



Oregon's Current Workforce Gaps and Future Workforce Needs

Manufacturers' Symposium

Hillsboro Chamber

October 11, 2018



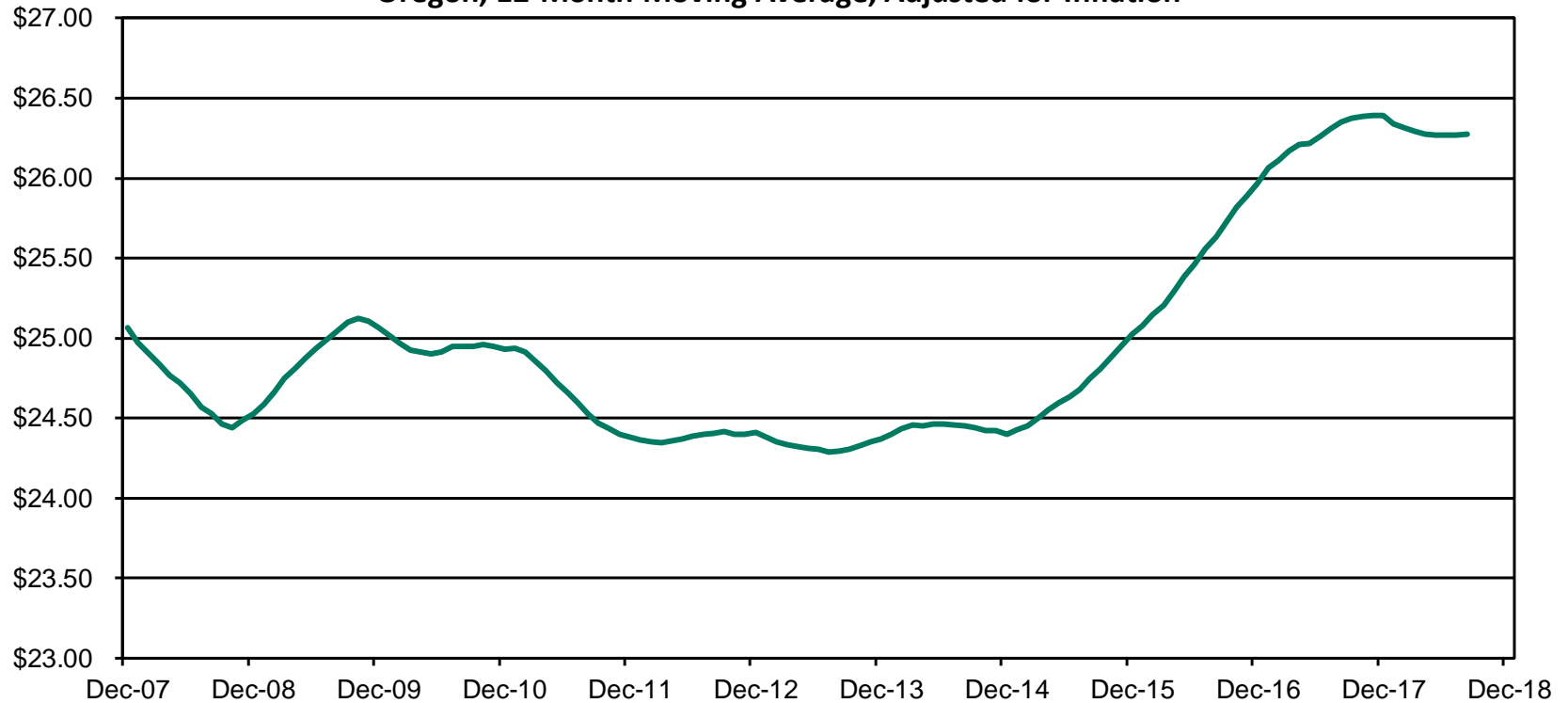
Oregon's Strong Labor Market

- Solid job growth
 - 42,000 jobs added in past 12 months
 - Growth rate of 2.2% is faster than the U.S.
- Record low unemployment rate
 - 3.8% in August
- 63,500 job vacancies in summer 2018. Businesses say that 60% are difficult to fill.



