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FOR IMMEDIATE RELEASE:
Wednesday, June 16, 2004

AVERAGE ANNUAL WAGES IN THE GREAT LAKES STATES, 2002

Annual wages in the Great Lakes states¹ averaged \$36,095 in 2002, representing a 2.2 percent increase from a year earlier, according to the U.S. Department of Labor's Bureau of Labor Statistics. Jay Mousa, regional commissioner of the Bureau in Chicago, noted that four of the five Great Lakes states experienced wage gains exceeding the national average of 1.5 percent in 2002. Among the five Great Lakes states, Wisconsin registered the largest over-the-year wage growth at 2.9 percent, followed closely by Ohio at 2.8 percent, Indiana at 2.6 percent, and Michigan at 2.0 percent. Illinois wage growth matched the national average and was the only state in the region where wages grew at a slower pace in 2002 than in 2001. (See table 1.)

Wage levels exceeded the nationwide average in Illinois, \$39,688, and Michigan, \$38,135. Wages trailed the national average in Ohio (\$34,214), Indiana (\$32,603) and Wisconsin (\$32,464). Average annual wages in the Great Lakes states were just below the national average of \$36,764. Nationally, fourteen states and the District of Columbia posted annual wages surpassing the U.S. Average in 2002.

Wage differences among states reflect the varying composition of employment by occupation, industry, and hours of work, as well as other factors. Similarly, over-the-year wage changes may reflect shifts in these characteristics, as well as changes in the level of average wages. Annual wage data are compiled from reports submitted by employers subject to state and federal unemployment insurance (UI) laws which cover 128.2 million full- and part-time workers nationwide. Average annual wages are computed by dividing total annual payrolls of employees covered by UI programs by the average monthly number of those employees. (See Technical Note.)

¹ The Great Lakes states referenced in this release are Illinois, Indiana, Michigan, Ohio, and Wisconsin. This geographic grouping corresponds to the Census definition for the East North Central division.

Wages in metropolitan areas

Among the 53 metropolitan areas across the Great Lakes states, four recorded wage levels above the national metropolitan area average of \$38,423 - Chicago, Illinois; Detroit, Michigan; Kokomo, Indiana; and Ann Arbor, Michigan. (See table 2.) Chicago posted the highest wage level in the region at \$43,239, followed closely by Detroit at \$43,224. Among all 318 metropolitan areas in the nation, Chicago and Detroit ranked 17th and 18th highest in wages. Terre Haute, Indiana, at \$28,415 recorded the lowest average annual wage within the five Great Lakes states and ranked 249th in the nation. There were 38 areas in the U.S. with wages above the average for all metropolitan areas: San Jose, California, recorded the highest wage level at \$63,056 and Jacksonville, N.C., the lowest, \$22,269.

Forty-seven metropolitan areas in the 5-state region experienced wage growth at or above the 1.4 percent gain for all metropolitan areas in 2002. Wages in Elkhart-Goshen, Indiana, grew the fastest, rising 5.3 percent over the year. Of the six areas in the Great Lakes with slower than average growth, only Decatur, Illinois experienced a wage decline (-0.4 percent), joining 14 other metropolitan areas nationwide with negative growth.

Wages in industries

Wage levels vary widely by industry. The highest-paid industry in the five Great Lakes states was management of companies and enterprises. Wage levels in this industry ranged from \$84,394 in Illinois to \$61,724 in Indiana. Nationally, management of companies and enterprises was also the highest paying at \$69,277. The accommodation and food service industry, which has a large percentage of part-time workers, was the lowest-paid industry in each state in the region, mirroring its position at the national level. Wages in accommodation and food service were below the U.S. average of \$13,669 in each of the Great Lakes states, with Wisconsin reporting a regional low of \$10,010.

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TECHNICAL NOTE

Background

These data are the product of a federal-state cooperative program known as the Quarterly Census of Employment and Wages (QCEW) in which State Employment Security Agencies (SESAs) prepare summaries of employment and total pay of workers covered by Unemployment Insurance (UI) legislation. The summaries are a by-product of the administration of state unemployment insurance programs that require most employers to pay quarterly taxes based on the employment and wages of workers covered by UI.

