



BUSINESS OREGON

EQUITABLE ECONOMIC RECOVERY PLAN

PREPARED BY:

ECONorthwest

ECONOMICS • FINANCE • PLANNING



ACKNOWLEDGEMENTS

In 2021, Business Oregon secured funding from the Economic Development Administration to undertake a COVID-19 Economic Recovery Plan to provide the state with a roadmap for an equitable recovery. This report is the result of that effort and reflects a broad effort to understand the barriers to recovery and develop strategies to overcome them. Some initiatives are already underway. Others will take the formation of broad, new coalitions to plan and implement.

We would like to acknowledge the substantial contributions and guidance that **Business Oregon Leadership and Staff** provided throughout this process.



We would especially like to thank:

- **Business Oregon Commission**
- **Sophorn Cheang**, Director
- **Chris Cummings**, Assistant Director
- **Ryan DeGrofft**, Regional Development Officer, Gilliam, Morrow, Umatilla, and Wheeler Counties
- **Michael Held**, Regional Development Officer, North Central
- **Amanda Welker**, Global Strategy and Business Recruitment Manager

RECOVERY PLAN ADVISORY COMMITTEE

We would also like to thank Advisory Committee members for their insights and contributions:

- **Oregon Manufacturing Extension Partnership**
- **Ford Family Foundation**
- **Lane Community College**
- **Oregon Native American Chamber**
- **Phillippine American Chamber of Commerce of Oregon**
- **The Black American Chamber of Commerce**
- **Oregon Small Business Development Center Network**
- **The Oregon Secretary of State Office**
- **Travel Oregon**
- **Oregon Economic Development Association**
- **Central Oregon Intergovernmental Council**

ECONorthwest

ECONOMICS • FINANCE • PLANNING

ECONorthwest is a consulting firm based in the Pacific Northwest that specializes in economics, finance, and planning. We help our clients make thoughtful, data-driven decisions using tools and methods that meet the highest standards of best practice. At the core of everything we do is applied microeconomics. This perspective allows us to fully understand and effectively communicate the benefits, costs, and tradeoffs associated with any decision.



Communitas is a planning and economic development firm based in Portland. We engage in authentic community dialogue to bring the public's perspectives into policymaking decisions and strategic planning. We understand how to create public programs that meet the interests of stakeholders and garner the support to build thriving, equitable and resilient communities.



TIP Strategies, Inc. (TIP) is a privately held, full-service consulting firm committed to providing innovative strategy solutions for public and private sector clients since 1995. TIP's client engagements are guided by our framework: a community's economic vitality is irrevocably connected to its ability to influence talent, innovation, and place.



Ryan Donahue, principal of RM Donahue Consulting, is a researcher and strategist focused on inclusive economic development. RM Donahue Consulting, based in Tacoma, WA, has worked with state and regional organizations across the country.



Vikki Mata Ltd is a full-service business development, strategic planning, marketing, and public relations firm servicing Alaska Native and American Indian clients, and others who want to do business in Indian Country. During this unprecedented period of economic uncertainty, we are helping clients prepare for a new way of doing business.



TABLE OF CONTENTS

A	Executive Summary.....	1
B	Purpose of the Report	8
1	Approach	10
2	The Economy, By the Numbers.....	14
A	Summary of Themes	23
B	Recommended Strategic Imperatives & Actions.....	36
2	Appendix.....	49



A PLAN FOR A BALANCED
ECONOMIC RECOVERY

EXECUTIVE SUMMARY



EXECUTIVE SUMMARY

A PLAN FOR A BALANCED ECONOMIC RECOVERY

In 2021, Business Oregon, the state agency in charge of economic development, secured funding from the Economic Development Administration to commission an equitable economic recovery plan. Business Oregon prioritizes an economy that is equitable and inclusive for all Oregonians and that recognizes the priorities of Black, Indigenous, and People of Color, as well as rural communities. Specifically, Business Oregon asked ECO to:



Identify parts of Oregon’s economy that have been most heavily impacted by the COVID-19 pandemic



Gather input from the state’s business and economic development communities regarding economic conditions and imperatives for recovery



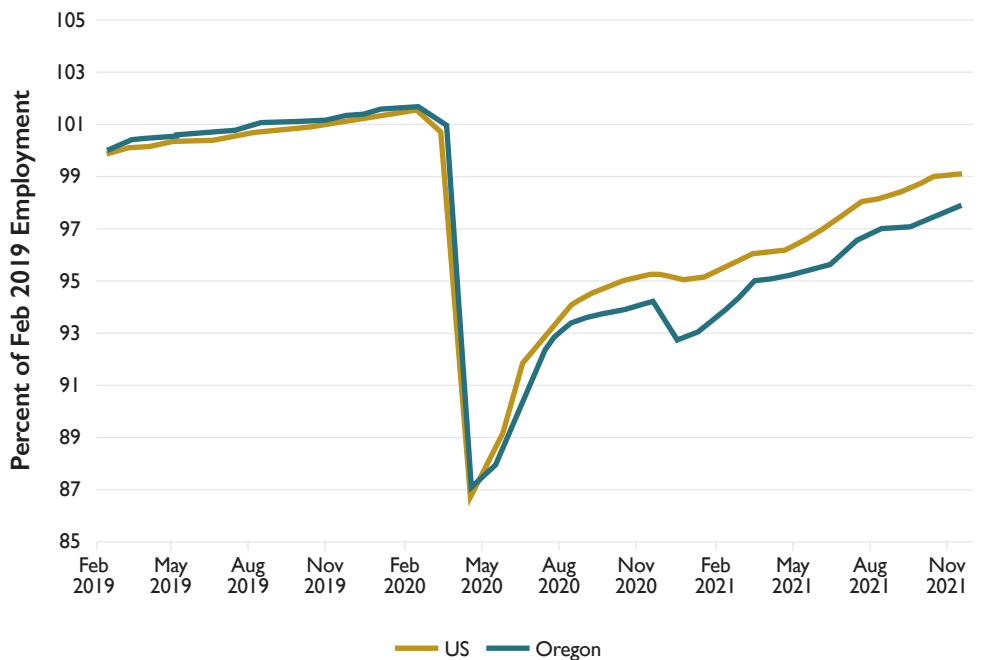
Develop an equitable plan that will bring Oregon’s economy back to pre-pandemic levels

The COVID-19 recession was technically the shortest in U.S. history, thanks to robust federal fiscal and monetary support and the economy’s ability to adjust.

This Plan’s recommendations are influenced by these highly unusual economic times—a period of relatively high job growth, ongoing challenges with a new variant, and the effects of expiring federal fiscal and monetary support. It is also important to note that Oregon entered the pandemic with economic challenges, including an aging workforce and an under-supplied, expensive market for housing. The pandemic interacted with, and sometimes exacerbated, those conditions. An equitable recovery must address new pandemic-related challenges as well as longer-standing ones.

Exhibit I. Change in Employment, Oregon and US, February 2019–December 2021

Source: Bureau of Labor Statistics Current Employment Estimates



The call for an equitable recovery plan was inspired, in part, by the lessons of Oregon’s historical experience, in particular during the 2010s when economic gains were slow in coming to Black, Indigenous, and People of Color and rural communities, and economic disparities widened. This Plan’s theory is that more broadly shared economic prosperity, which extends across racial and ethnic populations and geographies, translates into higher rates of overall economic growth.

EQUITABLE RECOVERY IS AN ECONOMIC AND MORAL IMPERATIVE.



EXECUTIVE SUMMARY

AN ECONOMY STILL ADJUSTING TO THE UNEXPECTED

The Oregon and U.S. economies have been subjected to twin shocks during the past two years. The first was the pandemic itself, the unprecedented “stay at home” order, and the subsequent actions to maintain social distance. The second was unprecedented federal fiscal and monetary support delivered through six Congressional packages and the accommodative monetary policy of the Federal Reserve. Together, the shocks triggered a precipitous decline in jobs and output during March-April 2020, followed by a faster-than-anticipated jobs recovery.

Industries that require some degree of social proximity suffered the largest, sustained job and output losses. The leisure and hospitality industry, which includes restaurants, hotels, bars, theaters, and entertainment venues, has been the hardest hit. The industry employs high shares of women, people of color, young adults, and adults with no postsecondary experience. Relative to the two immediately preceding recessions, this has been a highly inequitable downturn, with the largest job losses incurred by low-wage workers.

In the first half of 2021, vaccine deployment and expectations of more control over the coronavirus boosted economic activity and facilitated the opening of schools, restaurants, and entertainment venues. But new virus variants—first delta, then omicron—eventually slowed the pace of the recovery.

In the latter half of 2021, ongoing public health challenges and the effects of federal policy collided in complex ways. Consumers, who accumulated sizable savings from federal aid and an inability to spend on leisure, increased their purchases. Employers expanded hiring to meet consumer demand. Many openings went unfilled because the offered wages were too low, the job candidates had ongoing public health concerns, or childcare was unavailable. In other sectors like healthcare, the severe demands brought on by new variants led to burn out. The bottom line: the market for labor was tight in late 2021 and into 2022.

Official state projections as of December 2021 show jobs returning to pre-pandemic levels in 2022. While the Oregon economy may soon recover the total number of jobs lost, communities across the state have suffered considerable economic disruption, and the recovery to date has been neither equitable nor inclusive.

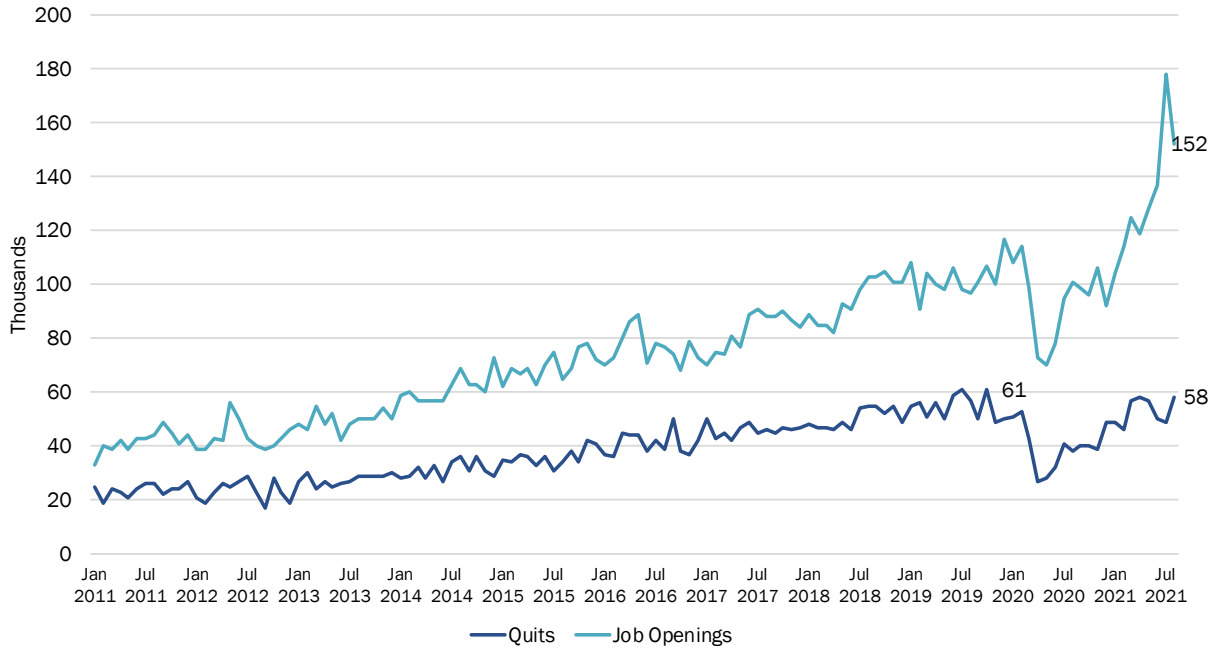




EXECUTIVE SUMMARY

Exhibit 2. Total Job Openings and Quits, Oregon, January 2011–October 2021

Source: BLS JOLTS, 2021



Meanwhile, disruptions to global supply chains slowed the production and delivery of durable goods, which in turn put upward pressure on international freight costs and inflation overall. Supply chain problems also illustrated how dependent the U.S. had become on overseas manufacturers for medical supplies and the semiconductors that operate everything from refrigerators to cars. Supply chain challenges ushered in a new era of domestic industrial policy with the federal government and businesses exploring ways to produce more goods domestically.

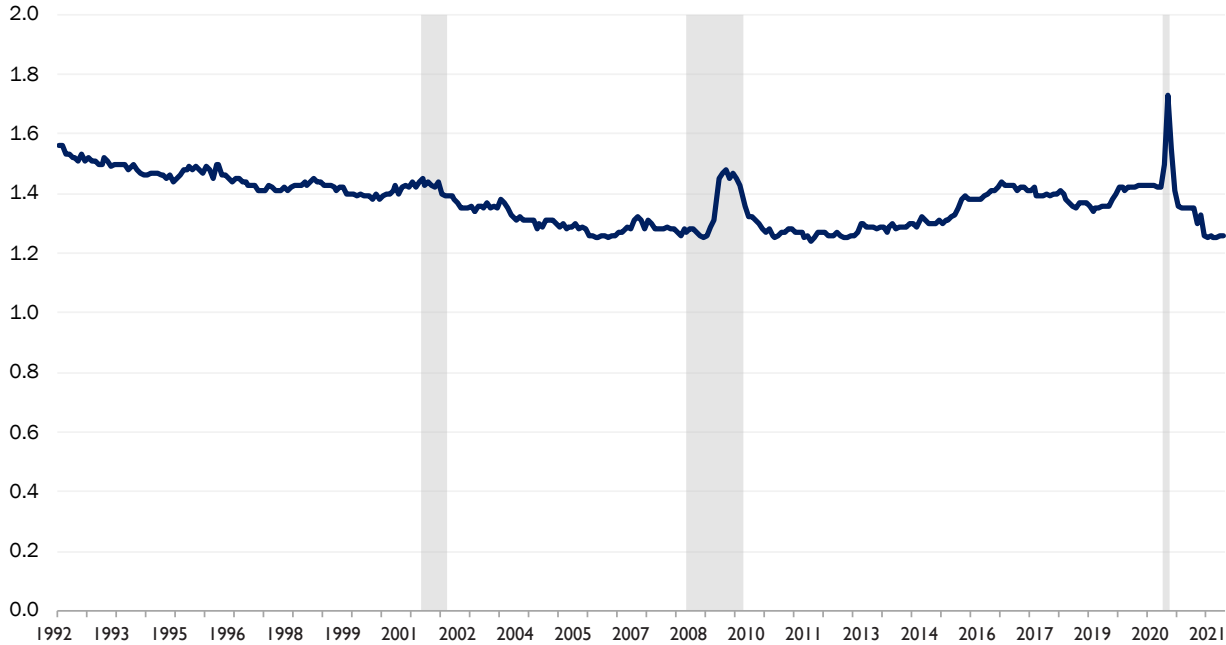




EXECUTIVE SUMMARY

Exhibit 3. Inventories-to-Sales Ratio, Oregon, 1992–2021

Source: Federal Reserve Economic Data



Together, the tight labor markets and constrained supply chains triggered the highest rates of inflation in a generation during 2021. Inflation remains a top economic concern as this Plan was written.

STAKEHOLDERS PROVIDED CLARITY ON URGENT NEEDS

This Plan is informed by economic conditions and built on a foundation of input from a broad list of stakeholders. The consulting team spoke with 220 participants in six regional forums, conducted 40 interviews with a variety of stakeholders, gathered input from over 120 people in focus groups, and received 289 responses to an online survey.

The consulting team partnered with culturally-specific groups, regional chambers of commerce, and economic and community development organizations to identify potential interviewees, focus group participants, and survey respondents. Direct outreach with Tribes to incorporate their goals was also a focus.



220
PARTICIPANTS
IN 6 FORUMS



40
INTERVIEWS WITH
STAKEHOLDERS



120
PARTICIPANTS
IN FOCUS GROUPS



289
ONLINE SURVEY
RESPONSES



EXECUTIVE SUMMARY

When asked to identify **KEY BARRIERS** to an equitable economic recovery in their communities, stakeholders—through a variety of engagement methods—identified the following:

AN ACUTE SHORTAGE OF LABOR.

Job openings spiked during 2021 as employers attempted to keep up with growing consumer demand for goods and services. In late 2021, the unemployment rate fell below five percent, but the total employment in Oregon was still well below pre-pandemic levels. That implied that a sizable number of Oregonians moved out of the labor force, either temporarily or permanently. Theories for the labor shortage are still emerging but include ongoing concerns about exposure to the virus, an inability to find childcare, and less willingness to return to low-wage, routine work. The pandemic's impacts on labor intersect with a longstanding trend: the aging of the workforce. Evidence is mounting that the pandemic may have accelerated retirements among the sizable baby boom generation.



LACK OF CAPITAL AND OTHER CRITICAL SUPPORTS FOR SMALL BUSINESS—ESPECIALLY THOSE OWNED BY BLACK, INDIGENOUS, AND PEOPLE OF COLOR.

Stakeholders pointed to inadequate small business support and an underdeveloped entrepreneurial ecosystem as another key barrier to an equitable recovery. National deployment of the U.S. Small Business Administration's Paycheck Protection Program (PPP) illustrated part of the problem: businesses owned by Black, Indigenous, and People of Color had weaker relationships with banks, were less likely to receive PPP loans, and, when they were successful, experienced delivery delays. The PPP experience provided a window into a much larger, pre-existing problem: highly uneven access to a variety of forms of capital, including financial, but extending into social networks that are useful in starting and expanding a business.



UNEVEN BROADBAND COVERAGE ACROSS THE STATE.

The digital divide, across geography and households, was well-documented before the pandemic. The explosive growth of remote work, e-commerce, telemedicine, and online education put the problem into high relief. It's increasingly clear that businesses and governments will continue to conduct aspects of their work virtually after the virus has come under control. An equitable recovery requires equal access to reliable, high-quality broadband service.



WEAKENED COMPETITIVE POSITION FOR GROWTH IN THE MANUFACTURING INDUSTRY.

Global supply chain challenges—especially in the areas of health-related equipment and semiconductors—have renewed federal and private-sector interest in re-shoring some critical manufacturing capacity. Delivery delays slow economic activity, contribute to inflation, and reduce near-term opportunities for innovation. As federal policy and manufacturers search for suitable re-shoring sites, Oregon has relatively few positioned along its two interstate corridors. Absent investment, Oregon risks losing an opportunity to grow an industrial sector that offers living-wage jobs and employs a racially and ethnically diverse workforce. Additionally, smaller manufacturing businesses struggle with access to capital to invest in automation and innovation.



UNDERSUPPLIED, EXPENSIVE HOUSING.

