



**MULTNOMAH
COUNTY**

The Changing Workforce: Transition to the Future

*How Will the County Fare in the
Years Ahead?*

May 2013

Prepared by
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Central Human Resources

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County employees are the organization's greatest asset. The workforce is comprised of individuals committed to quality services, dedicated to clients and customers, and passionate about contributing to strong, healthy, safe communities. The County and other employers have benefited from the abundance of workers filling and building the labor market over the past 50 years. The largest volume segment of workers is made up of the Baby Boomer generation (born 1946 to 1964.)

Before the most recent recession, employers were worrying about the aging workforce and the wave of retirements expected among the Baby Boomer workers. Key risk factors included retiring workers taking years of knowledge and experience with them as they danced out the door, and not having enough skilled replacement workers to fill essential functions to maintain effective and efficient business operations.

The state of the economy five-six years ago forced many older workers to delay their retirement plans and gave a limited reprieve to employers. Now that the economy is slowly growing, it's time to think again about the impact of looming retirements, as well as consequences associated with losing good employees to other employers. Both types of transition will leave holes in the workforce of some industries, occupations and organizations. How will the County fare in the years ahead?

Will retirements and other turnover negatively impact quality of care? Will we need to reduce services for lack of staffing? Can we keep the community safe? What's the impact to accurate revenue collection? Could it impact accreditation? Bond rating? Grant awards?

Workforce planning is a tool to help answer these questions and maintain a high-performing organization into the future. It is a systemic process to analyze the gap between what a business has in the way of organizational talent and what it needs in the future, and addressing the gaps identified. Workforce planning supports anticipation of change, rather than reaction to surprise events.

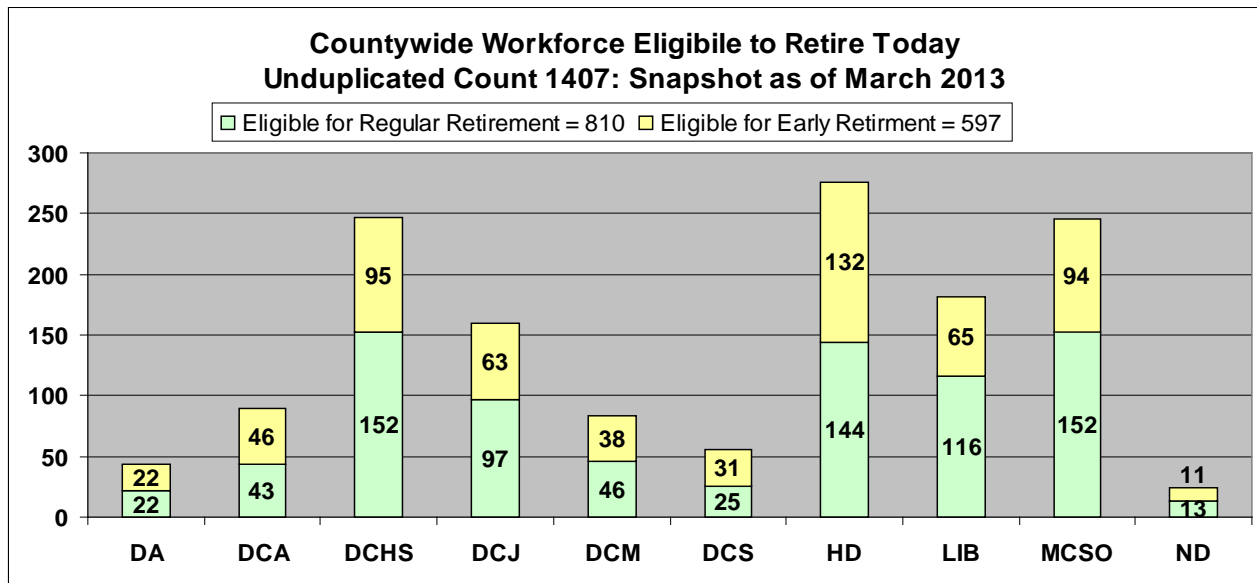
The following information and data lays a foundation for proactive organizational decisions and activities to address the eminently changing workforce. In essence, this report is a Countywide look at factors to better understand organizational vulnerability and inform planning to meet near and long-term business needs. Department Human Resources teams are keenly aware of their department risks and opportunities and may have deeper analysis of workforce composition and risk factors.

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Who is Eligible to Retire?

The Oregon Employment Department determines the impact of the coming retirement waves by looking at the number and percent of workers age 55 and older. Predictions through 2020, indicate 63% of job openings will be due to replacement needs as more workers enter retirement. ¹

For Multnomah County, age is only one of multiple factors used to predict retirement. The Public Employee Retirement System, PERS, provides a unique structure for retirement eligibility. The following chart and summary shows a total unduplicated count of 1407 or 31.5% of employees who meet regular and early retirement eligibility in 2013, representing both general services and police & fire service. Currently, 810 or 18.1% of employees are eligible for full regular retirement and an additional 597 or 13.4% are eligible for early retirement. This analysis does not account for PERS time with previous employers, which increases numbers eligible to retire.

