



# EARNINGS

UPDATED THROUGH FEBRUARY 2024 | NATIONAL

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## Takeaways | Earnings

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- The Black earnings gap has risen since October 2023, but is still below its pre-pandemic levels.
- The Hispanic and AAPI earnings gap have generally remained stable over this period.
- The college premium has risen to 81.47% after dipping below 80% in October 2023. It has oscillated since the pandemic but has never attained its pre-pandemic highs.
- The gender earnings gap has risen to 20.0 from 18.1 in October 2023, but is still well below its pre-pandemic levels. The gender earnings gap has been on a slowly declining trend since the pre-pandemic period.
- The rural-urban gap has fallen rapidly since the last quarter of 2023 and is now 18.79%, below its pre-pandemic levels.

# Full Report Highlights

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- **INFLATION**

Inflation trends continued to be very similar to the last quarter of 2023, with inflation inequality being low and AAPI households, households from the lowest-income 40% and young households experiencing relatively higher inflation.

- **EARNINGS**

The Black earnings gap has marginally increased, nevertheless remaining well below pre-pandemic levels.

- **EMPLOYMENT**

Black employment and labor force participation gaps declined to their lowest levels since the pandemic, driven by Black women.

- **CONSUMER SPENDING**

Consumer spending rose overall in early 2024, with the increase shared by all groups except for the young (25-34).

- **WEALTH**

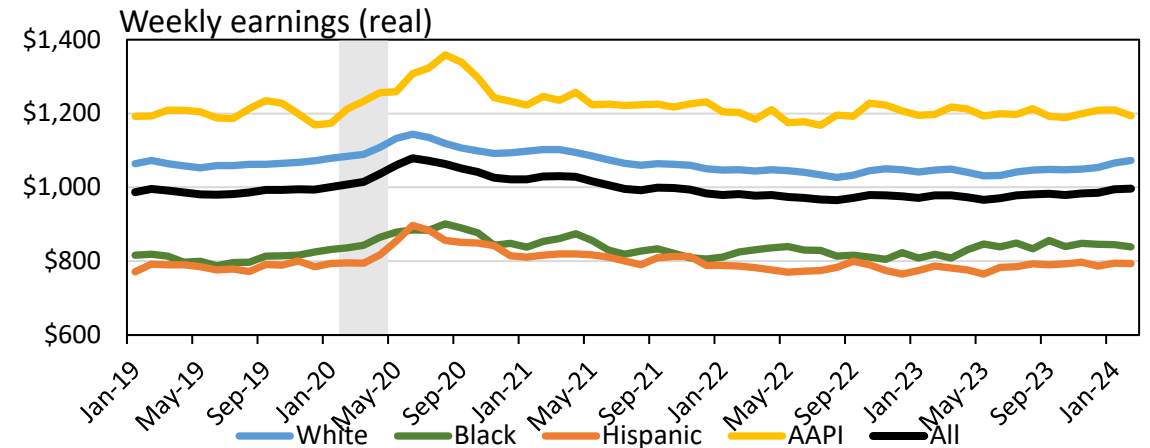
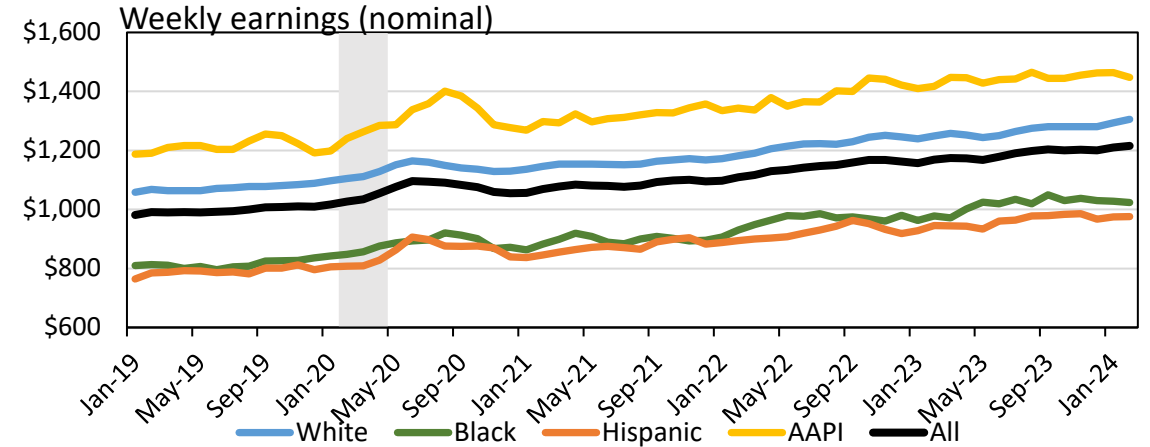
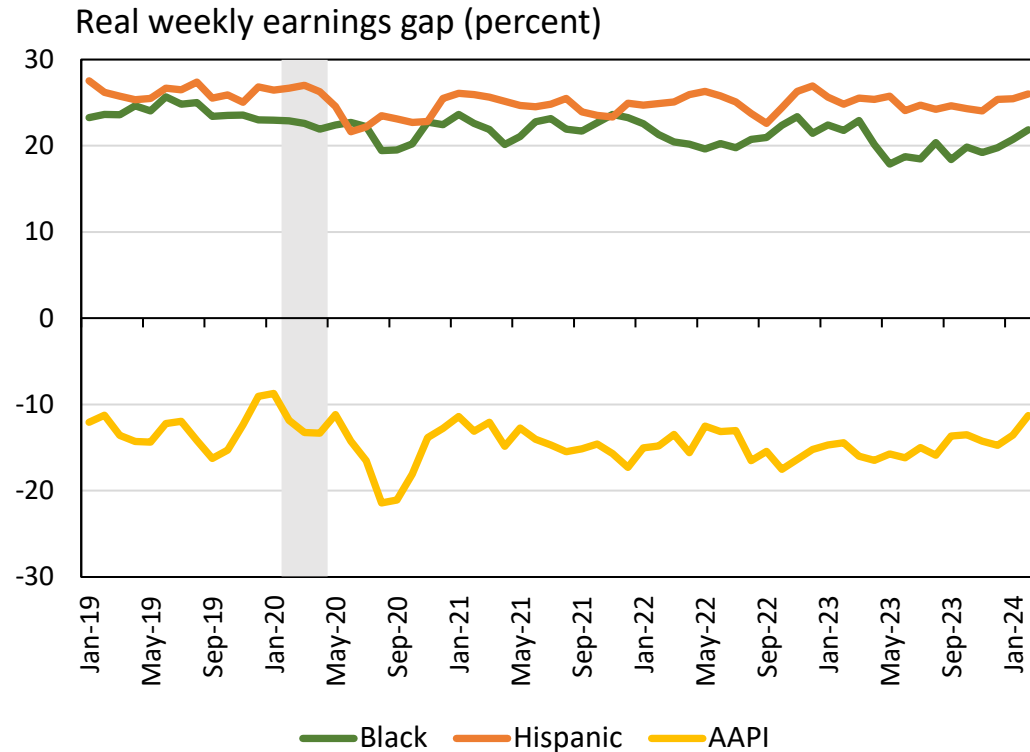
Growth in wealth after 2019 was faster for some groups with little wealth relative to population, but did not meaningfully reduce stark wealth inequalities across demographic groups.

