



The Search for Qualified Workers: Ironies of a Jobs and People Shortage

State Board of Education

June 20, 2013

Graham Slater

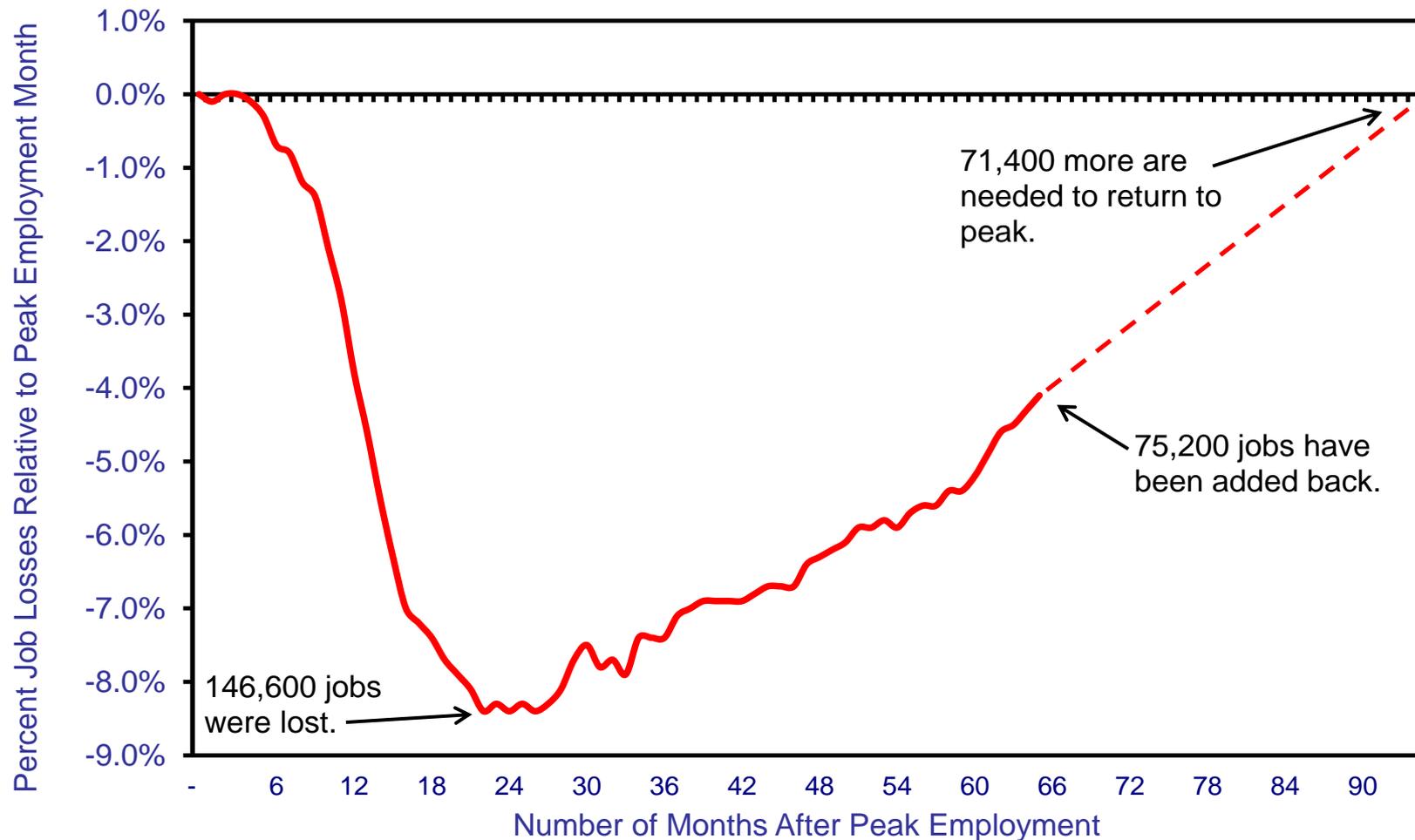
Three Key Workforce Trends

1. The Great Recession was deep, its effects are lingering, job growth is steady (but not dramatic). *Not enough jobs.*
2. Oregon's labor force is declining. That's very unusual. *Not enough people.*
3. Some businesses can't find the workers they need. *Not enough "qualified" people. (?)*

The Great Recession was Deep and Lingering

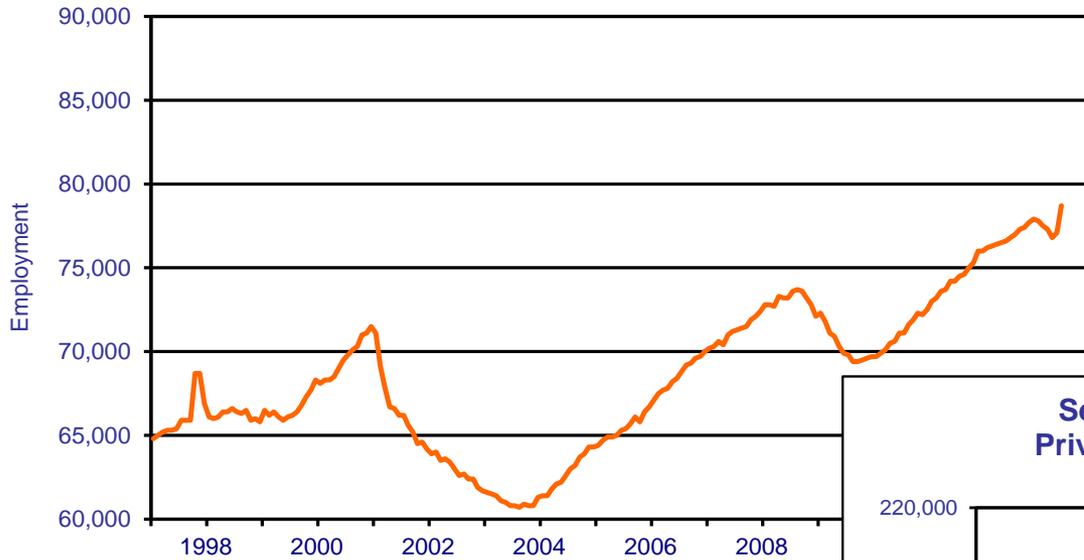
Four years into “recovery”, we’ve added back fewer than half of the jobs lost in the recession.

Percent of Job Losses in Oregon Since Peak in December 2007

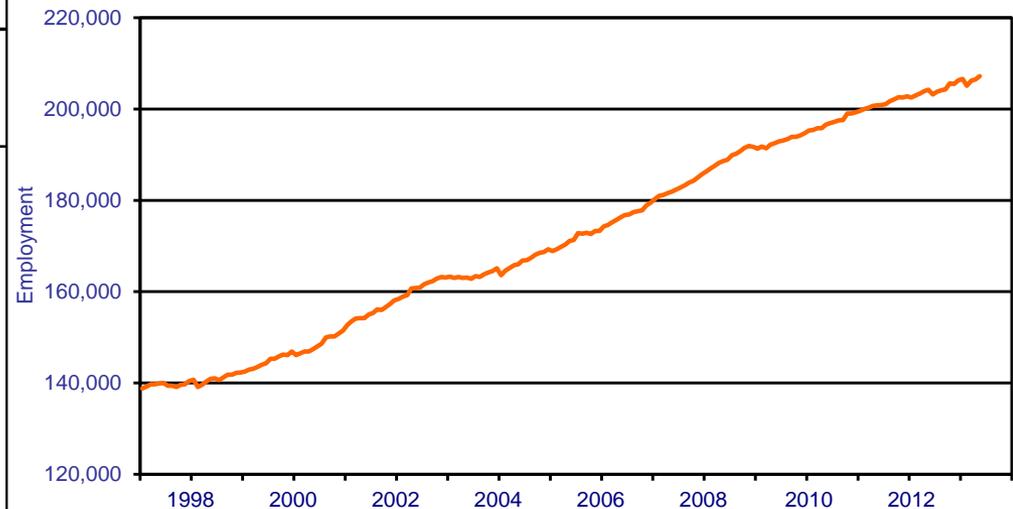


Some industries are actually doing quite well.

