WAGE AND JOB GROWTH IN THE CENTRAL PUGET SOUND REGION

Total wages in the region increased nearly three times faster than the total number of jobs from 1995 to 1998. During this time, the number of covered jobs\(^1\) increased 12 percent, while total wages grew by 37 percent.

Average annual wages (which include part-time jobs) increased from $30,161 in 1995 to $36,961 in 1998. This was an average annual increase of 7.0 percent during the three years—well above the 4.1 percent average annual wage rate increases from 1990 to 1995. First quarter data from 1980 implied $15,962 (nominal dollars) average annual wages per job. Average annual growth from 1980 to 1990 was 4.4 percent, nearly the same as in the first half of the 1990s.

Software wages are among the highest wages in the region. Software jobs account for 1.4 percent of the region’s jobs, and are paid 11.4 percent of the region’s total wages. According to a Seattle Times article, citing the state Employment Security Department as the source, wages in this sector for 1998 averaged $287,000 per employee\(^2\).

From 1995 to 1998, wages grew most rapidly in the services sector as a whole, a very broad sector encompassing nearly one third of the region’s jobs. This sector includes the software industry. Total wages paid in the services sector increased 80 percent from 1995 to 1998; services jobs increased by 19 percent. In 1998 (first quarter), $4.6 billion was paid to 445,100 jobs, an annual average of $41,200 for all services jobs. The comparison to other sectors, such as manufacturing jobs, is inevitable: in 1998 (first quarter), $2.7 billion was paid out to 251,700 manufacturing jobs, an annual average of $42,950. Average wages in services jobs increased 14.9 percent compared to 2.1 percent for manufacturing jobs.

This period of 1995 through 1998 represents a peak period of economic growth in the central Puget Sound region. Trends in employment growth by industry and the resulting distribution of jobs during this period of high growth are the focus of a report to be released by the Regional Council in January. The report includes detailed analysis of industrial clusters in the region, a comparison of regional to national trends, and a special report on the distribution of high tech jobs throughout the region.

![Figure 1: Average Annual Increase in Average Wages per Job in the Central Puget Sound Region](image)

For more information on this edition of Puget Sound Trends, please contact Amanda Kochanek by phone at (206) 587-5667, or by e-mail at akochanek@psrc.org.

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**TABLE 1**

Wages and Jobs in the Central Puget Sound Region 1995-1998

<table>
<thead>
<tr>
<th></th>
<th>1995 (FIRST QUARTER)</th>
<th>1998 (FIRST QUARTER)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Wages</td>
<td>$10.5 billion</td>
<td>$14.14 billion</td>
</tr>
<tr>
<td>Covered Jobs(^1)</td>
<td>1,394,000</td>
<td>1,561,000</td>
</tr>
<tr>
<td>Places of Work</td>
<td>96,400</td>
<td>108,890</td>
</tr>
</tbody>
</table>

The wage data consist of all wages paid to all employees, without the detail of whether the wages went to full-time or part-time workers. This limitation prevents the data from being used to estimate the number of jobs at certain wage levels or average hourly wage. The extent of this limitation varies among sectors, depending on how much each industry relies on part-time jobs.

\(^1\) Covered jobs are those covered by the state’s unemployment insurance program.

\(^2\) Seattle Times, August 22, 1999.