

Quarterly Census of Employment and Wages

Second quarter 2011 preliminary



Figure 1

**Firms, employment and
weekly wages for covered
employment, by industry**

Figure 2

**Average weekly wages
by county**

Figure 3

**Year-over-year change in
average weekly wages**

The Quarterly Census of Employment and Wages (QCEW) measures employment and wages in industries covered by unemployment insurance. Data are available by industry and by county. Because we report employment estimates every month, this quarterly report focuses on wages.

This report includes information on the total number of firms in the state, total wages paid for the quarter and average employment. Average weekly wages, also called average weekly pay, are calculated by dividing total wages by average employment and then dividing by 13 (the number of weeks in a quarter).

Summary

Weekly pay in Washington averaged \$928 in the second quarter of 2011, a 3.4 percent increase from a year earlier when weekly pay averaged \$897. Average weekly pay decreased by 2 percent from the first quarter of 2010 to the second quarter 2011. These figures are not seasonally adjusted.

The industry with highest average weekly wage was information (\$1,800) and the lowest weekly wage was in the accommodations and food services industry (\$341).

King County had the highest average weekly wage (\$1,134) while Okanogan County (\$509) had the lowest.

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**Washington State
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Industry ranking

Figure 1 ranks industries by wage at the two-digit North American Industry Classification System (NAICS) level. Weekly pay averaged \$928 in the second quarter of 2011, up 3.4 percent from \$897 in the second quarter of 2010.

In the second quarter of 2011, eight of the 20 industries at the two-digit NAICS level posted average weekly pay over \$1,000. The three highest-paying industry sectors were information

(\$1,800), management of companies and enterprises (\$1,785) and utilities (\$1,450).

Four of the 20 two-digit NAICS industries posted average weekly pay of less than \$500 during the second quarter of 2011. The three lowest paying industry sectors were accommodation and food services (\$341), arts, entertainment and recreation (\$433), and other services (except public administration) (\$465). Keep in

mind that this measure reflects only average weekly pay, not full-time pay. Many sectors with low average weekly pay have a high incidence of part-time employees.

Compared to the same quarter last year, the largest percentage increases in average weekly wages were in agriculture, forestry, fishing and hunting (up 9.5 percent), management of companies and enterprises (up 9.4 percent) and mining (up 8.9 percent).

Figure 1. Firms, employment and weekly wages for covered employment, by industry Washington state, 2011 Q2

Source: Employment Security Department/LMEA; Bureau of Labor Statistics, Quarterly Census of Employment and Wages

Industry	Firms	Average employment	Average weekly wages 2011 2Q	Average weekly wages 2010 2Q	Percent change
Total	206,160	2,840,328	\$928	\$897	3.4%
Information	2,483	103,317	\$1,800	\$1,736	3.7%
Management of companies and enterprises	623	32,743	\$1,785	\$1,632	9.4%
Utilities	235	4,862	\$1,450	\$1,438	0.8%
Professional, scientific and technical services	18,578	162,854	\$1,439	\$1,395	3.2%
Finance and insurance	5,463	87,229	\$1,316	\$1,253	5.0%
Manufacturing	6,813	262,453	\$1,246	\$1,229	1.4%
Wholesale trade	13,051	119,548	\$1,229	\$1,166	5.4%
Mining	166	2,168	\$1,087	\$998	8.9%
Government	2,098	529,264	\$996	\$970	2.6%
Construction	20,504	126,698	\$981	\$944	3.9%
Transportation and warehousing	3,982	79,762	\$926	\$884	4.8%
Healthcare and social assistance	14,415	326,956	\$879	\$859	2.4%
Admin., support, waste mgmt. and remediation svcs.	9,511	136,554	\$821	\$773	6.2%
Real estate, rental and leasing	6,132	43,190	\$732	\$711	3.0%
Educational services	2,488	35,682	\$678	\$668	1.6%
Retail trade	14,065	303,591	\$594	\$574	3.5%
Agriculture, forestry, fishing and hunting	7,118	80,161	\$480	\$438	9.5%
Other services (except public administration)	63,131	132,624	\$465	\$469	-0.8%
Arts, entertainment and recreation	2,417	46,029	\$433	\$442	-2.0%
Accommodation and food services	12,887	224,644	\$341	\$334	2.0%

Overall, average weekly wages increased 3.4 percent from the second quarter of 2010 to the second quarter of 2011.

County ranking

Figure 2 ranks Washington counties by average weekly wages. King County posted the highest average weekly pay in the second quarter of 2011, increasing 3.1 percent from a year ago to \$1,134. Benton County posted the second highest average weekly pay at \$963, up 5.9 percent from last year, and Snohomish County was third at \$952, a 3.3 percent increase.

Okanogan (\$509), Wahkiakum (\$539) and Douglas (\$567) counties had the lowest average weekly wages in the second quarter of 2011.

Current industry and county data are available on Employment Security's [labor market information website](#). Statewide industry data are available by six-digit NAICS for each month. County industry data are available by three-digit NAICS for each month.

