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POPSIGHTS LABOR MARKET & INDUSTRY TRENDS REPORT 2024

POPSIGHTS REPORT HIGHLIGHT

For Employers: The decrease in available jobs heightens the importance of differentiating your employer brand, customizing interview processes, enhancing candidate experiences, and innovating employee retention strategies. In a tighter market, standing out becomes crucial to attract and retain top talent.

For Candidates: The competitive job market requires candidates to elevate their personal brands and uniquely demonstrate their abilities. This report highlights the shift from a candidate-driven market to one where companies have the upper hand due to fewer job openings and more job seekers. However, companies still need to effectively market themselves, as many job seekers are currently employed and can afford to be selective.

Concluding Statements: We see talent shortages in certain areas within our industry, but more individuals are willing to look for career changes. The discrepancy is likely due to a gap in training and education in needed skills. While AI remains a major topic of discussion, the industry is still navigating its potential impact on talent solutions, particularly in the areas of candidate sourcing and selection. Certain sectors within life sciences are experiencing gradual recovery, while others continue to see rising salaries despite a slowdown in job growth.

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WELCOME TSP POPSIGHTS LABOR MARKET REPORT

EXPERIENCE THE POWER OF PERSONAL

The life sciences sector is a landscape of rapid innovation and intense competition for skilled talent. The regions known for their rich ecosystems of academia, industry, and investment are expanding their horizons, incorporating emerging markets brimming with potential.



Welcome to our comprehensive white paper, where we delve into the strategic imperatives for growth and talent acquisition within the life sciences sector. As President of TSP, I'm thrilled to present insights that encapsulate the transformative landscape of life sciences in 2024 and beyond. Our analysis hinges on the geographic distribution of talent pools, key market developments, and the shifts in hiring dynamics that are shaping the future of the industry.

Our report provides a roadmap for life sciences firms looking to navigate the complexities of an evolving job market, financial constraints, and regulatory landscapes and serves to our dedication to empowering life sciences companies with the foresight and strategic planning needed to thrive in a competitive global marketplace.

Mike Gamble
President of TSP



KEY TRENDS SHAPING THE LABOR MARKET

2024 Defined by Labor Market Uncertainty

This year has been characterized by significant uncertainty in the labor market, following a 2023 marked by a gradual recovery from the pandemic. This recovery has been slow, impacted by persistent inflation and efforts to balance the economy. One notable trend has been a 30+% decrease in job postings across various industries, contrasting with a substantial increase in the number of applicants. This influx of job seekers highlights that, despite fewer job opportunities, the demand for employment remains robust, with monetary compensation continuing to be the primary motivator for job seekers. [1]

The hiring slowdown in 2023 reflected broader economic challenges. Despite fewer job openings, the competition for available positions intensified as more individuals sought new employment opportunities. This trend underscores the ongoing financial pressures faced by workers and the critical role of salary in their job search decisions. [1]

In the biotech sector, 2024 saw over 120 public biotech companies announcing layoffs, resulting in the loss of at least 10,000 jobs within the industry. These layoffs predominantly affected smaller biotech firms, which are more vulnerable to investor confidence and financial instability fluctuations. However, even larger, well-funded pharmaceutical companies were not immune to workforce reductions, indicating widespread challenges across the sector. [1]

[1] Source: Gartner and BLS Trading Economics (Unemployed Persons - Countries - List (tradingeconomics.com); Job Vacancies - Countries - List (tradingeconomics.com)) 802917
[2] Staffing Advisors. (2024, May 9). Are you ready to share salaries publicly? Staffing Advisors.

The combination of these layoffs and the overall reduction in job postings has created a challenging environment for both employers and job seekers in the biotech industry. Companies are navigating a delicate balance between managing costs and retaining talent, while job seekers are faced with heightened competition and fewer opportunities. This landscape of labor market uncertainty underscores the need for strategic planning and resilience from both employers and employees as they navigate these turbulent times. [1]



Pay Transparency

Pay transparency is gaining traction as a key measure to eliminate gender and racial bias in the workplace. As of 2024, approximately 60% of job listings include pay transparency, reflecting a significant shift towards more open salary practices. [2] This move is intended to create a more equitable hiring process by ensuring all candidates, regardless of gender or race, have access to the same pay information, thus reducing discrepancies in compensation.

Research indicates that including a specific salary range in job descriptions can significantly influence candidate behavior. When job postings feature a narrow salary range, they are more likely to attract applications. Conversely, as the size of the salary range broadens, the likelihood of candidates applying decreases. This suggests that job seekers prefer clarity and certainty regarding potential earnings, which can impact their decision to pursue a position.

Internationally, Canada has mandated pay transparency in select provinces, and more U.S. states are adopting similar regulations. Recent additions include Hawaii and Nevada, which are joining a growing list of states that require employers to disclose salary information. This trend is likely to continue, with more regions implementing pay transparency laws to promote fairness and equality in the labor market. [3]

The broader implications of pay transparency extend beyond individual hiring processes. It can enhance overall market efficiency by allowing workers to make better-informed decisions about job opportunities and career moves. Additionally, it can help employers build trust and improve their reputation, making them more attractive to top talent. As pay transparency becomes more widespread, it is expected to play a crucial role in shaping a more equitable and efficient labor market in the US and beyond.

The Role of Technology in the Future Labor Market

The integration of advanced technologies is set to revolutionize the labor market, particularly in the realms of candidate



sourcing and employee engagement. AI-enabled candidate sourcing is poised for significant growth, enhancing the efficiency of sourcing and lead generation processes. These technologies will allow organizations to streamline their hiring processes and focus on finding the best talent more effectively. [4]

In addition to AI in sourcing, technologies aimed at personalization are becoming increasingly important. Career site personalization and candidate personal journey mapping are expected to play crucial roles in maintaining new-hire commitment. By tailoring the recruitment process to the individual needs and experiences of candidates, organizations can improve engagement and retention rates. [4]

One of the key benefits of AI in recruitment is the time saved, which will enable recruiters to concentrate more on the candidate experience. AI can help identify how well candidates fit specific roles, making the matching process more precise. Furthermore, AI will assist candidates by suggesting job openings they may not have previously considered, optimizing their resumes and cover letters, and even preparing them for interviews. This support is particularly valuable in a competitive job market where fresh talent is in high demand. [4]

[3] PayAnalytics. (2024, March 18). U.S. pay transparency laws by state. PayAnalytics. [4] Levy, V., & Lyons, P. (2023, October 3). Can life sciences companies unlock the full value of GenAI? Deloitte.

Key Insights on the Impact of Technology on Recruitment [4]

- AI-Enabled Candidate Sourcing: Expected to grow, enhancing sourcing and lead generation technologies.
- Personalization Technologies: Career site personalization and candidate journey mapping are critical for maintaining new-hire commitment.
- Efficiency and Focus: Time saved by AI allows recruiters to improve the candidate experience and better match candidates to roles.
- Candidate Support: AI helps candidates find suitable roles, optimize resumes and cover letters, and prepare for interviews.



[4] Levy, V., & Lyons, P. (2023, October 3). Can life sciences companies unlock the full value of GenAI? Deloitte. [5] Nova, A. (2023, January 9). Want higher pay? Your chances may be better now than in six months. CNBC.

Job Seekers Within the Industry

In 2022, at the height of what was dubbed the “great resignation,” around 4.5 million workers each month – roughly 3% of the U.S. workforce – were leaving their jobs. Despite some economists suggesting this pandemic-era trend has subsided, new findings from Microsoft and LinkedIn indicate that even more employees plan to resign in 2024.