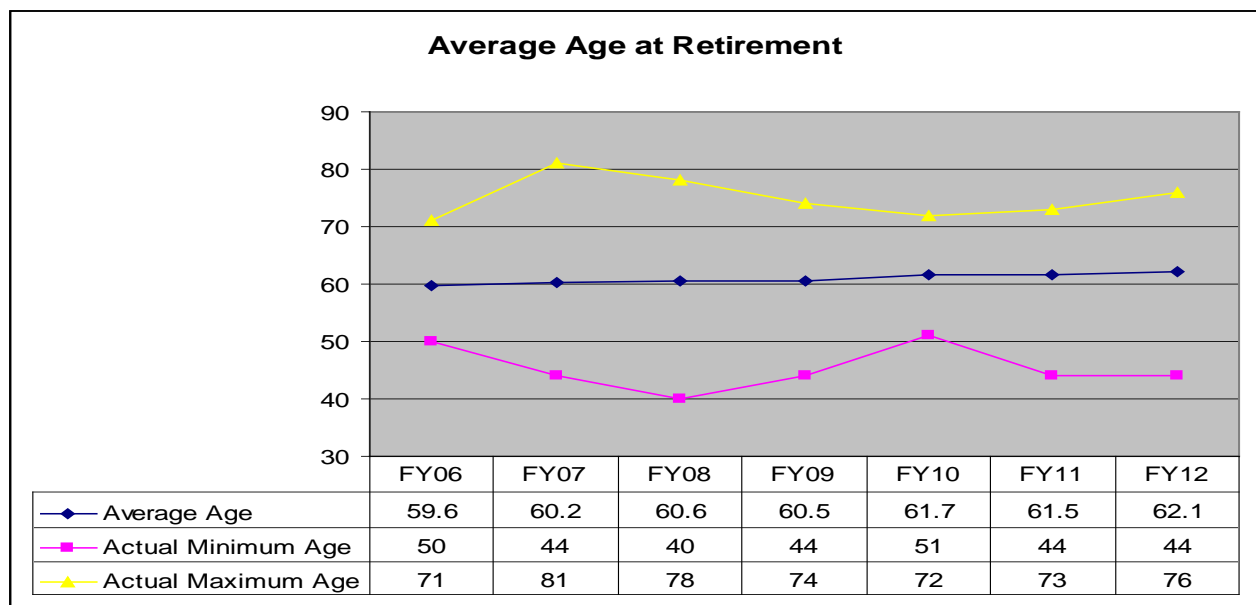
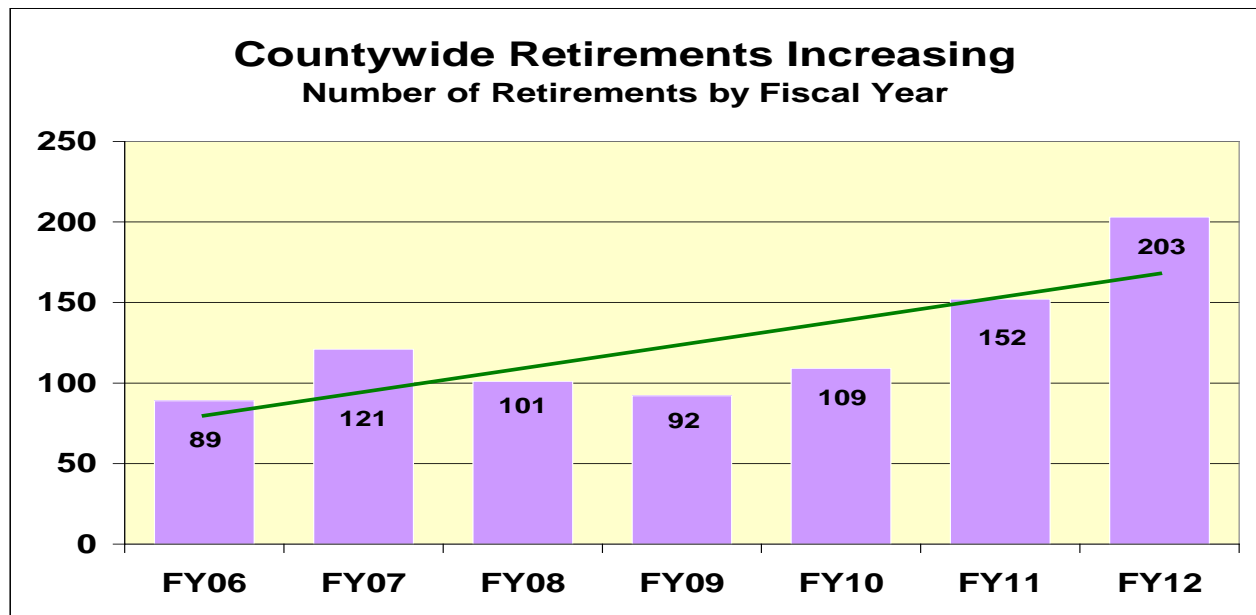


Countywide Workforce Retirement Eligibility Unduplicated Count: Snapshot March 2013		
PERS Tier	Number of Employee	Percentage of Workforce
Tier One and Tier Two: Regular Retirement 30 years of service at any age	107	2.4%
Tier One: Regular Retirement Age 58	368	8.2%
P&F = age 55 or age 50 with 25 years of service	113	2.5%
Tier Two: Regular Retirement Age 60	181	4.0%
P&F = age 55 or age 50 with 25 years of service	16	0.4%
OPSRP (Tier Three): Regular Retirement Age 65	25	0.6%
P&F = age 60 or age 53 with 25 years of service	0	0.0%
Eligible in 2013 for Regular Retirement	810	18.1%
Tier One, Two, Three: Early Retirement Age 55	514	11.5%
P&F = age 50	83	1.9%
Eligible in 2013 for Early Retirement	597	13.4%
Grand Totals Regular plus Early Retirement	1407	31.5%

How Many Employees Leave for Retirement?

