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The pandemic has had a large impact on populations, costing lives and increasing disabilities. Population growth in developed countries has slowed significantly in the past several years, actually declining in China last year. This could have an impact on the labor force in the future, but even with the past year's home confinement, it did not promote more procreation.

The size and skills of the labor force are important determinants of future economic growth. Both have been affected by Covid-19 and once the current pace of economic reopening subsides, countries may face a grimmer future. Developed countries are facing an aging demographic, which will have effects on growth, inflation, and market performance. As workers age out of the work force, there could be less output, more strains placed on retirement systems, and great risks to debt sustainability. The pandemic made this trend worse.

The disease has claimed approximately 3.7 million lives globally and the average life expectancy in Europe and the U.S. declined by about a year from 2019 to 2020. Estimates indicate about 10% of Covid-19 survivors have long-term after effects that affect their ability to return to work. Many workers, that were nearing retirement, elected to do so. One study in the U.K. estimates that about half of the subjects who retired between March and September last year, did so due to the pandemic. These decisions could be made for a variety of reasons, but the economy lost their skills and hands. Some may return but many will not.

A study, published in *The Lancet*, a leading health science journal, conducted prior to the pandemic, estimated that global populations among many developed economies will decline by the year 2100. Several countries, including the U.S., will avoid steep declines in populations and labor force due to loosened immigration policies. Global immigration policies had been hardening for some time, especially following the great recession. More recent border closings and restrictions were tactics used to limit the spread of the contagion. Longer term, these steps could hinder labor force growth and innovation that would contribute to a country's vitality.

Some commentators anticipated a baby boomlet as couples retreated to home isolation. This did not materialize. Birth rates in France hit a 75-year low and birth rates in Asia continue to decline further from already low numbers. The rapid recovery in some developed countries may limit long term demographic costs. Health crisis can suppress birth rates by diminishing the population of childbearing women and creating uncertainty causing potential parents to hesitate. But even a restoration of pre-pandemic levels will still leave in place a long-term demographic trend that will be difficult to overcome.

A strong rebound and recovery could restore income and wealth faster than usual after a health crisis, reducing any disincentive to fertility. Greater demands for a more robust labor force may make immigration a more attractive policy.

