

**PERSONNEL DYNAMICS CONSULTING**

*The Talent Shortage and  
What is Next*

**Gerry Hoeffner**

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# GERRY HOFFNER

Personnel Dynamics Consulting  
President

Over **40 years** of HR and employee development experience

Recognized nationally by SHRM's HR Magazine for his work on Workforce 2020 Program

“Best Places To Work” won the 2002 International Pinnacle Award from the  
Society for Human Resource Management

Five-time award winner for innovation in Human Resources

Creator of “TheTurnoverCalculator.com”

Certified Predictive Index Consultant and Partner

Creating great teams throughout the US



PERSONNEL  
DYNAMICS  
CONSULTING



Predictive Index Assessments

**PERSONNEL DYNAMICS CONSULTING**

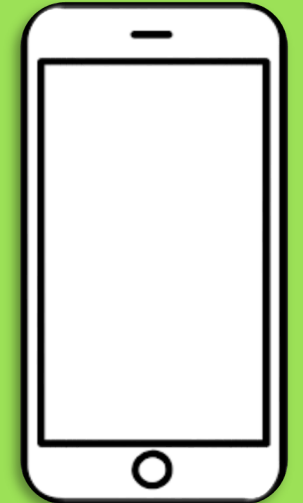
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# Worker shortages are fueling America's biggest labor crises

Exhausted workers in education, healthcare and the railroad industry are pushing back after months of staffing shortfalls



# Worker shortages are fueling **America's** biggest labor crises

Exhausted workers in education, healthcare and the railroad industry are pushing back after months of staffing shortfalls

**Japan** labor market set for change as huge worker shortage looms

LATIN AMERICA

In **Latin America**, companies still can't find the skilled workers they need

EMPLOYEE MANAGEMENT

Skilled Workers Demand is high, but There's A Shortage in **Africa**

**Europe** is facing a shortage of skilled workers. The Basque experience could be the answer

**Russian** Factories Face Record Labor Shortages

DISCOURSE + ECONOMY

The Great People Shortage hits **China**

Updated: Aug. 3, 2023



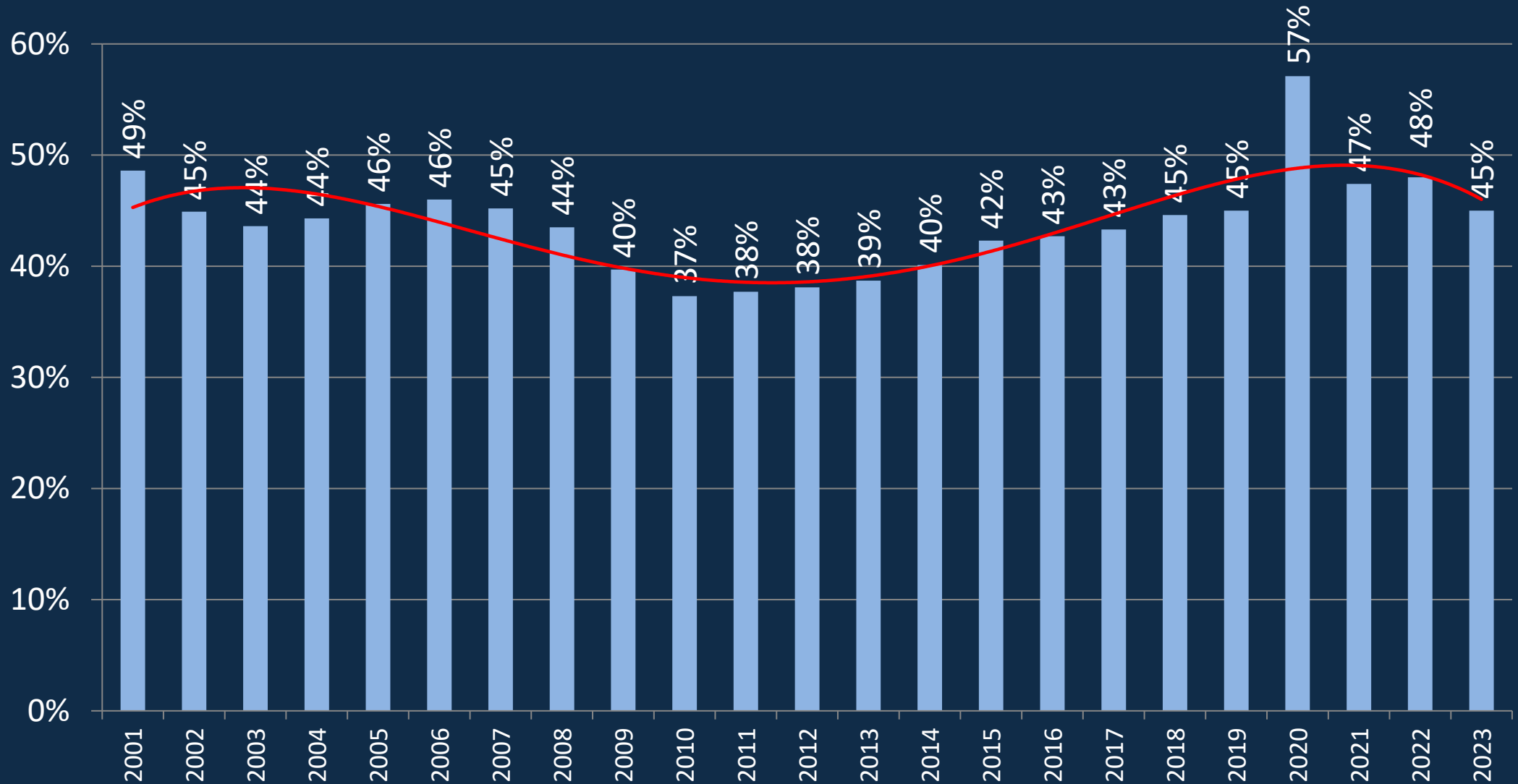
The country's shrinking population is a grim omen for the rest of the world



