

Oregon's jobs recovery began in the latter part of 2010. Employment growth gained more momentum in 2013 and intensified through 2014 and 2015. By 2016, Oregon ranked eighth highest among all states for job growth. Economic expansion has been accompanied by more job vacancies and fewer unemployed Oregonians. In a tighter labor market, vacancies have become increasingly difficult to fill for businesses in Oregon, especially due to a lack of applicants.

Key Findings

- Oregon businesses reported 50,800 job vacancies in 2016. Of these, 32,700 (64%) job openings were difficult to fill.
- Seven out of 10 difficult-to-fill job vacancies require some work experience, while less than half (45%) of vacancies filled without difficulty require previous experience.
- Eight out of 10 difficult-to-fill job vacancies do not require any additional education beyond high school. Those with higher education requirements offer higher wages, and are more likely to require previous work experience.
- In a relatively fast-growing economy with unemployment near record lows, a lack of applicants is the greatest challenge businesses face in filling job openings.
- Vacancies with higher education requirements are more likely to be difficult to fill due to a lack of applicants or qualified candidates. Those with lower education requirements are more likely to report unfavorable working conditions or low wages.
- Previous work experience requirements reduce an already small applicant pool. Often businesses face more difficulty with vacancies requiring previous experience than those without experience requirements for jobs in the same occupation.
- Health care and social assistance reported the largest number of vacancies – both difficult-to-fill and overall – in 2016. Industries with the largest shares of difficult-to-fill vacancies included construction and natural resources and mining.
- The top occupations with difficult-to-fill vacancies vary from construction laborers to personal care aides, nursing assistants, restaurant cooks, truck drivers, registered nurses, and plumbers.
- Businesses in Eastern Oregon and Southern Oregon reported greater difficulty filling vacancies in 2016 than businesses in other areas.
- The majority (59%) of difficult-to-fill job vacancies occur for reasons that are tough to address through workforce development: a lack of applicants, unfavorable working conditions, low wages, the location of the job, or specific business culture or personality characteristics that are the “right fit” for a position.

Characteristics of Difficult-to-Fill Vacancies

The Majority of Job Vacancies Are Difficult to Fill

Oregon employers reported 50,800 vacancies in 2016. These vacancies offered an average wage of \$16.97. The majority of vacancies were for full-time positions (72%), permanent positions (90%), and openings that required previous work experience (61%). Relatively few vacancies required education beyond high school (21%).

Snapshot of Oregon's Job Vacancies, 2016

	All	Difficult to Fill	Not Difficult to Fill
Vacancies	50,751	32,681	18,070
Average Wage	\$16.97	\$17.81	\$14.94
Full time	72%	74%	70%
Permanent	90%	91%	87%
Require education beyond high school	21%	22%	18%
Require previous experience	61%	69%	45%
Difficult to fill	64%	100%	0%

Businesses reported difficulty filling 32,700 vacancies in 2016, a majority (64%) of all job openings last year. Difficult-to-fill vacancies showed similar shares of full-time (74%) and permanent (91%) positions compared with their non-difficult counterparts.

Difficult-to-fill vacancies paid more, an average of \$17.81 per hour compared with \$14.94 for non-difficult vacancies. Seven out of 10 vacancies required previous work experience, compared with fewer than half (45%) of vacancies with no reported difficulty filling the job opening.

Vacancies Are Difficult to Fill for Many Reasons

For each of their difficult-to-fill vacancies, employers offered open-ended responses to identify the primary reason for the unfilled opening. These responses were then sorted into 12 categories (see Appendix A for definitions and examples).

Just four of these reasons accounted for nearly three-fourths (73%) of all difficult-to-fill vacancies in Oregon during 2016. They were a lack of applicants (38%), a lack of qualified candidates (16%), unfavorable working conditions (11%), and low wages (9%).

Primary Reason Provided by Employer

Difficult-to-Fill Categories for Employer-Provided Responses	Difficult-to-Fill	Share with Reasons
	Vacancies	Provided
Lack of applicants	12,067	38%
Lack of qualified candidates	4,953	16%
Unfavorable working conditions	3,554	11%
Low wages	2,724	9%
Lack of work experience	2,324	7%
Lack of soft skills	1,853	6%
Other	1,762	6%
Lack of certification	860	3%
Location	588	2%
Lack of technical skills	583	2%
Right fit	547	2%
Lack of training	133	less than 1%
Reason not provided	733	
Total with reasons provided	31,948	
Total all difficult-to-fill vacancies	32,681	

Businesses indicated a lack of applicants as the most common primary reason for difficulty, which accounted for 12,000 vacancies. In a relatively fast-growing economy with unemployment rates near record lows, this posed the greatest challenge to businesses statewide. These were not job openings where applicants lacked specific skills or training. In 2016, two out of every five (38%) difficult-to-fill job vacancies and almost one-fourth (23%) of all vacancies in Oregon had an insufficient number of applicants or no applicants at all.

Employers cited a lack of qualified candidates as the primary reason for difficulty filling 5,000 vacancies. Various unfavorable working conditions combined as the third most common reason businesses provided, and accounted for 3,600 vacancies. Businesses responded offering low wages for 2,700 job openings. In past years, employers rarely indicated low wages as a challenge in filling their job openings. In 2016, Oregon employers said the low wages they offered for the job was the primary challenge for roughly one out of 10 difficult-to-fill vacancies.

Job characteristics differed among the most common reasons for difficulty filling job vacancies. Those with a lack of applicants and lack of qualified candidates generally paid higher average wages. Job openings with a lack of applicants offered \$18.21 per hour on average, while vacancies with a lack of qualified candidates averaged \$22.49 per hour. Difficult-to-fill vacancies with a lack of qualified candidates were also more likely to require education beyond high school, and nearly all required previous work experience.

