

February 2023: Workforce Development

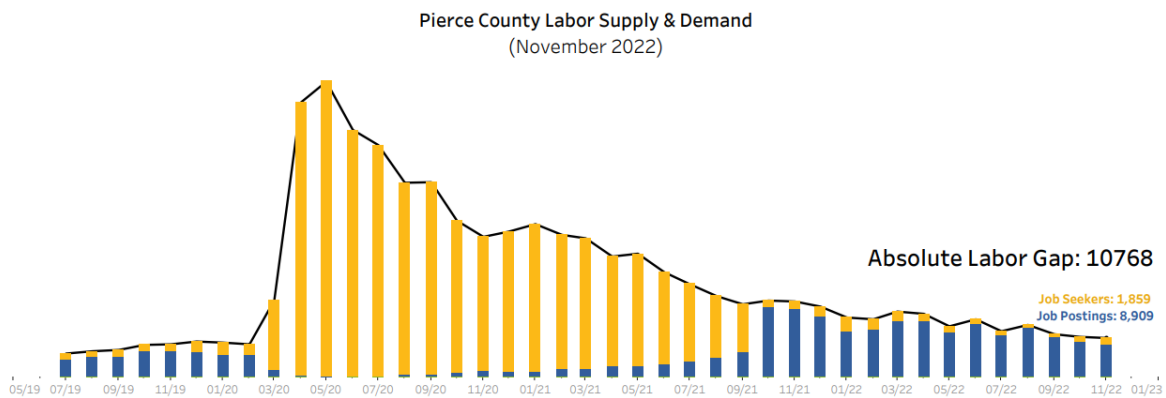
Workforce Development is a pressing issue for businesses in Lakewood, especially now that we are in recovery from the Covid-19 emergency. Economic Development staff from the City of Lakewood interviewed business owners, regional economic development staff, educational institutions, and business support service providers to form a holistic view of the regional economic climate as we recover from the Covid-19 emergency. The way we work may never look the same again - and that may be a good thing!

Employment and Unemployment

The Covid-19 emergency had a major effect on regional employment. On March 16th, 2020, Governor Inslee announced a statewide emergency order to close restaurants, bars, and other social gathering places. Shortly thereafter, unemployment rates in Pierce County rose above 15% for the first time since the economic crisis of 2008. As rates of Covid-19 infections waned, the emergency order was lifted on October 31st, 2022. Unemployment rates are now back to pre-emergency levels just below 5%. (see appendix: figures 1 & 2)

The unique economic conditions of the Covid-19 emergency forced many employers to radically rethink their business models, working conditions, workforce size, and recruiting and retention strategies. Restaurants pivoted from dine-in to curbside and drive-through services. Professional services pivoted from gathering in the office to remote work and video meetings. Entertainment venues pivoted to reduced capacity gatherings to meet social distancing guidelines or closed altogether. Almost every employer was forced to adapt to a rapidly changing business climate or face dire straits, including making cuts to their workforce.

The following graph shows the absolute labor gap in Pierce County. The absolute labor gap is a combined count of unmatched job postings and job seekers. While the labor gap cannot tell us what exactly is causing job seekers not to connect with employers, it does serve as an indicator of the overall picture of employment in the region.



The absolute labor gap before the Covid-19 emergency is relatively small and stable indicating what is considered a reasonably 'normal' job market. In early 2020, the labor gap skyrocketed due to job seekers increasing exponentially while job postings fell almost to zero. This disparity between job seekers and available jobs caused massive disruptions in employment. As we recover from the Covid-19 emergency, many companies have begun hiring again and many people have returned to the work force.

Though the absolute labor gap is higher today than it was in 2019, it can be attributed to unfilled job postings rather than mass unemployment. While there are many moving parts and contributing factors to the regional economy and the data we use to interpret the economic climate, many sources agree that businesses in the region are having trouble hiring and retaining employees.

Job Growth by Industry

The largest employment category in Pierce County is Healthcare and Social Assistance. This category has grown steadily through the Covid-19 emergency and continues to grow, though employment in this category has fallen slightly in Lakewood and is yet to recover. The Transportation & Warehousing and Construction categories have also steadily added jobs.

