
Effects of Social Distancing on Oregon's Leisure and Hospitality Workers

September 2020

Prepared for the Oregon Workforce and Talent Development Board

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Table of Contents

1. INTRODUCTION	1
PURPOSE OF THE REPORT	1
THE ECONOMIC CONTEXT: CLOSING AN ECONOMY TO SAVE IT	1
ROADMAP FOR THE REPORT	3
2. THE LEISURE AND HOSPITALITY INDUSTRY IN OREGON.....	4
THE LEISURE AND HOSPITALITY INDUSTRY REGIONALLY	7
3. PROFILE OF THE WORKFORCE	9
CHARACTERISTICS OF THE WORKFORCE	9
OCCUPATIONAL AND SKILLS ANALYSIS	14
4. IMPLICATIONS FOR POLICY	18
APPENDIX EXHIBITS	22
GENERAL SKILLS TRAINING.....	22
EMPLOYMENT IN OTHER OCCUPATIONS	23

1. Introduction

Purpose of the Report

The COVID-19 pandemic has triggered a recession that is affecting all industries. The leisure and hospitality industry—including accommodation and food services and arts, entertainment, and recreation—is the most severely affected and will not fully recover until well after a vaccine is developed and deployed. That leaves large numbers of unemployed workers with little hope of returning to their previous occupations in the next 18 months. The Great Depression is the only precedent for this scale of disruption.

This report supports the Workforce and Talent Development Board's (WTDB's) response to the pandemic. It examines the effects of the pandemic on Oregon's leisure and hospitality industry and its workers. Anticipating a long road to recovery, how should this diverse cohort of displaced workers spend their time and energy and how can workforce and training programs support them? Given a range of skills and training needs, one-size approaches won't fit all. If displaced workers seek out training, what are the pathways into other industries with better near-term prospects? And what progress could be made on general skill building (e.g., math, literacy)?

The Economic Context: Closing an Economy to Save It

This recession is unlike any that has come before it. Rather than being caused by shocks from within the economic system (e.g., an asset bubble, shock in oil prices), an external event triggered the 2020 downturn. In response to a rapidly spreading pandemic, state and local governments took the unprecedented step of shuttering entire industries within their economies. The goal was to limit person-to-person contact in an attempt to slow rates of infection.

The actions immediately revealed the degree to which different industries relied on in-person, human contact. At one extreme, many professional and business service firms almost seamlessly transitioned from office-based to remote work. The leisure and hospitality industry—composed of restaurants, bars, theaters, hotels, conference centers, sports venues—was at the other extreme. Most of the industry's businesses rely on close customer contact. In fact, facilitating social connections is the central offering of many firms in the industry.

An abrupt decline in consumer spending initiated the downturn (see Exhibit 1). Notably, consumers began curtailing spending at the beginning of March—about three weeks before Governor Kate Brown issued a stay-at-home order. That indicates that the threat of infection played an important role, and perhaps the dominant role, in slowing consumer activity. In short, some consumers were staying away from crowded venues before the Governor told them they had to. Overall spending fell by more than one-third by the end of March, but the percentage declines were more than double that level in the two leisure and hospitality sectors.

Governor Brown gradually lifted the stay-at-home order during late May and early June. Consumer spending improved gradually in July and then plateaued. Overall spending in August settled at about eight percent below pre-pandemic levels. But spending on food/accommodations and arts/entertainment/recreation were still down 37 and 52 percent respectively from January levels. And with a number of the industry’s important anchors having canceled their fall programming (e.g., theaters, festivals, collegiate and professional sports), the spending outlook is bleak.

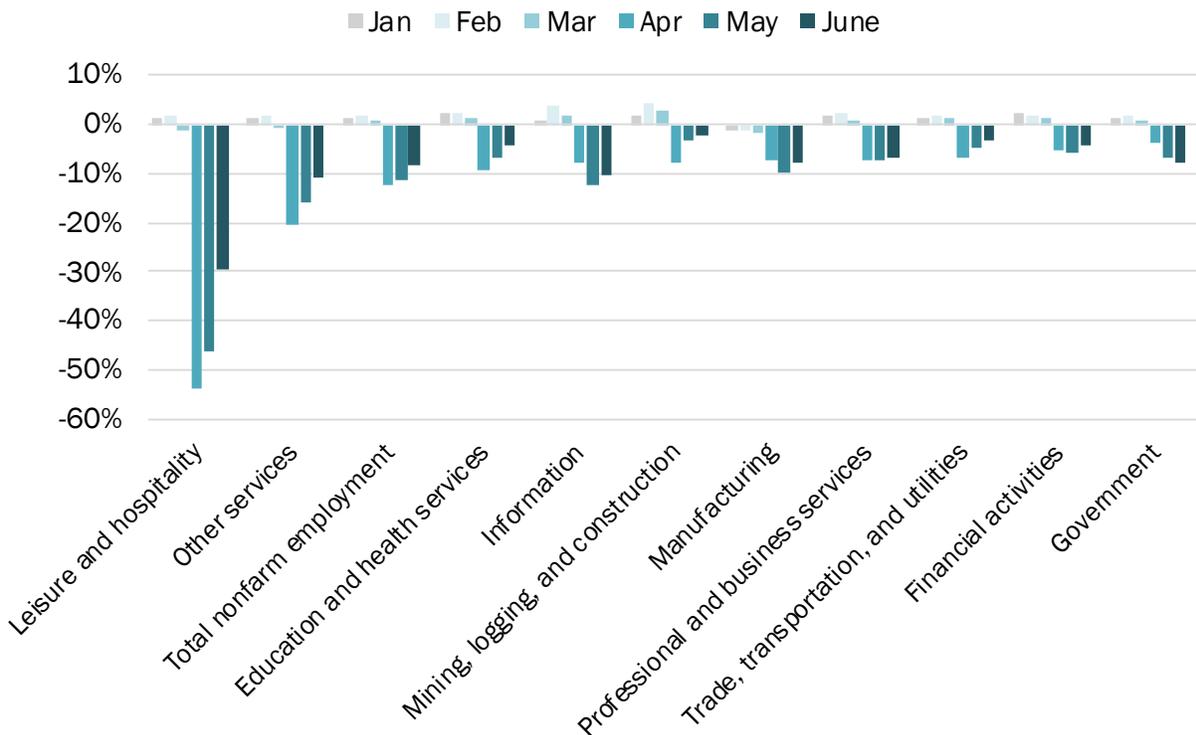
Exhibit 1. Credit/debit card spending in Oregon relative to January 2020, seasonally adjusted, 7-day moving average, by industry



Data source: Opportunity Insights Economic Tracker, consumer spending

The abrupt spending decline and stay-at-home order resulted in widespread job losses. As shown in Exhibit 2, no industry was immune. Most notably, employment in the leisure and hospitality industry was 54 percent lower in April 2020 than in April 2019. Most other industries saw year-over-year job declines of about five to ten percent by April, which would have been headline news in past recessions but appeared modest compared to those in seen in restaurants, bars, theaters, and the like. Employment partially rebounded beginning in May and thereafter but still remains down more than one-third in the leisure and hospitality industry.

Exhibit 2. Percent change in employment by industry, not seasonally adjusted, Jan. 2020 to June 2020, relative to same time last year, Oregon



Data source: Oregon Employment Department Current Employment Estimates (CES)

Roadmap for the Report

The balance of this report offers a close examination of the industry that sits at the center of this recession: leisure and hospitality. The next section takes a look at the industry’s performance in past recessions; highlights recent, differential job losses within the industry; and reports the industry’s relative importance across the state. Section three examines the characteristics of industry’s workforce (gender, race/ethnicity, household poverty status, skill profiles) and explores employment and training options for the industry’s dislocated workforce, recognizing that many of the unemployed workers may not be able to return to their former employers, or the industry generally, until the coronavirus is eradicated. The report closes with a number of key takeaways and implications for policy and programming.

