



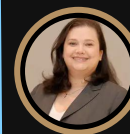
**CRITICAL
LABOR
COALITION**

CONGRESSIONAL BRIEFING:

THE CURRENT STATE OF THE LABOR SHORTAGE



PRESENTED BY



Misty Chally, Esq.
CEO
CAPITOL SOLUTIONS



Raymond J. Keating
CHIEF ECONOMIST
SMALL BUSINESS &
ENTREPRENEURSHIP COUNCIL



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VICE PRESIDENT
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DIRECTOR
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NATIONAL ASSOCIATION OF
CONVENIENCE STORES



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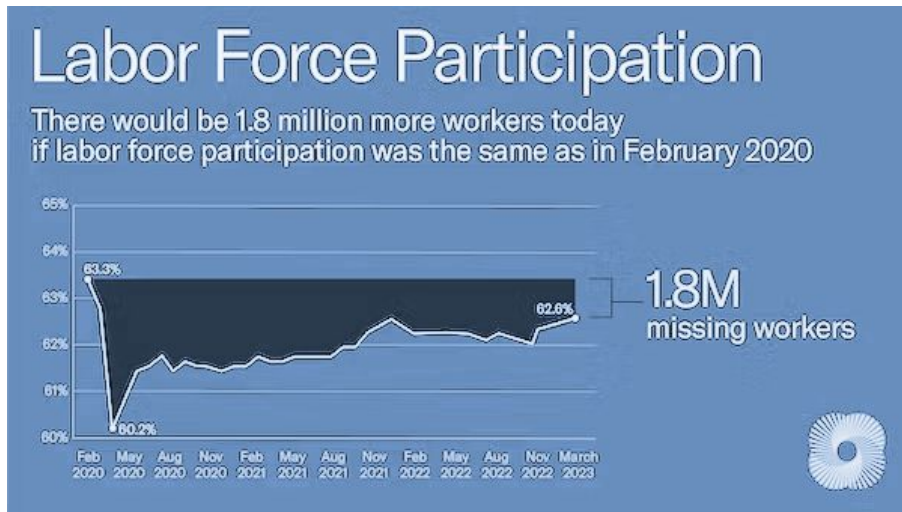
THE LABOR SHORTAGE

Pandemic

- 120,000 businesses temporarily closed
- 30 million U.S. workers were unemployed

“Post” Pandemic

- 2022 - 4.5 million jobs added BUT millions of Americans have been leaving the labor force
- Nearly 3 million fewer Americans participating in the labor force today compared to February of 2020