Recent research from Microsoft and LinkedIn, which surveyed over 30,000 individuals in 31 countries between February and March 2024, reveals that nearly 46% of professionals are contemplating quitting their jobs in the upcoming year. This is an increase from the 40% who expressed similar intentions before the 2021 wave of resignations. In the U.S., LinkedIn has observed a 14% rise in job applications per opening since last fall, with a survey of 1,013 U.S. professionals conducted between November and December 2023 indicating that 85% of workers intend to look for new roles in 2024.

Furthermore, a February 2024 ZipRecruiter survey of over 2,000 job seekers shows that Americans’ confidence in their job prospects has reached its highest level in two years. This renewed optimism is supported by the U.S. economy’s ability to avoid the anticipated recession in 2023, explains Julia Pollak, Chief Economist at ZipRecruiter, in an interview with CNBC Make It.

Despite high-profile layoffs at some major corporations, the rates of layoffs and unemployment remain lower than they were before the COVID-19 pandemic. Job growth has been steady and strong since the beginning of 2024. However, while Americans are feeling more positive about their job prospects, dissatisfaction with ongoing high inflation and their current positions is also pushing them to seek new opportunities. [5]

Inflation Driving Career Changes

The decision to switch jobs in 2024 is not just influenced by better labor market conditions. Inflation continues to squeeze American budgets, with nearly 45% of workers planning to change jobs this year because they need higher incomes, according to Monster's 2024 Work Watch Report. [1] Data from the Federal Reserve Bank of Atlanta shows that job switchers generally see more significant salary increases than those who remain in their positions. For instance, ADP data highlights that the median year-over-year pay increase for job switchers was 10% in March 2024, compared to 2.9% six months earlier. [2] With wages finally catching up to inflation, Pollak notes that the perceived benefits of switching jobs are much higher now than six months ago. [3] CNBC reports that real hourly earnings, which account for inflation, rose by 1.1% in February 2024 compared to the previous year. Interestingly, another top reason employed professionals (43%) are looking for a new role is because they do not think their company offers opportunities for job advancement. [3]

62%
Growth Opportunities

55%
More Money

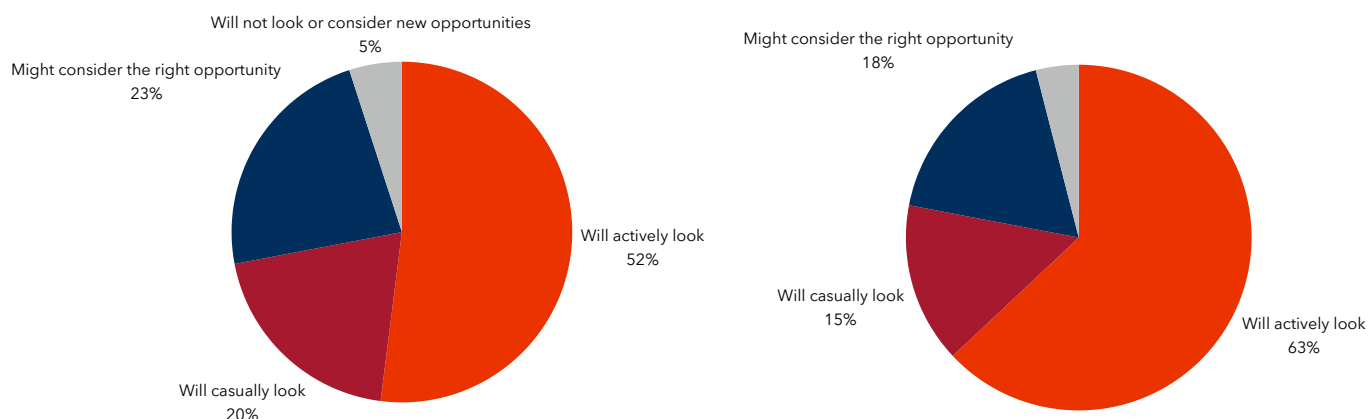
47%
New Challenge

29%
Better Benefits

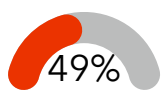
18%
Remote Position

17%
More Flexibility [4]

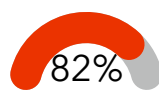
Candidates Looking for New Roles 2023 v. 2024 [4]



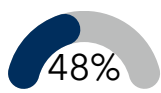
[1] Monster. (2024). Monster Work Watch Report 2024. Monster. [2] ADP Research Institute. (2024, April 3). ADP National Employment Report: Private sector employment increased by 184,000 jobs in March; Annual pay was up 5.1%. ADP. [3] Nova, A. (2023, January 9). Want higher pay? Your chances may be better now than in six months. CNBC. [4] Biospace [2024]. 2024 U.S. LIFE SCIENCES Employment Outlook Hiring, Job & Workforce Trends



49% of new recruits get calls from hiring managers before their starting dates



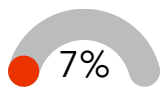
82% take the company's reputation and brand into account prior to applications



48% of people ask for interview timing well in advance for preparation



75% demonstrate positive responses to better job descriptions



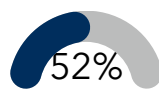
7% of aspirants get phone calls from hiring managers/recruiters on rejections



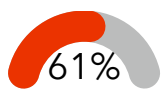
74% of aspirants seek more chances to showcase their work portfolio during hiring



71% of candidates do their homework before applying to any organization



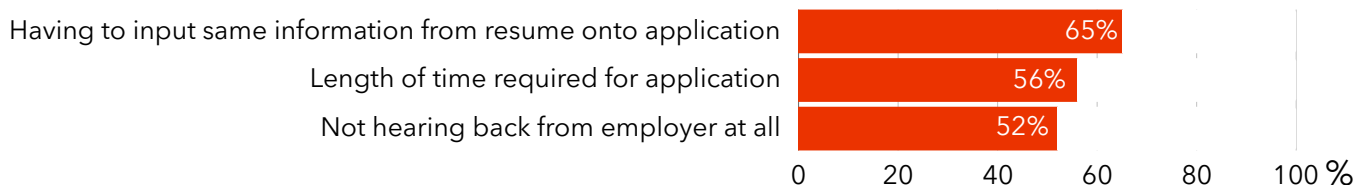
52% will continue relationships with companies giving them proper feedback



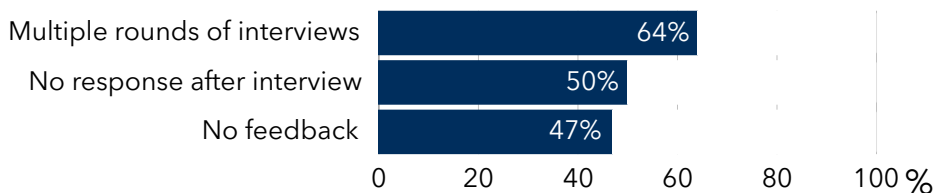
61% of prospects desire compensation data in job descriptions

Biospace [2024]. 2024 U.S. LIFE SCIENCES Employment Outlook Hiring, Job & Workforce Trends

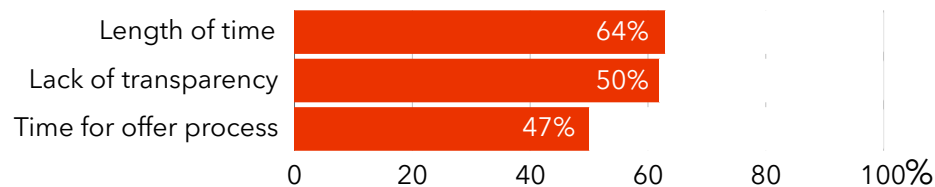
What do job seekers like least about application process:



What job seekers like least about interview process:



