

# News

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Department  
of Labor



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## EMPLOYMENT COST INDEX - DECEMBER 1988

The Employment Cost Index (ECI) rose 5.0 percent for the year ended in December 1988, the U.S. Department of Labor's Bureau of Labor Statistics reported today. The December 1988 ECI stood at 145.5, based on June 1981=100. The ECI measures changes in compensation costs--wages, salaries, and employer costs for employee benefits. It is not seasonally adjusted.

The 5.0 percent rise in compensation costs for the year ended in December 1988 exceeded the 3.6 percent increase recorded in 1987. This pattern held for both state and local government (5.6 percent, up from 4.4 percent in 1987) and private industry workers (4.9 percent, up from 3.3 percent). (See table 1.)

The compensation cost increase in private industry in 1988 (4.9 percent) reflects a rise in the employer's social security tax rate in January 1988 (from 7.15 to 7.51 percent), rising health insurance costs throughout the year, and wage and salary gains. The table below shows over-the-year changes in private industry compensation costs since December 1985.

### 12-month percent changes in the ECI, private industry workers

	12-months ended	Compensation costs	Wages and salaries	Benefit costs
1985	Dec.	3.9	4.1	3.5
1986	March	3.8	3.9	3.2
	June	3.8	3.7	3.5
	Sept.	3.2	3.1	3.3
	Dec.	3.2	3.1	3.4
1987	March	3.1	3.2	2.9
	June	3.0	3.0	3.3
	Sept.	3.3	3.3	3.1
	Dec.	3.3	3.3	3.5
1988	March	3.9	3.3	5.8
	June	4.5	3.7	6.4
	Sept.	4.5	3.7	6.7
	Dec.	4.9	4.1	6.8

The ECI shows that wages and salaries rose 4.1 percent in private industry for the year ended in December 1988. Excluding sales workers, pay gains averaged 3.7 percent. Sales worker pay, heavily influenced by volatile commission earnings, rose 6.6 percent in 1988, up from 1.0 percent a year ago.

Wage and salary gains in private industry were lower for workers in goods-producing industries (3.1 percent) than for those in service-producing industries (4.7 percent) in 1988. Service-producing industry divisions which registered wage and salary gains above the 4.7 percent average increase were finance, insurance, and real estate (6.3 percent), retail trade (5.2 percent), and service industries (5.0 percent), which include hospitals (5.9 percent).

Wage and salary increases in private industry for the year ended in December 1988 were higher for white-collar occupations (4.7 percent) and service occupations (4.4 percent) than for blue-collar occupations (3.1 percent) for the year ended in December 1988. Pay gains for white-collar occupational groups ranged from 3.7 percent for executives, managers, and administrators to 6.6 percent for sales workers. In comparison, pay gains for blue-collar occupational groups ranged from 2.9 percent for precision production, craft, and repair workers to 3.4 percent for laborers. (See table 4.)

December 1987-88 wage and salary advances for nonunion workers in private industry (4.5 percent) exceeded those for union workers (2.2 percent), as they have since 1983-84. This pattern held in both goods-producing and service-producing industries. (See table 7.) With benefits included in the comparison, compensation cost increases also were higher for nonunion workers (5.1 percent) than for union (3.9 percent). Within goods-producing industries, however, compensation cost increases were slightly higher for union workers (4.5 percent) than for nonunion workers (4.3 percent). (See table 6.)

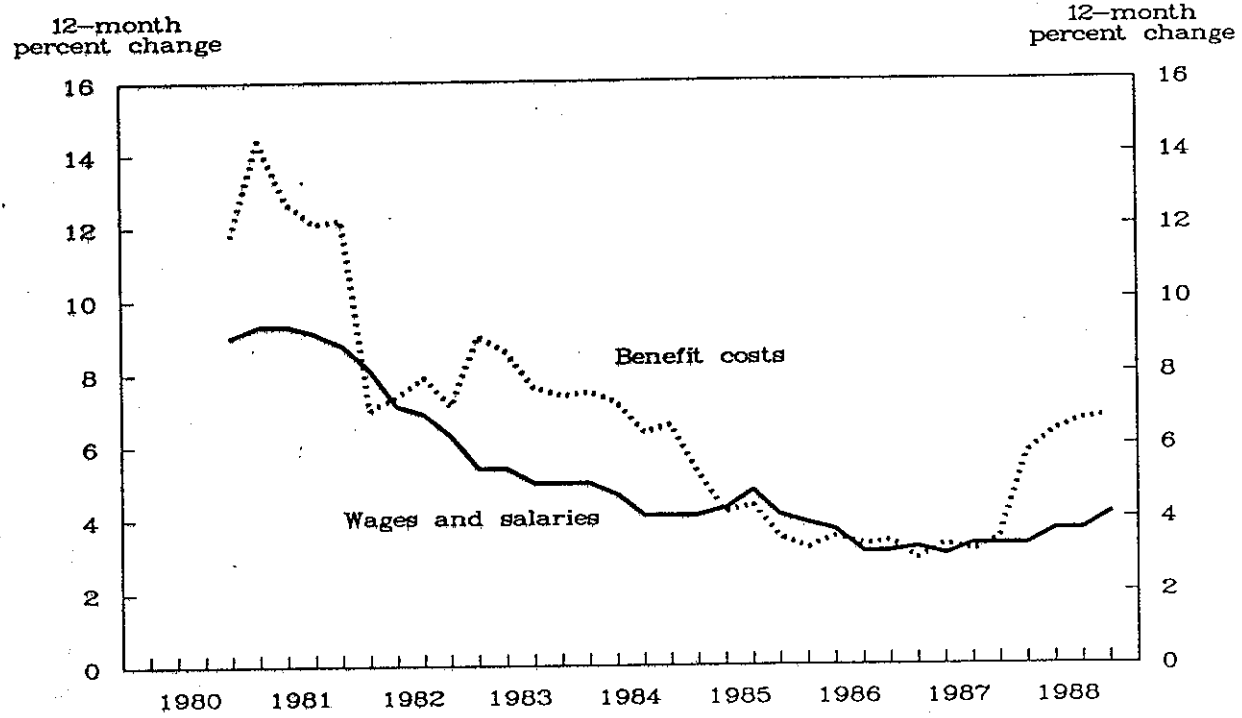
For state and local government workers, pay gains for the year ended in December 1988 (4.8 percent) were higher than those a year ago (4.2 percent). The December 1987-88 gains were highest in elementary and secondary schools, averaging 5.7 percent. (See table 2.)

