

# The Conference Board Special Webcasts

Labor Market Update and the Short-Term Outlook  
November 18, 2020



## Some of the topics we will be addressing today

- What are the **latest labor market data** and unemployment projections for 2021?
- What are the projected **wage and salary trends**?
- Which groups of **workers and industries** are most impacted?
- Why is **hiring** for some companies still difficult?
- Why **working from home** may become the new normal?
- What are the differences in labor market conditions across **US regions**?



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# Today's Presenters



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- **The US Labor Market Round Up** series breaks down the monthly jobs report into digestible insights
  - ✓ [October Jobs Report and the Top 10 Pandemic Job Market Trends](#)
- **Deep dive episodes** provide insights on timely labor market topics
  - ✓ [The Post-COVID US Labor Market](#)
  - ✓ [The Delayed Wage Crunch](#)
  - ✓ [International Labor Markets – difference between the US, Europe, and Emerging Markets](#)



# Labor Market Outlook

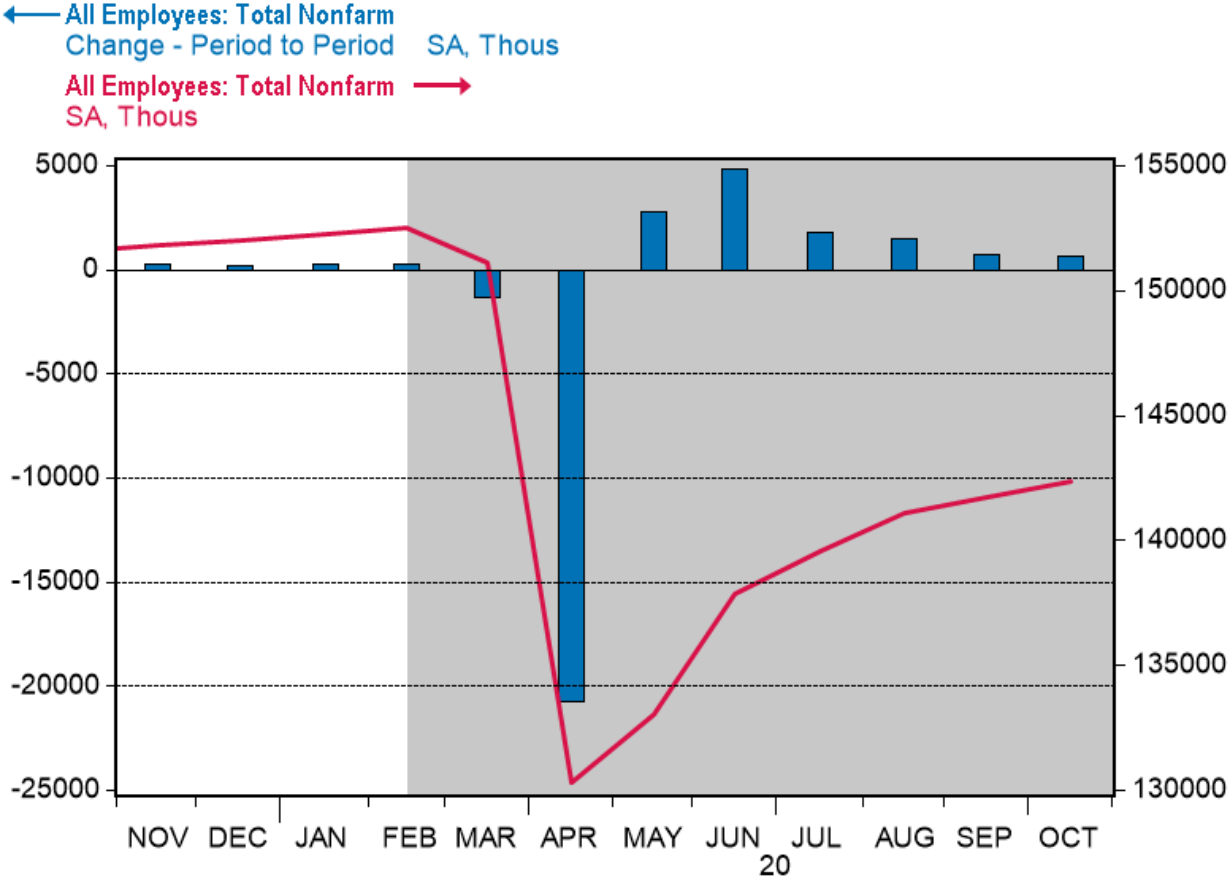
## Employment, Unemployment, and Hiring Difficulties

# Economic and Labor Market Outlook

- Initially, **the deepest recession** since the Great Depression
- Recovery **stronger** than expected, but is slowing down
- Main economic factor in the next 3-6 months: the **rapid increase in COVID-19** cases may slow the economy further
- Strong spending on **goods**
- Currently, the unemployment rate **overstates the slack** in the labor market, at least for now
- **High** unemployment rate through early 2021
- It is **not easy to recruit** and **quits rate** are surprisingly high
- **Technology boom**
- The magnitude of the crisis will vary across **industries and locations** – **vacation destinations hardest hit**, as well as demographic groups
- Strong growth in **2021** if vaccine is widely distributed



# Employment growth is slowing



Source: Bureau of Labor Statistics

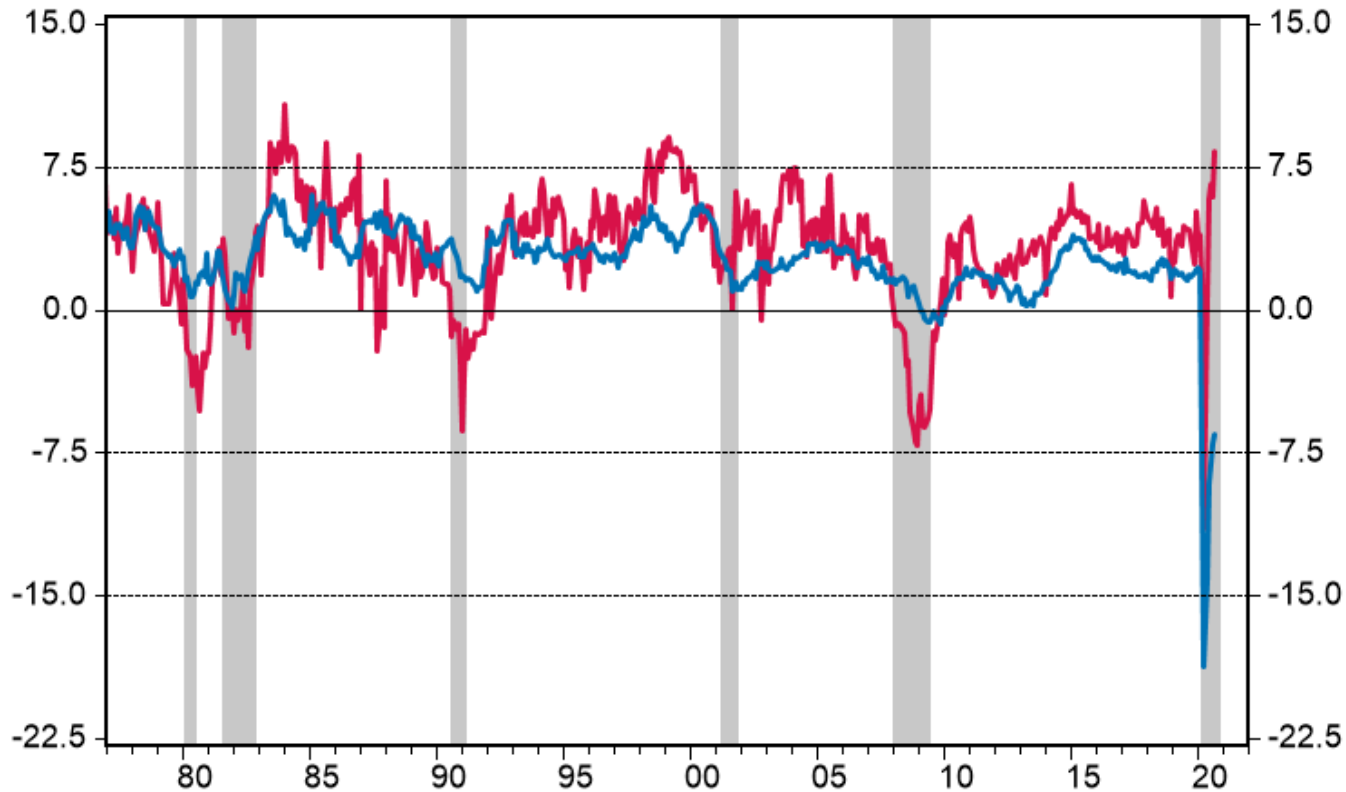




# Unlike in previous recessions, goods consumption skyrocketed while services collapsed

Real Personal Consumption Expenditures: Services  
12-month %Change SAAR, Chn.2012\$

Real Personal Consumption Expenditures: Goods  
12-month %Change SAAR, Chn.2012\$