Oregon Employment Department predicts that, like previous generations, most boomers will probably want to retire as soon as they are financially able, but also note that many workers cannot afford to retire and will remain in the workforce in their 70's. Still, they project that many industries can expect to lose 1 in 4 workers to retirement in this decade.² According to the Employee Benefits Research Institute, nationwide 50% of retirees left the workforce early, (prior to Social Security eligibility of 66 years) mostly due to health issues.³

The number of County employees retiring has more than doubled since 2009, with 203 retiring in 2012. Yet the average age of retirement has increased from 59.6 years in 2006 to 62.1 years in 2012.

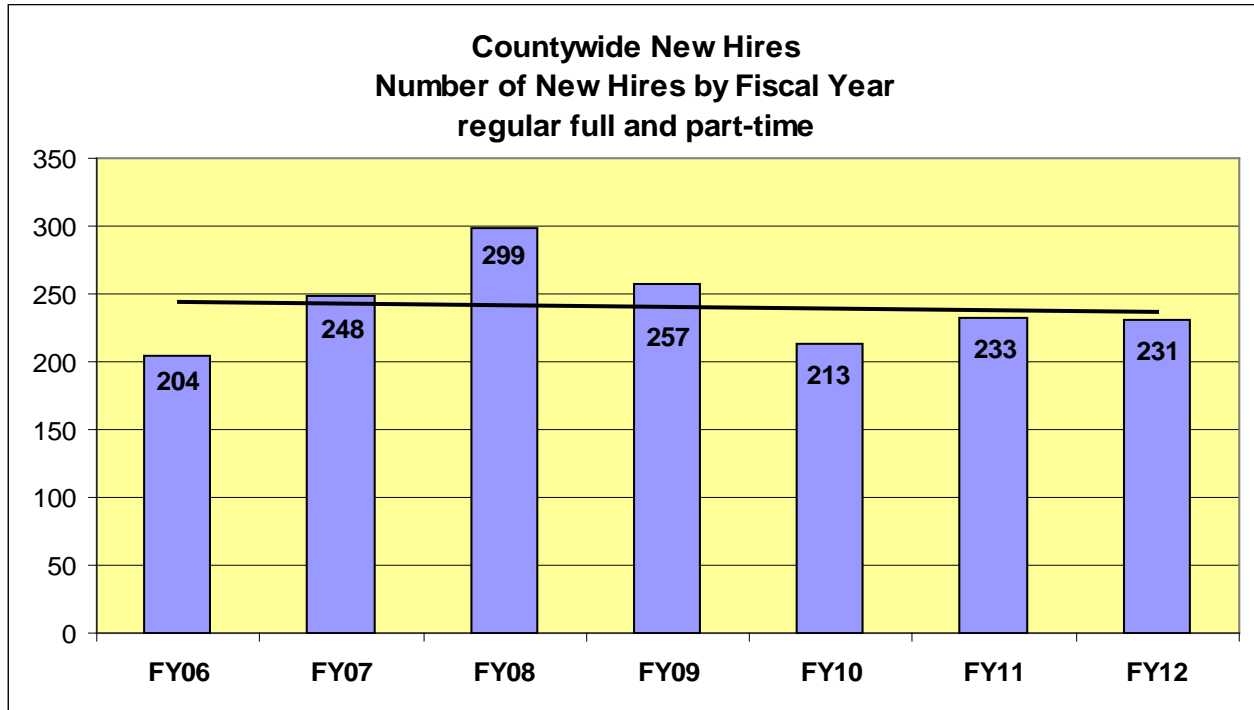


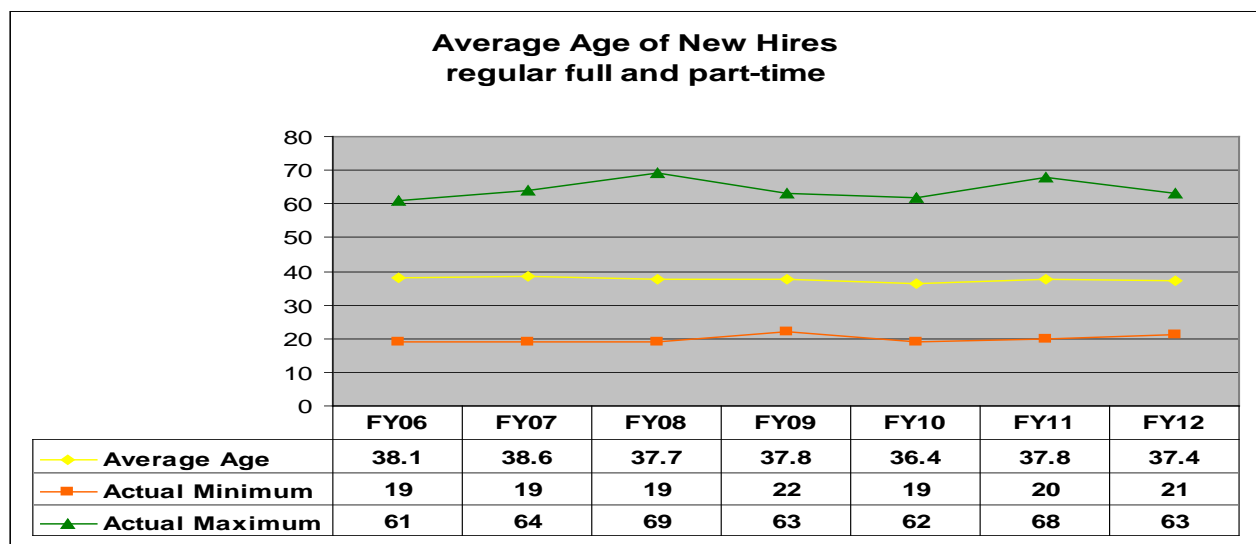
RETIREE DEMOGRAPHICS														
	FY06		FY07		FY08		FY09		FY10		FY11		FY12	
Number of Retirements	89		121		101		92		109		152		203	
African-American	3	3%	4	3%	6	6%	2	2%	3	3%	6	3%	11	5%
Asian/Pacific Islander	5	6%	0	0%	4	4%	5	6%	3	3%	4	3%	6	2%
Caucasian	78	88%	109	90%	90	89%	81	88%	98	89%	137	90%	176	87%
Hispanic	1	1%	6	5%	1	1%	3	3%	4	4%	4	3%	9	4%
Native Am/Alaskan Nat	2	2%	2	2%	0	0%	1	1%	1	1%	1	1%	1	1%
Female	68	76%	73	60%	61	60%	47	51%	62	57%	98	64%	131	64%
Male	21	24%	48	40%	40	40%	45	49%	47	43%	54	36%	72	36%

