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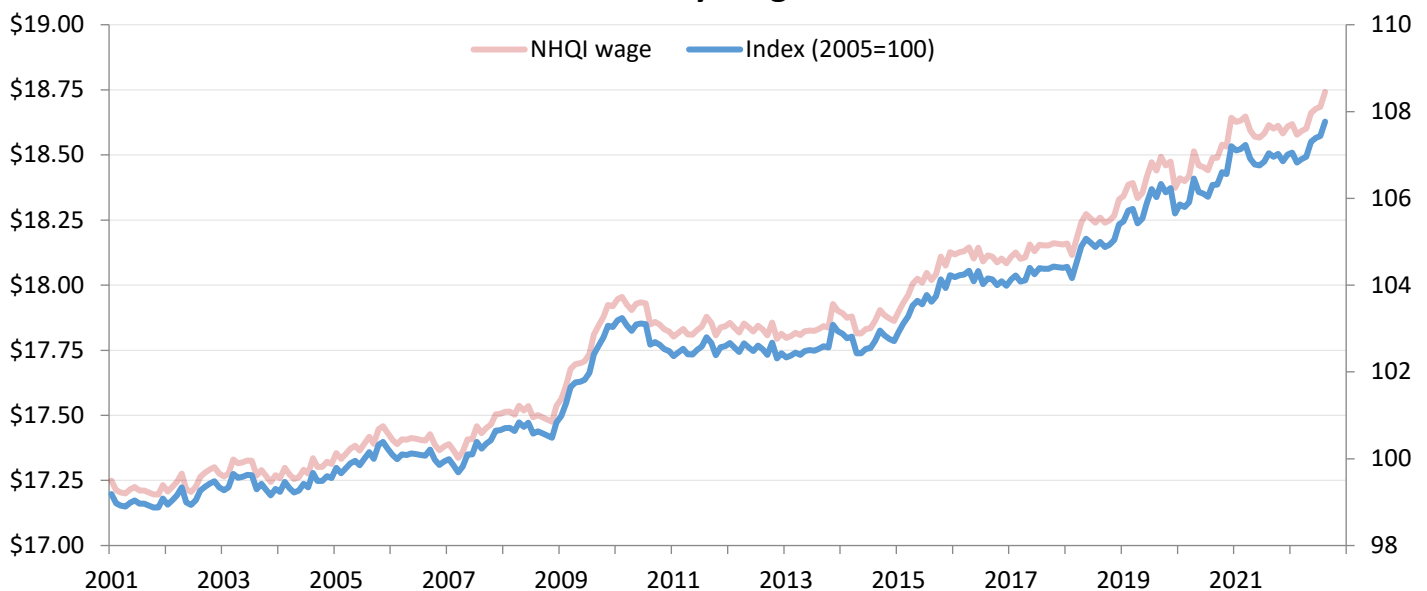
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Upjohn Institute New Hires Quality Index reaches yet another record high in August 2022, and women's hiring gains ground on men's

KALAMAZOO, Mich.— The Upjohn Institute New Hires Quality Index shows inflation-adjusted hourly earnings power of individuals starting a new job jumped 0.3 percent between July and August, reaching \$18.75 and the fourth record high month in a row. Over the past 12 months, the index is up 0.7 percent; since 2005, it is up 7.8 percent. Hiring volume, although down slightly from earlier in the summer, remains a brisk 3.7 percent above its prepandemic (February 2020) level. Remarkably, continued high inflation, rapid interest rate hikes, ongoing supply chain disruptions, and a bear stock market have yet to crimp hiring in the U.S. labor market, even as a global recession looks [increasingly likely](#). Although the number of payroll jobs has now surpassed its prepandemic peak, the job count is still 5 million shy of where it would be had prepandemic job growth continued unabated.

