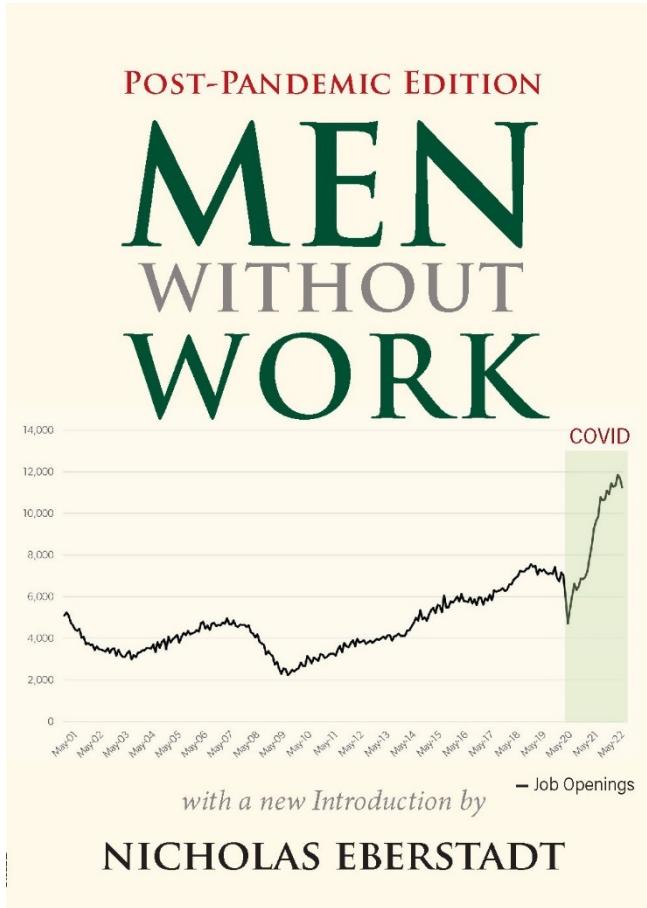


The Other Covid Crisis: Prospects for Recovery from Pandemic Policies



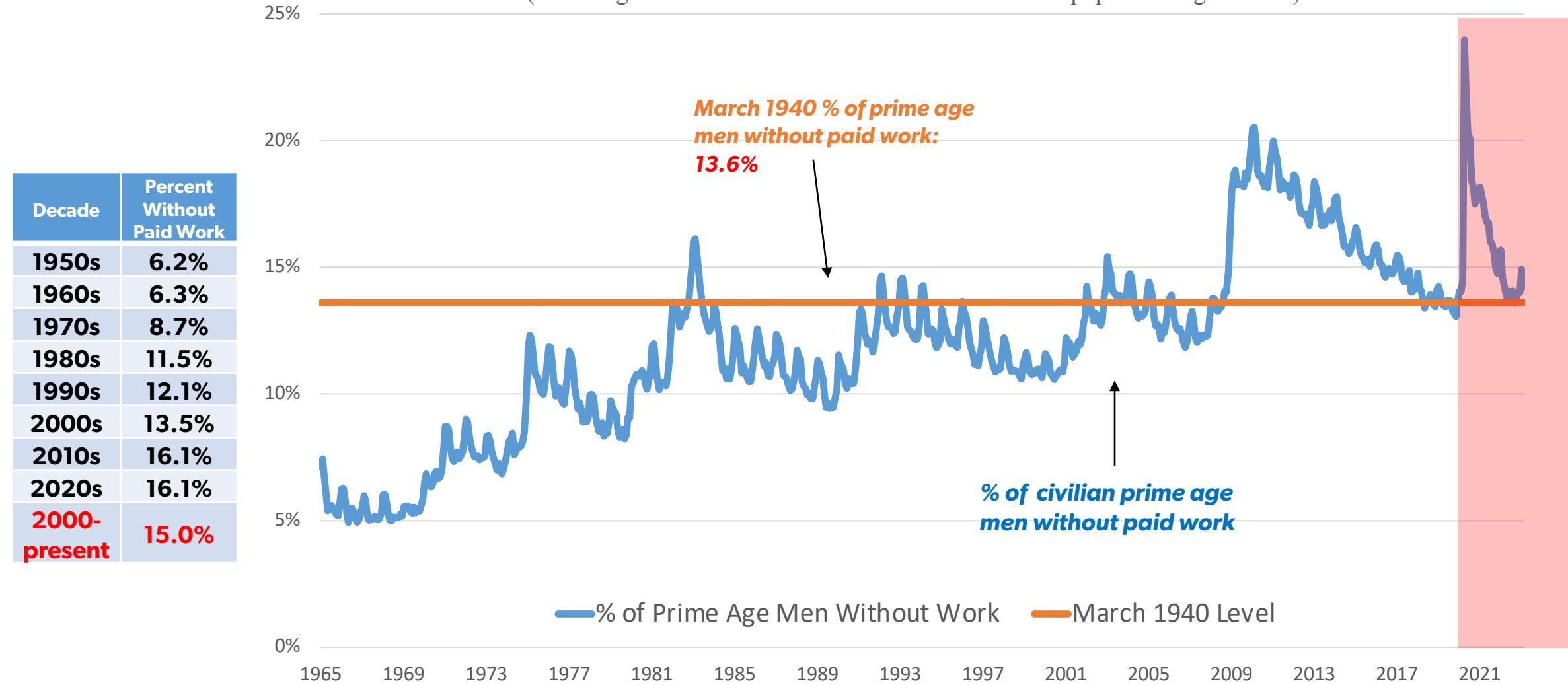
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F.A. Hayek Memorial Lecture
AERC 2023
Mises Institute
March 22 2023

Figure 1: Back To Depression-Era Employment Levels for Men

Percentage of Prime Age Men Without Paid Work 1965 – 2/2023
 (Prime Age Men includes the civilian non-institutional population aged 25-54)