How Many New Hires to the County?

Oregon's unemployment rate was 8.4% in February 2013, with the national rate at 7.7%.⁴ Oregon Employment Department reports for the Portland metropolitan area, all major private-sector industries added jobs in 2012, while government lost jobs for the third consecutive year. The recession hit the public sector later than most other industries, and it has yet to turn the corner. Losses totaled 700 government jobs in 2012 and 3,100 jobs since 2009.⁵

The Countywide number of new hires has remained about the same each year since 2006. From 2006 to 2012, the average age of new hires held relatively constant at 37-38 years old.





NEW HIRE DEMOGRAPHICS														
	FY06		FY07		FY08		FY09		FY10		FY11		FY12	
Number of New Hires	204		248		299		257		213		233		231	
African-American	10	5%	20	8%	21	7%	17	7%	9	4%	17	7%	14	6%
Asian/Pacific Islander	6	3%	11	4%	27	9%	15	6%	17	8%	18	8%	18	8%
Caucasian	155	76%	183	74%	215	72%	191	74%	155	73%	158	68%	162	70%
Hispanic	26	13%	31	12%	27	9%	28	11%	26	12%	27	12%	23	10%
Native Am/ Alaskan Nat	3	1%	2	1%	5	2%	3	1%	0	0%	2	1%	6	3%
Declined to state	4	2%	1	1%	4	1%	3	1%	6	3%	11	4%	8	3%
Female	135	66%	167	67%	195	65%	164	64%	130	61%	147	63%	133	58%
Male	69	34%	81	33%	104	35%	93	36%	83	39%	86	37%	98	42%

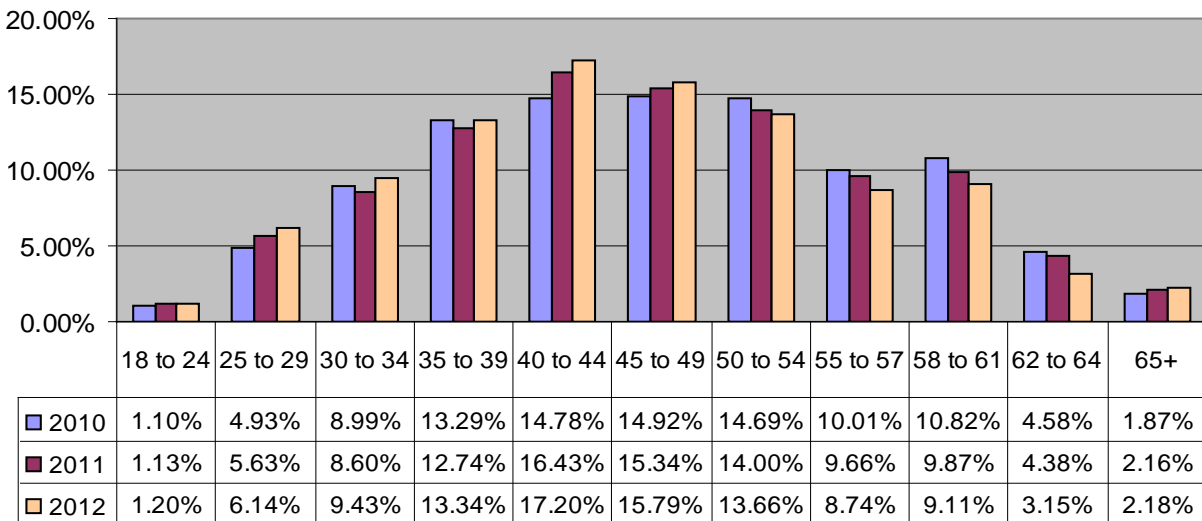
What is the Age Profile of the County Workforce?

Oregon Employment Department reports that 20% or one out of every five workers in Oregon are 55 years and older, double what it was in 1995.⁶ According to the Employment Department, Oregon appears to have enough younger workers to fill in behind the first wave of retirements. Oregon's workforce has about 337,500 workers age 55 and older. There are also 355,700 younger Baby Boomers and older Generation X workers between the ages of 45 and 54. At the same time, the number of workers in the next younger age group has dropped. Among the 35 to 44 age group, there are about 64,000 fewer workers than there were in 2000.⁷ Some long-term predictions are emerging of potentially chronic vacancies in some job areas due to the sheer lack of candidates to fill positions in the future.

