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## WHY U.S. PRIME-AGE WORKFORCE PARTICIPATION IS LAGGING BEHIND OTHER NATIONS

*Use of opioid drugs 'appears to be connected' to labor market conditions, research shows*

By Sarah Chaney  
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The share of U.S. prime-age workers holding or seeking jobs has picked up in recent years but remains well below the rates of other developed economies, a phenomenon suspected to be linked to the opioid crisis.

The so-called labor-force participation rate of such workers, ages 25 to 54, fell sharply after the financial crisis to a recent low of 80.7 percent in the third quarter of 2015, according to a report by the Organization for Economic Cooperation and Development released Wednesday.

The figure has increased since then to 81.7 percent in the fourth quarter of last year.

The OECD's 35 countries – which include the U.S., most of the European Union members, Canada, France and Japan – had a combined rate of 85.5 percent in the last three months of 2017.

The report suggests several factors could be holding back the U.S. prime-age participation rate, noting that the participation rates for all adults vary by geography and demographic characteristics.

The overall U.S. participation rates for all adults – not just those of prime age – vary by state from a low of 53 percent in West Virginia in December to a high of about 71 percent in North Dakota.

The use of opioid drugs “appears to be connected” to labor market conditions, the report said.

Opioid prescription rates are generally higher where overall labor-force participation rates are lower, it notes.

These areas also tend to be places where disability rates are high, it says, pointing to a possible connection between drug use and disability.

The prescription of opioids per capita is “significantly higher” in the U.S. than in other OECD nations, the report notes.

“While possible to remain in employment, the correlation with nonparticipation in areas most beset by opioid addiction suggests that addiction ultimately impairs participation,” the report says. “In addition, when addiction leads to criminality, the consequences of a felony record can drastically reduce employment possibilities.”

Separate research has highlighted this connection between drug use and falling labor-force participation among prime-age workers.

Princeton University economist Alan Krueger found that a national increase in opioid painkiller prescriptions between 1999 and 2015 may have accounted for about 20 percent of the decline in workforce participation among men ages 25 to 54, and roughly 25 percent of the drop in prime-age female workforce participation.

The report illustrates that the impact of opioids stretches beyond the labor market. "The opioid epidemic has contributed to sharp upticks in overdose deaths since the beginning of the decade, which was initially concentrated in the white population but is now affecting other demographic groups," the report says.