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USUAL WEEKLY EARNINGS OF WAGE AND SALARY WORKERS: THIRD QUARTER 2004

Median weekly earnings of the nation's 102.3 million full-time wage and salary workers were \$632 in the third quarter of 2004, the Bureau of Labor Statistics of the U.S. Department of Labor reported today. This was 2.3 percent higher than a year earlier, compared with a gain of 2.7 percent in the Consumer Price Index for All Urban Consumers (CPI-U) over the same period.

Data on usual earnings are collected as part of the Current Population Survey, a nationwide sample survey of households in which respondents are asked, among other things, how much each wage and salary worker usually earns. (See the explanatory note.) Highlights from the third-quarter data are:

Women who usually worked full time had median earnings of \$571 per week, or 81.1 percent of the \$704 median for men. The female-to-male earnings ratios were higher among Hispanics or Latinos (90.1 percent) and blacks (89.1 percent) than among whites (80.9 percent) or Asians (73.5 percent). (See table 1.)

Median earnings for black men working at full-time jobs were \$570 per week, 79.1 percent of the median for white men (\$721). The difference was less among women, as black women's median earnings (\$508) were 87.1 percent of those for their white counterparts (\$583). Overall, median earnings of Hispanics or Latinos who worked full time (\$458) were lower than those of blacks (\$531), whites (\$651), and Asians (\$701). (See table 1.)

Among men, those age 45 to 54 and age 55 to 64 had the highest median weekly earnings, \$859 and \$828, respectively. Among women, earnings also were highest for these two age groups—\$629 for 45- to 54-year olds and \$607 for 55- to 64-year olds. (See table 2.)

Among the major occupational groups, persons employed full time in managerial, professional, and related occupations had the highest median weekly earnings—\$1,111 for men and \$776 for women. Men and women in service jobs earned the least. (See table 3.)

Full-time workers age 25 and over without a high school diploma had median weekly earnings of \$399, compared with \$574 for high school graduates (no college) and \$984 for college graduates holding at least a bachelor's degree. Among college graduates with advanced degrees (professional or master's degree and above), the highest-earning 10 percent of male workers made \$2,881 or more per week, compared with \$1,890 or more for their female counterparts. (See table 4.)

Explanatory Note

The estimates in this release were obtained from the Current Population Survey (CPS), which provides the basic information on the labor force, employment, and unemployment. The survey is conducted monthly for the Bureau of Labor Statistics by the U.S. Census Bureau from a scientifically selected national sample of about 60,000 households, with coverage in all 50 states and the District of Columbia. The earnings data are collected from one-quarter of the CPS monthly sample and are limited to wages and salaries. The data, therefore, exclude self-employment income.

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.

Reliability

Statistics based on the CPS are subject to both sampling and nonsampling error. When a sample, rather than the entire population, is surveyed, there is a chance that the sample estimates may differ from the "true" population values they represent. The exact difference, or *sampling error*, varies depending on the particular sample selected, and this variability is measured by the standard error of the estimate. There is about a 90-percent chance, or level of confidence, that an estimate based on a sample will differ by no more than 1.6 standard errors from the "true" population value because of sampling error. BLS analyses are generally conducted at the 90-percent level of confidence.

The CPS data also are affected by *nonsampling error*. Nonsampling error can occur for many reasons, including the failure to sample a segment of the population, inability to obtain information for all respondents in the sample, inability or unwillingness of respondents to provide correct information, and errors made in the collection or processing of the data.

For a full discussion of the reliability of data from the CPS and information on estimating standard errors, see the "Explanatory Notes and Estimates of Error" section of *Employment and Earnings*.

Definitions

The principal definitions used in connection with the earnings series are described briefly below.

Usual weekly earnings. Data represent earnings before taxes and other deductions and include any overtime pay, commissions, or tips usually received (at the main job in the case of multiple jobholders.) Prior to 1994, respondents were asked how much they usually earned per week. Since January 1994, respondents have been asked to identify the easiest way for them to report earnings (hourly, weekly, biweekly, twice monthly, monthly, annually, other) and how much they usually earn in the reported time period. Earnings reported on a basis other than weekly are converted to a weekly equivalent. The term "usual" is as perceived by the respondent. If the respondent asks for a definition of usual,

interviewers are instructed to define the term as more than half the weeks worked during the past 4 or 5 months.

