

# Insights for the New Talent Landscape

Strategies for West Michigan Employers

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The workforce is undergoing a generational transformation – in demographics, labor force participation, remote work, automation, wages, and employee expectations. COVID-19 did not trigger this upheaval – but it most certainly accelerated it. How does our region not only adapt to these historic changes, but embrace them to drive a new era of success and prosperity?

Talent 2025 examined micro and macro trends influencing the current and future availability of talent. This leads us to several significant conclusions.

Key Conclusions



Finding talent will be a long-term challenge demanding new strategies.



Automation and AI will drive heightened demand for soft skills and training.

In our report on **The Current and Future State of Michigan's Workforce**, we document factors contributing to an all-time low labor force participation rate in Michigan. One of our key findings is that employers will continue to compete for a shrinking pool of candidates unless we adopt strategies encouraging workforce re-entry or embrace automation.

This situation is driven by looming trends that will change the way employers will attract, retain, and develop talent, including:

- Ongoing pandemic-related job losses that hit millennials, women and minorities hardest
- Expanded unemployment benefits artificially driving wages up and employment down
- Persistent childcare crisis driving women from the labor force
- A growing preference for part-time work
- An aging workforce with accelerated retirements
- And insufficient population growth

Our interactive **Future of Work** report examines the ever-faster movement toward automation, and it confirms this trend is driving employer demand for workers with innately human qualities, such as communication, teamwork, problem-solving, and flexibility.

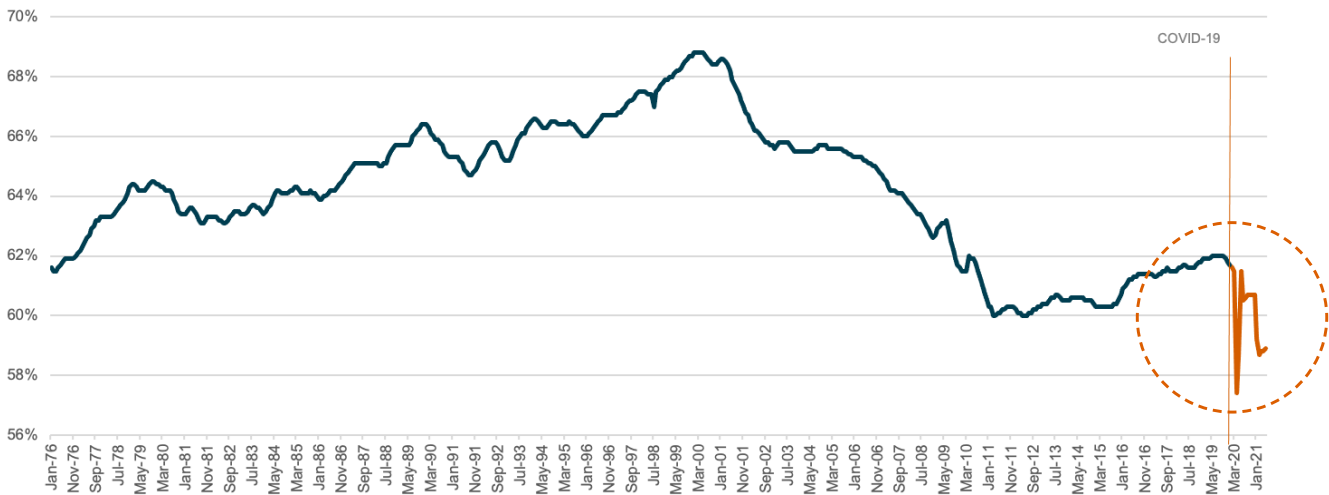
Emphasizing the development of these “soft skills” from preschool to career will best position West Michigan’s current and future talent for the inevitably more-automated workplace.

This means:

- We need to identify and sharpen the skills that people will need to thrive in this new landscape
- We have to prepare West Michigan students and workers for the workplace of tomorrow
- Policy and programmatic changes will be needed in each sector, to build a more agile and resilient talent base

Supporting Data

Michigan's Labor Force Participation Rate



A Historic Low Point

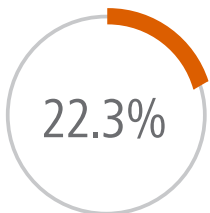
The orange portion of this graph shows how, over the past 18 months, the share of the population working or actively seeking work in Michigan has dropped to historic lows. Although the labor force participation rate (LFPR) quickly recovered after the pandemic, in 2021 it began showing evidence of long-term decline. This reflects a loss of 26,000 participants from the start of the year through May, and a loss of 217,000 since the onset of the pandemic. Although some have permanently left the workforce, a large portion are likely temporary – resulting from a shift in preference for freelance/gig work, the ongoing childcare crisis, and lingering fears of COVID-19.

