

News

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Bureau of Labor Statistics

New York Office

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WAGE GROWTH IN MANHATTAN HIGHEST IN THE NATION, FIRST QUARTER 2004

Of the five counties comprising New York City, the average weekly wage of workers in New York County, more commonly known as the Borough of Manhattan, grew strongly over the year, rising 13.6 percent in the first quarter of 2004, according to the U.S. Department of Labor's Bureau of Labor Statistics.¹ Regional Commissioner Michael L. Dolfman noted that this was the largest percentage increase among the nation's 317 largest counties (those with 75,000 or more jobs). Elsewhere in New York City, Kings and Richmond Counties recorded wage gains of 5.6 and 4.9 percent, respectively, exceeding the 3.8-percent increase in wages nationwide. On the other hand, wage gains in Queens and Bronx Counties lagged the national average, rising 3.0 and 1.9 percent, respectively.

Manhattan was the only one of the five counties in New York City to exceed the 8.0-percent over-the-year wage gain for the State of New York in the first quarter of 2004. New York State's gain was the largest increase among the 50 states nationwide. The State's strong wage growth in 2004 was in sharp contrast with the two previous years. In 2002 and 2003, the over-the-year changes for the first quarter were -4.3 and -1.6 percent, respectively.

Average weekly wages

Among the five counties in New York City, Manhattan (New York County) recorded the highest average weekly wage (\$1,913) in the first quarter of 2004. It also ranked first in wages among the nation's 317 largest counties. Manhattan's wages were two and a half times the national average of \$758 in the first quarter. None of the other four counties in the City had weekly wages above the national average, although wages in Queens (\$749) were very close.

¹ New York City is composed of five boroughs that are directly associated with the five counties: Brooklyn (Kings County), Bronx (Bronx County), Manhattan (New York County), Staten Island (Richmond County), and Queens (Queens County). For purposes of this release, Manhattan is used interchangeably with New York County.



Round-the-clock recorded messages for the **Consumer Price Index** and a variety of other **Bureau of Labor Statistics** data are available by dialing the **New York Information Office's** main telephone number: **(212) 337-2400**. For recorded messages, press '2.' Press '1' for 24-hour Fax-on-Demand service.

(See table 1.) Average weekly wages in Bronx, Kings, and Richmond Counties were \$686, \$665, and \$659, respectively, ranging from 9.5 to 13.1 percent below the national level. (See map 1.)

Within Manhattan, the financial activities supersector paid the highest weekly wage, \$5,680, in the first quarter of 2004, while the information industry ranked second highest at \$2,130. Leisure and hospitality paid the lowest wage of any industry supersector. (See table 2.) However, in every supersector wages were higher in Manhattan than in the nation. The largest percentage differential occurred in financial activities, where wages were four times the U.S. average; the smallest was in manufacturing, with wages 26.1 percent above the national level.

Among the 317 largest counties in the nation, Fairfield, Conn., ranked second with an average weekly wage of \$1,492, followed by Suffolk, Mass. (\$1,405), and Santa Clara County, Calif. (\$1,338). Three of the 10 counties with the highest wages were located in or around the New York City metropolitan area (New York, N.Y., Fairfield, Conn., and Somerset, N.J.), 3 others were located in or around the San Francisco area (Santa Clara, San Mateo, and San Francisco, all in California), and 3 more were located in the Washington, D.C. metropolitan area (Washington, D.C., Arlington, Va., and Fairfax, Va.). The lowest average weekly wage in counties nationwide was reported in Cameron County, Texas (\$445), followed by Hidalgo, Texas (\$451), Webb, Texas (\$473), Horry, S.C. (\$484), and Yakima, Wash. (\$505).

Over-the-year wage changes

Although Manhattan (New York County) led the nation with a 13.6-percent gain in the first quarter of 2004, none of the other counties in New York City placed in the top 40 for wage growth. Kings County's 5.6-percent increase ranked 43rd among the 317 large counties. Richmond County placed 61st, while Queens and the Bronx ranked 153rd and 240th, respectively.

