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Changing Compensation Costs in the Los Angeles Metropolitan Area – June 2021

Compensation costs for private industry workers increased 4.5 percent in the Los Angeles-Long Beach, CA Combined Statistical Area (CSA) for the year ended June 2021, the U.S. Bureau of Labor Statistics reported today. Regional Commissioner Chris Rosenlund noted that one year ago, Los Angeles experienced an annual gain of 3.5 percent in **compensation costs**. (See [chart 1](#) and [table 1](#).) Locally, **wages and salaries**, the largest component of compensation costs, advanced at a 5.4-percent pace for the 12-month period ended June 2021. (See [chart 2](#).) Nationwide, **compensation costs** increased 3.1 percent and **wages and salaries** rose 3.5 percent over the same period.

Chart 1. Twelve-month percent changes in total compensation for private industry workers in the United States and Los Angeles, not seasonally adjusted

Quarter	Los Angeles	United States
Jun 2019.....	3.4	2.6
Sep.....	3.7	2.7
Dec.....	3.4	2.7
Mar.....	3.5	2.8
Jun 2020.....	3.5	2.7
Sep.....	2.7	2.4
Dec.....	3.7	2.6
Mar.....	4.2	2.8
Jun 2021.....	4.5	3.1

Chart 2. Twelve-month percent changes in wages and salaries for private industry workers in the United States and Los Angeles, not seasonally adjusted

Quarter	Los Angeles	United States
Jun 2019.....	4.3	3.0
Sep.....	4.2	3.0
Dec.....	4.0	3.0
Mar.....	4.1	3.3
Jun 2020.....	4.0	2.9
Sep.....	3.1	2.7
Dec.....	4.5	2.8
Mar.....	4.8	3.0
Jun 2021.....	5.4	3.5

Los Angeles is 1 of 15 metropolitan areas in the United States and 1 of 4 areas in the West region of the country for which locality compensation cost data are available. Among these 15 largest areas, over-the-year percentage changes in the **compensation costs** ranged from 4.5 percent in Los Angeles to 1.7 percent in Houston in June 2021; for **wages and salaries**, Los Angeles registered the largest increase (5.4 percent) and Houston registered the smallest (2.1 percent). (See [chart 3](#).)

Chart 3. Twelve-month percent changes in total compensation and wages and salaries for private industry workers by area, not seasonally adjusted, June 2021

Area	Total compensation	Wages and salaries
Houston	1.7	2.1
Seattle	2.1	2.4
New York	2.3	2.3
Atlanta	2.4	3.4
Miami	2.4	2.9
Minneapolis	2.4	2.4
Chicago	2.7	3.0
Detroit	2.7	2.8
Philadelphia	2.8	3.8
United States	3.1	3.5
Boston	3.1	3.6
Dallas	3.1	3.0
San Jose	3.1	3.4
Phoenix	3.7	3.5
Washington.....	3.7	4.3
Los Angeles.....	4.5	5.4

The annual increase in **compensation costs** in Los Angeles was 4.5 percent in June 2021, compared to changes that ranged from 3.7 to 2.1 percent in the three other metropolitan areas in the West (Phoenix, San Jose, and Seattle). Los Angeles’ 5.4-percent gain in **wages and salaries** over this 12-month period compared to rates ranging from 3.5 percent to 2.4 percent in the four other western localities. (See [table 2](#).)

Locality compensation costs are part of the national Employment Cost Index (ECI), which measures quarterly changes in compensation costs, which include wages, salaries and employer costs for employee benefits. In addition to the 15 locality estimates provided in this release, ECI data for the nation, 4 geographical regions, and 9 geographical divisions are available. (Geographical definitions for the metropolitan areas mentioned in this release are included in the [Technical Note](#).)

In addition to the data presented here, national data by industry, occupational group, and union status, as well as data for both private and state and local government employees, are available at www.bls.gov/ncs/ect/home.htm. The national news release summary is available at www.bls.gov/news.release/eci.toc.htm. Additional information for regions, states, and local areas may be accessed via our regional homepage at www.bls.gov/regions/west/.

The Employment Cost Index for September 2021 is scheduled to be released on October 29, 2021.

Coronavirus (COVID-19) impact on the June 2021 Employment Cost Index

Response rates for June were comparable with prior releases, and no changes in estimation procedures were necessary. Additional information is available at www.bls.gov/bls/effects-of-covid-19-on-workplace-injuries-and-illnesses-compensation-and-occupational-requirements.htm#ECI.

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.

Wages and salaries are defined as straight-time average hourly earnings 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, work on weekends and holidays, and shift differentials. Production bonuses, incentive earnings, commission payments, and cost-of-living adjustments are included in straight-time earnings, whereas nonproduction bonuses or those not directly tied to production (such as end-of-year and profit-sharing bonuses) are excluded. Also excluded are such items as payments-in-kind, free room and board, and tips.

