

Macro Roundup Article

Headline: [Retirements and Short Work Weeks Explain America's Labour Shortage](#)

Article Link: <https://www.economist.com/graphic-detail/2023/01/24/retirements-and-short-work-weeks-explain-americas-labour-shortage>

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Tweet: The aging of the American population has left the US short 1.9M workers relative to 2019. A decline in labor force participation of older workers is responsible for a drop of another 500,000 workers. @gelliottmorris @S_Rabinovitch

Summary: The labor-force participation (LFP) rate of prime-age workers (aged 25-54) and the foreign-born workforce have almost fully recovered. Neither explains the current squeeze. The biggest shortfall comes from Americans getting older and leaving work behind. Since 2019 those aged at least 65 have gone from less than 16% of the population to nearly 17%. Moreover, unlike prime-age workers, many people who retired early as covid-19 struck have not come back to work. LFP among older Americans, which rose from 12.5% in 2000 to 20.7% in early 2020, has dipped to 19.3%, the same as in 2016. The aging of the population accounts for the loss of 1.9m workers (0.7% of people aged at least 16), while the overall drop in LFP, mainly among the old, is responsible for a further 0.5m (0.2%).

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Primary Topic: Unemployment/Participation

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