THE WORKER EXPERIENCE

A SURVEY OF JOB COUNSELORS AND OTHER STAFF FROM MEMBERS OF THE MINNESOTA ASSOCIATION OF WORKFORCE BOARDS

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DISCLAIMER

The views expressed here are the presenter's and not necessarily those of the Federal Reserve Bank of Minneapolis or the Federal Reserve System.
TODAY’S AGENDA

● Background on the Minneapolis Fed’s Worker Experience initiative, & why we did this survey

● Brief intro of our survey partner, the Minnesota Association of Workforce Boards

● Survey results

● Moderated Q & A
THE WORKER EXPERIENCE INITIATIVE
Federal Reserve System tracks current economy

Lots of outreach to businesses – surveys, direct contact, advisory councils, etc.

- Companies – esp. large ones – offer good insights on aggregate activity across states, industry sectors, etc.

But: This business-first view is very one-sided, especially for today’s labor market

- Lots of job openings, but employment still well below pre-pandemic levels; labor re-entry slower than expected
- Labor force participation still below pre-pandemic levels despite a huge number of job openings, and we don’t have a good, systematic grasp on why
TRANSITION TO WORKERS

• More specifically, we don’t have good information about workers, and especially job seekers and others \textit{not in the labor force}
  • E.g., their work objectives, views on job opportunities, non-work obstacles to job-matching, etc.

• Business data? NAICS has roughly 2,000 categories
• No comparable data for workers or (esp.) non-workers
• American Community Survey: Lots of detail on households, including workers and non-workers, but most recent release is 2020; meant for researchers
Worker Experience Initiative

New effort to understand current labor market from labor/worker point of view

• e.g., job-seekers’ experience with job search, and obstacles to getting preferred jobs

• **WHY?** Labor force participation might be most important factor in long-term economic growth

• **Starting w/ intermediaries – orgs serving job-seekers**
  • CareerForce – April 2021 (staff and workers)
  • North Dakota Job Services – June 2021
  • Montana Workforce Services Division – August 2021
  • Minnesota Employment Services Coalition – October 2021
  • Minnesota Association of Workforce Boards – January 2022

• **With this group of surveys, we’ve seen consistent themes that we’re ready to start discussing publicly**
SURVEY PARTNER

MINNESOTA ASSOCIATION
OF WORKFORCE BOARDS
Minnesota Association of Workforce Boards = 16 area workforce councils

Each area council provides leadership and direction for local workforce development programs, tailored to meet community needs

A huge thank you to MAWB
Survey of staff at organizational members of the Minnesota Association of Workforce Boards
January 2022

- Survey of staff with job-seeker contact at MAWB organizations
- Asked staff to assess their job-seeking clientele
- 129 responses; response rate unknown (est. > 25%)
- Not a scientific study; in essence, this is a professional but secondhand interpretation of the worker experience
- We’re confident of these general findings because they reflect what we’ve found out with earlier surveys
- Interpret with caution: Survey likely raises more questions than answers; reflects how little we know about job-seekers
DEMOGRAPHICS, WORK HISTORY AND DEMAND FOR SERVICES
JOB-SEEKER DEMOGRAPHICS
AS REPORTED BY STAFF RESPONDENTS

• Largest age groups: 35-44, 45-54, 25-34
• Largest share of clientele was white, w/ smaller shares among other race/ethnicities; notable share of immigrants
• Education: High school diploma or less, + scattering of all other education levels
• Wide variety of work histories
• Many with children (single and married)
• Many receive some govt. assistance (food, housing, unemployment)
Job seekers come with a wide variety of work (and not-work) histories. Top two categories:

- Those laid off from full-time work
- Those not working much at all

Source: Federal Reserve Bank of Minneapolis
In January, demand for services was increasing. What’s the driver? Survey doesn’t ask; comments suggest wide range of answers, including:

- Less Covid fear
- Consequence of being unvaccinated
- Large employer layoff
- End of pandemic UI benefit

Over the past month, how would you describe demand for services among clients/job-seekers compared with 3 months ago?

Source: Federal Reserve Bank of Minneapolis
WHAT IS THE JOB GOAL? PART 1

Majority want full-time work, and employers want same thing

DEED – 205,000 job vacancies (Q2, 2021)
- 64% full-time
- 32% part-time
- 5% seasonal

What we don’t know: Does FT/PT supply align with FT/PT demand?

On average, what is main type of employment that job-seeking clients are looking for?

Source: Federal Reserve Bank of Minneapolis
WHAT IS THE JOB GOAL? PART 2

Job seekers have lots of objectives
Notable: Job flexibility, telework among top 4 objectives (cited by 40+%)

In general, what are the main employment objectives for most job seekers? (Select up to 3)

- Better pay than previous jobs
- Find any job to pay bills (urgency)
- Find job with more flexibility
- Ability to work from home/telework
- Find job in new career
- Better benefits than previous jobs
- Work closer to home
- Find job in previous line of work
- Other (please specify)
- Find job with good employee reputation
- Get help starting a business

Source: Federal Reserve Bank of Minneapolis
Workers having more job success in January than 6 months earlier

Some reasons cited (via comments)

- More jobs available, incl. those previously affected by covid restrictions
- Some relaxing of job requirements & qualifications

Source: Federal Reserve Bank of Minneapolis
Job-seekers having the most trouble with job-matching have many different traits and circumstances.

