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Greg Weeks, *Ph.D.*

*Director*

Labor Market and Economic Analysis

[gweeks@esd.wa.gov](mailto:gweeks@esd.wa.gov)

(360) 438-4800

Mary Ayala, *Ph.D.*

*Chief Economist*

[mayala@esd.wa.gov](mailto:mayala@esd.wa.gov)

(360) 438-4812

Molly Webster

*QCEW Supervisor*

[mwebster@esd.wa.gov](mailto:mwebster@esd.wa.gov)

(360) 438-4815

Michael Moores

*QCEW Publication*

[mmoores@esd.wa.gov](mailto:mmoores@esd.wa.gov)

(360) 438-4833

**Washington State  
Employment Security Department**

Labor Market and Economic Analysis



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# Washington State Employment and Wages

First Quarter 2008 Preliminary

The Quarterly Census of Employment and Wages measures covered employment and wages by industry and by county. Since employment estimates are published every month, this report focuses on the wage portion of these data. The report includes information on 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 thirteen (the number of weeks in a quarter).

Weekly pay averaged \$899 in the first quarter of 2008 in Washington, a 3.7 percent increase from a year ago when the weekly average pay amounted to \$866. In the fourth quarter of 2007, weekly pay averaged \$885. This rise in weekly pay over the year is reflecting an ongoing trend in wage increases. However, these figures are not adjusted for seasonal variations and it is not unusual to see higher wages in the first and the fourth quarters of the year when many companies pay bonuses. Average pay is usually lower in the second and third quarters of the year. Although wages are still increasing, they have increased at a slower rate than they did previously. Over the past several years, first quarter wage increases have trended down when compared to the same quarter of the previous year, with increases of 3.7 percent from 2007 to 2008, 4.1 percent between 2006 and 2007, and 8.8 percent from 2005 to 2006.

In the first quarter of 2008, eight of the twenty two-digit NAICS industries posted average weekly pay over \$1,000. The three highest paying industry sectors were: information (\$1,846), management of companies and enterprises (\$1,836), and utilities (\$1,678).

In the first quarter of 2008, three of the twenty two-digit NAICS industries posted average weekly pay under \$500. The three lowest paying industry sectors were: accommodation and food services; agriculture, forestry, fishing, and hunting; and other services except public administration. Keep in mind that this reflects average weekly pay, not only full-time pay. Many sectors with low average weekly pay have a high incidence of part-time employees.

The three counties with the highest average weekly pay were: King (\$1,124); Snohomish (\$895), and Benton (\$879).

The three counties with the lowest average weekly pay were: Okanogan (\$486); Wahkiakum (\$503), and Asotin (\$524).

*For more information, contact Mary Ayala at (360) 438-4812*

## Average Weekly Pay by Industry

*Table 1* ranks industries by wage levels at the two-digit (NAICS) industry level. In Washington, weekly pay averaged \$899 in the first quarter of 2008, up 3.7 percent from 2007's first quarter average of \$866. Information, management of companies and enterprises, and utilities were the three top-paying industries at the two-digit industry level. Rounding out the top ten industries were: finance and

insurance; professional, scientific, and technical services; manufacturing; wholesale trade; mining; government; and construction. The bottom ten industries were accommodation and food services; agriculture, forestry, fishing, and hunting; other services (except public administration); arts, entertainment, and recreation; retail trade; educational services; real estate, rental, and leasing; admin-

istrative, support, waste management, and remediation services; health care and social assistance; transportation and warehousing.

*Table 1* shows industry rankings, along with number of firms, average employment and average weekly wage for the first quarter of 2008 as well as the weekly pay level for the same quarter in 2007.

Table 1. Covered Employment Classified by Industry, Washington State  
First Quarter 2008

