INFLATION & HIGHER COSTS ARE AFFECTING HOW CONSUMERS SPEND MONEY

COMPANIES COULD BE ON THE VERGE OF BIGGER LAYOFFS.

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KEY INSIGHT:

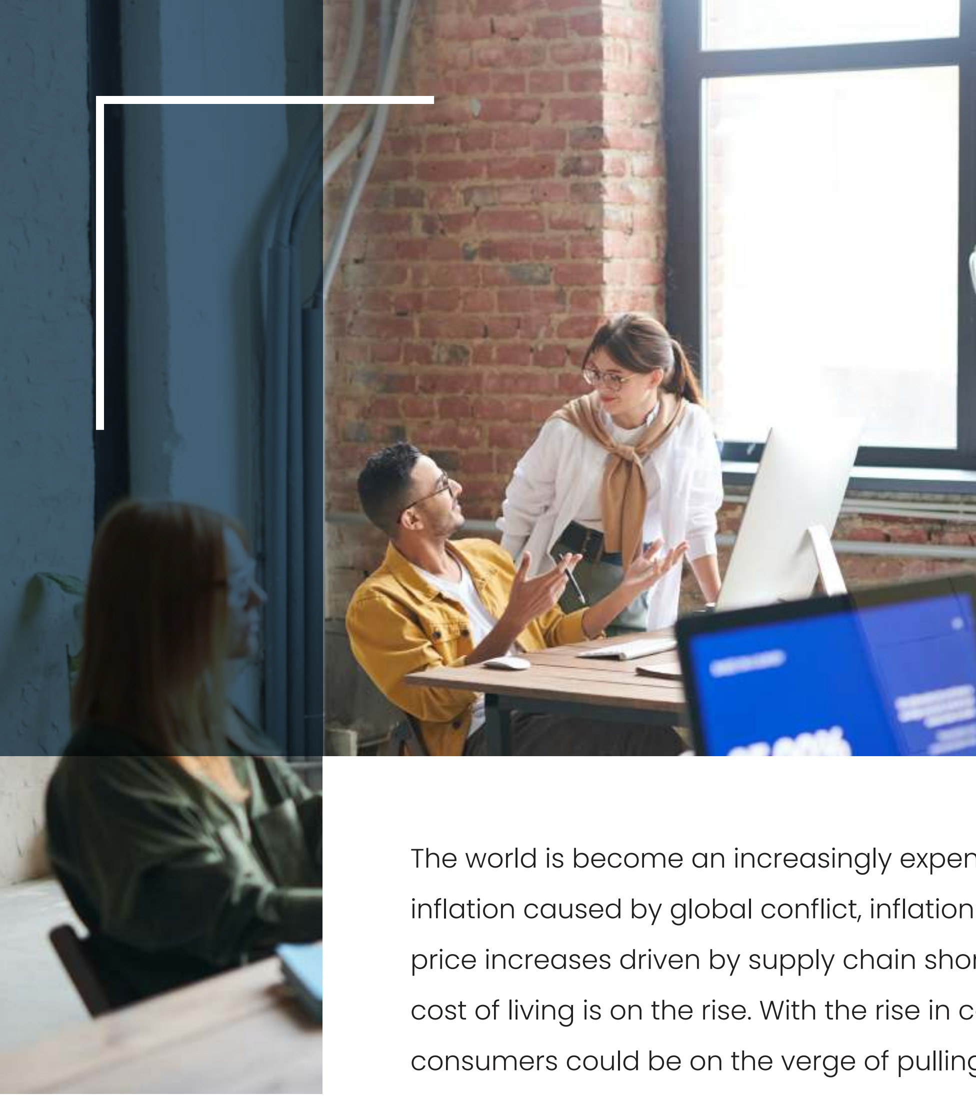
1. With consumers looking to pull back on their spending, how will company earnings look over the next few quarters? And are companies and workers ready for near inevitable layoffs that are on the horizon?

KEY IDEAS:

1. 40.8% of respondents indicate that they are eating out less in response to higher gas prices. 43.2% of respondents indicated that they are choosing to spend less on food in general.