Coverage

Employment and wage data for workers covered by state UI laws and for federal civilian workers covered by the Unemployment Compensation for Federal Employees (UCFE) program are compiled from quarterly contribution reports submitted to the SESAs by employers. In addition to the quarterly contribution reports, employers who operate multiple establishments within a state complete a questionnaire, called the "Multiple Worksite Report," which provides detailed information on the location and industry of each of their establishments. Average annual pay data are derived from summaries of employment and wages submitted by states to the Bureau of Labor Statistics. These reports are based on place of employment rather than place of residence.

UI and UCFE coverage is broad and basically comparable from state to state. In 2002, UI and UCFE programs covered workers in 128.2 million jobs. Covered workers received \$4.713 trillion in pay, representing 94.3 percent of the wage and salary component of personal income and 45.1 percent of the gross domestic product.

Major exclusions from UI coverage include self-employed workers, most agricultural workers on small farms, all members of the Armed Forces, elected officials in most states, most employees of railroads, some domestic workers, most student workers at schools, and employees of certain small nonprofit organizations.

Concepts and methodology

Average annual wages were computed by dividing total annual wages of employees covered by UI programs by the average monthly number of these employees. In addition to salaries, average annual wage data include bonuses, the cash value of meals and lodging when supplied, tips and other gratuities, and, in some states, employer contributions to certain deferred compensation plans such as 401(k) plans, and stock options. Monthly employment is based on the number of workers who worked during or received pay for the pay period including the 12th of the month. With few exceptions, all employees of covered firms are reported, including production and sales workers, corporation officials, executives, supervisory personnel, and clerical workers. Workers on paid vacations and part-time workers also are included.

Average annual wages are affected by the ratio of full-time to part-time workers as well as the number of individuals in high-paying and low-paying occupations. When comparing average annual wage levels between industries and/or states, these factors should be taken into consideration. Annual pay data only approximate annual earnings because an individual may not be employed by the same employer all year or may work for more than one employer. Also, year-to-year changes in average annual wages can result from a change in the proportion of employment in high- and low-wage jobs, as well as from changes in the level of average annual wages.

In order to insure the highest possible quality of data, SESAs verify with employers and update, if necessary, the industry, location, and ownership classification of all establishments on a 3-year cycle. Changes in establishment classification codes resulting from the verification process are introduced with the data reported for the first quarter of the year. Changes resulting from improved employer reporting also are introduced in the first quarter. For these reasons, some data, especially at more detailed industry levels, may not be strictly comparable with earlier years.

A few covered employers provided insufficient information on the nature of their businesses to enable the SESA to assign a specific NAICS code. The establishments of these employers therefore could not be classified by industry sector. The wages for these nonclassifiable establishments, along with data for the agricultural division, are not shown separately, but are included in the averages for state and national totals.

The Office of Management and Budget (OMB) defines metropolitan areas for use in federal statistical activities and updates these definitions as needed each summer—data in this release use criteria established in definitions issued June 30, 1999 (OMB Bulletin No. 99-04). The 318 metropolitan areas in the United States are a compilation of a set of areas classified as Metropolitan Statistical Areas (MSAs), Primary Metropolitan Statistical Areas (PMSAs) and Consolidated Metropolitan Statistical Areas (CMSAs). Generally speaking, an MSA consists of one or more counties and meets specified size criteria—either it contains a city of at least 50,000 inhabitants, or it contains an urbanized area of at least 50,000 inhabitants, and has a total population of at least 100,000 (75,000 in New England). A CMSA is a metropolitan area that has a population of at least 1 million and has been divided into two or more PMSAs. The CMSA comprises the same geographic area as its constituent PMSAs which are loosely defined as free-standing areas that have a population of at least 100,000.

County definitions are assigned according to Federal Information Processing Standards Publications (FIPS PUBS) as issued by the National Institute of Standards and Technology, after approval by the Secretary of Commerce pursuant to Section 5131 of the Information Technology Management Reform Act of 1996 and the Computer Security Act of 1987, Public Law 104-106. Areas shown as counties include areas designated as independent cities in some jurisdictions, and, in Alaska, those designated as census areas where counties have not been created.

Additional statistics and other information

Additional average annual wage data (or Quarterly Census of Employment and Wages data) is available on the BLS Internet site at www.bls.gov. Beginning in October 2002, quarterly data are available for selected QCEW series. Data can be accessed in several ways, including *Selective Access*, which allows quick access to particular items, and the special request FTP service, which allows access to extensive collection of flat text files. The Chicago Information Office can provide assistance accessing these files by calling 312-353-1880.

