

# Discussion of “Reassessing Economic Constraints: Maximum Employment or Maximum Hours?”

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# Growth Accounting for US Economy

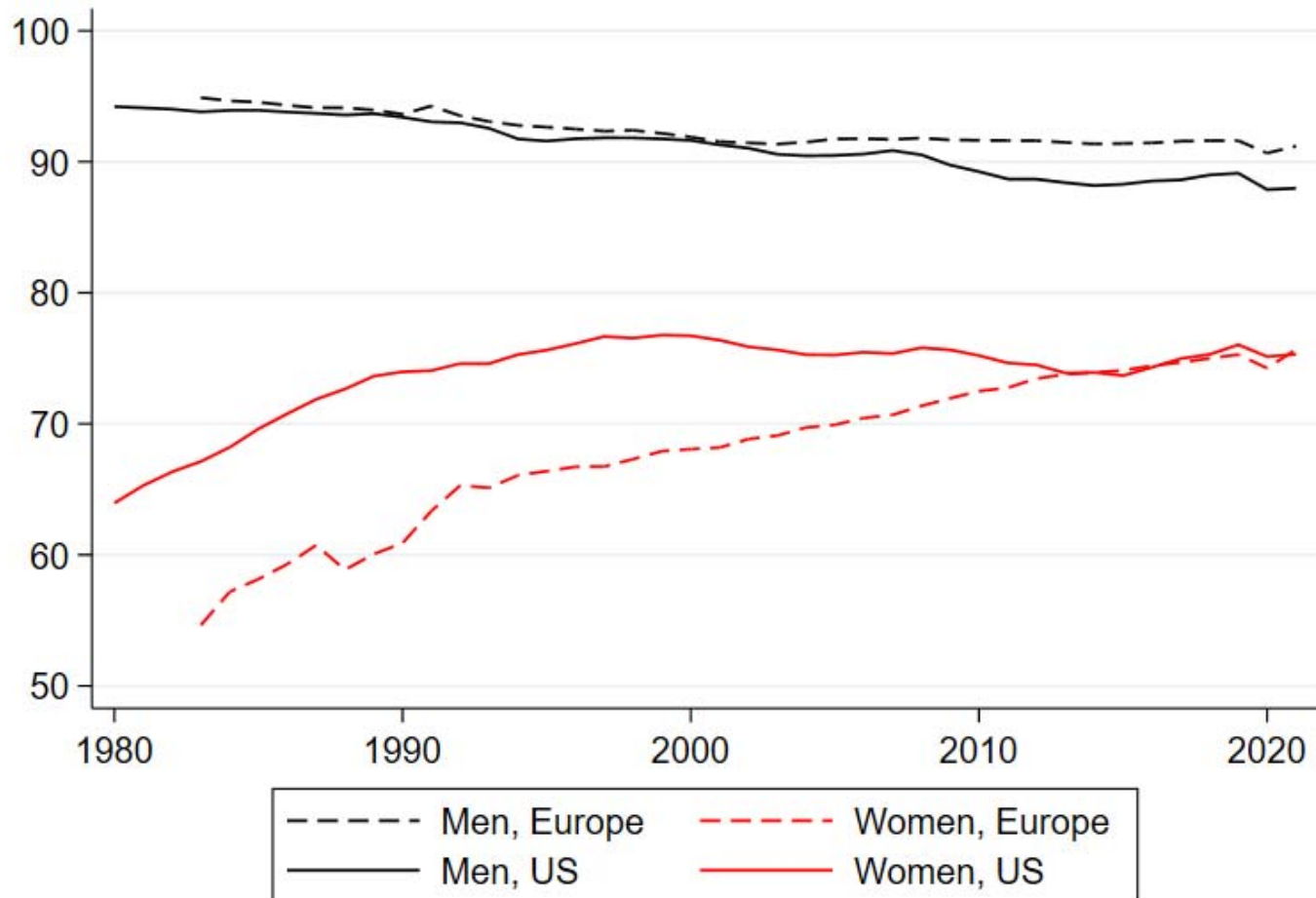
## Real GDP, Labor input and Productivity

