

2026 Colloquium on Global Competitiveness

Gad Levanon

Labor market outlook

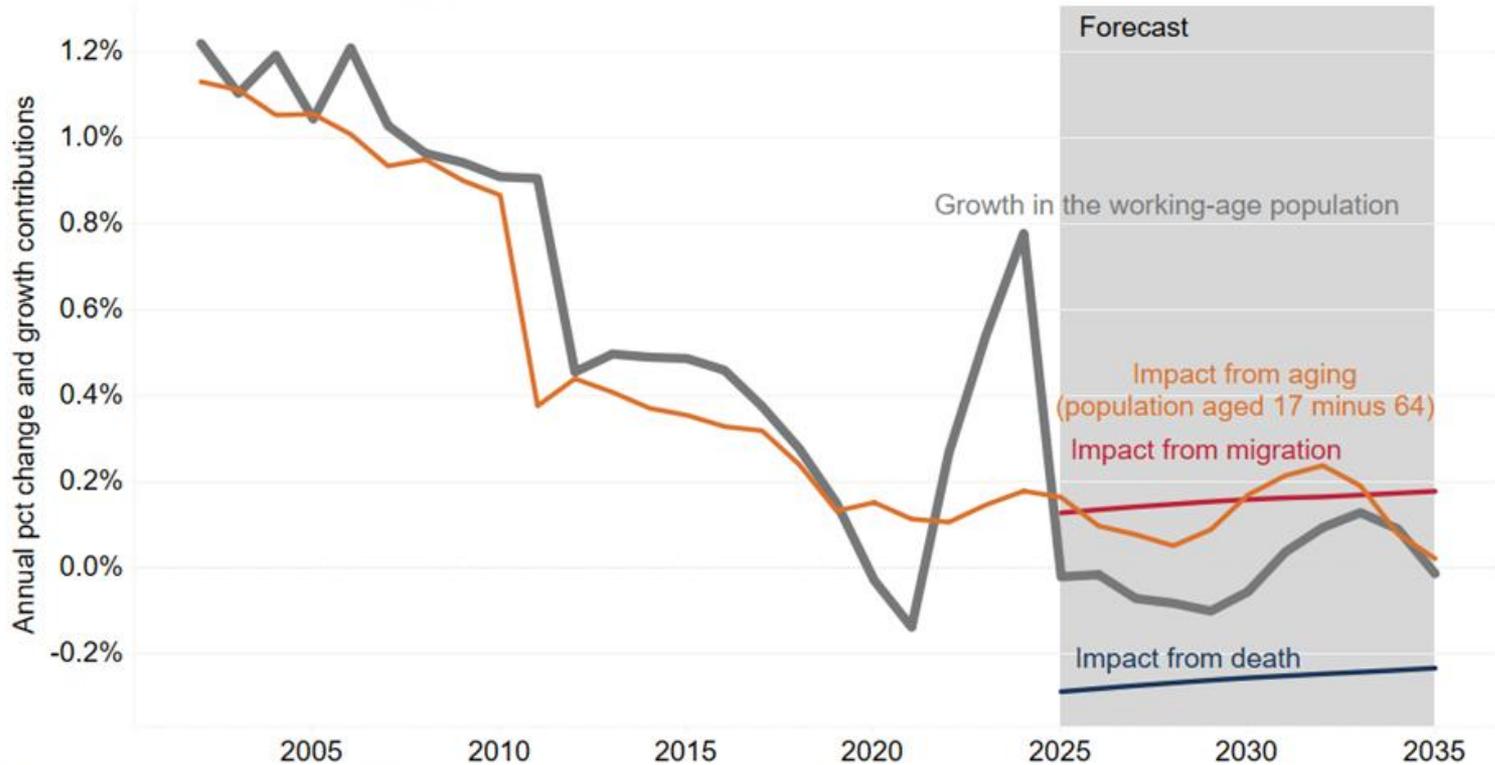
- Solid economic growth
- Strong productivity growth – partly due to AI
- AI is starting to eliminate office jobs
- Weak job growth
- Major impact of immigration policy
- The unemployment rate is not high
- For some groups it is high – young college grads
- Blue collar labor shortage

Labor Supply Trends

- The working-age population stopped growing
- The workforce is getting more educated
- Especially women
- Young men are struggling
- Through 2024, immigration kept the supply of labor growing
- The share of Hispanic and Asian workers in the workforce has been growing
- In 2025 the story changed because of the new immigration policy
- Blue collar labor shortage

Working age population stopped growing

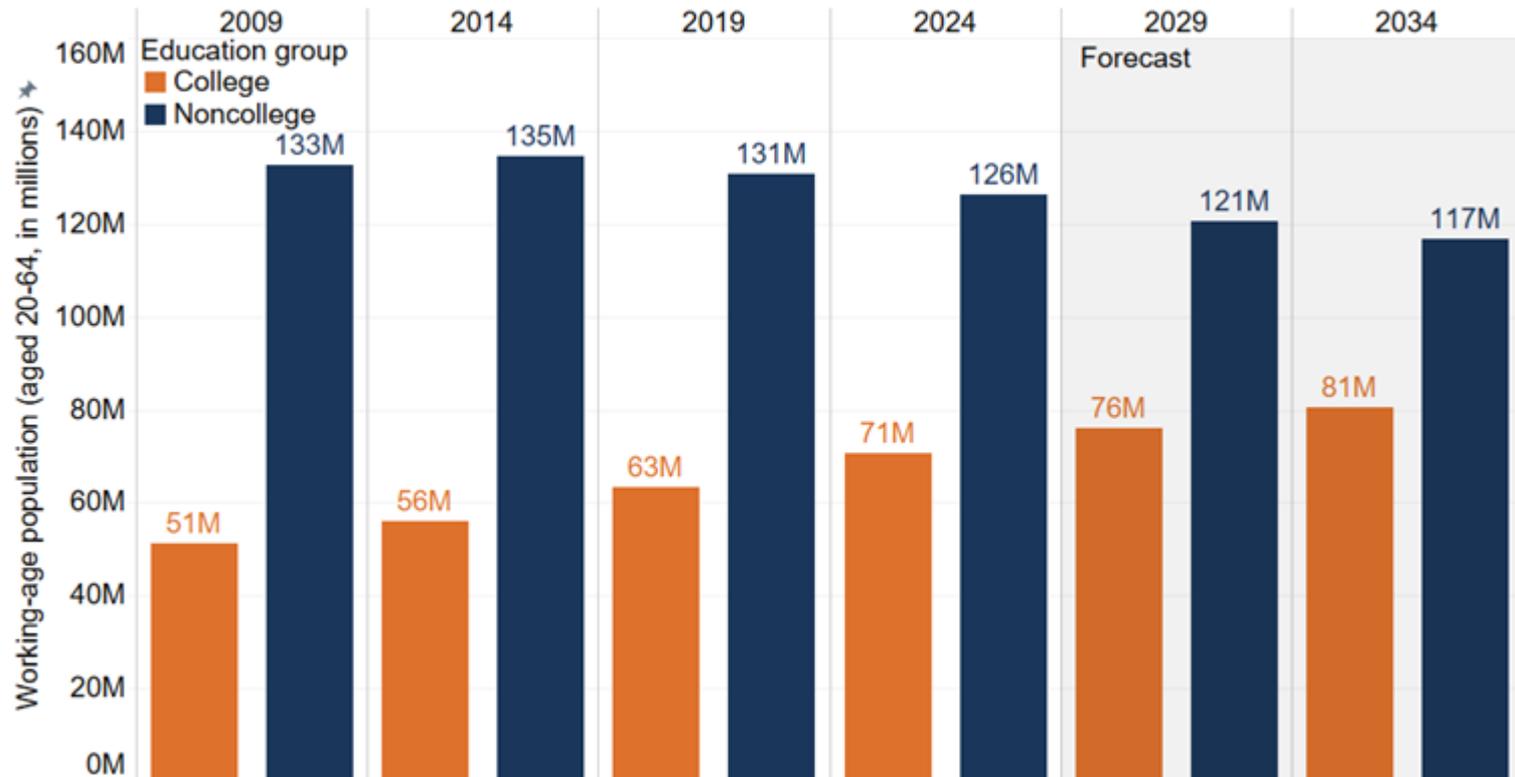
Annual growth in the working-age population (18-64) and the contributions from aging, migration, and deaths



