

# Understanding Trends in Louisiana Labor Force Participation

The logo for Louisiana State University (LSU), consisting of the letters 'LSU' in a bold, white, sans-serif font.

Center for Economics,  
Business, and Policy  
Research

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# Executive Summary

This report examines trends in Louisiana Labor Force Participation over time with an emphasis on the current labor market. Key findings were:

- ▶ Louisiana labor force participation (LFP) is declining. While much of this trend mirrors the overall decline in labor force participation nationally, the population of Louisiana differs from the US as a whole across multiple dimensions, especially given the long-run impact of Hurricane Katrina on the state.
- ▶ An exhaustive review of studies published in the last decade revealed the aging workforce, child care concerns, and school enrollment to be important factors determining labor force participation nationally. Louisiana-specific studies also show that many working age individuals never returned to Louisiana after Katrina.
  - The literature review also revealed a lack of consensus in whether or how to classify individuals who engage in independent work (gig, contract, other freelance work) as part of the labor force.
- ▶ We applied a Blinder-Oaxaca Decomposition on data from the Current Population Survey (CPS). The decomposition showed that disparities in education and a greater reliance on older workers account for a large share of the historical gap in labor force participation between Louisiana and the US.
- ▶ We also designed and implemented a survey (sample size N=768) targeted at working age individuals in Louisiana who are not in the traditional civilian labor force (neither employed nor looking for work).
  - We find that 14% of respondents still do some form of independent work for pay, indicating a willingness to supply labor despite being classified as not in the labor force.
  - We find that disability benefits are the leading means of funding living expenses among respondents (27%).
    - ▶ Over half of respondents (53%) are people with disabilities, with them perceiving their disability as adversely affecting their ability to get a job.
    - ▶ 61% of people with disabilities in our survey are of “prime working age” (25-54 years old).
  - Income from a working partner/spouse is the second leading means of funding living expenses (19%). An additional 8% of respondents report receiving money for living expenses from family.
  - Although it is a significant factor, the Covid-19 pandemic is not wholly responsible for the declining labor force participation rate: 38% of respondents who recently held a job (within the past 5 years) stopped working during the pandemic, with only a quarter of this subset choosing to go into early retirement.
  - According to these respondents, the leading challenges that caused them to leave the traditional civilian labor force are: 1) family or child care and 2) low wages.

## Section 1. Introduction

The national labor force participation (LFP) was reported to have reached its all-time high in the first quarter of 2001 but has been steadily declining ever since (Perez-Arce and Prados, 2020). This trend holds when observing the Louisiana labor force participation as well.<sup>1</sup> This study examines trends in LFP among different demographic groups in Louisiana and explores potentially actionable reasons for declining LFP in the state. For a person in the US to be considered in the labor force, they must either have a job (employed) or have actively sought out employment in the last four weeks (unemployed). The labor force participation rate is then calculated as the percentage of people in the labor force out of the total civilian non-institutionalized population.<sup>2</sup> The multi-dimensional definition of the LFP rate means that causes of its decline may not be solely due to wage or employment opportunities available. Other factors that make individuals more or less likely to want to seek paid work (e.g., health, child/family care, transportation), or that may affect the size of the total civilian non-institutionalized population (e.g., population aging, occurrence of large natural disasters), may also contribute to the participation level.

We begin our report by finding and summarizing the most relevant research on labor force participation in the last 20 years. Guided by insights from this literature review, we use data from the Current Population Survey (CPS) to analyze trends in labor force participation among different demographic groups. Where possible, we compare Louisiana numbers to its “peer” group (the neighboring states of Alabama, Arkansas and Mississippi) and to the US. We apply the Blinder-Oaxaca (B-O) Decomposition technique to determine the importance of the factors identified in the literature review in explaining the disparity between Louisiana labor force participation with the nation. The results of the Blinder-Oaxaca Decomposition show that education, particularly the large number of high school dropouts in Louisiana, along with the higher share of older people (55+) in the Louisiana labor force, are key factors driving the gap in LFP between Louisiana and the US.

Because surveys used to create existing government data are unable to examine details of the situations faced by individuals who are not in the labor force, we designed and implemented a survey to focus exclusively on them. In surveying these individuals, we discovered that many of them do a significant amount of independent work. Many respondents also report having held a job in the last 5 years and might still have an interest in finding employment. Results from the survey showed disability, family and child care, and low wages to be important barriers to respondents who wish to rejoin the labor force.

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<sup>1</sup> See Figure 2, using data at the St. Louis Fed: <https://fred.stlouisfed.org/series/LBSNSA22>

<sup>2</sup> They must also be 16 years or older, and noninstitutionalized. Labor force definitions can be found at the Bureau of Labor Statistics webpage: <https://www.bls.gov/cps/definitions.htm#lfr>

## Section 2. Literature Review

This section draws from preexisting literature surveys and other research to summarize what is currently known about the potential causes of declining labor force participation over the past two decades. Louisiana-specific studies are cited where available. The most recent comprehensive summaries of research about labor force participation are by Perez-Arce and Prados (2020) and Abraham and Kearney (2020).

### Section 2.1. Main Drivers of Contemporary Labor Force Participation

Stock et al., (2014) and Aaronson et al., (2014) assert that half of the decline in labor force participation can be attributed to the aging of the work force. In the decades leading up to the year 2000, those born between 1946 to 1964 (“baby boomers”) were in their prime working years (ages 25-54). After 2000, the population age distribution in the US started to shift, with increasingly large shares of older workers. Despite education and technological advances that reduce the physical demands of jobs, unavoidable age-related health declines and a disinclination on the part of employers to hire older workers may have combined to reduce labor force participation overall (Maestas and Zissimopoulos, 2010). The COVID-19 pandemic contributed to the retirement decision: according to Montes et al., (2022), over half of the increase in the retired share of the working-age population represent “excess retirements” induced by the pandemic.

Related to the aging of the US population is the increased relevance of health-related reasons for not being in the labor force. Yin and Shaewitz (2015) focus on working-age people with disabilities and find that they represent over a third of the working-age adults not in the labor force. Louisiana is ranked in the bottom ten states for labor force participation for individuals with ambulatory and vision or hearing difficulties (Yin and Shaewit, 2015). Krueger (2017) identifies the opioid epidemic, separately from actual health disparities, as another major contributing factor to the decline in the labor force participation of working-age males.

Women, traditionally the group responsible for providing child care, formed the major group that contributed to rising labor force participation in the decades leading up to the 2000s (Juhn and Potter, 2006). In more recent years, child care costs have played an increasing role in the plateauing of the female labor force participation rate. Davis et al. (2017) examined data from two Louisiana-specific surveys and found that concerns about child care led to increased likelihood of switching from full-time to part-time work, missing days of work, turning down a promotion, being fired from a job, and leaving the labor force entirely. They also found that these effects were worse for single parents.