2. The Leisure and Hospitality Industry in Oregon

Oregon’s leisure and hospitality industry plays two roles in the state economy. Its primary role is in the local sector, with restaurants, bars, and theaters providing services to people who live nearby. But it also has traded-sector features, attracting people from outside the country and state to bring their spending into Oregon. The US Cluster Mapping Project, which classifies traded-sector activity across the country, identified “hospitality and tourism” as a specialized cluster in Oregon—not as developed as those in California, Nevada, New York, and Florida but more robust than those in most Midwest and Great Plains states. The project shows some modest strengthening of the cluster in Oregon during the past decade.¹

Recessions affect the industry in both of its roles. When jobs are lost or wages cut, local residents eat out less and reduce their entertainment budgets. They travel less—within and outside the state—and reduce spending on hotels and specialized attractions. Localities with more traded-sector activity—like Bend or Ashland—get hit twice. Local customers curtail spending, and fewer people visit from elsewhere.

The Great Recession hit the industry hard, with more than 14,000 jobs lost during 2007-2009 (see Exhibit 3). These losses were more severe than those experienced in the prior two recessions, but small when compared to the declines in the spring of 2020. The pandemic recession has produced a variety of extraordinary statistics, including this one: employment in the leisure and hospitality industry in April 2020 was lower than it was three decades earlier.

In a single month between March and April of 2020, the leisure and hospitality industry in Oregon shed more than 113,000 jobs, a 53 percent month-over-month decline, erasing more than thirty years of growth in the industry. The number of leisure and hospitality jobs in January of 1990 exceeded the number in April of 2020. In recent months, the industry has recovered somewhat, returning in July 2020 to an employment level last experienced in about 2004.

¹ U.S. Cluster Mapping Project, <http://www.clustermapping.us/region/state/oregon/cluster-portfolio>

Exhibit 3. Total monthly leisure and hospitality employment, seasonally adjusted, Oregon, Jan. 1990-July 2020



Source: U.S. Bureau of Labor Statistics

Data source: U.S. Bureau of Labor Statistics, All Employees: Leisure and Hospitality in Oregon [ORLEIH], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/ORLEIH>

Pandemic job losses were similar in percent terms across subsectors within the leisure and hospitality industry, as illustrated in Exhibit 4. Prior to the pandemic, the leisure and hospitality industry and the state overall were on track to post a performance similar to that of 2019. The pandemic abruptly changed this narrative.

Each subsector within leisure and hospitality saw employment that was more than 50 percent lower in April 2020 than it was in April 2019. In comparison, Oregon’s total employment was 13 percent lower. The accommodation subsector saw the sharpest employment declines, with employment 62 percent lower in April 2020 than it was in April 2019.

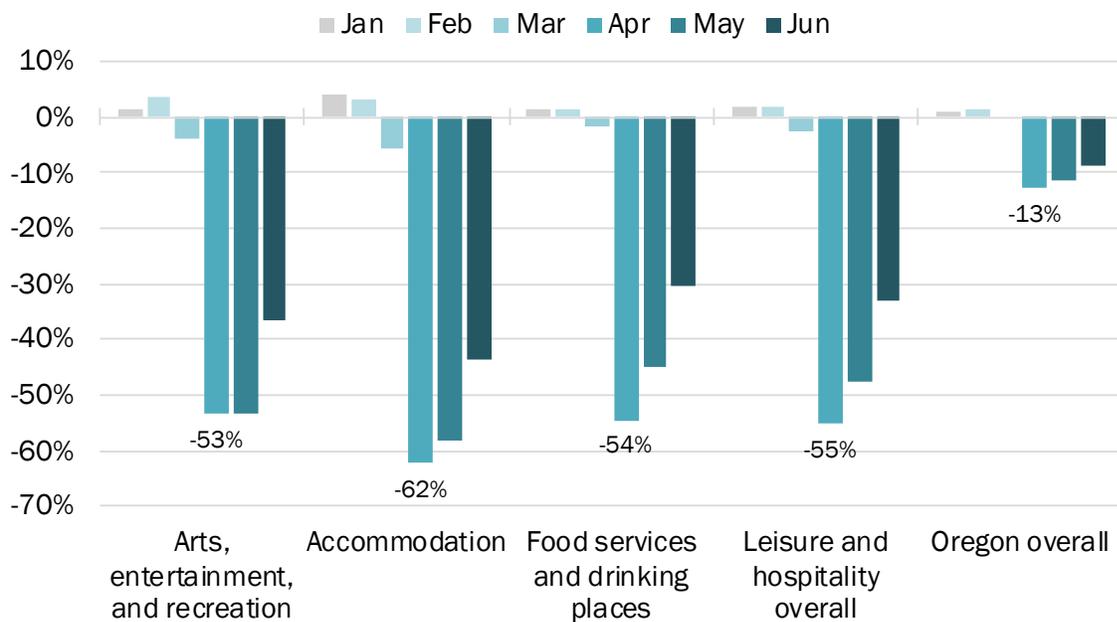
While losses were similar in percent terms across leisure and hospitality subsectors, there were disparities within those subsectors. Within food services and drinking places, for example, full-service restaurant employment was 70 percent lower in April 2020 than in April 2019 while employment at limited-service eating places was 37 percent lower.

These differences highlight the uneven effects of the pandemic even within the leisure and hospitality industry. Many full-service restaurants, which include dine-in establishments and higher-end eateries, were forced to shutter completely or switch to a take-out and/or delivery-only model that required major adjustments to their business models, including reducing their number of employees. In contrast, limited-service eating places such as fast food restaurants

and coffee cafes were able to adapt to the pandemic environment more easily, with business models already tailored for takeout/delivery service.

Prior to the pandemic, full-service restaurants and limited-service eating places each accounted for about a third of employment within Oregon’s leisure and hospitality industry. In April 2020, immediately following the economic shut down, the composition in the industry shifted with employment at limited-service eating places accounting for nearly half (47 percent) of total industry employment. The share dropped back down to 37 percent by June 2020 as the industry began recovering.

Exhibit 4. Percent change in leisure and hospitality employment by subsector and in Oregon total employment, not seasonally adjusted, Jan. 2020 to June 2020, relative to same time last year



Data source: Oregon Employment Department Current Employment Estimates (CES)

The Leisure and Hospitality Industry Regionally

This section discusses regional variation across Oregon in the pandemic's effect on the leisure and hospitality industry. Under normal conditions, employment in the leisure and hospitality industry accounts for about 10 percent of Oregon's overall employment, although the relative size of the industry varies across regions. The pandemic has likewise affected regional employment differently, due in part to this variation in industry strength.

Location quotients are one way to understand the concentration of an industry in a particular region. Exhibit 5 shows location quotients for the leisure and hospitality industry in 2019 across Oregon's employment regions. A location quotient of 1.0 indicates that region's leisure and hospitality's concentration is the same as the state's, while a location quotient greater than 1.0 indicates a higher concentration than the state and a location quotient of less than 1.0 indicates a lower concentration than the state.

Northwestern Oregon, which includes some of Oregon's most popular beaches, and the East Cascades, which hosts a wide range of outdoor recreation opportunities, including Mt. Hood and its surrounding forest land, had the highest location quotients in the state: 1.50 and 1.32, respectively. Leisure and hospitality employment was less concentrated in regions with economies less dependent on tourism, recreation, and service-oriented activities. The Portland-Metro's leisure and hospitality employment was about as concentrated as the state's overall. Both before and after the beginning of the pandemic, leisure and hospitality employees in Portland made up about 41 percent of total leisure and hospitality employment in the state.

