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OCCUPATIONAL EMPLOYMENT AND WAGES IN ALLENTOWN, HARRISBURG, AND SCRANTON, PENNSYLVANIA, MAY 2006

Employment was more highly concentrated in 4 of the 22 major occupational groups including healthcare support and production in the Allentown-Bethlehem-Easton, Pa.-N.J.[1] Metropolitan Statistical Area (MSA) than in the nation. Seven other groups had significantly smaller presences in Allentown than nationwide, two of which were management and construction and extraction occupations, according to the U.S. Department of Labor's Bureau of Labor Statistics.

In the Harrisburg-Carlisle, Pa.[2] MSA, employment shares were significantly above their respective national averages in 6 of the 22 major occupational groups including office and administrative support and transportation and material moving, while 11 other groups had significantly smaller shares than they did nationwide, including production and construction and extraction.

Regional Commissioner Sheila Watkins noted that employment was more concentrated in the Scranton—Wilkes-Barre, Pa.[3] MSA than in the U.S. as a whole for 6 of 22 occupational groups including transportation and material moving and production occupations. Thirteen other occupational groups had measurably lower presences in Scranton than they did nationally, and as in Allentown, two such occupations were construction and extraction and management.

Workers in the Allentown area earned an average (mean) wage of $18.00 per hour in May 2006, significantly below the national average wage of $18.84 an hour. For the same period, workers in the Harrisburg area had an average hourly wage of $18.20, while workers in Scranton averaged $15.71; wages in both areas were also significantly below the national average. In both Allentown and Harrisburg, wage rates were significantly above the respective national averages for 2 of 22 major occupational groups: construction and extraction and production in Allentown, and farming, fishing, and forestry and production in Harrisburg. However, the Allentown area recorded wages significantly below the respective U.S. averages in 6 other categories, while the Harrisburg area recorded below-average wages in 11 categories. Wages in the Scranton area were significantly lower than those for the nation in 18 of 22 major categories, and not measurably different in the remaining 4 groups. (See table A.) Allentown, Harrisburg, and Scranton were chosen for comparison since they had workforces of similar size and were in close proximity to each other geographically.

These statistics are from the Occupational Employment Statistics (OES) survey, a federal-state cooperative program between BLS and State Workforce Agencies, in this case the Pennsylvania Department of Labor and Industry and the New Jersey Department of Labor and Workforce Development. The OES survey provides estimates of employment and hourly and annual wages for wage and salary workers in 22 major occupational groups and up to 801 non-military detailed occupations for the nation, states, and 409 metropolitan areas.

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[1] The Allentown-Bethlehem-Easton, Pa.-N.J. Metropolitan Statistical Area (MSA) reference in this release includes Carbon, Lehigh, and Northampton Counties in Pennsylvania and Warren County in New Jersey. For convenience, this area will be referred to as Allentown throughout this release.

[2] The Harrisburg-Carlisle, Pa. Metropolitan Statistical Area (MSA) includes Cumberland, Dauphin, and Perry Counties in Pennsylvania. For convenience, this area will be referred to as Harrisburg throughout this release.

[3] The Scranton—Wilkes-Barre, Pa. Metropolitan Statistical Area (MSA) includes Lackawanna, Luzerne, and Wyoming Counties in Pennsylvania. For convenience, this area will referred to as Scranton throughout this release.

Table A. Employment and wages by occupational group for the Allentown, Harrisburg, and Scranton metropolitan areas compared to the U.S. average, May 2006

