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Who Doesn't Find Jobs?

Introduction

During a March 2007 presentation to the Oregon Workforce Investment Board, the question was asked, "Of all the people served by Oregon's workforce system, what do we know about the ones who don't find jobs?"

Key Findings

Individuals with disabilities, those aged 65 and older, those with less than a high school education, and American Indian / Alaskan Natives have the most difficult time becoming employed after receiving services from Oregon's workforce system.

Two-thirds (13,849) of the individuals who did not find a job after being served by Oregon's workforce system had a high school diploma or less.

Most of those served do find jobs

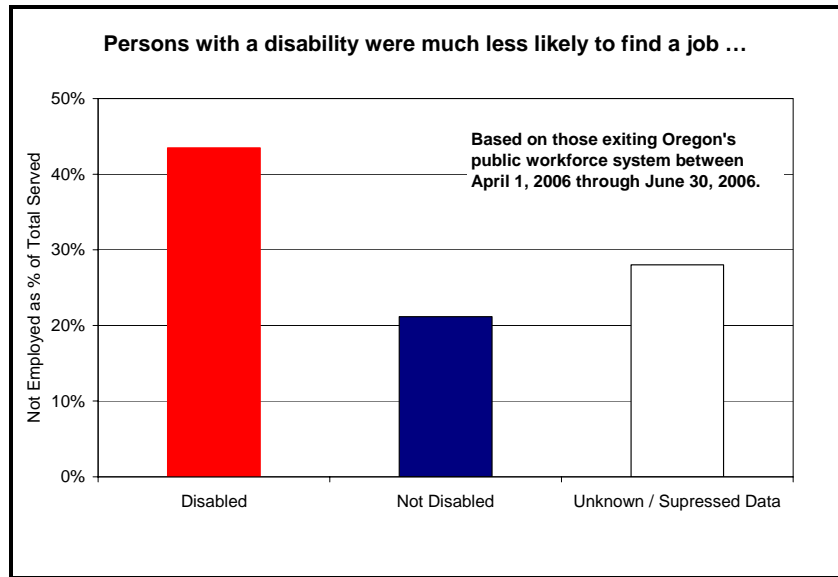
First, it's important to note that the majority of those served by the workforce system do find jobs. Of the roughly 90,000 who completed receiving services from Oregon's workforce system between April 1 and June 30, 2006, more than 69,000 (77%) were employed in Oregon during that calendar quarter or the following one.

But that means about 20,900 (23%) of those served did not find work in Oregon. Some of these individuals may have found work in other states. Some may have chosen not to look for work. But it's fair to assume that many of them did want to work in Oregon, but could not find a suitable job. The following analysis provides some clues, though not perfect information, about those individuals who are unable to find employment after being served by Oregon's workforce system.

Certain demographic characteristics made a big difference

Whether or not a person had a disability made a big difference. Among those with a disability who were served by the workforce system, 43 percent did not find employment in Oregon. In contrast, only 21 percent of those with no disability found themselves in this situation (Graph 1). This also helps explain why Oregon's Vocational Rehabilitation Services (VRS) Division had the highest rate of customers not finding jobs among all the workforce partner agencies. VRS' main customer group is those individuals with disabilities.

Of the approximately 20,000 who did not find work in mid-2006, roughly 1,100 had a disability.



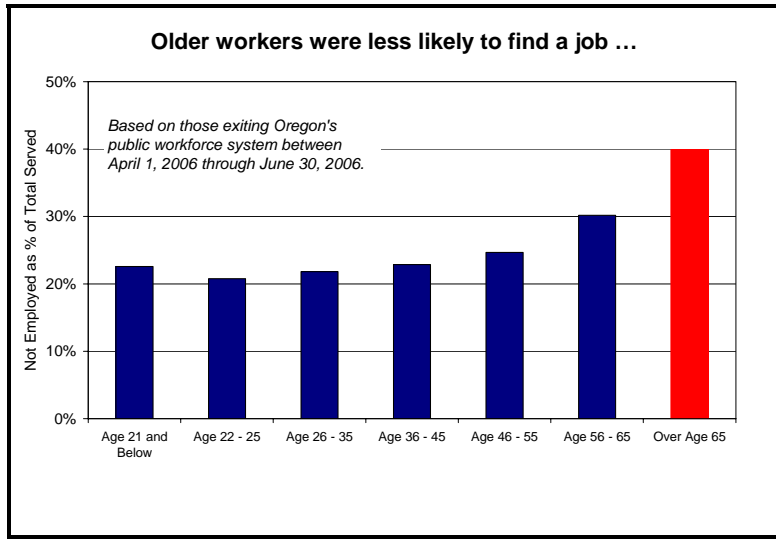
Graph 1

Table 1

Individuals Not Employed After Completing Services from Oregon's Workforce System					
Universe: Those Who Completed Receiving Services Between April 1 and June 30, 2006.					
Disability	Total Served	Employed	Not Employed	Percent of Total Not Employed	as Percent of Total Served
Disabled	2,592	1,465	1,127	5.4%	43.5%
Not Disabled	69,691	54,943	14,748	70.7%	21.2%
Unknown / Supressed Data	17,840	12,841	4,999	23.9%	28.0%
Total	90,123	69,249	20,874	100.0%	23.2%

Another major factor was age. While fewer than a thousand individuals aged 65 and older were served by the workforce system, a significant number of them – 40 percent – did not find work after receiving those services (Graph 2). This compares with not employed rates in the low 20 percent range for many younger age groups.

