

Occupational Wage Adjustment

Overview

A raw wage comparison across U.S. cities shows wage levels in Salt Lake City are below wages in many other cities. However, comparing raw wages does not provide a complete picture of wage structure among various occupations. A more complete analysis would adjust occupational pay with a cost-of-living factor. The purpose of this chapter is to evaluate Salt Lake City's measured median occupational pay compared to 50 other cities in the U.S. with an adjustment made for cost-of-living and observe how Salt Lake City's occupational pay changes after making the adjustment.

Methodology

The U.S. Bureau of Labor Statistics (BLS) measures occupational wages within most metropolitan statistical areas (MSAs) across the United States. Wages were gathered from occupations with the highest levels of employment in the Salt Lake City metropolitan area. In addition to selecting occupations by employment size, occupations were also selected in order to provide representation of each major group in the federal government's Standard Occupational Classification (SOC) coding system (except agriculture). Occupations with the largest employment within each major occupational group were selected. This criterion resulted in a group of 158 occupations, or 67% of measured employment in the Salt Lake City metropolitan area. The selected occupations and their median pay were then extracted for Salt Lake City and 50 other cities across the United States. To bring these occupational wages into a comparative format, a cost-of-living adjustment was developed using The American Chamber of Commerce Researchers Association (ACCRA) Cost of Living Index.

The following is an example of how the adjustment was calculated: The median wages for an accountant in both Salt Lake City and San Diego were measured from the BLS survey. If the ACCRA Cost of Living Index indicated Salt Lake City was 6% below the national average, then the median accountant wage in Salt Lake City was increased by 6%. Correspondingly, if San Diego was 30% above the national average, then the accountant's median wage in that city was decreased by 30%.

All city results were evaluated and measured against two criteria. The percentage of time each city's adjusted occupational wages measured above the national median. The percentage of time each city's adjusted occupational wages measured in the top 25th percentile of all selected MSAs.

The Salt Lake City MSA was the only Utah city used in the calculations. Occupational wages were available for the Provo-Orem metropolitan area, but there was no ACCRA cost-of-living data available for that area.

Both the BLS occupational wages and the ACCRA cost-of-living are based upon 2004 information. The ACCRA cost-of-living index is published quarterly, so the cost-of-living index used for each city was an average index of the four quarters of 2004.

Results

Adjusting occupational wages produced a common theme. Quite often, city's that had high raw occupational wages, after cost-of-living adjustments, had much lower cost-of-living-adjusted wages. For example, San Francisco, San Jose, Boston, and New York were often at the top of the list for the median wage paid within an occupation. However, because of the high cost-of-living in these cities, the purchasing power of those wages was sharply reduced.

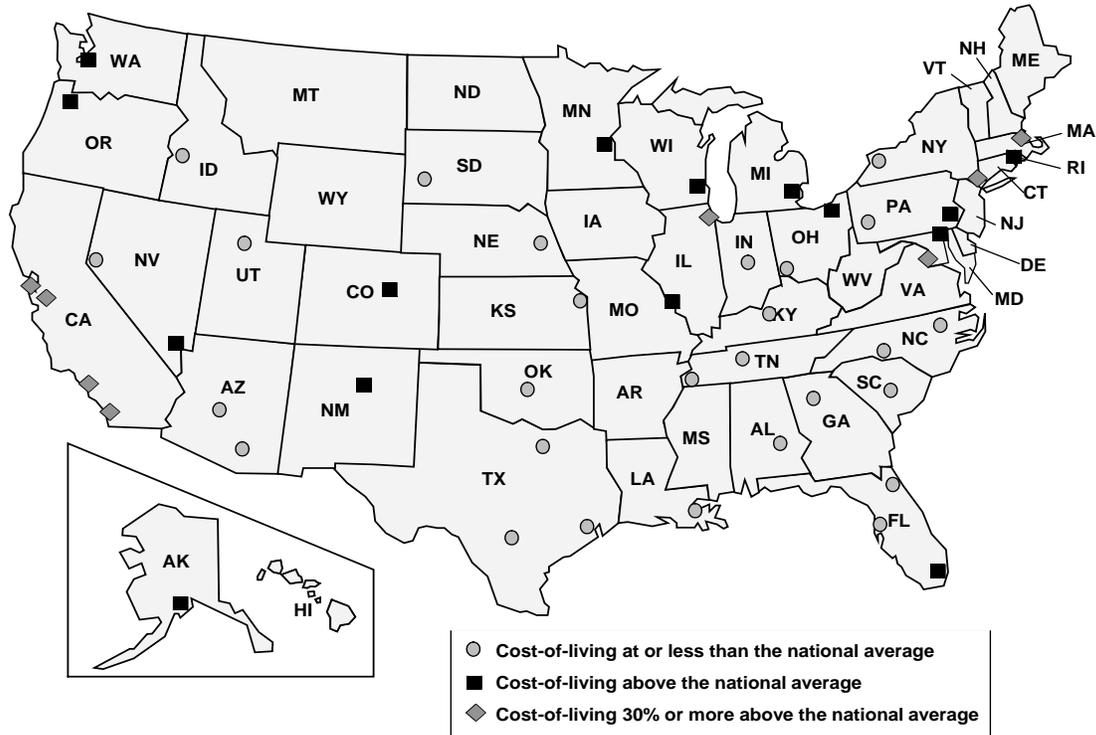
Salt Lake City's raw wage levels are not favorable when compared against many other cities. Prior to making a cost-of-living adjustment, only 19% of Salt Lake City's occupations showed a median wage in the upper half of all MSAs. Further, just 1% of the occupations had wages appear in the top 25th percentile. However, when the cost-of-living adjustment was made, Salt Lake City occupations measured above the national median 63.1% of the time. In addition, 19.7% of the Salt Lake City MSA occupations ranked in the top 25th percentile for cost-of-living-adjusted median wage.

