STATE OF THE ST. LOUIS
WORKFORCE 2020
Navigating today, shaping tomorrow.
stlcc.edu/STLworkforce
These comments do not necessarily represent the views of the Federal Reserve Bank of St. Louis or the Federal Reserve System.
The Federal Reserve is the central bank of the United States. It is responsible for monetary policy, supervision and regulation of banks, and payment systems.

The vision of the St. Louis Fed’s Community Development (CD) department is for **every individual** and **community** to have the **opportunity** and **ability** to **participate in** and **derive benefit from** the economy.
St. Louis Metro Economy vs. U.S.

U.S. recessions are shaded; the most recent end date is undecided.

Sources: BEA, St. Louis Fed

fred.stlouisfed.org
Unemployment
Unemployment Claims in Missouri


For more information: https://www.frbatlanta.org/cweo/data-tools/unemployment-claims-monitor
Job loss relative to working-age population shares


Job characteristics and COVID-19, by education level


Telework in Missouri, by education level

Source: U.S. Census Bureau Household Pulse Survey, Week 17. October 14-26 For Missouri
Telework in Missouri, by race

Source: U.S. Census Bureau Household Pulse Survey, Week 17. October 14-26 For Missouri
CDOS

What is the greatest employment barrier facing people living in LMI communities?

<table>
<thead>
<tr>
<th>Barrier</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adequate wages</td>
<td>19.6%</td>
</tr>
<tr>
<td>Lack of adequate education</td>
<td>15.0%</td>
</tr>
<tr>
<td>Lack of essential skills (soft skills)</td>
<td>14.0%</td>
</tr>
<tr>
<td>Transportation</td>
<td>14.0%</td>
</tr>
<tr>
<td>Technical skills</td>
<td>6.5%</td>
</tr>
<tr>
<td>Criminal background check</td>
<td>6.5%</td>
</tr>
<tr>
<td>Job availability</td>
<td>6.5%</td>
</tr>
<tr>
<td>Substance abuse</td>
<td>6.5%</td>
</tr>
<tr>
<td>Other</td>
<td>5.6%</td>
</tr>
<tr>
<td>Affordable child care</td>
<td>5.6%</td>
</tr>
<tr>
<td>Disability</td>
<td>0.0%</td>
</tr>
<tr>
<td>Unknown</td>
<td>0.0%</td>
</tr>
</tbody>
</table>
What is the most challenging issue related to training LMI individuals for the demands of the current workforce?
CDOS

Does your workforce agency work directly with businesses on hiring or improving credentials of current employees?
In your experience, what is the primary obstacle preventing partnerships between workforce organizations and employers?
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News and views about the economy and the Fed

