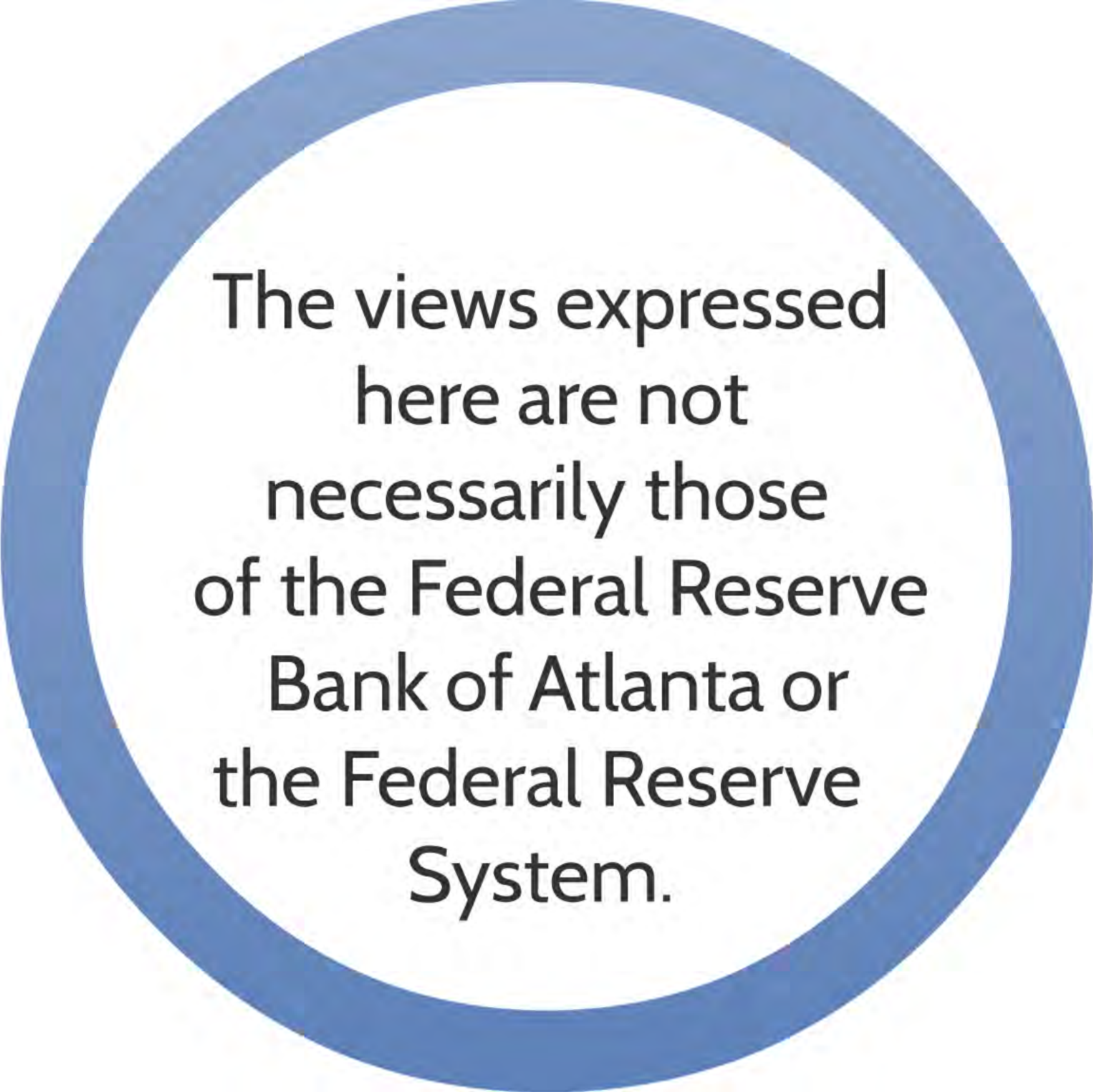


A Longer-run View of Participation



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Labor Market Slack--Assessing and Addressing in Real Time
Peterson Institute for International Economics
September 24, 2014



