

**Meeting Minutes
February 28, 2023**

**MINUTES OF MECKLENBURG COUNTY, NORTH CAROLINA
BOARD OF COUNTY COMMISSIONERS**

The Board of Commissioners of Mecklenburg County, North Carolina, met in Budget/Public Policy Session in Conference Center Room 267 on the 2nd floor of the Charlotte-Mecklenburg Government Center located at 600 East Fourth Street, Charlotte, North Carolina at 2:30 p.m. on Tuesday, February 28, 2023.

ATTENDANCE

Present: Chair George Dunlap and Commissioners
Leigh Altman, Patricia “Pat” Cotham, Arthur Griffin,
Mark Jerrell, Vilma D. Leake, Laura J Meier, Elaine Powell,
and Susan Rodriguez-McDowell
County Manager Dena R. Diorio
County Attorney Tyrone C. Wade
Clerk to the Board Kristine M. Smith
Deputy Clerk to the Board Arlissa Eason

Absent: None

CALL TO ORDER


The meeting was called to order by Chair Dunlap, followed by introductions and the Pledge of Allegiance to the Flag.

23-0143 WORKFORCE ECONOMY

The Board receive as information a presentation on the workforce economy.

Dr. Laura Ullrich, Senior Regional Economist at the Charlotte branch of the Federal Reserve Bank of Richmond, gave the presentation.



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Employment Update

Mecklenburg County Public Policy
February 28, 2023

*Laura Dawson Ullrich, PhD
Senior Regional Economist
Research Department
Federal Reserve Bank of Richmond*