The metropolitan area definitions of the 15 published localities are listed below.

- **Atlanta-Athens-Clarke County-Sandy Springs, GA Combined Statistical Area (CSA)** includes Barrow, Bartow, Butts, Carroll, Coweta, Dawson, DeKalb, Douglas, Fayette, Forsyth, Fulton, Gordon, Gwinnett, Hall, Haralson, Heard, Henry, Jackson, Jasper, Newton, Oconee, Oglethorpe, Paulding, Pickens, Pike, Polk, Rockdale, Spalding, Troup, Upson, and Walton Counties in Georgia.
- **Boston-Worcester-Providence, MA-RI-NH-CT CSA** includes Barnstable, Bristol, Essex, Middlesex, Norfolk, Plymouth, Suffolk, Massachusetts; Bristol, Kent, Newport, Providence, and Washington in Rhode Island; Belknap, Hillsborough, Merrimack, Rockingham, and Strafford in New Hampshire; and Windham County in Connecticut.
- **Chicago-Naperville, IL-IN-WI CSA** includes Bureau, Cook, DeKalb, DuPage, Grundy, Kane, Kankakee, Kendall, Lake, La Salle, and Will County in Illinois; Jasper, Lake, LaPorte, Newton, and Porter Counties in Indiana; and Kenosha County in Wisconsin.
- **Dallas-Fort Worth, TX-OK CSA** includes Collin, Cooke, Dallas, Denton, Ellis, Grayson, Henderson, Hood, Hopkins, Hunt, Johnson, Tarrant, and Wise Counties in Texas; and Bryan County in Oklahoma.
- **Detroit-Warren-Ann Arbor, MI CSA** includes Genesee, Lapeer, Lenawee, Livingston, Macomb, Monroe, Oakland, St. Clair, Washtenaw, and Wayne Counties in Michigan.
- **Houston-The Woodlands, TX CSA** includes Austin, Brazoria, Chambers, Fort Bend, Galveston, Harris, Liberty, Matagorda, Montgomery, and Wharton Counties in Texas.
- **Los Angeles-Long Beach, CA CSA** includes Los Angeles, Orange, Riverside, San Bernardino, and Ventura Counties in California.
- **Miami-Fort Lauderdale-Port St. Lucie, FL CSA** includes Broward, Indian River, Martin, Miami-Dade, Okeechobee, Palm Beach, and St. Lucie Counties in Florida.
- **Minneapolis-St. Paul, MN-WI CSA** includes Anoka, Benton, Carver, Chisago, Dakota, Goodhue, Hennepin, Isanti, Le Sueur, Mower, Sherburne, Sibley, Stearns, Washington, and Wright Counties in Minnesota; and Pierce and St. Croix Counties in Wisconsin.
- **New York-Newark, NY-NJ-CT-PA CSA** includes Bronx, Dutchess, Kings, Nassau, New York, Orange, Putnam, Queens, Richmond, and Westchester Counties in New York; Bergen, Essex, Hudson, Hunterdon, Mercer, Middlesex, Monmouth, Morris, Ocean, Passaic, and Sussex Counties in New Jersey; Fairfield, Litchfield, and New Haven Counties in Connecticut; and Carbon, Lehigh, Monroe, Northampton, and Schuylkill Counties in Pennsylvania.
- **Philadelphia-Reading-Camden, PA-NJ-DE-MD CSA** includes Berks, Bucks, Chester, Delaware, Franklin, Montgomery, and Philadelphia Counties in Pennsylvania; Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, and Salem Counties in New Jersey; Kent and New Castle Counties in Delaware; and Prince George's, Queen Anne's, St. Mary's, and Talbot Counties in Maryland.
- **Phoenix-Mesa-Scottsdale, AZ Metropolitan Statistical Area (MSA)** includes Maricopa and Pinal Counties in Arizona.
- **San Jose-San Francisco-Oakland, CA CSA** includes Alameda, Contra Costa, Marin, Napa, San Benito, San Francisco, San Joaquin, Santa Clara, Solano, and Sonoma Counties in California.
- **Seattle-Tacoma, WA CSA** includes Island, King, Kitsap, Lewis, Mason, Pierce, Skagit, Snohomish, and Thurston Counties in Washington.
- **Washington-Baltimore-Arlington, DC-MD-VA-WV-PA CSA** includes the District of Columbia; Baltimore City and Anne Arundel, Calvert, Charles, Prince George's, Queen Anne's, St. Mary's, and Talbot Counties in Maryland; and Dorchester, Frederick, Harford, Howard, Montgomery, Prince George's, Queen Anne's, St. Mary's, and Talbot Counties in Maryland.