Twenty-eight percent of the current County workforce is age 55 years and older. The 45 to 54 age group is 31% and the 35 to 44 age group makes up 27% of the County workforce. The youngest County employees, ages 18 to 34 years, comprise 14% of the workforce.

The Department of County Management at 37% has the highest percentage of employees age 55 years or older, with DCHS at 35%, Library at 32%, DCA at 30%, DCJ, DCS, Health and Non-departmental each at 27% and DA at 22%. MCSO at 18% has the lowest percentage, but it is important to note this percentage still represents 136 employees.

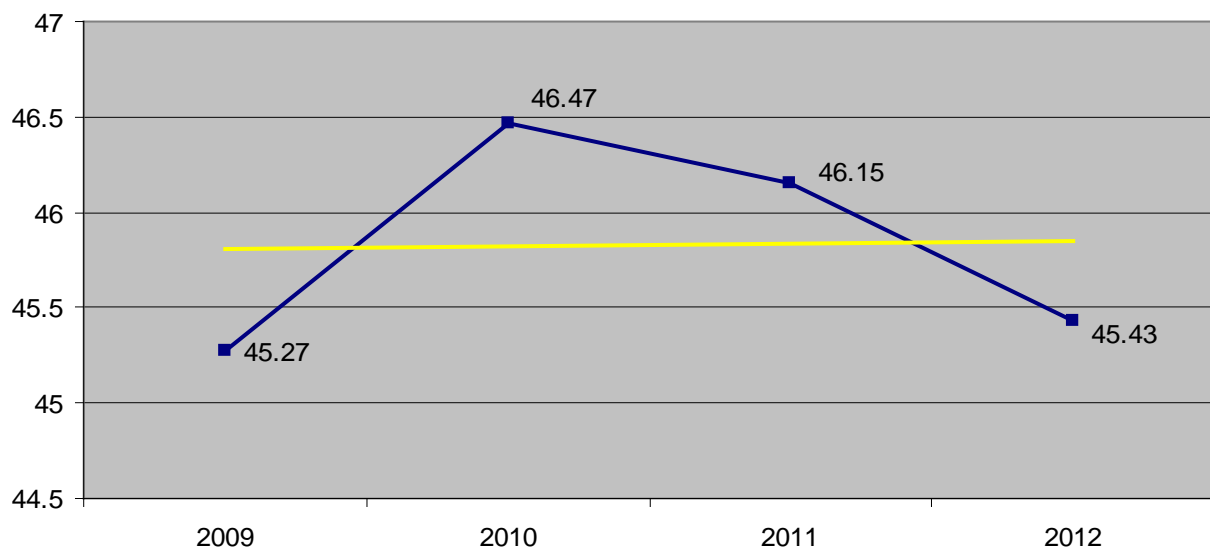
**Countywide Employee Age Distribution
by Calendar Year
regular full and part-time**



Age Snapshot as of March 2013

	18 to 24	25 to 29	30 to 34	35 to 39	40 to 44	45 to 49	50 to 54	55 to 57	58 to 61	62 to 64	65+
2013	14%			27%		31%		28%			

**Countywide Workforce Average Age
by Calendar Year
regular full and part-time**



The Bureau of Labor Statistics reports today's labor force is older, more racially and ethnically diverse, and composed of more women. These trends are expected to shape the future, and the labor force is expected to grow at a slightly slower rate than in previous decades. The report projects a continued decrease in labor force participation for the youngest age group 16 to 24 years from 17.7% in 1990 to 14.5% in 2020, and for the primary working age group 25 to 54 a decrease from 55.9% in 1990 to 48.9% in 2020. Workers 55 years and older are projected to increase in labor force participation from 26.4% in 1990 to 31.4% in 2020.⁸

Oregon Employment Department reported in March 2013, while Oregon's population growth has slowed in recent years, its racial and ethnic composition continues to change. Over the past decade the state's diversity has grown with about one out of every five Oregonians belonging to a racially/ethnically diverse group, compared to one in six back in 2001.⁹

The County workforce is in fact more diverse in the younger age groups. A significant contrast is seen between the oldest and youngest age group. 15.92% of employees 55 years and over are racially/ethnically diverse, while 31.86% of employees less than 35 years are racially/ethnically diverse (double the older age group.)