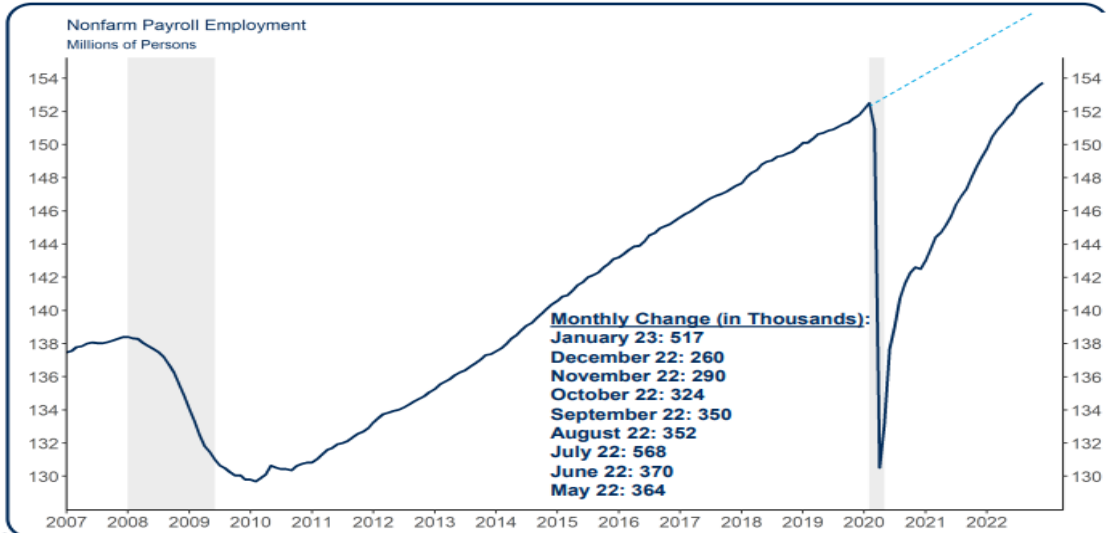


**FEDERAL RESERVE BANK
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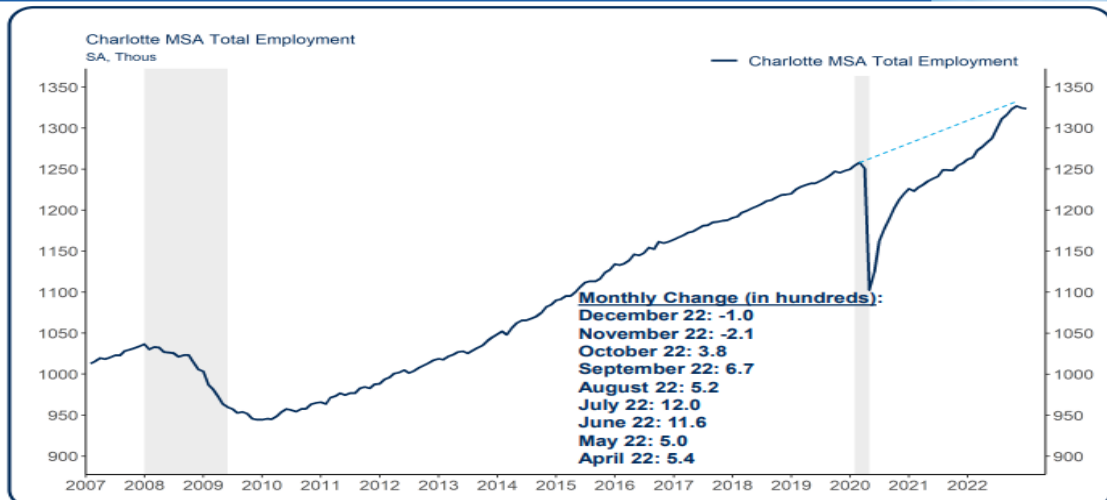
**The views and opinions expressed herein are those of
the author. They do not represent an official position
of the Federal Reserve Bank of Richmond or the
Federal Reserve System.**

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

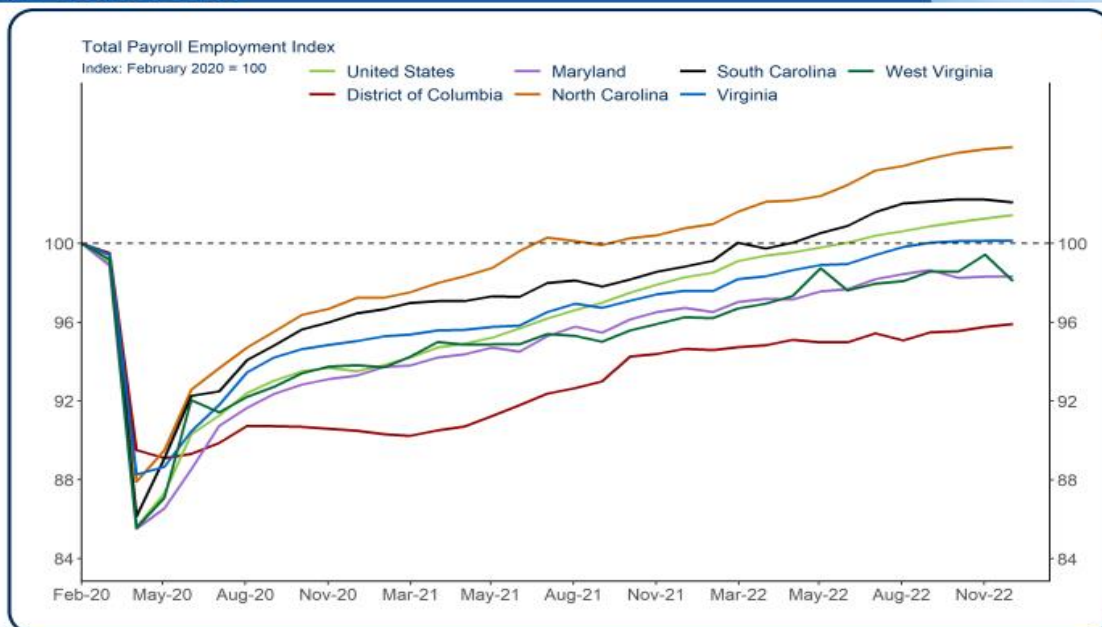


The story in Charlotte is quite different...