Of the approximately 20,000 who did not find work in mid-2006, almost 400 were aged 65 or older, with another 1,800 aged between 55 and 64.



Graph 2

Table 2

Individuals Not Employed After Completing Services from Oregon's Workforce System					
Universe: Those Who Completed Receiving Services Between April 1 and June 30, 2006.					
Age Group	Total Served	Employed	Not Employed	Percent of Total Not Employed	Not Employed as Percent of Total Served
Age 21 and Below	12,192	9,439	2,753	13.2%	22.6%
Age 22 - 25	12,243	9,699	2,544	12.2%	20.8%
Age 26 - 35	22,850	17,867	4,983	23.9%	21.8%
Age 36 - 45	19,353	14,928	4,425	21.2%	22.9%
Age 46 - 55	15,536	11,704	3,832	18.4%	24.7%
Age 56 - 65	6,123	4,275	1,848	8.9%	30.2%
Over Age 65	934	561	373	1.8%	39.9%
Unknown / Supressed Data	892	776	116	0.6%	13.0%
Total	90,123	69,249	20,874	100.0%	23.2%

A third factor relevant to whether or not individuals found work was education. Not surprisingly, those with the lowest levels of education – certainly those who did not complete high school – had the most difficult time finding a job. Interestingly, not employed rates declined as education levels increased, up to the “some college” level, but started increasing again with the more advanced levels of education. This seems counter to the trends normally observed in the workforce. It may be at least partly explained by the characteristics of the highly educated individuals who seek services from the public workforce system that has more limited numbers of these types of jobs listed.

Of the approximately 20,000 who did not find work in mid-2006, almost 3,000 had less than a high school education. At the other extreme, 400 had graduate or professional degrees.

Table 3

Individuals Not Employed After Completing Services from Oregon's Workforce System					
Universe: Those Who Completed Receiving Services Between April 1 and June 30, 2006.					
Education	Total Served	Employed	Not Employed	Percent of Total Not Employed	Not Employed as Percent of Total Served
No formal education	6	3	3	0.0%	50.0%
Less than 9th grade education	372	245	127	0.6%	34.1%
Some high school, no diploma	11,050	8,256	2,794	13.4%	25.3%
High school diploma or equivalent	48,654	37,729	10,925	52.3%	22.5%
Some college, no degree	6,330	5,002	1,328	6.4%	21.0%
Two year college degree	10,574	8,309	2,265	10.9%	21.4%
Four year college degree	6,258	4,817	1,441	6.9%	23.0%
Graduate or professional degree	1,558	1,140	418	2.0%	26.8%
Unknown / Supressed Data	5,321	3,748	1,573	7.5%	29.6%
Total	90,123	69,249	20,874	100.0%	23.2%

While the discussion thus far has focused primarily on those groups that faced the most difficulty becoming employed, even if such groups included very small numbers of people, education provides us with our first insight into a characteristic – and possibly policy responses – that could impact large numbers of people. More than six-in-ten of those who did not find employment had a high school diploma or less. An improvement in the employed rate of this group could have significant impact on the overall employment rate of those served by Oregon's workforce system.

Finally, race/ethnicity seemed to play a small role. Hispanics were the most likely to be employed after receiving workforce services, while American Indian or Alaskan Native were the least likely.

Of the approximately 20,000 who did not find work in mid-2006, almost 500 were American Indian or Alaskan Native.

Table 4

Individuals Not Employed After Completing Services from Oregon's Workforce System Universe: Those Who Completed Receiving Services Between April 1 and June 30, 2006.					
Race / Ethnicity	Total Served	Employed	Not Employed	Percent of Total Not Employed	as Percent of Total Served
White Alone (Not Hispanic)	71,504	54,936	16,568	79.4%	23.2%
Black Alone (Not Hispanic)	2,730	2,057	673	3.2%	24.7%
Asian Alone (Not Hispanic)	2,109	1,582	527	2.5%	25.0%
Native Hawaiian or Pacific Islander Alone (Not Hispanic)	363	286	77	0.4%	21.2%
American Indian or Alaskan Native Alone (Not Hispanic)	1,695	1,214	481	2.3%	28.4%
Multiple Race / Other Race (Not Hispanic)	1,146	850	296	1.4%	25.8%
Hispanic	8,558	6,923	1,635	7.8%	19.1%
Unknown / Suppressed Data	2,018	1,401	617	3.0%	30.6%
Total	90,123	69,249	20,874	100.0%	23.2%

Some factors seemed less significant, but somewhat interesting

There was no difference between the placement rates for men and women.

