

News

United States
Department
of Labor



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EMPLOYMENT COST INDEX—MARCH 2004

Total compensation costs for civilian workers increased 1.1 percent from December 2003 to March 2004, seasonally adjusted, rising from the 0.8 percent gain from September to December 2003, the Bureau of Labor Statistics of the U.S. Department of Labor reported today. Benefit costs jumped 2.4 percent, continuing to strongly outpace the gain for wages and salaries of 0.6 percent. 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.

Although benefits contribute only 30 percent to total compensation costs, two-thirds of the increase in compensation costs was attributable to rises in benefit costs during the December 2003 to March 2004 period. Among private industry workers, benefit costs accounted for 67 percent of compensation gains during the quarter, with defined benefit retirement costs accounting for nearly half of the rise in benefit costs. Among State and local government workers, benefit costs contributed 63 percent of compensation gains during the December 2003 to March 2004 period, and health insurance contributions accounted for over one-half of the gain in benefit costs.

Quarterly changes, seasonally adjusted

Compensation costs for the private sector rose 1.1 percent from December 2003 to March 2004, after advancing 0.8 percent in the prior quarter. March gains were led by sharp increases in manufacturing, particularly durable goods manufacturing, and smaller gains in retail trade. For State and local government workers, compensation costs increased 1.0 percent from December to March, compared with a gain of 0.8 percent for the quarter ended in December. (See tables A and 1.)

Benefit costs jumped 2.4 percent for civilian workers (nonfarm private industry and State and local government) in the March 2004 quarter, following a gain of 1.4 percent in the December 2003 quarter. Private sector benefit costs shot up 2.6 percent for the March quarter, sharply higher than the 1.4 percent gain in the previous quarter. Benefit costs for State and local governments increased 1.7 percent in the March quarter, following an increase of 1.3 percent in December 2003.

NOTE

This release incorporates new seasonal adjustment factors. See page 4 for details.

Wages and salaries for civilian, private, and State and local government workers each advanced 0.6 percent during the March quarter. During the prior quarter, civilian and private industry wages and salaries rose 0.5 percent, and State and local government wages and salaries rose 0.6 percent.

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

Compensation Component	June 2002	Sep. 2002	Dec. 2002	Mar. 2003	June 2003	Sep. 2003	Dec. 2003	Mar. 2004
Civilian workers								
Compensation costs	1.0	0.8	0.9	1.2	0.9	1.0	0.8	1.1
Wages and salaries	0.9	0.6	0.5	1.0	0.6	0.7	0.5	0.6
Benefit costs	1.4	1.2	1.4	2.0	1.4	1.5	1.4	2.4
Private industry								
Compensation costs	1.1	0.6	0.8	1.4	0.8	1.1	0.8	1.1
Wages and salaries	0.9	0.4	0.5	1.0	0.6	0.9	0.5	0.6
Benefit costs	1.4	1.1	1.4	2.1	1.4	1.5	1.4	2.6
State and local government								
Compensation costs	1.0	1.1	1.1	1.0	1.0	0.5	0.8	1.0
Wages and salaries	0.8	0.9	0.8	0.6	0.8	0.1	0.6	0.6
Benefit costs	1.3	1.9	1.8	1.6	1.5	1.6	1.3	1.7

Over-the-year changes, not seasonally adjusted

Annual compensation costs for civilian workers increased 3.8 percent for the year ended March 2004, compared with a 3.9 percent over-the-year increase for March 2003. Compensation costs in private industry rose 3.9 percent in the year ended March 2004, compared with a 3.8 percent increase in March 2003. In contrast, compensation costs slowed to a 3.3 percent increase for State and local government for the year ended March 2004, compared with an over-the-year gain of 4.2 percent in March 2003. (See tables B, 2, and 3.)

The components of compensation continued to show significant differences. While increases in wages and salaries continued to slow, benefit costs continued to rise sharply during the year ended March 2004. For civilian workers, wages and salaries increased 2.5 percent in the year ended March 2004, compared with a gain of 2.9 percent in March 2003. Benefit costs jumped 6.9 percent for the period ended March 2004, higher than the increase of 6.1 percent for the year ended March 2003. (See tables B, 5, 6, and 8.)

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

Compensation Component	Mar. 1999	Mar. 2000	Mar. 2001	Mar. 2002	Mar. 2003	Mar. 2004
Civilian workers						
Compensation costs	3.0	4.3	4.1	3.9	3.9	3.8
Wages and salaries	3.3	4.0	3.8	3.5	2.9	2.5
Benefit costs	2.3	5.0	4.7	4.9	6.1	6.9
Private industry						
Compensation costs	3.0	4.6	4.2	3.9	3.8	3.9
Wages and salaries	3.3	4.2	3.8	3.5	3.0	2.6
Benefit costs	2.2	5.5	5.0	4.8	6.1	7.0
State and local government						
Compensation costs	2.9	3.6	3.3	3.9	4.2	3.3
Wages and salaries	2.9	3.8	3.5	3.4	3.1	2.1
Benefit costs	2.8	3.2	2.8	5.0	6.6	6.2

Nonfarm private industry

For the year ended March 2004, compensation costs in private industry increased 4.5 percent for goods-producing industries, compared with a 4.4 percent advance for the year ended March 2003. Compensation costs for manufacturing advanced 4.7 percent in March 2004, identical to the increase of a year earlier. Compensation costs for construction rose 3.5 percent in March 2004, compared with a 3.2 percent rise in March 2003. (See table 3.)

The over-the-year increase in compensation for service-producing industries was 3.6 percent, identical to the gain for the year ended March 2003. Among service-producing industries, the 12-month increase for transportation and public utilities was 4.0 percent for the year ended in March 2004, led by an increase in public utilities, particularly the communications industry. Compensation costs rose modestly in wholesale trade, increasing 2.5 percent in the year ended March 2004.

Over-the-year compensation cost increases were 4.5 percent for blue-collar occupations, 3.6 percent for white-collar occupations, and 3.2 percent for service occupations for the year ended March 2004. Among white-collar occupational groups, compensation cost changes ranged from 2.7 percent for executive, administrative, and managerial employees to 4.2 percent for administrative support, including clerical workers. Among blue-collar workers, compensation cost increases ranged from 3.5 percent for transportation and material moving workers to 5.5 percent for machine operators, assemblers, and inspectors. (See table 3.)

