EARNINGS

UPDATED THROUGH MAY 2024 | NATIONAL

Raji Chakrabarti, Dan Garcia, and Maxim Pinkovskiy
EQUITABLE GROWTH INDICATORS | Earnings | National

Takeaways | Earnings

- Real earnings declined overall between March 2024 and May 2024, with the decline driven by earnings of white workers, college-educated workers, and workers aged over 55.

- Black, Hispanic, and AAPI weekly earnings gaps relative to white workers declined between March 2024 and May 2024. This is largely explained by a decline in earnings of white workers and only modest rises in earnings for the other groups. The Black-white earnings gap has been on a gradually declining trend since the pre-pandemic period.

- The college premium has dipped to 79.43% in May 2024. It has oscillated since the pandemic but has never attained its pre-pandemic highs.

- The gender earnings gap has fallen to 18.08% in May 2024, continuing a gradually declining trend since the pre-pandemic period.

- The rural-urban gap has fallen rapidly since the last quarter of 2023 and remained around a relatively low 20% during 2024:Q2.
Full Report Highlights

- **INFLATION**
  Inflation rose in the Northeast relative to the rest of the country, moving the Northeast from being the region with the least inflation (0.72 percentage point below the national average in February 2024) to the region with the most (0.64 percentage point above the national average in May 2024).

- **EARNINGS**
  Racial, ethnic, and gender gaps in earnings declined in 2024:Q2, but this was in part because the nominal and real earnings of white workers and men declined in 2024:Q2. However, the Black-white and the gender earnings gaps continued on their gradually declining trends since the pre-pandemic period.

- **EMPLOYMENT**
  Labor market trends have continued as in 2024:Q1, with the gender employment and LFP gaps declining and other gaps being close to their pre-pandemic levels.

- **WEALTH INEQUALITY**
  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

- 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.

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 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.

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


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.

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 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*

Weekly veteran earnings gap (percent)

Weekly earnings (nominal)

Weekly earnings (real)

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.

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