

The July Review

The Producer Price Index article by William D. Thomas and Joseph Kowal is the last of the annual program wrap-ups for 1998—articles on employment and consumer prices appeared in February and April, respectively. In 1998, the overall Producer Price Index for Finished Goods showed no change. As is often the case, this apparent inaction at the topside masked important changes in the details. In this case, the price of finished energy goods fell even more rapidly than in the previous year, offsetting a modest uptick in the price index for consumer foods and an increase in the prices of goods other than food and energy. At earlier stages of processing, prices fell more in 1998 than they had in 1997 in both the intermediate and crude goods stages.

Even in today's strong labor market, workers with strong ties to a job and an employer can still be displaced. Steven Hipple analyzed the most recent data from the displaced worker supplement to the Current Population Survey and found that, even with today's low unemployment rates and high rates of job creation, more than 2 million adults with 3 years or more of tenure lost their jobs to plant closings, abolition of shifts, and/or insufficient demand at their workplace between 1995 and 1996. While this represents a relatively low rate of displacement—2.9 percent in 1995–96 versus 3.3 percent in 1993–94—it is still a matter of obvious concern.

Per capita income may not be a complete measure of economic well being, say Bart van Ark and Robert H. McGuckin, but it is an important one and is strongly correlated with many others. They then compare the decompositions of per capita income into productivity, labor force participation, and annual hours worked components across a number of countries. In com-

parisons with the European Union and Japan in 1997, the United States wins out over both in terms of productivity and per capita income. Among four newly industrializing Asian economies—South Korea, Taiwan, Hong Kong, and Singapore—labor productivity is about 43 percent of that of the United States, but per capita income is nearly two-thirds the U.S. level. The difference is almost entirely explained by higher working hours in those countries—South Korean workers, for example, put in nearly a third again as many hours in a year than their American counterparts.

More women go to college

Among 1998 high school graduates, more women than men enrolled in college last fall. As of October, 938,000 young women who graduated from high school in 1998 were in college while only 906,000 young men were enrolled.

There were more male high school graduates in 1998 than female: 1.5 million men compared with 1.4 million women. However, the college enrollment rate was markedly higher for the young women—69.1 percent were enrolled in college while only 62.4 percent of the young men were enrolled. Additional information is available from news release USDL 99-175, "College Enrollment and Work Activity of 1998 High School Graduates."

Pay and benefits

Health insurance, paid leave, Social Security, and other benefits together accounted for close to a third of the compensation received by manufacturing employees in March 1999. Legally required benefits such as Social Security were the largest of all the benefits.

Overall, 31.2 percent of manufacturing compensation in March 1999 was in the form of benefits. Social Security and other legally required benefits represented 8.5 percent of total compensation. Paid leave accounted for 7.6 percent of compensation in manufacturing and health insurance for 6.9 percent.

In contrast, workers in industries outside of manufacturing received only about a quarter of their compensation in benefits. In March 1999, benefits comprised 25.9 percent of nonmanufacturing compensation. The percent of compensation from legally required benefits was slightly higher in nonmanufacturing than in manufacturing, at 8.7 percent. For each of the other benefits, the share of total compensation was lower for nonmanufacturing workers. Additional information is available from news release USDL 99-183, "Employer Costs for Employee Compensation, March 1999."

Wages in metropolitan areas

On June 24, 1999, the Bureau of Labor Statistics released metropolitan area data from the Occupational Employment Statistics survey on its Internet site for the first time. These data, which provide detailed occupational employment and wage estimates for 334 metropolitan areas, had not been previously published elsewhere.

The metropolitan area employment and wage estimates can be found at

<http://stats.bls.gov/oes/msa/oessrch1.htm>

Additional information about the employment and wage estimates also can be obtained by calling 202-606-6569.

News releases discussed above are available at

<http://stats.bls.gov/newsrel.htm>