

Macro Roundup Article

Headline: [Wage Inequality May Be Starting to Reverse](#)

Article

Link: <https://www.wsj.com/articles/wage-inequality-may-be-starting-to-reverse-11672339062>

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Publication	Wall Street Journal
Publication Date	January 03, 2023

Tweet: The American college workforce is 5% larger than in Feb 2022, whereas the high school workforce is 4% smaller. This has likely contributed to the decrease in earnings inequality in the post-pandemic period. @Greg_Ip

Summary: In the decades before the pandemic, the wages of lower-paid, less skilled hourly employees steadily lost ground to those of skilled workers, college graduates, managers, and professionals. In the two years since, those trends have sharply reversed. We don't know if this narrowing in inequality will last. Perhaps it is a function of labor shortages that, like semiconductor shortages, will disappear as the pandemic recedes. Maybe it is the result of a tight labor market whose days are numbered as the Federal Reserve seeks to cool the economy. Some of this was catalyzed by the pandemic, which shrank the supply of people willing to do traditionally low-paid work. Many dropped out of the labor force, retired, or died from Covid-19. The college-educated labor force was 5% larger last month than in February 2020; the high school-educated and high school dropout labor force is 4% smaller. (Data between the two periods isn't strictly comparable.)

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Primary Topic: Wages/Income

Topics: Business Cycle, College, Database, Education, GDP, Graph, Inequality, K-12, Op-Ed/Blog Post, Wages/Income, Weekly, Workforce

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