

Wonolo

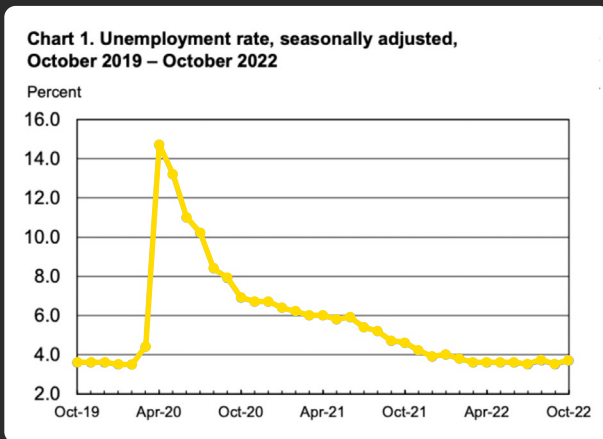
Economic Trend Report:

**Obstacles Between Your
Business and Workers**

Why can't you find high-quality workers?

Labor Market Overview

While matters like whether or not we're in a recession or what has caused inflation are debated, one issue that is undeniable in the current US economy is the labor shortage.



With unemployment declining since the height of the pandemic, worker pools are getting **smaller** and **smaller**.



Many businesses like to say that even though worker pools are smaller, the 'Great Resignation' and higher quit rates are in their favor. However, stats following the 'Great Reshuffle' as it has now been deemed show that hiring continues to outpace quitting workers.

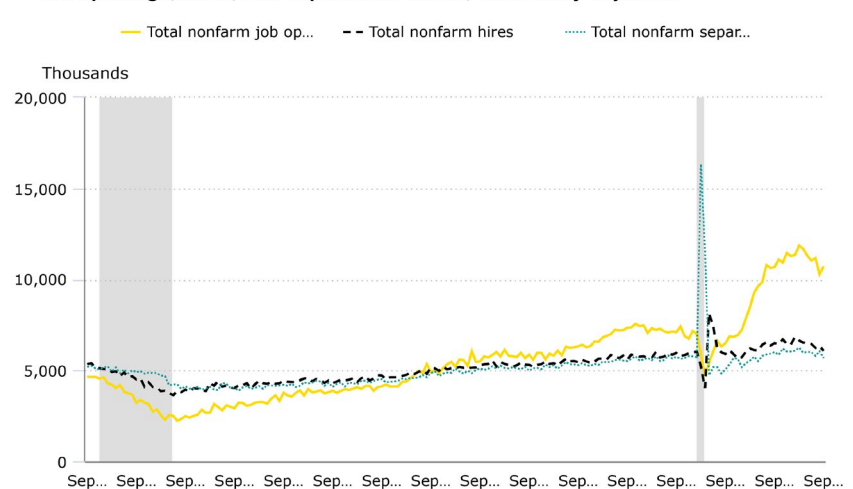
2.7%
National
Quit Rate

4.1%
National
Hiring Rate

10.1M
Open Jobs
in the U.S.

5.8M
Unemployed
Workers
in the U.S.

Job openings, hires, and separations levels, seasonally adjusted



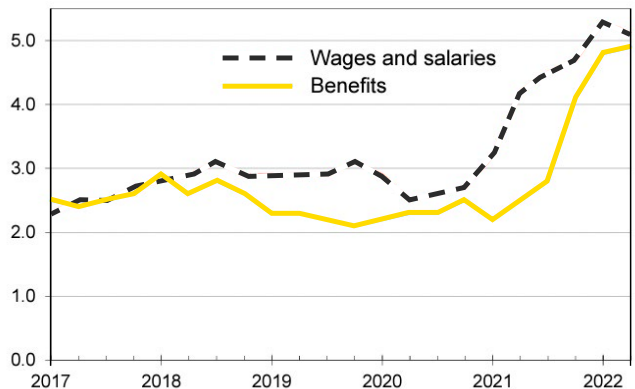
Note: Shaded area represents recession, as determined by the National Bureau of Economic Research.
Source: U.S. Bureau of Labor Statistics.

Economic Outlook

In conjunction with the labor shortage, the participating labor force is becoming more expensive for businesses.

Total compensation costs for private industry workers increased 5.2 percent over the 12-month period from September 2021 to September 2022. Wages and salaries increased 5.2 percent over this period while the cost of benefits increased 5 percent.