Major occupational group	Employment share				Mean hourly wage			
	United States	Allentown	Harrisburg	Scranton	United States	Allentown	Harrisburg	Scranton
Management	4.4	3.3 *	3.3 *	3.0 *	$44.20	$41.74 *	$40.20 *	$35.50 *
Business and financial operations	4.4	4.1	6.5 *	3.1 *	28.85	27.75	26.46 *	23.14 *
Computer and mathematical	2.3	1.4 *	3.5 *	1.1 *	33.29	31.91	30.07 *	26.12 *
Architecture and engineering	1.8	1.8	1.5 *	1.2 *	31.82	34.50	28.09 *	26.27 *
Life, physical, and social science	0.9	0.6 *	0.7 *	0.5 *	28.68	27.93	26.01 *	24.20 *
Community and social services	1.3	1.3	1.7 *	1.7 *	18.75	18.63	18.03 *	15.36 *
Legal	0.7	0.4 *	1.0 *	0.5 *	41.04	31.88 *	34.23 *	27.20 *
Education, training, and library	6.2	6.6	4.9 *	5.5 *	21.79	21.80	22.61	21.48
Arts, design, entertainment, sports, and media	1.3	1.1	1.1 *	0.9 *	22.17	19.97	20.07 *	14.09 *
Healthcare practitioner and technical	5.1	5.9 *	5.5	6.6 *	29.82	31.19	27.41 *	25.35 *
Healthcare support	2.6	3.7 *	2.6	3.8 *	11.83	11.69	11.77	11.21 *
Protective service	2.3	1.8 *	1.7 *	1.8 *	17.81	16.86	17.81	16.19 *
Food preparation and serving related	8.3	8.3	8.2	8.5	8.86	8.55 *	8.62 *	8.36 *
Building and grounds cleaning and maintenance	3.3	3.3	2.9 *	3.0 *	10.86	11.05	10.67	10.30 *
Personal care and service	2.5	2.6	2.3	2.2 *	11.02	10.09 *	10.86	9.33 *
Sales and related	10.6	11.1	9.3 *	11.6 *	16.52	15.85	16.36	13.51 *
Office and administrative support	17.4	17.2	20.3 *	18.0	14.60	13.85 *	14.56	12.79 *
Farming, fishing, and forestry	0.3	0.1 *	0.1 *	0.1 *	10.49	12.52	14.27 *	10.30
Construction and extraction	5.0	4.1 *	3.2 *	3.5 *	18.89	20.37 *	18.12 *	18.72
Installation, maintenance, and repair	4.0	4.4	3.8	4.0	18.78	18.28 *	18.77	17.35 *
Production	7.7	8.7 *	5.7 *	9.7 *	14.65	15.43 *	15.79 *	14.41
Transportation and material moving	7.3	8.2 *	10.0 *	9.7 *	14.16	13.91	14.05	12.95 *

* = The employment share or mean hourly wage for this area is significantly different from the national average of all areas at the 90-percent confidence level.