### Average annual growth rates

	1981:Q3- 1990:Q3	1990:Q3- 2001:Q1	2001:Q1- 2007:Q4	2007:Q4- 2019:Q4
<b>Real Gross Domestic Product</b>	3.9	3.8	3.0	1.8
<b><i>Labor input</i></b>				
<b>Population</b>	1.2	1.2	1.3	0.9
<b>Labor Force Participation</b>	0.5	0.1	-0.3	-0.3
<b>Employment Rate</b>	0.2	0.1	-0.1	0.1
<b>Worweek (CPS)</b>	0.2	-0.1	-0.1	-0.1
<b>Business Sector Labor Productivity</b>	1.8	2.2	2.8	1.4

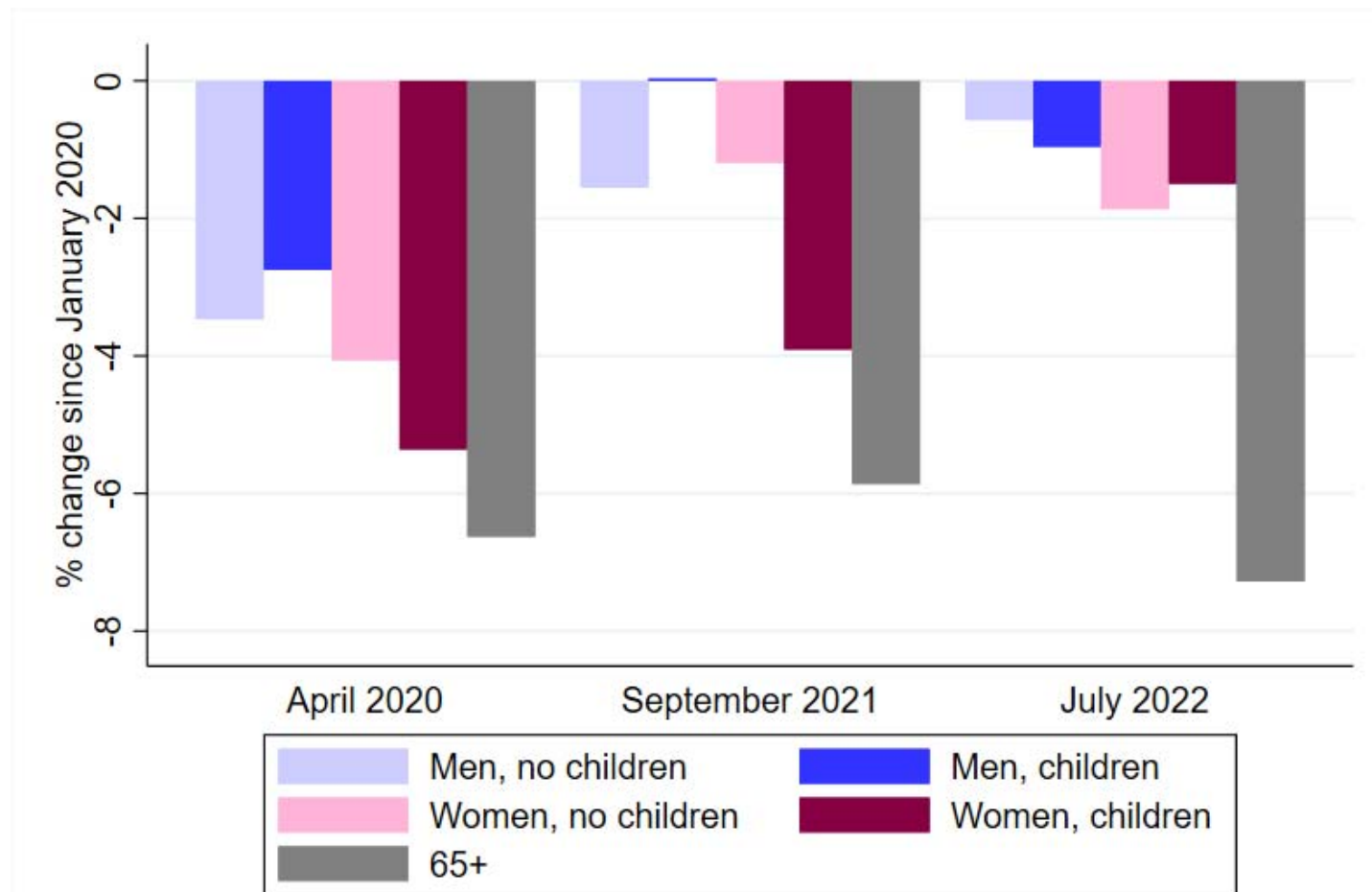
Source: Bureau of Labor Statistics, Current Population Survey and the Productivity Costs and the Bureau of Economic Activity. Author's calculations.