The legacy of two decades of housing underproduction in Oregon has created economic challenges in nearly every community in the state. In rural communities, employers report that a sheer lack of available units limits their abilities to hire and disrupts their re-opening or expansion plans. In urban areas, exceedingly tight markets have put upward pressure on prices and pushed half of renters into cost-burdened status (i.e., spending more than 30 percent of income on rent and utilities). Oregon's high cost of housing creates a demand for higher wages, which not all employers can accommodate while remaining competitive. Stakeholders are clear that housing is a top barrier to recovery.



UNDERSUPPLIED, UNAFFORDABLE CHILDCARE.

The lack of available, affordable childcare was a close second, behind housing, in stakeholders' concerns. Childcare providers were in the middle of pandemic disruptions, with most center- and family-based care shuttered during the initial "stay at home" order. The pandemic exacerbated the industry's already challenging conditions: highly labor-intensive work and a workforce that earns below-average wages. Providers have struggled to rehire workers during 2021 because of the industry's relatively low wages and workers' concerns about exposure to the virus.





EXECUTIVE SUMMARY

RECOMMENDED BUSINESS OREGON STRATEGIC ACTIONS

The economic data and stakeholder responses from this effort point to a set of goals that are broader in scope than Business Oregon typically approaches. The recommendations that follow are strategic actions for how the agency's programs, such as financial assistance, technical assistance, and capacity-building resources, would best be invested to achieve these larger equitable recovery goals.

 <p>Access to Capital</p>	<ul style="list-style-type: none"> ▪ Collateral shortfall program (funding to lenders), or relaxed collateral standards that enhance loan eligibility. ▪ Further fund a variety of technical assistance providers to assist with business planning and bookkeeping to enhance eligibility for capital. ▪ Expand micro enterprise funding. ▪ Expand forgivable loan financing to businesses addressing COVID-19 impacts, particularly underrepresented businesses and small manufacturers in rural communities. ▪ Develop a patient capital fund for startups and entrepreneurs.
 <p>Broadband</p>	<ul style="list-style-type: none"> ▪ Develop a long-term plan and strategy to expand and fund broadband infrastructure statewide. ▪ Engage in place-based planning and grant writing assistance for communities through public-private partnerships. ▪ Increase opportunities for companies to leverage connectivity via ecommerce assistance.
 <p>Workforce Innovation</p>	<ul style="list-style-type: none"> ▪ Expand technology adaptation assistance for small manufacturers and hospitality/restaurant businesses. ▪ Create a workforce liaison position within Business Oregon to work with local/regional/state workforce partners, such as community colleges and the workforce and talent development board. ▪ Explore accepting workforce modernization/training programs in lieu of job creation requirements for Business Oregon grant/incentive programs.
 <p>Manufacturing</p>	<ul style="list-style-type: none"> ▪ Site readiness—expand industrial site and facility inventory for manufacturers. ▪ Increase technical assistance for target industries to address and mitigate supply chain issues. ▪ Expand technical assistance for manufacturers seeking to improve operational efficiencies, adapt to pandemic impacts, and improve overall resiliency.
 <p>Workforce Housing</p>	<ul style="list-style-type: none"> ▪ Adapt existing infrastructure funding programs to incentivize/support municipally-owned residential infrastructure. ▪ Expand technical assistance support to third parties to increase the number of new licensed contractors.
 <p>Childcare</p>	<ul style="list-style-type: none"> ▪ Expand third party technical assistance programming targeted at childcare businesses to increase availability. ▪ Create a public and private facilities grant for childcare businesses. ▪ Create a program to match private sector investment in childcare provision.
 <p>Systemic Improvements</p>	<ul style="list-style-type: none"> ▪ Communicate opportunities more effectively to businesses owned by Black, Indigenous, and People of Color, as well as culturally-specific business organizations. ▪ Support local and regional economic development organizations with the capacity needed to access resources and increase existing program funding for technical and capacity support. ▪ Allow more flexibility to regional partners in allocating resources to the programs most needed in those areas. ▪ Review regulatory procedures to pinpoint areas where programs could be more efficient.

NEXT STEPS

Thanks to Economic Development Administration funding, Business Oregon is hiring a Statewide Recovery Coordinator in the spring of 2022 to establish coalitions, develop new programs, identify resources, and mobilize coordinated recovery efforts. Many related state-wide efforts are already underway, including \$120M to install broadband infrastructure, a potential \$200 million for workforce training, a Global Trade Strategic Plan, and ongoing expansions to housing and childcare programs. Other efforts will need to be developed and resourced. Business Oregon will do its part to advocate and support, but it will require leadership from state partners to embrace these efforts and make adjustments to insure long-term prosperity for all Oregonians.



DATA-BACKED STRATEGIC
IMPERATIVES AND ACTION
STEPS FOR RECOVERY

PURPOSE OF THE REPORT



PURPOSE OF THE REPORT

Data-backed strategic imperatives and action steps for recovery

Business Oregon secured funds from the **US Economic Development Administration** to identify those parts of Oregon's economy that have been most heavily impacted by the COVID-19 pandemic, gather input from the state's business and economic development communities, and develop an equitable economic recovery plan with prioritized recommendations. Based on data and extensive stakeholder engagement, the plan identifies the most important strategic imperatives for state-wide economic recovery, and then identifies the specific actions that Business Oregon will take to advance each of the strategic imperatives.

The plan provides a foundation for improved coordination across the many stakeholders engaged in economic development in the state. Each partner has an important role to play:



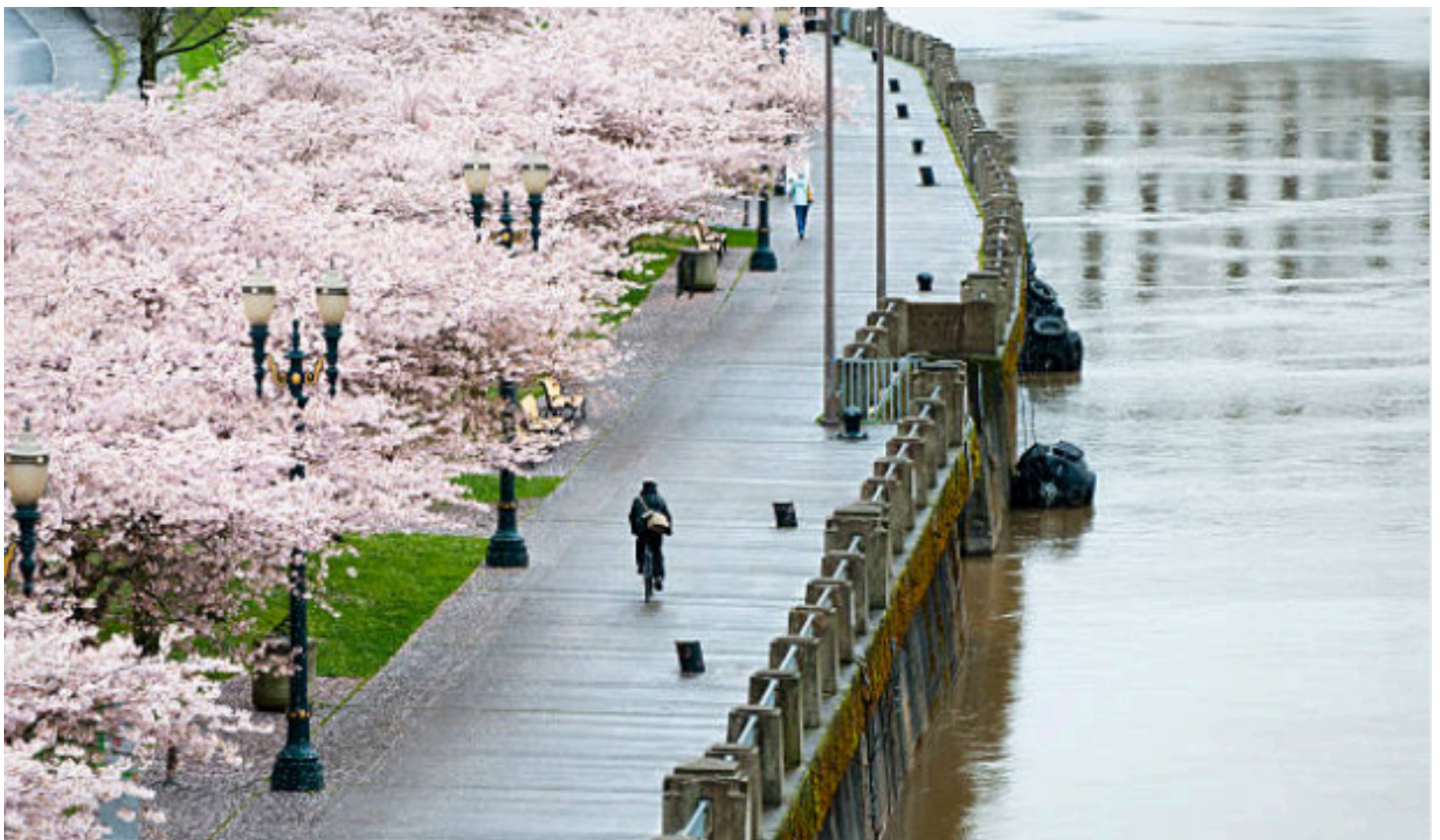
For Business Oregon, the purpose of the plan is to communicate agency priorities and strategies for economic recovery. It sets the foundation for deeper, more internally-focused strategic planning work that will follow. The plan also defines the partnerships with other state agencies and stakeholders that are needed to advance recovery needs that are not in Business Oregon's control.



For leaders of state agencies, local and regional economic development agencies, and business and industry, the plan provides clear, high-level strategic imperatives that all can align around to help achieve an equitable recovery. It clarifies the areas that require public investment.



For the legislature and the Governor's office, the plan will provide a clear set of priorities for near-term investments and policy changes that set the state up for progress toward economic equity, with particular focus on Business Oregon's role and funding needs to advance COVID recovery.





QUANTITATIVE AND
QUALITATIVE, GIVING AN EAR
TO VULNERABLE VOICES

APPROACH



APPROACH

Quantitative and qualitative, giving an ear to vulnerable voices

The COVID-19 pandemic and associated aid packages have created one of the more fluid and fast-changing planning and analytic environments in decades. New data cannot be produced fast enough to keep pace with the changing dynamics. As of the writing of this report, job gains across all sectors are approaching 2019 (pre-pandemic) levels, but businesses across all sectors continue to struggle with key aspects of the recovery in ways that cannot be fully seen in unemployment data. And, even in the best of times, economic data provide an incomplete look at differences in outcomes for minority-owned businesses and people of color. In this context, it is particularly important to listen carefully to the stories of people experiencing economic change. Our approach recognizes this context by balancing quantitative and qualitative research, and intentionally engaging a wide range of stakeholders—with a focus on minority-owned and smaller business that are often left out of processes like this—in helping to make sense of what is currently holding back the state’s recovery.

RESEARCH EQUITY

The COVID-19 pandemic has illuminated just how far we have to go in achieving equitable economic outcomes. This research used a working definition of an equitable recovery plan that built from our outreach and from other available statewide equity frameworks to develop strategies and actions that do not perpetuate further inequities.

Promoting equity is a worthy goal in and of itself, but it also is an effective strategy for economic growth. By dismantling barriers and expanding opportunities for low-income earners and communities of color, more people can fully engage in the economy both as producers and consumers. This can translate into greater rates of entrepreneurship and economic growth, less reliance on social supports, a greater tax base, and decreasing income and wealth disparities.

When more people share in economic prosperity, it directly translates into economic growth for the state.

This equitable economic recovery plan differs from other economic recovery plans in that it: (1) Engaged a wide range of stakeholders with an intentional focus on Black, Indigenous, and People of Color-owned businesses; (2) Provides data and analysis disaggregated by race and ethnicity where possible; (3) Includes actions that address the full range of economic barriers that workers and entrepreneurs face when pursuing quality jobs and wealth-generating endeavors, even when those issues are long-run systemic challenges that are not typically part of an economic development strategy; and (4) Includes metrics that help us understand whether we are making progress toward a more inclusive economy over time.

Business Oregon’s commitment to equity requires further definitional work, which would best be tackled through the Agency’s coming strategic planning process. That process should build from some of the following resources to define equitable economic development and/or an inclusive economy:

From the State of Oregon’s Equity Framework

Racial equity means closing the gaps so that race can no longer predict one’s success, which simultaneously improves outcomes for all. To achieve racial equity, we must transform our institutions and structures to create systems that provide the infrastructure for communities to thrive.

From the Virginia Tech Office of Economic Development

“Equitable economic development unlocks the full potential of the local economy by dismantling barriers and expanding opportunities for low-income people and communities of color. A stronger, more competitive community can result from accountable public action and investment. Quality jobs can grow entrepreneurship, ownership, and wealth, giving the opportunity for expansion.”



Business Oregon prioritizes an economy that is equitable and inclusive for all Oregonians and that advances the priorities of Black, Indigenous, and People of Color and rural communities.



APPROACH

Quantitative and qualitative, giving an ear to vulnerable voices

Five Principles of an Inclusive Economy, Rockefeller Foundation

- **Participation:** Individuals are able to fully participate in economic life and have a greater say over their future. There is transparency around common knowledge of rules and norms for individuals to start and maintain a business, find a job, or engage in markets. Technology is more widely distributed and promotes greater individual and community well-being.
- **Equity:** Opportunities are available to more individuals to enable upward mobility, including poor and socially disadvantaged groups. People have equal access to a more solid economic foundation, including adequate public goods (e.g. public transit), services (e.g. education) and infrastructure (e.g. clean air and water).
- **Growth:** The economy is increasingly producing enough goods and services to enable broad gains in well-being and greater opportunity. Quality employment opportunities are growing, leading to greater incomes, especially for the poor. Economic systems are transforming for the betterment of all, including poor and excluded communities. Economic growth and transformation are captured by traditional economic measures (i.e. GDP) and novel measures that capture overall well-being.
- **Stability:** Individuals, communities, businesses, and governments have a sufficient degree of confidence in their future and an increased ability to predict the outcome of their economic decisions. They are secure enough to invest in their future and increasingly resilient to shocks and stresses, especially to disruptions with a disproportionate impact on poor or vulnerable communities.
- **Sustainability:** Economic and social wealth is sustained over time (including human-produced and natural capital), maintaining intergenerational well-being. Decision-making must incorporate long-term costs and benefits, in addition to short-term gains.

Engagement Process

Data analysis can only present part of the story of how the economy is working for Oregonians. Stakeholder calls, focus groups, regional forums, surveys, and other approaches were undertaken to confirm assumptions, highlight regional differences, and unearth nuanced challenges within larger problems.

Business Oregon set out to involve stakeholders in developing the Oregon Economic Recovery Plan with the primary goal of ensuring integration of the needs and local recovery plans of internal and external stakeholders, whose resources or buy-in will be required for implementation. The project team also set out to hear experiences of people and businesses most negatively impacted by the economic disruption of COVID-19, interpret survey data, identify the needs and capacities of economic development partners—including Native American tribes and other organizations who serve people/businesses typically underrepresented in planning and decision-making processes—and continue the conversation about what “equitable economic recovery from COVID-19” means for Oregon.





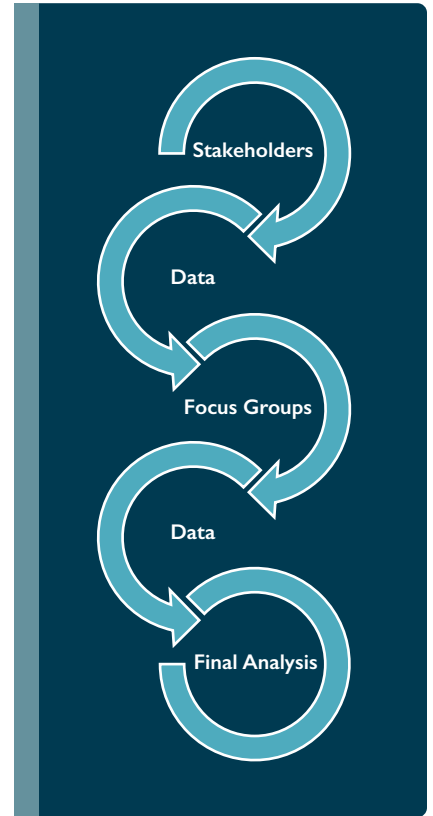
APPROACH

Quantitative and qualitative, giving an ear to vulnerable voices

From September 2021 through January 2022, this effort has engaged hundreds of Oregonians. As a result, the proposed actions and programs are a direct reflection of diverse community needs, values, and priorities.

Through a timely and multifaceted process, stakeholders shared their evolving recovery needs and allowed the team to develop concepts and projects for legislative consideration, and for Business Oregon’s staff to position the agency for a strategic planning effort anticipated to kickoff in 2022. Ultimately, the engagement program met the desired outcomes to:

- Continue strengthening stakeholder relationships and trust in Business Oregon’s partnerships.
- Engage and center diverse community stakeholders and local leaders across the state as an essential part of the data-informed decision-making process.
- Engage and empower people and industries who have been negatively impacted by COVID-19 to directly inform the solutions and the roadmap for recovery.
- Collaborate with internal and external stakeholders to identify and deliver programs that can comprehensively address COVID-19 economic injury.
- Clearly and inclusively communicate to stakeholders about the COVID-19 recovery project and Business Oregon’s desire for collaboration and partnerships.



Sample of groups participating in outreach efforts included:

- Asian Pacific American Chamber
- Affiliated Tribes of Northwest Indians
- Black American Chamber
- Hispanic Metro Chamber
- Immigrant & Refugee Community Organization
- McMinnville Economic Development Partnership
- Oregon Native American Chamber
- Philippine-American Chamber
- Sherman Economic Development Corporation (SEDCO Capital)
- Micro-Enterprise Services of Oregon
- Unidos Bridging Community (Yamhill Co)
- Governments: Prosper Portland, Oregon Main Street
- Burns Paiute of Harney County
- Confederated Tribes of Coos, Lower Umpqua, and Siuslaw
- Confederated Tribes of Grande Ronde
- Confederated Tribes of Siletz
- Confederated Tribes of Umatilla
- Confederated Tribes of Warm Springs



A RECOVERY
WITH MANY LAYERS

THE ECONOMY,
BY THE NUMBERS



THE ECONOMY, BY THE NUMBERS

Oregon's roller coaster toward recovery has left some behind

A RECOVERY WITH MANY LAYERS

Like the rest of the nation, Oregon's COVID-19 economy has been marked by large and erratic shifts in employment, changes in established consumer and industry trends, and general uncertainty. Around the country, sociologists, economists, economic development professionals, and elected officials continue to assess these changes and their implications for economic recovery in real time while trying to develop strategies.

For Oregon, there is a simple analysis (**Exhibit 4**) that shows that Oregon's level of employment nearly returned to pre-pandemic levels by December 2021. However, the story is clearly much more

complicated. **Exhibit 5** shows that the recovery has been uneven across industries. Among Business Oregon's target industries, High Technology, Forestry and Wood Products, and Outdoor Gear and Apparel have returned to or exceeded pre-pandemic employment levels. Other industries have yet to recover, including Advanced Manufacturing, Business Services, and Food and Beverages.

