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Labor Market and Economic Analysis



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# Washington State Employment and Wages

Fourth Quarter 2009 Preliminary

The Quarterly Census of Employment and Wages (QCEW) 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 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 thirteen (the number of weeks in a quarter).

Weekly pay in Washington averaged \$952 in the fourth quarter of 2009, a 3.7 percent increase from a year earlier when weekly pay averaged \$919. In the third quarter of 2009, weekly pay averaged \$916. From the third quarter to fourth quarter averages, weekly pay increased by 4 percent. These figures are not adjusted for seasonal variation.

In the fourth quarter of 2009, nine of the 20, two-digit NAICS industries posted average weekly pay over \$1,000. The three highest paying industry sectors were: Management of companies and enterprises (\$1,888); information (\$1,777); and utilities (\$1,534).

Three of the 20 two-digit NAICS industries posted average weekly pay of \$500 or less during the fourth quarter of 2009. The three lowest paying industry sectors were: accommodation and food services; other services (except public administration); and agriculture, forestry, fishing, and hunting. 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.

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## Industry Ranking

*Table 1* ranks industries by wage level at the two-digit (NAICS) industry level. As noted above, weekly pay averaged \$952 in the fourth quarter of 2009, up 3.7 percent from 2008's fourth quarter average of \$919. Management of companies and enterprises, information, and utilities, were the top three paying industries at the two-digit industry level. Rounding out the top ten industries were: professional, scientific

and technical services; finance and insurance; manufacturing; wholesale trade; mining; construction; and government. The bottom ten industries were: accommodation and food services; other services (except public administration); agriculture, forestry, fishing, and hunting; 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 industries ranked by average weekly wage, along with the number of firms and average employment for the fourth quarter of 2009, as well as the weekly pay level for the same quarter in 2008.

**Table 1. Covered Employment Classified by Industry, Washington State  
Fourth Quarter 2009**

<b>Industry Description</b>	<b>Average Firms</b>	<b>Average Employment</b>	<b>Average Weekly Wage 2009 4Q</b>	<b>Average Weekly Wage 2008 4Q</b>	<b>Percent Change</b>
Total	211,313	2,809,617	\$952	\$919	3.7%
Management of Companies and Enterprises	623	31,736	\$1,888	\$1,670	13.1%
Information	2,532	101,215	\$1,777	\$1,729	2.8%
Utilities	232	5,067	\$1,534	\$1,447	6.0%
Professional, Scientific, and Technical Services	18,942	153,741	\$1,527	\$1,480	3.2%
Finance and Insurance	6,013	90,336	\$1,428	\$1,360	5.0%
Manufacturing	7,106	255,960	\$1,308	\$1,242	5.3%
Wholesale Trade	13,475	118,901	\$1,256	\$1,229	2.2%
Mining	167	2,187	\$1,068	\$1,094	-2.4%
Construction	24,279	139,793	\$1,055	\$1,027	2.8%
Government	2,073	527,087	\$997	\$962	3.6%
Transportation and Warehousing	4,189	80,101	\$940	\$896	4.9%
Health Care and Social Assistance	14,352	321,089	\$910	\$839	8.4%
Admin., Support, Waste Mgmt. and Remediation Svcs.	9,800	128,560	\$803	\$748	7.3%
Real Estate, Rental and Leasing	6,633	45,102	\$748	\$726	3.0%
Educational Services	2,368	34,269	\$671	\$662	1.3%
Retail Trade	14,612	309,732	\$586	\$560	4.6%
Arts, Entertainment, and Recreation	2,510	42,759	\$539	\$524	2.8%
Agriculture, Forestry, Fishing, and Hunting	7,565	79,588	\$500	\$520	-3.8%
Other Services (except Public Administration)	60,797	126,080	\$478	\$507	-5.7%
Accommodation and Food Services	13,045	216,314	\$339	\$322	5.0%

## County Ranking

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 fourth quarter of 2009, rising 3.7 percent from a year ago to \$1,172. Benton County posted the second highest average weekly pay at \$983, up 9.3 percent from last year, and Snohomish County was third at \$969, a 4.3 percent increase over the prior year. Kitsap County ranked fourth with an average weekly pay of \$858, a 4.5 percent increase over the same quarter last year. Pierce County weekly pay averaged \$846 in the fourth quarter of 2009, a 4.0 percent gain over the prior year. Clark, Thurston, Klickitat, Cowlitz, and Spokane counties rounded out the top ten counties.

The three counties with the lowest average weekly wages in the fourth quarter of 2009 were Okanogan (\$521), Asotin (\$581), and Pacific (\$586). Other counties with low average weekly wage included Douglas, Wahkiakum, Stevens, Lincoln, San Juan, Jefferson, Adams, Kittitas, Yakima, Mason, and Lewis.

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 by three-digit NAICS.

