

COLORADO EMPLOYMENT

Why are jobs so difficult to find?

Jobs
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Experienced workers describe discouraging searches in the AI era

Translate

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Cheryl Huff has found herself facing a tougher than expected job search after she was laid off in June from the Governor's Office of Information Technology during an overhaul that cut 173 workers.

Huff worked in the office's communications department for more than five years. Now she navigates a different world of technology, one of automated screening systems and opaque hiring processes.

Technology gives the illusion of plentiful job opportunities and easy access, but her experience has been one of disappointment and isolation.

"There is not much of a human-to-human connection during any part of the process," Huff said of her job search.

Conditions are the most daunting he has seen in three decades of helping people find work in Colorado, said Andrew Hudson, founder of Andrew Hudson's Jobs List, a popular Denver-based job listing site. *Not*

"I have never seen the job market as alarming as I have in the last year," he said. "Job seeking is broken right now."

Hudson saw the labor market cut down at the knees during the Great Recession. He witnessed it blindsided and flat on its back during the COVID-19 pandemic.

And yet even in those recessionary periods, job hunters had a sense of a light at the end of the tunnel, he said. Now the mood is more of confusion and groping in the dark.

If there is a light in the tunnel, it is the train of artificial intelligence getting ready to roll through the economy. And AI's impact on the hiring process is already substantial.

Hudson warns of highly sophisticated applicant tracking systems that rank candidates and cast them out for not using the right words. He also warns of a workforce convinced that digital job boards are the only way to find a position and of human resource departments that have taken a page from dating apps and their algorithms.

Anxious job seekers are constantly swiping right, and avoidant HR systems are mostly swiping left.

Hudson was concerned enough to conduct a survey that received 218 responses from job seekers.

The survey isn't representative of the entire labor market. It doesn't capture the experience of every job hunter, especially those starting out.

But the findings are troubling for a state that prides itself on having a highly educated workforce and that struggles with what the Colorado Legislative Council describes as a "low-hire, low-fire" labor market.

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The experienced professionals who should have the easiest time finding new work are struggling to understand where they fit, according to the Colorado Job Seeker Confidence Survey.

Nearly half have been searching for at least seven months and just over a quarter for a year or more despite a low 4% unemployment rate in the state.

Six in 10 said employers don't acknowledge an application beyond an initial automated response. Nearly half feel there is intense competition, despite the official stats showing just over one job opening for every unemployed person.

About 55% of those responding believe they face age discrimination in their search. Four in 10 complain about a lengthy or drawn-out hiring process.

Nearly a third fear that AI, still in its early days, is changing or eliminating jobs, even as many use AI to try and get an edge.

And on the other end, overwhelmed HR departments are using AI to write job postings and to sort through the avalanche of applications they generate.

"As we debate the strength of the economy and the labor market, we shouldn't lose sight of the people behind the numbers," Hudson said. "Because every percentage point has a face. And right now, a lot of those faces are worried."

Vanishing human connection

Huff, who is one of Hudson's clients, puts lived experience behind the numbers.

Job boards advertise plenty of positions, but discerning whether they are real openings can be difficult at times, she said.

Huff said she spends two to three hours customizing each cover letter and resume so they have the right key words that will improve her chances of getting through the automated systems.

"I won't spend my time just willy-nilly applying for things. The way things stand in today's world, you have to customize what you submit," she said.

Even the initial interview process is undergoing automation, Huff has found. Applicants who make the initial cut are increasingly being sent questions and asked to submit recorded answers.

In a sign of what is to come, a few companies have started using AI-generated "avatars" to interview candidates.

Although job counselors push people to tap their social network, following that long-standing advice has become harder.

Huff said she has found that unexpected requests from strangers for information or advice don't generate a response. Even if a person has some kind of connection, it can be hard for them to find time to meet. People are busy.

Huff is doing better than many. She has managed to land a half-dozen interviews.

One respondent in the survey described sending out 1,000 applications over a year and not getting hired. Another had more than 40 interviews after more than 500 applications but ended up in the same place, still unemployed.

About 19 in 20 of the job hunters who responded to the survey said they had the education, experience and skills required for a position.

Finding a job shouldn't be so hard for qualified applicants. And yet it is hard in a way few job seekers are prepared for, especially for those used to being promoted and recruited.

Hudson helps job hunters locate open positions, write their resumes, understand what transferable skills they have, and how to pivot and reinvent themselves.

Offering them hope, which was perhaps the most critical thing he could do, has become harder, so he has decided to sound the alarm.