In Manhattan, wage growth was strongest (27.4 percent) in the financial activities supersector, followed by manufacturing (9.5 percent), and information (8.1 percent). In fact, 6 of the 10 private supersectors had average weekly wage increases greater than 5.0 percent from the first quarter 2003 to the first quarter 2004. On the other hand, in construction, wages declined by 1.4 percent. Nationally, financial activities also experienced a substantial rise in wages (11.7 percent) over the year, followed by information (6.9 percent), and natural resources and mining (6.7 percent). However, seven of the private industry sectors in the United States had wage growth under 5.0 percent, though none experienced a decline. In the public sector, weekly wages in government decreased by 1.6 percent in Manhattan, but grew by 2.6 percent nationwide over the year.

Nationally, Suffolk County, Mass., had the largest percentage increase in wages, 12.6 percent, after New York County. San Mateo, Calif. (10.8 percent), Olmsted, Minn. (10.4 percent), and Loudoun, Va. (10.1 percent) ranked third, fourth, and fifth, respectively. Eleven counties experienced over-the-year declines in average weekly wages. Trumbull County, Ohio, had the largest decrease, -3.0 percent, followed by the counties of Williamson, Texas (-1.6 percent), Chester, Pa. (-1.4 percent), Snohomish, Wash. (-1.3 percent), and Broome, N.Y. (-0.8 percent).

Average weekly wage data by county are compiled under the Quarterly Census of Employment and Wages (QCEW) program, also known as the ES-202 program. The data are derived from reports submitted by employers subject to state and federal unemployment insurance (UI) laws. The 8.4 million employer reports cover 127.8 million full- and part-time jobs. The average weekly wage is computed by dividing the total quarterly payroll of employees covered by UI programs by the average monthly number of these employees. This number, then, is divided by the number of weeks in the quarter. It is to be noted, therefore, that over-the-year wage changes for geographic areas may reflect shifts in the composition of employment by industry, occupation, and such other factors as hours of work. Thus, the average wage level can vary among counties, metropolitan areas, or states for reasons other than changes in wages. Data for all states, Metropolitan Statistical Areas (MSAs), counties, and the nation are available on the BLS Web site at <http://www.bls.gov/cew/>.

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Technical Note

These data are the product of a federal-state cooperative program, the Quarterly Census of Employment and Wages (QCEW) program, also known as the ES-202 program. The data are derived from summaries of employment and total pay of workers covered by state and federal unemployment insurance (UI) legislation and provided by State Workforce Agencies (SWAs). The summaries are a result of the administration of state unemployment insurance programs that require most employers to pay quarterly taxes based on the employment and wages of workers covered by UI. Data for 2004 are preliminary and subject to revision.

The preliminary QCEW data presented in this release may differ from data released by the individual states. These potential differences result from the states' continuing receipt of UI data over time and ongoing review and editing. The individual states determine their data release timetables.

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 SWAs 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. The employment and wage data included in this release are derived from microdata summaries of more than 8 million employer reports of employment and wages submitted by states to the BLS. 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. The estimated 123.4 million workers in these jobs (after adjustment for multiple jobholders) represented 99.1 percent of civilian wage and salary employment. Covered workers received \$4.713 trillion in pay, 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

Monthly employment is based on the number of workers who worked during or received pay 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 weekly wage values are calculated by dividing quarterly total wages by the average of the three monthly employment levels (all employees, as described above) and dividing the result by 13, for the 13 weeks in the quarter. These calculations are made from unrounded employment and wage values so the average wage values that can be calculated from data from this database may differ from the averages reported, due to rounding. Included in the quarterly wage data are non-wage cash payments such as 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.

Average weekly 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 weekly wage levels between industries and/or states, these factors should be taken into consideration. Percent changes are calculated using the final 2003 quarterly data as the base data. Final data for 2003 may differ from preliminary data published earlier.

In order to insure the highest possible quality of data, states 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 this 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.