## Data & Methods

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- We compute real earnings by deflating nominal earnings for each demographic using our estimates of demographic-specific inflation.
- Comparable nonveterans are male high school graduates reweighted by age, race, and birthplace to match veterans.
- Gaps are defined as the percentage difference in earnings between a majority group and a minority group in the labor market.
- The gender gap is defined as the percentage difference between male and female earnings.
- The racial gaps are defined as the percentage differences between earnings of white non-Hispanic workers and earnings of workers of the race or ethnicity in question.
- The college premium is defined as the percentage difference between earnings of college graduates and earnings of workers who did not graduate from college.

## Real/Nominal Earnings by Race/Ethnicity

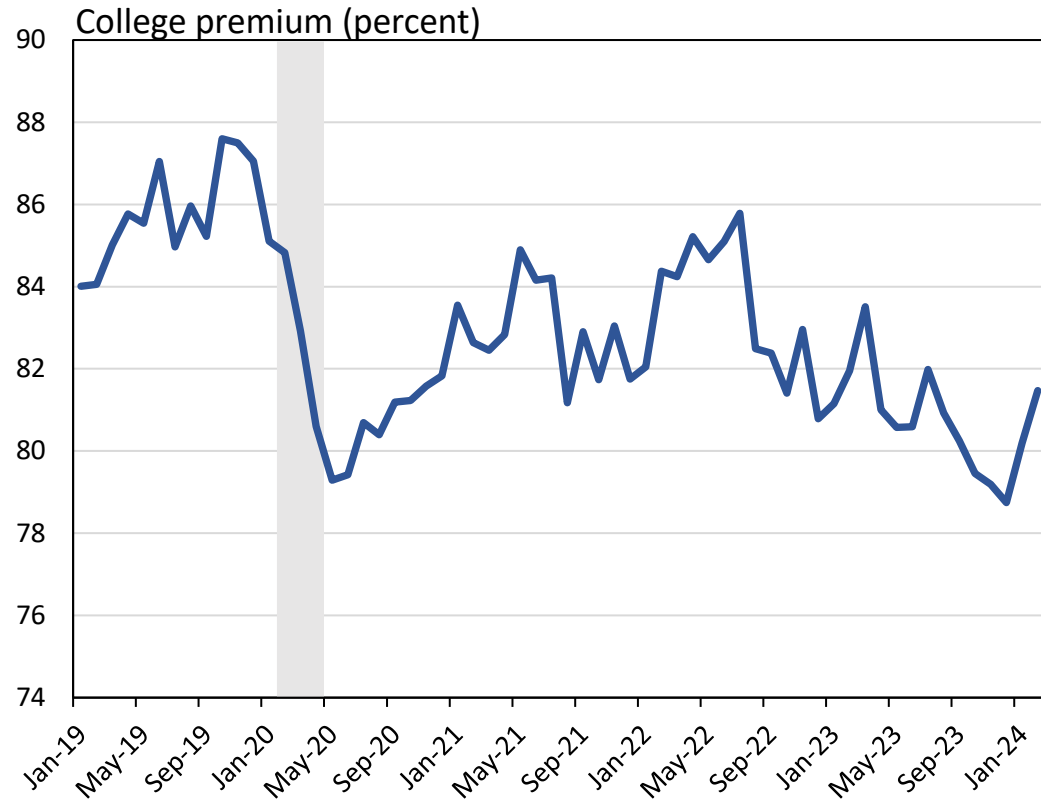


Sources: U.S. Census Bureau/BLS - Current Population Survey microdata; authors' calculations, three-month moving averages.

Notes: Real earnings uses corresponding demographic prices, indexed to January 2019. Shaded region indicates the COVID-19 recession. The race gap is defined here as the percent less in real earnings that the average Black/Hispanic/AAPI American earns on average compared to white Americans. For instance, a gap of 20% implies that the average Black/Hispanic/AAPI American earns 80% of the average white American.

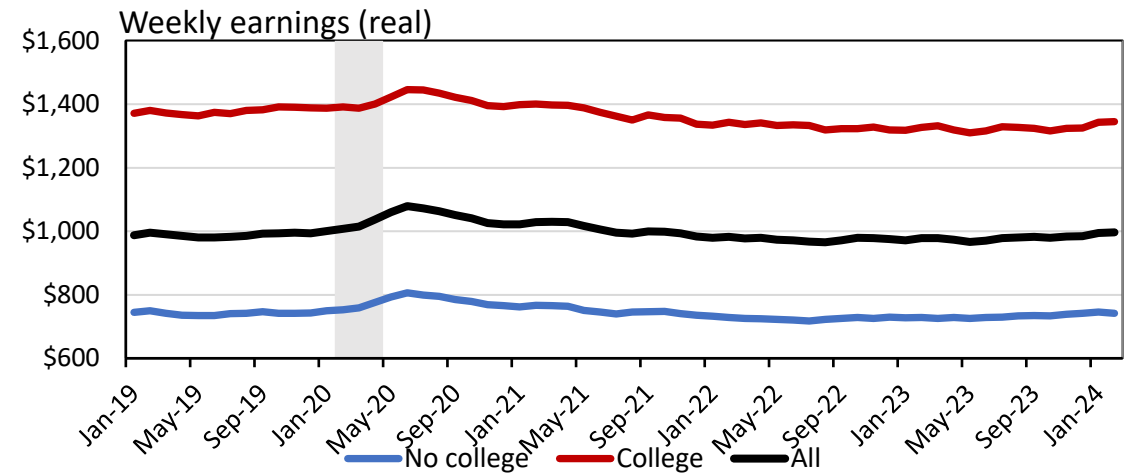
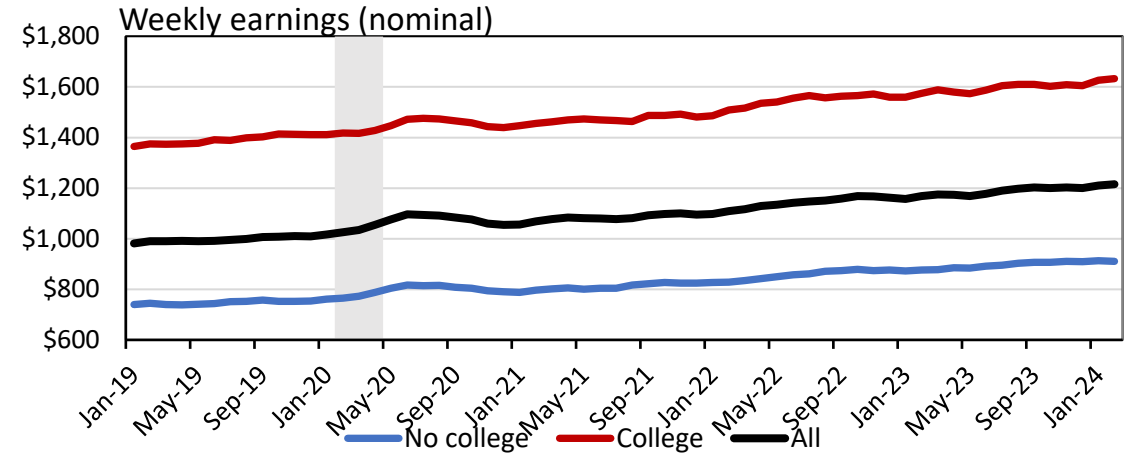
Individual weekly earnings from April 2023 onward are top coded to \$2884.61, in accordance with pre-April 2023 CPS data conventions for continuity.

