THE DEMOGRAPHIC DROUGHT

Bridging the Gap in our Labor Force
Takeaways

» Our working-age population is increasing, but the labor force participation rate is down.

» The US is witnessing a record number of job openings (11 million).

» Recovering our workforce is not about the employed vs. unemployed; it’s about the unengaged.

» Declining birth rates have led to a greater reliance on the foreign-born workforce.

» Immigration numbers are down for a variety of complex reasons.

» Addressing the labor shortage involves understanding the role of immigration and strategies that will engage people on the sidelines.

» Workers can come from only two sources: the population we already have or the population we can gain through immigration.
INTRODUCTION

The Current Labor Shortage Crisis

Early in 2021, Emsi Burning Glass released *The Demographic Drought*, a sobering look at the current and future state of the US labor force. We explored how surging Baby Boomer retirements, declines in labor force participation amongst millennials, ebbing birth rates, and falling immigration numbers help explain why the US is facing talent shortages and near record-low unemployment.

In that report, we also projected that the US labor force would eventually start to decline—with far more job openings than people available to fill them—as permanent retirees outpace new labor force entrants. Even before the pandemic, the US was set up to face a talent deficit of six million people by the end of the decade.

Then, the COVID-19 pandemic struck and hit the accelerator on many of these long-term trends. Almost overnight, our future labor crisis became a present reality. We now face a record 11 million job openings. With 5 million unengaged workers on the sidelines and more than 4 million immigration visas stuck in processing, the same question is on everyone’s minds: How can we fill the labor force gap?

*IN THE LATEST RELEASE OF OUR DEMOGRAPHIC DROUGHT SERIES, WE:*

- Reflect on how we got here
- Provide an update on the state of the US labor force
- Offer insight into what’s holding us back from recovering
- Suggest two opportunities for bridging the gap in our labor force: re-engaging people on the sidelines and increasing our labor force through immigration
To understand our shrinking labor force, we first need to understand its two primary components:

1. THE TOTAL NUMBER OF WORKING-AGE PEOPLE

2. THE LABOR FORCE PARTICIPATION RATE (I.E., THE PERCENTAGE OF WORKING-AGE PEOPLE THAT ARE EITHER WORKING OR ACTIVELY LOOKING FOR WORK)

When one or both of those numbers start falling, we expect talent shortages to follow—which is precisely what’s happening.

Fifty years of birth rates below replacement levels, combined with a recent precipitous drop in immigration, has left us with fewer and fewer young, working-age people. This decline is happening as a record number of Americans are reaching retirement age, compounding the problem. What’s more, a steadily falling labor force participation rate (LFPR) means fewer people are looking for work or filling available jobs. It’s a one-two punch that has left the labor market reeling.

1Replacement rate is a total fertility rate (TFR) of 2.1 births per woman in her lifetime, which translates roughly to 2 children born to replace every two people in the current population. A TFR of 2.1 results in stable population size over time. Apart from immigration, a TFR lower than 2.1 results in a shrinking population over time. In 2020, the US TFR dropped to a historic low of 1.64.
The working-age population is increasing, but ...

First things first. The working-age population is increasing. It should continue increasing for several more decades, even if at slower rates than historically. As we mentioned in *The Demographic Drought*, the US population growth rate from 2010-2020 was the lowest since the decade after the Great Depression, but it is growing.

However, as far as the labor force (those working or actively looking for work) is concerned, this population growth is misleading. For example, by 2030, all baby boomers will be 65+, and by 2034, older adults will outnumber children for the first time in US history.

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In other words, the boomer cohort, which once participated in the labor force in record numbers, will largely be retired, out of the labor force, and out of the working-age population. This results in an aging population, with more people leaving the labor force than entering it.

