



# The Vanishing Workforce

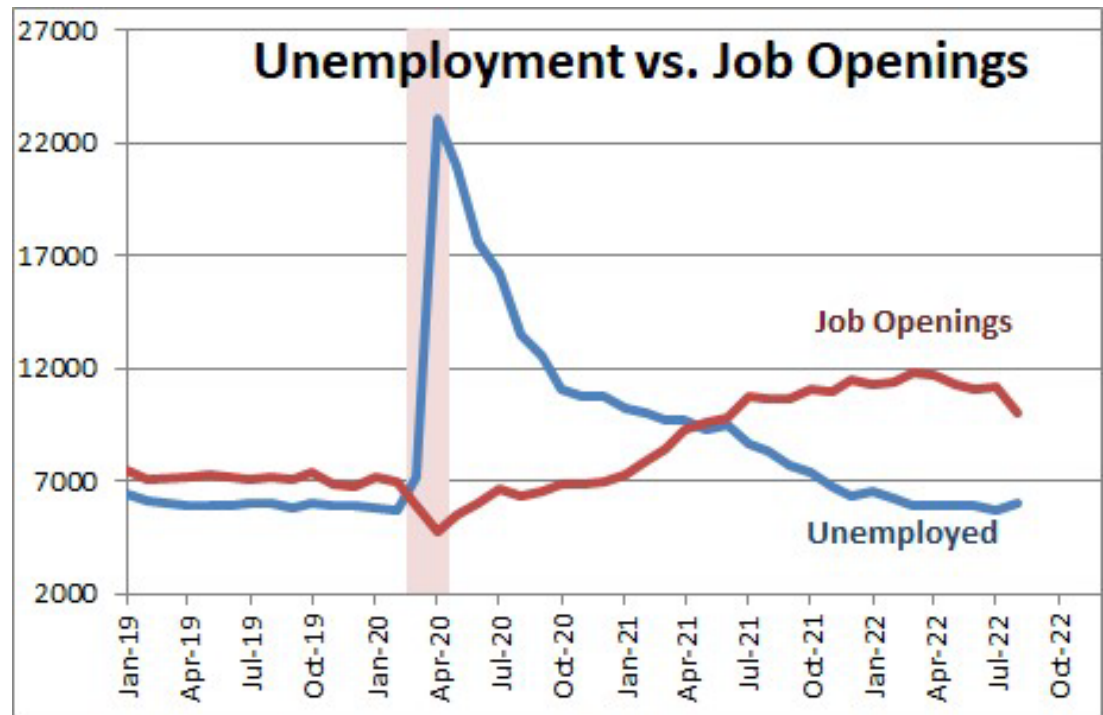
Where have all the workers  
gone?