# Prime-age Labor Force Participation Rates



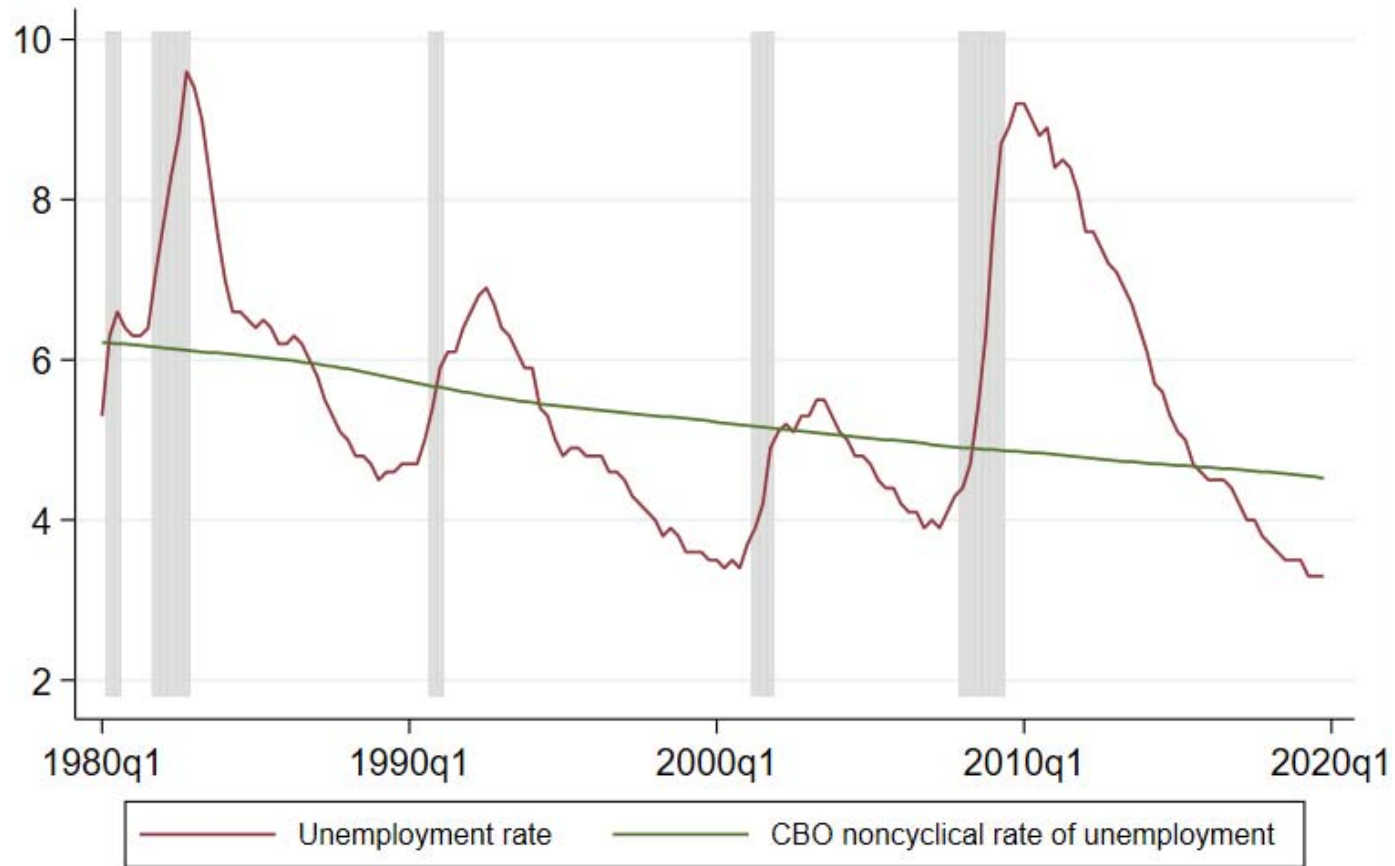
Source: The OECD and author's calculations.