## Real/Nominal Earnings by Education



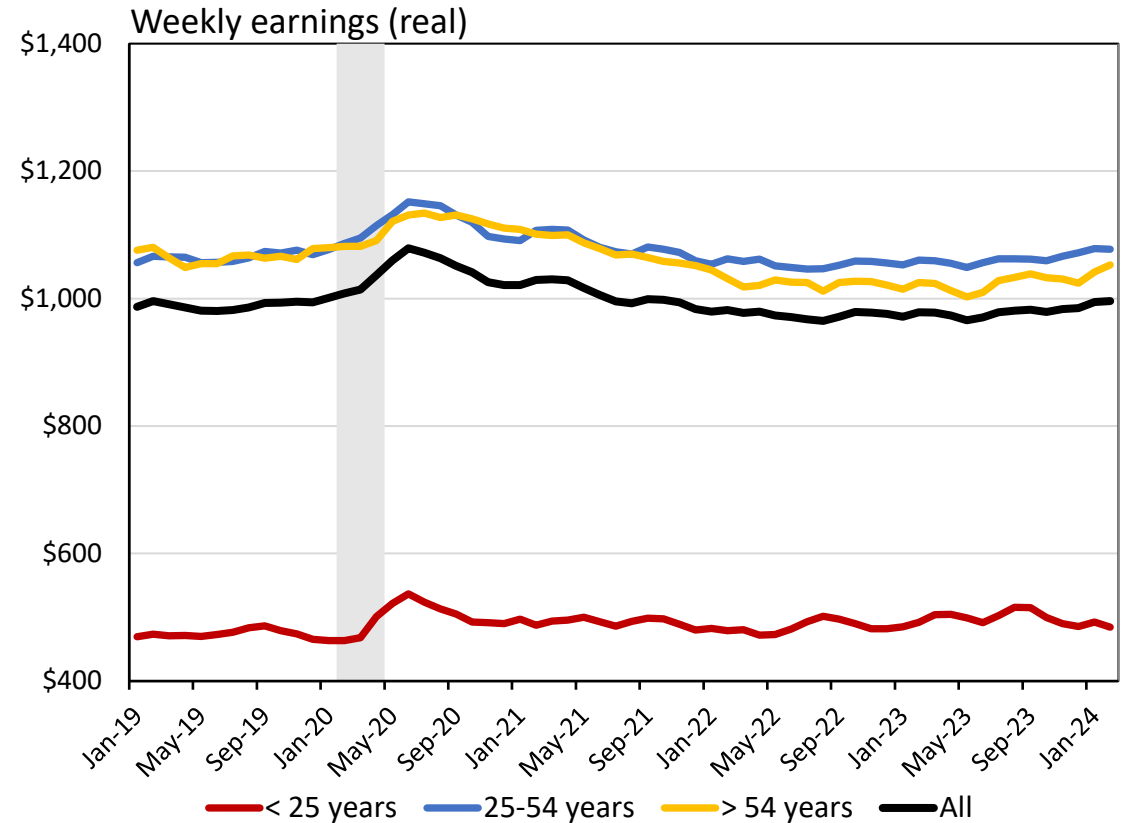
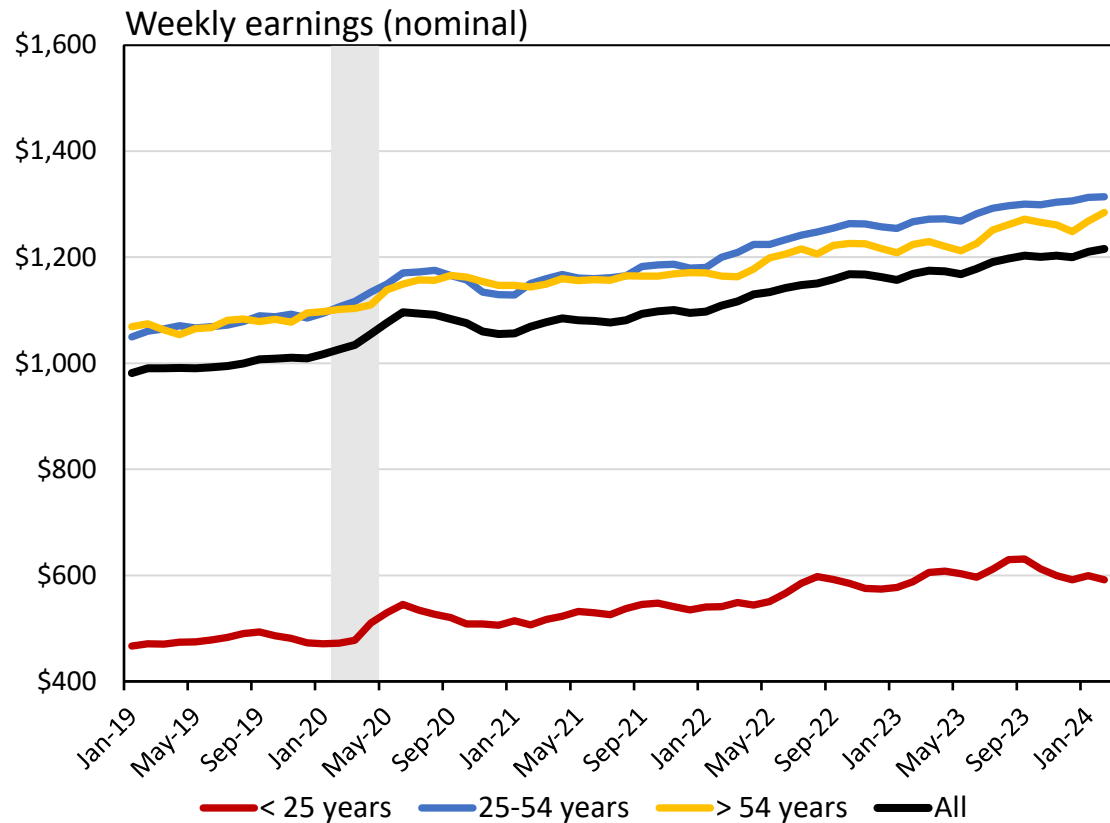
Sources: U.S. Census Bureau/BLS - Current Population Survey microdata; authors' calculations, three-month moving averages.

