



2016

STATE OF THE
WORKFORCE REPORT
EXECUTIVE SUMMARY

THE COLUMBIA-WILLAMETTE WORKFORCE COLLABORATIVE

Working together to support and develop regional talent.



ABOUT THE COLUMBIA-WILLAMETTE WORKFORCE COLLABORATIVE

The Columbia-Willamette Workforce Collaborative is a partnership between the Clackamas Workforce Partnership, Workforce Southwest Washington (formerly the Southwest Washington Workforce Development Council) and Worksystems: the three Workforce Development Boards covering the Portland-Vancouver Metropolitan Area. The Collaborative delivers a unified approach to serving industry, supporting economic development, and guiding public workforce training investments to better address the needs of our combined labor shed.

ACKNOWLEDGEMENTS

We are committed to providing and using high quality information to support the region and guide investments. Much of the data in this report was provided by the Oregon Employment Department and the Washington Employment Security Department, key partners in the region's workforce development system. We are dedicated to assuring this information is regularly updated and presented in a way that advances the region's capacity to understand and align regional workforce supply with regional business demand.

This report examines the “**state of the workforce**” within the greater Portland-Vancouver region. The report aims to understand the balance between workforce supply and industry demand. Ideally, the workforce should be closely aligned with the economy, and the supply of workers and skill levels should approximate industry needs. Perfect alignment is not easy to achieve because it requires a dynamic balance between social, economic and demographic factors influenced by local, national and global trends. However, understanding where misalignments exist is critically important as we shape policy, consider investments, and implement strategies to improve the quality of the regional workforce.

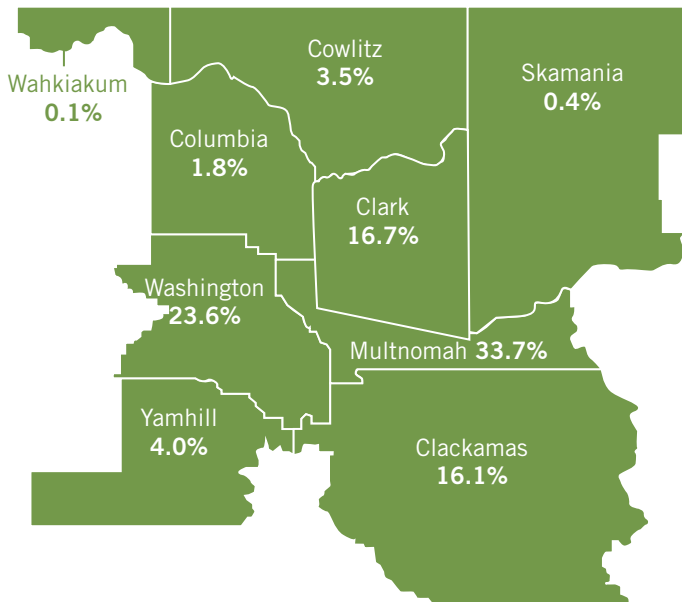
We are fortunate to live in a beautiful, dynamic and forward-looking place. From microbrews to microchips, we’re known the world over for our capacity to innovate. The region’s labor force is the 23rd largest and among the fastest-growing in the nation. Health care provides the region’s highest concentration of private-sector jobs followed closely by manufacturing. Small businesses dominate the private sector landscape with 95.8% of regional private-sector firms employing fewer than 50 people. 38.9% of regional workers have a bachelor’s degree or above compared to 35.1% nationwide. The diversity of the region is on the rise with people of color representing 35.7% of the region’s population growth since 2000.

The Great Recession took a toll on our region and a complete jobs recovery was only achieved 2.5 years ago. We’ve now moved well beyond recovery and into a period of rapid expansion, the pace of which is rivaling the heydays of the mid-1990s and not expected by most economists. In addition, income growth is strong with spending power the best it’s been in decades.

