



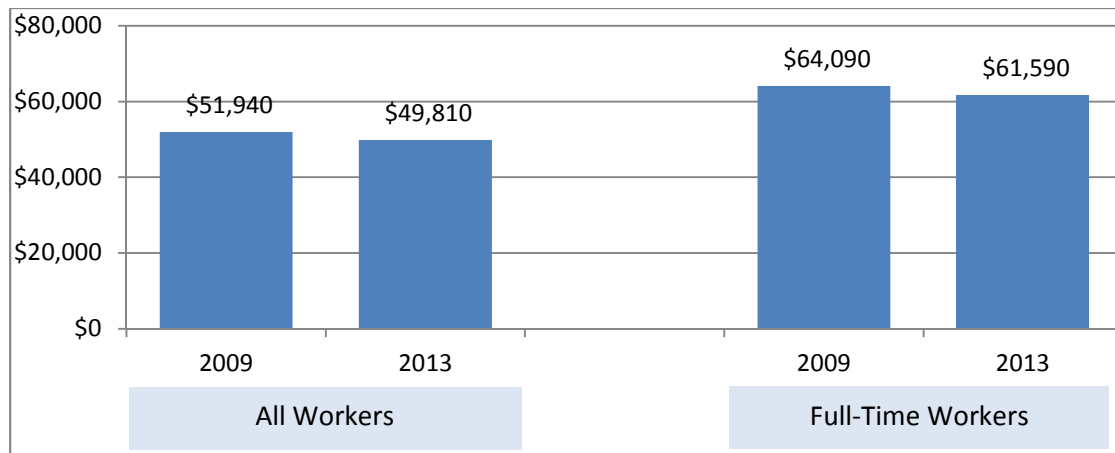
## Update from the American Community Survey

### Median Earnings in the Washington Metropolitan Area

Between 2009 and 2013, the median household income in the Washington Metropolitan Area (WMA)<sup>1</sup> decreased after adjusting for inflation, to \$90,149 from \$92,436, a 2.5 percent decline. This was primarily driven by a decrease in earnings from employment, which is the largest component of household income. In 2013, the median annual earnings level<sup>2</sup> for WMA resident workers was \$49,810, which was \$2,130 below the 2009 level of \$51,940, representing a 4.1 percent decrease. This decline resulted from several factors, including: an increased share of part-time workers, growth in lower-wage industries, and a decrease in median earnings in ten of the 16 industry groups in the region.

In 2009, 25.9 percent of all resident workers in the WMA were part-time. This share increased 0.3 percentage points to 26.2 percent in 2013, which negatively impacted overall earnings. Earnings for full-time workers decreased as well, though: from 2009 to 2013 the median full-time worker's earnings declined by 3.9 percent, from \$64,090 to \$61,590 (Figure 1).

**Figure 1. Median Annual Earnings in the Washington Metro Area, 2009\* and 2013 (2013 \$s)**



\*2009 metropolitan area uses the 2003 definition, which excludes Rappahannock and Culpeper Counties

Source: U.S. Census Bureau, 2013 and 2009 American Community Survey, 1-Year Estimates, and GMU Center for Regional Analysis.

<sup>1</sup> As defined by the Office of Management and Budget in 2013.

<sup>2</sup> The American Community Survey asks respondents for their earnings in the past 12 months. Because the survey is conducted throughout the year, the reference period for the respondents is between January 2012 and November 2013. Earnings include all wages, salaries, and self-employment income regardless of job location.