Exhibit 4. Change in Employment, Oregon and US, February 2019–December 2021

Source: Bureau of Labor Statistics Current Employment Estimates

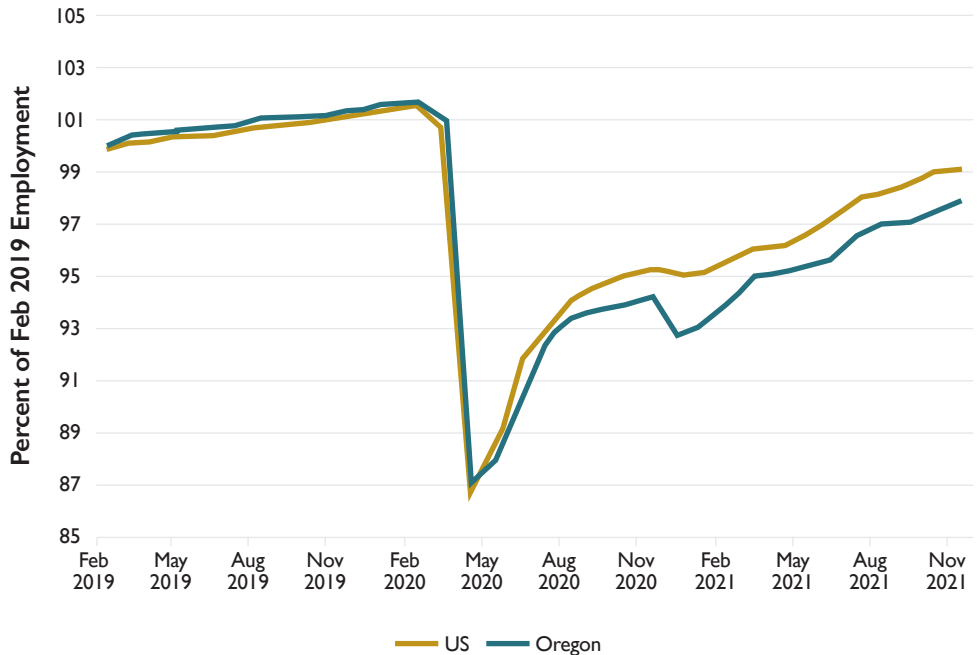
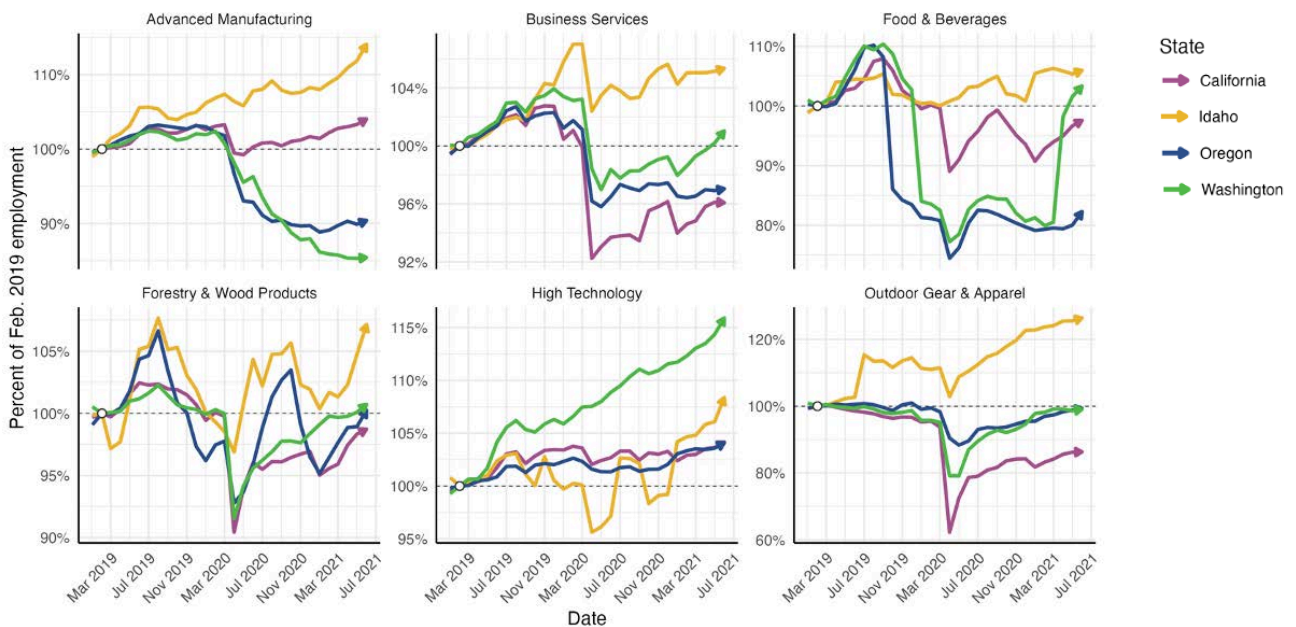


Exhibit 5. Employment Change by Target Industry, Oregon and Other Western States, February 2019–July 2021

Source: Quarterly Census of Employment and Wages



Note: Dramatic shifts in Food and Beverage are partially due to data suppression in the QCEW datasets between 2019 and 2021.



THE ECONOMY, BY THE NUMBERS

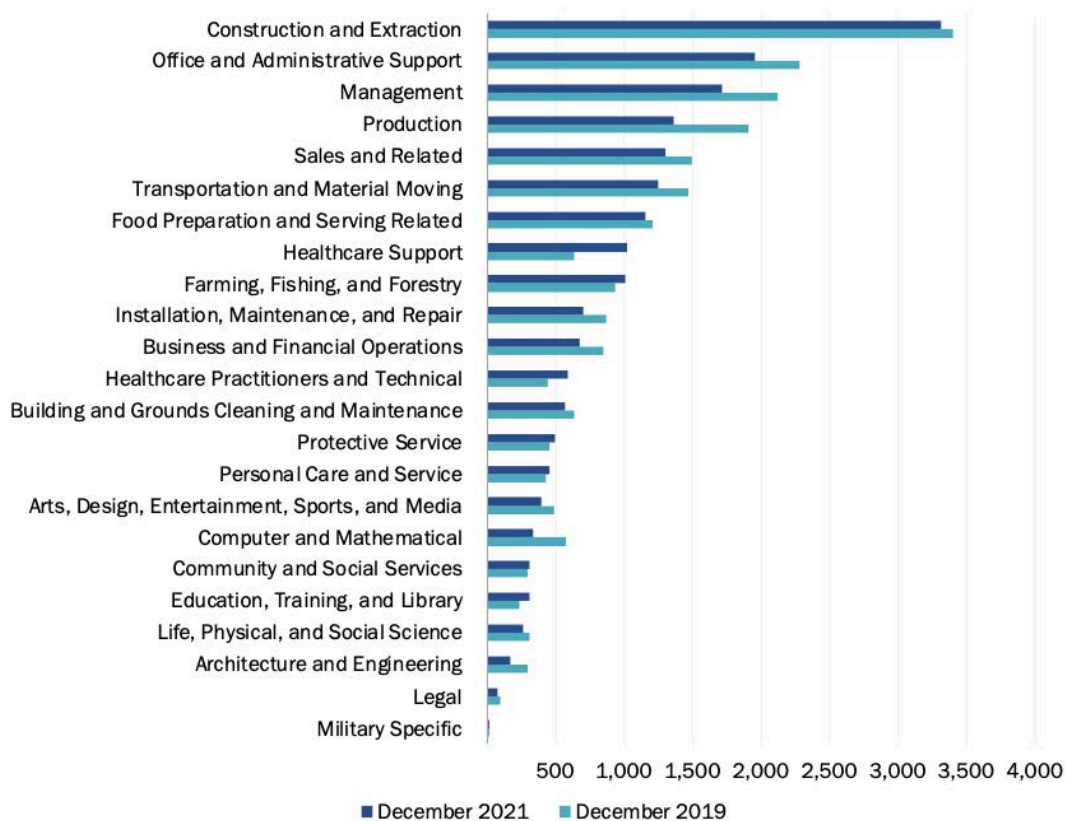
Oregon's roller coaster toward recovery has left some behind

The unique and ongoing impacts of this pandemic have placed unique stresses on key contributors to the economy (e.g., childcare workers, aging workers, and small businesses). This has in turn led to an uneven business recovery in which certain firms found ways to pivot through the crisis and recover more quickly, while others remain unable to do so. This is often due to systemic issues that existed prior to the onset of the COVID-19 pandemic and have since accelerated. One dimension to better understand the unevenness of the recovery is through unemployment insurance claims, as shown in **Exhibit 6** and **Exhibit 7**.

By occupation, workers with the highest number of unemployment claims in December 2021 were construction workers, office and administrative support workers, and management workers; most of these occupations had a substantial increase in claims compared to the pre-pandemic baseline in December 2019. In terms of the relative change, smaller increases in claims were observed in the following occupations over the same time period: Production; Business and Financial Operations; and Arts, Design, Entertainment, Sports, and Media. Continued unemployment claims fell for occupations classified as Healthcare.

Exhibit 6. Continued Unemployment Insurance Claims by Occupation, Oregon, December 2019 and December 2021

Source: U.S. Bureau of Labor Statistics; Oregon Employment Department





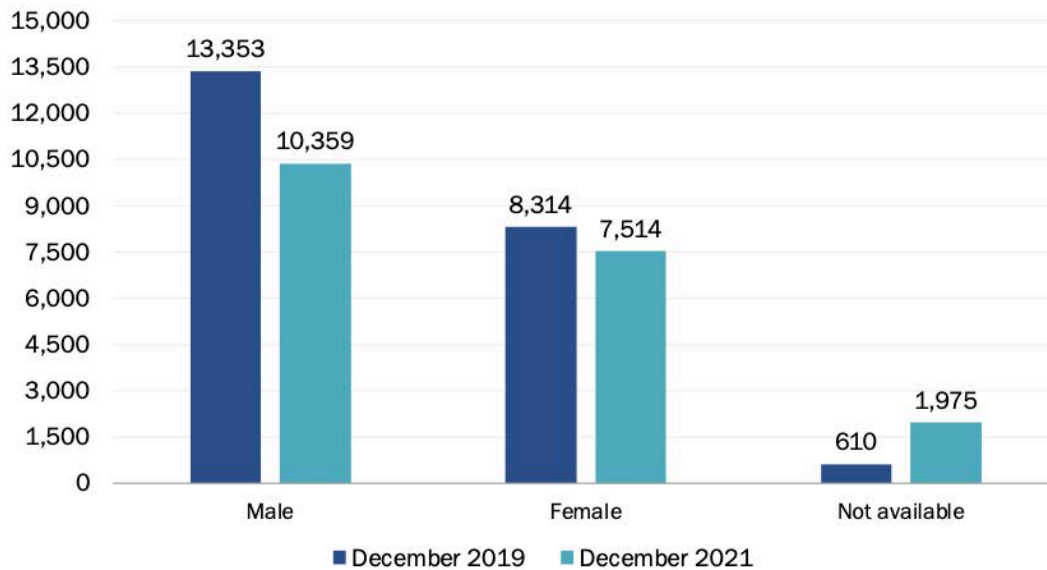
THE ECONOMY, BY THE NUMBERS

Oregon's roller coaster toward recovery has left some behind

The impact of gender on the increase in unemployment insurance claims is likely influenced by the prior industry makeup of these displaced workers, among other factors. While female workers consistently represented about 37 percent of unemployment insurance claimants in both December 2019 and 2021, workers who did not identify their gender increased from about 3% to 10% over the same time period.

Exhibit 7. Continued Unemployment Insurance Claims by Gender, Oregon, December 2019 and December 2021

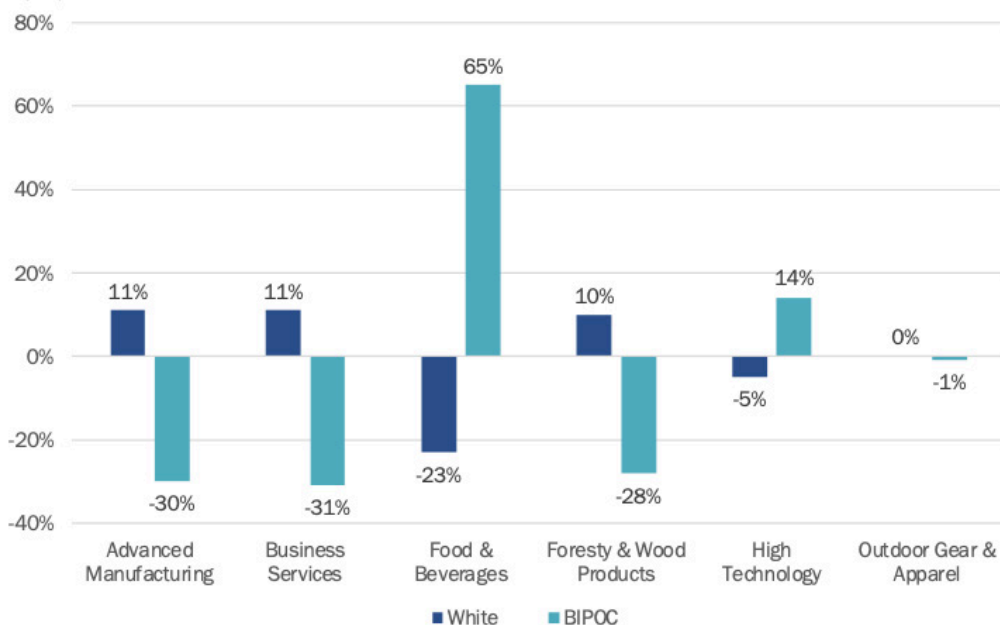
Source: U.S. Bureau of Labor Statistics; Oregon Employment Department



Lastly, some industries that have lagged in recovery, such as Food and Beverage, had historically low wages and larger shares of Black, Indigenous, and People of Color workers than in the workforce as a whole ([Exhibit 8](#)). In this case, the hardest hit industry has historically and disproportionately employed those least able to withstand the shock of unemployment.

Exhibit 8. Employment Share Relative to Statewide Workforce by Target Industry and Race, Oregon, 2019

Source: ACS PUMS 1-year





THE ECONOMY, BY THE NUMBERS

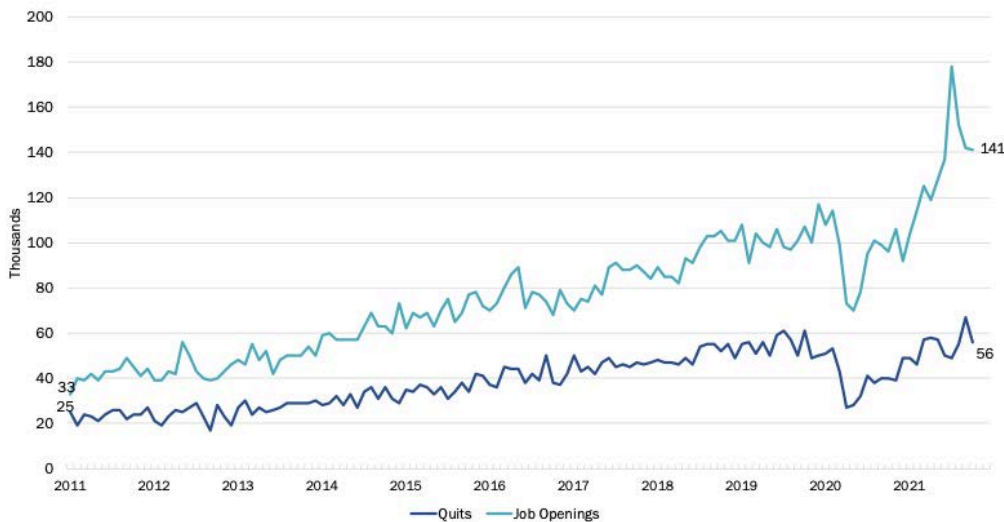
Oregon's roller coaster toward recovery has left some behind

WORKFORCE DISRUPTIONS AND BARRIERS TO ATTRACTION

A common theme in stakeholder discussions throughout the engagement process for this plan was barriers to attracting workers. The dynamics of attracting workers are complex and can range from training mismatch to inadequate housing options in a given area to an aging (and retiring) workforce. National trends during the COVID-19 recovery have deemed this period “the Great Resignation”; however, Oregon’s quit rates returned to almost pre-pandemic levels. The number of job openings also grew, creating a larger gap between the number of job openings and the number of quits (**Exhibit 9**).

Exhibit 9. Total Job Openings and Quits, Oregon, January 2011–October 2021

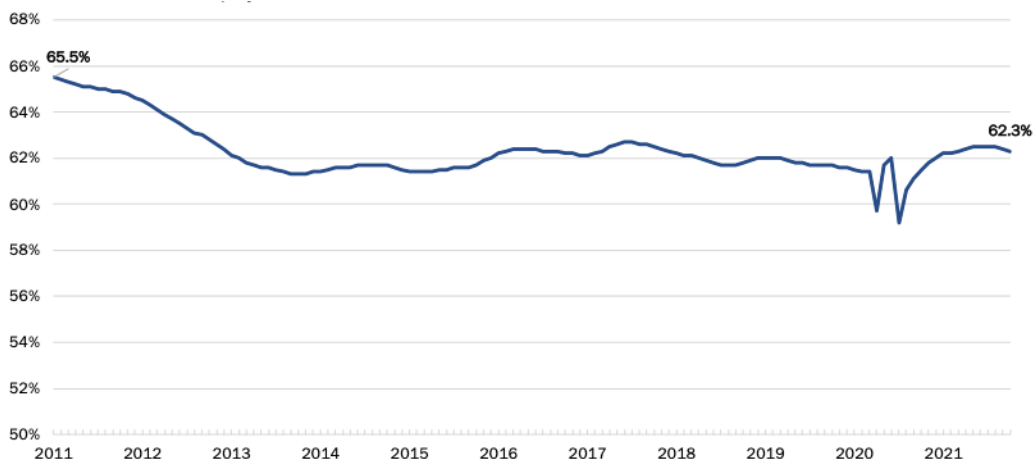
Source: BLS JOLTS, 2021



Oregon’s labor force participation rate returned to pre-pandemic levels by October 2021. Since 2011, the labor force participation rate has decreased slightly, from 65.5% to 62.3% in October 2021. This may indicate a general decline in labor force participation.

