

WORKERS' COMPENSATION RESOURCES RESEARCH REPORT

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Summary of the Contents

Issue 2 of the *Workers' Compensation Resources Research Report (WCRRR)* examines the employers' costs of workers' compensation based on the latest data from the Bureau of Labor Statistics. Part I provides information on the national costs of workers' compensation from 1986 to 2010. For employers in the private sector, as shown in the figure below, in 2010, costs as a percentage of payroll dropped for the fifth year in a row. The costs in 2010 in the private sector were 1.95 percent of payroll, down from the recent peak of 2.47 percent of payroll in 2005 and well below the record high of 2.99 percent of payroll in 1994. Costs for employers in the state and local government sector were 1.54 percent of payroll in 2010, the same as in 2009 and below the peak of 1.66 percent of payroll in 2005. For all non-federal government employees, the employers' costs of workers' compensation were 1.87 percent of payroll, continuing a five-year trend of declining costs.

Part II of the *WCRRR* provides data on the differences in the employers' costs of workers' compensation due to factors such as geographical location, industry, union status, and occupations of the firm's employees. The workers' compensation costs for all workers in the private sector averaged 1.95 percent of payroll in 2010. The variations of workers' compensation costs among industries were significant, ranging from 5.75 percent of payroll in construction to 0.63 percent of payroll in the financial industry. The differences among occupations were also substantial, ranging from 4.79 percent of payroll for workers in natural resource occupations to 0.86 percent of payroll for managers. Of particular interest is that workers in service occupations had workers' compensation costs of 2.77 percent of payroll, higher than the average for all workers.

