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MANY PRESIDENTIAL SWING STATES LAG BEHIND IN INCOME GAINS

Census figures point to a weak recovery in rural and suburban areas

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Key swing states such as Nevada, North Carolina and Florida have seen some of the weakest income growth in the country since the last non-incumbent presidential contest in 2008, new census figures show.

A Wall Street Journal analysis of state-by-state income data set for release on Thursday shows that more than half of the 13 states where the presidential race appears closely contested have seen below-average income growth since 2008. Among the eight laggards, three states saw the lowest wage growth in the U.S. during that time—Nevada, Georgia and Arizona.

The new data show how America's uneven economic recovery is adding another layer of unpredictability to an already volatile electoral map. The traditional realm of battleground states has expanded, putting into play states such as Arizona and Georgia, which haven't gone to a Democratic presidential candidate in at least 20 years.

The Census Bureau also said income inequality across the country increased in 2015. The recovery's income gains have been concentrated in central cities, with suburbs and rural areas largely lagging behind for years.

"You actually see the bottom and the top pulling apart a little bit more in some of these keys states," said David Damore, professor of political science at the University of Nevada Las Vegas.

On a national basis, most states still haven't seen income recover to pre-recession levels. Americans' median household income in 2015 was 2.6% lower than in 2008, census figures show. A separate set of census figures released earlier this week showed that the income picture brightened considerably in 2015, with the typical family seeing its first significant raise since 2007, though that didn't eliminate the gap left by the last two recessions.

In Nevada, the median household income plunged 15.5% between 2008 and 2015 to \$52,431 when adjusted for inflation, census figures show. The higher-paying construction jobs that were wiped out during the recession have been replaced by lower-paying service jobs, and the state has yet to recover from the broad hit of its housing collapse.

The non-incumbent party typically benefits most from economic unease. But the unorthodox candidacy of Republican presidential nominee Donald Trump may change that dynamic, some political scientists say. Mr. Trump appears to be faring worse than previous GOP nominees in Arizona and Georgia, despite the weak income gains there.

"Voters always say the economy's the most important issue, but I don't think this election is about issues," said Peter Brown, assistant director of the Quinnipiac University Poll. "It's about two people, both of whom are enormously disliked."

Polls showing a surprisingly tight presidential race in Georgia and Arizona may have more to do with the influx of Latinos and other minorities in those states than any economic factors, Mr. Damore said.

In North Carolina, one of the most closely divided swing states this year, the inflation-adjusted median household income has fallen 6.7% since 2008 to \$47,830 for 2015. Massive job losses in banking in Charlotte and at furniture makers in rural parts of the state haven't been fully offset by a crop of new technology and financial-services jobs concentrated in metropolitan areas. Its income growth was the sixth-lowest of any state and the District of Columbia since 2008.

In Florida, which has also recovered slowly from its housing-market collapse, inflation-adjusted median household income fell 6% between 2008 and 2015 to \$49,426. That gives it the seventh-lowest income growth in the country for that time period.

Colorado and Iowa are the only two electoral battlegrounds where incomes showed notably above-average income gains. Median household income in Colorado rose 1.9% to \$63,909 between 2008 and 2015 as the state benefited from a Western energy boom, among other things.

Urban areas have seen incomes hold up better than rural areas since the recession, with urban median household incomes decreasing 1.7% between 2008 and 2015, while such rural incomes fell 6.1% during that period. But there are signs that pattern may be changing, as urban incomes rose 3.7% in 2015, while rural incomes rose 3.9%.

What is notable is that income growth in metropolitan suburban America continues to lag behind that of central cities, census figures show. Highly educated millennials have flocked to downtowns in search of walkable lifestyles and entertainment.

"It's possible that the American dream of the suburbs has eroded," said Linda Lobao, professor of rural sociology at Ohio State University. "It's difficult to get to work, infrastructure hasn't been kept up."