Figure 2. Average weekly wages by county Washington state, 2011 Q2

Source: Employment Security Department/LMEA; Bureau of Labor Statistics, Quarterly Census of Employment and Wages

County	Wages paid 2011 Q2	Average weekly wages 2011 Q2	Average weekly wages 2010 Q2	Percent change
Total	\$34,253,129,088	\$928	\$897	3.4%
King	\$16,742,816,950	\$1,134	\$1,100	3.1%
Benton	\$1,032,177,384	\$963	\$909	5.9%
Snohomish	\$3,043,196,952	\$952	\$921	3.3%
Kitsap	\$912,878,174	\$863	\$842	2.5%
Thurston	\$1,043,857,936	\$827	\$805	2.7%
Pierce	\$2,787,699,848	\$823	\$808	1.9%
Clark	\$1,347,773,247	\$808	\$785	2.9%
Klickitat	\$69,204,927	\$776	\$756	2.7%
Cowlitz	\$353,258,258	\$771	\$735	4.9%
Spokane	\$1,945,891,995	\$755	\$732	3.1%
Whatcom	\$775,848,481	\$749	\$706	6.1%
Whitman	\$164,003,163	\$722	\$706	2.2%
Pend Oreille	\$28,097,363	\$720	\$682	5.6%
Skagit	\$419,591,620	\$711	\$694	2.4%
Garfield	\$7,562,895	\$709	\$662	7.1%
Walla Walla	\$237,575,687	\$700	\$667	4.9%
Columbia	\$11,109,535	\$686	\$658	4.2%
Grays Harbor	\$194,716,659	\$668	\$626	6.7%
Ferry	\$13,580,864	\$665	\$604	10.2%
Lewis	\$200,221,400	\$658	\$644	2.2%
Mason	\$111,552,663	\$656	\$642	2.1%
Island	\$124,912,115	\$648	\$635	2.0%
Clallam	\$182,700,764	\$646	\$636	1.6%
Adams	\$59,171,506	\$642	\$605	6.2%
Chelan	\$304,520,224	\$641	\$608	5.4%
Grant	\$287,683,068	\$633	\$613	3.2%
Franklin	\$243,326,387	\$627	\$601	4.3%
Kittitas	\$111,917,195	\$625	\$607	3.0%
Jefferson	\$63,409,417	\$618	\$604	2.3%
Skamania	\$16,412,282	\$610	\$618	-1.3%
Yakima	\$779,941,777	\$610	\$597	2.2%
Stevens	\$77,658,534	\$609	\$608	0.2%
Lincoln	\$22,548,802	\$591	\$589	0.3%
San Juan	\$38,820,253	\$585	\$575	1.7%
Pacific	\$42,915,464	\$575	\$544	5.8%
Asotin	\$42,076,436	\$568	\$557	1.9%
Douglas	\$76,793,998	\$567	\$540	5.0%
Wahkiakum	\$5,084,415	\$539	\$570	-5.4%
Okanogan	\$105,519,069	\$509	\$488	4.3%
Multiple	\$225,101,381	\$1,601	\$1,564	2.4%

Most Washington counties show an increase in average weekly wages compared to one year ago.

Historical changes in weekly wages

Figure 3 shows second quarter average weekly wages for the last 10 years. From the second quarter of 2006 to the second quarter of 2010, annual changes in average weekly wages trended down from 5 percent to 1.9 percent. In the second quarter of 2011, annual change in average weekly wages increased from the year earlier. In the second quarter of 2011, the rate of annual change increased by 3.4 percent, or \$31.

Figure 3. Year-over-year change in average weekly wages
Washington state, 2001 Q2 to 2011 Q2

Source: Employment Security Department/LMEA; Bureau of Labor Statistics, Quarterly Census of Employment and Wages

Year and quarter	Average weekly wages	Percent change	Difference*
2001 Q2	\$727	4.2%	\$29
2002 Q2	\$726	-0.1%	-\$1
2003 Q2	\$747	2.9%	\$21
2004 Q2	\$736	-1.5%	-\$11
2005 Q2	\$760	3.3%	\$24
2006 Q2	\$798	5.0%	\$38
2007 Q2	\$834	4.5%	\$36
2008 Q2	\$862	3.3%	\$28
2009 Q2	\$880	2.1%	\$18
2010 Q2	\$897	1.9%	\$17
2011 Q2	\$928	3.4%	\$31

*Totals may not add due to rounding.

Second quarter 2011 average weekly wages showed a slight increase compared to one year ago.

About the Quarterly Census of Employment and Wages

Quarterly Census of Employment and Wages (QCEW) data are released four times a year by the Bureau of Labor Statistics: January, April, July and October. Data are released seven months after the end of each quarter. States can publish their own data individually in advance of the national publication date. Washington state QCEW figures are usually available prior to the national publication date.

