

# Posted Wage Rigidity

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Why does unemployment rise during recessions?

- The leading theory: **wage rigidity**
- The wage for **new hires** is key, wage for **incumbents** less important
- **No consensus** in previous empirical work

This paper introduces a new dataset:

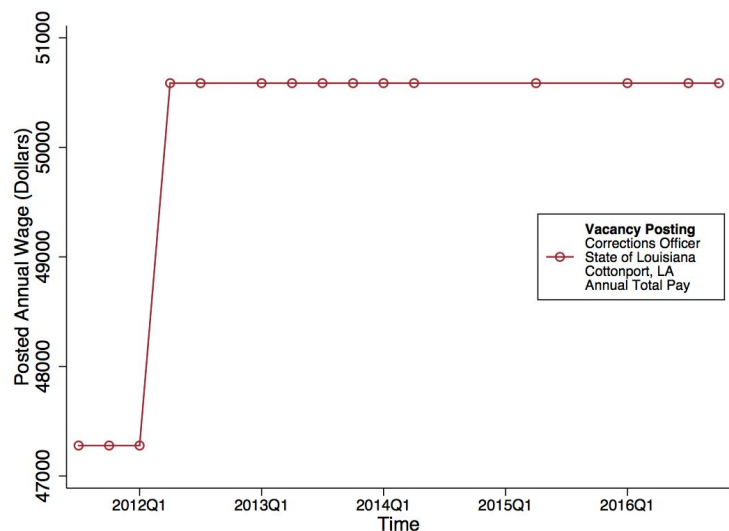
- **Establishment level posted wages with job titles**
- Extracted from internet and contains **10% of US vacancies since 2010**
- **Future work:** expand dataset + analysis to Euro Area

We document three new facts about posted wages:

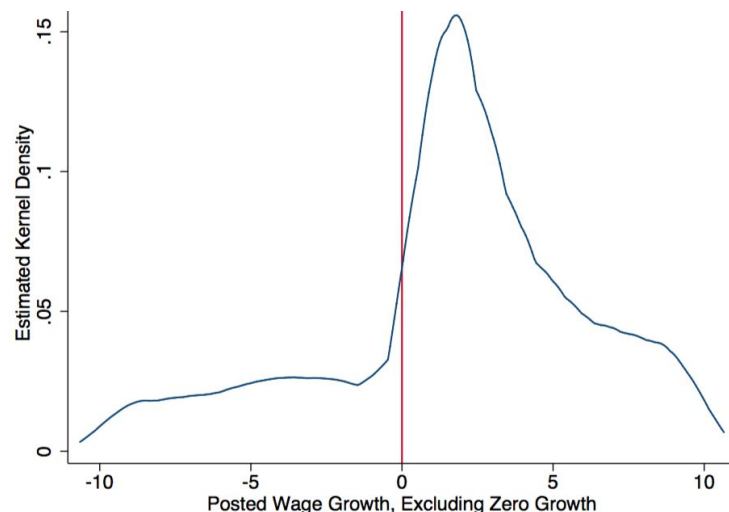
- **Fact 1: Infrequent wage changes** for the typical job
- **Fact 2: Downwards rigidity** in posted wages
- **Fact 3: Weak procyclicality** within jobs and establishments

Estimated rigidity implies **large + asymmetric unemployment fluctuations**

These facts have **never been documented for new hires**



**Fact 1: Infrequent Posted Wage Changes**



**Fact 2: Downwards Rigidity in Posted Wages**