Several recent studies offer comprehensive examinations of other potential drivers of labor force participation (e.g., Krueger, 2017; Abraham and Kearney, 2020; Perez-Arce and Prados, 2021). There is a consensus that population aging and access to child care are major factors, and that the gig economy needs to be better understood. Other, relatively less impactful, factors that might have also contributed to the decline in labor force participation include import competition with China and mechanization (Abraham and Kearney, 2020); and increased school enrollment, particularly during economic downturns (Krueger, 2017)

A new trend over the past decade and a half is the proliferation of independent/”gig” work (Bracha and Burke, 2014; Collins et al., 2019) as an alternative to traditional full-time or part-time employer-employee arrangements. There is no standard definition of such arrangements, which tend to be jobs filled by independent contractors or freelancers, with famous examples from sectors such as transportation services (Uber, Doordash), hospitality (Airbnb), and social media influencers (Youtube, Instagram). Abraham et al., (2019) document, using various data sources, rapid growth in the transportation services sector over the past 15 years. The “gig” economy is typically coordinated over online platforms, with workers not being eligible for typical employment benefits but able to access flexible working arrangements, including part-time work. Estimates of participation in the gig economy vary widely depending on the definition used, from 10 percent as measured by the Bureau of Labor Statistics in 2018, to as high as 20 percent as measured by the Government Accountability Office in 2014. Section 2.3. “Issues in Measuring Labor Force Participation” lays out the difficulties in measuring this type of activity.

## **Section 2.2. The Long-Term Impacts of Hurricane Katrina**

The impacts of Hurricane Katrina, both on Louisiana and to the states that absorbed evacuees, has been an active area of research among economists and demographers. In the months to years immediately after Hurricane Katrina, researchers found evidence of uneven recovery of the population. In particular, the low-income population and the residents of predominantly Black neighborhoods in Louisiana were less likely to return (Paxson and Rouse, 2008; Groen and Polivka, 2010). In a study focused on longer-term impacts, Deryugina (2018) finds that over 30 percent of New Orleans residents displaced due to Katrina never returned. These former New Orleans residents were found to have since had higher income levels than those that stayed or returned to Louisiana.

## **Section 2.3. Issues in Measuring Labor Force Participation**

Response rates posted on the Bureau of Labor Statistics website show that even before the COVID-19 pandemic, response rates were gradually falling, from about 90% for the Current Population Survey (CPS) (the primary survey used to generate labor force statistics) in 2013, to 82% in early 2020. The COVID-19 pandemic accelerated the decline in survey response rates, with the most recent Current Population Survey response rates hovering at the 70% mark. When response rates are lower than planned for, the risk of misrepresentative or less accurate statistics rises.

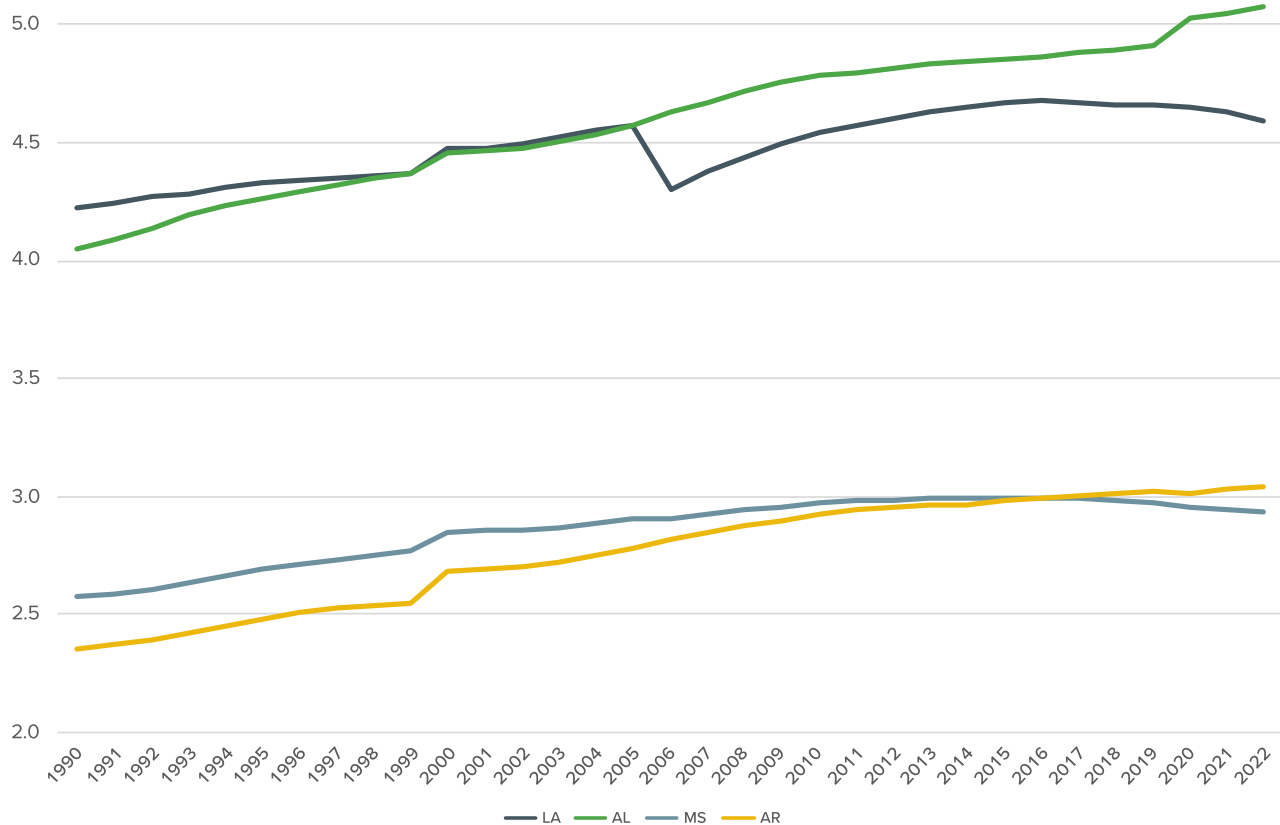
Compounding the problem of falling survey response rates is the fact that current surveys are designed with traditional full-time or part-time work arrangements, including self-employment, in mind. Independent or “gig” work arrangements do not fall neatly into traditional work categories. The issue of measuring workforce participation, whether on a full-time basis or part-time basis, is an active area of current research. The research consensus appears to be that establishment surveys and administrative data sources (notably, those based on forms required for tax purposes) capture more of the gig economy than do household surveys (Bracha and Burke, 2014; Abraham et al., 2019 and 2021; Collins et al., 2019).

## Section 3. Data and Methodology

### Section 3.1. Trends in Population

Because the LFP rate is calculated as a percentage of the overall civilian working-age population, it is worth examining population itself over time. Figure 1 shows the population of Louisiana against its peer group; Alabama, Arkansas, and Mississippi. Figure 1 shows the dramatic drop in Louisiana population in 2005 due to Katrina, a drop not experienced in the neighboring states. While population eventually stabilized, Figure 1 also shows that the Louisiana population never returned to its pre-Katrina level.

**Figure 1. Population in Louisiana vs Alabama, Arkansas, and Mississippi**



Notes: These are annual population counts, in millions from 1990 to 2022.

