

Description: If you didn't know we are in a labor shortage, now you do! In this episode, MRA's Vice President of Workforce Strategies, Jim Morgan stresses the extent employers must go to to get talent nowadays, and that you've got to start finding people before they're even looking. Employees, not employers, are the ones calling the shots.

Listen to Discover:

- Welcome to the "Great Sansdemic". Sans means "without" and demic means "people." So, this really is "without people".
- Shortages in the workforce in the past have been caused by more economical factors; We didn't have the right mix of people. This time around it's demographic--there's just not enough people, flat-out.
- When you don't have people and that's what's controlling your growth because you can't add a third shift or you can't build another plant, you're going to have to get pretty creative in what it is that you're going to do.

Transcript:

Transcripts are computer generated -- not 100% accurate word-for-word.

INTRO | 00:00:00:02 - 00:00:23:03

Hello hello, everybody, and welcome to 30 minute THRIVE, your go-to podcast for anything and everything HR, powered by MRA - The Management Association. Looking to stay on top of the ever-changing world of HR? MRA has got you covered. We'll be the first to tell you what's hot and what's not. I'm your host, Sophie Boler, and we are so glad you're here. Now it's time to THRIVE.

Sophie Boler | 00:00:23:13 - 00:00:55:08

Hello, everybody. All over the Midwest, employers and human resource professionals are really grappling with attracting, developing, and retaining talent. And Jim has been working on that issue for 30 years. He helps employers understand the demographics that are driving their troubles and provides solutions for talent acquisitions based on best practices.

Sophie Boler | 00:00:55:18 - 00:00:58:18

So thanks for joining me today on the show, Jim. I'm excited to talk to you.

Jim Morgan | 00:00:59:01 - 00:01:01:17

It's my pleasure to be back with the MRA Nation.

Sophie Boler | 00:01:01:19 - 00:01:08:04

Oh, of course. But as we dive in, is this really something new? What is this problem?

Jim Morgan | 00:01:08:11 - 00:01:30:02

It is different because I think people who have been around for a while have seen shortages in the workforce before. They've had a difficult time hiring people. But I would argue in the past those have been more economically challenging times. We didn't have the right mix of people. This time around it's demographic, and by that I mean there's just not enough people, flat-out.

Jim Morgan | 00:01:30:02 - 00:01:47:21

And as we go through the next 20 minutes or so, I'll sort of lay out what happened there. But this one is different. And I think employers maybe didn't see it coming or they knew it was coming, but didn't really think about what the ramifications of it would be. And now it's here and they're pretty severe.

Sophie Boler | 00:01:48:10 - 00:01:51:04

And what caused this situation?

Jim Morgan | 00:01:51:20 - 00:02:16:11

There's a lot of things at play and the upper Midwest is different. Most of our members are in Wisconsin, Illinois, Minnesota, and Iowa. The upper Midwest is actually a lot like the Northeast, and we're the ones that have a lot of things working against us. First of all, we're aging out relatively quickly, meaning we've got a lot of old people in our four states and they're sticking around.

Jim Morgan | 00:02:16:11 - 00:02:37:19

And just as one example, in Wisconsin between 2010 and 2040, so that's just a 30-year period, we're going to more than double the amount of people over the age of 65, going from about a little over a million to over 2 million. And you think, okay, well, is that a big deal? Well, yeah, that's a big deal because that's a lot of people to take care of.

Jim Morgan | 00:02:38:11 - 00:02:59:08

That's a lot of health care. We have to figure out a lot of things and those are a lot of people on fixed income. So those folks are pretty much out of the workforce now. We have decreasing fertility rates. And, you know, not to get personal with everybody, but quite frankly, you need about 2.1 children for every female in order just to hang even.

Jim Morgan | 00:02:59:17 - 00:03:19:03

And the United States hasn't hit that number in 49 of the last 50 years. So basically we've got more people dying than we do kids being born. And so as a result, we're losing there. So now we're getting older, we're not having enough children. Then you look at, okay, well what about migration? Where can we get people from?

Jim Morgan | 00:03:19:12 - 00:03:46:19

And we have a little bit of international migration, but not nearly enough. And domestic migration really is winners and losers, that people are moving out of the Midwest and to the Southwest or to the Southeast. And we're not winning in that battle either. Then you look at, okay, well, what's causing some of that? And this is all a very long answer to your question, but it's really trying to help people understand what just happened.