COVID

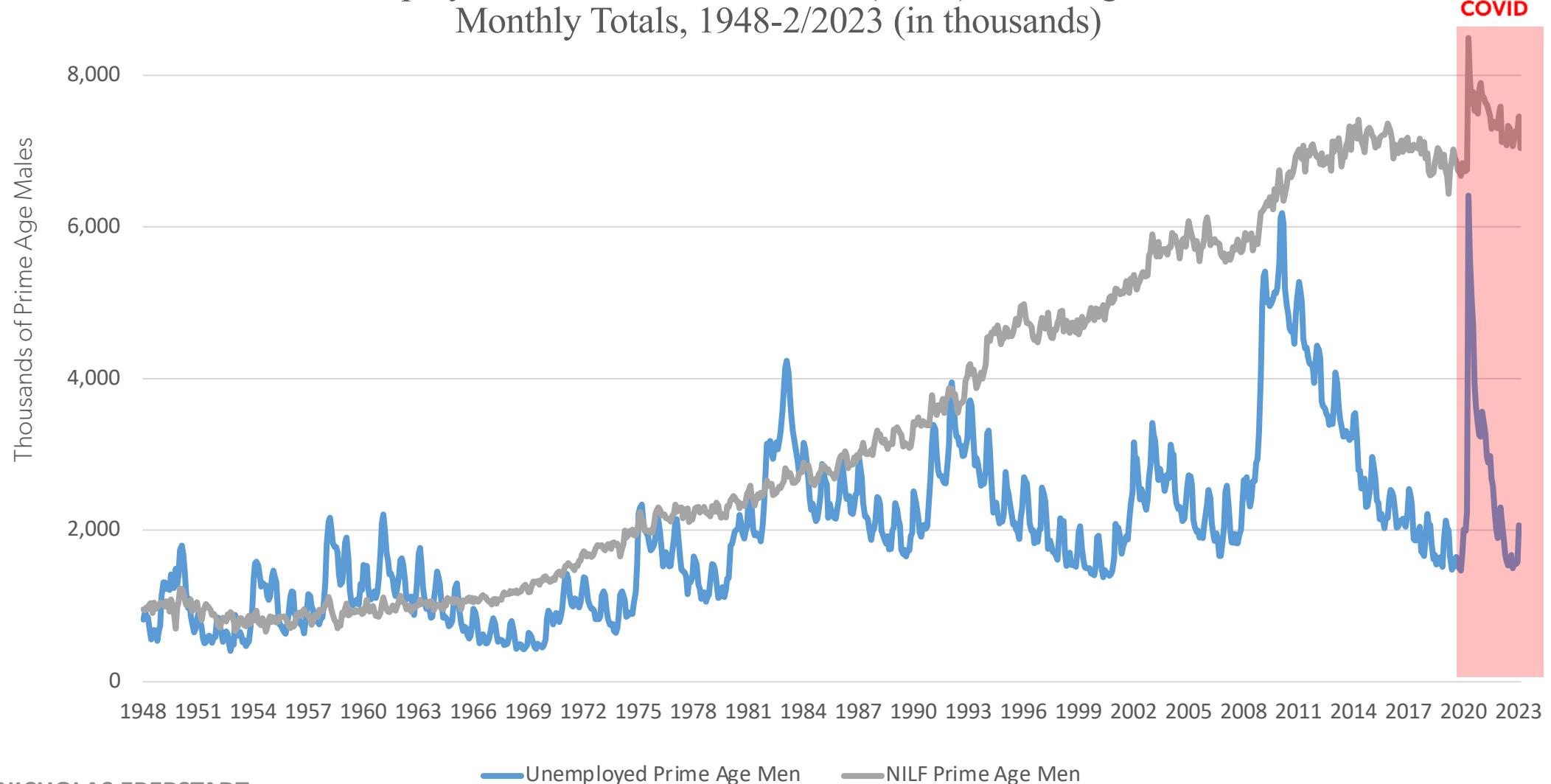


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Figure 2: The Great Postwar Flight from Work by Men

Unemployed and Not In Labor Force (NILF) Prime Age Males:
Monthly Totals, 1948-2/2023 (in thousands)

Decade (Yr)	NILFs per 100 Unemployed
1950s	86
1960s	114
1970s	150
1980s	115
1990s	182
2000s	219
2010s	236
2020s	275
(2022)	(422)



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Source: Bureau of Labor Force Statistics, LNU03000061 & LNU05000061, <https://data.bls.gov/cgi-bin/srgate>, dates accessed: 1948-1975: July 1, 2016; 1976-2022: March 10, 2022; totals are not seasonally adjusted.

Figure 3: The Uncanny Regularity of the Male Flight From Work

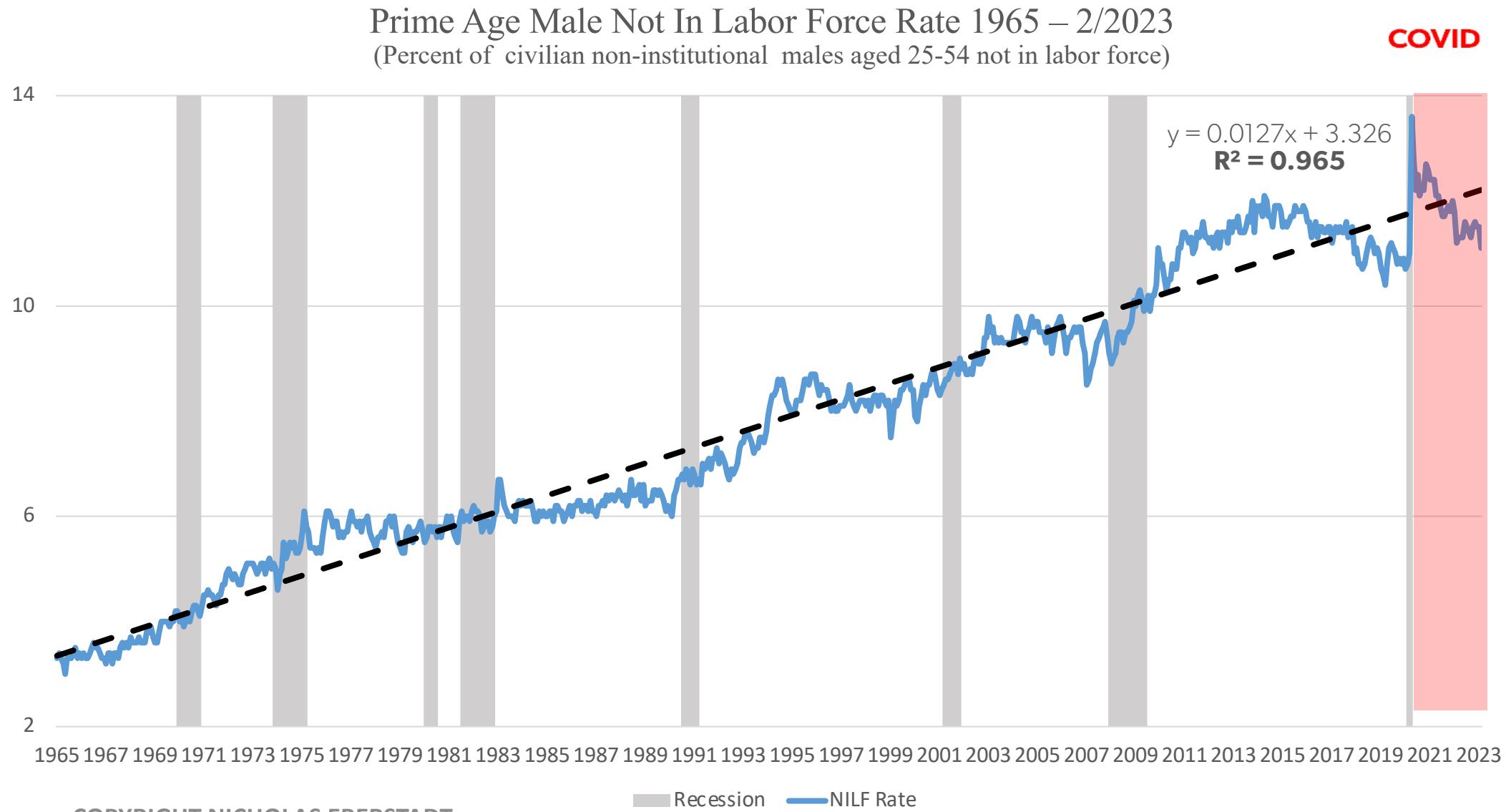
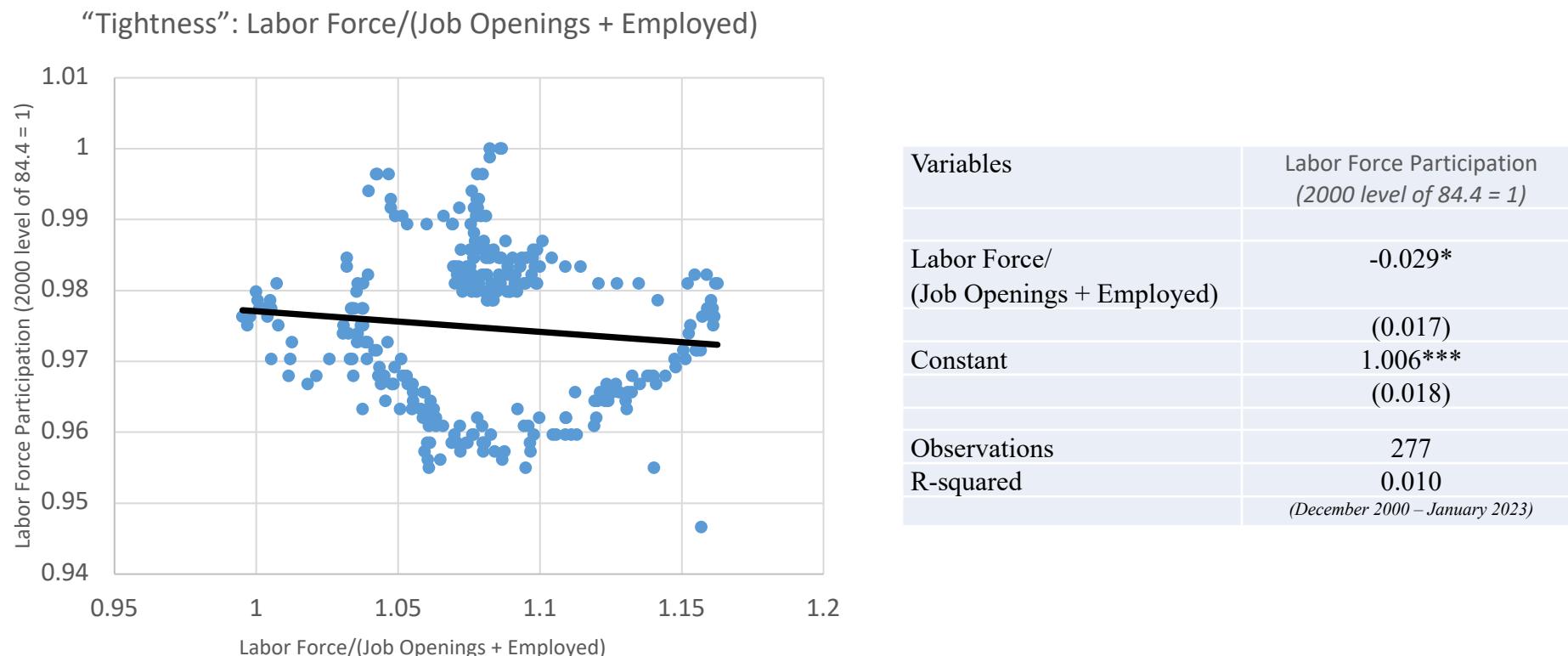