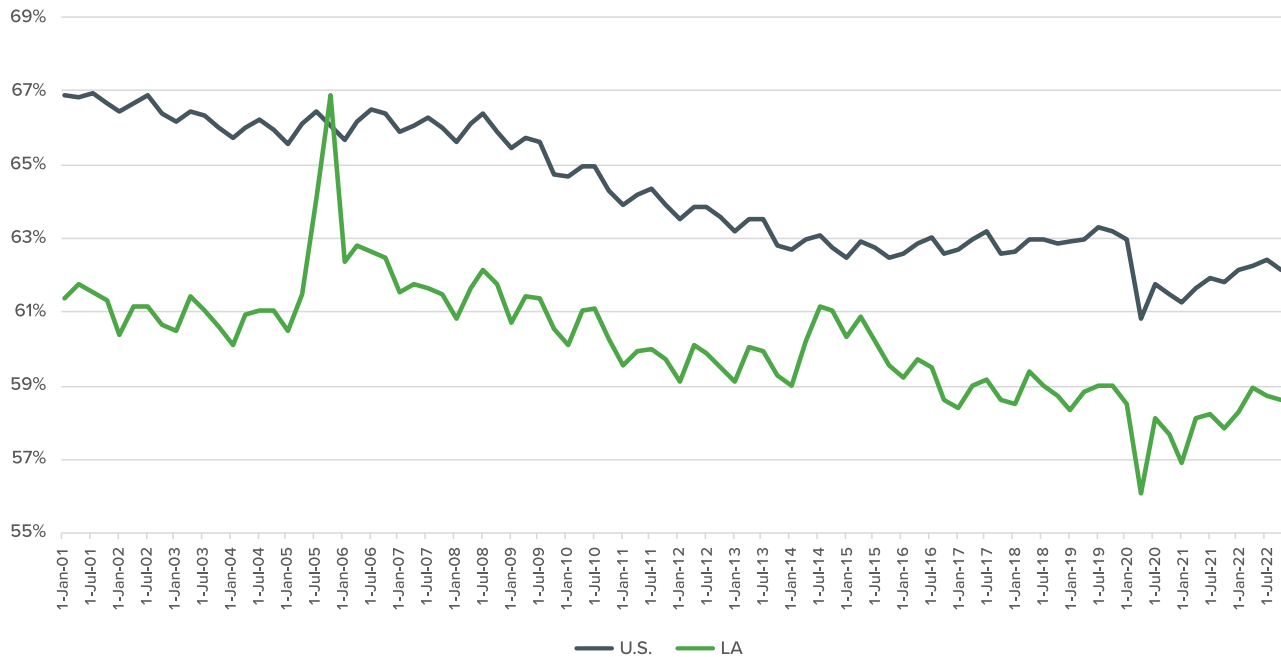
Source of data: Bureau of Economic Analysis population estimates.

### Section 3.2. Trends in Labor Force Participation

We then turn to a direct comparison between Louisiana LFP versus the national LFP, since 2001. Figure 2 shows that Louisiana's LFP followed the national trend of declining LFP, with exception of 2005, where there was a major spike in LFP following Hurricane Katrina. The spike in 2005 was in part because people came into the state to aid in the reconstruction of New Orleans, but mainly due to a very significant proportion of the resident population leaving the state. The only other time the Louisiana LFP has not followed the national trends in LFP was in 2014. In 2014, Louisiana saw a major influx of capital due to natural gas prices in the state being lower than prices abroad.

In Figure 3, we compare LFP between Louisiana and its peer group: Alabama, Arkansas, and Mississippi. The trends in LFP between Louisiana and its peer group are very similar except for the same periods, 2005 and 2014, with Louisiana having a slightly higher labor force participation on average over the past 10 years.

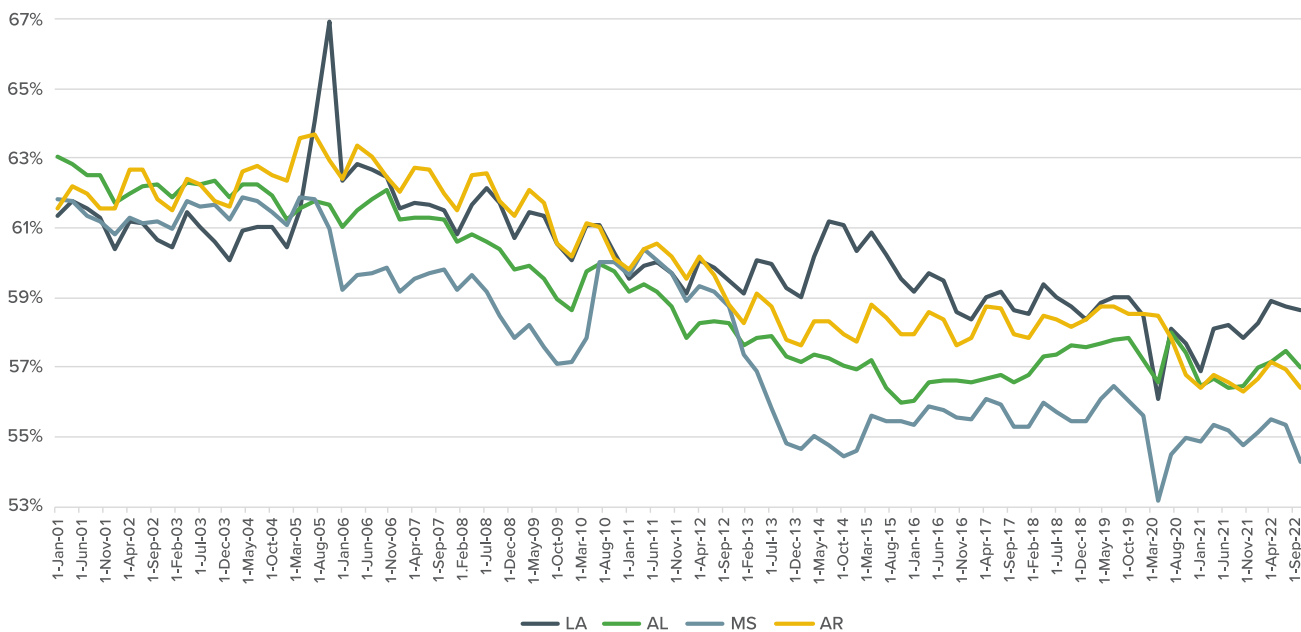
**Figure 2. Labor Force Participation Rate in the United States and in Louisiana.**



Notes: These are quarterly labor force participation rates from January 2001 to January 2022, calculated according to Bureau of Labor Statistics definitions stated in the text. Important events are highlighted.