Exhibit 10. Labor Force Participation Rate, Oregon, January 2011–October 2021

Source: Local Area Unemployment Statistics, 2021





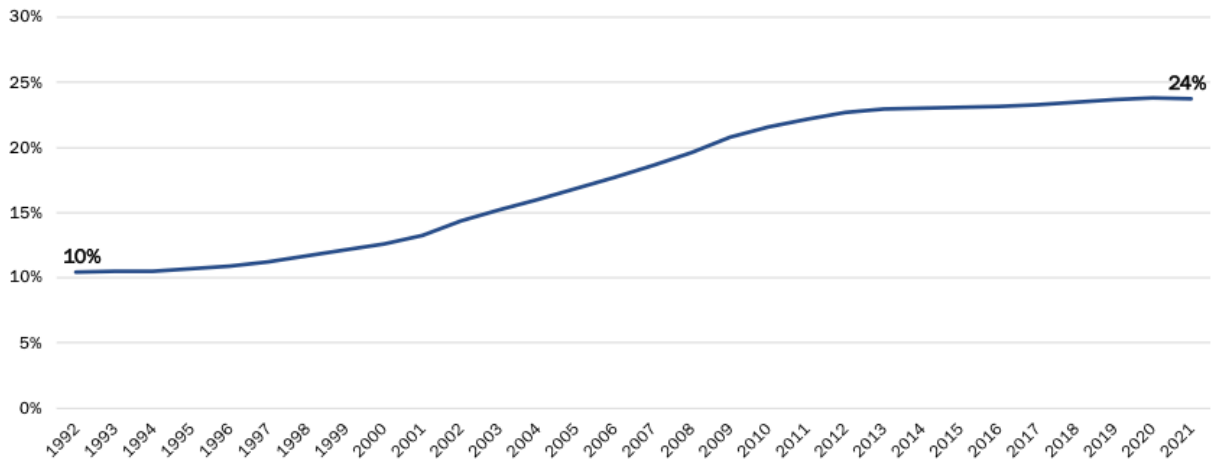
THE ECONOMY, BY THE NUMBERS

Oregon's roller coaster toward recovery has left some behind

Another dynamic of the workforce that accelerated after the onset of the COVID-19 pandemic was the retirement of the baby boomer generation. The share of workers aged 55 or older out of all workers in Oregon has increased from 10% in 1992 to 24% in 2021. For workers in this age group who did not retire during the COVID-19 pandemic, many in this group will retire in the coming years. Stakeholders who participated in engagement efforts during the development of this plan indicated these imminent retirements as a concern for replacement in their workforce.

Exhibit 11. Workers Aged 55+ As a Share of All Workers, Oregon, 1992–2021

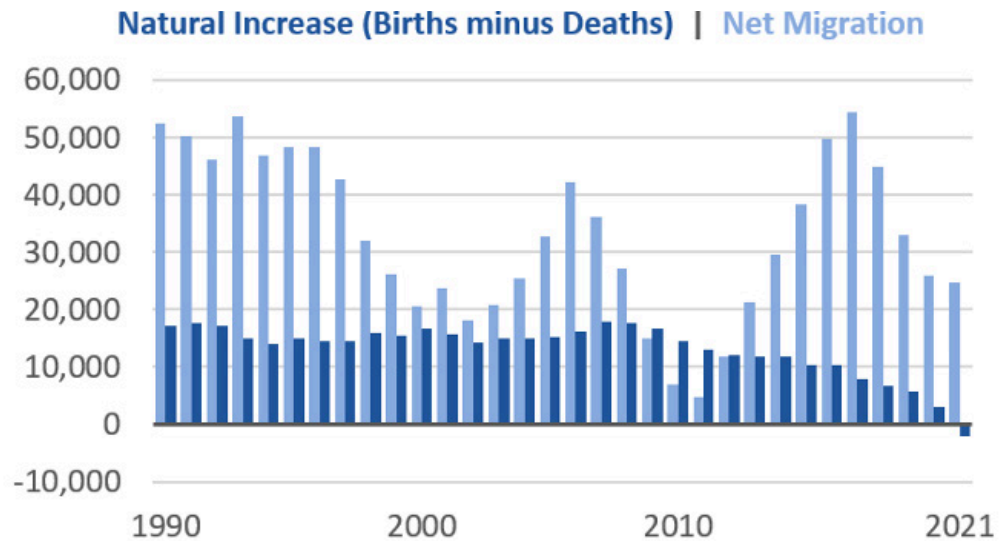
Source: QWI Annual Averages



Many factors of workforce availability and decisions to return to or exit the workforce remain uncertain, but one potential opportunity is continued in-migration to the state. Since at least 2000, Oregon has relied on in-migration as a large share of the net migration to the state. This may help to offset ongoing workforce replacement issues during the economic recovery from the COVID-19 pandemic, but net migration has decreased in the last 5 years.

Exhibit 12. Oregon Population Growth, 1990–2021

Source: Oregon Office of Economic Analysis, PSU PRC, Census, 2021



SUPPLY CHAIN

Additional barriers to the recovery of Oregon's economy include broader economic threats affecting the national and regional economies. Supply chain disruptions and rising inflation contribute to challenges for businesses, especially small businesses, in navigating the economic recovery. Small businesses make up a large share of Oregon's economy: businesses with less than 20 employees make up almost a quarter of the state's covered employment.



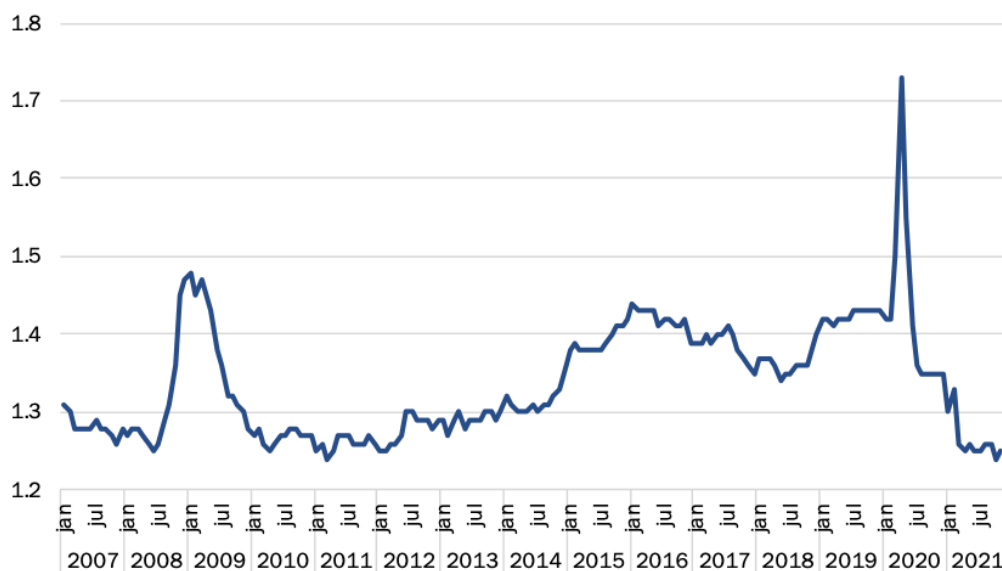
THE ECONOMY, BY THE NUMBERS

Oregon's roller coaster toward recovery has left some behind

Supply chain disruptions emerged as a common theme during engagement with stakeholders and organizations across the state. Smaller retailers and restaurants have seen substantial variability in getting materials and supplies they need on time. Limited transportation connections in certain regions in Oregon (e.g., coastal regions) have also contributed to the lack of reliability of the supply chain during the COVID-19 recovery period. In some cases, this has led businesses to overstock items to make up for the unpredictability of future supply chain issues. For small businesses, this level of uncertainty, in addition to limited borrowing capacity, can be more challenging than for larger businesses.

Exhibit 13. US Total Business: Inventories to Sales Ratio, Monthly, Seasonally Adjusted, 2007–2021

Source: FRED Economic Data

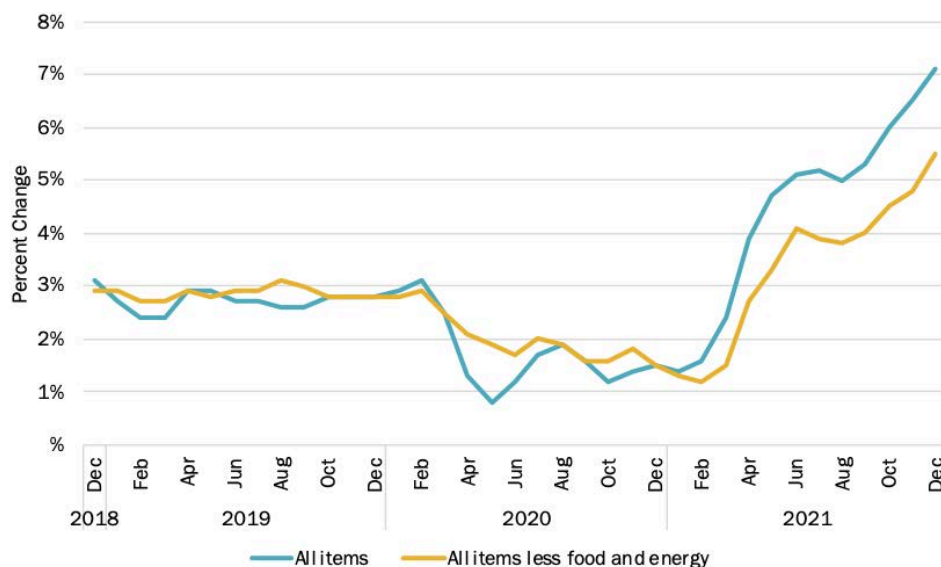


INFLATION

Rising inflation has also contributed to challenges in the COVID-19 economic recovery. If inflation continues to rise (see [Exhibit 14](#)), it will create concerns for wages, cost of services, and housing affordability linked to higher interest rates. It is unclear how inflation will affect the continued economic recovery in 2022 and beyond. This uncertainty presents challenges in predicting real wages and returns to profitability for businesses in 2022 and 2023.

Exhibit 14. Over-the-Year Percent Change in CPI-U, West Region, December 2018–December 2021, All Items Less Food and Energy

Source: BLS, Consumer Price Index, West Region — December 2021



Note: Regions defined as the four Census regions. West includes Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming.



THE ECONOMY, BY THE NUMBERS

Oregon’s roller coaster toward recovery has left some behind

THE OUTLOOK

The unprecedented March 2020 lockdown triggered abrupt job losses in sectors across the economy, extending from food services to non-emergency healthcare occupations. But as the economy reopened in June 2020, many industries figured out how to conduct business while socially distancing. The exception—because of circumstances outside of their control—was the leisure and hospitality industry, which includes restaurants, hotels, bars, theaters, and entertainment venues. The industry employs higher shares of women, people of color, young adults, and adults with no postsecondary experience. It also consists of many relatively low-wage occupations. Consequently, compared with the two most recent downturns, low-wage workers suffered the highest job losses on a percentage basis ([Exhibit 15](#)).

Furthermore, the U.S. Bureau of Labor Statistics (BLS) sees more trouble ahead, with longer-term impacts on low-wage service and sales work. In February 2021, BLS reassessed its 2019-2029 projections, developed pre-pandemic, to account for observed changes in customer and firm behavior during the pandemic.¹ The economists considered “moderate” and “strong” employment impacts ([Exhibit 16](#)). The strong scenario assumes permanent changes to consumer and firm behavior to mitigate the spread of COVID-19 and potentially subsequent viruses. The moderate scenario assumes telework would be the primary economic effect, which would alter commuting, activity in downtowns, and spending in food and drinking establishments.

Both moderate and strong scenarios assume the public will demand better prevention, containment, and treatment of infectious diseases, which will lead to more hiring in scientific and medical fields. Additionally, the agency anticipates that an increase in telework will boost demand for information technology support services and cybersecurity.

Job losses, relative to pre-pandemic projections, are expected in accommodation, food services, art, and entertainment industries—all of which were significantly affected during the recession. BLS economists project that some restaurants and hotels will continue to use technologies that limit unnecessary contact with customers (e.g., check-in kiosks, phone-based meal orders). Telework will reduce activity in downtowns and impact associated business-related dining and entertainment.

The pandemic accelerated a trend toward online shopping, which BLS expects will reduce employment in the retail traded sector. The persistence of telework will reduce foot traffic around brick-and-mortar stores and lead to further consolidation of smaller retailers. Finally, a reduction in office building will more than offset an increase in residential building—creating a negative impact for the construction sector.

The bottom line: the pandemic recession was unusually “regressive” in its impact—disproportionately affecting the lower-wage workers in the leisure, hospitality, and tourism sectors. BLS anticipates those impacts will outlast the recession and create additional challenges for job seekers who enter the labor market with no postsecondary educational experience.

Exhibit 15. Job Loss by Recession, Oregon, 2001–2020

Source: Bureau of Labor Statistics and Oregon Office of Economic Analysis



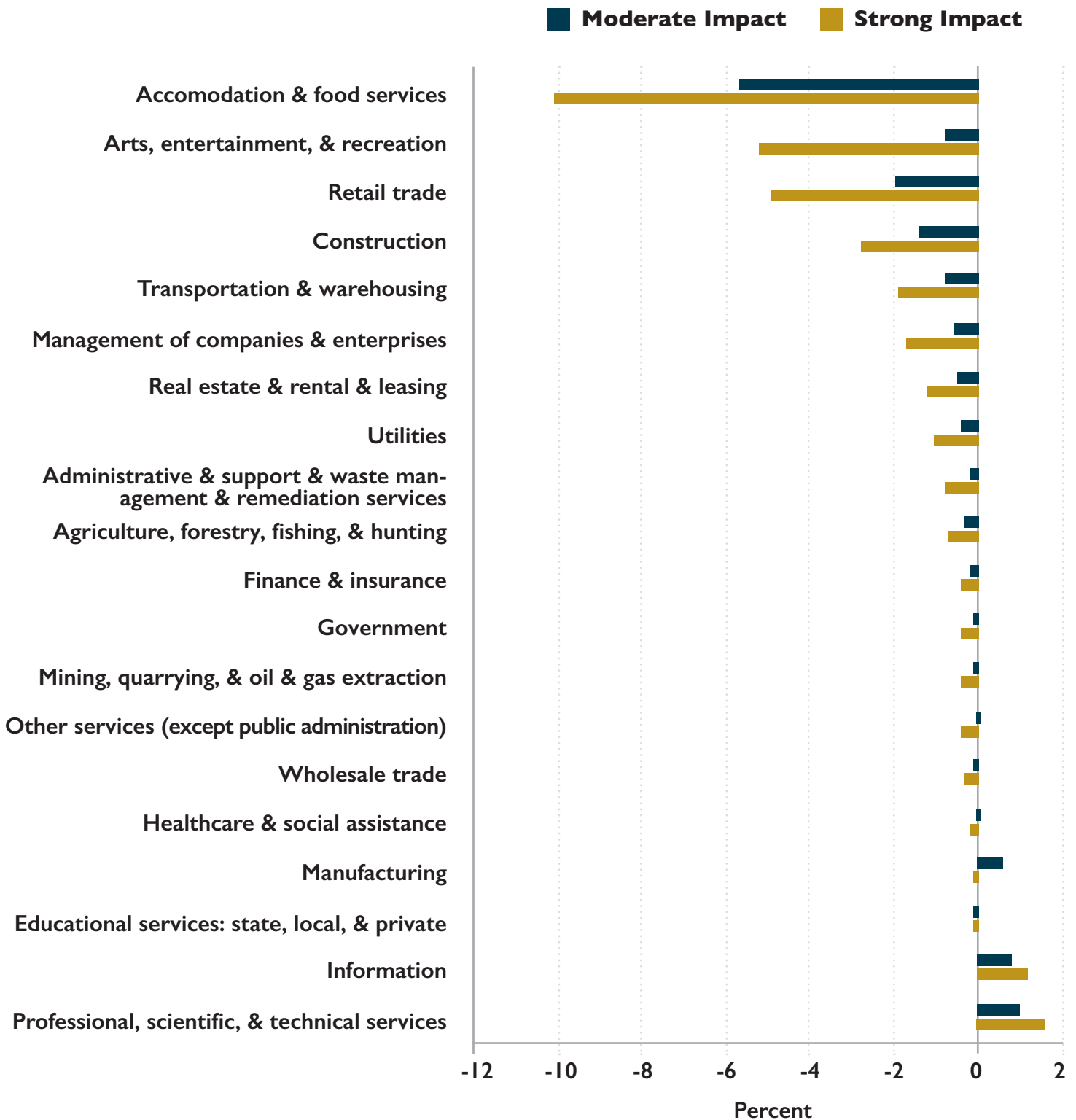


THE ECONOMY, BY THE NUMBERS

Oregon's roller coaster toward recovery has left some behind

Exhibit 16. Projected Employment Effects, 2019–2029, with “Moderate” and “Strong” COVID-19 Effects

Source: Bureau of Labor Statistics





THE TOP BARRIERS TO
ECONOMIC RECOVERY—AND
HOW TO REMOVE THEM

SUMMARY OF THEMES

SUMMARY OF THEMES

The top barriers to economic recovery—and how to remove them



To identify key themes emerging in Oregon’s COVID-19 economic recovery, we developed our research and engagement plan according to the following framework: (1) confirming definitions of both a “recovered” and an “equitable” economy; (2) describing how the pandemic recession and early recovery from it has differentially affected populations and industry sectors and set us back from desired equitable economic outcomes; (3) identifying a set of strategies to recover from the COVID recession and address those differential impacts and advance the state toward its goal of an equitable economy.

OUTREACH SUMMARY

Our background research focused on an assessment of Oregon’s economy and an analysis of initial disruptions after the onset of the COVID-19 pandemic, a review of other recovery plan efforts across the state and nation, and workforce and sector-based analyses. This initial research helped to frame discussions with stakeholders through the implementation of our engagement plan. Our initial data collection helped to frame high-level trends of the economic recovery and effects of the COVID-19 pandemic, but the data are not comprehensive, and we conducted further engagement to reveal issues happening on the ground. Employing various engagement formats, we reached a range of stakeholders through the following activities:

- Collaborator interviews
- Regional recovery forums
- Survey of needs and solutions
- Focused discussion groups
- Internal involvement
- Business Oregon managers work session and kickoff
- External steering committee

Survey Results

Survey respondents reported the most urgent economic recovery needs in their community. Among the top barriers were workforce housing, childcare, workforce attraction, and access to capital (Exhibit 17). Of all survey respondents, 79 percent identified as White, 3.8 percent identified as Native American, and an additional 3.8 percent identified as Asian (Exhibit 18).