Medians (and other quantiles) of weekly earnings. The median (or upper limit of the second quartile) is the amount which divides a given earnings distribution into two equal groups, one having earnings above the median and the other having earnings below the median. Ten percent of a given distribution have earnings below the upper limit of the first decile (90 percent have higher earnings); 25 percent have earnings below the upper limit of the first quartile (75 percent have higher earnings); 75 percent have earnings below the upper limit of the third quartile (25 percent have higher earnings); and 90 percent have earnings below the upper limit of the ninth decile (10 percent have higher earnings).

The estimating procedure places each reported or calculated weekly earnings value into \$50-wide intervals which are centered around multiples of \$50. The actual value is estimated through the linear interpolation of the interval in which the quantile boundary lies.

Over-the-year changes in the medians (and other quantile boundaries) for specific groups may not necessarily be consistent with the movements estimated for the overall quantile boundary. The most common reasons for this possible anomaly are: (1) There could be a change in the relative weights of the subgroups. For example, the medians of both 16-to-24 year olds and those 25 years and over may rise; but if the lower-earning 16-to-24 group accounts for a greatly increased share of the total, the overall median could actually fall. (2) There could be a large change in the shape of the distribution of reported earnings, particularly near a quantile boundary. This could be caused by survey observations that are clustered at rounded values, e.g., \$250, \$300, \$400. An estimate lying in a \$50-wide centered interval containing such a cluster or "spike" tends to change more slowly than one in other intervals.

Wage and salary workers. Workers who receive wages, salaries, commissions, tips, payment in kind, or piece rates. The group includes employees in both the private and public sectors but, for the purposes of the earnings series, excludes all self-employed persons, regardless of whether or not their businesses are incorporated.

Full-time workers. Workers who usually work 35 hours or more per week at their sole or principal job.

Part-time workers. Workers who usually work fewer than 35 hours per week at their sole or principal job.

Constant dollars. The Consumer Price Index for All Urban Consumers (CPI-U) is used to convert current dollars to constant (1982) dollars.

Hispanic or Latino ethnicity. This refers to persons who identified themselves in the enumeration process as being Spanish, Hispanic, or Latino. Persons whose ethnicity is identified as Hispanic or Latino may be of any race and, therefore, are classified by ethnicity as well as by race.

Table 1. Median usual weekly earnings of full-time wage and salary workers by selected characteristics, quarterly averages, not seasonally adjusted

| Characteristic | Number of workers (in thousands) | | Median weekly earnings | | | |
|----------------------------------------------------|-------------------------------------|-------------|------------------------|-------------|----------------------------|-------------|
| | III 2003 | III 2004 | In current dollars | | In constant (1982) dollars | |
| | | | III 2003 | III 2004 | III 2003 | III 2004 |
| SEX AND AGE | | | | | | |
| Total, 16 years and over | 101,372 | 102,325 | \$618 | \$632 | \$323 | \$322 |
| Men, 16 years and over | 57,175 | 57,898 | 689 | 704 | 360 | 358 |
| 16 to 24 years | 6,746 | 6,865 | 396 | 400 | 207 | 204 |
| 25 years and over | 50,429 | 51,033 | 742 | 759 | 388 | 386 |
| Women, 16 years and over | 44,197 | 44,427 | 550 | 571 | 288 | 291 |
| 16 to 24 years | 5,018 | 5,083 | 366 | 371 | 191 | 189 |
| 25 years and over | 39,180 | 39,344 | 585 | 602 | 306 | 306 |
| RACE, HISPANIC OR LATINO ETHNICITY, AND SEX | | | | | | |
| White | 82,828 | 83,367 | 633 | 651 | 331 | 331 |
| Men | 47,815 | 48,172 | 708 | 721 | 370 | 367 |
| Women | 35,012 | 35,195 | 569 | 583 | 297 | 297 |
| Black or African American | 11,984 | 12,136 | 509 | 531 | 266 | 270 |
| Men | 5,654 | 5,757 | 568 | 570 | 297 | 290 |
| Women | 6,330 | 6,379 | 478 | 508 | 250 | 258 |
| Asian | 4,382 | 4,408 | 692 | 701 | 362 | 357 |
| Men | 2,500 | 2,581 | 762 | 801 | 399 | 408 |
| Women | 1,882 | 1,827 | 592 | 589 | 310 | 300 |
| Hispanic or Latino | 13,805 | 14,263 | 444 | 458 | 232 | 233 |
| Men | 8,761 | 9,155 | 463 | 477 | 242 | 243 |
| Women | 5,044 | 5,108 | 414 | 430 | 216 | 219 |