By comparison, difficult-to-fill vacancies with unfavorable working conditions – which included business responses such as part-time work or inconsistent work shifts – had the lowest share of full-time openings

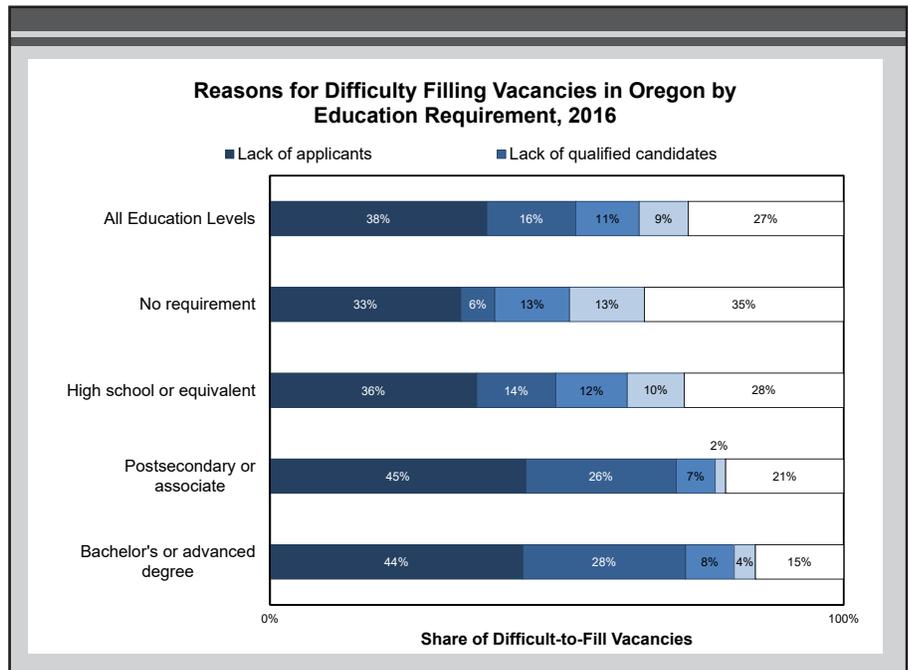
(45%) and a relatively low share of permanent positions (75%). They also offered an average wage more than \$3 per hour below the average for all difficult-to-fill vacancies. As expected, the job openings citing low wages offered the lowest average wage (\$12.32). They also included a relatively low share of full-time positions (67%). One out of 10 difficult-to-fill vacancies with low wages required education beyond high school, and roughly one-third (33%) required previous experience.

Characteristics of Difficult-to-Fill Vacancies in Oregon by Primary Reason, 2016

Primary Reason	Vacancies	Average Wage	Full time	Permanent	Require Educator Beyond HS
All Reasons	32,681	\$17.81	74%	91%	22%
Lack of applicants	12,067	\$18.21	75%	93%	26%
Lack of qualified candidates	4,953	\$22.49	89%	94%	40%
Unfavorable working conditions	3,554	\$14.24	45%	75%	15%
Low wages	2,724	\$12.32	67%	97%	7%
Lack of work experience	2,324	\$18.43	79%	94%	19%
Lack of soft skills	1,853	\$13.18	67%	88%	3%
All other reasons	5,206	\$19.32	78%	92%	19%

Difficult-to-Fill Reasons Vary by Educational Requirements

Vacancies at all education requirement levels cited a lack of applicants, a lack of qualified candidates, unfavorable working conditions, or low wages as primary reasons for difficulty filling some openings. As education requirements for vacancies increased, businesses more often faced a lack of applicants or a lack of qualified candidates. Meanwhile difficult-to-fill job vacancies with high school or no requirements posed greater challenges due to unfavorable working conditions or low wages.



Almost 9,500 difficult-to-fill vacancies in Oregon had no education requirement in 2016. One-third cited lack of applicants as the reason for difficulty, followed by unfavorable working conditions (13%), low wages (13%), and a lack of qualified candidates (6%).

Difficult-to-fill vacancies with a high school diploma requirement reported a similar share with a lack of applicants (36%) and more with a lack of qualified candidates (14%). They also included similar shares of vacancies with unfavorable working conditions

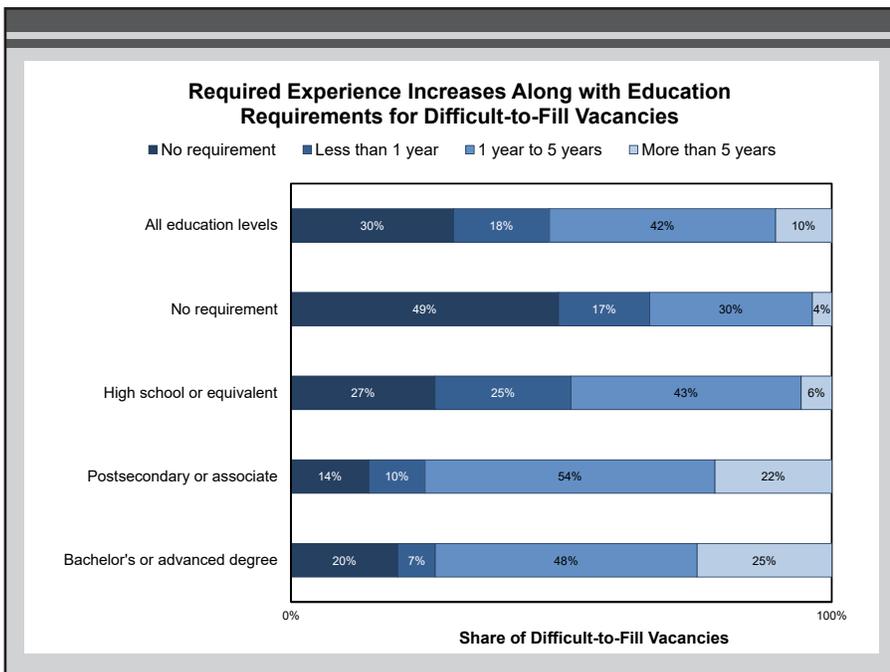
(12%) and low wages (10%) as those with no education requirement.

Almost half (45%) of all difficult-to-fill vacancies with postsecondary education requirements – meaning an associate degree or some specific credential beyond high school completion – lacked applicants. Another 26 percent lacked qualified candidates. These shares looked similar for difficult-to-fill vacancies with bachelor’s or advanced degree requirements, and sat well above the combined totals with a lack of applicants or lack of qualified candidates

in the high school (50%) and no requirement (39%) categories.

More Education, More Experience, More Money

Seven out of 10 difficult-to-fill vacancies in Oregon required previous work experience in 2016. The share of difficult-to-fill vacancies with prior experience requirements became even more prominent as education requirements rose. Roughly half (51%) of difficult-to-fill job vacancies with no education requirement required work



experience in 2016. That rose to 74 percent for difficult-to-fill vacancies requiring a high school diploma and 86 percent of those with associate or postsecondary training requirements. Eighty percent of difficult-to-fill vacancies with bachelor's or advanced degree requirements also required work experience.