Economic Education Resources
For every stage of life

Community Development
Promoting financial stability of families, neighborhoods

James Bullard
stlouisfed.org/from-the-president

SOCIAL MEDIA

ECONOMY MUSEUM

STLOUISFED.ORG

FEDERAL RESERVE BANK of ST. LOUIS | CENTRAL TO AMERICA'S ECONOMY*
Methodology

Live interview survey of St. Louis MSA employers

Each interview takes about 21 minutes
Methodology

Employment size of firms surveyed

- 11 to 49: 41%
- 5 to 10: 39%
- 50 or more: 20%
Methodology

2020 State of the St. Louis Workforce Employer Survey

<table>
<thead>
<tr>
<th>NAICS</th>
<th>Category Description</th>
<th>Businesses Surveyed</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>NAICS 23</td>
<td>Construction</td>
<td>55</td>
<td>9.6%</td>
</tr>
<tr>
<td>NAICS 31-33</td>
<td>Manufacturing</td>
<td>24</td>
<td>4.2%</td>
</tr>
<tr>
<td>NAICS 42</td>
<td>Wholesale trade</td>
<td>22</td>
<td>3.8%</td>
</tr>
<tr>
<td>NAICS 44-45</td>
<td>Retail trade</td>
<td>86</td>
<td>15.0%</td>
</tr>
<tr>
<td>NAICS 48-49</td>
<td>Transportation and warehousing</td>
<td>11</td>
<td>1.9%</td>
</tr>
<tr>
<td>NAICS 51</td>
<td>Information</td>
<td>11</td>
<td>1.9%</td>
</tr>
<tr>
<td>NAICS 52</td>
<td>Finance and insurance</td>
<td>48</td>
<td>8.4%</td>
</tr>
<tr>
<td>NAICS 53</td>
<td>Real estate and rental and leasing</td>
<td>26</td>
<td>4.5%</td>
</tr>
<tr>
<td>NAICS 54</td>
<td>Professional and technical services</td>
<td>62</td>
<td>10.8%</td>
</tr>
<tr>
<td>NAICS 56</td>
<td>Administrative and waste services</td>
<td>26</td>
<td>4.5%</td>
</tr>
<tr>
<td>NAICS 61</td>
<td>Educational services</td>
<td>6</td>
<td>1.0%</td>
</tr>
<tr>
<td>NAICS 62</td>
<td>Health care and social assistance</td>
<td>79</td>
<td>13.8%</td>
</tr>
<tr>
<td>NAICS 71</td>
<td>Arts, entertainment, and recreation</td>
<td>11</td>
<td>1.9%</td>
</tr>
<tr>
<td>NAICS 72</td>
<td>Accommodation and food services</td>
<td>41</td>
<td>7.1%</td>
</tr>
<tr>
<td>NAICS 81</td>
<td>Other services</td>
<td>45</td>
<td>7.8%</td>
</tr>
<tr>
<td>Other Small Sectors and Unclassified*</td>
<td>21</td>
<td>3.8%</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>574</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

(*) Other Small Sectors with Less than 1% of STL MSA Establishments:

- NAICS 11 Agriculture, forestry, fishing and hunting
- NAICS 21 Mining, quarrying, and oil and gas extraction
- NAICS 22 Utilities
- NAICS 55 Management of companies and enterprises
St. Louis MSA is a diverse economy with cluster strengths.

Workforce of 1.3 million

- Health care
- Finance and Insurance
- Wholesale & Retail
- Biotech

Increased 27% over the past ten years.
Unemployment doubled in the last year

St. Louis and Missouri are doing better than the rest of the nation
Aging workforce
Education pays off

Education affects both earnings & unemployment

Biggest salary jump with 4-year degree

Education post-HS provides stability

St. Louis MSA Unemployment Rates and Earnings by Education, Population 25 Years and Older

<table>
<thead>
<tr>
<th>Unemployment Rates</th>
<th>Educational Attainment</th>
<th>Median Earnings</th>
</tr>
</thead>
<tbody>
<tr>
<td>9.7%</td>
<td>Less than high school graduate</td>
<td>$25,146</td>
</tr>
<tr>
<td>4.9%</td>
<td>High school graduate or GED</td>
<td>$31,736</td>
</tr>
<tr>
<td>3.3%</td>
<td>Some college or associates degree</td>
<td>$39,561</td>
</tr>
<tr>
<td>1.6%</td>
<td>Bachelor’s degree or higher</td>
<td>$64,794*</td>
</tr>
</tbody>
</table>

* Bachelor’s ($57,452) and graduate ($72,136) degree medians.
Employers look for skills

**Top Basic Skills**
- Communication
- Teamwork/Collaboration
- Organizational
- Physical Abilities
- Detail-oriented
- Problem-solving
- Planning
- Microsoft Excel
- Microsoft Office
- Writing

**Top Specialized Skills**
- Customer Service
- Scheduling
- Sales
- Patient Care
- Budgeting
- Customer Contact
- Retail Industry Knowledge
- Project Management
- Cleaning
- Repair

**Top Certificates**
- Driver's License
- Registered Nurse
- Security Clearance
- Commercial Driver's License
- First Aid CPR AED
- Basic Life Support (BLS)
- Advanced Cardiac Life Support
- Certified Public Accountant
- Project Management
- Licensed Practical Nurse

