

The Economic Change Dominating the Future

The Shrinking of America's Labor Market

Mark Knold, Chief Economist

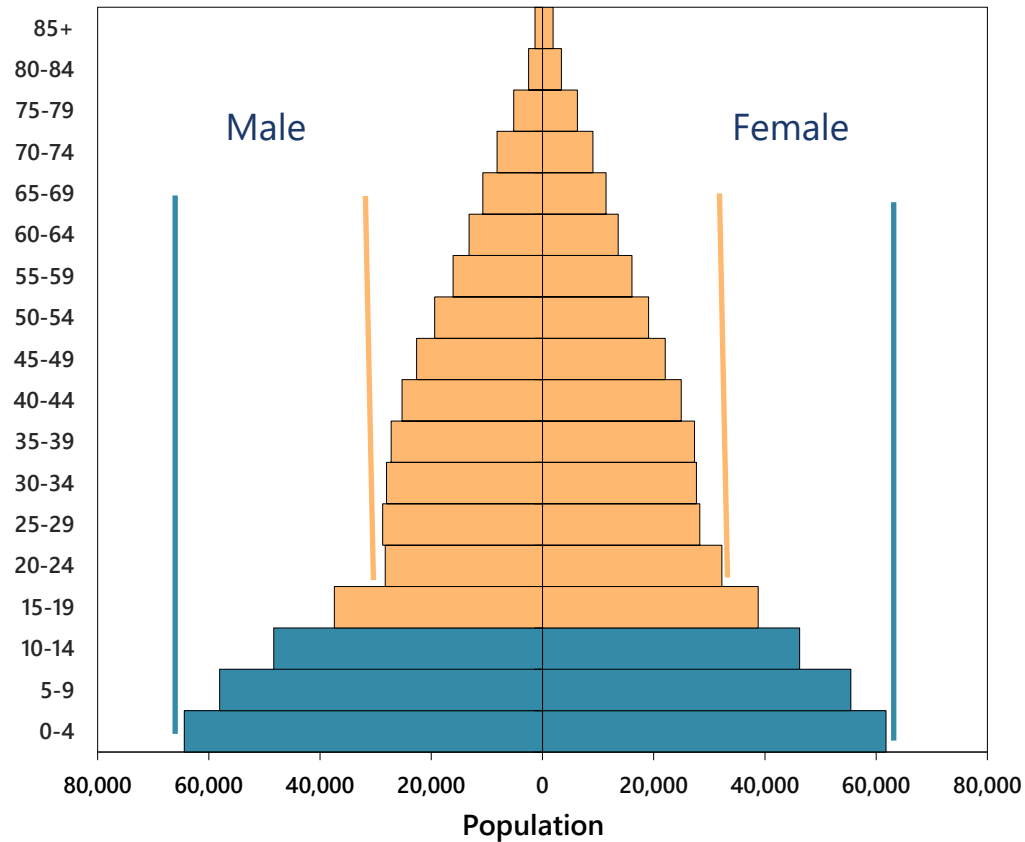
Utah Department of Workforce Services


March 2024

Why Does the Nation Have a Labor Shortage?

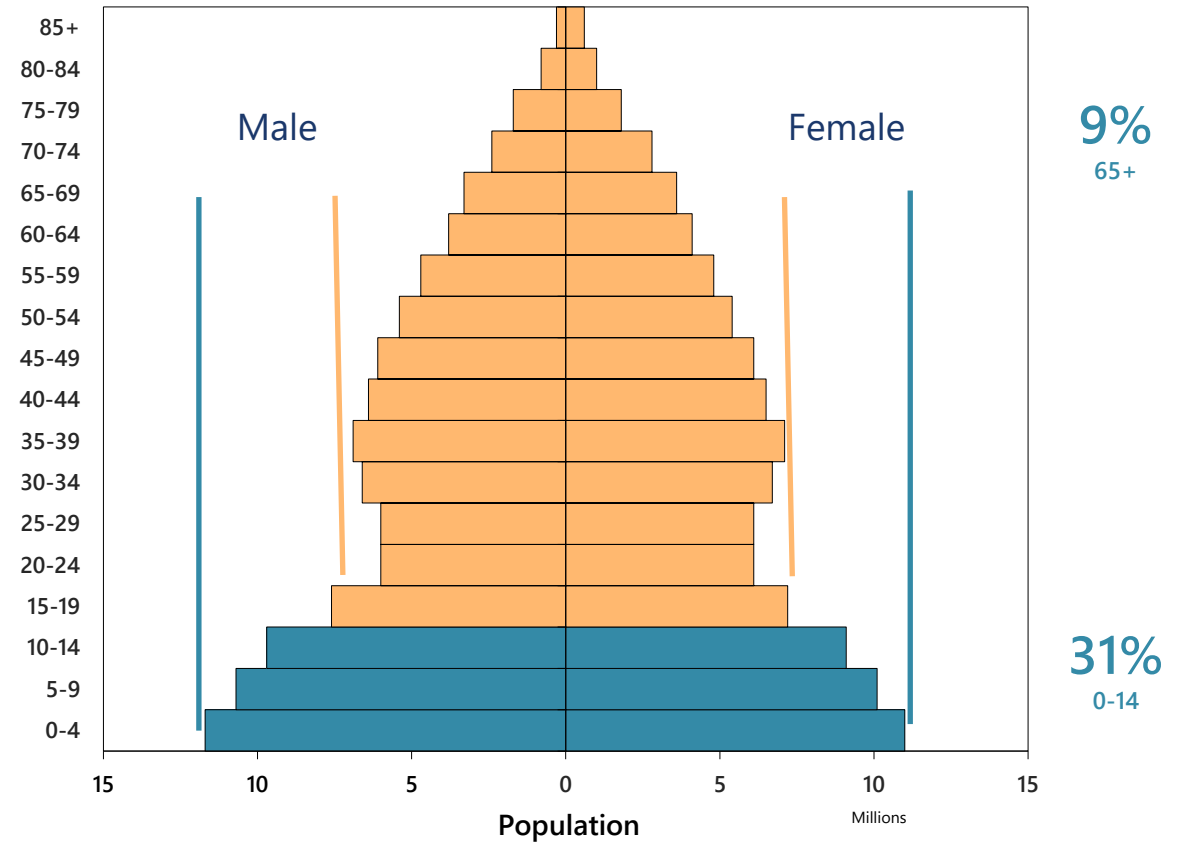
The answer has been 60 to 70 years in the making.


