

Grantee: Worksystems, Inc.

Grant Title: Closing the Metals Industry Skill Gaps

Grantee Service Area

Through 2002, Worksystems, Inc. served a two-county area including Multnomah and Washington, along with the nonmetropolitan county of Tillamook, as illustrated in Figure 1, below. A fourth county (Clackamas) was served as a collaboration with the Workforce Investment Council of Clackamas County. For the purpose of this profile, the service area is defined as consisting of three counties (excluding Clackamas). As the majority of the counties served by Worksystems, Inc. are within the Portland-Vancouver, OR-WA Primary Metropolitan Statistical area (PMSA), information available on that area is used in this profile.

Figure 1

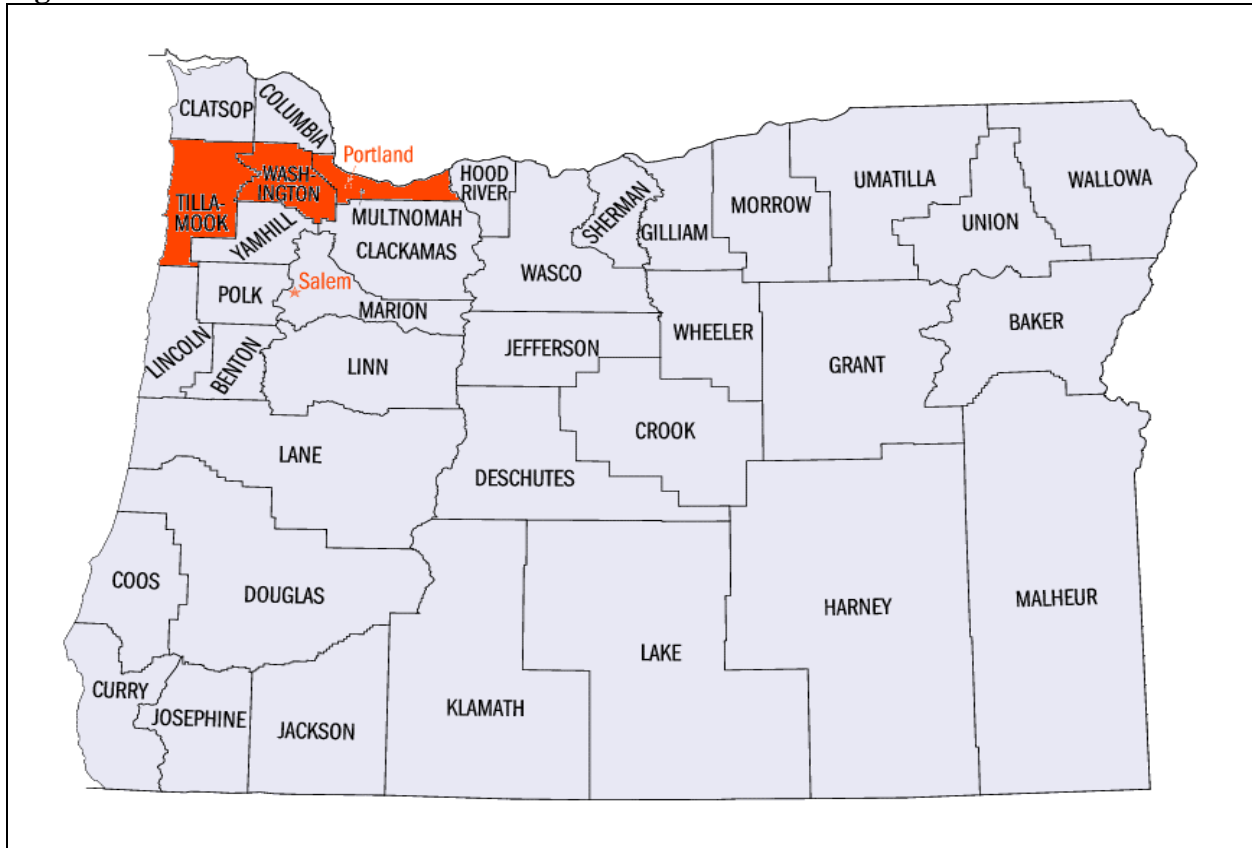


Table 1: Grantee Service Area MSA Facts

2002 Metropolitan Status	Region:	West	
	State:	Oregon	
	Counties:	Multnomah	Portland-Vancouver, OR-WA PMSA
		Tillamook	Nonmetropolitan
		Washington	Portland-Vancouver, OR-WA PMSA

