

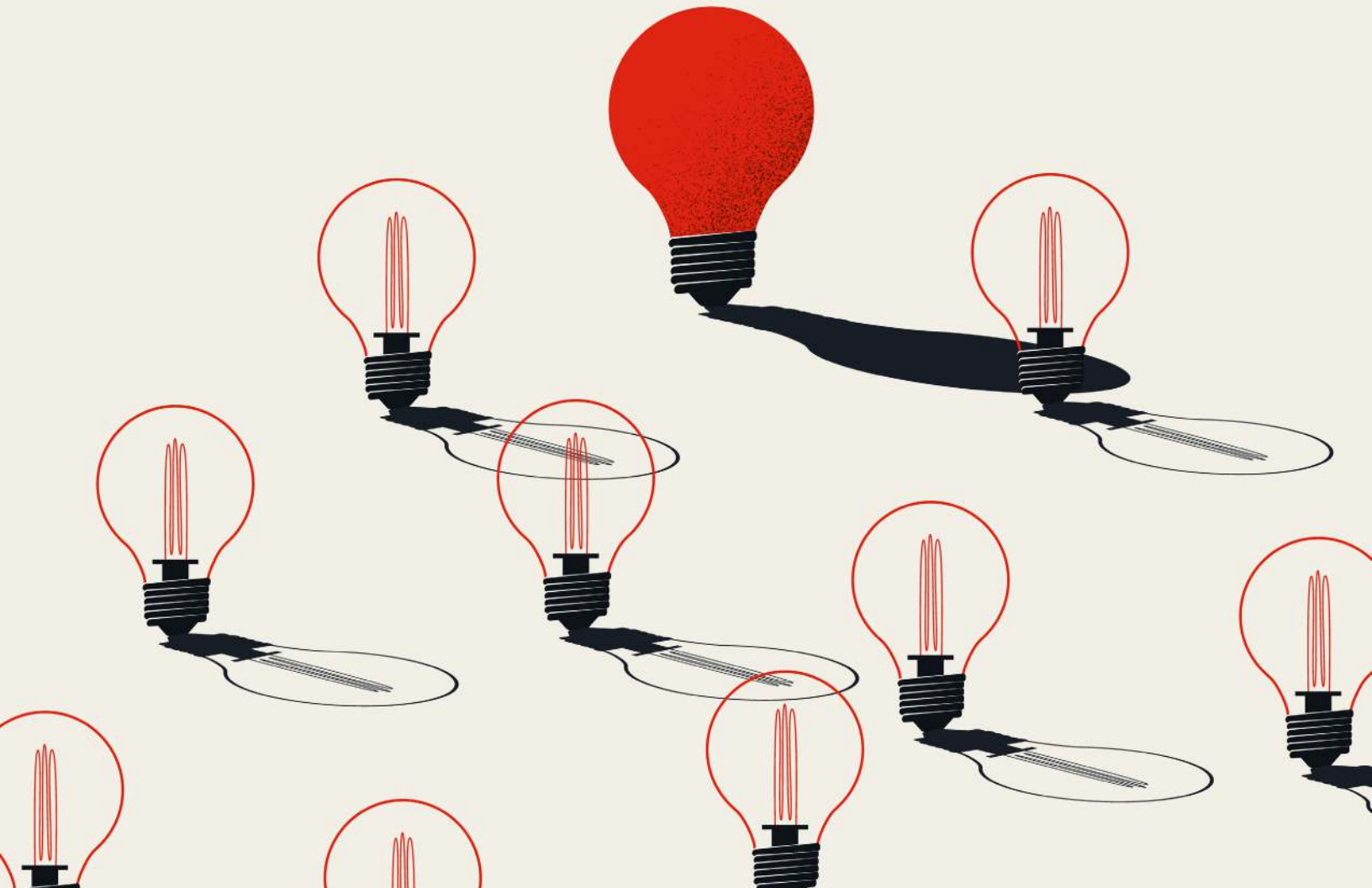
NEW YEAR, NEW YOU 2023

EMPLOYMENT
BOOST

Employment BOOST is a full-service resume writing, corporate outplacement, coaching and career services company.