# Change in Labor Force Participation Rates



Source: Current Population Survey and author's calculations.  
Note: Children refers to youngest child under 12.

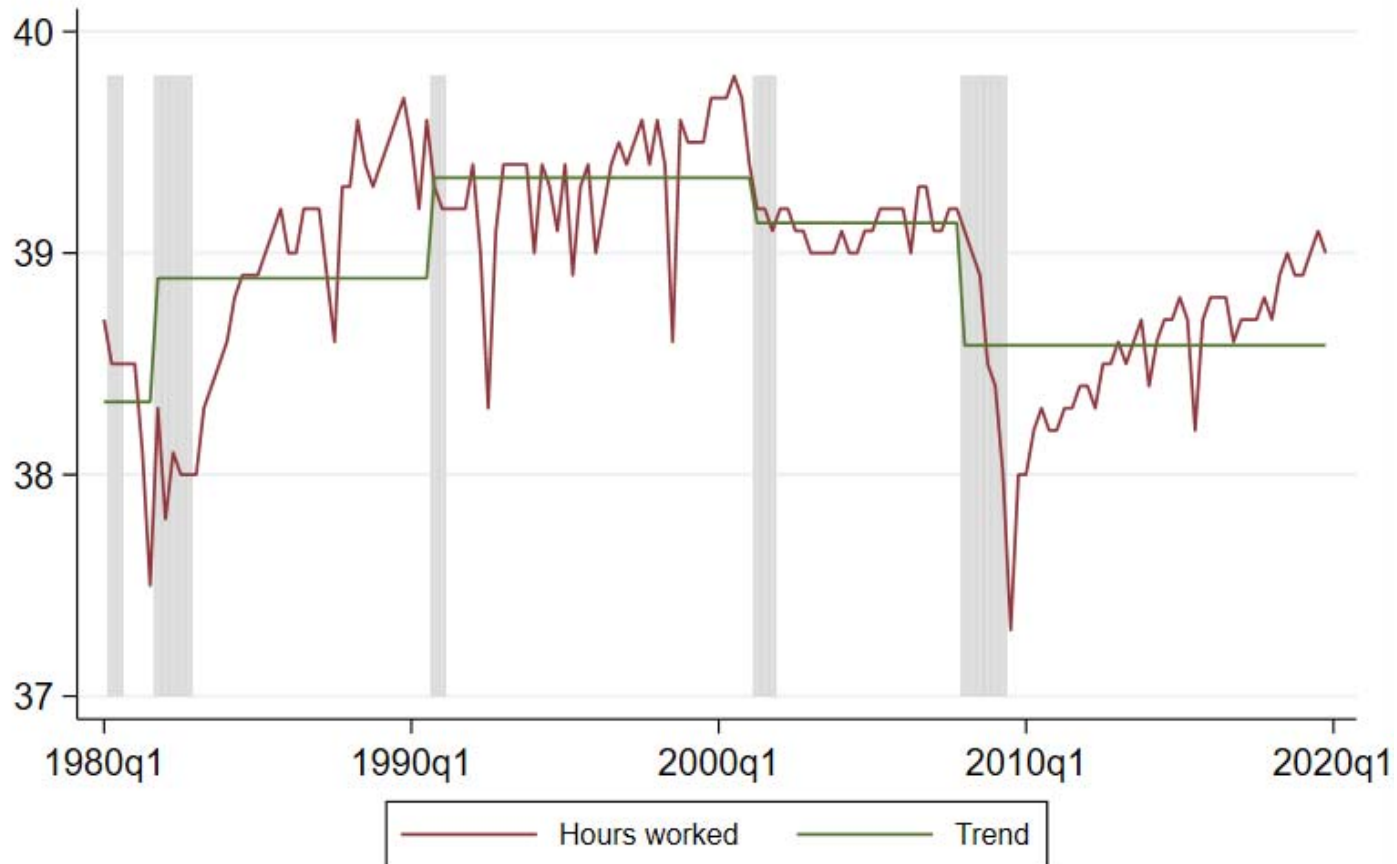
# Unemployment rate



Source: Bureau of Labor Statistics, Current Population Survey, Congressional Budget Office and author's calculations.

