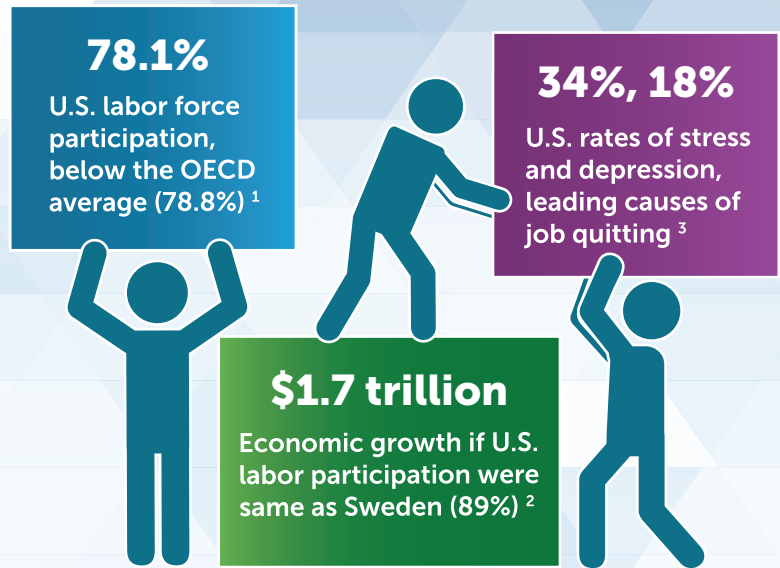


Labor Force Participation

Brainomics™ Bulletin

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The U.S. has much lower labor force participation than the average for the OECD and about 11% lower than top-ranked Sweden: 89% vs. 78%.¹

This low participation has a big effect on GDP and our growth potential² – if we had the same participation rate as Sweden, the economy would be \$1.7 trillion bigger, about 6%.

This all seems strange given that the U.S. labor force works about as hard as any nation, and work is highly valued here. We need to know why U.S. workers are out of the labor force. The usual explanations – demographics, retirement, taking care of family – do not really add up for the Brainomics team.

Instead, we think a more likely explanation is that many Americans are out of the labor force because of brain health challenges – with our high rates of depression and excess stress. Unfortunately, there is not enough research connecting brain health and the impact on the domestic economy, but some learnings come from Sweden.

Sweden had similar challenges in 2013 and decided to do something about it in 2015, implementing a focus on brain health for all. The result has been a dramatic rebound in participation and an increase in economic vitality.

Perhaps most importantly, being in the labor force productively and with purpose is itself a major source of brain health and individual thriving. So, we could have a virtuous circle – more people in the

workforce increases brain health, and high brain health keeps more people in the labor force.

Think about this the next time you hear policymakers addressing the low labor participation rate – do you really think that only tinkering with tax rates will improve the economy when we face so many brain health challenges? Unless we focus on the fundamental reasons people are out of the workforce, we will not make enough progress.



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It's evident that brain health challenges would have a role in labor force participation, but this is very much an under-studied area. It requires more data analytics, convening and policy fixes and will inevitably involve engaging the public and private sectors.

- Harris Eyre MD, PhD
Fellow, Baker Institute, Rice University

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Email me to explore a BrainHealthy collaboration, at andrew.nevin@utdallas.edu

¹OECD. (2024). Labor force participation rate. *OECD Data*. doi: 10.1787/8a801325-en.

²U.S. Bureau of Labor Statistics. (2023, September). Labor force and macroeconomic projections overview and highlights, *Monthly Labor Review*.

³Greenwood, K., & Anas, J. (2021, November 15). It's a new era for mental health at work. *Harvard Business Review*.