



My Drift

Title: Labor Shortage

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Have you seen signs like these around town recently?





I walk around the shopping centers here in Mililani (the town I live in) and almost every small business has a sign in the window saying they need help. Many of the businesses have cut their hours or closed down completely. For example, Ruby Tuesday restaurant is closed on Mondays and don't open until 10:30am Tuesday, Wednesday, and Thursday. They used to open at 8:00am every day for breakfast. Several fast food restaurants have closed their dining rooms and only the drive through is open.

AIRLINE	FLIGHT	TIME	GATE	STATUS
Southwest	3781	6:15A		Cancelled
Southwest	2844	6:50A		Cancelled
Southwest	3635	6:25A		Cancelled
Southwest	2844	6:50A		Cancelled
Southwest	488	7:45A		Cancelled
Southwest	848	6:10A	107	On Time
Southwest	4241	6:40A		Cancelled
Southwest	4230	6:55A		Cancelled



Were you affected or did you notice all those cancelled flights during the 2022 holiday season? Southwest Airlines had more than 15,000 flights canceled amid one of the busiest travel seasons of the year. The meltdown at Dallas-based Southwest has been blamed on staffing shortages and outdated flight scheduling software along with some bad weather.

Canceled flights, unopened community pools, delayed deliveries, overcrowded emergency rooms and reduced public safety are all consequences of the unprecedented U.S. labor shortage.

The industries hardest hit by the ongoing labor shortage are the transportation industry, the health care and social assistance industries, and the food industries.

There are also labor shortages in our police departments, prison guards, EMS (Emergency Medical Services), nurses, primary care physicians and teachers. Let's take a look at the labor shortages in these important areas here in Hawaii.



Honolulu Police Officers Kaulike Kalama and Tiffany Enriquez

Honolulu Police Department (HPD) has an authorized force of 2,177 uniformed officers and had 1,802 on duty at last report in December 2022.



Oahu Community Correctional Center (OCCC)

There are currently 92 vacant correctional officer positions at the Oahu Community Correctional Center out of a total authorized position count of 413.



Honolulu EMS 'stretched thin' as low morale and staffing shortages takes major toll

If you're in need of an ambulance you may have to wait a little while longer for one to arrive. EMS couldn't staff 21 ambulance shifts over the weekend, as it struggles to recruit and retain personnel.



Hawaii's shortage of health care workers worsens

Nurses are considered the backbone of the U.S. health care system, but there's an unprecedented shortage. The U.S. needs more than 200,000 new registered nurses every year until 2030 to meet the demand.

In Hawaii in 2019 there were 2,200 nursing job vacancies. In 2022 that number grew to 3,873, a 76% increase. There are 999 openings for registered specialty nurses, a 116% increase from 2019; there are 744 openings for certified nursing assistants/nurse aides, a 78% increase from 2019.



It's no secret that Hawaii has a healthcare problem

The state is short more than 1,000 doctors, which means some patients cannot get care, and the ones who do have to wait a long time.



Teacher shortage in Hawaii reaches over a thousand vacancies

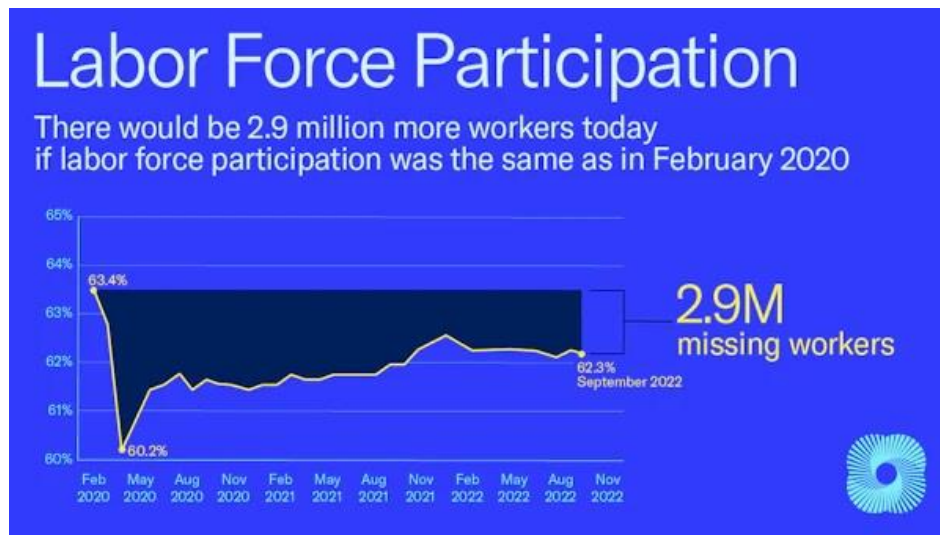
More than 60,000 keiki are not taught by a Hawaii Qualified Teacher (HQT) each year.