Compensation costs for union workers advanced sharply, rising 5.7 percent over the year ended March 2004, significantly higher than the 3.6 percent increase for nonunion workers. Compensation costs among blue-collar union workers advanced 6.2 percent, greater than the gain of 3.7 percent for blue-collar nonunion workers. In goods-producing industries, a 6.8 percent increase for union workers was greater than the 3.7 percent advance for nonunion workers. (See tables C and 4.)

Wages and salaries for union workers rose a modest 2.5 percent for the 12 months ended in March 2004, compared with an over-the-year increase of 2.6 percent for nonunion workers. In contrast, benefit costs for union workers jumped sharply, rising 11.2 percent, compared with an increase of 6.0 percent for nonunion workers in March 2004. Employer contributions for defined benefit plans accounted for over half the rise in benefit costs for union workers. (See tables C, 7, and 8.)

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

Compensation Component	Mar. 1999	Mar. 2000	Mar. 2001	Mar. 2002	Mar. 2003	Mar. 2004
Union workers						
Compensation costs	3.0	3.6	3.4	4.7	4.7	5.7
Wages and salaries	3.1	2.7	3.6	4.4	3.3	2.5
Benefit costs	2.6	5.4	3.1	5.0	7.3	11.2
Nonunion workers						
Compensation costs	3.0	4.7	4.3	3.8	3.6	3.6
Wages and salaries	3.3	4.4	3.9	3.4	2.9	2.6
Benefit costs	2.2	5.5	5.5	4.8	5.8	6.0

Among the four geographic regions, increases in compensation costs ranged from 3.4 percent in the Midwest to 4.8 percent in the West. Compensation costs rose 3.9 percent in the Northeast and 3.6 percent in the South. (See table 4.)

State and local government

Wages and salaries for State and local government workers rose 2.1 percent in the year ended March 2004, moderating from a gain of 3.1 percent for March 2003. Benefit costs rose 6.2 percent for the year ended March 2004, compared with an increase of 6.6 percent for the year ended March 2003. (See tables B, 5, and 8.)

Compensation gains moderated for educational services, rising 2.9 percent for the year ended March 2004, down from a 4.1 percent increase for the year ended March 2003. For the year ended March 2004, compensation costs increased 3.5 percent for health services, compared with a 3.7 percent rise for the year ended March 2003. Among occupational groups, compensation costs of service workers rose 3.9 percent for the year ended March 2004, compared with gains of 3.3 percent for blue-collar workers and 3.2 percent for white-collar workers. (See table 2.)

NOTE:

This release incorporates annual revisions in seasonally adjusted Employment Cost Index (ECI) data for total compensation, wages and salaries, and benefit costs. Seasonally adjusted data for 1999-2003 were revised to reflect updated seasonal factors. The new seasonal factors and the historical listing containing revised seasonally adjusted indexes are available on the Internet site <http://www.bls.gov/ect/home.htm>, by e-mail request at ocltinfo@bls.gov, or by telephone (202) 691-6199.

The ECI for June 2004 is scheduled to be released Thursday, July 29, 2004, at 8:30 a.m. (EDT).

The costs per hour worked of compensation components, based on data from the ECI, were published on February 26, 2004, in a news release titled "Employer Costs for Employee Compensation—December 2003." The Employer Costs for Employee Compensation will reflect the 2002 North American Industry Classification and the 2000 Standard Occupational Classification systems with the release of the March 2004 estimates. Information on the transition to the new industry and occupational classification systems will be available prior to the June 2004 publication date on the Internet site <http://www.bls.gov/ect/home.htm> or upon request.

ECI data are available on the Compensation Cost Trends page at <http://www.bls.gov/ncs/ect/home.htm>.

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>.

News releases and other information are available from the BLS fax-on-demand service. To request a document fax, call (202) 691-6325. To request data found in this news release, enter the following codes:

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Employment Cost Index

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

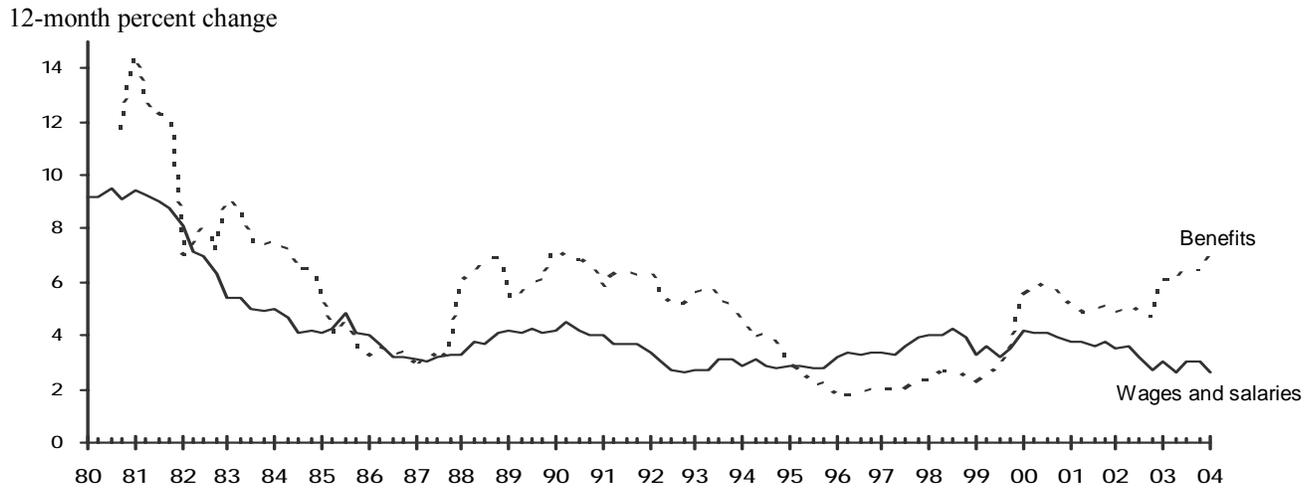


Chart B. Changes in benefits, goods- and service-producing industries, private industry, 1980-2004

