

Macro Roundup Article

Headline: [Pandemic Labor Force Participation and Net Worth Fluctuations](#)

Article Link: <https://research.stlouisfed.org/wp/more/2023-010>

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Summary: The U.S. labor force participation rate (LFPR) experienced a record drop during the early pandemic. While it has since recovered to 62.2% as of December 2022, it was still 1.41 pp below its pre-pandemic peak. This gap is explained mostly by a permanent decline in the LFPR for workers older than 55. Table 2 shows that between 45% and 82% of the 2.2 million excess retirements can be explained by wealth effects for those aged 55-70 or 55 and older. For the entire 2019-2022 period, between 20% and 36% of the 3.3 million excess retirements can be explained by wealth effects.

Related Articles: Retirements, Net Worth, and the Fall and Rise of Labor Force Participation

Primary Topic: Business Cycle

Topics: Business Cycle, Financial Markets, GDP, Government/NGO, Unemployment/Participation, Weekly, Workforce

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