

## 2018's challenge: Too many jobs, not enough workers

By Danielle Paquette

Employers nationwide are grappling with a problem that threatens to stall economic growth: vacancies — and lots of them.

In Maine, where flurries can fall as late as April, the state transportation department is struggling to find snowplow drivers, thanks to the increasingly tight labor market. Ski resorts in the state, meanwhile, are still looking for employees to run the slopes.

Texas, too, is dealing with a labor shortage. As the price of oil climbs, drillers are ramping up production, but they need more truckers to haul it. Energy companies fear a dearth of such workers could eventually force them to limit production.

And Florida lacks the construction workers to keep up with its housing need, plus additional repairs from Hurricane Irma.

These are just a few glimpses into the country's biggest scramble for workers in decades.

The U.S. unemployment rate continues to sink, hitting a 17-year low in November (4.1 percent), and job seekers are finding work more easily than at any time since the mid-90s. Openings in the United States have now topped roughly 6 million for five months in a row, a record streak, according to the Bureau of Labor Statistics.

Normally, such a stretch would inspire applause. But Wayne Winegarden, an economist and senior fellow at the Pacific Research Institute, a California think tank, said the trend should concern policymakers.

"If you have less labor, you're going to have less growth," he said, "unless



America needs more truckers. (Photo by Yana Paskova/For The Washington Post)

it's compensated by more technology or higher productivity."

The labor shortage also complicates the Republican quest to create more jobs through tax cuts, said Alan Cole, an economist who studies tax policy.

"Most of the people who really wanted to get back to work — they've already recovered from the recession," he said.

Firms that save money from the tax cuts may simply be unable to find more workers to hire at the price they are willing to pay.

Business executives have long complained about a "skills gap," or the difficulty of finding highly trained workers to fill specialized roles, he said.

That's especially true in advanced manufacturing jobs, which require some computer training. As the country tilts toward what economists call "full employment," though, practically every kind of business can hit hiring barriers. Even jobs with more basic requirements, such as a driver's license, have become harder to fill.

The American Trucking Associations recently announced the industry needs nearly 1 million new drivers over the next six years to replace retiring drivers. (Roughly 10,000 baby boomers retire every day, according to the Pew Research Center.) Raising wages, adding more generous retirement packages and recruiting more women to the male-dominated field still hasn't attracted the necessary numbers, executives have said.

In Carmel, Ind., an Indianapolis suburb where the jobless rate is 2.8 percent, Mayor James Brainard said fast food chains have trouble attracting staffers. During the holiday season, he added, retailers struggle to hire enough part-time workers to staff the shopping rushes.

"These are good problems," he said of the tight labor market. "We need to think about how we market our region as a good place to live and work and raise one's family."

The share of Americans who are either employed or actively looking for work has also shrunk in recent years and

is down to 62.7 percent, compared to 66 percent in December 2007, the start of the last economic downturn. The reason is still up for debate, but economists generally agree the tumble is troubling.

“It’s way down,” Winegarden said. “It has come back from the lows of the recession, but it’s not where you’d expect it to be.”

One potential cause, he said: The opioid epidemic, which has knocked people out of the workforce. The rise in painkiller prescriptions between 1999 and 2015 is linked to a 20 percent decrease in men’s workforce participation and 25 percent in women’s, Princeton researcher Alan Krueger estimated in a September study.

That adds a tangle to President Trump’s 2018 goals.

On Tuesday, he tweeted a prediction: “Will be a great year for Companies and JOBS!”

But the lack of available workers in some areas has already dragged down progress.

In Colorado, where the unemployment rate sits at an especially tight 2.8 percent, analysts are projecting job creation to slow next year, because companies can’t find enough employees to keep growing.

“The economy is still strong here. We just don’t have enough labor,” Richard Wobbekind, executive director of the business research division at the University of Colorado in Boulder, told the Denver Post earlier this month.

From 2012 to 2015, employment growth in the state maintained a pace of 3 percent — and then dropped to 2.3 percent last year and again to 2.2 percent in 2016, according to an annual report from the University of Colorado business school. Next year, state economists expect the rate to sink further to 1.8 percent.

“It will be hard to rely on in-migration to really replace these jobs,” Wobbekind said. “Throw on top of that an uncertain international immigration environment and you will have tight labor markets.”