Source of data: Current Population Survey

**Figure 3. Labor Force Participation Rate in Louisiana vs Alabama, Arkansas, Mississippi.**

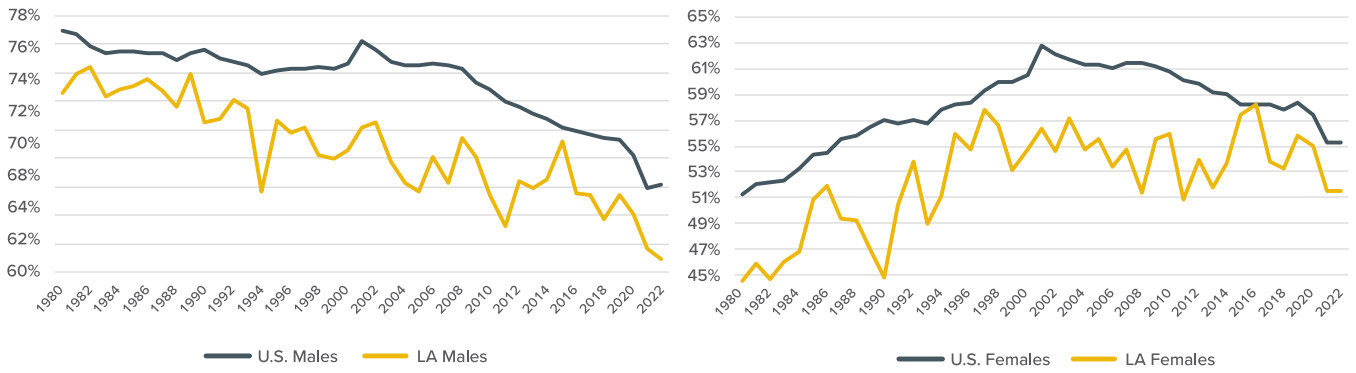


Notes: These are quarterly labor force participation rates from January 2001 to January 2022, similar to Figure 2, where Louisiana is compared to neighboring “peer” states.

Source of data: Current Population Survey

Because the literature review showed that gender and gender roles may affect LFP, we also compare LFP by gender between the US and Louisiana. Figure 4 shows that both the male and female LFP rates in Louisiana are below the respective national averages. It also shows that male LFP in Louisiana is dropping while female LFP has plateaued after making large gains leading up to 2001.

**Figure 4. Labor Force Participation Rate in the US and in Louisiana.**

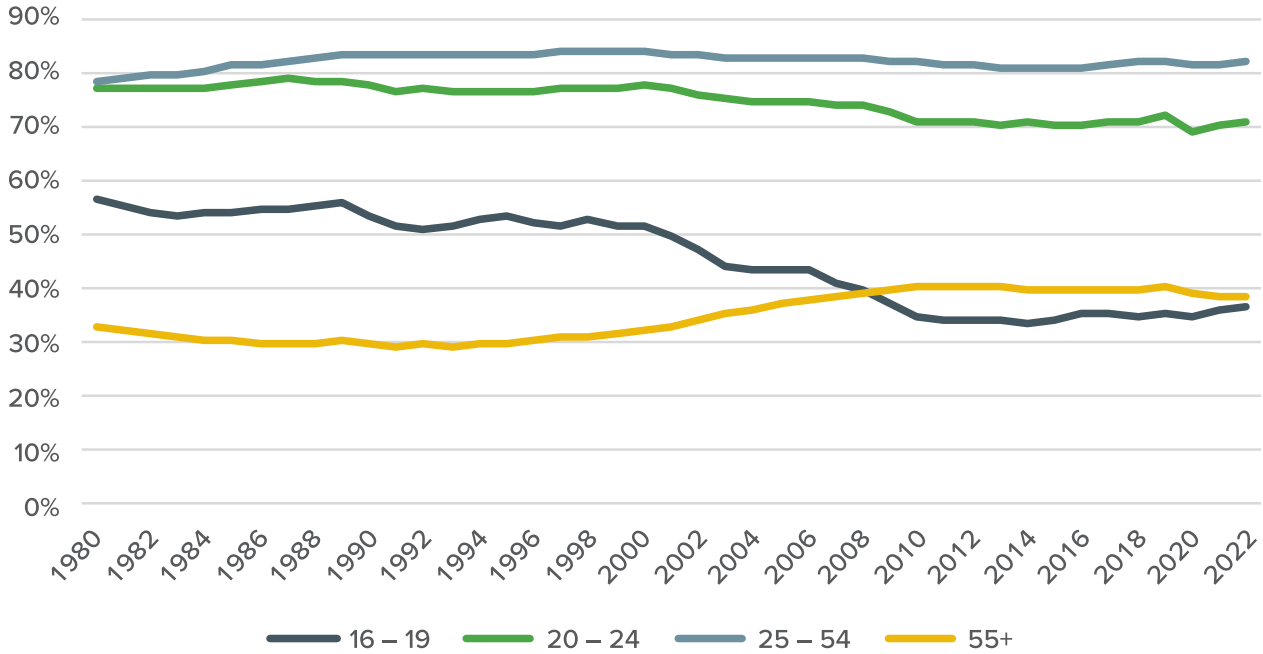


Notes: These are monthly labor force participation rates from January 1980 to January 2022, split by gender, for the US and for Louisiana.

Source of data: Current Population Survey

Finally, in Figure 5 and Figure 6, we simply plot the national LFP rates by age group and by race/ethnicity, respectively. Data constraints prevent us from breaking this down by Louisiana versus the US. Figure 5 suggests that the bulk of the labor force in the nation is made up of people 20-24 and 25-54, which is considered prime working age. The data also show a reversal in LFP: the 16-19 age bracket exhibits decreasing LFP while the 55+ age bracket exhibits rising LFP, consistent with findings from our literature review.

**Figure 5. Labor Force Participation Rate in the US, by age group.**

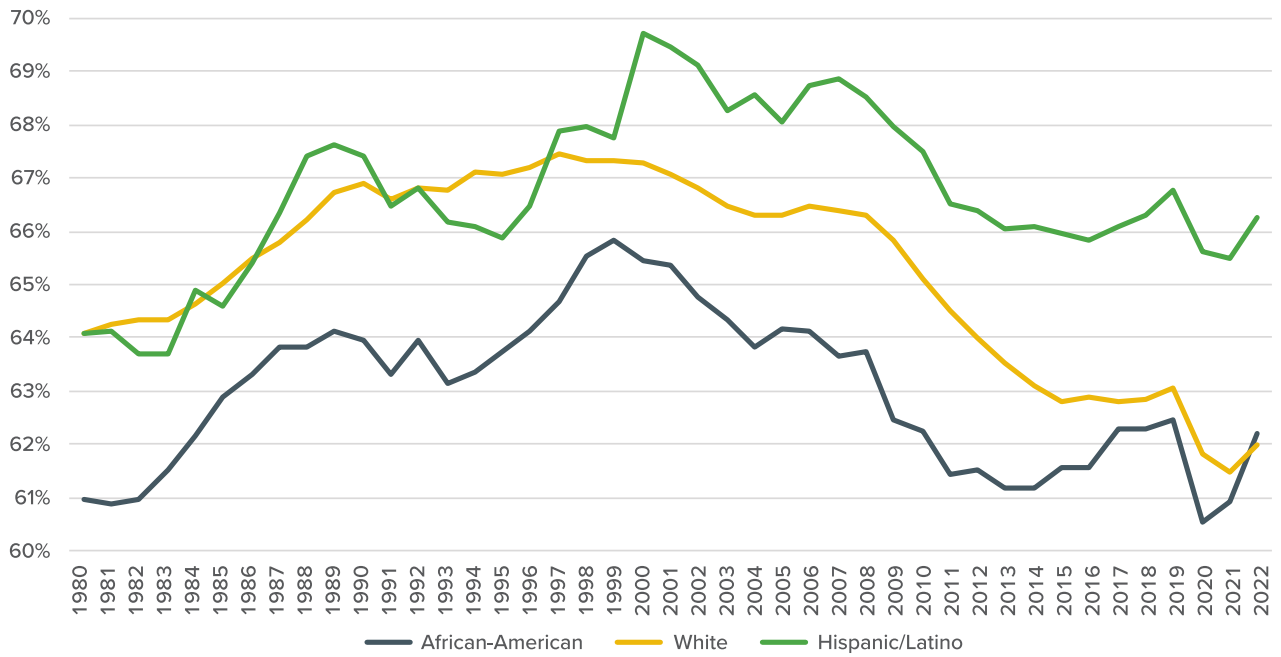


Notes: These are national monthly labor force participation rates from January 1980 to January 2022, split by age categories.

