

## WAGES IN CENTRAL PUGET SOUND 1995, 2000-2004

Average wages in the region declined slightly between 2000 and 2004, the latest year for which covered wage data are available. In 2004, the region's average wage was \$44,600, down from \$46,200 in 2000. Between 1995 and 2004, however, the region's wages increased 24.4 percent.

### REGIONAL WAGE TRENDS BY SECTOR

Between 1995 and 2000 the region saw the largest wage gain in the Services sector, with a total increase of 52.7 percent, an average annual growth rate of 8.8 percent. However, between 2000 and 2004, the Services sector decreased in average wages by a total of 13.6 percent, an average annual decrease of 3.6 percent. The FIRE (Finance, Insurance and Real Estate) sector was the next highest wage gainer between 1995 and 2000, with a total increase of 27.6 percent, an average annual gain of 5 percent. Between 2000 and 2004, this sector experienced the largest wage gains as well, with a total growth rate of 17.1 percent.

Central Puget Sound Region Average Covered Wages by Sector, 1995, 2000-2004

	Const/Res	FIRE	Manuf	Retail	Services	WTU	Gov/Edu	Total
1995	\$37,300	\$39,200	\$47,800	\$24,100	\$31,600	\$41,900	\$38,400	\$35,900
2000	\$43,400	\$50,000	\$56,300	\$29,300	\$48,300	\$50,300	\$41,800	\$46,200
2001	\$43,500	\$51,500	\$55,800	\$28,500	\$46,400	\$50,200	\$42,600	\$45,400
2002	\$44,100	\$53,000	\$60,500	\$29,000	\$44,800	\$50,900	\$44,100	\$45,700
2003	\$43,600	\$56,000	\$58,700	\$28,900	\$45,200	\$50,800	\$44,600	\$45,800
2004	\$43,200	\$58,600	\$58,600	\$28,900	\$41,700	\$52,500	\$44,900	\$44,600

Source: Employment Security Department. Puget Sound Regional Council.  
 Note: Wages reported in 2004 constant \$.

The Manufacturing sector, despite the effect of 9/11 and the recession, experienced substantial gains between 1995 and 2004. Manufacturing wages increased by 22.5 percent during this time period, a yearly gain of 2.3 percent. Between 2001 and 2002, this sector had an average annual wage gain of 8.4 percent. However, beginning in 2002, the Manufacturing sector did start to experience some loss. Despite this, Manufacturing continues to be one of the highest wage paying sectors, boasting an average wage in 2004 of \$58,600.

Central Puget Sound Region Average Annual Covered Wage Change by Sector

	Const/Res	FIRE	Manuf	Retail	Services	WTU	Gov/Edu	Total	CPI
1995-2000	3.1%	5.0%	3.3%	4.0%	8.8%	3.7%	1.7%	5.2%	3.3%
2000-2001	0.2%	2.9%	-0.8%	-2.9%	-4.0%	-0.1%	2.1%	-1.7%	3.6%
2001-2002	1.3%	2.9%	8.4%	1.7%	-3.4%	1.3%	3.4%	0.5%	1.9%
2002-2003	-1.2%	5.8%	-3.0%	-0.2%	1.0%	-0.2%	1.3%	0.2%	1.6%
2003-2004	-1.1%	4.6%	-0.2%	-0.2%	-7.7%	3.3%	0.6%	-2.6%	1.2%
2000-2004	-0.2%	4.0%	1.0%	-0.4%	-3.6%	1.1%	1.8%	-0.9%	2.1%
1995-2004	1.6%	4.6%	2.3%	2.0%	3.1%	2.5%	1.8%	2.5%	2.8%

Source: Employment Security Department. Puget Sound Regional Council.  
 Notes: Part of the decrease shown in 2004 may be from some employers no longer reporting stock options.  
 CPI stands for Consumer Price Index. Provided for comparison purposes.

Covered wage data come from the Washington State Employment Security Department (ESD) "ES-202" data series, and consist of information from businesses covered under the state's unemployment insurance program. Wages are based on where the jobs are, and not where people live. Note that with covered wages there are some categories of jobs that are not covered. Excluded are members of the armed forces, the self-employed, proprietors, domestic workers, unpaid family workers, and railroad workers covered by the railroad unemployment insurance system.

