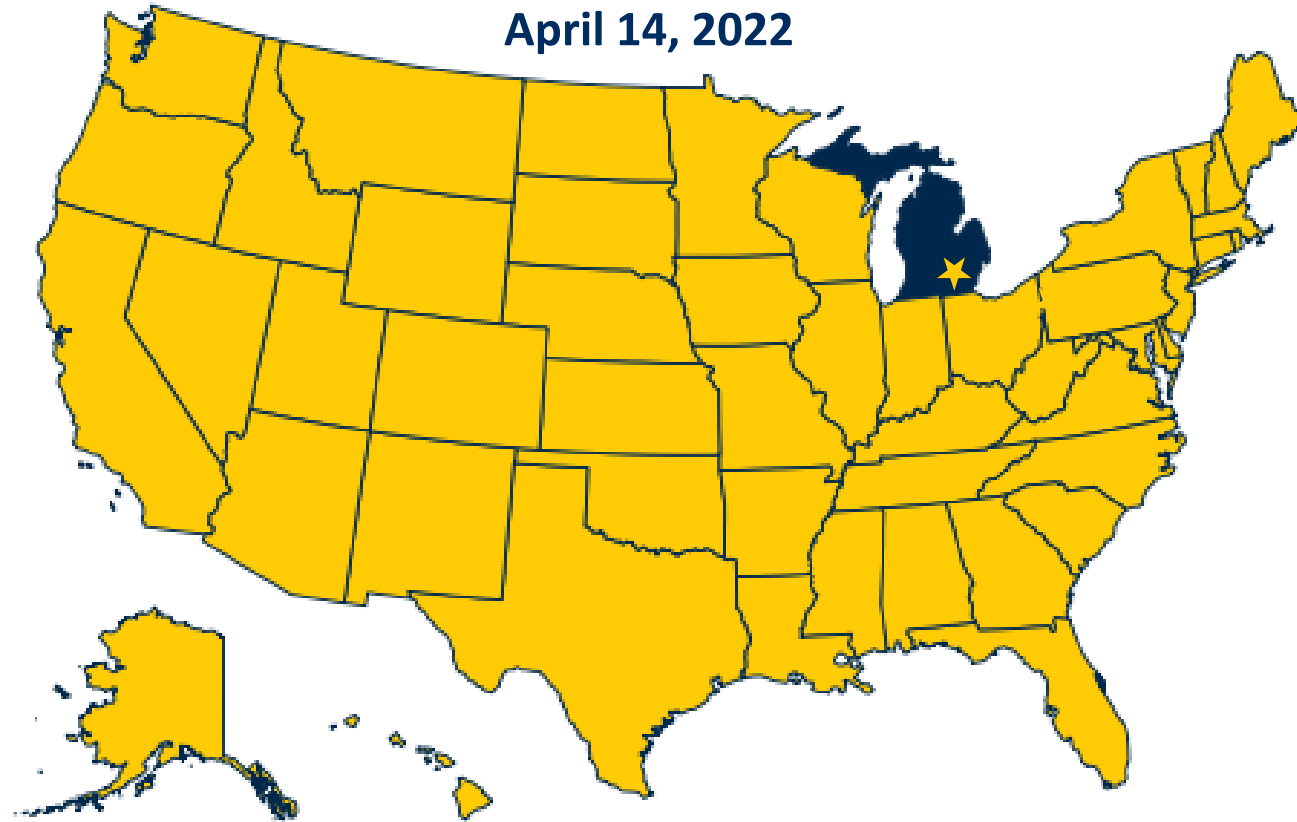


**Behind the Noise:
Understanding The Real Issues Behind Our Current Talent Crisis
Michigan Works! Southeast and Ann Arbor SPARK**