Key Industries and Employment

As reported by the U.S. Census Bureau, employment in the three-county target area in and around Portland, Oregon, that is being served by Worksystems, Inc. is concentrated in four broad sectors: manufacturing, retailing, health and social services, and accommodations and food services. These four sectors represented 42.1 percent of all nongovernmental employment in the three-county area during the second week of March 2001.

As noted in Table 2 below, the average annual salary or wage for all nongovernmental employees was \$38,153 in 2001. Manufacturing—which comprised 12.8 percent of all area employment in 2001—provided its employees with an average annual wage of \$45,794, approximately 20 percent above the region-wide average. Health care and social services employed 9.9 percent of all nongovernmental employees in the region and provided them with an annual average salary or wage of \$35,216—just under the region-wide average.

These data are the most recent detailed subnational industrial information that is available from the U.S. Census Bureau's annual report, *County Business Patterns*. This annual report covers most of the country's economic activity, excluding data on self-employed individuals, employees of private households, railroad employees, agricultural production employees, and most government employees. Beginning in 1998, data have been tabulated by industry as defined in the *North American Industry Classification System: United States, 1997 (NAICS)*.

Table 2: Nongovernmental Employment by Major Sector in the Grantee Service Area, 2001

Industry	Non-governmental Employment (March 12, 2001)	Annual Payroll (\$1,000)	Number of Establishments	Percentage of all Nongovernmental Employment	Average Annual Wage/Salary
Total	634,101	24,193,083	36,807	100.0%	\$38,153
Manufacturing	81,266	3,721,507	2,069	12.8%	\$45,794
Retail	73,070	1,712,598	4,632	11.5%	\$23,438
Health & social services	63,335	2,230,419	3,434	9.9%	\$35,216
Accommodations & food services	50,481	684,915	2,932	7.9%	\$12,775

Source: U.S. Bureau of the Census, *County Business Patterns*, 2001.

As detailed in Table 3, below, metals-based manufacturing is an important component of the overall manufacturing sector in this region. In 2001, approximately 37.5 percent of all manufacturing employment in the three-county region was devoted to primary metals manufacturing (5.1 percent), fabricated metal products manufacturing (10.9 percent), machinery manufacturing (6.5 percent), and transportation equipment manufacturing (15.0 percent). Two of these subsectors (fabricated metal products and transportation equipment manufacturing) provided annual salaries or wages above the region-wide average for all nongovernmental employment, but all four were below the region-wide average for all manufacturing wages (\$45,286) in 2001.

Table 3: Metals-Based Manufacturing in the Portland Area, 2001

	Employees (3/11/01)	Annual Payroll (\$1,000)	Number of Establish- ments	% of Total Manufacturing Employment	Annual Average Salary
Manufacturing	81,266	3,680,235	2,069	100.0%	\$45,286
Fabricated metal product mfg.	8,876	316,154	233	10.9%	\$35,619
Transportation equipment mfg.*	12,202	330,811	90	15%	\$27,111
Machinery mfg.*	5,259	230,291	136	6.5%	\$42,345
Primary metal mfg.	4,143	169,811	38	5.1%	\$43,790

