

Macro Roundup Article

Headline: [Credit Bidenomics for Rising US Wages](#)

Article Link: <https://www.project-syndicate.org/commentary/us-tight-labor-market-result-of-worker-friendly-policies-by-arindrajit-dube-2024-02?barrier=accesspaylog>

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Tweet: As of December 2023, real wages for the US middle quintile are 6.6% higher than they were in 2019 and above the level implied by the 2015-2019 trend. The US is the only G7 country that experienced substantial real wage gains in recent years. @ArinduB

Summary: Wage growth for most American workers has outpaced the spike in the cost of living since the beginning of the pandemic. Updated data show that in the middle pay range, between the 40th and 60th percentiles, inflation-adjusted wages in December 2023 were 3.9% higher than in December 2022, and 6.6% higher than in December 2019. Similar real wage gains can also be observed in establishment data. Importantly, the real wages of the middle quintile are not only higher today than they were before the pandemic but slightly higher than we would expect based on 2015-19 trends. The wage boom was not inevitable. In fact, the US is the only G7 country that experienced substantial real wage gains in recent years. While American workers' wages have increased by 2.8% since late 2019, workers in other major economies have faced stagnant or even negative wage growth, ranging from a 0.2% increase in Canada to a 9% decline in Italy.

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Primary Topic: Business Cycle

Topics: Business Cycle, Database, GDP, Inflation, Op-Ed/Blog Post, Politics, Wages/Income, Weekly, Workforce

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