

Meeting Rural America's Workforce Challenge

By Donald W. Macke

In 1776 when the Declaration of Independence was issued, there were an estimated 2.5 million (non-Native America) residents living in the 13 original colonies. According to the 2020 U.S. Census there are now nearly 330 million Americans (including Native Americans). Empowering America's development and progress has been an ever increasing pool of human talent providing the diverse workforce essential for one of the world's most productive economies and societies.

Background

Since the earliest humans, our evolution transformed us from hunter and gathering societies organized around clan groups, to the rise of agriculture associated with the first settled communities, to the emergence of global trade and the rise of nation states, then the First Industrial Revolution, and the Second Industrial Revolution, and now our knowledge-based economies and societies rooted in information and bio technologies.

Human talent and its drive to create is ever present in this development journey over the centuries. Today, the United States, including most of rural America, is facing an escalating human talent or workforce challenge that—in some locations and industries—is now in crisis. Our paper **Meeting Rural America's Workforce Challenge** explores the causes and potential solutions associated with this deepening crisis.

This paper focusing on **Meeting Rural America's Workforce Challenge** is organized into the following five sections:

- Introduction – Opportunity
- Human Talent
- Workforce Challenge Drivers
- Strategy Solutions
- Conclusion – Innovation and Embracing Change

Questions and Information

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Now on to our introduction focusing on **opportunity**.

Many factors contribute to American progress. Prosperity in so many ways is fueled by three factors – capital, technology and human talent. When human talent combines with technology and capital development, what occurs enables change and, potentially even, human progress.

Introduction – Opportunity

Human beings have a propensity for creativity. It is this creativity that drives us to innovate and embrace change advancing our economy and society. Where there are environments and cultures of opportunity, progress and change are sure to follow. Too often opportunities are constrained limiting progress and denying members of our society their rights of “life, liberty and the pursue of happiness.” [[U.S. Declaration of Independence, 1776](#)] Many factors inhibit personal, community and societal opportunity including:

- ✓ Corruption
- ✓ Economic Controls
- ✓ Political Policies
- ✓ Societal Norms
- ✓ Religious Restrictions

And our own perceptions on what is possible could be the most important opportunity constraint. Nearly every child believes, however briefly, that they can be President of the United States, a professional athlete or successful entrepreneur. But in time, opportunity constrains and a healthy dose of reality moderates our expectations of what is feasible or possible.

Conversely, when the **three fuels of entrepreneurial success** – capital, human talent and technology -- are bountiful and accessible to more creative people, organizations, communities and even nations, more than we can imagine is possible. In entrepreneurial development access to capital, human talent and technology is part of the formula for success.

Technology Defined...

Too often we define technology as the equipment and machines that are ever present in our lives from air conditioning in Florida to super computers helping us find vaccines for World Health Pandemics. But technology in this sense is more than machines, it is also the human knowledge and skills, and systems, to do productive and hopefully “good” work.

Entrepreneurial ecosystems rich with these three fuels are more innovative, competitive, productive and higher value. In today's environment we have considerable financial capital and ever-expanding technology, but we are facing a growing crisis of too little human talent.

Our next stop is an overview of the importance of **human talent** in contemporary rural community economic development before we review why there is a crisis and possible solutions.

Human talent is possibly the most important variable in this overall equation with capital and technology. With robust and capable human talent, we can innovate technology and mobilize capital. In Roger Lowenstein's 2022 book – [Ways and Means, Lincoln and His Cabinet and the Financing of Civil War](#) – illustrates in great detail how the North won the Civil War in part because of its ability to mobilize capital to finance the war and the development of Northern industries in support of its execution. The creation of paper money backed by a new federal income tax proved a huge advantage over the South's inability to generate capital. Creative people empowered these agents for change and war won.

Human Talent

Humans have always had talents. The capacity for learning and sharing that learning from one generation to the next has been at work for thousands of years. Human creativity and innovation are foundational to human progress. We as a species have unique capabilities to work together, solve problems and exploit opportunities.