Retail Trade, Wholesale Trade, Education, Accommodation and Food Services, and Manufacturing employment have all recovered to roughly pre-emergency levels. All of these categories took an initial hit to employment at the beginning of the Covid-19 emergency, yet have been adding jobs steadily ever since.

Several categories affected by the Covid-19 emergency have yet to recover. Finance & Insurance, Arts Entertainment & Recreation, Information, and Management employment are all slightly down on employment. Though some categories are recovering at a slower pace, all categories seem to be generally recovering jobs. (see appendix: figures 3 & 4)

Housing & Remote Work

Housing issues and remote work are closely related issues. Traffic and commuting is a large factor in who is able to work where. Of all the people who live and/or work in Lakewood, 93% are either commuting in or out. Only 7% both live and work in Lakewood. (see appendix: figure 5)

This large share of commuters combined with Lakewood's proximity to Joint Base Lewis-McChord, one of the largest employers in the state, means traffic becomes a real concern in our area. Reducing the amount of time employees spend commuting both improves work/life balance for employees and relieves pressure on roads and highways. Spurred on by the Covid-19 emergency, remote work increased from 5% to 10% of workers regionally in 2020. (see appendix: figure 6)

Per the Puget Sound Regional Council (PSRC) regional growth strategy, [Vision 2050](#), Lakewood is a *core city*. Core cities are major cities with regional growth centers and key hubs for the region's multimodal transportation system. Lakewood is currently exploring proposals for residential and mixed-use developments centered around the [Downtown Subarea](#) and [Lakewood Station Subarea](#) to take advantage of transit connections with the region. Providing workforce opportunities near transit or via telework allows businesses to draw from a larger pool of potential applicants.

Workforce Education and Training Opportunities

Lakewood has a multitude of workforce education and training opportunities. Regional colleges, municipalities, and private employers work together to provide opportunity for workers in the region to learn critical workplace skills. [Invista Performance Solutions](#) (IPS) is a collaboration of four Pierce County Community and Technical Colleges: Clover Park Technical College (CPTC), Pierce College Fort Steilacoom, Pierce College Puyallup, and Tacoma Community College.

IPS provides customized training programs which teach technical skills, language skills, and general workplace skills. Some workers are ready and willing to work and take on workplace responsibilities, yet they may need training in one or more skills necessary to working in certain environments. Though specific skills and certifications are required to perform adequately in certain workplaces, soft skills are just as important. IPS also provides training in workplace soft skills such as teamwork, effective communication, conflict resolution, leadership skills, and de-escalation training.

In addition to the training offered by IPS, Pierce College and CPTC both offer several four-year degree programs right here in Lakewood! [Pierce College](#) offers bachelor degrees of applied science in Business Management, Construction Management, Dental Hygiene, Fire Services, Homeland Security Emergency Management, and Teaching. [CPTC](#) offers bachelor degrees of applied science in Cybersecurity, Interior Design, Mechatronics, and Operations Management. Several programs offered by our local colleges have apprenticeship and internship programs to connect local students with local businesses and service providers.

For a more comprehensive list of education and training opportunities available in Lakewood, please visit the [City of Lakewood Business Resources](#) page.

Hiring and Retention Practices & Strategies

What can businesses in the Puget Sound region do to find and retain employees? Look local! The most common concern voiced by local businesses is that it is difficult to find and retain skilled employees. This can be even more difficult for businesses that draw from common labor pools. Lakewood has many people ready and willing to work, though they may need training in one or more areas to fit a specific role. Several local businesses noted that they train employees only to find them wash out or jump ship to a competitive employer in short order. Some local

businesses do not seem to have these workforce issues and we have included their strategies here.

Hiring and Recruiting

The main issues businesses face with hiring and recruiting new talent boils down to several issues. The first issue is which method businesses are using to recruit talent. If your business is advertising jobs in a place where people are not looking for that job, you will have a disconnect in recruitment. The hiring process itself can also be a barrier to hiring new talent.

