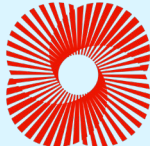


America's Workforce: Challenges and Opportunities

Stephanie Ferguson Melhorn

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U.S. Chamber of Commerce

Defining the Labor Shortage

- ❖ If every unemployed person in the country found a job, we would still have **1.2 million open jobs.**
- ❖ If the percentage of people participating in the labor force was the same as in February 2020, there would be **1.6 million more people** in the workforce today
- ❖ There are **94 available workers** for every 100 open jobs in the United States

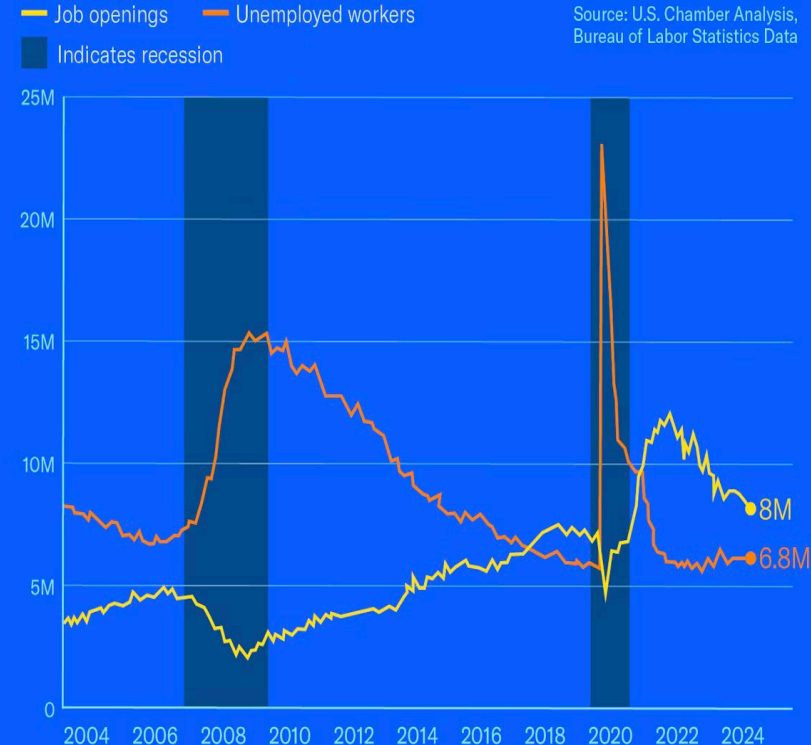


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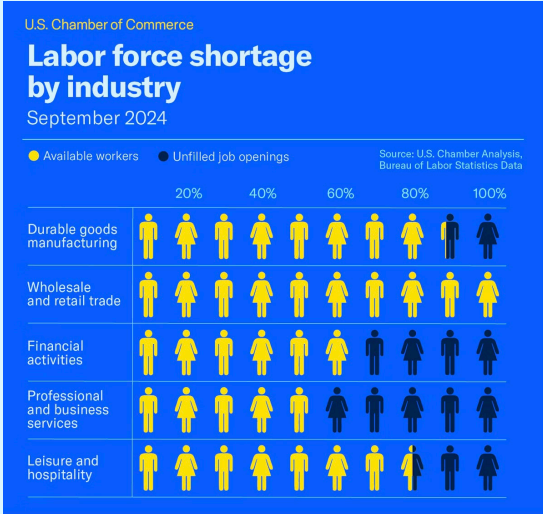
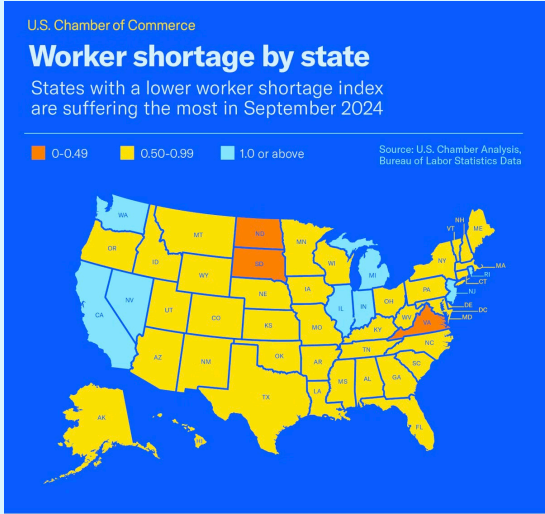
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National job openings vs. number of unemployed workers

September 2024



Labor Shortages Across the Nation



States & Industries at a Glance

- ❖ Shortages persist in most states
 - ❖ SD WSI .36
 - ❖ CA WSI 1.6

- ❖ Labor surpluses exist in
 - Wholesale & Retail Trade
 - Transportation & Utilities
 - Construction

Washington at a Glance

- ❖ Labor Force Participation Rate: 63.3%
- ❖ Job Openings: 169,000
- ❖ Unemployed workers: 190,000
- ❖ Available Worker Ratio: 1.1

Where did our Workers Go?

