EQUITABLE GROWTH INDICATORS

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Summary

- **INFLATION**
  Inflation is declining overall, as well as in the high-inflation categories of food and housing. Households headed by young people and college-educated people continue to experience higher inflation rates at 0.4 and 0.2 percentage point higher than the national average, respectively.

- **EARNINGS**
  The gender earnings gap has appeared to stabilize around 20%, while the urban-rural gap continues to fall, with rural workers now earning roughly 22% less than their urban counterparts.

- **EMPLOYMENT**
  The labor force participation and employment gaps between men and women are at their lowest levels in more than four years. Men are now 11 percentage points more likely to participate in the labor force, while the unemployment gap remains very small.

- **CONSUMER SPENDING**
  Real spending of the young (aged 25-34) continues to fall with a decline of nearly 60% between March and June 2023, while other groups have begun to recover since bottoming out in May 2023.
EARNINGS
Takeaways | Earnings

- Real earnings peaked during the pandemic recession and have fallen since.
- Earnings disparities (both nominal and real) are largest across education categories, with smaller but still substantial gaps across racial and ethnic categories, gender, age, and geography.
- Real earnings of Black workers have been increasing since March 2023, while race/ethnic earnings gaps for Hispanic and AAPI workers have remained stable.
- The gender earnings gap continues to remain around 20% into June 2023.
- Earnings of rural workers have been catching up to that of urban workers, with the urban-rural earnings gap falling to 22% from 27% in March 2023.
- Veteran-nonveteran earnings gaps are now smaller than those during the pre-pandemic period.
- The college premium has displayed a gradual decline, falling to 80.5% from the post-pandemic peak of 85.5% in July 2022.
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 June 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 $2,884.61, 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 June 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 $2,884.61, 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 June 2019. Shaded region indicates the COVID-19 recession.

Individual weekly earnings from April 2023 onward are top coded to $2,884.61, 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 June 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 $2,884.61, in accordance with pre-April 2023 CPS data conventions for continuity.
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 June 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 $2,884.61, 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 June 2019. Shaded region indicates the COVID-19 recession. The earnings gap is defined here as the percent less than 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 $2,884.61, 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 June 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 $2,884.61, 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)**

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**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 June 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 $2,884.61, in accordance with pre-April 2023 CPS data conventions for continuity.