

Chart of the Day

Key Drivers of Labor Market Shortages

Expansive unemployment benefits
(expired September 6)

COVID related fears

COVID related visa / travel restrictions

Child & elderly care challenges

Elevated consumer savings rate
(household savings +21% from Feb 2020)

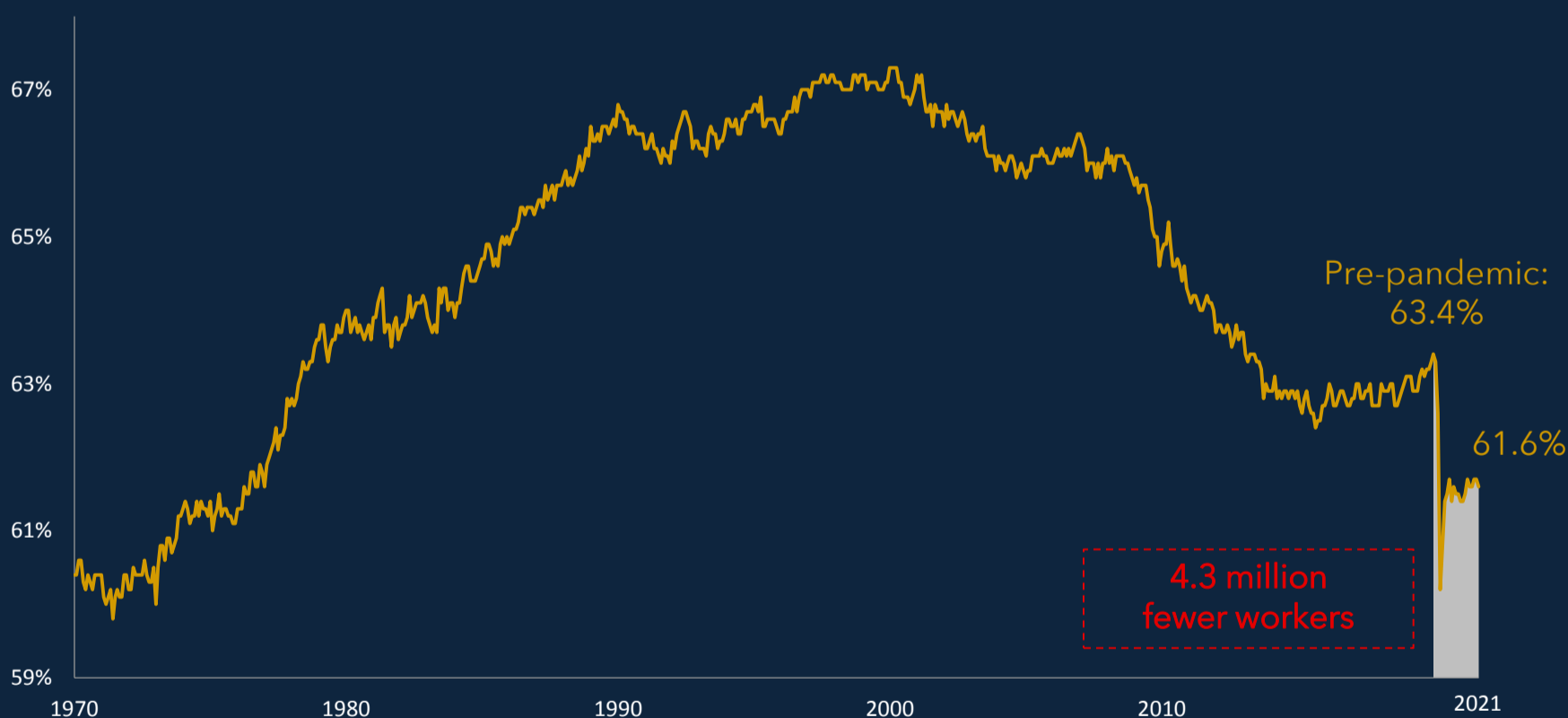
High workforce exit rates
(baby boomers, women)

“Mismatches” between job needs and skillsets

Impact of supply chain disruptions

At the start of the pandemic, the US labor force participation rate had its largest decline since WWII. While the rate has recovered since April 2020, it remains near the 1970s lows and nearly two points below its February 2020 level. The participation rate decline represents 4.3 million fewer workers employed today relative to pre-pandemic levels.

Labor force participation rate



Source: (1) Bloomberg. Data as of October 19, 2021.

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