\^{2}For the purposes of this paper, we define the working-age population using the BLS definition: the civilian noninstitutional population aged 16 and over.
To visualize this, we can divide our overall working-age population into three groups; those above the age of 55, which we can call imminent retirees, those 25-54, or the prime-age workforce, and lastly, those 16-24, or entering workforce. The population of adults 55+ is growing steadily. In contrast, the population aged 16-24 is rapidly declining. Considering these trends, and factoring in current labor force participation rates, the US should see slightly more people aged 55+ leaving the labor force than they see people aged 16-24 entering the labor force. That gap is predicted to continue growing every year as people graduate from one age group to the next.

THIS TREND IS NOT PROJECTED TO TURN AROUND ANY TIME THIS CENTURY.

This means a growing number of companies depending on a shrinking number of workers. Given the lower-than-projected birth rates and the considerable loss of immigrant workers over the last few years, the labor shortage, especially for entry-level and lower-skill jobs, may be even worse than we thought.
One significant side effect of the pandemic was a steep decline in our labor force participation rate (people working or looking for work as a percentage of the civilian population greater than 16 years old). It fell from around 63.4% pre-pandemic to 62.1% currently. This drop largely explains the pains employers are feeling.

Because our population kept growing the past 2 years, the labor force needed to grow along with it. But it didn’t. If we apply our pre-pandemic labor force participation rate to our current overall population, we estimate that we would actually need roughly 3.2 million workers to regain our previous trend line. The fact that the LFPR has stayed essentially flat for almost two years, has meant that many workers that dropped out during the pandemic are not returning. In other words, we have enough people in our population, but not enough who are either willing or able to enter the labor force. This has led to a record number of job openings, topping 11 million.
The chart above confirms that the 55+ cohort left the labor force at a much higher rate than the others. To recover our LFPR, we need to actively re-engage that 55+ population, especially those who exited the labor force early. Another significant concern is shown here as well. There is no denying that a notable number of prime-age workers are out of the labor force, and we will review a couple of the potential reasons for this in the next section. But, one question we need to consider is whether some of the missing prime-age workers are people who learned how to live on one income during the pandemic.

More than Half of the Excess 5 million+ People Who Are Unemployed or Out of the Labor Force Since Early 2020 Are Over 55

<table>
<thead>
<tr>
<th>Age</th>
<th>Excess Unemployed</th>
<th>Excess Not in the Labor Force</th>
</tr>
</thead>
<tbody>
<tr>
<td>16-24</td>
<td>-78</td>
<td>791</td>
</tr>
<tr>
<td>25-54</td>
<td>422</td>
<td>1,558</td>
</tr>
<tr>
<td>55+</td>
<td>204</td>
<td>2,636</td>
</tr>
<tr>
<td>Total</td>
<td>548</td>
<td>4,985</td>
</tr>
</tbody>
</table>

All data in k's


We need a better understanding of specifically who is missing. Let’s look at the same three age cohorts again: 16–24 (entering workforce), 25–54 (prime-age workforce), and 55+ (imminent retirees).
Fluctuations in pandemic conditions continue into 2022. With that in mind, let’s focus on two other factors compounding our low labor force participation rate: cost and lack of childcare and a temporary boost in personal savings.

Addressing Childcare Challenges

The childcare dilemma is two-pronged. First, childcare facilities struggle to fully staff their centers with qualified employees. This staffing problem directly affects the number of children they can serve. In addition, child care expenses can undercut the economic benefits of returning to work, especially for lower-wage workers.

Childcare workers are at ground zero of the problem we face nationally regarding the shortage of workers for jobs that pay less than $20/hr. Since early 2020, postings for childcare workers are up 15%, and pay rates have crept up into the high $18/hr range, according to Emsi Burning Glass job posting data. Without workers, childcare options are harder for parents to find. In addition, childcare becomes more expensive as these centers pass their labor costs on to their clients.

These increased costs wipe out earnings for many lower-wage workers. It simply costs more for care than many workers can afford. For example, an employee making $7.25/hr (the national minimum wage) earns gross wages of $1,257 per month. The national average monthly cost for full-time care at a daycare center is $1,324 per month. With two infants, that price quickly rises above the total income of said employee. This means some lower-wage workers simply cannot afford to return to work. To illustrate further, for a single parent with 2 children paying housing and food costs, hourly pay would need to be well north of $22-25/hr after taxes.