The real average wage of private nonfarm jobs fell in last few months.

Average Hourly Wages on the Rise
Oregon, 12-Month Moving Average, Adjusted for Inflation



Source: Oregon Employment Department and Bureau of Labor Statistics

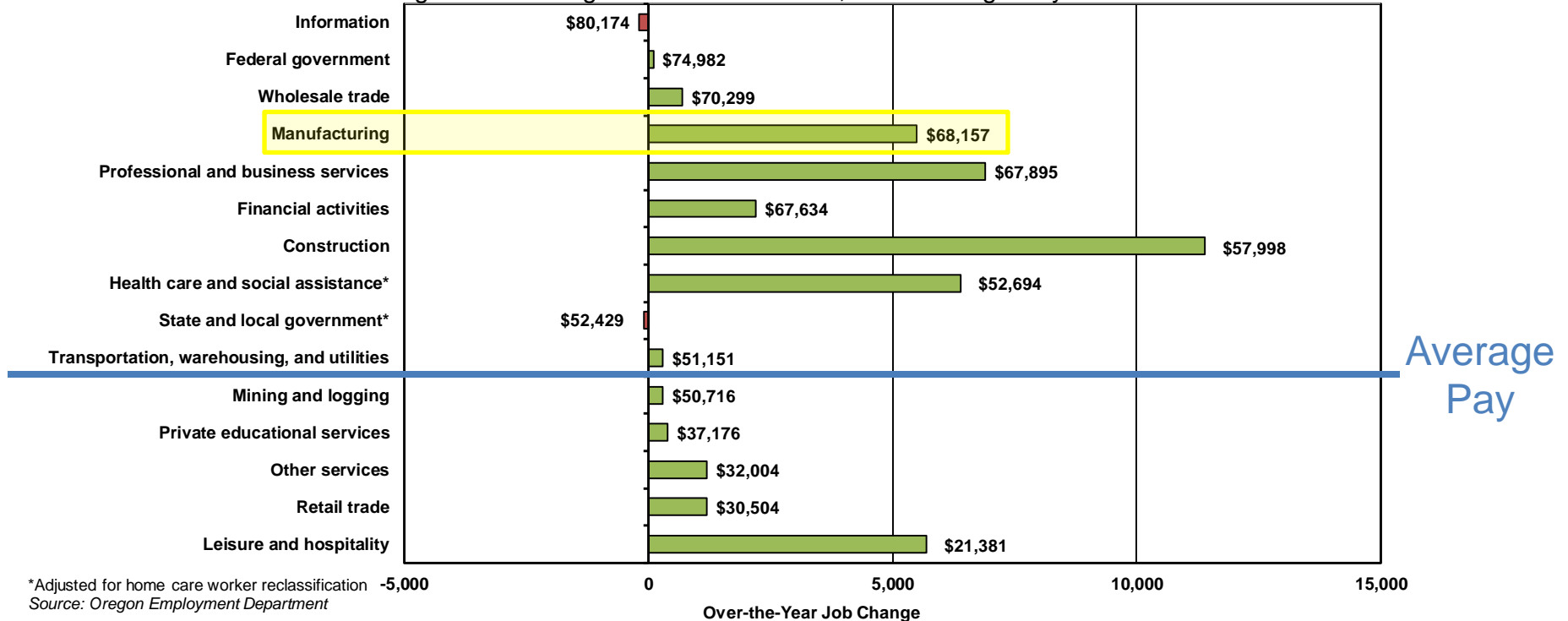


Job Growth in Manufacturing



Seventy-nine percent of the jobs added in Oregon last year were in industries with average wages higher than the statewide average of \$51,132 per year.