Human talent as a term and concept may seem a bit wonky. But the "workforce" term is tired; rooted in an age when workforce implied more physical and less intellectual labor. In today's economy where technology now does most of the physical work for us, knowledge-based work is foundational to our modern economies and societies.

Workforce...

Workforce is a 19th Century concept when most Americans, and particularly most rural Americans, largely engaged in physical labor. We still use workforce a lot but this aging term and concept no longer adequately reflects our need for highly-motivated and skilled human talent. Even in **hard work** activities like auto manufacturing or meat packing, the workforce requires training, the use of advanced and expensive technology and continuous learning. As we consider the deepening workforce shortage we suggest pivoting to the more contemporary term and concept of human talent.

Yet, we still view workers as inputs in the formula that makes organizations, institutions, communities, businesses and economies function and perform. Increasingly, the difference between high-performing and sustainable human activity is rooted in the deeper meaning associated with human talent. The abilities to think, learn, innovate, work in teams, network and the like is key. Human talent, at its best, can be mobilized with capital and technology to create vaccines in record time and effectiveness during the recent COVID-19 World Health Pandemic. The days of robust and rich labor markets where any employee could be readily replaced with relatively little loss of performance and productivity, are evaporating with current trend lines.

Understanding our deepening human talent gaps and crisis is foundational to exploring emerging solutions emerging from communities, institutions and industries across the United States. Our next topic focuses on the drivers of our deepening **workforce challenge**.

Over the past generation or 25 years in rural America, we have transformed from a surplus of human talent or workforce to a growing shortage. The same is true for most of the United States and possibly much of the world. Many drivers are behind the growing human talent shortfall. Resolving this ripening crisis is foundational to a more prosperous future for rural (and urban) communities and regions.

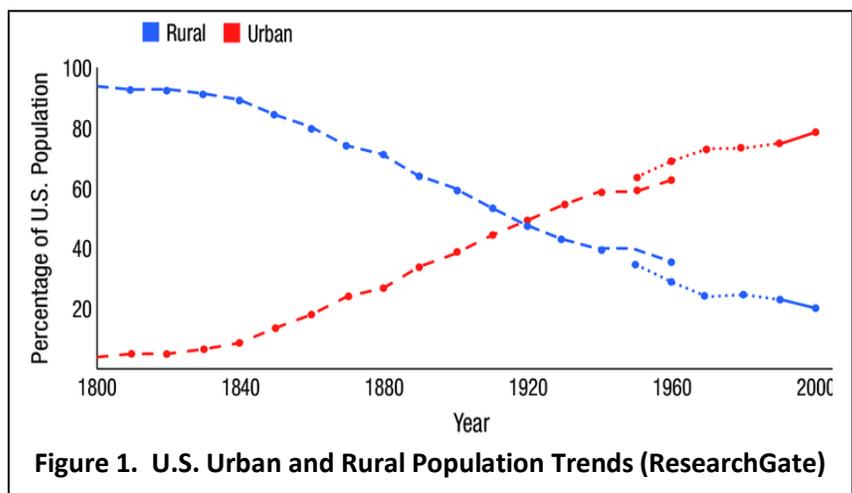
Workforce Challenge Drivers

There are many drivers behind this workforce crisis but we at e2 believe the following are the most relevant to rural communities and regions:

- ❖ Surplus Rural Human Talent
- ❖ Plummeting Birth Rates
- ❖ The Baby Boomer Cliff
- ❖ Barriers to Immigration
- ❖ Workforce Needs and Human Talent Mismatches
- ❖ Undermined Employee/Employer Compact
- ❖ New Generation Attitudes
- ❖ And Racism

