

Macro Roundup Article

Headline: [A New Wage Measure for Core Non-Housing Services](#)

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Tweet: [@ernietedeschi](#) builds a new measure of average hourly earnings (AHE) gains in non-housing services (NHS) sectors. The measure suggests that wage growth is coming down rapidly, contributing to declining overall inflation.

Summary: This blog post presents a wage measure that Council of Economic Advisors has constructed to be specific to NHS industries, called “NHS AHE.” To summarize, NHS AHE [non-housing services average hourly earnings] is a weighted average of the hourly wage in 175 detailed nonfarm payroll sectors from the monthly Establishment Survey, weighted by each sector’s share of 2019 labor costs in final demand consumption of services excluding food, energy, and housing. Because the weights are based on NHS labor costs, the index better reflects the dynamics of wages serving as inputs into NHS production than commonly-cited wage measures like AHE and ECI. And because the weights are fixed to 2019 levels, the index is less sensitive to compositional shifts than unadjusted average measures like AHE. Figure 2 plots the yearly percent change in the NHS wage series for production and nonsupervisory workers and NHS inflation.

Primary Topic: Wages/Income

Topics: Data, GDP, Government/NGO, Graph, Inflation, Wages/Income, Weekly, Workforce

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