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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
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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
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Questions / Comments??

Thank you!

