

News

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EMPLOYMENT COST INDEX—DECEMBER 2002

The Employment Cost Index for total compensation rose 0.7 percent from September to December, following a 0.8 percent gain from June to September, seasonally adjusted, the Bureau of Labor Statistics of the U.S. Department of Labor reported today. Benefit costs continued to outpace the gains in wages and salaries for civilian workers in December, increasing 1.3 percent compared with a modest rise of 0.4 percent for wages and salaries. 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.

Employer costs for benefits account for nearly 30 percent of compensation costs and include such items as health and other insurance, retirement plans, paid leave, and legally-required benefits like Social Security. The 1.3 percent increase in benefit costs this quarter was in line with quarterly increases over the past four years. Since 1999, benefit costs for civilian workers have increased about 20 percent, double the pace for 1995-1998. Much of the increase in benefit costs over the past few years stemmed from rising costs for health insurance and retirement plans.

Quarterly changes, seasonally adjusted

The 3-month increase in compensation costs for State and local government workers was 0.9 percent from September to December, after a sharp gain of 1.5 percent for the quarter ended in September. Compensation costs for private sector workers advanced 0.7 percent from September to December, after rising 0.6 percent in the prior quarter. Although compensation costs rose 1.3 percent for construction and durable manufacturing industries, private sector compensation gains were dampened by slower growth among service-producing industries. (See tables A and 1.)

Wages and salaries increased 0.4 percent for civilian workers (nonfarm private industry and State and local government) during the December quarter, following a 0.5 percent rise in the September quarter. The private sector continued to show moderate gains, inching up 0.4 percent for the second consecutive quarter after larger gains earlier in the year. Wage and salary increases slowed in nondurable manufacturing industries, transportation and public utilities, services industries, and among service workers. Wages and salaries in State and local government advanced 0.8 percent during the September-December period, following a 0.9 percent increase in the June-September quarter.

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

Compensation Component	Mar. 2001	June 2001	Sep. 2001	Dec. 2001	Mar. 2002	June 2002	Sep. 2002	Dec. 2002
Civilian workers								
Compensation costs	1.1	1.0	1.0	1.0	0.8	1.0	0.8	0.7
Wages and salaries	1.0	1.0	0.8	0.9	0.8	1.0	0.5	0.4
Benefit costs	1.2	1.1	1.5	1.2	1.0	1.3	1.4	1.3
Private industry								
Compensation costs	1.1	1.0	0.9	1.0	0.9	1.1	0.6	0.7
Wages and salaries	1.0	1.0	0.7	0.9	0.9	1.0	0.4	0.4
Benefit costs	1.3	1.1	1.4	1.3	1.1	1.4	1.0	1.2
State and local government								
Compensation costs	1.0	1.1	1.4	0.6	0.7	0.8	1.5	0.9
Wages and salaries	0.9	1.0	1.0	0.7	0.7	0.8	0.9	0.8
Benefit costs	1.1	1.2	2.2	0.8	0.7	0.8	3.0	1.6

The 1.3 percent increase in benefit costs for civilian workers followed a 1.4 percent gain in the June-September quarter. In the private sector, benefit costs were up 1.2 percent for the December quarter, compared with a 1.0 percent advance in the June-September period. By contrast, the increase for State and local governments declined from the 3.0 percent gain in the September quarter to a 1.6 percent increase in December.

Over-the-year changes, not seasonally adjusted

Compensation gains moderated for civilian workers for the 12 months ended in December. Annual compensation costs for civilian workers (not seasonally adjusted) increased 3.4 percent, lower than the over-the-year increases of 4.1 percent in both December 2001 and December 2000. Compensation costs in private industry rose 3.2 percent in the year ended December 2002, compared with larger increases of 4.2 percent for December 2001 and 4.4 percent for December 2000. In State and local government, compensation costs increased 4.1 percent for the year ended December 2002; over-the-year gains were 4.2 percent in December 2001 and 3.0 percent in December 2000. (See tables B, 2, and 3.)

Nonfarm private industry

In private industry, annual gains slowed in the 12-months ended in December 2002. Wages and salaries rose a modest 2.7 percent, after increasing 3.8 percent in the year ended in December 2001. (See tables B and 6.) Benefit costs for private industry workers advanced 4.7 percent for the year ended in December 2002, compared with an increase of 5.1 percent in December 2001. (See tables B and 8.)

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

Compensation Component	Dec. 1997	Dec. 1998	Dec. 1999	Dec. 2000	Dec. 2001	Dec. 2002
Civilian workers						
Compensation costs	3.3	3.4	3.4	4.1	4.1	3.4
Wages and salaries	3.8	3.7	3.5	3.8	3.7	2.9
Benefit costs	2.1	2.6	3.3	4.9	5.2	5.0
Private industry						
Compensation costs	3.4	3.5	3.4	4.4	4.2	3.2
Wages and salaries	3.9	3.9	3.5	3.9	3.8	2.7
Benefit costs	2.3	2.4	3.4	5.6	5.1	4.7
State and local government						
Compensation costs	2.3	3.0	3.4	3.0	4.2	4.1
Wages and salaries	2.7	3.1	3.6	3.3	3.6	3.2
Benefit costs	1.3	3.0	2.8	2.4	5.5	6.2

In private industry, over-the-year compensation cost increases were 3.2 percent for white-collar occupations, 3.6 percent for blue-collar occupations, and 3.2 percent for service occupations. Among white-collar occupational groups, compensation gains ranged from 2.6 percent for professional specialty and technical workers to 3.7 percent for administrative support, including clerical workers. Among blue-collar workers, compensation costs moved up 4.1 percent for handlers, equipment cleaners, and laborers, compared with a gain of 3.4 percent among machine operators, assemblers, and inspectors. (See table 3.)

For the year ended December 2002, compensation increased 3.7 percent for goods-producing industries, compared with a 3.8 percent advance for the year ended December 2001. Compensation costs for manufacturing led the gain, turning up 3.8 percent in December 2002 after advancing 3.5 percent in December 2001. Compensation costs for construction slowed to a 3.2 percent gain, compared with a 4.3 percent rise in 2001. (See table 3.)

The over-the-year increase in compensation for service-producing industries declined to 3.1 percent, compared with a 4.3 percent gain for the year ended December 2001. Among service-producing industries, the 12-month increases for business services inched up only 0.8 percent for 2002, down from 4.9 percent in 2001. Conversely, compensation costs jumped 6.3 percent in banking, savings and loan, and other credit agencies in the year ended December 2002, following a 4.7 percent increase for 2001.

