


## Bob Funk talks employment

Lack of skills among labor force, extended jobless benefits leave many companies looking for employees, says the head of Oklahoma City-based Express Employment Professionals.

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Express Employment Professionals, the Oklahoma City-based staffing company that Bob Funk founded and leads, expects to place about 350,000 people in jobs this year.

With about 245,000 of those job placements going to people never employed by Express, Funk said the company is providing a significant amount of the nation's job growth.

“If you compare our statistics to the BLS (U.S. Bureau of Labor Statistics), we're placing about 19 percent of all the new employees in America,” he said. “That's not to say that the BLS numbers are correct.”

Payroll, benefits and claims for each of those temporary employees is handled in Oklahoma City. Express expects to book a record \$2.1 billion in sales this year through its network of franchise operations, Funk said.

With his long experience in the employment field, and his recent service with the Federal Reserve as chairman of the Federal Reserve's Conference of Chairmen, and chairman of the Federal Reserve Bank of Kansas City's board of directors, Funk seemed like a good person to discuss the current employment situation in the state and the nation.

This is an edited version of *The Oklahoman's* recent conversation with Funk.

### **It seems counterintuitive that an employment company in a time of high unemployment would have record years. Why does that happen?**

This is the seventh recession, I think, that I've been through and we have grown through every recession we've had. We go into the recession first because they lay off a lot of their temporary employees. But once the pain of letting go some of the permanent or core staff people, the companies decided that maybe they would let us have the pain instead of them having the pain to make the changes if they need to change. If the economy picks up, then they hire flexible staffing people, and if the economy doesn't,

then they ask us to lay those people off.

All the unemployment benefits and workers comp benefits go on us. So we're a buffer, if you will, for a company to be able to breathe in and out. They can add or subtract quite easily without it hitting the press, as well. We've always been that buffer — the flexible buffer for the economy through every recession I've been in.

**So your company benefits somewhat with the uncertainty that's out there about what the future holds economically and politically?**

Right now, this has probably been the most uncertain of times I've seen in the employment business. I've been at it for 47 years. Yes, there's more uncertainty because of Obamacare, because of not knowing what the banks are going to be able to do. The tightening of credit lines at the banks makes a big difference on small business and medium-sized business because they can't expand their businesses. The Dodd-Frank Bill has created uncertainty, and there's other legislation that has been coming down. I read that there's something like 2,000 new rules coming down from the government on how to operate your business. With all that uncertainty, I think they'd (employers) like to put that uncertainty over onto us and let us handle the issues as they come down, especially health care.

**I heard an economist saying that Oklahoma's unemployment rate (of 5.6 percent) is near what some economists define as full employment. What's your take on that?**

Over the years full employment has always been something like 4 percent in my mind. We do have some issues, not only in Oklahoma but across the country, in that we don't have the skill levels. Many companies are looking for skill levels as they hire back, and we don't have the skill levels that we really need. Our educational system just does not produce the right kind of skills that are needed out here in the business world. ... We've got a skill shortage. In Oklahoma last week, we had 518 open orders for jobs, but most of them are needing a little more skills. They're not light industrial, not low-end industrial jobs. They're more of the high-end skilled jobs.

**How tight is the labor market in Oklahoma with much of the state having an unemployment rate below six percent?**

I think the labor market is much tighter than what has been reported, and not only in Oklahoma. I had all my sales managers in last week and all over the country we're having a shortage of skilled people. There are many offices that have over 100 job openings that they can't fill. Part of that is due to our unemployment loss: The longer they extend the unemployment benefits, the less they are apt to go find a job, or look for a job, or want to work. One extreme example was mentioned last week. They had this gentleman who was offered \$86,000 for a job and he said 'my unemployment benefits haven't run out yet. I'm going to turn it down and wait for my unemployment benefits to run out. I've enjoyed being off work for a while.' That's extreme, of course, but that

prevailing attitude is out there — that I'll just stay out of work for a while longer and go fishing or whatever.

### **Would you rather spend a day here at the office or out at the ranch?**

I'd rather spend it at the office. I love helping find jobs for people. If I had my real druthers, I'd be on a desk placing people. That's where the real thrill is.



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