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# The Great Reshuffle—Is a better deal in the cards for America's workforce?

Since the COVID pandemic, we've read countless stories of how America's employers are struggling to attract and retain employees—especially in industries such as hospitality, health care, and retail goods and services. There have been many theories for the seeming reluctance of people to rejoin the workforce, ranging from lack of childcare to a desire for more flexibility to manage the demands of home and work.

According to the [U.S. Chamber of Commerce](#), nearly 100 million people (97.8 million to be exact) quit their jobs in 2021 and 2022 in what was dubbed “The Great Resignation.” The Chamber notes that many of these workers who quit their post-pandemic jobs have since been hired elsewhere, making the “Great Resignation” more of a “Great Reshuffle.” In September 2023, however, there were 8.8 million job openings across the country, but only 6.3 million unemployed workers—even as news outlets reported strong employment growth.<sup>1</sup>

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<sup>1</sup> [www.uschamber.com/workforce/understanding-americas-labor-shortage](http://www.uschamber.com/workforce/understanding-americas-labor-shortage)

With the exception of expanded remote-working options, many of the reasons cited for workers' hesitancy to return to jobs now were present before the pandemic began. Post pandemic, are those conditions going to change for the better? Or is the "Great Reshuffle" simply dealing the same hand as before?

## SECTION ONE: What's the Deal?

### Equal pay—and enough of it

Wage disparities between men and women have always existed in the workforce, but that inequity is exacerbated by the gap between earnings and cost of living for many Americans. On average across the United States, a single person needs to make more than \$64,000 each year to be able to afford living expenses and save for retirement. Depending on the state, that annual income need ranges from \$134,805 (Hawaii) to \$55,441 (Mississippi).<sup>2</sup>

**Federal  
minimum  
wage:  
\$7.25**



**family of four  
2022 living wage**

**\$25.02** per hour or  
**\$104,077.70** per year before taxes

According to the [MIT Living Wage Calculator](#), "the living wage was \$25.02 per hour or \$104,077.70 per year in 2022, before taxes, for a family of four (two working adults, two children).



**family of four,  
two working adults**

A typical family of four (two working adults, two children) needs to work more than two full-time, minimum-wage jobs (a 96-hour work week per working adult) to earn a living wage.



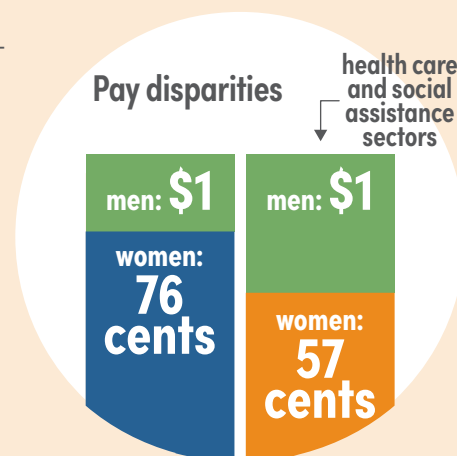
**single mother**

A single mother with two children earning the federal minimum wage of \$7.25 per hour needs to work 252 hours per week, the equivalent of almost six full-time, minimum-wage jobs, to make a living wage."

<sup>2</sup>[www.cnbc.com/2023/08/16/us-states-with-highest-living-wage](http://www.cnbc.com/2023/08/16/us-states-with-highest-living-wage)

States have the power to institute their own minimum wage laws, and 19 states increased their minimum wage limits in 2023.<sup>3</sup> However, the [highest 2023 wage](#) (\$17.00 per hour in Washington, D.C.) is still 32 percent lower than what families actually need (the 2022 living wage of \$25.02).

No matter what the pay range, women and people of color—and especially Black women—continue to experience persistent pay disparities. The U.S. Government Accountability Office reports that women still earn roughly 76 cents on the dollar compared to men. Gaps are even greater in industries in which women make up most of the workforce. For the health care and social assistance sectors, women only earn 57 cents on the dollar compared to men.<sup>4</sup>



## Access to Affordable Childcare

The availability and affordability of childcare continue to be significant barriers to workforce participation.