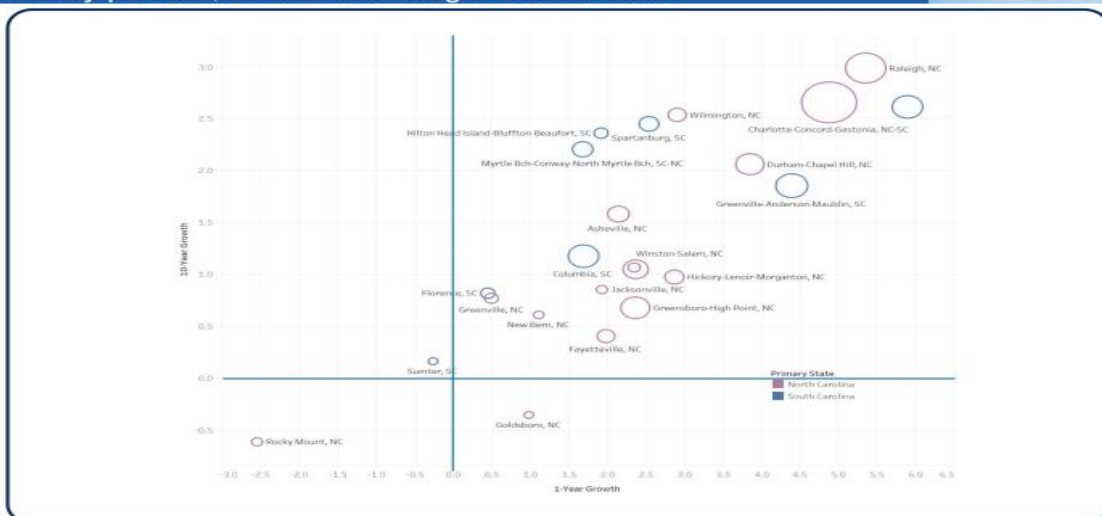
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The Carolinas are clearly leading the employment recovery in the Fifth District



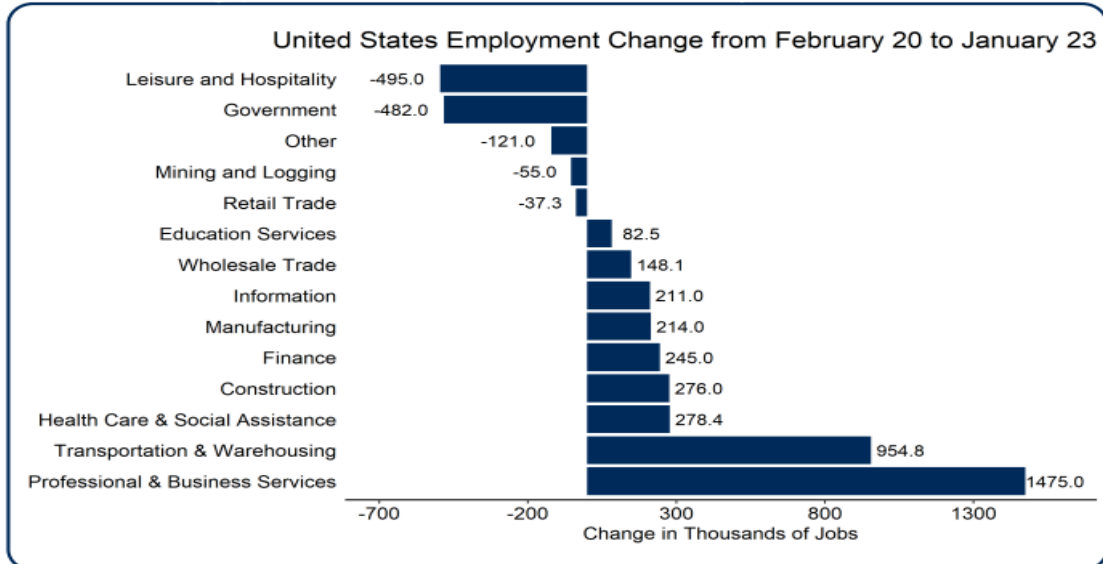
Source: Bureau of Labor Statistics/Haver Analytics

