

Macro Roundup Article

Headline: [U.S. Job Churn Has Normalized. Wage Growth and Underlying Inflation Have Not. \(Yet?\)](#)

Article Link: <https://theovershoot.co/p/us-job-churn-has-normalized-wage>

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Tweet: [Job churn has normalized, however, it's unclear whether recent growth in average hourly worker pay is consistent with the Fed's 2% target. @M_C_Klein](#)

Summary: It is unclear whether the normalization of churn that has already occurred will be sufficient to bring wage growth—and therefore consumer spending power—back in line with what would be consistent with the Fed's inflation target. My preferred high-frequency measure of underlying wage growth has been the three-month average of the monthly change in average hourly pay for nonsupervisory workers outside of the retail, leisure, and hospitality industries. After hovering around 5% since last summer, it has come down sharply in the past three months to just 4% in June-August. That is encouraging news and seems to fit with the recent moves in the quit rate and the job openings rate.

Related Articles: [The Unresolved Tension Between Prices and Incomes and Rate Cuts and The Unexpected Compression: Competition at Work in the Low Wage Labor Market](#)

Primary Topic: Inflation

Topics: GDP, Inflation, Op-Ed/Blog Post, Unemployment/Participation, Wages/Income, Workforce

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