

Macro Roundup Article

Headline: Perhaps Wage Growth Isn't Slowing After All?

Article Link: <https://theovershoot.co/p/perhaps-wage-growth-isnt-slowng>

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Tweet: .@M_C_Klein notes that for the first four months of 2024, wage growth had moderated to 3.6%/year, near the pre-pandemic trend of 3.2%. An uptick in May and an upward revision for March call this moderation into question.

Summary: From the middle of 2022 through the end of 2023, the typical U.S. worker's wage consistently rose about 0.4% each month (4.9% annualized), compared to a pre-pandemic average growth rate of about 0.26% (3.2% annualized). By last month, however, it seemed that things might have changed, with wage growth in the first four months of 2024 remarkably close to the pre-pandemic average. [However,] the typical worker's average hourly pay jumped by 0.45% in May relative to April on a seasonally-adjusted basis, [and] at the same time, wage growth for March 2024 was revised up. As a result, the average monthly pay increase in 2024 has ticked up from 0.29% (as of last month's data) to 0.34%, or from 3.6% a year to 4.1%.

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Primary Topic: Wages/Income

Topics: Business Cycle, GDP, Inflation, Op-Ed/Blog Post, Wages/Income, Workforce

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