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

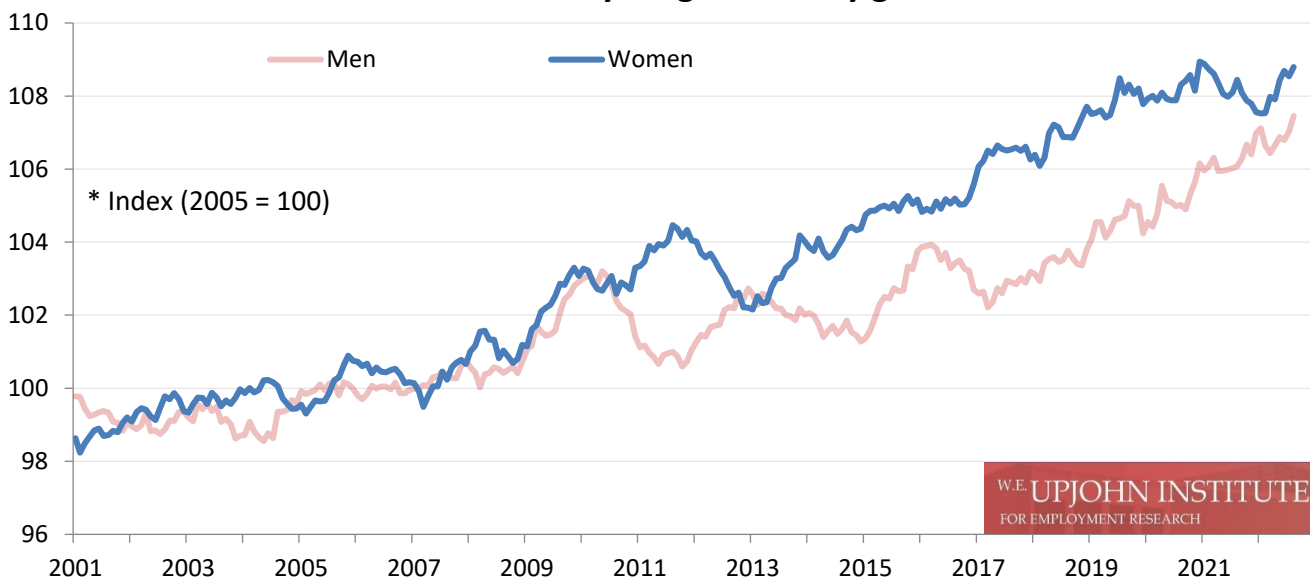
NOTE: The lighter line uses the left axis and shows the inflation-adjusted hourly wage of new hires. The darker line uses the right axis and shows the relative change since the base year of 2005.



More than 2 ½ years into the pandemic, concern still lingers that the labor market recovery has been uneven along many dimensions, even as the [possibility of a new recession](#) looms. Of particular concern is the labor force attachment of parents of young children, whose participation rates, especially among males of less-educated two-parent households, have [stagnated](#). Additionally, despite prime-age women suffering greater job loss than men early in the pandemic, their labor force participation has [recovered more fully](#) than has that of men. This marks somewhat of a reversal from the end of summer 2021, when the NHQI [showed](#) that women’s hiring was losing ground. Have the past 12 months witnessed a resurgence in women’s hiring dynamics? To answer this question, we return this month to comparing the hiring picture for both men and women.

The graph below shows the hourly wage index separately for men (salmon) and women (blue). Each index is normalized to the respective group’s own level in 2005 in order to better show relative changes. After some peripatetic jumps in the aftermath of the Great Recession, both groups experienced relatively steady growth from 2017 through 2020, with the beginning of the pandemic apparently having little impact. At the end of 2020, both women’s and men’s NHQI had reached all-time highs, with women 8.9 percent above their 2005 level, and men 6.2 percent above that benchmark. The wage index for women then began to dip, falling 1.4 percentage points by the beginning of 2022, even as the wage index for men continued to climb by 1 percentage point. Consequently, the gap in growth narrowed from 2.7 percentage points at the end of 2020 to just 0.4 percentage points by January of 2022. Since the start of this year, however, women’s wage index has once again outpaced that for men, up 1.3 percentage points by August, versus a gain for men of 0.3 percentage points. Despite this reversal, women’s wage index is still a hair off the previous record, while the wage index for men is at a new all-time high. As of August 2022, women stand 8.8 percent above their 2005 benchmark, and men stand 7.5 percent above theirs.