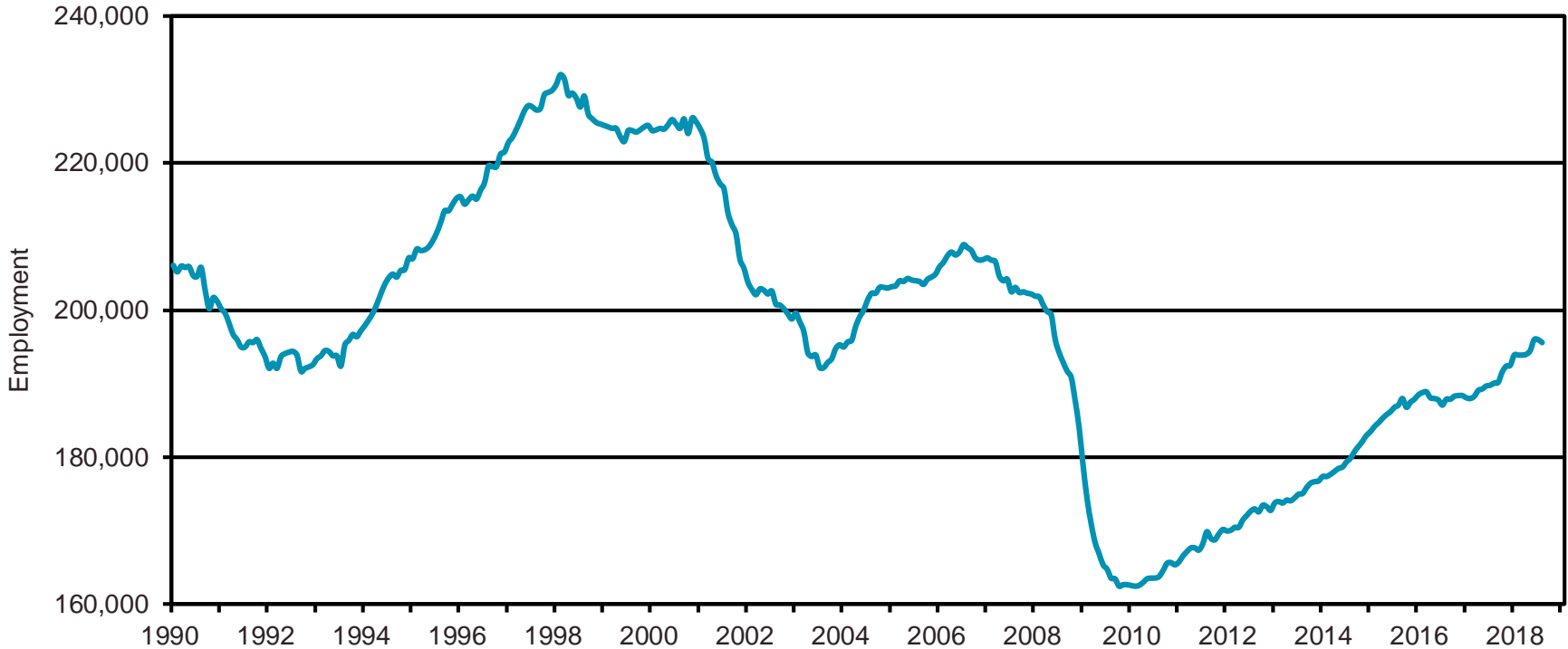
Oregon Job Growth and Average Pay by Industry
August 2017 - August 2018 Job Growth, 2017 Average Pay



*Adjusted for home care worker reclassification -5,000
Source: Oregon Employment Department