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KEY FINDINGS:

- 1. LESS EXPERIENCED WORKERS, WHO ARE EARLIER IN THEIR CAREERS, ARE FAR MORE CONCERNED ABOUT POTENTIALLY LOSING THEIR JOBS IN 2023 THAN MORE EXPERIENCED WORKERS.**
- 2. LESS EXPERIENCED WORKERS, HOWEVER, ARE ALSO THE COHORT MOST INCLINED TO BELIEVE THAT THEY WILL RECEIVE PROMOTIONS AND RAISES IN 2023.**
- 3. LESS EXPERIENCED WORKERS ARE MORE LIKELY TO BELIEVE THAT THEY WILL MAKE MORE MONEY AT THE END OF 2023 THAN THEY START THE YEAR.**

As we roll into 2023, we think back to 2022 with a bittersweet reflection. In 2022, we saw the US Federal Reserve raise rates, putting enormous pressure on the housing industry, and we also saw technology companies announce substantial layoffs in response to inflationary dynamics and over-hiring during the pre-vaccine stage of the pandemic.

“The beginning of 2023 is starting with news of a lot of layoffs and movement in the workforce. While layoffs for organizations are oftentimes a result of macroeconomic changes and out of a company’s control, you should prepare yourself in case you are impacted by a workforce reduction,” warns Ryan Miller, SHRM-CP, Director of Client Success at Employment BOOST. “Do you know how you demonstrate value to a company? Are your resume and LinkedIn showcasing your skills as well as possible? Have you practiced interviewing recently? You will want to stay ready so you don’t have to get ready.”

Professionals looking at the job market landscape in 2023 will find one where technology giants are laying off workers, while conglomerates are getting in on the act and beginning to execute reductions in force. Meanwhile, the small-to-medium business sector of the economy continues to struggle with talent acquisition.

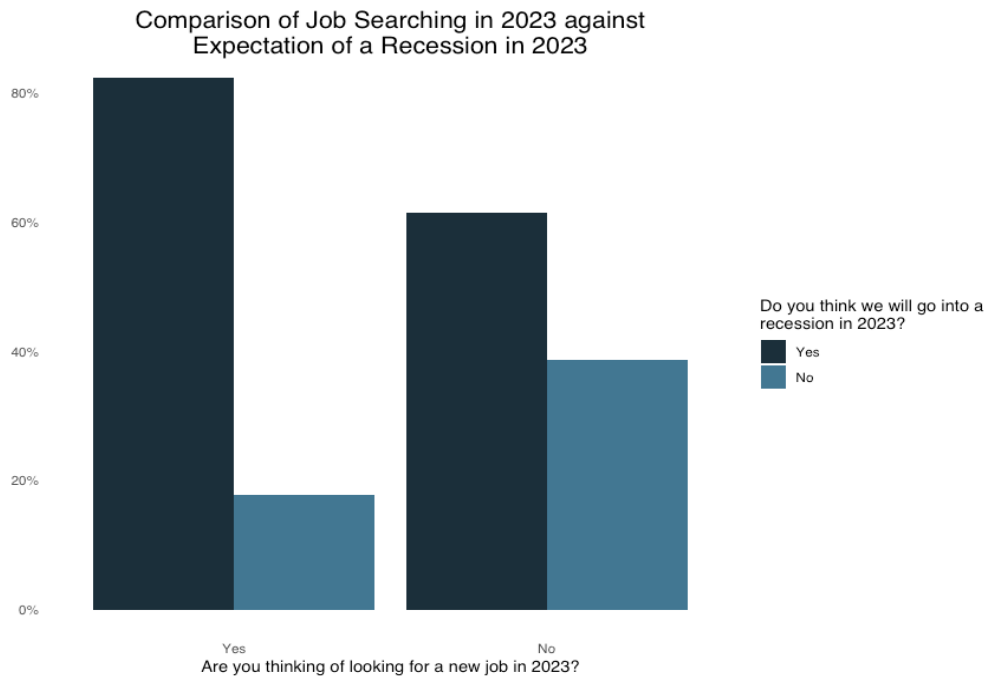
Recession on the mind

Our survey data found that there is a strong correlation between individuals who believe that they will be looking for a new job in 2023 while also believing that the US will be entering a recession this year too.

Whether professionals are making plans to more secure positions, feeling confident that they are secure in the ability to transition to new companies, or expecting to be affected by layoffs, many strongly associate their job search with 2023 with the belief of an upcoming recession.

The thought of impending recession brings the need for preparation back to the surface. If the goal is to demonstrate value to your organization and offset the chance of a layoff if the time comes, this is a great opportunity to take on new initiatives and build connections with your team and leadership to best demonstrate your value.

