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NEWS RELEASE: JANUARY 8, 2025

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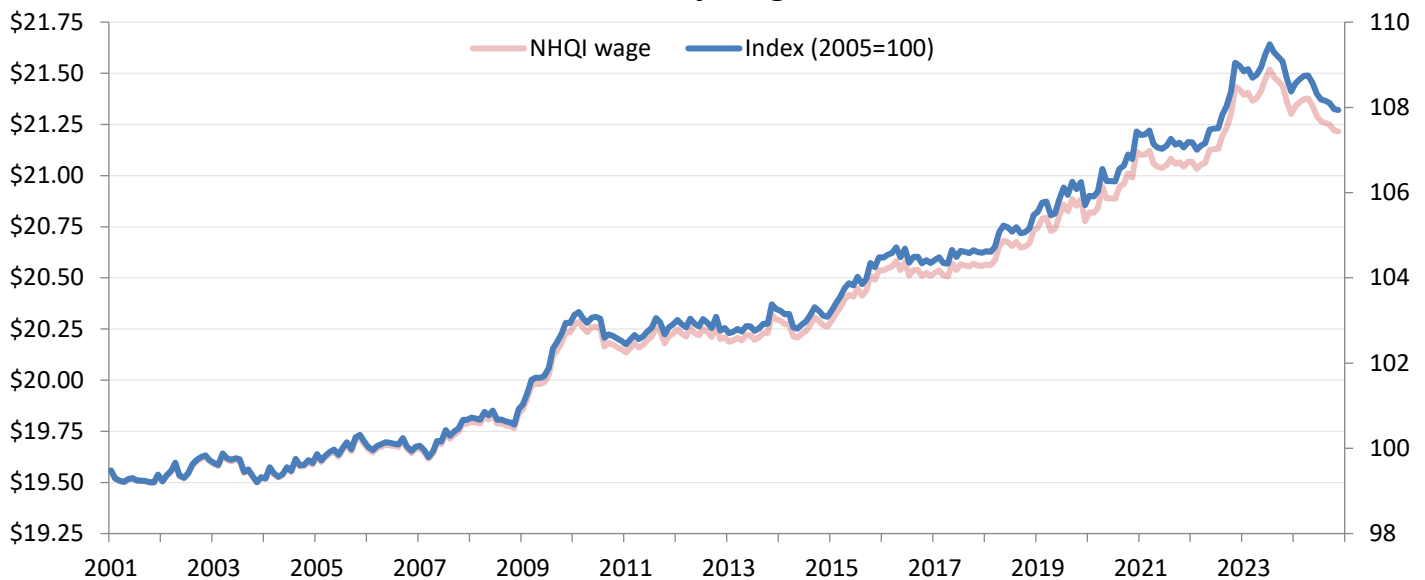
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Upjohn Institute New Hires Quality Index is stagnant in November, with Black Americans losing much of their recent COVID recovery gains

KALAMAZOO, Mich. — The Upjohn Institute New Hires Quality Index shows inflation-adjusted hourly earnings power of individuals starting a new job was essentially unchanged between October and November, after having declined in each of the previous six months. The index currently stands at \$21.22. This marks a 0.7 percent drop from its level of one year ago, although it remains 1.9 percent above its pre-COVID mark. Hiring volume dropped 1.0 percent over the month and is down 4.9 percent from last November and is at its lowest point in 13 years. Adjusting for population growth, hiring *rates* are down 5.5 percent over the year, 8.7 percent since the pandemic began, and is at a series low. This downward trend contrasts somewhat with [November's payroll job growth number of 227,000](#), which is based on a different survey, but the [annual benchmark revisions](#) and [population adjustments](#) may bring better clarity and alignment to our understanding of the trends, which will be crucial for gauging how the labor market fares in 2025.

