# News

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#### FURTHER INFORMATION:

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FOR RELEASE: Immediately

### **AVERAGE ANNUAL WAGES IN THE PLAINS STATES - 2002**

Annual wages for the Plains region<sup>1</sup> averaged \$32,659 in 2002, according to the U.S. Department of Labor's Bureau of Labor Statistics. John D. Gordon, acting regional commissioner, noted that wages in the region were lower than the nationwide average of \$36,764. Yet, wages increased at a faster pace in the region than in the nation overall. The Plains region experienced wage growth of 2.5 percent from 2001 to 2002, while wage growth averaged 1.5 percent for the nation.

Two states in the region – Minnesota and Missouri—had wage levels that ranked among the top half of all states, though only Minnesota, at \$37,458, had a wage level higher than the national average. (See table 1.) Among the other five Plains states, wages ranged from \$30,825 in Kansas (ranking 35<sup>th</sup> nationwide) to \$26,550 in North Dakota and \$26,360 in South Dakota, the second and third lowest levels of average wages among all states.

Wage growth in each of the Plains states exceeded the national average of 1.5 percent. Four of the seven had increases in wages that ranked them in the top half among all states. The largest percentage gain in wages within the region occurred in Nebraska, where average wages grew by 3.8 percent. Among the other states ranking in the top half were North Dakota (3.3 percent), South Dakota (3.0 percent) and Iowa (2.9 percent). Wage growth in Minnesota (2.4 percent), Kansas (2.2 percent) and Missouri (2.1 percent) placed them in the lower half of the rankings among all states.

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 wage. 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 are computed by

<sup>&</sup>lt;sup>1</sup> The Plains region referenced in this release corresponds to the Census definition for the West North Central division and is comprised of seven states: Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, and South Dakota.

dividing total annual payrolls of employees covered by UI programs by the average monthly number of those employees. (See Technical Note.)

# Pay in metropolitan areas

Among the region's 28 metropolitan areas, eleven had average wage levels in the top half of all 318 metropolitan areas. (See table 2.) Minneapolis-St. Paul, Mn.-Wis. had the highest wage level in the region, \$41,722, and moved up one position from its 2001 level to rank 22<sup>nd</sup> among all metropolitan areas in the country. The only other metropolitan area in the Plains states with a wage level exceeding the national metropolitan area average of \$38,423 was Rochester, Mn., southeast of Minneapolis, which averaged \$39,036 and moved up two positions to rank 35<sup>th</sup> nationally. Kansas City, Mo.-Ks., St. Louis, Mo.-Il. and Des Moines, Ia. were the only other cities in the region with annual wage levels above \$35,000. Grand Forks, N.D.-Mn. had the lowest level of wages in the region at \$25,710, and ranked 303<sup>rd</sup> among the nation's metropolitan areas.

Only one metropolitan area in the Plains states experienced wage growth that was less than the 1.4 percent average increase for all metropolitan areas nationally. Cedar Rapids, Iowa had the smallest wage increase in the region at 0.2 percent. St. Cloud, Mn. recorded the largest increase in average annual wages among metropolitan areas in the Plains states at 4.5 percent. Three additional areas – Lincoln, Ne., Fargo-Moorhead, ND-Mn., and Duluth-Superior, Mn.-Wi. – had wage gains of more than 4.0 percent.

# Pay in industries

The highest average annual wages in five of the seven states – Iowa, Kansas, North Dakota, Missouri, and Nebraska – occurred in the utilities industry. Wage levels in this industry ranged from \$70,577 in Missouri to \$57,714 in Iowa. Wages in the utilities industry in two plains states, Missouri and Minnesota, exceeded the national industry average of \$67,374. (See table 3.) Two states followed the nationwide trend, registering the highest wage level in management of companies and enterprises—Minnesota (\$79,589) and South Dakota (\$57,185). Nationally, wages in management of companies and enterprises averaged \$69,277, more than \$30,000 above the average for all private sector industries. Accommodation and food service, which has a large percentage of part-time workers, was the lowest paid industry in every state in the region. Wages in this industry were below the overall average of \$13,946 in each of the Plains states, falling under \$10,000 in three states—Iowa, North Dakota, and South Dakota.