On the flipside, if the main concern is preparation after a round of layoffs, then now is the time to spruce up career documents—like your resume and cover letter—and your LinkedIn profile. Preparing beforehand saves precious time and allows you to hit the ground running in the job search and not spend the first days of a layoff trying to organize these pieces. Interview preparation is another great way to help plan and alleviate ongoing layoff anxiety if preparation is a primary concern.



More experienced workers are more practical in a downturn case

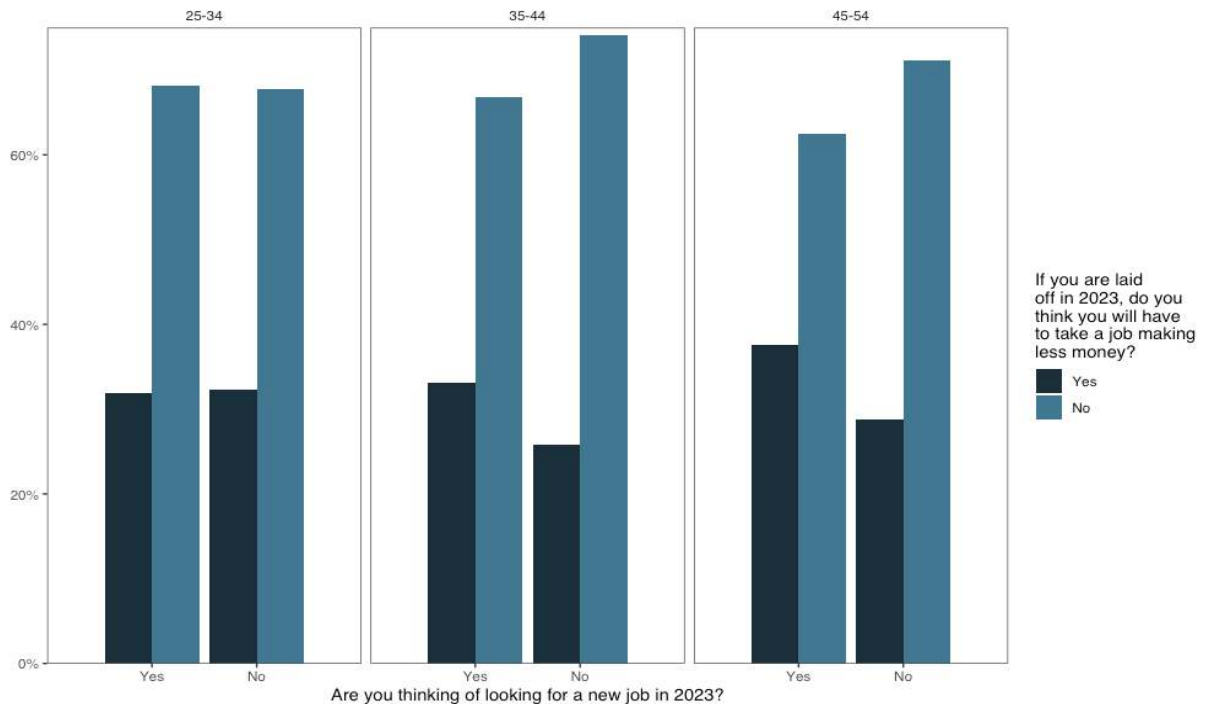
More experienced workers are less inclined to think about looking for a new job in 2023 and are also the cohort who would be willing to take less money if they are laid off in 2023.

Workers who have been in the workforce longer naturally have a better understanding of the professional landscape and insight into the internal hierarchy and decision-making of stakeholders and management. Where a less experienced professional may not associate starting a new position as a vulnerable predicament in an economic downturn, a seasoned professional recognizes the value of the company-specific experience that naturally comes with longevity.

More experienced workers who have been in the workforce longer—likely older than less experienced workers—may have situations that require income and cannot afford idle time between positions. While unemployment benefits are useful in layoff scenarios, oftentimes that income isn't enough to offset monthly expenditures.

Depending on the timeline of more experienced workers, it's likely that this is not the first time they have experienced economic downturn. Being practical and preparing for a layoff is more natural to those who have already experienced similar scenarios. To bridge the gap between practical choices in the current market, preparation and transparency in each individual situation is necessary to be positioned for success regardless of age.

