Macro Roundup Artcile

Headline: Fed Action Could Have Prevented SVB's Collapse

Article Link: https://www.wsj.com/articles/fed-action-could-have-prevented-the-run-on-svb-lender-last-resort-fdic-systemic-risk-guarantee-deposit-e84ba1f1

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Tweet: .@HalScott_HLS argues the Federal Reserve failed to stem the on SVB by not serving as the lender of last resort early on, using its authority under Section 10B of the Federal Reserve Act via the discount window. #Federal Reserve #SVB

Summary: In February, the labor-force participation rate for Americans ages 25 to 54 hit 83.1%, surpassing its pre-pandemic, pre-recession peak — which never happened during the past two economic expansions. The 25-to-54 age group is the core of the labor force, often referred to as "prime age." But there are 58 million working Americans outside of it, 21 million younger and 37 million older. Teenagers are now substantially more likely to be in the labor force than before the pandemic, so they're not the issue. But participation rates for those ages 20 to 24 and above 55 are still well short of where they were in February 2020. The decline among young adults is a different story. As the second chart above makes clear, it's not just the 20-to-24 group that's affected, with those in their late 20s seeing even bigger declines in participation and employment. There haven't been big shifts in the age distribution within either group, so composition effects aren't to blame. It's simply more than 400,000 Americans in their 20s missing from the labor force, people who should be at the beginning of long careers, not fading into the sunset.

Primary Topic: Banking

Topics: Banking, Op-Ed/Blog Post, Quote

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