Exhibit 17. Most Urgent Economic Recovery Needs in the Community, Top 3 Barriers

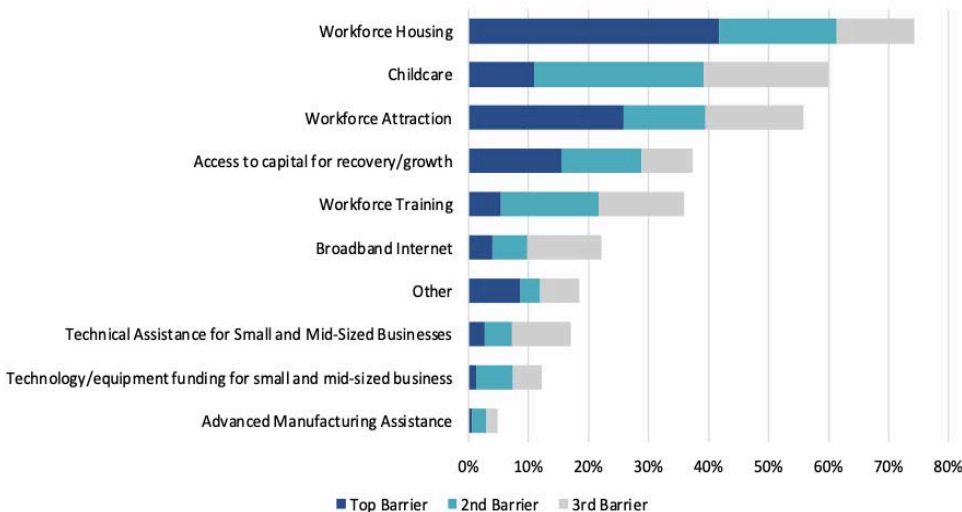
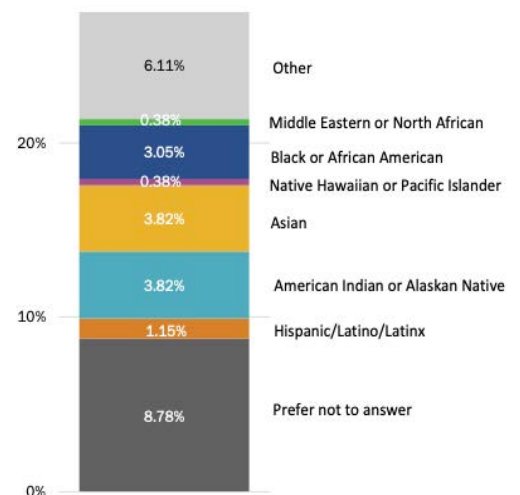


Exhibit 18. Survey Respondents by Race and Ethnicity

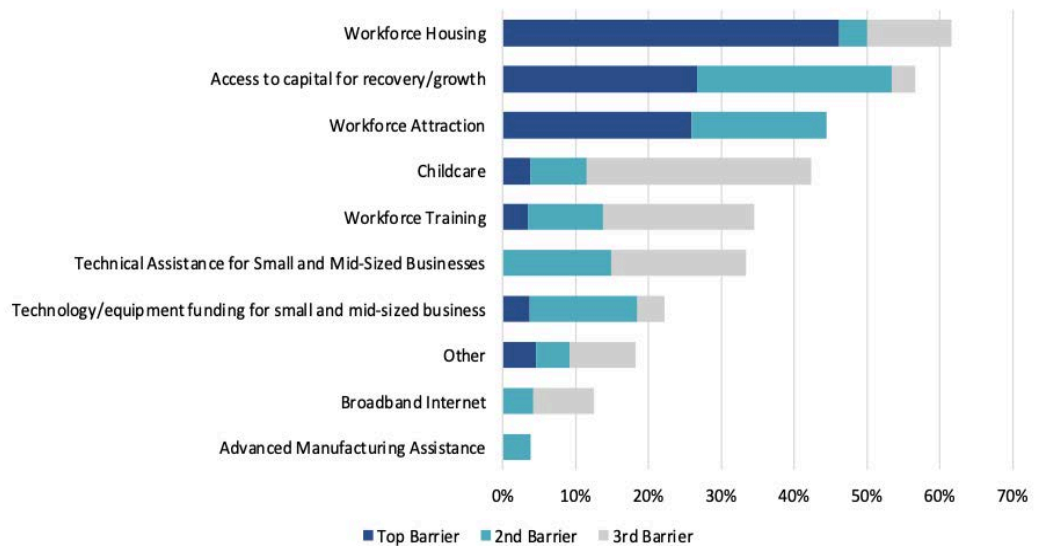


SUMMARY OF THEMES

The top barriers to economic recovery—and how to remove them

Among the survey respondents who identified as a person of color, the top three barriers for economic recovery were similar to all respondents, with workforce housing, access to capital, workforce attraction, and childcare reported as barriers. One key difference is the number of respondents who reported access to capital as a top or second barrier (over 50%), compared to less than 30% for all respondents.

Exhibit 19. Most Urgent Economic Recovery Needs in the Community, Top 3 Barriers, For Persons of Color Respondents



Key Stakeholder Takeaways

COVID-19 continues to have a significant impact on nearly every segment of Oregon's economy. Stakeholders helped the project team understand how different parts of the state and different sectors are experiencing issues that are not always knowable from the quantitative data. They also surfaced innovative ideas and reasoned opinions about what role the State should play to ensure an equitable recovery.

Throughout the process, the team continually heard a few key messages and opinions that were then integrated with the technical analysis and directly translated into the recovery plan. These consistent messages were expressed by a diversity of stakeholders who conduct business in different parts of the state with different economic conditions, including Oregonians of different races, ethnicities, abilities, and backgrounds.

The most consistently-held and strongest sentiments registered through the Recovery Plan process:

- **Childcare availability and housing affordability are integrally linked to the economy and economic development.** We heard stories of housing shortages on the coast that are leading to severe labor shortages, and Southern Oregon stakeholders reported that the devastating impacts from wildfires in 2020 continue to stress the housing market. A small business owner from the Valley told us she's on the edge of having to close her doors because she cannot find reliable childcare and is having great difficulty retaining employees in the current labor market, where signing bonuses of \$1,000s are becoming increasingly common.
- **Economic recovery is obstructed by the lack of workforce availability and readiness, and is becoming increasingly challenging as the pandemic wears on.** Stakeholders around Oregon reported labor shortages resulting in the dreadful cycle of reduced hours of operation, lower output, reduced employee pay, product shortages, and low-to-no profits. Some businesses in Tribal areas noted that local communities are at full employment, commutes to nearby towns are long, and they're finding it virtually impossible to find new workers. Many business owners expressed that they were so understaffed that they have little ability to contemplate the future.
- **Businesses owned by people of color, women, people with disabilities, Native Americans, and those operating on Tribal lands and in rural communities shared that they cannot access the capital they need to expand to new markets and grow their economic impact in Oregon.** Commercial lending has not adequately served these businesses for decades. Despite continued efforts, people of color and women face biases in the lending process and due to the historical exclusion, many do not have a strong connection to the banking community.










SUMMARY OF THEMES

The top barriers to economic recovery—and how to remove them

Many of these businesses across the state, especially in rural areas, shared frustrations with the inaccessibility of federal recovery dollars due to lack of banking relationships and processes too onerous to navigate while running a business. Native American businesses on Tribal lands have additional layers of complications and barriers to capital. Some noted that their ability to access State and Federal programs are hampered by confusing layers of regulations, the very definition of “small business,” and for Tribal area businesses, the complex web of on-reservation / off-reservation programs and rules. Many stakeholders, including women and minority business owners, expressed appreciation for the partnerships with local Small Business Development Centers, chambers, and other economic development organizations, but gaps in access remain. They have requested that Business Oregon help to deliver better and more personal communications about funding and technical assistance available to help grow their businesses and the state’s economy.

- **The State’s current economic development programs and supports need retooling to address the unique and continued economic impacts of COVID-19.** Many of the challenges described above are outside Business Oregon’s typical line of business and authority, and stakeholders’ most critical economic issues cannot be addressed by any one State agency or funding source. At the same time, it is also difficult for Business Oregon and its partners to carry on their work of attracting and investing in trade sector businesses when local suppliers and potential employees cannot find a footing in Oregon. Stakeholders from a diversity of sectors and locations shared their strong encouragement for Business Oregon to facilitate multi-agency coordination to tackle the workforce and childcare shortages, to enhance communications with businesses and partners, and to think creatively about how the agency’s existing capital and infrastructure programs could be used to invest in the workforce, housing, childcare, and capital needs of small, rural, and minority- and woman-owned businesses.
- **Stakeholders implore the State to continue to work in partnership and hear their stories of geographic and business variations often lost in aggregated data.** Appended are records of the many diverse voices heard through the interviews, forums, focus groups, briefings, and online survey. Stakeholders have shared their desire for leaders and agency staff to spend time hearing their struggles, unique and nuanced needs exposed by the pandemic, and innovative avenues to realize an equitable economy through recovery.

As a result of the research and engagement processes, we identified nine themes that emerged. Some themes represent systemic issues that existed before the onset of the COVID-19 pandemic but became more apparent as the economic recovery continued. Other themes may not be in Business Oregon’s direct control but are important to consider in (and difficult to decouple from) the ongoing economic recovery. These nine themes are:

 Hospitality	 Workforce development (upskilling)	 Workforce retention/ attraction
 Workforce housing	 Small business support	 Innovation/ advanced manufacturing
 Workforce childcare	 Broadband	 Supply Chain

The remainder of this chapter provides a framework for narrowing this list of themes to support a refined set of recommendations for Business Oregon to implement. The next section discusses our process for narrowing these themes according to Business Oregon’s goal to support an equitable economic recovery.



HOSPITALITY

Pivoting to COVID-safe dining and entertainment has worked—but at a cost

The hospitality industry is a broad grouping that can include lodging, restaurants, bars, event hosting, outdoor recreational activities, catering, and a variety of related businesses.

What brings these business types under one umbrella is the act of providing customers with a unique service that they are unable to experience in their homes. A pandemic directly confronts the viability of this business model. Some businesses were able to effectively pivot, shifting their business to take-out, outdoor events, mobile check-in, contactless payment technology, etc. Most suffered and continue to struggle to return to pre-pandemic revenue levels.

HERE'S WHAT THE DATA SAYS:

TRAVEL IMPACTS (2020)



SPENDING

\$6.5B

-49%



EARNINGS

\$3.1B

-19%



EMPLOYMENT

\$92.3K

-22%



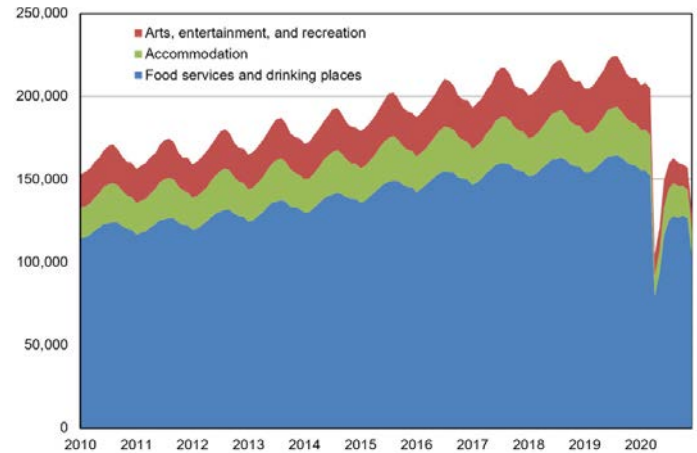
TAX RECEIPTS

\$966M

-27%

Exhibit 20. Oregon Leisure and Hospitality Payroll Employment

Source: Oregon Employment Department



HERE'S WHAT WE HEARD IN THE ENGAGEMENT:

When asked “**What types of businesses in your area are still struggling?**” an overwhelming response was “restaurants” or hospitality-related businesses. Industry experts highlighted that certain parts of the state in certain segments have rebounded to 2019 levels, while others are still lagging. The Portland Metro area appears to be the area struggling most to return to pre-pandemic revenue levels. A significant factor is the delayed of return of international travel, convention center events, and audiences to performing arts venues.

WHY IS IT HOLDING BACK AN EQUITABLE RECOVERY?

Hospitality employed over 160,000 people in 2020. According to the State of Oregon Employment Department, from December 2019 to December 2020 the leisure and hospitality sector shed 38.7% of payroll employment, compared with a loss of 9.1% across all Oregon industries. Conventions and large cultural events in Portland do not just benefit the Metro region, but are often the gateway for visitors to the rest of the state.





WORKFORCE HOUSING

Living where you work is out of reach for many Oregonians

The State is underproducing affordable worker housing, causing businesses to function at limited capacity. Oregon is 49th in the nation in housing availability.²

Generally, underproduction of all housing contributes to the lack of workforce housing available for Oregon workers. Housing affordability is another concern, impacting worker location choice. The need for workforce housing has been an ongoing barrier for employers to attract workers and for workers who want to live where they work. This dynamic accelerated after the onset of the COVID-19 pandemic.

HERE'S WHAT THE DATA SAYS:

EXHIBIT 2I: OREGON HOUSING SHORTAGE, 2018

Region	Housing Units to Households Ratio	Adjusted Housing Units to Households Ratio	Unit Shortage Ratio
Deschutes	1.14	1.03	0.94
Metro	1.06	1.05	0.93
Northeast	1.18	1.09	0.99
Northern Coast	1.38	1.09	1.00
Southeast	1.24	1.15	1.05
Southwest	1.10	1.07	0.96
Willamette Valley	1.06	1.05	0.93

Source: Regional Housing Needs Analysis, 2020, ACS 1 Year 2018

HERE'S WHAT WE HEARD IN THE ENGAGEMENT:

“

“As the tides are changing due to Covid, rural Oregon is seeing population rise yet do not have infrastructure to support influx of people—housing! Rural is the new urban and Oregon needs to recognize and accommodate those arising needs.”

Survey Respondent



WHY IS IT HOLDING BACK AN EQUITABLE RECOVERY?

The need for workforce housing is an ongoing barrier for employers to attract workers and for workers who want to live where they work. This dynamic accelerated after the onset of the COVID-19 pandemic and continues to be a substantial barrier for recruiting workers to industries.

² Housing Underproduction In Oregon. Economic, Fiscal And Environmental Impacts Of Enabling Transit Oriented Smart Growth To Address Oregon's Housing Affordability Challenge, 2019, <https://www.upforgrowth.org/sites/default/files/2018-10/UFGHousingUnderproductionInOregon.pdf>



CHILDCARE

Childcare in Oregon is both expensive for families and low-paying for workers

Childcare for working Oregonians has been in crisis for a number of years, coming to the fore-front during the COVID-19 pandemic. In 2019, Oregon was 14th out of 50 for most expensive infant care³ at a monthly average of \$1,135. On average, in 2021, childcare costs were a third of a family’s budget.⁴

In a 2020 survey, 49% of early education and childcare centers closed for at least some period of time during the pandemic. Over a third of workers surveyed experienced an employment disruption and those still unemployed in the sector indicated they may not return due to low wages or benefits, prevalence of COVID-19, too few hours, and no childcare for their own children.⁵ Childcare workers are more likely to live in poverty and a median worker would spend 55.2% of their earnings to put their child in infant care.⁶

HERE’S WHAT THE DATA SAYS:

EXHIBIT 22: STATEWIDE FULL-TIME PRICES AT THE 75TH PERCENTILE FOR CHILDCARE SLOTS

	Infant	Toddler	Preschool Age	School Age (School Year)	School Age (Summer)
SMALL HOME-BASED					
Hourly	\$4	\$4	\$4	\$4	\$4
Monthly	\$800	\$700	\$700	\$600	\$600
CENTER					
Hourly	\$12	\$7	\$6	\$7	\$6.68
Monthly	\$1,570	\$1,595	\$1,200	\$520	\$780
LARGE HOME-BASED					
Hourly	\$6	\$6	\$5.50	\$5	\$5
Monthly	\$1,300	\$1,200	\$1,044	\$750	\$750

Source: 2020 Oregon Childcare Market Price Study, Oregon State University <https://www.oregon.gov/dhs/ASSISTANCE/CHILD-CARE/Documents/CCMR%202020%20Report.pdf>

HERE’S WHAT WE HEARD IN THE ENGAGEMENT:

“Remove barriers and/or increase support for increased childcare availability and affordability.”

Survey Respondent



WHY IS IT HOLDING BACK AN EQUITABLE RECOVERY?

Without affordable and safe childcare, workers can’t get back to work; women and Black, Indigenous, and People of Color families are particularly impacted. Childcare is an important component of the economy in Oregon, with \$496 million in revenue and an estimated \$492 million in spillover in other industries.⁷

³ Economic Policy Institute. The Cost of Childcare in Oregon, <https://www.epi.org/child-care-costs-in-the-united-states/#/OR>

⁴ The Self-Sufficiency Standard For Oregon, Prepared For Worksystems, 2021, www.Oregon.Gov/Workforceboard/Data-And-Reports/Documents/The-Self-Sufficiency-Standard-For-Oregon-2021.Pdf

⁵ The Effects of COVID-19 on Oregon’s Early Care & Education Workforce and Programs, 2021, https://oregonearlylearning.com/wp-content/uploads/2021/07/ppi-provider-survey-FINAL-accessible_7.20.21.pdf

⁶ Economic Policy Institute. The Cost of Childcare in Oregon, <https://www.epi.org/child-care-costs-in-the-united-states/#/OR>

⁷ Childcare in State Economies, Oregon Fact Sheet, www.ced.org/assets/reports/childcareimpact/fact_sheets/revised/Oregon%20Fact%20Sheet%201312019.pdf



WORKFORCE DEVELOPMENT (UPSKILLING)

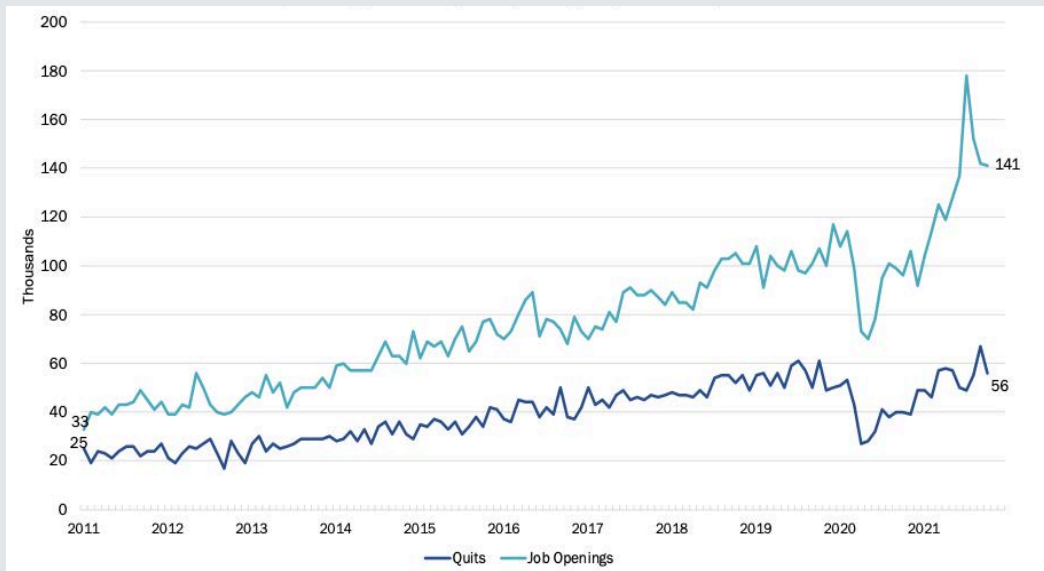
Jobs are back—but highly-skilled workers are not

The gap between job openings and quits has grown throughout the COVID-19 economic recovery (Exhibit 23).

