

U. S. Bureau of Labor Statistics



Compensation Differences in the Private and Public Sectors

What BLS Data Really Tell Us

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Presentation for
The Public and Private Sector Compensation Forum
Sponsored by The Civic Federation
February 26, 2009

Presentation Overview



- Bureau of Labor Statistics (BLS): A Brief Overview
- Compensation Data: public and private sectors comparison
- Reasons for differences between the two sectors
- Occupational mix in private and public sectors
- Benefit provisions and incidence rates in both sectors
- Statistical methods and differences in compensation in the two sectors



Bureau of Labor Statistics (BLS)



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- Agency of the U.S. Department of Labor (DOL)
 - Independent national statistical agency
 - Non-regulatory
 - Principal Fact Finder
 - Broad field of labor economics and statistics
 - Founded in 1884



BLS Program Offices



- Employment and Unemployment Statistics
- Prices and Living Conditions
- Compensation and Working Conditions
- Productivity and Technology
- Publications and Special Studies



Postal Square Building



BLS Regional Offices



Subject Areas



- Employment and Unemployment
- Inflation & Prices
 - Retail price (Consumer Price Index)
 - Producer level (Producer Price Index)
 - Import/Export
 - Labor costs (Employment Cost Index)



Subject Areas

(continued)



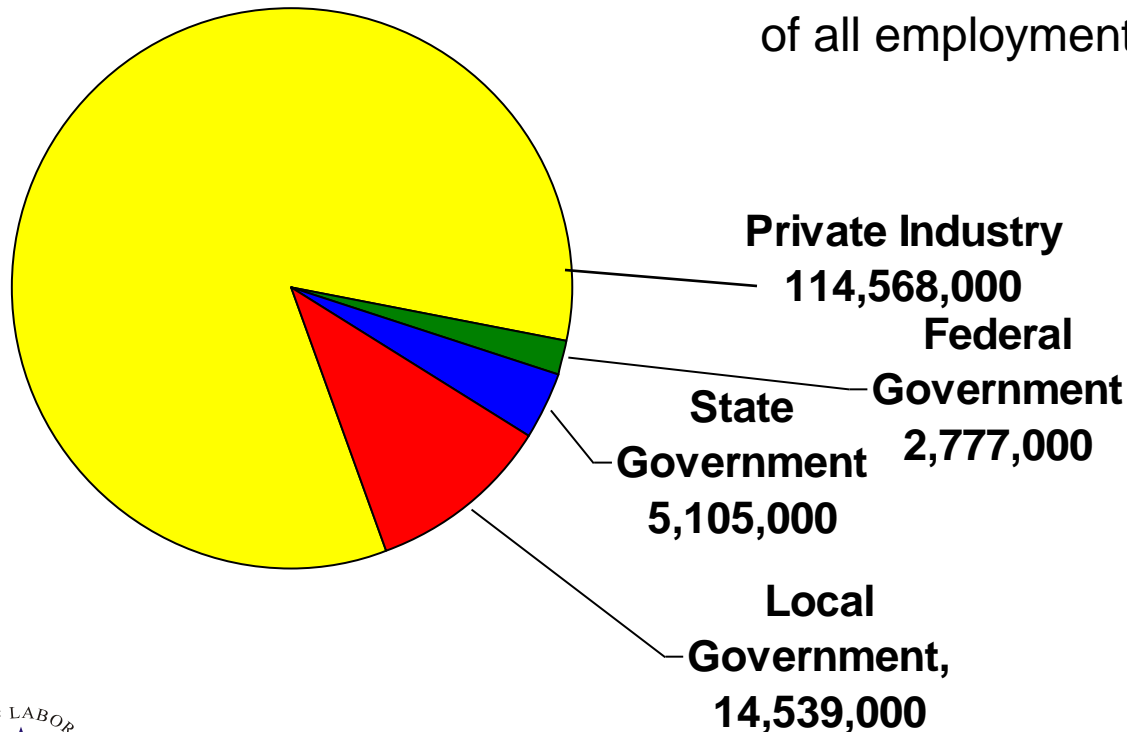
-
- Local area employment & unemployment
 - Workplace injuries, illnesses, & fatalities
 - Household expenditures
 - Wages by occupation
 - Employment by occupation
 - Employment projections
 - Productivity
 - International comparisons



Employment in Private and Public Sectors



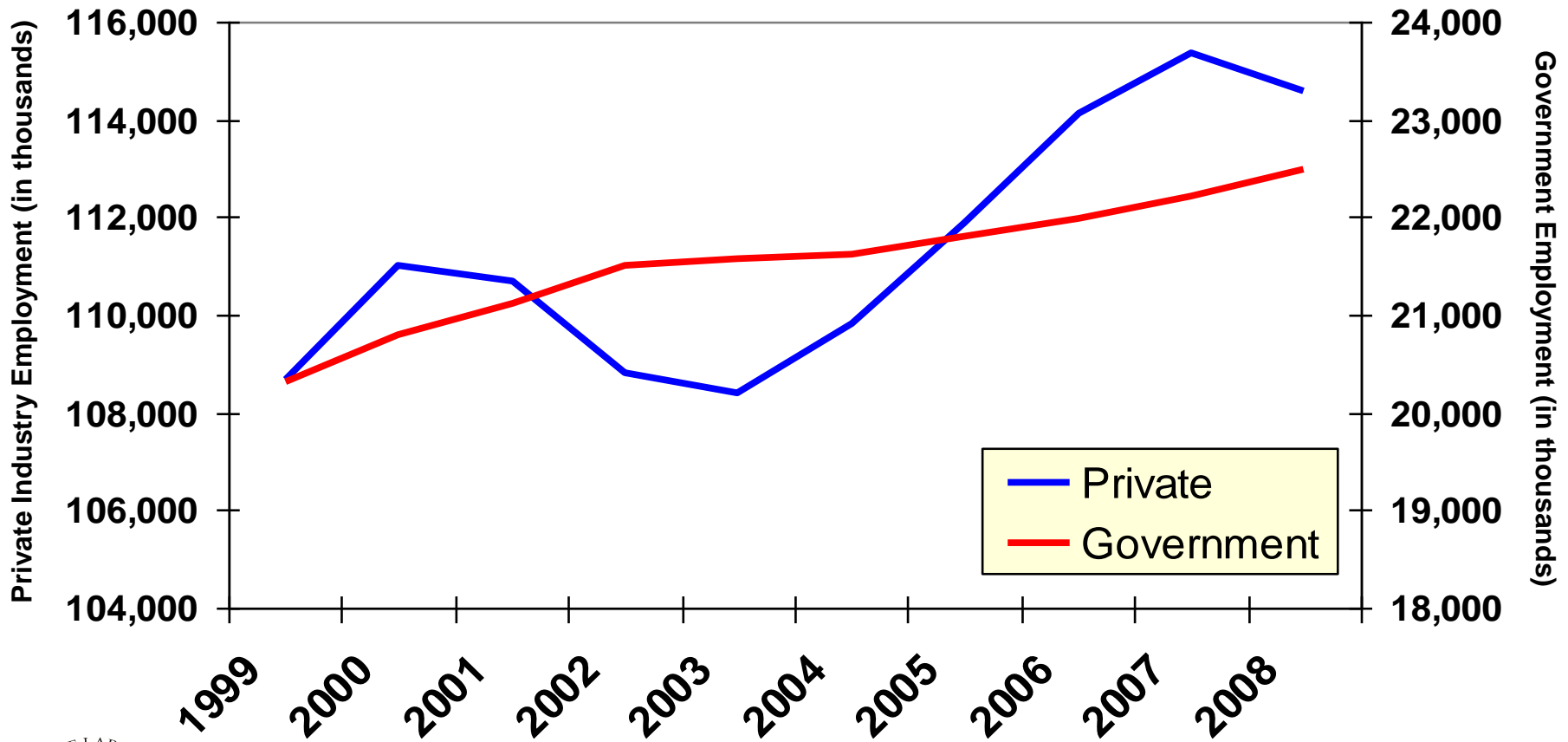
** Government accounts for 16.4 percent of all employment



Source: Current Employment Statistics, 2008 annual average

Employment Trends In Private and Public Sectors

(Current Employment Statistics)