Figure 4: Tighter Labor Markets No Longer Draw Prime Age Labor Force Dropouts Back In



The chart above shows the correspondence between labor market tightness and Labor force participation rates for prime age men and women since the year 2000-- There is almost none!

U.S. Bureau of Labor Statistics, Civilian Labor Force Level [CLF16OV], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/CLF16OV>, March 15, 2023; U.S. Bureau of Labor Statistics, All Employees, Total Nonfarm [PAYEMS], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/PAYEMS>, March 15, 2023; U.S. Bureau of Labor Statistics, Job Openings: Total Nonfarm [JTSJOL], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/JTSJOL>, March 15, 2023; U.S. Bureau of Labor Statistics; Labor Force Participation Rate - 25-54 Yrs. [LNS11300060], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/LNS11300060>, March 15, 2023.

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Figure 5: The Felony Penalty in the Labor Market

Probability of Employment among Individuals with Felony Convictions by Year of Conviction
(IRS-CJARS Data)

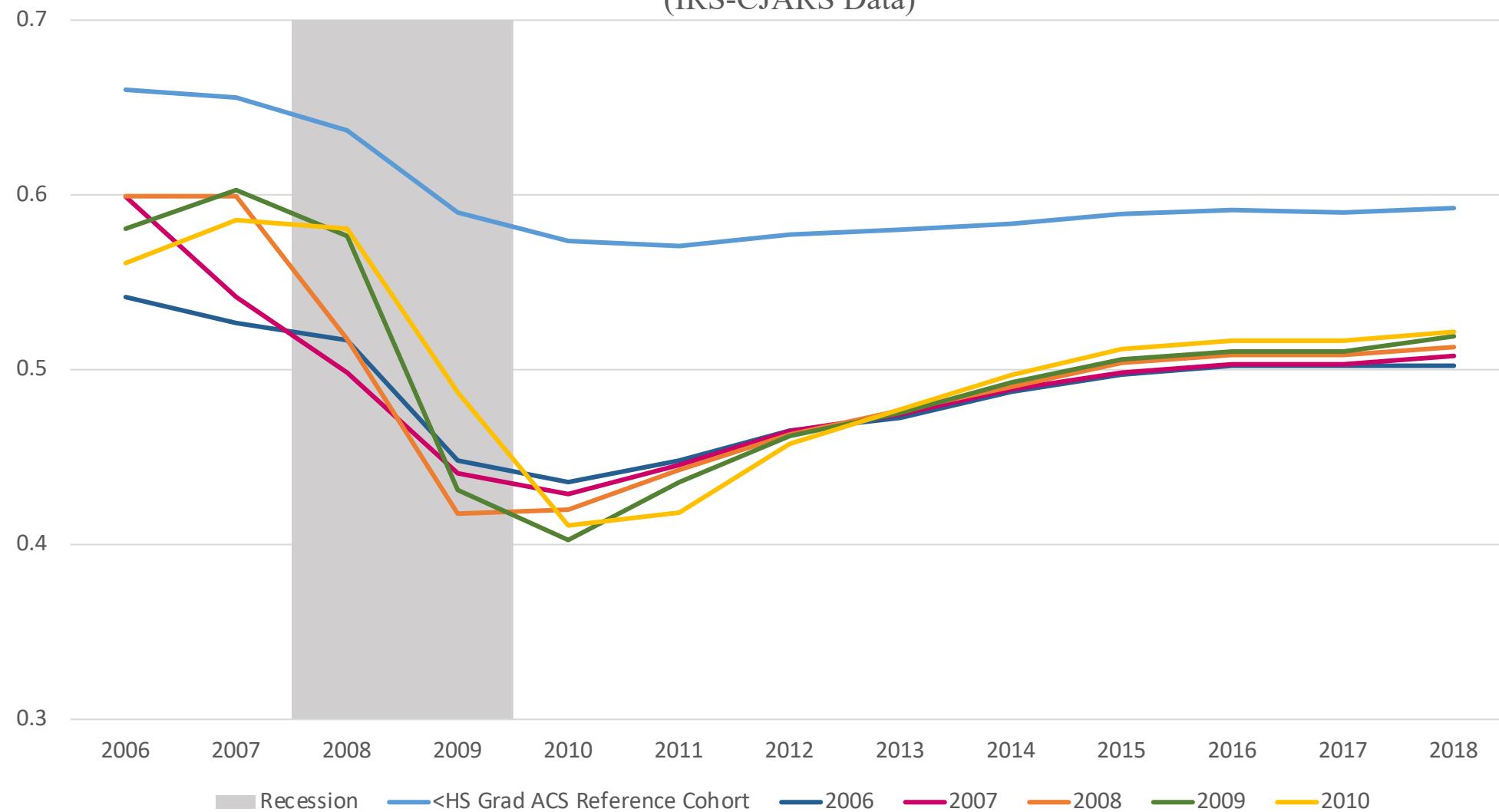
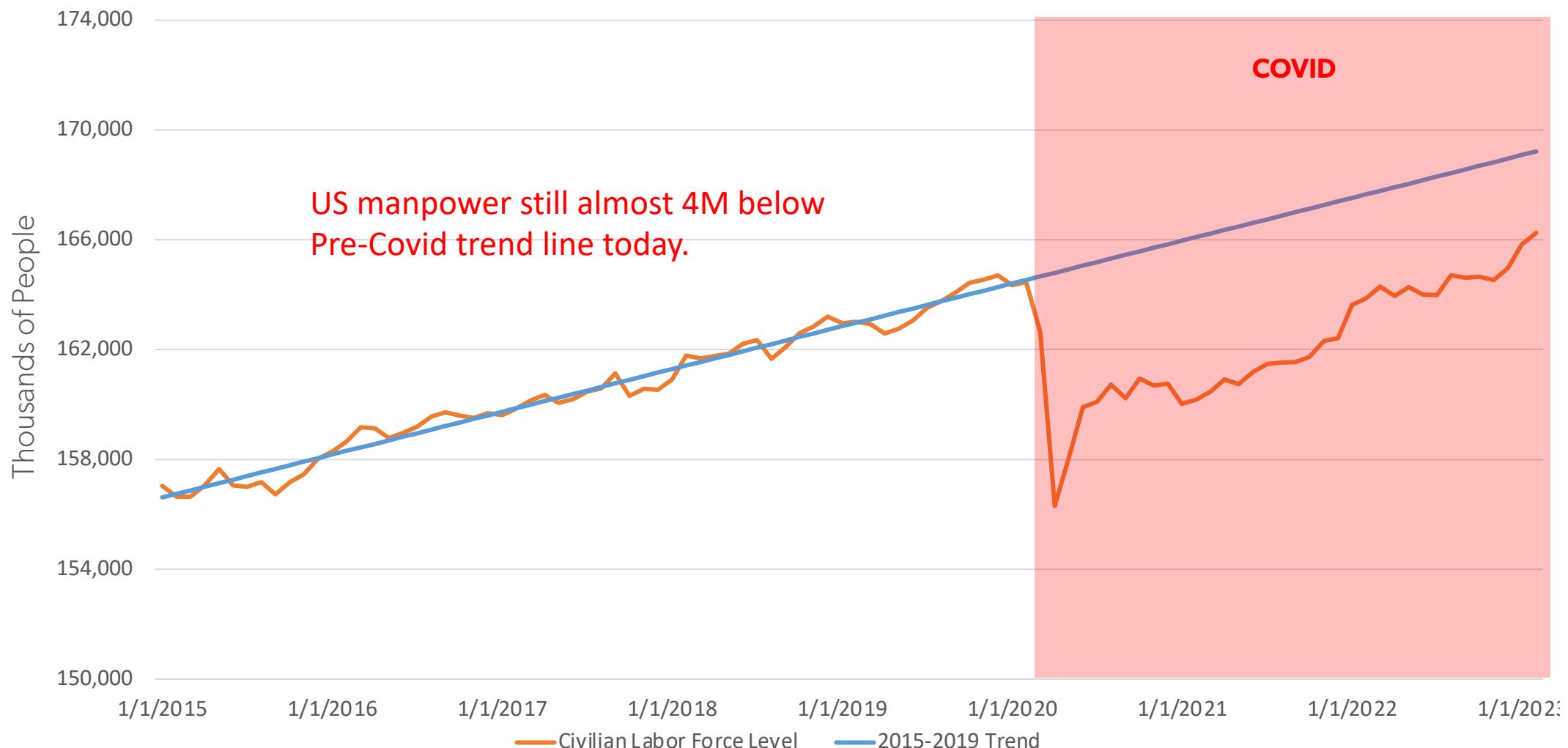


