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# BLOGS & STORIES

## America's 20 Highest Earning Cities

by *Richard Florida*

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**Wondering where you earn the highest incomes? Richard Florida and his team have put together the definitive list—from D.C. to Fairbanks.**

According to a new Regional Income Earnings Index developed by the [Martin Prosperity Institute](#), Greater Washington, D.C. is the nation's metropolitan region with the highest income. The index measures income trends across all 342 of America's metro regions.

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San Jose (in California's Silicon Valley) and Stamford, Connecticut, tie for second place. San Francisco and Boston round out the top five. Surprisingly, Greater New York ranks 16th on the MPI Affluence Index, behind Seattle, Boulder, Minneapolis-St. Paul, and Greater Baltimore. Two Alaska regions score in the top 20—Anchorage in seventh place and Fairbanks in 19th. Massachusetts and Minnesota each have two regions in the top 20 as well.

High-income regions tend to have populations that are highly educated and skilled—what economists refer to as higher levels of human capital. Regions with more knowledge-based, professional, and creative jobs have higher incomes on average, as do regions with high concentrations of high-tech industries.

Many of these high-income metros also have high costs of living. Housing costs in Washington, San Francisco,

Boston, Silicon Valley, Greater New York, Boulder, and Honolulu are among the highest in the nation; their housing cost-to-income ratios are dauntingly steep. Still, incomes are high enough that most of the people and families in these places have more money left over, even after paying for housing and other essentials, than those in most lower-earning areas, according to our research. Other high-income regions, like Minneapolis-St. Paul have a much lower cost of living.

The gap separating the regions with the highest and lowest incomes is substantial. With a median household income of more than \$85,000, and median individual income and per capita income levels in excess of \$40,000, Greater Washington's income levels are more than double those of America's lowest income metros. The flip side of this growing income inequality is a deepening economic geography of wealth and class.

This gap is only likely to worsen as our economy continues its inexorable transformation from a manufacturing-based industrial system to an idea-driven post-industrial one and as highly skilled people, high-tech industries, and high-paying jobs continue to concentrate in some regions and not others. This is an issue of pressing national concern; new and innovative public-policy strategies are badly needed.

The MPI Regional Income Earnings Index is based on three equally weighted measures of income: median household income, median income, and per capita income. The data are from the U.S. Census Bureau for the year 2008.

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