

Macro Roundup Article

Headline: Trends in Real Wage Growth among Union, Nonunion Workers

Article Link: <https://www.stlouisfed.org/on-the-economy/2024/jul/trends-real-wage-growth-union-nonunion-workers>

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Tweet: Real wages for union members declined by more than non-union members in 2021-22; however, union member real wages are now outpacing those of non-union members. @stlouisfed

Summary: In nominal and real terms, the wage changes of union-affiliated workers and those with no union affiliation tend to move over time in a similar way, although union workers' nominal wage changes seem less volatile. On average, since 2002, wages for these two groups of workers increased at the same rate. Non-wage benefits and total compensation show similar trends. From mid-2021 to mid-2023, following the initial phases of the COVID-19 pandemic, consumer prices grew rapidly, outpacing the average annual growth rate in wages. This implies that, in real terms, wage growth was negative. In this case, high inflation rates pulled real wage growth down into negative values despite a strong labor market. After mid-2023 [given] lower levels of inflation [there was] positive real wage growth. In addition, the nominal wage growth of union workers increased more rapidly, leading to higher real wage growth and compensating for the lost ground of the previous few years.

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Primary Topic: Wages/Income

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