Jim Morgan | 00:03:46:19 - 00:04:19:01

So if you look at the upper Midwest, this is not a destination for people. You know, kids in South Carolina or Texas aren't thinking, "Boy, I want to move to Minnesota, I want to move to Wisconsin," because their perception of that is, one, it snows 11 months out of the year. You know, it's somewhere near Canada. And I joke about Wisconsin because every single time that there's a football game in January, some guy who weighs 400 pounds takes his shirt off, puts a cheese wedge on his head and, you know, people look at that and say, "Yeah, that's where I want to go."

Jim Morgan | 00:04:19:12 - 00:04:44:18

So we've got all of these things working against us. And then lastly, there's a diversity question because the upper Midwest is not a real diverse area. You know, Wisconsin is close to 80-some percent Caucasian. It's similar in Minnesota. It's even more so in Iowa. And one of the maps I have when I'm doing this presentation is to say, in what year did that state match the United States in terms of diversity?

Jim Morgan | 00:04:45:02 - 00:05:09:01

What does that mean? Well, Wisconsin looks like the U.S. did in 1974. Iowa looks like the U.S. in 1930. So if I'm a person of color and I'm trying to decide where I want to go, I'm not real sure that going to 1930 would probably be my destination. So all of these things are in play in a way that they've never really been before, and that's what gets us to okay, what caused it?

Jim Morgan | 00:05:09:10 - 00:05:18:15

We have about six or seven things working against us, especially in the upper Midwest and the Northeast. And so that's what's gotten us into what we've got right now.

Sophie Boler | 00:05:19:09 - 00:05:31:19

And I know when you give these presentations, you usually have slides that come with maps and it's easier to look at visually. But can you try to describe what the movement in the U.S. looks like?

Jim Morgan | 00:05:32:02 - 00:05:50:03

Okay, I'll try to do this one simpler because I don't have pictures. And that's a good point because like I said, when you can see six or seven maps and say, "Okay, wow, this is all coming together, I see what's happening," the migration is actually a little bit easier. You could basically take an arrow in Maine and draw it down to the lower part of California.

Jim Morgan | 00:05:50:03 – 00:06:13:17

That's basically the movement, that people are leaving the Northeast in the north and they're moving to the South and the Southwest. And that's sort of that's the migration pattern. And then you also have the immigration issue that you've got more people coming in from the South. Obviously, if we had a great invasion from Canada, that would certainly help us in Minnesota and Wisconsin.

Jim Morgan | 00:06:13:17 - 00:06:38:22

But that's not happening right now. And one of the things that we still haven't figured out in the United States is a common-sense immigration policy that says, we need people so how do we figure out a logical way to bring them in? And I'm not sure we're going to figure that out in my lifetime, but we're going to have to pretty soon because we're just not going to have the folks so it's really a, it's basically a Northeast, the Southwest with a little bit of band on either side of that arrow.

Sophie Boler | 00:06:39:13 - 00:06:43:11

So when you say that, who is really winning and who's losing?

Jim Morgan | 00:06:43:11 - 00:07:04:21

The big winners right now are Texas. They were net about plus 310,000 in 2021, and that's you know, they've got Austin and they've got Dallas and they've got Houston. And those are popular places, especially for younger folks. And if you want to know where a 25-year-old wants to go, it's where the other 25-year-olds are.

Jim Morgan | 00:07:05:05 - 00:07:34:14

And so Texas has picked up big there. Florida has had a lot of growth. And so they've also picked up. Now some of that is a little bit older. But there a net 200,000 people up, and Arizona and North Carolina are both about 100,000 people. Arizona is becoming very popular. Year-round weather, yeah it gets hot, but people seem to tolerate hot a lot better than cold. And North Carolina is kind of becoming a cool place for people to be.

Jim Morgan | 00:07:34:14 - 00:07:59:20

It's got a good climate, it's got a lot of universities, there's a lot of energy around it. So they're pretty popular as well. Georgia, South Carolina, Utah are a couple of others. The big losers in the game are New York, which is down about 320,000 people. I think a lot of that has to do with New York City perhaps itself and crime and people wanting out and it's an expensive place to live.