Utah's Population by Age and Sex: 1960



 Baby Boom Generation

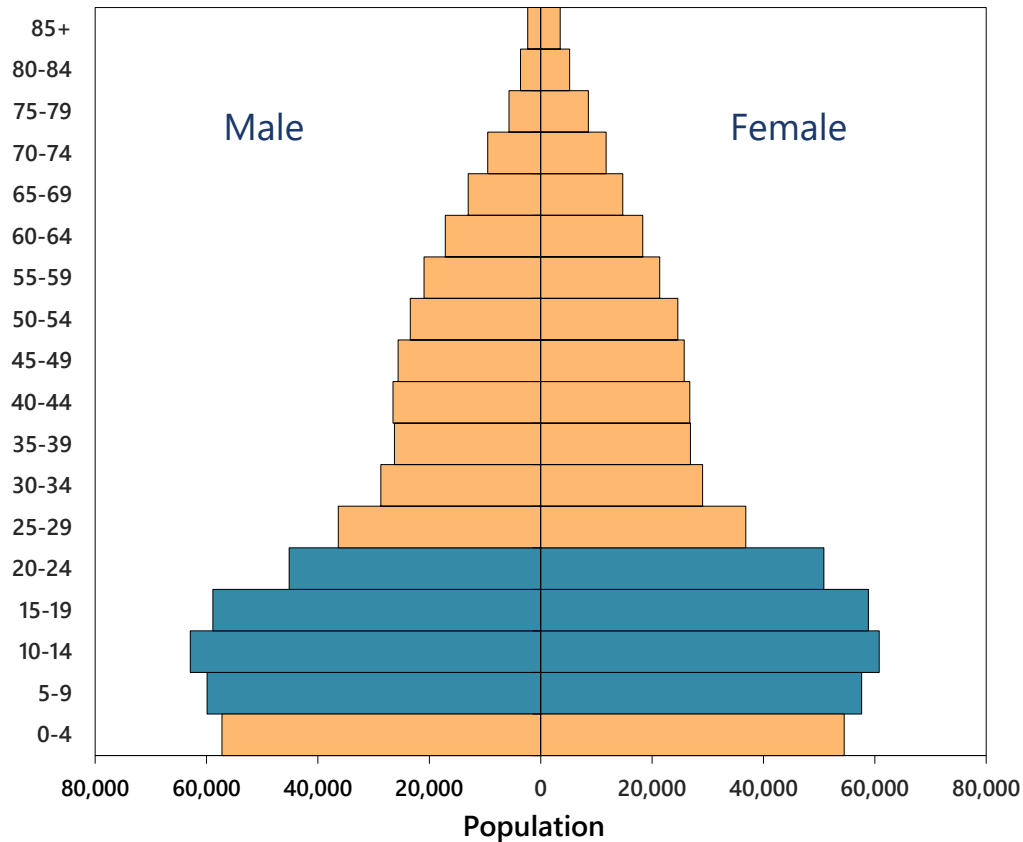
U.S. Population by Age and Sex: 1960




 Baby Boom Generation

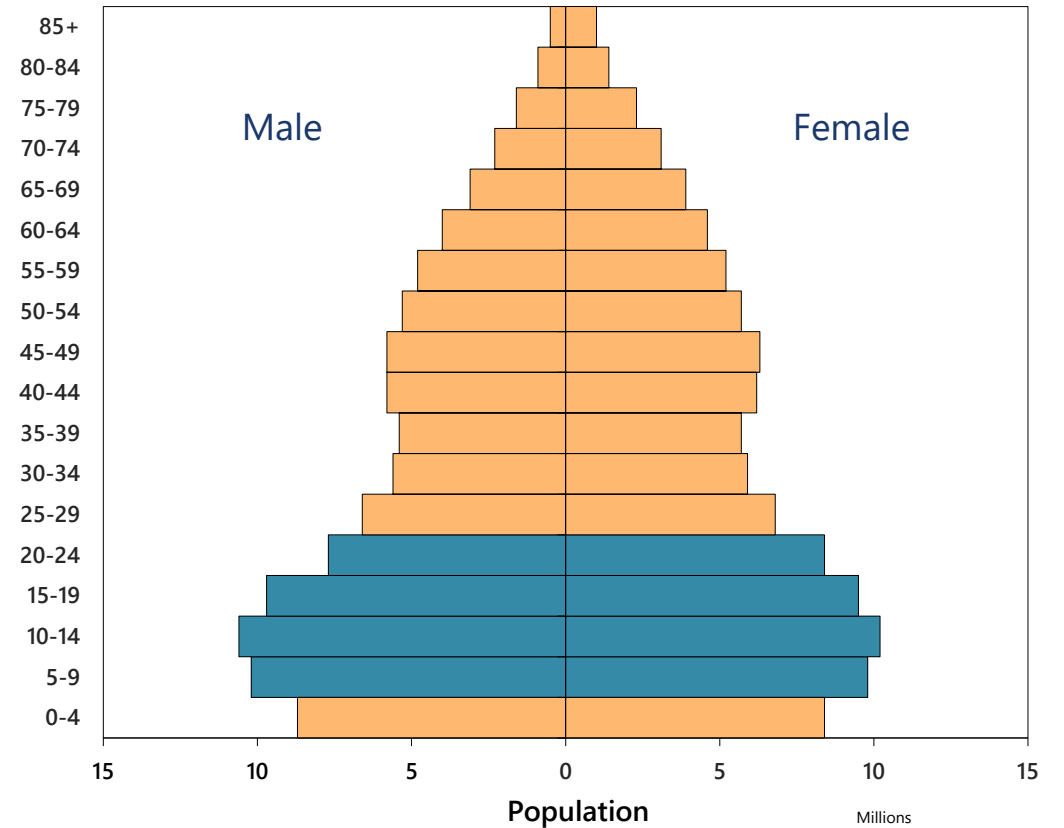
Source: United States Census Bureau


Utah's Population by Age and Sex: 1970



 Baby Boom Generation

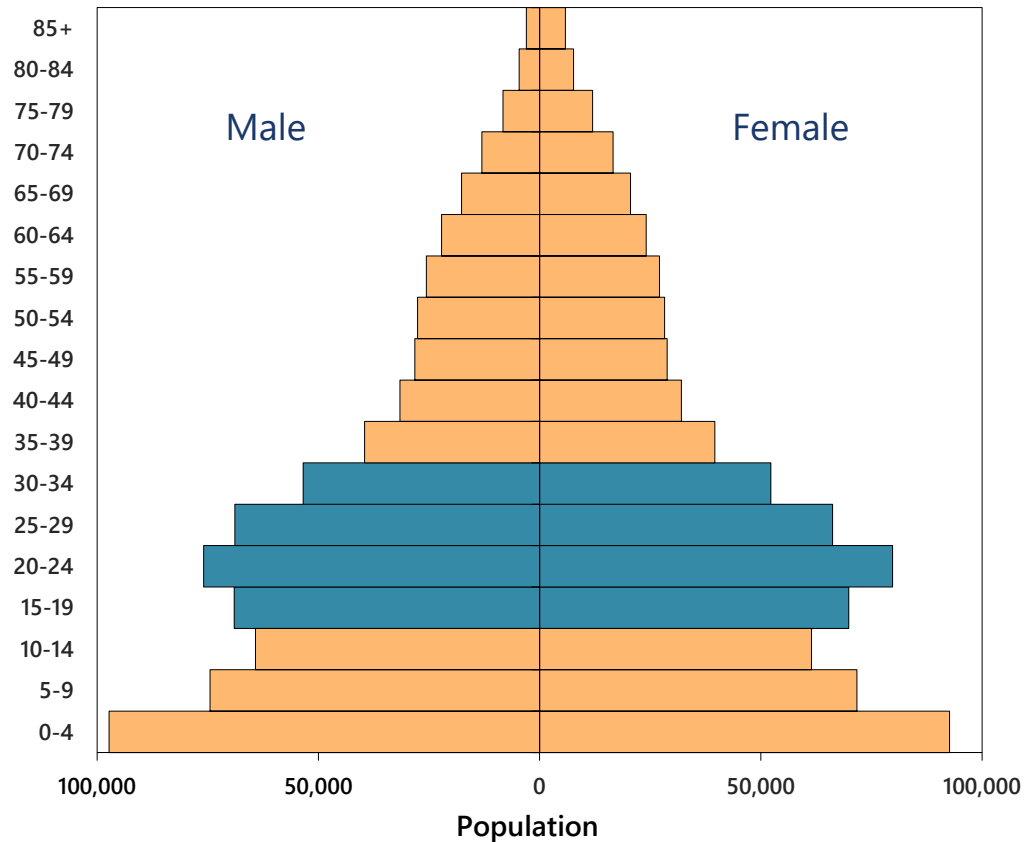
U.S. Population by Age and Sex: 1970




 Baby Boom Generation

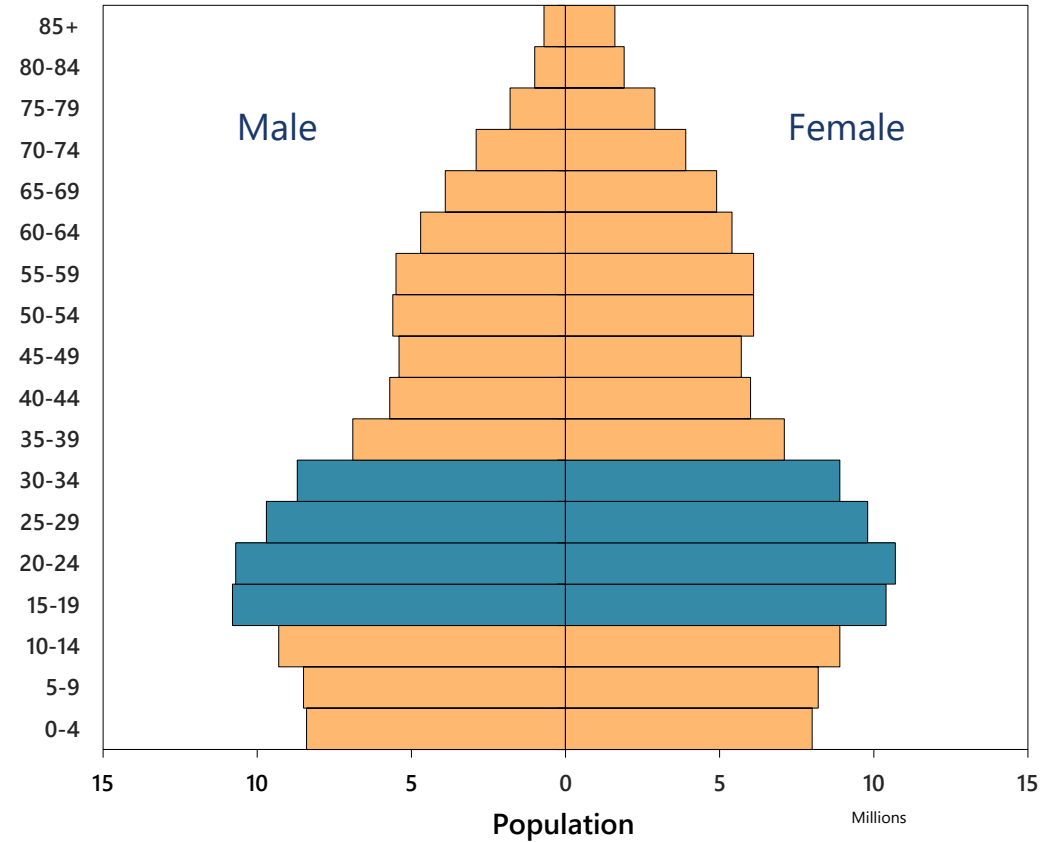
