

# Will we have the Skills to Compete?

The 2008 Mid-Willamette Status  
of the Workforce Report

# The Enterprise

- **Vision:** The Mid-Willamette Valley will have the skilled workforce necessary for businesses to locate, stay and thrive here.
- **Mission:** To identify current and future workforce needs and solutions that promote business recruitment, retention and growth.

# Workforce Development...

...coordinating the development and delivery of a skilled workforce to achieve business competitiveness and individual prosperity.

# Council on Competitiveness

“In a global economy, U.S. regions can no longer primarily compete based on their natural resource endowment, low cost labor, or tax incentives. Instead, regional prosperity depends upon the region’s capacity to support innovative firms, institutions and people.”

# *2007 Regional Economic Profile and Assessment*

- Business was good overall
- The region's significant inventory of "tier 1" industrial sites (about 1,500 acres) provided an asset to develop
- Despite strong and effective education and training institutions, workforce was a primary issue
- The region needed a comprehensive economic plan, including a "Latino" agenda

# 2008 First Regional State of the Workforce Report

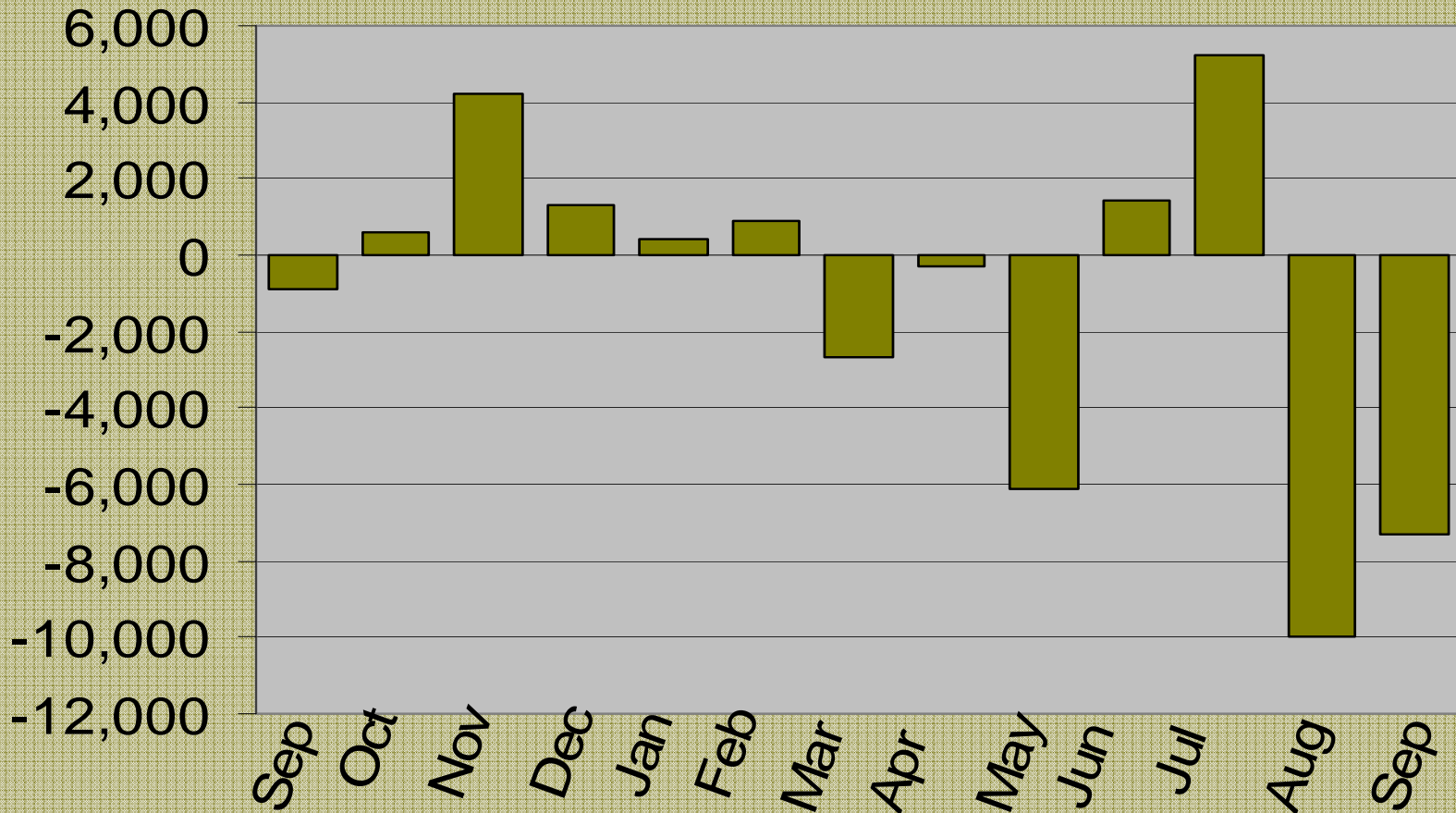
- Follow-up to 2007 *Regional Economic Profile and Assessment*
- Provides quality data regarding workforce
- Additional products will dig deeper
- This Summit is an opportunity for your feedback

# Fast forward to 2008

- Oregon lost 7,300 jobs in September (seasonally adjusted, non-farm payroll).
- 10,000 jobs lost in August
- Unemployment rate at 6.4%
- An international national financial crisis

**So what does this mean?**

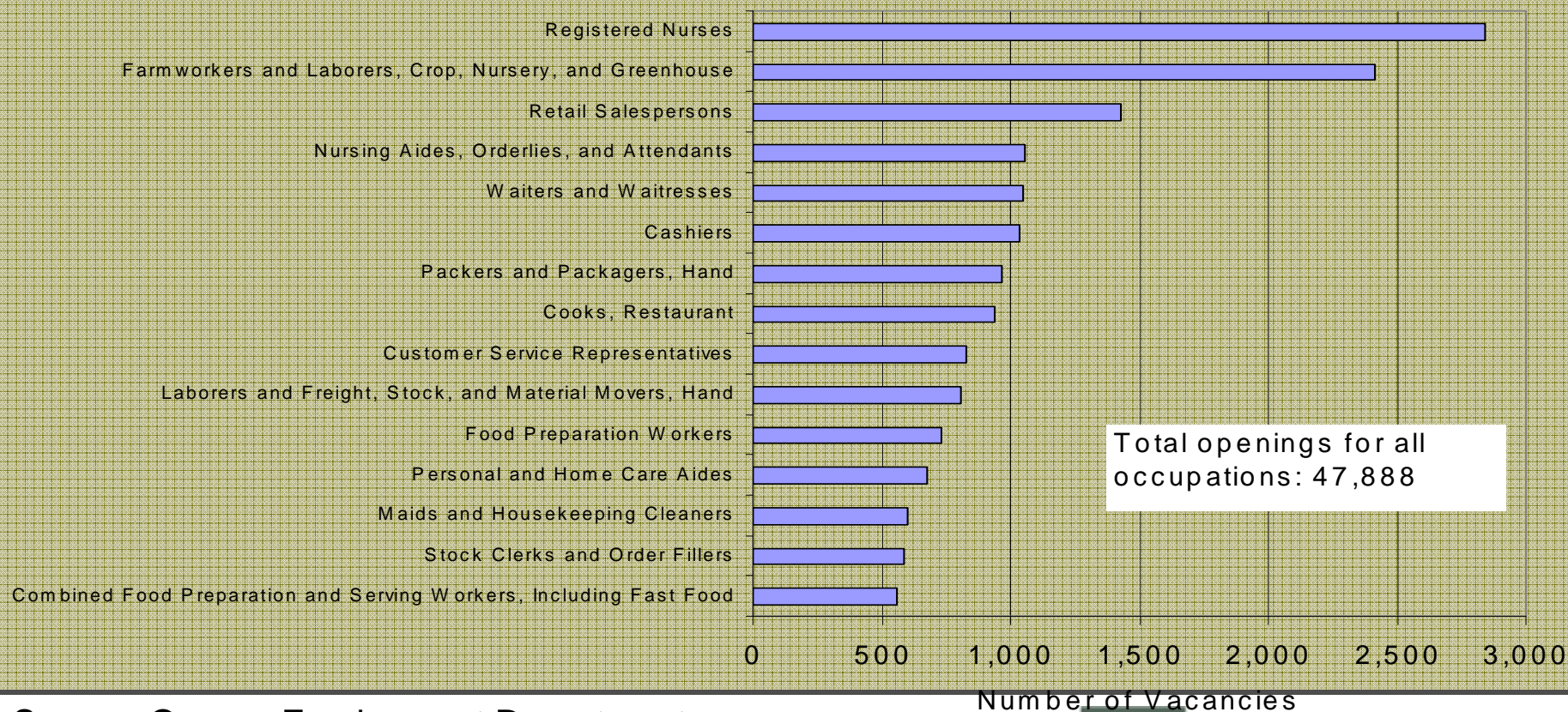
# Jobs gained and lost September 2007 to September 2008



Source: Oregon Employment Department

# 47,888 vacancies in May 2008.

## Registered Nurses and Farm Workers Vie for First Place *Occupations with Most Vacancies, Spring 2008*



Source: Oregon Employment Department

# Forgotten “Middle-Skill” Jobs

- Require more than a high school diploma, but less than a four-year degree.
- Make up about 50% of economy according to some estimates.
- Are generally hard to outsource.
- Largely “forgotten.”