**Top Software & Programming Skills**
- SQL
- Java
- Software Development
- Oracle
- Python
- SAP
- JavaScript
- Software Engineering
- Linux
- Scrum
Employer hiring
Pandemic caused damage

29% of companies cut employees in last 12 months

But 24% continued to hire

St. Louis MSA change in employment levels over the Past 12 Months
51% plan to increase the size of their workforce
Methods for adding workers

- **66%** Hire New Full-Time Employees
- **47%** Hire New Part-Time Employees
- **13%** Recall Furloughed Workers
- **13%** Recall Workers from Lay-off List
- **8%** Use a Temporary Agency
- **7%** Hire Contract Workers
Adding workers

Methods to add workers

- **Hiring New Full Time Employees**
  - 2020: 66%
  - 2019: 63%
  - 2017: 69%
  - 2015: 69%
  - 2013: 71%
  - 2011: 65%

- **Hiring New Part Time Employees**
  - 2020: 47%
  - 2019: 66%
  - 2017: 66%
  - 2015: 63%
  - 2013: 63%
  - 2011: 63%

- **Recalling Furloughed Workers**
  - 2020: 13%
  - New option for 2020

- **Recalling Workers from Lay-off List**
  - 2020: 13%
  - 2019: 14%
  - 2017: 19%
  - 2015: 17%
  - 2013: 15%
  - 2011: 15%

- **Using a Temporary Agency**
  - 2020: 15%
  - 2019: 15%
  - 2017: 17%
  - 2015: 13%
  - 2013: 17%
  - 2011: 14%

- **Hiring Contract Workers**
  - 2020: 14%
  - 2019: 15%
  - 2017: 19%
  - 2015: 21%
  - 2013: 15%
  - 2011: 13%

Traditional risk mitigation not happening
Barriers to growth

STATE OF THE ST. LOUIS WORKFORCE 2020
Barriers to growth

Shortage of workers with knowledge or skills still #1
Shortage of workers with knowledge or skills still #1

<table>
<thead>
<tr>
<th>Barriers</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shortage of Workers with Knowledge or Skills</td>
<td>3.81</td>
</tr>
<tr>
<td>Government Policies or Regulations</td>
<td>3.72</td>
</tr>
<tr>
<td>General COVID related Issues</td>
<td>3.47</td>
</tr>
<tr>
<td>Economic Conditions</td>
<td>3.45</td>
</tr>
<tr>
<td>Shortage of Available Training Programs</td>
<td>3.34</td>
</tr>
<tr>
<td>Lack of Information on Occupation</td>
<td>3.14</td>
</tr>
<tr>
<td>Lack of Childcare Access</td>
<td>3.13</td>
</tr>
<tr>
<td>Lack of Transportation Access</td>
<td>3.04</td>
</tr>
<tr>
<td>Lack of PPE (personal protective equipment)</td>
<td>2.94</td>
</tr>
<tr>
<td>Inability to comply with CDC recommendations</td>
<td>2.58</td>
</tr>
</tbody>
</table>
Employers experiencing skill shortages

Skill Shortages by Business Functional Areas

- Skilled Trades: 60%
- Patient Care: 53%
- Manufacturing Maintenance: 40%
- Accounting Finance: 40%
- Customer Service: 32%
- Business Management: 21%
- Information Technology: 15%
Employers experiencing skill shortages

Skilled trades
Patient care
most in demand

Big increase in accounting/finance

Decrease in information technology

Skilled Trades 2017: 57% 2019: 57% 2020: 60%
Patient Care 2017: 36% 2019: 56% 2020: 53%
Manufacturing / Maintenance 2017: 48% 2019: 47% 2020: 40%
Accounting / Finance 2017: 13% 2019: 17% 2020: 40%
Customer Service 2017: 33% 2019: 28% 2020: 32%
Business Management 2017: 14% 2019: 28% 2020: 21%
Information Technology 2017: 22% 2019: 28% 2020: 15%
Missing opportunities

