

Employment and Wages



Annual Averages, 2006

U.S. Department of Labor
U.S. Bureau of Labor Statistics

March 2008

Bulletin 2594





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U.S. Department of Labor
Elaine L. Chao, *Secretary*

U.S. Bureau of Labor Statistics
Keith Hall, *Commissioner*

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Preface





This publication, *Employment and Wages Annual Averages, 2006*, is an annual product of the Quarterly Census of Employment and Wages (QCEW) program of the U. S. Bureau of Labor Statistics (BLS; the Bureau). This year's edition of the bulletin continues the Bureau's efforts to make the bulletin more user-friendly. Most notably, the data tables and the text describing the characteristics and uses of the data are published exclusively in digital formats and included in this bulletin on a CD. Formerly, the data and its description were printed as a book with nearly 700 pages. This chartbook, on the other hand, contains new charts, graphs, and maps that show the different types of data available from the QCEW program.


All the data, at each level of geography, can be found at www.bls.gov/cew. Questions regarding these data can be addressed to the QCEW program by calling (202) 691-6567 or by using any of the channels provided on the QCEW contact page on the BLS Web site at <http://www.bls.gov/cew/cewcont.htm>.

FEEDBACK ← Because this is a new format for the Employment and Wages bulletin and because multiple new features have been included, users' feedback is strongly encouraged. Suggestions, comments, and questions about any aspect of this new publication format may be submitted at <http://www.bls.gov/cew/cewcont.htm>. We sincerely appreciate your feedback.



Acknowledgments





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of the Office of Publications and Special Studies, Division of Publishing, William Parks II, Chief.

BLS wishes to express its appreciation to U.S. employers for their continued cooperation in providing establishment-level data on the Multiple Worksite Report (MWR) form. This information for each business location is critical to the accurate distribution of employment and wage data to the appropriate geographical area and specific industry. If businesses did not provide this level of detail, the quality of the data would be adversely affected.

State workforce agencies that collect data from employers also play a major role in this ongoing program. The efforts of staff at these agencies, in verifying, editing, and supplying high-quality data to BLS, are essential to the accuracy of this bulletin and are appreciated. We also would like to express our gratitude for the dedicated work of the BLS staff in the Electronic Data Interchange Center and in the regional offices for their ongoing efforts to improve the quality of data provided in this bulletin.



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Nearly a quarter of private-sector jobs in the U.S. were in the trade, transportation, and utilities industry.



👉 In 2006, there were 112,718,858 jobs in the private sector.

👉 79 percent of private-sector employment was in service-providing industries.

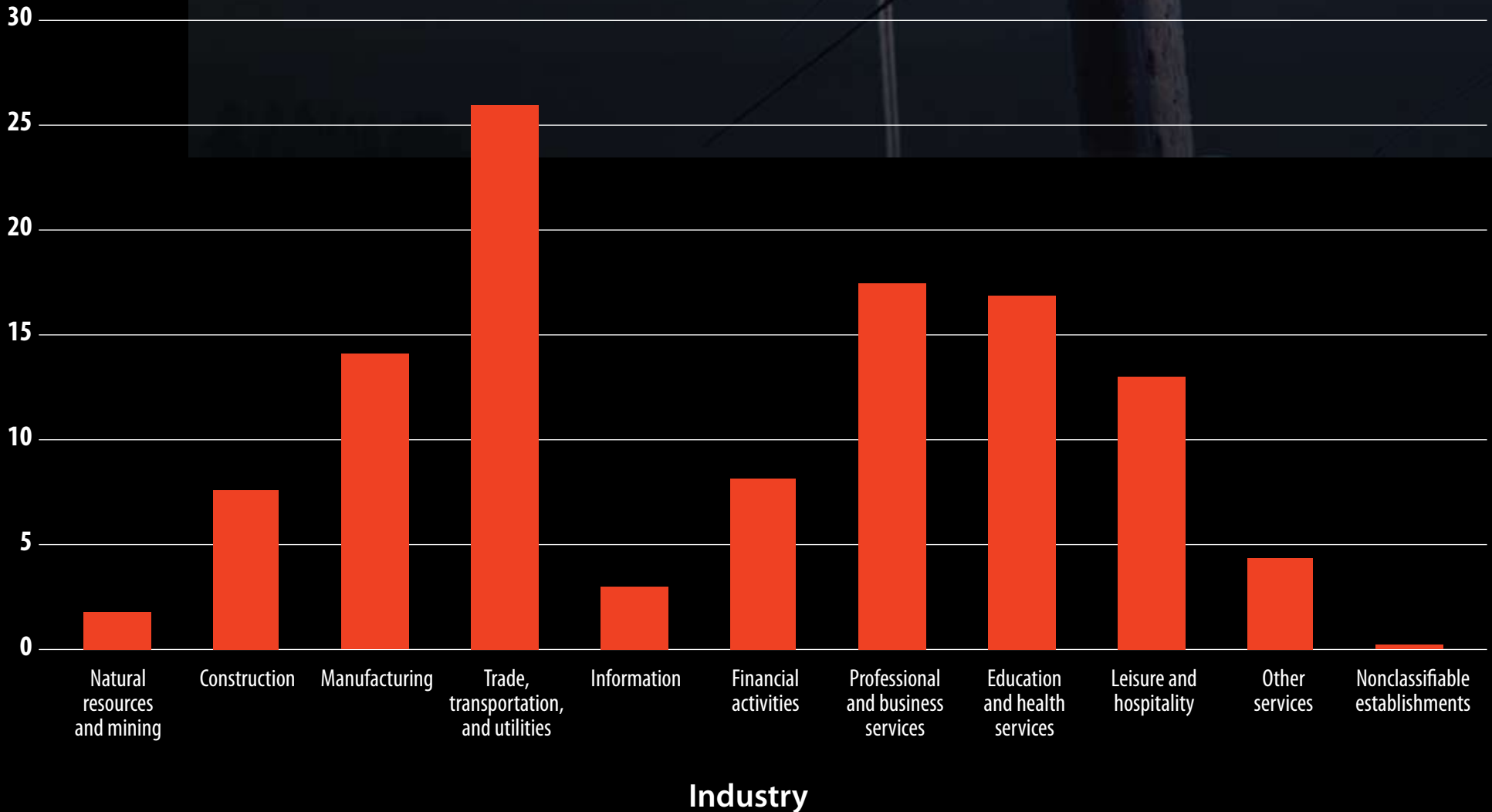
👉 21 percent of private-sector employment was in goods-producing industries.



CHART **1**

Private-sector employment by industry, 2006

Millions of Workers






In the first quarter of 2006, there were 8.4 million business establishments in the United States private sector.

👉 More than three quarters of these establishments employed fewer than 10 workers.

👉 A majority of workers in the private sector are employed by establishments with 10 to 249 workers.



An *establishment* is defined as an economic unit that produces goods or services, usually at a single physical location, and engages in one or predominantly one activity. A firm may consist of several establishments under common ownership by a corporate parent.

CHART **2**

Percent distribution of private-sector establishments and employment by size class

Percent **First quarter 2006 (establishments) and March 2006 (employment)**



From 2005 to 2006, national private-sector employment grew by 1.9 percent, and average annual pay grew by 4.7 percent.



👉 Natural resources and mining experienced the largest wage growth and the third-largest employment growth.

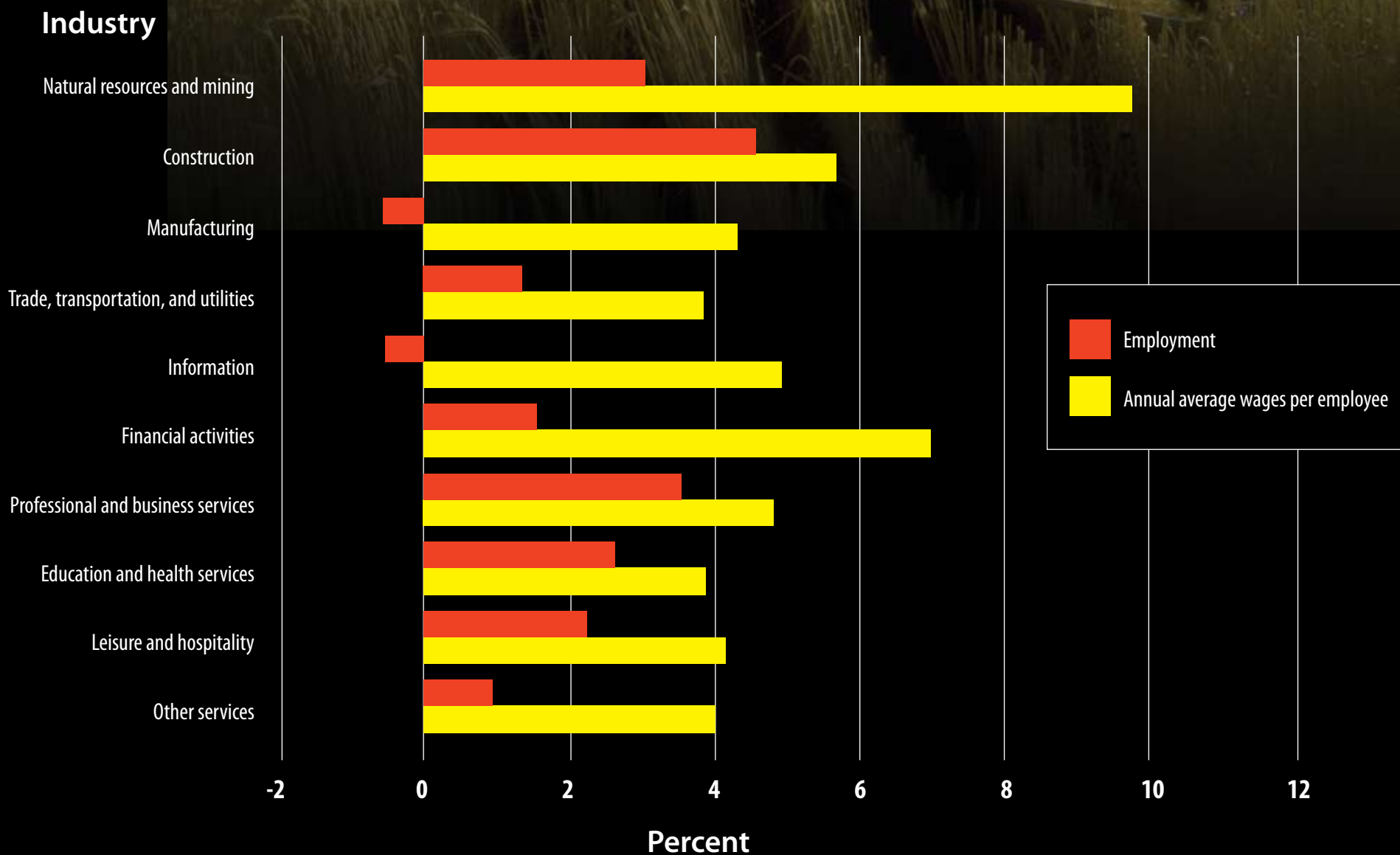
👉 Construction experienced the largest employment growth and the third-largest wage growth.

👉 Employment decreased in the manufacturing and information industries.



CHART **3**

Percent change in annual average private-sector employment and wages by industry, 2005–2006





Large counties showing employment changes above the national average tended to be concentrated in the Northwest (particularly Oregon and Washington).

👉 A majority of large counties in the Northeast showed over-the-year employment changes below the national average.

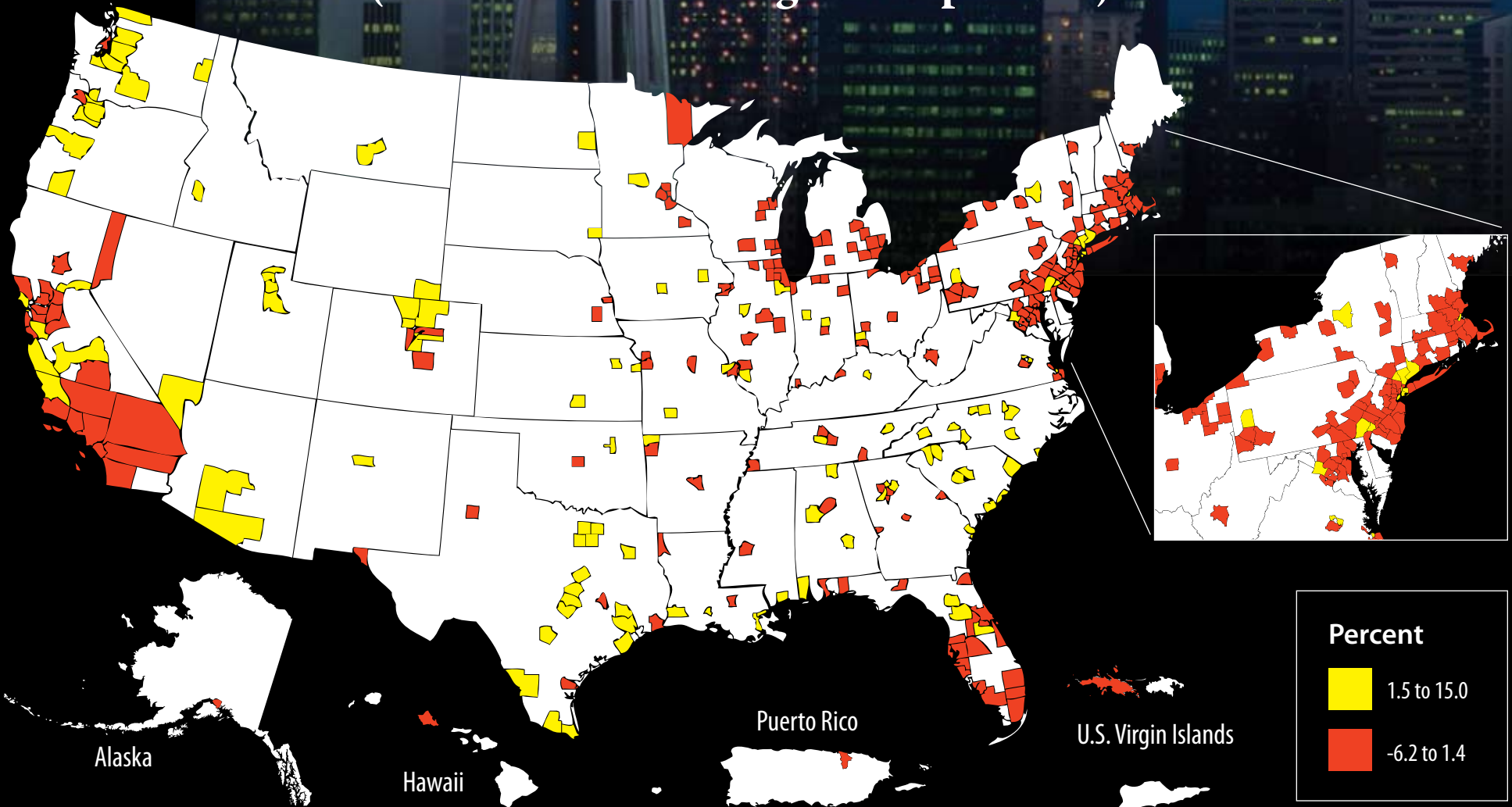
👉 A majority of large counties in both California and Florida showed over-the-year employment changes equal to or less than the national average.



