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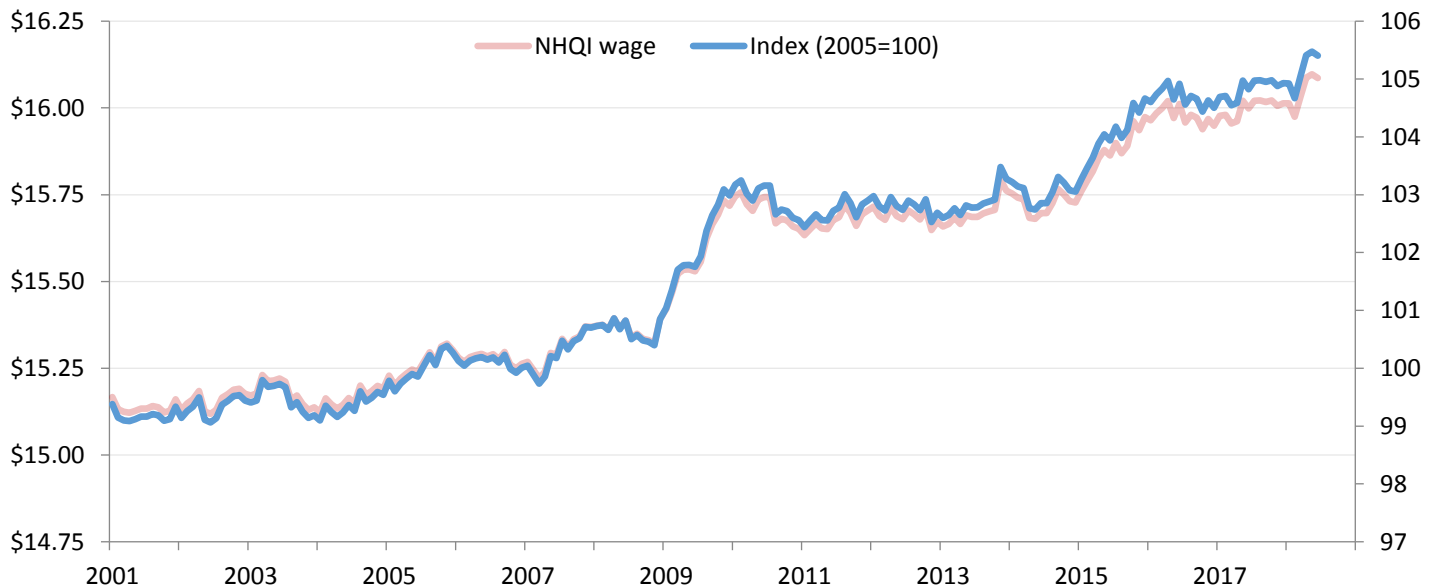
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## Upjohn Institute New Hires Quality Index for June 2018 shows overall 0.6 percent rise, with women's wage bill nearly at parity with men's

KALAMAZOO, Mich.— In June 2018, the Upjohn Institute New Hires Quality Index shows inflation-adjusted hourly wages of individuals starting a new job rose 0.6 percent from a year prior, at \$16.09. Hourly wages of new hires have risen 5.4 percent since 2005, according to the index. Over the past month, the wage index fell by 0.1 percent.

The index and accompanying [interactive database](#) and [report](#), developed by Upjohn Institute economist Brad Hershbein, fill a key gap in the measurement of hiring activity. The NHQI provides monthly updates on the volume and occupation-based wages of newly hired workers, and is available for different groups based on sex, age, education, and other characteristics.