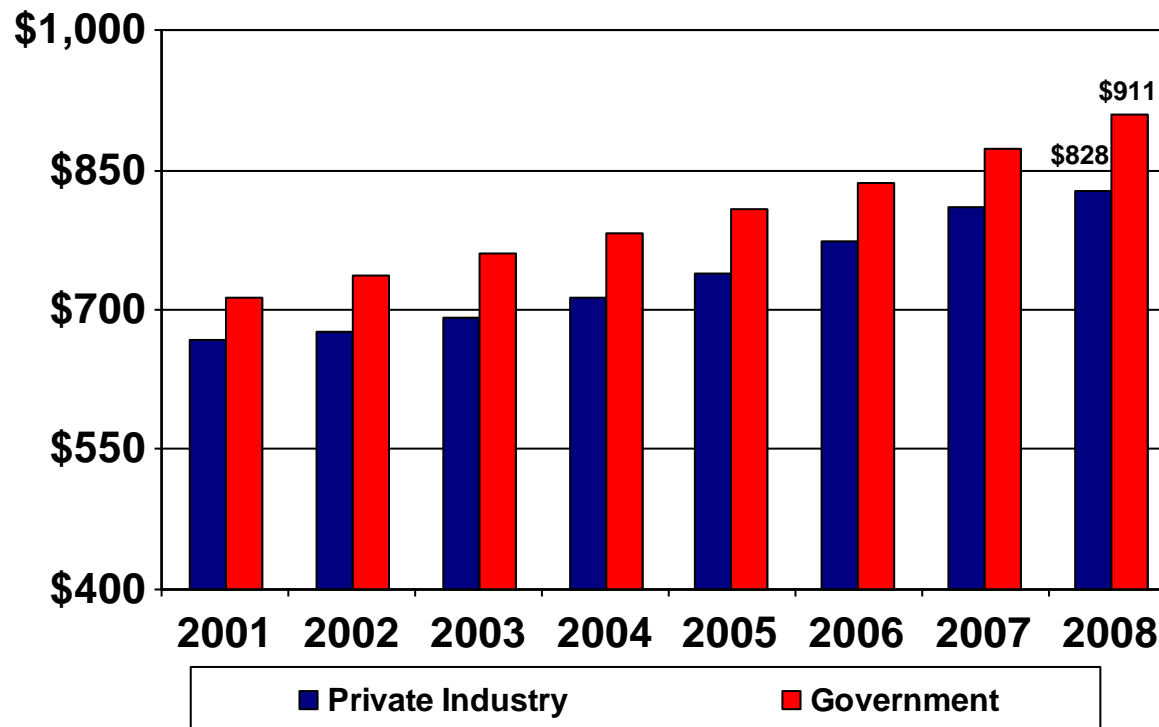


Average Weekly Wages

(Source: Quarterly Census of Employment and Wages- BLS)



Average weekly wages, private sector and government,
2nd quarter 2001-2008



Employer Costs for Employee Compensation (ECEC)

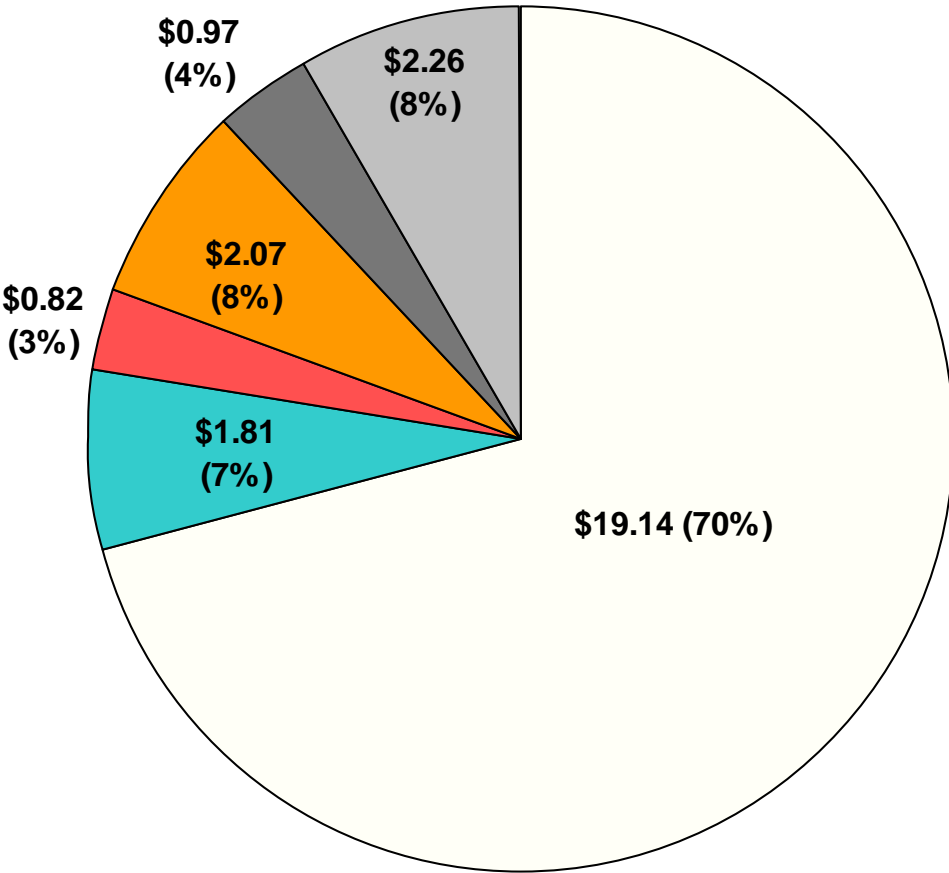


- Quarterly survey that shows the employers' average hourly cost per hour worked for total compensation and its components
- Provides cost data in dollar amounts and as percentages of compensation
- Breaks out data on:
 - Civilian workers and State and local government workers into estimates for occupational and industry groups (national only)
 - Private industry workers by major occupation, industry, region, union and nonunion status, establishment size, and full- or part-time status