Employers can help with some creativity. One approach is for employers to partner with their local organizations and/or other employers to fully fund daycare centers. This approach would combat the issue from both ends: availability and costs associated with daycare. On the other hand, offering flexible hours and remote work opportunities allow parents to determine the best arrangement for their family. Overall, addressing childcare challenges parents face can help bring numerous people back into the labor force.
A Temporary Boost in Personal Savings

More than anything, financial need is a primary motivation for people to work. So it should come as no surprise that when people can meet their basic needs without a job, many will choose to step away from the labor force. During the pandemic, some families could only opt out of work by making lifestyle changes and cutting living expenses. But many—especially those nearing retirement—found that they could get by on their savings without having to return to work.

As we see in the chart below, personal savings actually went up during the pandemic, likely meaning more Americans could make ends meet without returning to work. So, how are people paying for expenses outside of working? In addition to savings (22%), people are also borrowing money from friends and family (13%) and using credit cards or loans (23%). For good or bad, savings reflect a person’s need to work, and the fact these savings are now decreasing may indicate that people will return.
Rise of the robots?

A major concern of the last decade was that automation might gradually take over human jobs and leave millions of workers unemployed. Instead, the demand for human talent is the highest it’s ever been. In today’s tight labor market, attitudes toward automation have shifted from fear to hope, and the current question is: can we rely on robots to ease the labor crunch?

THE SHORT ANSWER IS: NOT LIKELY. THIS IS FOR A NUMBER OF REASONS, MANY OF WHICH WE ADDRESS IN THE DEMOGRAPHIC DROUGHT (P 36-37).

First, one thing must remain clear: technology almost always generates more jobs than it takes away. The World Economic Forum estimates that AI and robotics advancements will result in a net increase of 12 million jobs globally by 2025.

It’s true that automation has helped replace some of our missing workers in specific roles and industries, but not at a pace that has moved the needle enough to enough to ease the overall talent shortage.

Even within occupations where automation has been heavily used to replace human workers, talent shortages remain high. Take cashiers, for example. Despite already-existing technology and widespread adoption of self-checkouts, Emsi Burning Glass job postings data shows that cashiers remain the seventh highest-demand job in the nation.
In addition to facing labor shortages, AI and robotics have also encountered materials shortages as supply chains struggle. As a case in point, the lack of chips and semiconductors in 2021 led to a crisis for auto manufacturing. Due to one seemingly minor hiccup in the production process, the entire industry faltered and failed to meet demand. Such shortages could worsen if the demand for automation technology rises further.

The upshot is that automation can help fill some of the roles in understaffed industries, and businesses should consider automation as a valuable tool for meeting specific needs. But, the net result of new technologies will likely be more job openings, not fewer. And even in roles and industries where tech does help fill critical job openings, these technologies face significant obstacles before they can become a reliable solution to the labor crisis.

**People, not robots, remain the need of the hour.**
What Can We Do Now?

The only way to fill the millions of jobs that remain unfilled is to grow the size of our labor force.

As we look for long-term solutions, we also need creative short-term strategies to help ease the current labor crisis. These strategies will require a multifaceted approach involving people and institutions from every sector of the economy.

Overall, the concept is relatively simple.

Workers can come from only two sources: the population we already have or the population we can gain through immigration.

As previously discussed, we will have to engage people to coax them back into the US labor force.

The Labor Force Can Grow from 2 Sources: the Current Population or Immigration

Filling Jobs from the Current Population Requires Hiring the Unemployed and Reaching Those On the Sidelines.
Engage the People on the Sidelines

As of January 2022, job openings are at near-record highs of 11 million, with only 6.5 million unemployed people in the labor force. This means that even if every unemployed person got a job today, a shortfall of well over 4 million workers would remain.