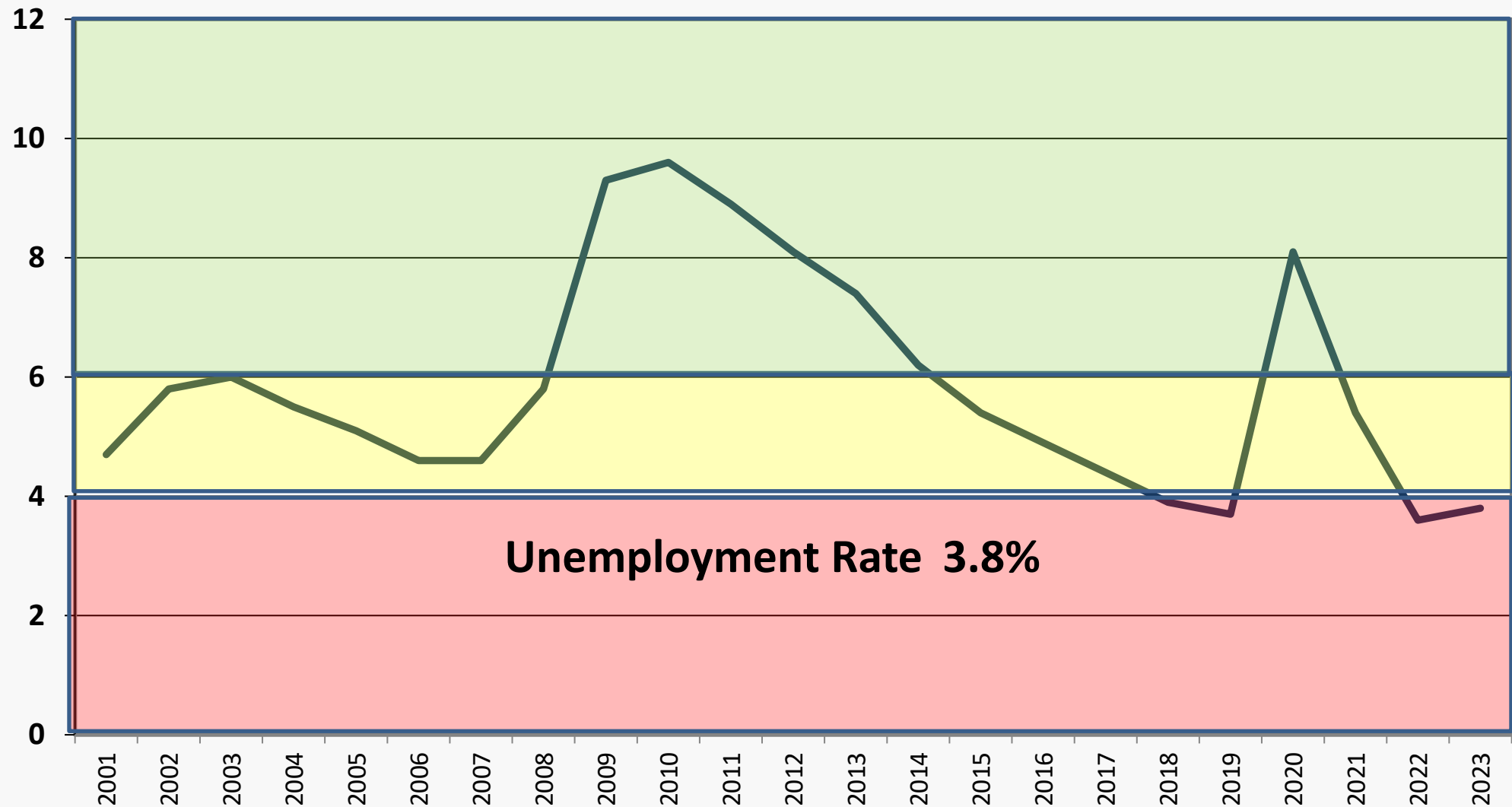
# Today's Talent Market



# National Employee Turnover Rate

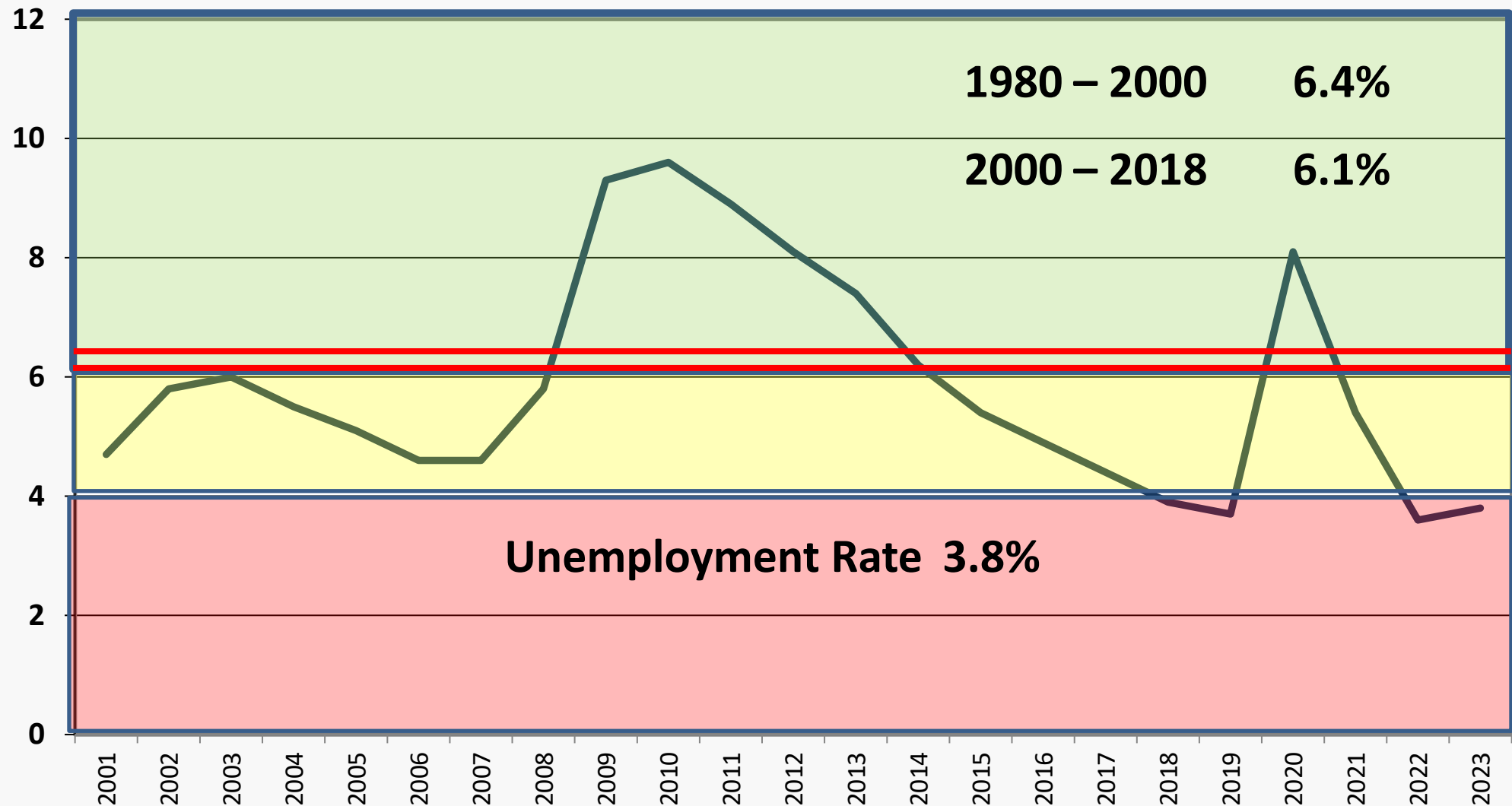


# National Unemployment Rate





# National Unemployment Rate



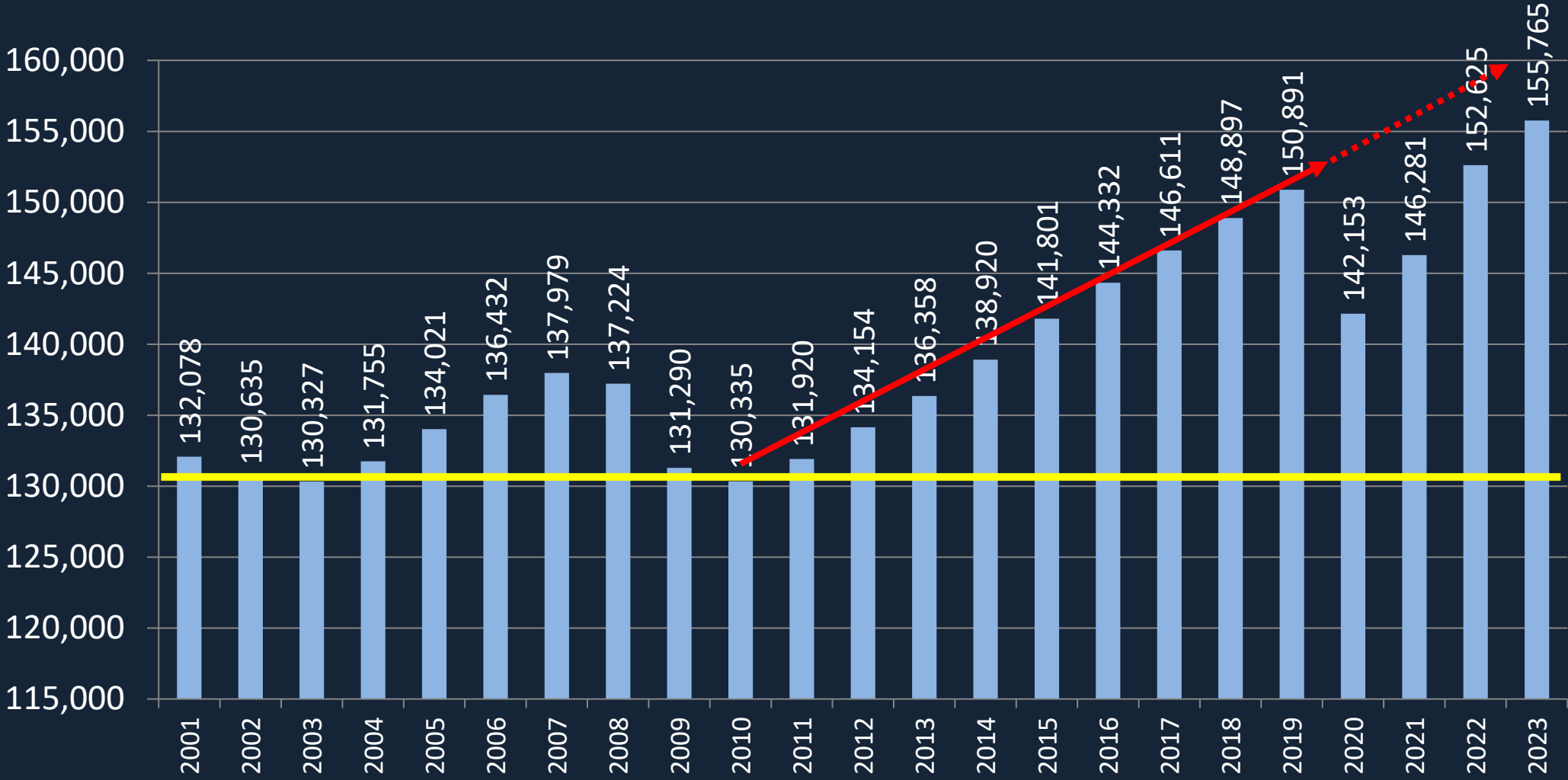
# Unemployment Rate

Alabama	2.1	Illinois	4.0	Montana	2.5	Puerto Rico	6.2
Alaska	3.8	Indiana	3.3	Nebraska	2.0	Rhode Island	2.8
Arizona	3.6	Iowa	2.7	Nevada	5.3	South Carolina	3.1
Arkansas	2.6	Kansas	2.7	New Hampshire	1.7	South Dakota	1.9
California	4.6	Kentucky	3.8	New Jersey	3.9	Tennessee	3.1
Colorado	2.9	Louisiana	3.4	New Mexico	3.6	Texas	4.1
Connecticut	3.6	Maine	2.4	New York	3.9	Utah	2.4
Delaware	4.1	Maryland	1.8	North Carolina	3.3	Vermont	1.8
Dist. of Columbia	5.0	Massachusetts	2.6	North Dakota	2.0	Virginia	2.5
Florida	2.2	Michigan	3.6	Ohio	3.3	Washington	3.6
Georgia	3.2	Minnesota	3.0	Oklahoma	2.7	West Virginia	3.4
Hawaii	2.8	Mississippi	3.0	Oregon	3.4	Wisconsin	2.6
Idaho	2.8	Missouri	2.7	Pennsylvania	3.5	Wyoming	3.0

