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Where are the workers? Labor Force Participation Changes 2022

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24th NM Data Users Conference

November 16, 2022

Agenda – Labor Force Participation

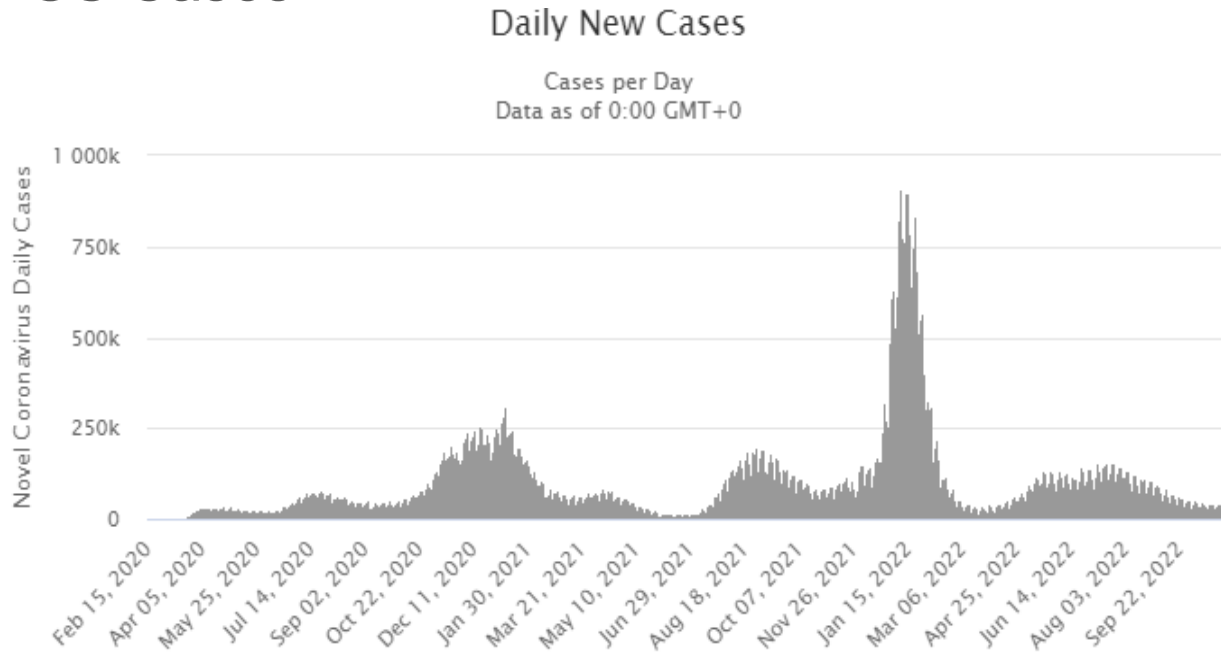
Labor Market Situation

- US & NM Employment Situation
 - Labor Force Participation
- 7 areas impacting participation rates
- Changing Work Environment
- Questions and Comments



COVID, still...