Average pay also rose as difficult-to-fill vacancies' education requirements increased. Hard-to-fill vacancies with no education requirement paid an average of \$13.24 per hour, while those requiring a high school diploma paid \$13.59 per hour. The average hourly wage rose to \$22.50 for difficult-to-fill vacancies with postsecondary training requirements and \$31.38 for those requiring a bachelor's or advanced degree.

Industry Difficulty Filling Vacancies

Health Care Tops Industries with Difficult-to-Fill Vacancies

In 2016, health care and social assistance employers reported the largest number of difficult-to-fill vacancies (7,300), as well as the largest number of total job vacancies (10,200). Health care often tops the list of job vacancies in Oregon, as it has been a large industry with consistent job growth since at least 1990, regardless of economic conditions. Industries with the greatest difficulty filling vacancies were construction and natural resources and mining. These two sectors reported challenges with at least eight out of 10 job openings.

Two employer challenges filling vacancies were more prominent in health care than all industries on average. Nearly half (49%) of all difficult-to-fill health care vacancies lacked applicants. Low wages was the second most

common reason, which accounted for 15 percent of difficult-to-fill health care job openings in 2016. Businesses noted competition for nurses and worker shortages for various types of jobs, along with relatively lower wages making competition tough in rural areas. Some also mentioned difficulty competing with hospital wages.

Two industries with different workforce needs reported the largest shares of difficult-to-fill job vacancies with a lack of qualified candidates. Two out of every five difficult-to-fill job openings in transportation, warehousing, and utilities and professional and technical services lacked qualified candidates. Transportation firms cited difficulty finding qualified CDL truck drivers. Professional and technical services responses indicated many vacancies requiring a specialized set of skills.

Unfavorable working conditions accounted for an oversized share of difficult-to-fill vacancies in private educational services (54%) and nat-

Industry	Vacancies	Difficult to Fill	% Difficult to Fill
All Industries	50,751	32,681	64%
Construction	5,788	5,097	88%
Natural resources and mining	718	596	83%
Wholesale trade	1,584	1,170	74%
Private educational services	1,685	1,209	72%
Health care and social assistance	10,191	7,297	72%
Manufacturing	4,422	2,831	64%
Administrative and waste services	4,123	2,610	63%

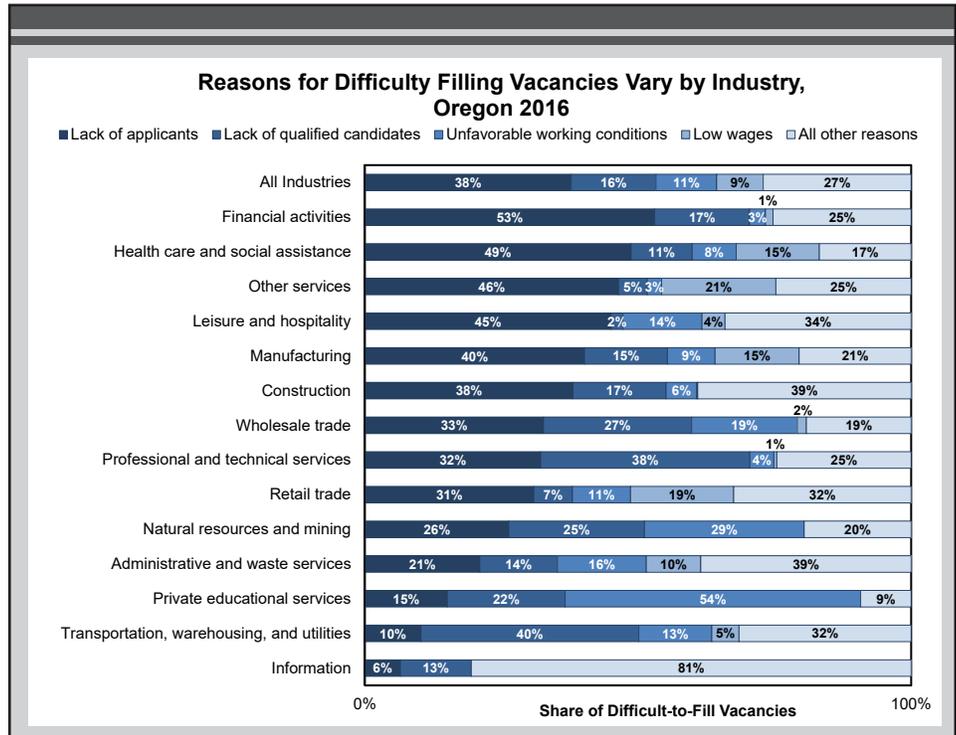
ural resources and mining (29%) compared with all industries (11%). The private educational services vacancies with unfavorable working conditions largely cited inconsistent work shifts or relatively few hours per week for the job. The natural resources jobs indicated difficult, physical labor in outdoor conditions and long working hours.

Overall, low wages were reported as the primary challenge for about one out of 10 difficult-to-fill-vacancies. However, one-fifth of difficult-to-fill vacancies in other services and retail trade indicated low wages for the job. Businesses in other services – such as automotive repair and maintenance, personal care services, and civic organizations – self-reported low wages or a low pay scale for jobs. Retail trade businesses cited a lack of applications due to expected salary, and an inability to raise wages without also raising prices to consumers. They also noted high turnover due to pay, which was dependent upon experience.

Of all the “other reasons” for difficulty filling job vacancies, the information sector – which includes telecommunications, newspaper and software publishers, and radio broadcasting – reported a disproportionately large share of difficult-to-fill vacancies (70%) as challenging because applicants lacked work experience.

Work Experience Requirements Increase Difficulty Filling Vacancies

Aside from the information sector, an interesting and seemingly disparate result in the job vacancy survey is that seven out of 10 difficult-to-fill job openings require previous work experience, while roughly one out of 10 cites a lack of work experience as the key reason for difficulty filling a vacancy. In 2016, Oregon’s unemployment rate was 4.9 percent, the



Previous Work Experience	Vacancies		
	All	Difficult-to-Fill	% Difficult
All experience levels	50,751	32,681	64%
None	16,051	9,795	61%
Less than 1 year	8,632	5,758	67%
1 to 5 years	18,043	13,577	75%
More than 5 years	4,245	3,369	79%
Unknown	3,780	182	5%

lowest since 1995, and significantly below the long-run average unemployment rate of 6.8 percent from 1990 to 2016. In an economy where nearly all who want a job can find one, businesses have a smaller pool of candidates for job openings than back in 2009 and 2010 when there was an unusually large labor surplus and record numbers of unemployed Oregonians.

