

GROWERTALKS

Growers Talk Business

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Where Did All the Labor Go?

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When the COVID-19 pandemic began, millions of workers were put out of a job. Unemployment spiked. Employees started working from home. Now, nearly two years later, the labor market continues to see widespread changes. It isn't a shortage of jobs available, but of workers to fill those jobs. There are some 10 million job openings in the United States, according to the most recent U.S. Labor Department monthly Job Openings and Labor Turnover Survey. Meanwhile, the quit rate is the highest in decades, leading to a popular term for current conditions in the labor market: "The Great Resignation."

What's most puzzling to me is the labor shortage is everywhere and in every industry. Every small business person I talk to has their own story of labor issues.

And this is coinciding with large increases in wages. So what's happening and how are people surviving?

Locally, it's easy to see the impacts on everyday people. Drive around town and you're likely to see a "We're Hiring" sign on every corner. There are supply chain issues. There are bosses desperately trying to recruit new workers. Our local fire department even put an ad in the local Times to attract new help. In one way or another, the labor shortage affects every industry. The reasons for the worker shortages can vary widely, yet they're also interconnected. Many of these issues existed years ago, but were made worse by the COVID-19 pandemic, and experts in these industries are struggling to come up with solutions.

For farmworkers and greenhouse workers, the jobs are very labor-intense, the hours are long and the pay isn't the best. These days, younger people are trading the labor-demanding jobs the seasonal work offered in the agriculture sector and going to the bigger city for higher-paying, more reliable jobs in restaurants, construction and warehouses.

Which is why many of us have turned to the H-2A program, and still we're finding challenges with this program going into 2022. Because labor has been an increasing issue, our company has been with the H-2A program for five years. In past years, I've had no problem getting my 70 workers home in November and back to our location in February. All paperwork has proceeded as usual, but now we're having a problem making appointments at the consulate. On January 5, I just found out the earliest I can get an appointment for our workers is February 21. To tell you the truth, I was stunned by this timeframe. Our normal wait in the past five years this early in the season has been around a week. They explained that even down at the border there are fewer appointments available and more employers are bringing their workforce up earlier and longer in the season to ensure they have workers.

This year, we'll be paying all starting workers \$15.89 in the state of Illinois due to the adverse wage. Even with this

wage we're having trouble attracting workers. Our company thought we would offer better pay with a bonus to recruit friends and family to come work. Since this promotion we've had two workers show up. Frustrated by this fact and in need of workers, I had to reach out to the labor companies for help. To use a labor company is painful due to the fact they charge a 32% increase of our wage to bring workers in. This is both aggravating and costly. Once again where we feel we're finally getting a good and fair margin it's also being chipped away with a 100% increase in labor cost in the last five years.

Circling back to "The Great Resignation," the most complete explanation is the massive government influences toward the pandemic has reduced the urgency of looking for work. The U.S. has spent trillions of dollars to help families get through the economic freeze by providing stimulus checks, expanding unemployment benefits and the suspension of interest payments on student loans. They also provided the National Eviction Ban to take the pressure off renters. This has sparked a high surge of saving in American households who haven't splurged on anything in over a year and feel comfortable staying home a little longer. They know the jobs will still be out there and a better wage will be offered. Looking at this picture as a whole, more Americans feel like they can take a more leisurely approach to going back to the workplace.

What's abundantly clear is that America needs more workers. As Charlie Hall stated in his last year in review, "America's prime age population stopped growing and more workers are retiring than a decade ago." Due to this decline, we're unlikely to recover through natural growth alone. So if the United States needs more workers then it has to open its mind and realize we need more immigrants. Lawmakers must work on reform to make it easier for employers to get help.

Eventually Americans will spend down their savings and workers will come back from their homes and start to work again. There will still be a shortage of help to landscape, harvest crops, service restaurants, build houses and run hotels. More immigration would fill more vacancies, stimulate our economy and lead us back to a new normal way of life. **GT**

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