

Macro Roundup Article

Headline: [Is The U.S. Job Market Disinflationary Now?](#)

Article Link: <https://theovershoot.co/p/is-the-us-job-market-disinflationary>

Author(s)	Matt Klein
Publication	The Overshoot
Publication Date	January 09, 2023

Tweet: .@M_C_Klein reports that the latest revisions show that annualized average hourly pay growth was less than 4% in December, down from the 7.5% average from March-Sept. 2022. Klein argues that the high quit rate makes further near-term reductions unlikely.

Summary: Total weekly wages paid to employees—the number of workers on payroll times the average workweek times average hourly pay—is now rising at a yearly rate of less than 4%. That is a dramatic deceleration from March-September 2022, when aggregate wage income was still rising about 7.5% annualized. If this holds up, even the most persistent components of inflation should quickly come back into line. The number of people quitting rose so much in November—the latest month for which we have data—that the proportion of workers quitting their jobs for better prospects elsewhere rose for the first time since the spring. Until that changes, it is hard for me to imagine (nominal) wage growth slowing down much more than it already has, even if nominal labor income growth has already decelerated sharply thanks to the slowdown in hours worked.

Related Articles: nan

Primary Topic: Wages/Income

Topics: Business Cycle, GDP, Inflation, Monetary Policy, Op-Ed/Blog Post, Unemployment/Participation, Wages/Income

Permalink: https://www.edwardconard.com/macro-roundup/m_c_klein-reports-that-the-latest-revisions-show-that-annualized-average-hourly-pay-growth-was-less-than-4-in-december-down-from-the-7-5-average-from-march-sept-2022-klein-argues-that-the?view=detail

Featured Image

Link: <https://www.edwardconard.com/wp-content/uploads/2023/01/1.9.23-Klein.png>