These changes in classifications are partially adjusted for in order to improve the measure of economic change over time, as presented in this release. Some changes in classification reflect economic events, while other changes are simply the result of corrections and other noneconomic events. Changes of an economic nature (such as a firm moving from one county to another or changing its primary economic activity) are not adjusted for in the over-the-year change, because these changes are due to an actual event. But to the extent possible, changes that are not economic in nature (such as a correction to a previously reported location or industry classification) are adjusted for in the measures of change presented in this release.

The adjustment is made by reassigning year-ago data for establishments with noneconomic changes into the classification shown in the current data. The year-ago totals are then recreated reflecting this reassignment process. The adjusted year-ago data are then used to calculate the over-the-year change. The adjusted year-ago data differ to some extent from the data available on the BLS Web site. This process results in a more accurate presentation of change in local economic activity than what would result from the simple comparison of current and year-ago data points.

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 those designated as independent cities in some jurisdictions and, in Alaska, those designated as census areas where counties have not been created. County data also are presented for the New England states for comparative purposes even though townships are the more common designation used in New England (and New Jersey).

Additional statistics and other information

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 BLS Publications Sales Center, P.O. Box 2145, Chicago, Illinois 60690, telephone 312-353-1880. 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/>); (e-mail: BDMInfo@bls.gov).

Information in this release will be made available to sensory impaired individuals upon request. Voice phone: 202-691-5200; TDD message referral phone number: 1-800-877-8339.

Table 1. Covered(1) employment and wages in the United States and the five counties in New York City, first quarter 2004(2)

Area	Employment		Average weekly wage(4)		
	March 2004 (thousands)	Level 2004	National rank by level	Percent change, 2003-04(3)	National rank by percent change
United States	127,778.5	\$ 758	--	3.8	--
New York State	8,186.5	1,056	--	8.0	--
Bronx	211.8	686	162	1.9	240
Kings	441.6	665	191	5.6	43
New York	2,203.0	1,913	1	13.6	1
Queens	468.4	749	113	3.0	153
Richmond	87.2	659	198	4.9	61

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

2/ Data are preliminary.

3/ Percent changes were computed from quarterly employment and pay data adjusted for any noneconomic county reclassifications.

4/ Average weekly wages were calculated using unrounded data.

Table 2. Covered(1) employment and wages in the United States and New York County, first quarter 2004(2)

Area and Supersector	<u>Employment</u>		<u>Average weekly wage</u> (4)
	March 2004 (thousands)	Average weekly wage	Percent change first quarter 2003-04(3)
United States	127,778.5	\$ 758	3.8
Private industry	106,575.5	758	4.1
Natural resources and mining	1,557.3	720	6.7
Construction	6,506.1	732	1.4
Manufacturing	14,117.7	916	3.7
Trade, transportation, and utilities	24,814.5	647	2.2
Information	3,120.6	1,231	6.9
Financial activities	7,818.2	1,413	11.7
Professional and business services	15,994.0	907	4.9
Education and health services	16,005.0	656	3.0
Leisure and hospitality	12,031.7	311	2.6
Other services	4,261.8	468	2.2
Government	21,203.0	758	2.6
New York, NY	2,203.0	1,913	13.6
Private industry	1,756.7	2,154	15.6
Natural resources and mining	0.1	1,639	-6.1
Construction	28.1	1,293	-1.4
Manufacturing	46.3	1,155	9.5
Trade, transportation, and utilities	228.5	1,045	3.3
Information	126.3	2,130	8.1
Financial activities	346.4	5,680	27.4
Professional and business services	432.0	1,799	7.3
Education and health services	273.3	855	2.5
Leisure and hospitality	184.6	676	7.0
Other services	81.3	809	6.3
Government	446.3	970	-1.6

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

2/ Data are preliminary.




3/ Percent changes were computed from quarterly employment and pay data adjusted for any noneconomic county reclassifications.

4/ Average weekly wages were calculated using unrounded data.

Map 1. Average weekly wages, five counties in New York City, first quarter 2004

Legend

**Average weekly wages
(in dollars)**

-  Below 700
-  700 - 758 (the US average)
-  759 and over

