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AVERAGE ANNUAL WAGES IN THE DISTRICT OF COLUMBIA, 2002

Annual wages in the District of Columbia averaged \$57,914 in 2002, increasing 3.6 percent over the year, according to the U.S. Department of Labor's Bureau of Labor Statistics. Sheila Watkins, regional commissioner of the Bureau in Philadelphia, noted that the District's wage level surpassed that for each of the 50 States, and has done so every year since 1987. Average annual wages in the District in 2002 was \$21,150 higher than the national average.

Within the South Atlantic division¹, wage levels exceeded the nationwide average of \$36,764 in Delaware (\$39,684), Maryland (\$39,382), and Virginia (\$37,222), as well as in the District. In the remaining five states, annual wages ranged from \$28,612 in West Virginia to \$35,734 in Georgia. Annual wages in the South Atlantic grew at a 2.4-percent pace in 2002 compared to 1.5 percent nationally with the District of Columbia and all states except Virginia surpassing the nationwide average. Growth in average annual wages ranged from 1.3 percent in Virginia to 3.6 percent in the District of Columbia. The District's wage increase was the third fastest in the nation, while Delaware's and Maryland's ranked seventh and thirteenth, respectively.

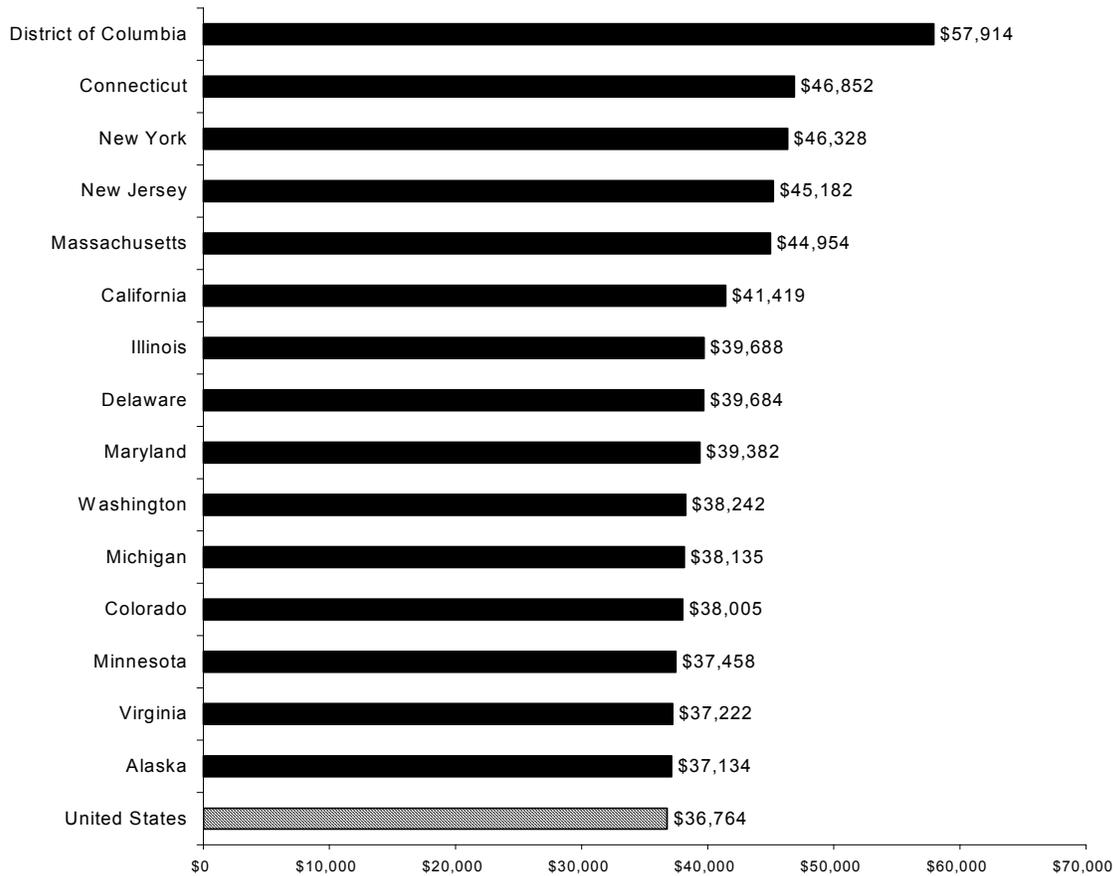
Eight of the 15 areas in the U.S. where the average wage level surpassed the national average fell in a contiguous band along the east coast stretching from Massachusetts to Virginia. The five highest wage levels nationwide were in the District of Columbia (\$57,914), Connecticut (\$46,852), New York (\$46,328), New Jersey (\$45,182), and Massachusetts (\$44,954). (See chart A.) The five states with the lowest annual wages in 2002—Montana, South Dakota, North Dakota, Mississippi, and Arkansas—have posted the five lowest annual wage figures every year since 1988. Wages in those states ranged from \$26,001 to \$28,074. (See table 1.)