To avoid attrition in your hiring process, ensure that the process is organized and streamlined. Clearly state compensation and opportunities for advancement and personal growth in the job posting. Reduce paperwork clutter in the hiring process to the bare essentials. Do not require three interviews when one is sufficient. If your hiring process is too time consuming or too cumbersome, some applicants may find another job by the time you have hired them!

The second hiring issue facing businesses is finding skilled employees. Successful Lakewood businesses are focused on training and promoting talent they already have rather than trying to find a perfect applicant to fill a position. Several businesses note that paying their employees to take training courses increases both the likelihood of employees taking courses and also successfully learning the material. Some businesses invest in potential employees by offering a guaranteed position once the employee completes training or schooling. If your company is too small to warrant the creation of a custom training program, explore options like collaborating with other businesses to collectively train employees. This can be highly effective for more general skill building such as language training and soft skills training.

The final major hiring issue businesses face is wages. We have heard from many businesses that hiring good talent is difficult even after raising wages to meet or beat industry averages. The general consensus from successful businesses, economic development teams, and industry experts is that raising wages to meet or exceed the wages of competitors is necessary to compete, though it is not enough to only raise wages. Workers are looking for healthcare benefits, retirement benefits, advancement opportunities, and improved work/life balance. Businesses that are able to provide attractive incentives and a positive work environment have an edge over businesses that simply provide sufficient wages.

Businesses that have little trouble recruiting and finding skilled employees tend to have a strong reputation, high visibility, promote from within, and receive referrals from current employees. Hiring and training skilled employees is easier when your current employees are happy!

Retention

Running a business is difficult. It can be twice as difficult if the business cannot retain good employees and must constantly find and hire new talent. What can businesses do to keep good employees from leaving? The simple answer is that happy employees tend to stick around

longer than unhappy employees. How can a business make its employees happy? Employees are happy when a business treats them well and treats the people they care about well.

Several successful businesses in Lakewood are successful because they are good to their employees and their families. These businesses build relationships with their employees, understand their employees' needs, and strive to find solutions that work well for both the business and the employee. For example, many employees have children or other family obligations that are non-negotiable in their work schedules. If an employee is responsible for picking up their kids from school, make sure their schedule allows them to perform that duty without fail.

It is not only important to find an arrangement that works for both parties, it is important for the business to *respect* that arrangement. If a business agrees that an employee can pick up their kids during business hours, yet constantly requires the employee to work during that time – the employee will likely need to find a new job that suits their family's needs. Understanding that employees' family obligations are a higher priority than their job is paramount to providing a positive work environment.

Another form of this kind of understanding is allowing for extended periods of leave. Some employees must travel to visit family in times of crisis, sometimes they must leave the country to be with family. Allowing employees to take time off to deal with life events and family emergencies without fear of losing their job can go a long way to building a meaningful relationship with an employee.

The key to retaining employees is building meaningful relationships with them. To succeed, be the business that provides training and advancement opportunities. Be the business that creates a custom schedule so a single parent can better care for their children. Be the business that allows an employee to take a month off to take care of a family emergency in another country. Celebrate your employees' contributions to the company and reward them for their successes. Talk to your employees to understand what they need to be successful and happy at work to build those good relationships.