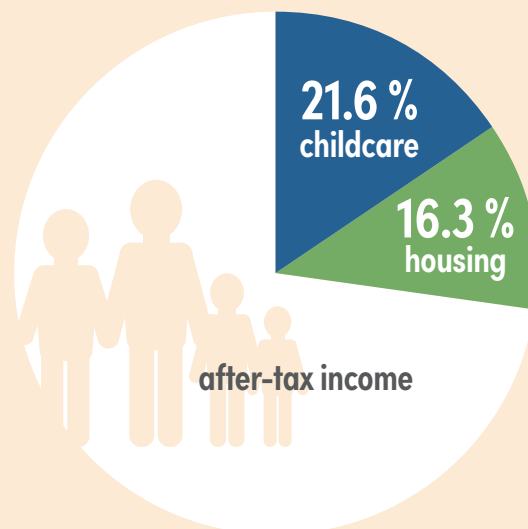
Child care availability was already beginning to decline before COVID-19. During the pandemic, more than 8,899 childcare centers and 6,957 family child care homes closed, creating a loss of roughly 10 percent of available childcare, according to research from [Child Care Aware](#).

With federal funds for pandemic childcare supports ending this year, questions of availability become even more acute. Many childcare providers used those supports to supplement worker salaries and will face an uphill battle to retain staff. Last year, the state of Kentucky addressed the impending federal support cliff by changing its licensing regulations to make child care free for all childcare workers—regardless of income—thus eliminating a considerable barrier for childcare worker employment, and helping to ensure greater availability of care for working parents. Other states are considering financial incentives like tax credits or salary supplements.

<sup>3</sup>[www.epi.org/blog/eighteen-states-and-localities-will-increase-their-minimum-wages-this-summer](http://www.epi.org/blog/eighteen-states-and-localities-will-increase-their-minimum-wages-this-summer)

<sup>4</sup>[www.gao.gov/blog/women-continue-struggle-equal-pay-and-representation](http://www.gao.gov/blog/women-continue-struggle-equal-pay-and-representation)  
[www.forbes.com/sites/jeffraikes/2023/03/14/its-time-for-equal-pay-for-equal-work/?sh=6cc61fb2a521](http://www.forbes.com/sites/jeffraikes/2023/03/14/its-time-for-equal-pay-for-equal-work/?sh=6cc61fb2a521)

Where childcare does exist, it's often cost prohibitive—especially for low-wage workers. According to the MIT Living Wage Calculator, the average family of four in the United States spends 21.6 percent of their after-tax income on childcare, compared to only 16.3 percent spent on housing. For workers, this begs the question: *Can I make enough money to justify the cost of childcare, or is it more affordable to stay home and miss out on career opportunities and long-term earning potential?*



## Paid Leave

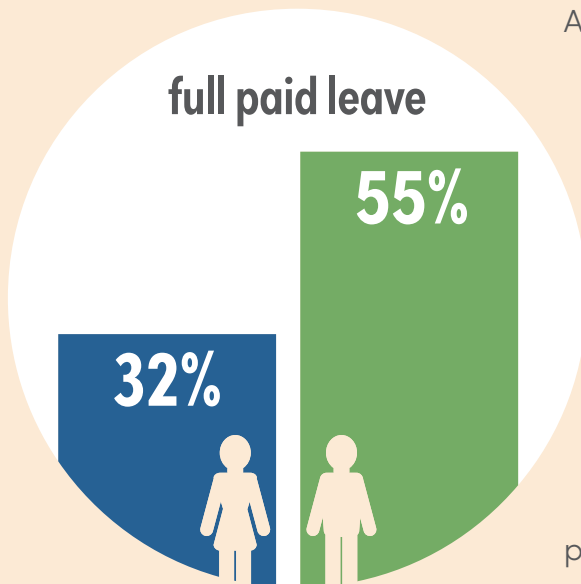
While we all experience challenges and unexpected life events, many do not have the support of their employer to address these challenges without major (often life-long) consequences. Examples are endless, from personal illness, to needs of aging parents, to in-person meetings required to secure public assistance (because the employer doesn't pay a living wage). The burden of these challenges largely lands on the backs of women, who are most likely to be primary caretakers, and further limits their short- and long-term earning potential and career trajectory<sup>5</sup>.

