

Five Factors Shaping the Workforce

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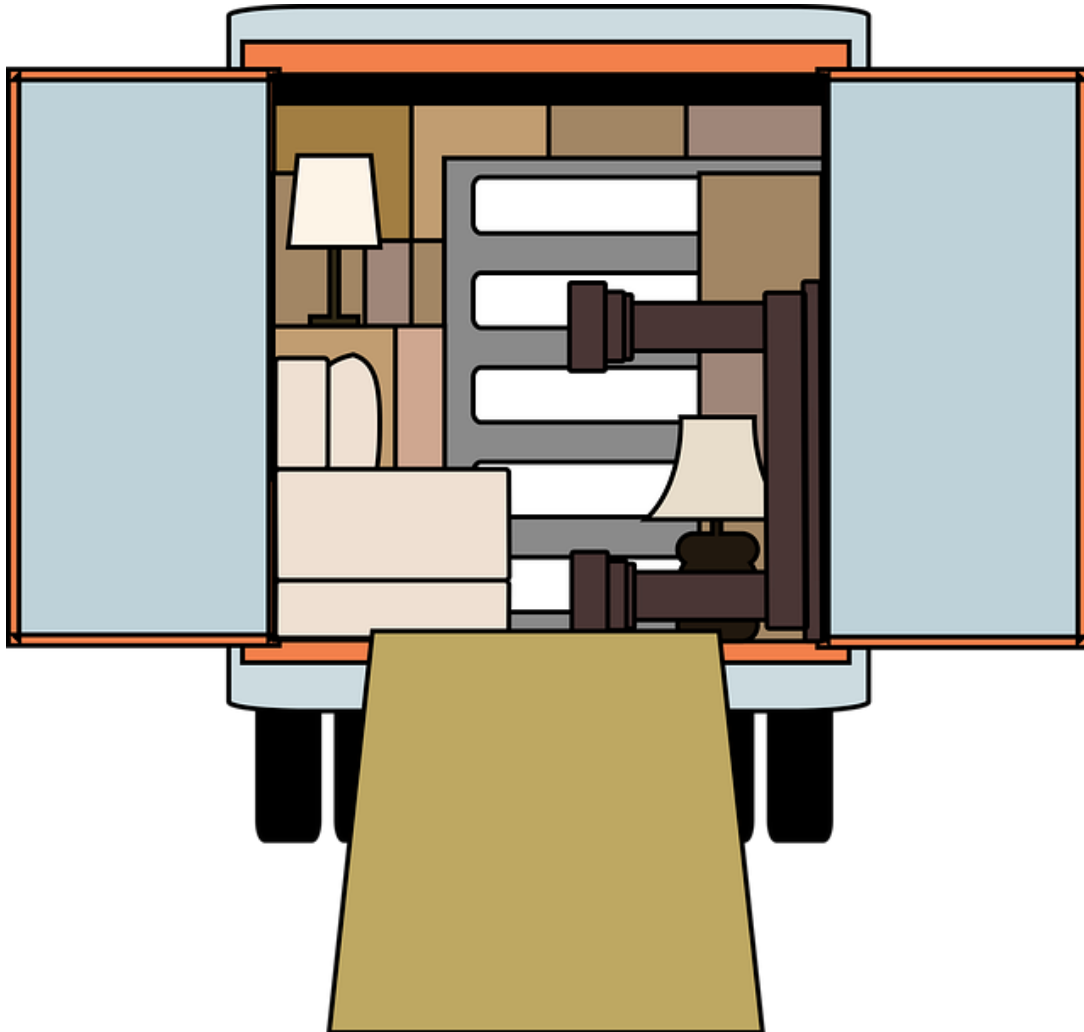
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Regional Council of Mayors Meeting - 14 February 2022

