173.9	175.0	.5	.9	.6	3.9	3.7	3.8
Industry									
Goods producing ²	166.6	173.4	174.4	.5	.9	.6	4.0	4.6	4.7
Manufacturing	167.1	174.9	175.4	.4	1.0	.3	4.1	5.0	5.0
Service producing ³	169.1	174.0	174.7	.5	1.0	.4	3.9	3.4	3.3
Services	169.5	174.5	175.5	.6	1.3	.6	3.4	3.6	3.5
Health services	170.7	176.7	177.7	.8	1.3	.6	3.8	4.4	4.1
Hospitals	174.8	180.5	181.8	1.0	1.3	.7	4.3	4.3	4.0
Educational services	167.6	171.8	172.9	.4	1.7	.6	2.9	2.9	3.2
Public administration ⁴	168.1	174.1	175.4	.5	1.6	.7	4.0	4.1	4.3
Nonmanufacturing	168.6	173.5	174.4	.5	1.0	.5	3.8	3.4	3.4
Occupational group									
White collar	170.7	175.8	176.6	.5	1.0	.5	3.9	3.5	3.5
Excluding sales	171.1	176.2	177.4	.5	1.0	.7	3.9	3.5	3.7
Professional specialty and technical	168.0	173.6	174.7	.6	1.4	.6	3.4	4.0	4.0
Executive, administrative, and managerial	174.9	178.2	179.4	.5	.6	.7	4.9	2.4	2.6
Administrative support, including clerical	172.5	178.7	180.0	.5	.8	.7	3.9	4.1	4.3
Blue collar	163.7	170.1	170.9	.5	.8	.5	3.9	4.4	4.4
Service	167.9	172.7	173.6	.7	1.1	.5	3.5	3.5	3.4
State and local government	166.8	171.5	172.6	.5	1.7	.6	3.3	3.4	3.5
Industry									
Services	165.7	169.7	170.8	.5	1.7	.6	3.0	2.9	3.1
Excluding schools	168.2	173.0	173.8	.8	1.7	.5	3.3	3.7	3.3
Health services	171.0	175.7	176.8	.9	1.6	.6	3.3	3.7	3.4
Hospitals	171.4	176.3	177.4	.6	1.8	.6	3.1	3.5	3.5
Educational services	165.0	168.8	169.9	.4	1.7	.7	2.9	2.7	3.0
Schools	165.3	169.2	170.3	.4	1.7	.7	2.9	2.7	3.0
Elementary and secondary	163.7	168.0	169.2	.4	2.1	.7	3.1	3.1	3.4
Colleges and universities	170.0	172.4	173.2	.5	.8	.5	2.5	1.9	1.9
Public administration ⁴	168.1	174.1	175.4	.5	1.6	.7	4.0	4.1	4.3
Occupational group									
White collar	165.7	170.0	171.2	.5	1.5	.7	3.1	3.1	3.3
Professional specialty and technical	164.1	168.4	169.4	.4	1.7	.6	2.9	3.1	3.2
Executive, administrative, and managerial	169.1	172.1	174.3	.7	.6	1.3	3.2	2.4	3.1
Administrative support, including clerical	168.5	174.3	175.5	.4	1.5	.7	3.8	3.8	4.2
Blue collar	165.2	169.9	171.0	1.0	1.4	.6	3.4	3.9	3.5
Service	173.0	179.4	180.5	.6	2.3	.6	4.0	4.3	4.3

¹ Includes wages, salaries, and employer costs for employee benefits.² Includes mining, construction, and manufacturing.³ Includes transportation, communication, and public utilities; wholesale and retail trade; finance, insurance, and real estate; service

industries; and public administration.

⁴ Includes executive, legislative, judicial, administrative, and regulatory activities of State and local governments, SICs 91 through 96.

Table 3. Employment Cost Index for total compensation¹ for private industry workers, by industry and occupational group

(Not seasonally adjusted data)

