

WEST INFORMATION OFFICE  
San Francisco, CA

For release Thursday, March 22, 2012

12-538-SAN

Technical information: (415) 625-2282  
Media contact: (415) 625-2270

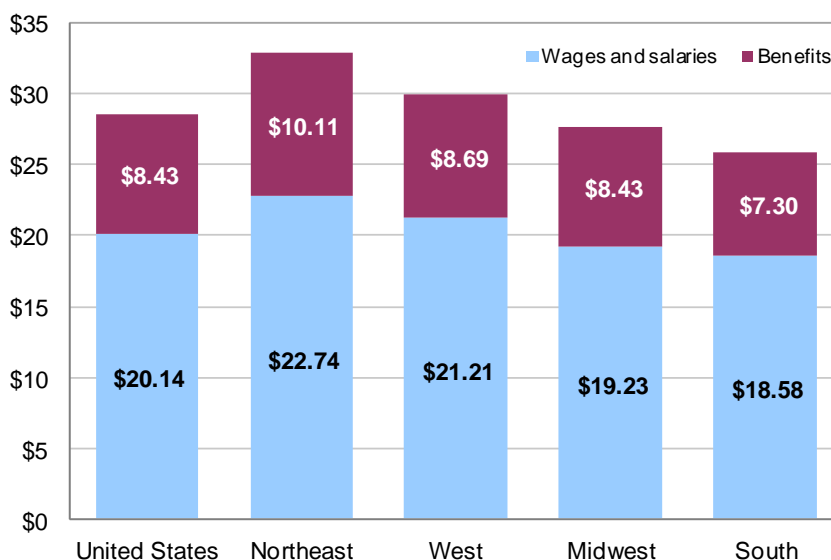
• [BLSinfoSF@bls.gov](mailto:BLSinfoSF@bls.gov)

• [www.bls.gov/ro9](http://www.bls.gov/ro9)

### EMPLOYER COSTS FOR EMPLOYEE COMPENSATION FOR THE REGIONS – DECEMBER 2011

Employer costs for employee compensation in private industry among the four geographic regions of the country ranged from \$25.88 per hour in the South to \$32.85 in the Northeast in December 2011, the U.S. Bureau of Labor Statistics reported today. Regional Commissioner Richard J. Holden noted that employer costs for employee compensation in the other two regions were \$27.66 in the Midwest and \$29.90 in the West. (See chart 1.) In addition to regional estimates, employer costs for nine geographic divisions are also available. Within divisions, total compensation costs ranged from \$24.32 in the East South Central division to \$33.58 in the New England division. Employer Costs for Employee Compensation are based on the National Compensation Survey, which measures employer costs for wages, salaries, and employee benefits. (See table 1. Geographic definitions of the regions and divisions are contained in the Technical Note.)

**Chart 1. Employer costs per hour worked for employee compensation in private industry by region, December 2011**



Source: U.S. Bureau of Labor Statistics

In the Northeast, wages and salaries, at \$22.74, made up 69.2 percent of total compensation costs. Benefits costs, at \$10.11, accounted for the remaining 30.8 percent. Insurance costs, which include life, health, and short- and long-term disability, averaged \$2.75 per hour worked and represented 8.4 percent of all compensation costs. Legally required benefits, which include Social Security, workers' compensation, and unemployment insurance, averaged \$2.66 per hour worked in the Northeast and represented 8.1 percent of total compensation costs, while paid leave including vacation, holiday, sick, and personal leave, was \$2.46 per hour worked and accounted for 7.5 percent of total compensation costs.

Wages and salaries averaged \$21.21 in the West and accounted for 70.9 percent of all compensation costs. Costs for benefits averaged \$8.69, representing 29.1 percent of total compensation. Legally required benefits averaged \$2.55 per hour worked, accounting for 8.5 percent of total compensation costs in the West. The cost of insurance benefits averaged \$2.30 per hour worked and represented 7.7 percent of total compensation, while paid leave was \$2.04 per hour, or 6.8 percent of all costs.

Wages and salaries in the Midwest, which averaged \$19.23, represented 69.5 percent of all compensation costs. Benefits, averaging \$8.43 per hour, accounted for the remaining 30.5 percent of total compensation. Insurance cost employers \$2.49 per hour and represented 9.0 percent of total compensation. Legally required benefits cost \$2.23 per hour worked, or 8.1 percent of total compensation costs. The cost of paid leave in the Midwest averaged \$1.85 per hour, accounting for 6.7 percent of total compensation.

In the South, wages and salaries, at \$18.58, made up 71.8 percent of total compensation, and benefits, at \$7.30, accounted for the remaining 28.2 percent. Among the largest benefit categories were legally required benefits, averaging \$2.06 per hour worked and representing 8.0 percent of total compensation costs. Insurance costs averaged \$1.94 per hour worked and accounted for 7.5 percent of total compensation, while paid leave averaged \$1.72 per hour and represented 6.6 percent of all costs.