The cities with the best cost-of-living-adjusted wages were almost exclusively in the southern and central states. The cities that measured above the national median real average the highest percent of time were Cincinnati (93.6%), Denver (88.5%), Kansas City (85.9%) Milwaukee (83.9%), and Atlanta (82.9%). Cities on the northeast coast and most of the western United States had the lowest cost-of-living wages. Salt Lake City ranked 21st out of 51 cities with a rating of 63.1%.

Many of the cities on the west coast and in Nevada were characterized with a high cost of living which erodes the high wages paid in those cities. In relation to Utah's neighboring states and competing western cities, Salt Lake City offers a competitive cost-of-living wage.

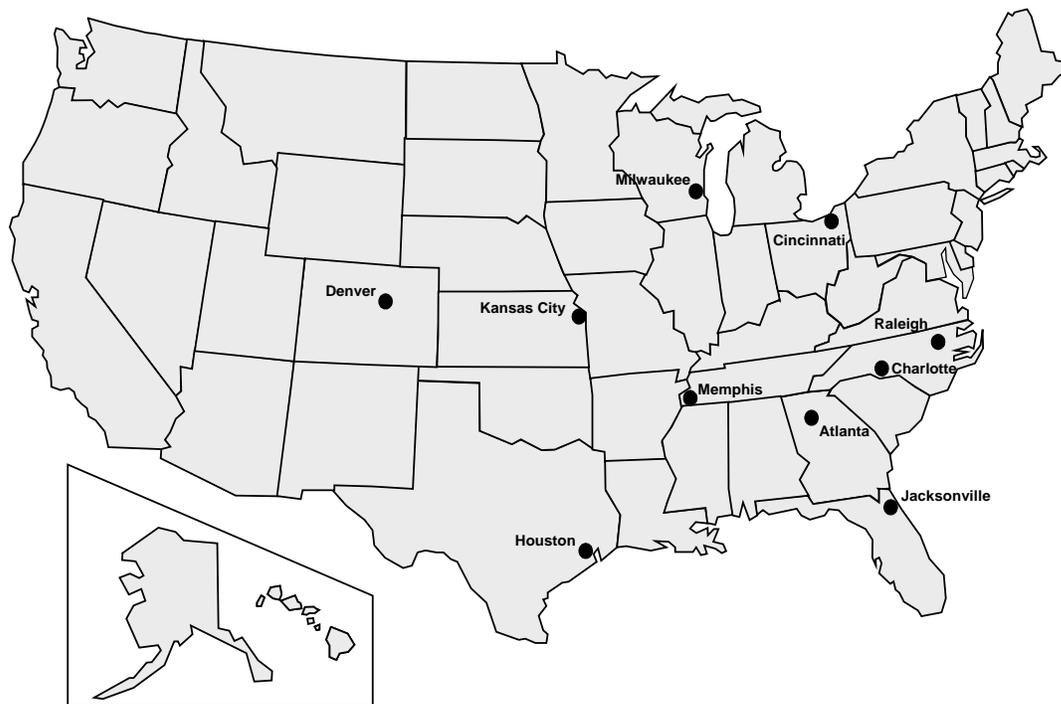
Across the major occupational groups in Salt Lake City, there were additional distinctions that emerged. Adjusted wages in some categories did not score well, including management occupations, life, physical, and social sciences, healthcare support, and production work. Areas where Salt Lake City performed well included computer and mathematics, architecture and engineering, legal, and transportation and material moving occupations.