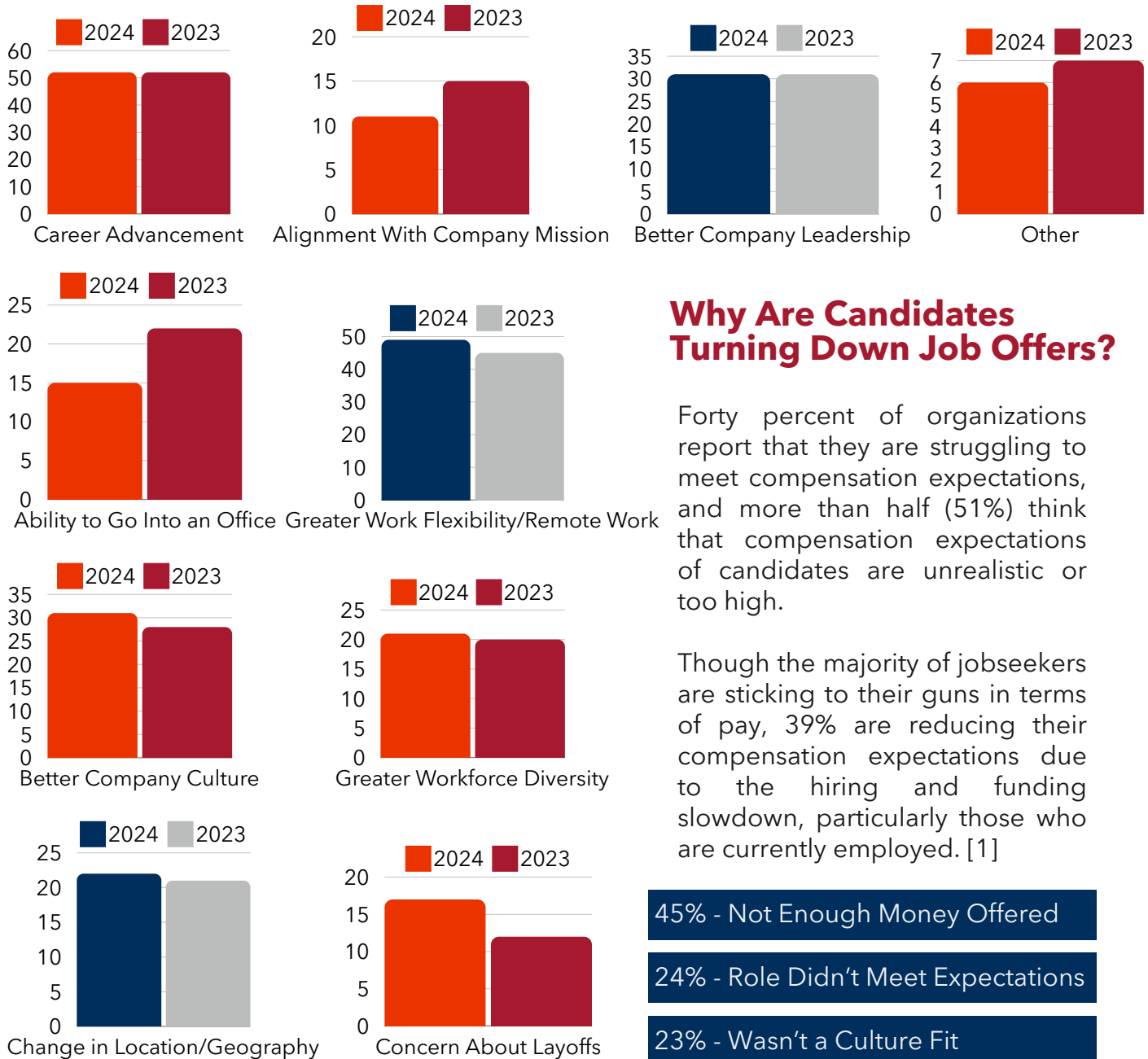
What job seekers like least about offer process:



Biospace [2024]. 2024 U.S. LIFE SCIENCES Employment Outlook Hiring, Job & Workforce Trends

Other Than Higher Compensation, Why Are You Actively Looking for a Job?

2023 v. 2024 [1]



Why Are Candidates Turning Down Job Offers?

Forty percent of organizations report that they are struggling to meet compensation expectations, and more than half (51%) think that compensation expectations of candidates are unrealistic or too high.

Though the majority of jobseekers are sticking to their guns in terms of pay, 39% are reducing their compensation expectations due to the hiring and funding slowdown, particularly those who are currently employed. [1]

45% - Not Enough Money Offered

24% - Role Didn't Meet Expectations

23% - Wasn't a Culture Fit

18% - Didn't Want to Relocate

18% - Bad Interview Experience [1]

Source: [1] Employ Inc. (2024). Keeping pace with the perceptions of modern workers: 2024 Employ job seeker nation report. Jobvite

MACRO OUTLOOK:

ECONOMIC IMPACTS ON THE LABOR MARKET - LIFE SCIENCE AND HEALTH CARE

The life sciences and healthcare labor markets are significantly influenced by macroeconomic factors, which shape organizational strategies and workforce dynamics. Recognizing these factors is vital for stakeholders to effectively navigate the evolving landscape. Key economic impacts such as inflation, investment trends, interest rates, and salary growth rates are pivotal in determining the labor market's direction in these sectors.

Inflation

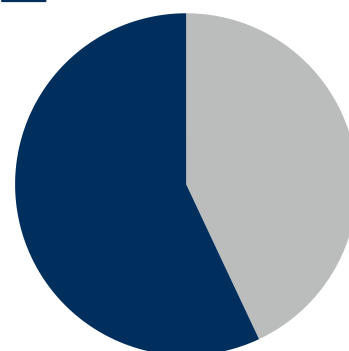
Inflation remains a critical concern for the life sciences industry. Last year, half of the respondents from the life sciences sector anticipated that inflation would heavily impact their organizations, as consumers delayed purchasing prescription drugs or medical devices. This year, inflation has stabilized, decreasing from 4.9% in 2022 to 3.6%. [1] The economy has also avoided the recession some economists had forecasted. [1] Despite these improvements, 36% of life sciences respondents still believe that the economy and inflation will significantly influence their strategy in 2024.

The potential expansion of the Inflation Reduction Act (IRA) is another concern, particularly within the biopharma job market. This expansion aims to lower prescription drug costs but might inadvertently harm drug development pipelines and reduce workforce size. A recent report from Vital Transformation suggests that this proposed expansion could eliminate between 136,000 to 216,000 biopharma jobs. [2]

Medtech Sector Impact Predictions

Substantial Impact

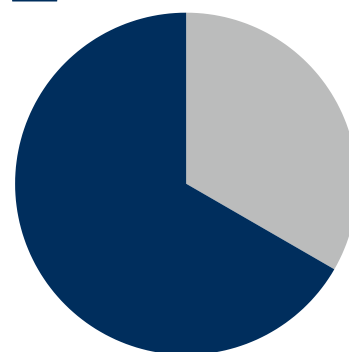
Moderate Impact



Biopharma Sector Impact Predictions

Great Impact

Moderate Impact



The IRA aims to reduce inflation through various initiatives, including healthcare and drug pricing reforms. It grants Medicare greater negotiation powers, potentially lowering patient costs but affecting company revenues. Additionally, the act mandates companies to reimburse if drug prices increase faster than inflation, potentially altering how life sciences and biotechnology companies price and invest in drug development. [2]

IMPACT ON HIRING

High inflation raises labor costs, discouraging companies from hiring new employees and contributing to talent shortages.

Unfavorable exchange rates make it costly to recruit talent from other countries, limiting the ability to attract top talent and exacerbating talent shortages.