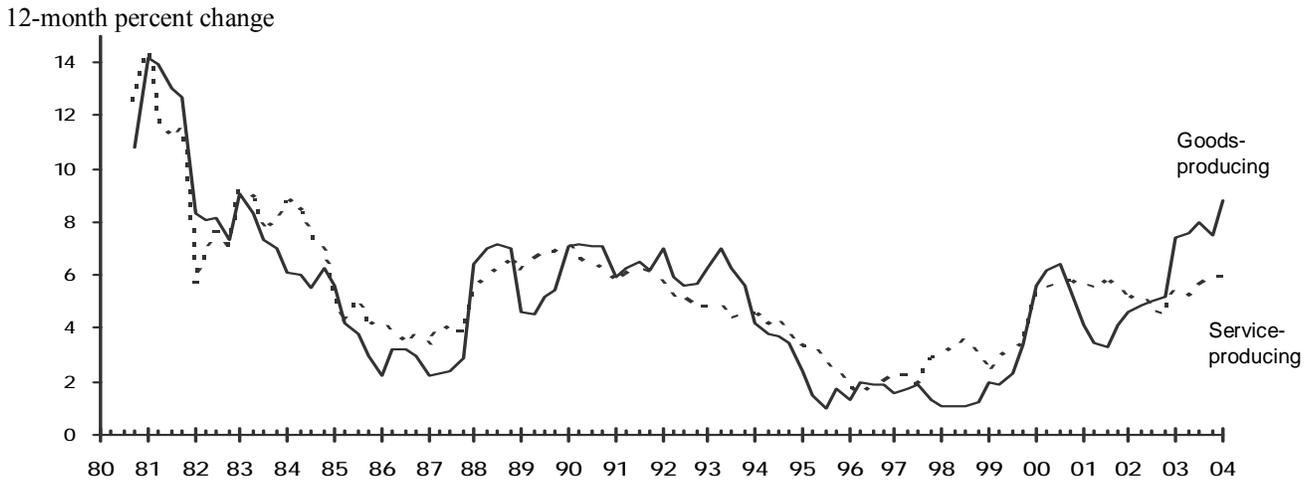


Chart C. Changes in benefits, by bargaining status, private industry, 1980-2004

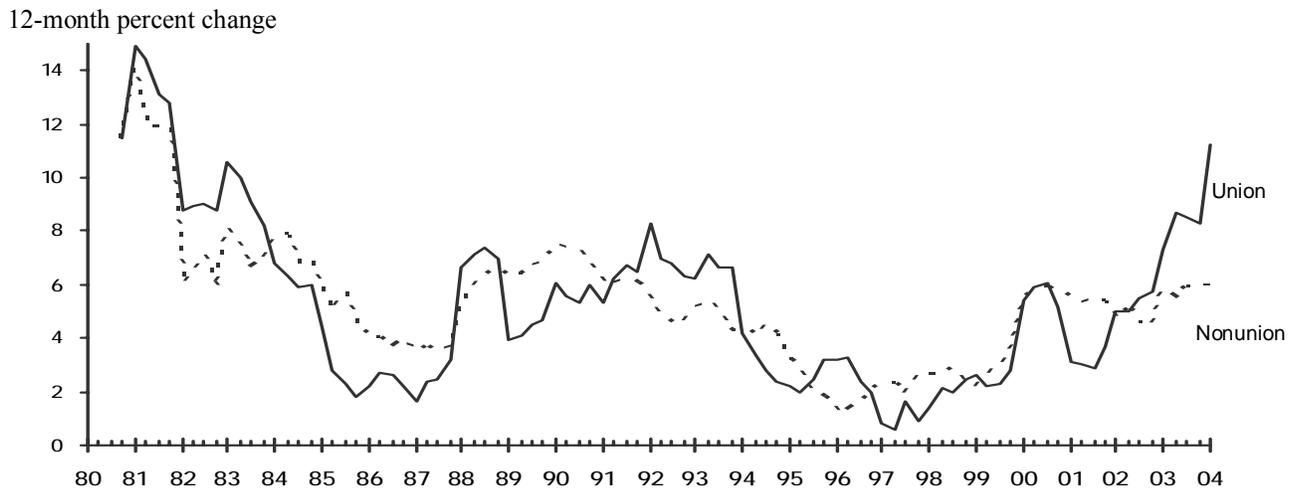


Table 1. Employment Cost Index for total compensation¹, wages and salaries, and benefit costs by industry and occupational group

(Seasonally adjusted data)