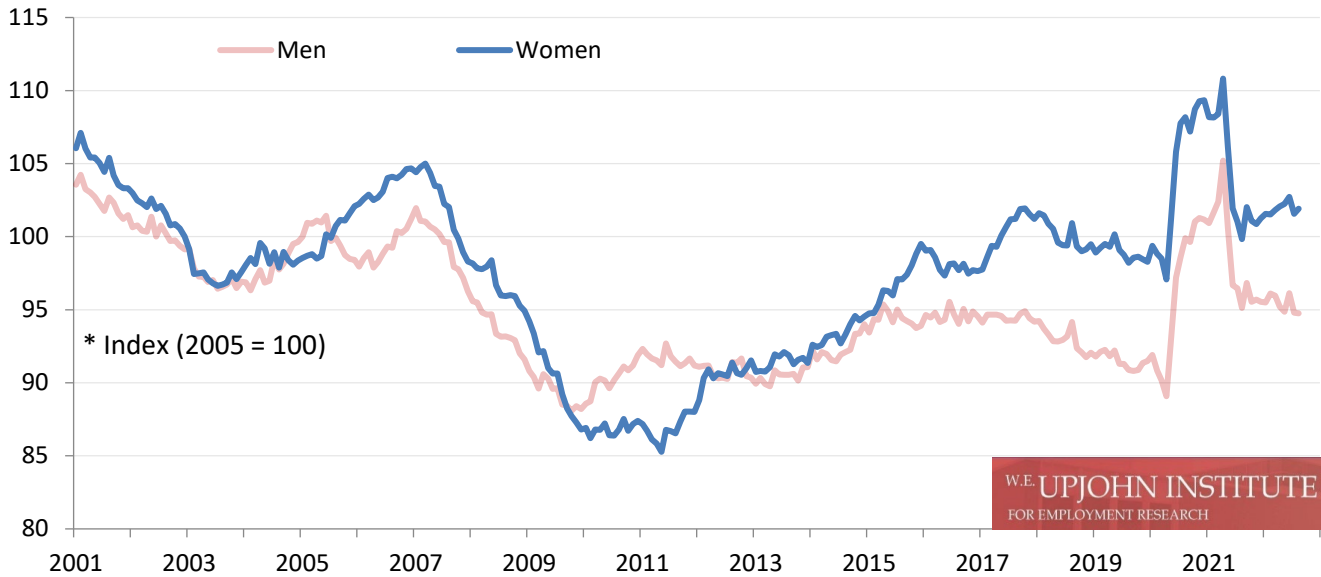
New Hires Hourly Wage Index: by gender



If we instead date trends from right before the beginning of the pandemic (February 2020), men have experienced faster growth than women: 2.9 percent vs. 0.7 percent. However, the wage index tells only part of the story. The graph below shows the indexed *volume* of new hires for both genders. Both men and women had been experiencing declining hiring volume starting in 2018, well before the pandemic, although women had experienced faster growth since the end of the Great Recession. After the huge spike in recovery hiring that began in May 2020, hiring volume receded for both genders. Over the past 12

