

**WAGE AND EMPLOYMENT STRUCTURE:
Comparing the Recent Trends Between Hawaii and the U.S.**



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PREFACE

This report provides a comparative analysis of recent trends on industry wages and employment between Hawaii and the U.S. as a whole. The report compares current employment structure and average wages by sector between Hawaii and the U.S., as well as changes in employment and wage structure between 1980 and 2004. This information can be useful in planning and development of workforce for high paying sectors and in identifying low-paying sectors that need attention to improve wages.

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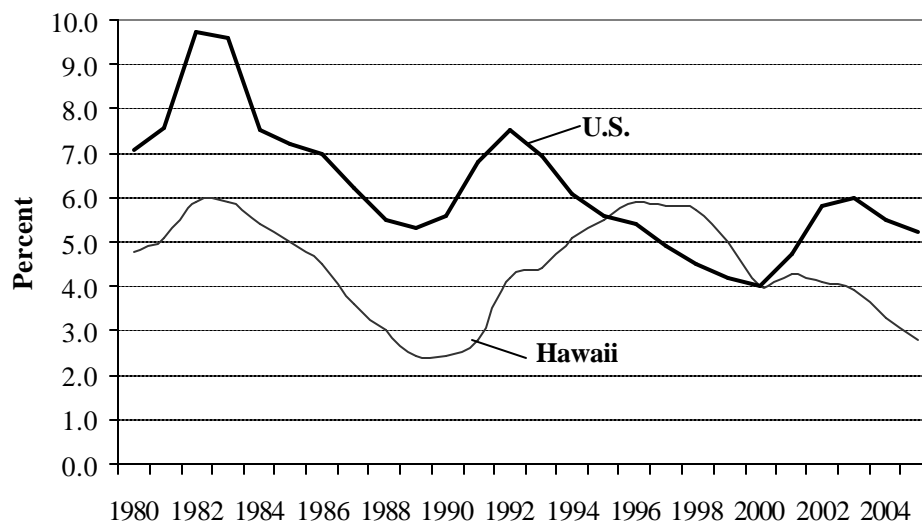
Wage and Employment Structure: Comparing the Recent Trends for Hawaii vs. the U.S.*

Background

Hawaii's economy went through stagnation during most of the second half of the 1990s, while the U.S. economy experienced a strong growth. However, in recent years, especially after the attacks of September 2001, Hawaii has outperformed the U.S. in terms of several key economic indicators.

The most notable indicators in which Hawaii has consistently outpaced the U.S. economy during the last 3–4 years are employment and income growth. For example, during 2001–2004, unemployment rates (not seasonally adjusted) averaged 3.9 percent for Hawaii, compared to 5.2 percent for the U.S. Through September 2005, the unemployment rates averaged 2.8 percent for Hawaii vs. 5.2 percent for the U.S. In contrast, in the 1996–1999 period, unemployment rates averaged 5.6 percent for Hawaii, compared to 4.8 percent for the U.S. During the first half of the 1990s and all of 1980s, Hawaii's unemployment rates were 2–3 percent lower than those for the nation (Figure 1).

Figure 1. Unemployment Rates (not seasonally adjusted), 1980-2005*



* All the data cited in this report are based on the State Annual Income and Employment Estimates from the Bureau of Economic Analysis Website: <http://www.bea.gov/bea/regional/statelocal.htm>.

The above differences in employment growth between Hawaii and the U.S. were also reflected in total personal and wage and salary incomes. During 2001–2004, in real terms total personal income increased at an annual rate of 3.1 percent for Hawaii, compared to just 1.4 percent for the U.S. (i.e., 5.4 percent and 3.6 percent, respectively, in nominal terms). During the first two quarters of 2005, nominal personal income increased 8.2 percent for Hawaii against a 6.4 percent increase for the U.S.

During 2001–2004, the total real wage and salary income increased annually at a 3.7 percent rate for Hawaii, against just 0.7 percent for the U.S. In nominal terms, total wage and salary income increased at an annual rate of 6.0 percent for Hawaii, compared to just 2.9 percent for the U.S.

In contrast, during the 1995–2000 period, the nation’s economy expanded at a much faster pace than Hawaii’s. For example, total real personal income grew at an annual rate of 3.9 percent for the U.S., compared to 1.9 percent for Hawaii. Similarly, total nominal personal income increased at the annual rates of 6.5 percent and 2.9 percent, respectively. In real terms, total wage and salary income expanded at an annual rate of 4.6 percent for the U.S., compared to 1.8 percent for Hawaii. In nominal terms, total wage and salary income rose 7.2 percent per annum for the U.S. vs. 2.8 percent for Hawaii (Figures 2 and 3).

Figure 2. Annual Growth in Real Total Personal Income, 1981-2004

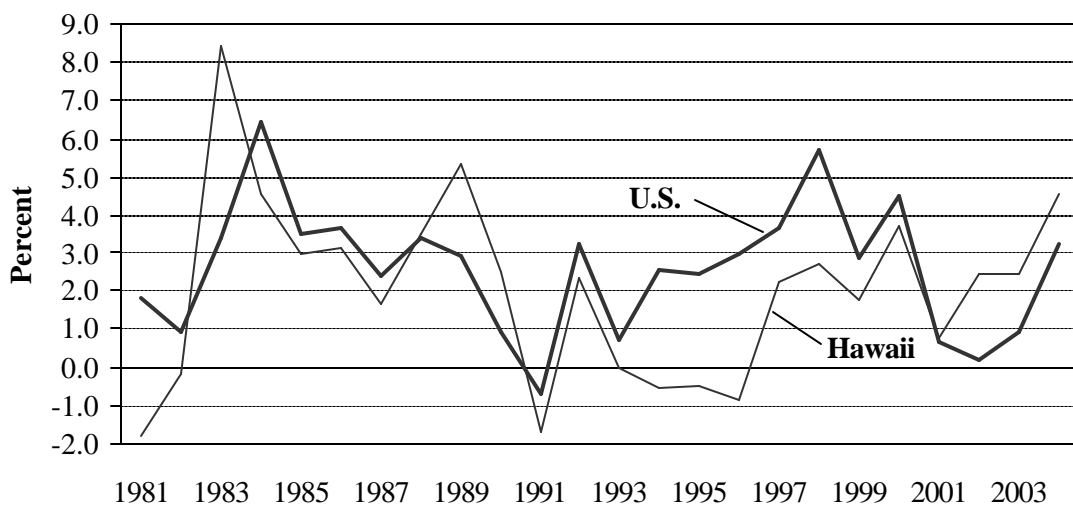
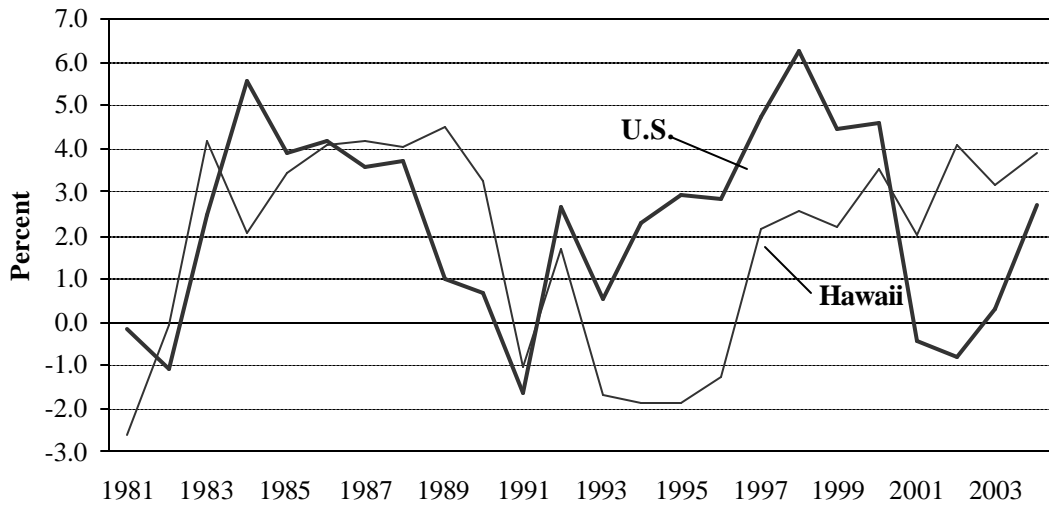


Figure 3. Annual Growth in Real Total Wage and Salary Income, 1981-2004



Composition of Total Personal Income

Total personal income is composed of net earnings from work, dividends, interest and rent, and personal current transfers. Net earnings (which is earnings by place of work adjusted for employer and employee contributions for government social insurance) is the largest component of total personal income. Based on the 2000–2004 data, net earnings accounted for 69 percent of total personal income for the U.S. and 70.4 percent for Hawaii. The share of earnings in total income has been relatively more stable for the U.S., while this has been more variable for Hawaii, with its magnitude tending to increase when the economy is strong and to decrease when the economy is weak (Figure 4). Dividends, interest and rent accounted for about 17 percent of total personal income for both the U.S. and Hawaii (Figure 5). Except for a couple of years between 1999 and 2002, the contribution of dividends, interest and rent to total personal income was generally smaller for Hawaii. Personal current transfers (formally known as transfer income) made up the remainder of total personal income. Both for the U.S. and for Hawaii, the share of dividends, interest and rent in total personal income has declined, while the share of personal current transfers has increased in recent years.

