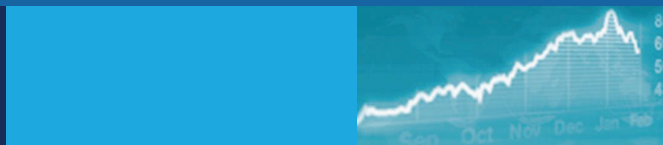


# Employment Update

Charlotte Jobs and Housing Summit  
January 9, 2023



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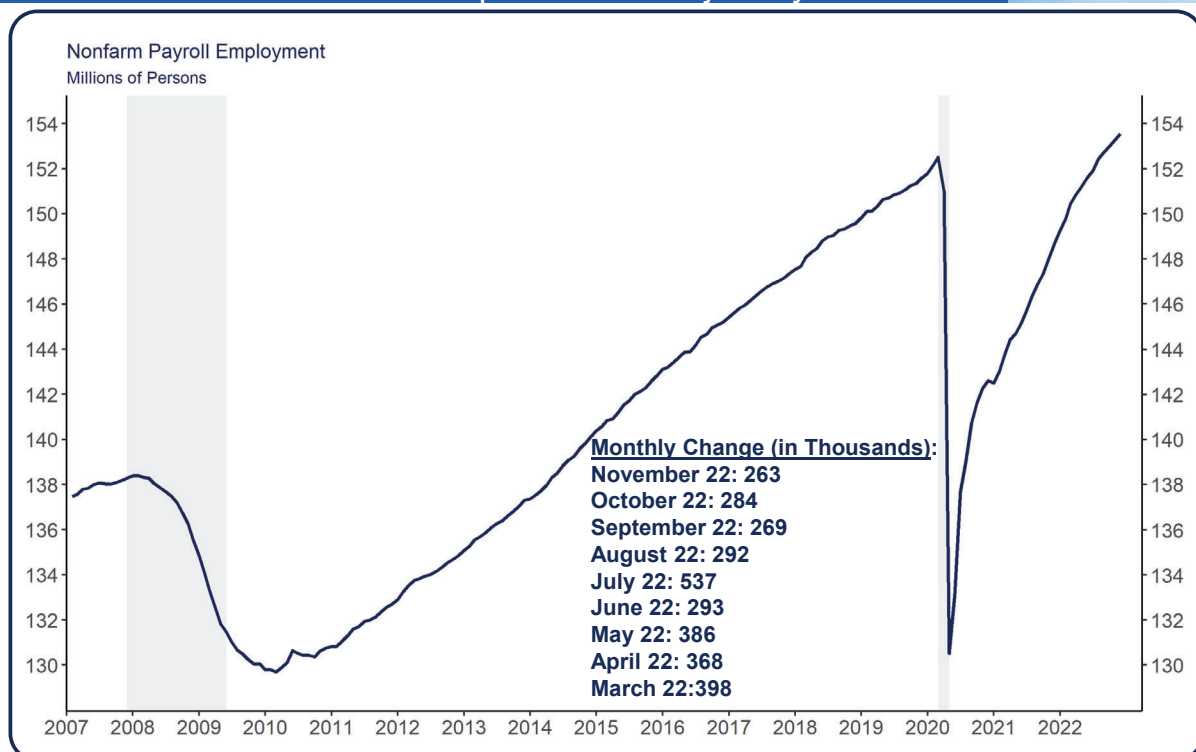


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## Where are we now?