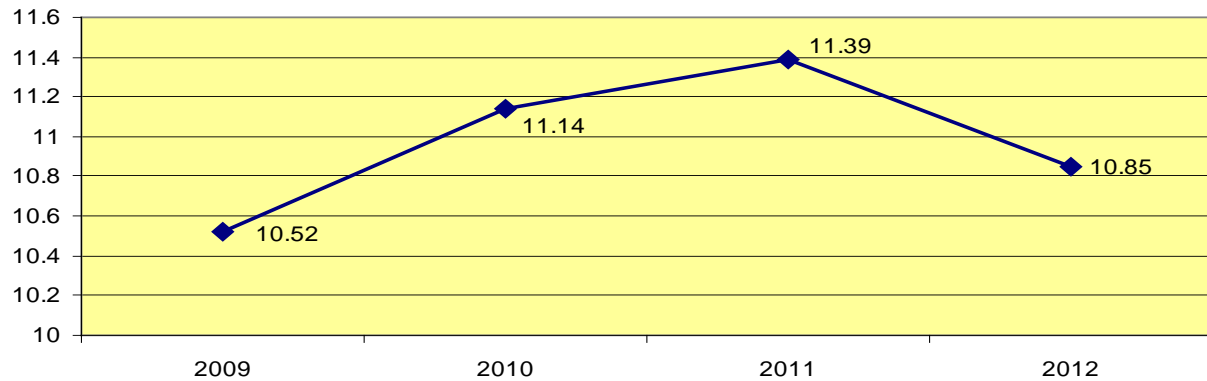
Countywide Demographics by Age Group 2012 Younger Age Groups are More Diverse					
	Less than 35 years	36 to 54 years	55 years and older	Countywide Totals	Civilian Labor Force¹⁰
Percentage of County Workforce	16%	57%	27%	100%	
African American	7.47%	7.44%	6.64%	7.23%	2.6%
Asian/Pacific Is	5.64%	7.21%	4.26%	6.20%	6.2%
Caucasian	66.46%	74.50%	83.83%	75.77%	74.1%
Hispanic	18.6%	9.18%	4.00%	9.2%	9.6%
Native Am/ Alaskan Native	.15%	1.00%	1.02%	.94%	1.0%
Declined to state	1.68%	.67%	.25%	.66%	Not reported
Female	68%	58%	66%	62%	46.4%
Male	32%	42%	34%	38%	Not reported

How Long Do Employees Stay at the County?

A January 2013 report from the Oregon Employment Department indicates the average years of job tenure for local governments across the state is 8.1 years. Public sector tenure is nearly twice as long as that of private sector with an average of 4.6 years tenure. Data from 2006 to 2012 reveals that instead of typically falling, average tenure has actually risen for the 55 and over age groups. The report notes that government workers also have a higher rate of unionization, which can lead to higher tenure.¹¹

The following chart shows the Countywide average tenure is 10.85 years, more than 2.5 years longer than the current statewide local government average. Every department has a current average tenure above the statewide average, except Non-departmental, with the terms of elected offices impacting the time working for the County.

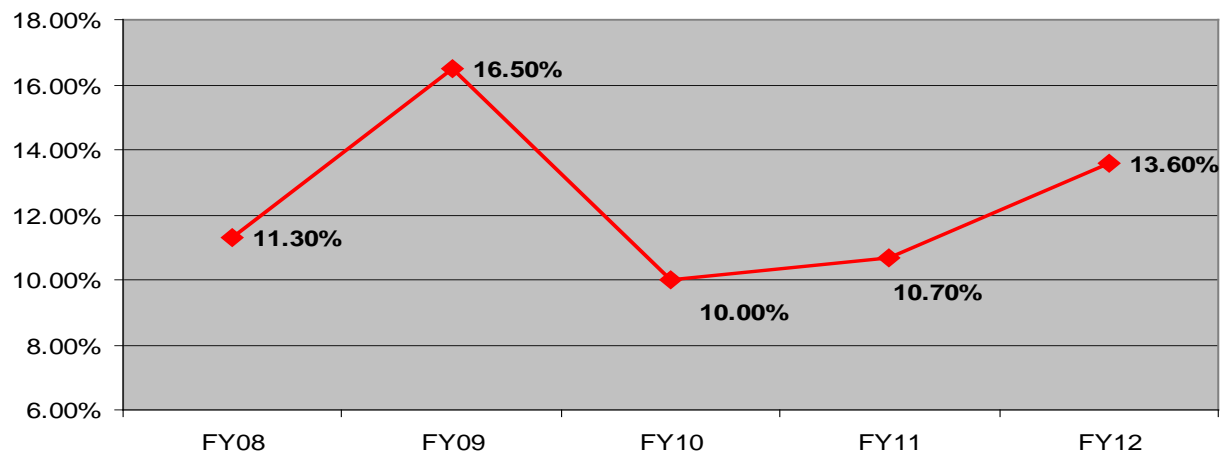
**Countywide Workforce Average Years of Service
by Calendar Year
regular full and part-time**



**Average Years of Service by Department by Calendar Year
regular full and part-time**

Department	2010	2011	2012
DA	11.05	11.00	10.25
DCA	NA	11.25	9.01
DCHS	10.45	10.50	8.35
DCJ	13.03	12.80	13.57
DCM	11.77	10.73	10.10
DCS	11.68	11.61	9.99
HD	9.72	9.59	9.02
LIB	11.58	11.63	11.35
MCSO	12.92	14.41	14.72
ND	9.47	5.94	6.27
COUNTYWIDE	11.14	11.39	10.85

