



EARNINGS

UPDATED THROUGH OCT. 2023 | NATIONAL

Raji Chakrabarti, Natalia Emanuel, Dan Garcia, Ben Lahey, and Maxim Pinkovskiy

Takeaways | Earnings

- The Black earnings gap has been on a slow declining trend since before the pandemic, falling from 23.5% in October 2019 to 20% in October 2023.
- The Hispanic and AAPI earnings gap have generally remained stable over this period.
- The college premium has declined to less than 80% after being nearly 86% in July 2022. It has oscillated since the pandemic but has never attained its pre-pandemic highs.
- The gender earnings gap has been on a slowly declining trend since the pre-pandemic period, reaching 18% in September 2023.
- The rural-urban gap has varied over the pandemic and is now 23%, higher than the 19% in October 2023.

Full Report Highlights

- **INFLATION**

Housing inflation is driving most of the demographic inflation differences, in particular the higher inflation of the poorest 40% and of households headed by people under age 25.

- **EARNINGS**

The Black earnings gap is slowly but consistently shrinking for both Black men and women, though it remains large.

- **EMPLOYMENT**

Gaps in employment and unemployment rates across different racial and ethnic groups have come close to pre-pandemic levels, but convergence has stalled, and in some cases reversed slightly.

- **CONSUMER SPENDING**

The lower income, the less educated, and the young experienced a significantly faster recovery in spending since the pandemic. The spending recovery among the young (25-34) has weakened considerably over this year, with their spending on gas and restaurants having stalled in real terms.

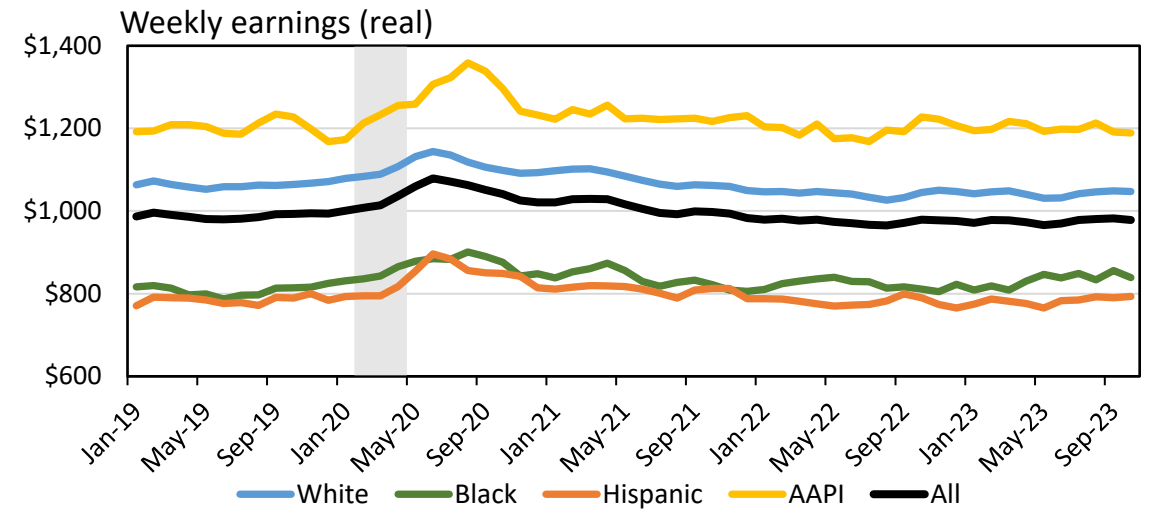
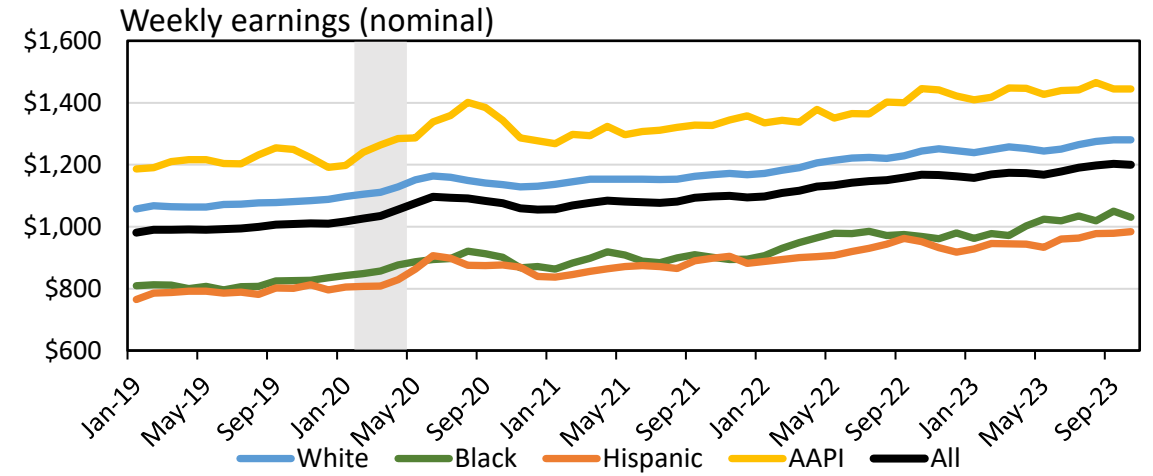
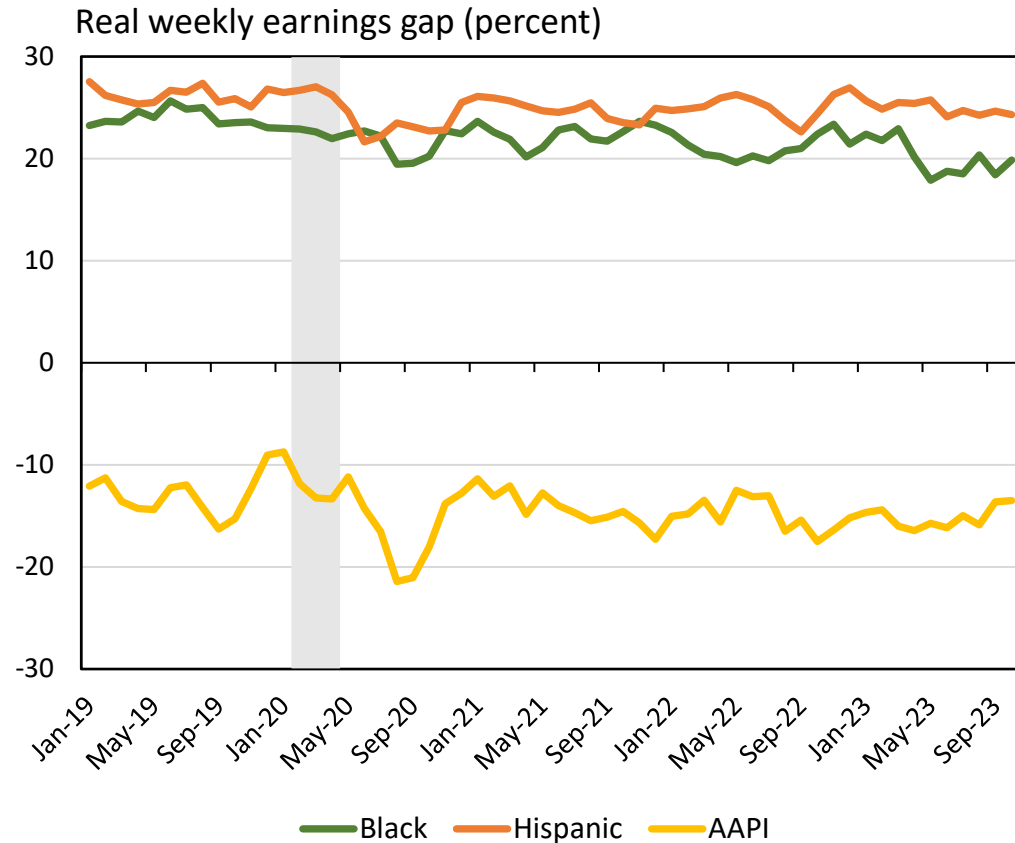
- **WEALTH**

