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Employer Costs for Employee Compensation for the Regions – March 2021

Private industry employer costs for employee compensation among the four regions of the country ranged from $32.69 per hour in the South to $41.17 in the Northeast during March 2021, the U.S. Bureau of Labor Statistics reported today. In the other two regions, hourly employer costs for employee compensation stood at $35.10 in the Midwest and $40.60 in the West. (See chart 1.) In addition to regional estimates, employer costs for nine smaller geographic divisions are also available. Within divisions, total compensation costs ranged from $29.79 per hour in the East South Central division to $43.30 in the Pacific division. (See table 1.) Employer Costs for Employee Compensation (ECEC) are based on the National Compensation Survey, which measures employer costs for wages, salaries, and employee benefits. (Geographic definitions of the regions and divisions follow in the Technical Note.)

Chart 1. Employer costs per employee hour worked by region, private industry, March 2021

Source: U.S. Bureau of Labor Statistics.

In the Northeast, hourly total compensation costs in March 2021 were comprised of the following: wages and salaries ($28.36) made up 68.9 percent, while total benefits ($12.80) accounted for the remaining 31.1 percent of compensation costs. Insurance costs, which include life, health, and short- and long-term disability, averaged $3.35 per hour worked, or 8.1 percent of all compensation costs. Costs for paid leave, which includes vacation, holiday, sick, and personal leave, averaged $3.23 per hour worked, accounting for 7.8 percent of total compensation costs. Legally required benefits, which include Social Security, Medicare, unemployment insurance (both state and federal), and workers' compensation, averaged $3.16 per hour and represented 7.7 percent of total compensation costs.

In the West, hourly wages and salaries averaged $28.59 and accounted for 70.4 percent of all compensation costs. Total benefits averaged $12.01, or 29.6 percent of compensation costs. Legally required benefits averaged $3.16 per hour, or 7.8 percent of compensation costs in the West. Insurance costs averaged $3.14 per hour, accounting for 7.7 percent of total compensation costs. Paid leave costs were $3.09 per hour, or 7.6 percent of regional compensation costs.

The Midwest region recorded an hourly wage and salary average of $24.24 in March 2021, representing 69.0 percent of all compensation costs. Total benefits averaged $10.86 and accounted for the remaining 31.0 percent of total compensation costs. The three highest major categories for employer benefit costs were: insurance benefits ($3.08 per hour worked), legally required benefits ($2.61), and paid leave ($2.51). These categories represented 8.8 percent, 7.4 percent, and 7.1 percent, respectively, of total employer compensation costs in the Midwest.

In the South, wages and salaries averaged $23.68 per hour and comprised 72.4 percent of total employer compensation costs, while benefits, at $9.01 per hour, accounted for the remaining 27.6 percent. Legally required benefits averaged $2.41 per hour worked, followed by paid leave at $2.36 per hour; these categories accounted for 7.4 percent and 7.2 percent, respectively, of total compensation costs in the South. Insurance benefits was the third-highest benefit cost and averaged $2.19 per hour, accounting for 6.7 percent of employer compensation costs in the region.

Overall, compensation costs among private industry employers in the United States averaged $36.64 per hour worked in March 2021. Wages and salaries, at $25.80 per hour, accounted for 70.4 percent of these costs, while benefits, at $10.83, made up the remaining 29.6 percent.

The June 2021 national release on Employer Costs for Employee Compensation is scheduled to be released on Thursday, September 16, 2021, at 10:00 a.m. (ET).

Coronavirus (COVID-19) Pandemic Impact on March 2021 ECEC Data

The Employer Costs for Employee Compensation (ECEC) reference date was March 12, 2021. Response rates for March were comparable with prior releases, and no changes in estimation procedures were necessary. Additional information is available at www.bls.gov/covid19/home.htm.

Technical Note

Employer Costs for Employee Compensation (ECEC) provides the average employer cost for wages and salaries as well as benefits per employee hour worked.

Employer Costs for Employee Compensation data in this release cover private industry. Excluded from private industry are the self-employed, agricultural workers, and private household workers. Data for this reference period were collected from a probability sample of approximately 24,300 occupational observations selected from a sample of about 6,000 private industry establishments. The private industry sample is rotated over approximately three years, which makes the sample more representative of the economy and reduces respondent burden. Data are collected for the pay period including the 12th day of the survey months of March, June, September, and December.