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

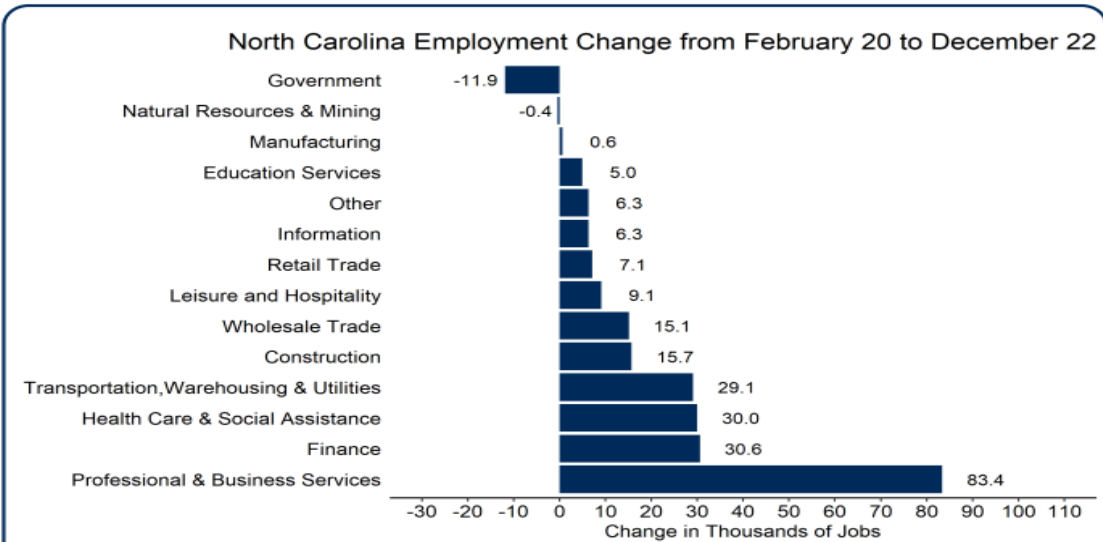


Source: Bureau of Labor Statistics/Haver Analytics

While some industries have more than fully recovered, others still lag pre-COVID levels considerably



There have been major sectoral shifts in employment



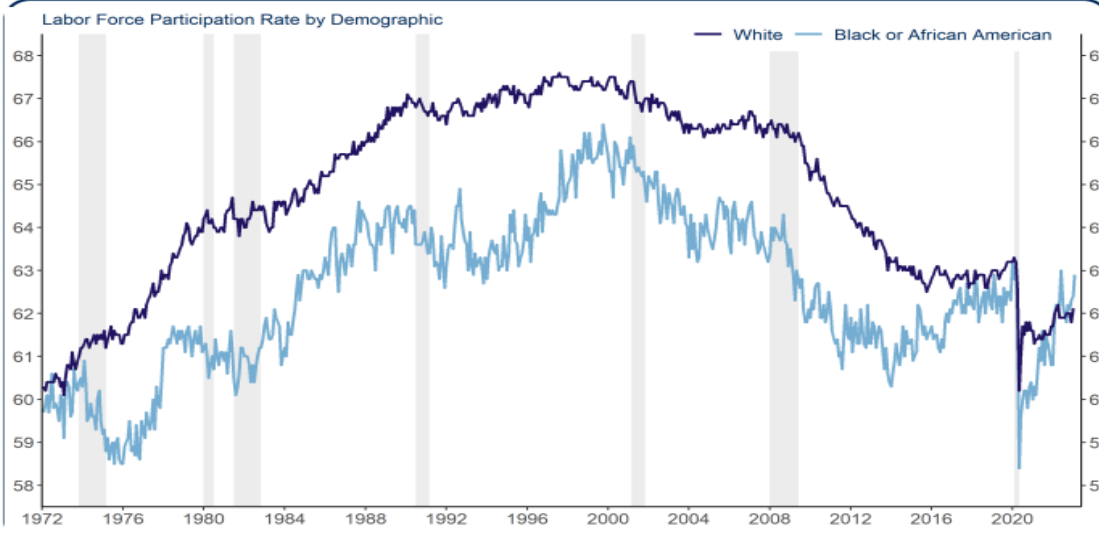
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The recovery looks a less impressive when considering labor force participation (LFP)



