

COMMERCE

GROWING OREGON

SEPTEMBER 2007

WORKFORCE DEVELOPMENT FIVE UNEASY PIECES

PLUS: SPECIAL PULL-OUT TOP EMPLOYERS SECTION
FROM THE PORTLAND BUSINESS ALLIANCE;
ANALYSIS ON METRO PORTLAND'S SLEW OF ECONOMIC
DEVELOPMENT SILOS **AND:** A COWBOY LAWYER

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WORKFORCE DEVELOPMENT FIVE UNEASY PIECES

Finding a job isn't just about filling out an application and spellchecking a resume anymore.

It's about education, training and drive. And for employers, finding skilled workers is about finding ways to house today's workforce, train tomorrow's workforce, and assemble a pool of skilled tradespeople who will lead the charge in creating a built environment. With 1 million more people expected to enter the state by 2030, Oregon has only got a short time to figure it out.

The state is prepping itself for a major workforce shortage in the decades to come, as baby boomers exit the labor pool and Generation Y hesitates to dive into the same waters as their cubicle-prone predecessors.

The challenge of finding ways to fill anticipated job slots, while still brainstorming ways to create employment opportunities that will feed the creative career needs and wants of young workers, isn't going to be addressed with one pat solution. Instead, major players, from city and state government entities to organizations and trade associations, are focusing on five different fixes in five separate areas: **housing, transportation, students, baby boomers, and women and minorities.**

Those five pieces don't fit together easily, but workforce development experts say addressing all with equal attention is crucial if Oregon wants to maintain the competitive edge it has in some established industries while branching out to gain a foothold in others.

**STORY BY KENNEDY SMITH
PHOTOS BY DAN CARTER**

HOUSING SWEET HOUSING



There's a growing trend in Portland that could spell trouble around the corner – it's called "flocking to suburbia," and Mayor Tom Potter isn't happy about it.

"Gentrification is happening in the inner city and seeping to parts of the outer city," he says. "That's making it harder and harder for working families to afford houses in Portland."

That's where workforce housing comes in. The term, sometimes referred to as affordable housing, will be Portland's saving grace, if only the people building the homes could get their hands on some funds.

Ted Gilbert, chairman of the board of HOST Development – HOST stands for "Housing One Street at a Time" – says incomes have not kept pace with housing affordability, so lower-income families have no choice but to rent sub-par dwellings or move away.

"What we need is enlightened capitalism," he says. "The private model of home building works, so that's how we approach it too."

HOST's plan is an ambitious one. As one of the top 25 homebuilders in the region, the organization is stepping up its efforts through a program it calls the Building Blocks campaign, which aims to try to build 1,000 workforce housing units by the year 2017.

But even with that goal on the horizon, workforce housing is in short supply in the Portland metro area, according to Deborah Saweuyer-Parks, president and founder of Homestead Capital, a Portland-based company that gathers private-sector funds to build affordable housing in the western states. One of Homestead Capital's signature projects, the Sitka, can be found in the heart of the Pearl District.