Source of data: Current Population Survey



**Figure 6. Labor Force Participation Rate in the US, by race/ethnicity.**



Notes: These are monthly labor force participation rates from January 1980 to January 2022, split by race/ethnicity.

Source of data: Current Population Survey

## Section 4. Blinder-Oaxaca Decomposition

To provide a starting point for analysis, we plot labor force participation over time for the US, for Louisiana, and for neighboring “peer” states. These figures serve to illustrate the scale and persistence of declining LFP in Louisiana. We then use the Blinder-Oaxaca Decomposition technique to investigate the reasons behind this persistent gap. The Blinder-Oaxaca Decomposition is a method used to explain differences in the means of an outcome variable between two groups (Oaxaca, 1973; Blinder, 1973). For our purposes, the outcome variable is LFP, and the two groups are Louisiana with the rest of the US serving as the reference group. The data show that, over the past 2 decades, the Louisiana LFP was consistently about 5 percentage points lower than the rest of the US. The Blinder-Oaxaca method decomposes the causes of this gap into “endowments” and “coefficients”.

“Endowments” refer to the contribution of variables that determine LFP, in this case demographic variables, such as age, race, sex, education, to the gap in LFP. “Coefficients” refer to group differences in how those same demographic variables affect that group’s LFP. For example, the Louisiana labor force contains a larger share of workers aged 55+ than the nation (“endowments” effect), an older group that typically exhibits declining LFP. This may explain part of why Louisiana’s LFP is lower than the nation’s -- this is the effect of having a particular “endowment” level that is different from the nation’s. Separately from this, Louisiana workers aged 55+ might face a different labor supply decision from workers from the same age group in other parts of the US – this would be the effect of having different “coefficients”. The Blinder-Oaxaca decomposition technique decomposes the gap in labor force participation arising from these sources.

We drew on individual-level monthly survey data from the Current Population Survey (CPS) for the years 1980-2022.<sup>3</sup> We use quarterly data to plot trends in overall labor force participation in the US vs Louisiana, and annual data to plot trends in labor force participation by race and by age group. For the Blinder-Oaxaca decomposition, we used monthly data dating back to 1980. The data contain demographic information which we use to break down LFP by race and ethnicity, gender, age, and geographic location by state. Because none of the existing surveys elicit information about reasons for not being in the labor force, we also designed a survey aimed at working-age Louisianians.

Table 1 presents the results of the Blinder-Oaxaca Decomposition.<sup>4</sup> Panel A reports the overall differences between Louisiana and the US. We find that, over the period 1980-2022, Louisiana LFP is approximately 5 percentage points lower than that of the US. The gap is almost evenly split between the effect of “endowments” (2.44 percentage points) and the effect of “coefficients” (2.80 percentage points).

Panel B shows the relative importance of determinants of LFP in explaining this gap. Of note, Panel B also shows that Louisiana data points disproportionately come from the lower labor force participation months. Nevertheless, the estimates show that education and the age composition of the Louisiana population are the most important factors. From the first column of Panel B, we see that the Louisiana has a higher non-White population, which is known to reduce LFP (by 0.57 percentage points). Education also appears to make a significant difference, the total negative “endowments effect” from Louisiana having lower levels of education beyond high school is 1.11 percentage points.<sup>5</sup>

The second column of Panel B reports the “coefficients effect”. The estimates show that older workers in Louisiana (aged 55+) have a LFP rate that is 0.88 percentage points higher than that of older workers in the US. Our results also show that, across the board, workers in Louisiana exhibit higher LFP gains from having more education than do workers in the rest of the US. In particular, workers with at least some college education have an overall 1 percentage point higher LFP rate.

<sup>3</sup> Available at: <https://cps.ipums.org/cps/>

<sup>4</sup> The estimates presented are raw output. For convenience, we multiply the estimates by 100 so that they have an interpretation as percentage points.

<sup>5</sup> The sum of 0.41, 0.40, and 0.29.

**Table 1. Blinder-Oaxaca Decomposition Estimates**

<b>Panel A.</b>	<b>Overall</b>	
Louisiana	0.5954	
	(0.0008)	
US	0.6503	
	(0.00008)	
Difference	-0.0549	
	(0.0008)	
Endowments	-0.0244	
	(0.0004)	
Coefficients	-0.028	
	(0.0008)	
Interaction	-0.0025	
	(0.0004)	
<b>Panel B.</b>	<b>Endowments</b>	<b>Coefficients</b>
Non-white	-0.0057	0.0032
	(0.00004)	(0.0002)
Months	-0.0033	-0.0182
	(0.00004)	(0.0021)
Male	-0.0018	0.0078
	(0.00001)	(0.0006)
Hispanic/Latino	-0.0005	0.0029
	(0.00002)	(0.0004)
16-19 years old	-0.0016	-0.0025
	(0.00009)	(0.0002)
25-54 years old	-0.001	0.0019
	(0.00004)	(0.0013)
55+ years old	-0.0031	0.0088
	(0.0003)	(0.0008)
High School	0.0026	0.0064
	(0.00007)	(0.0004)
Some College	-0.0041	0.0106
	(0.00009)	(0.0005)
College	-0.004	0.0082
	(0.00009)	(0.0003)
Post-graduate	-0.0029	0.0028
	(0.00008)	(0.0002)
<b>Observations</b>	<b>31096916</b>	

Notes: Standard errors in parenthesis. Panel A reports the gap in LFP between Louisiana and the US, while Panel B reports the sources of the gap. Multiplying these estimates by 100 allows us to interpret the estimates as percentage points.

Source of data: Current Population Survey, monthly from 1980-2022.

## Section 5. Survey of Individuals Not in the Labor Force

Our survey includes individuals who are 16 years of age or older, and state that they do not have a job and are not currently looking for one. By design, these first survey questions mimic the same questions that national surveys use to determine who is in the labor force. Our respondents therefore are individuals who are of working age but are not in the labor force by the standard definition. In addition to standard demographic and socioeconomic information, we also ask them whether they held a job in the last five years, since the longer someone is not in the labor force, the less likely it is for them to return. We also ask them how they fund their living expenses, given that they are not in the labor force.