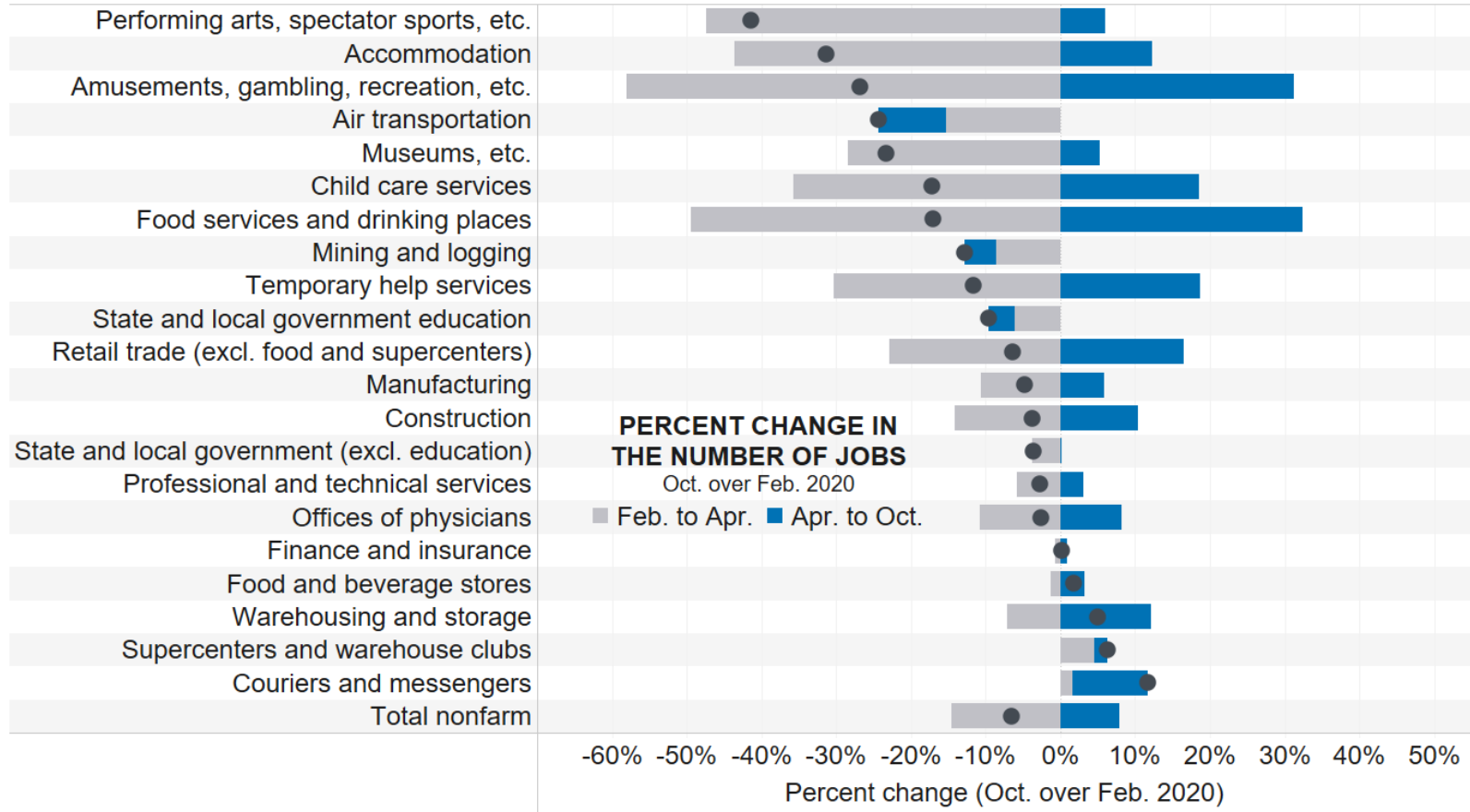


Source: Bureau of Economic Analysis



# Massive job losses in the US extend across industries, but some are more impacted than others

Percent change in the number of jobs, by industry

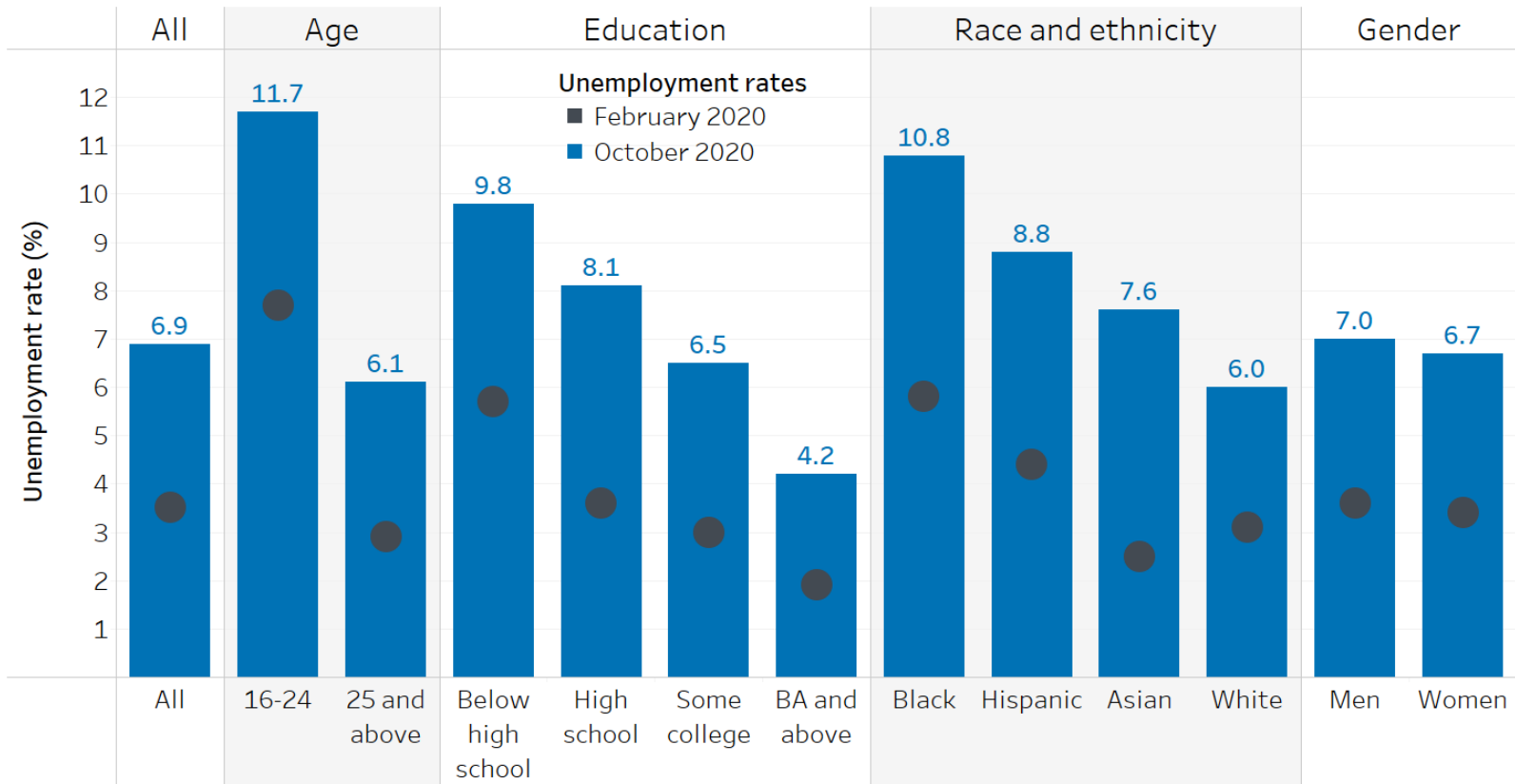


Source: The Conference Board using data from the US Bureau of Labor Statistics



# Young people, minorities, and less educated are harder hit by layoffs

Unemployment rates by demographic group

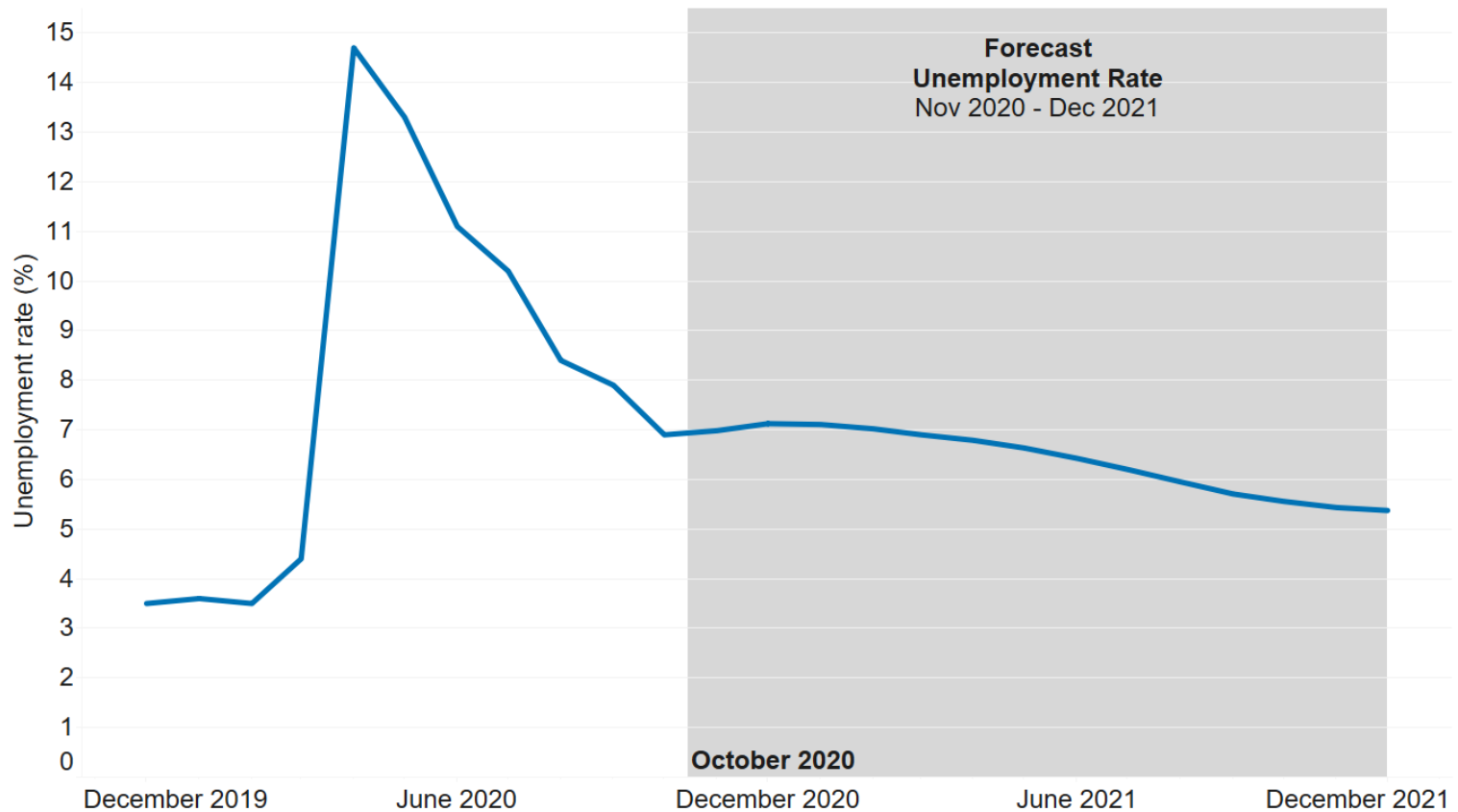


Source: US Bureau of Labor Statistics



# Unemployment rate dropped below 7 percent in October, but the outlook remains uncertain

US unemployment rate forecast in baseline scenario

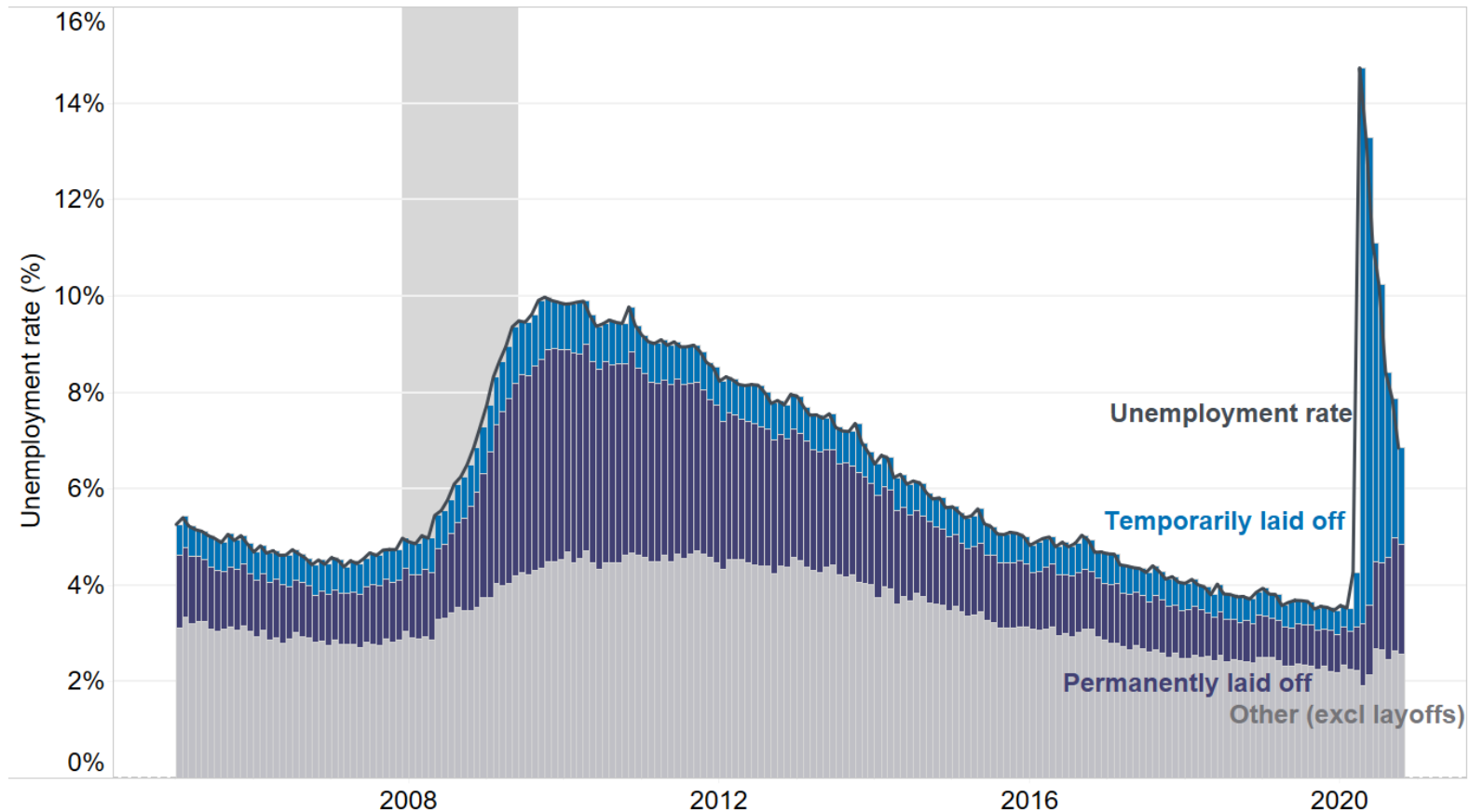


Source: The Conference Board; US Bureau of Labor Statistics



