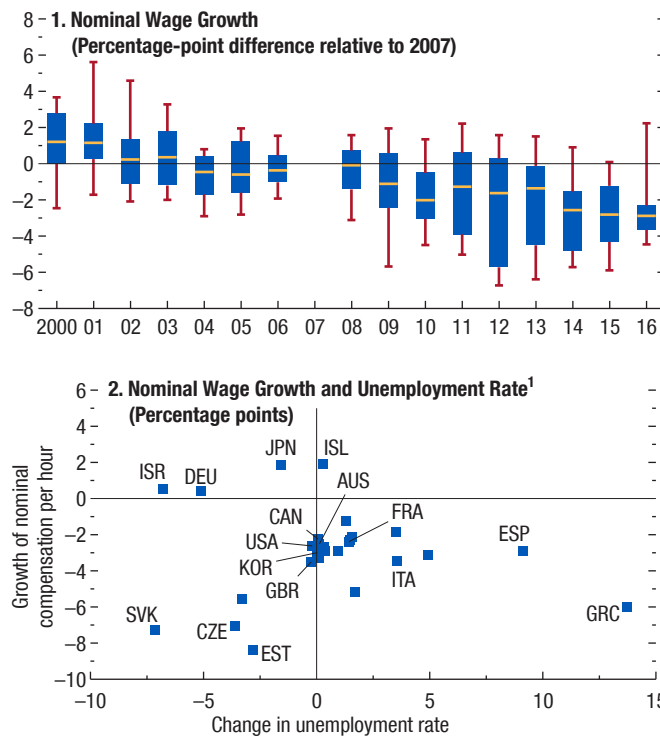


Figure 2.2. Distribution of Nominal Wage Growth and Correlation with Changes in the Unemployment Rate

Despite improved headline employment indicators, nominal wages in virtually all advanced economies are growing at a slower pace than before the Great Recession. This is particularly notable for economies where unemployment rates are now close to or below pre-Great Recession averages.



Sources: Eurostat; national authorities; Organisation for Economic Co-operation and Development; and IMF staff calculations.

Note: The sample in panel 1 excludes Baltic countries. The wage variable used is compensation per hour of workers excluding the self-employed. The horizontal line inside each box represents the median, the upper and lower edges of the box show the top and bottom quartiles, and the red markers denote the top and bottom deciles. Data labels in panel 2 use International Organization for Standardization (ISO) country codes. Outliers and the 10 largest advanced economies (by 2016 nominal GDP in US dollars) are labeled.

¹Changes shown are 2016 values relative to the 2000–07 average.