# Central question

How will we assure that the Mid-Willamette Valley has the  
**Skills to Compete?**

# Findings...

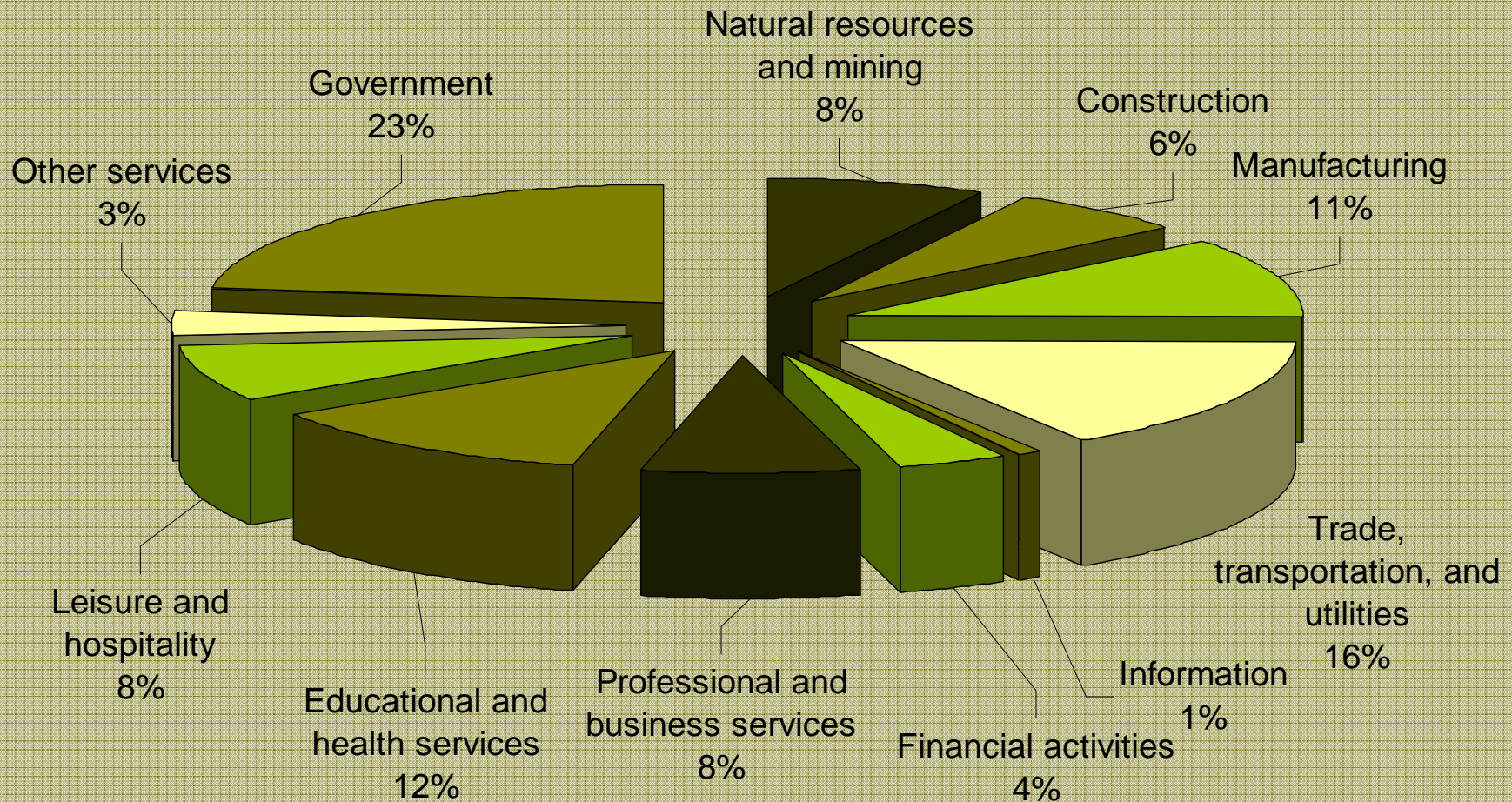
Factors surrounding the central question:

- Slower employment growth, but
- A large number of replacement jobs;
- Continued population growth;
- Lagging educational levels;
- Lagging earnings; and
- Growing skills requirements.

# Finding #1

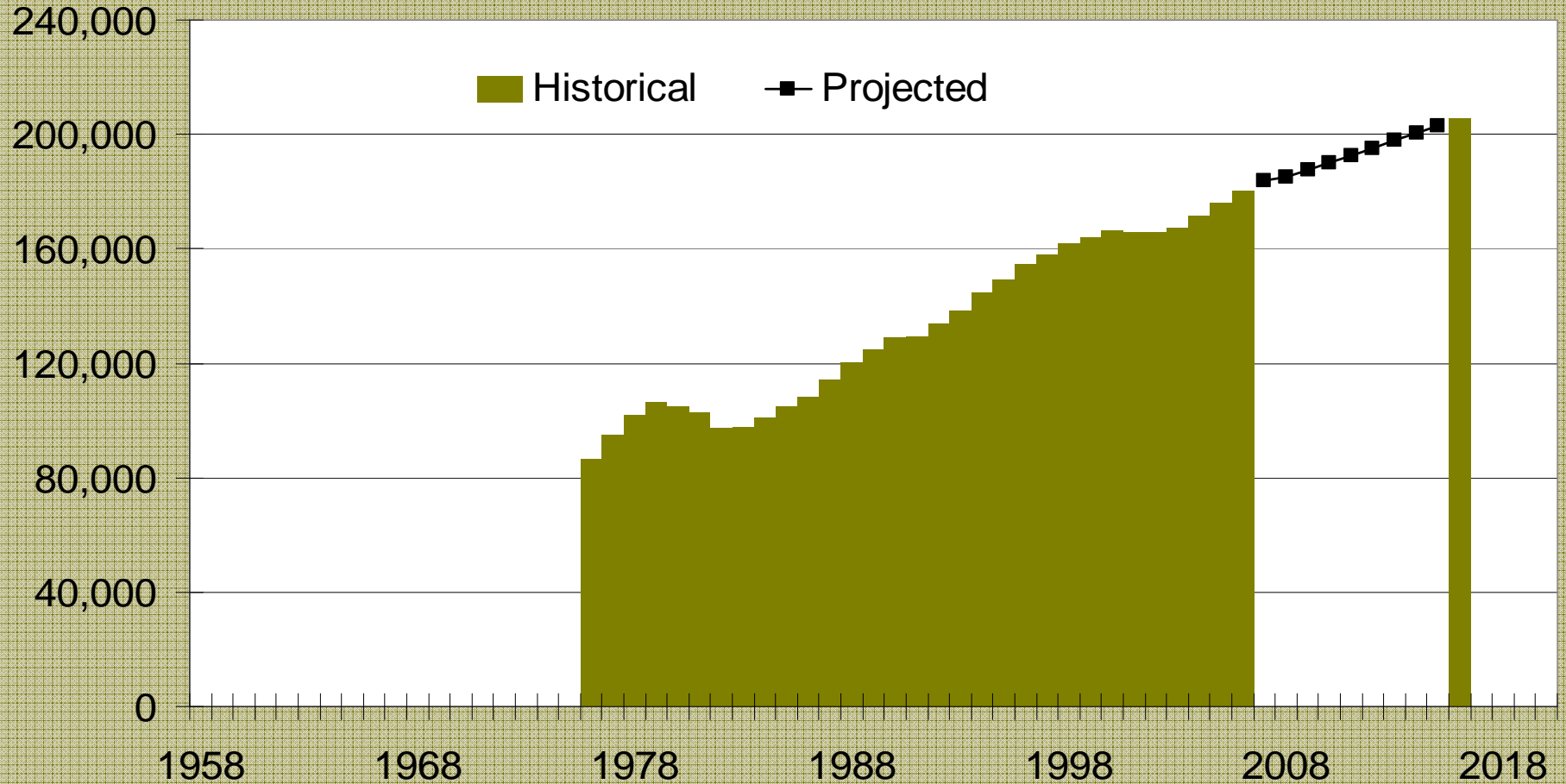
Slower growth, but lots of  
replacement openings

