



OREGON WORKFORCE INVESTMENT: *Results & Trends*

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Weak Economy Hurts Job Placement

Oregon's economic slide, which began in December 2000, has made it harder for residents to find work and increase their earnings.

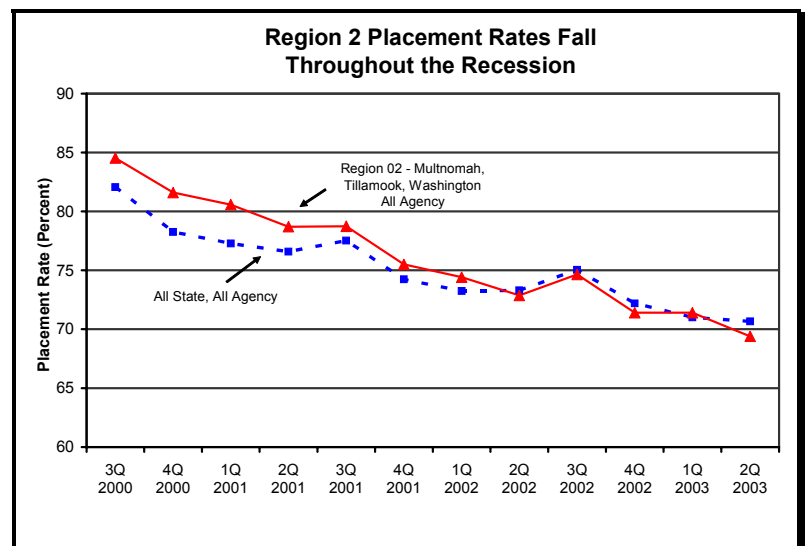
On average, 75 percent of those receiving workforce development services from government or government-related agencies found work: out of 529,949 Oregonians who received workforce development and training services between October 2000 and June 2003, 416,224 found employment. During that time, the percentage of those finding jobs steadily decreased, as statewide placement fell from 82 percent to 71 percent.

Employment: Urban Versus Rural

Placement rates are generally lower where unemployment rates are high since there are fewer jobs available. Thus, metropolitan-area residents historically are more likely to find jobs after receiving assistance than workers in rural regions. However, since the state's recession started in late 2000, employment opportunities in urban areas have declined and placement rates have dropped dramatically. In contrast, seasonal variations – not recessionary trends – affected employment in rural areas, where placement rates dipped only slightly.

Data from Region 2 – which includes Washington, Multnomah, and Tillamook counties – reveals the recession's scourge on the Portland area, especially in mid-2002 when placement rates fell below statewide placement averages (Graph 1).

Rural regions 7, 11 and 13, which include Coos Bay, Klamath Falls and La Grande, respectively, generally have placement rates below the statewide average. However, their rates rose above Oregon's average between the last half of 2002 and the first half of 2003. Placement in Region 12, where



Graph 1

Pendleton is located, has been consistently above the statewide average for most of the past three years.

Region 9, a five-county area that includes Hood River and The Dalles, has seen some of the state's most volatile placement rates. Spikes in the third quarter of each year are testimony to the impact of seasonal agricultural and related hiring. Manufacturing job losses in Region 9 pushed placement rates down in early 2001.

