

# **Bureau of Labor Statistics**

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# AVERAGE WEEKLY WAGES AND EMPLOYMENT IN LOUISIANA FIRST QUARTER 2007

Orleans Parish leads U.S. in over-the-year employment growth

Employment and wage gains in several Louisiana parishes reflect significant recovery from the substantial job losses that occurred due to Hurricane Katrina in September 2005. This analysis is based on information from the U.S. Department of Labor's Bureau of Labor Statistics (BLS) and covers parishes and counties with 2006 employment levels of 75,000 or more. BLS Regional Commissioner Stanley W. Suchman noted that during the year ended in March 2007, strong employment growth in four of the six large parishes in Louisiana put them in the top 25 percent of all large counties nationwide. Orleans Parish's 15.0 percent employment growth was the strongest in the State and in the nation. Average weekly wage growth was higher in East Baton Rouge and Lafayette parishes compared to the national rate. However, three of the State's largest parishes fell in the bottom 10 percent of the rankings for average weekly wage increases, indicating that uneven labor market movements continued to impact the State in early 2007. (See table A.)

Table A. Covered (1) employment and wages in the United States and the 6 largest parishes in Louisiana, first quarter 2007 (2)

	Employment		Average Weekly Wage (3)				
Area	March 2007 (thousands)	Percent change, March 2006-07 (4)	Average weekly wage	National ranking by level (5)	Percent change, first quarter 2006-07 (4)	National ranking by percent change (5)	
United States (6)	134,320.6	1.4	\$885		5.1	-	
Louisiana	1,863.5	4.2	730	32	4.4	27	
Caddo, La.	125.0	-0.5	678	274	4.1	147	
Calcasieu, La.	86.9	2.3	711	250	1.3	294	
East Baton Rouge, La.	261.6	0.5	772	173	8.6	10	
Jefferson, La.	198.1	6.6	771	176	0.8	300	
Lafayette, La.	132.5	4.3	787	162	8.0	14	
Orleans, La.	167.8	15.0	964	59	-2.7	320	

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

<sup>(2)</sup> Data are preliminary.

<sup>(3)</sup> Average weekly wages were calculated using unrounded data.

<sup>(4)</sup> Percent changes were computed from quarterly employment and pay data adjusted for noneconomic county reclassifications.

<sup>(5)</sup> Ranking does not include the county of San Juan, Puerto Rico.

<sup>(6)</sup> Totals for the United States do not include data for Puerto Rico or the Virgin Islands.

## Over-the-year employment change

Employment in Orleans Parish climbed 15.0 percent from March 2006 to March 2007. This growth rate far surpassed the national average of 1.4 percent and was the highest in the United States among the 322 large ranked counties. (See table A.) This was in marked contrast to the March 2005 to March 2006 period when Orleans experienced the Katrina-related employment decline of more than 30 percent and placed last among all large counties in the country. Even with the strong gain in March 2007, Orleans employment was just 70 percent of the pre-Katrina August 2005 level of 240,530.

Employment in Jefferson Parish in March 2007 rose 6.6 percent over the year, ranking fifth in the country in job growth. Lafayette Parish followed with a 4.3-percent employment gain and ranked 21<sup>st</sup>, while Calcasieu ranked 73<sup>rd</sup> with 2.3-percent growth. East Baton Rouge Parish experienced the slowest over-the-year employment increase in Louisiana at 0.5 percent and ranked 205<sup>th</sup>. Only one year earlier, the Parish's growth rate had ranked 12<sup>th</sup> highest nationally. The only large Louisiana parish to register an over-the-year decline in March 2007 was Caddo where employment was down 0.5 percent (288<sup>th</sup>).

These six parishes combined accounted for more than one-half of total employment in the State in March 2007. Strong growth rates in the majority of the large parishes over the year helped push statewide employment up 4.2 percent, ranking Louisiana 3<sup>rd</sup> among the 50 states and the District of Columbia.