Figure 6: From “Men Without Work” to Work Without Men—Or Women



Figure 7: Where Are All The Workers?

US Civilian Labor Force 2015 – 2/2023 (in thousands)



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Figure 8: Long Absence from Work due to Long Covid?

Census Pulse Survey February 1 – February 13, 2023

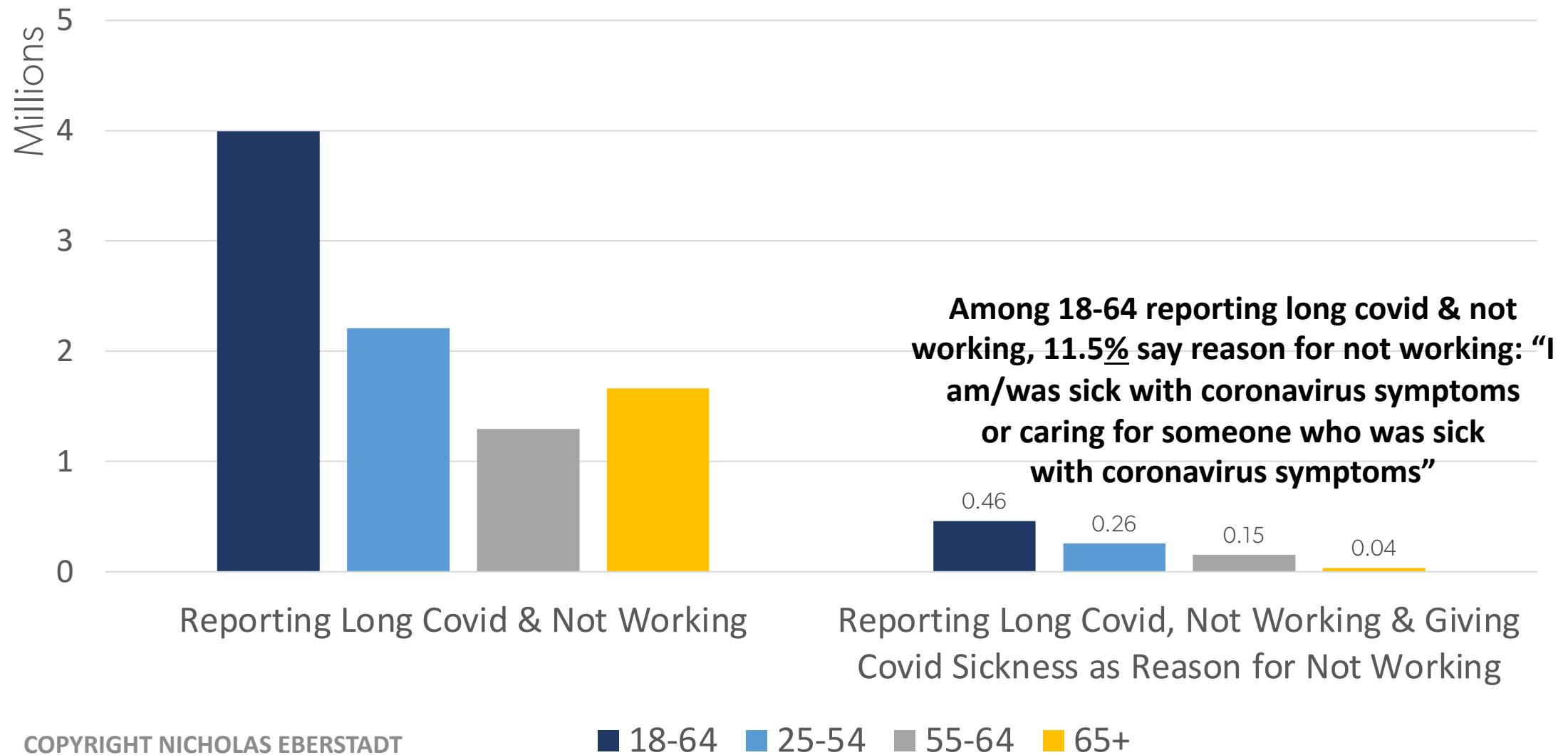
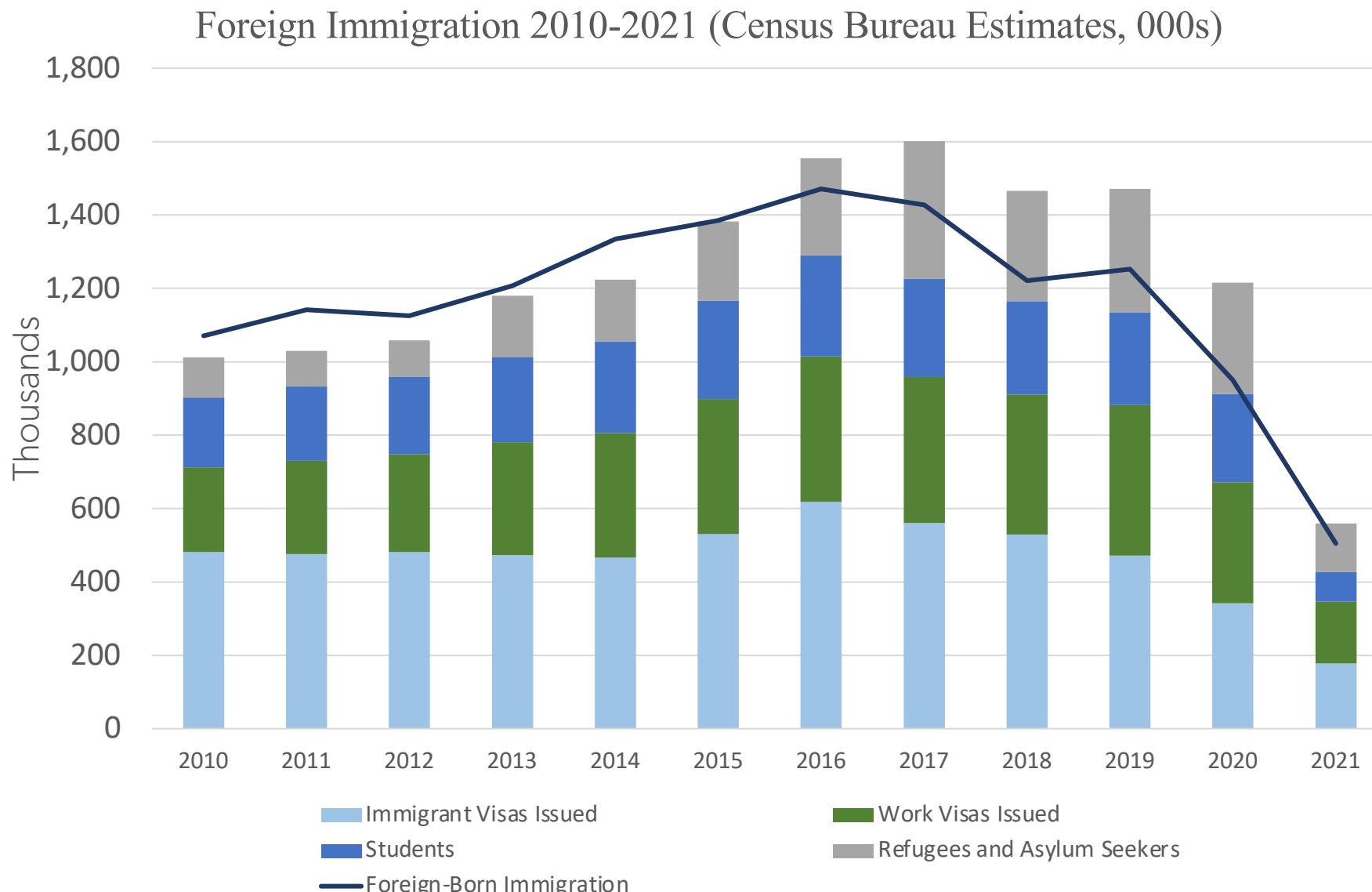


