

Gen Z tries gig work and finds it awesome

Pandemic-induced trends change Mich. labor market

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Native Detroiter Nia Heaston, 19, has been working ever since she was in third grade, when she wanted a BMX bike and wasn't satisfied with her parents' offer to buy her a regular one.

So she started a dog-walking business in her apartment complex to make more money to buy the bike she wanted.

About a decade later, Heaston still has that entrepreneurial mindset.

Now a freshman at Morgan State University in Baltimore, she's a little low on funds but does not want one of the readily available campus jobs, such as one at the campus store or at a nearby fast-food restaurant.

Instead, she's thinking about what the needs on campus are, and how she may be able to solve for that with a business.

"A \$12.75-per-hour type of job is just not what I'm worth," she said. Plus, "I don't like

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Nia Heaston, 19, of Detroit, is considering starting a podcast and answering questions from other young people about how to overcome their self-doubt and pursue their ideas and new opportunities. ERIC SEALS/DFP

Labor market

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having that feeling of someone having power over me.”

Heaston, like many other young people, is not in the traditional labor force.

She is part of the working-age youth population, ages 15 to 24, and in Michigan, this group has declined in number since 2010 — while, at the same time, Michigan’s total population has risen by 1.1%, the state’s Bureau of Labor Market Information and Strategic Initiatives says.

Many of the industries with the highest share of young workers, such as accommodation and food services and retail, were some of the hardest hit by the pandemic. But while many of those industries are now recovering and hiring quickly, many of the jobs traditionally taken by young workers are going unfilled.

Meanwhile, the labor force participation rate — a measure of those working or actively looking for work — for people ages 16 to 24 across the U.S. is only expected to drop further. The rate was 53.9% in 2020, according to the U.S. Bureau of Labor Statistics, down from 55.2% in 2010 and 65.8% in 2000.

It’s expected to drop to 49.6% in 2030, according to bureau projections, suggesting that young people leaving the labor force is not just a COVID-19 pandemic phenomenon.

“Gen Z has rights and they know it,” said Stephanie Nixon, the chief program officer for Detroit at Work, which is operated by Detroit Employment Solutions Corp., a Michigan Works! Agency. Nixon is responsible for all youth programming, and she’s referring to the generation born between roughly 1997 and 2012. She and her staff work with Detroit high school students to provide work readiness training and reengage young people who are disconnected from school and work, among other programs.

Nixon said that she often hears from the young people she works with that they want their time to be flexible and they don’t want to work a typical 9 to 5, 40-hour week “where I’m punching in and helping to make somebody else rich and I’m struggling still and working just to pay my bills.”

This shift has been happening for decades, but it’s more pronounced now because there are so many job openings. The pandemic only escalated this movement.

Heaston not only is a part of this shift, she saw it in action when she interned at the Detroit recruiting firm Kapstone Employment Services in the fall.

“You really don’t need a job,” she said. “If you have an up-to-date iPhone, you can make a job right there, by recording something or doing business partnerships and showing their products on your page. Younger people, they want things fast and they want it now.”

Four times the job openings

Jeff Neely, CEO of the restaurant group Inspired Concepts that has restaurants like the 1950s-inspired Pixie diner in Mount Pleasant and franchise locations of restaurant chains such as Smashburger, Noodles & Company and Old Chicago around Michigan, said he has 60 open positions, about four times the job openings he’d typically have before the pandemic.

Neely said his biggest issue is recruiting. He’s raised starting wages by \$2-\$3 an hour (“We’ve got 16-year-olds making \$600-\$700 a paycheck”), advertised growth opportunities within the companies and, as a way to attract new employees, he recently started a program that if a current employee recommends somebody for a job, after 90 days, they both get up to a \$500 bonus.

“Every first job, every second job, you walk in and you’re scared, you’re nervous and you don’t know what to expect,” Neely said. “You have to get over the hump, especially with the teenagers.”