2. 39% of respondents indicated that they are pulling back on travel expenditure. 29% indicated that their savings have been impacted by the higher gas prices.

Source: Employment BOOST Job Search Outlook Survey 2022

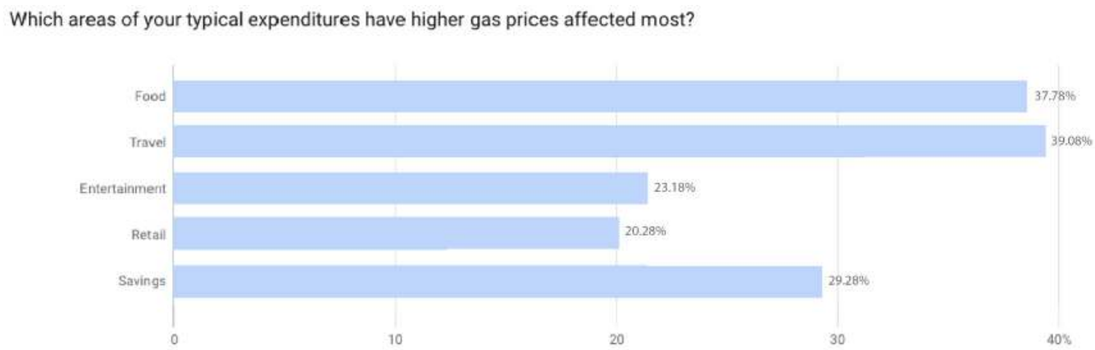


The world is become an increasingly expensive place. Between higher gas prices, inflation caused by global conflict, inflation caused by monetary supply, and general price increases driven by supply chain shortages and disruption, nearly everyone's cost of living is on the rise. With the rise in costs everywhere, our data indicates the consumers could be on the verge of pulling back spending across different areas of their budgets. In fact, we're already seeing increased demand of companies looking for outplacement services. Are companies ready to support their employees in the face of inevitable layoffs? Are companies ready to protect their brands from the reputational hit that layoffs can cause?

WALLET IMPACT OF HIGHER GAS PRICES & LONG-TERM CONSUMER EFFECTS

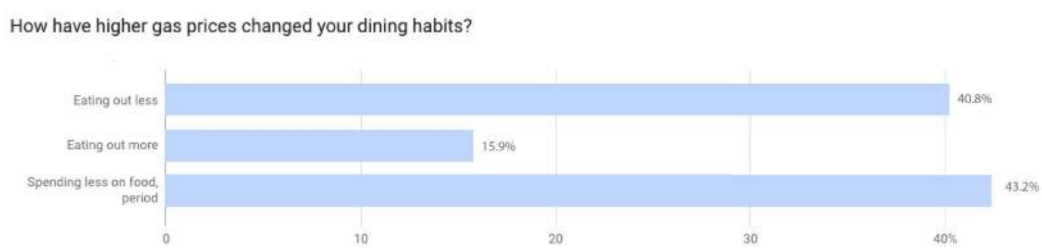
Rising gas prices catalyze a ripple effect to all sects of consumer behavior. Personal car travel is an integral piece of daily lives for many Americans with 290.8 million registered vehicles in the US in 2022. Without ease of transportation due to rising gas prices, restaurants, retail locations, hotels, entertainment locations, and even bank institutions suffer as consumers are dipping in leisure funds for necessary travel.

Respondents report that 39.08% of their finances are dedicated to travel. The current average price of gas in the US is $4.134 and is expected to rise throughout the course of the year. As cost of living simultaneously rises, leisure and entertainment activities are expected to take a financial hit while individuals are unable to meet savings goal or even dip into previous savings.



General price increases driven by supply chain shortages and disruption have impacted grocery prices for individual consumers as well as restaurants, altering that dynamic for the for foreseeable future with 40.8% of respondents reporting that they are eating out less and 43.2% of respondents spending less on food, period.

Consumers are less likely to go out to eat or pay full-price for or buy name-brand grocery items as food costs continue to rise.



As cost-of-living rises, consumers are in turn unable to accrue excess funds to support businesses, catalyzing profit loss and layoffs as production and overall income are stunted and the consumer-producer relationships are damaged.

