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Upjohn Institute Releases New Hires Quality Index, Tracks Occupational Wages of Newly Hired Workers Each Month

Interactive feature shows trends since 2001 for different worker groups

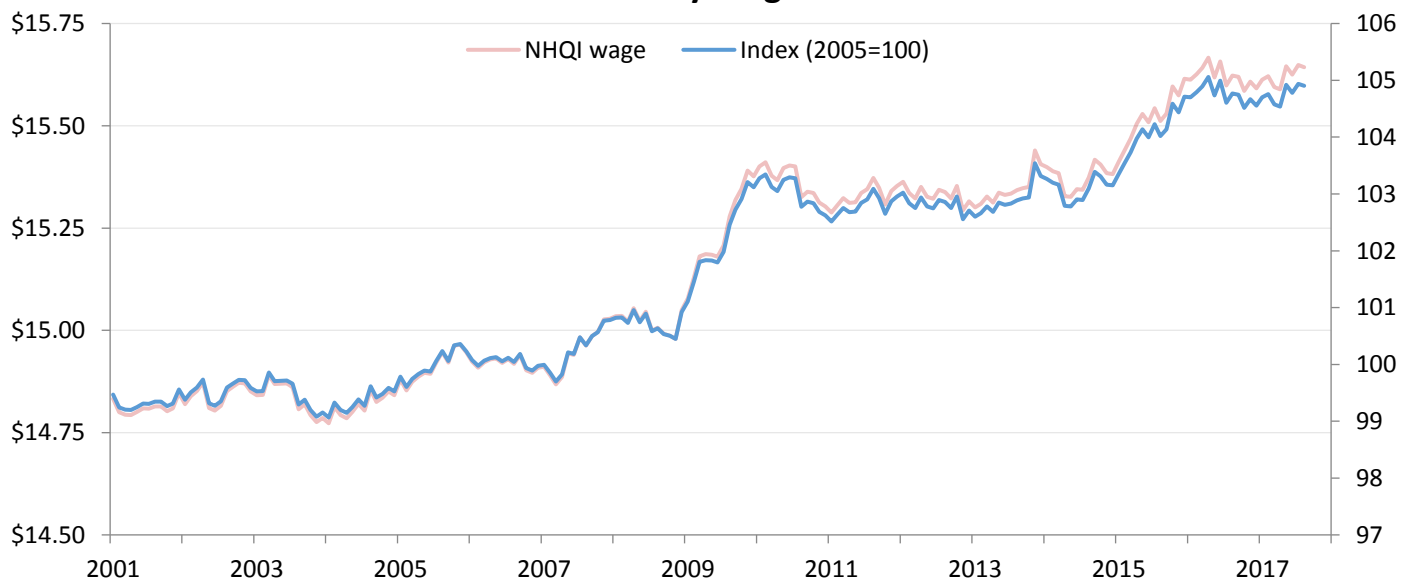
KALAMAZOO, Mich.— In August 2017, inflation-adjusted hourly wages of individuals starting a new job rose 0.1 percent from a year earlier, from \$15.62 to \$15.64, shows a newly created wage index of job hires. Hourly wages of new hires have risen 4.9 percent since 2005, according to the index. Contrary to popular belief, the occupational wages of new hires did not fall during the recovery from the Great Recession, but were instead relatively flat between 2011 and 2014, rising in 2015, and relatively flat over the past year and a half.

The new index and accompanying interactive and report, developed by Upjohn Institute economist Brad Hershbein, fills a key gap in the measurement of hiring activity. It can provide 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.

[Access Interactive](#)

[Access Report](#)

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.

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Other major findings from the Upjohn Institute New Hires Quality Index (NHQI) include:

- The New Hires Quality Index rose sharply during the Great Recession, as workers hired during this time were concentrated in higher-paying occupations.
- The volume of new hires, according to the NHQI, fell from 5.6 million per month in 2007 to 4.8 million per month in early 2010; today it is at 5.4 million, barely above the level reached at the trough of the previous recession, in 2003.
- If the volume of new hires is normalized to the population, there are today about 20.5 hires per 1000 people (aged 16+) each month, up from just 19.9 monthly hires per 1000 people in 2010. This hiring rate was 23.8 in 2005, and 26.3 at the beginning of 2001.
- Breaking results down by sex, women have had a stronger recovery than men: the NHQI for women is up 7.2 percent from 2005, while for men it is up only 3.3 percent. Women's hiring volume is up 1.3 percent from 2005, while men's is down 5.7 percent.
- Individuals with at least a bachelor's degree accounted for one-fifth of all new hires in 2005; today they account for one-fourth.
- Both people transitioning from non-employment to employment and those changing jobs have experienced similar gains in the NHQI since 2005: 5.8 and 6.9 percent, respectively. Volumes, however, have diverged dramatically: new hires among those transitioning from non-employment to employment are up 6.3 percent since 2005, while new hires among job changers are down 16.3 percent.

All 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: http://www.upjohn.org/nhqi/reports/NHQI_report.pdf.

All data will be regularly updated by the last Monday of the following month in reference of the data release. For example, data for September will be released on Monday, October 30, 2017. 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](#).

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 the last Monday of the month, covering data from the previous month. Data are currently available from January, 2001 through August, 2017. 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 industry sectors, different regions, and different types of new hires (the newly employed and employer changers). All data can be charted interactively or downloaded for separate analysis.