# The movement in the unemployment rate is almost entirely driven by temporary layoffs, different from other recessions

US unemployment rate decomposition by type of unemployment

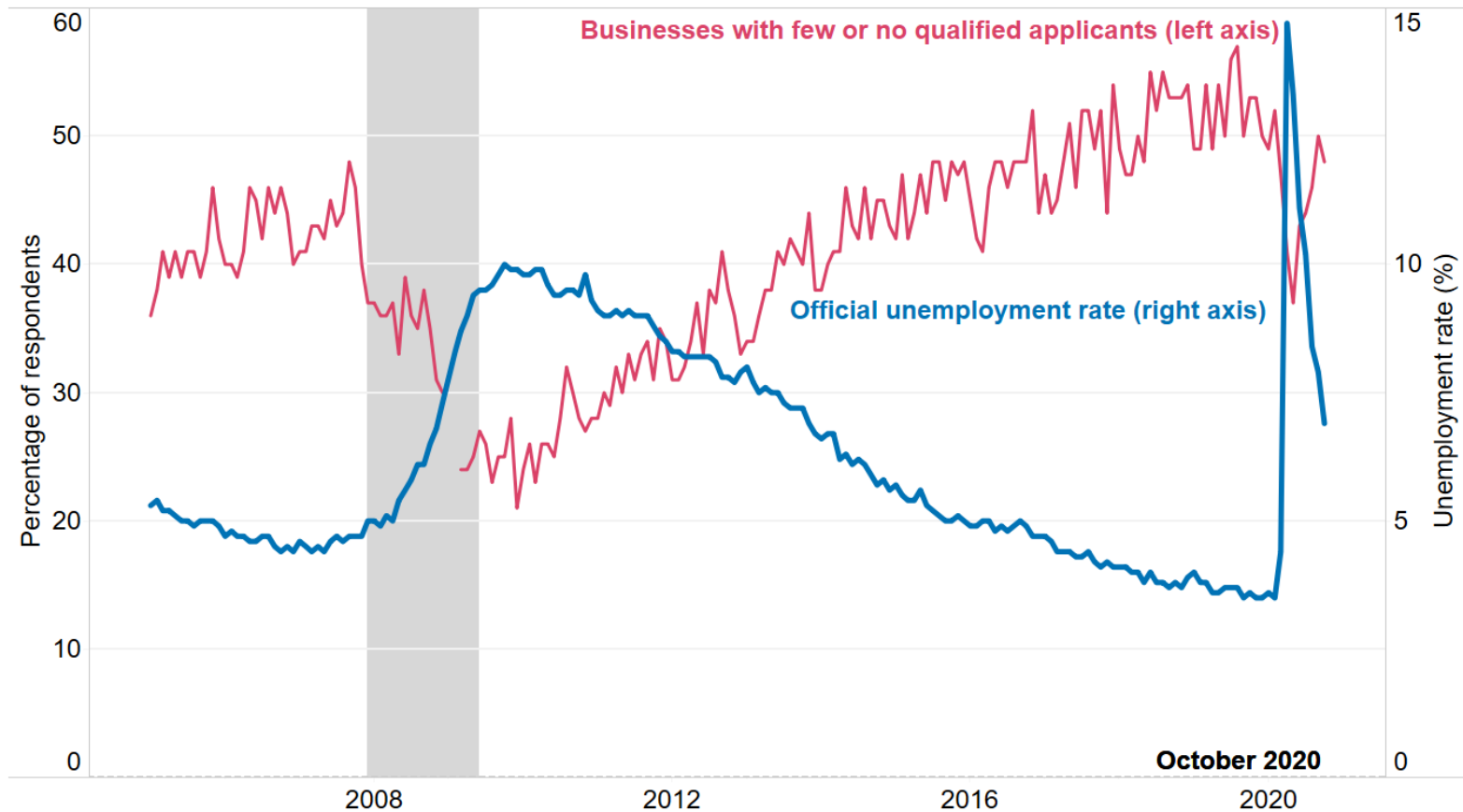


Source: The Conference Board; US Bureau of Labor Statistics



# Businesses have difficulties finding qualified workers; the unemployment rate overestimates slack in the labor market

The unemployment rate and the percent of businesses with few or no qualified applicants for job openings.

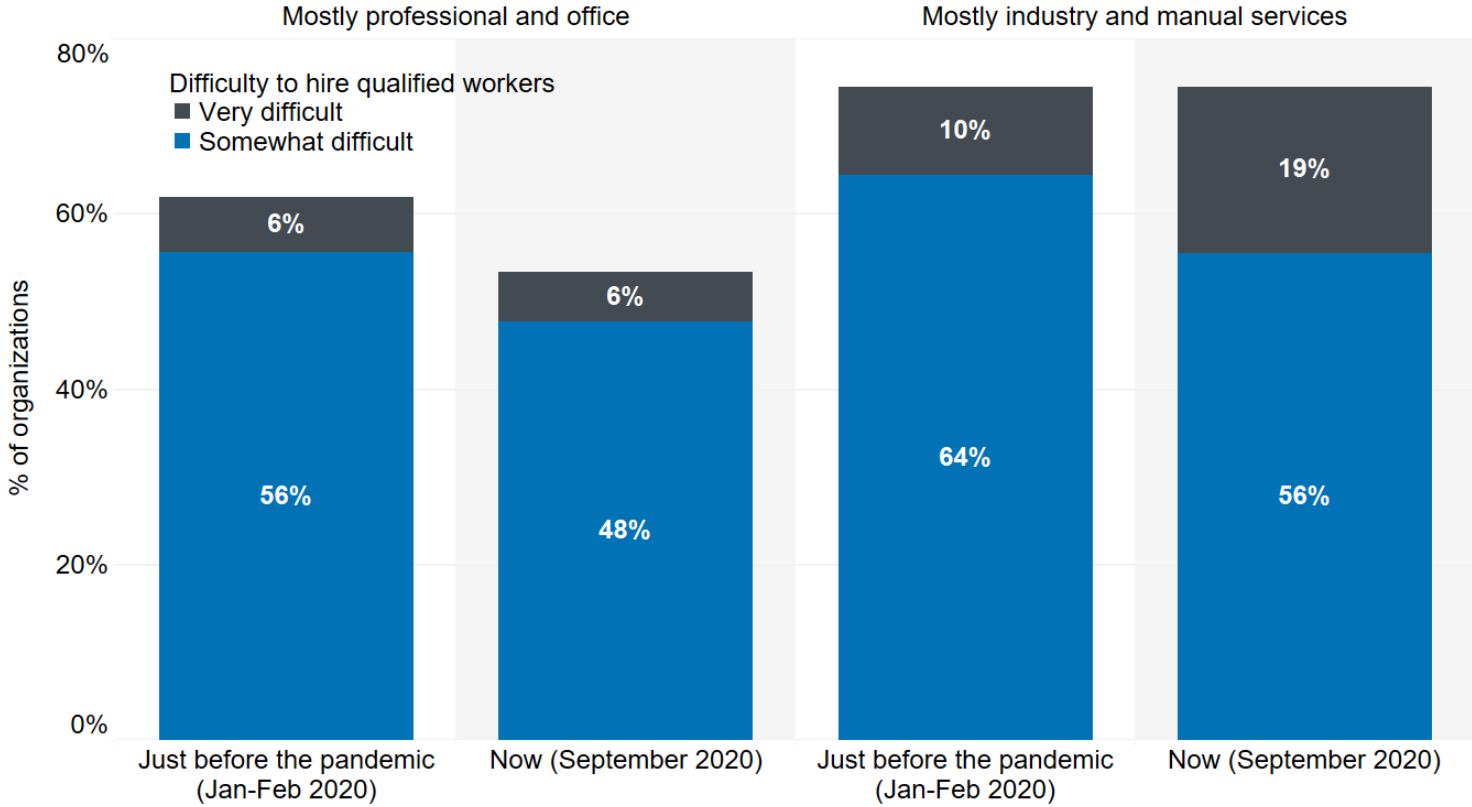


Sources: The Conference Board; US Bureau of Labor Statistics; National Federation of Independent Business



# Finding qualified workers is still a challenge for most surveyed organizations

In general, how difficult is it for your organization to find qualified workers?