NOTE: Estimates for the above race groups (white, black or African American, and Asian) do not sum to totals because data are not presented for all races. In addition, persons whose ethnicity is identified as Hispanic or Latino may be of any race and, therefore, are classified by ethnicity as well as by race. Beginning in January 2004, data reflect revised population controls used in the household survey.

Table 2. Median usual weekly earnings of full-time wage and salary workers by age, race, Hispanic or Latino ethnicity, and sex, third quarter 2004 averages, not seasonally adjusted

| Age, race, and Hispanic or Latino ethnicity | Total | | Men | | Women | |
|---------------------------------------------|----------------------------------|------------------------|----------------------------------|------------------------|----------------------------------|------------------------|
| | Number of workers (in thousands) | Median weekly earnings | Number of workers (in thousands) | Median weekly earnings | Number of workers (in thousands) | Median weekly earnings |
| TOTAL | | | | | | |
| 16 years and over | 102,325 | \$632 | 57,898 | \$704 | 44,427 | \$571 |
| 16 to 24 years | 11,948 | 387 | 6,865 | 400 | 5,083 | 371 |
| 16 to 19 years | 2,159 | 300 | 1,336 | 310 | 823 | 279 |
| 20 to 24 years | 9,789 | 410 | 5,529 | 431 | 4,260 | 390 |
| 25 years and over | 90,377 | 681 | 51,033 | 759 | 39,344 | 602 |
| 25 to 54 years | 76,721 | 680 | 43,519 | 753 | 33,203 | 603 |
| 25 to 34 years | 25,016 | 610 | 14,584 | 643 | 10,432 | 575 |
| 35 to 44 years | 26,780 | 708 | 15,387 | 802 | 11,393 | 607 |
| 45 to 54 years | 24,925 | 740 | 13,547 | 859 | 11,377 | 629 |
| 55 years and over | 13,656 | 689 | 7,515 | 800 | 6,141 | 596 |
| 55 to 64 years | 11,874 | 711 | 6,478 | 828 | 5,395 | 607 |
| 65 years and over | 1,782 | 575 | 1,036 | 623 | 746 | 484 |
| White | | | | | | |
| 16 years and over | 83,367 | 651 | 48,172 | 721 | 35,195 | 583 |
| 16 to 24 years | 9,843 | 389 | 5,811 | 403 | 4,032 | 371 |
| 25 years and over | 73,524 | 701 | 42,361 | 781 | 31,163 | 613 |
| 25 to 54 years | 61,864 | 699 | 35,867 | 774 | 25,997 | 613 |
| 55 years and over | 11,660 | 714 | 6,494 | 832 | 5,166 | 612 |
| Black or African American | | | | | | |
| 16 years and over | 12,136 | 531 | 5,757 | 570 | 6,379 | 508 |
| 16 to 24 years | 1,311 | 374 | 630 | 380 | 682 | 366 |
| 25 years and over | 10,824 | 567 | 5,127 | 599 | 5,697 | 524 |
| 25 to 54 years | 9,543 | 575 | 4,526 | 602 | 5,017 | 536 |
| 55 years and over | 1,282 | 515 | 601 | 573 | 680 | 482 |
| Asian | | | | | | |
| 16 years and over | 4,408 | 701 | 2,581 | 801 | 1,827 | 589 |
| 16 to 24 years | 420 | 414 | 201 | 501 | 219 | 392 |
| 25 years and over | 3,987 | 743 | 2,379 | 848 | 1,608 | 615 |
| 25 to 54 years | 3,511 | 753 | 2,094 | 855 | 1,417 | 627 |
| 55 years and over | 476 | 696 | 286 | 798 | 190 | 524 |
| Hispanic or Latino | | | | | | |
| 16 years and over | 14,263 | 458 | 9,155 | 477 | 5,108 | 430 |
| 16 to 24 years | 2,263 | 328 | 1,524 | 329 | 739 | 325 |
| 25 years and over | 12,000 | 488 | 7,631 | 502 | 4,369 | 456 |
| 25 to 54 years | 10,909 | 487 | 6,980 | 501 | 3,929 | 455 |
| 55 years and over | 1,091 | 502 | 652 | 528 | 440 | 463 |