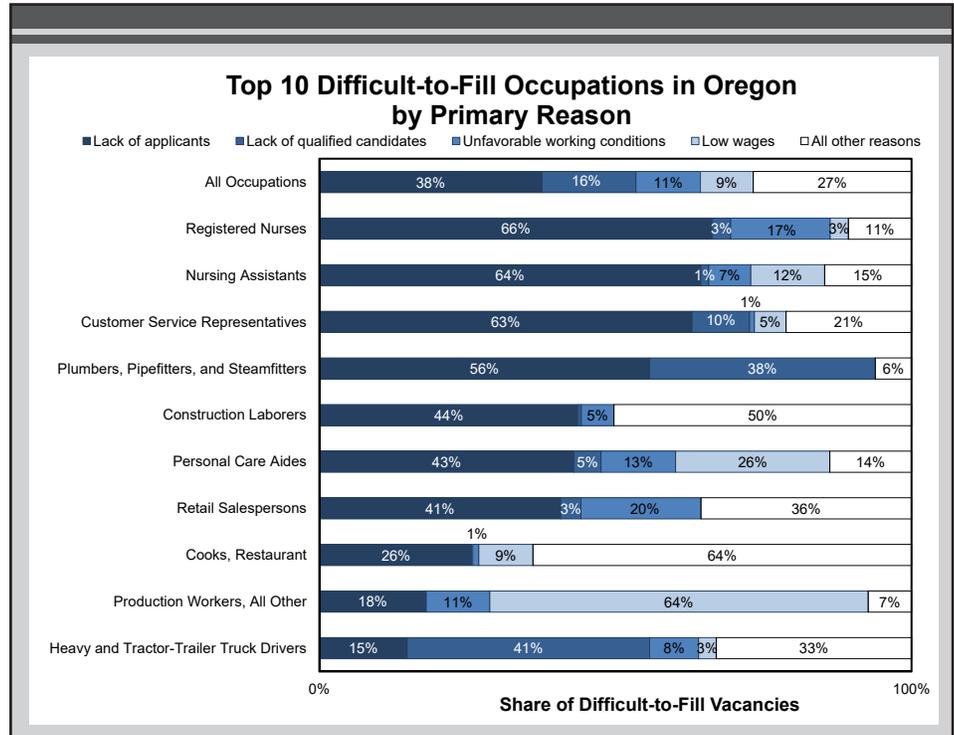
Businesses reported difficulty filling 61 percent of job vacancies with no required work experience. By comparison, they reported 79 percent of job openings that required more than five years of experience as hard to fill.

Previous work experience requirements serve as a filter that narrows an already small pool of candidates. Few employers reported a lack of work experience as their primary problem with job openings, and those with previous experience requirements for vacancies reported more difficulty than employers hiring for difficult-to-fill vacancies with no experience requirements. In some cases it may be essential for a successful candidate to start the job with skills and knowledge gained from previous experience. If not, requesting prior work experience can make an employer’s effort to fill that vacancy tougher.

Difficulty Filling Job Openings in Variety of Occupations

Employers faced challenges filling job openings across the economy in 2016. The top occupations by number of difficult-to-fill vacancies varied from construction laborers to personal care aides, nursing assistants, restaurant cooks, truck drivers, retail salespersons, and production workers.

As with industries, the prominent reason for difficulty filling vacancies differed from one occupation to the next. Many of the top difficult-to-fill occupations reported outsized shares of job openings with a lack of applicants. Most notable among them were registered nurses (66%), nursing assistants (64%), customer service representatives (63%), and plumbers (56%).



Difficult-to-fill truck driver vacancies stood out for the large share lacking qualified candidates (41%)

as employers seek more workers with CDLs. Meanwhile, businesses reported large shares of difficult-to-

fill job openings with unfavorable working conditions for maids and housekeeping cleaners (39%) and

Occupation	Difficult to Fill			Not Difficult		
	Vacancies	% Require Experience	Average Wage	Vacancies	% Require Experience	Average Wage
Construction Laborers	1,548	72%	\$18.26	190	54%	\$13.82
Personal Care Aides	1,421	48%	\$10.83	589	10%	\$10.63
Nursing Assistants	1,132	63%	\$12.28	119	36%	\$10.76
Cooks, Restaurant	988	79%	\$11.60	313	6%	\$11.05
Heavy and Tractor-Trailer Truck Drivers	945	89%	\$19.26	147	86%	\$18.50
Registered Nurses	754	83%	\$24.99	120	86%	\$32.62
Plumbers, Pipefitters, and Steamfitters	735	79%	\$33.77	60	100%	\$30.00
Retail Salespersons	732	46%	\$11.40	862	48%	\$11.40
Customer Service Representatives	678	79%	\$14.93	620	59%	\$12.86
Production Workers, All Other	587	30%	\$10.77	196	2%	\$11.84
Carpenters	563	98%	\$17.62	92	43%	\$35.00
Maids and Housekeeping Cleaners	550	18%	\$10.95	141	48%	\$9.93
Security Guards	504	95%	\$15.85	100	36%	\$11.12
Cashiers	432	27%	\$9.66	578	34%	\$10.45
Counter and Rental Clerks	403	52%	\$14.67	5	100%	\$12.97
Dental Assistants	367	88%	\$16.96	141	28%	\$12.04
Electricians	367	93%	\$30.27	36	19%	\$21.24
Mental Health Counselors	361	8%	\$11.41	12	100%	\$18.60
Automotive Service Technicians and Mechanics	360	100%	\$18.34	182	21%	\$12.46
Automotive and Watercraft Service Attendants	349	2%	\$9.78	21	less than 1%	\$9.25

retail sales positions (20%). Low wages were cited as the primary challenge for the majority (64%) of difficult-to-fill production worker vacancies. More than one-fourth (26%) of difficult-to-fill job openings for personal care aides also reported low pay.

Work Experience by Occupation

Employers reported difficulty filling 69 percent of vacancies that required previous work experience, while less than half (45%) of job openings with no previous experience requirement posed a chal-

lenge. This was also the case for many occupations: larger shares of job openings requiring previous work experience were difficult to fill than vacancies in the same occupation with no experience needed.

