



## Demographics of the Biden Presidency

Four years ago, our report on the Demographics of the Trump Presidency highlighted the fact that his term in office would begin with the U.S. economy in the demographic sweet spot of faster growth in the labor force (producers) relative to the rate of increase in the total population (consumers). The persistence of this reinforcement of disinflation, however, was disrupted by the Covid-19 pandemic (see Chart 1). Re-establishing growth in the labor force by restoring the labor force participation rate to pre-pandemic levels (see Chart 2), however, is insufficient because population growth during the Trump Presidency was the lowest in the post-war period (see Chart 3).

Although a reduction in the natural rate of increase (births minus deaths) is playing a role in slower growth in the population, the much more decisive factor is much lower net immigration, a direct consequence of the administration's anti-immigrant policies. The decrease in net immigration reflects both fewer arrivals of legal immigrants (see Chart 4) and a decline in the foreign-born population of working age (legal and undocumented) of nearly 2 million (see Chart 5).

### Conclusion

As we have said several times before, the recovery needs immigrants – it needs the re-establishment of American exceptionalism, i.e. that America is another name for land of opportunity.

Chart 1

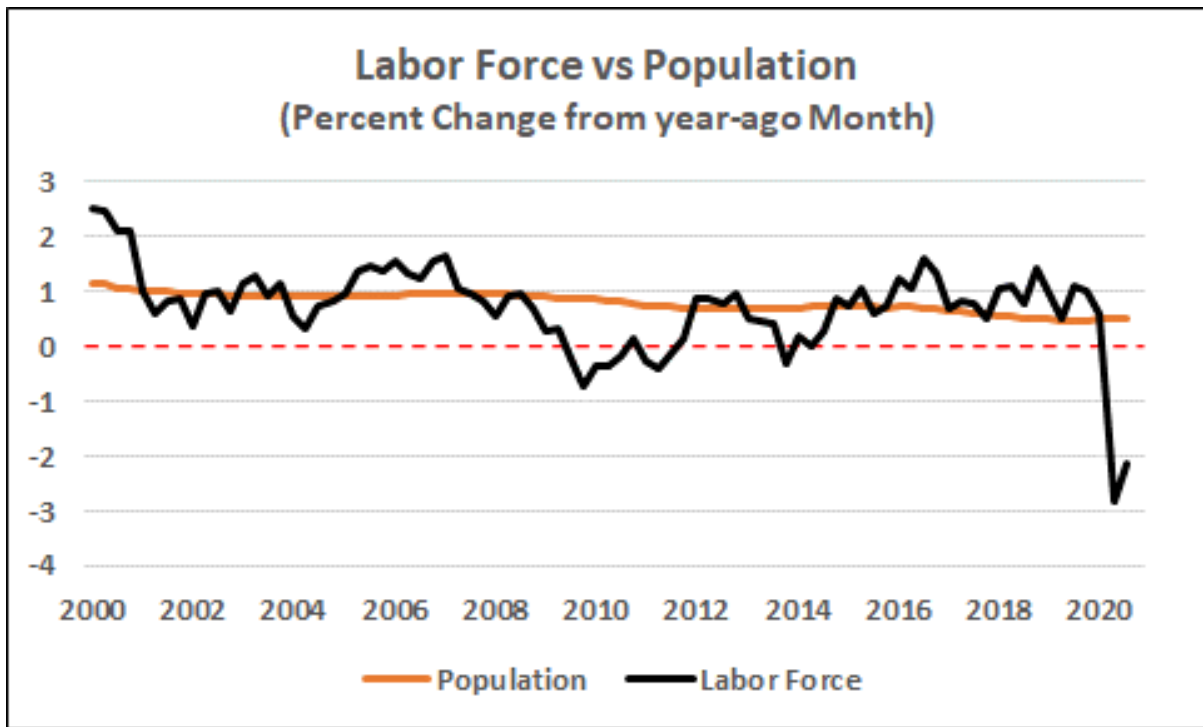


Chart 2

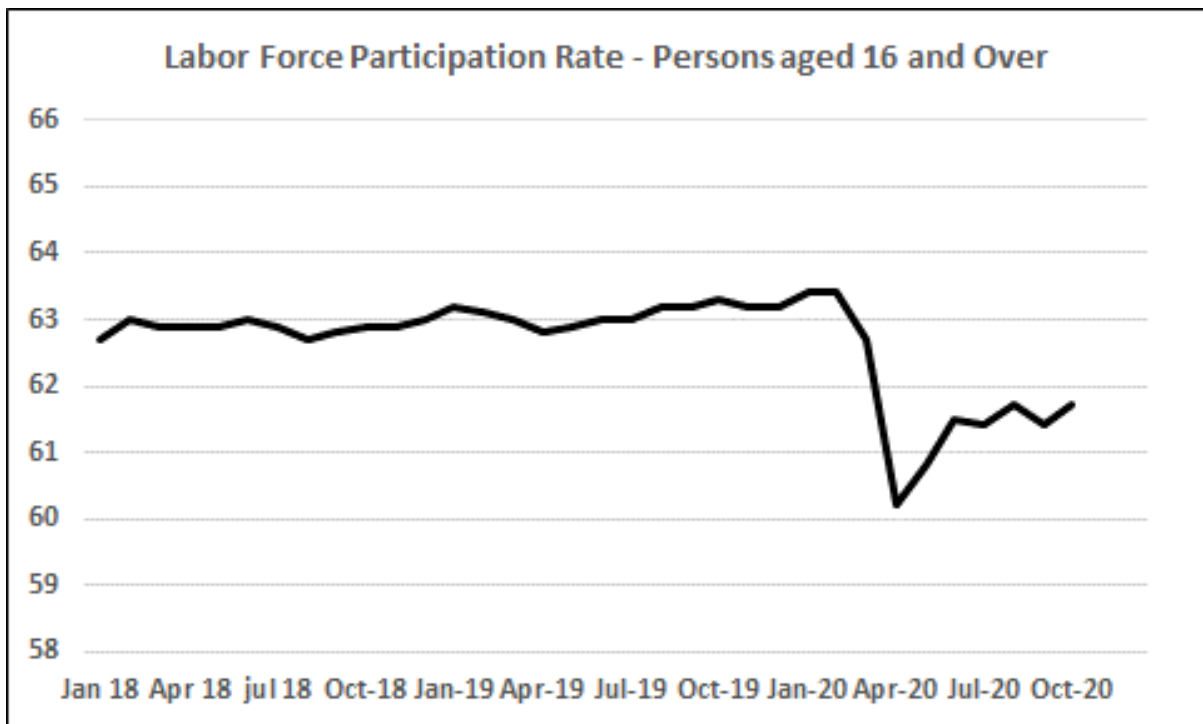


Chart 3

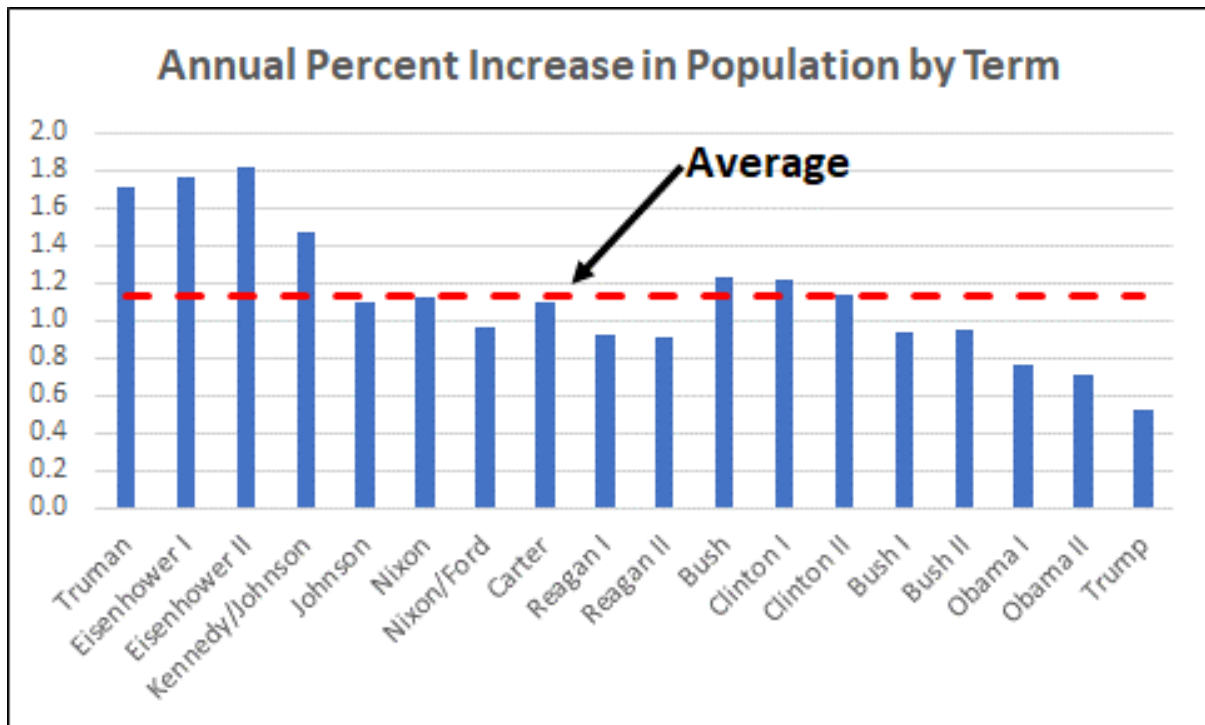


Chart 4

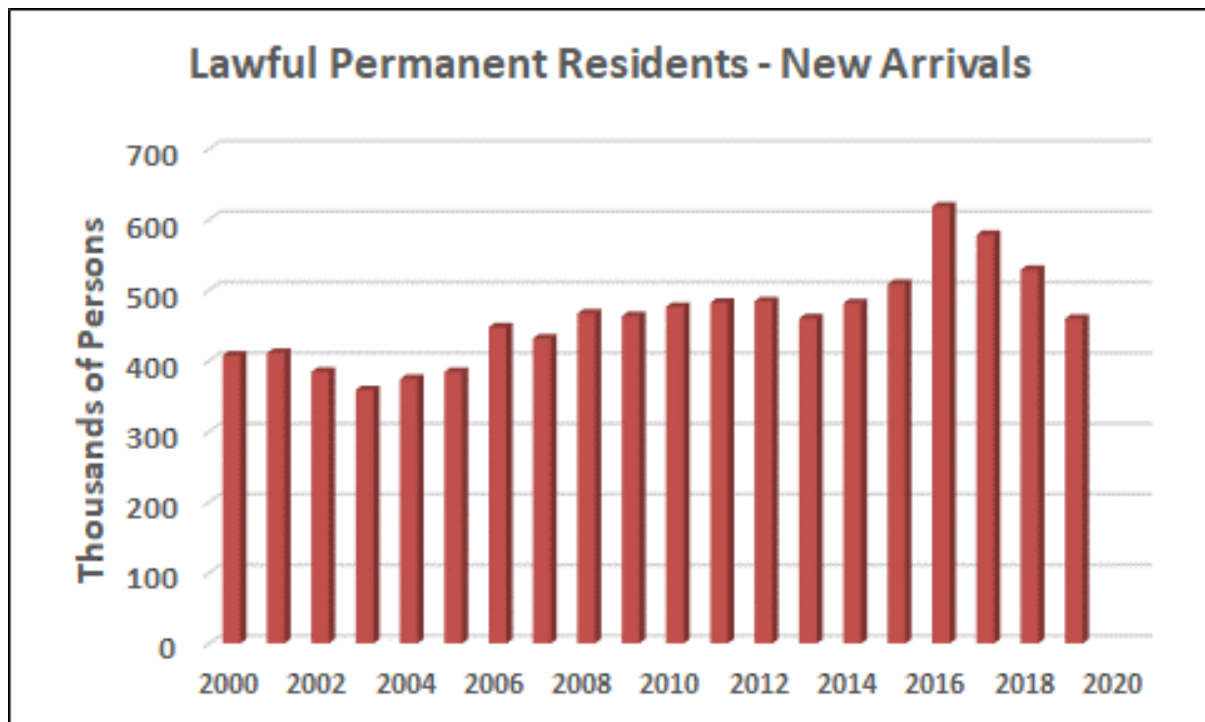


Chart 5