NOTE: Estimates for the above race groups (white, black or African American, and Asian) do not sum to totals because data are not presented for all races. In addition, persons whose ethnicity is identified as Hispanic or Latino may be of any race and, therefore, are classified by ethnicity as well as by race. Beginning in January 2004, data reflect revised population controls used in the household survey.

Table 3. Median usual weekly earnings of full-time wage and salary workers by occupation and sex, quarterly averages, not seasonally adjusted

| Occupation and sex | Number of workers (in thousands) | | Median weekly earnings | |
|--------------------------------------------------------------------|-------------------------------------|-------------|------------------------|-------------|
| | III 2003 | III 2004 | III 2003 | III 2004 |
| TOTAL | | | | |
| Managerial, professional, and related occupations | 35,663 | 35,684 | \$883 | \$916 |
| Management, business, and financial operations occupations | 14,388 | 14,421 | 951 | 958 |
| Professional and related occupations | 21,276 | 21,263 | 840 | 886 |
| Service occupations | 13,996 | 14,188 | 400 | 411 |
| Sales and office occupations | 25,199 | 25,399 | 544 | 566 |
| Sales and related occupations | 10,003 | 10,056 | 598 | 598 |
| Office and administrative support occupations | 15,196 | 15,343 | 524 | 549 |
| Natural resources, construction, and maintenance occupations | 11,344 | 11,680 | 600 | 613 |
| Farming, fishing, and forestry occupations | 783 | 777 | 398 | 363 |
| Construction and extraction occupations | 6,378 | 6,635 | 586 | 602 |
| Installation, maintenance, and repair occupations | 4,182 | 4,268 | 679 | 693 |
| Production, transportation, and material moving occupations | 15,170 | 15,375 | 527 | 520 |
| Production occupations | 8,790 | 8,561 | 526 | 519 |
| Transportation and material moving occupations | 6,380 | 6,814 | 529 | 521 |
| Men | | | | |
| Managerial, professional, and related occupations | 17,799 | 17,719 | 1,056 | 1,111 |
| Management, business, and financial operations occupations | 8,070 | 7,926 | 1,112 | 1,169 |
| Professional and related occupations | 9,728 | 9,793 | 1,018 | 1,051 |
| Service occupations | 7,112 | 7,188 | 451 | 470 |
| Sales and office occupations | 9,583 | 9,691 | 647 | 668 |
| Sales and related occupations | 5,653 | 5,701 | 728 | 733 |
| Office and administrative support occupations | 3,930 | 3,990 | 571 | 606 |
| Natural resources, construction, and maintenance occupations | 10,870 | 11,247 | 604 | 618 |
| Farming, fishing, and forestry occupations | 648 | 655 | 408 | 366 |
| Construction and extraction occupations | 6,224 | 6,523 | 587 | 603 |
| Installation, maintenance, and repair occupations | 3,998 | 4,068 | 681 | 699 |
| Production, transportation, and material moving occupations | 11,811 | 12,054 | 579 | 575 |
| Production occupations | 6,210 | 6,058 | 595 | 591 |
| Transportation and material moving occupations | 5,601 | 5,995 | 549 | 548 |
| Women | | | | |
| Managerial, professional, and related occupations | 17,865 | 17,965 | 755 | 776 |
| Management, business, and financial operations occupations | 6,317 | 6,494 | 808 | 799 |
| Professional and related occupations | 11,547 | 11,470 | 731 | 767 |
| Service occupations | 6,883 | 7,001 | 361 | 382 |
| Sales and office occupations | 15,616 | 15,708 | 501 | 516 |
| Sales and related occupations | 4,350 | 4,355 | 428 | 456 |
| Office and administrative support occupations | 11,266 | 11,354 | 516 | 533 |
| Natural resources, construction, and maintenance occupations | 474 | 433 | 488 | 434 |
| Farming, fishing, and forestry occupations | 135 | 121 | 327 | 357 |
| Construction and extraction occupations | 154 | 112 | 510 | 569 |
| Installation, maintenance, and repair occupations | 185 | 199 | 639 | 506 |
| Production, transportation, and material moving occupations | 3,359 | 3,321 | 414 | 398 |
| Production occupations | 2,579 | 2,502 | 400 | 394 |
| Transportation and material moving occupations | 780 | 819 | 477 | 406 |