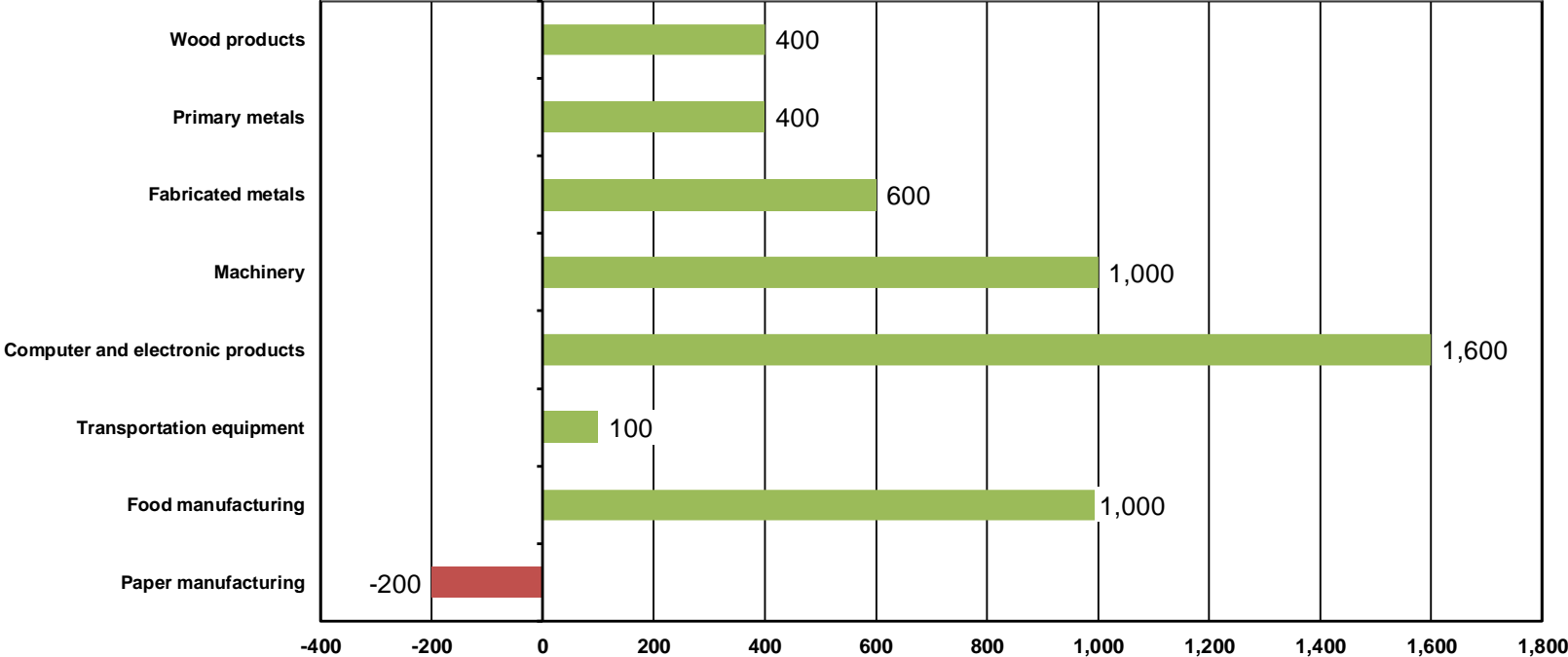
Oregon's manufacturing sector added 5,500 jobs over the past year.

Seasonally Adjusted Employment in Oregon Manufacturing: 1990 - 2018



Wood products, metals, machinery, computers, and food are areas of manufacturing seeing a lot of job growth.

Oregon Manufacturing Employment Compared with Last Year
August 2017 to August 2018



More manufacturing jobs today than before the recession.

Washington County

Jobs gained since Aug. '17: 4,700

Growth rate: 1.6%

Manufacturing

Jobs gained since Aug. '17: 1,900

Growth rate: 3.9%

Washington County Manufacturing

(not seasonally adjusted)



