



2022 Impact of Market Conditions on Total Rewards

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Market Indicators

5.4%
Inflation Rate

65%
Workers in US looking
For new jobs

15.4%
Utah House Price Increase

\$15/hr
Minimum Living Wage

\$20/hr
Wage needed for
2-bedroom rental

Flexibility, benefits and compensation are top incentives for Employees



Sources:

Out of Reach 2021 Report, National Low Income Housing Coalition

PwC US Pulse Survey: Next in Work, August 2021

Salt Lake Housing Market report – Utah Association of Realtors, June 2021

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COVID-19 Impact on Total Rewards

Employees are experiencing a variety of financial pressures

Federal government reported a year-over-year inflation rate of 5.4 percent. As a result, **an average 3 percent base pay increase would represent a decrease in purchasing power for employees.** *SHRM: 2022 Salary Increases Look to Trail Inflation, Sept. 1, 2021*

Women in the workforce have been disproportionately impacted in the short-term economic fallout of COVID-19. They are at a higher risk for pay stagnation or reductions due to being the primary family care giver. *HR Professionals Magazine: Compensation Trends for 2021 and COVID-19 Impacts, Dec. 2020*

New and more responsible employee positions are increasing as a result of the pandemic. COVID-19 safety precautions brought about automation of entry level jobs. **Many companies are investing in their employees by increasing living wage.** *HR Professionals Magazine: Compensation Trends for 2021 and COVID-19 Impacts, Dec. 2020.*

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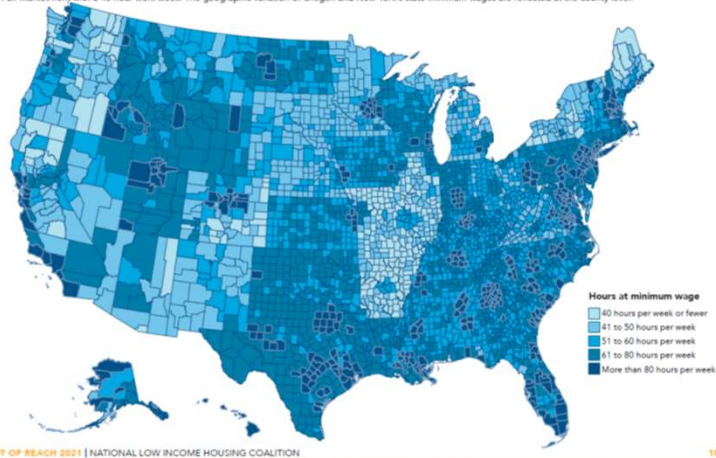
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Housing Market Trends

- Note the dark blue shade of Salt Lake and surrounding Counties
 - Requires >80 hours/week at minimum wage to afford one-bedroom rental at fair market rent
 - Even with a \$15 living wage, housing is still out of reach

2021 HOURS AT MINIMUM WAGE NEEDED TO AFFORD A ONE-BEDROOM RENTAL HOME AT FAIR MARKET RENT

*Note: New England states are displayed with HUD Fair Market Rent Areas. All other states are displayed at the county level. This map does not account for sub-county jurisdictions with minimum wages higher than the standard state or federal minimum wage. No local minimum wages are sufficient to afford a one-bedroom rental home at the Fair Market Rent with a 40 hour work week. The geographic variation of Oregon and New York's state minimum wages are reflected at the county level.



OUT OF REACH 2021 | NATIONAL LOW INCOME HOUSING COALITION

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Childcare Impact

- The Childcare Equation
- Work From Home arrangements
- Continuing COVID impact in schools
- Childcare center closures
- Rising cost of childcare

1 Work Responsibilities
including their hours, schedule, and employer flexibility

2 Home Environment
including who in the home might be available to care for young children and the family's physical proximity to a childcare program

3 Finances
including balancing a family's budget, understanding tradeoffs and other expenses and resources within the family

4 Community Options
including availability of childcare, potential conflicting schedules and needs of school-aged children who are attending school either in-person or remotely

5 Family Composition
including the work schedule of a partner, spouse, extended family member, or friend to share caregiving responsibilities

US Chamber of Commerce Foundation – The Importance of Childcare. December 2020

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The Great Resignation

#thegreatresignation

"Remote work and flexible schedules allow caregivers the freedom and flexibility to successfully complete their work and care for their families at the same time, said Laura Hamill, the Limeade Institute's chief science officer.

