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Aug. 20, 2013



Although some gains have been made in recent months to employee wages, a new report suggests that these private sector gains are expected to remain in a holding pattern in the coming months.

Those are the primary findings of the preliminary third-quarter Wage Trend Indicator (WTI) report from [Bloomberg BNA](#), a publisher of specialized business

news and information.

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Kobe said she expects the annual rate of wage gains in the private sector in the coming months to remain at or near the 1.9 percent increase posted in the second quarter, according to the Department of Labor's employment cost index (ECI). The WTI does not forecast the magnitude of wage growth, only the direction.

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 positive contributions to the preliminary third quarter reading, while three factors were negative and one was neutral.

### Contributions of Components

Among the WTI's seven components, the three positive contributors to the preliminary third-quarter reading were job losers as a share of the labor force, the unemployment rate, and average hourly earnings of production and nonsupervisory workers, all from DOL.

The three negative factors were the share of employers planning to hire production and service workers in the coming months, measured by Bloomberg BNA's quarterly employment outlook survey; industrial production, reported by the Federal Reserve Board; and forecasters' expectations for the rate of inflation, compiled by the Federal Reserve Bank of Philadelphia. The remaining component, the share of employers reporting difficulty in filling professional and technical jobs, also from Bloomberg BNA's employment survey, had a neutral impact on the WTI.

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