Compensation costs for union workers advanced 4.2 percent over the year, greater than the 3.2 percent increase for nonunion workers. In service-producing industries, compensation costs rose 4.5 percent for union workers, higher than the modest gain of 3.0 percent for nonunion workers. In goods-producing industries, the increase for union workers was 4.0 percent, compared with a 3.5 percent advance for nonunion workers. (See tables C and 4.)

Wages and salaries for union workers rose 3.5 percent for the 12 months ended in December 2002. This compares with over-the-year increases of 4.4 percent in December 2001 and 3.4 percent in December 2000. Wage and salary gains for nonunion workers were 2.7 percent in December 2002, compared with advances of 3.6 percent in December 2001 and 4.0 percent in December 2000. (See tables C and 7.)

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

Compensation Component	Dec. 1997	Dec. 1998	Dec. 1999	Dec. 2000	Dec. 2001	Dec. 2002
Union workers						
Compensation costs	2.1	3.0	2.7	4.0	4.2	4.2
Wages and salaries	2.8	3.3	2.6	3.4	4.4	3.5
Benefit costs	0.9	2.5	2.8	5.2	3.7	5.7
Nonunion workers						
Compensation costs	3.8	3.5	3.6	4.4	4.1	3.2
Wages and salaries	4.2	4.0	3.6	4.0	3.6	2.7
Benefit costs	2.7	2.4	3.5	5.7	5.4	4.5

Among the four geographic regions, increases in compensation costs ranged from 2.8 percent in the South to 3.8 percent in the Midwest for the year ended in December 2002. Compensation costs rose 3.2 percent in the Northeast and 3.5 percent in the West. In metropolitan areas, compensation costs advanced 3.2 percent for the year ended in December 2002, compared with a rise of 3.3 percent in other areas. (See table 4.)

State and local government

In State and local government, the December 2002 over-the-year increase in wages and salaries was 3.2 percent, compared with a gain of 3.6 percent for December 2001. Among occupational groups, service workers inched up a modest 2.4 percent for the year ended December 2002, compared with gains of 2.9 percent for blue-collar workers and 3.3 percent for white-collar workers. Benefit costs moved up 6.2 percent for December 2002 compared with the December 2001 gain of 5.5 percent. (See tables B, 5, and 8.)

NOTES:

The new seasonal factors for 2003, along with revised seasonally adjusted indexes for the past five years will be available Thursday, April 24, 2003, on the Internet site <http://www.bls.gov/ect/home.htm>, by e-mail request ocltinfo@bls.gov, or by telephone (202) 691-6199. The ECI for March 2003 is scheduled to be released Tuesday, April 29, 2003, at 8:30 a.m. (EDT).

Supplemental data from the ECI, providing 12-month percent changes in employer costs for health insurance in private industry from March 1982 to December 2002, will be available shortly after publication of this news release on 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 published on December 11, 2002, in a news release titled "Employer Costs for Employee Compensation—September 2002." Employer Costs for Employee Compensation was changed from an annual to a quarterly publication beginning with June 2002 data. Future publications will be issued approximately three months after the survey months of March, June, September, and December.

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

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

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

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 a catalog of available documents, select option 2 at the initial voice prompt. 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, 1980-2002

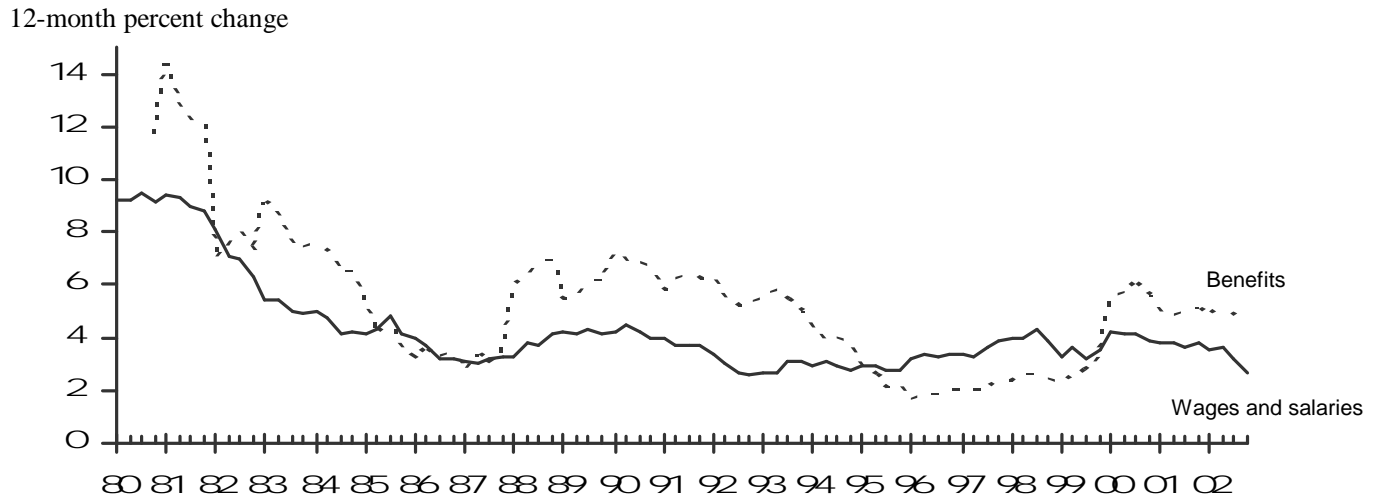


Chart B. Changes in wages and salaries, private industry and State and local government, 1980-2002

