

# Quarterly Census of Employment and Wages

## Third 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).

### Overview

Weekly pay in Washington averaged \$1,011 in the third quarter of 2011, a 6.1 percent increase from a year earlier when weekly pay averaged \$953. Average weekly pay increased by 9.1 percent from the second quarter of 2011 to the third quarter 2011. These figures are not seasonally adjusted.

The industry with highest average weekly wage was information (\$3,469), and the lowest weekly wage was in the accommodations and food services industry (\$362).

King County had the highest average weekly wage (\$1,323) while Okanogan County had the lowest (\$476).

*For more information, contact Chris Thomas at 360-407-4582.*

Dave Wallace  
*Labor Economist*  
dbwallace@esd.wa.gov  
360-407-4577

Molly Webster  
*QCEW Supervisor*  
mwebster@esd.wa.gov  
360-407-4569

Michael Moores  
*QCEW Publication*  
mmoores@esd.wa.gov  
360-407-4568

**Washington State  
Employment Security Department**

Labor Market and Economic Analysis

April 2012



## Industry ranking

Figure 1 ranks industries by wage at the two-digit North American Industry Classification System (NAICS) level. Weekly pay averaged \$1,011 in the third quarter of 2011, up 6.1 percent from \$953 in the third quarter of 2010.

In the third quarter of 2011, 10 of the 20 industries at the two-digit NAICS level posted average weekly pay of more than \$1,000. The three highest-paying industry sectors were information

(\$3,469), management of companies and enterprises (\$1,896) and utilities (\$1,646).

Four of the 20 two-digit NAICS industries posted average weekly pay of less than \$500 during the third quarter of 2011. The three lowest-paying industry sectors were accommodation and food services (\$362), agriculture, forestry, fishing and hunting (\$457), and other services (except public administration) (\$483).

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 a year earlier, the largest percentage increases in average weekly wages were in the management of companies and enterprises (up 20.7 percent), information (up 15.7 percent) and utilities (up 12.4 percent).

Figure 1. Firms, employment and weekly wages for covered employment, by industry Washington state, 2011 Q3

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

| Industry  | Firms          | Average employment | Average weekly wages 2011 3Q | Average weekly wages 2010 3Q | Percent change |
|---|----------------|--------------------|------------------------------|------------------------------|----------------|
| <b>Total</b>  | <b>211,897</b> | <b>2,907,638</b>   | <b>1,011</b>                 | <b>\$953</b>                 | <b>6.1%</b>    |
| Information   | 2,557          | 104,844            | 3,469                        | \$2,996                      | 15.8%          |
| Management of companies and enterprises                         | 625            | 33,771             | 1,896                        | \$1,571                      | 20.7%          |
| Utilities   | 237            | 4,847              | 1,646                        | \$1,465                      | 12.4%          |
| Professional, scientific and technical services                 | 19,067         | 163,264            | 1,472                        | \$1,412                      | 4.2%           |
| Finance and insurance   | 5,550          | 87,103             | 1,322                        | \$1,257                      | 5.2%           |
| Manufacturing   | 6,900          | 272,538            | 1,300                        | \$1,255                      | 3.6%           |
| Wholesale trade   | 13,394         | 121,336            | 1,265                        | \$1,201                      | 5.3%           |
| Mining  | 170            | 2,264              | 1,165                        | \$1,112                      | 4.7%           |
| Government  | 2,101          | 505,017            | 1,037                        | \$1,010                      | 2.7%           |
| Construction  | 21,032         | 134,956            | 1,034                        | \$990                        | 4.5%           |
| Transportation and warehousing                                  | 4,066          | 83,343             | 947                          | \$915                        | 3.5%           |
| Healthcare and social assistance                                | 14,664         | 329,135            | 912                          | \$845                        | 7.9%           |
| Administrative, support, waste management and remediation svcs. | 9,746          | 140,917            | 840                          | \$790                        | 6.3%           |
| Real estate, rental and leasing                                 | 6,234          | 44,521             | 761                          | \$726                        | 4.8%           |
| Educational services  | 2,563          | 32,569             | 724                          | \$716                        | 1.1%           |
| Retail trade  | 14,354         | 309,880            | 614                          | \$585                        | 5.0%           |
| Arts, entertainment and recreation                              | 2,466          | 49,219             | 514                          | \$482                        | 6.6%           |
| Other services (except public administration)                   | 65,723         | 134,208            | 483                          | \$463                        | 4.4%           |
| Agriculture, forestry, fishing and hunting                      | 7,249          | 122,911            | 457                          | \$431                        | 6.0%           |
| Accommodation and food services                                 | 13,199         | 230,993            | 362                          | \$346                        | 4.7%           |

