



# Oregon's Workforce System

Senate Committee on Workforce

February 4, 2015

# Oregon's Public Workforce Infrastructure



# Spectrum of Individuals Served by Workforce Development

Very Low Skilled/Multiple Barriers

Entry Level/Youth

Underemployed

Middle Skilled/Technical

Professional/Upper 40

Super Skilled

# Very Low Skilled/Multiple Barriers

## Examples

- People living in poverty
- High school dropout
- Teen parent

## Strategies

- ELL or basic skills classes
- Job readiness activities
- Coaching
- Connections to community resources

# Very Low Skilled/Multiple Barriers

Business

Staffing and  
Employment  
Agencies

Business Oregon

Trade  
Organizations

Business  
Associations

Organized Labor

Apprenticeship

Community  
Colleges

Private Career  
Schools

Private Colleges

Universities

School Districts

Alternative  
Schools

Education Service  
Districts

Community Based  
Organizations

WorkSource  
Oregon

Local Workforce  
Investment Boards

OED

DHS

Vocational  
Rehabilitation

Commission for  
the Blind

# Entry Level/Youth

## Examples

- No work experience
- High school students
- Disconnected youth
- New entrants to the workforce (i.e. immigrants)
- Youth with disabilities

## Strategies

- GED/HS diploma
- Basic skills training and certification
- Job placement
- Work experience including on-the-job training and summer work programs

# Entry Level/Youth

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# Underemployed

## Examples

- Long term unemployed/  
working survival jobs
- College graduate working in  
service jobs

## Strategies

- On-the-job training
- Job placement
- Partnerships with staffing  
industry
- Credentialing, retraining,  
licensing
- Incumbent worker training



# Underemployed

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# Middle Skilled/Technical

## Examples

- Journeyman Trades People
- Healthcare Technician
- Engineering Technician
- Front Line Supervisor

## Strategies

- Credentialing and licensing
- Job placement
- Continuing education

# Middle Skilled/Technical

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# Professional/Upper 40

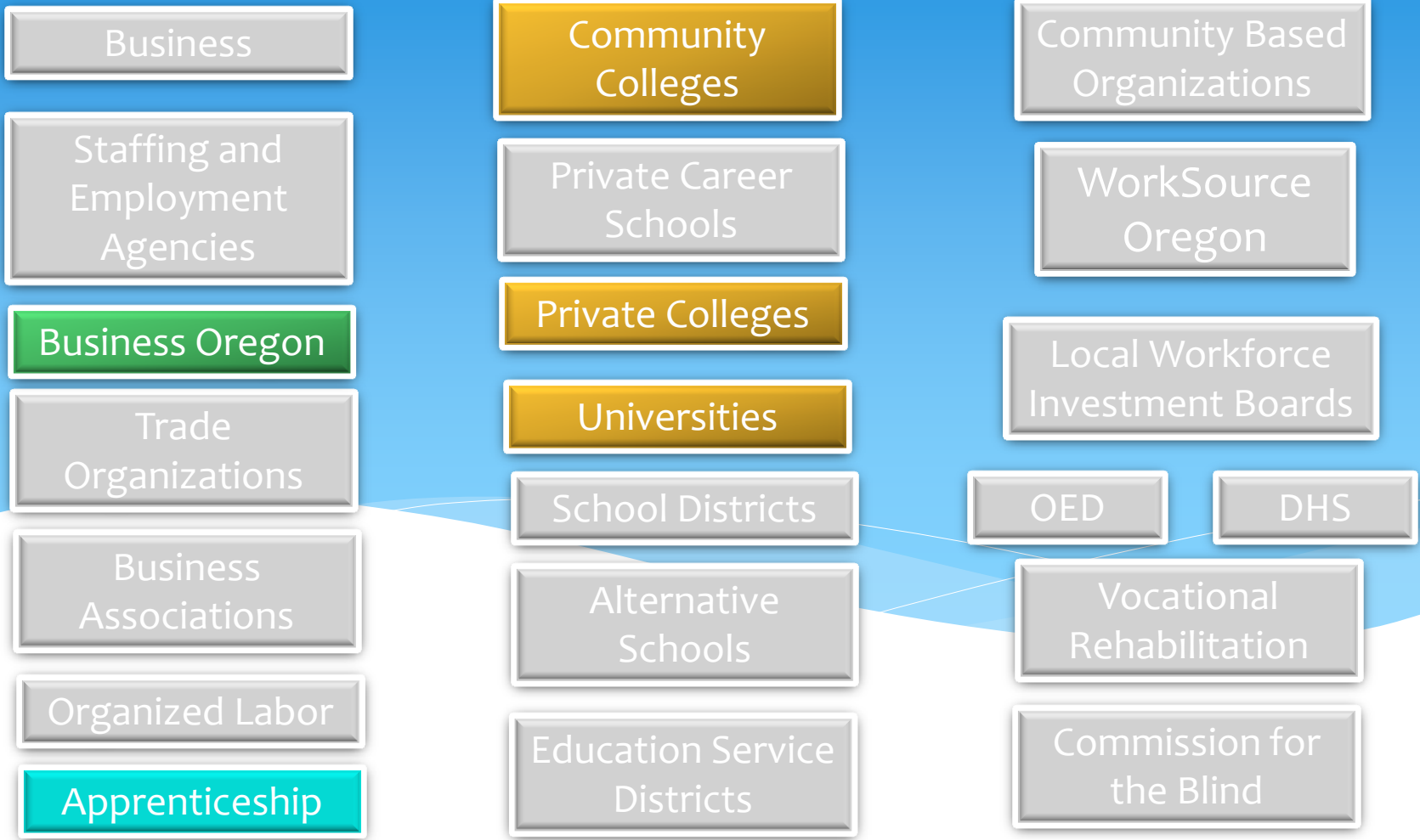
## Examples

- Teacher
- Accountant
- Construction Manager
- IT Professional
- Operating Room Nurse

## Strategies

- College
- Distance learning

# Professional/Upper 40



# Super Skilled

## Examples

- Surgeon
- Astrophysicist

## Strategies

- Help businesses located the individuals

# Super Skilled

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**Lisa Nisenfeld, Director**  
**Oregon Employment Department**  
**[Lisa.Nisenfeld@oregon.gov](mailto:Lisa.Nisenfeld@oregon.gov)**  
**(503) 947-1477**





# Oregon's Key Workforce Trends

Senate Committee on Workforce

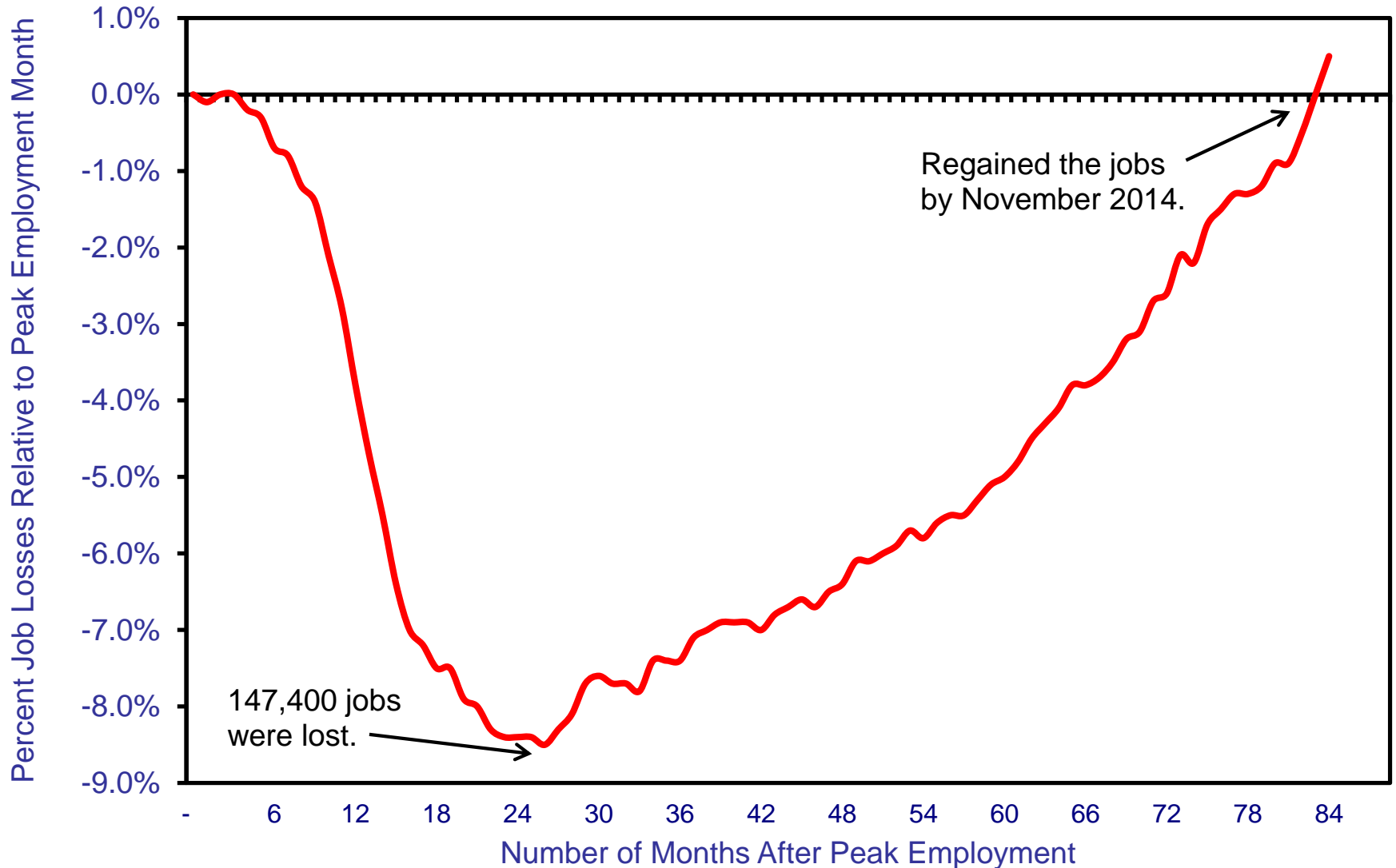
February 4, 2015

1. Employment finally passed pre-recession levels and is now at a record high.
2. Unemployment rates have changed little.
3. Oregon's labor force is returning to a growth pattern.
4. Businesses can't always find the workers they need.
5. Widespread job growth is expected in the next decade.
6. Pay attention to young workers.