**Seasonally Adjusted Employment in Oregon
Professional and Technical Services: 1997 - 2013**

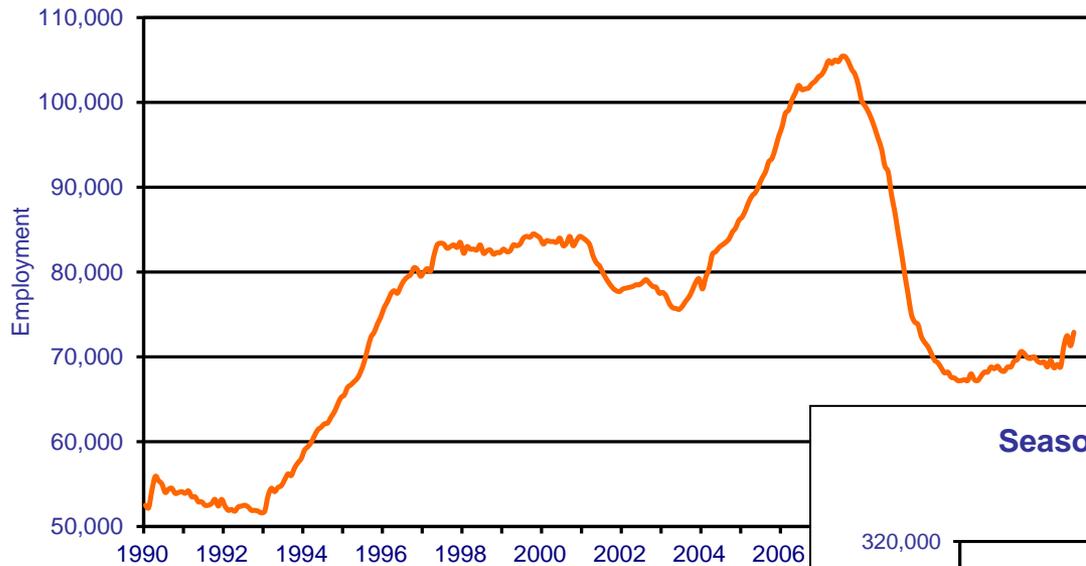


**Seasonally Adjusted Employment in Oregon
Private Health and Social Services: 1997 - 2013**

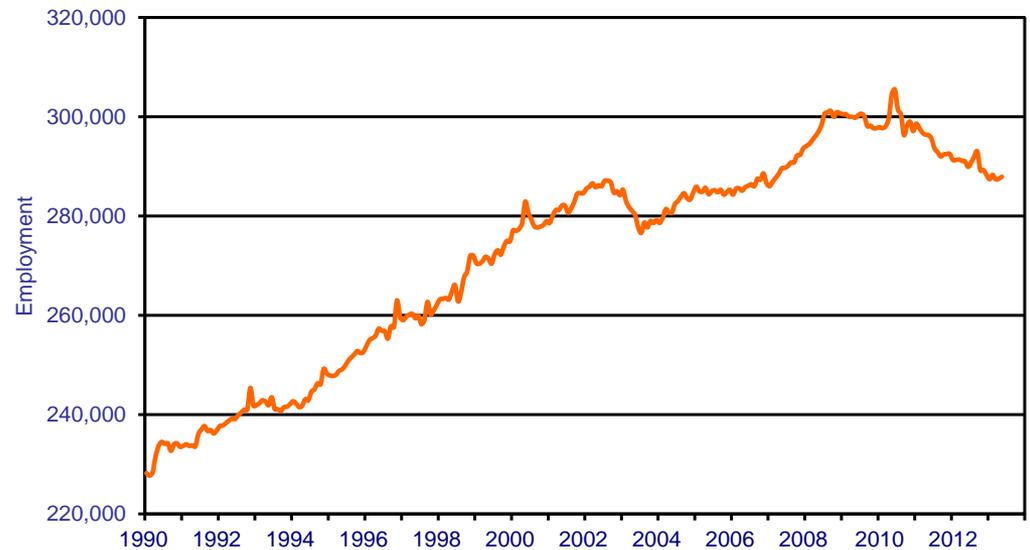


Other sectors are not doing so well.

**Seasonally Adjusted Employment in Oregon
Construction: 1990 - 2013**

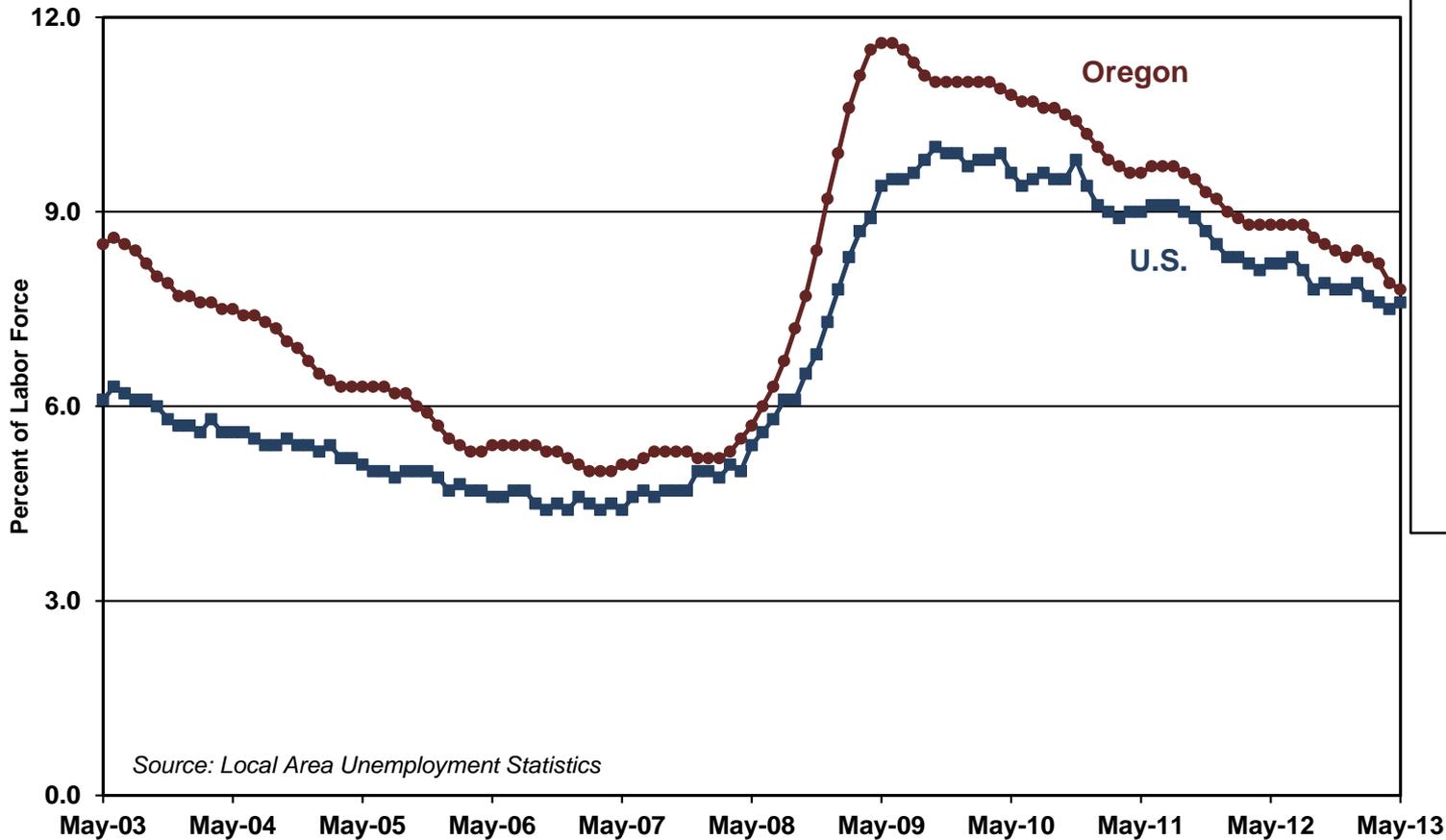


**Seasonally Adjusted Employment in Oregon
Government: 1990 - 2013**



Oregon's unemployment rate has fallen nearly 4 percentage points since the peak of 11.6% in 2009.