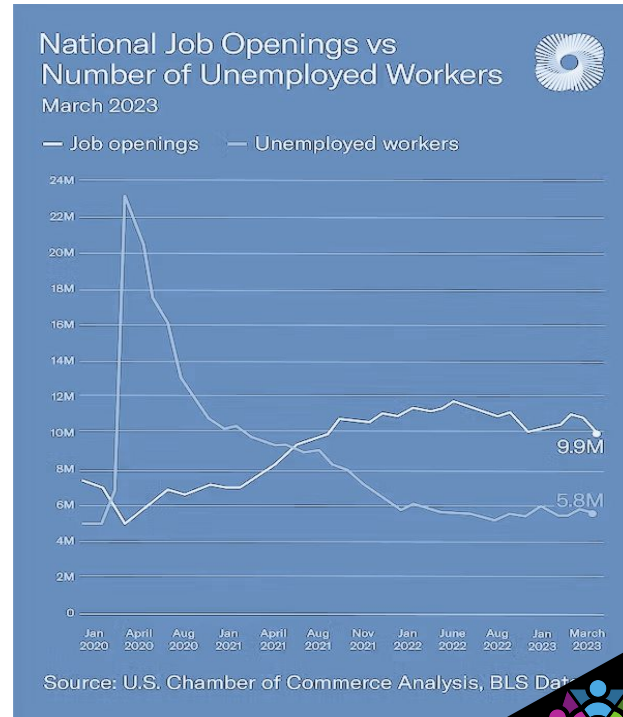


THE LABOR SHORTAGE

There are

**3.1
MILLION**

*more job openings
than
unemployed workers.*



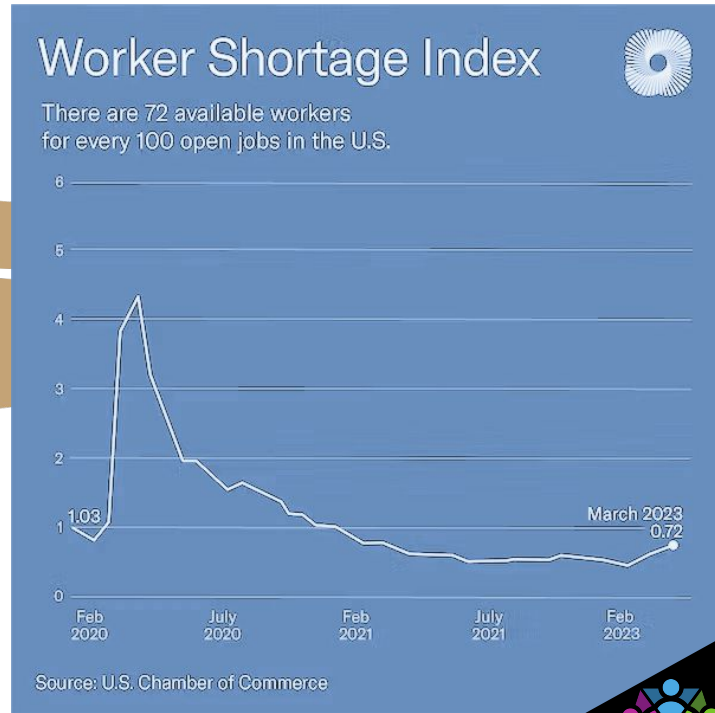
**CRITICAL
LABOR
COALITION**

THE LABOR SHORTAGE

That means there are

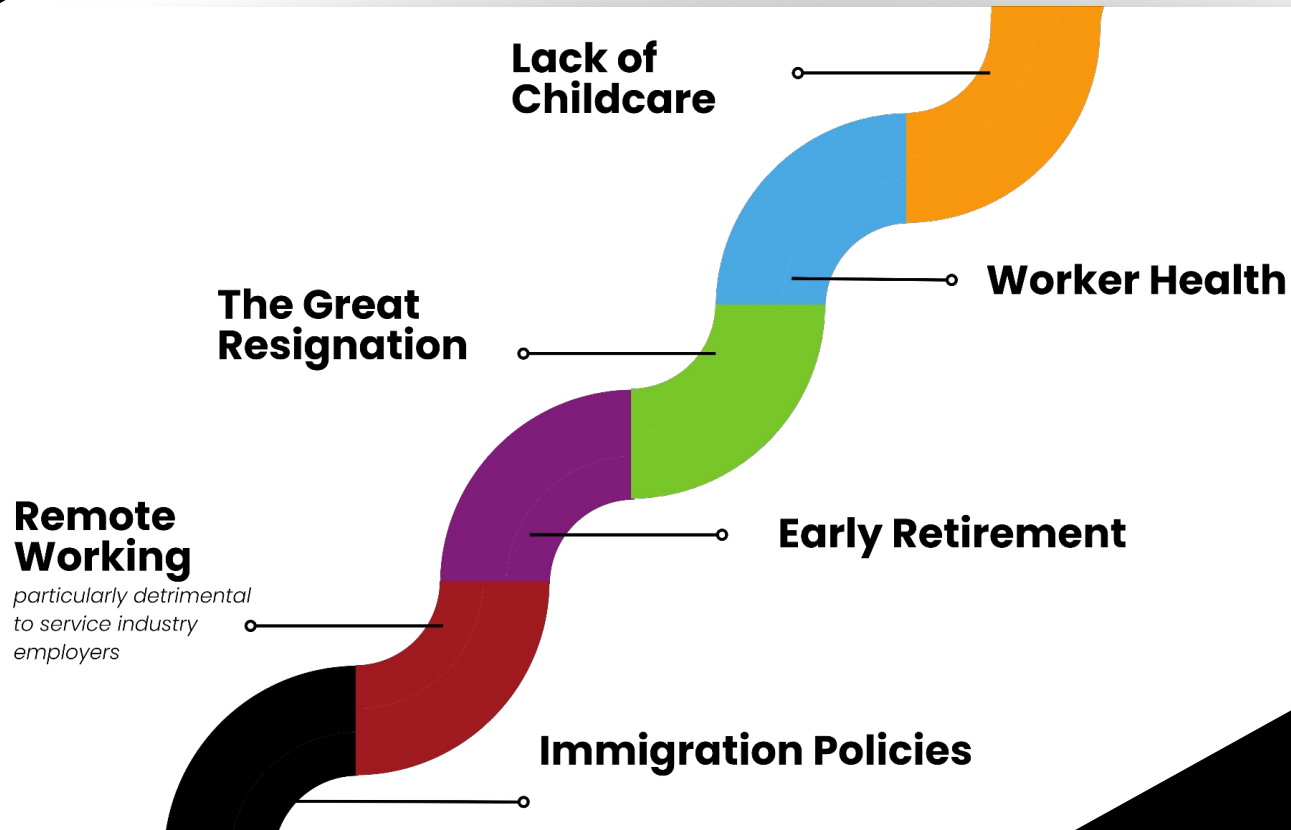
**72 AVAILABLE
WORKERS FOR
EVERY 100**

job openings in the U.S.



**CRITICAL
LABOR
COALITION**

MAJOR REASONS BEHIND THE LABOR SHORTAGE

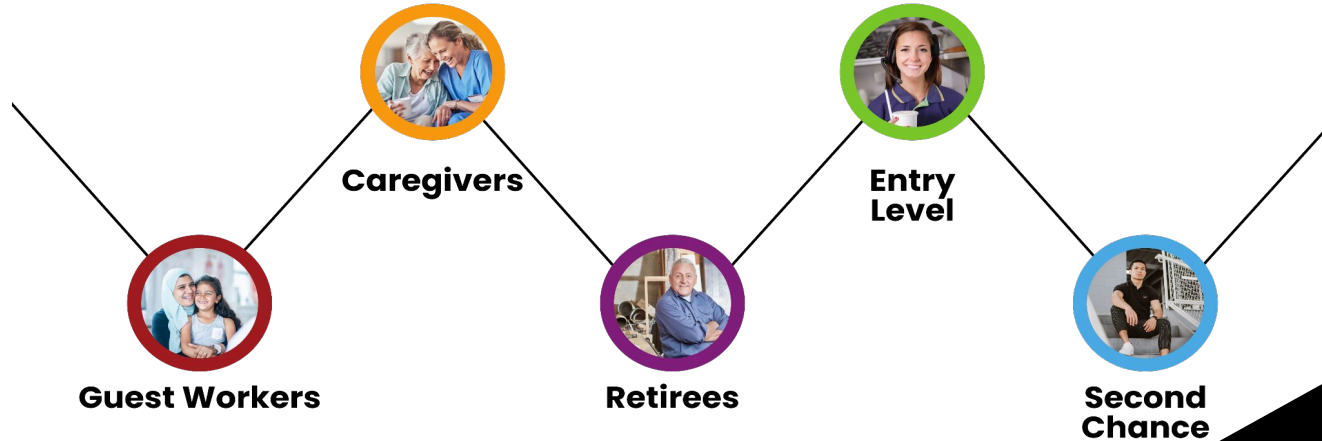


THE CRITICAL LABOR COALITION

Formed in July 2022 to find solutions to the critical labor shortage and unleash the potential of the workforce in the United States.

Comprised of trade associations as well as corporate and individual business owners, CLC advocates for bipartisan policies that incentivize individuals to return to work.

COMMUNITIES OF WORKERS



CLC MEMBERS



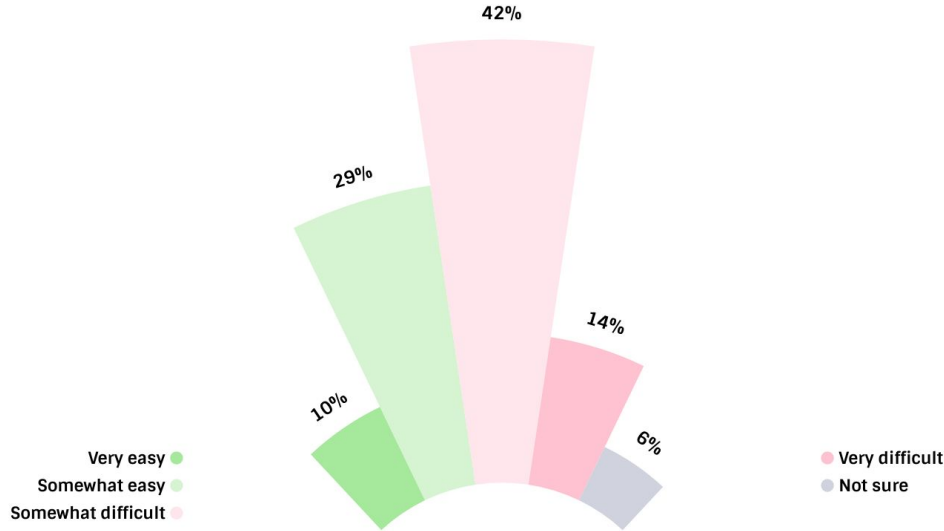
CRITICAL
LABOR
COALITION



Raymond J. Keating
CHIEF ECONOMIST
SMALL BUSINESS & ENTREPRENEURSHIP COUNCIL

Raymond J. Keating serves as chief economist for the Small Business & Entrepreneurship Council (SBE Council). He writes a wide array of papers and weekly analyses, speaks to groups across the nation, testifies before Congress and state bodies, and is widely interviewed and quoted in the media on a wide range of issues affecting the entrepreneurial sector of the economy.