Oregon Employment Regions

Oregon counties are grouped into nine employment regions:

Clackamas: Clackamas County

East Cascades: Hood River, Wasco, Sherman, Gilliam, Deschutes, Crook, Klamath, Lake, Jefferson, and Wheeler counties

Eastern Oregon: Morrow, Umatilla, Wallowa, Union, Grant, Baker, Harney, and Malheur counties

Lane: Lane County

Mid-Valley: Yamhill, Polk, Marion, and Linn counties

Northwestern Oregon: Columbia, Clatsop, Tillamook, Lincoln, and Benton counties

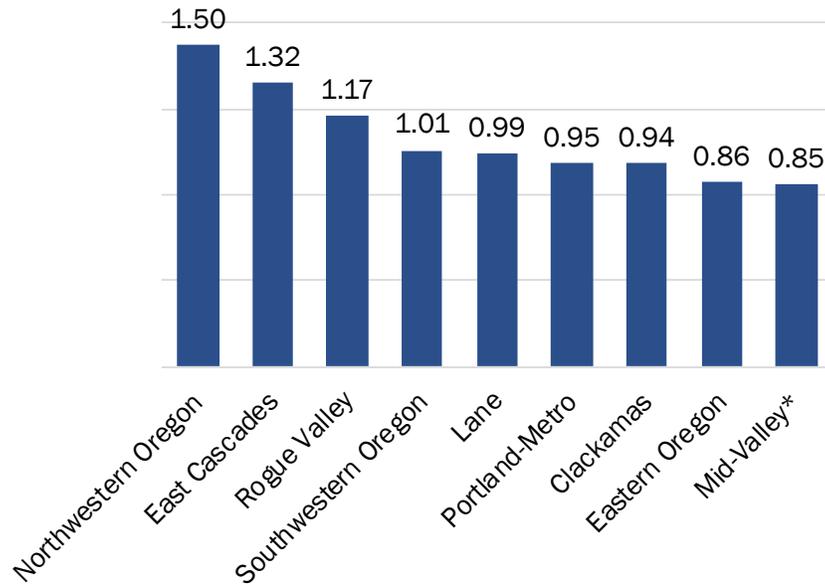
Portland-Metro: Washington and Multnomah counties

Rogue Valley: Josephine and Jackson counties

Southwestern Oregon: Curry, Coos, and Douglas counties

Exhibit 5. Location quotients: Regional concentration of leisure and hospitality employment relative to concentration in the state (state=1), Oregon, 2019

Regions with tourism- and service-oriented economies, such as the northern Oregon coast (Northwestern Oregon) and the Mt. Hood area (East Cascades) have higher concentrations of leisure and hospitality employment than the state as a whole.

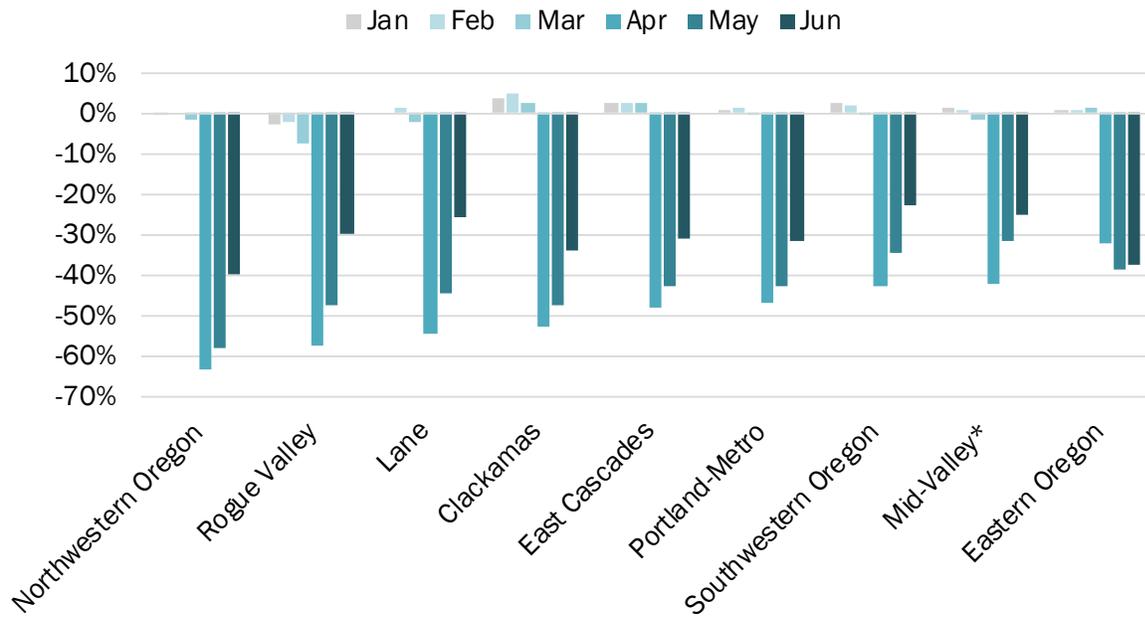


Data source: Current Employment Statistics, Oregon Employment Department
 Note: Marion and Polk County estimates not available from CES data; not included in Mid-Valley location quotient

Exhibit 6, showing year-over-year difference in leisure and hospitality employment for the first half of 2020, illustrates the pandemic’s uneven effects across regions. In percentage terms, Oregon’s tourism- and recreation-dependent regions generally saw larger employment declines at the start of the economic shutdown in April 2020. For example, leisure and hospitality employment in Northwestern Oregon was 63 percent lower in April 2020 than it had been in April 2019. The East Cascades experienced somewhat lighter losses—48 percent—compared with other regions with high leisure and hospitality location quotients.

The pace of recovery also varies across regions. Some regions with higher concentrations of leisure and hospitality employment, such as Northwestern Oregon and Rogue Valley, experienced larger percent declines at the onset of the crisis but also a sharper recovery (to this point) than those with lower concentrations of leisure and hospitality employees. Eastern Oregon experienced relatively less decline in leisure and hospitality employment in the first month of the crisis but then lost ground in the subsequent month. In June the region appeared to begin to recover.

Exhibit 6. Percent change in employment by Oregon region, Jan. 2020 to June 2020, relative to same time last year



Data source: Oregon Employment Department Current Employment Estimates (CES) data
 Note: Marion and Polk County estimates not available from CES data; not included in Mid-Valley location quotient

3. Profile of the Workforce

This recession’s unusually deep effects on the leisure and hospitality industry translate into disproportionate impacts on clusters of occupations and workers. The skill profiles, educational backgrounds, and current living conditions of the affected workers have major implications for policy and program responses. As this section shows, many of the workers at the center of this recession are early in their careers and had low household incomes—even before the pandemic.

Characteristics of the Workforce

We analyzed microdata from the 2018 American Community Survey (ACS) to develop a profile of the leisure and hospitality workforce in Oregon. Below we summarize high-level findings that emerged from our research:

- Leisure and hospitality workers are younger and have lower educational attainment than workers in other industries.** In the leisure and hospitality industry, 30 percent of workers (including part-time workers) were between the ages of 18-24 in 2018, versus 12 percent of other workers. Furthermore, only 24 percent of leisure and hospitality

workers between the ages of 18 and 64 had an associate degree or above, compared with 42 percent of workers in other industries.