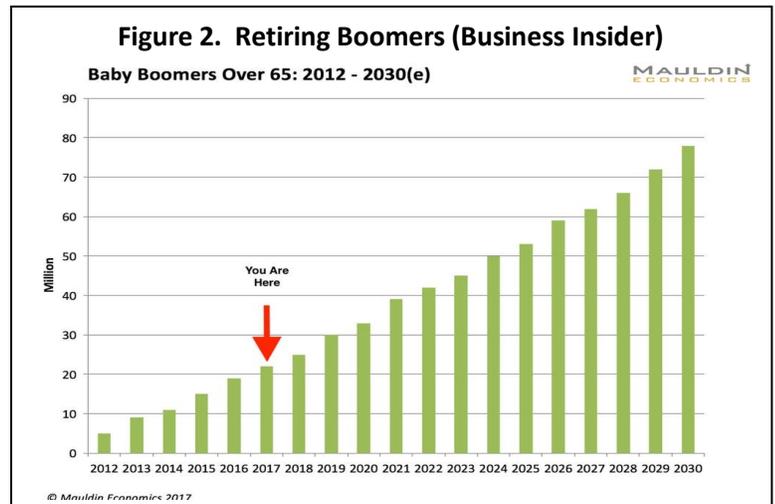
Let's explore each of these workforce crisis drivers in a bit more detail next.

Surplus Rural Human Talent. In 1880, just 222 years ago, the vast majority of U.S. residents lived, worked and played in rural America. In the early 1990s the trend lines crossed and for the first time in U.S. history more residents resided in urban places. Based on the U.S. Census in 2020 just 17.34% of U.S. residents live in rural and over 80% now resident in urban communities. For decades rural America has been exporting surplus human talent driving overall U.S. community economic development. As natural resource industries like production agriculture industrialized, consolidated and automated, key rural industries displaced workers fueling a rising tide of human talent for both rural and urban America. Today rural America has emptied out. It has a human talent shortage challenge. And this source for urban workers is largely exhausted.



Plummeting Birth Rates. Domestic birth rates in the United States and across much of the world are plummeting. Not only are more rural Americans remaining unmarried, but more are not having children. If they are having children, they are having them when they are older and they are having fewer children. In 1960 the average household size in the U.S. was 3.67 persons and by 2021 this value had dropped to 3.13 persons or by 15%. [Average Size of a Family in the U.S., 1960-2021, www.statista.com, 02.22.2022]

The Baby Boomer Cliff. According to <https://hiring.monster.com> about a third of the current American workforce or 41 million workers come from the Baby Boom Generation (e.g., born between 1946 and 1964). The oldest boomers are now in this mid-70s and youngest are in their mid-50s. Every day an estimated 10,000 Boomers retire and over the next two decades the vast majority of remaining Boomers will retire. [www.pewresearch.org] Filling these gaps in the Boomer serviced workforce is creating a cliff effect contributing to the human talent crisis.



Barriers to Immigration. From the very beginning of European American settlement immigrants have provided workforce and human talent to the American economy. Much of the American Frontier was settled by immigrants. Immigration, particularly immigrants of color and non-Christian faiths, has become a political lightning rod in the United States. Political ads bash illegal immigration while we have a failed system of legal immigration unable to meet our workforce and talent needs.

Immigration – The Wellspring of Human Talent for the U.S.

For generations international net in-migration has provided the United States, including many rural growth areas, with talented and motivated human talent. Over the years there have been periods of open to closed international migration. The inability of the United States to address smart immigration policy over the past quarter century, and the more recent immigration bans by the Trump Administration, have restricted this source of human talent dramatically contributing to the current workforce shortages and constraints.

Workforce Needs and Human Talent Mismatches. With rapid technological, economic and social change, there has always been mismatches between the skills, talents and aptitudes of available workers and the new needs and wants in the human talent environment. On the one hand we have people who need work and better work, and on the other hand, there is a lack of appropriate workers to fill critical workforce needs. The failure of families, educational systems and employers to prepare for future workforce needs today ensures an unnecessary mismatch between what our economy needs and our supply of human talent. Unlike other countries that do more to invest in human talent future planning and development, the U.S. is more laissez faire in its approach contributing to this crisis.