Industry and occupational group	Indexes (June 1989=100)		Percent changes for 3-months ended-							
	Dec. 2003	Mar. 2004	Jun. 2002	Sep. 2002	Dec. 2002	Mar. 2003	Jun. 2003	Sep. 2003	Dec. 2003	Mar. 2004
TOTAL COMPENSATION										
Civilian workers	168.9	170.8	1.0	0.8	0.9	1.2	0.9	1.0	0.8	1.1
State and local government	166.5	168.1	1.0	1.1	1.1	1.0	1.0	.5	.8	1.0
Private industry	169.5	171.3	1.1	.6	.8	1.4	.8	1.1	.8	1.1
Industry										
Goods producing ²	167.6	170.6	1.0	.8	1.1	1.6	1.0	1.0	.7	1.8
Construction	163.4	164.8	.5	.8	1.2	.8	1.0	.8	.7	.9
Manufacturing	167.6	171.4	.9	.9	1.2	1.6	.8	1.0	.7	2.3
Durables	167.8	172.1	.8	.6	1.3	2.0	.5	1.0	.7	2.6
Nondurables	167.4	170.0	1.0	1.3	1.1	1.1	1.1	.9	.8	1.6
Service producing ³	170.4	171.7	1.1	.6	.6	1.3	.8	1.1	.8	.8
Transportation and public utilities	167.4	169.9	.8	1.1	.9	.8	1.2	.6	.7	1.5
Wholesale trade	172.8	173.9	2.2	.2	.9	1.3	.5	.9	.5	.6
Retail trade	161.3	162.0	1.4	.2	.3	.2	.5	1.5	1.0	.4
Finance, insurance, and real estate ⁴	180.9	182.5	1.3	.4	.3	4.9	.9	1.1	.4	.9
Services	171.7	173.5	.7	.5	.7	.8	.8	1.0	.9	1.0
Nonmanufacturing	169.4	170.8	1.1	.6	.6	1.2	.9	1.0	.8	.8
Occupational group										
White collar	172.5	174.1	1.1	.6	.7	1.4	.7	1.2	.8	.9
Blue collar	164.1	166.8	.9	.8	1.0	1.2	1.0	.9	.9	1.6
Service	165.0	166.9	.7	1.0	.6	1.1	.7	.8	.7	1.2
WAGES AND SALARIES										
Civilian workers	162.3	163.3	.9	.6	.5	1.0	.6	.7	.5	.6
State and local government	161.6	162.6	.8	.9	.8	.6	.8	.1	.6	.6
Private industry	162.5	163.5	.9	.4	.5	1.0	.6	.9	.5	.6
Industry										
Goods producing ^{2,4}	158.7	159.9	.9	.5	.7	.8	.7	.6	.3	.8
Construction	154.0	155.5	.5	.6	.9	.5	.8	.8	.4	1.0
Manufacturing ⁴	160.1	161.3	.9	.6	.7	1.0	.6	.4	.3	.7
Durables ⁴	160.9	161.9	.9	.5	.8	1.0	.6	.6	.2	.6
Nondurables	159.1	160.2	.8	1.0	.8	.5	.8	.4	.5	.7
Service producing ³	164.2	165.0	1.0	.4	.4	1.1	.6	1.1	.6	.5
Transportation and public utilities ⁴	156.5	157.6	1.1	.9	.5	.5	.5	.3	.3	.7
Wholesale trade	166.1	166.5	1.8	.2	.6	1.3	-1	.9	.7	.2
Retail trade	156.8	157.2	1.1	.1	.3	.0	.4	1.6	.4	.3
Finance, insurance, and real estate ⁴	174.5	175.2	1.1	.2	.1	5.2	.8	1.0	.2	.4
Services	166.9	168.1	.6	.5	.4	.6	.8	.9	.8	.7
Nonmanufacturing	162.9	163.7	.9	.4	.5	1.0	.6	1.0	.6	.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—							
	Dec. 2003	Mar. 2004	Jun. 2002	Sep. 2002	Dec. 2002	Mar. 2003	Jun. 2003	Sep. 2003	Dec. 2003	Mar. 2004
WAGES AND SALARIES—Continued										
Occupational group										
White collar	166.3	167.1	1.0	0.4	0.6	1.1	0.6	0.9	0.7	0.5
Blue collar ⁴	156.1	157.2	.9	.5	.5	.8	.7	.6	.3	.7
Service ⁴	157.8	158.4	.5	.7	.4	.6	.4	.6	.4	.4
BENEFIT COSTS										
Civilian workers	184.8	189.2	1.4	1.2	1.4	2.0	1.4	1.5	1.4	2.4
State and local government	178.1	181.1	1.3	1.9	1.8	1.6	1.5	1.6	1.3	1.7
Private industry	186.3	191.2	1.4	1.1	1.4	2.1	1.4	1.5	1.4	2.6
Industry										
Goods producing ²	185.1	192.8	1.1	1.3	1.8	3.0	1.4	1.7	1.4	4.2
Manufacturing	183.9	193.3	1.2	1.3	1.9	3.3	1.3	1.8	1.4	5.1
Service producing ³	187.0	190.2	1.6	.9	1.1	1.6	1.4	1.3	1.4	1.7
Nonmanufacturing	187.6	190.5	1.4	1.1	1.1	1.6	1.4	1.4	1.4	1.5
Occupational group										
White collar	190.2	193.8	1.6	.9	1.2	2.0	1.1	1.5	1.3	1.9
Blue collar	181.0	187.8	1.1	1.5	1.6	2.1	2.0	1.5	1.5	3.8
Service	186.9	192.7	1.2	1.9	1.0	2.4	1.4	1.2	1.4	3.1

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—					
	Mar. 2003	Dec. 2003	Mar. 2004	3 months ended—			12 months ended—		
				Mar. 2003	Dec. 2003	Mar. 2004	Mar. 2003	Dec. 2003	Mar. 2004
Civilian workers	164.5	168.4	170.7	1.4	0.5	1.4	3.9	3.8	3.8
Excluding sales occupations	164.6	168.6	170.8	1.5	.5	1.3	3.9	3.9	3.8
Industry									
Goods producing ²	163.1	166.6	170.4	1.8	.5	2.3	4.4	4.0	4.5
Manufacturing	164.0	167.1	171.7	2.2	.4	2.8	4.7	4.1	4.7
Service producing ³	165.0	169.1	170.8	1.4	.5	1.0	3.7	3.9	3.5
Services	165.3	169.5	171.2	.9	.6	1.0	3.2	3.4	3.6
Health services	166.4	170.7	173.0	1.2	.8	1.3	3.7	3.8	4.0
Hospitals	169.9	174.8	176.8	1.4	1.0	1.1	4.7	4.3	4.1
Educational services	163.6	167.6	168.5	.5	.4	.5	4.1	2.9	3.0
Public administration ⁴	163.4	168.1	170.1	1.1	.5	1.2	4.4	4.0	4.1
Nonmanufacturing	164.5	168.6	170.4	1.3	.5	1.1	3.7	3.8	3.6
Occupational group									
White collar	166.7	170.7	172.7	1.5	.5	1.2	3.9	3.9	3.6
Excluding sales	167.2	171.1	173.1	1.6	.5	1.2	3.9	3.9	3.5
Professional specialty and technical	164.1	168.0	170.2	1.0	.6	1.3	3.5	3.4	3.7
Executive, administrative, and managerial	171.1	174.9	175.8	2.6	.5	.5	4.5	4.9	2.7
Administrative support, including clerical	168.3	172.5	175.3	1.3	.5	1.6	3.9	3.9	4.2
Blue collar	159.8	163.7	166.9	1.5	.5	2.0	4.0	3.9	4.4
Service	164.1	167.9	169.7	1.2	.7	1.1	3.6	3.5	3.4
State and local government	162.6	166.8	168.0	.7	.5	.7	4.2	3.3	3.3
Industry									
Services	161.8	165.7	166.5	.6	.5	.5	4.1	3.0	2.9
Excluding schools	164.0	168.2	169.4	.7	.8	.7	3.9	3.3	3.3
Health services	166.4	171.0	172.2	.5	.9	.7	3.7	3.3	3.5
Hospitals	167.0	171.4	172.4	.5	.6	.6	3.9	3.1	3.2
Educational services	161.1	165.0	165.7	.5	.4	.4	4.1	2.9	2.9
Schools	161.4	165.3	166.0	.4	.4	.4	4.1	2.9	2.9
Elementary and secondary	159.4	163.7	164.4	.4	.4	.4	3.9	3.1	3.1
Colleges and universities	167.0	170.0	170.7	.7	.5	.4	4.4	2.5	2.2
Public administration ⁴	163.4	168.1	170.1	1.1	.5	1.2	4.4	4.0	4.1
Occupational group									
White collar	161.7	165.7	166.8	.6	.5	.7	4.2	3.1	3.2
Professional specialty and technical	160.2	164.1	165.1	.5	.4	.6	4.3	2.9	3.1
Executive, administrative, and managerial	165.3	169.1	170.1	.9	.7	.6	3.6	3.2	2.9
Administrative support, including clerical	163.8	168.5	170.4	.9	.4	1.1	4.4	3.8	4.0
Blue collar	161.3	165.2	166.7	.9	1.0	.9	4.7	3.4	3.3
Service	168.0	173.0	174.5	1.0	.6	.9	4.0	4.0	3.9