↓ -26,000  
labor force participants  
in Michigan from  
January-May, 2021

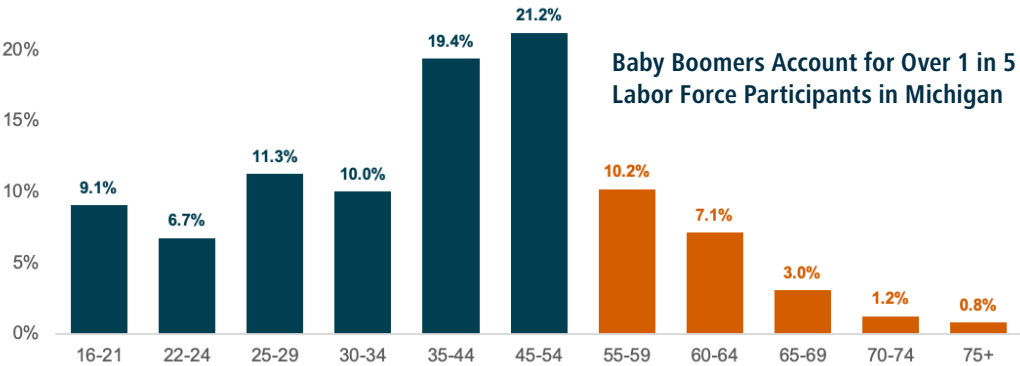
↓ -217,000  
labor force participants  
in Michigan since the  
onset of the pandemic

An Aging and Retiring Workforce

Baby boomers, the largest generation in U.S. history, make up 22.3 percent of Michigan’s labor force, as seen in the orange bars at the right of this graphic. Their imminent departure from the labor force over the next decade will leave over 1 million vacancies that will be hard to fill.