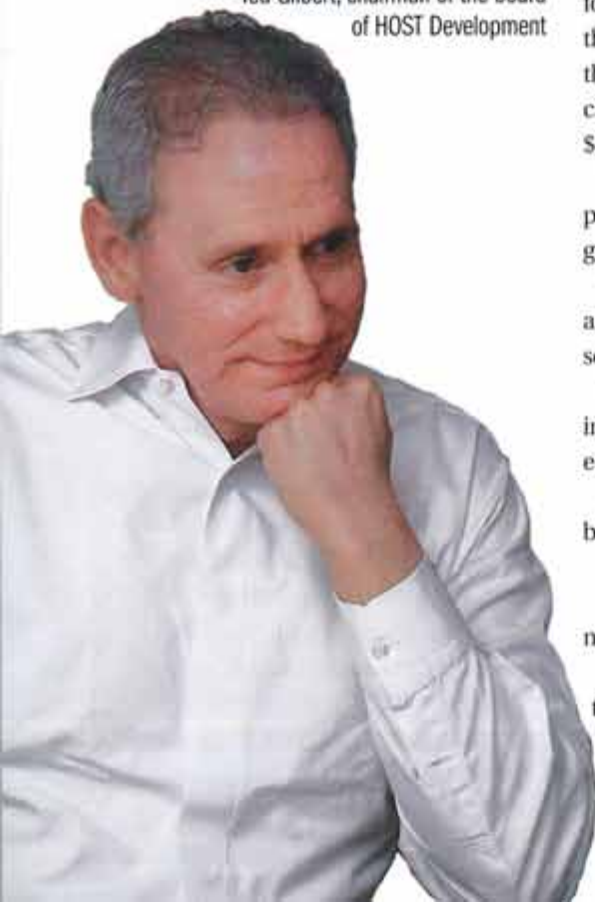


HOST's efforts to create affordable housing for working families has led to projects like Portland's New Columbia neighborhood (previous page) but affordable housing close-in is scarce.

The Sitka in the Pearl (left) is one of the last remaining affordable spots in the heart of the city.

"What we need is enlightened capitalism. The private model of home building works."

- Ted Gilbert, chairman of the board of HOST Development



The issue of workforce housing is huge," Saweuyer-Parks, whose company creates capital through private corporate funding, says. "It's not just huge in Oregon or Portland proper. It's huge throughout the United States."

To boot, workforce housing proponents often come up against a stigma. To some, workforce housing means affordable housing, and nobody wants affordable housing next to their neighborhood. To Saweuyer-Parks, those people who equate workforce housing with the jobless, the drug-users or the deadbeats are slapping the faces of anyone who simply can't, for one reason or another, make the median family income, which stands at around \$64,000 for a four-person family in the Portland metropolitan area.

Workforce housing, which is geared toward those who earn between 50 percent and 80 percent of the median income, are "firefighters, teachers, they're the people you see at the grocery store," Saweuyer-Parks says. "They're your community."

To John Miller, executive director of HOST, "Workforce housing is housing that's affordable to people who work. It's entry-level workers like nurses, teachers, a huge segment of the workforce."

The challenge, he says, is to convince companies to donate to the cause. Siltronic, for instance, has donated funds to HOST because the company hopes to convince its employees to stay long-term.

Another challenge is that it's getting more difficult to find places in the central city to build housing.

"The land costs are just so high," Saweuyer-Parks says.

Plus, there are those corporations who aren't willing to get into the business of loaning money for workforce housing out of fear that their investments won't reap any returns.

"Affordable housing has never been booming," Saweuyer-Parks says. "When I started this company 14 years ago, there was a need for 50,000 affordable units in Oregon. That included everybody from people who were earning 30 percent of the median to 80 percent. Fourteen years later, there's a need for 150,000 units (in Oregon). As successful as we've been, we make just a tiny little dent."

A DRIVING FORCE



Over the next 10 years, the Oregon Department of Transportation will pump \$1.3 billion into a program to replace nearly every bridge on Oregon's interstate system. It's a huge task that not only takes incredible teamwork and massive feats of engineering, but also a huge amount of workers to complete the projects.

"Obviously, we're facing a workforce shortage in construction," says Kaylene Selk, an ODOT spokeswoman, "so what we're trying to do is create a prequalified labor pool so that contractors can pull from that. Once the demand picks up, they'll have the supply."

Workforce development is something that's been on ODOT's radar since 2005, when it created its first workforce development plan, which entails forming regional alliances to boost the numbers of women and minorities in the highway construction trades.

In 2003, the Oregon Legislature passed the \$2.46 billion Oregon Transportation Investment Act, which is where the \$1.3 billion for bridges comes from. The plan extends beyond the bridge project and into any federally funded or assisted transportation projects in Oregon. But in order to do it, ODOT knew it would

have to pool as many trained workers as possible, plus create hundreds more.

After announcing a regional alliance for Oregon's southwest region in May 2006, ODOT's Michael Cobb said: "The Workforce Development Plan concentrates on helping people find long-term, sustainable careers instead of short-term jobs. The regional workforce alliances that we are implementing across the state allow us to rebuild the construction labor pool, thereby creating sustainable careers and stimulating Oregon's economy."

But transportation in the realm of workforce development isn't just about building bridges. It's also about finding ways to transport the working class to their daily jobs.

TriMet, Portland's transit system, in April 2006 revealed a draft proposal to connect commuters with jobs. The "Portland Regional Urbanized Job Access and Reverse Commute Plan" outlines ways in which the transit authority can better serve below-median-income families.

According to the draft plan, "It's important to understand where low-income populations reside in the region and, when possible, direct-

ly connect these areas with employment areas."

