

Wages

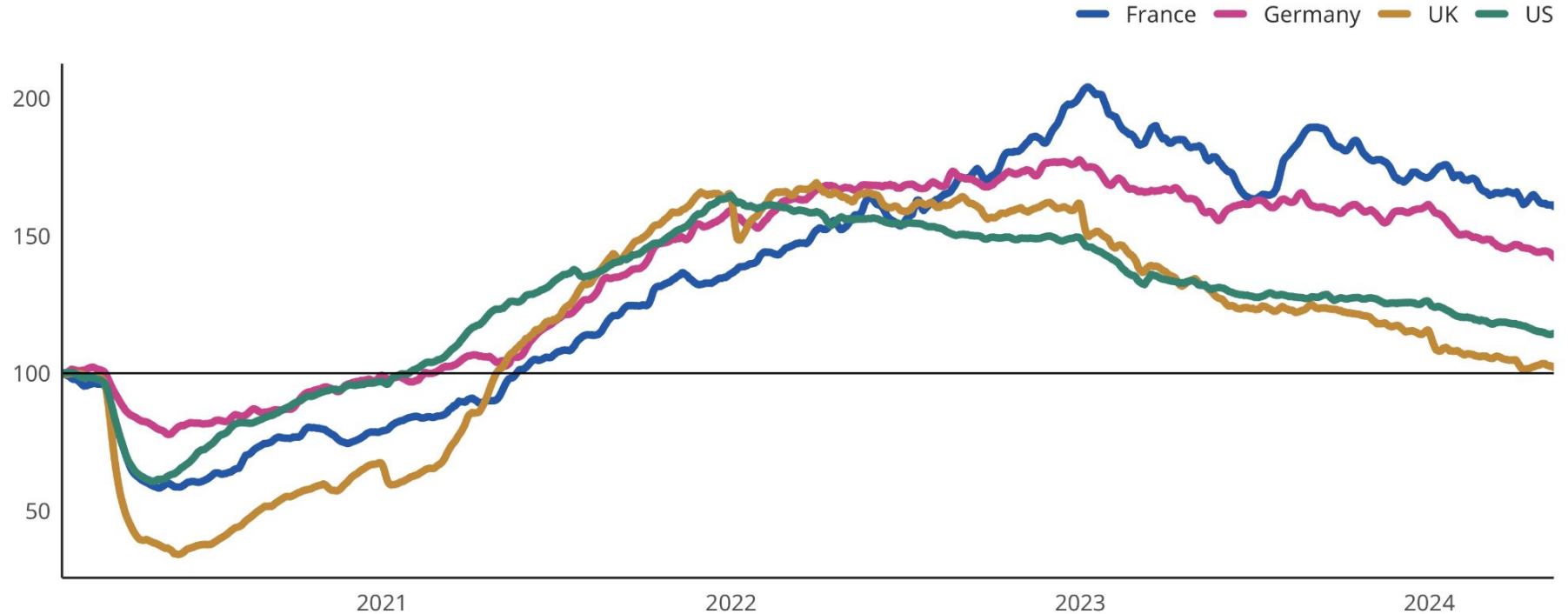
NABE-Bundesbank International Economic Symposium

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Chief Economist



Job postings are down from their peaks

Indeed Job Postings Index (100 = 1 Feb 2020), seasonally adjusted data to 10 May 2024



Source: Indeed



Indeed Wage Tracker

Indeed Wage Tracker

- Understanding wage dynamics is essential for monetary policy
 - But timely data is hard to find, especially in Europe
- Wages advertised in job postings
 - Timely (only a few days' processing time)
 - Detailed (occupations, geographies)
 - Highly predictive of key official series (compensation per employee, labour cost index)

