



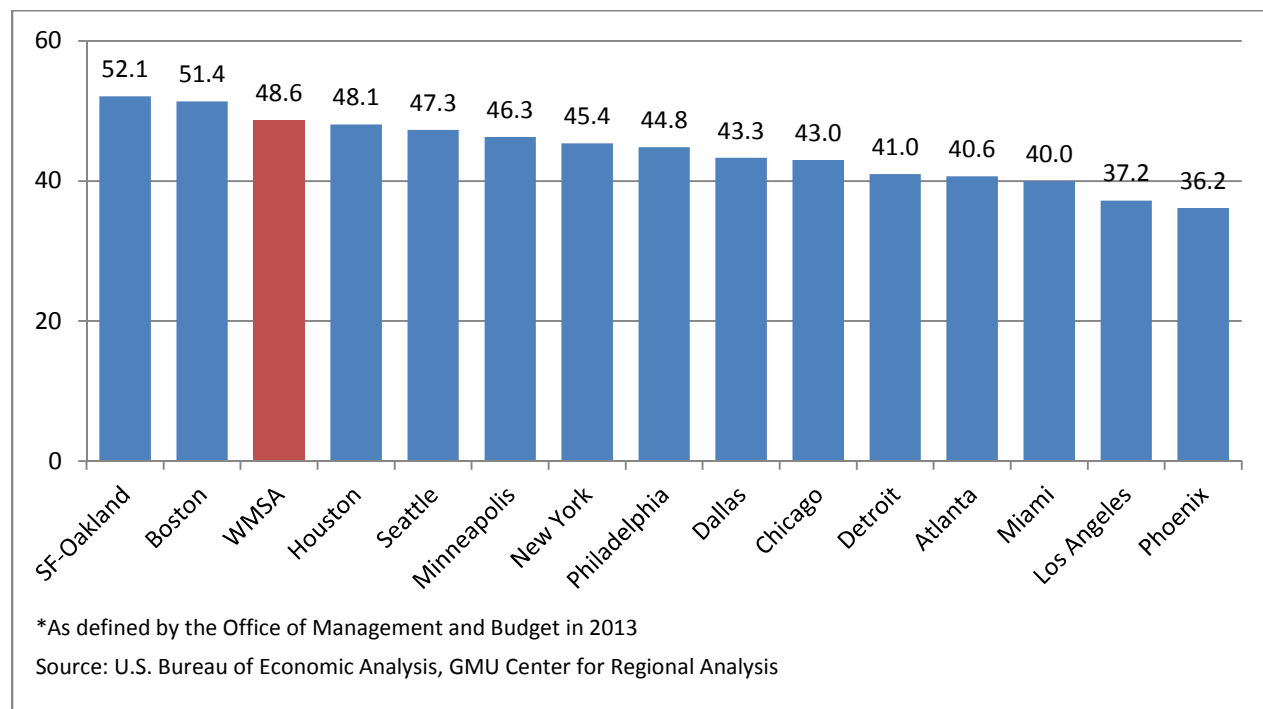
## Update from the U.S. Bureau of Economic Analysis

### Real Per Capita Income in the 15 Largest Employment Metros, 2008-2012

In the Washington Metro Area (WMA), per capita personal income (PCPI) was \$61,743 in 2012. Of the 15 largest<sup>1</sup> metros<sup>2</sup>, only San Francisco-Oakland had a higher PCPI. However, after adjusting for regional prices and inflation, the real PCPI in the WMA was \$48,645 in 2008 dollars. The real PCPI allows for consistent comparisons over time by adjusting for inflation and across metro areas by adjusting for the cost of living by metro area.

As shown in Figure 1, the WMA had the third highest real PCPI of the largest metros, behind both San Francisco-Oakland and Boston. The unadjusted PCPI in Boston is lower than that of the WMA. But because the cost of living in Boston is lower than that of the WMA, the real PCPI in Boston is higher.

