

Macro Roundup Article

Headline: [The Labor Supply Rebound from the Pandemic](#)

Article Link: <https://www.whitehouse.gov/cea/written-materials/2023/04/17/the-labor-supply-rebound-from-the-pandemic/>

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Tweet: [@WhiteHouseCEA](#) argues that the 0.7% decline in labor force participation since February 2020 is a function of population aging, not Covid. Prime age LFP is above pre-pandemic levels, and overall LFP is back at its pre-pandemic forecast.

Summary: The prime-age labor force participation rate, which had taken more than a decade to recover to pre-Great Recession levels, has now returned to those very high levels. Throughout the economic recovery from the pandemic, there was much speculation about the “missing workers” who had not yet returned to the labor market. Numerous theories were offered to explain this apparent shortfall of workers. Analysts speculated that an epidemic of long Covid was keeping workers on the sidelines, that individuals were sitting out the labor market due to excess savings built up during the pandemic, that a “Great Resignation” was occurring as workers reassessed work/life balance or that the country had experienced a collective loss of work ethic. Yet despite the enormous disruptions of the pandemic, these “missing workers” are now largely back in the labor market.

Primary Topic: Unemployment/Participation

Topics: Business Cycle, GDP, Op-Ed/Blog Post, Unemployment/Participation, Workforce

Permalink: <https://www.edwardconard.com/macro-roundup/whitehousecea-argues-that-the-0-7-decline-in-labor-force-participation-since-february-2020-is-a-function-of-population-aging-not-covid-prime-age-lfp-is-above-pre-pandemic-levels-and-overall-lfp-i?view=detail>

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