



2014



STATE OF THE WORKFORCE

Repport



LANE WORKFORCE PARTNERSHIP



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STATE OF THE WORKFORCE

Report

2014





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MESSAGE FROM THE DIRECTOR

“Don't dare to dream big,
just dream BIG!”

—Stephen Richards

As the new Executive Director of Lane Workforce Partnership, I am excited to bring you the 2014 State of the Workforce Report. In addition to being the first report released under my leadership, this report demonstrates a continued trend in job recovery since the devastating job losses experienced in Lane County and throughout the nation as a result of the Great Recession.

Our journey towards economic prosperity for all Lane County citizens certainly brings its challenges, but I believe it is a path full of opportunities. Lane County is fortunate to have a Local Workforce Investment Board that is made up of local elected officials and community leaders representing business, education, labor, and public programs who are dedicated to taking on the tough issues to create and bring economic strength and vitality to our community.

I feel privileged to be leading an organization that provides me with the opportunity to work with some of the best minds in the community. Together, we are identifying the workforce issues faced by businesses and job-seekers and creating solutions to address these issues.

With the support of the Lane Workforce Partnership Board of Directors, solution-driven investments have been made to address the tightening labor market now faced by both businesses and jobseekers. Programs like On-the-Job Training assist local businesses with the costs of skilling up new hires, while providing job-



seekers with the opportunity to break into new lines of work. In addition, when faced with alarming data indicating historically low numbers of youth entering the labor force, the Board brought attention to successful local Career and Technical Education programs, and connected graduating youth to local employment opportunities in good paying jobs. These are just a couple of examples of how the Lane Workforce Partnership Board is addressing the many workforce challenges being faced in Lane County today.

Looking forward, I envision the Lane Workforce Partnership collaborating with community leaders and continuing to make strategic investments in innovative workforce development activities which lead local businesses to growth opportunities and our community to prosperous outcomes.

Dream big!

A handwritten signature in black ink that reads "Kristina Payne". The signature is fluid and cursive, with a long horizontal line extending from the end of the name.

Kristina Payne

INTRODUCTION

Lane Workforce Partnership serves as the Local Workforce Investment Board (LWIB) for Lane County. Governor Kitzhaber's Executive Order No. 13-08 creates a strengthened role for LWIBs to serve as neutral, independent brokers of workforce services and to help direct public workforce investments toward talent development, job creation, business competitiveness, and expanded opportunities for citizen prosperity. This new role is intended to provide the LWIBs with the neutrality necessary to convene the development of a local strategic workforce plan, and to create transparency for evaluation and accountability. It is intended that LWIBs will be positioned to identify opportunities to increase resources for workforce development in their communities.

Additionally, the Workforce Innovation and Opportunity Act was signed into law on July 22, 2014. This new legislation emphasizes the role of boards in coordinating and aligning workforce programs and adds functions to develop strategies to meet worker and employer needs. It will result in a coordinated four-year strategic plan for state workforce goals that will complement goals identified in the current plan adopted by the Oregon Workforce Investment Board (OWIB). Current OWIB goals include:

- **Goal 1:** Oregonians have the skills for high wage/high demand jobs.
- **Goal 2:** Businesses have skilled workers to innovate and grow.
- **Goal 3:** Workforce system is aligned, integrated, efficient, and effective to support businesses and job seekers.



Lane County has been addressing similar goals at the local level over the past years through effective sector strategies, innovative training programs, and the promotion and fostering of strong partnerships with partners across the County. In light of WIOA, the Governor's Executive Order, and OWIB statewide goals, Lane County is already well-positioned to continue to develop and implement valuable workforce services for its workers, employers, job seekers and youth.



ECONOMY, TRENDS, STATISTICS

Economic Trends

The economy in Lane County has transformed over the past two decades from one that was largely dependent upon the wood products industry to one that is high-tech, forward thinking, environmentally conscientious and diverse (Figure 1). Food product manufacturers have found niches in organic products, the software industry has grown, health care continues to strengthen the economy, and state and federal government agencies (including the University of Oregon) have continued to add jobs.

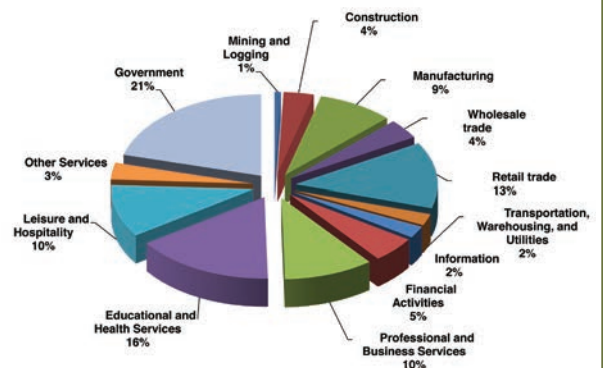
Unemployment rates in the county have typically averaged higher than the United States (Figure 2). This trend was unsurpassed between 2007 and 2010, during the Great Recession, when the county lost 15,900 jobs, or 10.1 percent of its employment (far exceeding the statewide percentage of 7.5).

As shown in Figure 3, construction and manufacturing were particularly hard hit during the recession. Construction lost 36 percent of its employment and manufacturing lost 38 percent. In manufacturing, wood products lost 1,100 jobs and transportation equipment lost 3,300 jobs (80 percent) from large losses in the local

RV industry. The loss of high-paying jobs in construction and manufacturing resulted in losses of secondary jobs as well. Health care was the only industry to grow during the recession and added 1,100 jobs locally, due in part to the addition of the RiverBend Medical Center.

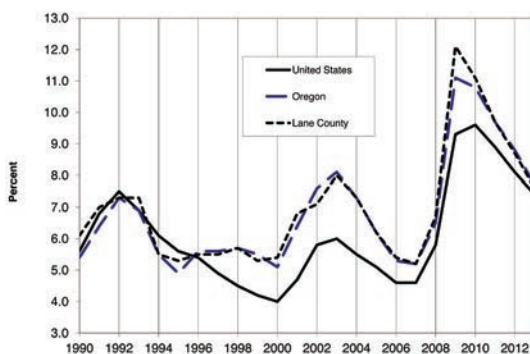
The most recent annual figures show growth coming out of the recession. Between 2010 and 2011, about 1,000 jobs were added for the first annual average increase since 2007. The 2013 annual average numbers show the addition of 2,000 jobs, or 1.4 percent growth

Figure 1: Lane County Employment April 2013



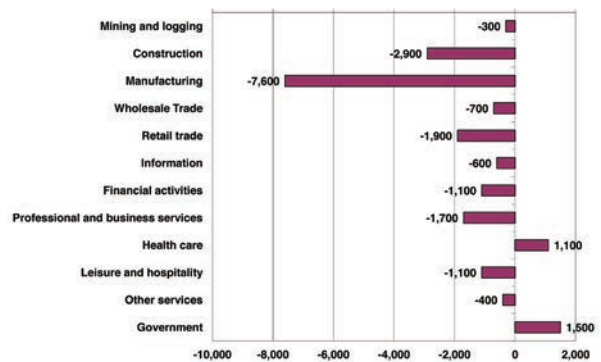
Source: Oregon Employment Department

Figure 2: Annual Average Unemployment Rates



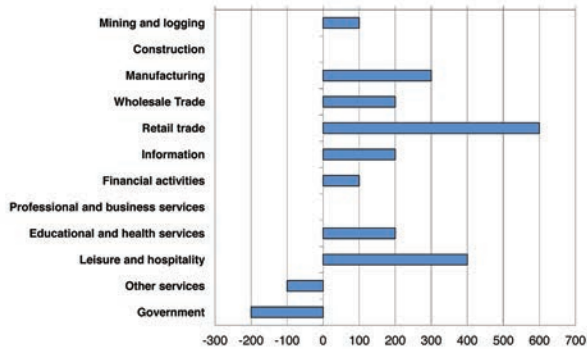
Source: Oregon Employment Department

Figure 3: Lane County Employment Change (Annual Average 2007-2010)



Source: Oregon Employment Department

Figure 4: Lane County Employment Change
(Annual Average 2012-2013)



Source: Oregon Employment Department

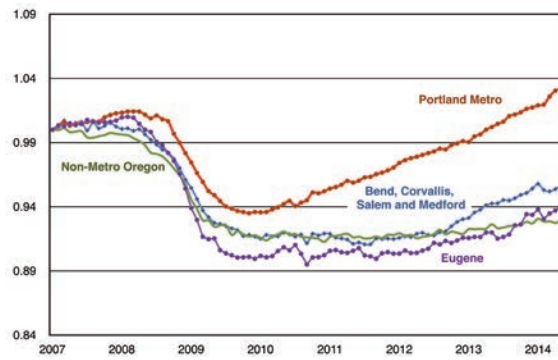
(Figure 4). Several private-sector industries are contributing to the rebound including mining and logging, manufacturing, wholesale trade, retail trade, information, financial activities, health services, and leisure and hospitality.

As of August 2014, the benchmarked figures show over-the-year employment growth at 3,600 jobs, or 2.5 percent—the strongest employment growth since March 2007. Almost all private sector industries have added jobs, and government has added 400 jobs from state and local education. The unemployment rate has dropped from 7.6 percent to 6.8 percent. A Tightening Labor Market

The current trend is toward a tightening labor market in which employers have trouble filling jobs or there is a long wait to fill an available job. It means more opportunities for workers looking for jobs, and also more competition for employers looking for good workers. Even though the county is seeing a strengthening economy with a tightening labor market, there is still a long way to go to reach pre-recession levels of employment. Figure 5 illustrates that the Portland area has reached pre-recession levels, while other areas of the state have not. Compared to other areas of the state, Lane County was harder hit by the recession and has been slower to recover.