Appendix

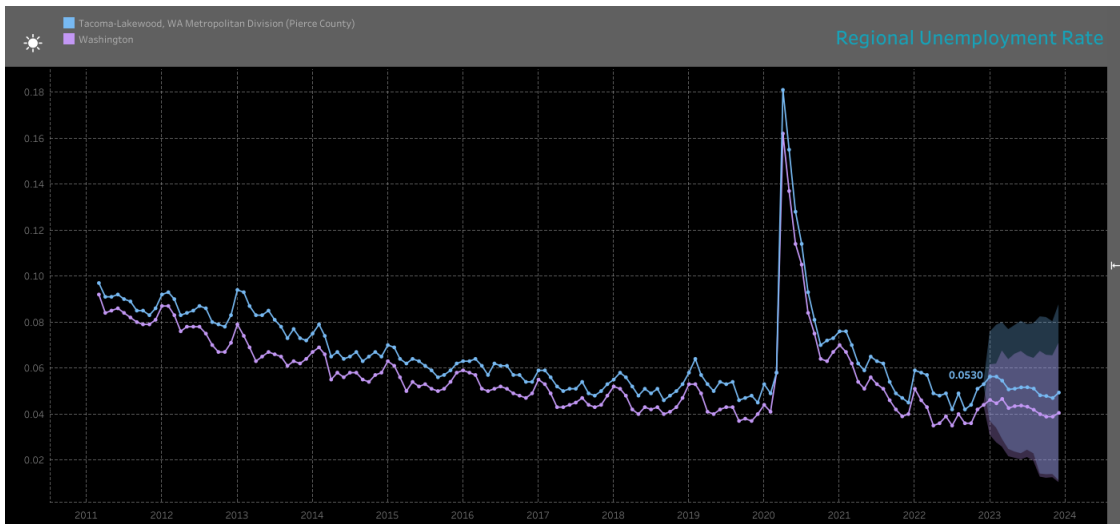
Unemployment

Figure 1:

Pierce County (Tacoma-Lakewood, WA Metro Div) - Historic Unemployment Rate ☰

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2010											9.30%	9.10%
2011	10.10%	10.10%	9.70%	9.10%	9.10%	9.20%	9.00%	8.90%	8.50%	8.50%	8.30%	8.60%
2012	9.20%	9.30%	9.00%	8.30%	8.40%	8.50%	8.70%	8.60%	8.00%	7.90%	7.80%	8.30%
2013	9.40%	9.30%	8.70%	8.30%	8.30%	8.50%	8.10%	7.80%	7.30%	7.70%	7.30%	7.20%
2014	7.50%	7.90%	7.40%	6.50%	6.70%	6.40%	6.50%	6.70%	6.30%	6.50%	6.70%	6.50%
2015	7.00%	6.90%	6.40%	6.20%	6.40%	6.30%	6.10%	5.90%	5.60%	5.70%	5.90%	6.20%
2016	6.30%	6.30%	6.40%	6.10%	5.70%	6.20%	6.10%	6.10%	5.70%	5.70%	5.40%	5.40%
2017	5.90%	5.90%	5.60%	5.20%	5.00%	5.10%	5.10%	5.40%	4.90%	4.80%	5.00%	5.30%
2018	5.50%	5.80%	5.60%	5.20%	4.80%	5.10%	4.90%	5.10%	4.60%	4.80%	5.00%	5.30%
2019	5.80%	6.40%	5.70%	5.30%	5.00%	5.40%	5.30%	5.40%	4.60%	4.70%	4.80%	4.50%
2020	5.30%	4.90%	5.80%	18.10%	15.50%	12.80%	11.40%	9.30%	8.10%	7.00%	7.20%	7.30%
2021	7.60%	7.60%	7.00%	6.20%	5.90%	6.50%	6.30%	6.20%	5.40%	4.90%	4.70%	4.50%
2022	5.90%	5.80%	5.70%	4.90%	4.80%	4.90%	4.20%					

Figure 2:



Jobs by Industry

Figure 3:

