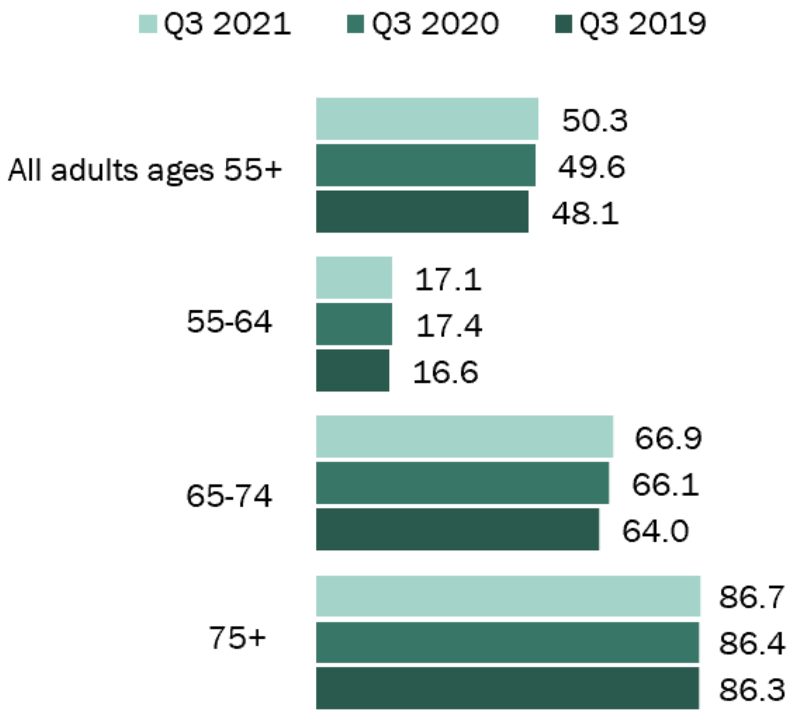
Half of older U.S. adults are now retired

% of older adults who are retired



Note: "Retired" refers to those not in the labor force due to retirement.
Source: Pew Research Center analysis of July, August and September Current Population Survey monthly files (IPUMS).

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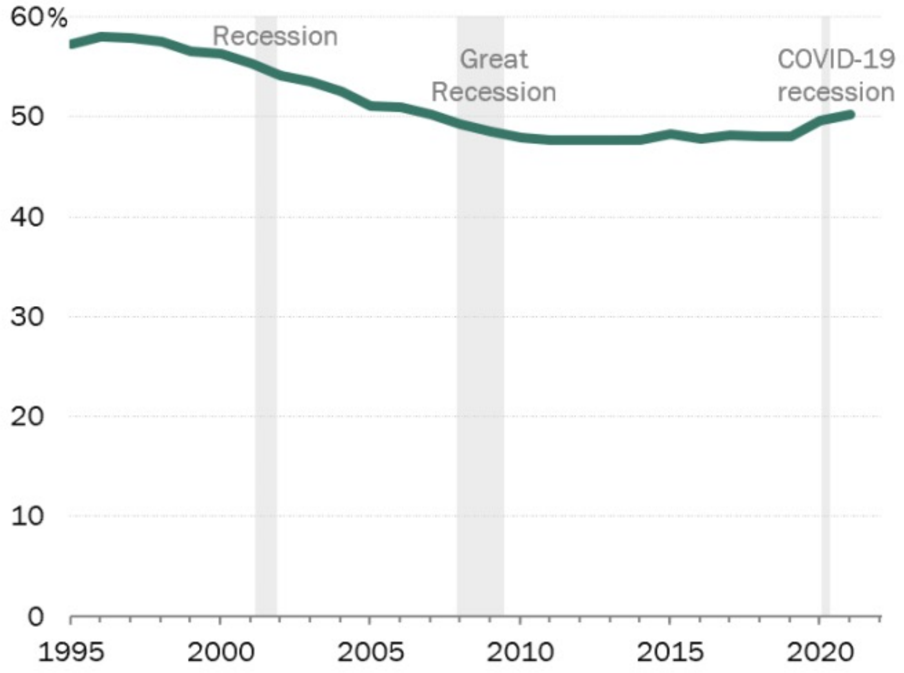
Unlike in other recent recessions, the pandemic has increased retirement among older adults

% of U.S. adults ages 55 and older who are retired



Note: "Retired" refers to those not in the labor force due to retirement. The COVID-19 recession began February 2020 and ended April 2020.
Source: Pew Research Center analysis of July, August and September Current Population Survey monthly files (IPUMS).

