



Real vs. Nominal Wages In Nevada

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Real vs Nominal Average Weekly Wages 2002-2012



- To accurately gauge wage growth in any given year, the effect of inflation must be taken into consideration. Inflation alters the actual cost of living; when inflation increases, purchasing power decreases.
- Using the Consumer Price Index, wages for Nevada from 2002 to 2012 were converted into 2002 dollars to assess the effects of inflation. This provides a more accurate measure for comparison in real terms. The Consumer Price Index reflects changes in prices of goods and services purchased for consumption by urban households.
- For this analysis, real wages peaked in 2007. Between 2001 and 2007, real wages increased nine percent, and subsequently fell by seven percent between 2007 and 2012.
- Nominal wages have increased by 29 percent from 2002 to 2012. While cumulative inflation for the same time period has risen 28 percent. Comparing the two illustrates that real wage growth in Nevada has only narrowly kept pace with inflation over this ten-year time span.
- From 2002 to 2012, real wages have increased by only one percent.