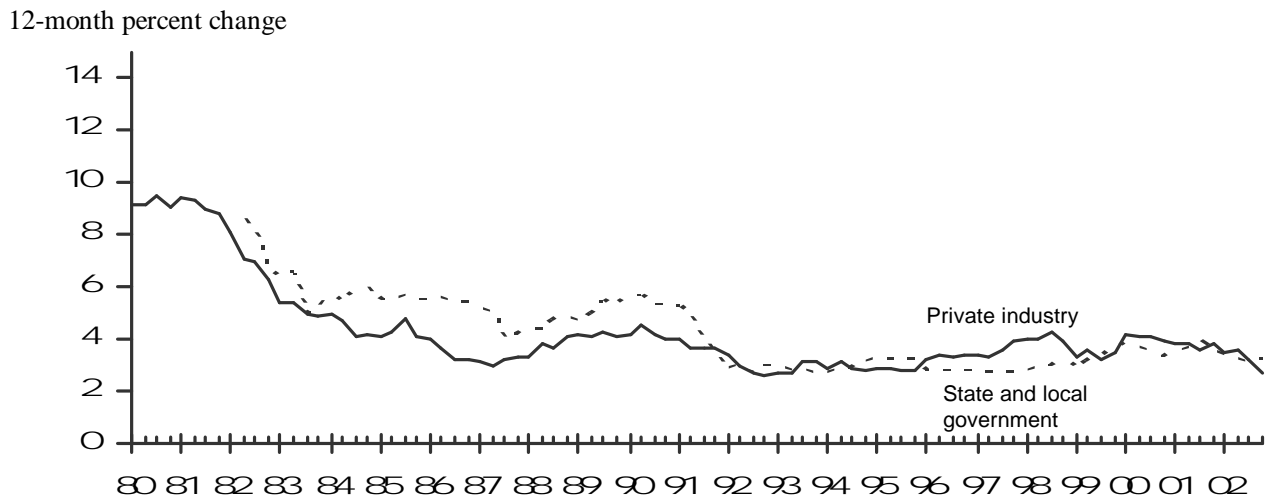


Chart C. Changes in benefits, private industry and State and local government, 1980-2002

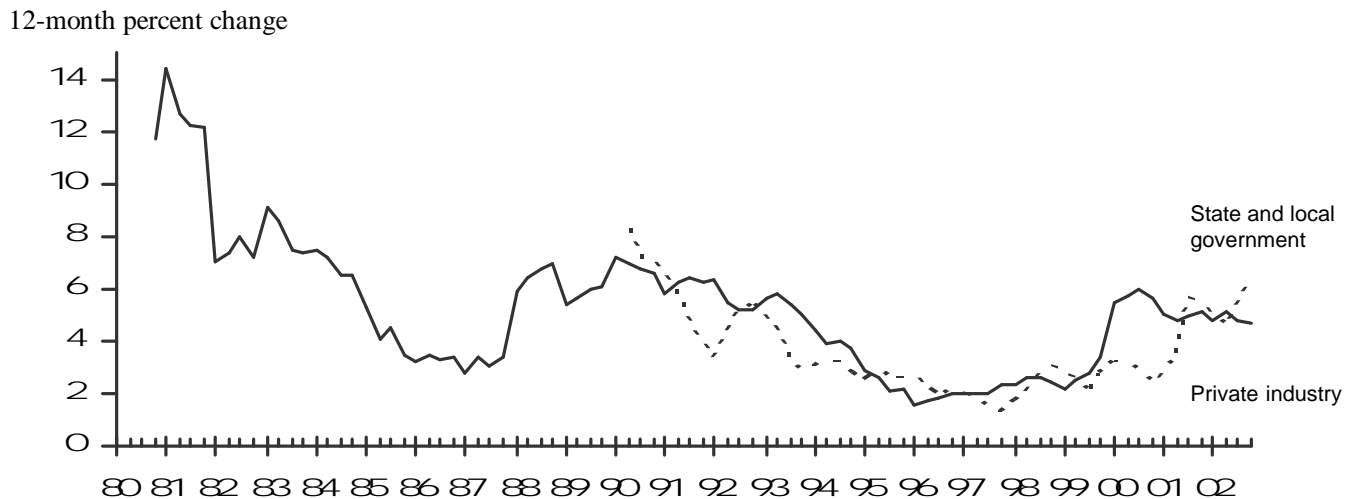


Table 1. Employment Cost Index for total compensation¹, wages and salaries, and benefit costs by industry and occupational group

(Seasonally adjusted data)

Industry and occupational group	Indexes (June 1989=100)		Percent changes for 3-months ended-							
	Sep. 2002	Dec. 2002	Mar. 2001	Jun. 2001	Sep. 2001	Dec. 2001	Mar. 2002	Jun. 2002	Sep. 2002	Dec. 2002
TOTAL COMPENSATION										
Civilian workers	161.1	162.3	1.1	1.0	1.0	1.0	0.8	1.0	0.8	0.7
State and local government	159.7	161.2	1.0	1.1	1.4	.6	.7	.8	1.5	.9
Private industry	161.4	162.5	1.1	1.0	.9	1.0	.9	1.1	.6	.7
Industry										
Goods producing ²	158.8	160.4	1.1	.9	.8	.9	.9	1.0	.7	1.0
Construction	156.1	158.2	1.0	1.1	1.0	1.2	.7	.4	.8	1.3
Manufacturing	159.1	160.8	1.1	.9	.6	1.0	1.0	.9	.8	1.1
Durables	158.9	160.9	.9	.8	.7	1.0	.8	.8	.5	1.3
Nondurables	159.4	160.7	1.4	1.0	.5	.9	1.3	1.2	1.3	.8
Service producing ³	162.7	163.5	1.1	1.0	1.0	1.1	.8	1.2	.6	.5
Transportation and public utilities	160.6	162.0	1.3	1.2	.7	1.6	1.0	1.0	1.1	.9
Wholesale trade	166.0	166.6	.7	1.4	.8	.4	1.8	2.3	.0	.4
Retail trade	155.8	156.4	1.0	.6	.8	2.1	-3	1.3	.3	.4
Finance, insurance, and real estate ⁴	168.0	168.5	1.4	1.0	.9	.2	2.4	1.3	.4	.3
Services	164.7	165.6	1.4	.8	1.3	.9	.9	.7	.6	.5
Nonmanufacturing	161.9	162.8	1.1	1.0	1.0	1.1	.8	1.1	.6	.6
Occupational group										
White collar	164.5	165.6	1.1	1.0	.9	1.2	.8	1.1	.6	.7
Blue collar	156.1	157.6	1.0	.7	1.1	.9	.9	.9	.7	1.0
Service	158.8	159.6	1.2	.8	1.0	1.4	1.2	.6	1.1	.5
WAGES AND SALARIES										
Civilian workers	157.0	157.7	1.0	1.0	.8	.9	.8	1.0	.5	.4
State and local government	157.1	158.3	.9	1.0	1.0	.7	.7	.8	.9	.8
Private industry	156.9	157.6	1.0	1.0	.7	.9	.9	1.0	.4	.4
Industry										
Goods producing ^{2,4}	153.9	155.0	1.2	1.1	.6	.7	.8	.9	.5	.7
Construction	148.9	150.5	.9	1.0	1.0	1.1	.3	.5	.7	1.1
Manufacturing ⁴	155.4	156.5	1.4	1.0	.5	.7	.9	.9	.6	.7
Durables ⁴	156.0	157.3	1.2	1.0	.7	.7	.9	.9	.5	.8
Nondurables	154.5	155.5	1.2	1.1	.3	.7	.8	.9	1.0	.6
Service producing ³	158.3	158.8	.9	.9	.9	1.0	.9	1.0	.4	.3
Transportation and public utilities	153.3	154.1	1.1	1.2	.7	1.8	1.0	.9	.9	.5
Wholesale trade	160.5	160.8	.5	1.3	.1	.3	2.0	2.0	-2	.2
Retail trade	152.8	153.2	.8	.5	.7	1.7	-3	1.1	.2	.3
Finance, insurance, and real estate ⁴	162.4	162.6	1.5	.5	.8	.1	2.8	1.1	.2	.1
Services	161.4	161.8	1.2	.9	1.2	.8	.7	.6	.6	.2
Nonmanufacturing	157.1	157.7	.9	.9	.9	1.1	.8	.9	.4	.4

See footnotes at end of table.