Industry and occupational group	Indexes (June 1989=100)			Percent changes for—					
	Dec. 2003	Sep. 2004	Dec. 2004	3 months ended—			12 months ended—		
				Dec. 2003	Sep. 2004	Dec. 2004	Dec. 2003	Sep. 2004	Dec. 2004
Private industry workers	168.8	174.4	175.2	0.4	0.8	0.5	4.0	3.7	3.8
Excluding sales occupations	169.0	174.6	175.6	.5	.8	.6	4.1	3.9	3.9
Industry									
Goods producing ²	166.5	173.3	174.3	.5	.9	.6	4.0	4.6	4.7
Excluding sales	165.9	172.5	173.7	.5	.8	.7	4.2	4.5	4.7
White collar	170.5	176.4	177.8	.2	1.0	.8	3.8	3.7	4.3
Excluding sales	169.2	174.5	176.4	.4	.7	1.1	4.3	3.6	4.3
Blue collar	163.9	171.3	172.0	.6	.9	.4	4.2	5.2	4.9
Construction	163.3	167.0	167.3	.6	.7	.2	3.4	2.9	2.4
Manufacturing	167.1	174.9	175.4	.4	1.0	.3	4.1	5.0	5.0
White collar	169.6	176.4	176.7	.1	1.0	.2	3.9	4.1	4.2
Excluding sales	167.8	174.1	174.7	.2	.9	.3	4.4	4.0	4.1
Blue collar	165.1	173.7	174.3	.6	1.0	.3	4.3	5.9	5.6
Durables	167.3	175.8	176.3	.4	1.0	.3	4.2	5.5	5.4
Aircraft manufacturing (SIC 3721) ..	182.1	201.6	202.0	-1.2	.3	.2	5.7	9.3	10.9
White collar	177.0	195.2	195.3	-.3	.2	.1	7.1	10.0	10.3
Blue collar	188.4	210.9	211.8	-2.8	1.2	.4	3.3	8.8	12.4
Nondurables	166.6	173.1	173.6	.4	.8	.3	3.9	4.3	4.2
Service producing ³	169.7	174.7	175.3	.5	.8	.3	4.0	3.5	3.3
Excluding sales	170.6	175.6	176.5	.5	.8	.5	4.0	3.5	3.5
White collar	172.0	177.3	177.8	.5	.9	.3	4.2	3.6	3.4
Excluding sales	174.2	179.4	180.4	.6	.9	.6	4.3	3.6	3.6
Blue collar	162.6	167.4	168.1	.2	.6	.4	3.6	3.2	3.4
Service	164.3	168.1	168.9	.7	.4	.5	3.1	3.0	2.8
Transportation and public utilities	167.0	173.6	173.5	.3	.6	-.1	3.3	4.3	3.9
Transportation	159.6	166.2	166.2	.1	.9	.0	2.2	4.3	4.1
Public utilities	177.0	183.6	183.4	.3	.3	-.1	4.6	4.1	3.6
Communications	179.0	183.8	183.5	.3	.1	-.2	5.2	3.0	2.5
Electric, gas, and sanitary services	174.6	183.3	183.3	.5	.5	.0	3.9	5.5	5.0
Wholesale and retail trade	165.0	169.1	169.1	.4	.6	.0	3.3	2.9	2.5
Excluding sales	165.9	169.6	170.4	.5	.6	.5	3.4	2.8	2.7
Wholesale trade	172.0	177.8	176.6	.0	1.1	-.7	3.2	3.4	2.7
Excluding sales	171.3	175.3	176.3	.1	.7	.6	2.5	2.4	2.9
Retail trade	161.0	164.2	164.7	.7	.3	.3	3.3	2.7	2.3
General merchandise stores	165.6	168.8	169.5	2.7	1.6	.4	6.8	4.7	2.4
Food stores	160.3	163.5	164.0	.6	.0	.3	2.6	2.6	2.3
Finance, insurance, and real estate	180.9	184.8	186.0	.4	.7	.6	7.4	2.6	2.8
Excluding sales	186.1	190.0	191.2	.4	.7	.6	7.5	2.5	2.7
Banking, savings and loan, and other credit agencies	209.0	210.5	212.3	.7	.8	.9	12.8	1.4	1.6
Insurance	176.2	182.1	183.6	.6	.9	.8	4.9	4.0	4.2
Excluding sales	173.7	179.1	180.3	.5	.6	.7	4.8	3.6	3.8
Services	171.4	176.9	177.9	.6	1.0	.6	3.6	3.8	3.8
Business services	172.6	178.5	179.1	.4	.9	.3	3.0	3.8	3.8
Health services	170.8	177.0	178.0	.8	1.3	.6	3.9	4.5	4.2
Hospitals	175.9	181.8	183.2	1.2	1.2	.8	4.6	4.5	4.2
Nursing homes	—	—	—	.6	.5	.6	3.4	3.1	3.0
Educational services	181.3	187.0	188.5	.6	1.5	.8	3.5	3.8	4.0
Colleges and universities	179.4	185.2	186.2	.6	1.5	.5	3.3	3.8	3.8

See footnotes at end of table.