Counties with fewer than 75,000 employees were not ranked, because relatively minor changes in employment levels in these counties can cause relatively large percentage changes in employment.

CHART 4 Percent change in employment in counties with 75,000 or more employees, March 2006–2007

(United States average = 1.4 percent)



NOTE: The following counties had fewer than 75,000 employees in 2006, but are included because they are the largest county in their State or territory: Laramie, Wyo., Yellowstone, Mont., and St. Thomas, U.S. Virgin Islands.

Growth in average weekly wages above the national average tended to be concentrated in the Northeast.

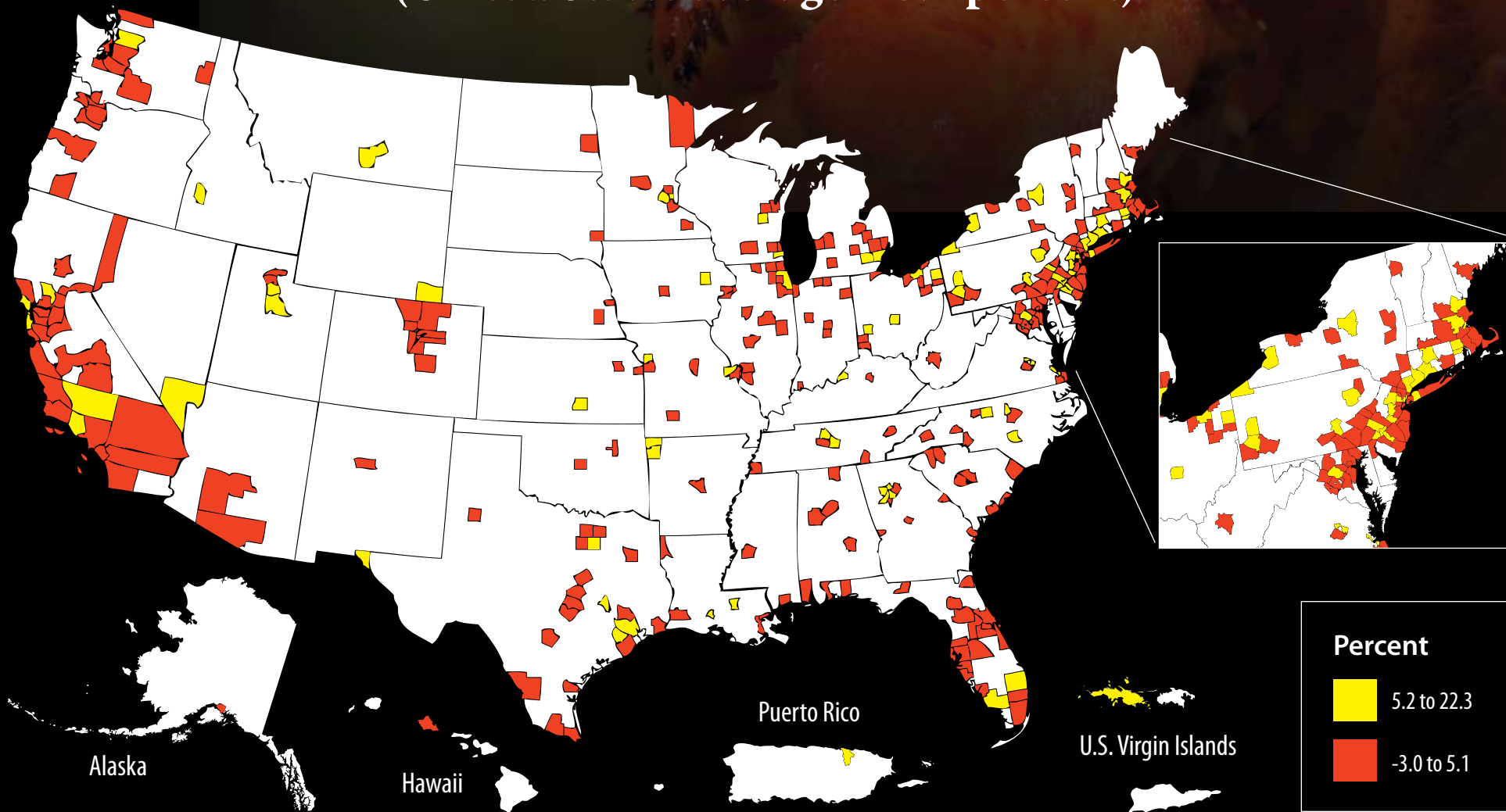


👉 Over-the-year changes in wages equal to or less than the national average were distributed throughout the country.



CHART 5 Percent change in average weekly wage in counties with 75,000 or more employees, first quarter 2006-2007

(United States average = 5.1 percent)



NOTE: The following counties had fewer than 75,000 employees in 2006, but are included because they are the largest county in their State or territory: Laramie, Wyo., Yellowstone, Mont., and St. Thomas, U.S. Virgin Islands.

In 2006, States showing employment growth above the national average were heavily concentrated in the West.



👉 The four States showing employment changes significantly below the national average were affected by ongoing economic changes within the manufacturing sector and, in the case of Louisiana, the continuing effects of Hurricane Katrina.

👉 States showing employment changes marginally below the national average in 2006 were concentrated primarily in the Northeast and Midwest.



States showing growth in average weekly wages equal to or exceeding the national average, in 2006, were primarily in the West.



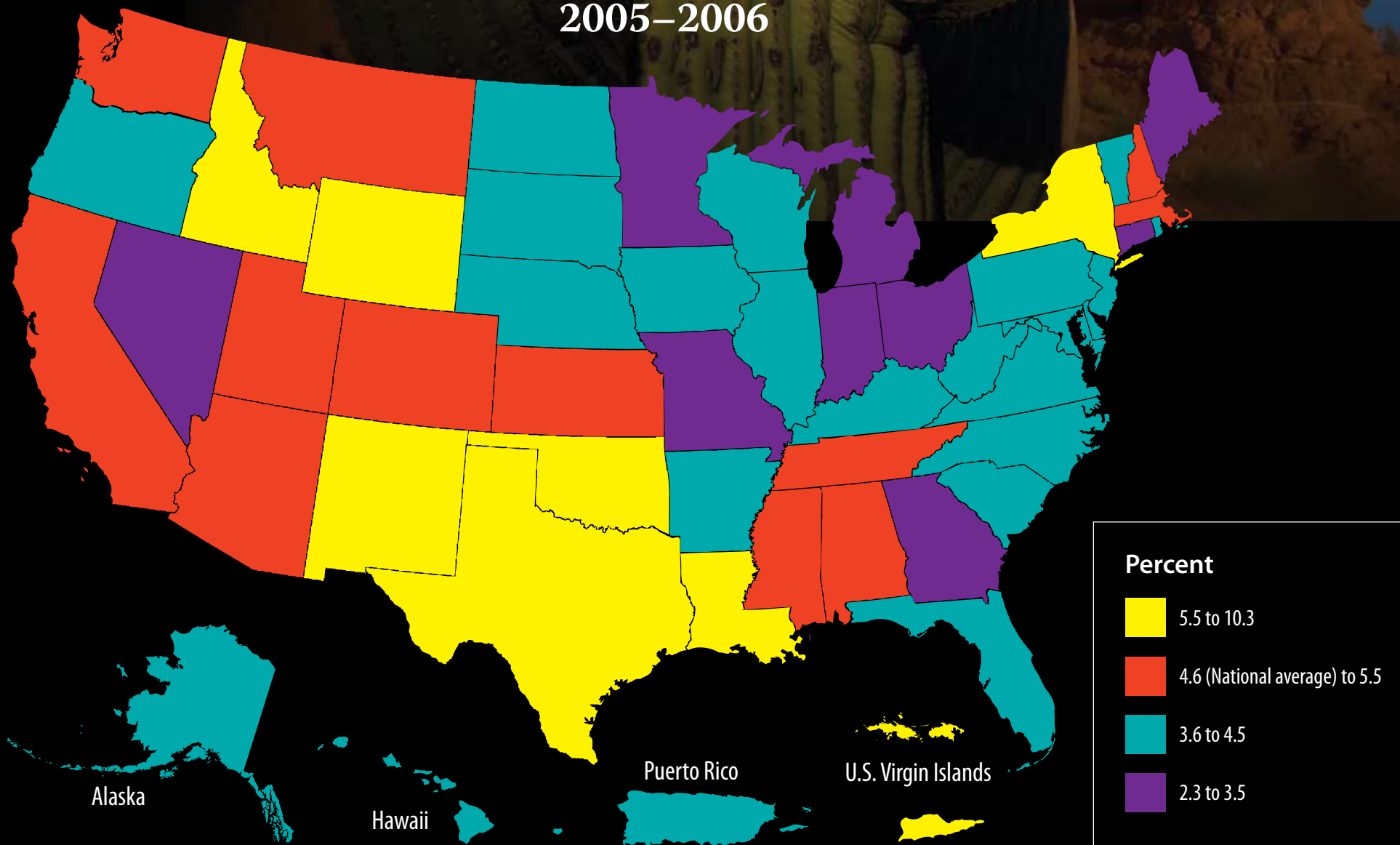
👉 States showing wage growth marginally below the national average tended to be concentrated in the Midwest and along the Atlantic Coast.

👉 States showing wage growth significantly below the national average were concentrated in the Midwest.



CHART 7 Percent change in average weekly wage by State

2005–2006



Gross job gains continued to exceed gross job losses throughout 2006.

👉 Since December 2001 (following the 2001 recession), quarterly gross job gains decreased by 159,000 jobs; but gross job losses decreased by 1,546,000.

👉 In September 2006, gross job gains exceeded gross job losses by only 19,000.



Gross job gains comprise employment gains related to both business expansions and business openings.

Gross job losses comprise employment losses related to both business contractions and business closings.

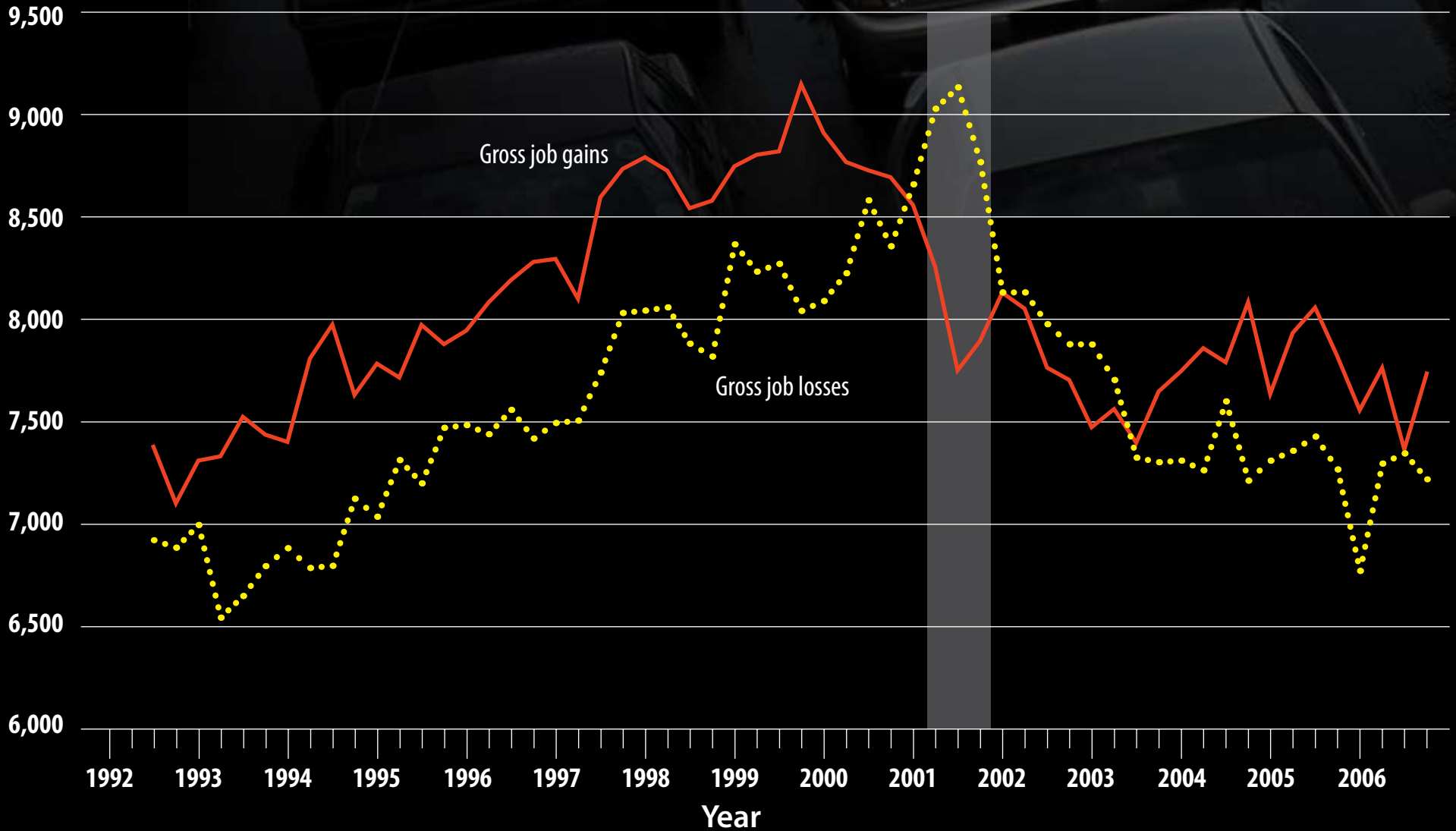
These data series were provided by the Business Employment Dynamics (BED) program.