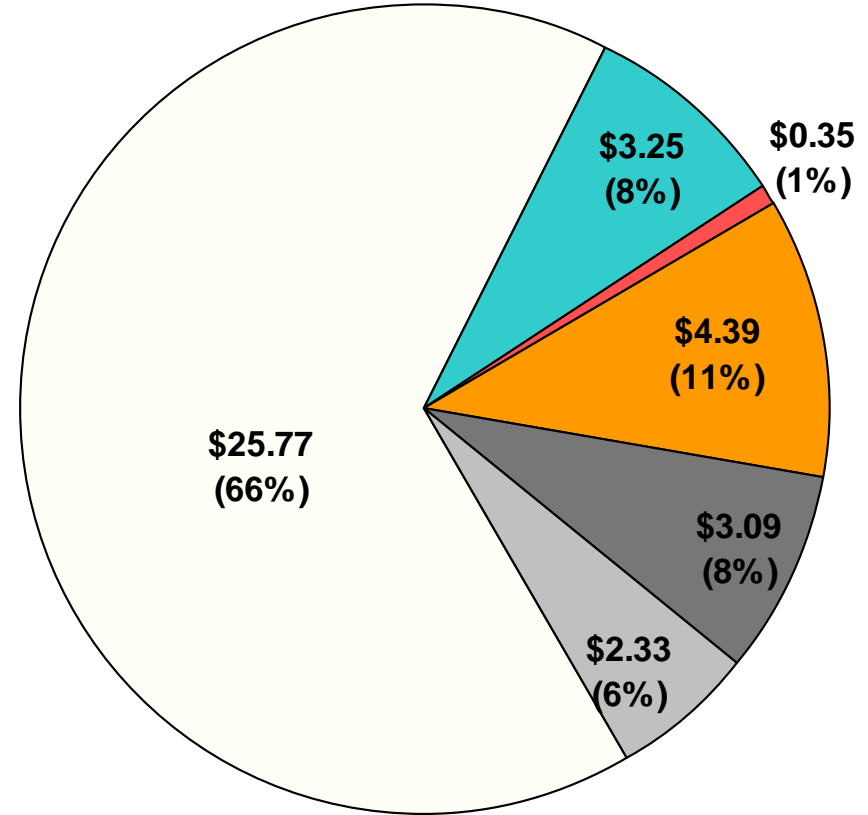
Private Industry

Total Compensation = \$27.07



State & Local Governments

Total Compensation = \$39.18



Wages & Salaries

Paid Leave

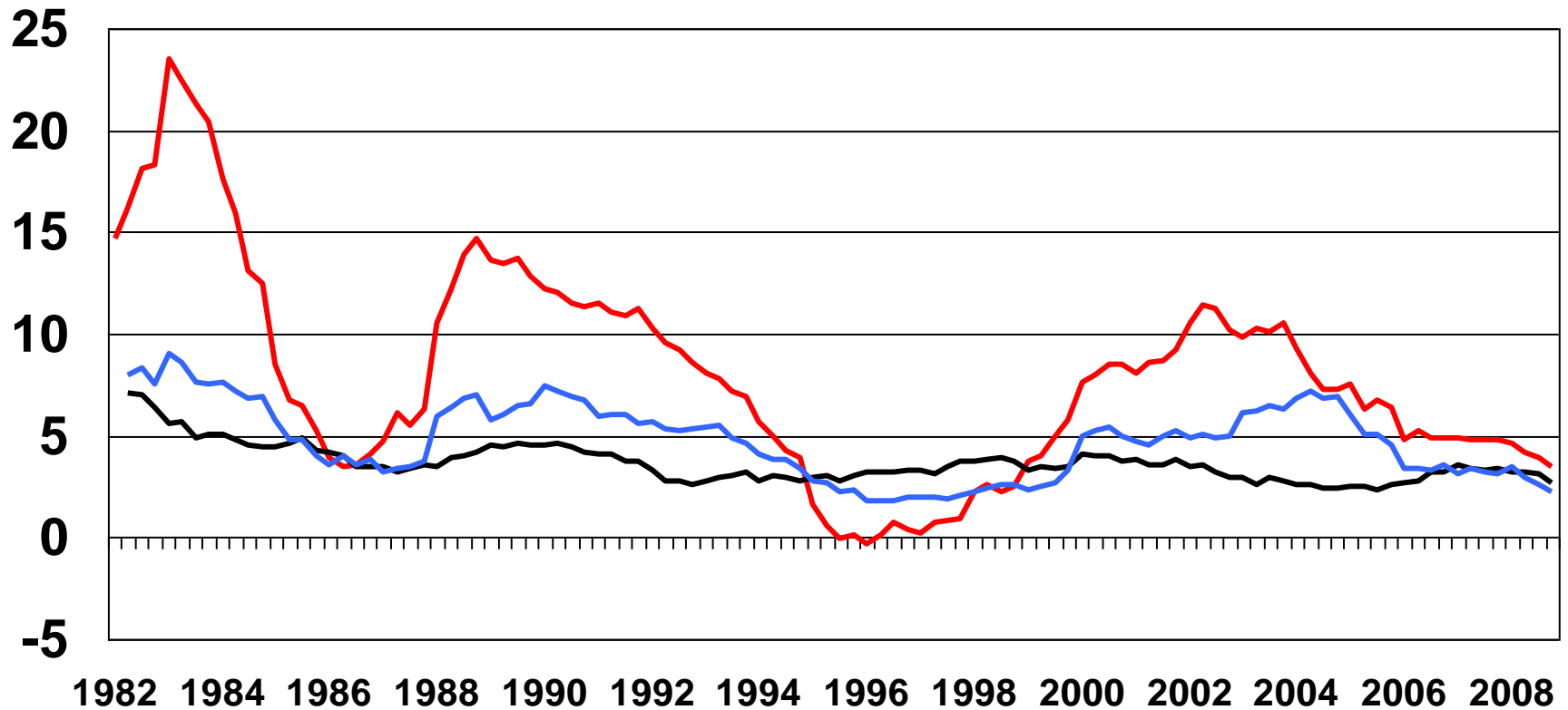
Supplemental Pay

Insurance

Retirement & Savings

Legally Required

Compensation Trends



— Health Insurance

— Wages and Salaries

— Benefits

Source: Employment Cost Index

ECEC Data: Wages & Salaries

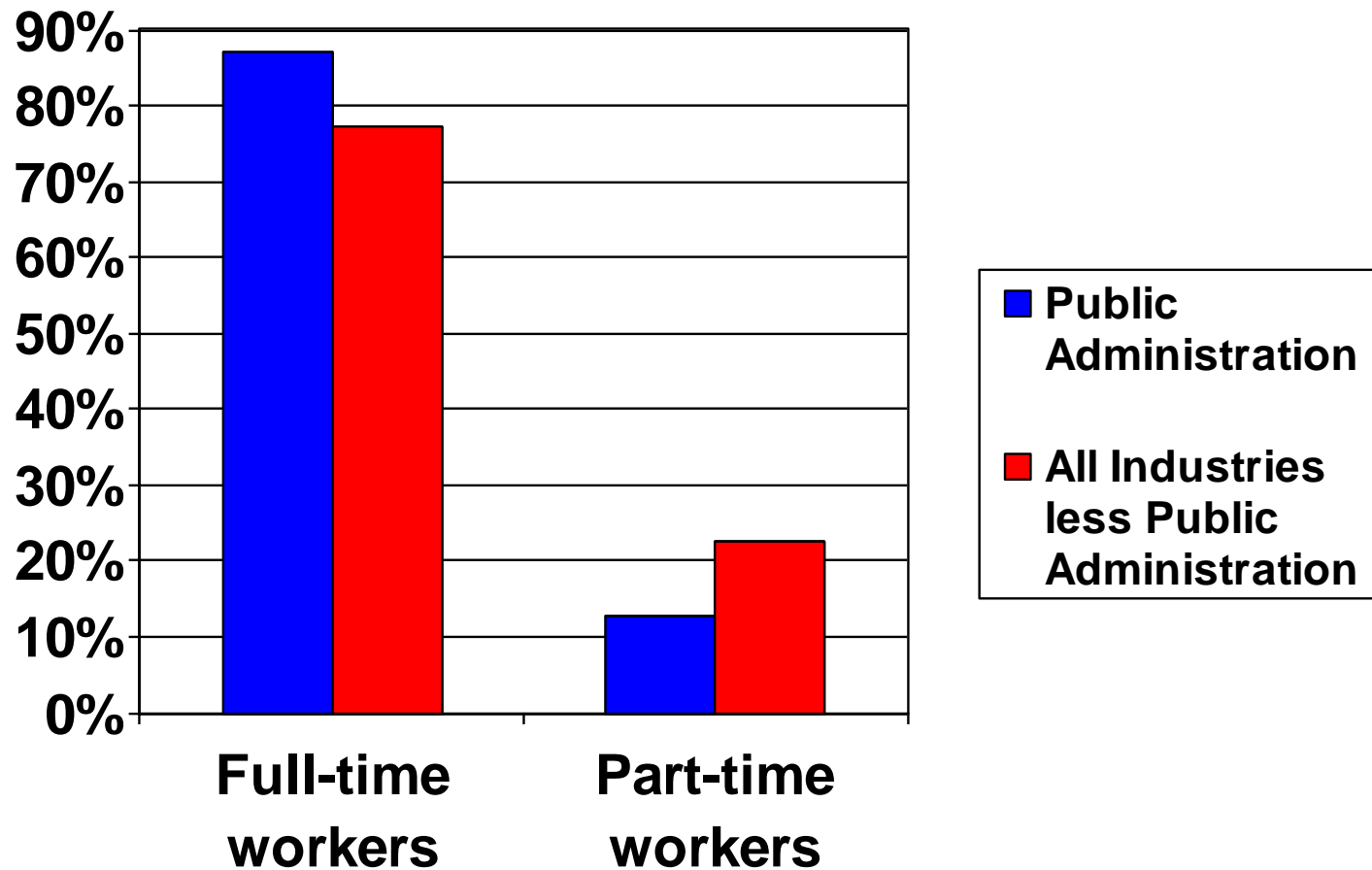
Some reasons for differences between
the two sectors



-
- Worker characteristics
 - Work schedule distribution (FT/PT)
 - Bargaining unit distribution (Union/Nonunion)
 - Employee tenure
 - Industry and Occupational mix

