

Back to Work Oregon



The following information is presented by the Oregon Department of Community Colleges and Workforce Development to describe the Back to Work Oregon program and its impact on Oregonians.

A Success Story

The *Back to Work Oregon* program was one of Governor Kitzhaber's first five job creation strategies, launched in 2011, to get the Oregon economy back on track. The program was resourced with a \$3.28 million investment from the Oregon Legislature matched by Oregon's Local Workforce Investment Boards to place 1,325 Oregonians into long term jobs.

Given the goal of 1,325 placements, a year and a half into the two year program, *Back to Work Oregon* is exceeding the original goal with almost 1,400 unemployed Oregonians placed into permanent jobs, 931 earning a National Career Readiness Certificate (NCRC).

"I must have filled out over 200 applications. I didn't get one phone call in return. Now I'm in a job with an opportunity for advancement, and it feels good to be able to pay my bills and take care of my family again."

**Shawn Welch, Program participant
Service Technician
Home Comfort Hearth & Patio
Medford OR**

Value-Added Training

Back to Work Oregon addresses both the needs of business for skilled workers and the needs of Oregonians to have job-specific, certified, transportable skills.

The program consists of two components:

- **On-the-Job Training (OJT)** which is a "hire-first" program that reimburses a company for the cost of training a new employee. A rigorous training plan is put in place by the company which leads to employee retention in the job. The employee becomes a taxpayer by drawing a paycheck during training and beyond.
- **Oregon's National Career Readiness Certificate (NCRC)** which demonstrates that an individual has the foundational workplace skills necessary to succeed in the training plan and on the job, and provides the individual with a national portable credential for future career growth.

"The National Career Readiness Certificate helps validate critical foundation skills. It fits right into our model and overall training strategy."

**Jon Ostling, Employer
Training Manager
Cascade Steel Rolling Mills
McMinnville OR**

The Oregon Department of Community Colleges and Workforce Development (CCWD) oversees and manages the program from the state level and Oregon's seven Local Workforce Investment Boards operate the program locally.

A Workforce Challenge

In the fall of 2011, Oregon's unemployment rate was 9.3 percent. There were 30,400 job openings in Oregon and 175,100 Oregonians looking for work. That's nearly a six-to-one ratio of unemployed workers to job openings. At the same time, many companies indicated they had a hard time finding workers with the right skills.

Forty-three percent of OJT trainees were either receiving Unemployment Insurance or had exhausted their claim prior to being placed into a job.

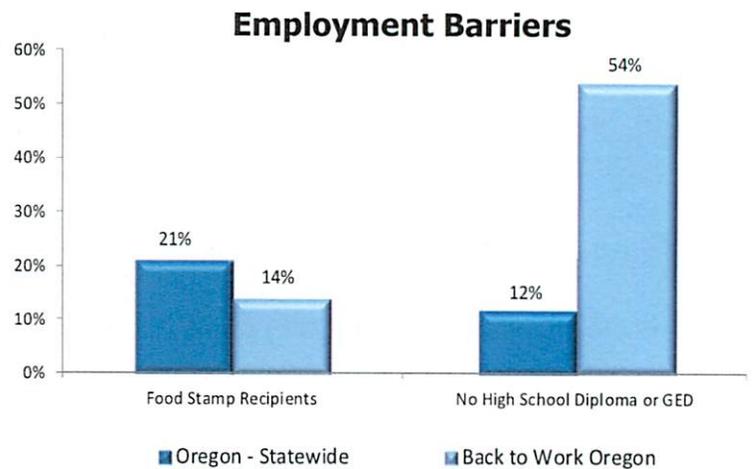
Back to Work Oregon was created to address these factors by helping companies find and train the right candidates more efficiently. The program offers an efficient way to move unemployed workers more quickly into jobs, earning paychecks and contributing to the economy.