Jim Morgan | 00:08:00:16 - 00:08:26:06

California is No. 2, losing about 260,000. Same thing there. It's a very expensive place to live. And I think the pandemic for a lot of people gave folks in New York and California some flexibility to say, "I can still do this job and maybe even keep this level of pay, but I can move someplace else." And especially with California, you can see the growth in the states that are around it,

Jim Morgan | 00:08:26:06 - 00:08:49:09

and that was a little bit of a migration out. And then in third place is Illinois, losing about 100,000 people. And I think Illinois just has a lot of it, has a lot of policy problems. It has a lot of fiscal problems. Chicago is getting its share of bad news. So the bigger cities in those three states I think of have been a result of them losing some people.

Jim Morgan | 00:08:49:09 - 00:09:04:00

But again, the movement of the younger folks, they're willing to go anywhere. And with a pandemic, I can work from anywhere. So I'm probably looking for what's a low tax state, what's a good climate, what's a fun place to be? And those are the type of places that people are going to.

Sophie Boler | 00:09:04:04 - 00:09:13:05

Absolutely. And we're calling this "the Great Sansdemic," which sounds like it would last for a long time. But how long do you think it's going to last?

Jim Morgan | 00:09:13:09 - 00:09:33:12

Yeah, a good altar boy had to learn Latin. So sans demic, for those who didn't have the pleasure of learning Latin, sans means "without" and demic means "people." So this really is "without people." And I think the problem that we're seeing with employers, again, especially in the upper Midwest, is they think, "Well, if I just duck and cover, this thing will go away."

Jim Morgan | 00:09:33:21 - 00:09:52:22

And in the presentation that I make, one of the maps that I've got, or the graphs, is really it's from the United Nations. And they did 60 different samples and they tried to predict out, all right, what what does it look like? And so they looked at the working age population, which is 15- to 64-year-olds, the folks that are doing the work.

Jim Morgan | 00:09:53:10 - 00:10:19:09

And that peaked in about 2007 with about 66 percent of the population. So two-thirds of the population was in that working age number. And for the next about 50 to 60 years, that number just goes down. And out of 60 samples, they all go down and they took it all the way out through 2090 and it drops down to about 58 percent.

Jim Morgan | 00:10:19:09 - 00:10:42:08

And you might say, all right, well, 66 to 58, that's no big deal. But each percentage point is about 2 million working-aged people. So you're talking about losing, you know, in 8 years, 16 million possible workers. And this is at a time where we're starting from a shortage. So this one isn't going away. And then people start to say, well, how in the world can you predict out to 2090?

Jim Morgan | 00:10:42:17 - 00:11:12:04

And, you know, I'd say part of it is just looking at your generation and the decisions that you make. People aren't getting married until they're 30, 32, 34 years old. So they're not having five kids. They're having two kids. And those who aren't having kids are having dogs, you know, and that's all going to sort of take effect here, that if we go from averaging three or four kids a family to two kids a family or no kids a family, they can look at those trends and say, you know, this is going to be with us for a while.

Jim Morgan | 00:11:12:12 - 00:11:18:16

So this is not a duck and cover for people. This is really going to be we're in it for the long run. We got to figure out some different things to do.

Sophie Boler | 00:11:19:06 - 00:11:30:07

And as people take everything you've said into consideration and kind of process it and think about what they can start doing, I think the big question is what can employers start doing?

Jim Morgan | 00:11:30:19 - 00:11:50:06

Yeah, and this is admittedly where it gets pretty tough. One, you can become the employer of choice in your own area. And what do I mean by that? You're the place that people want to go work, whether that's because of your culture or your pay or your benefits. But you know, especially in a smaller town, there's usually this is where you want to get to,

Jim Morgan | 00:11:50:06 - 00:12:09:10

this is where you want to work. The problem with that is that's a net sum game that if people are moving from company A to company B, that means company A now doesn't have enough people and pretty soon there's nowhere left to grab from. So, you know, one is it doesn't solve the bigger problem by you just saying, "I'm going to be the place that people want to work."

Jim Morgan | 00:12:09:20 - 00:12:27:12

After that, you really have, you know, three choices. One, you're seeing a lot more automation. You're seeing, you know, maybe machines that can do the work of three or four people. And at one point that was looked at as a bad thing, like, oh, you're taking away jobs. That's not even the case anymore because there's no one to fill the job.

Jim Morgan | 00:12:28:04 - 00:12:47:18

And now you need a higher-level employee to work with that technology. So you can you can automate. I think we've seen companies get smarter. They've figured out how do we work more efficiently with the people that we've got, whether that's just looking at lean processes or quality control, how do we just get better at what we do?