### New Hires Hourly Wage Index: All



SOURCE: Upjohn Institute New Hires Quality Index

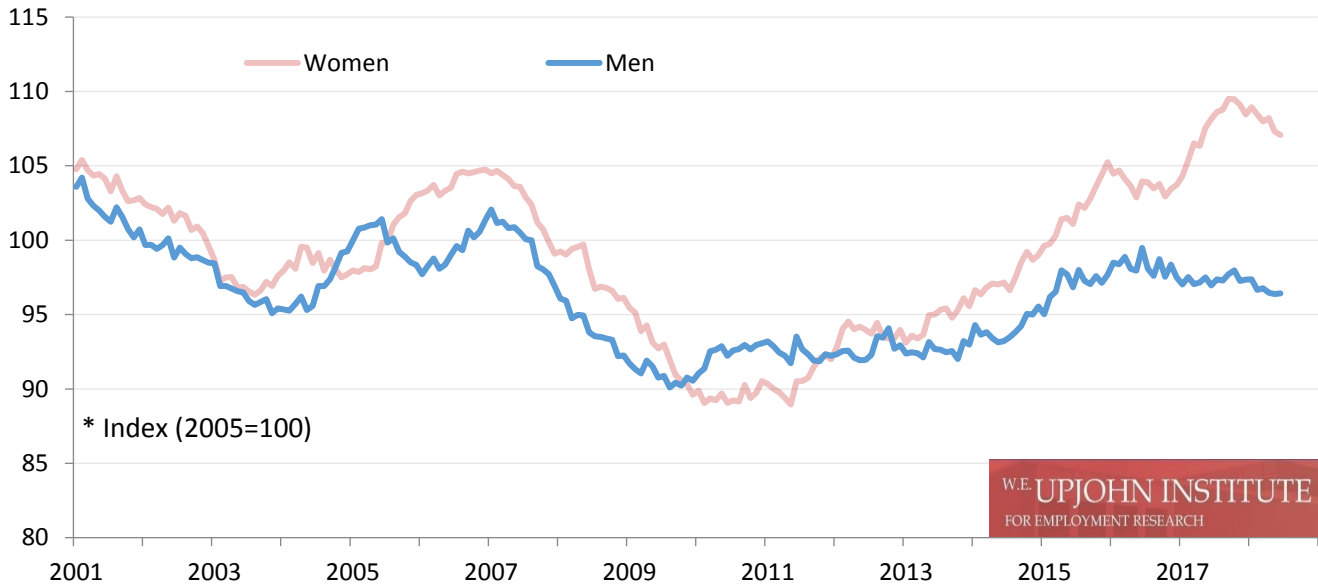
NOTE: The lighter line uses the left axis and shows the inflation-adjusted hourly wage of new hires. The darker line uses the right axis and shows the relative change since the base year of 2005.



When the NHQI was first released last fall, we documented that women had enjoyed a [stronger recovery](#) than men, with larger gains in both the wage index and the volume of new hires. Although the median weekly earnings of women was just [81.3 percent of the median](#) for men in the second quarter of 2018, a gap that has been stagnant for some time, the NHQI indicates there may be progress from a different perspective when we focus on new hires. The figure below shows trends in the wage bill of newly hired men and women; the wage bill is the product of the wage index and the volume of new hires and captures the earnings power of all newly

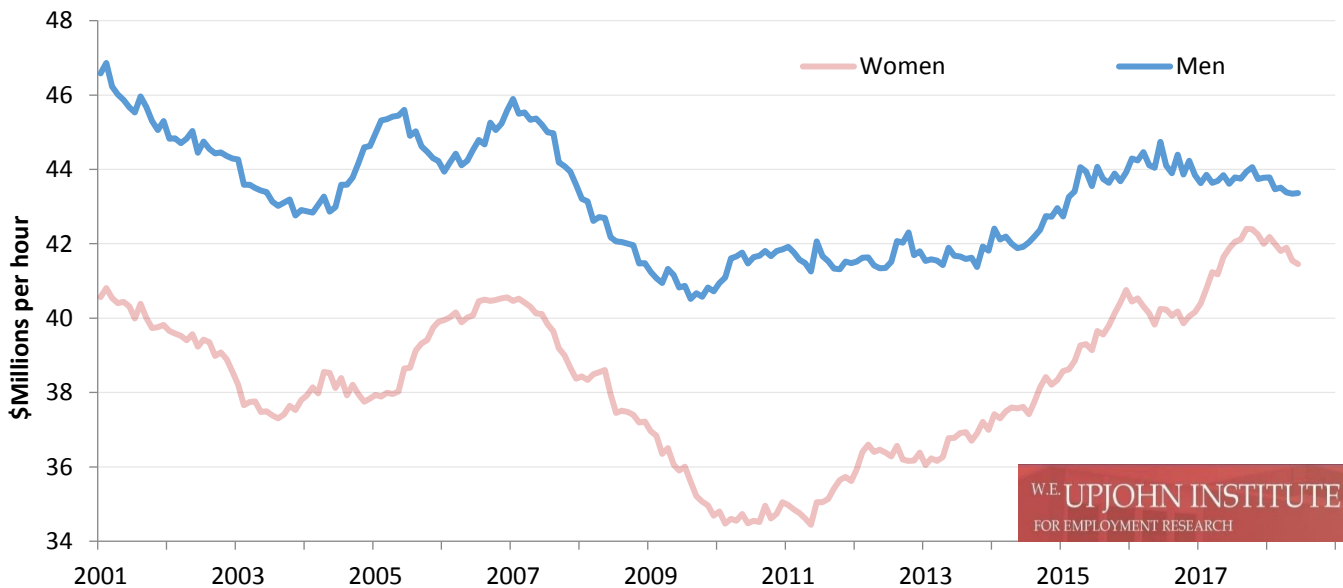
hired workers collectively. Both series are presented as a percentage of their 2005 levels to better show relative growth. Despite experiencing a sharper fall during the Great Recession, the wage bill of women is currently 7.1 percent above its level in 2005, while that of men is 3.6 percent below its earlier benchmark.

