

BNNY Business

*
NEW
Column!
NNY Economic
Development

JANUARY 2021
Volume 11, No. 2

nnybizmag.com



2021
ECONOMIC
OUTLOOK

\$5.95

 /nnybusiness
 @NNYBusinessMag



0 74470 26388 3

// NORTHERN NEW YORK'S PREMIER BUSINESS MONTHLY //

2021 EMPLOYMENT OUTLOOK:

What will the permanent or long-term effects of the pandemic have on the north country workforce?

STORY BY Vaughn Golden

Rainbow Crabtree loves her business Nature's Storehouse. She loves providing the Canton area with access to healthy, natural foods. She loves seeing people and being woven into the close-knit fabric of the village's downtown. She also loves her seven employees.

Like so many business owners, the last few months have been brutal, brimming with uncertainty and testing resolve at every turn, but Mrs. Crabtree understands the lifeblood of her business of 18 years. That's her employees.

"I value the team that I have, and I'm committed to keeping them employed," Mrs. Crabtree said outright.

Those employees are the community Mrs. Crabtree and so many other businesses, small and large, foster in the north country. They're a resource as precious as the St. Lawrence River or the Adirondacks, but just like so many things torn and twisted by the pandemic, the future of jobs and how the economic drivers of the north country will be morphed is, like everything else, uncertain. Still, the last few months and some thoughtful analysis by some of the region's leading experts and decision makers can give some hints on the future of jobs and employment moving forward into 2021.

Broadly speaking, the spring wave of the pandemic didn't slam the north country in the same way it did other regions of New York, notably New York City and other downstate metro areas, but many people stopped clocking in, temporarily and permanently, as well as willingly and unwillingly.

"The most significant drops all occurred between March and April of this year and that's when COVID shut us down. A whole bunch of people in and around that period left the workforce, stopped looking for a job," Greg A. Gardner, professor of business administration at SUNY Potsdam, said.

He theorized a few possible forces behind this statistical trend, which shouldn't be confused with the unemployment rate, which is a measure of those searching for, but unable to find, a job.

The first were retirements. Many companies offered packages to employees in an attempt to shore up payrolls. While many of those retirements are likely permanent, many employers have said they had or are still having a difficult time getting workers back on the clock. Those employers often have two main theories as to why they can't get back to full staff — extra unemployment insurance benefits and the lack of affordable childcare.

The latter rose to the forefront as parents were being called back to the plant, store or office while schools remained closed or out of session. Without any reliable, affordable or safe way to watch the kids, many likely decided to stay home.

"I would guess there are cases where people left employment and didn't seek employment if they had been laid off because they had to stay home with children," Mr. Gardner said.

This was an issue that existed nationally, but especially in the north country, long prior to COVID-19. Those gaps in child care availability were exacerbated by the pandemic, and Cheryl A. Mayforth, director of the WorkPlace, a public multi-faceted employment service in Jefferson County, said it showed.

"That has kind of accelerated the loss in the workforce," Mrs. Mayforth said. "Prior to the pandemic, childcare was an issue. We just didn't have enough, and what we have is not affordable."

Mrs. Crabtree said childcare was a concern for at least one of her employees, but with some creative maneuvering, the two were able to work out a schedule and work allotment that worked.

"We just rearranged who does what work so that she could reduce her hours, work early in the morning to get that work done before her kids needed her, or in the evening after dinner time," Mrs. Crabtree said.

Those gaps in childcare largely haven't been filled, and almost certainly won't be in the near future, though with a state and local focus around keeping students in classrooms and a number of workers already staying home, the effect on paper



Rainbow Crabtree owner of Nature's Storehouse. Christopher Lenney/NNY Business

COVER STORY

may be less realized.

Les Berghorn, general manager at Afgritech LLC, a grain mill in Watertown, said his operation had a lull for a little bit over the summer as they were trying to find workers. Now they're back to full staff and most of his 13 workers are pretty young so childcare isn't as much of an issue directly, but he noticed it coming up when he was trying to recruit in the last few months.

Instituted as part of one of the early COVID-19 relief bills by Congress, the federal government supported an extra \$600 per week on top of normal unemployment benefits. While some critics, including many employers, claimed workers were taking advantage of the extra benefits to stay at home and eat bonbons all day, the reality is much more complex and understandably less clear.

"Now during the summer, I kept hearing 'Nobody wants to work, they all want to sit at home and collect that extra \$600.'

Well, it came to August and September and we found that that wasn't true," Mrs. Mayforth said. "People had returned to work, but economists always believed that that's what kept the economy growing. When I talked to people here, business was good and people were spending that and they feel if it wasn't for that extra \$600, we would've been in a really, really deep recession."

Mr. Gardner and a team of other researchers did some more analysis of whether the extra unemployment benefits were keeping north country workers from going back to work.

"It's probably, in the most general terms, that's certainly a reasonable claim," Mr. Gardner said.

One of the metrics they watched was household income by sector and whether it would increase or decrease as more people in those areas were collecting unemployment. This would theoretically show if workers were earning more on

unemployment than at work. In Jefferson County's retail, lodging and restaurant sectors, household income was estimated to increase during the height of the pandemic in the late spring.

"We were generating more household income from unemployment in those areas than we would have generated had they continued to hire and employ normally," Mr. Gardner said.

During the same period, Mr. Gardner explained, household income in higher-paying sectors like health-care, manufacturing and construction fell, demonstrating that those workers were likely making less on unemployment and had some motivation to return to work.