**Totals:** 8% 36% 46% 8% 2% 0%

# Total Number of Jobs

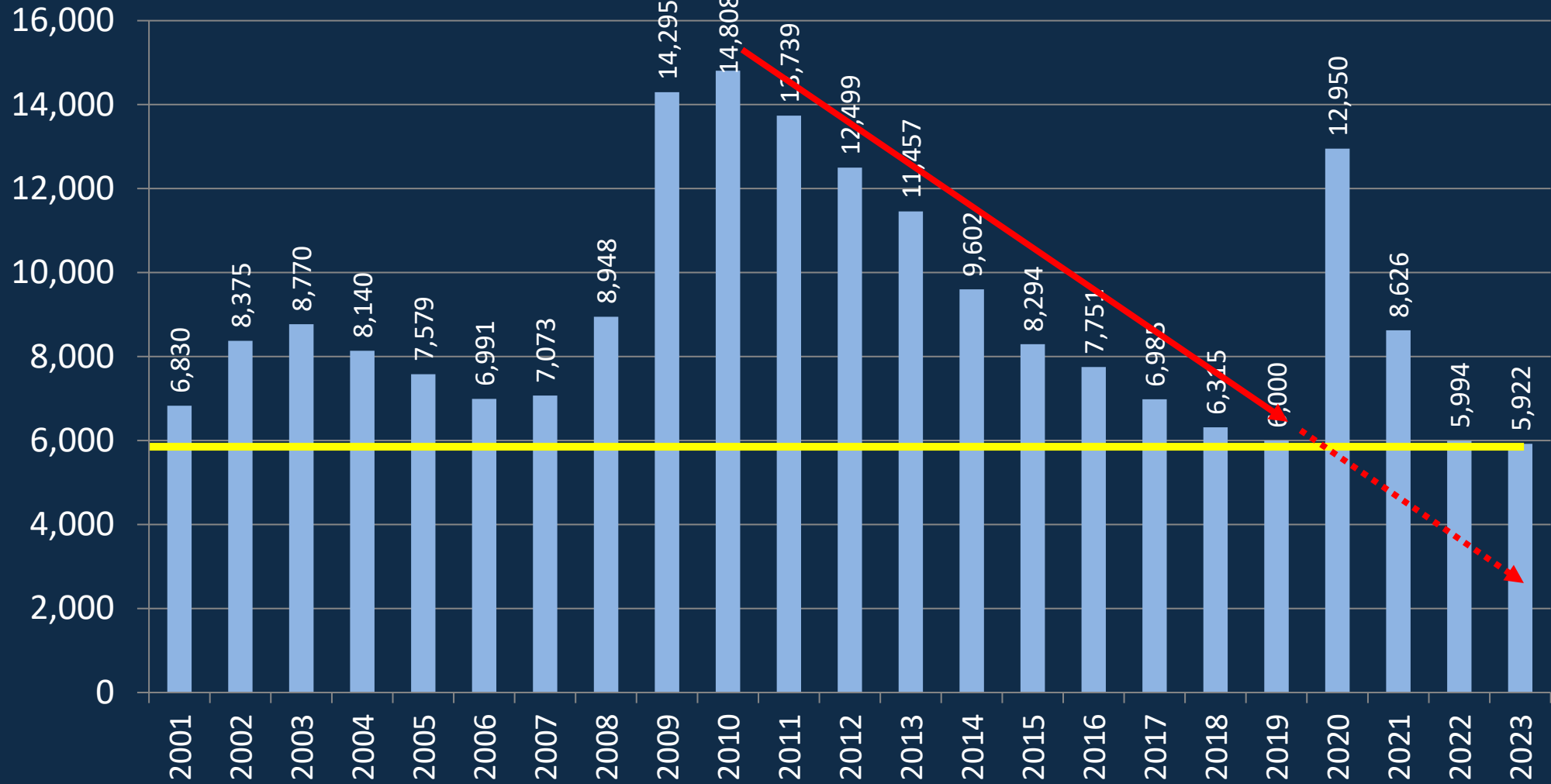
National  
Monthly Average in Thousands



# Total Unemployed

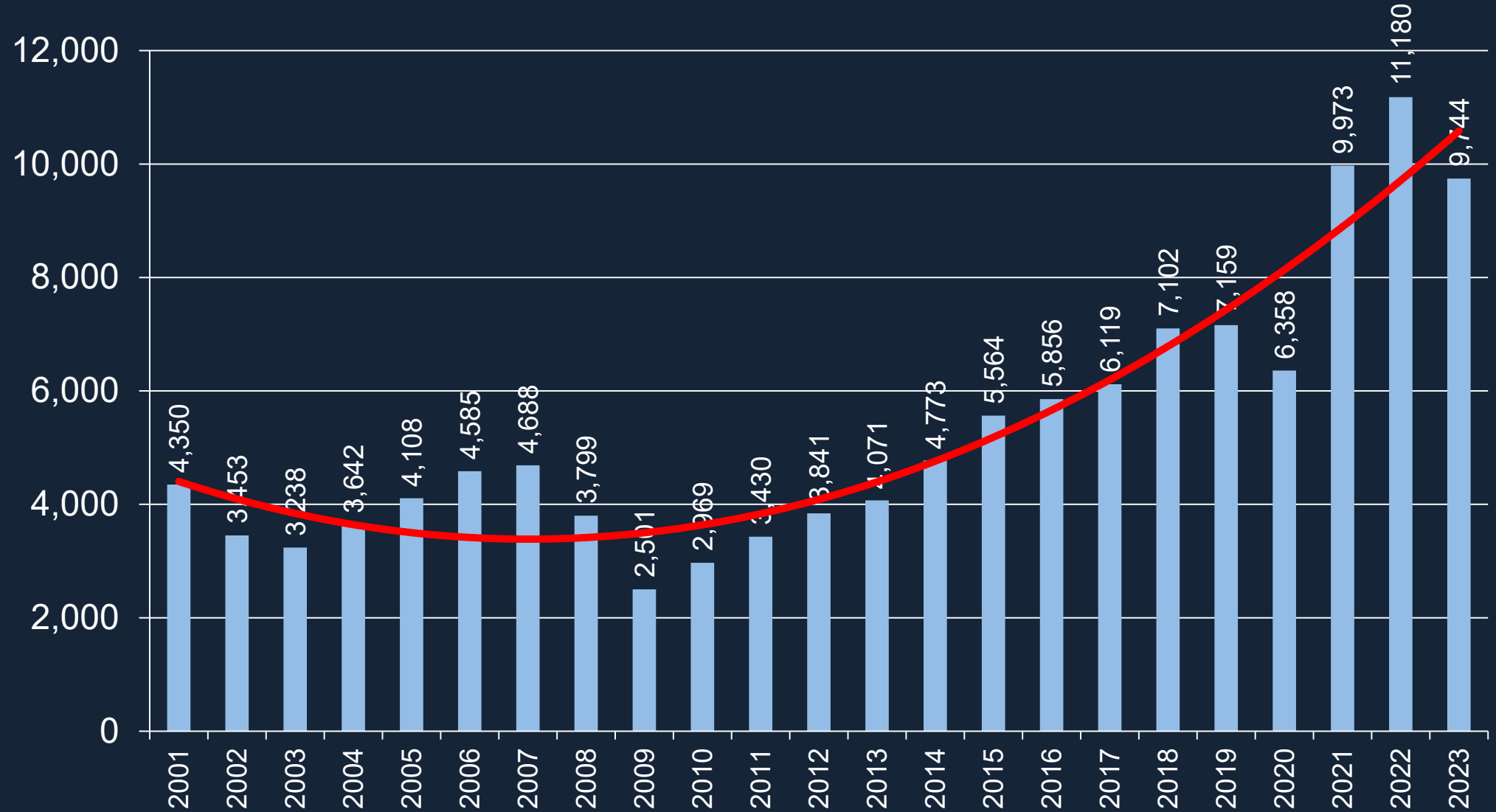
National

Monthly Average in Thousands



# Job Openings

National  
Monthly Average in Thousands



# 1.5

## Job openings for every unemployed person

### Employed

	Feb	Mar	Apr	May	Jun	Jul	Aug		Net
Employed	155,255,000	155,472,000	155,689,000	155,970,000	156,075,000	156,232,000	156,419,000		
Variance from Previous Month		217,000	217,000	281,000	105,000	157,000	187,000		1,164,000

### Unemployed

	Feb	Mar	Apr	May	Jun	Jul	Aug		Net
Unemployed	5,936,000	5,839,000	5,657,000	6,097,000	5,957,000	5,841,000	6,355,000		
Variance from Previous Month		-97,000	-182,000	440,000	-140,000	-116,000	514,000		419,000

### Openings

	Feb	Mar	Apr	May	Jun	Jul	Aug		Average
Openings	9,974,000	9,745,000	10,320,000	9,616,000	9,165,000	8,827,000			
Ratio	1.7	1.7	1.8	1.6	1.5	1.5			1.6

# 2.2

## Job openings for every unemployed person

### Employed

	Jan	Feb	Mar	Apr	May	Jun	Jul		Net
Employed	10,568,693	10,954,704	10,638,449	10,679,485	10,711,363	10,748,900	10,785,304		
Variance from Previous Month		386,011	-316,255	41,036	31,878	37,537	36,404		216,611

### Unemployed

	Jan	Feb	Mar	Apr	May	June	Jul		Net
Unemployed	285,839	284,361	283,229	280,772	286,969	290,022	295,349		
Variance from Previous Month		-1,478	-1,132	-2,457	6,197	3,053	5,327		9,510

### Openings

	Jan	Feb	Mar	Apr	May	Jun	Jul		Average
Openings	699,000	634,500	662,000	669,000	623,000	643,000			63,583
Ratio	2.4	2.2	2.3	2.3	2.2	2.2			

