

# News

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Bureau of Labor Statistics

New York Office

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## AVERAGE ANNUAL WAGES IN THE NEW YORK-NORTHERN NEW JERSEY- LONG ISLAND AREA DECLINED 1.1 PERCENT IN 2002

The average annual wage of workers in the New York-Northern New Jersey-Long Island Consolidated Metropolitan Statistical Area (CMSA) edged down over the year, from \$51,217 in 2001 to \$50,817 in 2002, according to the U.S. Department of Labor's Bureau of Labor Statistics. Regional Commissioner Michael L. Dolfman noted that the 0.8-percent decline followed increases of 2.1 percent in 2001 and 7.1 percent in 2000. For all 18 CMSAs in the nation, wages averaged \$43,687 in 2002, up 0.6 percent over the year.

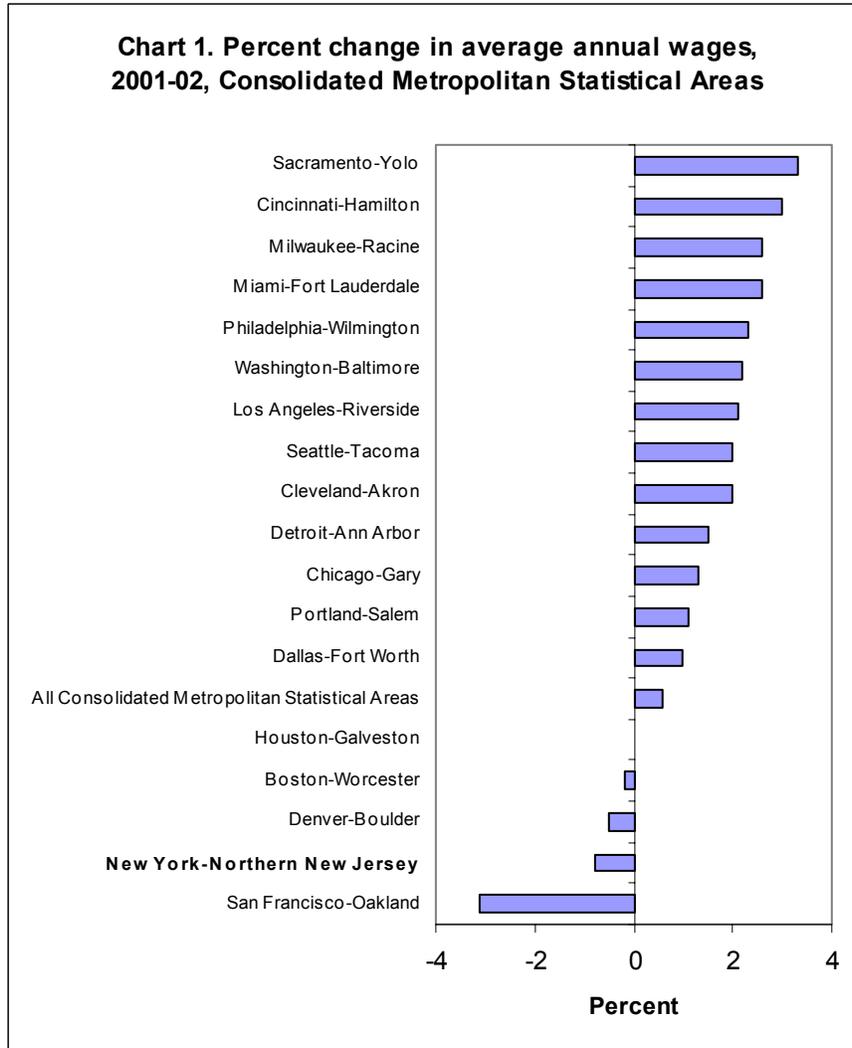
Average annual wage data are compiled from reports submitted by employers subject to state and federal unemployment insurance (UI) laws covering some 128.2 million full and part-time jobs. The average annual wage is computed by dividing the total annual payroll of employees covered by UI programs by the average monthly number of these employees. (See Technical Note.) It is to be noted, therefore, that over-the-year wage changes for areas may reflect shifts in the composition of employment by industry, occupation, and such other factors as hours of work. Thus, wages may vary among Consolidate Metropolitan Statistical Areas and within the metropolitan areas that comprise them for reasons other than changes in the average wage level.

The greater New York area had the second-highest wage level among the nation's CMSAs, behind San Francisco-Oakland-San Jose, Calif. (\$52,441). For the fourth year in a row, the greater San Francisco and greater New York areas ranked first and second, respectively. Miami-Fort Lauderdale, Fla. had the lowest average wage (\$35,198) among the 18 largest areas for the ninth consecutive year, and Cleveland-Akron, Ohio (\$35,640) had the second lowest.