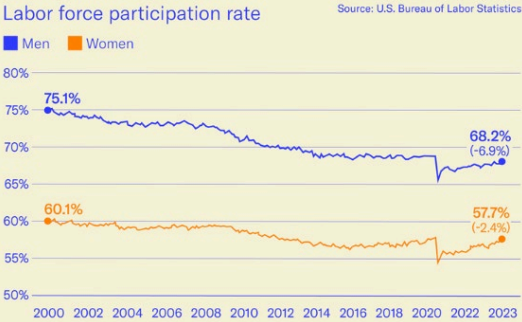
- ❖ **Record Savings:** American families saved more than \$2.3 trillion during pandemic
- ❖ **Record Retirements:** 2.4 million excess retirees as of April 2023
- ❖ **More New Business Starts:** 5.5M new business applications in 2023, 10.5 new business applications between 2021 – 2022
- ❖ **Social Media:** 2 million content creators made 6-figures on social media platforms.



The Labor Shortage is Here to Stay

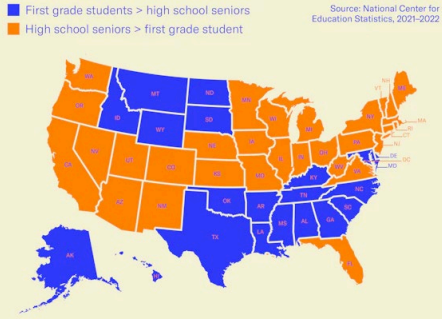
Declining Participation

Men are leaving the workforce at a faster rate than women



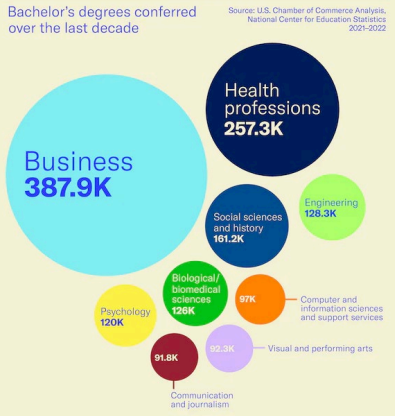
Aging Population

There are fewer enrolled first grade students than high school seniors in 30 U.S. states



Skills Mismatch

What topics are Bachelor's degree students pursuing?



What are the continued challenges?

- **Inflation and Wages:** After rapid increase, inflation is easing, and wage growth is stabilizing.
- **Return to Work Challenges:** Increased cost of childcare, housing, WFH norms.
- **Benefits Cliff:** More than half of all workers in the bottom 20% of the wage distribution receive public benefits.
- **Skills Mismatch:** The future workforce is projected to be under-skilled for the jobs of tomorrow.
- **Demographic Drought:** An aging population and decreased birth rate will lead to a continued shortage of workers.



How can employers respond?

1. **Implement Flexibility, Where Appropriate:** Workers indicate that flexibility in work location and hours is a priority.
2. **Tap into Diverse Talent Pools: Recruit from often overlooked talent pools, such as** recent retirees, workers with disabilities or impairments, previously incarcerated workers, military wives etc.
3. **Communicate Existing Benefits:** Educate employees on employer provided health benefits, financial wellness, leave policies, immigration needs, tax credits, etc.
4. **Offer Innovative Benefits:** To remain competitive, employers must attract and retain talent by offering incentives beyond pay and standard benefits, like childcare assistance, education reimbursement, etc.
5. **Upskill and Reskill Talent:** Invest in the business and workforce by adopting Talent Pipeline Management.
6. **Join the Liberty Campaign:** Formed to urge Congress to enact measures to secure our borders and modernize our legal immigration system.