Inflation and exchange rate challenges can also affect research and development funding, leading to potential hiring cutbacks.

Life sciences companies may need to adjust hiring strategies by focusing on local recruitment and investing in internal talent development.

Flexibility in compensation and benefits may be necessary to attract and retain top talent amid inflation and exchange rate uncertainties.

[1] Lyons, P., & Gupta, L. (2023, December 6). 2024 outlook for life sciences. Deloitte. [2] Turkowski, P. (2024, June 13). What will the life sciences industry look like in 2030? Netguru.

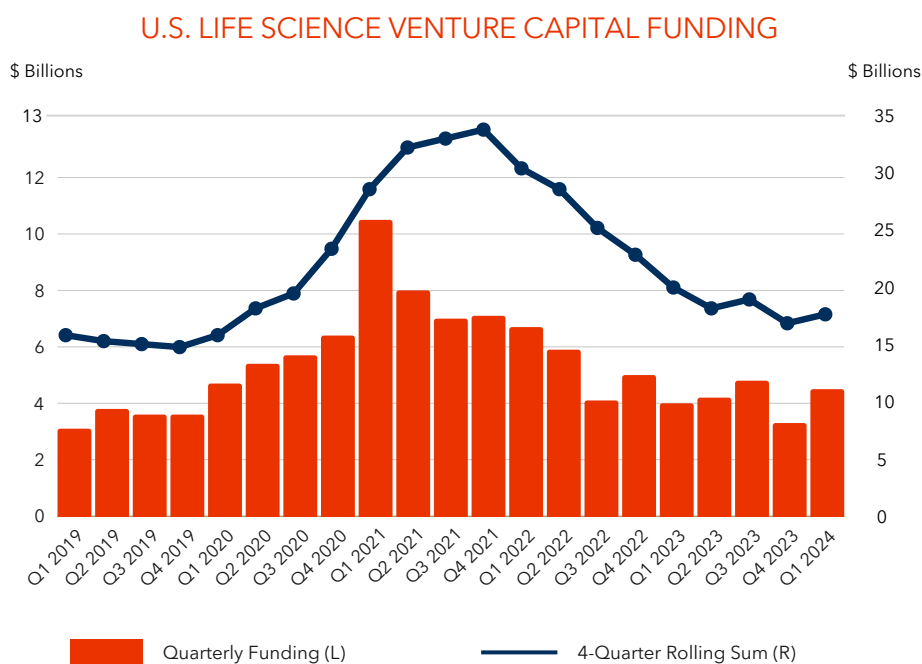
Investment

Investment in innovation remains a cornerstone of the life sciences industry, although there have been notable changes in priorities. Last year, nearly all biopharma executives (95%) emphasized the importance of developing next-generation therapies and innovative products. This year, however, only 20% of biopharma respondents consider investing in innovative products a top priority, with 23% deeming it less important. Instead, around 30% have shifted their focus to enhancing R&D productivity. For medtech executives, 48% still prioritize innovation, though this is a significant decline from 80% the previous year. Similarly, the focus on R&D productivity has dropped from 75% to 38%. Despite these shifts, innovation and R&D productivity remain vital areas of focus for the industry. [1]

Interest Rates

Global geopolitical tensions and their potential impact on economies and markets are of considerable concern, particularly regarding supply chains. Nearly 60% of biopharma executives believe these tensions could influence their 2024 strategies. The life sciences industry has the opportunity to enhance supply chain resilience and flexibility through digital technologies like generative AI. However, only one-third of biopharma supply chain leaders report active efforts towards digital transformation. Additionally, supply chain activities significantly contribute to the environmental footprint, with over 70% of life sciences companies' emissions originating from their supply chains. Many companies have set ambitious sustainability goals to mitigate this impact [1].

According to CB Insights and CBRE Research, venture capital funding for life sciences companies saw a significant rise in Q1 2024, reaching \$4.6 billion, an increase of approximately \$1.0 billion compared to any quarter in 2019. This follows a decline in Q4 2023. The rolling-four-quarter venture capital funding amounted to \$17.1 billion, which is a decrease from \$19.0 billion the previous year, but the trend is now moving upward. [2]



[1] Lyons, P., & Gupta, L. (2023, December 6). 2024 outlook for life sciences. Deloitte. [2] CBRE. (2023). 2023 U.S. Life Sciences Outlook - Employment.

Salary Growth Rate

Salary growth within the biopharma industry is experiencing a slowdown, with an average increase of just 2% reported since last year—the lowest in five years. Consequently, 68% of respondents believe they need to change companies to achieve a satisfactory raise [1]. Motivations for seeking new roles extend beyond financial incentives, including dissatisfaction with company culture, management, or the nature of the work. Despite these challenges, making a job change can be financially beneficial; 20% of respondents who switched employers reported a raise of more than 25%, compared to just 1.5% achieving such increases through merit-based raises [1].

Unemployment Rates and Layoffs

The U.S. unemployment rate has seen an increase, reaching 3.9%, which is higher than the forecasted 3.7% and marks the highest rate since January 2022. Despite this rise, it remains below the long-term average of 5.70%. This uptick in unemployment, coupled with economic instability, suggests that 2024 will be a busy year for job seekers. Even those currently employed are not complacent, with half of them actively looking for new roles. In the life sciences sector, a significant 96% of professionals are open to new opportunities in 2024. [2]

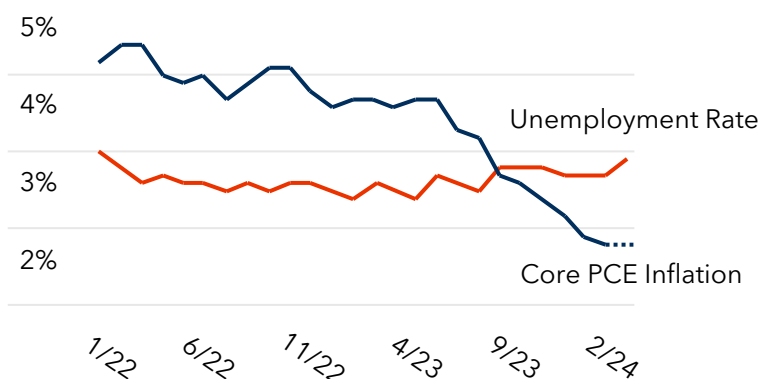
The biotech job market, in particular, has been heavily impacted by a wave of layoffs. According to Fierce Biotech, job layoffs in this sector increased by 57% in 2023 compared to the previous year. [2] Several factors contributed to this downturn, including a funding shortage and a dramatic 79% drop in initial public offerings (IPOs) two years ago. The

collapse of Silicon Valley Bank (SVB) further exacerbated the situation, leaving early-stage biotech companies momentarily without crucial funding. [3]

This economic slump did not spare big pharmaceutical companies, although some areas within the biotech sector managed to fare better. GLP-1 receptor agonists and radiopharmaceuticals, for instance, were exceptions amid widespread workforce reductions. The demand for Ozempic, which generated 95.7 billion Danish kroner (\$13.9 billion), ensured that this segment continued to access capital. Similarly, radiopharmaceuticals have seen a surge in funding, bolstered by the emergence of new cancer therapies like the FDA-approved Lutathera (lutetium-177 dotatate). [4]

Despite these bright spots, the biotech industry saw more than 10,000 job losses last year, as reported by BioPharma Dive. [5]

UNEMPLOYMENT TICKS UP AS INFLATION DIPS [6]



[1] Gabriel, A. (2024, March 20). With the salary growth rate slowing, should biopharma employees look for new jobs? BioSpace. [2] Masson, G. (2024, January 2). Every bad signal, there's a good sign not far behind: Biopharma layoffs rise 57% YOY, hope for 2024. Fierce Biotech. [3] Peter, R. M. (2023, March 31). How has the collapse of the Silicon Valley Bank affected the biotech industry? Labiotech. [4] Masson, G., & Bayer, M. (2024, June 13). Fierce Biotech layoff tracker 2024. Fierce Biotech. [5] Hopkins, J. (2023, January 18). Biotech layoffs in 2023: Pharma workforce and JPM outlook. BioPharma Dive. [6] Saul, D. (2024, March 8). Unemployment rate spikes to 2-year high. Forbes.

