# News

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## **AVERAGE ANNUAL PAY IN HAWAII, 2000**

Annual pay in Hawaii averaged \$30,630 in 2000, increasing 2.8 percent over the year, according to the Bureau of Labor Statistics of the U.S. Department of Labor. Regional Commissioner Stanley P. Stephenson noted that Hawaii's pay level trailed both the national average (\$35,296) and that of the Pacific division<sup>1</sup> (\$39,583). (See table 1.)

Average pay in the Pacific division grew at a 8.4 percent pace in 2000 compared to 5.9 percent nationally. Within the division, growth in pay ranged from 2.8 percent in Hawaii, second lowest in the nation, to 9.6 in California, second highest in the nation<sup>2</sup>. Within the five-state division, pay levels exceeded the nationwide average in California (\$41,194) and Washington (\$37,059). California's annual pay ranked fifth highest among all states. Alaska's pay level at \$35,125 was \$171 below the national average, while Oregon's pay lagged further behind at \$32,765. (See table 1.)

Annual pay data are compiled from reports submitted by employers subject to State and federal Unemployment Insurance (UI) laws covering 129.9 million full- and part-time workers nationwide. Average annual pay is computed by dividing total annual payrolls of employees covered by UI programs by the average monthly number of these employees. (See Technical Note.) Pay 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 pay changes may reflect shifts in these characteristics, as well as changes in the level of average pay.

<sup>&</sup>lt;sup>1</sup> The Pacific division referenced in this release corresponds to the Census definition and is comprised of five states: Alaska, California, Hawaii, Oregon, and Washington.

<sup>&</sup>lt;sup>2</sup> In 2000, Massachusetts (9.8 percent) had the highest pay growth in the nation and Louisiana (2.4 percent), the lowest.

# Pay in industries

Annual pay in Hawaii's private sector industries, which comprised 75 percent of the workforce, averaged \$29,181 in 2000, \$6,124 less than the national average. Private industry employment excludes government workers. (See chart 1.) Over the year, Hawaii's private sector pay advanced 3.6 percent, considerably slower than the 6.2 percent increase nationwide. (See table 2.) Among the private industry divisions, the largest over-the-year percentage pay increase was in mining at 8.8 percent followed by manufacturing at 7.4 percent. Mining continued to be the highest paid industry in Hawaii at \$56,977, while retail trade, reflecting its relatively large share of part-time workers, remained the lowest paid at \$18,231. Statewide pay levels in the private sector were below the nationwide industry averages in seven of the nine divisions. Construction and agriculture, forestry, and fishing were the industries in Hawaii with annual pay that exceeded the national average.

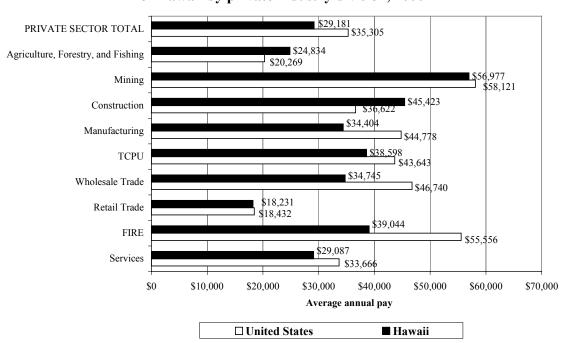


Chart 1. Average annual pay in the United States and the State of Hawaii by private industry division, 2000

Services, Hawaii's largest industry division, accounted for 40.3 percent of all private sector jobs, and retail trade made up 26.0 percent. Manufacturing employed just 3.9 percent of the workforce. (See chart 2.) The distribution of jobs in Hawaii was quite different from that for the nation. At the national level, services was also the largest industry but accounted for 34.3 percent of private sector employment. Manufacturing, on the other hand, was the third largest employer, with 16.8 percent of the workers.

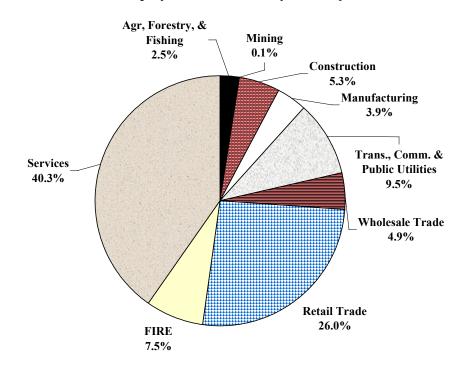


Chart 2. Private sector employment in Hawaii by industry division, 2000

## Pay in metropolitan areas

Annual pay in Hawaii's sole metropolitan area<sup>3</sup>, Honolulu, averaged \$31,871 in 2000, 96<sup>th</sup> highest among the 318 metropolitan areas nationwide. (See table 3.) Nevertheless, Honolulu's pay level was below the national average for all metropolitan areas (\$37,010).