Figure 9: The Covid Immigration Slump



Sources: U.S. Census Bureau, Vintage 2020 and Vintage 2021 Population Estimates; State Department, Bureau of Consular Affairs; Institute of International Education; Refugee Processing Center; U.S. Citizenship and Immigration Services; Department of Justice, Executive Office for Immigration Review, <https://www.census.gov/library/stories/2021/12/net-international-migration-at-lowest-levels-in-decades.html>

Figure 10: The New Face of The Flight From Work

Labor Force Participation Rates Ages 55+: USA January 2015 – February 2023

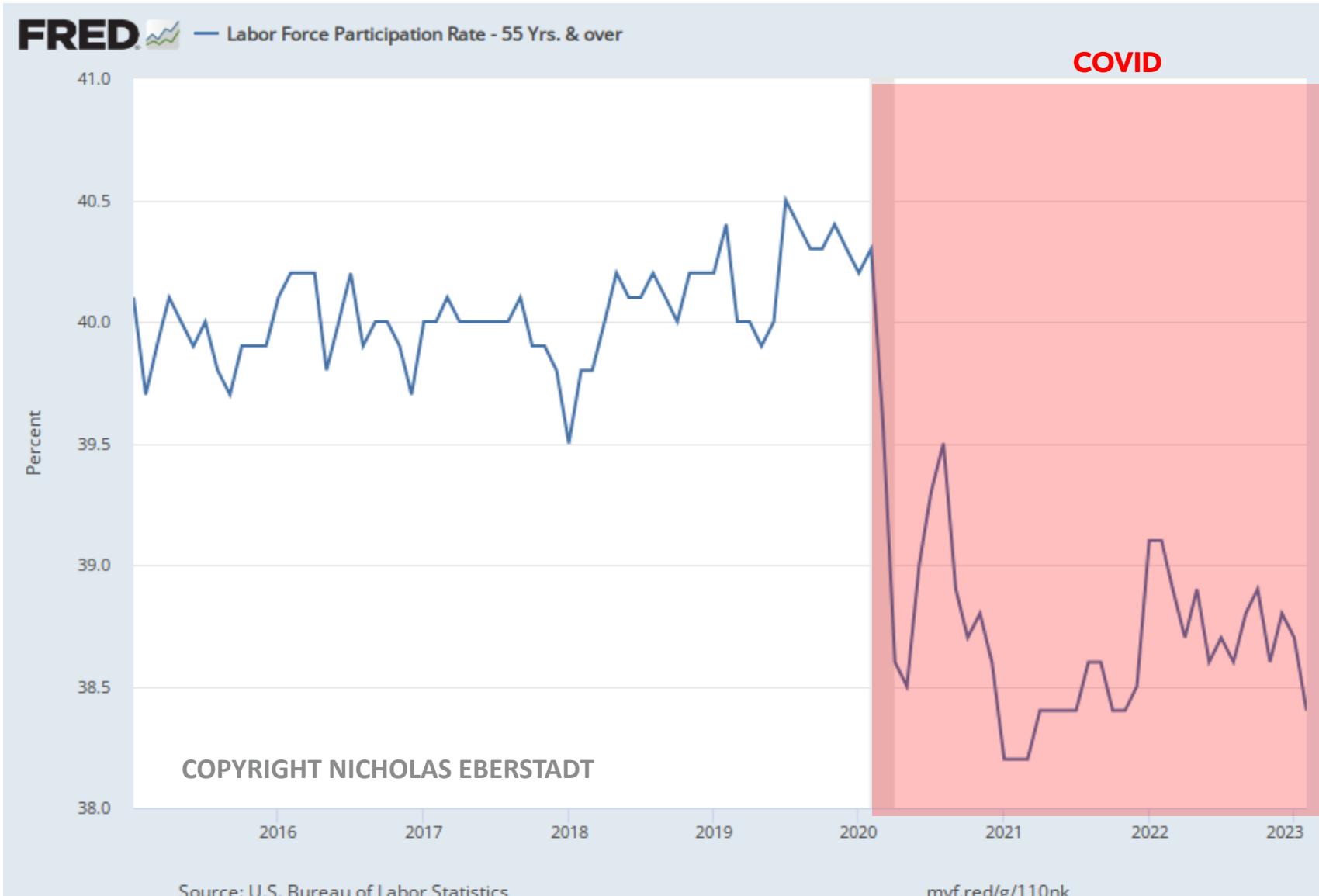


Figure 11: You Don't Have To Be A Monetarist To Guess What This Will Do
M2 Money Supply: USA, 2017 – 6/6/2022 (\$billions)

