Giuseppe Moscarini delivered the keynote address at this year’s annual Ensuring Economic and Employment Stability (EEC) Conference held in early September. Moscarini’s talk, titled “Job Ladders and Business Cycles,” steamed around understanding why wage growth has been lagging in the US despite falling unemployment. Instead of specifically looking at unemployment, Moscarini suggested concentrating on the frequency of job-to-job switching by workers who are already employed.

The Macroeconomist discussed reasons why the job-to-job transition rate has been slowing the recovery. “In the last five years, in the US economy, falling unemployment was not accompanied by wage growth, defying conventional wisdom, also embedded in the practice of monetary policy,” said Moscarini. “I presented theoretical arguments and empirical evidence that the key labor market indicator to predict wage inflation is the rate at which workers switch directly from job to job. This rate, not unemployment, measures competition in labor markets.” he continued.

The two-day conference sponsored by The Federal Reserve Bank of New York (NYCFED) and the Kiel Institute for the World Economy was held at the NYCFED and focuses on bringing together high-quality research that is at the intersection of labor economics and macroeconomics.

Moscarini has taught at Yale since 1996 after receiving his PhD in Economics from MIT.

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