Growth in wealth since the pandemic has been especially pronounced for Hispanic people, people under 40 years old, people in the bottom half of the wealth distribution, and the top 1% of income earners.

Data & Methods

- 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

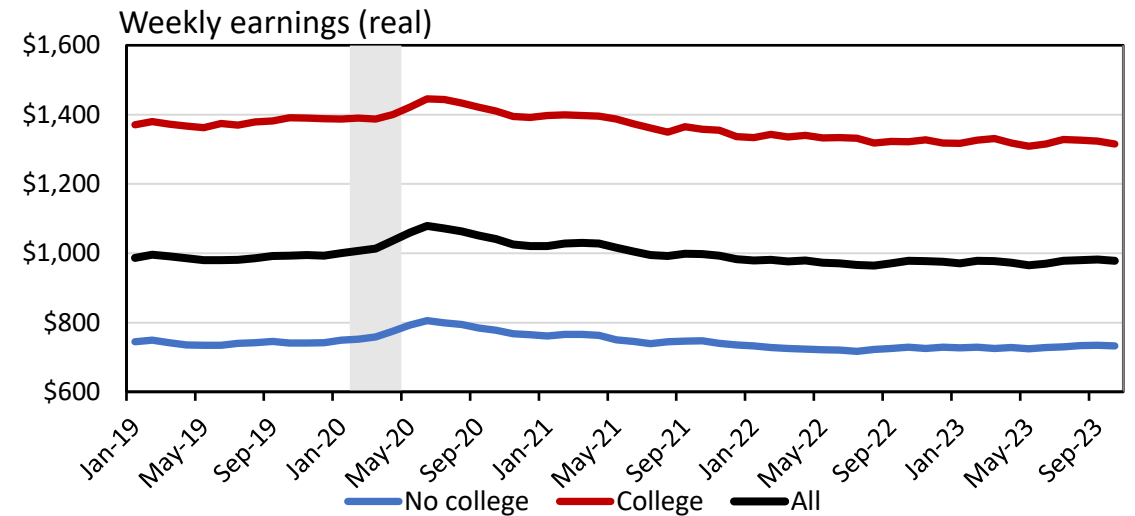
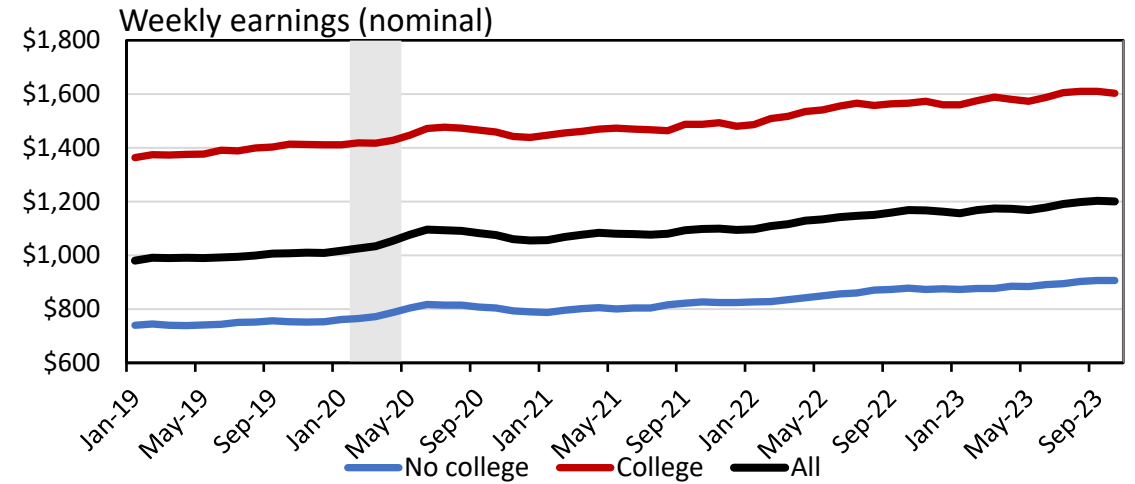
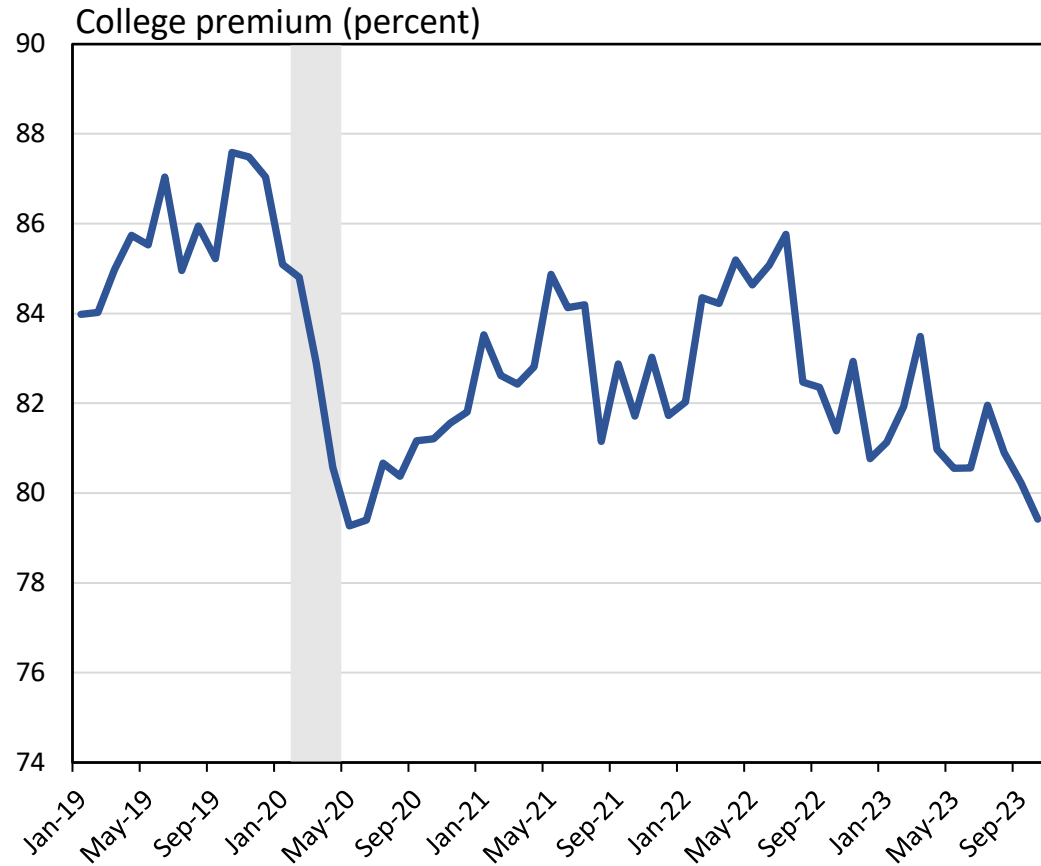