In some cases, vacancies with no work experience requirement were less difficult to fill even with a lower average hourly wage. For example, businesses cited difficulty filling 72 percent of construction laborer vacancies that required experience. They offered an average of \$18.26 per hour. By comparison, 54 percent

of construction laborer job openings without experience were difficult to fill, at an average wage of \$13.82 per hour.

For 30 of the top 40 occupations with difficult-to-fill vacancies, businesses reported less trouble filling vacancies when they did not require previous experience, across professional, technical, production, and trade occupations alike. Of course the construction example was not universal among occupations, and regional considerations were at play in addition to experience and wages.

Reasons for Difficulty Vary Across the State

Greater Difficulty Filling Vacancies in Eastern and Southern Oregon

Businesses in Southern Oregon and Eastern Oregon reported a greater degree of difficulty filling vacancies than elsewhere in the state. Businesses in Eastern Oregon reported almost three-fourths (74%) of all job vacancies as difficult to fill. Similar shares of job openings posed challenges for employers in Southwestern Oregon (72%) and the Rogue Valley (71%).

Coos, Curry, and Douglas were found in construction, health care, and leisure and hospitality. Construction vacancies paid relatively high wages; all required previous experience. An above-average share of difficult-to-fill health care vacancies (40%) required education beyond high school. Experience and

education beyond high school were rarely needed for leisure and hospitality vacancies in the area. These job openings were mostly part time, and paid near minimum wage.

In the Rogue Valley, construction and health care stood apart from other sectors with larger numbers of difficult-to-fill vacancies. Together these two industries accounted for 43 percent of the regional total. Challenging job openings in con-

The combined eight-county area in Eastern Oregon had 660 difficult-to-fill job vacancies at any given time in 2016. Together, health care, leisure and hospitality, and retail trade accounted for more than half (56%) of them. Eastern Oregon vacancies in these three sectors paid between \$3 and \$5 per hour less than all difficult-to-fill job openings in the region. Vacancies in these industries were also less likely to be full-time positions, and more likely to require education beyond high school.

The majority (59%) of the 780 difficult-to-fill job vacancies in the Southwestern Oregon counties of

Area	Vacancies	Difficult to Fill	% Difficult to Fill
Oregon	50,751	32,681	64%
Eastern Oregon	893	661	74%
Southwestern Oregon	1,081	776	72%
Rogue Valley	2,992	2,118	71%
Northwest Oregon	2,126	1,454	68%
East Cascades	4,413	2,864	65%
Lane	2,821	1,820	65%
Portland Metro	22,618	14,582	64%
Clackamas	4,807	3,065	64%
Mid-Valley	7,994	4,945	62%
<i>Multi-area or unknown excluded</i>			

Difficult-to-Fill Vacancies by Area, 2016

Area	Vacancies	Average Wage	Full time	Permanent	Require Education Beyond HS	Require Previous Experience
Oregon	32,681	\$17.81	74%	91%	22%	69%
Portland Metro	14,582	\$18.94	70%	96%	26%	76%
Mid-Valley	4,945	\$16.06	80%	89%	15%	63%
Clackamas	3,065	\$17.17	83%	92%	17%	71%
East Cascades	2,864	\$19.34	70%	80%	14%	63%
Rogue Valley	2,118	\$14.94	86%	83%	23%	62%
Lane	1,820	\$17.38	71%	90%	36%	75%
Northwest Oregon	1,454	\$15.39	58%	87%	11%	54%
Southwestern Oregon	776	\$16.24	75%	87%	23%	66%
Eastern Oregon	661	\$16.04	66%	93%	31%	54%