Life happens, but employment policies and practices that support our human realities are often absent from the workplace. This is particularly the case among those who are paid the least—and who are also the most likely to have the greatest needs.

According to the [Urban Institute](#), in December 2021, about 67 percent of workers said they could take paid leave for their own illness, while 54 percent could take paid family leave for the birth or adoption of a child or to care for an ill family member. Not surprisingly, adults with higher income, college degrees, and full-time jobs are far more likely to have access to paid leave than those with lower wages or part-time employment, and white workers are more likely to be able to take paid leave than Black or Hispanic/Latino workers. There may be no better data to emphasize how little

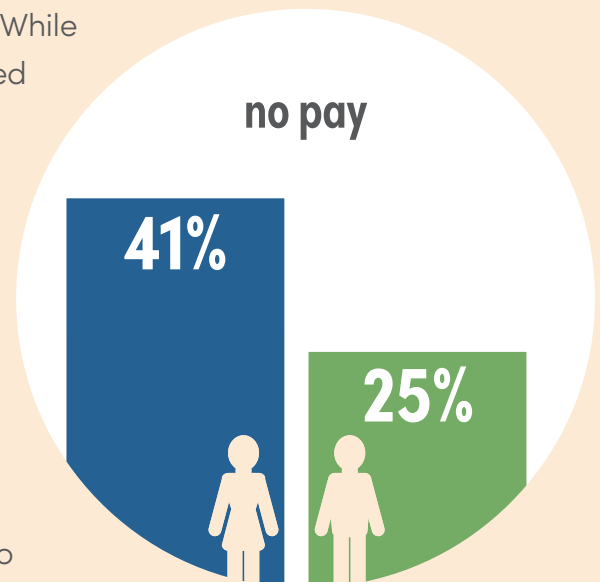
<sup>5</sup>[www.caregiving.com/posts/women-and-caregiving-2021](https://www.caregiving.com/posts/women-and-caregiving-2021)

government and employers support the needs of their employees and communities than the finding that those most likely to need paid parental leave (women ages 18–34) are those that have the least.



percent of men) and 41 percent receive no pay at all (compared to 25 percent of men). Single women are more likely than women with partners to receive no pay or lose their jobs because of taking leave.

