

# Where Are the Workers?: Understanding the Post-COVID Labor Shortage

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## Overview

The onset of the COVID-19 pandemic in March 2020 turned the labor market upside down. Job losses shot up and many businesses, especially small ones, saw significant drops in revenue. As we continue to assess the ongoing impacts and adjustments brought on by COVID, data suggest that there has been a relatively quick and strong recovery in North Carolina when it comes to job growth. In fact, recent data from the US Chamber of Commerce show that North Carolina has more jobs than workers - 61 workers available for every 100 job openings.

To better understand the challenges, changes, and opportunities that COVID-19 created for the workforce, nclIMPACT Initiative and NCGrowth partnered to conduct a series of focus groups with workers, employers, and workforce support providers throughout North Carolina to dig beneath the numbers and hear individual perspectives. Because young workers aged 16-24 suffered the highest rates of unemployment compared to other age groups, the research focused on these workers in particular. Otherwise, the research sought to maximize variation across the employers and employment support providers to gain a diversity of perspectives and to illuminate cross-cutting

themes and/or areas of potential divergence depending on employment sector and geographic location across the state.

## Focus Group Methodology

From January to March of 2023 the research team hosted 21 60-minute focus group sessions with over 130 employers, employment support providers, and young adults. Conversations took place in communities located in each of North Carolina's eight prosperity zones. The research team worked closely with local partners to recruit participants to these discussions. While each focus group explored similar themes, questions varied slightly depending on the focus group population.

## Burke County Focus Group Summary

- Three employers representing restaurants and manufacturing
- Two workforce support providers including representation from an apprenticeship program
- Seven young adults with a mixture of education attainment and employment status

## Employers

### Varied Hiring Experiences

The small group of employers we spoke with shared mixed experiences related to worker shortages and hiring. One employer representing the restaurant/hospitality sector described being “lucky” compared to other colleagues in the industry, citing consistent entry into and retention in their training program. One of the manufacturing representatives in the discussion described temporarily shifting their business to making Personal Protective Equipment (PPE) and how this actually increased the need for workers during the pandemic, many of whom they’ve retained.

On the other hand, a second manufacturer had a very different experience.

*She stated, “...we don’t get as many applicants. [B]efore the pandemic we were getting applicants every single day. They could not keep people from applying. They’d have to be like, ‘No, we don’t have anything. Sorry.’ And now it’s more, we have so many open positions and we get maybe a few applicants.”*

### Competing for Talent and Investing in Workers

Despite those differences, all the employers participating in this discussion mentioned using new or enhanced efforts to attract and train workers with the hopes of retaining them.

For instance, one participant said,

*“We are hiring line cooks with no experience at \$20 an hour and we certainly would not have done that three or four years ago. I mean, that is a significant change in the rate of pay and experience. And so, we’ve had to up our game, we’ve had to compete. If they’re willing to show up and work, be on time, be ready, then it’s there for their taking.”*

In describing new attention on training and preparing employees for available positions, another participant stated,

*“Typically, our technician positions, those are more skilled labor. And now because it’s impossible to find someone that actually has a skillset that we’re looking for, we’re hiring people into it and we’re having to get them ready for it. So, we’re having to invest a lot in them. It does work because they do feel appreciated. If you are investing in someone and you’re helping them grow, they appreciate it, but still they have so many options they can take what they’ve learned here and jump here. We’re definitely seeing that.”*

The conversation also included examples of offering more creative benefits to support workers. One employer described that for younger workers, there is a move away from the importance of longer-term benefits, like 401k’s. Instead, they are using more immediate rewards, like paying for yoga classes or helping to pay for work-related expenses.

One employer said this:

*“But I will say that we’ve also had to really expand our benefits package and get a little more creative....It’s more of, ‘Hey, giveaway for a massage this week.’ Immediate things, not any long-term planning benefits that matter. It’s just what’s happening right now in this moment.”*

This sentiment was echoed by another participant who shared,

*“I 100% agree. It’s more about gratification now. No one’s really thinking about the long-term. And I say that as someone that’s still in that age group. I’m the youngest person on my team, so I’m not as concerned with a 401k plan or an ESOP plan, which I mean it’s great to have because when I think about the future, I’m like, yeah, I’m going to need that. But right now, it’s more about what are you going to give me right now?”*

Additionally, focus group participants also discussed the critical role that good managers and supervisors play in keeping workers invested and engaged.