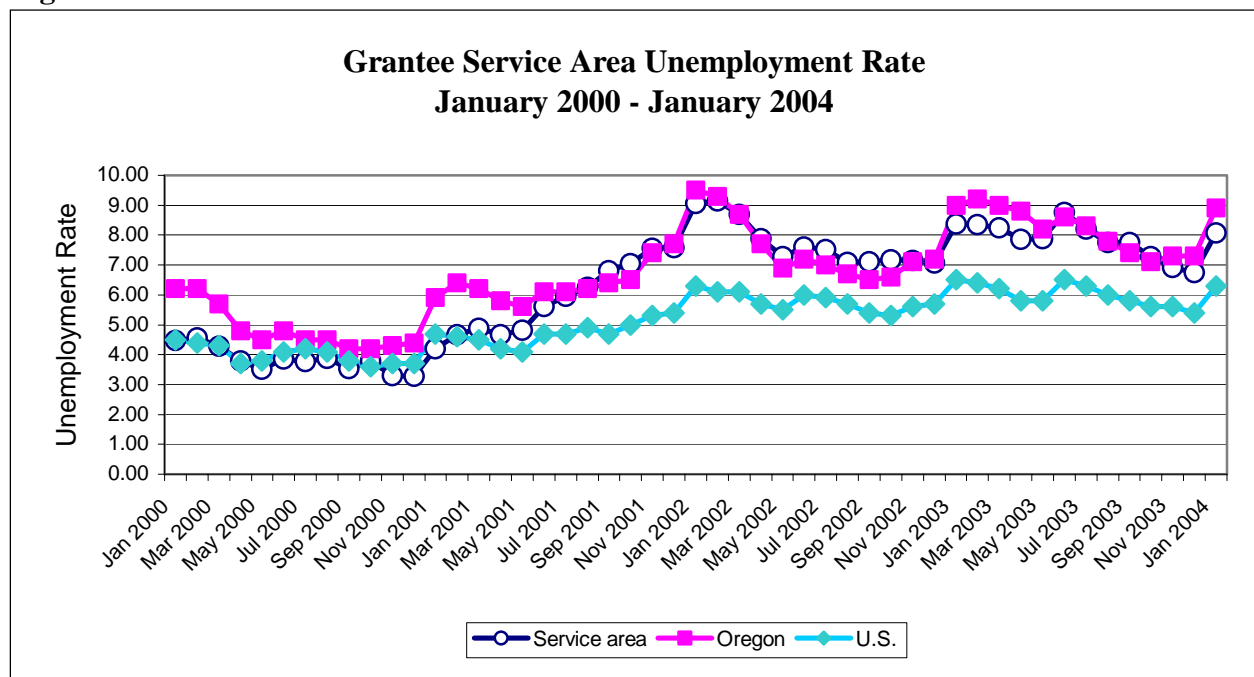
Source: U.S. Bureau of the Census, *County Business Patterns*, 2001.

* Estimated. The number of employees in this industry category is estimated due to suppression of details in order to maintain employer confidentiality. Average salary is slightly underestimated due to suppression of payroll data for smaller employers.

Unemployment

As shown in Figure 2, the unemployment rate for the three-county Worksystems, Inc. target area peaked in 2002 at about 9 percent, reflecting a peak in the average unemployment rates for the state of Oregon. Since mid-2001, the unemployment rates in the Worksystems, Inc. target area have closely followed the average unemployment rates for the state of Oregon but remained consistently above the average rates for the entire nation.

