# 2026 Oregon Talent Assessment: Executive Summary

## Introduction and Context

The 2026 Oregon Talent Assessment comes at a critical moment for Oregon's workforce and economy. Job growth is expected to slow over the next decade, demographic change is reshaping labor supply, and new technologies are changing how work gets done. At the same time, employers across sectors continue to report difficulty finding and retaining workers with the skills they need.

These pressures make workforce planning more urgent and more complex. Oregon's population is aging, increasing demand for health care, caregiving, and other services while accelerating retirements in key occupations. Industry sectors across Oregon face different but related challenges. Some need more workers with technical credentials, while others seek better worker retention or clearer pathways from training into employment.

The Assessment creates a flexible, repeatable methodology for identifying in-demand sectors and priority occupations. The work offers a shared foundation for state, regional, education, workforce, and employer partners to focus investments, strengthen alignment, and help more Oregonians access stable, advancing careers. It also provides a starting point for supporting Workforce Pell implementation, which will require Oregon to identify in-demand sectors and high-skill, high-wage, in-demand occupations on a recurring basis.

## Methodology

The Assessment uses a multi-step methodology to identify in-demand sectors, priority occupations, and potential gaps between workforce demand and training supply. The methodology was designed to be transparent, repeatable, and flexible, for ongoing improvement in future biennial Assessments.

The work began with a review of national and state approaches to identifying priority industries and occupations. These approaches typically use multiple indicators, including industry size, concentration, wages, recent and projected growth, projected openings, and employer validation. The scan confirmed that Oregon should avoid relying on a single measure: industry sectors and occupations may matter because they support traded-sector growth, provide essential services, anchor regional economies, create access to good jobs, or play a critical role in supporting an in-demand sector.

The Assessment's methodology identifies in-demand sectors by synthesizing existing state and regional priority-sector lists, including sources from Business Oregon, Future Ready Oregon, Oregon Workforce Partnership, regional comprehensive economic development strategies, regional workforce boards, and prior Talent Assessments. The following step uses sector definitions and available data, including statewide and regional location quotients, to assess whether the list is reasonable and comprehensive.

The methodology identifies priority occupations using five criteria: in-demand, high-skill, high-wage, growth potential, and industry-critical. The priority occupation list includes occupations that meet the demand and skill criteria and either the wage or growth-potential criteria, plus occupations identified as industry-critical. The methodology also applies an equity and regional lens, using data from the Oregon Employment Department, the U.S. Census American Community Survey, the U.S. Bureau of Labor Statistics, the National Center for Education Statistics, federal apprenticeship data, and interviews with employers and workforce partners to validate findings and identify issues not fully visible in public data.

## In-Demand Sectors

The Assessment identifies 15 in-demand sectors that reflect state and regional economic development priorities, essential services, and areas of workforce need (see Exhibit ES-1). Together, these sectors account for a large share of Oregon employment and include traded sectors, such as advanced manufacturing and high tech; essential service sectors, such as health care and the care economy; and broad, cross-cutting sectors, such as clean energy and tourism.

**Exhibit ES-1: Oregon Talent Assessment in-demand sectors**

| Industry Sector | Employment | Establishments | LQ |
|---|---|---|---|
| Healthcare | 177,435 | 10,783 | 0.9 |
| Social Assistance / Care Economy | 146,654 | 15,040 | 1.4 |
| High Tech / Software / IT | 121,583 | 12,696 | 1.1 |
| Construction | 120,221 | 19,046 | 1.2 |
| Business Services | 72,337 | 9,383 | 1.1 |
| Forestry & Wood Products | 49,321 | 2,289 | 3.1 |
| Food & Beverages | 40,172 | 2,055 | 1.3 |
| Advanced Manufacturing | 35,826 | 2,285 | 0.7 |
| Design & Media | 33,219 | 6,265 | 1.0 |
| Agriculture | 42,088 | 4,097 | 2.8 |
| Bioscience | 22,787 | 2,446 | 0.7 |
| Outdoor Gear & Apparel | 8,909 | 678 | 1.2 |
| Tourism | 304,286 | 22,566 | 1.0 |
| Clean Energy / Climate Tech | 194,102 | 22,011 | 1.1 |
| Maritime / Blue Economy | 196,226 | 13,901 | 0.9 |
| *Total (No Duplicates)* | 1,225,318 | 113,509 | 1.1 |
| *Oregon Employment* | *1,952,615* | *189,671* | *1.0* |

Notes: LQ = location quotient. Data sources: BLS; OED QCEW 2024

The sector list is intentionally broad because Oregon's critical workforce needs extend beyond high-wage, high-growth industries. They also appear in sectors that support labor force participation, regional resilience, and community well-being. For example, childcare has its own staffing challenges and enables parents and caregivers to work. Construction

supports housing production, infrastructure, clean energy implementation, and other statewide priorities.