CHART **8**

Private-sector gross job gains and gross job losses

Thousands

Seasonally adjusted, September 1992–December 2006



NOTE: Shaded area represents recession from March 2001–November 2001. Data presented are for the third month of each quarter.

Job gains from *opening* establishments remained higher than job losses from *closing* establishments, throughout 2006.

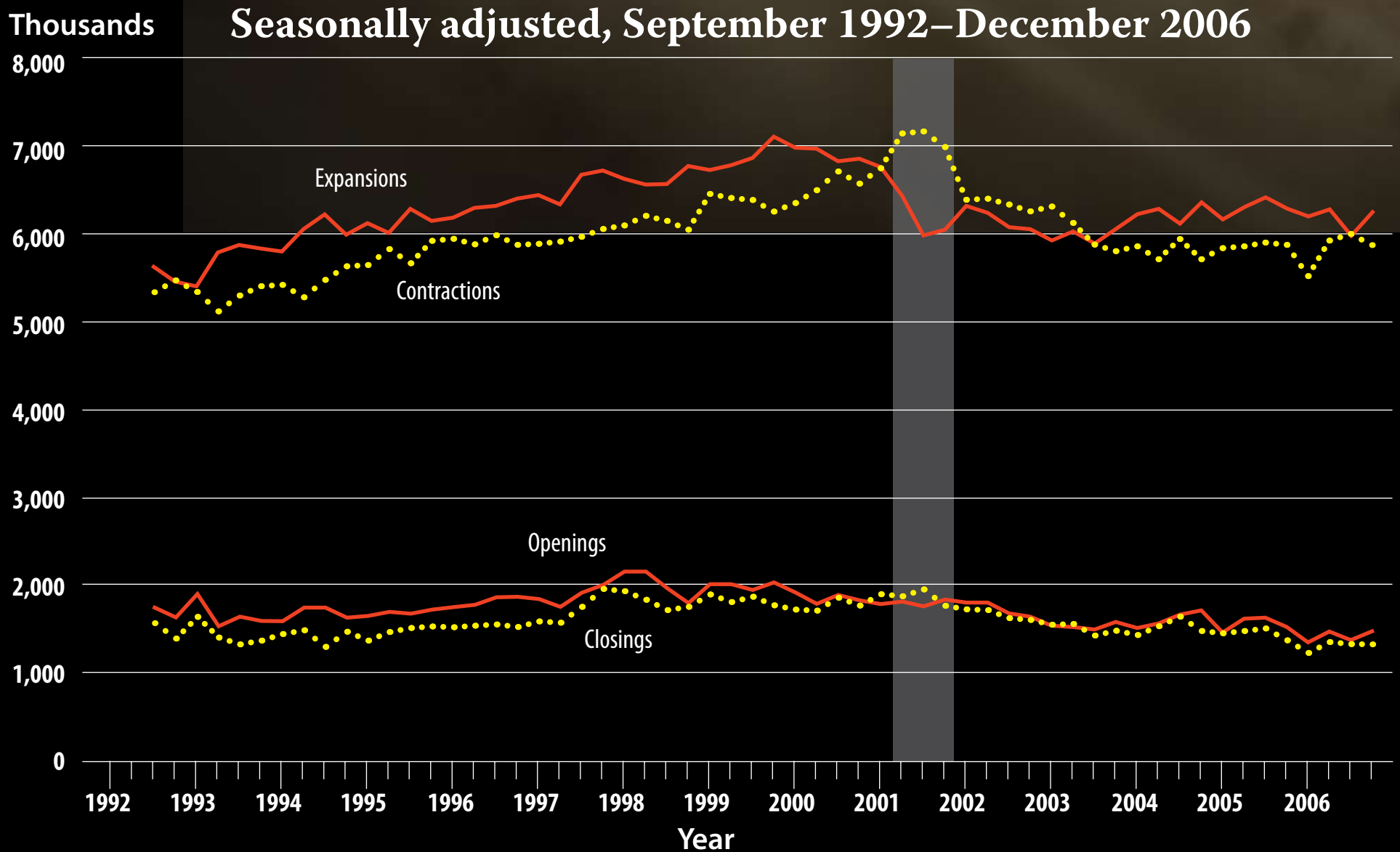


👉 Job gains from expanding establishments were lower than job losses from contracting establishments in September 2006, but were higher in March, June, and December.

Openings are establishments with employment in the current quarter and zero employment in the previous quarter. Openings include births as well as the re-openings of existing seasonal businesses.

Closings are establishments with employment in the previous quarter and zero employment in the current quarter. Closings include deaths as well as temporary shutdowns of seasonal businesses.

CHART 9 Components of private-sector gross job gains and gross job losses



NOTE: Shaded area represents recession from March 2001–November 2001. Data presented are for the third month of each quarter.

The vast majority of U.S. workers (71.6 percent) were employed, in 2006, by firms that had been in business for at least 10 years.



👉 More than half (52.4 percent) of all firms in the United States were at least 10 years old.

👉 Firms that were in business 4 to 9 years accounted for 25.3 percent of all firms in the United States and 19.6 percent of all employment.

👉 Although firms in business 1 to 3 years made up about 22 percent of the total, they accounted for about 9 percent of all employment.

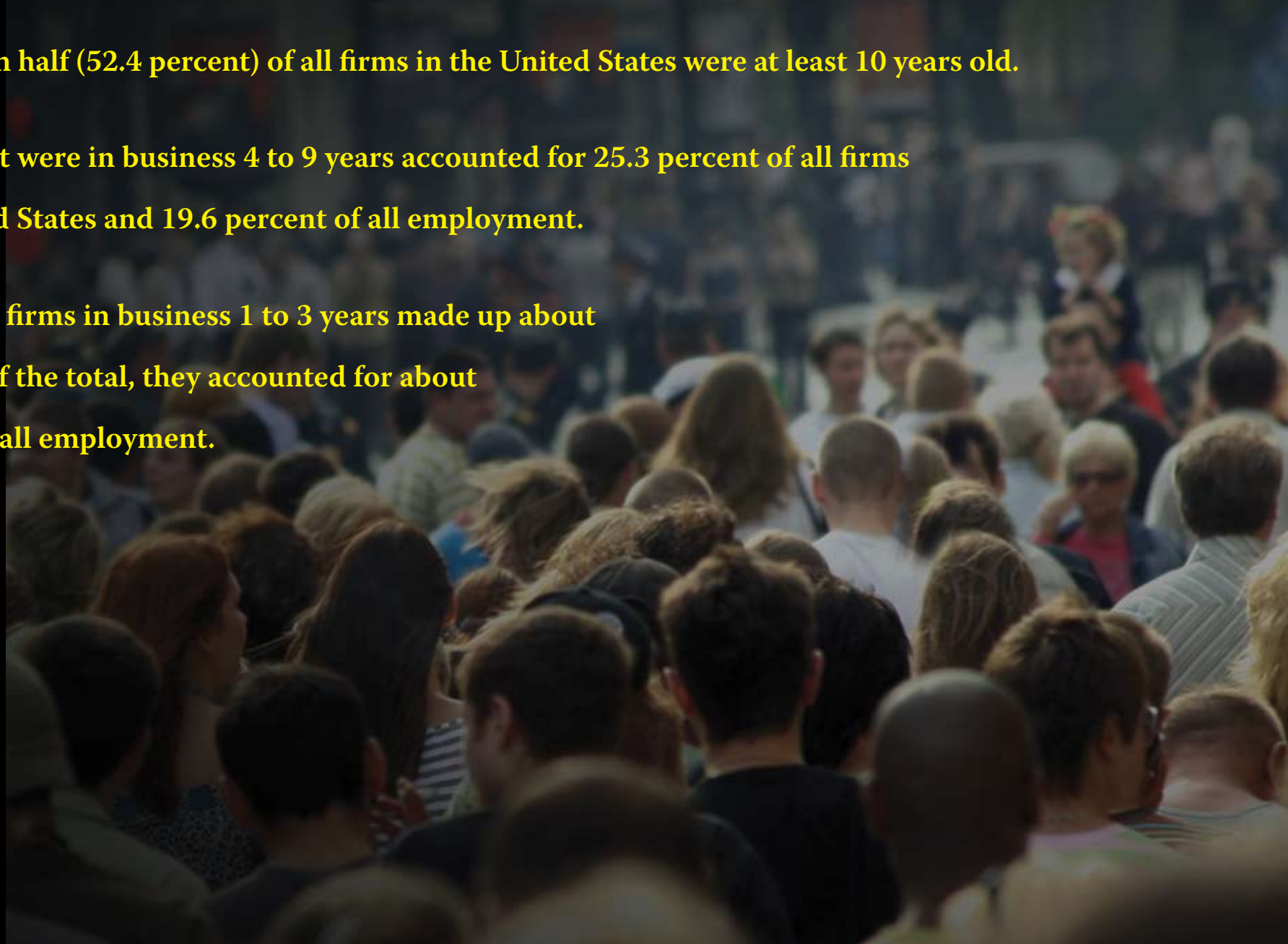
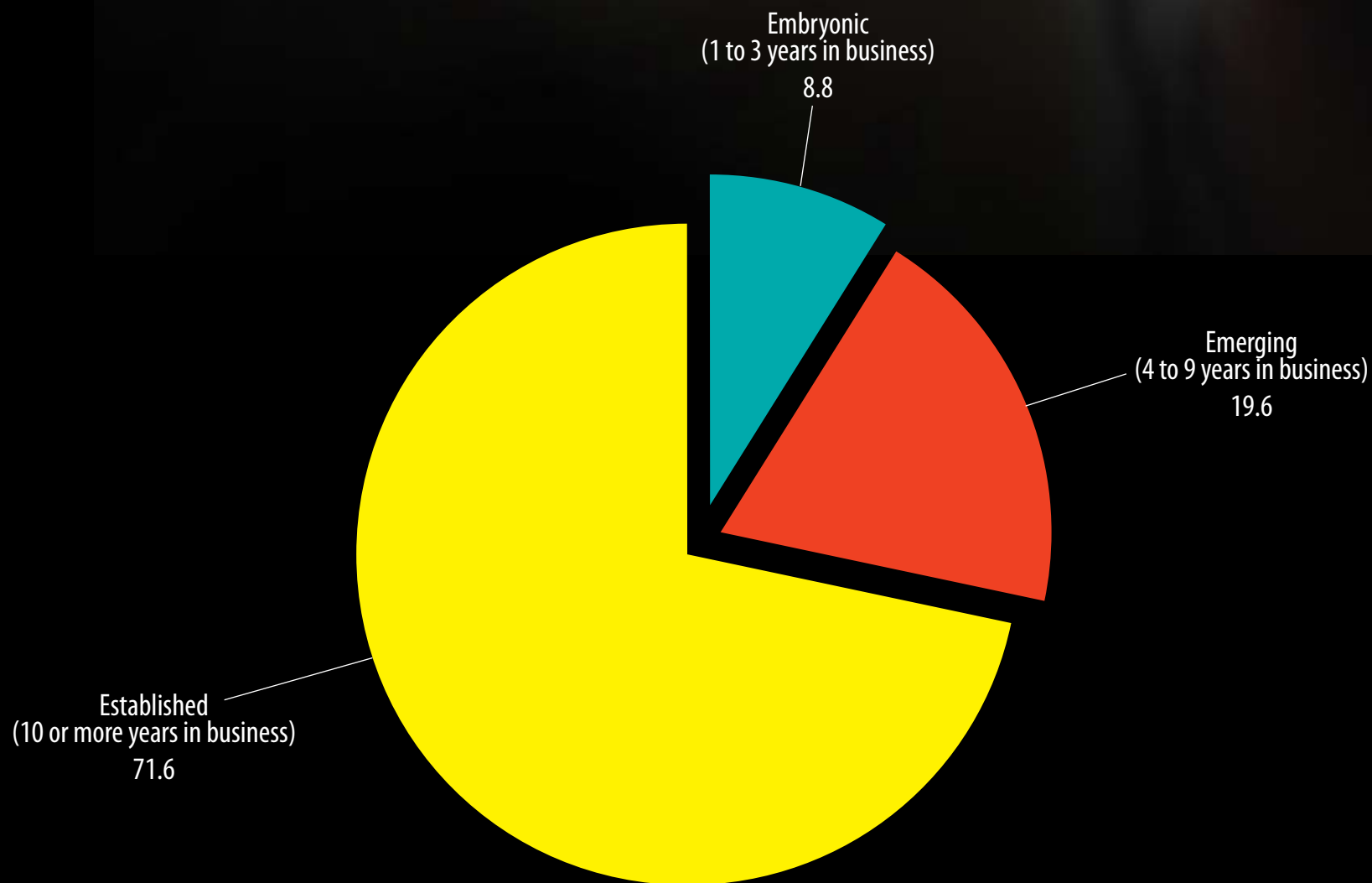


CHART **10** Age of firms: share of total employment in percent, December 2006



NOTE: Based on preliminary research data. BED tables/data are not included on the enclosed CD. For more information, go to www.bls.gov/bdm/home.