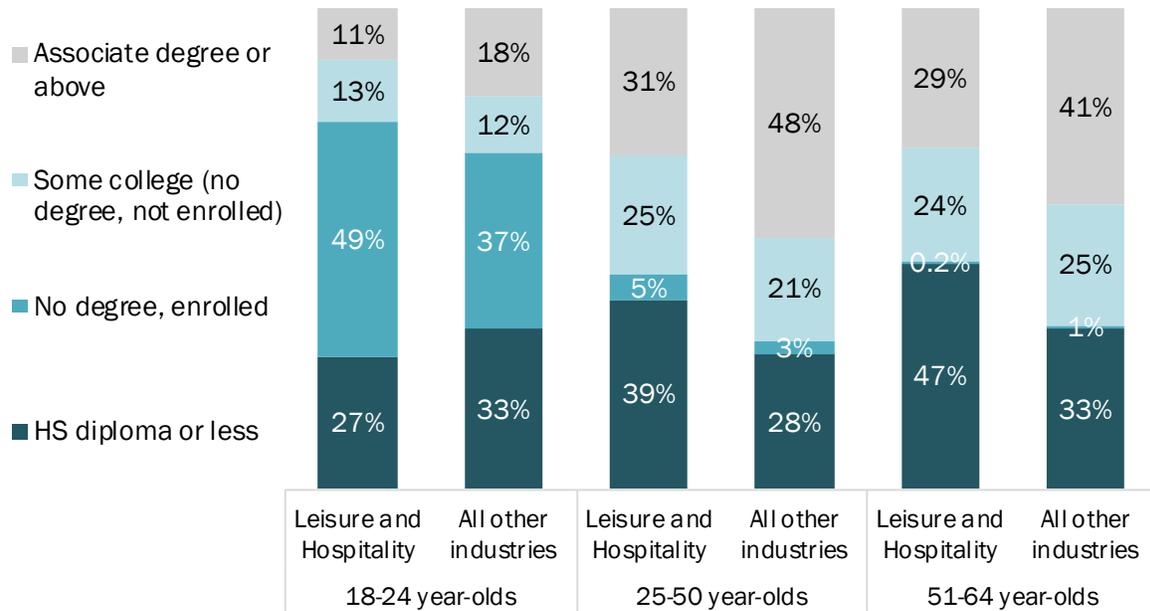
- **When compared to workers in other industries, leisure and hospitality workers are more likely to be women and/or Black, Indigenous, and people of color (BIPOC).²** More than half (56 percent) of leisure and hospitality workers were women in 2018, versus 49 percent of workers in other industries. In addition, 31 percent of leisure and hospitality workers were BIPOC, compared to 24 percent of workers between the ages of 18 and 64 in other industries.
- **Leisure and hospitality workers tend to earn lower wages and are more likely to work part time than workers in other industries.** In 2018, 41 percent of leisure and hospitality workers had incomes below 200 percent of the federal poverty line, compared with 26 percent of workers in other industries. Leisure and hospitality workers were also more likely to work part time. In 2018, 82 percent of leisure and hospitality workers between the ages of 18 and 64 worked full time, compared with 91 percent of workers in other industries.

The figures below illustrate these findings in greater detail. Exhibit 7 shows educational attainment by age group for leisure and hospitality and workers in other industries. A greater share of workers in other industries had associate degrees or higher than leisure and hospitality workers across all three age groups.

Younger leisure and hospitality workers were more likely to be enrolled in school than workers in other industries in 2018. Nearly half between the ages of 18 to 24 were enrolled in school while working in the industry, compared to 37 percent of workers in other industries. Of leisure and hospitality workers enrolled in school, less than half (48 percent) worked full time in 2018.

² ACS data indicate higher rates for these groups, though the difference is only significant at conventional levels for the Hispanic population.

Exhibit 7. Educational attainment and enrollment status of leisure and hospitality workers compared with other workers, by age, Oregon, 2018

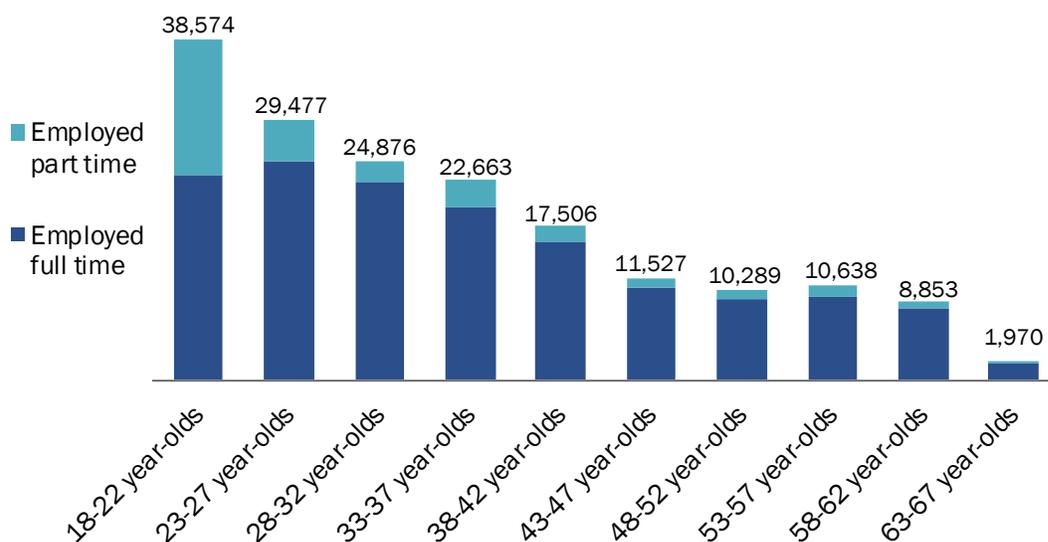


Data source: US Census Bureau, 2018 ACS PUMS one-year data

Exhibit 8 provides additional detail about differences in the leisure and hospitality workforce across age groups. For example, while leisure and hospitality workers between the ages of 18 to 22 accounted for the largest share of leisure and hospitality employment in Oregon, only 60 percent of them were employed in the industry full time in 2018.

In contrast with the youngest workers, 88 percent of leisure and hospitality workers between the ages of 23 and 67 worked full time in 2018. Younger individuals working part time, especially those still enrolled in school, are likely less vulnerable to the pandemic's effects than are older individuals working full time. Young part-time workers are more likely to have financial support from their families and may not be as dependent on the incomes earned from their leisure and hospitality part-time jobs. Older, full-time workers are more likely to rely on their leisure and hospitality jobs as their sole source of income. Job loss as a result of the pandemic will have a different and potentially more negative impact on these workers than on younger part-time workers who are more likely to be enrolled in school and developing skills that could enable them to return to work more quickly in leisure and hospitality or in a different industry.

Exhibit 8. Number of workers employed in leisure and hospitality, Oregon, by age group, 2018



Data source: US Census Bureau, 2018 ACS PUMS one-year data

Exhibit 9A and Exhibit 9B demonstrate that leisure and hospitality workers are more likely to be women and BIPOC, earn incomes below 200 percent of the federal poverty level (FPL), and be employed part time.

Leisure and hospitality workers already face a high risk for job loss during the pandemic and those that keep their jobs are likely to face greater exposure to COVID-19 due to the industry’s reliance on in-person interactions. For women and BIPOC leisure and hospitality workers, existing social inequities compound the effects of the pandemic and resulting economic shutdown. Because childcare responsibility falls disproportionately on women, they are more likely to be forced to leave a job or reduce their hours to care for their children during the schooling and childcare crisis caused by the pandemic.³

BIPOC leisure and hospitality workers also face additional challenges related to the pandemic. Discrimination and poor access to high-quality healthcare, housing, and education supports result in BIPOC leisure and hospitality workers being more likely to contract COVID-19 and leave them with fewer resources to cope with job loss and expenses related to the pandemic.⁴

³ Madgavkar, Anu, White, Olivia, Krishnan, Mekala, Mahajan, Deepa, and Azcue, Xavier. “COVID-19 and gender equality: Countering the regressive effects.” *McKinsey and Company*. July 15, 2020. <https://www.mckinsey.com/featured-insights/future-of-work/covid-19-and-gender-equality-countering-the-regressive-effects#>

⁴ Center for Disease Control. “Health Equity Considerations and Racial and Ethnic Minority Groups.” July 24, 2020. <https://www.cdc.gov/coronavirus/2019-ncov/community/health-equity/race-ethnicity.html>

Exhibit 9A. Key characteristics of leisure and hospitality workers compared with other workers, Oregon, 2018

More than half (56 percent) of leisure and hospitality workers were women in 2018, compared to 49 percent of other Oregon workers. In addition, 41 percent of leisure and hospitality workers earned incomes below 200 percent FPL and 82 percent worked full time.