The region's economy will no

doubt see permanent or long-term impacts of the pandemic. Many restaurants and the already-suffering remnants of the retail sector have already or may likely shutter. Especially in the retail sector, this was an exacerbation of an ongoing trend as consumers moved in droves towards online shopping and big box stores.

Even so, many firms that stuck it out are hiring.

"There's still a need for employers that hire candidates, obviously, and we're still receiving a good number of jobs (listings) despite the fact that COVID exists now." Said Michele P. Gefell, director of career planning at Jefferson Community College.

While the space has changed a bit, interviews are now more so online and JCC has had to adapt the way it counsels accordingly, Julian Mangano, an academic adviser and retention specialist at JCC agreed and said that manufacturing, administrative and health-related jobs are open and hiring.

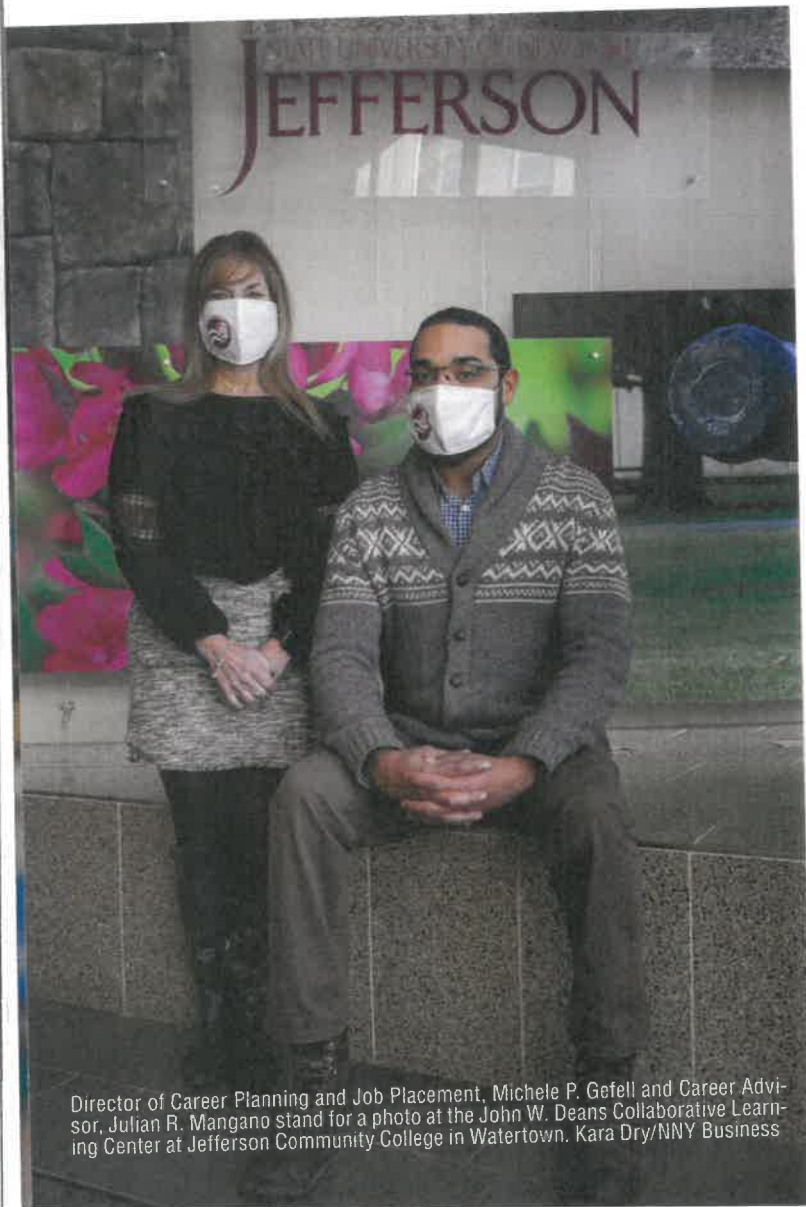
"Every week I get a local electronic bulletin board from the WorkPlace that has like 50 jobs listed on it; a lot of county administrative jobs, town and local civil service-type jobs," Mr. Mangano said. "Obviously in the medical field, that's been a hot thing. We get job lists from Samaritan Health every week with hundreds of CNA positions."

Those jobs have changed, though, and he said he's trying to promote the idea of resiliency in jobs and the workforce, that having the right skills and focus can ensure that students can go on to find a flexible career that will last through an economic downturn, or even a global pandemic. This, Mr. Mangano and Ms. Gefell said, revolves around soft or professional skills that can be deployed across disciplines, like work ethic, adaptability and teamwork.

Those skills will undoubtedly persist well beyond the pandemic. Zoom meetings may be a thing of the past, but communication and collaboration won't be. Working from the kitchen table might not be the norm anymore, but time management will be.

For Mrs. Crabtree, her first priority above anything else, even the bottom line, is keeping her workers safe. They can't be rebuilt.

"Number one is safety, she said. "Absolutely. Mask-wearing, good air quality, social distancing. Everything else falls after that."



Director of Career Planning and Job Placement, Michele P. Gefell and Career Advisor, Julian R. Mangano stand for a photo at the John W. Deans Collaborative Learning Center at Jefferson Community College in Watertown. Kara Dry/NNY Business



Director of The Work Place, Cheryl Mayforth, stands for a photo at their office building on Coffeen Street in Watertown. Kara Dry/NNY Business