Sources: U.S. Census Bureau/BLS - Current Population Survey microdata; authors' calculations, three-month moving averages.

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

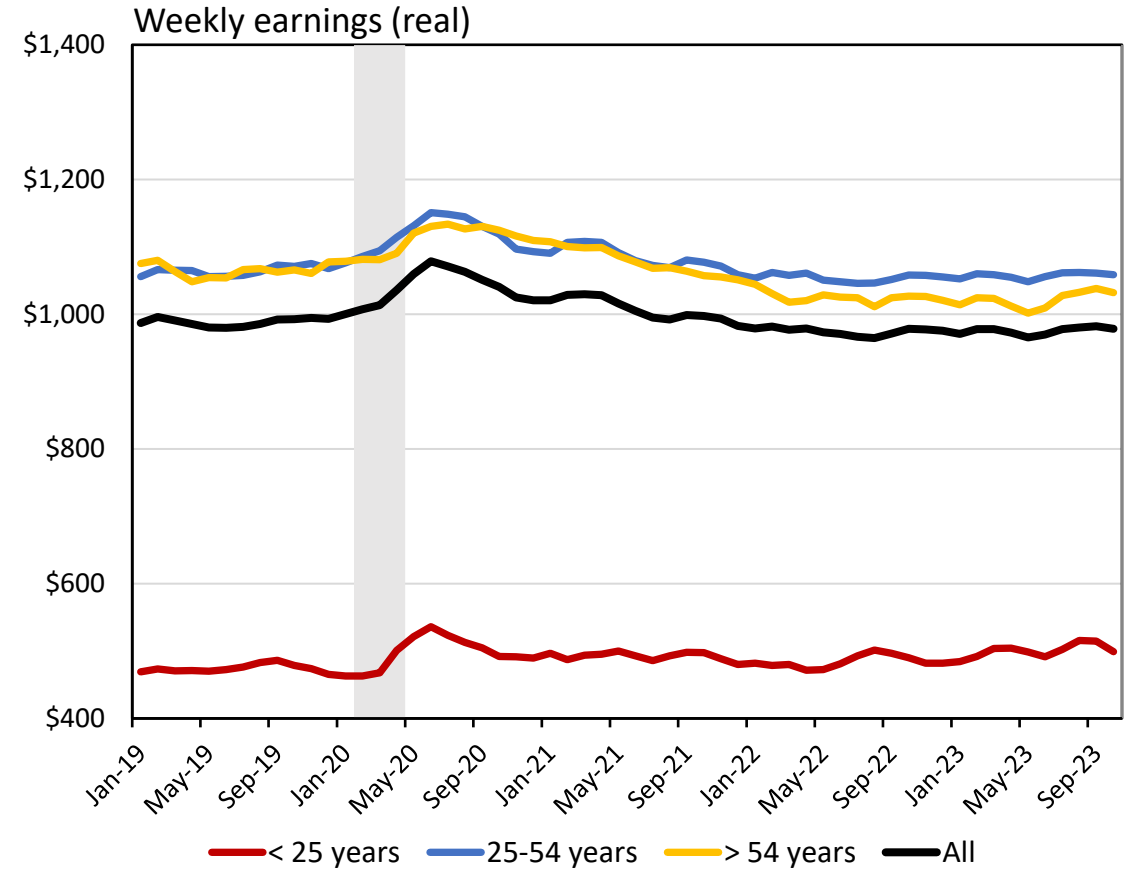
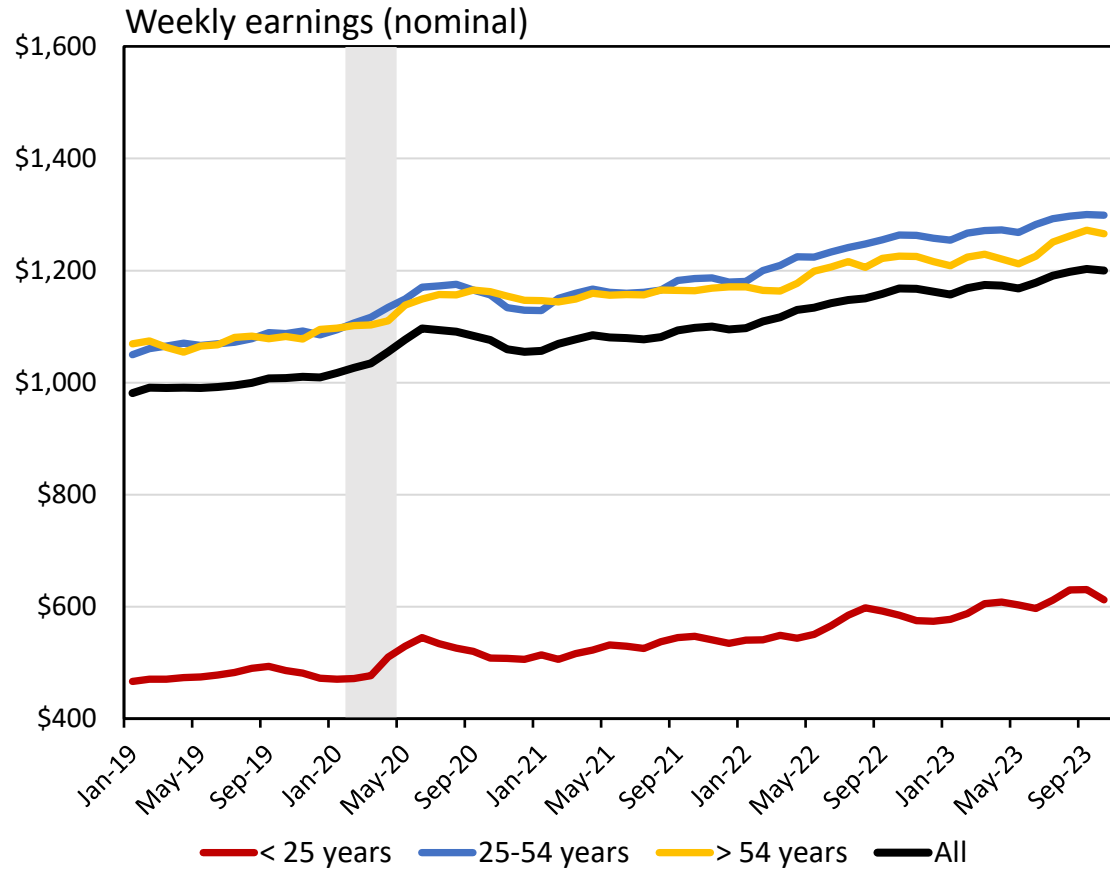


Sources: U.S. Census Bureau/BLS - Current Population Survey microdata; authors' calculations, three-month moving averages.