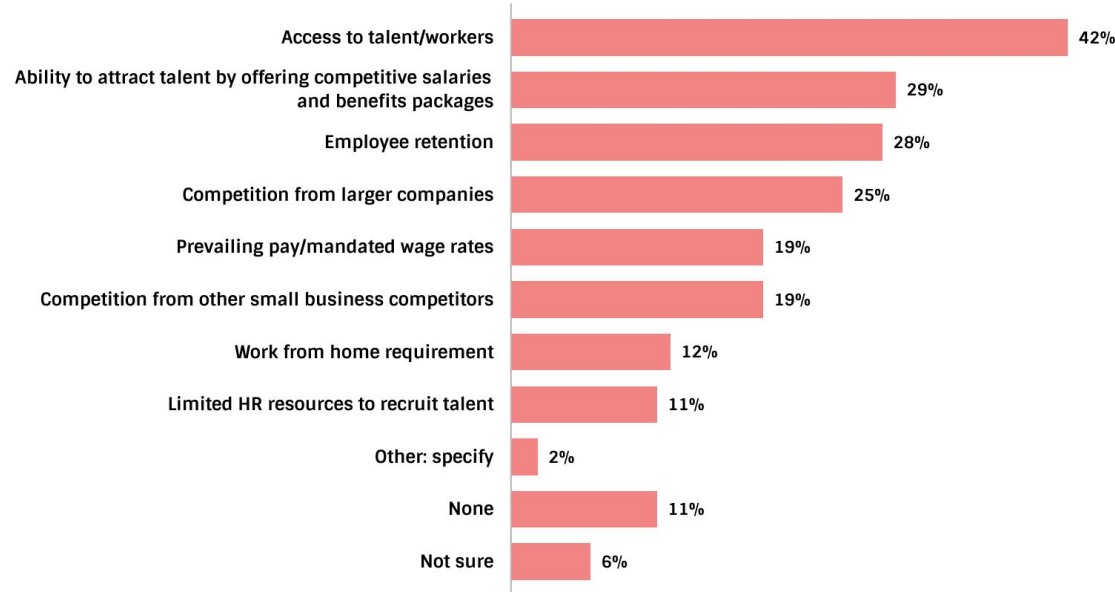
Most Describe The Current Labor Market As Difficult



- Most describe the current labor market as *difficult* (56%).
- Four in ten (42%) say it is *somewhat difficult*, and another 14%, *very difficult*.
- On the other hand, four out of ten businesses (39%) say the labor market is *easy*, with 10% calling it *very easy* and another 29% *somewhat easy*.

Q5. How would you describe the current labor market in terms of how easy it is to find the people you need?

Access To Talent/Workers Is The Biggest Problem In Staffing

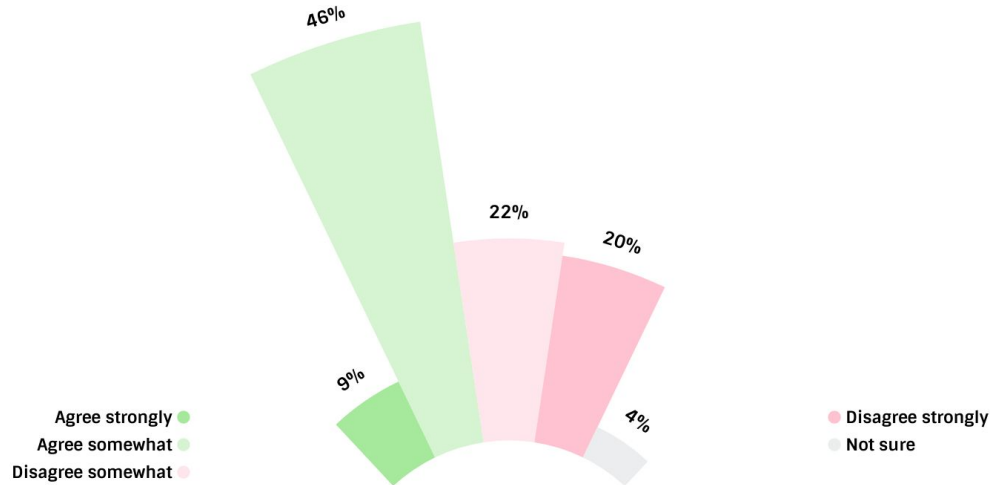


- 42% businesses find it difficult to find the right talent/workers.
- 29% are struggling to offer competitive salaries and benefits to attract the right personnel.
- 28% are facing issues with employee retention.
- A quarter find competition from larger companies detrimental to their staffing needs.

Q7. What problems do you face when finding, hiring, and keeping employees? (Please select all that apply)

Small Business Checkup Survey (Q1-2023)

Labor Shortage And Access To Skilled Labor Are Hampering Operating Capacity Of Businesses



Q9. Please indicate how much you agree or disagree with the statement: A labor shortage and access to skilled labor is hampering my company's operating capacity.

- 55% report that labor shortages are *hampering* their operating capacity. While 9% *agreed strongly*, 46% *agreed somewhat*.
- 42% believe labor shortages *do not impact* their operating capacity.



Matt Carrier

VICE PRESIDENT

GOVERNMENT AFFAIRS, POLICY, AND RESEARCH
AMERICAN HOTEL & LODGING ASSOCIATION

Matt Carrier serves as the Vice President of Government Affairs, Policy, and Research for AHLA. In this role, he advocates on a variety of issues and leads the hotel industry's policy and research agenda to meet members' needs today and in the future. Carrier comes to AHLA after nearly a decade across the hotel distribution and revenue strategy space, most recently overseeing price guarantee and rate parity programs at Marriott International



CRITICAL
LABOR
COALITION



Labor Shortages

Tuesday, May 9th

MATT CARRIER

VICE PRESIDENT, GOVERNMENT AFFAIRS, POLICY AND RESEARCH

Front Desk Feedback Survey Results

May 2023



Nearly **83%**
of respondents claimed
they were understaffed

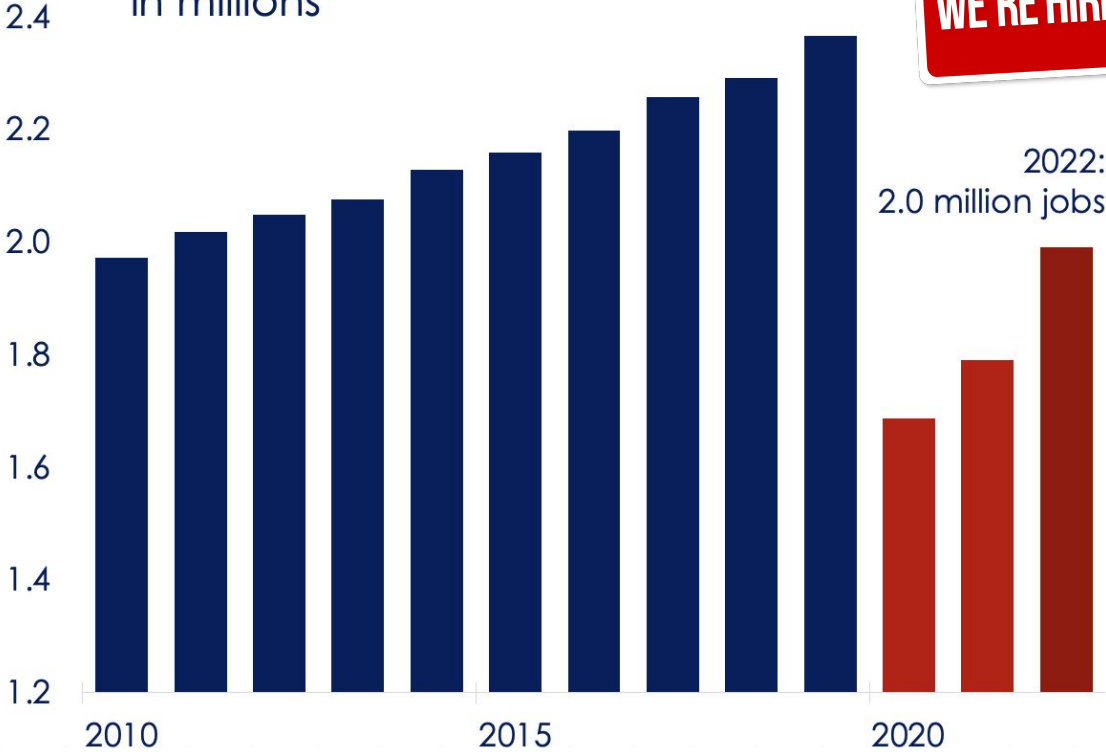
23% claimed “severely
so”

Over **88%** of
respondents claimed
they are unable to fill
positions despite actively
seeking workers

- Respondents claimed various efforts and/or incentives to attract workers or applicants through:
 - Nearly **71%** of respondents have increased wages
 - More than **64%** have offered greater flexibility with hours
 - Over **33%** have increased benefits

By the numbers...