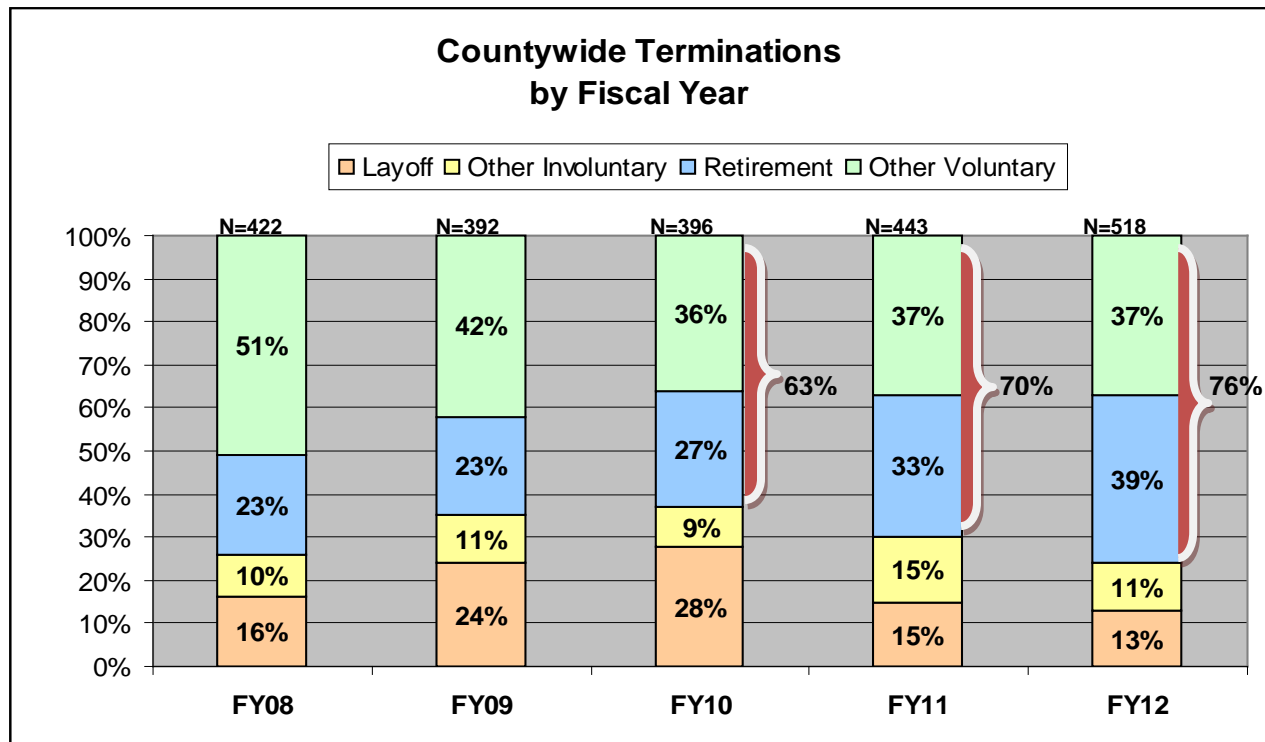
**Countywide Turnover
by Fiscal Year**



Employee turnover is another method to understand how long employees tend to stay. The direct costs of employee turnover include separation costs, and time spent hiring and training a new employee, with indirect costs of lost productivity, potential overtime and impacts on workplace morale. Turnover is the number of employee separations divided by the average number of employees calculated as a percentage.

The average turnover rate for all U.S. industries is 10.3%, for Oregon statewide is 10.8%, and for the Multnomah County geographical area is 10.0%.¹² The chart above shows that in fiscal years 2010 and 2011 the County organization turnover rate was similar to current statewide averages. Fiscal year 2012 saw an increase in turnover to 13.6%.

Employees who choose to leave County employment for another job, retirement, school, stay home with family, etc. are voluntary terminations. Employees who had no choice in their termination, such as lay-off or disciplinary actions or not passing probation, are involuntary terminations. In the chart below, voluntary terminations account for 76% of all terminations in FY12, with a significant increase in retirements. The recent growth of the economy reflects fewer layoffs and an increase in employees voluntarily leaving the County.



What Job Classifications May be Most Impacted?

The 2012 State and Local Government Workforce Survey conducted by the Center for State and Local Government Excellence, reports that governments able to hire are having difficulty filling certain positions, including jobs in finance, management, health care, engineering, public safety and corrections, planning and building inspection, and information technology.¹³ The Countywide summaries below include all of these projected hard-to-fill job groups.

The following summaries show classification groups with the highest percentage of employees 55 years or older. These summaries include both informal groupings and classification job families. In some groupings, employees who gain additional skills and experience, may potentially promote or transfer to another classification in the same group. This may be considered “bench strength” for a job group, an important factor for succession planning.

Classification Group		Classification Group	
FINANCE SERVICES		ASSESSMENT & TAXATION	
FINANCE SPECIALIST 1	29% of all employees in Group are 55 years or older	PROPERTY APPRAISER 2	45% of all employees in Group are 55 years or older
FINANCE SPECIALIST 2		A&T TECHNICIAN 1	
FINANCE MANAGER		A&T TECHNICIAN 2	
FINANCE SPECIALIST/SR		INDUSTRIAL APPRAISER	
FINANCE TECHNICIAN		A&T ADMINISTRATIVE ASSIST	
BUDGET ANALYST			
TAX SUPR/ADMIN OFFICER			
TAX SUPR/BUDGET ANALYST			
PURCHASING SERVICES		ENGINEERING SERVICES	
PROCUREMENT ANALYST/SR	53% of all employees in Group are 55 years or older	ENGINEERING TECHNICIAN 2	36% of all employees in Group are 55 years or older
CONTRACT SPECIALIST		ENGINEERING TECHNICIAN 3	
CONTRACT TECHNICIAN		ENGINEER 3	
CONTRACT SPECIALIST/SR		ENGINEERING TECHNICIAN 1	
PROCUREMENT ASSOCIATE			
ANIMAL SERVICES		NURSING SERVICES	
ANIMAL CARE AIDE	31% of all employees in Group are 55 years or older	COMMUNITY HEALTH NURSE	45% of all employees in Group are 55 years or older
ANIMAL CONTROL DISPATCH		NURSE PRACTITIONER	
ANIMAL CONTROL OFFICER 1		LICENSED COMM PRACTICAL NURSE	
ANIMAL CONTROL OFFICER 2			
CORRECTIONS SERVICES		LIBRARY SERVICES	
CORRECTIONS OFFICER	17% of all employees in Group are 55 years or older	LIBRARY CLERK	32% of all employees in Group are 55 years or older
PROBATION/PAROLE OFFICER		LIBRARY PAGE	
CORRECTIONS COUNSELOR		LIBRARIAN	
JUVENILE COUNSELOR		LIBRARY ASSISTANT	
COMMUNITY JUSTICE MGR		LIBRARY ADMINISTRATOR	
CORRECTIONS SERGEANT		LIBRARY SUPERVISOR	
COMMUNITY WORKS LEADER		LIBRARY OUTREACH SPEC	