Notes: Real earnings uses corresponding demographic prices, indexed to January 2019. Shaded region indicates the COVID-19 recession. College premium is defined here as the percent more that college graduates earn (weekly) on average compared to non-graduates. For instance, a gap of 80% implies that the average graduate earns 80% more than the average non-graduate.



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## Real/Nominal Earnings by Age

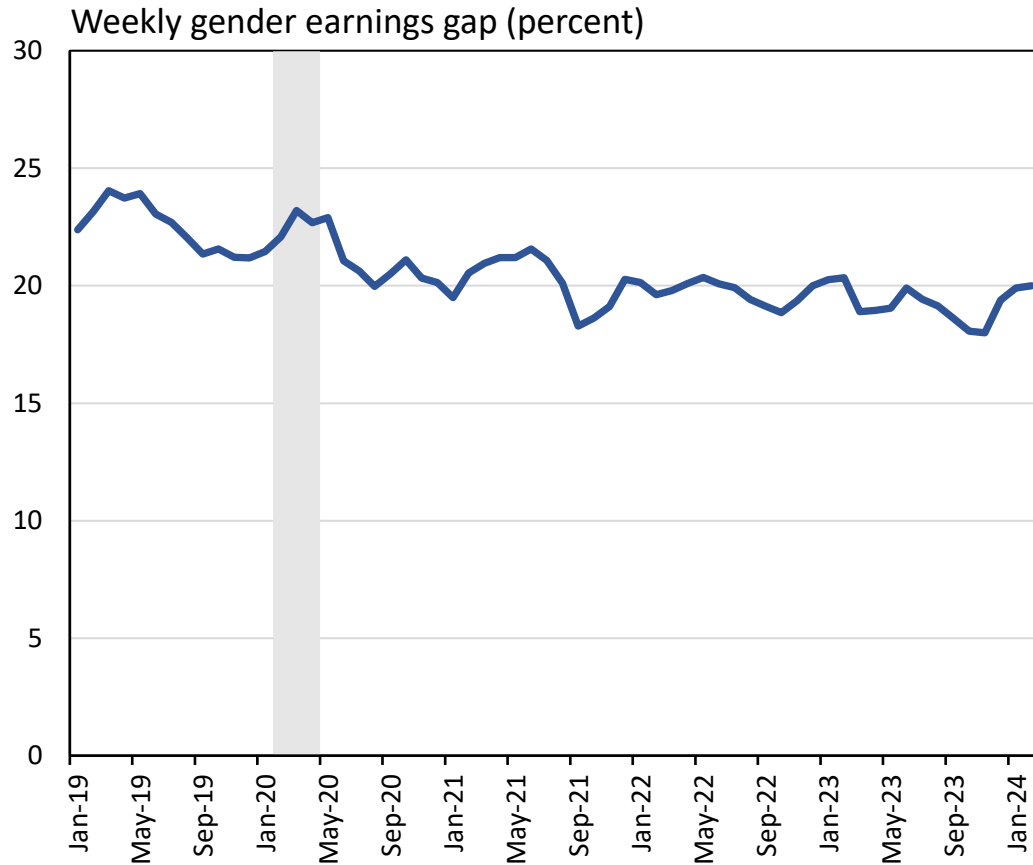


Sources: U.S. Census Bureau/BLS - Current Population Survey microdata; authors' calculations; three-month moving averages.

Notes: Real earnings uses corresponding demographic prices, indexed to January 2019. Shaded region indicates the COVID-19 recession.

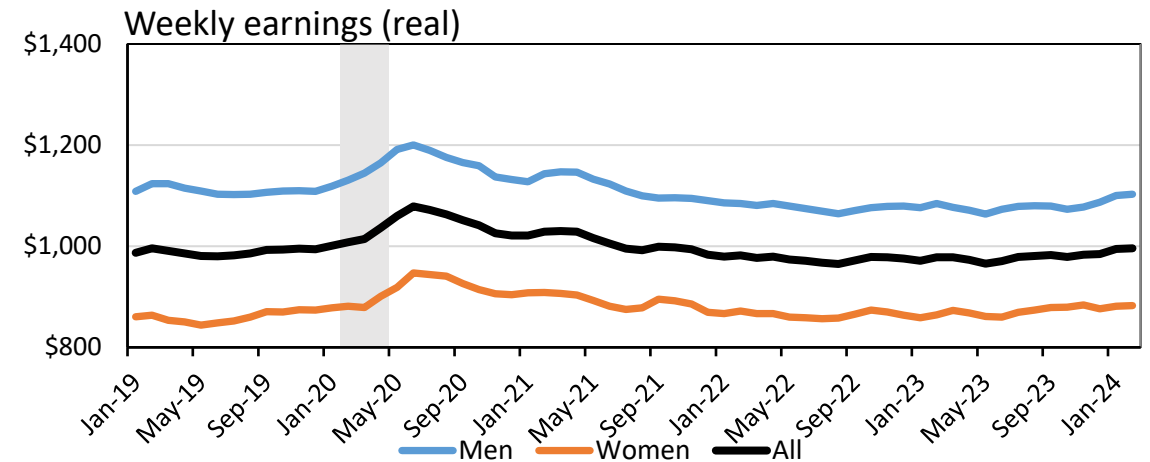
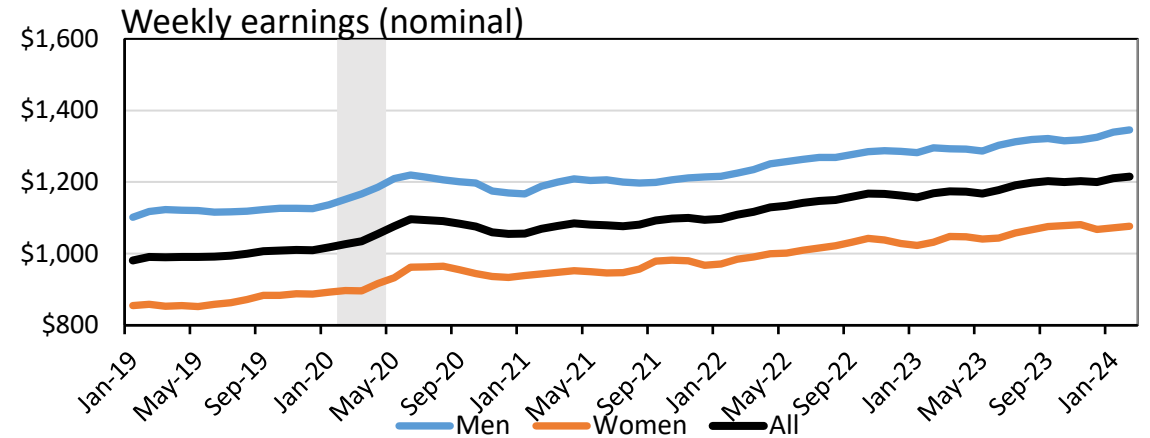
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## Real/Nominal Earnings by Gender



Sources: U.S. Census Bureau/BLS - Current Population Survey microdata; authors' calculations; three-month moving averages.