As a percent of total establishments, *births* have been on the rise since September 2003.

🐦 The *death* rate among establishments reached its peak in June 2001 during the recession. This was the only period that the death rate exceeded the birth rate.

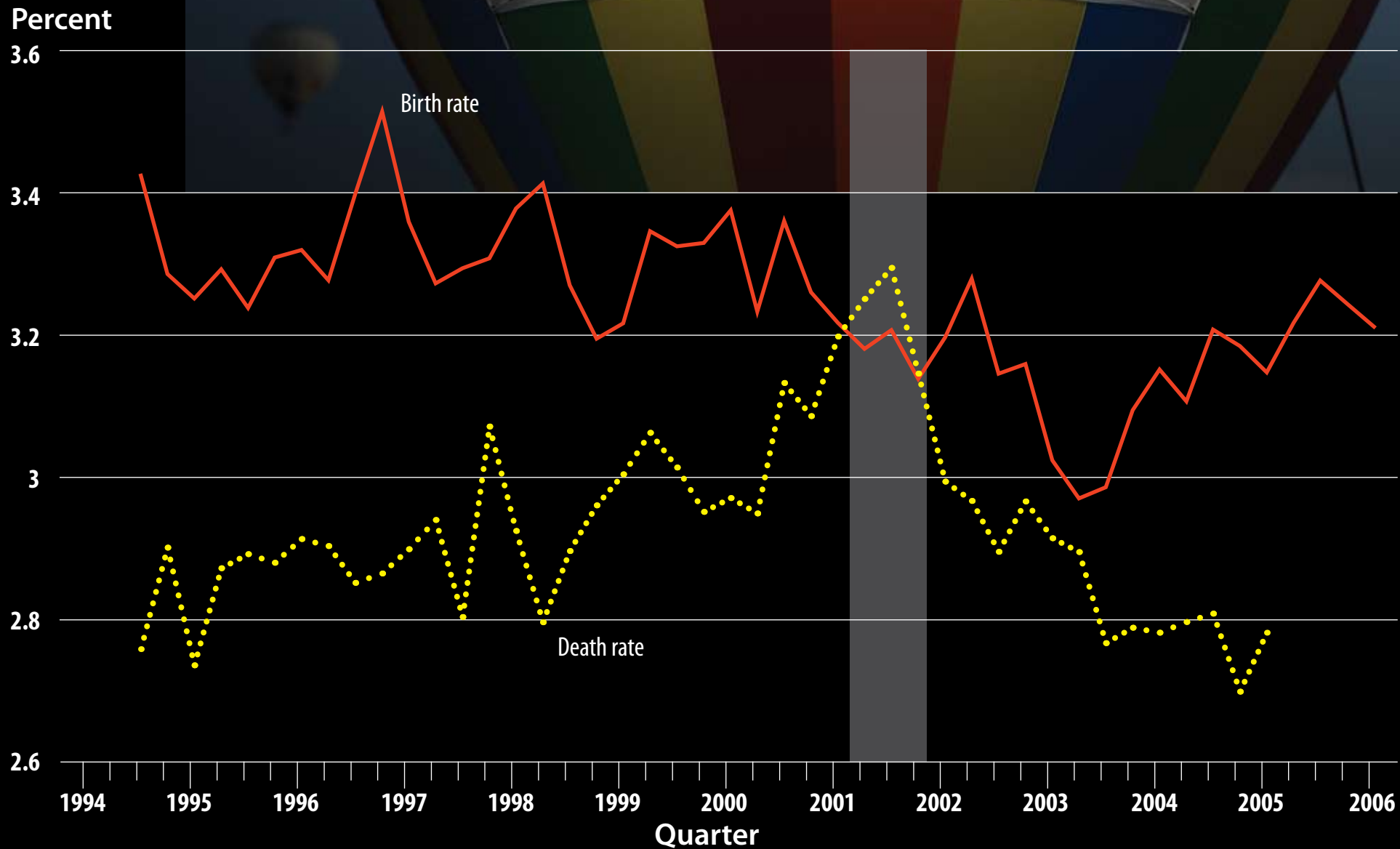


Births are new businesses that report employment for the first time or that report positive employment after four consecutive quarters of zero employment. *Deaths* are businesses that disappear by reporting no employment for four consecutive quarters.

**GRAND
OPENING**

CHART 11

Quarterly number of births and deaths as a percent of total establishments



NOTE: Based on preliminary research data. BED tables/data are not included on the enclosed CD. For more information, go to www.bls.gov/bdm/home.

Gross job gains due to openings and births at both the firm and establishment level have shown gradual declines, since the late 1990s.



CHART 12 Quarterly gross job gains from openings and births



NOTE: Shaded area represents recession from March 2001–November 2001. Data presented are for the third month of each quarter. "Births" are research data.

Recovery from Hurricane Katrina has varied along the Gulf Coast.



✿ Of the large areas affected by Hurricane Katrina, Jefferson Parish experienced the largest employment growth from September 2005 to December 2006.

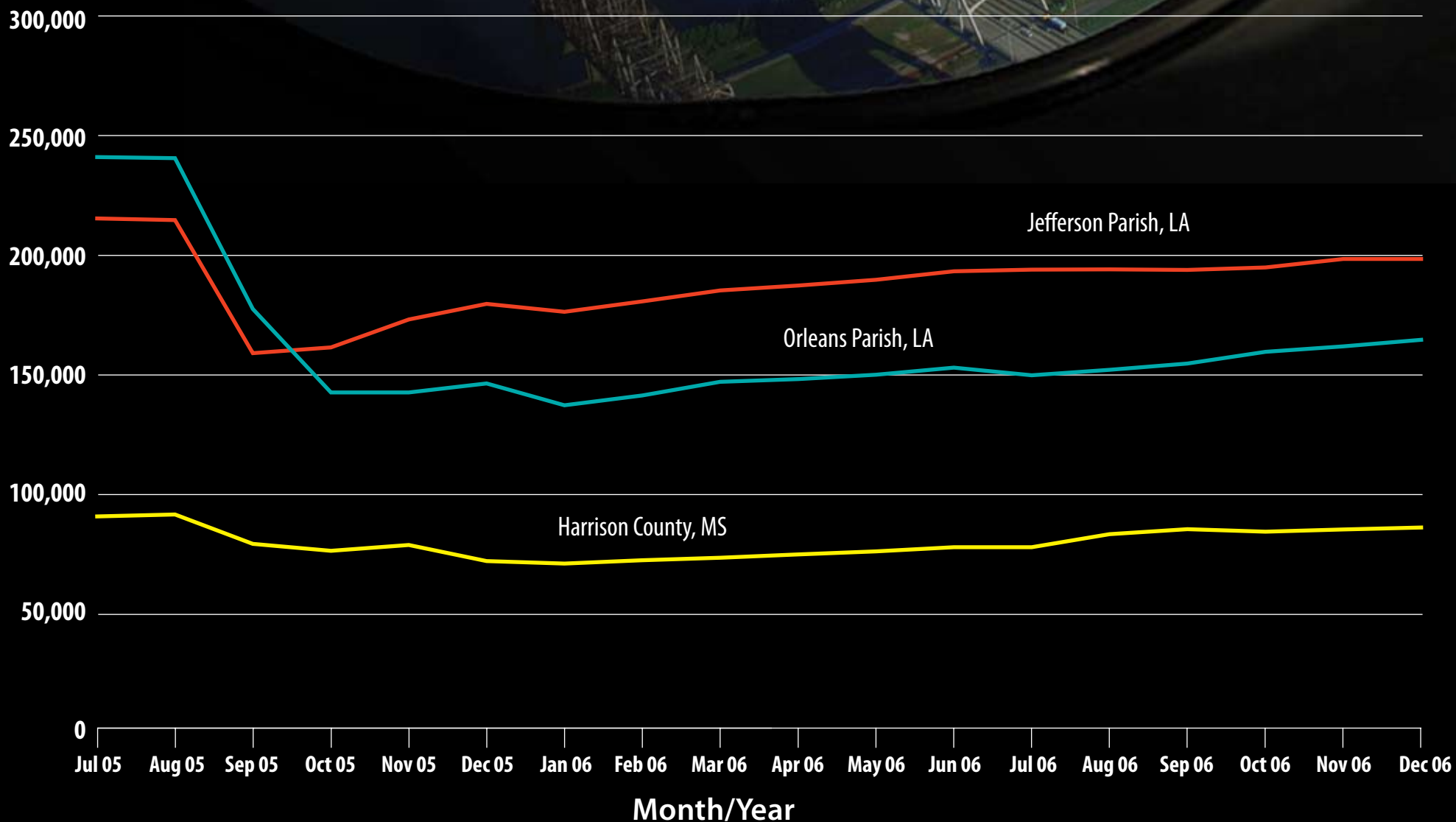
✿ Harrison County is the closest of the three areas to its pre-Katrina employment level.

✿ In December 2006, Orleans Parish employment was only 69 percent of its pre-Katrina level.

Hurricane Katrina struck in August 2005. Its impact on employment data was first reflected in figures for September 2005.

CHART 13 Employment in large areas heavily affected by Hurricane Katrina

Employment



In Louisiana, both gross job gains and gross job losses returned to more historical levels, by December 2006.



🦋 In Louisiana, gross job losses grew from about 100,000 immediately prior to Hurricane Katrina to a peak of more than 230,000 after the storm made landfall.

🦋 The quarter after the hurricane, gross job gains grew by nearly 60,000, due largely to the State's recovery efforts.

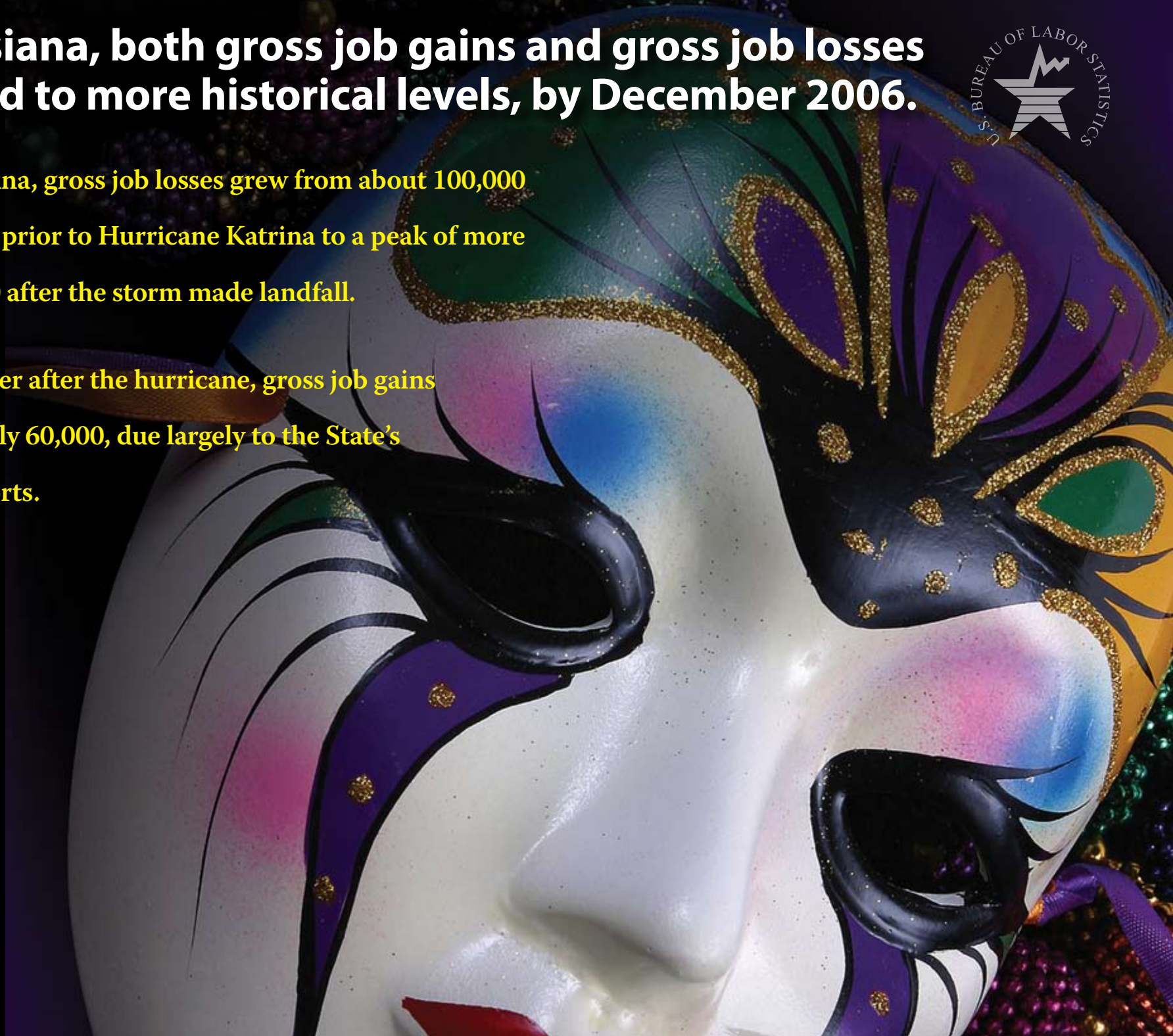
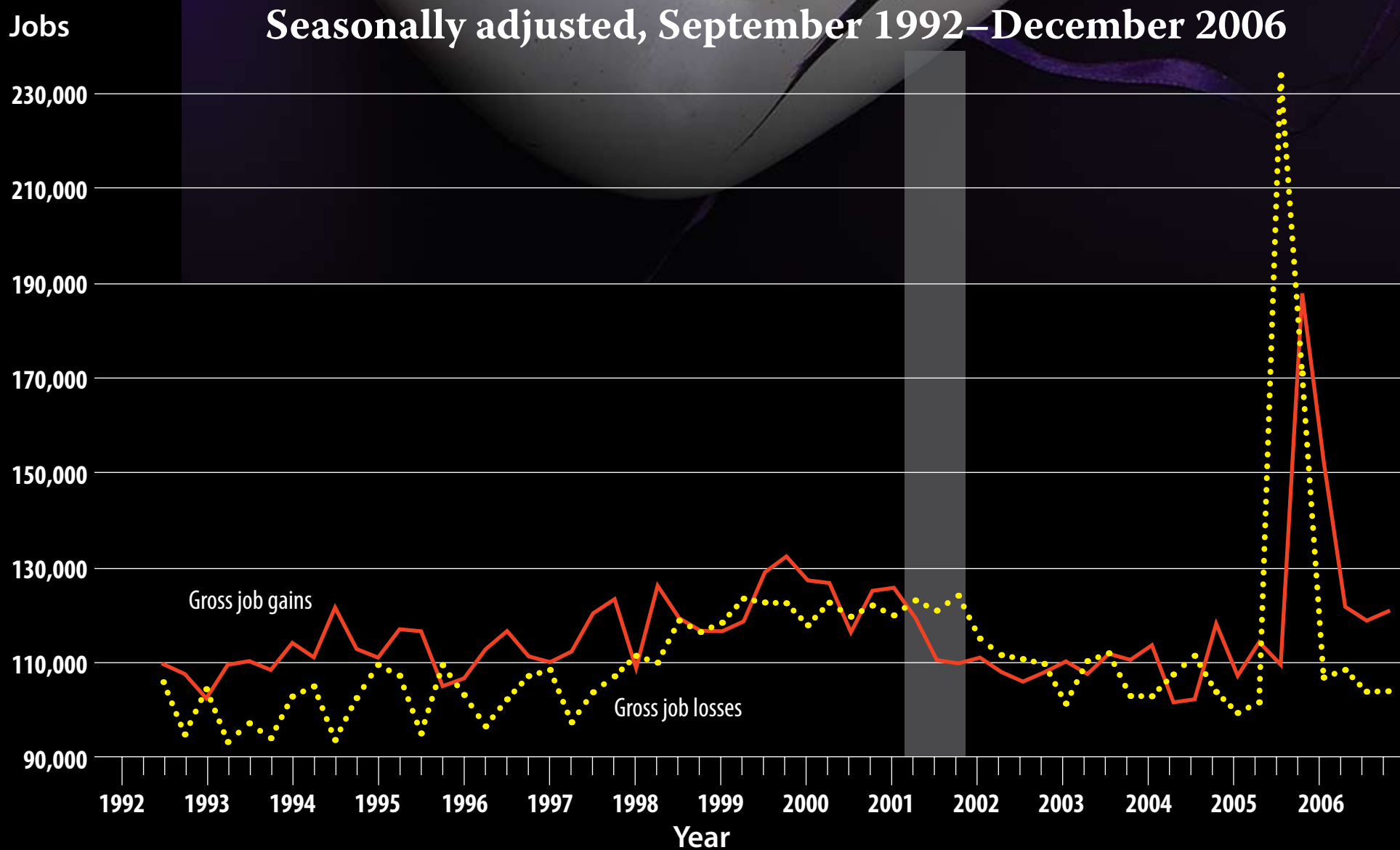