It is integral that companies prepare their business for such an outcome in 2022 and ensure they are prepared to support transitioning employees within a tumultuous economic climate that is not just on the horizon, but is already showing signs of fruition as organizations inquire about outplacement opportunities and packages.

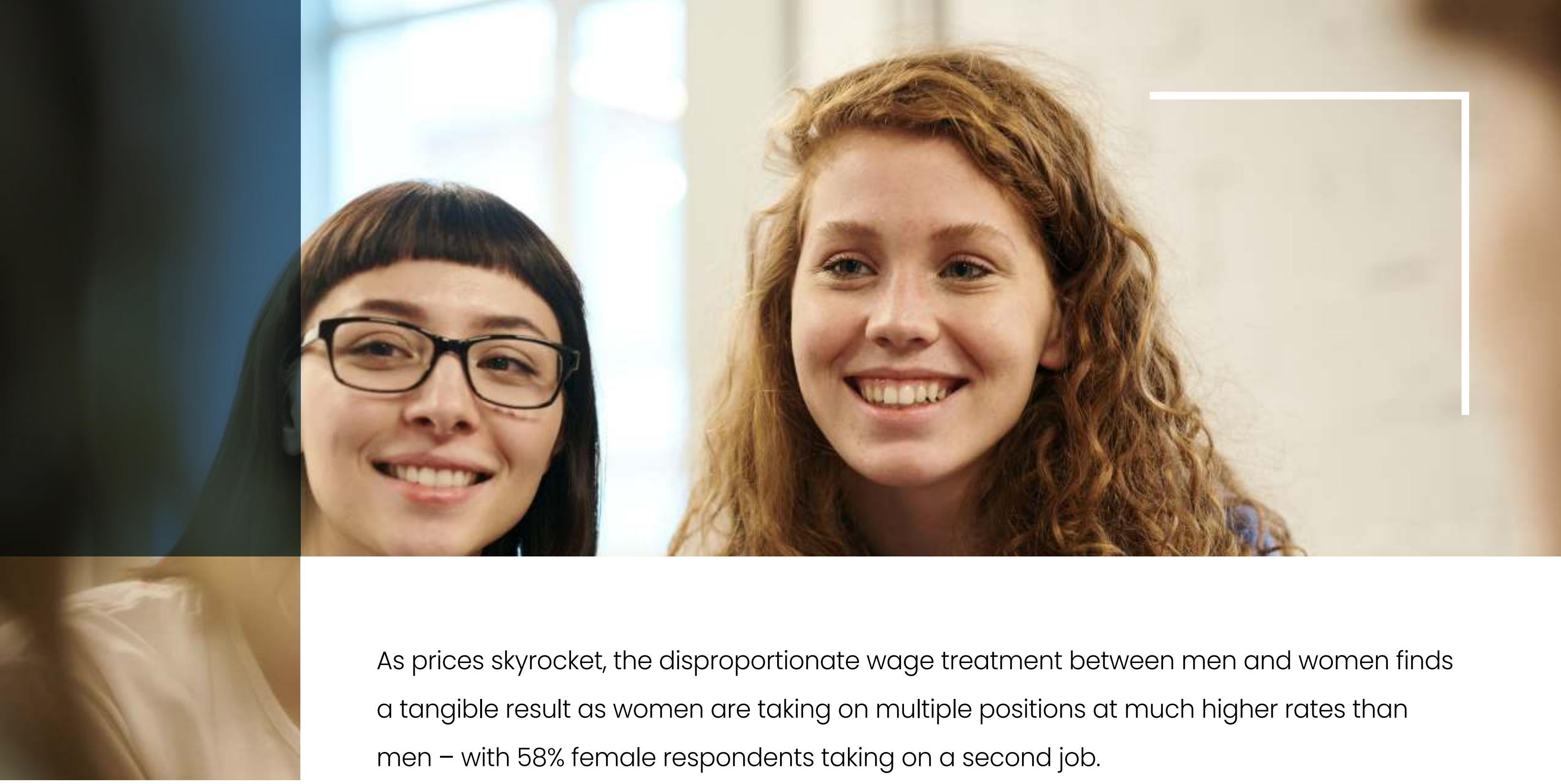
ADDITIONAL SURVEY DATA INSIGHTS

WOMEN HAVE HAD TO TAKE ON A 2ND JOB MORE THAN MEN

The share of workers holding multiple jobs has been declining since and is currently at a 20-year low, but a disparity emerges when this data is broken out by gender. According to respondents, working multiple jobs is something more prevalent among women than men.