# Employment Reaches Record Levels

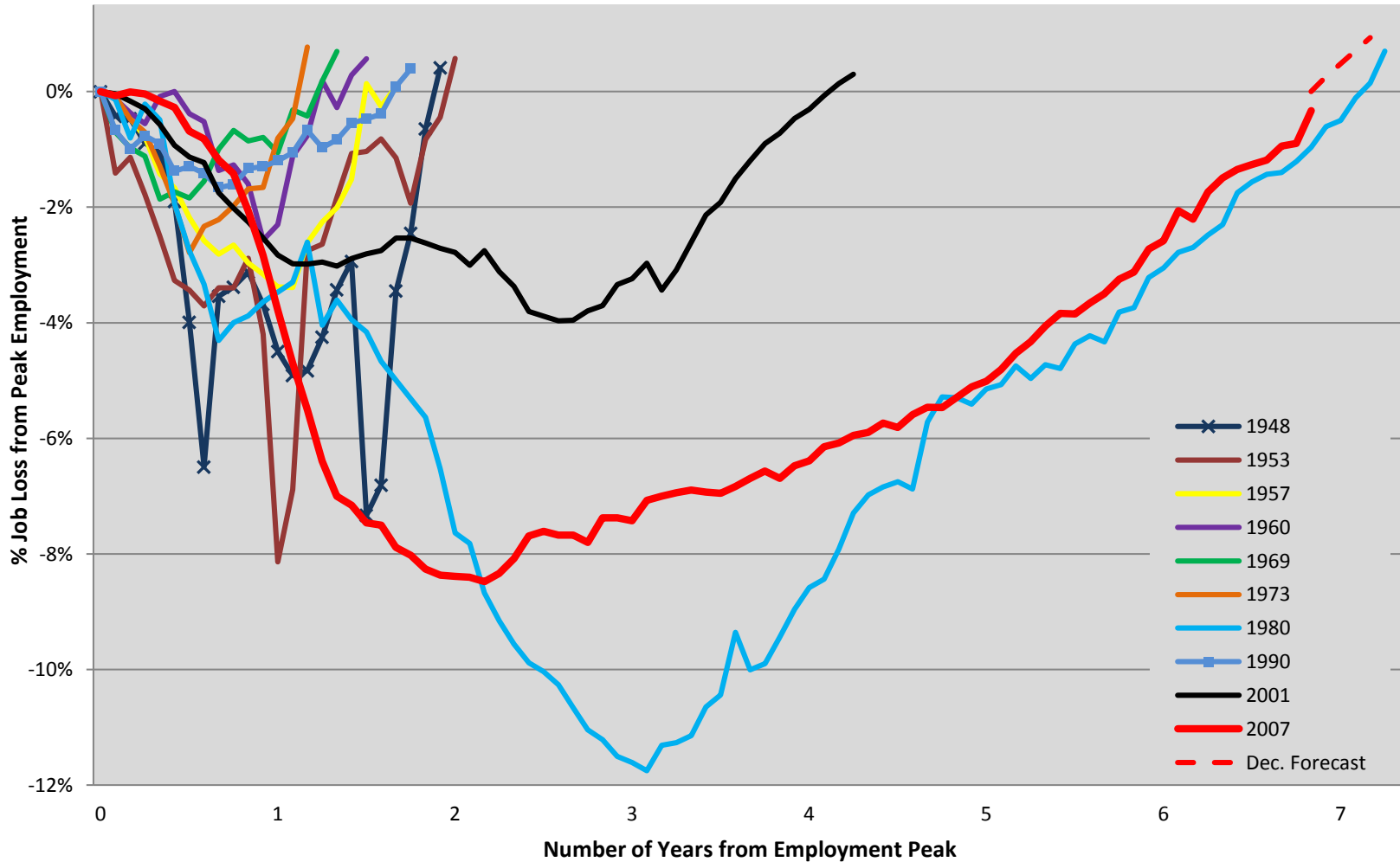
It took seven years to get back to our pre-recession employment level.

## Percent of Job Losses in Oregon Since Peak in December 2007



# That's about the same as the recession(s) of the 1980s!

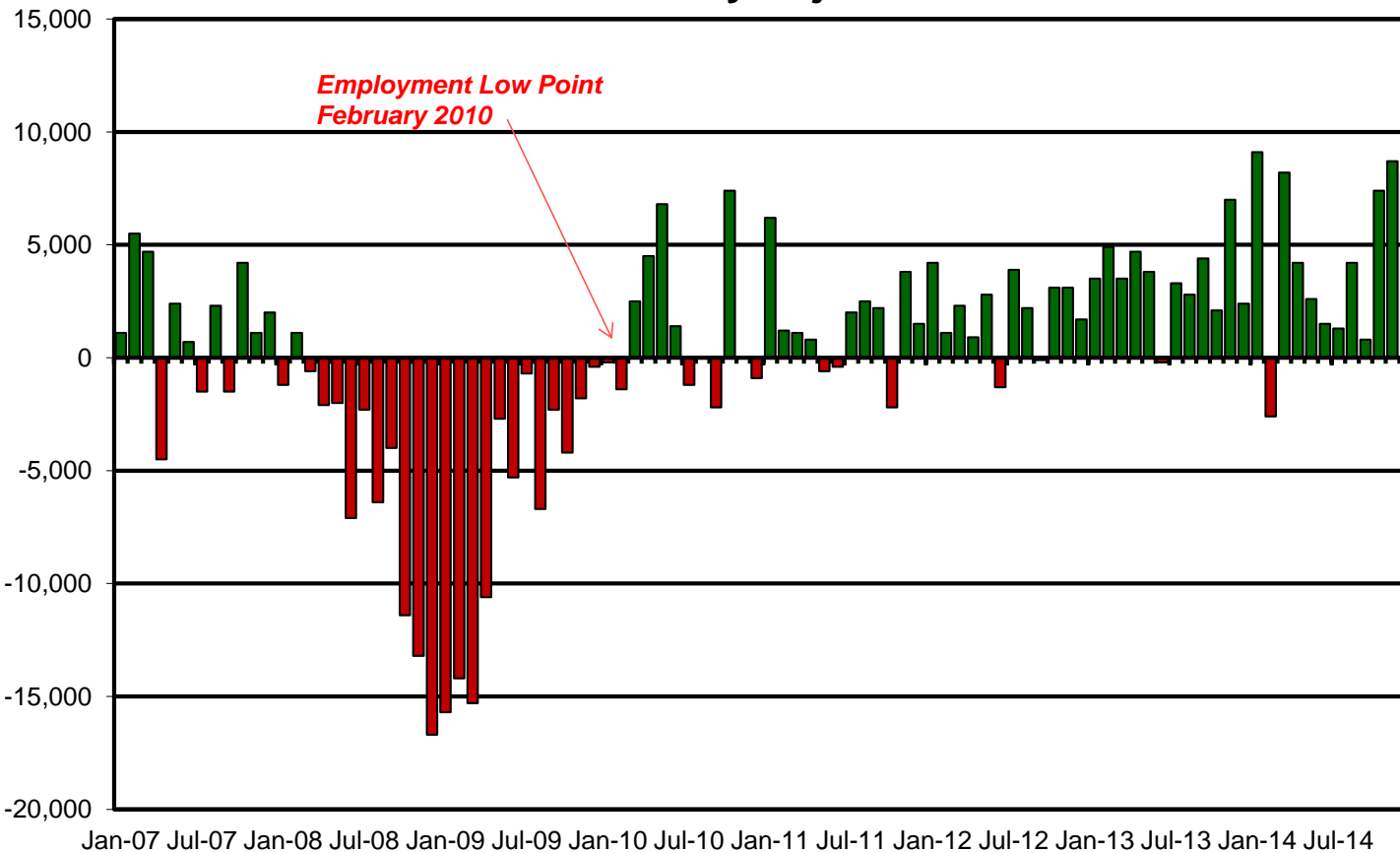
## Oregon Employment Loss by Recession



Source: Oregon Office of Economic Analysis, December 2014

You can see how enormous the losses were ... and how gradual the recovery was.

### Oregon's Monthly Job Growth or Decline seasonally adjusted



Jan. to Dec. 2011:

Average monthly  
nonfarm employment  
gain: +1,500 jobs

Jan. to Dec. 2012:

+2,000 jobs

Jan. to Dec. 2013:

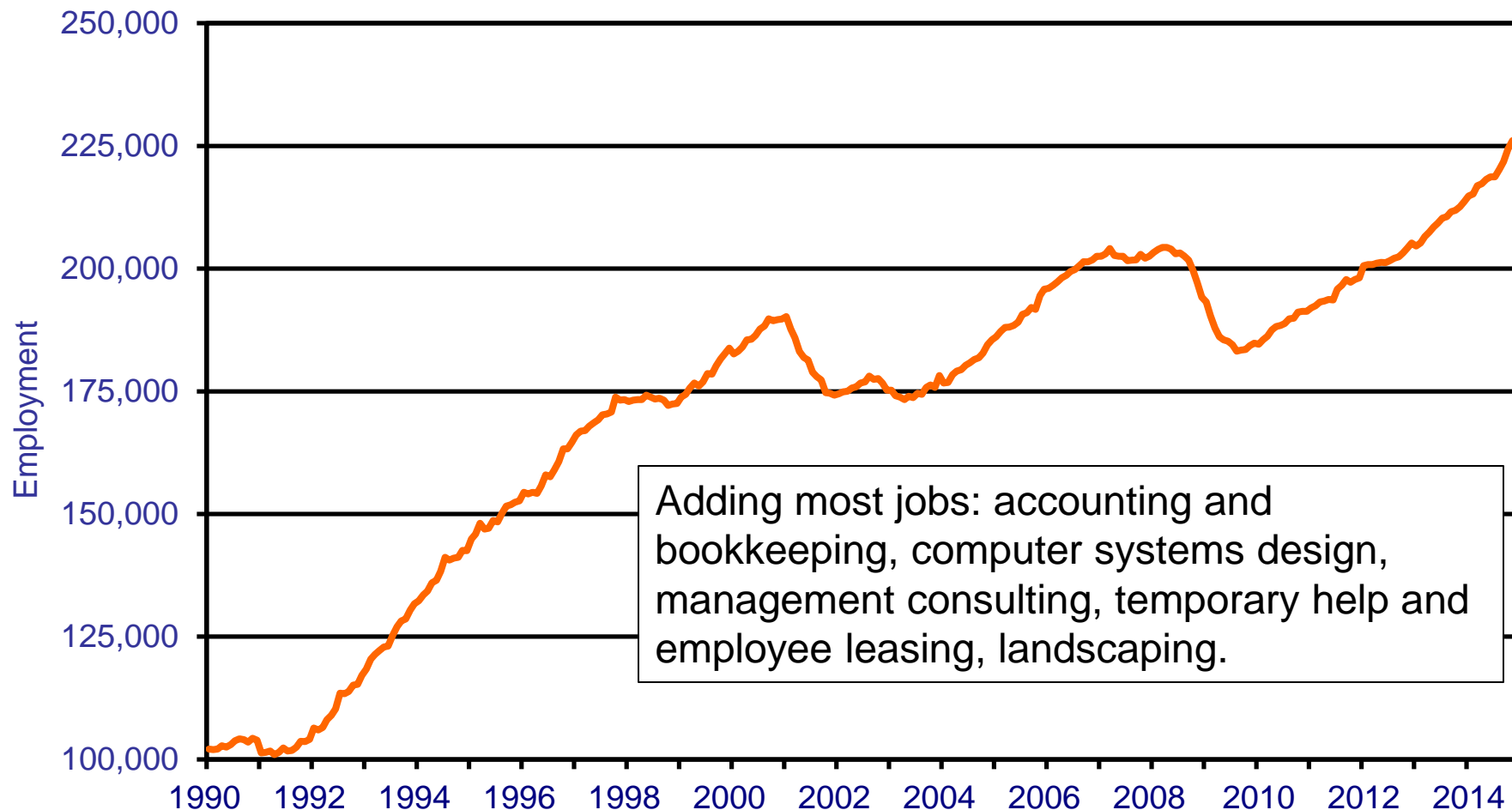
+3,500 jobs

Jan. to Dec. 2014:

+4,500 jobs

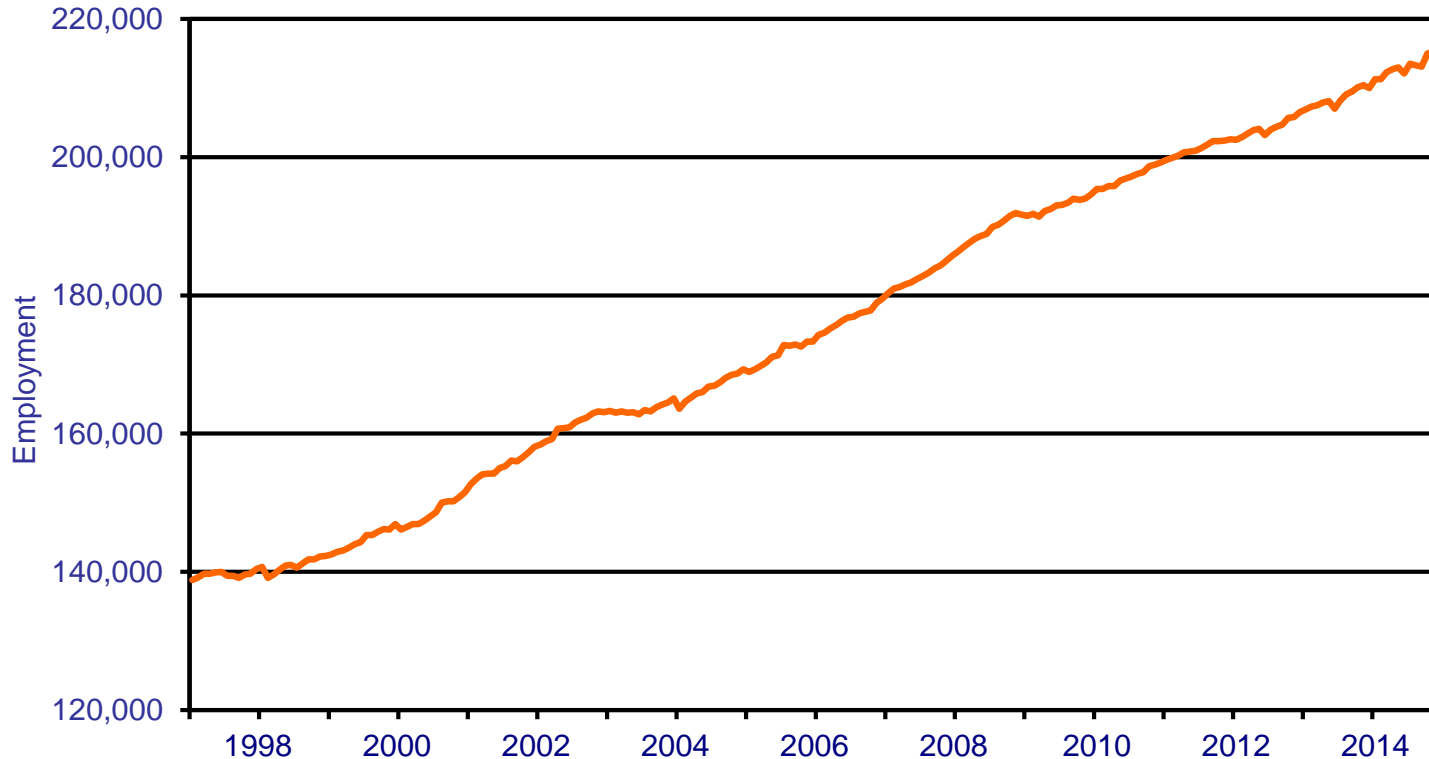
Professional and business services is the fastest growing major sector and has added 11,700 jobs over the last year.

## Seasonally Adjusted Employment in Oregon Professional and Business Services: 1990 - 2014



# Health services continues to see strong job growth.

**Seasonally Adjusted Employment in Oregon  
Private Health Care and Social Services: 1997 - 2014**



## **Over the year:**

Ambulatory:

+2,000

Hospitals:

+1,700

Nursing and  
residential:

+2,100

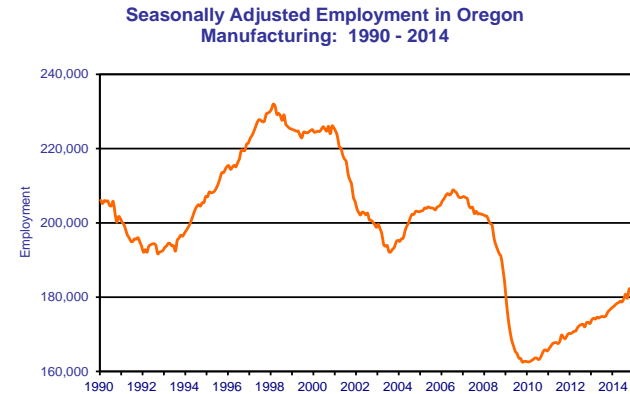
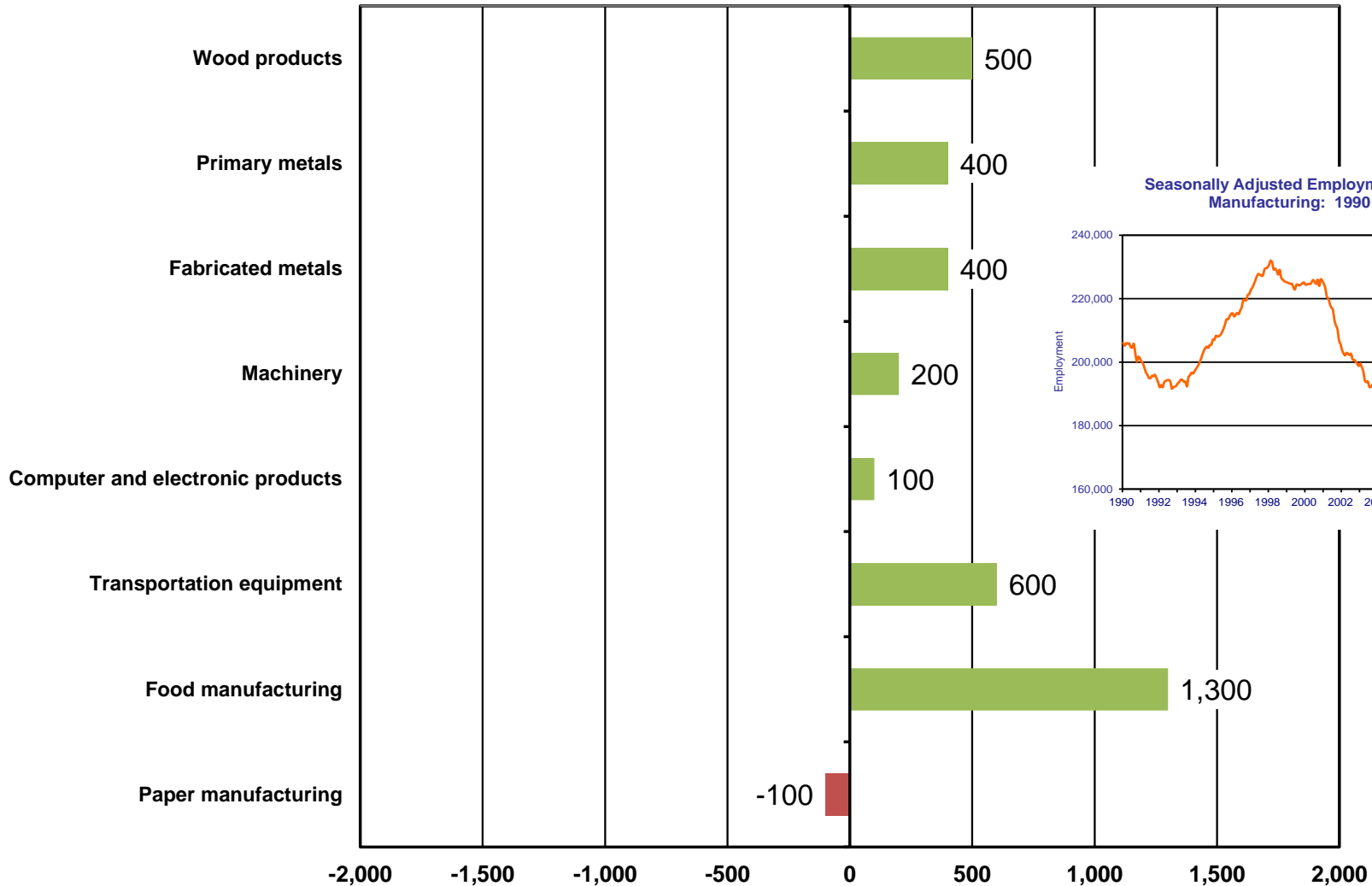
Social assistance:

+1,900



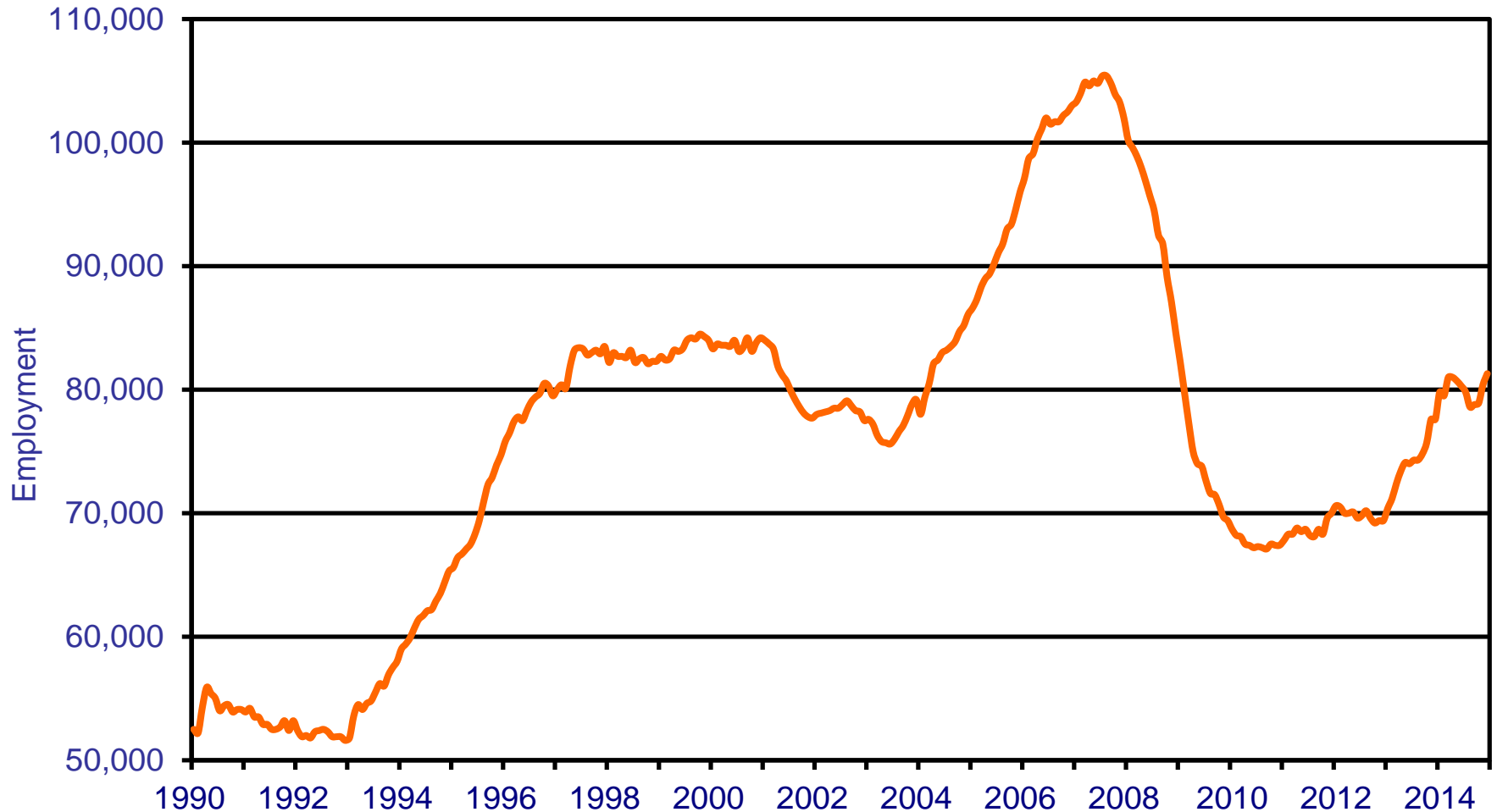
Manufacturing employment has been trending up since 2010, and jobs have been added across a range of industries.

## Oregon Manufacturing Employment Compared with Last Year December 2013 to December 2014



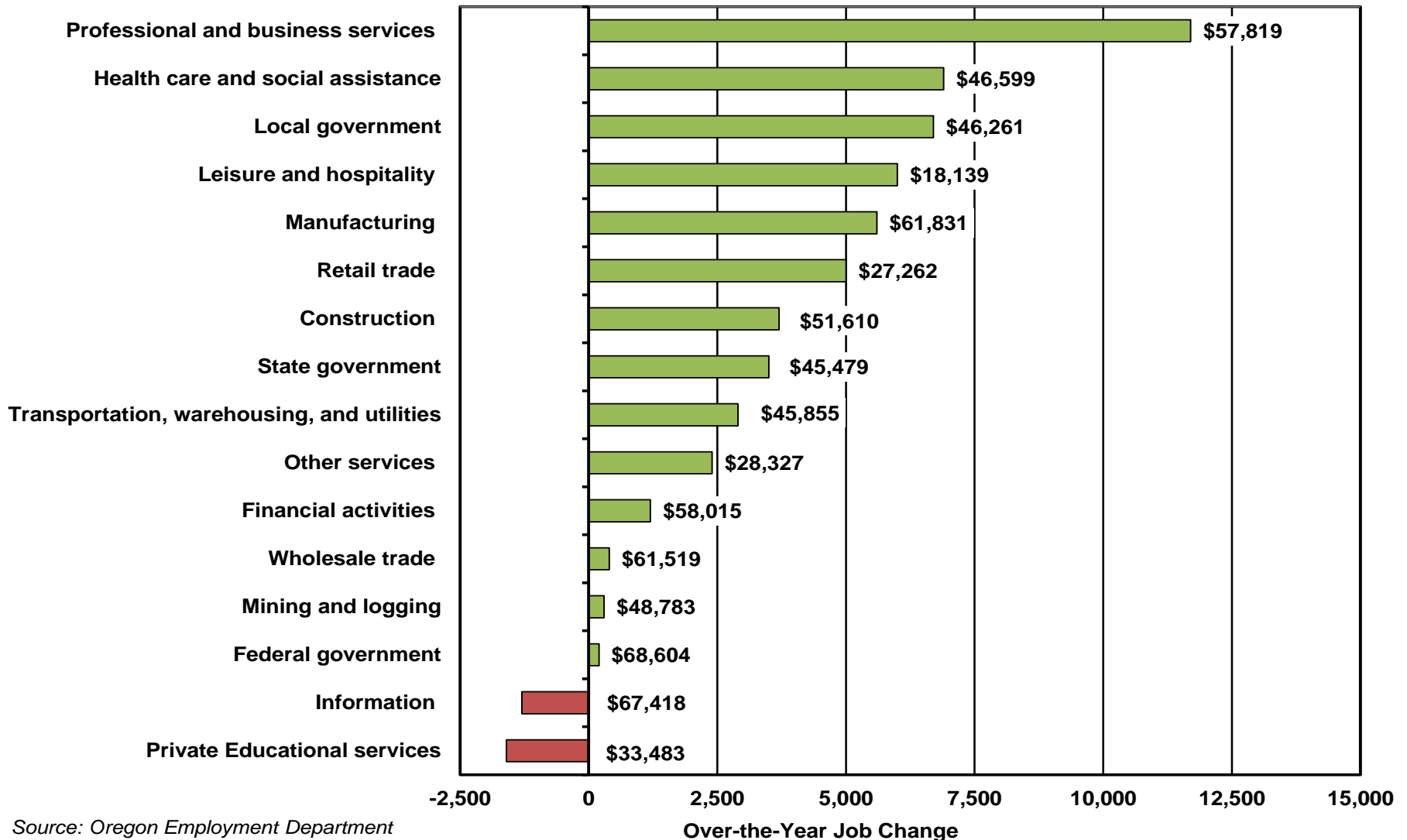
# Construction's rebound levelled off in recent months.

## Seasonally Adjusted Employment in Oregon Construction: 1990 - 2014



# Many of the added jobs pay good wages. And require skills and education.

## Oregon Job Growth and Average Pay by Industry Dec. 2013 - Dec. 2014 Job Growth, 2013 Average Pay

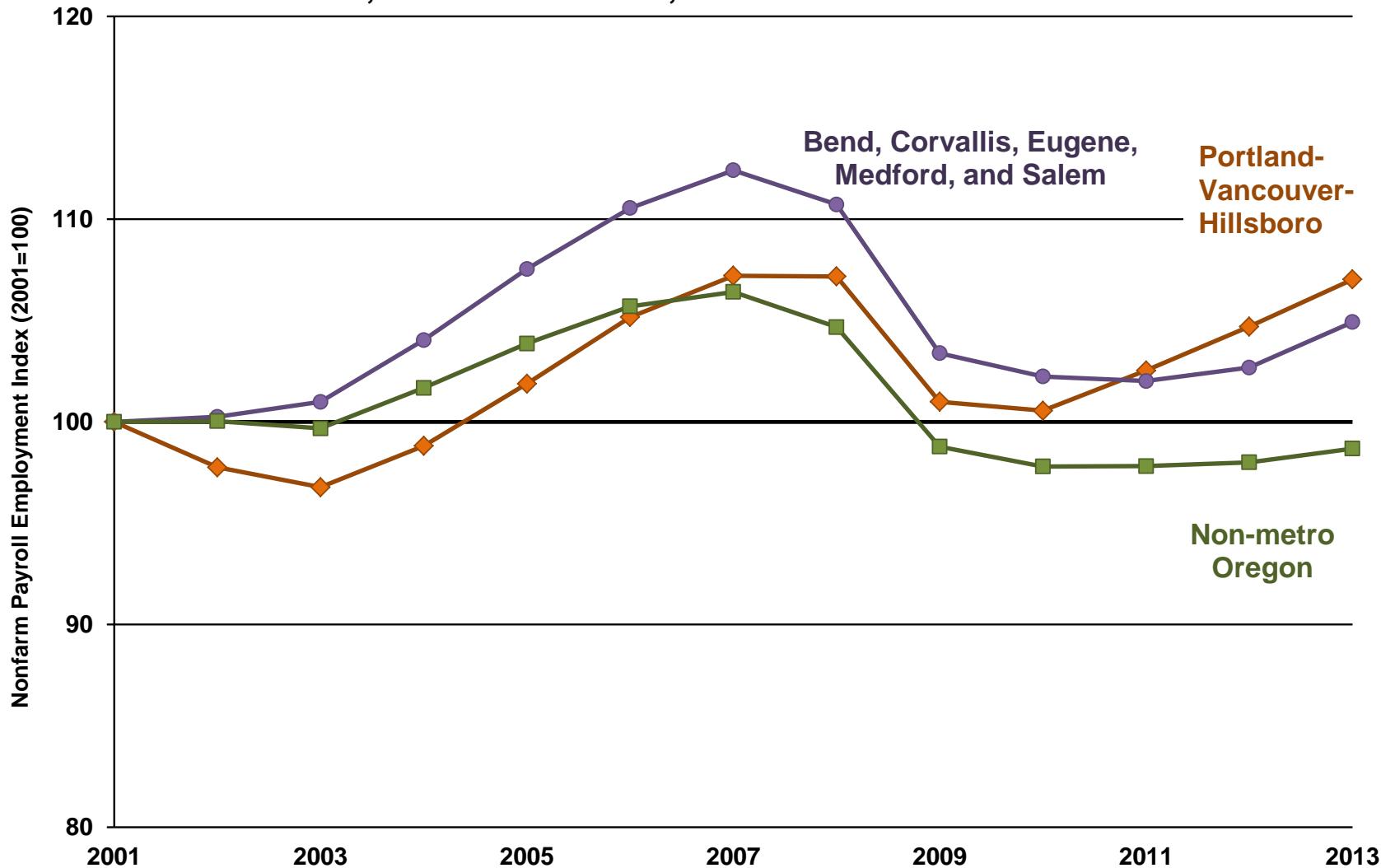


Source: Oregon Employment Department

Let's make one point clear. Not all areas of Oregon are sharing in this positive employment news.

