

News

United States
Department
of Labor



Bureau of Labor Statistics

Washington, D.C. 20212

Technical information: (202) 691-6567
<http://www.bls.gov/cew/>

USDL 02-625

Media contact: 691-5902

For release: 10:00 A.M. EST
Friday, November 8, 2002

AVERAGE ANNUAL PAY IN METROPOLITAN AREAS, 2001

Average annual pay of employees in the nation's 318 metropolitan areas increased by 2.4 percent from 2000 to 2001, according to preliminary data from the Bureau of Labor Statistics of the U.S. Department of Labor. The over-the-year gain was smaller than last year's gain of 6.1 percent and was the lowest increase since 1994. (See chart 1.) Annual pay in metropolitan areas averaged \$37,897 in 2001, up from \$37,017 in 2000.

Average annual pay for the entire nation, metropolitan and nonmetropolitan areas combined, was \$36,214 in 2001, a 2.5 percent increase from 2000. (Average Annual Pay by State and Industry, 2001, was issued on September 24, 2002, in USDL 02-540.)

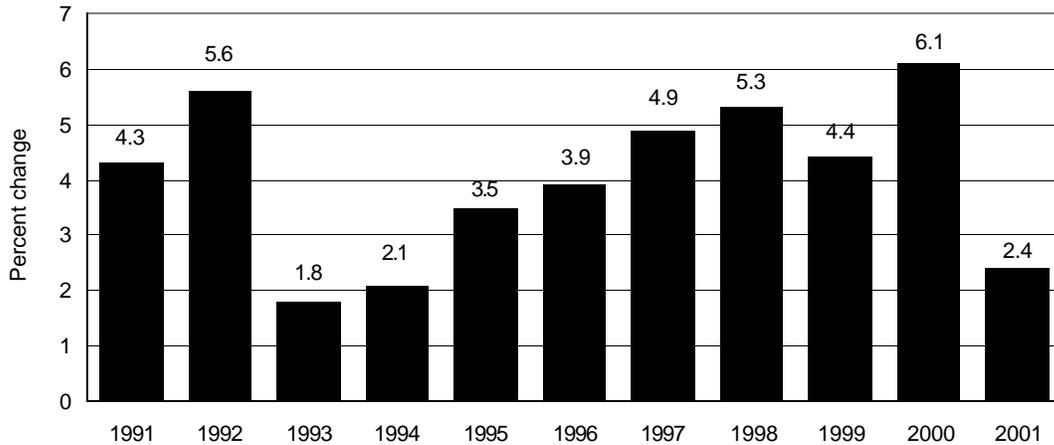
Average annual pay data are compiled from reports submitted by employers subject to state and federal unemployment insurance (UI) laws covering 129.7 million full- and part-time jobs. Average annual pay is computed by dividing the total annual payrolls of employees covered by UI programs by the average monthly number of these employees. (See Technical Note.) Pay differences between areas 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. Table 1 of this release contains pay data for Metropolitan and Primary Metropolitan Statistical Areas within the United States and Puerto Rico; table 2 includes averages and rankings for the areas designated as Consolidated Metropolitan Statistical Areas. (See Technical Note for definitions.) The data for the six metropolitan areas within Puerto Rico are not included in the averages for all metropolitan areas.

Metropolitan and Primary Metropolitan Statistical Areas

San Jose, Calif., retained its position as the metropolitan area with the highest average annual pay (\$65,926), a position it has held since 1997. This area held this position despite experiencing the largest decline (-13.5 percent) in average annual pay among the 10 metropolitan areas with decreases in 2001. (See table 1.) Large declines in the information and manufacturing sectors contributed to this year's sharp decrease in San Jose. San Francisco, Calif., had the second highest average annual pay level (\$59,761), followed by New York, N.Y. (\$58,963), New Haven-Bridgeport-Stamford-Waterbury-Danbury, Conn. (\$52,177), and Middlesex-Somerset-Hunterdon, N.J. (\$49,830). Average pay levels in these five metropolitan areas ranged from 31 to 74 percent above the average for all metropolitan areas in the nation. Of the 318 metropolitan areas in the nation, 34 reported average annual pay levels above the national metropolitan pay average of \$37,897.