CHART 14 Louisiana private-sector gross job gains and gross job losses



NOTE: Shaded area represents recession from March 2001–November 2001. Data presented are for the third month of each quarter.

During the last 5 years (2001–2006), overall annual average employment declined in the auto manufacturing industry.

🔧 Annual average employment within Michigan's auto manufacturing industry declined by 31,300 employees—from 90,300 to 59,000.

🔧 Annual average employment within Kentucky's auto manufacturing industry lost 4,000 employees (20 percent decline).

🔧 In 2006, annual average employment within Indiana's motor vehicle body and trailer manufacturing was 10 times more concentrated than the national average.



A location quotient is a statistic used to compare the percentage of employment in any given industry in one geographic area, or analysis area, with that of another geographic area, or base area. The formula used to compute a location quotient follows:

*Number of employees in
Industry A in analysis area/
Total number of employees
in analysis area*

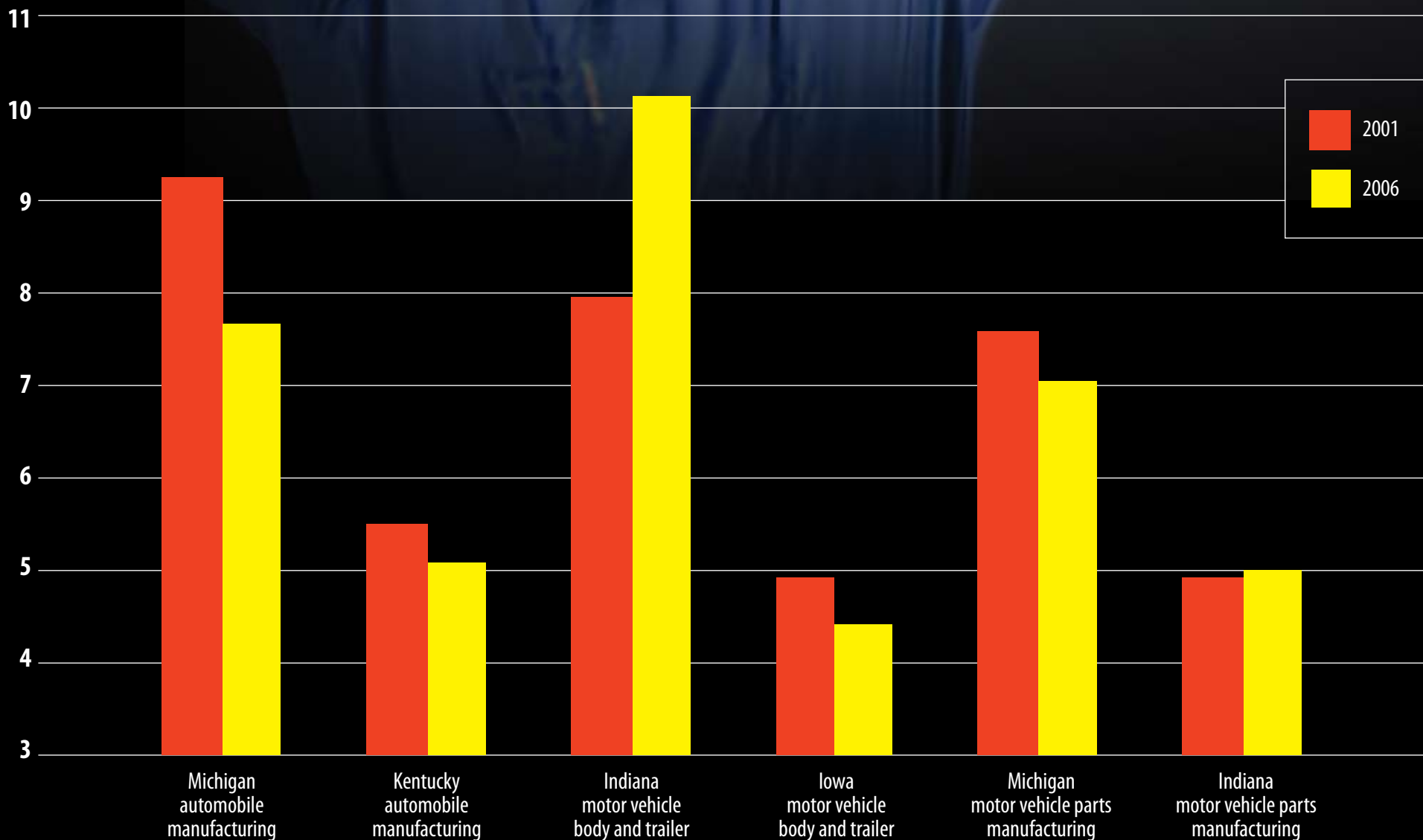
divided by

*Number of employees in
Industry A in base area /
Total number of employees
in base area*

A location quotient of 1.0 indicates a local industry employment concentration that is identical to the national average.

CHART 15 State auto manufacturing employment location quotients, 2001 and 2006

Location quotient



At the national level, annual average employment in the oil and gas pipeline construction industry grew by 16.1 percent from 2005 to 2006.



📍 Texas, Louisiana, and California had the highest employment levels in the oil and gas pipeline construction industry in both 2005 and 2006.

📍 Texas experienced employment growth of 30.6 percent from 2005 to 2006.

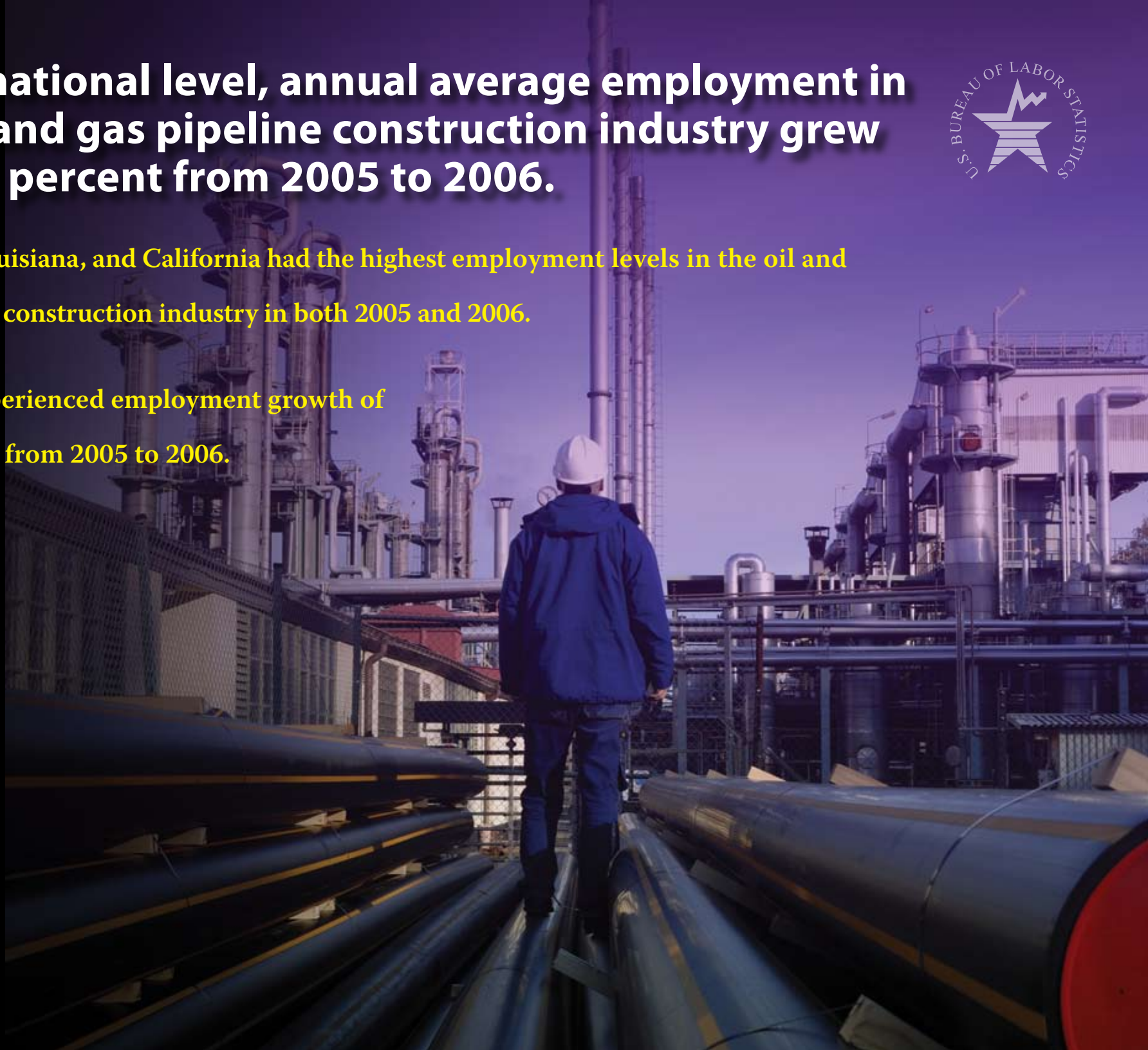
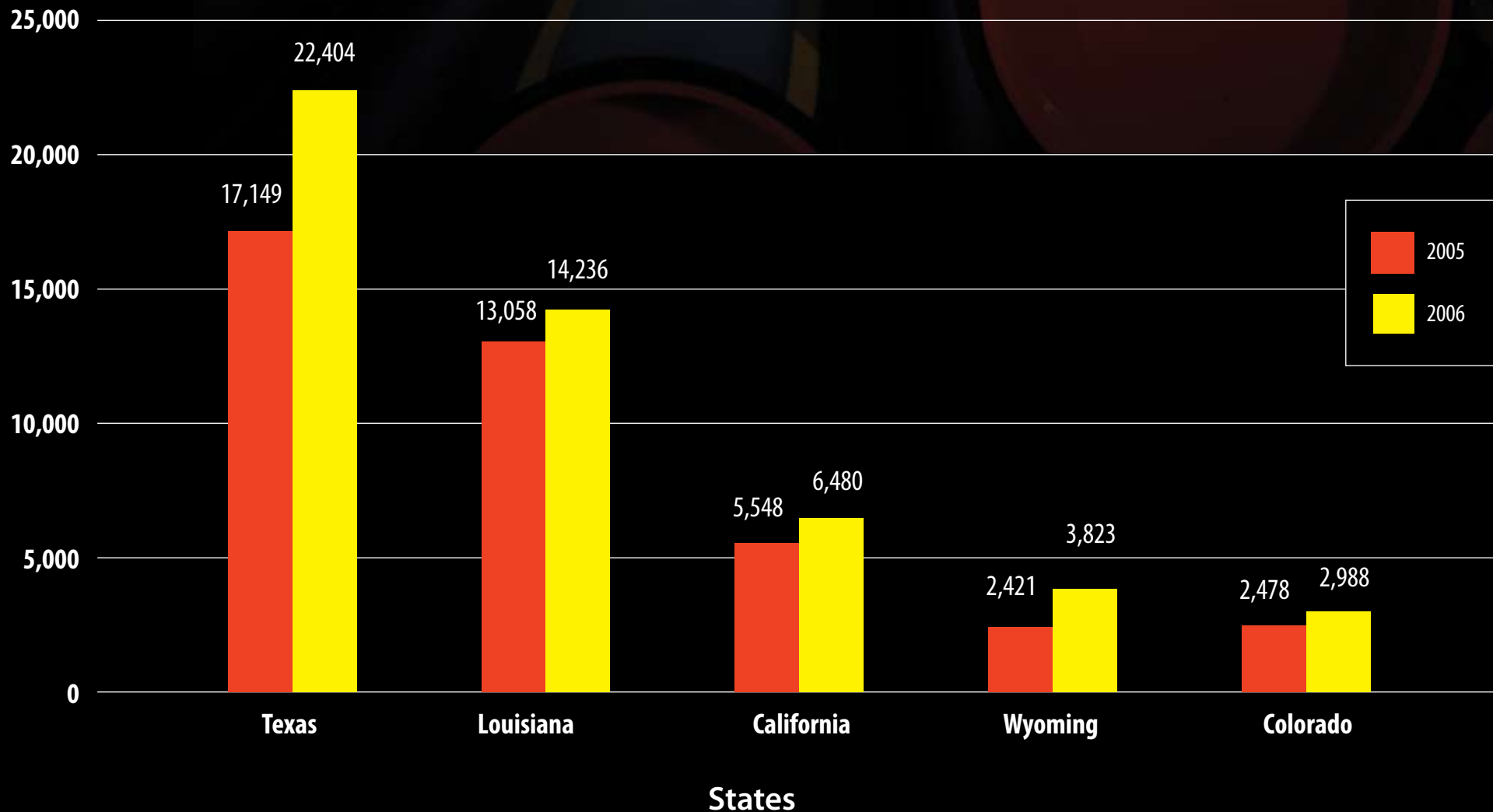