Four-fifths of the 50 states and the District of Columbia had percentage increases in annual wages that exceeded the 1.5-percent growth rate for the nation. Hawaii had the fastest rate of gain at 4.5 percent, followed by Nebraska (3.8 percent), and the District of Columbia and Rhode Island (3.6 percent each). Eleven other states had percentage increases of 3 percent or more. After a 5-year period without any state or jurisdiction experiencing a decline in average annual wages, two states, New York (-0.9 percent) and Connecticut (-0.3 percent), reported a decrease during 2002. Other states with low or no wage growth included Texas (0.6 percent), California, (0.2 percent), Colorado (0.1 percent), and Massachusetts (0.0 percent).

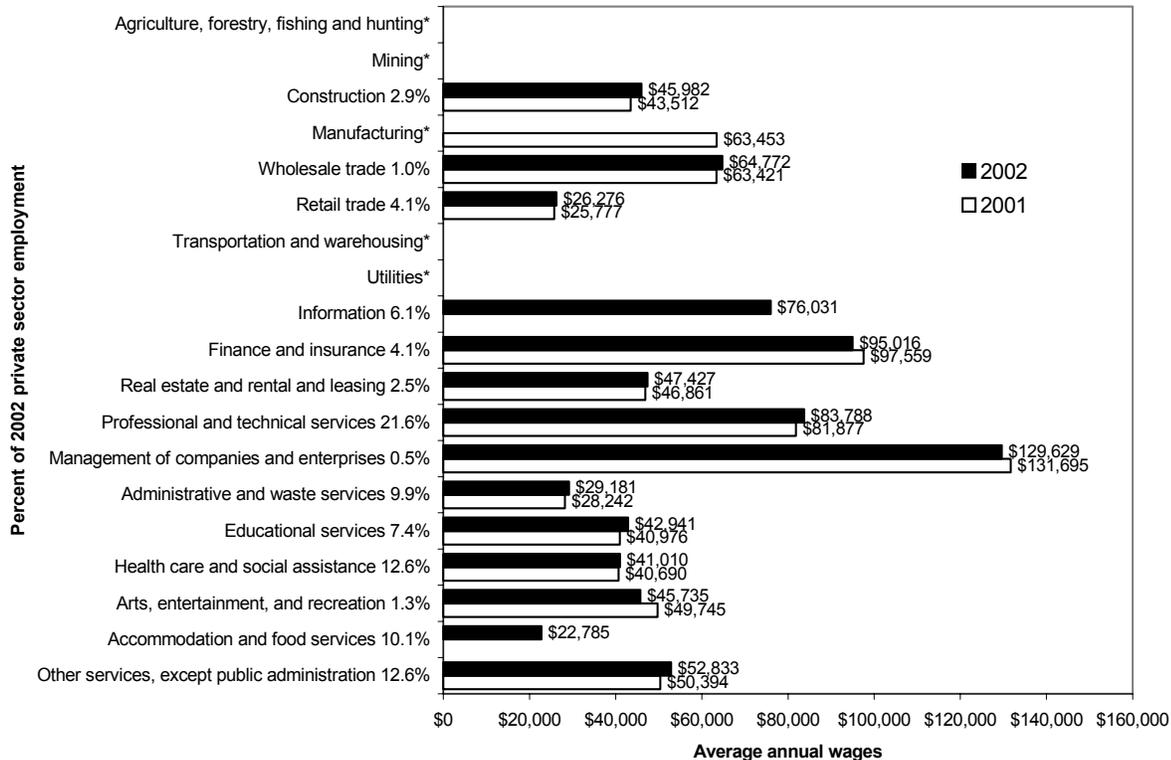
¹ The South Atlantic division referenced in this release corresponds to the Census definition and is comprised of eight states (Delaware, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, and West Virginia) and the District of Columbia.