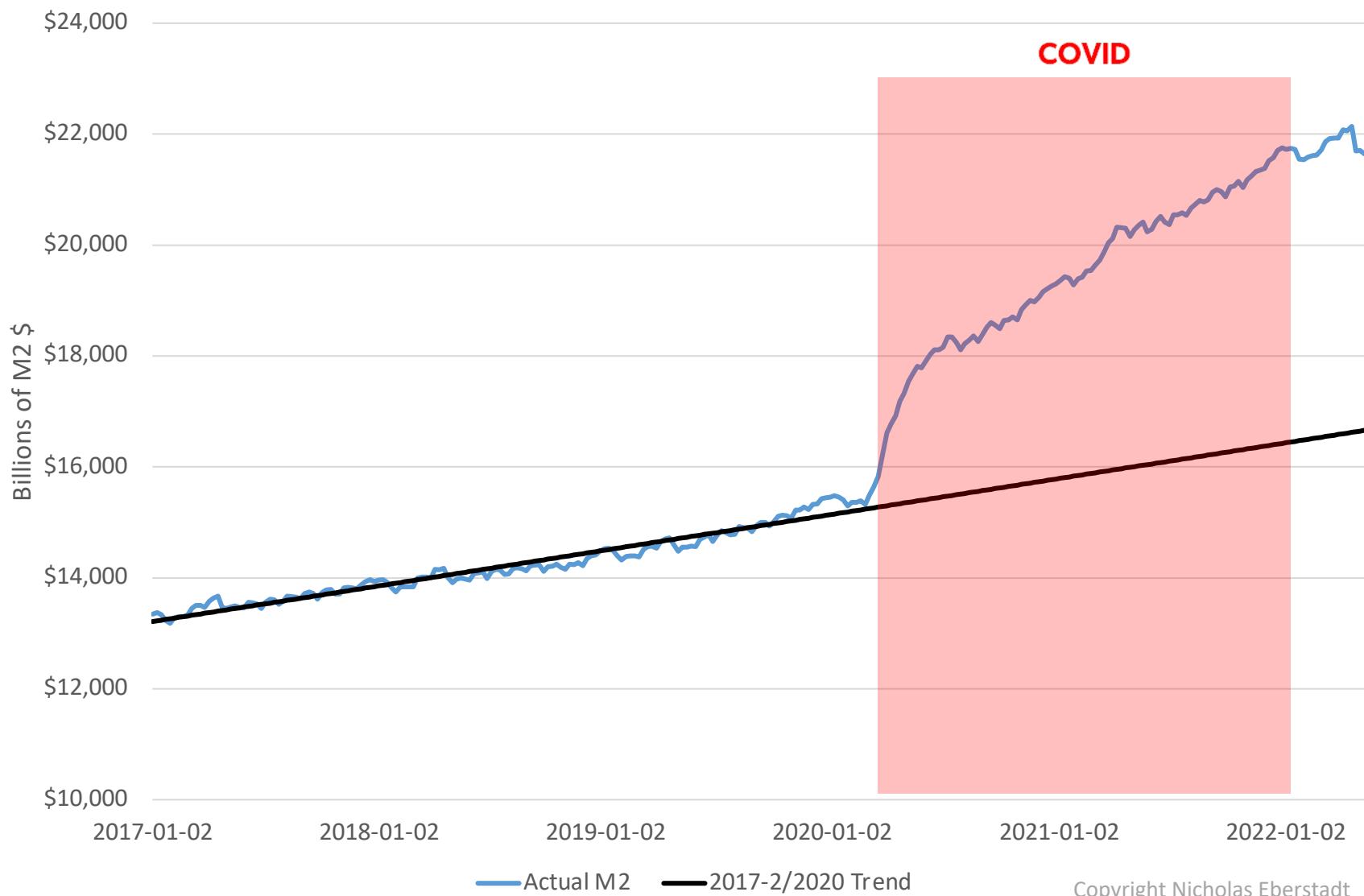
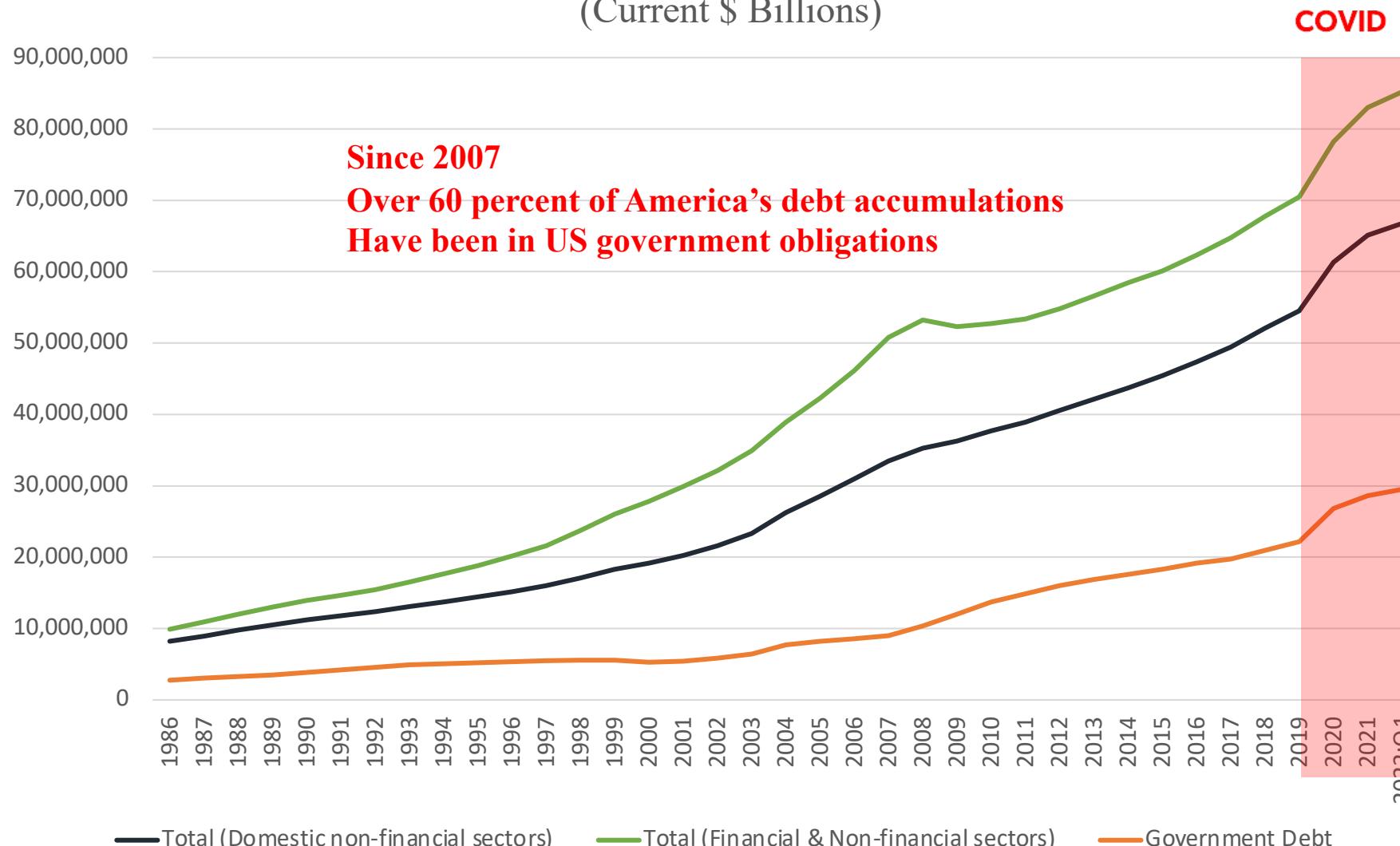