Covered wages represent total compensation paid by businesses during the year regardless of when the services were performed. Included in wages are pay for vacation and other paid leave, bonuses, stock options, tips, the cash value of meals and lodging, and in some states, contributions to deferred compensation plans (such as 401(k) plans). Covered employer contributions for old-age, survivors, and disability insurance (OASDI), health insurance, unemployment insurance, workers' compensation, and private pension and welfare funds are not reported as wages. Stock options were supposed to be eliminated from quarterly wage reports in 2004, but some employers continued to report them in the first two quarters.

Average annual wages are calculated by dividing average annual employment by total wages, and are rounded to the nearest \$100. Sector data is based on NAICS coding. For comparison purposes, wages are reported in 2004 dollars.

### Central Puget Sound Region Total Average Covered Wage Change by Sector

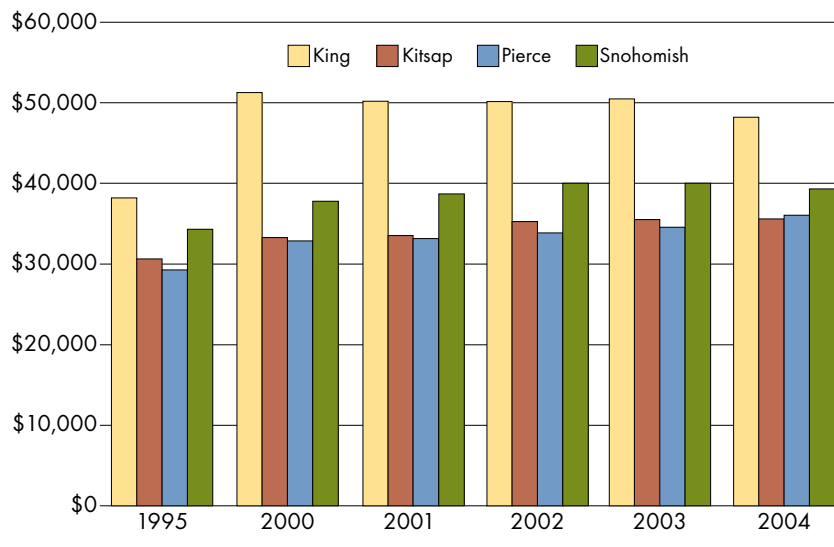
	Const/Res	FIRE	Manuf	Retail	Services	WTU	Gov/Edu	Total
1995-2000	16.6%	27.6%	17.7%	21.9%	52.7%	19.9%	8.9%	28.8%
2000-2004	-0.7%	17.1%	4.0%	-1.6%	-13.6%	4.4%	7.5%	-3.5%
1995-2004	15.8%	49.5%	22.5%	19.9%	31.9%	25.1%	17.1%	24.4%

Source: Employment Security Department. Puget Sound Regional Council.

## COUNTY WAGE TRENDS

At the county level, King had the highest average wage in 2004 with \$48,300. Snohomish followed with the second largest, at \$39,200. In 1995, wages across the four counties were somewhat comparable, with King County leading the second highest wage county (Snohomish) by approximately \$4,000. However, beginning in 2000, King County noticeably grew in average wages, increasing the difference between it and the three remaining counties. The largest difference occurred in 2000, with King County more than \$13,000 higher.

Average Annual Covered Wages by County



Source: Employment Security Department. Puget Sound Regional Council.

### Average Annual Wage Change by County

	1995-2000	2000-2004	1995-2004
King	6.1%	-1.4%	2.7%
Kitsap	1.6%	1.8%	1.7%
Pierce	2.4%	2.4%	2.4%
Snohomish	2.1%	0.8%	1.5%

### Total Wage Change by County

	1995-2000	2000-2004	1995-2004
King	34.7%	-5.7%	27.1%
Kitsap	8.5%	8.5%	16.4%
Pierce	12.4%	10.1%	23.7%
Snohomish	10.8%	3.2%	14.3%

King County had the greatest growth in wages between 1995 and 2000 with a 34.7 percent increase, an average annual change of 6.1 percent. Between 1995 and 2004, this growth rate had evened off, more closely resembling the growth in the other counties.