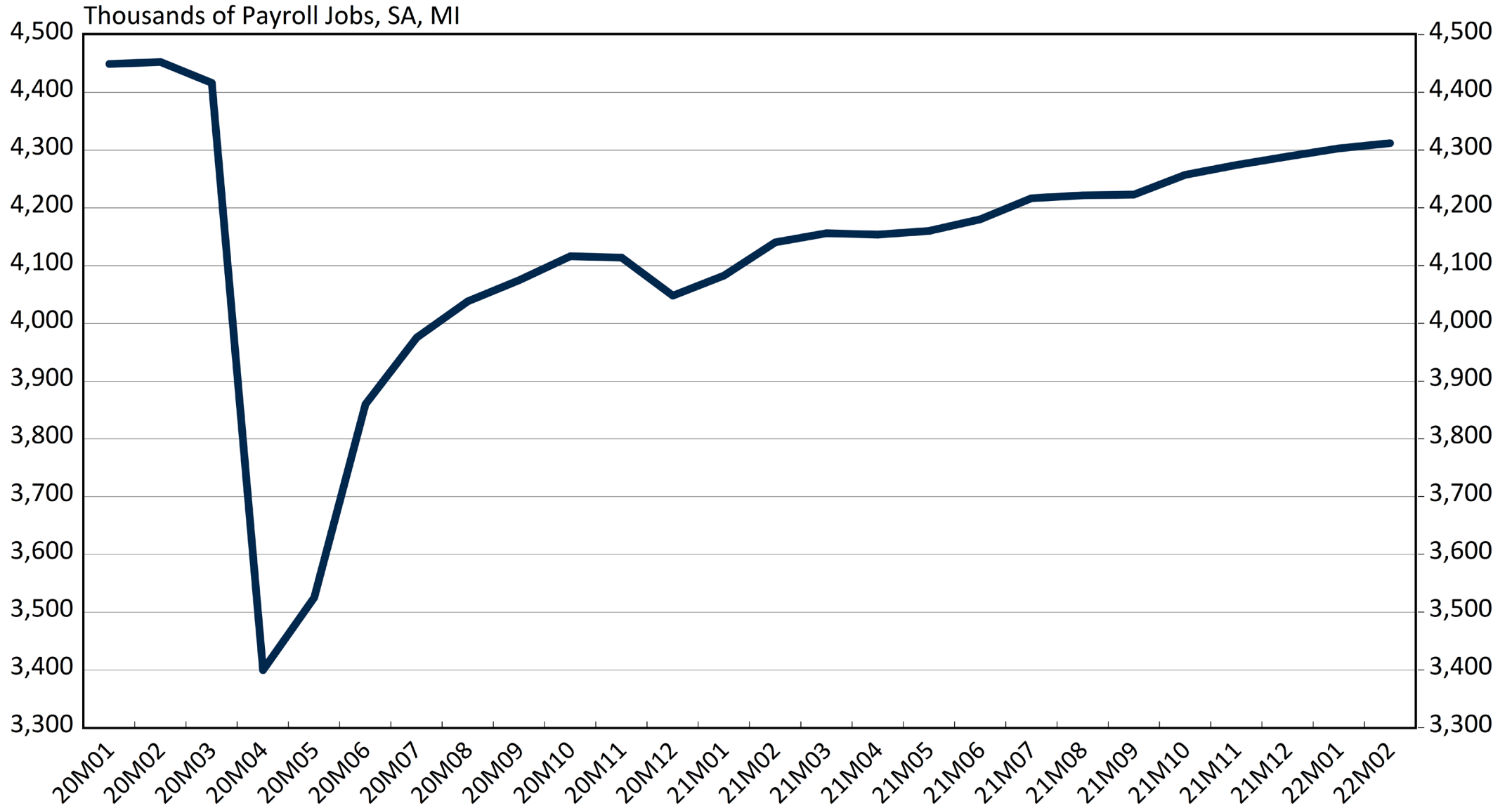
April 14, 2022



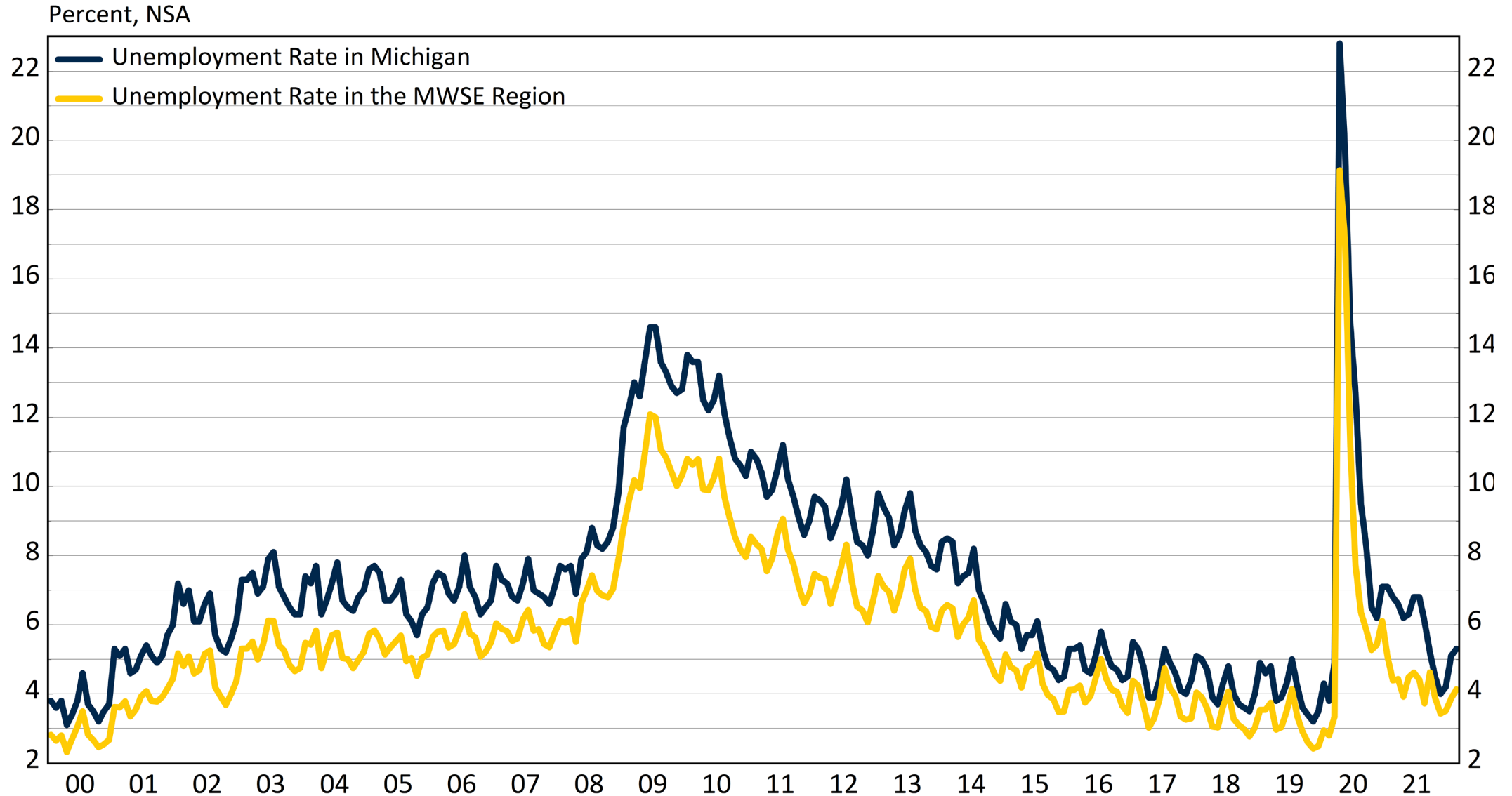
Research Seminar in Quantitative Economics



