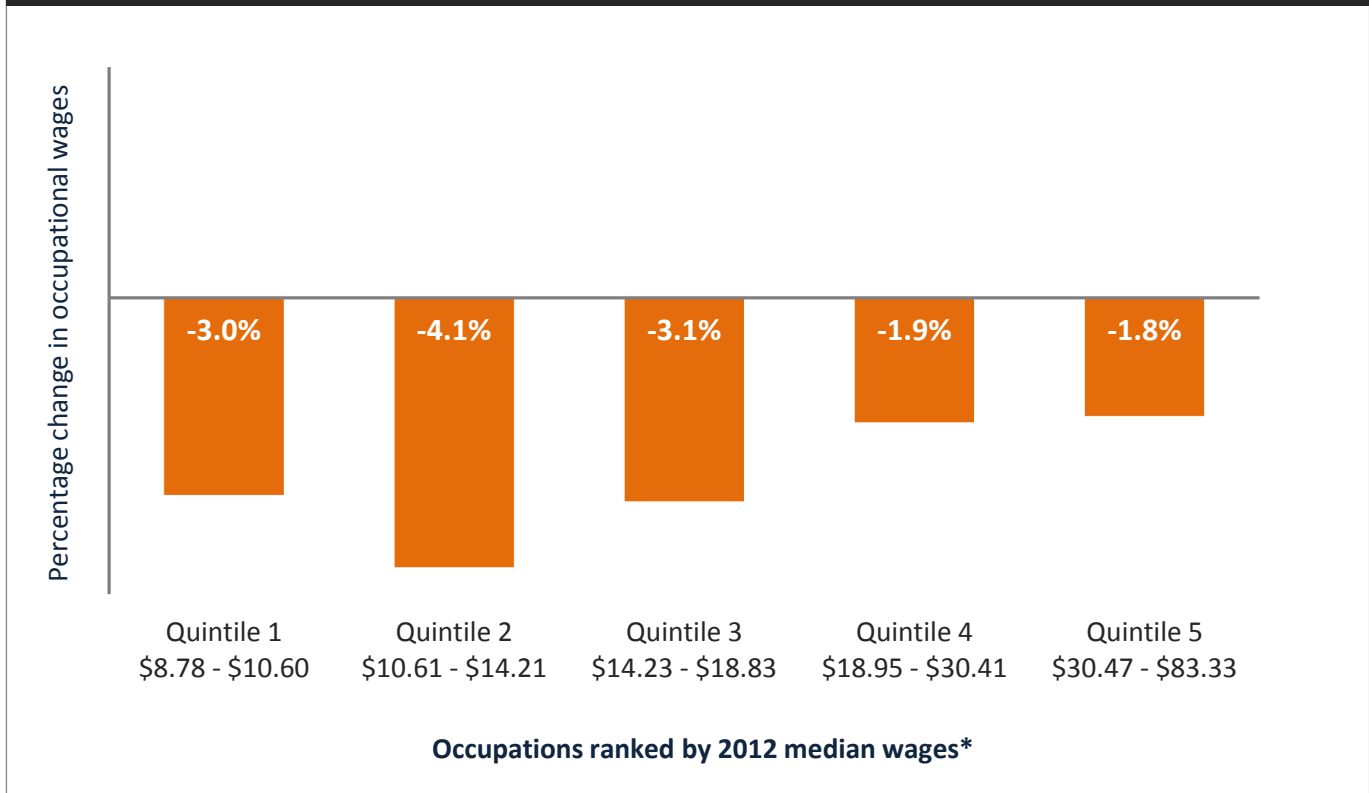# The Inequality of Declining Wages During the Recovery

A [previous NELP analysis](#) found that while job losses during the recession were heavily concentrated in mid-wage occupations, the early recovery was led by employment growth in lower-paying occupations. This fact sheet turns from analyzing employment to analyzing occupational wage trends during the recovery to date.

For the period 2009 to 2012 we find the following:

- Averaged across all occupations, real median hourly wages declined by 2.8 percent.
- Lower-wage and mid-wage occupations saw significantly bigger declines in their real median wages than did higher-wage occupations.
- Real median wages fell by 5.0 percent or more in five of the top ten lower-wage occupations: restaurant cooks, food preparation workers, home health aides, personal care aides, and maids and housekeepers.