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—					
	Mar. 2003	Dec. 2003	Mar. 2004	3 months ended—			12 months ended—		
				Mar. 2003	Dec. 2003	Mar. 2004	Mar. 2003	Dec. 2003	Mar. 2004
Private industry workers	165.0	168.8	171.4	1.7	0.4	1.5	3.8	4.0	3.9
Excluding sales occupations	165.1	169.0	171.6	1.7	.5	1.5	3.8	4.1	3.9
Industry									
Goods producing ²	163.0	166.5	170.3	1.8	.5	2.3	4.4	4.0	4.5
Excluding sales	162.4	165.9	169.8	2.0	.5	2.4	4.4	4.2	4.6
White collar	167.8	170.5	173.5	2.1	.2	1.8	4.8	3.8	3.4
Excluding sales	166.3	169.2	172.2	2.5	.4	1.8	5.0	4.3	3.5
Blue collar	159.9	163.9	168.1	1.7	.6	2.6	4.1	4.2	5.1
Construction	159.1	163.3	164.6	.8	.6	.8	3.2	3.4	3.5
Manufacturing	164.0	167.1	171.7	2.2	.4	2.8	4.7	4.1	4.7
White collar	167.1	169.6	173.2	2.3	.1	2.1	5.0	3.9	3.7
Excluding sales	165.1	167.8	171.3	2.7	.2	2.1	5.4	4.4	3.8
Blue collar	161.6	165.1	170.4	2.1	.6	3.2	4.5	4.3	5.4
Durables	164.4	167.3	172.4	2.4	.4	3.0	4.8	4.2	4.9
Aircraft manufacturing (SIC 3721) ..	183.2	182.1	198.9	6.3	-1.2	9.2	9.4	5.7	8.6
White collar	177.9	177.0	193.9	7.6	-.3	9.5	8.9	7.1	9.0
Blue collar	189.8	188.4	204.5	4.1	-2.8	8.5	10.0	3.3	7.7
Nondurables	163.1	166.6	170.4	1.7	.4	2.3	4.6	3.9	4.5
Service producing ³	165.6	169.7	171.6	1.5	.5	1.1	3.6	4.0	3.6
Excluding sales	166.6	170.6	172.5	1.6	.5	1.1	3.5	4.0	3.5
White collar	167.9	172.0	174.1	1.7	.5	1.2	3.6	4.2	3.7
Excluding sales	169.9	174.2	176.2	1.7	.6	1.1	3.5	4.3	3.7
Blue collar	158.7	162.6	164.1	1.1	.2	.9	3.6	3.6	3.4
Service	161.1	164.3	166.1	1.1	.7	1.1	3.3	3.1	3.1
Transportation and public utilities	163.2	167.0	169.8	.9	.3	1.7	3.8	3.3	4.0
Transportation	157.8	159.6	162.0	1.1	.1	1.5	3.5	2.2	2.7
Public utilities	170.5	177.0	180.4	.8	.3	1.9	4.0	4.6	5.8
Communications	171.3	179.0	182.2	.7	.3	1.8	3.2	5.2	6.4
Electric, gas, and sanitary services	169.5	174.6	178.2	.8	.5	2.1	5.1	3.9	5.1
Wholesale and retail trade	161.3	165.0	166.3	1.0	.4	.8	3.1	3.3	3.1
Excluding sales	161.8	165.9	167.4	.9	.5	.9	2.7	3.4	3.5
Wholesale trade	169.5	172.0	173.8	1.7	.0	1.0	4.7	3.2	2.5
Excluding sales	168.4	171.3	173.7	.7	.1	1.4	3.8	2.5	3.1
Retail trade	156.6	161.0	162.1	.5	.7	.7	2.0	3.3	3.5
General merchandise stores	156.4	165.6	165.8	.8	2.7	.1	2.6	6.8	6.0
Food stores	157.5	160.3	162.1	.8	.6	1.1	3.0	2.6	2.9
Finance, insurance, and real estate	176.7	180.9	182.5	4.9	.4	.9	7.0	7.4	3.3
Excluding sales	182.0	186.1	186.6	5.1	.4	.3	7.2	7.5	2.5
Banking, savings and loan, and other credit agencies	204.3	209.0	207.2	10.3	.7	-.9	12.2	12.8	1.4
Insurance	172.1	176.2	177.8	2.5	.6	.9	4.9	4.9	3.3
Excluding sales	169.6	173.7	175.4	2.4	.5	1.0	4.0	4.8	3.4
Services	167.1	171.4	173.5	1.0	.6	1.2	2.8	3.6	3.8
Business services	168.5	172.6	174.8	.6	.4	1.3	1.3	3.0	3.7
Health services	166.5	170.8	173.3	1.3	.8	1.5	3.7	3.9	4.1
Hospitals	170.8	175.9	178.1	1.6	1.2	1.3	4.9	4.6	4.3
Nursing homes	—	—	—	1.2	.6	1.2	3.9	3.4	3.4
Educational services	176.3	181.3	183.1	.6	.6	1.0	4.6	3.5	3.9
Colleges and universities	174.5	179.4	181.2	.5	.6	1.0	3.8	3.3	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—					
	Mar. 2003	Dec. 2003	Mar. 2004	3 months ended—			12 months ended—		
				Mar. 2003	Dec. 2003	Mar. 2004	Mar. 2003	Dec. 2003	Mar. 2004
Industry—Continued									
Nonmanufacturing industries	164.9	169.0	170.9	1.5	0.5	1.1	3.5	4.0	3.6
White collar	168.0	172.1	174.1	1.6	.5	1.2	3.6	4.1	3.6
Excluding sales	170.0	174.2	176.2	1.7	.6	1.1	3.5	4.2	3.6
Blue collar	157.5	161.7	163.4	1.0	.4	1.1	3.5	3.7	3.7
Service	161.1	164.2	166.0	1.2	.6	1.1	3.3	3.1	3.0
Occupational group									
White collar	168.1	172.0	174.2	1.8	.5	1.3	3.8	4.1	3.6
Excluding sales	169.1	173.0	175.3	1.9	.5	1.3	3.9	4.3	3.7
Professional specialty and technical	166.5	170.5	173.4	1.3	.6	1.7	3.1	3.7	4.1
Executive, administrative, and managerial	172.1	175.9	176.8	2.9	.5	.5	4.7	5.2	2.7
Sales	163.5	167.1	169.2	1.0	-.1	1.3	3.7	3.2	3.5
Administrative support, including clerical	169.0	173.1	176.1	1.4	.5	1.7	3.8	3.8	4.2
Blue collar	159.7	163.6	166.9	1.5	.5	2.0	4.0	4.0	4.5
Precision production, craft, and repair	160.0	164.2	167.1	1.4	.7	1.8	4.1	4.1	4.4
Machine operators, assemblers, and inspectors	159.9	163.2	168.7	2.0	.4	3.4	4.1	4.1	5.5
Transportation and material moving	153.2	156.9	158.5	.9	.1	1.0	3.0	3.4	3.5
Handlers, equipment cleaners, helpers, and laborers	164.9	169.5	171.7	1.2	.5	1.3	3.9	4.1	4.1
Service	161.7	164.9	166.9	1.2	.7	1.2	3.4	3.2	3.2
Production and nonsupervisory occupations⁴	162.6	166.6	169.3	1.3	.5	1.6	3.5	3.8	4.1