Tri-Met's services will focus on people earning at or below 150 percent of the federal poverty level of \$24,900, as estimated by the U.S. Department of Health and Human Service. Within Portland, the highest concentration of low-income residents are east of the Willamette River and predominantly in Multnomah County.

The agency broke down its priorities by analyzing which areas have more than 10,000 jobs — that includes Tigard and North Tualatin, Airport Way/Columbia Corridor, Northwest Front Avenue and Swan Island.

First on Tri-Met's priority list for connecting the workforce to jobs are the areas of Northeast Martin Luther King Junior Boulevard, Hillsboro, Northeast 181st Street and Burnside, Holgate and 39th Street, Southeast 122nd and Division, and Southeast 82nd and Foster.

"Within these areas," the plan states, "special attention will be given to the density of jobs, employers in industries recognized in the plan for supplying entry level job opportunities, and existing transportation services."

STUDENTS BECOME THE MASTERS

To tweak an old saying: Give a kid a house, he'll live pretty comfortably; give a kid a hammer, and he can build a mansion.

That's what Dick O'Connor of the Oregon Building Congress is hoping to drive into the minds of Oregonians, starting with some local schools and climbing all the way up to the state Legislature.

"The problem is we don't need more professionals, we need more skilled technical workers," he says.

The OBC ran into a major roadblock toward its goal of creating our future workforce in December 2006, when the Portland Public Schools board of education denied the OBC's proposal for a charter school that would have enrolled 150 full-time students the first year and 225 students the following year.

However, this past spring, four other Portland-area school districts — Parkrose, Centennial, Gresham-Barlow and Reynolds school — supported the OBC's planned Academy for Architecture, Construction and Engineering, expected to serve 250 high-school students upon its anticipated opening in 2008.

In recent years, two facilities have opened up in the Portland metro area: the Center for Advanced Learning in Gresham and the Sabin-Schellenberg Center in Milwaukie.

"When we expose kids, we get the interest," O'Connor says. "There are three ways this is good for Oregon. One, students learn about the actual work of construction; two, they learn what they need to do in high school to access those careers; and three, they learn that it's a real opportunity to make family wage jobs, which motivates them to stay in school."

But offering student technical programs to prepare them for jobs in construction, woodworking and other trades take money and other resources. Not only do programs need classroom space,

they also need workshop spaces (think autobays for automobile maintenance classes), tools, and materials such as lumber.

O'Connor and his organization are trying to build an awareness of that need. This past January, for example, he testified before the House Workforce Committee, and "we're beginning to make connections that education is part of economic development," he says.

Another local program that's working to steer youngsters into professional trades is the ACE Mentoring Program. ACE — which stands for architecture, construction and engineering — opened a Portland chapter in January. Since then, a group of 20 students, with the help of personal mentors, tried their hand at designing a 20-story tower in South Waterfront.

Although there are baby steps in the right direction, there's also a stigma that comes with the territory of construction and related trades. This is where educating the educators comes in handy.

"Whenever we have a chance to get teachers to go through our workshops, they come away with a greater respect for those who work in the construction industry," O'Connor says. "They realize that this is the workforce that needs to be in place before the state can handle any more people."

The group Career Real Estate Women is also joining the charge to get high-schoolers excited about their future. Every year in April, CREW hosts a "Developing Real Estate and Mentoring Students" day, in which students gather in a vacant space and work in a group to devise a plan for the space that incorporates aspects of real estate, construction and remodeling, design, and marketing. Last year, the event was held at a former bowling alley on Southeast Morrison Street.

The kids who participated ranged from ninth grade to seniors, and their career interests spanned everything from interior design to real estate brokerage to, as one youngster put it, "richest man in the world."

"We don't need more professionals, we need more skilled technical workers"

- Dick O'Conner, Oregon Building Congress



**WORKFORCE DEVELOPMENT
CONTINUES ON PAGE 45
AFTER OUR SPECIAL
"TOP METRO EMPLOYERS"
PULL-OUT SECTION**



WORKFORCE DEVELOPMENT

FIVE UNEASY PIECES

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WORKFORCE DEVELOPMENT
WOMEN AND MINORITIES

SERVING THE UNDER SERVED

In a perfect world, there would be no need for task forces or nonprofit organization. No need for engineering fairs to attract new recruits to the industry or policies on hiring women and minorities in historically white-male-centric trades.

