Discussion – Retirement during the COVID-19 Pandemic
Courtney Coile

Damon Jones
University of Chicago

Labor Markets During and After the Pandemic
Federal Reserve Bank of Boston
November, 2022
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?
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?

Weekly counts of deaths by age group

<table>
<thead>
<tr>
<th></th>
<th>Under 25 years</th>
<th>25-44 years</th>
<th>45-64 years</th>
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</thead>
<tbody>
<tr>
<td>Time Period</td>
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<tr>
<td>2022</td>
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<td>2021</td>
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<td>2020</td>
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<td>2015-2019</td>
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Week 0 to Week 50 is shown with different colored lines indicating the number of deaths for each age group.
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How do we account for excess deaths when tracking EPOP?

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<tbody>
<tr>
<td>65-74 years</td>
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<td>75-84 years</td>
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<td>85 years and older</td>
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Figure 2: Labor Force Participation Impacts of Health-Related Absences

Panel A: Event Study

Estimated Effect (p.p.)

Months to Health-Related Absence

-15 -10 -5 0 5

No Controls
Controls
Controls + Status at T - 1
Panel A: Effects by Age Group

Estimated Effect of Health-Related Absence (p.p.)

- 1–2 Months After
- 9–14 Months After

95-Percent Confidence Interval

Worker Age in Years: 15–24, 25–34, 35–44, 45–54, 55–64, 65–85
Comment Number 4: Alternative Research Design (Shah Goda and Soltas, 2022)

Panel B: Effects by Reason for Nonparticipation

Estimated Effect of Health-Related Absence (p.p.)

- 1–2 Months After
- 9–14 Months After
- 95-Percent Confidence Interval

- Retirement
- Disability
- Illness
- School
- Care
- Other