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OPINION: THE AMERICAN RENAISSANCE HAS BEGUN

Helping people land good jobs with career paths takes more than skills training, labor experts say. Coaching, mentoring and other assistance are also needed.

By David Brooks
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In 1982, the economist Mancur Olson set out to explain a paradox. West Germany and Japan endured widespread devastation during World War II, yet in the years after the war both countries experienced miraculous economic growth. Britain, on the other hand, emerged victorious from the war, with its institutions more intact, and yet it immediately entered a period of slow economic growth that left it lagging other European democracies. What happened?

In his book "The Rise and Decline of Nations," Olson concluded that Germany and Japan enjoyed explosive growth precisely because their old arrangements had been disrupted. The devastation itself, and the forces of American occupation and reconstruction, dislodged the interest groups that had held back innovation. The old patterns that stifled experimentation were swept away. The disruption opened space for something new.

Something similar may be happening today. Covid-19 has disrupted daily American life in a way few emergencies have before. But it has also shaken things up and cleared the way for an economic boom and social revival.

Millions of Americans endured grievous loss and anxiety during this pandemic, but many also used this time as a preparation period, so they could burst out of the gate when things opened up. After decades of slowing entrepreneurial dynamism, 4.4 million new businesses were started in 2020, by far a modern record. A report from Udemy, an online course provider, says that 38 percent of workers took some additional training during 2020, up from only 14 percent in 2019.

After decades in which consumption took preference over savings, Americans socked away trillions of dollars in 2020, reducing their debt burdens to lows not seen since 1980 and putting themselves in a position to spend lavishly as things open up.

The biggest shifts, though, may be mental. People have been reminded that life is short. For over a year, many experienced daily routines that were slower paced, more rooted, more domestic. Millions of Americans seem ready to change their lives to be more in touch with their values.

The economy has already taken off. Global economic growth is expected to be north of 6 percent this year, and strong growth is expected to last at least through 2022. In late April, Tom Gimbel, who runs the recruiting and staffing firm LaSalle Network, told The Times: "It's the best job market I've seen in 25 years. We have 50 percent more openings now than we did pre-Covid." Investors are pouring money into new ventures. During the first quarter of this year U.S. start-ups raised \$69 billion, 41 percent more than the previous record, set in 2018.

Already, this era of new creation seems to be rebalancing society in at least three ways:

First, power has begun shifting from employers to workers. In March, U.S. manufacturing, for example, expanded at the fastest pace in nearly four decades. Companies are desperate for new workers. Between April 2020 and March 2021, the number of unemployed people per opening plummeted to 1.2 from 5.

Workers are in the driver's seat, for now, and they know it. The "quit rate" – the number of workers who quit their jobs because they are confident they can get a better one – is at the highest in two decades. Employers are raising wages and benefits to try to lure workers back.

Second, there seems to be a rebalancing between cities and suburbs. Covid-19 accelerated trends that had been underway for a few years, with people moving out of big cities like New York and San Francisco to suburbs, and to rural places like Idaho and the Hudson Valley in New York. Many are moving to get work or because of economic distress, but others say they moved so they could have more space, lead slower-paced lives, be closer to family or interact more with their neighbors.

Finally, there seems to be a rebalancing between work and domestic life. Stanford economist Nicholas Bloom expects that even when the pandemic is over, the number of working days spent at home will increase to 20 percent from 5 percent in the prepandemic era.

While this has increased pressures on many women, millions of Americans who could work remotely found that they liked being home, dining every night with their kids, not hassling with the commute. We are apparently becoming a less work-obsessed and a more domestic society.

In 1910 the educator Henry Van Dyke wrote, "The Spirit of America is best known in Europe by one of its qualities – energy." That energy seemed to be fading away in recent years, as Americans came to move less and start new businesses less frequently. But the challenge of Covid-19 has summoned forth great dynamism, movement and innovation. Labor productivity rates have surged upward recently.

Americans are searching for ways to make more money while living more connected lives. Joel Kotkin, a professor of urban studies at Chapman University, points out that as the U.S. population disperses, economic and cultural gaps between coastal cities and inland communities will most likely shrink. And, he says, as more and more immigrants settle in rural areas and small towns, their presence might reduce nativism and increase economic competitiveness.

People are shifting their personal lives to address common problems – loneliness and loss of community. Nobody knows where this national journey of discovery will take us, but the voyage has begun.