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—					
	Mar. 2003	Dec. 2003	Mar. 2004	3 months ended—			12 months ended—		
				Mar. 2003	Dec. 2003	Mar. 2004	Mar. 2003	Dec. 2003	Mar. 2004
Bargaining status									
Union	162.1	166.8	171.4	1.6	0.7	2.8	4.7	4.6	5.7
Blue-collar occupations	159.2	164.2	169.0	1.7	.7	2.9	4.9	4.9	6.2
Goods-producing industries ²	161.4	165.9	172.3	2.3	.7	3.9	5.2	5.1	6.8
Service-producing industries ³	162.6	167.5	170.2	.9	.6	1.6	4.2	4.0	4.7
Manufacturing	162.3	166.3	175.0	2.8	.8	5.2	5.8	5.3	7.8
Blue-collar occupations	161.1	165.1	173.8	2.6	.9	5.3	5.6	5.2	7.9
Nonmanufacturing	161.4	166.5	168.8	.9	.6	1.4	4.1	4.1	4.6
Nonunion	165.4	169.1	171.3	1.6	.4	1.3	3.6	3.9	3.6
Blue-collar occupations	159.8	163.2	165.7	1.3	.4	1.5	3.3	3.5	3.7
Goods-producing industries ²	163.6	166.7	169.7	1.7	.4	1.8	4.1	3.7	3.7
Service-producing industries ³	165.9	169.8	171.6	1.6	.5	1.1	3.5	4.0	3.4
Manufacturing	164.5	167.3	170.6	2.0	.2	2.0	4.4	3.7	3.7
Blue-collar occupations	161.5	164.8	168.1	1.7	.4	2.0	3.8	3.8	4.1
Nonmanufacturing	165.4	169.3	171.1	1.5	.5	1.1	3.4	3.9	3.4
Region⁴									
Northeast	163.8	167.9	170.2	1.5	.6	1.4	3.5	4.1	3.9
South	160.6	163.9	166.4	1.0	.4	1.5	2.8	3.1	3.6
Midwest	169.0	172.5	174.7	2.7	.5	1.3	4.9	4.8	3.4
West	167.3	172.2	175.3	1.4	.5	1.8	4.3	4.4	4.8
Area									
Metropolitan	165.2	169.1	171.5	1.7	.5	1.4	3.8	4.1	3.8
Other	163.5	166.9	170.2	1.7	.5	2.0	3.8	3.8	4.1

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—					
	Mar. 2003	Dec. 2003	Mar. 2004	3 months ended—			12 months ended—		
				Mar. 2003	Dec. 2003	Mar. 2004	Mar. 2003	Dec. 2003	Mar. 2004
Civilian workers	159.3	162.3	163.3	1.0	0.3	0.6	2.9	2.9	2.5
Excluding sales occupations	159.4	162.3	163.3	1.0	.4	.6	3.0	2.9	2.4
Industry									
Goods producing ¹	156.3	158.7	159.9	.8	.3	.8	3.0	2.3	2.3
Manufacturing	158.0	160.1	161.3	1.0	.3	.7	3.2	2.3	2.1
Service producing ²	160.5	163.6	164.6	1.1	.4	.6	3.0	3.0	2.6
Services	161.9	165.4	166.5	.5	.4	.7	2.4	2.7	2.8
Health services	162.0	165.9	167.7	.7	.7	1.1	3.0	3.1	3.5
Hospitals	163.5	167.7	169.0	.8	.8	.8	4.0	3.4	3.4
Educational services	160.4	163.2	163.6	.2	.3	.2	3.3	1.9	2.0
Public administration ³	157.2	160.0	161.1	.9	.4	.7	3.1	2.7	2.5
Nonmanufacturing	159.6	162.7	163.7	1.0	.4	.6	3.0	3.0	2.6
Occupational group									
White collar	161.9	165.1	166.1	1.1	.4	.6	3.1	3.1	2.6
Excluding sales	162.5	165.7	166.7	1.1	.4	.6	3.1	3.1	2.6
Professional specialty and technical	159.3	162.5	163.8	.4	.4	.8	2.4	2.5	2.8
Executive, administrative, and managerial	167.9	171.2	171.4	2.5	.4	.1	4.5	4.5	2.1
Administrative support, including clerical	161.8	164.9	166.3	.7	.4	.8	2.9	2.7	2.8
Blue collar	153.8	156.3	157.3	.8	.3	.6	2.7	2.4	2.3
Service	158.0	160.6	161.2	.7	.5	.4	2.5	2.4	2.0
State and local government	159.2	161.9	162.5	.4	.4	.4	3.1	2.1	2.1
Industry									
Services	159.5	162.1	162.6	.2	.3	.3	3.2	1.8	1.9
Excluding schools	161.4	164.5	165.1	.7	.8	.4	3.0	2.6	2.3
Health services	162.9	166.7	167.4	.4	1.0	.4	3.2	2.8	2.8
Hospitals	163.1	166.7	167.4	.4	.7	.4	3.4	2.6	2.6
Educational services	159.1	161.6	162.0	.1	.2	.2	3.2	1.7	1.8
Schools	159.2	161.8	162.1	.1	.2	.2	3.2	1.8	1.8
Elementary and secondary	158.2	160.9	161.3	.1	.2	.2	3.1	1.8	2.0
Colleges and universities	162.1	164.0	164.3	.3	.3	.2	3.4	1.5	1.4
Public administration ³	157.2	160.0	161.1	.9	.4	.7	3.1	2.7	2.5
Occupational group									
White collar	158.9	161.5	162.1	.3	.3	.4	3.2	2.0	2.0
Professional specialty and technical	158.8	161.4	162.1	.3	.2	.4	3.4	1.9	2.1
Executive, administrative, and managerial	160.9	163.3	163.5	.5	.5	.1	2.7	2.0	1.6
Administrative support, including clerical	156.9	159.5	160.4	.6	.3	.6	3.3	2.2	2.2
Blue collar	156.2	158.3	158.9	.7	.4	.4	3.0	2.1	1.7
Service	162.7	165.8	166.7	.9	.5	.5	2.8	2.9	2.5