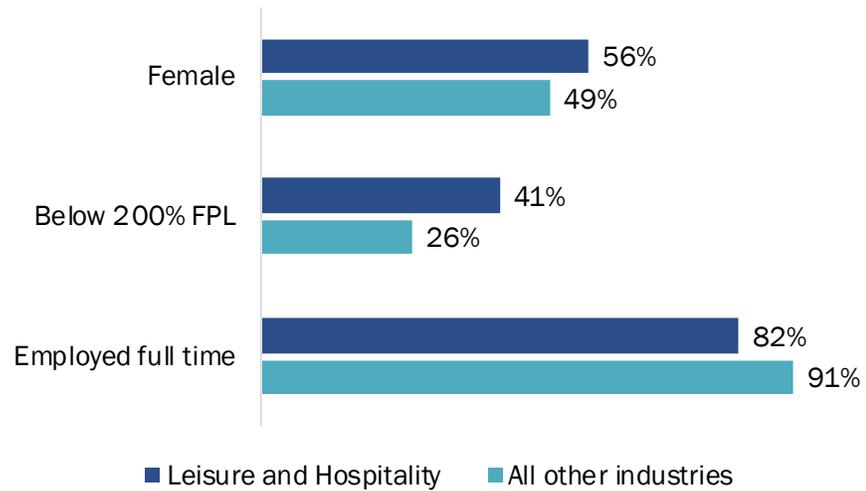
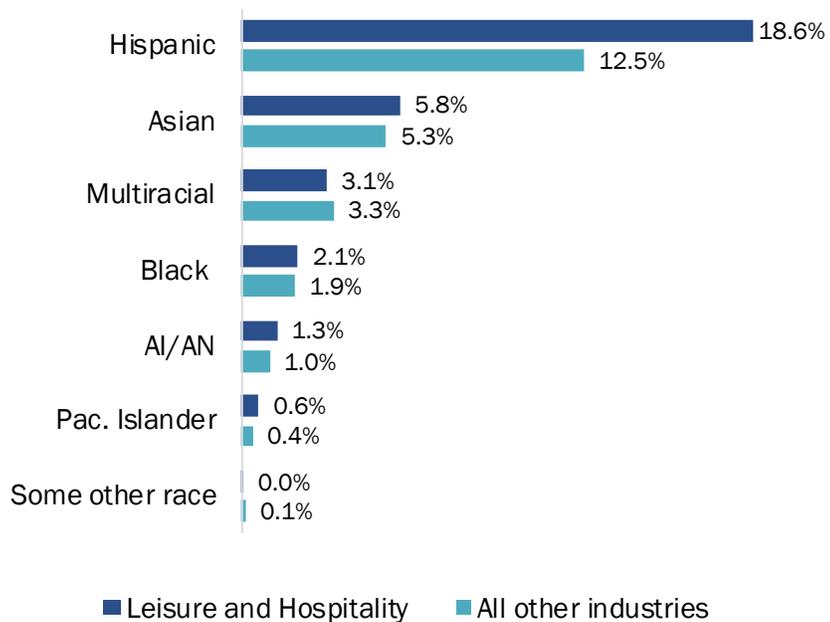


Exhibit 9B. Race and ethnicity of leisure and hospitality workers compared with other workers, Oregon, 2018

A far greater share (18.6 percent versus 12.5 percent) of leisure and hospitality workers were Hispanic when compared with other Oregon workers in 2018. Slightly higher shares of leisure and hospitality workers were Asian, Black, AI/AN, or Pacific Islanders.⁵



Data source: US Census Bureau, 2018 ACS PUMS one-year data. Note: FPL = federal poverty level

⁵ Aside from Hispanic and Some other race, these differences were not statistically significant at the 5 percent level or below.

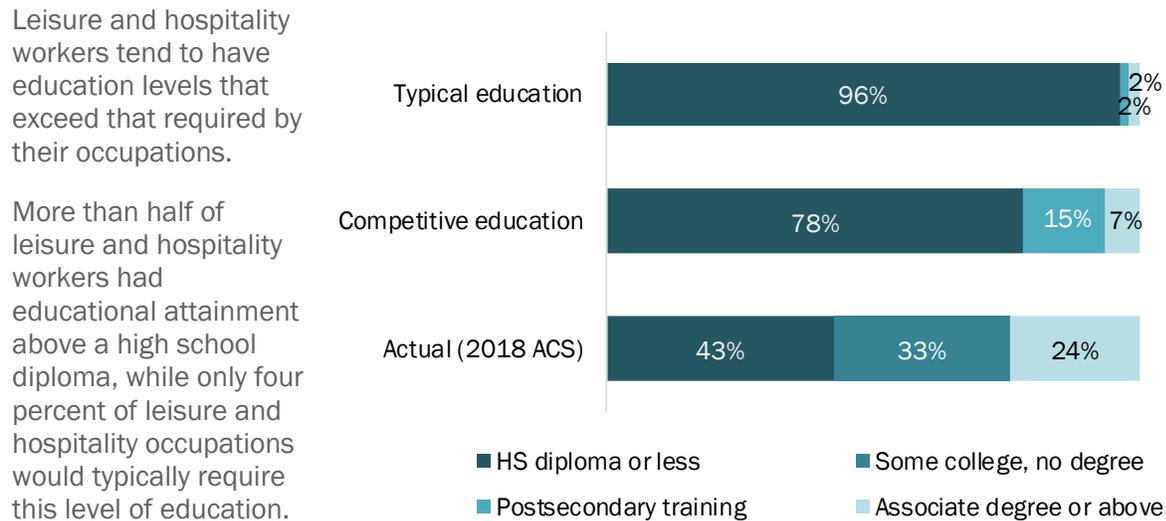
Occupational and Skills Analysis

Occupations in the leisure and hospitality industry tend to be lower paying and are more likely to be part time. However, most of these occupations also have a relatively low barrier to entry, rarely requiring more than a high school diploma or equivalent for workers to be competitive, as illustrated in Exhibit 10.

Typical education refers to the level of education workers generally would need to be employable in a given occupation, while competitive education refers to the level of education a worker would need to be competitive in an occupation. Actual educational attainment levels for leisure and hospitality workers between the ages of 18-64 are included for comparison.

The majority of leisure and hospitality occupations require only a high school diploma or less to be competitive. A handful of occupations, such as management occupations, require higher levels of education to be competitive. In general, leisure and hospitality workers tend to have higher levels of education than the typical leisure and hospitality occupation would require. In 2018, 57 percent of leisure and hospitality workers had educational attainment above a high school diploma or equivalent.⁶

Exhibit 10. Typical and competitive education levels in leisure and hospitality, Oregon, 2019



Data source: Oregon Employment Department Current Employment Estimates (CES); Oregon 2017-2027 employment projections

For this report we updated the analysis of occupational skill requirements presented in the 2018 *Talent Assessment* to create a visualization of the skills necessary for jobs in leisure and hospitality (see Exhibit 11). The visualization co-locates occupations that draw from similar skill sets (e.g., bookkeepers with insurance claim agents, computer operators with sound engineer

