



## Gasoline Prices Wipe Out More Than Year of Wage Gains

BY JUSTIN LAHART

Surging gasoline prices have erased more than a year of Americans' wage gains.

The hole got deeper in May, when consumer prices rose 4.2% from a year ago, the Labor Department reported Wednesday. That was significantly higher than the 3.4% gain in average hourly earnings registered in the May jobs report.

That inflation-adjusted gap—average-hourly earnings falling 0.7% below their year-earlier level—is the biggest since February 2023.

May marked the second month in a row that inflation topped year-over-year growth in earnings, hurt mainly by a surge in prices at fuel pumps after the U.S. and Israel launched attacks on Iran at the end of February. Another factor: Wage growth has been trending lower, making it harder for workers to keep up with higher prices.

The mismatch has knocked Americans' inflation-adjusted earnings back to where they were in January 2025, when President Trump returned to the White House. During the course of President Joe Biden's four years in office, when prices surged, inflation-adjusted earnings fell 1.4%.

"The administration will continue pushing our affordability agenda to enable Americans to keep more of their hardearned money," White House spokesman Kush Desai said.

Seeing inflation eat into wage increases is one reason consumer sentiment is hovering around near-record lows, despite relatively low unemployment and a hot stock market.

American wallets have been getting something of a reprieve this month.

Regular gasoline averaged \$4.15 a gallon on Wednesday, according to AAA, below its May average of \$4.49.

That was still significantly higher than its year-earlier average of \$3.12, however, meaning inflation-adjusted earnings in June might still be below their year-ago levels.

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