Employer Costs for Employee Compensation data on total compensation, wages and salaries, and benefits in private industry are produced annually in the March reference period for 15 combined and metropolitan statistical areas (CSA and MSA). Further information about metropolitan area ECEC estimates is available at www.bls.gov/opub/mlr/cwc/bls-introduces-new-employer-costs-for-employee-compensation-data-for-private-industry-workers-in-15-metropolitan-areas.pdf.

For detailed information on ECEC, see "National Compensation Measures," of the *BLS Handbook of Methods* at www.bls.gov/opub/hom/ncs/home.htm. Current and historical BLS data are also available online at www.bls.gov/ect.

Information from the Employer Costs for Employee Compensation program is available to sensory impaired individuals upon request. Voice phone: (202) 691-5200; Federal Relay Service: (800) 877-8339.

Regional definitions

Northeast region

- New England division: Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont
- Middle Atlantic division: New Jersey, New York, Pennsylvania

Midwest region

- East North Central division: Illinois, Indiana, Michigan, Ohio, Wisconsin
- West North Central division: Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota

South region

- South Atlantic division: Delaware, District of Columbia, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, West Virginia
- East South Central division: Alabama, Kentucky, Mississippi, Tennessee
- West South Central division: Arkansas, Louisiana, Oklahoma, Texas

West region

- Mountain division: Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, Wyoming

- Pacific division: Alaska, California, Hawaii, Oregon, Washington

Table 1. Employer Costs for Employee Compensation for private industry workers by census region and division [March 2021]

Area [1]	Total compensation [2]		Wages and salaries		Total benefits		Paid leave		Supplemental pay		Insurance		Retirement and savings		Legally required benefits	
	Cost ($)	Percent	Cost ($)	Percent	Cost ($)	Percent	Cost ($)	Percent	Cost ($)	Percent	Cost ($)	Percent	Cost ($)	Percent	Cost ($)	Percent
Northeast	41.17	100.0	28.36	68.9	12.80	31.1	3.23	7.8	1.50	3.6	3.35	8.1	1.57	3.8	3.16	7.7
New England	41.04	100.0	28.57	69.6	12.46	30.4	3.32	8.1	1.26	3.1	3.26	7.9	1.51	3.7	3.12	7.6
Middle Atlantic	41.22	100.0	28.29	68.6	12.93	31.4	3.19	7.7	1.59	3.9	3.38	8.2	1.59	3.9	3.17	7.7
South	32.69	100.0	23.68	72.4	9.01	27.6	2.36	7.2	1.09	3.3	2.19	6.7	0.97	3.0	2.41	7.4
South Atlantic	34.23	100.0	24.73	72.3	9.50	27.7	2.56	7.5	1.06	3.1	2.29	6.7	1.06	3.1	2.53	7.4
East South Central	29.79	100.0	21.59	72.5	8.20	27.5	2.09	7.0	0.87	2.9	2.17	7.3	0.89	3.0	2.18	7.3
West South Central	31.35	100.0	22.82	72.8	8.53	27.2	2.13	6.8	1.25	4.0	2.01	6.4	0.84	2.7	2.30	7.3
Midwest	35.10	100.0	24.24	69.0	10.86	31.0	2.51	7.1	1.34	3.8	3.08	8.8	1.32	3.8	2.61	7.4
East North Central	36.02	100.0	24.83	68.9	11.20	31.1	2.56	7.1	1.44	4.0	3.09	8.6	1.46	4.0	2.65	7.4
West North Central	33.20	100.0	23.02	69.3	10.18	30.7	2.40	7.2	1.14	3.4	3.07	9.2	1.05	3.1	2.53	7.6
West	40.60	100.0	28.59	70.4	12.01	29.6	3.09	7.6	1.29	3.2	3.14	7.7	1.34	3.3	3.16	7.8
Mountain	33.99	100.0	23.75	69.9	10.24	30.1	2.40	7.1	1.31	3.9	2.85	8.4	1.14	3.3	2.54	7.5
Pacific	43.30	100.0	30.57	70.6	12.73	29.4	3.37	7.8	1.28	3.0	3.25	7.5	1.42	3.3	3.41	7.9

(1) The census divisions are defined as follows: New England: Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont; Middle Atlantic: New Jersey, New York, and Pennsylvania; South Atlantic: Delaware, District of Columbia, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, and West Virginia; East South Central: Alabama, Kentucky, Mississippi, and Tennessee; West South Central: Arkansas, Louisiana, Oklahoma, and Texas; East North Central: Illinois, Indiana, Michigan, Ohio, and Wisconsin; West North Central: Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, and South Dakota; Mountain: Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, and Wyoming; and Pacific: Alaska, California, Hawaii, Oregon, and Washington.
(2) Includes costs for wages and salaries and benefits.