This news release, along with other BLS statistics and information, is available via the Internet at the BLS Web site www.bls.gov/ro5.

An annual bulletin, *Employment and Wages*, features comprehensive information by detailed industry on establishments, employment, and wages for the nation and all states. *Employment and Wages Annual Averages, 2002, Bulletin 2563*, is available from the BLS Publications Sales Center, 230 S. Dearborn St., Rm 960 Chicago, Illinois 60604, telephone 312-353-1880. The bulletin is now available in a portable document format (PDF) on the BLS Web site at www.bls.gov/cew/cewbultn02.htm.

For personal assistance or further information on annual average wage data as well as other Bureau programs, contact the Chicago Information Office at 312-353-1880, menu option 0, from 8:00 a.m. to 4:00 p.m. central time.

Table 1. Average annual wages for 2001 and 2002 for all covered workers¹ in the Great Lakes states

Area	Average Annual Wages		Percent change 2001-02
	2001	2002	
UNITED STATES ²	\$36,219	\$36,764	1.5
Great Lakes States	35,316	36,095	2.2
Illinois	39,083	39,688	1.5
Indiana	31,779	32,603	2.6
Michigan	37,391	38,135	2.0
Ohio	33,283	34,214	2.8
Wisconsin	31,540	32,464	2.9

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

² Totals for the United States do not include data for Puerto Rico and the Virgin Islands.

Table 2. Average annual wages for 2001 and 2002 for all covered workers¹ by metropolitan area in the Great Lakes states

Metropolitan areas	Average annual wages ³			
	2001	2002	Percent change, 2001-02	Ranking by level of average annual wages for 2002
All U.S. Metropolitan areas ⁴	\$37,908	\$38,423	1.4	
Akron, OH	32,930	34,037	3.4	91
Ann Arbor, MI	37,582	39,220	4.4	32
Appleton-Oshkosh-Neenah, WI	32,652	33,020	1.1	111
Benton Harbor, MI	31,140	32,627	4.8	118
Bloomington, IN	28,013	28,855	3.0	233
Bloomington-Normal, IL	35,111	36,133	2.9	58
Canton-Massillon, OH	29,020	29,689	2.3	204
Champaign-Urbana, IL	30,488	31,995	4.9	142
Chicago, IL	42,685	43,239	1.3	17
Cincinnati, OH-KY-IN	36,050	37,168	3.1	46
Cleveland-Lorain-Elyria, OH.....	35,514	36,102	1.7	59
Columbus, OH	35,028	36,144	3.2	57
Davenport-Moline-Rock Island, IA-IL	31,275	32,118	2.7	139
Dayton-Springfield, OH	33,619	34,327	2.1	86
Decatur, IL	33,354	33,215	-0.4	109
Detroit, MI	42,704	43,224	1.2	18
Eau Claire, WI	27,680	28,760	3.9	238
Elkhart-Goshen, IN	30,797	32,427	5.3	130
Evansville-Henderson, IN-KY	31,042	31,977	3.0	143
Flint, MI	35,995	36,507	1.4	54
Ft. Wayne, IN	31,400	32,053	2.1	140
Gary, IN	31,948	32,432	1.5	129
Grand Rapids-Muskegon-Holland, MI	33,431	34,214	2.3	90
Green Bay, WI	32,631	33,698	3.3	101
Hamilton-Middletown, OH	32,325	32,985	2.0	112
Indianapolis, IN	35,989	36,608	1.7	51
Jackson, MI	32,454	33,251	2.5	108
Janesville-Beloit, WI	31,482	32,837	4.3	113
Kalamazoo-Battle Creek, MI	32,905	34,237	4.0	88
Kankakee, IL	29,104	30,015	3.1	193
Kenosha, WI	31,562	32,473	2.9	125
Kokomo, IN	39,599	40,778	3.0	27
LaCrosse, WI-MN	27,774	28,719	3.4	240
Lafayette, IN	31,484	31,700	0.7	154
Lansing-East Lansing, MI	34,724	35,785	3.1	64

See footnotes at end of table.