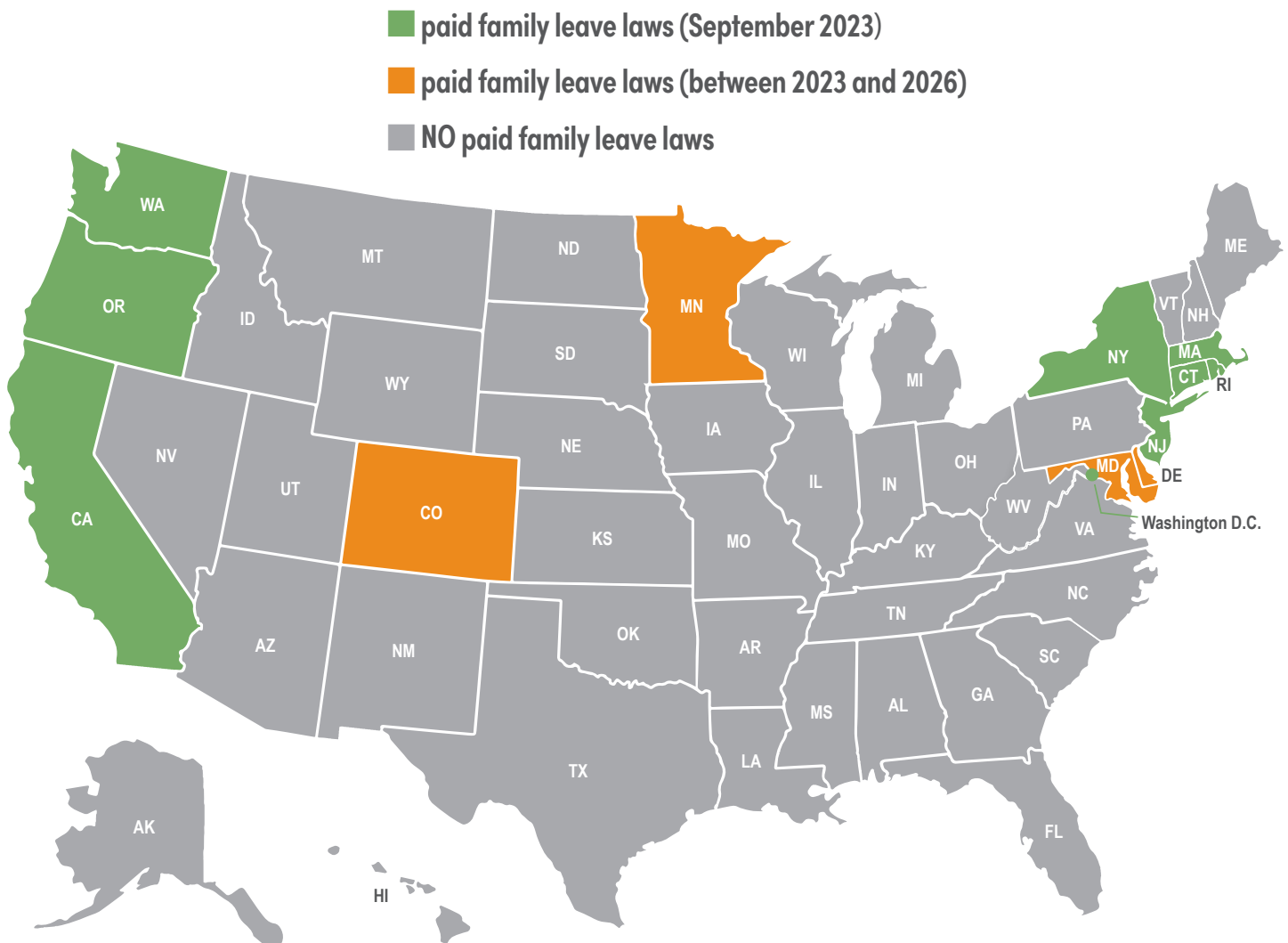
A November 2020 [study](#) from the U.S. Department of Labor found little difference in the reasons men and women take leave (personal illness, caring for others, or a new child). While women need and take more leave than men, only 32 percent receive full pay while on leave (compared to 55



Taking leave to care for oneself or others during illness isn't just beneficial to an employee—it also benefits employers and coworkers by stopping the spread of disease, particularly in crowded, high-traffic, or enclosed workplaces (think restaurants, airports, or schools). This means paid leave can provide greater benefits to overall public health.

Laws protecting paid family leave are beginning to emerge, but the pace is slow. The National Partnership for Women & Families reports that 80 percent of voters support a national mandate for paid family and medical leave. The national Family & Medical Leave Act (FMLA), passed in 1993, protects jobs and insurance benefits for leave, but it does not ensure *paid* leave—and it's also only accessible to about 60 percent of workers.

As of September 2023, eight states (California, Connecticut, Massachusetts, New Jersey, New York, Rhode Island, Oregon, Washington) and the District of Columbia had implemented paid family leave laws, and four more (Colorado, Delaware, Maryland, Minnesota) had passed laws that will be fully implemented between 2023 and 2026. Research from *Health Affairs* shows that when these mandates are in place, they help close disparities in access to leave based on gender.

