Missouri and St. Louis 2019 Workforce Surveys

Hart Nelson, Associate Vice Chancellor for Workforce Solutions
Workforce Solutions Group | St. Louis Community College
Today’s Economy: Tight Labor Markets

**Unemployment Rate**

**Civilian Labor Force Participation Rates**

*Source: U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics*
Today’s Economy: Missouri Situation

**Personal Income Annual Growth Rate**

- **US**
- **Missouri**

**Payroll Employment Annual Growth Rate**

- **Recession**
- **US**
- **Missouri**


Note: Year-over-year, annual data source: U.S. Bureau of Labor Statistics, CES.
Today’s Economy: Employment Trends

- **Manufacturing, Health Care, and Professional Services** led recent job gains.
- But job growth is uneven as large metros across the U.S. are gaining the fastest.
Today’s Economy: What Does Business Say?

- Phone Survey of over 1,600 Businesses from Apr-June 2019
- Metro and Non-Metro Firms surveyed to represent industry mix

### Businesses Surveyed

<table>
<thead>
<tr>
<th>NAICS Code</th>
<th>Industry Description</th>
<th># of businesses surveyed</th>
</tr>
</thead>
<tbody>
<tr>
<td>11</td>
<td>Agriculture, Forestry, Fishing and Hunting</td>
<td>25</td>
</tr>
<tr>
<td>23</td>
<td>Construction</td>
<td>140</td>
</tr>
<tr>
<td>31-33</td>
<td>Manufacturing</td>
<td>66</td>
</tr>
<tr>
<td>42</td>
<td>Wholesale Trade</td>
<td>70</td>
</tr>
<tr>
<td>44-45</td>
<td>Retail Trade</td>
<td>229</td>
</tr>
<tr>
<td>48-49</td>
<td>Transportation and Warehousing</td>
<td>93</td>
</tr>
<tr>
<td>51</td>
<td>Information</td>
<td>33</td>
</tr>
<tr>
<td>52</td>
<td>Finance and Insurance</td>
<td>116</td>
</tr>
<tr>
<td>53</td>
<td>Real Estate and Rental and Leasing</td>
<td>77</td>
</tr>
<tr>
<td>54</td>
<td>Professional and Technical Services</td>
<td>133</td>
</tr>
<tr>
<td>56</td>
<td>Administrative and Waste Services</td>
<td>63</td>
</tr>
<tr>
<td>61</td>
<td>Educational Services</td>
<td>13</td>
</tr>
<tr>
<td>62</td>
<td>Health Care and Social Assistance</td>
<td>252</td>
</tr>
<tr>
<td>71</td>
<td>Arts, Entertainment, and Recreation</td>
<td>44</td>
</tr>
<tr>
<td>72</td>
<td>Accommodation and Food Services</td>
<td>124</td>
</tr>
<tr>
<td>81</td>
<td>Other Services</td>
<td>136</td>
</tr>
<tr>
<td></td>
<td>Other Small Sectors*</td>
<td>98</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>1,607</strong></td>
</tr>
</tbody>
</table>
Today’s Economy: Hiring Past and Planned

- 1 in 3 added employees in past year
- About same moving forward but less planning significant level changes
Today’s Economy: St. Louis Employment Changes

• **Past Year**: More Job Movement in Both Directions but Mostly Up
• **Future Plans**: Bit More Caution — Looking Like Responses for 2013
Today’s Economy: Adding Workers

• Most looking at Part-Time Workers First
• Could be a sign of caution
• Less than 20% looking to use Temp or Contract Workers
Today’s Economy: Adding STL MSA Workers

- **More Caution** – Hiring Part-Time Now Preferred
Today’s Economy: Expansion Barriers

Top Potential Barriers to Expanding Employment

- Shortage of Workers with Knowledge or Skills: 47% (Statewide), 47% (Metro), 46% (Non-Metro)
- Economic Conditions: 33% (Statewide), 33% (Metro), 32% (Non-Metro)
- Government Policies or Regulations: 23% (Statewide), 23% (Metro), 23% (Non-Metro)

Same Barriers
Potential Barriers to Expanding Employment

Top Potential Barriers to Expanding Employment

- Shortage of Workers with Knowledge or Skills: 47%
- Economic Conditions: 33%
- Government Policies or Regulations: 23%

Top STL MSA Potential Barriers to Expanding Employment

- Shortage of Workers with Knowledge Or Skills: 2019 - 46%, 2017 - 52%, 2015 - 57%
- Economic Conditions: 2019 - 38%, 2017 - 38%, 2015 - 38%
- Government Policies or Regulations: 2019 - 22%, 2017 - 21%, 2015 - 22%

- Fewer firms report barriers as less looking to expand
- Shortage of Skilled Workers is top barrier since 2015
- Economic Conditions moving up but still low
Finding Workers: **Functional Employment**

Non Metro: More Functional Areas

![Bar Chart depicting the percent of businesses employing staff in various functional areas.](chart.png)

- **Customer Service**: 77% (Non-Metro), 75% (Metro), 76% (Statewide)
- **Business Management**: 58% (Non-Metro), 47% (Metro), 45% (Statewide)
- **Accounting/Finance**: 52% (Non-Metro), 38% (Metro), 41% (Statewide)
- **Skilled Trades**: 44% (Non-Metro), 37% (Metro), 41% (Statewide)
- **Information Technology**: 31% (Non-Metro), 26% (Metro), 28% (Statewide)
- **Manufacturing/Maintenance**: 25% (Non-Metro), 22% (Metro), 24% (Statewide)
- **Patient Care**: 18% (Non-Metro), 12% (Metro), 15% (Statewide)