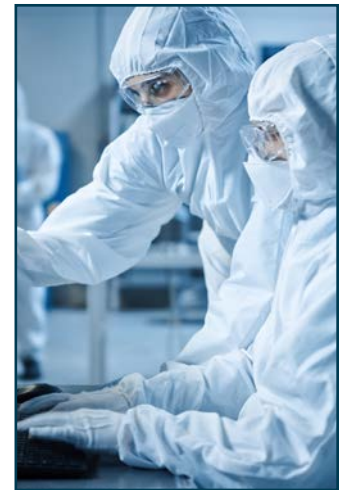
Employers in Oregon have reported difficulty in hiring workers across industries. In some industries, such as advanced manufacturing, employers have reported a need for “upskilling” to keep pace with changes in technology. Government officials at the state and national level have stated priorities in workforce development and training.⁸

HERE’S WHAT THE DATA SAYS:

EXHIBIT 23: TOTAL JOB OPENINGS AND QUILTS, OREGON, JANUARY 2011–OCTOBER 2021



Source: BLS JOLTS, 2021



HERE’S WHAT WE HEARD IN THE ENGAGEMENT:

“

“Workforce training is not being provided to those that are most vulnerable and are in need, i.e., BIPOC [Black, Indigenous, and People of Color], ESL [Speakers of English as a Second Language], tribal communities, LGBTQ+ [the queer community], etc.”

Survey Respondent

“

“Funding needs to be directed to workforce training that is provided by community based organizations and locally-oriented centers who have the relationships. Funding should also be provided for non-credit, badging, and training certificates. Not everyone wants to attend college for a degree.”

Survey Respondent

WHY IS IT HOLDING BACK AN EQUITABLE RECOVERY?

Workforce development organizations in Oregon identified needs for “upskilling” in traded-sector industries before the COVID-19 pandemic. The onset of the pandemic accelerated this need as workers changed industries and job openings increased during the start of the recovery. The skill mismatch and need for “upskilling” persists throughout the economic recovery and requires direct and ongoing funding.

⁸ Redden, Jim. “Wyden, Leaders Push Computer Chips, Job Training at Summit.” Portland Tribune, December 6, 2021. <https://pamplinmedia.com/pt/9-news/530019-423570-wyden-leaders-push-computer-chips-job-training-at-summit>



SMALL BUSINESS SUPPORT/ACCESS TO CAPITAL

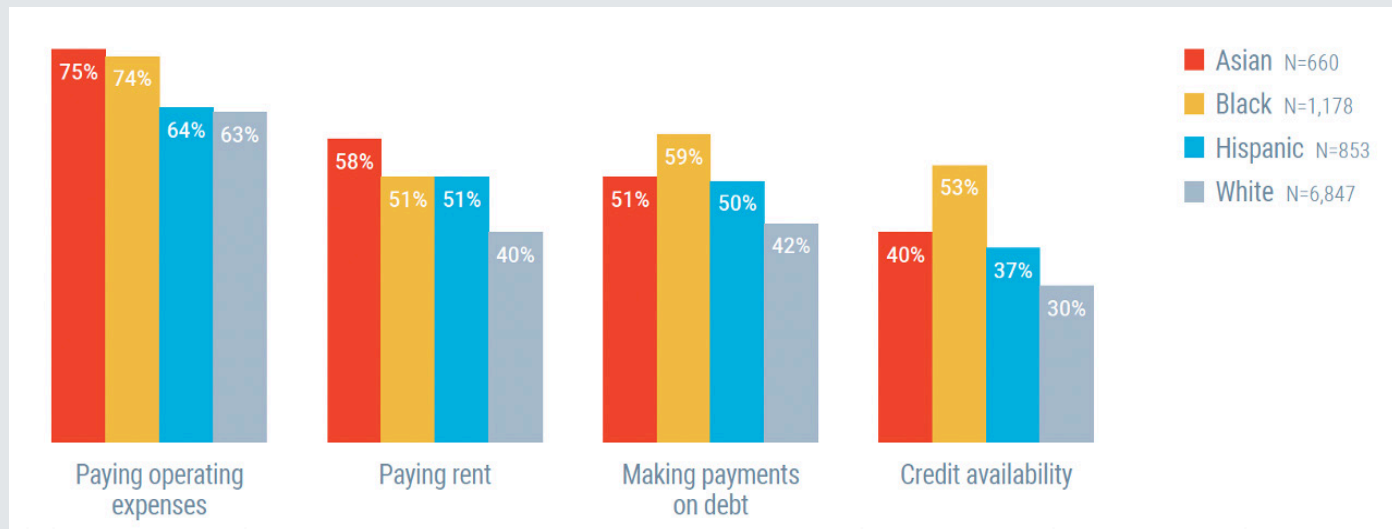
Grant money is great—if you have the administrative support to apply for it

Businesses with under 50 employees make up nearly 50% of the total private employment in the state of Oregon.

While they may be able to pivot their business faster than larger firms, many lacked the expertise or awareness to apply for all the emergency assistance made available by local, state, and federal sources. In addition, capital resources have been key to competing for labor and managing supply chain shocks.

HERE'S WHAT THE DATA SAYS:

EXHIBIT 24: TYPES OF FINANCIAL CHALLENGES, PRIOR 12 MONTHS (% OF EMPLOYER FIRMS)



Source: Small Business Credit Survey, Federal Reserve Banks

HERE'S WHAT WE HEARD IN THE ENGAGEMENT:

Based on survey data, **small businesses are struggling with labor attraction, access to capital, and marketing.** Based on conversations with a variety of actors in the small business ecosystem, emergency grant and loan applications highlighted the widespread challenges many small businesses have with bookkeeping and administrative capacity. Access to capital was especially noted by business owners from the Black, Indigenous, and People of Color communities.

WHY IS IT HOLDING BACK AN EQUITABLE RECOVERY?

Small businesses employ so many individuals in the economy that their recovery is vital to a full recovery. Small businesses had less reserves to survive difficult months, and are struggling to compete for labor and secure inputs to sell their goods and services. The risk is a shift in the overall market share to larger firms, putting overall diversity and resiliency of the state economy at risk.





BROADBAND

Some of Oregon’s families are digitally left behind

Over 5% of Oregon’s population live in an unconnected, unserved, or underserved broadband area, with just 24% of Oregon’s population having access to a low-priced internet plan (\$60/month or less).^{9,10}

In 2019, one in five households in Oregon had at least one regular teleworker. Around 67% of the population has Future Ready broadband access—100 Mbps or better—and this population is largely along the I-5 corridor.

Codified in 2018 and 2019 through Executive Order Number 18-31 and HB 2173, the Oregon Broadband Office was created within Business Oregon to advocate for public policies to close the digital divide and develop broadband investments and strategies for unconnected, unserved, and underserved areas. With 90 percent of teleworkers earning over \$50,000 per year in a recently-conducted survey, the potential for increased income due to increased rural broadband capacity in underserved areas is notable.¹¹

HERE’S WHAT THE DATA SAYS:

EXHIBIT 25: BROADBAND ACCESS ACROSS OREGON

Speed Blocks (census blocks by speed)	Populated Census Blocks	Unpopulated Census Blocks	Total	% of Census Block	Population	% of Popula- tion
Unconnected	17,523	54,330	71,853	36.5%	61,053	1.5%
Unserved (< 10/1)	6,915	3,828	10,743	5.5%	77,607	1.9%
Underserved (< 25/3)	5,026	2,729	7,755	3.9%	70,556	1.7%
Basic Broadband	33,305	9,582	42,887	21.8%	1,141,460	27.6%
Future Ready	53,756	9,627	63,383	32.2%	2,792,017	67.4%
Total Census Blocks	116,525	80,096	196,621	100.0%	4,142,693	100.0%
Connected Census Blocks	99,002	25,766	124,768	63.5%	4,081,640	98.5%

Source: Oregon Statewide Broadband Assessment & Best Practice Study, www.oregon.gov/biz/Publications/SNGStudy2020.pdf

HERE’S WHAT WE HEARD IN THE ENGAGEMENT:

“Invest in fiber in rural areas. That should be the goal. FCC’s coverage maps are not always actually served.”

Survey Respondent

“Adequate and reliable internet connection will enable me to telework more frequently. This allows me to be more present and engaged with my family and community. It also opens up many more opportunities for employment outside of the area.”

Camp Sherman Resident¹²

WHY IS IT HOLDING BACK AN EQUITABLE RECOVERY?

Access to technology and high-speed internet is essential for workers, families, and businesses. The COVID-19 pandemic amplified existing issues and inequities. Without access to broadband, e-commerce and small business competition will lag behind in Oregon. Students and workers will be unable to match the trend of increased learning via remote or online methods and the pandemic will continue to perpetuate public safety concerns and impact student learning growth.

^{9,11,12} Oregon Statewide Broadband Assessment & Best Practice Study, www.oregon.gov/biz/Publications/SNGStudy2020.pdf

¹⁰ BroadbandNow, <https://broadbandnow.com/Oregon>

WORKFORCE RETENTION/ATTRACTION

Workers are retiring early, seeking high-paying jobs, and leaving positions open

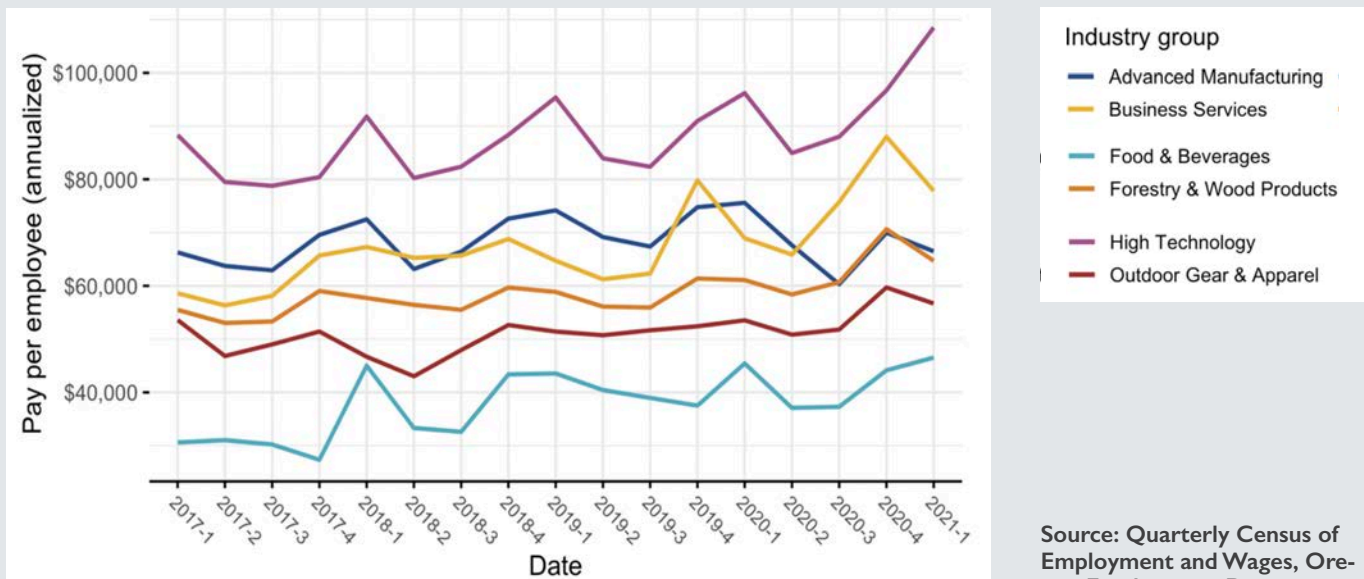
In addition to issues of skill mismatch as a specific issue for workforce attraction, general workforce retention and attraction continues to be a barrier for employers.

Looming retirements of the baby boomer generation accelerated after the onset of the COVID-19 pandemic and will continue in the economic recovery and beyond. The Oregon Office of Economic Analysis notes that while this dynamic is known and a common anecdote among employers, the data is lagging in showing the effects of recent retirements.¹³ Retirements, as well as young adults entering the workforce and in-migration to Oregon, will be important factors in long-term replacement of older workers.

In some industries with lower wages (Exhibit 26), such as food and beverage or other service industries, businesses have also faced difficulties in attracting workers. The lack of workers in these industries is less related to adequate training. Instead, workers are turning to jobs with higher wages and many businesses in these industries, especially service-sector businesses, are still vulnerable to the uncertainties of the course of COVID-19 variants.

HERE'S WHAT THE DATA SAYS:

EXHIBIT 26: AVERAGE PAY PER EMPLOYEE BY TARGET INDUSTRY, 2017–2021



Source: Quarterly Census of Employment and Wages, Oregon Employment Department

HERE'S WHAT WE HEARD IN THE ENGAGEMENT:

“Businesses are having a really hard time finding workforce. Everyone is understaffed.”

Survey Respondent

“Jobs are available, but people are not taking them. Did not see that coming.”

Survey Respondent

WHY IS IT HOLDING BACK AN EQUITABLE RECOVERY?

Long-term replacement of older workers as they retire will continue throughout and beyond recovery from the COVID-19 pandemic. Tracking retirements and training mid-career workers will be important to the replacement of knowledge, though employers will continue to face temporary challenges during this workforce transition.

¹³ Lehner, Josh. “Older Workers and Retirements.” Oregon Office of Economic Analysis. May 12, 2021. <https://oregoneconomicanalysis.com/2021/05/12/older-workers-and-retirements/>



INNOVATION/ADVANCED MANUFACTURING

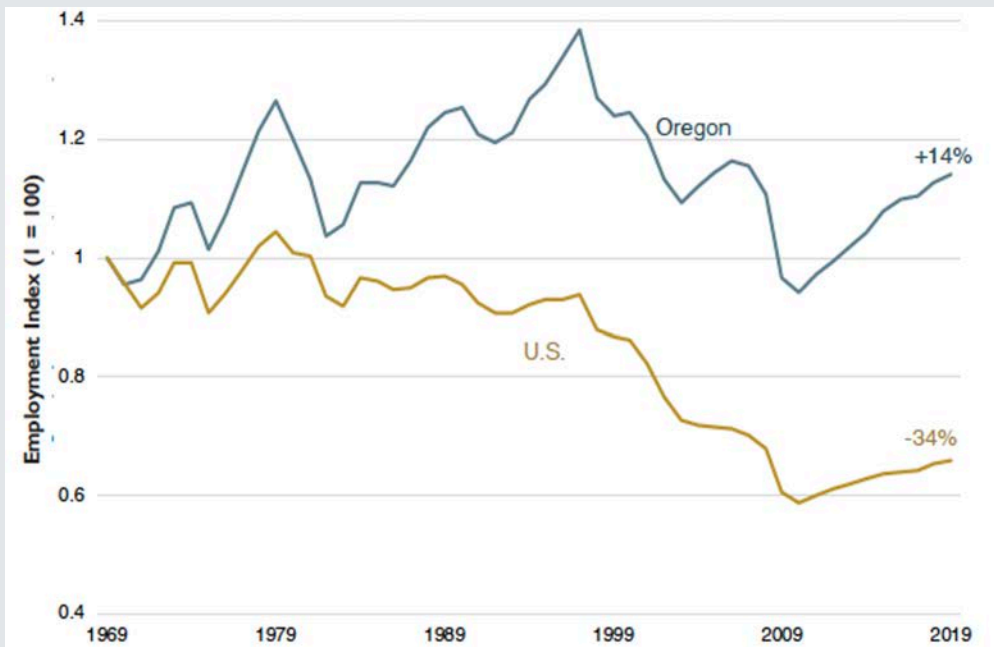
Can Oregon supercharge its booming, high-paying manufacturing sector?

Manufacturing has historically been a strong sector in Oregon.

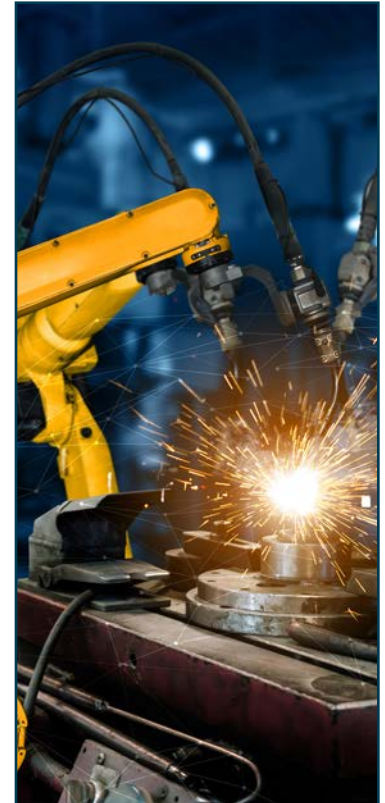
Research by ECONorthwest for the Oregon Business Council (OBC) shows that Oregon’s manufacturing sector employs 214,000 workers (8% of total employment in Oregon), contributes 13% of Oregon’s GDP, and has a median income of \$55,000 (compared to \$47,000 for all other industries). Key industries include food manufacturing (15.1%), wood product manufacturing (11.9%), computer and electronic product manufacturing (20.5%; semiconductor and electronic components accounts for more than 75% of employment in this sector), and fabricated metal manufacturing (8.3%).

HERE’S WHAT THE DATA SAYS:

EXHIBIT 27: MANUFACTURING EMPLOYMENT RELATIVE TO 1969, U.S. AND OREGON



Source: U.S. Bureau of Economic Analysis, 1969-2019



HERE’S WHAT WE HEARD IN THE ENGAGEMENT:

“Businesses are looking to expand and grow, however, cost to develop raw land is too expensive. Anything that can be done to create flexible spec space or to improve industrial lands would help companies grow.”

Survey Respondent

WHY IS IT HOLDING BACK AN EQUITABLE RECOVERY?

In Oregon, companies continue to find it difficult to locate available land for site development that meets necessary criteria and is near the desired workforce. In short, several factors are converging that suggest Oregon has an opportunity to expand its manufacturing base.

A series of federal investments (US Innovation and Competition Act, the American Rescue Plan Act, and the potential for an infrastructure and jobs package) could provide the needed capital to supercharge the manufacturing sector. It is not clear, however, if the state’s industrial land base is sufficient to accommodate land demand that would emerge due to rapid increases in manufacturing.



