



OREGON WORKFORCE INVESTMENT:

Results & Trends

November 2003

Issue 2003-1

Performance Measurement: Three Indicators – Placement, Retention, and Wage Gain

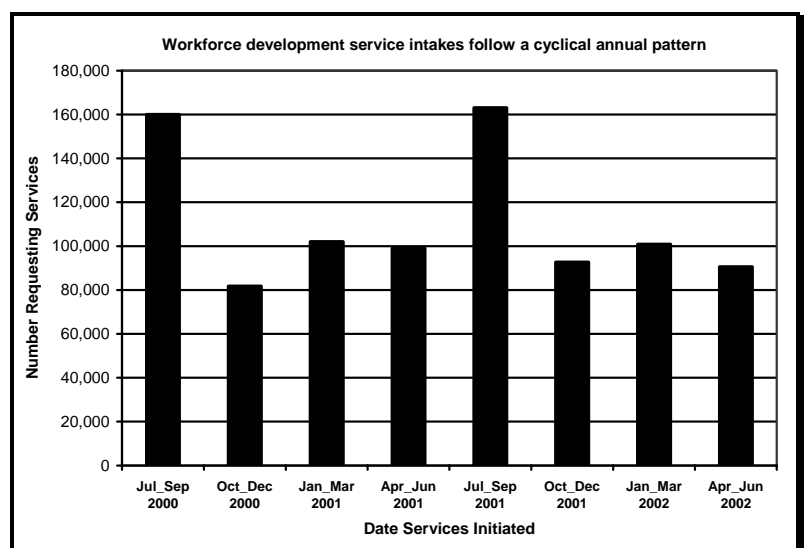
Oregon's Performance Reporting Information System (PRISM) collects, analyzes, and reports on workforce development services provided throughout the state. Among other things, it gathers information on the types of customers served by the workforce system and their employment outcomes after receiving services. The populations typically served by the workforce development system include adults, youth, dislocated workers, Temporary Assistance to Needy Families (TANF) recipients, persons with disabilities, and students.

The following workforce development partners currently participate in PRISM:

- Department of Community Colleges and Workforce Development: Carl Perkins Post Secondary
- Department of Community Colleges and Workforce Development: Title 1B
- Department of Community Colleges and Workforce Development: Title II Adult Basic Education
- Department of Human Services: Children, Adults and Families
- Department of Human Services: Vocational Rehabilitation
- Employment Department: Employment Services

Roughly 100,000 Oregonians Receive Services Each Calendar Quarter

On average, workforce development partners started just under 100,000 services to individuals in the first, second, and fourth quarters of each calendar year. The number spikes to 160,000 in the third quarter, as a mass of students return to Oregon's Community Colleges. A small increase is also evident in the first quarter of each year, most likely resulting from individuals seeking job finding or other assistance after being laid off from holiday-related employment.

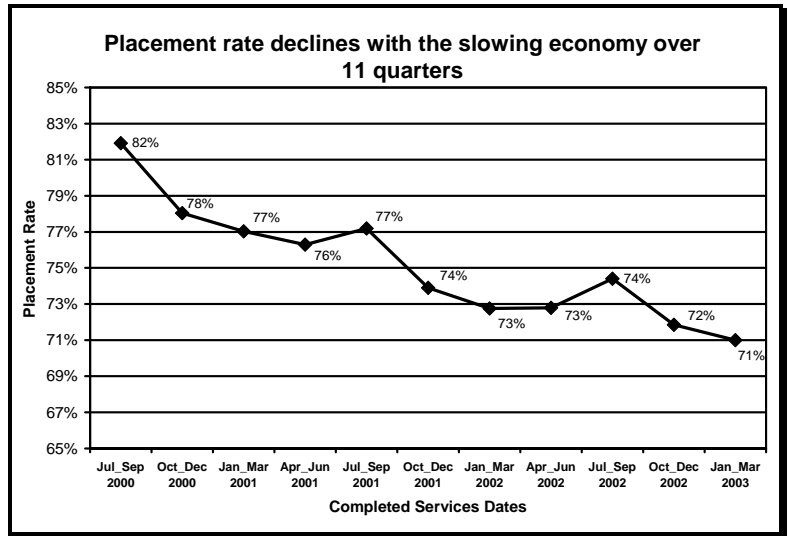


Graph 1

Fewer Individuals Found Employment as Oregon's Recession Took Hold

As of the first quarter 2003, 71 percent of individuals served by Oregon's workforce system found jobs. This compares with an 82 percent placement rate in the third quarter of 2000, the first period for which data are available. This reduction coincides with the onset of recession in Oregon, which has resulted in a 30 percent decline in the number of vacancies reported by employers and the net loss of roughly 60,000 jobs.