San Francisco-Oakland-San Jose, Calif., the only CMSA to record a decline in wages in 2001, recorded the largest percentage decrease among the five CMSAs experiencing losses in 2002. Its wage level dropped 3.1 percent, followed by declines of 0.8 percent in the greater New York area, 0.5 percent in Denver-Boulder-Greeley, Col., and 0.2 percent in Boston-Worcester-Lawrence-Lowell-Brockton, Mass.-N.H. Sacramento-Yolo, Calif., which had the third highest increase in wages in 2001, led the gainers in 2002 with an increase of 3.3 percent. After the Sacramento area, eight other CMSAs had wage growth in the 2.0 to 3.0 percent range.



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.



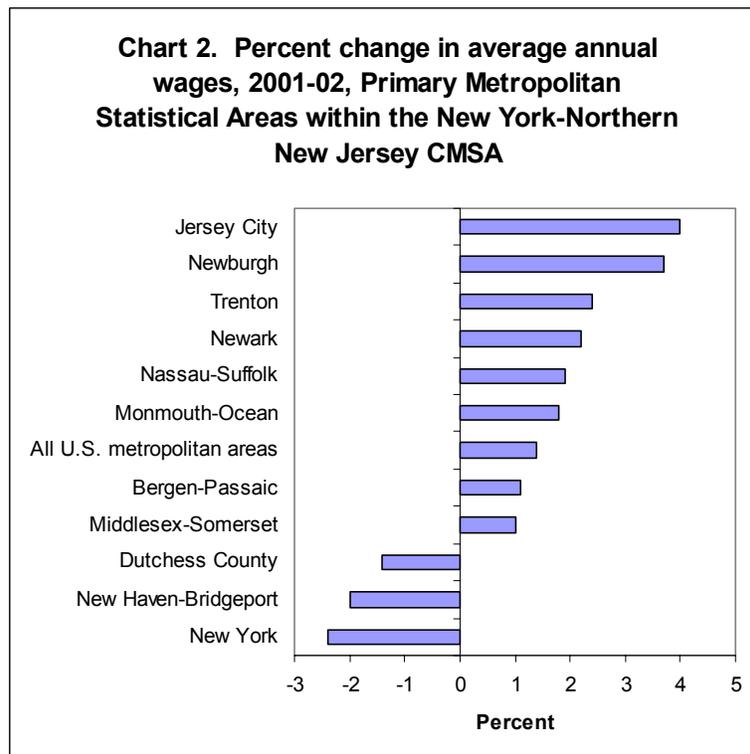
**Greater New York area components**

Among the 11 Primary Metropolitan Statistical Areas (PMSAs) that comprise the New York CMSA, New York, N.Y. had the highest wage level at \$57,708, followed by the New Haven-Bridgeport-Stamford-Waterbury-Danbury, Conn. PMSA at \$51,170. Rounding out the top five positions in the CMSA were three PMSAs in northern New Jersey: Middlesex-Somerset-Hunterdon, Jersey City, and Newark, all with wages from \$48,781 to \$50,457.

Of these 11 PMSAs, eight had a wage level surpassing the overall average of \$38,423 for all 318 metropolitan areas in the United States. (See Technical Note for definition of a metropolitan area.) In fact, the New York, New Haven, Middlesex, Jersey City, and Newark areas ranked second, fourth, fifth, sixth, and seventh highest, respectively, among all metropolitan areas across the nation. Two other PMSAs in the greater New York area—Trenton, N.J. (\$47,969) and Bergen-Passaic, N.J. (\$45,185)—were among the top thirteen in wages nationally. One other area within the New York CMSA—Nassau-Suffolk, N.Y.—had a wage level (\$40,396) exceeding the national average.

Wages of \$38,221 placed Dutchess County just under the national average for all metropolitan areas in 2002. In 2001 it had been slightly above the average. The other two areas in the CMSA with pay below the metropolitan average in 2002 were Monmouth-Ocean, N. J. (\$37,710) and Newburgh, N.Y.-Penn. (\$30,920).

Annual average wages in the New York PMSA fell by 2.4 percent in 2002. In part, this reflected an 8.6-percent wage decrease in financial activities. The New Haven and Dutchess County areas, down 2.0 and 1.4 percent, respectively, were the other two PMSAs in the greater New York area recording a decrease in wages. Nationally, the largest wage declines were recorded by San Francisco (-5.1 percent), San Jose (-4.4 percent), and Austin-San Marcos, Texas (-3.2 percent). Five of the seven PMSAs with the largest decreases in the nation were located in the greater New York and greater San Francisco areas. Elsewhere in the CMSA, wage levels rose in Bergen-Passaic and Middlesex-Somerset-Hunterdon, up 1.1 and 1.0 percent, respectively; however, these increases were below the national average of 1.4 percent for all metropolitan areas. By contrast, six areas within the CMSA recorded wage gains greater than the national average, led by Jersey City (4.0 percent), Newburgh (3.7 percent), and Trenton (2.4 percent).