The Economic Policy Institute released data that found teachers make about 23% less in their profession than “comparable college graduates” in other fields. This low pay, combined with teaching during a pandemic and other stressors has caused many teachers to resign.

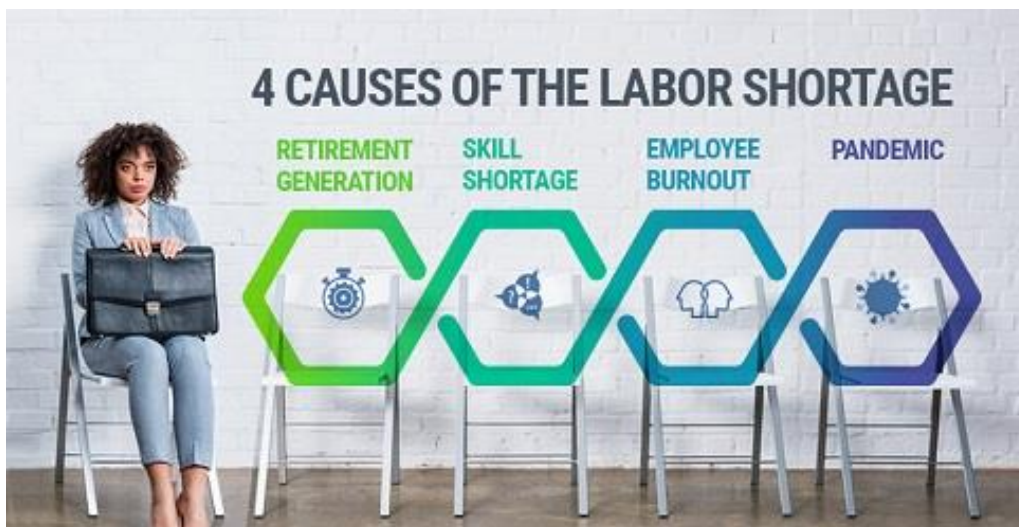
Factors Contributing to the Labor Shortage

The COVID-19 Pandemic and a combination of government policies that simultaneously reduced the supply of workers and stimulated demand for goods and services.

At the height of the pandemic, more than 120,000 businesses temporarily or permanently closed, and more than 30 million U.S. workers were unemployed. Since then, job openings have steadily increased while unemployment has slowly declined.



Overall, in 2021, employers ended up adding an unprecedented 3.8 million jobs. But at the same time, millions of Americans have left the labor force since before the pandemic. In fact, we have more than three million fewer Americans participating in the labor force today compared to the start of the pandemic, despite an increase of 4.2 million in the population of people ages 16 and older.



Retirements

The number of retired workers increased from 45.1 million in 2019 to 69.8 million in 2021.

Skill Shortage and Mismatch of Jobs

With the older generation not returning, the younger ones do not have the necessary experience employers are looking for in the changing job market today. Those organizations that are recruiting are facing challenges in acquiring the right fit, claiming a lack of skills and a 15-year high talent shortage among mismatched applicants. If employers can't find what they are looking for, the open positions are likely to go unfilled, creating a further gap.



Employee Burnout

Burnout is on the Rise

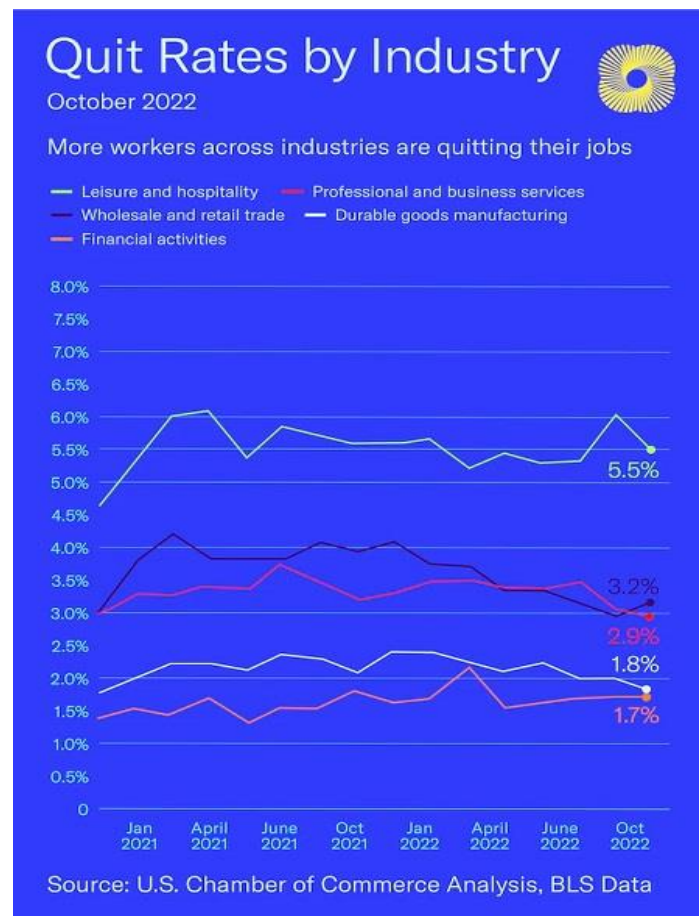
The push towards the 9-5 grind by employers is also causing massive burnout to the existing employees. Taking on extra duties to keep systems running while trying to find a balance between home and work; employees are discontented and overworked. The current ones are already on the lookout to switch or quit their existing positions, just to let go of the stress, and search for better opportunities. If not addressed, this would lead to a greater labor shortage in the future.