Comparison of Job Searching in 2023 against Willingness to Accept Lower Pay if Laid Off by Age Group

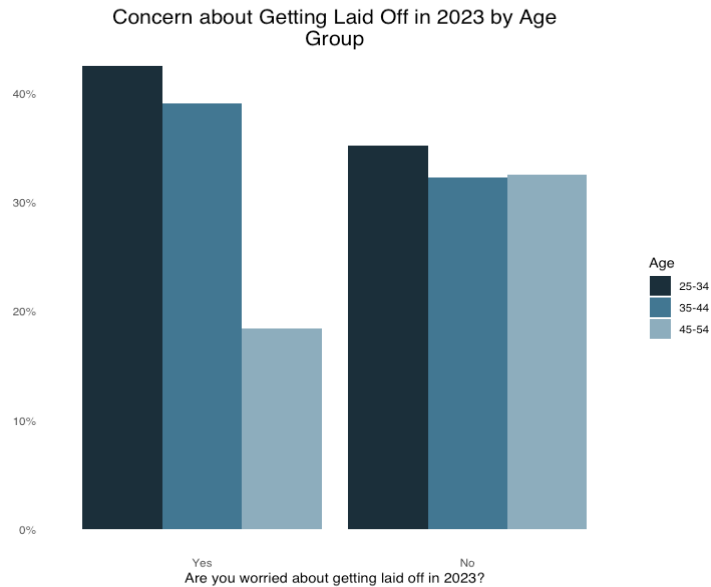


Less experienced workers are more concerned about being laid off in 2023

Less experienced workers are more vulnerable in an economic downturn compared to seasoned workers.

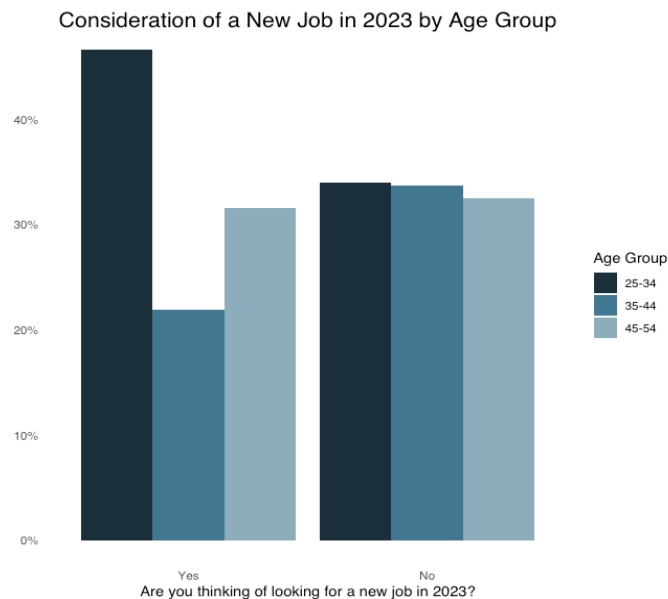
Naturally, less company and industry experience places less experienced workers in a situation of being less valuable if a team needs to make necessary cuts, of course of no fault to the employee.

Whether or not a layoff is on the horizon at your organization, alleviating that anxiety begins with preparation. Getting career documents and LinkedIn details updated while brushing up on interview skills ensures you are prepared in the event of a layoff.



Younger workers are also more likely to be considering new jobs in 2023

Regardless of the worry among younger workers, many are still making long-term career plans to transition to new positions. While there is rising anxiety alongside climbing layoff numbers and a tumultuous economic environment, younger workers are not planning on setting aside career goals and instead are looking to capitalize on opportunities and take new positions.