Undermined Employee/Employer Compact. Following World War II in the United States, including much of rural America, there was a commitment to lifelong employment. Today, the compact between employers and employees has frayed. There is less loyalty and considerably higher workforce turnover. Employers depending on an abundant surplus supply of the right workers is increasingly a mirage. Workers sense the employer mindset that employees are a cost and not an asset. Worker loyalty to employers is also an increasing mirage. With the current tight labor force market, workers are changing jobs in search of more secure, financially rewarding and meaningful work.

New Generation Attitudes. Baby Boomer once feared as the anti-war, anti-establishment, substance abusing and lazy generation become one of the hardest working generations of contemporary times. Newer generations in reaction to the eroding employer/employee compact and their workaholic parents and grandparents, are seeking greater work and life balance. When possible, many in the younger generations are choosing where to live and how to work based on a broader set of life considerations.

The Power of Biases...

Oxford Languages defines **bias** as... "prejudice in favor of or against one thing, person, or group compared with another, usually in a way considered to be unfair." Both intentional and subtle biases are at play driving our workforce and human talent crisis. We have the potential for far greater human talent to meet our needs if we can overcome our biases.

And Racism. Finally, there is the ever-present undertow of American racism. Racism, coupled with gender and disability biases, continues to marginalize large segments of American workers. Additionally, racism and bias against non-Christian faith groups stalls necessary immigration reform and the ability to make legal non-documented workers essential to meeting our workforce and human talent needs. Within the field of "White Nationalism" there is the rise of the racist **Great Replacement Theory**. Replacement Theory is driving public opinion in some U.S. quarters to block immigration. *For more information on Replacement Theory check out the Southern Poverty Law Center at www.splcenter.org.* *In marginalizing others through racism we undermine access to all available human talent contributing to the workforce challenge.*

Evoking an entrepreneurial mindset, our very solutions to this crisis can be found in turning challenges into opportunities. Now that we have outlined some of the major drivers creating the workforce challenge in rural America, next let's explore **potential solutions**.

Two constants within the human condition are challenges and opportunities. Within entrepreneurial behavior we are at our best when we turn challenges into opportunities. Sometimes growing challenges make us blind to ever-present opportunities. For entrepreneurial people and communities, it is their unique capacity to see opportunity in crisis that empowers impactful and innovative solutions.

Strategy Solutions

Before we can step back and focus on potential solutions to our rural workforce and human talent challenges, there are five **mindset shifts** we should consider that become foundations to exploring and adopting answers.

1. Embrace Real Planning
2. Attitude – From Cost to Asset
3. Caregivers as Recognized Workers
4. Embracing Diversity
5. Abating Racism and Other Biases

Next let's dig deeper into each of these mindset shifts core to finding workforce solutions at the employer, economic sector, industry, community and regional levels.

Embrace Real Planning. The drivers or trends contributing to our deepening rural workforce challenges have been at work for some time. If you are in school and 65 percent of your teachers and workers are Baby Boomers, the Boomer cliff effect has been building for some time. There should be no surprise. But the luxury of rich and abundant labor markets has made us lazy. We call these the **prosperity syndrome**. If someone retires, we simply go into the market and replace them. The days of rich and abundant labor markets are contracting. The first mindset shift is to commit to real and future oriented planning. If you are an industry that needs trained and hard-working trades people, commit to growing a talent pipeline that ensures your industry will have the workers it needs.

Attitude – From Cost to Asset. In our quarterly profits world with very short-term views, human talent has increasingly become just one of many cost inputs. This attitude, in today's labor markets is a prescription for failure. Shifting to viewing workers as assets foundational to an organization's, institution's or business' short- and long-term success is paramount. Workers today are tired of being a "cost input" that can be replaced easily by someone else. Talented, motivated and hard-working employees want to be valued for the assets they can be.

Good Jobs Strategy...