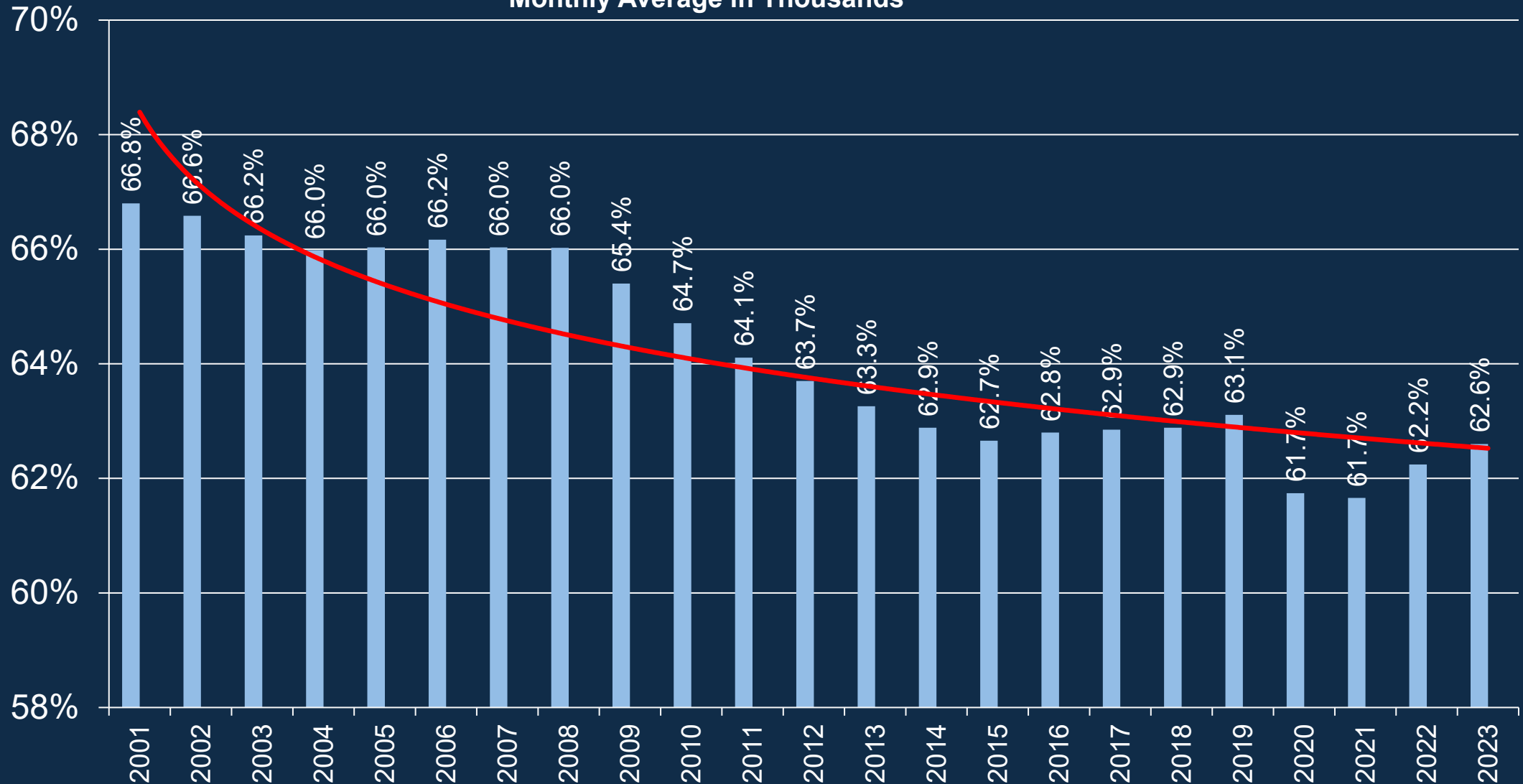
# Job Openings

Alabama	2.7	Illinois	1.7	Montana	2.7	Rhode Island	1.7
Alaska	2.0	Indiana	1.7	Nebraska	3.1	South Carolina	2.3
Arizona	1.7	Iowa	2.2	Nevada	1.3	South Dakota	3.5
Arkansas	2.6	Kansas	2.1	New Hampshire	3.0	Tennessee	2.2
California	1.2	Kentucky	1.9	New Jersey	1.2	Texas	1.4
Colorado	2.4	Louisiana	3.4	New Mexico	2.0	Utah	2.6
Connecticut	1.2	Maine	2.5	New York	1.1	Vermont	2.8
Delaware	1.7	Maryland	3.1	North Carolina	2.2	Virginia	2.5
Dist. of Columbia	2.3	Massachusetts	2.8	North Dakota	3.5	Washington	1.2
Florida	2.1	Michigan	1.5	Ohio	1.9	West Virginia	2.1
Georgia	2.2	Minnesota	2.3	Oklahoma	2.5	Wisconsin	2.4
Hawaii	1.4	Mississippi	2.3	Oregon	1.6	Wyoming	2.0
Idaho	2.2	Missouri	2.2	Pennsylvania	1.4		



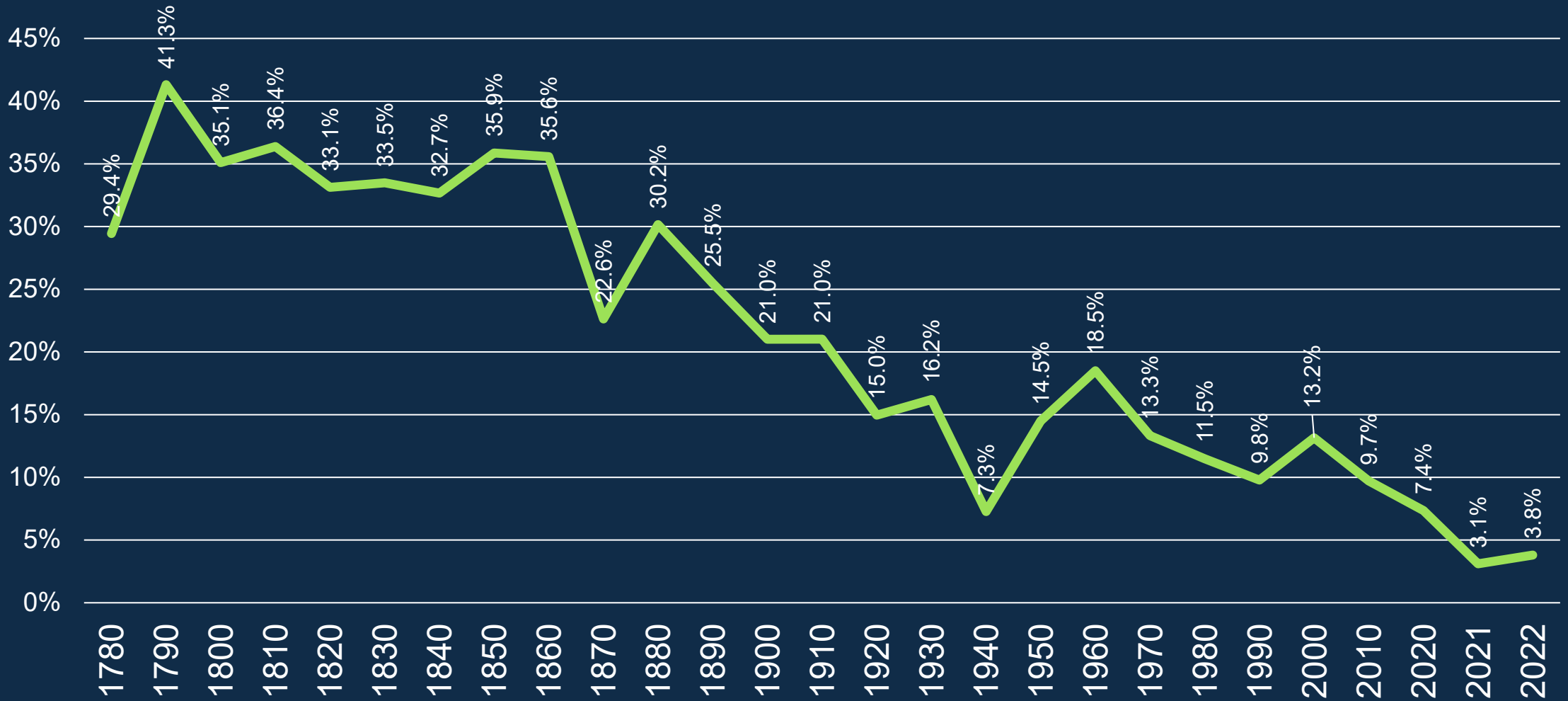
# Labor Participation Rate

National  
Monthly Average in Thousands

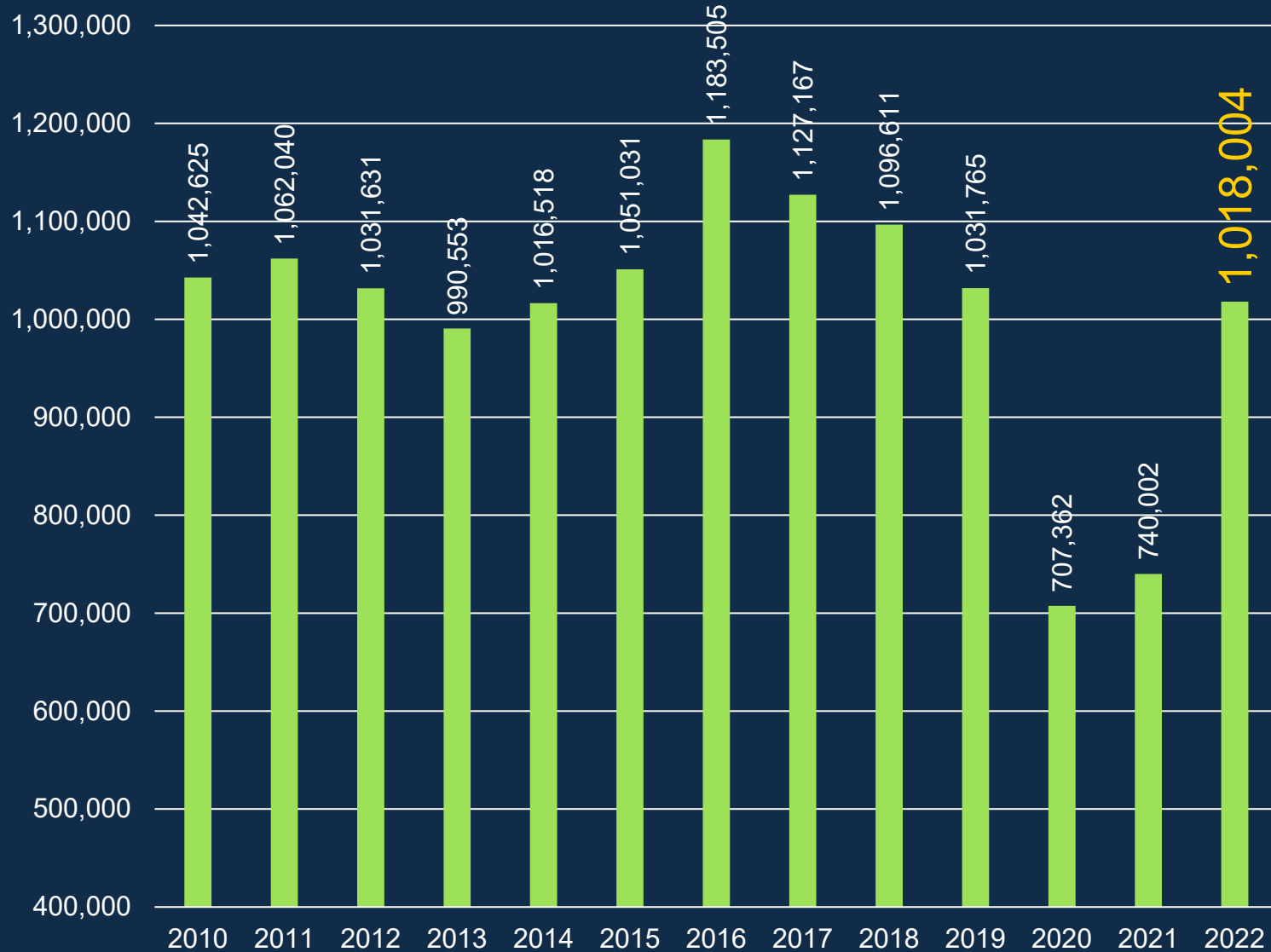


# Growth Rate Of Total Population

(National)