Annual wage data are compiled from reports submitted by employers subject to State and federal Unemployment Insurance (UI) laws which cover 128.2 million full- and part-time workers nationwide. Average annual wages is computed by dividing total annual payrolls of employees covered by UI programs by the average monthly number of these employees. (See Technical Note.) Wage differences among states reflect the varying composition of employment by occupation, industry, and hours of work, as well as other factors. Similarly, over-the-year wage changes may reflect shifts in these characteristics, as well as changes in the level of average wages.

Chart A. Average annual wages for the District of Columbia and states exceeding U.S. level in 2002



Annual wages in the District of Columbia's private sector industries, which comprised 64.6 percent of the work force, averaged \$54,034 in 2002, increasing 2.1 percent over the year. (Private industry employment excludes government workers.) Professional and technical services was the District's largest industry division, accounting for 21.6 percent of all private sector employment, followed by other services, except public administration, and health care and social assistance, each at 12.6 percent. (See chart B.) Percentage changes in average wages for all published industry divisions ranged from an 8.1-percent decline in arts, entertainment, and recreation to an 5.7-percent increase in construction. (See table 2.) Management of companies and enterprises was the highest-paid industry, averaging \$129,629. Accommodation and food services, with a large percentage of part-time workers, was the lowest paid at \$22,785. Every industry in the District of Columbia for which annual wage data was available, had a level higher than its respective U.S. industry average. Overall, private sector wages in the District were \$17,495 above the national level of \$36,539.

Chart B. Percent of private sector employment in the District of Columbia by industry in 2002

* Data do not meet BLS or State agency disclosure standards for 2001 and/or 2002.

The District of Columbia is part of the Washington, D.C.-Md.-Va.-W.Va., metropolitan area². The average annual wages for the Washington metropolitan area was \$48,430, up 1.8 percent from 2001, and the eighth highest level among the 318 metropolitan areas in the nation. It was one of 38 areas in the United States to exceed the metropolitan average of \$38,423, and along with Wilmington-Newark, Del.-Md., Atlanta, Ga., Raleigh-Durham-Chapel Hill, N.C., and Baltimore, Md., one of five among the 63 areas in the South Atlantic division.

Nationwide, San Jose, Calif., retained its position as the metropolitan area with the highest average annual wages (\$63,056), a position it has held since 1997. This area held this ranking despite experiencing the second-largest decline (-4.4 percent) in average annual wages among the 14 metropolitan areas with decreases in 2002. New York, N.Y., had the second highest wage level (\$57,708), followed by San Francisco, Calif. (\$56,602); New Haven-Bridgeport-Stamford-Waterbury-Danbury, Conn. (\$51,170); and Middlesex-Somerset-Hunterdon, N.J. (\$50,457). No other metropolitan area in the country had a wage level greater than \$50,000. Wages in these five areas ranged from 31 to 64 percent above the \$38,423 average for all metropolitan areas in the nation. Of the 318 metropolitan areas in the United States, only 38 reported levels above the national metropolitan average.

² Nationwide there are 318 metropolitan areas. The general concept of a metropolitan area is that of a core area containing a large population nucleus, together with adjacent communities that have a high degree of economic and social integration within that core. See Technical Note for criteria used in determining a metropolitan area.

For the thirteenth straight year, Jacksonville, N.C., had the lowest average annual wages among metropolitan areas (\$22,269). The second lowest wage level occurred in Brownsville-Harlingen-San Benito, Tex. (\$22,892), followed by McAllen-Edinburg-Mission, Tex. (\$23,179), Yuma, Ariz. (\$23,429), and Myrtle Beach, S.C. (\$24,672). While the order of rankings has differed in prior years, these five metropolitan areas have had the lowest average annual wages since 1996. From 2001 to 2002, 45 metropolitan areas experienced less than average wage growth (1.4 percent). Of these, 13 areas had increases of 1.0 to 1.3 percent, and 17 metropolitan areas experienced growth of less than 1 percent; one metropolitan area had no change. Fourteen areas reported declines in average annual wages. Seven metropolitan areas reported declines of 1 percent or less in average annual wages, six metropolitan areas reported declines of more than 1 percent but less than 5 percent, and one metropolitan area reported a decline of more than 5 percent.

Data are also available for the nation's 315 largest counties (those counties and independent cities with employment of 75,000 or more). The District of Columbia ranked sixth highest in wage level at \$57,914 and 68th in rate of wage growth at 3.6 percent.

