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# Washington State Employment and Wages

Fourth Quarter 2007 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).

Weekly pay averaged \$885 in the fourth quarter of 2007 in Washington, a 4.6 percent increase from a year ago when the weekly average pay amounted to \$823. In the second quarter of 2007, weekly pay averaged \$846. These figures are not adjusted for seasonal variation. This was lower than the year-over-year change in the third quarter of 2007, but higher than the first two quarters of 2007. This sharp rise in weekly pay over the year is reflecting a rising trend in wage increases. The average weekly wage for all of 2007 was \$866.

In the fourth quarter of 2007, eight of the twenty 2-digit NAICS industries posted average weekly pay over \$1,000. The three highest paying industry sectors were: management of companies and enterprises (\$1,671), information (\$1,653), and professional, scientific and technical services (\$1,424).

In the fourth quarter of 2007, three of the twenty 2-digit NAICS industries posted average weekly pay under \$500. 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 only reflects average weekly pay, not 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 (\$1,088); Snohomish (\$903); and Benton (\$865).

The three counties with the lowest average weekly pay were: Okanogan (\$508); Douglas (\$543); and Pacific (\$555).

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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 \$885 in the third quarter of 2007, up 4.6 percent from 2006's fourth quarter average of \$846. Management of companies and enterprises, information, and professional, scientific and technical services were the top three paying industries at the two-digit industry level. Rounding out

the top ten industries were: utilities; finance and insurance; wholesale trade; manufacturing; 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, sup-

port, 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 fourth quarter of 2007 as well as the weekly pay level for the same quarter in 2006.

Table 1. Covered Employment Classified by Industry, Washington State  
Fourth Quarter 2007

Industry Description	Firms	Average Employment	Average Weekly Wage 2007	Average Weekly Wage 2006	% Change
<b>Total</b>	<b>197,715</b>	<b>2,954,289</b>	<b>\$885</b>	<b>\$846</b>	<b>4.6%</b>
Management of Companies and Enterprises	635	34,835	\$1,671	\$1,597	4.6%
Information	2,442	102,526	\$1,653	\$1,615	2.4%
Professional, Scientific, and Technical Services	17,028	154,093	\$1,424	\$1,353	5.3%
Utilities	225	4,696	\$1,392	\$1,354	2.8%
Finance and Insurance	5,978	101,279	\$1,300	\$1,279	1.6%
Wholesale Trade	12,472	127,257	\$1,206	\$1,147	5.1%
Manufacturing	7,177	292,671	\$1,169	\$1,147	2.0%
Mining	171	3,061	\$1,074	\$1,077	-0.3%
Construction	25,073	196,116	\$967	\$895	8.1%
Government	2,054	515,989	\$922	\$873	5.6%
Transportation and Warehousing	4,050	86,939	\$885	\$872	1.5%
Health Care and Social Assistance	13,611	301,717	\$804	\$761	5.7%
Admin., Support, Waste Mgmt. and Remediation Svcs.	9,198	152,746	\$735	\$679	8.3%
Real Estate, Rental and Leasing	6,770	49,852	\$731	\$705	3.7%
Educational Services	2,097	32,836	\$625	\$603	3.5%
Retail Trade	14,445	331,649	\$564	\$542	4.0%
Arts, Entertainment, and Recreation	2,389	43,854	\$529	\$513	3.2%
Agriculture, Forestry, Fishing, and Hunting	7,654	76,550	\$496	\$464	6.9%
Other Services (except Public Administration)	51,808	114,538	\$491	\$463	6.0%
Accommodation and Food Services	12,438	231,087	\$315	\$304	3.4%

*Totals may not add due to rounding*

## 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 fourth quarter of 2007, rising 5.5 percent from a year ago to \$1,088. Snohomish County posted the second highest average weekly pay at \$903, up 2.7 percent from last year and Benton County was third at \$868, a 6.9 percent gain over the prior year. Clark County ranked fourth with an average weekly pay of \$793, an 8.6 percent hike over the same quarter a year ago. Kitsap County weekly pay averaged \$787 in the fourth quarter of 2007, a 5.5 percent gain over the prior year. Thurston, Pierce, Cowlitz, Pend Oreille, and Whitman counties rounded out the top 10 counties.

The ten counties with the lowest average weekly wages in the fourth quarter of 2006 were Okanogan, Pacific, Douglas, Adams, Skamania, Lincoln, Wahkiakum, San Juan, Grant, and Stevens.

A more complete version of the industry and county data is 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, Fourth Quarter 2007

County	Average Employment	Average Weekly Wage 2007	Average Weekly Wage 2006	% Change
King	1,190,581	\$1,088	\$1,043	5.5%
Snohomish	256,696	\$903	\$850	2.7%
Benton	73,952	\$865	\$828	6.9%
Clark	133,892	\$793	\$766	8.6%
Kitsap	84,629	\$787	\$761	5.5%
Thurston	100,900	\$785	\$751	3.6%
Pierce	278,186	\$780	\$742	4.6%
Cowlitz	37,575	\$730	\$688	2.8%
Pend Oreille	3,176	\$726	\$687	4.9%
Whitman	16,035	\$725	\$668	4.9%
Spokane	211,425	\$706	\$678	5.1%
Skagit	48,769	\$695	\$656	6.8%
Walla Walla	25,343	\$689	\$653	4.0%
Whatcom	83,562	\$689	\$646	10.2%
Klickitat	5,977	\$659	\$614	10.5%
Lewis	25,880	\$652	\$636	4.0%
Grays Harbor	24,694	\$635	\$620	-3.4%
Franklin	24,741	\$634	\$592	8.8%
Columbia	1,219	\$634	\$585	4.2%
Wahkiakum	834	\$630	\$552	6.7%
Ferry	1,669	\$625	\$581	5.2%
Chelan	38,285	\$622	\$598	6.6%
Garfield	769	\$619	\$595	2.7%
Clallam	23,021	\$615	\$583	5.4%
Grant	34,545	\$612	\$563	2.1%
Kittitas	13,952	\$609	\$604	2.4%
Island	15,694	\$606	\$581	2.7%
Mason	15,354	\$606	\$572	5.9%
Yakima	98,036	\$596	\$570	3.1%
Jefferson	9,030	\$592	\$573	1.3%
Stevens	10,396	\$591	\$564	5.0%
San Juan	5,291	\$584	\$557	3.5%
Adams	6,748	\$577	\$538	4.1%
Skamania	2,235	\$575	\$540	4.1%
Lincoln	2,943	\$573	\$545	3.0%
Asotin	5,623	\$570	\$591	3.4%
Pacific	6,402	\$555	\$520	5.3%
Douglas	10,274	\$543	\$524	5.3%
Okanogan	17,235	\$508	\$474	7.0%

## 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 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 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 127,000 nonfarm jobs were not covered in Washington in 2006. Non-covered jobs include

some state jobs (20,000), elected officials (3,300), railroad employment (4,000), religious organizations (23,000), private education (20,000), and about 62,400 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:Q1 preliminary, will be available in early October 2008.

<sup>1</sup>This approximate figure of 127,000 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 on the [linked tables](#) 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. Data are not disclosed when an industry group has less than three reporting units. If there are three or more reporting units, data are also withheld if one unit accounts for 80 percent or more of the employment. Within industry divisions nondisclosable data are combined with other data and are listed as Other Industries.

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