



LABOR FORCE PARTICIPATION ANALYSIS

EXECUTIVE SUMMARY

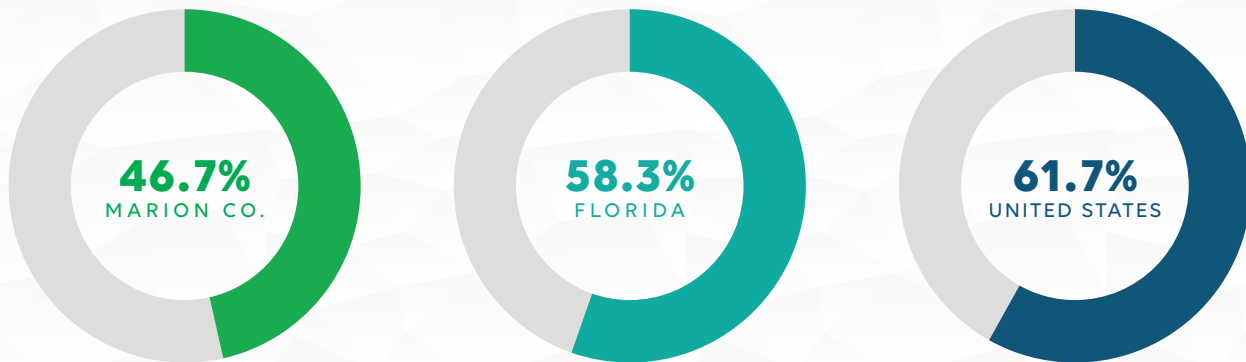
The Ocala Chamber & Economic Partnership (CEP), Duke Energy Foundation, and Career Source CLM sought to thoroughly examine the underlying reasons that the reported Labor Force Participation Rate (LFPR) for Marion County has been persistently low.

Younger Associates conducted an LFPR analysis for Marion County that included three components:

- » An assessment of local, regional, and national data related to workforce, demographics, and employment trends.
- » Interviews with Marion County employers to examine the actual recruiting and hiring experience.
- » A large-scale survey of the working-age population of Marion County

FACTORS THAT DRIVE LOW LABOR FORCE PARTICIPATION RATES

The Bureau of Labor Statistics (BLS) defines the LFPR as the percentage of the civilian, noninstitutionalized population 16 years or older working or actively looking for work.



The national LFPR peaked in 2000 at 67.3% then trended downward trend due to several significant factors, most notably:

- » Changes in age composition of the population – the “Baby Boom” generation (1946-1964) has moved to the “over age 55” category, where labor force participation is lower.
- » Higher school enrollment – increases in high school and post-secondary enrollment levels resulted in a lower LFPR among teenagers. The decrease in LFPR among teens was the largest drop of any age group.
- » Increases in the number of people with retirement savings plans coupled with Social Security and Medicare benefits led to lower numbers of people working past age 65.
- » Decrease in migration – Immigration to the U.S. peaked in 2016, and many reasons, especially administrative backlog to process work visas, contribute to a yearly decline.



These national trends have a greater impact within the state of Florida. The state is very attractive for retirees, and the large service and hospitality industries typically employ a large percentage of immigrant workers.

Marion County has three specific factors that further lower the reported LFPR statistic:

- » The equine industry and other sectors bring in people with second homes whose employment is not counted in the county.
- » Ongoing rapid population growth is not accurately reflected in LFPR statistics.
- » More workers drive out of Marion County to work in adjacent counties than in-commute.