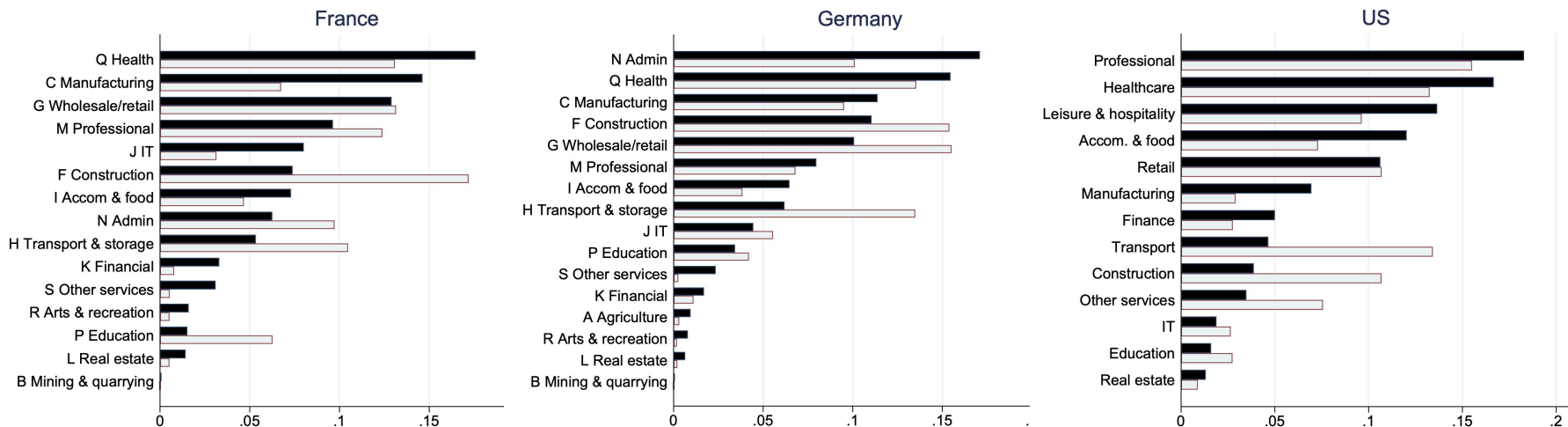
"[Wages from job postings] reflect the pay offered to the marginal worker. . . likely to serve as a leading indicator of the momentum in wage dynamics"
(Philip Lane, ECB)

Challenges with 'non-traditional data'

- Is it representative?
- Of which group of workers?

Sector mix similarities

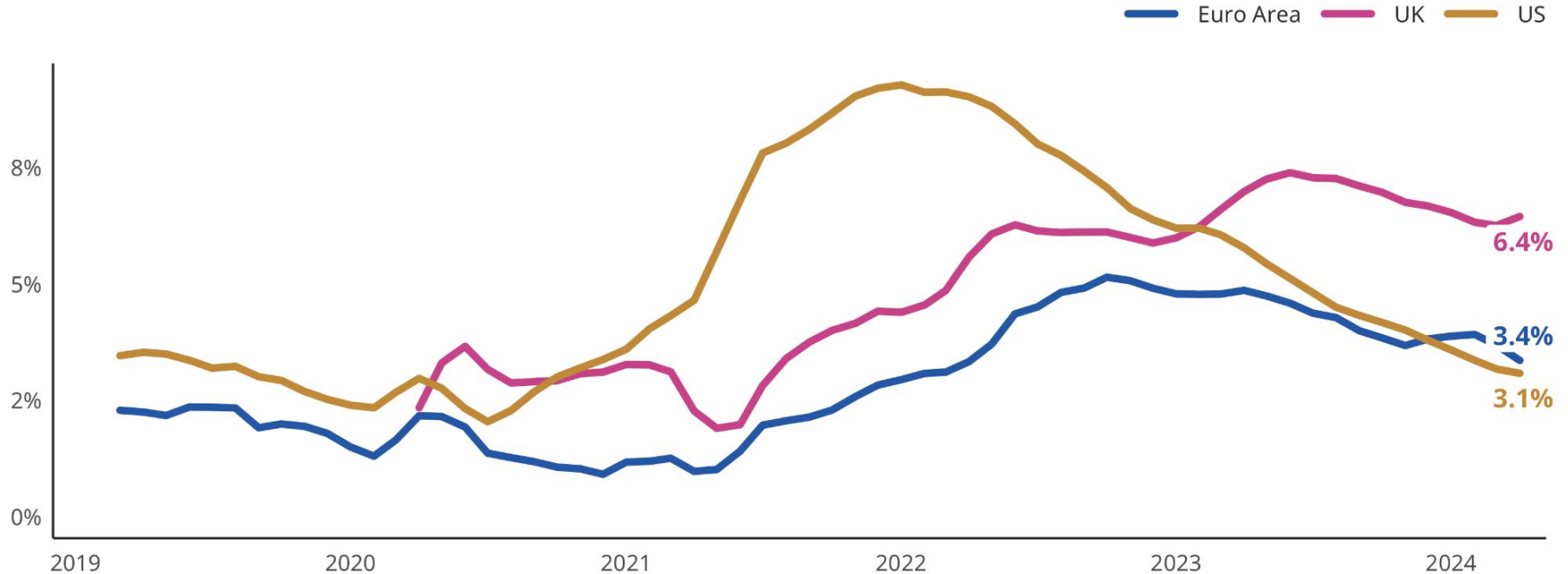
Job vacancies (national statistical agencies)
 Online job postings (Indeed)