In 2014 Zeynep Ton (Professor, Sloan School of Management, Massachusetts Institute of Technology) published a remarkable book titled – [The Good Jobs Strategy, How the Smartest Companies Invest in Employees to Lower Costs and Boost Profits](#). We strongly recommend this book and a must read for anyone who cares about human talent optimization and workforce. *Available through Amazon.*

Caregivers as Recognized Workers. We celebrate caregivers in the United States. We have “Mothers” and “Fathers” days. Some caregivers like health care workers are viewed as professional occupations in America. But other caregivers suffer from “second class” and “non-professional” including parents and caregivers of our elderly and persons with disabilities. While many European countries provide compensation, family leave benefits and other recognitions of the importance of caregivers, we do not treat caregivers as “workers” in the United States. No one gets Social Security credits for being a non-compensated care giver for example. If you are a stay-at-home mom or dad, you are not “participating in the American labor force.” Our third mindset shift is to recognize and treat more supportively and fairly this broader spectrum of caregivers. Our labor force participation rates would be much higher if we included these care givers in our statistics. With proper recognition and support, care givers would be more successful and there could be more fluid movement between care giving occupations and non-care giving work.

Teacher and Parent...

My wife Jenny always knew she wanted to be a teacher. She studied to become a certified teacher working in the public schools as a pre-school special education educator and coach. Jenny and I also wanted to have children and were fortunate to have two sons. While our boys were little we made the decision to have Jenny stay home until they were of school age. Fortunately, as a labor union represented public school teacher, Jenny was able to take an extended multi-year leave of absence from teaching with the security that there would be a job when she returned. She did and completed a three-decade-long career. Most workers do not have benefits like Jenny had. Embracing policies that balance life and work, such as raising children, are foundational within our evolving human talent environment today.

Embracing Diversity. America for centuries has been magnetic in attracting human talent from across the globe. Today, the United States is one of the most diverse societies among the family of nations. The rich flow of diversity empowered by migration and immigration has fueled American creativity and progress. Embracing diversity and particularly enabling smart immigration is a critical mindset shift that offers solutions to our human talent challenges. For rural America, where there is less diversity, understanding that solutions to our human talent needs may be rooted in people with somewhat different values, faith beliefs, colors, ethnic backgrounds, etc. relocating from outside our community and region.

Abating Racism and Other Biases. Racism, as demonstrated in the past half-decade is alive and well in America. But color-based racism does not fully capture the challenge of enfranchising on equal footing all of our human talent. There are workplace biases rooted in religion, gender, gender identity, gender orientation, caregivers, persons with disabilities and the list goes on and on. Our final mindset shift requires those needing human talent to embrace the larger human talent pool. With this shift we have far more human talent options than if we narrow ourselves because of racism and biases.

Our next stop are some foundational solutions to increasing human talent in both urban and rural America addressing the deepening workforce crisis.

America's human talent crisis is huge and complex. There are few single and easy solutions. Some solutions require federal policy changes like smart immigration reform as has been possible in our neighbor Canada, but grid locked in the United States. Other solutions are within the influence and even control of local communities and individual entrepreneurial ventures. We can do better and our future is rooted in our ability to ensure the human talent our economy and society requires to thrive.

Foundational Solutions

With these five mindset shifts shared in the previous section as context, let's explore the following five foundational solutions to meeting our human talent needs in rural America. These solutions include:

1. Embracing Talent Development Pipelines
2. Adopting Smart Immigration
3. A New Employee/Employer Compact – Career Tracking
4. Wise Use of Automation
5. Expanding the Human Talent Pool

Let's next take a deeper look into each of these five foundational solutions next.

Embracing Talent Development Pipelines. In the mid-2010s we completed workforce analysis for Southeast Community College in Nebraska. This community college serves Lincoln and most of the counties and communities in southeastern Nebraska. The President of the College and its Vice President for Access/Equity/Diversity asked us to compare likely available workforce with likely workforce needs. Employing proprietary data sources, our findings were striking. There was an existing gap in available workforce for key institutions like education and health care, and industries like manufacturing and hospitality. These gaps between need and supply were likely to grow dramatically over time due to dropping birth rates, limited domestic in-migration and particularly limited international in-migration. We recommended that the College work with employers on more in-depth workforce planning coupled with development of **talent attraction, development and retention pipelines**.