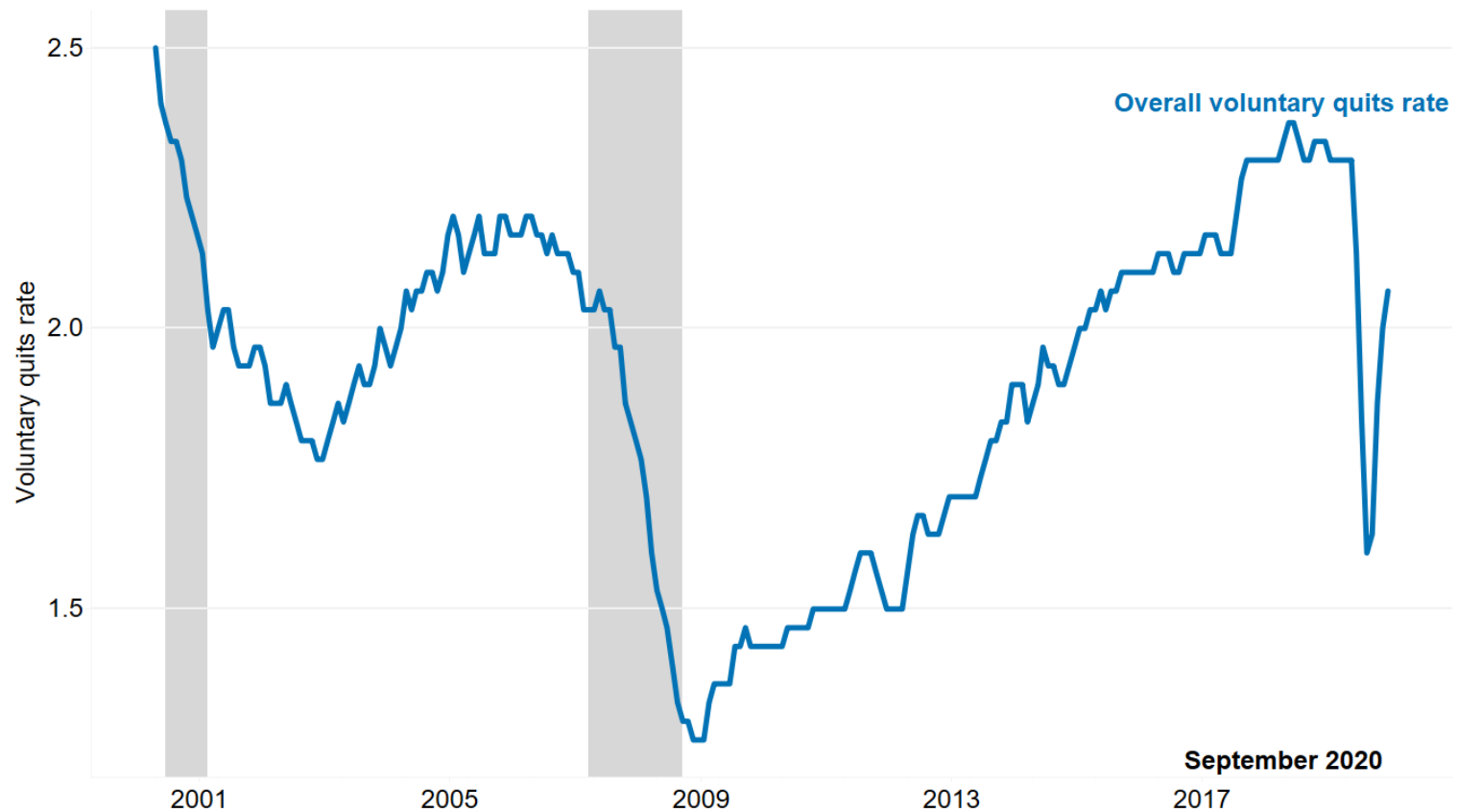
N=266

Source: The Conference Board; [Adapting to the Reimagined Workplace: Human Capital Responses to the COVID-19 Pandemic](#) (survey fielded September 14-25, 2020)



# Fewer workers are quitting their jobs compared to February, but we are far from recession rates

Voluntary quits rate, 3-months moving average, seasonally adjusted



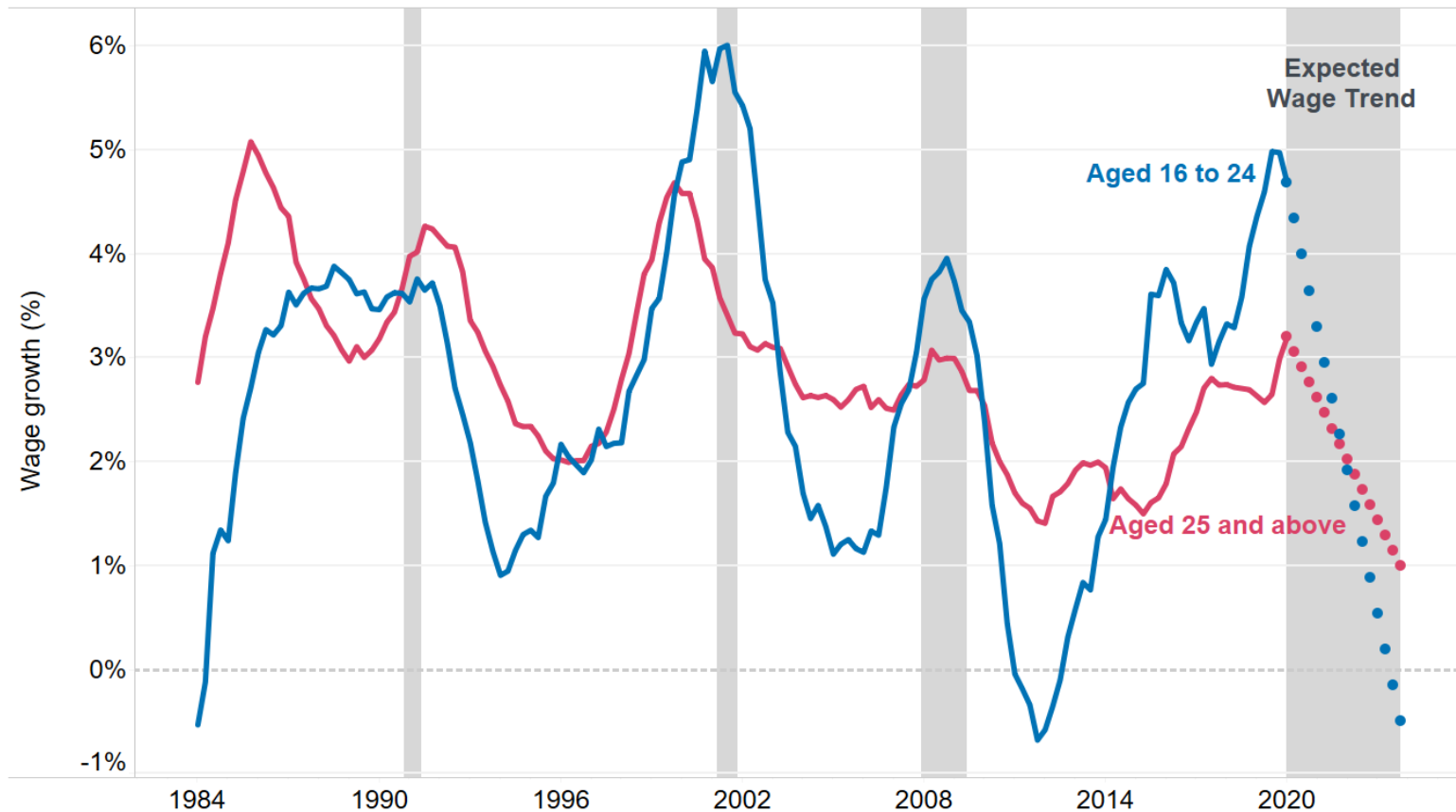
Source: US Bureau of Labor Statistics





# The wage adjustment for new labor market entrants is likely to be large

Wage for workers aged 16-24 and 25 and above, last 8 quarters versus the 8 preceding quarters, annualized percentage change

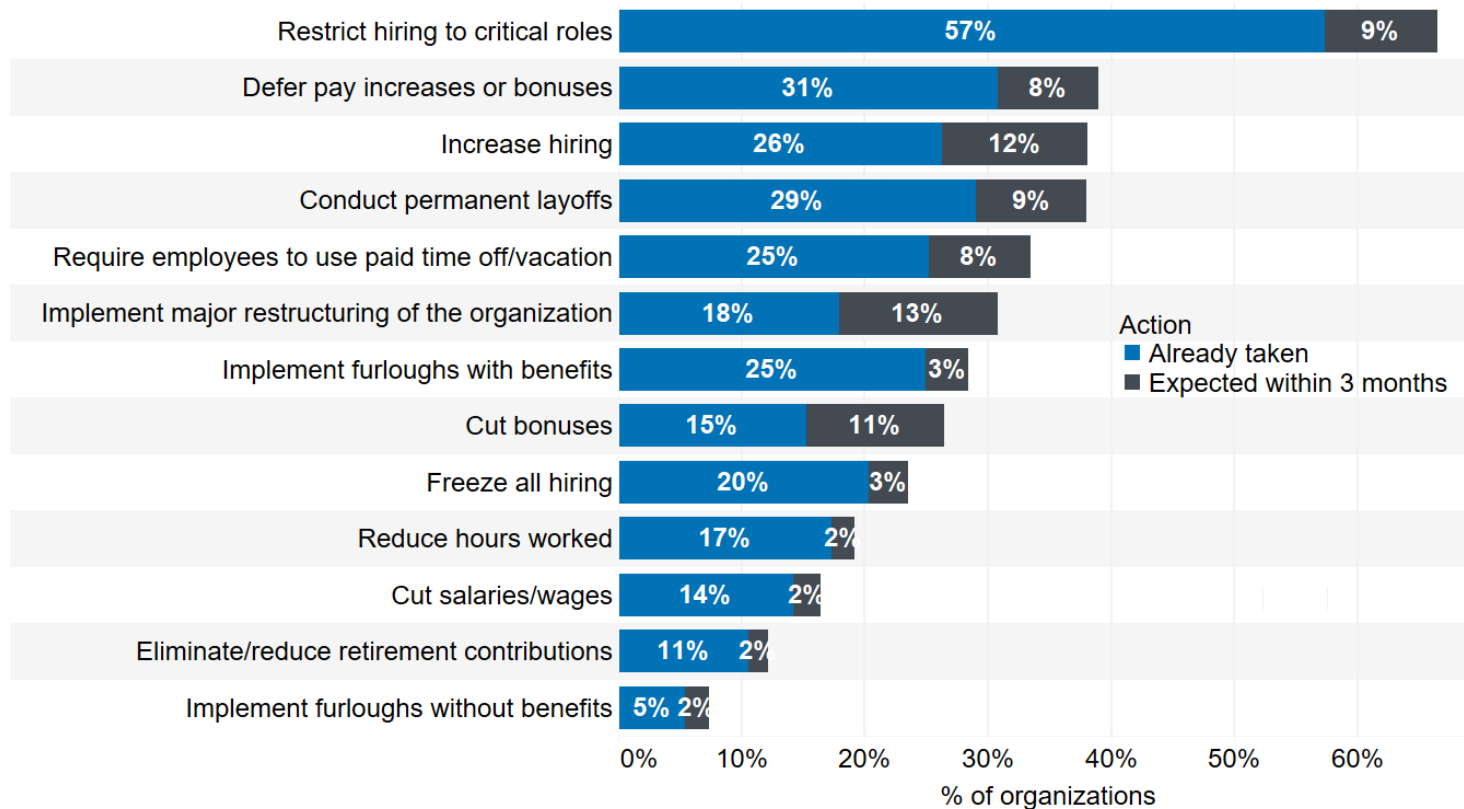


Source: US Bureau of Labor Statistics



# Six months into the pandemic, many cost-reduction actions are still planned for the next three months

How is your organization currently responding to COVID-19, and how are you planning to respond within the next 3 months (October through December 2020)?