Source: Adrjan, Pawel and Lydon, Reamonn, "What Do Wages in Online Job Postings Tell Us about Wage Growth?" (forthcoming, *Research in Labor Economics*, Vol. 52, 2024)

Wage growth continues to slow in the US and Euro Area

Year-on-year growth in posted wages to Apr 2024



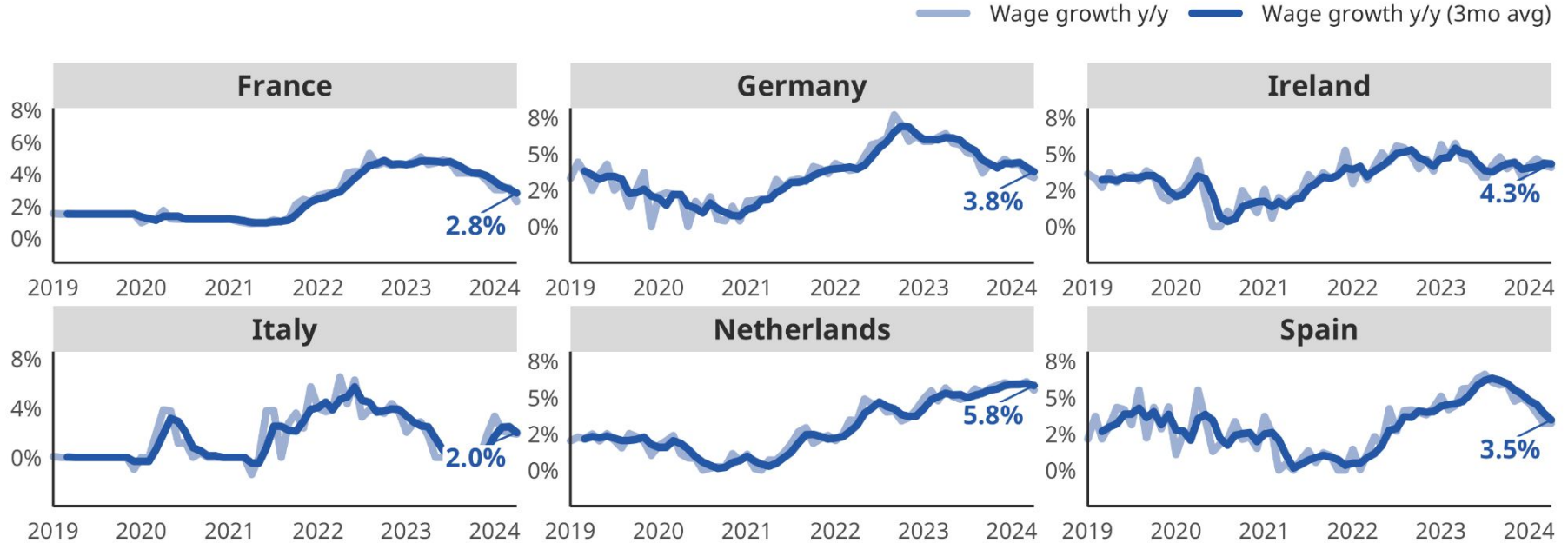
Source: Indeed Wage Tracker (data.indeed.com)

The data are monthly median year-on-year growth rates in advertised wages and salaries across job title-region-salary type combinations. The euro area series is an employment-weighted average of France, Germany, Ireland, Italy, the Netherlands and Spain.