So, reaching the people who are not working is vital in addressing the labor shortage. These include people with less advantaged backgrounds, veterans, people with mental or physical health challenges, people with a criminal or substance-abuse history, and, as we’ve already discussed, recent retirees and caregivers. Recruiting tactics that simply shuffle employees from one company to another or employ people on unemployment do not solve the problem employers face. Additionally, engaging people on the sidelines will mean offering creative work solutions.

Be transparent about the job and benefits

More companies are revealing salaries, benefits, and other perks than ever before. In fact, three times more job postings now advertise signing bonuses compared to 2016 (2022 Talent Playbook). Employers should make sure job postings include full job responsibilities, tools, resources, technologies, etc. When employers are fully transparent about the role they are looking to fill, potential employees can accurately assess if the position is a good fit.

Further, improving the quality of work is vital in convincing people to enter the labor force. First, employers can use compensation data to track and understand pay rates across the entire market, as well as their specific industry. Additionally, emphasizing career pathways in job postings shows employees are valued and have opportunities for advancement. Employers can use skills data to discover logical pathways, both within and across companies, and within and across industries.

In addition, company image matters. Management can emphasize the company’s core values, mission, and vision to potential employees. Ultimately, investing in employees, even before they officially start at your organization, shows that you will continue to invest in them when they are onboarded.

IT’S NOT ABOUT THE EMPLOYED VS. UNEMPLOYED, IT’S ABOUT THE UNENGAGED

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3The Bureau of Labor Statistics defines an unemployed person as someone who is “jobless, actively seeking work, and available to take a job.”
Embrace the job freedom mentality

Those who left or lost their job in the pandemic may not want to return to the labor force in a full-time capacity. Embracing the gig economy, part-time work, and overall “job freedom mentality”—including flexible hours, contract work, and remote and hybrid options—can open up creative opportunities for filling positions.

The job freedom mentality shifts the work-life balance concept on its head. For people with this mentality, it’s not about scheduling life around your work schedule. It’s the opposite. To appeal to these workers, offering flexible hours, contract work, remote work, or hybrid options can make returning to work more appealing.

More Americans Are Working from Home—Especially Those with College Degrees

For example, some people prefer flexible hours and/or remote work arrangements. For people who struggle with physical or mental health challenges, jobs that offer the support and flexibility needed to address those challenges become more attractive. The percentage of remote positions has tripled compared to pre-COVID, and continues to climb. This astounding growth indicates that remote work is here to stay. According to Emsi Burning Glass job postings data, more than 10% of all job postings are now advertising hybrid and/or remote work arrangements.

Re-engaging early retirees can pull essential skills back into the workforce. However, strategies used to recruit younger people into the workforce may not motivate older workers, or vice versa. Employers should get creative about appealing to these populations. For example, benefits usually provided only to full-time employees can be leveraged to entice this demographic of people (and their decades of experience) into the workforce again.
In addition, some people may have started their own businesses and won’t ever be returning to their old employer. New business starts surged during the pandemic, and it’s not just sole proprietorships.

Self-employment rose to a ten-year high last year. New business applications from firms likely to hire employees surged as well, from 987,500 in 2019 to 1.4 million in 2021. This may be a bit painful for legacy employers who are holding out hope their workforce will return in full. But with workers remaining on the sidelines, communities will need to adjust their expectations. It will be more important that workers come back than where they come back to.

**ULTIMATELY, UNDERSTANDING THE PRIORITIES AND CONCERNS OF PEOPLE OUTSIDE THE LABOR FORCE (WILLFULLY AND SITUATIONALLY) WILL HELP EMPLOYERS REMOVE SOME OF THE ROADBLOCKS KEEPING THEM OUT—AND HELP COMPANIES ALIGN THEIR JOB DESCRIPTIONS TO THOSE PRIORITIES.**
Be active in recruiting

To engage people on the sidelines, employers must be active in recruiting. Try shifting the focus of your recruiting efforts away from resumes that check all of the skill boxes. This includes sourcing and recruitment techniques that tap into pools of workers that may have no experience in your industry. Now more than ever, it’s important that the entire hiring process is highly accessible for all populations of people.