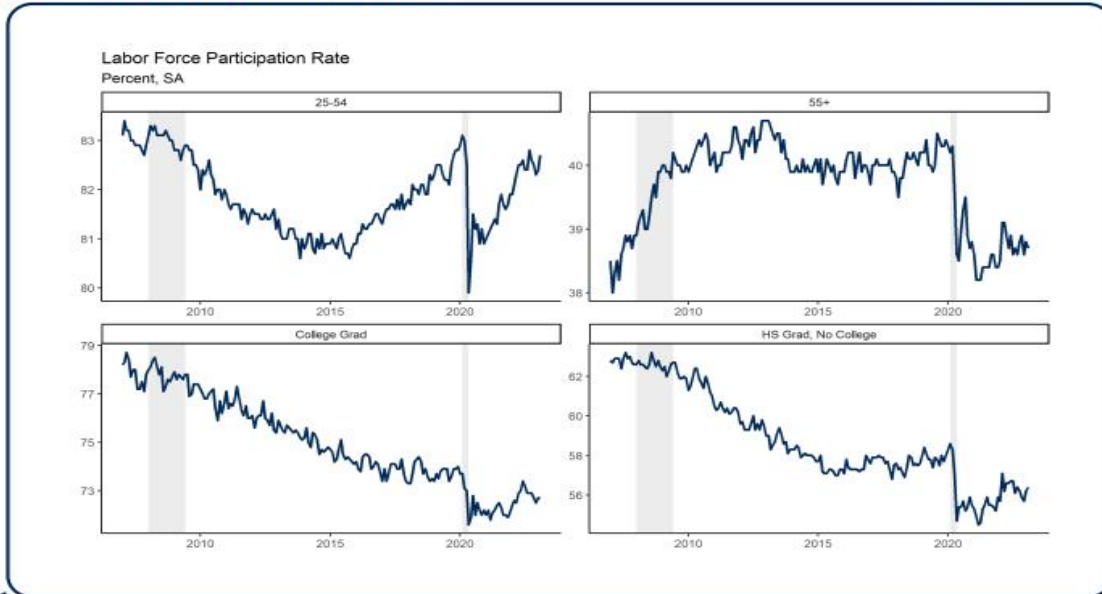
Source: Bureau of Labor Statistics/Haver Analytics

Shifts are occurring in certain demographics



Source: 1970 Decennial Census, 2020 ACS 5-Year Estimates

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



Will Labor Force Participation Recover?

- For some demographic groups, yes, for others, probably not.
- A recent EMSI report highlights three trends that existed pre-COVID that indicate that the overall answer is likely 'no'. These issues may have been accelerated by COVID and are unlikely to reverse in the near term.
 - 1) **Baby Boomer retirements**
 - 2) **Change in attitudes/norms around work**
 - 3) **The 50-year baby bust**
- There are two additional issues that deserve attention: the opioid epidemic and the large number of people with criminal backgrounds.
- The bad news is that this is truly a global issue. The good news for us is that the Carolinas will fare better than the majority of the U.S.
- In addition, there are things that can be done to change the landscape in the longer run.

Baby Boomer Retirements

- Baby Boomers represent 76 million Americans born between 1946 and 1964. They now range from 58 to 77 years of age.
- The increase in labor force participation between 1965 and 2000 was driven by the Baby Boomers entering the labor force and sharp increases in women's labor force participation.
- Because Baby Boomers were a generation known for working hard, and they were the first generation that had many two income households, they are also the wealthiest generation to date. Average wealth of retiring Baby Boomers is \$1.2 million.
 - This was already lowering their labor force participation rates prior to COVID and about 2 million Baby Boomers were retiring each year.
- The Saint Louis Fed has estimated that an extra 2.5 million Baby Boomers retired between 2020 and 2021.