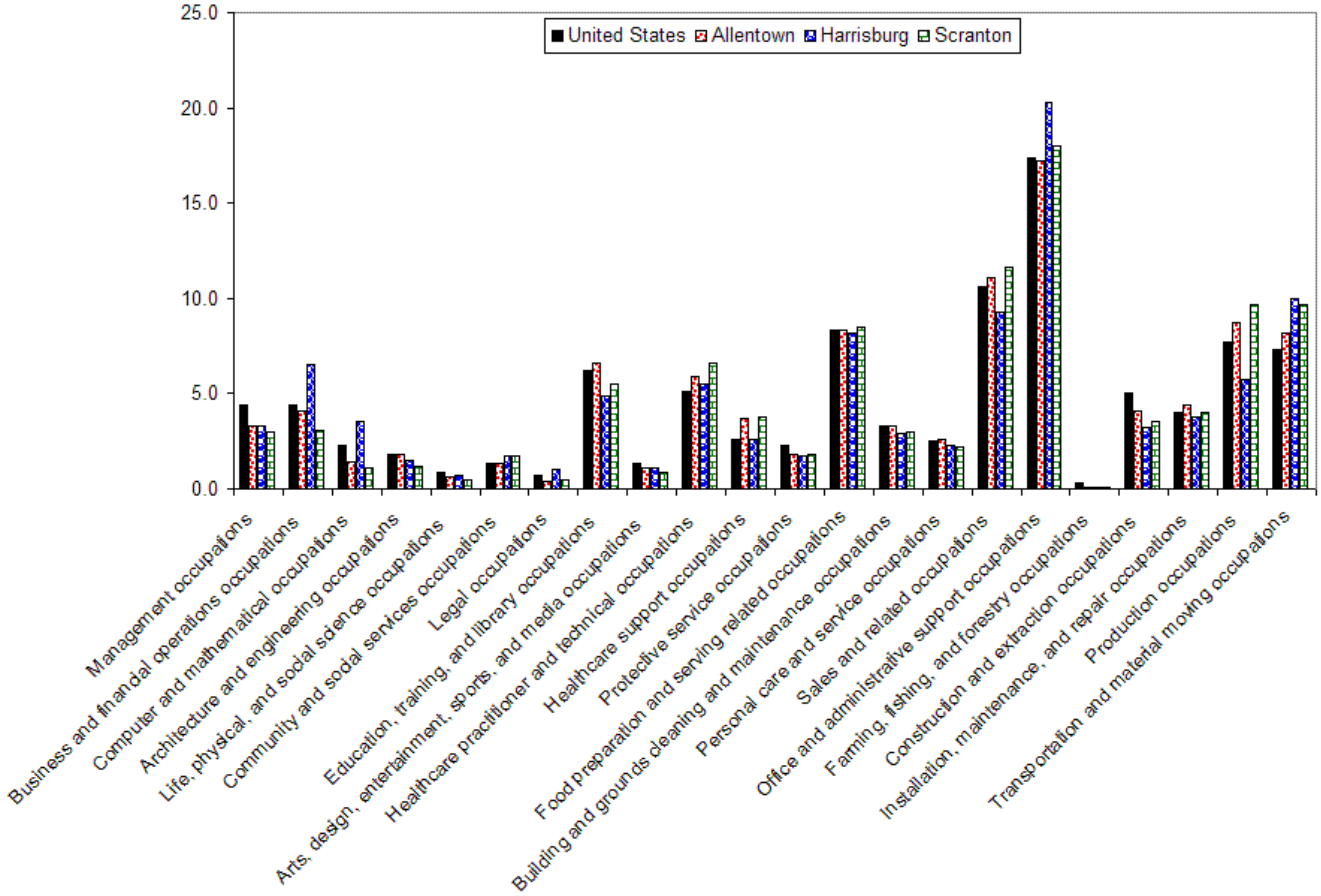
Occupational employment and wages in the Allentown metropolitan area

The largest occupational group in the Allentown area was office and administrative support with a total of 57,020 workers representing 17.2 percent of area employment. This group's share of local employment was not significantly different from the U.S. average of 17.4 percent; nationally, this was the largest occupational category. Sales and related jobs comprised the second-largest major occupation in the Allentown area with 36,880 workers and an 11.1-percent share of the local workforce, which was not significantly different from the 10.6-percent national share.

Allentown workers posted higher employment shares when compared to the nation in four occupational groups: healthcare support, production, transportation and material moving, and healthcare practitioner and technical occupations. For example, healthcare support workers had a higher employment share (3.7 percent) than did healthcare support workers at the national level (2.6 percent).

On the other hand, seven occupational groups in the Allentown area had significantly smaller presences when compared to the nation as a whole. Among these occupations were management; computer and mathematical; and construction and extraction. In the Allentown area, 3.3 percent of workers held management jobs, significantly below the U.S. average of 4.4 percent. Shares in computer and mathematical (1.4 percent) and construction and extraction (4.1 percent) jobs were significantly lower than the national shares of 2.3 and 5.0 percent, respectively.

Chart A. Employment distribution in the United States and the Allentown, Harrisburg, and Scranton metropolitan areas by major occupational group