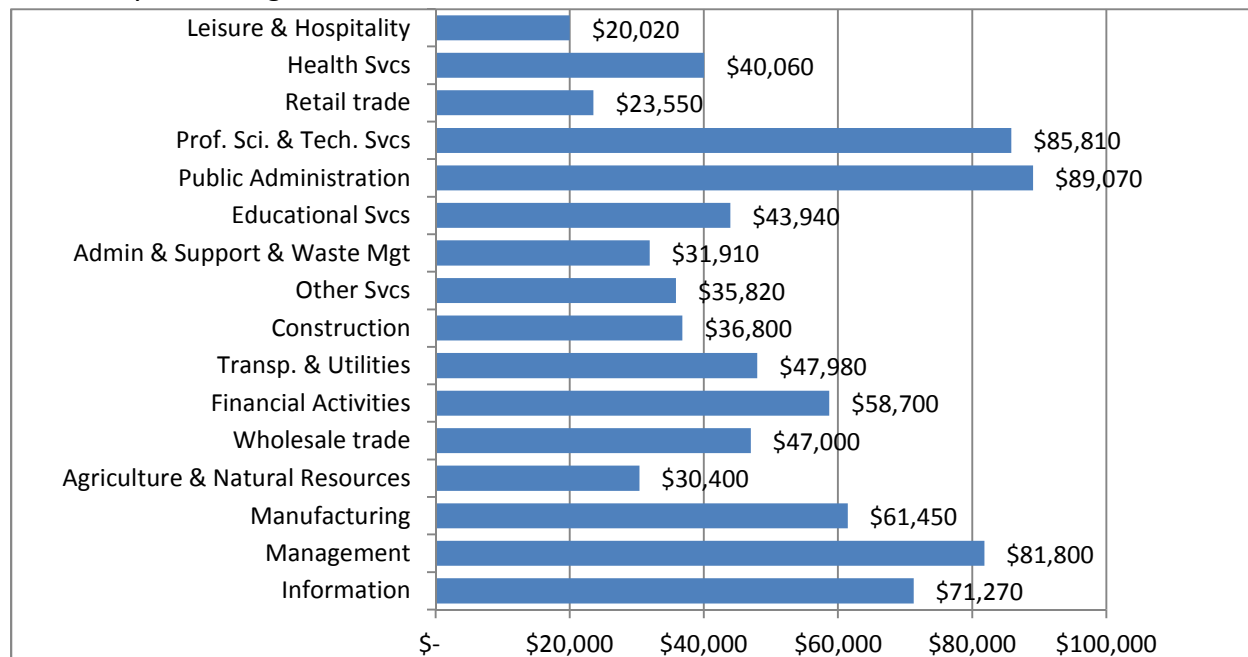
## Net Change in Resident Workers by Industry

Between 2009 and 2013, the region added 270,990 resident workers, including part-time and self-employed workers, according to the American Community Survey data. This increase includes the addition of Rappahannock County and Culpeper County in Virginia, which were added to the Office of Management and Budget (OMB) definition of the WMA in 2013. The population of these counties was less than one percent of the region's total population in 2013 so the change resulting from these additions is likely modest. The increase in resident workers is also different than other employment-based surveys, due to methodologies and definitions.

The largest increase in resident workers was in the Leisure and Hospitality industry<sup>3</sup>, which had a net increase of 44,780 resident workers. This industry's 2013 median wage of \$20,020 was the lowest median among all major industry groups in the WMA (Figure 2). The second largest net increase in resident workers was in the Health Services industry (+37,690); at \$40,060, the median earnings for this industry were the seventh lowest and nearly \$10,000 lower than the median for all resident workers. The Retail industry added 32,870 resident workers and had the third largest gain. But Retail had the second lowest median earnings (\$23,550). Combined, these three industries added 115,340 resident workers and accounted for 43 percent of the overall gain despite representing just 28 percent of all jobs held by resident workers.