Attitudes/norms around work

- The Millennial generation has represented the majority of workers since around 2014. Millennials are typically children of Baby Boomers and are currently between 26 and 41 years old.
- There had been a serious decline in prime-age male labor force participation prior to COVID.
 - 1980: 94% } **This represents 3 million missing workers**
 - 2019: 89% }
- The data show that younger men have increasingly preferred part-time work over full-time work, and more than ever are simply not working at all.
 - This change began with the Great Recession, when many were forced into part-time work. The trend never reversed.
 - Work by Aguiar et al. shows that work hours for men ages 21 to 30 declined 12 percent between 2000 and 2015. In addition, 15 percent of the men in this age group did not work a single week in 2014.
 - They estimate that 75 percent of the increase in leisure hours from reduced work were spent playing video and computer games.

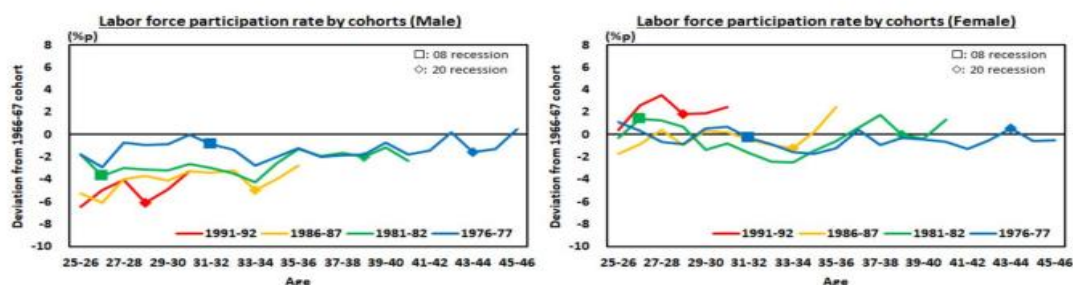


Figure 3: Participation Rates over Life Cycle, Deviation from the 1966-67 Cohort's

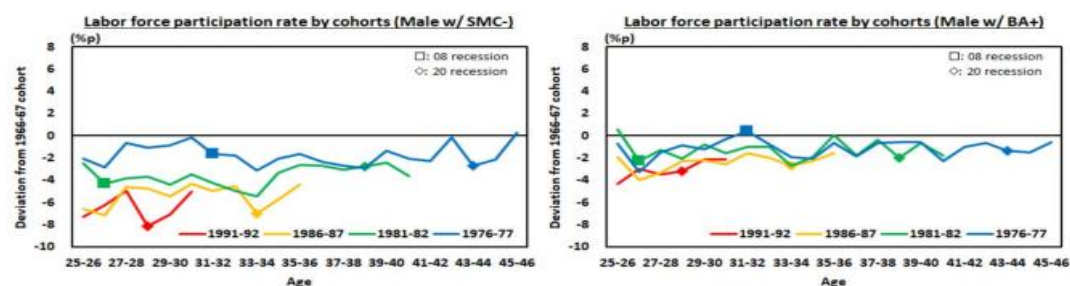


Figure 4: Participation Rates over Life Cycle, Deviation from the 1966-67 Cohort's

Source: NBER: Lee, Park and Shin

Attitudes/norms around work

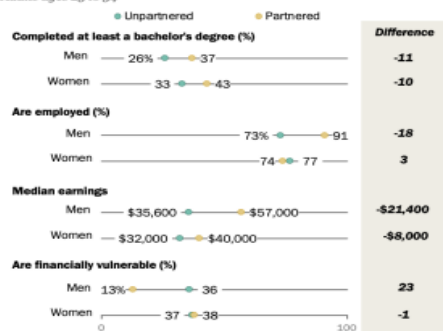
- The choices around work effort in the Millennial age group (and beyond) are likely related to Baby Boomer wealth. Some in this generation don't have to work as much because their parents are providing financial support.
- Many young adults live at home with their parents and have been slow to 'grow up.' The data are pretty shocking.
 - While 94 percent of Baby Boomers had a first job before age 20, that dropped to 87 percent for Millennials. (5 million worker difference)
 - In 2014, for the first time since 1870, adults ages 18 to 34 were more likely to be living at home than they were to be living with a spouse.
 - In 2022, 18.7 percent of men and 12.4 percent of women 25 to 34 years old lived at home with their parents. A Census study in 2017 found that 25 percent of adults aged 25 to 34 that live with their parents neither attend school or work.
 - Age of first marriage and birth of first child are now over age 30 for men and over age 27 for women.