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

(Seasonally adjusted data)

Industry and occupational group	Indexes (June 1989=100)		Percent changes for 3-months ended—							
	Sep. 2002	Dec. 2002	Mar. 2001	Jun. 2001	Sep. 2001	Dec. 2001	Mar. 2002	Jun. 2002	Sep. 2002	Dec. 2002
WAGES AND SALARIES—Continued										
Occupational group										
White collar	159.9	160.6	1.0	0.9	0.7	1.0	0.9	1.0	0.4	0.4
Blue collar ⁴	151.7	152.4	1.3	.9	1.1	.5	.9	.9	.5	.5
Service ⁴	153.9	154.5	1.0	.8	.8	1.3	.9	.5	.7	.4
BENEFIT COSTS										
Civilian workers	171.3	173.5	1.2	1.1	1.5	1.2	1.0	1.3	1.4	1.3
State and local government	165.7	168.3	1.1	1.2	2.2	.8	.7	.8	3.0	1.6
Private industry	172.6	174.7	1.3	1.1	1.4	1.3	1.1	1.4	1.0	1.2
Industry										
Goods producing ²	168.9	171.6	.9	.8	1.0	1.4	1.4	1.0	1.1	1.6
Manufacturing	167.0	169.6	.8	.6	.7	1.4	1.4	1.2	1.1	1.6
Service producing ³	174.8	176.6	1.4	1.3	1.6	1.2	.8	1.6	1.0	1.0
Nonmanufacturing	175.0	176.9	1.5	1.3	1.5	1.3	.8	1.5	1.0	1.1
Occupational group										
White collar	177.2	179.3	1.6	1.4	1.4	1.5	.6	1.6	.8	1.2
Blue collar	166.1	168.0	.9	.3	1.3	.8	1.8	1.0	1.3	1.1
Service	173.5	175.0	1.9	1.0	1.4	1.7	1.6	.8	1.9	.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; and service industries.

⁴ No identifiable seasonality was found for this series.

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

(Not seasonally adjusted data)

Industry and occupational group	Indexes (June 1989=100)			Percent changes for—					
	Dec. 2001	Sep. 2002	Dec. 2002	3 months ended—			12 months ended—		
				Dec. 2001	Sep. 2002	Dec. 2002	Dec. 2001	Sep. 2002	Dec. 2002
Civilian workers	156.8	161.3	162.2	0.8	0.9	0.6	4.1	3.7	3.4
Excluding sales occupations	156.8	161.3	162.2	.8	1.0	.6	4.2	3.7	3.4
Industry									
Goods producing ²	154.4	158.7	160.2	.8	.6	.9	3.8	3.6	3.8
Manufacturing	154.6	159.1	160.5	.8	.6	.9	3.5	3.8	3.8
Service producing ³	157.6	162.2	162.8	.8	.9	.4	4.3	3.7	3.3
Services	159.0	163.2	163.9	.6	1.3	.4	4.3	3.2	3.1
Health services	158.3	163.1	164.5	1.0	.8	.9	5.0	4.1	3.9
Hospitals	160.0	165.7	167.6	1.1	1.2	1.1	5.8	4.7	4.8
Educational services	156.6	161.6	162.8	.3	2.7	.7	4.0	3.5	4.0
Public administration ⁴	155.2	160.2	161.7	.9	1.7	.9	4.7	4.2	4.2
Nonmanufacturing	157.2	161.7	162.4	.8	.9	.4	4.3	3.7	3.3
Occupational group									
White collar	158.9	163.5	164.3	.8	.9	.5	4.2	3.7	3.4
Excluding sales	159.2	163.7	164.6	.7	1.0	.5	4.3	3.5	3.4
Professional specialty and technical	157.5	161.4	162.4	.5	1.3	.6	4.1	3.0	3.1
Executive, administrative, and managerial	161.2	166.3	166.7	1.0	.4	.2	4.3	4.2	3.4
Administrative support, including clerical	160.0	164.9	166.1	.8	1.0	.7	4.7	3.8	3.8
Blue collar	152.0	156.4	157.5	.6	.8	.7	3.8	3.5	3.6
Service	156.9	161.3	162.2	1.2	1.2	.6	4.6	4.1	3.4
State and local government	155.2	160.1	161.5	.6	2.2	.9	4.2	3.8	4.1
Industry									
Services	154.9	159.7	160.9	.3	2.4	.8	4.0	3.4	3.9
Excluding schools	156.1	161.0	162.8	1.0	1.4	1.1	4.9	4.2	4.3
Health services	158.6	163.5	165.5	1.0	1.3	1.2	4.6	4.1	4.4
Hospitals	159.1	164.1	166.2	1.1	1.4	1.3	4.7	4.3	4.5
Educational services	154.5	159.2	160.3	.3	2.6	.7	3.9	3.3	3.8
Schools	154.8	159.6	160.7	.3	2.7	.7	3.9	3.4	3.8
Elementary and secondary	153.1	157.7	158.8	.2	2.7	.7	3.4	3.2	3.7
Colleges and universities	159.6	164.7	165.8	.4	2.7	.7	5.2	3.6	3.9
Public administration ⁴	155.2	160.2	161.7	.9	1.7	.9	4.7	4.2	4.2
Occupational group									
White collar	154.4	159.3	160.7	.5	2.3	.9	4.1	3.6	4.1
Professional specialty and technical	153.2	158.1	159.4	.3	2.6	.8	3.9	3.5	4.0
Executive, administrative, and managerial	157.6	162.3	163.8	.8	1.6	.9	4.6	3.8	3.9
Administrative support, including clerical	155.6	161.0	162.4	.9	1.9	.9	4.1	4.4	4.4
Blue collar	153.2	158.4	159.8	1.1	2.4	.9	4.1	4.6	4.3
Service	160.5	165.2	166.3	.9	1.7	.7	5.0	3.9	3.6

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

industries; and public administration.

