

**OFF THE CHARTS**

# *Median Pay in U.S. Is Stagnant, but Low-Paid Workers Lose*

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THE median pay of American workers has stagnated in recent years, but that is not true for all workers. When adjusted for inflation, the wages of low-paid workers have declined. But the wages for better-paid workers have grown significantly more rapidly than inflation.

The Labor Department last week reported the levels of “usual weekly wages” reported by Americans questioned in the household survey that determines the unemployment rate. The figures are released quarterly, with details on the distribution of wages available since 2000.

Those figures are different from total income, in that they ignore investment income as well as bonuses or overtime that is not considered usual. The national median wage in the first quarter of this year was \$827 a week. In 2013 dollars, the median wage 13 years before was \$819, so the increase is about 1 percent. The figures include all workers over the age of 25.

The department said that to reach the 90th percentile — that is, to earn more money than 90 percent of those with jobs — a person needed to earn \$1,909 a week. That figure was nearly 9 percent higher than in early 1980.

To reach the 10th percentile — earning less money than 90 percent of those with jobs — required an income of \$387 a week. After adjusting for inflation, that figure is down 3 percent from 2000.

The accompanying charts show the trends over time for the 25th and 75th percentiles, as well as the median and the 10th and 90th percentiles.

Put another way, in 2000 a worker in the 75th percentile made 48 percent more than a worker at the median, or 50th percentile. Now, a worker in that group earns 58 percent more.

The trends have been similar within education groups. The median income of college graduates in the first quarter of this year was \$1,189 a week. Adjusted for inflation, that figure was about 1 percent less than the median 13 years earlier. To make the 90th percentile,

a college graduate needed to earn \$2,585 a week, a figure that is about 8 percent higher than the 2000 earnings needed.

There were somewhat similar trends among those with only high school diplomas, who are shown in the chart, and among those who attended college but did not earn a bachelor's degree. Only among high school dropouts was the pattern different. Their real wages have fallen at every percentile.

The accompanying charts seem to indicate that real incomes went up for most groups during the financial crisis in 2009. That is, at least, a little misleading for several reasons. First, the number of people with full-time jobs declined. To the extent that those who lost jobs tended to be nearer the lower end of the wage distribution, that by itself would automatically raise the median income.

The second reason for that is that inflation virtually vanished during the crisis. The Consumer Price Index in the third quarter of 2010 was a little lower than it had been two years earlier. Because wages are "sticky," they tend not to decline in nominal terms even if there is deflation. But when inflation returned, wage levels did not keep up.

It should also be noted that the people in the top 10 percent, or the bottom 10 percent, may change from one year to the next. It is possible that some people in the bottom 10 percent did better than the charts indicate, moving up to a higher percentile in later years. And, of course, some people presumably moved in the other direction as well.

Floyd Norris comments on finance and the economy at [nytimes.com/economix](http://nytimes.com/economix).

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