

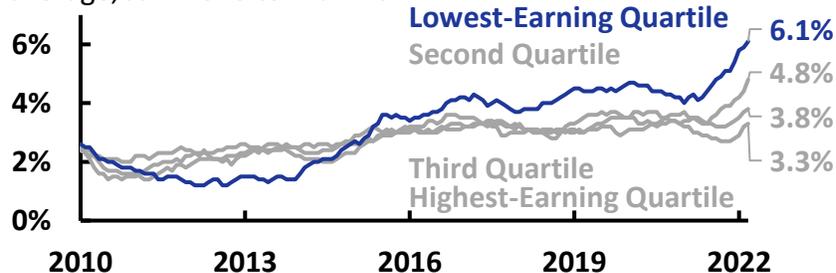
Fast Facts: 8 Facts about Wage Gains

Wage growth has occurred for workers who need it most

- In 2021, wages grew by 4.5%, the [fastest rate](#) in almost four decades.
- **Low-wage workers are seeing the strongest wage growth.** Over the last 12 months, the lowest-income workers saw their [median wages increase](#) an average of 6.1%.
- **Strong demand for workers improves workers' bargaining power and their wages.** In 2021, the United States added [6.7 million jobs](#) and unemployment dropped to 3.6% by March 2022, down from 6.2% a year before. Sectors that lost the most jobs in 2020, such as leisure and hospitality, were the sectors in which demand has returned strongly as coronavirus caseloads have fallen, driving up workers' [bargaining power](#) and wages.
- **Job switchers saw strong wage growth.** Over the last 12 months, workers who changed jobs saw their wages rise 5.3% on average, versus workers who stayed in the same job, who received a 4% increase over the same period.

Wage Growth Has Been Fastest for the Lowest Earners

Median wage growth by wage quartile, 12-month moving average, Jan. 2010 to Mar. 2022



Source: Atlanta Fed Wage Tracker

Despite inflation, many workers are seeing real wage gains.

- **Workers in in-demand industries have experienced real wage gains even after inflation is considered.** Workers in trade, transportation and utilities, wholesale trade, retail trade and leisure and hospitality have all experienced wage gains since December 2019 that outpace inflation, reflecting strong consumer demand for both goods and

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services. Workers in leisure and hospitality have experienced the biggest wage gains and have seen their incomes increase 2%, even after accounting for inflation.

The Biden Administration has taken action to raise wages for federal contractors and tipped workers

- **While wage trends in 2021 are encouraging, and signs point to continued strong demand for workers that will further push up wages, there is also a role for policy to play to further increase wages.** The Biden administration has been working to raise wages by ensuring workers get the pay that they have rightfully earned by increasing the minimum wage on federal contracts and encouraging workers' bargaining power.
- **The Biden administration implemented a \$15 minimum wage for federal contractors, providing raises to more than 300,000 [federal contract workers](#) and benefitting many more.** Raising the minimum wage has been shown to raise productivity and reduce racial inequality.
- **The Department of Labor is reversing the Trump administration's actions that facilitated the underpayment of tipped employees, ensuring more than [11 million](#) U.S. workers receive the pay they earned.**