Note: Projections are based on the low immigration scenario from the Census Bureau 2023 National Population Projections.
Sources: Census Bureau; Burning Glass Institute

The workforce is getting more educated.

Working-age population (aged 20-64), by education, in millions

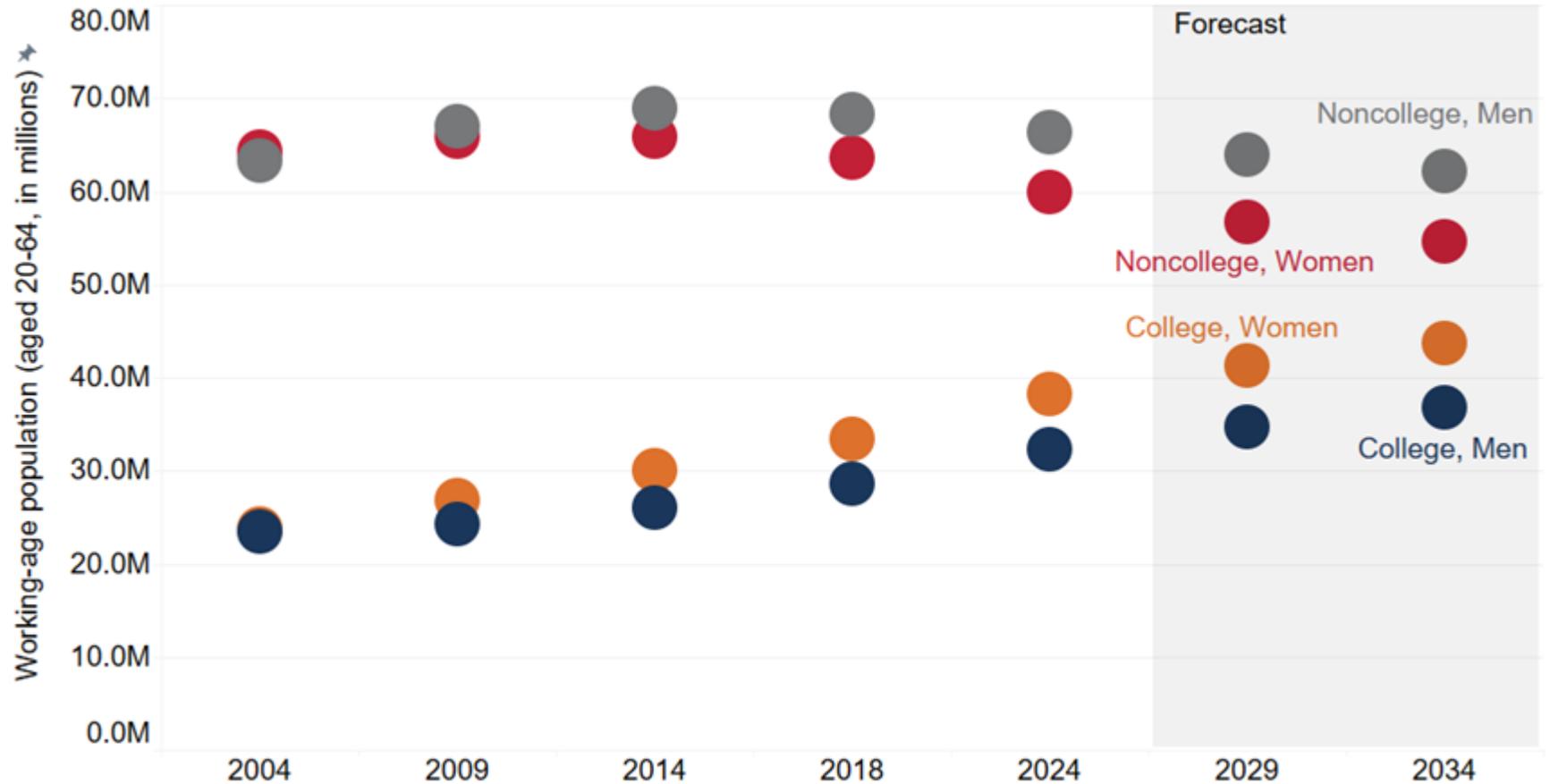


Note: Projections are based on the low immigration scenario from the Census Bureau 2023 National Population Projections.

Sources: Census Bureau; National Cancer Institute Population Estimates; IPUMS-ACS, University of Minnesota; Burning Glass Institute

Especially women.

