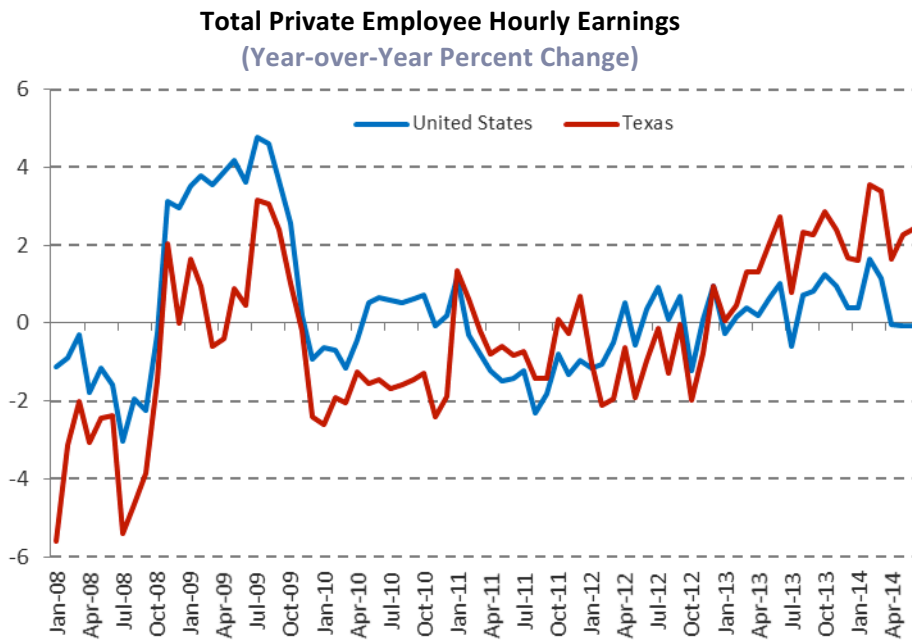


About this Reference Document

This document helps you understand and interpret a particular economic indicator that is part of the larger *Outlook for the Texas Economy*. Note that all data, charts, and explanations presented are from prior reports and thus are not current. Your feedback is always appreciated. Send comments and suggestions to info@recenter.tamu.edu.

Dr. Luis Torres and Wayne Day



Notes: Inflation Adjusted. June 2014 is preliminary.
Source: Bureau of Labor Statistics

The Bureau of Labor Statistics (BLS) conducts the Current Employment Statistics (CES) survey. Each month, BLS collects data on employment, payroll and paid hours from a sample of nonagricultural establishments. The sample includes about 140,000 business and government agencies that cover approximately 440,000 individual worksites sampling roughly nine million unemployment insurance tax accounts. The active CES sample includes approximately one-third of all nonfarm payroll employees. From these data, BLS, along with the state labor market information agency partners (Texas Workforce Commission), prepares and publishes a large number of employment, hours, and earnings series with considerable detail at the industry and geographical level.

The CES hours and earnings series are derived from payroll reports and the corresponding paid hours for all employees and for the various types of production employees. Hours and earnings are for private-sector employees. Average hourly earnings reflect not only changes in basic hourly and incentive wage rates but also such variable factors as premium pay for overtime and

late-shift work and changes in output of workers paid on an incentive plan. Hourly earnings also reflect shifts in the number of employees between relatively high-paid and low-paid work and changes in workers earnings in individual establishments. Averages for groups and divisions further reflect changes in average hourly earnings for individual industries.

Averages of hourly earnings differ from wage rates. Earnings are the actual return to the worker for a stated period; rates are the amount stipulated for a given unit of work or time. The earnings series do not measure the level of total labor costs on the part of the employer because the following are excluded: benefits, irregular bonuses, retroactive items and payroll taxes paid by employers.

Earnings growth has started to accelerate in Texas as regional economic growth gains momentum, while at the national level modest improvement in labor market conditions have caused milder earnings growth.

Source: Bureau of Labor Statistics

<http://www.bls.gov/sae/#data>

<http://www.bls.gov/opub/hom/pdf/homch2.pdf>