US Cases



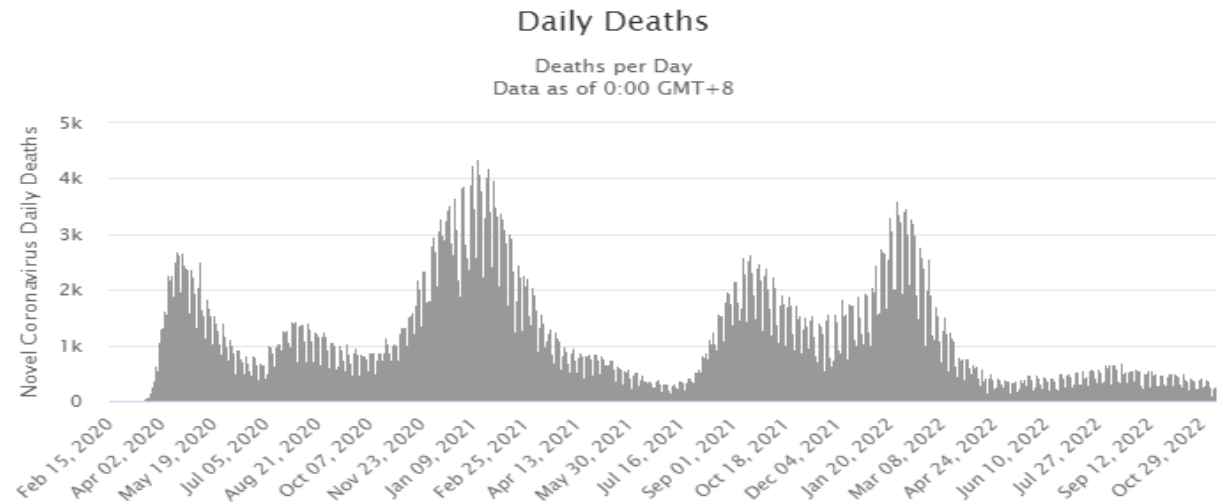
Total Cases 11/11/2022

US - 99,859,908

NM - **634,520**

Source: <https://www.worldometers.info/coronavirus/country/us/>

US Deaths



Total Deaths 11/11/2022

US - 1,099,856

NM - **8,677**

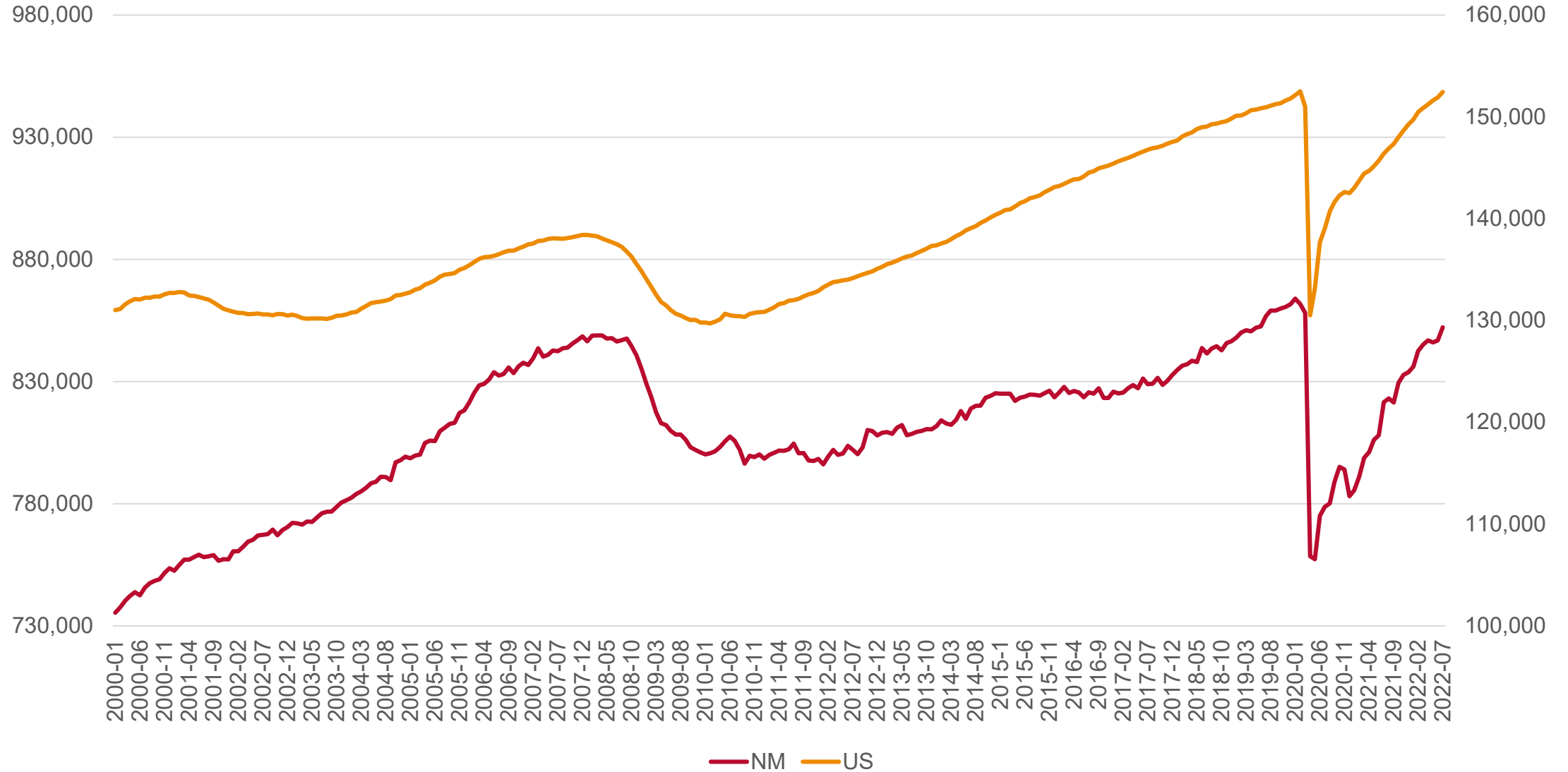


NM

NM vs. US Employment from 1990 to Present

US

In thousands

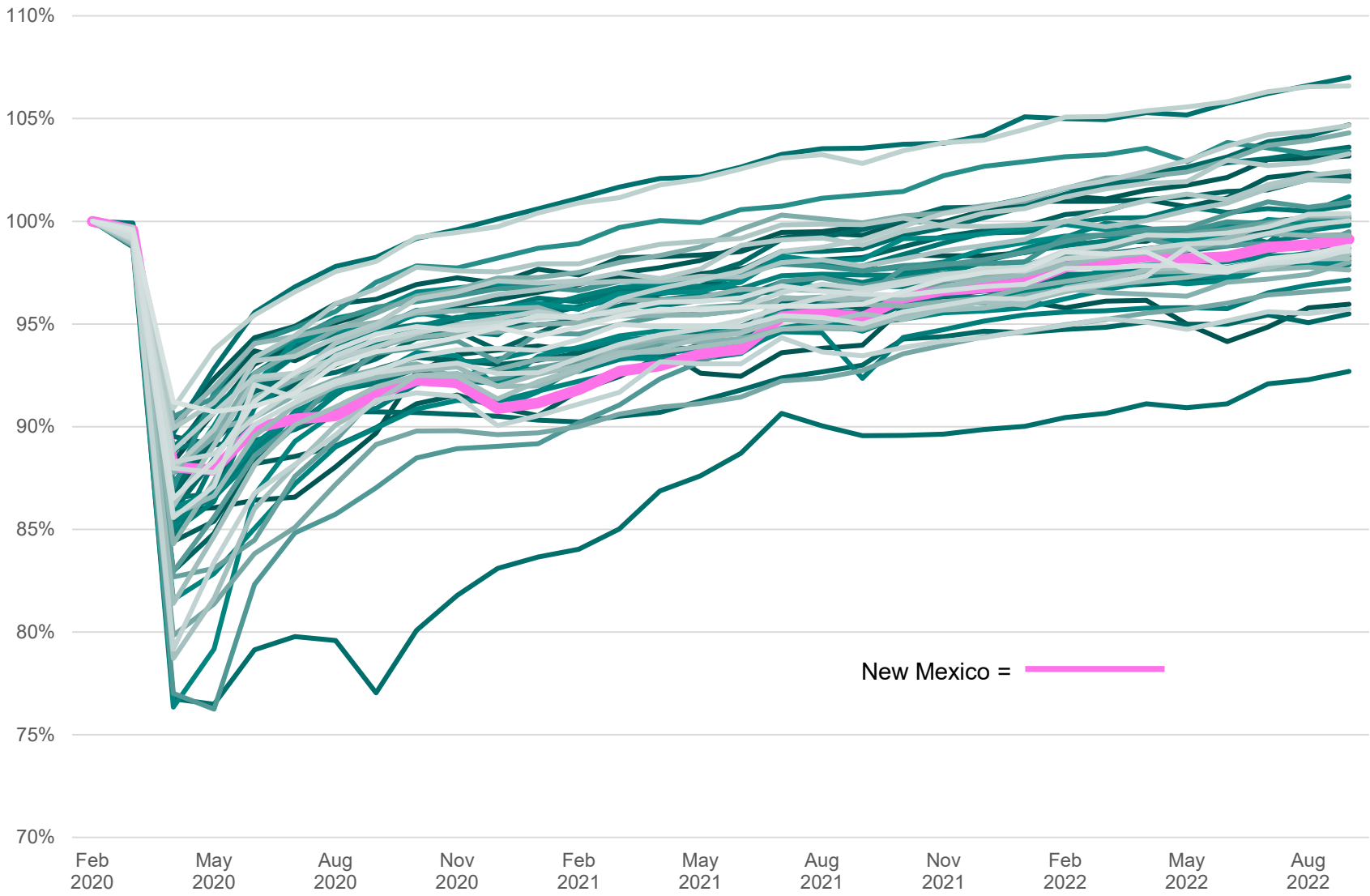


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Total Non-Farm Employment Seasonally Adjusted

Source Bureau of Labor Statistics Current Employment Statistics program

Employment by State Indexed to Respective February 2020 (=100%) Levels



Change in Employment (CES data)

- As of September 2022, NM has recovered 99.1% of the jobs it lost at the start of the pandemic.
- NM is (slowly) improving: 29 states have recovered a greater share of jobs than New Mexico.
- Other surrounding states: AZ 103%; CO 102%; OK 99.3%; NV 101%; CA 100%.

Source: BLS CES, September 2022

Concern: Labor

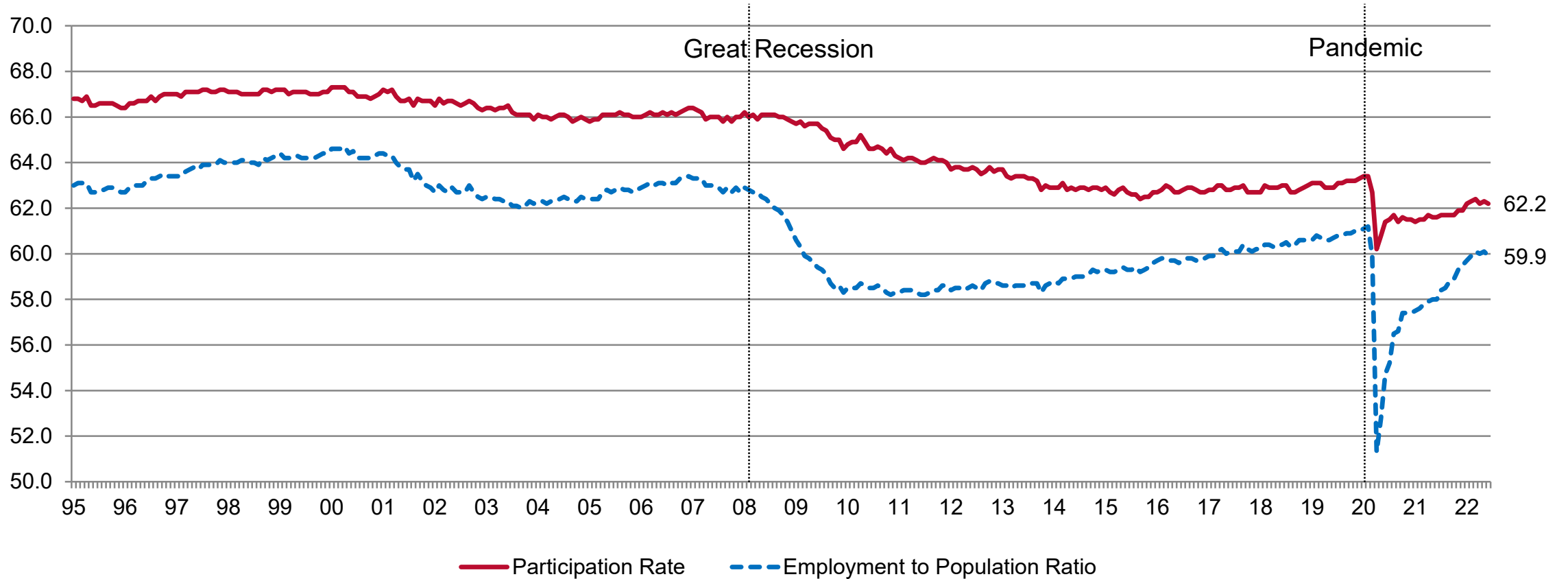


Openings & quits ticked down a tad, but recently stabilized (or moved up).