For example, Southeastern Nebraska has a growing nursing shortage. This shortage has been deepening with the Pandemic and the loss of nurses leaving the health care field. In creating a human talent pipeline strategy, the health care industry (e.g., from hospitals to care homes to medical practices, etc.) would collaborate to more precisely, on a quarterly basis, project its anticipated demand for and supply of nurses*. Then the industry would build outreach strategy to encourage younger persons to consider a nurse career as well as development recruitment game plans. These strategies would career track individuals into specific nursing professions providing educational funding and mentoring, internships, part-time work and specific placement. In fact, the University of Nebraska Medical Center has been doing precisely the human talent pipeline strategy in meeting the need of health care professionals for under-served rural communities and health care institutions.

*Nurses encompasses a wide-range of certified and trained health care professionals.

Rural Telco Cultivates Human Talent...

In Nebraska's Sandhills region there is a family-owned rural telephone company that is solving its human talent challenges by creating a pipeline of workers. For this part of rural America jobs with a rural telco are great jobs with above average pay and benefits. But living in the Sandhills of Nebraska is not for everyone. Attracting needed workers is one thing, but keeping them is another challenge when spouses and children do not make the transition. The Sandhills of Nebraska is cattle ranching country and the largest communities have a few hundred residents. It is frontier country by any measure. This company began to build a talent pipeline with essay competitions in the middle schools to find kids that wanted to live in the Sandhills and might have interest in careers in telephony (e.g., from line to office workers). Additional competitions with rewards in high school are followed by paid internships and ultimately support to attend higher education (e.g., from trade schools to universities) in careers needed by the company. Summer work was included to find the right candidates to offer jobs. Not only is this company getting highly motivated and skilled workers, they fit the lifestyle with families that want to be in the Sandhills.

Adopting Smart Immigration. For much of America, including parts of rural America, our economy and need for human talent or workforce is growing faster than our domestic supply of appropriate human talent. This is particularly true at the extremes of the human talent continuum including lower skill and entry level jobs in industry and hospitality for example, to highly skilled, experienced and educated workers like programmers and health care specialists. Breaking the polarized, ideological and political log jam blocking both smarter immigration (e.g., Canadian and Australian models) and legalization of undocumented or poorly documented workers at work in the U.S. and rural America. Adopting smarter immigration policy could relatively quickly and significantly contribute to meeting gaps in workforce now and into the future. Fortunately, there continues to be strong international interest in immigrating to and working in the United States.

Canadian Immigration Policy...

Unlike the United States, Canada and Australia have adopted what we might call **smart immigration** policy. While these policies have their critics they have allowed a flow of human talent essential for meeting the workforce needs of these countries. At e2 we are more familiar with Canadian immigration policy due to our research and work in Canada. Canada provides a point system that allows immigration providing human talent for its economy and society not being met by Canadians. Our comparative analysis of the providence of Ontario and the state of Michigan highlights how smarter immigration has empowered the Ontario economy while failing U.S. immigration policy has constricted Michigan's economic development.

A New Employee/Employer Compact – Career Tracking. At e2 we are curating a paper focusing on the role of **labor unions** and the employee and employer compact that fueled one of the greatest convergences (e.g., narrowing income and wealth inequality – 1940s into the 1970s) in American history. This was also one of America's most prosperous and high growth periods in contemporary times. The concept of **life long work** has eroded significantly when we compared with the Greatest Generation and Baby Boomers with GenXers (e.g., born 1965 to 1980), Millennials (e.g., born 1981 into 2000, Resolution Foundation definition) and now subsequent younger generations. Employer loyalty to

workers and workers, loyalty to employers is significantly weaker today. Employers, if they are to be competitive for scarce human talent, must create better jobs defined in terms of compensation, career tracking, benefits, amenities and quality of workplace offerings. Foundational to this renewed employer/employee compact is job security rooted in good jobs (See book reference on the bottom of page 7).