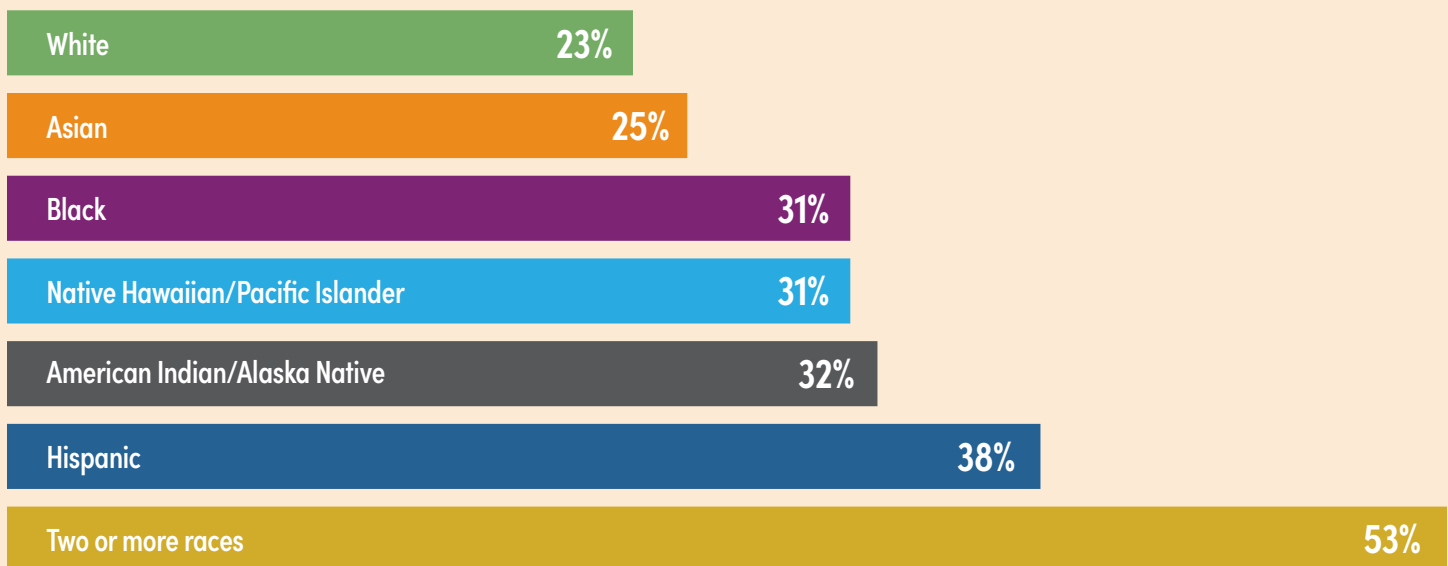


## The Players are Changing

Current workforce issues have developed over decades—likely under the leadership of older white men, but the majority of people currently in the workforce are anything but what has been seen in the past. GenZ is the largest generation in the United States today. One in five Americans is a woman of color. Women of color are more likely to be primary earners in their household and roughly 50 percent hold lower-wage jobs, earning roughly 67 cents on the dollar compared to white men. Their employers are less likely to provide paid sick days or offer flexibility for unexpected life events. That means that young Black or brown women will feel the biggest effects of changes in workforce policies—decisions that can uplift and support their success in the workplace and beyond to benefit everyone.

## Distribution of the race and ethnicity of the United States

Generation Z and younger (0–21 years old)