Incarceration by the Numbers

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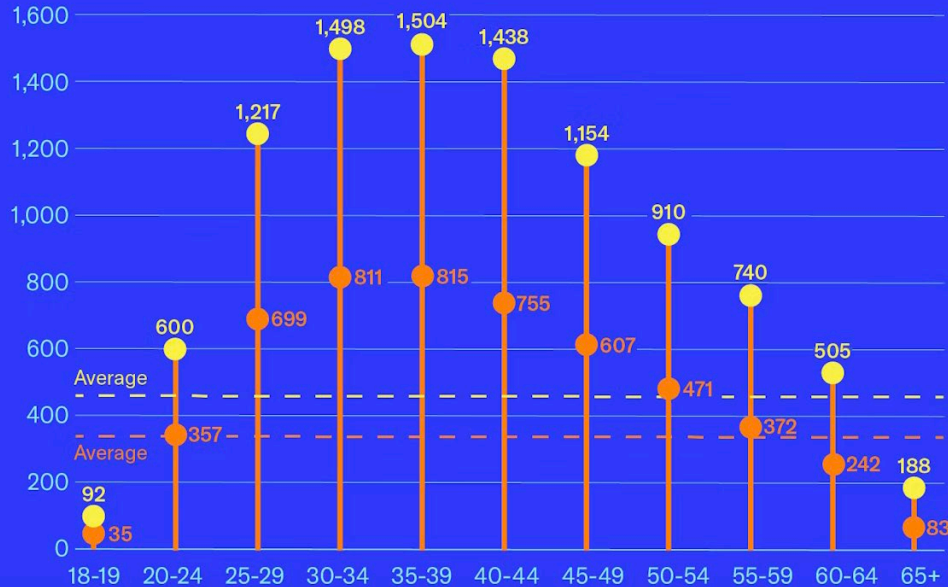
Young men represent the majority of incarcerated people



Per 100,000 U.S. residents

Source: Bureau of Justice Statistics,
Federal Justice Statistics Program, 2022

● 2022 ● 2021

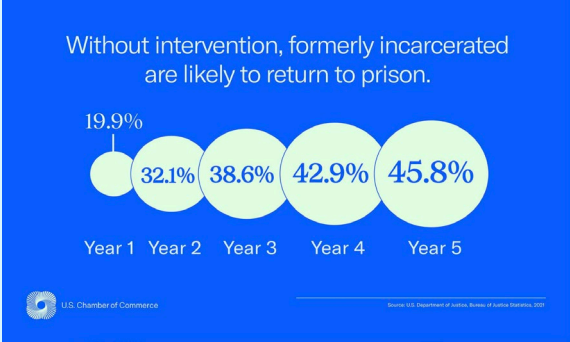


Incarceration by the Numbers

- 1.25 million in prison
- 3.7 million under community supervision
- 79+ million are Justice Involved
- 1 in 3 Americans have a criminal record

The Business Case for Second Chance Hiring

Employment Deters Recidivism



Employment Generates Revenue



Employment Makes Sense



Federal Advocacy

Second Chance Reauthorization Act

1. Reauthorize funding for grand programs that provide services and resources for reentering citizens
2. Expand supportive and transitional housing services reentering citizens
3. Enhance addiction treatment services for individuals affected by substance use disorders

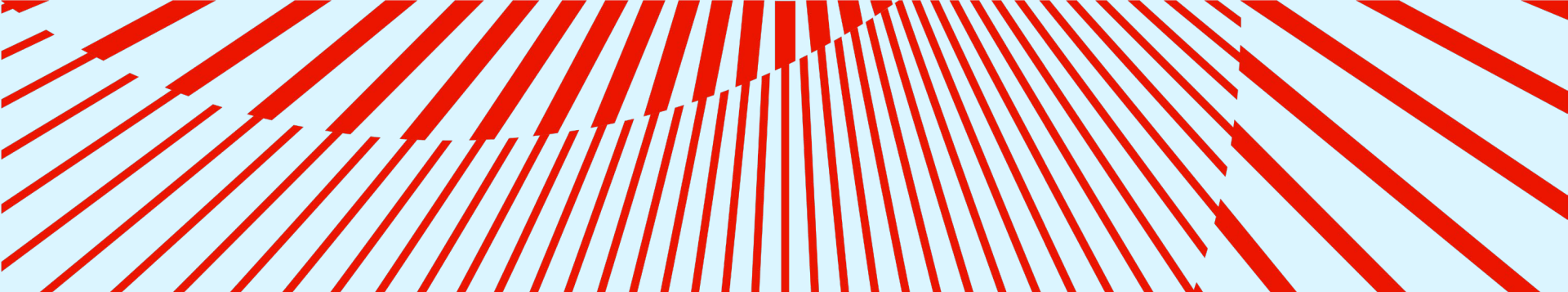
Workforce Innovation and Opportunity Act (WIOA)

1. Codifies Reentry Employment Opportunities Program
2. Makes available grants and contracts for reentry projects
3. Appropriates \$115,000,000 to Reentry Employment Opportunities

Work Opportunity Tax Credit (WOTC)

- Available to Employers that hire eligible justice impacted candidates
- Equal to 40% of up to \$6,000 of wages



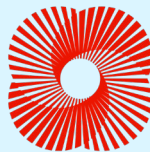


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