



US unemployment and employment statistics **‘There’s a war for people’: strong jobs market belies a shortage of skilled workers**



Dominic Rushe in Ohio

[@dominicru](#)

Mon 16 Sep 2019 02:00 EDT

For someone who makes “job-killing robots” Tony Nighswander has an ironic problem. The US jobs market has not been this hot for 50 years and the president of APT Manufacturing Solutions, an Ohio-based company that specializes in robotic equipment, can’t find enough workers.

With American unemployment at lows last seen around the time of the first lunar landing, his clients are turning to APT and its robots to fill the positions they can’t find

people for. But he doesn't dare take on more salespeople because he's not sure he can hire enough workers to get the robots running.

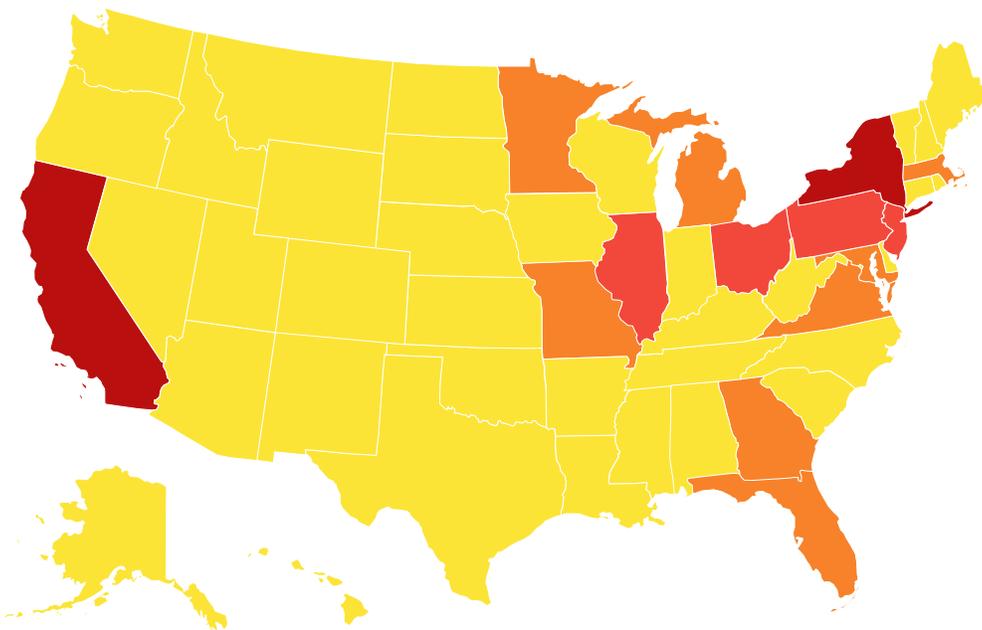
“Robots killing jobs, that’s a myth. Nine out of 10 times when we put in robots, they increase production but they don’t take away people,” says Nighswander. And right now “there’s a war for people”, he says as he shows off APT’s shiny, air-conditioned facility in Hicksville, a rural village set in flat farmland on the edge of Indiana.

Many US businesses are now facing Nighswander’s dilemma. Attracting quality applicants consistently ranks as the top issue facing businesses. And beneath today’s jobs boom lies a bigger problem: a skills shortage that is leaving many behind and can only get worse if, or rather when, the current jobs boom fades.

Some **83% are currently struggling** to find workers with the right skills, according to the Society for Human Resource Management. An ageing population means the pool of skilled labor is shrinking. By 2029 employers in nearly every state will face significant shortages of qualified workers, according to a report by **American Action Forum (AAF)**.