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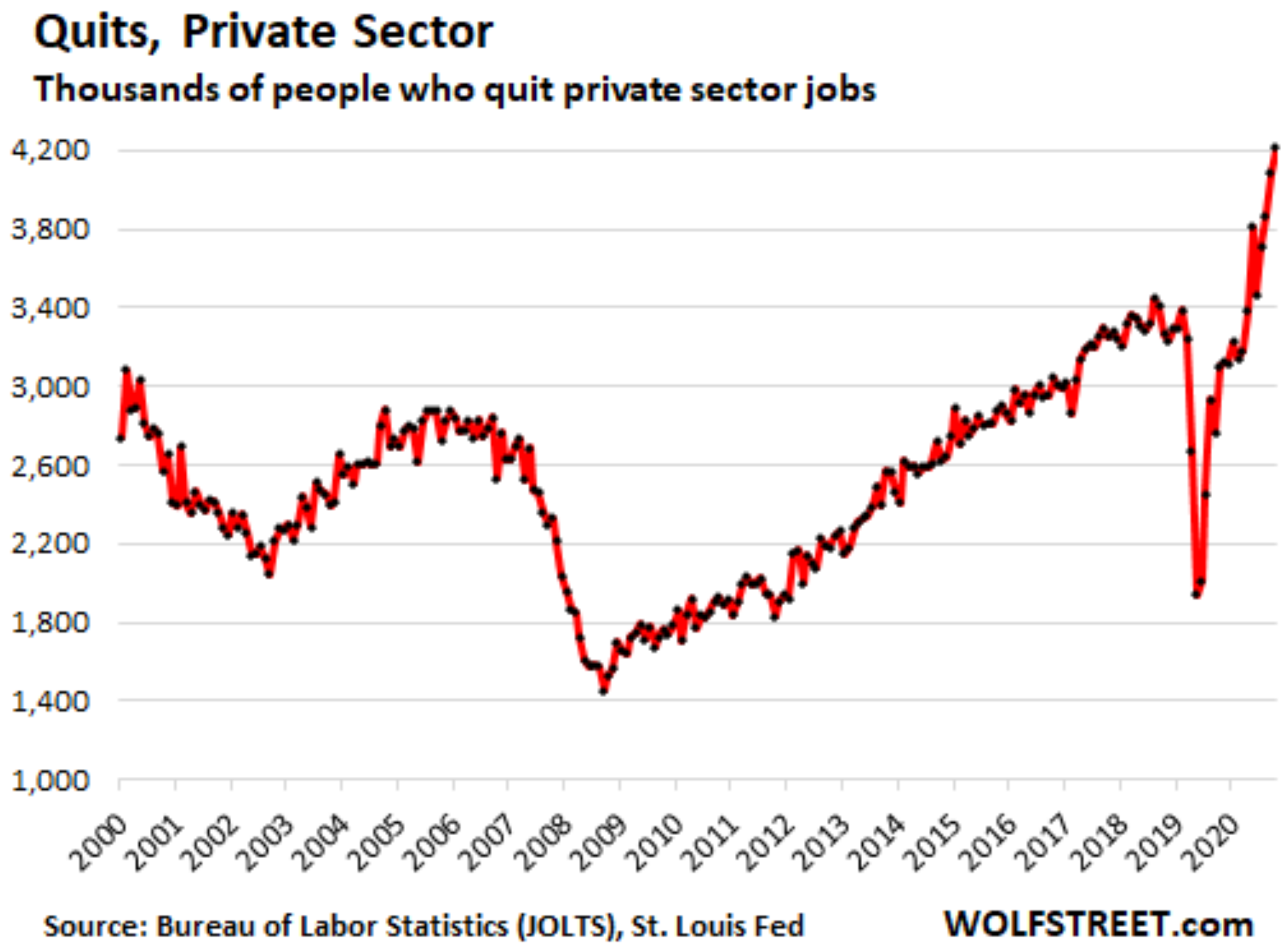
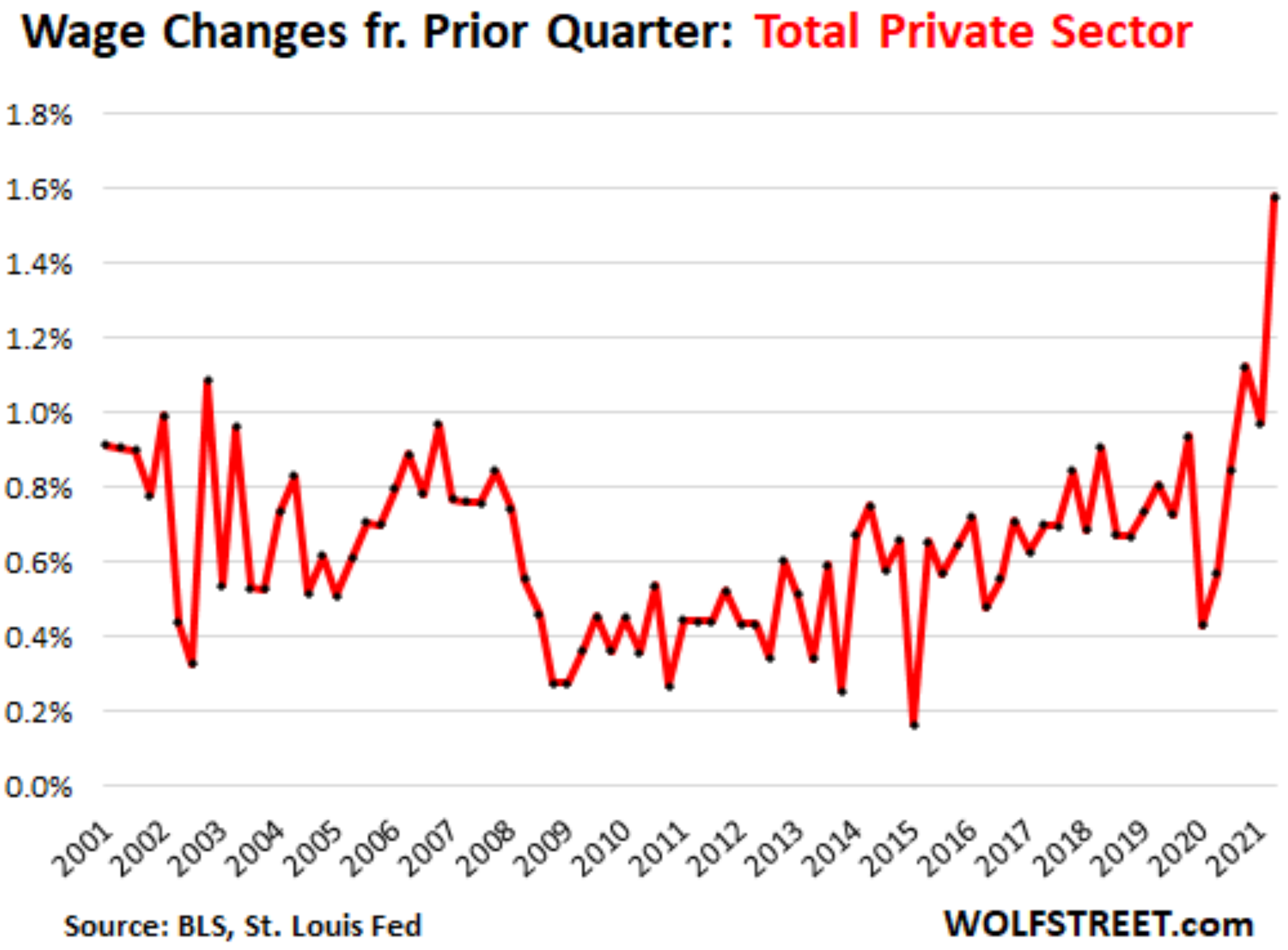