*"We had a lot of management training in the last, probably since the pandemic just because we've noticed...[a] good supervisor and good managers can make employees more happy than anything."*

### **Critical Skills for Success**

In our focus groups across the state, we talked frequently about soft skills (sometimes referred to by other names). In these conversations with employers, they shared a few that were the most critical in their industries, including a willingness to learn, conflict management, and emotional intelligence.

For example, one participant said,

*"I think the biggest thing that I'm looking for in any potential employee is a willingness to learn just because we are in manufacturing and things change every single day. So, as things are changing and as things are shifting and even if you go back to training, as the training changes, are you willing to learn the new things?"*

One participant also pointed out that these skills aren't just important for new and/or young workers, but for managers as well.

She shared,

*"...they [workers] don't have to stay at this point. There are so many jobs out there. So, if you as a manager don't have soft skills, you can't expect your employees to either."*

### **Increasing Employment Accessibility for Young Workers**

The focus group conversation with employers wrapped up with a short discussion on the opportunities and barriers that some young people may experience in accessing and staying engaged in work, particularly opportunity youth, defined as people ages 16-24 who are not working and not in school.

Strategies included using social media to reach a younger audience as well as seeking to shorten the interview and orientation period.

Speaking to this latter point, one employer in manufacturing said,

*"[So,] when I first got to this company it was very, the interview and the orientation process was very long. It was like an eight-hour orientation, and you had to wait two weeks. And now we have it down to three days max."*

On the other hand, when discussing barriers, employers mentioned a lack of childcare (but described difficulty being able to provide that directly). They also mentioned a desire to reach vulnerable and/or underrepresented populations, like justice-involved individuals or those who have struggled with substance misuse, but expressed uncertainties about effective strategies for this.

### **Workforce Support Providers**

#### **Difficulty in Retention**

Participants in this conversation described challenges in the workforce, including fewer job seekers and difficulties with employee retention.

One participant mentioned,

*"And everybody is scrambling for workers....And not only just getting them but keeping them. That seems to be, that retention piece seems very high on the list. And so, I think that's our big issue in talking with the people here in the county."*

The other described a similar struggle,

*"So definitely retention is really, really hard. Understanding what they [workers] want, why they leave, and developing a better culture in the workplace has been hard and has been a struggle for employers. So that's a big conversation that we try to have, especially with youth. I mean, I know y'all are talking about younger generation and understanding what that culture has to be and recognizing them as more than just an employee number, but as an employee that's essential to the company."*

## **Building Soft Skills**

Like employers, workforce support providers also emphasized a need for improved soft skills and noted several similar needed skills.

A participant said,

*"We have very emotionally intelligent youth today, but understanding and reciprocating that in [the] workforce I think is sometimes hard...And so, I think, for me...that critical thinking, the communications, and balancing that emotional intelligence and applying it into the workplace of today... [also] working with different generations too."*

## **Exposure to Opportunities and Pathways for Growth**

Throughout the conversation with workforce support providers, they described the need to expand how young people become exposed to and prepared for employment opportunities. They mentioned a few examples, like company tours, but stressed the need to help young people

better understand what doing a particular job actually entails day-to-day. One way they try to accomplish this is through apprenticeships and pre-apprenticeships.

They also mentioned the need to help young workers understand the range of positions that might be available within a particular business or sector.

One participant highlighted this point by saying,

*"It's like if you work in furniture, you might not be making furniture. You might be their social media expert. Teaching them [young people] early that the things that you love are out there with these companies that exist, but you're associating what they make with what they do on all levels."*

Related to this, one participant talked about a desire for teachers to help deepen connections between lessons learned in the classroom and tasks done in the workplace, rather than having to teach to standardized tests.

She said,

*"I think it [standardized tests] forces teachers to pinpoint just specific content instead of taking opportunities to show how content can [be] pull[ed] into other jobs.... It's like, 'Hey, let's say we're going to work today at blank. This is how you would use that math!'"*

Participants also mentioned the importance of helping young workers create pathways and plans for securing employment and building careers, including talking about opportunities for growth within jobs and industries. Help them better understand what may be required for getting a job and how to grow that into a career.