Our recent success means employers are increasingly having difficulty finding enough qualified workers and skill shortages are once again a pressing regional issue. **Helping local workers prepare for the region’s growing economy and helping businesses find qualified workers is essential to the health of our regional economy.** We also know that many in our region do not have the skills necessary to participate in these thriving economic times and are struggling to make ends meet. To a large extent, the strength of our workforce and its ability to meet the needs of industry will determine whether we can sustain this growth in the years ahead.

The Columbia-Willamette Workforce Collaborative – comprised of the three Workforce Development Boards covering the Portland-Vancouver region – understands that workforce development, economic development and education are the cornerstones of a prosperous community. Heightened efforts to align workforce supply with industry demand are essential, and these efforts are strengthened when we work together to bridge the gap between disciplines, resources and jurisdictions.

2015 REGIONAL LABOR FORCE: 1,257,700



Regional labor force has increased

12.2%

since 2000.

The Portland Metro Area had the **fastest growing labor force** in the country from April '15 – April '16.

MAJOR EMPLOYERS AND NUMBER OF EMPLOYEES

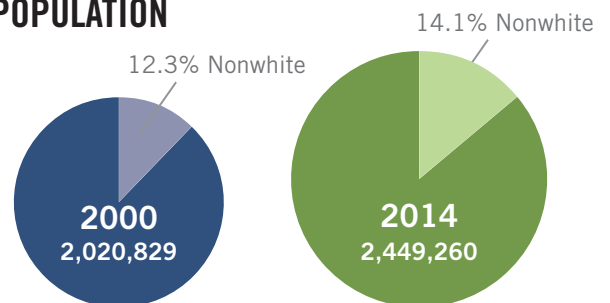
Intel Corp 18,600	Wells Fargo 4,527
Providence Health & Services 16,139	Portland State University 3,418
Oregon Health and Science University 14,963	U.S. Bank 3,757
Kaiser Permanente Northwest 11,898	Beaverton School District 4,637
Legacy Health System 8,700	PeaceHealth Southwest Washington Medical Center 4,446
Fred Meyer Stores 10,813	Portland Community College 3,906
City of Portland 5,481	Vancouver School District 3,300
Nike Inc. 8,500	Evergreen School District 3,292
Portland Public Schools 6,135	U.S. Postal Service 3,533
Multnomah County 5,995	Daimler Trucks North America 3,000
	Clackamas County 2,181

MEDIAN EARNINGS FOR YEAR-ROUND, FULL-TIME WORKERS

	2000	2014
Portland Metro Area*	\$35,502	\$48,589
Longview Metro Area	\$35,095	\$40,801
United States	\$32,098	\$43,545

*data unavailable for the Greater Portland Region

POPULATION



Hispanic population grew by **90%**.

EDUCATION



38.9%

of the workforce has a Bachelor's Degree or above.

AGE

20.1% of the region's workforce is age 55+, with the majority employed in:

Health Care & Social Assistance (private and public)	34,474
Manufacturing	29,093
Education Services (private and public)	25,936

A strong economy requires a skilled workforce. The 21st century labor market is demanding increasingly higher skills requiring education and training beyond high school. The State of Oregon has set an ambitious goal for educational attainment called **40-40-20** which calls for 40% of adults to hold a bachelor's degree or above, 40% to hold an associate's degree or meaningful post-secondary credential and all adults to have a high-school diploma (the remaining 20%). Washington State has adopted **Results Washington**, a plan to increase the attainment of certificates, credentials, apprenticeships and degrees from 72,997 (June 2014) to 149,000 by 2023. Setting aside the specific goal numbers, this signals a strong emphasis on middle-skill jobs which is a primary area of focus for the public workforce system in our bi-state region.