The Assessment also highlights the need for clearer and more-consistent sector definitions. Agencies and regional partners often use similar sector names but define them differently, which can complicate statewide planning. This challenge is especially important for broad sectors such as tourism, clean energy / climate tech, and maritime / blue economy, which do not map neatly onto standard industry codes.

Location quotients help validate the sector list by comparing Oregon's employment concentration in a sector with the national concentration. Some sectors, such as forestry and wood products, have high statewide concentration. Others, such as advanced manufacturing, include subsectors that are highly concentrated or regionally important even if the broader sector has a lower statewide concentration. These patterns illustrate why statewide strategies need to account for regional variation. Demographic differences across sectors should also inform outreach, training design, supportive services, and employer practices.

## Priority Occupations

The Assessment identifies priority occupations to help Oregon focus workforce investments on roles that support economic growth and individual opportunity. The list based on the applied criteria includes 209 occupations that account for about 44 percent of current employment and one-third of projected annual openings (see Exhibit ES-2).

**Exhibit ES-2: Count and characteristics of priority occupations, by criterion, Oregon**

| CRITERIA | NUMBER OF OCCUPATIONS MEETING | NUMBER OF OPENINGS | SHARE OF TOTAL ANNUAL OPENINGS |
|---|---|---|---|
| A. In demand | 402 | 243,484 | 96% |
| B. High skill | 483 | 108,082 | 42% |
| C. High wage | 458 | 88,517 | 34% |
| D. Growth potential | 314 | 66,743 | 26% |
| (C) or (D) | 482 | 95,254 | 37% |
| E. Industry-critical | 11 | 5,609 | 2% |
| **All criteria (deduplicated)** | **209** | **84,172** | **33%** |

Data source: OED 2024-2034 occupational projections and reference assignments

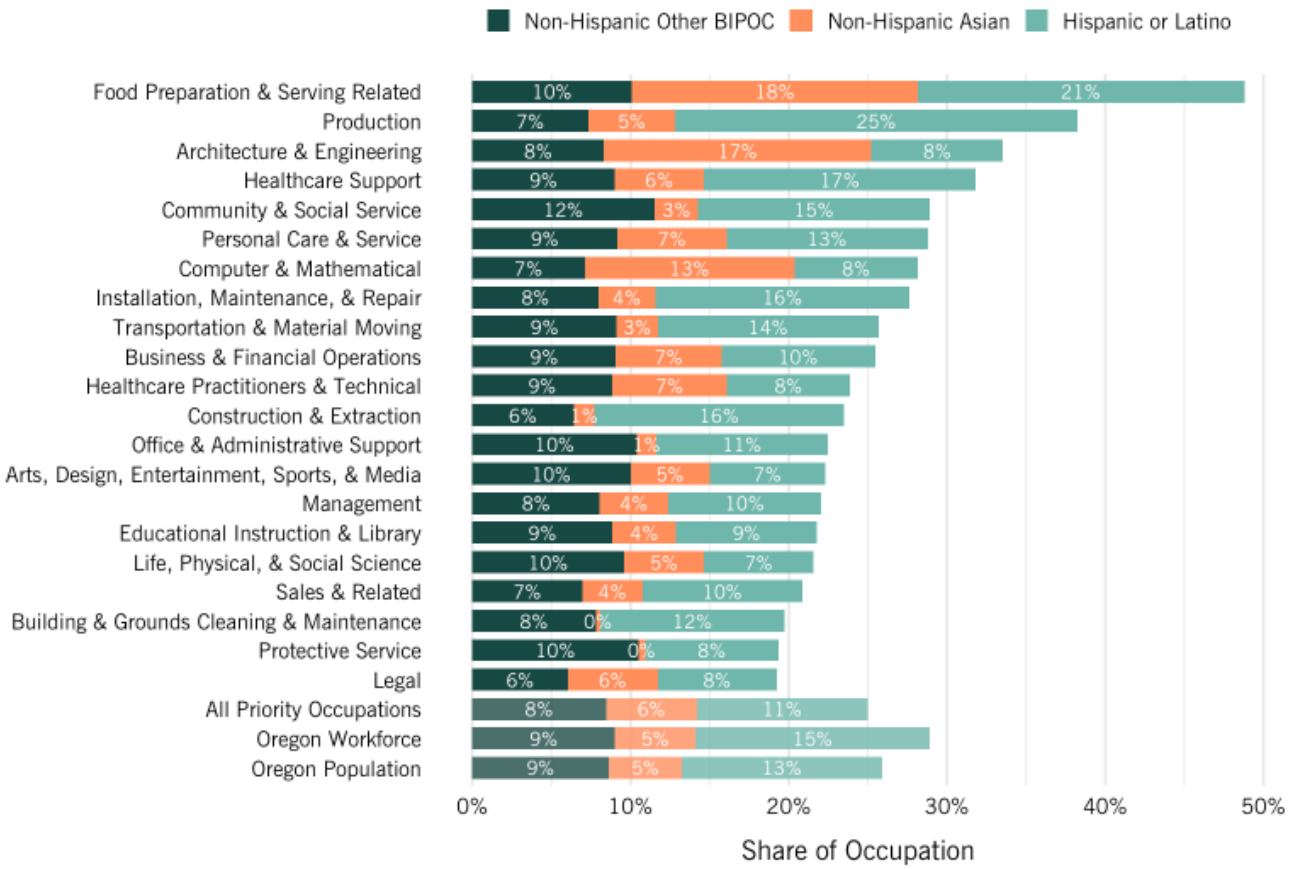
The list is broad by design. It is not a final ranking, but a structured starting point for decision-makers. Different strategies may prioritize different parts of the list: Workforce Pell will likely focus on short-term programs tied to high-skill, high-wage, in-demand occupations; regional industry partnerships might focus on occupations concentrated in