Table 2. Average annual wages for 2001 and 2002 for all covered workers¹ by metropolitan area in the Great Lakes states--Continued

Metropolitan areas	Average annual wages ³			
	2001	2002	Percent change, 2001-02	Ranking by level of average annual wages for 2002
Lima, OH	\$29,644	\$30,379	2.5	182
Madison, WI	34,097	35,410	3.9	71
Mansfield, OH	28,808	30,104	4.5	188
Milwaukee-Waukesha, WI	35,617	36,523	2.5	53
Muncie, IN	28,374	29,017	2.3	225
Peoria-Pekin, IL	33,293	34,261	2.9	87
Racine, WI	33,319	34,368	3.1	85
Rockford, IL	32,104	32,827	2.3	114
Saginaw-Bay City-Midland, MI	35,429	35,444	0.0	70
St. Louis, MO-IL	35,928	36,712	2.2	50
Sheboygan, WI	30,840	32,148	4.2	137
South Bend, IN	30,769	31,821	3.4	149
Springfield, IL	36,061	37,336	3.5	44
Steubenville-Weirton, OH-WV	28,483	29,129	2.3	221
Terre Haute, IN	27,334	28,415	4.0	249
Toledo, OH	32,299	33,513	3.8	103
Wausau, WI	29,402	30,292	3.0	186
Youngstown-Warren, OH	28,789	29,799	3.5	202

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

² Includes data for Metropolitan Statistical Areas and Primary Metropolitan Statistical Areas as defined by OMB Bulletin No. 99-04.

³ Each year's total is based on the MSA definition for the specific year. Annual changes include differences resulting from changes in MSA definitions.

⁴ Totals do not include the six MSAs within Puerto Rico.

Table 3. Average annual wages for 2001 and 2002 by NAICS industry for all covered workers¹ in the Great Lakes states

State and industry	Average annual wages		Percent change 2001-02
	2001	2002	
United States ²			
Private			
Total ³	\$36,157	\$36,539	1.1
Agriculture, forestry, fishing and hunting ...	20,188	20,890	3.5
Mining	59,686	60,392	1.2
Construction	38,412	39,027	1.6
Manufacturing	42,969	44,097	2.6
Wholesale trade	48,791	49,241	0.9
Retail trade	22,667	23,232	2.5
Transportation and warehousing	36,189	36,823	1.8
Utilities	65,561	67,374	2.8
Information	57,288	56,103	-2.1
Finance and insurance	63,687	62,762	-1.5
Real estate and rental and leasing	32,871	33,924	3.2
Professional and technical services	58,755	58,672	-0.1
Management of companies and enterprises	68,965	69,277	0.5
Administrative and waste services	24,443	25,276	3.4
Educational services	32,066	33,163	3.4
Health care and social assistant	32,813	34,043	3.7
Arts, entertainment and recreation	25,344	26,159	3.2
Accommodation and food services	13,674	13,946	2.0
Other services, except public administration	23,220	23,784	2.4
Government	36,549	37,935	3.8
Illinois			
Private			
Total ³	39,235	39,739	1.3
Agriculture, forestry, fishing and hunting ...	24,299	24,872	2.4
Mining	50,286	51,457	2.3
Construction	47,562	48,511	2.0
Manufacturing	43,754	44,866	2.5
Wholesale trade	53,017	53,566	1.0
Retail trade	22,839	23,458	2.7
Transportation and warehousing	38,550	39,295	1.9
Utilities	78,110	79,168	1.4
Information	53,003	52,733	-0.5
Finance and insurance	65,716	66,300	0.9
Real estate and rental and leasing	39,550	41,554	5.1
Professional and technical services	64,100	64,387	0.4
Management of companies and enterprises	87,715	84,394	-3.8
Administrative and waste services	25,217	25,448	0.9
Educational services	33,244	34,183	2.8
Health care and social assistant	33,330	34,488	3.5
Arts, entertainment and recreation	24,695	25,972	5.2
Accommodation and food services	13,497	13,605	0.8
Other services, except public administration	26,414	27,391	3.7
Government	38,133	39,377	3.3

See footnotes at end of table.