KEY TRENDS SHAPING LIFE SCIENCES & THE IMPACT ON CANDIDATE COMPETENCIES

The life sciences labor market is undergoing significant transformations driven by technological advancements, evolving healthcare models, and increased investment in specialized fields. Key trends such as digital transformation, personalized medicine, and value-based care are shaping the demand for skilled professionals and redefining the landscape of healthcare delivery and research. Understanding these trends is crucial for stakeholders to navigate the future of the life sciences industry effectively.

Digital Transformation

The rise of telehealth and remote patient monitoring is significantly reshaping healthcare delivery, necessitating a demand for professionals with expertise in data analytics, artificial intelligence (AI), and cybersecurity. Predictions indicate this sector will experience much higher than average job growth in the coming years, driven by a focus on AI/automation, innovation, and digital transformation. Ongoing advancements in biotechnology, pharmaceuticals, and healthcare are expected to sustain strong demand for skilled professionals. Key areas of anticipated growth include personalized medicine, gene editing technologies, and the development of novel therapeutics, creating increased opportunities for researchers, clinicians, and industry specialists alike. Generative AI is emerging as a transformative force within the biopharma and medtech sectors.

More than 90% of respondents from these industries expect generative AI to impact their organizations within the next year. This is a substantial increase from a year ago when generative AI was relatively unknown. Currently, it dominates conversations with leaders from life sciences companies, with 66% of surveyed companies experimenting with AI to test ideas and build use-cases. They are exploring its potential to automate repetitive back-office functions, reimagine supply chains, and support compliance and regulatory affairs. [1]

25% of biopharma executives have established governance and oversight structures for generative AI, with another 50% expecting to do so within the next 12 months. [1]

Nearly 70% of biopharma respondents prioritized using generative AI for research and discovery, while medtech executives are slightly behind, with 20% having governance structures in place and 57% planning to establish them in 2024. [1]

About 25% of medtech executives and 18% of biopharma executives remain cautious, waiting for more evidence before investing in generative AI. [1]

Focus on Personalized Medicine

The growth of genomics and precision medicine is driving demand for specialized researchers and clinicians. There is an increased need for genetic counselors, bioinformaticians, and other experts in data interpretation.

Precision medicine is anticipated to have a breakout year in 2024, characterized by substantial investments in genetic editing and the targeting of specific proteins and biomarkers. This approach is driven by the ability to target specific disease states and molecular targets, optimizing responses and improving patient outcomes. [2]

Mark Melton, Vice President of Scientific Operations and Development at Slope, emphasized that precision medicine will attract significant investment due to its tailored approach, offering higher probabilities of success and more defined success criteria, which can lead to fewer side effects and more effective treatments. This shift from a one-size-fits-all approach to personalized treatments benefits both patients and the medical industry, fostering better progress overall. [2]

Gene therapy and precision medicine are expanding within the life sciences industry, with researchers increasingly focusing on personalized treatments. This targeted approach, known as "precision-investing," appeals to investors by providing a clearer understanding of treatment mechanisms and success probabilities. The influx of investment in 2024 is expected to test the robustness of the system, necessitating more comprehensive management of precision medicine trials and treatments. [2]

Shift Towards Value-Based Care

Healthcare organizations are increasingly prioritizing patient outcomes and cost-effectiveness, leading to a growing demand for professionals skilled in care

[1] Real Staffing. (2024). STEM Market Report 2024. Real Staffing. [2] Hollan, M. (2024, January 16). Precision medicine's breakout year: 2024 trends. Pharmaceutical Executive. [3] JCBRE. (2023). 2023 U.S. Life Sciences Outlook - Employment.

coordination, population health management, and data analysis. This shift towards value-based care emphasizes the importance of delivering high-quality care while managing costs, a trend that continues to influence hiring practices within the life sciences labor market. [3]

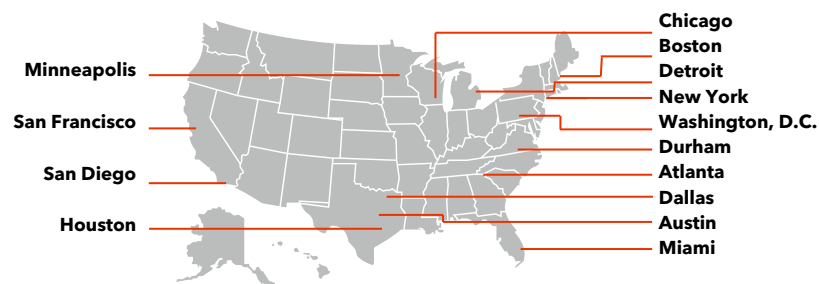
Top 10 In-Demand Roles in Life Sciences and Healthcare [1]

- | | |
|---------------------------------|-----------------------------|
| 1 Bioinformatician | 6 Nurse Practitioner |
| 2 Clinical Research Associate | 7 Physician Assistant |
| 3 Medical Science Liaison | 8 Pharmacist |
| 4 Regulatory Affairs Specialist | 9 Medical Technologist |
| 5 Data Scientist (Healthcare) | 10 Healthcare Administrator |

Key Skills for the Future [1]

- 1 Data analysis and interpretation
- 2 Digital literacy and technology proficiency
- 3 Communication and collaboration
- 4 Adaptability and problem-solving
- 5 Cultural competence and empathy

LIFE SCIENCE HIRING HOT SPOTS [1]



CHALLENGES AND OPPORTUNITIES

Talent Shortages and Retention

Despite the persistent workforce shortages affecting hospitals and health systems, life sciences companies have not experienced the same level of impact. During discussions with industry leaders, the topic of talent and workforce challenges has become less prominent compared to a year ago. Previously, the sector was grappling with the aftermath of the COVID-19 pandemic, and both medtech and biopharma executives anticipated significant talent shortages affecting their 2023 strategies. As we move into 2024, there is a noticeable decrease in concern about workforce issues. However, this does not diminish the importance of talent. The emphasis has shifted towards securing the right type of talent, particularly in scientific fields, which remains crucial for maintaining a competitive edge [1].

The job market dynamics have also shifted. According to Porschia Parker-Griffin, founder and CEO of Fly High Coaching, the market is no longer in favor of candidates. For the past two years, job seekers had an advantage due to the abundance of open positions. Now, with an increasing number of applicants vying for the same roles, the margin for error in the job search and interview process has become much smaller [2]. Greg Clouse, a recruitment manager at BioSpace, acknowledges that although it is a challenging time to seek new employment, it does not mean people should refrain from doing so [2].

The competition for skilled professionals is intense, and issues such as burnout and turnover remain significant concerns. Companies are adopting various strategies to attract and retain talent, including offering competitive compensation and benefits, providing flexible work arrangements, creating professional development opportunities, and fostering a culture of well-being and support.



[1] Lyons, P., & Gupta, L. (2023, December 6). 2024 outlook for life sciences. Deloitte. [2] Gabriel, A. (2024, March 20). With the salary growth rate slowing, should biopharma employees look for new jobs? BioSpace.