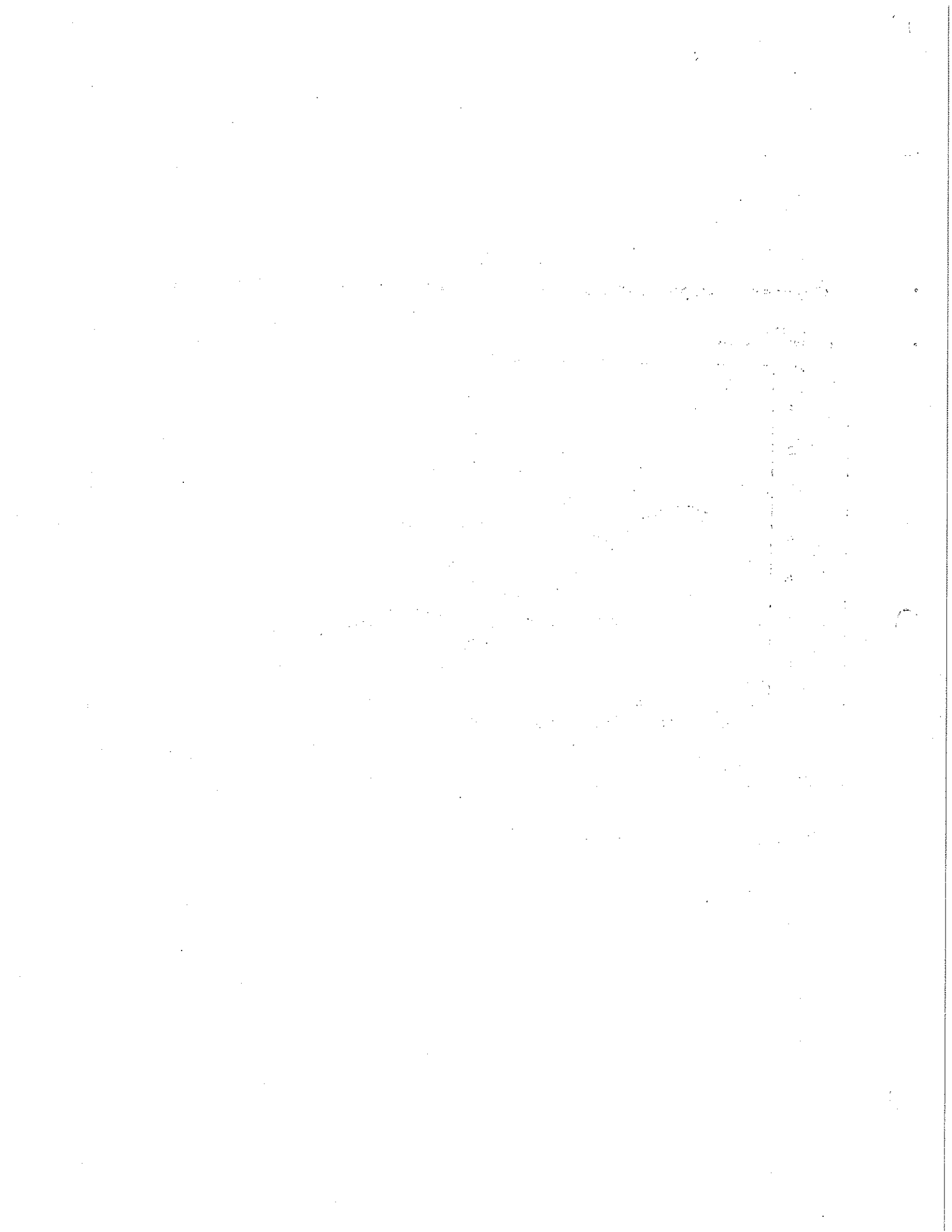
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\* This release includes for the first-time, measures of change in compensation \*  
\* costs and in wages and salaries for production and nonsupervisory workers in \*  
\* private industry. (See tables 3 and 4.) This series has the same industry \*  
\* and occupational coverage as the Hourly Earnings Index, which was discontin- \*  
\* ued in January 1989. \*  
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ECI data for March 1989 will be released on Tuesday, April 25, 1989,  
at 10:00 A.M. E.D.T.