Total Employment Accounts for Almost Half the Placement Rate

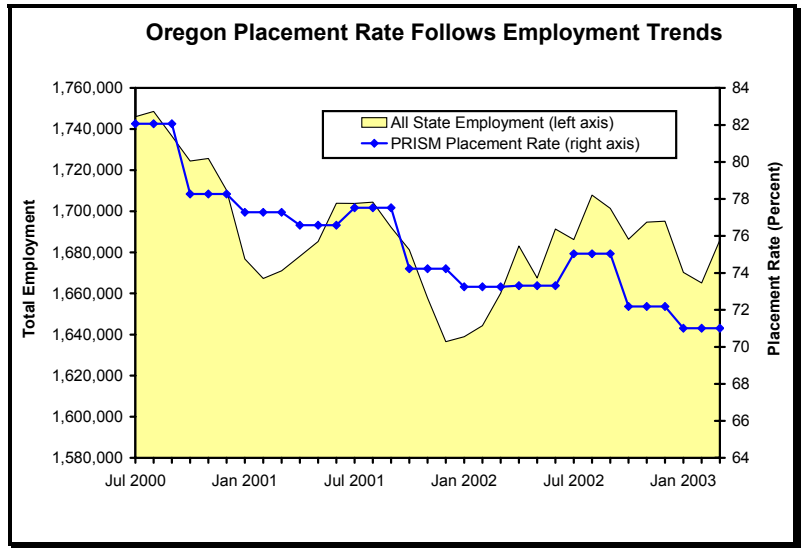
Over the past few years, changes in an area's overall employment have accounted for nearly half of the variation in the area's placement rate (Graph 2). Such factors as program changes, policy decisions, and budget fluctuations most likely are responsible for the other half of the variation in placement rates. For example, both total employment and placement rates increase in Region 9 during agricultural harvests.

Earnings Increases Slow

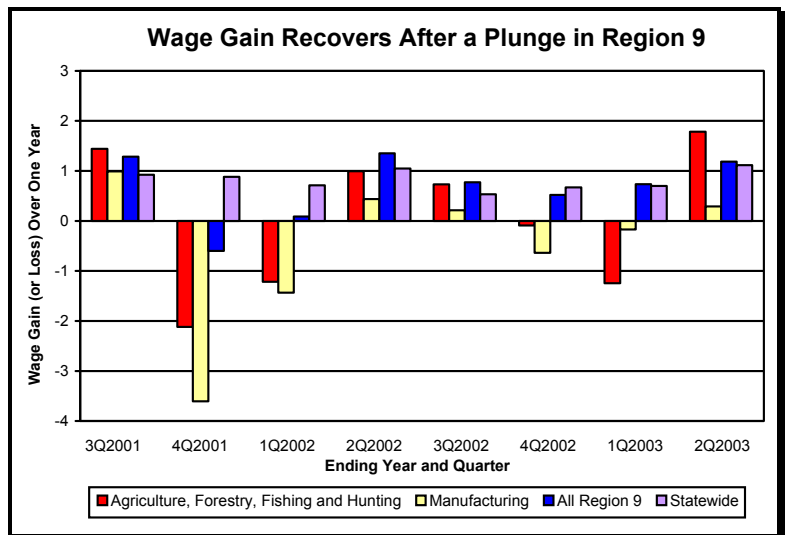
Wage gains for those who found jobs after the workforce system served them rose in several workforce regions. Most of those regions were in the state's rural areas. Earnings increases dipped in other regions – including those that comprise the Portland, Eugene, and Medford metropolitan areas.

In Portland, for example, the recession hit so hard that, not only did placement rates drop, even those who found work after state assistance saw smaller over-the-year wage increases than they had in previous years.

In Region 9, participants who found work in 2000 saw wage gains fall in late 2001. By the end of 2001, they were making



Graph 2



Graph 3

less, on average, than they were at the end of 2000. During 2001, both Wasco and Hood River had significant job loss and reduction in wages earned. Wage gains recovered and followed statewide trends throughout 2002 and during the first half of 2003 (Graph 3).

Most Current Wage Gains Improved Statewide

The most recent wage gains data on 2002 third quarter show many state residents with improved wage gain compared with the previous quarter. Wage gains increased in all but two of the state's 15 workforce regions. Regions 7 and 12 saw declining wage gain compared with the period between January 1 and March 30, 2002.

For detailed information on the data found in this report, please visit the following Web sites:

Prism:

<http://prism.state.or.us/>

Statewide/Regional/Agency – Standard Agency Quarterly Reports:

<http://prism.state.or.us/prism-reports.htm>

Results & Trends Issues and Performance Indicator Trend Charts:

<http://prism.state.or.us/analysis.htm>