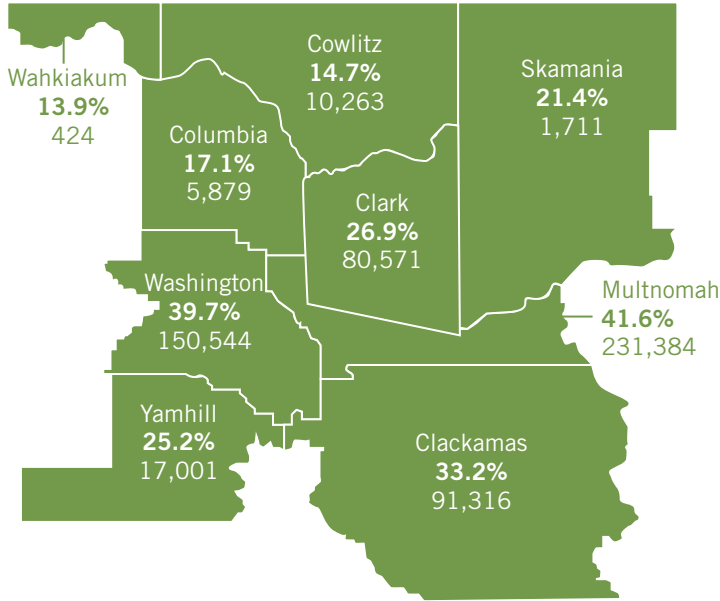
The percent of people in the region with a bachelor's degree or higher has climbed to nearly 35%, up from 28% in 2000. The region's higher education landscape contains more than 35 institutions, including 5 community colleges and an array of private and public organizations supporting a broad mix of disciplines and degrees. High school graduation rates are also climbing with nearly 77% of students now completing within 4 years.

Despite this, more than 2,500 youth drop out of high school every year and only 32% of regional 11th graders are at or above college or career readiness in math. More than 37% of community college students require remediation before pursuing college level work which has a negative impact on post-secondary completion. **Working with our partners in education to improve student success and degree attainment remains a key goal of our regional workforce efforts.**

Working together to find creative ways to engage and incent current adult workers to pursue and complete educational and industry recognized credentials is an important component of the region's workforce efforts. Focusing on training to prepare job seekers for middle-skill jobs is key to our strategy with an emphasis on occupations within our four target sectors of Advanced Manufacturing, Health Care, IT/Software and Construction. New online training platforms will expand access to training and hopefully bolster completion rates.

Oregon and Washington have also adopted the National Career Readiness Certificate (NCRC), a portable credential that demonstrates achievement and a level of workplace readiness skills in applied mathematics, locating information and reading for information. Demonstrating the value of the NCRC to regional employers is critical to the initiative's success. As more employers use the NCRC to inform hiring and promotional decisions, it is hoped that more workers will pursue getting a certificate and/or improving their skills.

PEOPLE AGE 25+ WITH A BACHELOR'S DEGREE OR HIGHER: 2014



Fields of Bachelor's Degree for Population Age 25+: 2014

Science, Engineering and Related Fields	47.3%
Arts, Humanities and Other	26.5%
Business	16.3%
Education	9.9%



ONE IN FIVE workers today are near or at retirement age.

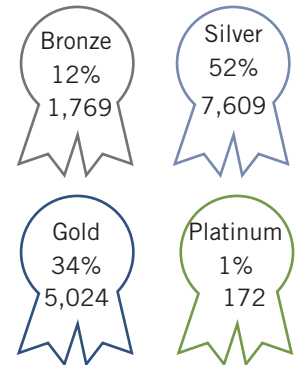
UNIONIZATION

16% of the metro area's workers are union members, up slightly from 2000 (15%).