Seasonally Adjusted Unemployment Rates, Oregon and U.S.
2003 to Present



**Oregon's May
Unemployment
Rate**

In 2011: 9.6%

In 2012: 8.8%

In 2013: 7.8%

Five Key Facts from Tuesday's News Release

- * Oregon's Unemployment rate fell to 7.8 percent
 - Lowest rate since October 2008 (7.7 percent)
- * Oregon's difference from the U.S. rate of 7.6 percent is the smallest since March 2008.
- * Nonfarm payrolls added 3,800 jobs in May
- * Payroll employment has risen for eight months in a row
- * Labor force participation rate was 61.8 percent
 - Record low since series began in 1976

Oregon's Labor Force is Declining

Oregon's Falling Labor Force Participation:

A Story of Baby Boomers, Youth, and the Great Recession



New Report Available Online

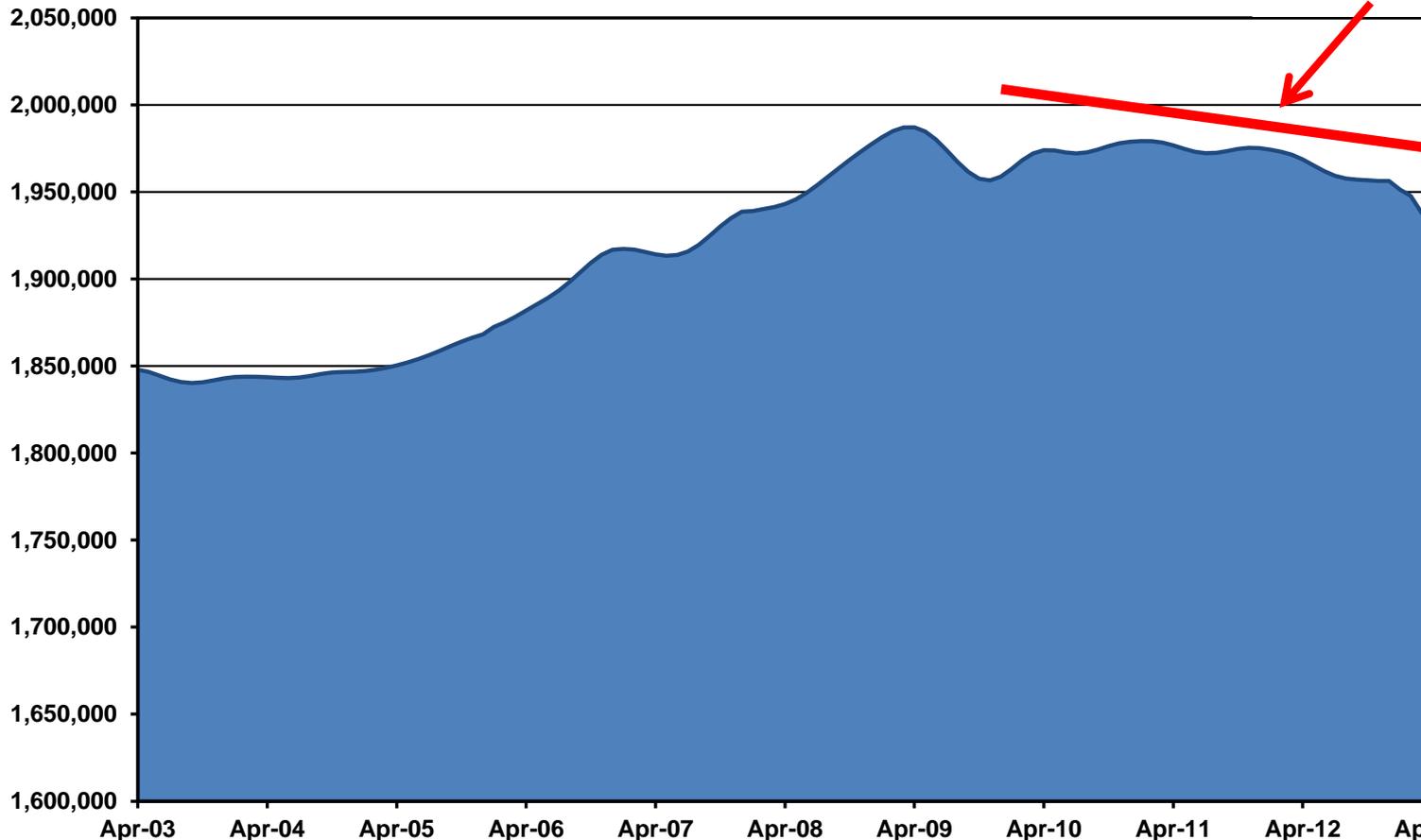
www.QualityInfo.org/pubs/lfpr.pdf



This is perhaps the biggest single trend impacting Oregon's economy right now. It's one we knew was coming ...

- Retirements
- Low teen participation
- Slow population and job growth

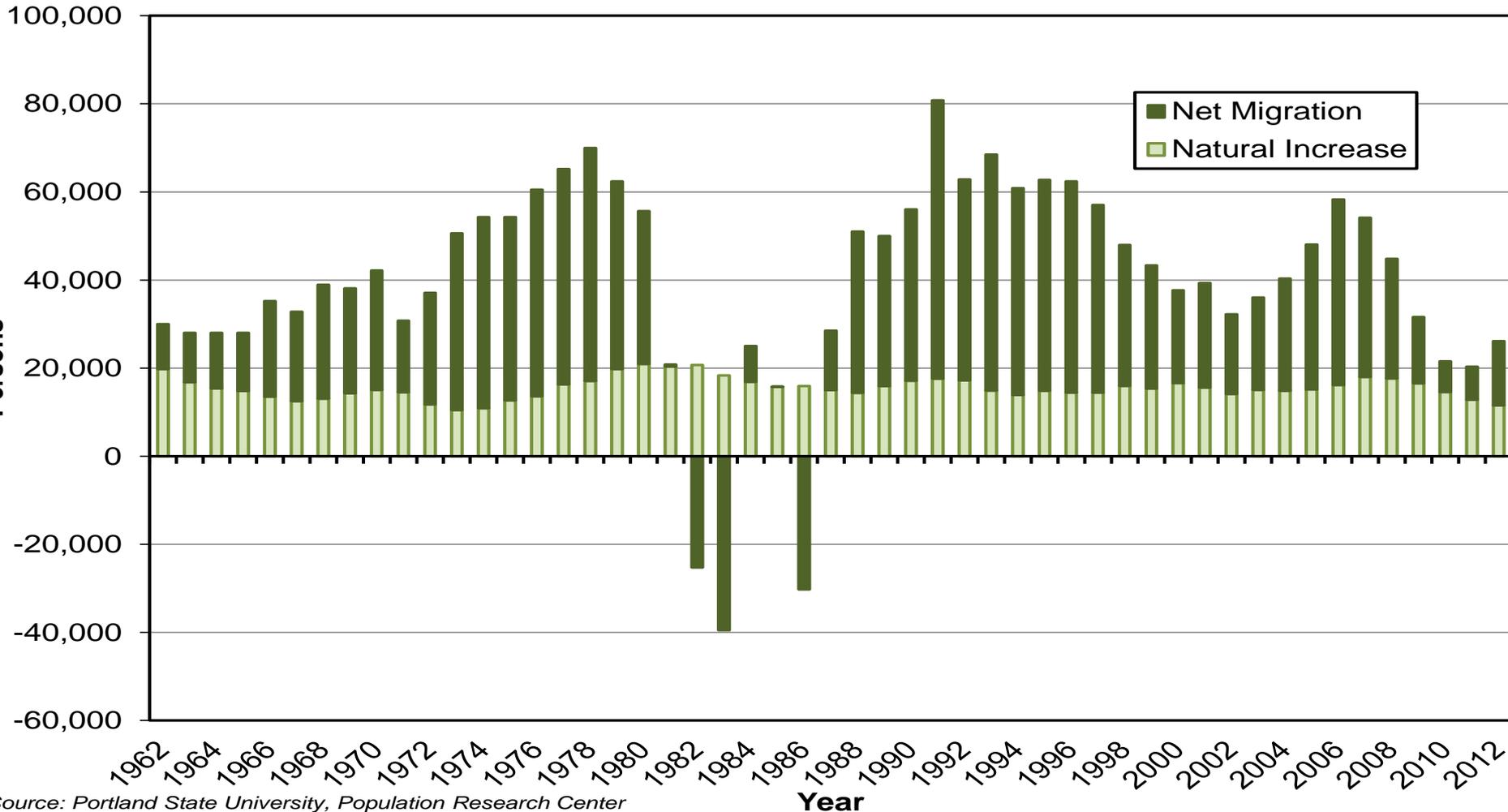
Oregon Civilian Labor Force, Seasonally Adjusted
2003 to Present