Between 2000 and 2004, Pierce County had the highest total wage change with an increase of 10.1 percent. The FIRE sector was responsible for this increase due to specific employers reporting unusually high bonuses in 2004. Kitsap had 8.5 percent; Snohomish County experienced a growth rate of 3.2 percent, while King lost 5.7 percent.

## KING COUNTY

At the sector level, FIRE in King County experienced the greatest increase in wages with a 44.8 percent total gain between 1995 and 2004, a 4.2 percent average annual gain. Services had the second largest wage gain with a total of 34.2 percent. This sector saw significant gains between 1995 and 2000, with a 61 percent total gain, an average annual gain of 10 percent. This gain was primarily due to the dot-com boom. The information sector (NAICS 51) boasted an average annual wage of \$175,000 in 2000, more than doubling its 1995 wage of \$74,700. However, between 2000 and 2004, the Services sector lost a total of 16.6 percent, contributing to a lower growth rate overall. The information sector's average annual wage in 2004 was \$92,200, a total decrease of 47 percent since 2000. In 2004, FIRE and Manufacturing have the highest average wages with \$60,400 and \$60,600, respectively.

### King County Covered Wages and Annual Change by Sector, 1995, 2000-2004

	Const/Res	FIRE	Manuf	Retail	Services	WTU	Gov/Edu	Total
1995	\$40,600	\$41,700	\$48,300	\$25,100	\$35,100	\$43,100	\$39,400	\$38,000
2000	\$47,000	\$53,100	\$58,100	\$31,900	\$56,500	\$52,500	\$42,700	\$51,200
2001	\$47,300	\$54,400	\$56,700	\$30,400	\$53,800	\$52,500	\$44,200	\$50,000
2002	\$48,000	\$56,000	\$62,900	\$30,900	\$51,700	\$53,300	\$45,100	\$50,100
2003	\$47,600	\$59,700	\$60,800	\$30,600	\$52,000	\$53,500	\$45,800	\$50,200
2004	\$47,000	\$60,400	\$60,600	\$30,800	\$47,100	\$55,300	\$46,100	\$48,300
1995-2000	3.0%	5.0%	3.8%	4.9%	10.0%	4.0%	1.6%	6.1%
2000-2001	0.6%	2.4%	-2.4%	-4.7%	-4.8%	0.0%	3.5%	-2.3%
2001-2002	1.5%	2.9%	10.9%	1.6%	-3.9%	1.5%	2.0%	0.2%
2002-2003	-0.8%	6.6%	-3.3%	-1.0%	0.6%	0.4%	1.6%	0.2%
2003-2004	-1.3%	1.2%	-0.3%	0.7%	-9.4%*	3.4%	0.7%	-3.8%
2000-2004	0.0%	3.3%	1.1%	-0.9%	-4.4%	1.3%	1.9%	-1.5%
1995-2004	1.6%	4.2%	2.6%	2.3%	3.3%	2.8%	1.8%	2.7%

Source: Employment Security Department. Puget Sound Regional Council.

Notes: Part of the decrease shown in 2004 may be from some employers no longer reporting stock options.  
Wages reported in 2004 constant \$.

### KITSAP COUNTY

Kitsap County saw the largest gain in the FIRE sector as well between 1995 and 2004. The sector gained a total of 41.9 percent, an average annual gain of 4 percent. The WTU (Wholesale Trade, Transportation and Utility) and Government and Education sectors experienced the second largest gains, both with a 21.4 percent total gain, and an average annual gain of 2.2 percent. In 2004, the Government and Education sector had the highest average annual wage with \$49,900. FIRE had the second highest average wage with \$36,900.