Nationwide, New York County, N.Y., comprised entirely of the borough of Manhattan, retained the top position among the highest-paid large counties with average annual wages of \$72,454. Santa Clara County, Calif., was second with average annual wages of \$63,056, followed by Fairfield, Conn. with \$60,712, San Francisco, Calif. with \$58,510, and Suffolk, Mass. with \$58,253. There were 201 counties with wage levels below the national average. The lowest level of average annual wages was reported in Cameron County, Texas (\$22,892), followed by the counties of Hidalgo, Texas (\$23,179), Horry, S.C. (\$24,672), Yakima, Wash. (\$24,934), and Pasco, Fla. (\$25,602).

Manatee County, Fla., led the nation in growth in average annual wages with an increase of 7.3 percent from 2001 to 2002. Kitsap County, Wash., was second with 7.1-percent growth, followed by Alexandria City, Va. (5.4 percent), Elkhart County, Ind. (5.3 percent), Onondaga County, N.Y., (5.2 percent), and Madison County, Ala. (5.1 percent). No other large counties in the country had percentage increases of 5 percent or more. Twenty-two large counties showed declines in average annual wages from 2001 to 2002. Loudon County, Va., had the largest decrease, registering a 22.1-percent decline. Williamson County, Tex., was second with a 16.8-percent decline, followed by the counties of San Mateo, Calif. (-8.1 percent), Santa Clara, Calif. (-4.4 percent), and San Francisco, Calif. (-4.2 percent).

Quarterly Release of Covered Employment and Wages Totals by County

On February 12, 2003, BLS began the quarterly release of county totals of employment and wages by issuing data for the second quarter of 2002 on the BLS Web site. News releases on quarterly employment and wage data are available upon request from the Division of Administrative Statistics and Labor Turnover, Bureau of Labor Statistics, U.S. Department of Labor, Washington, DC 20212; telephone 202-691-6567; (<http://www.bls.gov/cew/>); (e-mail: CEWInfo@bls.gov).

Data for all states, MSAs, counties, and the nation through the second quarter of 2003 are available on the BLS Web site at <http://www.bls.gov/cew/>.

TECHNICAL NOTE

Background

These data are the product of a federal-state cooperative program in which State Employment Security Agencies (SESAs) prepare summaries of employment and total wages of workers covered by Unemployment Insurance legislation. The summaries are a by-product of the administration of state unemployment insurance (UI) programs that require most employers to pay quarterly taxes based on the employment and wages of workers covered by UI.

Coverage

Employment and wage data for workers covered by state UI laws and for federal civilian workers covered by the Unemployment Compensation for Federal Employees (UCFE) program are compiled from quarterly contribution reports submitted to the SESAs by employers. In addition to the quarterly contribution reports, employers who operate multiple establishments within a state complete a questionnaire, called the "Multiple Worksite Report," which provides detailed information on the location and industry of each of their establishments. Average annual wages data are derived from summaries of employment and wages submitted by states to the Bureau of Labor Statistics. These reports are based on place of employment rather than place of residence.

UI and UCFE coverage is broad and basically comparable from state to state. In 2002, UI and UCFE programs covered workers in 128.2 million jobs. Covered workers received \$4.713 trillion in wages, representing 94.3 percent of the wage and salary component of personal income and 45.1 percent of the gross domestic product.

Major exclusions from UI coverage 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.

Concepts and methodology

Average annual wages were computed by dividing total annual wages of employees covered by UI programs by the average monthly number of these employees. In addition to salaries, average annual wages data include bonuses, the cash value of meals and lodging when supplied, tips and other gratuities, and, in some states, employer contributions to certain deferred compensation plans such as 401(k) plans, and stock options. Monthly employment is based on the number of workers who worked during or received wages for the pay period including the 12th of the month. With few exceptions, all employees of covered firms are reported, including production and sales workers, corporation officials, executives, supervisory personnel, and clerical workers. Workers on paid vacations and part-time workers also are included.

Average annual wages are affected by the ratio of full-time to part-time workers as well as the number of individuals in high-paying and low-paying occupations. When comparing average annual wage levels between industries and/or states, these factors should be taken into consideration. Annual wage data only approximate annual earnings because an individual may not be employed by the same employer all year or may work for more than one employer. Also, year-to-year changes in average annual wages can result from a change in the proportion of employment in high- and low-wage jobs, as well as from changes in the level of average annual wages.

In order to insure the highest possible quality of data, SESAs verify with employers and update, if necessary, the industry, location, and ownership classification of all establishments on a 3-year cycle. Changes in establishment classification codes resulting from the verification process are introduced with the data reported for the first quarter of the year. Changes resulting from improved employer reporting also are introduced in the first quarter. For these reasons, some data, especially at more detailed industry levels, may not be strictly comparable with earlier years.