Jobs Available at Specified Experience Levels

Far fewer jobs available to those with no experience
### Missing opportunities

#### Jobs Available at Specified Experience Levels

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>No experience</td>
<td>42%</td>
<td>63%</td>
</tr>
<tr>
<td>Some experience, but less than 1 year</td>
<td>28%</td>
<td>13%</td>
</tr>
<tr>
<td>A minimum of 1 to 3 years of experience</td>
<td>30%</td>
<td>14%</td>
</tr>
<tr>
<td>A minimum of 4 or more years of experience</td>
<td>25%</td>
<td>24%</td>
</tr>
</tbody>
</table>

Far fewer jobs available to those with no experience.
Missing opportunities

Jobs Available with Short-term Training

- **No jobs**: 30% (2017), 31% (2019), 28% (2020)
- **1% to 49% of jobs**: 28% (2017), 26% (2019), 35% (2020)
- **50% to 100% of jobs**: 42% (2017), 43% (2019), 33% (2020)

And fewer jobs available to those with short-term training.
Educational skill levels

High-skill
requiring a four-year degree or higher

Middle-skill
requiring training or education beyond a high school diploma but less than a four-year degree

Low-skill
requiring a high school diploma or less
Applicant skill levels sought

<table>
<thead>
<tr>
<th>Category</th>
<th>Low-Skill</th>
<th>Middle-Skill</th>
<th>High-Skill</th>
</tr>
</thead>
<tbody>
<tr>
<td>Patient Care</td>
<td>31%</td>
<td>55%</td>
<td>14%</td>
</tr>
<tr>
<td>Accounting / Finance</td>
<td>12%</td>
<td>54%</td>
<td>34%</td>
</tr>
<tr>
<td>Skilled Trades</td>
<td>35%</td>
<td>51%</td>
<td>14%</td>
</tr>
<tr>
<td>Information Technology</td>
<td>15%</td>
<td>48%</td>
<td>37%</td>
</tr>
<tr>
<td>Manufacturing / Maintenance</td>
<td>31%</td>
<td>50%</td>
<td>9%</td>
</tr>
<tr>
<td>Business Management</td>
<td>31%</td>
<td>38%</td>
<td>31%</td>
</tr>
<tr>
<td>Customer Service</td>
<td>49%</td>
<td>38%</td>
<td>14%</td>
</tr>
</tbody>
</table>
Employment barriers
Drug screens

- **Marijuana, 45%**
  - No positions screened, 52%
  - 75% to 100% of positions, 43%

- **Opioids, 46%**
  - No positions screened, 50%
  - 75% to 100% of positions, 47%

- **Other stimulants, 46%**
  - No positions screened, 51%
  - 75% to 100% of positions, 46%
Background checks

- Criminal check: 75%
- Professional license or certification check: 55%
- eVerify check: 44%
- Social media check: 32%
- Financial check: 21%
- Check by an outside service: 41%
Justice-involved candidates

- 26% of respondents would not consider someone with a felony for any job.
- 46% of respondents said they would consider someone with a felony for a job, depending on the nature of the felony.
- 44% of respondents said they would consider someone with a felony for some jobs.
- 15% of respondents said they would consider someone with a felony for any job.
Justice-involved candidates

2020 Statewide Survey

- **Any Job Qualified**
  - 2020 Statewide: 17%
  - 2019 Statewide: 15%

- **Some Jobs**
  - 2020 Statewide: 12%
  - 2019 Statewide: 43%

- **Depends on Felony**
  - 2020 Statewide: 51%
  - 2019 Statewide: 41%

- **Would Not Consider**
  - 2020 Statewide: 20%
  - 2019 Statewide: <1%

2020 Statewide Survey:

- **Any Job Qualified**
  - 2020 Non-Metro: 18%
  - 2019 Non-Metro: 16%
  - 2020 Metro: 14%
  - 2019 Metro: 16%

- **Some Jobs**
  - 2020 Non-Metro: 15%
  - 2019 Non-Metro: 43%
  - 2020 Metro: 10%
  - 2019 Metro: 44%

- **Depends on Felony**
  - 2020 Non-Metro: 40%
  - 2019 Non-Metro: 40%
  - 2020 Metro: 47%
  - 2019 Metro: 54%

- **Would Not Consider**
  - 2020 Non-Metro: 20%
  - 2019 Non-Metro: 19%
  - 2020 Metro: 0%
  - 2019 Metro: 1%
The COVID-19 effect
How likely is your business to automate processes?