Preliminary Results (July 2011 through August 2012):

- number of new trainees placed into jobs _____ 1,390
- percentage of OJT goal reached to-date _____ 107%
- number of businesses providing OJT openings _____ 509
- number of businesses preferring the NCRC in their hiring process _____ 403

Addressing Barriers to Employment

Participants in *Back to Work Oregon* were Oregonians who were at least 18 years of age and had been unemployed an average of 11 months. Forty-three percent of trainees entering the program were receiving unemployment benefits or had exhausted their claims. In addition, 14 percent of participants statewide were receiving food stamps with **some rural areas reporting as many as 34 percent of program participants receiving food stamps**. Clearly *Back to Work Oregon* has impacted the lives of those living with diminished incomes.



Source: U.S. Census 2011 and WorkSource Oregon Management Information System (WOMIS)

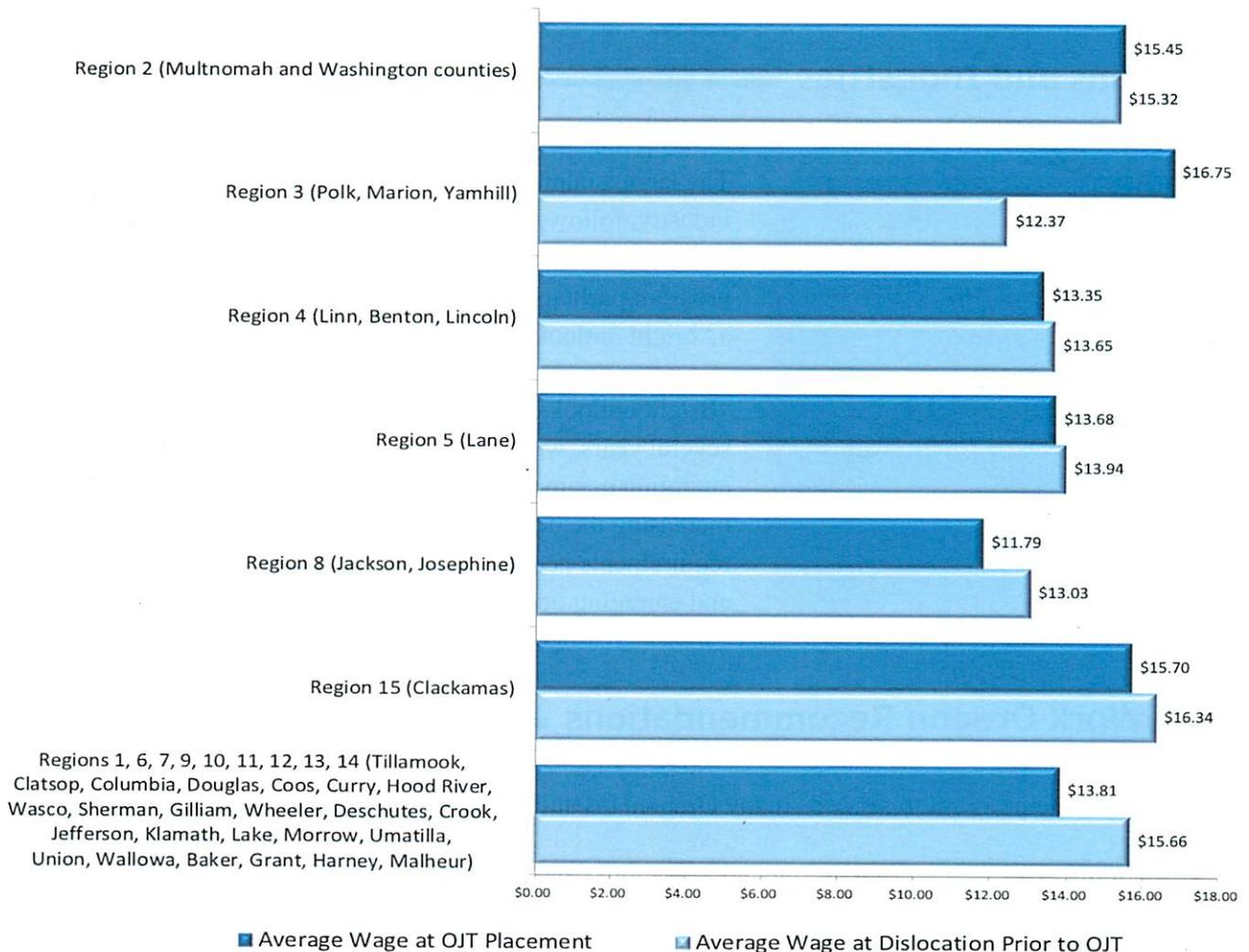
Back to Work Oregon was also quite effective at serving those with lower levels of educational attainment. In 2011, 12 percent of all Oregonians had less than a high school diploma or GED. In that same year **54 percent of those who received training through *Back to Work Oregon* did not have a high school diploma or GED**. Despite the lack of a credential to indicate a level of education completed, *Back to Work Oregon* participants had the opportunity to earn a National Career Readiness Certificate (NCRC) enabling them to document their employable skills in reading, math and problem solving.

