Macro Roundup Artcile

Headline: Another 'Great Retirement' Wave Hits the US After Stocks Rally

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Tweet: Retirements are rising again in line with American equity markets. According to @mfariacastro, the US has seen 2.7mm "excess" retirements.

Summary: Economists long expected the share of retirees in the population to soar as baby boomers aged. Covid-19 then caused the number to spike well beyond expectations, a surge dubbed the "Great Retirement Boom." But just as they seemed to be coming back down, the numbers surged again in recent months, reaching a post-pandemic record in December. The US now has around 2.7 million more retirees than predicted in a model designed by Miguel Faria-e-Castro, an economist at the Federal Reserve Bank of St. Louis. Financial market performance looks to have played a role. The gap in the model appeared to be closing earlier last year following a 19% drop in the S&P 500 in 2022. But in 2023 the index rebounded, jumping 24%, with most of the gain coming in the fourth quarter. On top of that housing across the vast majority of US metro areas continued to rise last quarter, bolstering the wealth of older Americans. Related: Excess Retirements Continue Despite Ebbing COVID-19 Pandemic and Pandemic Labor Force Participation and Net Worth Fluctuations and Retirements, Net Worth, and the Fall and Rise of Labor Force Participation

Primary Topic: Unemployment/Participation

Topics: News article, Unemployment/Participation, Wages/Income, Workforce

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