One area we are most interested in is informing policy proposals that might help potential workers who are interested in returning to the labor force. To that end, our survey asks all respondents a series of questions about the challenges that they face in looking for or accepting a job. We ask them for Covid-19 related challenges as well.

The survey was carried out by ReconMR in June, 2023. Respondents were contacted through telephone interviews. A web survey was also created. Respondents were directed to this survey either as an alternative to taking the survey by phone or by text. The survey instrument may be found in Appendix I and raw survey responses are provided in Appendix II.

### Section 5.1. Survey Results

#### Section 5.1.1 Demographic information

In Table 2, we report age, gender, race, educational attainment, and household income of our respondents. The average respondent is 52 years old, female, with some college, a household income between \$25,000- \$50,000, with a disability, and is White. About 42% of our sample report having held a job within the last 5 years. We focus our attention on this subsample wherever possible, since the likelihood of returning to the labor force decreases with time away.

#### Section 5.1.2. Might official surveys underestimate labor force participation?

Our survey includes two questions that together paint a picture of labor supply beyond that which is captured by standard labor force survey questions. We ask respondents the open-ended question “How do you get money to fund your living expenses?”. We also directly ask a question about earnings from activities such as driving for Uber/Door dash, or being an online “influencer”. Pooling responses from these two questions, we find that 14% of respondents engage in independent work or side hustles, indicating a willingness to supply some amount of labor despite being classified as not in the labor force.

Because these questions come after we have already confirmed that they do not hold a job and are not looking for employment, we interpret these findings to mean that the labor force participation rate in Louisiana is likely underestimated.

#### Section 5.1.3. Two types of individuals not in the labor force<sup>6</sup>

The insights gleaned from these questions also illustrate the striking differences between people who have held a job recently (42% of respondents) and those who have not (58% of respondents). Among the former group, 32% are supported by someone close to them (partner/other family), 24% receive disability benefits, and 23% are retired and/or receive Social Security retirement benefits. The latter group are more likely to be retired and/or receive Social Security retirement benefits (31%), and 30% receive disability benefits. Moreover, the latter group are on average older (51 years old vs 48). Since these differences affect the likelihood of returning to the labor force, we focus on respondents who had a recent history of being employed (the two groups are not otherwise different on other variables like race, gender, college degree).

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<sup>6</sup> Some numbers do not sum to 100% due to rounding.

**Table 2. Demographic Information**

		Job in Last 5 Years	No Job in Last 5 Years	Complete Distribution of All Observations
<b>Age</b>	16-19	0.31%	2.02%	1.30%
	20-24	3.43%	4.04%	3.78%
	25-34	14.02%	8.97%	11.08%
	35-55	42.37%	45.07%	43.94%
	56-64	22.74%	15.47%	18.51%
	65+	17.13%	24.44%	21.38%
	Total	100.00%	100.00%	100.00%
	<b>Gender</b>	Male	31.65%	31.22%
Female		68.35%	68.78%	68.60%
Total		100.00%	100.00%	100.00%
<b>Education</b>	Less Than High School	8.23%	12.44%	10.69%
	High School Grad	27.53%	35.07%	31.93%
	Some College	28.80%	21.95%	24.80%
	College Grad	26.58%	19.46%	22.43%
	More than College	8.86%	11.09%	10.16%
	Total	100.00%	100.00%	100.00%
<b>Household Income</b>	Under \$25,000	38.29%	41.86%	40.37%
	\$25,000-\$50,000	25.32%	21.04%	22.82%
	\$50,000-\$100,000	19.30%	18.78%	19.00%
	Over \$100,000	17.09%	18.33%	17.81%
	Total	100.00%	100.00%	100.00%
<b>Race</b>	White	70.89%	70.36%	70.58%
	Non-white	29.11%	29.64%	29.42%
	Total	100.00%	100.00%	100.00%

Some numbers may not sum to one due to rounding.

### Section 5.1.4. How do respondents fund living expenses?

Table 3 lists the sources of money drawn from responses to the open-ended question, respondents the open-ended question “How do you get money to fund your living expenses?” Overall, disability benefits are the single most prevalent source of money for living expenses, even among those who were more recently employed. Relative to the sample as a whole, respondents who were recently employed are more likely to depend on a partner or family for living expenses, or on independent work.

### Section 5.1.5. The role of disability

Combining responses to the question, “Has a disability affected your ability to get a job” with the responses to the funding living expenses question, we generated a count of people with disabilities in our sample. With disability benefits accounting for a large share of respondents’ source of money, it is unsurprising that most in our sample report having a disability that affects their capacity to look for or get a job. However, what is striking is the age distribution of these respondents. Table 4 shows that people with

disabilities in our sample are overwhelmingly of prime working age (ages 25-54). Workers in this age bracket are at the age where in principle, they have finished post-secondary education yet remain young enough to be relatively free from health issues. However, in the subsample of prime working age individuals who are officially not in the labor force, over 60% report having a disability.

**Table 3. Source of Money for Living Expenses**

	Held Job In The Last 5 Years		All Respondents	
	Number	Percent of Total	Number	Percent of Total
Disability	76	23.68	206	27.14
Parents/Family/Friends	36	11.21	59	7.77
Partner Works	69	21.5	149	19.63
Pension	3	0.93	8	1.05
Retired, no mention of Social Security	42	13.08	92	12.12
SNAP	2	0.62	4	0.53
In School	4	1.25	6	0.79
Independent Work	34	10.59	57	7.51
Social Security	28	8.72	109	14.36
Idiosyncratic	27	8.41	69	9.09

Notes: Number and percentage of total are reported separately for respondents who held a job within the last 5 years and for all respondents.

Some numbers may not sum to one due to rounding.

Source of data: CEBPR Research Survey

**Table 4. Age Distribution of People with Disabilities**

Age Bracket	Held Job In The Last 5 Years	All Respondents
16-24 years old	1.91	1.82
24-54 years old	63.06	63.12
55-64 years old	30.57	27.53
65 years old and over	4.46	7.53