Opportunity: How to Support Employees Among Budget Constraints

Communication:

Effective communication is crucial in the life sciences industry. Stacy Solorio, Chief People Officer at Karius, highlights the challenges of maintaining transparency, especially during fundraising phases. It is essential to balance organizational communication and manage workforce expectations, even when the news is not particularly exciting. [1] Kate Aiken, chief people officer at Arcellx, emphasizes the importance of regularly updating employees on business developments to keep them informed and engaged. [1]

Development:

Post-pandemic, companies like Cytokinetics are refocusing on talent and leadership development to address retention issues. YulyMae DiNapoli, Vice President of Human Resources at Cytokinetics, notes that lack of growth and development opportunities is a top reason employees leave. In response, the company has implemented mentorship programs, with the first cohort launching soon. [1] Similarly, Karius has adjusted its career development strategies to focus on clear communication about career ladders and promotion criteria. [1]



Culture and Mobility:

Not all employees seeking higher compensation are looking to change jobs. Some stay with their current employers due to job satisfaction, positive company culture, and a sense of making a difference. Promotions and role changes within the same organization can also lead to salary increases, with half of the respondents reporting increases between 5% and 10%, and 5% experiencing increases of 25% or more. [2] However, those who stay might face additional responsibilities without corresponding pay increases if their companies are downsizing. [2]

What Talent is Looking For

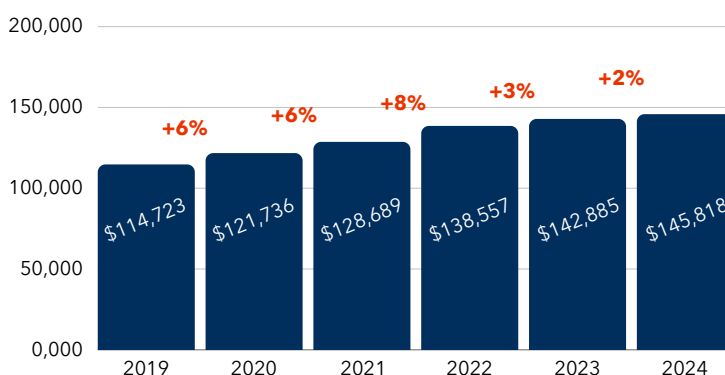
Employee expectations have shifted, with 30% of professionals seeking better benefits as a primary reason for job changes. Benefits like health insurance and 401k matching are considered essential, with 61% rating them as "Very important" and an additional 33% deeming them "Important" in their next role. [3]

[1] Dresner, C. (2024, March 27). In an evolving market, HR leaders balance business needs with employee engagement. BioSpace. [2] Gabriel, A. (2024, March 20). With the salary growth rate slowing, should biopharma employees look for new jobs? BioSpace. [3] BioSpace: 2024 Life Science Salary Report.

SALARY TRENDS AND EXPECTATIONS

Salaries in the biopharma industry continue to rise, but the pace has slowed considerably compared to the rapid growth seen during the 2020-2021 boom years. Last year presented significant economic challenges for companies, marked by layoffs, closures, and a slowdown in hiring. Despite the industry attracting professionals interested in new challenges, 55% of respondents in a BioSpace survey cited higher pay as their primary motivation for seeking new roles. On the flip side, insufficient salary offers were the most common reason candidates rejected job offers. A majority of respondents (61%) indicated that they are unwilling to lower their compensation expectations. While salaries have not declined, the combination of a surplus of available talent and constrained budgets has made employers more selective in their hiring. Until investment becomes more abundant—though this remains uncertain despite some positive signs—salary growth is likely to stay modest. [1]

AVERAGE ANNUAL SALARIES FOR FULL-TIME EMPLOYEES [1]

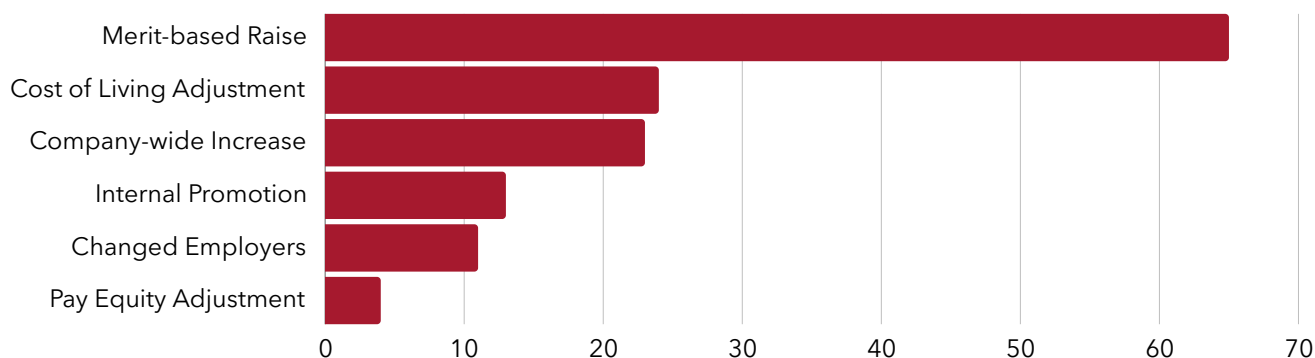


According to the BioSpace Salary Report, compared to last year, a higher number of respondents this year indicated that they would require less compensation incentive to consider new job opportunities. Additionally, 68% of respondents believe they would need to change employers to receive a satisfactory raise. This insight is crucial for employers focusing on employee retention, especially as teams have become leaner and the remaining employees are taking on more responsibilities. [1]



[1] BioSpace: 2024 Life Science Salary Report.

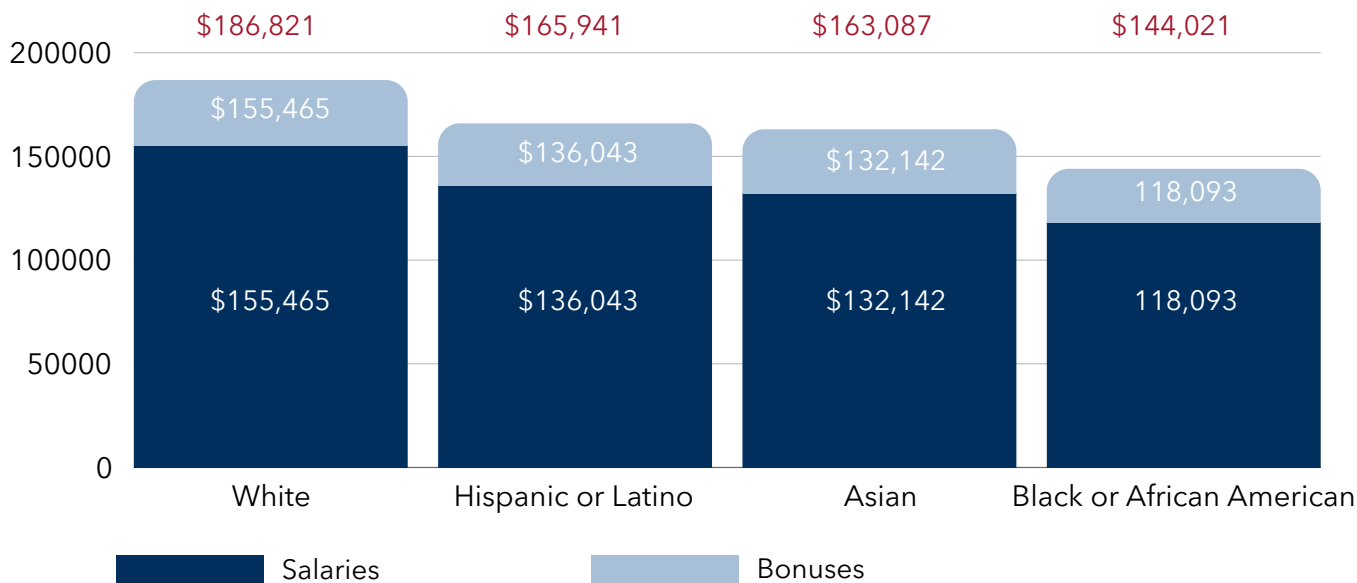
REASON FOR SALARY INCREASE



BioSpace: 2024 Life Science Salary Report.