Source: Local Area Unemployment Statistics

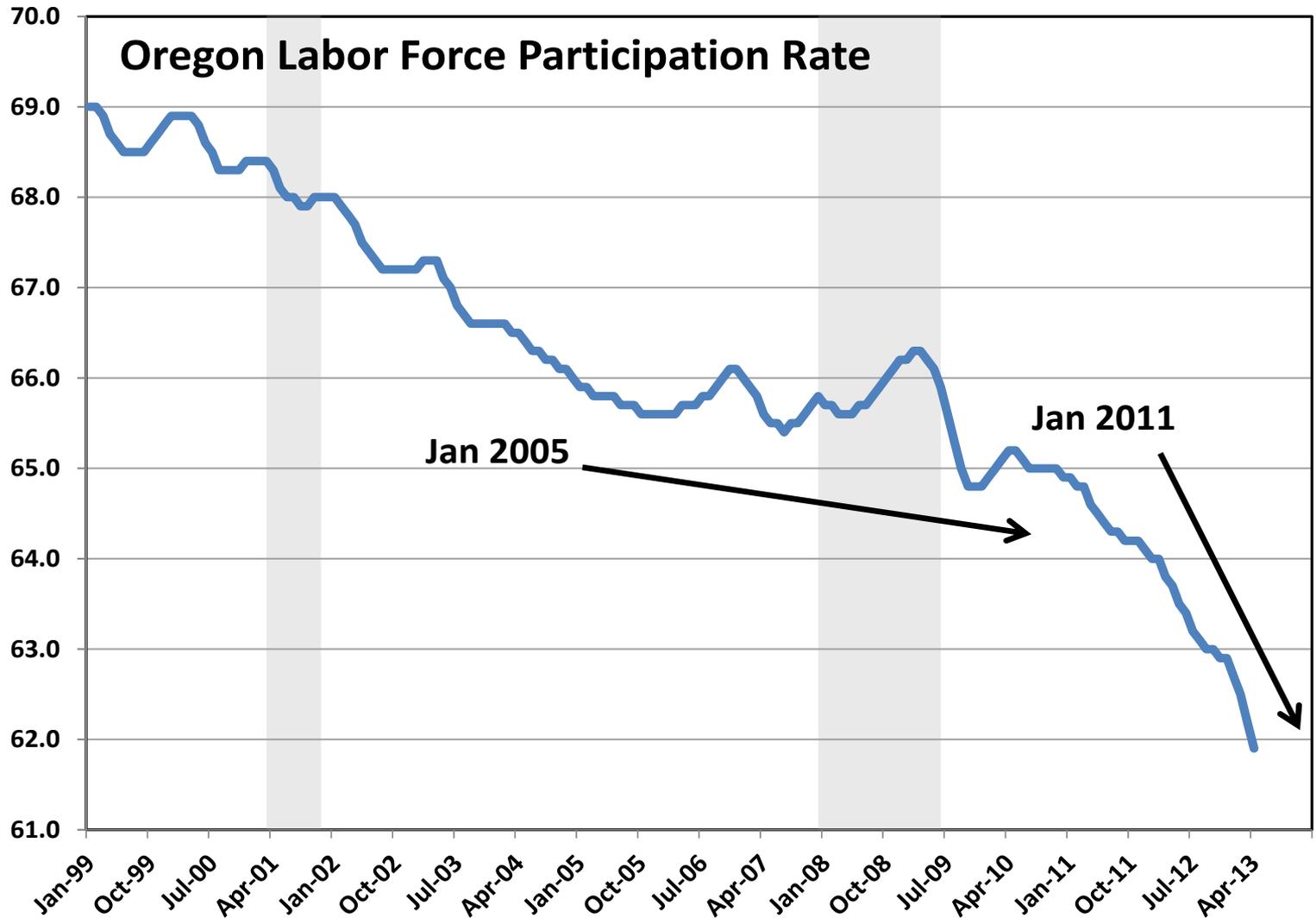
Net migration into Oregon has slowed ... a lot. This has implications for labor force growth, labor force supply, and demand for products and services.

Components of Oregon's Annual Population Change



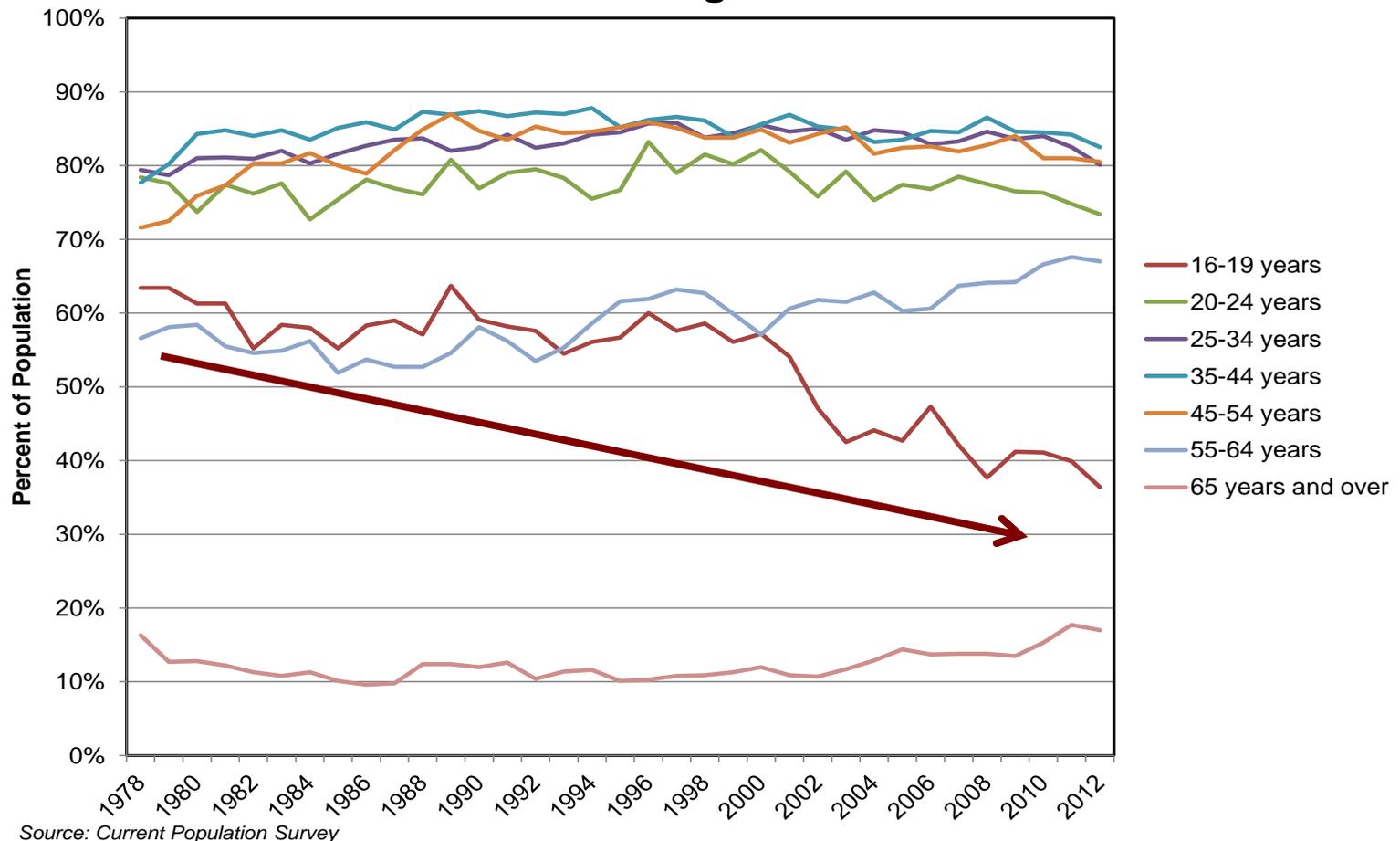
Source: Portland State University, Population Research Center

And for those who are living here, Oregon's labor force participation rate has fallen dramatically in the last few years.



Retiring older workers and decreasing participation by young people are big reasons.

Labor Force Participation Rates by Age Group Oregon



Source: Current Population Survey

Trying to Understand Businesses' Need for Workers

1. Job growth has been sluggish ... so businesses don't need as many workers.
2. Oregon had about 31,000 private-sector vacancies in the fall of 2012, at a time when there were 160,000 unemployed.
 - * (That number was down to about 23,000 in the winter.)
3. And yet ... some businesses say they can't find “qualified workers” for the openings they do have.