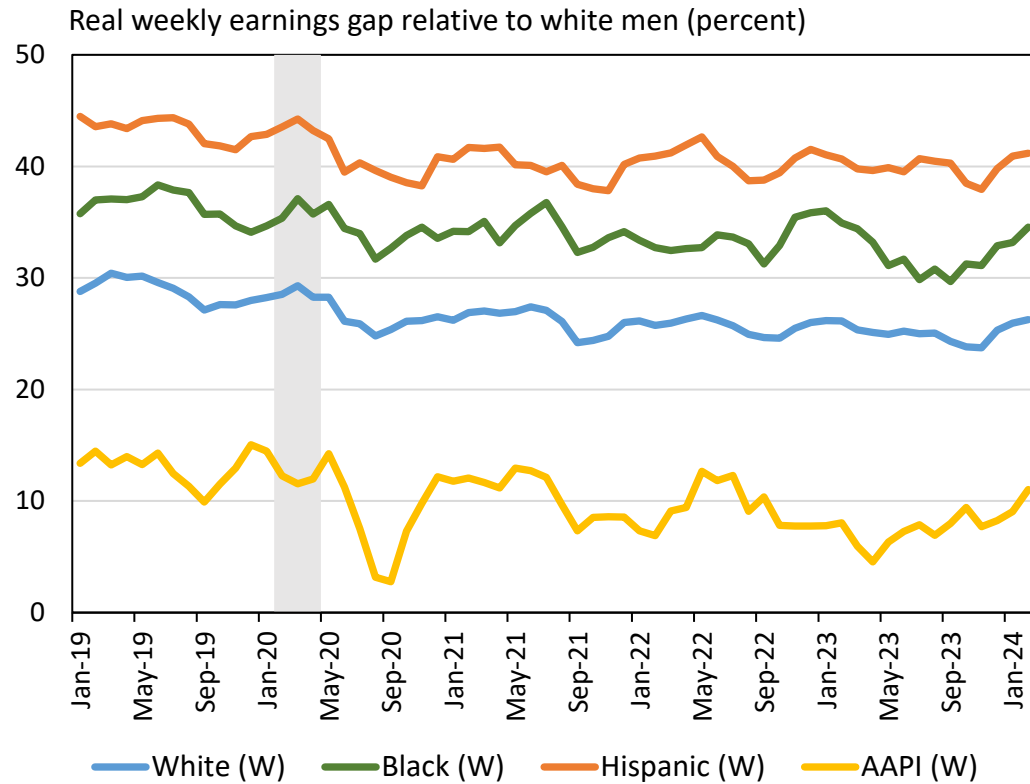
Notes: Real earnings uses corresponding demographic prices, indexed to January 2019. Shaded region indicates the COVID-19 recession. The gender gap is defined here as the percent less that women earn on average compared to men. For instance, a gap of 20% implies that the average woman earns 80% of the average man.



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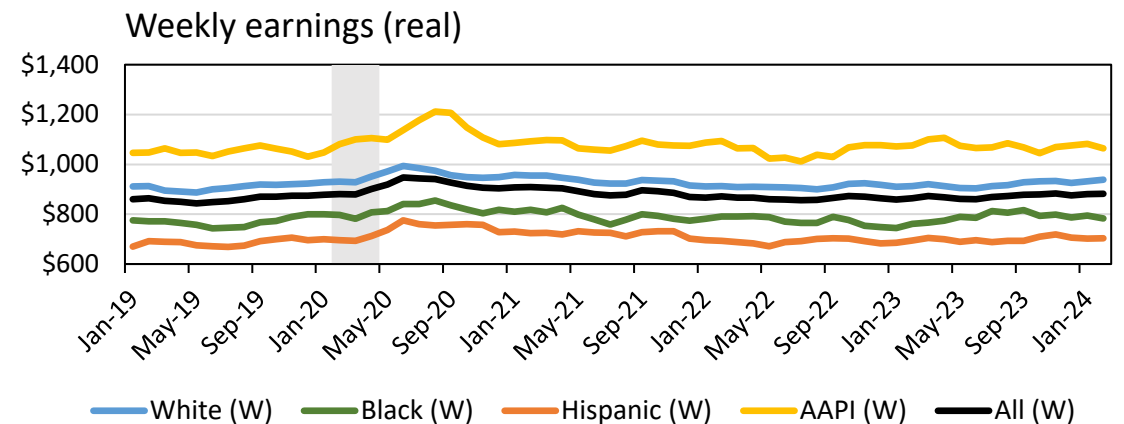
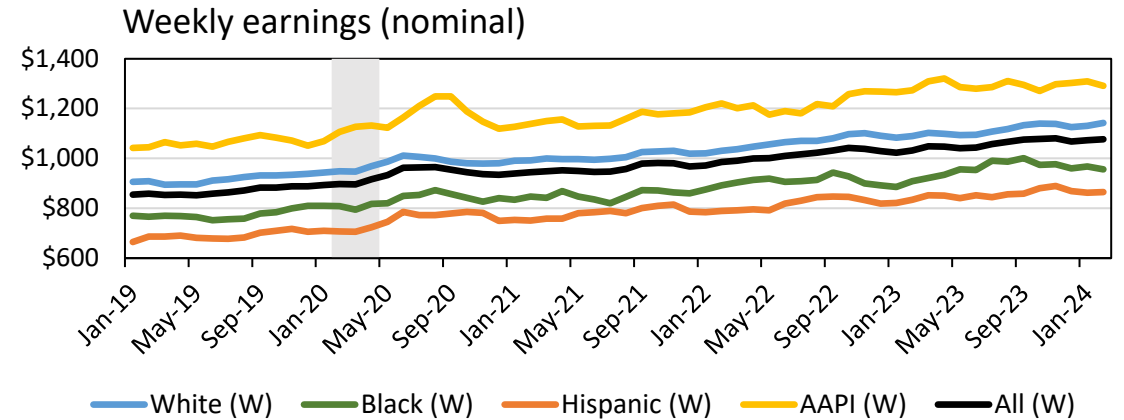