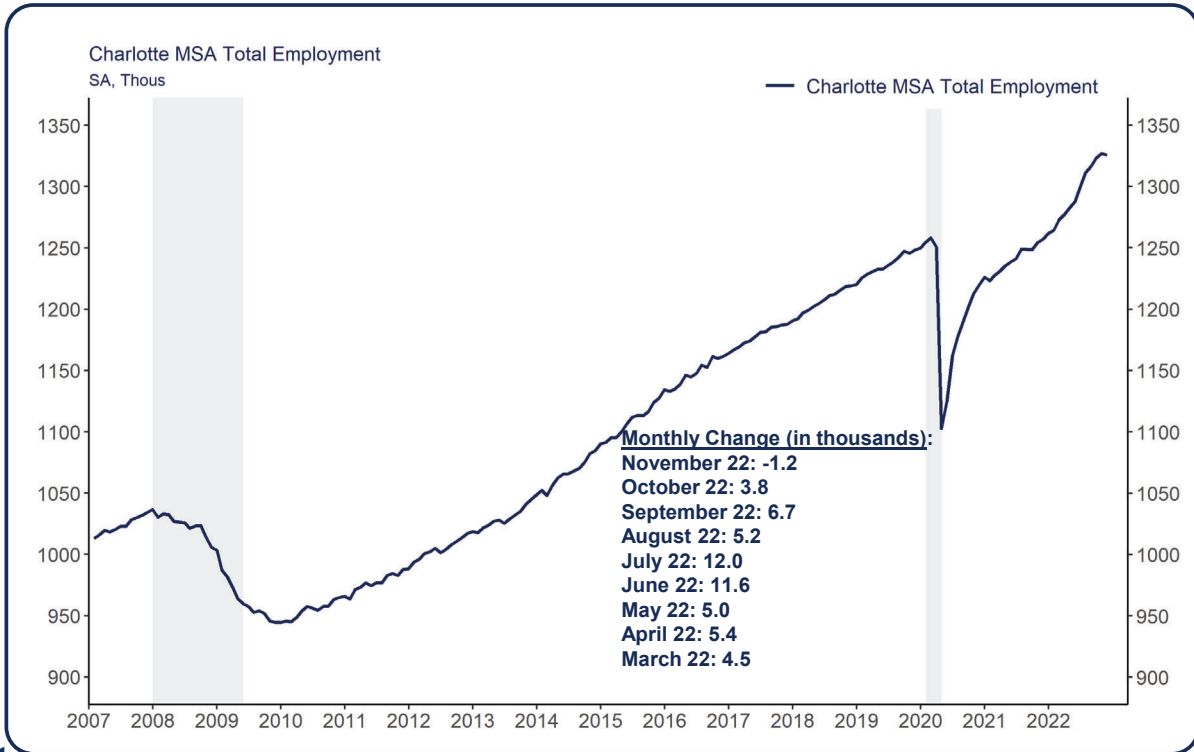
- 2021 was a year of strong economic growth and employment recovery; 2022 was much bumpier, but employment continued to grow.
  - Some sectors continue to be hit harder than others.
- Our region has fared better than many other parts of the country. **We continue to be an importer of people, companies and talent.**
- Labor shortages exist in many sectors and will likely continue in 2023. Many of these shortages are being driven by longer-term issues such as demographic shifts, childcare and educational attainment.
- Wages have increased rather significantly, but with inflation at high levels, many face real wage declines.
- Many of the challenges facing employers are also impacting higher education institutions.

## We are now above pre-COVID levels of employment nationally, but we haven't returned to the pre-COVID trajectory



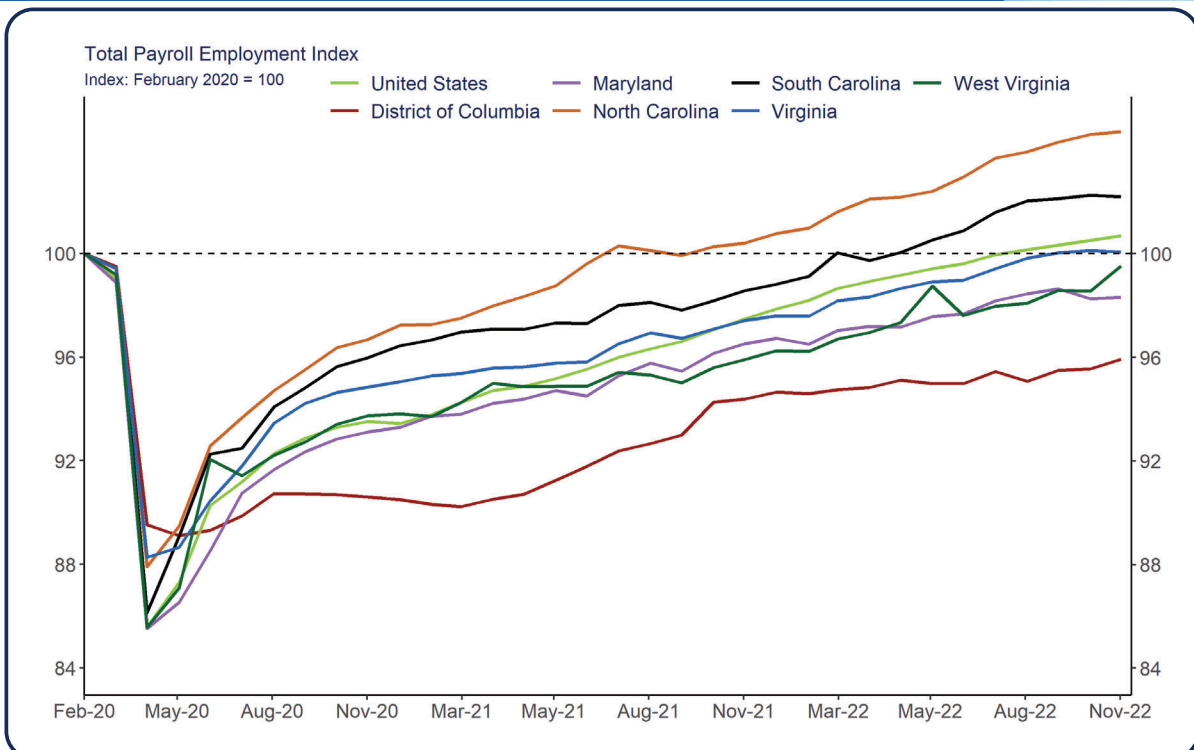
Source: Bureau of Labor Statistics/Haver Analytics