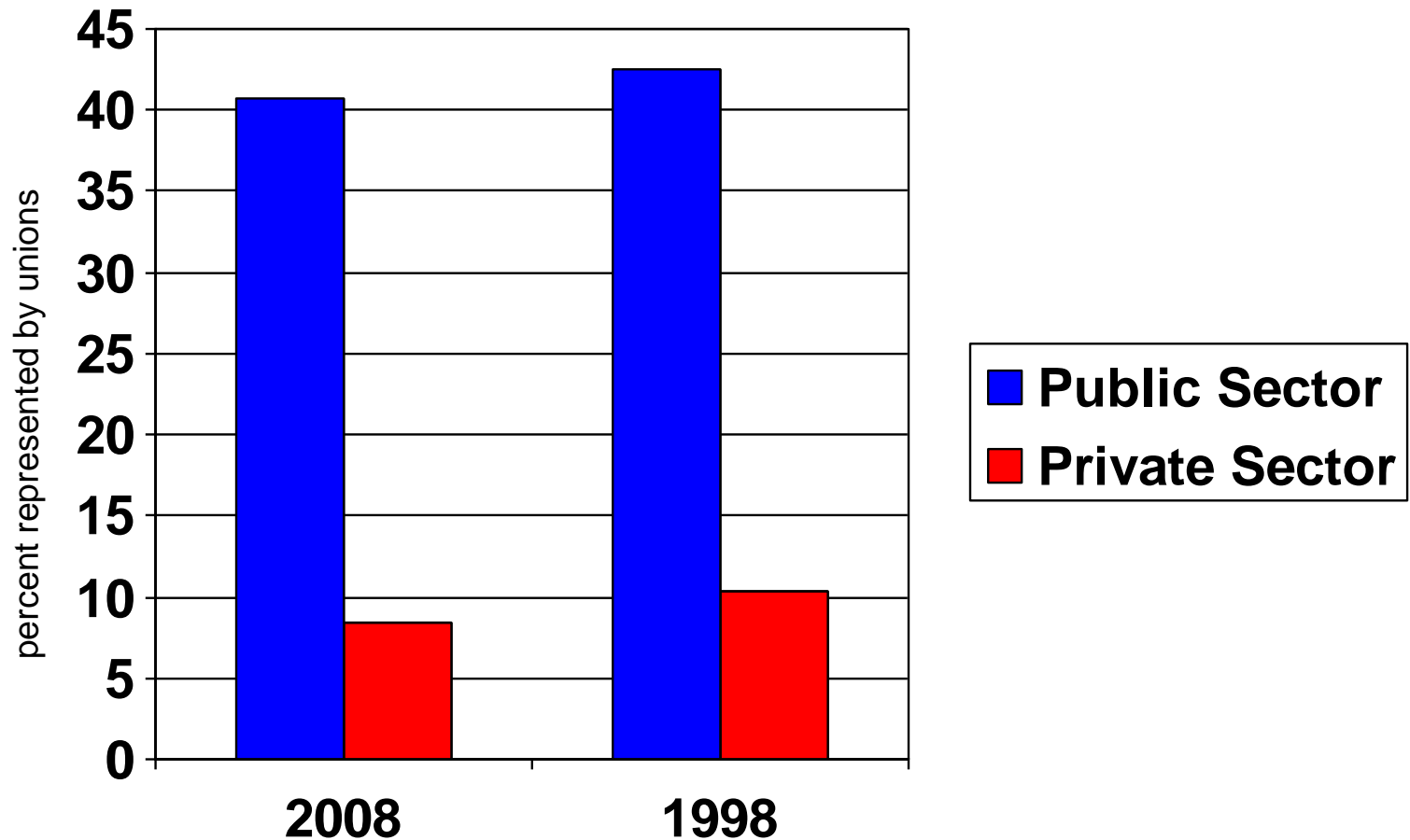


Full-Time and Part-Time Distribution



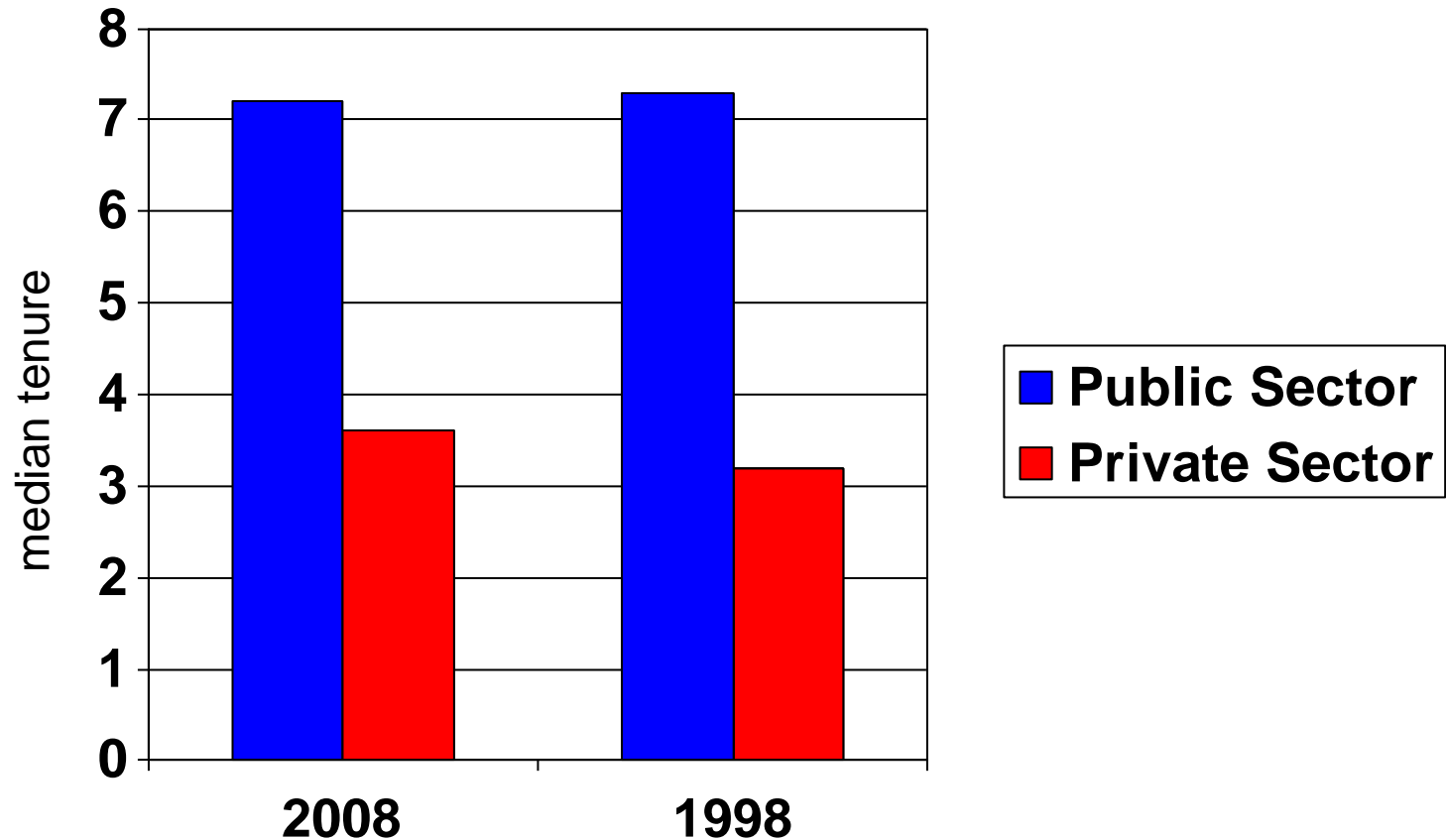
Source: Current Population Survey

Union Representation



source: Current Population Survey

Employee Tenure



Source: Current Population Survey

	All Industries		Federal Government		State Government		Local Government	
	Emp Level	Ave. Hrly. Wage	Emp Level	Ave. Hrly. Wage	Emp. Level	Ave. Hrly. Wage	Emp Level	Ave. Hrly. Wage
Accountants & Auditors	1,115,010	\$30.37	21,800	\$39.22	35,410	\$24.46	42,870	\$26.11
Network Systems Analysts	309,660	\$32.62	*	*	5,150	\$29.82	6,750	\$30.50
Civil Engineers	247,370	\$36.17	9,230	\$39.99	32,300	\$32.63	28,710	\$35.59
Lawyers	555,770	\$56.87	28,670	\$57.56	34,290	\$37.65	50,210	\$41.89
Paralegals & Legal Assistants	241,270	\$22.88	12,530	\$28.45	7,940	\$20.36	12,360	\$22.30
Dentists – General	80,000	\$70.68	*	*	1,080	\$52.88	570	\$51.97
Registered Nurses	2,468,340	\$30.04	52,500	\$34.33	38,380	\$28.13	47,020	\$28.84
Nursing Aides, Orderlies, and Attendants	1,390,260	\$11.50	10,970	\$15.99	20,150	\$13.39	35,890	\$12.50
Bookkeeping, Accounting, and Auditing Clerks	1,858,500	\$15.76	18,350	\$19.46	26,150	\$16.15	75,500	\$16.08
Laborers and Material Handlers	2,363,440	\$11.46	*	\$15.47	*	\$10.99	33,650	\$12.67