A total of 255 large counties in the United States experienced employment increases from March 2006 to March 2007, and 117 of these had over-the-year gains above the national average of 1.4 percent. As noted previously, employment growth in Orleans and Jefferson Parishes stood first and fifth in the national ranking. Harrison County, Miss., had the second largest over-the-year employment increase with a 14.5-percent gain. Rounding out the top five were Utah, Utah (7.3 percent) and Williamson, Texas (7.0 percent). Like Orleans and Jefferson, the large employment gain in Harrison reflected the continued recovery from the job losses in September 2005 related to Hurricane Katrina. Employment declines occurred in 61 counties across the country, with the sharpest drop occurring in Trumbull County, Ohio (-6.2 percent).

# Over-the-year wage change

Like employment growth, over-the-year wage changes varied widely in Louisiana's large parishes. Two parishes ranked in the top 15 nationally in wage gains and 3 ranked in the bottom 30. With wage growth of 8.6 percent from the first quarter of 2006, East Baton Rouge ranked 10<sup>th</sup> in the nation, followed closely by an 8.0-percent gain and 14<sup>th</sup>-place ranking in Lafayette. Caddo – the only large parish in the State to record a decrease in employment – registered a 4.1-percent increase in average weekly wages. While less than the U.S. increase of 5.1 percent, Caddo's gain still ranked in the top half nationwide at 147<sup>th</sup>. (See table A.)

Three Louisiana parishes experienced over-the-year wage changes far below the national average. A year ago, Orleans and Jefferson Parishes ranked first and third in pay growth as disproportionate job and pay losses in lower-paid industries following Hurricane Katrina drove *average* pay levels substantially higher. This year, employment growth in Orleans Parish led the nation and many workers in lower-paid industries returned to work. As a result of the increase in lower-paying jobs, average wage levels in Orleans fell 2.7 percent, ranking the Parish 320<sup>th</sup> among the 322 nationally ranked large counties. Jefferson, which also experienced strong job growth over the year, saw average pay levels rise just 0.8 percent from the first quarter 2006, ranking it at 300<sup>th</sup>. Calcasieu's 1.3-percent wage gain ranked 294<sup>th</sup>.

Leading the nation in average weekly wage growth was Trumbull, Ohio, with an increase of 22.3 percent from the first quarter of 2006. New York, N.Y., was second with growth of 16.7 percent, followed by the counties of Cobb, Ga. (11.2 percent), Suffolk, Mass. (10.8 percent), and Clay, Mo. (9.7 percent). New York County experienced substantial over-the-year wage growth which had a significant impact on national average weekly wage growth in the first quarter of 2007. Without New York County's over-the-year employment and wage growth, national average weekly wage growth would have been 4.2 percent; a 0.9-percentage point reduction. Among the 14 counties experiencing over-the-year declines in average weekly wages, Bibb, Ga., and Loudoun, Va., had the largest decreases (-3.0 percent each), followed by the counties of Orleans, La., and Norfolk, Mass. (-2.7 percent each), and Arapahoe, Colo., Sarasota, Fla., and Peoria, Ill. (-1.8 percent each).

At the statewide level, average weekly wages in Louisiana rose 4.4 percent from the first quarter of 2006 to the first quarter of 2007, placing the State  $27^{th}$  among the 50 states and the District of Columbia. New York was first among the States with an 11.8-percent wage gain, followed by Wyoming (9.3 percent) and Rhode Island (7.1 percent). The slowest rates of growth were registered in Oklahoma (1.3 percent), Delaware (2.1 percent), and South Carolina and Vermont (2.3 percent each). No state recorded an over-the-year decline in average weekly wages during the period. (See table 1.)

### Wage levels

Orleans Parish led the State in weekly wages, averaging \$964 in the first quarter of 2007, \$79 above the national level, and ranked 59<sup>th</sup> among the 328 large counties in the country. (Nationally, there were 328 large counties reporting data in 2007, but only 322 could be ranked for over-the-year comparison purposes.) The Lafayette Parish wage of \$787 was second-highest in the State and ranked  $162^{nd}$  in the country. East Baton Rouge registered an average weekly wage of \$772 and ranked  $173^{rd}$  followed by Jefferson at \$771, ranking  $176^{th}$ . Placing in the bottom 25 percent nationally were Calcasieu at \$711 (250<sup>th</sup>) and Caddo at \$678 (274<sup>th</sup>). (See table A.)