# Diverse Employment Base



Source: Oregon Employment Department 2007

# Nonfarm Payroll Jobs



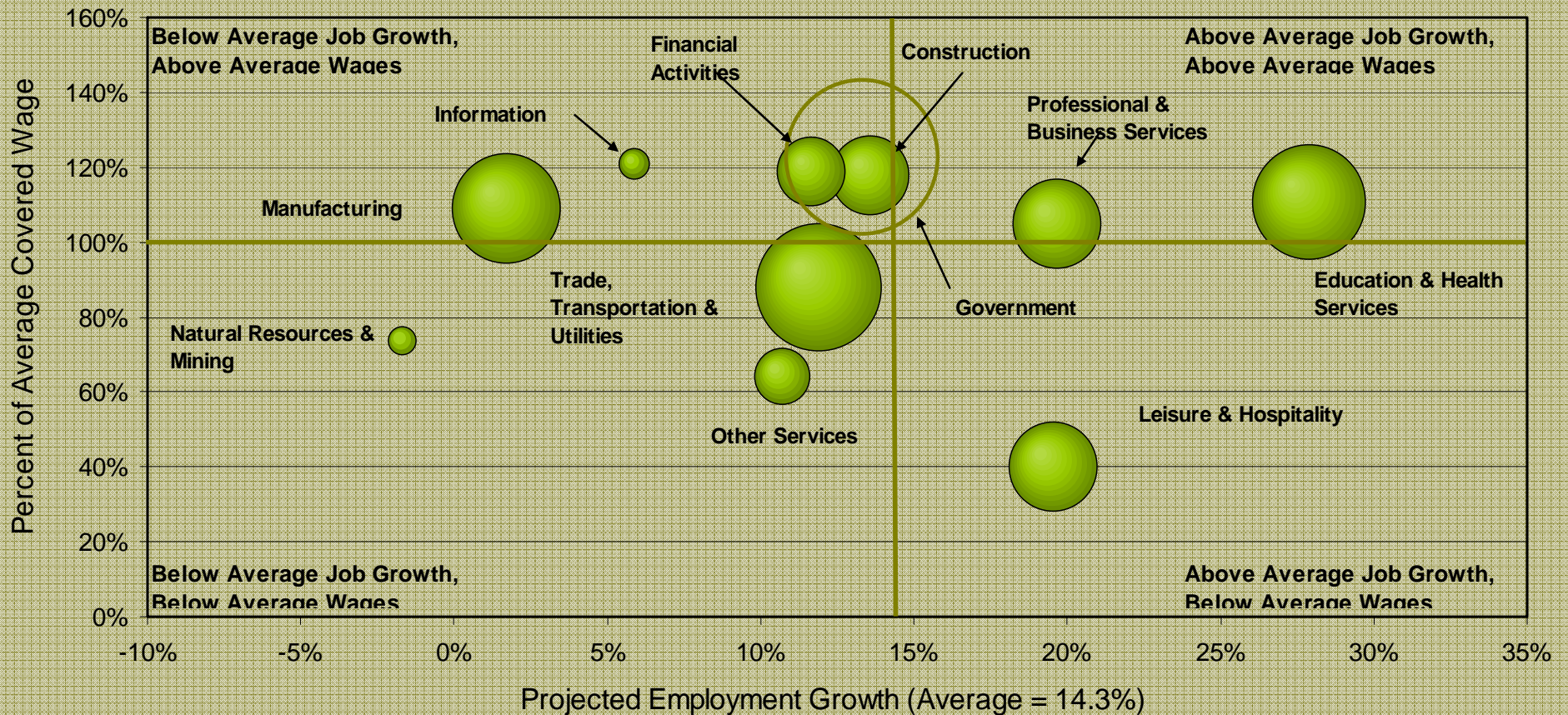
Source: Oregon Employment Department

# Most Mid-Willamette industry sectors will grow by 10+% from 2006 to 2016

<b>Broad Industry</b>	<b>2006</b>	<b>2016</b>	<b>Change</b>	<b>Percent Change</b>
Total nonfarm employment	179,800	205,600	25,800	14%
Educational and health services	24,900	31,800	6,900	28%
Leisure and hospitality	14,900	17,800	2,900	19%
Professional and business services	14,500	17,300	2,800	19%
Construction	11,300	12,900	1,600	14%
Government	44,300	50,200	5,900	13%
Trade, transportation, and utilities	30,100	33,600	3,500	12%
Financial activities	8,700	9,700	1,000	11%
Other services	6,100	6,700	600	10%
Information	1,700	1,800	100	6%
Manufacturing	21,800	22,200	400	2%
Natural resources and mining	1,600	1,600	0	0%

