

# Employer Costs for Wages and Benefits:

## Which publication is right for me?

The National Compensation Survey (NCS) is an establishment-based survey that provides comprehensive measures of (1) employer costs for employee compensation, including wages and salaries, and benefits, (2) compensation trends, and (3) the incidence of employer-sponsored benefits among workers.

The NCS gathers employment cost data from a sample of private industry and state and local government establishments from across the nation. Survey respondents provide information on the employer costs of wages and benefits as well as the percentage of workers with access to and participating in employer-sponsored benefit plans.

Data that is collected through the NCS is then collated into three different publications:

### [Employment Cost Index \(ECI\)](#)

*The Employment Cost Index (ECI) is a measure of the change in the price of labor over time, defined as compensation per employee hour worked. The index measures changes in the cost of compensation not only for wages and salaries, but also for an extensive list of benefits. As a fixed-weight index, the ECI controls for changes occurring over time in the industrial-occupational composition of employment.*

The ECI can help answer questions such as:

- How have wages changed over time?
  - o The ECI shows the change over time in the hourly labor costs to employers, which include wages and salaries and the cost of employee benefits. A unique aspect of the ECI is that it tracks the cost of employing a fixed set of occupations over time. Much like the BLS [Consumer Price Index](#) (CPI) measures the change in the cost to consumers of a fixed basket of goods and services, you can think of the ECI as measuring the change in the cost of compensation for a fixed mix of workers.
- Can I include a wage escalation clause in my contract?
  - o The ECI is particularly well suited as a vehicle to adjust wage rates to keep pace with what is paid by other employers for two reasons. First, it is comprehensive. It includes not only wages and salaries but also employer costs for employee benefits and represents nearly all employees in the civilian (non-Federal) economy. Second, it measures the "pure" change in labor costs; that is, it is not affected by changes in relative employment of industries and occupations with different wage and compensation levels. For more details visit [How to Use the Employment Cost Index for Escalation](#).
- Are wages keeping up with inflation?
  - o The ECI provides constant dollar, or inflation-adjusted data, for data users to help answer this question. The ECI uses the Consumer Price Index for all Urban Consumers (CPI-U), U.S. city average, to adjust for inflation. Take a look at [More Ways to Look at Wages and Inflation](#) for more information.

Find answers to additional commonly asked questions about the Employment Cost Index (ECI) in the [ECI questions and answers page](#).

### [Employer Costs for Employee Compensation \(ECEC\)](#)

*The Employer Costs for Employee Compensation (ECEC) measures the average employer's cost per employee hour worked for total compensation, wages and salaries and benefits, and costs as a percent of total compensation. The ECEC reflects both changes in compensation and changes in employment and provides information about average compensation in the economy at a point in time.*

*Employer costs are available for 23 different benefits, including paid leave—vacation, holiday, sick, and personal leave; supplemental pay—overtime and premium, shift differentials, and nonproduction bonuses; insurance—life, health, short-*

*term and long-term disability; retirement and savings— defined benefit and defined contribution; and legally required benefits—Social Security, Medicare, federal and state unemployment insurance, and workers' compensation.*

The ECEC can help answer questions such as:

- What is the current compensation for a retail salesperson (in dollars)?
  - o The ECEC publishes the employer dollar cost per employee hour worked at a point in time. Estimates are available by occupational group or industry group, but not by detailed occupation or detailed industry. For data users looking to find the cost for wages and salaries and benefits by occupation, the [Classification Systems Used by the NCS](#) factsheet is a great resource to find which occupational group the occupation of interest falls under. [Retail salespersons](#) for example, are part of the sales and related occupational group published in the ECEC.
- Are higher wage employees offered more benefits?
  - o With every March data release, the ECEC publishes Compensation Percentile Estimates. The compensation percentile data are constructed using wages and salaries to determine the 10th, 50th (median), and 90th percentile bands and the average benefit costs for observations included in those percentile wage bands. On average, wages and salaries account for approximately 70 percent of total compensation while benefit costs account for the remaining 30 percent of these costs. Compensation percentile estimates can show how this distribution shifts between lower and higher wage workers, see [Compensation Percentile Estimate](#) for more information.
- Do larger establishments pay more for benefits?
  - o The ECEC publishes compensation data by many worker and establishment characteristics, including occupation, industry, bargaining status, full-time/part-time status, establishment size, and census region and division. Looking at ECEC data by establishment size shows that in September 2022, establishments with 500 workers or more paid \$20.02 for benefits while establishments with 1-99 workers paid \$8.40. See [Table 6](#) and the [news release charts](#) for more information.

