



## A Message From Our CEO: A Positive Future Outlook Despite Pandemic

### COVID-19 Recession

The coronavirus pandemic has caused significant hardship to the U.S. economy. From the very beginning of the crisis, the labor market was severely disrupted, sending the unemployment rate to record highs and causing millions of Americans to leave the labor force. [Congressional Research Service data shows](#), that in April 2020, the unemployment rate reached 14.8%—the highest rate observed since data collection began in 1948, and nonfarm payrolls shed 22.1 million jobs between January 2020 and April 2020. Many individuals left the workforce over this period, and by April 2020 the labor force participation rate declined to 60.2%, a level not seen since the early 1970s.

The unemployment rate remained historically high throughout 2020. But in early 2021 we saw strong improvements, aided by job growth and multiple rounds of government stimulus that totaled at least \$5.2 trillion. Despite the high initial increase in the [unemployment rate](#), it fell quickly as the economy reopened, and at a considerably faster-than-expected pace in 2021. Total jobs grew 4.6 percent and monthly employment and labor force averages bounced back to their pre-pandemic levels in 2021. Last year, **JOHNLEONARD** saw an increase in traditional business activity. Our client organizations were returning to the office, ramping up their hiring needs, and adapting to our new normal.

At the beginning of 2022, the economy was still 4.4 million jobs short and 2.7 million workers short relative to pre-pandemic projections. But this past April, we saw strong hiring activity, and the unemployment rate was at its lowest level since early 2020. In the first half of 2022, the recovery of the labor market accelerated, and all months

added more net new jobs than expected. This was a direct reflection of what we were seeing in business activity across a broad range of industries. Today, [average wages](#) continue to rise, layoffs are at a record low, and those looking for work have an abundance of options. The latest employment numbers from May show the U.S. economy is now just 822,000 jobs short of where it was in February 2020, before the pandemic hit. Unemployment was down to 3.6 percent, compared to the pre-pandemic 3.5 percent. And Boston's [unemployment rate](#) in April was 3.0 percent. As we head into the second half of the year and a post-COVID world, we are optimistic about a full recovery from pandemic losses.

## The Pandemic's Impact on JOHNLEONARD

Like most small businesses, the unprecedented coronavirus pandemic has had a ripple effect on **JOHNLEONARD**. One of the major challenges we saw early on and throughout the crisis, was the adverse impact on our client organizations and more specifically our local, not-for-profit clients. Nonprofit resources were strained due to the pandemic and in Massachusetts, [nonprofits reported](#) an estimated revenue loss of \$8.6 billion, and more than half have made reductions in their workforce in 2020. However, despite facing the wrath of the pandemic, nonprofits showed continued resilience and initiative.

One noteworthy example of a nonprofit that did just that is Pine Street Inn. During the pandemic, **JOHNLEONARD** closely worked with Pine Street Inn, a homeless shelter organization and an essential resource for many individuals in the community. We are proud to have been able to support and provide dedicated Essential Heroes (Temporary Representatives), who worked the frontlines day in and out. Our Temporary Representatives and the work they were responsible for was crucial to the success of the nonprofit and directly impacted more than 1,400 individuals daily. To learn more about our relationship with Pine Street [click here](#).

## Future Outlook

Today, despite high inflation and stock market volatility, the labor market has maintained momentum. With COVID-19 vaccines and testing now widely available and

employers raising wages, many Americans are returning to work. It is without a doubt that the pandemic has caused lasting effects on employment, income, and working conditions. It has created an entirely new work dynamic for employees of all demographics. 2022 can be described as a transition year and the following trends are and will continue to shape the global economy, labor force, and society in the post-pandemic world.

## Workforce Trends

### *The Great Reshuffle*

Millions of workers are changing jobs, hoping for more purpose, more flexibility, and more pay and benefits— what has been coined as the “Great Reshuffle”. Employees are quitting at staggering rates, leaving in search of something more fulfilling and better suited to their values and lifestyle. [LinkedIn insights](#) reveal it's global, it's across all industries, and across small, mid-sized, and large organizations. And recent data shows the Great Reshuffle shows no sign of slowing down. [The 2022 Work Trend Index](#) found, that 43% of employees are somewhat or extremely likely to consider changing jobs in the coming year. And some generations are even more likely to consider changing employers—more than half (52%) of Gen Z and Millennials combined may change jobs in the year ahead.

