



The Daily Dish

# The Indefinite Expansion?

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## Eakinomics: The Indefinite Expansion?

Greg Ip has an interesting *Wall Street Journal* [column](#) that features this: “[Friday’s jobs report](#) showed unemployment remains at a 49-year low, and it should be even lower next July when, as is likely, the expansion becomes the longest on record. How much longer does Federal Reserve Chairman Jerome Powell think this performance can continue? ‘Effectively indefinitely,’ [he told an interviewer last month.](#)”

Chairman Powell’s focus is on inflation and the capacity of the economy to expand in a non-inflationary fashion. As Eakinomics has [emphasized](#), the degree to which this can be successful indefinitely hinges crucially on the future path of productivity growth.

A second, distinct question is just how long the monthly employment reports can continue to report over 200,000 new jobs. At the moment, the prime-age population – both sexes, aged 25 to 54 – is growing at about 0.5 percent annually. This translates into roughly 57,000 new prime-age individuals a month. The October jobs [report](#) (released this past Friday) featured a jump in the labor force participation rate for this population from 81.8 percent to 82.3 percent. Good news, but even if 82.3 percent of the prime-age population enters the labor force, that is only 47,000 new workers. That’s a far cry from 200,000 jobs or more monthly.

As has been widely noted, however, prime-age labor force participation is below historic norms (see below).

# Labor Force Participation Rate

## (Both Sexes, Ages 25-54)