Figure 1. The Decline in Real Occupational Wages, 2009-2012

Percentage change in occupational wages

Quintile 1 $8.78 - $10.60	Quintile 2 $10.61 - $14.21	Quintile 3 $14.23 - $18.83	Quintile 4 $18.95 - $30.41	Quintile 5 $30.47 - $83.33
-3.0%	-4.1%	-3.1%	-1.9%	-1.8%

Occupations ranked by 2012 median wages*

Source: NELP analysis of Occupational Employment Statistics.
**Median hourly wages of the lowest- and highest-paid occupations within each quintile.*

In this fact sheet, we analyzed data from the Occupational Employment Statistics (OES), a government survey of employers that gathers detailed wage data for hundreds of occupations in the US economy (see Appendix for details on data and methods). We calculated the percentage change in real median hourly wages from 2009 to 2012 for 785 occupations, which were grouped into quintiles (each representing one-fifth of total employment in 2012). Figure 1 shows the 2012 median wage for the lowest- and highest-paid occupations within each quintile.

Averaged across all occupations, we estimate that real median wages declined by 2.8 percent from 2009 to 2012. This is a striking decline, given that productivity increased by 4.5 percent over this same time period. In diverse occupations throughout the economy, workers are producing more goods and services per hour but earning less than they were when the recovery began – continuing the divergence between productivity and compensation growth that dates back to the early 1970s.

Moreover, as shown in Figure 1, lower-wage and mid-wage occupations saw significantly bigger declines in their real wages than did higher-wage occupations. Occupations in the top two quintiles saw their median wages decline by less than 2 percent on average (and nearly a third of those occupations actually saw real wage growth). By contrast, occupations in the bottom three quintiles saw their median wages decline by 3 percent or more.

Table 1 shows the ten largest lower-wage occupations in the bottom quintile. Occupational wage declines were especially marked, at -5.0 percent or steeper, for cooks, personal care aides, home health aides, food prep workers, and maids and housekeeping cleaners.

Table 1. Wage Declines for the Top Ten Lower-Wage Occupations, 2009-2012			
		2012 median hourly wage	**Percentage change in real median hourly wage, 2009-2012**
1	Retail salespersons	$10.15	-2.6%
2	Cashiers	$9.12	-0.5%
3	Combined food preparation & serving workers, Including fast food	$8.78	-0.9%
4	Waiters and waitresses	$8.92	-2.1%
5	Stock clerks and order fillers	$10.60	-1.7%
6	Restaurant cooks	$10.59	-7.1%
7	Personal care aides	$9.57	-5.5%
8	Maids and housekeeping cleaners	$9.41	-5.0%
9	Home health aides	$10.01	-5.0%
10	Food preparation workers	$9.28	-5.2%

Source: NELP Analysis of Occupational Employment Statistics

This fact sheet draws on data from the Occupational and Employment Statistics (OES) for 2009 and 2012. Every year, OES produces detailed employment and wage estimates for approximately 800 occupations based on six semi-annual surveys covering 1.2 million establishments.

Our analysis is based on 785 occupations classified according to the Standard Occupational Classification (SOC) system. Because a revised SOC was introduced in 2010, we used the SOC 2000 to 2010 crosswalk to recode 2009 and 2012 data to form a consistent series of occupation codes across years. During this process, we consolidated 42 occupation codes, representing 4.8 percent of total employment, into 23 existing occupation codes.

In addition, the OES does not report hourly wage data for occupations with irregular work schedules (e.g., teacher, athletes, and pilots). We imputed median hourly wages for education-related occupations by dividing median annual earnings by 1,560 hours (9 months of full-time work), and divided by 2,080 hours (12 months of full-time work) for the remaining occupations. Occupations with imputed median hourly wages account for 6.1 percent of 2012 employment; the analysis was not substantively changed by imputation. In addition, the OES did not report median earnings data (hourly or annual) for seven high-wage occupations (0.4 percent of 2012 employment). We excluded these occupations from our analysis.

For Figure 1, we ranked occupations from highest to lowest using their 2012 median hourly wage, weighted by 2012 employment, and then grouped the occupations into five approximately equal quintiles. For each quintile, we calculated the average of the percentage change in the median hourly wage for the occupations in that quintile. Similarly, the total percentage change is the weighted average percentage change for all occupations. To compare wages across years we used the annual CPI-U to adjust for inflation.

About NELP

The National Employment Law Project is a non-partisan, not-for-profit organization that conducts research and advocates on issues affecting low-wage and unemployed workers. In partnership with grassroots and national allies, NELP promotes policies to create good jobs, enforce hard-won workplace rights, and help unemployed workers regain their economic footing. For more about NELP, please visit www.nelp.org.