The rate of pay growth in Honolulu from 1999-2000 was 2.8 percent. In comparison, annual pay for all metropolitan areas grew more than twice as fast, averaging 6.0 percent.

# Pay in large counties

Hawaii had only one large county, Honolulu, with an employment level of 75,000 or more. In Honolulu County, annual pay averaged \$31,871 in 2000, growing 2.8 percent over the year. Among the 315 largest counties in the United States, this growth rate ranked 256<sup>th</sup> and was well below the 5.9 percent pace for the nation. Honolulu County's pay level was also below the national average (\$35,296). (See table 4.)

<sup>&</sup>lt;sup>3</sup> 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.

#### **NOTE**

Annual average pay data for 2000 are preliminary and subject to revision.

Also, average annual pay by industry in this release are based on the 1987 version of the Standard Industrial Classification (SIC) system. The data for 2001 will be based on the North American Industry Classification System (NAICS). Due to differences in NAICS and SIC structures, data for 2001 will not be comparable to the SIC-based data for earlier years. NAICS focuses on *how* products and services are created, as opposed to the SIC focus on what is produced. This approach yields significantly different industry groupings than those produced by the SIC approach.

Users interested in more information about NAICS can access the Bureau of the Census Web site at <a href="http://www.census.gov/epcd/www/naics.html">http://www.census.gov/epcd/www/naics.html</a>. In addition, the BLS has published two articles on NAICS in the December 2001 Monthly Labor Review ("Implementing the NAICS at BLS" and "A first look at employment and wages using NAICS") which can be accessed on line at <a href="http://www.bls.gov/opub/mlr/mlrhome.htm">http://www.bls.gov/opub/mlr/mlrhome.htm</a>.

## **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 pay 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 pay 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 2000, UI and UCFE programs covered workers in 129.9 million jobs. The estimated 124.9 million workers in these jobs (after adjustment for multiple jobholders) represent 99 percent of wage and salary civilian employment. Covered workers received \$4.586 trillion in pay, representing 96.2 percent of the wage and salary component of personal income and 46.0 percent of the gross domestic product.

Major exclusions from UI coverage during 2000 included 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 pay is computed by dividing total annual pay of employees covered by UI programs by the average monthly number of these employees. Included in the annual payroll data are 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 pay for the pay period including the 12<sup>th</sup> 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. Percentage changes in average annual pay for 2000 were computed using final 1999 data as a base.

The ratio of full-time to part-time workers as well as the number of individuals in high-paying and low-paying occupations affects average annual pay. When comparing average annual pay levels between industries and/or states, these factors should be taken into consideration. Annual pay 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. Year-to-year changes in average annual pay 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 pay.

Data in table 2 are presented for the private sector only and exclude government workers. Average annual pay for employment in the private sector is presented by industry division as defined in the 1987 Standard Industrial Classification Manual.

Each year, a relatively small number of employers provide insufficient information on the nature of their businesses to assign a specific SIC classification and therefore can not be classified by industry division. 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. 94-04). 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, a 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). An MSA may contain more than one city of 50,000 population and may cross state lines. 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. County data are also presented for 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

Additional average annual pay data (or Covered Employment and Wages data) is available on the BLS Internet site at <a href="http://www.bls.gov/cew/home.htm">http://www.bls.gov/cew/home.htm</a>. Data can be accessed in two ways, through Selective Access, which allows quick access to particular items or via the special request FTP service, which allows access to extensive collection of flat text files. The San Francisco Information Office can provide assistance accessing these files by calling (415) 975-4350.

This news release, along with other BLS statistics and information, is available via the Internet at the BLS World Wide Web site <a href="http://www.bls.gov/ro9/ro9news.htm">http://www.bls.gov/ro9/ro9news.htm</a>

BLS issues an annual report that provides data from state UI and UCFE programs. The comprehensive bulletin, *Employment and Wages, Annual Averages, 2000*, features information by detailed industry on establishments, employment, and wages for the nation and individually for each state. The report 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. central time.

For personal assistance or further information on Annual Average Pay data as well as other Bureau programs, contact the San Francisco Information Office at (415) 975-4350 from 9:00 a.m. to 11:30 a.m. and 1:30 p.m to 4:00 p.m. pacific time.