SUPPLY CHAIN

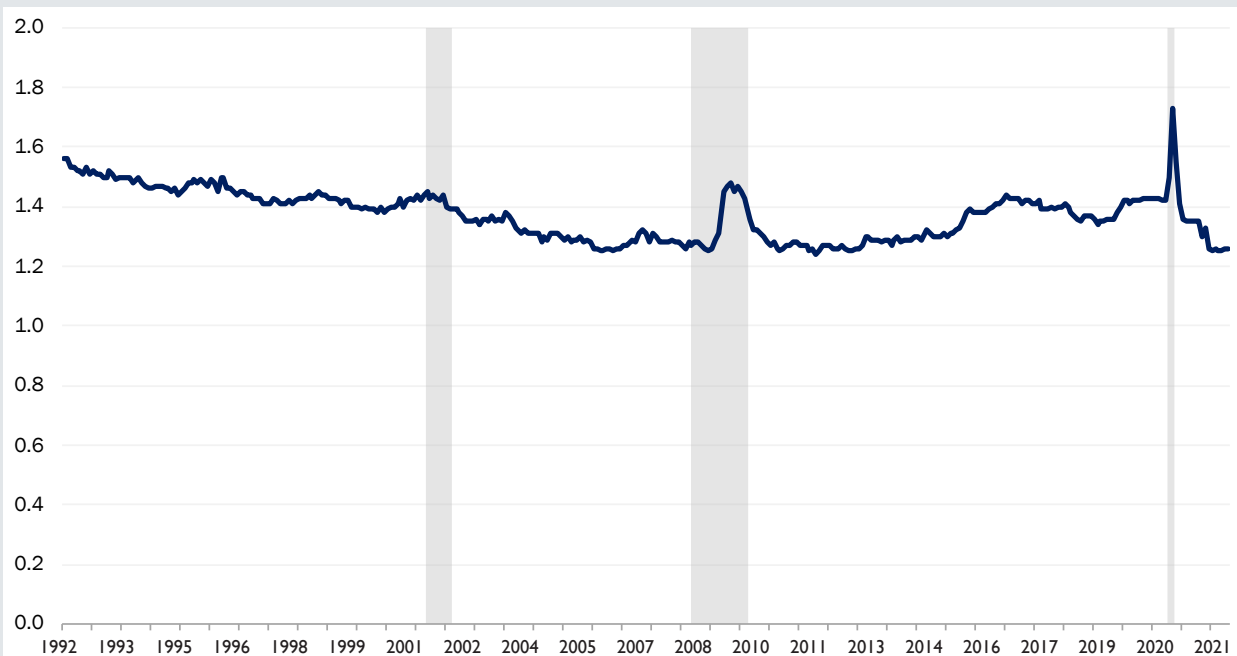
Unprecedented delays for goods have crippled some small businesses

Supply chain disruptions have continued as an ongoing issue since the onset of the COVID-19 pandemic and during the economic recovery.

From increased demand for common household goods to disruptions to manufacturing of semiconductors, supply chain issues have disrupted most economic actors, from consumers to both small and large businesses. Many businesses were able to adapt and identify supplementary sources for materials and goods needed to continue production and services. Inventories-to-sales ratios spiked in mid 2020 to almost 1.8 (Exhibit 28).

HERE'S WHAT THE DATA SAYS:

EXHIBIT 28: INVENTORY-TO-SALES RATIO, OREGON, 1992-2021



Source: Federal Reserve Economic Data

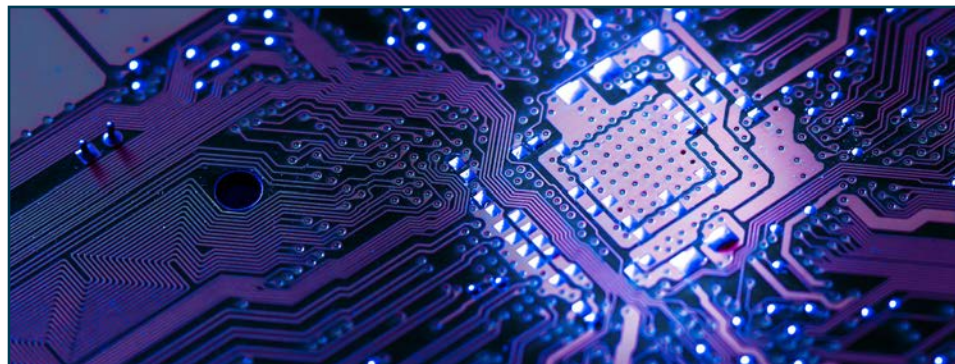
HERE'S WHAT WE HEARD IN THE ENGAGEMENT:

“Supply chain issues are a significant challenge for our local employers. The bottleneck on supplies are delaying our projects and creating a struggle for companies to expand their business.”

Survey Respondent

WHY IS IT HOLDING BACK AN EQUITABLE RECOVERY?

The uncertainty related to supply chains and the lack of ability to control when supplies arrive can present substantial barriers for small businesses. Many larger businesses have the capacity to identify supplemental sources and over-order items to alleviate some uncertainty.





SIX KEY POLICY IMPERATIVES
FOR AN EQUITABLE RECOVERY

RECOMMENDED STRATEGIC
IMPERATIVES AND ACTIONS



RECOMMENDED STRATEGIC IMPERATIVES & ACTIONS

Six key policy imperatives for an equitable recovery

SIX KEY POLICY IMPERATIVES that, if addressed, would substantively contribute to recovery while positioning the state for a more equitable economy in the future. To varying degrees, each of these strategic imperatives address long-standing issues that interacted with or were made more acute by the pandemic. The following sections describe each strategic imperative, highlight the need for additional attention at the state level, and call out actions that Business Oregon can take as a partner in solutions.

STATE-LEVEL STRATEGIC IMPERATIVES

1 INVEST IN DISLOCATED WORKERS AND ACCELERATE PROGRESS TOWARD THE STATE'S ADULT EDUCATIONAL ATTAINMENT GOALS.

The pandemic and the results of federal responses have created an unprecedented labor availability situation. As a cautious re-opening progresses in Oregon, pent up demand for many goods and services has coupled with available savings from a lack of spending during pandemic lockdowns and stimulus spending to drive rapid business growth. New job openings are at an all-time high. At the same time, a lack of childcare availability and uncertain school schedules due to variants have created challenges for parents re-entering the workforce. Healthcare and other concerns have caused more older workers to accelerate their retirement plans, and immigration has slowed significantly. And many workers are reconsidering their career paths as new opportunities emerge on job boards. All of this has conspired to create a rapid tightening in the labor market.

Leisure and hospitality have been particularly hard hit. The pandemic recession displaced thousands of leisure and hospitality workers. Some will return to the industry, but many will not. The state economist forecasts that employment in the sector will not return to pre-pandemic levels until 2025. Meanwhile, a scarcity of job applicants for openings that do exist in the industry signal a desire, by some, to participate in training and find opportunities in other industries.

These career re-evaluations, by thousands of sidelined workers, take place at an opportune time. The state's postsecondary education agency, the Higher Education Coordinating Commission (HECC), is in the initial years of a strategy to deliver 300,000 additional postsecondary credentials to Oregon adults. The agency's vision is that much of the training would culminate in quality non-degree credentials linked to in-demand occupations. The new attainment goal and large pool of interested trainees happen to align with the receipt of unprecedented levels of flexible federal funding. The Governor's workforce development plan would invest \$200M in Future Ready Oregon 2022, supporting skills training in healthcare, manufacturing, and construction. Business Oregon can also be an important partner in advancing these goals.

“

Funding needs to be directed to workforce training that is provided by community based organizations and locally-oriented centers who have the relationships. Funding should also be provided for non-credit, badging, and training certificates. Not everyone wants to attend college for a degree.”

Survey Respondent

“

“Workforce training is not being provided to those that are most vulnerable and are in need, i.e., BIPOC [Black, Indigenous, and People of Color], ESL [Speakers of English as a Second Language], tribal communities, LGBTQ+ [the queer community], etc.”

Survey Respondent

“

“Remove bottlenecks to training. The ratio of journeyman electrician to apprentice is one to one. At that rate there are only so many people you can train. The system needs to be changed so more people can be trained. People have done some of these jobs elsewhere, like in the military, but they cannot go directly into the civilian workforce even though they are qualified.”

Regional Forum Participant



RECOMMENDED STRATEGIC IMPERATIVES & ACTIONS

Six key policy imperatives for an equitable recovery

BUSINESS OREGON ACTIONS TO ADVANCE THIS STRATEGIC IMPERATIVE:

Business Oregon has an opportunity to lead in some key actions. Specifically:

➤ **Expand technology adaptation assistance for small manufacturers and hospitality/restaurant businesses.**

The pandemic caused the accelerated adoption of certain technologies such as contactless ordering, ecommerce platforms, voice recognition, robotics, and others. To continue to adapt and compete, small businesses may need assistance in adapting to more advanced technology and equipment.

➤ **Create a Workforce Liaison position within Business Oregon to work with local/regional/state workforce partners.**

While workforce development is a strong focus in the Future Ready Oregon program being presented by the Governor’s Office, Business Oregon may be able to leverage its key position in the economic development ecosystem to assist advancing innovative workforce development programs.

➤ **Explore accepting workforce modernization/training programs in lieu of job creation requirements for Business Oregon grant/incentive programs.**

Many of Business Oregon’s incentive programs set expectations for recipients in terms of job creation targets. In lieu of those expectations, Business Oregon could instead expect that recipients participate in workforce innovation programs to help connect quality jobs with residents.

2

BREAK BARRIERS TO CAPITAL AND CREDIT ACCESS AND OTHER SUPPORTS FOR SMALL AND BLACK, INDIGENOUS, AND PEOPLE OF COLOR-OWNED BUSINESSES.

The performance of the Small Business Administration’s Paycheck Protection Program exposed wide inequities in access to capital on a national scale. The outcomes were devastating for many Black, Indigenous, and People of Color entrepreneurs. Remediating the broader capital and credit access problem is systems work and requires collective action by financial institutions, state and local governments, philanthropy, and entrepreneurs.

The pandemic has created new challenges for small businesses in pivoting to ecommerce, developing the administrative capacity to secure emergency assistance, competing for talent, and securing the capital needed to survive or grow. The federal and state resources have provided incredible assistance to keep many businesses afloat in times of limited demand, but additional programs will be needed to support an effective rebound of these enterprises.

BUSINESS OREGON ACTIONS TO ADVANCE THIS STRATEGIC IMPERATIVE:

Business Oregon can play a leading role in working toward this strategic imperative in the near-term recovery process. Specifically:

“

“Please prioritize: 1) very small and/or 2) Black, Indigenous, and People of Color owned businesses. It feels like all the big businesses are getting funding because they have employees to fill out paperwork, read the rules, research the grants while one- to five-person businesses are having the hardest time.”

Survey Respondent

“

“Develop incentives or programs to fill the gap. Businesses have projects but the cost of materials goes up so fast by the time they get their financing in place and banks can’t always go back and rework the loan.”

Stakeholder Interview



RECOMMENDED STRATEGIC IMPERATIVES & ACTIONS

Six key policy imperatives for an equitable recovery

Collateral shortfall program (funding to lenders), or relaxed collateral standards that enhance loan eligibility.

One of the primary barriers in the ability to access capital is having the assets required for collateral requirements. It is worth exploring methods in which that barrier is reduced through creative approaches to risk mitigation.

“

Do not forget the Mom-n-Pops, Indie Businesses, micro companies with incredibly talented people at the helm who need to know that you know they matter by putting your funds, services, and resources to work for us.”

Survey Respondent

Further fund a variety of technical assistance providers to assist with business planning and accounting to enhance eligibility for capital.

The emergency state and federal business assistance programs acted as a “stress test” for small businesses when it came to administrative capacity. Many businesses were unable to secure assistance due to difficulty compiling paperwork requirements. More technical assistance can be provided to help small businesses address this challenge, as it directly relates to financing.

Develop patient capital fund for startups and entrepreneurs.

It may take time to see a full return of pre-pandemic customer habits. Patient capital is needed to allow startups and entrepreneurs ample time to demonstrate the viability of their business model.

Expand micro enterprise funding.

The pandemic resulted in many Oregonians having the time and resources to explore their entrepreneurial aspirations. Micro enterprises are the first step in building a strong, diverse group of businesses, and small loans are often in high demand by these entities.

Expand forgivable loans to businesses continuing to experience significant COVID-19 impacts.

Proven to be a successful funding tool with underrepresented groups and small manufacturers, forgivable loan financing can provide borrowers a low-risk tool to explore business retention.

Additionally, as the agency advances into its own strategic planning process over the coming months, it should explore other avenues that might be available to it to lead in supporting Black, Indigenous, and People of Color/women-owned or rural-operated businesses statewide. These businesses often operate at a disadvantage. A healthy, robust entrepreneurial environment that enables Black, Indigenous, and People of Color/women-owned or rural-operated businesses is a cornerstone for an inclusive economy.

3

DELIVER ON THE PROMISE OF FEDERAL INVESTMENT IN BROADBAND.

The pandemic shifted connectivity speeds from a home luxury primarily needed for leisure and entertainment to a vital lifeline for work, education, and health resources. Households and businesses in those communities that did not have the infrastructure to shift to online learning, working remotely, and e-commerce struggled to meet daily needs, let alone compete in a rapidly-changing business environment. In some rural areas that may already be challenged to compete for labor and retain young families, the effect could be accelerated by outmigration or business struggles.

“

We need reliable and affordable internet access. Help local governments in their negotiations with providers.”

Focus Group Respondent

“

We need broadband access and support for technology upgrades for businesses to enable remote access.”

Survey Respondent



RECOMMENDED STRATEGIC IMPERATIVES & ACTIONS

Six key policy imperatives for an equitable recovery

BUSINESS OREGON ACTIONS TO ADVANCE THIS STRATEGIC IMPERATIVE:

Business Oregon will be a leader in this action and is actively planning for the deployment of \$120M in federal funds. The federal infrastructure bill will provide the state with significant resources to assist communities in finding solutions for expanding broadband. That process is moving quickly and has strong federal and internal vision for bringing about effective and equitable implementation. As a state, we must capitalize on this opportunity quickly to ensure that all parts of the state have access to the internet.

Specifically, as it prepares to deploy these federal resources, Business Oregon will:

➤ **Develop a long-term plan and strategy to expand and fund broadband infrastructure statewide.**

Business Oregon should develop an implementation plan that balances leverage (greatest number of beneficiaries) with equity (helping those most in need).

➤ **Place-based planning and grant writing assistance for communities through PPP's.**

Many small communities may not have the capacity to address preapplication requirements for broadband funding opportunities. In order to facilitate equitable installation efforts, many small municipalities and regions may need assistance via planning grants.

➤ **Increase opportunities for companies to leverage connectivity via ecommerce assistance.**

Alongside broadband, Business Oregon or partners should increase support for local businesses to improve their online presence and ecommerce capacity.

4

ALIGN AROUND A VISION OF A GROWING, INCLUSIVE MANUFACTURING SECTOR.

During the past 50 years, Oregon quietly transitioned into a national manufacturing leader. An industry centered in wood products expanded into computer electronics, food, beverage, and transportation equipment manufacturing. Consequently, as the nation witnessed sharp declines in manufacturing jobs, Oregon's employment remained stable during an era of automation and globalization. Each of these industries was affected by changing demand factors in this pandemic, and employment has yet to fully rebound.

Now, as we are beginning to emerge into a post-COVID economy that will drive further change in the manufacturing sector, we must enter a new era of industrial policy. In response to recent disruptions in global supply chains, leading manufacturers and federal policymakers are evaluating ways to re-shore some of their production. Some estimate this could mean tens of thousands of new manufacturing jobs in Oregon alone.^{14,15} A wave of pending retirements is causing leaders to rethink hiring and recruitment strategies. And a series of federal investments is creating an unprecedented opportunity to invest in our state's competitive position while making progress toward a more inclusive economy, if we can be ready for it.

“

“Business Oregon should focus on small/regional supply chain support, particularly around manufacturing.”

Survey Respondent

“

“This is a very complex problem as different business sectors will recover at different rates. For example, the service industries will bounce back first (this includes restaurants, bars, department stores etc) while manufacturing to supply large industry sectors that were shut down will lag. Throw on top of this the computer chip shortage which will delay our recovery and we see that things are going to get harder before they get easier.”

Survey Respondent



RECOMMENDED STRATEGIC IMPERATIVES & ACTIONS

Six key policy imperatives for an equitable recovery

Together, the US Innovation and Competition Act, the American Rescue Plan Act (ARPA), and the potential for an infrastructure and jobs package provide the capital to supercharge Oregon's manufacturing sector. More specifically:

- The **US Innovation and Competition Act** would provide \$50 billion in incentives for domestic chip R&D and manufacturing. Intel is the anchor to one of the nation's densest clusters of semiconductor activity. Moreover, Intel, TSMC, and Samsung have each announced investments in the US of tens of billions in recent months. Expanding the semiconductor industry presents a significant opportunity for Oregon
- **Leveraging ARPA funding.** The ARPA is the third major round of fiscal stimulus related to the COVID-19 pandemic and provides \$1.86 trillion in relief to individuals, businesses, and governments. Some \$18 billion of ARPA funding will flow into Oregon and must be spent by 2024; more than \$6 billion targets state government, counties, cities, K-12 schools, and postsecondary institutions. Unlike previous packages, the ARPA provides broad, flexible support to state and local governments, and the allocations to Oregon state and local governments are substantial: \$4.3 billion in total with \$155 million for state capital projects. The ARPA provides state and local governments with the opportunity to make coordinated investments of \$100 million or more to address areas of pressing need to make lasting, transformative impacts.

The opportunity is ripe for Oregon to develop a clearly defined vision and strategy for a sector that has long employed workers at above-average wages. Significant barriers exist to the sector's expansion—including the availability of competitive, ready-to-develop parcels. Developing a strategy to address land and other barriers would be an important initial step in competing for what appears to be a decade of domestic growth. And, perhaps even more importantly, the state must develop a cohesive plan to prioritize federal and state dollars to develop manufacturing industries, so that the jobs that it creates can help us achieve a vision of inclusive economic growth.

BUSINESS OREGON ACTIONS TO ADVANCE THIS STRATEGIC IMPERATIVE:

Business Oregon can support near-term state efforts in several key ways:

➤ **Site readiness—expand industrial site and facility inventory for manufacturers.**

Available industrial land is seen as a bottleneck for expansion for manufacturers. Business Oregon can expand resource availability and retool its internal capacity and strategy to better work with private and public partners to facilitate expansion efforts for manufacturers.

➤ **Increase technical assistance for target industries to address and mitigate supply chain issues.**

Companies large and small have developed approaches to deal with the ongoing disruption to supply chains. Taking an active role in sharing best practices could help Oregon businesses to best employ successful strategies.

➤ **Expand technical assistance for manufacturers seeking to improve operational efficiencies, adapt to pandemic impacts, and improve overall resiliency.**

Similar to the technical assistance focused on supply chain strategies, greater efforts could be made in supporting businesses to maximize their growth and resiliency via targeted technical assistance.