Overall, compensation costs among private industry employers in the United States averaged \$28.57 per hour worked in December 2011. Wages and salaries, at \$20.14, accounted for 70.5 percent of these costs, while benefits, at \$8.43, made up the remaining 29.5 percent.

### **Technical note**

Employer Costs for Employee Compensation (ECEC) measures the average cost to employers for wages and salaries and benefits per employee hour worked.

Employer Costs for Employee Compensation data in this release cover private industry. Excluded from private industry are the self-employed and farm and private household workers. The cost levels for this quarter were collected from a probability sample of approximately 48,200 occupations selected from a sample of about 9,400 establishments in private industry. The private industry sample is rotated over approximately 5 years, which makes the sample more representative of the economy and reduces respondent burden. Data are collected for the pay period including the 12<sup>th</sup> day of the survey months of March, June, September, and December.

Employer Costs for Employee Compensation data on total compensation, wages and salaries, and benefits in private industry are produced annually in the March reference period for 15 combined and metropolitan statistical areas (CSA and MSA). For further information about metropolitan area ECEC

estimates see: “BLS Introduces New Employer Costs for Employee Compensation Data for Private Industry Workers in 15 Metropolitan Areas,” at [www.bls.gov/opub/cwc/cm20090921ar01p1.htm](http://www.bls.gov/opub/cwc/cm20090921ar01p1.htm).

For detailed information on Employer Costs for Employee Compensation, see Chapter 8, “National Compensation Measures,” of the BLS Handbook of Methods at [www.bls.gov/opub/hom/pdf/homch8.pdf](http://www.bls.gov/opub/hom/pdf/homch8.pdf) and [www.bls.gov/opub/hom/homch8\\_a.htm](http://www.bls.gov/opub/hom/homch8_a.htm).

## **Regional definitions**

### *Northeast region*

- New England division: Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont
- Middle Atlantic division: New Jersey, New York, Pennsylvania

### *Midwest region*

- East North Central division: Illinois, Indiana, Michigan, Ohio, Wisconsin
- West North Central division: Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota

### *South region*

- South Atlantic division: Delaware, District of Columbia, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, West Virginia
- East South Central division: Alabama, Kentucky, Mississippi, Tennessee
- West South Central division: Arkansas, Louisiana, Oklahoma, Texas

### *West region*

- Mountain division: Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, Wyoming
- Pacific division: Alaska, California, Hawaii, Oregon, Washington

## **Obtaining information**

We encourage users interested in learning more about changes to the Employer Costs for Employee Compensation to contact the Bureau of Labor Statistics. Information on the ECEC and other surveys are available on our Web site at [www.bls.gov](http://www.bls.gov). Current and historical BLS data are also posted on our Web site at [www.bls.gov/ect](http://www.bls.gov/ect). If you have additional questions, you can contact an Information Specialist in the West BLS information office at (415) 625-2270. Information from the Employer Costs for Employee Compensation program is available to sensory impaired individuals upon request. Voice phone: (202) 691-5200, Federal Relay Services: 1-800-877-8339.

**Table 1. Employer costs per hour worked for employee compensation and costs as a percent of total compensation: Private industry workers, by census region and division, December 2011**