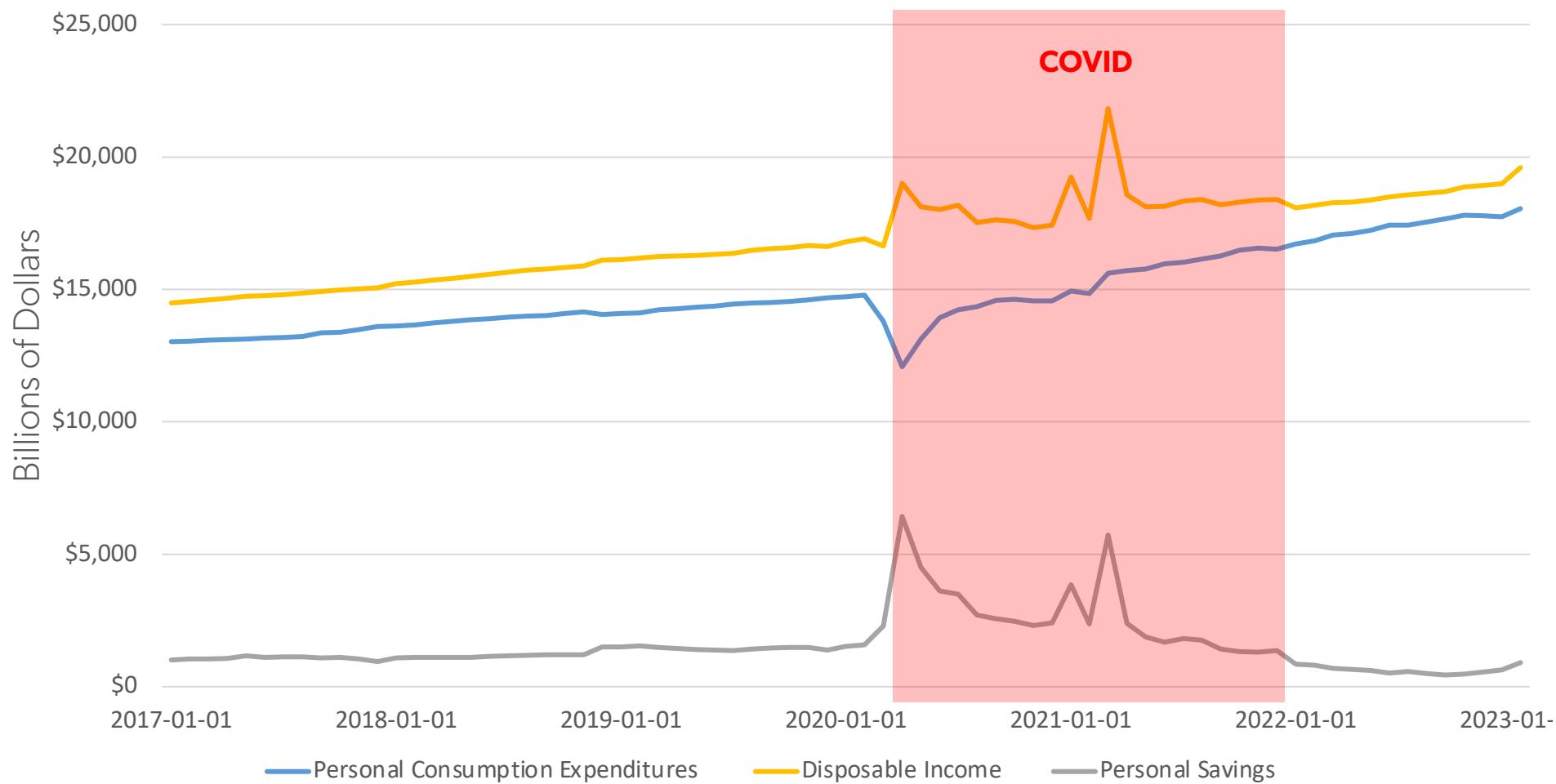
Figure 12: Feeling Crowded Yet?
 US Debt: Total Credit vs. Government Debt, 1986-2022 1Q
 (Current \$ Billions)



Note: Data shown annually from 1986-2015 and then quarterly (seasonally adjusted) from 2016-2020; government debt is federal plus state and local
 Source: Board of Governors of the Federal Reserve System, Financial Accounts of the United States Z.1, "D.3 Debt Outstanding by Sector," available at:
<https://www.federalreserve.gov/releases/z1/20210923/html/d3.htm>, accessed July 12, 2022.

Figure 13: This Time Really Is Different

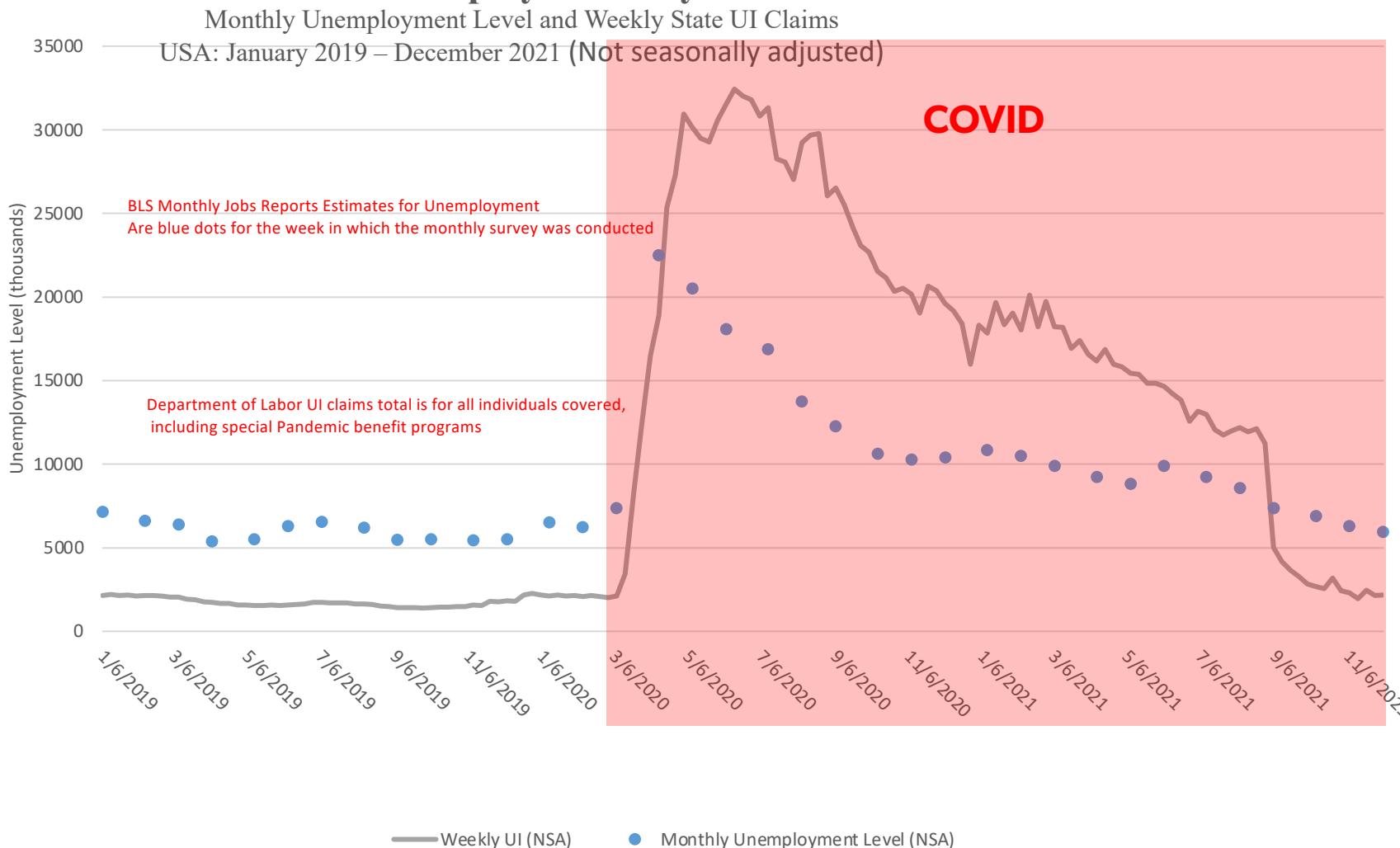
Personal Consumption Expenditures, Disposable Income and Personal Savings, Billions of Dollars 2017 - 1/2023 (current prices)



