Session: Future Trends in Labor Markets
Employment and Compensation Trends and Forecast

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Employment

- **Candidate Pools**
  - Decreasing candidate pool as Baby Boomers retire
  - 20 million less Generation Xers in Labor Market
  - Increasing number of Millennials and the start of Centennials in the labor market
  - Millennial generation continues to expand with immigration
  - Decreasing number of candidates willing to move
  - Limited Succession Planning
  - Delayed Retirements are now occurring
Employment (cont.)

- Community Political Stability
  - Press coverage and FOIA
  - Divided Council = fewer candidates
  - Age of Councils vs. Age of Candidates

- Public Sector Experience
  - Increasing demand for this experience
  - Hard to transition
  - Salary Differences
  - Some success stories in IT, Finance and Engineering
Employment (cont.)

- **Salaries/Benefits**
  - Must keep current with market demands
  - Most difficult – Finance and Public Works
  - Entry level and middle management – difficult recruitments and limited skill levels vs. private
  - Millennials seek more diverse benefits vs. baby boomers/Generation X’s
  - Flexible work schedules
Financial Implications

- Increased cost of recruitment
  - Additional time = money
  - In-house vs. RFP for consultant
  - Advertising costs for additional sites to attract more candidates
  - Divided Councils require more time for decisions
  - Citizen involvement in selection process
- Increased Expense for Training/Development
  - Entry level/middle management lack skills
  - Longevity of employment by Millennials and Centennials
  - Succession Planning is a lengthy process
Financial Implications (cont.)

- Increased Expense to Hire
  - Private to Public (Finance, IT and DPW)
  - Additional Benefits to attract candidates
  - Benefits – other than the norm
  - Longer severance packages
  - Additional testing for skill levels
  - Additional background screenings as a result of internet access
  - More retirements in the near future
  - Interim placements
Compensation Studies

- Significant increase since 2012
  - Most communities did not expense for it during recession
  - Employers eliminated positions or combined responsibilities
  - Reclassification of positions
  - Most communities are below market rates
  - Increases in Organizational Analysis studies
  - Efficiency studies for DPW, Community Development, Code Enforcement and Parks/Recreation
Financial Implications

- **Salaries/Benefits**
  - If no increases were given during recession, could be significant
  - If marginal ones were given, depends on the Community perspective and their market position
  - Trade positions may significantly change due to market demand (welders, mechanics, plumbers, nurses)
  - Increased benefits to attract highly skilled employees
  - Regionalization of services
Questions/Comments??

Thank you!