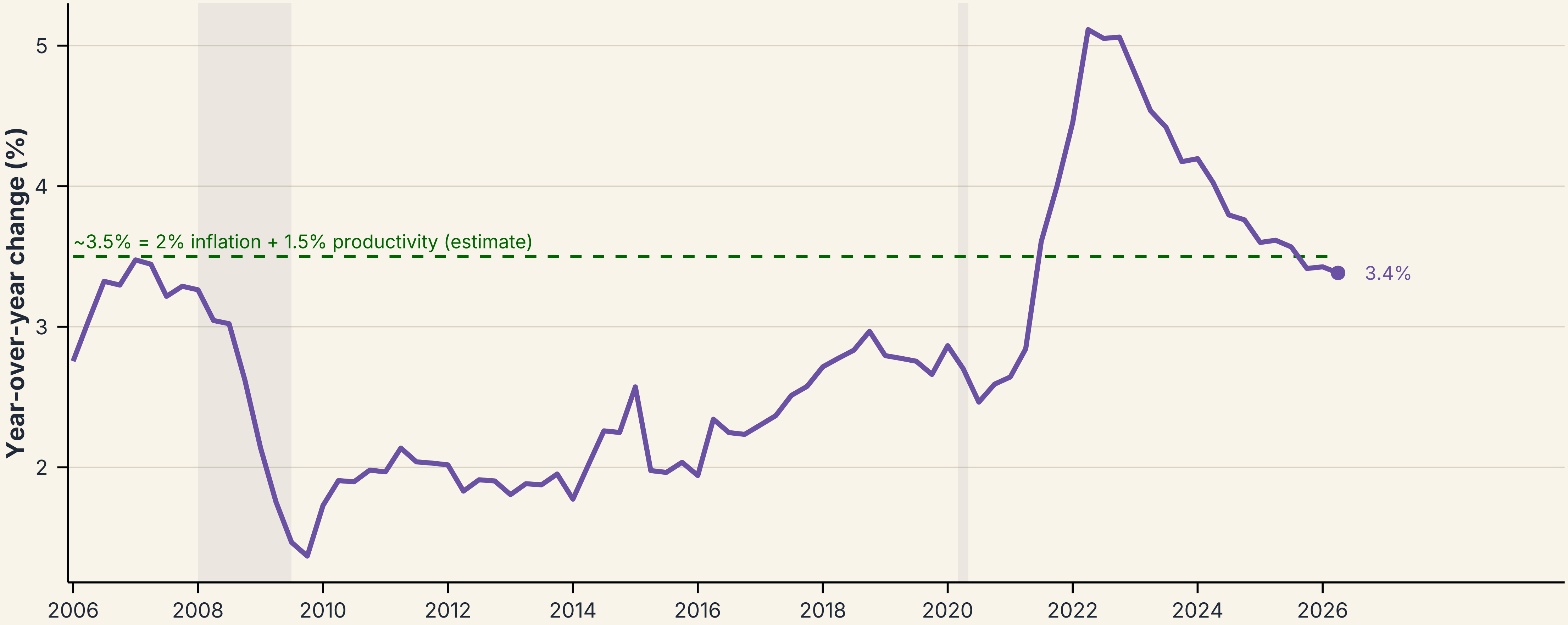
The Fed's Wage Gauge: The Employment Cost Index

Latest: Q2 2026



Notes: Employment Cost Index, total compensation, civilian workers, year-over-year. Unlike average hourly earnings, the ECI is immune to composition shifts (who got hired or fired), which is why the Fed prefers it. Quarterly. The 3.5% line is an estimate drawn here, not an official threshold: 2% inflation plus an assumed 1.5% trend productivity growth. Shaded bars: NBER recessions.
Source: U.S. Bureau of Labor Statistics via FRED (ECIALLCIV). Retrieved 01 Sep 2026.
Chart by Mokhtar Tabari · vizdelta.com