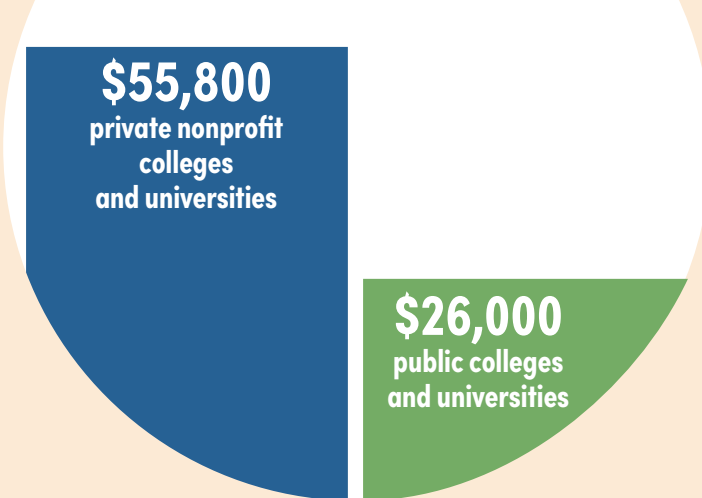


Details: United States; Pew Research Center: U.S. Census Bureaus: 2018 ©Statista 2023

## Access to Education

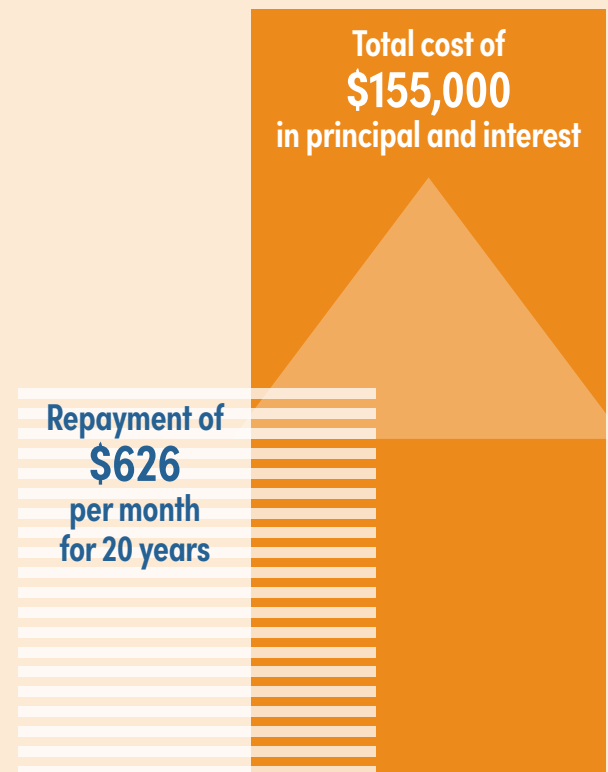
Many workers who were laid off or lost jobs during the pandemic indicated an interest in pursuing additional education before re-entering the workforce. The cost of higher education, however, coupled with the current high-interest-rate environment for student loans, makes it more difficult to afford the desired college degree or certification.

2021–22 average cost  
for a full-time student living on campus  
at a four-year institution\*



\*According to the National Center for Education Statistics

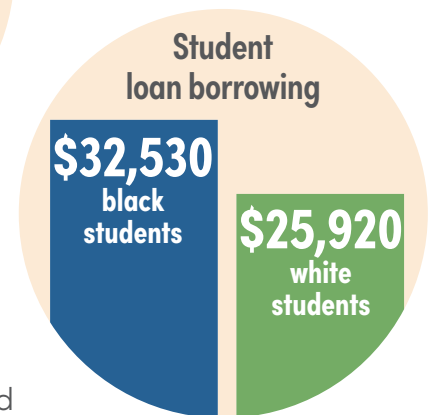
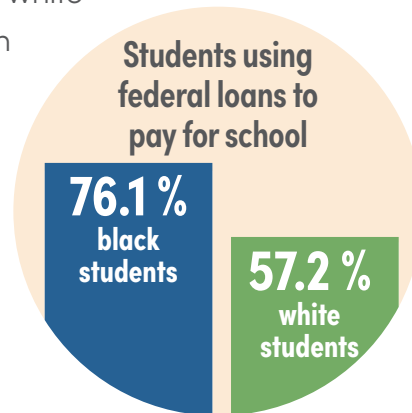
A student borrowing \$80,000  
(\$20,000 a year) for four years  
at the current federal loan rate



For many students, that means taking out student loans. In October 2023, federal student loan rates started at 5.5 percent. Private loans were as high as 14 percent based on credit score.

