



Written by [Brian Koenig](#) on October 20, 2011

Washington, D.C. Surpasses San Jose as Wealthiest Metro Area

While high unemployment persists and the U.S. economy remains stubbornly flat, Washington, D.C. now hails as the nation's wealthiest metropolitan area, according to new data from the Census Bureau. Dethroning Silicon Valley from its royal chair, the hometown of Congress and the White House is flourishing, as the median household income for Washington residents stood at \$84,523 in 2010, when the nation's average household income was \$50,046. The data shows that San Jose, home of Apple and Cisco Systems, held an average income of \$83,944 in 2010, falling from \$84,483 in 2009, and now riding on the coattails of America's political stronghold.



Federal worker compensation last year averaged \$126,369 (including healthcare and other benefits), a more than \$3,500 increase from 2009, and as of June, the D.C. area had 170,467 federal employees. According to a [Bloomberg analysis](#), the nearly \$35,000 disparity in income largely attributes to a high concentration of lawyers and federal workers whose earnings far exceed \$100,000 a year.

The data illustrates how the political elite continues to thrive — while overall poverty in the area remains high — as the U.S. economy remains stagnant and unemployment maintains its 9 percent mark. "There's a gap that's isolating Washington from the reality of the rest of the country," asserted Kevin Zeese, director of Prosperity Agenda, an advocacy group in Baltimore. "They just get more and more out of touch."

So while people throughout America continue to suffer, the nation's capital is blooming, as federal workers and contractors bear lavish fruit from a seemingly endless stream of government money. Bloomberg notes that because of a boon in government spending, Washington is weathering a much "shallower recession":

The flow of federal dollars in and around the nation's capital helped the region weather the economic slump better than most areas and is contributing to its recovery. The unemployment rate in the Washington metro area in August was 6.1 percent, compared with 10 percent in San Jose, according to Labor Department figures. Nationally, joblessness was 9.1 percent in September for a third straight month.

"The region did experience a shorter, shallower recession than San Jose," said Sara Kline, a Washington analyst at Moody's Analytics Inc. in West Chester, Pennsylvania. "The federal government stepped in to take efforts to dampen the recession. It was focused to some extent in the D.C. area as well, given the presence of federal workers there and contractors. That insulated it from more of a downturn."



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James Galbraith, a professor at the University of Texas, suggested that Washington's prosperity has led to bold resentment of the federal government. "I think it reinforces the cultural disconnect that exists between Washington and the rest of the country," he [said](#). "Do you have a community of insiders that has a hammerlock on their share of the public resources? I think the answer is yes."

The *Washington Post* [observed](#) that a surge in federal contracting has fueled a degree of wealth in Washington not found in any other region of the country. While 12 percent of workers are federal employees, the U.S. government is a magnet for contractors. More than \$80 million in federal contracting dollars will flood to the area in 2011, a massive upshot from the \$4.2 billion contracted in 1980 (in real terms, that's a seven-fold hike), according to Stephen Fuller, director of a research center at George Mason University.

An influx of lobbyists and special interests who have flocked to D.C. to influence new financial regulations and President Obama's healthcare overhaul has also inflated Washington's income levels. "Wall Street has moved to K Street," asserted Barbara Long, President and CEO of the D.C. Chamber of Commerce, pointing to the Washington avenue harboring the country's most salient lobbying firms. "Those two industries clearly have grown in our city." Indeed, lobbying has played an increasing role in Washington's economy, as 12,964 registered lobbyists now inhabit the area and lobbying spending struck a record-high of \$3.51 billion last year, up from \$3.49 billion in 2009.

Beyond K Street and federal contracting are a high concentration of lawyers in the area, as one in every 12 residents is a lawyer, according to data from the American Bar Association and the Census Bureau. To put this in perspective, in New York State the ratio is one out of every 123 people and in California the figure is only one in 243. Further, the lawyers in the D.C. metro earn exceptionally higher incomes than the rest of the country, as Washington associate attorneys who have worked between one and eight years rake in a median salary of \$186,250; the national average hovers just above \$120,000.

According to a new Gallup [poll](#), the American people understand the disconnect between politicians and the general citizenry, as they are more than twice as likely to blame Washington governance (64 percent) for the country's pale economy as they are the institutions on Wall Street (30 percent). One can observe that these two targets are the condemning topics of two distinct movements — the Tea Party and Occupy Wall Street. Of course, based on Gallup's figures, the former carries more support from the American people.



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