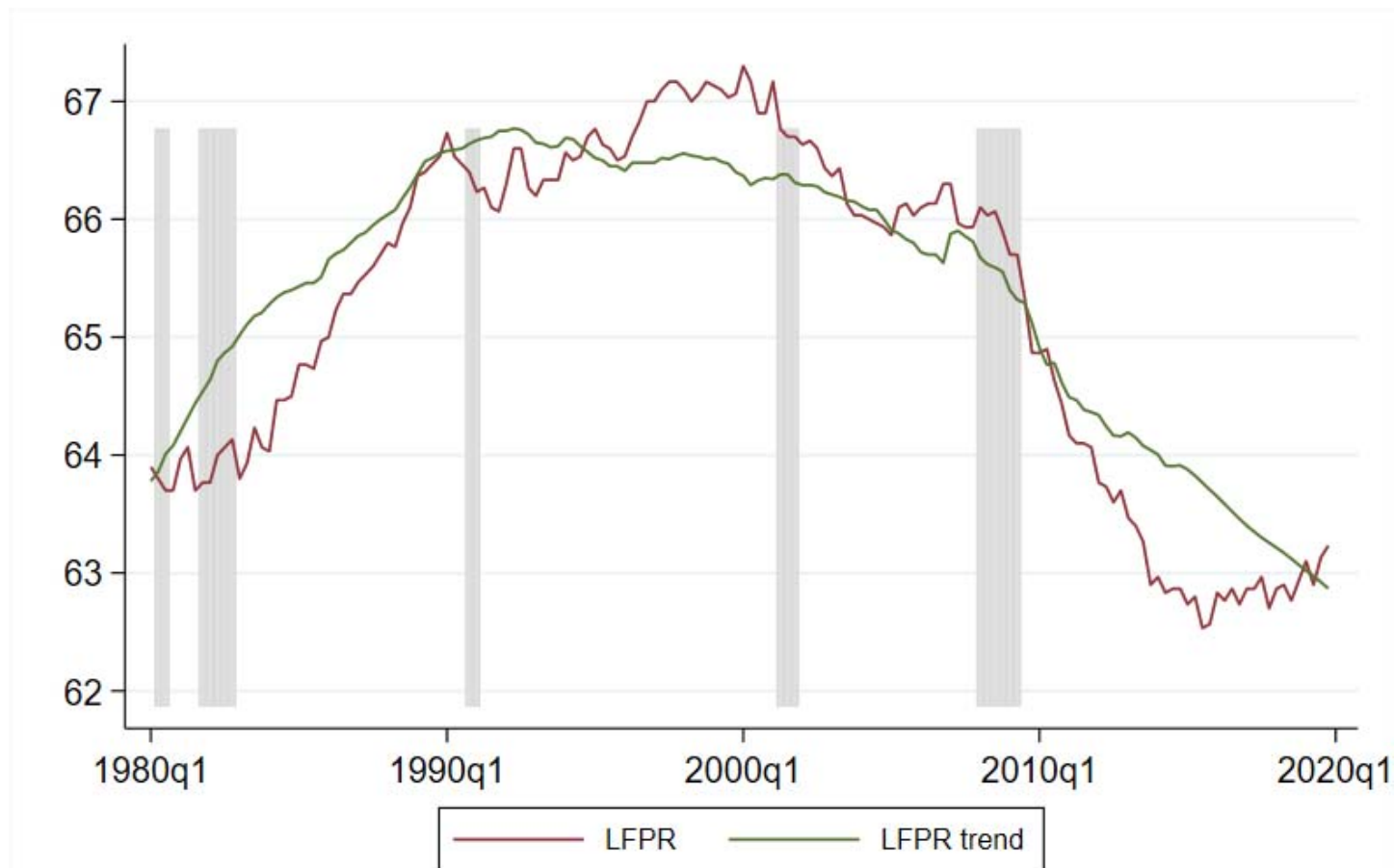
Note: Gray shading represents US recessions as dated by the NBER.