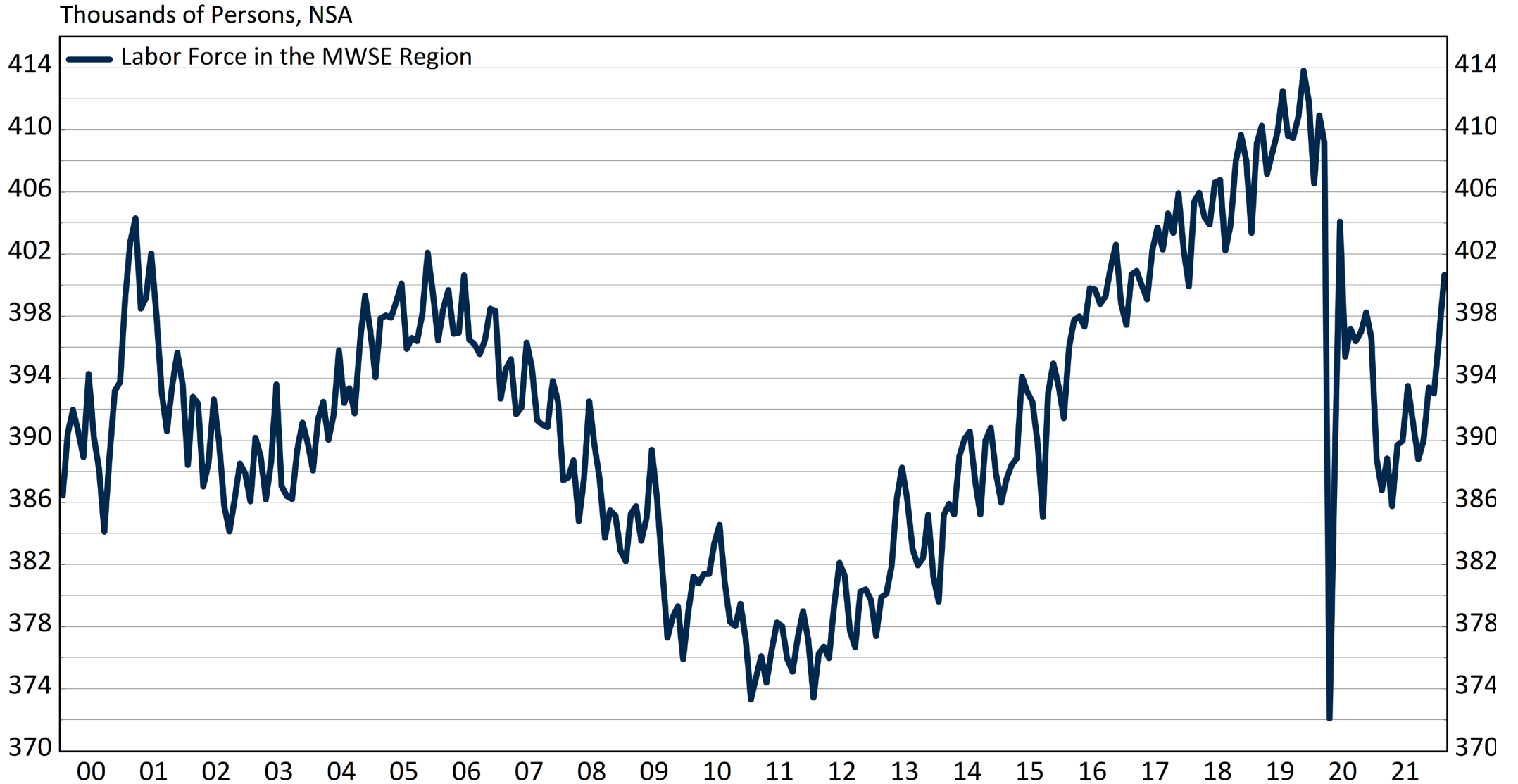
Michigan Still Climbing Out of a Deep Jobs Hole