**Overall, average weekly wages increased 6.1 percent from the third quarter of 2010 to the third quarter of 2011.**

## County ranking

Figure 2 ranks Washington counties by average weekly wages. King County posted the highest average weekly pay in the third quarter of 2011, increasing 7.4 percent from a year prior to \$1,323. Benton County posted the second-highest average weekly pay at \$990, up 3.3 percent from the previous year. Snohomish County was third at \$987, a 5.3 percent increase over the prior year.

Okanogan (\$476), Douglas (\$547) and Asotin (\$593) counties had the lowest average weekly wages in the third 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 Q3

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

| County       | Wages paid 2011 Q3      | Average weekly wages 2011 Q3 | Average weekly wages 2010 Q3 | Percent change |
|--------------|-------------------------|------------------------------|------------------------------|----------------|
| <b>Total</b> | <b>\$38,220,075,499</b> | <b>\$1,011</b>               | <b>\$953</b>                 | <b>6.1%</b>    |
| King         | \$19,770,031,852        | \$1,323                      | \$1,232                      | 7.4%           |
| Benton       | \$1,083,693,304         | \$990                        | \$958                        | 3.3%           |
| Snohomish    | \$3,209,696,815         | \$987                        | \$937                        | 5.3%           |
| Kitsap       | \$947,353,562           | \$894                        | \$821                        | 8.9%           |
| Thurston     | \$1,062,770,227         | \$848                        | \$812                        | 4.5%           |
| Pierce       | \$2,869,988,637         | \$841                        | \$821                        | 2.4%           |
| Clark        | \$1,396,738,015         | \$836                        | \$799                        | 4.6%           |
| Spokane      | \$2,013,053,894         | \$782                        | \$736                        | 6.2%           |
| Cowlitz      | \$361,648,730           | \$775                        | \$770                        | 0.7%           |
| Whatcom      | \$798,255,990           | \$756                        | \$709                        | 6.6%           |
| Klickitat    | \$75,660,326            | \$753                        | \$736                        | 2.3%           |
| Pend Oreille | \$29,265,692            | \$743                        | \$711                        | 4.5%           |
| Skagit       | \$447,508,726           | \$736                        | \$717                        | 2.7%           |
| Whitman      | \$165,358,360           | \$728                        | \$714                        | 1.9%           |
| Columbia     | \$11,805,549            | \$714                        | \$664                        | 7.5%           |
| Garfield     | \$7,936,237             | \$707                        | \$718                        | -1.5%          |
| Walla Walla  | \$249,735,597           | \$700                        | \$681                        | 2.8%           |
| Lewis        | \$209,455,560           | \$685                        | \$663                        | 3.3%           |
| Grays Harbor | \$205,204,447           | \$684                        | \$660                        | 3.6%           |
| Clallam      | \$196,336,581           | \$675                        | \$665                        | 1.5%           |
| Island       | \$129,694,105           | \$675                        | \$641                        | 5.4%           |
| Ferry        | \$14,669,985            | \$673                        | \$652                        | 3.2%           |
| Mason        | \$115,194,642           | \$672                        | \$649                        | 3.6%           |
| Franklin     | \$273,050,479           | \$648                        | \$607                        | 6.8%           |
| Stevens      | \$83,358,847            | \$647                        | \$615                        | 5.2%           |
| Jefferson    | \$67,454,819            | \$645                        | \$616                        | 4.6%           |
| Kittitas     | \$113,718,987           | \$638                        | \$610                        | 4.6%           |
| Grant        | \$322,399,078           | \$634                        | \$621                        | 2.1%           |
| Chelan       | \$367,434,748           | \$624                        | \$592                        | 5.4%           |
| Adams        | \$64,606,854            | \$623                        | \$601                        | 3.7%           |
| Skamania     | \$18,182,935            | \$619                        | \$611                        | 1.2%           |
| Yakima       | \$895,359,124           | \$619                        | \$599                        | 3.3%           |
| Wahkiakum    | \$5,841,462             | \$614                        | \$601                        | 2.1%           |
| Lincoln      | \$24,748,630            | \$612                        | \$588                        | 4.1%           |
| Pacific      | \$47,231,825            | \$605                        | \$564                        | 7.4%           |
| San Juan     | \$46,521,936            | \$594                        | \$589                        | 0.9%           |
| Asotin       | \$43,253,341            | \$593                        | \$564                        | 5.2%           |
| Douglas      | \$90,598,691            | \$547                        | \$531                        | 3.0%           |
| Okanogan     | \$130,975,892           | \$476                        | \$455                        | 4.7%           |
| Multiple     | \$254,281,018           | \$1,716                      | \$1,561                      | 9.9%           |

