

## Real Wages Per Worker

## OUTCOME: PROMOTE FAMILY-WAGE JOBS

## Countywide Planning Policy Rationale

"Economic development is growth and change in the economy whereby the economic health of the region...is enhanced. An important component...is...the maintenance and creation of higher (family) wage jobs." (CPP FW-35) "Jurisdictions' comprehensive plans shall address the historic disparity in income and employment opportunities for minorities, women, and economically disadvantaged individuals" (CPP ED-12)

From 2002 to 2006, wages across all sectors increased 12% to \$53,490. As shown in Figure 1.1, only the Information sector experienced a loss in average wages, driven by decreases in the software publishing industry. Accommodating more than one-half of the jobs within the Information sector, the software publishing industry experienced a 26% decrease in wages. Despite this decrease, software publishing continues to provide high wages, averaging \$125,000 in 2006. Providing another 20% of the jobs within the Information sector, the telecom industry averaged wages of \$85,000 in 2006, a 25% increase from 2002.

The Finance and Insurance sector experienced the strongest growth in wages. With little change to the number of employees and firms, wages increased 33% to \$82,000. The Construction and Administration/ Waste Services sectors followed similar employment trends between 2002 and 2006. Both sectors experienced a small decrease in employers, accompanied by strong growth in employment and about 12% growth in wages.

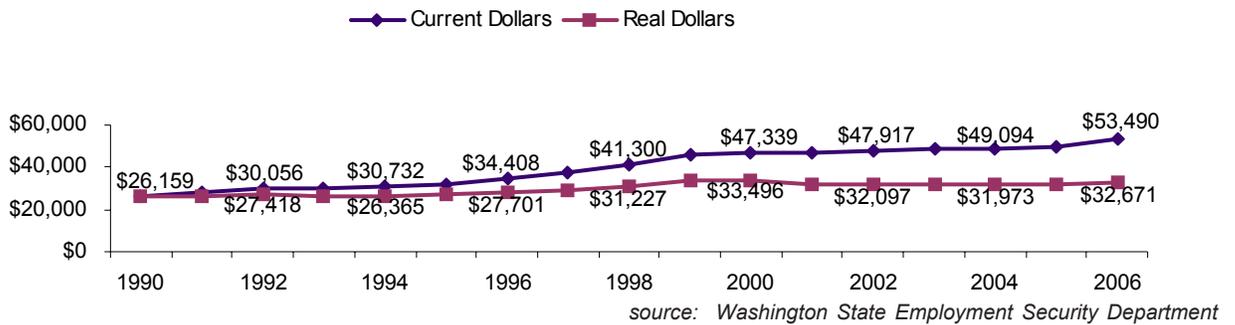
Figure 1.1

| King County Average Covered Employment and Wages by Sector |                  |               |                                 |                  |               |                                 |
|--|------------------|---------------|---------------------------------|------------------|---------------|---------------------------------|
| SECTOR   | 2002             |               |                                 | 2006             |               |                                 |
|  | Employment       | Firms         | Average Wages Paid per Employee | Employment       | Firms         | Average Wages Paid per Employee |
| Agriculture, forestry, fishing and hunting                 | 3,057            | 458           | \$51,067                        | 2,651            | 367           | \$65,648                        |
| Construction   | 55,665           | 7,029         | \$45,618                        | 66,644           | 6,560         | \$50,546                        |
| Manufacturing  | 117,068          | 2,814         | \$60,127                        | 111,210          | 2,455         | \$69,504                        |
| Wholesale trade  | 61,069           | 7,796         | \$55,614                        | 62,386           | 6,971         | \$66,066                        |
| Retail trade   | 112,716          | 5,263         | \$29,550                        | 111,964          | 4,548         | \$33,434                        |
| Transportation and warehousing                             | 44,805           | 1,468         | \$44,074                        | 44,599           | 1,318         | \$49,155                        |
| Information  | 68,739           | 1,626         | \$124,305                       | 72,201           | 1,496         | \$107,509                       |
| Finance and insurance                                      | 51,594           | 2,652         | \$62,039                        | 51,320           | 2,725         | \$82,409                        |
| Real estate and rental and leasing                         | 23,689           | 2,484         | \$35,104                        | 25,238           | 2,578         | \$43,660                        |
| Professional and technical services                        | 77,900           | 8,753         | \$60,988                        | 83,533           | 8,278         | \$71,204                        |
| Management of companies and enterprises                    | 20,914           | 304           | \$75,523                        | 23,932           | 305           | \$92,398                        |
| Administrative and waste services                          | 59,423           | 3,703         | \$34,542                        | 71,250           | 3,490         | \$38,798                        |
| Educational services                                       | 13,692           | 932           | \$29,362                        | 14,642           | 925           | \$32,625                        |
| Health care and social assistance                          | 92,474           | 4,470         | \$36,242                        | 102,900          | 4,654         | \$42,353                        |
| Arts, entertainment, and recreation                        | 18,732           | 840           | \$30,429                        | 20,563           | 842           | \$38,471                        |
| Accommodation and food services                            | 79,171           | 3,909         | \$16,764                        | 86,549           | 4,089         | \$18,395                        |
| Other services, except public administration               | 48,447           | 24,367        | \$23,347                        | 45,115           | 17,425        | \$27,972                        |
| Government   | 151,773          | 307           | \$43,162                        | 151,964          | 286           | \$49,922                        |
| Not classified   | 1,751            | 72            | \$62,040                        | 1,429            | 53            | \$73,273                        |
| <b>TOTAL</b>   | <b>1,102,678</b> | <b>79,242</b> | <b>\$47,917</b>                 | <b>1,150,083</b> | <b>69,360</b> | <b>\$53,490</b>                 |