Trainee Wages

When dislocated workers enter new jobs, they typically have to start over and as a result, start at a lower wage. For example, the average Dislocated Worker Wage Replacement rate from July 2010 through June 2011 was 80 percent, according to the Department of Community Colleges and Workforce Development. In contrast, *Back to Work Oregon* participants were able to start new jobs at 97 percent of their previous earnings. **Two of the seven workforce areas increased the average wage of trainees.** Those in rural areas of the state were able to replace almost 90 percent of their previous earnings despite the much more significant impact of the recession in these communities.

Back to Work Oregon participants were able, on average, to start new jobs at 97% of their previous earnings.

Average Wage at OJT Placement Total Statewide: \$14.36



Source: Local Workforce Investment Areas

As a strategy to meet the ongoing business demand for skilled employees, *Back to Work Oregon* has strengthened working relationships between businesses and the workforce system resulting in increased prosperity for workers, businesses and the public.

What does this mean for Oregon?

In 2011 the Oregon Legislature invested \$3.28 million in *Back to Work Oregon* (matched by Local Workforce Investment Boards). The return on this investment to date has been:

- 1,390 OJT participants earned an average wage of \$14.33/hour (about \$30,000 annually). In one year, this resulted in earnings of approximately \$41.7 million for *Back to Work Oregon* program participants.
- At Oregon's nine percent tax rate, this would result in an estimated \$3.8 million in additional tax revenue in a single year.
- *Back to Work Oregon* also reduced reliance on public assistance and Unemployment Insurance.

"The NCRC takes a lot of the mystery out of selecting candidates. I can feel comfortable that they are at a certain level of ability and I only interviewed those who had the NCRC certificate or indicated that they were willing to take it."

**Mike Campbell, Employer
A-1 Coupling and Hose
Tualatin, OR**

Occupations and Industries

"Back to Work Oregon has helped us find the right workers, with the right attitudes to fit our work culture, for the right positions with our company!"

**Steve Cary, Employer
Vice President
Feeney Wireless
Eugene OR**

The largest number of participants were hired into the manufacturing industry, followed by professional business services, financial services, trade, transportation, and utilities. Of the top 30 occupations program participants entered, 14 are categorized nationally as having a "bright outlook" and 11 are categorized as "green" occupations.

"Bright outlook occupations are expected to grow rapidly in the next several years, will have large numbers of job openings, or are new and emerging occupations. Green economy activities and technologies are increasing the demand for occupations, shaping the work and worker requirements needed for occupational performance, or generating new and emerging occupations." (Source: O*NET OnLine)

Back to Work Oregon Recommendations

- Expand the program to serve as many Oregonians and businesses as possible.
- Continue to evaluate program outcomes as more data becomes available

**For additional information please contact:
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