Source: United States Census Bureau


Utah's Population by Age and Sex: 1980



 Baby Boom Generation

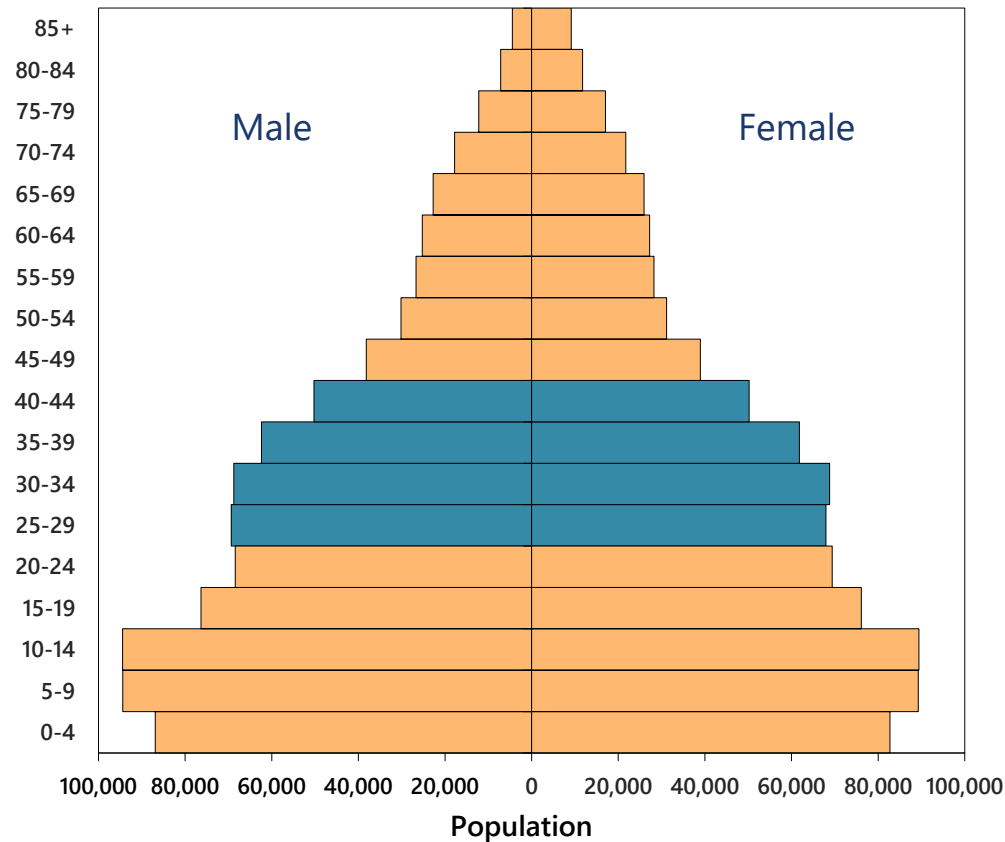
U.S. Population by Age and Sex: 1980




 Baby Boom Generation

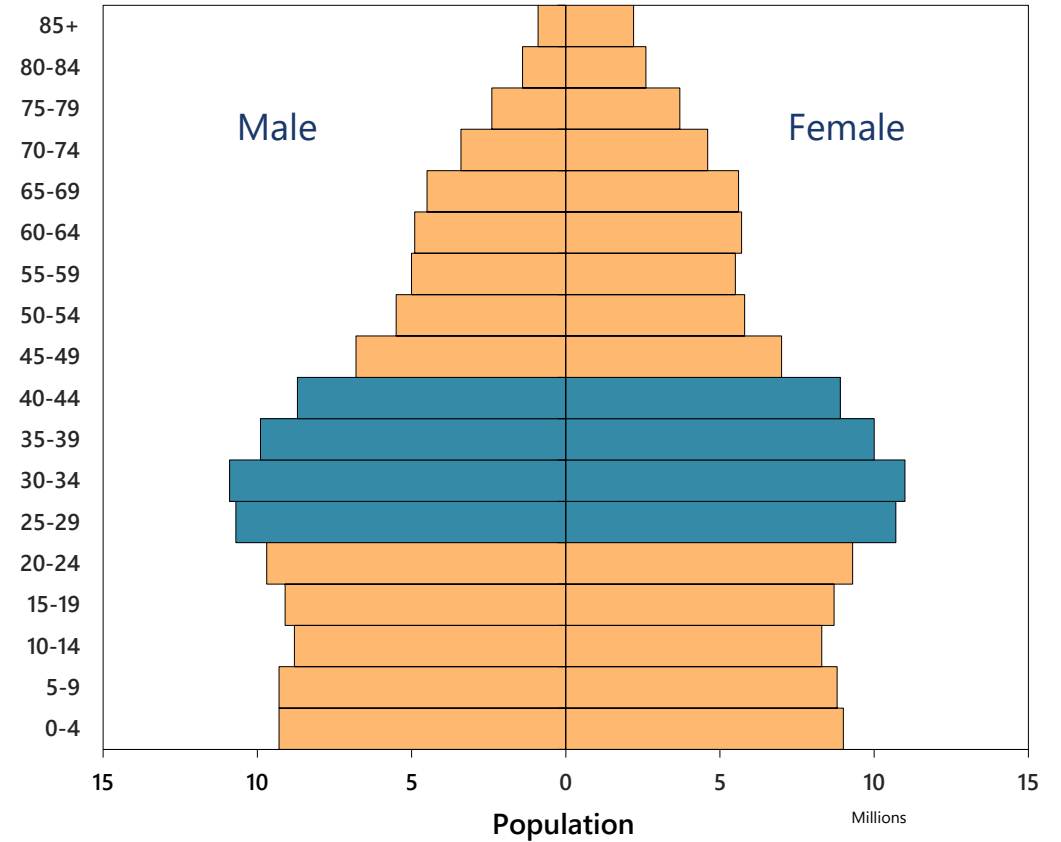
Source: United States Census Bureau


Utah's Population by Age and Sex: 1990



 Baby Boom Generation

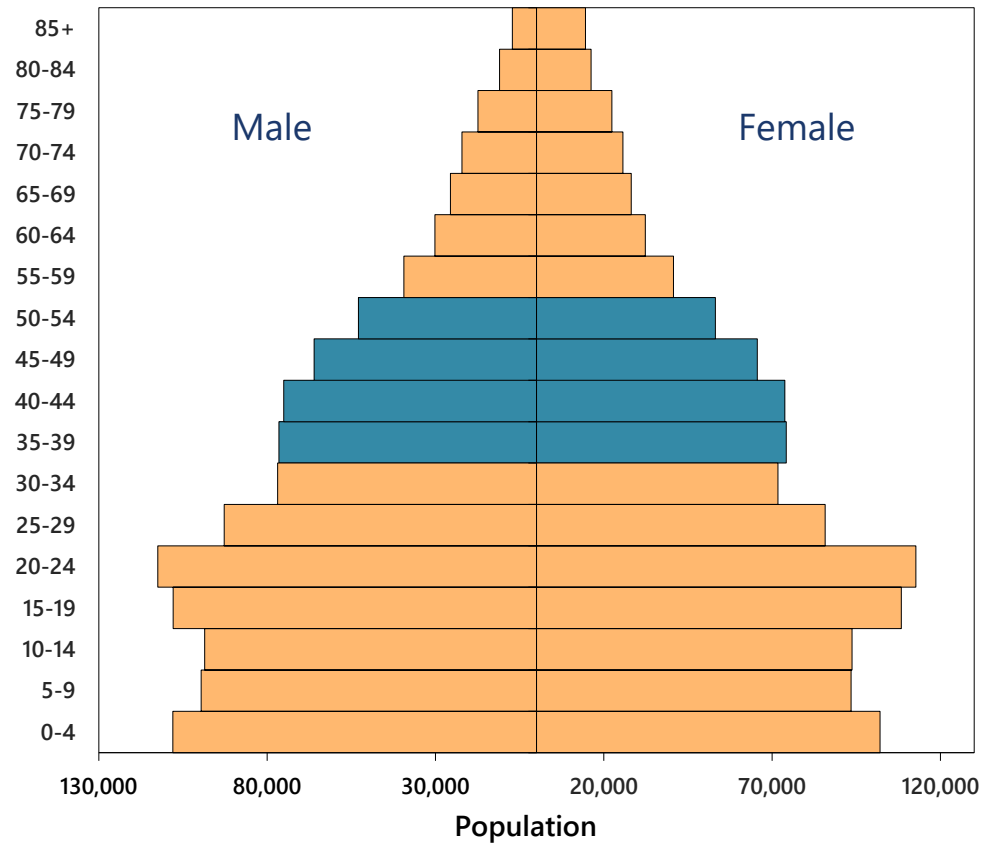
U.S. Population by Age and Sex: 1990




 Baby Boom Generation