Among the 328 large counties in the United States, New York County, N.Y., recorded the highest average weekly wage at \$2,821 followed by Fairfield, Conn., with an average weekly wage of \$1,979; both counties had wages more than double the national average. These two areas were followed by a tightly clustered group: Suffolk County, Mass. (\$1,659), San Francisco, Calif. (\$1,639), and Somerset, N.J. (\$1,615). Four of the 10 counties with the highest wages in the nation were located in the greater New York metropolitan area (New York, N.Y.; Fairfield, Conn.; Somerset, N.J.; and Hudson, N.J.), 3 were located in or around the San Francisco area (San Francisco, Santa Clara, and San Mateo, all in California), and 2 were located in or around the Washington, D.C. metropolitan area (Washington, D.C. and Arlington, Va.). Rounding out the top 10 was Suffolk County, Mass., part of the Boston metropolitan area.

At the other end of the pay scale, the lowest average weekly wage was reported in Cameron, Texas (\$502), followed by Hidalgo, Texas (\$516), Horry, S.C. (\$536), Webb, Texas (\$542), and Yakima, Wash. (\$569). The wage levels in the five lowest-ranked counties were 20 percent or less of the wage level reported for the highest-ranked county in the nation, New York.

On a statewide level, the Louisiana's weekly wage averaged \$730 in the first quarter of 2007, more than \$150 below the nationwide average; Louisiana ranked  $32^{nd}$  among the 50 states and the District of Columbia. Louisiana's weekly wage was above that of three nearby states, Oklahoma (\$676, 43<sup>rd</sup>), Arkansas (\$642, 46<sup>th</sup>), and Mississippi (\$616, 48<sup>th</sup>), but below that for Texas (\$872, 13<sup>th</sup>). (See table 1.)

Nationally, the five highest average wages at the state level were in the District of Columbia (\$1,428), New York (\$1,397), Connecticut (\$1,263), Massachusetts (\$1,110), and New Jersey (\$1,097). Average weekly wages in this group were 24 percent or more above the national average of \$885. At the other end of the rankings, four states reported wage levels 70 percent or less of national earnings: Montana (\$600), South Dakota (\$602), and North Dakota (\$615), and Mississippi (\$616). (Not sure why you would draw a line at \$615 when there was a state averaging \$616.)

Average weekly wage data by county are compiled under the Quarterly Census of Employment and Wages (QCEW) program, also known as the ES-202 program. The data are derived from reports submitted by employers subject to unemployment insurance (UI) laws. The 8.9 million employer reports cover 134.3 million full- and part-time jobs. The average weekly wage is computed by dividing the total quarterly payroll of employees covered by UI programs by the average monthly number of these employees. This number then is divided by 13, the number of weeks in a quarter. It is to be noted, therefore, that over-the-year wage changes for geographic 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 counties, metropolitan areas, or States for reasons other than changes in the average wage level. Data for all states, Metropolitan Statistical Areas, counties, and the nation are available on the BLS Web site at <a href="http://www.bls.gov/cew/">http://www.bls.gov/cew/</a>; however, data in QCEW press releases have been adjusted (see Note below) and may not match the data contained on the Bureau's Web site.

### Additional statistics and other information

An annual bulletin, *Employment and Wages*, features comprehensive information by detailed industry on establishments, employment, and wages for the nation and all states. The 2006 edition of this bulletin will contain selected data produced by Business Employment Dynamics (BED) on job gains and losses, as well as selected data from the first quarter 2007 version of this news release. As with the 2005 edition, this edition will include the data on a CD for enhanced access and usability with the printed booklet containing selected graphic representations of QCEW data; the data tables themselves will be published exclusively in electronic formats as PDFs. *Employment and Wages Annual Averages*, 2006 will be available for sale in early 2008 from the United States Government Printing Office, Superintendent of Documents, P.O. Box 371954, Pittsburgh, PA 15250, telephone 866-512-1800, outside Washington, D.C. Within Washington, D.C., the telephone number is 202-512-1800. The fax number is 202-512-2104.