Hotel industry employment in millions



2022:
2.0 million jobs

Historic Labor Shortages Making Headlines

Millennials to Baby Boomers: Why workers of all ages are adding to the labor shortage



Labor, Rising Utility Costs and Interest Rates Are Top Hurdles for Hoteliers



U.S. Hotels Tack on 10,000 New Jobs But Still Way Below Pre-Pandemic Levels

THE WALL STREET JOURNAL.

Hotel Guests Are Back, but the Workers Aren't

CENTRAL BANKS COMMENTARY

Pro Take: Hotel Inflation Runs Hotter Than the Fed's Target, With a Worker Shortage of No Help

U.S. hotel and lodging inflation rose to 8.1% in March

THE WALL STREET JOURNAL.



Despite incentives, hotels still experiencing staffing shortages

By Esther Hertzfeld · Feb 28, 2023 10:05am



American labor shortage is a rose with many thorns

Staff Shortages and Rising Costs: How Hoteliers are Using Technology to Streamline Operations



Hotels Impact on Economy & Communities

Washington, D.C. Example

Industry Snapshot in District of Columbia

HOTEL GUEST SPENDING IN DC	PROPERTIES IN DC (NUMBER OF HOTELS)	HOTEL GUESTROOMS IN DC (NUMBER OF ROOMS)
\$5.1 billion	148	33,760
SHARE OF TOTAL JOBS SUPPORTED BY HOTEL INDUSTRY IN DC	TOTAL TAXES PER HOUSEHOLD IN DC (\$ PER HOUSEHOLD)	STATE AND LOCAL TAXES PER HOUSEHOLD IN DC (\$ PER HOUSEHOLD)
4.9%	\$3847.20	\$2070.02

Total Hotel Industry Impact in District of Columbia

BUSINESS SALES IN DC (OUTPUT)	WAGES AND SALARIES IN DC	EMPLOYMENT IN DC (NUMBER OF JOBS)	GROSS DOMESTIC PRODUCT IN DC
\$9 billion	\$3.2 billion	43,298	\$5 billion
TOTAL TAXES IN DC	DC STATE AND LOCAL TAXES	TAXES ON LODGING IN DC	FEDERAL TAXES IN DC
\$1.2 billion	\$661.5 million	\$245.7 million	\$567.9 million

Hotel Operations Impact in District of Columbia

BUSINESS SALES IN DC (OUTPUT)	WAGES AND SALARIES IN DC	EMPLOYMENT IN DC (NUMBER OF JOBS)	GROSS DOMESTIC PRODUCT IN DC
\$2.5 billion	\$1 billion	13,451	\$1.7 billion
TOTAL TAXES IN DC	DC STATE AND LOCAL TAXES	FEDERAL TAXES IN DC	
\$595.9 million	\$416.1 million	\$179.7 million	



Jordan Heiliczer

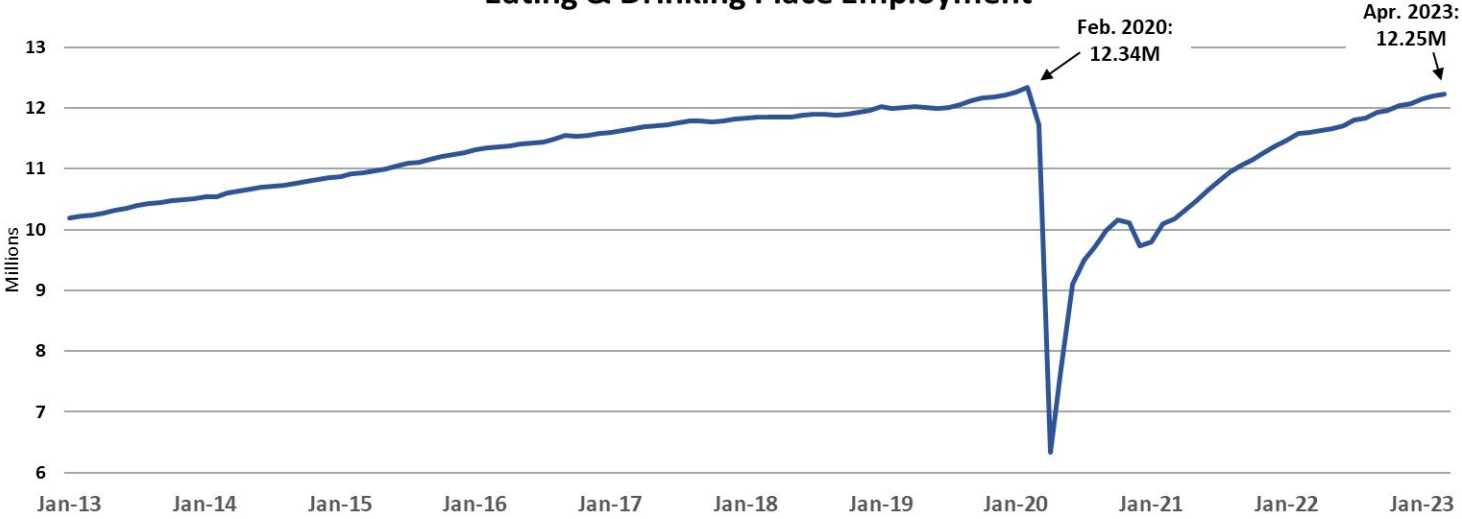
DIRECTOR

LABOR AND WORKFORCE POLICY NATIONAL
RESTAURANT ASSOCIATION

Before joining the Association, Heiliczer was the Senior Director of Government and Political Affairs at AAHOA, where she led federal and political efforts on behalf of America's hotel owners and concentrated on issues important to the hospitality industry, including small business advocacy and workforce relations.