Paul Wynkoop, Human Resources Manager of Pacific-

Figure 5: Nonfarm Employment
Eugene, Portland, Non-Metro Oregon, Other Oregon Metros Combined
2007 indexed to 1



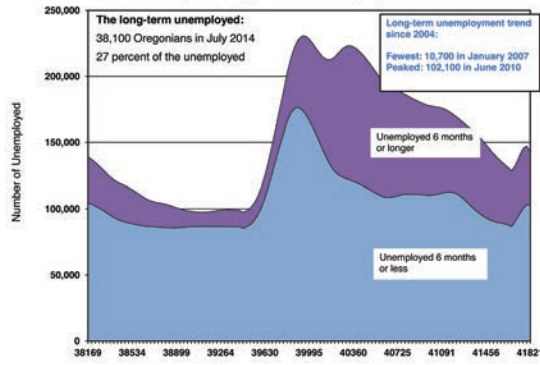
Source: Oregon Employment Department

Source Health Plans has observed that over the last two years, as the economy has begun to improve and as more employment opportunities have become available, there has been a slight increase in voluntary turnover. His company has also experienced a significantly greater level of turnover during the past 18 to 24 months because of retirements. “Because the job market is opening up, candidates have more than one offer at the same time which creates a different competitive environment for employers.” Paul states. “This makes the salaries, benefits and, most importantly, the culture of the organization much more important as candidates evaluate where they want to work. Because the economy has improved, we’ve been able to attract more talent to the organization. So on a net-basis, we’re doing well overall.”

Long-Term Unemployment

Although the Lane County labor market is tightening, challenges remain. The catastrophic job losses of the Great Recession have not yet been replaced, leading to longer spells of unemployment. The longer a person has been looking for work, the harder it is to find a job. In July 2014, 27 percent of unemployed Oregonians had been out of work for more than six months (Figure 6). Each month on continued unemployment increases the odds a person will completely drop out of the labor

Figure 6: Oregon Long-Term Unemployed



Source: Oregon Employment Department, CPS

market. Keeping the long-term unemployed engaged in the labor force until they can get back to work is one of the key challenges facing Oregon and Lane County.

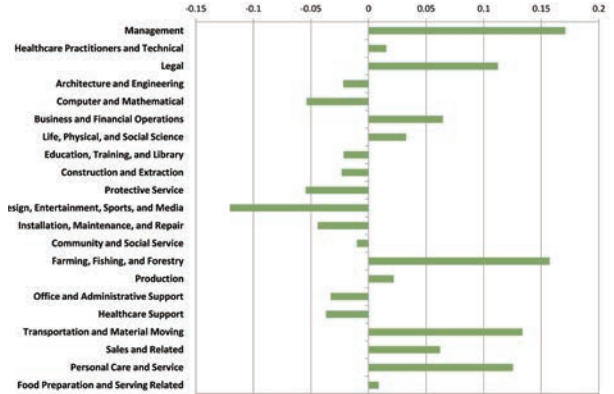
Wage Polarization

Another challenge coming out of the recession is wage polarization, sometimes called the gutting of the middle class. During the recession, manufacturing and construction were two of the hardest hit industries and employment growth has lagged during the recovery. As revenues to governments were reduced due to less income and lower property values, cuts were made to government—in particular in local education. The result (illustrated in Figure 7) was polarization, where job growth was seen in lower and higher paying occupations, but not much in the middle. Some improvement has been seen in the 2014 employment numbers, but occupations in the middle class industries still have a long way to go to reach pre-recession levels.

Challenges for Younger Workers

In addition to long-term unemployment and wage polarization, the recession has damaged opportunities for younger workers. Unemployment among youth is always higher than it is among the older population. In the years leading up to the recession, the unemploy-

Figure 7: Occupational Job Growth in Lane County 2010-2013 (sorted from highest to lowest paying)



Source: Oregon Employment Department

ment rate of Oregonians ages 16 to 19 averaged close to 20 percent while the rate was around 10 percent for Oregonians ages 20 to 24. During that period the overall unemployment rate was about 6 percent.

The recession created more competition from older, more experienced workers for available jobs, sending youth unemployment rates in Lane County to record highs. Figure 8 (page 6) shows that these rates have remained high even as rates are beginning to fall for older workers.

All age groups were damaged to some extent by the recession, but the effects on young workers could have much longer-term consequences. According to the Bureau of Labor Statistics, youth ages 16-24 make up 13 percent of the total labor force yet they account for 29 percent of all unemployment.

The workforce problems facing younger workers today may mean lower lifetime earnings for them in the future. Getting younger workers to work, and establishing the experience and income that first jobs provide, is one of the key workforce challenges facing Lane County. Having a part-time or summer job used to be the normal situation for many teenagers. The impact of the recession was amplified for summer teen employment. In 2009 and 2010, new hires in the third quarter (summer) of workers ages 14 to 18 numbered about 30,000, whereas third-quarter teen hires were closer to 50,000

“It is vital to give the young generation a good start to ensure a strong future.”

— Tony Scurto,
Superintendent of
Pleasant Hill School District



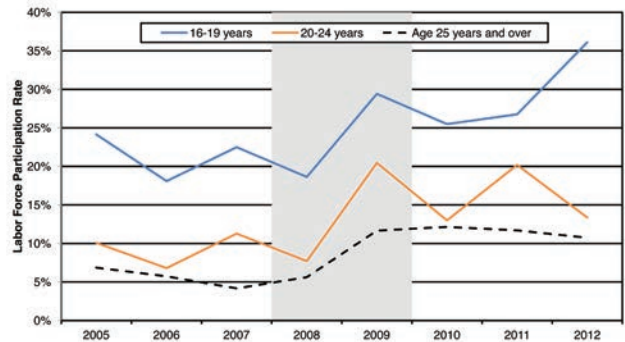
in pre-recession periods (Figure 9).

“We are hearing more and more about the ‘graying’ of our work force,” says Pleasant Hill School District Superintendent, Tony Scurto. “There will be a need to hire replacements as folks retire and we should be striving to best prepare those who will fill these spots. Given that actual jobs have not been available to train our youth as was once the case, it is extremely important that these young people have access to job shadows, internships and practical work place experiences. It is vital to give the young generation a good start to ensure a strong future.”

Projected Recovery

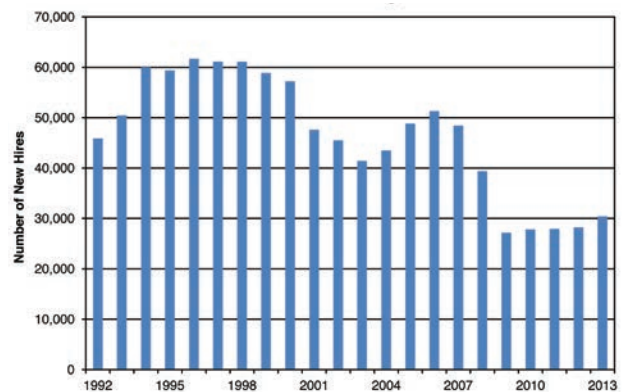
Figure 10 shows Great Recession job losses along the horizontal axis (how far a county fell), and the share of all those lost jobs that have been regained as of July 2014 on the vertical axis. Generally, the areas of the state that took above-average job losses during the recession have added back the fewest jobs. Areas of the state that took an average to below average hit in job loss, have regained the most jobs. Lane County is around the middle for job recovery, but still lags behind the state average.

Figure 8: Unemployment Rates for Lane County’s Youth (Years with Recession Shaded in Grey)



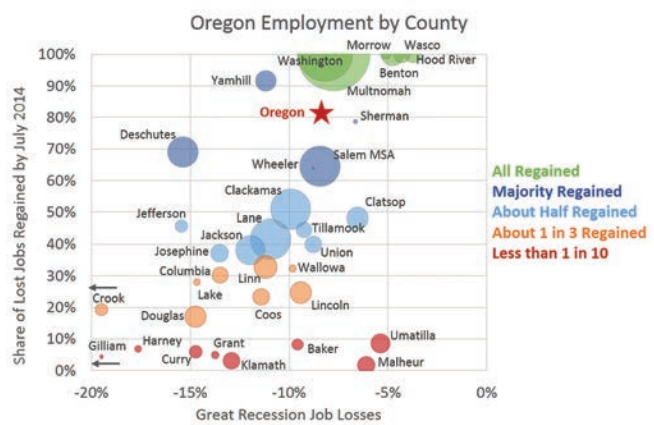
Source: Census Bureau, American Community Survey

Figure 9: Oregon Teen Hiring Halved in Recession Third Quarter New Hires Ages 14-18



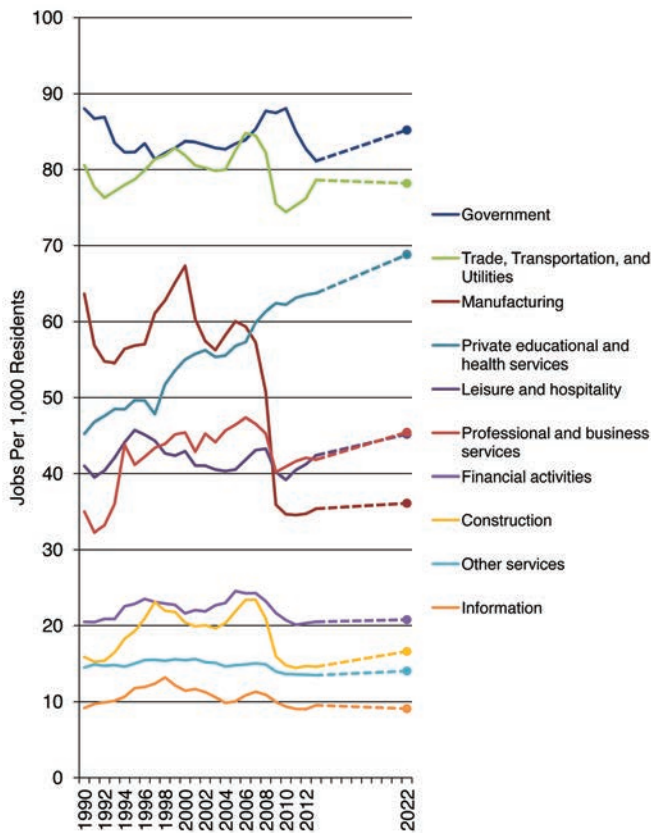
Source: U.S. Census Bureau, Local Employment Dynamics

Figure 10: Job Recovery from Great Recession



Source: Oregon Office of Economic Analysis

Figure 11: Jobs Per 1,000 Residents by Industry
Lane County, 1990- 2022



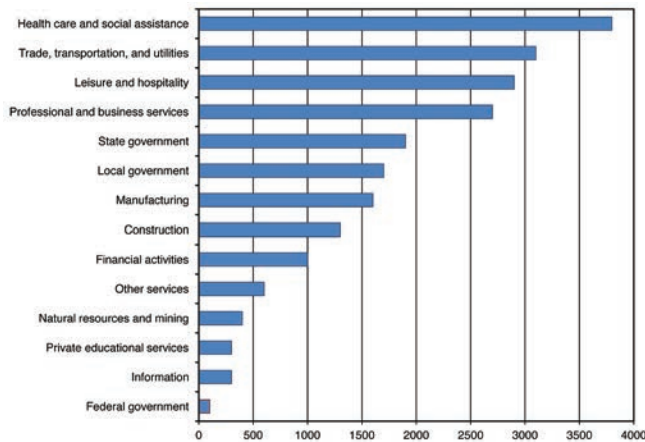
Source: Oregon Employment Department

The 2012 to 2022 employment projections reflect several ongoing trends: continuing recovery from the recession, particularly for the manufacturing and construction industries; a growing health care sector, due in part to an aging population; and continuing population growth.