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.

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

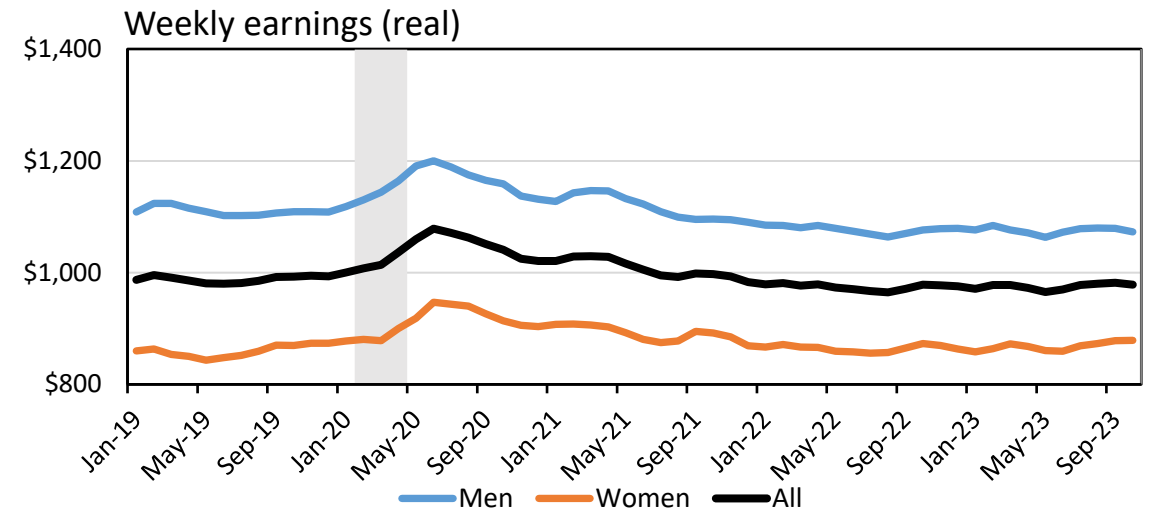
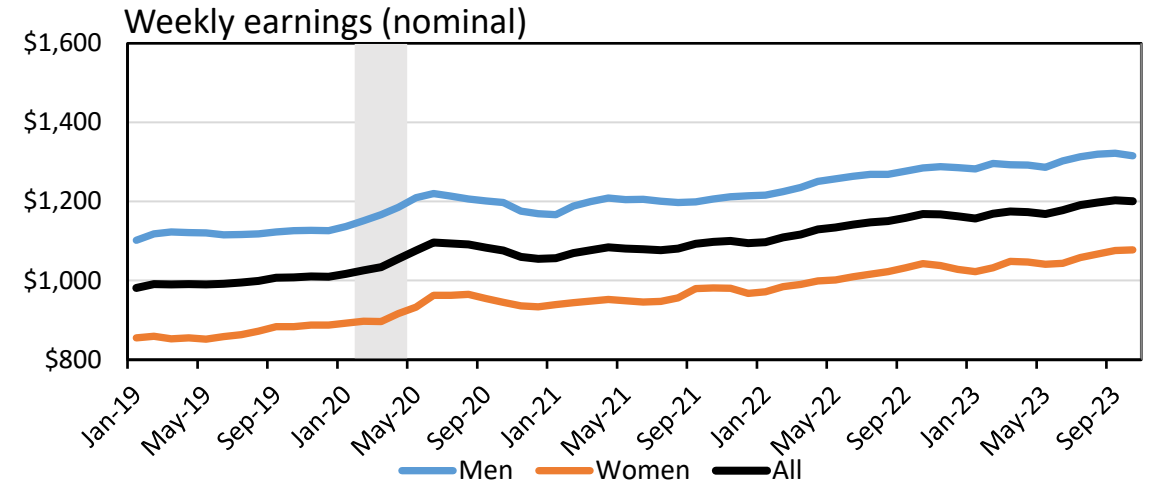
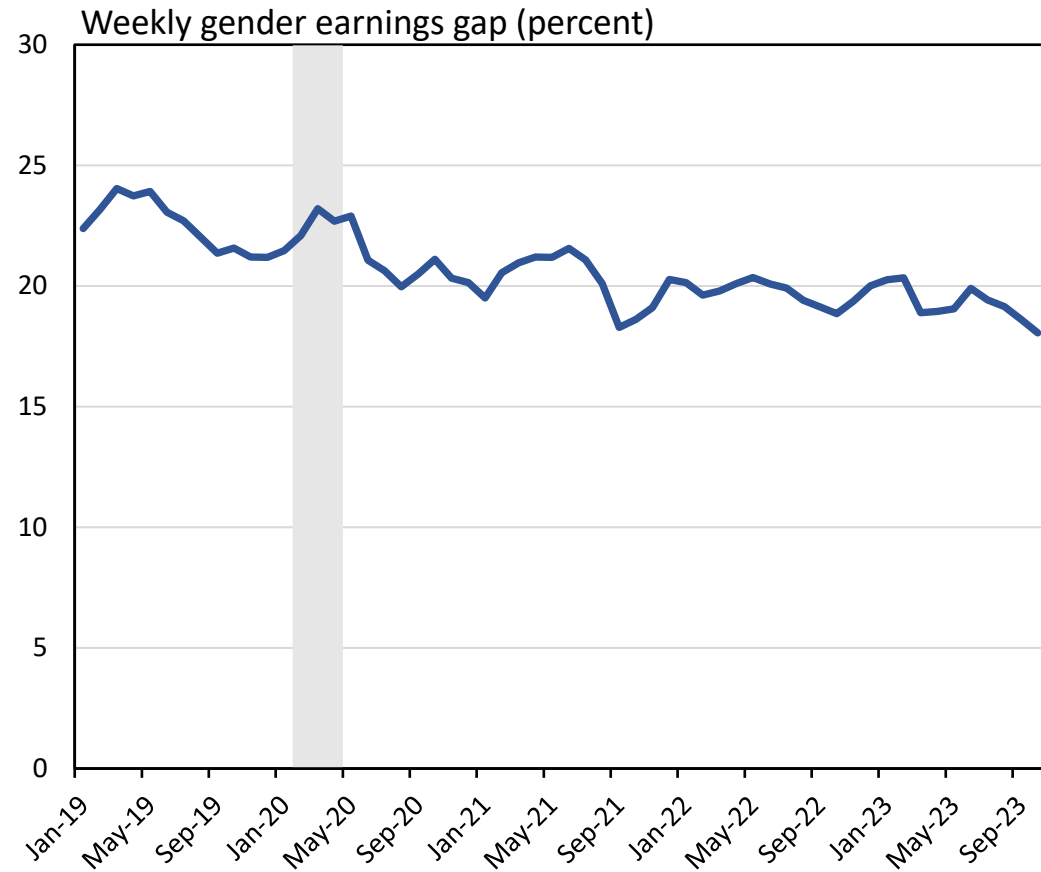
Real/Nominal Earnings by Age



