

Labor Participation Report for Dec 10, 2024

The labor force participation rate is a measure of an economy's active workforce. The formula for the number is the sum of all workers (possibly meeting a given criteria) who are employed or actively seeking employment divided by the total noninstitutionalized, civilian working-age population (meeting the same criteria). The economy has recently seen large spikes in unemployment, and huge decreases in labor force participation, tied to the economic slowdown; most troubling is the unwillingness for prospective workers to seek new employment. Quantitatively, we have seen that areas with a greater percentage of the population that are fully vaccinated are experiencing lower rates of rates of labor force participation, higher unemployment, and smaller real GDP growth rates. This phenomena is likely due to the population of these areas being more aware of COVID (or more cautious about exposure to COVID) and, therefore, are more likely to vaccinate but less likely engage in the market.

Ultimately, labor force participation is the stumbling block to market restoration. Producers are being challenged with staffing their enterprises with skilled labor based on several competing forces: (a) prospective employees are worried about contracting the COVID virus, as well as the short- and long-term effects that the COVID vaccines may have on them; (b) American households have saved substantially over the past 12 months, diminishing the sense of urgency to return to work; (c) prospective employees may be challenged with the care of children, the elderly, and ill; and (d) prospective employees are monitoring the competitive landscape and waiting to find the opportunity that will net them the greatest wage given their skills (with options including the dwindling subsidized unemployment benefits). Employers, as a result, are having to not only ensure the safety of the enterprise for their employees, but are also having to increase wages in order to overcome employees' care issues and/or competitive offers.

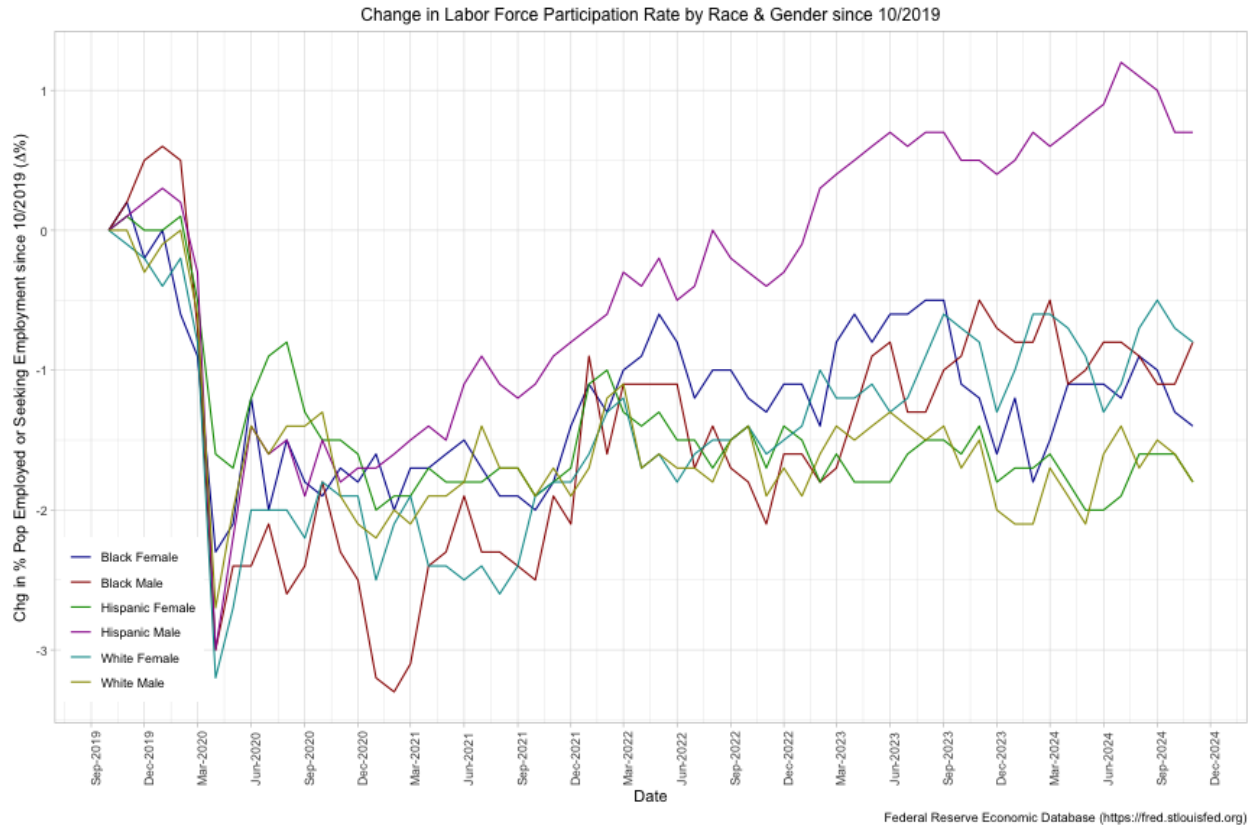
US Labor Force Participation Rate

US Labor Force

US Labor Force Participation Rate by Gender

US Labor Force Participation Rate by Race & Gender

Change in Labor Force Participation Rate by Race & Gender



US Labor Force Participation Rate by Age & Education

Change in Labor Force Participation Rate by Age & Education

