

## 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>

Author(s)	Matt Klein
Publication	The Overshoot
Publication Date	February 15, 2024

**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. Related: [Wages Are Rising Faster than We Thought](#) and [Is Post-Pandemic Wage Growth Fueling Inflation?](#) and [The Labor Market Is Primed For a Soft Landing](#)

**Primary Topic:** Inflation

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

**Permalink:** [https://www.edwardconard.com/macro-roundup/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?view=detail](https://www.edwardconard.com/macro-roundup/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?view=detail)

### Featured Image

**Link:** <https://www.edwardconard.com/wp-content/uploads/2024/02/Broken-Transmission-.png>