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



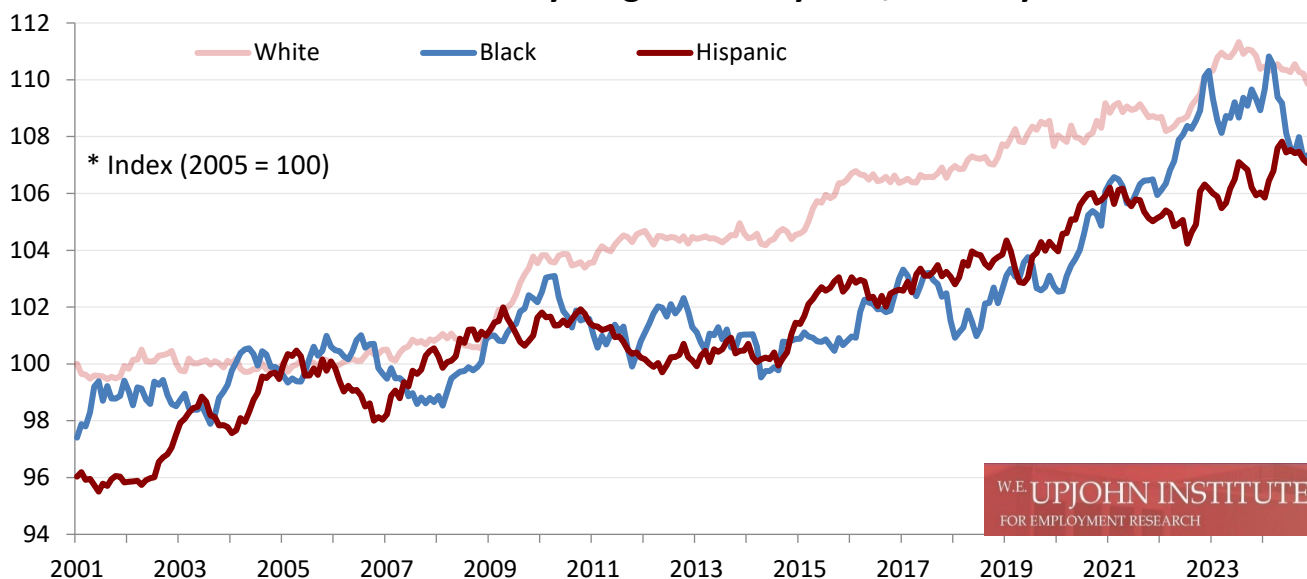
SOURCE: Upjohn Institute New Hires Quality Index

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.

As a new year dawns—with perhaps greater [uncertainty](#) about the future state of the [economy](#) and especially the [labor market](#) since the depths of the pandemic—it’s helpful to summarize a few key trends from 2024. The pace of the labor market continued to slow, with overall hiring volume falling to its level of more than a decade ago, and hiring *rates* reaching an all-time low. However, much of this slowdown is due to an aging U.S. population, and the economy has continued to add jobs because separations have also declined, with [layoffs](#) remaining below prepandemic levels. Moreover, despite a recently declining wage index, occupation-based earnings power of new hires remains comfortably above where it was five years ago.¹ This overall tempered picture nonetheless masks a steadily worsening picture for some groups of Americans. In particular, Black Americans, who had enjoyed robust job growth and higher earnings during the earlier stages of the COVID recovery, have been losing ground during much of 2024, and at faster rates than other racial and ethnic groups. In this month’s NHQI release, we review the hiring trends for Black Americans, Hispanic Americans, and White Americans.²

The graph below shows the hourly wage index separately for these three groups, with White residents in salmon, Black residents in blue, and Hispanic residents in dark red. Each index is normalized to the respective group’s own level in 2005 to better show relative changes. As has been documented in previous NHQI releases, newly hired White Americans experienced stronger gains in earnings power after the Great Recession than did newly hired Black or Hispanic Americans. This pattern changed during COVID, however, with Black Americans’ wage index rising 3.5 percent between March 2022 and March 2024, compared to 2.0 percent for White Americans and 1.4 percent for Hispanic Americans. Since March, however, the earnings power of newly hired Black Americans has dropped 2.9 percent, while that for White Americans eased just 0.5 percent, and Hispanic Americans saw a 0.3 percent gain.