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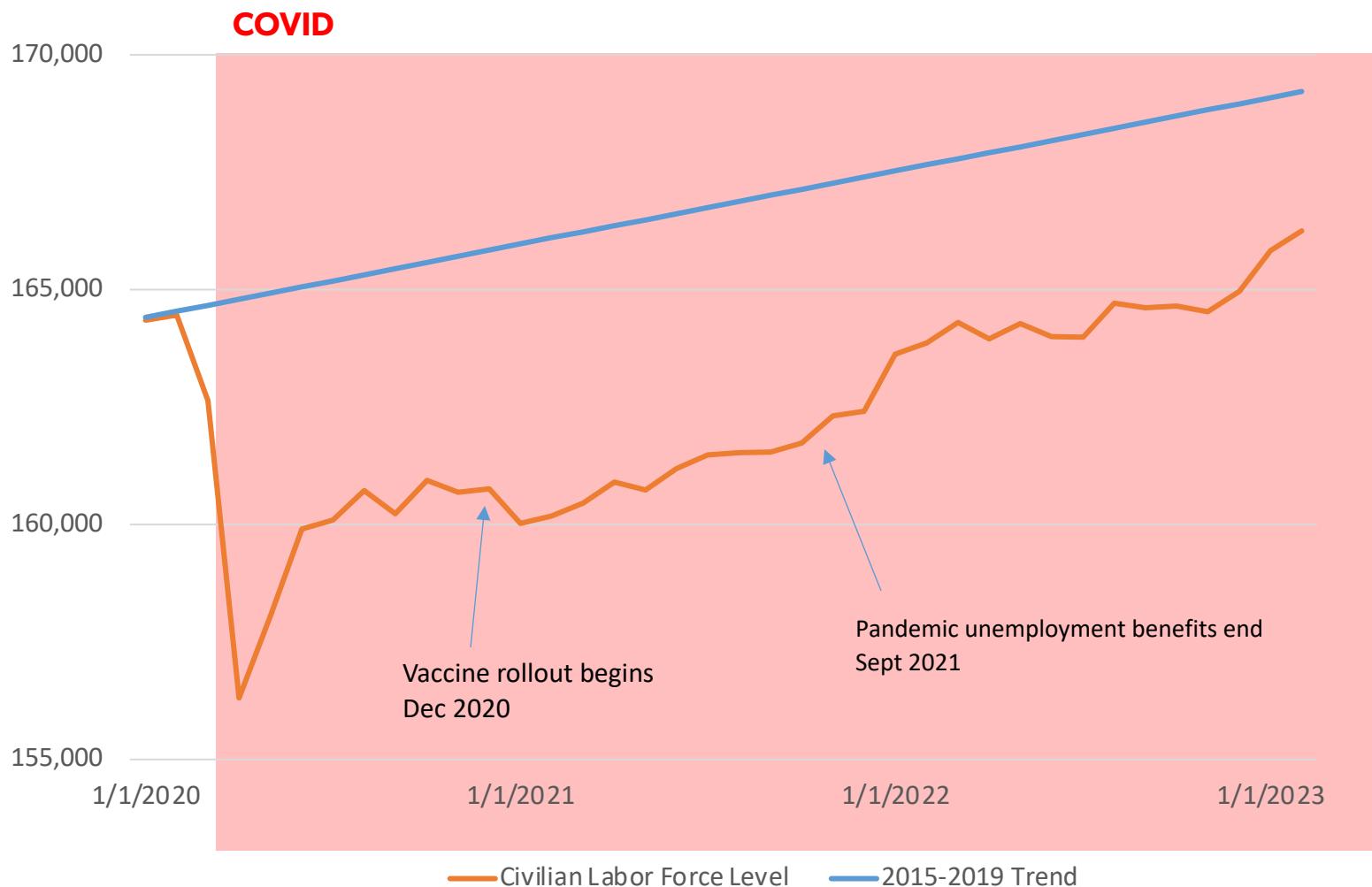
Source: U.S. Bureau of Economic Analysis, Personal Consumption Expenditures [PCE], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/PCE>; U.S. Bureau of Economic Analysis, Disposable Personal Income [DSPI], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/DSPI>; U.S. Bureau of Economic Analysis, Personal Saving [PMSAVE], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/PMSAVE>, date accessed: March 10, 2023. <https://fred.stlouisfed.org/graph/?q=ZOWO>.

Figure 14: You Didn't Have To Be Unemployed To Get Unemployment Payments



U.S. Bureau of Labor Statistics, Unemployment Level [LNU03000000], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/LNU03000000>, January 7, 2021; and Department of Labor, "Unemployment Insurance Weekly Claims," accessed December 7, 2021, <https://www.dol.gov/ui/data.pdf>.

Figure 15: Pandemic Benefits and the Return to the Workforce
 (Civilian Labor Force, January 2020- February 2023, in 000s)



9 Month Labor Force Increments

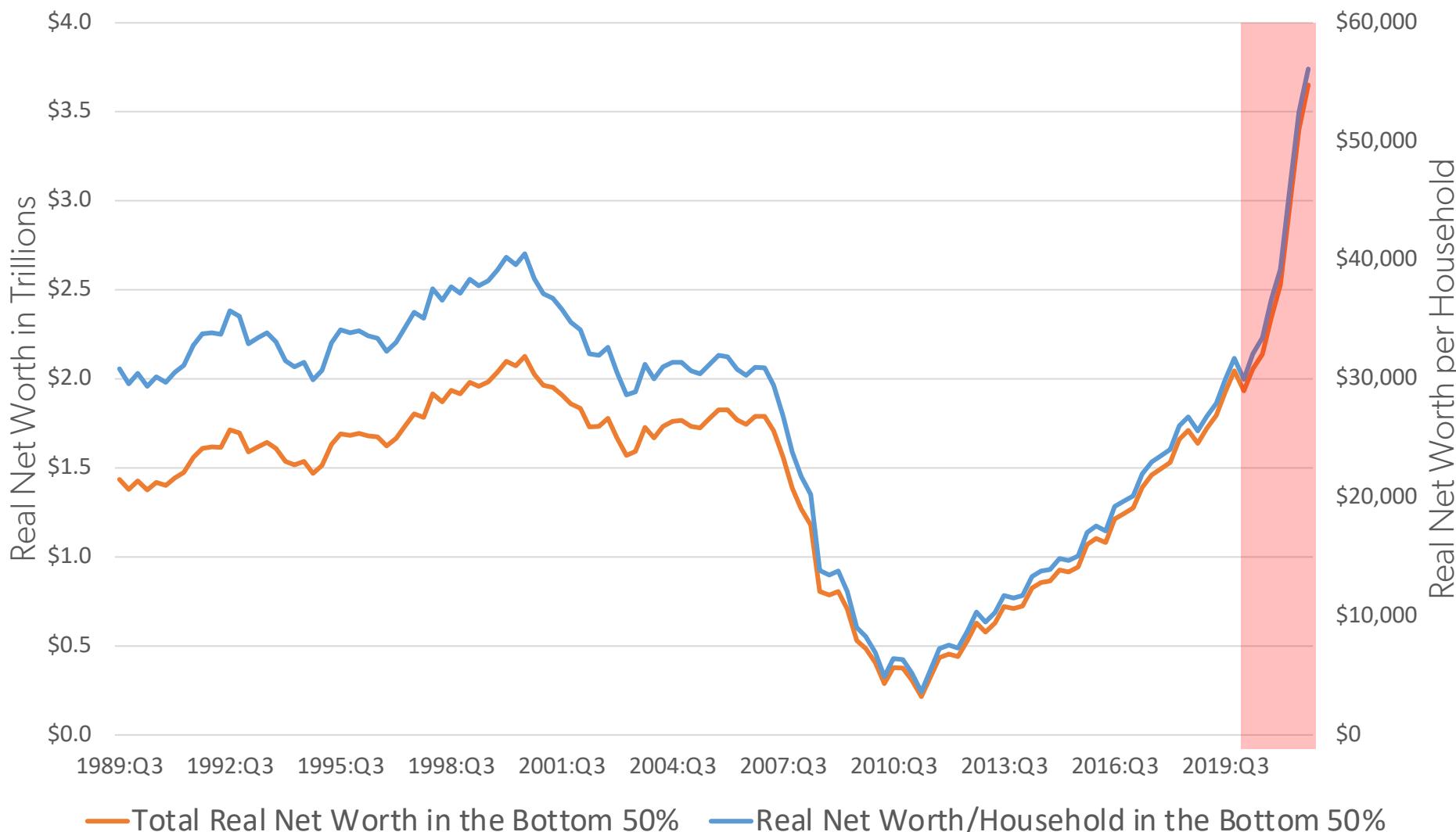
12/20 – 9/21: 800K

9/21 – 6/22: 2.55M

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Figure 16: “COVID Policy Wealth Effects”

Net Worth Held by Households in the Bottom 50%: USA, 1989-2021
(Constant PCE \$2021)



Sources: Federal Reserve Distribution of Financial Accounts, dfa-networth-levels-detail.csv, <https://www.federalreserve.gov/releases/z1/dataviz/dfa/>; U.S. Bureau of Economic Analysis, Personal Consumption Expenditures: Chain-type Price Index [PCEPI], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/PCEPI>.