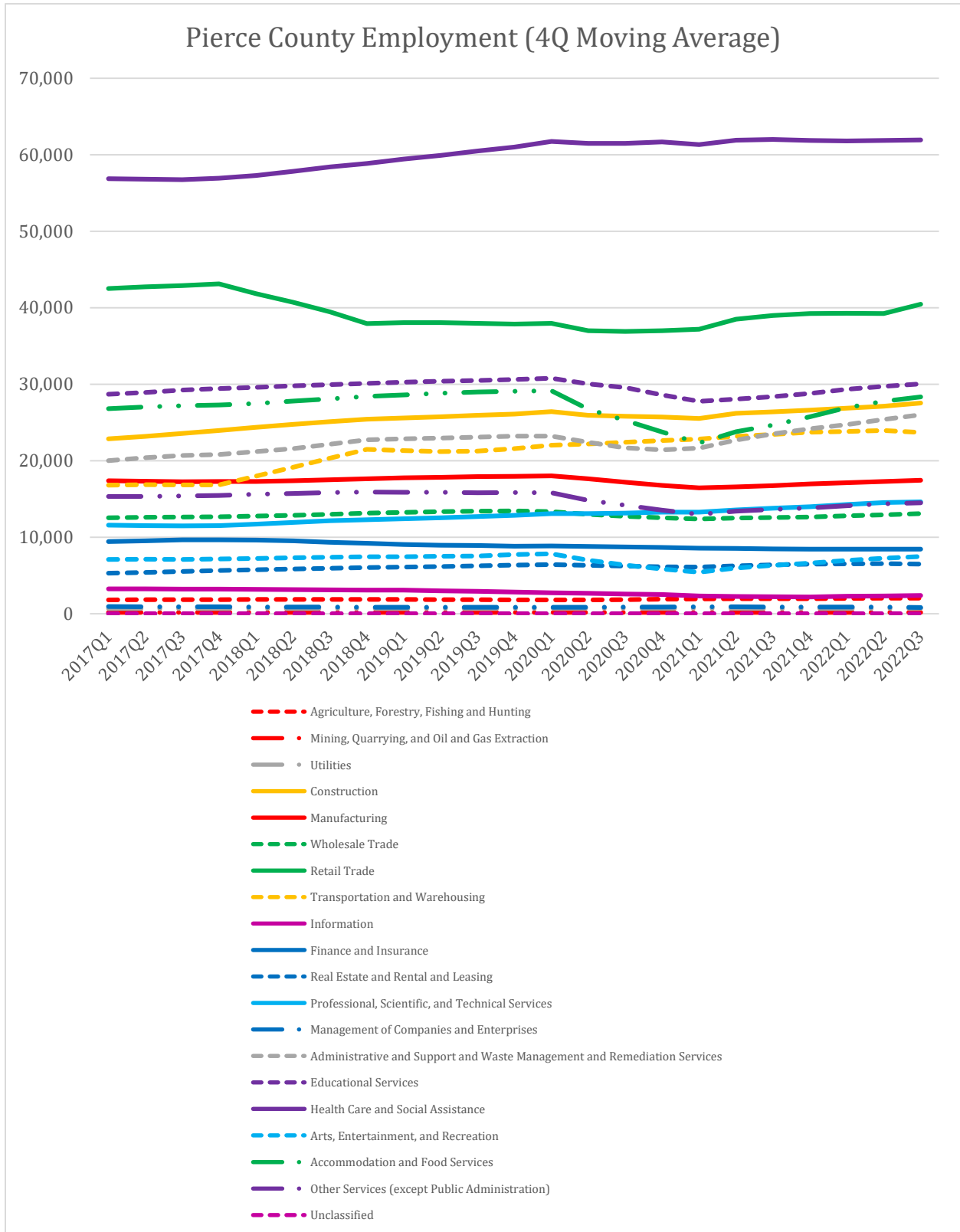
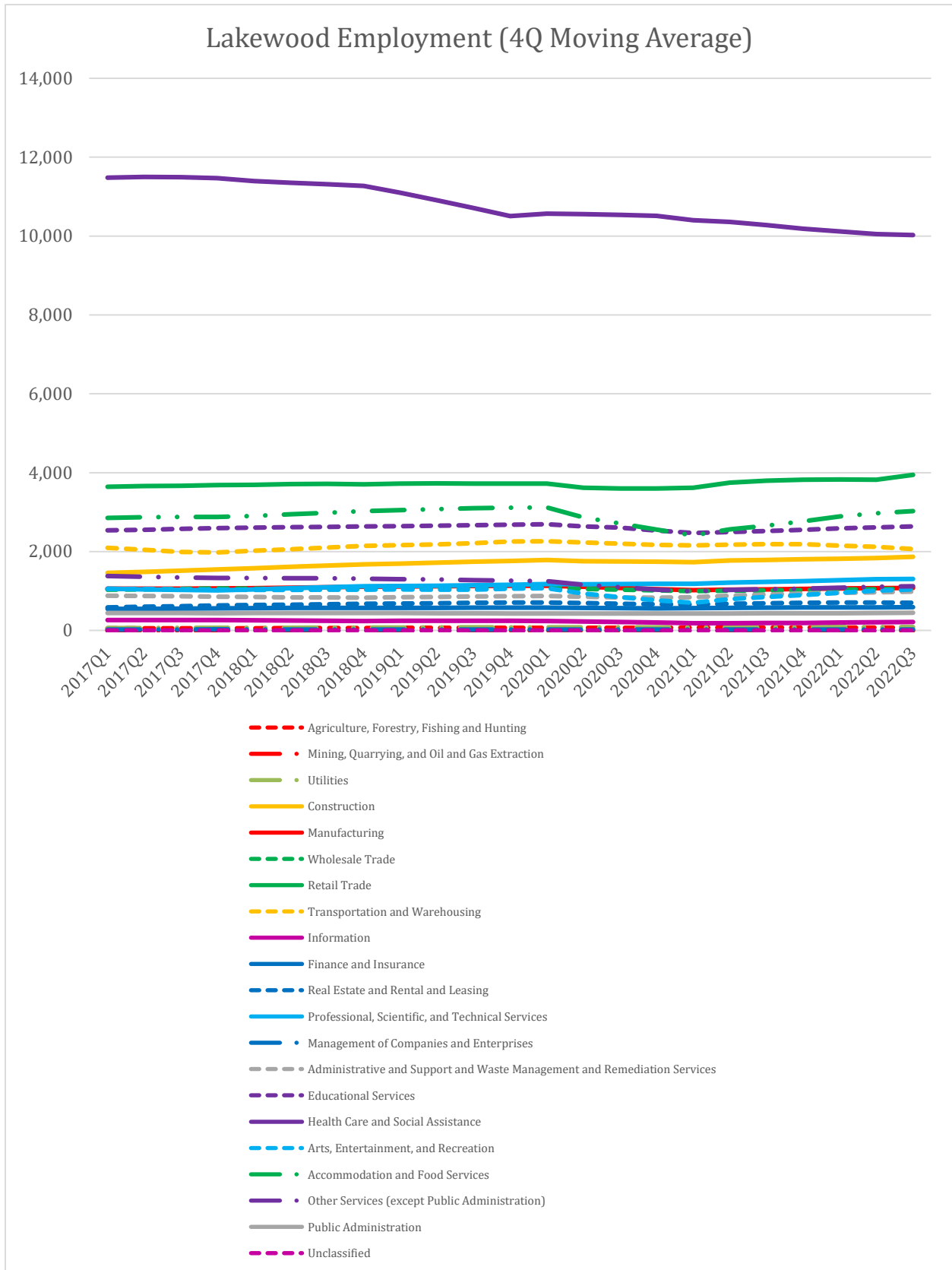