## Real/Nominal Earnings by Race x Gender (Women)



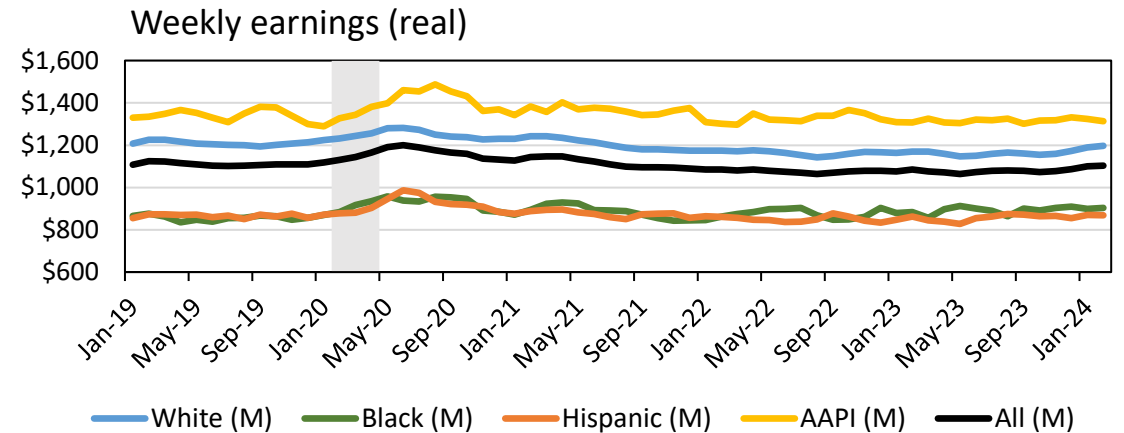
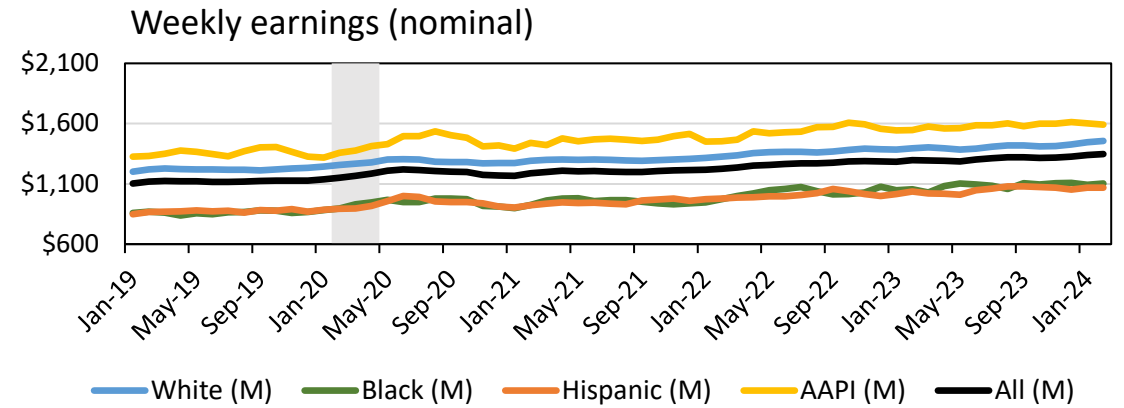
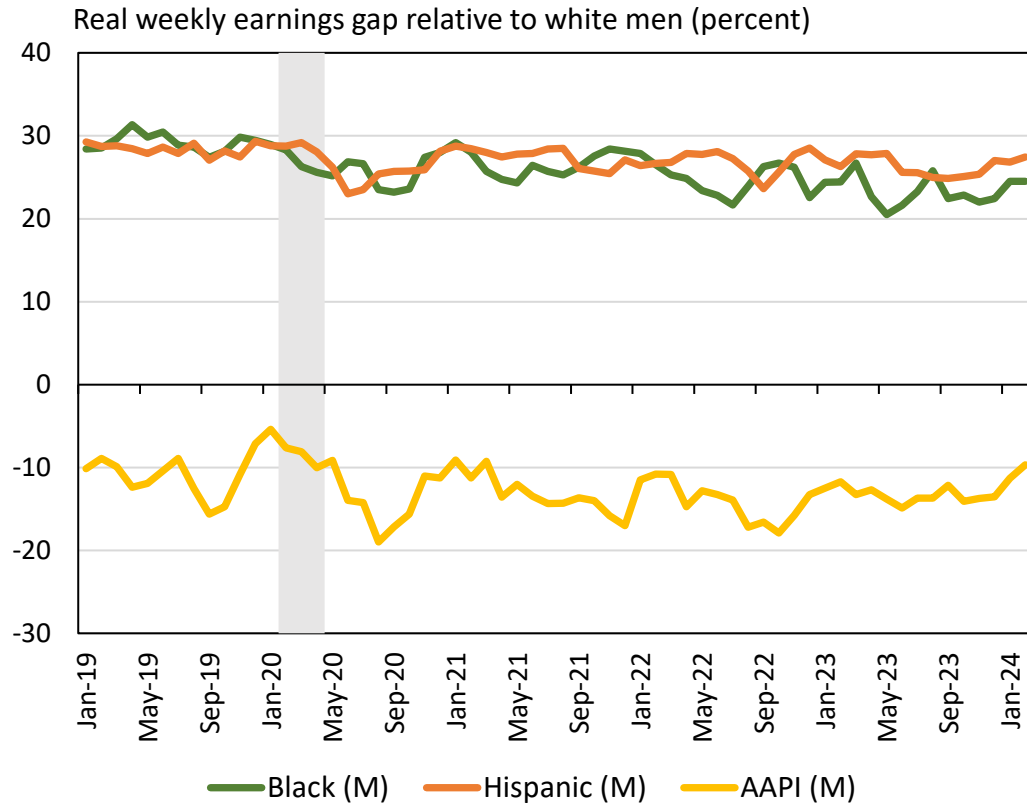
Sources: U.S. Census Bureau/BLS - Current Population Survey microdata; authors' calculations; three-month moving averages.

Notes: Real earnings uses corresponding demographic prices, indexed to January 2019. Shaded region indicates the COVID-19 recession. The earnings gap is defined here as the percent less that a woman of each racial/ethnic group earns on average compared to white men. For instance, a gap of 40% implies that the average Black/Hispanic/AAPI/white woman earns 60% of the average white man.