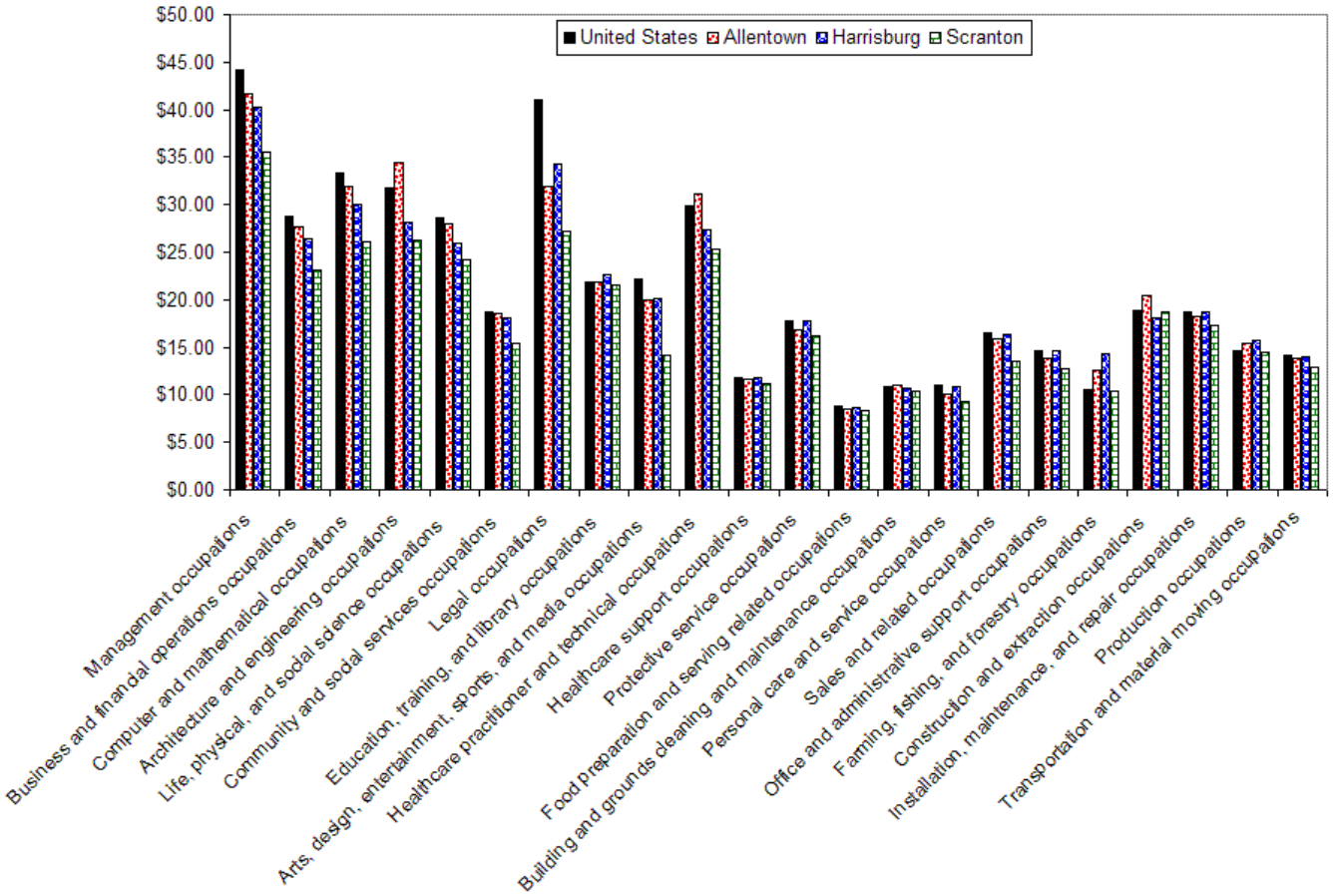
Management and architecture and engineering occupations were the two highest-paying occupational groups in the Allentown area, with management positions averaging $41.74 an hour and architecture and engineering, $34.50. (See chart B.) Management wages in Allentown were significantly lower than the U.S. hourly average of $44.20. The average hourly wage for architecture and engineering occupations in Allentown was not measurably different from the group's national average wage of $31.82.

Computer and mathematical ($31.91); legal ($31.88); healthcare practitioner and technical ($31.19); life, physical, and social science ($27.93); and business and financial operations ($27.75) were also among the highest-paying jobs in the Allentown area. The average hourly wage for legal occupations in Allentown was measurably lower than for the nation, while wages for the other four occupational groups were not significantly different from their respective nationwide levels. Food preparation and serving related workers were the lowest-paid group in Allentown at $8.55 an hour.