"Businesses cannot afford to alienate working parents and drive them to competitors who will offer increased flexibility."

With a "great resignation" already starting to take shape, Hamill noted, "it's important to **listen to employees and center workplace policies around what's best for all employees and not leave working mothers and parents behind.**"

She added: "The invisible workload of motherhood has never been more apparent than it is today. For better or worse, the pandemic exposed our flaws in society and at work. **Employees are saying, 'no, we're not going back to the way things were.'**" *SHRM, June 2021*

"Now that the vaccines are in motion, **employers should be prepared for a turnover tsunami,**" warns Melissa Jezior, president and CEO of Eagle Hill Consulting, a management consultancy in Washington, D.C. *How To Ride the Great Resignation Wave – HR Magazine, Summer 2021*

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Psychological Factors

Psychological factors affect burnout and turnover

A December 2020 study found that **76% of U.S. workers admit to feeling burnout**, with 37% citing stress about Covid-19 as a direct contributor to their fatigue at work. – *"Post-Pandemic Burnout Spurs The "Great Resignation Among Workers – Forbes, July 22, 2021*

Research has shown that **people tend to quit their jobs after experiencing a "turnover shock"**: a life event that precipitates self-reflection about one's job satisfaction.

The universal nature of the pandemic is a major reason **so many are quitting at once.** – *The Real Reason Everyone Is Quitting Their Jobs Right Now – Fortune, September 7, 2021*

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The Great Resignation

Top 4 factors are elements of Total Rewards

WHY EMPLOYEES ARE CONSIDERING CHANGING JOBS IN 2021

36%	Better compensation and corporate benefits
25%	Better work/life balance
16%	Lack of recognition for their work
8%	To find better corporate culture
5%	Company values don't align with theirs
5%	Lack of strong relationships with peers
5%	Don't know

Source: *Engagement and Retention Report*, Achievers Workforce Institute, February 2021.

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The Great Resignation

Retirements - US

Nationally, retirements spiked during COVID

The number of retired Baby Boomers rose more from 2019 to 2020 than in prior years

Annual increase in the retired U.S. Baby Boomer population (in millions)

Year	Annual Increase (in millions)
2012	+2.2
2013	+1.9
2014	+2.0
2015	+2.5
2016	+1.9
2017	+2.2
2018	+2.2
2019	+1.5
2020	+3.2

Note: "Retired" refers to those not in the labor force due to retirement. Baby Boomers are those born between 1946 and 1964. Each year's retired Boomer population is based on the average of the July, August and September estimate.
Source: Pew Research Center analysis of July, August and September Current Population Survey monthly files (IPUMS)

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The Great Resignation

County-wide Retirements

On pace to reach at least 3.6% retirement rate; likely higher

Will match or exceed highest retirement rate in the last 6 years

Year	Annual Turnover Rate (%)
2015	3.1%
2016	2.6%
2017	2.5%
2018	3.0%
2019	3.6%
2020	3.2%
2021	2.4%

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County Productivity Considerations

Additional holiday and rollover of vacation

Rollover of vacation during COVID – Temporary Policy

24,415 rollover hours were available for employee use as of June 26th, 2021

- *Plan for the impact of employee use*
- *Managers need to remain aware of unused leave bank to avoid requests for all-at-once usage*

Juneteenth Holiday - 2022 and beyond

- *Equivalent financial impact of \$1.2 million annually*

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Impact to the County

Wage pressure from several factors

- *Cost of living – inflation, housing prices*
- *Living wage increase*
- *Market-based pay increases*

Childcare challenges

Potential turnover

- *Retirements increasing*
- *High percentage of people planning to look for new jobs*
 - *Reassessment of life & work as a whole*
 - *Burnout/stress due to COVID-19*
 - *Seeking work/life balance through flexibility (schedule & remote work)*
 - *Compensation*
 - *Benefits*