# The Starting Point

## The BLS Unemployment Report

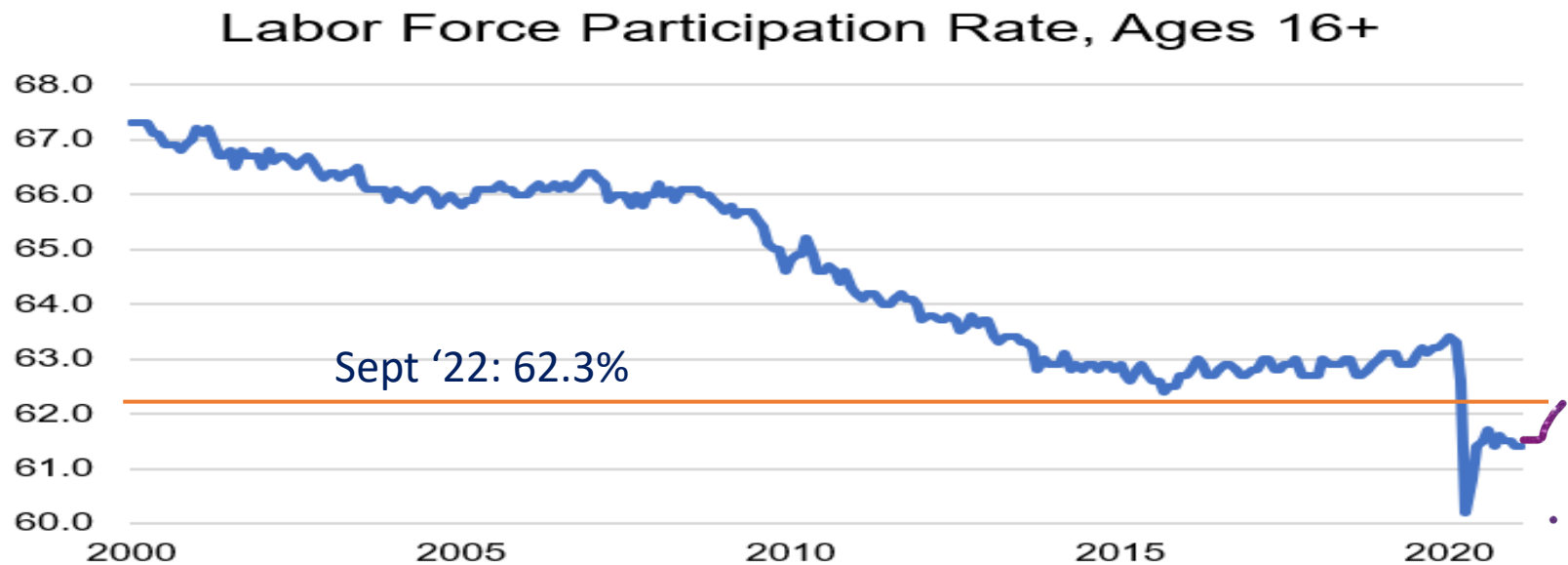
- Tells part of the story
- Much more going on under the surface
- Much more has been going on for decades

11.2 million open jobs; 5.8 million unemployed



# Labor Force Participation Rate

- Peaked in 2000 (67.3%), and began shrinking
