

Macro Roundup Article

Headline: [Why Is the Labor Market so Tight?](#)

Article Link: <https://apolloacademy.com/why-is-the-labor-market-so-tight/>

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Tweet: Native-born employment is 6mm jobs under the pre-pandemic trend while foreign-born employment is back at trend. Netting out 1mm Covid deaths Torsten Sløk @apolloglobal finds 5mm native-born workers are "missing."

Summary: Foreign-born employment in the US is back at the pre-pandemic trend, and native-born employment is still 6 million jobs below the pre-pandemic trend. In other words, the post-Covid normalization in the labor force participation rate has mainly been driven by immigration. At the same time, the number of retired individuals has remained on trend. The bottom line is that even taking into account that about 1 million died from Covid, there are still around 5 million native-born workers missing. These 5 million missing workers are the reason why the labor market is tight and why wage inflation is likely to remain elevated. Put differently, there is still plenty of room for job growth.

Related Articles: Immigrants & Their Kids Were 70% of U.S. Labor Force Growth Since 1995 and Growth in Working-Age Population Ends. That's Not All Bad and The Unexpected Compression: Competition at Work in the Low Wage Labor Market

Primary Topic: Immigration

Topics: Database, Immigration, Important!, Op-Ed/Blog Post, Unemployment/Participation, Weekly, Workforce

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