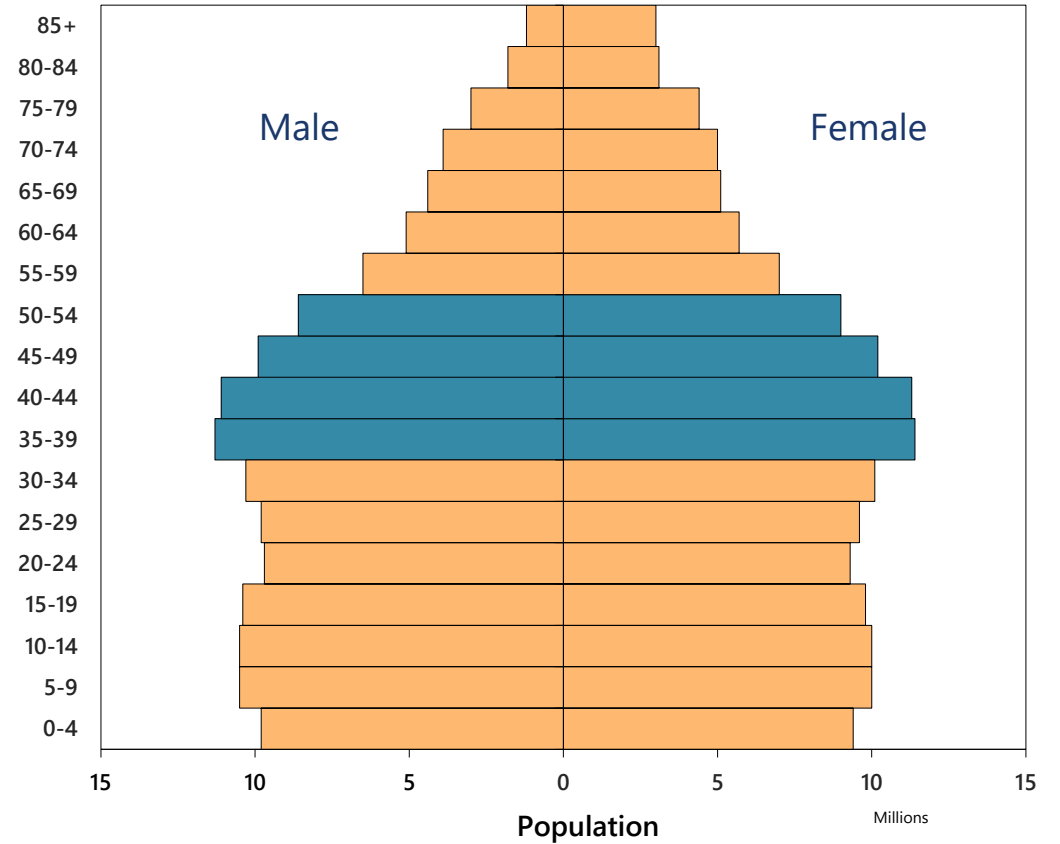
Source: United States Census Bureau


Utah's Population by Age and Sex: 2000



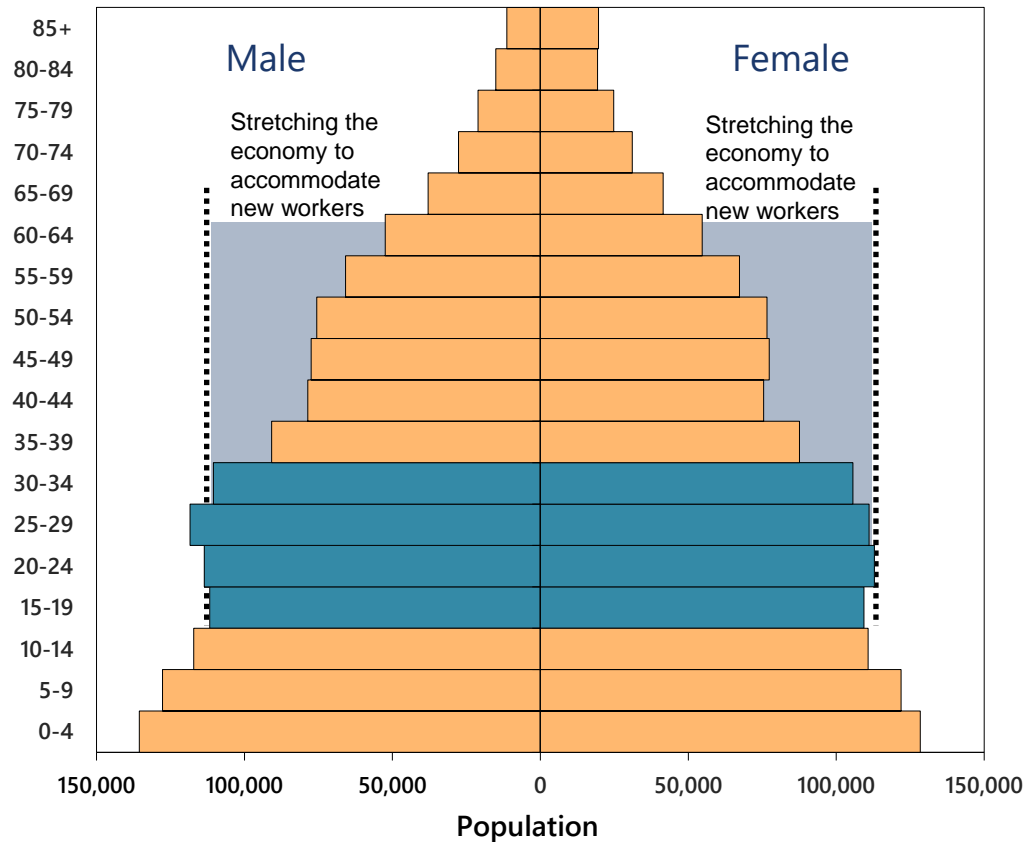
 Baby Boom Generation

U.S. Population by Age and Sex: 2000



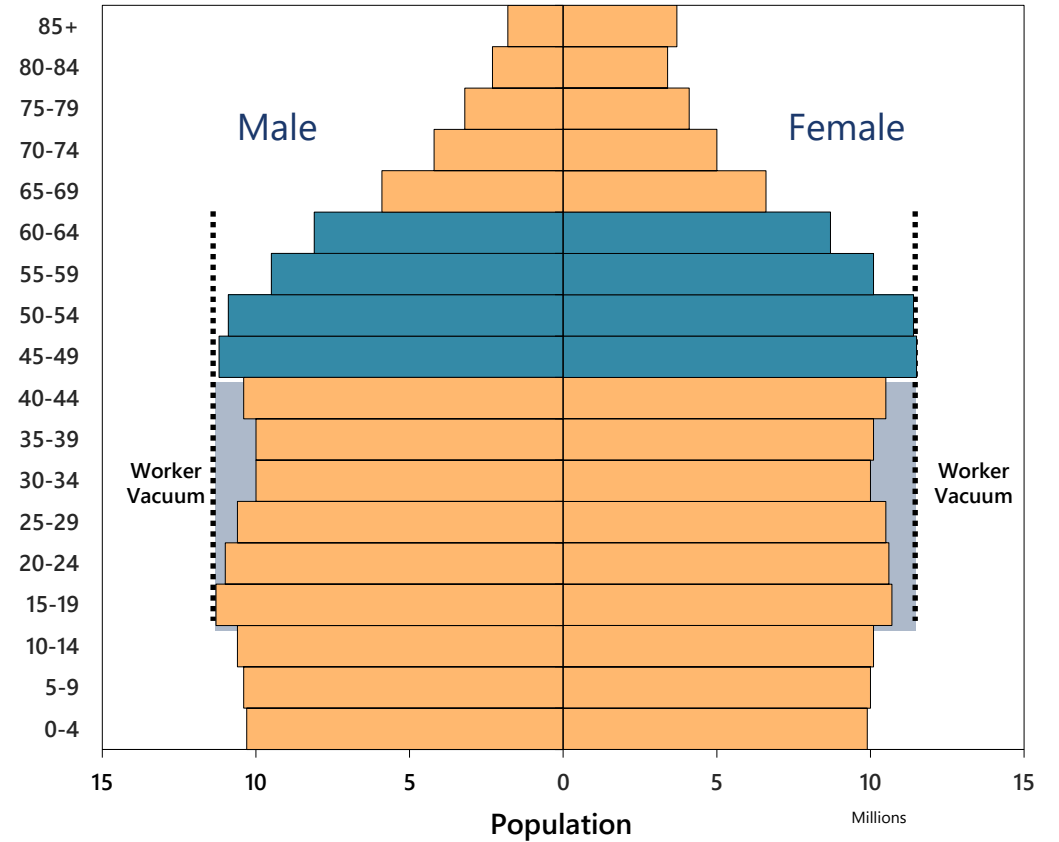
 Baby Boom Generation


Utah's Population by Age and Sex: 2010



 Labor Force Dominance

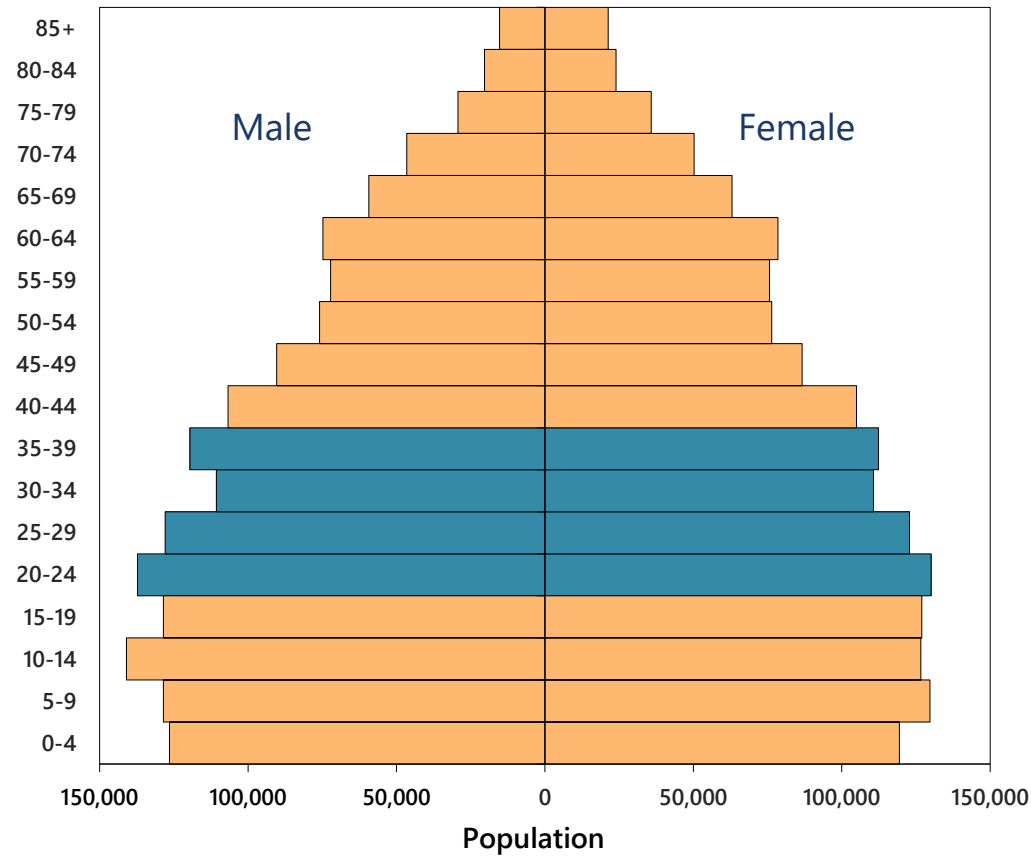
U.S. Population by Age and Sex: 2010



 Baby Boom Generation

