

HUDSON VALLEY PATTERN *for* PROGRESS

The PULSE of the ECONOMY

EDITION 65 | SEPTEMBER 9, 2021

Labor Force Participation Rate. You would think that if the number of participants in the workforce grew naturally there would be more workers available and the Unemployment Rate would decline... And you would be right if you looked at the correlation of Labor Force Participation Rate to Unemployment Rate for the past 5 years (top charts below)

But if you go back to around 1950 (lower charts) and look for a simple correlation between the rate of unemployment and labor force participation it doesn't exist. What does that mean?

First of all there is yet another reminder that you need to be careful when citing statistics, but more importantly, you often have to look elsewhere for the answer. In this case, things that might influence both trends are: the number of retirements, measures of productivity, integration of technology, and a variety of other factors.

So as you see "Help Wanted" signs everywhere, and the Labor Force Participation Rate begins to increase do not be surprised if the Unemployment Rate increases, as well as the number of people looking for work. Stay Tuned.

Please send us your thoughts and comments to rdegroat@pfprogress.org.

STOCK MARKET DOW JONES

35,313

SEPTEMBER 1
CLOSING NUMBER

35,017

SEPTEMBER 8
CLOSING NUMBER

↓ 296

COVID THE LATEST COUNT

	U.S. Numbers	14-Day Change	Hudson Valley Total Reported
Cases	40.3M+	+1%	316,183
Deaths	650,998	+34%	+3,699

Updated September 8, 2021