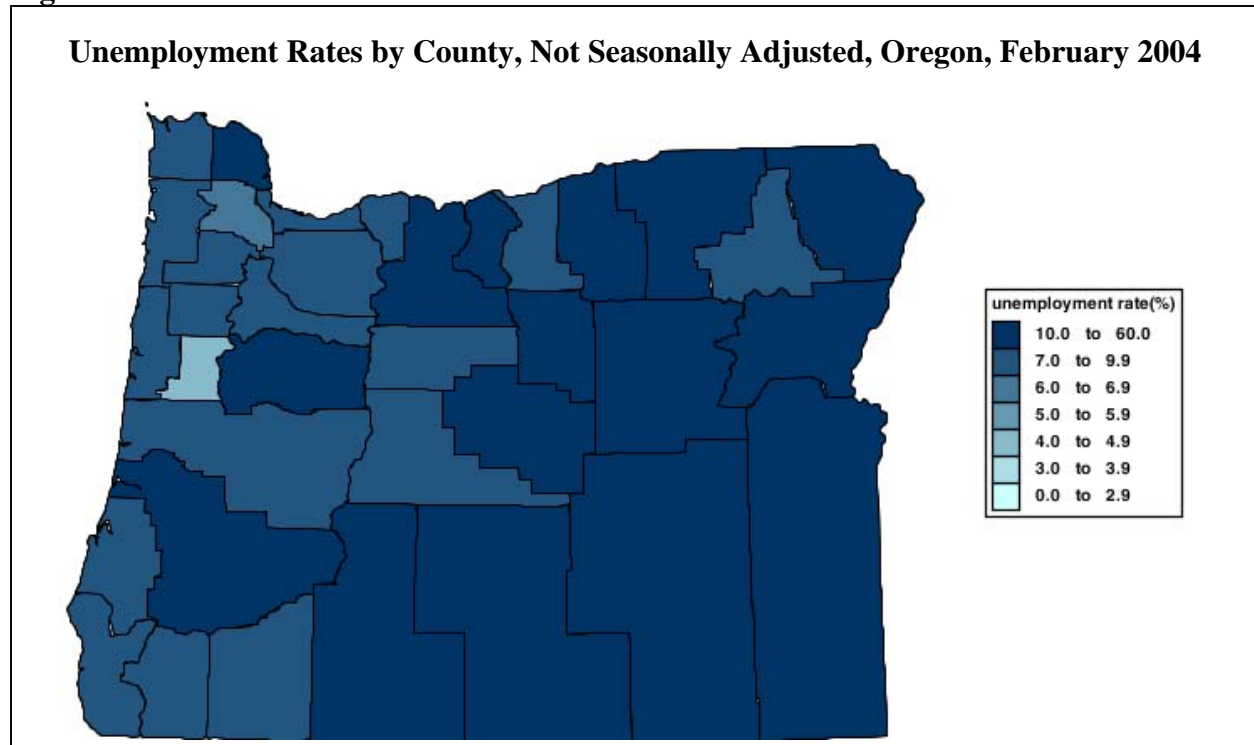
Figure 2



Source: U.S. Department of Labor, Bureau of Labor Statistics, 2004.

Unemployment rates as of January 2004 for each Oregon county are illustrated in Figure 3, below. Careful examination of Figure 3 reveals that there is considerable variation in unemployment in the Worksystems, Inc. target area. As of January 2004, unemployment rates in all three counties in the Worksystems, Inc. target area were below the 8.9 percent statewide average and higher than the 6.3 percent national average. Tillamook and Multnomah Counties had high unemployment rates of 8.8 percent and 8.7 percent, respectively, while Washington had a lower unemployment rate of 7.0 percent.