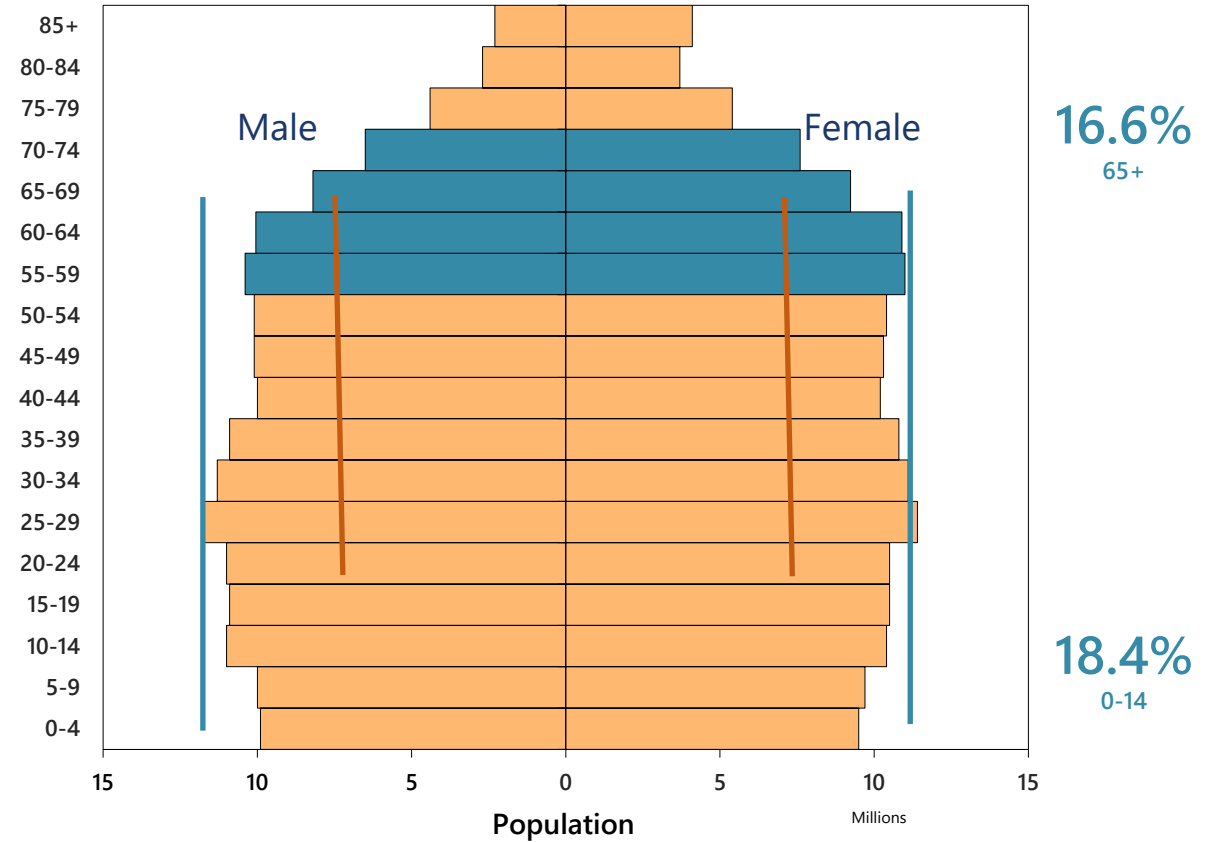
Source: United States Census Bureau


Utah's Population by Age and Sex: 2020



 Labor Force Dominance

U.S. Population by Age and Sex: 2020



 Baby Boom Generation

16.6%
65+

18.4%
0-14

Source: United States Census Bureau

Recent Census Bureau Articles Highlight This Phenomenon



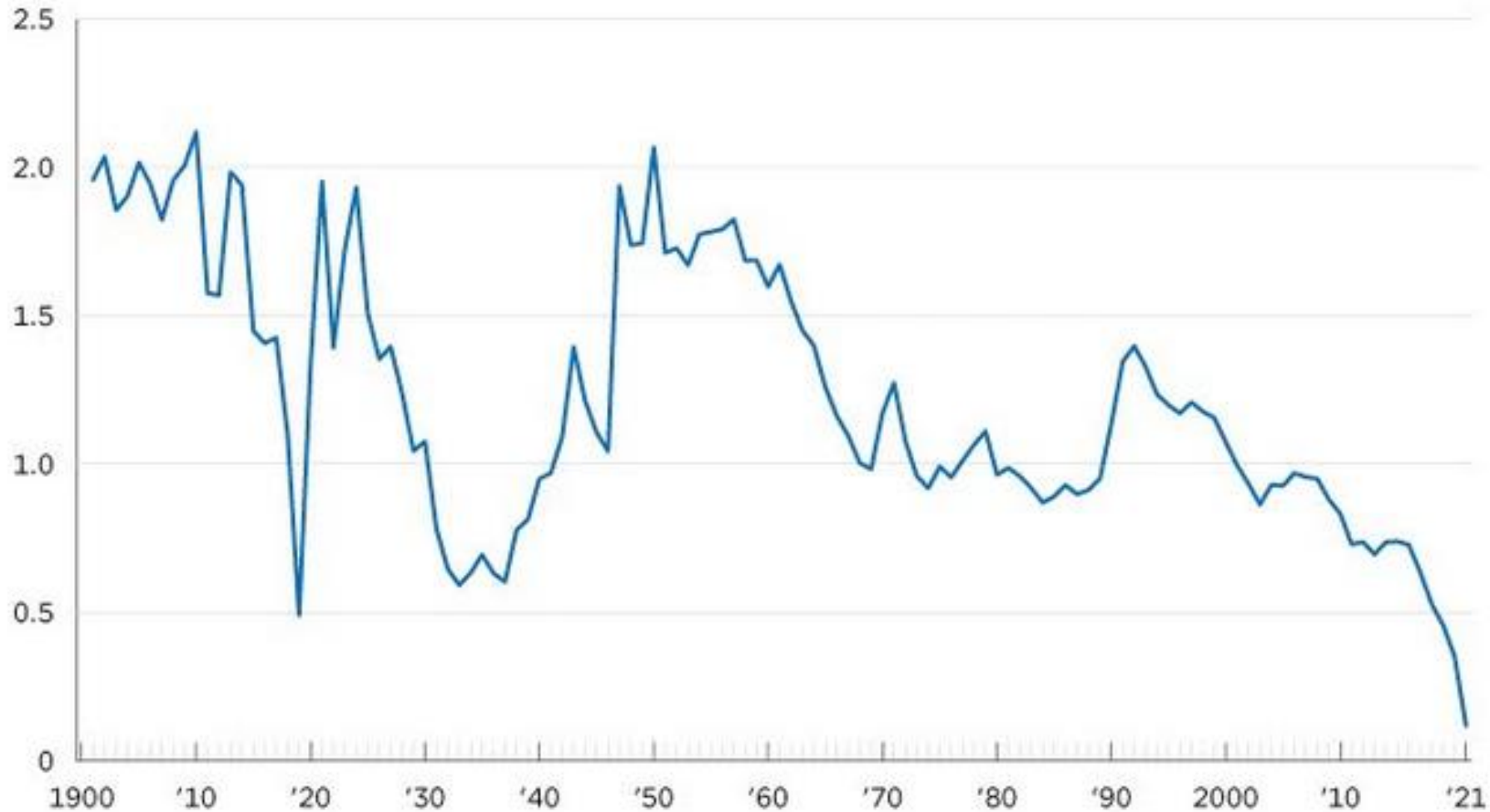
**U.S. Population Grew
0.1% in 2021,
Slowest Rate Since
Founding of the
Nation**