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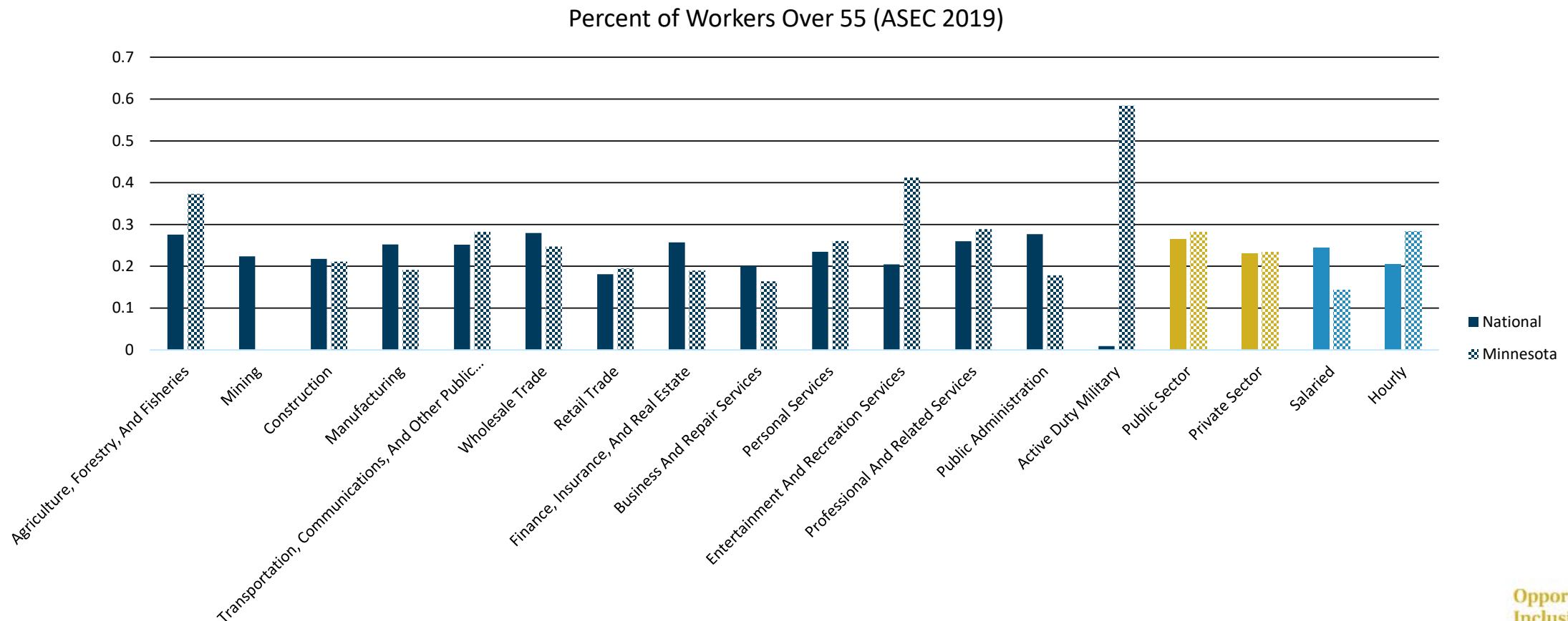
Several well-established features of location choice offer clues to MN's future experience.



- Inflows are more responsive than outflows when a local job or housing market changes relative to others.
- Location decisions of more educated young workers very sensitive to employment growth.
- Migration responses to changing conditions have been waning.
- Location choices among immigrant entrepreneurs weighted toward warmer climates.