Occupational employment and wages in the Harrisburg metropolitan area

The largest occupational group in the Harrisburg area was office and administrative support with a total of 63,370 workers representing 20.3 percent of local area employment, significantly above the U.S. share of 17.4 percent. Transportation and material moving jobs were the second-largest major occupational grouping in the Harrisburg area with 31,120 workers and a 10.0-percent share of the local workforce, significantly above the national share of 7.3 percent for this group. Other occupational groups with an above-average presence included business and financial operations, computer and mathematical, and legal occupations.

Chart B. Average hourly wages in the United States and the Allentown, Harrisburg, and Scranton areas by major occupational group



Sales and related and food preparation and serving related jobs were among the larger occupational groups in Harrisburg, accounting for 9.3 and 8.2 percent of the workforce, respectively. The employment share for local food preparation and serving related workers was not measurably different from the national average of 8.3 percent; however, the local employment share of 9.3 percent for sales and related occupations was significantly below the U.S. average of 10.6 percent. Harrisburg also posted lower employment shares than the nation in ten other groups, including production; construction and extraction; and education, training, and library occupations.

The highest-paying occupational group in Harrisburg was management with an average hourly wage of $40.20. Legal occupations were also among the higher paid, averaging $34.23. The average wages for both groups were significantly lower in the Harrisburg area than for the nation. Other high-paying occupational groups with wages above $25.00 an hour in the Harrisburg area included computer and mathematical, architecture and engineering, healthcare practitioner and technical, and business and financial operations occupations. Wages for all of these groups were significantly below the corresponding national averages.

Food preparation and serving related workers were the lowest-paid occupational group in the Harrisburg area at $8.62 an hour.

Occupational employment and wages in the Scranton metropolitan area

The largest occupational group in Scranton was office and administrative support with 46,020 workers, or 18.0 percent of the Scranton workforce. The share of workers in office and administrative occupations in Scranton was not measurably different from the national average. Sales and related jobs comprised the second-largest major occupational grouping in the Scranton area with 29,680 workers or 11.6-percent of the local workforce, significantly higher than the group's 11.1-percent share nationwide.

In addition to the sales and related group, the transportation and material moving, production, healthcare practitioner and technical, healthcare support, and community and social services occupational groups all had above average employment shares in Scranton. In contrast, 13 occupational groups in the Scranton area had significantly smaller employment shares than in the nation as a whole. Among these groups were management; construction and extraction; business and financial operations; computer and mathematical; education, training, and library; and architecture and engineering occupations.

As in Harrisburg and Allentown, management was the highest paying occupation in Scranton with an average hourly wage of $35.50. Legal was the second highest-paying occupational group at $27.20. Local wages for both groups were significantly below their respective national averages. Architecture and engineering ($26.27), computer and mathematical ($26.12), and healthcare practitioner and technical ($25.35) were also among the better-paid occupations. All of these groups reported hourly wages significantly below their respective national averages.

The food preparation and serving related occupational group was the lowest paid in the Scranton area with average hourly wages of $8.36, significantly below the national average for this group.

OES wage and employment data for the 22 major occupational groups in the Allentown, Harrisburg, and Scranton metropolitan areas were compared to their respective national averages based on statistical significance testing. Only those occupations with wages or employment shares above or below the national wage or share after testing for significance at the 90-percent confidence level meet the criteria.

NOTE: A value that is statistically different from another does not necessarily mean that the difference has economic or practical significance. Statistical significance is concerned with the ability to make confident statements about a universe based on a sample. It is entirely possible that a large difference between two values is not significantly different statistically, while a small difference is, since both the size and heterogeneity of the sample affect the relative error of the data being tested.

Technical Note

The Occupational Employment Statistics (OES) survey is a semiannual mail survey measuring occupational employment and wage rates for wage and salary workers in nonfarm establishments in the United States. Guam, Puerto Rico, and the Virgin Islands also are surveyed, but their data are not included in this release. OES estimates are constructed from a sample of about 1.2 million establishments. Forms are mailed to approximately 200,000 establishments in May and November of each year for a 3-year period. The nationwide response rate for the May 2006 survey was 78.1 percent based on establishments and 73.4 percent based on employment. The survey included establishments sampled in the May 2006, November 2005, May 2005, November 2004, May 2004, and November 2003 semiannual panels. The sample in the Allentown metropolitan area included 3,091 establishments with a response rate of 75 percent. In the Harrisburg and Scranton metropolitan areas, the samples included 2,398 and 2,419 establishments, respectively, with response rates of 75 percent each.