Figure 4. Share of Net Earnings in Total Personal Income, 1980-2004

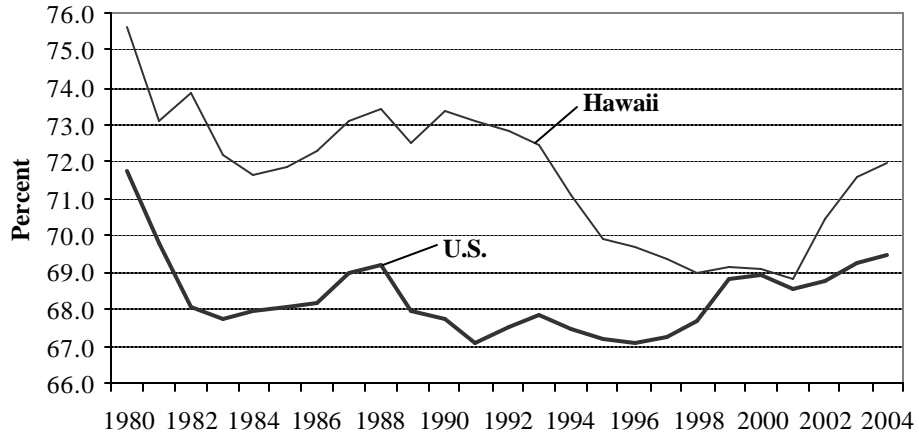


Figure 5. Share of Dividends, Interest and Rent in Total Personal Income, 1980-2004

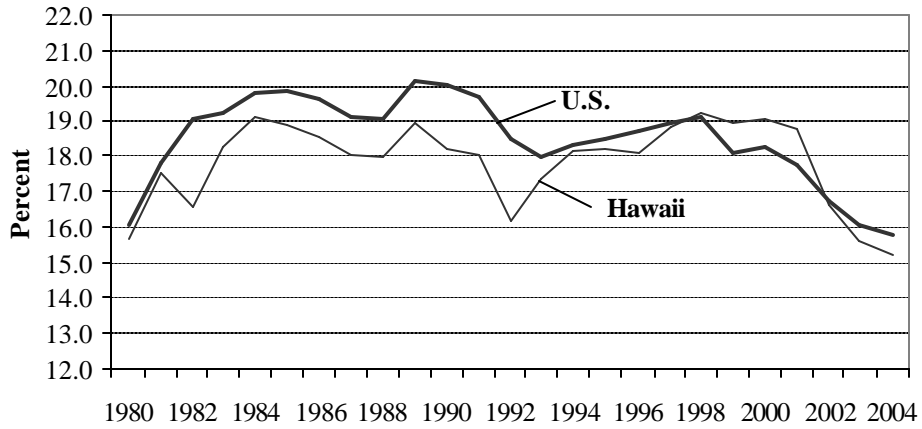
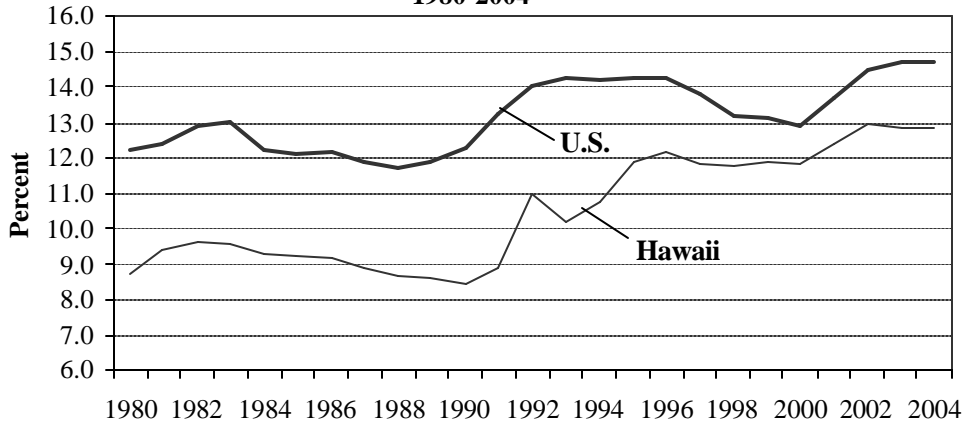


Figure 6. Share of Current Transfers in Total Personal Income, 1980-2004



Wage and Salary Employment and Wages

Because of changes in the industry classification system, wage and salary employment by industry are analyzed in two periods using the two different industry classification systems. The first period is from 1980 to 2000 for which employment patterns by industry are analyzed using the Standard Industry Classification (SIC) system. The second period covers the period from 2001 to 2004 for which analyses are based on the North American Industry Classification (NAIC) system. In this section, Hawaii and the U.S. are compared in terms of distributions of total wage and salary jobs, as well as average wages by sector.

Employment

Between 1980 and 2004, total wage and salary employment for the U.S. expanded by 40.9 million (i.e., a total increase of 41.8 percent for the period or 1.5 percent increase per annum). For Hawaii, total wage and salary jobs increased by 164 thousand for the same period (i.e., an increase of 32.8 percent over that period or an annual increase of 1.2 percent).

During 1980–2000, the U.S. industries added a total of 43.9 million and lost 2.8 million wage and salary jobs, with a net gain of 41.1 million jobs. This is a 42 percent increase for the period (i.e., an increase of 1.8 percent per annum). For the same period, the Hawaii industries added a total of 143.6 thousand and lost 12.1 thousand wage and salary jobs, with a net gain of 131.5 thousand jobs. The total wage and salary job count for Hawaii in 2000 was 26 percent higher than that in 1980 (i.e., an annual increase of 1.2 percent).

Trade was the largest contributor (23 percent) to total wage and employment added by the U.S. industries during 1980–2000, followed by education and health (18 percent), and business services (16 percent). For Hawaii, education and health added most (25 percent) wage and salary jobs, followed by trade (22 percent), and hospitality services (15 percent).

Of total jobs lost in the U.S. during 1980–2000, manufacturing accounted for more than two-thirds (67 percent), followed by mining (18 percent), and farming (15 percent). Among the Hawaii industries that lost jobs included manufacturing and farming, accounting, respectively, for 54 percent and 37 percent of total jobs lost in that period.

During 2001–2004, the nation's industries added a total of 3.03 million and lost 3.08 million wage and salary jobs, with a net loss of 50 thousand jobs for the period. Nearly 75 percent of these job additions occurred in the services sector, followed by government (16 percent), and

finance, insurance and real estate (6 percent). Once again, manufacturing accounted for the largest proportion (74 percent) of total jobs lost by the U.S. industries during the 2001–2004 period, followed by information (17 percent), and trade (6 percent).

During 2001–2004, Hawaii’s industries added more than 30 thousand and lost a little over two thousand wage and salary jobs, with a net increase of 28 thousand wage and salary jobs or an annual gain of 1.4 percent for the period. As for the nation, most of the jobs added in Hawaii were also in the services sector (63 percent), followed by mining and construction (18 percent), and government (14 percent).

A more detailed analysis of wage and salary employment data by industry would provide useful insights into the changes in the industry structure of an economy over time. Comparing the data between 1980 and 2000, both in the U.S. and Hawaii the share of services-producing sectors in total wage and salary employment has increased, while that of goods-producing sectors (i.e., manufacturing and farming) has decreased.

For example, the share of services sector in total wage and salary employment in the U.S. increased from 20 percent in 1980 to 30 percent in 2000. For Hawaii, the services share increased from 22 percent to 31 percent. On the other hand, manufacturing share in total wage and salary employment decreased from 21 percent to 13 percent for the U.S. and from about 5 percent to 3 percent for Hawaii. The farm share in total wage and salary employment in 2000 decreased to about half of that in 1980 both for the U.S. and Hawaii. The government contribution also experienced a slight decline, primarily due to the relative decline in the federal military government. Distributions of total wage and salary jobs by SIC sector for 1980 and 2000 are shown in Figures 7 and 8.

As can be seen from Figures 7 and 8, except for government and manufacturing, industries’ contributions to total wage and salary employment are more or less similar for the U.S. and Hawaii. The share of government in total wage and salary employment is much higher in Hawaii than in the U.S. While the state and local government share in total employment is similar and had remained steady at 12–13 percent, the federal government share is much higher in Hawaii although its share had declined over time. For example, in 1980, the federal government accounted for about 21.7 percent of total wage and salary jobs in Hawaii, compared to just 6.1 percent for the U.S. These figures were 13.1 percent vs. 3.6 percent in 2000. In contrast, the U.S. manufacturing share in total employment is 4–5 times higher than Hawaii’s.