Table 5

Individuals Not Employed After Completing Services from Oregon's Workforce System Universe: Those Who Completed Receiving Services Between April 1 and June 30, 2006.					
Gender	Total Served	Employed	Not Employed	Percent of Total Not Employed	as Percent of Total Served
Female	42,692	32,852	9,840	47.1%	23.0%
Male	47,080	36,237	10,843	51.9%	23.0%
Unknown / Suppressed Data	351	160	191	0.9%	54.4%
Total	90,123	69,249	20,874	100.0%	23.2%

There were also few differences between not employed rates for Oregon's workforce regions. Region 10 (Crook, Deschutes, and Jefferson counties) had the lowest not employed rate – not surprising in a region known for its very tight labor market and rapid employment growth. Region 14 (Grant, Harney, and Malheur counties) had the highest not employed rate, with contributing factors no doubt including the relatively difficult economic conditions in parts of that region, combined with – the biggest factor – the number of individuals who may be served by Oregon's workforce system, but then find jobs across the border in Idaho.

Table 6

Individuals Not Employed After Completing Services from Oregon's Workforce System					
Universe: Those Who Completed Receiving Services Between April 1 and June 30, 2006.					
Workforce Area	Total Served	Employed	Not Employed	Percent of Total Not Employed	Not Employed as Percent of Total Served
Region 01 - Clatsop, Columbia, Tillamook	2,517	1,859	658	3.2%	26.1%
Region 02 - Multnomah, Washington	26,203	19,968	6,235	29.9%	23.8%
Region 03 - Marion, Polk, Yamhill	8,783	7,003	1,780	8.5%	20.3%
Region 04 - Benton, Lincoln, Linn	7,754	5,982	1,772	8.5%	22.9%
Region 05 - Lane	10,168	7,871	2,297	11.0%	22.6%
Region 06 - Douglas	3,301	2,576	725	3.5%	22.0%
Region 07 - Coos, Curry	2,460	1,929	531	2.5%	21.6%
Region 08 - Jackson, Josephine	5,540	4,386	1,154	5.5%	20.8%
Region 09 - Gilliam, Hood River, Sherman, Wasco, Wheeler	1,528	1,187	341	1.6%	22.3%
Region 10 - Crook, Deschutes, Jefferson	4,297	3,510	787	3.8%	18.3%
Region 11 - Klamath, Lake	1,891	1,462	429	2.1%	22.7%
Region 12 - Morrow, Umatilla	2,470	1,913	557	2.7%	22.6%
Region 13 - Baker, Union, Wallowa	1,560	1,214	346	1.7%	22.2%
Region 14 - Grant, Harney, Malheur	1,756	1,021	735	3.5%	41.9%
Region 15 - Clackamas	7,604	5,935	1,669	8.0%	21.9%
Unknown / Suppressed Data	2,291	1,433	858	4.1%	37.5%
Total	90,123	69,249	20,874	100.0%	23.2%

Should policy-makers focus on high “not employed” rates or large numbers of “not employed”?

Workforce policy-makers have (at least) two approaches from which to choose.

One would be to focus resources on groups facing the most daunting challenges, such as those listed above – for example, those with disabilities, those aged 65 and older, those with less than a high school education, or American Indian / Alaskan Natives. This approach would attempt to bring not employed rates for these groups down, helping them move closer to the rates for other demographic groups. The drawback is that while these groups clearly have high need, they do not represent large numbers of potential workers.

On the other hand, if workforce policy-makers want to focus on groups with the highest numbers of individuals not finding employment after receiving services, it might be best to ignore most factors, and concentrate some efforts on individuals with a high school diploma or less. Such individuals account for exactly two-thirds of those who were unable to find a job after being served by the workforce system.

Technical Note

This analysis focused on 90,123 individuals who completed receiving services from the workforce system between April 1 and June 30, 2006. The determination of employed or not employed is based on Oregon quarterly Unemployment Insurance (UI) tax reports. In order to be counted as employed, an individual's social security number had to show up in Oregon unemployment insurance quarterly tax records, either in the second or third calendar quarters of 2006. Some individuals counted as not employed may have been working for companies not covered by Oregon law, or may have found jobs in other states. Note that all individuals would fall into more than one of the various demographic groups discussed. For example, those with less than a high school education may be of any race or ethnicity, may or may not be disabled, and may be of any age.

Additional information

For more information, visit the PRISM web site at www.oregon.gov/PRISM/, or contact John Glen at John.L.Glen@state.or.us or (503-947-1234).