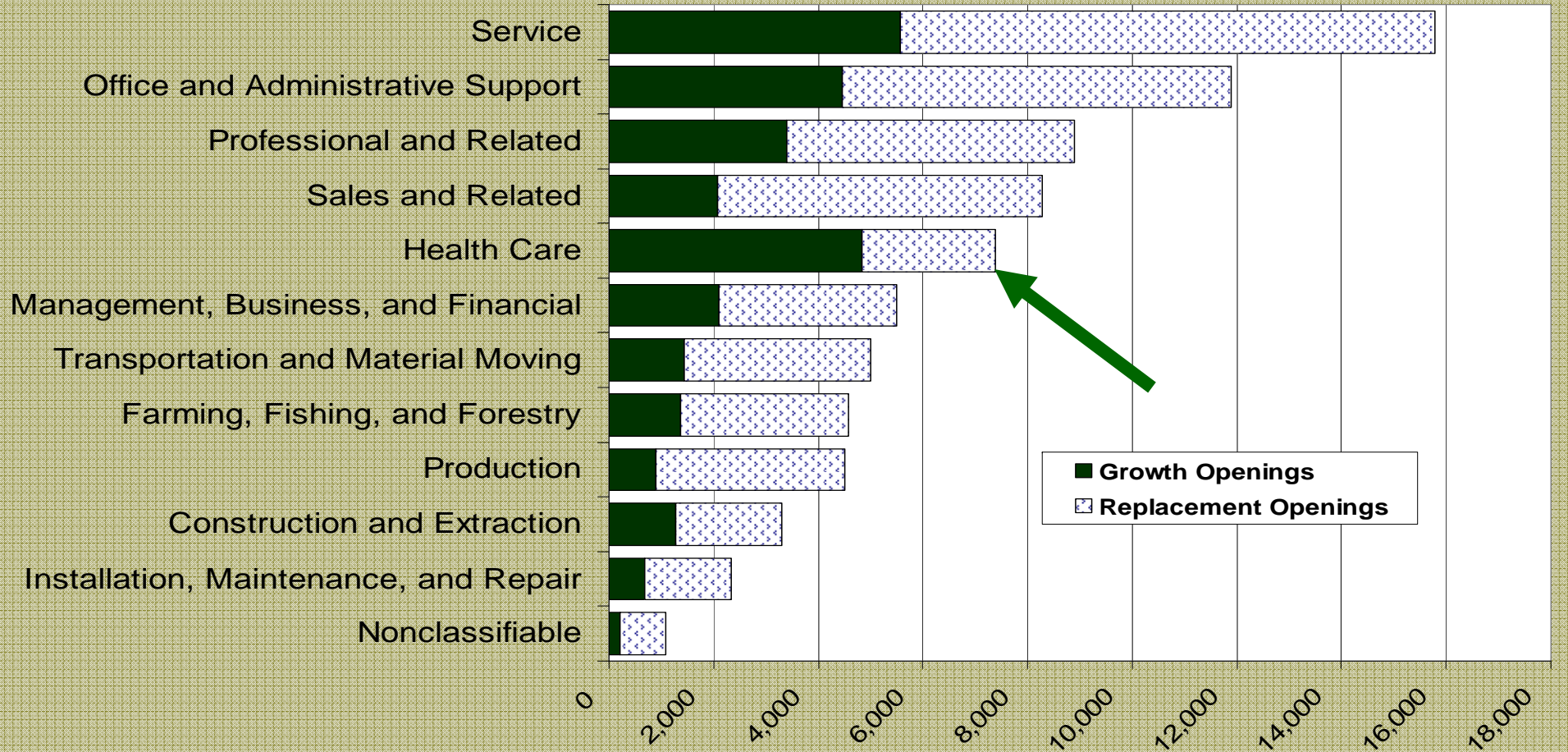
Source: Oregon Employment Department

# A number of high-wage/high-growth sectors



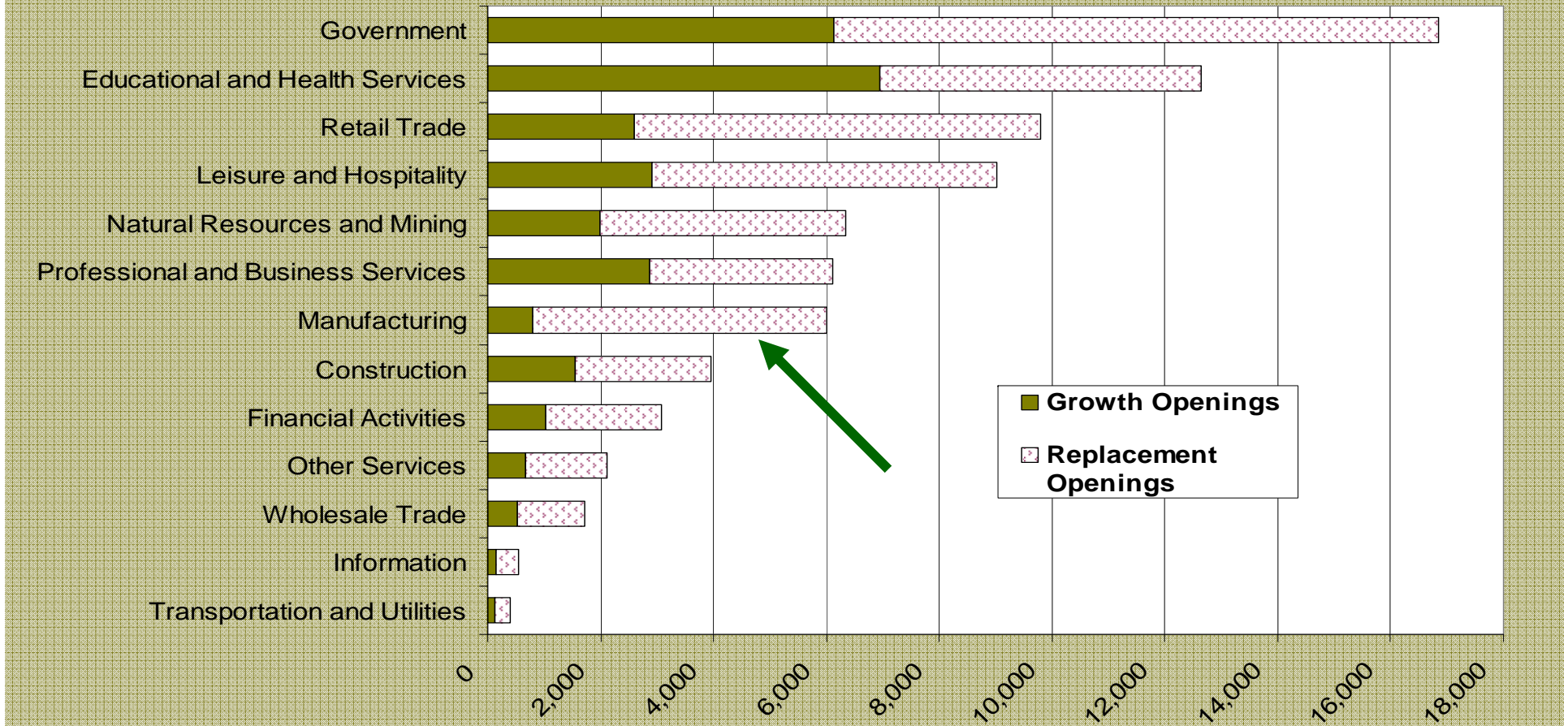
Source: Oregon Employment Department

# 2 to 1 Replacement to Growth Jobs



Source: Oregon Employment Department

# Growth & Replacement by Industry 2006-2016

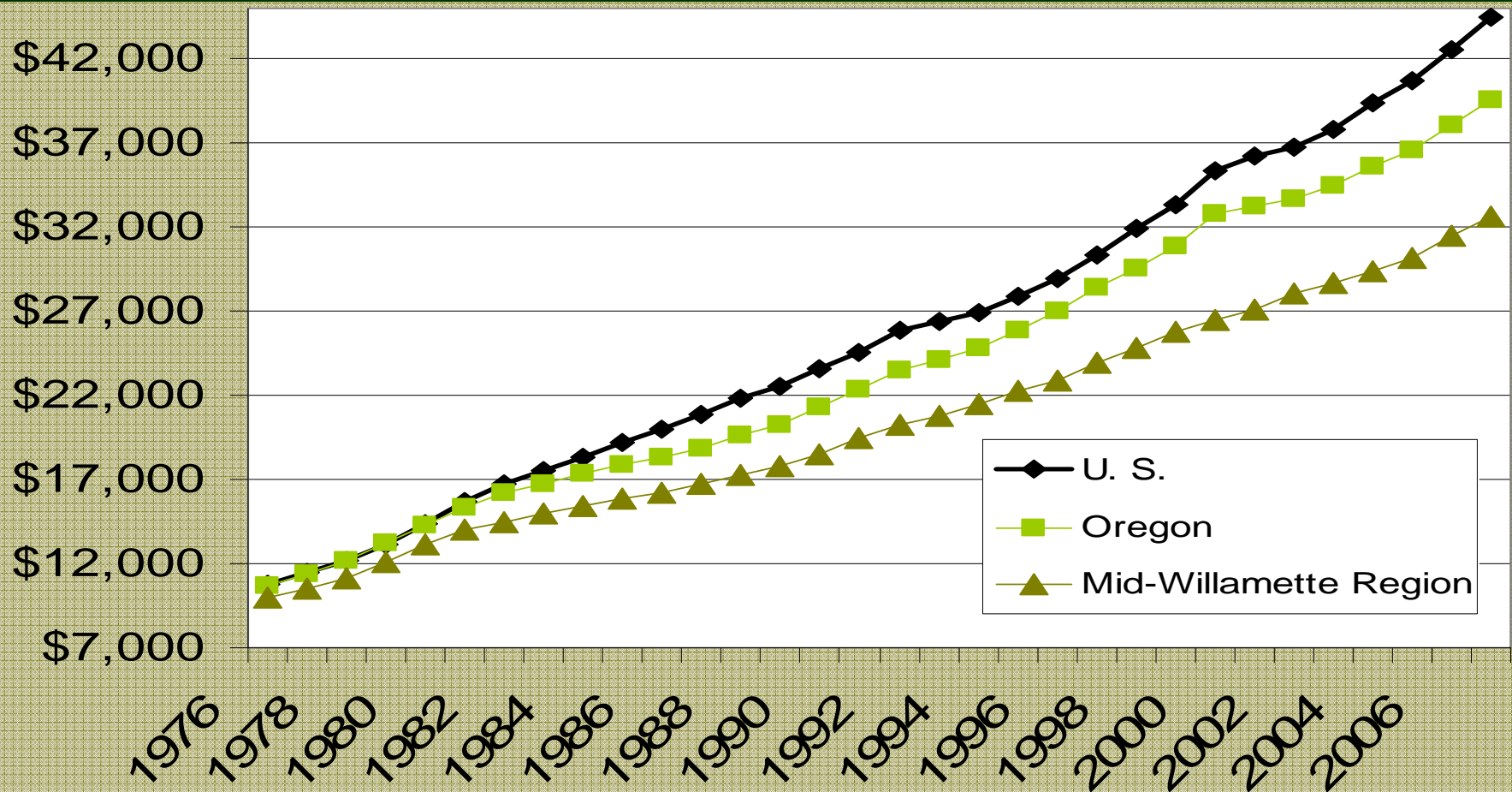


Source: Oregon Employment Department

# Finding #2

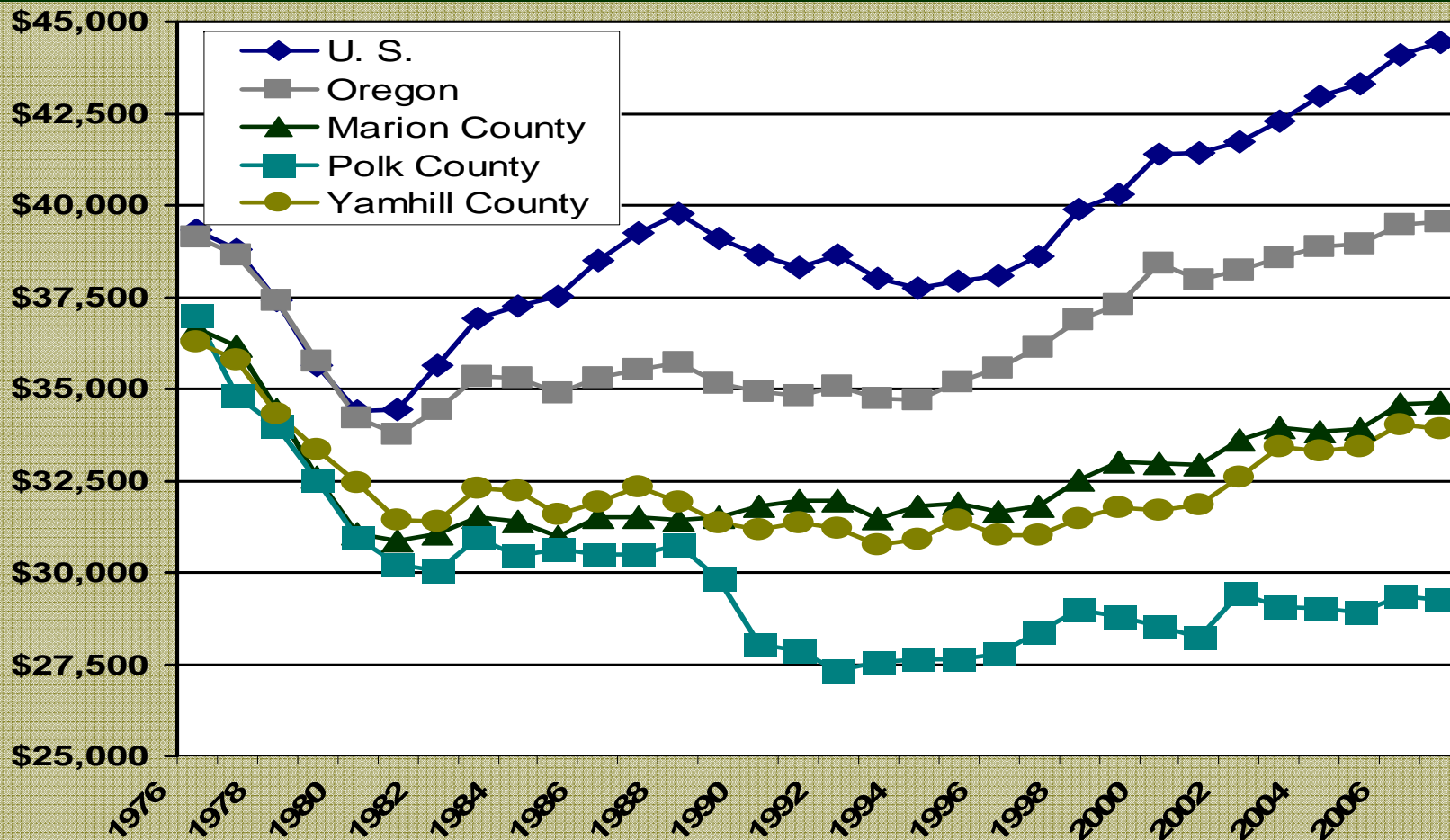
The region lags the State and  
Nation in terms of earnings