Figure 7. Distribution of Wage and Salary Jobs by SIC Sector, 1980

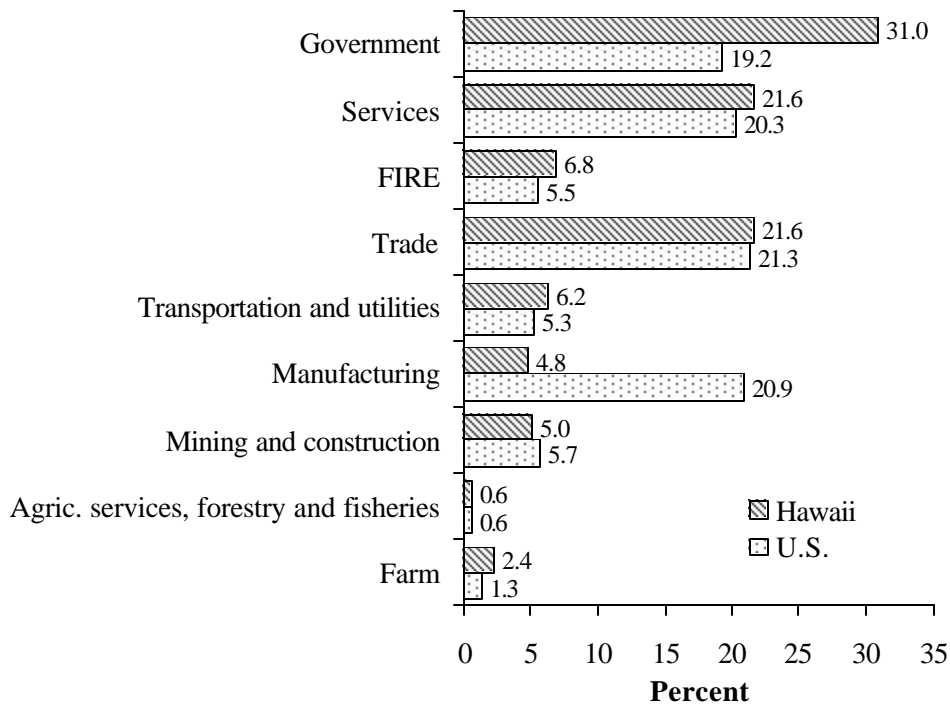


Figure 8. Distribution of Wage and Salary Jobs by SIC Sector, 2000

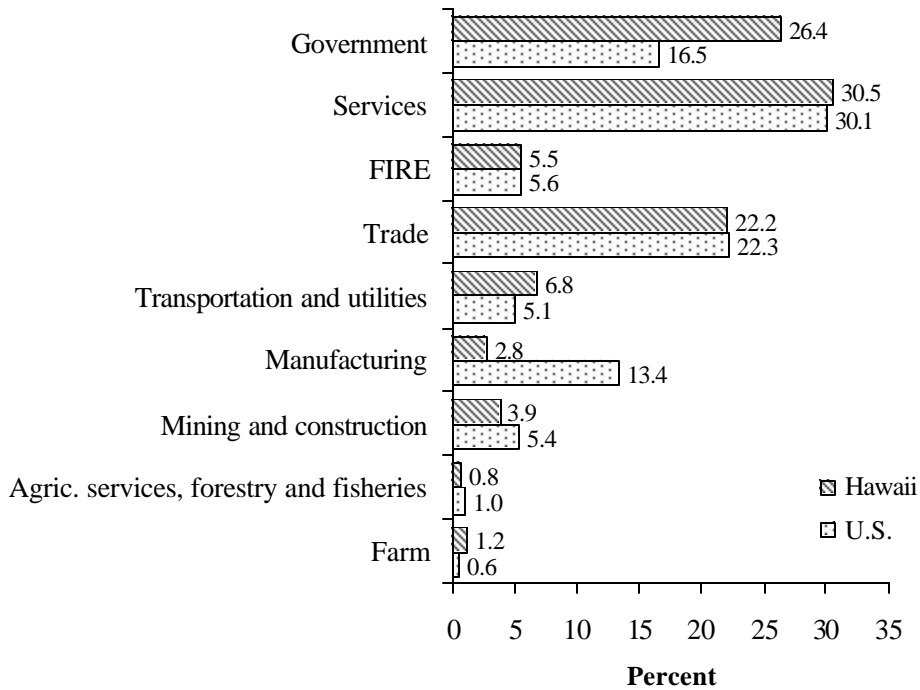


Figure 9. Distribution of Wage and Salary Jobs by NAICS Sector, 2004

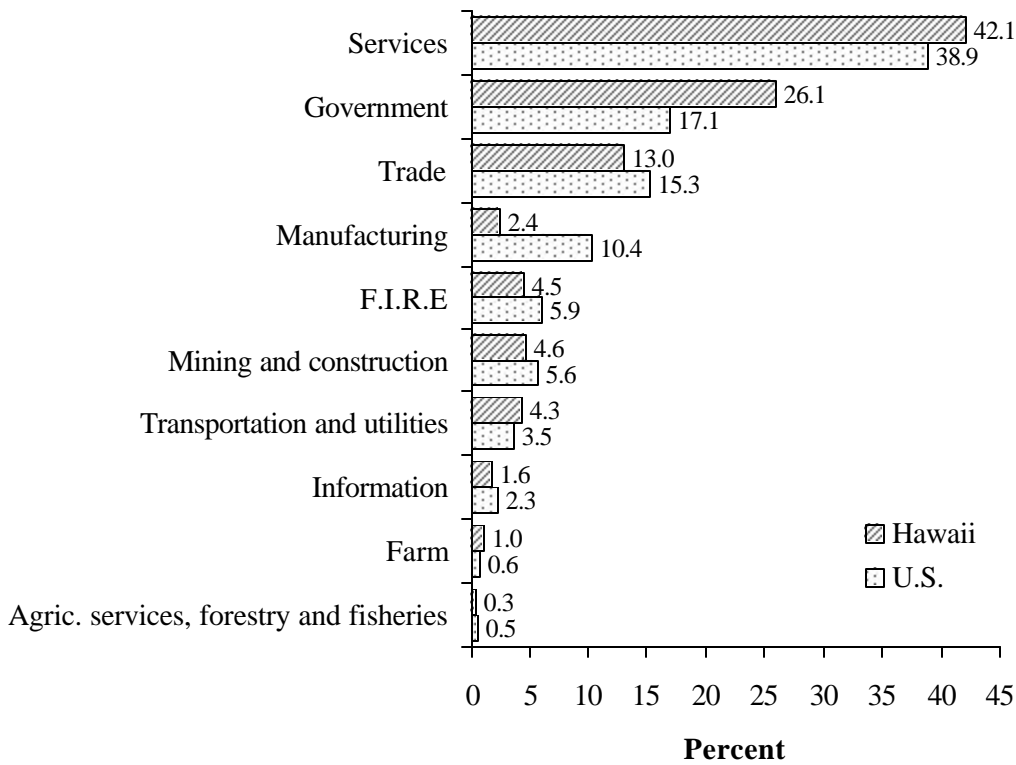


Figure 9 compares industries' share in total wage and salary employment for the U.S. and Hawaii for 2004. The 2004 industry grouping is based on the NAIC system. Except for a few sectors, the sectoral contributions to total wage and employment based on the NAIC system in 2004 (Figure 9) are quite similar to those based on the SIC system in 2000 (Figure 8). The contribution of services sector to total wage and salary employment under the NAIC system is much larger than that under the SIC system. Similarly, the contribution of trade under the NAIC system is smaller than that under the SIC system. This is mainly because of the shift of eating and drinking activities from retail trade under the SIC system to services (i.e., food services) under the NAIC system. Similarly, because of the shift of the communication component of the utilities sector under the SIC system to a new, separate information sector under the NAIC system, the transportation and utility share in total employment decreased in 2004.

Figure 10 shows cumulative changes in wage and salary employment by sector between 1980 and 2000. Accordingly, from 1980 to 2000, agricultural services, fishery and forestry and related activities experienced the highest rate growth in wage and salary employment both for the U.S. and Hawaii, with a cumulative increase of 158 percent and 83 percent, respectively. The services sector experienced the next largest increase in wage and salary employment, growing at 110 percent for the U.S. and 79 percent for Hawaii. Trade, transportation and utilities, finance, insurance and real estate (F.I.R.E.), and government also experienced notable job growth between 1980 and 2000. Interestingly, mining and construction employment also increased significantly in the U.S., while it experienced a slight decline in Hawaii.

Only two sectors with a significant job decline during 1980–2000 were farming and manufacturing (Figure 10). Farm employment decreased 37 percent for Hawaii and 32 percent for the U.S. Similarly, manufacturing employment declined 27 percent and 9 percent, respectively.

Changes in wage and salary employment during 2001–2004 are shown in Figure 11. There are several notable differences in wage and salary employment growth between the two periods, as well as between the U.S. and Hawaii.

Agricultural services, fishery and forestry employment decreased during 2001–2004 despite its tremendous increase during 1980–2000. Farm and manufacturing employment continued to decline both in the U.S. and Hawaii. However, the rates of decline were lower for Hawaii than the U.S. during 2001–2004. These declines were much higher for Hawaii during 1980–2000. Besides farming, manufacturing and agricultural services, the information sector also experienced a significant decline in wage and salary employment during 2001–2004 both for the U.S. and Hawaii. Trade and transportation and utilities showed mixed patterns during 2001–2004, with their employment showing some increases for Hawaii and declines for the U.S. Both of these sectors experienced a substantial employment growth during 1980–2000.

