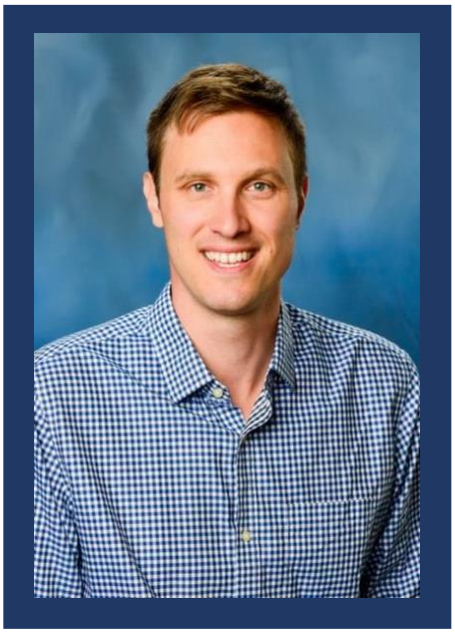
"The Effects of the National War Labor Board on Labor Income Inequality"

(Co-authored with Chris Vickers)



Presented by Nicolas L. Ziebarth
November 30th @ 1:00 pm ET

Join Us!

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Abstract: During World War II, the United States federal government instituted an explicit policy of wage controls through the National War Labor Board with the aim of controlling inflation and discouraging labor mobility. These wage controls, which differed by industry, occupation, and geographic region, specified maximum allowable raises for those earning less than a certain level (the so-called "bracket") and froze wages greater than that level. We study the persistent effects of these policies on the distribution of labor income drawing on the U.S. Censuses of Population from 1960 to 2000. We find that higher brackets were associated with relative decreases in within-occupation inequality as measured by the change from 1939 in the $\log(Q_{10}/Q_{90})$ and $\log(Q_{25}/Q_{75})$ ratios through 1970. A one standard deviation increase in the bracket is associated with a 5.7 log point increase in the $\log(Q_{10}/Q_{90})$ ratio between 1939 and 1959. In an unconditional quantile specification, we find that a 10% increase in the mean level of the brackets is associated with a 2% higher 10th percentile and a lower 90th percentile of the labor income distribution. These results provide evidence that lower mid-century inequality was indeed partially a long-lasting effect of World War II.

Webinar topic:
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Date and time:
Wednesday, Nov 30, 2022 1:00 pm - 2:00 pm ET

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