**Net International
Migration at Lowest
Levels in Decades**

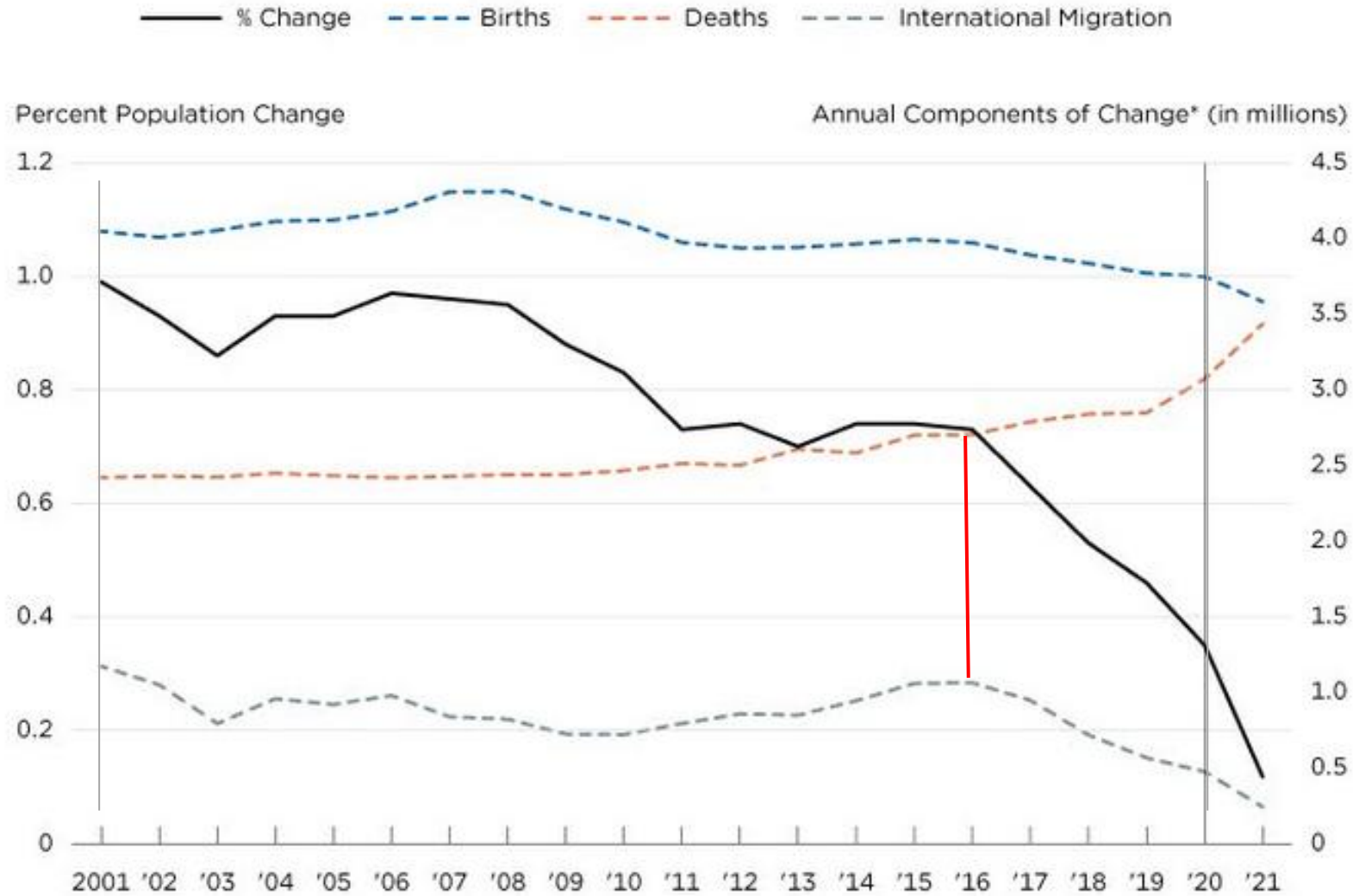


Annual Percent Change in the U.S. Population 1900-2021



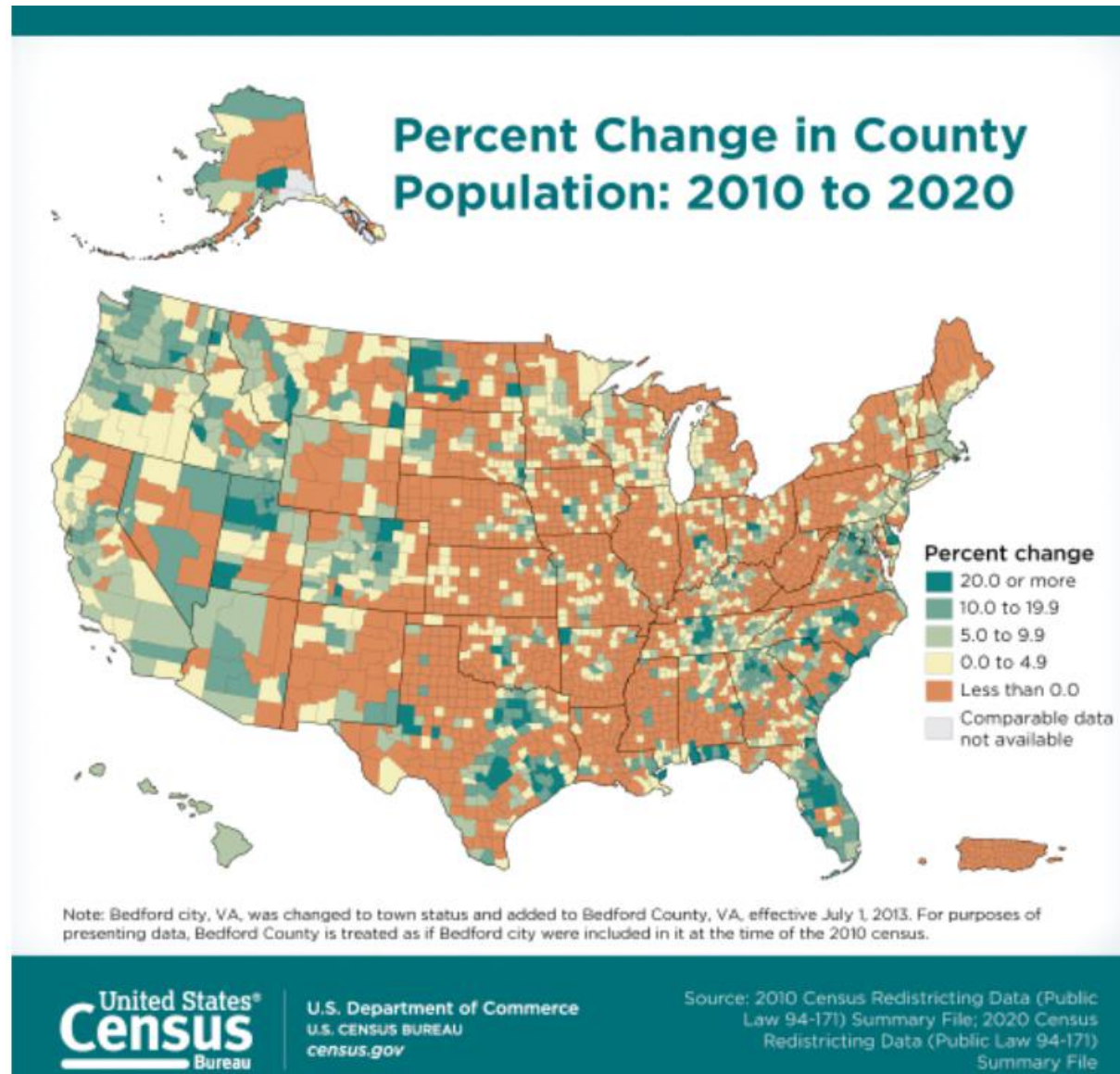
Note: 1917-1919 includes U.S. Armed Forces overseas.

Population Change and the Components Change 2001-2021



* Components of change include births, deaths and net international migration.
 Note: Only data to the right of the line are from Vintage 2021.