## The Charlotte region is a far different story as we now exceed the pre-COVID employment trend



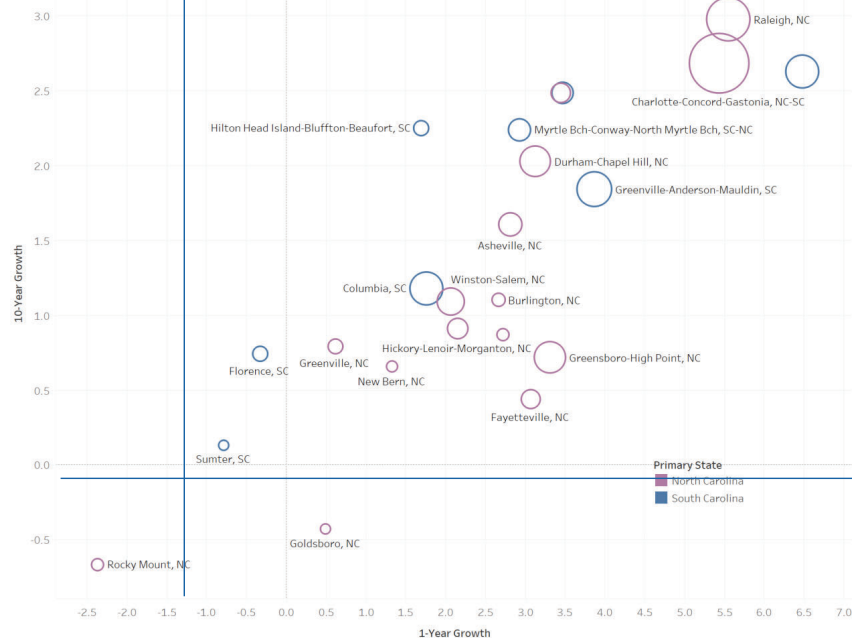
Source: Bureau of Labor Statistics/Haver Analytics