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

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

(Not seasonally adjusted data)

Industry and occupational group	Indexes (June 1989=100)			Percent changes for—					
	Dec. 2001	Sep. 2002	Dec. 2002	3 months ended—			12 months ended—		
				Dec. 2001	Sep. 2002	Dec. 2002	Dec. 2001	Sep. 2002	Dec. 2002
Private industry workers	157.2	161.6	162.3	0.8	0.6	0.4	4.2	3.7	3.2
Excluding sales occupations	157.2	161.6	162.4	.8	.7	.5	4.2	3.6	3.3
Industry									
Goods producing²	154.4	158.6	160.1	.8	.6	.9	3.8	3.6	3.7
Excluding sales	153.7	157.9	159.2	.8	.6	.8	3.7	3.5	3.6
White collar	158.1	162.9	164.3	.8	.6	.9	4.1	3.9	3.9
Excluding sales	156.5	161.1	162.3	.8	.6	.7	4.0	3.7	3.7
Blue collar	151.9	155.9	157.3	.7	.7	.9	3.5	3.4	3.6
Construction	153.0	156.3	157.9	.9	.7	1.0	4.3	3.0	3.2
Manufacturing	154.6	159.1	160.5	.8	.6	.9	3.5	3.8	3.8
White collar	156.9	162.2	163.3	.6	.7	.7	3.6	4.0	4.1
Excluding sales	154.7	159.6	160.7	.6	.6	.7	3.3	3.8	3.9
Blue collar	152.7	156.7	158.3	.9	.6	1.0	3.3	3.6	3.7
Durables	155.3	158.9	160.6	.8	.4	1.1	3.5	3.2	3.4
Aircraft manufacturing (SIC 3721) ..	163.4	168.8	172.3	1.9	-.1	2.1	5.2	5.3	5.4
White collar	159.0	163.7	165.3	1.7	-.3	1.0	5.2	4.7	4.0
Blue collar	169.1	175.4	182.3	2.3	.3	3.9	5.4	6.1	7.8
Nondurables	153.2	159.2	160.3	.8	1.1	.7	3.7	4.7	4.6
Service producing³	158.2	162.7	163.1	.8	.6	.2	4.3	3.7	3.1
Excluding sales	159.0	163.5	164.0	.8	.7	.3	4.5	3.6	3.1
White collar	160.3	164.7	165.1	.8	.4	.2	4.3	3.6	3.0
Excluding sales	162.2	166.5	167.0	.8	.5	.3	4.6	3.5	3.0
Blue collar	151.4	156.6	156.9	.3	.9	.2	4.2	3.8	3.6
Service	154.2	158.5	159.3	1.3	1.0	.5	4.3	4.1	3.3
Transportation and public utilities	155.5	160.8	161.7	1.3	1.2	.6	4.9	4.8	4.0
Transportation	151.1	155.4	156.1	2.0	1.0	.5	5.0	4.9	3.3
Public utilities	161.5	168.2	169.2	.5	1.6	.6	4.8	4.7	4.8
Communications	163.4	169.0	170.1	.4	1.7	.7	5.6	3.8	4.1
Electric, gas, and sanitary services	159.1	167.2	168.1	.6	1.5	.5	3.7	5.8	5.7
Wholesale and retail trade	155.5	159.6	159.7	1.2	.1	.1	4.1	3.8	2.7
Excluding sales	157.1	160.3	160.4	1.1	.2	.1	4.3	3.2	2.1
Wholesale trade	159.5	165.9	166.7	.6	-.2	.5	3.3	4.6	4.5
Excluding sales	160.6	166.1	167.2	.4	1.0	.7	3.7	3.8	4.1
Retail trade	153.2	156.0	155.8	1.5	.3	-.1	4.5	3.4	1.7
General merchandise stores	150.9	156.1	155.1	.8	1.2	-.6	4.5	4.3	2.8
Food stores	151.7	156.3	156.3	1.3	1.2	.0	5.0	4.4	3.0
Finance, insurance, and real estate	161.3	168.0	168.5	.2	.4	.3	3.6	4.4	4.5
Excluding sales	165.0	172.1	173.1	.2	.5	.6	4.2	4.5	4.9
Banking, savings and loan, and other credit agencies	174.3	184.6	185.3	-.6	.2	.4	4.7	5.2	6.3
Insurance	161.3	167.1	167.9	.9	.6	.5	3.9	4.5	4.1
Excluding sales	159.4	165.1	165.7	.9	.5	.4	4.1	4.5	4.0
Services	161.0	164.9	165.4	.6	.7	.3	4.5	3.1	2.7
Business services	166.2	167.2	167.5	.6	.4	.2	4.9	1.2	.8
Health services	158.4	163.2	164.4	1.0	.7	.7	5.2	4.1	3.8
Hospitals	160.3	166.2	168.1	1.2	1.0	1.1	6.1	4.9	4.9
Nursing homes	—	—	—	.9	.7	.8	5.1	4.1	4.0
Educational services	167.6	173.5	175.2	.7	2.7	1.0	4.8	4.3	4.5
Colleges and universities	167.5	172.0	173.7	.8	2.1	1.0	5.2	3.5	3.7

See footnotes at end of table.

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

(Not seasonally adjusted data)

Industry and occupational group	Indexes (June 1989=100)			Percent changes for—					
	Dec. 2001	Sep. 2002	Dec. 2002	3 months ended—			12 months ended—		
				Dec. 2001	Sep. 2002	Dec. 2002	Dec. 2001	Sep. 2002	Dec. 2002
Industry—Continued									
Nonmanufacturing industries	157.6	162.0	162.5	0.8	0.6	0.3	4.3	3.6	3.1
White collar	160.5	164.8	165.3	.9	.4	.3	4.4	3.6	3.0
Excluding sales	162.3	166.6	167.1	.9	.5	.3	4.6	3.5	3.0
Blue collar	150.6	155.4	155.9	.3	.9	.3	4.0	3.5	3.5
Service	154.1	158.4	159.2	1.3	1.0	.5	4.3	4.1	3.3
Occupational group									
White collar	160.1	164.6	165.2	.9	.5	.4	4.2	3.7	3.2
Excluding sales	160.9	165.3	165.9	.8	.6	.4	4.4	3.6	3.1
Professional specialty and technical	160.3	163.6	164.4	.7	.7	.5	4.3	2.8	2.6
Executive, administrative, and managerial	161.8	167.0	167.2	1.0	.2	.1	4.2	4.2	3.3
Sales	156.7	161.6	161.9	1.1	.0	.2	3.5	4.3	3.3
Administrative support, including clerical	160.8	165.6	166.7	.8	.9	.7	4.8	3.8	3.7
Blue collar	151.9	156.3	157.3	.6	.8	.6	3.8	3.5	3.6
Precision production, craft, and repair	152.5	156.9	157.8	.5	.8	.6	4.0	3.4	3.5
Machine operators, assemblers, and inspectors	151.5	155.4	156.7	.7	.5	.8	3.2	3.3	3.4
Transportation and material moving	146.3	151.0	151.8	.5	.9	.5	3.7	3.7	3.8
Handlers, equipment cleaners, helpers, and laborers	156.5	161.4	162.9	1.0	.9	.9	4.1	4.2	4.1
Service	154.8	159.0	159.8	1.4	1.0	.5	4.5	4.2	3.2
Production and nonsupervisory occupations⁴	155.5	159.7	160.5	.8	.6	.5	4.0	3.5	3.2

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

NOTE: Dashes indicate data not available.