Source: BLS JOLTS, through September 2022



US Participation Rate + Employment to Population Ratio

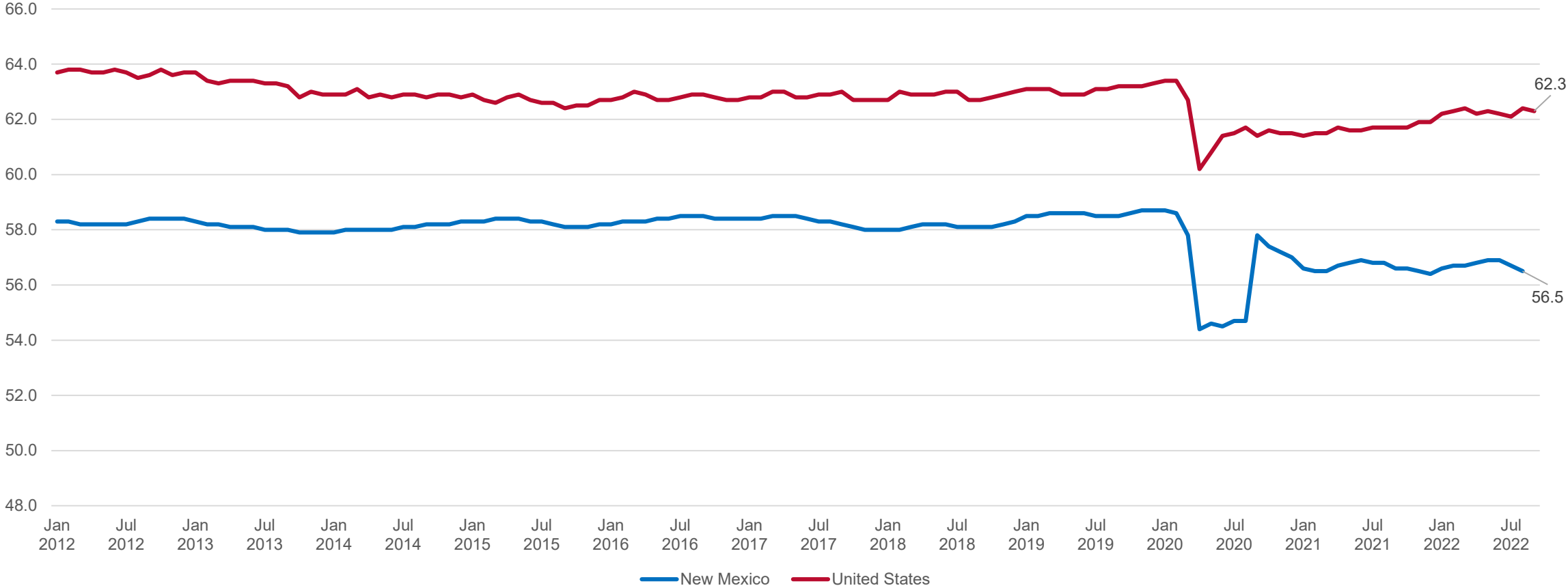


ETP ratio ticked up to 60.0% in July; Participation rate fell to 62.1 in July.

BLS, through June 2022



NM vs. US Participation Rate

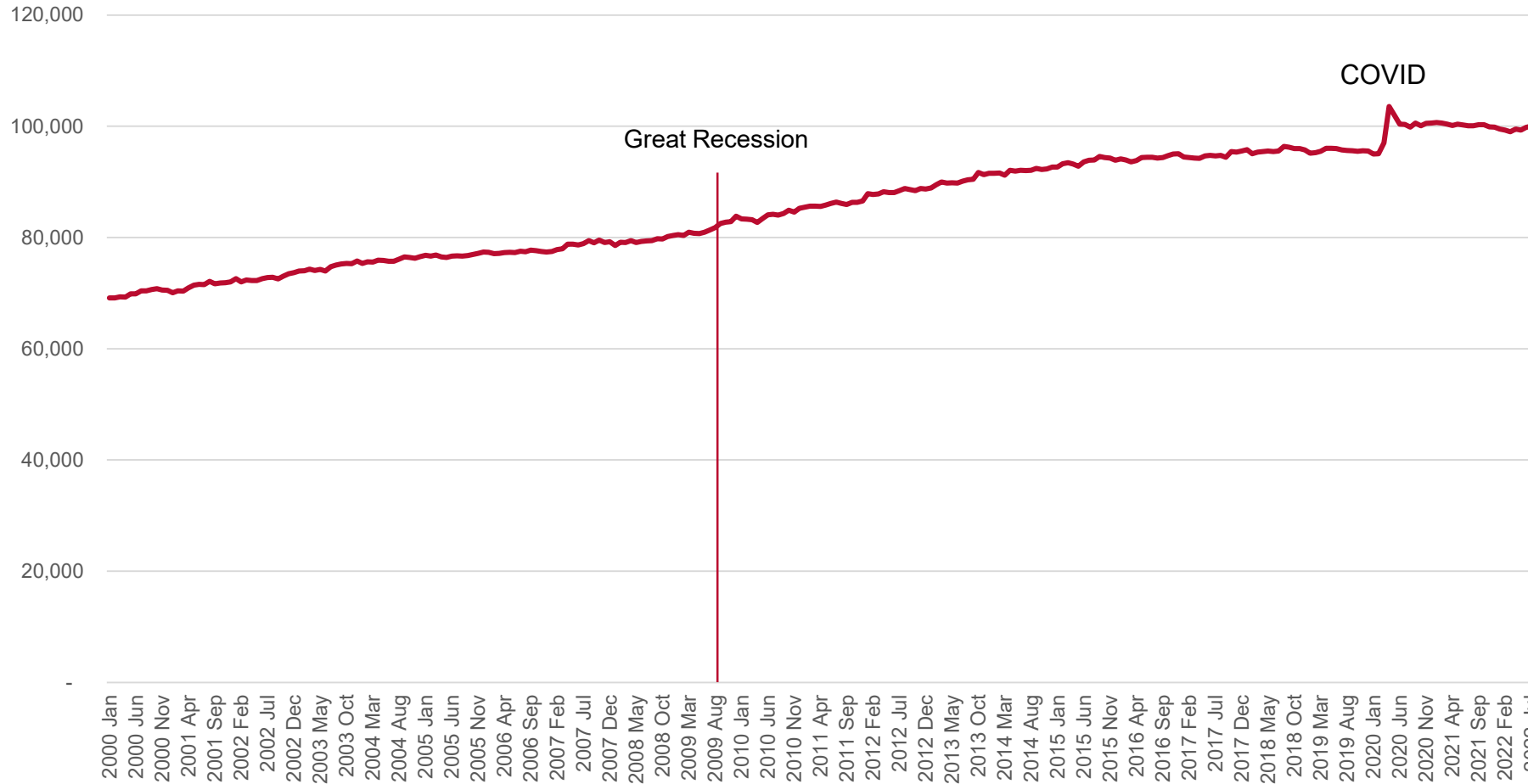


Source: BLS & NMDWS LAUS, through August 2022

US Labor Force Statistics from the Current Population Survey

In Thousands

Not in labor force



Feb 2020 to April 2020
Increase was 8.5 Million

Feb 2020 to July 2022
Up 5 Million workers
Not in the labor force
(5,006,000)