Table 3. Employment Cost Index for total compensation¹ for private industry workers, by industry and occupational group — Continued

(Not seasonally adjusted data)

Industry and occupational group	Indexes (June 1989=100)			Percent changes for—					
	Dec. 2003	Sep. 2004	Dec. 2004	3 months ended—			12 months ended—		
				Dec. 2003	Sep. 2004	Dec. 2004	Dec. 2003	Sep. 2004	Dec. 2004
Industry—Continued									
Nonmanufacturing industries	169.0	173.9	174.7	0.5	0.8	0.5	4.0	3.5	3.4
White collar	172.1	177.2	178.0	.5	.9	.5	4.1	3.5	3.4
Excluding sales	174.2	179.3	180.6	.6	.9	.7	4.2	3.5	3.7
Blue collar	161.7	166.4	167.3	.4	.5	.5	3.7	3.3	3.5
Service	164.2	168.0	168.9	.6	.4	.5	3.1	2.9	2.9
Occupational group									
White collar	172.0	177.3	178.1	.5	.9	.5	4.1	3.6	3.5
Excluding sales	173.0	178.3	179.5	.5	.9	.7	4.3	3.6	3.8
Professional specialty and technical	170.5	176.8	178.1	.6	1.2	.7	3.7	4.4	4.5
Executive, administrative, and managerial	175.9	179.2	180.2	.5	.6	.6	5.2	2.4	2.4
Sales	167.1	173.1	171.4	-.1	1.1	-1.0	3.2	3.5	2.6
Administrative support, including clerical	173.1	179.4	180.7	.5	.7	.7	3.8	4.1	4.4
Blue collar	163.6	170.1	170.8	.5	.8	.4	4.0	4.5	4.4
Precision production, craft, and repair	164.2	170.2	171.2	.7	.7	.6	4.1	4.4	4.3
Machine operators, assemblers, and inspectors	163.2	172.2	172.5	.4	1.0	.2	4.1	5.9	5.7
Transportation and material moving	156.9	161.8	162.3	.1	.7	.3	3.4	3.3	3.4
Handlers, equipment cleaners, helpers, and laborers	169.5	174.3	175.3	.5	.6	.6	4.1	3.4	3.4
Service	164.9	168.9	169.7	.7	.4	.5	3.2	3.1	2.9
Production and nonsupervisory occupations⁴	166.6	172.4	173.0	.5	.8	.3	3.8	4.0	3.8

¹ Includes wages, salaries, and employer costs for employee benefits.² Includes mining, construction, and manufacturing.³ Includes transportation, communication, and public utilities; wholesale and retail trade; finance, insurance, and real estate; and service industries.⁴ This series has the same industry and occupational coverage as the Hourly Earnings Index, which was discontinued in January 1989.

NOTE: Dashes indicate data not available.

Table 4. Employment Cost Index for total compensation¹ for private industry workers, by bargaining status, region, and area

(Not seasonally adjusted data)

Bargaining status, region, and area	Indexes (June 1989=100)			Percent changes for—					
	Dec. 2003	Sep. 2004	Dec. 2004	3 months ended—			12 months ended—		
				Dec. 2003	Sep. 2004	Dec. 2004	Dec. 2003	Sep. 2004	Dec. 2004
Bargaining status									
Union	166.8	175.3	176.2	0.7	0.8	0.5	4.6	5.8	5.6
Blue-collar occupations	164.2	172.6	173.5	.7	.8	.5	4.9	5.8	5.7
Goods-producing industries ²	165.9	176.0	176.7	.7	.8	.4	5.1	6.9	6.5
Service-producing industries ³	167.5	174.4	175.4	.6	.9	.6	4.0	4.7	4.7
Manufacturing	166.3	178.4	178.9	.8	.8	.3	5.3	8.1	7.6
Blue-collar occupations	165.1	177.3	177.8	.9	.8	.3	5.2	8.3	7.7
Nonmanufacturing	166.5	173.0	174.1	.6	.8	.6	4.1	4.5	4.6
Nonunion	169.1	174.2	174.9	.4	.9	.4	3.9	3.4	3.4
Blue-collar occupations	163.2	168.6	169.2	.4	.7	.4	3.5	3.7	3.7
Goods-producing industries ²	166.7	172.4	173.5	.4	.9	.6	3.7	3.8	4.1
Service-producing industries ³	169.8	174.6	175.1	.5	.8	.3	4.0	3.3	3.1
Manufacturing	167.3	173.8	174.3	.2	1.0	.3	3.7	4.1	4.2
Blue-collar occupations	164.8	171.2	171.9	.4	1.1	.4	3.8	4.3	4.3
Nonmanufacturing	169.3	174.0	174.7	.5	.8	.4	3.9	3.3	3.2
Region⁴									
Northeast	167.9	173.7	174.2	.6	.8	.3	4.1	4.1	3.8
South	163.9	169.5	170.6	.4	1.0	.6	3.1	3.9	4.1
Midwest	172.5	177.6	177.9	.5	.8	.2	4.8	3.4	3.1
West	172.2	178.1	179.0	.5	.7	.5	4.4	3.9	3.9
Area									
Metropolitan	169.1	174.6	175.3	.5	.9	.4	4.1	3.7	3.7
Other	166.9	173.3	174.3	.5	.7	.6	3.8	4.3	4.4

¹ Includes wages, salaries, and employer costs for employee benefits.² Includes mining, construction, and manufacturing.³ Includes transportation, communication, and public utilities; wholesale and retail trade; finance, insurance, and real estate; and service industries.⁴ The regional coverage is as follows: Northeast: Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont; South: Alabama, Arkansas, Delaware, District of Columbia, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi,

North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, and West Virginia; Midwest: Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin; and West: Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming.