### Changes in wages and salaries and benefit costs, private industry, 1980-88





COMPENSATION

Table 1. Employment Cost Index by occupation and industry group  
(Not seasonally adjusted)

Series	Indexes (June 1981=100)		Percent Changes for						
	(June 1981=100)		3 Months Ended		12 Months Ended		12 Months Ended		
	Dec. 1987	Sep. 1988	Dec. 1987	Sep. 1988	Dec. 1987	Sep. 1988	Dec. 1987	Sep. 1988	
Civilian workers	138.6	144.0	145.5	0.8	1.3	1.0	3.6	4.7	5.0
Workers, by occupational group									
White-collar occupations	142.2	147.9	149.7	.7	1.5	1.2	3.9	4.7	5.3
Blue-collar occupations	132.5	137.2	138.2	.9	.7	.7	3.2	4.5	4.3
Service occupations	140.8	147.2	148.5	.6	2.0	.9	3.1	5.2	5.5
Workers, by industry division									
Goods-producing 1/	133.5	138.2	139.3	1.0	.7	.8	3.1	4.5	4.3
Manufacturing	134.1	139.0	140.1	1.1	.7	.8	3.1	4.7	4.5
Service-producing 2/	141.7	147.6	149.2	.9	1.7	1.1	3.8	4.8	5.3
Services	150.6	157.7	159.7	.9	2.5	1.3	4.9	5.7	6.0
Health services	-	-	-	1.2	1.7	1.3	4.4	5.6	5.7
Hospitals	-	-	-	1.2	1.8	1.3	4.8	5.8	5.9
Public administration	148.1	154.0	154.4	1.2	1.9	.3	4.6	5.2	4.3
Nonmanufacturing	140.5	146.1	147.7	.6	1.5	1.1	3.8	4.7	5.1
Private industry workers	136.0	141.2	142.6	.7	1.0	1.0	3.3	4.5	4.9
Workers, by occupational group									
White-collar occupations	139.3	144.6	146.3	.6	1.1	1.2	3.7	4.4	5.0
Blue-collar occupations	131.8	136.5	137.6	.9	.7	.8	3.1	4.5	4.4
Service occupations	136.7	142.2	143.9	.6	1.5	1.2	2.4	4.6	5.3
Workers, by industry division									
Goods-producing 1/	133.2	137.9	139.0	1.0	.6	.8	3.1	4.5	4.4
Service-producing 2/	138.4	143.8	145.5	.5	1.2	1.2	3.7	4.4	5.1
State and local government workers	151.1	157.8	159.6	.9	2.7	1.1	4.4	5.4	5.6
Workers, by occupational group									
White-collar occupations	152.7	159.6	161.8	1.0	2.8	1.4	4.6	5.6	6.0
Blue-collar occupations	144.3	148.4	149.1	.7	1.7	.5	3.4	3.6	3.3
Workers, by industry division									
Services	153.1	160.5	163.0	.9	3.1	1.6	4.4	5.7	6.5
Excluding schools 3/	146.3	153.2	155.2	.8	1.9	1.3	3.7	5.6	6.1
Health services	-	-	-	1.1	2.3	.6	4.7	4.9	4.6
Hospitals	-	-	-	-	2.3	1.6	-	-	-
Schools	155.5	163.1	165.7	.9	3.7	1.6	4.8	5.8	6.6
Elementary and secondary	157.8	165.4	168.3	.8	3.8	1.8	5.0	5.7	6.7
Public administration	148.1	154.0	154.4	1.2	1.9	.3	4.6	5.2	4.3

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

## WAGES AND SALARIES

Table 2. Employment Cost Index for wages and salaries only, by occupation and industry group  
(Not seasonally adjusted)

Series	Indexes (June 1981=100)		Percent Changes for							
			3 Months Ended		12 Months Ended					
	Dec. 1987	Sep. 1988	Dec. 1987	Sep. 1988	Dec. 1987	Sep. 1988	Dec. 1987	Sep. 1988		
Civilian workers .....	136.1	140.5	141.9	141.9	0.7	1.3	1.0	3.5	3.9	4.3
Workers, by occupational group										
White-collar occupations.....	140.2	145.2	146.8	146.8	.6	1.5	1.1	3.9	4.2	4.7
Blue-collar occupations.....	129.4	132.5	133.4	133.4	.9	.7	.7	3.0	3.3	3.1
Service occupations.....	136.6	141.8	142.9	142.9	.4	1.8	.8	2.9	4.3	4.6
Workers, by industry division										
Goods-producing 1/.....	131.0	134.1	135.1	135.1	.9	.5	.7	3.1	3.3	3.1
Manufacturing.....	132.2	135.1	136.2	136.2	1.1	.5	.8	3.4	3.3	3.0
Service-producing 2/.....	139.2	144.2	145.8	145.8	.5	1.6	1.1	3.7	4.1	4.7
Services.....	148.2	154.0	155.7	155.7	1.0	2.4	1.1	5.0	4.9	5.1
Health services.....	-	-	-	-	1.1	1.8	1.3	4.6	5.3	5.5
Hospitals.....	-	-	-	-	1.2	1.8	1.3	5.0	5.6	5.7
Public administration.....	143.8	148.9	149.4	149.4	.8	1.7	.3	4.1	4.4	3.9
Nonmanufacturing.....	137.8	142.7	144.1	144.1	.5	1.6	1.0	3.6	4.1	4.6
Private industry workers .....	133.8	137.9	139.3	139.3	.6	1.0	1.0	3.3	3.7	4.1
Workers, by occupational group										
White-collar occupations.....	137.6	142.4	144.0	144.0	.4	1.1	1.1	3.7	3.9	4.7
Blue-collar occupations.....	128.9	131.9	132.9	132.9	.9	.6	.8	3.0	3.3	3.1
Service occupations.....	133.2	137.6	139.1	139.1	.5	1.3	1.1	2.4	3.8	4.4
Workers, by industry division										
Goods-producing 1/.....	130.8	133.9	134.9	134.9	.9	.5	.7	3.2	3.3	3.1
Service-producing 2/.....	136.2	141.0	142.6	142.6	.4	1.2	1.1	3.5	3.9	4.7
State and local government workers.....	147.4	153.0	154.5	154.5	.9	2.6	1.0	4.2	4.7	4.8
Workers, by occupational group										
White-collar occupations.....	149.3	154.9	156.8	156.8	1.1	2.7	1.2	4.6	4.9	5.0
Blue-collar occupations.....	139.6	143.5	144.1	144.1	.4	1.7	.4	3.3	3.2	3.2
Workers, by industry division										
Services.....	149.5	155.6	157.6	157.6	.9	3.0	1.3	4.3	5.0	5.4
Excluding schools 3/.....	142.2	147.4	148.7	148.7	.7	1.9	.9	3.6	4.4	4.6
Health services.....	-	-	-	-	1.0	2.4	1.0	4.4	4.8	4.8
Hospitals.....	-	-	-	-	-	2.3	.9	-	-	-
Schools.....	151.8	158.0	160.3	160.3	1.0	3.3	1.5	4.6	5.1	5.6
Elementary and secondary.....	153.4	159.7	162.1	162.1	.9	3.5	1.5	4.8	5.1	5.7
Public administration.....	143.8	148.9	149.4	149.4	.8	1.7	.3	4.1	4.4	3.9