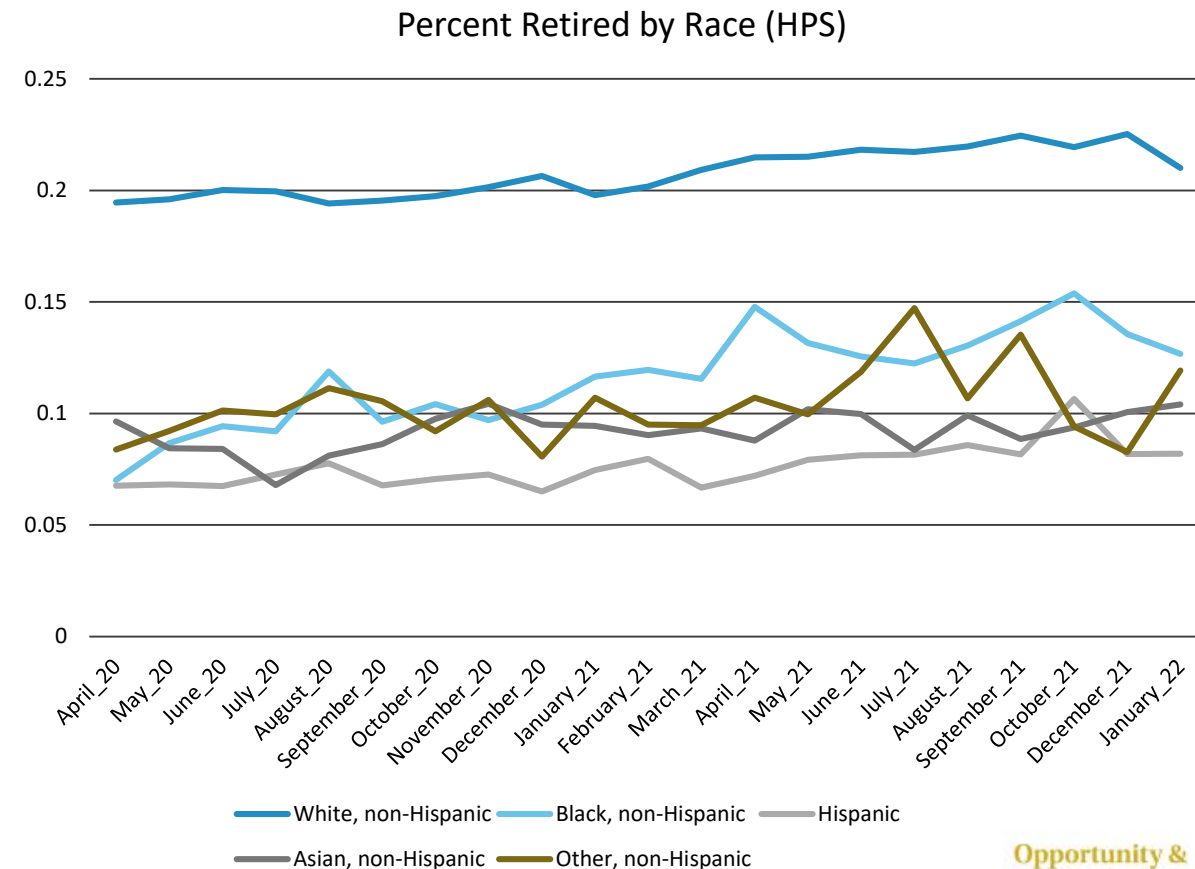
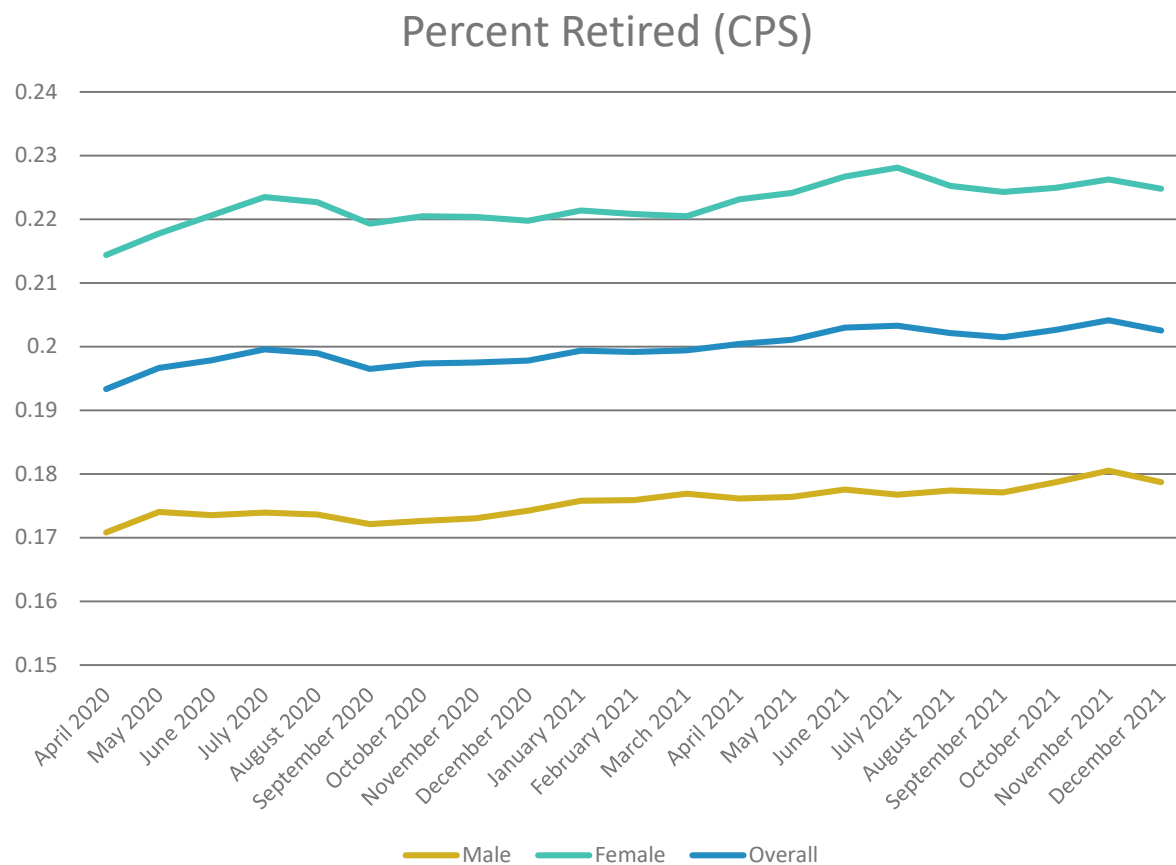
Sources: See slide notes.