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

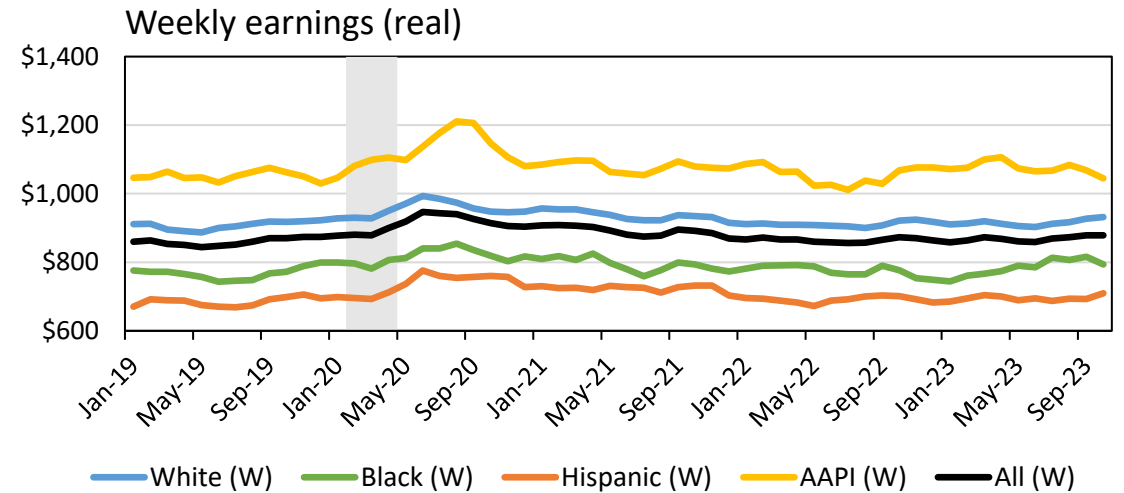
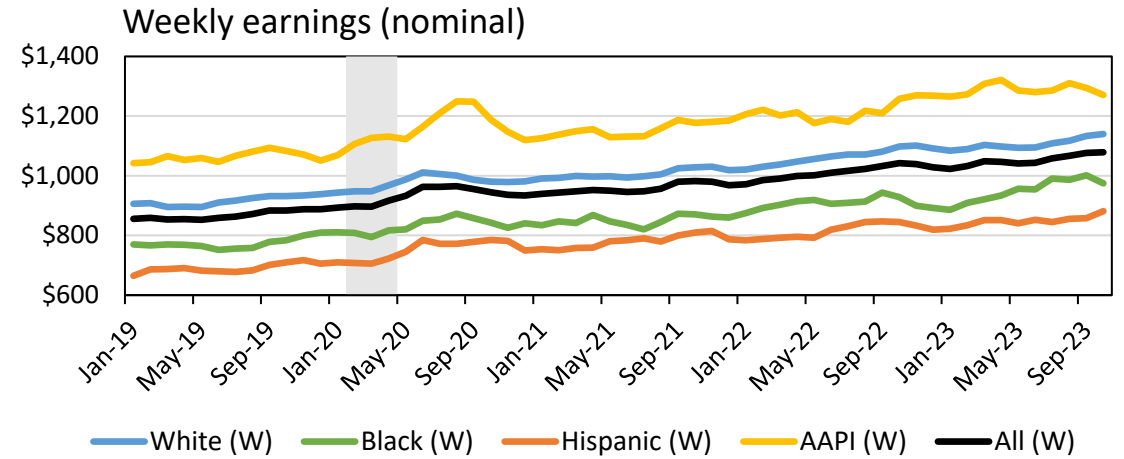
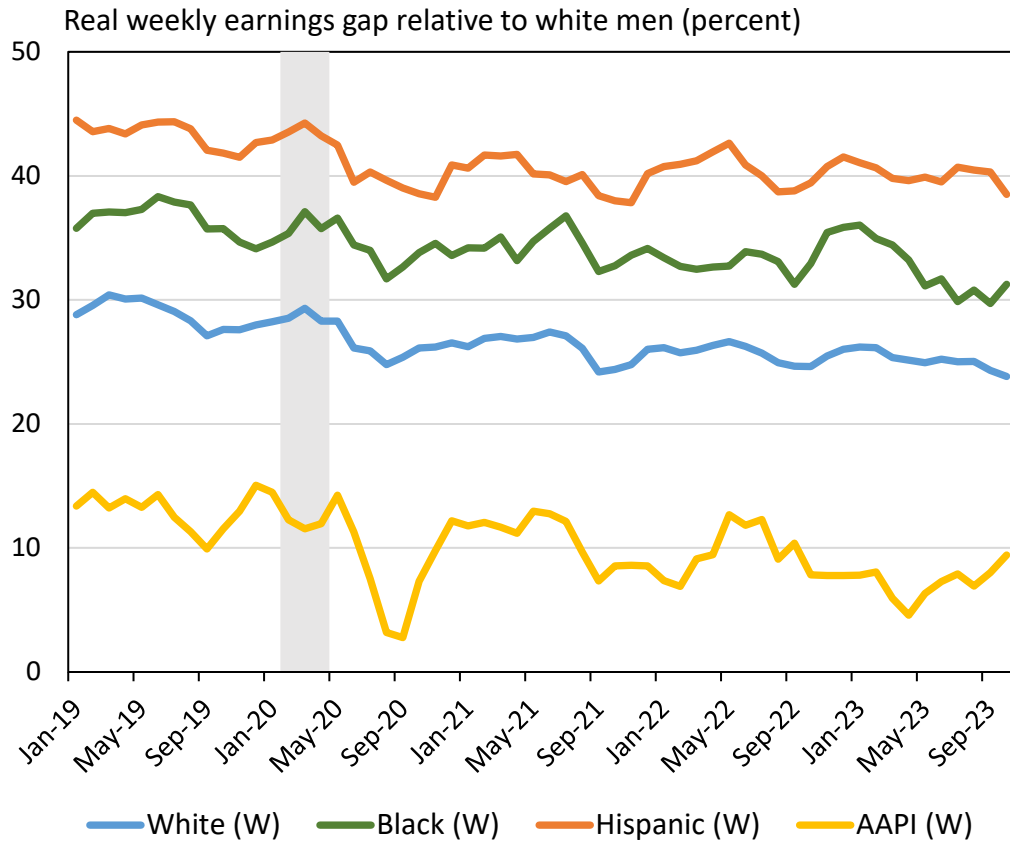


Sources: U.S. Census Bureau/BLS - Current Population Survey microdata; authors' calculations; three-month moving averages.