For all of 2002, placement rates ranged from 62 percent in Malheur County to 82 percent in Hood River County. Twenty-five of Oregon's 36 counties registered placement rates between 70 and 75 percent.

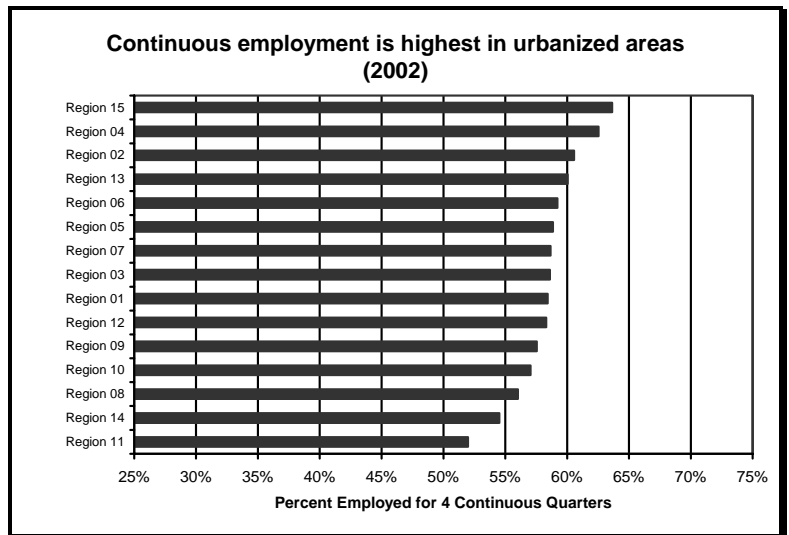


Graph 2

More Than Half of Those Who Found Jobs Stayed Employed for a Year

Of those individuals who found jobs after receiving workforce services, roughly 60 percent had employment throughout the year. This percentage varied little from the third quarter of 2000 to the current time.

Retention rates varied across Oregon. Generally, it appears that employees in urban areas were more likely to remain employed. Workforce regions in the Portland, Albany-Corvallis, and Eugene areas were among those with the highest retention rates, but areas surrounding communities such as Roseburg and La Grande/Baker City also made it into the top five regions for retention.



Graph 3

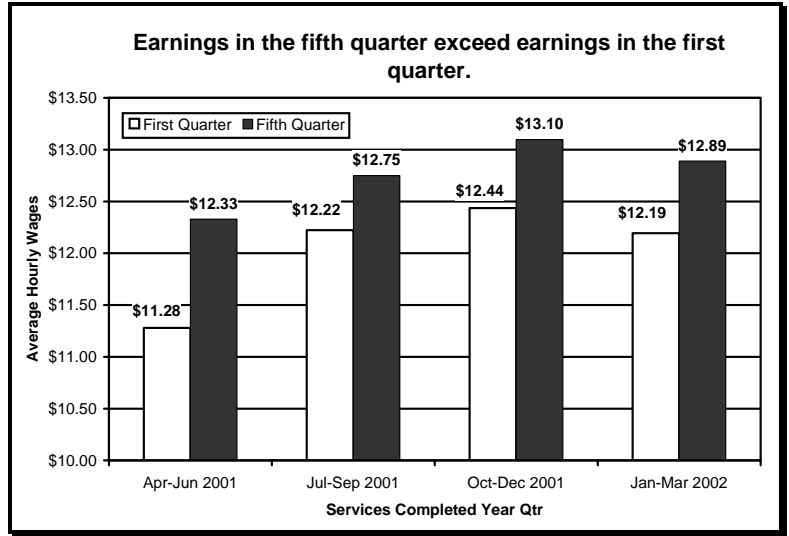
At the other end of the spectrum, the five regions registering the lowest retention rates were primarily rural.

(A map defining each workforce region is included on the next page.)