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

(Not seasonally adjusted data)

Bargaining status, region, and area	Indexes (June 1989=100)			Percent changes for—					
	Dec. 2001	Sep. 2002	Dec. 2002	3 months ended—			12 months ended—		
				Dec. 2001	Sep. 2002	Dec. 2002	Dec. 2001	Sep. 2002	Dec. 2002
Bargaining status									
Union	153.1	158.1	159.5	1.4	1.2	0.9	4.2	4.7	4.2
Blue-collar occupations	150.0	155.2	156.6	.9	1.1	.9	3.4	4.4	4.4
Goods-producing industries ²	151.8	156.2	157.8	.8	1.0	1.0	3.1	3.7	4.0
Service-producing industries ³	154.2	159.9	161.1	2.0	1.5	.8	5.3	5.8	4.5
Manufacturing	151.4	155.9	157.9	1.0	.8	1.3	2.7	4.0	4.3
Blue-collar occupations	150.9	155.0	157.0	1.0	.8	1.3	2.7	3.7	4.0
Nonmanufacturing	153.5	158.8	159.9	1.6	1.4	.7	5.0	5.1	4.2
Nonunion	157.8	162.2	162.8	.7	.5	.4	4.1	3.5	3.2
Blue-collar occupations	152.9	156.9	157.7	.5	.6	.5	3.9	3.1	3.1
Goods-producing industries ²	155.3	159.5	160.8	.8	.6	.8	4.0	3.6	3.5
Service-producing industries ³	158.6	162.9	163.3	.7	.4	.2	4.1	3.4	3.0
Manufacturing	155.5	160.1	161.3	.7	.6	.7	3.7	3.7	3.7
Blue-collar occupations	153.5	157.5	158.8	.9	.5	.8	3.7	3.6	3.5
Nonmanufacturing	158.2	162.4	162.9	.8	.4	.3	4.2	3.4	3.0
Region⁴									
Northeast	156.3	160.5	161.3	.7	.4	.5	4.0	3.4	3.2
South	154.6	158.9	159.0	.7	.8	.1	4.0	3.5	2.8
Midwest	158.6	163.5	164.6	.8	.6	.7	3.5	3.9	3.8
West	159.4	163.8	165.0	1.1	.6	.7	5.0	3.9	3.5
Area									
Metropolitan	157.4	161.8	162.5	.9	.6	.4	4.2	3.7	3.2
Other	155.6	160.0	160.8	.5	.9	.5	3.5	3.4	3.3

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

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

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

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

(Not seasonally adjusted data)

Industry and occupational group	Indexes (June 1989=100)			Percent changes for—					
	Dec. 2001	Sep. 2002	Dec. 2002	3 months ended—			12 months ended—		
				Dec. 2001	Sep. 2002	Dec. 2002	Dec. 2001	Sep. 2002	Dec. 2002
Civilian workers	153.4	157.2	157.8	0.7	0.7	0.4	3.7	3.2	2.9
Excluding sales occupations	153.4	157.1	157.8	.7	.8	.4	3.9	3.2	2.9
Industry									
Goods producing ¹	150.5	153.9	155.1	.7	.5	.8	3.6	2.9	3.1
Manufacturing	151.7	155.4	156.5	.7	.6	.7	3.5	3.1	3.2
Service producing ²	154.5	158.4	158.8	.7	.8	.3	3.8	3.3	2.8
Services	157.1	160.7	161.1	.6	1.2	.2	4.0	2.9	2.5
Health services	155.5	159.6	160.9	1.2	.7	.8	4.9	3.8	3.5
Hospitals	155.5	160.3	162.2	1.3	1.1	1.2	5.6	4.4	4.3
Educational services	155.1	159.3	160.1	.3	2.4	.5	3.7	3.0	3.2
Public administration ³	151.6	154.8	155.8	.9	.9	.6	3.8	3.0	2.8
Nonmanufacturing	153.8	157.5	158.0	.8	.7	.3	3.8	3.2	2.7
Occupational group									
White collar	155.6	159.6	160.1	.7	.8	.3	3.6	3.3	2.9
Excluding sales	156.1	160.1	160.7	.6	.9	.4	3.8	3.2	2.9
Professional specialty and technical	155.1	158.0	158.6	.6	1.2	.4	3.7	2.5	2.3
Executive, administrative, and managerial	158.1	163.5	163.8	.9	.6	.2	3.7	4.3	3.6
Administrative support, including clerical	155.7	159.6	160.6	.7	.8	.6	4.1	3.2	3.1
Blue collar	148.5	151.9	152.6	.6	.6	.5	3.9	2.9	2.8
Service	153.0	156.2	156.9	1.2	.7	.4	4.0	3.3	2.5
State and local government	153.7	157.7	158.6	.5	1.8	.6	3.6	3.1	3.2
Industry									
Services	154.2	158.4	159.2	.3	2.2	.5	3.7	3.1	3.2
Excluding schools	154.9	159.1	160.3	1.1	1.1	.8	4.7	3.9	3.5
Health services	155.8	160.5	162.2	1.0	1.1	1.1	4.4	4.1	4.1
Hospitals	155.7	160.6	162.5	1.0	1.1	1.2	4.4	4.2	4.4
Educational services	154.0	158.1	158.9	.3	2.3	.5	3.6	2.9	3.2
Schools	154.1	158.3	159.0	.2	2.4	.4	3.5	2.9	3.2
Elementary and secondary	153.1	157.4	158.1	.2	2.5	.4	3.1	3.0	3.3
Colleges and universities	156.7	160.7	161.6	.1	2.2	.6	4.8	2.7	3.1
Public administration ³	151.6	154.8	155.8	.9	.9	.6	3.8	3.0	2.8
Occupational group									
White collar	153.3	157.4	158.4	.4	1.9	.6	3.6	3.1	3.3
Professional specialty and technical	153.4	157.5	158.4	.3	2.2	.6	3.5	2.9	3.3
Executive, administrative, and managerial	155.1	159.0	160.1	.8	1.4	.7	4.2	3.3	3.2
Administrative support, including clerical	150.9	155.1	156.0	.7	1.5	.6	3.2	3.5	3.4
Blue collar	150.8	154.5	155.1	1.1	1.6	.4	3.9	3.6	2.9
Service	157.4	160.6	161.2	.8	.9	.4	4.1	2.9	2.4

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

industries; and public administration.

