

Macro Roundup Article

Headline: [What Explains the Great Resignation?](#)

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Tweet: The pandemic-era rise in quit rates was strongest among female, nonwhite, non-college-educated workers aged < 35, many of whom left the workforce, facilitated by increases in wealth from stimulus checks. @philadelphiafed

Summary: Higher quit rates were observed for all industries and demographic groups, but the rise in quits was particularly sharp for younger, female, nonwhite, and non-college-educated workers. Many of these workers transitioned directly to another employer, but a majority left the workforce altogether. This suggests that changes in both the supply of labor (as illustrated by the wealth narrative) and the demand (as illustrated by the fast-growth narrative) contributed to the rise in quits. Over the course of 2021 and into 2022, wage inflation accelerated. It's probably not a coincidence that this overlaps with the Great Resignation. The rise in quits was fueled by both stronger labor demand and weaker labor supply—a combination that should put upward pressure on wages. The acceleration in wage inflation appears to have in turn fed into higher price inflation.

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Primary Topic: Unemployment/Participation

Topics: Database, Op-Ed/Blog Post, Unemployment/Participation, Workforce

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