Older workers were large shares of 2019 employment in all industries, so exposure to retirement trends is broad-based.



Source: Data are 2019 ASEC Current Population Survey, OIGI calculations.

The rise (and dip?) in retirements has been broad-based.

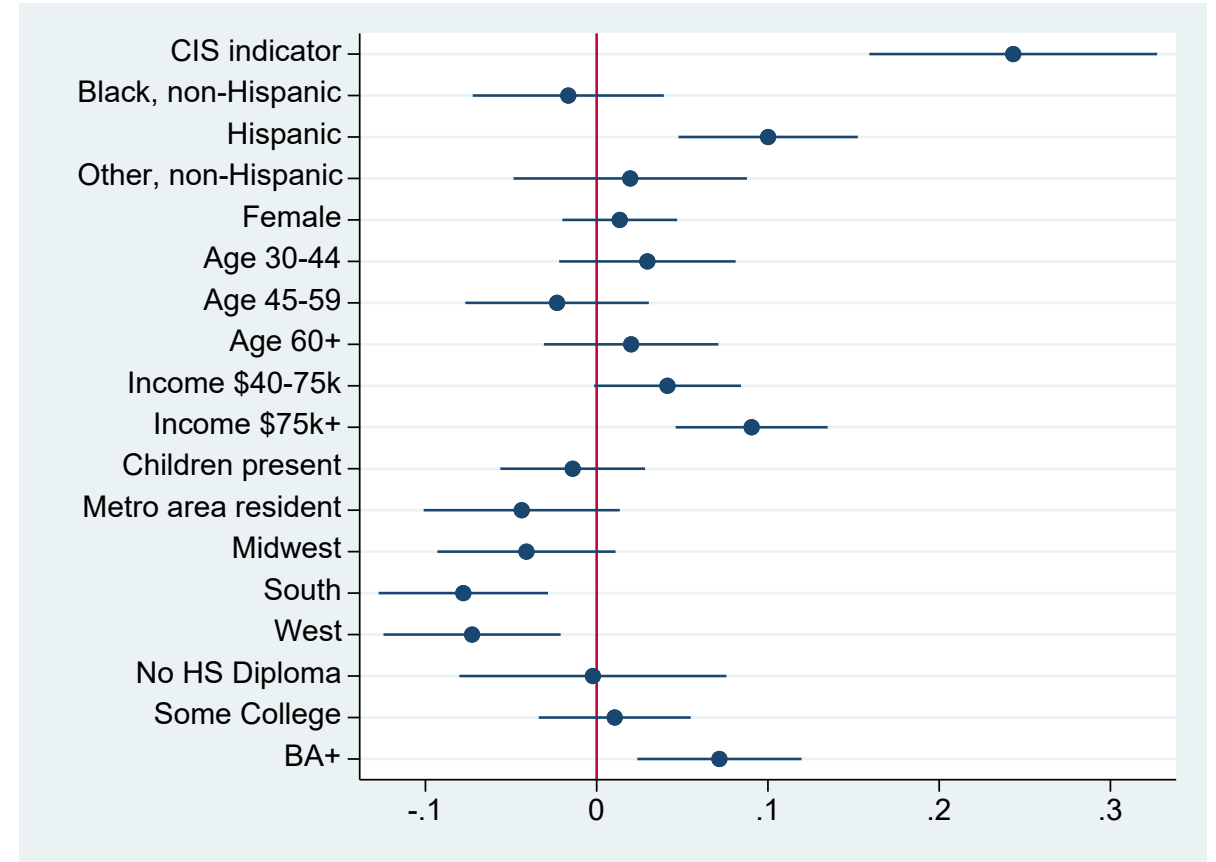


Note: Graphs show share retired among 18+ population. Source is Census Household Pulse Survey. OIGI calculations.

Mental health deteriorated across the board, and has only recovered modestly.