Source: Occupational Employment Statistics, May 2007

Occupational Mix

(selected groups)



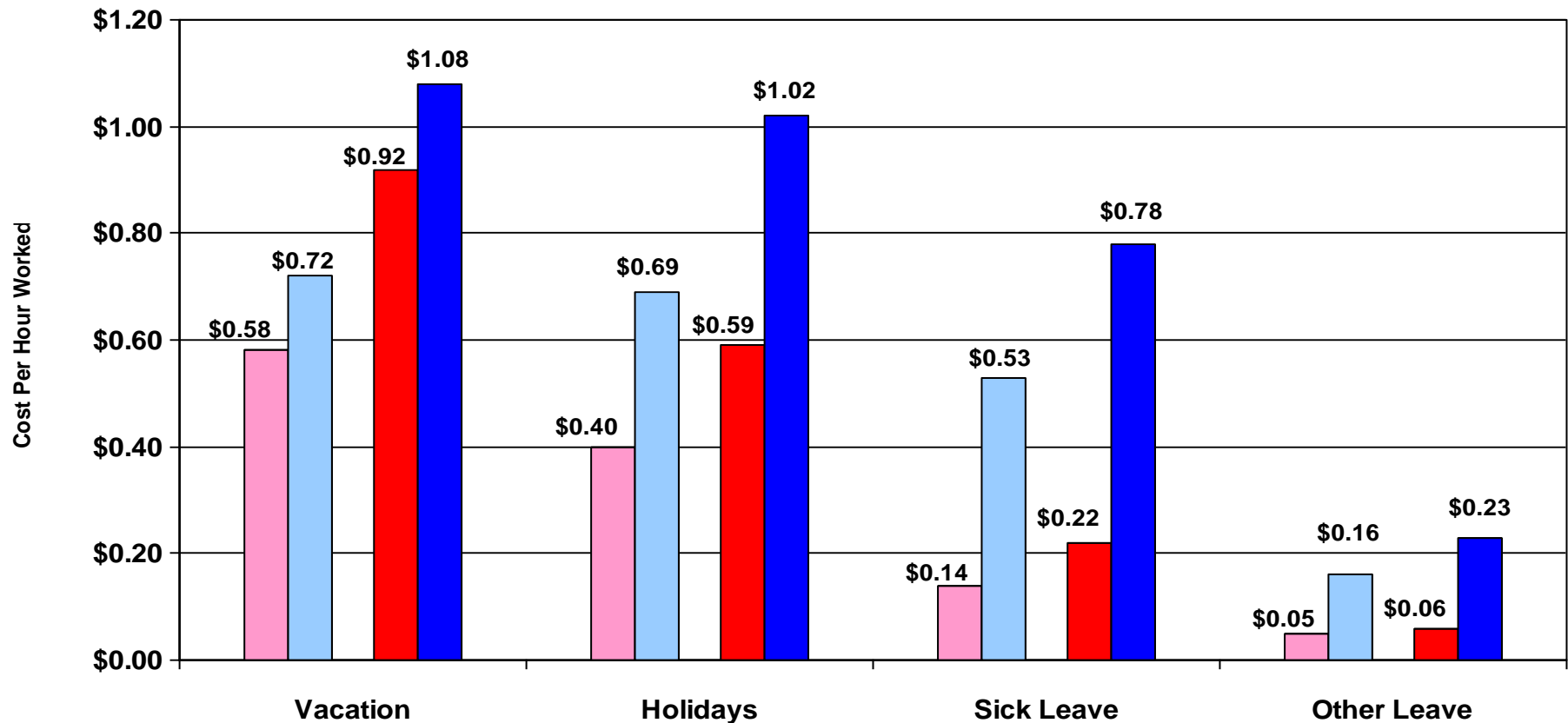
Occupational Group	Employment Share		Median Hourly Wage	
	All Industries	Gov't	All Industries	Gov't Wage
Business and financial operations	4.5	10.2	\$26.87	\$27.22
Legal occupations	0.7	2.5	\$33.54	\$32.97
Sales and related	10.7	0.7	\$11.41	\$12.22
Food preparation and serving	8.4	1.1	\$8.24	\$10.80



Source: Occupational Employment Statistics,
Government status is determined by OES designation

ECEC Data: Leave Benefits

Private Industry vs. State & Local Government



Private Industry (March 1998) S&L Government (March 1998)
Private Industry (March 2008) S&L Government (March 2008)

ECEC Data: Vacation



- Average number of vacation days is greater in S&L governments.
- Median employee tenure is higher in S&L governments.
- Average hourly rate is higher in S&L governments.
- Average scheduled hours per week is higher and annual hours worked per year are lower in S&L governments.

Vacation (average days)	S&L Gov't	Private
1 year	12	9
5 years	15	14
10 years	18	16
20 years	22	19

March 2008

Vacation (average days)	S&L Gov't	Private Medium&Large Firms	Private Small Firms
1 year	12.6	9.6	8.1
5 years	15.6	13.8	11.9
10 years	18.6	16.9	13.9
20 years	22.3	20.3	15.4

1998

1997

1996



ECEC Data: Holidays



- Average number of days granted annually is greater in S&L governments
- Average hourly rate is higher in S&L governments