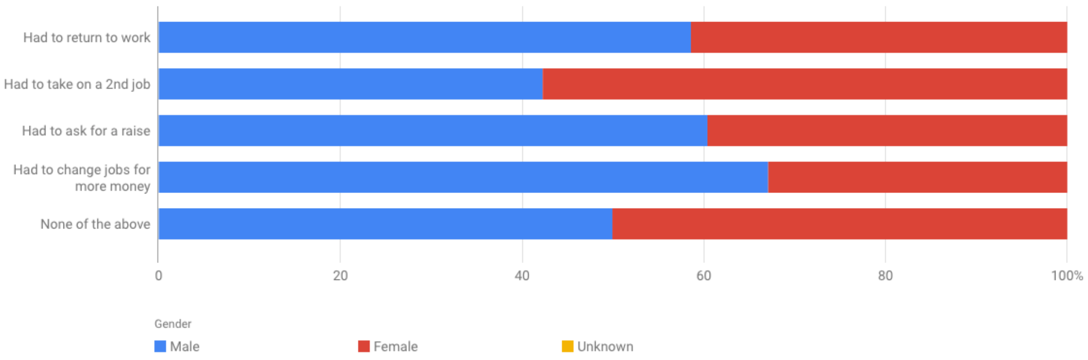
Going into 2022, studies show that women earn 82 cents for every $1 men earn when comparing all women to all men—a metric that is unchanged from 2021, according to compensation data and software firm Payscale's 2022 State of the Gender Pay Gap Report.

Traditionally, women earned less as they are more likely to leave the workforce to uphold social expectations as mothers and caretakers. Unemployed women also face disparate wage penalties compared to men when re-entering the workforce – adding an additional distance when considering the gender wage gap.



As prices skyrocket, the disproportionate wage treatment between men and women finds a tangible result as women are taking on multiple positions at much higher rates than men – with 58% female respondents taking on a second job.

What effect have high gas prices had on your living expenses?



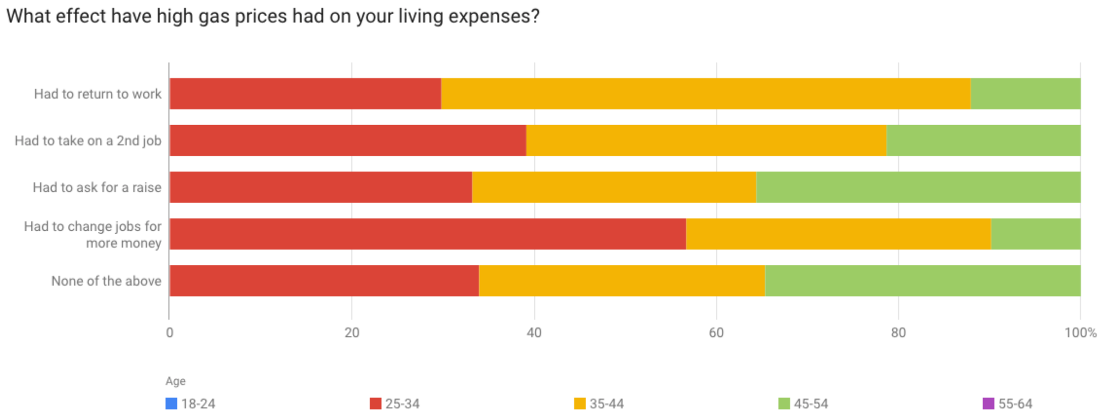
With an upward trend of cost increases, the gap of affordability – regardless of the number of positions an individual holds – will find a bottleneck and will render in inability to both earn and commit excess funds to businesses. This inevitably, similar to the effects of evolving wallet impact, will create a long-term effect on business performance leading for workforce reduction.