The number of people who quit jobs voluntarily to work for another company, or to stay home and take care of the kids, or to spend more time with their cryptos, or whatever, spiked by another 164,000 people to a record of 4.43 million in September.

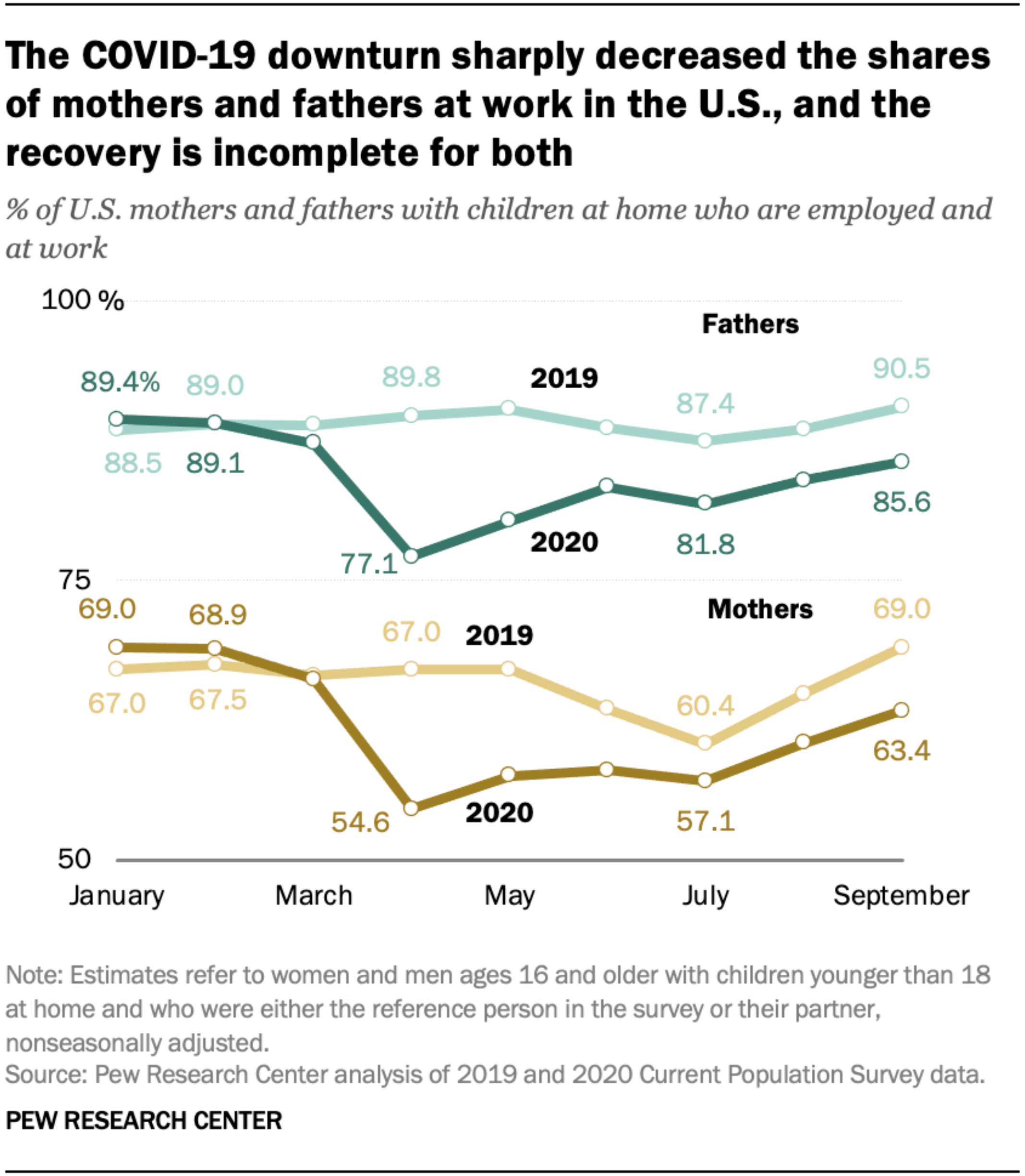
Nearly all of these “quits” (95%) occurred with private sector employers, where quits spiked to 4.22 million, up by 29% from September 2019, which had also been a hot job market. The year 2019 had already seen the highest quits rate in the data going back to 2000. But since March, the power balance between labor and employer, driven by labor shortages, has changed dramatically.