## The Carolinas are clearly leading the employment recovery in the Fifth District



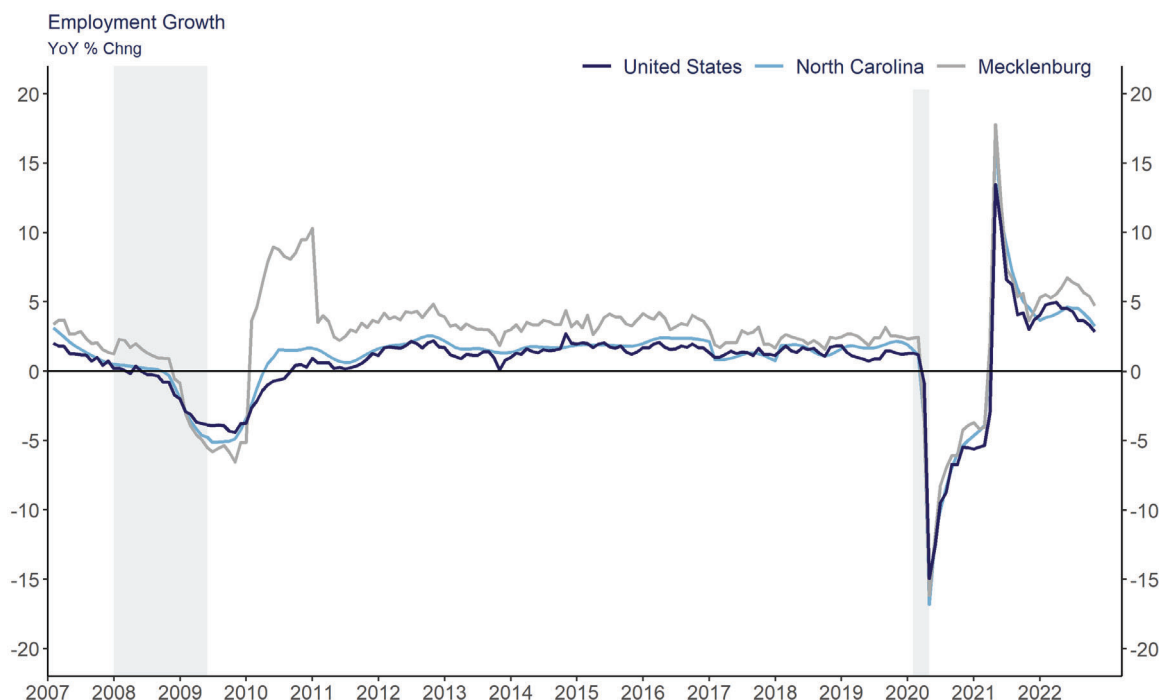
Source: Bureau of Labor Statistics/Haver Analytics

...and long-term growth amongst NC and SC MSAs remains almost entirely positive, even considering COVID declines



Source: Bureau of Labor Statistics/Haver Analytics

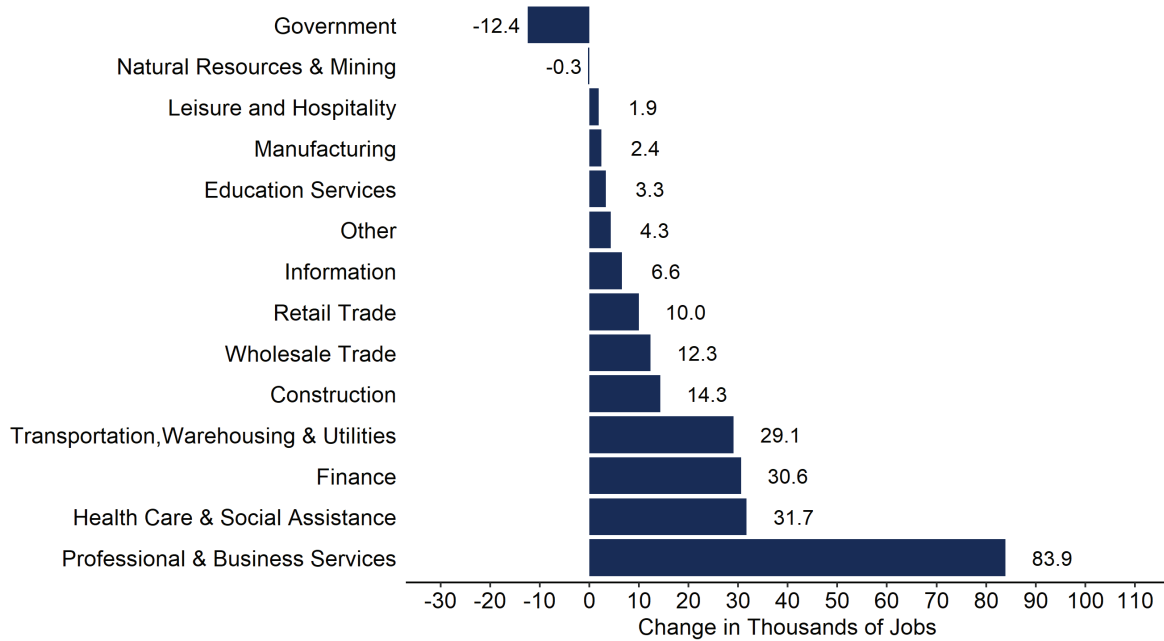
Contrary to the previous recession, NC and Mecklenburg have fared better than the U.S. overall in terms of employment