**New Hires Wage Bill Index: Men and Women**



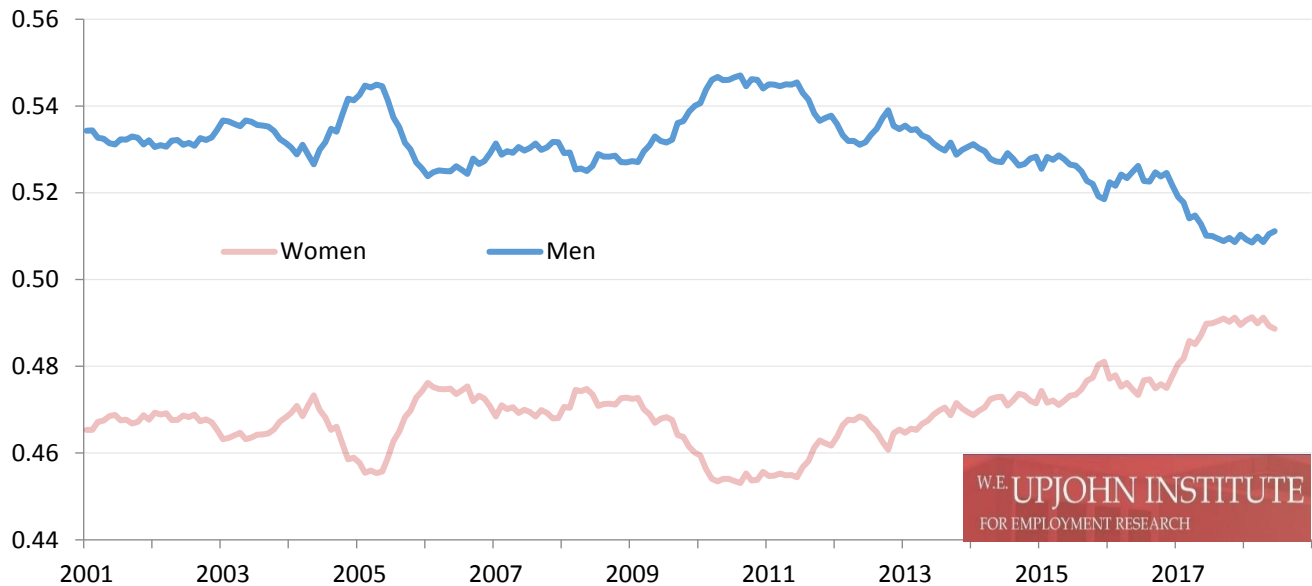
To make things more concrete, the NHQI also allows us to observe the series in levels as well as indexed values; this way, we can compare the actual wage bills of men and women to each other and not just relative to their own values from the past. The next figure shows the wage bill in levels. When we multiply the number of newly hired men in a month by their average hourly wage, the result is between 40 and 47 million dollars per hour, depending on the month. When we do the same for women, the range is 34 to 42 million dollars per hour. Consistent with the wage gap mentioned above, the wage bill for men continuously exceeds that for women, although, unlike the gap mentioned above, the NHQI wage bill gap has been shrinking. The gap was roughly 6 million dollars per hour in 2001, but it is less than 2 million dollars per hour today.