Source: Oregon Employment Department QualityInfo.org



Job Vacancies in Manufacturing



Special Report June 2018

Oregon's Current Workforce Gaps



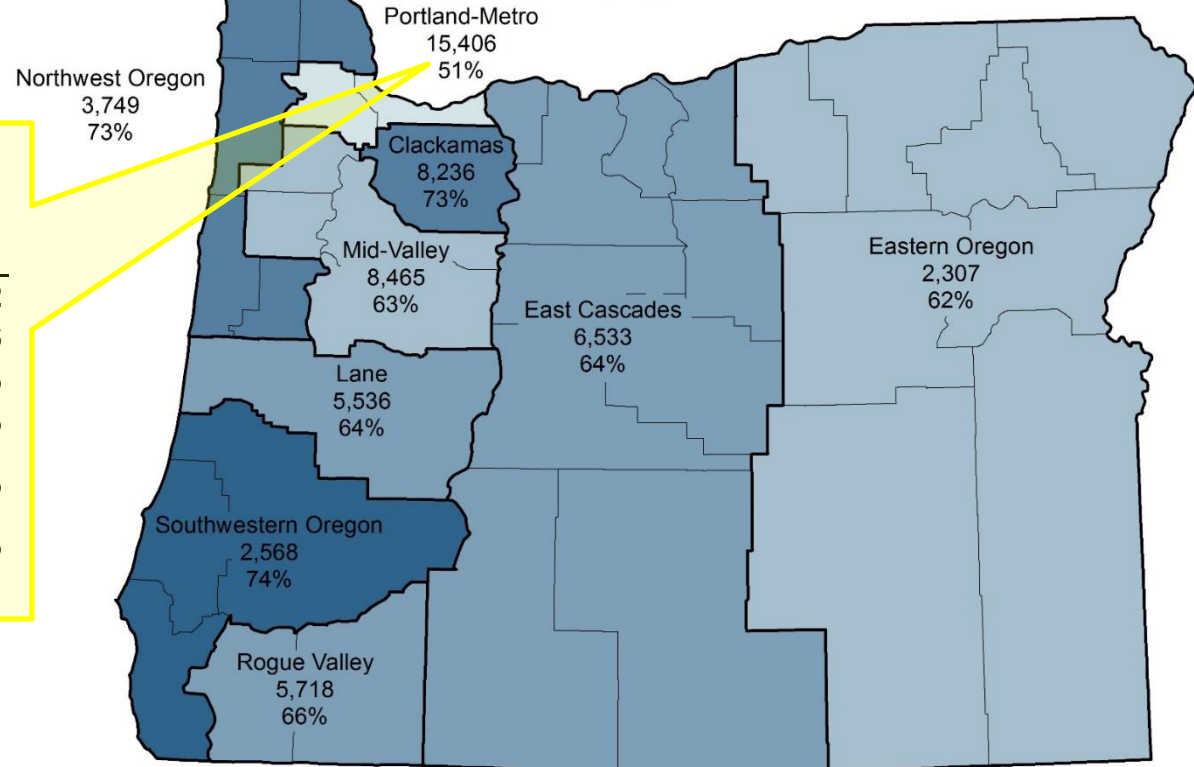
Difficult-to-Fill Job Openings
Oregon Job Vacancy Survey
June 2018



Vacancies and Share Difficult to Fill by Workforce Area, 2017

Oregon

Number of Vacancies: 60,700
Difficult to Fill: 64%



Portland-Metro, 2017 (Multnomah and Washington Counties)

| | |
|--|--------------|
| Difficult-to-Fill Vacancies | 7,922 |
| Average Hourly Wage | \$22.96 |
| Full-time Positions | 79% |
| Permanent Positions | 95% |
| Requiring Education Beyond High School | 45% |
| Experience | 82% |

Job vacancies in manufacturing are more difficult to fill.

Oregon Job Vacancies, 2017

| | All Businesses | Manufacturers |
|--|----------------|---------------|
| Vacancies | 60,718 | 4,419 |
| Average Hourly Wage | \$17.82 | \$19.84 |
| Full-time Positions | 77% | 95% |
| Permanent Positions | 88% | 91% |
| Requiring Education Beyond High School | 29% | 24% |
| Experience | 57% | 63% |
| Difficult to Fill | 64% | 73% |

Job vacancies in manufacturing pay higher wages and are more likely to be full-time, permanent positions.

Manufacturers told us that 73% of their vacancies were difficult to fill.