2020 Research Findings:

- Marked increase in poor mental health incidence
- Modest spatial and time variation
- Most demographic group gaps in MH preserved but levels worsened
- Exceptions: Worsening relative MH for Hispanics, higher earners and more educated
- **Update:** By late 2021, MH had improved but appears less than 1/3 recovered to pre-pandemic levels.



Income loss, food insecurity, and close Covid infections were major contributors to worsened mental health.



Findings:

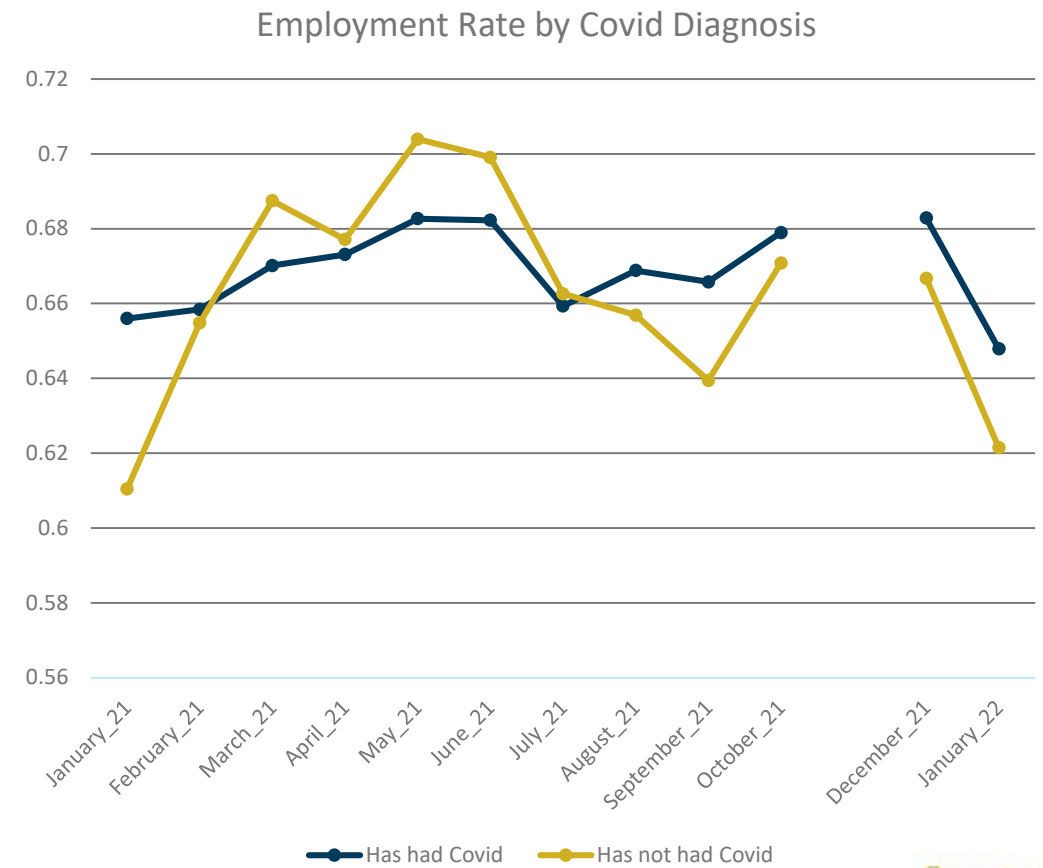
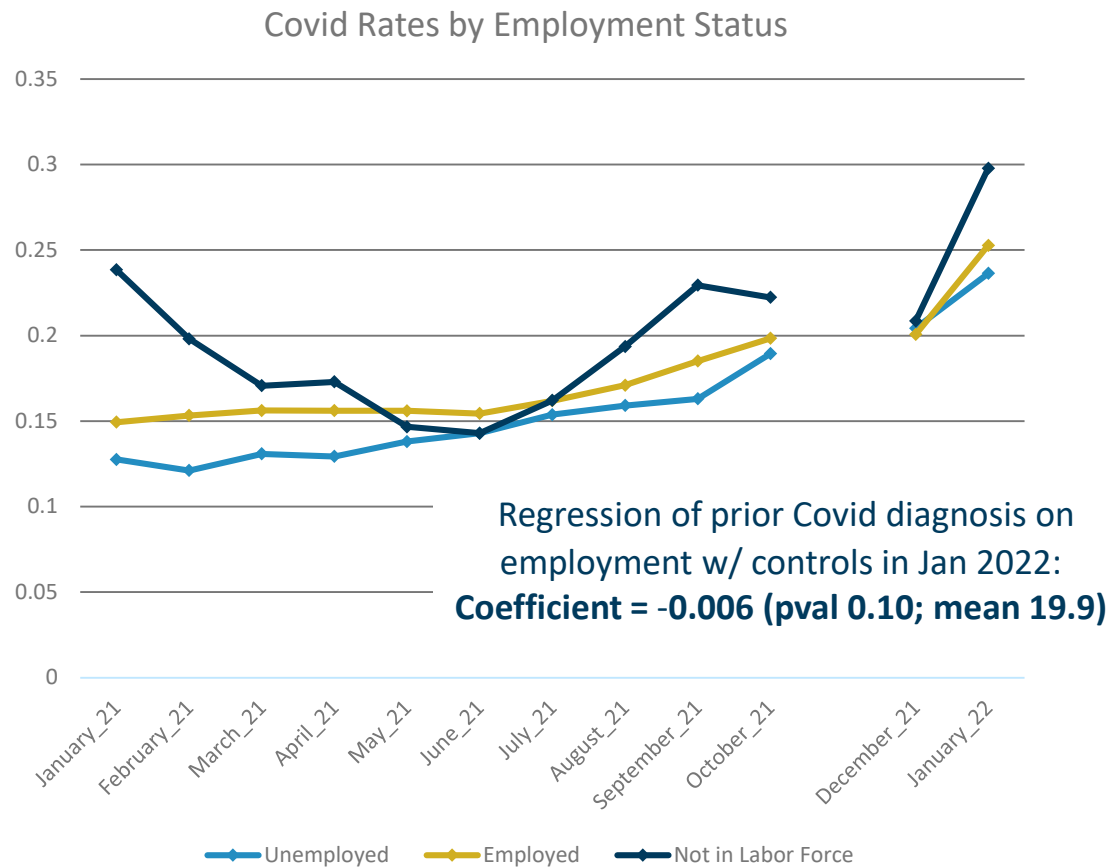
- Pandemic-era income loss, food insecurity worsen MH by large magnitudes
- Also large negative impacts: in home COVID, COVID death, and symptoms/risk
- Little impact: protective steps, restrictions faced