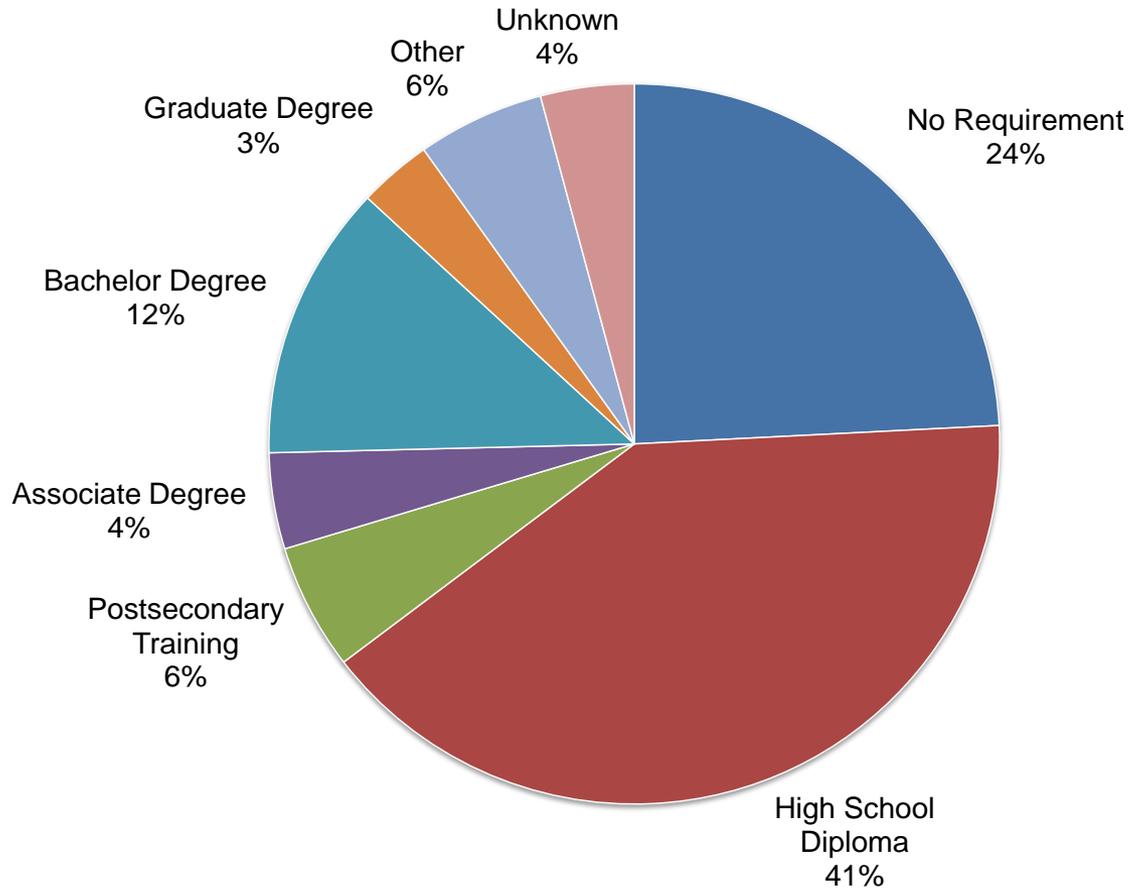
Overall, vacancies were reported in 421 occupations.

Top 25 Occupations in Oregon With the Highest Number of Job Vacancies, Fall 2012

Occupation	Vacancies	Full-time Positions	Permanent Positions
All Occupations	31,230	74%	82%
Heavy and Tractor-Trailer Truck Drivers	1,461	93%	99%
Personal Care Aides	1,210	51%	98%
Customer Service Representatives	1,095	90%	68%
Retail Salespersons	1,058	47%	43%
Automotive Service Technicians and Mechanics	762	98%	100%
Construction Laborers	717	100%	65%
Registered Nurses	651	68%	96%
Nursing Assistants	640	60%	98%
Cashiers	536	27%	40%
Computer User Support Specialists	490	99%	99%
Amusement and Recreation Attendants	488	51%	0%
Preschool Teachers, Except Special Education	462	18%	92%
Stock Clerks and Order Fillers	428	75%	36%
Receptionists and Information Clerks	412	71%	86%
Sales Representatives, Wholesale and Manufacturing, Except Technicians	402	98%	100%
Hairdressers, Hairstylists, and Cosmetologists	380	100%	100%
Bus Drivers, School or Special Client	380	1%	88%
Physical Therapists	325	77%	100%
Laborers and Freight, Stock, and Material Movers, Hand	323	66%	58%
Teacher Assistants	264	19%	87%
Counter and Rental Clerks	261	43%	12%
Secretaries and Administrative Assistants, Except Legal, Medical, and Executive	249	99%	100%
Production Workers, All Other	247	96%	81%
Accountants and Auditors	246	80%	81%
Home Health Aides	245	87%	100%

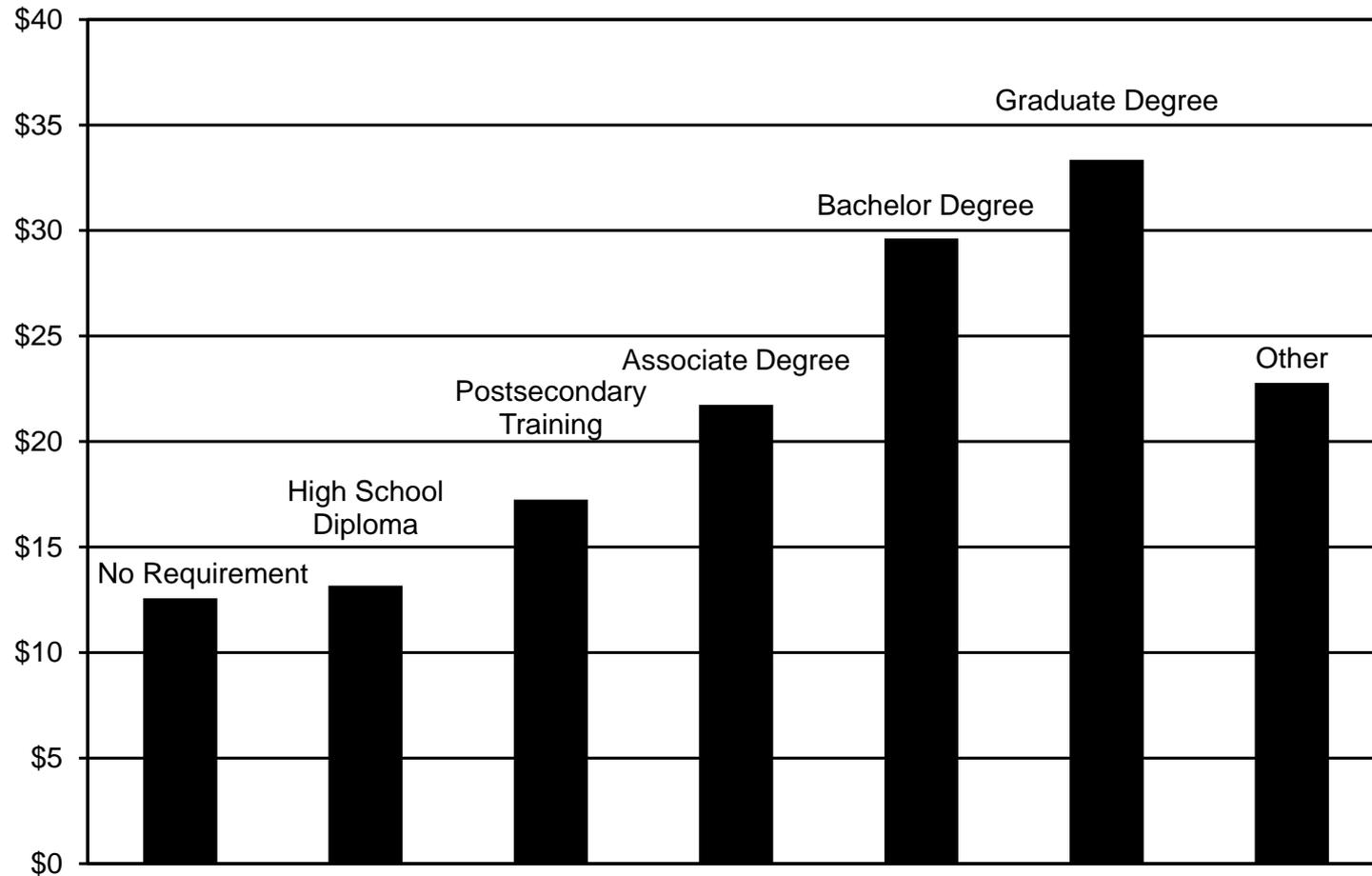
More than 60 percent of vacancies don't require education beyond high school...

