

Macro Roundup Article

Headline: [Productivity and Wages: What Was the Productivity-Wage Link in the Digital Revolution of the Past, and What Might Occur in the AI Revolution of the Future?](#)

Article Link: <https://www.nber.org/papers/w30734>

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Tweet: [According to research published by @NBER, higher productivity growth in 1989-2017 “is more than sufficient to explain the greater wage growth that more educated workers enjoyed as compared with less educated workers.”](#)

Summary: U.S. regression results show that there is a high implicit correlation between the rise over time of wages by skill level and the rise of productivity by skill level. Productivity in the high-education industries [orange] grew by over .34 log points between 1989 and 2017, while productivity in the low-education industries [blue] grew only .20 log points during that same 30-year period. Wages in high-education industries grew by .26 log points while those in the low-education industries half grew by .24 log points during the 1989-2017 period. It's clear that the difference in productivity growth between the two skill groups is more pronounced than the difference in wages. This simple comparison suggests that differences in productivity growth rates between skill groups is more than sufficient to explain the greater wage growth that more educated workers enjoyed as compared with less educated workers.

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Primary Topic: High vs Low Skill

Topics: Academic paper, Data, Database, High vs Low Skill, Inequality, Productivity, Wages/Income, Workforce, Workforce Reorganization

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