# Wages lag Oregon and U.S.



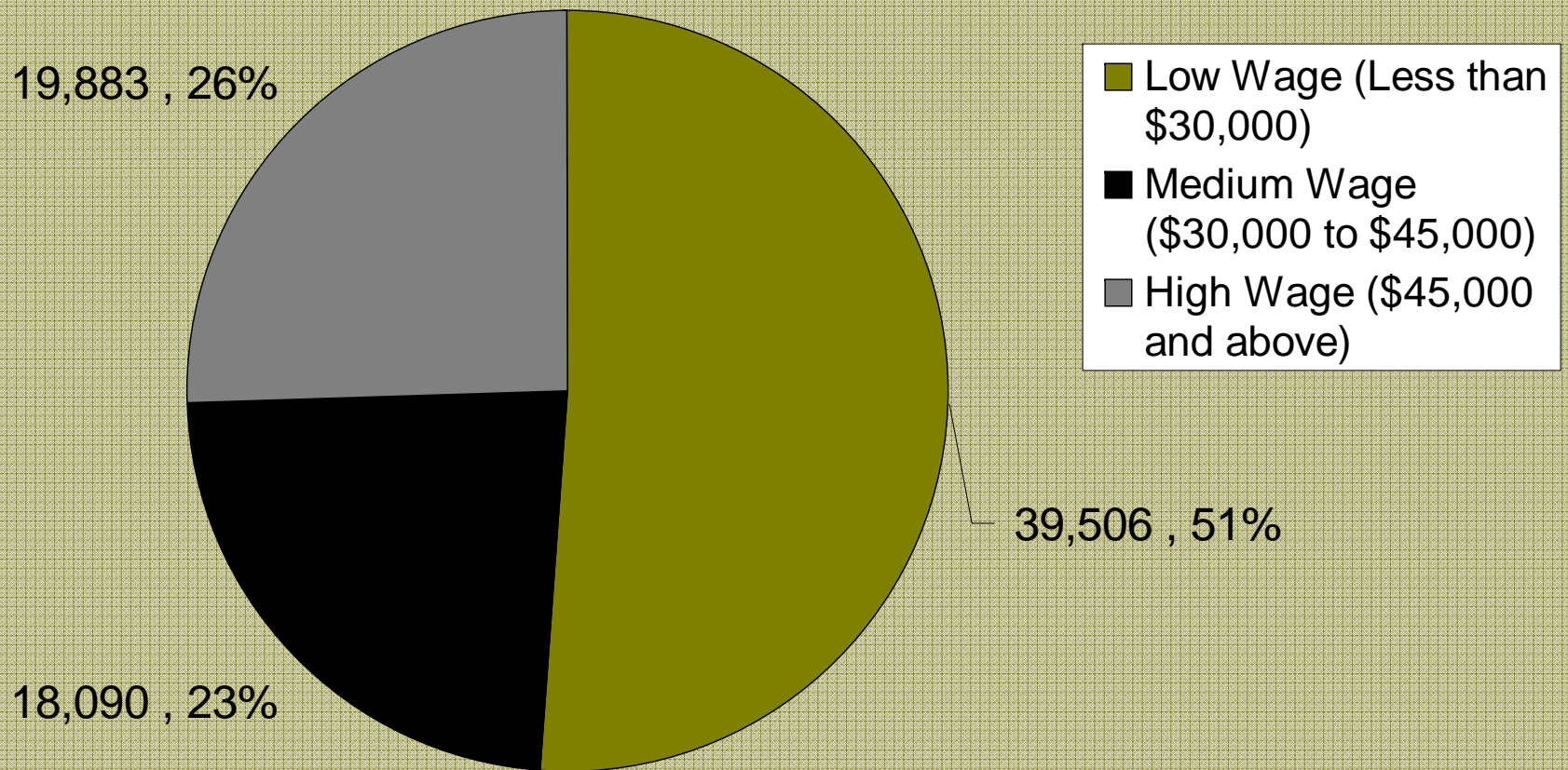
Source: Oregon Employment Department

# 3-County Comparison to U.S. & OR



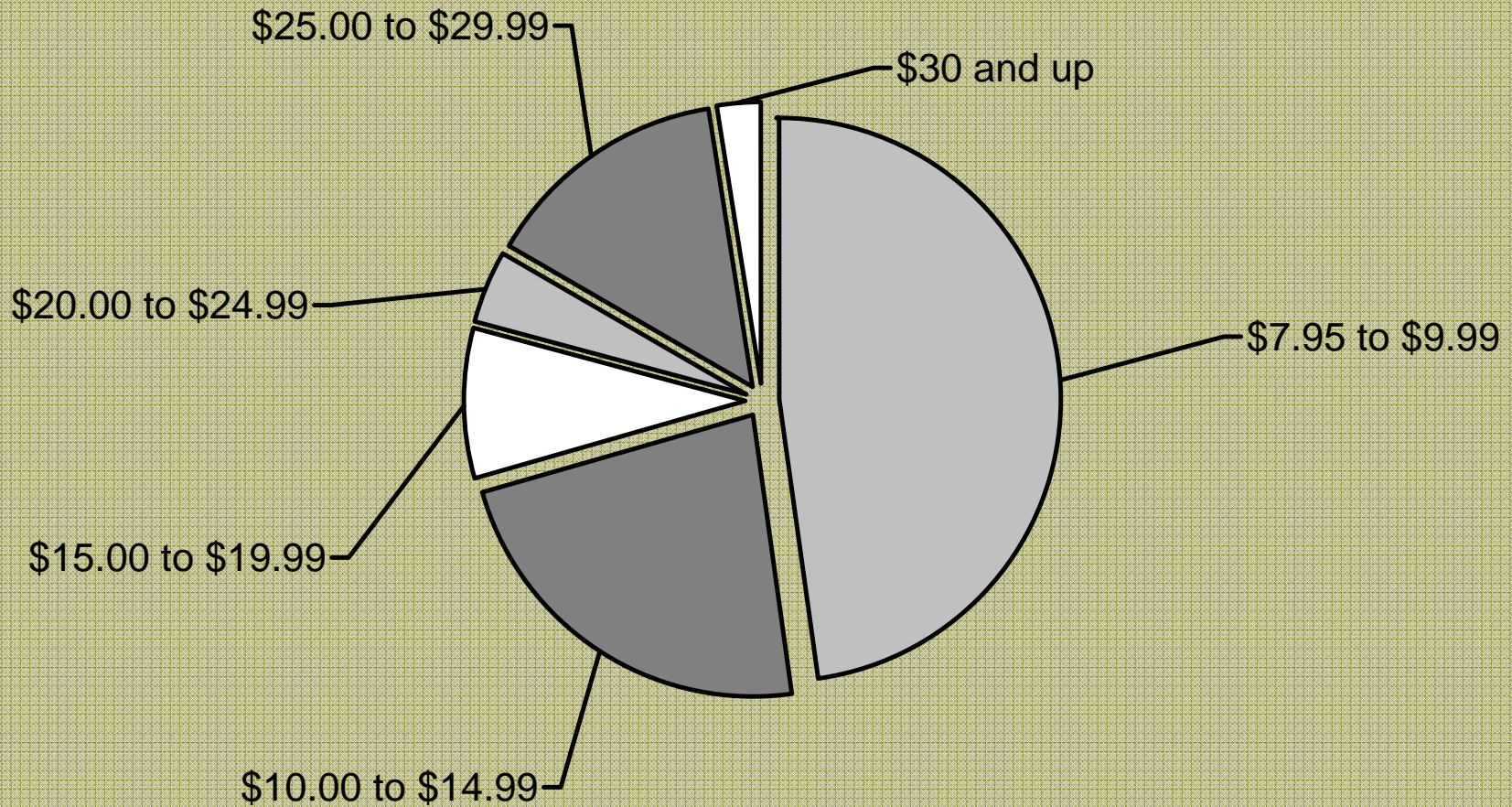
Source: Oregon Employment Department

# Greatest growth projected in low wage jobs



Source: Oregon Employment Department

## Job Vacancies by Hourly Wage, May 2008 (Marion, Polk, and Yamhill Counties)



# Industry Comparisons

	Total Employment	Total Payroll	Average Pay
<b>Total All Ownerships</b>	<b>191,473</b>	<b>6,505,420,469</b>	<b>\$33,976</b>
Natural resources & mining	14,967	374,084,001	\$24,994
Construction	12,059	483,318,399	\$40,079
Manufacturing	21,403	791,776,998	\$36,994
Trade, transportation, & utilities	30,154	900,269,467	\$29,856
Information	1,754	72,030,832	\$41,067
Financial activities	7,333	296,636,719	\$40,452
Professional & business Srvcs	14,687	523,175,182	\$35,622
Educational & health services	23,530	885,646,812	\$37,639
Leisure and hospitality	15,008	204,166,050	\$13,604
Other services	6,619	144,586,504	\$21,844
<b>Government</b>	<b>43,858</b>	<b>1,826,903,324</b>	<b>\$41,655</b>

# Income growth

- Results from:
  - Increase wages, increase hours worked
- Cause by
  - Higher levels of education
  - Early and consistent work
  - Picking the right field

# Impact of education: work rate

- % of people who work
  - 82% nationally, 81% in Oregon
  - Those with only a high school diploma drop below 80%
  - Those without a high school diploma at 64% nationally, 72% in Oregon

# Impact of Education: hours

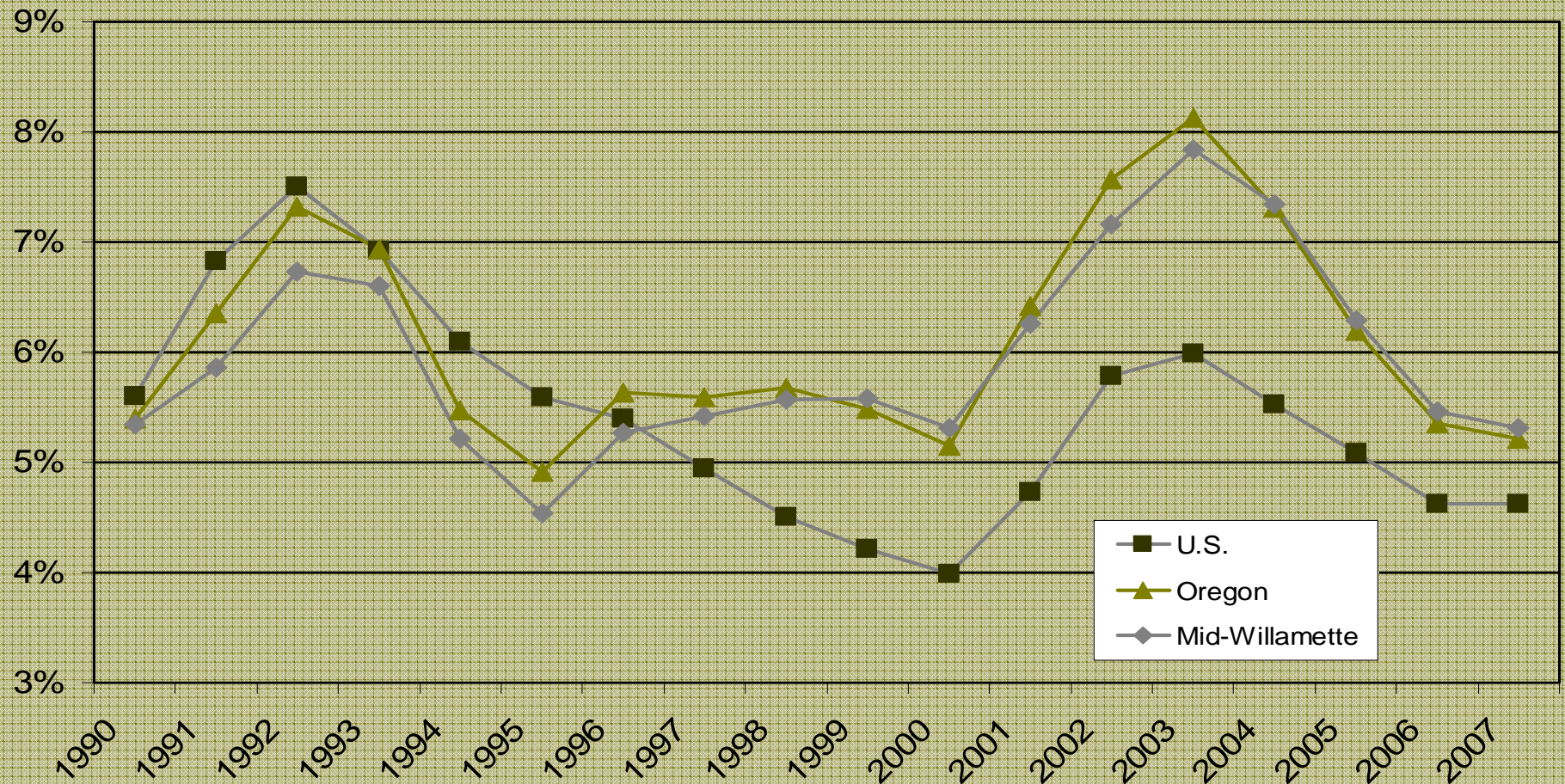
- National average is 1,500 hours
  - Those with Masters degrees work 1,800 hours on average
  - Those with only a high school diploma work 1,400 hours on average
  - Those without a diploma or GED work 1,200 hours on average