Compensation component	Census region and division [1]									
	Northeast		Northeast divisions				South		South divisions	
	Cost	Percent	New England		Middle Atlantic		Cost	Percent	South Atlantic	
			Cost	Percent	Cost	Percent			Cost	Percent
Total compensation.....	\$32.85	100.0	\$33.58	100.0	\$32.58	100.0	\$25.88	100.0	\$25.97	100.0
Wages and salaries.....	22.74	69.2	23.47	69.9	22.48	69.0	18.58	71.8	18.81	72.4
Total benefits.....	10.11	30.8	10.11	30.1	10.11	31.0	7.30	28.2	7.17	27.6
Paid leave.....	2.46	7.5	2.49	7.4	2.45	7.5	1.72	6.6	1.75	6.7
Vacation.....	1.23	3.7	1.28	3.8	1.21	3.7	0.87	3.3	0.88	3.4
Holiday.....	0.75	2.3	0.78	2.3	0.74	2.3	0.55	2.1	0.55	2.1
Sick.....	0.34	1.0	0.31	0.9	0.35	1.1	0.21	0.8	0.22	0.8
Personal.....	0.14	0.4	0.12	0.4	0.15	0.5	0.09	0.3	0.09	0.3
Supplemental pay.....	1.00	3.0	0.91	2.7	1.03	3.2	0.77	3.0	0.64	2.5
Overtime and premium [2].....	0.23	0.7	0.24	0.7	0.23	0.7	0.26	1.0	0.23	0.9
Shift differentials.....	0.07	0.2	0.08	0.2	0.07	0.2	0.06	0.2	0.06	0.2
Nonproduction bonuses.....	0.69	2.1	0.58	1.7	0.73	2.2	0.45	1.7	0.36	1.4
Insurance.....	2.75	8.4	2.78	8.3	2.74	8.4	1.94	7.5	1.94	7.4
Life.....	0.05	0.1	0.05	0.2	0.05	0.1	0.04	0.2	0.04	0.1
Health.....	2.58	7.8	2.61	7.8	2.56	7.9	1.82	7.0	1.82	7.0
Short-term disability.....	0.08	0.2	0.06	0.2	0.08	0.3	0.04	0.2	0.04	0.2
Long-term disability.....	0.05	0.2	0.05	0.2	0.05	0.1	0.04	0.1	0.04	0.1
Retirement and savings.....	1.24	3.8	1.26	3.7	1.24	3.8	0.81	3.1	0.77	2.9
Defined benefit.....	0.54	1.7	0.50	1.5	0.56	1.7	0.30	1.2	0.25	1.0
Defined contribution.....	0.70	2.1	0.76	2.3	0.68	2.1	0.51	2.0	0.51	2.0
Legally required benefits.....	2.66	8.1	2.68	8.0	2.65	8.1	2.06	8.0	2.08	8.0
Social Security and Medicare.....	1.89	5.7	1.95	5.8	1.86	5.7	1.55	6.0	1.57	6.0
Social Security [3].....	1.51	4.6	1.56	4.7	1.49	4.6	1.25	4.8	1.26	4.8
Medicare.....	0.38	1.2	0.39	1.2	0.38	1.2	0.31	1.2	0.31	1.2
Federal unemployment insurance.....	0.02	0.1	0.02	0.1	0.02	0.1	0.02	0.1	0.02	0.1
State unemployment insurance.....	0.30	0.9	0.32	0.9	0.30	0.9	0.15	0.6	0.15	0.6
Workers' compensation.....	0.44	1.3	0.39	1.1	0.46	1.4	0.34	1.3	0.34	1.3

See footnotes at end of table.

**Table 1. Employer costs per hour worked for employee compensation and costs as a percent of total compensation: Private industry workers, by census region and division, December 2011 - Continued**

Compensation component	Census region and division[1]									
	South divisions				Midwest		Midwest divisions			
	East South Central		West South Central		Cost	Percent	East North Central		West North Central	
	Cost	Percent	Cost	Percent			Cost	Percent	Cost	Percent
Total compensation.....	\$24.32	100.0	\$26.37	100.0	\$27.66	100.0	\$27.66	100.0	\$27.65	100.0
Wages and salaries.....	17.18	70.7	18.77	71.2	19.23	69.5	19.06	68.9	19.61	70.9
Total benefits.....	7.14	29.3	7.60	28.8	8.43	30.5	8.60	31.1	8.04	29.1
Paid leave.....	1.57	6.5	1.73	6.6	1.85	6.7	1.84	6.6	1.89	6.8
Vacation.....	0.79	3.3	0.87	3.3	0.99	3.6	0.97	3.5	1.04	3.8
Holiday.....	0.50	2.1	0.56	2.1	0.57	2.1	0.58	2.1	0.56	2.0
Sick.....	0.19	0.8	0.22	0.8	0.20	0.7	0.19	0.7	0.22	0.8
Personal.....	0.08	0.3	0.09	0.3	0.09	0.3	0.09	0.3	0.07	0.2
Supplemental pay.....	0.73	3.0	1.01	3.8	0.75	2.7	0.80	2.9	0.62	2.3
Overtime and premium [2].....	0.29	1.2	0.32	1.2	0.26	0.9	0.27	1.0	0.23	0.8
Shift differentials.....	0.06	0.3	0.05	0.2	0.07	0.3	0.08	0.3	0.05	0.2
Nonproduction bonuses.....	0.38	1.6	0.64	2.4	0.41	1.5	0.45	1.6	0.34	1.2
Insurance.....	2.00	8.2	1.92	7.3	2.49	9.0	2.56	9.3	2.32	8.4
Life.....	0.04	0.2	0.04	0.2	0.04	0.1	0.04	0.1	0.05	0.2
Health.....	1.88	7.7	1.80	6.8	2.35	8.5	2.42	8.8	2.18	7.9
Short-term disability.....	0.04	0.2	0.04	0.1	0.05	0.2	0.06	0.2	0.04	0.1
Long-term disability.....	0.04	0.2	0.04	0.1	0.05	0.2	0.04	0.2	0.06	0.2
Retirement and savings.....	0.83	3.4	0.89	3.4	1.11	4.0	1.15	4.2	1.02	3.7
Defined benefit.....	0.39	1.6	0.36	1.3	0.52	1.9	0.61	2.2	0.32	1.1
Defined contribution.....	0.44	1.8	0.53	2.0	0.59	2.1	0.55	2.0	0.70	2.5
Legally required benefits.....	2.00	8.2	2.05	7.8	2.23	8.1	2.25	8.1	2.19	7.9
Social Security and Medicare.....	1.47	6.0	1.57	6.0	1.61	5.8	1.61	5.8	1.61	5.8
Social Security [3].....	1.19	4.9	1.26	4.8	1.29	4.7	1.29	4.7	1.29	4.6
Medicare.....	0.28	1.2	0.31	1.2	0.32	1.1	0.31	1.1	0.32	1.2
Federal unemployment insurance...	0.02	0.1	0.02	0.1	0.03	0.1	0.02	0.1	0.03	0.1
State unemployment insurance.....	0.14	0.6	0.14	0.5	0.22	0.8	0.22	0.8	0.21	0.8
Workers' compensation.....	0.36	1.5	0.31	1.2	0.38	1.4	0.40	1.4	0.35	1.3