According to Oregon Employment Department projections, Lane County will add 21,700 jobs between 2012 and 2022 (Figure 11). This represents a 15 percent increase in employment over 10 years, matching the statewide increase over the same period. The growth stems from anticipated private-sector gains of 18,000 jobs and the addition of 3,700 jobs in government. As shown in Figure 12, all Lane County industries are expected to add jobs from 2012-2022.

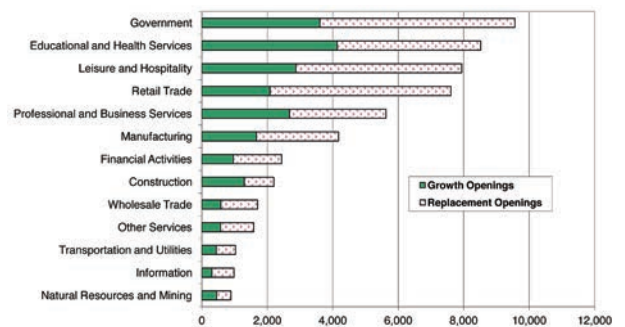
Even in industries that are expected to grow slowly, there will be opportunities created by replacement needs (Figure 13). Replacement needs are created when someone permanently leaves an occupation and does not include regular turnover. Retirement is a common reason for the creation of replacement openings. As the population ages and retirements increase, the level of replacement openings will increase.

Figure 12: All Lane County Industries Expected to Add Jobs, 2012-2022



Source: Oregon Employment Department

Figure 13: Lane County Projected Job Openings by Industry Growth and Replacement, 2012-2022



Note: Growth openings are the net number of job openings created by economic expansion. Occupations with declining employment have zero growth openings.

Source: Oregon Employment Department

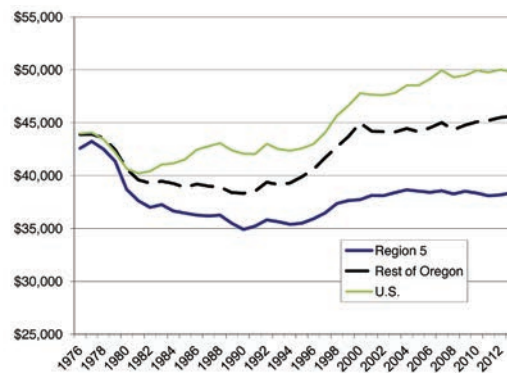


Wages

Real average wages steadily increased over the course of several years with the addition of high-tech manufacturing and stabilization in the wood products industry. Wages peaked in 2004 at \$37,318 and since then real (inflation adjusted) wages have stagnated and remained around \$38,000.

The increase in real wages was not enough to keep the wage gap between Lane County and the rest of the state from expanding (Illustrated in Figure 14). In 1990, Lane County (Region 5) wages were 10 percent less than the rest of the state. By 2000 the gap had expanded to 19 percent, largely due to rapid growth in high-tech manufacturing in the Portland area. An industry mix that is made up of lower-paying industries compared to the Portland area explains some of the wage gap between Lane County and the rest of the state. Additionally, quality-of-life factors in Lane County such as less congestion and proximity to outdoor recreation may allow employers to offer lower wages for any particular occupation. Finally, the high proportion of college students in the county will likely accept lower wages for any particular occupation that fits their class schedule.

Figure 14: Real Average Annual Wages



Source: Oregon Employment Department

Although the earnings of the average worker in Lane County were \$38,355 in 2013, many earned considerably less. Sixty-four percent of Lane County jobs were in occupations that averaged less than the county average of \$38,355 (Table 1, page 10). Most of the largest occupations in Lane County pay less than the average, three of the largest being retail sales people, food preparation and serving workers, and cashiers. Registered nurses, and general operations managers are the exception for large occupations, paying \$78,923, and \$86,494 respectively.

Some highlights in the Lane County projections include:

- Health care and Social Assistance adds the most, 3,800 jobs (18 percent), due to a growing and aging population.
- Information grows slowly adding 300 jobs (9 percent) as gains in software publishing are countered by losses in print publishing.
- Leisure and Hospitality adds 2,900 jobs (20 percent) from tourism and retirees.
- Professional and Business Services add 2,700 jobs (more than 18 percent). A major portion of this growth is expected to come from temporary-help firms and two new call centers.
- State government grows by 1,900 jobs (15 percent), largely from a new state hospital in Junction City.
- Manufacturing grows 1,600 jobs (over 13 percent) with growth in durable and non-durable goods manufacturing, particularly food processing (including wineries and breweries).
- Construction should rebound from large losses by adding 1,300 jobs (more than 25 percent).
- Natural resources and mining, which includes logging and sand and gravel, grows by 400 jobs (more than 19 percent), due partly to an improving local construction industry.
- Federal government grows slowly adding 100 jobs (6 percent) countering losses with a new Veteran's Administration clinic.

Education

Historically, a majority of jobs in Lane County required little in the way of training or education. New trends, illustrated in Table 2 (page 10), show that some of the fastest growing occupations require post-secondary education and training even for entry-level work. The typical education for 65 percent of positions in 2022 will require a high school diploma or less—many of these jobs being lower-paying service and retail occupations. Jobs that require an associate's degree or other post-secondary training are expected to grow 15 percent overall and 17 percent in fast-growing occupations. Those requiring a professional or graduate degree will grow by 16 percent.

Approximately 31 percent of projected job openings in Lane County will seek post-secondary education as the typical entry-level requirement (slightly lower than the 33 percent statewide). A little over half (53 percent) of those openings will require post-secondary education in order to be competitive for the positions. It is expected that 64 percent of job openings in high-wage high-demand occupations will require post-secondary education for entry-level positions (lower than the 69 percent statewide).

"The bar for skills needed to perform in existing jobs today is much higher than it was 30 or 50 years ago," says Colin Gibson of Diamond Traffic Products. "A good example is the timber industry that we've had forever

“The bar for skills needed to perform in existing jobs today is much higher than it was 30 or 50 years ago.”

—Colin Gibson,
Diamond Traffic Products

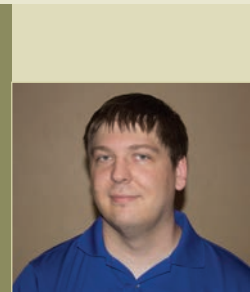


Table 1: Largest Occupations and Highest Paying Occupations in Lane County: 2012

| | 2012 Employment | Average Wages |
|--|--------------------|------------------|
| Largest Occupations | | |
| Retail Salespersons | 5,180 | \$27,351 |
| Cashiers | 3,292 | \$22,615 |
| Combined Food Preparation and Serving Workers, Including Fast Food | 3,099 | \$21,055 |
| Office Clerks, General | 2,688 | \$30,839 |
| Registered Nurses | 2,674 | \$78,923 |
| Bookkeeping, Accounting, and Auditing Clerks | 2,380 | \$37,165 |
| Janitors and Cleaners, Except Maids and Housekeeping Cleaners | 2,328 | \$26,273 |
| Teacher Assistants ² | 2,198 | \$28,957 |
| Secretaries and Administrative Assistants, Except Legal, Medical, and Execut | 1,852 | \$34,107 |
| General and Operations Managers | 1,735 | \$86,494 |
| Office and Administrative Support Workers, All Other | 1,728 | \$34,849 |
| Heavy and Tractor-Trailer Truck Drivers | 1,673 | \$36,602 |
| Laborers and Freight, Stock, and Material Movers, Hand | 1,630 | \$26,484 |
| Customer Service Representatives | 1,621 | \$34,553 |
| First-Line Supervisors of Retail Sales Workers | 1,340 | \$38,201 |
| Highest Paying Occupations | | |
| Chief Executives | 137 | \$164,719 |
| Pharmacists | 305 | \$126,122 |
| Natural Sciences Managers | 43 | \$106,046 |
| Physician Assistants | 115 | \$104,936 |
| Nurse Practitioners | 65 | \$103,899 |
| Medical and Health Services Managers | 306 | \$101,188 |
| Education Administrators, Postsecondary | 198 | \$99,889 |
| Computer and Information Systems Managers | 230 | \$99,862 |
| Architectural and Engineering Managers | 76 | \$98,742 |
| Financial Managers | 373 | \$97,717 |
| Sales Engineers | 50 | \$97,430 |
| Lawyers | 442 | \$96,600 |
| Sales Managers | 308 | \$94,861 |
| Education Administrators, Elementary and Secondary School | 189 | \$91,314 |
| Industrial Production Managers | 168 | \$89,412 |