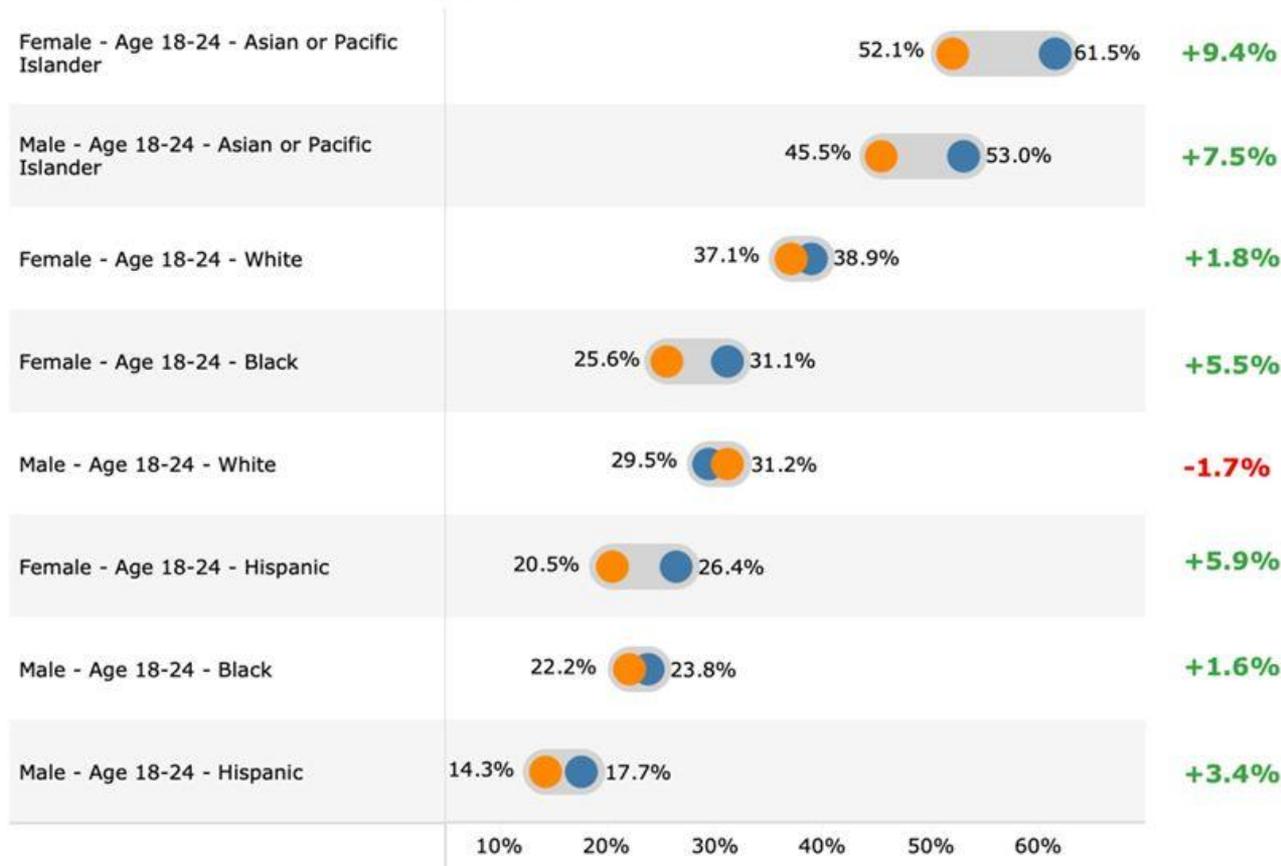
Working-age population (aged 20-64), by education and gender, in millions



Note: Projections are based on the low immigration scenario from the Census Bureau 2023 National Population Projections.
Sources: Census Bureau; National Cancer Institute Population Estimates; IPUMS-ACS, University of Minnesota; Burning Glass Institute

But not White Men

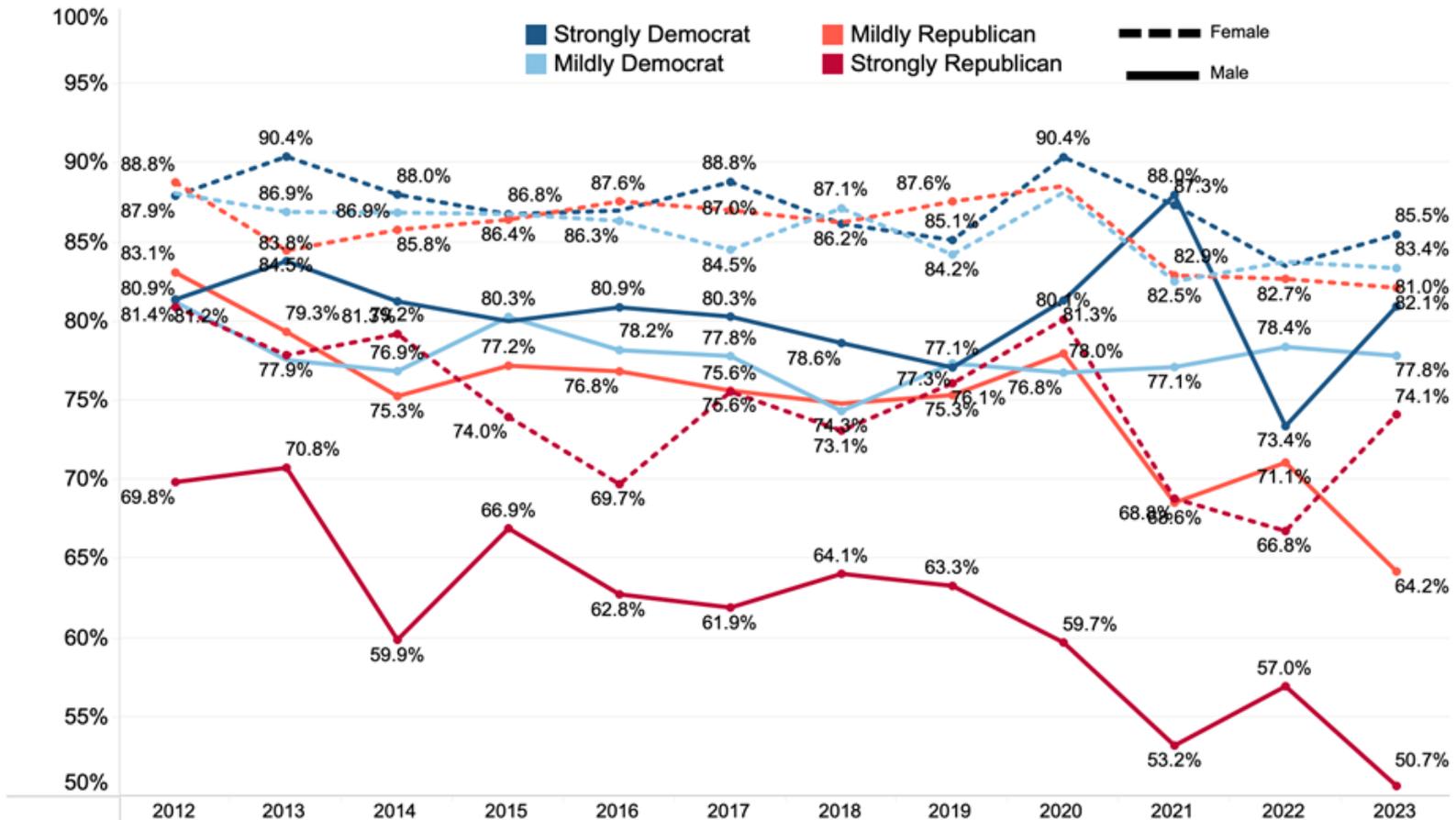
Figure 2. Share enrolled in 4-year college, among 18-24 year olds without a BA+ degree (3-year moving average) 2011 vs 2023



Source: Authors' calculations using Current Population Survey School Enrollment Supplement data.