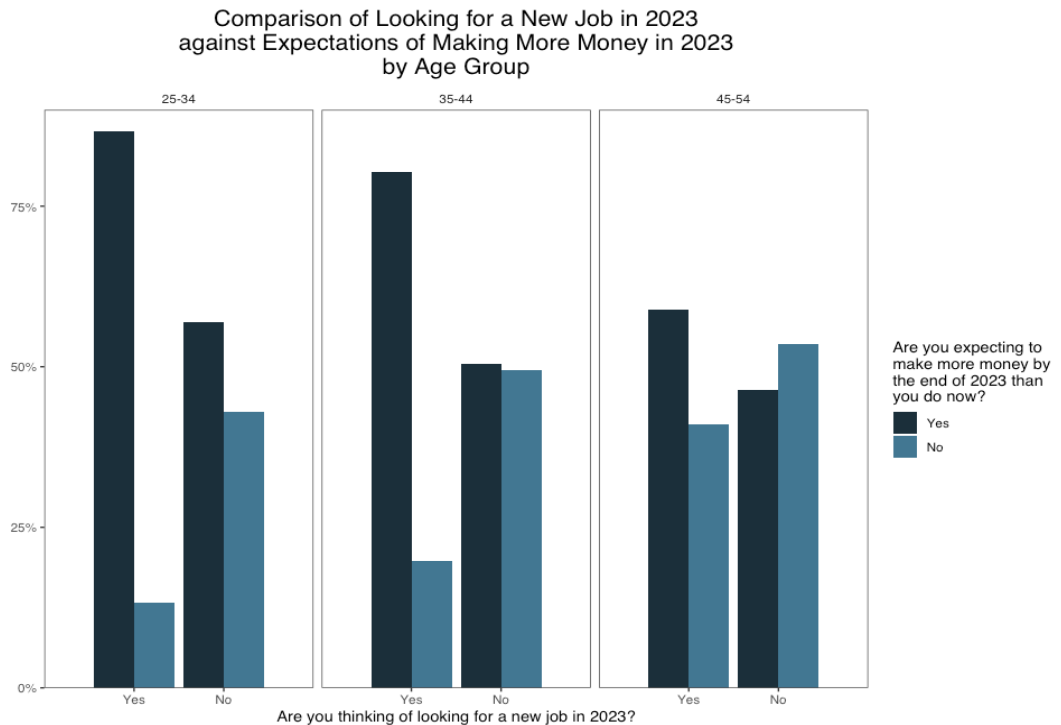


Rose-tinted glasses

Less experienced workers, despite being more concerned about the economy in 2023, are also the cohort that is expecting to be making more money at the end of 2023 than they went into the year making.

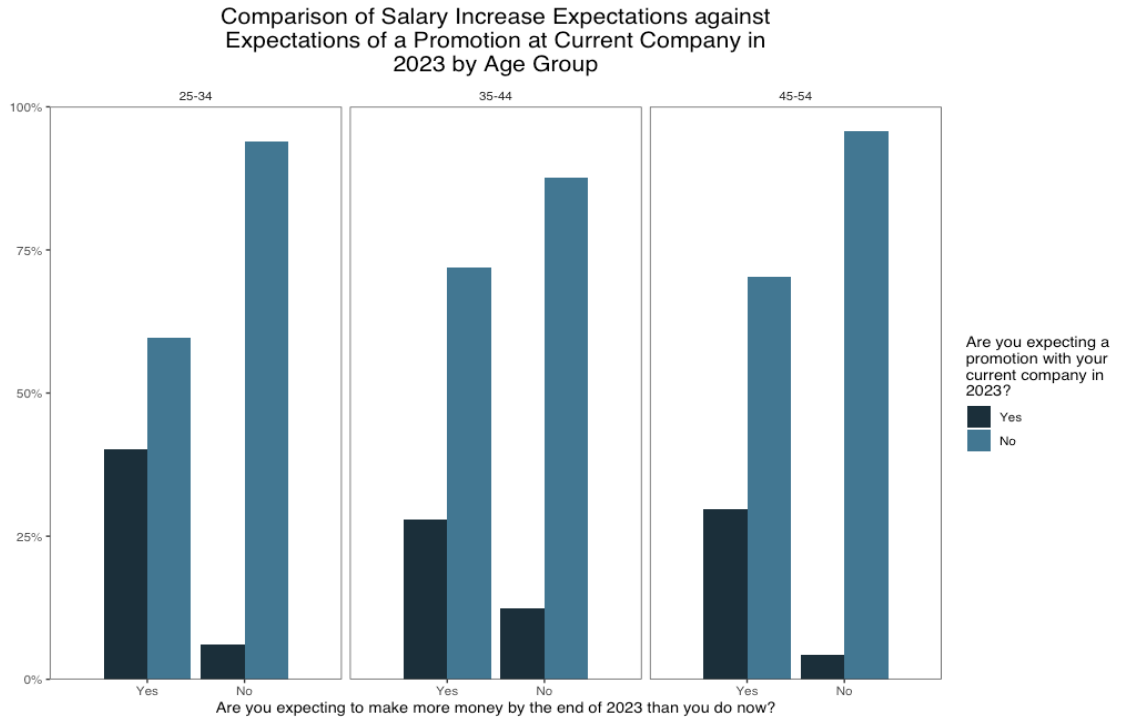
This could be a function of a lower starting salary base or could speak to a general youthful optimism. This sentiment is clearly not as widely held as professionals become more tenured. More experienced workers are far less inclined to look for a new job in a downturn year, and our data indicates that more experienced workers are also less optimistic about making more money at the end of 2023 than the beginning of the year.