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—					
	Mar. 2003	Dec. 2003	Mar. 2004	3 months ended—			12 months ended—		
				Mar. 2003	Dec. 2003	Mar. 2004	Mar. 2003	Dec. 2003	Mar. 2004
Private industry workers	159.3	162.3	163.4	1.1	0.4	0.7	3.0	3.0	2.6
Excluding sales occupations	159.4	162.4	163.5	1.2	.4	.7	2.9	3.1	2.6
Industry									
Goods producing ¹	156.3	158.7	159.9	.8	.3	.8	3.0	2.4	2.3
Excluding sales	155.4	158.0	159.2	.9	.4	.8	3.0	2.6	2.4
White collar	160.0	162.1	163.2	.9	.1	.7	3.2	2.2	2.0
Excluding sales	158.0	160.4	161.5	1.1	.3	.7	3.3	2.6	2.2
Blue collar	153.8	156.4	157.7	.8	.3	.8	2.8	2.5	2.5
Construction	150.6	154.0	155.1	.3	.3	.7	2.4	2.5	3.0
Manufacturing	158.0	160.1	161.3	1.0	.3	.7	3.2	2.3	2.1
White collar	160.1	162.1	163.3	.9	.1	.7	3.4	2.2	2.0
Excluding sales	157.7	160.0	161.2	1.2	.3	.8	3.5	2.6	2.2
Blue collar	156.3	158.5	159.8	1.0	.4	.8	3.0	2.5	2.2
Durables	158.8	160.9	161.9	1.0	.2	.6	3.2	2.3	2.0
Aircraft manufacturing (SIC 3721) ..	166.0	167.7	170.6	1.8	.2	1.7	2.9	2.8	2.8
White collar	160.4	160.6	164.7	2.7	.2	2.6	2.9	2.8	2.7
Blue collar	173.6	178.2	178.4	.2	.2	.1	2.7	2.9	2.8
Nondurables	156.6	158.7	160.4	.9	.3	1.1	3.1	2.3	2.4
Service producing ²	160.6	163.9	165.0	1.3	.4	.7	2.9	3.3	2.7
Excluding sales	161.7	165.0	166.0	1.3	.5	.6	2.9	3.4	2.7
White collar	163.0	166.6	167.8	1.4	.4	.7	3.0	3.7	2.9
Excluding sales	165.3	169.0	170.2	1.5	.5	.7	3.1	3.8	3.0
Blue collar	153.2	155.4	156.2	.8	.2	.5	2.5	2.2	2.0
Service	155.1	157.4	158.0	.6	.5	.4	2.3	2.1	1.9
Transportation and public utilities	154.8	156.5	157.6	.5	.3	.7	2.9	1.6	1.8
Transportation	150.5	150.8	151.7	.3	.3	.6	2.1	.5	.8
Public utilities	160.4	164.1	165.3	.7	.4	.7	4.0	3.0	3.1
Communications	161.9	165.9	167.0	.7	.3	.7	4.2	3.2	3.2
Electric, gas, and sanitary services	158.6	161.8	163.3	.8	.5	.9	3.7	2.8	3.0
Wholesale and retail trade	156.7	159.5	160.3	.8	.2	.5	2.4	2.6	2.3
Excluding sales	157.9	161.3	162.3	.6	.4	.6	2.0	2.7	2.8
Wholesale trade	163.4	165.3	166.2	1.5	.3	.5	3.9	2.7	1.7
Excluding sales	163.9	166.3	167.8	.1	.4	.9	2.8	1.6	2.4
Retail trade	153.1	156.5	157.3	.3	.1	.5	1.5	2.5	2.7
General merchandise stores	149.8	153.6	154.1	.4	.3	.3	1.3	2.9	2.9
Food stores	151.0	152.8	153.8	.5	.4	.7	2.0	1.7	1.9
Finance, insurance, and real estate	171.1	174.5	175.2	5.2	.2	.4	6.7	7.3	2.4
Excluding sales	176.7	179.8	179.2	5.6	.3	-.3	7.4	7.5	1.4
Banking, savings and loan, and other credit agencies	206.4	210.2	206.7	12.2	.5	-1.7	13.9	14.3	.1
Insurance	161.6	164.5	165.1	1.6	.4	.4	2.9	3.4	2.2
Excluding sales	157.9	160.7	161.7	1.3	.2	.6	2.3	3.1	2.4
Services	162.8	166.7	168.1	.7	.5	.8	2.1	3.1	3.3
Business services	165.6	169.8	171.0	.5	.4	.7	1.0	3.0	3.3
Health services	161.9	165.8	167.8	.7	.7	1.2	2.9	3.2	3.6
Hospitals	163.6	167.9	169.4	.9	.8	.9	4.1	3.6	3.5
Nursing homes	—	—	—	.8	.6	.8	3.5	2.8	2.7
Educational services	167.1	171.0	171.9	.4	.4	.5	3.7	2.7	2.9
Colleges and universities	164.4	168.4	169.5	.1	.5	.7	2.8	2.5	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—					
	Mar. 2003	Dec. 2003	Mar. 2004	3 months ended—			12 months ended—		
				Mar. 2003	Dec. 2003	Mar. 2004	Mar. 2003	Dec. 2003	Mar. 2004
Industry—Continued									
Nonmanufacturing industries	159.4	162.6	163.7	1.2	0.3	0.7	2.8	3.2	2.7
White collar	162.8	166.3	167.5	1.4	.4	.7	3.0	3.6	2.9
Excluding sales	164.9	168.5	169.7	1.5	.5	.7	3.0	3.7	2.9
Blue collar	151.1	153.8	154.7	.6	.3	.6	2.4	2.4	2.4
Service	155.0	157.3	157.9	.6	.5	.4	2.4	2.1	1.9
Occupational group									
White collar	162.6	165.9	167.1	1.4	.4	.7	3.1	3.4	2.8
Excluding sales	163.6	167.0	168.1	1.4	.5	.7	3.2	3.5	2.8
Professional specialty and technical	159.5	163.0	164.7	.6	.6	1.0	1.8	2.8	3.3
Executive, administrative, and managerial	169.1	172.5	172.7	2.8	.4	.1	4.8	4.9	2.1
Sales	158.1	161.1	162.6	.8	-.3	.9	2.9	2.7	2.8
Administrative support, including clerical	162.6	165.7	167.2	.8	.4	.9	2.8	2.7	2.8
Blue collar	153.6	156.1	157.2	.8	.3	.7	2.7	2.4	2.3
Precision production, craft, and repair	153.4	156.2	157.1	.7	.5	.6	2.8	2.6	2.4
Machine operators, assemblers, and inspectors	154.7	156.9	158.6	1.0	.1	1.1	2.8	2.4	2.5
Transportation and material moving	147.8	149.8	150.4	.6	.0	.4	2.1	2.0	1.8
Handlers, equipment cleaners, helpers, and laborers	158.4	160.6	161.8	.8	.4	.7	2.7	2.2	2.1
Service	155.5	157.8	158.4	.6	.4	.4	2.3	2.1	1.9
Production and nonsupervisory occupations³	156.4	159.4	160.7	.8	.4	.8	2.4	2.7	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 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—					
	Mar. 2003	Dec. 2003	Mar. 2004	3 months ended—			12 months ended—		
				Mar. 2003	Dec. 2003	Mar. 2004	Mar. 2003	Dec. 2003	Mar. 2004
Bargaining status									
Union	153.3	156.2	157.2	0.5	0.6	0.6	3.3	2.4	2.5
Blue-collar occupations	150.5	153.5	154.3	.6	.5	.5	3.4	2.6	2.5
Goods-producing industries ¹	152.4	155.4	156.3	.8	.4	.6	3.5	2.8	2.6
Service-producing industries ²	154.6	157.3	158.5	.3	.6	.8	3.1	2.1	2.5
Manufacturing	154.6	157.1	158.1	1.0	.3	.6	3.8	2.6	2.3
Blue-collar occupations	153.3	155.8	156.7	1.0	.4	.6	3.7	2.6	2.2
Nonmanufacturing	152.5	155.6	156.6	.3	.6	.6	3.0	2.3	2.7
Nonunion	160.4	163.4	164.6	1.2	.2	.7	2.9	3.1	2.6
Blue-collar occupations	155.5	157.8	159.0	.8	.2	.8	2.4	2.3	2.3
Goods-producing industries ¹	157.8	160.1	161.4	.8	.3	.8	2.8	2.2	2.3
Service-producing industries ²	161.2	164.5	165.6	1.4	.3	.7	2.9	3.5	2.7
Manufacturing	159.3	161.3	162.6	1.0	.2	.8	3.0	2.2	2.1
Blue-collar occupations	158.3	160.4	161.9	1.0	.4	.9	2.6	2.3	2.3
Nonmanufacturing	160.4	163.7	164.7	1.3	.4	.6	2.9	3.4	2.7
Region³									
Northeast	157.3	160.9	162.0	1.0	.6	.7	2.5	3.3	3.0
South	155.3	157.9	159.1	.5	.3	.8	1.8	2.1	2.4
Midwest	164.1	166.5	166.9	2.4	.2	.2	4.5	3.9	1.7
West	161.3	165.2	166.8	.7	.3	1.0	3.1	3.2	3.4
Area									
Metropolitan	159.6	162.7	163.8	1.1	.3	.7	2.9	3.0	2.6
Other	156.8	159.5	160.8	1.3	.4	.8	3.4	3.0	2.6