A few covered employers provided insufficient information on the nature of their businesses to enable the SESA to assign a specific NAICS code. The establishments of these employers therefore could not be classified by industry sector. The wages for these nonclassifiable establishments, along with data for the agricultural division, are not shown separately, but are included in the averages for state and national totals.

The Office of Management and Budget (OMB) defines metropolitan areas for use in federal statistical activities and updates these definitions as needed each summer—data in this release use criteria established in definitions issued June 30, 1999 (OMB Bulletin No. 99-04). The 318 metropolitan areas in the United States are a compilation of a set of areas classified as Metropolitan Statistical Areas (MSAs), Primary Metropolitan Statistical Areas (PMSAs) and Consolidated Metropolitan Statistical Areas (CMSAs). Generally speaking, an MSA consists of one or more counties and meets specified size criteria—either it contains a city of at least 50,000 inhabitants, or it contains an urbanized area of at least 50,000 inhabitants, and has a total population of at least 100,000 (75,000 in New England). A CMSA is a metropolitan area that has a population of at least 1 million and has been divided into two or more PMSAs. The CMSA comprises the same geographic area as its constituent PMSAs which are loosely defined as free-standing areas that have a population of at least 100,000.

County definitions are assigned according to Federal Information Processing Standards Publications (FIPS PUBS) as issued by the National Institute of Standards and Technology, after approval by the Secretary of Commerce pursuant to Section 5131 of the Information Technology Management Reform Act of 1996 and the Computer Security Act of 1987, Public Law 104-106. Areas shown as counties include areas designated as independent cities in some jurisdictions, and, in Alaska, those designated as census areas where counties have not been created.

Additional statistics and other information

Additional average annual wage data is available on the BLS Internet site at <http://www.bls.gov/cew/home.htm>. Also, beginning in October 2002, quarterly data are available for selected Quarterly Census of Employment and Wages series. Data can be accessed in several ways, including *Selective Access*, which allows quick access to particular items, and the special request FTP service, which allows access to extensive collection of flat text files. The Philadelphia Information Office can provide assistance accessing these files by calling (215) 597-3282.

This news release, along with other BLS statistics and information, is available via the Internet at the BLS World Wide Web site <http://www.bls.gov/ro3/home.htm>.

An annual bulletin, *Employment and Wages*, features comprehensive information by detailed industry on establishments, employment, and wages for the nation and all states. *Employment and Wages Annual Averages, 2002* is available for sale from the Bureau of Labor Statistics Publications Sales Center, P.O. Box 2145, Chicago, Illinois 60690. Telephone orders using a credit card (MasterCard, VISA, Discover/NOVUS) or Government Printing Office Deposit Account are accepted at (312)353-1880 from 8 a.m. to 3 p.m. CT. The bulletin is now available in a portable document format (PDF) on the BLS Web site at <http://www.bls.gov/cew/cewbultn02.htm>.

News releases on quarterly measures of gross job flows also are available upon request from the Division of Administrative Statistics and Labor Turnover (Business Employment Dynamics), telephone 202-691-6467; (<http://www.bls.gov/bdm/>); (email: BDMInfo@bls.gov).

Table 1. State average annual wages for 2001 and 2002 and percent change in wages for all covered workers¹