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## Real/Nominal Earnings by Race x Gender (Men)

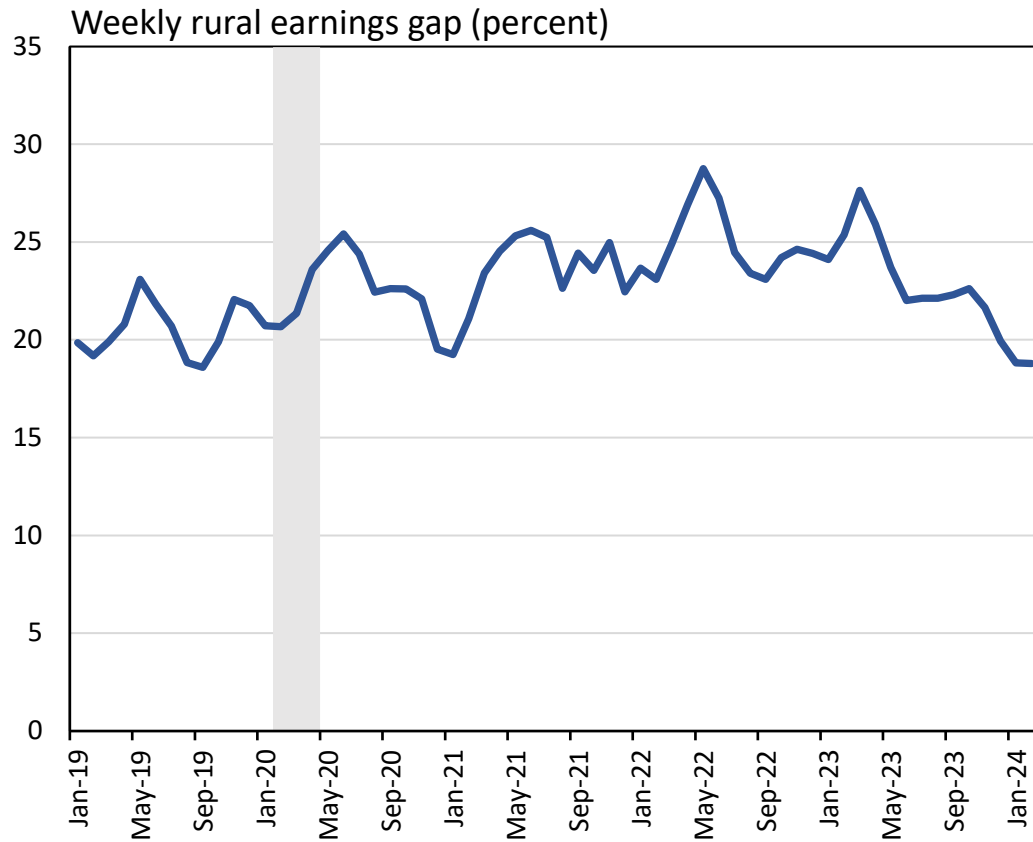


Sources: U.S. Census Bureau/BLS - Current Population Survey microdata, authors' calculations, three-month moving averages.

Notes: Real earnings uses corresponding demographic prices, indexed to January 2019. Shaded region indicates the COVID-19 recession. The earnings gap is defined here as the percent less that a man of each racial/ethnic group earns on average compared to white men. For instance, a gap of 20% implies that the average Black/Hispanic/AAPI man earns 80% of the average white man.

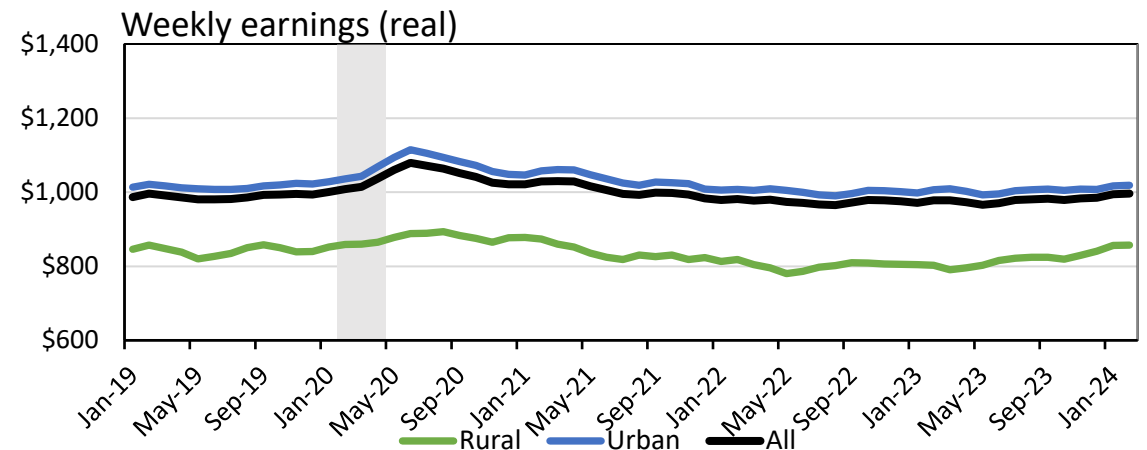
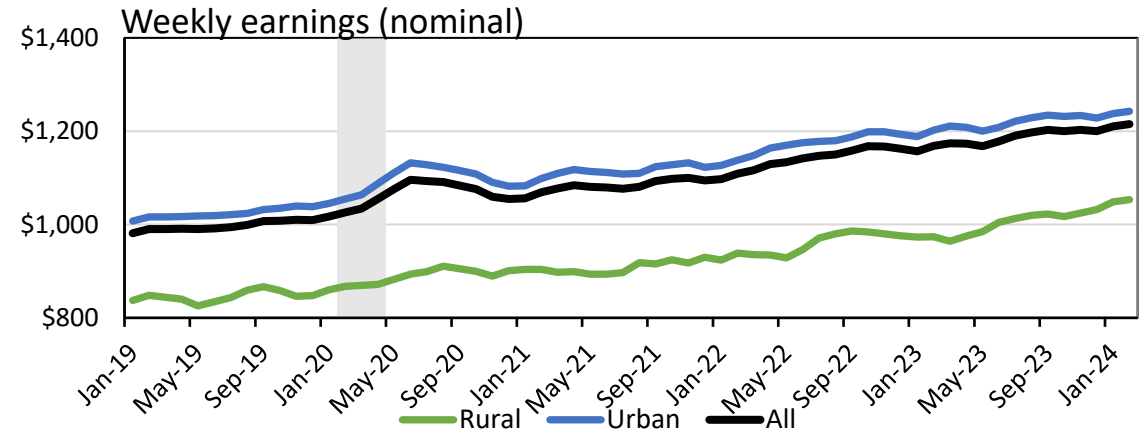
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## Real/Nominal Earnings by Urban Status



