

# Quarterly Census of Employment and Wages

Fourth 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  
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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 \$979 in the fourth quarter of 2011, a 0.2 percent decrease from a year earlier when weekly pay averaged \$981. Average weekly pay decreased by 3.2 percent from the third quarter of 2011 to the fourth quarter of 2011. These figures are not seasonally adjusted.

The industry with highest average weekly wage was the management of companies and enterprises (\$2,145), and the lowest weekly wage was in the accommodations and food services industry (\$350).

King County had the highest average weekly wage (\$1,220) while Okanogan County (\$522) had the lowest.

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**Washington State  
Employment Security Department**

Labor Market and Economic Analysis

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## Industry ranking

Figure 1 ranks industries at the two-digit North American Industry Classification System (NAICS) level by wage. Weekly pay averaged \$979 in the fourth quarter of 2011, down 0.2 percent from \$981 in the fourth quarter of 2010.

In the fourth 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 management of companies and enterprises (\$2,145),

information (\$1,945) and professional, scientific and technical services (\$1,618).

Two of the 20 two-digit NAICS industries posted average weekly pay of less than \$500 during the fourth quarter of 2011. The three lowest-paying industry sectors were accommodation and food services (\$350), other services (except public administration) (\$478) and agriculture, forestry, fishing and hunting (\$525). 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 the management of companies and enterprises (up 11.5 percent), healthcare and social assistance (up 2.3 percent) and wholesale trade (up 1.7 percent).

Figure 1. Firms, employment and weekly wages for covered employment, by industry Washington state, 2011 Q4

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

Industry	Firms	Average employment	Average weekly wages 2011 4Q	Average weekly wages 2010 4Q	Percent change
<b>Total</b>	<b>208,257</b>	<b>2,868,462</b>	<b>\$979</b>	<b>\$981</b>	<b>-0.2%</b>
Management of companies and enterprises	621	33,629	\$2,145	\$2,392	11.5%
Information	2,499	103,434	\$1,945	\$1,845	-5.1%
Professional, scientific and technical services	18,410	163,945	\$1,618	\$1,634	1.0%
Utilities	229	4,813	\$1,570	\$1,584	0.9%
Finance and insurance	5,376	87,158	\$1,390	\$1,408	1.3%
Manufacturing	6,740	271,376	\$1,336	\$1,301	-2.6%
Wholesale trade	12,972	121,697	\$1,299	\$1,321	1.7%
Mining	160	2,153	\$1,204	\$1,140	-5.3%
Construction	19,757	128,180	\$1,062	\$1,065	0.3%
Government	2,099	519,525	\$1,013	\$1,019	0.6%
Transportation and warehousing	3,947	82,016	\$970	\$970	0.0%
Healthcare and social assistance	14,420	329,998	\$913	\$934	2.3%
Administrative, support, waste management and remediation	9,413	137,622	\$843	\$848	0.6%
Real estate, rental and leasing	6,020	42,916	\$785	\$776	-1.1%
Educational services	2,534	36,072	\$693	\$690	-0.5%
Retail trade	13,955	318,424	\$595	\$596	0.1%
Arts, entertainment and recreation	2,404	43,274	\$538	\$535	-0.6%
Agriculture, forestry, fishing and hunting	7,063	88,292	\$525	\$524	-0.2%
Other services (except public administration)	66,818	131,757	\$478	\$480	0.3%
Accommodation and food services	12,820	222,183	\$350	\$351	0.3%

**Overall, average weekly wages increased by 0.2 percent from the fourth quarter of 2010 to the fourth quarter of 2011.**

## County ranking

Figure 2 ranks Washington counties by average weekly wages. King County posted the highest average weekly pay in the fourth quarter of 2011, increasing three-tenths of 1 percent from a year ago to \$1,220. Snohomish County posted the second-highest average weekly pay at \$1,000, up 3 percent from last year, and Benton County ranked third at \$990, a 3.1 percent decrease over the year.

Okanogan (\$522), Asotin (\$572) and Lincoln (\$591) counties had the lowest average weekly wages in the fourth quarter of 2011.