**Figure 1. Real Per Capita Income in 15 Largest Employment Metros\*, 2012**  
(in thousands of 2008 \$s)



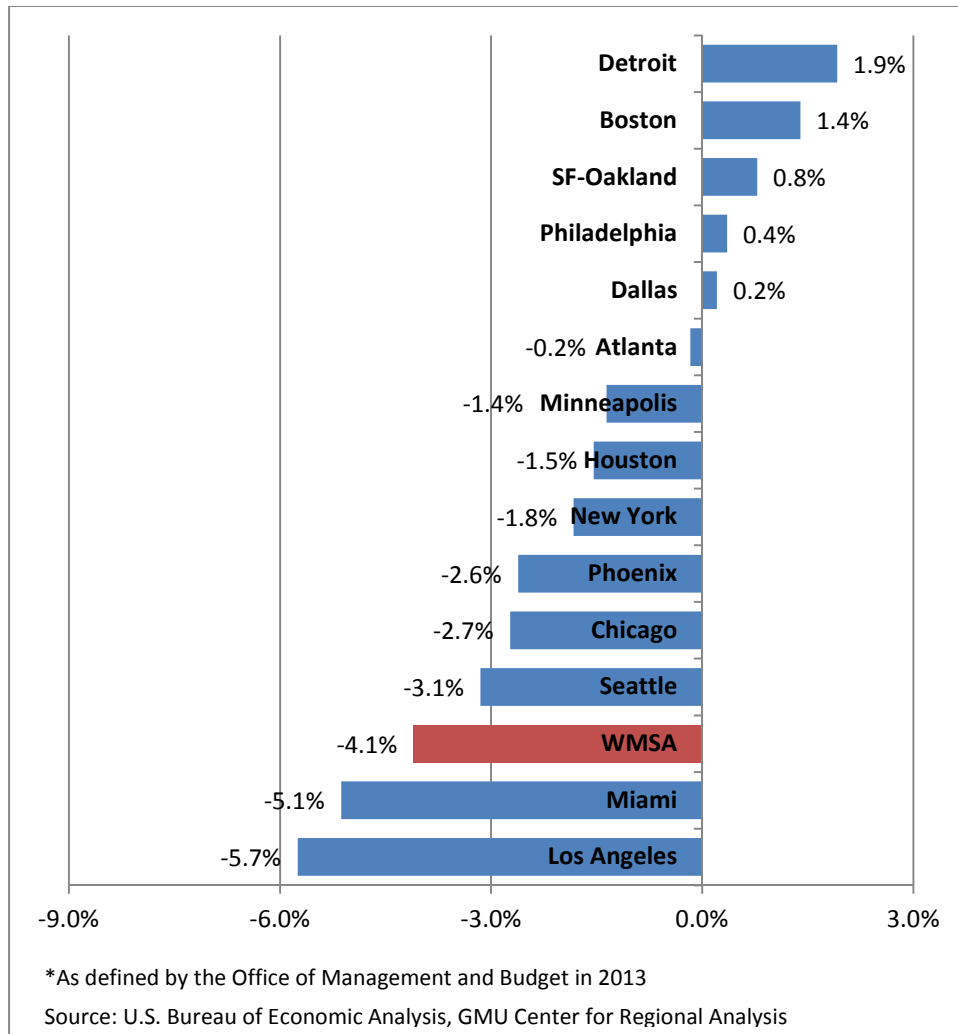
<sup>1</sup> As measured by employment.

<sup>2</sup> As defined by the Office of Management and Budget in 2013.



Before accounting for inflation and prices of goods and services, PCPI in the WMA increased 5.4 percent between 2008 and 2012. But prices of goods and services in the WMA rose faster than incomes, resulting in a decline in real PCPI of 4.1 percent. While 10 of the top 15 employment metros also had declines in real PCPI over this period, the WMA had the third largest percentage decline (Figure 2).