QCEW-based news releases issued by other regional offices have been placed at one convenient BLS Web site location, <a href="http://www.bls.gov/cew/cewregional.htm">http://www.bls.gov/cew/cewregional.htm</a>.

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 the Quarterly Covered Employment and Wages Program, as well as other Bureau programs, contact the Dallas Information Office at 214-767-6970 from 8:00 a.m. to 11:00 a.m. and 1:00 p.m. to 4:00 p.m. CT. This release is available in text and PDF format on the Dallas BLS Web site at <a href="http://www.bls.gov/ro6/home.htm">http://www.bls.gov/ro6/home.htm</a>. Users may also obtain the release from the Bureau's fax-on-demand service in Dallas by dialing 214-767-9613 and requesting document number 9557.

#### TECHNICAL NOTE

QCEW data are the sums of individual establishment records reflecting the number of establishments that exist in a county or industry at a point in time. For this reason, county and industry data are not designed to be used as a time series.

The preliminary QCEW data presented in this release may differ from data released by the individual states as well as from the data presented on the BLS Web site. The potential differences result from several causes. Differences between BLS and State published data may be due to the continuing receipt, review, and editing of UI data over time. On the other hand, differences between data in this release and the data found on the BLS Web site are the result of adjustments made to improve over-the-year comparisons. Specifically, these adjustments account for administrative (noneconomic) changes such as a correction to a previously reported location or industry classification. Adjusting for these administrative changes allows users to more accurately assess changes of an economic nature (such as a firm moving from one county to another or changing its primary economic activity) over a 12-month period. Currently, adjusted data are available only from BLS press releases.

### **Industry Changes to County Employment and Wages Data**

In an effort to enhance the comparability of industrial employment and wage statistics across Mexico, Canada, and the United States, and reflect economic activities within industries more accurately, the North American Industry Classification System (NAICS) is revised periodically. In conjunction with its counterparts in Mexico and Canada, the U.S. Office of Management and Budget developed NAICS 2007.

The conversion to NAICS 2007 resulted in minor revisions reflecting content changes within the Agriculture, forestry, fishing, and hunting sector and the Manufacturing sector; the restructuring of the Telecommunications subsector; the elimination of the Real estate and investment trusts industry within the Finance and insurance sector; and minor content changes within the Professional, scientific, and technical services sector. Several industry titles and descriptions also were updated. This revision was introduced by the Bureau of Labor Statistics (BLS) with the release of first quarter 2007 QCEW data. This revision had a minimal impact on QCEW data. Approximately 1 percent of both employment and establishments and 2 percent of total wages were reclassified into different industries as a result of the revision.

With the introduction of this revision, some industries were directly transferred to new industries while others were split into two or more industries, with the original industry often retaining a portion of the establishments, employment, and wages. Of the 1,179 industries used by BLS under NAICS 2002, 8 industries were directly moved to new industries created by the NAICS 2007 revision. Involved in these direct transfers were 41,821 establishments, 829,263 employees, and \$12.6 billion in total wages. In addition, 13 industries were split into 2 or more industries. In all, 27,457 establishments, 662,125 employees, and \$16.5 billion in total wages changed industries via these split transfers.

A total of 69,278 establishments, 1,491,388 employees, and \$29.1 billion in total wages changed industries in first quarter 2007 due to this revision. This represents 37 percent of the overall 186,702 establishments, 43 percent of the overall 3,478,087 employees, and 55 percent of the overall \$52.9 billion in total wages affected by an administrative industry change in first quarter 2007. (See Technical Note.) All figures cited are preliminary and all employment figures cited reflect March 2007 data. For further information on the NAICS 2007 revision, see the U.S. Census Bureau Web site at http://www.census.gov/epcd/naics07/index.html. More information on the NAICS 2007 revision, including the implementation schedules of other BLS programs, will be posted on the BLS Web site as it becomes available.

