

Wages and Salaries Have Grown Faster Than Prices Since January 2021

Stories focused on price increases since the start of 2021 do not tell the whole story. While costs have risen over that period due to pandemic disruptions and Russia’s invasion of Ukraine, incomes have grown faster. An analysis by the JEC Democrats finds that national average wages and salaries grew by **nearly \$15,000** between January 2021 and October 2023, which outpaces price growth during that period by over \$3,500. Any discussion of rising costs is misleading if it ignores the significant income and job gains compared to the start of 2021.

There is, of course, more room to improve the economic well-being of families. Whether it’s reducing the cost of [prescription drugs](#), cracking down on [junk fees](#), or investing in [supply chains](#) to help goods move faster, the Biden administration and congressional Democrats are working to cut costs for families.

Average Wages and Salaries Have Outpaced Inflation by Over \$3,500 Since January 2021			
	Total Wages and Salaries	Consumer Units (Annual Values)	Average Wages and Salaries Per Consumer Unit
January 2021	\$9,887,637,000,000	133,595,000	\$74,012
October 2023	\$11,975,871,000,000	134,587,000	\$88,982
Increase from January 2021 to October 2023			\$14,970
<i>Price increase from January 2021 to October 2023</i>			\$11,434
Income Increase - Price Increase			\$3,536

Source: Table 2.6 Personal Income and Outlays (BEA), Consumer Units (BLS), JEC Republican Staff
 Note: Consumer units are annual values. The 2023 value for the number of consumer units is an estimate based on applying the growth rate in the number of consumer units from 2021 to 2022 to the 2022 value. Consumer units are defined as all members of a housing unit who make collective expenditure decisions, and are used here to align with the methodology used in the State Inflation Tracker.

This income growth is the direct result of the massive employment recovery and strong wage growth that has occurred since President Biden took office, with the economy [adding](#) nearly 14 million jobs between January 2021 and today. This growth has also come with notable wage [increases](#) for middle- and low-income Americans, which has helped [narrow](#) income inequality for the first time in decades.

While families are understandably concerned about rising prices, the significant wage and employment growth over the last nearly three years is a remarkable achievement that would not have been possible without the policy choices made by President Biden and Democrats in Congress.