Industry Description	Firms	Average Employment	Average Weekly Pay Q1 2008	Average Weekly Pay Q1 2007	Percent Change
<b>Total</b>	<b>195,380</b>	<b>2,907,513</b>	<b>\$899</b>	<b>\$866</b>	<b>3.7%</b>
Information	2,517	103,028	\$1,846	\$1,651	11.8%
Management of Companies and Enterprises	653	34,674	\$1,836	\$1,949	-5.8%
Utilities	227	4,767	\$1,678	\$1,673	0.3%
Finance and Insurance	6,188	100,573	\$1,634	\$1,615	1.2%
Professional, Scientific, and Technical Services	17,672	160,346	\$1,308	\$1,285	1.8%
Manufacturing	7,266	289,667	\$1,224	\$1,174	4.3%
Wholesale Trade	12,911	126,506	\$1,196	\$1,161	3.1%
Mining	173	2,749	\$1,032	\$1,342	-23.1%
Government	2,056	518,095	\$911	\$872	4.5%
Construction	25,406	184,607	\$908	\$858	5.9%
Transportation and Warehousing	4,152	84,631	\$876	\$879	-0.3%
Health Care and Social Assistance	13,797	303,037	\$765	\$725	5.4%
Admin., Support, Waste Mgmt. and Remediation Svcs.	9,504	140,053	\$732	\$697	5.0%
Real Estate, Rental and Leasing	6,912	49,805	\$729	\$726	0.4%
Educational Services	2,163	32,950	\$619	\$598	3.4%
Retail Trade	14,619	319,134	\$568	\$561	1.2%
Arts, Entertainment, and Recreation	2,443	45,442	\$539	\$571	-5.5%
Other Services (except Public Administration)	46,436	114,677	\$488	\$451	8.1%
Agriculture, Forestry, Fishing, and Hunting	7,621	67,468	\$478	\$470	1.6%
Accommodation and Food Services	12,664	225,303	\$310	\$302	2.6%

## Average Weekly Pay by County

Covered employment and wage information is also available by county. *Table 2* ranks counties by average weekly pay. King County posted the highest average weekly pay in the first quarter of 2008, rising 4.1 percent from a year ago to \$1,124. Snohomish County posted the second highest average weekly pay at \$895, up 0.4 percent from last year and Benton County was third at \$879, a 3.0 percent gain over the prior year. Pierce County ranked fourth with an average weekly pay of \$803, a 4.9 percent hike over the same quarter a year ago. Clark County weekly pay averaged \$770 in the first quarter of 2008, a 3.5 percent gain over the prior year. Thurston, Kitsap, Cowlitz, Pend Oreille, and Whitman counties rounded out the top 10 counties.

The ten counties with the lowest average annual wages in 2007 were Okanogan, Douglas, Pacific, Asotin, Adams, Wahkiakum, San Juan, Lincoln, Skamania, and Stevens. *Table 2* shows average weekly pay by county.

Current industry and county data are available on [Workforce Explorer](#). Statewide industry data are available by six-digit NAICS for each month. County industry figures are available for each month through three-digit NAICS.

Table 2. Average Weekly Wage by County, First Quarter 2008

County	Average Employment	Average Weekly Pay Q1 2008	Average Weekly Pay Q1 2007	Percent Change
Total	2,907,503	\$899	\$866	3.7%
King	1,182,374	\$1,124	\$1,080	4.1%
Snohomish	253,519	\$895	\$891	0.4%
Benton	71,909	\$879	\$853	3.0%
Pierce	272,966	\$803	\$765	4.9%
Clark	131,643	\$770	\$744	3.5%
Thurston	100,253	\$769	\$742	3.6%
Kitsap	83,545	\$744	\$725	2.6%
Cowlitz	37,033	\$730	\$712	2.6%
Pend Oreille	3,105	\$702	\$672	4.5%
Whitman	15,914	\$701	\$674	4.0%
Spokane	207,677	\$701	\$678	3.4%
Skagit	48,097	\$697	\$664	5.0%
Whatcom	82,284	\$683	\$651	5.0%
Walla Walla	24,741	\$669	\$640	4.5%
Grays Harbor	24,343	\$645	\$623	3.6%
Klickitat	5,813	\$637	\$595	7.1%
Garfield	745	\$631	\$597	5.6%
Lewis	25,208	\$621	\$647	-4.0%
Grant	31,500	\$616	\$579	6.5%
Clallam	22,472	\$609	\$597	2.1%
Franklin	24,402	\$608	\$589	3.2%
Mason	14,141	\$605	\$591	2.3%
Chelan	35,965	\$604	\$582	3.8%
Columbia	1,369	\$589	\$563	4.7%
Island	15,517	\$587	\$570	3.1%
Ferry	1,638	\$587	\$548	7.2%
Yakima	94,352	\$587	\$569	3.2%
Jefferson	8,937	\$581	\$556	4.3%
Kittitas	13,450	\$580	\$555	4.5%
Stevens	10,186	\$569	\$550	3.4%
San Juan	5,106	\$565	\$543	4.0%
Skamania	2,090	\$561	\$539	4.0%
Lincoln	2,826	\$560	\$530	5.7%
Adams	6,227	\$557	\$534	4.3%
Douglas	9,485	\$539	\$513	5.2%
Pacific	6,194	\$534	\$513	4.0%
Asotin	5,494	\$524	\$522	0.3%
Wahkiakum	946	\$503	\$508	-1.0%
Okanogan	15,340	\$486	\$468	3.8%