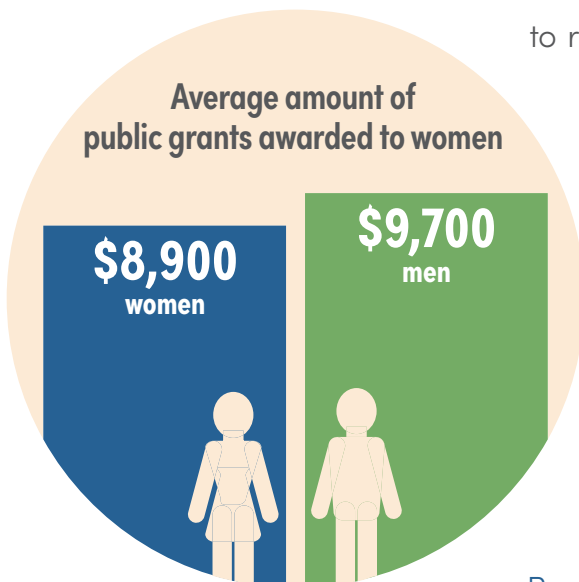


The cost of college creates disparities in debt between students based on race. [Data](#) from Best Colleges shows that Black students are more likely than white students to use federal loans to pay for school, at 76.1 percent and 57.2 percent respectively. Black students also borrow roughly \$6,600 more, at \$32,530 vs. \$25,920 (all other races borrow less in federal loans than white students). Cost is just one reason that the gap between Black and white college enrollment is growing. (This year's U.S. Supreme Court ruling that eliminated admission preferences based on race certainly won't help.)



Women are slightly more likely to borrow money for college than men, at 39 percent vs. 32 percent, and loan amounts are similar between women and men. Women also are more likely

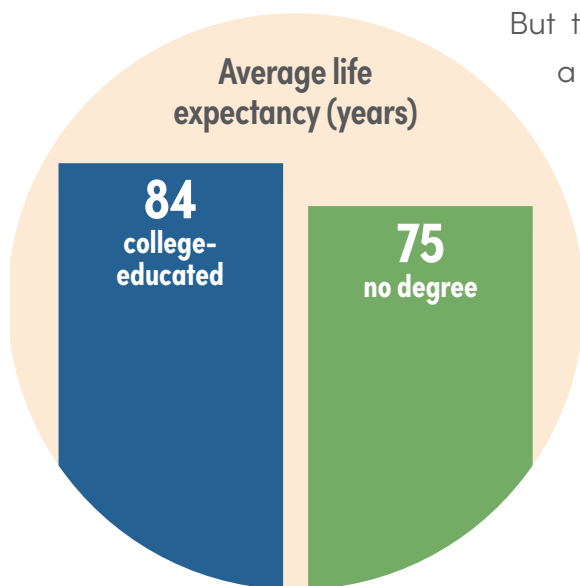
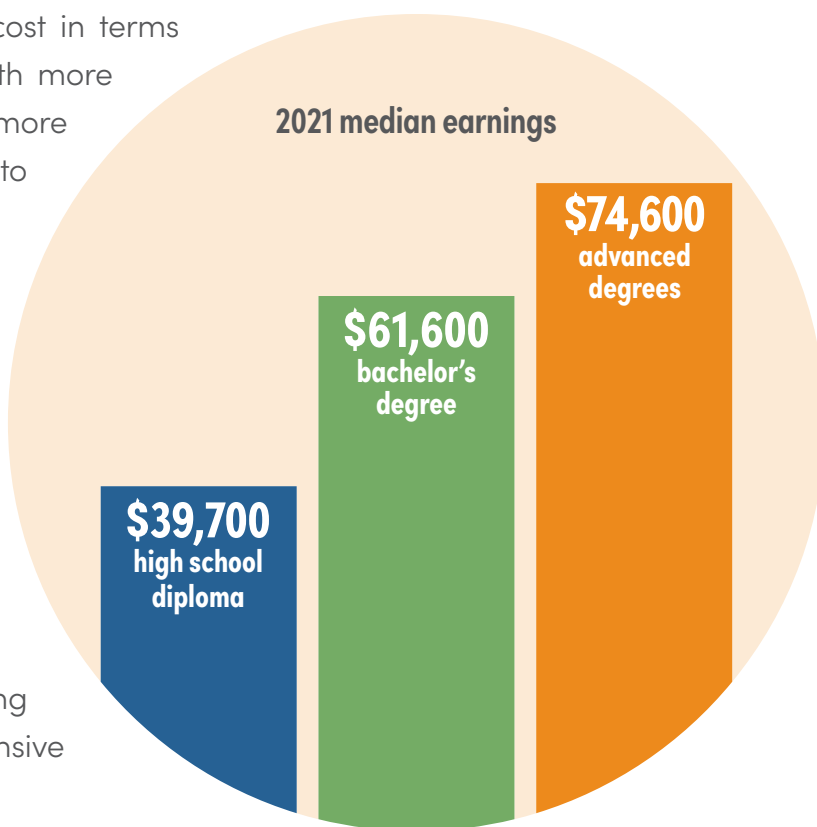
to receive grants from federal and state sources. However, the average amount of public grants awarded to women (\$8,900) is less than awards to men (\$9,700).<sup>6</sup>