- Very likely: 28%
- Somewhat likely: 29%
- Not sure: 6%
- Not at all: 37%
Automation

Over half considering technology

Not moving to replace people

Only 1-in-20 reducing workforce cost
The COVID-19 effect

- 75%Enhanced workplace cleaning and disinfection
- 49%Continued operations, but with changes in delivery
- 43%Provided special arrangements for vulnerable employees
- 39%Cross-trained employees to ensure continued operations
- 38%Changed the layout of public-facing facilities
- 37%Reduced hours or consolidated shifts
- 32%Have employees work remotely
- 32%Modified products and services offered
- 32%Added new employees
- 31%Continued operations, but closed to the public
- 24%Furloughed or laid off employees
- 22%Closed business temporarily
- 21%Acquired or applied new technology or automation
- 21%New strategic planning initiatives
- 21%Made changes to the business model
- 10%Offered new employee mental health programs
- 8%Provided employee childcare allowances
- 8%No operational changes made

Huge impact – only 8% reported no operational changes

22% closed entirely for a period of time

24% furloughed or laid off employees

32% added employees
Resiliency

Cross-training

Focus on employee care and welfare

Upskilling

- New ways to serve customers: 48%
- Increased hiring to accommodate demand: 45%
- Cross-training and knowledge transfer: 42%
- Increased agility in product and service offerings: 39%
- Increased employee care and engagement: 38%
- Technology Investments: 36%
- Reskilling or upskilling employees to new ways of working: 36%
- Flexible working: 33%
- New learning and skill training delivery methods: 30%
- Succession planning: 28%
- Leaner operations: 25%
- Reorganization or restructuring: 23%
- Remote working: 21%
- Job and task automation implementation: 16%
Employers still aren’t convinced telecommuting is the answer.

48% have job roles not suitable for remote work.

More than half need work process changes.
# Challenges to remote work

## Ongoing technology, equipment availability, and technical support issues

- **38%** have no employees working remotely
- **52%** changes in work processes required

### Challenges

<table>
<thead>
<tr>
<th>Issue</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Changes in work processes are required</td>
<td>52%</td>
</tr>
<tr>
<td>Jobs roles that are not suitable for remote work</td>
<td>48%</td>
</tr>
<tr>
<td>Team communication and collaboration issues</td>
<td>31%</td>
</tr>
<tr>
<td>Broadband Issues</td>
<td>27%</td>
</tr>
<tr>
<td>Tracking tasks or productivity</td>
<td>24%</td>
</tr>
<tr>
<td>Technology training or support</td>
<td>23%</td>
</tr>
<tr>
<td>Systems capability for remote work</td>
<td>21%</td>
</tr>
<tr>
<td>Lack of equipment for remote use</td>
<td>21%</td>
</tr>
<tr>
<td>Company policies or culture</td>
<td>20%</td>
</tr>
<tr>
<td>Mental health issues due to social isolation</td>
<td>16%</td>
</tr>
<tr>
<td>Employee retention or satisfaction</td>
<td>13%</td>
</tr>
<tr>
<td>Building and maintaining trust</td>
<td>12%</td>
</tr>
</tbody>
</table>

*State of the St. Louis Workforce 2020*
Challenges, resilience, optimism

Navigating today, shaping tomorrow.

St. Louis region employers and workforce have faced challenges during the pandemic, but a sense of resilience remains, and a surprising sense of optimism is growing.

**Challenges**
- 22% Closed entirely for a period
- 24% Furloughed or laid off employees

**Resilience**
- 48% Finding new ways to serve customers
- 42% Focusing on employee cross-training and knowledge transfer

**Surprising Optimism**
- 51% of businesses having navigated COVID-19 thus far indicate a desire to hire in 2021
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