Table 1. State average annual pay for 1999 and 2000 and percent change in pay for all covered workers  $\dot{}$ 

	Average ann	Percent change	
	1999	2000 <sup>2</sup>	1999-2000
UNITED STATES	\$33,340	\$35,296	5.9
Pacific division <sup>3</sup>	36,518	39,583	8.4
Alabama	28,095	29,037	3.4
Alaska	34,033	35,125	3.2
Arizona	30,525	32,606	6.8
Arkansas	25,371	26,307	3.7
California	37,577	41,194	9.6
Colorado	34,191	37,167	8.7
Connecticut	42,682 35,157	45,445 36,677	6.5 4.3
District of Columbia	50,885	53,018	4.2
Florida	28,935	30,549	5.6
Georgia	32,332	34,182	5.7
Hawaii	29,794	30,630	2.8
Idaho	26,044	27,709	6.4
Illinois	36,296	38,044	4.8
Indiana	30,027	31,015	3.3
Iowa	26,953	27,928	3.6
Kansas	28,031	29,357	4.7
Kentucky Louisiana	27,783 27,216	28,829 27,877	3.8 2.4
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Maine	26,887	27,664	2.9
Maryland	34,489	36,373	5.5
Massachusetts	40,352 35,750	44,326 37,016	9.8 3.5
Minnesota	33,487	35,418	5.8
Mississippi	24,391	25,197	3.3
Missouri	29,967	31,386	4.7
Montana	23,260	24,264	4.3
Nebraska	26,632	27,662	3.9
Nevada	31,213	32,276	3.4
New Hampshire	32,141	34,731	8.1
New Jersey	41,038	43,691	6.5
New Mexico	26,267	27,498	4.7
New York	42,179	44,942	6.6
North Carolina	29,462	31,077	5.5
North Dakota	23,751	24,678	3.9
Ohio Oklahoma	31,395 25,813	32,510 26,980	3.6 4.5
Oregon	30,872	32,765	<b>6.1</b>
Pennsylvania	32,696	33,999	4.0
Rhode Island	31,169	32,618	4.6
South Carolina	27,132	28,173	3.8
South Dakota	23,767	24,803	4.4
Tennessee	29,478	30,558	3.7
Texas	32,898	34,948	6.2
Utah	27,895	29,226	4.8
Vermont	27,597	28,920	4.8
Virginia	33,025	35,151	6.4
Washington	35,736	37,059	3.7
West Virginia	26,018	26,887	3.3
Wisconsin	29,607	30,697	3.7
Wyoming	25,647	26,837	4.6

<sup>&</sup>lt;sup>1</sup> Includes workers covered by Unemloyment Insurance (UI) and Unemployment Compensation for Federal Employees (UCFE) programs.

<sup>&</sup>lt;sup>2</sup> Data are preliminary.

<sup>&</sup>lt;sup>3</sup> The 5 states comprising the Pacific division are in bold-face type.

Table 2. State and industry average annual pay in the Pacific States for 1999 and 2000 and percent change in pay for all covered workers<sup>1</sup>

and 2000 and percent change in pay for an eovered	Average at	Percent	
State and industry <sup>2</sup>			change,
•	1999	$2000^{3}$	1999-2000
United States			
Total Private <sup>2</sup>	\$33,244	\$35,305	6.2
Agriculture, Forestry, and Fishing	19,411	20,269	
Mining	,	58,121	
Construction	34,812	36,622	
Manufacturing	41,941	44,778	
Transportation, communications,		•	
and public utilities	41,786	43,643	4.4
Wholesale trade	44,185	46,740	5.8
Retail trade	17,602	18,432	4.7
Finance, insurance, and real estate	50,910	55,556	9.1
Services	31,509	33,666	6.8
Alaska			
Total Private <sup>2</sup>	32,319	33,478	3.6
Agriculture, Forestry, and Fishing	26,894	26,144	
Mining	79,655	86,380	
Construction	,	47,081	
Manufacturing	33,728	32,106	
Transportation, communications,	,	,	
and public utilities	42,251	44,020	4.2
Wholesale trade	35,924	36,913	2.8
Retail trade	19,648	19,729	0.4
Finance, insurance, and real estate	34,724	36,564	5.3
Services	27,023	28,031	3.7
California			
Total Private <sup>2</sup>	37,310	41,182	10.4
Agriculture, Forestry, and Fishing	18,060	18,778	4.0
Mining	66,061	65,096	-1.5
Construction.	37,523	40,360	
Manufacturing	49,672	57,695	16.2
Transportation, communications,	,	,	
and public utilities	46,480	47,278	1.7
Wholesale trade	45,785	48,935	6.9
Retail trade	20,403	21,915	7.4
Finance, insurance, and real estate	54,709	60,163	10.0
Services	36,885	41,372	12.2

See footnotes at end of table.