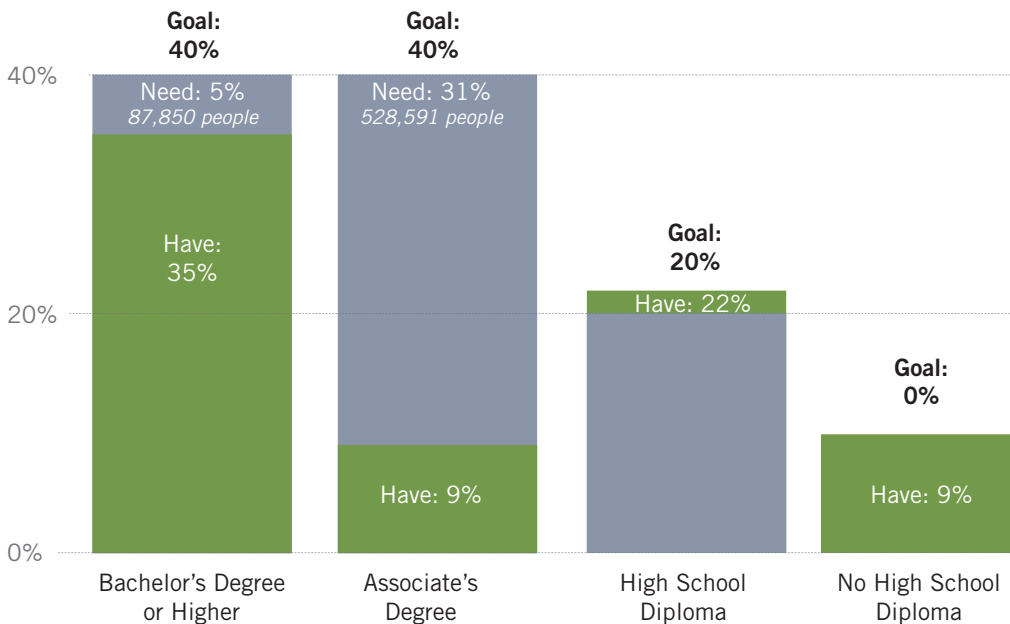
H-1B Visas

3,125 certified H-1B visas in 2015.

National Career Readiness Certificates



OREGON'S 40-40-20 GOAL



RESULTS WASHINGTON



New degrees by 2023

The Great Recession taught us a number of things about the strengths, resiliency and potential of the regional economy. Our quality of life, strong entrepreneurial and small business climate helps us continue to attract young, creative talent even in tough economic times. Our manufacturing base emerged from the downturn somewhat smaller, but in many respects more competitive than ever. We have a number of distinctive industries that show considerable promise for growth. The metro area ranks 12th (2014) in the nation for exports and is home to globally competitive companies in software, athletic and outdoor apparel, metals and high tech manufacturing.

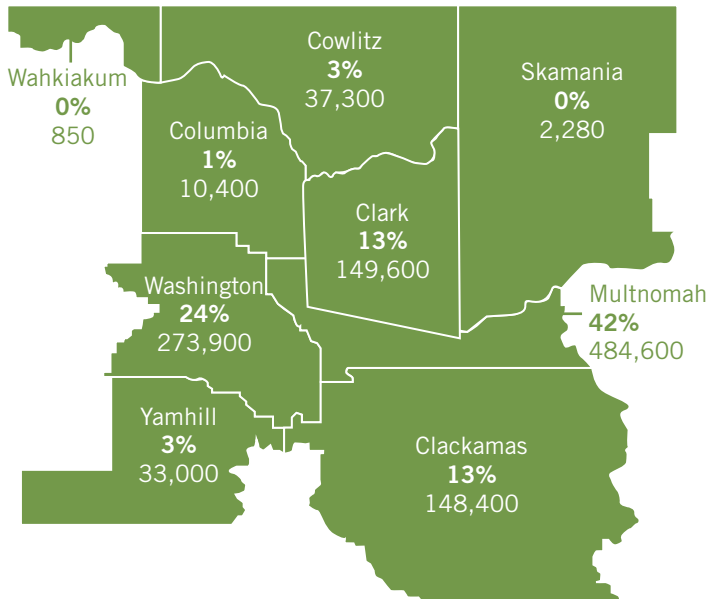
Notwithstanding these strengths, there are a number of challenges facing the region's workforce and economy. Job growth is on the rise, yet many employers are having difficulty finding qualified workers. Thousands of highly skilled workers in key industry sectors, including manufacturing, construction and health care are over 55 and will be leaving the workforce in the not too distant future. Our region's per capita income is growing slightly faster than the nation's, yet we still trail the metro portion of the U.S. (95.1%). Of the region's top 10 most prevalent occupations, just over half pay wages above \$25,000 per year and only two (Registered Nurses and General/Operations Managers) pay wages sufficient to allow a single mom with two kids to support herself and her family without requiring additional public assistance. The relocations of Under Armor and Nimble Trailers are great wins for our region, but this is tempered by recent layoffs from Intel. The region needs to continue to step up its efforts to create more wealth-producing jobs.