Chart 2. Twelve-month percent change, not seasonally adjusted, civilian workers



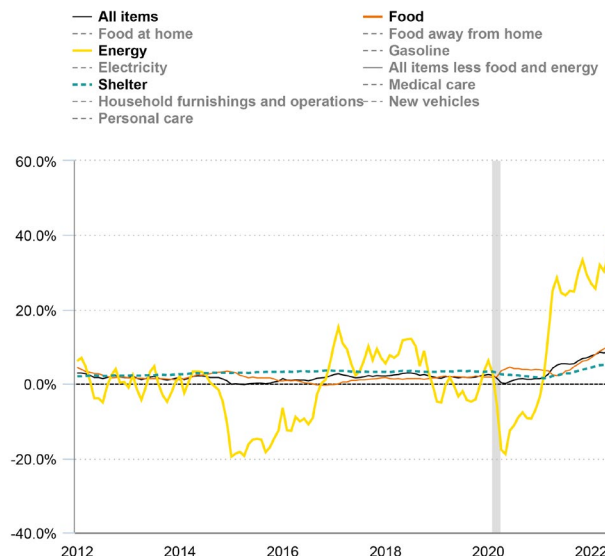
The current economic climate is also playing a part in workers quitting their jobs. With inflation and the Consumer Price Index for All Urban Consumers (CPI-U) rising, workers are seeking opportunities with higher pay to compensate for the changes.

Over the 12-month period of October 2021 to October 2022, the **CPI-U increased 7.7 percent for all items.**

The index for all items less food and energy rose 6.3 percent. Shelter prices accounted for over 40 percent of this increase, with **the shelter index rising 6.9 percent.**

Food prices rose 10.9 percent and energy prices rose 17.6 percent. Other notable categories increases include medical care (5.0 percent), household furnishings and operations (8.4 percent), new vehicles (8.4 percent), and personal care (6.4 percent).

12-month percentage change, Consumer Price Index, selected categories, January 2012–October 2022



Click legend items to change data display. Hover over chart to view data. Shaded area represents a recession as determined by the National Bureau of Economic Research. Source: U.S. Bureau of Labor Statistics.

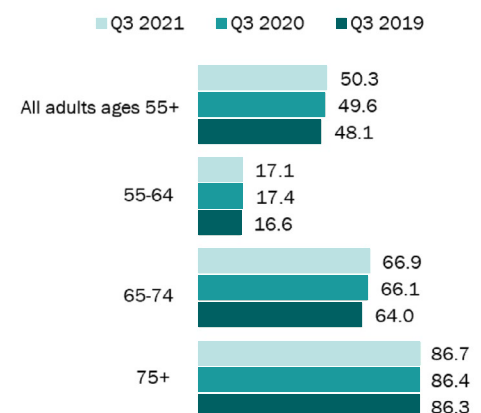
Wonolo took a deeper look into the current worker mindset by surveying 1,000 workers primarily engaged in the gig economy and 1,000 workers primarily employed as corporate employees across the US. Our report, [The State of Financial Health of Today's Workforce](#), compiled the results into a comprehensive deep-dive on how Americans are dealing with inflation, rising housing costs, and more amid a predicted recession. **Some key findings illustrated that both corporate and gig workers are equally worried about a pending recession, with worries concentrated on paying for housing and essential bills.**

- More gig workers (55%) than corporate workers (42%) are able to pay their bills, but are living paycheck to paycheck
- The vast majority of both corporate workers (92%) and gig workers (85%) said the cost of their bills have increased in the last six months, but just two in five (41%) corporate workers and 42% of gig workers have received an increase in pay in the last six months
- Roughly the same number of corporate workers (75%) and gig workers (78%) worry about their financial health if a recession were to happen in the next year
- Both gig and corporate workers worry most about not being able to pay their essential bills (28% of gig workers, 25% of corporate workers) and not being able to pay their rent or mortgage (24% gig, 19% corporate). Gig workers also worry about not being able to pay for emergencies (17%), while corporate workers worry about losing their job (21%)

Why Do Workers Leave or Stay?

According to Pew Research Center, the retirement rate of the Baby Boomer generation - those born between 1946 and 1964 - has accelerated since the start of COVID-19. "Nearly 29 million Boomers retired in 2020, three million more than in 2019. Seventy-five million Boomers are expected to retire by 2030, paving the way for what is now called "The Great Retirement," which may surpass The Great Resignation as the most significant hiring trend for 2022."