Wage growth has slowed in most Euro Area countries

Year-on-year % change in posted wages to Apr 2024



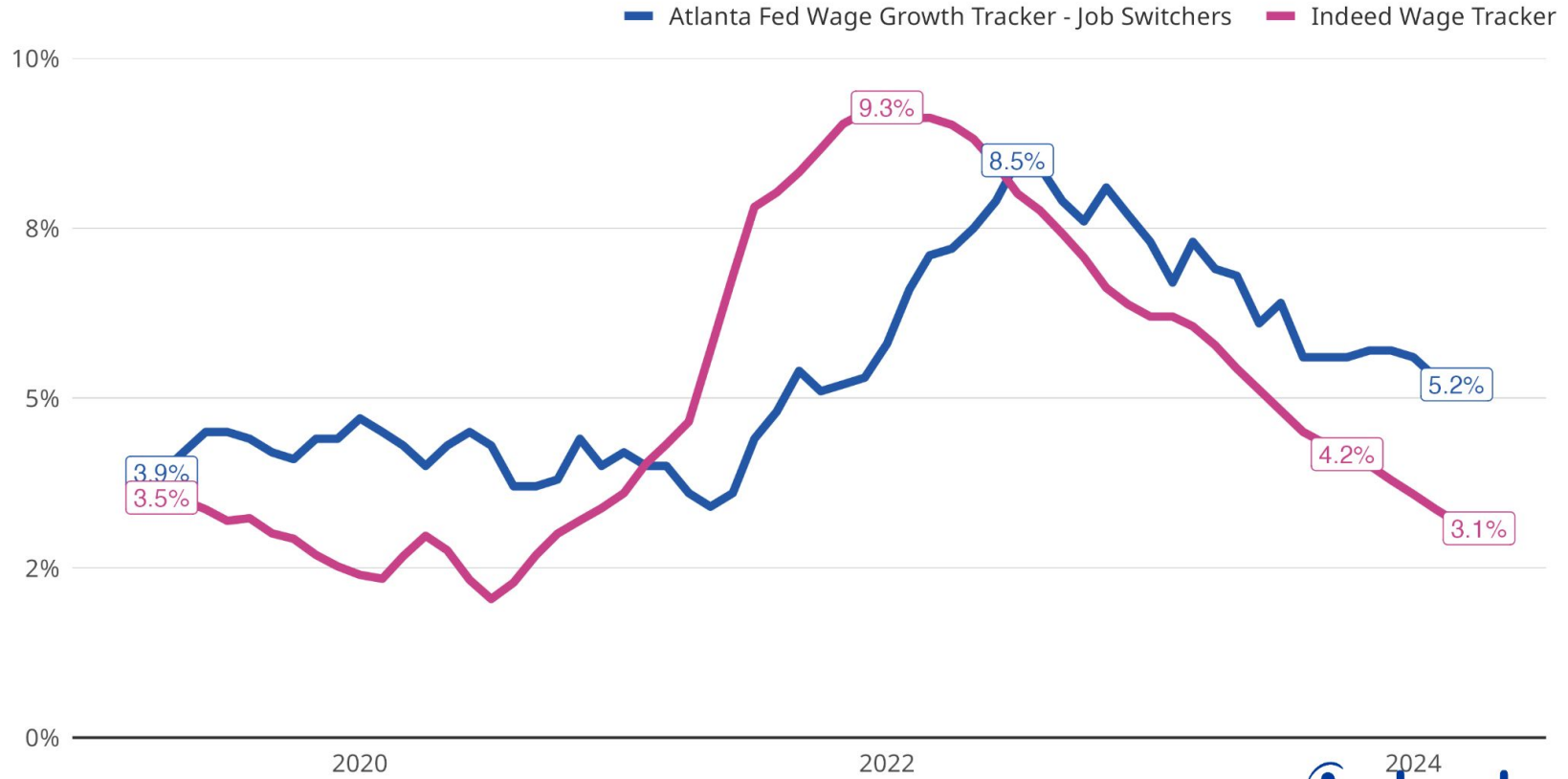
Source: Indeed Wage Tracker (data.indeed.com)

The data are monthly median year-on-year growth rates in advertised wages and salaries across job title-region-salary type combinations.