Industries featuring a positive job growth both for the U.S. and Hawaii during 2001–2004 included services, government, F.I.R.E., and construction. Except for the construction sector in Hawaii, all these sectors also experienced a significant job growth during 1980–2000. Although wage and salary employment in construction in Hawaii increased nearly 20 percent during 2001–2004, it had decreased during 1980–2000.

Figure 10. Cumulative Job Growth During 1980-2000 by SIC Sector

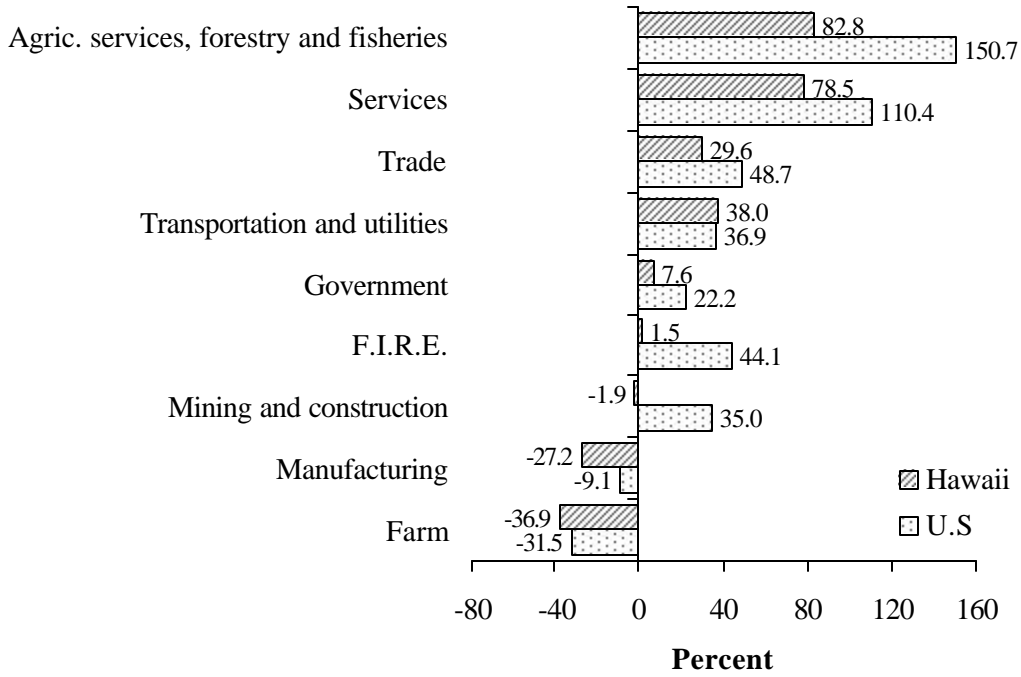
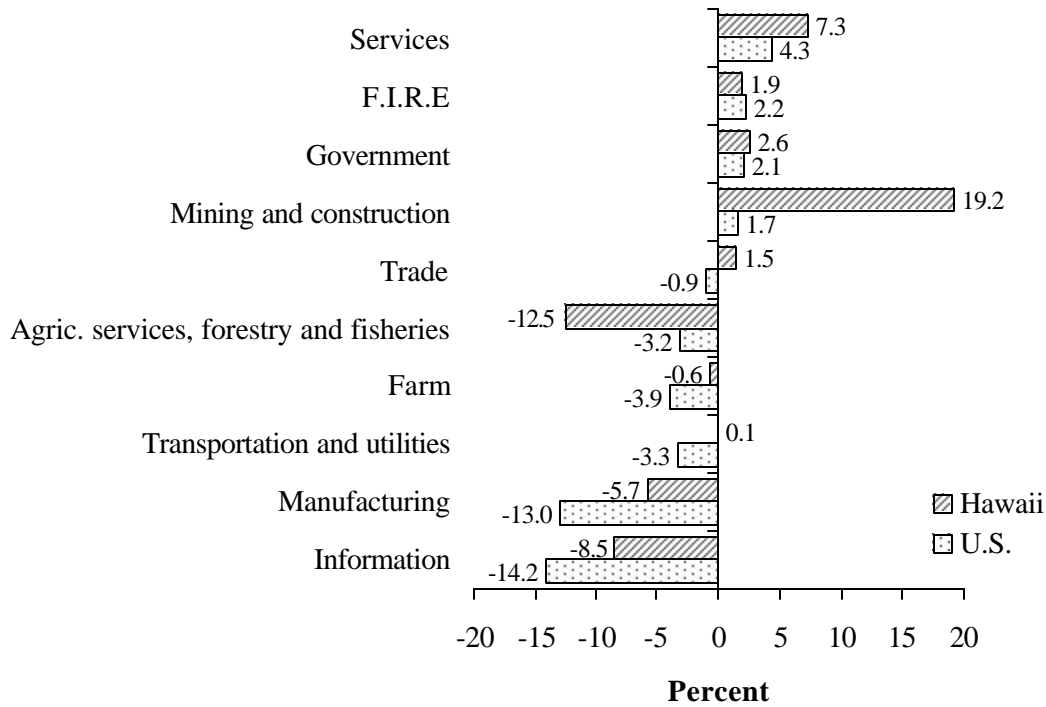


Figure 11. Cumulative Job Growth from 2001 to 2004 by NAICS Sector



Average Wages

For the U.S, the aggregate nominal wage (which is computed as the ratio between total wage and salary disbursements and total wage and salary employment) increased from \$14,000 in 1980 to about \$38,800 in 2004, while for Hawaii it increased from \$13,400 to about \$35,800. These figures translate to cumulative increases of 177 percent and 167 percent and annual increases of 4.3 percent and 4.2 percent, respectively. In real terms (in 2000 dollars), the average wage for the U.S. increased 21 percent to about \$35,400 in 2004 (or 0.8 percent annual increase from 1980). The average real wage for Hawaii in 2004 was about \$33,100, a 16 percent higher than in 1980 (or 0.6 percent annual increase). Figure 12 compares the average nominal wages and their annual changes between the U.S. and Hawaii, while Figure 13 compares real wages.

As can be seen from the figures, the wage gap between the U.S. and Hawaii has widened over time, especially the gap in real wage. The pattern of annual changes in wages is very similar to that for employment, as discussed in the previous section. During 2001–2004, the average nominal wage in Hawaii increased at a much faster rate of 4.8 percent per annum compared to a 2.9 percent growth rate for the U.S. In the same period, the real wages increased 2.2 percent and 0.7 percent, respectively. This pattern was quite opposite for the 1995–2000 period in which average wages rose much faster for U.S. For example, during 1995–2000 the nominal wage increased at an annual rate of 4.8 percent for the U.S. vs. 2.4 percent for Hawaii. Real wages increased at the annual rates of 2.3 percent and 1.4 percent, respectively.

Figure 12. Annual Growth and Level of Average Nominal Wage, 1980-2004

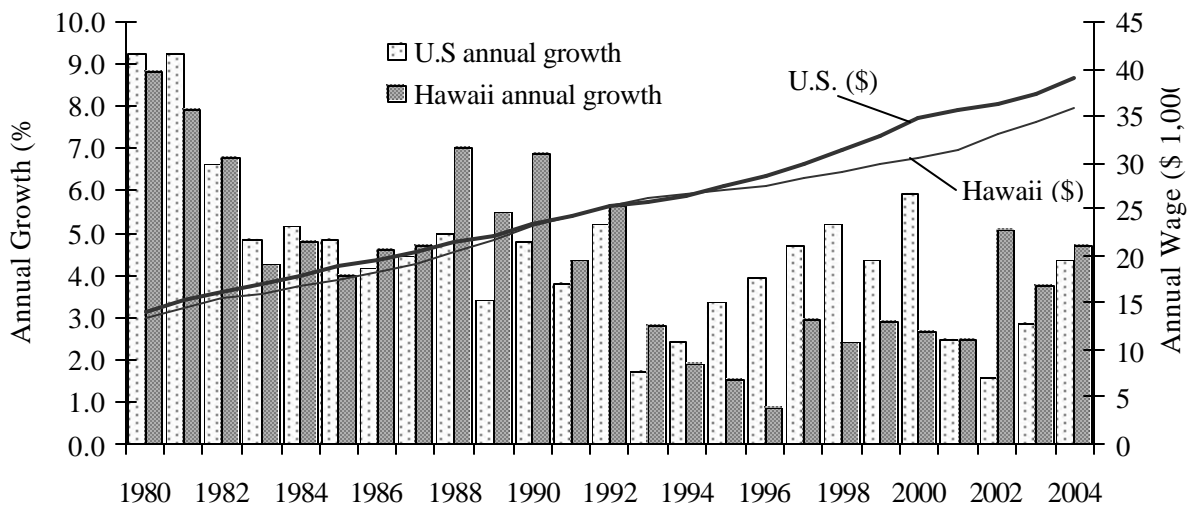
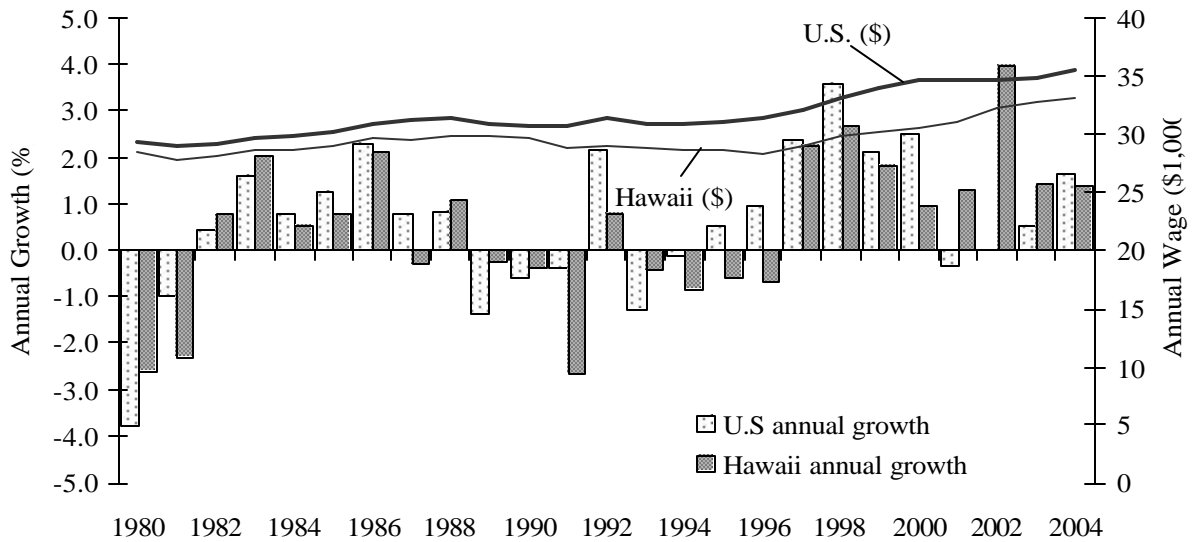