Baby boomers make up 22.3 percent of Michigan's labor force

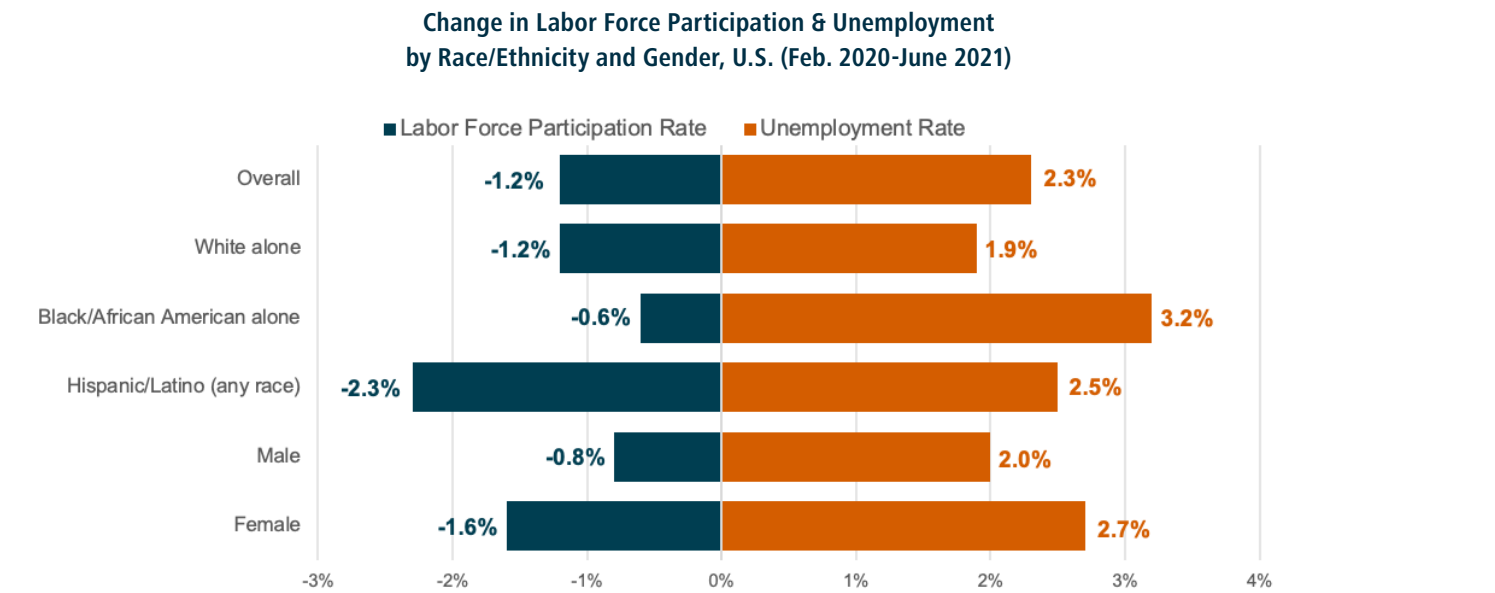


Baby Boomers Account for Over 1 in 5 Labor Force Participants in Michigan



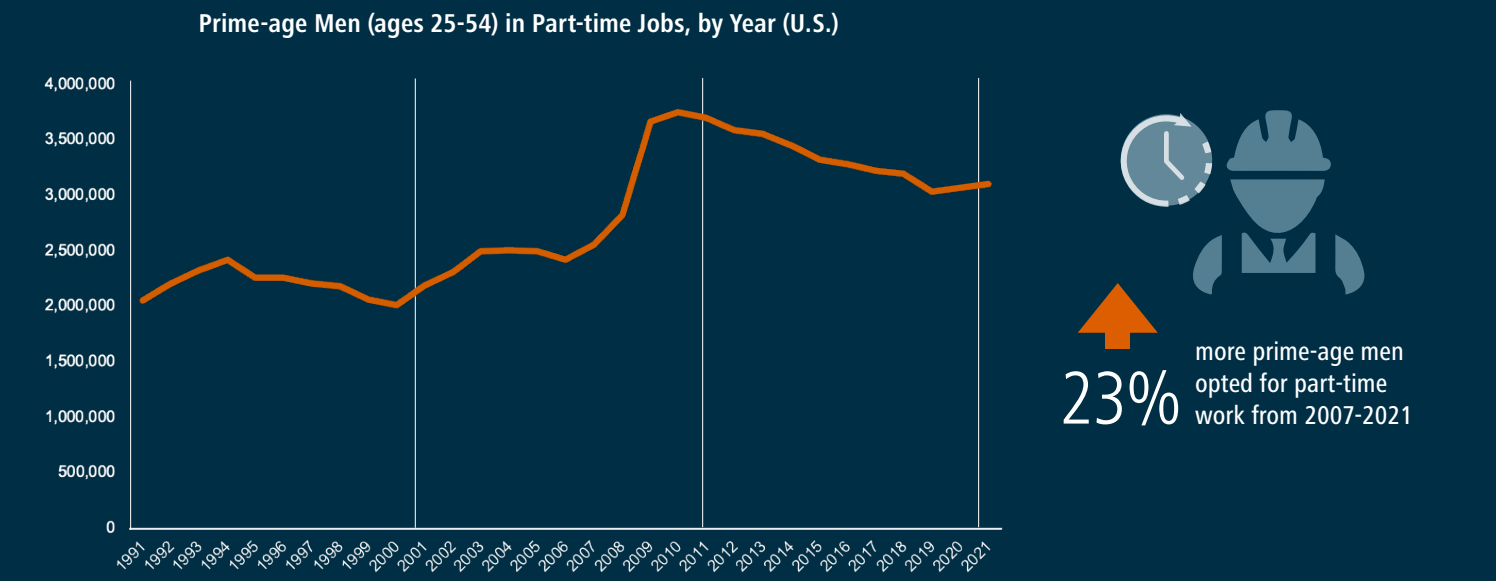
# Disproportionate Losses

The bar graphs show the disproportionate employment effect of the pandemic on women and minorities, in labor force participation as well as unemployment rates. Similar losses were seen in the millennial age cohort. All groups were heavily represented in hard-hit industries – especially Leisure & Hospitality and Retail Trade. The ongoing childcare crisis also contributed to more women leaving the workforce. Now many in these groups find their skills don’t match their changing preferences for work.