But the world isn't perfect when it comes to addressing issues. And neither is Oregon.

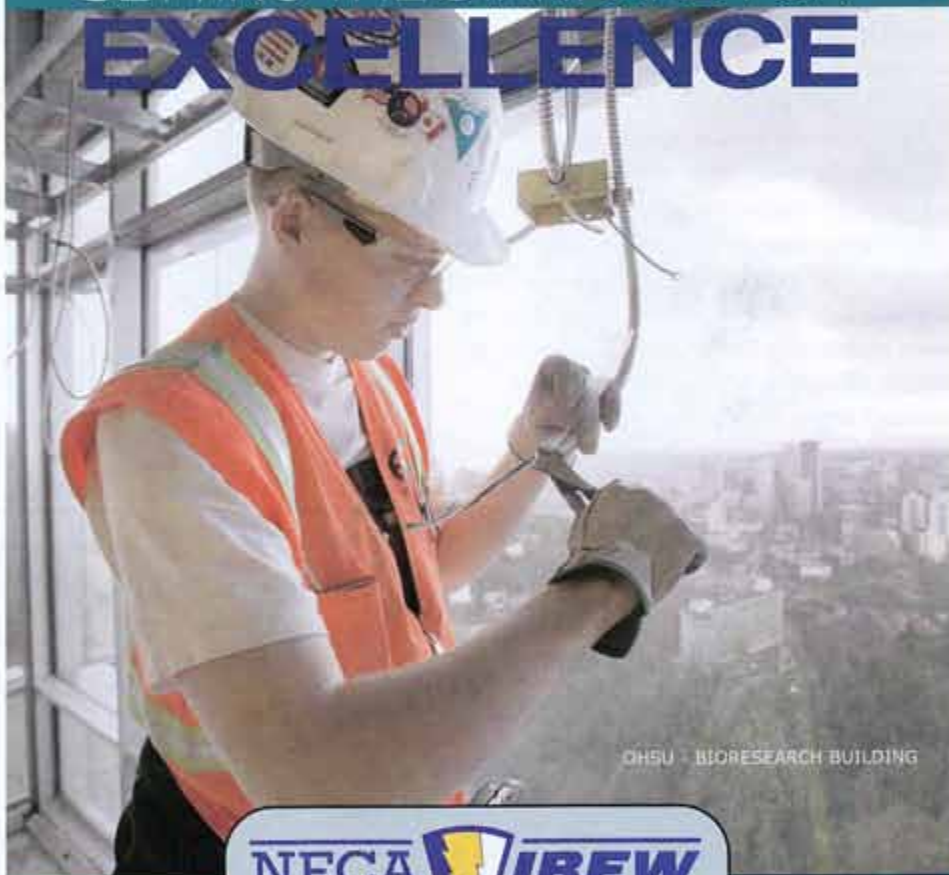
That's why the state and many of its municipalities are working toward a common goal—of helping women and minorities enter the workforce, especially in the fields of science, architecture, engineering and construction.

Take Tova Peltz, for example. She's one of a few women in the geotechnical engineering field at Portland firm GRI.

"Obviously, this profession doesn't have a huge group of women in it," she says, but that's the nature of geotechnical engineering."

Peltz participates in the Society of Women Engineers, a nationwide group to promote women in engineering trades. The group recently hosted an engineering day for girls in Portland.

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"Obviously, this profession doesn't have a huge group of women in it. That's the nature of geotechnical engineering."

**- Tova Peltz
Society of Women Engineers**



Larger firms have seen their share of frustrations when it comes to recruiting and hiring qualified women and minorities.

Isabel Stearns, recruiting manager for the civil engineering firm David Evans and Associates, for example, says there's huge demand in the field as a whole.

"The numbers have steadily been declining, maybe because civil engineering isn't as glamorous as other types of engineering," Stearns says. "So on the whole, it's really hard to find good candidates, no matter their gender or ethnicity."

In order to seek out the dwindling number of civil engineers – especially women and minorities – David Evans and Associates advertises for jobs in Women Engineer magazine and Minority Engineer magazine. The firm is also involved in the Society of Women Engineers and Women's Transportation Summit.

Stearns, who's been in the recruitment business for 10 years, started out at an information technology headhunter firm.