- Data not available.

NOTE: See footnotes at end of tables.

## COMPENSATION

Table 3. Employment Cost Index, private industry workers, by industry and occupation group  
(Not seasonally adjusted)

Series	Indexes (June 1981=100)		Percent Changes for			
			3 Months Ended		12 Months Ended	
	Dec. 1987	Sep. 1988	Dec. 1987	Sep. 1988	Dec. 1987	Sep. 1988
Private industry workers	136.0	141.2	0.7	1.0	3.3	4.5
Excluding sales	136.6	141.7	.8	1.1	3.6	4.6
White-collar occupations	139.3	144.6	.6	1.1	3.7	4.4
Excluding sales	141.1	146.4	.8	1.2	4.2	4.6
Professional specialty and technical	-	-	.9	1.6	4.1	5.2
Executive, administrative, and managerial	-	-	.5	.8	4.4	3.3
Sales	-	-	-.3	.5	1.2	4.0
Administrative support, including clerical	-	-	.9	1.4	4.1	5.2
Blue-collar occupations	131.8	136.5	.9	.7	3.1	4.5
Precision production, craft, and repair	-	-	.8	.6	3.1	3.8
Machine operators, assemblers, and inspectors	-	-	1.3	.7	3.4	5.4
Transportation and material moving	-	-	.6	1.0	2.9	5.0
Handlers, equipment cleaners, helpers, and laborers	-	-	1.1	.8	2.8	4.8
Service occupations	136.7	142.2	.6	1.5	2.4	4.6
Production and nonsupervisory occupations $\frac{1}{4}$	135.4	140.9	.7	1.1	3.4	4.8
Goods-producing industries $\frac{1}{4}$	133.2	137.9	1.0	.6	3.1	4.5
Excluding sales occupations	132.9	137.6	1.0	.6	3.1	4.4
White-collar occupations	-	-	1.0	.8	-	4.4
Excluding sales	-	-	1.0	.7	-	4.0
Blue-collar occupations	-	-	1.0	.6	-	4.6
Service occupations	-	-	.8	.5	-	4.3
Construction	-	-	.7	.8	3.7	4.1
Manufacturing	134.1	139.0	1.1	.7	3.1	4.7
White-collar occupations	-	-	1.0	.7	-	4.3
Excluding sales	-	-	1.0	.8	-	4.4
Blue-collar occupations	-	-	1.1	.7	-	5.0
Service occupations	-	-	1.1	.5	-	4.6
Durables	-	-	1.0	.7	2.7	4.8
Nondurables	-	-	1.2	.9	3.8	4.5
						4.4

COMPENSATION

Table 3. Employment Cost Index, private industry workers, by industry and occupation group-Continued  
(Not seasonally adjusted)