The chart shows that Non-Metro areas have a higher percentage of businesses employing staff in various functional areas compared to Metro areas.
## Finding Workers: Top Job Openings

### NOW
- Combined Food Preparation and Serving Workers
- Personal Care Aides
- Waiters and Waitresses
- Customer Service Representatives
- Material and Freight Laborers

### NEXT
- Nursing Assistants
- Tractor-Trailer Truck Drivers
- Restaurant Cooks
- Retail Sales Supervisors
- Maintenance and Repair Workers

### LATER
- Registered Nurses
- General Managers
- Accountants
- Elementary and Secondary School Teachers
- Application Software Developers
Finding Workers: Skill Shortages?

28% of employers experiencing shortage of skilled applicants

Skill Levels Required to Address Shortages in Job Applicants

- Statewide
- Metro
- Non-Metro

High Skill:
- Statewide: 19%
- Metro: 18%
- Non-Metro: 21%

Middle Skill:
- Statewide: 45%
- Metro: 46%
- Non-Metro: 43%

Low Skill:
- Statewide: 36%
- Metro: 37%
- Non-Metro: 35%

Same Skill Level Needs
Finding Workers: Measures Taken

Measures Employers are Taking to Meet the Skill Shortages of Applicants

- Forced to Hire Less Experienced Workers and Then Train Them: 87% (Statewide), 86% (Metro), 87% (Non-Metro)
- Offering Increased Wages Due to Shortage of Experienced Workers: 49% (Statewide), 46% (Metro), 53% (Non-Metro)
- Hiring from Outside the Area: 33% (Statewide), 29% (Metro), 37% (Non-Metro)
- Invest in Automation: 30% (Statewide), 27% (Metro), 33% (Non-Metro)
- Hiring Contractors: 19% (Statewide), 27% (Metro), 35% (Non-Metro)
- Hiring from Outside the United States: 12% (Statewide), 7% (Metro), 17% (Non-Metro)

Non Metro: Taking More Measures
STL MSA Measures Taken to Address Skill Shortages

• **8 in 10** forced to hire and train, **only 4 in 10** offering increased wages

- **Forced to Hire Less Experienced Workers and then Train Them**

- **Offering Increased Wages Due to Shortage of Experienced Workers**
  - 2019: 42%, 2017: 40%, 2015: 41%, 2013: 35%

- **Hiring Contractors**

- **Hiring from Outside the St. Louis Region**

- **Invest in Automation**

- **Hiring from Outside the United States**
  - 2019: 4%, 2017: 4%, 2015: 5%, 2013: 6%
Finding Workers: **Functional Area Shortages**

**Non Metro:** More Functional Shortages
Finding Workers: Shortages by Skill Level

- **5 of 7** Areas top need is **Middle-Skill**
- Patient Care top need is **High-Skill**
- Customer Service top need **Low-Skill**
STL MSA Skill Levels Needed by Functional Area

- Middle-Skilled is top skill need in 5 of 7 Functional Areas
Job Applicants: Top Shortcomings

- **Soft-Skills** seen as top shortcoming of applicants
STL MSA Importance of Applicant Shortcomings

• **Poor Work Ethic, Critical Thinking, and Teamwork** are the most important shortcomings.

• Few employers (5%) noted **Inability to Pass Drug Test** as a shortcoming but instead as an important constraint. With most employers testing, people with substance abuse issues may have just stopped applying.
• **4 in 10 employers** have at least half of their jobs available with short-term training
Getting in the Door: Hiring Considerations

STL MSA

Percent of Employers that Require Background Checks

<table>
<thead>
<tr>
<th>Year</th>
<th>Requirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>99%</td>
</tr>
<tr>
<td>2015</td>
<td>74%</td>
</tr>
</tbody>
</table>

98% of firms required background checks

99% of firms would consider a job applicant with prior felony conviction

STL MSA

Percent of Employers that Drug Screen Some Positions

<table>
<thead>
<tr>
<th>Year</th>
<th>Requirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>61%</td>
</tr>
<tr>
<td>2015</td>
<td>50%</td>
</tr>
</tbody>
</table>

Percent of Positions that Require a Drug Screen Prior to Hire

- 44% None
- 41% 1-49%
- 14% 50-100%
STL MSA Positions for Justice-Involved Individuals

- **2019**: Employers **more willing** to consider candidates with a past felony

- **Any Job**: 13% in 2015, 13% in 2019
- **Qualified**: 13% in 2015, 13% in 2019
- **Some Jobs**: 15% in 2015, 44% in 2019
- **Depends on Felony**: 42% in 2015, 46% in 2019
- **Would Not Consider**: Less than 1% in 2019

**Percent of Businesses**
Summary

• Nearly Half of Businesses indicate a **Shortage of Skilled Workers** as Top Barrier to Expanding Employment

• **Middle-Skills** were most required to meet job shortages

• **Patient Care, Manufacturing, and Skilled Trades** top functional area shortages

• **Soft Skills** top shortcomings of job applicants