CHART **16**

Private-sector employment in oil and gas pipeline construction by selected States, 2005–2006

Employment



Average Annual Pay (AAP) exceeded the national private-industry level in 8 of 9 industries directly involved in extraction, refining, transportation, and sale of petroleum in 2006.



🔧 At \$131,320, the 2006 AAP in crude petroleum and natural gas extraction was more than triple the national private-industry level.

🔧 The 7.6 percent annualized growth in AAP within petroleum bulk stations and terminals, from 2001–2006, was 2.3 times the national private-industry growth rate.

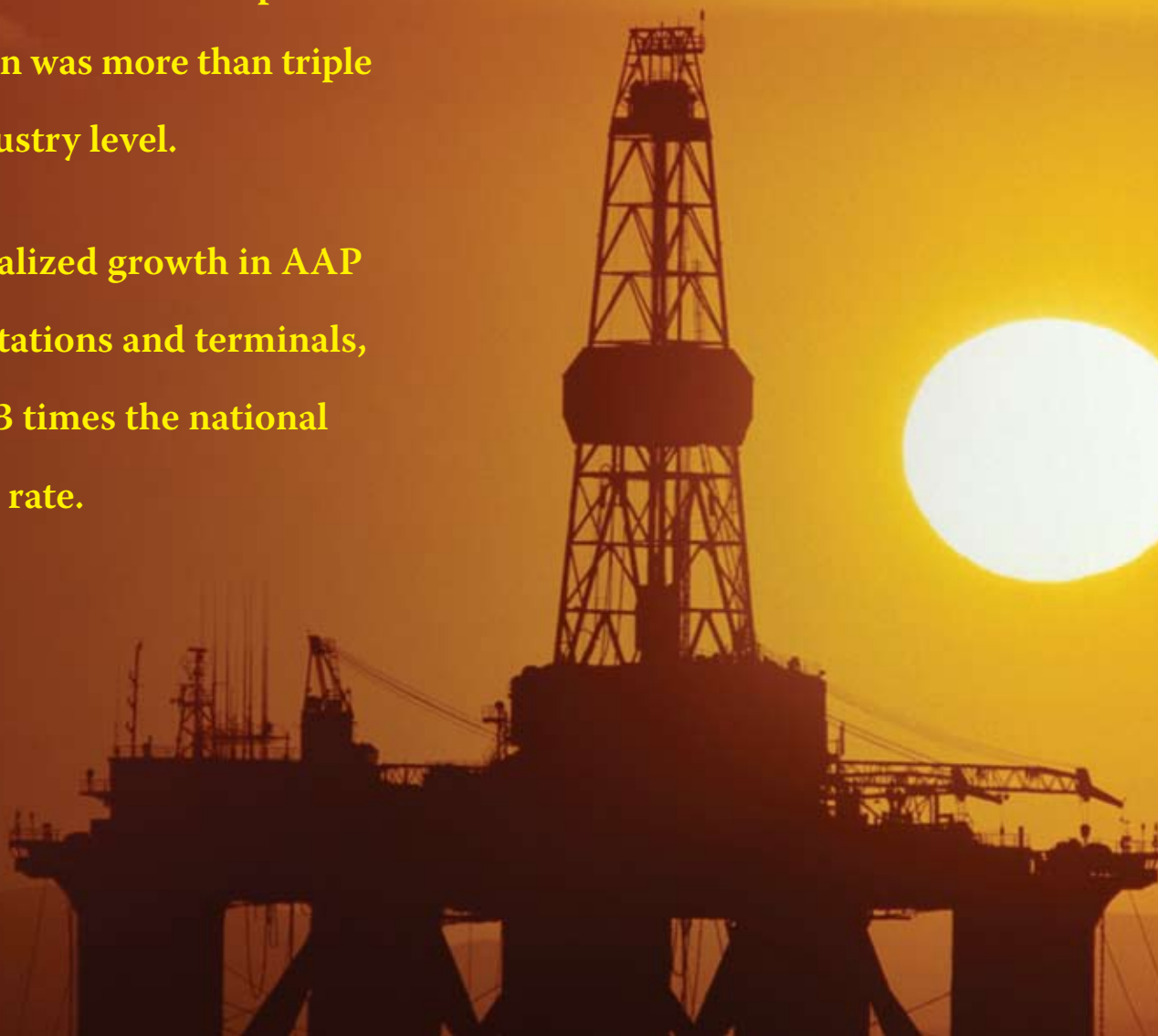
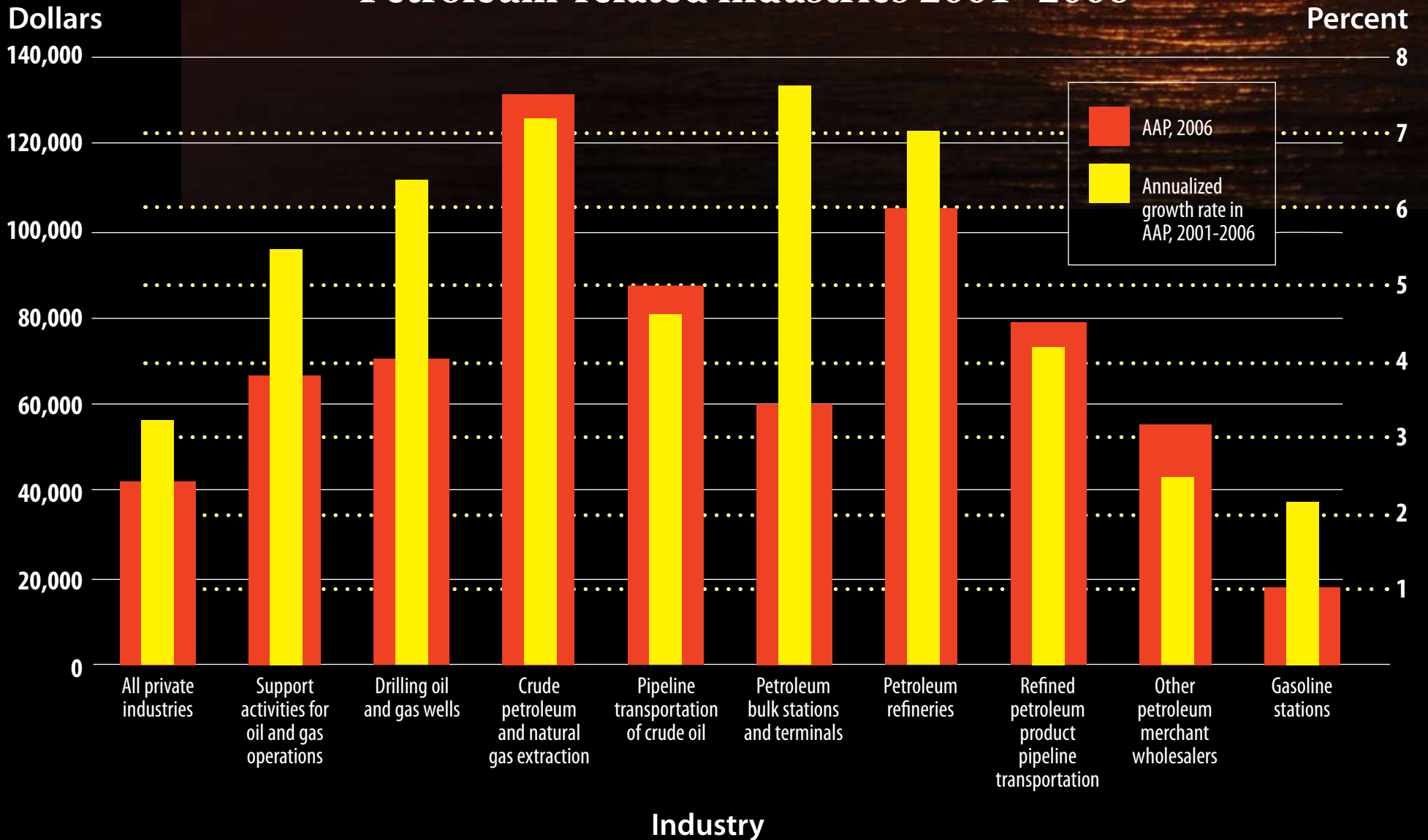


CHART **17**

2006 Average Annual Pay (AAP) levels and annualized growth rates in AAP

Petroleum-related industries 2001–2006





In 2006, employment within 15 selected residential housing-related industries totaled 2,659,467, representing 35 percent of the 7,602,148 total private-sector jobs in construction.

With more than 620,000 jobs, new single-family housing construction had the largest number of workers in 2006 among residential housing-related industries.

New housing operative builders gained 75.8 percent in employment, the largest percentage increase from 2001–2006.