Pandemic Choices

Employees wanting to change their work situations from before are asking for higher wages in addition to benefits. Particularly driven by panic buying during the pandemic, the increased demand for goods and services has led laborers to imagine a better lifestyle. Stimulus aid may have changed the worker mindset permanently in the pandemic months. It is now that people have realized they were never happy with the existing work conditions (going on decades) and want to continue no further.

Some other connected reasons include wanting better payouts, discrimination at the workplace, desiring to be your own boss, shuffling careers, and childcare duties among others. Regardless of how many reasons there may be, they all work in the amalgam to create this current labor crisis which is likely to continue if the word “work” itself is not redefined.

Many Americans have quit their jobs



The pandemic caused a major disruption in America's labor force—something many have referred to as **The Great Resignation**. In 2021, more than 47 million workers quit their jobs, many of whom were in search of an improved work-life balance and flexibility, increased compensation, and a strong company culture.

Workers also fled the job market thanks to policy decisions, such as 18 months of bonus unemployment benefits that meant many could make more money staying home than by working. Meanwhile, Washington stimulated consumer and business demand for goods and services by flooding the economy with trillions of dollars in so-called COVID-19 relief.

An increase in savings

Enhanced unemployment benefits, stimulus checks, and not being able to go out and spend money during the lockdown all contributed to Americans collectively adding \$4 trillion to their savings accounts since early 2020. The extra few hundred dollars a week from enhanced unemployment benefits (which ended in Sept. 2021), specifically, led to 68% of claimants earning more on unemployment than they did while working.

Lack of access to childcare

Even before the pandemic, a lack of access to high quality, affordable childcare was an issue.

Solutions to the labor shortage

To help increase work among older Americans, policymakers should help enable independent work that can provide a flexible, be-your-own-boss option for older workers. Eliminating Social Security's retirement earnings test would also encourage more work—simultaneously growing the economy and improving Social Security's finances.

The decline in employment and education among workers ages 20 to 24 is particularly troubling considering that these are prime years for gaining education and experience and establishing effective lifestyle habits.

In addition to ending welfare-without-work programs that can encourage idleness and dependence over productivity and personal autonomy, policymakers should also make it easier for young people to gain education for a successful career without the excessive costs of a college degree. That includes phasing out federal subsidies that crowd out low- and no-cost alternatives, encouraging—instead of canceling—thriving new Industry Recognized Apprenticeship Programs, and embracing successful employer-provided education and training.

Moreover, policymakers need to address the out-of-control inflation that's eating away at individuals' returns to work. While the average full-time worker's earnings increased by \$3,100 over the past year, inflation has eaten away \$5,300, leaving him effectively \$2,200 poorer.

If left unchecked, the U.S. worker shortage will lead to even higher inflation, reduced incomes, higher taxes, and a smaller economy that will hurt all Americans. Policymakers need to expand education alternatives, encourage flexible work, end welfare without work and constrain out-of-control federal spending.



Labor Shortage Summary

The labor shortage is real. Even though more people are finding jobs, there still aren't enough workers to go around, with just 65 unemployed workers for every 100 job openings in the U.S. To make matters worse, many of these unemployed workers don't want the available jobs due to various factors like high qualifications, low pay, working conditions, and/or safety concerns etc.

That means employers are facing two challenges in one—keeping their current workers and finding new ones. Here are a few ways employers can do this:

- ✚ Offer more or better benefits such as paid healthcare and vacations.
- ✚ Lower qualifications by not requiring a college degree, etc.
- ✚ Increase wages – employee pay is not keeping up with inflation.
- ✚ Create a safe and respectable work environment.
- ✚ Offer career growth opportunities.
- ✚ Offer flexible shift scheduling.

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