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

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

(Not seasonally adjusted data)

Industry and occupational group	Indexes (June 1989=100)			Percent changes for—					
	Dec. 2001	Sep. 2002	Dec. 2002	3 months ended—			12 months ended—		
				Dec. 2001	Sep. 2002	Dec. 2002	Dec. 2001	Sep. 2002	Dec. 2002
Private industry workers	153.3	157.0	157.5	0.8	0.4	0.3	3.8	3.2	2.7
Excluding sales occupations	153.3	157.0	157.5	.7	.6	.3	3.9	3.2	2.7
Industry									
Goods producing ¹	150.5	153.9	155.0	.7	.5	.7	3.7	2.9	3.0
Excluding sales	149.7	153.0	154.0	.7	.5	.7	3.5	2.9	2.9
White collar	153.6	157.5	158.6	.7	.6	.7	3.3	3.2	3.3
Excluding sales	151.7	155.4	156.3	.6	.6	.6	3.1	3.1	3.0
Blue collar	148.4	151.5	152.6	.7	.5	.7	3.7	2.8	2.8
Construction	146.3	149.0	150.2	.8	.5	.8	4.0	2.7	2.7
Manufacturing	151.7	155.4	156.5	.7	.6	.7	3.5	3.1	3.2
White collar	153.3	157.7	158.6	.3	.7	.6	2.7	3.2	3.5
Excluding sales	151.0	155.0	155.9	.3	.7	.6	2.4	3.0	3.2
Blue collar	150.3	153.5	154.7	.8	.5	.8	3.9	3.0	2.9
Durables	152.6	156.0	157.3	.7	.5	.8	3.6	3.0	3.1
Aircraft manufacturing (SIC 3721) ..	158.3	162.5	163.1	1.1	.0	.4	4.4	3.8	3.0
White collar	152.2	155.9	156.2	.9	-.3	.2	4.1	3.3	2.6
Blue collar	167.4	172.2	173.2	1.5	.5	.6	5.1	4.4	3.5
Nondurables	150.2	154.4	155.2	.6	.8	.5	3.3	3.4	3.3
Service producing ²	154.5	158.4	158.6	.8	.4	.1	3.8	3.4	2.7
Excluding sales	155.5	159.3	159.6	.8	.5	.2	4.1	3.3	2.6
White collar	156.5	160.5	160.7	.8	.4	.1	3.7	3.4	2.7
Excluding sales	158.6	162.5	162.8	.9	.6	.2	4.1	3.4	2.6
Blue collar	148.1	151.8	152.0	.4	.5	.1	4.1	2.9	2.6
Service	150.2	153.5	154.1	1.2	.7	.4	3.7	3.4	2.6
Transportation and public utilities	149.2	153.4	154.1	1.7	.9	.5	4.8	4.6	3.3
Transportation	145.7	149.6	150.1	2.2	.7	.3	5.1	4.9	3.0
Public utilities	153.6	158.2	159.3	1.1	1.2	.7	4.4	4.1	3.7
Communications	155.2	159.6	160.7	1.2	1.6	.7	5.3	4.1	3.5
Electric, gas, and sanitary services ..	151.7	156.5	157.4	.9	.6	.6	3.5	4.1	3.8
Wholesale and retail trade	152.1	155.5	155.5	1.0	-.1	.0	3.2	3.3	2.2
Excluding sales	154.6	157.1	157.0	1.0	.0	-.1	3.8	2.6	1.6
Wholesale trade	154.8	160.4	161.0	.5	-.6	.4	2.1	4.1	4.0
Excluding sales	157.9	162.6	163.7	.3	.9	.7	3.1	3.3	3.7
Retail trade	150.7	152.9	152.7	1.3	.1	-.1	3.8	2.8	1.3
General merchandise stores	146.5	150.1	149.2	.5	.8	-.6	3.0	3.0	1.8
Food stores	146.7	150.1	150.3	.7	.8	.1	3.6	3.0	2.5
Finance, insurance, and real estate	156.0	162.4	162.6	.1	.2	.1	2.8	4.2	4.2
Excluding sales	159.1	166.1	167.3	.0	.2	.7	3.2	4.4	5.2
Banking, savings and loan, and other credit agencies	171.7	182.7	183.9	-.9	-.1	.7	3.6	5.5	7.1
Insurance	155.0	159.6	159.1	.9	.6	-.3	2.8	3.9	2.6
Excluding sales	151.2	155.9	155.9	.9	.5	.0	3.2	4.1	3.1
Services	158.2	161.5	161.7	.7	.7	.1	4.2	2.8	2.2
Business services	163.7	164.6	164.8	.6	.4	.1	4.9	1.1	.7
Health services	155.4	159.5	160.7	1.2	.7	.8	4.9	3.8	3.4
Hospitals	155.4	160.2	162.1	1.4	1.0	1.2	5.9	4.5	4.3
Nursing homes	—	—	—	1.1	.8	.9	5.1	4.3	4.1
Educational services	160.6	165.2	166.5	.6	2.5	.8	4.1	3.5	3.7
Colleges and universities	159.6	163.1	164.3	.8	2.0	.7	4.4	3.0	2.9

See footnotes at end of table.