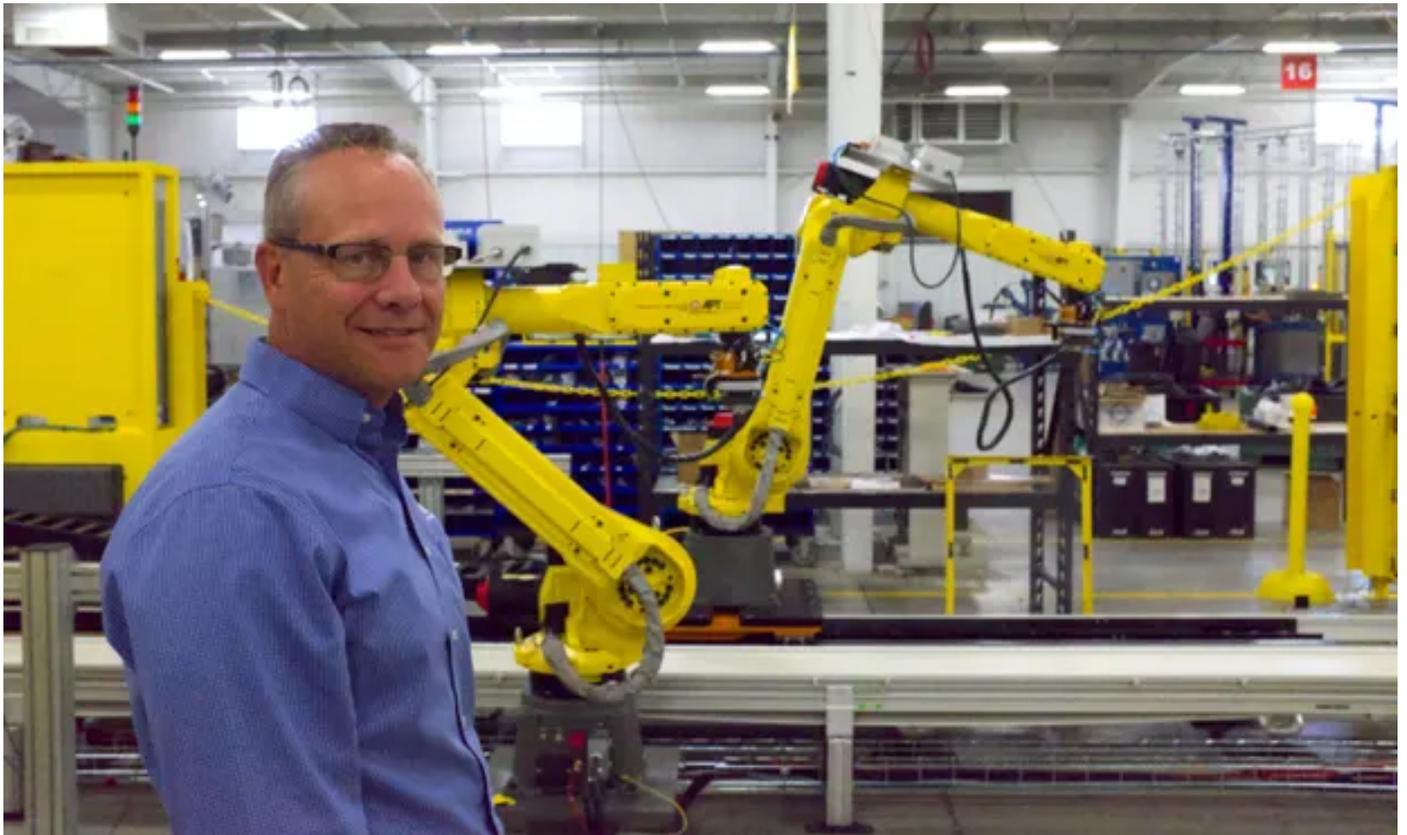
Estimated shortage of workers with bachelor's degree or higher in 2029

0-200k 200-400k 400-600k 600k+



APT's hangar-like space looks a little like an empty Ikea. There's a lot of bright blue railing and sunflower yellow. APT specializes in Fanuc robots, developed by the Japanese automation giant. Yellow robot arms and conveyor belt machines buzz quietly through their motions on the facility's floor. Built and programmed at APT they can put together a chair in 16 seconds, package 15,000 pounds of mashed potato in an hour, fill 720 cups of fast-food dipping sauce in a minute.

Once those machines are in, all those menial, repetitive jobs are gone.



▲ 'Robots increase production, but they don't take away people,' said Tony Nighswander, president of APT Manufacturing Solutions. Photograph: Dominic Rushe

Yet while APT can't make enough robots to do those jobs, the unemployment rate in Ohio is 4.2%, slightly above the national average of 3.7% but a fraction of the 12% it reached in January 2010 as the last recession unwound. Across the border in Indiana just 3.3% of the population is unemployed. The US has now added jobs every month for a record 107 months in a row. There were 7.35m job openings in the US in June, 1.3 jobs for every unemployed person.

But below the surface there are still problems.

While they serve as a useful proxy for the health of the economy, the monthly national unemployment numbers can never really give a true picture of a country of 327 million people spread across 3.8m vastly different square miles.

“ The US has now added jobs every month for a record 107 months in a row. There were 7.35m job openings in the US in June, 1.3 jobs for every unemployed person

Even in Ohio there are big disparities between counties. Unemployment in Monroe county, across the Ohio river from long-suffering West Virginia, was 7.3% in June, an hour south of Hicksville in Mercer county the rate was just 2.7%.

Nationally, the figures also still show a substantial divide by race. Some 6% of African Americans were unemployed in July and 4.5% of Hispanics didn't have a job. Those figures have come down substantially since the recession, but the gap remains. For teenagers, the unemployment rate is a depressing 12.8%.

The number of people sitting out the jobs market also remains high. In July, the participation rate - the percentage of people in work or actively looking for a job - was 63%. It peaked at 67.3% in early 2000 after rising for decades. Now it seems stuck and has changed little for three years despite falling unemployment suggesting that even in this market a large pool of people have just given up.

Wages, too, have grown slowly despite the continuing strength of hiring.

Despite these issues, there is still no arguing that the US job market has enjoyed a record run.

It's an employees' job market - for those with the right skills - and Nighswander in Hicksville (population 3,500) is competing with better-paying companies in more glamorous cities.