**All Washington counties showed an increase in average weekly wages in 2011 Q3 compared to one year earlier, except Garfield County, which posted a 1.5 percent drop in average weekly wages.**

## Historical changes in weekly wages

Figure 3 shows third quarter average weekly wages for the last 10 years. From the third quarter of 2001 to the third quarter of 2003, the annual changes in average weekly wages trended up from 2.6 percent to 3.7 percent. From the third quarter of 2004 to the third quarter of 2008, average weekly wage growth fluctuated up and down. In the third quarter of 2009, average annual wage growth began to trend up from 1.4 to 6.1 percent in the third quarter of 2011. The third quarter of 2011 wage increase of 6.1 percent was the largest increase since the third quarter of 2007.

Figure 3. Year-over-year change in average weekly wages Washington state, 2001 Q3 to 2011 Q3

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 Q3          | \$704                | 2.6%           | \$18        |
| 2002 Q3          | \$726                | 3.1%           | \$22        |
| 2003 Q3          | \$753                | 3.7%           | \$27        |
| 2004 Q3          | \$752                | -0.1%          | -\$1        |
| 2005 Q3          | \$801                | 6.5%           | \$49        |
| 2006 Q3          | \$823                | 2.7%           | \$22        |
| 2007 Q3          | \$878                | 6.7%           | \$55        |
| 2008 Q3          | \$904                | 2.9%           | \$26        |
| 2009 Q3          | \$916                | 1.4%           | \$36        |
| 2010 Q3          | \$953                | 4.1%           | \$37        |
| 2011 Q3          | \$1,011              | 6.1%           | \$58        |

\*Totals may not add due to rounding.

**The third quarter 2011 wage increase of 6.1 percent was the largest increase since the third quarter of 2007.**

## 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 86 percent of total employment in the state of Washington.<sup>1</sup> Covered 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 nonfarm jobs<sup>2</sup> 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

---

<sup>1</sup>Based 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.

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

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.

### 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.

## Contacts

### *Economic and Policy Analysis Economists:*

Alex Roubinchtein, *Ph.D.*  
aroubinchtein@esd.wa.gov  
360-407-4581

Chris Thomas  
cthomas@esd.wa.gov  
360-407-4582

Dave Wallace  
dbwallace@esd.wa.gov  
360-407-4577

### *Regional Labor Economists:*

Scott Bailey, *Southwest Washington*  
scott.bailey@esd.wa.gov  
360-906-2768

Don Meseck, *S. Central Washington*  
dmeseck@esd.wa.gov  
509-963-2606

Paul Turek, *Ph.D., Pierce*  
pturek@esd.wa.gov  
253-593-7336

Mark Berreth, *N. Central Washington*  
mberreth@esd.wa.gov  
509-665-3737

Desiree Phair, *King County*  
dphair@esd.wa.gov  
206-448-0474 ext. 3073

Doug Tweedy, *Spokane*  
dtweedy@esd.wa.gov  
509-532-3188

Reinhold Groepler, *Ph.D., N.W. Washington*  
rgroepler@esd.wa.gov  
360-676-3253

Elizabeth Scott, *Ph.D., Olympic Consortium*  
escott@esd.wa.gov  
360-337-4784

Anneliese Vance-Sherman, *Ph.D., Snohomish*  
avancesherman@esd.wa.gov  
425-258-6315

Arum Kone, *Eastern Washington*  
akone@esd.wa.gov  
509-386-7274

Ajsa Suljic, *Benton-Franklin*  
asuljic@esd.wa.gov  
509-734-5928

Jim Vleming, *Pacific Mountain*  
jvleming@esd.wa.gov  
360-407-4584

The Employment Security Department is an equal-opportunity employer and provider of programs and services. Auxiliary aids and services are available upon request to people with disabilities.