Wages across all private industries (government entities excluded) jumped by 1.6% in the third quarter from the second quarter, the largest jump in the data going back to 2002, according to the Employment Cost Index, released today by the Bureau of Labor Statistics. This amounts to wage gain of 6.4% annualized.

85.2% reported open positions they could not fill.

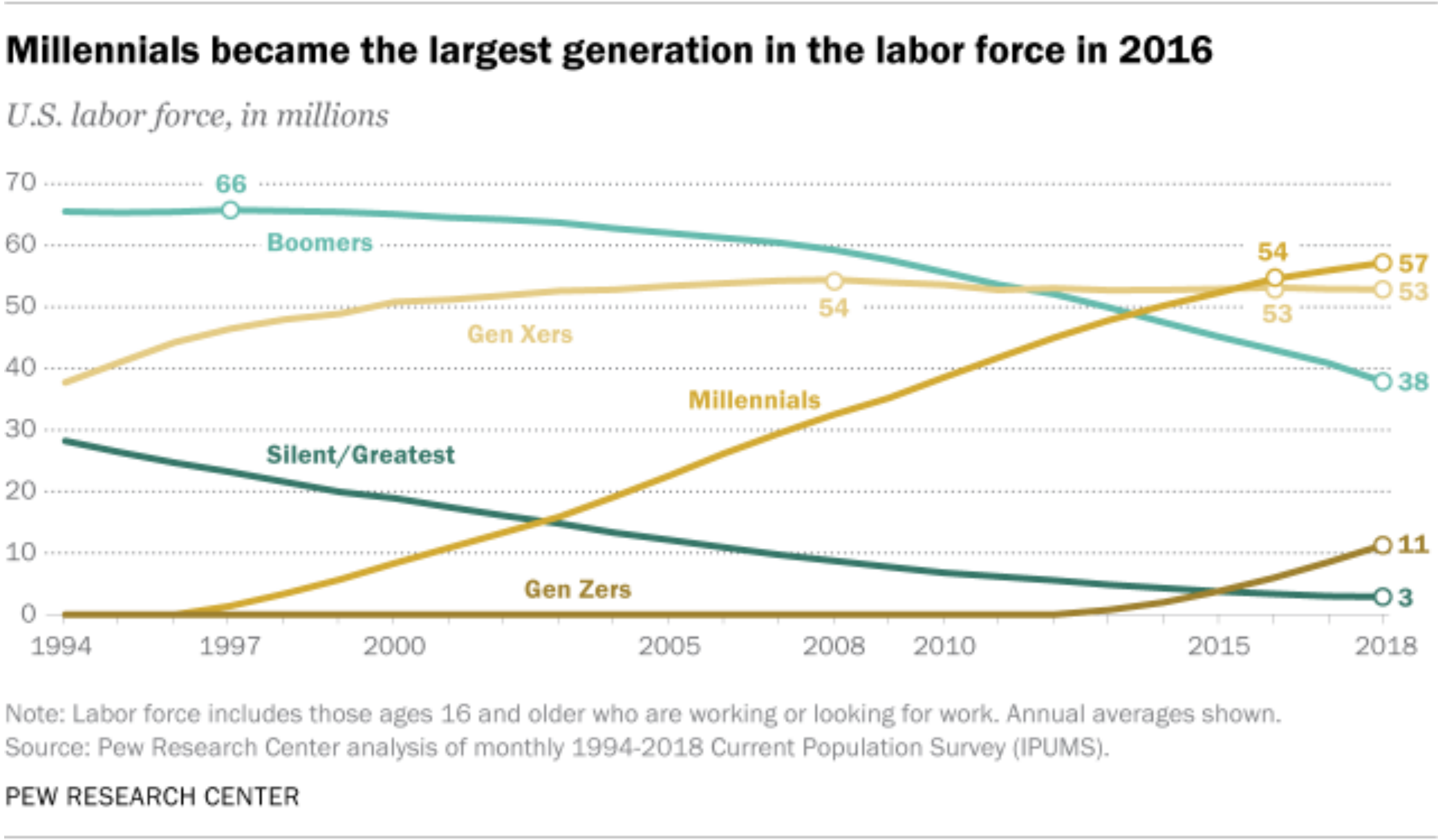
https://www.nam.org/wp-content/uploads/2021/12/Manufacturers_Outlook_Survey_December_2021.pdf