US posted wage growth has led job switcher wage growth

Year-over-year growth, 3 mo moving average, Mar 2019 - Apr 2024

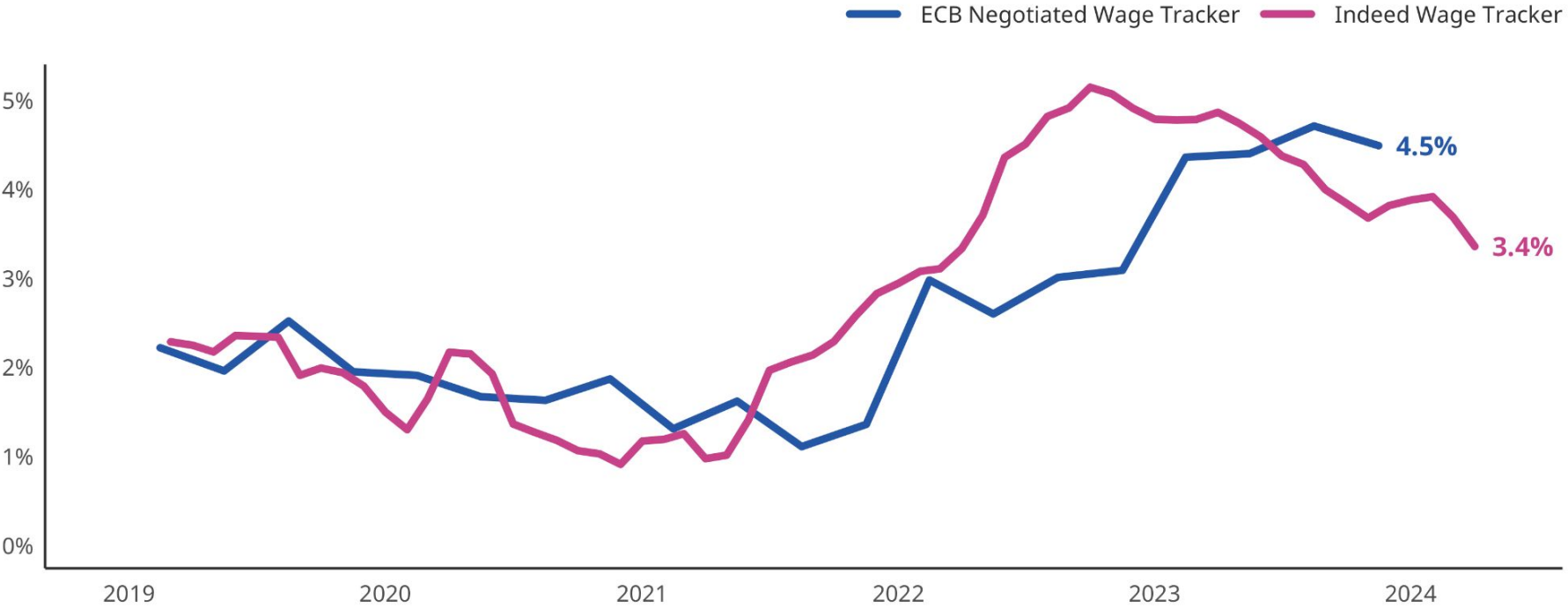


Source: Indeed, Federal Reserve Bank of Atlanta



Euro Area posted wage growth has led negotiated wage growth

ECB Negotiated Wage Tracker to Q4 2023, Indeed Wage Tracker to Apr 2024