LABOR FORCE PARTICIPATION RATES

Younger Associates conducted interviews with key employers in Marion County who provided a number of valuable insights about the labor market:

- » Bilingual (English/Spanish) workplaces and supervisors are necessary.
- » CareerSource and CEP are cited as being effective, proactive partners for employers.
- » Westport High School's Logistics & Supply Chain program is providing new entrants into the labor force.
- » High school career days are effective, while general public career fairs are not highly effective.
- » Referrals are a top method of recruitment that tend to yield the most reliable workers.
- » Most employers use temporary employment agencies and find the agencies in Marion County to be effective partners.
- » The Indeed online platform and local billboards are effectively generate applications, particularly if a sign-on bonus is advertised.
- » Flexible scheduling and work hour arrangements that suit caregiver lifestyles are used as much as possible by employers.
- » Attendance problems are the number one cause of attrition. No-shows are common.
- » Turn-over rates are extremely high, but local employers find that their peers in other locations across the U.S. are also experiencing exceptionally high turn-over rates.
- » Employers who need seasonal workers have found new workers primarily due to population growth. Newcomers are more likely to accept seasonal work.
- » New public transportation to Marion Oaks is effective in bringing workers to employer sites.
- » Employers interviewed were surprised to hear that Marion County has a LFPR.



MARION COUNTER WORKER SURVEY

The purpose of this survey was to determine the actual ratio of people not participating in the workforce, and to document the key characteristics of this group. The survey found that 57.1% of people not working were seeking employment.

Reasons why unemployed participants are not currently seeking employment:



Participants	Color	Answer
11.1%	●	Disabled
4.4%	●	Early Retirement
6.6%	●	Laid-off or Fired
4.4%	●	In School or Training
42.3%	●	Child or Family Care
20.0%	●	Not Necessary to Work
11.1%	●	Other

Reasons why participants not currently seeking employment would return to the workforce:



Participants	Color	Answer
24.0%	●	Higher Pay
2.0%	●	Safe Environment (no COVID)
8.0%	●	Work Remotely
10.0%	●	Flexible Schedule
2.0%	●	Provided Transportation
10.0%	●	Provided Childcare
32.0%	●	Don't Plan to Return
12.0%	●	Other



CONCLUSIONS

- » A thorough comparison of economic indicators shows no reason that the Marion County labor force participation rate should be lower than the adjacent counties.
- » Self-employment and entrepreneurship are at the higher end of the national average range of 12-18%, but the difference is not enough to significantly impact the LFPR statistic.
- » Mitigating factors lessen the impact of the low LFPR statistic reported for the county, and Marion County employers are effective in adapting to market conditions.
- » The population of Marion County has been growing for decades. People moving into an area often do not get counted accurately in labor force participation studies.
- » The array of shift configurations and schedule flexibility developed by Marion County employers help to attract early retirees, caregivers and others with lifestyles that demand flexibility.
- » Service and hospitality workers in the nearby Orlando Metro who were displaced or laid off during the pandemic were able to easily transition to distribution and other types of jobs available in Marion County.
- » Employers noted that the difficulties they faced are a national market reality at this time. The adaptability, optimism, and proactive attitude of the employers interviewed are an asset to the Marion County economy.

RECOMMENDATIONS

- » Employers need more bilingual supervisors. Training for first-line supervisors has been successful in assisting employers in other labor markets where there are shortages of first-line supervisors regardless of language. It may be possible for Career Source or a higher education institution to collaborate with employers to provide this training.
- » Most people who are currently out of the workforce have been out of the workplace for less than one year. It is probable that they need training to switch from one industry to another.
- » Workforce re-entry programs for people with a criminal record or who have been incarcerated are needed. Employers are dealing with this issue on a case-by-case basis, which is time consuming. A centralized clearinghouse that guides and prepares re-entry candidates could be productive in filling job vacancies and have a long-term positive effect on the population.
- » Providing caregiving is a primary reason for people not re-entering the workforce after the pandemic. A combination of flexible work schedules, affordable caregiving options, and afterschool programs could allow more people to re-enter the workforce. This would require a cooperative effort beyond what a single employer could address.
- » CEP should utilize the data in this study to advise existing employers and prospects on the underlying causes of the low LFPR statistic and the best practices that are in use to find employees in the region.