Source: Oregon Employment Department

Table 2: Lane County Forecasted Typical Educational Attainment

| Education | 2012 Employment | 2022 Employment | Employment Change | Percent Change | Growth Openings | Replacement Openings | Total Openings |
|--|--------------------|--------------------|----------------------|-------------------|--------------------|-------------------------|-------------------|
| Doctoral or professional degree | 2,300 | 2,671 | 371 | 16.1% | 371 | 527 | 898 |
| Master's degree | 4,077 | 4,718 | 641 | 15.7% | 641 | 772 | 1,413 |
| Bachelor's degree | 22,927 | 26,146 | 3,219 | 14.0% | 3,230 | 4,428 | 7,658 |
| Associate's degree | 5,967 | 6,929 | 962 | 16.1% | 965 | 1,292 | 2,257 |
| Postsecondary training (non-degree) | 14,671 | 17,064 | 2,393 | 16.3% | 2,402 | 2,533 | 4,935 |
| High school diploma or equivalent | 52,430 | 59,949 | 7,519 | 14.3% | 7,731 | 11,694 | 19,425 |
| Less than high school | 38,282 | 44,590 | 6,308 | 16.5% | 6,318 | 11,953 | 18,271 |
| Typical competitive-level education | | | | | | | |
| Education | 2012 Employment | 2022 Employment | Employment Change | Percent Change | Growth Openings | Replacement Openings | Total Openings |
| Doctoral or professional degree | 5,191 | 5,953 | 762 | 14.7% | 762 | 1,037 | 1,799 |
| Master's degree | 9,475 | 10,905 | 1,430 | 15.1% | 1,430 | 2,023 | 3,453 |
| Bachelor's degree | 24,235 | 27,821 | 3,586 | 14.8% | 3,602 | 4,764 | 8,366 |
| Associate's degree | 14,869 | 17,013 | 2,144 | 14.4% | 2,147 | 2,780 | 4,927 |
| Postsecondary training (non-degree) | 27,881 | 32,682 | 4,801 | 17.2% | 4,853 | 5,641 | 10,494 |
| High school diploma or equivalent | 59,003 | 67,693 | 8,690 | 14.7% | 8,864 | 16,954 | 25,818 |

Source: Oregon Employment Department

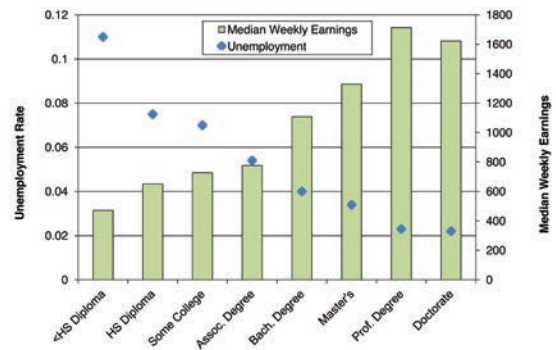


in Lane County. The jobs that are now related to timber are much more technical than in the past. You have to have some kind of education level to even work at an entry-level timber job.”

Data for the U.S. shows a direct correlation between education levels, earnings and unemployment—the higher the education level, the higher the pay and the lower the chances of being unemployed (Figure 15). People with less than a high school diploma averaged \$472 in weekly earnings and an unemployment rate of 11.0 percent in 2013 while people with a bachelor’s degree earned an average of \$1,108 weekly with a 4.0 percent unemployment rate.

Lane County’s educational attainment levels have increased over the past decade. The share of the population age 25 and older with less than a high school degree declined from 17 percent in 1990 to 8.6 percent in 2012 while the share with a bachelor’s degree or higher increased from 22.2 to 27.4 percent. As shown in Table 3, these percentages compare favorably with those from Oregon and the U. S. In 2012, the percentage of the population 25 and older with less than a high school diploma was lower in Lane County (8.6 percent) than Oregon (10.1 percent) and the U.S. (13.7 percent).

Figure 15: Education Pays
Unemployment and Earnings by Education Level, 2013



Source: U.S. Dept. of Labor, Bureau of Labor Statistics

Table 3: 2012 Educational Attainment in Population 25 Years and Older

| | Lane County | Oregon | United States |
|-------------------------------|-------------|--------|---------------|
| % less than high school | 8.6% | 10.1% | 13.7% |
| % high school grad or higher | 91.3% | 89.9% | 86.4% |
| % associate's degree | 7.9% | 8.2% | 8.0% |
| % bachelor's degree or higher | 27.4% | 29.9% | 29.1% |

Source: American Community Survey

The population with a bachelor’s degree or higher was a little lower in Lane County at 27 percent compared to 30 percent for Oregon and 29 percent for the U.S.

DEMOGRAPHICS

The 2013 population estimates indicate that Lane County is the fourth most-populous county in Oregon. The 356,125 residents are concentrated within a relatively small region around the Eugene/Springfield urban area and 69 percent of residents live in incorporated cities within a 30 mile radius of Eugene. The population grew 10 percent between 2000 and 2013 compared to 15 percent statewide, ranking it the 16th fastest growing of the 36 Oregon counties. Long-term projections indicate that the county's population should continue to increase, but the rate of growth should remain below the projected statewide growth rate. According to forecasts by the Oregon Department of Administrative Services, Office of Economic Analysis, the total increase in Lane County's population in the 20-year period between 2010 and 2030 is expected to amount to roughly 58,237 people, or 17 percent compared with 24 percent expected growth statewide.

Age Distribution

The age distribution of Lane County's population has a higher proportion of its population in the young-adult (20-29) age group. The higher concentration of young adults can be easily explained by the fact that the University of Oregon and Lane Community College enroll thousands of out-of-county people—estimated as high as 10,000 during a typical school year.

The statewide and county age distributions have two distinct points of interest: the age groups that include 40 to 59 year olds and the age groups that include 15 to 29 year olds (Figure 16). The former represents the baby-boom generation—those born between 1946 and 1964—and the latter, the echo of the baby boom. While baby-boomers are starting to reach retirement age, the echo-boomers are in the early stages of their

working years. The result may be a temporary skill shortage as more people retire than there are skilled people to replace them. How serious this skill gap will become is uncertain. But despite the Great Recession and the resulting high unemployment, the aging of the baby boomers should create opportunities for younger people with the right skills and education.

Among the working-age population, aging trends are driven by the baby boom generation. In 1970, before

Figure 16: Age Distribution, 2013
Lane County and Oregon

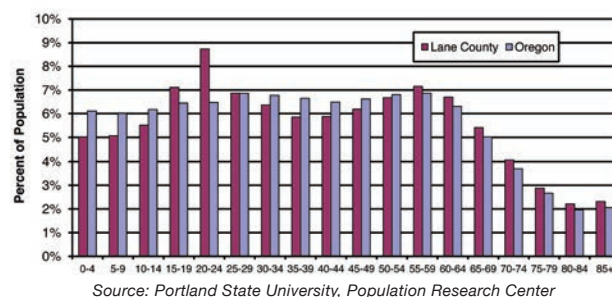


Figure 17: Lane County 45-64
Share of Working-Age Population

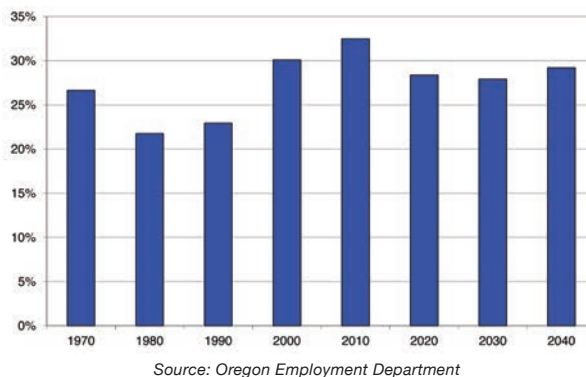
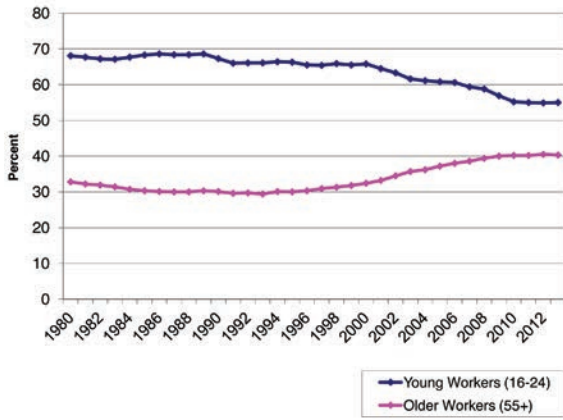


Figure 18: Labor Force Participation Rates

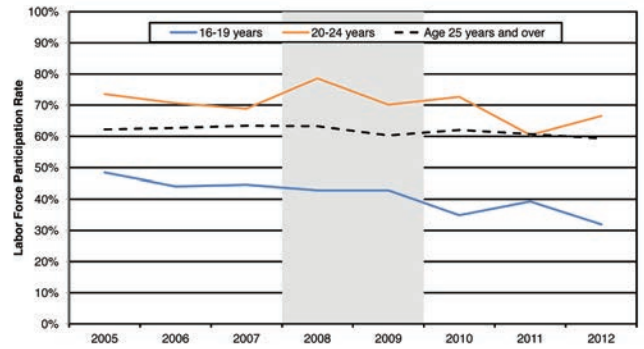


Source: Oregon Employment Department

most baby-boomers entered the workforce, the share of the working-age population ages 45 to 64 year was around 27 percent. As young workers entered the workforce, the working-age population became much younger, causing the group of 45-64 year olds to decrease to a little over 20 percent. As the baby-boom generation has aged, so has the workforce. The share of 45-64 year olds rose from 23 percent to 30 percent of the working-age population by 2000 and peaked at 32 percent in 2010. It is expected to level off at around 28 percent, increasing slightly by 2040 (Figure 17).

Although the echo-boomers and in-migration will lower the share of those ages 45-64 in the working-age population and help close any skill or labor gaps that develop, the overall aging of the population will have an impact on the economy. As the baby-boomers age, there is expected to be more demand for health care and leisure and hospitality services. Additionally, there may be labor shortages in several industries due to more workers exiting the labor force than entering as the market recovers.