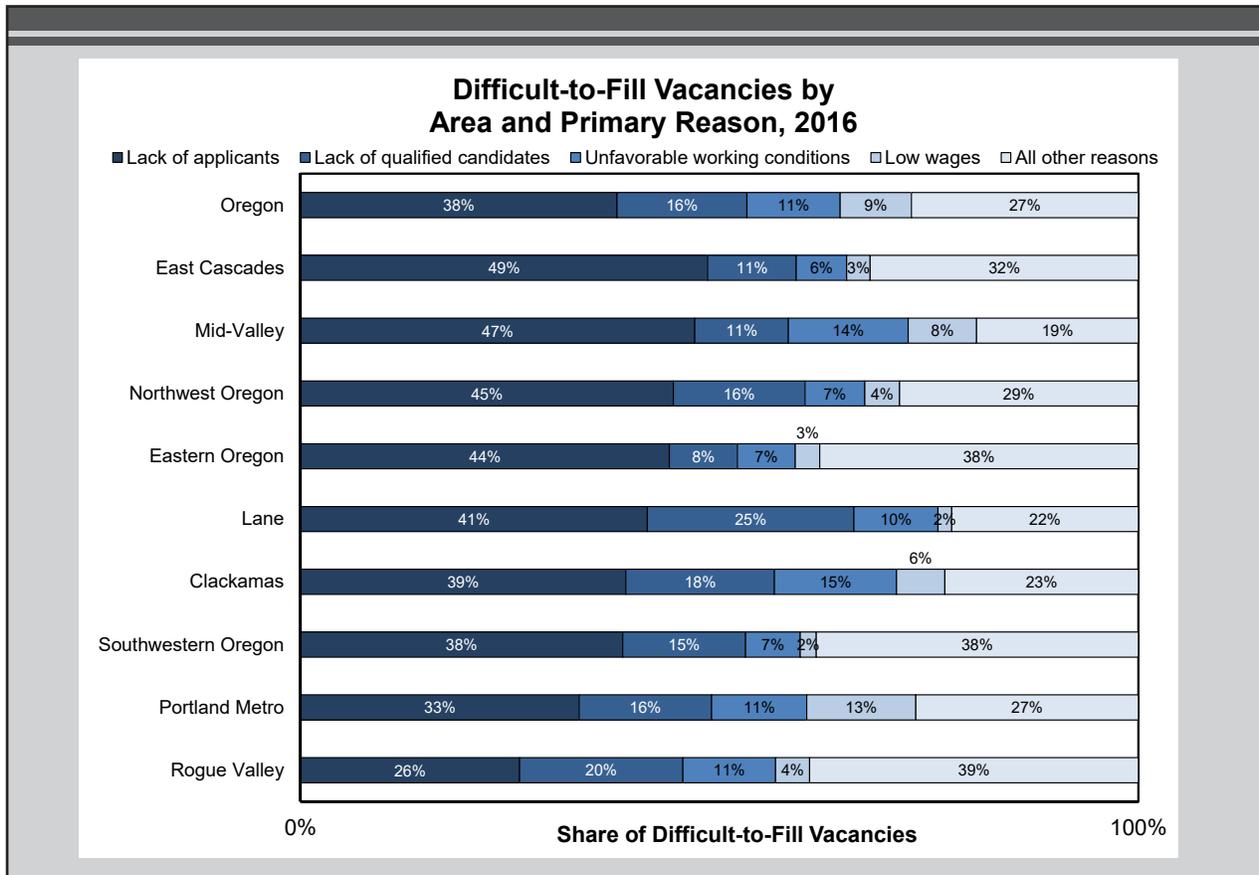
Multi-area or unknown excluded

struction paid relatively high wages, and few required education beyond high school. The vast majority (84%) required previous experience. Only half (49%) of health care vacancies in the area required experience, but a large share (63%) required education beyond high school.

Challenges Filling Vacancies Differ by Region

The Portland Metro area, made up of Multnomah and Washington counties, reported the largest number of difficult-to-fill vacancies in 2016 (14,600). Occupations with the largest number of difficult-to-fill

vacancies included construction laborers, restaurant cooks, nursing assistants, and registered nurses. Reasons for difficulty filling vacancies in Portland generally mirrored Oregon statewide. Portland employers were slightly less likely to indicate a lack of applicants (33%).



They had a slightly greater share of difficult-to-fill vacancies with low wages, which were generally for job openings near minimum wage with no education beyond high school.

Much like Multnomah and Washington counties, the 3,100 hard-to-fill vacancies in neighboring Clackamas County also generally mirrored Oregon's. Clackamas businesses did report a slightly greater share of job openings with unfavorable working conditions (15%). Occupations with the largest number of challenging job vacancies included carpenters, personal care aides, nursing assistants, production workers, truck drivers, and restaurant cooks.

Employers in the combined Mid-Willamette Valley area reported 4,900 difficult-to-fill vacancies. Businesses noted difficulty filling a diverse set of occupations: those with the largest numbers included personal care

aides; counter and rental clerks; customer service representatives; supervisors of food preparation workers; construction laborers; and nursing assistants. A lack of applicants topped the list of reasons for difficulty at 47 percent. The Mid-Valley also reported a slightly lower share of vacancies with a lack of qualified candidates (11%), and a slightly larger share of job openings with unfavorable working conditions (15%).

Lane County reported the largest share of difficult-to-fill with a lack of qualified candidates (25%) of any area in the state. Among the region's 1,800 difficult-to-fill job openings, the top occupations included truck drivers, personal care aides, nursing assistants, retail salespersons, construction laborers, and electricians.

Businesses in the 10-county swath of Central Oregon offered the highest average hourly wage (\$19.34) for difficult-to-fill vacancies. Cen-

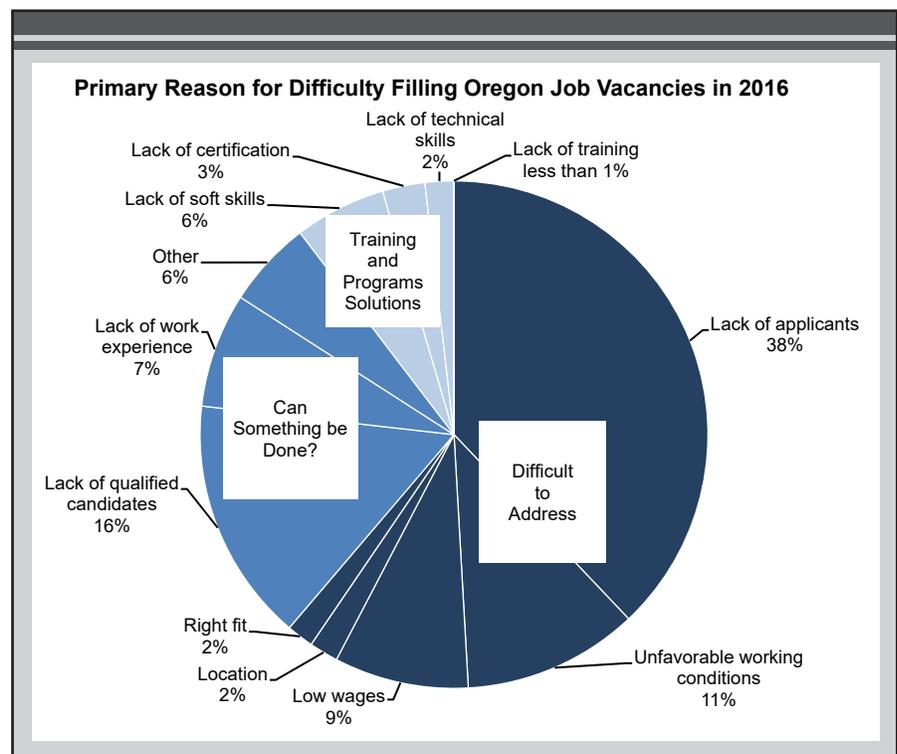
tral Oregon reported slightly lower shares of permanent vacancies, and a relatively small portion required education beyond high school. The region's average wage for hard-to-fill occupations was driven up in part by large numbers of vacancies in the trades, such as plumbers and electricians. Other occupations with many difficult-to-fill vacancies in Central Oregon included food preparation workers; crop, nursery, and greenhouse farmworkers; customer service representatives; truck drivers; and construction laborers.

More than half (58%) of difficult-to-fill vacancies in Northwest Oregon occurred in health care, leisure and hospitality, or retail trade. Area businesses reported a slightly higher share of difficult-to-fill vacancies with a lack of applicants (45%). The bulk of these vacancies were for maids, personal care aides, plumbers, food preparation workers, and janitors.

Addressing Difficult-to-Fill Vacancies

The share of difficult-to-fill vacancies in Oregon rose from 48 percent in 2013 to 51 percent in 2014, 59 percent in 2015, and again to 64 percent in 2016. In an economy essentially at full employment and still expanding, businesses can anticipate a tight labor market will persist. That means continued or even increasing difficulty filling vacancies, given no changes in economic conditions or vacancy factors such as work experience requirements.