New Hires Hourly Wage Index: by race/ethnicity



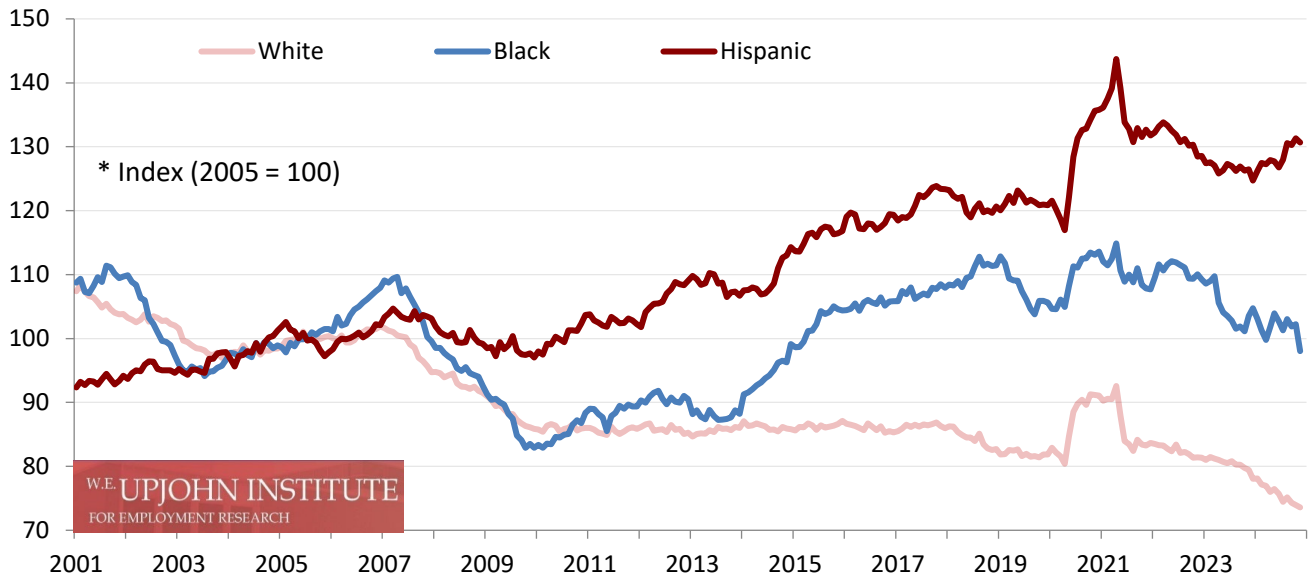
Hiring volume has also declined sharply—for White and Black Americans. As shown in the graph below, volume has fallen 7.4 percent over the year for White Americans and 5.3 percent for Black Americans.

¹ Recall that the NHQI is based on occupation-specific wages adjusted for the demographics of new hires, not actual pay. See the FAQ at the end for more details.

² More precisely, we compare Black, non-Hispanic Americans; White, non-Hispanic Americans; and Hispanic Americans (of any race).

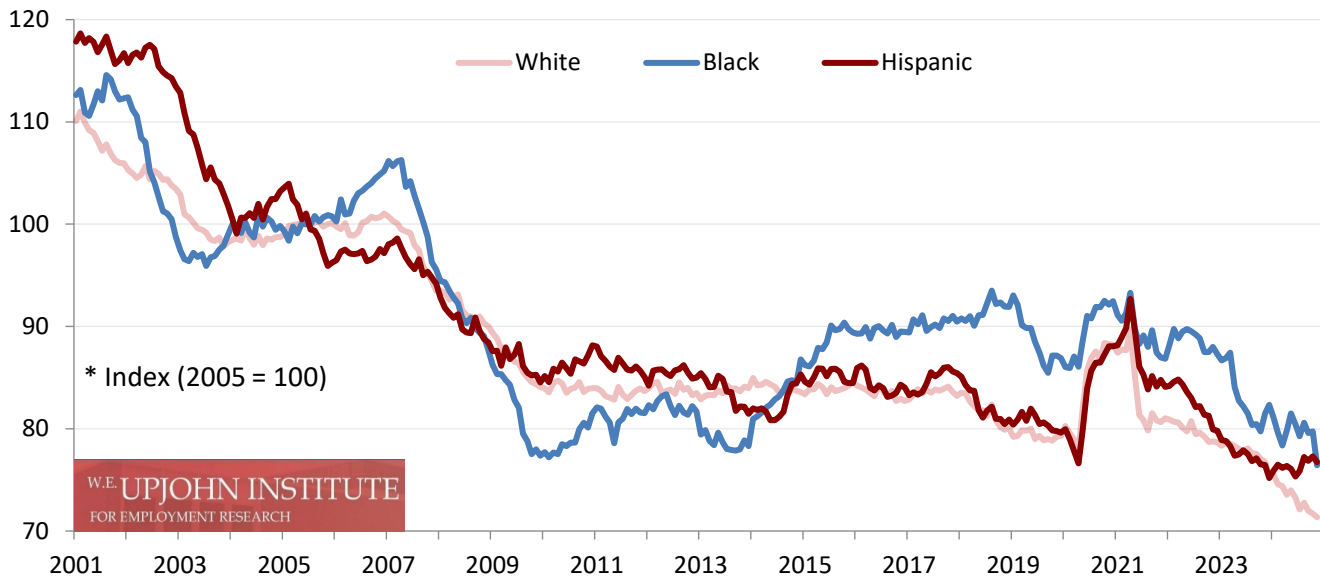
Since the start of the pandemic, the respective losses are 10.5 percent and 6.3 percent. In contrast, Hispanic Americans have seen hiring volume rise by 3.3 percent over the past 12 months and 8.7 percent since February 2020. These trends largely reflect differences in population growth among the racial and ethnic groups.

