

This copy is for your personal, non-commercial use only. Distribution and use of this material are governed by our Subscriber Agreement and by copyright law. For non-personal use or to order multiple copies, please contact Dow Jones Reprints at 1-800-843-0008 or visit www.djreprints.com.

<https://www.wsj.com/articles/the-americans-work-after-pandemic-retire-males-age-payments-covid-vaccines-pandemic-income-stimulus-consumer-11662138942>

OPINIONCOMMENTARY

The Americans Who Never Went Back to Work After the Pandemic

With pre-Covid rates of participation, almost three million more people would be in the labor force today.

By Nicholas Eberstadt

Sept. 2, 2022 3:34 pm ET



The latest monthly jobs numbers underscore a troubling paradox about the state of work in America. Despite recession worries, job growth seems strong, employment levels are finally above pre-pandemic highs, and unemployment rates continue to skirt 50-year lows.

But that is only part of the picture. An extraordinary “flight from work” is also under way. Inadvertently exacerbated by the largess of the Covid-19 emergency measures, that flight is spreading to parts of the U.S. workforce that didn’t suffer from it before the pandemic.

We now face an unprecedented peacetime labor shortage, with employers practically begging for workers, while vast numbers of grown men and women sit on the sidelines of the economy—even though job applicants have more bargaining power in the “Great Resignation” than at any time in recent memory. Never has work been so readily available in modern America; never have so many been uninterested in taking it.

Since Labor Day 2021, unfilled nonfarm positions have averaged over 11 million a month. For every unemployed person in the U.S. today, there are nearly two open jobs, and the labor shortage affects every region of the country. Major sectors are now wide open to applicants without any great skills, apart from the ability to show up to work, regularly and on time, drug-free.

Why the bizarre imbalance between the demand for work and the supply of it? One critical piece of the puzzle was the policy response to the pandemic.

In 2020-21, Washington pulled out all the monetary and fiscal stops to avoid an economic collapse. Those extraordinary interventions may have forestalled world-wide depression. But they also created disincentives for work as never before.

Padded by transfer payments, disposable income in America spiked in 2020 and 2021, reaching previously unattained heights despite the economic crisis. And after the initial steep but temporary plunge in consumer spending from the Covid shock, the stimulus-funded rebound pushed consumer demand well above its pre-Covid trend line.

Americans actually had more money in their pockets during pandemic emergency years than they cared to spend—so their savings rates doubled. In 2020 and 2021, a windfall of more than \$2.5 trillion in extra savings was bestowed by Washington on private households through borrowed public funds. That nest egg could supplement earnings—or substitute for them.

Before the pandemic, as my study “Men Without Work” details, work rates for men of prime working age (25 to 54) had already collapsed to late-Depression-era levels, driven down mainly by a half-century-long “flight from work.” For each jobless prime-age man looking for work, another four were neither working nor looking by 2019.

But the current manpower shortage highlights the new face of the flight from work in modern America. With pre-Covid rates of workforce participation, almost three million more men and women would be in our labor force today. Prime-age men account for only a small share of this shortfall: Half or more of the gap is owing to men and women 55 and older no longer working. Strangely, workforce participation rates for the 55-plus group remain lower now than in summer 2020, before the advent of Covid mRNA vaccines. Why?

Many appear to have gone into a sort of premature retirement, thanks in part to pandemic policy “wealth effects.” Covid-era subventions, for example, transformed the financial profile of America, nearly doubling the net worth for the bottom half of American households. In

effect, those 64 million households reaped an average of about \$25,000 from this Covid-policy lottery.

Just before Covid, almost nine million homes headed by men and women 55 to 69—more than 1 in 5—had less than \$25,000 in savings. Covid-era windfalls generated by pandemic policies may have played a role in the withdrawal of many older men and women from the workforce—for now.

For America's workforce today, the question is: Shock or shift? Will we witness a gradual return to earlier patterns of work—or have longer-term norms and attitudes been affected by the pandemic, too?

Self-reported time-use surveys may offer preliminary hints. “Men Without Work” paints a grim portrait of unworking prime-age men: checked out from civil society; largely disengaged from family care and housework; sitting before screens as if that were a full-time job—habits that heighten the risk of “deaths of despair.”

There are uncomfortable echoes of the “men without work” syndrome in some of the Covid-era time-use readings among other population groups. Men 55 to 64 who were neither working nor looking for work (“not in labor force,” or NILF) were kings of the screen, clocking in a self-reported 2,400 hours during 2020—possibly a new record in the inactivity olympics. Prime-age women who are both work-free and child-free exhibit similar traits—especially those neither employed nor in education or training (called NEETs by economists). In 2020 they reportedly devoted even less time to household chores, taking care of other household members or getting out of the house than prime male labor-force dropouts—and allocated almost 11.5 hours a day to “personal time” (mainly sleep), more than any other group.

The signs that growing numbers of citizens are ambivalent about working shouldn't be ignored. Success through work, no matter one's station, is a key to self-esteem, independence and belonging. A can-do, pro-work ethos has served our nation well. America's future will depend in no small part on how—and whether—her people choose to work. And that question stands only to grow in importance as our society ages.

Mr. Eberstadt holds a chair at the American Enterprise Institute. He is author of “Men Without Work: Post-Pandemic Edition,” forthcoming Sept. 19.