Wage and Price Data Guide

**Average Hourly Earnings, AHE** -- AHE data is published as nominal dollars per hour. Based on reports of gross payrolls and corresponding paid hours for production workers, construction workers, and nonsupervisory workers. AHE series are calculated by dividing *industry* aggregate payrolls by corresponding industry aggregate man-hours. Monthly data is collected for the survey week, or the week including the 12th. These figures exclude benefit costs, but include overtime, shift premiums and paid leave. Currently the AHEs are based upon the Standard Industrial Classification System (SIC) – this will change in the summer 2003. Please see the below link for more information.


**Consumer Price Index, CPI** -- The CPI measures changes in the prices of goods and services bought by households. It is based on a sample of prices for food, clothing, shelter, fuels and transportation, medical services, and other goods and services that people buy for day-to-day living. Price change is measured by pricing essentially the same market basket of goods and services at regular intervals and comparing aggregate costs with the costs of the same market basket in a selected base period.

**The Employment Cost Indexes, ECI** -- The ECI is a quarterly measure of change in the cost of labor defined as compensation per employee hour worked. The self-employed, owners-managers, and unpaid family workers are exclude from coverage. The ECI is designed as a fixed-weight index at the occupational level, thus eliminating the effects of employment shifts among occupations. The index weights are derived from the occupational employment for ECI industries reported in the 1990 Census of Population. The weights remain fixed from period to period and will change next to reflect the year 2000 census results.

The ECIs are computed from data on compensation by occupation collected from a sample of establishments and occupations weighted to represent the universe of establishments and occupations in the overall economy. Both components of compensation – *wages and salaries* and *benefits* – are covered.

**Wages and Salaries** - are represented by average straight-time hourly earnings in an occupation. Straight-time earnings are defined as total earnings before deductions, *excluding* premium pay for overtime, weekend, and late-shift work. Earnings *include* production bonuses, commissions, and cost-of-living allowances but *exclude* nonproduction bonuses (which are considered a benefit in the ECI), payments in kind, room and board and tips. All earnings are computed on an hourly basis, whether or not this is the actual basis of payment. Earnings of salaried employees and those paid under the incentive systems are converted to an hourly basis.

**Benefit** cost data is also converted to an hourly basis. Thus, occupational hourly earnings plus the employer’s cost per hour worked for employee benefits constitute the price of labor in the ECI. Since pay rates generally relate to the job rather than to the incumbent workers, the basic unit of data collection is a job, as defined by the firm, in an establishment. Health insurance and social security are the two biggest employer benefit costs.
Producer Price Indexes, PPI’s and WPI’s -- The Producer Price Indexes (PPI) measures monthly average changes in selling prices received by domestic producers for their output. Like the AHE’s, monthly data is collected for the survey week, or the week including the 12th. Most of the information used in the PPI is obtained by sampling of industries in the mining and manufacturing sectors of the economy. Data is also produced for the agricultural, fishing, forestry, services, and gas and electricity sectors of the economy. Imports are no longer included in the PPI universe. Domestic production of goods designed for the military are included, as are goods shipped between establishments owned by the same company. The indexes reflect price trends for a constant set of goods and services representing the total output of an industry.

The industry-based PPIs are currently based upon the Standard Industrial Classification System (SIC) – this will change in the beginning of 2004. Please see the below link for more information.

http://www.globalinsight.com/Scripts/NAICS/