Racial Wage Gap

Data from BioSpace's salary report reveals that White/non-Hispanic professionals earn more on average than any other demographic group. However, the rate of earnings growth is slower for this group compared to Asian and Black/African American professionals, suggesting a positive trend toward pay equity. In 2024, Black/African American earnings increased by 11%, Asian earnings by 8%, White/Non-Hispanic earnings by 2%, and Hispanic/Latino earnings by 1%. [1]

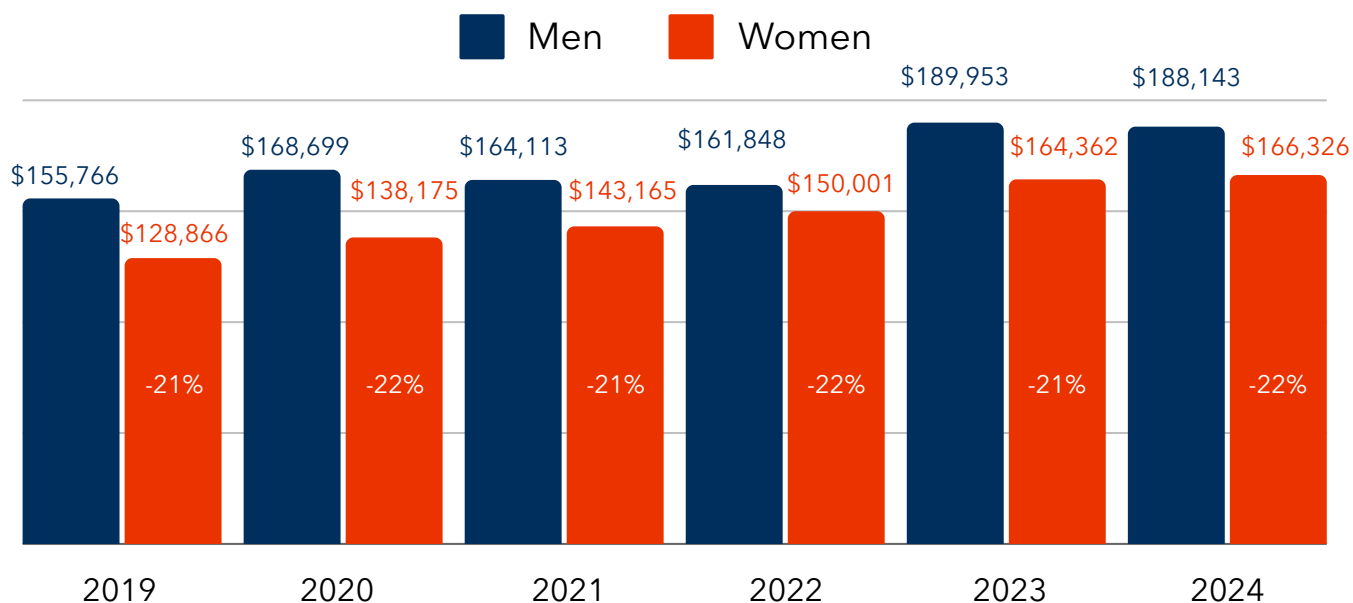


BioSpace: 2024 Life Science Salary Report.

[1] BioSpace: 2024 Life Science Salary Report.

Gender Wage Gap

The gender wage gap has seen incremental improvements over the past five years, though significant disparities remain. Women continue to earn less than men on average, with total earnings for women at 88% of men's earnings for both salaries and bonuses. [1]



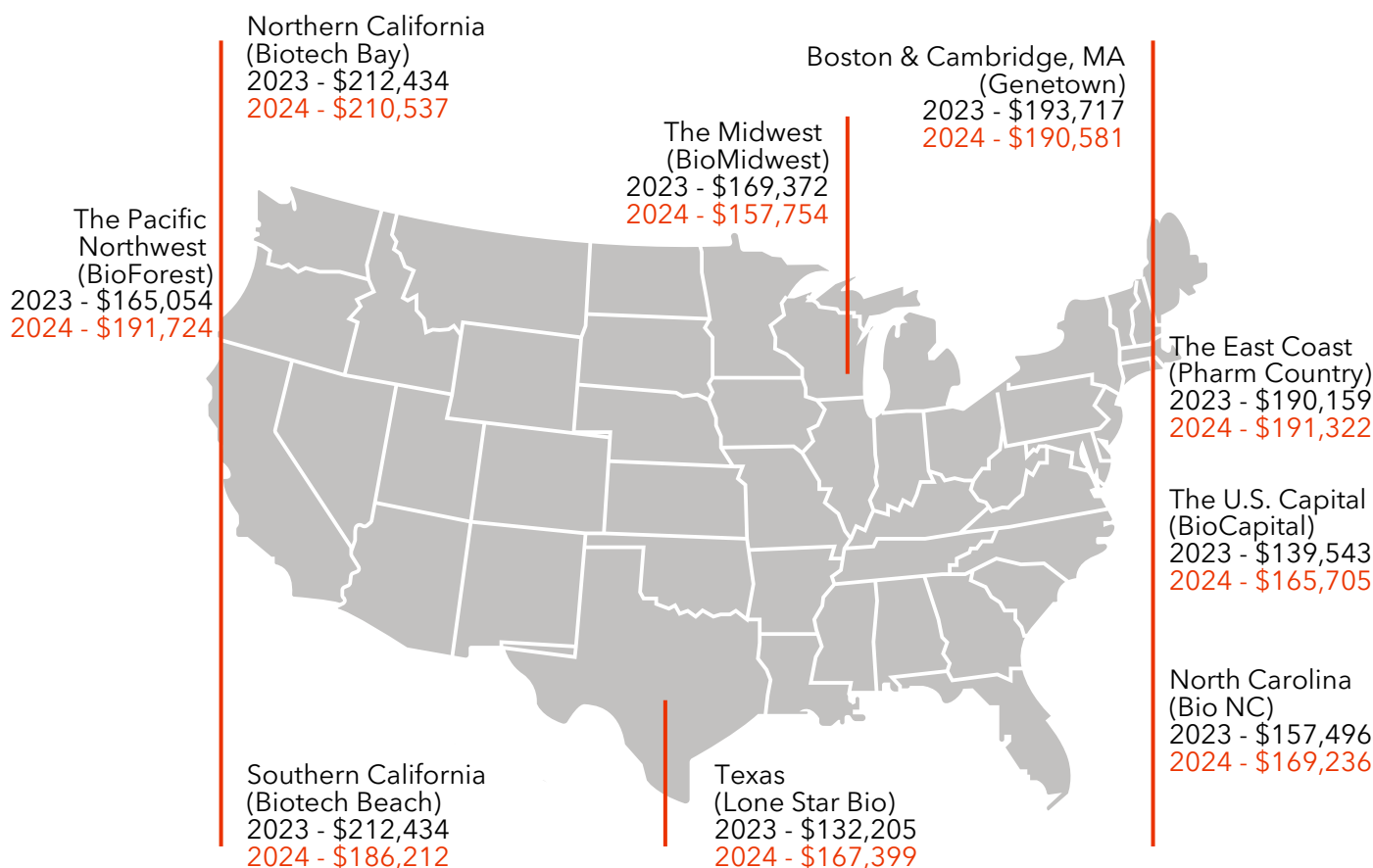
BioSpace: 2024 Life Science Salary Report.