Jacksonville, N.C., had the lowest average annual pay among metropolitan areas in 2001 (\$21,393). The second lowest pay occurred in Brownsville-Harlingen-San Benito, Texas (\$22,146), followed by

Chart 1. Percent change in average annual pay within metropolitan areas, 1991-2001



McAllen-Edinburg-Mission, Texas (\$22,317), Yuma, Ariz. (\$22,482), and Myrtle Beach, S.C. (\$24,012). While the order of rankings has differed in prior years, these five metropolitan areas have had the lowest average annual pay since 1996. (Comparisons exclude areas within Puerto Rico.)

The largest percentage increase in average annual pay from 2000 to 2001 occurred in Lafayette, La. (8.1 percent). The next largest increase occurred in Dutchess County, N.Y. (7.4 percent). Four metropolitan areas reported 6.8 percent increases in average annual pay: Enid, Okla., Fresno, Calif., Odessa-Midland, Texas, and Pensacola, Fla.

In 2001, 90 metropolitan areas experienced less than average growth in average annual pay. Of these, 6 metropolitan areas had growth of approximately 1 percent and 13 metropolitan areas experienced growth of less than 1 percent; 1 metropolitan area reported no change in average annual pay. Two metropolitan areas reported declines of less than 1 percent in average annual pay, seven metropolitan areas reported declines of more than 1 percent but less than 10 percent, and one metropolitan area reported a decline of more than 10 percent.

Comparison of Metropolitan and Nonmetropolitan Areas

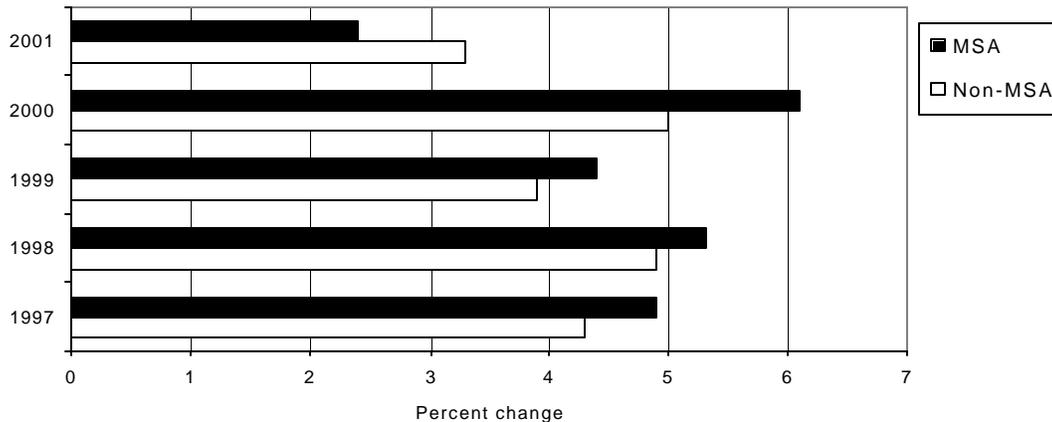
Average annual pay within the nation's nonmetropolitan areas rose by 3.3 percent in 2001, compared with 2.4 percent in metropolitan areas. (See chart 2.) This is the first time since 1994 that growth in total nonmetropolitan average annual pay outpaced that of metropolitan area average annual pay. (See Technical Note.) Average annual pay in nonmetropolitan areas in 2001 was \$28,190, up from \$27,303 in 2000. In 2001, nonmetropolitan average annual pay was 26 percent less than metropolitan average annual pay, a difference of \$9,707. This was approximately the same difference as in 2000.

Consolidated Metropolitan Statistical Areas

Average annual pay for the nation's 18 Consolidated Metropolitan Statistical Areas (CMSAs) rose by 1.8 percent from 2000 to 2001, from \$42,641 to \$43,424. (See table 2.) This was lower than the previous year's growth rate of 7.3 percent.