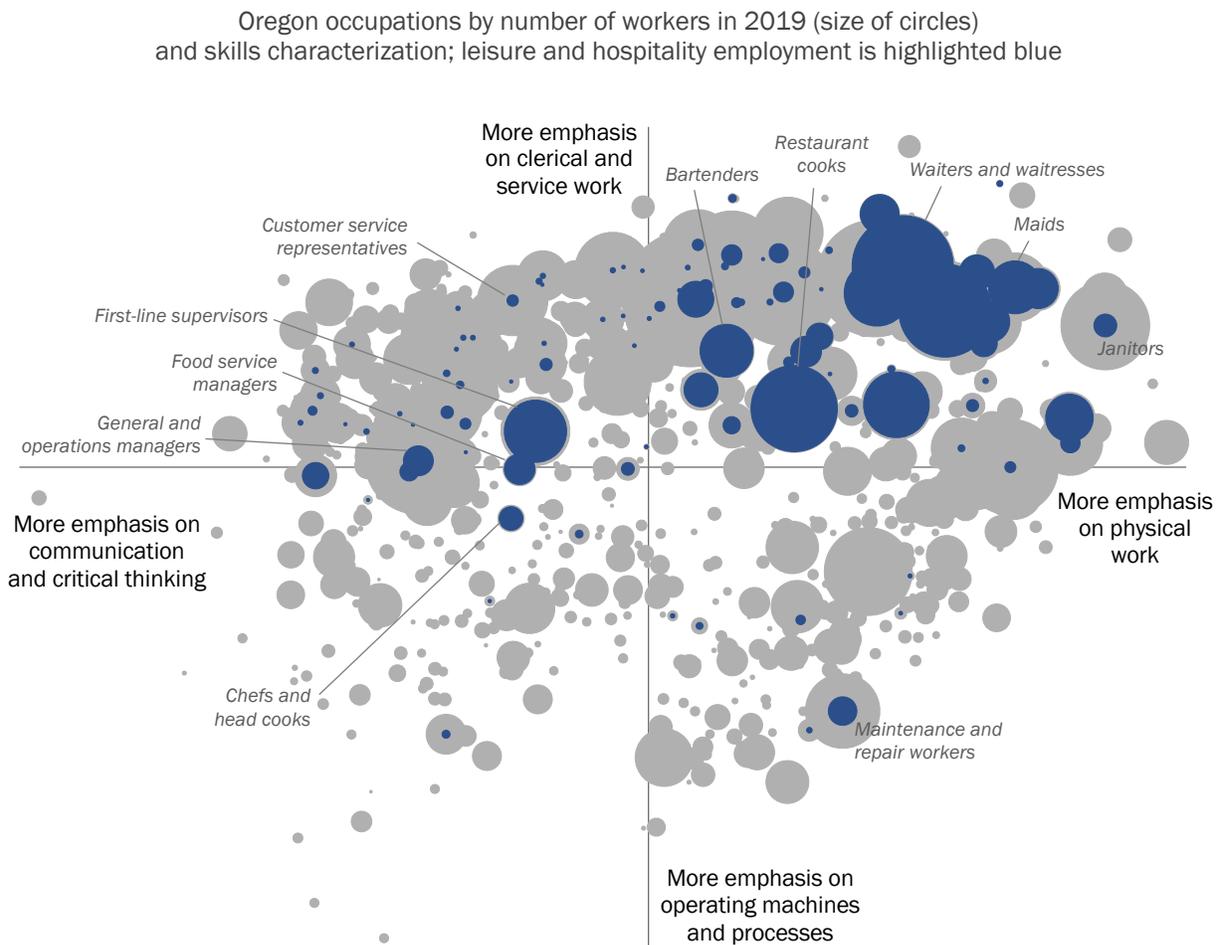
⁶ Note that “Some college, no degree” differs from “Postsecondary training,” through which an individual receives some sort of postsecondary credential.

technicians, architectural drafters with interior designers). Seemingly dissimilar occupations can have a lot of skill overlap, and the data underlying the visualization can help to identify opportunities to transfer skills between occupations for workers displaced by the pandemic.

Not surprisingly, leisure and hospitality employment (blue circles) falls largely in the upper-right quadrant of Exhibit 11, reflecting the industry’s heavy reliance on service and physical work. The occupations in this quadrant, dominated by food service and other restaurant workers in the leisure and hospitality industry, represented more than four out of five jobs in the industry as it existed in 2019, compared to about two out of five for all other industries combined.

Most other employment in the industry falls on the left side of the chart, reflecting a stronger emphasis on communications and critical thinking. Less than five percent of industry employment falls in the lower-right quadrant, a region that contains occupations requiring a combination of physical work and machine operation—the locus of many occupations important to the construction and manufacturing industries.

Exhibit 11. Leisure and hospitality employment on a skills spectrum



Data source: O*NET, Bureau of Labor Statistics, Oregon Employment Department

During the economic fall-out related to the pandemic, individual leisure and hospitality occupations lost thousands of jobs. Exhibit 12 summarizes estimated job losses and occupational characteristics for the ten largest occupation groups in the leisure and hospitality industry. Together, these ten occupations accounted for more than 70 percent of leisure and hospitality employment in Oregon in 2019.

Fast food and counter workers made up the largest occupational segment in the leisure and hospitality industry and also constituted the largest occupational group in Oregon in 2019, with more than 50,000 employees. Due to the economic shutdown, there were almost 13,500 fewer fast food and counter workers in leisure and hospitality in July 2020 than in July 2019.

Other large occupation groups in the industry include waiters and waitresses, restaurant cooks, and other food workers. The majority of these occupations do not require more than a high school diploma for a job seeker to be competitive, and most pay around \$12 an hour.

Exhibit 12. Characteristics and estimated employment of the top ten occupations in the leisure and hospitality industry, Oregon, 2019 and 2020

Occupation	Estimated Employment			Competitive education level (2019)	Hourly median wages (2019)
	Jul 2019	Jul 2020	Change		
Fast Food and Counter Workers	52,816	39,389	(13,427)	HS diploma or equivalent	\$12.33
Waiters and Waitresses	31,332	23,337	(7,995)	HS diploma or equivalent	\$12.20
Cooks, Restaurant	22,789	16,985	(5,804)	HS diploma or equivalent	\$14.56
First-Line Supervisors of Food Preparation and Serving Workers	11,874	8,857	(3,017)	Postsecondary training (non-degree)	\$16.36
Bartenders	8,645	6,423	(2,222)	Postsecondary training (non-degree)	\$12.18
Maids and Housekeeping Cleaners	8,558	6,387	(2,172)	HS diploma or equivalent	\$12.53
Dishwashers	6,916	5,155	(1,761)	HS diploma or equivalent	\$12.42
Food Preparation Workers	5,278	3,935	(1,343)	HS diploma or equivalent	\$14.37
Dining Room and Cafeteria Attendants and Bartender Helpers	4,916	3,666	(1,250)	HS diploma or equivalent	\$12.17
Hosts and Hostesses, Restaurant, Lounge, and Coffee Shop	4,592	3,427	(1,165)	HS diploma or equivalent	\$12.70

Data source: US Bureau of Labor Statistics and Oregon Employment Department

While the economy may recover further in the coming months, a combination of lingering pandemic effects and the strongly seasonal nature of leisure and hospitality employment mean that thousands of leisure and hospitality workers will not return to their former jobs for many months, if ever. Exhibit 11 provides a useful framework for exploring opportunities for these workers in other occupations and industries.

First, although the leisure and hospitality industry employs a high share of the industry’s most common occupations, primarily jobs in food service and associated occupations, some displaced workers will have reasonable opportunities outside of the industry if they desire to stay in the same occupations. For example, positions for first-line supervisors, maintenance and repair technicians, and janitors exist across multiple industries. Such occupations are evident in Exhibit 11 as blue circles (leisure and hospitality employment) at the center of larger grey circles (total occupational employment).