A Story from Columbus, Nebraska...

Columbus (2020 population of 24,028) is located in northeastern Nebraska and has a large and dynamic regional economy with significant manufacturing and logistics activities. Its economy is creating far more jobs than this region has been able to supply as domestic population growth has slowed and rural to urban migration has hollowed out. Columbus is a "can do" community. It went to work recruiting skilled workers from the industrial Midwest and states like Michigan. But the compensation and benefit quality of Columbus jobs compared to unionized jobs in the industrial Midwest were not competitive. The proposition of leaving Midwestern communities to take these **lesser** jobs undermined the ability to recruit needed workers. Motivating someone to leave the community they know where they have property, family and friends and known realities is tough. Driving worker relocation requires a very competitive "A" game.

Wise Use of Automation. Technological innovation has historically substituted machines for human labor. This transformation has reduced the need for high-risk and mind-numbing human labor. But automation has trade-offs. A local café can move to kiosk ordering and reduce wait staff. But this action narrows a café's potential customer base eliminating those who want a higher level of service. For example, food and drink offerings must be standardized while consumers religiously want accommodations. Accommodating customized requests requires staff complicating automated systems.

Technology investments necessary for automation requires more capital, predictable revenues to cover debt service and higher skilled workers. The wise use of automation is a potential solution, but it is not a panacea solution.

The Dairy...

A few years ago, I toured a dairy on the Nebraska/Kansas border. The dairy was owned and operated by a family with a multi-generational history with dairies. This dairy was operated by just three workers, a father, son and one hired employee. It employed state-of-the-art and automated Dutch dairy technology. There were millions of dollars of capital investment enabling a great reduction in both permanent and hired workers. This was not always the case and earlier generations of this dairy were labor intensive with incremental technological investments. When I asked the father/son owner/operator team why they made this choice to go all in on automation, the son quickly answered. Finding workers was getting tough and anti-immigration policies made the prospect for finding affordable (e.g., cheap) entry level and lower skilled workers willing to work hard and in a tough environment questionable. So they went all in on automation. This was a rational choice but vested in the risk that if commodity prices for raw milk were unstable and low (as they have been over the past decade) would there be sufficient revenue to amortize substantial debt.

Expanding the Human Talent Pool. Depending on the indicators and statistics upwards to one-fourth to one-third of our human talent pool is marginalized. By marginalized, we mean those potential workers who are less employable given our current workplace norms. By the traditional standards of workforce, the following groups are more marginalized:

- Non-compensated care givers
- Disabled persons
- Senior citizens
- Those struggling with substance abuse
- Current and retired (veterans) military
- Current and former inmates
- Non-documented persons living in the U.S.
- Youth and young adults

Women, Care Givers and the Workforce...

Traditionally, women are the primary non-compensated caregivers of children, disabled persons and the elderly in our society. With real wage stagnation since 1970s one way that families have sustained a middle-class lifestyle has been for women to enter the compensated workforce. This trend has empowered women with careers, opportunities and greater financial independence. It has also impacted care giving and the raising of children. As high-quality educational childcare, as well as elder and profoundly disabled persons' care, has become more expensive than housing, this coping strategy is being challenged. Employer, community, philanthropic and governmental funding for quality care is key to enable non-compensated care-givers to engage in the labor force.

Consider the following facts...

- | | |
|-----------------------------------|--|
| • 2020 U.S. Population | 331.4 million |
| • Population 18 and Older | 258.3 million or 77.9% of the total population |
| • Population 65 and Older | 46 million or 13.9% of the total population |
| • Theoretical* Working Population | 212.3 million or 64.1% of the total population |
| • In the Labor Force** | 160 million or 75% of the working population |
| • Number of Disabled Americans*** | 61 million or 1 in 4 adults |

*Theoretically every adult from age 18 to 65 (default year for retirement) is a potential player in America's workforce. Of course, not every theoretical worker is actively engaged in working.