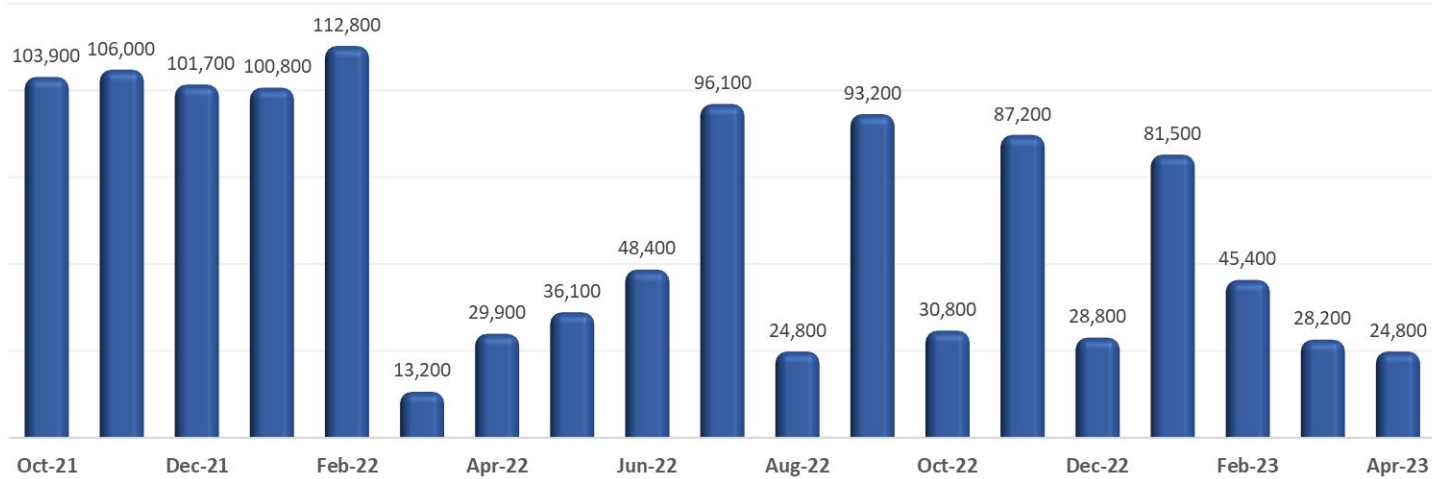
Eating & Drinking Place Employment



Sources: Bureau of Labor Statistics, National Restaurant Association; figures are seasonally adjusted and preliminary



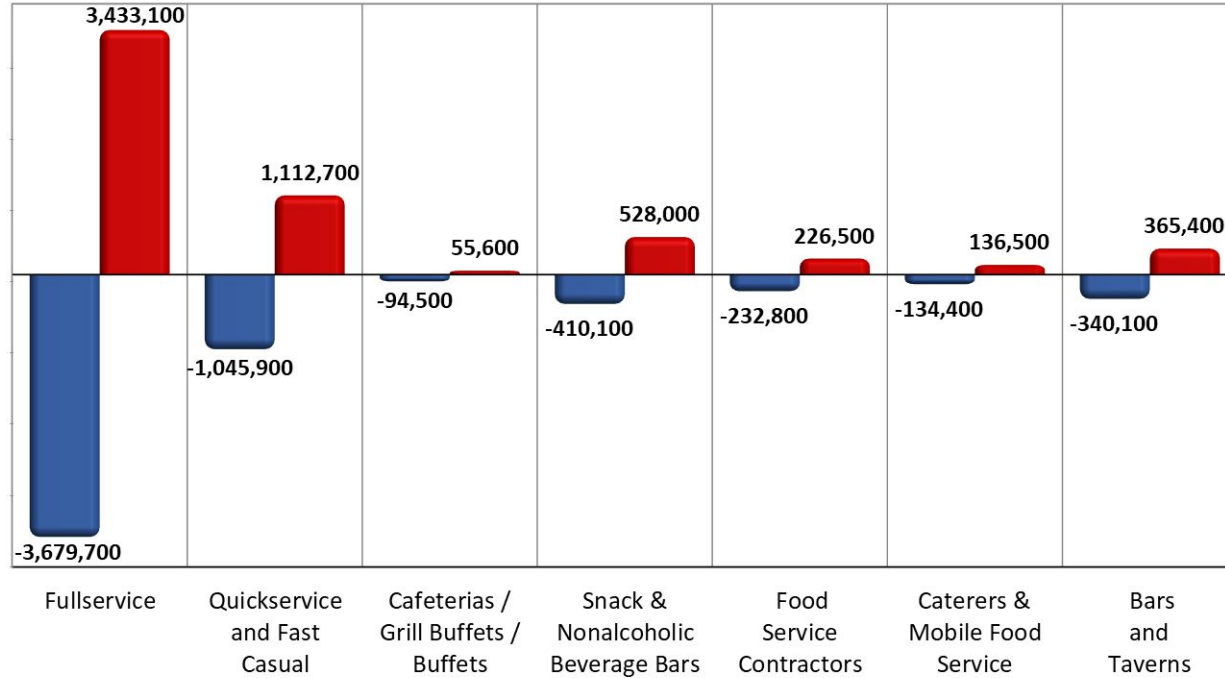
Monthly Change in Eating & Drinking Place Employment



Sources: Bureau of Labor Statistics, National Restaurant Association; figures are seasonally adjusted and preliminary



Restaurant Employment by Segment



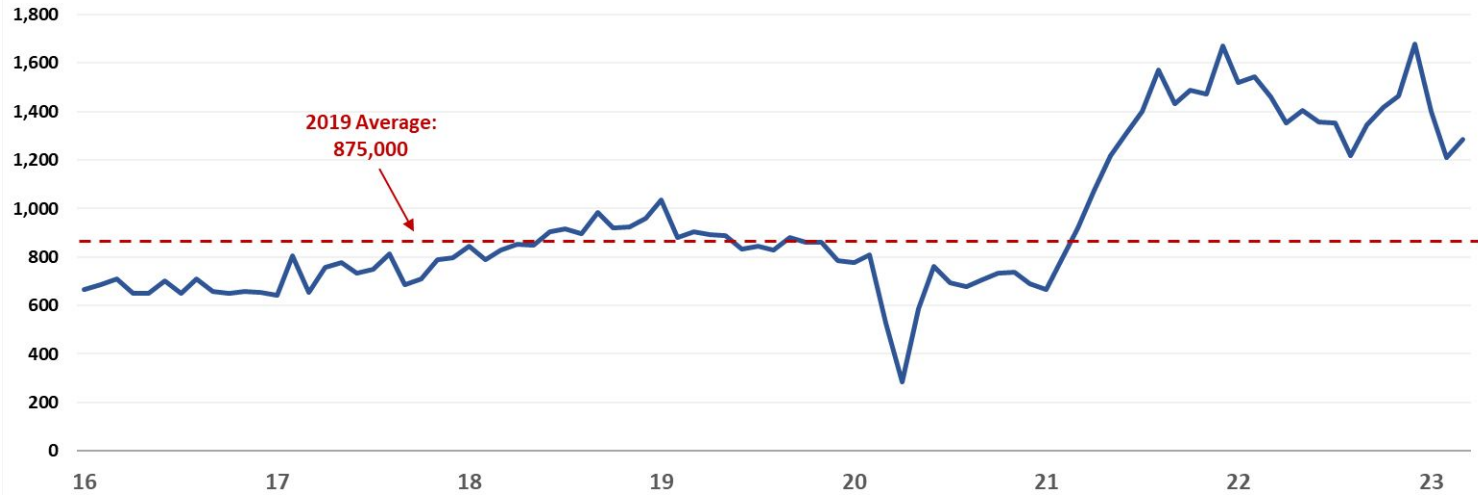
■ Employment change: February 2020 to April 2020

■ Employment change: April 2020 to March 2023

Sources: Bureau of Labor Statistics, National Restaurant Association; figures are seasonally adjusted and preliminary