See footnotes at end of table.

**Table 1. Employer costs per hour worked for employee compensation and costs as a percent of total compensation: Private industry workers, by census region and division, December 2011 - Continued**

Compensation component	Census region and division[1]					
	West		West divisions			
	Cost	Percent	Mountain		Pacific	
			Cost	Percent	Cost	Percent
Total compensation.....	\$29.90	100.0	\$28.29	100.0	\$30.64	100.0
Wages and salaries.....	21.21	70.9	20.38	72.1	21.58	70.4
Total benefits.....	8.69	29.1	7.90	27.9	9.05	29.6
Paid leave.....	2.04	6.8	1.92	6.8	2.09	6.8
Vacation.....	1.07	3.6	1.04	3.7	1.08	3.5
Holiday.....	0.62	2.1	0.54	1.9	0.65	2.1
Sick.....	0.27	0.9	0.23	0.8	0.29	0.9
Personal.....	0.08	0.3	0.10	0.4	0.07	0.2
Supplemental pay.....	0.75	2.5	0.73	2.6	0.75	2.5
Overtime and premium [2].....	0.22	0.7	0.21	0.7	0.22	0.7
Shift differentials.....	0.05	0.2	0.04	0.2	0.05	0.2
Nonproduction bonuses.....	0.48	1.6	0.48	1.7	0.48	1.6
Insurance.....	2.30	7.7	2.00	7.1	2.43	7.9
Life.....	0.04	0.1	0.06	0.2	0.04	0.1
Health.....	2.18	7.3	1.87	6.6	2.32	7.6
Short-term disability.....	0.03	0.1	0.03	0.1	0.04	0.1
Long-term disability.....	0.04	0.1	0.05	0.2	0.04	0.1
Retirement and savings.....	1.06	3.5	1.04	3.7	1.07	3.5
Defined benefit.....	0.43	1.4	0.31	1.1	0.49	1.6
Defined contribution.....	0.63	2.1	0.73	2.6	0.58	1.9
Legally required benefits.....	2.55	8.5	2.22	7.8	2.71	8.8
Social Security and Medicare.....	1.75	5.8	1.64	5.8	1.80	5.9
Social Security [3].....	1.40	4.7	1.30	4.6	1.44	4.7
Medicare.....	0.35	1.2	0.33	1.2	0.35	1.2
Federal unemployment insurance....	0.03	0.1	0.02	0.1	0.03	0.1
State unemployment insurance.....	0.24	0.8	0.17	0.6	0.27	0.9
Workers' compensation.....	0.55	1.8	0.38	1.4	0.62	2.0

[1] The States that comprise the census divisions are: New England: Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island and Vermont; Middle Atlantic: New Jersey, New York, and Pennsylvania; South Atlantic: Delaware, District of Columbia, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, and West Virginia; East South Central: Alabama, Kentucky, Mississippi, and Tennessee; West South Central: Arkansas, Louisiana, Oklahoma, and Texas; East North Central: Illinois, Indiana, Michigan, Ohio, and Wisconsin; West North Central: Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, and South Dakota; Mountain: Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, and Wyoming; and Pacific: Alaska, California, Hawaii, Oregon, and Washington.

[2] Includes premium pay for work in addition to the regular work schedule (such as overtime, weekends, and holidays).

[3] Comprises the Old-Age, Survivors, and Disability Insurance (OASDI) program.

Note: The sum of individual items may not equal totals due to rounding.