While it is impossible for every 18 to 65 year-old in the U.S. to be active in America's workforce, it is possible to greatly increase our **work engaged** human talent pool by empowering marginalized adults. Additionally, we can expand the labor pool by engaging younger than 18-year-olds and 65 and older persons in the labor force. Before we move on to our next topic consider how the COVID-19 World Health Pandemic has impacted our human talent pool and workforce engagement.

"Unemployment rises in 2020, as the country battles the COVID-19 pandemic...

Total civilian employment fell by 8.8 million over the year, as the COVID-19 pandemic brought the economic expansion to a sudden halt, taking a tremendous toll on the U.S. labor market. The unemployment rate increased in 2020, surging to 13.0 percent in the second quarter of the year before easing to 6.7 percent in the fourth quarter. Although some people were able to work at home, the numbers of unemployed on temporary layoff, those working part time for economic reasons, and those unemployed for 27 or more weeks increased sharply over the year."

Monthly Labor Review

The following story speaks to innovative and committed ways to move from the margins just one group of potential workers...

A Story from Northeastern Arizona...

Before COVID I was invited to present to a large rural focused development conference located in rural Northeastern Arizona. While for many, Arizona may be known for its deserts (e.g., think Phoenix and Tucson), this part of Arizona is a landscape of mountains and forests. There is a legacy timber industry in this part of Arizona. As part of my trip I spent several days touring the region's timber cluster. There was forest harvesting and an entire cluster of value-added processing industries from power generation using wood waste to very high value laminated beams. It was in this laminated beam business that I discovered the workforce were current and former inmates from a state prison located in the area. As part of a work release, training and re-introduction program, this high-tech manufacturing business was meeting its human talent with inmates. I was there the day when some of inmates, based on their performance, graduated from prison jump suits to Carhartt (www.carhartt.com) work wear. This was a big deal providing inspiration of a better life rooted in doing meaningful and respected work.

Time to wrap up and move on to conclusion with some parting thoughts on **innovation and embracing change**.

We live in a remarkable and dynamic world. The deepening workforce or human talent challenge has spawned some serious blame game. This crisis has been developing for years. As outlined in this paper there are many drivers contributing to the shortage of workers. But there is also a growing collection of solutions. Some are personal where an industry in Northeastern Arizona collaborates to put inmates back to work or a telephone company in the Sandhills of Nebraska that creates a human talent pipeline to meet its unique needs. Other solutions require collective and systemic responses such as smart immigration reform. For rural America to prosper it must be able to attract, develop and retain human talent.

Conclusion – Innovation and Embracing Change

Embedded in the entrepreneurial mindset is the idea that in every problem, challenge and crisis there are opportunities and solutions. Empowering our rural communities' entrepreneurial mindsets, we can see opportunities, innovations and solutions in our expanding human talent crisis. There are individual solutions and system solutions.

There are complex webs of related solutions. For example, for men and women who want to have careers and also be caregivers for children, elderly and disabled persons, employee benefits and support systems can make a huge difference in enabling both aspirations. Expanded and universal (e.g., where all employers must participate) family leave for both men and women, along with more flexible work hour arrangements, can make compensated working and caregiving viable and good. System solutions include affordable housing, subsidized high quality educational childcare and for those with challenges (e.g., criminal records, substance abuse issues, etc.) wrap around support that makes more people employable and better life outcomes. There are still others like persons with disabilities and veterans who have motivation and skills, but face challenges fitting into the civilian workplace, other wrap around support, transition assistance and accommodations can bring these Americans into the workforce.

As we noted at the beginning, workforce is not our expertise at e2. But as we work with rural communities and ventures throughout North America it is clear that workforce is a growing challenge. We hope some of our entrepreneurial solutions inspire your answers. Remember, in every problem there is a solution. When we are entrepreneurial, every challenge is home to a new opportunity.