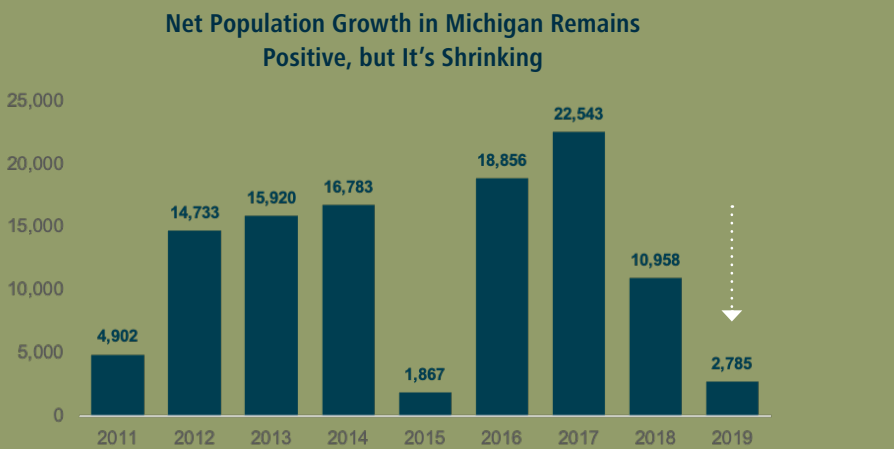
# Growing Preference for Part-Time Work

After the Great Recession erased 4.5 million mostly full-time jobs in male-dominated industries, many men ages 25 to 54 turned to part-time work because there was no alternative. However, even as the U.S. recovered, this “prime-age” male workforce did not return to full-time work. The number of prime-age men willingly opting for part-time work jumped from 2.6 million in 2007 to 3.3 million in 2021 – a 23% growth since 2007.



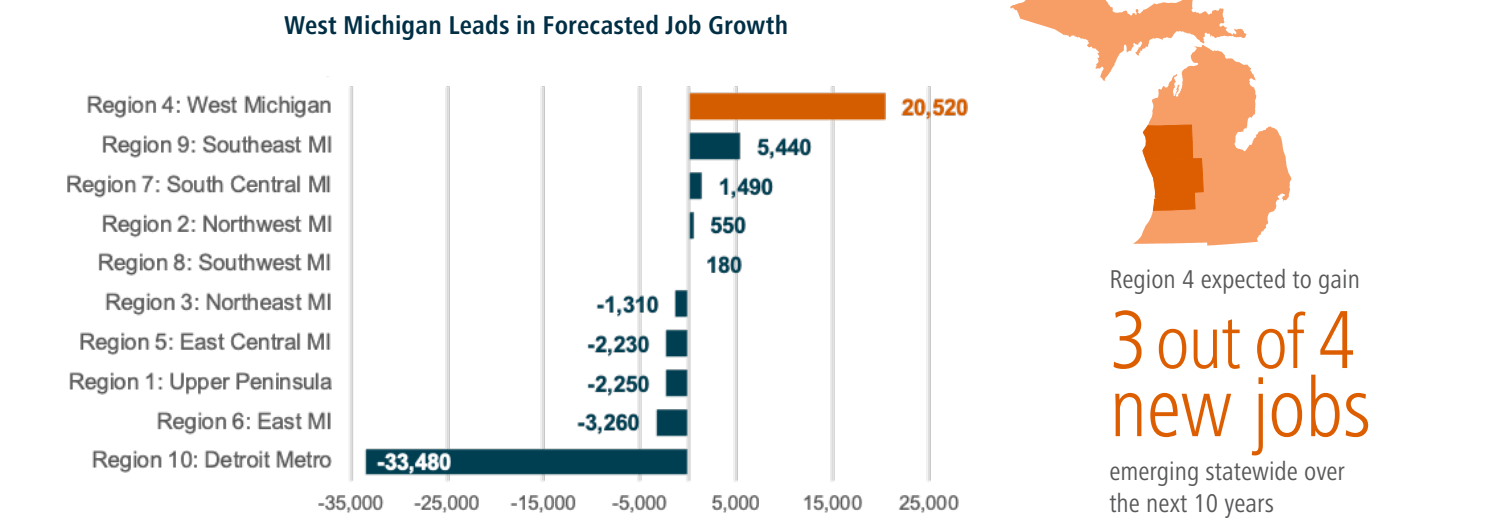
# Not Enough People

Net population growth in Michigan is slowing due to fewer immigrants moving into the state, fewer births, and a growing share of residents relocating to other states – predominately young, educated talent. The state’s fertility rate hit an 80-year low in 2019 with just 1.7 births per woman, which is well below the replacement rate of 2.1, the number needed to maintain a stable population. Even at its peak, West Michigan wasn’t attracting enough talent to meet demand, which makes retaining and development talent here the priority.



# Our Regional Advantage

The macro trends helping to shrink the full-time workforce are being felt nationwide. However, West Michigan does have an advantage. Our region is expected to gain three in every four new jobs emerging statewide over the next 10 years. As the chart shows, West Michigan is projected to lead the state in the number of jobs added over the next 10 years, with nearly four times the number of the next closest region.



Employer Strategies for Success

Our analysis of the data clearly points to a need for new strategies. The following were developed in partnership with West Michigan employers, HR leaders and workforce professionals. They are vetted, data-driven, practical steps that we can take to meet the challenges of the new talent landscape.



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