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EMPLOYMENT COST INDEX – DECEMBER 2023

Compensation costs for civilian workers increased 0.9 percent, seasonally adjusted, for the 3-month period ending in December 2023, the U.S. Bureau of Labor Statistics reported today. **Wages and salaries** increased 0.9 percent and **benefit costs** increased 0.7 percent from September 2023. (See chart 1 and tables A, 1, 2, and 3.)

Chart 1. Three-month percent change, seasonally adjusted, civilian workers, total compensation

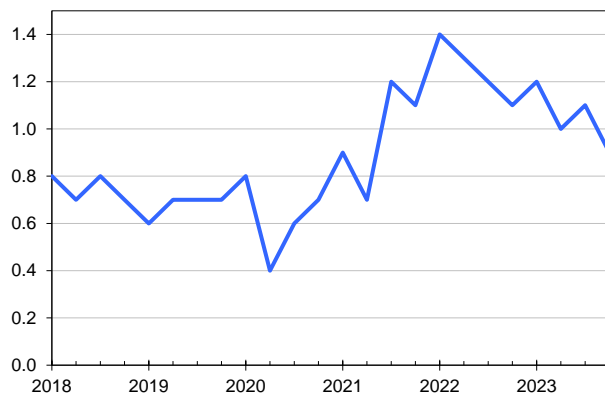
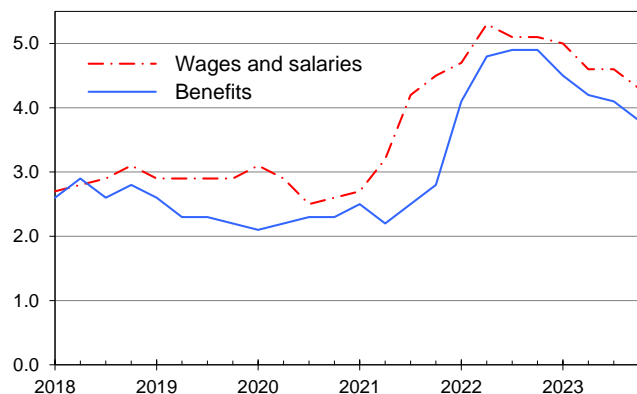


Chart 2. Twelve-month percent change, not seasonally adjusted, civilian workers



Compensation costs for civilian workers increased 4.2 percent for the 12-month period ending in December 2023 and increased 5.1 percent in December 2022. **Wages and salaries** increased 4.3 percent for the 12-month period ending in December 2023 and increased 5.1 percent for the 12-month period ending in December 2022. **Benefit costs** increased 3.8 percent over the year and increased 4.9 percent for the 12-month period ending in December 2022. (See chart 2 and tables A, 4, 8, and 12.)

Compensation costs for private industry workers increased 4.1 percent over the year. In December 2022, the increase was 5.1 percent. **Wages and salaries** increased 4.3 percent for the 12-month period ending in December 2023 and increased 5.1 percent in December 2022. The cost of **benefits** increased 3.6 percent for the 12-month period ending in December 2023 and increased 4.8 percent in December 2022. Inflation-adjusted (constant dollar) compensation costs for private industry increased 0.7 percent for the 12-month period ending in December 2023. Inflation-adjusted wages and salaries increased 0.9 percent for the 12 months ending December 2023. Inflation-adjusted benefit costs in the private sector increased 0.2 percent over that same period. (See charts 3, 4, and tables A, 5, 9, and 12.)

TECHNICAL NOTE

The Employment Cost Index (ECI) measures the change in the cost of labor, free from the influence of employment shifts among occupations and industries. For information on survey concepts, coverage, methods, nonresponse adjustment, and imputation, see *National Compensation Measures Handbook of Methods* at www.bls.gov/opub/hom/ncs/home.htm.

Sample size

Data for this reference period were collected from a probability sample of approximately 23,600 occupational observations selected from a sample of about 5,600 private industry establishments and approximately 7,500 occupational observations selected from a sample of about 1,400 state and local government establishments that provided data at the initial interview. From December 2021 to September 2023, an additional (fourth) private industry sample was used in estimation to mitigate the impact of decreasing response rates.

Standard errors

To assist users in ascertaining the reliability of ECI series, standard errors of all current quarter not seasonally adjusted 3- and 12-month percent change series are also available, see www.bls.gov/eci/factsheets/eci-standard-errors.htm and the database query tool at www.bls.gov/eci/data.htm. Standard errors provide users a measure of the precision of an estimate to ensure that it is within an acceptable range for their intended purpose.

Historical listings

Historical ECI data are available in (xlsx) format at www.bls.gov/eci/tables.htm. The continuous occupational and industry series listing uses the Standard Industrial Classification (SIC) Manual and Occupational Classification System (OCS) series from 1975 through 2005 and the North American Industry Classification System (NAICS) and Standard Occupational Classification (SOC) from 2006 to the present. It provides the official series deemed continuous after the change in classification systems. For more information on the criteria used in defining continuous series, see the article published in the *Monthly Labor Review* at www.bls.gov/opub/mlr/2006/04/art2full.pdf.

Employer Costs for Employee Compensation data

The costs per hour worked of compensation components are published as part of the Employer Costs for Employee Compensation (ECEC) news release. The ECEC release dates are available at www.bls.gov/schedule/news_release/ecec.htm. Historical ECEC data are available in xlsx format at www.bls.gov/ecec/tables.htm. Since the ECEC is calculated with current employment weights rather than the fixed weights used in computing the ECI, year-to-year changes in the cost levels usually differ from those in the ECI.

Fixed employment weights

For additional information on the use of fixed employment weights in computing the ECI, see www.bls.gov/opub/mlr/2016/article/introducing-2012-fixed-employment-weights-for-the-employment-cost-index.htm. Beginning with the December 2022 release, the ECI introduced new employment weights, see www.bls.gov/eci/notices/2022/eci-2021-fixed-weights-and-2018-soc-update.htm.

Additional information

Historical tables are available in (xlsx) format for constant dollar, current dollar, and continuous series, see www.bls.gov/eci/tables.htm. ECI release dates are available on the release calendar at www.bls.gov/schedule/news_release/eci.htm. Subscribe to receive the BLS Economic News Release email at public.govdelivery.com/accounts/USDOLBLS/subscriber/new. If you are deaf, hard of hearing, or have a speech disability, please dial 7-1-1 to access telecommunications relay services.