More than 68,000 people are unemployed in the region, yet many employers express concerns about finding qualified workers. The combination of education and experience required by regional employers increasingly does not reflect the qualifications of regional job seekers. **Addressing the mismatch between the skills of available workers and current and projected jobs is the fundamental challenge facing the region's workforce efforts.**

The challenges and opportunities facing the region point to the need for a more coordinated approach to understanding and addressing our workforce needs. Focusing on industry sectors that have a strong regional presence and potential for growth, aligning resources and strategies, fostering stronger ties between industry and training, and aligning regional economic and workforce development efforts are essential to assuring our workforce meets the needs of the evolving economy.

2015 REGIONAL JOBS: 1,140,300

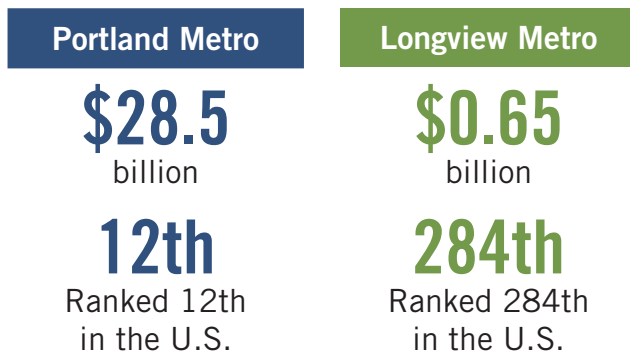
Grew **11.3%** since 2005.



10 MOST COMMON OCCUPATIONS

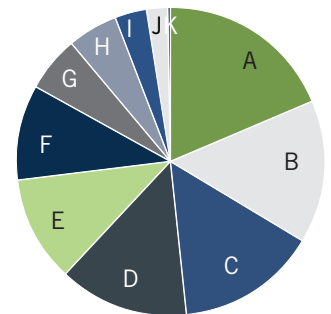
Occupation	Jobs	Median Annual Wage
Retail Salespersons	37,063	\$23,692
Cashiers	23,010	\$22,712
Combined Food Preparation and Serving Workers, Including Fast Food	20,885	\$20,097
Customer Service Representatives	19,222	\$34,626
Waiters and Waitresses	18,341	\$19,983
Registered Nurses	17,830	\$85,916*
General and Operations Managers	17,229	\$88,317*
Laborers and Freight, Stock, and Material Movers, Hand	17,079	\$26,867
Office Clerks, General	15,801	\$32,871
Cooks, Restaurant	14,682	\$23,014

*Pay a self-sufficient wage for this area.

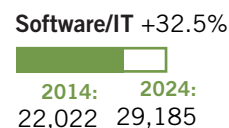
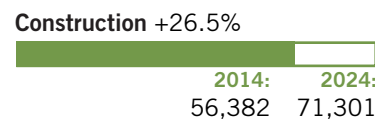
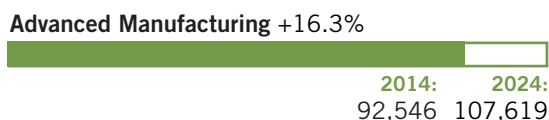


EMPLOYMENT BY INDUSTRY (PRIVATE SECTOR)

- A Trade, Transportation, and Util. 18.6% 213,700
- B Professional and Business Svcs. 15.1% 173,400
- C Educational & Health Svcs. (private) 14.6% 167,600
- D Government (includes education) 13.6% 156,400
- E Manufacturing 11.2% 128,300
- F Leisure and Hospitality 10.1% 116,200
- G Financial Activities 5.8% 66,800
- H Construction 5.1% 58,200
- I Other Services 3.5% 40,600
- J Information 2.1% 24,600
- K Mining and Logging 0.2% 2,400



EMPLOYMENT PROJECTIONS 2014-2024



All private sector industries **+18.8%**
From 944,546 to 1,122,075

Our future depends on the success of our youth. In turn, our youth are highly dependent upon our educational systems to provide the academic and foundational skills needed to thrive in the regional economy.