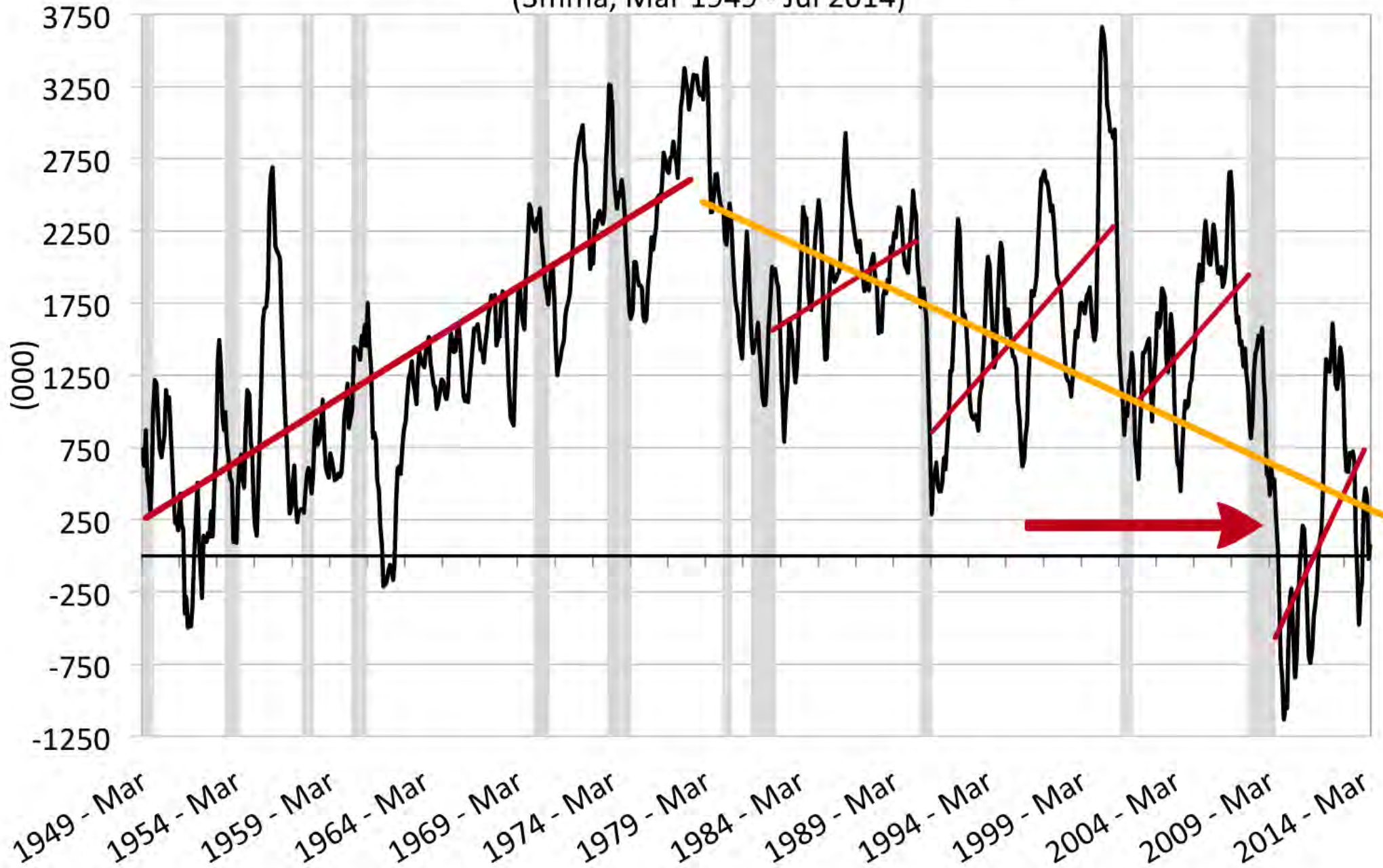
The views expressed
here are not
necessarily those
of the Federal Reserve
Bank of Atlanta or
the Federal Reserve
System.

