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Why Are Prime-Age Men Vanishing from the Labor Force?

By Didem Tüzemen

The labor force participation rate for prime-age men (age 25 to 54) has declined dramatically in the United States since the 1960s, but the decline accelerated more recently. In 1996, 4.6 million prime-age men did not participate in the labor force. By 2016, this number had risen to 7.1 million. Better understanding these men and the personal situations preventing them from working may be crucial in evaluating whether they are likely to return to the labor force.

Didem Tüzemen documents changes in the nonparticipation rates of prime-age men with different demographic characteristics as well as changes in their personal situations during nonparticipation. She finds nonparticipation rates increased most among younger men and men with only a high school degree, some college, or an associate's degree. In addition, she finds that job polarization has been a key contributor to the rise in nonparticipation. Overall, her results suggest prime-age men are unlikely to return to the labor force if current conditions hold.

Has the Anchoring of Inflation Expectations Changed in the United States during the Past Decade?

By Taeyoung Doh and Amy Oksol

The financial crisis and Great Recession led to dramatic shifts in U.S. monetary policy over the past decade, with potential implications for inflation expectations. Prior to the crisis, inflation expectations were well-anchored. But during the crisis and recovery, the Federal Reserve turned to new policies such as large-scale asset purchases (LSAPs). In addition, the Federal Open Market Committee adopted a formal inflation target in 2012, with the stated goal of keeping longer-term inflation expectations stable. Did inflation expectations remain anchored during this period of unconventional policy?

Taeyoung Doh and Amy Oksol use three metrics of inflation expectations to assess whether inflation expectations became unanchored after the financial crisis. They find that the degree of anchoring deteriorated somewhat in late 2010, but returned to its pre-crisis level more recently. They also find that shifts in the three metrics coincide with consecutive rounds of LSAPs and the adoption of a formal inflation target. Overall, their results suggest the Federal Reserve's actions helped anchor inflation expectations after the crisis.

Structural and Cyclical Trends in the Supplemental Nutrition Assistance Program

By Kelly D. Edmiston

Participation in the Supplemental Nutrition Assistance Program (SNAP) has increased sharply over the past 20 years. Average monthly participation grew from 17.3 million people in 2001 to a peak of 47.6 million people in 2013. Although participation declined somewhat as the economy recovered from the Great Recession, SNAP participation remains well above its pre-recession level.

Kelly D. Edmiston investigates the forces driving long-term patterns in SNAP participation as well as its cyclical variation. He finds that three structural factors—legislative and programmatic changes, poverty, and a rising share of the working population not in the labor force—have made the largest contributions to SNAP participation over time. His results suggest growth in SNAP participation is unlikely to unwind in the near future.

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