## About the QCEW

The Quarterly Census of Employment and Wages (QCEW), formerly known as ES-202, is released four times a year by the Bureau of Labor Statistics (BLS): 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 QCEW reflects covered employment, that is, employment in firms that are mandated to cover workers for unemployment insurance. Laws that govern UI coverage come from both federal and state statutes. State unemployment insurance programs require most employers to pay quarterly taxes based on employment and wages covered by UI. This generally provides a universe count of establishments and employees. In general, major exclusions from UI 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. Washington state differs slightly in that most agricul-

tural workers are covered by UI. State and federal UI laws change periodically, potentially impacting employers and employees covered under the UI 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 January 1, 2004, they were no longer counted in the wage data. This 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. This covered employment series is used to benchmark the monthly employment estimates that initially come from the Current Employment Statistics (CES) Survey. The Bureau of Labor Statistics benchmarks the nonfarm payroll estimates annually, but at Labor Market and Economic Analysis, we benchmark the monthly CES figures quarterly. While the quarterly benchmarking process allows more reliable monthly employment estimates, it is also more likely to cause greater volatility from one quarter to the next when the new quarterly data are used in the benchmarking process.

Non-covered employment is broad and about 132,600 nonfarm jobs were not covered in Washington

in 2007. Non-covered jobs include some state jobs (21,800), elected officials (3,100), railroad employment (4,300), religious organizations (24,900), private education (14,200), and about 64,300 exempt corporate officers<sup>1</sup>.

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 figures 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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**The next publication of County Employment and Wages for Washington state, covering 2008:2 preliminary, will be available in early January 2009.**

<sup>1</sup>This approximate figure of 132,600 does not include self-employed and non-covered agriculture jobs.

## Nature and Limitations of Data

*Quarterly Employment and Wages in Washington State* presents employment and wage data for those 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 which 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 and proprietors are excluded as well as are persons who earned no wages during the applicable pay period because of work stoppages.

Employment is tabulated by employer activity (industry) not by employee activity (occupation). For example, all employment listed as *educational services* is not necessarily 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 specified. Although unemployment compensation taxes are assessed on the yearly calculated taxable wage base (\$31,400 for 2007) which is paid by a private employer to an individual during the calendar year, the wage figures include all wages paid.

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

Covered Employment exceeds 85 percent of total employment in the state of Washington. Covered employment is 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.

In 1981, the Washington State Legislature enacted the law, RCW 50.04.165 Employment-Corporate Officers. This act enabled corporate employers to exempt their corporate officers from coverage under the Unemployment Insurance Laws of Washington. RCW 50.04.165 was amended by the Legislature in 1983 so that all corporate officers are considered exempt unless their employer elects coverage. "A corporation may elect to cover not less than all of its corporate officers under RCW 50.24.160."

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.

## Other Contacts

### *Economic and Policy Analysis Economists:*

Jami Mills  
jmills@esd.wa.gov  
(360) 438-3233

Dave Wallace  
dbwallace@esd.wa.gov  
(360) 438-4818

Alex Roubinchtein, *Ph.D.*  
aroubinchtein@esd.wa.gov  
(360) 438-4764

Chris Thomas  
cthomas@esd.wa.gov  
(360) 438-3169

**Washington State  
Employment Security Department**

Labor Market and Economic Analysis



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### *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

Donna Thompson, *Snobomish*  
dthompson@esd.wa.gov  
(425) 258-6325

Tess Camilon, *Olympic Consortium*  
mcamilon@esd.wa.gov  
(360) 438-3152

T. Baba Moussa, *N. Central Washington*  
bmoussa@esd.wa.gov  
(509) 963-2606

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

Joe Giannamore, *N.W. Washington*  
jgiannamore@esd.wa.gov  
(360) 676-3253

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

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

Arum Kone, *Eastern Washington*  
akone@esd.wa.gov  
(509) 527-1844

Dean Schau, *Benton-Franklin*  
dschau@cbc2.org  
(509) 547-0511 ext. 2217

Jim Vleming, *Pacific Mountain*  
jvleming@esd.wa.gov  
(360) 438-4821