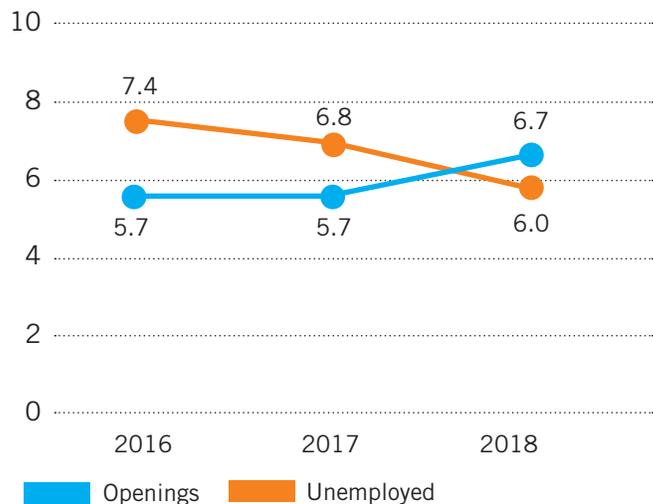




Utah Employment Trends Report

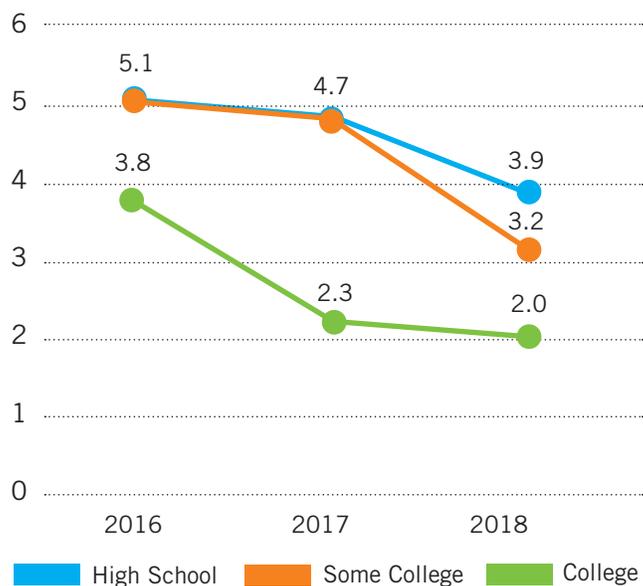
WASATCH FRONT

Job Openings vs. Unemployment



There were 6.7 million job openings in April, which for the first time since the year 2000, exceeded the number of unemployed Americans looking for jobs. (Source: U.S. Department of Labor)

Unemployment of Ages 25 and Over



The steady decline of the national unemployment rate demonstrates a historically tight labor market, with the largest number of job openings in industries including accounting, software development and clerical services. (Source: U.S. Department of Labor)

Historically Low Unemployment Rate Creates Equal Employment Opportunities for Candidates of All Educational Backgrounds

The U.S. Bureau of Labor Statistics (BLS) recently reported that the unemployment rate fell to 3.8 percent in May, marking the 92nd consecutive month of job creation and advancing the nation's current record.

For the first time since 2000, the number of job openings in April (6.7 million) were greater than the number of unemployed Americans (6.3 million).

For employers, this higher number of job openings places enormous pressure on recruiting and staffing, as they vie for workers to fill open positions. Because the candidate pool can be shallow in specific industries, many employers have relaxed their job requirements to find and train qualified workers.

One of the first areas of job qualification to relax has been education. Employers now recognize that a college education or even a high school diploma may be preferred but not necessary for some positions and have adjusted their hiring practices accordingly.

In fact, a recent article in the Wall Street Journal (subscription required) reported that the unemployment rate for workers 25 years and older with less than a high-school diploma was 5.4 percent, down from 6.2 percent a year earlier. The unemployment rate for those without a high-school diploma reached a 25-year record low late last year and has held below 6 percent this year. This is a sharp drop from 8.5 percent in September 2016.

By hiring candidates without a diploma or degree, employers can access a much more diverse talent pool with a variety of educational backgrounds and skill sets, while upskilling them in areas that fit the job requirements.

Employers can now be more flexible with their staffing budgets, balancing those with more experience/education (who may cost more) with those in need of training and/or professional development (who may cost less).

As employers shift their hiring practices to include candidates of all educational backgrounds, they must be mindful of the effects that it will have on their organizational culture, and how to compensate team members based on their level of education.

Expanding the educational requirements of positions within an organization can offer tremendous opportunities to find strong candidates across a range of backgrounds. However, as employers do so, they need to consider how to clearly communicate new hiring practices to current employees and be prepared to adjust compensation levels to retain team members with more education.