local sectors; and equity-focused strategies might prioritize occupations where training pathways could expand access for underrepresented workers.

The criteria reflect the Assessment's focus on both employer demand and worker opportunity. Demand connects training investments to real job openings. Skill requirements identify where workforce development can help people gain marketable skills. Wages and growth potential help ensure public investments support economic self-sufficiency and advancement. And industry-critical status allows the methodology to capture emerging or specialized roles that standard occupational data may miss.

Early feedback on the methodology was generally supportive but raised important cautions about broad demand thresholds, wage benchmarks, and the need to better recognize career and technical education, applied competencies, stackable credentials, and emerging skills such as AI fluency. The Assessment also examines short-term signals, including job postings, job vacancy data, and recent wage growth, as ways to identify more-immediate pressure points. Equity remains central: because priority occupations are less racially and ethnically diverse than Oregon's overall workforce and skew toward higher levels of formal education, future strategies should track data on access, completion, placement, wages, and retention (see Exhibit ES-3).

**Exhibit ES-3: Share of priority occupation employees that are BIPOC, by occupational group, Oregon, 2024**




Note: Includes employees ages 16+. Data source: U.S. Census Bureau (2024) ACS 5-year PUMS

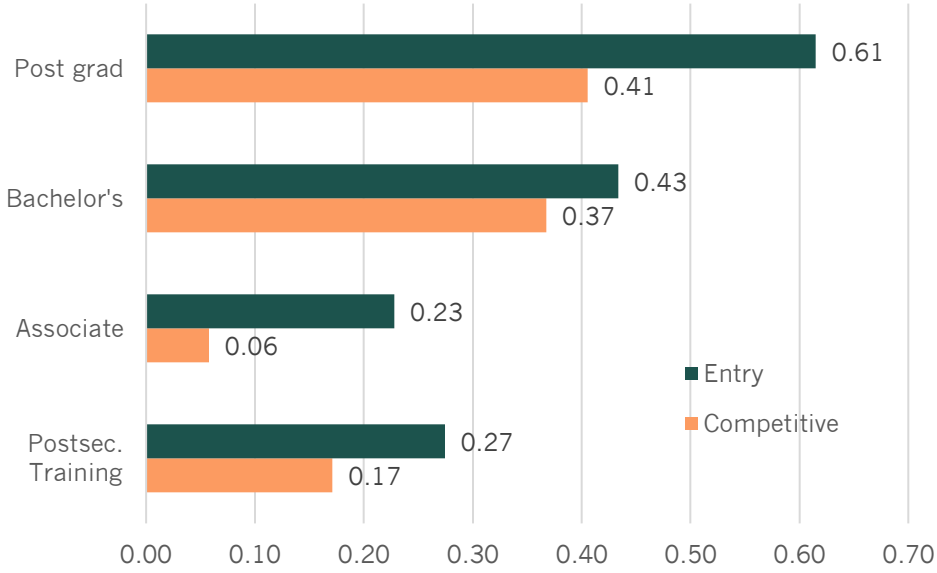
## Gap Analysis

The Assessment's gap analysis compares projected occupational demand with education and training output. It provides a high-level view of whether Oregon's training system appears to produce enough relevant credentials to meet projected openings in priority occupations. The analysis uses a ratio of completions to openings; ratios below 1.0 indicate that annual credential production is below projected demand for the skills conferred by the credentials.

Most credential-to-opening ratios are below 1.0 and suggest areas where additional analysis should focus. This does not mean Oregon should expand every related education or training program. A low ratio may signal a real shortage, but it may also reflect a data limitation, migration pattern, alternative training pathway, or occupation where employers hire from multiple fields.

The gap analysis points to several themes. Training capacity appears especially constrained at the community college level, though results vary by occupation and credential type (see Exhibit ES-4). Formal postsecondary completion data also do not capture every pathway into employment, including industry certifications, employer-sponsored training, incumbent worker upskilling, informal training, and stacked credentials. In addition, workers do not always enter the occupations most closely associated with their programs of study.

**Exhibit ES-4: Completions per related opening, by entry-level and competitive education levels**




Data sources: OED 2024-2034 Occupational Projections; NCES IPEDS 2020-2024; U.S. DOL 2024

The findings show why workforce planning needs to account for both supply and access. Oregon may produce workers with relevant credentials, but not all workers enter employment in Oregon. Cost, geography, transportation, childcare, housing, schedules, discrimination, and limited information can all weaken the pathway from education to career. The gap analysis therefore supports two kinds of action: identify where training