First, make sure your application process is quick and easy to understand. The entire process, including your applicant tracking system, should be set up to keep as many people as possible in the funnel, not remove them. Keep job descriptions short with only the must-have items and emphasize soft skills. Be open to employing unique talent pools such as part-time workers, people in other geographies, former inmates, people with health impairments, people needing flexible work options, and more.

Ultimately, employers have to get creative about recruiting and hiring strategies. Job seekers are already aware of the usual recruiting streams such as job ads, career fairs, and local university visits. To engage people on the sidelines, employers have to meet people where they are. A better alternative is to engage people through their community networks such as community events, social networks, sports leagues, etc.

Mike McSally, a former executive in one of the largest staffing companies in the world and someone who possesses decades worth of recruiting knowledge, is a firm believer in actively recruiting vs. relying solely on job postings, career fairs, and help wanted signs.

“I AVOID THOSE EMPLOYERS (ONES WHO OUTSOURCE RECRUITING UNTIL THE VERY END) AT ALL COSTS. IF YOU ARE NOT WILLING TO INVEST IN THE INTERVIEW PROCESS, HOW WILLING WILL YOU BE TO INVEST IN THE PERSON’S CAREER ONCE THEY ARE HIRED?”

— MIKE MCSALLY
Align educational programs to the demands of the market

The labor force gap is not for businesses to solve alone. People are the most critical asset in a community. If students leave your region upon graduation, that loss will be felt even more so in the current state of the labor force. But, if those graduates see a clear path to a job and a career in their local community, the impacts of the labor shortage will be far less painful.

Because there are so many unfilled job openings, workers have much more leverage in the marketplace. But they still won’t advance if they don’t have the skills to do the more complex work that will increasingly be in demand.

On the flip side, if employers are looking for skills your educators don’t teach, openings go unfilled, and workers remain on the sidelines. Encourage business leaders to engage with education providers through earn-and-learn opportunities, program advisory boards, facility tours, guest lectures, or even donations of industry-specific equipment.

GET EVERYONE IN ALIGNMENT: COLLEGES, UNIVERSITIES, WORKFORCE BOARDS, AND EMPLOYERS ARE ALL FOCUSED ON DIFFERENT PARTS OF THIS PROBLEM.

Regional development organizations and industry associations can step in to make sure that all stages of the pipeline are connected, communicating, collaborating, and flowing smoothly.
The math is fairly simple. Population growth can come from only two places: inside the country or outside the country. So despite birth rates consistently below the replacement rate, the US population has continued to grow due to immigration.

**However, since the 2008 recession, the US birth rate has fallen by roughly 30% to a new all-time low, which means that slowing or preventing population decline will require an even greater influx of immigrants than in the past.**

To understand what the declining birth rate represents, let’s translate it into raw numbers. By simply maintaining the 2007 birth rate through 2020, the US population would have added roughly 7.6 million more people.

Although the total population grew from 301.6 million to 330.5 million during that same time period, the under-20 segment of the population fell by 1.6 million people—dropping from 27% of the total population in 2007 to just 25% in 2020. This younger group represents the future of the labor force, and it’s shrinking. Over the next 10 to 20 years, this population shortfall will present an even more significant challenge to enrollment and recruitment efforts unless those numbers are offset from elsewhere.

With the share of young people already in short supply within the borders, foreign-born workers have filled an increasing share of the U.S. labor force since 1980.
Immigration Trends

Looking at our labor shortage, then, one potential solution would be to try offsetting our labor force declines by increasing immigration. But this is not a matter of simply flipping a switch. Immigration raises a tangled set of social, political, economic, and demographic questions. And there are no one-size-fits-all answers. At the same time, however, the data indicates that conversations about the labor shortage should include a look at the future of immigration.