July 2020 to July 2022
Increase 307,000 workers



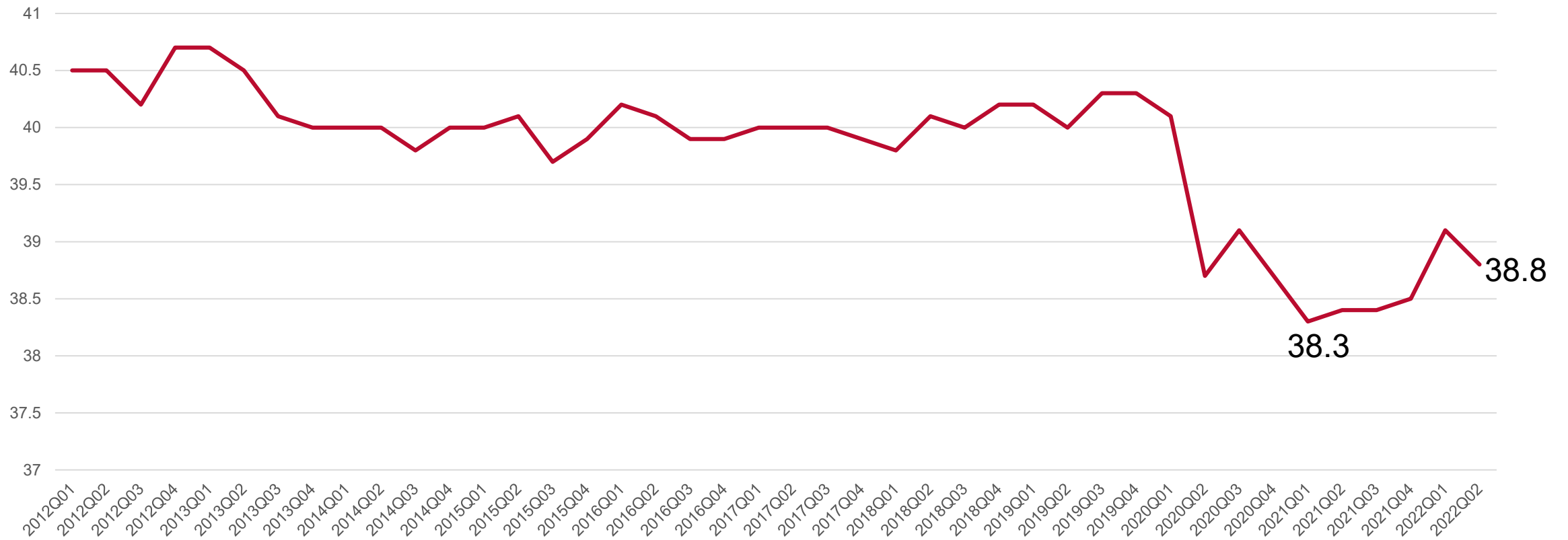
Causing the Labor Force Participation to Still be So Low?

- 1) Seniors – Retirees?
- 2) Youth – more likely to go to college
- 3) Women with children - Childcare Issues
- 4) Stimulus checks, payment deferrals and savings
- 5) Reduction of immigration
- 6) Slower Population Growth
- 7) New Business Start ups



Seniors potentially retiring...

Labor Force Participation Rate - 55 yrs. & over (Unadj)



Long COVID

CDC :

COVID-19 survivors have twice the risk for developing pulmonary embolism or respiratory conditions; one in five COVID-19 survivors aged 18–64 years and one in four survivors aged ≥ 65 years experienced at least one incident condition that might be attributable to previous COVID-19.

<https://www.cdc.gov/mmwr/volumes/71/wr/mm7121e1.htm>

The infographic features a central human silhouette with lines connecting to six callout boxes. On the left side, the boxes are: 'Neurologic and mental health conditions*', 'Kidney failure', and 'Musculoskeletal conditions'. On the right side, the boxes are: 'Cardiovascular conditions', 'Respiratory conditions', and 'Blood clots and vascular issues'. The text 'Approximately 1 in 5 adults ages 18+ have a health condition that might be related to their previous COVID-19 illness, such as:' is positioned to the left of the silhouette. At the bottom, it says 'Talk to your health care provider if you have symptoms after COVID-19'. Logos for CDC and MMWR are present, along with a URL and date.

Approximately
1 in 5 adults
ages 18+ have a
health condition
that might be related to
their previous COVID-19
illness, such as:

- Neurologic and mental health conditions*
- Kidney failure
- Musculoskeletal conditions
- Cardiovascular conditions
- Respiratory conditions
- Blood clots and vascular issues

**Talk to your health care provider
if you have symptoms after COVID-19**

bit.ly/MMWR7121
MAY 24, 2022

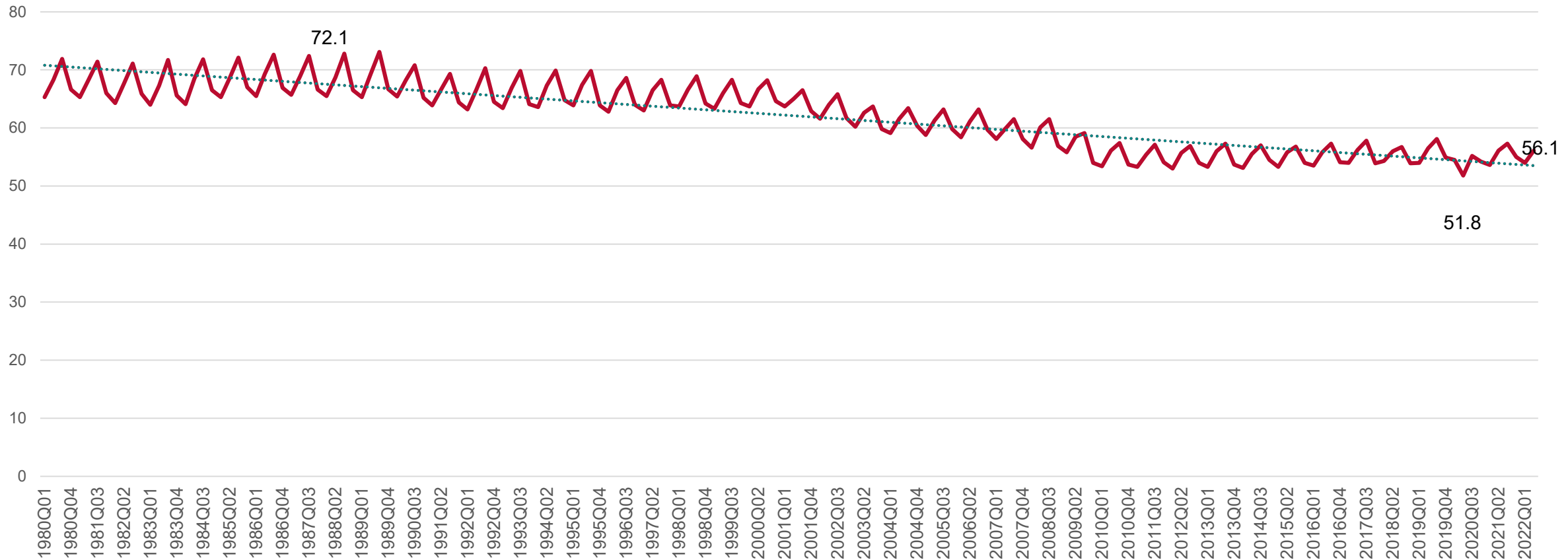
* Adults aged 65 and older at increased risk