Table 1. Covered (1) employment and wages by state, first quarter 2007(2)

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	Employment	Average weekly wage (3)									
State	March 2007 (thousands)	Average weekly wage	National ranking by level	Percent change, first quarter 2006-07	National ranking by percent change						
United States (4)	134,320.6	\$885	-	5.1	-						
Alabama	1,953.7	716	35	3.5	39						
Alaska	299.8	831	20	5.2	11						
Arizona	2,667.2	803	21	4.7	18						
Arkansas	1,179.9	642	46	3.2	42						
California	15,569.4	988	6	3.9	34						
Colorado Connecticut	2,262.4	889	11 3	3.6 6.1	37 4						
Delaware	1,665.0 416.6	1,263 986	3 7	2.1	50						
District of Columbia	674.4	1,428	1	4.7	18						
Florida	8,093.4	764	25	3.4	40						
Georgia	4,065.1	837	17	4.9	14						
Hawaii	626.4	748	27	4.2	30						
Idaho	645.0	636	47	4.6	23						
Illinois	5,795.7	956	8	4.6	23						
Indiana	2,880.8	739	30	2.9	44						
Iowa	1,457.6	686	39	3.6	37						
Kansas	1,349.1	720	34	4.7	18						
Kentucky	1,791.5	699	37	4.0	32						
Louisiana	1,863.5	730	32	4.4	27						
Maine	582.1	677	41	3.7	36						
Maryland	2,527.0	939	9	4.6	23						
Massachusetts	3,167.5	1,110	4	6.1	4						
Michigan	4,130.2	851	15	4.0	32						
Minnesota	2,629.6	873	12	5.2	11						
Mississippi Missouri	1,127.3 2,710.1	616 744	48 29	3.2 2.9	42 44						
Montana	2,710.1 428.8	600	29 51	2.9 4.9	14						
Nebraska	899.3	667	44	2.8	46						
Nevada	1,282.3	802	22	4.8	16						
New Hampshire	619.8	836	18	4.6	23						
New Jersey	3,926.6	1,097	5	5.6	7						
New Mexico	819.3	685	40	5.9	6						
New York	8,441.3	1,397	2	11.8	1						
North Carolina	4,034.3	779	24	4.7	18						
North Dakota	334.5	615	49	4.8	16						
Ohio	5,241.0	793	23	5.3	9						
Oklahoma	1,534.3	676	43	1.3	51						
Oregon	1,707.8	755	26	2.7	47						
Pennsylvania	5,589.6	849	16	5.1	13						
Rhode Island South Carolina	472.2	834 677	19 41	7.1	3 48						
South Dakota	1,885.9 381.9	602	50	2.3 3.4	46 40						
Tennessee	2,732.5	738	31	3.4 4.7	18						
Texas	10,143.0	872	13	5.6	7						
Utah	1,203.9	696	38	5.3	9						
Vermont	300.0	704	36	2.3	48						
Virginia	3,644.6	901	10	4.4	27						
Washington	2,869.9	868	14	4.3	29						
West Virginia	700.3	652	45	4.2	30						
Wisconsin	2,727.7	745	28	3.9	34						
Wyoming	269.1	730	32	9.3	2						
Puerto Rico	1,024.5	476	-	5.3	-						
Virgin Islands (1) Includes workers cove	45.6	687	- 	6.3	-						

<sup>(1)</sup> Includes workers covered by Unemployment Insurance (UI) and Unemployment

Compensation for Federal Employees (UCFE) programs.

<sup>(2)</sup> Data are preliminary.

<sup>(3)</sup> Average weekly wages were calculated using unrounded data.

<sup>(4)</sup> Totals for the United States do not include data for Puerto Rico or the Virgin Islands.