"It was in an industry which also doesn't have a lot of women and minorities," she says. "We had clients asking us for more diversity."

It's important, she says, to reach potential employees at a young age. "That's the time when you can influence people – that high school age – especially in an industry where there are fewer numbers of people going into this trade, period."

Local agencies are also keen to the need for women and minority hiring. In January, the Portland Development Commission made it clear that, as far as construction wage policy is concerned, women and minorities will not be overlooked. One of the PDC's key mandates is to require the Oregon Building and Construction Trades Council to submit an annual affirmative action report from each member union. On projects where PDC policy applies, the report must include usage rates and goals for apprentice and journey workers – the requirement is specifically intended to improve access to family-wage jobs for women and minorities.

Another group, Oregon Tradeswomen Inc., holds career fairs specifically geared toward young women, in which they can hammer away at the stereotype that only men can wield a power tool.

At the beginning of this year, Oregon Tradeswomen received a \$198,332 job training brownfield grant from the Environmental Protection Agency, which will allow the organization to train 140 students in 12 cycles, place 91 students in environmental jobs and track graduates for two years. The grant also includes entry into the organization's state-certified Trades and Apprenticeship Career program, a pre-apprenticeship route for women exploring careers in Multnomah County.

"The grant, along with our ongoing support from other organizations and members of the construction industry, will mean that we can bring more women out of poverty and prepare them for a rewarding career in construction," Connie Ashbrook, executive director of Oregon Tradeswomen, says.

BABY BOOMERS

THE WORKFORCE GOES BOOM

Overlooked, underutilized, and nowhere near over-the-hill.

Those attributes are resting in the cradle of the baby boomer generation.

The U.S. Bureau of Labor Statistics projects a labor force of 162.3 million individuals in 2012, but it expects that the economy will require 165.3 million jobs to be filled. And the U.S. Administration on Aging projects that 20 percent of America's workforce will be older than 55.

With these estimates, Oregon's employers can go two different directions. They can either stand the chance of losing a massive amount of our human resources, or they can take advantage of the fact that today's older workers are anything but ready to settle.

"When you go to workforce development meetings, the conversation always leads to younger people," says Joyce DeMonnin, spokeswoman for the Oregon chapter of AARP, an organization that represents people 50 years of age and older. "But we're teaming with employers and community colleges because we know the boomers want to work."

Today's set of boomers are into gradual retirement. When they started out, the American dream was to find a 9-to-5 job, have 2.3 children, own a dog and a house, and retire by age 65.

Things have changed. Boomers don't want to retire, but they also don't necessarily want to stay in the careers they spent most of their adult lives doing.

"They want to do something that is more meaningful to them," DeMonnin says. "Maybe they spent their career working for the money, but now they want to get back into the community."

In fact, *Does Age Boom Mean Worker Gloom?*, a study by the University of Indianapolis, shows that people over the age of 40 who are enrolled in college courses are often perceived as folks who want to dabble in pottery or glass blowing. In reality, however, they're increasingly turning to upper education in order to learn skills to start a second career.

At Portland Community College, for example, 76 percent of students over 40 are there to re-career, says DeMonnin.

Grey Matters, a study the college conducted in 2006, states that, "Given Oregon's reputation as a policy innovator state, it's not surprising that Oregon should be one of the early states to get ahead of the aging workforce curve as many boomers decide to continue their work life beyond 65 for personal and/or financial reasons."

Labor-force rates for people between the ages of 55 to 64 have risen every year, according to the U.S. Census Bureau. In 2001, the labor force stood at 61.5 percent. In 2006, it was up to 64.4 percent, and it's expected to continue growing as more boomers reach the 55-year-old mark.

The influx of boomer-generation workers is actually an advantage for employers, says DeMonnin. The advantages of hiring older workers, she says, are that "they tend to be more loyal to the employer and more likely to stay put, whereas younger workers are more mobile."

Some employers argue that the cost of health benefits is too high to hire boomers, but DeMonnin charges that's straight and simple ageism.

"They're gun shy about health care costs," she says, "but in terms of loyalty and dedication they put into their work, it equals out." 

"When you go to workforce development meetings, the conversation always leads to younger people. We're teaming with employers and community colleges because we know the boomers want to work. They want to do something that is more meaningful to them."

- Joyce DeMonnin
spokeswoman
for Oregon
chapter
of AARP

