

Macro Roundup Article

Headline: [U.S. Inflation Surged in January. Is It a Fluke?](#)

Article Link: <https://theovershoot.co/p/us-inflation-surged-in-january-is>

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Tweet: While the quit rate is under the pre-pandemic level, hourly private-sector pay growth remains robust and may be accelerating. This suggests Fed cuts will not be forthcoming. @M_C_Klein

Summary: Quarterly growth in the Employment Cost Index (ECI) has been slowing continuously, and is now rising only about 1 percentage point faster (annualized) than immediately before the pandemic. Relative to 2006-2007, the gap is even narrower. On the other side is the remarkably stable growth of hourly private-sector pay over the past 18 months, which if anything has accelerated in recent months. Zooming out, the growth rate in nonmanagerial pay—excluding leisure, hospitality, and retail—has tended to move in line with the Atlanta Fed’s measure of median 12-month changes in hourly pay among continuously-employed workers. Despite the normalization of job market churn since the end of 2021, which was supposed to remove much of the upward pressure on wage growth, both measures of pay gains are still much faster than before the pandemic.

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Primary Topic: Inflation

Topics: GDP, Inflation, Op-Ed/Blog Post, Wages/Income, Workforce

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