**Oregon Job Vacancies by Educational Requirement,
Fall 2012**



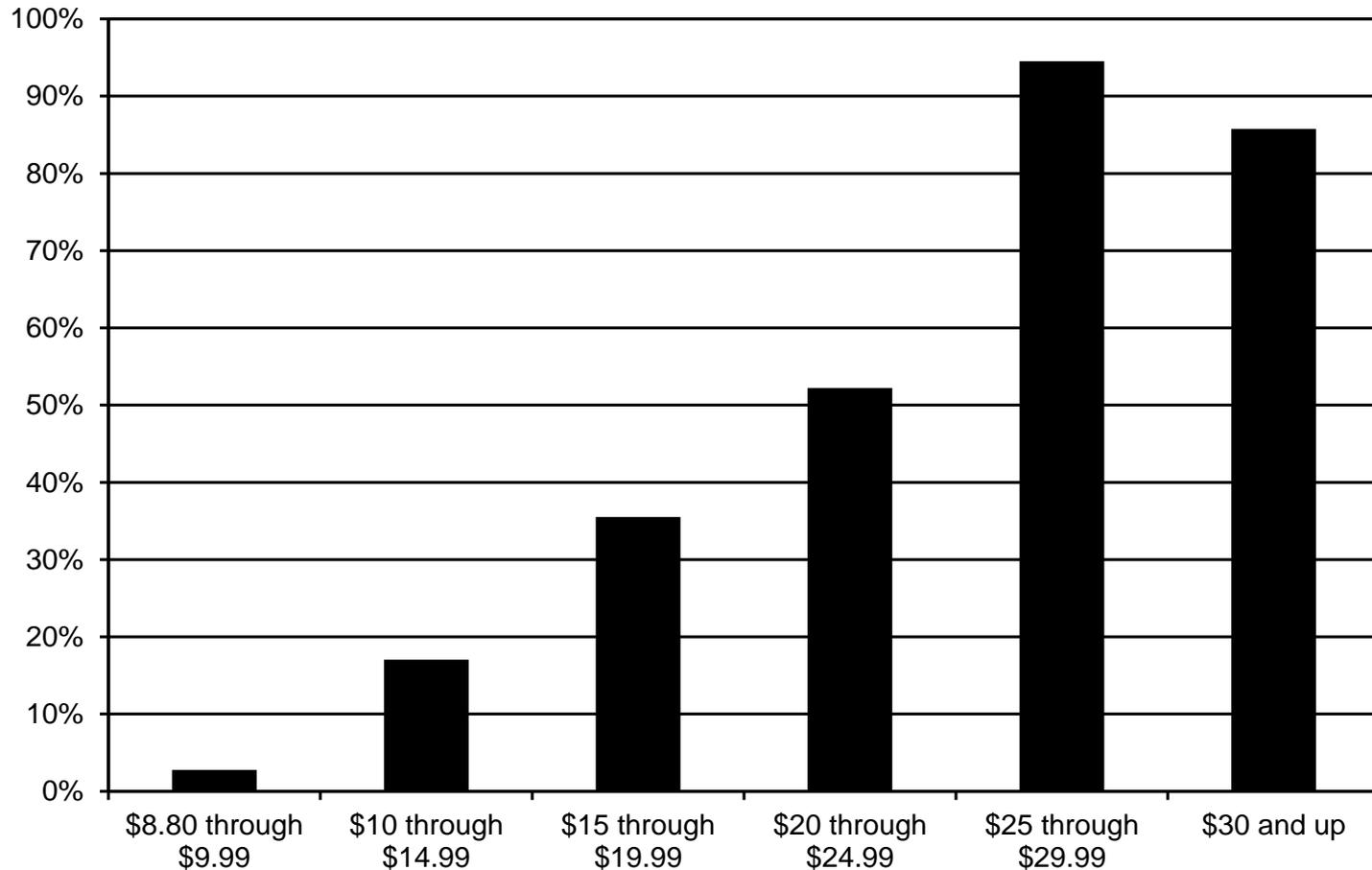
... but wages are higher for vacancies that require more education...

Average Hourly Wage for Oregon Job Vacancies, by Educational Requirement, Fall 2012



... and high-paying vacancies are more likely to require education beyond high school.

Share of Oregon Job Vacancies Requiring Education Beyond High School by Hourly Wage Range, Fall 2012



Vacancies requiring higher education are more likely to be high-paying, full-time, and permanent.

Oregon Job Vacancies by Required Education Level, Fall 2012

Required Education Level	Vacancies	Average Hourly Wage	Full-time Positions	Permanent Positions	Requiring Previous Experience	Difficult to Fill
All Education Levels	31,230	\$17.92	74%	82%	68%	44%
No Requirement	7,552	\$12.58	73%	79%	55%	42%
High School Diploma	12,635	\$13.17	68%	75%	61%	38%
Postsecondary Training	1,766	\$17.25	75%	89%	83%	59%
Associate Degree	1,347	\$21.74	76%	99%	88%	47%
Bachelor Degree	3,861	\$29.62	92%	96%	91%	40%
Graduate Degree	1,016	\$33.35	90%	99%	69%	72%
Other	1,760	\$22.78	83%	95%	88%	82%
Unknown	1,292	\$12.64	63%	62%	78%	40%

Because we hear so much about businesses' difficulty finding qualified workers, we asked a new question on the 2012 Oregon Job Vacancy Survey...

- * “Is this position difficult to fill? If so, please briefly tell us the most important reason why.”
- * Employers had A LOT to say on the topic.
- * More than two-fifths (44%) of Oregon’s job vacancies in fall 2012 were reported as “difficult to fill” – totaling 13,808 positions.

How do difficult-to-fill vacancies differ from other vacancies?

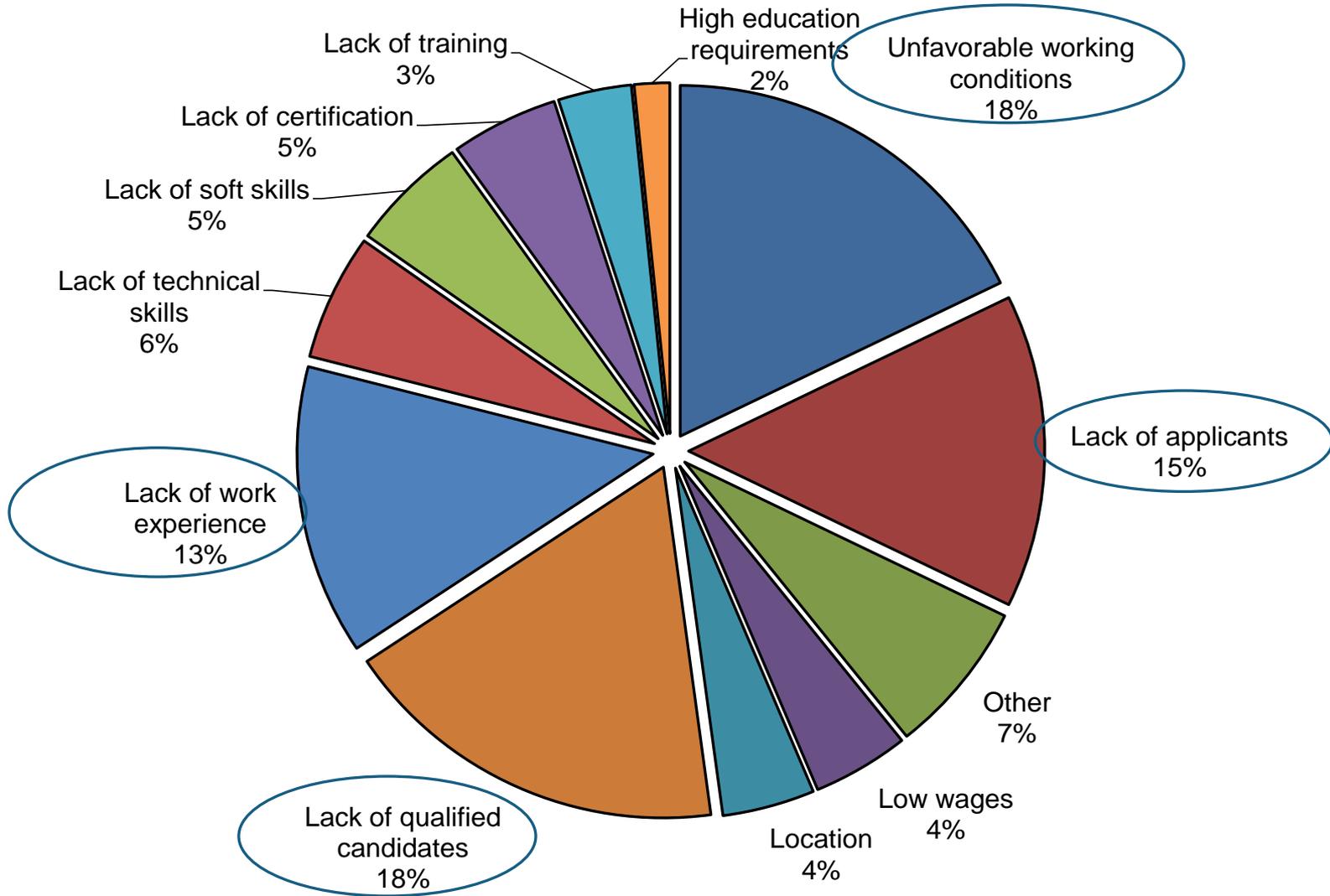
- * More likely to require education beyond high school
- * Much more likely to require previous work experience
- * Higher wages, on average, for difficult-to-fill vacancies