NOTE: Beginning in January 2004, data reflect revised population controls used in the household survey.

Table 4. Quartiles and selected deciles of usual weekly earnings of full-time wage and salary workers by selected characteristics, third quarter 2004 averages, not seasonally adjusted

| Characteristic | Number of workers (in thousands) | Upper limit of: | | | | |
|------------------------------------------------------|----------------------------------|-----------------|----------------|--------------------------|----------------|--------------|
| | | First decile | First quartile | Second quartile (median) | Third quartile | Ninth decile |
| SEX, RACE, AND HISPANIC OR LATINO ETHNICITY | | | | | | |
| Total, 16 years and over | 102,325 | \$303 | \$419 | \$632 | \$970 | \$1,461 |
| Men | 57,898 | 319 | 463 | 704 | 1,089 | 1,641 |
| Women | 44,427 | 287 | 388 | 571 | 831 | 1,183 |
| White | 83,367 | 307 | 429 | 651 | 990 | 1,489 |
| Men | 48,172 | 323 | 478 | 721 | 1,119 | 1,668 |
| Women | 35,195 | 290 | 393 | 583 | 845 | 1,208 |
| Black or African American | 12,136 | 285 | 379 | 531 | 773 | 1,122 |
| Men | 5,757 | 297 | 393 | 570 | 832 | 1,214 |
| Women | 6,379 | 278 | 365 | 508 | 729 | 1,033 |
| Asian | 4,408 | 316 | 428 | 701 | 1,143 | 1,757 |
| Men | 2,581 | 338 | 495 | 801 | 1,356 | 1,908 |
| Women | 1,827 | 292 | 384 | 589 | 925 | 1,339 |
| Hispanic or Latino | 14,263 | 267 | 322 | 458 | 685 | 1,017 |
| Men | 9,155 | 277 | 332 | 477 | 695 | 1,055 |
| Women | 5,108 | 251 | 310 | 430 | 661 | 962 |
| EDUCATIONAL ATTAINMENT | | | | | | |
| Total, 25 years and over | 90,377 | 325 | 462 | 681 | 1,019 | 1,527 |
| Less than a high school diploma | 8,484 | 249 | 305 | 399 | 540 | 771 |
| High school graduates, no college ¹ | 27,171 | 307 | 409 | 574 | 792 | 1,097 |
| Some college or associate degree | 25,322 | 344 | 478 | 661 | 935 | 1,283 |
| Bachelor's degree and higher ² | 29,400 | 492 | 689 | 984 | 1,469 | 2,018 |
| Bachelor's degree only | 19,437 | 462 | 636 | 908 | 1,344 | 1,889 |
| Advanced degree | 9,963 | 606 | 823 | 1,159 | 1,735 | 2,392 |
| Men, 25 years and over | 51,033 | 357 | 506 | 759 | 1,153 | 1,735 |
| Less than a high school diploma | 5,709 | 275 | 330 | 442 | 603 | 865 |
| High school graduates, no college ¹ | 15,770 | 339 | 459 | 634 | 899 | 1,219 |
| Some college or associate degree | 13,195 | 390 | 547 | 763 | 1,072 | 1,476 |
| Bachelor's degree and higher ² | 16,360 | 537 | 766 | 1,136 | 1,694 | 2,310 |
| Bachelor's degree only | 10,791 | 500 | 715 | 1,024 | 1,538 | 2,078 |
| Advanced degree | 5,568 | 649 | 934 | 1,380 | 1,904 | 2,881 |
| Women, 25 years and over | 39,344 | 301 | 412 | 602 | 873 | 1,232 |
| Less than a high school diploma | 2,775 | 227 | 275 | 334 | 421 | 541 |
| High school graduates, no college ¹ | 11,401 | 283 | 367 | 491 | 660 | 885 |
| Some college or associate degree | 12,127 | 317 | 417 | 580 | 777 | 1,039 |
| Bachelor's degree and higher ² | 13,040 | 458 | 625 | 859 | 1,186 | 1,645 |
| Bachelor's degree only | 8,646 | 429 | 588 | 790 | 1,100 | 1,495 |
| Advanced degree | 4,394 | 575 | 735 | 983 | 1,378 | 1,890 |