The San Francisco-Oakland-San Jose, Calif., consolidated metropolitan area again had the highest pay level, \$54,182. This CMSA has led the country in average annual pay among CMSAs since 1998. The second highest pay level was found in New York-Northern New Jersey-Long Island, N.Y.-N.J.-

Chart 2. Percent change in average annual pay in metropolitan and nonmetropolitan areas, 1997-2001



Conn.-Pa. (\$51,121), followed by Boston-Worcester-Lawrence-Lowell-Brockton, Mass.-N.H. (\$45,768), Washington-Baltimore, D.C.-Md.-Va.-W.Va. (\$44,242), and Seattle-Tacoma-Bremerton, Wash. (\$42,251).

Miami-Fort Lauderdale, Fla., had the lowest average annual pay level (\$34,304) of the consolidated metropolitan areas in the nation for the eighth consecutive year. Cleveland-Akron, Ohio, had the second lowest (\$34,945), followed by Milwaukee-Racine, Wis. (\$35,470), Cincinnati-Hamilton, Ohio-Ky.-Ind. (\$35,561), and Portland-Salem, Ore.-Wash. (\$36,111).

Among the consolidated metropolitan areas, the highest percentage increase in average annual pay from 2000 to 2001 was in Washington-Baltimore, D.C.-Md.-Va.-W.Va., at 5.0 percent. The next largest increases were in Houston-Galveston-Brazoria, Texas (4.4 percent), and Sacramento-Yolo, Calif. (4.1 percent). Three consolidated metropolitan areas reported increases in average annual pay of 3.0 percent: Miami-Fort Lauderdale, Fla., Milwaukee-Racine, Wis., and Philadelphia-Wilmington-Atlantic City, Pa.-N.J.-Del.-Md.

San Francisco-Oakland-San Jose, Calif., was the only consolidated metropolitan area that reported a decline in average annual pay in 2001, falling by 4.2 percent. This was attributed to the decline in average annual pay for the San Jose, Calif., MSA. The smallest percentage increases occurred in Detroit-Ann Arbor-Flint, Mich. (0.5 percent), Seattle-Tacoma-Bremerton, Wash. (0.6 percent), Portland-Salem, Ore.-Wash. (0.7 percent), Denver-Boulder-Greeley, Colo. (1.6 percent), and Boston-Worcester-Lawrence-Lowell-Brockton, Mass.-N.H. (1.7 percent).

Change in Industry Classification Systems

Beginning with the release of data for 2001, publications presenting data from the Covered Employment and Wages program use the 2002 version of the North American Industry Classification System (NAICS) as the basis for the assignment and tabulation of economic data by industry. NAICS is the product of a cooperative effort on the part of the statistical agencies of the United States, Canada, and Mexico. Due to differences in NAICS and SIC structures, industry data for 2001 are not comparable to the SIC-based data for earlier years.

NAICS uses a production-oriented approach to categorize economic units. Units with similar production processes are classified in the same industry. 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.

Data users will be able to work with new NAICS industrial groupings that better reflect the workings of the U.S. economy. For example, a new industry sector called *Information* brings together units which turn information into a commodity with units which distribute that commodity. *Information's* major components are publishing, broadcasting, telecommunications, information services, and data processing. Under the SIC system, these units were spread across the manufacturing, communications, business services, and amusement services groups. Another new sector of interest is *Professional and technical services*. This sector is comprised of establishments engaged in activities where human capital is the major input.

Users interested in more information about NAICS can access the Bureau of Labor Statistics Web page at <http://www.bls.gov/bls/naics.htm> and the U.S. Census Bureau Web site at <http://www.census.gov/epcd/www/naics.html>. The NAICS 2002 manual is available from the National Technical Information Service (NTIS) Web page at <http://www.ntis.gov>.

Average annual pay for 2001 and other data from the Covered Employment and Wages (CEW) program is available on the BLS Web site at http://www.bls.gov/cew/ .
--