**Beginning in October 2002, quarterly data are available for selected Quarterly Census of Employment and Wages series. Data are available from the New York Information office at (212) 337-2400, or at <http://data.bls.gov/labjava/outside.jsp?survey=en>**

Table 1. Average annual wages for 2001 and 2002 for all covered workers 1/ by Consolidated Metropolitan Statistical Area

Average annual wages (3)			
Consolidated Metropolitan Statistical Area (2)	2001 (4)	2002	Percent change, 2001-02
Consolidated Metropolitan Statistical Areas (5) ..	\$43,441	\$43,687	0.6
Boston-Worcester-Lawrence-Lowell-Brockton, MA-NH ..	45,766	45,685	-0.2
Chicago-Gary-Kenosha, IL-IN-WI .....	41,813	42,370	1.3
Cincinnati-Hamilton, OH-KY-IN.....	35,569	36,626	3.0
Cleveland-Akron, OH.....	34,948	35,640	2.0
Dallas-Fort Worth, TX.....	40,923	41,343	1.0
Denver-Boulder-Greeley, CO.....	41,988	41,770	-0.5
Detroit-Ann Arbor-Flint, MI.....	41,698	42,332	1.5
Houston-Galveston-Brazoria, TX.....	42,087	42,068	0.0
Los Angeles-Riverside-Orange County, CA.....	39,054	39,867	2.1
Miami-Fort Lauderdale, FL.....	34,301	35,198	2.6
Milwaukee-Racine, WI.....	35,423	36,340	2.6
New York-Northern New Jersey-Long Island, NY-NJ-CT-PA.....	51,217	50,817	-0.8
Philadelphia-Wilmington-Atlantic City, PA-NJ-DE-MD.	39,719	40,640	2.3
Portland-Salem, OR-WA.....	36,127	36,529	1.1
Sacramento-Yolo, CA.....	37,736	38,966	3.3
San Francisco-Oakland-San Jose, CA.....	54,139	52,441	-3.1
Seattle-Tacoma-Bremerton, WA.....	42,229	43,053	2.0
Washington-Baltimore, DC-MD-VA-WV.....	44,245	45,218	2.2

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

2/ Includes data for Consolidated Metropolitan Statistical Areas (CMSA) as defined by OMB Bulletin No. 99-04. In the New England areas, the New England County Metropolitan Area (NECMA) definitions were used. See Technical Note.

3/ Annual wages levels for individual consolidated metropolitan areas have been adjusted to reflect noneconomic county reclassifications where applicable. The total for all consolidated metropolitan areas combined, however, has not been adjusted for these reclassifications. See Technical Note.

4/ Totals do not include the San Juan-Caguas-Arecibo CMSA within Puerto Rico.

Table 2. Average annual wages for 2001 and 2002 for all covered workers 1/, all metropolitan areas in the United States and areas in the New York-Northern New Jersey-Long Island, NY-NJ-CT-PA CMSA

Metropolitan statistical area(2)	Average annual wages(3)			National rank of area by level of annual wages for 2002
	2001(4)	2002	Percent change, 2001-02	
All U.S. metropolitan areas(5) ..	\$37,908	\$38,423	1.4	-
Bergen-Passaic, NJ .....	44,701	45,185	1.1	13
Dutchess County, NY .....	38,748	38,221	-1.4	40
Jersey City, NJ.....	47,638	49,562	4.0	6
Middlesex-Somerset-Hunterdon, NJ ..	49,950	50,457	1.0	5
Monmouth-Ocean, NJ .....	37,056	37,710	1.8	42
Nassau-Suffolk, NY .....	39,662	40,396	1.9	28
New Haven-Bridgeport-Stamford-Waterbury-Danbury, CT .....	52,198	51,170	-2.0	4
New York, NY .....	59,097	57,708	-2.4	2
Newark, NJ .....	47,715	48,781	2.2	7
Newburgh, NY-PA .....	29,827	30,920	3.7	167
Trenton, NJ .....	46,831	47,969	2.4	9

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

2/ Includes data for Primary Metropolitan Statistical Areas (PMSA) as defined by OMB Bulletin No. 99-04. In the New England area, the New England County Metropolitan Area (NECMA) definitions were used. See Technical Note.

3/ Annual wages levels for individual metropolitan areas have been adjusted to reflect noneconomic county reclassifications where applicable. The total for all metropolitan areas combined, however, has not been adjusted for these reclassifications. See Technical Note.

4/ Totals do not include the six MSAs within Puerto Rico.

## 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 was 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) is available on the BLS Internet site at <http://www.bls.gov/cew/home.htm>. 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 New York Information Office can provide assistance accessing these files by calling (212) 337-2400.

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/ro2/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 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](mailto: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 New York Information Office at (212) 337-2400 from 9:00 a.m. to 12:30 p.m. and 1:30 p.m. to 4:30 p.m. eastern time.