Achieving high levels of educational attainment has far-reaching social, cultural and economic benefits. Those with higher levels of education have lower unemployment, commit fewer crimes, require less public assistance and earn higher wages. It is estimated that increasing the number of individuals who earn a two or four-year degree by age 24 by 1 percent will boost the regional economy by more than \$1.5 billion annually.

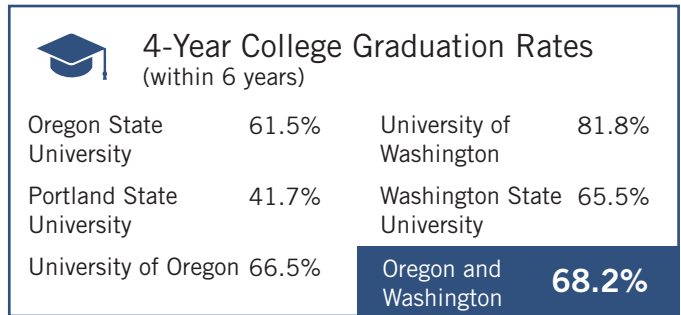
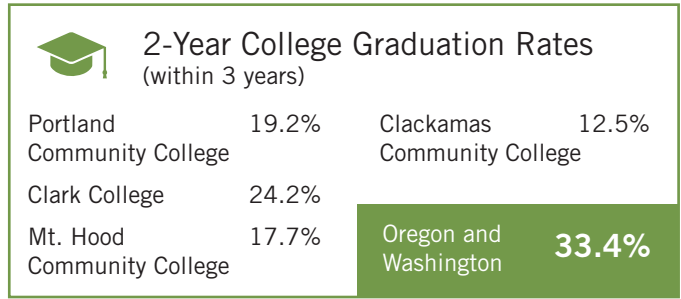
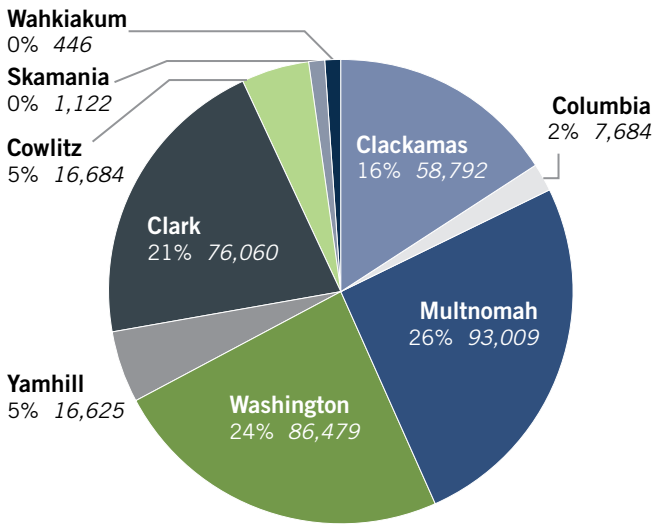
Current data shows that considerable improvement is needed to increase the educational attainment of regional youth. Academic achievement and regional graduation rates reflect significant gaps, particularly for low-income youth and students of color. The number of students identifying as Hispanic and non-English speakers at home is expected to increase by nearly 30% by the year 2030. Given changing demographics, increasing poverty and higher graduation requirements, there is an urgent need to focus efforts on improving academic performance for all regional youth.

The region continues to see an increase in the number of students entering post-secondary education. However, the rate of post-secondary completion clearly needs improvement. The number of students completing degrees indicates that students, particularly students of color, are entering programs but not completing them. In addition, the percentage of students requiring remedial education is on the rise which significantly reduces post-secondary graduation rates.