Figure 3

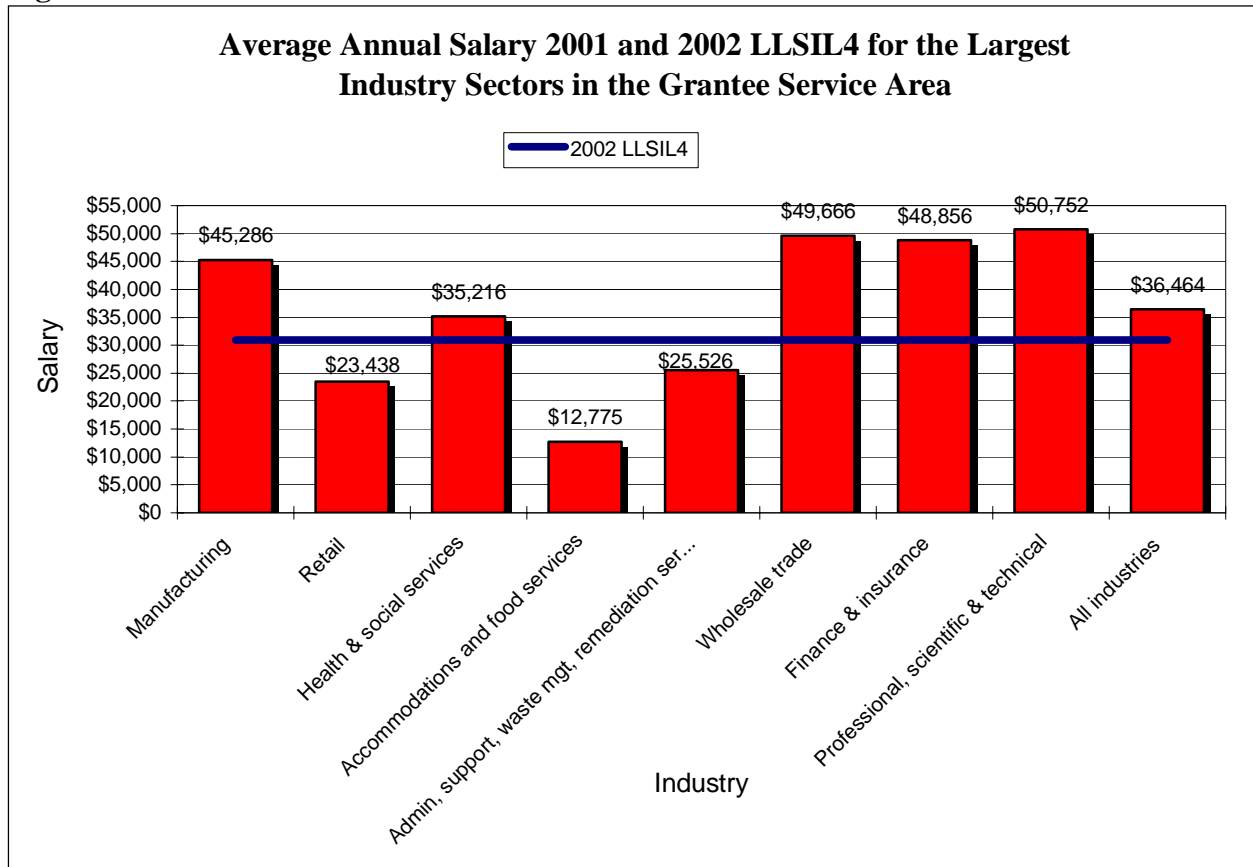


Source: U.S. Department of Labor, Bureau of Labor Statistics, 2004.

Lower Living Standard Income Level

The adjusted 2002 Lower Living Standard Income Level for a family of four (LLSIL4) in the Portland-Vancouver, OR-WA PMSA is \$30,990. This figure was chosen for use as the standard for the three-county Worksystems, Inc. target area.

As discussed earlier, nongovernmental employment in the Worksystems, Inc. target area is broadly distributed among several key employment sectors, the most prominent of which include manufacturing, retail, health and social services, and accommodation and food services. Persons employed in accommodations and food services, retail, and business support services in the target area in 2001 earned an average of \$12,775, \$23,438, and 25,526.

Figure 4

Source: U.S. Bureau of the Census, *County Business Patterns*, 2001; U.S. Department of Labor, Employment and Training Administration, 2002.

Occupations Targeted by Grantee

Worksystems focused its efforts on the industry of manufacturing. As seen in the analysis presented above, there are job opportunities in this industry at or above the 2002 LLSIL4 in this regional economy. Within this industry, Worksystems focused on the following specific occupations:

Aerospace components machinists (metal)	NDT
Grinders	Inspectors
Welders	Wax Assemblers
Radiographers	Reworkers

Wage Level Analysis

Of the eight specific occupations that were targeted by Worksystems, four may be directly compared with data provided through the U.S. Department of Labor's Occupational Employment Statistics (OES) series for this area. Unfortunately, the remaining targeted occupational categories are too broad or too specific to be compared directly, in which case categories were chosen that correlated to those targeted by Worksystems. Of the occupational categories for which OES categories have been identified directly or found to be similar (see Table 5, below),