- Primarily prime-aged men (25-54) missing
- Lowest since 1970's
- Despite ubiquitous vaccinations and expiration of pandemic income enhancers, workers have not come back



Source: Bureau of Labor Statistics

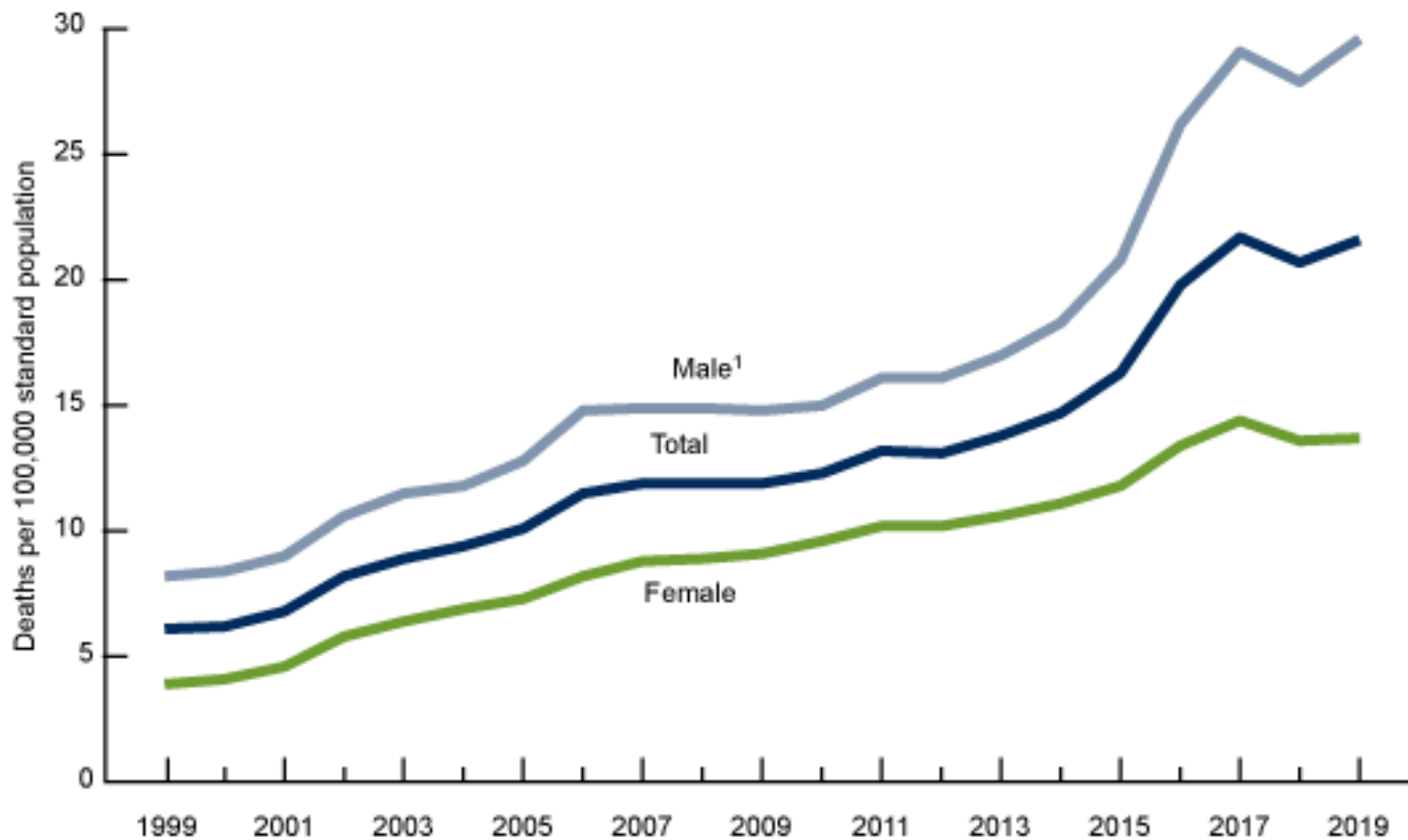
# Men - Prime Working Age (25-54)