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)

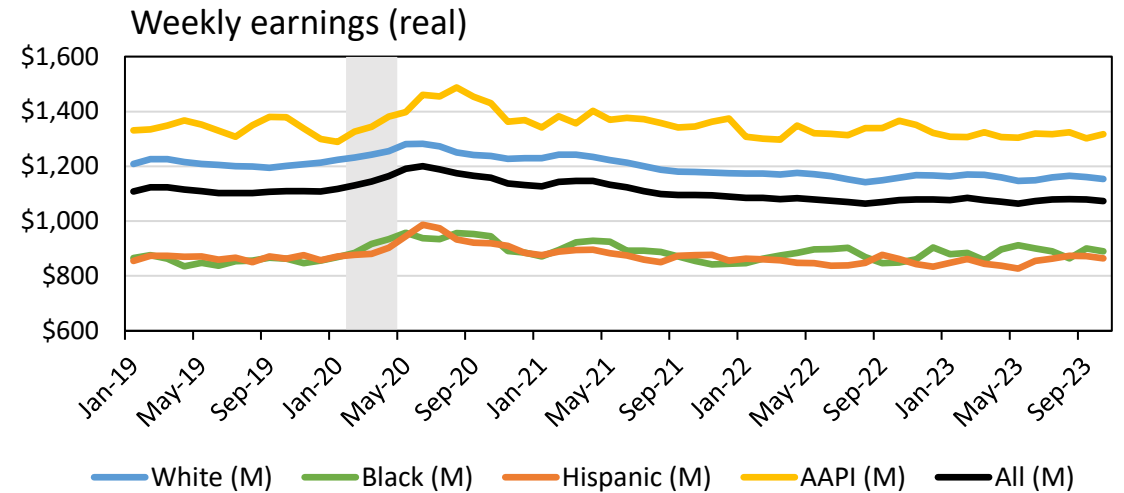
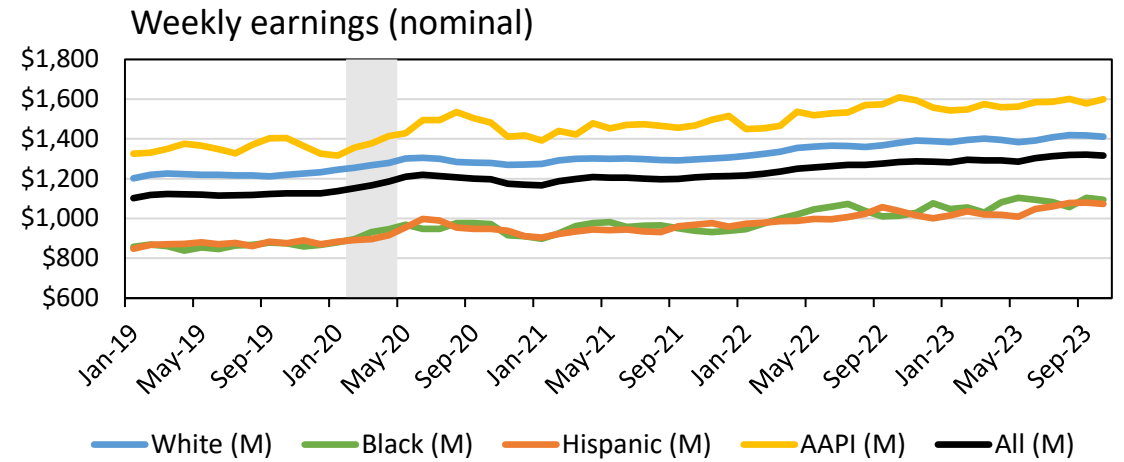
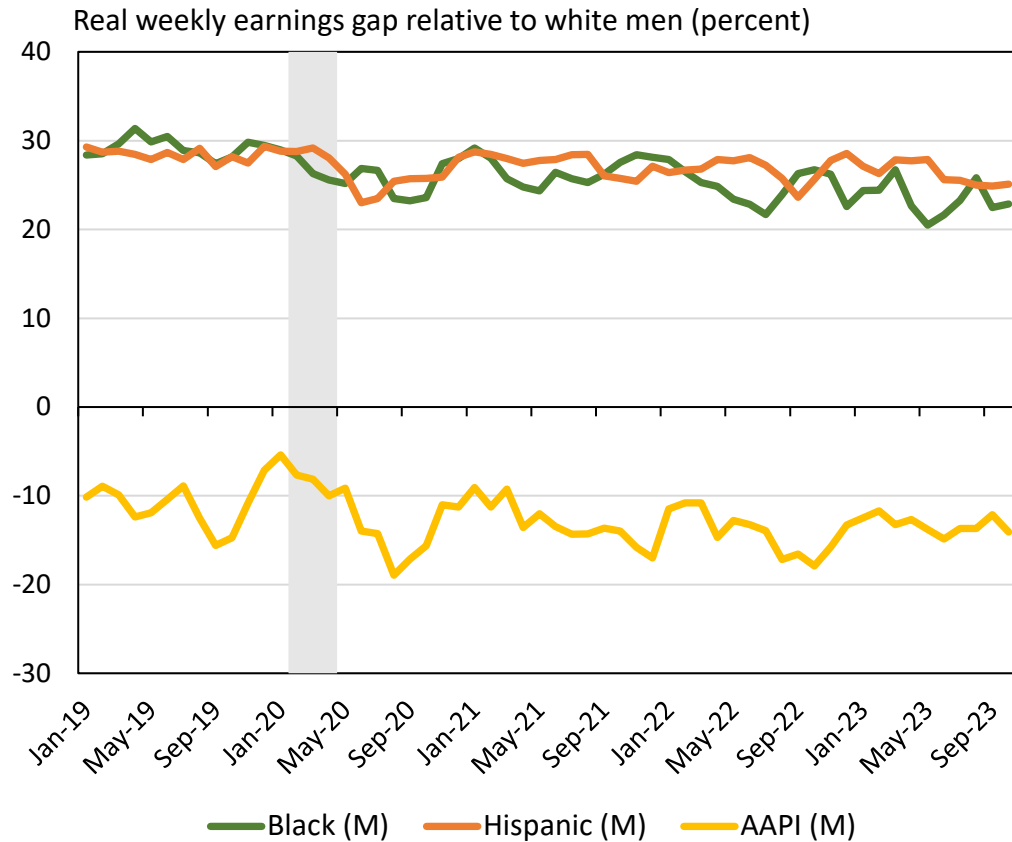


Sources: U.S. Census Bureau/BLS - Current Population Survey microdata; authors' calculations; three-month moving averages.