The state's difficult-to-fill job vacancies in 2016 did not mirror the overall mix of jobs in Oregon's economy. Difficult-to-fill job vacancies offered an average hourly wage of \$17.81 compared with \$23.48 for all private jobs. In addition, a smaller share of hard-to-fill job vacancies in 2016 required education beyond high school (22%)



compared with all jobs in 2014 (37%), the latest year with available data.

Oregon's businesses always have some number of vacancies, and some portion of those would likely be difficult to fill at any given point in time regardless of the economic situation. Even with historically low unemployment, the question arises as to whether some business difficulty filling vacancies could be eased through training, certification, or workforce program assistance for those who are seeking work.

Difficulty Likely to Persist

Among the reasons to expect continued challenges for businesses: six out of 10 difficult-to-fill vacancies generally cannot be addressed through education or workforce training programs. These include vacancies with a lack of applicants, unfavorable working conditions, and low wages. They also include vacancies that pose challenges due to the job location or an employer's need to find a candidate whose personality is just the "right fit" for the job.

A lack of applicants was the largest reason for difficulty filling vacancies in 2016, and accounted for 12,100 (38%) of the total. As the economic expansion has matured, more employer responses across many sectors have cited competition, a smaller labor pool, or a smaller

number of job seekers. Low unemployment has contributed to a lack of applicants for job openings.

Training programs generally have little to no impact on a job's working conditions or wages offered by employers. Together these two reasons accounted for 6,300 (20%) difficult-to-fill vacancies in Oregon. Unfavorable working conditions varied from physical job requirements to schedule consistency or other challenging aspects of a job. Businesses cited "challenging work" and the "need to be able to carry heavy equipment" and "bad conditions, very seasonal, bad shifts, little respect" as some examples of conditions for hard-to-fill job openings. Many businesses also noted vacancies were for weekends, overnight, or reduced schedules (24 or 30 hours per week), and applicants preferred full-time work.

Low wages might be considered a different type of unfavorable or less favorable working condition. In the health care sector, some care centers cited an inability to pay comparable wages to hospitals as a challenge recruiting and retaining workers. Other types of businesses straightforwardly noted "people want more money", "people leave for more money", or "the budgeted pay scale for this job may be too low."

In recent years businesses have also started to cite difficulty finding someone who's the "right fit" for a specific job at their company. Seemingly there could be some skills or training to meet this need. However, many business comments for these 550 job vacancies emphasized the company's culture and "specific criteria" including finding candidates with just the right personal-

ity. These difficulties pose a tougher challenge than if companies were looking for many employees with similar or broader skills that could be obtained through a general field of study or course of training.

For each of the primary reasons for difficult-to-fill vacancies that fall beyond the scope of workforce training solutions, there may instead be business-based opportunities to attract and retain workers. These include increasing recruitment intensity for job openings – particularly those with very specific desired skills or qualities – and increasing wages if possible.

A Lack of (Uniquely) Qualified Candidates

Workforce training programs and education may or may not be able to alleviate difficulty filling vacancies with a lack of qualified candidates. Businesses reported nearly 5,000 vacancies with a lack of qualified candidates in 2016. Some cited a mix of education, skills, and experience that could be attained through education or training.

Others referenced "very specific qualifications" or "unique experience" for one job at their company, or specialized knowledge within a particular occupation and specific setting. As with businesses that needed a candidate who's just the "right fit" for a vacancy, the rare or unique position requirements pose challenges unlikely to be obtained through a general field of study or course of training.

(Experienced) Help Wanted

A lack of work experience was the primary reason behind 2,300 (7%) difficult-to-fill vacancies. Businesses across Oregon reported more than 100 vacancies with a lack of work experience for five occupations in 2016: restaurant cooks (430), rehabilitation counselors (190), security guards (150), loan officers (130), and construction laborers (120).

Business Responses for Lack of Applicants

"Everyone is looking for help."

"Demand is greater than supply [of workers]"

"Competition from other companies"

"Few applicants; shortage"

"Manual labor jobs aren't popular."

"Low availability in geographic area"

One-third (35%) of the hard-to-fill restaurant cook vacancies described a lack of work experience as the primary challenge in filling a job opening. Most of these business responses generally identified a lack of work experience, rather than a specific type of experience needed. Most difficult-to-fill vacancies for cooks required between one and five years of experience; about 120 of them required less than one year of experience.

Nearly all difficult-to-fill job openings for rehabilitation counselors required less than one year of experience, most with specific types of settings or populations. Meanwhile nearly all challenging security guard and construction laborer vacancies indicated between one and five years of prior work experience were needed. These employers generally referenced a lack of work experience or experienced applicants.

Business Responses for a Lack of Work Experience

“Finding an applicant with dispatching experience in the transportation industry”

“Need mill experience and supervisor training”

“Finding someone with experience to limit training”

“Those that have experience are already employed.”

All but a few loan officer vacancies with a lack of work experience requested at least five years on the job. All businesses responses cited a general need for experience in the position, but no specific set of skills or knowledge.

Beyond these top occupations, many employer responses for various difficult-to-fill job openings with a lack of work experience showed similarities to responses with an identified lack of qualified candidates. Businesses noted a lack of work experience specific to their type of firm, facility, or setting as often than the need for general work experience. Examples include medical and health services managers with one to five years of experience specifically in a psychiatric unit, and managers with at least one year of experience in agriculture with particular industry experience. Again, a small number of highly focused vacancies may pose a tougher challenge in terms of education and training to meet employer needs.

There may be some room for programs to help workers gain experience with the employers who need familiarity in their specific environment or role. Those employers would likely need to partner in training in order to develop their pipeline of workers.

Help Through Workforce and Training Programs

Some employer-provided reasons for difficulty filling vacancies – such as a lack of certification, training, or soft skills – could merit new or strengthened workforce training, educational programs, or other intervention. About one out of 10 (11% or 3,400 total) difficult-to-fill vacancies in 2016 fell into these categories.

The most prominent of these reasons was a lack of soft skills, which accounted for 6 percent (1,900) of difficult-to-fill vacancies statewide. Exam-

ples of business hiring challenges in this area included a lack of work ethic, a lack of trustworthiness, or the inability to pass a drug test. Six occupations reported at least 100 difficult-to-fill vacancies unfilled due to a lack of soft skills: truck drivers (180); retail salespersons (140); restaurant cooks (130); cashiers (110); personal care aides (110); and automotive and watercraft service attendants (100).