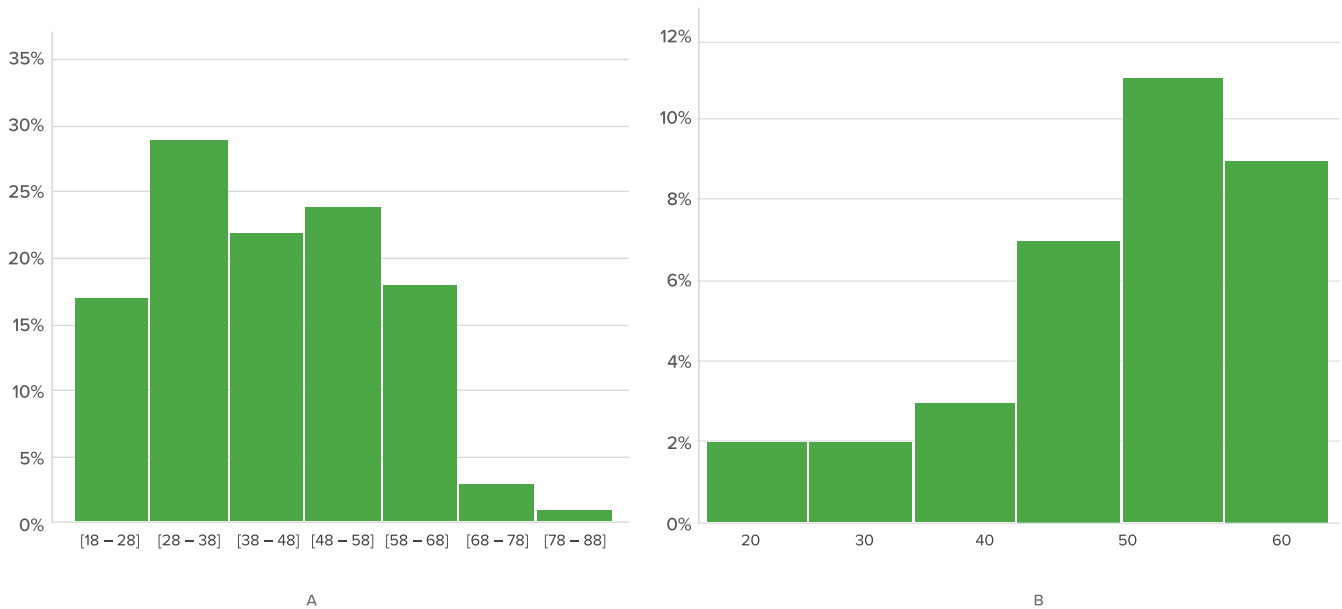
Notes: The table reports the percentage of respondents in each age bracket.

Source of data: CEBPR Research Survey

### Section 5.1.6. Covid-19-related challenges

As previously stated, 42% of respondents were previously employed within the last 5 years. In this subsample, 38% of them stopped working due to reasons associated with the Covid-19 pandemic. As can be seen from Figure 7, this group of respondents that stopped working during the Covid-19 pandemic are comprised of individuals from all relevant age brackets. However, those that were older were more likely to retire earlier than originally planned, representing almost a quarter of respondents that stopped working during the pandemic.

**Figure 7. Age Distribution of Respondents that Stopped Working During Covid-19**



Notes: The histogram in Panel (a) depict the age distribution of all respondents that stopped working during the Covid-19 pandemic. Panel (b) shows the age distribution of respondents that stopped working during the Covid-19 pandemic and chose to retire earlier than planned.

Source of data: CEBPR Research Survey

Table 5 reports the reasons for not returning to the labor force that are related to Covid-19. Only 25% of respondents who recently held a job reported facing a Covid-19-related challenge. In line with our findings on disability, the overwhelming reason for not returning to the labor force is deteriorating health (29% of responses), followed by having their old position eliminated (22.5%).

**Table 5. Covid-19 related reasons for not being in the labor force**

	Held Job In The Last 5 Years	All Respondents
Health deteriorated	28.75	28.21
Values changed	8.75	7.69
Position was eliminated	22.5	18.8
Family responsibilities	15	17.95
Decided to retire	11.25	11.11

Notes: The table reports the percentage of respondents in each category that state the reason specified in each row for not being in the labor force.

Of all respondents, 25% of them suggested that they faced Covid-19 related reasons for not being in the labor force. This table is a breakdown of the answers of those 25%.

Numbers will not sum to 100% because this chart aggregates data from numerous survey questions where respondents were able to pick one answer, more than one answer, or skip the question completely.

Source of data: CEBPR Research Survey

### Section 5.1.7. Non-Covid-19 challenges

Some 27% of respondents who recently held a job reported facing non-Covid-19-related challenges, as summarized in Table 6. The most commonly stated reason is difficulties securing child or family care. This is consistent with what we found in our literature review. The second most commonly stated reason is low wages. Given that a significant number of our respondents report having a disability or are already receiving disability benefits, low wages would make job search riskier for this subpopulation.

**Table 6. Non-Covid-19 related reasons for not being in the labor force**

	Held Job In The Last 5 Years	All Respondents
Low Wages	18.38	12.89
Lack of Education or Skills	9.97	8.98
Child or Family Care	26.48	24.74
Transportation Issues	8.41	9.64

Notes: The table reports the percentage of respondents in each category that state the reason specified in each row for not being in the labor force. Of all respondents, 27% of them suggested that they faced Covid-19 related reasons for not being in the labor force. This table is a breakdown of the answers of those 27%. Numbers will not sum to 100% because this chart aggregates data from numerous survey questions where respondents were able to pick one answer, more than one answer, or skip the question completely.  
Source of data: CEBPR Research Survey



## Section 6. Summary and Conclusion

We conducted a comprehensive study into the potential contributors to Louisiana's declining labor force participation. Results from analyses of existing data and our own survey suggest that the several connected factors combine to drive the labor force participation rate downward: aging and declining health/ disabled status of working age individuals, family and child care responsibilities, and gaps in required education or skills.

While those that have already retired are less likely to return to the workforce in a full-time capacity, our research implies that individuals who are not in the labor force may respond positively to targeted policies to expand and improve access to child and elderly care. Given the high numbers of working age people receiving disability benefits in our survey, targeted policies such as providing accessible work environments or transportation and decreasing the risk of seeking employment while receiving disability might also be impactful as well. Low wage was also a commonly reported reason for not being in the labor force. Whether a high-skill or low-skill position, if the wage is not viewed as 'livable', people will not take the position and would rather stay out of the labor force. This opens the door for legislation that improves wages to incentivize those out of the labor force to join.

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# Appendix I

## Survey Instrument

**Q1:** LSU is investigating the reasons that the proportion of Louisiana residents in the workforce has fallen in recent years. Our research will be used to help Louisiana's policy makers make more informed decisions. Will you help us by taking this 7-minute survey?

Yes

No

**Q2:** Are you 16 years of age or older?

Yes

No

**Q3:** Do you currently have a job?

Yes

No

**Q4:** Are you currently looking for a job or have tried to find employment in the last 4 weeks?

Yes

No

**Q5:** How do you get money to fund your living expenses?

**Q6:** Have you had a job in the last 5 years?

Yes

No

**Q7:** Have you earned money from activities such as driving for Uber/Lyft/Doordash, internet influencer, or running your own small business within the past year?

Yes

No

**Q8:** Please briefly describe the business you run or ran during the last year.

**Q9:** Did you either have a job or were you looking for work before the Covid-19 pandemic?

Yes

No

**Q10:** Did you stop working due to the Covid-19 Pandemic?

Yes

No

**Q11:** Why did you stop working during Covid?

Laid Off

Health Reasons

Child care needs

Received enough money from unemployment or other government benefits

Other \_\_\_\_\_

**Q12:** Did Covid-19 affect your decision to work or ability to find work today?

Yes

No

**Q13:** How did Covid-19 affect your decision or ability to work?

Health deteriorated

Values changed and saw the importance of family or other things in life

My position was eliminated after Covid-19

Family responsibilities changed and I can no longer work

I decided to retire

Other \_\_\_\_\_

**Q14:** Did Covid-19 cause you to retire earlier than you had planned?

Yes

No

**Q15:** Why did the Covid-19 Pandemic lead you to retire earlier?

The following questions ask you a bit more about your reasons to exit the workforce or why you are currently unemployed.

