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A Monthly Reprint of Articles of Importance to Employers Today



Editor's Note

Off the Wire is a reprint of articles for Human Resources professionals and business owners. It is published monthly and is we are always we are trying to address the needs and concerns of the business community with a focus on benefits and HR related topics.

We are interested in your feedback and welcome any comments! Also, if there are any topics that interest you, feel free to contact us directly at 206-414-4635. We will gladly do the research for you!

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ONE MILLION U.S. JOBS HERALDS NEW ECONOMIC ERA

By Brian Chappatta, Bloomberg News

April 05, 2021

If the February U.S. jobs report signaled that America is truly rounding the final corner on the COVID-19 pandemic, then after a month of ramped up vaccinations and warmer weather, the latest data suggest that the world's largest economy is now in an all-out sprint to herd immunity and a full reopening.

U.S. employers added 916,000 jobs in March, easily beating the 660,000 gain projected by economists in a Bloomberg survey and surpassing even the more optimistic crowd-sourced "whisper number" of 800,000. The unemployment rate fell to 6%, matching estimates, while the labor force participation rate ticked higher to 61.5%, though it remains stubbornly close to the most depressed level since the 1970s. February's payroll additions were revised higher by 89,000 to 468,000, meaning that combined with the new March figures from the Labor Department, the U.S. gained just more than a million jobs.

While the jobs report tends to attract the most attention, even if it falls on a U.S. stock market holiday such as Good Friday, like this one, it's hardly the only economic indicator that suggested a strong showing for the labor market. Neil Dutta, head of economics at Renaissance Macro Research, pointed out in a March 24 note that the Census Bureau's Small Business Pulse survey showed the biggest increase in paid employment and hours worked in several months. Meanwhile, a Conference Board index released on Tuesday showed U.S. consumer confidence rose in March by the most in nearly 18 years, reaching a 12-month high and exceeding the most optimistic forecast in a Bloomberg survey of economists. On Thursday, Institute for Supply Management data showed U.S. manufacturing expanded in March at the fastest pace since 1983, beating all but one estimate.

Channeling Federal Reserve Chair Jerome Powell's message that "it's good to be optimistic," Dutta, who accurately predicted both January's blockbuster retail sales data and February's surprisingly weak figures, concluded that the U.S. job market could be "headed to the moon," using a phrase more commonly used to describe shares of GameStop and other meme stocks. "For payrolls, we are about to scream 'seven-figure months only!'" he wrote in an article for Business Insider. In a similar vein, Atlanta Fed President Raphael Bostic said this week that "a million jobs a month could become the standard through the summer."

That target is lofty, no doubt, and that kind of sustained monthly pace would bring employment back to its pre-pandemic level by early next year. Employment grew by more than a million each month from May through August after contracting by an unprecedented 20.7 million in April 2020. Before last year, monthly payrolls increased by more than a million only once, in September 1983.

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Regardless of whether the U.S. labor market persistently eclipses the seven-figure mark, the jobs data from March heralds a new era for economic data. And it goes beyond payrolls. Thanks to base effects from the sharp slowdown around this time last year, year-over-year inflation numbers are virtually guaranteed to be elevated in the coming months. The median forecasts in a Bloomberg survey of economists (mostly from early March) suggest the consumer price index will increase 2.9% in the second quarter from a year earlier, while the Fed's preferred inflation gauge, the core personal consumption expenditures price index, will jump 2.1%. Several other gauges look to be on the upswing as well.

The March jobs report leaves little doubt that the U.S. recovery is gaining even more momentum. With President Joe Biden keeping his foot on the gas with a \$2.25 trillion U.S. infrastructure plan that his administration says is the most sweeping since investments in the 1960s space program, maybe the labor market truly is headed to the moon.

TOO MUCH TECH MAY BE STUNTING PRODUCTIVITY

By Paola Peralta, Employee Benefit News

April 05, 2021

As the labor force continues to work remotely, the tech meant to help workers maximize their productivity is doing quite the opposite.

Balancing multiple tech tools and resources can be confusing as well as time consuming for employees, prompting employers to reconsider their current operating system. Thirty-five percent of marketing leaders are overhauling the technology tools they offer and 60% expect to make moderate to severe cuts to their budgets in 2021, according to a survey conducted by Gartner.

In an effort to smooth over pain points for employees, companies implemented different pieces of tech to address individual issues. The result is an oversaturation of tools targeting very niche tasks, according to Terry Simpson, senior solutions engineer at Nintex, a management and workflow automation firm.

“With COVID and working from home, users are completely reliant on technology in order to get their work done,” he says. “So any inefficiencies rise to the top and are problematic.”

Additionally, many of these tools are no longer useful. Organizations utilize only 58% of the capabilities offered by these programs — a level that has remained flat since 2019, according to the survey.

Employers should consolidate multiple tools into a single platform to save money and boost employee productivity, Simpson says. The less time spent wrangling their tech, the more time employees will have for focused work.

“It's very easy as an individual to sit at my desk and be busy,” Simpson says. “But it's more difficult to be productive because I have lots of systems to use and update.”

HR and payroll are the most in-need of consolidation when it comes to the systems they use for day-to-day tasks. One area that has seen the benefits of simplifying is recruiting — Indeed recently launched Indeed Hiring Platform, which allows employers to screen candidates and interview them directly through the platform, eliminating administrative tasks like reading resumes and scheduling interviews.

“It's more about those systems working together,” Simpson says. “Automating an entire process let's you focus on the process, not an individual system.”

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