# Education & Lifetime earnings

- U.S. average \$1.5 million
- Oregon average \$1.35
  - MA/MS: US = \$2.9, OR= \$2.4
  - BA/BS: US = \$2.6, OR= \$1.7
  - HSD/GED = \$1.02
  - No HSD/GED = \$731,742

Source: Dr. Paul Harrington

# Annual Average Unemployment Rates: 1990-2007



Source: Oregon Employment Department

# Finding #3

The Region lags the State in terms of educational attainment

# Mid-Willamette Educational Attainment

	<b>1990</b>	<b>2006</b>
% without high school diploma	21.1%	17.6%
% HS grad or higher	78.9%	82.4%
% associate's degree	6.9%	8.0%
% bachelor's or higher	18.0%	22.1%

Source: U.S. Census

# Educational attainment lags the state & U.S.

	<b>Mid- Willamette</b>	<b>Oregon</b>	<b>U. S.</b>
% less than high school	<b>17.6%</b>	12.4%	15.9%
% high school grad or higher	<b>82.4%</b>	87.6%	84.1%
% associate's degree	8.0%	7.9%	7.4%
% bachelor's or higher	<b>22.1%</b>	27.5%	27.0%

Source: U.S. Census

# Mid-Willamette job openings & education

- Minimum educational requirement for about 27% of openings will be post-secondary education or more – **slightly lower than statewide.**
- For candidates to be really competitive for 51% of these openings, they will need post-secondary education – **slightly lower than statewide.**
- To be competitive for 92% of high-demand, high-wage job openings, candidates will need to have post-secondary education or more – **matches statewide percentage.**

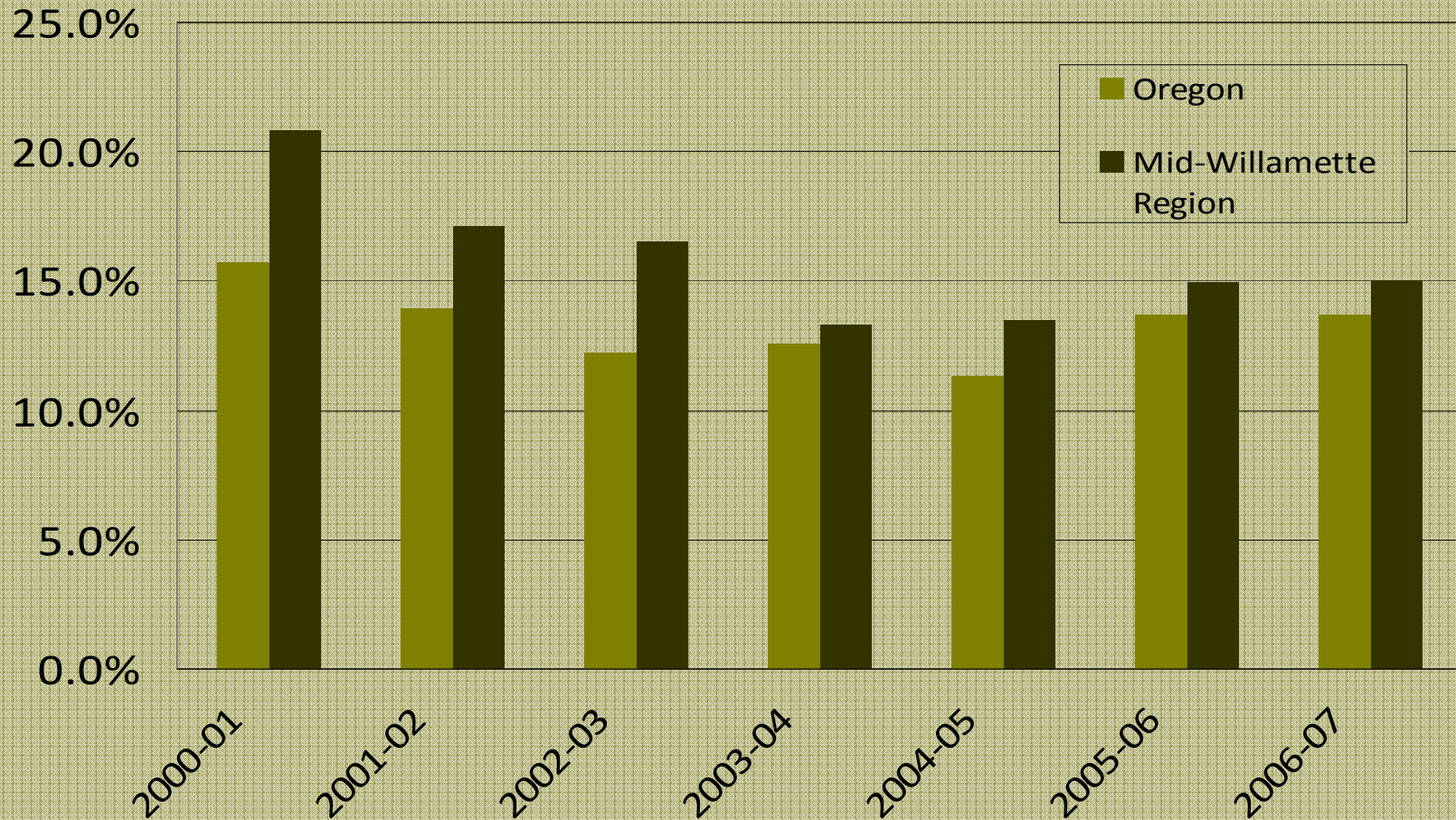
Source: Oregon Employment Department

# Vacancies and educational levels

**Job Vacancies by Required Education Level, May 2008  
(Marion, Polk, and Yamhill Counties)**

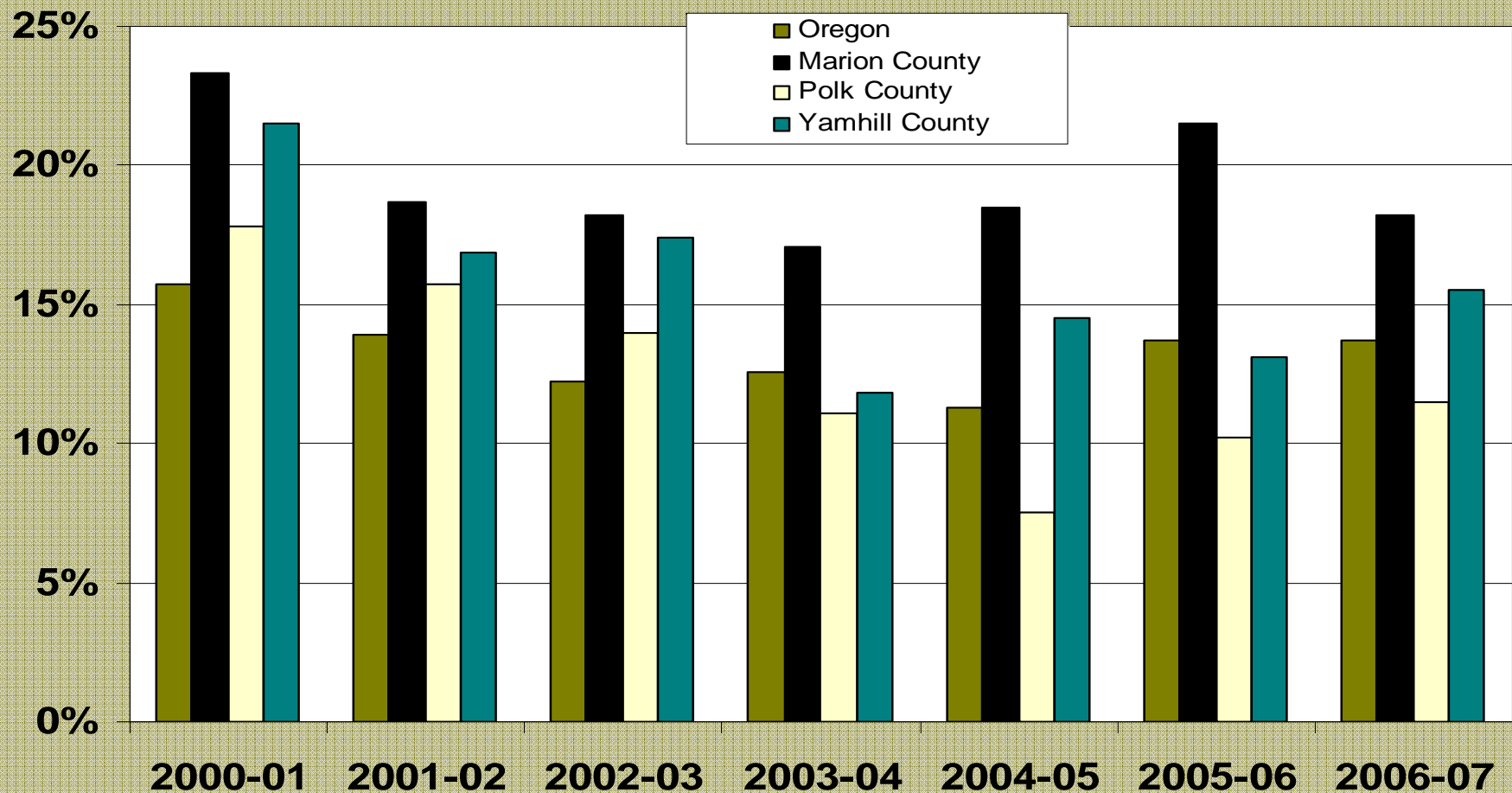
<b>Required Education Level</b>	<b>Vacancies</b>	<b>Full-time Positions</b>	<b>Permanent Positions</b>	<b>Newly Created Positions</b>	<b>Requiring License or Certificate</b>	<b>Requiring Previous Experience</b>
<b>Total</b>	<b>5,359</b>	<b>64%</b>	<b>85%</b>	<b>1%</b>	<b>47%</b>	<b>52%</b>
No Requirement	1,754	50%	81%	0%	28%	21%
High School	1,146	65%	83%	2%	37%	55%
Some College	367	57%	71%	3%	42%	69%
Assoc./Voc. Degree	581	73%	95%	2%	90%	85%
Bachelor's Degree	826	83%	98%	1%	59%	72%
Graduate Degree	186	91%	94%	2%	96%	89%
Other	115	77%	79%	3%	89%	56%
No Response	384	61%	75%	0%	38%	62%

