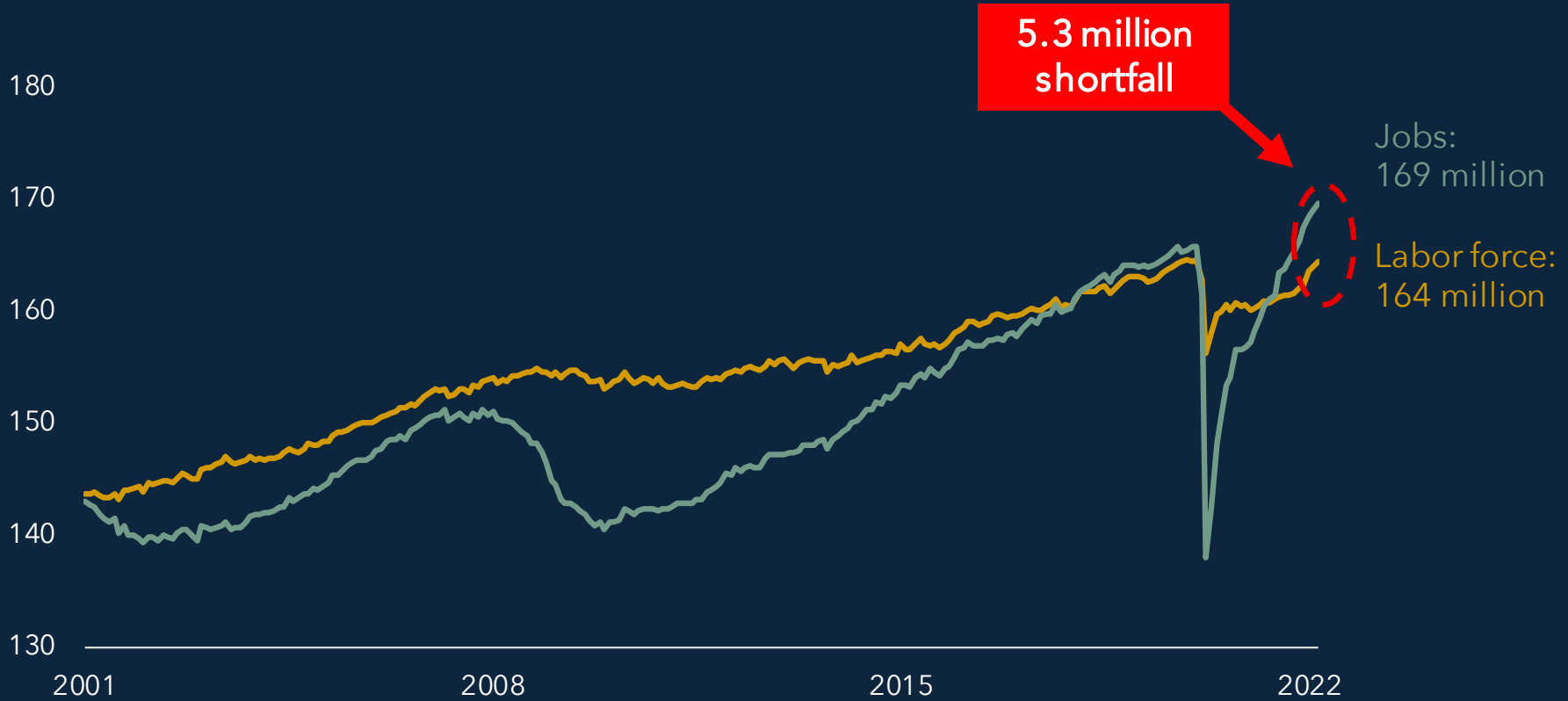


# Chart of the Day

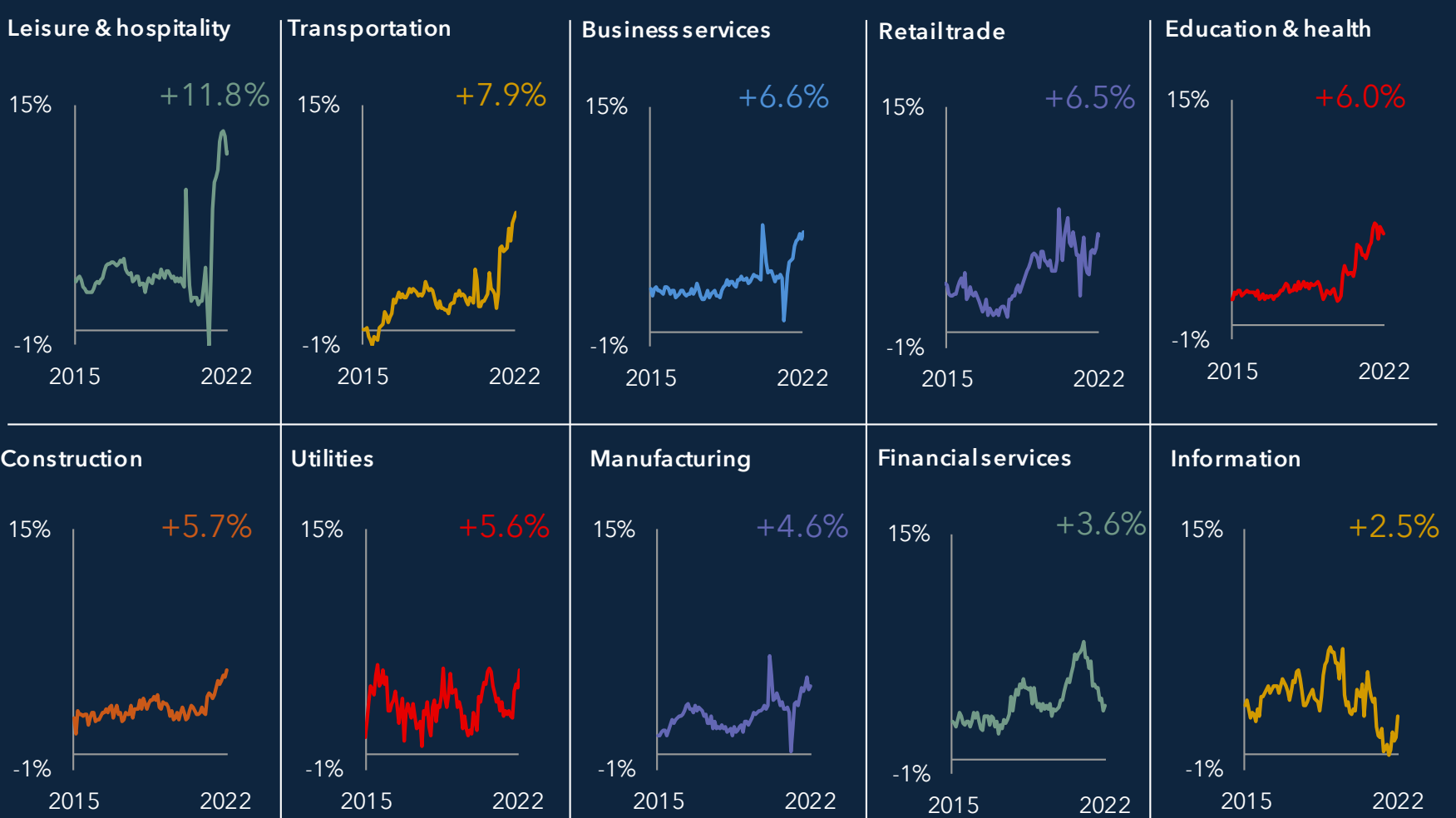
The gap between labor demand (total number of employees plus job openings) and total labor supply in the US has reached 5.3 million, the largest labor shortfall in the post-World War II era. The overheating labor market has caused wages to grow at their fastest level since the early 1980s (excluding COVID distorted months). According to Bloomberg, in order for inflation to fall broadly in line with the Fed's target, the jobs-to-workers gap needs to ease by roughly one-half.

## US labor force and jobs, millions



In March, wages rose at a higher than expected 5.6% y/y. Tight labor markets have pushed wages higher in the post-crisis period, particularly for those in the lower quartile of earners.

## Wage inflation, y/y



Source: (1) Bloomberg, "The US Jobs Market is Tightest Since WWII: New Economy Daily" (April 5, 2022). Data as of April 5, 2022. Labor force is civilian labor force, SA. Jobs is JOLTS + total employment, SA. US Bureau of Labor Statistics (2-11) Bloomberg. Data as of April 12, 2022.

# Global Corporate & Investment Banking Capital Markets Strategy Team



**Tom Joyce**  
Managing Director

Tom.Joyce@mufgsecurities.com  
(212) 405-7472



**Hailey Orr**  
Director

Hailey.Orr@mufgsecurities.com  
(212) 405-7429



**Stephanie Kendal**  
Associate

Stephanie.Kendal@mufgsecurities.com  
(212) 405-7443