“A lot of less experienced workers are coming off of an unprecedented time in the US economy where the market was highly candidate-driven and companies were desperate for talent in order to meet consumer demand. Companies in many instances had to extend budgets and overpay for talent,” adds Miller. “Because of that, less experienced workers commanded job titles and wages that drove a lot of their current optimism. That said, workers who have experienced these economic shifts in the past exercise more caution and pragmatism.”



Less experienced workers are still expecting promotions in 2023

By a factor of nearly 2 to 1, less experienced workers are expecting promotions in 2023. This despite being the cohort most concerned about losing their jobs in 2023 due to an economic downturn. While there is strong belief that the upcoming year will herald an economic downturn, less experienced workers are still confident in climbing the ladder—possibly because as a less experienced worker there are simply more rungs left in the ladder to climb. Regardless, the optimistic sentiment is seemingly strong despite the expectation of layoffs on the horizon.



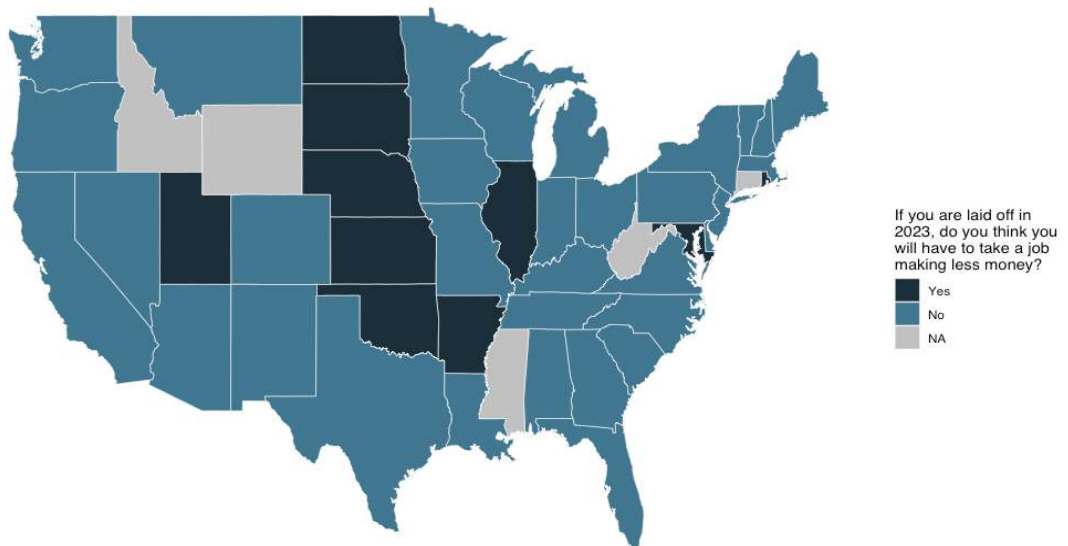
Workers living in the coastal areas of the US are less willing to take lower pay if laid off in 2023

Overwhelmingly, the most expensive states in the US to live in are on the west and northeast coasts. While this may not be the overarching reason for this sentiment, as many inland states share the same view, it likely plays a large role as to why professionals aren't willing to take a pay cut if laid off. It's possible they simply are unable to maintain their baseline living arrangements.

Another factor to consider is the potential impact this would have on an individual's career trajectory. While having a continuous income, even if smaller than before, is obviously better than no income at all, taking a step down or back in the grand scheme of career trajectory may offset growth long-term and create another hurdle to overcome down the line. Rather than a continuous upward climb on the hierarchical ladder, moving up and down the rungs could possibly set back career goals and curtail progress.

While some may be able to simply bypass a previous hierarchy state to a promotion in the next position after taking a pay cut in a lower standing position, others may need to climb the ladder all over again to kickstart that growth.

Willingness to Take a Lower Pay if Laid Off in 2023 by State



The 2023 job market is being defined by technology layoffs, large scale reductions in force, and a sticky struggle for companies to find talent. While individual professionals aren't able to impact large-scale economic trends, they can focus inwardly to prepare for a "new year new me" mentality in 2023. Whether it's preparing to take on new initiatives in your organization, transitioning to more secure or better paying positions, or planning for layoffs on the horizon, the career landscape of the new year has taken on a very different sentiment in 2023.