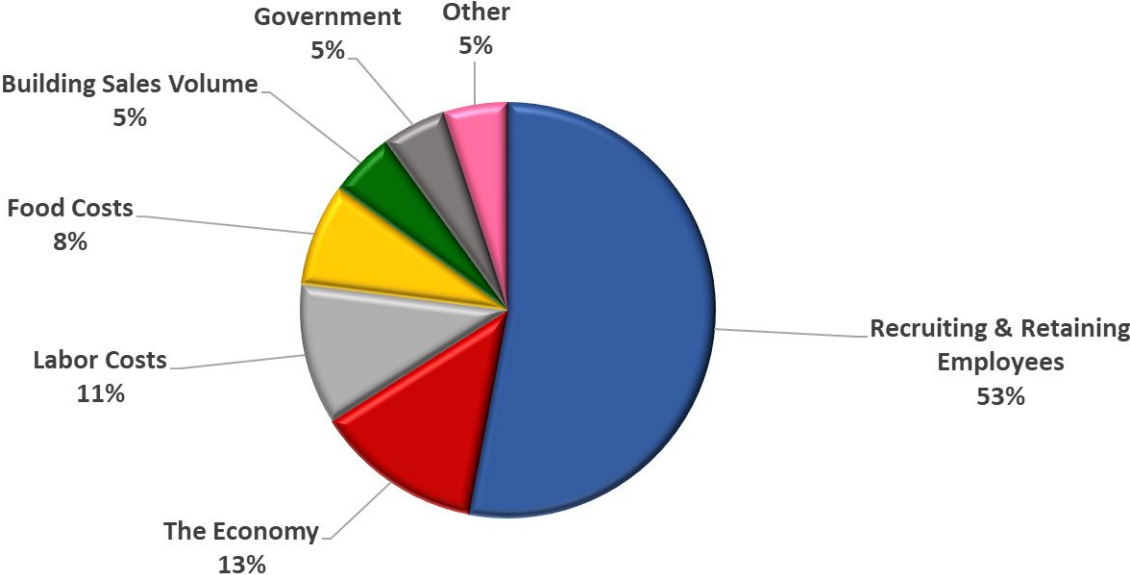
End-of-Month Job Openings in the Restaurants & Accommodations Sector (thousands)



Sources: Bureau of Labor Statistics, National Restaurant Association; figures are seasonally adjusted and preliminary



Restaurant operators' reporting of the top challenge facing their business in April 2023

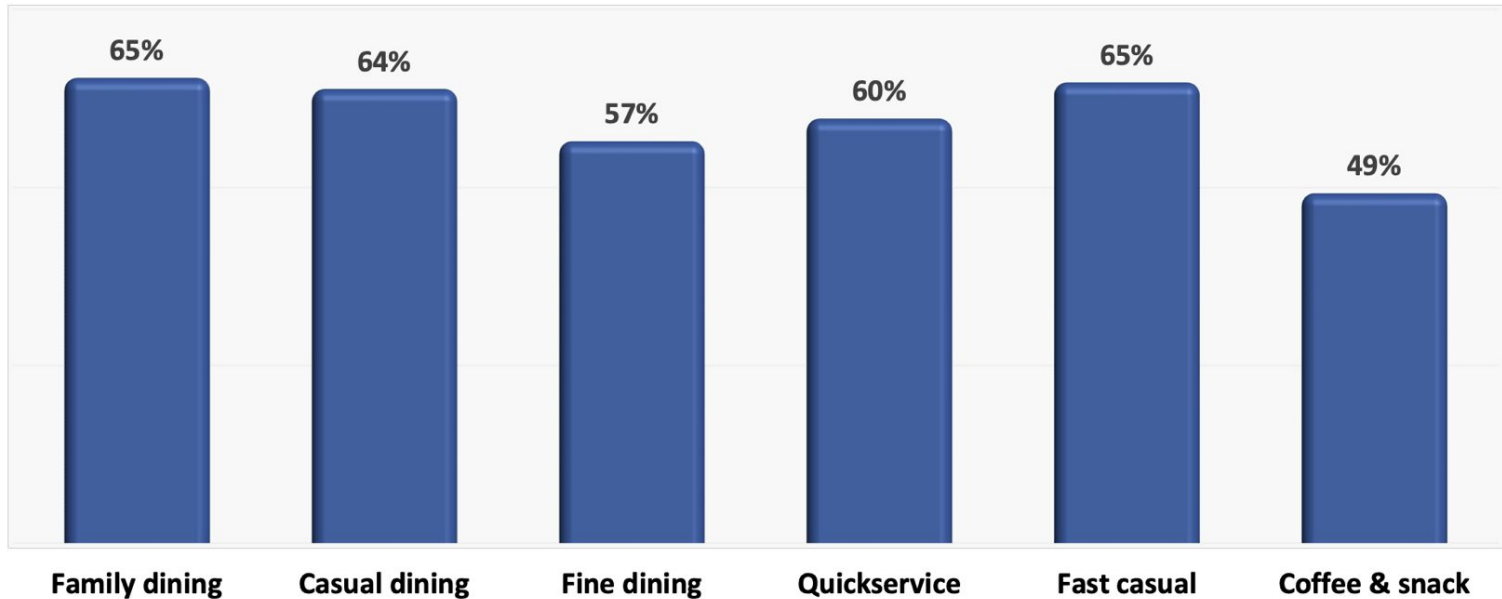


Source: National Restaurant Association, Restaurant Industry Tracking Survey, April 2023