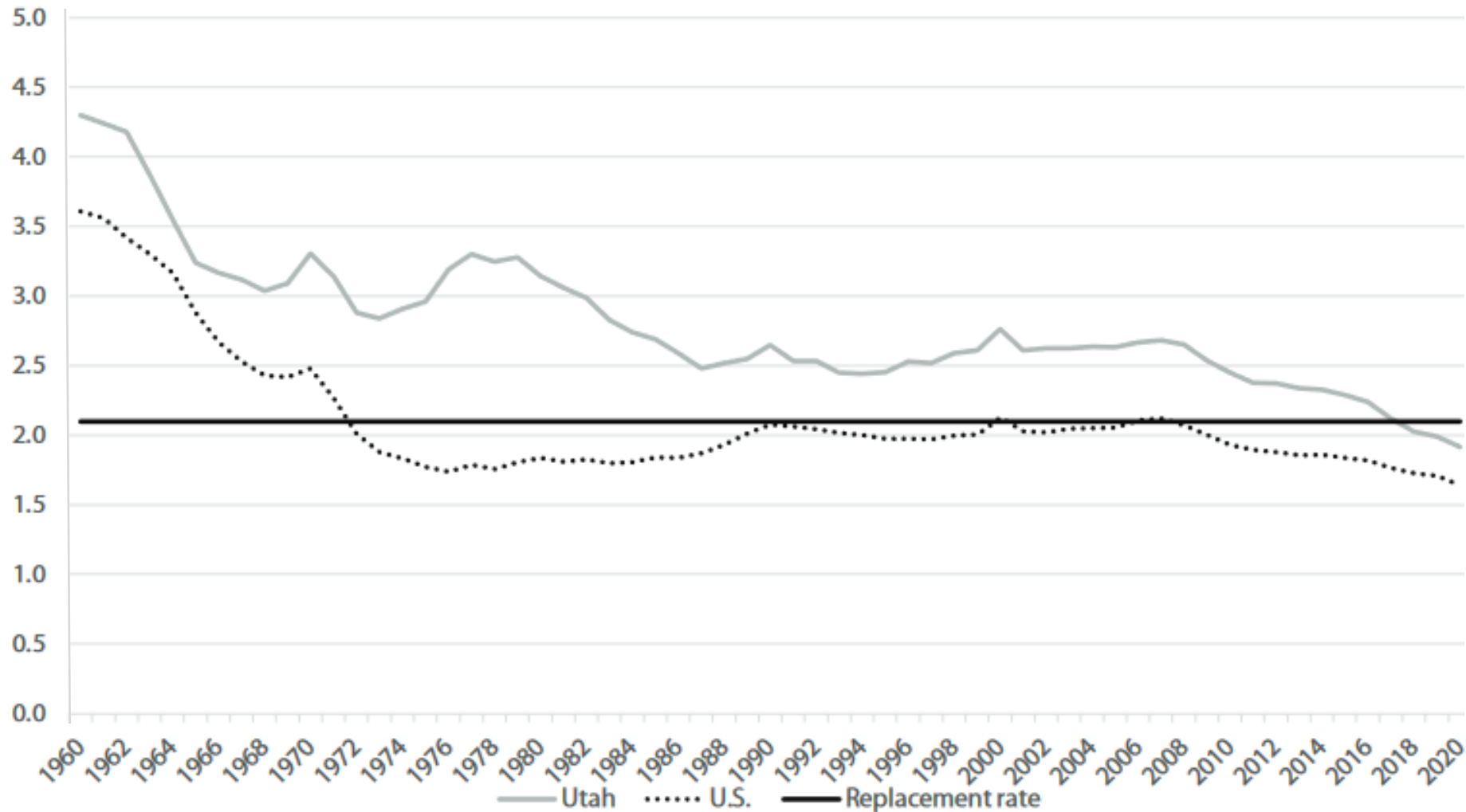
County Population Change



Source: United States Census Bureau



Total Fertility for Utah and the United States



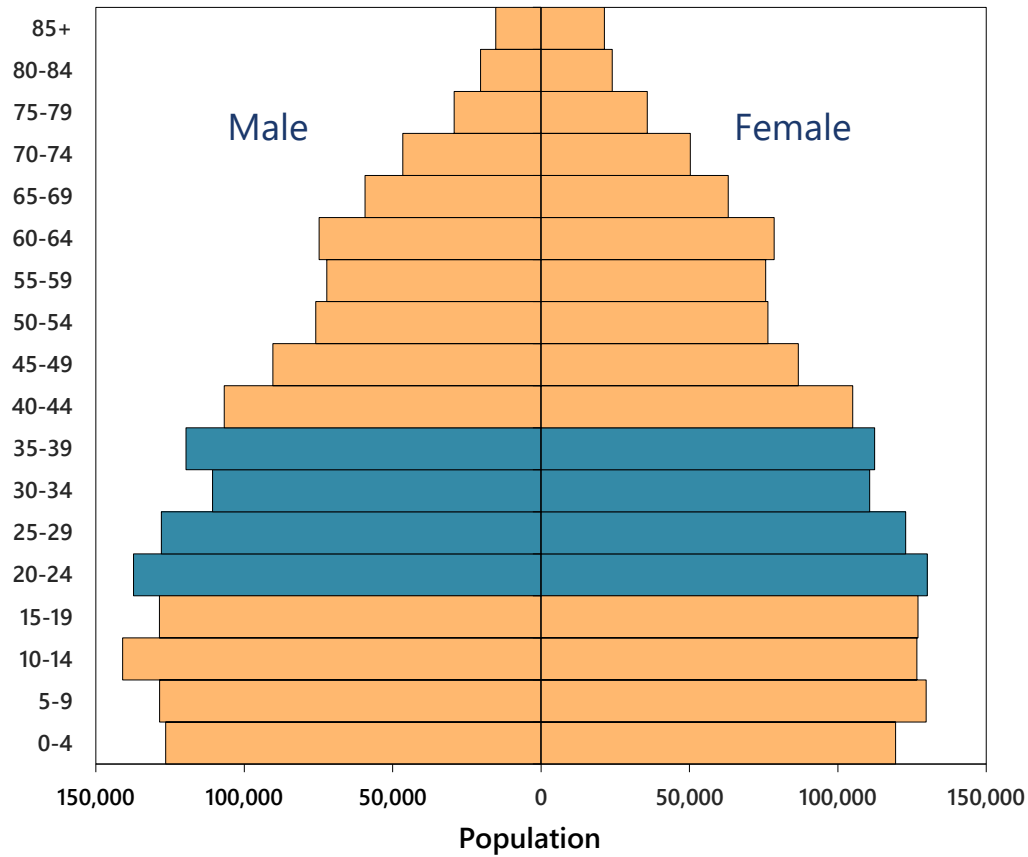
Note: The Replacement rate is the fertility level at which the current population is replaced

Where have all the children gone? Utah school enrollment shows recent decline

By Logan Stefanich, KSL.com | Posted - Aug. 16, 2023 at 6:16 a.m.

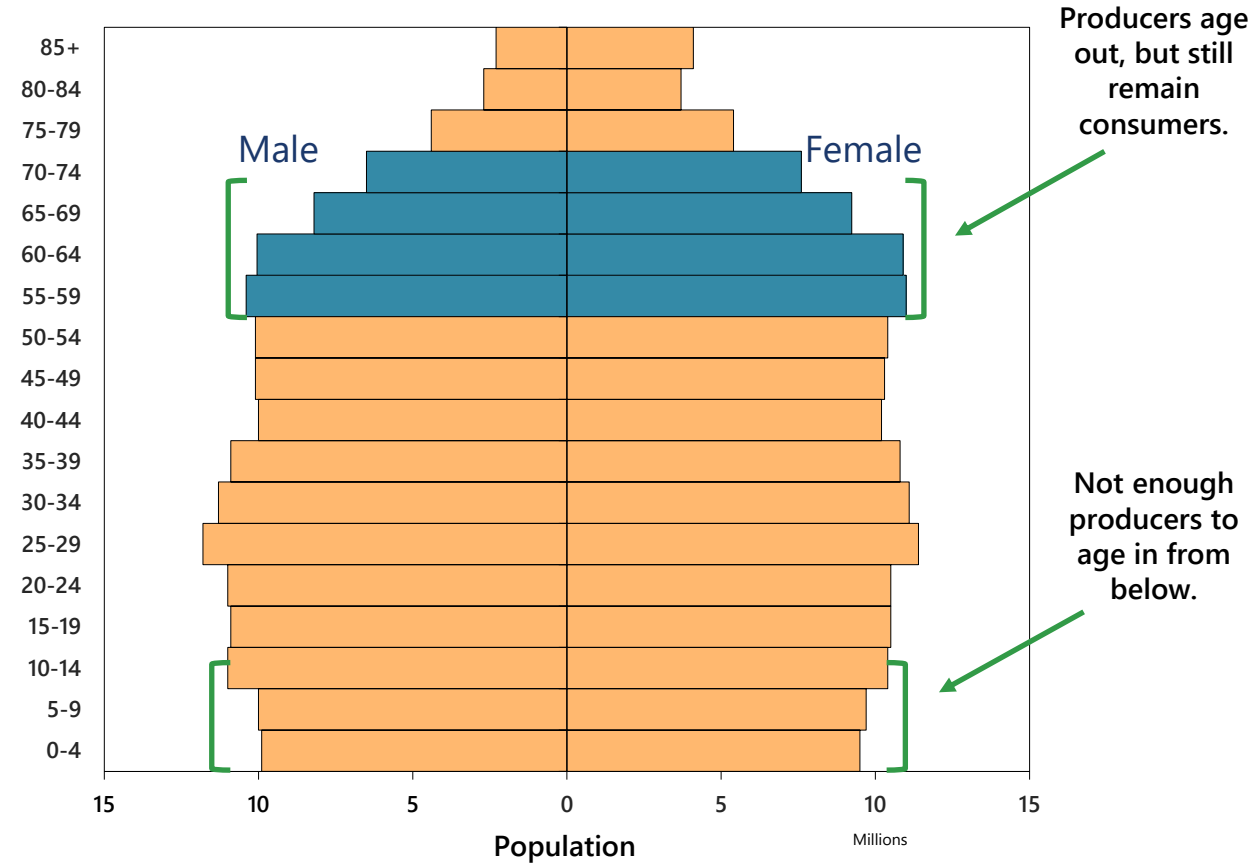



Utah's Population by Age and Sex: 2020



 Labor Force Dominance

U.S. Population by Age and Sex: 2020



 Baby Boom Generation

Producers age out, but still remain consumers.

Not enough producers to age in from below.

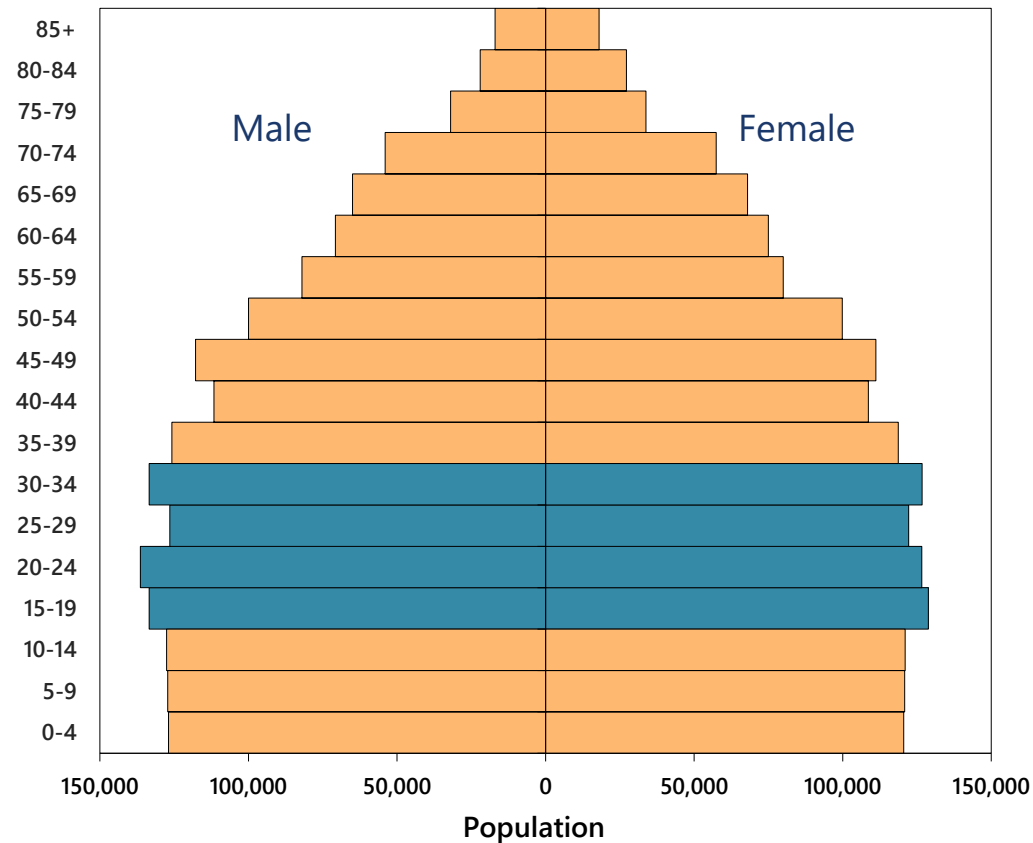
Source: United States Census Bureau


Six Plausible/Combined Macro Solutions

1. Incentivize or pressure the Baby Boomers to remain in the labor force.
2. Import products.
3. Import labor from other countries.
4. Offset the departing labor with automation and artificial intelligence.
5. Incentivize births.
6. Let the economy naturally shrink.