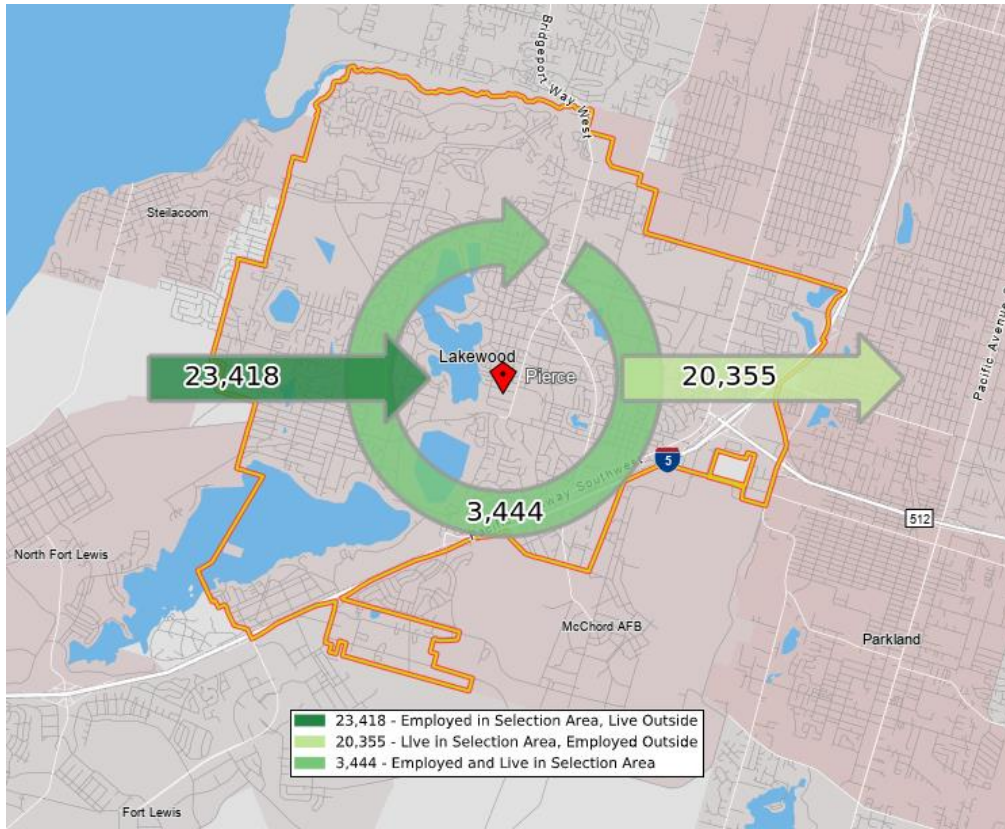