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

Table 5. Employment Cost Index for wages and salaries for civilian and State and local government workers, by industry and occupational group

(Not seasonally adjusted data)

Industry and occupational group	Indexes (June 1989=100)			Percent changes for—					
	Dec. 2003	Sep. 2004	Dec. 2004	3 months ended—			12 months ended—		
				Dec. 2003	Sep. 2004	Dec. 2004	Dec. 2003	Sep. 2004	Dec. 2004
Civilian workers	162.3	165.7	166.2	0.3	0.9	0.3	2.9	2.4	2.4
Excluding sales occupations	162.3	165.6	166.3	.4	.9	.4	2.9	2.4	2.5
Industry									
Goods producing ¹	158.7	162.3	162.4	.3	.8	.1	2.3	2.5	2.3
Manufacturing	160.1	163.8	164.0	.3	.9	.1	2.3	2.6	2.4
Service producing ²	163.6	167.0	167.5	.4	.9	.3	3.0	2.5	2.4
Services	165.4	169.3	170.1	.4	1.1	.5	2.7	2.8	2.8
Health services	165.9	170.8	171.7	.7	1.3	.5	3.1	3.7	3.5
Hospitals	167.7	171.8	173.2	.8	1.1	.8	3.4	3.3	3.3
Educational services	163.2	166.0	166.8	.3	1.3	.5	1.9	2.0	2.2
Public administration ³	160.0	162.6	163.5	.4	.7	.6	2.7	2.0	2.2
Nonmanufacturing	162.7	166.0	166.5	.4	.9	.3	3.0	2.4	2.3
Occupational group									
White collar	165.1	168.7	169.1	.4	1.0	.2	3.1	2.6	2.4
Excluding sales	165.7	169.1	169.9	.4	.9	.5	3.1	2.5	2.5
Professional specialty and technical	162.5	166.5	167.0	.4	1.3	.3	2.5	2.9	2.8
Executive, administrative, and managerial	171.2	173.4	174.4	.4	.6	.6	4.5	1.7	1.9
Administrative support, including clerical	164.9	168.8	169.7	.4	.8	.5	2.7	2.7	2.9
Blue collar	156.3	159.7	160.0	.3	.8	.2	2.4	2.5	2.4
Service	160.6	162.8	163.6	.5	.6	.5	2.4	1.9	1.9
State and local government	161.9	164.5	165.3	.4	1.0	.5	2.1	2.0	2.1
Industry									
Services	162.1	164.8	165.5	.3	1.3	.4	1.8	2.0	2.1
Excluding schools	164.5	167.5	168.3	.8	1.1	.5	2.6	2.6	2.3
Health services	166.7	169.6	170.7	1.0	1.1	.6	2.8	2.7	2.4
Hospitals	166.7	169.9	171.0	.7	1.2	.6	2.6	2.7	2.6
Educational services	161.6	164.2	164.9	.2	1.3	.4	1.7	1.9	2.0
Schools	161.8	164.3	165.0	.2	1.2	.4	1.8	1.8	2.0
Elementary and secondary	160.9	163.8	164.5	.2	1.4	.4	1.8	2.0	2.2
Colleges and universities	164.0	165.4	166.3	.3	.6	.5	1.5	1.2	1.4
Public administration ³	160.0	162.6	163.5	.4	.7	.6	2.7	2.0	2.2
Occupational group									
White collar	161.5	164.1	164.9	.3	1.0	.5	2.0	1.9	2.1
Professional specialty and technical	161.4	164.4	165.0	.2	1.3	.4	1.9	2.1	2.2
Executive, administrative, and managerial	163.3	164.3	166.1	.5	.3	1.1	2.0	1.1	1.7
Administrative support, including clerical	159.5	162.6	163.0	.3	1.1	.2	2.2	2.2	2.2
Blue collar	158.3	160.7	161.4	.4	.9	.4	2.1	2.0	2.0
Service	165.8	168.5	169.4	.5	.9	.5	2.9	2.2	2.2

¹ Includes mining, construction, and manufacturing.² Includes transportation, communication, and public utilities; wholesale and retail trade; finance, insurance, and real estate; service

industries; and public administration.

³ Includes executive, legislative, judicial, administrative, and regulatory activities of State and local governments, SICs 91 through 96.