Figure 13. Annual Growth and Level of Average Real Wage, 1980-2004



Wages by Sector

Figure 14 compares the average nominal wages by SIC sector between the U.S. and Hawaii for 1980 and Figure 15 provides the same information for 2000. These figures provide several interesting insights as to how Hawaii differs from the U.S. with respect to levels of wages by industry, as well as how these differences have changed over time.

Among the nine industries considered for comparison, in 1980, five industries (viz., farming, agricultural services, forestry and fishery, mining and construction, services, and government) had higher wages for Hawaii, while four sectors (viz., manufacturing, transportation and utilities, trade, finance, insurance, and real estate) had higher wages for the U.S. This was also true for 2000 with one exception. In 1980, wages in services were higher for Hawaii, but this reversed in 2000. It is noteworthy that, except for farming and government, the wage gap between the U.S. and Hawaii has increased for all sectors, especially in those sectors where Hawaii wages are lower than those for the U.S.

As shown in Figure 16, both for the U.S and Hawaii, F.I.R.E. had the highest rate of annual increase in nominal wages during 1980–2000 (6.8 and 5.3 percent, respectively). Other sectors with more than 5 percent growth in nominal wages included farming (5.7 percent) and services (5.1 percent) in the U.S. Among the sectors that had the lowest annual growth in nominal wages in that period were transportation and utilities (3.5 percent) and farming (3.6 percent) in Hawaii, mining and construction (3.7 percent) in the U.S., and trade (3.9 percent) in Hawaii.