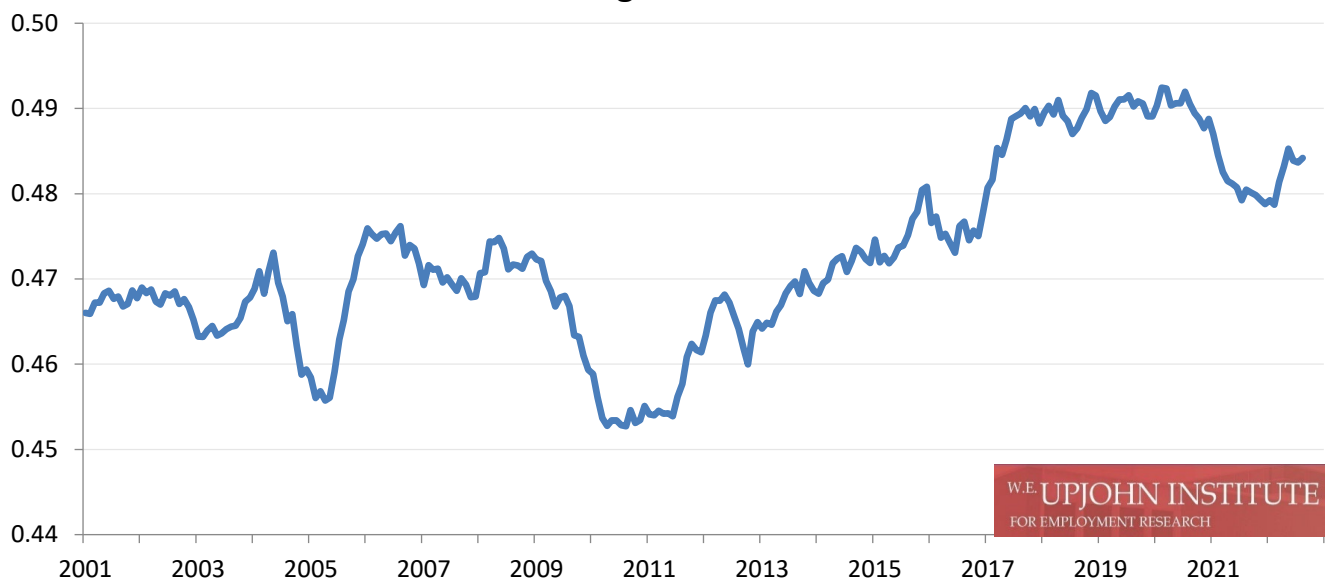
months, though, hiring volume has continued to slip for men, by 0.4 percent, while it has climbed 2.1 percent for women. Indeed, women’s hiring volume now exceeds its 2005 level by 1.9 percent, while men’s hiring volume falls 5.2 percent below this benchmark.

New Hires Volume Index: by gender



These two signals together suggest that women’s hiring dynamics have improved in 2022, relative to both their own performance in 2021 and to men this year. One way to see this more concretely is to plot women’s wage bill share, as in the figure below. The wage bill is the product of the wage index and hiring volume index and represents the aggregate earnings power of newly hired workers. Prior to the Great Recession, women accounted for about 47 percent of the earnings power of newly hired workers (with men accounting for the remaining 53 percent). This share fell during and after the Great Recession, as women’s hiring volume fell more than men’s (previous graph). Since the middle of 2011, however, women’s wage bill share rose, reaching a record high of 49 percent in 2017 and staying at that level until the summer of 2020. As noted in [last year’s NHQI release](#), it then began to ebb, falling to just below 48 percent by last winter. Over the past several months it has edged back up to about 48.5 percent.

New Hires Wage Bill Share: Women



Thus, women's hiring recovery has indeed picked up speed in 2022, but only after lagging in 2021. Despite the uptick in both the wage and hiring volume indices, women's wage bill share remains half a percentage point below its prepandemic level. Although recent months have been encouraging, women's hiring still has not fully recovered.

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/NHQP_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 September 2022 will be released during the first week of November 2022. 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 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](#). An analysis of self-reported wages can also be found in press releases for [July 2018](#), [July 2019](#), [July 2020](#), [July 2021](#) and [July 2022](#).

4. Does the NHQI count self-employed workers?

No, the NHQI excludes the self-employed (including 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 August 2022. 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.