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Washington State Employment and Wages

Third 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, we focus on the wage portion of this report. 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).

For the first three quarters of 2008, the year over year growth rates in average weekly pay declined, reflecting changes in labor market conditions in Washington. For the first, second, and third quarters of 2008, these growth rates were 3.7 percent, 3.4 percent, and 3.0 percent, respectively. Weekly pay averaged \$904 in the third quarter of 2008, relative to a year ago when it was \$877. In the second quarter of 2008, weekly pay averaged \$862. This rise in weekly pay over the year reflects an ongoing trend in wage increases. However, these figures are not adjusted for inflation or seasonal variations.

In the third 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 (\$2,773), management of companies and enterprises (\$1,596), and utilities (\$1,435).

In the third 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 (\$320), agriculture, forestry, fishing and hunting (\$441), and other services except public administration (\$487). Keep in mind that this reflects average weekly pay, and is not limited to 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 (\$1,161), Benton (\$879), and Snohomish (\$858).

The three counties with the lowest average weekly pay were: Okanogan (\$468), Douglas (\$512), and Wahkiakum (\$523).

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Average Weekly Pay by Industry

Table 1 ranks industries by wage levels at the two-digit (NAICS) industry level. In Washington, weekly pay averaged \$904 in the third quarter of 2008, up 3.0 percent from 2007's third quarter average of \$877. Information, management of companies and enterprises, and utilities were the top three paying industries at the two-digit industry level. Rounding out the top ten industries were:

- finance and insurance,
- professional, scientific, and technical services,
- wholesale trade,

- manufacturing,
- mining,
- construction, and
- government.

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,
- administrative, support, waste management, and remediation services,
- health care and social assistance, and
- transportation and warehousing.

Table 1 shows industry rankings, number of firms, average employment, and average weekly wage for the third quarter of 2008, compared to the weekly pay level for the same quarter in 2007.

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

Industry Description	Firms	Average Employment	2008 Q3 Avg Weekly	2007 Q3 Avg Weekly	% Change
Total	197,989	3,004,228	\$904	\$877	3.0%
Information	2,465	106,604	\$2,773	\$2,522	9.9%
Management of Companies and Enterprises	640	34,918	\$1,596	\$1,520	5.0%
Utilities	230	4,948	\$1,435	\$1,344	6.8%
Professional, Scientific, and Technical Services	5,963	98,929	\$1,321	\$1,238	6.7%
Finance and Insurance	17,651	161,069	\$1,314	\$1,430	-8.1%
Manufacturing	12,828	127,388	\$1,147	\$1,099	4.3%
Wholesale Trade	7,141	293,072	\$1,102	\$1,085	1.6%
Mining	169	2,961	\$1,089	\$1,052	3.5%
Total Government	24,550	193,719	\$956	\$896	6.7%
Construction	2,049	510,663	\$953	\$932	2.2%
Transportation and Warehousing	4,040	86,225	\$869	\$860	1.1%
Health Care and Social Assistance	13,742	310,623	\$786	\$753	4.5%
Admin., Support, Waste Mgmt. and Remediation Svcs.	9,401	148,754	\$710	\$696	2.0%
Real Estate, Rental and Leasing	6,636	50,285	\$683	\$675	1.3%
Educational Services	2,178	30,876	\$676	\$651	3.9%
Retail Trade	14,384	321,538	\$561	\$555	1.0%
Arts, Entertainment, and Recreation	2,421	51,170	\$512	\$524	-2.2%
Other Services (except Public Administration)	51,484	119,808	\$487	\$470	3.8%
Agriculture, Forestry, Fishing, and Hunting	7,496	110,716	\$441	\$424	4.2%
Accommodation and Food Services	12,521	239,965	\$320	\$313	2.5%

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 ranked first, rising 2.9 percent from a year ago to \$1,161. Benton County ranked second at \$879, up 5.9 percent from last year. Snohomish County ranked third at \$858, a 1.9 percent gain over prior year. Thurston County ranked fourth at \$787, a 0.6 percent hike over the same quarter a year ago. Clark County ranked fifth at \$778, a 3.9 percent gain over the prior year. Pierce, Kitsap, Pend Oreille, Cowlitz, and Spokane rounded out the top 10 counties.

The ten counties with the lowest average annual wages in 2008 were Okanogan, Douglas, Wahkiakum, Asotin, San Juan, Pacific, Lincoln, Adams, Skamania, and Yakima. *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 through three-digit NAICS.

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

County	Wages	2008 Q3	2007 Q3	% Change
		Avg Weekly	Avg Weekly	
King	\$1,201,939	\$1,161	\$1,128	2.9%
Benton	\$76,812	\$879	\$830	5.9%
Snohomish	\$256,248	\$858	\$842	1.9%
Thurston	\$102,092	\$787	\$782	0.6%
Clark	\$132,900	\$778	\$749	3.9%
Pierce	\$275,376	\$775	\$754	2.8%
Kitsap	\$84,173	\$766	\$771	-0.5%
Pend Oreille	\$3,269	\$739	\$702	5.4%
Cowlitz	\$37,201	\$731	\$716	2.2%
Spokane	\$210,362	\$701	\$681	3.0%
Skagit	\$50,131	\$695	\$661	5.2%
Whitman	\$16,849	\$684	\$659	3.8%
Columbia	\$1,362	\$684	\$646	5.8%
Whatcom	\$84,996	\$680	\$659	3.2%
Klickitat	\$7,075	\$665	\$596	11.5%
Garfield	\$874	\$654	\$660	-0.9%
Lewis	\$25,348	\$650	\$631	3.0%
Walla Walla	\$27,673	\$645	\$644	0.2%
Grays Harbor	\$25,321	\$642	\$639	0.6%
Clallam	\$23,041	\$628	\$625	0.4%
Mason	\$14,441	\$624	\$603	3.5%
Ferry	\$1,783	\$610	\$611	-0.1%
Franklin	\$29,112	\$610	\$592	3.0%
Kittitas	\$14,201	\$606	\$580	4.6%
Grant	\$38,519	\$599	\$548	9.2%
Jefferson	\$9,181	\$598	\$572	4.7%
Stevens	\$10,845	\$597	\$585	2.0%
Island	\$15,822	\$597	\$582	2.6%
Chelan	\$44,031	\$585	\$557	5.1%
Yakima	\$108,455	\$580	\$569	2.0%
Skamania	\$2,310	\$578	\$547	5.7%
Adams	\$7,351	\$572	\$550	4.0%
Lincoln	\$3,125	\$569	\$567	0.4%
Pacific	\$6,509	\$550	\$523	5.2%
San Juan	\$6,455	\$549	\$537	2.2%
Asotin	\$5,762	\$536	\$543	-1.3%
Wahkiakum	\$970	\$523	\$538	-2.8%
Douglas	\$12,116	\$512	\$501	2.2%
Okanogan	\$20,819	\$468	\$446	4.9%

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 2007¹. 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.

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.

The next publication of County Employment and Wages for Washington state, covering 4th Quarter 2008 preliminary, will be available in early July 2009.

¹This 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 86 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.

**Based on non-covered employment estimation for 2007 from Labor Market and Economic Analysis, and the State Population Survey estimation of the self-employed from the Office of Financial Management.*

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