Classification Group		Classification Group	
ADMINISTRATIVE SUPPORT SERVICES		HUMAN RESOURCES	
OFFICE ASSISTANT 2	31% of all employees in Group are 55 years or older	HR ANALYST 1	19% of all employees in Group are 55 years or older
OFFICE ASSISTANT/SR		HR ANALYST 2	
MCSO RECORDS TECHNICIAN		HR ANALYST SR	
RECORDS TECHNICIAN		HR MANAGER 1	
		HR MANAGER 2	
		HR TECHNICIAN	
		HR ANALYST 1	
		HR ANALYST 2	
		HR ANALYST SR	
LEGAL SERVICES		INFORMATION TECHNOLOGY	
DEPUTY DIST ATTORNEY 3	29% of all employees in Group are 55 years or older	DEVELOPMENT ANALYST	20% of all employees in Group are 55 years or older
DEPUTY DIST ATTORNEY 4		DEVELOPMENT ANALYST, SR	
D A INVESTIGATOR		GIS CARTOGRAPHER	
LEGAL ASSISTANT 1		GIS CARTOGRAPHER, SR	
SUPPORT ENFRMNT AGENT		INFORMATION SPECIALIST 1	
ASST COUNTY ATTORNEY SR		INFORMATION SPECIALIST 2	
LEGAL ASSISTANT/SR		INFORMATION SPECIALIST 3	
DEPUTY DISTRICT ATTORNEY/CHIEF		SYSTEMS ADMINISTRATOR, SR	
		SYSTEMS ADMINISTRATOR	
MANAGEMENT		HUMAN SERVICES	
PROGRAM SUPERVISOR	47% of all employees in Group are 55 years or older	MENTAL HEALTH CONSULTANT	33% of all employees in Group are 55 years or older
PROGRAM MANAGER 1		PROGRAM SPECIALIST	
MANAGER 2		CASE MANAGER 1	
		HUMAN SERVICES INVESTIGATOR	
MANAGER, SR		CASE MANAGER/SR	
OPERATIONS SUPERVISOR		CLINICAL SERVICES SPECIALIST	
		PROGRAM TECHNICIAN	
DIVISION DIRECTOR 2		CASE MANAGEMENT ASSISTANT	
DEPUTY DIRECTOR		HEALTH INFORMATION TECHNICIAN	
		MARRIAGE AND FAMILY COUNSELOR	
DEPARTMENT DIRECTOR 1		ELIGIBILITY SPECIALIST	
DEPARTMENT DIRECTOR 2			
DIVISION DIRECTOR 1			

How will the County fare in the years ahead?

A large number of employees are eligible for regular and early retirement, yet the current average retirement age is 62.1 years. Retirements have doubled since 2009, yet employees tend to stay with the County with a high average tenure rate of almost 11 years. Twenty-eight percent of the workforce is 55 years or older, yet 45.43 years is the average employee age. The County has a number of job groups and classifications that are projected to be hard-to-fill, yet the organization has maintained an overall steady new employee hiring rate with the average age of new hire at 37.4 years.

The retirement wave is rolling in. Thoughtful, innovative and targeted workforce planning options to shore up County strengths and mitigate vulnerabilities will support a successful County transition to the future.

NOTES

- ¹ Aging Workforce and Looming Retirements, Oregon Department of Employment, June 2012
- ² Back to Baby Boomers: They Can't Work Forever, Oregon Department of Employment, May 2011
- ³ Retirement Confidence Survey, Employee Benefits Research Institute, 2012
- ⁴ Portland Metro Labor Trends, Oregon Department of Employment, April 2013
- ⁵ Portland Metro Labor Trends, Oregon Department of Employment, March 2013
- ⁶ The Age of Portland Metro's Workforce, Oregon Department of Employment, November 2012
- ⁷ Aging Workforce and Looming Retirements, Oregon Department of Employment, June 2012
- ⁸ Labor force projections to 2020, Bureau of Labor Statistics, January 2012
- ⁹ Hispanics Drive Oregon's Increasing Diversity, Oregon Department of Employment, March 2013
- ¹⁰ Data for Affirmative Action Programs: Portland MSA, Oregon Department of Employment, February 2013
- ¹¹ The Demographics of Employee Tenure, Oregon Department of Employment, January 2013
- ¹² Quarterly Workforce Indicators: Turnover by Age Group, All Industries, Multnomah Region, Statewide Region, Oregon Department of Employment, 4Q 2011
- ¹³ Local Government Workforce Survey, Center for the State and Local Government Excellence, 2012