# The average workweek



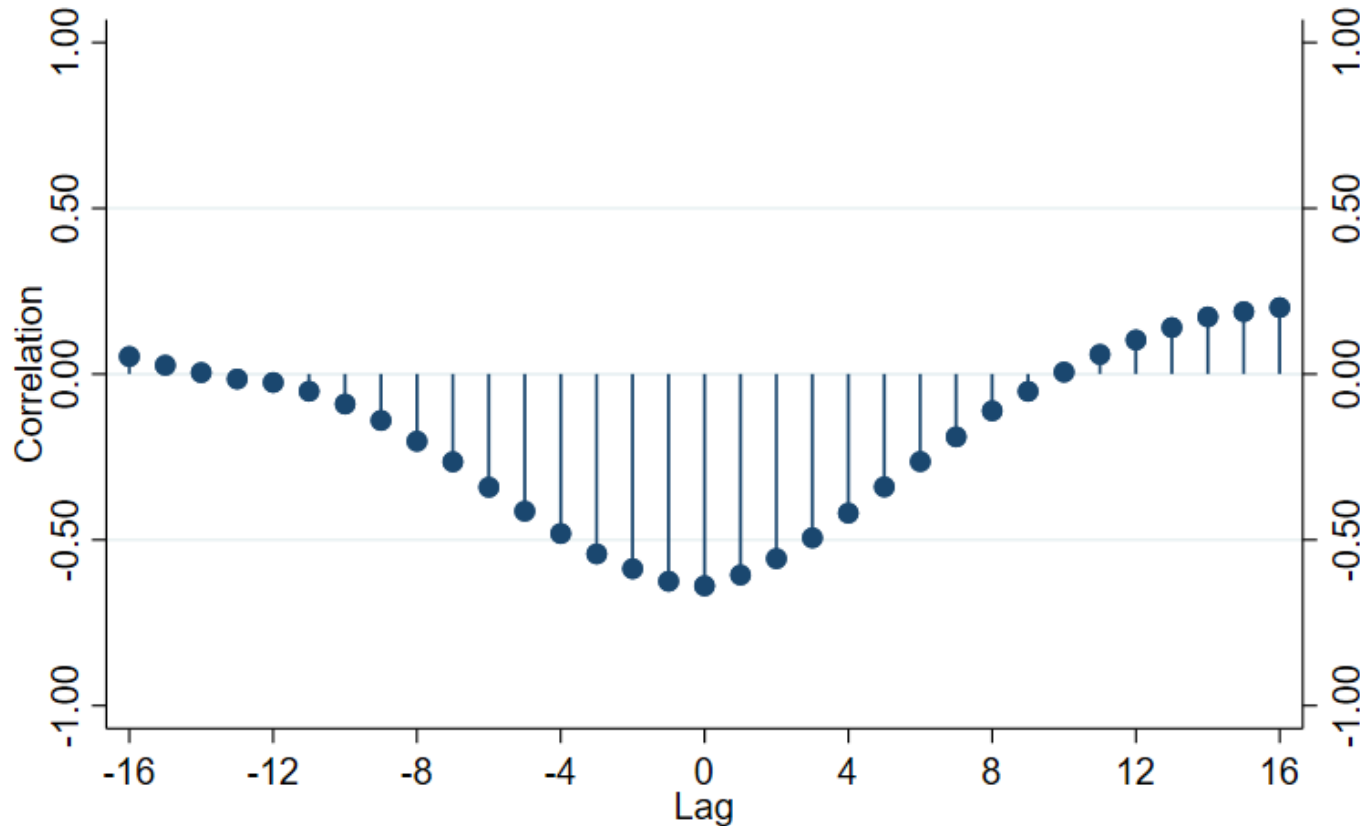
Source: Bureau of Labor Statistics, Current Population Survey and author's calculations.  
Note: Trend calculated as average hours from peak-to-peak. Gray shading represents US recessions as dated by the NBER.

# Labor force participation rate



Source: Bureau of Labor Statistics, Current Population Survey and author's calculations.  
Note: LFPR trend with last 15 cohorts extrapolated beginning in 2007 from Aaronson et al. (2014).  
Gray shading represents US recessions as dated by the NBER.