The occupational coding system

The OES survey uses the Office of Management and Budget's (OMB) occupational classification system, the Standard Occupational Classification (SOC) system. The SOC system is the first OMB-required occupational classification system for federal agencies. The OES survey categorizes workers in 1 of 801 detailed occupations. Together, these detailed occupations make up 23 major occupational groups, 22 of which are covered in this release. The one exception is military specific occupations which are not included in the OES survey.

For more information about the SOC system, please see the Bureau of Labor Statistics (BLS) Web site at http://www.bls.gov/soc/.

The industry coding system

The OES survey uses the North American Industry Classification System (NAICS). For more information about NAICS, see the BLS Web site at http://www.bls.gov/bls/naics.htm.

Survey sample

BLS funds the survey and provides the procedures and technical support, while the State Workforce Agencies (SWAs) collect most of the data. BLS produces cross-industry and industry-specific estimates for the nation, states, and metropolitan statistical areas (MSAs). Industry-specific estimates are produced at the NAICS sector, 3-digit, 4-digit, and selected 5-digit industry levels. BLS releases all cross-industry and national estimates; the SWAs release industry-specific estimates at the state and MSA levels.

State Unemployment Insurance (UI) files provide the universe from which the OES survey draws its sample. Employment benchmarks are obtained from reports submitted by employers to the UI program. The OES survey sample is stratified by metropolitan and nonmetropolitan areas and industry. Samples selected in panels prior to May 2005 were stratified using MSA definitions based on the 1990 Metropolitan Statistical Area standards. Beginning with the May 2005 panel, the sample was stratified using new MSA definitions based on the 2000 Metropolitan Statistical Area standards.

Concepts

Occupational employment is the estimate of total wage and salary employment in an occupation across the industries surveyed. The OES survey defines employment as the number of workers who can be classified as full- or part-time employees, including workers on paid vacations or other types of paid leave; workers on unpaid short-term absences; salaried officers, executives, and staff members of incorporated firms; employees temporarily assigned to other units; and employees for whom the reporting unit is their permanent duty station regardless of whether that unit prepares their paycheck.

Wages for the OES survey are straight-time, gross pay, exclusive of premium pay. Base rate, cost-of-living allowances, guaranteed pay, hazardous-duty pay, incentive pay including commissions and production bonuses, tips, and on-call pay are included. Excluded are: back pay, jury duty pay, overtime pay, severance pay, shift differentials, non-production bonuses, employer cost for supplementary benefits, and tuition reimbursements.

Mean hourly wage. The mean hourly wage rate for an occupation is the total wages that all workers in the occupation earn in an hour divided by the total employment of the occupation. To calculate the mean hourly wage of each occupation, total weighted hourly wages are summed across all intervals and divided by the occupation's weighted survey employment. The mean wage for each interval is based on occupational wage data collected by the BLS Office of Compensation and Working Conditions for the National Compensation Survey (NCS).

Annual Wage. Many employees are paid at an hourly rate by their employers and may work more than or less than 40 hours per week. Annual wage estimates for most occupations in this release are calculated by multiplying the mean hourly wage by a "year-round, full-time" figure of 2,080 hours (52 weeks by 40 hours). Thus, annual wage estimates may not represent the actual annual pay received by the employee if they work more or less than 2,080 hours per year. Some workers typically work less than fulltime, year round. For these occupations, the OES survey collects and reports either the annual salary or the hourly wage rate, depending on how the occupation is typically paid, but not both. For example, teachers, flight attendants, and pilots may be paid an annual salary, but do not work the usual 2,080 hours per year. In this case, an annual salary is reported. Other workers, such as entertainment workers, are paid hourly rates, but generally do not work full time, year round. For these workers, only an hourly wage is reported.