Figure 19: Labor Force Participation Rates for Lane County's Youth (Years with Recession Shaded in Grey)



Source: Census Bureau, American Community Survey

Participation Rates

In addition to population trends, labor force participation rates – the percentage of the population working or actively looking for work may affect labor and skill availability. Figure 18 illustrates the national trends that show a steady drop in labor force participation by younger workers (ages 16-24), dropping from 68.1 percent in 1980 to 55.0 percent in 2013.

The drop in younger workers is similar in Lane County, especially among teenagers. The share of Lane County residents ages 16 to 19 who are working or looking for work fell in the early 2000s and reached an historic low of 32 percent in 2012. In contrast, older workers' labor force participation has been on the rise. For workers age 55 and up the participation rate has increased from 32.8 percent to 40.3 percent, potentially due to economic need and better health in the retirement years (Figure 19).

Industries that have high proportions of older workers may experience labor or skill shortages in the coming years. In 2013, at the broadest industry level, many working-class industries have over half of their workers in the 45 and higher age group including: logging and forestry (56 percent), mining—mostly sand and gravel (63 percent), manufacturing (50 percent), transportation and warehousing (64 percent), and utilities



(56 percent). Construction is close at 47 percent of its workforce in that age group. Professional occupations with over half of their workers in this age group include: real estate (54 percent), education (57 percent), health care and social assistance (48 percent), management of companies and enterprises (51 percent), and public administration (58 percent).

“As we stand today in 2014, our current management workforce is comprised of 62% baby boomers and has an average age of 54,” comments Debi Creager of Chambers Construction. “In our industry interactions, we have found this to be a very predictable statistic in Oregon and one that crosses many, if not all, regions of the US. Since the average retirement age in our industry is 61, the next five years is crucial in promoting and recruiting high caliber construction management staff.” She adds that the opportunities for long-term careers in all levels of construction, including construction management and eventually leadership roles, are as strong as they’ve seen them in more than two decades.

Veteran’s Labor Force Data

The American Community Survey provides 2012 veteran’s labor force data and shows that Lane County veterans ages 18 to 64 had a lower labor force participation rate than non-veterans in the same age group. Non-veterans experienced a labor force participation rate of 71 percent while veterans were a little lower at 68 percent. The unemployment rate in 2012 was substantially lower for veterans (8.4 percent) compared to non-veterans at 12.1 percent.



SECTOR-BASED STRATEGIES

The OWIB strategic plan and WIOA regulations further emphasize what Lane County has been doing well for 14 years—sector work. Industry sectors are defined by the National Governor’s Association as “partnerships of employers within one industry that bring government, education, training, economic development, labor, and community organizations together to focus on the workforce needs of an industry within a regional labor market.” However, since many workforce-based sector strategies are heavily based on key occupations, those occupations can, and often do, cut across more than one industry sector. For example, an advanced manufacturing strategy could support key workforce issues of various industry sectors efforts such as high tech, food

processing and transportation equipment.

Sector-based strategies often target industries and occupations that are, or have potential to be, high-wage and high-demand. In addition to a focus on high-wage high-demand occupations, sector strategies often focus on industry clusters for a geographic area. The Oregon Business Plan defines industry clusters as “geographic concentrations of similar and/or related firms that draw competitive advantage from their proximity to competitors, to a skilled workforce, to specialized suppliers and a shared base of sophisticated knowledge about their industry.” The terms sectors and clusters are commonly used interchangeably though, by definition, there are slight differences between the two.



Lane County Industry Clusters

One way to identify an industry cluster is to calculate employment concentrations (or location quotients). Employment concentrations show how much more or less industry employment an area has compared to a different area. A concentration of 1.0 means an area has the same percentage of employment in a particular industry as the comparison area. Concentrations over 1.0 may be indicative of an industry cluster. Table 4 compares the employment concentrations of target industries in Lane County to the concentration of those industries in Oregon. Sawmills and wood preservation in Lane County has an employment concentration of 13.84 while that of softwood veneer is 46, and engineered wood 54 times more than the U.S in 2013. These concentrations are very high and indicate a significant woods manufacturing cluster in the County. Software publishing is also high compared to Oregon and the U.S. (Table 4).

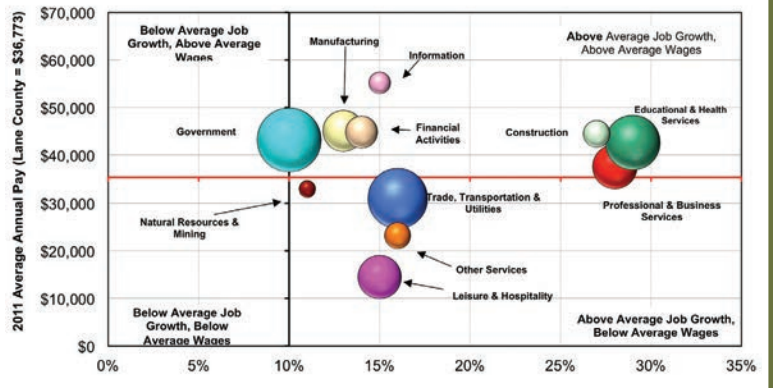
Figure 20 shows industry wages and forecasted employment growth from two years ago (2010-2022) for Lane County industries. Figure 21 shows the change in projections from 2010 data and reflects the new forecasted employment for the same industry sectors. Comparing the two charts, industry changes are evident, for example there is a significant change in the projected growth for the Natural Resources and Mining industry.

Table 4: Employment Concentrations in Lane County and Oregon

| 2013 Employment Compared to US | Lane County | Oregon |
|-----------------------------------|-------------|--------|
| Total, all industries | 1 | 1 |
| Health care and social assistance | 1.17 | .94 |
| Manufacturing | 1.03 | 1.17 |
| Software Publishers | 6.21 | 2.56 |

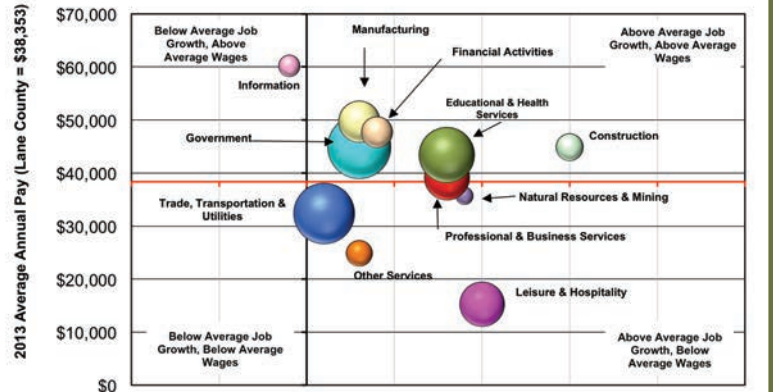
Source: Oregon Employment Department

Figure 20: Lane County Industry Wages and Forecasted Employment Growth, 2010-2020



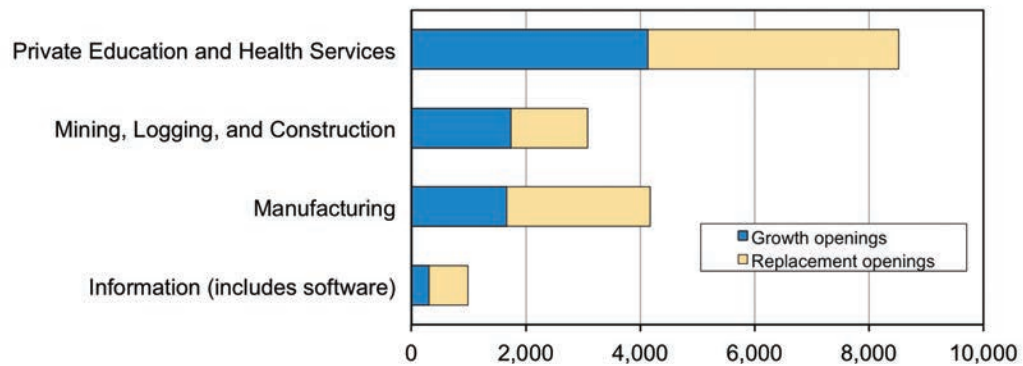
Source: Oregon Employment Department

Figure 21: Lane County Industry Wages and Forecasted Employment Growth, 2012-2022



Source: Oregon Employment Department

Figure 22: Projected Job Openings in Lane County's State of the Workforce Sectors



Source: Oregon Employment Department

Target Industries

In its current strategic plan, LWP identifies manufacturing and health care as target industries. And while robust efforts exist to address the workforce needs of these industries, LWP has taken a closer look at other emerging industry needs—looking at wages, growth potential, employment projections, workforce needs, career pathways and achievable education, and concentration of existing businesses. Based on this analysis, a few sectors rose to the top: software publishing, construction, and mining; in addition to manufacturing and health care, and LWP has identified these as five targeted industry sectors for this biennium.

Of the employment growth projected, replacement openings are expected to be more common than growth openings, with the exception of mining, logging and construction where the majority of openings are projected to be growth openings (Figure 22).

Almost ten percent of jobs on the high-wage high-demand jobs list for Lane County are in targeted sectors, with the majority of them being in manufacturing and health care. These jobs include: statisticians, software and web developers, systems analysts, physicians assistants, nurse practitioners, carpenters, drywall install-

ers, crane operators, machinists, welders, and industrial machinery mechanics.

Sector work is embedded in LWP practices, and staff uses sector-based approaches to respond regularly to the ever-changing industry needs in the community. LWP is committed to working with business, industry and partners to solve the workforce challenges of these key and other industries. LWP recently formed a System Innovation Committee and Sector Task Team. These teams are primarily made up of LWP Board members and may also include industry employers, economic development partners, WorkSource Lane staff, LWP staff, Vocational Rehabilitation, Department of Human Services, Lane Community College and K-12 school representatives; depending on project focus.

Through sector strategies, LWP is working to strengthen the local workforce for these industries to ensure businesses have the skilled workforce necessary to innovate and grow, and that workers and jobseekers in the county have the skills to take advantage of employment opportunities in these industries.