John Clingan, an APT controls manager, gets two or three calls from headhunters each week. Trying to hire people is “ruthless”, he says. “Kids are getting \$80,000 out of college. Five or six years ago that would have been \$50-60,000.” The automotive industry will pay them six figures, he says. “Even if they don't know what they are doing. Basically you can get a job now if you can spell robot.”

So bad has the situation got that Nighswander visits local schools to offer apprenticeships and APT will pay the college fees of employees who will sign on to work for the company. Four years of college means six years at APT, or you have to pay the company back.

Investing so much in his staff is a risk and Nighswander has little illusion that he can keep all those he puts through college. “If I can get them involved in a church or get

them married, I am doing good. If they are still single, then they are probably going to move to Denver,” he laughs.



▲ Low unemployment and slow wage growth has encouraged people to look for new jobs at a time when companies are finding it hard to take on skilled workers, said services provider Moorepay. Photograph: Lauren Hurley/PA

But today’s white-hot jobs market hides some structural issues that will reveal themselves when the tide of hiring recedes, warns Maurice Jones, chief executive of Local Initiatives Support Corporation (LISC).

LISC works with local government agencies, foundations and the private sector to get those in struggling areas back to work. While he agrees the job market is still booming across the country Jones sees pockets of deep unemployment in communities that can only dream of a job in robotics.

“It’s an incredibly robust jobs market, but it’s an incredibly robust jobs market for the folks that can bring those skills that the jobs market now rewards,” says Jones.

“That 3.7% [unemployment rate] is an aggregate that is simply not a true picture of what is happening on the ground for a huge chunk of America,” he says. “Everyday people continue to be challenged by a job market that is growing but one where they need an investment to take any advantage of.”

Without an investment in training people and in transportation and childcare many will be left behind, he warns. “In our market we get people coming in with high school

diplomas whose literacy and numeracy skills are somewhere between the sixth and eighth grade [ages 11 to 14]. With investment, these folks can get to where they need to be but they are not going to be able to compete for these jobs without that.”

Low-skill workers who have benefited from the high-pressure job market are likely to be hit hardest when the job market turns south.

Nighswander says something needs to be done. In large part, he blames the education system for the skills gap.

“If you ask high school kids to tell you about industry then they will tell you about what they remember from their history books. They are still teaching the industrial revolution, it’s dark, dangerous, dirty,” he says. “They are teaching industrial revolution 1.0, this is 4.0,” he says sweeping his arm around the clean, quiet, air-conditioned work floor. “This is not that.”

Shop class, where practical skills such as carpentry or engineering are taught, has disappeared from most US schools. On the floor at APT, Eric Walker, manager of the company’s manual machining department, says even the basic skills are missing. “They don’t know ‘righty tighty, lefty loosey’ for a screw,” he says. “It’s a shame. And it’s not just us. You try finding an electrician around here. You could train yourself before you find one.”

History suggests Nighswander will not struggle to find employees forever. The job booms will end and those struggling to find work in today’s golden market could be left even further behind.

“This has been an unbelievable, unprecedented expansion and that’s wonderful,” says Jones. “As a result of that expansion, employers are having to dig deeper and deeper into the workforce to fill jobs. That makes this a great opportunity but again it is all about preparation. We need to train and retrain and retrain so that people are prepared. The bottom line is we don’t do that well,” he says.

“We are going to create a group of people who don’t have the hard and soft skills that they need to achieve the kind of job mobility they need in order to be able to have careers where they are at least making a livable wage.”

Now is the time to act, says Jones. “Employers are really really demanding we do a better job here.”

... we have a small favour to ask. Millions rely on the Guardian for independent journalism that stands for truth and integrity. Readers chose to support us financially more than 1.5 million times in 2020, joining existing supporters in 180 countries.

With your help, we will continue to provide high-impact reporting that can counter misinformation and offer an authoritative, trustworthy source of news for everyone. With no shareholders or billionaire owner, we set our own agenda and provide truth-seeking journalism that's free from commercial and political influence. When it's never mattered more, we can investigate and challenge without fear or favour.

Unlike many others, we have maintained our choice: to keep Guardian journalism open for all readers, regardless of where they live or what they can afford to pay. We do this because we believe in information equality, where everyone deserves to read accurate news and thoughtful analysis. Greater numbers of people are staying well-informed on world events, and being inspired to take meaningful action.

We aim to offer readers a comprehensive, international perspective on critical events shaping our world - from the Black Lives Matter movement, to the new American administration, Brexit, and the world's slow emergence from a global pandemic. We are committed to upholding our reputation for urgent, powerful reporting on the climate emergency, and made the decision to reject advertising from fossil fuel companies, divest from the oil and gas industries, and set a course to achieve net zero emissions by 2030.

If there were ever a time to join us, it is now. Every contribution, however big or small, powers our journalism and helps sustain our future. **Support the Guardian from as little as \$1 - and it only takes a minute. Thank you.**