Hourly versus Annual Wage Reporting. For each occupation, respondents are asked to report the number of employees paid within specific wage intervals. The intervals are defined both as hourly rates and the corresponding annual rates, where the annual rate for an occupation is calculated by multiplying the hourly wage rate by a typical work year of 2,080 hours. The responding establishment can reference either the hourly or the annual rate for full-time workers, but they are instructed to report the hourly rate for part-time workers.

Estimation methodology

Each OES panel includes approximately 200,000 establishments. The OES survey is designed to produce estimates using six panels (3 years) of data. The full six-panel sample of 1.2 million establishments allows the production of estimates at detailed levels of geography, industry, and occupation.

Wage Updating. Significant reductions in sampling errors are obtained by combining six panels of data, particularly for small geographic areas and occupations. Wages for the current panel need no adjustment. However, wages in the five previous panels need to be updated to the current panel’s reference period.

The OES program uses the BLS Employment Cost Index (ECI) to adjust survey data from prior panels before combining them with the current panel’s data. The wage updating procedure adjusts each detailed occupation’s wage rate, as measured in the earlier panel, according to the average movement of its broader occupational division. The procedure assumes that there are no major differences by geography, industry, or detailed occupation within the occupational division.

May 2006 OES survey estimates. The May 2006 OES survey estimates are based on all data collected from establishments in the May 2006, November 2005, May 2005, November 2004, May 2004, November 2003 semiannual samples.

Reliability of the estimates. Estimates calculated from a sample survey are subject to two types of error: sampling and nonsampling. Sampling error occurs when estimates are calculated from a subset (that is, a sample) of the population instead of the full population. When a sample of the population is surveyed, there is a chance that the sample estimate of the characteristic of interest may differ from the population value of that characteristic. Differences between the sample estimate and the population value will vary depending on the sample selected. This variability can be estimated by calculating the standard error (SE) of the sample estimate. If we were to repeat the sampling and estimation process countless times using the same survey design, approximately 90 percent of the intervals created by adding and subtracting 1.645 SEs from the sample estimate would include the population value. These intervals are called 90-percent confidence intervals. The OES survey, however, usually uses the relative standard error (RSE) of a sample estimate instead of its SE to measure sampling error. RSE is defined as the SE of a sample estimate divided by the sample estimate itself. This statistic provides the user with a measure of the relative precision of the sample estimate. RSEs are calculated for both occupational employment and mean wage rate estimates. Occupational employment RSEs are calculated using a subsample, random group replication technique called the jackknife. Mean wage rate RSEs are calculated using a variance components model that accounts for both the observed and unobserved components of the wage data. The variances of the unobserved components are estimated using wage data from the BLS National Compensation Survey. In general, estimates based on many establishments have lower RSEs than estimates based on few establishments. If the distributional assumptions of the models are violated, the resulting confidence intervals may not reflect the prescribed level of confidence.

Nonsampling error occurs for a variety of reasons, none of which are directly connected to sampling. Examples of nonsampling error include: nonresponse, data incorrectly reported by the respondent, mistakes made in entering collected data into the database, and mistakes made in editing and processing the collected data.

Additional information

The May 2006 OES national data by occupation, comparable to data in table 1, are available on the BLS Web site at http://www.bls.gov/oes/. Users also may access each occupation's definition and percentile wages. The May 2006 cross-industry data for states and metropolitan areas are also available on the BLS Web site, as are the industry staffing patterns at the sector, 3-, 4-, and selected 5-digit NAICS levels. These data include industry-specific occupational employment and wage data. A more detailed technical note for OES is available at http://www.bls.gov/news.release/ocwage.tn.htm.

OES information is available through our regional web page at http://www.bls.gov/ro3/home.htm. If you have additional questions, you can contact the Mid-Atlantic Information Office at 215-597-3282. 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.

More detailed Standard Occupational Classification (SOC) Major Groups for the Allentown, Harrisburg, and Scranton metropolitan areas are available on the Web site at http://www.bls.gov/oes/current/oessrcma.htm.