Table 4. Poor Mental Health Incidence and Economic, Health Vulnerability

	HHPS	CIS	CIS	CIS
Income loss since 3/2020	0.123*** (0.005)	0.045* (0.020)	0.029 (0.020)	0.030 (0.020)
Food insecurity	0.182*** (0.006)	0.112*** (0.024)	0.096*** (0.025)	0.085*** (0.025)
COVID diagnosis in home			0.154*** (0.039)	0.121** (0.039)
Friend, family COVID death			0.077* (0.036)	0.073* (0.036)
2+ risk factors for severe COVID			0.041* (0.020)	0.019 (0.020)
Total protective steps			0.023*** (0.003)	0.022*** (0.003)
Total restrictions experienced			0.004 (0.002)	0.004* (0.002)
2+ COVID symptoms in last 7days				0.145*** (0.019)
Demographic, SES controls	Yes	Yes	Yes	Yes
N	376540	5865	5610	5609

Note: Source on this slide and previous is Swaziek and Wozniak (2020), plus OIGI calculations. <https://onlinelibrary.wiley.com/doi/10.1111/1475-5890.12244>

Over 2021, prior Covid infection and employment were unrelated.



Impact of the pandemic on women's employment has shifted over the pandemic.

- **Early pandemic:** Mothers reduced labor force participation, but not markedly more than non-mothers.
 - Those without college ed + onsite jobs took leave, likely unpaid; with college ed + WFH took leave or left labor force.
- **End of 2020-2021 school year:** Participation among mothers continued to be depressed as other workers recovered, but included a large seasonal component.
- **Current:** Participation of mothers with college + telework access still somewhat depressed. Others recovered.
- **Conclusion:** Issues persist in re-connecting mothers to work, but this group alone is not driving labor supply gaps.

Source: Heggeness and Palak (2021). <https://www.minneapolisfed.org/research/institute-working-papers/telework-childcare-and-mothers-labor-supply>

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A woman with long dark hair is sitting at a desk, looking at a laptop. A young child is sitting next to her, also looking at the laptop. The image is overlaid with a semi-transparent blue filter. A bright yellow triangle is in the bottom right corner, separated from the rest of the image by a thin white diagonal line.

Thank you!