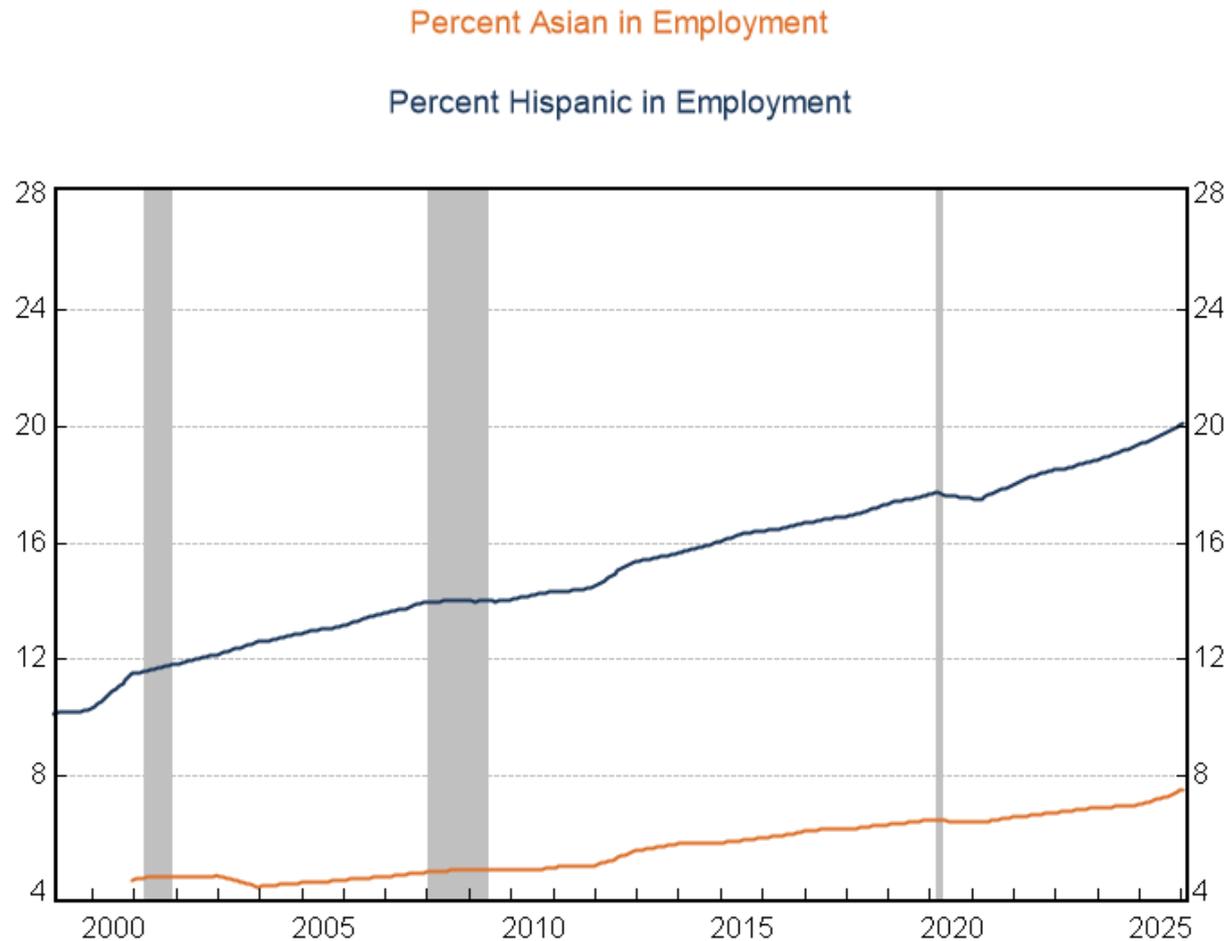
There is a political story here

Figure 3: Suppose Nothing Stood in Your Way, Would You Want To Graduate From a Four-Year College
(High School Seniors: 2012 - 2023)



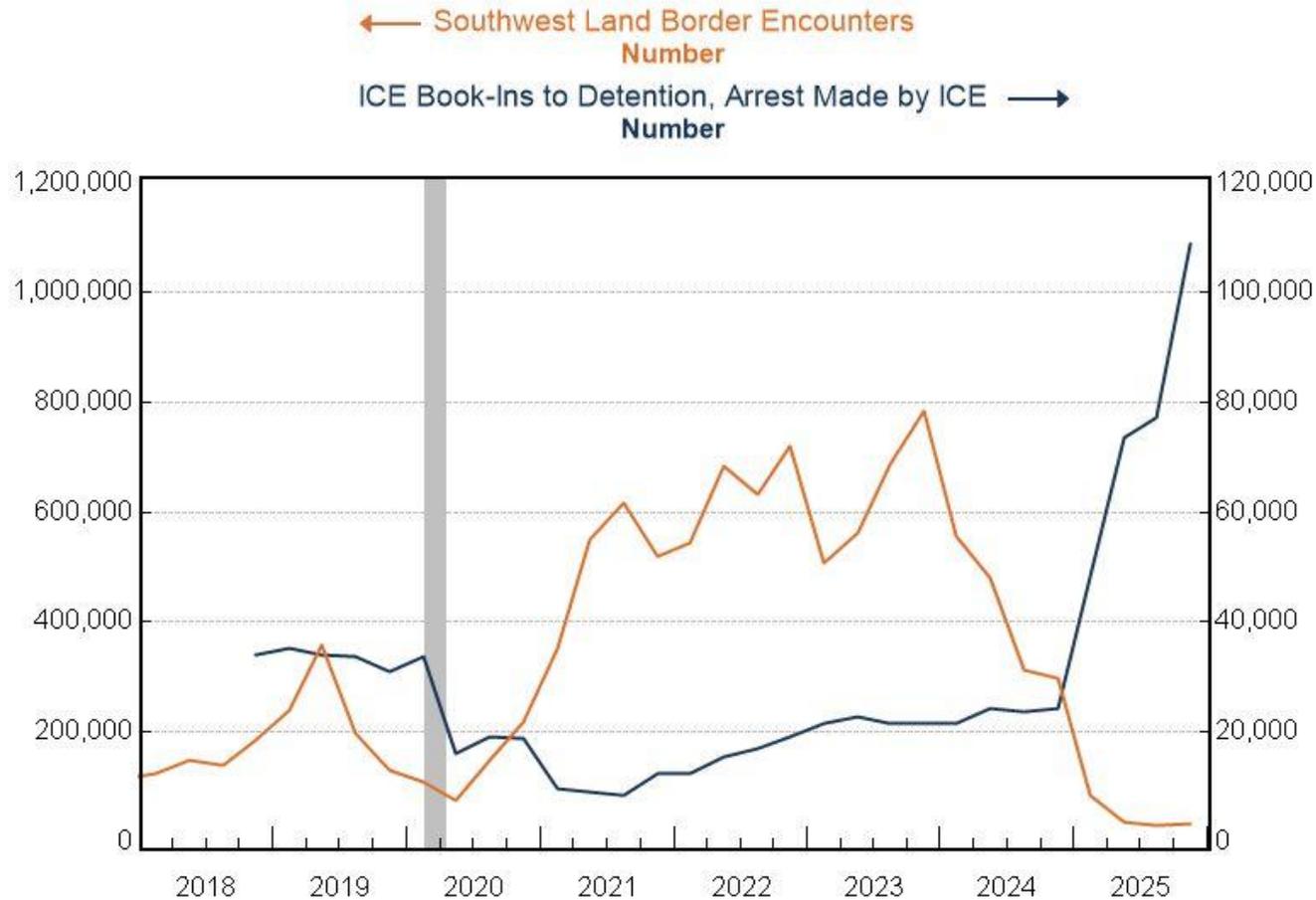
Source: Authors' calculations using the Monitoring the Future Survey

