

Macro Roundup Article

Headline: [Have Workers Gotten A Raise?](#)

Article Link: <https://www.brookings.edu/articles/have-workers-gotten-a-raise/>

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Tweet: Lower-income workers have seen real wage gains since the pre-pandemic period; however, higher-wage workers have seen low or zero real growth depending on the measure. @ChloeNEast @WendyEdelberg

Summary: Generally speaking, we find measures of typical and aggregate pay, adjusted by PCE inflation, have grown since 2019 and have kept pace with or exceeded longer-term trends. Results are more mixed when those measures are deflated by CPI; we still see gains since 2019, but Average Hourly Earnings and Total Compensation are below longer-term trend levels. In other words, nominal pay by these measures has done relatively well in keeping up with overall costs of living, measured by the PCE. In contrast, nominal pay has done less well in keeping up with increases in the costs of goods and services that are much more salient to consumers, measured by the CPI. For higher-wage workers, the ECI suggests that nominal pay has grown about in line with or more slowly than prices, while Average Hourly Earnings and Weekly Earnings show roughly no change or some small positive changes for higher-wage workers. Again, we see that deflating by CPI points to weaker pay growth across all groups. Related: U.S. Incomes Fall for Third Straight Year and The Unexpected Compression: Competition at Work in the Low Wage Economy and Jason Furman On Employment Cost Index

Primary Topic: Business Cycle

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

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