Second, as noted above, seemingly disparate occupations often share similar skill sets. The distance between circles in Exhibit 11 provides one measure of skill overlap—a smaller distance between a pair of occupations indicates greater skill overlap than a larger distance. Specific skills may vary (e.g., bartending and retail sales are clearly different occupations) but the nature of the work is qualitatively similar in terms of the dimensions displayed in the exhibit. In other words, occupations near each other share the same type of skills (e.g., skills associated with physical work or with machine operation). Occupations near common leisure and hospitality occupations suggest potential opportunities for displaced workers to retrain relatively easily. Appendix Exhibit 14 identifies a number of such opportunities for some of the most common leisure and hospitality occupations.

Our analysis of skill overlap further suggests that many leisure and hospitality workers idled by the pandemic have skills that would facilitate occupational transitions supported by relatively common apprenticeships or would be supported by an expanded apprenticeship system based on the recommendations of Joseph Fuller⁷ and by Robert Lerman in the issue brief accompanying this report.

The occupations identified below are all identified by Fuller as existing “core” apprenticeship occupations or are prime candidates for expanding apprenticeship programs. In addition, pre-pandemic, the Oregon Employment Department anticipated relatively strong growth in these occupations during the 2020s, with the exception of legal secretaries and medical transcriptionists. All typically pay wages significantly higher than the typical wages earned by most workers in the leisure and hospitality industry.

- **Construction and maintenance painters.** This is one of the few construction occupations with skills similar to those of most leisure and hospitality workers. Baristas, counter attendants and many food preparation workers have a skill set relatively close to that of construction and maintenance painters.
- **Medical secretaries.** Among top leisure and hospitality occupations, waitstaff and counter attendants have skills closest to those required of medical secretaries.

⁷ Fuller, Joseph B., and Matthew Sigelman (November 2017). “Room to Grow: Identifying New Frontiers for Apprenticeships.” Burning Glass Technologies and Harvard Business School, *Managing the Future of Work*. Fuller, Joseph (May 2018). “Future of the Workforce: Oregon.” Harvard Business School. 2018 Oregon Talent Summit.

- **Customer service representatives.** This large and modestly growing occupation requires skills less similar to those of most leisure and hospitality employees, but still falls in the same upper-right quadrant of the skills map presented in Exhibit 11.
- **Paralegals and legal assistants, billing and posting clerks, legal secretaries, medical transcriptionists.** These occupations employ fewer individuals than those above. Nonetheless, skill requirements are reasonably well-aligned with those of potentially displaced leisure and hospitality workers and are good candidates for expanded apprenticeship programs.

Developing these and similar career pathways through expanded apprenticeship options could potentially help displaced leisure and hospitality workers in the next few years, but the benefits to Oregon’s emerging workforce would extend far into the future by providing alternate career pathways for low-wage workers in both good and bad economic times.

4. Implications for Policy

This recession, which has spread across most of the economy, is unusually concentrated in the leisure and hospitality industry. That concentration has produced disproportionate impacts on certain people and places: women; BIPOC; young adults; low-income households; and residents of Coastal and Central Oregon. Some workers in the industry were able to return to their jobs at the end of the stay-at-home order. But many could not.

In past recessions, displaced workers could hold out hope that they could return to their employer, or at least their industry, as the economy gradually improved. But this pandemic-related recession has a unique dynamic. Many activities are completely shuttered, and will remain so, until the coronavirus is eradicated. And unlike past recessions, relocating to another county or state opens up few additional options. The industry is in trouble across the United States.

So, Oregon is faced with a well-defined challenge: how do you assist a sizable unemployed population many of whom are younger, who are still building skills and experience, and who—absent intervention—could be facing an extended break from the labor force?

Addressing this once-in-a-century⁸ challenge requires different approaches. The pandemic has forced abrupt changes to the way we work and live. Some, like the increased use of telehealth and remote work, are productivity-enhancing developments that will persist well after the pandemic ends. So, what could the workforce system do differently in this crisis? And which of those changes could contribute to a redesigned system that would better serve the training and placement needs workers in the future?

⁸ Hopefully

Oregon doesn't lack ideas on how it could strengthen its workforce system. The Workforce and Talent Development Board and Higher Education Coordinating Commission have received advice from top workforce strategists during the last couple of years, including EdImagine's David Conley, Harvard Business School's Joseph Fuller, and the Urban Institute's Robert Lerman. The crisis creates an opportunity to accelerate progress on recommendations these strategists provided before, and during, the pandemic.

- **Recognize the complexity of need—across individuals and geography—and ensure the WTDB Strategic Plan is multi-dimensional in order to address it.** At the *2020 Oregon Talent Summit*, EdImagine's David Conley called for a redesigned system that tailored delivery across multiple workforce populations (i.e., high school students, highly skilled workers with access to training, less skilled workers with less access to training) and geographies (i.e., Coast; Southern, Eastern, Central Oregon; Willamette Valley; Portland Metro).⁹ Conley's recommendation applied to all occupations and industries and came just two weeks before the Governor's stay-at-home order.

His broad, pre-pandemic framework is useful guidance when applied more narrowly to the leisure and hospitality industry. The industry is composed of a diversity of occupations—restaurant wait staff, cooks, chefs, bartenders, hotel clerks, housekeepers, sound engineers, actors, coaches, sales managers, and more. And the workers who filled those occupations live in a diversity of economic settings from small coastal towns to sizable cities. Identifying the next, best career option for a displaced cook, hotel clerk, or sales agent in Florence is different than it is in Portland. In a companion issue brief to this report, Conley says the state should re-double its efforts to support economies and job creation outside of the Portland metro and calls for additional assistance and subsidies (e.g., forgivable loans, education grants, childcare assistance tied to training).

In addition to helping workers leverage and grow occupational skills, Conley calls on workforce developers, colleges, and employers to create experiences that build 21st Century skills and behaviors, including self-awareness, goal setting, persistence, self-efficacy.

- **Provide clearer, person-centered information on job opportunities built on a more sophisticated skill-matching platform.** Workforce developers could take one important step into Conley's recommendations by giving unemployed workers better information on their location in the skills landscape. Improved approaches—introduced by Joseph Fuller at the *2018 Talent Summit*¹⁰—work off of a more focused, realistic skill-matching framework.

⁹ Conley, David T (May 2020). "Creating Tomorrow's Workforce...Today: What it takes for future and current workers to be ready to succeed in a dynamically changing workforce." *2020 Oregon Talent Summit*.

¹⁰ Fuller, Joseph (May 2018). "Future of the Workforce: Oregon." Harvard Business School. *2018 Oregon Talent Summit*.

The recently unemployed just exited occupations that drew on, and contributed to, a mix of skills (e.g., customer service, scheduling, technical support, repair, cleaning, sales) that could be carried into “skill-adjacent” occupations that are not as adversely affected by social distancing. The U.S. Department of Labor’s mySkills myFuture,¹¹ which was highlighted in the *2020 Talent Assessment*, makes those kinds of connections. For example, a search for “waiter” reports restaurant-related opportunities but also extends into stock clerks, home health aides, and retail sales. And a search under “chef” shows a variety of occupations that require planning and coordination skills, including industrial-production and general-operations managers. Our analysis also identified a number of potential opportunities for Oregon’s displaced leisure and hospitality workers based on adjacent skill sets (see Appendix Exhibit 14).

The mySkills myFuture matching framework is still in early development and would benefit from clearer visualizations that illustrate overlapping skills across occupations and that show how a new job, or training opportunity, could advance a career. Despite the limitations, Oregon should make mySkills myFuture easier to access on state-supported websites.

- **Leverage the proliferation of online, self-directed training tools to help underemployed workers build general skills.** Most forecasts predict elevated rates of unemployment into 2022, which suggests that some workers will encounter extended time periods outside of work. A variety of new training opportunities have emerged since the last recession. Free platforms like the Khan Academy, Alison, Mooc.org, Smartly, MOBI, Adobe Education Exchange, Udemy, and Grow with Google offer the ability to build basic math and reading skills, which many workers lack.¹² The Urban Institute’s Robert Lerman recommends that the state offer supplemental unemployment insurance payments to claimants who establish and complete defined achievement goals. Full-scale adoption would require federal support for the supplemental payments. Absent major federal support, Oregon could lead with a demonstration focused on especially hard-hit occupations in the leisure and hospitality industry and use any remaining—or forthcoming—Coronavirus Relief Fund resources to fund the supplemental payments.