COVID-19 LONG TERM IMPACT

- The unemployment rate has continued to drop, now at 3.9% in December 2021 vs. pre-pandemic 3.5% in February 2020
- Manufacturing job openings have steadily increased to 858,000, from a pre-pandemic 500,000
- Key Issue: Labor force participation rate is stuck at 61.9%, vs. pre-pandemic 63.3% and 60.2% in April 2020
- An additional 3 million workers retired during the pandemic, compared to normal rates
- At current pace, 2.1 million unfilled manufacturing jobs by 2030, 2.5x today's job openings
- $1.0 trillion total economic impact
- 82% of survey respondents reported inability to grow topline revenue (new customers)
- 81% reported inability to maintain production to meet current demand (current customers)

BLS Bureau of Labor & Statistics December 2021, Deloitte and Manufacturing institute May 2021

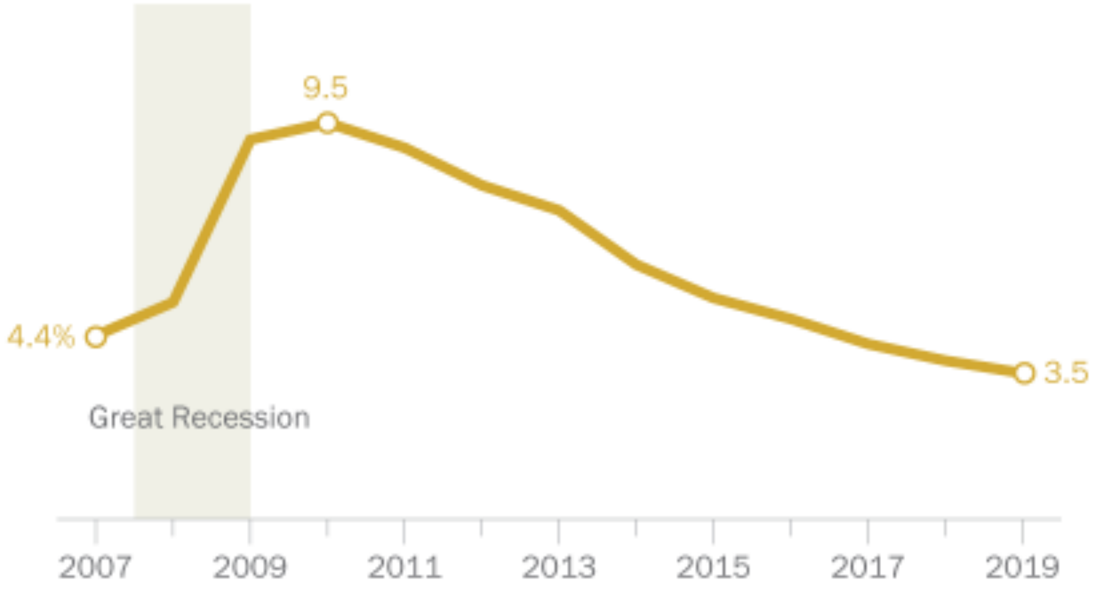


Millennials have surpassed Generation Xers as the largest generation in the U.S. labor force.

There were 57 million Millennials (born 1981 to 1996) working or looking for work in 2018. That was more than the 53 million Gen Xers (born 1965 to 1980) and well ahead of the 38 million Baby Boomers (born 1946 to 1964).

Following Great Recession, U.S. unemployment rate has fallen to near-record low

U.S. unemployment rate, non-seasonally adjusted



Note: Estimates are for the second quarter of each year.
Source: Pew Research Center analysis of 2007 to 2019 Current Population Survey monthly files (IPUMS).

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Following the Great Recession, the U.S. unemployment rate declined from a near record high level (9.5%) in the second quarter of 2010 to a near-record low (3.5%) in the second quarter of 2019 (figures are non-seasonally adjusted).

Despite the downward trend in unemployment, the recovery in other labor market indicators has been anemic to absent in the post-Great Recession era. For example, the U.S. employment rate in 2019 is several percentage points lower than it was at the start of the Great Recession in 2007, primarily because of the aging U.S. population.