In Michigan, like the nation, job openings greatly exceed hires, with the gap closing somewhat in recent months.

After sharp swings related to the pandemic, average hourly earnings remain elevated relative to historical trends

Survey Description

• Southwest Michigan counties: Berrien, Branch, Cass, Calhoun, Kalamazoo, St. Joseph and Van Buren
• Focused on Manufacturing and Health Care employers
• Data collection: Sep 27 – Nov 17, 2022
Over 90 percent of employers reported it was difficult (38%) or very difficult (53%) to hire workers. The most common reasons cited were:

- Low number of applicants (73%)
- Workers lack technical skills (50%)
- Lack of work experience (50%)
- Unwillingness to accept wage offers (44%)
- Lack of soft skills (37%)

The most common methods used to attract workers cited by employers were:

- Increase starting pay (95%)
- Hiring bonuses (42%)
- Flexible work arrangements (42%)
- Increased benefits (28%)
- Waiving drug tests (25%)
Nearly 70 percent of employers reported it was difficult (51%) or very difficult (16%) to retain workers. The most common reasons cited were:

- Poor employee attendance (92%)
- Poor quality work (74%)
- Workers receiving competitive wage offers (68%)
- Workers reporting that their pay is too low (53%)
- Lack of reliable transportation (50%)
- Family/care responsibilities (42%)

Other reasons cited include:

- Lack of flexible working hours (21%)
- Lack of opportunity for promotion (18%)
- Lack of professional development opportunities (13%)
- Employee drug abuse (13%)
- Lack of investment in training (11%)
- Lack of benefits (5%)
Employers offered incentives during the pandemic to attract and retain workers; we asked which incentives they intended to keep

- Extra PPE of safety measures (64%)
- Flexible workday scheduling (36%)
- Teleworking or remote work (32%)
- Gift cards (25%)
- Hiring bonuses (23%)
- Redesign of workspaces (21%)
- Hazard pay bonus (18%)
- Additional sick leave (16%)
- Shift preference (14%)
- Increase end-of-year bonuses (14%)
- Additional paid time off (11%)
- Insurance benefits starting on day one (7%)
- None (5%)
Workplace practices adopted in response to difficulties hiring and retaining workers

- Referral bonuses (75%)
- Profit sharing (44%)
- Signing bonuses (33%)

- Half of employers reported automating work processes in response to labor shortages
- All employers in health care reported having their employees be ‘on call’, while only 20 percent of manufacturing firms did so
- Half of employers reported using independent contractors or employees from staffing companies
Employers reported adopting a number of pro-active policies to improve the quality of the work environment as a way to attract and retain workers.

- Casual dress (78%)
- Regular employee reviews (69%)
- Exit interviews (64%)
- Regular employee engagement activities (53%)
- Maternity leave unpaid (51%)

- Flextime (38%)
- Private spaces for breaks (35%)
- Provision of uniforms (35%)
- Paternity leave – unpaid (35%)
- Employee discounts (31%)
- Formal promotion training (27%)
- Job rotation (22%)

- Relocation Assistance (20%)
- Free food at the worksite (18%)
- Telework (16%)
- Tech provided by the company (15%)
- Credit union membership (11%)
- Professional memberships (11%)

- Car leasing or ownership (9%)
- Union participation and dues (9%)
- Paternity leave – paid (9%)
- Job sharing (6%)
- Compensation for public transit (2%)
- Childcare assistance (2%)
Employer benefits

- Life Insurance (86%)
- Health Insurance (97%)
  - Full time only (86%)
- Dental (89%)
- Vision (84%)

Over 70 percent of employers allow employees to be eligible for retirement within their first six months – 20 percent allow immediate eligibility.

Retirement benefits

- Manufacturing (85%)
  - Full time employees only (60%)
  - Full and part time (26%)
- Health care (78%)
  - Full time employees only (11%)
  - Full and part time (67%)
Information on national, state, and local wages and employment updated annually from over 1.2 million employers

https://www.bls.gov/oes/tables.htm
Labor shortages longer term
Average monthly changes in employment will slow down significantly over the next ten years

<table>
<thead>
<tr>
<th>Year</th>
<th>BLS employment projections</th>
<th>Average monthly change (in thousands)</th>
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<tr>
<td>2012</td>
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<td>2031</td>
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<table>
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<th>Year</th>
<th>MI actual and projected employment</th>
<th>Average monthly change</th>
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<tbody>
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<td>2010</td>
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<td>2030</td>
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</table>
Southwest Michigan Wage and Benefits Survey: Van Buren, Kalamazoo, Calhoun, Berrien, Cass, St. Joseph, and Branch Counties

https://research.upjohn.org/reports/286/

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