N=328

Source: The Conference Board; [Adapting to the Reimagined Workplace: Human Capital Responses to the COVID-19 Pandemic](#) (survey fielded September 14-25, 2020)

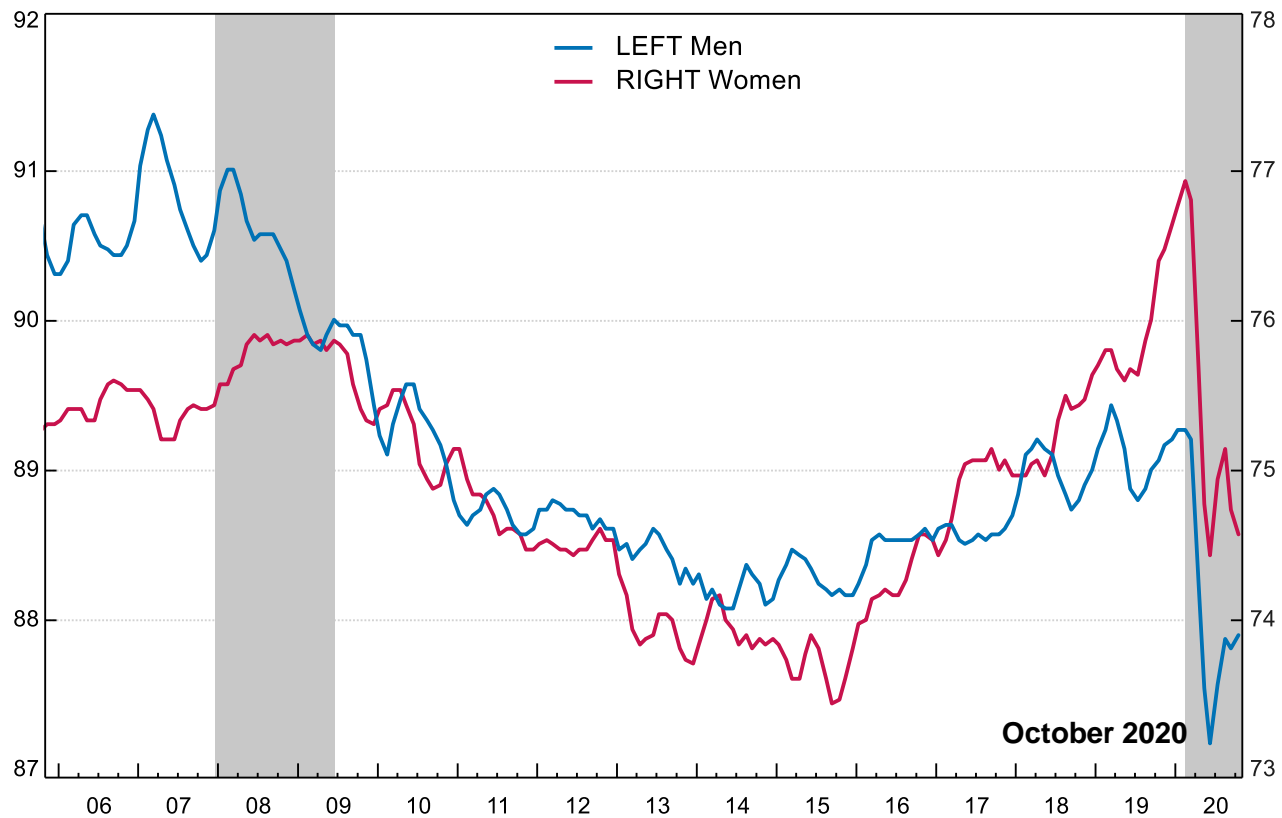




# Labor Force Participation

# Pandemic fallout may wipe out female gains in workforce participation

Labor force participation rates for men and women, aged 25 to 54, seasonally adjusted, 3-month moving average

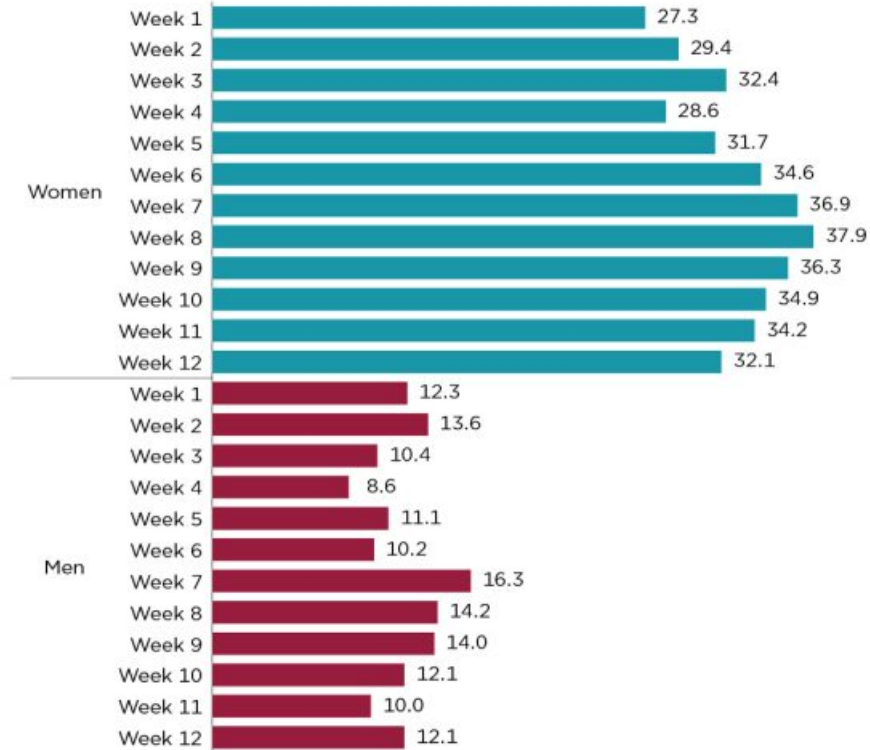


Source: US Bureau of Labor Statistics



# Parents, and especially mothers, are leaving the labor force due to home/family care and school disruptions

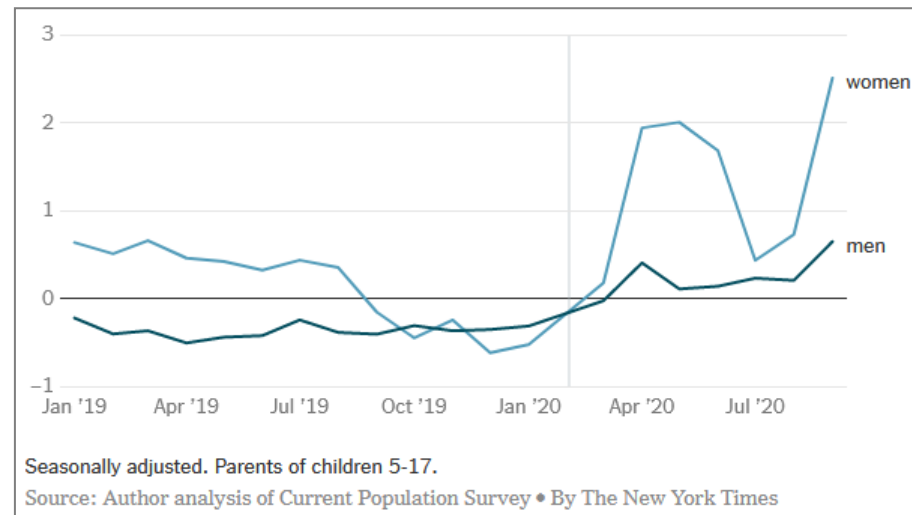
Percent of Adults Ages 25 to 44 With Children by Sex and Survey Week Not Working Due to COVID-19 Related Child Care Issues



Note: The percentages reflect nonworking adults with children excluding those who are retired or not interested in working.  
Source: U.S. Census Bureau, Household Pulse Survey (Week 12: July 16-July 21, 2020).