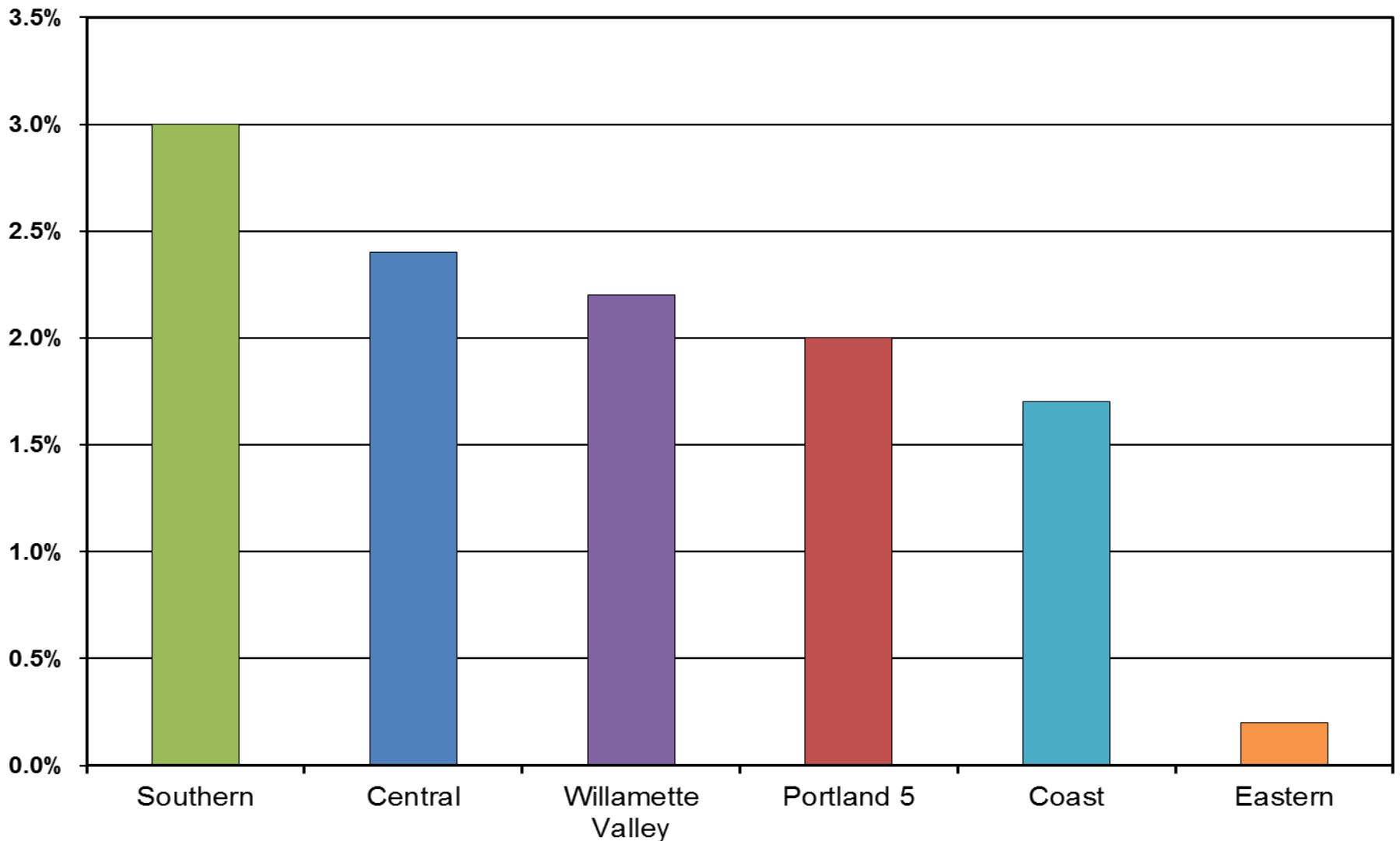
## Employment Levels Relative to 2001

Portland Area, Other Metro Areas, and Combined Non-Metro Counties



# Eastern Oregon, in particular, is struggling to add jobs.

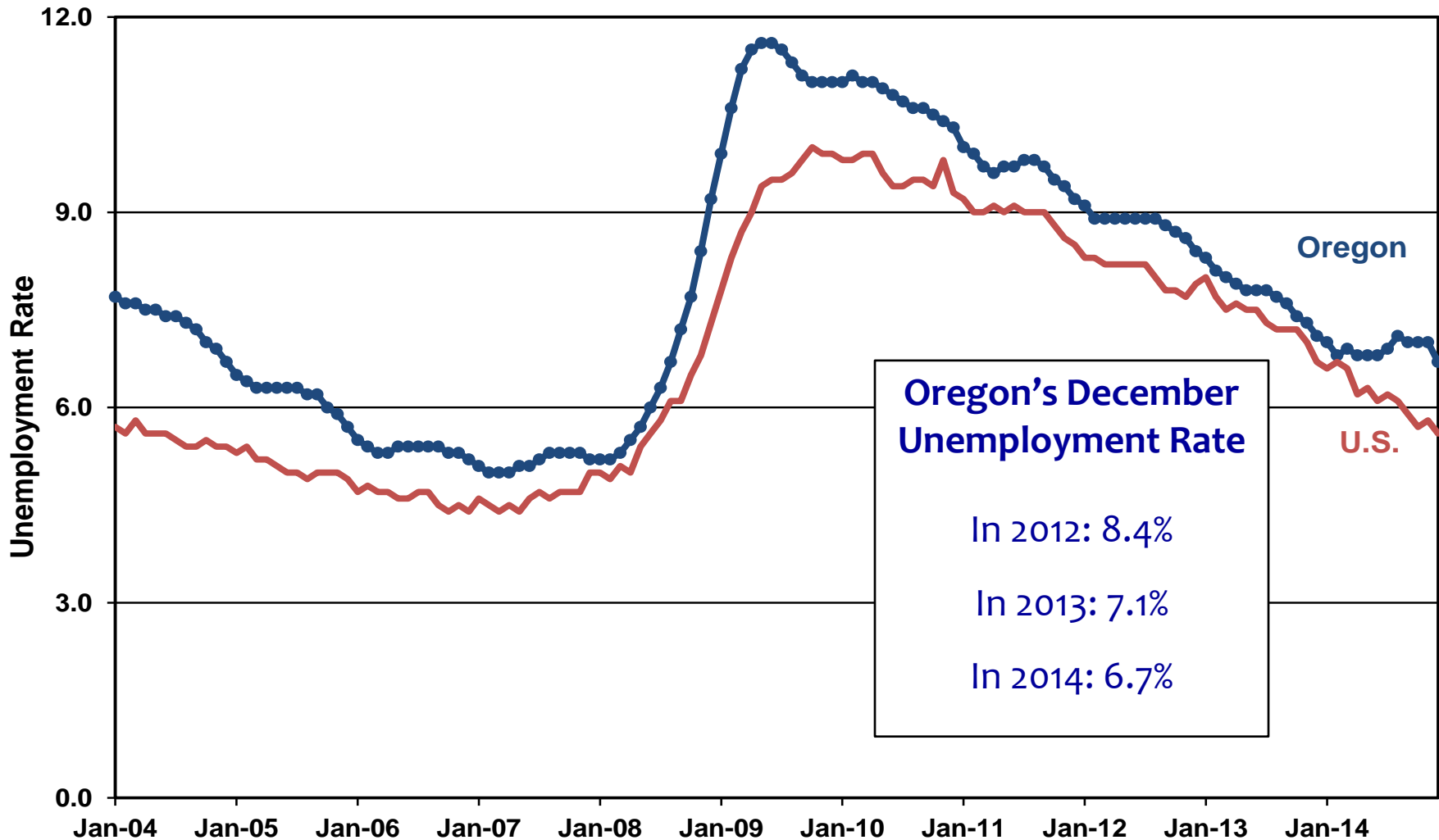
## Over-the-Year Nonfarm Payroll Employment Change by Region December 2013 to December 2014, Not Seasonally Adjusted



So with all this job growth, the unemployment rate must be plummeting, right?