Immigration used to provide a boost to labor supply



Source: Haver Analytics

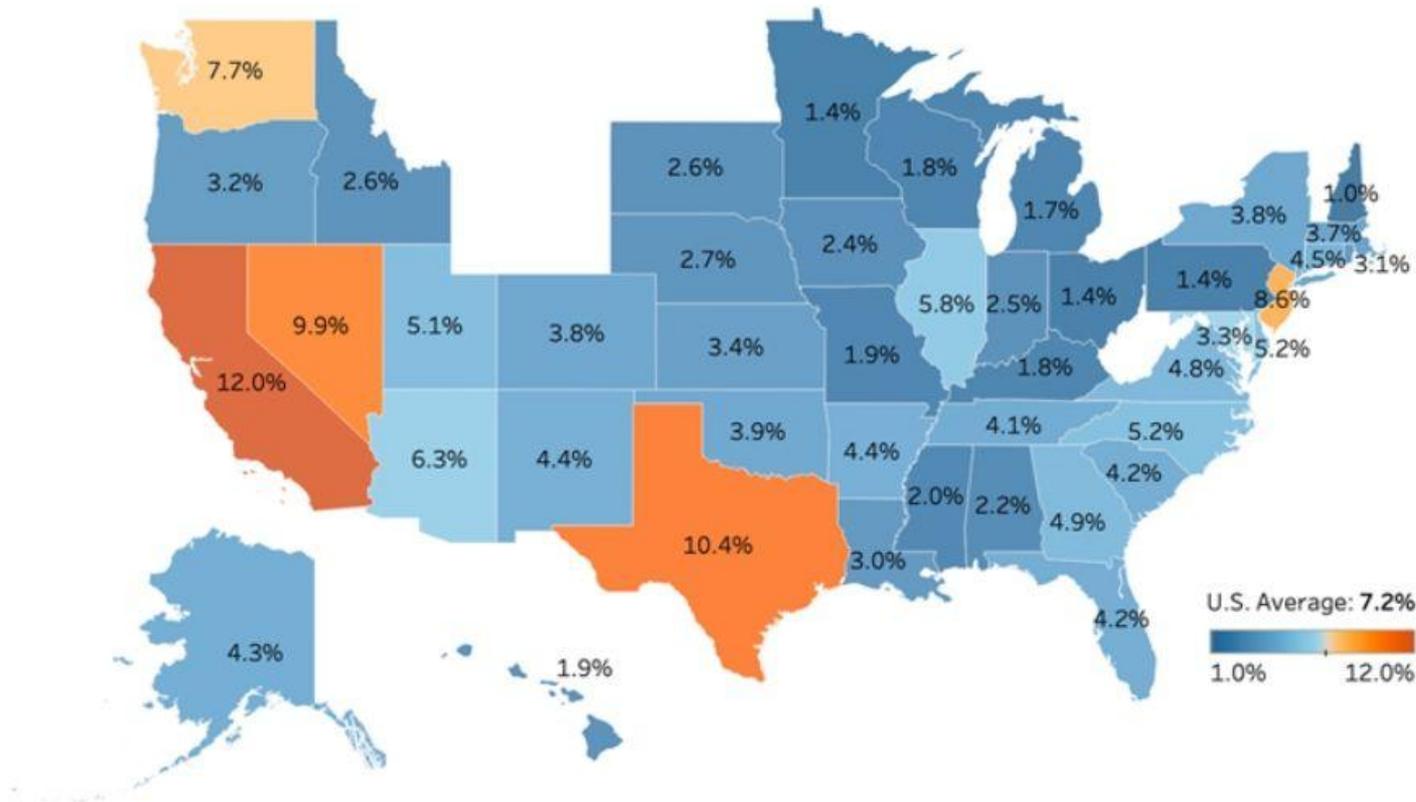
A dramatic change in immigration policy



Sources: CBP, ICE

Where are the undocumented?

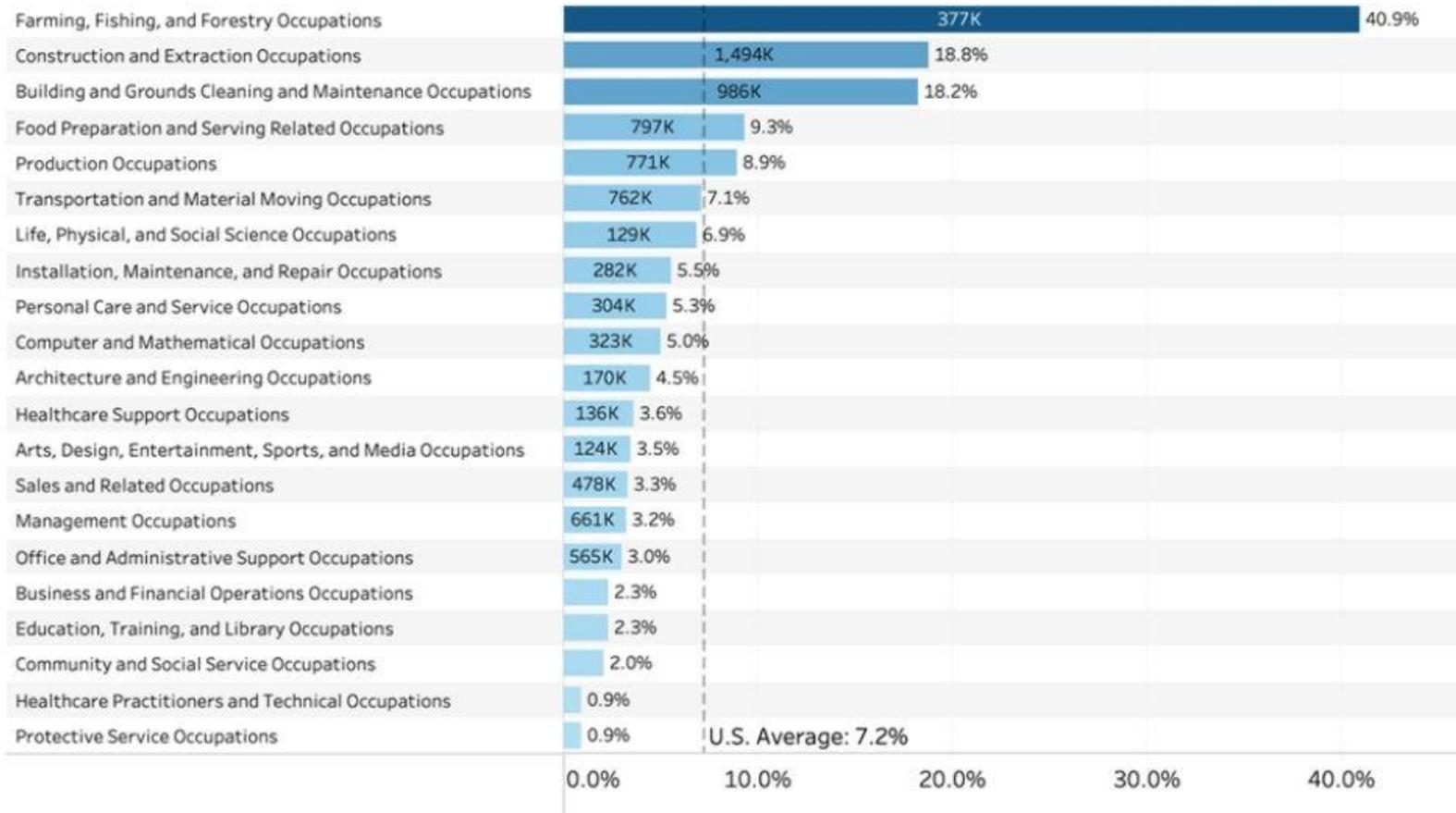
Figure 2. Estimated Undocumented Immigrant Employment Share, by State (2023)