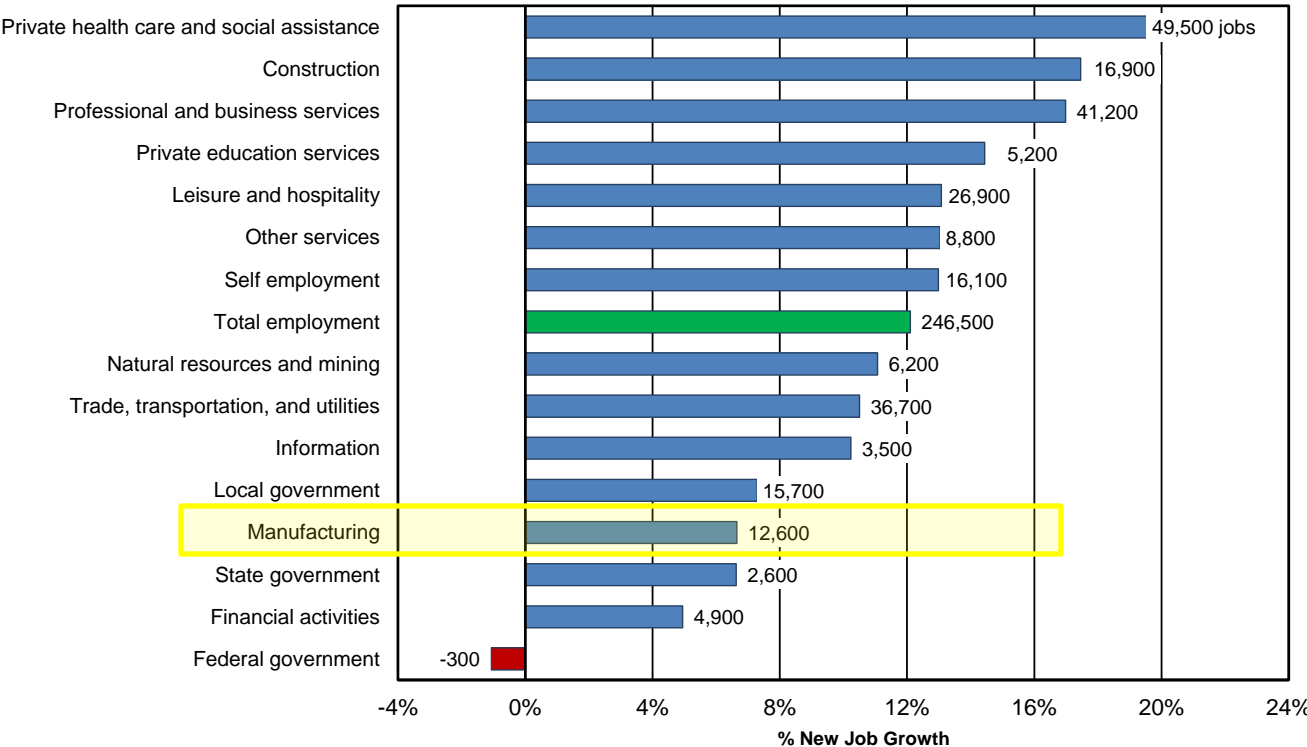


Projecting Jobs in Manufacturing From 2017 to 2027



Growth rate relatively slow, but lots of new jobs and replacement openings.

Health Care Leads Long-Term Employment Growth
Oregon Industry Projections, 2017-2027