Oregon Job Vacancies by Difficult to Fill Status, Fall 2012

	Vacancies	Average Hourly Wage	Full-time Positions	Permanent Positions	Requiring Education Beyond High School	Requiring Previous Experience
All Vacancies	31,230	\$17.92	74%	82%	28%	68%
Difficult to Fill	13,808	\$20.91	75%	87%	33%	79%
Not Difficult to Fill	17,422	\$15.50	73%	77%	25%	59%

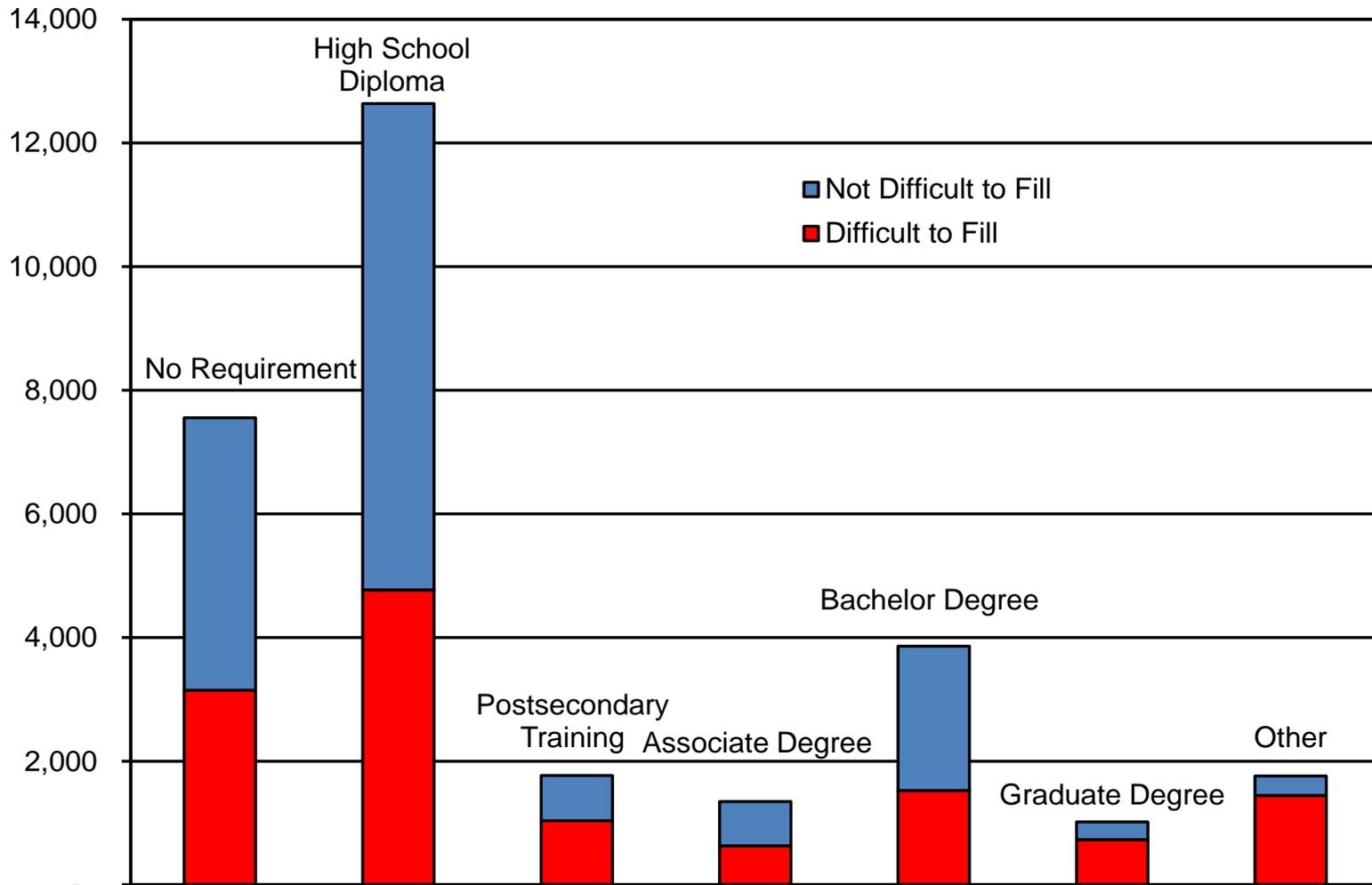
Why are some vacancies difficult to fill?

Reasons Provided for Difficult-to-Fill Vacancies



Employers have particular trouble filling vacancies at the postsecondary training and graduate degree levels.

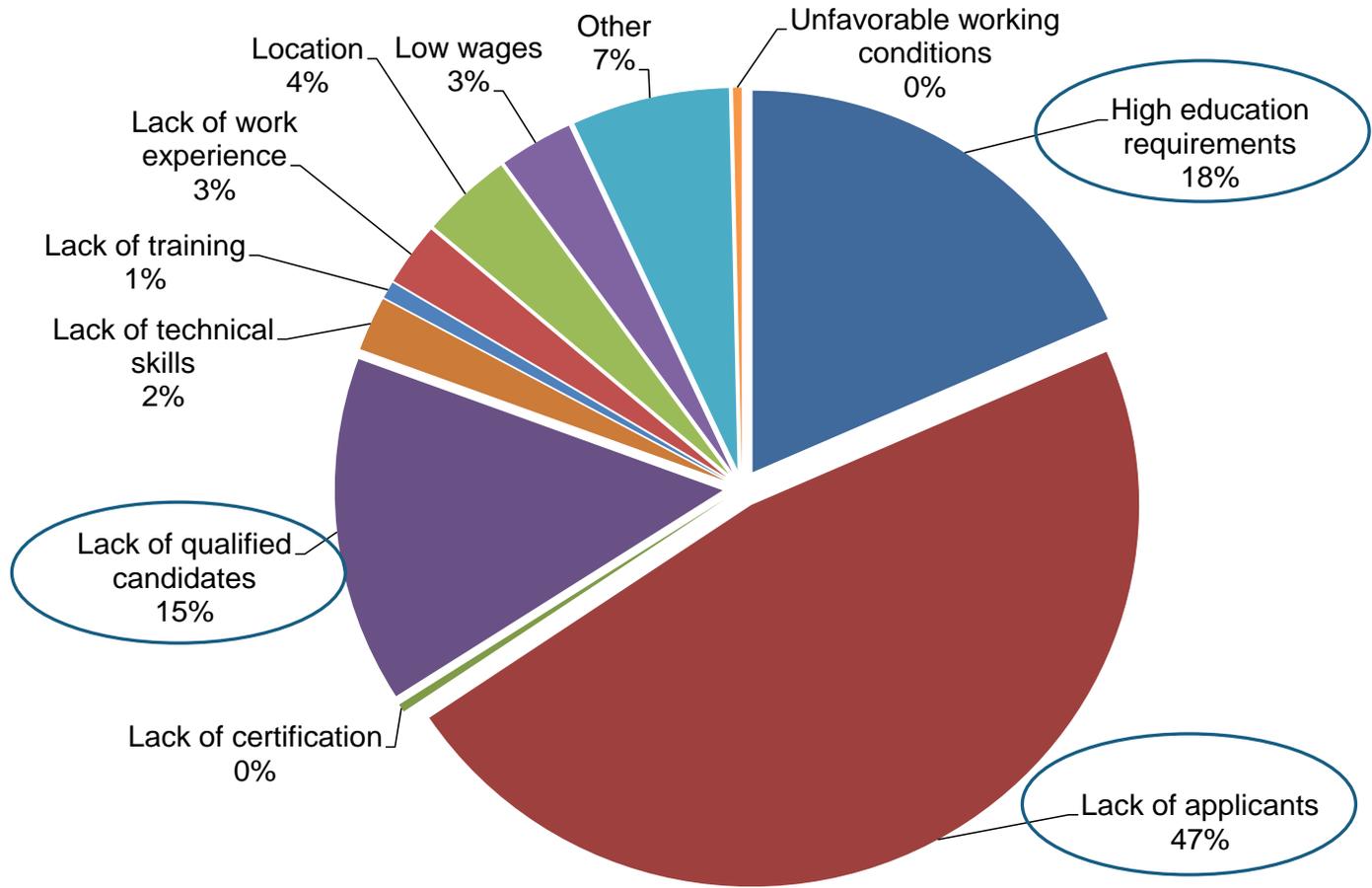
Oregon Job Vacancies by Education Level, Fall 2012