There are likely a lot of cross-cutting and compounding factors that influence job search success.

Source: Federal Reserve Bank of Minneapolis
OBSTACLES TO JOB-MATCHING

BROADENING THE CONVERSATION
CHALLENGES TO JOB MATCHING: WORKER-BASED

How much of a challenge are the following factors to job seekers' employment goals?

Non-null responses only

- Personal motivation
- Mental health
- Concern over COVID-19 exposure
- Background issues (e.g., criminal history)
- Vaccination status
- Technology access (computer, internet, etc.)
- Lack of 'hard' skills
- English proficiency
- Pre-existing health/medical issues
- Bias - age
- Lack of 'soft' skills
- Bias - race/ethnicity
- Bias - gender

Source: Federal Reserve Bank of Minneapolis

Multitude of potential obstacles to labor force participation

- Some worker-based
- Some employer-based
- Some related to economic environment, government policy

For workers, motivation is an obstacle, but there are also many other obstacles (which likely affect motivation...)
When jobs are plentiful, many available jobs are simply not very attractive, and hiring practices are not always very responsive.

Employer-based challenges

On average, how much of a challenge are the following factors to job seekers' employment goals?

Non-null responses only

- Low pay
- Inflexible or unattractive schedule
- Lack of employer response
- Low benefits
- Lack of a telework options
- Excessively high requirements
- Employer screening/HR practices

When jobs are plentiful, many available jobs are simply not very attractive, and hiring practices are not always very responsive.
Some challenges reside outside the control of workers & employers, and relate more to current economic and policy environment where job-matching happens.

Environmental and/or government policy challenges

On average, how much of a challenge are the following factors to job seekers' employment goals?

Non-null responses only

Affordability or availability of day care
Affordability or availability of housing
Presence of COVID-19
Potential loss of govt assistance (not including UI)
Unemployment benefits

Source: Federal Reserve Bank of Minneapolis
OBSTACLES, CONT.

In general, why (or for what reasons) are job-seekers not taking available jobs?

- Family or household matters
- Job access/transport/proximity
- Job quality or wage offer
- Job-seeker motivation
- Fear of contracting Covid
- Worker under-qualification
- Holding out for better job
- Worker over-qualification
- More interested in starting own business

Job-matching friction comes from many sources

Employers tend to point to external sources, esp. worker motivation

Workers communicate something different

Source: Federal Reserve Bank of Minneapolis
Job seekers unlikely to relocate, and a notable share unwilling to upend personal/household schedule or give up govt. assistance.

Most are interested in training and/or a new line of work.

Finding a preferred job likely involves multiple professional and personal dimensions.

Source: Federal Reserve Bank of Minneapolis
SOME FINAL THOUGHTS

- Survey results not a big “surprise”; we know people/job seekers face difficulties
- Hoping to bring more attention and focus to these issues, and organize a framework for better problem-solving
- In general, we need to better understand the worker outside of the workplace to better understand factors that can facilitate or impede a person’s ability to engage in work
OK, BUT WHY? AND WHY NOW?

- Obstacles to work have *always* been present
- Important *now* because of a long-term labor shift
- In the past: Labor *surplus* meant employers could be *choosey* – *should be choosey* – to find best employees
- Present: Labor *tightness* means *workers have leverage*, and we have to treat obstacles that many face from a problem-solving POV *if we want more people to work*
- Problem-solving will benefit job seekers, businesses and the economy overall
- The good news: It’s clearly already happening
  - Higher wages, more schedule flexibility
  - Can we accelerate process for everyone’s benefit?
  - Hoping these efforts will help the transition
More from the Minneapolis Fed

Upcoming webinars

- Friday, May 6, 9am: Construction sector update/outlook
- Thursday, May 12, 9am: Worker Experience
  - Survey of workers through statewide Community Action Partnership offices (Erick Garcia Luna)
- Thursday, May 19, 12pm: Health of child care sector
Now, onto the real pros:

Q&A with …

Tammy Biery, Executive Director, Career Solutions

Sahur Hussein, Career Planner, Career Solutions

Jinny Rietmann, Executive Director, Workforce Development, Inc.
EXTRA DATA
Job postings have recovered, and then some; now well above pre-pandemic levels.
LFP rates in decline for two decades

Appeared to have bottomed ... and then pandemic hit

Little evidence of LFP returning to pre-pandemic levels soon

LFP definition = Share of those over 16, working, or looking for work

Source: Bureau of Labor Statistics