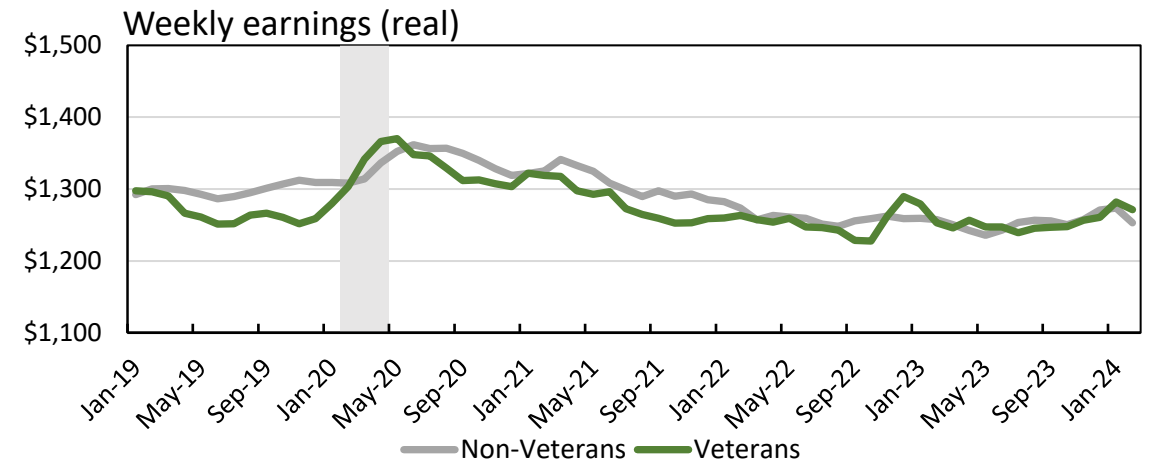
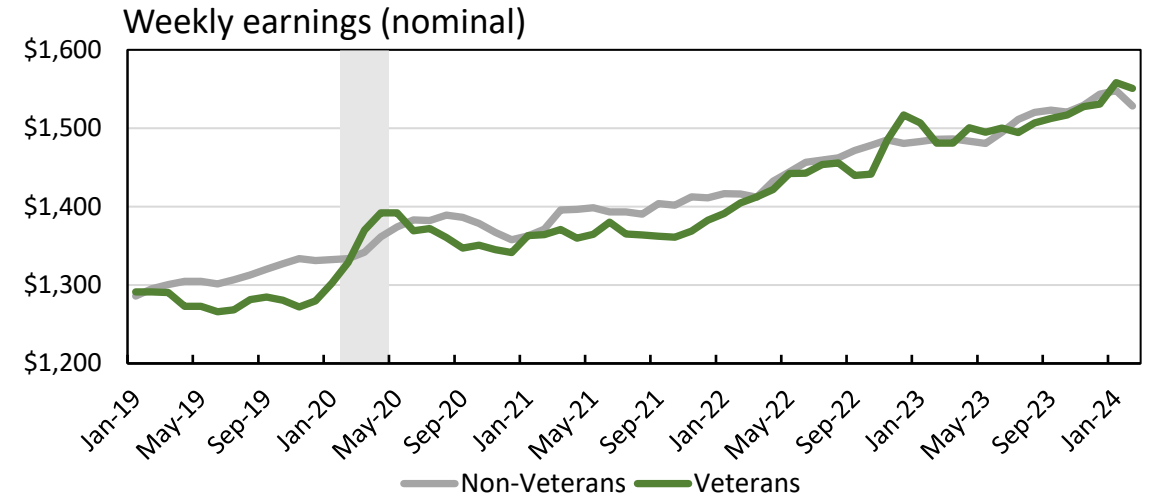
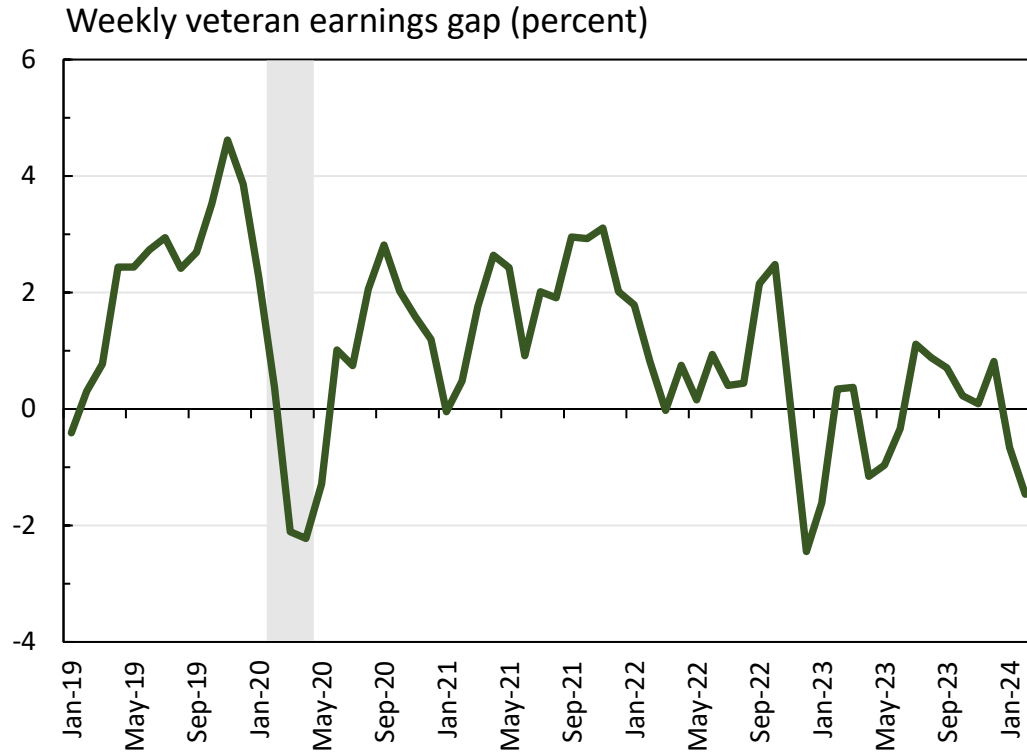
Sources: U.S. Census Bureau/BLS - Current Population Survey microdata; authors' calculations, three-month moving averages.

Notes: Real earnings uses corresponding demographic prices, indexed to January 2019. Shaded region indicates the COVID-19 recession. The rural earnings gap is defined here as the percent less that an average rural resident earns on average relative to an urban resident. For instance, a gap of 20% implies that the average rural resident earns 80% of the average urban resident.



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## Real/Nominal Earnings by Veteran Status\*



Sources: U.S. Census Bureau/BLS - Current Population Survey microdata; authors' calculations, three-month moving averages.

Notes: Real earnings uses corresponding demographic prices, indexed to January 2019. \*The non-veteran sample is propensity reweighted toward non-veterans with similar demographic characteristics. Shaded region indicates the COVID-19 recession. The veteran gap is defined here as the percent less that veterans earn on average compared to non-veterans. For instance, a gap of 20% implies that the average veteran earns 80% of the average non-veteran.

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