Series	Indexes (June 1981=100)		Percent Changes for					
	(June 1981=100)		3 Months Ended		12 Months Ended			
	Dec. 1987	Sep. 1988	Dec. 1987	Sep. 1988	Dec. 1987	Sep. 1988	Dec. 1987	Sep. 1988
Service-producing industries 2/	138.4	143.8	0.5	1.2	1.2	3.7	4.4	5.1
Excluding sales occupations	140.0	145.4	.6	1.3	.9	4.0	4.5	4.8
White-collar occupations	-	-	.4	1.3	1.4	-	4.4	5.5
Excluding sales	-	-	.6	1.5	.9	-	4.6	5.0
Blue-collar occupations	-	-	.8	.9	.4	-	4.4	4.0
Service occupations	-	-	.6	1.6	1.3	-	4.6	5.4
Transportation and public utilities	-	-	.4	.7	.0	3.0	3.2	2.8
Transportation	-	-	.2	.7	-.3	2.7	4.0	3.5
Public utilities	-	-	.6	.6	.4	3.3	2.2	2.1
Communications	-	-	.7	.7	.0	-	2.0	1.3
Electric, gas, and sanitary services	-	-	-	.5	.8	-	-	3.1
Wholesale and retail trade	-	-	.2	1.1	.8	3.0	4.6	5.2
Excluding sales occupations	-	-	.5	1.1	.9	3.3	4.2	4.7
Wholesale trade	-	-	.7	1.0	.5	4.0	4.4	4.2
Excluding sales occupations	-	-	.7	1.0	.6	3.7	4.0	3.8
Retail trade	-	-	.1	1.1	1.0	2.5	4.7	5.7
General merchandise stores	-	-	-	1.4	1.1	-	-	-
Food stores	-	-	1.1	.2	1.2	-	2.7	2.8
Finance, insurance, and real estate	-	-	.1	.1	3.5	2.0	3.0	6.5
Excluding sales occupations	-	-	.7	.9	1.7	4.1	3.8	4.9
Banking, savings and loan, and other credit agencies	-	-	.9	1.0	.8	5.5	6.1	6.0
Insurance	-	-	1.8	.9	1.3	-	6.1	5.5
Services	-	-	1.0	2.0	1.1	5.2	5.6	5.7
Business services	-	-	.9	1.4	1.0	6.1	4.9	5.0
Health services	-	-	1.2	1.6	1.4	4.3	5.8	6.0
Hospitals	-	-	1.3	1.7	1.5	4.9	5.9	6.1
Nonmanufacturing industries	137.1	142.4	.5	1.1	1.1	3.5	4.4	5.0
White-collar occupations	-	-	.4	1.2	1.3	-	4.4	5.4
Excluding sales	-	-	.6	1.4	.9	-	4.6	4.9
Blue-collar occupations	-	-	.8	.7	.6	-	4.1	3.9
Service occupations	-	-	.6	1.6	1.3	-	4.6	5.3

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



## WAGES AND SALARIES

Table 4. Employment Cost Index for wages and salaries only, private industry workers, by industry and occupation group

(Not seasonally adjusted)

Series	Indexes (June 1981=100)			Percent Changes for						
	Dec. 1987	Sep. 1988		3 Months Ended		12 Months Ended		Dec. 1987	Dec. 1988	Dec. 1988
		Dec. 1988	Dec. 1988	Dec. 1987	Sep. 1988	Dec. 1988	Sep. 1988			
Private industry workers	133.8	137.9	139.3	0.6	1.0	1.0	3.3	3.7	3.7	4.1
Excluding sales	134.7	138.6	139.7	.8	1.0	.8	3.7	3.7	3.7	3.7
White-collar occupations	137.6	142.4	144.0	.4	1.1	1.1	3.7	3.9	3.9	4.7
Excluding sales	140.1	144.7	146.0	.7	1.3	.9	4.3	4.0	4.0	4.2
Professional specialty and technical	142.6	148.1	148.9	1.0	1.6	.5	4.5	4.9	4.4	4.4
Executive, administrative, and managerial	139.2	142.5	144.4	.4	.8	1.3	4.3	2.8	2.8	3.7
Sales	126.1	131.5	134.4	-.7	.5	2.2	1.0	3.5	3.5	6.6
Administrative support, including clerical	138.1	143.2	144.1	.7	1.4	.6	4.1	4.4	4.4	4.3
Blue-collar occupations	128.9	131.9	132.9	.9	.6	.8	3.0	3.3	3.3	3.1
Precision production, craft, and repair	131.1	134.0	134.9	.7	.4	.7	2.9	2.9	2.9	2.9
Machine operators, assemblers, and inspectors	129.2	131.9	133.3	1.3	.5	1.1	3.4	3.5	3.5	3.2
Transportation and material moving	122.9	126.7	126.9	.5	1.0	.2	2.3	3.6	3.6	3.3
Handlers, equipment cleaners, helpers, and laborers	125.0	128.4	129.3	1.1	.7	.7	3.0	3.8	3.8	3.4
Service occupations	133.2	137.6	139.1	.5	1.3	1.1	2.4	3.8	3.8	4.4
Production and nonsupervisory occupations <sup>4/</sup>	132.9	137.2	138.5	.6	1.0	.9	3.3	3.9	3.9	4.2
Goods-producing industries 1/	130.8	133.9	134.9	.9	.5	.7	3.2	3.3	3.3	3.1
Excluding sales occupations	130.8	133.8	134.9	1.0	.5	.8	3.2	3.3	3.3	3.1
White-collar occupations	-	-	-	1.0	.7	.6	-	3.9	3.9	3.5
Excluding sales	-	-	-	1.0	.7	.6	-	3.9	3.9	3.6
Blue-collar occupations	-	-	-	1.9	.5	.8	-	3.1	3.1	3.0
Service occupations	-	-	-	1.2	.1	.9	-	2.0	2.0	1.8
Construction	124.7	128.6	129.4	.7	.8	.6	3.2	3.9	3.9	3.8
Manufacturing	132.2	135.1	136.2	1.1	.5	.8	3.4	3.3	3.3	3.0
White-collar occupations	-	-	-	1.0	.6	.6	-	3.7	3.7	3.3
Excluding sales	-	-	-	1.0	.6	.6	-	3.8	3.8	3.4
Blue-collar occupations	-	-	-	1.1	.9	.9	-	3.0	3.0	2.8
Service occupations	-	-	-	1.2	.2	.5	-	2.3	2.3	2.0
Durables	131.1	133.7	134.6	1.1	.5	.7	3.1	3.1	3.1	2.7
Nondurables	134.1	137.6	139.1	1.0	.7	1.1	3.7	3.6	3.6	3.7