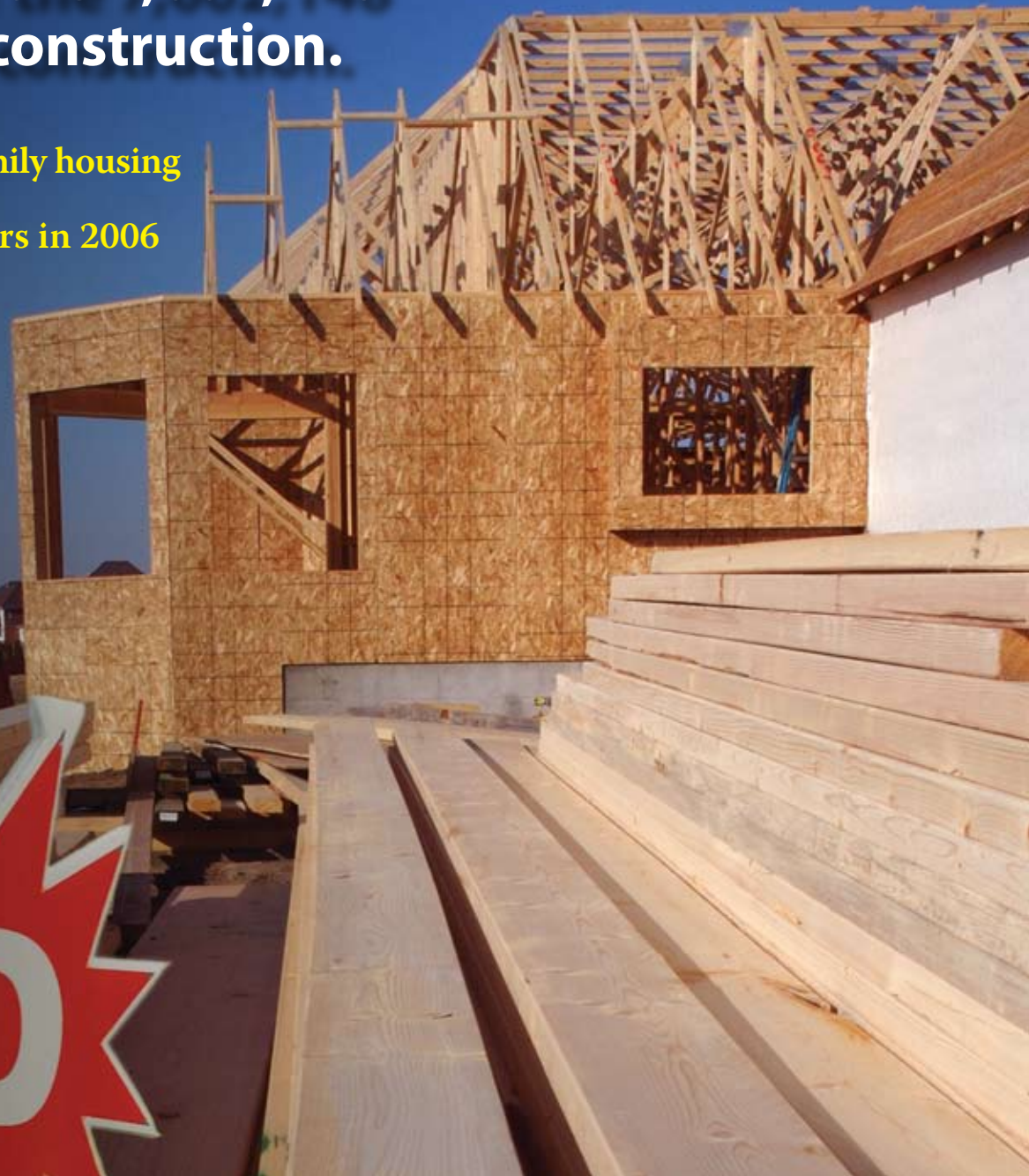
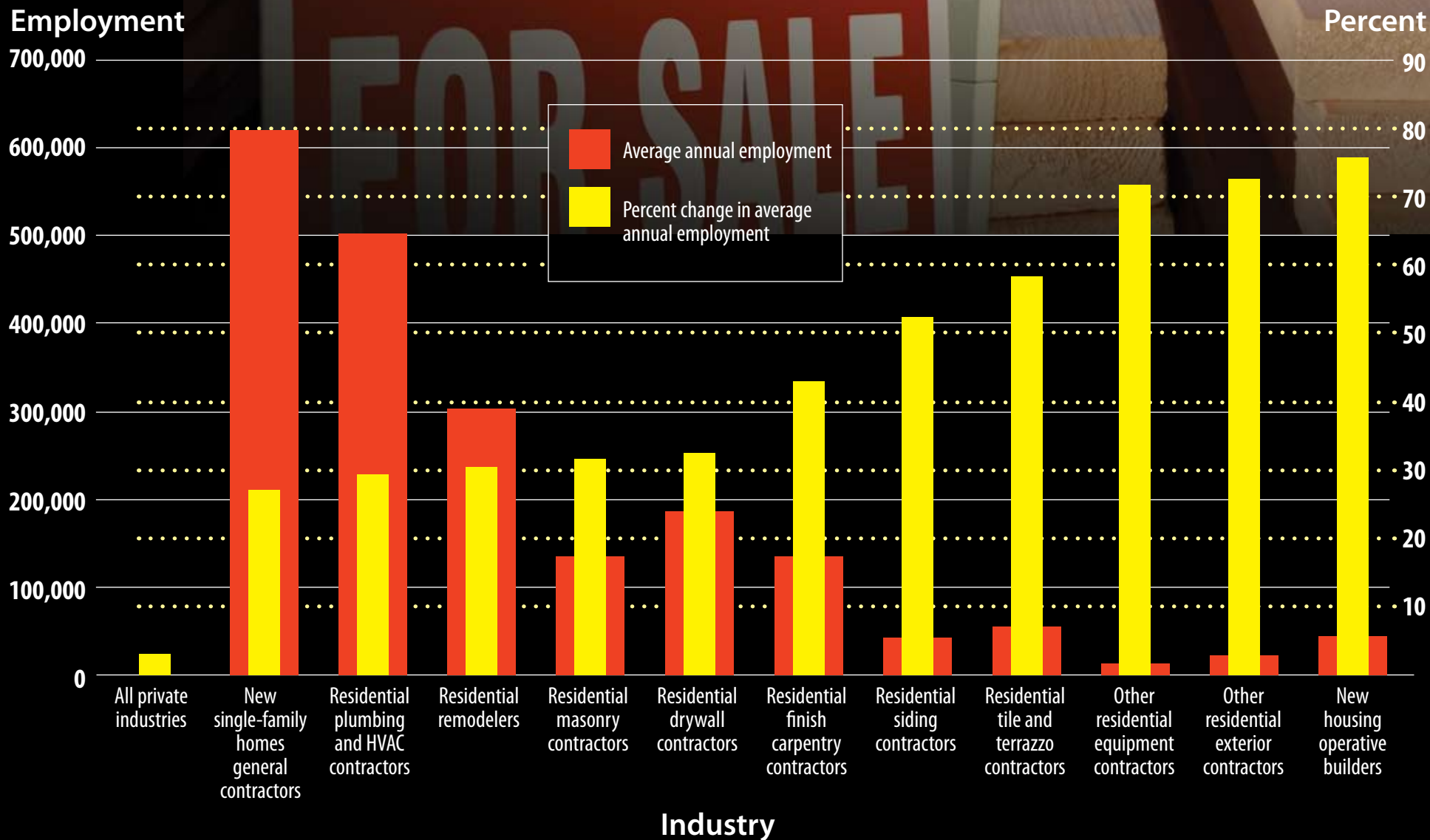


CHART 18 Average annual employment in 2006 and percentage change in employment from 2001–2006

Selected residential housing-related industries



With nearly 22 percent, the trade, transportation, and utilities industry encompassed the largest share of establishments in 2006. In contrast, trade, transportation, and utilities comprised about 18 percent of total wages.



👉 **With about 21 percent of all jobs nationwide, education and health services comprised the largest share of workers in 2006, despite representing 10 percent of all establishments. This reflects the relatively high employment per establishment.**

👉 **Additionally, with 19.4 percent of total wages, education and health services had the largest share of wages among industries in 2006.**

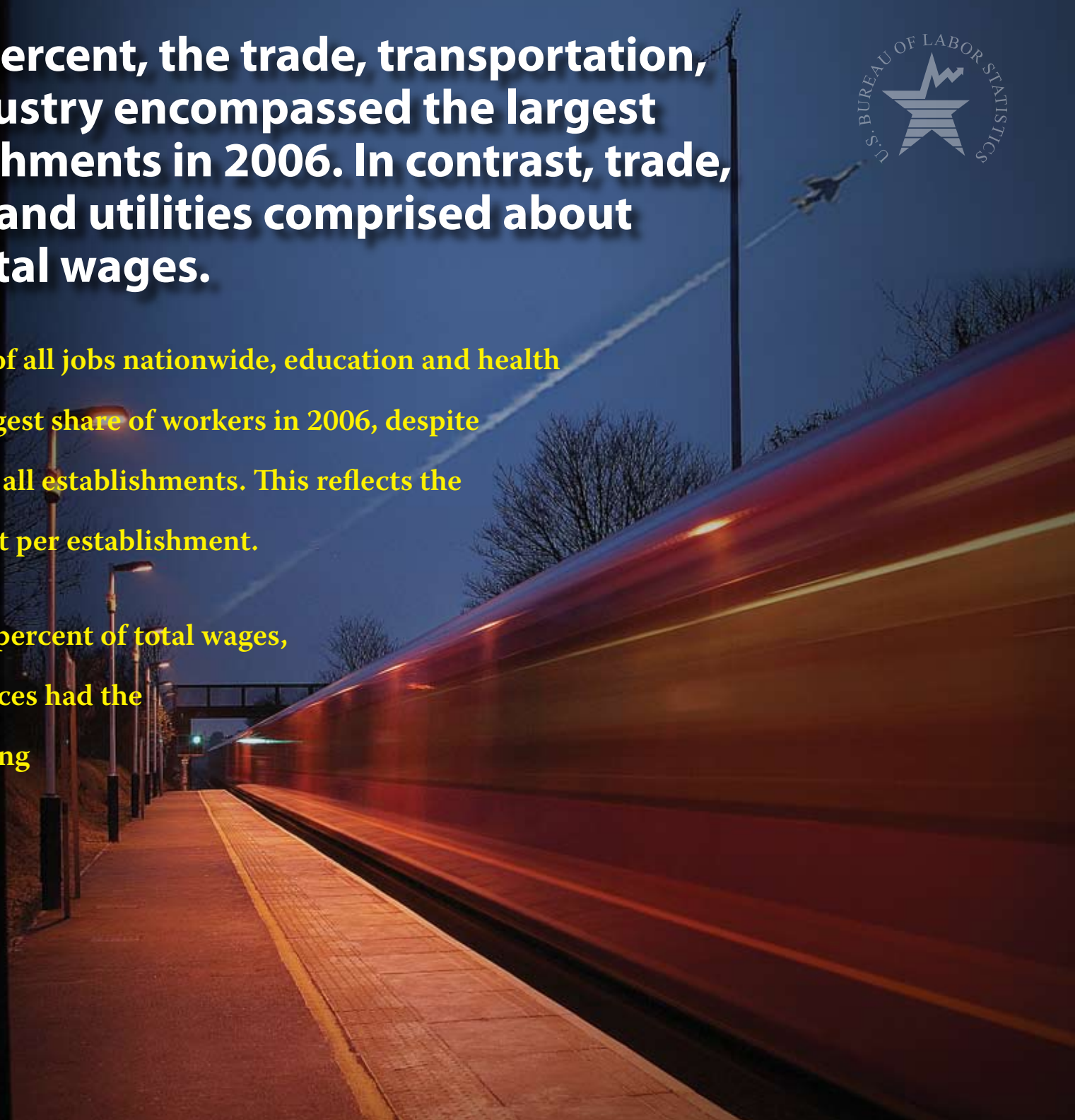
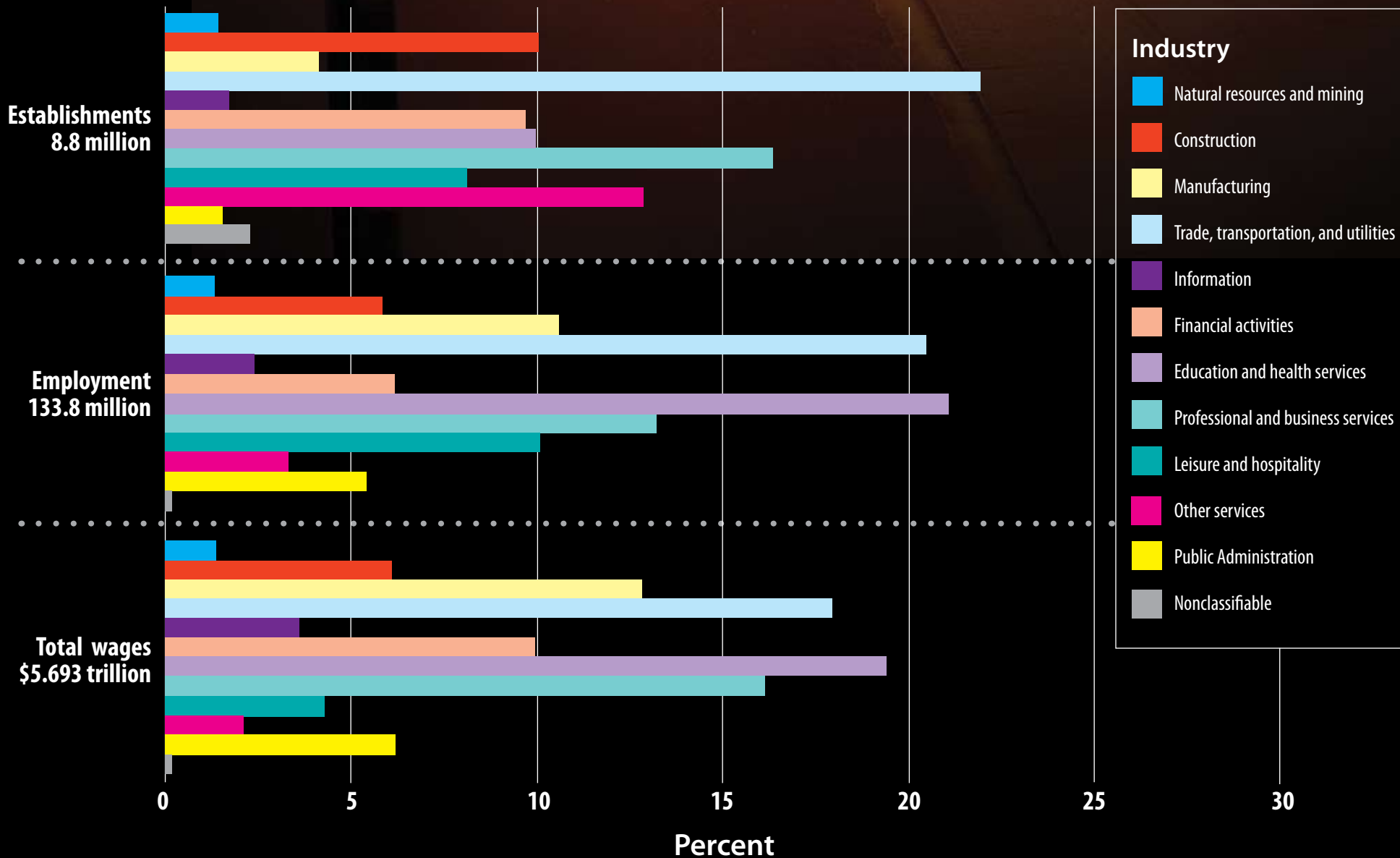


CHART 19

Percent of U.S. total, all ownerships, by industry, 2006



Benton County, Arkansas, had the highest concentration of employment in managing offices, with a location quotient of 10.6.