# Lawful Permanent Immigration 2016-2023



## Nonimmigrant Visas

2018 – 9,028,026

2019 – 8,742,068

2020 – 4,013,210

2021 – 2,792,083

2022 – 6,815,120



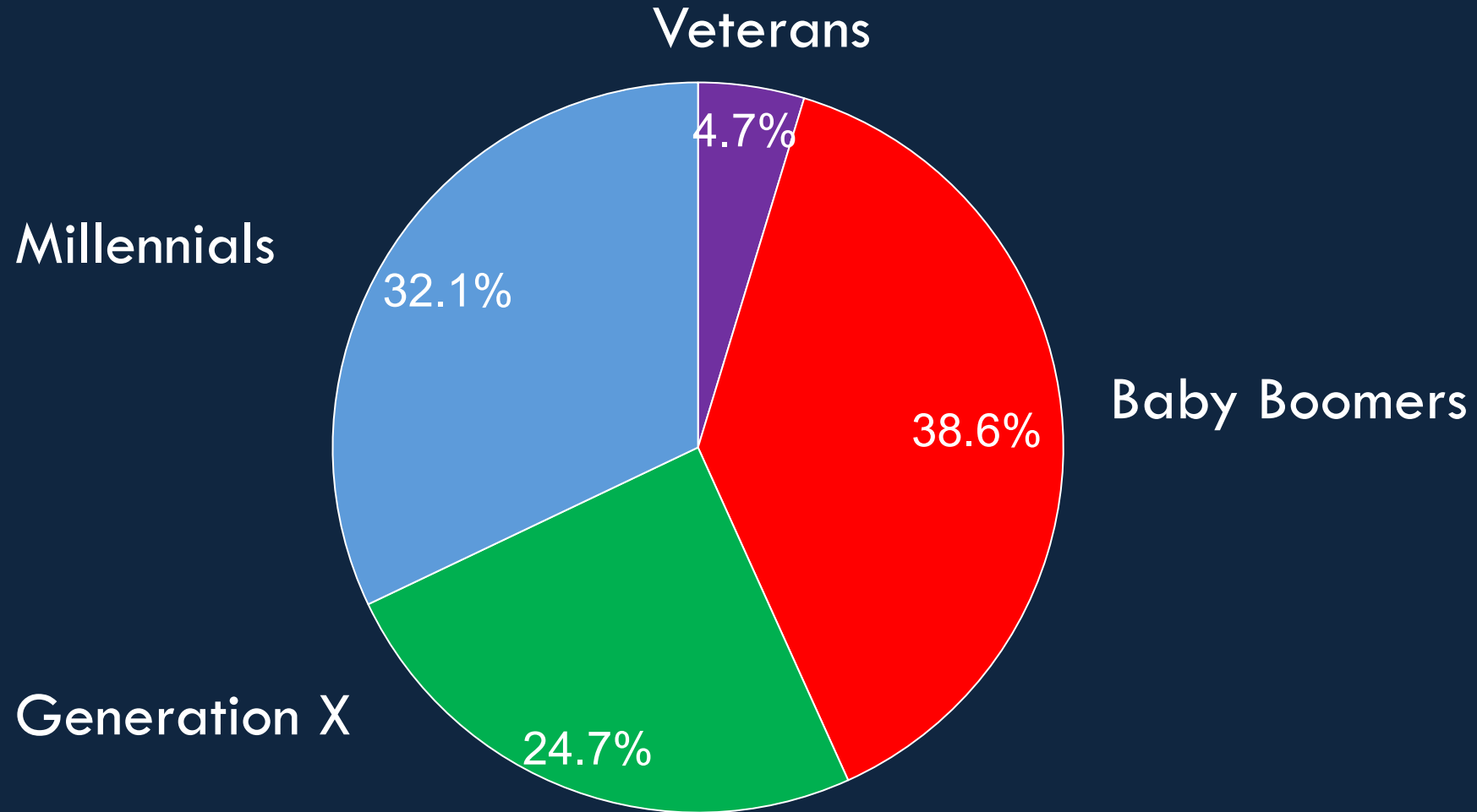
**Where Did They Go?**

# They Are Mobile

2022 (Estimates)

10 States with Numeric Loss of Populations in 2022		10 States with Numeric Gain of Population in 2022	
California	- 113,649	Texas	+470,708
New York	- 180,341	Florida	+ 416,754
Illinois	- 104,437	North Carolina	+ 133,088
Pennsylvania	- 40,051	Georgia	+ 124,847
Louisiana	- 36,857	Arizona	+ 94,320
Oregon	- 16,164	South Carolina	+ 89,368
West Virginia	- 10,370	Tennessee	+ 82,988
Maryland	- 9,950	Washington	+ 45,041
Mississippi	- 9,529	Utah	+ 41,687
Ohio	- 8,284	Idaho	+ 34,719

# 2013 Workforce by Generations



Baby Boomers and Veteran Generation Defined The Workplace

# Today's Workforce

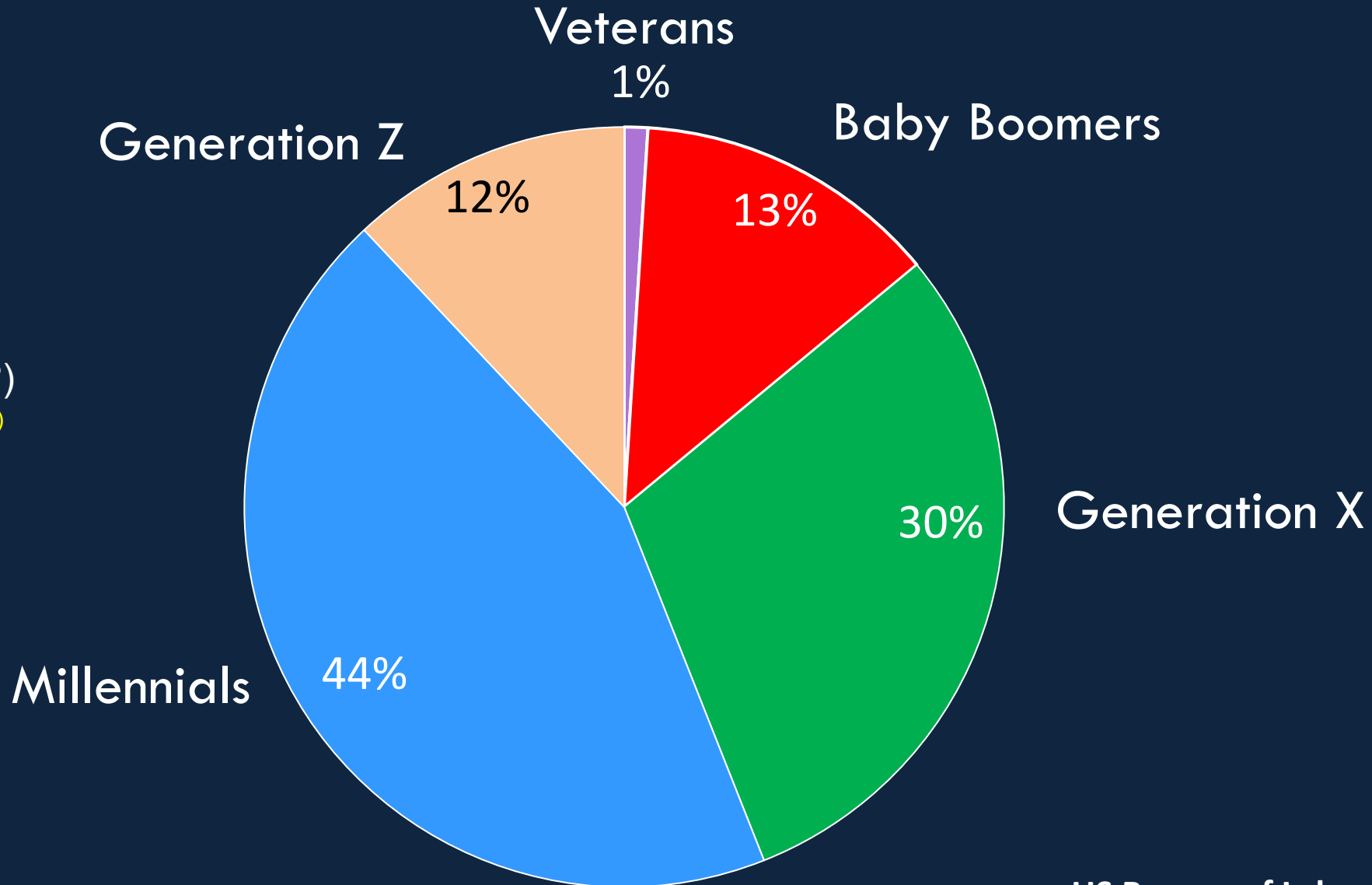
Veteran Generation  
(78 and above)

Baby Boomers  
(59 - 77 years old)