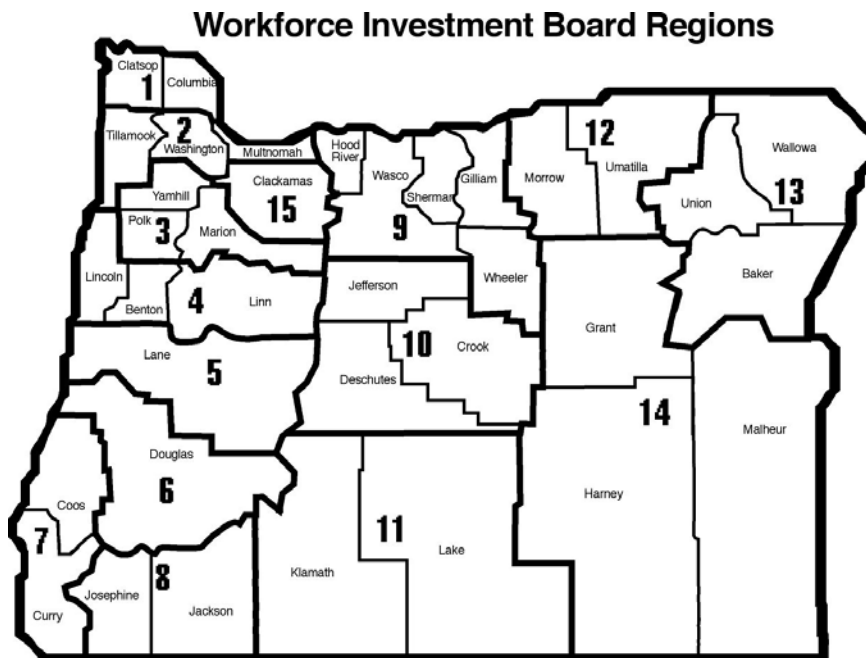
Wages Generally Increase After One Year of Employment

During the period under study (second quarter 2001 through first quarter 2002), starting wages for those who found jobs after receiving a government or other workforce system service averaged \$11.87. If those individuals also had wages in the fifth quarter after receiving that service, their wage, on average, increased to \$12.65. This represents a 78 cent (6.6%) increase.

Average earnings after one year were always higher than starting earnings, in all quarters of study. The wage gain was most dramatic for those who completed services in the second quarter of 2001. Their earnings had increased by \$1.05 per hour, a year after they first found employment.



Graph 4



Calculating the Performance Indicators

The three primary performance indicators for PRISM partners are placement, retention, and wage gain. These indicators are the primary output of the PRISM database. They are published in standardized reports distributed quarterly to the partner agencies via the PRISM website at www.prism.state.or.us. The design and calculation of the performance indicators were determined by workforce development agencies as an equitable and calculable measure of participation in the labor market.

- Placement is a measurement of employment. It is an indicator of employment status within the six months following completion of services. The placement rate is calculated by dividing the number of individuals with earnings during the quarter when they “exited” from a workforce program or the quarter after exit by the number of individuals exiting a program. The placement performance measure does not assess occupation or promotion, nor does it make a distinction between one or many employers, or between old or new employers.
- Retention is a measurement of employment duration. It is an indicator of employment status in the four quarters after the exit quarter. The retention rate is calculated by dividing the number of workers with employment in four continuous quarters by the number of workers placed.
- Wage gain is the measurement of increase (or decrease) of average earnings over one year. The wage gain is calculated by taking the difference between the average hourly wages earned in the first quarter (after exit) and the average hourly wages earned in the fifth quarter (after exit).

In summary, the performance indicators are:

- Placement - employment within six months of completing services.
- Retention - employment in four continuous quarters after placement.
- Wage Gain - increase (or decrease) of hourly wage between the first and fifth quarters following exit.

Report Date Ranges

The performance indicators are produced after two (placement), five (retention), and six (wage gain) calendar quarters of data become available. Each quarter’s information typically becomes available after roughly six months of collecting and processing from employers. PRISM data is available from the third quarter of 2000 onward.

To be a Subscriber

To subscribe to ***Oregon Workforce Investment: Results and Trends***, use one of the following two methods:

1. Go to <http://webhost.osl.state.or.us/mailman/listinfo/results-trends>.
2. Send a message to results-trends-request@webhost.osl.state.or.us with the word 'subscribe' in the subject or message field.

To unsubscribe from ***Oregon Workforce Investment: Results and Trends***, please send an email to Patricia.C.Reynolds@state.or.us with 'unsubscribe OWN' in the subject or message field. Please include the email address you want removed from our list if it is different from the address you are using to send the email.

The publications will also be available through the PRISM website at www.prism.state.or.us.