Community colleges are a more affordable option for providing credentials that can boost earnings potential or to secure two years of higher education before transferring to a more expensive four-year school. And after seeing some steep enrollment declines during the pandemic, [National Student Clearinghouse Research Center](#) showed that as of the spring 2023 semester, two-year public colleges saw a 0.5 percent increase in enrollment, the first increase in any sector post-pandemic.

<sup>6</sup>[www.wiareport.com/2023/08/gender-differences-in-financial-aid-awards](http://www.wiareport.com/2023/08/gender-differences-in-financial-aid-awards)

Is degree attainment worth the cost in terms of increasing earnings? Those with more education consistently earn more than those without, according to the National Center for Education Statistics. In 2021, for example, the median earnings for those holding a high school diploma was \$39,700. Those with a bachelor's degree earned a median income of \$61,600, and those with advanced degrees earned a median of \$74,600.<sup>7</sup> But for those whose employer doesn't pay a living wage, continuing education may simply be too expensive to consider.



But the decision to not get a degree comes at an even bigger cost than income potential; according to the 2023 [Brookings Papers on Economic Activity](#) (BPEA), the average college-educated individual will have a life expectancy of 84, while people without a degree would live to be about 75 years old—roughly 8.5 years less than people with college degrees. Adult life expectancy for non-college-educated people declined 3.3 years during the pandemic.

<sup>7</sup><https://nces.ed.gov/programs/coe/indicator/cba/annual-earnings>

## Wellbeing at Home and Work

If the shift to remote work during COVID taught us nothing else, it increased awareness of the opportunity to improve our physical and mental health in addition to increased job satisfaction and achievement. This is one area where conditions are noticeably improving and one that many workers continue to hold in high demand.

Workplace policies and support, remote or in-person, are needed to make it easier for employees to cope with the challenges of life events. This is especially true for women, who are most likely to be primary/default caretakers in their families and community. Policies that support the needs of employees such as paid time off and regular breaks during the workday (afternoon walk around the neighborhood, anyone?) don't just benefit the employee, they increase performance, job satisfaction, and employee retention for the employer too.

However, it wouldn't be real life if we didn't talk about the downsides. For some, remote work can mean increased stress, more social isolation, and longer hours. Importantly, remote-based work can be dangerous to individuals who are in unsafe or unsupportive environments (especially those experiencing intimate partner violence).

As we move further from the height of the pandemic, employers have a unique opportunity to reimagine, hopefully with the input from their employees, the policies to improve the wellbeing of their employees and the success of their staff.

## IN CASE YOU MISSED IT



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