

Where Are the Workers?: Exploring Complexities of COVID-19's Impact on the Workforce

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Executive Summary

The onset of the COVID-19 pandemic in March 2020 turned the labor market upside down. Job losses shot up and many businesses, if they were able to stay open, experienced significant drops in revenue. Today, the situation is the opposite. Businesses have experienced significant growth over the last two years and job openings currently surpass pre-pandemic levels. In fact, although the labor market started to cool in 2023, recent data from the U.S. Chamber of Commerce show that North Carolina, like so many other states, has more jobs than workers – 61 workers available for every 100 job openings.

With all these data in mind, the ncIMPACT Initiative and NCGrowth partnered on research to better understand the challenges, changes and opportunities that COVID-19 and subsequent disruptions created for the workforce, particularly among young adults. We conducted 21 focus groups with over 130 employers, workforce support providers and young people throughout North Carolina to dig beneath the numbers and hear individual experiences and perspectives. We specifically sought to reach “opportunity youth,” 16- to 24-year-olds who are neither working nor in school. We also sought to maximize variation across employers and employment support providers to capture a diversity of perspectives and to illuminate cross-cutting themes.

Here is a summary of what we learned and recommendations proposed to address the greatest challenges we face in a changing work landscape.

1. “COVID BROKE ALL THE NORMS”: A CHANGING WORKPLACE AND A CHANGING WORKFORCE

There was universal agreement across participants and locations that the pandemic had profound effects on work and the workforce, even if they could not yet fully quantify or articulate the details. In particular, participants named concerns about long-term effects of a lack of workers and noted that the high demand for workers empowered employees and that employers need to deliberately expand the pool of potential applicants for jobs.

2. “MENTALLY AND EMOTIONALLY IN WORSE PLACES”: ACKNOWLEDGING THE TOLL ON MENTAL HEALTH AND HIGHLIGHTING EFFORTS TO BRING SUPPORT TO THE WORKPLACE

Across the board, participants acknowledge the significance of mental health for the workforce. Participants shared stories of employee burnout, commented on the effects of isolation and missed opportunities for young people, noted a severe lack of workers in mental health care and related support, and shared devastating stories of suicide and mental health-related hospitalizations. When possible, they also identified the need for supporting mental health in the workplace and more resources to do this.

3. “YOU’RE THINKING THIS IS JUST SOMETHING EVERYBODY KNOWS, AND THEY DON’T”: SKILLS THAT PREPARE YOUNG WORKERS TO THRIVE

Across many of our conversations, employers and workforce support providers discussed the critical need for employees with skills like communication, time management, integrity and work ethic. Participants used several terms to describe

this skill set. The most frequently used was “soft skills,” but others included “employability skills” and “basic skills.” Despite some minimal differences in terminology, there was widespread agreement about the need for these skills along with a deeply felt sense that young workers were lacking in them.

4. “THOSE GIGANTIC BARRIERS”: THE INFRASTRUCTURE ISSUES THAT CREATE CHALLENGES FOR THE WORKFORCE

There are some issues facing workers, young and older adults alike, that too often keep them from fully engaging in the labor market. Common issues include transportation, childcare and housing. Any one of these barriers can affect someone’s ability to access and maintain education or employment, but often, individuals confront multiple barriers. These barriers involve large, complicated and expensive systems and created various levels of challenge before COVID-19. However, in several cases, the pandemic expanded or deepened the extent to which workers were impacted. In this section, we touch on three of the systemic barriers mentioned most frequently in our focus groups.

Recommendations

Enduring solutions to these complex social challenges will not be a one-size-fits-all approach and will require the participation of policymakers, employees, parents/guardians, employers, support providers and educators. These focus group conversations underscored the reality of intersectionality and the need to be mindful of how some solutions may be able to cut across workforce challenges while others will address specific aspects. Indeed, the silos within and across sectors continue to lead to ineffective and inefficient systems at a time our economy desperately needs a strong workforce.

The challenges are great. However, creating real career options and pathways presents a unique opportunity for consensus in the face of so many other more divisive issues. Creating a society where people can build a good life is a common goal. There are concrete steps that most of us can take – some big and some small – to address our current crisis and to build a foundation for more stable and promising careers for future generations.

Policymakers:

Many of the challenges facing young adults and others seeking employment are best addressed with state or federal government involvement. Focus group participants pointed to the following as top policy priorities:

- Affordable housing.
- Reliable and affordable transit.
- Affordable high-quality childcare.
- Affordable skills and educational attainment.