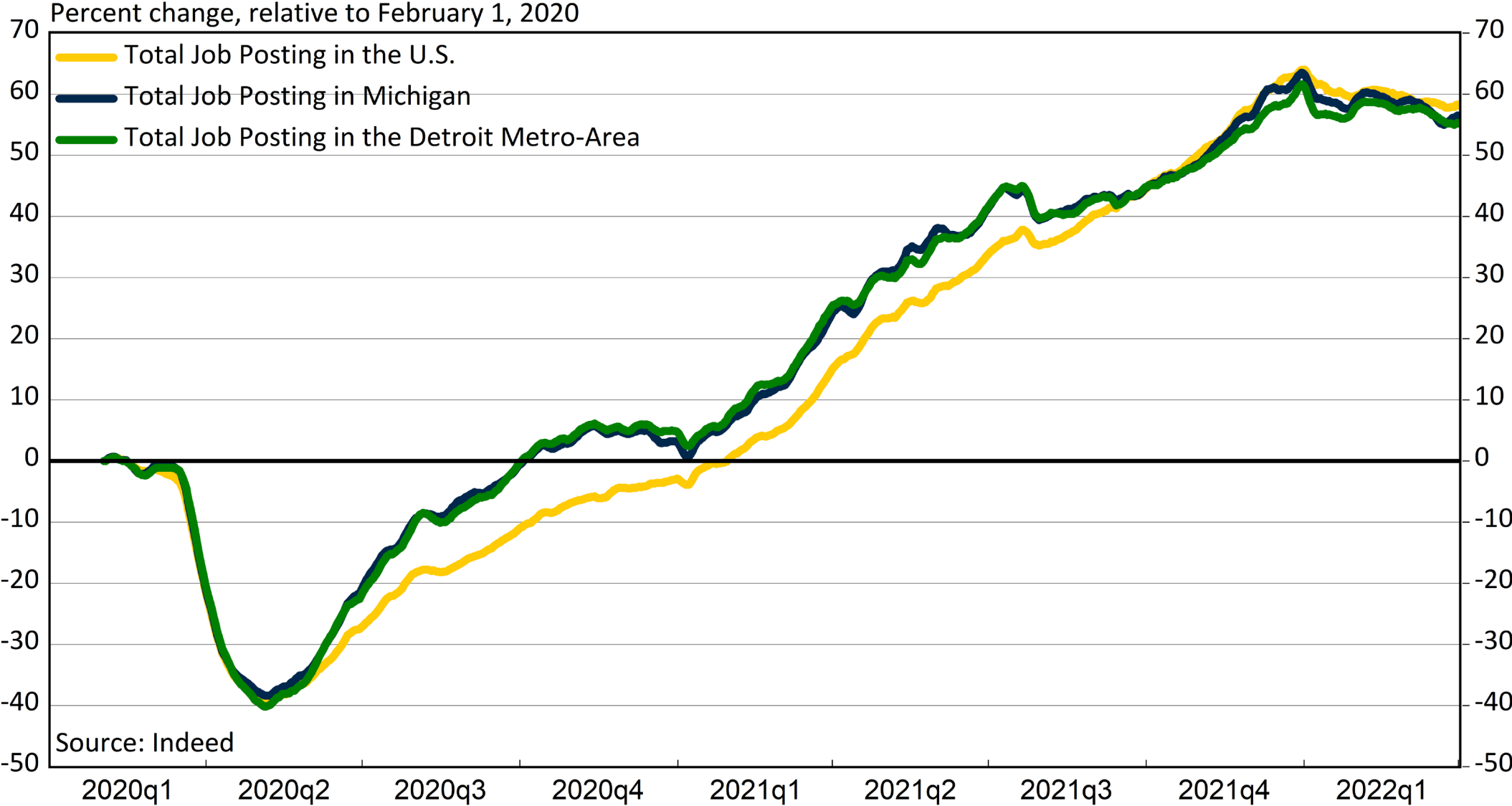
Unemployment Down, but Not Rock Bottom



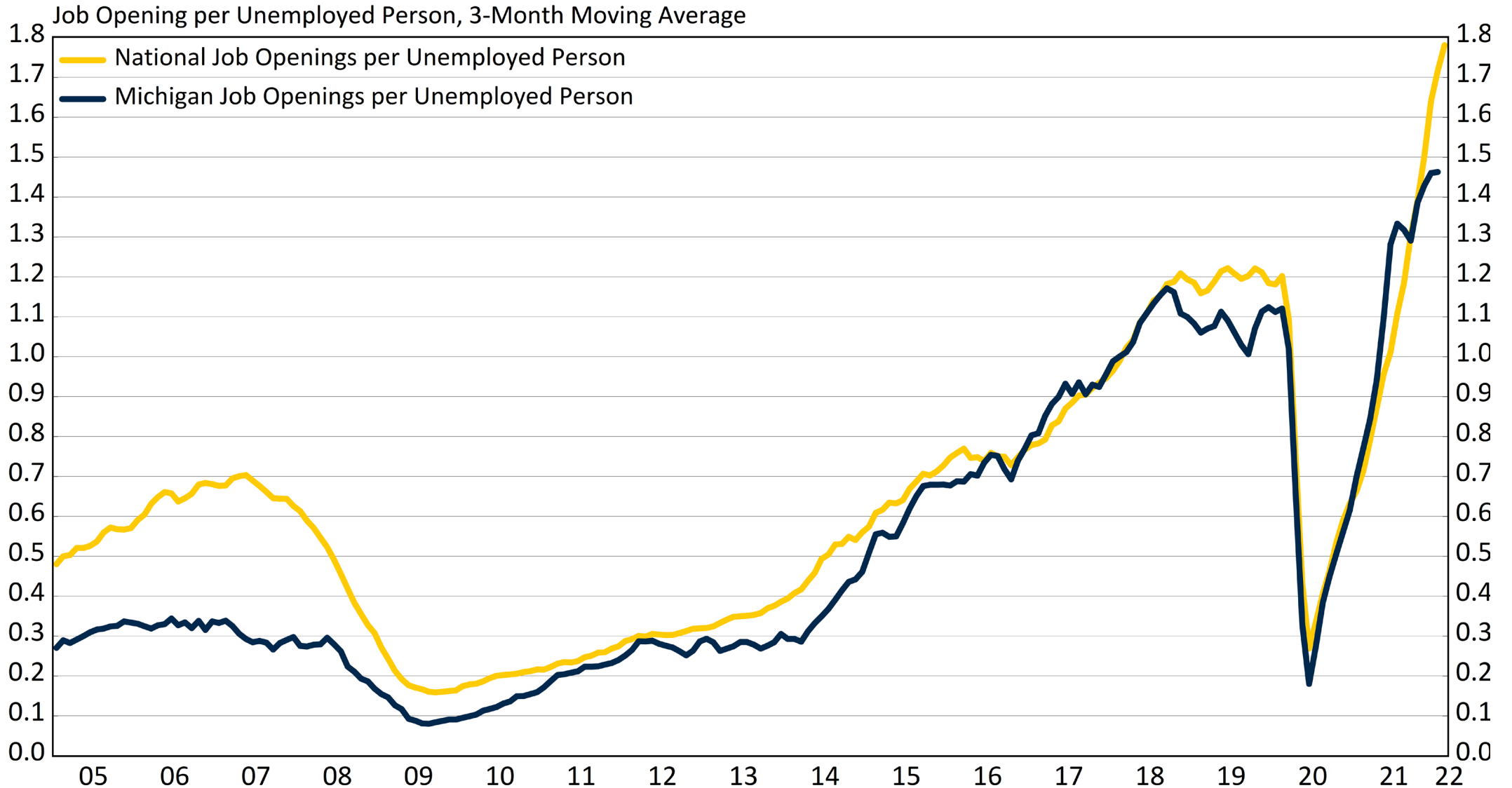
Labor Force Still A Long Way From Trend



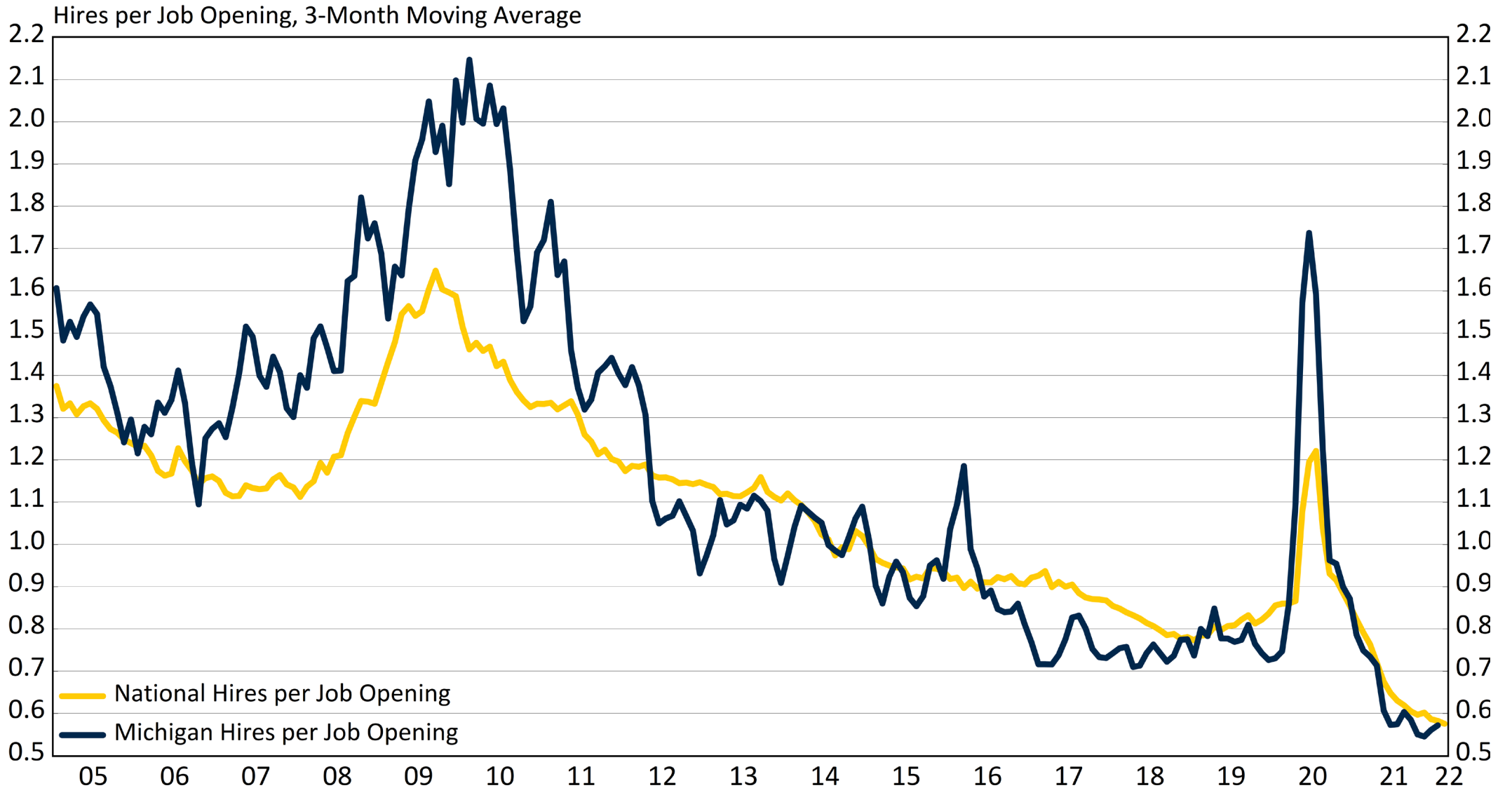
Job Openings Are High but Leveling Off



More Job Openings Than Unemployed Persons



Filling Jobs Is Getting Harder



Inflation Continues to Eat Away at Wage Gains





lsa.umich.edu/econ/rsqe

Behind the Noise

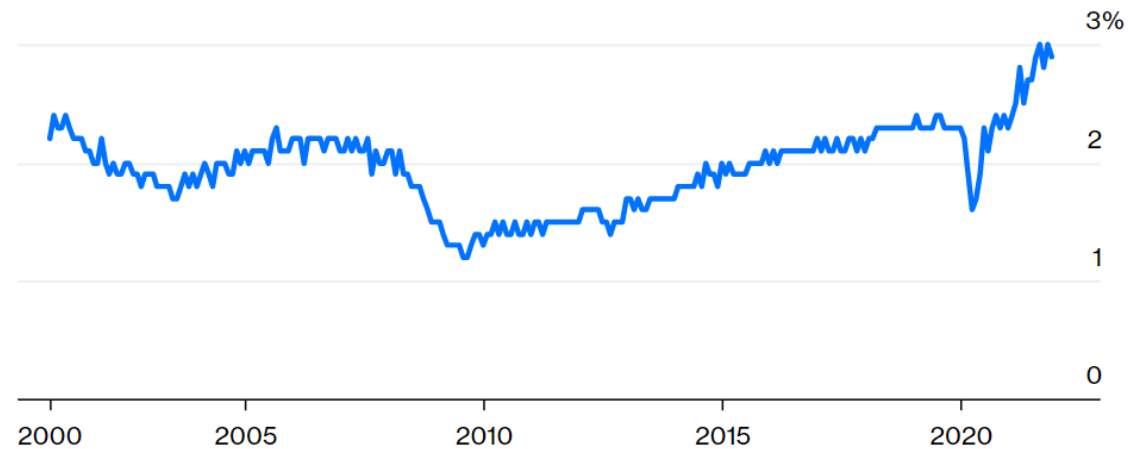
Understanding the Real Issues Behind Our
Current Talent Crisis – Employer Perspective

How is the labor market affecting businesses?

- Stagnating growth opportunities
- Hindering expansion
- Creating burnout in current employees
- Increased inflation + supply chain issues + wage increases + "I still can't find anyone!" = CRY (short for cry or crazy, you decide) 😊

A Whole Lot of Quitting Going On

Quits as a share of nonfarm payroll employment, seasonally adjusted



Source: U.S. Bureau of Labor Statistics

Where is everyone?

- **Entrepreneurship**

- July 2020 compared to July 2019, applications submitted to start a new business was up 164%.
- As of January 2022, that number is still 50% higher than the previous year (January 2021).

- **Retirement/Early Retirement**

- 50.3% of US adults aged 55+ said they were out of the labor force due to retirement in Q3 2021 (Q3 2019 = 48.1%).
- Important because this age group was the only working age population since 2000 to increase their labor force participation (32% in 2000 compared to 40% in 2019, compared to the entire working population average: 67% in 2000 to 63% in 2019).

