

# Labor & Industry Trends

by Michael Blackman



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## THE WAR FOR TALENT IS ON

As I write this piece, the ADP payroll number came in below expectations. The reality worth noting is that for the first time, the shortfall was attributed to there being more job openings than there are eligible workers to fill them.

“Business’ number one problem is finding qualified workers. At the current pace of job growth, if sustained, this problem is set to get much worse,” said Mark Zandi, chief economist at Moody’s Analytics, in a statement. “These labor shortages will only intensify across all industries and company sizes. Truck drivers are in perilously low supply, Silicon Valley continues to struggle to fill vacancies, and employers across the grid are coping with a skills mismatch as the economy edges ever closer to full employment.”



Economists expect that employers will do more to entice workers, likely through pay raises, training and other incentives. As a practical matter, the economy is bumping up against a labor wall.

Here are a few other data points to factor in around the strength of the labor market:

- Workers are choosing to leave their jobs at the fastest rate since the internet boom 17 years ago and getting rewarded for it with bigger paychecks and/or more satisfying work.
- Labor Department data shows that Americans are quitting their jobs at near 2001 peak levels, a real-time indicator of increased confidence in the job market.
- Job-hopping is happening across industries, including retail, food service and construction, which is a sign of dynamism in a broad-based labor market.
- Workers have been made more confident by a strong economy and historically low unemployment.

### About the Author, Michael Blackman

As Chief Corporate Development Officer at Kforce, Michael Blackman, a 25-year Kforce veteran, is the primary focal point for the firm with the Wall Street and financial communities. He is regularly sought out by leading economists for his perspectives on the economy and labor markets, and he contributes to a number of key proprietary economic publications.