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.

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 Race x Gender (Men)

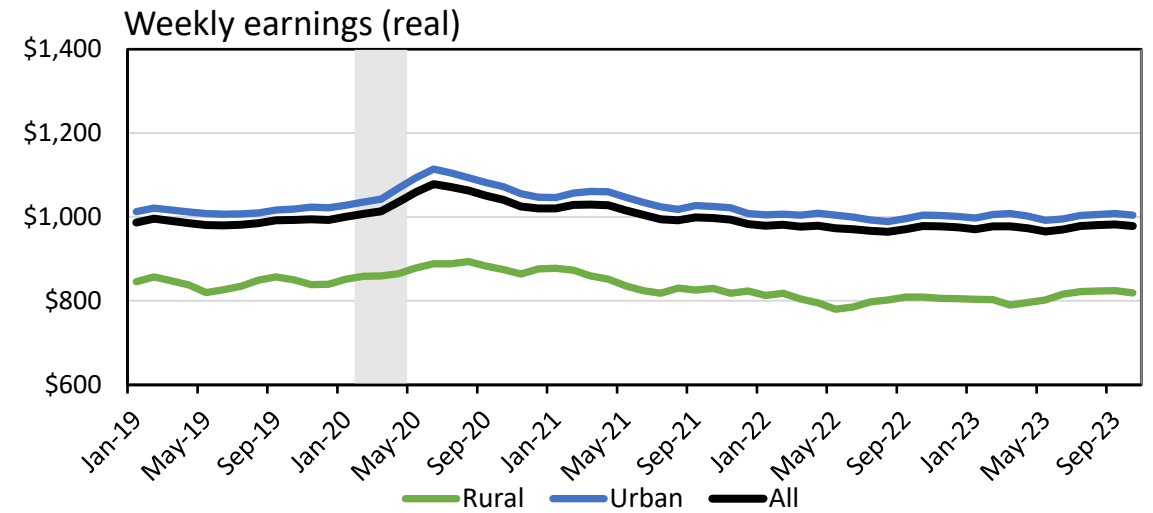
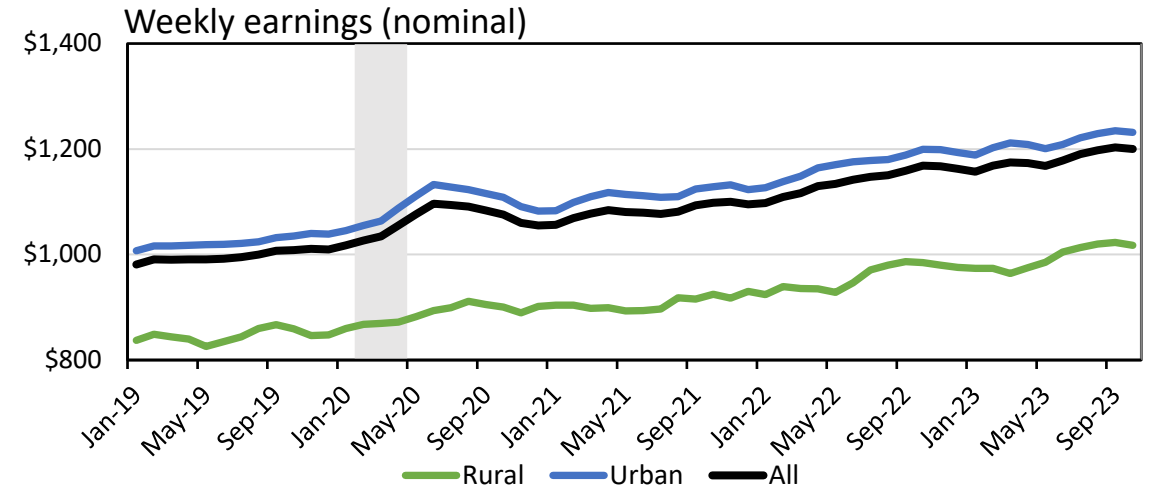
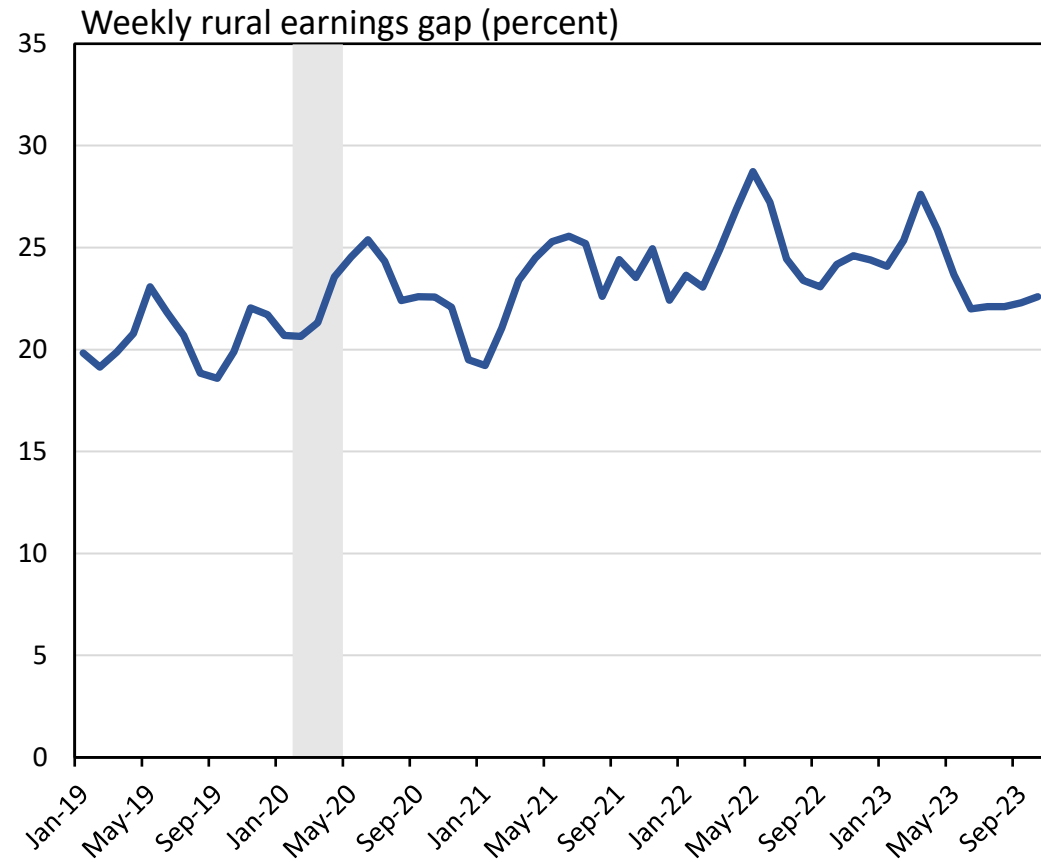


Sources: U.S. Census Bureau/BLS - Current Population Survey microdata, authors' calculations, three-month moving averages.