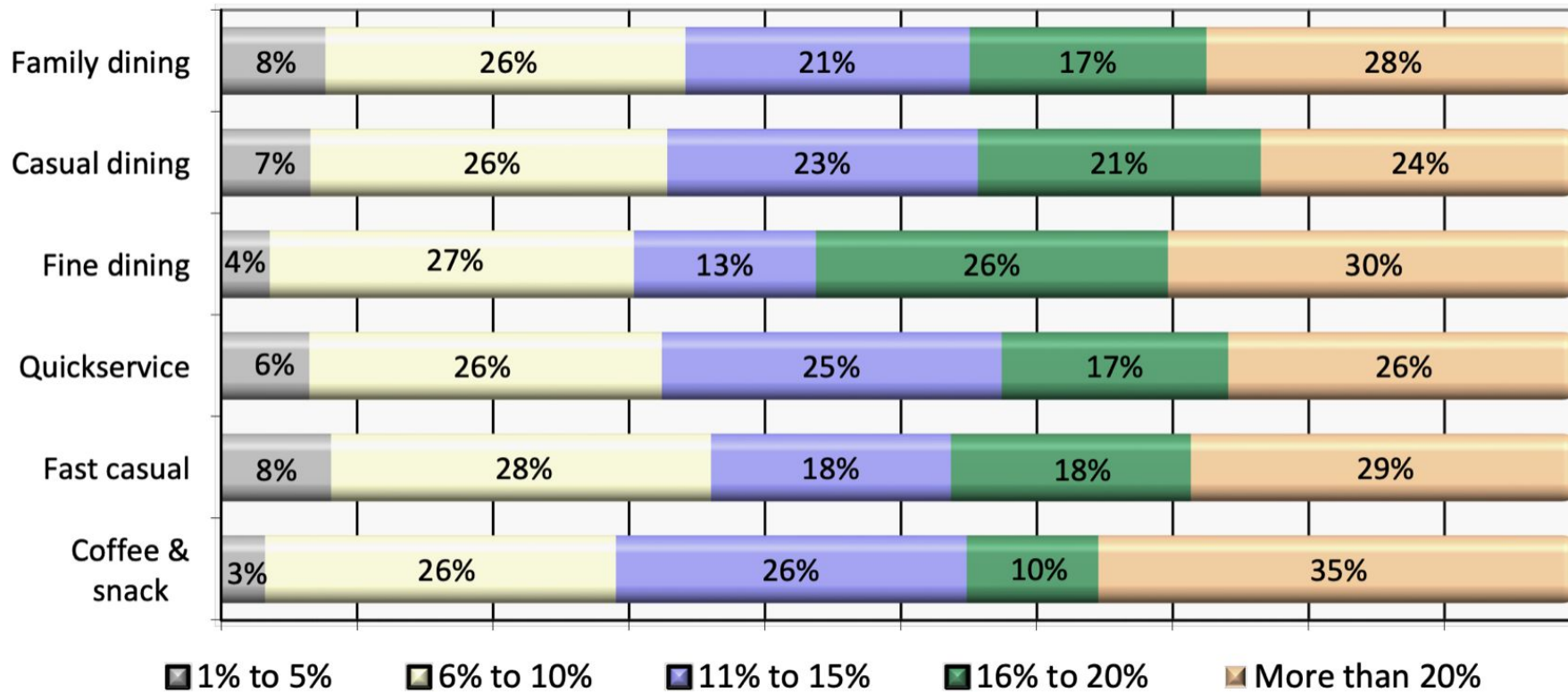


Help Wanted

Percent of restaurant operators who say they currently do not have enough employees to support existing customer demand



Restaurant operators' reporting of how understaffed their restaurant is



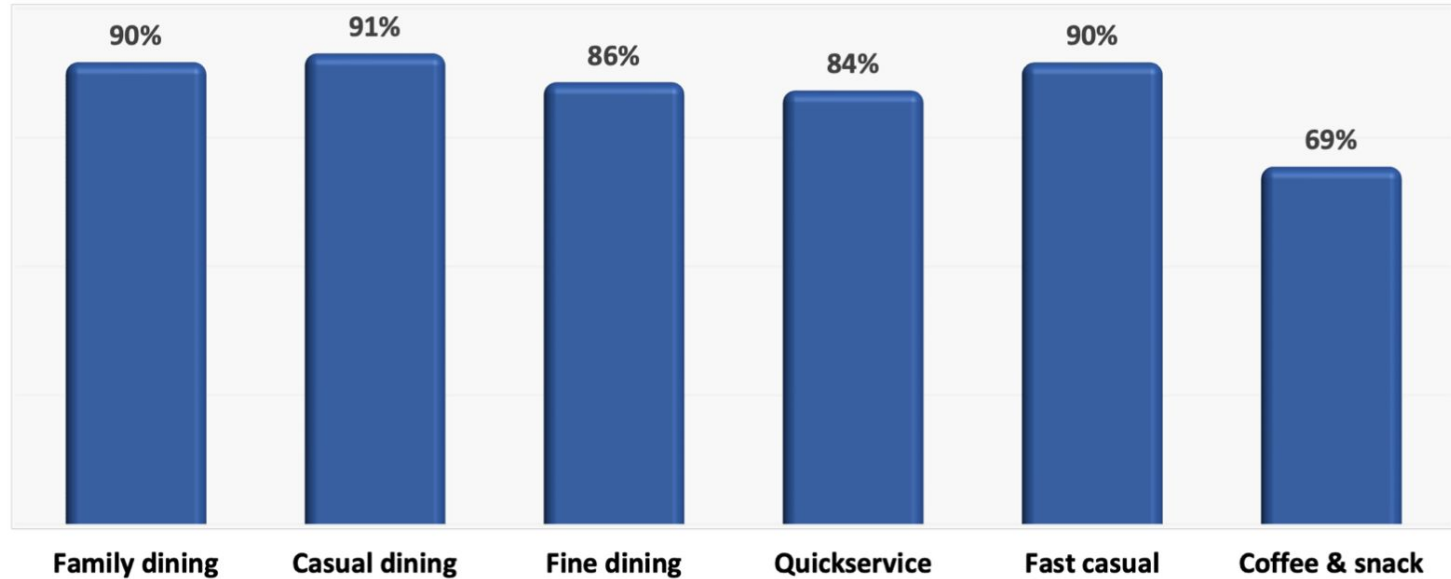
Help Needed

Percent of restaurant operators who report they are having difficulties filling open positions in the following areas

Employee Category	Family dining	Casual dining	Fine dining	Quick-service	Fast casual	Coffee & snack
Front of the house positions	62%	57%	60%	54%	66%	61%
Back of the house positions	83%	85%	84%	72%	70%	58%
Manager positions	41%	42%	38%	56%	55%	52%

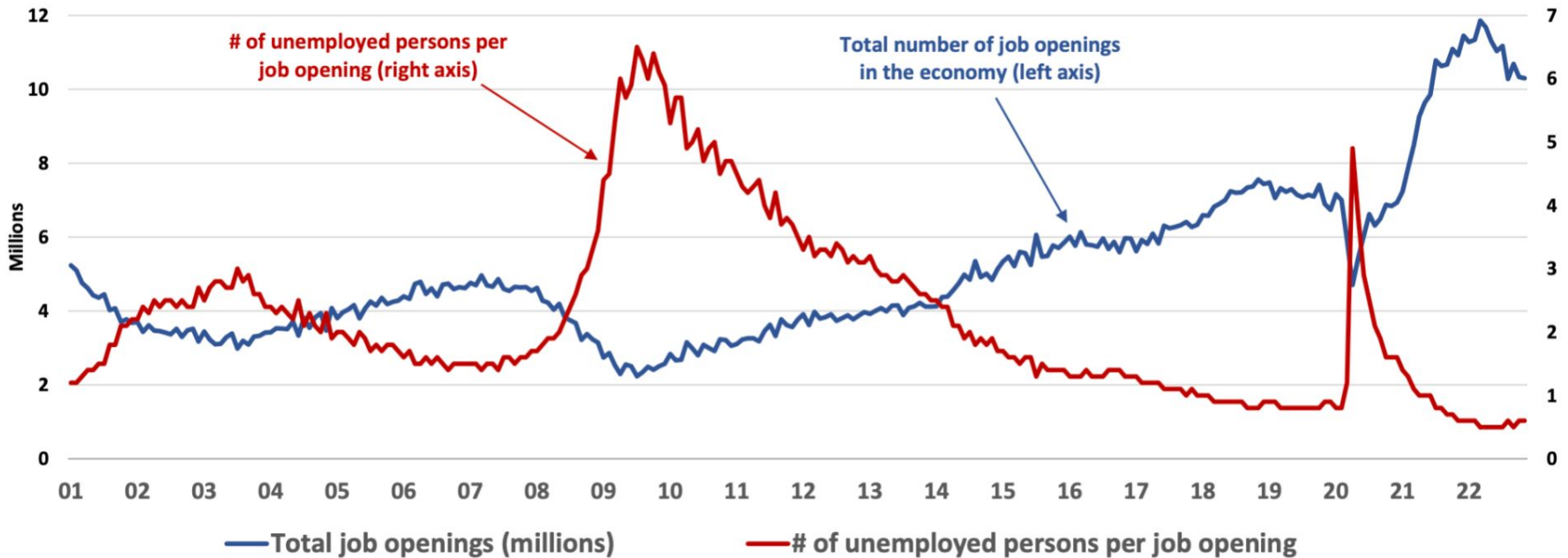
Continued Growth

Percent of restaurant operators who say they are likely to hire additional employees during the next 6-12 months if there are qualified applicants available