**Q16:** Has care of a family member affected your ability to get a job? (if yes, please state reason)

Yes

No

**Q17:** Which family member(s) care has impacted your ability to work? Check all that apply.

A child or children

A spouse

Parents or in-laws

Other \_\_\_\_\_

**Q18:** Has a disability affected your ability to get a job?

Yes

No

**Q19:** Have any of the following non-Covid-19 related reasons led you to drop out of the labor force or not to search for work?

Check all that apply.

Wages are too low for the jobs you might get

Child care is too expensive

Child care is difficult to find

Lack of skills needed to find a good job

Lack of formal education needed to find a good job

Finding transportation to job opportunities is hard

**Q20:** Please provide your gender.

Male

Female

Prefer not to say

**Q21:** How would you describe yourself in terms of race/ethnicity? Check all that apply.

White

Black or African American

Hispanic/Latino

American Indian or Alaska Native

Asian

Native Hawaiian or Pacific Islander

Other \_\_\_\_\_

**Q22:** For statistics purposes, what is your age?

Age \_\_\_\_\_

I am not comfortable sharing my age.

**Q23:** What age category applies to you?

Less than 16

16-19

20-24

25-34

35-55

55-64

65 years or older

**Q24:** What is the highest level of education you have?

Did not attend high school

Some high school, no diploma

High school diploma, GED, or equivalent

Some college, no degree

Associates Degree

Bachelor's Degree

Post-Graduate

Master's Degree

Professional Degree

Doctoral Degree

**Q25:** What range does your yearly household income fall into?

Under \$25,000

\$25,000 - \$50,000

\$50,000 - \$75,000

\$75,000 - \$100,000

\$100,000 - \$150,000

\$150,000 - \$200,000

\$200,000 - \$500,000

Over \$500,000

**Q26:** Has a criminal record or other items in your background negatively affected your ability to get a job?

Yes

No

**Q27:** Do you have any advice for Louisiana's leaders on how to entice more people to either take a job or look for a job?

## Appendix II

### Survey Results

The survey reached 73,268 people, of which 4,924 (6.72%) responded. Of the 4,924 respondents, 3,208 (65.15%) were screened out and 970 people (19.70%) dropped out or failed to complete the survey. This yielded 746 completed surveys. An additional 22 surveys were completed using other methods, yielding 768 total observations (N=768).

Many questions allowed the respondent to select multiple answer choices as they applied to the individual or allowed the respondent to skip a question that did not apply to them. For these reasons, some question answers may not sum to 100%. Open-ended survey questions were evaluated individually and placed in categories for analysis. The following results are based on the total population of our sample.

**Q5:** How do you get money to fund your living expenses?

Some kind of government assistance: 39.38%, Spouse/Partner or Family: 30.21%, Retired: 14.58%, Self-Employed: 6.90%, Student: 0.65%, Veteran Benefits: 0.91%, Could not be determined: 6.9%. (See Section 5.4.2)

**Q6:** Have you had a job in the last 5 years?

Yes: 41.8%

No: 57.03%

**Q7:** Have you earned money from activities such as driving for Uber/Lyft/Doordash, internet influencer, or running your own small business within the past year?

Yes: 10.55%

No: 87.89%

(See Section 5.4.2)

**Q8:** Please briefly describe the business you run or ran during the last year. (See Section 5.4.2)

**Q9:** Did you either have a job or were you looking for work before the Covid-19 pandemic?

Yes: 34.16%

No: 64.67%

**Q10:** Did you stop working due to the Covid-19 Pandemic?

Yes: 15.36%

No: 82.81%

**Q11:** Why did you stop working during Covid?

Laid Off: 25.21%

Health Reasons: 26.05%

Childcare needs: 10.08%

Received enough money from unemployment or other government benefits: 10.92%

Other: 25.21%

**Q12:** Did Covid-19 affect your decision to work or ability to find work today?

Yes: 15.12%

No: 80.57%

**Q13:** How did Covid-19 affect your decision or ability to work?

Health deteriorated: 28.21%

Values changed and saw the importance of family or other things in life: 7.69%

My position was eliminated after Covid-19: 18.80%

Family responsibilities changed and I can no longer work: 17.95%

I decided to retire: 11.11%

Other: 11.11%

**Q14:** Did Covid-19 cause you to retire earlier than you had planned?

Yes: 30.77%

No: 63.25%

**Q15:** Why did the Covid-19 Pandemic lead you to retire earlier? (See Table 5)

The following questions ask you a bit more about your reasons to exit the workforce or why you are currently unemployed.

**Q16:** Has care of a family member affected your ability to get a job? (if yes, please state reason)

Yes: 20.08%

No: 77.84%

**Q17:** Which family member(s) care has impacted your ability to work? Check all that apply.

(See Table 6)

**Q18:** Has a disability affected your ability to get a job?

Yes: 50.85%

No: 46.68%

**Q19:** Have any of the following non-Covid-19 related reasons led you to drop out of the labor force or not to search for work? Check all that apply.

Wages are too low for the jobs you might get: 12.9%

Childcare is too expensive: 9.4%

Childcare is too difficult to find: 5.9%

Lack of skills needed to find a good job: 6.9%

Lack of formal education needed to find a good job: 6.0%

Finding transportation to job opportunities is hard: 9.6%

**Q20:** Please provide your gender.

Male: 30.99%

Female: 67.71%

Prefer not to say: 1.3%

**Q21:** How would you describe yourself in terms of race/ethnicity? Check all that apply.

White: 70.18%

Black or African American: 21.09%

Hispanic/Latino: 1.04%

Asian: 1.30%

Other: 6.38%



**Q22:** For statistics purposes, what is your age? (Reference Q23 for Age Distribution)

Age \_\_\_\_\_

I am not comfortable sharing my age.

**Q23:** What age category applies to you?

Less than 16: 0.00%

16-19: 1.30%

20-24: 3.78%

25-34: 11.07%

35-55: 43.88%

55-64: 18.49%

65 years or older: 21.35%

**Q24:** What is the highest level of education you have?

Did not attend high school: 1.30%

Some high school, no diploma: 9.51%

High school diploma, GED, or equivalent: 31.90%

Some college, no degree: 24.87%

Associate degree: 9.24%

Bachelor's Degree: 13.02%

Post-Graduate: 1.56%

Master's Degree: 5.08%

Professional Degree: 1.56%

Doctoral Degree: 0.26%

**Q25:** What range does your yearly household income fall into?

Under \$25,000: 40.29%

\$25,000 - \$50,000: 22.69%

\$50,000 - \$75,000: 11.08%

\$75,000 - \$100,000: 7.82%

\$100,000 - \$150,000: 6.91%

\$150,000 - \$200,000: 2.91%

\$200,000 - \$500,000: 1.56%

Over \$500,000: 0.39%

**Q26:** Has a criminal record or other items in your background negatively affected your ability to get a job?

Yes: 4.69%

No: 93.62%

**Q27:** Do you have any advice for Louisiana's leaders on how to entice more people to either take a job or look for a job?

(See Sections 5.4.5 and 5.4.6)