There are also other more targeted policies that can help solve some workforce challenges, for example:

- Establish nationwide data-sharing on wages to help job seekers, support providers, employers and others better understand opportunities within specific career pathways.
- Lower employment barriers for formerly incarcerated persons and those managing substance abuse (second-chance hiring).
- Greater opportunities for work-based learning.

Employers:

Many focus group participants expressed a desire for more communication and flexibility from employers.

- Review existing standard operating procedures to identify opportunities for remote work and more flexible start/stop times.
- Provide clear paths for career growth and articulate them both while interviewing and during new hire training. Concretely describe milestones for career advancement, and, where possible, invest in employees through additional training and professional development.
- Review and update job descriptions, and, when possible, minimize barriers in the application and interview process:
- When possible and appropriate, consider alternatives to the traditional interview process to accommodate neurodivergent applicants. This can include providing questions in advance, altering the interview room environment, and/or using work sample tests rather than interviewing alone.

- Evaluate position requirements and remove those that may be unnecessary and block access (e.g., degree requirements when the position may not truly require one).
- Consider and adjust the unspoken expectations of interview behaviors that may not translate to an ability to do a specific job well (e.g., maintaining eye contact may not be essential to job duties and therefore not essential as an evaluation criterion in an interview).
- Clearly communicate your expectations and be open to listening to the needs of employees.
- Collaborate with current employees to foster a workplace culture of caring and connection.
- Train managers and higher-level workers on engaging with a younger workforce. Skill building is a two-way street, and those at upper levels have knowledge and skills to gain from those much earlier in their careers.
- Update/integrate mental health policies into the workplace, including support for mental health first aid training for employees. Connect employees to resources for mental healthcare, childcare, transportation or other support they need to succeed in the workplace.

Employers create jobs and have many responsibilities for their firms and employees. Therefore, they also have a role to play with policymakers, educators and other employers in solving some of these workforce challenges.

- Engage in conversations about state and federal policy interventions that will make attracting and retaining talent easier, e.g., public transit options, affordable housing, childcare, etc.

- Collaborate with other local employers and service providers to provide career paths that might span different employers. A community-focused approach to cultivating the workforce will benefit all employers in a region.
- Engage with local schools and community colleges to provide job shadowing and other work-based learning opportunities such as apprenticeships and internships.

Support Providers, Including Educators:

- Expose youth to career pathways early and often through many formats, including going to youth rather than only expecting them to come to you via job fairs, etc. Examples could be:
 - Traditional career fairs at untraditional places.
 - Site visits to local workplaces.
 - Job shadowing and work-based learning experiences.
 - “Reverse interviews,” where students ask questions of employers.
 - Social media.
- Work with employers to develop high-quality educational opportunities for in-demand skills and positions.
- Include employability skills in curriculum beginning in middle school through all postsecondary programs.
- Collaborate with other local support providers such as education, local government and social services. Collaborative strategies should focus on holistic approaches and where possible use an “opt out” approach instead of “opt in” to reach more young adults.
 - Asset-based career advising services, especially for youth and young adults.
 - Connections to education/training/pre-apprenticeships for in-demand jobs with advancement opportunities, including help accessing financial assistance, if needed.

- Success coaches to help connect potential workers to wraparound support they may need.
- Expose young people to entrepreneurship as a career pathway and educate them on the promise and peril of the gig economy.
- Collaborate with other local organizations, including religious organizations, to help alleviate workforce challenges, primarily transportation, housing and childcare.
- Engage in regional conversations and solutions around the systemic challenges identified by workers: childcare, housing, transportation, etc.
- Consider identifying and promoting industry-valued short-term credentials that can be a starting point for local careers and provide an easier on-ramp, especially for opportunity youth.
- Find youth champions for your organizations and empower them to bring in others – many youth may follow their peers more than the adults around them.
- Listen without judgment to the perspectives, priorities and preferences of young people.

Young Adults and Other Jobseekers:

- Communicate with your employer or potential employer about your needs and goals.
- Seek community resources that can help you learn more about your strengths and interests and connect you to workforce and education opportunities in your area.
- Set goals. Give yourself grace to not always succeed the first time but to keep moving forward.
- Find a trusted adult – teacher, pastor, neighbor, parent, older sibling – who can help and champion you.

Conclusion

Many of the recommendations above are not new, but the demand is greater than ever before. As the state works to meet unprecedented and unrelenting workforce demands, we must hear and respond to the wisdom of those who know best.

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