Seven in 10 of those participating in the survey said difficulties in finding a job have eroded their confidence in their professional value, either somewhat or significantly.

More of Colorado's most skilled and experienced workers are starting to feel like they aren't employable. - Not

And the question looms: If the economy isn't in a recession and jobs are out there, what happens when the downturn arrives?

Tougher than it should be

On the surface, Colorado's labor market doesn't look that bad. The state's unemployment rate ticked up to 4% in August after spending more than a year below that mark.

Normally, an unemployment rate of 4% or lower is associated with a tight labor market and economic strength. Only a quarter of all months since 1976 have had a rate that low.

Job openings, while down from a peak of 180,000 in 2022, remain historically high with 138,000 positions, and Colorado is doing better on that measure than many states.

The number of openings surpasses the 128,175 people actively looking for work in the state in August. Normally more openings than job seekers signals a robust labor market.

Some job hunters, however, question how real some of the openings are. Companies will sometimes post jobs just to keep their name out there. Others will post to have replacements at the ready for high-turnover positions. A few are trying to draw that unicorn applicant out of the forest. Technology makes it easier to do that.

A common misperception is that the unemployed are only competing against each other. That is hardly the case.

The Federal Reserve Bank of New York estimates that one in four employed workers searched for another job in the past month. Based on 3.05 million employed people in the state, that would work out to around 763,500 employed job seekers.

Many active employed seekers are younger, hold lower-paid positions and are in high turnover service jobs. But highly skilled professionals are also out there searching for better opportunities.

Rather than one-for-one, Colorado might be seeing 6.5 job seekers chasing every open position. The odds don't look as good in that context. And they get even more daunting for remote positions that accept applicants from around the country.

Searching while working

Evan Smith found himself looking for work a year ago while still employed with Trader Interactive, an online platform for buying, selling, and renting lifestyle vehicles and larger commercial vehicles.

In late 2022, Carsales, an Australian company, completed its acquisition of the Trader Group of companies and started a slow restructuring.

Smith, a 10-year veteran in sales and business acquisition, said he could see the writing on the wall. He began actively looking for another job before a search was forced on him.

In March, his manager and manager's boss were axed, raising the anxiety level. In May, he and the rest of his team were handed pink slips.

Despite a career that included jobs with Visit Denver and Colorado Ski Country, Smith said he has struggled to find a position in tourism and sports recreation, the focus of his search.

He is among the survey respondents looking for more than a year, which he describes as a demoralizing amount of time.

"The biggest frustration is the lack of response from these dozens and dozens of applications," he said. "I am losing confidence that I am a valuable asset to any of these companies."

But he pushes on.

Smith keeps a mental list of how things are different from his last search a decade ago. Job boards were helpful and provided real leads then. Now he describes them as "useless."

"It is like night and day compared to 10 years ago," he said.

Another big change is how hard it is to get an interview. Out of 200 applications sent in the past year, he has landed only two of them.

Age discrimination in hiring is illegal. And Colorado has implemented laws to make it more difficult to ask about age.

Yet Smith, 54, said he believes age discrimination is a barrier in a way it wasn't when he was in his 40s. It isn't overt, and it is difficult to prove. But it is something he senses, and so do more than half of those taking part in the survey.

The 50s and early 60s are peak earning years when workers build their retirement savings. The inability to land a new job is forcing some tough decisions.

Unable to find work, some job hunters take an early retirement. Others accept lower-paying positions to get by. And some may start a business.

Colorado is expected to record a 57% increase in new business formations this year compared to last year, according to Registered Agents Inc., which provides software to help with that task. That is the second-highest increase of any state after Ohio. To what degree the state's "low hire" labor market might be at play isn't entirely clear.

Smith said he has thought about starting his own business. Ads on his Instagram feed keep pitching him about a plane-cleaning franchise.

But with one child in college and another headed there, he isn't in a risk-taking mindset. He prefers to find a steady paycheck.

Although retirement isn't far off on Huff's horizon, she said she is not ready to take an early exit.

Drawing on Social Security early won't provide enough, even with her retirement savings. Then there is the time gap until Medicare kicks in at age 65.

Huff said the \$1,300 a month from the unemployment insurance she receives goes to cover her health insurance costs.

"It is not a sustainable lifestyle. ... That is why people are stressed out of their gourd," she said.

She also understands her physical ability to keep working isn't guaranteed. She believes she still has something to contribute.

"I feel like the smart thing is to keep working while I can and while I am in good health. At some point I won't be able to work," she said.