New Hires Volume Index: by race/ethnicity

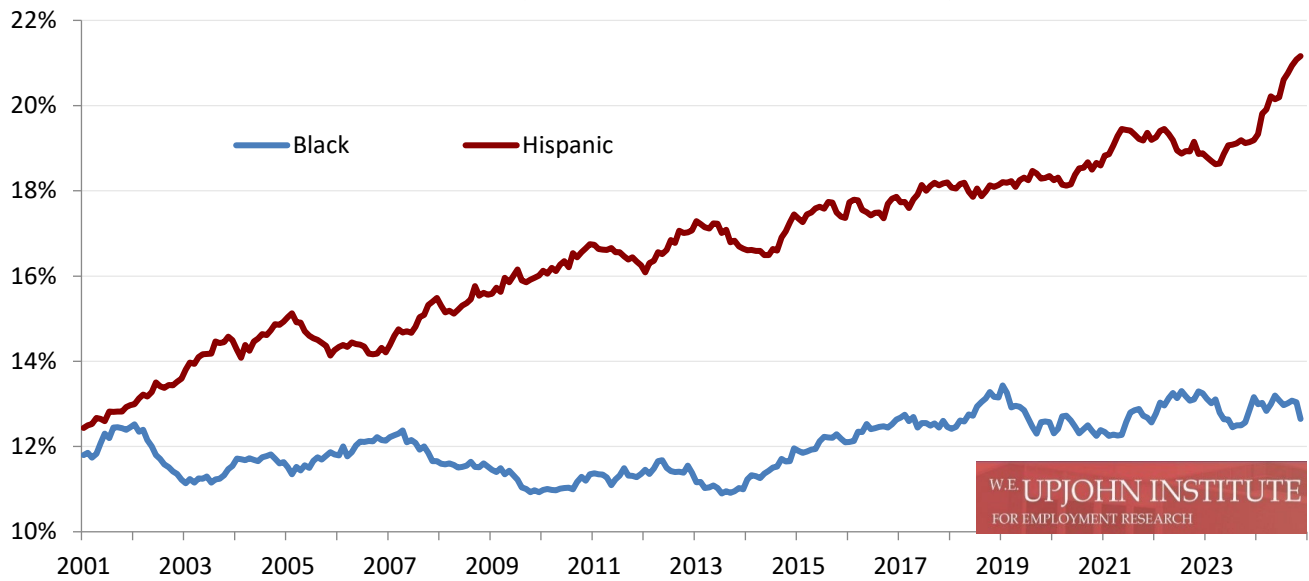


We can make better comparisons of the trends in hiring dynamics if we instead examine *hiring rates*, which normalize hiring volume by population. Hiring rates for all three groups are near series lows, with White Americans setting new series lows almost every month. Recent declines, though, are much larger for White and Black Americans than for Hispanic Americans. Since the pandemic began, hiring rates are down 10.3 percent for White Americans, 11.1 percent for Black Americans, and 2.8 percent for Hispanic Americans. Just over the past 12 months, the first two groups witnessed drops of 7.1 and 6.2 percent, while hiring rates for Hispanic Americans eked up 0.4 percent. Thus, even adjusting for population changes (which admittedly [may not be fully correct](#)), hiring for White and Black Americans has been falling faster than it has for Hispanic Americans.

New Hires Volume Per-capita: by race/ethnicity



New Hires Wage Bill Shares: Black and Hispanic



Consequently, the wage bill of new hires—which combines the wage index and hiring volume and represents the aggregate earnings power of all newly hired workers—has increasingly accrued to Hispanic Americans. The graph above shows the share of the total new hires wage bill for Black and Hispanic Americans. For Black Americans, this share has hovered between 12 and 13 percent for the past several years. For Hispanic Americans, the share has steadily been rising—in line with their growing population share—but it has surged over the past 12 months, jumping from 19.1 percent to 21.2 percent, a result of the decrease in the wage index and hiring volume of other groups. Although Black Americans have fared better in this metric thus far, a further fall in their wage index—and likely continued declines in hiring—would weaken their wage bill share to levels not seen in nearly a decade.

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.

The full report, including methodology, can be found here: https://www.upjohn.org/sites/default/files/2021-05/NHQB_report_0.pdf.

All data will be regularly updated during approximately the first week of the second month following the reference of the data release month. For example, data for December 2024 will be released during the first week of February 2025. To sign up to regularly receive monthly press releases for the Upjohn Institute New Hires Quality Index, visit: 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 changes 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](#). An analysis of self-reported wages can also be found in press releases for [July 2018](#), [July 2019](#), [July 2020](#), [July 2021](#), [July 2022](#), [July 2023](#), and [July 2024](#).

4. Does the NHQI count self-employed workers?

No, the NHQI excludes the self-employed (including those who report bring independent contractors).

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](#) during the first week of the month, covering data from two months ago. Data are currently available from January 2001 through November 2024. 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 at 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.