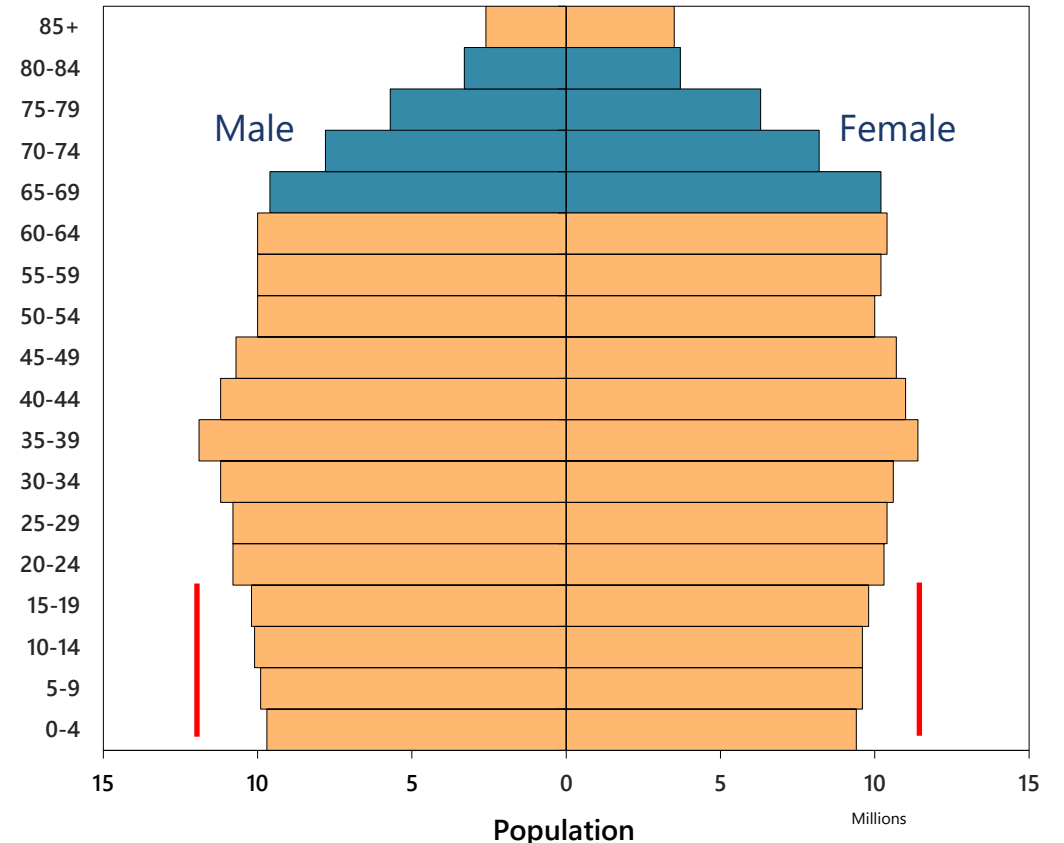
Looking to the Future


Utah's Population by Age and Sex:
2030



 Labor Force Dominance

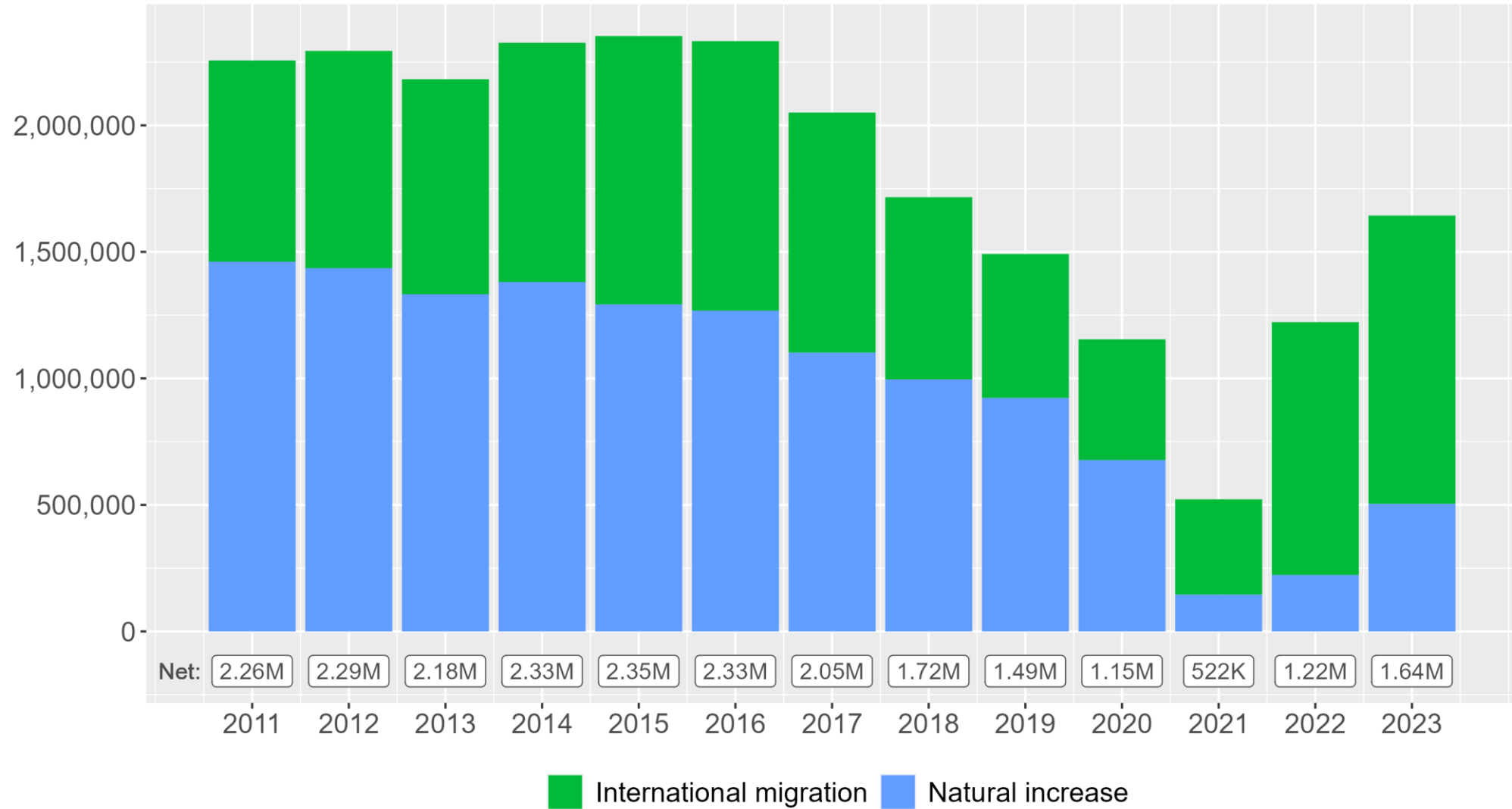
U.S. Population by Age and Sex:
2030



 Baby Boom Generation

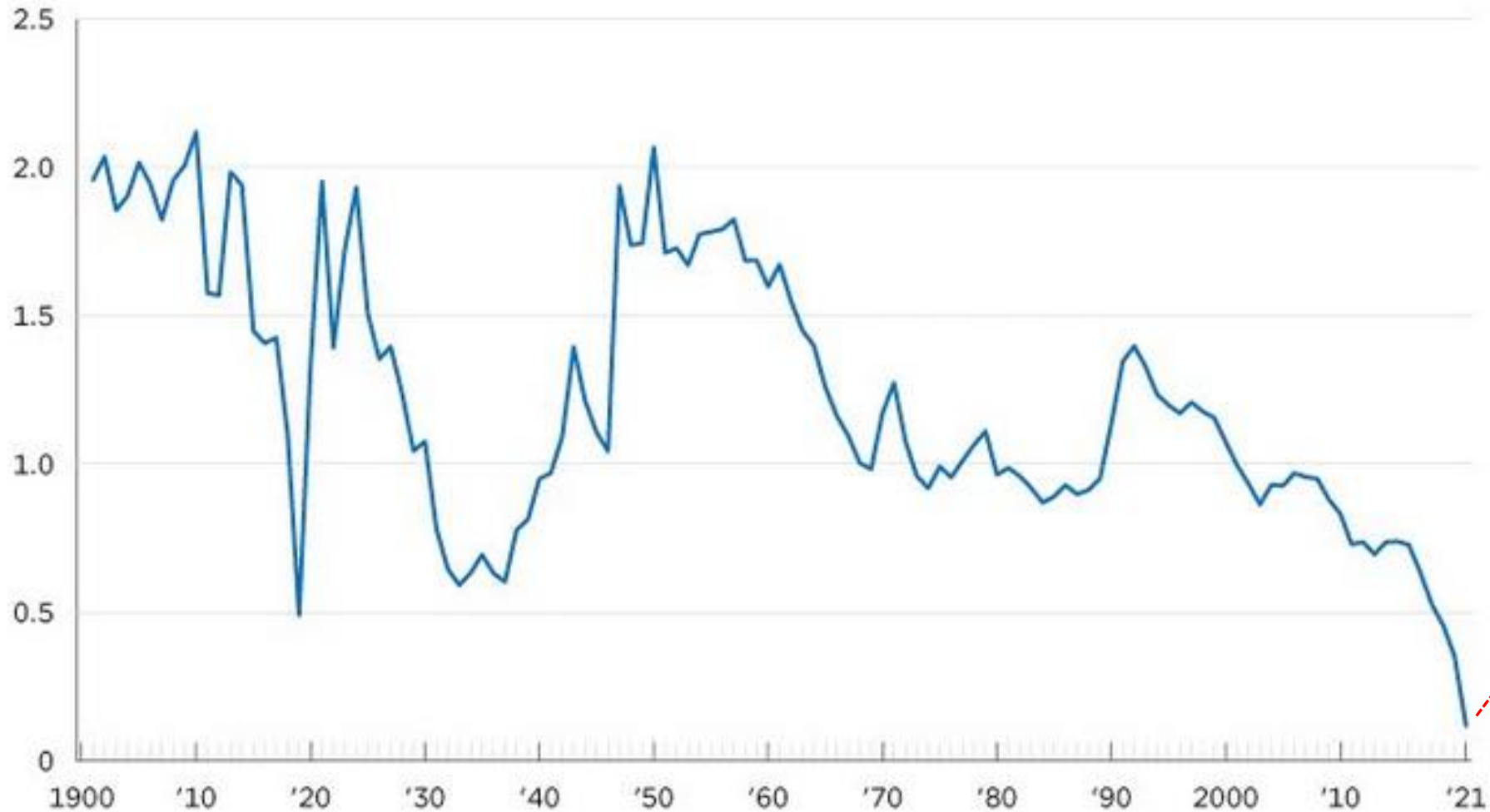
Source: Workforce Services Estimates

United States: Components of population change



Source: U.S. Census Bureau, Population Division

Annual Percent Change in the U.S. Population 1900-2021



Note: 1917-1919 includes U.S. Armed Forces overseas.



UTAH DEPARTMENT OF
**WORKFORCE
SERVICES**
RESEARCH & ANALYSIS

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