In our region, youth unemployment continues to rise – up nearly 5 percentage points from 2000. There are more than 30,000 youth ages 16-24 who are neither in school nor working representing 28% of youth in this age group who aren't in school. Knowing who may be falling through the cracks enables us to create partnerships and strategies to serve these youth and reconnect them to education and/or career track employment. We intend to use this information to inform our youth investments by focusing on strategies we know work: increasing community awareness of youth unemployment issues, providing early work experience, creating and expanding earn and learn opportunities through apprenticeships and career pathways, encouraging more cross-sector collaboration with our employer partners to build the local pipeline of workers, and focusing on career ladder employment and retention for young people. We know that youth who work are more likely to return to school, have a job in subsequent years, and earn more money over the course of their lives. They are also less likely to engage in crime and other high-risk behaviors.

Improving educational outcomes and reconnecting kids to work requires a multifaceted approach. No one system or sector can do it alone, and a range of organizations and agencies must engage to make a difference for our youth and economy.

TOTAL STUDENTS IN GREATER PORTLAND REGION: 356,901



DEMOGRAPHICS

	2000-01	2014-15	Share of 2014-15
Low Income	90,491	158,568	44.4%
Students of Color	68,916	135,385	37.9%
English Language Learners	26,429	38,857	10.9%

HIGH SCHOOL

Cohort: 27,861



Category	Rate
Graduate in 4 years	76.6%
African American	62.6%
Hispanic	65.6%
Female	81.1%
White	79.6%

Enter college within 16 months 67.8%

YOUTH UNEMPLOYMENT



2000: 12.2%



2014: 16.8%

DEGREE BY AGE

	18-24	25-34	45-64
High School Diploma	43%	9%	31%
Some college, no degree	41%	27%	26%
Associate's degree	6%	29%	10%
Bachelor's degree	10%	26%	21%

Note: Many youth (18-24) are still pursuing their degrees, so their share of degrees, esp. Bachelor and above, will be deceptively low compared to older people

REMEDIAL EDUCATION (OREGON 2013)

Percent of Freshman Enrolling in Remedial Education

Category	Rate	Category	Rate
2-YEAR COLLEGE	36.8%	4-YEAR COLLEGE FLAGSHIP*	11.1%
African American	39.6%	African American	21.7%
Hispanic	44.2%	Hispanic	15.2%
White	41.0%	White	11.2%

4-YEAR COLLEGE NONFLAGSHIP 19.9%

African American	20.2%
Hispanic	25.6%
White	20.0%

*Flagship colleges are best-known institutions in the state; generally the first to be established; frequently the largest and most selective; often the most research-intensive public universities.

Note: Washington data is unavailable.

The challenges of our time can seem overwhelming. According to the most recent Census data, approximately 336,000 individuals in the region live in poverty. There are more than 68,000 people unemployed and thousands more who work full-time, but can't make ends meet because of low wages, insufficient benefits and few prospects for career advancement. Others face steep barriers to employment because of low literacy skills, criminal histories or lack of educational credentials.

Rent and property values across the region are growing at unprecedented rates. While this is good for some, far too many residents are being forced to move or, under the worst case scenario, are finding themselves homeless. On any given night, about 4,000 people sleep on the streets or in shelters across the region. More than 1,200 people engaged in the regional workforce system indicate that they are homeless. Assuring that residents facing housing insecurity have access to a broad array of services is essential and will require housing, workforce and human service providers to work together in new and innovative ways.