### Kitsap County Covered Wages and Annual Change by Sector, 1995, 2000-2004

	Const/Res	FIRE	Manuf	Retail	Services	WTU	Gov/Edu	Total
1995	\$30,200	\$26,000	\$27,400	\$21,700	\$22,200	\$29,500	\$41,100	\$30,500
2000	\$34,700	\$30,900	\$29,400	\$22,600	\$24,300	\$37,100	\$46,100	\$33,100
2001	\$34,500	\$32,000	\$31,300	\$22,800	\$25,100	\$35,800	\$45,800	\$33,400
2002	\$36,100	\$34,500	\$32,000	\$24,000	\$25,500	\$36,000	\$49,600	\$35,300
2003	\$34,800	\$37,100	\$32,600	\$24,800	\$25,500	\$34,200	\$50,000	\$35,500
2004	\$34,900	\$36,900	\$33,200	\$24,000	\$26,200	\$35,800	\$49,900	\$35,500
1995-2000	2.8%	3.5%	1.4%	0.8%	1.8%	4.7%	2.3%	1.6%
2000-2001	-0.6%	3.6%	6.5%	0.9%	3.3%	-3.5%	-0.7%	0.9%
2001-2002	4.6%	7.8%	2.2%	5.3%	1.6%	0.6%	8.3%	5.7%
2002-2003	-3.6%	7.5%	1.9%	3.3%	0.0%	-5.0%	0.8%	0.6%
2003-2004	0.3%	-0.5%	1.8%	-3.2%	2.7%	4.7%	-0.2%	0.0%
2000-2004	0.1%	4.5%	3.1%	1.5%	1.9%	-0.9%	2.0%	1.8%
1995-2004	1.6%	4.0%	2.2%	1.1%	1.9%	2.2%	2.2%	1.7%

Source: Employment Security Department. Puget Sound Regional Council.

Notes: Part of the decrease shown in 2004 may be from some employers no longer reporting stock options.  
Wages reported in 2004 constant \$.

### PIERCE COUNTY

Manufacturing wages between 1995 and 2004 were holding strong in Pierce County. This sector experienced a total gain of 25.9 percent, an average annual rate of 2.6 percent. In 2004, the Manufacturing sector had one of the highest average wages at \$45,700. The Construction Resources sector also had a substantial gain in wages, with a total gain of

21.6 percent and an average annual gain of 2.2 percent. The FIRE sector shows a large wage gain between 2003 and 2004 due to employers reporting unusually high bonuses in the first quarter of 2004. The sector experienced a 31 percent increase, a \$15,400 wage gain.

#### Pierce County Covered Wages and Annual Change by Sector, 1995, 2000-2004

	Const/Res	FIRE	Manuf	Retail	Services	WTU	Gov/Edu	Total
1995	\$32,000	\$33,200	\$36,300	\$22,400	\$23,400	\$37,700	\$34,800	\$29,100
2000	\$37,300	\$42,200	\$44,900	\$25,400	\$25,300	\$41,500	\$38,000	\$32,700
2001	\$37,800	\$45,100	\$44,600	\$25,600	\$25,700	\$41,500	\$38,500	\$33,100
2002	\$38,500	\$47,300	\$44,500	\$26,000	\$26,600	\$42,800	\$40,100	\$34,000
2003	\$38,800	\$49,700	\$46,000	\$26,300	\$27,000	\$42,200	\$40,700	\$34,500
2004	\$38,900	\$65,100 *	\$45,700	\$26,100	\$28,000	\$43,800	\$41,600	\$36,000
1995-2000	3.1%	4.9%	4.3%	2.5%	1.6%	1.9%	1.8%	2.4%
2000-2001	1.3%	6.9%	-0.7%	0.8%	1.6%	0.0%	1.3%	1.2%
2001-2002	1.9%	4.9%	-0.2%	1.6%	3.5%	3.1%	4.2%	2.7%
2002-2003	0.8%	5.1%	3.4%	1.2%	1.5%	-1.4%	1.5%	1.5%
2003-2004	0.3%	31.0% *	-0.7%	-0.8%	3.7%	3.8%	2.2%	4.3%
2000-2004	1.1%	11.4% *	0.4%	0.7%	2.6%	1.4%	2.3%	2.4%
1995-2004	2.2%	7.8%	2.6%	1.7%	2.0%	1.7%	2.0%	2.4%

Source: Employment Security Department. Puget Sound Regional Council.

Notes: Part of the decrease shown in 2004 may be from some employers no longer reporting stock options.

Wages reported in 2004 constant \$.

\* FIRE sector in 2004 high due to employers reporting large bonuses in the first quarter.

#### **SNOHOMISH COUNTY**

Snohomish County made substantial wage gains in the FIRE and Services sector. FIRE increased by a total of 53.7 percent between 1995 and 2004, an average annual gain of 4.9 percent. Services had a total gain of 29.3 percent in those same years, an average annual increase of 2.9 percent. Similar to Pierce, Manufacturing wages in Snohomish are still strong. The sector gained a total of 16 percent between 1995 and 2004, an average annual gain of 1.7 percent. The Manufacturing sector's average wage in 2004 was the highest of the sectors at \$60,300. The FIRE sector had the next highest average wage with \$46,100.