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—					
	Mar. 2003	Dec. 2003	Mar. 2004	3 months ended—			12 months ended—		
				Mar. 2003	Dec. 2003	Mar. 2004	Mar. 2003	Dec. 2003	Mar. 2004
Civilian workers	177.8	184.3	190.0	2.6	0.8	3.1	6.1	6.3	6.9
State and local government	170.5	178.5	181.1	1.4	.9	1.5	6.6	6.1	6.2
Private industry	179.6	185.8	192.2	2.9	.8	3.4	6.1	6.4	7.0
Industry									
Goods producing ¹	178.0	183.8	193.7	4.1	.8	5.4	7.4	7.5	8.8
Service producing ²	179.9	186.2	190.6	2.3	.8	2.4	5.4	5.9	5.9
Manufacturing	176.9	182.3	194.4	4.7	.7	6.6	8.1	7.9	9.9
Aircraft manufacturing (SIC 3721)	220.4	213.4	260.6	14.6	-3.6	22.1	22.0	10.9	18.2
White collar	219.7	216.3	264.0	17.5	-1.1	22.1	21.6	15.7	20.2
Blue collar	220.1	207.5	253.1	10.4	-7.4	22.0	22.6	4.1	15.0
Nonmanufacturing	180.3	186.7	190.9	2.3	.9	2.2	5.4	5.9	5.9
Occupational group									
White collar	183.6	189.2	194.4	2.9	.8	2.7	5.8	6.0	5.9
Blue collar	172.7	179.9	188.3	2.9	.8	4.7	6.5	7.2	9.0
Service	180.2	186.4	193.4	3.0	1.2	3.8	6.7	6.6	7.3
Bargaining status									
Union	178.7	187.1	198.8	3.5	.9	6.3	7.3	8.3	11.2
Nonunion	179.5	185.1	190.2	2.7	.8	2.8	5.8	6.0	6.0

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 35,600 occupational observations within about 8,200 sample establishments in private industry and approximately 3,600 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. The bulletin is available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402, or Bureau of Labor Statistics, Publications Sales Center, P.O. Box 2145, Chicago, Illinois 60690, (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—December 2003." Historical data and related articles are included in the bulletin, Employer Costs for Employee Compensation, 1986-99, (Bulletin 2526). An annual historical summary from March 1986 through March 2002 is also available on the Internet site (<http://www.bls.gov/ncs/ect/home.htm>) or upon request. Data are also available on a quarterly basis beginning with June 2002 data. 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.

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.