- An unprecedented “**Flight from Work**”
- **7 million** out of workforce, and **affirmatively not looking**
- Lower participation than rate than early 1940’s
- For every 1 looking, **4 are not looking & not interested**
- **Spend 2,000 hours per year “looking at screens”**
- Don’t participate in “life”
- Vast majority also on daily meds, legal or illegal
- Happening worldwide, but worst in U.S.
- **Not explained by Economics, more by Sociology**

*Nick Eberstadt – “Men Without Work”*

# Growing Opioid Crisis Stealing our Population

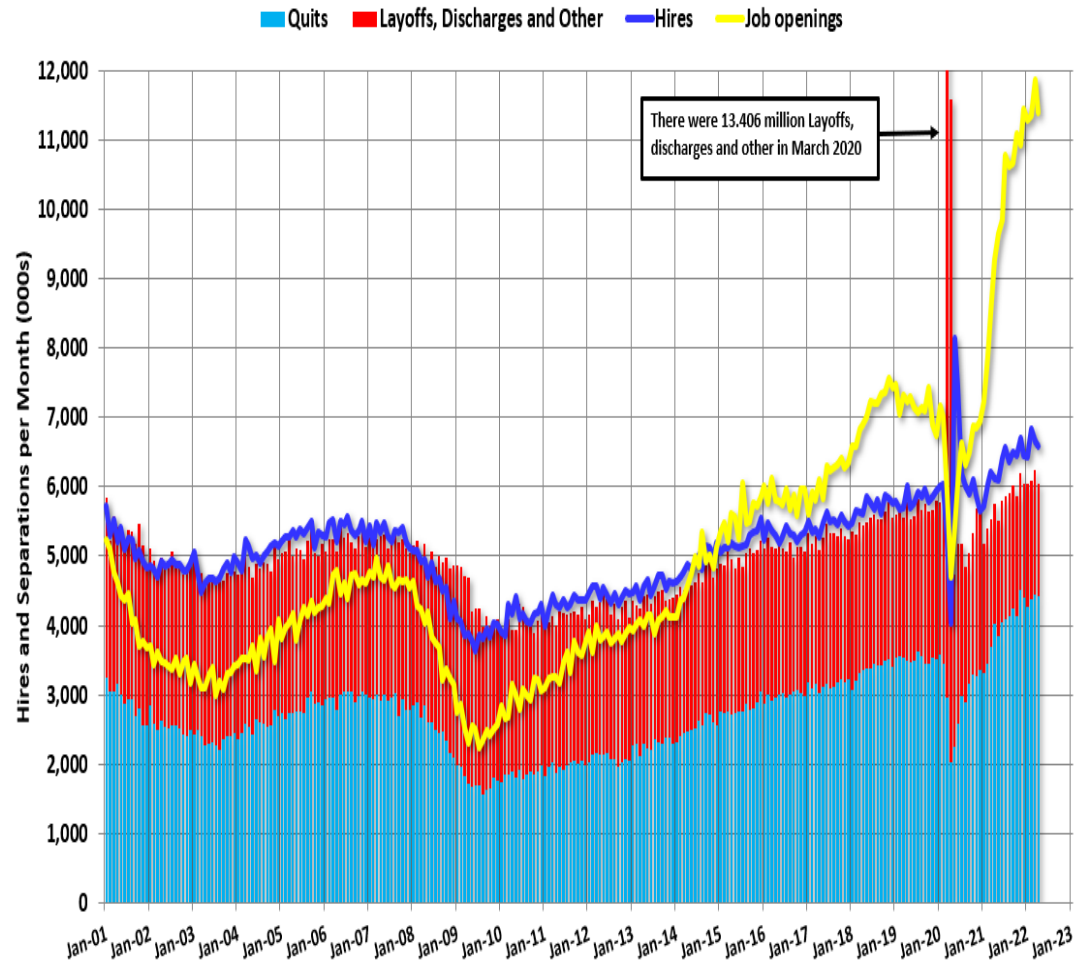
- Estimate 850K to 1 Mil workers out of workforce due to opioids
- Over 107K deaths in 2021, rising in 2022



# Seismic Shift in Our Workforce Economy since Pandemic

- Economy ADDED 4M jobs since pre-pandemic
- Economy LOST 4M workers since pre-pandemic
- The pandemic significantly altered the workforce economy
  - **Is this the new normal?**

Hires and Separations Monthly (SA) from Job Openings and Labor Turnover Survey (JOLTS), Source: BLS



# How Do You Survive Without Working?

- Federal Assistance Programs
- State Assistance Programs
- Social Security Administration
- Veterans Administration
- Workers Comp Insurance
- Disability Insurance

## Google: “How much does welfare pay in Illinois?”

A wide range of benefits provides a large magnitude of support. The potential sum of welfare benefits can reach **\$47,894 annually for single-parent households and \$41,237 for two-parent households**. Welfare benefits will be available to some households earning as much as \$74,880 annually.

[IllinoisPolicy.org](http://IllinoisPolicy.org)

“The mass of men lead lives of quiet desperation.”

*Henry David Thoreau - 1854*



# Two Primary Generational Influences

## Baby Boomers & Millennials



**Zach Wallen**

@Zach\_Wallen

I love baby boomers who say "kids don't even know how to write cursive" in a negative way like ok grandma you can't even turn your laptop on without getting 6 viruses and wiring half your retirement money to a Nigerian Prince

7:00 AM - 13 Mar 2018

# Boomers (1946-1964)

Baby Boomers WERE the workforce for decades.....