*Find answers to additional commonly asked questions about the Employer Costs for Employee Compensation (ECEC) in the [ECEC questions and answers page](#).*

## **[Benefits](#)**

*The Benefits publications produce comprehensive data on the incidence (the percentage of workers with access to and participation in employer provided benefit plans) and provisions of selected employee benefit plans.*

*Data are published on the incidence and key provisions of selected benefit plans and detailed provisions of vacation, paid holidays, sick leave, nonproduction bonuses, life insurance plans, health insurance, short-term and long-term disability insurance, health savings accounts, wellness benefits, financial benefits, and other benefit plans. Employer and employee shares of contributions to medical care premiums and their average amounts are also presented. Additionally, more detailed information on the provisions on health and retirement plans are published, including estimates on plan features, costs, and limitations or restrictions for health and retirement plans.*

Benefits can help answer questions such as:

- How do my benefits compare to others in the same industry or occupation?

The NCS Benefits publication provides information by broad occupational group and major industry group, as well as ownership (civilian, private industry, and state and local government), full-time and part-time employment, union and non-union, establishment size, geographic location, and average wage percentile categories.
- How can I put together a competitive benefit package for my employees?

The NCS Benefits series provides information on employer provided benefits through two annual publications: incidence and key provisions and detailed provisions. The incidence and key provisions publication captures information on vacation, paid holidays, sick leave, nonproduction bonuses, life

insurance plans, health insurance, short and long-term disability insurance, health savings accounts, wellness benefits, financial benefits, and other benefit plans, while detailed provisions focus on health and retirement plan provisions. These publications and estimates can be found on the [publications](#) page and [database](#).

- How much do employees pay for health care?

Estimates covering the percent of workers with access to health care, percent of workers participating in a health care plan, employee contribution dollar amount, and the employee share of the premiums (in percent) are available and can create a detailed picture of health care coverage. Data on employee and employer contributions to medical care are available for civilian, private industry, and state and local government workers among industry, occupation, part- and full-time workers, union and nonunion, establishment size, average wage percentile, and Census regions and divisions. For information on employee premiums for single and family coverage, and provisions on deductibles, coinsurance, and out-of-pocket maximums see the factsheet [Medical care premiums in the U.S](#) and the [Health and Retirement Plan Provisions](#) page. The Benefits publication includes health care benefit data, including dental care, medical care, vision care, outpatient prescription drugs, and other health care.

Find answers to additional commonly asked questions about Employee Benefits in the [Employee Benefits questions and answers page](#).

## What data does each publication include?

Through the ECI, ECEC and Benefits publications, the National Compensation Survey is a rich source of data on employer costs for wages and benefits. This chart can help you find exactly what you are looking for:

	ECI	ECEC	Benefits
<b>Data type</b>			
Indexes	✓		
Percent change	✓		
Seasonally adjusted	✓		
Dollar amount		✓	✓
Percent of total compensation		✓	
Percent of employees			✓
Number of days			✓
Share of premiums			✓
<b>Estimates by</b>			
Occupational groups	✓	✓	✓
Industry groups	✓	✓	✓
Bargaining status	✓	✓	✓
Full-time/part-time		✓	✓
Excluding incentive-paid	✓		
Establishment size		✓	✓
Census division, Census region, Metropolitan areas	✓	✓	✓
Wage percentile		✓	✓
<b>Data represents</b>			
Change over time	✓		
Point in time		✓	✓
<b>Data Released</b>			
Quarterly	✓	✓	
Annually			✓