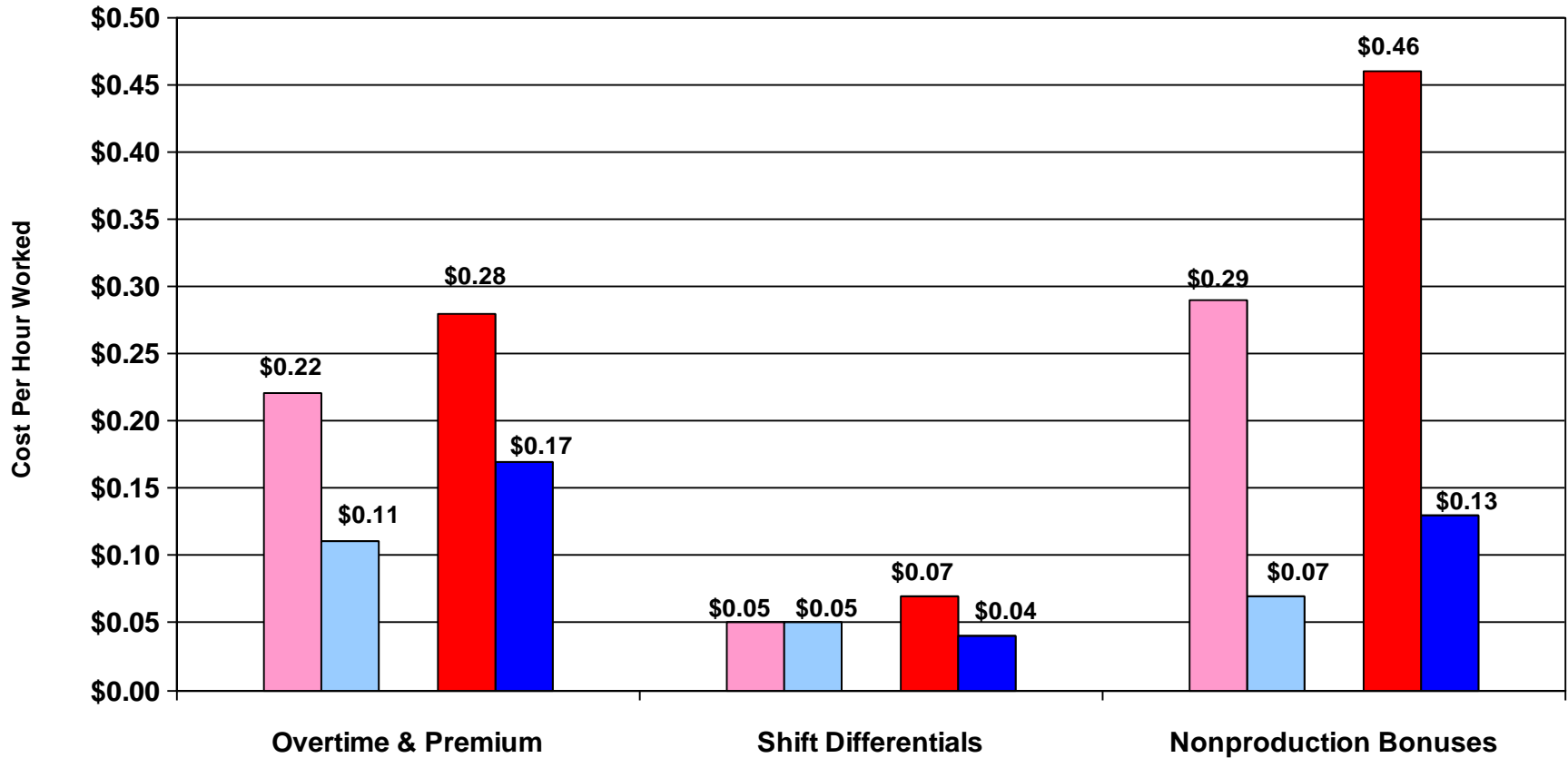
Holidays (Days per year)	March 2008		1996	1997	1998
	Private	Public	Private (Small Firms)	Private (Medium&Lar ge Firms)	Public
Less than 6 days	10	4	12	4	2
6 days	24	5	26	13	3
7 days	12	3	16	8	2
8 days	13	3	12	12	3
9 days	10	9	8	11	5
10 days	14	14	10	21	18
11 days	8	18	5	13	17
12 days	4	17	3	7	18
13 days	1	13	1	2	12
14 days	1	6	< 0.5	1	2
Greater than 14 days	2	8	1	4	8
Average Days	8	11	7.6	9.3	11.4



Source: Employee Benefits in the United States

ECEC Data: Supplemental Pay

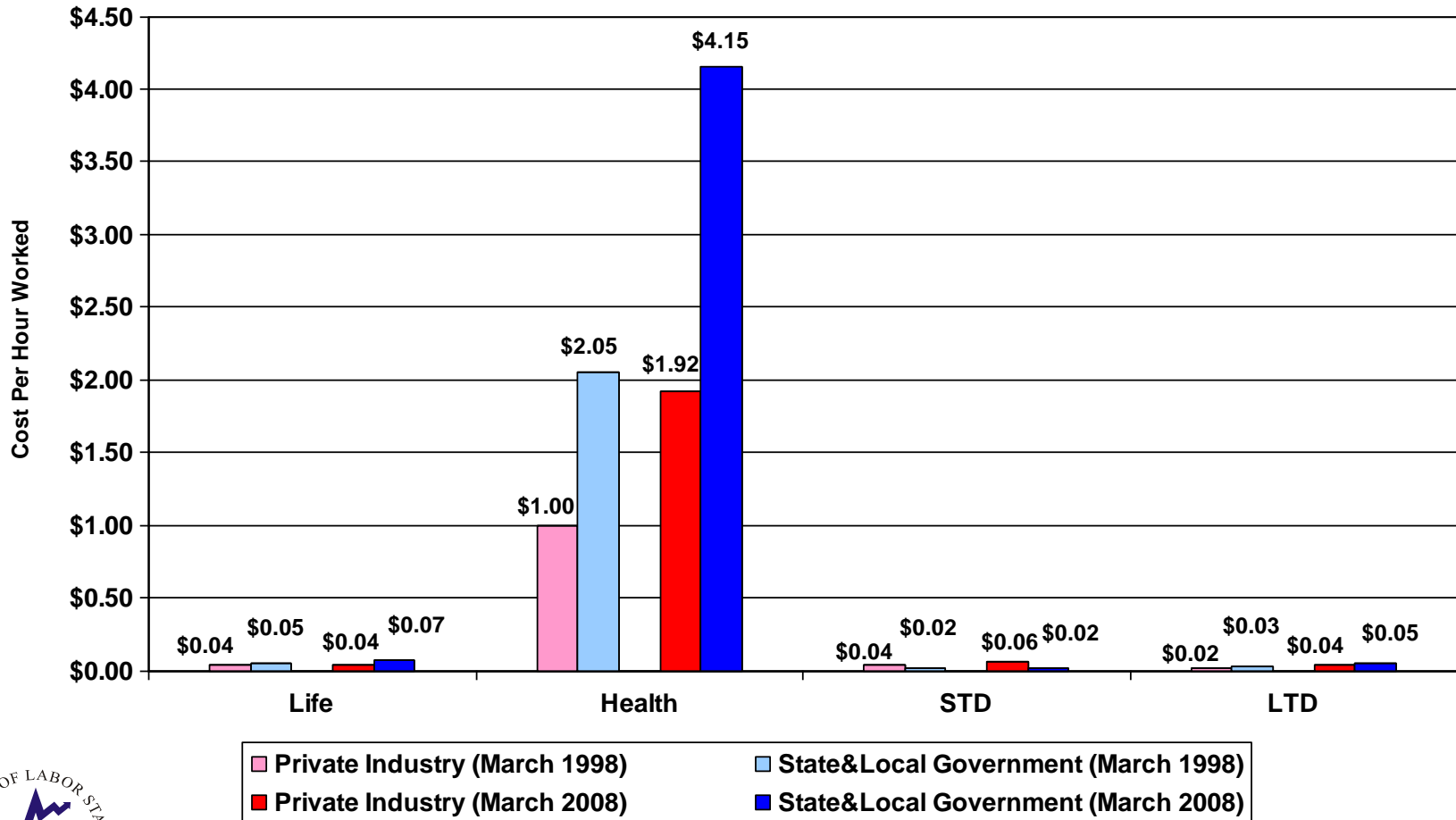
Private Industry vs. State & Local Government



■ Private Industry (March 1998) ■ State & Local Government (March 1998)
■ Private Industry (March 2008) ■ State & Local Government (March 2008)

ECEC Data: Insurance

Private Industry vs. State & Local Government



ECEC Data: Health Insurance



- Health insurance premiums are higher on average in the public sector

Health Premiums -- March 2008

Private					
All Plans		Employee Contribution Not Required		Employee Contribution Required	
Average Premium Per Month		Average Premium Per Month		Average Premium Per Month	
Coverage	Employer	Employer	Employee	Employer	Employee
Single	\$309.03	\$405.08	\$0.00	\$279.98	\$87.69
Family	\$708.83	\$875.90	\$0.00	\$684.72	\$330.99

Public					
All Plans		Employee Contribution Not Required		Employee Contribution Required	
Average Premium Per Month		Average Premium Per Month		Average Premium Per Month	
Coverage	Employer	Employer	Employee	Employer	Employee
Single	\$399.86	\$423.06	\$0.00	\$385.04	\$73.34
Family	\$794.72	\$970.00	\$0.00	\$765.81	\$328.01



Source: Employee Benefits in the United States

ECEC Data: Health Insurance



- More employees have access to and participate in health insurance plans in the State and local governments.