Figure 14. Average Nominal Wages by SIC Sector, 1980

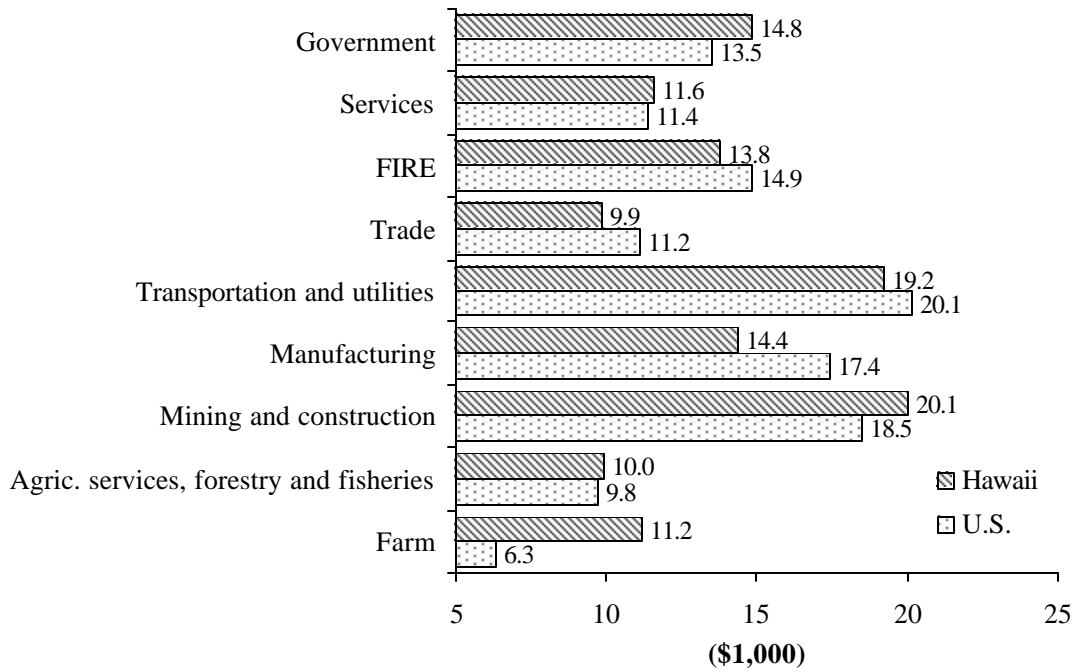


Figure 15. Average Nominal Wages by SIC Sector, 2000

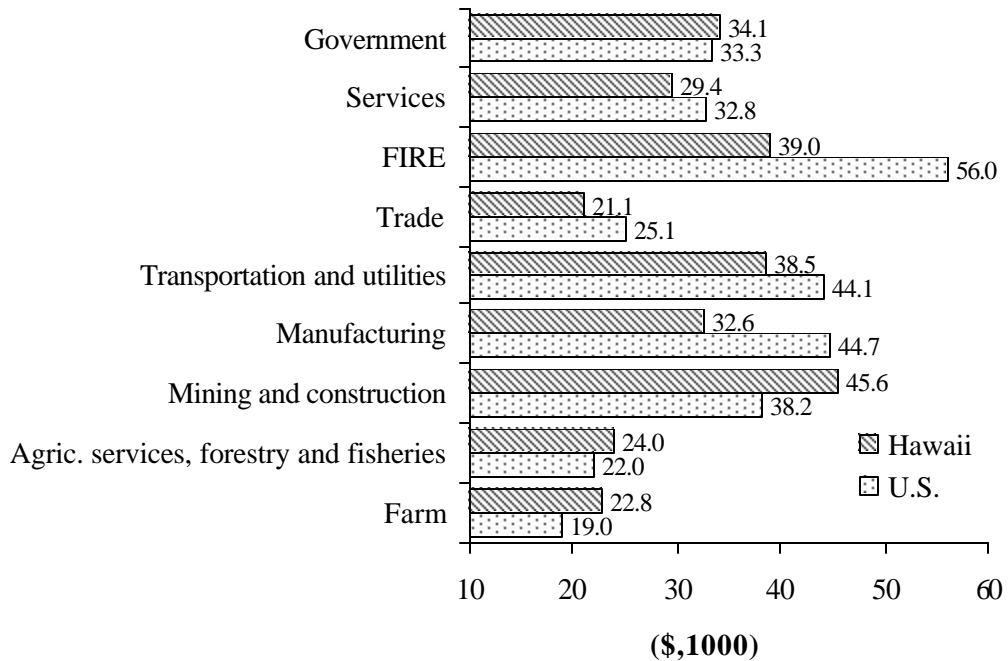


Figure 16. Average Annual Growth in Nominal Wage During 1980-2000 by SIC Sector

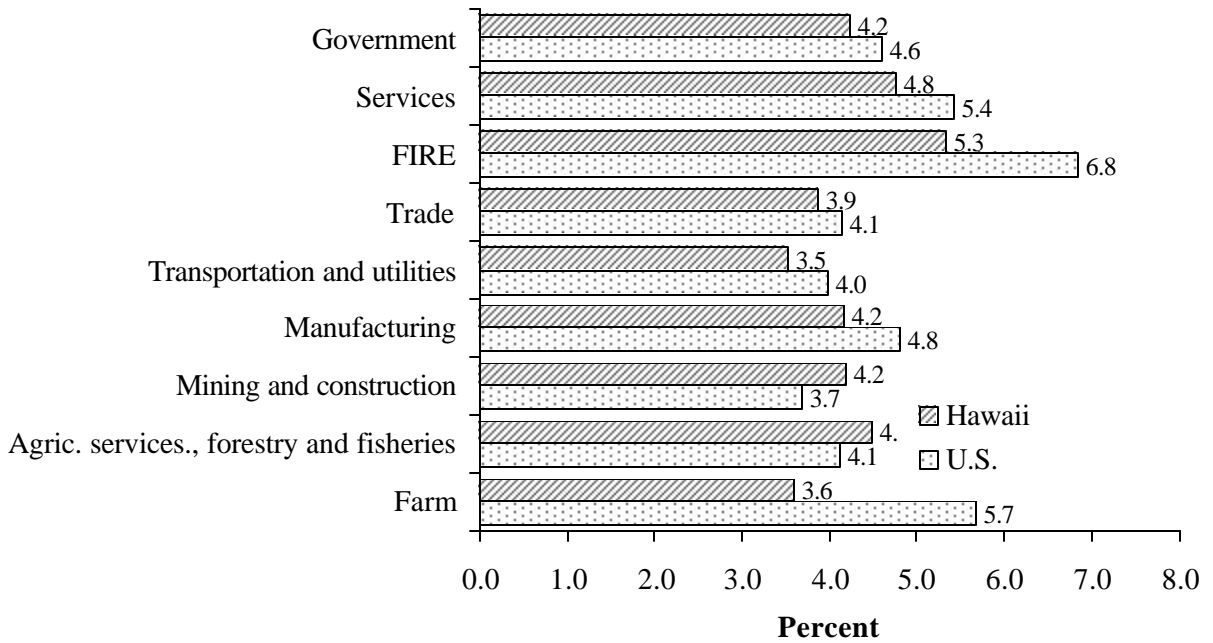
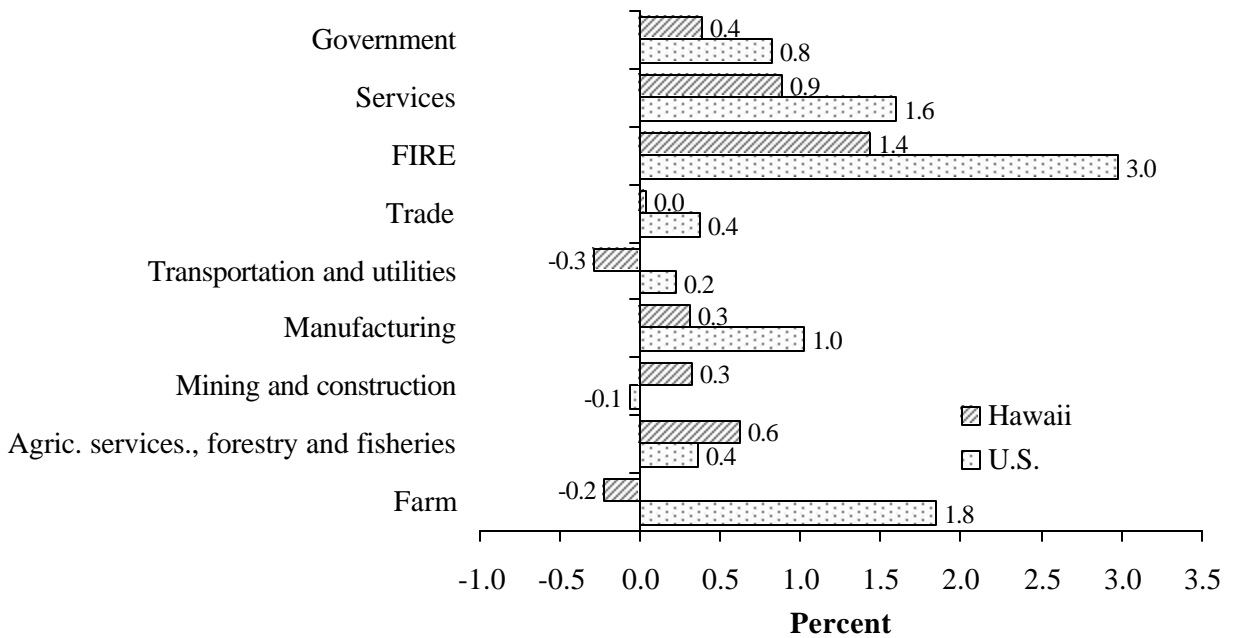


Figure 17. Average Annual Growth in Real Wage During 1980-2000 by SIC Sector



Although annual growth in nominal wages were positive for all sectors both for Hawaii and the U.S. during 1980–2000, annual growth in real wages were negative for transportation and utilities (–0.3 percent) and farming (–0.2 percent) in Hawaii, as well as mining and construction (–0.1 percent) in the U.S. (Figure 17).

Average nominal wages by NAICS sector for 2001 and 2004 are shown in Figures 18 and 19. Although the industry aggregation changed from the SIC system for 1980–2000 to the NAIC system for 2001–2004, with some interesting exceptions wage differences between the U.S. and Hawaii continued to follow the earlier trend for most industries.

In terms of average nominal wages, the U.S. continued to dominate Hawaii in several sectors, including manufacturing, information, F.I.R.E., trade, and to a lesser extent services and transportation and utilities. On average, Hawaii continued to dominate the nation in mining and construction, government and farm wages, although the gap in farm wages considerably narrowed in recent years compared to that in the 1980s.

The agricultural services, fishery and forestry wages used to be higher in Hawaii, but this trend has switched in 2004 with the U.S. overtaking Hawaii for that year. Annual growth rates in wages by sector for the 2001–2004 period are compared in Figures 20 and 21. For most sectors, Hawaii wages have increased at much faster rates than those for the U.S during 2001–2004. It was other way around for the 1980–2000 period.

Except for the agricultural services, forestry and fishery sector in Hawaii, all sectors showed positive growth in nominal wages during 2001–2004. In real terms, transportation and utilities wages in Hawaii and mining and construction wages in the U.S. also had negative growth for that period. For Hawaii, F.I.R.E. had the largest growth in wages, followed by government and services. For the U.S., the farm sector showed the largest growth in wages, followed by government, and manufacturing.