Source: Misty L. Heggeness and Jason M. Fields, "[Working Moms Bear Brunt of Home Schooling While Working During COVID-19](#)," US Census Bureau, August 18, 2020

Percentage point change in labor force participation rates for parents of school-aged children because of home or family concerns since February 2020

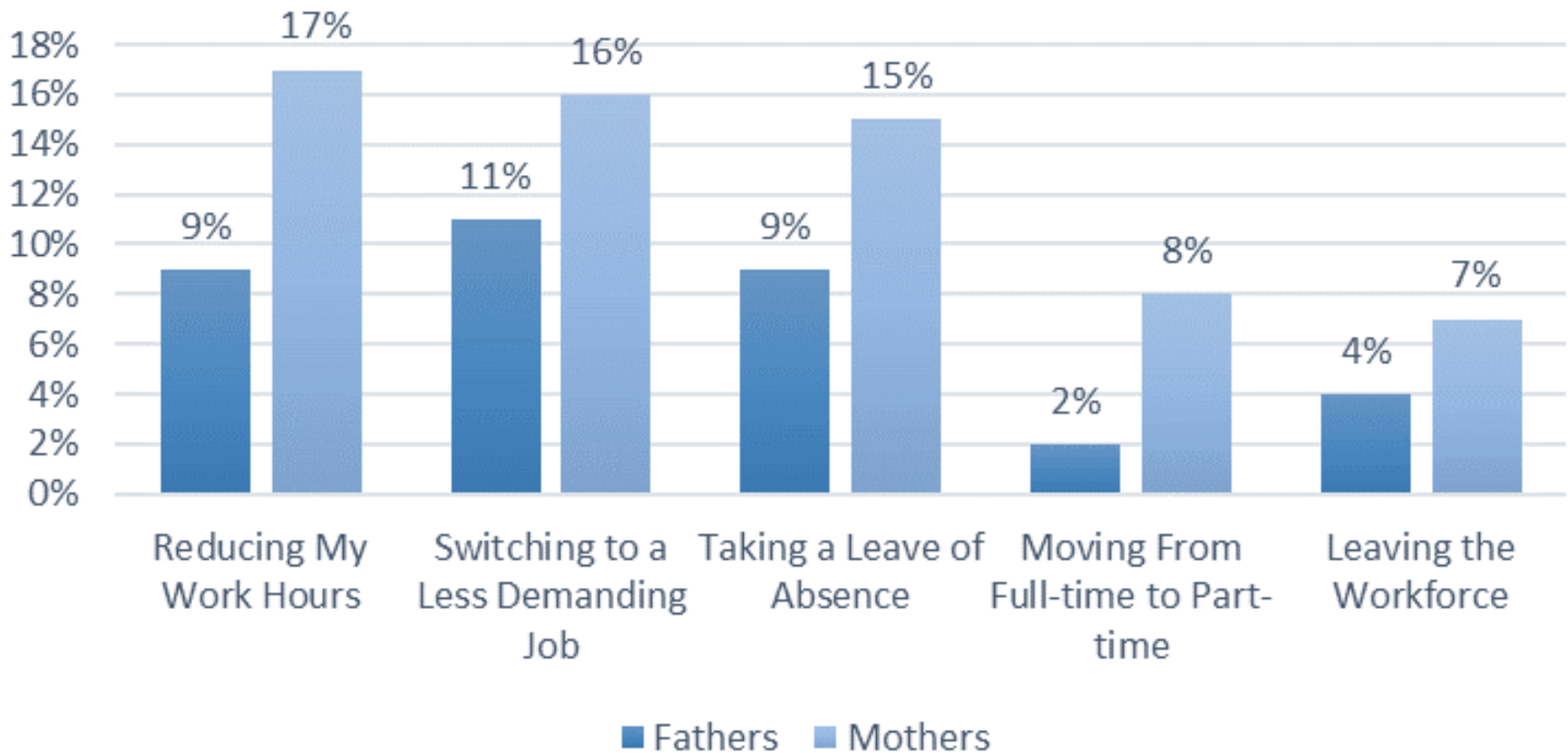


Source: Ernie Tedeschi, "[The Mystery of How Many Mothers Have Left Work Because of School Closings](#)," The New York Times, October 29, 2020



# US women more likely to step out or step back from the workforce

**% of employees who have considered changing their work situation during the Covid-19 crisis**



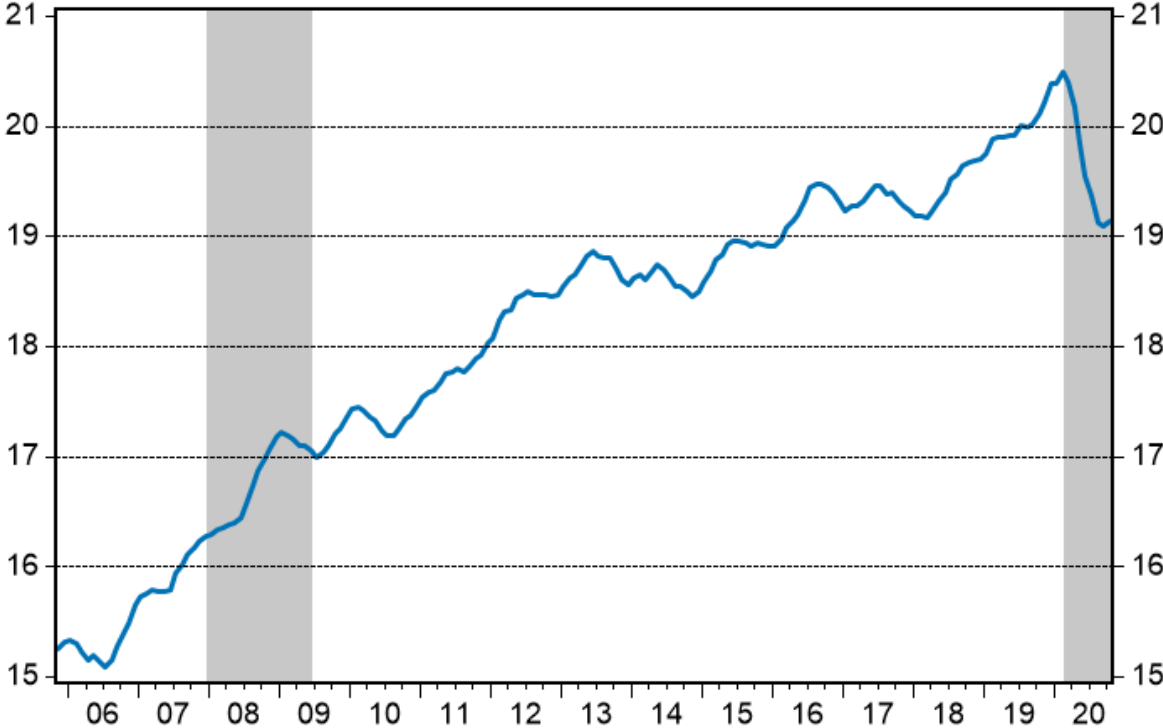
Source: Women in the Workplace 2020 - McKinsey & Co; Lean In [https://wiw-report.s3.amazonaws.com/Women\\_in\\_the\\_Workplace\\_2020.pdf](https://wiw-report.s3.amazonaws.com/Women_in_the_Workplace_2020.pdf)



# Many older workers have been retiring during the pandemic recession

Labor Force Participation Rate: 65 Years & Over

6-month Moving Average NSA, %



Source: Bureau of Labor Statistics



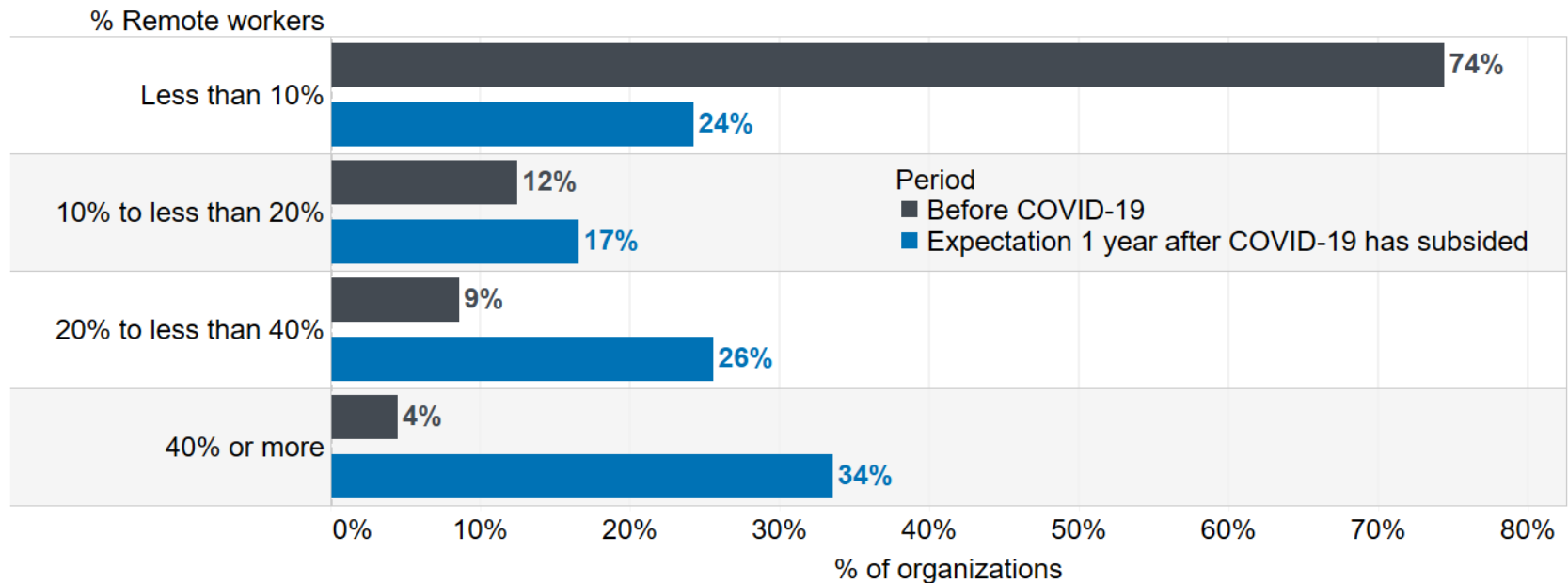


# Remote Work



# One third of respondents now expect 40 percent or more of their employees will be primarily remote post-pandemic

What percent of your US full-time employees are working primarily virtually/remotely (at least three days a week)?



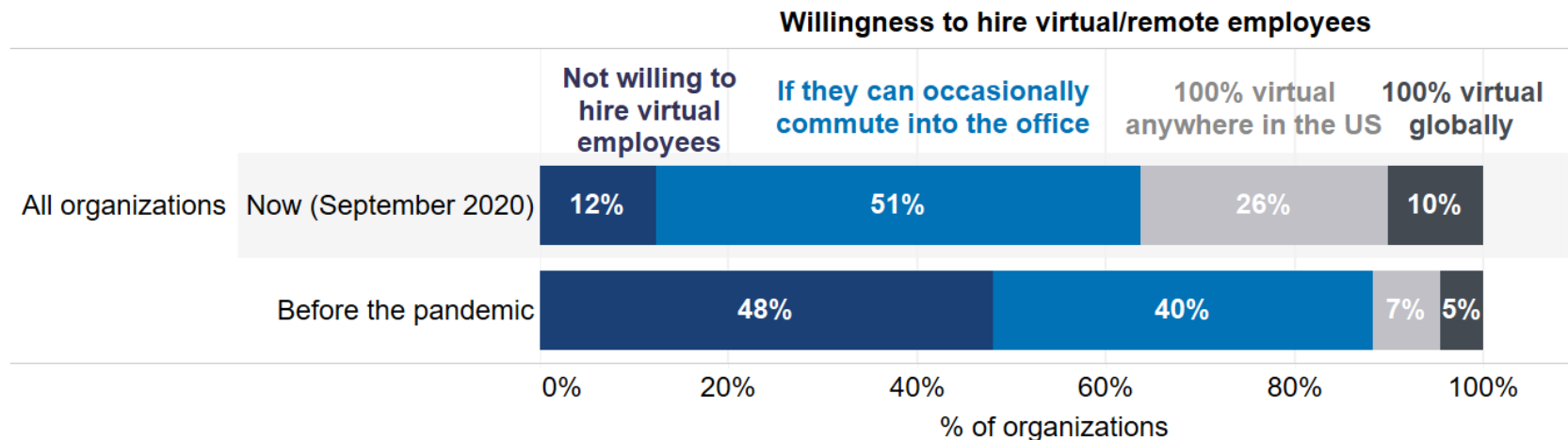
N=313

Source: The Conference Board; [Adapting to the Reimagined Workplace: Human Capital Responses to the COVID-19 Pandemic](#) (survey fielded September 14-25, 2020)



# Organizations are more willing to hire full-time remote employees than before the pandemic

In general, how willing is your US operation to hire full-time employees who work predominantly virtually/remotely?