Figure 4:



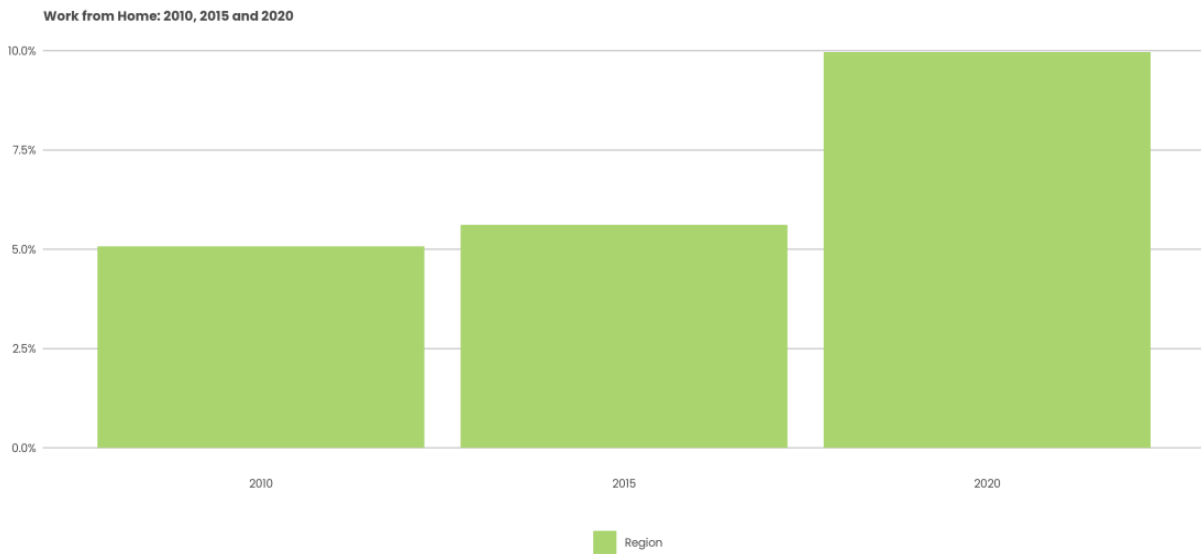
Commuting

Figure 5:



Remote Work

Figure 6:



Source: ACS 5yr Data Table B08006