**Figure 2. Percent Change in Real Per Capita Income in 15 Largest Employment Metros\* 2008-2012**



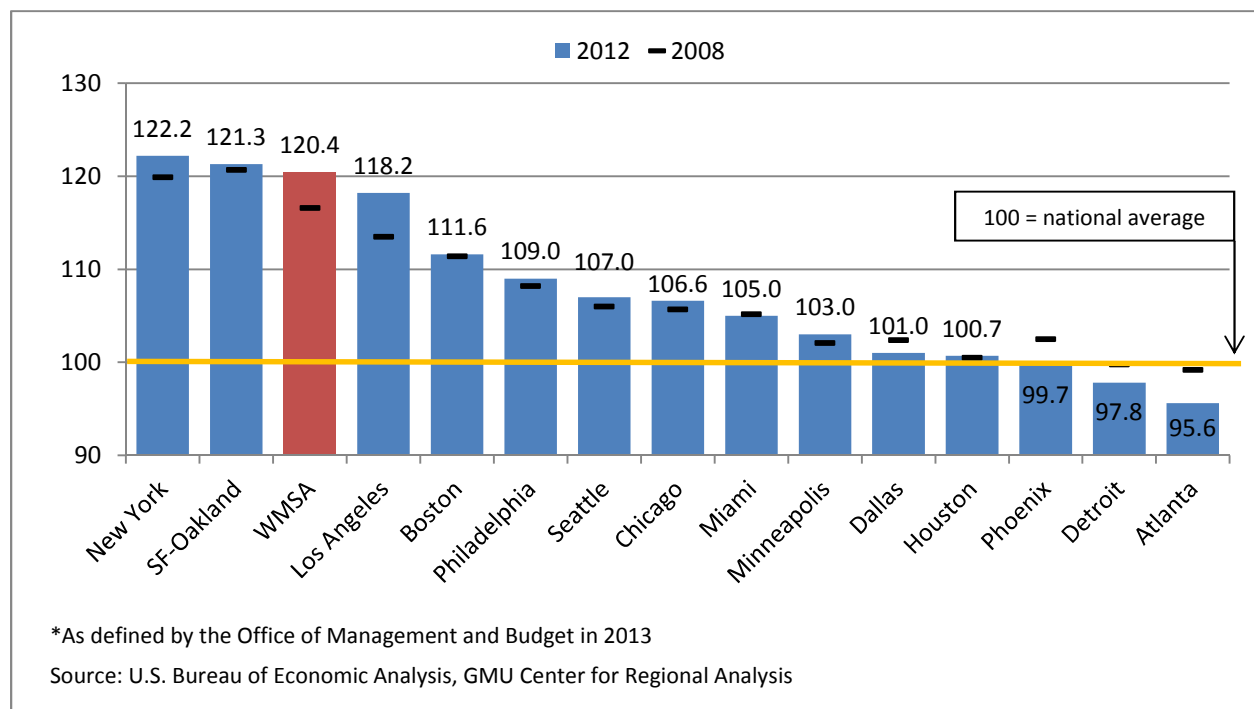


## Regional Price Parity in the 15 Largest Employment Metros

Prices of goods and services in the WMA were 20.4 percent higher than the national average in 2012. Among the top 15 employment metros, the WMA had the third highest cost of living, behind New York and San Francisco-Oakland (Figure 3). Only Phoenix, Detroit and Atlanta had lower overall costs than the national average.

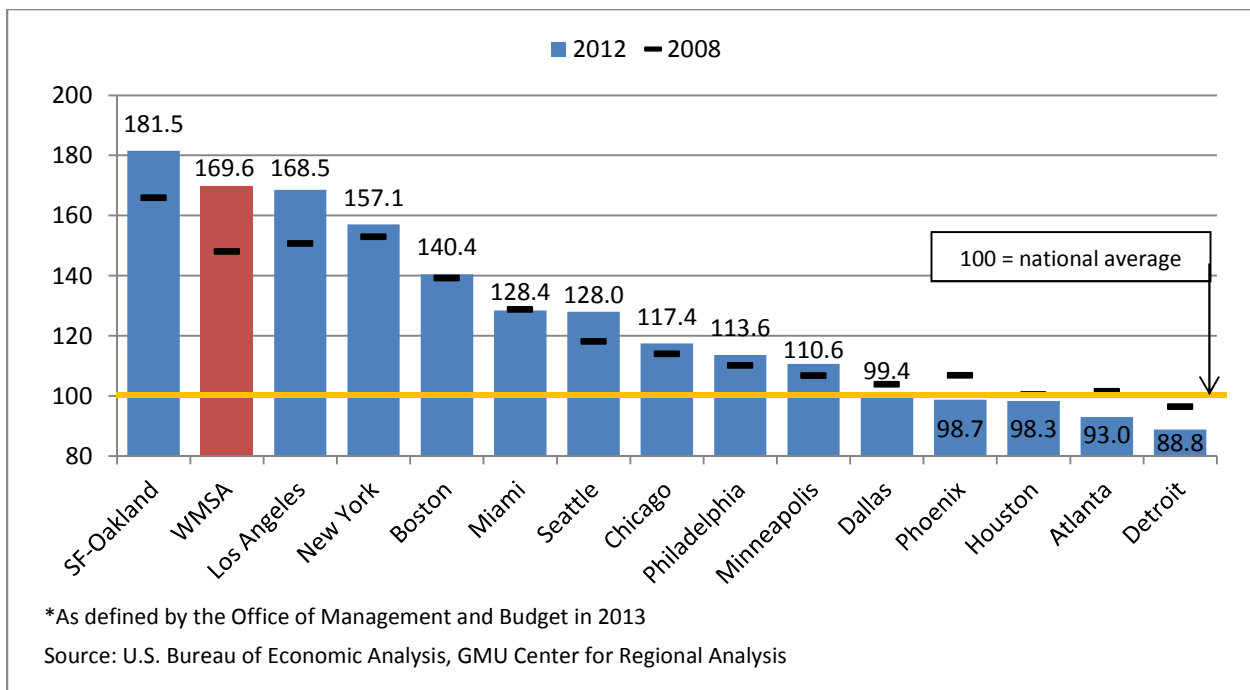
As compared to 2008, prices of goods and services in the WMA have risen 3.8 percentage points, from 116.6 percent of the national average cost in 2008. Only Los Angeles had a higher increase in prices, rising from 102.5 percent of the nation in 2008 to 118.2 percent of the nation in 2012. Only five metro areas had a decrease in regional price parity between 2012 and 2008, making them relatively less expensive in 2012 than in 2008: Atlanta (-3.6 percentage points), Phoenix (-2.8 percentage points), Detroit (-2.0 percentage points), Dallas (-1.4 percentage points) and Miami (-0.2 percentage points).

**Figure 3. Regional Price Parity of All Goods and Services, 15 Largest Employment Metros\* 2008 and 2012 (as a percent of the national average)**



The increase in the overall prices of goods and services in the WMA was driven by an increase in rental costs. In 2008, rental costs were 48.1 percent higher than the national average. In 2012, rental costs were 69.6 percent higher than the national average, an increase of 21.5 percentage points. This is the largest increase of the top 15 metro areas and the third highest percentage point increase of all 381 metros, behind San Jose-Sunnyvale and State College, PA.

**Figure 4. Regional Price Parity of Rents, 15 Largest Employment Metros\*, 2008 and 2012 (as a percent of the national average)**



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