¹ Includes persons with a high school diploma or equivalent.

² Includes persons with bachelor's, master's, professional, and doctoral degrees.

NOTE: Ten percent of all full-time wage and salary workers earn less than the upper limit of the first decile; 25 percent earn less than the upper limit of the first quartile; 50 percent earn less than the upper limit of the second quartile, or median; 75 percent earn less than the upper limit of the

third quartile; and 90 percent earn less than the upper limit of the ninth decile. Estimates for the above race groups (white, black or African American, and Asian) do not sum to totals because data are not presented for all races. In addition, persons whose ethnicity is identified as Hispanic or Latino may be of any race and, therefore, are classified by ethnicity as well as by race. Beginning in January 2004, data reflect revised population controls used in the household survey.

Table 5. Median usual weekly earnings of part-time wage and salary workers by selected characteristics, quarterly averages, not seasonally adjusted

| Characteristic | Number of workers (in thousands) | | Median weekly earnings | |
|----------------------------------------------------|-------------------------------------|-------------|------------------------|-------------|
| | III 2003 | III 2004 | III 2003 | III 2004 |
| SEX AND AGE | | | | |
| Total, 16 years and over | 20,907 | 21,403 | \$199 | \$199 |
| Men, 16 years and over | 6,428 | 6,774 | 189 | 190 |
| 16 to 24 years | 3,295 | 3,407 | 153 | 159 |
| 25 years and over | 3,134 | 3,367 | 241 | 232 |
| Women, 16 years and over | 14,478 | 14,629 | 205 | 203 |
| 16 to 24 years | 4,457 | 4,423 | 153 | 152 |
| 25 years and over | 10,022 | 10,206 | 235 | 236 |
| RACE, HISPANIC OR LATINO ETHNICITY, AND SEX | | | | |
| White | 17,637 | 18,038 | 200 | 200 |
| Men | 5,369 | 5,629 | 190 | 186 |
| Women | 12,268 | 12,408 | 205 | 206 |
| Black or African American | 1,954 | 2,026 | 187 | 189 |
| Men | 651 | 702 | 178 | 191 |
| Women | 1,302 | 1,324 | 191 | 188 |
| Asian | 807 | 842 | 227 | 217 |
| Men | 219 | 275 | 173 | 231 |
| Women | 588 | 567 | 251 | 206 |
| Hispanic or Latino | 2,365 | 2,416 | 195 | 189 |
| Men | 830 | 808 | 200 | 192 |
| Women | 1,535 | 1,607 | 193 | 187 |

NOTE: Estimates for the above race groups (white, black or African American, and Asian) do not sum to totals because data are not presented for all races. In addition, persons whose ethnicity is identified as Hispanic or Latino may be of any race and, therefore, are classified by ethnicity as well as by race. Beginning in January 2004, data reflect revised population controls used in the household survey.