One major component for understanding recent changes in the labor force is that immigration has been trending downward since 2016. This is due to a complex variety of factors, such as political decisions, administrative processing delays, caps set in 1990 that have not been updated, global demographic and economic shifts, and recent Covid-related interruptions—including delays in fully reopening US Consulates.

An additional factor that may affect the future of the immigrant labor force is the public’s perception of immigration numbers. A recent Gallup poll shows a significant increase in the number of Americans who say they want fewer immigrants to the US. This perception nearly doubled over the past year—at the same time that actual immigration numbers had dropped to the lowest level in recent history, according to CATO Institute data.

58% of Americans are dissatisfied with the level of immigration into the U.S.

The Number of Americans Who Are Dissatisfied with Immigration and Want Less of It Rose by 84%
Regardless of changes in public opinion or policy, however, global demographic shifts are likely to start closing the window on population growth through immigration. Other countries increasingly need the people they have in order to meet labor demands as they desperately attempt to modernize their own economies. Mexico, where most US-bound immigrants originate, currently has an unemployment rate lower than the US, and its labor force participation rate is just several percentage points lower. The days of attracting large numbers of foreign-born job seekers are likely nearing an end.

Lastly, developed nations around the world, like the US, have also experienced declining birth rates and labor shortages of their own. They, too, are relying more heavily on immigration to fill jobs.

The combination of shifting immigration policies, pandemic-related challenges, and escalating competition for talent worldwide have all converged to slow the influx of immigrants to the US.

Some of the immigration downturns might be overcome by offshoring or turning to international remote work, but this, too, presents many of the same challenges as immigration itself. More importantly, most of the jobs that currently need filling in the US are in-person roles or are poor candidates for remote work or overseas operations.
The connection between immigration declines and our current labor shortage becomes more clear in the following tables.

Below, we can see that since February 2020, job openings have soared in lower-skilled industries. The majority of unfilled jobs in the US are now those that do not require a college degree.

Since February 2020, Job Openings Have Soared in Lower-Skilled Industries

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Feb 20 (ka)</th>
<th>Oct 21 (ka)</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction</td>
<td>302</td>
<td>410</td>
<td>36%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>572</td>
<td>1,009</td>
<td>76%</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>734</td>
<td>1,055</td>
<td>44%</td>
</tr>
<tr>
<td>Transport/Warehousing</td>
<td>321</td>
<td>611</td>
<td>90%</td>
</tr>
<tr>
<td>Leisure &amp; Hospitality</td>
<td>945</td>
<td>1,781</td>
<td>88%</td>
</tr>
<tr>
<td>Professional Business Services</td>
<td>1,307</td>
<td>1,819</td>
<td>39%</td>
</tr>
<tr>
<td>Information</td>
<td>139</td>
<td>180</td>
<td>29%</td>
</tr>
<tr>
<td>Finance &amp; Insurance</td>
<td>312</td>
<td>321</td>
<td>3%</td>
</tr>
<tr>
<td>Healthcare</td>
<td>1,146</td>
<td>1,823</td>
<td>59%</td>
</tr>
</tbody>
</table>

| % Change Lower-Skill Job Openings | 2,874 | 4,985 | 69% |
| % Change Higher-Skill Job Openings| 1,597 | 2,324 | 46% |

And to the right, we can see that these are the very jobs that are disproportionately filled by foreign-born workers. By looking at worker distribution in occupational groups where the labor shortage is most pronounced, one thing becomes clear: a significant part of the pain the US labor market is feeling comes from the recent collapse of immigration.