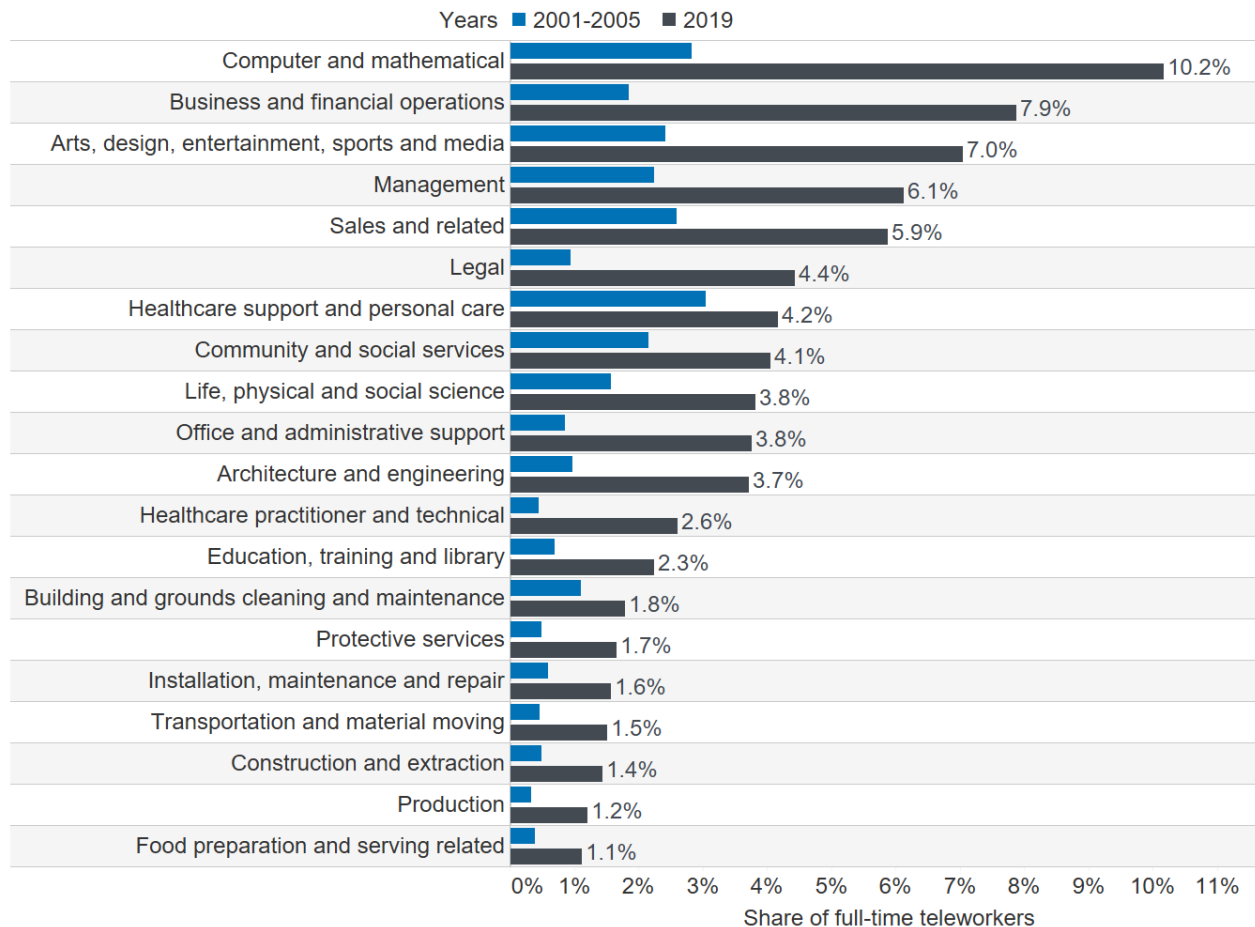
N=308

Source: The Conference Board; [Adapting to the Reimagined Workplace: Human Capital Responses to the COVID-19 Pandemic](#) (survey fielded September 14-25, 2020)



# In the past two decades, there already was a strong surge in full-time teleworkers

Percentage of full-time employees primarily working from home



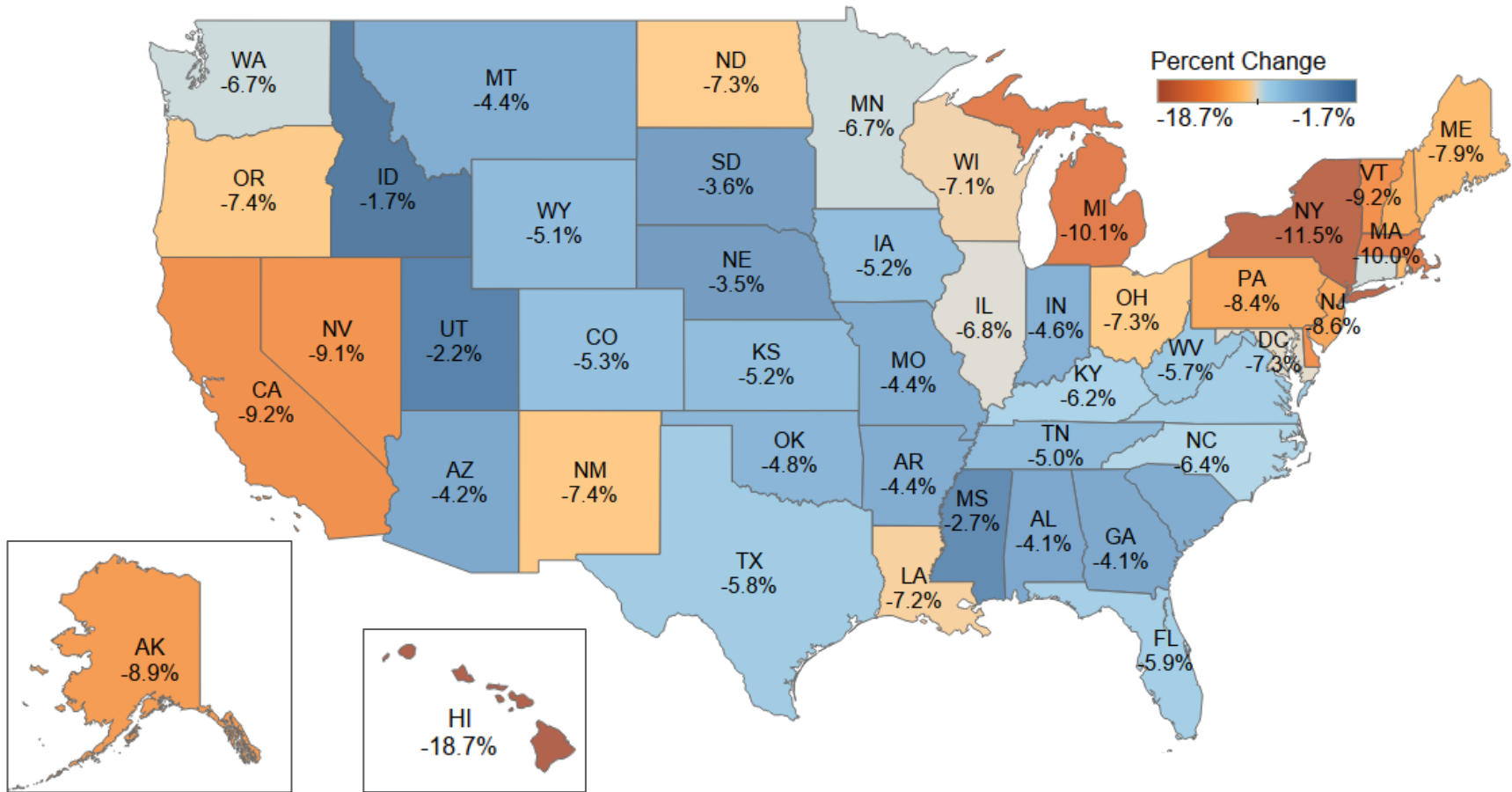
Source: The Conference Board using microdata from IPUMS-ACS, University of Minnesota