More recently though, he feels this generation of young workers is different because they grew up communicating on their phones and with social media, coupled with the fact that many teens didn’t have as much face-to-face contact with others during the pandemic.

“What we’re seeing is a fear of having somebody in your face and having a customer be able to talk to you without anonymity,” he said.

Jobs in industries such as restaurants and retail that typically employ young workers were decimated at the start of the pandemic when businesses shut down or operated at reduced capacity under the state’s stay home orders.

For example, over the last year, the leisure and hospitality industry saw the largest gain in jobs compared with other industries, adding 118,000 workers in Michigan. However, employment levels in this industry are still about 36,000 below what they were before the pandemic.

Many business owners would point to more generous unemployment benefits as the reason workers weren’t coming back to work, but those ended in September.

Jennifer Llewellyn, director of Oakland County Michigan Works!, which administers a variety of workforce programs and services for Oakland County, said there are still concerns



Michele Henry, 61, and Cheryl Marvin, 55, are two of three recent hires at Pixie Restaurant in Mt. Pleasant who are over the age of 50. Many younger workers are staying out of the traditional labor force. ERIC SEALS/DETROIT FREE PRESS

and nervousness about COVID-19. Some young people are leaving the workforce to take care of younger siblings while their parents work, especially given the rising costs of child care, she said.

Changing school, work priorities

Even before the pandemic, though, this change was in motion. The demands of extracurricular activities outside of school have increased, limiting time available for part-time work, Llewellyn said. And many young people are pursuing paid internship opportunities that are connected to their career goals and fields of study, rather than entry-level, hourly positions.

Vicky Rowinski, director of planning and economic development for Macomb County, is hearing a common refrain from young people that’s specific to the county and Michigan: “Parents who endured the 2008-09 recession working in the automotive industry tell their kids, ‘Don’t get into manufacturing.’”

That’s a problem because, Rowinski said, one of the most thriving industries in Macomb County is manufacturing. The county hosts what it calls a “Manufacturing Day” yearly, offering students the opportunity to learn more about manufacturing companies in the area.

Mitch Waske, 24, knew from a young age that he wanted to work in this industry. Growing up, he loved building LEGO sets and working with his dad on projects in the garage. His mom, though, was convinced he wouldn’t want to work in a dark and dingy shop environment.

But then Waske visited PTI Engineered Plastics in Macomb on two occasions, once with his mom and again on Manufacturing Day, and the workspace looked more like a spotless laboratory than a machine shop, he said.

“I felt like, ‘Man, there’s no way I could get a job working at a place like this,’” he said. Waske has now worked at PTI for seven years as a mold maker. One of his favorite parts about working at the company is that they offer a “flex schedule,” meaning he has some choice over what days he works and the time he comes in. Right now, he’s working 55-hour weeks, coming in at 5:30 a.m. and leaving around 5 p.m.

In the summer though, if it’s a nice day out, Waske might take off early to go out on his boat. “I think having a flexible schedule is crucial to having a good career and a happy life,” he said.

For young workers like Waske, that direct pathway from high school to a career was crucial to him finding a job he liked. But that’s become more challenging in the pandemic, when many students were doing school virtually from home.

Teens bypassing community college

Usually after a recession, there’s a spike in community college enrollment, with workers getting new skills to match whatever industry is in demand, said Brandy Johnson, president of the Michigan Community College Association.

That hasn’t happened after this economic downturn.

When comparing fall enrollment at all Michigan colleges in 2021 to before the pandemic, in 2019, enrollment declined 8.4%, according to data from the National Student Clearinghouse Research Center, the most recent data avail-

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able.

Specifically at community colleges, Johnson said she saw about a 15% to 20% drop in enrollment between the fall of 2020 and the fall of 2019.

“Even though a bunch of people were laid off, particularly in the service industry, they were not showing up at community colleges,” she said. Compared with traditional four-year universities, community colleges typically offer two-year degree programs, are usually cheaper and can offer a direct pathway to a career.