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

(Not seasonally adjusted data)

Industry and occupational group	Indexes (June 1989=100)			Percent changes for—					
	Dec. 2001	Sep. 2002	Dec. 2002	3 months ended—			12 months ended—		
				Dec. 2001	Sep. 2002	Dec. 2002	Dec. 2001	Sep. 2002	Dec. 2002
Industry—Continued									
Nonmanufacturing industries	153.5	157.2	157.5	0.9	0.4	0.2	3.8	3.3	2.6
White collar	156.4	160.2	160.5	.9	.4	.2	3.9	3.4	2.6
Excluding sales	158.3	162.1	162.5	.9	.5	.2	4.2	3.3	2.7
Blue collar	146.4	149.8	150.2	.4	.5	.3	3.9	2.7	2.6
Service	150.1	153.4	154.0	1.3	.7	.4	3.7	3.5	2.6
Occupational group									
White collar	156.1	160.0	160.4	.8	.4	.3	3.7	3.4	2.8
Excluding sales	156.9	160.8	161.3	.8	.5	.3	3.8	3.3	2.8
Professional specialty and technical	155.9	158.2	158.5	.7	.5	.2	3.8	2.2	1.7
Executive, administrative, and managerial	158.6	164.3	164.5	.9	.4	.1	3.7	4.5	3.7
Sales	152.6	156.9	156.8	.9	-.1	-.1	2.6	3.8	2.8
Administrative support, including clerical	156.5	160.3	161.3	.8	.7	.6	4.3	3.2	3.1
Blue collar	148.3	151.7	152.4	.5	.5	.5	3.9	2.8	2.8
Precision production, craft, and repair	148.4	151.8	152.3	.5	.5	.3	3.9	2.8	2.6
Machine operators, assemblers, and inspectors	149.0	152.0	153.2	.6	.3	.8	3.7	2.6	2.8
Transportation and material moving	142.8	146.3	146.9	.5	.8	.4	3.8	3.0	2.9
Handlers, equipment cleaners, helpers, and laborers	152.4	156.0	157.2	.9	.6	.8	4.2	3.3	3.1
Service	150.6	153.9	154.5	1.3	.7	.4	3.9	3.5	2.6
Production and nonsupervisory occupations³	151.5	154.7	155.2	.8	.5	.3	3.8	2.9	2.4

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

Hourly Earnings Index, which was discontinued in January 1989.

NOTE: Dashes indicate data not available.

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

(Not seasonally adjusted data)

Bargaining status, region, and area	Indexes (June 1989=100)			Percent changes for—					
	Dec. 2001	Sep. 2002	Dec. 2002	3 months ended—			12 months ended—		
				Dec. 2001	Sep. 2002	Dec. 2002	Dec. 2001	Sep. 2002	Dec. 2002
Bargaining status									
Union	147.4	151.3	152.5	1.6	1.0	0.8	4.4	4.3	3.5
Blue-collar occupations	144.7	148.4	149.6	1.0	.8	.8	4.0	3.6	3.4
Goods-producing industries ¹	146.3	150.0	151.2	.7	.9	.8	3.5	3.2	3.3
Service-producing industries ²	148.9	152.9	154.1	2.4	1.0	.8	5.2	5.2	3.5
Manufacturing	148.0	151.6	153.1	.9	.9	1.0	3.8	3.3	3.4
Blue-collar occupations	147.0	150.3	151.8	.8	.9	1.0	3.7	3.1	3.3
Nonmanufacturing	147.1	151.1	152.1	1.9	1.0	.7	4.8	4.7	3.4
Nonunion	154.4	158.1	158.5	.7	.4	.3	3.6	3.1	2.7
Blue-collar occupations	150.5	153.7	154.2	.3	.4	.3	3.9	2.5	2.5
Goods-producing industries ¹	152.1	155.5	156.6	.7	.5	.7	3.6	2.9	3.0
Service-producing industries ²	155.1	158.9	159.0	.6	.4	.1	3.7	3.1	2.5
Manufacturing	153.1	156.8	157.8	.6	.4	.6	3.4	3.0	3.1
Blue-collar occupations	152.6	155.7	156.8	.9	.3	.7	4.1	2.9	2.8
Nonmanufacturing	154.4	158.1	158.3	.7	.4	.1	3.7	3.1	2.5
Region³									
Northeast	151.7	155.1	155.7	.7	.1	.4	3.9	3.0	2.6
South	151.2	154.7	154.6	.7	.7	-.1	3.3	3.0	2.2
Midwest	154.7	159.2	160.2	.7	.4	.6	3.4	3.6	3.6
West	156.0	159.3	160.1	1.1	.4	.5	4.6	3.2	2.6
Area									
Metropolitan	153.7	157.4	157.9	.9	.4	.3	3.9	3.3	2.7
Other	150.5	153.8	154.8	.5	.8	.7	3.1	2.7	2.9

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

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

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

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

(Not seasonally adjusted data)

Industry, occupational group, and bargaining status	Indexes (June 1989=100)			Percent changes for—					
	Dec. 2001	Sep. 2002	Dec. 2002	3 months ended—			12 months ended—		
				Dec. 2001	Sep. 2002	Dec. 2002	Dec. 2001	Sep. 2002	Dec. 2002
Civilian workers	165.1	171.7	173.3	0.9	1.4	0.9	5.2	4.9	5.0
State and local government	158.4	165.8	168.2	.7	3.2	1.4	5.5	5.4	6.2
Private industry	166.7	173.1	174.6	.9	.9	.9	5.1	4.8	4.7
Industry									
Goods producing ¹	162.6	168.8	171.0	1.1	.8	1.3	4.1	5.0	5.2
Service producing ²	168.4	174.9	175.9	.8	.9	.6	5.6	4.7	4.5
Manufacturing	160.4	166.8	168.9	1.2	.8	1.3	3.6	5.2	5.3
Aircraft manufacturing (SIC 3721)	174.4	182.6	192.4	3.7	.0	5.4	6.9	8.6	10.3
White collar	175.0	182.2	187.0	3.6	-.2	2.6	7.5	7.9	6.9
Blue collar	172.4	181.8	199.3	3.8	.2	9.6	6.0	9.5	15.6
Nonmanufacturing	168.8	175.2	176.3	.8	1.0	.6	5.7	4.7	4.4
Occupational group									
White collar	171.2	177.2	178.5	1.0	.6	.7	6.0	4.5	4.3
Blue collar	159.2	166.2	167.8	.6	1.3	1.0	3.3	5.0	5.4
Service	166.0	173.4	174.9	1.7	1.8	.9	6.1	6.3	5.4
Bargaining status									
Union	163.4	170.8	172.7	.9	1.6	1.1	3.7	5.5	5.7
Nonunion	167.2	173.4	174.7	.8	.8	.7	5.4	4.6	4.5

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

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

EXPLANATORY NOTES

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 28,300 occupational observations within about 6,950 sample establishments in private industry and approximately 3,700 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 new seasonal factors for 2002 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 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). Current and historical data are available at the web site: (<http://www.bls.gov/ncs/ect/home.htm>).

The costs per hour worked of compensation components, based on data from the ECI, were recently published in a separate news release titled "Employer Costs for Employee Compensation--September 2002." 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 now available on a quarterly basis beginning with June 2002 data. The December 2002 release is expected to be published in March 2003. 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.