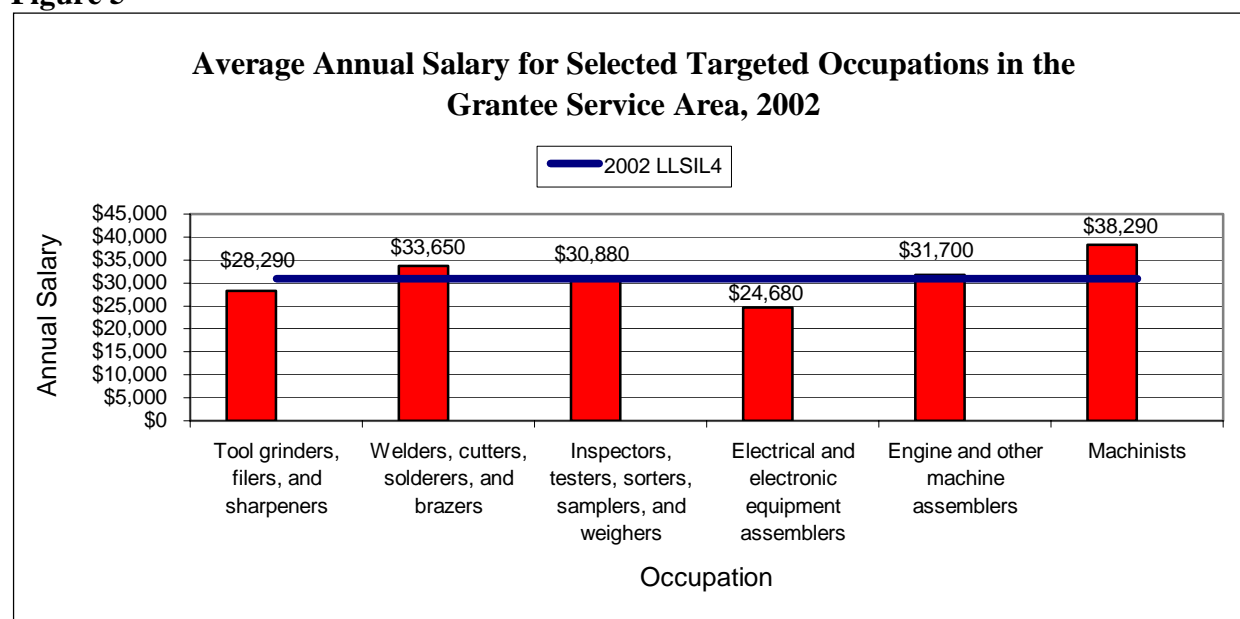
several of these occupations do not appear likely to provide wage levels that are in excess of the LLSIL4 base for this region. These data are also illustrated in Figure 5, below.

Table 5: DOL Occupation & Employment Data for Targeted Occupations in the Portland-Vancouver, OR-WA PMSA, 2002

Occupations	Area Employment	Median Hourly	Mean Hourly	Mean Annual
Tool grinders, filers, and sharpeners	560	\$12.00	\$13.60	\$28,290
Welders, cutters, solderers, and brazers	3,100	\$16.15	\$16.18	\$33,650
Inspectors, testers, sorters, samplers, and weighers	3,880	\$14.02	\$14.85	\$30,880
Electrical and electronic equipment assemblers	5,110	\$11.09	\$11.87	\$24,680
Engine and other machine assemblers	410	\$13.95	\$15.24	\$31,700
Machinists	2,380	\$18.65	\$18.41	\$38,290

Source: U.S. Department of Labor, Occupational, and Employment Statistics, 2002.