Figure 80
ACCRA Cost of Living Index For Selected Cities: 2004



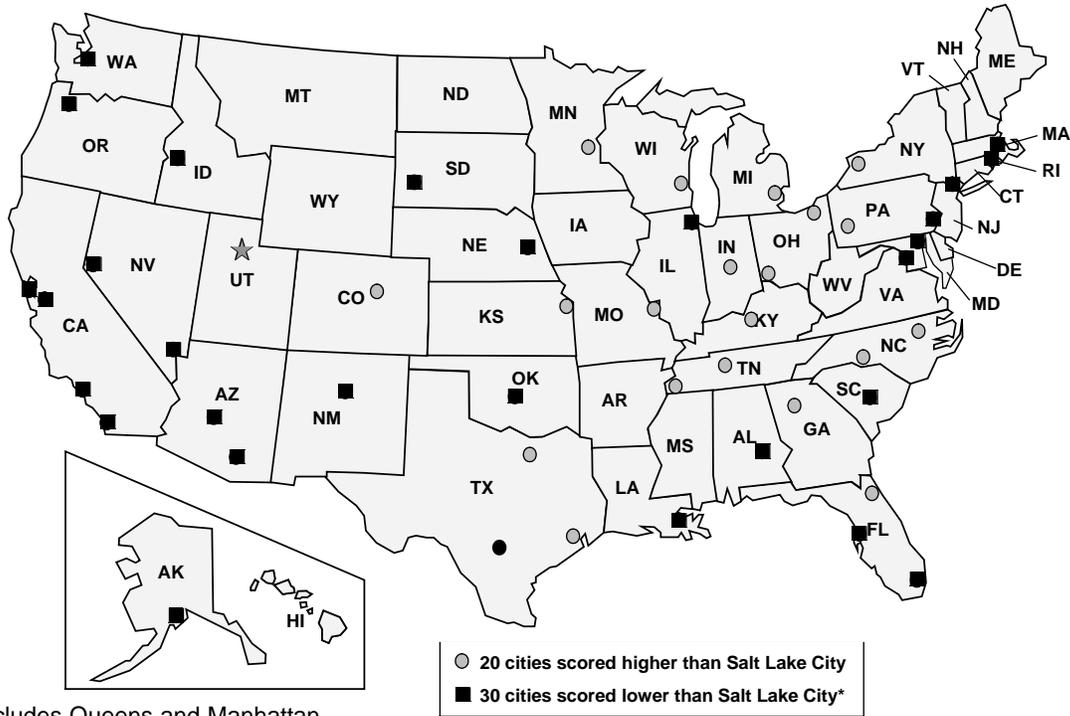
Source: American Chamber of Commerce Researchers Association, Cost of Living Index

Figure 81
Cities with the Best Cost-of-Living Adjusted Wages: 2004



Source: U.S. Bureau of Labor Statistics OES Wage Survey adjusted by American Chamber of Commerce Researchers Association Cost of Living Index.

Figure 82
 Cost-of-Living Adjusted Wages In Comparison to Salt Lake City: 2004



Notes: Includes Queens and Manhattan

Criterion is based upon the % of each cities occupations that measured above the national median in relation to Salt Lake City's 63.1% measurement.

Source: U.S. Bureau of Labor Statistics OES Wage Survey adjusted by ACCRA Cost of Living Index.

Table 97

Salt Lake City Metropolitan Results by Standard Occupational Classification Major Group

Major Occupational Groups	SOC Code	Observed Occupations	Percent of Time Occupations Measured Above the National Median		Percent of Time Occupations Scored in the Top 25th Percentile		Median Hourly Wage (unadjusted)
			Measured Above the National Median	Occupations Measured Above the National Median	Measured Above the National Median	Occupations Scored in the Top 25th Percentile	
Management	11-0000	8	2	25.0%	0	0%	\$31.37
Business and Financial	13-0000	8	6	75.0	2	25.0	21.04
Computer and Mathematics	15-0000	6	5	83.3	1	16.7	27.36
Architecture and Engineering	17-0000	11	8	72.7	6	54.5	26.44
Life, Physical, Social Science	19-0000	8	2	25.0	1	12.5	20.09
Community/Social Services	21-0000	5	3	60.0	1	20.0	14.91
Legal	23-0000	3	3	100.0	3	100.0	28.15
Education/Training/Library	25-0000	8	5	62.5	0	0.0	15.72
Arts/Design/Entert./Sports/Media	27-0000	10	7	70.0	1	10.0	15.08
Healthcare Practitioner/Technical	29-0000	8	5	62.5	1	12.5	22.08
Healthcare Support	31-0000	4	1	25.0	0	0.0	9.90
Protective Service	33-0000	4	2	50.0	1	25.0	12.99
Food Prep/Serving Related	35-0000	6	5	83.3	2	33.3	7.57
Building/Grounds Cleaning/Maint.	37-0000	2	1	50.0	0	0.0	8.53
Personal Care/Service	39-0000	5	5	100.0	0	0.0	8.30
Sales and Related	41-0000	6	4	66.7	2	33.3	10.95
Office and Administrative Support	43-0000	16	11	68.8	1	6.3	11.89
Construction and Extraction	47-0000	10	8	80.0	2	20.0	15.66
Installation/Maintenance/Repair	49-0000	8	5	62.5	1	12.5	17.37
Production	51-0000	12	4	33.0	2	17.0	11.23
Transportation/Material Moving	53-0000	8	6	75.0	4	50.0	12.38