Traded-Sector and Primary Jobs

Sector strategies typically target traded-sector employment. The Oregon Business Plan explains that traded-sector companies are those that ring up sales outside of Oregon, bringing in fresh dollars that support families, local businesses, and government services—essentially companies who export their products and services to other U.S. states and other countries around the globe. Traded-sector jobs (also referred to as primary jobs), are not just found in manufacturing, but include any job that results in a value-added product or service that is exported out of its respective geography.

Primary jobs are the sole provider of economic development, those jobs produce the products or services that import wealth back into their communities (traded-sector). They create new wealth rather than just circulating the wealth that already exists. Secondary jobs from local businesses, serve the existing economy created. If primary jobs are created, secondary jobs will automatically occur in order to serve the market that is created by traded sector business. A focus on secondary jobs will never result in the creation of primary jobs (Illustration 1).

While most jobs are secondary jobs at local businesses, without primary jobs an economy will fade. It makes

“We need to focus on traded-sector. Buying local is a great import substitution strategy for economic development but we don’t want to keep passing the same dollar around. We want to bring in new wealth.”

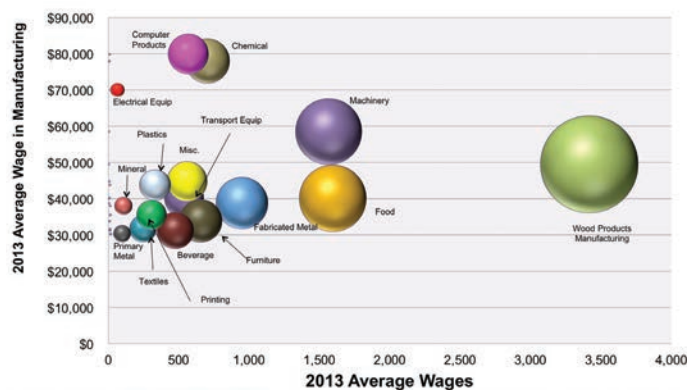
—Glenda Poling,
Lane County Economic
Development Division



sense then that projections for Lane County primary job growth result in projected secondary/service-related occupations as well (Figure 23).

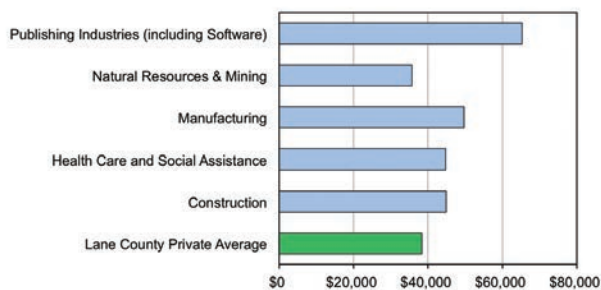


Figure 24: Lane County Manufacturing by Average Wage and Employment Size



Source: Oregon Employment Department

Figure 25: Average Annual Pay of Lane County Industry Clusters, 2014



Source: Oregon Employment Department

Manufacturing

Manufacturing is a core traded-sector industry and is important in Lane County because it pays above-average wages and is expected to provide nearly 1,600 jobs for workers between 2012 and 2022. Manufacturing in Lane County is diverse with 543 companies employing 12,576 people in 2013 (about 11 percent of the total private non-farm covered employment). Employment numbers have decreased significantly from 2007 (pre-recession) numbers of 19,885, but it is still one of the largest employers in Lane County. Although the Great Recession contributed significantly to the decline, structural changes, advances in technology, and changes in consumer demand have impacted the industry.

Transportation equipment in Lane County is an excellent example of changing consumer demand. In 2008, transportation equipment (RV manufacturing) was the second-largest manufacturing subsector in Lane County with over 3,000 people employed in the industry. The industry hit record lows during the recession, resulting in the loss of several local manufacturing companies. By 2013, three other subsectors of manufacturing surpassed transportation equipment in terms of employment—fabricated metal, food manufacturing, and machinery.

Figure 24 shows manufacturing subsector employment in Lane County by average annual wage. Wood product manufacturing remains, by far, the most prominent subsector, with over twice as many employees as the next largest subsector, food manufacturing. Wood products, food, and the third largest subsector, machinery, account for 54 percent of manufacturing employment in Lane County.

In 2013, Lane County wood products manufacturing had almost three times more employment concentration than the U.S. and two times more than Oregon. Veneer, plywood, and engineered wood product manufacturing are still the biggest Lane County employers in wood products manufacturing with employment numbers at 1,681 in 2012. While veneer, plywood and engineered wood manufacturers represent the biggest employers, the employment concentration for these employers is third (26 times more than the U.S. in 2013) for the area behind hardwood and softwood veneer (51 and 46 times the concentration) and engineered wood (54 times the concentration than the US in 2013). Ten-year employment projections for wood products manufacturing show an 18 percent growth in Lane County into 2022.



Much of the statewide industry concentration for food products manufacturing is located along the I-5 corridor between Salem and Portland. Lane County is on the map and has developed a niche in natural and organic foods, in part due to a holistic local culture that helps build comparative advantage for this subsector. Beverage manufacturing has shown growth in Lane County with employment at 476 in 2013, up from the previous year of 404. It yielded a total average annual payroll in excess of \$14 million.

Machinery is the third largest subsector of manufacturing in Lane County. Lane County machinery manufacturers are diverse, with the strongest concentration of employers in agriculture, construction, and mining machinery, industrial machinery for sawmills, and material handling equipment. The employment for machinery is more concentrated in Lane County than in the U.S., with employment concentration of 1.4. There were over 1,500 people employed at 46 businesses in 2013.

Currently, manufacturing is exceeding growth expectations and average annual wages are on the rise—up \$2,000 since 2011 (Figure 25, page 19). Private average wages in wood products were approximately \$49,465 in 2013. Lane County's wood product manufacturing wage was higher than Oregon's wood products average wage of \$45,195 in 2013. Lane County food manu-

facturing pays less than average for a manufacturing subsector at \$40,081 in 2013 and average wages in beverage production are among the lowest in manufacturing at \$31,220 (despite employment in the industry almost doubling since 2001 and the number of businesses tripling in that same timeframe). The average annual wage in machinery was approximately \$58,487 in 2013, higher than both wood products and food manufacturing.

Between 2012 and 2022, Lane County manufacturing employment is forecasted to increase by 13 percent. The replacement needs will be the largest percentage of openings at 2,509 or 60 percent of the total. The need to replace workers is due, in part, to an older workforce in manufacturing—50 percent of the Lane County workforce is over 45 years old with the largest single group of workers in the 45-54 year old range.

While manufacturing jobs are more skilled than in the past, they sometimes only require a high school education, on-the-job training and good work ethic. Despite this, there is a challenge for local manufacturers to recruit appropriate candidates and fill open positions. Manufacturers need to recruit the next generation of workers to fill the skill gaps they will face as the current workforce retires.

Jennifer Adams of Bulk Handling Systems (BHS)—a Eugene designer and manufacturer of processing systems tailored to extract recyclables from the waste stream—agrees that the data aligns with what they are seeing first-hand. She has observed that new talent doesn't exist in Lane County on the engineering side of manufacturing and that education teaching the skills her company needs doesn't exist locally. So, like many Oregon manufacturers who can't always afford to recruit experienced talent from outside of the region, BHS is training up its younger workforce. "Our long-time employees are the best around," she says, "but when growth demands that we expand, it's been trying." Springfield and Thurston High Schools are working to provide some talent pool through their Vocational/Technical Education programs.

“CTE programs are our lifeblood, and we want them back!”

—Jennifer Adams,
Bulk Handling Systems



Local Responses to Manufacturing Workforce Needs

- **Lean Enterprise Certificate Program:** LWP is collaborating with the Emerald Valley High Performance Enterprise Consortium (EVHPEC), Eugene Area Chamber of Commerce and Lane Community College (LCC) to develop a Lean Enterprise Certificate to help local manufacturers remain competitive.
- **Regional Food Consortium (RFC):** The RFC is developing a cluster strategy to help grow the local industry. LWP participates on the RFC leadership team and chairs the RFC Workforce Subcommittee which has a focus on aligning training opportunities with the workforce needs of food manufacturers.
- **Regional Accelerator and Innovation Network (RAIN):** The RAIN works to connect local and regional efforts serving the entrepreneurial community

to create high-impact, innovative, traded-sector companies that can grow and thrive in the region.

- **The Future Workforce Program, Manufacturing Emphasis:** In collaboration with the Eugene City Club and area schools, LWP is connecting education to industry through a 12-week program that informs educators about the career opportunities in manufacturing through tours and information sharing with employers.
- **Investments:** From 2008-2014, LWP has invested \$245,000 in scholarships related to manufacturing careers and an additional \$277,400 in on-the-job training contracts with local employers.



Healthcare

Health care is a large and growing cluster in Lane County (Figure 26). Although, health care is not traded-sector, Lane County is a regional center for health care in Oregon and, as a result, some services are consumed by patients outside the county. Health care is forecasted to have employment growth at a rate of 18 percent between 2012 and 2022. There are 1,127 firms that employed 20,840 people in 2013. The local health care payroll in the area is second only to Portland, exceeding \$930 million.

Health care is the only sector that didn't dip during the recession. Job opportunities in the health care industry continue to grow, with jobs spanning the entire educational requirement spectrum. The health care industry accounts for 36 percent of the high-wage high-demand jobs in Lane County. One in twelve Oregon jobs are in health care, and health care occupations are among the fastest growing in the state. Among the top high-

wage high-demand occupations in health care are: Physician Assistants, Physical Therapists and Assistants, Nurse Practitioners, Medical Lab Technicians, Psychiatric Techs, and Registered Nurses.

Like most of the sectors targeted as having workforce needs, health care has an aging workforce. About 48 percent of Lane County workers in health care are 45 years of age and older, with the largest single group in the (25-35 year age range). Replacement openings will be in the most demand into year 2022 for this industry.

