

## Macro Roundup Article

**Headline:** [Jason Furman On Employment Cost Index](#)

**Article Link:** <https://twitter.com/jasonfurman/status/1651933548637462529>

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**Tweet:** The Employment Cost Index is consistent with annualized 4% PCE inflation. Real wages are now 5% below their pre-pandemic trend. @Jasonfurman

**Summary:** The Employment Cost Index weighs in on the side of the argument that wage growth is not slowing--suggesting that the average hourly earnings slowdown was a spurious result of composition. Over the last six months, ECI went up at a 4.7% annual rate, consistent with 4.0% PCE inflation. The previous showed private wages excluding incentive occupations, probably the best measure. All the measures consistent. At an annual rate over the last 3 months: Private comp +4.7%; Private wages +4.9%; Private wages ex incentive+ 5.1%. All are higher than any time in the last cycle. This leaves real wages and salaries 5 percent below their pre-pandemic trend.

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**Primary Topic:** Inflation

**Topics:** Factoid, Inflation, Monetary Policy, Op-Ed/Blog Post

**Permalink:** <https://www.edwardconard.com/macro-roundup/the-employment-cost-index-is-consistent-with-annualized-4-pce-inflation-real-wages-are-now-5-below-their-pre-pandemic-trend-jasonfurman?view=detail>

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