CDC MMWR



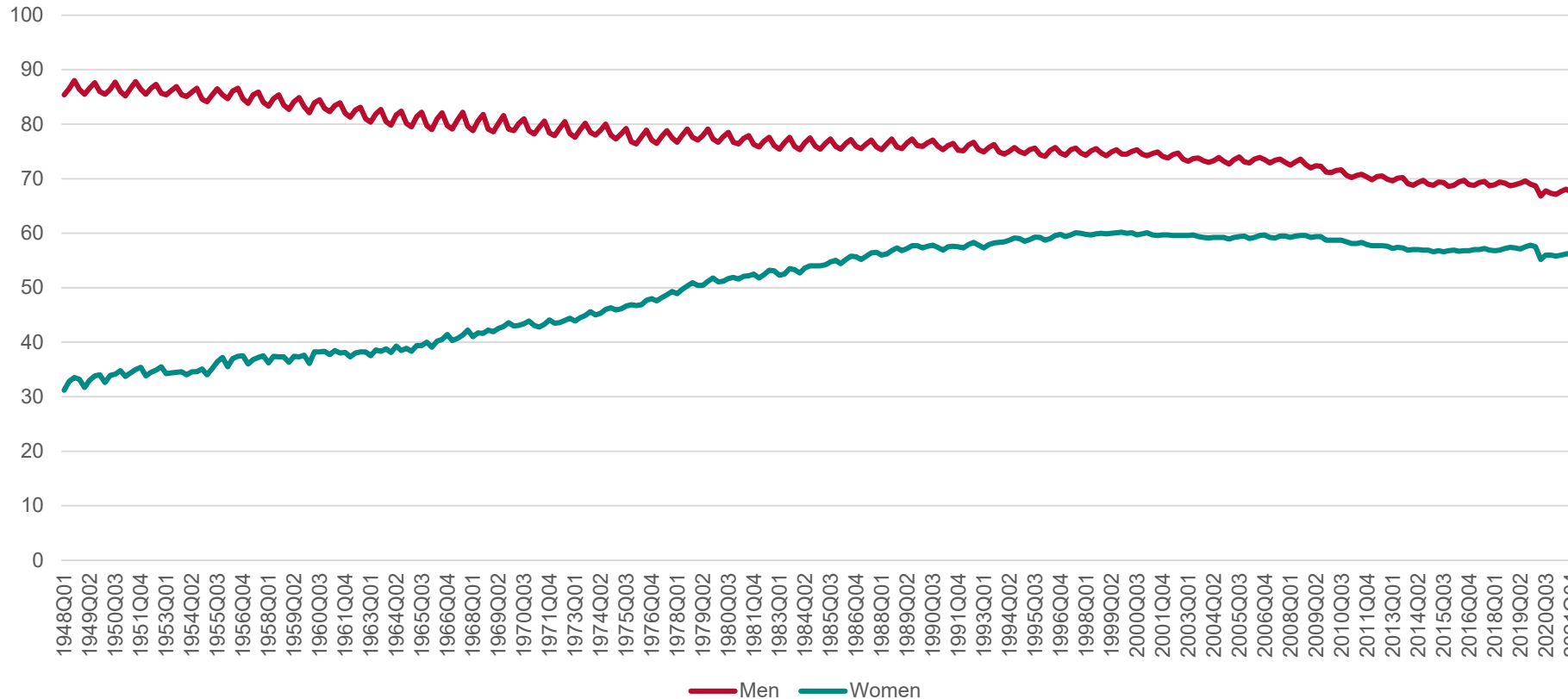
Youth haven't been participating as much!

Labor Force Participation Rate - 16-24 yrs. (Unadj)



Women's rates continue to be lower

Labor Force Participation Rate (Unadj)



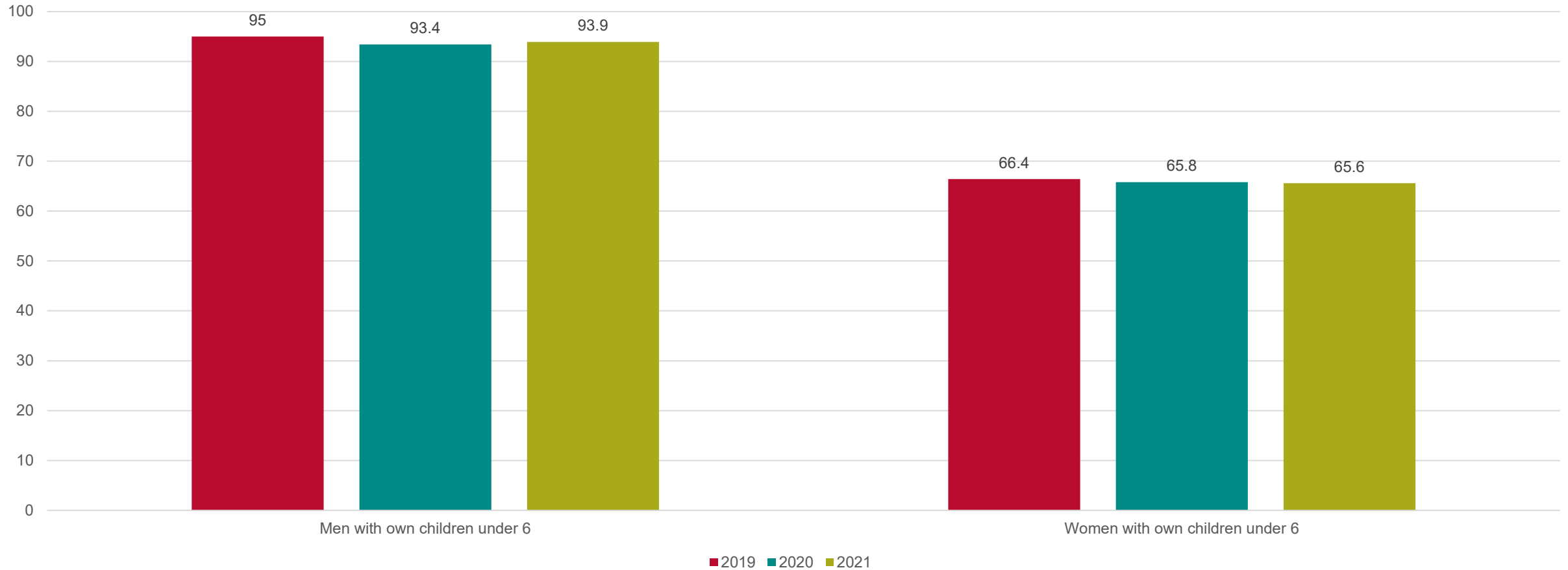
Women's participation rates rose to 60% and stayed there until the great recession.

from 2019Q2 Men's rate are still down -1.2 While Women's are down -0.3



Child Care remains a concern

Labor Force Participation Rates with young children



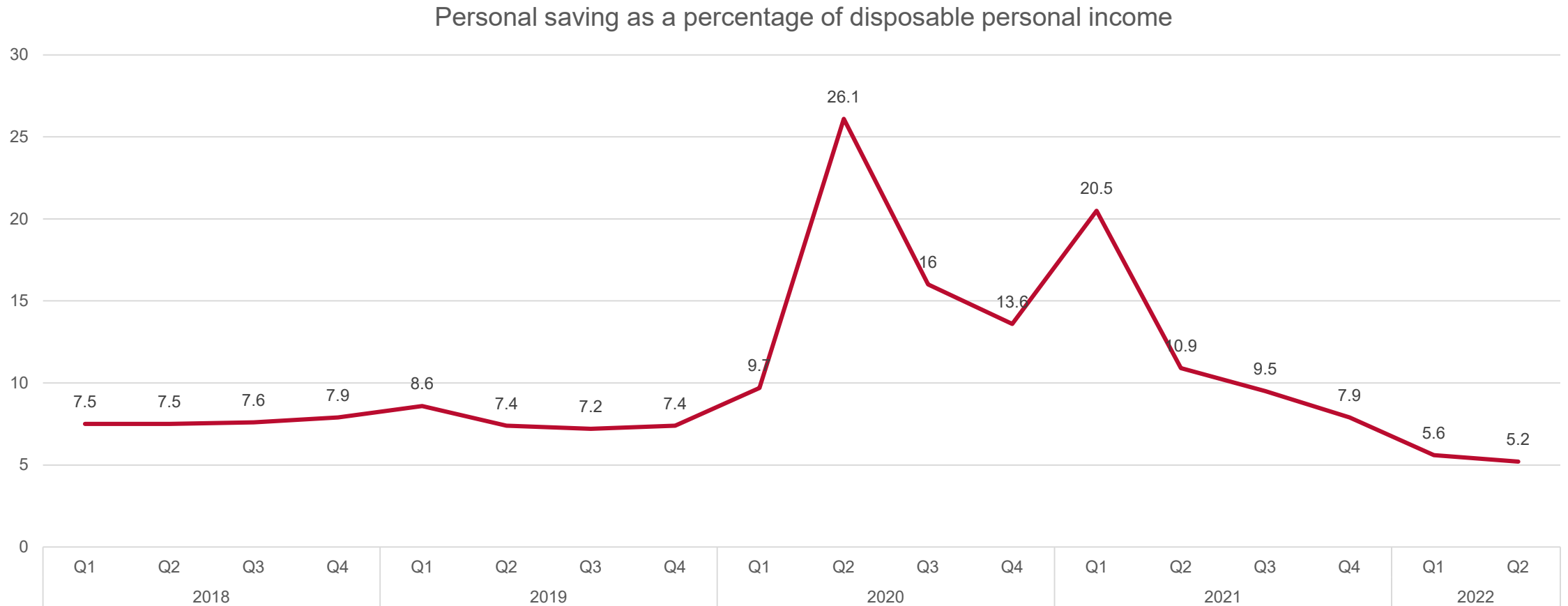
Stimulus checks and payment deferrals

- COVID assistance packages passed since 2020 transfers of close to \$2 trillion to households – or about \$16,000 per household
- Relief Funds accounted for Almost 20% of shortfall between Feb 2020 and August 2021 –Richmond Fed Study

https://www.richmondfed.org/publications/research/economic_brief/2021/eb_21-39



People Saved!