Attitudes/norms around work

- Reported outcomes for prime-age male workers are more concerning than outcomes related to female workers.
- Pew Research recently reported that the percentage of 25 to 54 year olds who are “unpartnered” has increased from 29% in 1990 to 39% for men and 36% for women in 2019.

Unpartnered men are faring much worse economically than partnered men

Adults ages 25 to 54



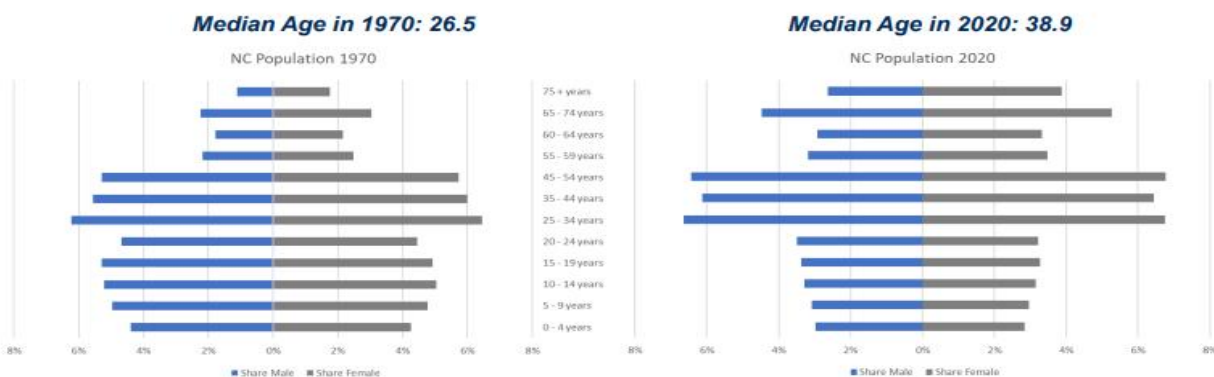
Note: Unpartnered adults are those who are neither married nor living with an unmarried partner. “Financially vulnerable” refers to adults with incomes below 150% of the poverty level for a one-person household, or \$19,950, based on the Census Bureau’s poverty line for 2019. Figures may not compute to difference due to rounding.
Source: Pew Research Center analysis of 2019 American Community Survey (IPUMS).
“Rising Share of U.S. Adults Are Living Without a Spouse or Partner”

PEW RESEARCH CENTER

The 50 year ‘baby bust’

- The delayed movement into adulthood is also impacting fertility rates (along with many other factors).
- Prior to COVID we knew we had a population growth issue in the U.S.
 - Korn Ferry predicted a 6 million person worker shortage by 2028 back in 2018.
 - While Baby Boomers were born into families with an average of 4 children, they only had 1.8 children on average. The Millennials are having even fewer children and the fertility rate has been below the replacement rate since 1970.
 - The U.S. population will begin to shrink in around 2062.
- COVID exacerbated this issue. It is believed that there were around 500,000 fewer babies born in 2020 than were predicted prior to COVID. The population growth rate in 2020 was the lowest it has been since at least 1900.
- Why are people having fewer children?
 - Urbanization
 - Delay and Decline of Marriage
 - Increased Reliance on Women’s Work
 - Childcare Costs
 - Student Debt
 - Secularization

The 50 year 'baby bust' is catching up with us



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?

Laura.Ullrich@rich.frb.org



Comments

Commissioner Altman thanked County Manager Diorio for bringing forth the presentation. She talked about the last slide and encouraging youth – that she believed Mecklenburg County youth didn't know where they should be orienting themselves for jobs in the future. She said she was looking for the County to develop a strategy for workforce development priority. *Dr. Ullrich said the North Carolina East Alliance (which consisted of 29 eastern counties) were working with 29 school districts, 14 community colleges, and other 4-year colleges to redefine education as K through 16. She said they had kicked off the "VISION 2023" program, which was meant to educate educators.*

Commissioner Rodriguez-McDowell thanked Dr. Ullrich. She said she appreciated how Dr. Ullrich pointed out that creative leaders needed to be future-focused. She said the policies regarding immigration spoke to her the most, as the narrative that the country was proliferating was so opposite to what being sustainable was. She said concerning Slide 17, to be economically vulnerable one had to be less than 150% of the poverty level. She said for all the things they were involved in, those were the numbers they needed to look at. *Dr. Ullrich said that by looking at the different government assistance*

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programs, healthy single males wouldn't qualify. She said the safety net for men looked different than the one for women.