capacity may fall short of demand and, informed by the gap analysis's demographic findings, identify where people complete training but do not move into, or remain in, related jobs.

## Engagement Findings

The brief engagement phase of the Assessment included interviews with about 20 individuals, mostly employers from industries across Oregon, with moderate emphasis on the technology sector.

**Contextual factors:** Interviewees identified wages, especially in manufacturing, small business, and entry-level roles, as a major driver of attrition and recruitment challenges. Employers also reported difficulty finding and retaining workers with mid-level experience in skilled trades, engineering, technical roles, and specialized manufacturing. Beyond training, housing, transportation, childcare, and limited K-12-to-industry pathways constrain workforce participation. Childcare remains essential to Oregon's economy but childcare workers face low compensation, limited benefits, and unclear career pathways.

**Program-level focus:** K-12 schools, community colleges, and employers should connect earlier to help students understand career pathways, applied skills, and nontraditional routes into high-quality jobs. Employers identified reliability, communication, conflict management, problem-solving, workplace readiness, and applied technical skills as key skill gaps, and they increasingly value demonstrated skills alongside traditional credentials. To keep pace with industry needs and improve retention, participants emphasized employer-led training, short-cycle programs, apprenticeships, incumbent worker upskilling, and financial incentives, while noting these strategies require significant employer investment.

**System improvements**: Participants emphasized that workforce decisions should rely on more timely data on hiring, training, wage progression, skill acquisition, and emerging needs. They also called for a more unified workforce development system that aligns priorities, reduces duplication, and supports consistent practices. Interviewees want the Talent Assessment to drive action by strengthening employer-led training, incumbent worker upskilling, and career pathways.

# Conclusions and Recommendations

The 2026 Oregon Talent Assessment provides a methodological foundation for a more aligned workforce strategy. Using the methodology, the Assessment identified 15 in-demand sectors, 209 priority occupations, potential credential gaps, and equity considerations to guide future investment. The Assessment demonstrates the need for—and begins to provide—stronger alignment in terminology and approach to identifying priority sectors and occupations, estimating training capacity, and addressing employer needs and the barriers workers face. Oregon should maintain and refine the Assessment's repeatable methodology, use the findings to move from analysis to implementation, and focus investments on training quality, public-private partnerships, articulating and developing advancement pathways, and supportive services. Equity, access, job quality, and retention

should shape every strategy so more Oregonians can enter, advance, and remain in careers that offer competitive wages, stability, and opportunity.

