

Labour cost survey in 2012

The cost of an hour worked EUR 31.4 for an employer in 2012

According to the preliminary data of Statistics Finland's Labour Cost Survey, labour costs were, on average, EUR 31.4 per hour worked in 2012. Wage and salary costs formed 76.6 per cent, social security costs 21.1 per cent and other costs 2.3 per cent of total labour costs.

The cost of an hour worked was highest in the central government sector, EUR 37.5 and in the private sector in manufacturing and construction, EUR 34.1. Labour costs were lowest in the local government sector, EUR 28.9. A majority of labour costs consist of wage and salary costs that, depending on the sector, form 75.0 to 77.6 per cent of total labour costs.

Labour costs are derived when the compensations for costs received by the employer (reimbursement of pay for periods of sickness, compensations from occupational health care and employment subsidy) have been deducted from the employer's wage and salary costs, social security costs and other labour costs. The costs are proportioned to hours worked. The hours worked have been calculated by deducting the absences, like annual leaves and sick leaves, from the sum of regular working time and overtime hours.

Labour costs in 2012 ¹⁾

Sector / industry	Labour cost, EUR/hour worked
All sectors total	31.4
Private sector total	31.9
- Manufacturing and construction	34.1
- Services	30.6
Local government	28.9
Central government	37.5

1) preliminary data

The number of hours worked per staff-year is lower in the public sector than in the private sector. This is mainly due to the longer annual leaves in the public sector compared to the private sector. The lower number of hours worked makes the cost calculated for the hour worked higher in the public sector than in the private sector. In the private sector, the cost level in the manufacturing and construction industries (B-F) is on average clearly higher than in the service sector (G-S). The cost difference is caused by the higher earnings level in manufacturing compared to service industries.

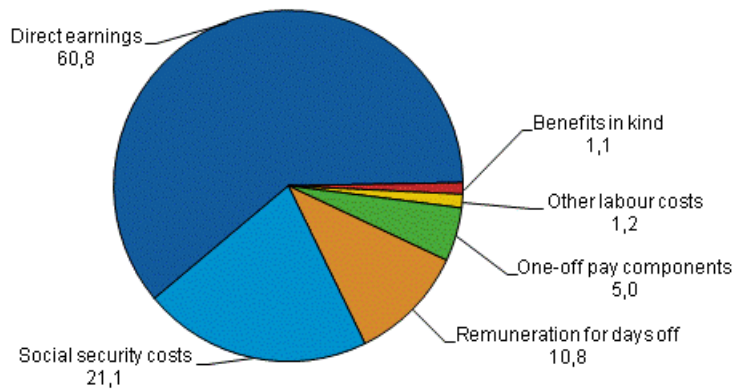
21.1 per cent of labour costs are social security costs

Social security costs form a considerable item in all labour costs - 21.1 per cent. In addition to actual social security costs, these costs also include imputed social security costs. Actual social security costs include the employer's statutory and agreement-based social insurance contributions, such as employment pension contributions, unemployment insurance premiums and supplementary pension contributions. Imputed social security costs include pay during sick leave, pay related to child birth and child care, occupational health care costs, and compensations arising from the termination of an employment relationship.

Actual social security costs form 19.0 per cent of overall costs. Social security costs are highest in the local government sector where employment pension contributions in particular are clearly higher than in the other sectors.

The largest portion of labour costs is formed by wage and salary costs that can be divided into direct earnings, remuneration for days off and one-off pay components. The share of direct earnings, that is the remuneration paid for hours worked, represented 60.8 per cent of labour costs. Remuneration for days off make up 10.8 per cent of total costs. The share of one-off pay components in the total costs is 5.0 per cent. One-off pay components include performance-based bonuses, holiday bonuses, seniority increments and other similar bonuses. Their share is higher in the private sector than in the public sector due to higher performance-based bonuses.

Structure of labour costs in 2012*, sectors total, per cent of total labour costs



*preliminary data

In addition to wages and salaries and social security costs, labour costs include other labour cost items such as costs of in-service training, costs for industrial and protective clothing and recruitment costs. These cost items form good one per cent of all labour costs.

The figures of the Labour Cost Survey do not include primary production nor enterprises with fewer than ten employees.

The data in this release are preliminary. Final data of the Labour Cost Survey will be published on 26 September 2014.

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Appendix tables

Appendix table 1. Structure of labour costs by sector in 2012, per cent of total labour costs ¹⁾

Cost item	Sectors, total	Private sector, industry and construction	Private sector, services	Local government sector	Central government sector
Direct earnings	60,8	60,8	61,3	60,0	60,2
One-off pay components	5,0	6,1	5,1	3,9	3,5
Remuneration for days off	10,8	10,2	10,6	11,2	13,9
Benefits in kind	1,1	1,1	1,6	0,3	0,2
Social security costs	21,1	20,4	20,0	23,8	20,8
–Actual social security costs	19,0	18,3	18,0	21,9	18,2
–Imputed social security costs	2,1	2,1	2,0	1,9	2,6
In-service training and other labour costs	1,2	1,4	1,4	0,8	1,4
Total labour costs	100,0	100,0	100,0	100,0	100,0

1) Preliminary data. Labour costs are derived when the compensations for costs received by the employer have been deducted from the employer's wage and salary costs, social security costs and other labour costs.

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Inquiries

Hanna Jokimäki 029 551 3667

Pentti Jonninen 029 551 3581

Director in charge:

Hannele Orjala

tvk@tilastokeskus.fi

www.stat.fi

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