Figure 18. Average Nominal Wage by NAICS Sector, 2001

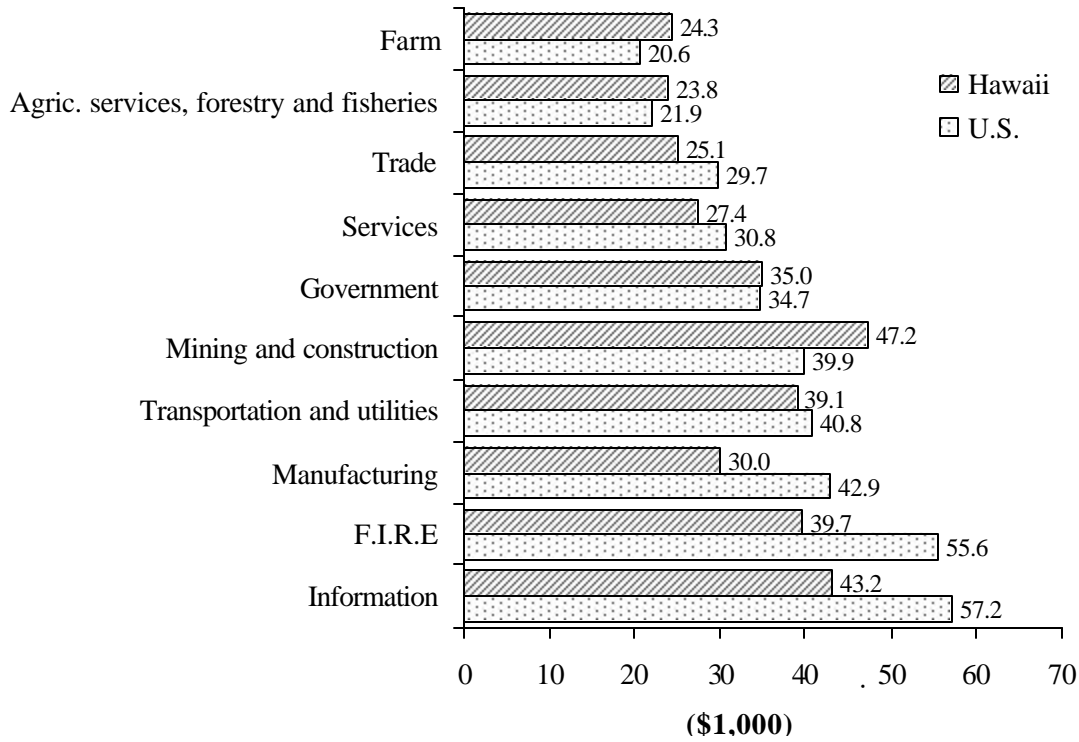


Figure 19. Average Nominal Wage by NAICS Sector, 2004

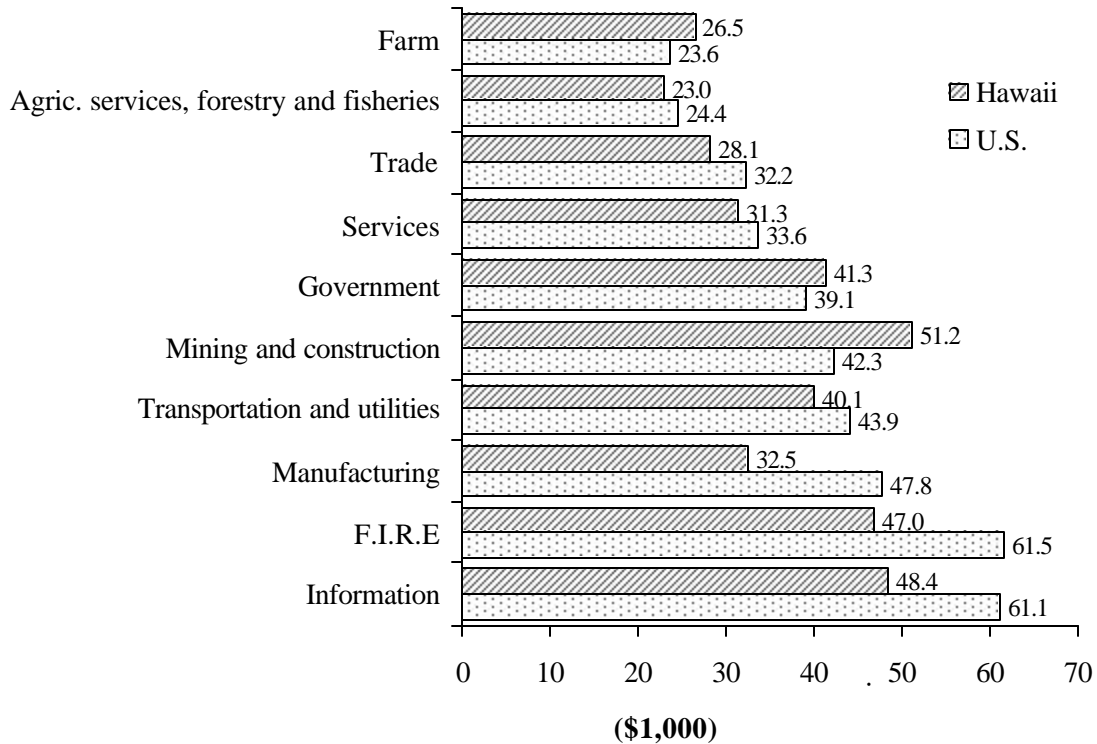


Figure 20. Average Annual Growth in Nominal Wage Between 2001 and 2004 by NAICS Sector

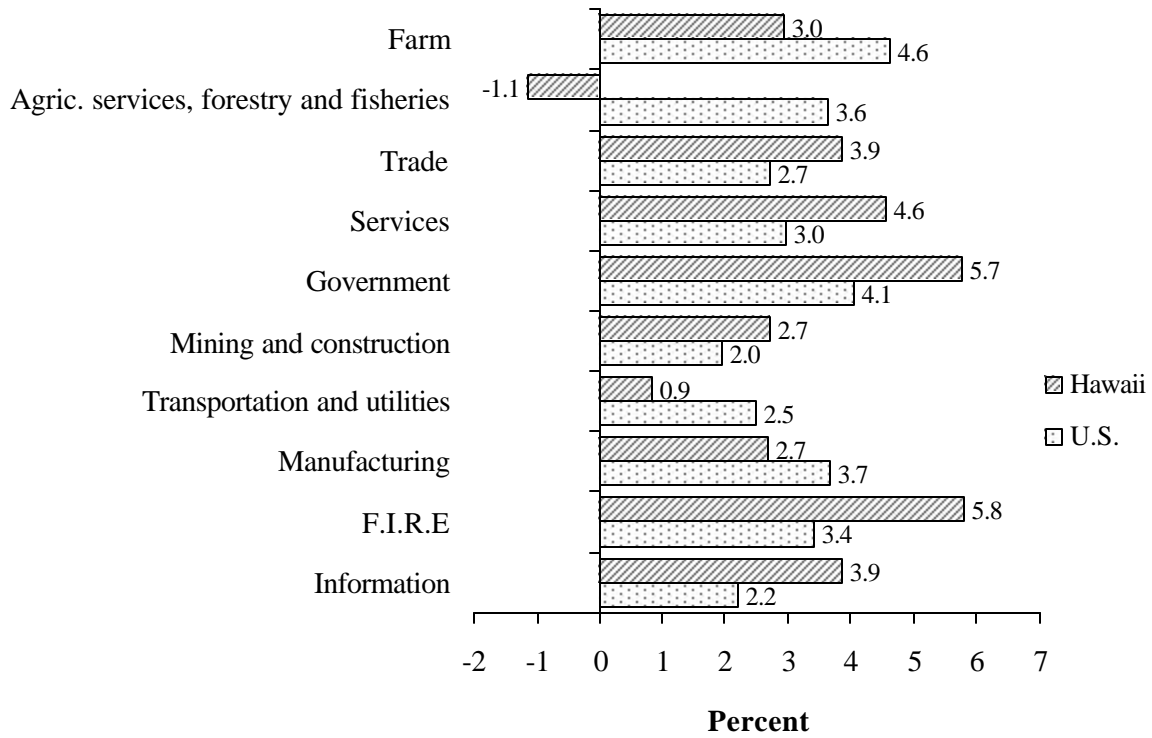
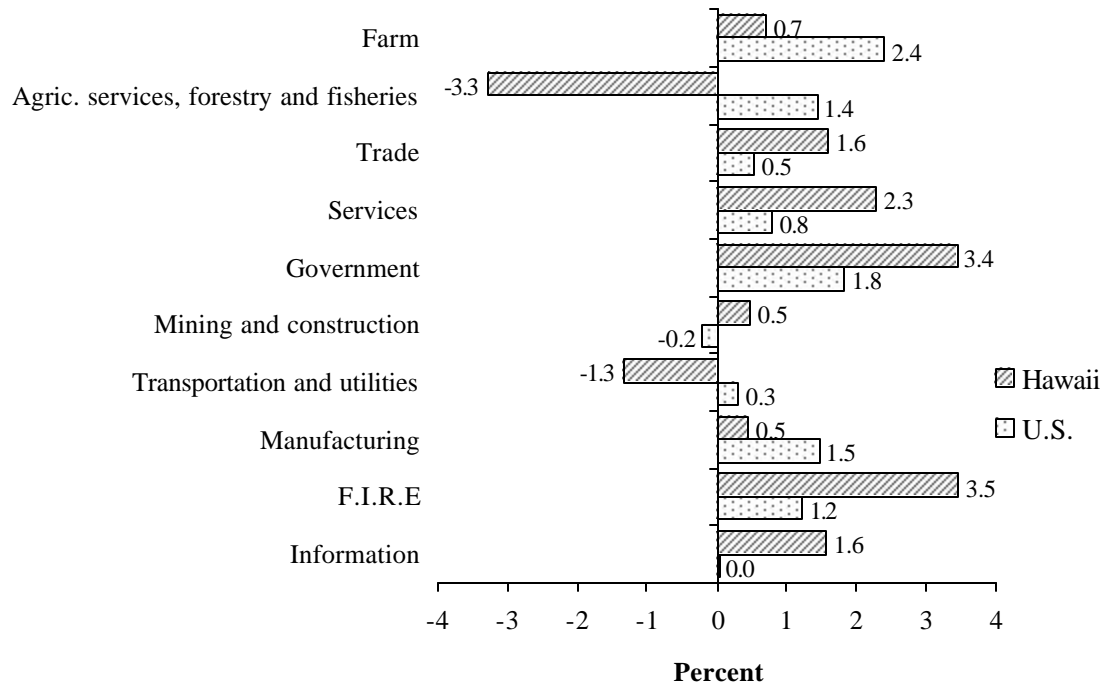


Figure 21. Average Annual Growth in Real Wage Between 2001 and 2004 by NAICS Sector



Hawaii Ranking of Wages by Sector

Based on the 1980, 2000 and 2004 data on average nominal wages by sector, Hawaii was ranked amongst all the states in the U.S. These results are provided in Tables 1–3. In terms of average wages for all sectors combined, Hawaii moved slightly up from the 26th position in 1980 to the 23rd position in 2004.

Except for a few industries, the Hawaii rankings in wages by sector have remained relatively robust over time. In all three years considered for comparison, Hawaii ranked number two in federal military wages after Virginia. The other sectors where Hawaii workers have been paid consistently higher wages than those from most other states included the two key tourism-dependent sectors, namely hotels and lodging places (accommodations services) and eating and drinking places (food services), and construction. For example, in 2004 Hawaii ranked # 1 in terms of average wages in the accommodation sector, # 4 in construction and # 6 in food services.

Among the industries for which Hawaii wages remained consistently lower than the majority of the states were manufacturing, wholesale trade, transportation and warehousing, and professional and business services. For example, in 2004 Hawaii ranked the lowest (#50) in manufacturing wages, #38 in wholesale trade wages, and # 33 in transportation and warehousing wages.

There are few other industries for which Hawaii wages have deteriorated over time vis-à-vis other states. For example, in farm wages Hawaii dropped from # 2 position in 1980 to outside top 10 in recent years. Similarly, in health and social services Hawaii dropped from # 4 position both in 1980 and 2000 to # 12 position for average wages. Hawaii has also lost its ground in average wages of workers in utilities, federal civilian government and state and local government.