# 4-year drop out rates exceed state averages



Source: Oregon Employment Department

# County by county drop out comparison



Source: Oregon Dept. of Education

# Oregon Benchmarks

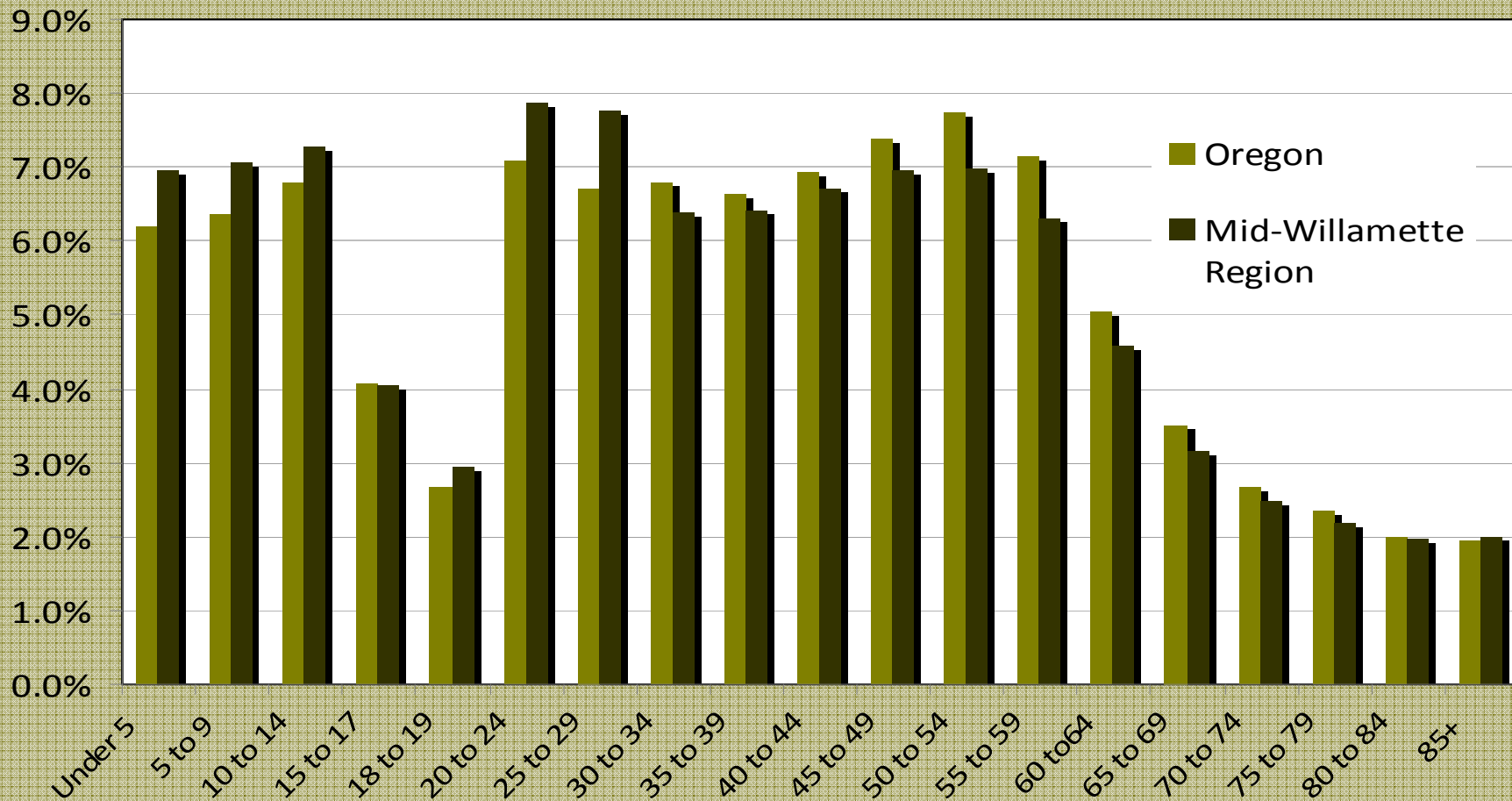
BENCHMARK	Marion		Polk		Yamhill	
	Raw #	Rank	Raw #	Rank	Raw #	Rank
Percent of children entering school ready to learn	81%	16	74%	29	73%	31
Percent of 3rd graders who achieve reading level	76%	36	84%	27	85%	24
Percent of 3rd graders who achieve math level	76%	35	86%	20	88%	10
Percent of 8th graders who achieve reading level	55%	33	61%	19	62%	15
Percent of 8th graders who achieve math level	56%	30	61%	21	64%	15

Source: Oregon Department of Administrative Services

# Finding #4

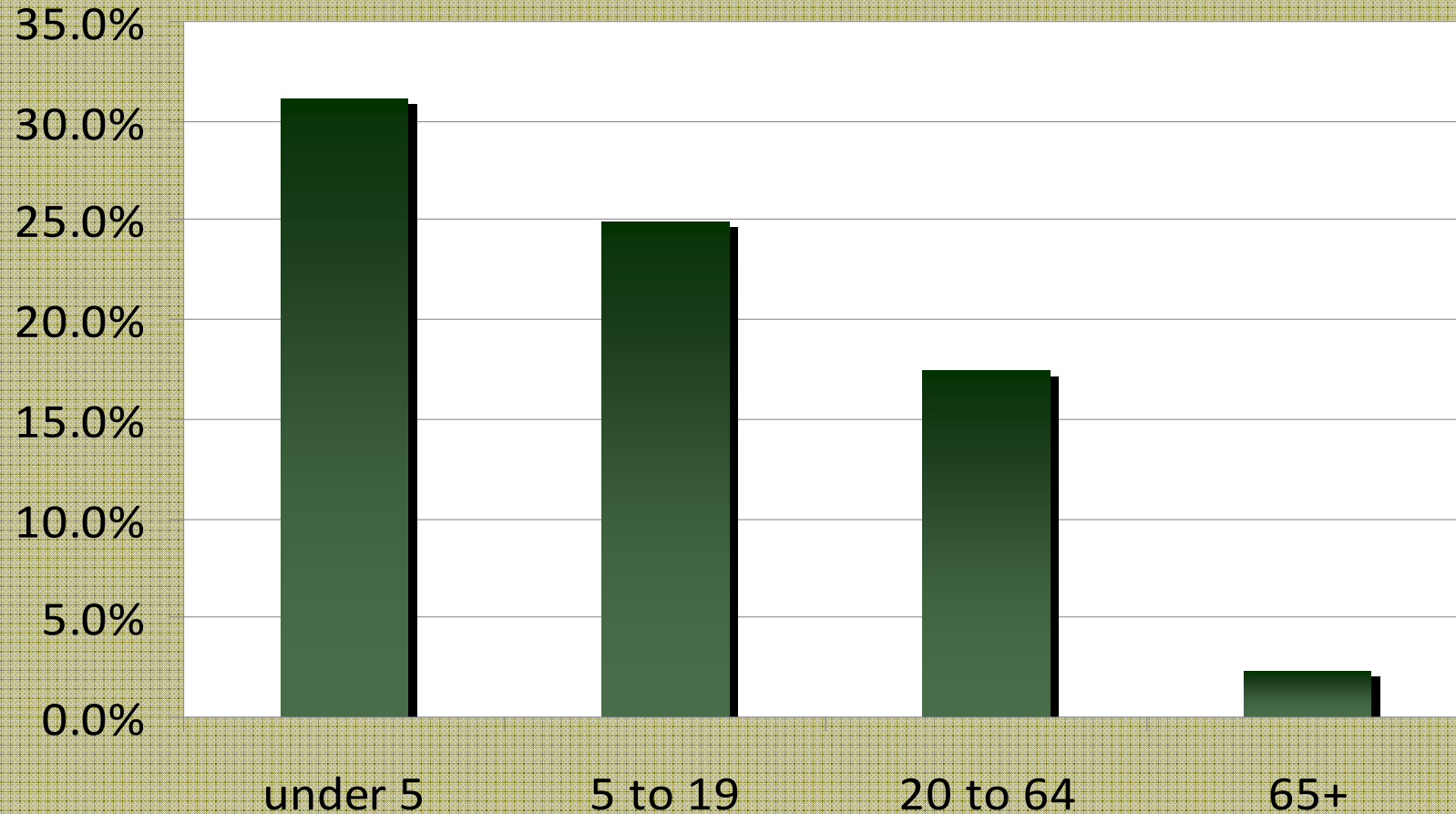
Our population is growing

# Distribution by age



Source: Oregon Employment Department

# Hispanic % of population in Mid-Willamette Region



Source: Oregon Employment Department

# Oregon Employment to Population Ratio

	2000	2005	Absolute change
16-19 years old	50.4%	35.5%	-14.8%
20-24 years old	75.6%	71.8%	-3.8%
25-29 years old	82.6%	78.8%	-3.8%
30 years and older	64.5%	60.8%	-3.8%
age 16 and up	66.0%	61.4%	-4.6%