Note: The number of observed occupations per major group is relatively proportional to that group's contribution to total employment.

Table 98

Cost-of-Living Adjusted Occupational Wage City by City Comparison 2004

City	Number of Observed Occupations	Percent of Times Occupations Measured Above the National Median	City	Percent of Times Occupations Measured in the Top 25th Percentile
Cincinnati, OH	156	93.6%	Cincinnati, OH	66.7%
Denver, CO	157	88.5	Dallas, TX	64.8
Kansas City, MO	156	85.9	Kansas City, MO	64.7
Milwaukee, WI	155	83.9	Houston, TX	60.6
Atlanta, GA	158	82.9	Charlotte, NC	59.1
Houston, TX	155	82.6	Denver, CO	58.6
Charlotte, NC	154	82.5	Memphis, TN	56.1
Memphis, TN	155	81.3	Atlanta, GA	46.8
Louisville, KY	155	80.0	Raleigh, NC	46.2
Dallas, TX	159	79.2	Buffalo, NY	44.6
Jacksonville, FL	147	78.2	Jacksonville, FL	44.2
Raleigh, NC	156	76.9	Milwaukee, WI	43.2
Detroit, MI	154	74.0	Detroit, MI	42.9
St. Louis, MO	157	73.9	Louisville, KY	40.0
Cleveland, OH	157	72.0	Nashville, TN	36.5
Indianapolis, IN	157	72.0	Minneapolis, MN	33.5
Minneapolis, MN	158	71.5	Reno, NV	32.4
Nashville, TN	156	70.5	Pittsburgh, PA	31.8
Buffalo, NY	157	66.2	Cleveland, OH	30.6
Pittsburgh, PA	157	64.3	Indianapolis, IN	30.6
Salt Lake City, UT	157	63.1	St. Louis, MO	30.6
Phoenix, AZ	156	60.9	Seattle, WA	26.3
Seattle, WA	156	57.1	San Antonio, TX	24.8
San Antonio, TX	153	53.6	Sioux Falls, SD	22.7
Tampa, FL	154	50.6	Oklahoma City, OK	19.7
Boise, ID	140	48.6	Salt Lake City, UT	19.7
Reno, NV	139	46.0	Phoenix, AZ	18.6
Baltimore, MD	158	45.6	Lincoln, NE	17.3
Sioux Falls, SD	132	45.5	Las Vegas, NV	17.0
Oklahoma City, OK	157	43.9	Tampa, FL	16.9
Portland, OR	152	40.8	Tucson, AZ	16.7
Tucson, AZ	150	40.7	Baltimore, MD	16.5
Anchorage, AK	133	39.1	Portland, OR	16.4
Las Vegas, NV	147	38.8	Boise, ID	16.4
New Orleans, LA	155	35.5	New Orleans, LA	16.1
Lincoln, NE	139	33.8	Anchorage, AK	15.8
Columbia, SC	151	32.5	Albuquerque, NM	13.6
Albuquerque, NM	154	31.2	Montgomery, AL	10.9
Montgomery, AL	147	29.9	Queens, NY	10.7
Queens, NY	149	25.5	Columbia, SC	9.9
Philadelphia, PA	158	20.9	Miami, FL	4.6
Miami, FL	151	15.2	Philadelphia, PA	4.4
Boston, MA	155	12.3	Chicago, IL	3.8
Chicago, IL	156	9.6	Washington DC	3.8
Washington DC	158	7.0	Providence, RI	1.4
Providence, RI	147	3.4	Manhattan, NY	1.3
Los Angeles, CA	156	2.6	San Francisco, CA	1.3
San Diego, CA	156	2.6	Boston, MA	1.3
San Francisco, CA	153	2.0	Los Angeles, CA	0.6
San Jose, CA	156	1.9	San Diego, CA	0.6
Manhattan, NY	150	1.3	San Jose, CA	0.6

Note: Not all cities had available wages for each occupation. Each city's percentage was calculated only against the number of observable occupations for that city.