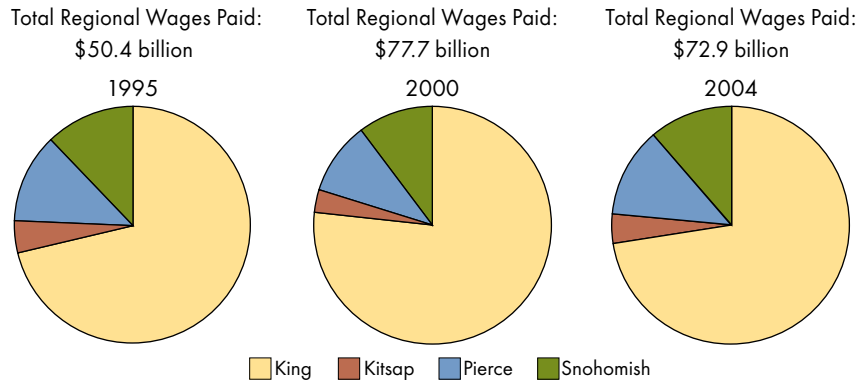
#### Snohomish County Covered Wages and Annual Change by Sector, 1995, 2000-2004

	Const/Res	FIRE	Manuf	Retail	Services	WTU	Gov/Edu	Total
1995	\$32,300	\$30,000	\$52,000	\$22,800	\$23,200	\$39,000	\$36,500	\$34,300
2000	\$37,800	\$40,900	\$57,400	\$24,900	\$26,000	\$40,000	\$39,600	\$38,000
2001	\$37,300	\$42,600	\$59,000	\$25,200	\$26,700	\$40,100	\$39,500	\$38,600
2002	\$38,100	\$43,400	\$62,500	\$25,900	\$27,600	\$40,100	\$40,800	\$39,500
2003	\$37,300	\$44,400	\$60,100	\$26,200	\$30,700	\$40,100	\$40,900	\$39,600
2004	\$36,800	\$46,100	\$60,300	\$25,900	\$30,000	\$41,300	\$40,700	\$39,200
1995-2000	3.2%	6.4%	2.0%	1.8%	2.3%	0.5%	1.6%	2.1%
2000-2001	-1.3%	4.2%	2.8%	1.2%	2.7%	0.2%	-0.3%	1.6%
2001-2002	2.1%	1.9%	5.9%	2.8%	3.4%	0.0%	3.3%	2.3%
2002-2003	-2.1%	2.3%	-3.8%	1.2%	11.2%	0.0%	0.2%	0.3%
2003-2004	-1.3%	3.8%	0.3%	-1.1%	-2.3%	3.0%	-0.5%	-1.0%
2000-2004	-0.7%	3.0%	1.2%	1.0%	3.6%	0.8%	0.7%	0.8%
1995-2004	1.5%	4.9%	1.7%	1.4%	2.9%	0.6%	1.2%	1.5%

Source: Employment Security Department. Puget Sound Regional Council.

Note: Wages reported in 2004 constant \$.

### County Shares of Total Regional Wages, 1995, 2000 and 2004



Between 1995 and 2000, King County's share of regional wages increased from 71.4 percent to 76.8 percent. However, in 2004 the county's share decreased to 72.4 percent. Pierce County increased its share from 9.9 percent in 2000, to 12.3 percent in 2004. Snohomish County also added to its share, increasing from 10.2 percent in 2000, to 11.3 percent in 2004. Kitsap gained in those years as well by 0.9 percent.

Overall, the region experienced a significant gain in average wages between 1995 and 2004. The largest gains occurred in the FIRE, Services and WTU sectors. At the county level, King County saw the largest gains in the same sectors as the region. Kitsap County gained the most in FIRE, WTU and Government and Education. Manufacturing in Pierce is making steady gains, as well as the Construction Resources sector. In Snohomish County, FIRE, Services and Manufacturing have remained strong.

For more information about this *Trend*, contact Kristen Koch at 206-587-5667 or [kkoch@psrc.org](mailto:kkoch@psrc.org).