## WAGES AND SALARIES

Table 4. Employment Cost Index for wages and salaries only, private industry workers, by industry and occupation

(Not seasonally adjusted)

Series	Indexes (June 1981=100)		Percent Changes for					
			3 Months Ended		12 Months Ended			
	Dec. 1987	Sep. 1988	Dec. 1987	Sep. 1988	Dec. 1987	Sep. 1988	Dec. 1987	Sep. 1988
Service-producing industries 2/	136.2	141.0	0.4	1.2	1.1	3.5	3.9	4.7
Excluding sales occupations	138.1	142.7	.6	1.3	.8	4.0	3.9	4.2
White-collar occupations	-	-	.3	1.3	1.3	-	4.0	5.0
Excluding sales	-	-	.6	1.5	1.0	-	4.0	4.4
Blue-collar occupations	-	-	.8	.9	.4	-	3.6	3.3
Service occupations	-	-	.3	1.5	1.1	-	3.9	4.7
Transportation and public utilities	130.2	133.5	.2	.8	-.1	2.1	2.7	2.5
Transportation	-	-	-.2	.9	-.4	1.7	2.6	2.5
Public utilities	-	-	.6	.7	.4	2.6	2.7	2.6
Communications	-	-	.7	.8	.1	-	2.6	1.9
Electric, gas, and sanitary services	-	-	-	.4	.9	-	-	3.5
Wholesale and retail trade	130.7	136.0	.1	1.0	.7	3.0	4.1	4.7
Excluding sales occupations	132.3	136.5	.5	1.0	1.0	3.4	3.6	4.2
Wholesale trade	138.5	143.2	.5	1.1	.3	4.1	3.9	3.7
Excluding sales occupations	136.0	139.6	.8	1.0	.6	3.7	3.5	3.2
Retail trade	127.7	133.2	-.1	1.1	.8	2.6	4.2	5.2
General merchandise stores	-	-	-	1.5	1.2	-	-	-
Food stores	-	-	.9	.4	.8	-	2.4	2.3
Finance, insurance, and real estate	131.6	134.9	-.2	.0	3.7	1.2	2.4	6.3
Excluding sales occupations	137.1	140.6	.4	.9	1.8	3.8	3.0	4.4
Banking, savings and loan, and other credit agencies	-	-	.8	1.1	.8	5.4	5.7	5.8
Insurance	-	-	1.7	.9	1.2	-	5.9	5.4
Services	147.1	152.9	.8	2.1	1.0	5.4	4.8	5.0
Business services	-	-	.7	1.5	1.0	6.7	3.9	4.1
Health services	-	-	1.1	1.7	1.3	4.6	5.5	5.7
Hospitals	-	-	1.2	1.7	1.4	5.1	5.7	5.9
Nonmanufacturing industries	134.8	139.4	.4	1.2	1.0	3.4	3.9	4.5
White-collar occupations	-	-	.4	1.3	1.2	-	4.1	4.9
Excluding sales	-	-	.6	1.5	1.0	-	4.1	4.4
Blue-collar occupations	-	-	.7	.8	.5	-	3.6	3.3
Service occupations	-	-	.4	1.5	1.1	-	3.9	4.6

- Data not available.

NOTE: See footnotes at end of tables.

## BENEFITS

Table 5. Employment Cost Index for benefits only, private industry workers, by occupation and industry group  
(Not seasonally adjusted)

Series	Indexes (June 1981=100)			Percent Changes for					
				3 Months Ended		12 Months Ended			
	Dec. 1987	Sep. 1988	Dec. 1988	Dec. 1987	Sep. 1988	Dec. 1988	Dec. 1987	Sep. 1988	Dec. 1988
Private industry workers.....	141.7	149.7	151.3	1.0	1.0	1.1	3.5	6.7	6.8
Workers, by occupational group									
White-collar occupations.....	143.7	150.9	152.7	.9	1.1	1.2	3.6	6.0	6.3
Blue-collar occupations.....	138.7	147.5	148.9	1.0	.8	.9	3.4	7.4	7.4
Service occupations.....	-	-	-	1.1	1.9	1.8	2.4	7.3	8.0
Workers, by industry division									
Goods-producing industries 1/.....	138.8	147.3	148.6	1.0	.8	.9	2.9	7.2	7.1
Service-producing industries 2/.....	144.4	151.9	153.9	.9	1.2	1.3	4.0	6.1	6.6
Manufacturing.....	138.4	147.8	149.0	1.1	1.0	.8	2.6	8.0	7.7
Nonmanufacturing.....	143.8	150.9	152.9	.8	1.1	1.3	4.0	5.8	6.3

- Data not available.

NOTE: See footnotes at end of tables.

