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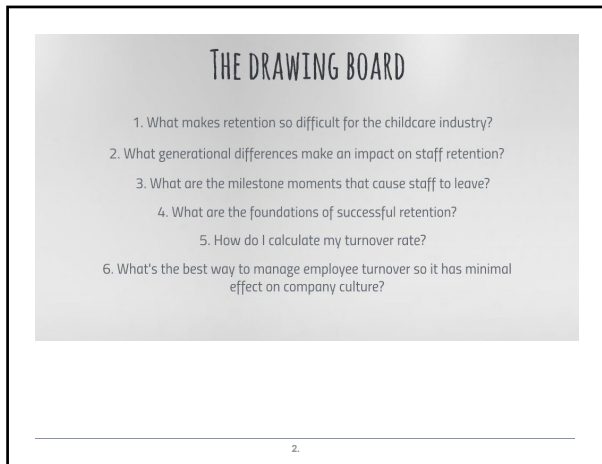
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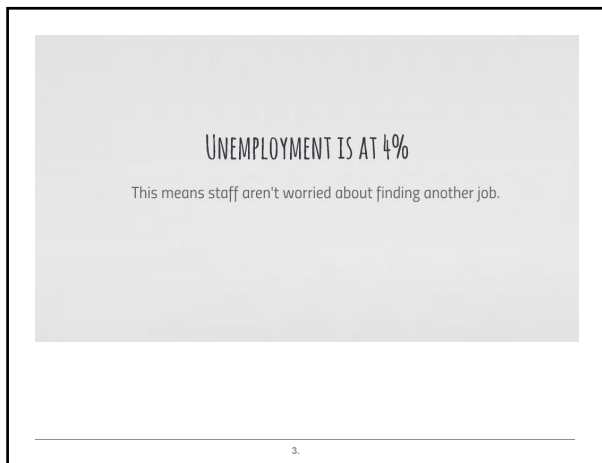
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**WAGE CREEP**

With minimum wage going up across the country, small businesses are finding it hard to keep up with payroll costs.

Turnover in the childcare industry is 30-40% on average.



USA Federal Minimum Wage

**\$7.25**

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**STATES WITH LOWEST MINIMUM WAGE**

Alabama, Georgia, Idaho, Indiana, Iowa, Kansas, Kentucky, Louisiana, Mississippi, Nevada, New Hampshire, North Carolina, North Dakota, Oklahoma, Pennsylvania, South Carolina, Tennessee, Texas, Utah, Virginia, Wisconsin, Wyoming

**AND THE HIGHEST...**

\$11.00	\$12.00	\$11.10	\$14.00	\$11.00
Arizona	California	Colorado	Washington D.C	Maine
\$12.00	\$11.10	\$11.25	\$12.00	
Massachusetts	New York	Oregon	Washington	

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**THE APPROACHING TSUNAMI**


Overspending on labor costs impacts profit and bottom line!

**HINGE LABOR RECOMMENDATIONS**

45% Staff Salaries at 70% Occupancy

Note:

- If you're considering buying, selling or growing, labor costs must be managed.
- Raising rates or finding other sources of income are critical to avoiding the tsunami.



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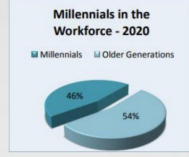
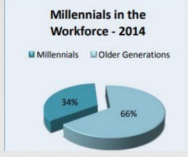
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# MILLENNIALS

Now accounting for one-in-three American workers, this generation is surpassing GenX in the workforce. They will comprise more than one-third of adult Americans by 202 and 75 percent of the workforce by 2025. Their work ethic and long-term goals are different than other generations.



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# MILLENNIALS VS. MANAGERS

## Job Factors Valued as Important



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## MILLENNIAL BEHAVIOR



- Active and Involved Leadership
  - Collaborative Teamwork
- Unstructured Flow of Information
- Work for Income and Personal Enrichment
  - Highly Value Flexibility
- Influence Through Network and Community

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**ACTION STEPS FOR MILLENNIALS**

1. Be Open to Flexible Schedules	4. Train on Generational Weaknesses
2. Offer Great Break Snacks and Free Lunches	5. Base Job Responsibilities and Engagement on Strengths
3. Offer Quality Promo Items	6. Challenge Ways to Combat Negative Reviews

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**BENEFITS OF A BOOMER**

- 20,000 are Retiring a Day
- Work Ethic
- Experienced and Educated
- May Want a Second Career but with Flexibility
- May Not Have Saved Enough for Retirement Especially Since Recession 2008
- Excellent at Working with Millennials (skip generations)
- Excellent at Serving Millennial Parents




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**INTRODUCING GEN Z**

**61 Million are About to Enter the US Workforce and Radically Change it Forever!**

- Born between 1995 and 2015 (present ages 5-23)
- Gen Zers have seen their parents struggle financially [due to the recession and loan crisis], so parents are havin conversations about finances, money and debt with kids earlier
- They are less likely to go to the college after watching Millennials struggle to pay loans.
- 75% of Gen Z say there are other ways of getting a good education than going to college.

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### INTRODUCING GEN Z CONTINUED...