In addition to the changes brought about by the Affordable Care Act and other state-level initiatives, health care is undergoing dramatic shifts in terms of its workforce needs. There is more focus on patient engagement and empowerment, health promotion, disease prevention, population health, team-based care among providers, and coordinated care across health care organizations. These shifts are changing how care is delivered,

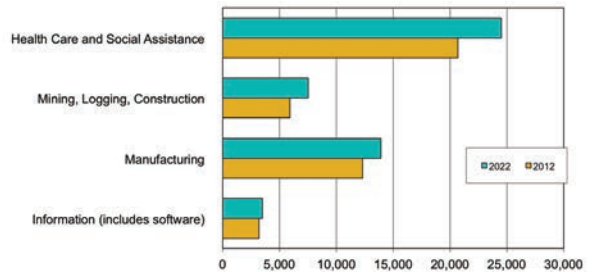
“IT skills will be critical for communication and charting; plus, customer satisfaction skills are becoming invaluable in the care provided because customers are becoming more knowledgeable through the use of the internet.”

—Phil Hohnstein, Hillside Heights Rehabilitation Center



resulting in workforce fluctuation. There is a shift to less intensive care, earlier intervention and coordinated care. The Oregon Health Policy Board has requested that a Health Care Workforce Committee analyze the three emerging employment trends listed above, accompanied by an audit of Oregon’s training capacity for those jobs and roles.

Figure 26: Projected Growth in Employment of Lane County’s State of the Workforce Sectors 2012-2022



Source: Oregon Employment Department

Debra Miller of PeaceHealth Oregon has observed that during the recession people were waiting to retire, but now retirements are picking up. She states, “We have challenges with recruiting clinical caregivers that have both great clinical and computer skills.” Phil Hohnstein from Hillside Heights Rehabilitation in Eugene concurs, and comments that “IT skills will be critical.” As experienced in hospitals, the long-term care side of health-care is also experiencing an increase in the number of nurses—both floor staff and managerial—retiring now, after holding out during the recession.

“IT skills will be critical for communication and charting; plus, customer satisfaction skills are becoming invaluable in the care provided because customers are becoming more knowledgeable through the use of the internet.”—Phil Hohnstein, Hillside Heights Rehabilitation Center

Local Responses to Health Care Workforce Needs

- **Future Workforce Program, Health Care Emphasis:** In collaboration with the Lane Educational School District, LWP is connecting education to industry through a seven-week program that informs educators about the career pathways in health care through tours and information sharing with employers.
- **Investments:** From 2008-2014, LWP has invested \$2,885,000 in scholarships relating to health care careers and an additional \$98,000 in on-the-job training contracts with local health care employers.

Software Publishing

Software publishing is a strong sector in Lane County. The publishing industry (including software which makes up over half of the businesses) is a small group of 80 businesses and 2,574 employees. It is small in comparison to health care and manufacturing but has the highest average wage in the targeted industry sectors at \$65,281 (which has gone down in last two years due to increased hiring in entry-level jobs).

Lane County software publishing has a strong employment concentration, 6.2 times the U.S. concentration and even greater compared to Oregon (Figure 27). Employment in the information industry (including software publishing) is projected to grow by 300 employees between 2012 and 2022. Lane County's 2013 average annual wage for software publishing was approximately \$69,714, double the county's overall average wage.

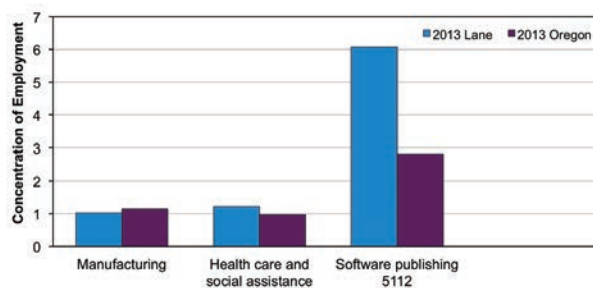
Employment in publishing grew between 2005 and 2008 and then experienced a decline through 2010, as many industries did. Covered employment in publishing has rebounded, surpassing 2005 employment levels. In addition to the covered employment reported for this industry sector, there are quite a few individuals working in software who are not covered under unemployment insurance, such as the self-employed, and are therefore not reflected in the statistics. According to a 2013 Bureau of Labor report, 1.4 percent of the unincorporated self-employment in U.S. is in the information industry (nearly two percent in Oregon and Lane County). According to the census American Community Survey, 12 percent of the total Oregonians employed in the information sector are self-employed.

Employment in software publishing in Lane County is growing more rapidly than in Oregon and the U.S. Some

high-wage high-demand occupations expected to grow in the software publishing industry include: Software Application Developers, Computer Programmers, and Computer Support Specialists. Figure 28 depicts indexed employment growth in software publishing. Indexed means that all three areas are compared from an equal starting point to see what is happening over time.

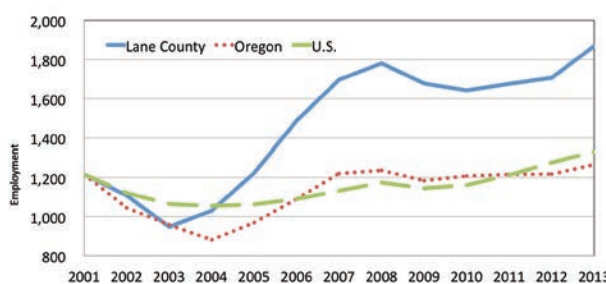
In general, a bachelor's degree is required to be competitive for many jobs in software, such as computer software engineers. For those without a bachelor's degree, excellent job opportunities exist in the form of computer support specialists, but these jobs typically pay less.

Figure 27: Lane County Sector Concentration compared to the State of Oregon U.S. Base Area, Private Ownership, 2013



Source: Oregon Employment Department

Figure 28: Software Publishing Employment Growth (Indexed to 2001 Lane County Software Publishing Covered Employment of 1,217)



Source: Oregon Employment Department

“Technology continues to advance faster, and skills being taught continue to lag behind.”

–Todd Edman,
CEO of Lunar Logics



While the industry does not share all of the workforce factors as other target industry sectors such as skilled workers aging out of the workforce, it faces similar challenges in finding qualified and skilled workers. The majority of workers in the Information Technology industry (63 percent) are under the age of 44. As the industry has skyrocketed in Lane County over the past several months a workforce shortage has developed. There are skill gaps in information technology and local employers in the software publishing industry struggle to find the needed level of skills locally. “Hiring computer programmers and other high-skill technology people has always been challenging,” states Todd Edman, CEO of Lunar Logic. “In the past few years we’ve seen that problem grow as technology continues to advance faster, and skills being taught continue to lag behind.

I’ve seen solutions on the horizon. People realize curriculum just can’t keep up, and there has been a move towards industry based training on specific topics.” Todd believes that Code Oregon is a great example of this new response to training. “Programs like that have to get traction if we are going to address these shortages in our city and our state,” he comments, “the demand is just too great to do it any other way.” Another local software company concurs that the higher-level skills are not easy to find. Companies are training people upwardly, but it takes time.

Local Responses to Software Publishing Workforce Needs

- **Developing the Pipeline:** Staff at LWP is working with industry representatives, local economic development practitioners, K-12, and Lane Community College to develop more training infrastructure for the industry. Software/Technology CTE programs are being strengthened in area high schools and LCC is responding to industry input.
- **Code Oregon:** Code Oregon is a partnership between the workforce system and a leading online education

platform working to create new designers and developers in order to fill the huge number of jobs that are being created. Opportunities for this training are available through WorkSource Lane.

- **Investments:** From 2008-2014, LWP has invested \$730,000 in scholarships related to the software industry and an additional \$45,600 in on-the-job training contracts with local software companies.

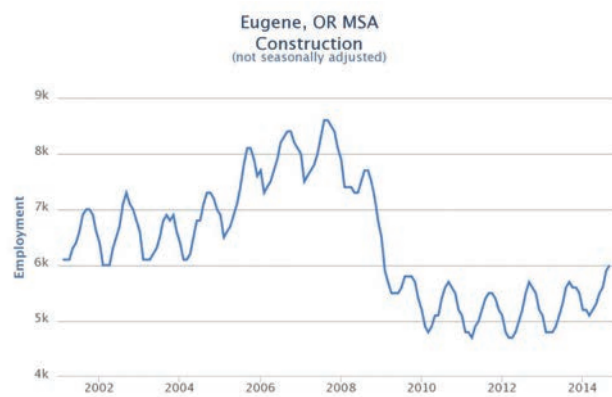


Construction

There are three official types of work in the construction industry: construction of buildings, heavy engineering, and specialty trades. Most of the employment and business in Lane County is in specialty trades such as masonry and cement, followed by construction of buildings (3,135 and 1,285 respectively). Most specialty trades in Lane County mirror employment trends in the U.S., however, there is a high employment concentration for non-residential framing contractors in Lane County.

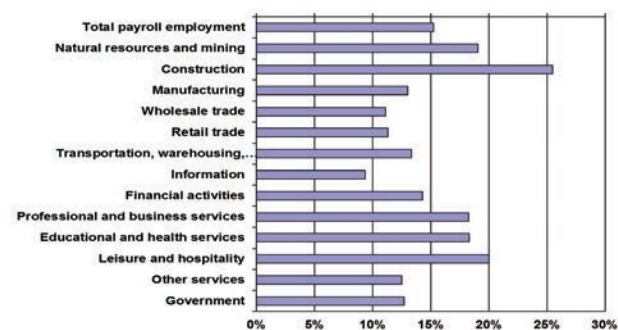
Construction employment trends fluctuate due to the seasonal nature of the work, as seen in Figure 29, but the industry took a noticeable hit between 2008 and 2010. In 2013, the construction industry in Lane County had 882 firms and employed 5,225 people. Though this number is down from 1,105 businesses in 2001 (pre-recession), construction has started slow growth out of the recession, is currently exceeding employment growth expectations, and has the most significant growth projections over the next ten years of other targeted industries (Figure 30). Current employment projections have the construction industry growing into 2022 at 25 percent or 1,300 jobs.

Figure 29: Construction Employment



Source: Oregon Employment Department

Figure 30: Lane County Industry Projections 2012-2022



Source: Oregon Employment Department

“Good soft skills are required as well as good trade skills.”