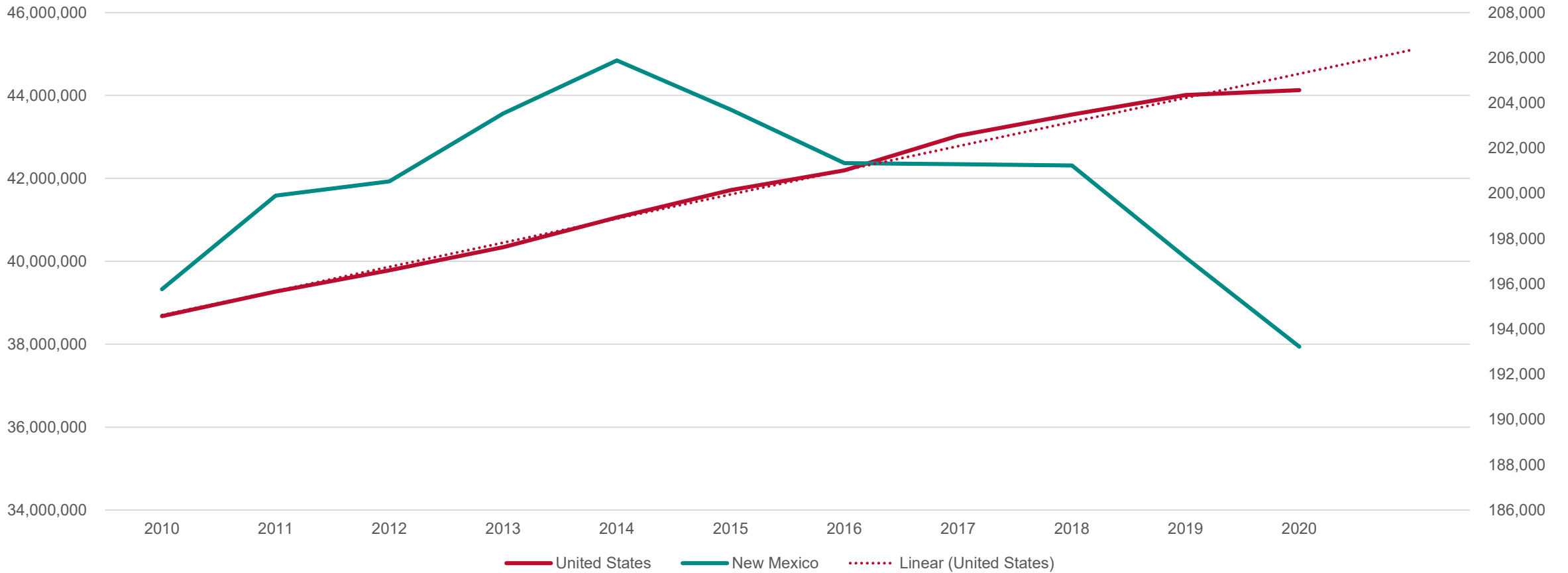


Immigration

US

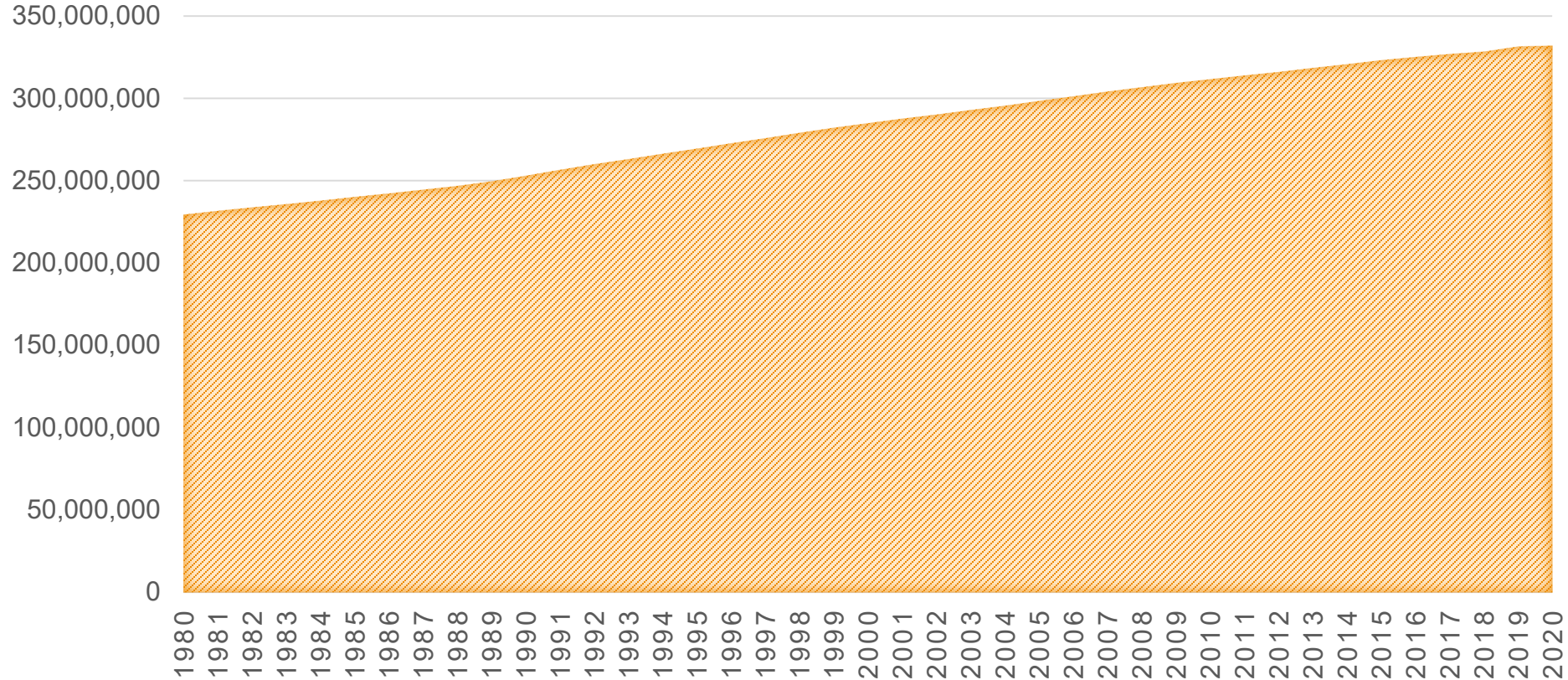
NM

Foreign Born Population Estimate



US Population

(PEOPLE)