Source: Bureau of Labor Statistics/Haver Analytics

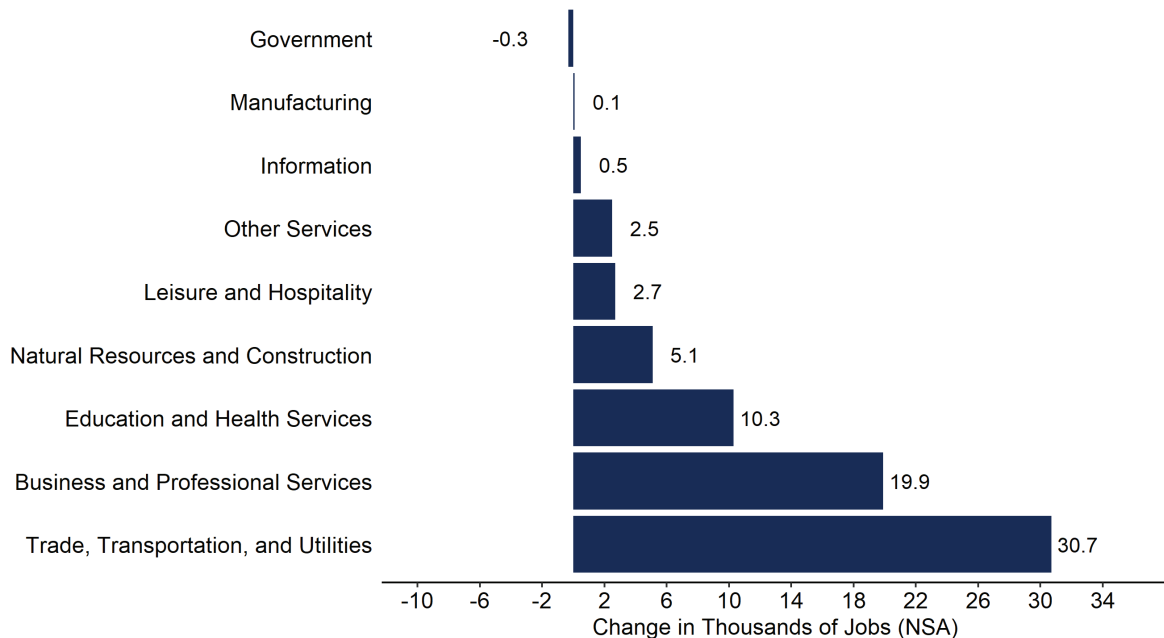
## There have been major sectoral shifts in employment...

