

Macro Roundup Article

Headline: [Are Manufacturing Jobs Still Good Jobs? An Exploration of the Manufacturing Wage Premium](#)

Article Link: <https://www.federalreserve.gov/econres/feds/files/2022011pap.pdf>

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Tweet: A @federalreserve analysis from last year finds the manufacturing wage premium has disappeared for most manufacturing jobs as of April 2018. The decline in unionization is responsible for "more than 70% of the drop in the manufacturing wage premium."

Summary: As measured in the CES data, manufacturing average hourly wages for all employees were 3% above wages in the private sector in 2006, a difference commonly known as the manufacturing wage premium. Since then, manufacturing wages have averaged gains of 2.3% per year, while wages in the private sector have risen 2.6% per year. While manufacturing workers used to receive a premium relative to workers in other sectors, that premium has disappeared in recent years for most manufacturing jobs. Our results indicate that the decline in unionization rates is responsible for more than 70% of the drop in the manufacturing wage premium. Notably, the unionization effect remains significant even after accounting for a large set of worker and sectoral characteristics. Related: American Labor's Real Problem: It Isn't Productive Enough and The World Is In The Grip Of A Manufacturing Delusion and Unpacking the Boom in U.S. Construction of Manufacturing Facilities

Primary Topic: Politics

Topics: Academic paper, Database, Important!, Politics, Wages/Income, Weekly, Workforce

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