

#relosolutions

Interesting Times

Changes in workforce population bring new approaches to supporting a work-from-anywhere environment

“May you be cursed to live in interesting times.” Often ascribed to the Chinese, the curse is a recognition that boring is easy, interesting is hard. When life is routine and boring, our lives are relatively calm and easy. Interesting times bring challenge, change and heartache. Surely, the last two years fit the definition of interesting. And while things seem to be improving, there are still many challenges ahead, especially for HR professionals.

Retirements are booming

2020 saw a record number of people enter the ranks of the retired in the United States. Retirements among Baby Boomers grew to 3.2 million, a 45% increase over the average for the last nine years or about 1 million workers. For the most part, these workers are lost to the workforce.¹

This trend continued in 2021. From March 2020 through June 2021 the number of retired persons grew beyond its normal range by an additional 1.7 million people. Older workers were more susceptible to COVID-19 and reacted by simply retiring out of the labor force. The share of adults who are retired rose 1.7 percentage points for those 65 and older, compared with 0.3 percentage points for ages 55 to 64.²

Resignations at record rates

August 2021 saw Americans gave notice at the highest pace since December 2000. Resignations increased to 4.3 million in August or 2.9% of the labor force. 242,000 more than in July. The number of open jobs fell to 10.4 million, from a record high of 11.1 million in July.³

Employees are in the driver's seat

All of this points to an extremely tight labor market with employees possessing substantial negotiating power. To ensure recruiting and retention success, it is important to provide a quality employee experience. Many employees are enamored with their new work from home experience and would like to continue to do so. According to data from the Pew Research

Center, 54% of employees who say most, or all of their job responsibilities can be fulfilled from home also say they'd like to continue working from home even after pandemic concerns have faded.

But that doesn't mean they want to work from their current homes. Presented with the freedom to work remotely, many Americans are reevaluating why they live in a particular area. Cost of living, family, climate, and recreation are just some of the considerations that can now take precedence over commute time to the office. People are moving in greater numbers. This requires HR professionals to handle more and more employee relocation requests.

It's vitally important to develop clear policies regarding remote work and relocation. Employers should take care in just allowing employees to work from anywhere. In states or countries where an employer does not currently have employees, a decision to allow an employee to relocate and work from home may create corporate income tax nexus and subject the corporation to a myriad of labor regulations and reporting requirements. Be sure to involve tax experts in any decision which would add personnel in new jurisdictions.

Help for employees (and HR)

Relocation can be very stressful for employees, even when pursuing coveted outcomes. Having a trusted real estate agent, lender and mover can mean the world of difference between a productive employee and one who becomes mired in details and frustration from their move. HR professionals should reach out to their relocation provider to understand what benefits can be provided for employees who are moving as a personal choice and will not be reimbursed by the employer. Most relocation companies have a suite of discounts, rebates and other benefits that can be provided to help an employee move locally, or across the country, even without reimbursement benefits from the employer.

In spite of continued high unemployment levels, many industries still find themselves in a war for talent. For these employers, a comprehensive and robust relocation benefit package can help seal the deal when recruiting or transferring employees from another city. Home sale, home purchase, household good shipment and final move expense benefits are minimum requirements for competitive situations.

1. <https://www.emarketer.com/content/more-boomers-retired-2020-than-any-other-year>
2. <https://www.economicpolicyresearch.org/jobs-report/the-pandemic-retirement-surge-increased-retirement-inequality>
3. <https://www.cbsnews.com/news/workers-quitting-quits-surge-record-high-jolts-labor-department-report-august-2021/>