—Debi Creager,
Chambers Construction



The industry faces some challenges due to an aging workforce with 45 percent of its workers over the age of 45. The majority of the skilled workers are being lost and, according to local employers, it is difficult to attract younger workers who are more interested in high-tech rather than construction. Additionally, a tightening labor market means employers struggle to find employees, especially in companies with specialized occupations and construction.

Construction is suffering the adverse effects that happen after a large layoff in a certain industry—workers are hesitant to return to the industry. While there are opportunities for youth and job seekers, there is a very real perception about the unreliability of the industry after the great losses it took during the recession. Further, construction work is somewhat seasonal and, according to employers, many younger workers at lower wages have trouble managing their finances during slower times of the year.

The construction industry is accessible with only a high school diploma, yet has many high-skilled trade-oriented jobs. There are career pathways in the industry and the average wages, \$44,876, exceed the overall county average. In 2013 the Lane County payroll (\$234,476,203) was the third highest in the State behind Marion County and the Portland area. Some of the high-wage high-demand occupations projected for the industry include: carpenters, drywall installers, cement masons and industrial machinery mechanics.

Debi Creager of Chambers Construction says, “Good soft skills are required as well as good trade skills. Buildings have ever more complex systems in them that require a high degree of technical skill.”

Local Responses to Construction Workforce Needs

- Career and Technical Education Revitalization Grant: The goal of this grant is to improve existing construction and engineering technology programs by updating curriculum, and raise awareness about

the industry by launching a Construction and Utility Career Day and expanding industry/educator collaboration.



Mining

Closely related to the construction industry is the mining industry. In Lane County, mining mostly applies to a cluster of local sand and gravel (also called construction aggregates) companies which are officially reported as a subsector of the mining and logging industry. Mining as an industry in the County has shown the most movement from two years ago in terms of projected employment growth and is expected to grow at 38 percent by 2022 (or 300 jobs). Covered employment concentration in construction sand and gravel is 3.5 more compared with Oregon and 2.4 times the U.S. concentration.

These companies face one of the same challenges as construction – very seasonal work. However, companies in this industry are concerned about their aging workforce which is the oldest of all sectors studied. The largest single group of workers in the mining industry is 55-64 with 60 percent of its workers over 45 years of

age. These numbers are higher than the manufacturing sector, with 50 percent of its workers over age 45 and the largest single group of workers being 45-54, yet it is a workforce threat that hasn't been in the same spotlight as manufacturing.

The industry has good wages and entry level jobs that are attainable with a high school education.

Stan Pickett of Delta Sand and Gravel says that there is a lack of people wanting to go into driver positions that require a commercial driver's license (CDL), and are uncomfortable driving cement trucks, etc. As a close relative and essential component to construction, the work in the industry is seasonal and impacts recruitment and retention efforts.

With the scaling back of vocational and technical education programs across the state and the focus of many on college education, recruitment into the mining industry is difficult. At a recent event where high school students

“Students felt they were being encouraged only toward college when that’s not what they wanted or could afford to do.”

—Stan Pickett, Delta Sand and Gravel



were brought in to learn about the industry, Stan observed that “students felt they were being encouraged only toward college when that’s not what they wanted

or could afford to do. The students on the tour were relieved and intrigued that they had another viable career option.”

Local Responses to Mining Workforce Needs

• **Mining an Emerging Workforce:** Currently LWP is working with a group of construction aggregates companies on two fronts: the WorkSource Lane On-the-Job Training (OJT) team is actively working to assist with recruitment and OJT hires, and LWP is assisting employers in connecting with area high schools. A collaborative goal of the group is to introduce young workers/emerging workforce to the

industry. Over 60 students from ten local Lane County School Districts have participated and ten of them have been interviewed for positions.

• **Investments:** From 2008-2014, LWP has invested \$72,200 in on-the-job training with local construction and mining companies.



FUTURE FOCUS

At LWP, staff and board members have a future focus. The work is about being flexible and responsive to business needs in the community, and developing solutions to current issues and those issues projected to be front-and-center in 2014-2016. The LWP is making key investments to have an impact in targeted sectors, and support middle-wage job development and creation.

Connecting Youth to Employment Opportunities

In spring of 2014, LWP was approached by hiring managers and CEO's of local manufacturing, construction, and skilled-trade businesses expressing a need to introduce youth and young adults to their industries. Being familiar with CTE programs being offered at local high schools, including the programs at Springfield High School (SHS), LWP facilitated a connection.

Thirty representatives from eight different businesses were able to attend a tour of the SHS Vocational Center which includes programs in woodshop, welding, drafting, automotive technology and graphic design. Employers were able to see students in action in the woodworking, automotive, and drafting programs and were impressed by the level of training students were receiving. Several commented that these are the specific technical skills they are looking for when hiring and that some recruitment efforts turn up zero candidates with those skills sets.

One of the businesses involved, Bulk Handling Systems (BHS) later contacted LWP to facilitate recruitment of some SHS students utilizing the OJT program through WorkSource Lane. With the assistance of LWP and WorkSource Lane, BHS hired two SHS graduates from the welding and drafting programs to fill fabricator and drafting positions at the company. Jennifer Adams, HR

Manager with BHS said, "Thank you Lane Workforce Partnership for coordinating this effort. The connection to Springfield High School, coupled with the assistance of the On-the-Job training program has helped us meet some our most immediate employment needs. I'm impressed with how well these students were prepared and we are getting ready to offer a promotion to one of our hires. I hope this project can be duplicated with other schools in Lane County."

Financial Services Training

Through its communications with local businesses, LWP learned that local credit unions were all providing similar training to their workforce. Business representatives agreed that people could move into and through the industry faster if they came equipped with some entry-level skills.

Lane Workforce Partnership sought and received a grant from the AARP Foundation to develop a customized training program for individuals age 50+ focused on preparation for entry-level careers in the financial ser-





vices industry. The short-term training program will be developed by Lane Community College based on financial services industry input and will be delivered to 75 individuals in 5 training cohorts of 15 over the next year and a half. Five local credit unions and two banks are involved in development of the curriculum. Financial industry representatives will be involved in delivering some of the training and it is anticipated that the eight financial institutions involved will hire the majority of the graduates of the program.

Though the development of the program was funded through the AARP Foundation, limiting the age of participants in grant-funded training, the curriculum will be available to a broader populations after the grant has ended.

Prosperity Plan and Innovation Training Fund

Oregon's landmark education goal, called the 40-40-20, states that by 2025 all adult Oregonians will hold a high school diploma or equivalent, 40 percent will have an associate's degree or a meaningful postsecondary certificate, and 40 percent will hold a bachelor's or advanced degree. Passage of the goal into law in 2011 has inspired collective action focused on building the state and regional talent pool.

Around the same time the 40-40-20 goal was launched, the Lane County Regional Prosperity Plan was developed. The plan cites a critical need to: invest in human capital, build innovation talent, and bring new technologies to market in the area. In November 2013, businesses attended a Regional Prosperity Summit, and echoed those priorities. Local organizations in the innovation community such as the Regional Accelerator and Innovation Network (RAIN), the Fertilib Thinkubator (a startup incubator and co-working space) and Thinkersmith (a computer science education organization) have underscored the need to invest in innovation-related training.

In answer to this need, LWP plans to establish a Regional Innovation Training Fund. This fund will support collective training projects in targeted industry sectors focused on meaningful post-secondary credentials; and result in growth and retention of innovation talent in Lane County. The fund will support and align well with the LWP Strategic Plan, the Governor's 40-40-20 goal and the area's Regional Prosperity Plan.



Certified Work Ready Communities

Certified Work Ready Communities (CWRC) is an overarching strategy of Governor Kitzhaber and the Oregon Workforce Investment Board (OWIB) to enable Oregon's communities to demonstrate the skilled workforce necessary for companies to locate and grow here. Being established as a CWRC is an important economic development strategy to ensure that the local labor force has the skill sets needed by employers. A significant component of CWRC is the Oregon National Career Readiness Certificate (NCRC). The NCRC provides an accurate measurement of what an individual can do, rather than what they know. Oregon's NCRC was launched by Governor Kitzhaber in 2011 and is a portable, industry-recognized credential which verifies work readiness.

The NCRC also serves as an alternative high school assessment in Oregon for meeting the Essential Skills graduation requirement. Several high schools in Oregon piloted the assessment on a small scale during the 2013/14 year. One High School, Early College and Career Options (ECCO) High School in Eugene, implemented the NCRC widely and tracked the results. The ECCO graduation rates increased 35 percent. More information can be accessed at <http://youtu.be/3FFypcB2vL8>.

The LWP Board has recently formed a Work Ready Task Force that will include representatives from DHS, Work-Source, education and local businesses to further develop innovative strategies to grow the use of the NCRC and establish Work Ready Communities throughout Lane County.

Support for Business

In its 2013-15 strategic plan, LWP identifies goals to align employers, workforce, education, human services and economic development policies and programs to increase business competitiveness. The strategic objectives to achieve this goal include: implementation of sector strategies in manufacturing and health care, aligning with community and economic development initiatives, and promoting initiatives with K-12 and the community college to align curricula to workforce opportunities and needs. Additionally, LWP will work to build a pipeline of higher skilled workers to meet employers' demand through support of training, work experiences for the emerging workforce, and increased opportunities for transitional and current workers in high-wage high-demand occupations and targeted sectors.

MOVING FORWARD

As LWP moves ahead through the workforce system transformations led by Governor Kitzhaber and the Oregon Workforce Investment Board, it will continue to implement effective sector strategies, support innovative training programs and foster strong partnerships across Lane County. As the LWIB for Lane County, LWP will continue to use labor market information and business input to help direct public workforce investments toward talent development, job creation, business competitiveness, and expanded opportunities for citizen prosperity.



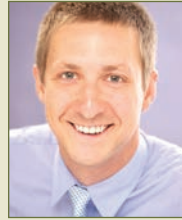
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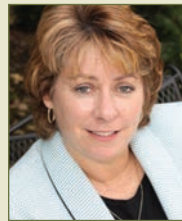
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