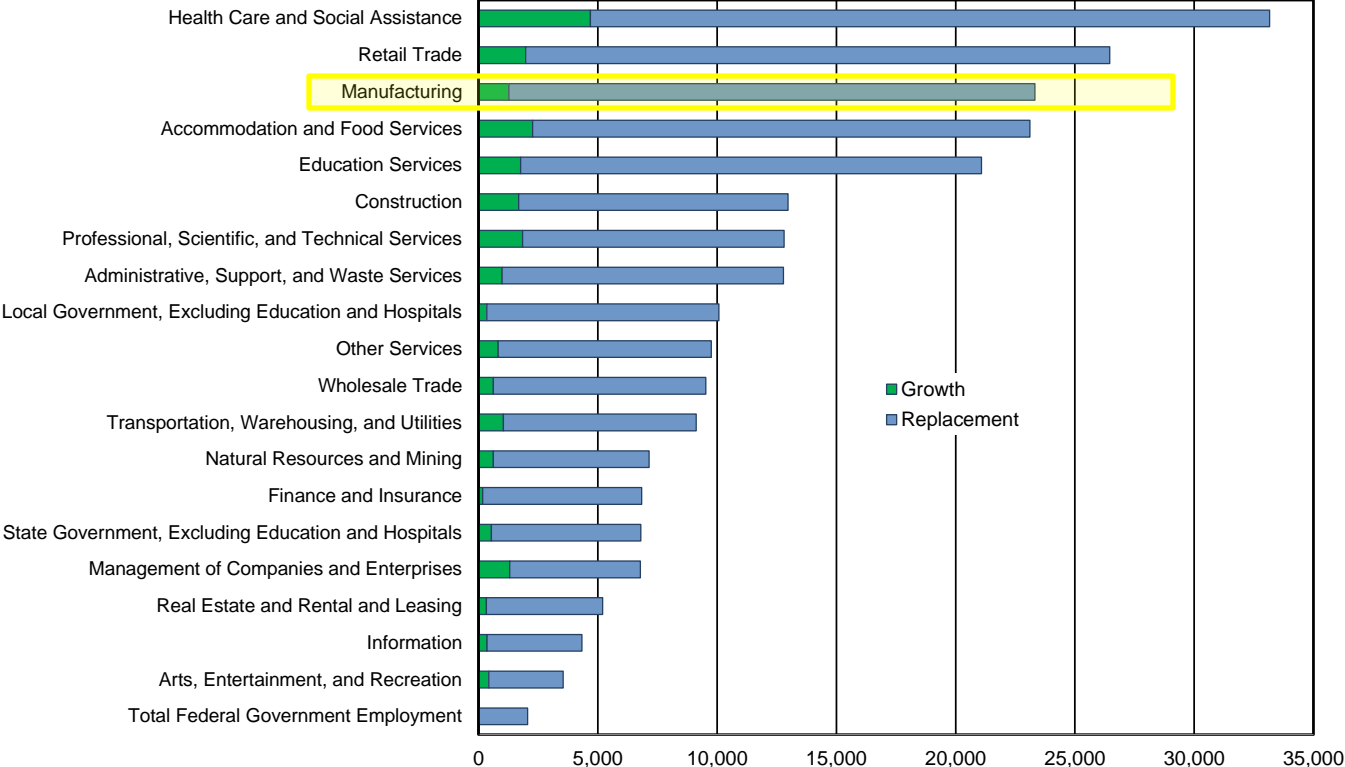
Manufacturing should grow by 7%, adding 12,600 jobs through 2027.

That won't be enough to reach the peak level of manufacturing employment seen in 1998.



Manufacturing – About 20 replacement openings for each growth opening.

