

## Method of Calculation of Index Numbers

Since index numbers of average wage rates were first published in 1921, improvements have been made in the quality of the primary data, in the extent of industrial and occupational coverage, and in certain of the methods of calculating index numbers. While improvements in the quality and scope of wage rate statistics have been made regularly, major revisions in the index numbers have been introduced infrequently and only when there was a change in the base period.

In 1966, in order to make the index numbers of average wage rates comparable with indexes being produced in other government agencies, it was decided to change the base year from 1949 to 1961. Along with this change, the weights used in calculating the index numbers have been revised to reflect more recent conditions than the weights used previously.

The adoption of the 1960 Standard Industrial Classification caused changes in the occupational make-up of some industries and led to the appearance of entirely new industries for which a series of wage rate data permitting the calculation of index numbers will not be available for some years. Index numbers will be prepared for the years 1961-65 that incorporate all these changes for all industries for which sufficient data are available. This will enable users to compare the effects of the changes on these