### North Carolina Employment Change from February 20 to November 22

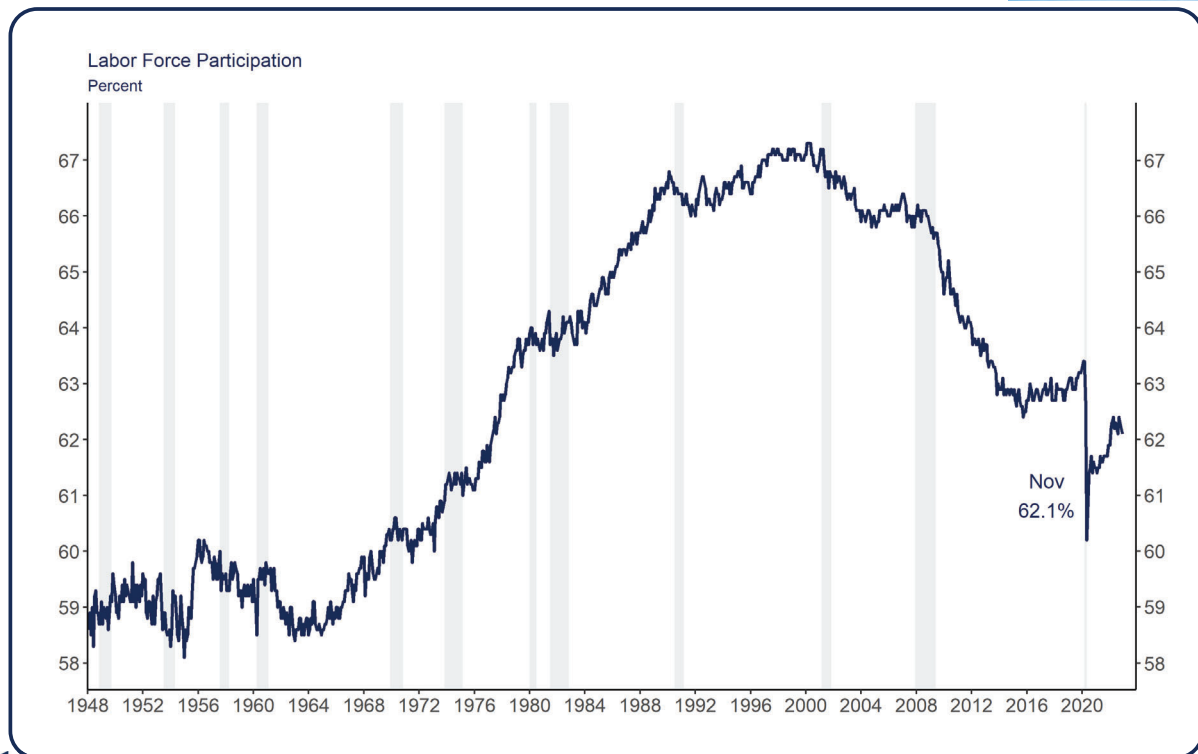


## ...and these shifts have heavily impacted where and how people work

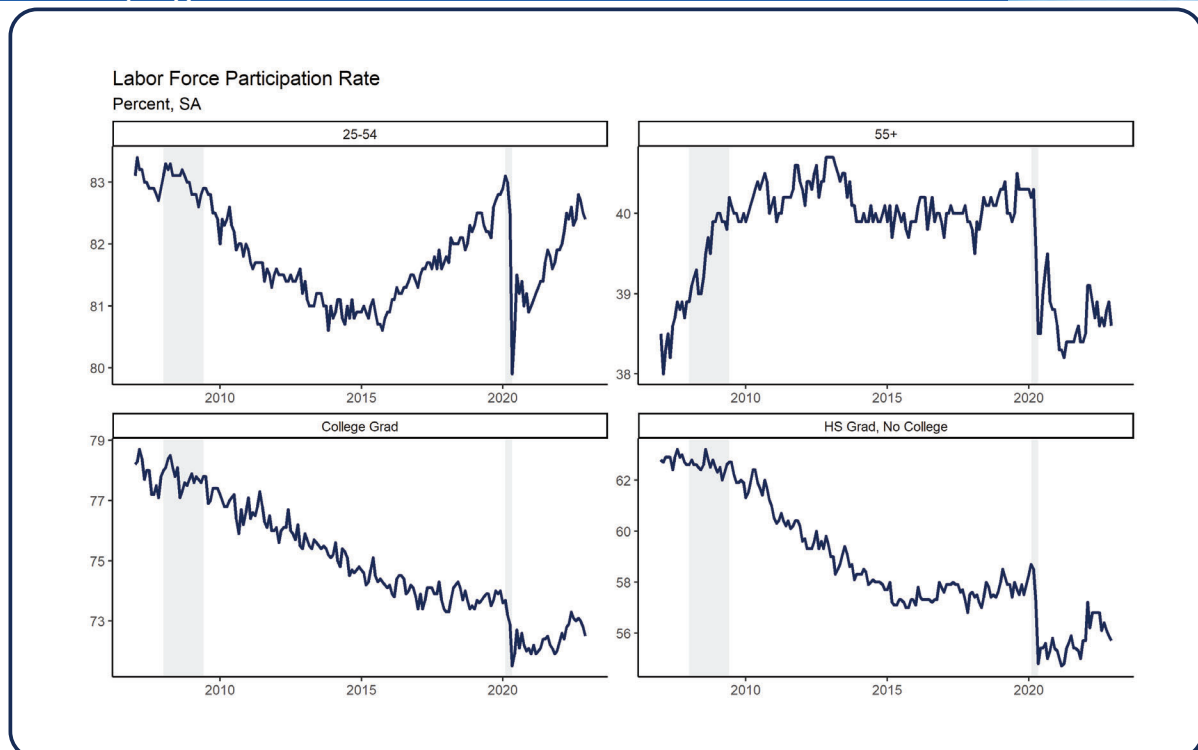
### Charlotte MSA Employment Change from February 20 to November 22