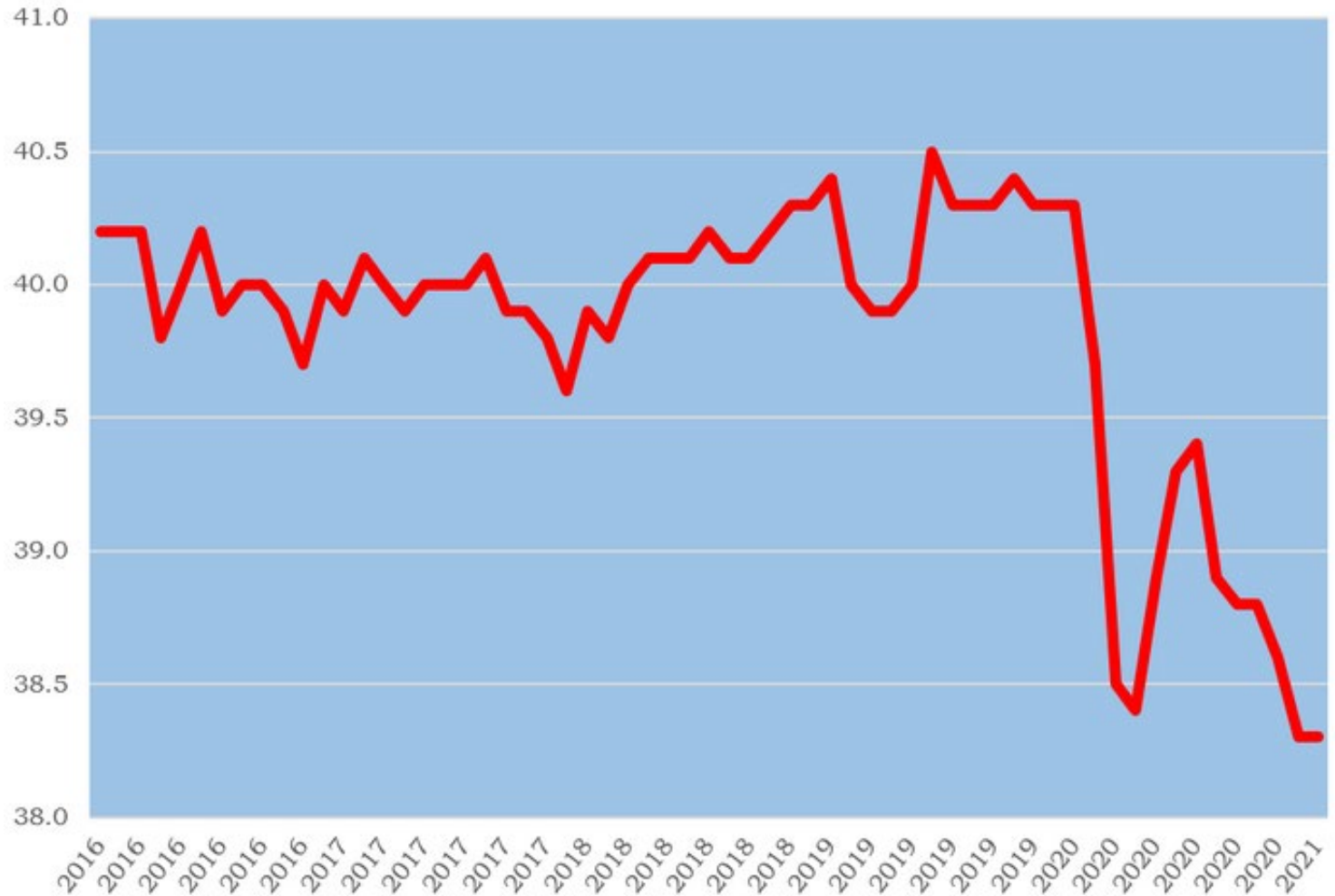
- *Massive workforce numbers*
- *Educated, hard-working, loyal, submissive*
- *Climbed the ladder, wanted position & prestige*
- *Boomer Women doubled the workforce*