[1] BioSpace: 2024 Life Science Salary Report.

COMPENSATION INSIGHTS BY REGION

Location plays a crucial role in determining compensation for life science professionals in the United States. As of 2024, here are key points regarding average salaries and regional variations, according to Biospace:

Source: Biospace's 2024 Life Science salary report



Considering the average salary benchmarks of regions is essential when creating compensation packages for employees because it ensures fairness and competitiveness. Employees' expectations and the cost of living can vary significantly from one region to another. By aligning compensation packages with regional averages, organizations can attract and retain top talent, motivating employees and reducing turnover. Failing to account for regional differences can lead to dissatisfaction among employees who may feel undercompensated compared to their peers in other areas. Moreover, it enables companies to remain competitive in the job market, ultimately contributing to their long-term success and reputation as employers of choice. In summary, regional salary benchmarks serve as a critical tool for organizations to tailor their compensation packages to local realities, promoting equity, satisfaction, and a strong talent pool.

Percentage of Respondents Who Receive Benefits

Insurance

- Health Insurance: 92%
- Dental Insurance: 84%
- Vision Insurance: 80%
- Life Insurance: 73%

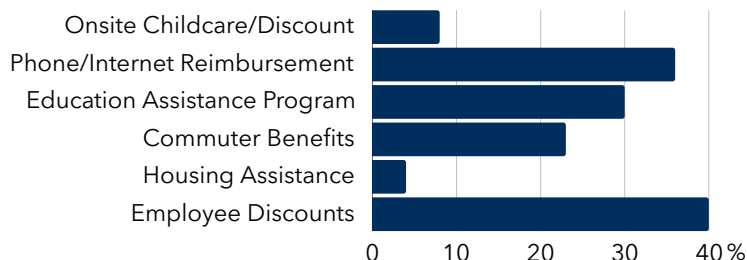
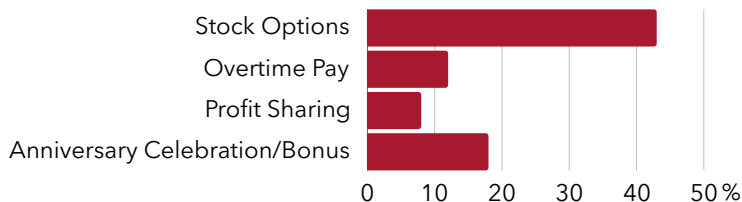
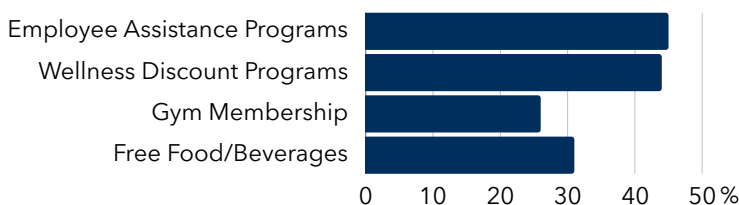
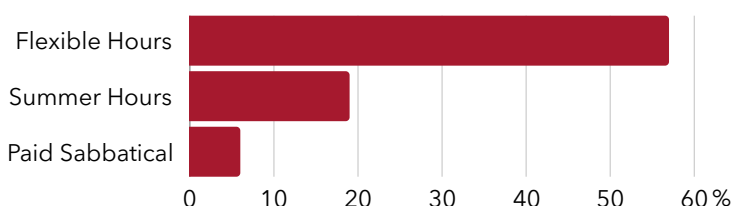
Financial Benefits

- 401K: 81%
- Health Savings Account: 52%
- Flexible Spending Account: 50%
- Adoption Assistance Program: 23%

Work/Life Balance

- Paid Time Off: 90%
- Sick Time: 77%
- Short-Term Disability: 67%
- Long-Term Disability: 63%
- Family Leave: 58%

Percentage of Respondents Who Receive Benefits



Percentage of Respondents Who Receive Paid Holidays

- New Year's Day: 96%
- MLK Day: 65%
- President's Day: 47%
- Friday Before Memorial Day: 17%
- Memorial Day: 81%
- Juneteenth: 45%
- Independence Day: 85%
- Float Day/s Around July 4: 36%
- Labor Day: 85%
- Indigenous Peoples Day/ Columbus Day: 18%
- Election Day: 16%
- Veteran's Day: 28%
- Thanksgiving: 87%
- Black Friday: 65%
- Christmas Eve: 70%
- Christmas Day: 95%
- New Year's Eve: 73%

Paid Vacation Days

- Set Number: 70% - Avg. 19 Days
- Unlimited: 19%
- None: 11%

Paid Sick Days

- Set Number: 48% - Avg. 10 Days
- Unlimited: 29%
- None: 23%

Paid Personal Days

- Set Number: 35% - Avg. 35 Days
- Unlimited: 14%
- None: 51%

Paid Bereavement Days

- Set Number: 42% - Avg. 4.5 Days
- Unlimited: 16%
- None: 42%

Paid Volunteer Days

- Set Number: 23% - Avg. 2 Days
- Unlimited: 7%
- None: 70%

BioSpace: 2024 Life Science Salary Report.

FUTURE LABOR MARKET PREDICTIONS

- 7% job growth in life, physical and social sciences sector by 2032
- 136.8k new life sciences jobs created each year by 2032
- 12.7% projected job growth in research and development by 2032
- 5% Biotech job growth projected by 2032
- 10,600 Biotech job openings projected each year by 2032

Source: Real Staffing. (2024). STEM Market Report 2024. Real Staffing.

The biotech job market is showing signs of a gradual recovery, although the path ahead remains uncertain. According to a report by CBRE, the life sciences industry reached a record 2.1 million jobs in the U.S. at the start of 2023. This milestone followed a period of employment growth decline in 2022, influenced by rising interest rates and a pullback from investors. Last year, the sector was hit hard by a wave of layoffs, but there is hope that the industry can navigate the economic downturn and move forward. [1]

In an interview with Labiotech, Amber Penrose, founder of the U.K.-based biotech recruitment firm Moxee Search, expressed cautious optimism about the future. She predicts that the job market will see slight improvements over 2023 but anticipates it will take two to three years to fully correct itself. Reflecting on the influx of people entering the biotech field during 2020 and 2021, Penrose noted that as the industry returns to 'normal' levels, the outlook appears somewhat uncertain. [2]

The interview continues to elaborate that the biotech job market is projected to experience a gradual recovery, hindered primarily by persistently high interest rates, which continue to constrain financial liquidity. Consequently, the emergence of new public biotech companies is expected to be limited over the next five years. This situation parallels the 2008 financial crisis, which delayed biotech IPOs, precipitated pharmaceutical bankruptcies and led to over 42,000 job losses within the sector. [2]

There is cautious optimism that the IPO market may see a resurgence in the latter half of the year, contingent on a reduction in interest rates. Although the frequency of outright layoffs may diminish, this does not necessarily indicate an immediate expansion of teams. Current hiring budgets for 2024 are notably low and are projected to remain constrained until there is a significant decrease in interest rates. Companies are likely to adopt a conservative approach to hiring, focusing on essential roles and strategic needs. [2]

[1]CBRE. (2023). 2023 U.S. Life Sciences Outlook - Employment. [2] Peter, R. M. (2024, February 9). Biotech job market 2024: What to expect? Labiotech.



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Phone

614 436 6650



Email

letschat@tsptalent.com



Website

tsptalent.com



Office Address

500 Olde Worthington Road
Westerville, OH 43082