Beginning in October 2002, *quarterly* data are available for selected Covered Employment and Wages series. Data are available from the Kansas City Information office at 816-426-2481, or at http://data.bls.gov/labjava/outside.jsp?survey=en

#### TECHNICAL NOTE

## Background

These data are the product of a federal-state cooperative program known as Quarterly Census of Employment and Wages (QCEW) 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 2002, UI and UCFE programs covered workers in 128.2 million jobs. 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

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 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 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 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. 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 wages data (or Quarterly Census of Employment and Wages data) are available on the BLS Internet site at <a href="http://www.bls.gov/cew/home.htm">http://www.bls.gov/cew/home.htm</a>. Beginning in October 2002, quarterly data are available for selected QCEW 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 Kansas City Information Office can provide assistance accessing these files by calling (816) 426-2481.

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/ro7/home.htm">http://www.bls.gov/ro7/home.htm</a>.

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; (<a href="http://www.bls.gov/bdm/">http://www.bls.gov/bdm/</a>); (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. For personal assistance or further information on annual average pay data as well as other Bureau programs, contact the Kansas City Information Office at (816) 426-2481 from 9:30 a.m. to 11:30 a.m. and 1:30 p.m. to 4:30 p.m. central time.

Table 1. Average annual wages for 2001 and 2002 for all covered workers<sup>1</sup> by Plains States

	Average an	Percent	
State	2001	2002	change
			2001-02
United States <sup>2</sup>	\$36,219	\$36,764	1.5
Plains States	31,857	32,659	2.5
Iowa	28,837	29,668	2.9
Kansas	30,153	30,825	2.2
Minnesota	36,587	37,458	2.4
Missouri	32,421	33,118	2.1
Nebraska	28,377	29,448	3.8
North Dakota	25,707	26,550	3.3
South Dakota	25,601	26,360	3.0

 <sup>&</sup>lt;sup>1</sup> Includes workers covered by Unemployment Insurance (UI) and Unemployment Compensation for Federal Employees (UCFE) programs.
 <sup>2</sup> Totals for the United States do not include data for Puerto Rico and

the Virgin Islands.

Table 2. Average annual wages for 2001 and 2002 for all covered workers<sup>1</sup> by metropolitan area

y metropolitan area				
2	Average annual wages <sup>3</sup>		Percent	
Metropolitan area <sup>2</sup>			change	
	2001	2002	2001-02	
Metropolitan areas <sup>4</sup>	\$37,908	\$38,423	1.4	
Bismarck, ND	27,116	27,993	3.2	
Cedar Rapids, IA	34,649	34,730	0.2	
Columbia, MO	28,490	29,135	2.3	
Davenport-Moline-Rock Island, IA-Il	31,275	32,118	2.7	
Des Moines, IA	34,303	35,641	3.9	
Dubuque, IA	28,402	29,208	2.8	
Duluth-Superior, MN-WI	29,415	30,581	4.0	
Fargo-Moorhead, ND-MN	27,899	29,053	4.1	
Grand Forks, ND-MN	24,959	25,710	3.0	
Iowa City, IA	31,663	32,567	2.9	
Joplin, MO	26,011	26,594	2.2	
Kansas City, MO-KS	35,794	36,731	2.6	
LaCrosse, WI-MN	27,774	28,719	3.4	
Lawrence, KS	25,923	26,621	2.7	
Lincoln, NE	29,352	30,614	4.3	
Minneapolis-St. Paul, MN-WI	40,868	41,722	2.1	
Omaha, NE-IA	31,856	33,107	3.9	
Rapid City, SD	25,508	26,434	3.6	
Rochester, MN	37,753	39,036	3.4	
St. Cloud, MN	28,263	29,535	4.5	
St. Joseph, MO	27,734	28,507	2.8	
St. Louis, MO-IL	35,928	36,712	2.2	
Sioux City, IA-NE	26,755	27,543	2.9	
Sioux Falls, SD	28,962	29,975	3.5	
Springfield, MO	27,338	27,987	2.4	
Topeka, KS	30,513	31,707	3.9	
Waterloo-Cedar Falls, IA	29,119	29,916	2.7	
Wichita, KS	32,983	33,429	1.4	

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

<sup>&</sup>lt;sup>2</sup> Includes data for Metropolitan Statistical Areas (MSA) and Primary Metropolitan Statistical Areas (PMSA) asdefined by OMB Bulletin No. 99-04. See Technical Note.

<sup>&</sup>lt;sup>3</sup> Each year's total is based on the MSA definition for the specific year. Annual changes include differences resulting from changes in MSA definitions.