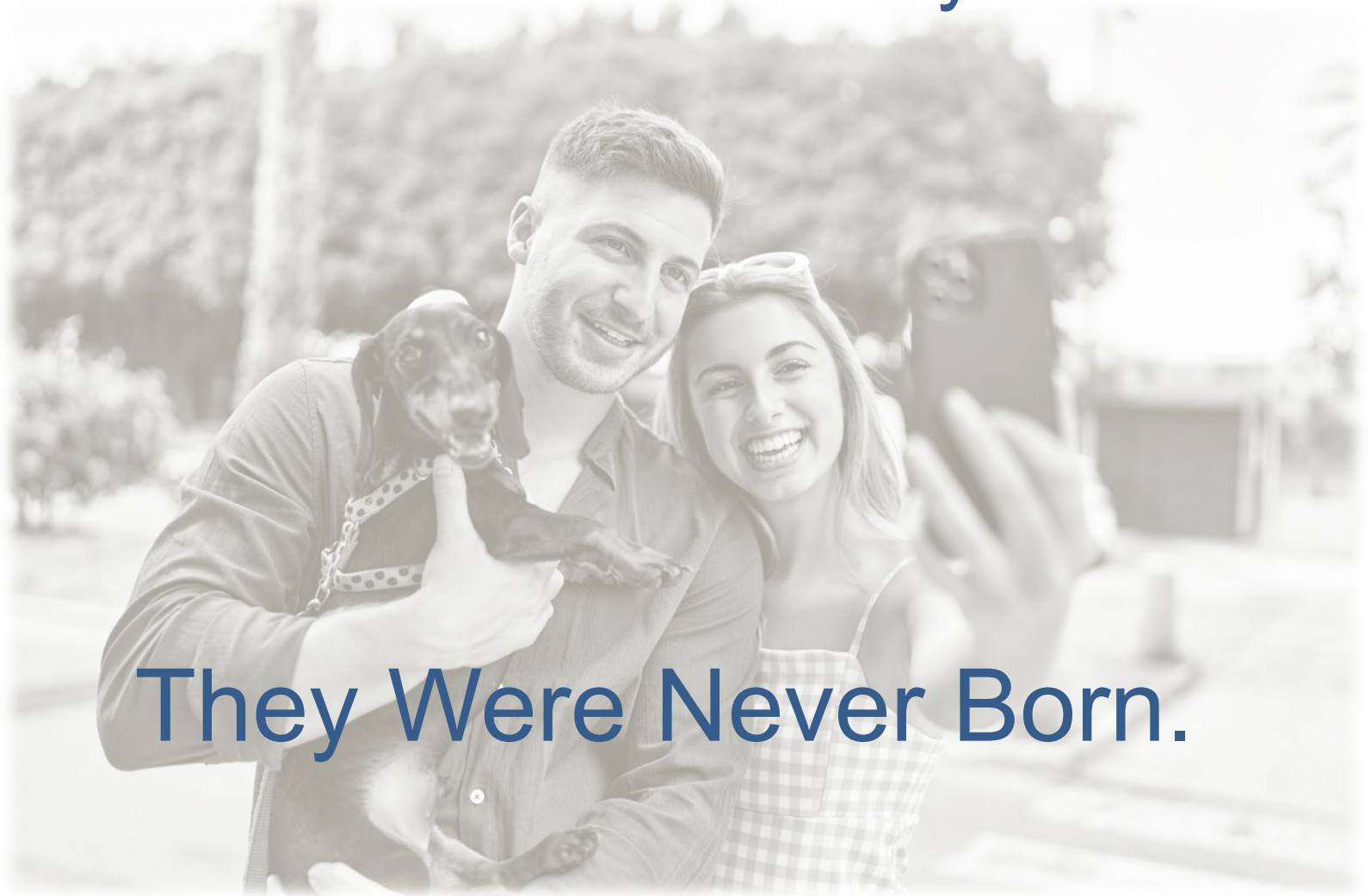
Generation X  
(43 - 58 years old)

Millennials  
(24 - 42 years old)

Generation Z (?)  
(Up to 23 years old)



# The Number One Reason We Don't Have Workers Today...

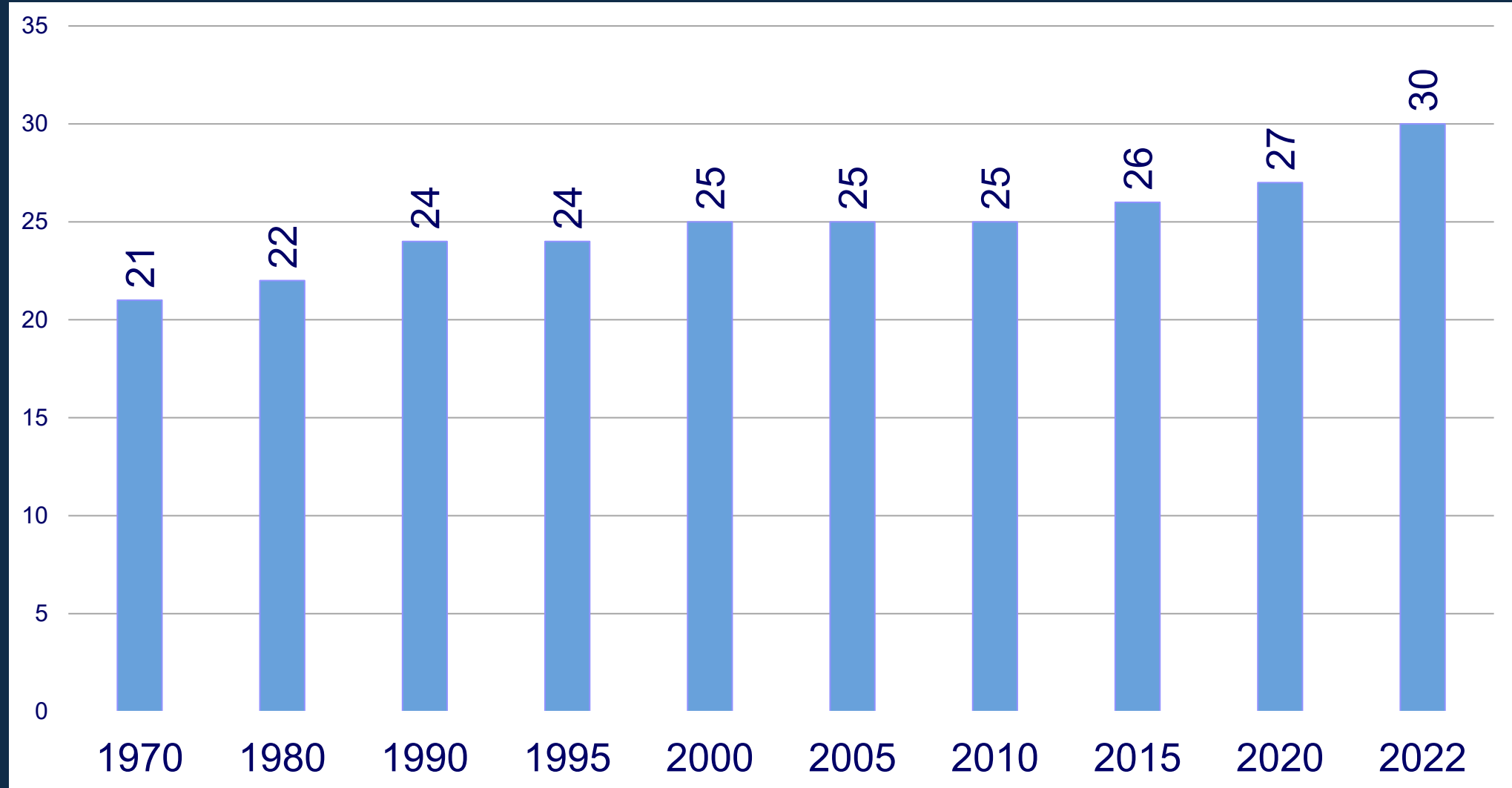


They Were Never Born.

*They have puppies instead! 😊*

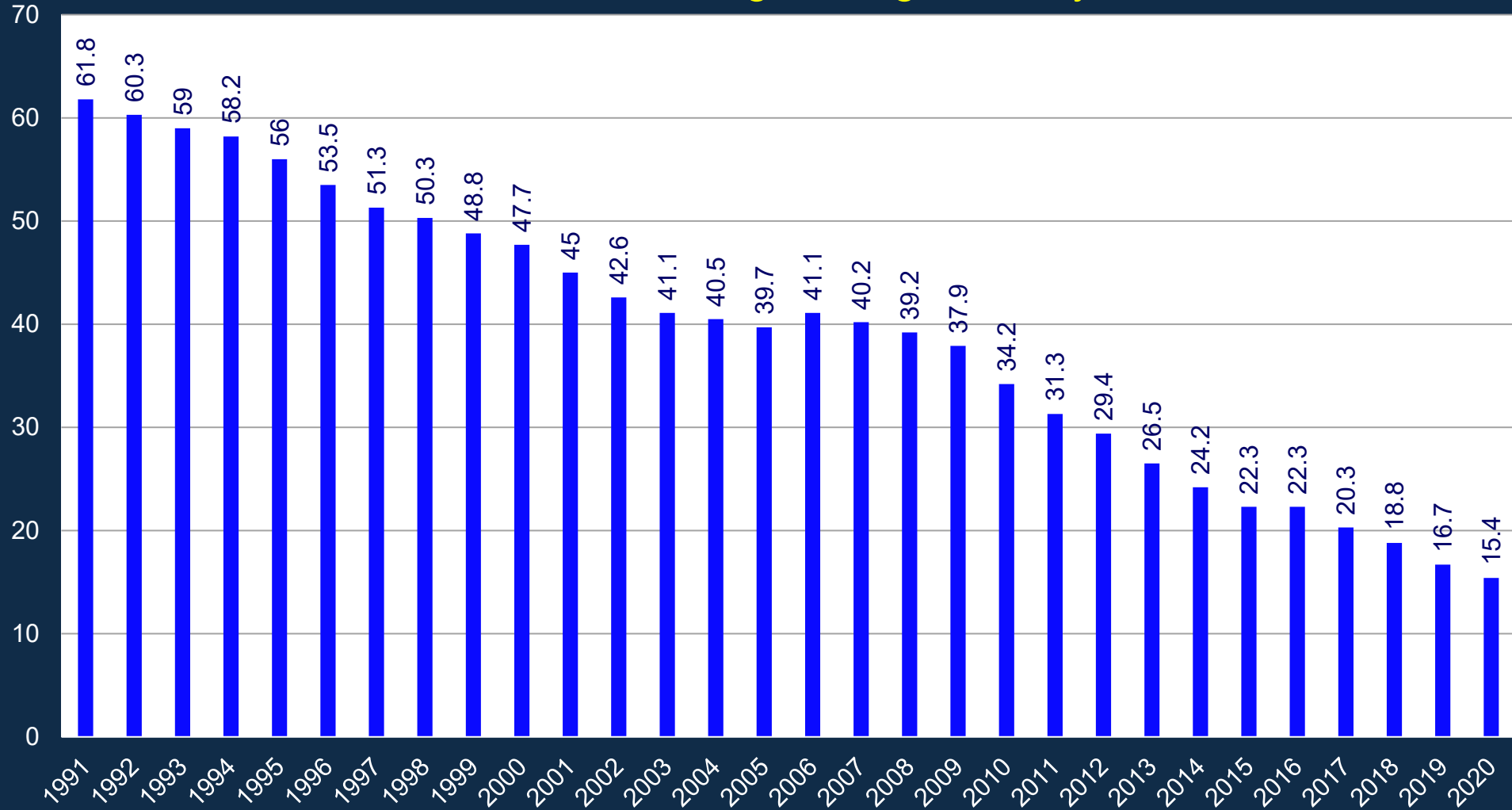


# Average Age for First Child



# Good News

Birth rate amount U.S. teenagers - Age 15-19 years.is down.



Per 1,000 females 15 – 19 years of age

It is not that they don't want to work.

They don't exist. They are gone.