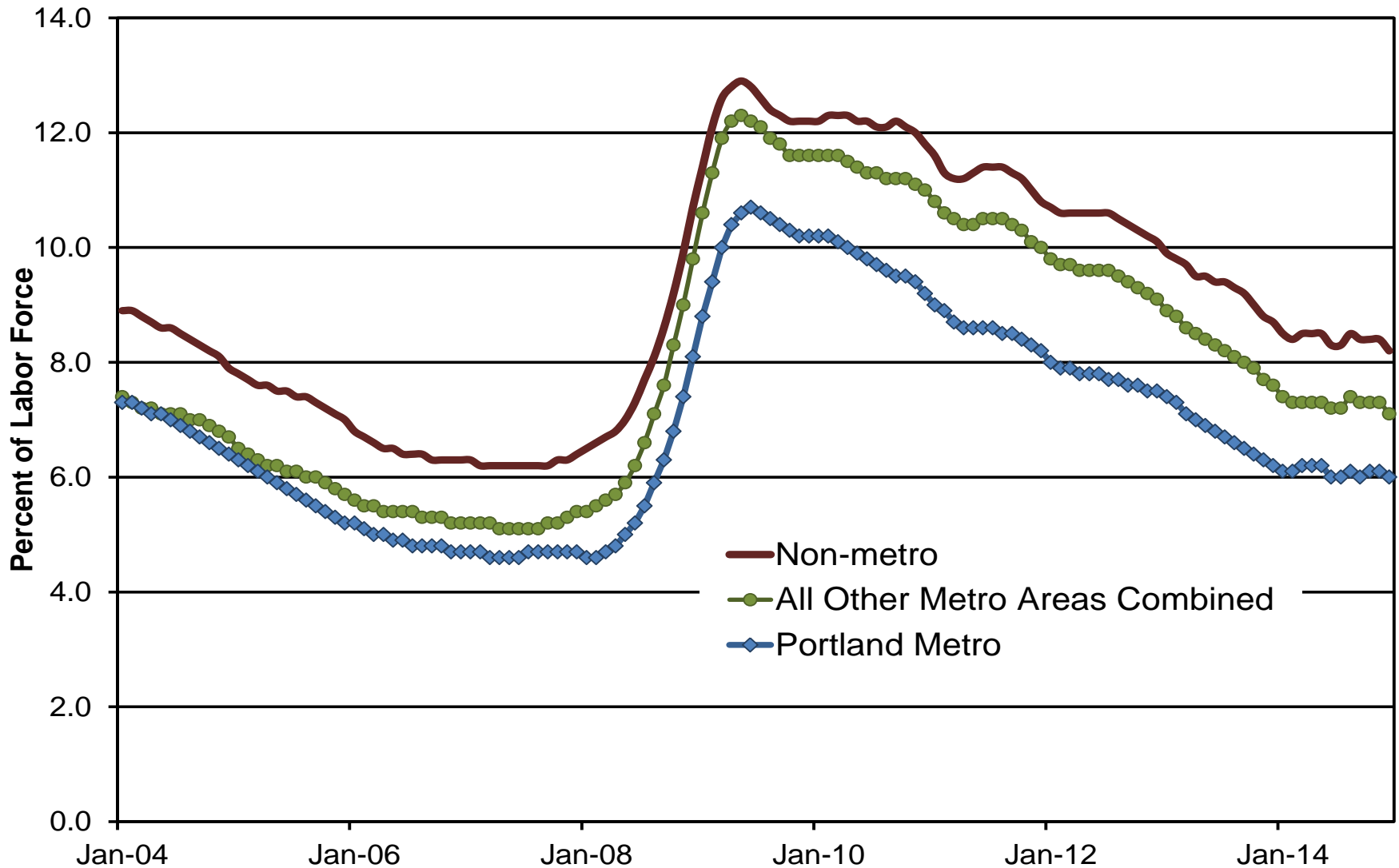
Since the recession's high, it's down a lot, yes. But in the last year, no. We'll talk more about reasons in a second.

## Oregon's Unemployment Rate is Usually Higher Than Nation's Oregon and U.S., Seasonally Adjusted



As you no doubt know, unemployment rates in many rural areas remain well above the rates in most urban areas.

## Oregon Seasonally Adjusted Unemployment Rates

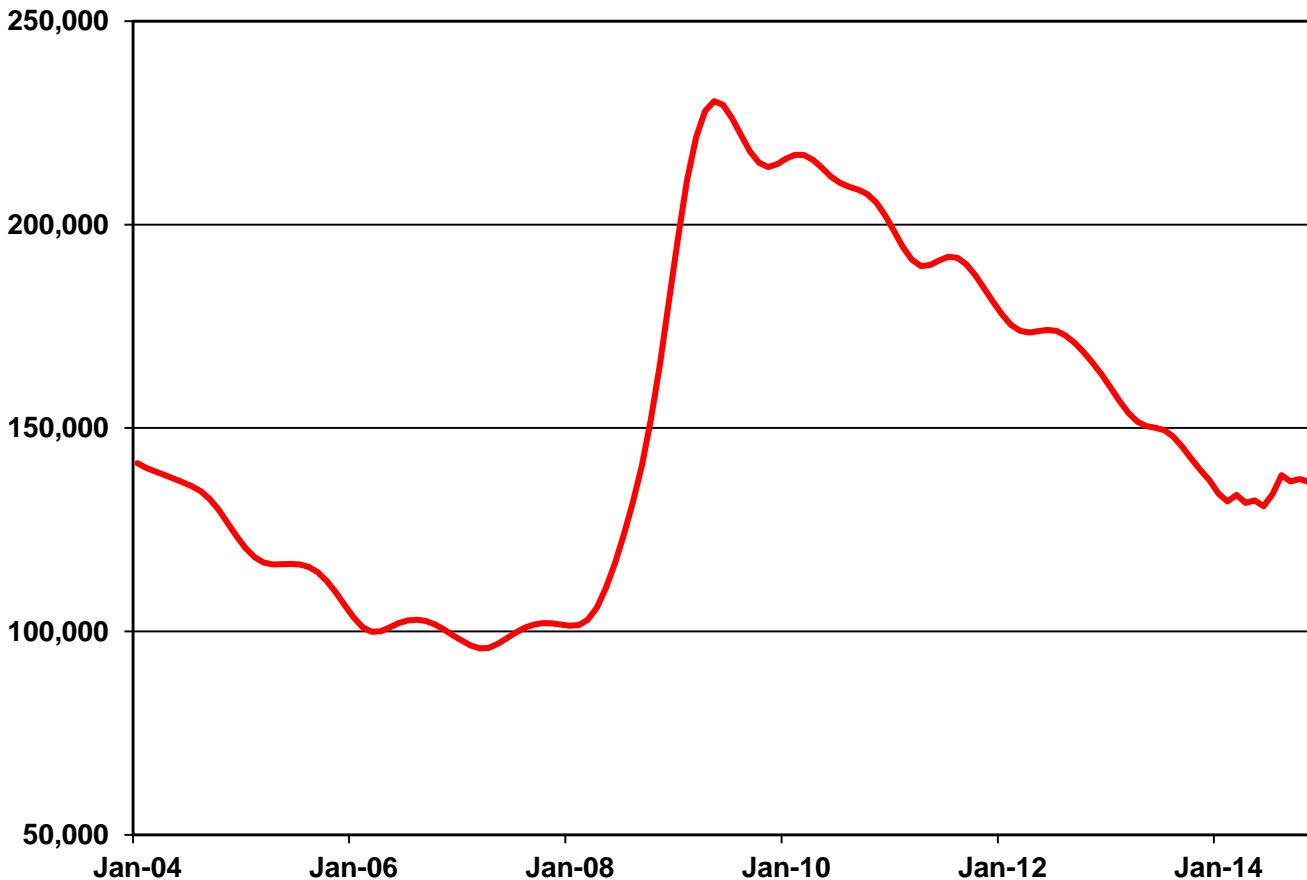


Source: Oregon Employment Department, Local Area Unemployment Statistics



The number of unemployed persons has fallen significantly from its peak, but is still above pre-recession levels.

**Unemployed Persons, Oregon Statewide**  
Seasonally Adjusted, 2004 to Present



**Seasonally Adjusted Unemployment:**

**Lowest**

March 2007: 96,000

**Highest**

May 2009: 230,000

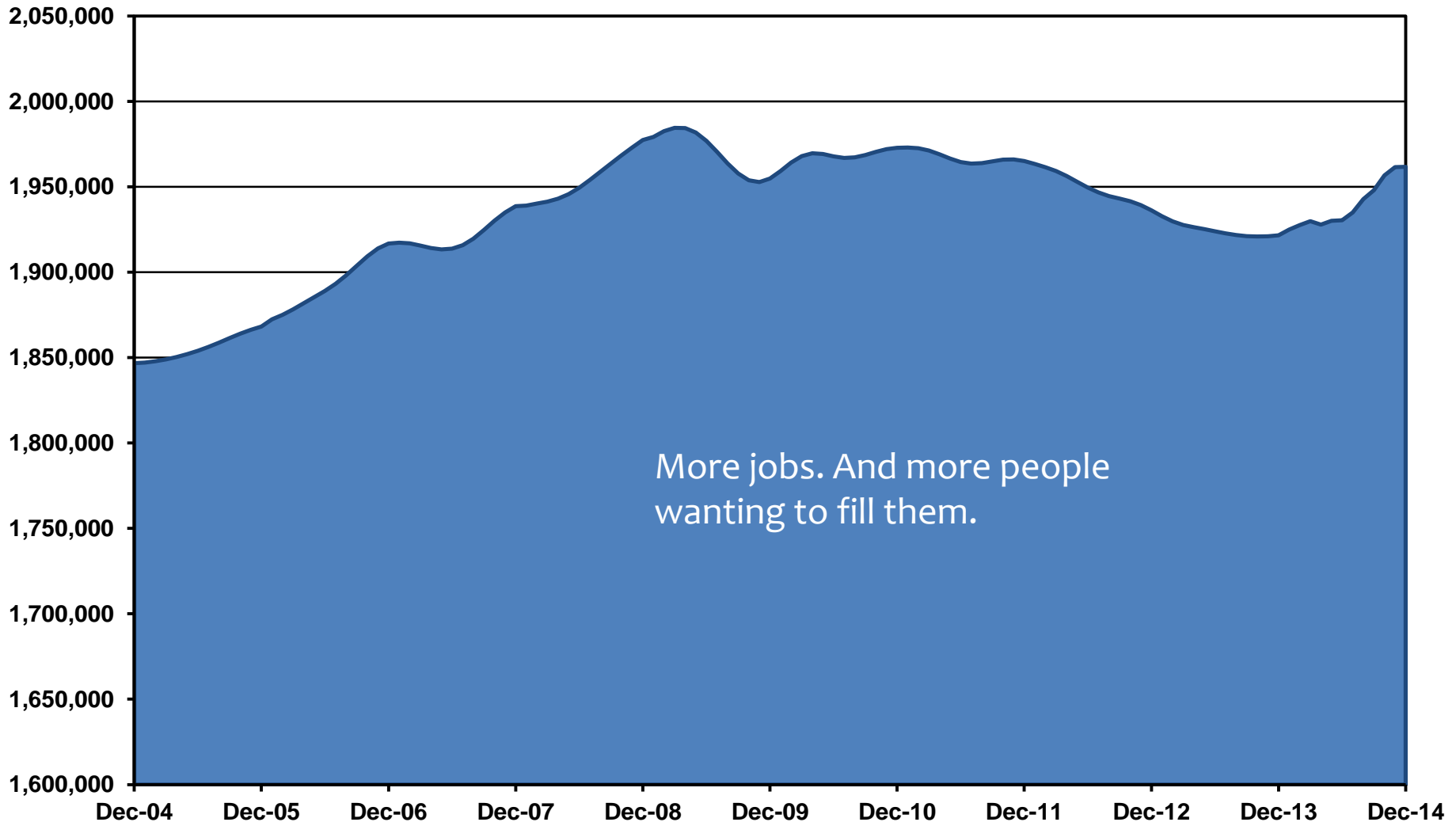
**Current**

December 2014: 132,000

So why didn't the  
unemployment rate continue  
falling throughout 2014?

Because after a period of decline, Oregon's labor force has been growing.

