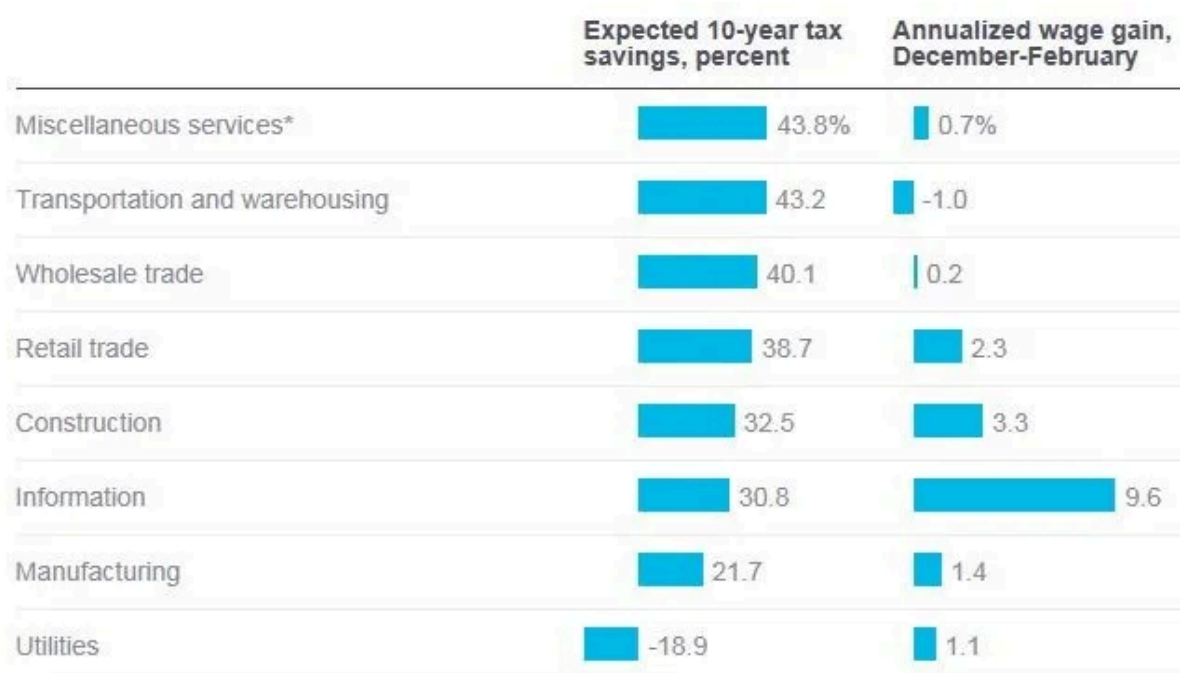


A recent Bloomberg article by Mark Whitehouse, “Are Tax Cuts Driving Raises? It's Hard to See,” cites a Penn Wharton Budget Model (PWBM) study about the effects of the Tax Cuts and Jobs Act by Industry. The author analyses recent reports of wage growth to see if they are related to the tax bill passed this fall.

The article compares PWBM’s estimates of tax savings by industry with wage growth by industry. Figure 1 shows that tax savings and wage growth have not moved hand in hand. The industries that will receive the largest changes to their tax bill over 10 years did not necessarily see the most wage growth in the past few months.

Figure 1: Tax Savings and Wage Gains by Industry



Source: Bloomberg (2018)

Media (only): For the fastest response, email us at inquiries-pwbm@wharton.upenn.edu.

All other responses: Please use our Contact Us.

Sign up for PWBM Breaking News, Alerts and Newsletter. Unsubscribe anytime.