The design of the QCEW

This report presents employment and wage data for firms, organizations and individuals whose employees are covered by the *Washington Employment Security Act*. Also included are data for federal government agencies or departments covered by Title 5, U.S.C. 85. All firms, regardless of size, are included. The employment shown for a given

month is the number of workers who earned wages during the pay period that includes the 12th of the month. Included are supervisory personnel, clerical workers, persons on paid vacations, piece workers, part-time workers and some corporate officials. Partners, proprietors and persons who earned no wages during the applicable pay period because of work stoppages are excluded from the report.

Employment is tabulated by industry, not by occupation. For example, all employment listed as educational services is not confined to only educators. It includes employment in other occupations compensated by the school such as office workers, custodians, etc.

Wages paid are wages and other remuneration paid during the

quarter. Although unemployment compensation taxes are assessed on the yearly calculated taxable wage base (\$37,300 for 2011), which is paid by a private employer to an individual during the calendar year, the wage figures include all wages paid.

Firms denote the number of employers having operations in a given industry in a given county. If an employer reports operations in more than one industry or physical location, each establishment is counted as a firm. If a business changes ownership within the quarter and both the prior owner and new owner are liable for taxes during that quarter, each is counted as an employer unit.

Covered employment exceeds 87 percent of total employment in the state of Washington.¹ Cov-

ered employment is defined as personal service performed for wages or other compensation with the following exceptions: casual labor not in the course of employer's trade or business; railroad employment; employment on a foreign-owned ship; newsboys; those insurance agents, real estate agents and salesmen paid on a commission basis only; enrolled students and family working for a school; religious organizations; employment at physical and mental rehabilitation work shops; patients employed at hospitals; inmates employed at custodial and penal institutions; and all employees of foreign governments. In addition, certain family employment; construction contractors and subcontractors; and barber, hairdressing and cosmetology services are not covered.

State employees were brought under coverage in January 1971. Principal exceptions include service of students performed for a state college or university and service of elected officials. Nonprofit organizations, with the primary exceptions of religious organizations and private primary and secondary educational institutions, came under coverage in January 1972. Major exceptions to coverage of federal workers are members of the armed forces and temporary emergency employees. In January 1978, certain workers in agricultural production, domestic service and local government were brought under coverage. Small farms were included under coverage beginning January 1990. All agricultural employees

are now covered, excluding students and family members.

Non-covered employment is broad and about 120,148 non-farm jobs² were not covered in Washington in 2011 for a labor force that exceeds 3 million workers. Non-covered jobs include state of Washington jobs (27,232), elected officials (3,100), railroad employment (3,929), religious organizations (27,817), private education (15,573) and about (42,406) exempt corporate officers.

Other exemptions

In 1981, the Washington State Legislature enacted [*RCW 50.04.165 Employment – Corporate officers – Election of coverage – Notification – Reinstatement of coverage*](#). This act enabled corporate employers to exempt their corporate officers from coverage under the unemployment insurance laws of Washington. Beginning Jan. 1, 2009, corporate officers who provide services in Washington are covered by unemployment insurance unless the employer specifically exempts them.

Nondisclosure of data for individual firms has been a major consideration in presentation of data in accordance with [*Chapter 50.13*](#) of the *Washington Employment Security Act*. Information obtained from employing unit records is confidential and is not published in any manner revealing a firm's identity. Within industry divisions, nondisclosable data are combined with other data and are listed as Other Industries.

Recent changes in the QCEW

Federal and state laws govern unemployment insurance coverage. State unemployment insurance programs require most employers to pay quarterly taxes based on employment and wages covered by unemployment insurance. This generally provides a universe count of establishments and employees. In general, major exclusions from unemployment insurance coverage for the national QCEW program include self-employed workers, most agricultural workers on small farms, all members of the Armed Forces, elected officials in most states, most employees of railroads, some domestic workers, most student workers at schools and employees of certain small nonprofit organizations. Most agricultural workers in Washington are covered by unemployment insurance.

State and federal unemployment insurance laws change periodically, potentially impacting employers and employees covered under the unemployment insurance program. As a result, one must be careful in comparing quarterly or yearly changes. For instance, stock options were counted in the total wage figures in Washington until 2003; as of Jan. 1, 2004, they were no longer counted in the wage data. This change affected total and average wages in the state, particularly in the software industry. States can determine individually if they want stock options to be included in the wage totals.

¹Based on non-covered employment estimation for 2010 from Labor Market and Economic Analysis and the State Population Survey estimation of the self-employed from the Office of Financial Management.

²This approximate figure does not include self-employed and non-covered agriculture jobs.

A final caution

Although the QCEW data are released with a longer lag time than the monthly estimates, the employment figures coming from this universe are more detailed – offering employment levels through six-digit NAICS. County employment levels are publicly available through three-digit NAICS.

In addition to employment, the QCEW also provides estimates for total wages earned during the quarter. While this universe of establishments does not enable us to know how many employees worked full time or part time, one is nonetheless able to calculate average weekly wages for these industry jobs.

It is important to keep in mind that changes in laws prevent robust comparisons of average weekly wages over time, but one can view year-over-year changes cautiously.

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