Ratio of unemployed persons to job openings fell to record low in 2022

Total U.S. job openings (millions) vs. Number of unemployed persons per job opening



Sources: Bureau of Labor Statistics, National Restaurant Association; figures are seasonally-adjusted and preliminary



Jon Taets

DIRECTOR

GOVERNMENT RELATIONS

NATIONAL ASSOCIATION OF CONVENIENCE STORES

As the Government Relations Director for The National Association of Convenience Stores (NACS), Jon Taets has represented the NACS both in Congress and various administrations on issues including labor, taxes, health care, and cannabis. He joined NACS in March of 2014 after spending over a decade on Capitol Hill where he worked in the offices of Representatives Leonard Lance and Vito Fossella as well as various political campaigns.



Employee count lagging behind 2021 despite higher store count

- Convenience Store employees

2021	2022
2.46 Million	2.38 Million

- Convenience Store Count

2021	2022
148,026	150,174

Wages & Benefits Up Significantly

- Total Wages & Benefits in 2022 were up **14.4%**
- In Store Hourly Wages

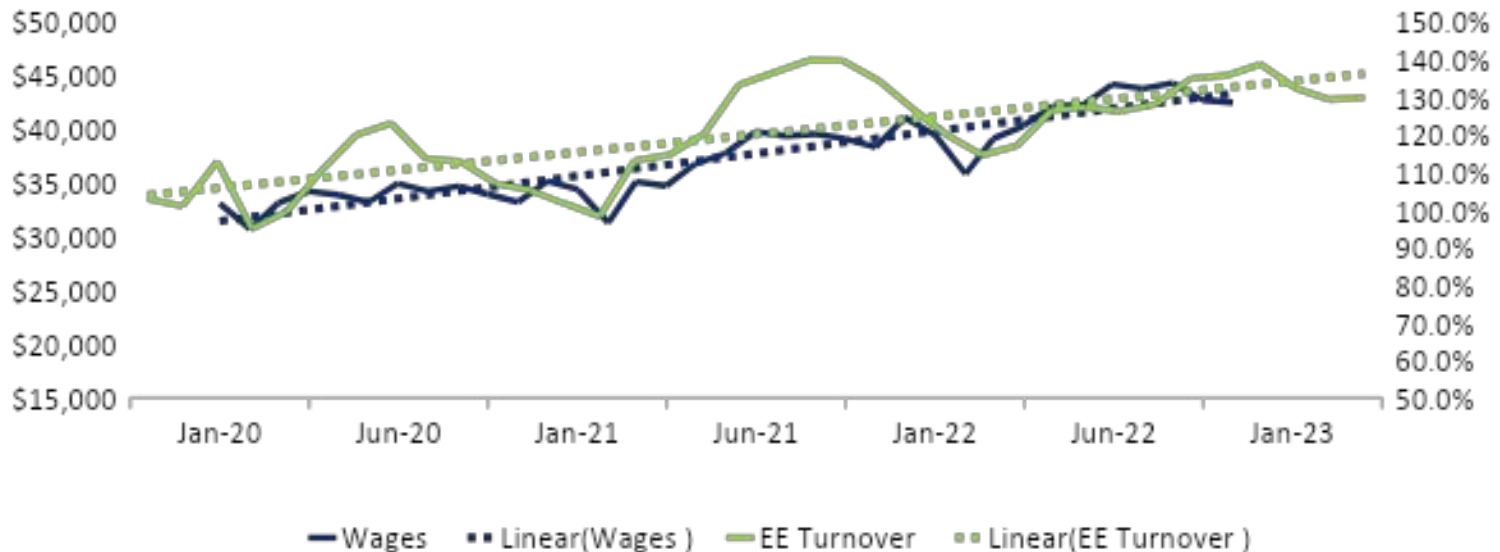
	2021	2022
Full Time Associate	\$13.14	\$14.33
Part Time Associate	\$12.45	\$13.96

- Benefits Offered to hourly employees in 2022:

Health Insurance	89%
401K	78%

But turnover continues to increase

- Total compensation growth vs turnover growth



Ghost Rates

- A somewhat fascinating phenomenon

	2021	2022
Full Time Hire	11.5%	18.7%
Part Time Hire	10%	22.8%



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WORKFORCE GROWTH

Essential Workers for Economic Advancement Act

EWEA creates a H-2C Non immigrant visa program for the service industry

Asylum Seeker Work Authorization Act

Asylum bills (S.255, H.R. 1325): Shortens timeframe asylum seekers can work from 180 to 30 days

Streamlined refugee and asylum processes



CLC LEGISLATIVE PRIORITIES

TAX INCENTIVES

Age Credit Equity Act

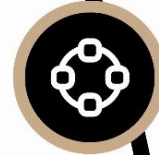
Increases age limits for Earned Income Tax Credit eligibility

Work Opportunity Tax Credit Extension/Permanency

Provides tax credits to employers for hiring targeted communities

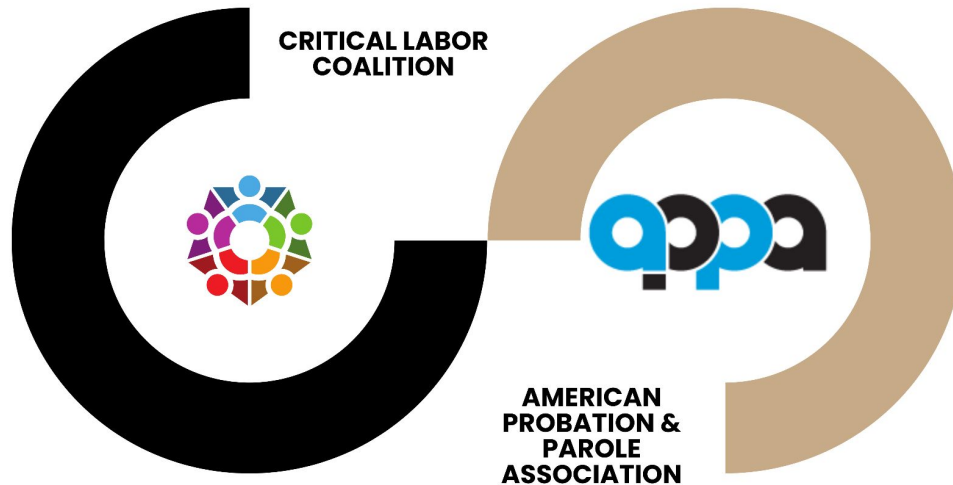
Credit for Caring Act

Creates tax credits for working caregivers



CRITICAL LABOR COALITION: ADDITIONAL INITIATIVES

THE SECOND CHANCE COMMUNITY



THE CRITICAL LABOR COALITION



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THANK YOU FOR ATTENDING



SPECIAL THANKS TO CLC MEMBER FOR PROVIDING TODAY'S LUNCH