Health Insurance -- March 2008

Private											
Medical			Dental			Vision			Prescription Drug		
Access	Participate	Take-up Rates	Access	Participate	Take-up Rates	Access	Participate	Take-up Rates	Access	Participate	Take-up Rates
71	53	75	47	37	79	28	22	78	68	51	75

State & Local Governments											
Medical			Dental			Vision			Prescription Drug		
Access	Participate	Take-up Rates	Access	Participate	Take-up Rates	Access	Participate	Take-up Rates	Access	Participate	Take-up Rates
87	73	83	55	47	85	38	31	81	86	72	83



Source: Employee Benefits in the United States

ECEC Data: Health Insurance



- Employers cover a greater percentage of the cost of health care premiums in the public sector

Health Premiums: Cost Sharing -- March 2008

Private Industry			
Single		Family	
Employer	Employee	Employer	Employee
81%	19%	71%	29%

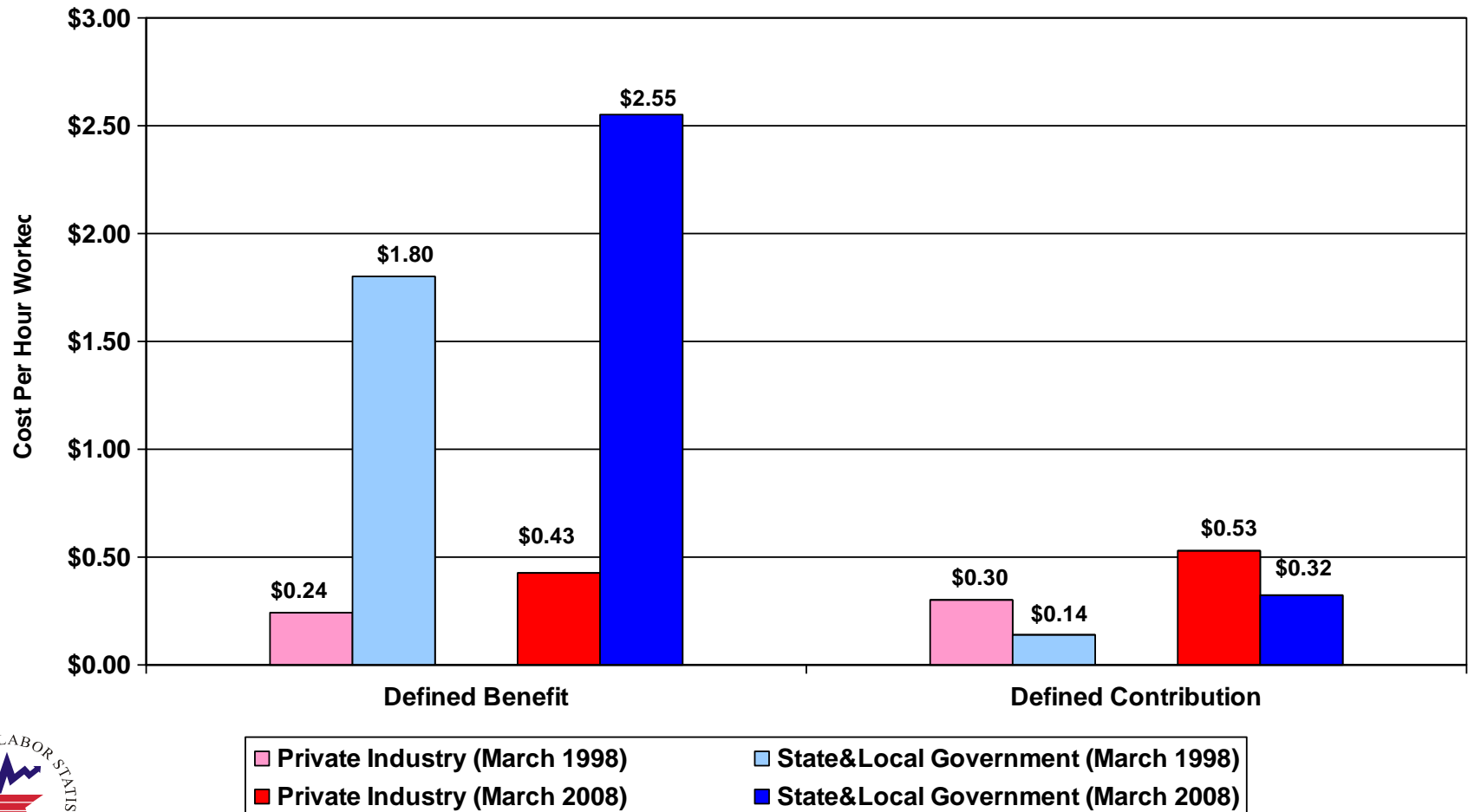
State & Local Governments			
Single		Family	
Employer	Employee	Employer	Employee
90%	10%	73%	27%



Source: Employee Benefits in the United States

ECEC Data: Retirement & Savings

Private Industry vs. State & Local Government



ECEC Data: Defined Benefit



- Participation in defined benefit retirement plans is higher in the public sector.

Defined Benefit Retirement -- March 2008

Private			State & Local Governments					
Access	Participation	Take-Up Rate	Access	Participation	Take-up Rate			
21%	20%	96%	83%	79%	96%			
			State Governments			Local Governments		
			Access	Participation	Take-Up Rate	Access	Participation	Take-Up Rate
			85%	79%	93%	82%	80%	97%

Defined Benefit Retirement

1999			1998	
Private Industry			State & Local Governments	
Participation - All	Participation - FT	Participation - PT	Participation - FT	Participation - PT
21%	25%	9%	90%	59%



Source: Employee Benefits in the United States

ECEC Data: Defined Contribution



- Participation in defined contribution retirement plans is higher in the private sector

Defined Contribution Retirement -- March 2008

Private			State & Local Governments					
Access	Participation	Take-Up Rate	Access	Participation	Take-up Rate			
56%	43%	77%	29%	18%	62%			
			State Governments			Local Governments		
Access	Participation	Take-Up Rate	Access	Participation	Take-Up Rate	Access	Participation	Take-Up Rate
44%	26%	59%	24%	15%	63%			

Defined Contribution Retirement

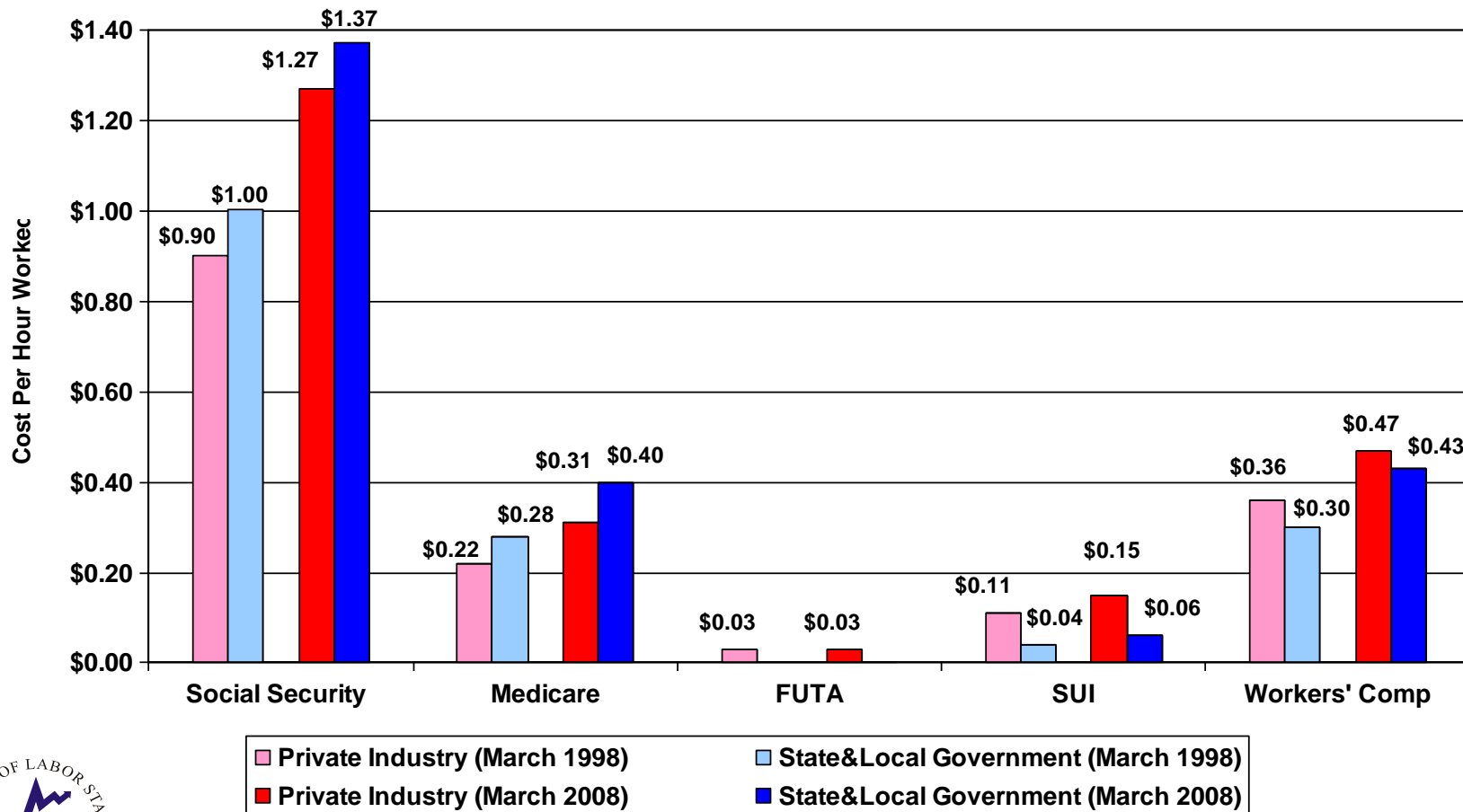
1999			1998	
Private Industry			State & Local Governments	
Participation - All	Participation - FT	Participation - PT	Participation - FT	Participation - PT
36%	42%	14%	14%	5%