# Correlation of the unemployment rate gap and the workweek gap

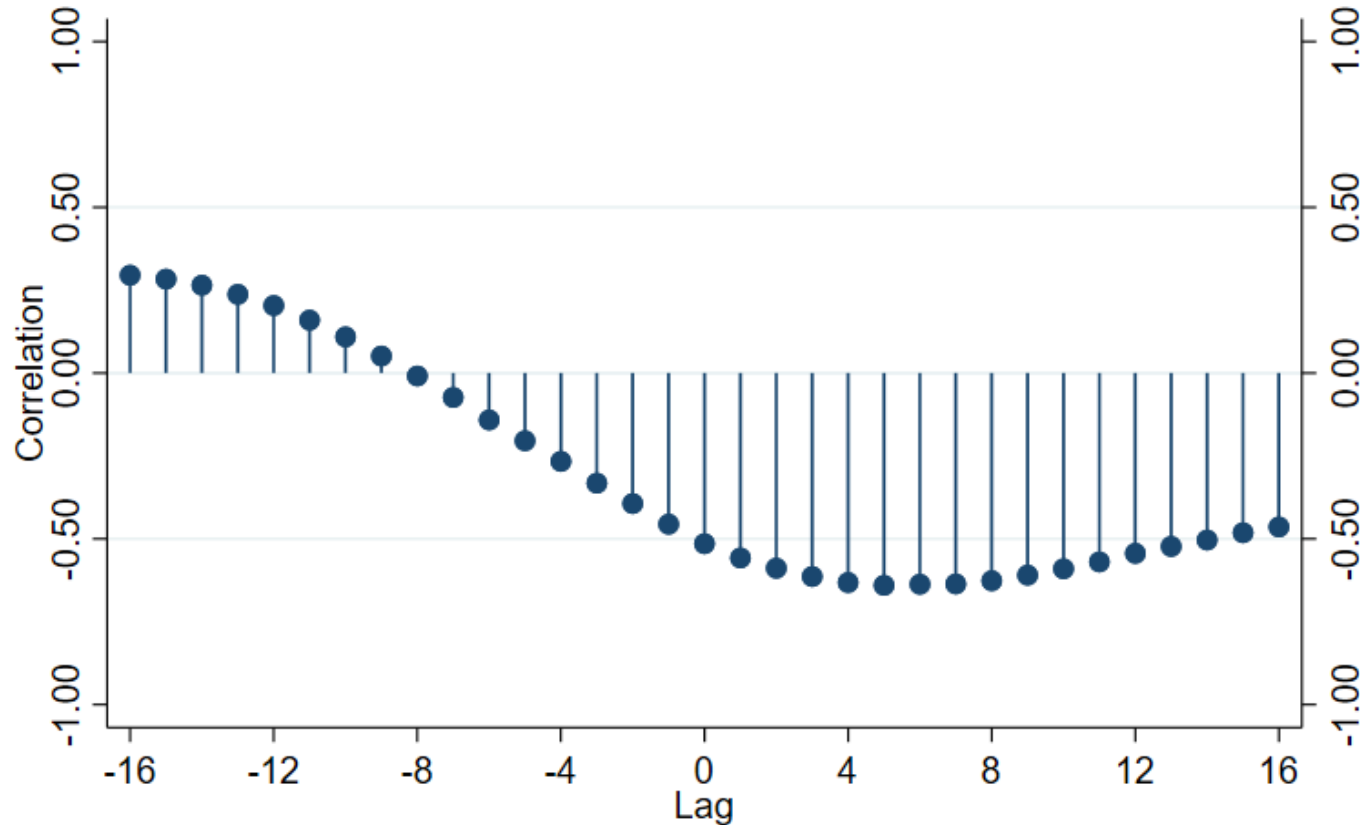


Source: Bureau of Labor Statistics, Current Population Survey, Congressional Budget Office and author's calculations.

Note: The unemployment rate gap is calculated as the CBO noncyclical unemployment rate subtracted from the unemployment rate. The workweek gap is calculated as the average workweek from peak to peak subtracted from the workweek. All variables are logged.



