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**Washington State
Employment and Wages**

Fourth Quarter 2010 Preliminary

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 the Washington State Employment Security Department reports 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 \$981 in the fourth quarter of 2010, a 2.9 percent increase from a year earlier when weekly pay averaged \$953. Average weekly pay increased by 2.9 percent from the third quarter of 2010 to the fourth quarter 2010. These figures are not adjusted for seasonal variation.

In the fourth quarter of 2010, 10 of the 20 industries at the two-digit North American Industry Classification System (NAICS) level posted average weekly pay over \$1,000. The three highest-paying industry sectors were management of companies and enterprises (\$2,395), information (\$1,845) and professional, scientific and technical services (\$1,633).

Two of the 20 two-digit NAICS industries posted average weekly pay of less than \$500 during the fourth quarter of 2010. The three lowest paying industry sectors were accommodation and food services (\$351), other services (except public administration) (\$480) and agriculture, forestry, fishing and hunting (\$523). 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 at the two-digit NAICS level. Weekly pay averaged \$981 in the fourth quarter of 2010, up 2.9 percent from \$953 in the fourth quarter of 2009.

At the two-digit level, the three highest paying industry sectors were management of

companies and enterprises (\$2,395), information (\$1,845) and professional, scientific and technical services (\$1,633).

Compared to the same quarter last year, the largest percentage increases in average weekly wages were in management of companies and enterprises

(up 27.2 percent), professional, scientific and technical services (up 6.8 percent) and mining sectors (up 6.7 percent).

Table 1. Average Weekly Wages by Industry
Washington State, Fourth Quarter 2010
Source: Employment Security Department/LMEA, QCEW

Industry description	Firms	Average employment	Average weekly wages 2010 4Q	Average weekly wages 2009 4Q	Percent change
Total	215,315	2,828,685	\$981	\$953	2.9%
Management of companies and enterprises	604	31,752	\$2,395	\$1,883	27.2%
Information	2,466	102,315	\$1,845	\$1,777	3.8%
Professional, scientific and technical services	18,965	159,971	\$1,633	\$1,529	6.8%
Utilities	234	4,825	\$1,584	\$1,535	3.2%
Finance and insurance	5,704	88,118	\$1,408	\$1,428	-1.4%
Wholesale trade	13,313	119,621	\$1,321	\$1,255	5.2%
Manufacturing	6,958	257,273	\$1,301	\$1,307	-0.5%
Mining	168	2,150	\$1,140	\$1,068	6.7%
Construction	22,042	130,812	\$1,065	\$1,057	0.7%
Government	2,096	525,900	\$1,019	\$996	2.3%
Transportation and warehousing	4,030	80,251	\$969	\$945	2.6%
Healthcare and social assistance	14,464	325,996	\$933	\$910	2.5%
Administrative, support, waste management and remediation services	9,711	134,736	\$848	\$804	5.5%
Real estate, rental and leasing	6,397	43,328	\$776	\$748	3.7%
Educational services	2,494	35,001	\$690	\$672	2.7%
Retail trade	14,334	312,315	\$596	\$587	1.6%
Arts, entertainment and recreation	2,473	41,756	\$535	\$540	-0.9%
Agriculture, forestry, fishing and hunting	7,328	82,326	\$523	\$502	4.2%
Other services (except public administration)	68,476	131,557	\$480	\$479	0.3%
Accommodation and food services	13,058	218,679	\$351	\$339	3.6%

Weekly pay averaged \$981 in the fourth quarter of 2010, up 2.9 percent from \$953 in the fourth quarter of 2009.

County Ranking

Table 2 ranks Washington counties by average weekly pay. King County posted the highest average weekly pay in the fourth quarter of 2010, increasing 3.7 percent from a year ago to \$1,216. Benton County posted the second highest average weekly pay at \$1,023, up 4 percent from last year, and Snohomish County was third at \$971, a 0.1 percent increase over the prior year.

Okanogan (\$521), Asotin (\$590) and Pacific (\$601) counties had the lowest average weekly wages in the fourth quarter of 2010.

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 figures are available for each month by three-digit NAICS.