# Regional Labor Markets

# Job losses were largest in the North East and Pacific regions

Percent change in employment by state from February to September 2020

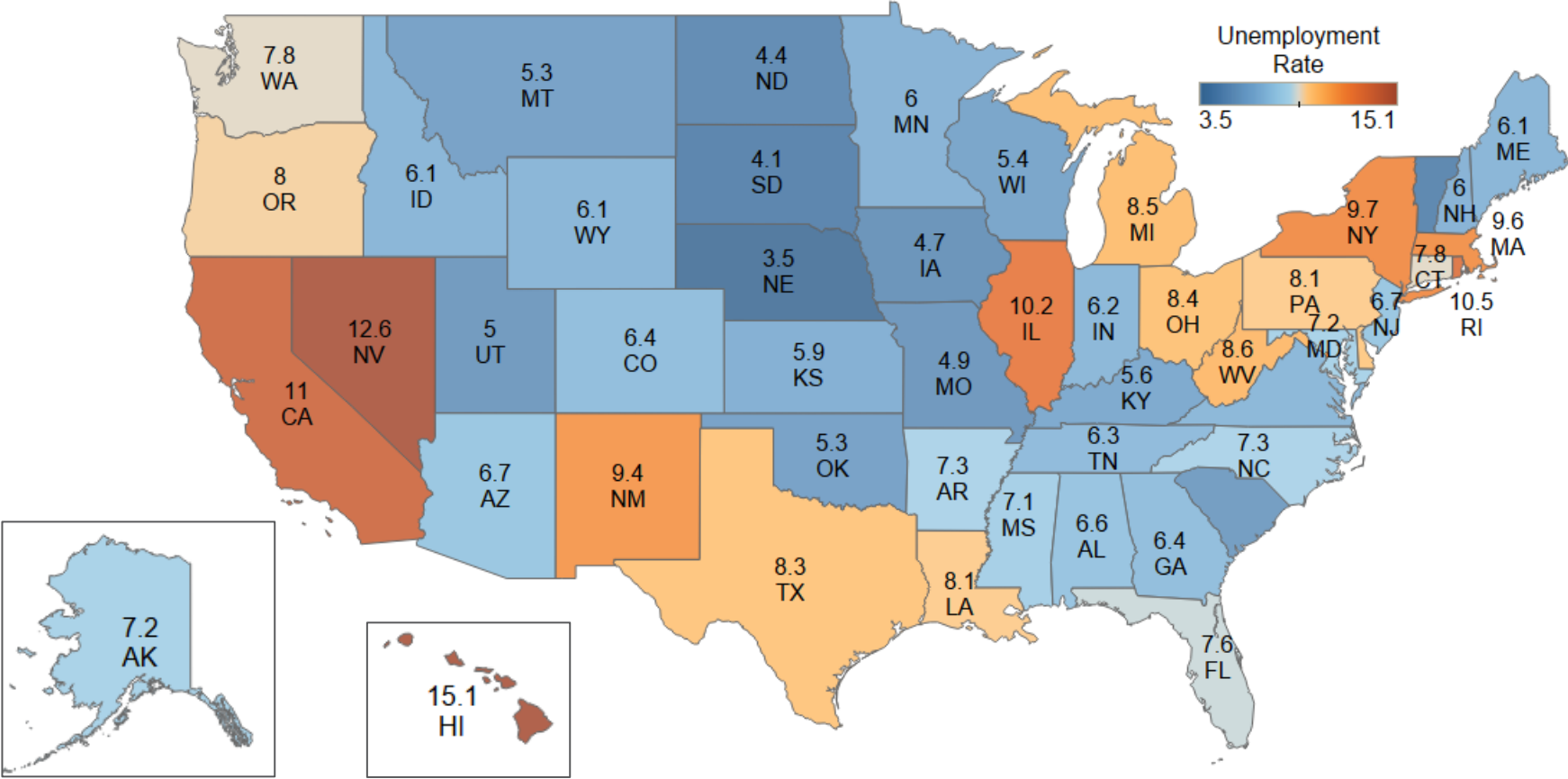


Source: Bureau of Labor Statistics, calculations by the Conference Board



# Some states still experiencing double-digit unemployment rate

Unemployment rate by state, September 2020

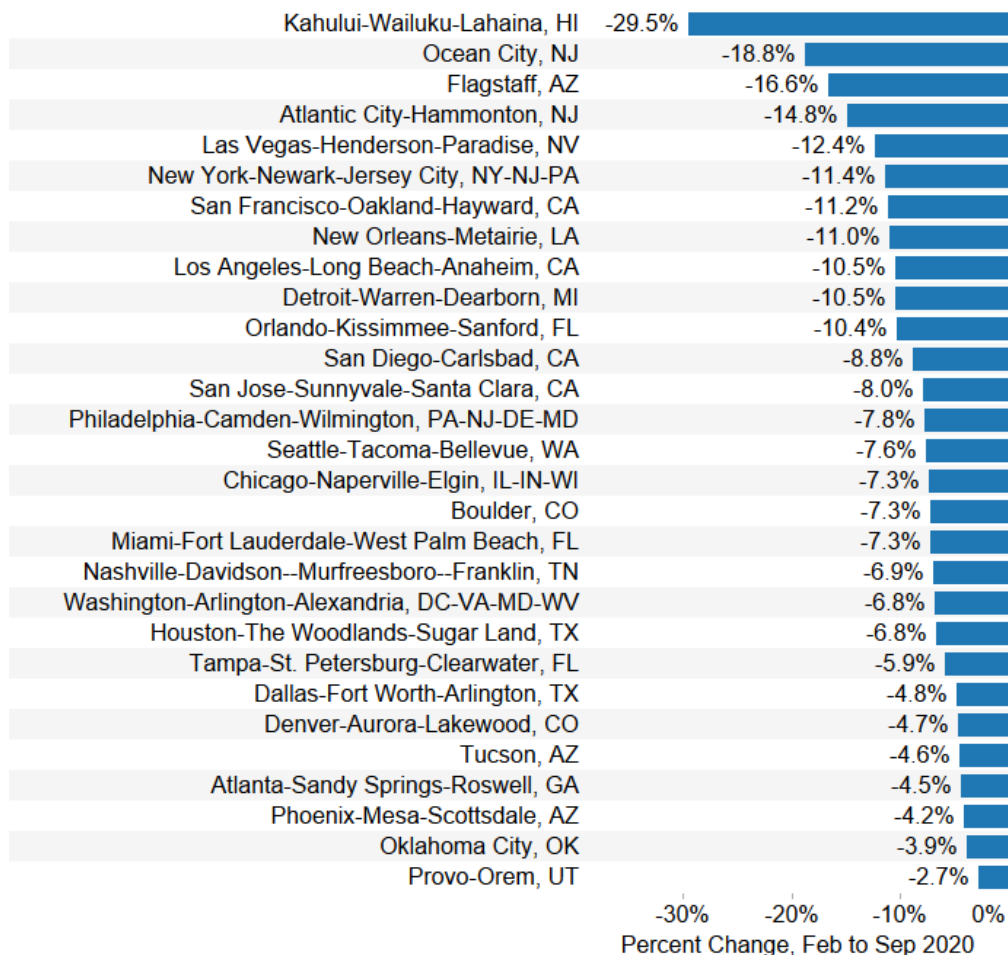


Source: Bureau of Labor Statistics, calculations by the Conference Board



# Many large metro areas and vacation destinations experienced greater job losses than the national average

Percent change in employment by metro areas from February to September 2020

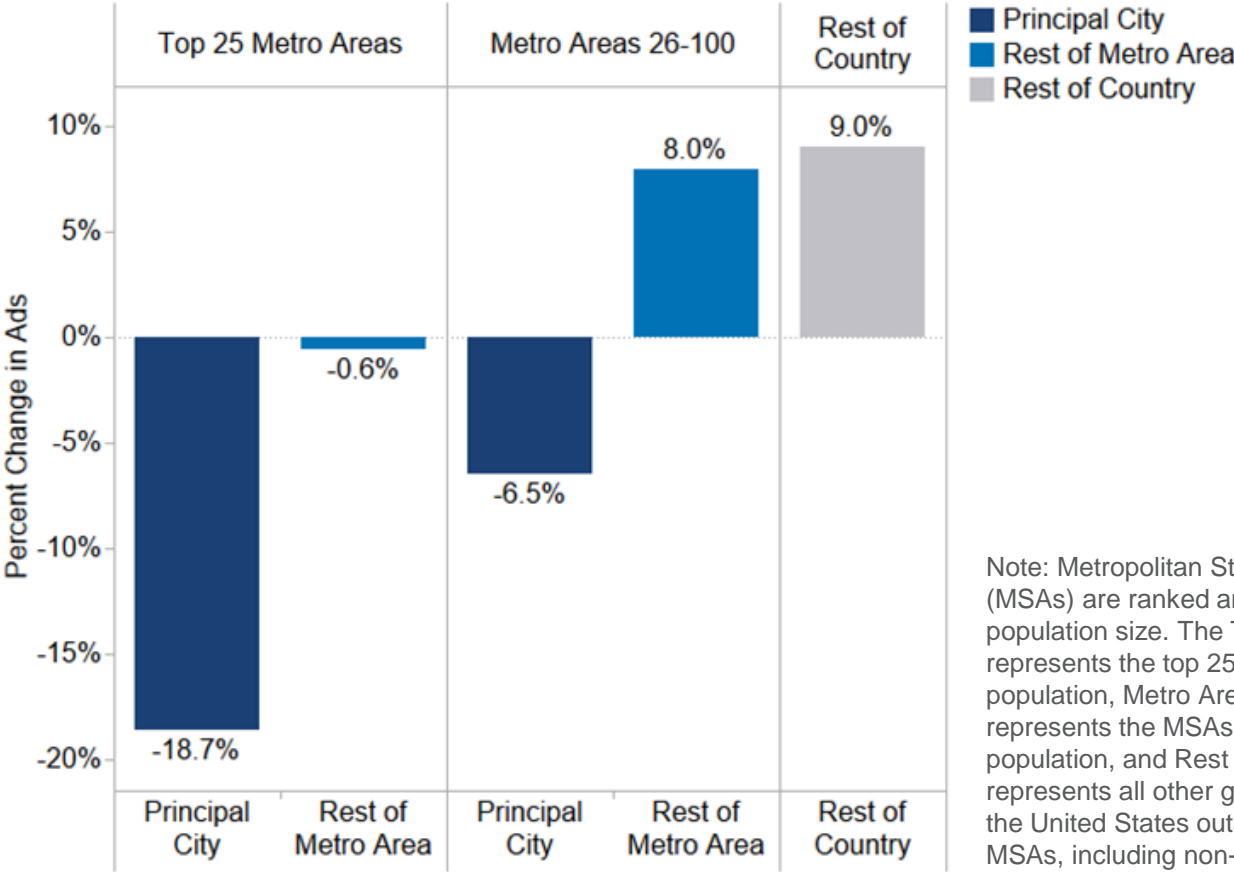


Source: Bureau of Labor Statistics, calculations by the Conference Board



# Online job ads declined the most in large principal cities compared to the suburbs

Percent change in the number of online job ads, February to August 2020, by location

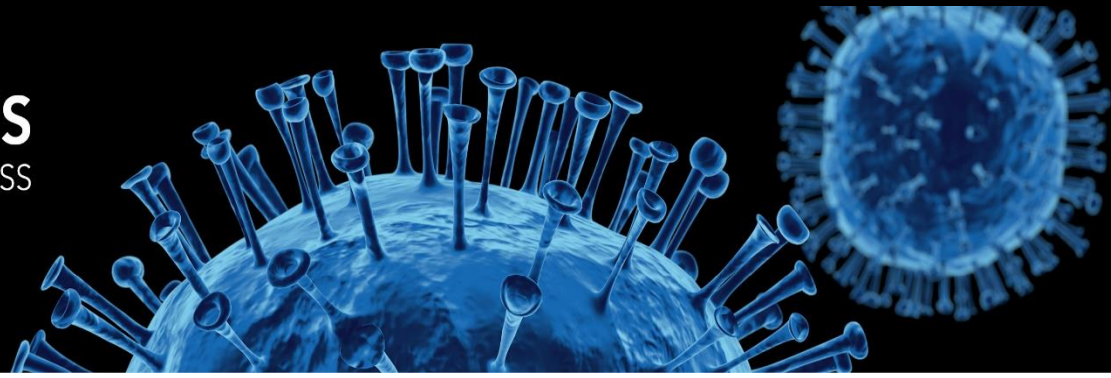


Source: The Conference Board®-Burning Glass® Help Wanted Online™ (HWOL) data series





COVID-19  
**CORONAVIRUS**  
IMPLICATIONS FOR BUSINESS



## Want to hear more about this topic and how the spread of COVID-19 will impact business and the global economy?

The Conference Board has gathered insights and learnings from our thought leaders and member network which we hope will be helpful as you formulate, implement and manage your own crisis response.

Explore all of these resources on our website at <https://www.conference-board.org/COVID-19>.





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