### Oregon Civilian Labor Force, Seasonally Adjusted 2004 to Present



More jobs. And more people wanting to fill them.

**Report Available  
Online on  
[www.QualityInfo.org](http://www.QualityInfo.org)**



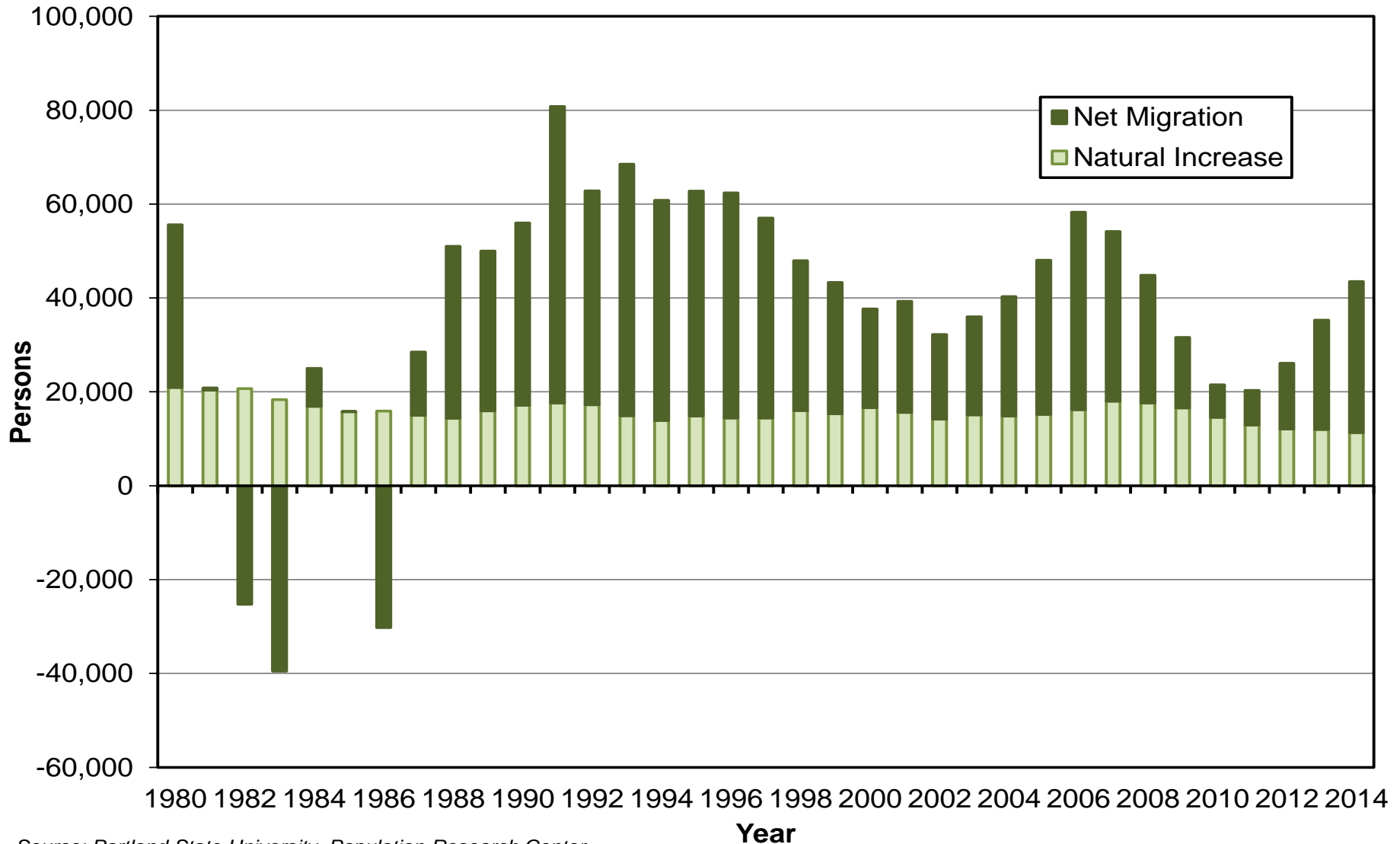
Oregon's Falling  
Labor Force Participation:

## **A Story of Baby Boomers, Youth, and the Great Recession**

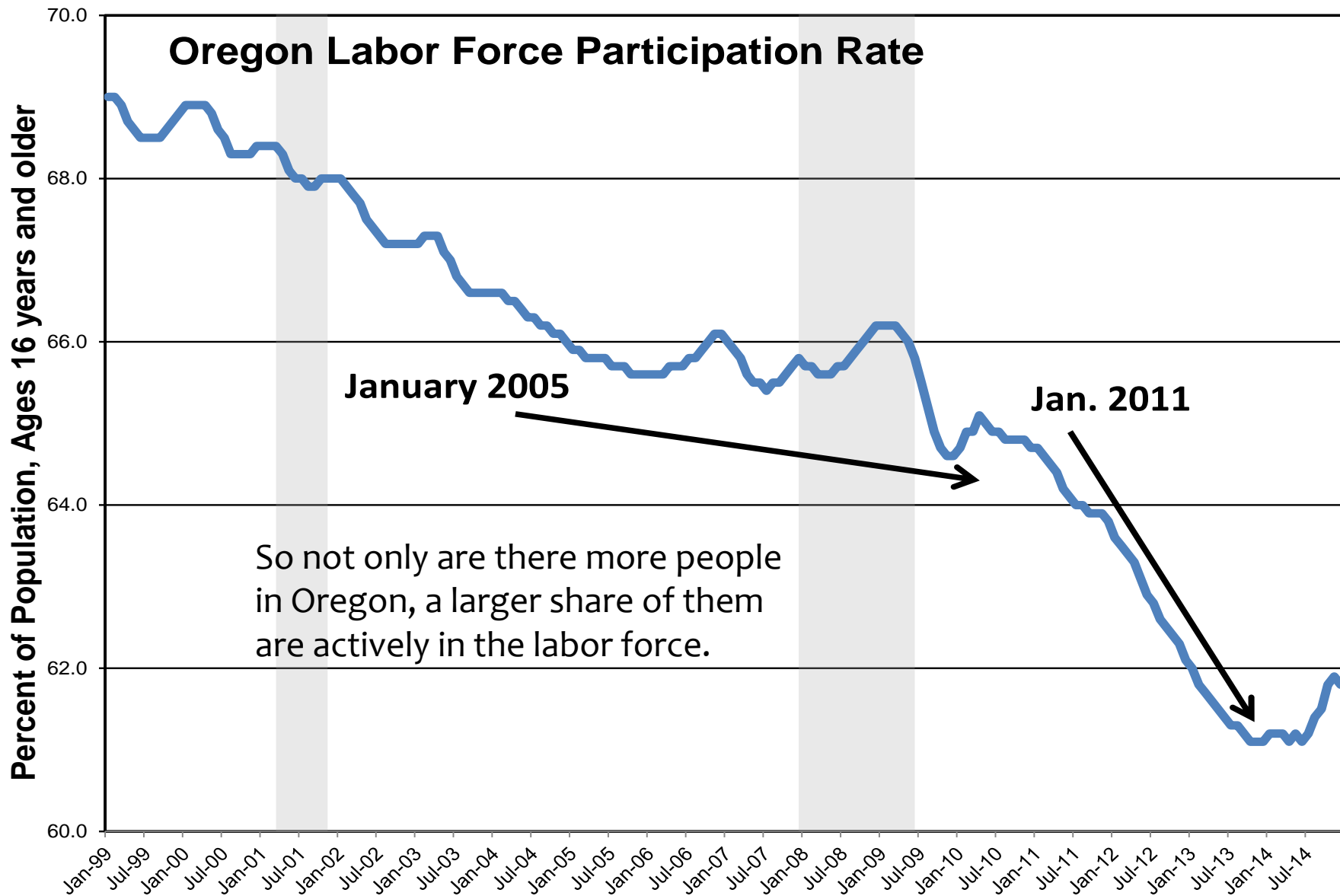


Net migration into Oregon is on the rise. This has implications for labor force growth, labor force supply, and the demand for products and services.

## Components of Oregon's Annual Population Change



Oregon's labor force participation rate fell dramatically during 2011-2013. It's starting to grow again.



# Businesses' Difficulty Finding Workers

Skill Gaps  
Wages Offered  
And Much More

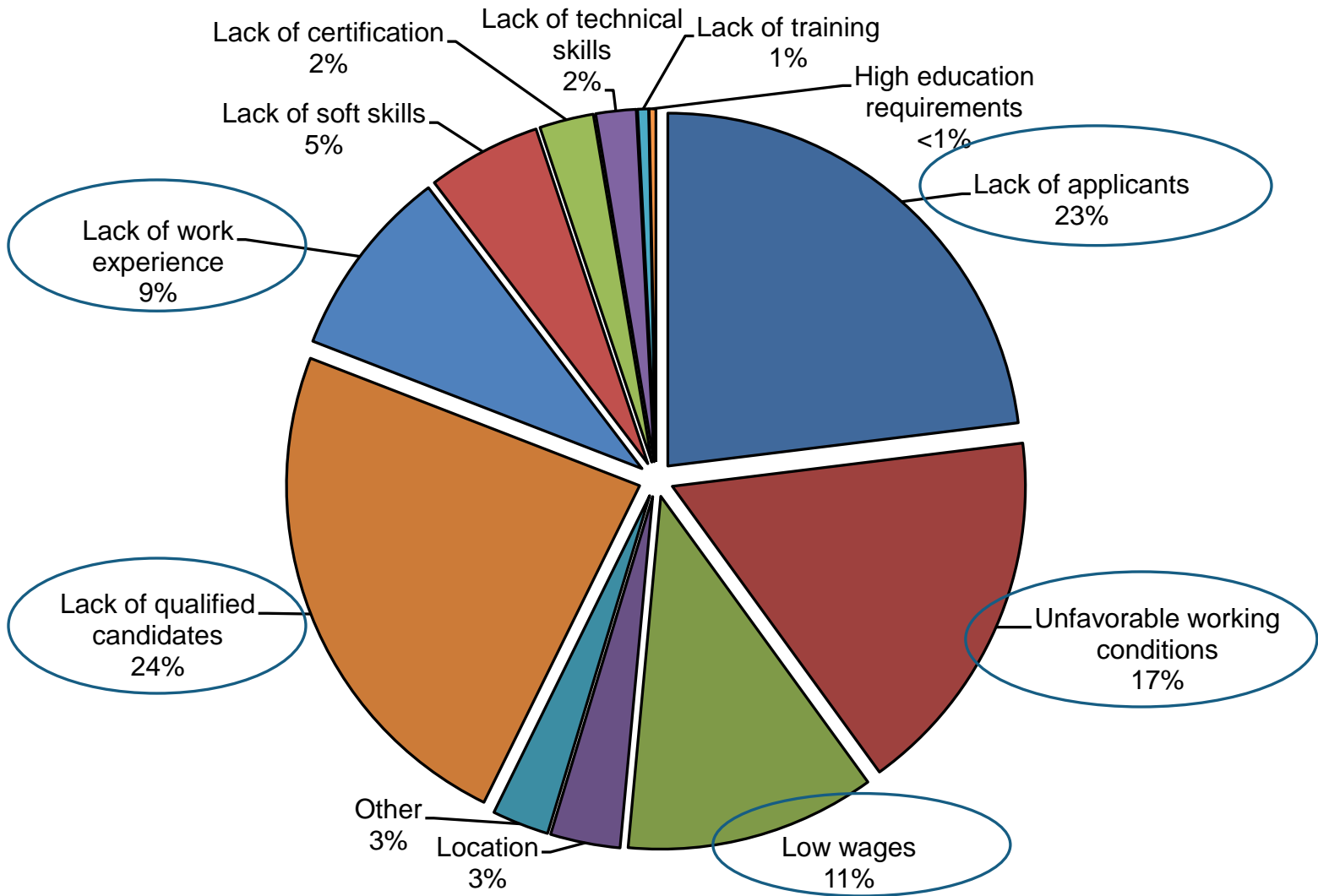
# Examples of Difficult-to-Fill Occupations

