

# Economic Vitality

## Indicator 2: Increase Percentage of Prosperous Individuals

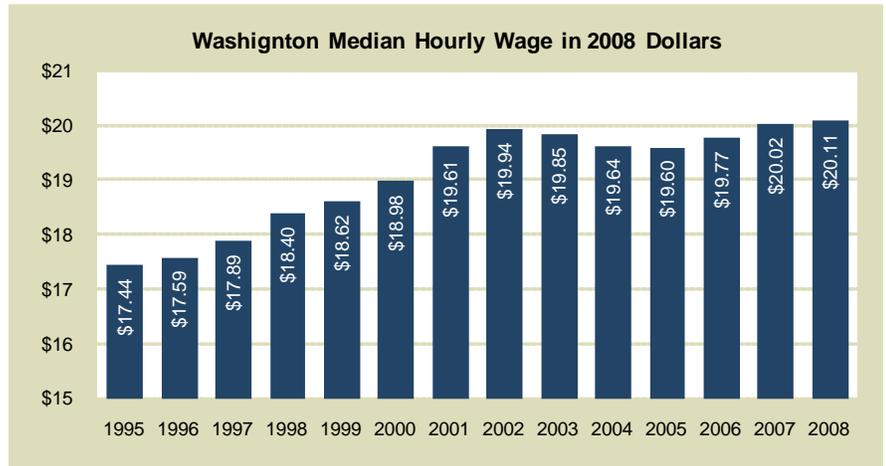
### Measure a: Washington Median Hourly Wage, Adjusted for Inflation

#### Description:

The median hourly wage is the middle value of the wage distribution; i.e., half of workers receive a wage higher than the median and half receive a wage lower than the median. The median, which is less sensitive than the mean to extremely high wages, can provide a better measure of wage trends. The indicator is calculated using wage records for those covered under the Unemployment Insurance program. The median hourly wage is adjusted for inflation using the U.S. Implicit Price Deflator for Personal

Consumption so that all years are shown in 2008 dollars. The median hourly wage is the best measure to capture changes in overall workers' wages and the ability of the economy to improve all workers' standard of living. When the median wage increases, it is indicative of wages increasing across the board. An increase in wages for just those in the highest wage jobs would not be revealed in the median wage calculation.

The following graph shows a distinct stalling of wage gains in the aftermath of the 2001 recession. The decline in the median wage in 2004 is indicative of the severity of the economic downturn in Washington State. The economic recovery and expansion is evidenced by gains in the median wage beginning in 2006 and continuing through 2008.



Median Wage	
1995	\$17.44
1996	\$17.59
1997	\$17.89
1998	\$18.40
1999	\$18.62
2000	\$18.98
2001	\$19.61
2002	\$19.94
2003	\$19.85
2004	\$19.64
2005	\$19.60
2006	\$19.77
2007	\$20.02
2008	\$20.11

#### Sources:

[Employment Security Department – Labor Market and Economic Analysis](#)

#### Related Information:

[U.S. Department of Labor, Bureau of Labor Statistics](#)