Table 2. Average Weekly Wage by County, Fourth Quarter 2009

County	2009 4Q Wages Paid	Average Weekly Wage 2009 4Q	Average Weekly Wage 2008 4Q	Percent Change
<b>Total</b>	\$34,785,859,215	\$952	\$919	3.7%
<b>King</b>	\$17,065,849,743	\$1,172	\$1,131	3.7%
<b>Benton</b>	\$990,789,452	\$983	\$899	9.3%
<b>Snohomish</b>	\$3,010,866,975	\$969	\$929	4.3%
<b>Kitsap</b>	\$912,635,141	\$858	\$821	4.5%
<b>Pierce</b>	\$2,880,265,370	\$846	\$814	4.0%
<b>Clark</b>	\$1,395,160,118	\$842	\$816	3.2%
<b>Thurston</b>	\$1,052,448,883	\$830	\$807	2.9%
<b>Klickitat</b>	\$68,895,254	\$809	\$718	12.7%
<b>Cowlitz</b>	\$353,970,795	\$772	\$740	4.2%
<b>Spokane</b>	\$2,004,160,151	\$771	\$737	4.6%
<b>Whitman</b>	\$159,143,758	\$755	\$752	0.4%
<b>Skagit</b>	\$436,439,521	\$746	\$721	3.4%
<b>Whatcom</b>	\$747,411,145	\$734	\$709	3.5%
<b>Pend Oreille</b>	\$27,999,672	\$730	\$755	-3.3%
<b>Walla Walla</b>	\$247,690,609	\$725	\$714	1.6%
<b>Skamania</b>	\$17,882,839	\$704	\$624	12.9%
<b>Columbia</b>	\$11,595,669	\$694	\$681	1.9%
<b>Ferry</b>	\$15,019,986	\$685	\$634	8.0%
<b>Grant</b>	\$293,684,021	\$679	\$653	4.0%
<b>Garfield</b>	\$6,726,172	\$673	\$619	8.6%
<b>Franklin</b>	\$236,067,721	\$670	\$656	2.2%
<b>Clallam</b>	\$188,903,764	\$666	\$632	5.4%
<b>Grays Harbor</b>	\$195,196,593	\$663	\$650	2.0%
<b>Chelan</b>	\$323,931,493	\$661	\$642	2.9%
<b>Island</b>	\$127,893,200	\$660	\$633	4.3%
<b>Lewis</b>	\$200,067,564	\$657	\$656	0.1%
<b>Mason</b>	\$119,136,166	\$641	\$623	2.8%
<b>Yakima</b>	\$822,761,609	\$640	\$625	2.4%
<b>Kittitas</b>	\$110,196,917	\$639	\$622	2.9%
<b>Adams</b>	\$54,211,273	\$638	\$612	4.2%
<b>Jefferson</b>	\$66,774,369	\$633	\$625	1.3%
<b>San Juan</b>	\$40,651,743	\$630	\$598	5.4%
<b>Lincoln</b>	\$23,491,192	\$625	\$571	9.4%
<b>Stevens</b>	\$77,483,736	\$613	\$612	0.3%
<b>Wahkiakum</b>	\$5,403,111	\$595	\$565	5.4%
<b>Douglas</b>	\$76,759,033	\$586	\$574	2.1%
<b>Pacific</b>	\$44,833,141	\$586	\$567	3.3%
<b>Asotin</b>	\$43,058,163	\$581	\$596	-2.5%
<b>Okanogan</b>	\$117,035,988	\$521	\$518	0.7%
<b>Multiple County</b>	\$213,367,165	\$1,799	\$1,661	8.3%

## Historical Year-to-Year Third Quarter Changes in Weekly Wages

Table 3 shows fourth quarter average weekly wages for the last ten years. Year-to-year for the last four years, average weekly wage increases have trended down from an increase of 5.2 percent in 2006 4Q to a 3.7 percent increase in 2009.

Table 3. Historical Average Weekly Wage, 2000 Q4 to 2009 Q4

QCEW Weekly Wage Year to Year Change			
Year/Quarter	Weekly Wage	Percent	Difference
2000 - Q4	\$719	-3.1%	-23
2001 - Q4	\$729	1.4%	10
2002 - Q4	\$749	2.7%	20
2003 - Q4	\$759	1.3%	10
2004 - Q4	\$790	4.1%	31
2005 - Q4	\$804	1.8%	14
2006 - Q4	\$846	5.2%	42
2007 - Q4	\$885	4.6%	39
2008 - Q4	\$919	3.8%	34
2009- Q4	\$952	3.7%	33

### About the QCEW

The Quarterly Census of Employment and Wages, 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 Design of the QCEW

This report on *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 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 specified. Although unemployment compensation taxes are assessed on the yearly calculated taxable wage base (\$35,700 for 2009), which is paid by a private employer to an individual during the calendar year, the wage figures on the linked tables 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 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<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 tempo-

rary 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.

### Other Exemptions

In 1981, the Washington State Legislature enacted 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. Beginning January 1, 2009, corporate officers [who provide services in Washington](#) are covered for 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

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 agricultural 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 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.

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<sup>1</sup>Based on non-covered employment estimation for 2007 from the Labor Market and Economic Analysis branch and the State Population Survey estimation of the self-employed from the Office of Financial Management.

## Benchmarking

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 128,530 non-farm jobs were not covered in Washington in 2009 for a labor force that exceeds three million workers. Non-covered jobs include some state of Washington jobs (26,268), elected officials (3,100), railroad employment (3,974), religious organizations (26,382), private education (17,028), and about 52,560 exempt corporate officers<sup>2</sup>.

### 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.

<sup>2</sup>This approximate figure of 128,530 does not include self-employed and non-covered agriculture jobs.

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