Table 3. Average annual wages for 2001 and 2002 by NAICS industry for all covered workers¹ in the Great Lakes states--Continued

State and industry	Average annual wages		Percent change 2001-02
	2001	2002	
Indiana			
Private			
Total ³	\$31,759	\$32,575	2.6
Agriculture, forestry, fishing and hunting ...	23,570	24,436	3.7
Mining.....	46,044	46,752	1.5
Construction	36,695	37,563	2.4
Manufacturing	42,097	43,947	4.4
Wholesale trade	41,483	42,577	2.6
Retail trade	19,703	20,388	3.5
Transportation and warehousing	31,862	33,518	5.2
Utilities	58,392	59,092	1.2
Information	38,095	38,971	2.3
Finance and insurance	44,336	44,216	-0.3
Real estate and rental and leasing	25,409	26,656	4.9
Professional and technical services	42,417	43,056	1.5
Management of companies and enterprises	65,351	61,724	-5.6
Administrative and waste services	21,125	21,369	1.2
Educational services	25,893	26,803	3.5
Health care and social assistant	31,504	32,605	3.5
Arts, entertainment and recreation	23,869	24,569	2.9
Accommodation and food services	10,954	11,169	2.0
Other services, except public administration	20,752	21,392	3.1
Government	31,913	32,775	2.7
Michigan			
Private			
Total ³	37,556	38,162	1.6
Agriculture, forestry, fishing and hunting ...	19,043	19,615	3.0
Mining	44,569	44,398	-0.4
Construction	42,733	42,951	0.5
Manufacturing	49,658	52,033	4.8
Wholesale trade	51,068	51,580	1.0
Retail trade	21,676	22,473	3.7
Transportation and warehousing	39,894	41,090	3.0
Utilities	67,367	69,526	3.2
Information	47,339	47,191	-0.3
Finance and insurance	48,815	49,651	1.7
Real estate and rental and leasing	28,721	29,485	2.7
Professional and technical services	60,889	60,524	-0.6
Management of companies and enterprises	84,479	77,490	-8.3
Administrative and waste services	26,549	27,840	4.9
Educational services	27,977	27,929	-0.2
Health care and social assistant	33,689	34,856	3.5
Arts, entertainment and recreation	22,276	23,647	6.2
Accommodation and food services	11,524	11,775	2.2
Other services, except public administration	24,477	24,046	-1.8
Government	36,405	37,982	4.3

See footnotes at end of table.

Table 3. Average annual wages for 2001 and 2002 by NAICS industry for all covered workers¹ in the Great Lakes states--Continued

State and industry	Average annual wages		Percent change 2001-02
	2001	2002	
Ohio			
Private			
Total ³	\$32,885	\$33,701	2.5
Agriculture, forestry, fishing and hunting ...	20,696	21,069	1.8
Mining	47,311	46,999	-0.7
Construction	37,392	38,070	1.8
Manufacturing	42,739	44,158	3.3
Wholesale trade	45,124	46,063	2.1
Retail trade	21,176	21,960	3.7
Transportation and warehousing	33,878	34,932	3.1
Utilities	58,278	62,956	8.0
Information	46,505	45,914	-1.3
Finance and insurance	45,792	46,918	2.5
Real estate and rental and leasing	27,593	28,719	4.1
Professional and technical services	47,930	48,280	0.7
Management of companies and enterprises	63,608	69,504	9.3
Administrative and waste services	21,396	22,336	4.4
Educational services	26,636	27,126	1.8
Health care and social assistant	31,580	32,552	3.1
Arts, entertainment and recreation	22,172	22,427	1.2
Accommodation and food services	11,141	11,374	2.1
Other services, except public administration	21,172	21,582	1.9
Government	35,775	37,315	4.3
Wisconsin			
Private			
Total ³	31,180	32,118	3.0
Agriculture, forestry, fishing and hunting ...	21,800	22,484	3.1
Mining	42,883	43,867	2.3
Construction	39,160	39,679	1.3
Manufacturing	39,220	40,606	3.5
Wholesale trade	41,769	43,336	3.8
Retail trade	19,970	20,147	0.9
Transportation and warehousing	31,394	31,820	1.4
Utilities	62,288	63,478	1.9
Information	38,044	38,930	2.3
Finance and insurance	42,157	43,739	3.8
Real estate and rental and leasing	25,306	25,386	0.3
Professional and technical services	46,145	46,550	0.9
Management of companies and enterprises	59,072	65,817	11.4
Administrative and waste services	19,932	20,664	3.7
Educational services	30,508	31,954	4.7
Health care and social assistant	31,545	33,182	5.2
Arts, entertainment and recreation	20,129	20,460	1.6
Accommodation and food services	9,758	10,010	2.6
Other services, except public administration	19,193	19,438	1.3
Government	33,768	34,569	2.4

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

² Totals for the United States do not include data for Puerto Rico and the Virgin Islands.

³ Includes other industries, not shown separately.