**Figure 2. Median Annual Earnings for Residents in the Washington Metro Area, 2013**

Ranked by net change in resident workers, 2009-2013



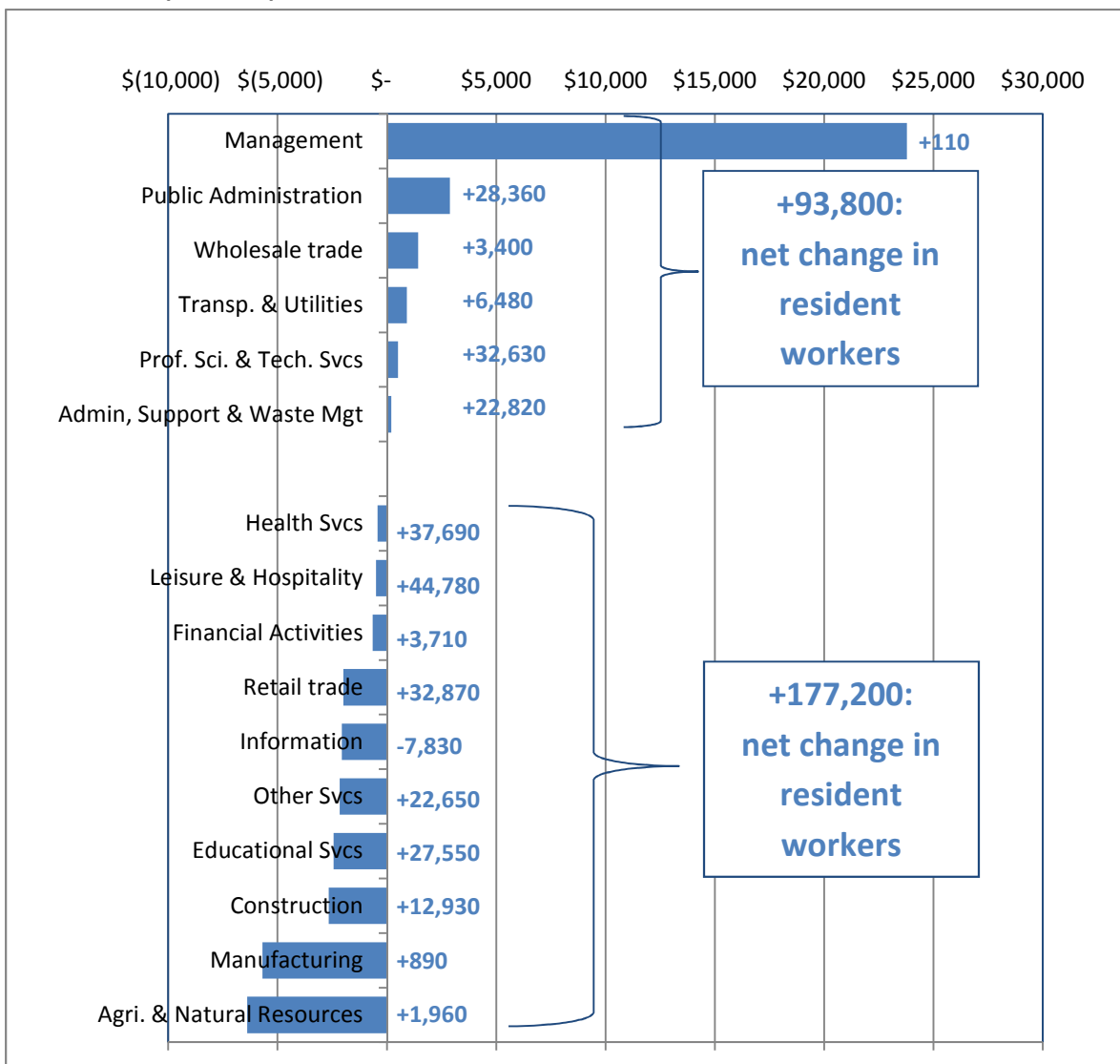
Source: U.S. Census Bureau, 2013 and 2009 American Community Survey, 1-Year Estimates, and GMU Center for Regional Analysis

<sup>3</sup> The industries in this report include both private sector and governmental employment, except for Public Administration, which only includes governmental employment.

## Change in Median Earnings by Industry

Another factor that contributed to the income decline is that median earnings decreased for the majority of the WMA's major industry groups between 2009 and 2013. The people employed in these industries may not be uniquely the same, as some resident workers have moved since 2009 and the region has added new resident workers during this time. But the effect on the median earnings, and therefore the median household income, is the same. The three industries with the largest net gains in resident workers all had decreases in median earnings during this time: Leisure and Hospitality (-\$490), Health Services (-\$430) and Retail (-\$2,000) (Figure 3).

**Figure 3. Change in Median Annual Earnings for Residents in the Washington Metro Area 2009\* to 2013 (2013 \$s)**



\*2009 metropolitan area uses the 2003 definition, which excludes Rappahannock and Culpeper Counties

Source: U.S. Census Bureau, 2013 and 2009 American Community Survey, 1-Year Estimates, and GMU Center for Regional Analysis

The largest increase in median earnings was in the Management industry, which increased by \$23,780. However, Management is the region's smallest industry, with only 2,010 resident workers, which makes its median earnings more sensitive to smaller changes. Management also added the fewest resident workers of the growing industry groups, gaining just 110 between 2009 and 2013.

For all resident workers, including part time workers, a total of six industry industries had increases in median earnings. These industries gained 93,800 resident workers and accounted for 35 percent of all growth. The remaining increase of 177,200 resident workers occurred the 10 industries that experienced decreases in median earnings. For full-time resident workers only, the picture is nearly unchanged. Five industries had increases in median earnings, but these industries accounted for only 35 percent of the increase in resident workers. The full-time resident worker growth in the 11 industries that experienced median earning declines accounted for the remaining 65 percent of total full-time growth.

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