For employers, those who are not adapting to employee expectations are going to lose talent and struggle to attract talent. Organizations need to focus on cultivating a culture that supports and embraces employees' shifting priorities and needs. Beyond pay, [the top five aspects of work](#) that employees view as “very important” for an employer to provide are **positive culture (46%)**, **mental health/wellbeing benefits (42%)**, **a sense of purpose/meaning (40%)**, **flexible work hours (38%)**, and **more than the standard two weeks of paid vacation time each year (36%)**.

### *Blended Workforce*

The nature of work has quickly changed, and employees are demanding flexibility and a variety of work settings. Even before COVID-19, the trend toward remote work was progressing. Now, hybrid and remote work are the preferred methods of work. These work models are not just an employee perk anymore, it's a new way of working together. 91% of remote workers interviewed in a [Gallup survey](#) indicated they wanted to be hybrid or exclusively remote after the pandemic. A blend of working in the office and from home is the future of work and if organizations fail to offer some sort of work flexibility, they will fall prey to the Great Reshuffle.

### ***Focus on advancing Diversity, Equity, and Inclusion***

The importance and increased focus on diversity, equity, and inclusion (DEI) in the workplace has peaked over the course of the past few years. And the urgency of DEI objectives is more pronounced than ever. Today's workforce makes up the most diverse in the history of the nation and job seekers value the importance of DEI in the workplace, with gender and race being the top priority. [Glassdoor's survey](#) found that 76% of job seekers and employees report that a diverse workforce is an important factor when evaluating companies and job offers. A further 50% of current employees demand their employers do more to enable DEI programs and initiatives.

DEI is seen as the leading executive principle for workplace culture. As we move forward in 2022 and beyond, we will see organizations continue to place an emphasis on their DEI efforts through strategic, unique plans that are designed for lasting sustainability.

### ***Employee mental health and well-being***

People are prioritizing their mental health and emotional well-being over work now more than ever. Employees have been influenced by their environment, relationships with coworkers, and performance. In fact, [surveys](#) indicate that one in four employees experience weekly performance issues related to stress, anxiety, and work-related pressures, while 63% report struggling on a monthly basis.

It has now become an employer's responsibility and due diligence to help promote a positive work environment and support employees in any way they can. Over the last couple of years, we have seen employers implement flexible work arrangements, therefore, promoting a healthy work-life balance, destigmatizing discussions about mental health in the office, provide access to Employee Assistance Program (EAP) benefits, and show a genuine interest in employee well-being. Finding different ways to help and support employees through post-COVID challenges will continue to be an important topic for leaders.

## **What does this mean for JOHNLEONARD?**

While our economy has improved drastically since the headwinds created by COVID-19, we can't deny that the start of 2022 has given some of us a painful flashback of darker times. Fast-rising inflation, supply-chain disruptions, and worker shortages are now creating a chaotic storm as we push forward to the second half of the year.

Even amid economic uncertainty, one thing I can guarantee is **JOHNLEONARD's** commitment to you. Since 1969, through periods of economic boom and bust, we've remained dedicated to partnering with our clients, organizations, and candidates alike, to help our community flourish.

The job market is looking more promising than it did two years ago and now is a great time to be looking for a job. Candidates are in the driver's seat and have considerable leverage due to the labor market being historically tight. We can expect to see job seekers having more say and demand when it comes to flexibility, mental health/wellbeing benefits, DEI programs and training, and compensation. And we anticipate employers will respond to and meet the needs of employees to try to stymie turnover and attract new talent.

As we move on to our new normal, **JOHNLEONARD** will continue to work with our clients to guide them on how they can remain competitive and become an "employer of choice" and engage more qualified candidates throughout their job search and hiring process. We are here for you and are truly optimistic about the future. We look forward

to continuing the tradition of delivering the highest level of expertise and customer service to our constituents.

Sincerely,

*Linda J. Poldoian*

CEO