<sup>&</sup>lt;sup>4</sup> Totals do not include the six MSAs within Puerto Rico.

Table 3. Average annual wages for 2001 and 2002 by NAICS industry for all covered workers<sup>1</sup> by Plain States

by Plain States	Ι.		_
0	Average an	nnual wages	Percent
State and Industry	2001	2002	change
	2001	2002	2001-02
United States <sup>2</sup>			
Private			
Total <sup>3</sup>	\$36,157	\$36,539	1.1
Agriculture, forestry, fishing and hunting	20,188		
Mining	59,686		
Utilities	65,561	,	
Construction	38,412		
Manufacturing	42,969		
Wholesale trade	48,791		
Retail trade	22,667	,	
Transportation and warehousing	36,189		
Information	57,288		
Finance and insurance	63,687		
Real estate and rental and leasing	32,871		
Professional and technical services	58,755	,	
Management of companies and enterprises	68,965		
Administrative and waste services	24,443		
Educational services	32,066		
Health care and social assistance	32,813		
	25,344		
Arts, entertainment, and recreation Accommodation and food services	13,674		
	23,220		
Other services, except public administration Government	36,549		
Government	30,349	37,933	3.0
Iowa			
Private			
Total <sup>3</sup>	28,371	,	
Agriculture, forestry, fishing and hunting	22,455		
Mining	36,831	39,161	
Utilities	55,776		
Construction	34,077		
Manufacturing	37,221		
Wholesale trade	36,885		
Retail trade	18,872		
Transportation and warehousing	30,940		
Information	34,877		
Finance and insurance	41,700		
Real estate and rental and leasing	25,401		
Professional and technical services	37,613		
Management of companies and enterprises	45,318		
Administrative and waste services	19,412		
Educational services	22,551		
Health care and social assistance	27,694		
Arts, entertainment, and recreation	15,384		
Accommodation and food services	9,784		
Other services, except public administration	20,299		
Government	31,294	32,335	3.3
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See footnotes at end of table.

Table 3. Average annual wages for 2001 and 2002 by NAICS industry for all covered workers  $^{\rm l}$  by Plain States - Continued

by Plain States - Continued		Average annual wages	
State and Industry			change
	2001	2002	2001-02
Kansas			
Private	420.460	44.04	
Total <sup>3</sup>	\$30,468		1.9
Agriculture, forestry, fishing and hunting	25,655		-0.8
Mining	38,571	36,691	-4.9
Utilities	60,622	· ·	
Construction	33,660		1.4
Manufacturing	39,238		3.3
Wholesale trade	41,636	,	2.3
Retail trade	19,598	,	1.7
Transportation and warehousing	31,397	· · · · · ·	1.7
Information	45,146	,	3.8
Finance and insurance	41,737	· · · · · · · · · · · · · · · · · · ·	3.0
Real estate and rental and leasing	24,877	,	5.4
Professional and technical services	42,608		1.4
Management of companies and enterprises	50,427	,	
Administrative and waste services	22,580	,	3.0
Educational services	26,202		-0.7
Health care and social assistance	28,448		2.4
Arts, entertainment, and recreation	13,116	,	2.6
Accommodation and food services	10,768	,	0.6
Other services, except public administration	20,845	· · · · · ·	2.5
Government	28,709	29,770	3.7
Minnesota			
Private			
Total <sup>3</sup>	36,778	37,519	2.0
Agriculture, forestry, fishing and hunting	22,098	23,034	4.2
Mining	49,403	49,455	0.1
Utilities	67,216		3.7
Construction	44,081	44,744	1.5
Manufacturing	42,480	44,382	4.5
Wholesale trade	51,472	52,739	2.5
Retail trade	21,078	21,728	3.1
Transportation and warehousing	40,731	41,302	1.4
Information	47,400	47,639	0.5
Finance and insurance	60,371	60,110	-0.4
Real estate and rental and leasing	32,015	33,565	4.8
Professional and technical services	56,421	56,801	0.7
Management of companies and enterprises	77,599	79,589	2.6
Administrative and waste services	24,650	25,471	3.3
Educational services	28,560	29,284	2.5
Health care and social assistance	33,096	34,398	3.9
Arts, entertainment, and recreation	21,972	22,815	3.8
Accommodation and food services	11,771	11,988	1.8
Other services, except public administration	21,862	22,750	4.1
Government	35,426	37,097	4.7

See footnotes at end of table.