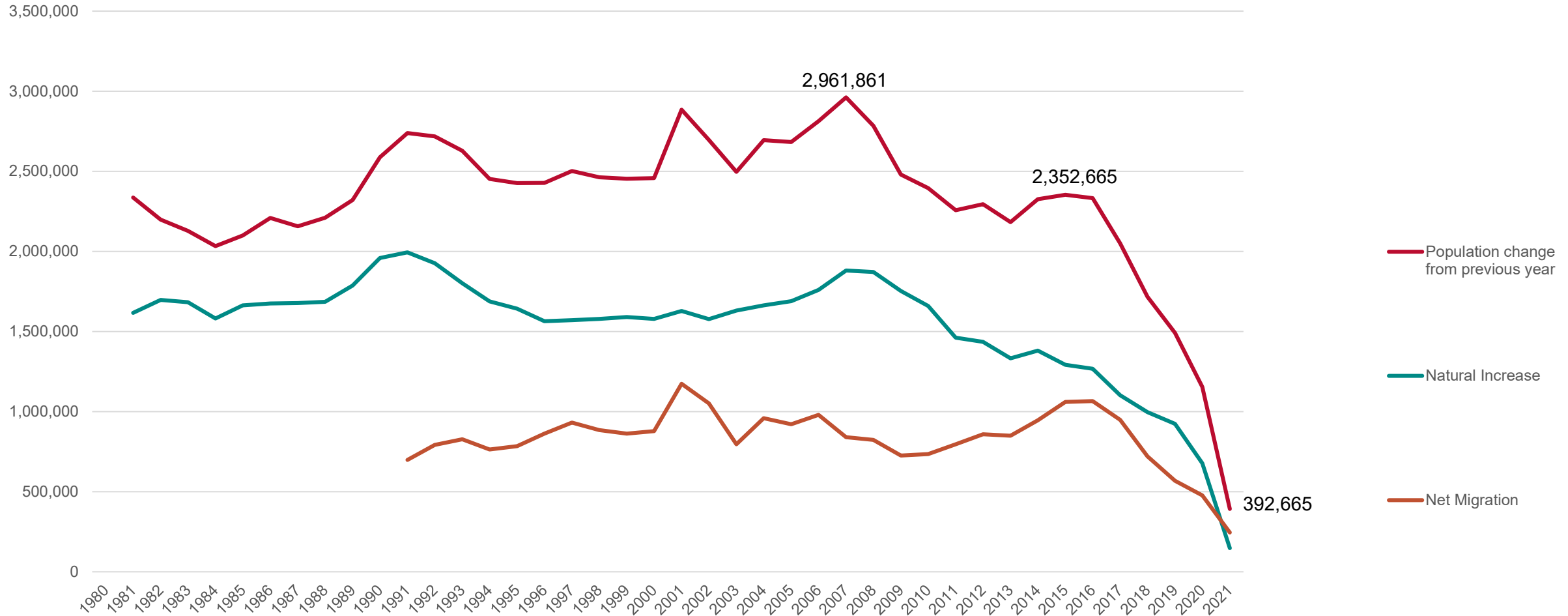


In 2021, 331.9 million people lived in the US

46.1% increase since 1980



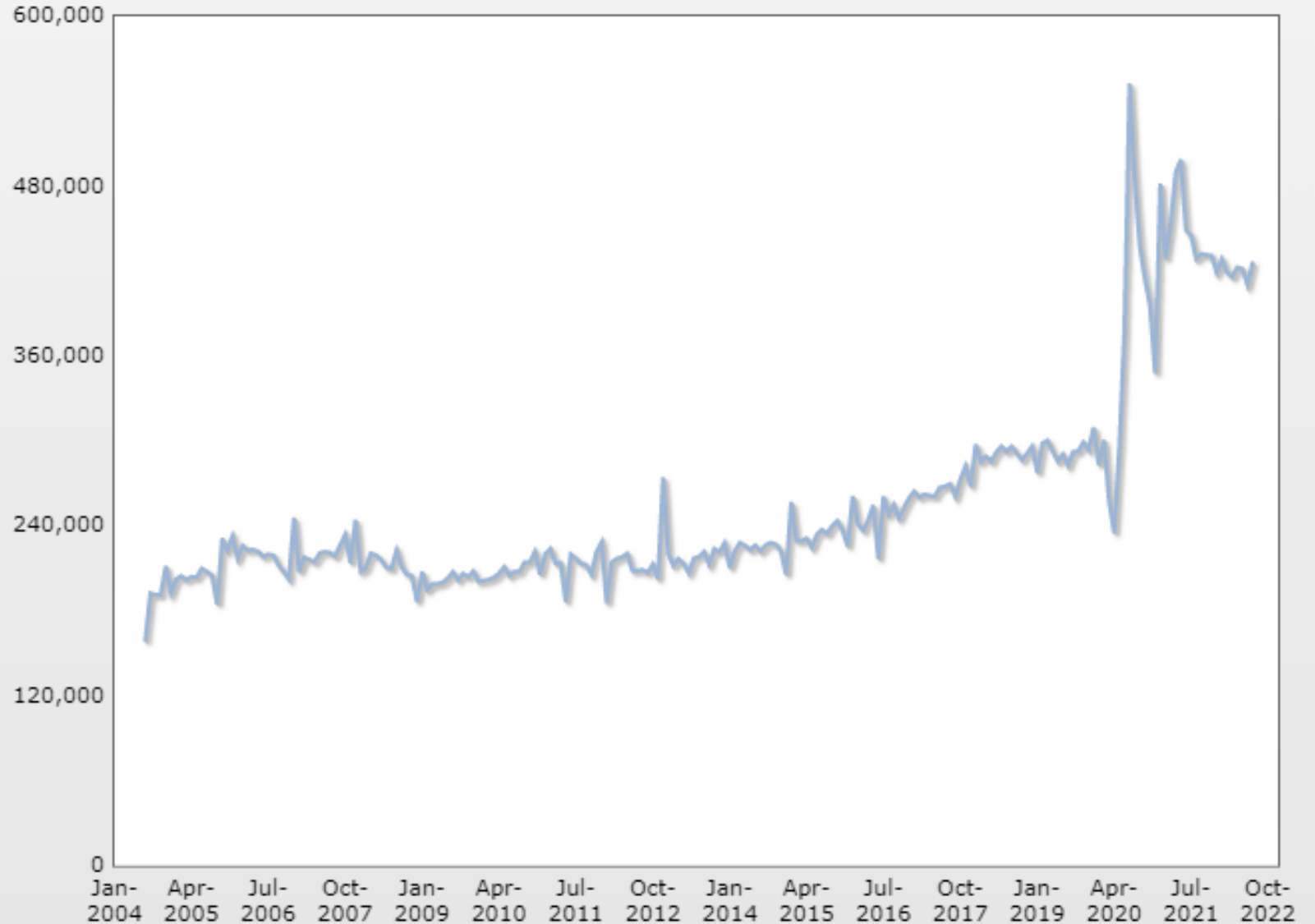
Population Growth



New Business Applications

US Census Bureau Business Formation Statistics
<https://www.census.gov/econ/bfs/index.html>

Source: Business Formation Statistics
Total for All NAICS: U.S. Total
Jan-2004 to Dec-2022

