

## *Skill Shortages in the Omaha Area Long Standing Challenges and Cyclical Factors*

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Eric Thompson  
Bureau of Business Research  
College of Business  
University of Nebraska-Lincoln  
[ethompson2@unl.edu](mailto:ethompson2@unl.edu)  
[www.bbr.unl.edu](http://www.bbr.unl.edu)

## Outline

- Long standing challenges with skills gap
- Cyclical factors
- Talent Availability



## *Long-Standing Challenges*

- There have been long standing skills gap for the Omaha area and Nebraska economy.
- Even before the Covid-induced recession...
  - 15% to 25% of the respondents to the monthly Survey of Nebraska Businesses reported that the “**quality and availability of labor**” was their top business issue
- The Bureau of Business Research (for NDOL) studied the skills gap in the Omaha area economy in later 2017



## *Long-Standing Challenges*

### *Key Findings of 2017 Study*

#### Balance And Challenges

Annual Net Openings	17,369
Annual Entrants	13,410
Share of Applicants with	
Poor Work History	39.0%
Failed Background Check	21.7%



## *Long-Standing Challenges*

### *Key Findings of 2017 Study*

- Notable occupations with a “skills gap” in Omaha
  - Computer Programmers
  - Software Developers
  - Registered Nurses
  - Carpenters
  - Machinists
  - Maintenance and Repair Workers
  - Welders
  - Heaving Truck and Tractor-Trailer Drives



## Cyclical Factors

### Drop in Labor Force Participation Rate

Recession	1-Yr After	1.5-Yrs After
Apr 2007- Jun 2009	-1.7%	-1.7%
Mar 2020- Apr 2020	-2.0%	-1.9%

## Cyclical Factors

- Similar drop after Great Recession
- Both Great Recession and Covid Recession were severe and during retirement of baby boom generation

## Cyclical Factors

- This seems worse – why?
- Supply-side issues
  - Job loss even more severe than in Great Recession
  - All those checks (since mid-2020)
  - Covid-19
  - Child-care



## Cyclical Factors

- Demand side issues
  - Some businesses are “bouncing back”
  - Stronger recovery than after Great Recession
  - Difference in sectors severely impacted

## Cyclical Factors

- Implications
  - Labor force participation rate may never FULLY recover
  - Labor force participation is trending down – may drop severely in recessions rather than steady decline
  - Anticipate recovering half of lost LFPR in next year
    - Combined with growing population – good expansion of labor force

## Cyclical Factors – Who Left LF

- An estimated 12,500 workers have left the Omaha area labor force
- Detailed data not available for Nebraska but can look at national data
- Compare February 2021 to February 2020

## Cyclical Factors – Who Left LF

- Nationally, the labor force participation rate (LFPR) dropped by 1.6% for men and 2.1% for women between Feb 2020 and Sept 2021
- Drop in LFPR among men
  - White Men (20+), LFPR: –1.6%
  - African American Men (20+), LFPR: –1.8%
  - Hispanic or Latino Men (20+), LFPR: –0.5%

## Cyclical Factors – Who Left LF

- Drop in LFPR among women
  - White Women (20+), LFPR: -2.1%
  - African American Women (20+), LFPR: -2.7%
  - Hispanic or Latino Women (20+), LFPR: - 4.2%

## Talent Availability Study Key Findings for Greater Omaha Area

- Jobs and labor force will grow rapidly over the next year
  - An estimated 6,000 workers return to the labor force next year (out of 12,500 who have left)
  - Labor force also will expand with population growth
- Counts of claims for unemployment insurance are expected to drop 36% (by 3,200)
- Some easing but continued broad-based challenges with finding workers



## Talent Availability Study

### Key Findings for Greater Omaha Area

- UI claims will drop for all demographic groups
  - Claims drop 48% for males and 25% for females
  - At a similar rate for Whites and African Americans (but claims remain higher for African Americans)
  - At a similar rate for Hispanics and non-Hispanics
  - Fall fastest for workers age 45 to 59 and slowest for workers 65 and over.



## Talent Availability Study

- Review the online tool:

[https://unlbbr.shinyapps.io/goc\\_talentavailability/](https://unlbbr.shinyapps.io/goc_talentavailability/)



THANK YOU

Any Questions?