Table 1. Hawaii Rankings of Average Nominal Wage by SIC Sector, 1980

	U.S. Average (\$)	Minimum Average (\$)	Minimum State	Maximum Average (\$)	Maximum State	Hawaii Average (\$)	Hawaii Rank
All sectors	13,999	10,715	Mississippi	21,672	Alaska	13,401	26
Farm sector	6,307	3,262	South Carolina	13,077	Montana	11,238	2
Non-farm sectors	14,103	10,788	South Dakota	21,694	Alaska	13,454	26
Forestry, fishing, and related activities	9,796	6,989	South Carolina	21,729	Alaska	9,971	19
Mining	23,025	14,269	Mississippi	45,620	Alaska	18,354	39
Utilities	21,228	16,883	Mississippi	33,205	Alaska	22,797	8
Construction	17,494	12,066	North Carolina	39,826	Alaska	20,069	8
Manufacturing	17,432	12,296	Mississippi	23,007	Michigan	14,416	39
Wholesale trade	18,001	13,546	Idaho	25,831	Alaska	15,212	42
Retail trade (excl. eating & drinking places)	9,951	8,437	Maine	15,353	Alaska	9,893	17
Transportation and warehousing	19,756	15,150	New Hampshire	27,380	Alaska	18,240	32
Communications	20,308	16,919	South Dakota	34,449	Alaska	21,003	8
Finance and insurance	15,677	12,574	New Hampshire	19,958	New York	14,916	16
Real estate	11,842	8,329	Montana	16,731	Alaska	12,301	7
Business services	12,590	7,882	South Carolina	18,870	Alaska	10,218	32
Educational services	10,251	7,210	Kentucky	12,570	North Carolina	10,142	19
Health and social services	12,357	9,171	Vermont	17,090	Alaska	13,833	4
Amusement and recreation services	9,325	5,134	Iowa	12,615	New York	8,378	15
Hotels and other lodging places	8,774	5,378	South Dakota	13,821	Nevada	11,569	4
Eating and drinking places	6,141	4,511	South Dakota	12,191	Alaska	6,993	4
Other services	10,880	6,866	Mississippi	17,382	Alaska	11,424	11
Federal government: civilian	19,792	16,372	North Dakota	22,553	New Jersey	20,604	5
Federal government: military	9,569	3,156	Vermont	12,981	Virginia	12,325	2
State and local government	12,874	9,550	Mississippi	24,538	Alaska	14,699	5

Table 2. Hawaii Rankings of Average Nominal Wage by SIC Sector, 2000

	U.S. Average (\$)	Minimum Average (\$)	Minimum State	Maximum Average (\$)	Maximum State	Hawaii Average (\$)	Hawaii Rank
All sectors	34,718	24,084	Montana	44,737	New York	30,541	26
Farm sector	19,004	11,157	West Virginia	26,499	Arizona	22,817	12
Non-farm sectors	34,820	24,153	Montana	44,798	New York	30,635	26
Forestry, fishing, and related activities	22,017	15,221	Montana	38,989	New York	23,978	9
Mining	57,731	24,989	Maine	85,741	Alaska	56,774	7
Utilities	61,445	44,200	Tennessee	87,945	Texas	62,990	12
Construction	36,680	27,793	Mississippi	47,042	Alaska	45,455	5
Manufacturing	44,674	28,501	Mississippi	59,886	Connecticut	32,598	44
Wholesale trade	46,792	30,461	Montana	62,071	Massachusetts	34,735	39
Retail trade (excl. eating & drinking places)	21,813	16,568	West Virginia	27,261	Connecticut	21,630	18
Transportation and warehousing	35,789	28,056	Vermont	41,865	Georgia	33,888	27
Communications	57,939	34,327	Idaho	77,431	New Jersey	49,231	21
Finance and insurance	61,711	31,579	West Virginia	132,270	New York	45,412	24
Real estate	33,924	16,062	North Dakota	46,930	Connecticut	30,524	19
Business services	36,216	17,258	Mississippi	79,292	Washington	22,170	39
Engineering and management services	55,026	31,740	South Dakota	74,521	Massachusetts	44,644	28
Educational services	25,854	14,466	Montana	32,337	Connecticut	24,996	19
Health and social services	31,363	25,814	Montana	36,872	Nevada	34,496	4
Amusement and recreation services	24,746	10,451	North Dakota	35,621	New York	19,793	27
Hotels and other lodging places	22,093	11,312	South Dakota	31,493	New York	30,982	3
Eating and drinking places	12,869	9,085	North Dakota	15,924	New York	14,624	8
Other services	27,713	16,994	South Dakota	35,406	New York	25,967	16
Federal government: civilian	46,531	35,101	North Dakota	52,450	Maryland	46,225	12
Federal government: military	24,641	10,233	Vermont	34,597	Virginia	30,770	2
State and local government	32,202	22,678	North Dakota	42,556	New Jersey	31,781	16

Table 3. Hawaii Rankings of Average Nominal Wage by NAICS Sector, 2004

	U.S. Average (\$)	Minimum Average (\$)	Minimum State	Maximum Average (\$)	Maximum State	Hawaii Average (\$)	Hawaii Rank
All sectors	38,793	27,720	Montana	49,926	Connecticut	35,750	23
Farm sector	23,596	15,801	Kentucky	32,361	Kansas	26,549	11
Non-farm sectors	38,885	27,801	Montana	50,001	Connecticut	35,847	22
Forestry, fishing, and related activities	24,418	13,891	Nebraska	72,087	New York	22,988	22
Mining	66,356	29,505	Maine	91,885	Alaska	79,461	5
Utilities	72,354	49,834	Tennessee	97,296	Connecticut	73,448	17
Construction	40,540	29,409	Mississippi	52,825	Alaska	50,901	4
Manufacturing	47,780	32,467	Hawaii	61,042	Connecticut	32,467	50
Wholesale trade	53,287	36,039	Montana	68,845	Connecticut	42,343	38
Retail trade	24,443	19,504	West Virginia	28,914	California	24,587	15
Transportation and warehousing	40,137	31,890	Idaho	47,673	Alaska	36,545	33
Information	61,108	30,775	Wyoming	92,770	Washington	48,417	25
Finance and insurance	70,171	34,630	West Virginia	142,979	New York	54,351	21
Real estate and rental and leasing	37,359	21,066	North Dakota	48,196	Massachusetts	37,172	13
Professional and technical services	62,333	35,738	South Dakota	79,673	Massachusetts	51,138	27
Management of companies and enterprises	80,087	41,046	Montana	147,783	Nevada	84,119	10
Administrative and waste services	27,229	18,857	Arkansas	33,822	New York	25,567	22
Educational services	29,855	17,857	West Virginia	37,839	Connecticut	27,557	21
Health care and social assistance	36,262	29,267	Idaho	41,640	Nevada	37,319	12
Arts, entertainment, and recreation	28,660	12,467	North Dakota	44,022	California	23,047	24
Accommodation	24,765	12,450	North Dakota	36,410	Hawaii	36,410	1
Food services and drinking places	13,885	10,034	North Dakota	17,221	New York	16,393	6
Other services	24,452	18,450	North Dakota	32,593	Utah	25,646	12
Federal government: civilian	58,722	43,824	North Dakota	66,531	Maryland	55,101	27
Federal government: military	35,523	20,970	Vermont	46,514	Virginia	42,032	2
State and local government	36,694	26,156	South Dakota	48,405	New Jersey	36,115	17

Besides Hawaii rankings in average wages by sector vis-à-vis other states, Tables 1-3 also show information on the highest and lowest paying sectors both in the U.S. and Hawaii and how this has changed over time.

In terms of the average wages by sector, the highest paying sectors in 1980 included mining, utilities, communications, and federal civilian government. This was true both for the U.S. and Hawaii except for a couple of sectors. For example, construction was the fourth highest paying sector for Hawaii, while for the U.S. construction wages were relatively lower. Transportation and warehousing was the fifth highest paying sector in the U.S., but transportation and warehousing wages in Hawaii were relatively lower.

Eating and drinking places, amusement and recreation services, retail trade, and forestry, fisheries and related activities were the lowest paying sectors in 1980. This was mostly true for both the U.S. and Hawaii with some exceptions. For instance, farm wages were the second lowest and hotel wages were the third lowest in the nation, while both farm and hotel wages were relatively higher in Hawaii.

Despite the emergence of some new sectors (such as information and management of companies/enterprises) and changes in the industry classification system, both the highest and lowest paying sectors were fairly robust between 1980 and 2004.

Both for the U.S. and Hawaii, management of companies and enterprises was found to be the highest paying sector in 2004, followed by mining and utilities in Hawaii and utilities and finance in the U.S. The next highest paying sectors in 2004 included federal civilian government, finance and insurance and construction in Hawaii, and finance and insurance, mining, professional and technical services, and information in the U.S.

As in 1980, food service and drinking places was the lowest paying sector in 2004 for both the U.S. and Hawaii, followed by forestry, fisheries and related activities, and retail trade. Farm wages in the U.S. and arts and entertainment wages in Hawaii continued to lag behind most sectors.