

Discussion – Retirement during the COVID-19 Pandemic

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Labor Markets During and After the Pandemic
Federal Reserve Bank of Boston
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Comment Number 1: Predictions Based on Prior Literature

- Might expect age discrimination to increase during a downturn
 - On the other hand, labor markets may have been tighter than usual during the pandemic recovery
- Stock portfolios performance increase retirements, but effect could be small
 - Asset appreciation could be offset by increased uncertainty and need for precautionary savings
- Evidence on home values has been more mixed

Comment Number 2: Lessons from Great Recession (GR)

- Oldest groups continued to experience increased employment rates
 - Are these a select and highly attached group during this period?
- Net flows into and out of employment may not be sufficient metrics
 - Displaced workers likely to suffer
 - Those encouraged to remain in labor force due to wealth losses are by definition less disadvantaged to begin with

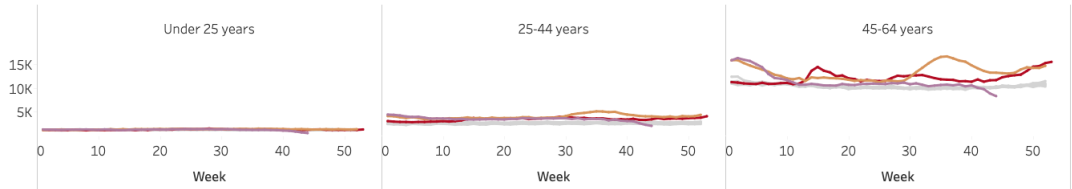
Comment Number 3: Differences between GR and the COVID-19 Pandemic

- Greater health concerns (will return to this)
- Assets (and home values) push in a different direction, as compared to other recessions
- How do we account for excess deaths when tracking EPOP?

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Weekly counts of deaths by age group

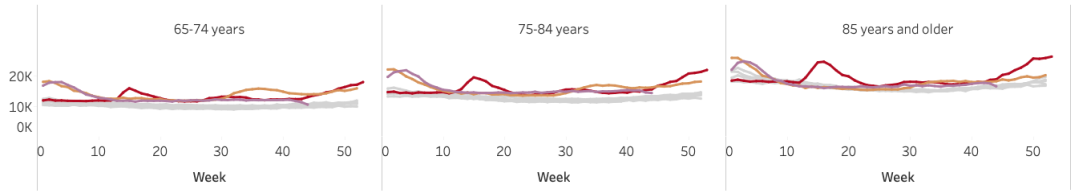


Time Period
■ 2022
■ 2021
■ 2020
■ 2015-2019

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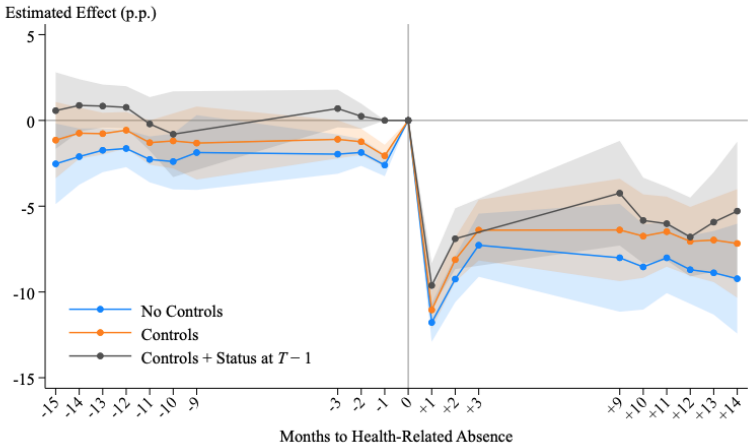
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Comment Number 4: Alternative Research Design (Shah Goda and Soltas, 2022)

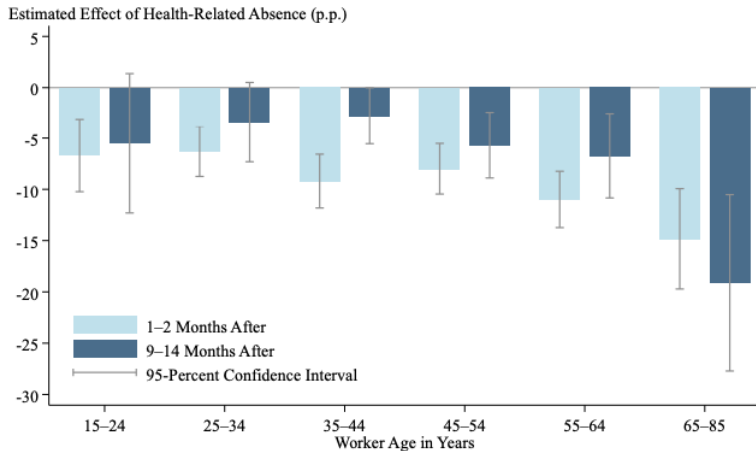
Figure 2: Labor Force Participation Impacts of Health-Related Absences

Panel A: Event Study



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Panel A: Effects by Age Group



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Panel B: Effects by Reason for Nonparticipation