Trends in Labor Force Growth

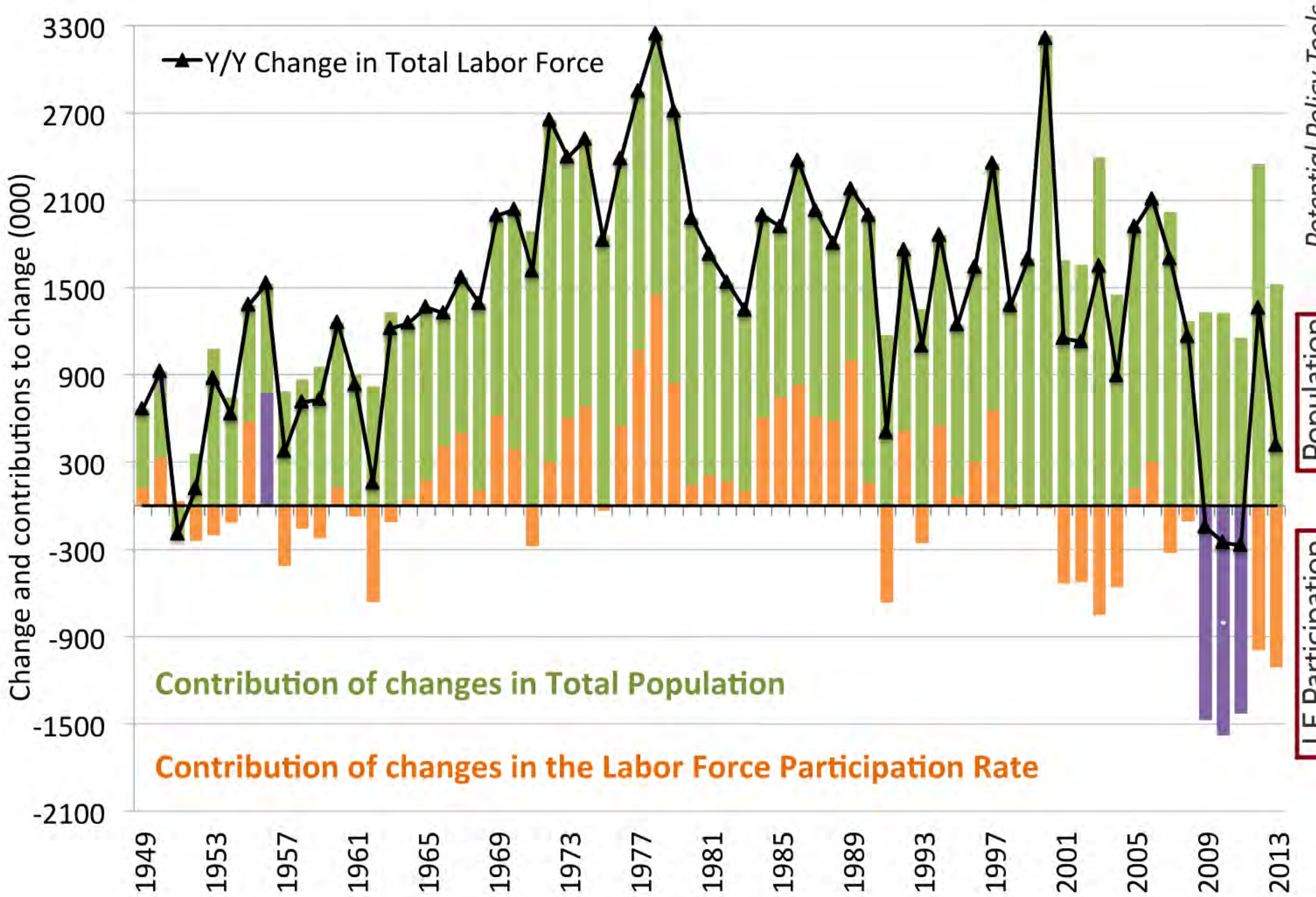


Year/year change