Table 2. State and industry average annual pay in the Pacific States for 1999

and 2000 and percent change in pay for all covered workers<sup>1</sup> (Continued)

and 2000 and percent change in pay for all covered	Average annual pay Perce		
State and industry <sup>2</sup>	Average annual pay		change,
State and mustry	1,000	20003	•
11	1999	$2000^{3}$	1999-2000
Hawaii			
Total Private <sup>2</sup>	28,163	29,181	3.6
Agriculture, Forestry, and Fishing	23,535	24,834	5.5
Mining	52,383	56,977	
Construction	43,623	45,423	
Manufacturing	32,034	34,404	7.4
Transportation, communications,			
and public utilities	37,613	38,598	2.6
Wholesale trade	34,172	34,745	1.7
Retail trade	17,747	18,231	2.7
Finance, insurance, and real estate	37,124	39,044	5.2
Services	28,082	29,087	3.6
Oregon			
Total Private <sup>2</sup>	30,457	32,480	6.6
Agriculture, Forestry, and Fishing	19,209	19,877	
Mining	36,288	37,733	
Construction	36,041	38,295	
Manufacturing	41,226	45,839	
Transportation, communications,	71,220	73,037	11.2
and public utilities	38,126	41,888	9.9
Wholesale trade	42,482	45,397	
Retail trade	18,319	18,730	
Finance, insurance, and real estate	37,801	39,126	
Services	27,309	28,982	
***			
Washington			
Total Private <sup>2</sup>	35,945	37,212	3.5
Agriculture, Forestry, and Fishing	17,180	18,028	
Mining	43,619	46,791	7.3
Construction	35,623	37,494	5.3
Manufacturing	44,486	47,072	5.8
Transportation, communications,			
and public utilities	43,078	47,596	10.5
Wholesale trade	40,665	43,599	7.2
Retail trade	19,354	20,877	7.9
Finance, insurance, and real estate	41,744	44,430	6.4
Services	41,649	40,943	-1.7

<sup>&</sup>lt;sup>1</sup> Industry data are for private sector employment only and exclude government workers.

<sup>&</sup>lt;sup>2</sup> Includes data for industries in addition to those shown separately.

<sup>&</sup>lt;sup>3</sup> Data are preliminary.

Table 3. Average annual pay for 1999 and 2000 for all covered workers<sup>1</sup> by metropolitan area Hawaii

	Average annual pay			
			Percent	Ranking <sup>4</sup>
Metropolitan area <sup>2</sup>			change,	of area by
	1999	$2000^{3}$	1999-	Pay level,
			2000	2000
All metropolitan areas	\$34,900	\$37,010	6.0	-
Metropolitan areas in Hawaii				
Honolulu, HI MSA	30,993	31,871	2.8	96

<sup>&</sup>lt;sup>1</sup> Includes workers covered by Unemployment Insurance (UI) and Unemployment Compensation for Federal Employees (UCFE) programs.

Table 4. County rankings of employment and average annual pay for 2000 and 1999-2000 percent changes for all covered workers<sup>1</sup> in the 315 largest counties

	Employment A		verage annual pay		
		Net change,		Ranked by	Ranked by
County <sup>2</sup>	$2000^{3}$	1999-2000 <sup>4</sup>	$2000^{3}$	2000 level	percent change 1999-2000 <sup>5</sup>
Honolulu, HI	406,865	9,218	31,871	180	259

<sup>&</sup>lt;sup>1</sup> Includes workers covered by Unemployment Insurance (UI) and Unemployment Compensation for Federal Employees (UCFE) programs. The 315 U.S. counties comprise 70.8% of the total covered workers in the U.S.

<sup>&</sup>lt;sup>2</sup> Includes data for Metropolitan Statistical Areas and Primary Metropolitan Statistical Areas as defined by OMB Bulletin No. 99-04. See Technical Note for definitions of metropolitan areas.

<sup>&</sup>lt;sup>3</sup> Data are preliminary.

<sup>&</sup>lt;sup>4</sup> Ranking are based on a comparison of data for 318 metropolitan areas nationwide.

<sup>&</sup>lt;sup>2</sup> Includes areas not officially designated as counties. See Technical Note.

<sup>&</sup>lt;sup>3</sup> Data are preliminary.

<sup>&</sup>lt;sup>4</sup> Net changes were computed from annual employment data adjusted for noneconomic county reclassifications. See Technical Note.

<sup>&</sup>lt;sup>5</sup> Rankings for percent change in annual pay are based on the 314 counties that are comparable over the year.