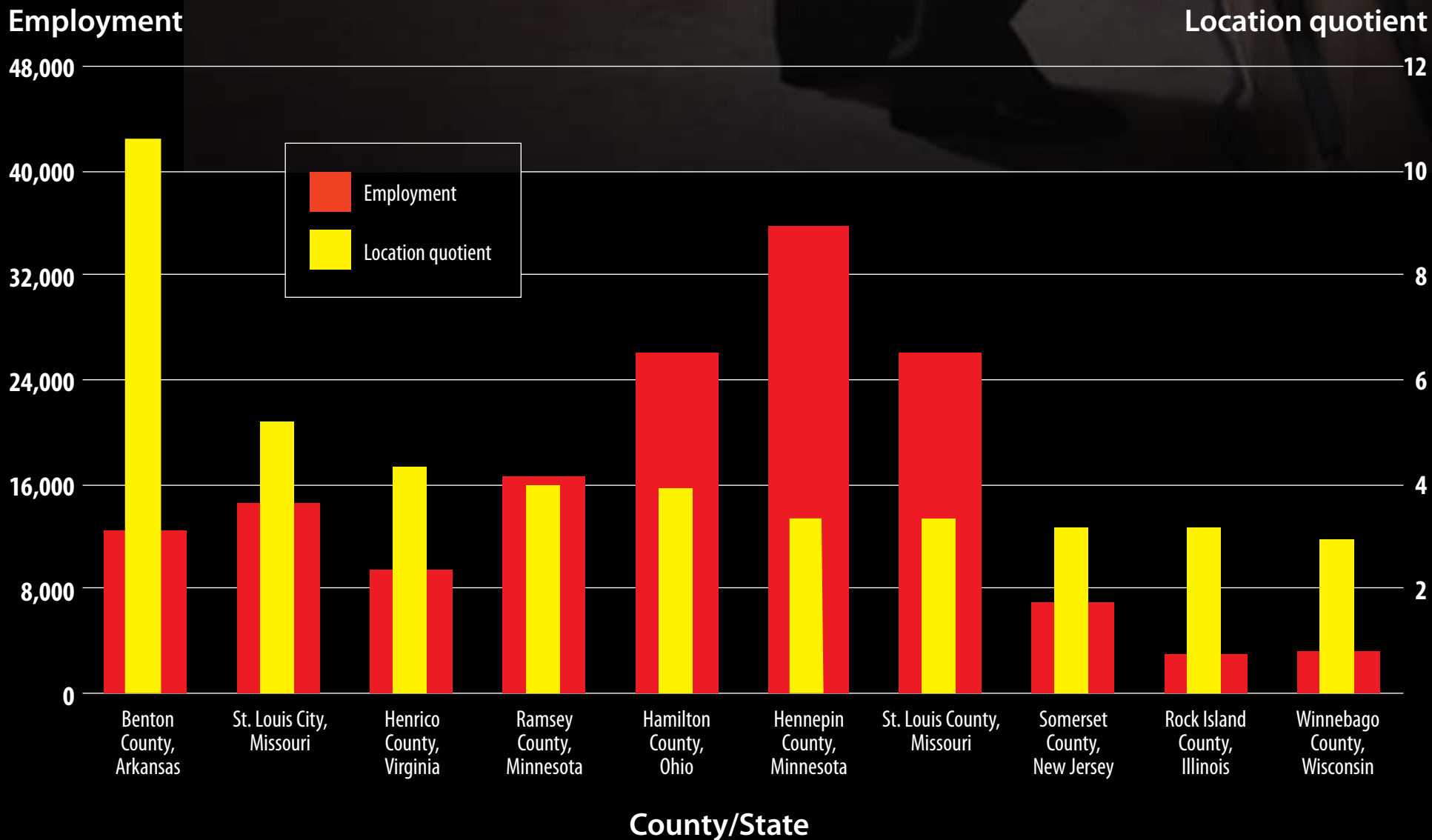
📍 Hamilton, Ohio; Hennepin, Minnesota; and St. Louis County, Missouri, rank in the top ten counties in both employment and employment concentration within managing offices.



Chart 20 examines 2006 annual data for counties with at least 75,000 workers. The industry studied was corporate, subsidiary, and regional managing offices.

CHART **20**

Top ten large U.S. counties in managing offices employment concentration



Fairfield, Connecticut, had the highest wages in investment banking, with an annual average weekly wage of \$9,595.

📍 In Fairfield, New York County (i.e., Manhattan), and San Francisco, average weekly wages in the first quarter were more than twice as high as annual weekly wages.

📍 In the top eight counties, average weekly wages in the first quarter were more than double average weekly wages in the second quarter.



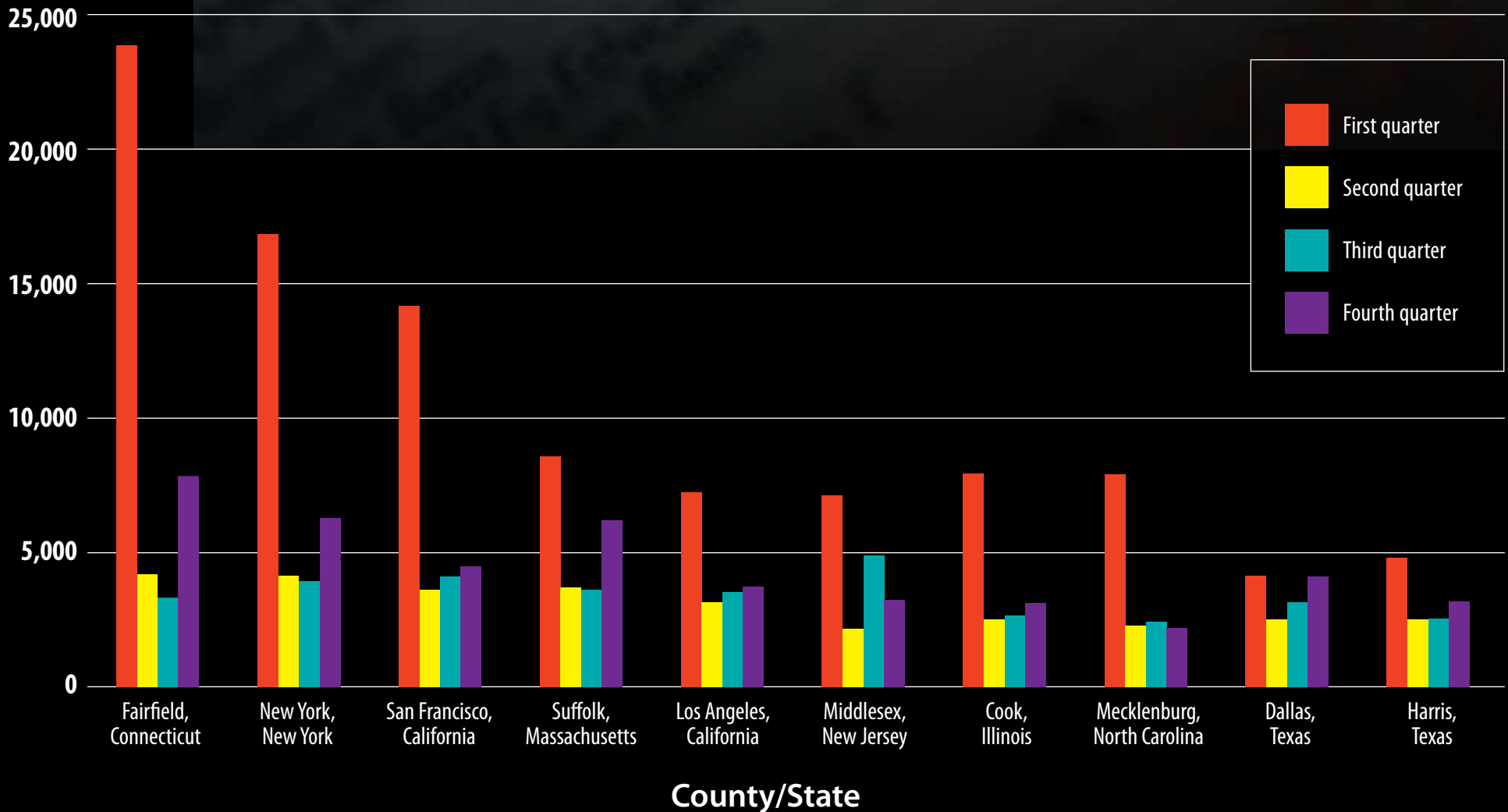
Chart 21 examines counties with at least 2,000 workers in investment banking.

CHART **21**

Average weekly wages in the top ten counties in investment banking and securities dealing

First through fourth quarters, 2006

Dollars



Wages were the highest in New York County (i.e., Manhattan), with a wage density of \$9.17 billion per square mile.



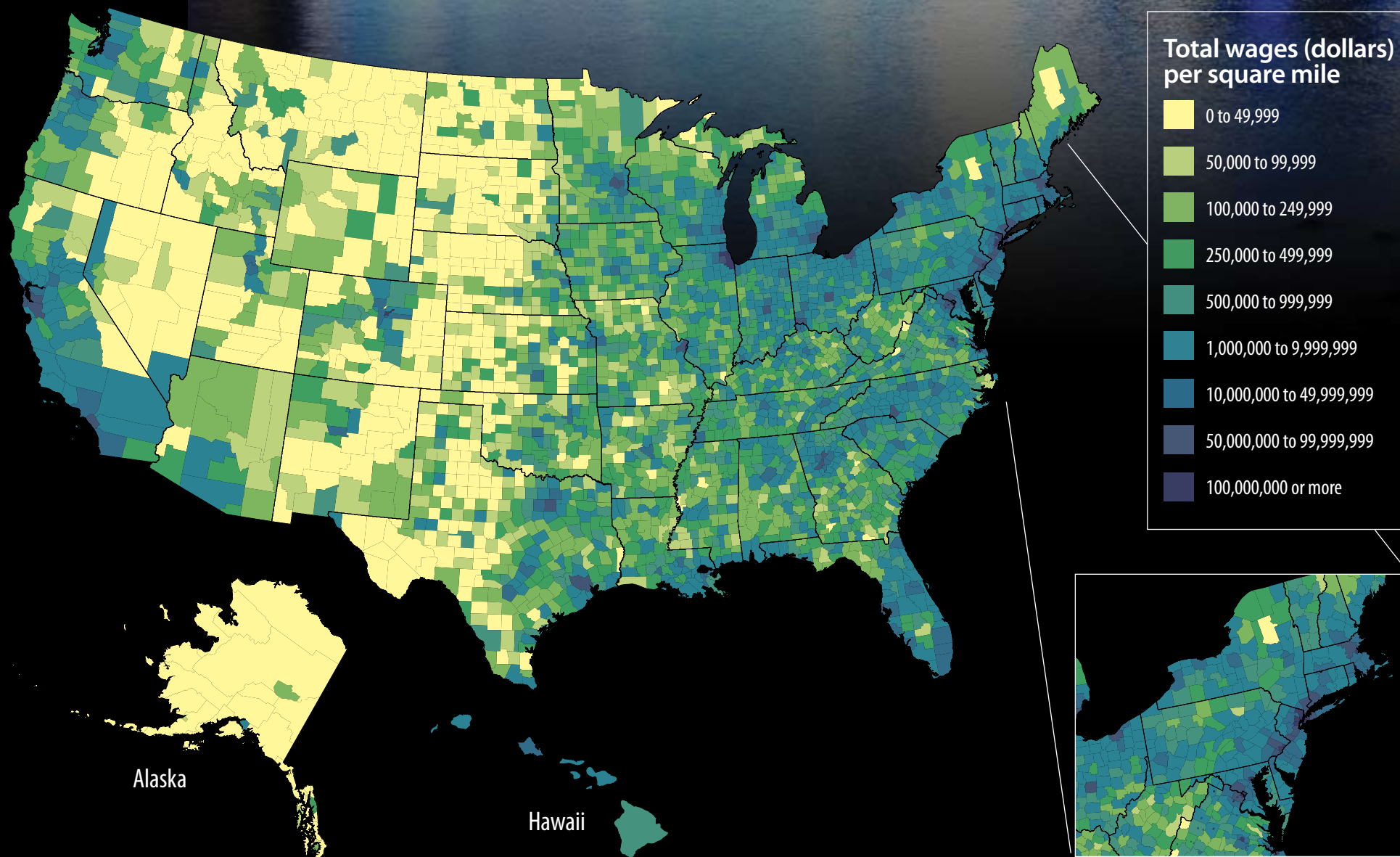
📍 In contrast, Hamilton County, New York, had a total wage density of \$26,130 per square mile, the lowest in the State.

📍 The Yukon-Koyukuk Census Area, Alaska, paid the least wages, with a total wage density of \$461 per square mile.

📍 Nationwide (excluding Puerto Rico and the U.S. Virgin Islands), total wage density was almost \$1.6 million per square mile.



CHART 22 U.S. total wage density by county, 2006





Electronic version

The CD included with this bulletin contains PDF tables of QCEW data, a description of the characteristics and uses of the data, a PDF version of this bulletin, and flat files for 2006 QCEW data.

PDF (Portable Document Format) files are created by Adobe Acrobat software and can be viewed with Adobe Acrobat Reader. If you do not already have this viewer configured on a local drive, you may download it at no cost from Adobe's Web site (<http://www.adobe.com/products/reader/>).

To view the data tables on a Windows PC, do the following:

1. Insert the CD into your CD-ROM drive.

2. Open "My Computer" from either the Start Menu or the Desktop.
3. Double-click on the CD-ROM drive to view its contents.
4. To view the bulletin as a PDF, open the file named "cewbultn06.pdf."
5. To view the bulletin in your Web browser, open the file named "cewbultn06.htm."
6. The bulletin contains a description of the characteristics and uses of the data, and includes links to the data files contained on the CD.
7. To access the flat files, open the file named "readme.txt" and follow the instructions contained in the file.



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