- \* Truck drivers
- \* Customer service representatives
- \* Forest/conservation workers
- \* Carpenters
- \* Auto technicians
- \* Personal care aides
- \* Home health aides
- \* Registered nurses
- \* Substance abuse counselors
- \* Nursing assistants



# Why are some vacancies difficult to fill?

**Reasons Provided for Difficult-to-Fill Vacancies**

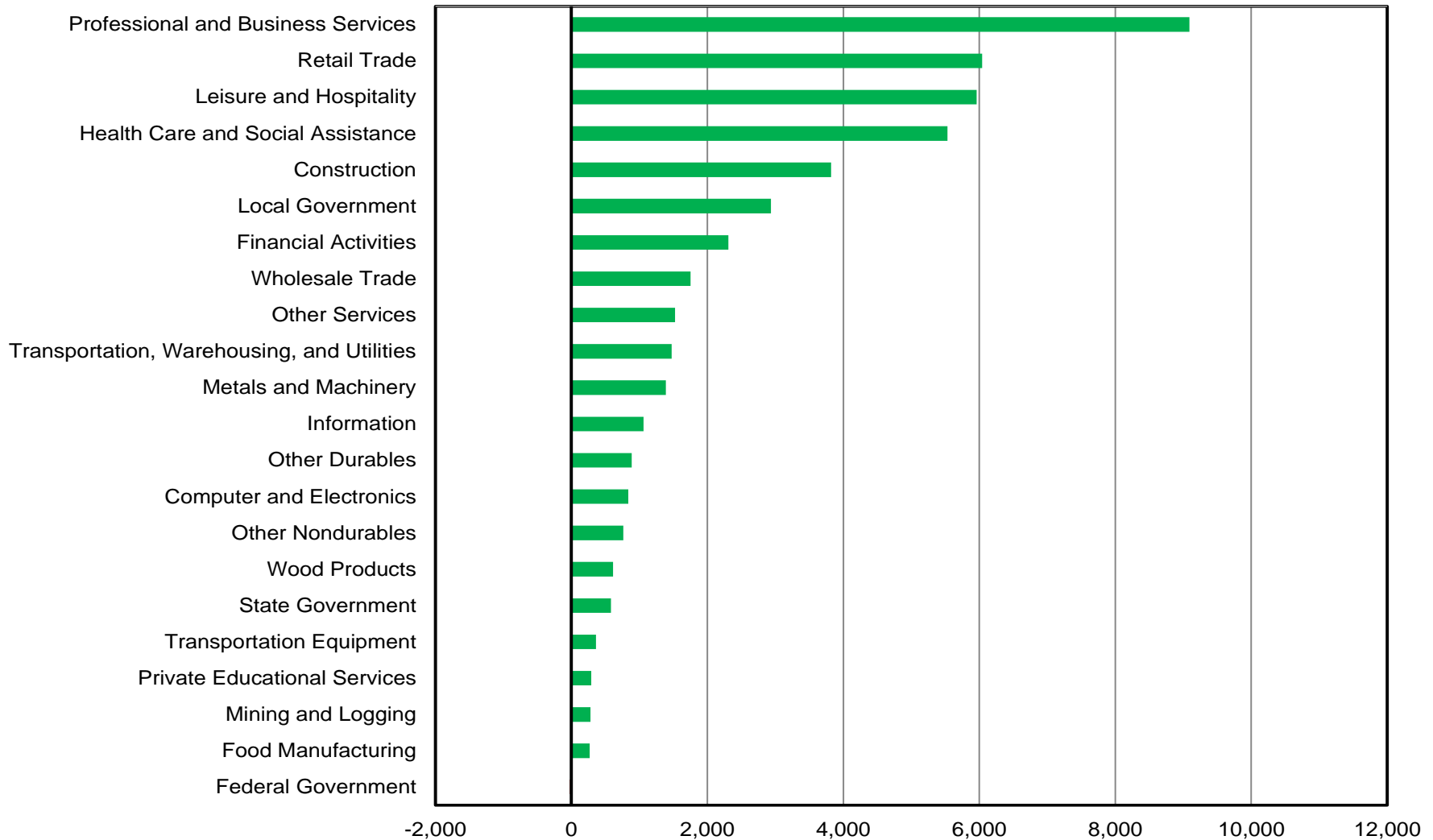


# Looking to the future ...

*Job growth is expected across most industries and occupations.*

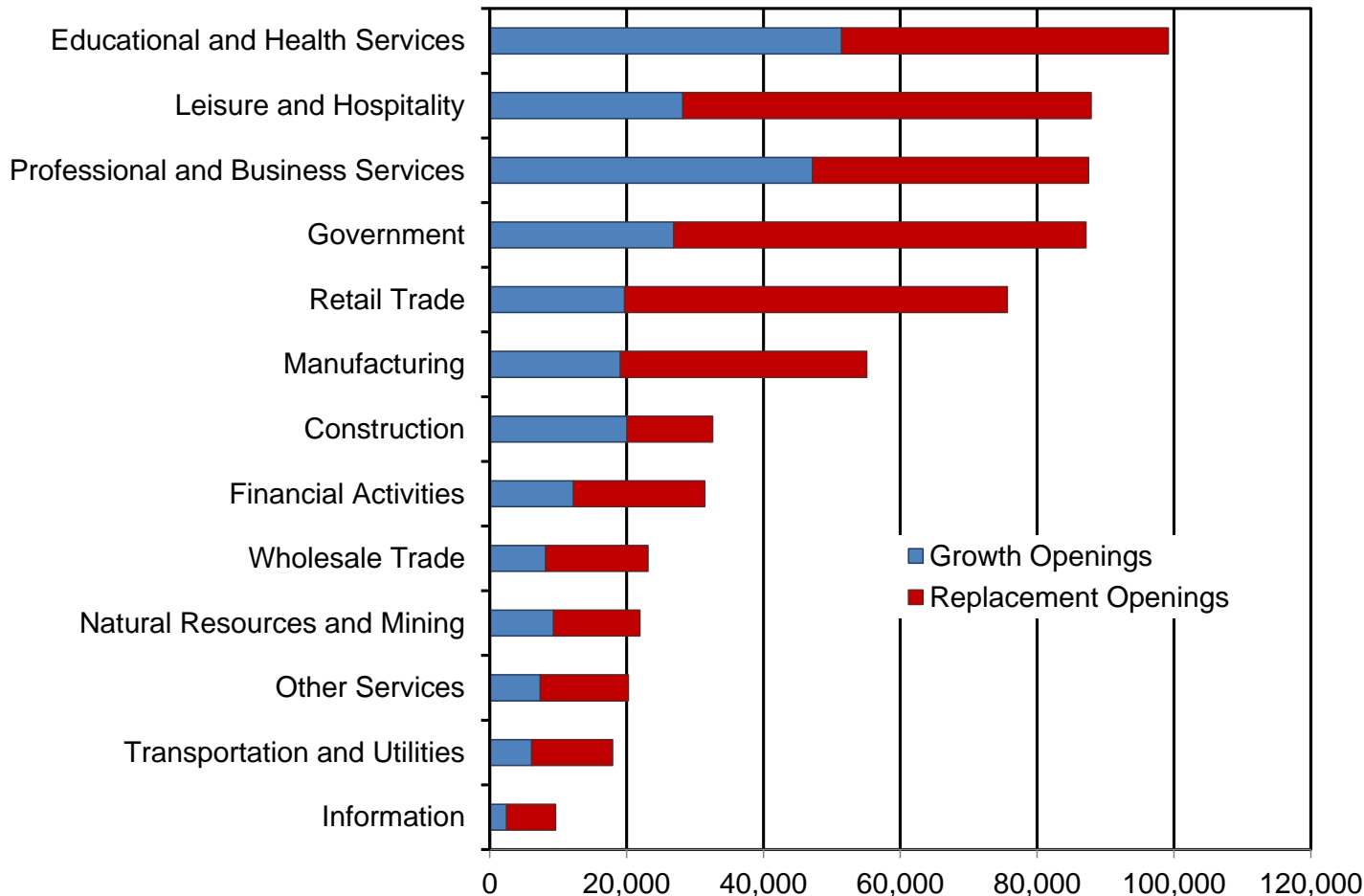
# The view from our friends at the Office of Economic Analysis.

## Expected Job Changes by Industry Sector Over The Year (4Q 2014 - 4Q 2015)



# Our longer-term view: showing both growth and replacement (e.g. retirement) openings.

**Growth and Replacement Openings by Industry, 2012-2022**




\* Educational and Health Services is expected to have the most total openings (99,000).

\* Three out of five industry openings are expected to come from replacement.


# And speaking of the future ...

Available online at  
[QualityInfo.org](http://QualityInfo.org)

Updated: May 23, 2014



*Endangered:  
Youth in the  
Labor Force*



State of Oregon  
Employment Department

nt

# Key points for Oregon's youth

1. Passed by during the early parts of recovery.
2. Higher unemployment rates than adults.
3. Disproportionate share of unemployment and labor force decline.
4. Share of young people with no work experience has doubled.
5. They're no more "idle" than were previous generations.

Graham Slater, Research Administrator  
Oregon Employment Department  
[Graham.J.Slater@oregon.gov](mailto:Graham.J.Slater@oregon.gov)  
(503) 947-1212

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