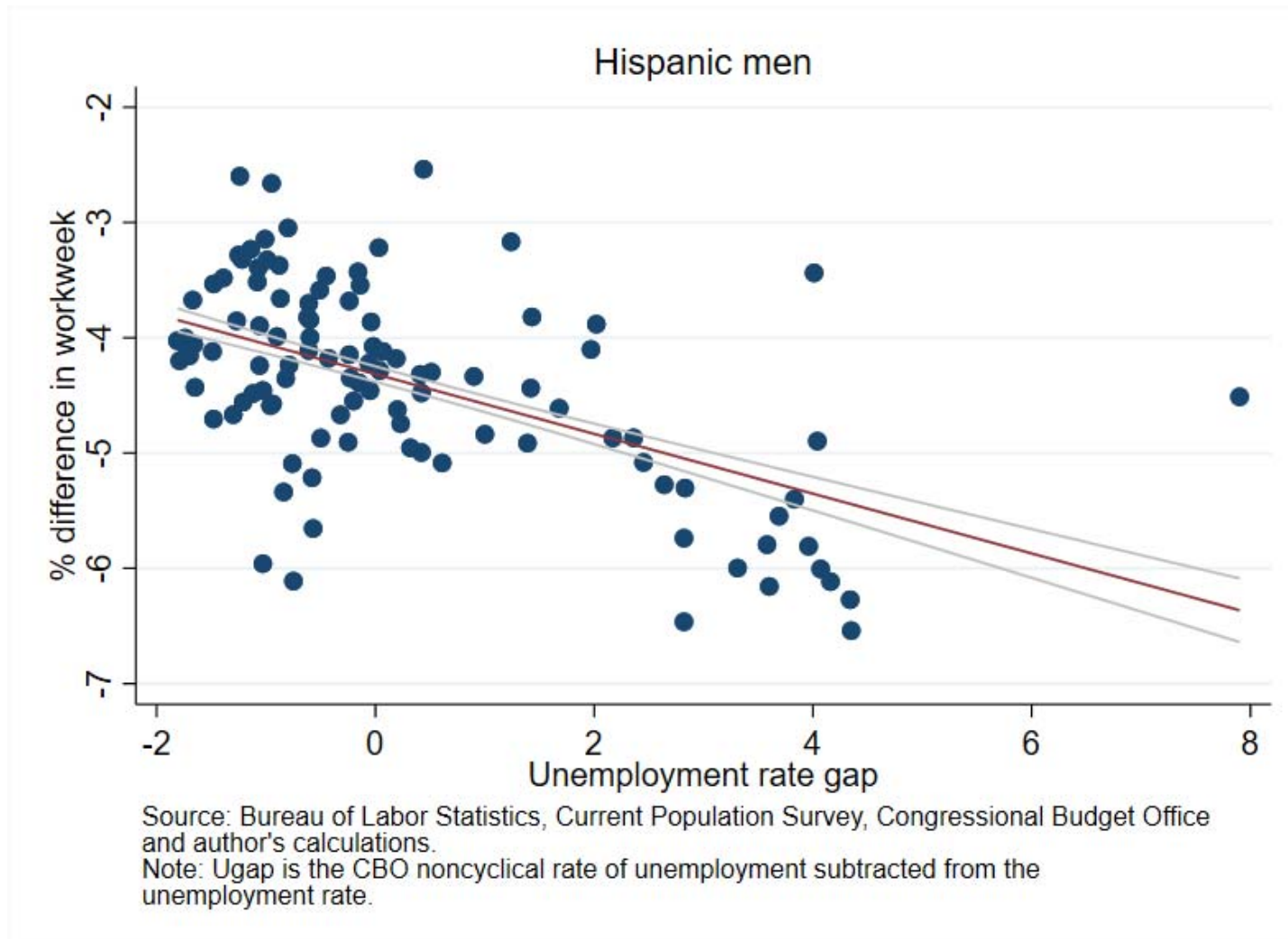
# Correlation of the unemployment rate gap and the LFPR gap



Source: Bureau of Labor Statistics, Current Population Survey, Congressional Budget Office and author's calculations.

Note: The unemployment rate gap is calculated as the CBO noncyclical unemployment rate subtracted from the unemployment rate. The LFPR gap is calculated as the LFPR trend from Aaronson et al. (2014) subtracted from the LFPR. All variables are logged.

# Workweek gap and unemployment rate gap



# The evolution of the workweek and prime age participation after the Great Recession



Source: Bureau of Labor Statistics, Current Population Survey and author's calculations.  
Note: 2007q4=100.