## COMPENSATION

Table 6. Employment Cost Index, private industry workers, by bargaining status, region, and area size  
(Not seasonally adjusted)

Series	Indexes (June 1981=100)		Percent Changes for			
			3 Months Ended		12 Months Ended	
	Dec. 1987	Sep. 1988	Dec. 1987	Sep. 1988	Dec. 1987	Sep. 1988
<b>Workers, by bargaining status</b>						
Union.....	133.4	137.9	138.6	0.7	2.8	3.9
Blue-collar occupations.....	—	—	—	.7	—	4.3
Goods-producing industries 1/.....	131.3	136.2	137.2	.7	3.0	4.5
Service-producing industries 2/.....	136.7	140.5	140.9	.8	2.5	3.1
Manufacturing.....	131.5	137.0	138.2	.6	2.8	5.1
Blue-collar occupations.....	—	—	—	.6	—	5.2
Nonmanufacturing.....	135.1	138.6	138.9	.8	2.7	2.8
Nonunion.....	136.9	142.2	143.9	1.1	3.6	5.1
Blue-collar occupations.....	—	—	—	.7	—	4.6
Goods-producing industries 1/.....	134.1	138.7	139.9	.8	3.2	4.3
Service-producing industries 2/.....	138.6	144.4	146.3	1.3	3.9	5.6
Manufacturing.....	135.6	140.1	141.3	.6	3.2	4.2
Blue-collar occupations.....	—	—	—	.7	—	4.6
Nonmanufacturing.....	137.5	143.2	145.0	1.2	3.8	5.5
<b>Workers, by region</b>						
Northeast.....	141.9	147.8	150.4	1.3	5.0	6.0
South.....	135.4	140.4	141.3	.8	3.0	4.4
Midwest.....	131.7	136.7	138.0	.9	2.8	4.8
West.....	136.3	140.6	141.5	.8	2.6	3.8
<b>Workers, by area size</b>						
Metropolitan areas.....	136.7	142.0	143.6	1.1	3.4	5.0
Other areas.....	132.0	136.2	136.8	.5	3.2	3.6

— 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. See footnotes at end of tables.

WAGES AND SALARIES

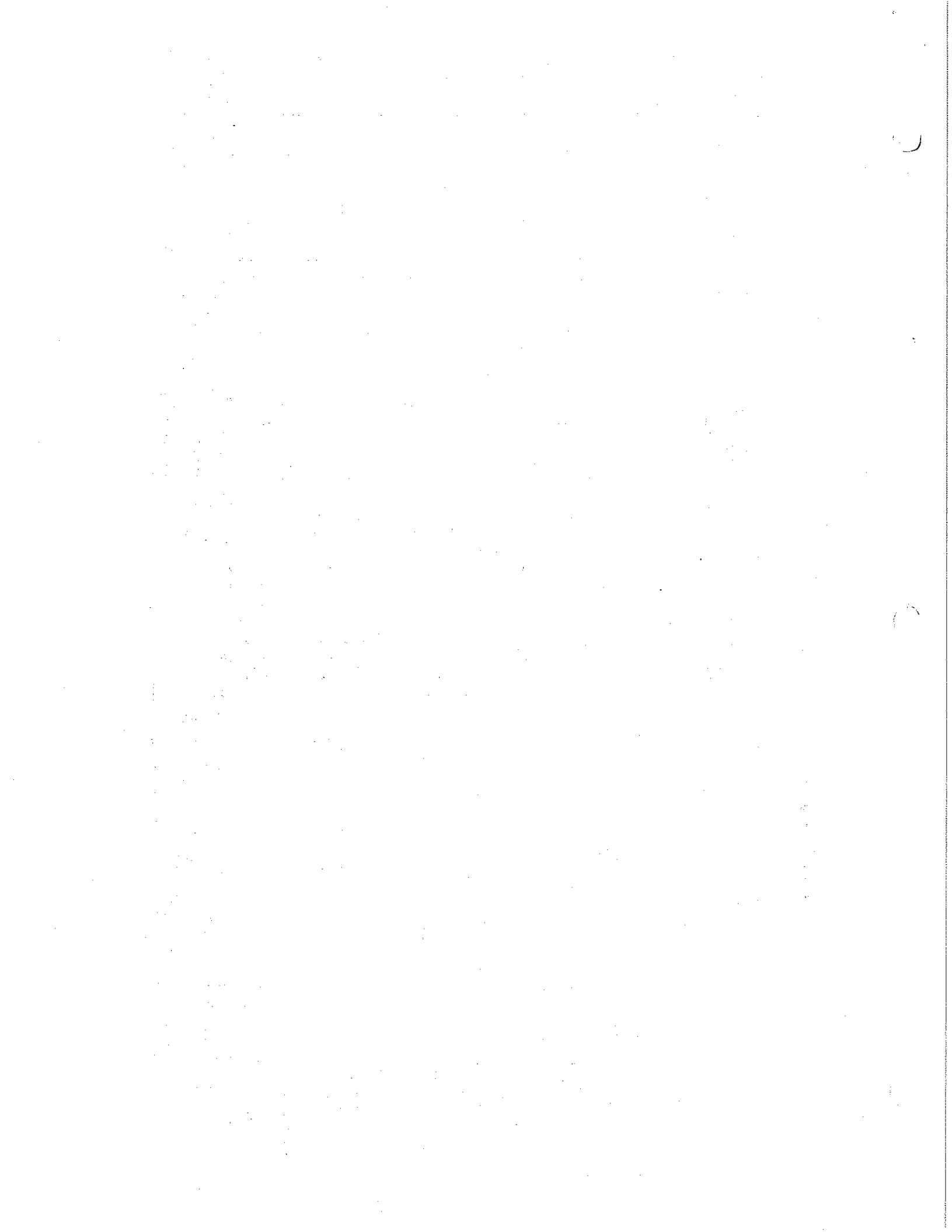
Table 7. Employment Cost Index for wages and salaries only, private industry workers, by bargaining status, region, and area size