% of older adults who are retired



Note: "Retired" refers to those not in the labor force due to retirement.

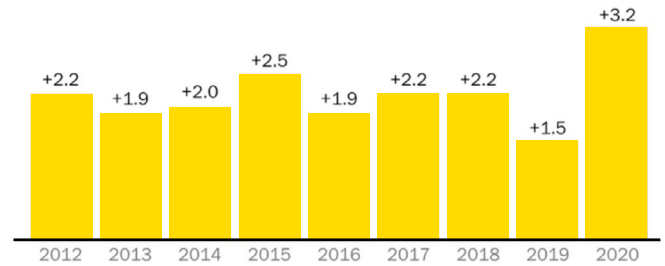
Source: Pew Research Center analysis of July, August and September Current Population Survey monthly files (IPUMS).

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In Q3 of 2021, half of all older US adults were retired. Retirement among older Americans is important because adults ages 55+ were the only working-age population since 2000 to increase their labor force participation until the pandemic.

While labor force projections within the past year from the Bureau of Labor Statistics (BLS) predict 0.7 percent annual growth in employment across the 2020-30 decade, it is unclear whether the pandemic-induced increase in retirement will be temporary or longer lasting. Moreover, this growth is not currently in our economic climate.


Annual increase in the retired U.S. Baby Boomer population (in millions)



Note: "Retired" refers to those not in the labor force due to retirement. Baby Boomers are those born between 1946 and 1964. Each year's retired Boomer population is based on the average of the July, August and September estimate.
 Source: Pew Research Center analysis of July, August and September Current Population Survey monthly files (IPUMS)


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As loyal workers continue to retire, those left participating in the labor force need a reason, or several, to stay at their jobs. In competitive markets, competitive pay tends to be the first area of improvement management roles consider. However, findings show that workers care about more than pay, including personal growth and company culture aspects. With more jobs piling on top of low unemployment, consider the following to stay competitive.



In our **survey of 3,000 workers** using the Wonolo platform, the top reasons given by respondents for leaving a current job or looking for more opportunities were **higher pay, flexibility, and learning new skills**.

Additionally, 64 percent of those surveyed hoped Wonolo could help them discover new job types and different industries, and 49 percent hoped to uplevel their job skills through Wonolo.



74% Higher Pay

63% Flexibility

48% Learning New Skills

A recent survey conducted by Paychex found even more reasons why workers are staying put. Their findings suggest employees value companies that align with their personal interests and values. When asked to consider factors outside of compensation and benefits, the top-ranked reasons employees work at their companies were:

- Job stability
- A strong support system
- Meaningful work
- Company growth
- Passion for their field of work or industry
- Opportunities for one's personal career growth


Workers and Wonolo

- Of all jobs posted on Wonolo, **87% are accepted** by workers.
- Workers using the Wonolo platform have a **show rate of 90%** for all jobs accepted.
- Out of all workers who joined Wonolo in 2022, **73% became repeat workers** who continue to accept more engagements through our platform.


Major metropolitan minimum wages compared to average hourly pay for jobs on Wonolo:

<u>New York City</u> \$15.00 / \$20.15	⋮	<u>Dallas</u> \$7.25 / \$14.30	⋮	<u>Miami</u> \$10.00 / \$13.88
<u>Atlanta</u> \$7.25 / \$15.13	⋮	<u>San Antonio</u> \$7.25 / \$16.68	⋮	<u>Tampa</u> \$10.00 / \$15.97


In addition to analyzing pay, companies can consider the following suggestions to attract and retain high-quality workers.




Explore offering flexible working hours, rather than only posting 9-to-5 opportunities so that workers can pick jobs that fit their schedules.



Appeal to parents by offering flexible work arrangements, such as weekend jobs or night-time jobs where they may have more childcare options, or childcare stipends.



Consider new talent pools, such as those who have previous justice system involvement.



Offer competitive pay that is at or above [MIT's living wage calculator](#).

Need help finding high-quality workers in your city?

As the economy continues to evolve, gig work and Wonolo remain a solution for both businesses and workers to navigate unpredictable times. Our on-demand job marketplace has connected over one million workers ("Wonoloers") to retail, manufacturing, hospitality, and other types of jobs posted by thousands of businesses across the country.

Contact us to learn how to get started.