Alexandria, Fairfax, Falls Church, Fredericksburg, Manassas, Manassas Park, and Winchester Cities and Arlington, Clarke, Culpeper, Loudoun, Prince William, Rappahannock, Spotsylvania, Stafford, and Warren Counties in Virginia; and Berkeley, Hampshire, and

Definitions of the four geographic regions of the country are noted below.

- **Northeast:** Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont.
- **South:** Alabama, Arkansas, Delaware, the District of Columbia, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Tennessee, Texas, Virginia, and West Virginia.
- **Midwest:** Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin.
- **West:** Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming.

Information in this release will be made available to sensory impaired individuals upon request. Voice phone: (202) 691-5200; Federal Relay Service: (800) 877-8339.

Table 1. Employment Cost Index for total compensation and for wages and salaries, private industry workers, United States, West Census region, and the Los Angeles area, not seasonally adjusted

Area	Total compensation				Wages and salaries			
	12-month percent changes for period ended-				12-month percent changes for period ended-			
	Mar.	Jun.	Sep.	Dec.	Mar.	Jun.	Sep.	Dec.
United States								
2017	2.3	2.4	2.5	2.6	2.6	2.4	2.6	2.8
2018	2.8	2.9	2.9	3.0	2.9	2.9	3.1	3.1
2019	2.8	2.6	2.7	2.7	3.0	3.0	3.0	3.0
2020	2.8	2.7	2.4	2.6	3.3	2.9	2.7	2.8
2021	2.8	3.1			3.0	3.5		
West								
2017	2.9	3.0	3.4	3.3	3.2	3.1	3.4	3.3
2018	3.6	3.6	3.3	3.2	3.7	3.7	3.7	3.7
2019	2.9	2.8	2.8	2.7	3.5	3.2	3.1	3.0
2020	3.2	2.6	2.8	3.0	3.6	2.9	3.1	3.2
2021	2.7	3.6			2.8	4.1		
Los Angeles-Long Beach								
2017	2.5	2.9	3.6	3.7	2.7	2.7	3.2	3.3
2018	3.2	3.1	2.4	3.0	3.1	3.3	3.0	3.7
2019	3.5	3.4	3.7	3.4	4.5	4.3	4.2	4.0
2020	3.5	3.5	2.7	3.7	4.1	4.0	3.1	4.5
2021	4.2	4.5			4.8	5.4		

Table 2. Employment Cost Index for total compensation and for wages and salaries, private industry workers, United States, Census regions, and localities, not seasonally adjusted

Area	Total compensation			Wages and salaries		
	12-month percent changes for period ended-			12-month percent changes for period ended-		
	Jun. 2020	Mar. 2021	Jun. 2021	Jun. 2020	Mar. 2021	Jun. 2021
United States.....	2.7	2.8	3.1	2.9	3.0	3.5
Northeast.....	2.6	3.1	2.7	2.8	3.4	3.2
Boston-Worcester-Providence	4.0	2.9	3.1	4.3	2.9	3.6
New York-Newark.....	2.2	2.9	2.3	2.6	3.1	2.3
Philadelphia-Reading-Camden	2.2	2.4	2.8	2.5	3.0	3.8
South.....	2.8	3.1	3.1	3.1	3.4	3.6
Atlanta-Athens-Clarke County-Sandy Springs	3.3	2.3	2.4	3.6	2.9	3.4
Dallas-Fort Worth	3.5	3.0	3.1	3.7	2.3	3.0
Houston-The Woodlands.....	2.7	1.1	1.7	2.6	1.1	2.1
Miami-Fort Lauderdale-Port St. Lucie	1.8	3.4	2.4	1.8	4.0	2.9
Washington-Baltimore-Arlington.....	3.6	3.9	3.7	3.9	4.0	4.3
Midwest.....	2.6	2.3	3.1	2.9	2.2	3.3
Chicago-Naperville	2.8	3.1	2.7	3.4	3.3	3.0
Detroit-Warren-Ann Arbor.....	2.3	3.1	2.7	3.0	2.5	2.8
Minneapolis-St. Paul	2.6	2.1	2.4	3.1	2.4	2.4
West.....	2.6	2.7	3.6	2.9	2.8	4.1
Los Angeles-Long Beach	3.5	4.2	4.5	4.0	4.8	5.4
Phoenix-Mesa-Scottsdale	3.7	3.6	3.7	4.4	3.4	3.5
San Jose-San Francisco-Oakland.....	2.9	2.2	3.1	3.3	2.1	3.4
Seattle-Tacoma	2.3	2.5	2.1	3.4	2.6	2.4