	Average annual wages		Percent change, 2001-2002
	2001	2002	
UNITED STATES ²	\$36,219	\$36,764	1.5
South Atlantic Region³	34,090	34,896	2.4
Alabama	30,102	31,163	3.5
Alaska	36,170	37,134	2.7
Arizona	33,411	34,036	1.9
Arkansas	27,260	28,074	3.0
California	41,327	41,419	0.2
Colorado	37,952	38,005	0.1
Connecticut	46,993	46,852	-0.3
Delaware.....	38,427	39,684	3.3
District of	55,909	57,914	3.6
Florida	31,553	32,426	2.8
Georgia.....	35,136	35,734	1.7
Hawaii	31,253	32,671	4.5
Idaho	27,768	28,163	1.4
Illinois	39,083	39,688	1.5
Indiana	31,779	32,603	2.6
Iowa	28,837	29,668	2.9
Kansas	30,153	30,825	2.2
Kentucky	30,021	30,904	2.9
Louisiana	29,131	30,115	3.4
Maine	28,815	29,736	3.2
Maryland.....	38,253	39,382	3.0
Massachusetts	44,975	44,954	0.0
Michigan	37,391	38,135	2.0
Minnesota	36,587	37,458	2.4
Mississippi	25,923	26,665	2.9
Missouri	32,421	33,118	2.1
Montana	25,195	26,001	3.2
Nebraska	28,377	29,448	3.8
Nevada	33,121	33,993	2.6
New Hampshire	35,481	36,176	2.0
New Jersey	44,320	45,182	1.9
New Mexico	28,702	29,431	2.5
New York	46,727	46,328	-0.9
North Carolina.....	32,024	32,689	2.1
North Dakota	25,707	26,550	3.3
Ohio	33,283	34,214	2.8
Oklahoma	28,016	28,654	2.3
Oregon	33,204	33,684	1.4
Pennsylvania.....	34,978	35,808	2.4
Rhode Island	33,603	34,810	3.6
South Carolina.....	29,255	30,003	2.6
South Dakota	25,601	26,360	3.0
Tennessee	31,520	32,531	3.2
Texas	36,045	36,248	0.6
Utah	30,077	30,585	1.7
Vermont	30,238	31,041	2.7
Virginia.....	36,733	37,222	1.3
Washington	37,459	38,242	2.1
West Virginia.....	27,981	28,612	2.3
Wisconsin	31,540	32,464	2.9
Wyoming	28,043	28,975	3.3

¹ Includes workers covered by Unemployment Insurance (UI) and Unemployment Compensation for Federal Employees (UCFE) programs.

² Totals for the United States do not include data for Puerto Rico and the Virgin Islands.

³ The eight states and the District of Columbia comprising the South Atlantic division are in bold-face type.

Table 2. State and industry average annual wages in the U.S. and the District of Columbia for 2000 and 2001 and percent change in wages for all covered workers¹

State and industry	Average annual wages ²		Percent change, 2001-2002
	2001	2002	
United States			
Total Private ³	\$36,157	\$36,539	1.1
Agriculture, forestry, fishing, and hunting	20,188	20,890	3.5
Mining	59,686	60,392	1.2
Construction	38,412	39,027	1.6
Manufacturing	42,969	44,097	2.6
Wholesale	48,791	49,241	0.9
Retail trade	22,667	23,232	2.5
Transportation and warehousing	36,189	36,823	1.8
Utilities	65,561	67,374	2.8
Information	57,288	56,103	-2.1
Finance and insurance	63,687	62,762	-1.5
Real estate and rental and leasing	32,871	33,924	3.2
Professional and technical services	58,755	58,672	-0.1
Management of companies and enterprises	68,965	69,277	0.5
Administrative and waste services	24,443	25,276	3.4
Educational services	32,066	33,163	3.4
Health care and social assistance	32,813	34,043	3.7
Arts, entertainment, and recreation	25,344	26,159	3.2
Accommodation and food services	13,674	13,946	2.0
Other services, except public administration	23,220	23,784	2.4
District of Columbia			
Total Private ⁴	52,903	54,034	2.1
Agriculture, forestry, fishing, and hunting	(⁵)	(⁵)	(⁵)
Mining	(⁵)	(⁵)	(⁵)
Construction	43,512	45,982	5.7
Manufacturing	63,453	(⁵)	(⁵)
Wholesale trade	63,421	64,772	2.1
Retail trade	25,777	26,276	1.9
Transportation and warehousing	(⁵)	(⁵)	(⁵)
Utilities	(⁵)	(⁵)	(⁵)
Information	(⁵)	76,031	(⁵)
Finance and insurance	97,559	95,016	-2.6
Real estate and rental and leasing	46,861	47,427	1.2
Professional and technical services	81,877	83,788	2.3
Management of companies and enterprises	131,695	129,629	-1.6
Administrative and waste services	28,242	29,181	3.3
Educational services	40,976	42,941	4.8
Health care and social assistance	40,690	41,010	0.8
Arts, entertainment, and recreation	49,745	45,735	-8.1
Accommodation and food services	(⁵)	22,785	(⁵)
Other services, except public administration	50,394	52,833	4.8

¹ Includes workers covered by Unemployment Insurance (UI) and Unemployment Compensation for Federal Employees (UCFE) programs.

² Data reflect the movement of Indian Tribal Council establishments from private industry to the public sector. Effective with 2001, federally recognized Tribal Councils and their establishments were moved into local government. See Technical Note.

³ Totals for the United States do not include data for Puerto Rico and the Virgin Islands.

⁴ Includes other industries, not shown separately.

⁵ Data do not meet BLS or State agency disclosure standards.