# Labor Productivity is Down

Jul 2021	Oct 2021	Jan 2021	Apr 2022	Jul 2022	Oct 2022	Jan 2023	Apr 2023	Net
-3.0	3.0	-6.0	-3.7	1.2	1.6	-1.2	3.5	-4.6

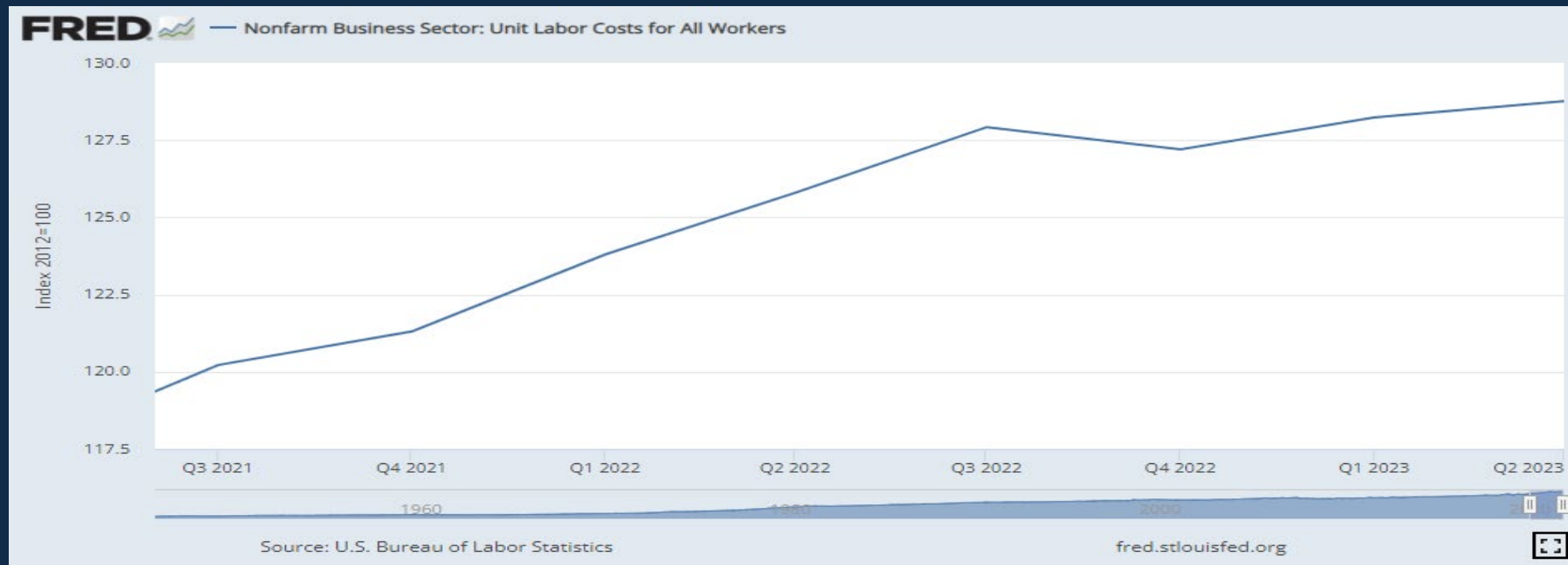
## Labor Productivity 3rd Qtr. 2021 - 2nd Qtr. 2023



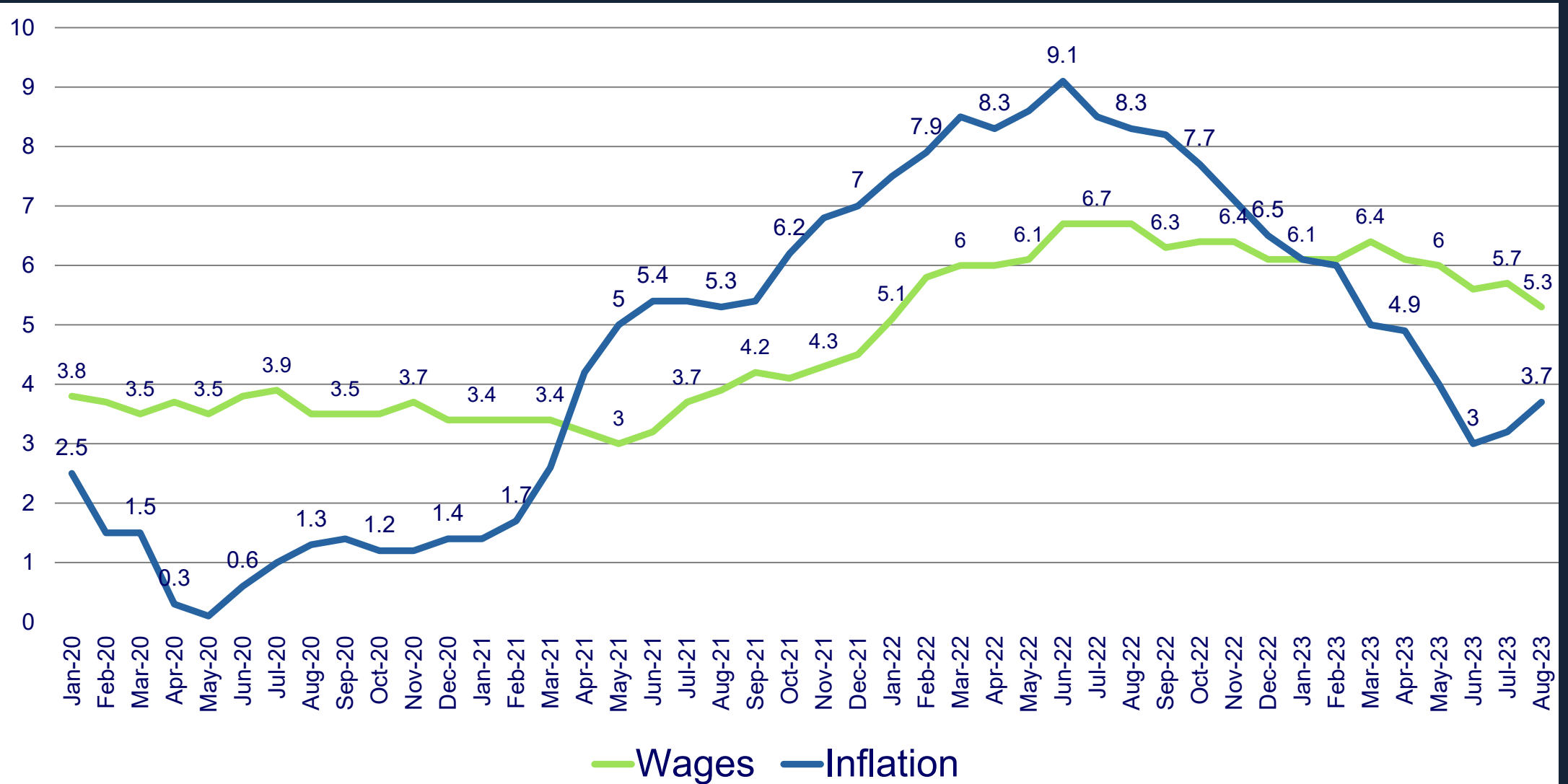
# Unit Labor Costs is Up

Jul 2021	Oct 2021	Jan 2021	Apr 2022	Jul 2022	Oct 2022	Jan 2023	Apr 2023	Net
2.21	.90	2.06	1.61	1.69	<b>-.57</b>	.82	.54	9.26

## Labor Costs 3rd Qtr. 2021 - 2nd Qtr. 2023

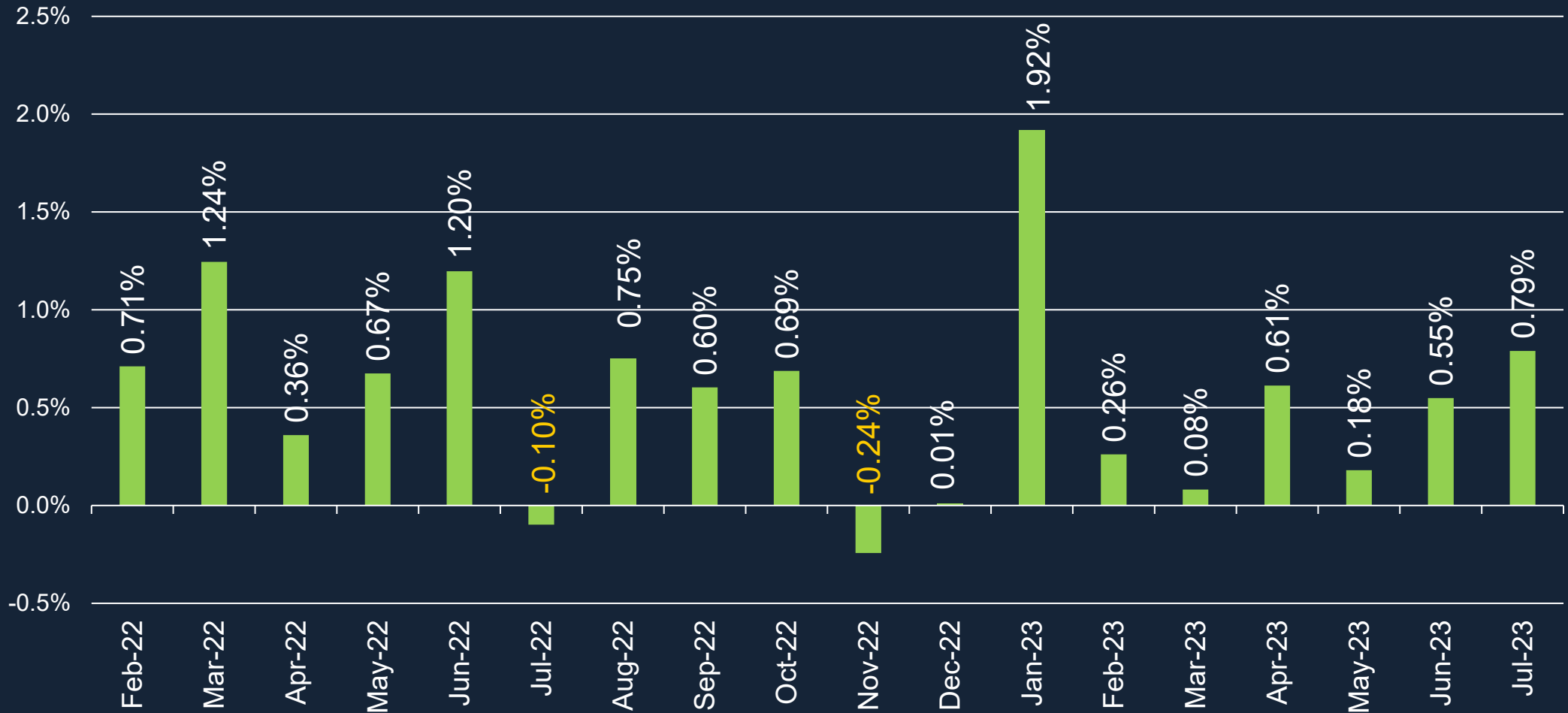


# Inflation versus Wage Growth



# Consumer Spending

Change in Personal Consumption Expenditures by Month





# What We Know



# We Know Our Approach To Labor Is Being Challenged.

For all our working lives, employers have controlled the talent market.