Jim Morgan | 00:12:48:07 - 00:13:05:13

Or the third one is you simply go to where the people are, and that could either be within the United States or someplace else. And I think this is where people have to figure out if we don't figure out a way to get more people into the United States, folks are going to have to go someplace else. So those are tough decisions for employers.

Jim Morgan | 00:13:06:02 - 00:13:18:20

But really, you know, when you don't have people and that's what's controlling your growth because you can't add a third shift or you can't build another plant, you're going to have to get pretty creative in what it is that you're going to do.

Sophie Boler | 00:13:18:21 - 00:13:30:06

And I think you've wrapped up a pretty big problem in a short amount of time, which is impressive. But do you have any last thoughts or pieces of advice you can give to our listeners today?

Jim Morgan | 00:13:30:14 - 00:13:57:18

You know, I usually leave folks when I do have the slides and it's even more impressive. Yeah, but you know, to say there are short-term and long-term things that people can start doing right now., You know, short term, they get all of their employees helping them look for folks. They're paying spot bonuses. They're trying to become that employer of choice, they're trying to do all those things that, I got to grab all of the people that I can possibly get. The longer term one

Jim Morgan | 00:13:58:00 - 00:14:23:06

and I think the companies that are doing quite well right now are the ones who figured this out early and said, we're going to start having internships, we're going to start doing co-op programs, we're going to start doing youth apprenticeships. And I know you and Courtney talked a little bit about the internship program. That's part of what folks are doing now, that the sooner that I can get my hands on someone before everybody else sees them, then I've got a better chance of hanging on to them.

Jim Morgan | 00:14:23:06 - 00:14:44:19

And so the long-term strategy is get into the high schools, get into even the middle schools to explain what some careers are. And certainly the technical colleges, the community colleges, the universities. Using you as an example: I mean, you come here, you do an internship before your senior year. You like us, we like you. We figure out how to take care of you in the next 9 months,

Jim Morgan | 00:14:44:21 - 00:14:59:16

stay in touch with you. And if you're going into your senior year and you already know, "Hey, I've got a job," that takes a lot of pressure off your senior year. It prevents you from looking other places. And then we end up with a really good employee because we have the chance to see you work for 3 months and bring you back.

Jim Morgan | 00:14:59:23 - 00:15:13:17

So I think that's what a lot of employers now are trying to figure out: What's the long game? How do I get in there? Because I've got to have that steady talent supply chain working for me as I as I go forward. So I think that's the biggest strategy is you got to be the first one to the people.

Sophie Boler | 00:15:14:06 - 00:15:27:18

And then to your point for me, knowing that I had a job before senior year and then I could kind of tell my friends like, "Hey, I already have a full-time role," like that, and that makes them kind of interested. And you know, the process just goes on and on.

Jim Morgan | 00:15:28:08 - 00:15:43:17

Yeah, and it makes a difference. And you can see the companies that are doing a lot of that, you know, where if they have 30 or 35 or 40 interns and all those people are going back, you know, those are usually companies that have 50, 75, 100 openings. So they're like, "Oh, you know, and hey, here's the person that you talked to.

Jim Morgan | 00:15:43:17 - 00:15:53:08

Tell them, you know me, I worked there this summer." Those are all ways for employers to just sort of get the word out there for free and let younger people know about what they've got to offer.

Sophie Boler | 00:15:53:18 - 00:16:19:02

Exactly. Well, Jim, thank you so much for joining us today and really making "the Great Sansdemic" apparent to employers and advice on how to help with this issue. But we've added Jim's LinkedIn profile to the show notes below, so make sure to connect with him and send him a message if you'd like to continue this conversation. Otherwise, we'll be continuing this conversation next episode,

Sophie Boler | 00:16:19:02 - 00:16:24:12

when we dive into generational differences with Jim. So thank you again for joining us.

Jim Morgan | 00:16:24:15 - 00:16:25:03

My pleasure.

Sophie Boler | 00:16:25:09 - 00:16:27:00

And we'll see you next episode.

Jim Morgan | 00:16:27:01 - 00:16:27:21

All right. I'll be there.



EPISODE 14

The Great Sansdemic Is Here

OUTRO | 00:16:28:18 - 00:16:51:00

And that wraps up our content for this episode. Be sure to reference the show notes, where you can sign up to connect for more podcast updates. Check out other MRA episodes on your favorite podcast platform. And as always, make sure to follow MRA's 30 minute THRIVE so you don't miss out. Thanks for tuning in and we'll see you next Wednesday to carry on the HR conversation.