Foreign-Born Workers Fill a Disproportionate Percentage of Lower-Skilled Occupations

<table>
<thead>
<tr>
<th>Occupational Group</th>
<th>% of Total Foreign-Born Workers</th>
<th>% of Total Native-Born Workers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service Occupations</td>
<td>20.6%</td>
<td>14.4%</td>
</tr>
<tr>
<td>Natural Resources, Construction, Maintenance</td>
<td>13.6%</td>
<td>8.1%</td>
</tr>
<tr>
<td>Production</td>
<td>15.2%</td>
<td>6.9%</td>
</tr>
</tbody>
</table>

Immigration Opportunities

Knowing which industries and occupations face the most significant worker shortages, and identifying who has (at least historically) filled those jobs, can help provide more focus to strategies that address the problem.

Despite numerous challenges, immigration remains an important source of workers, especially as falling US birth rates affect the size of the potential workforce. Further, current data shows that a significant percentage of the lower-skilled jobs that we cannot fill are jobs that have been disproportionately filled by the foreign-born population.

WITH MORE THAN 4 MILLION PEOPLE AWAITING WORK VISAS, AND A RECORD DROP IN IMMIGRATION NUMBERS DURING THE PANDEMIC, IT’S ESSENTIAL TO ACKNOWLEDGE THE ROLE THAT IMMIGRATION COULD PLAY IN ADDRESSING OUR LABOR CRISIS.
Since a shortage of workers has become the new normal, what can employers, educators, communities, and the workers themselves do in response? How can businesses reach people who have stepped away from the labor force and offer them compelling and meaningful opportunities? How can educators boost enrollment and align their programs to the needs of regional businesses? How can communities help businesses and sidelined workers find each other? And how can people on the sidelines overcome their current obstacles and re-enter the workforce?
A permanently tight labor market is a recent change—but it is far from a hopeless situation. It does mean, however, that we have no workers to spare. Everyone will need to up their game, investing in a skilled, agile, and effective workforce. With a mountain of unfilled job postings and an unengaged working-age population on the sidelines, now is the time to rethink how we recruit workers.

With more than 4 million people awaiting work visas, and a record drop in immigration numbers during the pandemic, it’s vital that employers acknowledge the role that immigration could play in addressing our labor crisis. Given the slower growth of the US population and the rising share of immigrants in the workforce, particularly in occupations with the greatest labor shortages, the current 11 million job openings are unlikely to be filled solely by the existing US labor force.

As the above data indicates, our incredibly tight labor market is more than just an effect of the pandemic. It’s the culmination of both long-term trends and short-term events. The shrinking working-age population results from decades of low birth rates, the boomer generation reaching retirement age, and several years of declining immigration numbers. The onset of the pandemic accelerated these already existing trends.

Long gone are the days when it was enough to put up a help wanted sign to fill a vacancy. Employers must be active and transparent in the recruitment process, engaging people on the sidelines by meeting people where they are and offering flexible work options and competitive benefits.

ADDRESSING THE SHORT-TERM FACTORS BROUGHT ABOUT BY THE PANDEMIC CAN HELP PROVIDE SOME TEMPORARY RELIEF, BUT ADAPTING TO THE LONG-TERM TRENDS WILL PROVE MORE OF A CHALLENGE—AND REQUIRE A CREATIVE AND PROACTIVE APPROACH.
Emsi Burning Glass is the world’s leading authority on job skills, workforce talent, and labor market dynamics, providing expertise that empowers businesses, education providers, and governments to find the skills and talent they need and enables workers to unlock new career opportunities.

With engineers and data specialists continually collecting and analyzing data from thousands of job boards, company websites, online resumes, employee profiles, and traditional government sources, the company produces the most comprehensive, up-to-date picture of the labor market available.

Emsi Burning Glass market research, analytical software, and data expertise is used by companies across the globe to better understand their own workforce and identify skilled and diverse talent for future growth. The company also guides colleges and universities in connecting their programs to the needs of the local labor market, and advises government entities in creating more effective programs for economic prosperity.

Headquartered in Boston, Massachusetts, and Moscow, Idaho, Emsi Burning Glass is active in more than 30 countries and has offices in the United Kingdom, Italy, New Zealand, and India. The company is backed by global private equity leader KKR.