Table 6. Employment Cost Index for wages and salaries for private industry workers by industry and occupational group

(Not seasonally adjusted data)

Industry and occupational group	Indexes (June 1989=100)			Percent changes for—					
	Dec. 2003	Sep. 2004	Dec. 2004	3 months ended—			12 months ended—		
				Dec. 2003	Sep. 2004	Dec. 2004	Dec. 2003	Sep. 2004	Dec. 2004
Private industry workers	162.3	165.9	166.2	0.4	0.9	0.2	3.0	2.6	2.4
Excluding sales occupations	162.4	165.8	166.5	.4	.8	.4	3.1	2.5	2.5
Industry									
Goods producing ¹	158.7	162.3	162.4	.3	.9	.1	2.4	2.5	2.3
Excluding sales	158.0	161.2	161.6	.4	.6	.2	2.6	2.4	2.3
White collar	162.1	166.0	165.9	.1	.9	-.1	2.2	2.5	2.3
Excluding sales	160.4	163.6	164.1	.3	.6	.3	2.6	2.3	2.3
Blue collar	156.4	159.8	160.1	.3	.8	.2	2.5	2.5	2.4
Construction	154.0	157.1	157.0	.3	.8	-.1	2.5	2.3	1.9
Manufacturing	160.1	163.8	164.0	.3	.9	.1	2.3	2.6	2.4
White collar	162.1	166.1	166.1	.1	.9	.0	2.2	2.5	2.5
Excluding sales	160.0	163.5	163.9	.3	.6	.2	2.6	2.5	2.4
Blue collar	158.5	162.1	162.4	.4	.9	.2	2.5	2.7	2.5
Durables	160.9	164.5	164.7	.2	1.0	.1	2.3	2.4	2.4
Aircraft manufacturing (SIC 3721) ..	167.7	172.4	172.6	.2	.3	.1	2.8	3.0	2.9
White collar	160.6	165.7	165.9	.2	.1	.1	2.8	3.4	3.3
Blue collar	178.2	183.0	183.3	.2	1.3	.2	2.9	2.9	2.9
Nondurables	158.7	162.8	162.9	.3	.7	.1	2.3	2.8	2.6
Service producing ²	163.9	167.5	167.9	.4	.8	.2	3.3	2.6	2.4
Excluding sales	165.0	168.5	169.3	.5	.8	.5	3.4	2.6	2.6
White collar	166.6	170.4	170.8	.4	.9	.2	3.7	2.7	2.5
Excluding sales	169.0	172.8	173.6	.5	.9	.5	3.8	2.7	2.7
Blue collar	155.4	158.9	159.4	.2	.7	.3	2.2	2.5	2.6
Service	157.4	159.4	160.2	.5	.4	.5	2.1	1.8	1.8
Transportation and public utilities	156.5	160.4	160.5	.3	.8	.1	1.6	2.8	2.6
Transportation	150.8	155.0	155.1	.3	1.0	.1	.5	3.1	2.9
Public utilities	164.1	167.5	167.5	.4	.7	.0	3.0	2.5	2.1
Communications	165.9	168.8	168.3	.3	.8	-.3	3.2	2.1	1.4
Electric, gas, and sanitary services	161.8	165.9	166.6	.5	.5	.4	2.8	3.0	3.0
Wholesale and retail trade	159.5	162.5	162.1	.2	.6	-.2	2.6	2.1	1.6
Excluding sales	161.3	163.5	164.1	.4	.4	.4	2.7	1.7	1.7
Wholesale trade	165.3	169.7	167.5	.3	1.1	-1.3	2.7	3.0	1.3
Excluding sales	166.3	168.6	168.9	.4	.6	.2	1.6	1.8	1.6
Retail trade	156.5	158.7	159.3	.1	.2	.4	2.5	1.5	1.8
General merchandise stores	153.6	157.5	158.1	.3	1.7	.4	2.9	2.9	2.9
Food stores	152.8	154.5	155.0	.4	.1	.3	1.7	1.5	1.4
Finance, insurance, and real estate	174.5	176.5	177.7	.2	.7	.7	7.3	1.4	1.8
Excluding sales	179.8	181.8	182.9	.3	.7	.6	7.5	1.5	1.7
Banking, savings and loan, and other credit agencies	210.2	209.5	211.3	.5	.9	.9	14.3	.2	.5
Insurance	164.5	168.9	170.4	.4	1.0	.9	3.4	3.1	3.6
Excluding sales	160.7	164.6	165.5	.2	.5	.5	3.1	2.6	3.0
Services	166.7	171.1	172.0	.5	1.1	.5	3.1	3.1	3.2
Business services	169.8	174.3	175.0	.4	.9	.4	3.0	3.1	3.1
Health services	165.8	170.9	171.9	.7	1.2	.6	3.2	3.8	3.7
Hospitals	167.9	172.4	173.8	.8	1.1	.8	3.6	3.5	3.5
Nursing homes	—	—	—	.6	.5	.5	2.8	2.5	2.5
Educational services	171.0	175.5	176.8	.4	1.7	.7	2.7	3.1	3.4
Colleges and universities	168.4	172.9	173.6	.5	1.7	.4	2.5	3.2	3.1

See footnotes at end of table.

