

Document 0319

[20319001]

Private industry's labor costs rose 1.2 % in the third quarter , matching the second-quarter pace , as health insurance costs continued to soar , the Labor Department said .

[20319002]

The increase in wage and benefit costs in the third quarter was greater than the 1 % rise reported for the third quarter of 1988 .

[20319004]

" One would have thought this would have happened two or three years ago as the labor market tightened .

[20319005]

It is a considerably delayed reaction and it's not a severe one at all . " she added .

[20319006]

The new data underscored the severity of the nation's health-care cost problem .

[20319007]

In the 12 months ended in September , wages and salaries of private-sector workers rose 4.4 % , while health insurance costs spurred by 13.7 % .

[20319008]

The consumer price index climbed 4.3 % in the same period .

[20319009]

Despite the big increases in health-care costs , wages still account for a far greater share of overall labor costs .

[20319011]

Labor costs are climbing at a far more rapid pace in the health care industry than in other industries .

[20319012]

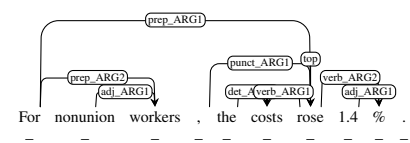
For instance , wages of private-sector hospital workers leaped 6.6 % in the 12 months ended in September , compared with 4.4 % for workers in all industries .

[20319014]

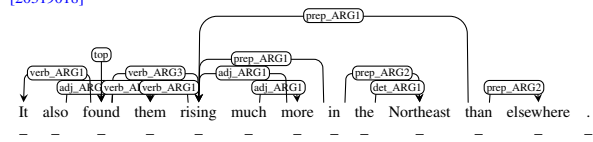
For the past five years , unions have n't managed to win wage increases as large as those granted to nonunion workers .

[20319015]

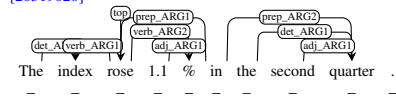
For private-sector union workers the cost of wages and benefits rose 0.9 % in the third quarter .



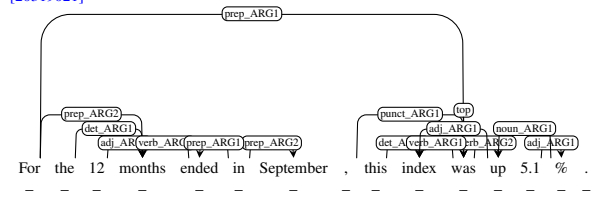
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