Between 2020 and 2021, Johnson said, there has been a significant recovery in enrollment, but that’s mostly because of state programs like Michigan Reconnect, which is for students ages 25 and older, and Future for Frontliners, a program offering essential workers in Michigan the opportunity to go back to school tuition-free.

Johnson said to attract young people to community colleges, the cost needs to be more affordable, there needs to be clearer messaging around the pathways to work available after graduating (like Michigan Reconnect and Future for Frontliners), and engagement with students needs to happen while they’re still in high school through programs like dual enrollment — which offer students the opportunity to take both high school and college courses and can be a confidence booster for high school students who are unsure whether they’re ready for college, she said.

Preferring another kind of work

So if more young people aren’t going to college and they’re not rushing back to industries hard hit by the pandemic, where are they?

Nixon said they’re working in the gig economy, for ride-hailing companies like Uber and Lyft and for food-delivering companies like DoorDash and Grubhub, among others.

“They’re learning how to make money in a more of an entrepreneurial fashion,” she said.

A recent survey from the Pew Research Center, which included more than 10,000 U.S. adults in August 2021, found that 30% of 18- to 29-year-olds have earned money through an online gig platform. That’s compared with 16% of the total U.S. adult population who have done the same.

Among current or recent gig workers, 49% said that being able to control their own schedule is a major reason why they have taken on these jobs over the past year. Other reasons include wanting to be their own boss and not having many other job opportunities in their area.

To attract young people to Grow Detroit’s Young Talent program, a summer work experience program for Detroit youths, Nixon said

they chose to keep the internships in a hybrid format, offering young workers the opportunity to work from home some days if it makes sense, and offering them flexible schedules.

Some young workers could also be going to an industry not yet tracked by the government. Michigan’s cannabis industry added 13,000 jobs last year, according to the 2022 Leafly Jobs report. There are about 31,000 Michigan residents employed in the state’s cannabis industry. There are now more state residents working in the cannabis industry than there are electricians.

Ed Nepi, 25, is one of the thousands of people who joined the cannabis industry during the pandemic. Nepi left his job at Merrill Lynch to work at Troy-based Lume Cannabis Co.

“There was always that sense of, like, if I were to leave here, I would be replaced in an instant,” Nepi, a resident of Grosse Pointe, said of his job at Merrill Lynch. “I was kind of just looking for something that felt like I was making a difference on a day-to-day basis.”

Nepi has long had a passion for cannabis, and he feels like his perspective is valued, every day is different and there’s an opportunity for him to advance in the company.

“I can’t think of one other industry that would allow someone to work their way through a couple of positions (quickly) and end up in an operational position like myself,” he said.

Moms and grandmas taking your order

Young people leaving the traditional labor force has led to some more unexpected reshuffling within the workforce.

Neely at Inspired Concepts said restaurant jobs that would typically be staffed by teens before the pandemic, and now offer higher wages, are attracting moms and grandmas who are looking to get out of the house and meet people.

Brad Hershbein, a senior economist at the Upjohn Institute for Employment Research in Kalamazoo, cited the facts that jobs that were typically staffed by 16- to 24-year-olds are going unfilled and wages are increasing for those positions to try to attract workers.

“It’s possible that there will be fewer of these jobs in the future because employers will want a higher skill level to justify the higher wage rate,” Hershbein said.

He said research shows that when wages rise particularly fast for young people, the types of jobs that are created change.

“There’s going to be more of an impetus to automate some of that away,” Hershbein said, offering the example of installing self-check-outs at grocery stores, instead of hiring cashiers.

Heaston said she’s not ruling out working a traditional job if she needs to make some quick money, but she’s not excited about it.

“You’re always rushing against the clock, rushing against another employee at your job for a promotion at work or fighting against yourself,” she said.

Instead, Heaston said she is considering starting a podcast and answering questions from other young people about how to overcome their self-doubt and pursue their ideas and new opportunities.

“When you do something, and you want to feel like, ‘This is what I’m supposed to do’ or ‘I’m gaining knowledge from this,’” she said.

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