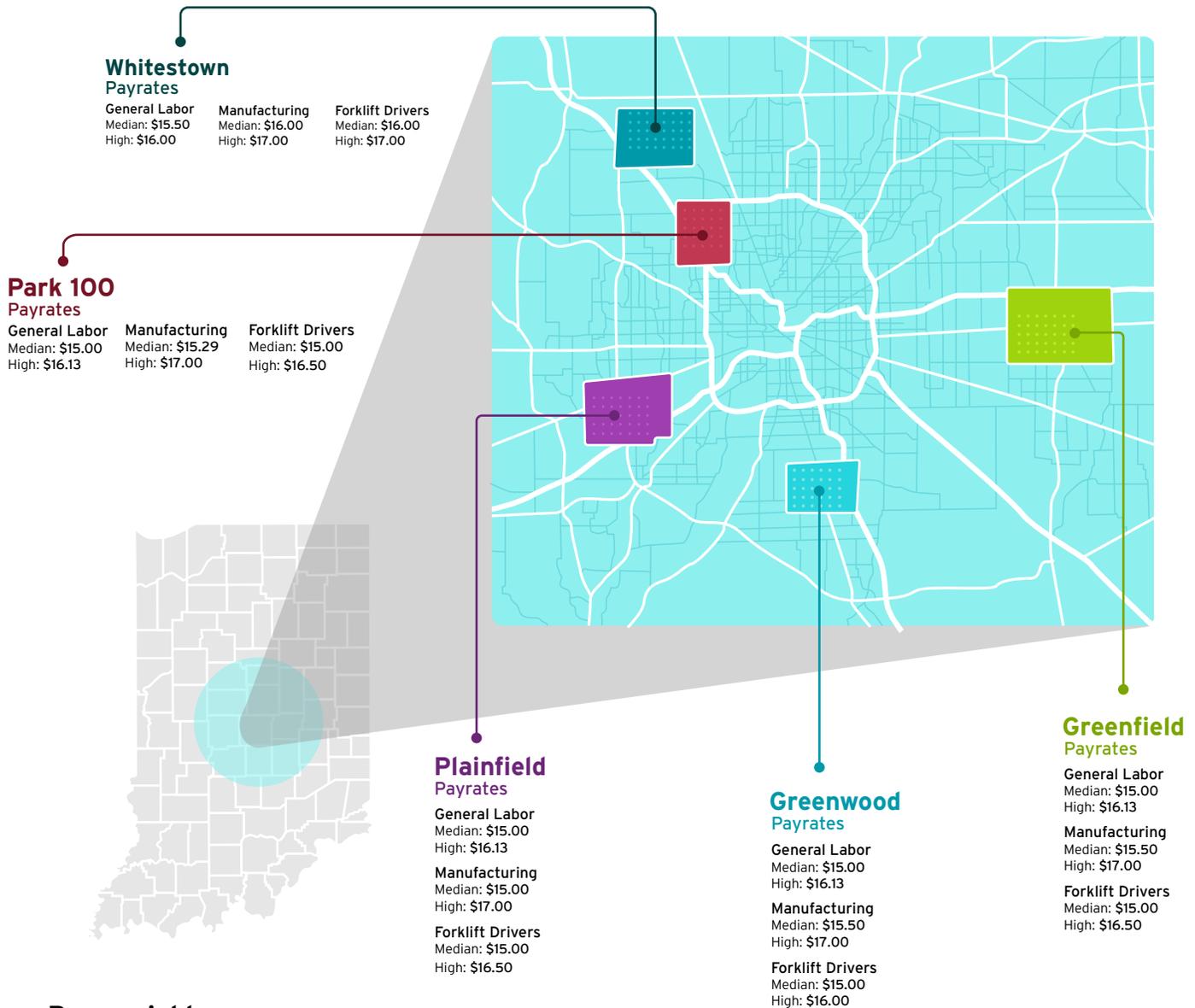


2021 Market Intel

Greater Indianapolis Region



Pay rate in the light industrial industry is a key indicator for how quickly an organization can fill job requirements and grow their team. It's important to understand the factors that influence job seekers when pursuing employment opportunities and what each regional area offers to the employers.



Pay variables

Factors that affect job seeker selection of a position, outside of pay rates:

- ▶ Stringent Background Requirements
- ▶ Drug Screening that has high out of pocket expense for the job seeker
- ▶ Language Barriers

Intel Powered by Data Team at Morales Group Staffing

Morales Group, Inc. (MGI) is a mission-driven talent sourcing agency headquartered in Indianapolis, Indiana with additional offices across Indiana, Kentucky, and Texas. Over the past 17 years, MGI has successfully placed over 175,000 teammates in partnership with local community outreach organizations and businesses. We draw upon the unique spirit and ability of a globally diverse workforce to enhance our clients' business agility and competitive edge in the marketplace.

Job Offer Acceptance + Declination Rates

During any peak season, **demand for labor will outpace supply**. Companies like Amazon will continually cast the pay rates higher leading to an abundance of high-paying jobs.

As higher paying jobs become available, candidates have the opportunity to be more selective. We tracked our client base, the pay rates, and the job acceptance / declination rates along with data from Careerbuilder to show you the current market trends.

Based on the last 30 days of acceptance/ declination rates*:

- ▶ For jobs paying in the range between **\$11.00 and \$12.50**, we are trending an average of 98+% declination rate. We continue to see the marginal increases of declination % from 2020 to date, trending towards 100%.
- ▶ For jobs paying in the **\$13.00-\$14.00** range, we are trending with a 90+% declination rate. We have seen an increase from 80% in late 2020, trending to 85% in first and second quarter. Expectation is that Q3/Q4 we will continue to see that decline % rise towards 95-98+%.
- ▶ For jobs paying in the **\$15.00-\$17.00**, we are seeing a trend uptick to 63+% declination rate. Dropping lower as that base rate increases, this is again a shift up from 48%.
- ▶ For jobs paying at **\$17.00 and above**, we are seeing a drop to less than 40% declination rate. There is a static/inherent minimal declination rate that occurs given scope of work, shift, location etc. Recent job requests at 17.00 - 18.00 were seen to be filled within 1-3 day period depending on volume request.

Takeaways

These increasing percentage decline trends between Q1 and Q3 are attributed to the market continuing to contract given: unemployment stimulus, prorated child tax credit payments, COVID-19 concerns, back to school schedule/children quarantine.

- ▶ 2021 Trends on Male v. Female has migrated from 2019 50.3% v. 49.7% to directional 52% 48%
- ▶ Anecdotal trends relay less female available in workforce due to aforementioned market assumptions

Below \$15.00 pay rates are becoming no longer viable offers based upon declination %'s continuing trends upward.

- ▶ Coupled with the overall labor market viewing \$15.00 as the unofficial minimum wage.
- ▶ This is based upon our declination data and live feedback (obtained via surveys) from candidates to our recruiters in all markets.

Projections in mid/late Q3 into Q4, will be more financially lucrative seasonal increase to base pay with hourly seasonal bonuses.

- ▶ Companies have began now, to increase base pay along with hourly bonus rates.

Current market, end of Q2 / start of Q3 - are seeing sign-on + retention bonuses taking effect now.

- ▶ This is in part due to competition outside of the warehouse/manufacturing industry offering lucrative sign-on bonuses.