

Macro Roundup Article

Headline: [Is Nominal Wage Growth Starting to Slow?](#)

Article Link: <https://theovershoot.co/p/is-nominal-wage-growth-starting-to>

Author(s)	Matt Klein
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Tweet: Nominal wage growth in the first four months of 2024 has been slower than in 2022-23. @M_C_Klein suggests this deceleration might imply "inflation may be much closer to normalization than I had previously thought."

Summary: Until this year, unusually slow months of nominal wage growth, such as August 2023, were one-offs. I interpreted the February 2024 numbers the same way, especially given the pop in January. But nominal wage growth stayed slow in March and now April—at least as of this writing. While things could revert in the months ahead, the recent change therefore seems like it has the potential to be significant. This measure translates pretty closely to nominal gross domestic product, and was unchanged in April 2024. That would make last month the weakest month for aggregate nominal income growth since February 2021. (And before that, April 2020). Thus, while aggregate wage income had grown at a yearly rate of almost 7% from October 2023-March 2024, aggregate wage income has grown at a yearly rate of just 4.5% since the end of last year—identical to the pre-pandemic pace.

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Primary Topic: Wages/Income

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

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