But

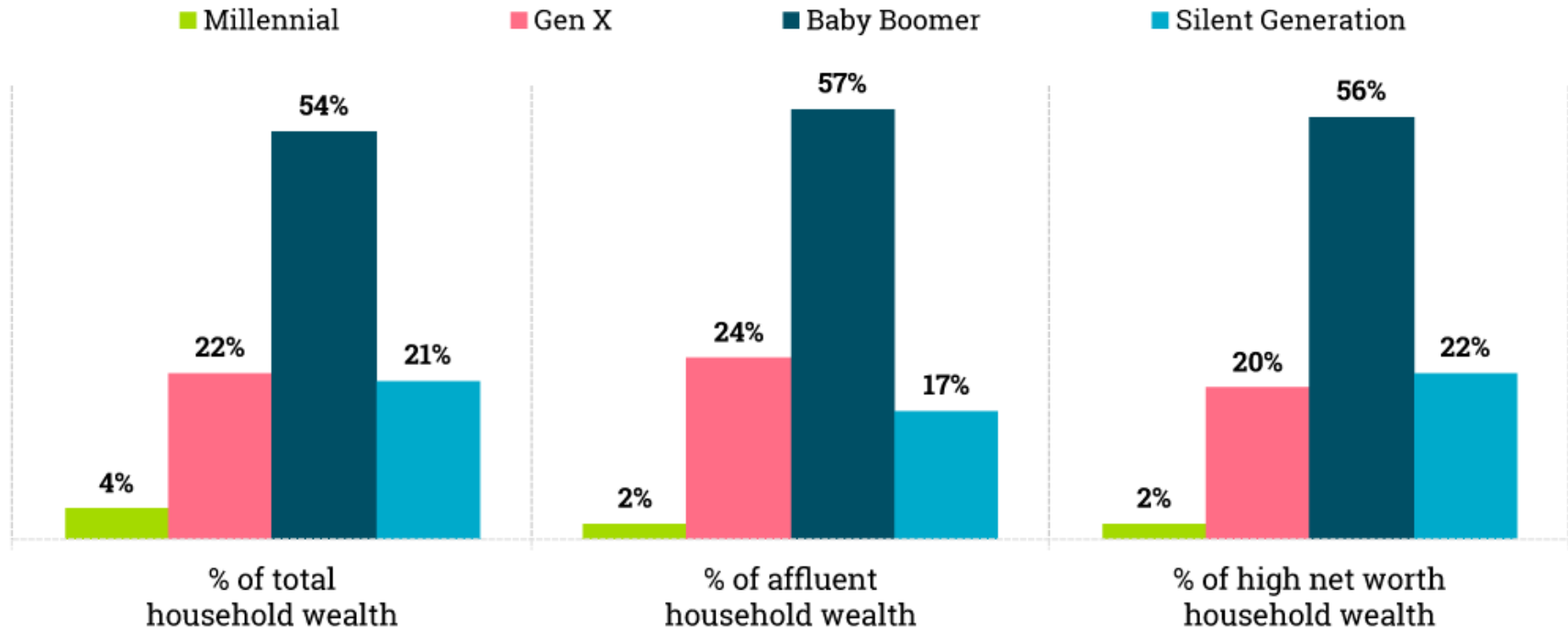
- *Boomers began leaving in 2002*
- *Steady, manageable pace through 2019, surged in 2020, surging again*
- *Economy loses Investment, Consumption & Workers*
- *Massive transfer of wealth coming*

# Bye, Boomer!

% of Over-55s either working or looking for work



# US Household Wealth Distribution, by Generation



Published on MarketingCharts.com in April 2019 | Data Source: Packaged Facts

Affluent: \$150k+ household income; High net worth: At least \$1 million in net worth

# Millennials (1980-1995)

What makes this generation different?

- Greater demands for work/life balance
- Importance of transparency, fairness and DEI
- Easy to quit – so many open jobs out there
- Available tools to start businesses and side gigs, easily
- New potential career choices that are more fun (influencers, gamers, crypto)