A participant said,

*"...you have to create pathways, it's occupation specific. Here is what [you'll be] doing. You can do it for these eight companies in this area, but here is what you're doing. You can go to a four-year, but there's also opportunities in a two-year to do the same type of work.*

But I think seeing that progression plan over time, not walking in and saying, 'Here's an entry level job.' Entry level jobs aren't existing anymore, especially in manufacturing. They're so advanced. You have to have a skill certification, something beyond an eight-week course now to get to manufacturing...So that, I think, the more that we can show those pathways of careers and passion-driven careers is important."

## Young Adults

### Complex Experiences Through the Pandemic

The young adults we talked with described diverse experiences and varied impacts related to the COVID-19 pandemic. Most of our participants were in high school at the onset of the pandemic.

In making this point, one participant said,

*"I think there's an added layer of complexity from student to student during COVID and going to school online because you have cultural differences. Some families might value education more than others. And then you start getting into finances. Does student A have the resources that student B has? I think everyone had a different experience with COVID with added layers depending on your background..."*

A few mentioned that schoolwork was easier during remote learning and that teachers were more lenient with assignments and grading.

One person said it this way,

*"I think that in some ways because the pandemic affected a lot of us emotionally and physically, I think that things in school got a little easier. And I think that maybe people were babied a little bit...I feel old for saying this, but I just feel like the work ethic just decreased a little bit.*

Some participants also noted negative effects from the lack of critical social interactions as classes moved online and people had to stay more isolated.

A participant shared this about her younger sister:

*"My little sister, after COVID, was extremely anxious, especially in social settings.... [M]aybe she was in eighth grade, and she didn't go back and be in person until 10th grade. Was it two years? It was almost two years. So, there was a layer for her, from what I saw, of social anxiety."*

Consistent with existing quantitative data, several of our participants who were working at the onset of the pandemic lost their jobs or saw their hours significantly reduced.

A young woman working in a restaurant during COVID-19 said,

*"I was scheduled one, two times a week and then everyone else was also scheduled one to two times a week. So, it was really hard to get a job and have more hours because during COVID everyone needed hours..."*

### Barriers to School and Work

Many of the young people we spoke to in Burke County were working to complete a 2- or 4-year degree. However, factors, such as completing the Free Application for Federal Student Aid (FAFSA) and managing the overall cost of education, created significant challenges. Some of our participants were able to turn to mentors, trusted friends, or college

advising organizations to help address this challenge, but shared that there was a need for expanded support and awareness of available services.

One of the participants shared that she is a DACA recipient. She described the financial hardships associated with this and mentioned a desire for more resources to help the large Hispanic population in the county.

She said,

*"A barrier that I had was just my immigration status. I'm a DACA recipient, so in North Carolina you get the out-of-state tuition regardless of how long you've been here. So that's hard having to pay out-of-state tuition." Later in the conversation she went on to say, "So, there's a large Hispanic community here...So, I think if there were resources for those individuals so that they could pursue post-secondary education or have alternatives to just working in a restaurant or working in the fields, I think there's opportunity for growth there."*

Additionally, though not described as a barrier, some participants expressed a sense of uncertainty about the future and pressure to know exactly what they wanted to do.

One participant put it this way:

*"I think all of us being as young as we are, I feel like that's the biggest challenge. Finding something that you truly enjoy. I feel like people always say, 'Oh you know, you got to go to college and then find something you love and to do the rest of your life,' which is scary."*

### **Opportunities for Growth and Feeling Valued in the Workplace**

When it comes to employment, many of the young people emphasized two key themes: 1) a desire for growth in the workplace and 2) to feel valued and respected by their

employer. Additional benefits, specifically flexibility in scheduling, was frequently mentioned as important in seeking work.

One participant shared,

*"My goal is pretty similar, to find a job that has growth opportunities, and it does feel more like a career, even if it's in something more like retail or restaurants or anything like a service industry. As long as a job feels like you can grow in the company, which I feel like a lot of, again, older generations had; and our generation sees a lot of in-and-out of jobs because it's so hard to get to the next step or next level on the job."*

Another participant focused on feeling seen and valued stating,

*"Kind of going off of that, a personal goal of mine right now is... working with a company or just an employer that truly cares about who I am...."*

A third talked about feeling less respected in the workplace due to their age. She said,

*"I feel like, and maybe we can all speak for this, I feel like being younger in any type of career, you're not as respected....[I]t's definitely a struggle...being younger and not taken as seriously as you should be."*

**For more information about the project and complete study findings and recommendations visit the Where are the Workers project website:**

**<https://ncimpact.sog.unc.edu/2022/01/where-are-the-workers/>**