

## Macro Roundup Article

**Headline:** [Americans' Incomes Are Rising Too Fast for 2% Inflation](#)

**Article Link:** <https://theovershoot.co/p/americans-incomes-are-rising-too>

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| Author(s)        | Matt Klein        |
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**Tweet:** . @M\_C\_Klein notes, “The average American’s disposable income has been rising 10%/yr since last summer thanks to falling tax payments (lower cap gains obligations), huge increases in Social Security benefits, and—most importantly—soaring employment income.”

**Summary:** Worker pay matters for inflation because it is the largest and least volatile source of financing for consumer spending. The old data implied that wages and salaries paid to private sector workers were rising about 6% a year throughout 2022. The new data imply that wage and salary income has been rising 10% annualized since June. But this mostly seems to reflect upward revisions to estimates of the number of people working (and the length of their workweeks), rather than how much each worker is getting paid. That should mute the potential impact on inflation—assuming the extra employees are doing useful things with their time.

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**Primary Topic:** Inflation

**Topics:** GDP, Inflation, Monetary Policy, Op-Ed/Blog Post, Sell-by Date

**Permalink:** [https://www.edwardconard.com/macro-roundup/m\\_c\\_klein-notes-that-the-average-americans-disposable-income-has-been-rising-10-yr-since-last-summer-thanks-to-falling-tax-payments-lower-cap-gains-obligations-huge-increases-i?view=detail](https://www.edwardconard.com/macro-roundup/m_c_klein-notes-that-the-average-americans-disposable-income-has-been-rising-10-yr-since-last-summer-thanks-to-falling-tax-payments-lower-cap-gains-obligations-huge-increases-i?view=detail)

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