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

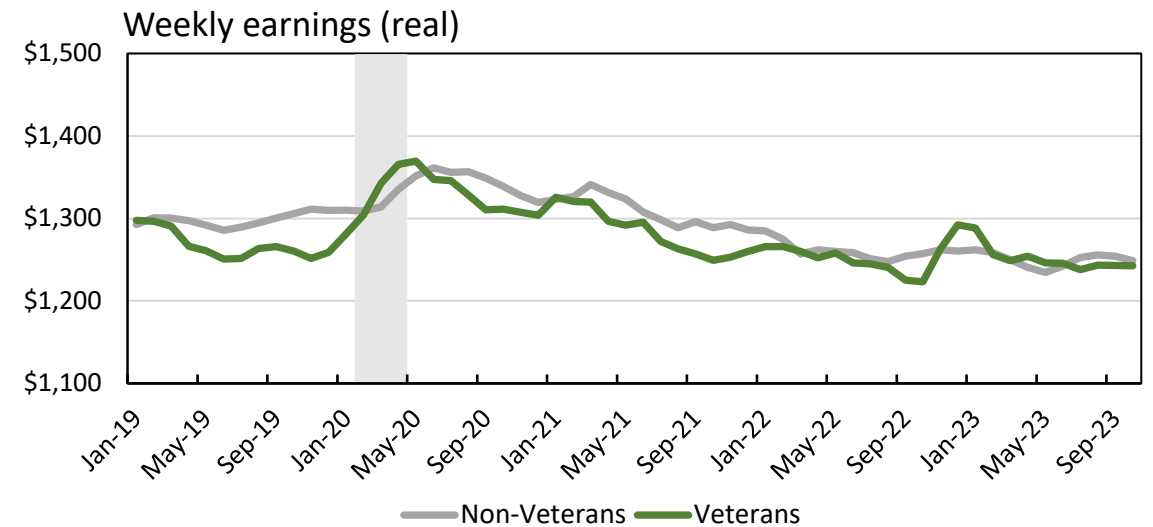
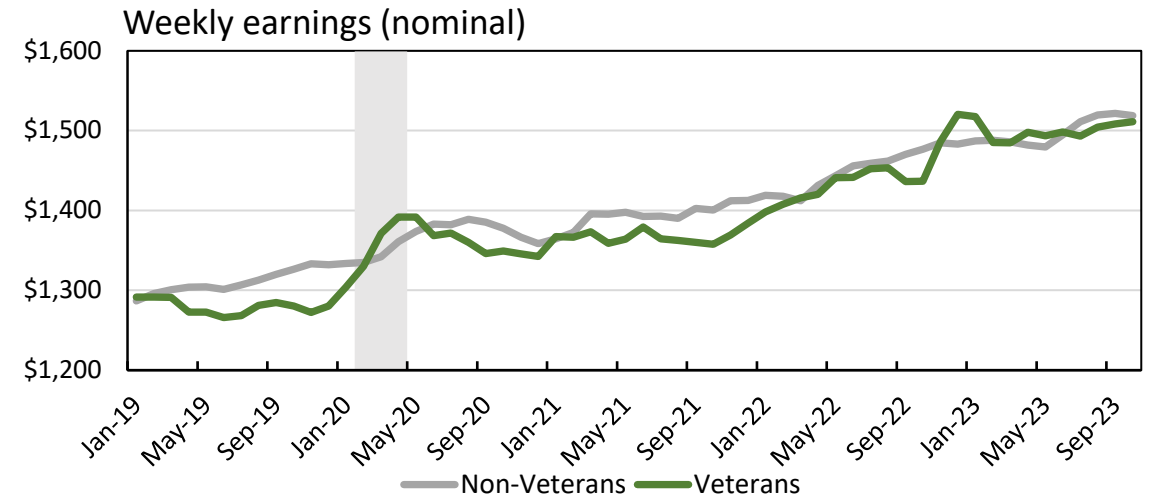
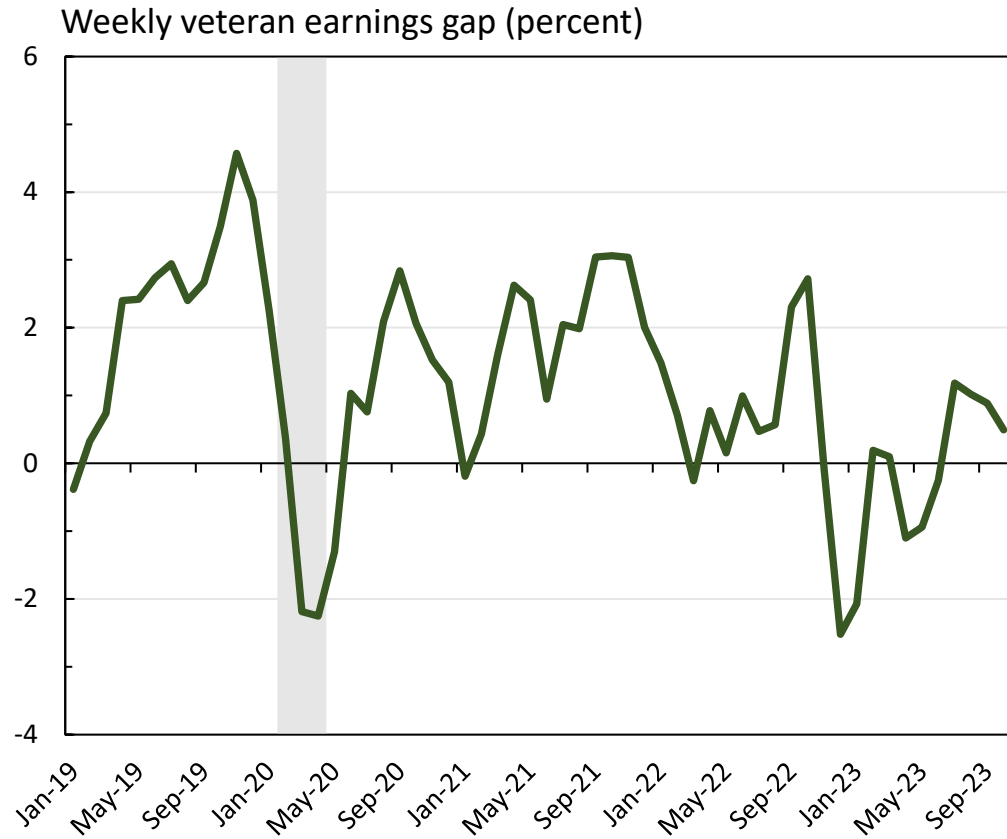


Sources: U.S. Census Bureau/BLS - Current Population Survey microdata; authors' calculations, three-month moving averages.

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.

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 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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