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year, according to the revised fourth-quarter Wage Trend Indicator (WTI) released today by Bloomberg BNA, a leading publisher of specialized news and information.

Dec. 19, 2013

ARLINGTON, Va — The pace of private-sector wage growth likely will pick up in the latter half of next year, according to the revised fourth-quarter Wage Trend Indicator (WTI) released today by Bloomberg BNA, a leading publisher of specialized news and information.

The index rose to 98.78 (second quarter 1976 = 100) from 98.70 in the third quarter, marking the first increase since the first quarter of 2013 after two quarters of essentially no change in the WTI.

“We are beginning to see some improvements in the labor market, with the unemployment rate falling to 7 percent in November,” economist Kathryn Kobe, a consultant who maintains and helped develop Bloomberg BNA's WTI database, said. Continued improvement likely would provide a small boost to workers' annual wage increases in the second half of 2014, she said.

Kobe said she expects year-over-year gains in private sector wages to rise to 2.0 percent or slightly higher, from the 1.8 percent increase reported by the Department of Labor's employment cost index (ECI) for the 12 months ended in the third quarter. The WTI forecasts whether the rate of wage growth is accelerating or decelerating, but not the size of pay increases.

Over its history, the WTI has predicted a turning point in wage trends six to nine months before the trends are apparent in the ECI. A sustained increase in the WTI forecasts greater pressure to raise private sector wages, while a sustained decline is predictive of a deceleration in the rate of wage increases.

Reflecting mixed economic conditions, three of the WTI's seven components made

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planning to hire production and service workers in the coming months, as shown in Bloomberg BNA's survey; and industrial production, reported by the Federal Reserve Board. The neutral component was forecasters' expectations for the rate of inflation, compiled by the Federal Reserve Bank of Philadelphia.

Bloomberg BNA's Wage Trend Indicator is designed to serve as a yardstick for employers, analysts, and policymakers to identify turning points in private sector wage patterns. It also provides timely information for business and human resource analysts and executives as they plan for year-to-year changes in compensation costs.

The WTI is released in 12 monthly reports per year showing the preliminary, revised, and final readings for each quarter, based on newly emerging economic data.

More information on the Wage Trend Indicator is available on Bloomberg BNA's WTI home page at <http://www.bna.com/wage-trend-indicator-p12884902670/>.

The next report of the Wage Trend Indicator™ will be released on Thursday, Jan. 16, 2014 (final fourth quarter)

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Dr. Joel Popkin, who is acknowledged as one of the country's foremost authorities on the measurement and analysis of wages and prices, developed the WTI for

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