Source: Employee Benefits in the United States

ECEC Data: Legally Required Benefits

Private Industry vs. State & Local Government

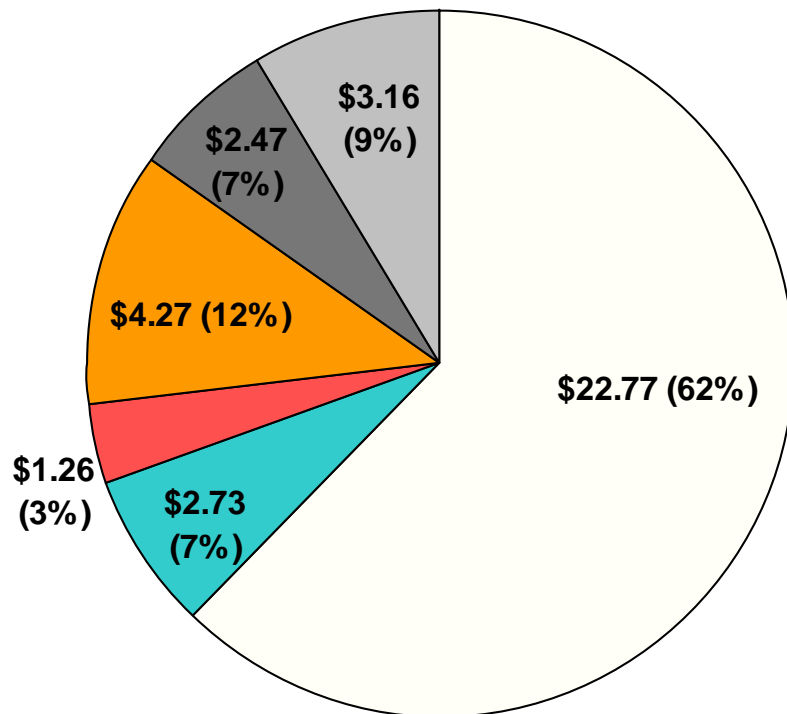


ECEC Data: September 2008

Private Industry Union vs. State & Local Governments

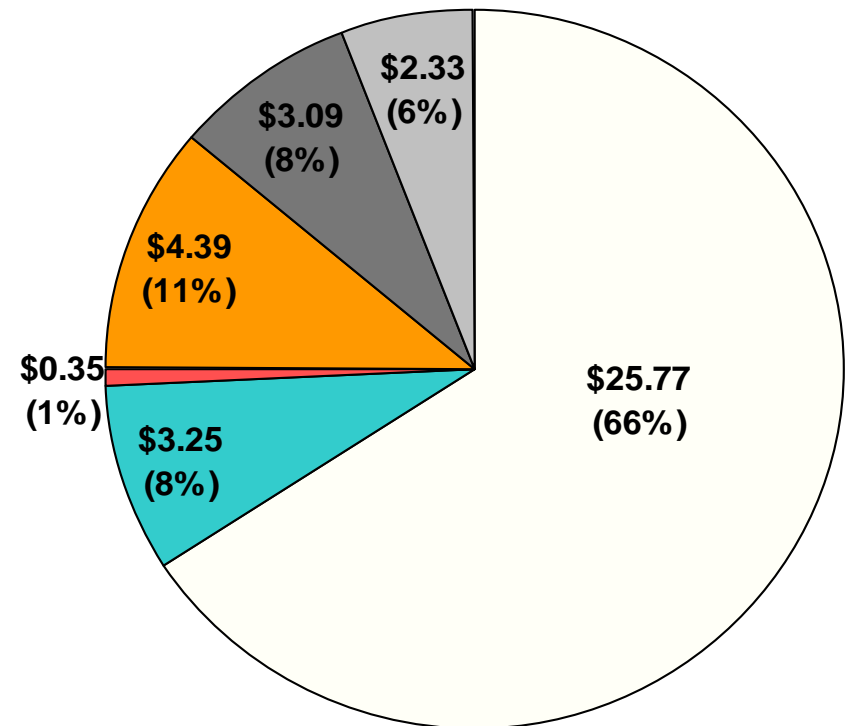


Union in Private Industry



State & Local Governments

Total Compensation = \$39.18



Comparing Statistics



- Sampling and weighting
- Non-response adjustment
- Aggregate data is not a 1-1 match
 - Occupational mix
 - Work schedule mix
 - Bargaining unit mix
 - Industry mix



BLS Website (www.bls.gov)



The screenshot shows the BLS website homepage with the following elements:

- Header:** U.S. Department of Labor logo and name, a search bar with "All BLS.gov" entered, and a navigation bar with "Newsroom | Tutorials | Release Calendar".
- Navigation:** "Bureau of Labor Statistics" title, and menu buttons for "Home", "Subject Areas", "Databases & Tables", "Publications", and "Economic Releases".
- Left Sidebar:** "SUBJECT AREAS" list including Inflation & Prices, Spending & Time Use, Unemployment, Employment, Pay & Benefits, Productivity, Workplace Injuries, International, Regional Offices, and Programs A-Z. Below is "RESOURCES FOR:" with links for Business Leaders, Consumers, Investors, and Jobseekers.
- Main Content:**
 - "Latest from BLS" section with a featured article: "Common Misconceptions about the Consumer Price Index: Questions and Answers".
 - "Economic News Releases" section with a featured article: "Consumer Price Index" dated September 16, 2008. The text states: "On a seasonally adjusted basis, the CPI-U decreased 0.1 percent in August, following a 0.8 percent increase in July. The index for all items less food and energy increased 0.2 percent in August after increasing 0.3 percent in July. [Full Text](#) »".
 - "Spotlight on Statistics" section with a featured article: "Older Workers" dated September 16, 2008. The text states: "Workers age 65 and over are changing the face of the American workplace. This Spotlight on Statistics tells you how, using charts and audio." Below the text is an audio player showing "00:00" and a video thumbnail of three people.
- Right Sidebar:** "Latest Numbers" section listing various economic indicators with their August 2008 values and links to "News Release" and "Historical Data":
 - Consumer Price Index (CPI): -0.1% in Aug 2008
 - Unemployment Rate: 6.1% in Aug 2008
 - Payroll Employment: -84,000(p) in Aug 2008
 - Average Hourly Earnings: +\$0.07(p) in Aug 2008
 - Producer Price Index (PPI): -0.9%(p) in Aug 2008
 - Employment Cost Index (ECI): +0.7% in 2nd Qtr of 2008
 - Productivity: +4.3% in 2nd Qtr of 2008



For more information, please visit our website.