Note: States with fewer than 50 estimated undocumented immigrant observations were omitted.
 Source: Authors' calculations using CBO, "The Demographic Outlook: 2024 to 2054"; Baker, B. and Warren, R., April 2024, U.S. Department of Homeland Security; Office of Homeland Security Statistics, "Estimates of the Unauthorized Immigrant Population Residing in the United States: January 2018 – January 2022"; American Community Survey, U.S. Census Bureau, 2023.

In what occupations do they work?

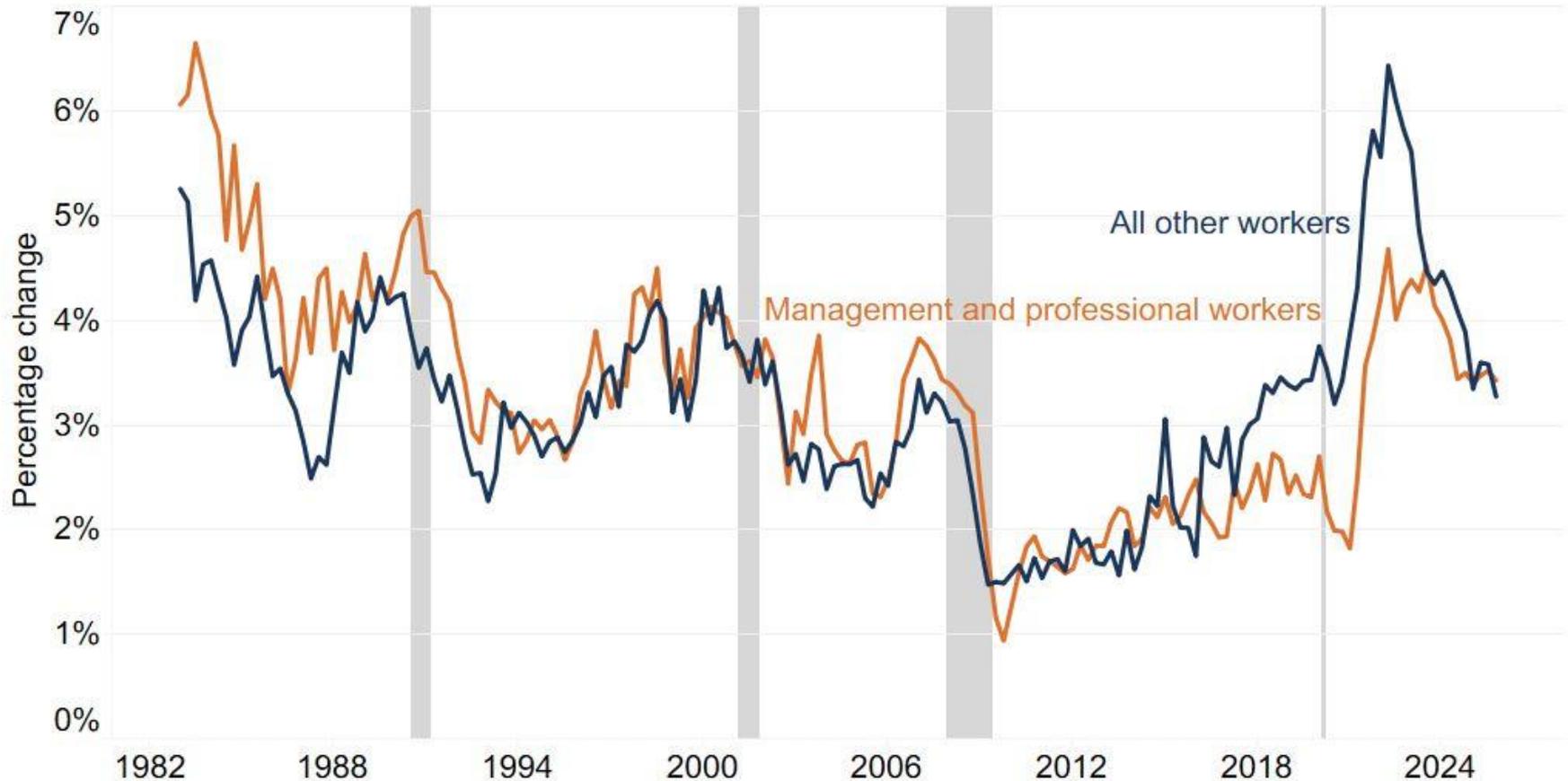
Figure 4. Estimated Undocumented Immigrant Employment Share, by Occupation (2023)



Note: Occupations with fewer than 100 estimated undocumented immigrant observations were omitted.
 Source: Authors' calculations using CBO, 'The Demographic Outlook: 2024 to 2054'; Baker, B. and Warren, R., April 2024, U.S. Department of Homeland Security: Office of Homeland Security Statistics, 'Estimates of the Unauthorized Immigrant Population Residing in the United States: January 2018 – January 2022'; American Community Survey, U.S. Census Bureau, 2023 1-year estimates.