Table 6. Employment Cost Index for wages and salaries for private industry workers by industry and occupational group — Continued

(Not seasonally adjusted data)

Industry and occupational group	Indexes (June 1989=100)			Percent changes for—					
	Dec. 2003	Sep. 2004	Dec. 2004	3 months ended—			12 months ended—		
				Dec. 2003	Sep. 2004	Dec. 2004	Dec. 2003	Sep. 2004	Dec. 2004
Industry—Continued									
Nonmanufacturing industries	162.6	166.2	166.6	0.3	0.8	0.2	3.2	2.5	2.5
White collar	166.3	170.1	170.5	.4	.9	.2	3.6	2.7	2.5
Excluding sales	168.5	172.3	173.1	.5	.9	.5	3.7	2.7	2.7
Blue collar	153.8	157.1	157.5	.3	.6	.3	2.4	2.4	2.4
Service	157.3	159.2	160.1	.5	.3	.6	2.1	1.7	1.8
Occupational group									
White collar	165.9	169.7	170.0	.4	.9	.2	3.4	2.7	2.5
Excluding sales	167.0	170.6	171.4	.5	.8	.5	3.5	2.6	2.6
Professional specialty and technical	163.0	167.6	168.0	.6	1.3	.2	2.8	3.4	3.1
Executive, administrative, and managerial	172.5	174.9	175.7	.4	.6	.5	4.9	1.8	1.9
Sales	161.1	165.9	164.0	-.3	1.2	-1.1	2.7	2.7	1.8
Administrative support, including clerical	165.7	169.7	170.8	.4	.7	.6	2.7	2.8	3.1
Blue collar	156.1	159.5	159.9	.3	.8	.3	2.4	2.5	2.4
Precision production, craft, and repair	156.2	159.3	159.7	.5	.6	.3	2.6	2.4	2.2
Machine operators, assemblers, and inspectors	156.9	161.6	161.6	.1	1.1	.0	2.4	3.1	3.0
Transportation and material moving	149.8	152.9	153.3	.0	.7	.3	2.0	2.1	2.3
Handlers, equipment cleaners, helpers, and laborers	160.6	163.6	164.5	.4	.6	.6	2.2	2.3	2.4
Service	157.8	159.8	160.6	.4	.3	.5	2.1	1.7	1.8
Production and nonsupervisory occupations³	159.4	163.1	163.4	.4	.9	.2	2.7	2.7	2.5

¹ Includes mining, construction, and manufacturing.² Includes transportation, communication, and public utilities; wholesale and retail trade; finance, insurance, and real estate; and service industries.³ This series has the same industry and occupational coverage as the

Hourly Earnings Index, which was discontinued in January 1989.

NOTE: Dashes indicate data not available.

Table 7. Employment Cost Index for wages and salaries for private industry workers by bargaining status, region, and area

(Not seasonally adjusted data)

Bargaining status, region, and area	Indexes (June 1989=100)			Percent changes for—					
	Dec. 2003	Sep. 2004	Dec. 2004	3 months ended—			12 months ended—		
				Dec. 2003	Sep. 2004	Dec. 2004	Dec. 2003	Sep. 2004	Dec. 2004
Bargaining status									
Union	156.2	160.0	160.6	0.6	0.8	0.4	2.4	3.0	2.8
Blue-collar occupations	153.5	156.7	157.2	.5	.8	.3	2.6	2.6	2.4
Goods-producing industries ¹	155.4	158.7	158.9	.4	.8	.1	2.8	2.5	2.3
Service-producing industries ²	157.3	161.7	162.6	.6	.9	.6	2.1	3.5	3.4
Manufacturing	157.1	160.5	160.7	.3	.8	.1	2.6	2.4	2.3
Blue-collar occupations	155.8	159.2	159.2	.4	.9	.0	2.6	2.6	2.2
Nonmanufacturing	155.6	159.6	160.4	.6	.8	.5	2.3	3.2	3.1
Nonunion	163.4	167.0	167.3	.2	.8	.2	3.1	2.5	2.4
Blue-collar occupations	157.8	161.4	161.7	.2	.7	.2	2.3	2.5	2.5
Goods-producing industries ¹	160.1	163.8	163.9	.3	.9	.1	2.2	2.6	2.4
Service-producing industries ²	164.5	168.0	168.4	.3	.8	.2	3.5	2.4	2.4
Manufacturing	161.3	165.2	165.3	.2	.9	.1	2.2	2.7	2.5
Blue-collar occupations	160.4	164.1	164.5	.4	.9	.2	2.3	2.7	2.6
Nonmanufacturing	163.7	167.1	167.5	.4	.8	.2	3.4	2.5	2.3
Region³									
Northeast	160.9	164.9	165.0	.6	.8	.1	3.3	3.1	2.5
South	157.9	161.6	162.3	.3	.9	.4	2.1	2.7	2.8
Midwest	166.5	169.2	169.2	.2	.9	.0	3.9	1.9	1.6
West	165.2	169.1	169.5	.3	.7	.2	3.2	2.7	2.6
Area									
Metropolitan	162.7	166.3	166.6	.3	.8	.2	3.0	2.5	2.4
Other	159.5	163.3	163.8	.4	.7	.3	3.0	2.8	2.7

¹ Includes mining, construction, and manufacturing.² Includes transportation, communication, and public utilities; wholesale and retail trade; finance, insurance, and real estate; and service industries.³ The regional coverage is as follows: Northeast: Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont; South: Alabama, Arkansas, Delaware, District of Columbia, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia,

and West Virginia; Midwest: Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin; and West: Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming.