**We managed our workforce in a culture that allowed us to reach into the community, identify talent, establish expectations for performance and then set the monetary exchange for those services. We freely hired and fired to meet our needs.**

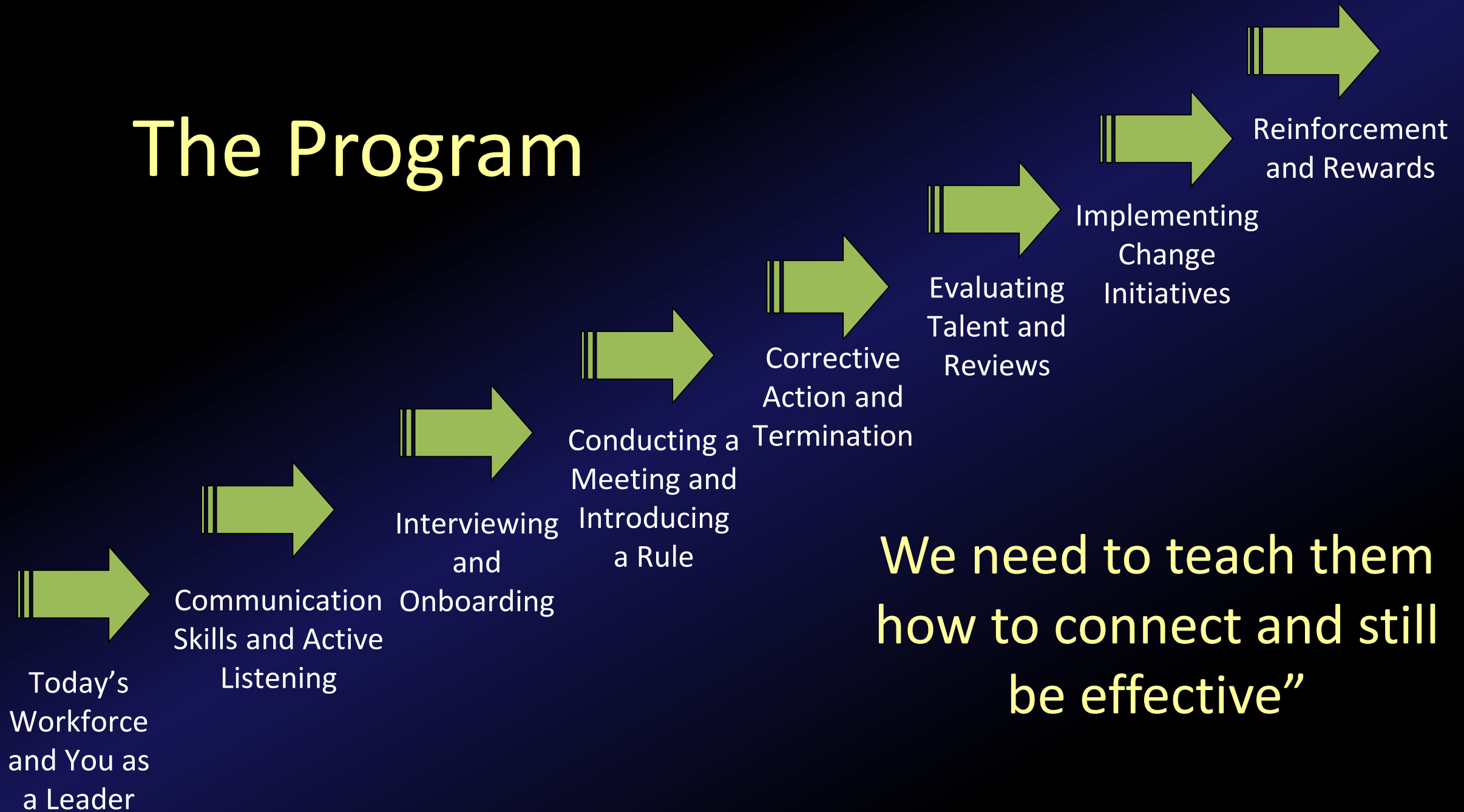
Today, that freedom is being challenged.

# Employers Must Understand

You need them,  
more than they  
need you.

Everything we  
learned in the  
1900's must be  
challenged.

# The Program



**We need to teach them how to connect and still be effective”**

# Your Recruitment

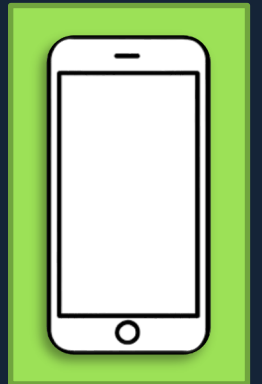


- How are you branded? (Website, Social Media, Community)
- How long does it take to express interest in working for you? (Apply)
- How impressive is the interview experience?
- Do you use behavioral and cognitive assessments?
- How thorough is your development process?

**Are You Impressive In These Areas?**

# Behavioral and Cognitive Assessments

Answer 2 Questions and  
receive a complete  
Behavioral Assessment  
of yourself.



Predictive Index Assessments  
*Leading Behavioral Assessment in 2022*

<https://assessment.predictiveindex.com/bo/pkQ/SHRMChapterSample>

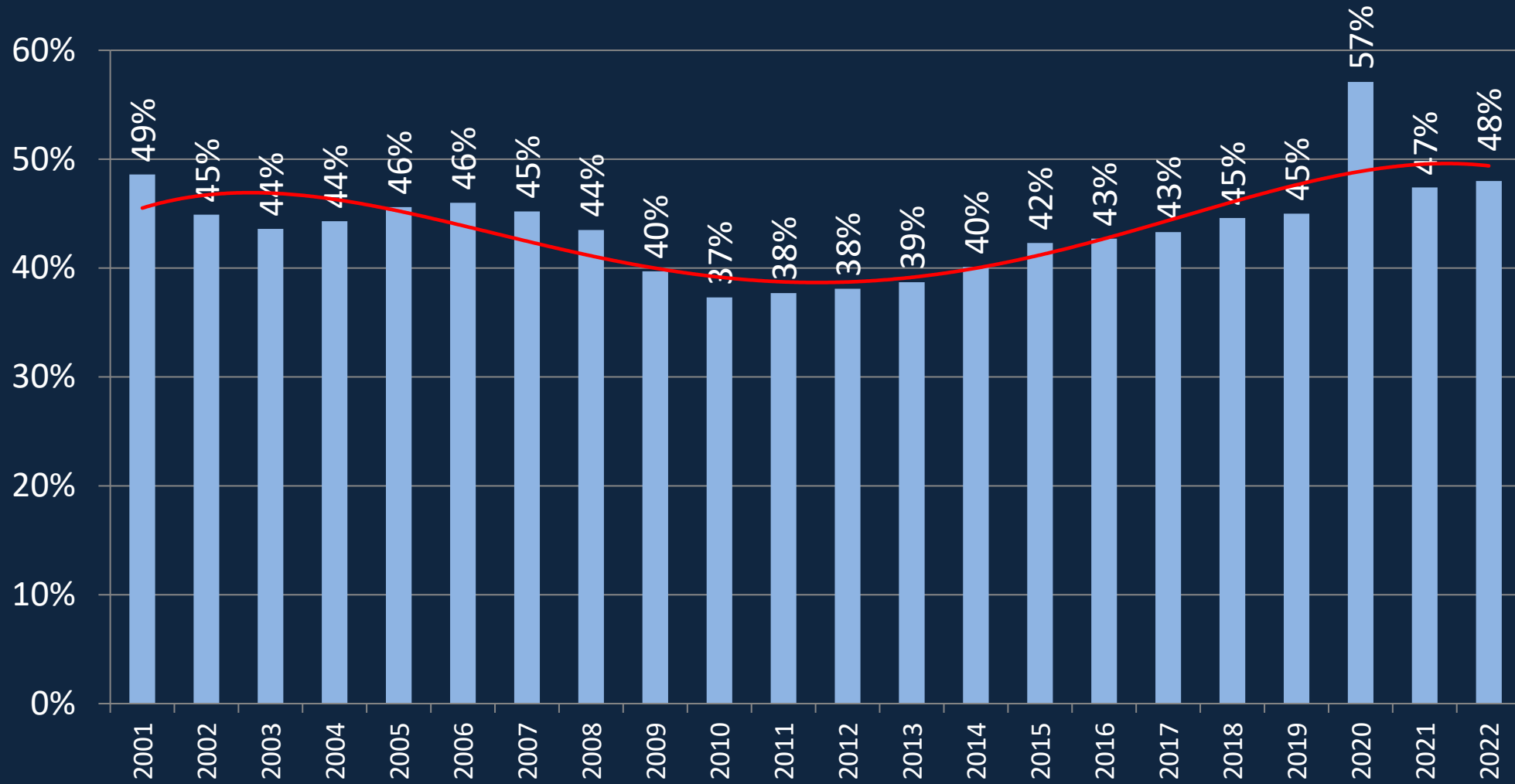


# Today's Worker

# Today's Worker

- Feeling cared about.
- To be paid for their contributions today, not one year from now.  
(Longevity and its affects on the pay scale)
- Standards (Rules) that make sense today, not from the 1900's.
- Having someone who encourages their development. Understanding of  
“why” things are done. (Thorough Understanding)
- Flexibility to experience life (Work-Life Balance - Wellness)
- Opportunities to learn more (Something greater)
- Honesty
- Having a best friend at work.

# Or They Will Leave



Because They Can!



# Truly Talented Worker

*“I am a commodity, and I will sell my talent to the best employer.”*

*“You need me.”*

# Marginally Talented Worker

*“I am a commodity, and I will sell my talent to the best employer.”*

*“You need me.”*

# Less Than Talented Worker

*“I am all you got.”*

*“You need me.”*

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