Additional 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 Q4

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

County	Wages paid 2011 Q4	Average weekly wages 2011 Q4	Average weekly wages 2010 Q4	Percent change
<b>Total</b>	<b>\$36,500,226,811</b>	<b>\$979</b>	<b>\$981</b>	<b>-0.2%</b>
King	\$18,290,104,193	\$1,220	\$1,216	0.3%
Snohomish	\$3,267,842,760	\$1,000	\$971	3.0%
Benton	\$1,023,197,804	\$990	\$1,022	-3.1%
Clark	\$1,413,421,145	\$844	\$859	-1.8%
Pierce	\$2,861,374,044	\$841	\$864	-2.7%
Kitsap	\$880,302,333	\$836	\$891	-6.1%
Thurston	\$1,042,882,461	\$832	\$850	-2.1%
Klickitat	\$69,633,696	\$790	\$823	-4.1%
Pend Oreille	\$29,986,956	\$782	\$817	-4.3%
Spokane	\$2,026,403,933	\$782	\$788	-0.8%
Whatcom	\$799,462,765	\$773	\$757	2.1%
Cowlitz	\$353,165,875	\$772	\$800	-3.5%
Garfield	\$7,597,845	\$757	\$688	10.0%
Whitman	\$168,065,320	\$756	\$773	-2.2%
Skagit	\$444,507,859	\$752	\$763	-1.4%
Walla Walla	\$257,480,840	\$742	\$732	1.3%
Columbia	\$11,417,850	\$729	\$708	3.0%
Ferry	\$15,201,229	\$727	\$690	5.3%
Grays Harbor	\$198,159,937	\$690	\$675	2.2%
Clallam	\$192,034,359	\$686	\$683	0.5%
Adams	\$62,474,371	\$684	\$673	1.7%
Grant	\$311,337,849	\$681	\$676	0.7%
Franklin	\$258,409,089	\$680	\$686	-0.8%
Island	\$128,330,840	\$667	\$671	-0.7%
Lewis	\$201,412,099	\$666	\$668	-0.2%
Chelan	\$335,881,685	\$659	\$679	-2.9%
Mason	\$115,174,380	\$648	\$648	-0.1%
Yakima	\$857,098,579	\$648	\$653	-0.8%
Kittitas	\$113,007,460	\$645	\$656	-1.7%
Skamania	\$17,948,491	\$645	\$632	2.1%
Jefferson	\$64,127,571	\$641	\$652	-1.7%
San Juan	\$39,560,518	\$630	\$638	-1.3%
Wahkiakum	\$5,875,042	\$628	\$607	3.4%
Stevens	\$77,986,863	\$622	\$628	-1.0%
Pacific	\$45,566,767	\$616	\$602	2.3%
Douglas	\$82,207,305	\$591	\$608	-2.7%
Lincoln	\$22,705,427	\$591	\$633	-6.6%
Asotin	\$42,007,949	\$572	\$588	-2.8%
Okanogan	\$116,306,828	\$522	\$521	0.1%
Multiple	\$250,564,494	\$1,622	\$1,836	-11.6%

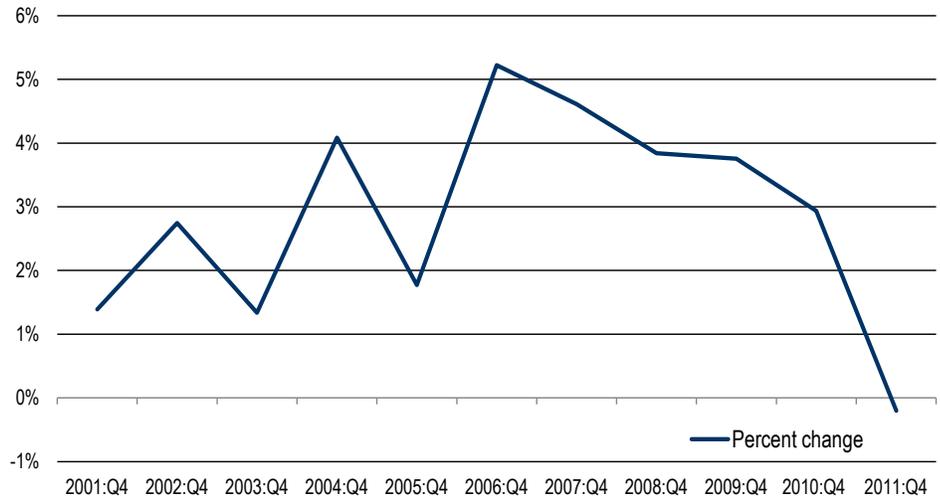
**Average weekly wages decreased over the year in 24 Washington counties.**

## Historical changes in weekly wages

Figure 3 shows fourth quarter average weekly wages for the last 10 years. From the fourth quarter of 2001 through the fourth quarter of 2006, average weekly wages fluctuated year to year. However, from the fourth quarter of 2006 to the fourth quarter of 2011, average weekly wages declined. The last quarter of 2011 had a negative growth rate of 0.2 percent.

Figure 3. Year-over-year change in average weekly wages Washington state, 2001 Q4 to 2011 Q4

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



**Fourth-quarter average weekly wages continued a five-year pattern of decline in 2011.**

## About the Quarterly Census of Employment and Wages

Quarterly Census of Employment and Wages (QCEW) data are released four times a year by the U.S. 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 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.<sup>2</sup>

#### *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

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<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.

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