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

Table 8. Employment Cost Index for benefits for civilian, State and local government, and private industry workers by industry, occupational group, and bargaining status

(Not seasonally adjusted data)

Industry, occupational group, and bargaining status	Indexes (June 1989=100)			Percent changes for—					
	Dec. 2003	Sep. 2004	Dec. 2004	3 months ended—			12 months ended—		
				Dec. 2003	Sep. 2004	Dec. 2004	Dec. 2003	Sep. 2004	Dec. 2004
Civilian workers	184.3	195.2	197.0	0.8	1.2	0.9	6.3	6.8	6.9
State and local government	178.5	188.3	190.4	.9	2.9	1.1	6.1	6.4	6.7
Private industry	185.8	196.9	198.7	.8	.8	.9	6.4	6.8	6.9
Industry									
Goods producing ¹	183.8	198.1	201.2	.8	1.0	1.6	7.5	8.7	9.5
Service producing ²	186.2	195.5	196.5	.8	.7	.5	5.9	5.8	5.5
Manufacturing	182.3	199.2	200.4	.7	1.2	.6	7.9	10.0	9.9
Aircraft manufacturing (SIC 3721)	213.4	265.2	266.0	-3.6	.5	.3	10.9	19.8	24.6
White collar	216.3	265.9	265.9	-1.1	.2	.0	15.7	21.6	22.9
Blue collar	207.5	262.9	264.9	-7.4	1.2	.8	4.1	17.4	27.7
Nonmanufacturing	186.7	195.7	197.6	.9	.7	1.0	5.9	5.7	5.8
Occupational group									
White collar	189.2	199.1	201.1	.8	.9	1.0	6.0	6.1	6.3
Blue collar	179.9	193.3	194.9	.8	.8	.8	7.2	8.4	8.3
Service	186.4	197.5	198.2	1.2	.7	.4	6.6	7.3	6.3
Bargaining status									
Union	187.1	205.0	206.4	.9	.8	.7	8.3	10.6	10.3
Nonunion	185.1	194.6	196.5	.8	.8	1.0	6.0	5.9	6.2

¹ Includes mining, construction, and manufacturing.² Includes transportation, communication, and public utilities;

wholesale and retail trade; finance, insurance, and real estate; and service industries.

EXPLANATORY NOTE

The Employment Cost Index (ECI) is a measure of the change in the cost of labor, free from the influence of employment shifts among occupations and industries. The compensation series includes changes in wages and salaries and employer costs for employee benefits. The wage and salary series and the benefit cost series 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 work in addition to the regular work schedule (such as overtime, weekends, and holidays), shift differentials, and nonproduction bonuses (such as referral bonuses and lump-sum payments provided in lieu of wage increases); insurance benefits—life, health, short-term disability, and long-term disability; retirement and savings benefits—defined benefit and defined contribution plans; legally required benefits—Social Security, Medicare, Federal and State unemployment insurance, and workers' compensation; and other benefits—severance pay and supplemental unemployment plans.

The ECI provides data for the civilian economy, which includes the total private nonfarm economy excluding 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.

Data for this quarter were collected from a probability sample of approximately 43,000 occupational observations within about 9,700 sample establishments in private industry and approximately 3,500 occupations within about 800 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.

The sampled establishments are classified by industry categories based on the 1987 Standard Industrial Classification (SIC), as defined by the U.S. Office of Management and Budget. Details on the sample design are included in the bulletin, Employment Cost Indexes, 1975-99, (Bulletin 2532). Within an establishment, specific job categories are selected and classified into about 500 occupational classifications according to the 1990 Census of Population. Individual occupations are combined into broader occupational groups. Fixed employment weights are used each quarter to calculate the most aggregate series—civilian, private, and State and local government. These fixed weights are also used to derive all of the industry and occupation series indexes. Since March 1995, 1990 employment counts, primarily from the Bureau's Occupational Employment Statistics survey, have been used. For more information on these topics, see the articles, "Introducing New Weights for the Employment Cost Index," in the June 1985 issue of the Monthly Labor Review and "Introducing 1990 Weights for the Employment Cost Index" in the June 1995 issue of Compensation and Working Conditions.