in Total Labor Force

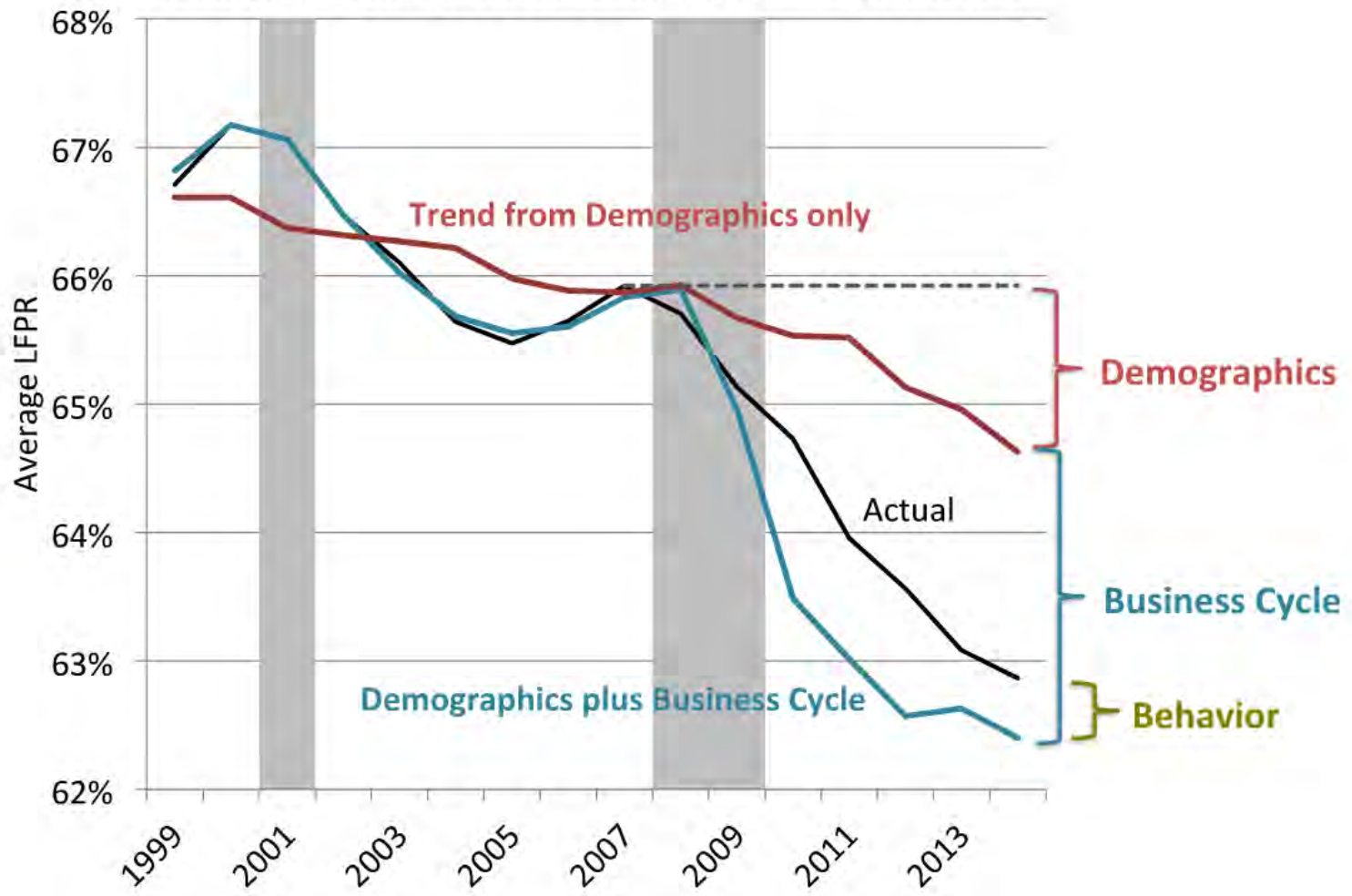
(3mma, Mar 1949 - Jul 2014)