## The recovery looks a less impressive when considering labor force participation (LFP)



## Who has left the labor force? Labor force participation rates by age and education



## Who has left the labor force? Changes in labor force and LFPR since November 2019 by age, race and gender

### Age 20-24

	Percent Change in LFPR Since November 2019	Change in Labor Force Since November 2019
Black Men	5.60%	46,000
Black Women	-3.11%	(42,000)
White Men	-1.20%	(112,000)
White Women	-2.58%	(141,000)

	Percent Change in LFPR Since November 2019	Change in Labor Force Since November 2019
Black Men	-1.43%	101,000
Black Women	1.67%	215,000
White Men	-1.00%	(206,000)
White Women	-0.78%	(489,000)

### Age 25 - 54

	Percent Change in LFPR Since November 2019	Change in Labor Force Since November 2019
Black Men	0.44%	75,000
Black Women	-4.07%	(28,000)
White Men	-8.59%	(76,000)
White Women	-7.19%	(133,000)

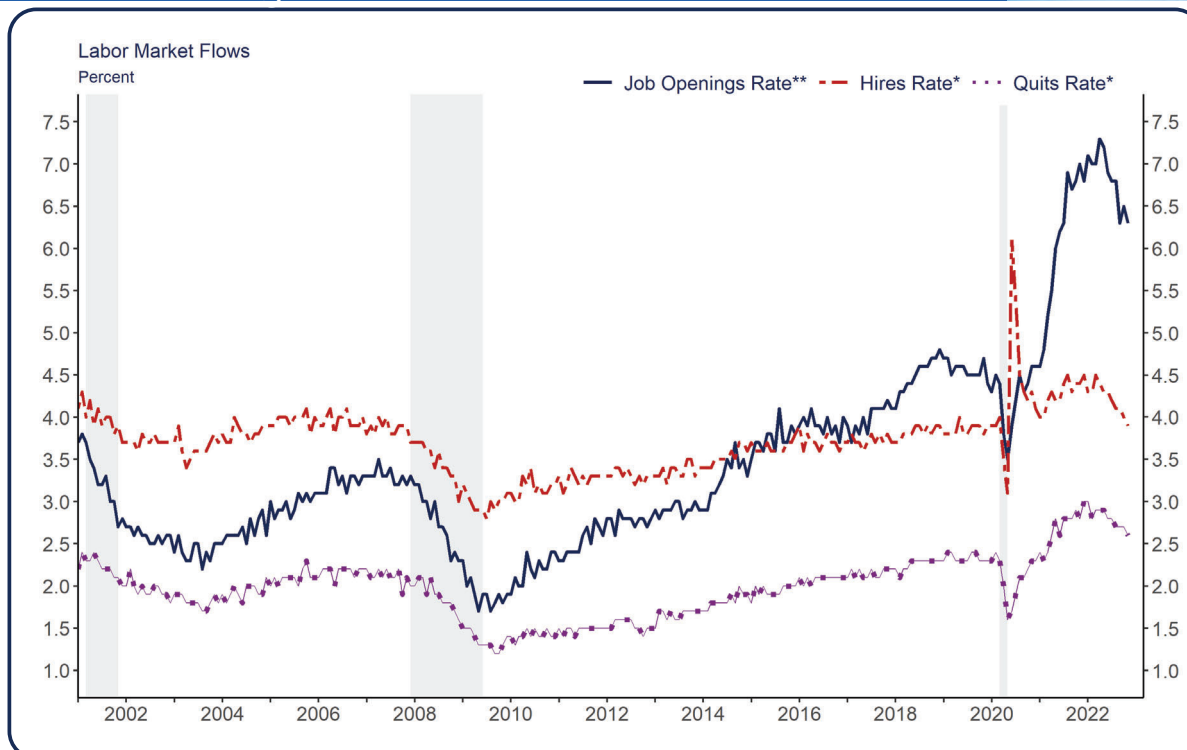
### Age 65+



Source: Bureau of Labor Statistics and Author's Calculations

13

## Job openings and quits remain elevated, although each has been falling in recent months



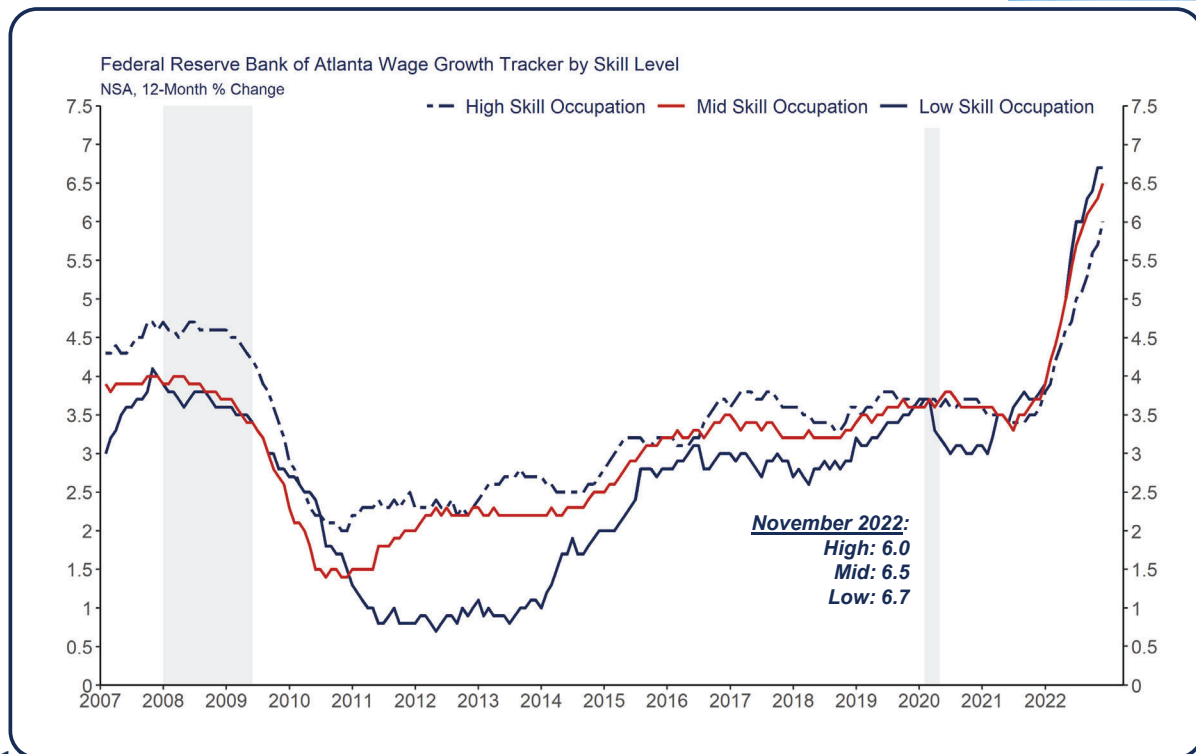
Source: Bureau of Labor Statistics/Haver Analytics



14



## The result...nominal wages continue to rise, and low skill wages are increasing faster than high skill occupations



Source: FRB Atlanta via Haver Analytics

## Where do we go from here?

- What might make a difference in the availability of workers? What could get people back into the labor force?
  - Flexibility:
    - According to LinkedIn, workers are 2.5 times more likely to apply for jobs that are remote.
    - Flexibility in terms of location, hours worked, etc. can help workers with young children or those with other care responsibilities.
  - Immigration:
    - While these issues are global, the desire to relocate to the U.S. remains strong. The bonus here is that immigrants typically have higher labor force participation and fertility rates.
  - Policy Initiatives to Improve Outcomes:
    - This could include anything from enhanced child tax credits, to subsidized childcare, to an expansion of the Pell Grant.
  - Changes in Recruiting Philosophies:
    - As the working population shrinks (as a percent of total population), employers will have to evaluate how and who they recruit.
  - Encouraging Youth to Develop into High Demand Fields:
    - Some fields (nursing, computer science, accounting, data analytics) are in higher demand than ever. Encouraging students to study these fields, and providing attractive training programs, could improve employment outcomes.



*Questions/Comments?*

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