For the series based on bargaining status, region, and area size, employment data are not available. 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. Beginning with the March 1990 ECI release, indexes were rebased to June 1989=100. A description of the rebasing is included in the article "Employment Cost Index Rebased to June 1989," in the April 1990 issue of the Monthly Labor Review.

Beginning with the December 1990 ECI release, seasonally adjusted data are available for selected ECI series. Seasonal adjustment removes the effects of events that follow a more or less regular pattern each year. These adjustments make nonseasonal patterns easier to identify. For more information on the methodology used to seasonally adjust ECI series, see the bulletin, Employment Cost Indexes, 1975-99, (Bulletin 2532). The seasonal adjustment factors are recalculated once a year. The March release contains data reflecting the newly updated seasonal adjustment factors. The historical data for the last five years are then revised based on

the newly estimated factors. The seasonal factors for 2004 and revised seasonally adjusted indexes for the past five years are available on the Internet site (<http://www.bls.gov/ncs/ect/home.htm>) or upon request.

The ECI sample is rotated over approximately five years, which makes the sample more representative of the economy and reduces respondent burden. The sample is replaced on a cross-area, cross-industry basis.

Because the ECI is a sample survey, it is subject to sampling errors. Sampling errors are differences that occur between the results computed from a sample of observations and those computed from all observations in the population. The estimates derived from different samples selected using the same sample design may differ from one other. A measure of the variation among these differing estimates is the standard error. It can be used to measure the precision with which an estimate from a particular sample approximates the expected result of all possible samples. The chances are about 68 out of 100 that an estimate from the survey differs from a complete population figure by less than the standard error. The chances are about 90 out of 100 that this difference would be less than 1.6 times the standard error. The statements of comparisons appearing in this publication are significant at a 1.6 standard error level or better, unless otherwise indicated. This means that for differences cited, the estimated difference is greater than 1.6 times the standard error of the difference.

Because standard errors vary from quarter to quarter, the ECI uses a five-year moving average of standard errors to evaluate published series. To assist users in ascertaining the reliability of series, the five-year moving average of standard errors for all estimates (excluding seasonally adjusted series) will be available on the Internet site (<http://www.bls.gov/ncs/ect/home.htm>) shortly after publication of the news release.

When determining data to be used in contract negotiations, it is important to note that differences by bargaining status may be due to factors other than union status, such as occupational and industry mix. For example, union occupations tend to be concentrated in blue-collar occupations within manufacturing industries. Thus, differences between blue-collar and white-collar pay or differences in manufacturing versus nonmanufacturing industries could explain such differences. An important consideration when choosing a series for escalation is the number of workers covered. Series with smaller numbers of workers may have larger sampling errors or be dominated by a smaller number of employers. For more information, see the web site: (<http://www.bls.gov/ect/escalator.htm>).

More detailed information on the ECI is available from several sources. These include an historical bulletin—Employment Cost Indexes, 1975-99, (Bulletin 2532), a chapter, “National Compensation Measures,” in the BLS Handbook of Methods (Bulletin 2490), and several articles published in the Monthly Labor Review and Compensation and Working Conditions. Orders for bulletins should be made to the Bureau of Labor Statistics, Publication Sales Center, Room 960, 230 South Dearborn Street, Chicago, IL 60604, (312) 353-1880. Reprints of the articles and other descriptive pieces are available upon request by calling (202) 691-6199 or sending e-mail to (ocltinfo@bls.gov).

Historical data series are available, beginning with some wage and salary series begun in 1975. In addition, constant-dollar ECI series derived from the Consumer Price Index for All Urban Consumers (CPI-U) are available. Supplemental data from the ECI, providing 12-month percent changes in employer costs for health insurance in private industry beginning with June 1982 are also available. This information is available at the Internet site (<http://www.bls.gov/ect/home.htm>) or upon request.

The costs per hour worked of compensation components, based on data from the ECI, were recently published in a separate news release titled "Employer Costs for Employee Compensation—September 2004." Beginning with the March 2004 estimates, industry estimates are based on the 2002 North American Industry Classification (NAICS) system and the occupational categories are classified according to the 2000 Standard Occupational (SOC) system. These systems replace the 1987 Standard Industrial Classification System (SIC) and the Occupational Classification System (OCS). The release and information on the transition to the new industry and occupational classification systems are available by e-mail request at ocltinfo@bls.gov, on the Internet site <http://www.bls.gov/ect/home.htm>, or by telephone (202) 691-6199. Historical data and related articles are included in the bulletin, Employer Costs for Employee Compensation, 1986-99, (Bulletin 2526). Also available on the Internet site (<http://www.bls.gov/ncs/ect/home.htm>) or upon request is an annual historical summary from March 1986 through March 2002. Data on a quarterly basis beginning with June 2002 are also available. The cost levels are calculated with current employment weights, rather than the fixed 1990 weights used in computing the ECI. Therefore, year-to-year changes in the cost levels usually differ from those in the ECI.