

Preparing for 2023

We have all been on a roller coaster for the past 2 years and all signs look to that continuing into 2023. Here are some of the things we are watching heading into the new year.

Impacts from Election Day 2022

Ballot Initiatives: Along with the much-publicized control of Congress, several ballot initiatives were on the ballot across the country this election. While we do not know some requirements yet, here are some things considered to have big impacts on employers and employees.

Minimum wage: Nebraska voters passed a measure to increase the state's minimum wage incrementally until it reaches \$15 per hour by 2026 and then annually thereafter based on the increase in cost of living. Nevada's minimum wage measure that passed will increase the minimum wage to \$12 per hour and remove the differences based on the employer offering health care benefits or not.

Legalized marijuana: Maryland and Missouri passed measures to legalize the recreational use of marijuana for adults over 21. This would not impact an employer's right to prohibit the use, possession, or being under the influence; however, it could change how employers can use positive marijuana drug test results in making employment decisions. Similar measures did not pass in Arkansas, North Dakota, and South Dakota.

Legislatures: For the next 2 years, we do not expect to see much legislation from the divided US Congress. In fact, the division could create more issues if needed legislation is obstructed, budgets are not passed, and the government is shut down.

However, on the state level, we expect legislation on sick pay, legalized marijuana, paid leave, weapon restrictions or permissions, pay equity or transparency, anti-discrimination, and restrictive covenants depending on the philosophy and needs in different states. The shifting control in some state governments from one party to another or from a split to one party being in control often means a change in legislative agenda with topics often dictated by the party in charge.

Employers need to stay aware of legislation moving through all levels of government, updating policies and procedures as new regulations are implemented and educating employees on their rights and responsibilities.

Labor market

At the end of 2022, the labor market is still competitive and tight. [Recent job growth](#) was higher than projected, with 263,000 jobs added in November and the unemployment rate holding steady at 3.7%. Wages are increasing with the average hourly earnings increasing 0.6% in November, increasing the annual increase to 5.1%.

It appears "the Great Resignation" is slowing down but [approximately 4 million people](#) are still quitting their jobs each month. Employees are quitting due to personal reasons (such as illness, to care for family, or to pursue other career or educational opportunities), for better compensation (such as higher wages, more paid time off, or better insurance options), greater flexibility (such as remote work or flexible scheduling), or to escape a poor corporate culture (including long hours, poor management, or

blatant discrimination or harassment). With over 10 million job openings (equivalent to [1.7 openings for each person](#) looking for a job), employees still greatly control the job market...for now.

The state of the economy will impact the job market in 2023. Financial experts have been warning about [a recession but with a currently strong economy](#) and the rate of inflation slowing, they now think it may be weaker and shorter than originally feared.

With the predicted inflation, many expected massive layoffs in 2023. While the [layoffs at large tech companies like Amazon, Twitter, and Meta](#) make headlines, many companies are not expecting to lay off employees given their need to meet continuing demand and their need for qualified workers. Instead, we may see fewer job openings as companies reduce their hiring efforts while waiting out the threat of recession.

Employers need to prepare their companies to adjust and withstand the fluctuating and uncertain conditions of the economy and job market as well as the impacts felt within their industry, city, and state. Employers should also be attuned to the financial, flexibility, and developmental needs of their employees to retain them.

COVID-19, RSV, flu, and others (Sorry!)

With approximately 300,000 new cases per day in the US and almost 2,000 people dying each day, COVID-19 is evolving into an endemic but, with highly-contagious emerging variants, is still considered a public health emergency in some areas. An [estimated 16 million employees](#) have long COVID with an estimated 2 – 4 million people needing to leave the workforce due to long COVID which accounts for 20-40% of the labor shortage.

Additionally, many officials are [declaring pediatric RSV a public health emergency](#) given the rising numbers of children becoming sick, being hospitalized, and dying due to the infection. Added to that, we are seeing the annual winter impact of influenza with millions of people already infected and hundreds of thousands hospitalized.

Employers need to know their legal and practical responsibilities to prepare for employees who become sick or have to care for a family member who becomes ill:

- Several states still have COVID-19-related pay, disability pay, and/or protections for time off due to covered purposes, some of which have been extended to cover RSV and the flu.
- Review the possibilities of remote work options and prepare for coverage if someone needs to miss time out of the workplace.
- Offer cleaning and sanitizing products and create more open spaces to reduce exposure in the workplace.
- Support and encourage employees and their families to get vaccinated against COVID-19 and the flu, both of which have been shown to reduce number of cases and severity of illness.

Other trends we are keeping our eyes on in 2023:

Diversity, Equity, and Inclusion (DEI): Diversity in cultures, races, genders, religions, etc. as well as of thought is often considered a factor for the success of an organization. Employees want to feel included and clients want to work with people that look like them. Differing perspectives and backgrounds can lead to better ideas to weather uncertainties. While discrimination is

prohibited under law, incorporating true equity and inclusion can help companies thrive. Employers should learn to embrace and support differences and require that support from everyone in their organizations.

NLRA / NLRB: The National Labor Relations Board is continuing to strengthen employee and union rights. This includes measures that impact non-unionized companies such as handbook language and restricting protected activity in the pursuit of better working conditions. Employers need to ensure they know the legal requirements and are not impeding those rights.

Affinity HR Group offers clients compensation, compliance, development, and recruiting tools to help them manage all of these uncertainties.

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Paige McAllister is a contributor for Affinity HR Group, Inc., IIAV's affiliated human resources partner. Affinity HR Group specializes in providing human resources assistance to associations such as IIAV and their member companies. To learn more, visit www.affinityHRgroup.com.

Links:

Recent job growth: <https://www.reuters.com/markets/us/us-job-growth-beats-expectations-unemployment-rate-steady-37-2022-12-02/>

Approximately 4 million: <https://www.bls.gov/news.release/jolts.t04.htm>

1.7 job openings: <https://www.bls.gov/charts/job-openings-and-labor-turnover/unemp-per-job-opening.htm>

Recession but: <https://www.cnn.com/2022/12/02/economy/yes-but-economy-analysis/index.html>

Layoffs at tech companies: <https://www.cnbc.com/2022/12/02/tech-layoffs-may-not-be-a-bad-omen-for-us-economy-at-large.html>

16 million employees: <https://www.brookings.edu/research/new-data-shows-long-covid-is-keeping-as-many-as-4-million-people-out-of-work/>

Declaring RSV: <https://www.cnbc.com/2022/11/18/biden-asked-to-declare-emergency-over-rsv-flu-kids-hospitalizations.html>