The Assessment's recommendations are organized into the three categories below. As a next step, Oregon should use the Talent Assessment as an input for a strategy or action plan with responsible actors, timelines, and accountability measures that support continuous improvement across the workforce system.

## System Alignment

**Work toward a statewide, unified, cross-sector workforce development coordination model** that considers the roles of the Workforce and Talent Development Board, state agency leadership, the Governor, and other workforce partners, driven in part by the insights of the Talent Assessment, with the authority to consolidate input and standardize practices while recognizing the autonomy of local workforce development boards.

**Use the Talent Assessment to drive implementation across systems.** State and regional partners should use the Assessment to set shared priorities, assign ownership, and align investments across education, workforce, and economic development systems.

**Put essential employability skills and digital fluency at the center.** Workforce programs should teach reliability, communication, problem-solving, conflict management, workplace readiness, AI fluency, and digital skills alongside technical content.

**Move toward skills-first pathways while protecting credential quality.** Educators, training providers, and employers should define job-relevant competencies and build pathways that recognize demonstrated skills without weakening occupation-specific credential standards.

**Align education and industry earlier, especially in CTE and technical fields.** Employers should help shape K-12 and postsecondary curriculum so students understand career options earlier and see how classroom learning connects to real jobs.

**Expand work-based learning and employer-led training.** Oregon should invest more in CTE, apprenticeships, short-cycle training, and incumbent worker upskilling that are tied to sustained employer demand and clear quality standards.

**Focus on retention and advancement in mid-level and hard-to-fill roles.** Workforce strategies should help employers retain and grow talent in skilled trades, engineering, specialized manufacturing, and other hard-to-fill occupations.

## Data and Methodology

**Continue to improve data collection about industry structure, composition, and training and education pathways.** Oregon should refine and standardize definitions for in-demand sectors, especially cross-cutting sectors such as tourism, clean energy, and clean technology.

**Continue coordinating with OED on terminology and benchmarks to improve statewide consistency and support Workforce Pell efforts.** Agencies should align definitions for in-demand, high-skill, and high-wage occupations and clarify how pathway-based credentials can support Workforce Pell eligibility.

**Continue working with BOLI, ODE, and OED on data access.** The state should improve access to apprenticeship, pre-apprenticeship, CTE, industry, and occupation data to strengthen future Talent Assessments.

**Continue efforts to link and analyze CTE, apprenticeship, postsecondary, and employment data.** Linked data should be used to understand how education and training pathways lead to employment, retention, wage gains, and advancement in in-demand sectors.

**Conduct quantitative analyses of participant-level education and employment outcomes for selected Oregon programs.** Oregon should analyze individual-level outcomes to assess program effectiveness and monitor Workforce Pell-eligible programs.

**Improve data transparency and career navigation tools.** Centralized data, clearer terminology, and better career planning tools would help students, workers, educators, and employers navigate training and career pathways.

**Develop an Oregon Talent Dashboard.** A dashboard could serve as a central repository for sector, occupation, training, and outcome metrics drawn from common workforce datasets.

## Gap Mitigation and Equity Improvements

**Address credential shortages.** Oregon should use the Assessment to identify where credential production may fall short of demand and where additional research, program improvement, or barrier reduction is needed.

**Improve job quality, support worker well-being, and articulate career advancement pathways.** Employers and partners should address retention challenges through better wages, working conditions, advancement pathways, and training.

**Streamline licensure and bureaucratic processes.** In sectors such as health care and behavioral health, Oregon should review licensing and administrative requirements while maintaining health, safety, and transparency standards.

**Prioritize diversity, equity, and inclusion.** Workforce partners should strengthen pathways for groups underrepresented in specific occupations or programs, including women, communities of color, veterans, rural residents, and men where the data show gaps.

**Mitigate structural barriers with wraparound supports.** Oregon should expand access to childcare, transportation, housing assistance, and related supports that help workers start and complete training or employment.

**Enhance financial support for training and upskilling.** The state and employers should expand tuition reimbursement, scholarships, microcredentials, and investments in incumbent and displaced worker upskilling.