

September 9, 2025

Nora Kincaid
BLS Clearance Officer
Division of Management Systems
4600 Silver Hill Rd
Washington, DC 20233

RE: *Federal Register* notice of July 16, 2025, for the Bureau of Labor Statistics' National Compensation Survey (OMB Number: 1220-0164)

Dear Ms. Kincaid:

The Bureau of Economic Analysis (BEA) strongly supports the continued collection of data by the Bureau of Labor Statistics on the National Compensation Survey (NCS). Given the critical role the collected data plays in key data products, we do not support the planned elimination of the items listed in the Federal Register Notice. More specifically, this survey is our main data source for key components of BEA's economic statistics, including price deflators used to prepare the Personal Consumption Expenditure (PCE) price index, which is a key indicator of inflation for the Federal Reserve Board and other policy makers.

This survey produces the Employment Cost Index (ECI), the Employment Cost for Employee Compensation (ECEC) and employee benefit incidence and provision data, which is collected on the Employee Benefits Survey. BEA uses the ECI, to prepare the estimate of gross domestic product, specifically the estimates of state and local wages and salaries, personal consumption expenditures (PCE) for hospital services, the calculation of input cost indexes for the railroads component of nonresidential investment, the major improvements component of residential investment, and the maintenance and repair component of housing product. Also, data from the ECI are used to monitor wage rate growth for private industries for comparison with published BEA estimates and to deflate purchases by the federal government. BEA uses employer expenditures for employee compensation from the ECEC to prepare annual estimates of the health insurance, pensions, and life insurance components of compensation of employees and annual estimates of PCE medical and hospitalization insurance. BEA uses data from the Employee Benefits Survey to monitor detailed characteristics of employee benefits and changes in employee benefits.

If the items for ECI were to be dropped from the NCS collection, then it would have an impact on the PCE price index, specifically the price indexes for the gross output of nonprofit hospitals and nonprofit nursing homes, which together accounted for more than 50% of nonprofit gross output in the most recently available period. In general, the BEA prepares and uses an input cost index to deflate estimates of gross output from nonprofit firms, and these indexes reflect weighted combinations of data on compensation and prices. ECI data is the most comprehensive measure of compensation available for the gross output of nonprofit hospitals and nonprofit nursing homes.

Please keep BEA informed about any modifications to this program. We are particularly interested in any that would substantially affect our use of these data. For additional information, please contact Tiffany Burrell, Source Data Coordinator, on 301-278-9618 or by e-mail at Tiffany.Burrell@bea.gov. Should you need additional information, please do not hesitate to contact BEA.

Sincerely,

Dennis J. Fixler
Chief Economist