Table 2. Average Weekly Wages by County
Washington State, Fourth Quarter 2010

Source: Employment Security Department/LMEA, QCEW

County	Wages paid 2010 4Q	Average weekly wages 2010 4Q	Average weekly wages 2010 4Q	Percent change
Total	\$36,056,309,502	\$981	\$953	2.9%
King	\$17,862,514,319	\$1,216	\$1,172	3.7%
Benton	\$1,076,663,462	\$1,023	\$983	4.0%
Snohomish	\$3,061,704,757	\$971	\$970	0.1%
Kitsap	\$940,019,760	\$890	\$859	3.6%
Pierce	\$2,949,306,826	\$864	\$847	2.0%
Clark	\$1,432,241,361	\$860	\$843	2.0%
Thurston	\$1,071,521,875	\$848	\$830	2.2%
Klickitat	\$69,928,152	\$823	\$812	1.3%
Pend Oreille	\$31,520,602	\$817	\$729	12.1%
Cowlitz	\$369,230,006	\$799	\$772	3.5%
Spokane	\$2,032,112,043	\$788	\$773	2.0%
Whitman	\$165,658,229	\$773	\$756	2.3%
Skagit	\$447,359,237	\$761	\$746	2.0%
Whatcom	\$767,310,864	\$758	\$735	3.1%
Walla Walla	\$255,949,485	\$732	\$725	1.0%
Columbia	\$10,855,515	\$708	\$694	2.0%
Ferry	\$14,989,874	\$690	\$685	0.7%
Garfield	\$6,960,827	\$687	\$677	1.4%
Franklin	\$255,378,263	\$686	\$671	2.3%
Clallam	\$194,250,425	\$683	\$666	2.6%
Grant	\$299,400,988	\$677	\$679	-0.3%
Chelan	\$328,162,239	\$676	\$663	2.0%
Grays Harbor	\$195,188,287	\$676	\$664	1.9%
Adams	\$59,340,296	\$673	\$646	4.2%
Island	\$129,020,436	\$671	\$661	1.6%
Lewis	\$204,682,393	\$668	\$656	1.8%
Kittitas	\$115,334,129	\$657	\$640	2.7%
Yakima	\$845,779,740	\$653	\$641	1.9%
Jefferson	\$66,853,514	\$651	\$626	4.0%
Mason	\$118,251,449	\$648	\$642	0.9%
San Juan	\$40,285,861	\$640	\$631	1.5%
Lincoln	\$24,406,614	\$633	\$626	1.2%
Skamania	\$16,252,215	\$632	\$704	-10.3%
Stevens	\$79,466,582	\$629	\$613	2.6%
Douglas	\$81,924,358	\$605	\$588	2.8%
Wahkiakum	\$5,562,714	\$604	\$596	1.4%
Pacific	\$46,139,121	\$601	\$588	2.3%
Asotin	\$43,295,580	\$590	\$584	1.1%
Okanogan	\$113,442,182	\$521	\$522	-0.1%
Multiple counties	\$228,044,922	\$1,836	\$1,804	1.8%

Table 2 ranks Washington counties by average weekly wage and provides a year-over-year comparison of average weekly wages.

Historical Changes in Weekly Wages

Table 3 shows fourth quarter average weekly wages for the last 10 years. From 2006 Q4 to 2010 Q4, annual changes in average weekly wages have trended down from 5.2 percent to 2.9 percent.

Table 3. Year-to-Year Changes in Weekly Wages
Washington State, Fourth Quarter 2001 to Fourth Quarter 2010
Source: Employment Security Department/LMEA, QCEW

Year-quarter	Average weekly wages	Percent change	Difference*
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	\$953	3.8%	\$34
2010 - Q4	\$981	2.9%	\$28

*Totals may not add due to rounding.

Table 3 displays year-to-year changes in average weekly wages from the fourth quarter of 2001 through the fourth quarter of 2010.

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: 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 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 (\$36,800 for 2010), 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.¹ 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.

Noncovered employment is broad and about 115,993 non-farm jobs were not covered in Washington in 2010 for a labor force that exceeds 3 million workers. Noncovered jobs include some state of Washington jobs (22,377), elected officials (3,100), railroad employment (3,858), religious organizations (25,400), private education (17,277) and about 43,981 exempt corporate officers.²

Other exemptions

In 1981, the Washington State Legislature enacted [RCW 50.04.165](#) *Employment – Corporate officers – Election of coverage – Notification – Rein-*

statement 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

¹Based on noncovered 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.

²This approximate figure of 115,993 does not include self-employed and noncovered agriculture jobs.

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 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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