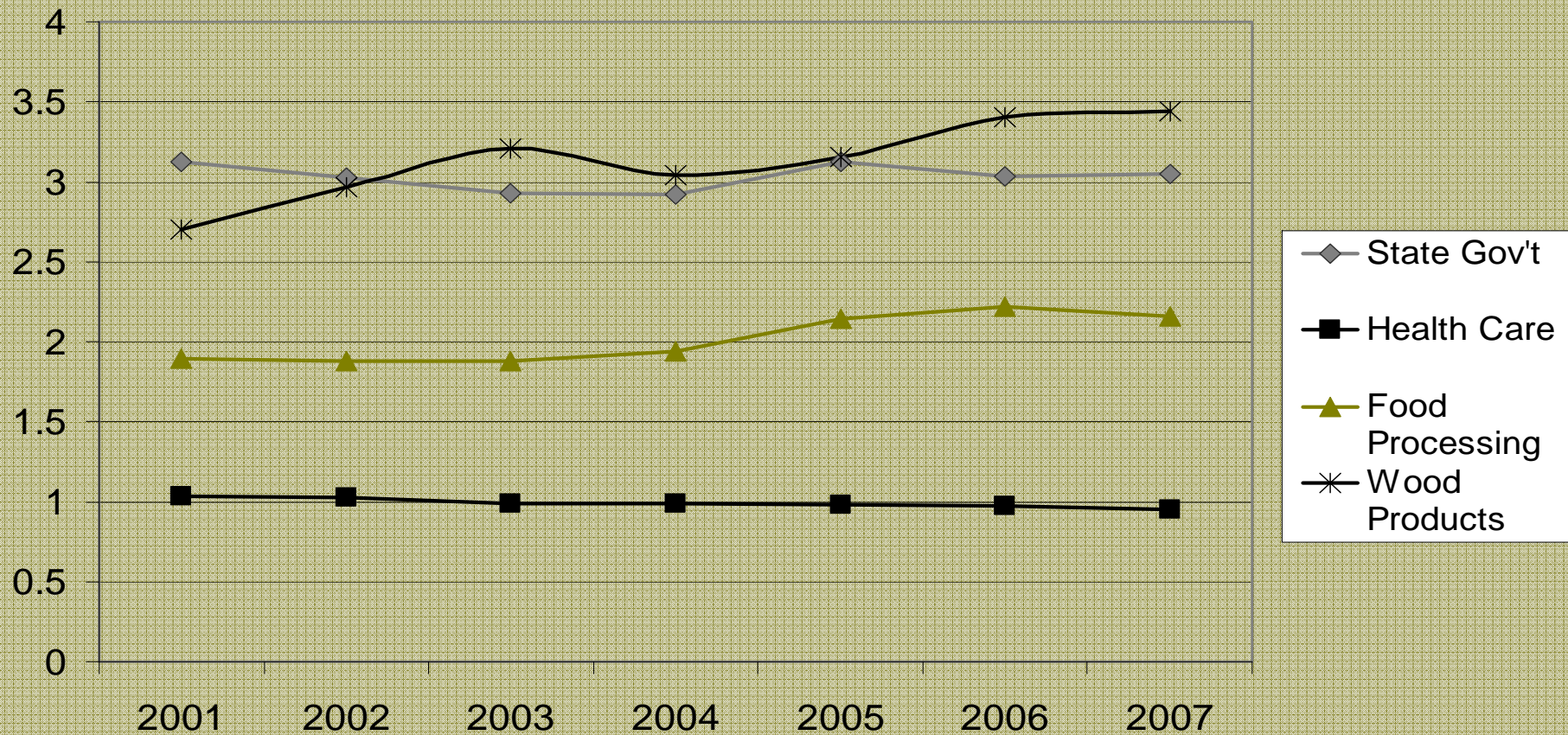
# Finding #5

## Growing Skills Needs

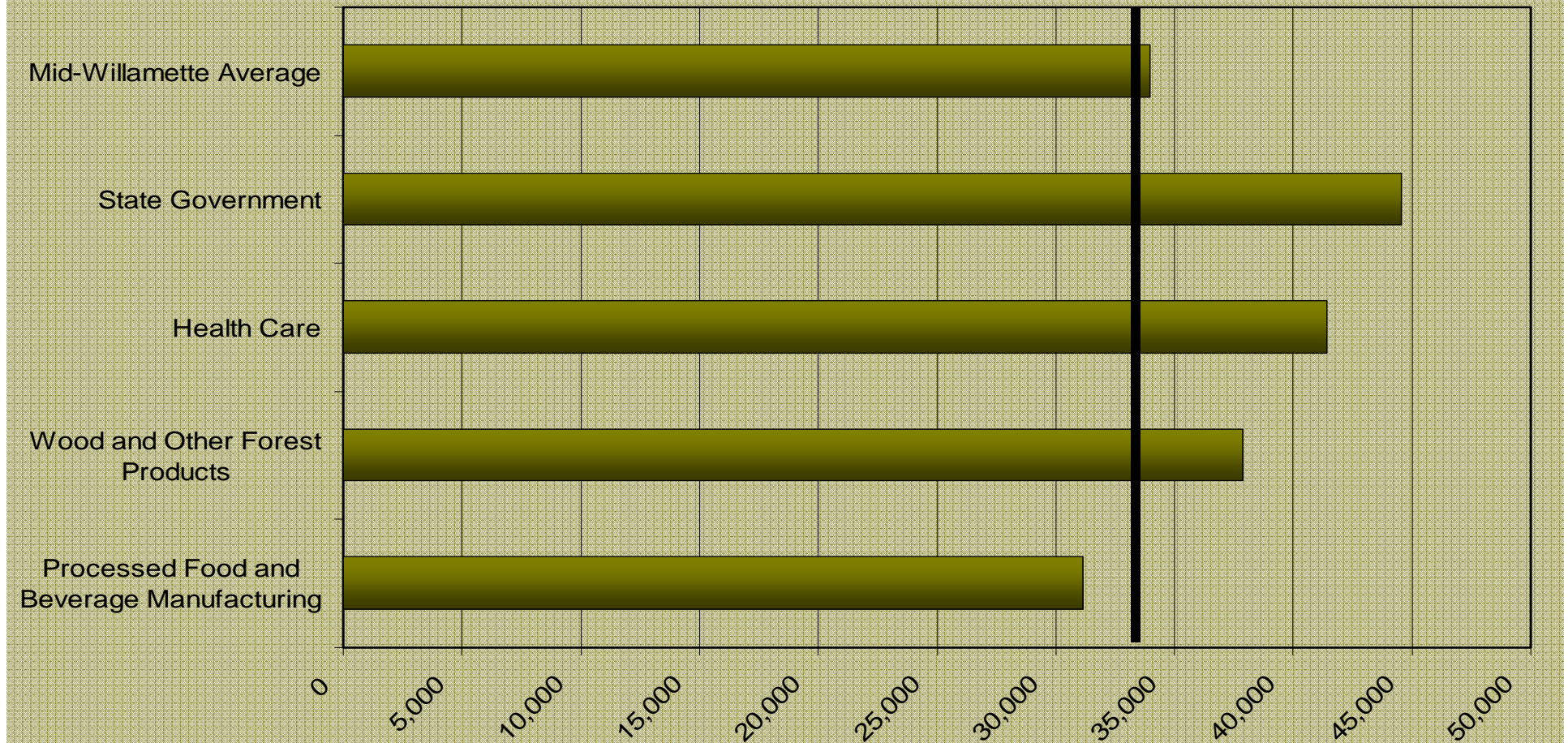
# Selected industry profiles

- Manufacturing based on 2007 Economic Analysis
- Health care based on wages and need
- Government based on size and wages

# Location Quotients



# Average Wage of Mid-Willamette Industry Clusters 2007



# The promise of “lean”

- Lean/High performance techniques reduce waste, increase productivity.
- 34 companies in the Mid-Willamette Region (that we know of) are going “lean.”
- Requires additional skills from the workforce to spot, recommend and implement continuous improvements, become problem solvers.

# The “green collar” job question

- What are “green collar” jobs?
- How many will there be?
- What skills will be needed to meet the demand?
- What training is available

# “green collar jobs”

- Are in existing industries, rather than a discrete new industry:
  - Energy, construction, bio-science, manufacturing
- Many job titles already exist
- Most will require training/retraining
- Lean Enterprise/High Performance may be a key.

# Trends in business

- Skill assessment and verification
- Implementation of High Performance and Lean Enterprise strategies

## **IMPLICATION:**

**Skills are more important than ever!**

# Critical Workforce Questions:

- How to assure our large and growing future workforce is skilled to meet the challenge?
- How do we increase wages and household incomes?
- Where can we get the greatest return on our investment?
- Where is the low hanging fruit?

# Promising Practices

Some new and not so new  
approaches

# Four areas of promise

- K-12 innovations and industry connections.
- Career Pathways
- Transformation of WorkSource Oregon.
- New focus on credentialing and certification.
- Expanding Industry Consortia.

# K-12 innovation/industry connections

- Career Related Learning Standards
- Higher graduation requirements
- Industry support via partnerships like
  - Ready to Learn/Ready to Work (Salem Keizer Schools and the Salem Area Chamber of Commerce)
  - Biz Connect (Yamhill School Districts and the Enterprise for Employment and Education)

# Career Pathways

- “Maps” to help people gain the skills they need to get jobs and advance in careers.
- Can be offered in K-12, community college and other training settings.
- Break education and training into manageable chunks so that individuals can take only what they need at any time.
- Are validated by business.

# Transformation of WorkSource Centers

- 40,000 to 50,000 people annually seeking new or better jobs.
- Past focus on job search.
- Today they are being transformed to provide customers with skills development based on the needs of business and industry.

# New focus on credentialing and certification

- Increased skills assessment for those who utilize public services.
- Implementation of a regional Career Readiness Certificate.
- Work with industry to identify additional industry recognized credentials

# Expanding Industry Consortia

- Five industry consortia meet regularly in the Mid-Willamette Valley to
  - Create greater efficiencies by aggregating workforce training needs.
  - Reduce training costs.
  - Expand the number of individuals receiving training.
  - Provide concrete input to better match training to industry needs.
  - Learn from each other.

# Recommendations

## Short-term/Long-term

# Immediate opportunities

- Target workforce development on Skills Development using consortia approach
  - Mfg 21 legislative agenda
- Offer Summer Youth Programs
- Develop a regional economic development strategy
  - Include a Latino agenda
  - Include state government in in workforce development strategies
- Explore the potential of Green Jobs

# Long-Term

- Assure that every youth is reading on grade level by 3<sup>rd</sup> grade, or
- Assure that every youth completes a high school diploma or GED, or
- Provide every individual in the region with guaranteed access to the equivalent of two years of post secondary education and training.

# Thank you

- Agnes Balassa, Executive Director,  
Enterprise for Employment and Education  
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- Patricia Callihan-Bowman, President,  
Enterprise for Employment and Education  
and Express Employment Professionals  
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# Work Readiness

Having the skills and aptitudes to perform on the job.

# Work Readiness 2008

- Work ethic – showing up on time, willing to work hard, able to learn, possessing basic communication and teamwork skills.
- Having the skills for the jobs that available in our economy:
  - 50% of jobs require “middle skills”:
    - > than what high school graduates possesses, but
    - < than a 4-year degree.