(Not seasonally adjusted)

Series	Indexes (June 1981=100)		Percent Changes for			
			3 Months Ended		12 Months Ended	
	Dec. 1987	Sep. 1988	Dec. 1987	Sep. 1988	Dec. 1987	Sep. 1988
<b>Workers, by bargaining status</b>						
Union.....	130.5	132.9	1.1	0.7	2.6	2.9
Blue-collar occupations.....	-	-	1.3	.6	-	2.9
Goods-producing industries 1/.....	128.5	130.4	1.6	.5	3.0	3.1
Service-producing industries 2/.....	133.6	136.7	.5	1.0	2.1	2.9
Manufacturing.....	129.3	131.0	1.8	.5	3.0	3.1
Blue-collar occupations.....	-	-	1.9	.5	-	3.2
Nonmanufacturing.....	131.5	134.5	.5	.9	2.2	2.8
Nonunion.....	135.0	139.5	.5	1.0	3.6	3.9
Blue-collar occupations.....	-	-	.5	.6	-	3.5
Goods-producing industries 1/.....	132.1	135.7	.8	.5	3.4	3.5
Service-producing industries 2/.....	136.7	141.8	.4	1.3	3.8	4.1
Manufacturing.....	133.9	137.4	.7	.5	3.4	3.3
Blue-collar occupations.....	-	-	.2	.5	-	2.8
Nonmanufacturing.....	135.4	140.4	.4	1.2	3.7	4.1
<b>Workers, by region</b>						
Northeast.....	139.7	144.6	1.0	1.2	5.0	4.6
South.....	133.0	137.1	.7	.7	2.8	3.8
Midwest.....	129.9	133.3	.2	.9	2.9	2.9
West.....	133.5	137.4	.3	1.0	2.6	3.2
<b>Workers, by area size</b>						
Metropolitan areas.....	134.6	138.7	.7	1.0	3.4	3.7
Other areas.....	129.8	133.5	.5	.4	3.3	3.4

1/ Includes mining, construction, and manufacturing.  
 2/ Includes transportation, public utilities, trade, finance, insurance, real estate, services, and, where applicable, public administration in State and local governments.  
 3/ Formerly called Hospitals and other services.

4/ This series has the same industry and occupational coverage as the Hourly Earnings Index, which was discontinued in January 1989.  
 NOTE: The indexes for these series are not strictly comparable to those for the aggregate, occupational, and industry series. See explanatory note.



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<sup>1</sup> 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 overtime, shift differentials, and nonproduction bonuses such as lump-sum payments provided in lieu of wage increases); insurance benefits (life, health, and sickness and accident); retirement and savings benefits (pension and other retirement plans and savings and thrift plans); legally required benefits (social security, railroad retirement and supplemental retirement, railroad unemployment insurance, Federal and state unemployment insurance, workers' compensation, and other legally required benefits such as state temporary disability); and other benefits (severance pay and supplemental unemployment plans).

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

Each quarter, straight-time average hourly wage and salary rates and benefit cost data (cents-per-hour-worked) are collected from a probability sample of about 18,000 occupations within 3,600 sample establishments in private industry and about 3,500 occupations within 700 sample establishments in state and local governments. Data are collected for the pay period including the 12th day of the survey months of March, June, September, and December. ECI statistics are neither annualized nor adjusted for seasonal influences.

The sample establishments are classified in industry categories based on the 1972 Standard Industrial Classification (SIC), as defined by the U.S. Office of Management and Budget.

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<sup>1</sup> The benefit cost indexes provide the change in the cost of benefits to a fixed labor force. They are not price indexes for a fixed market basket of benefits. Therefore, the indexes will change as a result of either a change in the price of benefits provided (for example, higher pay for holidays) or a change in the benefits (for example, an additional holiday).

Within an establishment, specific job categories are selected to represent broader occupational definitions. Since June 1986, the jobs have been classified according to definitions used in the 1980 Census. Prior to June 1986, they were classified according to the 1970 Census. Differences between the two classification systems are slight, as indicated in the article "Introducing new weights for the Employment Cost Index," in the June 1985 issue of the Monthly Labor Review.

Fixed employment weights are used each quarter to calculate the most aggregate indexes--civilian, private, and state and local governments. These fixed weights are also used to derive all of the industry and occupation series indexes. Since June 1986, employment counts from the 1980 Census have been used as weights. Prior to June 1986, employment counts from the 1970 Census were used.

For the series based on bargaining status, region, or area size, employment data are not available from the Census. The employment weights are reallocated within these series each quarter based on the current 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.

The costs per hour worked of compensation components, based on March 1988 data from the ECI, are published in a separate news release titled "Employer Costs for Employee Compensation--March 1988." A description of the cost levels is provided in the article "Analyzing employers' costs for wages, salaries, and benefits" in the October 1987 issue of the Monthly Labor Review. The cost levels, which are published annually in mid-June, are calculated with current employment weights, rather than the fixed 1980 Census weights used in computing the ECI. Therefore, year-to-year changes in the cost levels will usually differ from those in the ECI.

More detailed information on the ECI is available in several sources. These include a chapter in the BLS Handbook of Methods (Bulletin 2285), "The Employment Cost Index," and several articles published in the Monthly Labor Review. Reprints of these articles plus other descriptive pieces and a complete historical listing are available upon request. ECI historical data are also available on data diskettes formatted for use with Lotus 1-2-3.