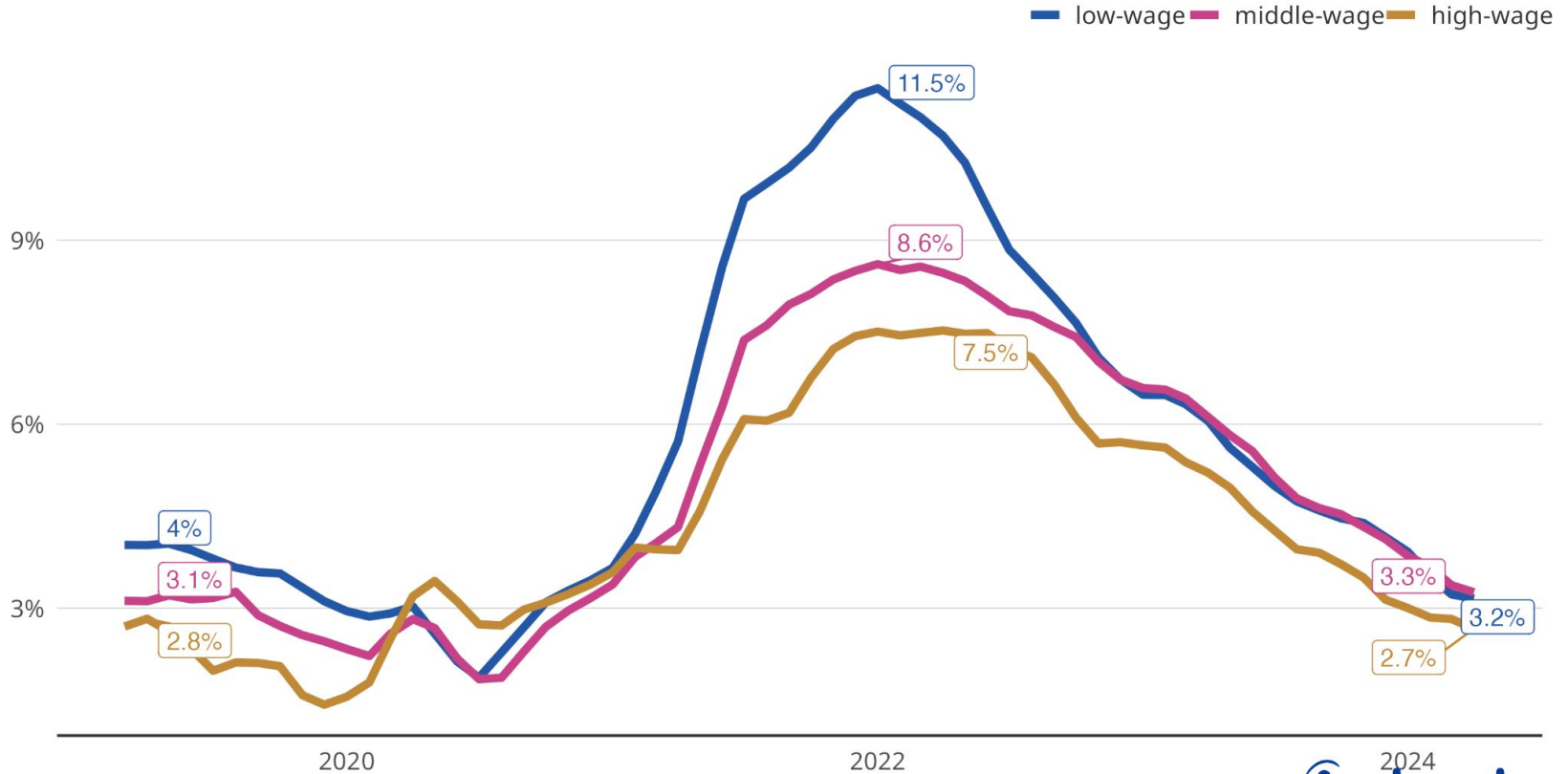


Source: Indeed, ECB
The Indeed Wage Tracker is an employment-weighted average of six Euro Area countries.



US wage growth is fading across wage tiers

Year-over-year growth in posted wages, 3mo avg, Mar 2019 - Apr 2024



Source: Indeed Wage Tracker. Wage tiers based on a category's median posted wage in 2023



