Investigating productivity-compensation decoupling across industries and income levels.

In modern, developed economies, there has been emerging a branch of literature related to the decoupling of labour productivity and compensation across time. The trend is broadly that labour productivity has risen consistently year-over-year, while median compensation has begun to stagnate, remaining fairly flat across several time periods in recent years.

Pessoa & Van Reenen (2013) introduce a distinction between ‘net’ and ‘gross’ decoupling, where net decoupling represents an underlying change to the labour share of income, whereas gross decoupling instead