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Macro Roundup Article

Headline: Job Mobility Patterns and Lifetime Earnings Disparities among Male Workers

Article Link: https://www.stlouisfed.org/on-the-economy/2023/jan/job-mobility-patterns-lifetime-e arnings-disparities-male-workers

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Tweet: According to a new analysis from the @stlouisfed, job switching is associated with lower earnings growth for lower-earning prime-age male workers but higher earnings growth for their higher-income peers.

Summary: Let's consider two male workers, one in the bottom (in the first two percentiles) and the other in the 65th percentile of the lifetime earnings distribution. Both experienced on average a 2% growth in annual earnings if they stayed with the same employer. However, if they changed employers, the bottom earner did not see any growth in his earnings, whereas the 65th-percentile earner enjoyed, on average, 3% growth. This large heterogeneity among switchers indicates that the nature of job switches is very different throughout the lifetime earnings distribution. More than 35% of job switches were a result of a significant unemployment spell for the bottom earners, compared with only around 15% in the top third of earners, suggesting a much higher unemployment risk for bottom earners. Finally, earnings growth for both job stayers and job switchers increases steeply in the top third, reaching around 10% for the highest earners.

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