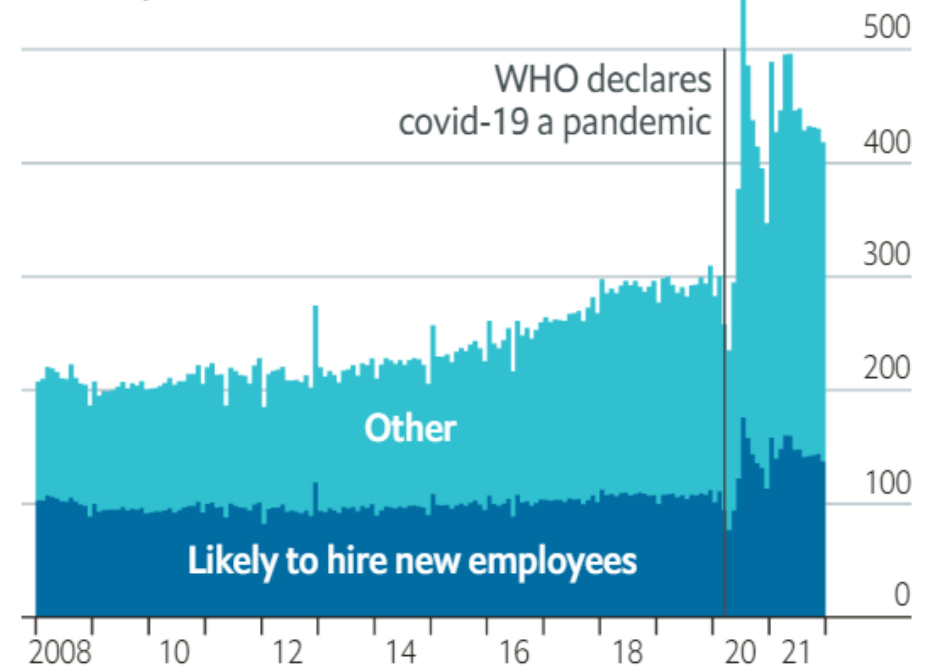
- **Women in the Workforce**

- Held most of the retail/hospitality jobs
- Childcare/School closings

Opportunity knocks

United States, new business applications

Monthly, '000



Thinking Outside the “Normal”

- Today’s “Job Shoppers” vs. Yesterday’s “Job Seekers”
 - Recruiting = Storytelling
 - Intentional strategy & time
 - 16 – 24 year old age group may never “apply” anywhere / internet creates choices
 - Internal entrepreneurs
- Target Populations
 - Veterans (InvestVets: <http://investvets.org/>)
 - People with Disabilities (Michigan Rehabilitation Services: <https://www.michigan.gov/leo/bureaus-agencies/mrs>)
 - Returning Citizens (Vocational Village: https://www.michigan.gov/corrections/0,4551,7-119-33218_75514---,00.html)
 - Older Workers (AARP: <https://www.aarp.org/aarp-foundation/our-work/income/scsep/>)
 - **Create a diverse workforce!**
- Other recruiting strategies:
 - Update HR policies to remove mandatory drug testing to hire (unless required by law).
 - Put together an employee referral program that’s worth the time/benefit of your employee.
 - Be flexible any and whenever possible!
 - Join JobSTAR, a Business Resource Network in Jackson, or a similar one in your county, if the business is having a hard time retaining employees.
 - Offer different schedule options (ex: full time, part time, flex time) to meet the needs of the hire.
 - Invest in your current workforce and they will help deliver good talent to your door.

Thank you!

Alex Masten

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The Enterprise Group of Jackson

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Behind the Noise: Understanding the Real Issues Behind Our Current Talent Crisis

Michigan Department of Labor and Economic Opportunity
Employment and Training



Great What?

- Great Reassessment



- Great Reshuffle **THE GREAT RESIGNATION**



- Great Resignation



Barriers to Returning to Work

Childcare

A major factor during the pandemic with virtual schools and limited childcare facilities we still have the affordability barrier for people returning to work.

- [Mi Tri-Share Child Care Pilot Project](#)
 - Launched in 2021
 - Expanded in February 2022
 - Public private partnership works to increase access to high-quality, affordable childcare for working families while helping retain and attract talent
 - The cost of childcare is shared between the employer, employee, and the SOM.
 - Tri-Share now covers 59 counties in Michigan plus the City of Detroit.

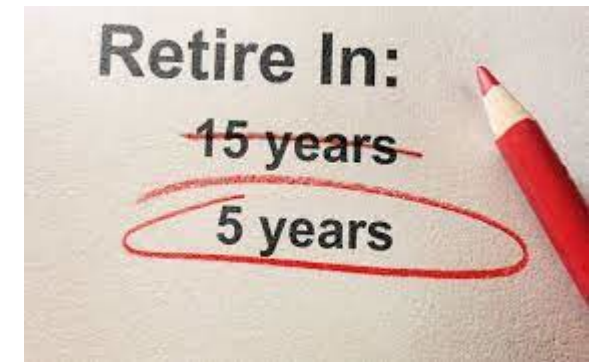


Barriers to Returning to Work

Early Retirement

2 million people retired more than expected in US

- 30% Michigan residents will be age 60 or older by 2030
- Displaced by pandemic
- Pandemic – nervousness about returning to work
- 2% un retirement since January 2022



Supply and Demand

Opportunities for Job Seekers and Employers - To advance worker careers

How many jobs? 11.3 million job openings

How many workers? 8.4 million unemployed

Through:

