



INFLATION NOW TOPPING LIST OF EMPLOYER'S PANDEMIC CHALLENGES

Employers have faced many challenges since the start of the pandemic, and now wage inflation may be at the top of the list. Using the law of supply and demand, as the supply of talent decreases, candidates can demand more money. The good news, according to the Department of Labor, the unemployment rate fell to 4.6% in October 2021, a new pandemic low. However, [average hourly earnings increased 0.4% in October](#), while top-line inflation for the month increased 0.9% which was far more than projected. History has taught us that there is a correlation between inflation and higher wages. According to the Bureau of Labor Statistics, over the past 10 years prices have increased 23% while hourly earnings have risen 27%.

Here are some of the things employers can put in place as part of their strategy:

- Be transparent with employees about their compensation. If you can't offer them a significant increase all at once, make sure they know it will be coming in the future and emphasize how important they are to the organization.
- Provide employees with total compensation statements to describe the value of their health insurance, retirement and other perks.
- Offer a hybrid work arrangement. Employees value the ability to work from home and some of your employees may place a higher value on flexibility over pay.
- Education and focus on learning and development opportunities that exist within an organization.
- Demonstrate empathy and focus on employee's mental health and overall wellbeing. Working for a manager that cares about you as an individual is invaluable.

This document is not intended to be exhaustive nor should any discussion or opinions be construed as legal advice. Readers should contact legal counsel for legal advice.