Ensuring your business is prepared to support transitioning employees will safeguard employer branding, making establishing and providing outplacement services an utmost importance as the economic climate evolves. The economy is teetering and will inevitably tumble – possibly sooner rather than later. Businesses hold a responsibility and ability to support their transitioning employees with outplacement services for the benefit of former, future, and current employees.

YOUNGER WORKERS ARE CHANGING JOBS TO CHASE MORE MONEY

Younger workers, particularly Millennials and Gen Z, are continuously revolutionizing traditional workplace norms and sharing salaries and pay within their workplace and networks is no exception. Experts attribute that openness to broader generational shifts regarding work and money, particularly the Great Recession and the COVID-19 pandemic.

Cultivating an open environment regarding pay, younger workers are capitalizing on information and following the money within their industries with 58% of respondents describing job changes for higher pay. With inflation and rising prices paired with student loan debt and a tumultuous housing market, this practice is nearing a necessary piece of career projection and planning.



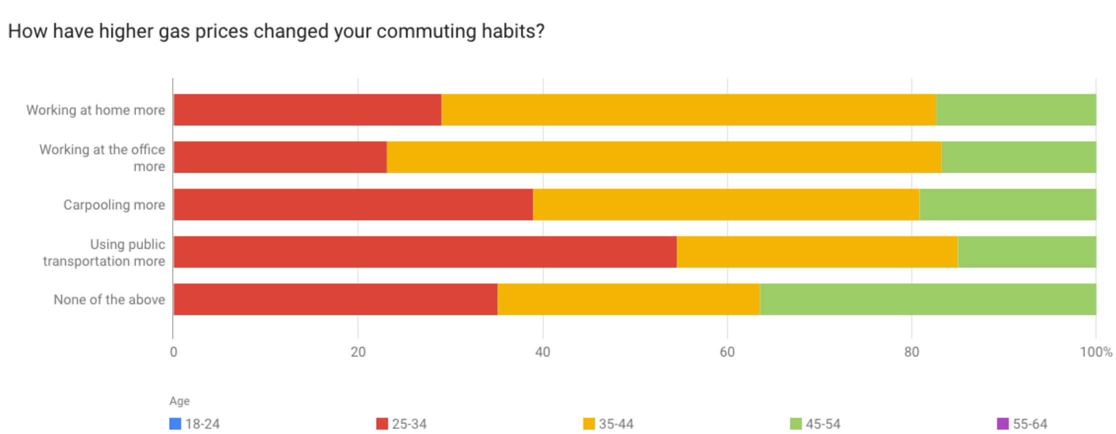
While younger workers are able to follow pay increases, there will be an inevitable bottleneck in cost-of-living affordability against wage increases, highlighting a common thread of tumultuous economic trends across demographics and industries.

When consumers struggle, so do businesses, creating an economical ebb and flow dependent on financial health. As consumers feel the effects of rising prices, businesses simultaneously will. As the economy spirals downward, it's more important than ever to ensure that as business leaders, you are prepared to support transitioning employees as layoffs ensue.

MID-CAREER PROFESSIONALS ARE MAKING DECISIONS AROUND WORKING AT HOME OR WORKING AT THE OFFICE MORE

Similarly, gas prices are dictating decisions surrounding remote and hybrid positions and leading professionals to work from home at 3X the rate of those going into the office. A vast majority of respondents report choosing to work from home more often or carpool and use public transportation when having to travel to the office. With the revolution of remote positions, a commute is an ongoing cost that employees have power in adjusting as they navigate changing positions.

Around 62% of employees aged 22 to 65 say they work remotely at least occasionally, slashing travel costs across the workforce and providing tangible benefits to seeking out remote and hybrid positions.



Between higher gas prices, inflation, and general price increases driven by supply chain shortages and disruption, nearly everyone's cost of living is on the rise. As individuals' additional funds and savings diminish, businesses across industries are sure to experience production, profit problems, and subsequent layoffs.

Taking an extra level of care in providing ongoing support of laid off employees is more important than ever.

Taking care of leaving employees with outplacement services shows potential new employees, as well as customers and those in the industry, that your business values its team during transitionary periods – strengthening employer branding while caring for employees who have provided their time and work to your organization.