- Hiring Gen Zers will require more of a marketing effort by companies. This generation will not respond to outdated recruiting methods. You must use technology that is responsive and mobile ready.
- They can't remember a life without a smartphone in their hand--and they have no memory of the 9/11 attacks beyond the classroom.
  - Having mobile-friendly career pages is essential. Identify friction points and monitor them.
- Deliver exceptional and timely candidate experience because they are much less forgiving with employer missteps.
  - Utilize innovative technology.
  - Culture will be just as important to Gen Z as it is to Millennials.

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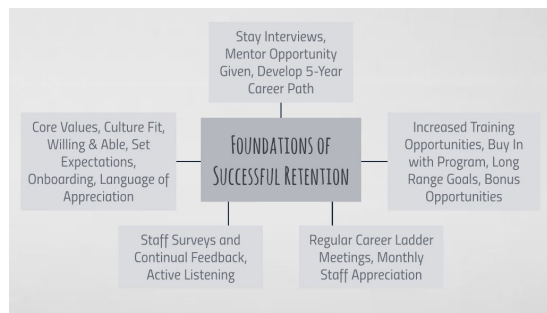
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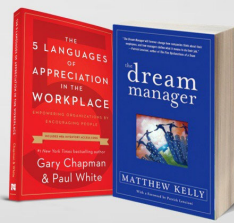
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### BOOK RECOMMENDATIONS



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**HOW TO CALCULATE YOUR TURNOVER RATE**

The cost of losing a single staff member in early education is between \$5,000-8,000 per person!

$$\frac{\text{Number of W4s}}{\text{Number of Positions}} = \text{Turnover Rate}$$

**Proactive Tip: Consider budgeting \$500 - \$1,000 per person to RETAIN staff!**

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**WHAT HAPPENS WHEN A STAFF MEMBER LEAVES?**

Upset Parents = Loss of Trust (Remember we're in the trust business!)	Loss of company goodwill in community, especially if turnover persists.
Turnover can lead to low morale, more turnover and gossip.	You spend more time working IN the business rather than ON the business.
Loss of institutional knowledge.	Your team is disrupted and must start over - Stages of a Team.
Interruption of Operations including systems and processes.	

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**PAY ATTENTION AND MARK YOUR CALENDARS!**

		
<b>Class Reunions</b> Job hunting increases by <b>16%</b>	<b>Work Anniversary</b> Job hunting increases by <b>9%</b>	<b>Big Birthdays</b> Job hunting increases by <b>12%</b>

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**DID YOU KNOW?**

44% of employees say they would consider taking a job with a different company for a raise of 20% or less.



**ACTION STEP**

Host career ladder meetings quarterly which include regular raises and clarity regarding worth of their entire package.

Know your market rate and stay competitive to reduce chances of employees jumping ship!

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**OH! DID YOU ALSO KNOW?**

More than 50% of employees believe that if they lost their current job they would be able to replace it in the next 6 months.



**ACTION STEP**

- Purpose and Core Values
- Staff Training and Development
- Rewards
- Recognition
- Opportunity for Advancement
- Environment
- Staff Teaming

**CULTURE**

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**LET'S DIVE DEEPER INTO STAFF ATTRITION**

Career Advancement or Promotional Opportunities	Management or the General Work Environment	Flexibility/Scheduling
<b>16%</b>	<b>17%</b>	<b>8%</b>
Pay/Benefits	Lack of Fit to Job	Job Security
<b>22%</b>	<b>20.2%</b>	<b>2%</b>

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**PRE-HIRE & SETTING CLEAR EXPECTATIONS**  
 Ensure candidates are clear on your core values.

-  **ASK...**  
What are you willing and able to do? Are you open and willing to be trained our way?
-  **PROPOSE...**  
A trial day or temp-to-hire for a few weeks.
-  **PROVIDE...**  
A clear contract or agreement including: pay rates, pay days and benefit.
-  **GIVE...**  
A 'welcome to the team' gift and handwritten note from entire team.

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**MINIMIZING STAFF CALL OUTS**

- Clarity on "blackout weeks or months." Example: August
- Create an incentive program or use languages of appreciation for good attendance.
- Ask potential hires upfront for dates they will be unavailable.
  - Be as flexible as you can be.
- If Fridays and Mondays are chronic, over staff, plan for fun and buy lunches.
- Consider reaching out to staff with a fun post in your private Facebook group on Sundays (Facebook Live or a fun challenge with a prize).

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**BUT NOT SO FAST...**

**Remember, turnover is inevitable. Here are a few tips to help you when it does happen:**

- Be transparent and set expectations with your parents from the start... "Ms. Allie will be trying out in the Toddler room this week! Please introduce yourself to her!"
- And if it doesn't work out... "Ms. Allie wasn't the right fit, but we have Ms. Susie who has been with us for 10 years in the Toddler room until we do find the right person!"

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**QUESTIONS?**

For more content like this, join us at the SHIFT Childcare Leaders Conference  
in Austin, TX from February 21-23, 2019!

**Learn more at [www.shiftchildcareleaders.com](http://www.shiftchildcareleaders.com)**

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