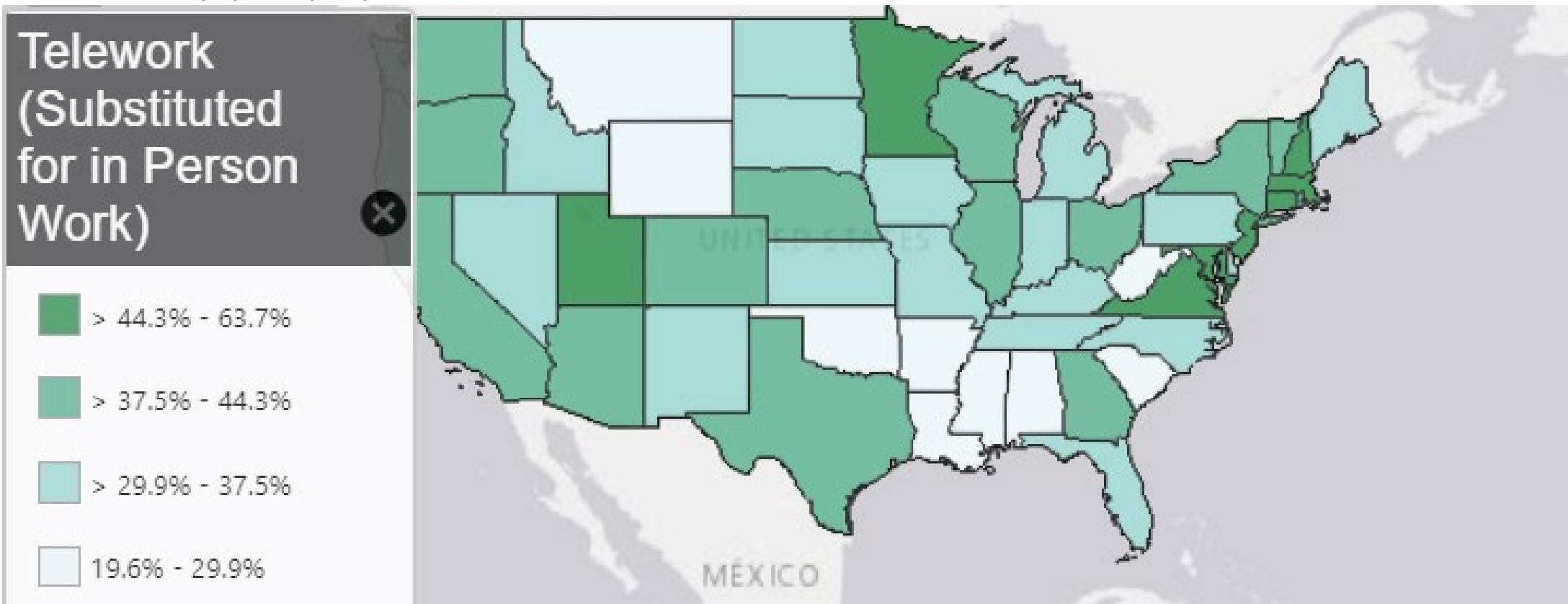


Data Extracted on: August 22, 2022 (3:31 pm) EDT

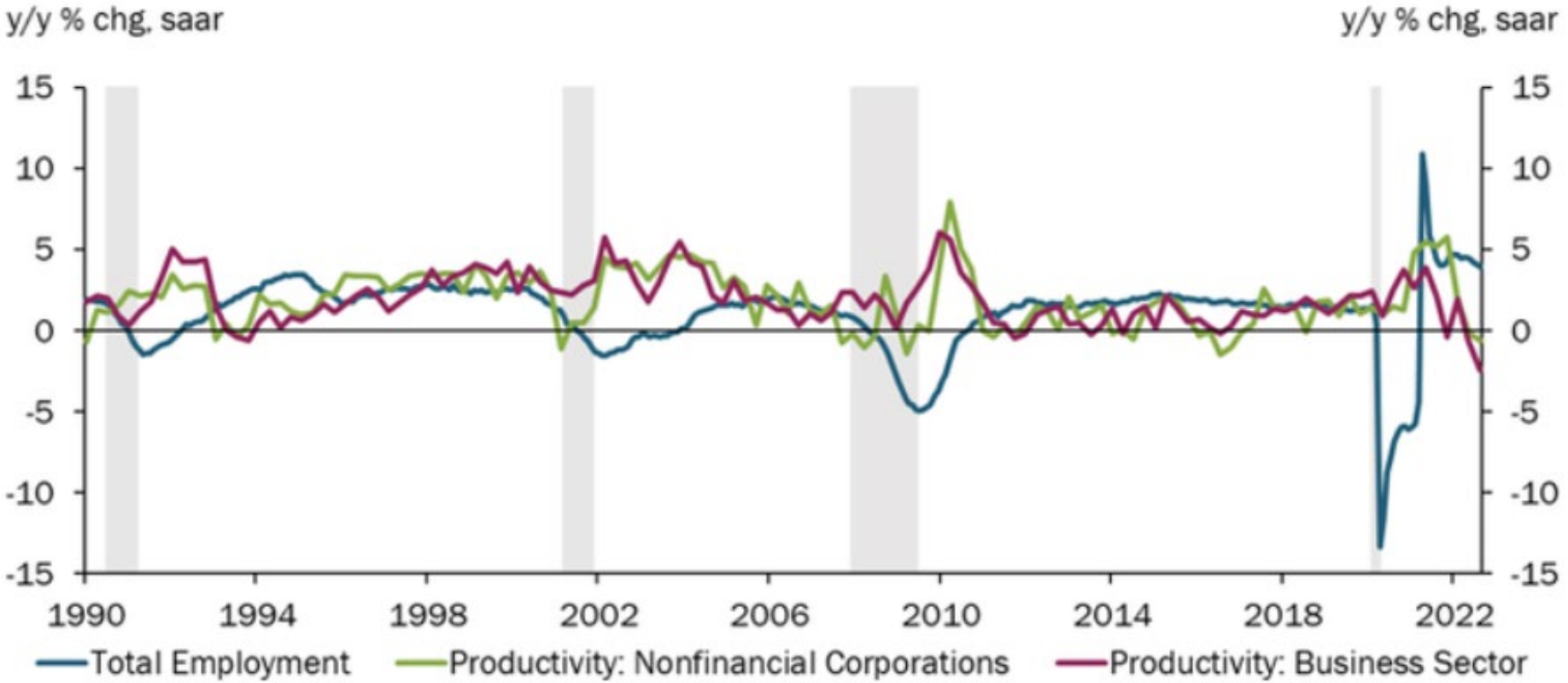
These data may be subject to nonsampling error. For more information see
<http://www.census.gov/econ/bfs/methodology.html>

Working from home

Between 2019 and 2021, the number of people primarily working from home tripled from 5.7% (roughly 9 million people) to 17.9% (27.6 million people), according to 2021 American Community Survey (ACS) 1-year estimates.



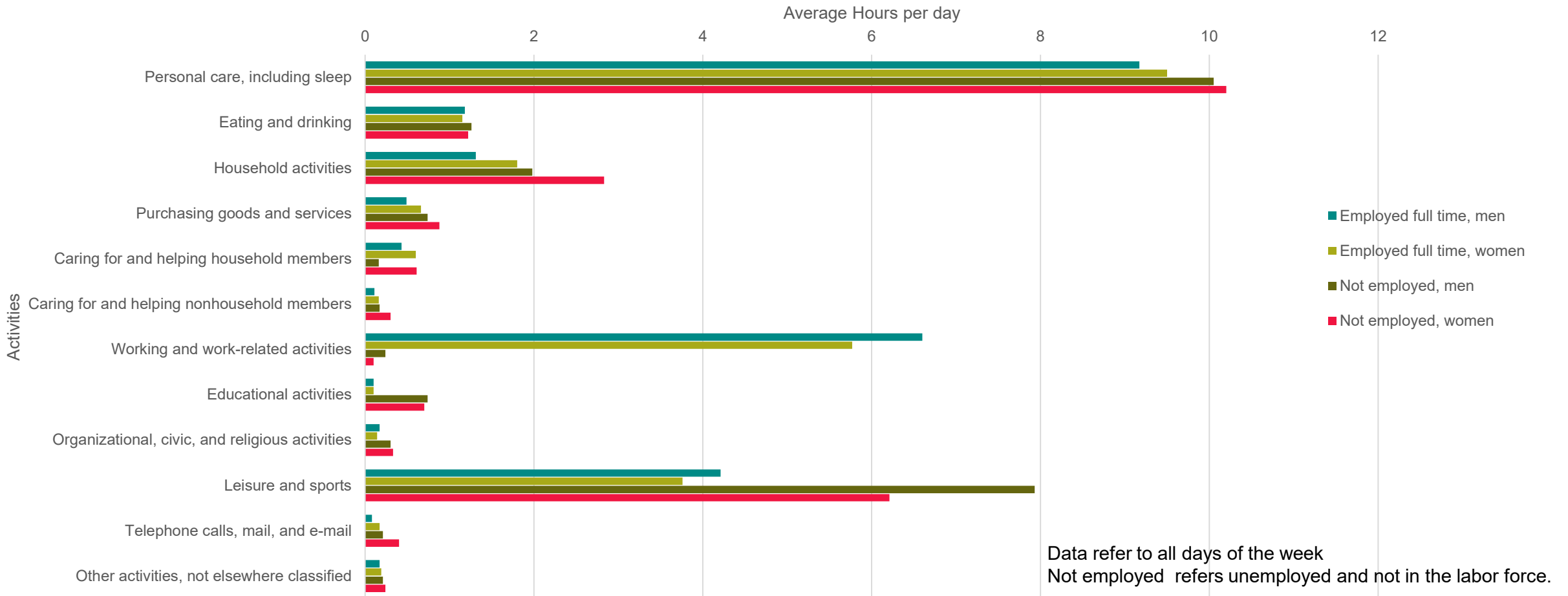
Labor Productivity Tends to be Subdued During Periods of Rapid Job Growth



Source: Bureau of Labor Statistics, Haver Analytics.

What are unemployed people doing with there time?

How we spend our time



Thank You!

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