

## Macro Roundup Article

**Headline:** Breakeven Employment Growth

**Article Link:** <https://www.frbsf.org/research-and-insights/publications/economic-letter/2024/07/breakeven-employment-growth/>

Author(s)	Nicolas Petrosky-Nadeau and Stephanie Stewart
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**Tweet:** Despite the recent surge in immigration and rising labor force participation rates, @Petrosky\_Nadeau at @sffed projects that the US breakeven long-run employment growth rate will remain in its historical range of 70-90,000 jobs/month.

**Summary:** In the short-run, recent surges in immigration and labor force participation have caused the current breakeven employment growth rate to rise as high as 230,000 jobs/month. Our baseline calculations assume a long-run unemployment rate of 3.8%. Short-run breakeven employment growth is estimated to be higher than long-run growth under each scenario, as shown in Figure 3. Under the baseline scenario, short-run breakeven employment growth is estimated to be around 140,000 jobs/month in the first quarter of '24 (dark blue line). It is significantly higher at 230,000 jobs/month under the CBO high immigration scenario (red line), reflecting the recent surge in immigration. Under the baseline projections, short-run breakeven growth will converge on the long-run rate (gray line) by the end of '25. However, this return to the long-run trend stretches further out to '27 for the CBO high immigration scenario. Long-run breakeven employment growth is estimated to range between 70,000 and 90,000 jobs/month in '24

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**Primary Topic:** Unemployment/Participation

**Topics:** Immigration, Op-Ed/Blog Post, Unemployment/Participation, Workforce

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