Trends in posted wage growth by occupational sector

Year-over-year growth in posted wages, 3 mo avg, Mar 2019 - Apr 2024

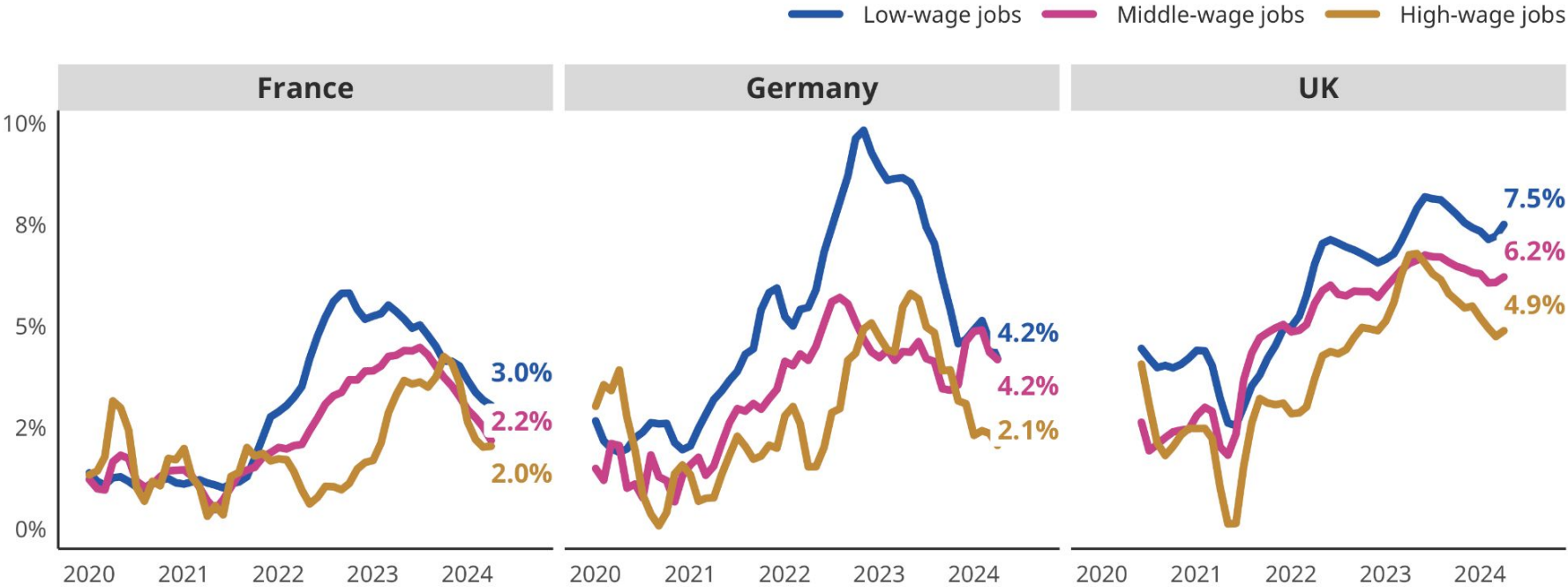


Source: Indeed



French and German wage growth has also fallen across wage tiers

Year-on-year growth in posted wages to Apr 2024



Source: Indeed Wage Tracker (data.indeed.com)
The data are monthly median year-on-year growth rates in advertised wages and salaries across job title-region-salary type combinations.
Wage tiers are based on a category's median posted wage in 2018 and 2019.



Quarter-Casting Euro Area Wage Growth*

Pawel Adrjan[†] Vahagn Galstyan[‡] Reamonn Lydon[§]

Draft 1.0

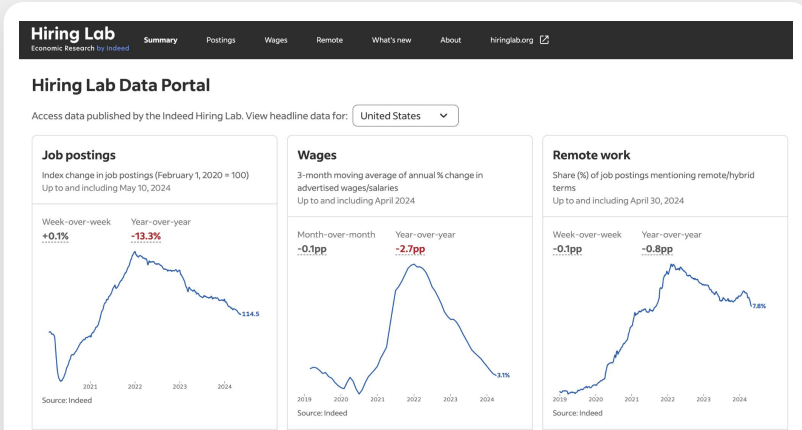
19 April, 2024

Abstract

This paper presents a methodology for ‘quarter-casting’ wage growth, leveraging real-time data from the Indeed Wage Tracker (IWT) to address the critical need for timely wage growth information. Our approach, focusing on the euro area, overcomes the limitations of delayed wage data by analysing high-frequency online job postings, offering early insights into wage trends. The study demonstrates that our optimised weighting approach to mapping IWT at the occupational category level to average wage growth at the aggregate level achieves superior in-sample accuracy across various euro area countries. This research not only bridges a significant gap in economic forecasting but also sets a precedent for employing online job market data for early wage growth analysis, enhancing real-time economic decision-making.



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Jack Kennedy - 16 April 2024

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Thank you (Danke!)