# Millennials (1980-1995)

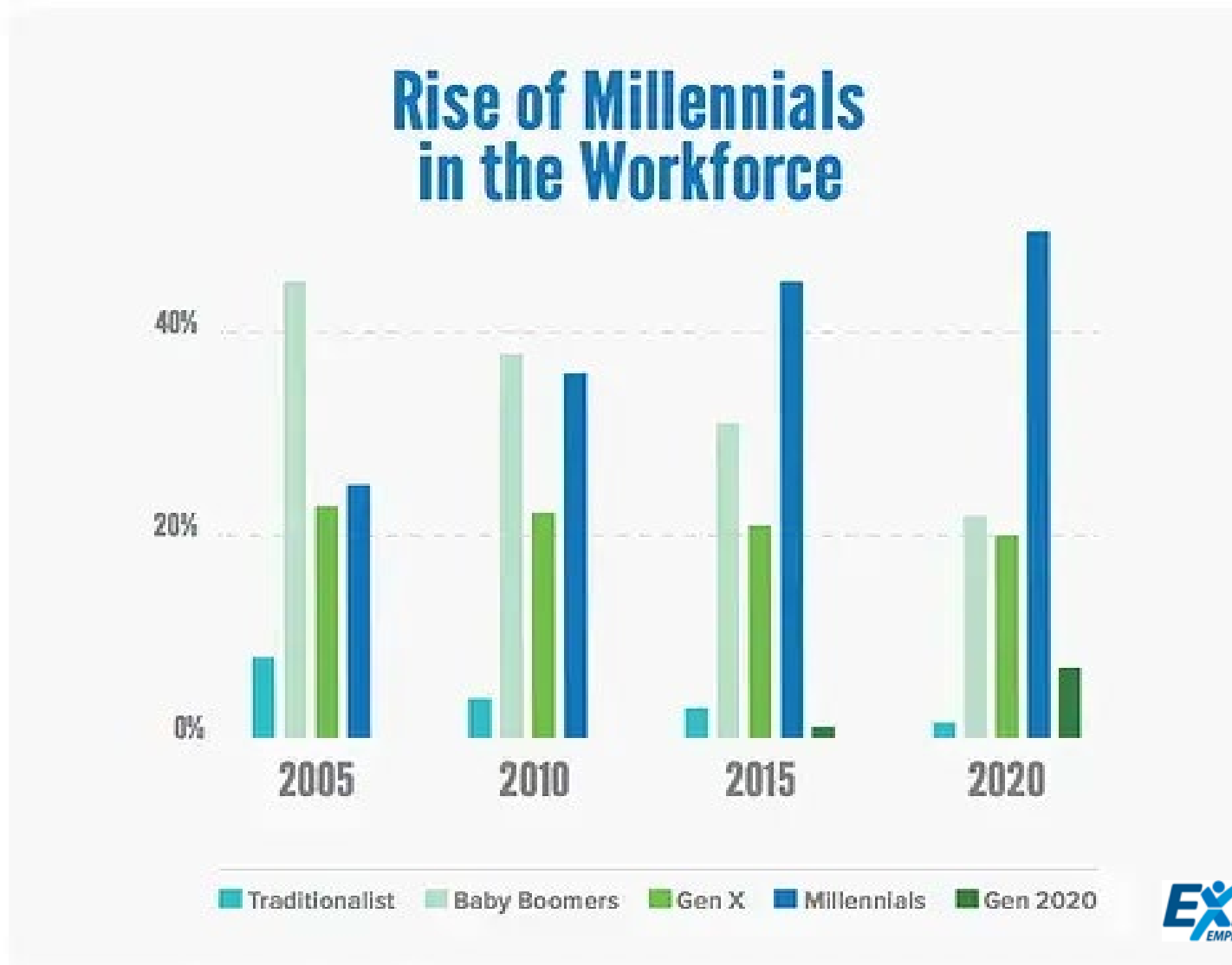
What are their financial lives like?

- Millions are buried in crushing student loan debt
- Home ownership is a “later” or “never” issue
- Urban living preferred vs rural or suburban, despite \$\$
- Comparably low level of savings
- Delaying marriage and families

**And yet:**

- **More willing to leave a job if its not satisfying**

# Why Does it Matter?



# Gen Z (circa 1996 – 2010)

75% of Gen Z not  
interested in applying to  
firms with unsatisfactory  
DEI initiatives.