Where could the online training focus? Workforce developers should circle back to Fuller’s findings from the *2018 Talent Summit*. He reported high-demand technical and soft skills for top middle-skill occupations (see Appendix Exhibit 13). Highly demanded technical skills—Microsoft Excel, computer literacy, Microsoft Office—lend themselves

¹¹ <https://www.myskillsmyfuture.org>

¹² By one measure, 74 percent of employees in the service sector have low numeracy skills. See National Skills Coalition, “Low skills are widespread in service sector, but investments in worker upskilling can pay off.” <https://www.nationalskillscoalition.org/resources/publications/file/Investments-in-Worker-Upskilling-Can-Pay-Off.pdf>

See also Results from The Program for the International Assessment of Adult Competencies (PIAAC), U.S. Performance in International Context. https://nces.ed.gov/surveys/piaac/current_results.asp

to some form of self-directed, online learning, as would basic math skills. On the soft-skills side, employers seek communication and organization skills along with scheduling and teamwork skills. Project-based training, work experience, or apprenticeships (discussed below) are better suited for soft-skill building.

- **Stimulate apprenticeships.** In a companion paper to this report, Robert Lerman argues that recession makes for an opportune time to expand Oregon’s apprenticeship footprint. Lerman’s paper expands on a recommendation advanced in the *2020 Talent Assessment*. He sees an opportunity in Oregon to extend apprenticeships beyond the building trades and some manufacturing sectors—where they’ve traditionally been concentrated—and into the information technology, network security, and healthcare sectors. Oregon is already in a leading position, with more than 10,000 active apprentices—or roughly 0.5 percent of the work force. Lerman recommends that Oregon set a goal of having 2.5 percent of its workforce in apprenticeships.

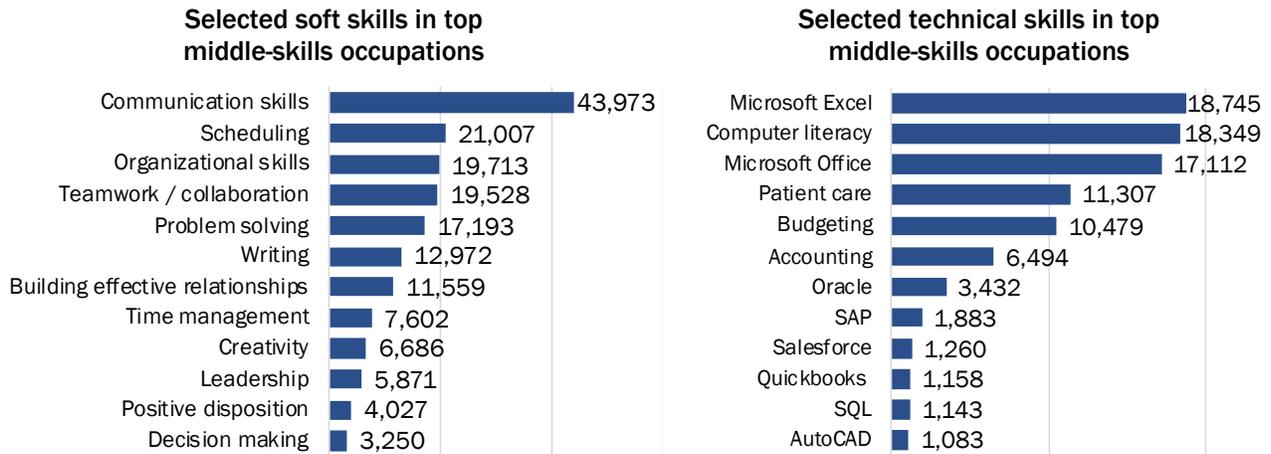
Fuller made a similar point at the *2018 Talent Summit* and said Oregon could nearly triple the number of occupations commonly served by apprenticeships—from 27 to 74. He described three categories of occupations that lend themselves to the model: core, expanders, and boosters. Core occupations require deep skillsets, are typically licensed, and have already adopted the apprenticeship model (e.g., carpenters, electricians, machinists, plumbers, roofers). Expanders are occupations that pay living wages and are growing nationally (e.g., customer service representatives, gaming surveillance officers, medical secretaries). Boosters are occupations that have faced “degree inflation”—jobs that require a bachelor’s degree that may not have previously (e.g., billing and posting clerks, executive or administrative assistants, medical record technicians, payroll and timekeeping clerks). In all these occupations, Fuller sees an opportunity for employers and educators to collaborate on curriculum and training design to offer skill-building options that require less sacrifice—in income and time—from trainees.

Lerman lays out a plan to stimulate apprenticeships in Oregon, which includes creating occupational training frameworks that participating employers would follow, developing an Oregon apprenticeship brand, and providing support for “off-job” learning. A first step into a plan could be a focus on expanding and developing apprenticeships especially well-suited to leisure and hospitality workers displaced by the pandemic. Our analysis suggested apprenticeships for the following occupations: construction and maintenance painters; medical secretaries; customer service representatives; and paralegals and legal assistants, billing and posting clerks, legal secretaries, and medical transcriptionists. Developing these would benefit Oregon’s workforce by providing alternate career pathways for low-wage workers in both good and bad economic times.

Appendix Exhibits

General Skills Training

Exhibit 13. High-demand soft and technical skills for top middle-skills occupations, Oregon, 2018



Data source: Fuller, Joseph (May 2018). "Future of the Workforce: Oregon." Harvard Business School. 2018 Oregon Talent Summit.

Employment in Other Occupations

Exhibit 14. Potential target occupations for leisure and hospitality workers, Oregon, 2018

Starting occupation	Potential target occupations (closer to more distant skillsets from left to right)					
Waiters and Waitresses	Cashiers	Security Guards	Mail Carriers	Nursery Workers	Office Clerks	Medical Secretaries
Food Preparation Works, including Fast Food	Nursery Workers	Construction and Maintenance Painters	Cashiers	Mail Carriers	Security Guards	Light Truck and Delivery Service Drivers
Restaurant Cooks	Driver/Sales Workers	Counter and Rental Clerks	Shipping, Receiving, and Traffic Clerks	Roofers	Pharmacy Technicians	Dental Assistants
Counter Attendants, Cafeteria, Food Concession, and	Cashiers	Security Guards	Driver/Sales Workers	Shipping, Receiving, and Traffic Clerks	Office Clerks, General	Painters, Construction and Maintenance
Baristas	Roofers	Painters, Construction and Maintenance	Light Truck or Delivery Services Drivers	Driver/Sales Workers	Nursery Workers	Shipping, Receiving, and Traffic Clerks
First-line Supervisors of Food Preparation and Service Workers	Property, Real Estate, and Community Association Managers	First-Line Supervisors of Office and Administrative	First-Line Supervisors of Retail Sales Workers	General and Operations Managers	Licensed Practical and Licensed Vocational Nurses	Production, Planning, and Expediting Clerks
Bartenders	Driver/Sales Workers	Retail Salespersons	Tellers	Production, Planning, and Expediting Clerks	Secretaries and Administrative Assistants, Except Legal, Medical, and Executive	Office Clerks, General
Maids and Housekeeping Cleaners	Postal Service Mail Carriers	Nursery Workers	Janitors and Cleaners, Except Maids and Housekeeping Cleaners	Packers and Packagers, Hand	Painters, Construction and Maintenance	Cashiers

➔

Closer skill set
More distant skill set