For graduate degree vacancies, employers struggle to find applicants.

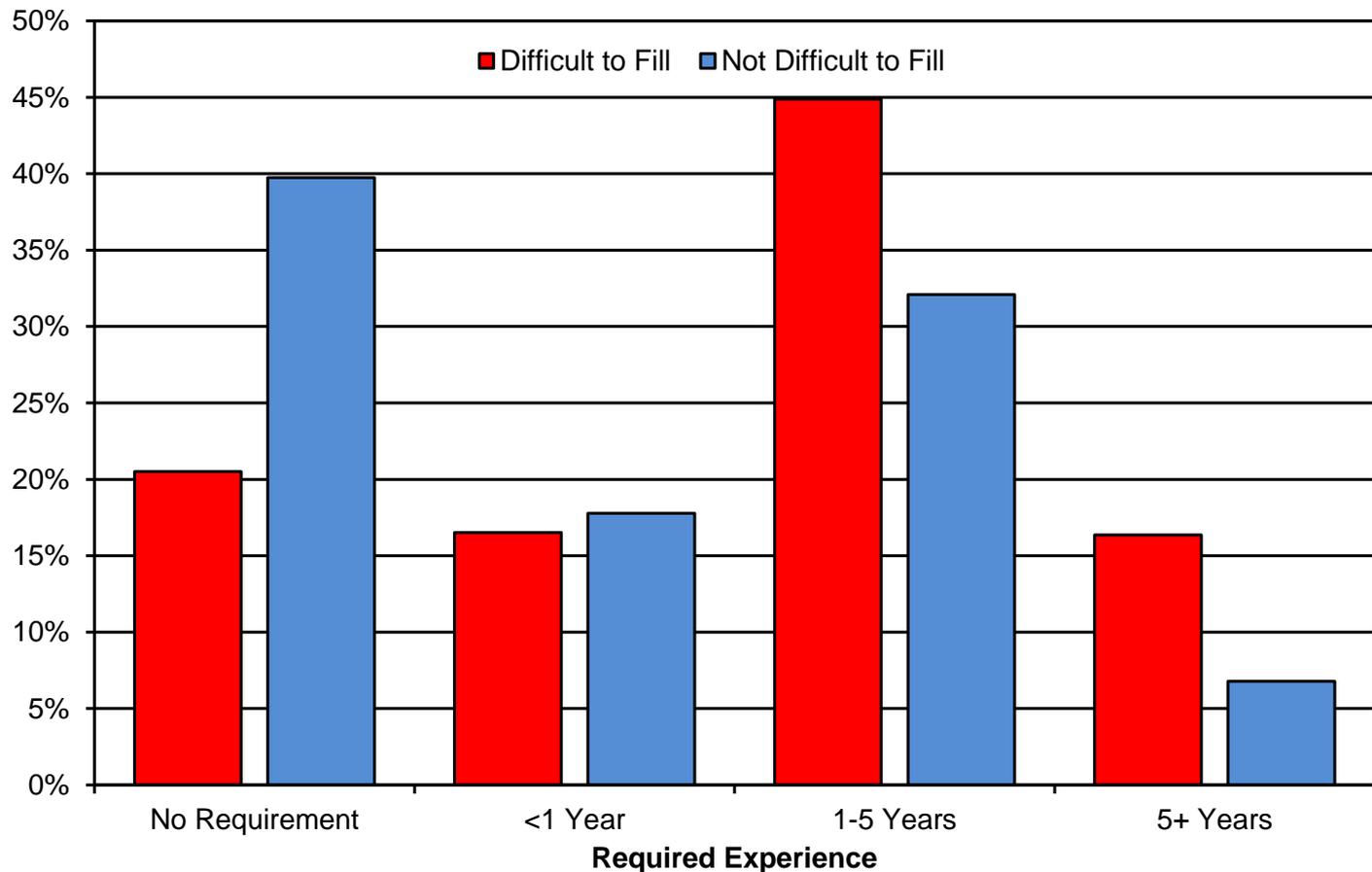
Reasons for Difficult-to-Fill Vacancies at the Graduate Degree Level

Three reasons account for 80% of responses for graduate level vacancies.



Difficult-to-fill vacancies are more likely to require previous work experience...

Oregon Job Vacancies by Years of Required Experience, Fall 2012



...and the length of experience required tends to be longer for difficult-to-fill positions.

Dr. Peter Cappelli, at Wharton's Center for Human Resources, thinks perhaps businesses are being too picky ...

- * “With an abundance of workers to choose from, employers are demanding more of job candidates ...”
- * “... to get a job, you have to have that job already.”
- * “... drop the idea of finding perfect candidates and look for people who *could* do the job with a bit of training and practice.”
- * “Some of the complaints ... boil down to ... employers can't get candidates to accept jobs at the wages offered.”
- * “There are plenty of people out there who *could* step into the jobs being offered.”
- * The way forward:
 - * Work with education providers
 - * Bring back aspects of apprenticeship (pay less while mastering the craft)
 - * Promote from within
 - * Organize work to give employees opportunities to learn new skills

Graham Slater, Research Administrator

Oregon Employment Department

Graham.J.Slater@state.or.us

(503) 947-1212

To find this presentation online, go to

www.QualityInfo.org

and use the search box to look up my name

Join the conversation:

OregonEmployment.blogspot.com

Twitter @OrEmployment

Top 25 Occupations in Oregon
With the Highest Number of Vacancies Reported as Difficult to Fill, Fall 2012

These 25 occupations accounted for almost half (46%) of the total difficult-to-fill vacancies.

Occupation	Vacancies	Difficult to Fill	Share of Total
All Occupations	31,230	13,808	44%
Heavy and Tractor-Trailer Truck Drivers	1,461	649	44%
Retail Salespersons	1,058	417	39%
Nursing Assistants	640	416	65%
Automotive Service Technicians and Mechanics	762	391	51%
Hairdressers, Hairstylists, and Cosmetologists	380	345	91%
Bus Drivers, School or Special Client	380	337	89%
Preschool Teachers, Except Special Education	462	330	72%
Physical Therapists	325	316	97%
Construction Laborers	717	309	43%
Registered Nurses	651	301	46%
Teacher Assistants	264	247	94%
Personal Care Aides	1,210	238	20%
Welders, Cutters, Solderers, and Brazers	241	209	87%
Sales Representatives, Wholesale and Manufacturing, Except Technical and Scientific Products	402	207	52%
Bus and Truck Mechanics and Diesel Engine Specialists	182	175	96%
Production Workers, All Other	247	172	70%
Computer-Controlled Machine Tool Operators, Metal and Plastic	193	165	86%
Graders and Sorters, Agricultural Products	164	164	100%
Light Truck or Delivery Services Drivers	199	156	78%
Packaging and Filling Machine Operators and Tenders	169	145	86%
Customer Service Representatives	1,095	137	13%
Software Developers, Applications	186	131	70%
Massage Therapists	159	122	77%
Fence Erectors	114	114	100%
Insurance Sales Agents	126	113	90%

Reasons for Difficult-to-Fill Vacancies Vary by Required Education Level