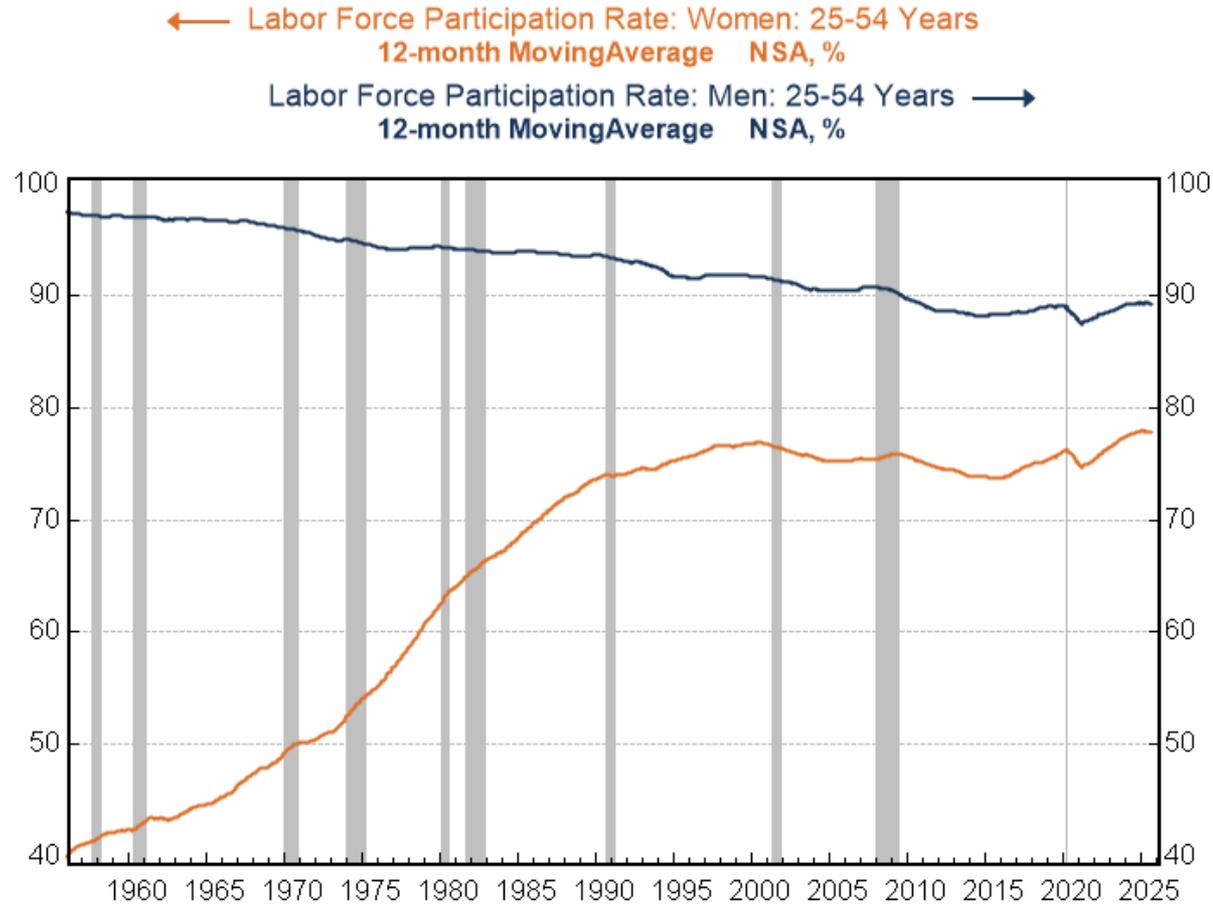
The blue-collar labor shortage is likely to continue

Growth in salaries and wages (Employment Cost Index), year-over-year percentage change, For management/professional workers and all other occupations combined



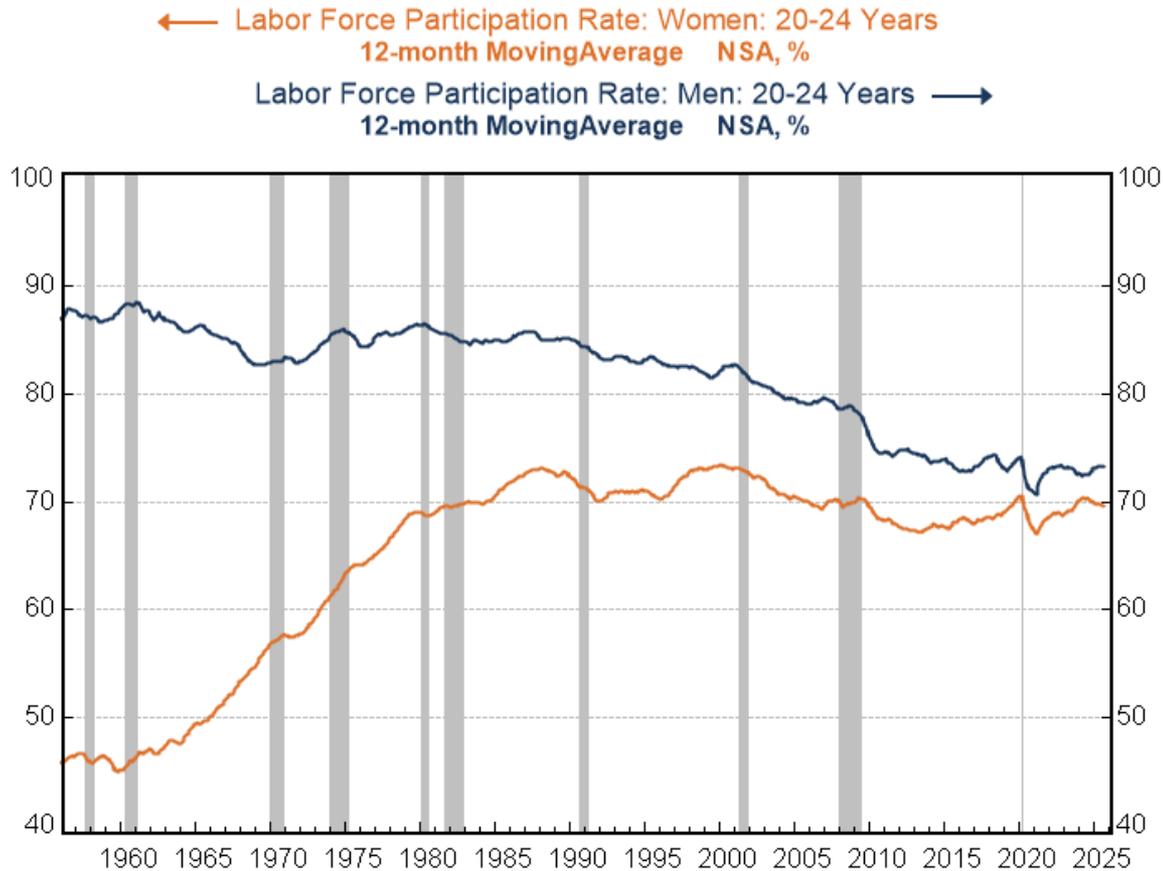
Sources: Bureau of Labor Statistics; Burning Glass Institute

