

Macro Roundup Article

Headline: [US Workers' Wage Gains In 2023 are Likely to Exceed Inflation](#)

Article Link: <https://www.piie.com/blogs/realtime-economics/us-workers-wage-gains-2023-are-likely-exceed-inflation>

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Summary: Figure 1 displays the growth rate of the employment cost index over the past 20 years along with a projection over the next two that is a bit higher than that of professional forecasters. Twelve-month ECI growth peaked at 5.4% in June 2022 and declined to 5.1% as of September. In the projection, ECI rises at an annualized pace of 5% from September 2022 to March 2023, 4.5% from March to December 2023, and 4% in 2024. This projection is consistent with only a modest cooling in the labor market and an unemployment rate still somewhat lower than its equilibrium rate. Further reductions in inflation beyond 2024 would require ECI growth to slow well below a 4% pace.

Primary Topic: Wages/Income

Topics: GDP, Inflation, Op-Ed/Blog Post, Sell-by Date, Theory, Wages/Income, Workforce

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