- Michigan Reconnect
- Michigan Learning and Education Advancement Program
- MiBridges
- Registered Apprenticeships



MICHIGAN DEPARTMENT OF
LABOR & ECONOMIC
OPPORTUNITY

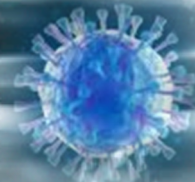
EMPLOYMENT
& TRAINING

Michigan Department of
Labor and Economic Opportunity –
Employment and Training

LEO-MICA@michigan.gov

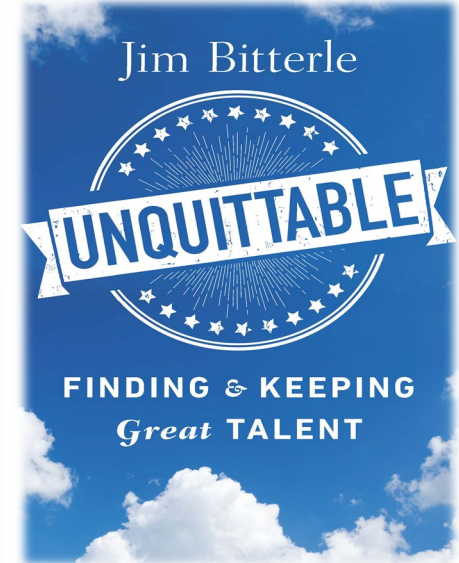
How to Win the War for Talent

Post Pandemic



Topics

1. Culture
2. Flexibility
3. Compensation
4. Purpose
5. Borders
6. Stay Interviews
7. Career Paths
8. Dashboards



Jim Bitterle

Managing Partner – EDSI

Consulting

Author - Unquittable



Culture

- *Lower employee turnover*
 - *Shorter times to fill open positions*
 - *Fewer open positions*
 - *More engaged employees*
 - *Higher customer satisfaction scores*
 - ***Better financial performance***



Flexibility



Compensation



Purpose



Borders



Unhealthy
Productivity

Stay Interviews



Career Paths

What Different Generations Look for When Applying for a Job

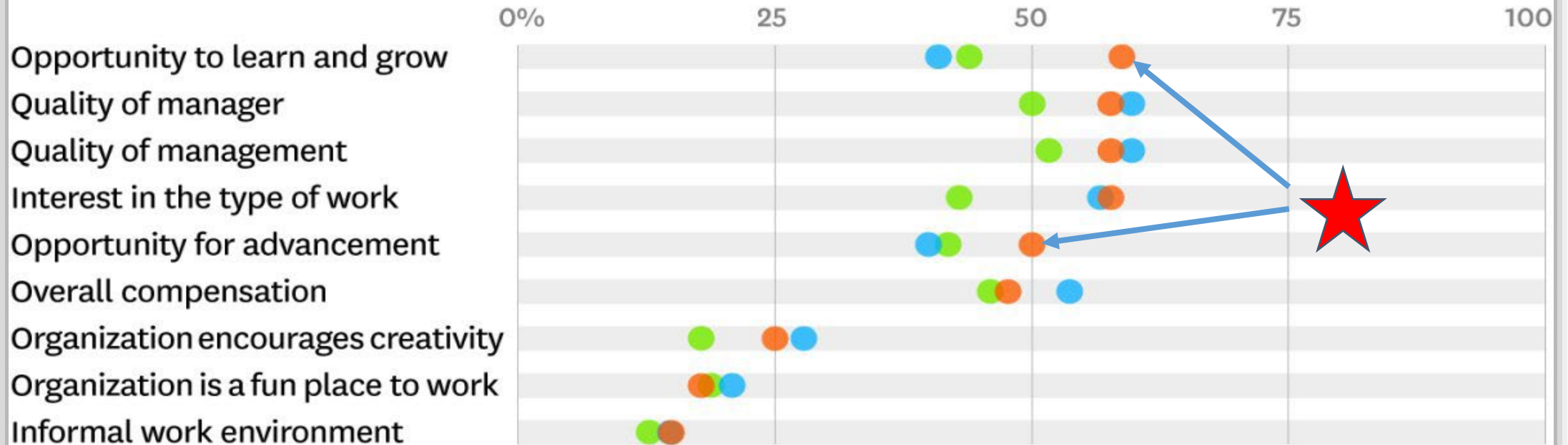
According to a survey of 1,700 U.S. workers.

PERCENTAGE RESPONDING “EXTREMELY IMPORTANT”

Baby Boomers

Gen Xers

Millennials



Talent Dashboards

Metrics						Green	Red
	March	February	January	2016 Ave.	2015 Ave.	Target	Hurdle
eNPS	9.1	9.0	8.3	8.0	7.0	9.0	6.0
Morale Score	8.0	7.7	7.7	7.5	7.1	9.0	7.0
Bad Turnover Rate	2%	3%	3%	4%	5%	2%	5%
Percent Positions Unfilled	1%	2%	3%	3%	6%	3%	5%
Average Days to Hire	33.0	37.0	40.0	48.0	57.0	30.0	50.0
Job Inquiries/Month	250	226	190	173	70	100	25.0