We need more labor force participation



Source: Bureau of Labor Statistics

Young men are struggling

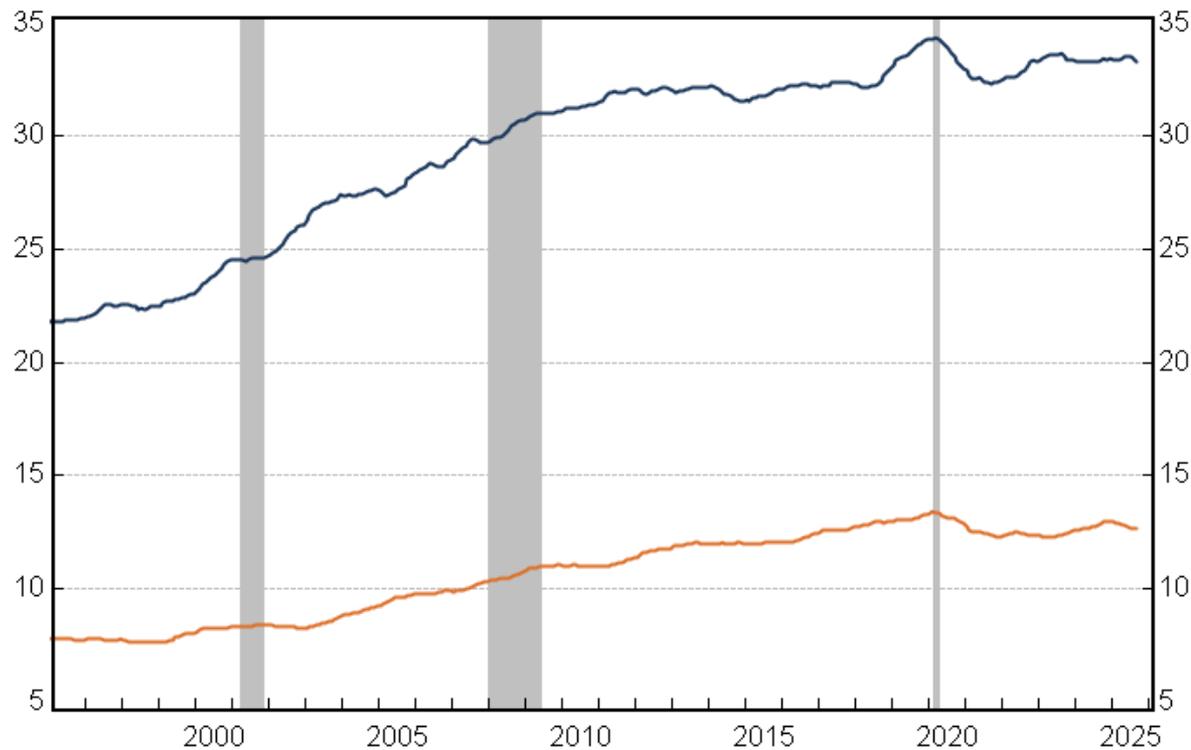


Source: Bureau of Labor Statistics

Older workers no longer delaying retirement

Labor Force Participation Rate: 70 Years & Over
12-month Moving Average NSA, %

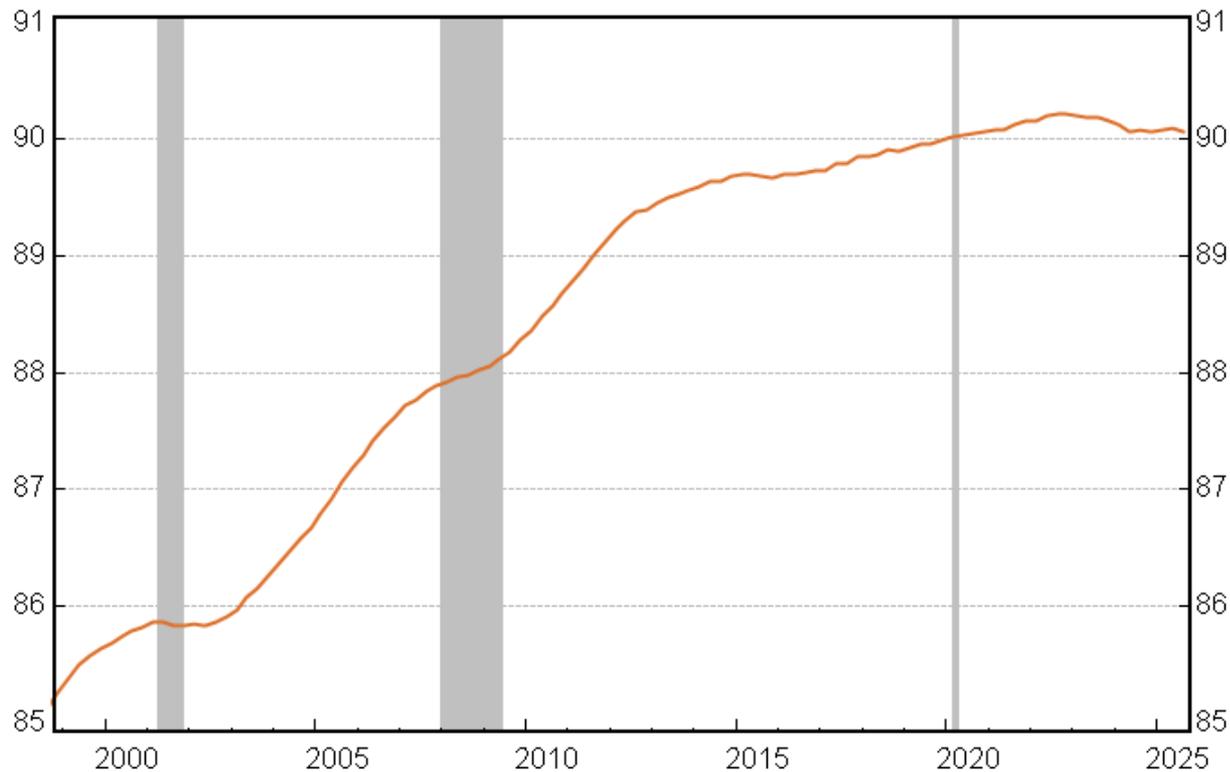
Labor Force Participation Rate: 65-69 Years
12-month Moving Average NSA, %



Sources: BLS/H, BLS

Will women's salary continue to converge?

Ratio: Median Weekly Earnings, Women vs Men
40-qtr Moving Average



Source: Haver Analytics

Everyone is getting closer to white men