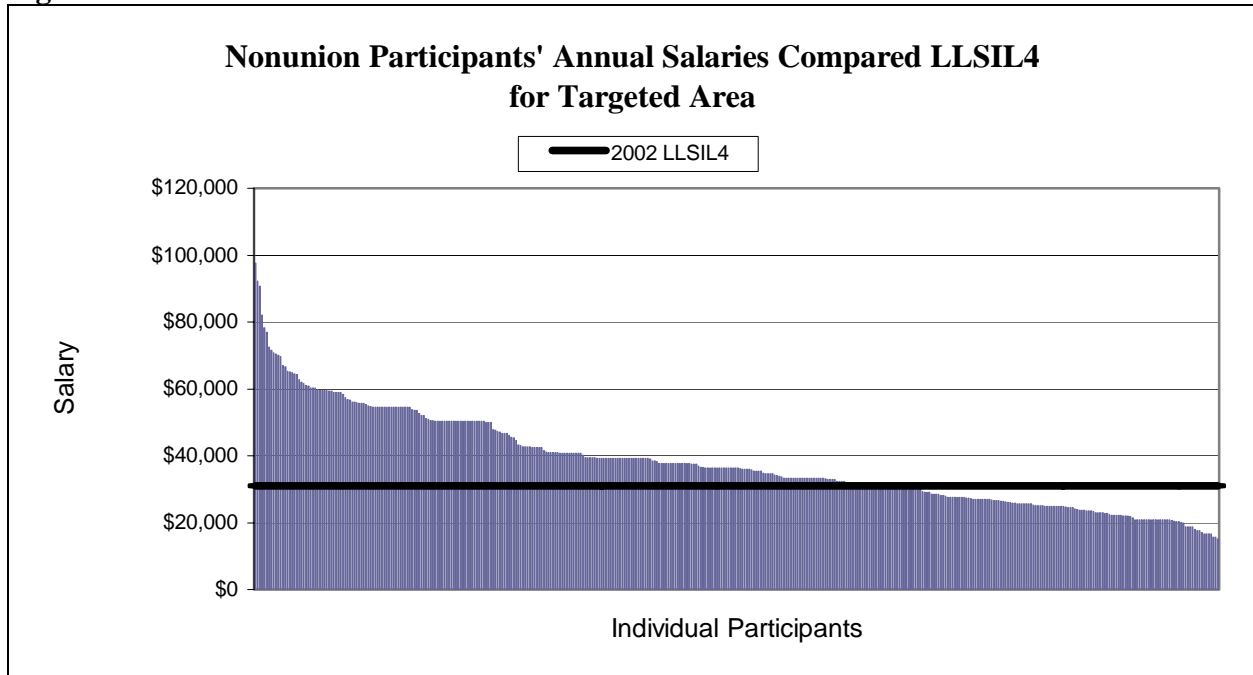
Figure 5



Source: U.S. Department of Labor, Occupational, and Employment Statistics, 2002.

Outcomes Analysis

The hypothetical wage levels that trainees may expect to earn are illustrated in Table 4 and Figure 5, above. Final outcome information is also available from Worksystems, Inc. regarding individuals that were trained and are employed, although specific occupational titles were not provided. An analysis of wage data indicates that 66 percent of trainees receive annual salaries that are at or above the \$30,990 LLSIL4 for this region. Roughly 34 percent of the trainees have salaries of \$40,000 per year or more, and 20, or 5 percent, have annual salaries that are more than twice the LLSIL4 for the region. These patterns are illustrated in Figure 6, below.

Figure 6

Source: Worksystems, Inc., 2004

Note: The outcome data submitted by the grantee was missing outcome wage data for 290 nonunion trainees (41 percent of participants). The data did not specify union or nonunion workers; therefore, all participants are treated as nonunion workers.

Each vertical line in Figure 6, above, represents an individual training participant outcome based on outcome data provided by Worksystems, Inc. Job titles were not provided for these outcomes.

Summary of Findings

The data provided in this profile and overview of the area served by Worksystems, Inc. in and around Portland, Oregon indicate that the area has a fairly diverse economic base with almost half of the area's nongovernmental employment in four economic sectors: retail, health care, manufacturing, and accommodations and food services. Manufacturing is the largest sector in this region with approximately 13 percent of all nongovernment employment in this area. Approximately one-third of the area's manufacturing sector is devoted to primary metals manufacturing, fabricated metal products, transportation equipment, and machinery manufacturing.

Through the middle of 2001, unemployment in the four-county area served by Worksystems, Inc. tracked closely to the nationwide unemployment rate, which was lower each month than the statewide Oregon unemployment rate. Since then, unemployment in this area has risen and has closely matched the slightly higher Oregon unemployment rate.

As indicated by the title of Worksystems, Inc.'s demonstration project, "Closing the Metals Industry Skill Gaps," they have mainly targeted metal-processing manufacturing activities in the Portland area. Of the eight occupations that were specifically identified by Worksystems, Inc., six were directly or approximately comparable with data from OES resources. Half of these occupations are likely to provide incomes at or above the \$30,990 LLSIL4 for this region.

Outcome data provided by Worksystems, Inc. indicate that 66 percent of the trainees are working in positions with salaries at or above the \$30,990 LLSIL4 for this region. Approximately 34 percent are working in positions with salaries at or above \$40,000 per year. However, as specific job titles were not provided, it cannot be determined if these placements were in positions targeted by Worksystems, Inc. in this demonstration site.