

## **“Policies to Revitalize Wage Growth”**

One simple question—Are wages rising?—is as central to the health of our democracy as it is to the health of our economy. For the last few decades, the U.S. economy has experienced real wage stagnation. Without rising wages, the dreams of American families to live in good homes, to support their families, to retire comfortably, and to see their children do better—what we call the American Dream—simply cannot be realized. By raising productivity growth and strengthening worker bargaining power, we can create a faster-growing and more-dynamic economy that will benefit all workers over the long term.

### **The Importance of Strong Labor Demand**

*Jared Bernstein (Center on Budget and Policy Priorities)*

Wages of workers in the bottom and middle parts of the wage distribution have stagnated over the last several decades. In some measure, this reflects persistent labor market slack and insufficient aggregate demand. In particular, economic downturns generate lasting negative consequences for the economic well-being of many workers. Bernstein offers proposals to boost labor demand, thereby increasing wage growth and the return to work.

### **Stagnation in Lifetime Incomes: An Overview of Trends and Potential Causes**

*Fatih Guvenen (University of Minnesota)*

While it is widely understood that wages have stagnated for typical workers, it is less clear how lifetime incomes have evolved over time. Guvenen examines trends in lifetime incomes and finds a similar pattern of stagnation for the median worker, with a pronounced decline in entry-level incomes of men. He therefore proposes educational investments and reforms to boost early-career wages of typical workers.

### **Information is Power: Fostering Labor Market Competition through Transparent Wages**

*Ben Harris (Northwestern University Kellogg School of Management)*

Employer market power—often referred to as monopsony—can limit workers’ labor market opportunities, contributing to wage stagnation. Harris focuses on unequal access to information about wages, which is an important contributor to employer monopsony power. He proposes to make labor markets more competitive by enhancing transparency about workers’ wages.

### **A Proposal for Protecting Low-Income Workers from Monopsony and Collusion**

*Alan Krueger (Princeton University) and Eric Posner (University of Chicago Law School)*

In a competitive labor market, wages rise as employers compete to hire workers. However, this driver of wage growth can be undermined if employers make arrangements with each other to avoid hiring employees of their competitors. Krueger and Posner examine employer collusion, paying special attention to franchisee contracts—so-called no-poaching agreements—and non-compete contracts that limit economic opportunity for many workers.

**Reforming Non-Competes to Support Workers**

*Matthew Marx (Boston University)*

Once thought to be exclusively associated with a few high-paying jobs, the non-compete agreement is now understood to be used by employers across a wide range of occupations to restrict the ability of employees to take new jobs. A growing body of evidence suggests that these agreements often limit workers' bargaining power and economic mobility. Marx proposes a set of reforms that would mitigate non-compete abuses and reorient non-compete policy to better support workers.

**Strengthening Labor Standards and Institutions to Promote Wage Growth**

*Heidi Shierholz (Economic Policy Institute)*

The long-run stagnation in real wages is the outcome of numerous economic forces and policy choices. Shierholz focuses on policy choices related to labor market institutions and worker voice, exploring their past contribution to disappointing growth in median wages as well as their future role in determining the pace of wage growth for low- to middle-income workers.

**Coming and Going: Encouraging Geographic Mobility at College Entry and Exit to Lift Wages**

*Abigail Wozniak (University of Notre Dame)*

Geographic mobility in the United States has declined considerably in recent decades. Historically, long-distance migration played an important role in making the U.S. economy resilient to regional downturns, finding the most productive uses for labor, and helping workers achieve robust wage growth. Wozniak therefore proposes reforms to the student financial aid system that would facilitate and encourage geographic mobility, leading to stronger wage growth.