RippleMatch



“Young workers are not interested in the carrot & stick – they’re interested in the carrot cake”

**You can't change the player,  
so you must change the game.**

- Flexibility
- Empowerment
  - DEI
- Fairness & transparency
  - Meaning

# Past & Future Trends

*In case you're not frightened enough*

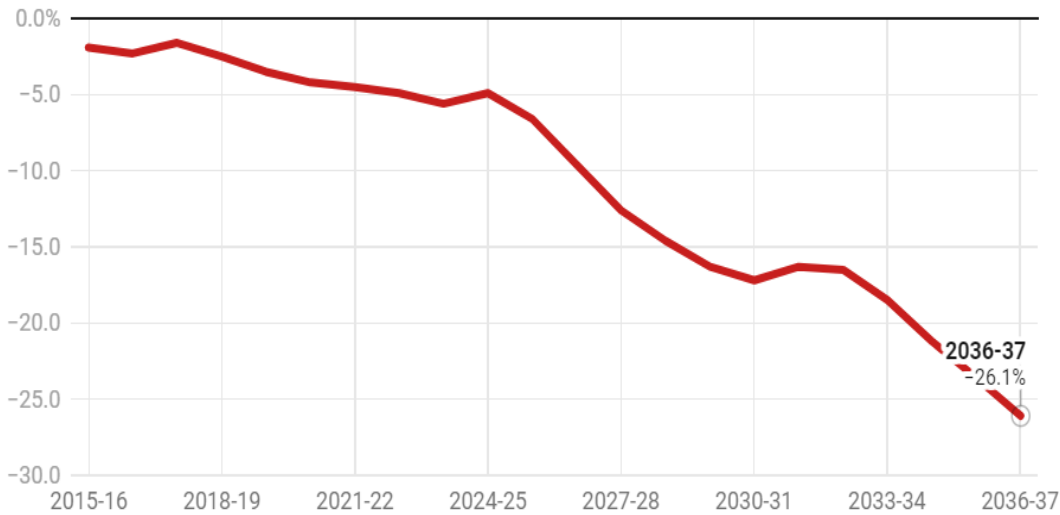
- US has been below Birth Replacement Rate for 2 decades
  - 2020 was the lowest rate in history at **1.64**
  - By 2035, U.S. will have more people 65+ than under 18 yrs old
- Total workforce population shrank in every state between 2011 and 2021, except FL, TX and some Mountain state regions
- Immigration would help, but is volatile and political powder keg
- College enrollment will sink at accelerated rate; demographics



## The high school population "cliff"

The number of public and private high school graduates in Illinois peaked in 2014-15 and is projected to decline further in coming years.

Change in the number of Illinois high school graduates



Source: The Western Interstate Commission for Higher Education • Created with [Datawrapper](#)

University makes smart moves to meet



Real reasons to save midtier private colleges



Opinion | Getting from high school to college shouldn't be so stressful



Opinion | Illinois must use available tools to reverse enrollment declines



Opinion | A college education benefits the individual—and society



# In the Meantime – What Can You Do?

1. Make Retention a Priority
2. Referrals
3. Culture
4. Job post changes

# Step1: Retention

**Note:** It's never been more important to retain your best by demonstrating their value to the organization because its likely the best are being recruited.

1. Run A \* B \* C Analysis
2. Consider compensation
3. Review your jobs
4. Listen to your people
5. Incentives and rewards
6. Career pathing
7. Flexibility – the primary desire of Millennials and Gen Z

# CareerBuilder Survey

May 2022

## 7 of 10 employed adults are in a job search, active or passive

- 20% are ACTIVE
- 25% are browsing
- 25% are open to offers
- 30% are happy

## Top reasons mentioned for potentially changing jobs

- 62% Compensation
- 51% Flexible schedule
- 46% Better Benefits
- 40% Remote work

**60% are interested in changing industries**

# Long-Term Strategy

Strive to become “Employer of Choice” through Culture

- Establish the “WHY”.
- Have a VISION that is more than about numbers
- Culture is how your employees’ hearts & stomachs feel on Sunday night
- Your company HAS a culture, whether it’s intentional or by accident!

# Job Postings?

- No longer a laundry list of what you expect from them
- Now a marketing document: great opportunity & company
- Include compensation (can be a range, DOE)
- DEI statements becoming more common
- “Don’t hit 100%?” statements will increase your responses
- Pre-Covid: 1 in 67 listed jobs were remote (LinkedIn). NOW: 1 in 7 jobs mention remote
- **Flexibility** is the key word in any job post



What's Coming in the Economy?

Inflation  
&  
Interest Rates

Effects on Workforce?

Thank you for your interest!