A lack of certification was the primary reason responded for almost 900 difficult-to-fill vacancies in 2016. Businesses reported at least 100 difficult-to-fill vacancies due to a lack of certification in two occupations: accountants and auditors (240); and pest control workers (190). Businesses primarily cited the lack of applicants with proper, mandatory licenses for these vacancies. Other examples of certification needs cited by businesses included commercial drivers' licenses, a lack of certified tradespeople, and other general references to a lack of certified applicants.

One occupation, customer service representatives, accounted for 125 of the nearly 600 difficult-to-fill vacancies due to a lack of technical skills (such as collections, phone, and office). All reports of difficulty filling vacancies due to a lack of training totaled 130 job openings. The top occupation in this category was nurse midwives.

Hiring Difficulty, Economic Conditions, and Expectations

Oregon businesses reported vacancies in 394 occupations in 2016, and various challenges filling vacancies in a total of 331 different occupations. At every level of educational requirement, and for 10 of 14 industry sectors, a lack of applicants showed to be the most prominent reason for difficulty filling job openings. Employers had at least one difficult-to-fill vacancy with a lack of applicants in 176 different occupations. Given almost record

lows in unemployment and rates of job growth not seen since the 1990s, businesses faced more competition – and difficulty – finding workers to fill job vacancies in 2016.

In a mature economic expansion, additional requirements and expectations for job openings narrow an already relatively small labor pool. For 30 of the 40 top difficult-to-fill occupations, businesses faced greater challenges filling job openings with

required experience than vacancies with no experience requirements. While some knowledge and skills necessary for jobs undoubtedly require previous experience, that filter reduced the number of applicants for job openings.

As Oregon reaches full employment and continues adding jobs, businesses can expect the labor market to remain tight. That means continuing or even more difficulty

filling vacancies, given no changes in economic conditions or vacancy factors such as work experience requirements, wages, or other work conditions or benefits.

More information about Oregon's job vacancies, including quarterly and annual indicators for Oregon and sub-state areas, can be found at QualityInfo.org under the Job Vacancy Survey section of the Publications page.

Appendix A Reasons for Difficulty Filling Vacancies: Definitions and Illustrative Examples

Categorized Reasons for Difficulty Filling Job Vacancies with Illustrative Examples from Business Survey Responses

Lack of applicants: too few or no applicants for a vacancy

Demand is greater than supply
Everyone is looking for help
Not many applicants
No applicants
Shortage of workers

Lack of qualified candidates: lacking necessary education or specific job requirements

No well-qualified applicants
Position with specific industry knowledge needed
Requires very specific skills sets based on each practice within the firm
Specialized experience in materials engineering with plastic films
Unique experience

Unfavorable working conditions: inconsistent or part-time shifts, physical job demands

Hard work; physical job, standing for long periods of time
Night on-call shift
No guarantee of hours
Seasonal, part-time position
The work is too hard for most applicants

Low wages: low pay for job requirements or market conditions

Budgeted pay scale may be too low
Job requirements are often hard to find for the hourly wage
Low rate of pay
Low-wage jobs are difficult to fill
People want more money

Lack of work experience: previous experience required

Can't find anyone with experience
Finding someone with experience to limit training
Lack of diverse maintenance experience
Requires extensive construction experience
Those that have experience are already employed

Lack of soft skills: communication, interpersonal, or social norms for job

Attention to detail
Few trustworthy applicants
Must pass background check and drug screen
Unable to pass drug test

Other: miscellaneous; not able to be categorized elsewhere

No affordable housing in our community
Obscure industry
New recruitment
Union
Good help is hard to find

Lack of certification: applicants lack necessary license or certification

Insurance certification required
No applicants with pesticide license
Not enough licensed people
Plumber needs to be licensed

Location: the geographic area of the job

Can't compete with Eugene, Portland; not enough
Location of office in small rural town
Location/transportation
Remote from cities
Rural location; few applicants

Lack of technical skills: measureable or tangible abilities or knowledge used on the job

Engineer tech and management skills
Few with needed skills
Lack of technical skills
New technology
Unskilled applicants

Right fit: specific personality or personal qualities

Blend of personality and skill set
Difficult to find the right fit
Experience and team fit
Not a "fit" for company
Want the right person

Lack of training: few or no educational or vocational programs related to the job

Lack of training
Lack of vocationally trained candidates
No school in area
There are no schools that have this program
Very steep learning curve and no local training program

Appendix B Oregon Job Vacancy Survey

Oregon Job Vacancy Survey



Oregon Employment Department

Workforce & Economic Research
875 Union Street NE
Salem, Oregon 97311

www.QualityInfo.org

Your Survey ID is: <<SurveyID>>

<<MName>>

<<Attn>>

<<MAddress1>>

<<MAddress2>>

<<MCity>> <<MState>> <<MZip>>

<< ADD_Information >>

Dear Oregon Employer:

Oregon added jobs at a rapid pace in 2015.

This job growth is great for Oregonians seeking new or better jobs. But it's making life more and more difficult for businesses, as they search for workers with the right education and skills.

Oregon's workforce, training, and education systems want to help Oregonians get the skills they need to be gainfully employed. And we want to help you find the skilled and reliable workers you need.

In order to do that, we need to fully understand the job vacancies that exist in our state and the reasons you're having trouble filling those vacancies. So please take a few minutes to provide us with the survey information requested.

Thank you for your help!

Graham Slater,
Research Director
Workforce & Economic Research
Oregon Employment Department

You have multiple options available to respond to this survey:

Please direct this survey to your Personnel Manager or Human Resource Department

- Reply online at <<ONLINE_URL>> (You will need the Survey ID found above the mailing label to complete this survey online)
- Return the survey in the enclosed postage-paid envelope
- Contact us at (855) 710-5500 to report by telephone
- Please respond **before <<Respond_Date>>** to guarantee that your response will be included in our analysis.

If you have questions about the survey, please contact survey staff at (855) 710-5500 or OED_SURVEYS@OREGON.GOV.

Contact Information (please print)

Name: _____

Telephone: _____

Email: _____

Thank You for Participating!

PLEASE REPORT FOR THE LOCATION(S) LISTED ON THE ADDRESS LABEL

1. Approximately how many workers do you currently have at this location? _____

2. Do you currently have job vacancies at this location? (Circle one) YES NO

If YES, please continue inside and complete the survey

If NO, STOP HERE and please return the survey

January 2016



Employment.Oregon.gov
RSPUB288(0517)