

Macro Roundup Article

Headline: [Understanding Trends in Worker Pay over the Past 50 Years](#)

Article Link: <https://www.aei.org/research-products/report/understanding-trends-in-worker-pay-over-the-past-50-years/>

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Tweet: Since 1973 median pay has risen 50% while average productivity rose 111%; @swinshi finds the divergence has been driven by “fanning out” in workers' productivity and slowing in the growth of men's wages as women entered the labor force.

Summary: Productivity appears to have grown unequally across industries, firms within industries, and workers within firms. As a result, growth in the productivity of the median worker has slowed, causing growth in the pay of the median worker to slow. Men benefited earlier in the century from median pay growth that exceeded productivity growth and remained elevated for decades. Many working- and middle-class men received “breadwinner rents”—pay in excess of their marginal value to their employer—because of the widespread ideal that a husband should be able to support a family on one income. As women’s workforce participation increased in the 1970s and 1980s, men endured a period of slow wage growth until productivity levels had risen enough to justify stronger growth in pay. Along with reduced fertility and greater economic opportunities for women, the decline in marriage led men to prioritize values other than maximizing their pay. The painful transition for men is largely behind us, and the median male worker has seen significant pay growth over the past 30 years.

Related Articles: [Has Pay Kept Up With Inflation?](#) and [Credit Bidenomics for Rising US Wages and The Economics of Inequality in High-Wage Economies](#)

Primary Topic: Wages/Income

Topics: Academic paper, Database, Growth, Productivity, Very Important, Wages/Income, Weekly, Workforce

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