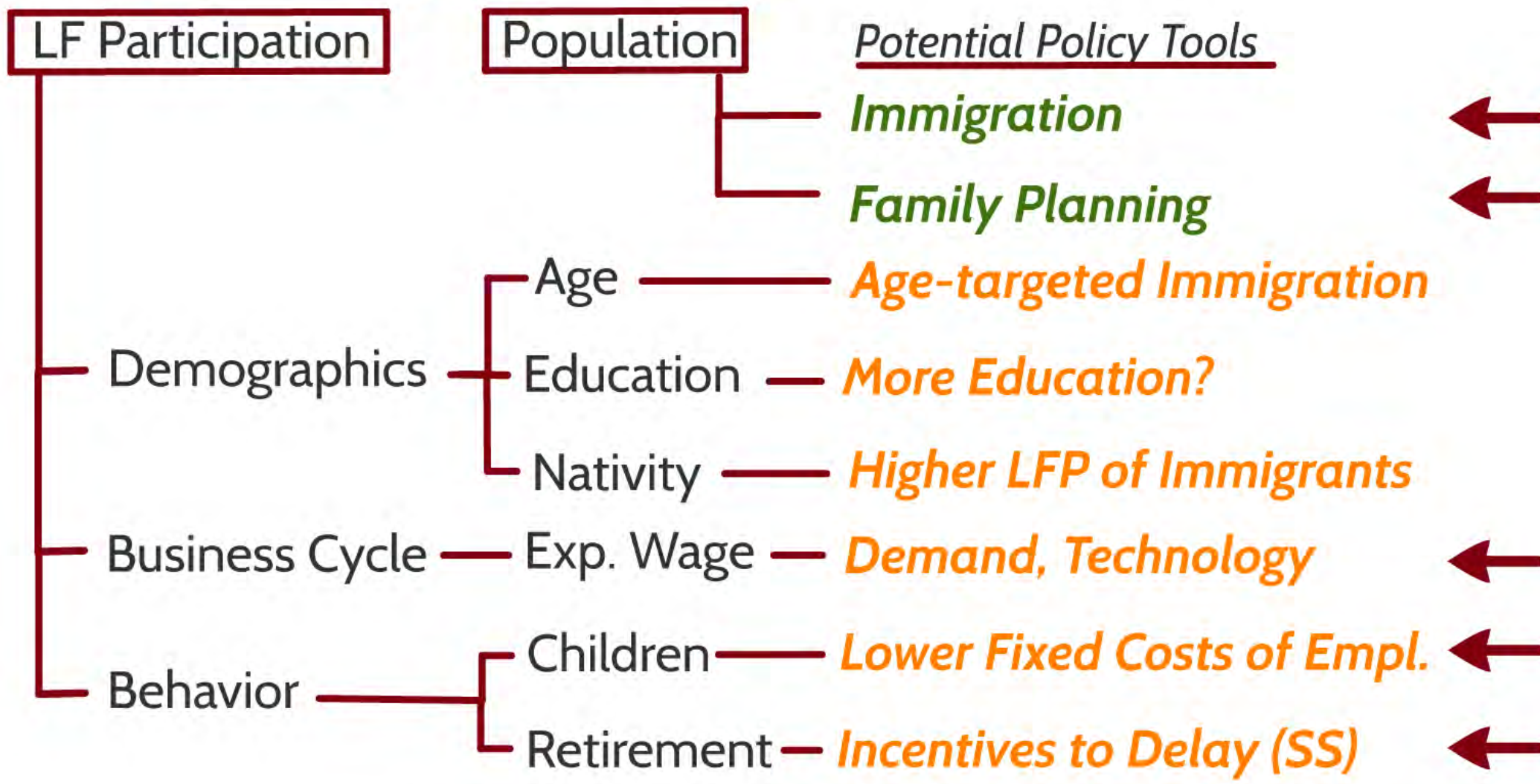
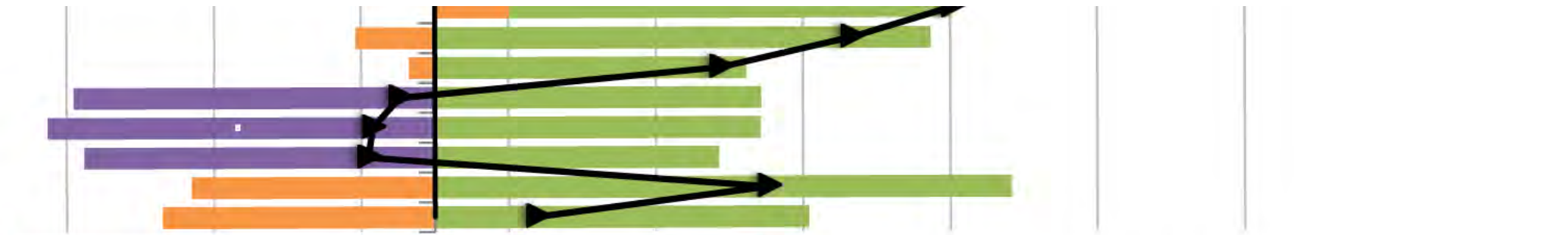


[Decomposing Labor Force Growth]



Decomposing Changes in the Labor Force Participation Rate





[Longer-run View of Participation...*the bottom line*]

- Slowing labor force growth threatens economic growth
- LF growth has been declining since the 1970s
- Current cyclical recovery of LF growth on track
- Population growth has been dominant contributor to LF growth
- Concerns of recent declines in LFP
 - demographics
 - labor market strength
 - behavior
- Policies affecting incentives most closely related to the question of slack