**New Hires Wage Bill Index (Levels): Men and Women**



Another way to show the relative gain of women is to plot the *share* of the wage bill for each sex, as shown below. Since 2011, men’s share of the new hire wage bill has fallen from 54.7 percent to 51.1 percent, and women’s share has commensurately risen from 45.3 percent to 48.9 percent. While this does not imply that the gender wage gap is necessarily closing, it does suggest that women’s role in economic activity at new jobs is growing and might surpass that of men in the not too distant future.

**New Hires Wage Bill Share: Men and Women**



These statistics and many more, as well as interactive charts and data downloads, can be found at the website for the Upjohn Institute New Hires Quality Index: [www.upjohn.org/nhqi](http://www.upjohn.org/nhqi).

The full report, including methodology, can be found here: [http://www.upjohn.org/nhqi/reports/NHqi\\_report.pdf](http://www.upjohn.org/nhqi/reports/NHqi_report.pdf).

All data will be regularly updated during the first week of the second month following the reference of the data release month. For example, data for June 2018 will be released during the first week of August 2018. To sign up to regularly receive monthly press releases for the Upjohn Institute New Hires Quality Index, visit: [www.upjohn.org/nhqi/signup](http://www.upjohn.org/nhqi/signup).

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## FAQ

### 1. What is the New Hires Quality Index?

The New Hires Quality Index (NHQI) is a consistent way of measuring the earnings power of people taking new jobs each month, allowing comparisons over time.

### 2. How is the Index constructed?

The Index is based on the occupations of newly hired workers as documented in the [Current Population Survey](#), the same source used to produce the national unemployment rate each month. Separate data on the hourly wages for each occupation from another government survey, [Occupational Employment Statistics](#), are connected to the newly hired workers in the Current Population Survey. These hourly wages are then statistically adjusted to account for differences in the demographic composition of new hires (sex, race and ethnicity, education, and age) before being averaged.

### 3. Does the Index measure actual, reported wages of newly hired workers?

No. Although the data used to create the Index do have some information on self-reported wages (or those reported by another household member), many economists consider these self-reported wages [increasingly unreliable](#), as a growing fraction of workers refuse to answer the wage questions, and the government's attempts to impute (make an "educated guess") for these workers are [problematic](#). Moreover, because relatively few workers are even asked the wage questions, and only a small subset of these are newly hired, use of the self-reported wage data would lead to very small samples.

The Index captures change in the wages of new hires due to both changes in the mix of occupations hired and the demographic characteristics of individuals taking new jobs. It will not capture change in the wages of new hires due to other factors, such as individual aptitude, geography, or employer characteristics.

A comparison of the Index with a series derived from the actual self-reported wages in the Current Population Survey can be found in the [technical report](#).

### 4. Does the NHQI count self-employed workers?

No, the NHQI excludes self-employment and people who work for themselves.

### 5. How often is the NHQI updated?

Every month, with the release by the Census Bureau of the Current Population Survey microdata. Updates will be posted on the [NHQI website](#) by approximately the last Monday of the month, covering data from the previous month. Data are currently available from January 2001 through June 2018. To receive updates through email or social media, [visit the signup page](#).

### 6. What data are available on the NHQI website?

The [NHQI website](#) contains monthly data for all components of the NHQI. The four main components are: the hourly wage index, the hiring volume index, the wage bill index (the product of hourly wages and hiring volume), and the hires per capita index. Each component is available in its actual level or normalized to the base year 2005. In addition to providing data for all new workers, the NHQI exists for men, women, different age groups, different education groups, different races/ethnicities, different industry sectors, different regions, native and foreign-born, full- and part-time workers, and different types of new hires (the newly employed and employer changers). All data can be charted interactively or downloaded for separate analysis.