source: Washington State Employment Security Department

Figure 1.2

Average Wages in King County: 1990-2006



Averaging \$53,490 in 2006, wages have doubled since 1990 with the most notable period of growth occurring between 1997 and 2000. During this 16-year period, wages averaged 5% annual growth. When adjusted for inflation, wages have grown 25% since 1990, but have struggled to keep pace with inflation since peaking in 1999. At \$32,671 in 2006, real wages have not yet returned to their 1999 levels.

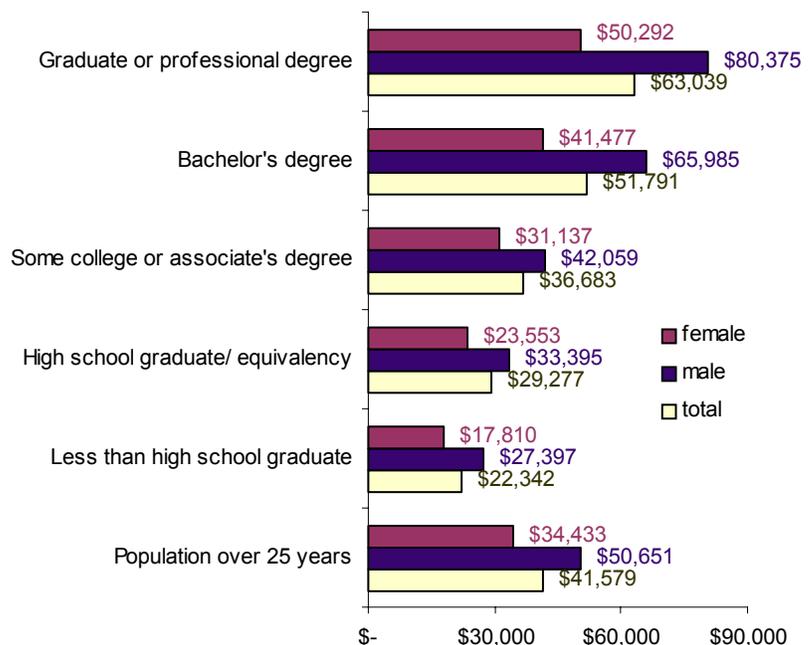
Data taken from the Census Bureau's 2006 American Community Survey (ACS) reports median earnings for King County's adult working population over the age of 25 to be \$41,579, approximately 30% more than the median earnings of the equivalent US population. The difference in earnings between King County and US adults is most pronounced for working adults with less than a high school equivalency, with adults nationwide earning \$18,600 and King County adults earning \$22,300. Conversely, the earnings gap for these two populations is smallest for working adults with a graduate or professional degree, with King County adults earning only 5% more than their US counterparts.

Both in King County and nationally, women earn about 68 cents to every dollar earned by their male counterparts.

As shown in Figure 1.3, the earnings gap for King County women is smallest for those with some college or an associate's degree, earning 74 cents to every dollar earned by their male counterparts. The gap is largest for working adults in King County with a graduate or professional degree. In this peer group, women typically gross less than 63% of the earnings of men, a difference of \$30,000.

Figure 1.3

Median Earnings by Educational Attainment and Gender: 2006



For both men and women, educational gains appear to accompany earnings gains. Men who have received a bachelor's degree typically earn over 58% more than men who have only completed some college or received an associate's degree. The gap is greater for men who have only earned a high school equivalency, earning about one-half of the earnings of those men with bachelor's degrees. Similarly, earnings for women with bachelor's degrees are 76% higher than for those women with a high school equivalency only.