Are We at Full Employment?
Regional Stories
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Definitions of Full Employment

- Simple – Everyone willing and able to work is employed at the prevailing wage
- Academic – Unemployment rate at or below the natural rate of unemployment.
  - The natural rate of unemployment is the lowest unemployment rate where inflation is stable or the unemployment rate that exists with non-accelerating inflation.
  - Natural rate includes frictional and structural unemployment
    - Frictional – persons between jobs
    - Structural – labor supply exceeds labor demand at a given wage
  - Natural rate can shift over time depending upon demographics, economy
- Varies by demographic – women, minority groups, previously incarcerated, age
- Varies by economy – can be higher or lower; labor market dynamics matter
- Calling full employment is difficult to do – signs can be deceptive

Source: The Conference Board.
Full Employment Is Sometimes Difficult to Judge

United States: Labor Force Participation Rates (%)

Cumulative Percent Change in the Number of U.S. Retirees since January 2020

Full Employment Is Sometimes Difficult to Judge

Regional Stories: Europe

Regional Stories: Europe

Regional Stories: Europe

Regional Stories: Europe

Regional Stories: China


China - Employment & Re-Employment: Urban New Employment (Year-end, Million Persons)

China - Job Openings to Job Seekers Ratio (NSA)

Regional Stories: China

Regional Stories: Saudi Arabia (GCC)

Saudi Arabia: Unemployment Rates (%)

Source: General Authority for Statistics, Haver Analytics, and The Conference Board.
Regional Stories: Saudi Arabia (GCC)

Source: General Authority for Statistics, Haver Analytics, and The Conference Board.
Labor Shortages: Solutions

• Solutions for Addressing Labor Shortages
  ✓ Higher Wages
  ✓ More Benefits
  ✓ Remote Work
  ✓ Outsourcing
  ✓ Paid Leave
  ✓ Subsidized Childcare
  ✓ Immigration
  ✓ Automation
  ✓ Higher Birth Rates
  ✓ Flexible Hours/Work Arrangements
  ✓ Upskilling & Training

• Generational Drivers
  ✓ Flexibility
  ✓ Recognition / Pay
  ✓ Optionality
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