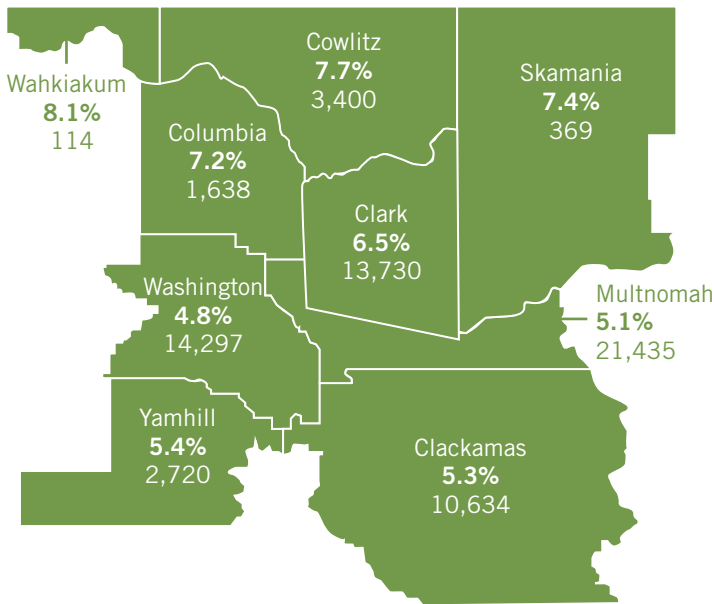
Reducing poverty is a moral and economic imperative that is essential to the health and livability of the region. From an economic perspective, a person born into poverty is much more likely to earn less as an adult and from a social perspective, is more likely to engage in criminal activity, have poorer health later in life and require more public services. Expanding the definition of workforce development to include the systematic removal of barriers – whatever those may be – is an increasingly popular and effective strategy in the fight to reduce poverty.

Our region boasts a number of proven programs and promising practices to more successfully serve low-income job seekers, including integrating basic education and occupational skills training, career pathways, vocational focused case management, and strong partnerships with education, community-based and social service organizations.

Over the last decade, the region has seen a steep decline in the primary resources available to combat poverty and move people to work. This is in large part due to the region's reliance on federal resources to support its non-education based anti-poverty and workforce efforts. Investing now to avoid paying later makes sense, but the current fiscal environment is unlikely to change any time soon. Diminishing resources and increasing need reinforces the importance of working together to address issues of poverty and supporting programs and strategies that are proven to work.

UNEMPLOYMENT RATE

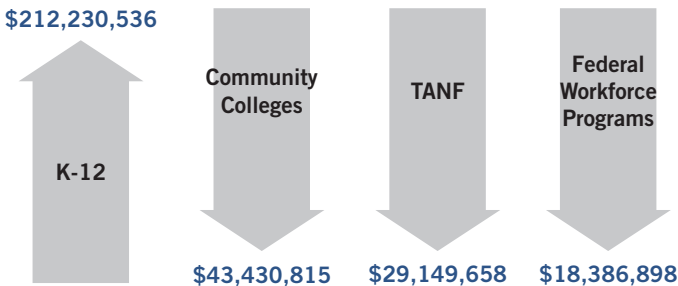
Total Unemployed 5.4% 68,337



There are
TWO UNEMPLOYED WORKERS

for every online job opening.

CHANGE IN REGIONAL EDUCATION AND WORKFORCE RESOURCES FROM 2002-2015



Note: All amounts are reported in 2015 dollars



2014 HOUSING AFFORDABILITY

Percent increase from 2012

8.7%
Median Rent

11.2%
Median House Value

21.3%
Median Home Sales Price

5.7%
Median Household Income

Portland has the **3rd lowest house vacancy rate** in the nation, and the lowest rental vacancy rate.

Since 2007, rents have increased **3X as fast** as median income (25.9% vs. 8.8%)

	2000	2014
Poverty (Individuals)	178,827 8.7%	335,960 13.9%
Public Assistance (Household)	27,347 3.5%	36,727 3.9%
Subsidized Housing (Individual)	38,900 2.0%	55,600 2.4%
	2007	2014
Food Stamps/SNAP (Households)	75,442 8.7%	155,442 14.8%

WORKING POOR



16.7%

Working full time and year round, and earning less than \$25,000/year

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These programs funded in whole or part through the U.S. Department of Labor. We are equal opportunity employers/programs. Auxiliary aids and services are available upon request to individuals with disabilities.