Commissioner Jerrell thanked Dr. Ullrich. He said it seemed like they were going through rapid change and were living in a different world. He said the interesting thing about slides 10 and 11 was participation rates. He said he wanted to see if the labor force between African Americans was from a qualitative perspective. He said previously there was the ability to screen out people, but now they had to be screen in.

Dr. Ullrich said with some of the rapid acceleration, they had seen some advances such as some HR practices, which had likely improved for black male opportunities. She said the wealth gap played a role. She said she had looked by age and saw that black male participation was up over 65%, while every other demographic was down. She said that due to the wealth gap, black men didn't have \$1.2 million to retire and had to work for longer periods.

Commissioner Meier thanked Dr. Ullrich. She asked if she believed there was a place for undocumented immigrants. *Dr. Ullrich said that border crossings were up, but she mentioned that people also came from other countries outside of Mexico. She said the legal path was shut down and hadn't come back and if they needed talent in other areas, there needed to be a more targeted approach.*

Commissioner Meier said men were working less, and asked if they were seeing an increase in government assistance. *Dr. Ullrich said they were seeing an increase in disability assistance. She said most of the government assistance programs were designed for people with dependent children or the elderly.*

Commissioner Leake thanked her. She asked what future did they have as it related to generations today, being that the quality of education had declined. *Dr. Ullrich said they were not seeing the flexibility and creativity in education, she hadn't seen innovative ways to education post-COVID, and there needed to be drastic shifts. She said she liked the concept of educating educators. She said it was great to have immigration, but they had to take care of the kids that were born here, educate them thoroughly, and provide them with economic opportunities. She said to get to these pathways, drastic changes had to be made to education. She said they had to show kids early on there are economic opportunities, and that there was the technology to do those things.*

Commissioner Cotham said if companies were recruiting the same way they were in 2019, they were going to have trouble retaining employees and had to adapt.

Chair Dunlap said he had the same difficulty in understanding why Congress wouldn't lay out a path for immigrants to become citizens if they knew the information that was presented. He asked who was educating Congress. *Dr. Ullrich said some things were difficult politically; but there were economic answers that were clear, while the political side was challenging.*

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Chair Dunlap said North Carolina students that graduate was college and career-ready and asked if it should have been changed to college or career-ready. *Dr. Ullrich said they were over-reliant on sending kids to 4-year colleges, but it could be the equalizer for greater opportunity if they went and finished. She said some would be better served if they were career-ready instead.*

Chair Dunlap said in Mecklenburg County there were a lot of different groups doing workforce development. He asked Dr. Ullrich, as an advisor, who she would have recommended to lead workforce development. *Dr. Ullrich said the person who was willing to be the most innovative, but that would differ in different communities.*

Chair Dunlap said that the government was a group that suffered the most. He asked Dr. Ullrich, if advising the government, what would she recommend doing to turn the tide and to attract and retain a quality workforce. *Dr. Ullrich said that, people had left customer-facing jobs, some left due to wages, but that was not always the reason. She said state and local governments had to think even more about flexibility, recruiting strategies, and deeper relationships in higher education and K-12. She said changes were hard and different depending on the industry but had to be considered.*

23-0146 COMMISSIONER REPORTS

Commissioners shared information of their choosing within the guidelines as established by the Board, which included, but not limited to, past and/or upcoming events.

ADJOURNMENT

With no further business to come before the Board, Chair Dunlap declared the meeting adjourned at 4:40 p.m.

Arlissa Eason, Deputy Clerk to the Board

George Dunlap, Chair