2017-2027 Average Annual Openings by Sector in Oregon

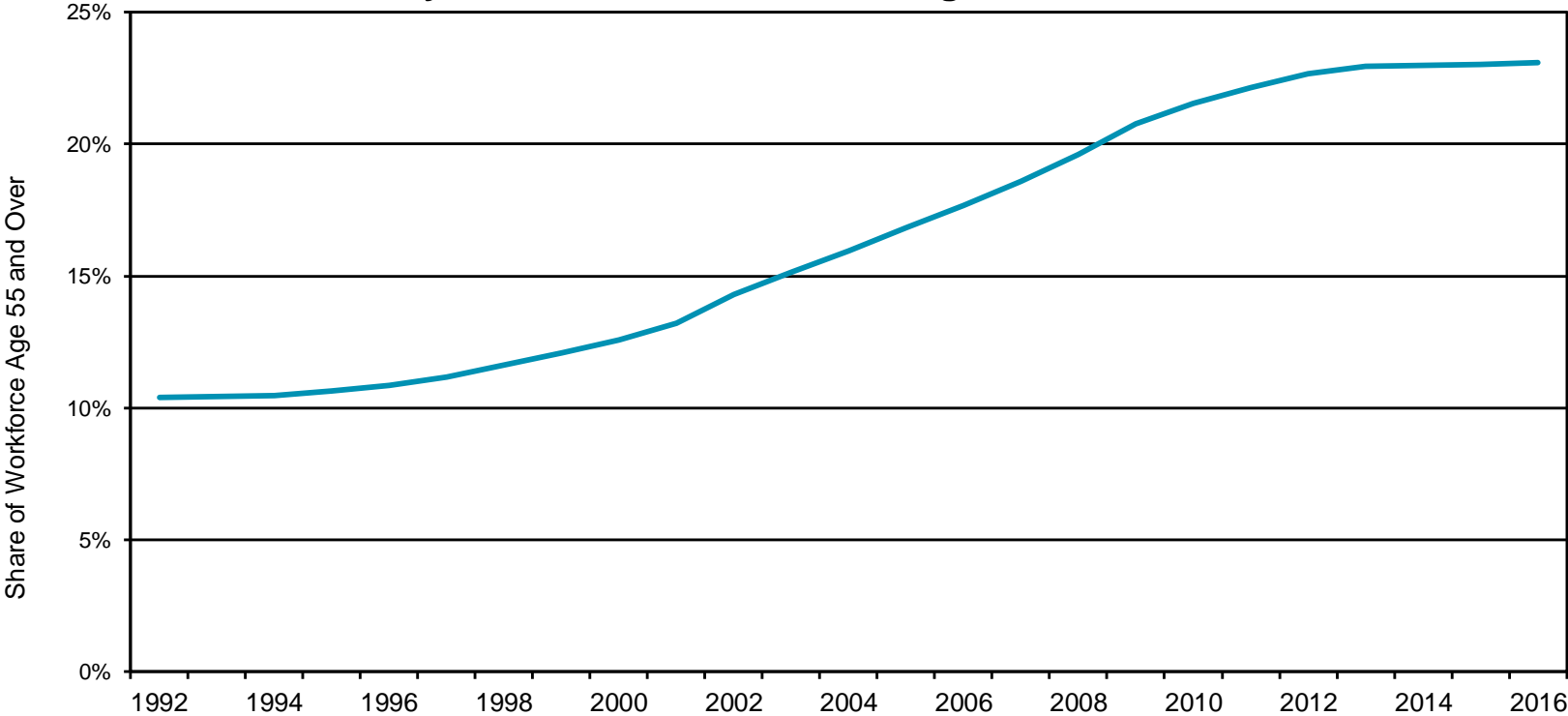


Aging of the Workforce



23% of workers will reach retirement age in the next 10 years.

Nearly One in Four Workers in Oregon is 55 or Older



Source: U.S. Census Bureau, Center for Economic Studies, LEHD



Mining and Utilities have the Highest Share of Workers 55 and Over,
But Health Care and Social Assistance Has the Most Workers 55 and Over

24% of jobs in manufacturing are held by workers age 55 years and over.

That means about 45,000 manufacturing workers will be looking to retire over the next ten years, the second most for any sector in Oregon.

| | Workers All Ages | Workers Age 55 and Over | Percent Age 55 and Over |
|--|------------------|-------------------------|-------------------------|
| All Industries | 1,797,480 | 415,213 | 23% |
| Mining, Quarrying, and Oil and Gas Extraction | 1,827 | 625 | 34% |
| Utilities | 7,435 | 2,359 | 32% |
| Agriculture, Forestry, Fishing and Hunting | 47,624 | 14,485 | 30% |
| Real Estate and Rental and Leasing | 27,067 | 7,951 | 29% |
| Transportation and Warehousing | 57,884 | 16,902 | 29% |
| Educational Services | 150,555 | 42,668 | 28% |
| Public Administration | 72,454 | 20,406 | 28% |
| Other Services | 68,169 | 18,041 | 26% |
| Wholesale Trade | 74,843 | 18,960 | 25% |
| Manufacturing | 186,873 | 45,370 | 24% |
| Health Care and Social Assistance | 261,871 | 63,256 | 24% |
| Finance and Insurance | 56,114 | 13,055 | 23% |
| Construction | 95,425 | 20,967 | 22% |
| Professional, Scientific, and Technical Services | 94,328 | 20,301 | 22% |
| Management of Companies and Enterprises | 46,368 | 9,457 | 20% |
| Administrative Support and Waste Management | 103,332 | 21,073 | 20% |
| Retail Trade | 202,464 | 41,202 | 20% |
| Information | 36,365 | 7,277 | 20% |
| Arts, Entertainment, and Recreation | 30,761 | 6,109 | 20% |
| Accommodation and Food Services | 175,713 | 24,736 | 14% |

Private and public average employment for 2016

Source: U.S. Census Bureau, Center for Economic Studies, LEHD





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