Table 3.. Average annual wages for 2001 and 2002 by NAICS industry for all covered workers by Plain States - Continued

		Average annual wages	
State and Industry	2001	2002	change
Missouri	2001	2002	2001-02
Private			
Total <sup>3</sup>	\$32,630	\$33,264	1.9
Agriculture, forestry, fishing and hunting	22,120		2.9
Mining	46,168	,	4.0
Utilities	64,044		10.2
Construction	39,043	· · · · · · · · · · · · · · · · · · ·	1.1
Manufacturing	39,127	,	
Wholesale trade	44,157		
Retail trade	20,357		
Transportation and warehousing	33,458		
Information	45,167	,	
Finance and insurance	44,734		
Real estate and rental and leasing	27,693		
Professional and technical services	50,609	,	
Management of companies and enterprises	62,344		
Administrative and waste services	21,751	22,896	
Educational services	34,709	,	
Health care and social assistance	30,779	,	
Arts, entertainment, and recreation	25,457	27,517	
Accommodation and food services	11,783		
Other services, except public administration	22,035		
Government	31,282	32,334	
Nebraska			
Private	20.024	20.054	2.6
Total <sup>3</sup>	28,034		
Agriculture, forestry, fishing and hunting	21,622		
Mining Utilities	34,892		2.0
	59,337	,	
Construction	32,216	33,134	2.8 3.0
Manufacturing	32,474	33,451	
Wholesale trade Retail trade	36,533 18,404		
Transportation and warehousing	34,144	· ·	
Information	41,711		2.3
Finance and insurance	39,575	· ·	
Real estate and rental and leasing	23,574		
Professional and technical services	42,532		
Management of companies and enterprises	51,025	· · · · · ·	
Administrative and waste services	20,409	,	
Educational services	27,754	,	
Health care and social assistance	29,772	· ·	
Arts, entertainment, and recreation	13,001		
Accommodation and food services	10,095		
Other services, except public administration	19,691	,	
Government	30,077	31,342	4.2
See footnotes at end of table.			

See footnotes at end of table.

Table 3. Average annual wages for 2001 and 2002 by NAICS industry for all covered workers<sup>1</sup> by Plain States - Continued

	Average an	Average annual wages	
State and Industry			change,
N. d.D.L.	2001	2002	2001-02
North Dakota			
Private	#2.5.22.4	<b>#26120</b>	2.1
Total <sup>3</sup>	\$25,324		
Agriculture, forestry, fishing and hunting	23,463	-	
Mining	48,535	· ·	
Utilities	56,651		
Construction	31,903		
Manufacturing	31,619	-	
Wholesale trade	33,237		
Retail trade	18,199		
Transportation and warehousing	28,770		
Information	32,227	-	
Finance and insurance	34,484	· ·	
Real estate and rental and leasing	17,851	-	
Professional and technical services	33,113		
Management of companies and enterprises	40,172	-	
Administrative and waste services	16,379	17,290	5.6
Educational services	21,083	21,264	
Health care and social assistance	27,218	28,483	
Arts, entertainment, and recreation	10,860	11,432	5.3
Accommodation and food services	9,039	9,352	3.5
Other services, except public administration	17,228	17,605	2.2
Government	27,283	28,284	3.7
South Dakota			
Private			
Total <sup>3</sup>	25,139	25,915	3.1
Agriculture, forestry, fishing and hunting	20,256		
Mining	40,462		
Utilities	45,093		
Construction	29,010		
Manufacturing	29,836		
Wholesale trade	33,707	34,697	
Retail trade	18,117	-	
Transportation and warehousing	27,412		
Information	31,768		
Finance and insurance	33,073	· ·	
Real estate and rental and leasing	19,321	19,788	2.4
Professional and technical services	33,057	33,848	2.4
Management of companies and enterprises	60,564	57,185	-5.6
Administrative and waste services	22,108	21,688	
Educational services	22,433	23,140	3.2
Health care and social assistance	28,231	30,019	6.3
Arts, entertainment, and recreation	12,661	12,719	0.5
Accommodation and food services	9,446	9,948	5.3
Other services, except public administration	19,251	19,913	3.4
Government	27,630	28,283	2.4

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

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

<sup>3</sup> Includes other industries, not shown separately.