RECOMMENDED STRATEGIC IMPERATIVES & ACTIONS

Six key policy imperatives for an equitable recovery

5 ADVANCE TOWARD A HOLISTIC, PRODUCTION-FOCUSED HOUSING PLANNING AND DELIVERY SYSTEM.

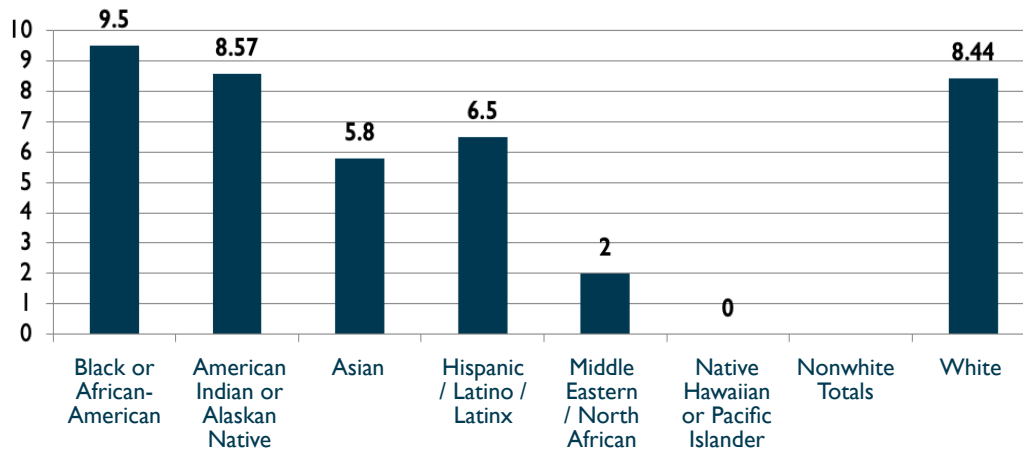
Underproduction of all housing translates to a lack of workforce housing available for Oregon's workers that makes it harder to attract and retain qualified staff, adds to inflationary pressures, and slows economic growth and recovery. The need for workforce housing has been an ongoing barrier for employers to attract workers and for workers who want to live near where they work. This dynamic accelerated after the onset of the COVID-19 pandemic, as workforce shortages were compounded by changes in demand for housing type (larger units with more space for home offices) and location (as remote work made high amenity communities attractive even if local jobs are not available).

At the state level, the most promising opportunity for advancing this strategic imperative is the continuation of housing reforms begun in the 2019 legislative session. These pathbreaking reforms included legalizing missing middle housing types in all neighborhoods, which greatly reduced barriers to producing the smaller-scale and multifamily development types that can more efficiently add more affordable supply. However, more is still needed.

Currently, the Oregon Department of Land Conservation and Development (DLCD) is developing recommendations, for consideration by the 2023 Legislature, that would adopt new methods to calculate needs and tie them to binding local housing production strategies. This legislation would sharpen state and local focus on construction of new units of all types. Housing is central to economic recovery. Addressing it will require the state to tackle the systemic production challenges that have led to housing shortages over the past several decades. No other piece of legislation currently proposed has more potential to support an equitable recovery than this emerging bill.

Exhibit 29. Workforce Housing—Urgency Score

Source: ECONorthwest Survey



“

“Why is [the State] talking about attracting new business when they know we don’t have workforce or housing to support what we have? [We are] setting ourselves up to fail if attracting compan[ies] without the ability to provide skills and housing for people to access really good jobs. [The State] can’t keep going about recruitment business as usual while ignoring that local communities won’t be able to deliver the workforce.”

Survey Respondent

“

“Business Oregon should play a part in the housing conversation. It’s a primary driver for recovery [and is] especially needed in any conversation about recruiting and retaining a workforce.”

Regional Forum Participant



RECOMMENDED STRATEGIC IMPERATIVES & ACTIONS

Six key policy imperatives for an equitable recovery

BUSINESS OREGON ACTIONS TO ADVANCE THIS STRATEGIC IMPERATIVE:

While other agencies will play a larger role in supporting the production of attainable housing for workers, Business Oregon holds a key piece of the puzzle. In particular, it is the agency best positioned to support business expansion for the contractors and developers who construct new units, and to provide funding for the municipal infrastructure needed to enable housing construction.

➤ Adapt infrastructure funding programs to incentivize/support municipally-owned residential infrastructure.

There are currently numerous programs that assist specific commercial/industrial development in reducing their site costs by providing loans and grants to cover infrastructure costs. Given the urgency of the housing need, some adjustments could be made to existing programs to open eligibility to residential projects that meet relevant criteria.

➤ Expand technical assistance support to third parties to increase number of new licensed contractors.

To increase housing supply, the state will need to increase its production capacity. This industry is made up of many small contractors that deal with the same constraints many other small businesses face. Access to capital and ability to scale their administrative capacity to match potential growth can help the overall goal of housing production.

6 BUILD ON THE SUCCESS OF OREGON'S RECENT CHILDCARE AND PREKINDERGARTEN EXPANSIONS AND CONTINUE TO PRESS FOR LARGER FEDERAL INVESTMENTS.

The effects of the COVID-19 pandemic have stressed Oregon's already underserved childcare workforce and programs, leaving Oregon families struggling and employers scrambling to fill gaps. As many as half of regulated providers have stopped operating and may not come back, due to the effects of the COVID-19 pandemic and associated shut-downs on the industry.¹⁶

Prior to the pandemic, the childcare system in Oregon was already distressed. U.S. social programs have typically come with an expectation that beneficiaries work if they are able to. But as that expectation tightened in the 1990s, federal and state governments did not make commensurate investments in childcare subsidies to support working parents. Today, in Oregon and elsewhere, childcare expenses are an unsustainably high share of household budgets—especially for parents of pre-school children who are early

“

“Highlighting childcare as a huge need to economic recovery would be useful—especially from the business community. The way to solve it may be through public funding. [...] Business Oregon can encourage strong employer engagement in determining what skills and knowledge they need for talent.”

Stakeholder Interview

in their working careers. According to The Self-Sufficiency Standard For Oregon 2021, childcare alone accounts for almost a third of family budgets.¹⁷

The pandemic has dramatically worsened this situation. For children 0 to 5, seventy two percent of communities in Oregon are childcare deserts, with regulated slots available for less than a third of a community's children. More than half of Oregon communities have no known school-age childcare slots.¹⁸ A lack of affordable, quality, reliable childcare impacts workers and families while disproportionately harming women and people of color.¹⁹





RECOMMENDED STRATEGIC IMPERATIVES & ACTIONS

Six key policy imperatives for an equitable recovery

Additionally, parents reported that the care that they have been able to receive for their children during the pandemic has not met the cultural, linguistic, or additional developmental support needed for their children.²⁰ Failing to support early childhood development that meets the needs of children deprives children of opportunity and can increase societal costs and inequities.

Business Oregon can provide support to ongoing efforts that have potential to greatly improve this situation over time. The 2019 Legislature recognized the need in the Student Success Act, which expanded funding for early childhood education by \$100 million annually. And in November 2020, Multnomah County voters approved a local income tax for the initial stages of a universal prekindergarten program for 3-and-4-year-olds. As these investments translate into service, Oregon will move into a top-tier for publicly provided early care and education nationally. More investments can be, and should be, forthcoming at the state and local level. However, to support an equitable recovery, federal policy and investments will have to complement the local ones.



“Help to expand daycare businesses and/or subsidize childcare costs. Regulations are a huge barrier...[and] contribute to a shortage of childcare options and availability.”

Regional Forum Participant

BUSINESS OREGON ACTIONS TO ADVANCE THIS STRATEGIC IMPERATIVE:

Business Oregon has an important role to play in addressing childcare shortages. The agency is well positioned to provide supports that others are not: technical support needed to start and/or operate a childcare business, and funding for needed capital improvements in facilities. More specifically, Business Oregon can:

- **Expand technical assistance programming targeted at childcare businesses to increase availability.**
Between the complicated worlds of child development, child safety, and regulatory requirements, childcare owners are already spread thin. They also need strong business acumen to survive an industry with thin profit margins. The State can target technical assistance to childcare providers to assist in the development of their business management abilities to avoid closures and to promote expansion.
- **Create a public and private facilities grant for childcare businesses (PPP).**
Federal childcare funds are not eligible to be used towards capital improvements. The installation of a sprinkler system or HVAC system can be a cost barrier to facilities trying to open or stay open. State funds could reduce the financial burden on childcare providers by helping to offset expenditures that improve the facilities in which childcare centers operate.
- **Create a program to match private sector investment in childcare provision (PPP).**
Many private employers understand how childcare supply limits their ability to secure labor. A program leveraging private employers' interest in investing directly in childcare centers for their workers may also be an effective approach to reducing costs.

7

SYSTEMIC IMPROVEMENTS

In addition to the themes highlighted above, there were also many comments on how the State and Business Oregon can be more effective with their existing resources. Including:

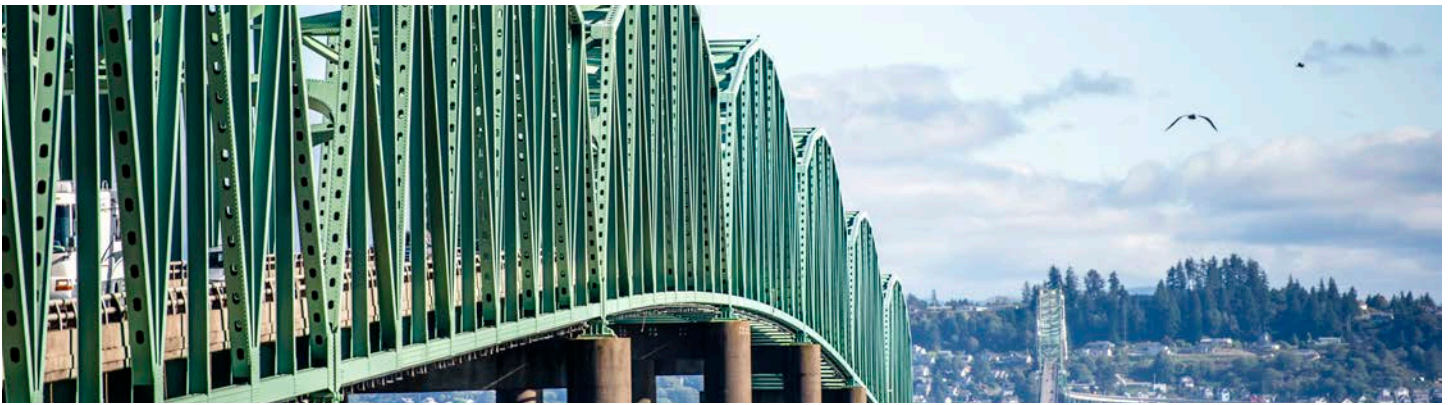
- **Communicate** opportunities more effectively to underserved populations.
- **Support** local and regional economic development organizations with the capacity needed to access some state, federal, and philanthropic resources.
- **Allow** more flexibility to regional partners in allocating resources to the programs most needed in those areas.
- **Review** regulatory procedures to pinpoint areas where programs could be more efficient.



RECOMMENDED STRATEGIC IMPERATIVES & ACTIONS

Six key policy imperatives for an equitable recovery

The State of Oregon's role in the economy is shifting from managing the short-term effects of the pandemic to addressing the structural issues that have resulted from two years of shifts to customer habits, business requirements, and infrastructure needs. Based on a holistic review of the state economy, from employers to employees, rural to urban, and large businesses to micro enterprises, there is still work to be done to put the state on a strong, equitable path to full recovery.



METRICS AND INDICATORS

Tracking the right indicators of economic success will be key for the state to know which interventions are needed and for how long. We have developed three tiers that provide guidance for these efforts: recovery indicators, metrics for this plan's recommended interventions, and indicators for an equitable economy.

Recovery Indicators

First are general indicators of economic recovery from the COVID-19 pandemic. As mentioned in the plan, simply tracking the unemployment rate is insufficient for a more nuanced understanding of the recovery. To get a holistic understanding of the recovery and track how the changing economy is affecting businesses and workers, the following indicators should be reviewed on a quarterly basis:

- Labor Participation Rate
- Total Job Openings and Quits
- Over-the-year Percent Change in Consumer Price Index for All Urban Consumers (CPI-U)
- Employment Change in Target Industries
- Inventories-to-Sales Ratio

Metrics for Business Oregon Recommendations

Second are metrics that would demonstrate success as it relates to the specific recommendations made in the Recommended Strategic Imperatives and Actions section. In order to advance economic opportunity for all Oregonians, Business Oregon should gather voluntary demographic information across all six recommendations where possible.



RECOMMENDED STRATEGIC IMPERATIVES & ACTIONS

Six key policy imperatives for an equitable recovery

Access to Capital

- Funding provided to third-party financial institutions for loan loss reserve programs
- Percent of private employment of firms with 19 or fewer workers
- Number of loans by third-party financial institutions to businesses owned by Black, Indigenous, and People of Color
- Total number of technical assistance hours provided to micro enterprises

Labor Shortage

- Total direct assistance to small manufacturers and hospitality businesses to adapt to labor needs

Broadband

- Miles of fiber in the state

Manufacturing

- Total direct hours of direct assistance on-site development efforts for manufacturing projects
- Total number of new ready-to-develop industrial sites

Workforce Housing

- Total amount of Business Oregon funding support for residential projects via infrastructure assistance, and, if possible, number of units constructed
- Total technical assistance hours provided to contractors and number of new licensed contractors

Childcare

- Total number or technical assistance hours provided to childcare providers
- Total number of new childcare providers
- Total amount of capital improvement grants made to childcare providers

Indicators of an Equitable Economy

In the long term, an equitable economy is defined by three characteristics: abundant economic opportunity; equitable access to those opportunities regardless of race, gender, and geography; and increases in the capabilities of people and businesses so that they are resilient to future economic disruptions. These characteristics can be measured as follows.

Abundant economic opportunity

Many of the worst impacts of the pandemic have been structural issues in the economy that were exacerbated by its various effects. To avoid these types of impacts in the future, the state would be wise to take a harder look at how it tracks success. Ultimately, the two economic outcomes that matter are increased incomes and wealth. Almost all other measurable economic activities—from GDP growth to small business creation to patent rates—are just means to these two ends. Moving forward, Business Oregon should review its current metrics and indicators as part of the upcoming 5-year strategic plan update.

Increased incomes should be measured in terms of the share of people earning above a specific wage threshold—for example, the living wage for a family with two working adults and two children (as defined by the MIT Living Wage Calculator). In most of Oregon, this wage ranges from \$21 to \$22 per hour. This is a crucial threshold; it is the point at which families become economically self-sufficient. For the purposes of developing economic strategy and policy, it is more important to know how many people are above this threshold than to know what median or average wages are and whether they are increasing.



RECOMMENDED STRATEGIC IMPERATIVES & ACTIONS

Six key policy imperatives for an equitable recovery

Increased wealth can be measured in two ways. The first is homeownership rates. This is the primary way in which people translate incomes to wealth. Second, high-potential business creation and growth. Most businesses do not grow or generate wealth; more than half of business owners do not even report a desire to grow. Therefore, to measure wealth creation it is important to focus not on the small subset of businesses that have high growth potential. There are several ways to do so; the only way that enables disaggregation by race is by focusing on annual growth in the number of traded-sector businesses (professional services, IT, manufacturing) in the Census Bureau's Annual Business Survey.

Equitable access to opportunity

Each of these indicators can be **disaggregated by race, geography, and gender**. In an equitable economy, there would be no disparity by race or gender in any of these indicators. There may be some disparity by geography (e.g., homeownership rates may be lower in urban areas due to the prevalence of apartments), but these should decrease over time.

Increased capabilities and resilience

An equitable economy is not just one that offers abundant and equitable opportunity at any one point in time, but one that enables people and businesses to grow their capabilities so that they are less vulnerable to recessions, automation, trade, and other forces.

For people, this means opportunities for **talent development**. This can be measured by the share of people—disaggregated by race, gender, and geography—that are attaining 2- and 4-year degrees. Data on attainment of high-quality certificates is less comprehensive but should be considered as a complement to data on degree attainment.

For businesses, this means **innovation**. The most direct ways to measure innovation—patents and R&D spending—are either misleading or offer little localized data. (For example, only a small share of innovations are ever patented.) Given the need to disaggregate by race, gender, and geography, the best way of measuring innovation is tracking the share of workers in advanced industries (which Brookings defines as 50 industries that are highly STEM- and patent-intensive). At the state level, Oregon could also track the share of workers in young (less than 5 years old) advanced industries firms, which is a particularly good indicator of innovation activity (but not available at sub-state geographical levels).





REFERENCES

- 1 Bureau of Labor Statistics (2021). Employment Projections in a Pandemic Environment. <https://www.bls.gov/opub/mlr/2021/article/employment-projections-in-a-pandemic-environment.htm>
- 2-13 *See one-pagers on pages 30-35*
- 14 Risk, Resilience, and Rebalancing in Global Value Chains, McKinsey Global Institute, 2020. https://www.mckinsey.com/~/_/media/McKinsey/Business%20Functions/Operations/Our%20Insights/Risk%20resilience%20and%20rebalancing%20in%20global%20value%20chains/Risk-resilience-and-rebalancing-in-global-value-chains-exec-summary-vF.pdf
- 15 Strategic Reshoring: A Literature Review, Upjohn Institute for Employment Research, 2020. <https://research.upjohn.org/cgi/viewcontent.cgi?article=1257&context=reports>
- 16 Supply and Demand in Oregon: How Equitable is Child Care Access, Oregon State University, 2020 <https://health.oregonstate.edu/early-learners/research/supply-and-demand-oregon-young-children>
- 17 The Self-Sufficiency Standard For Oregon 2021 Prepared For Worksystems, 2021. <https://www.Oregon.Gov/Workforceboard/Data-And-Reports/Documents/The-Self-Sufficiency-Standard-For-Oregon-2021.Pdf>
- 18 School-age Supply and Demand: Child Care Access and Equity, Oregon State University, 2020. https://health.oregonstate.edu/sites/health.oregonstate.edu/files/early-learners/pdf/research/supply_and_demand_study_in_oregon_-_school-age_children.pdf
- 19 Joint Task Force on Access to Quality Affordable Child Care, Report pursuant to House Bill 2346 (2019), 2020. https://www.oregonlegislature.gov/citizen_engagement/Reports/Access%20to%20Quality%20Affordable%20Child%20Care%20Final%20Report.pdf
- 20 COVID-19 and Child Care A Summary of Findings from the 2020 Household Survey, 2021. https://oregonearlylearning.com/wp-content/uploads/2021/04/FINAL_psu-or-pdg-report-ph3-exec-summary.pdf



APPENDIX



BACKGROUND AND CONTEXT DATA ANALYSIS

Exhibit 30. Change in Covered Employment, Oregon and Other Western States, February 2019–March 2021

Source: Bureau of Labor Statistics

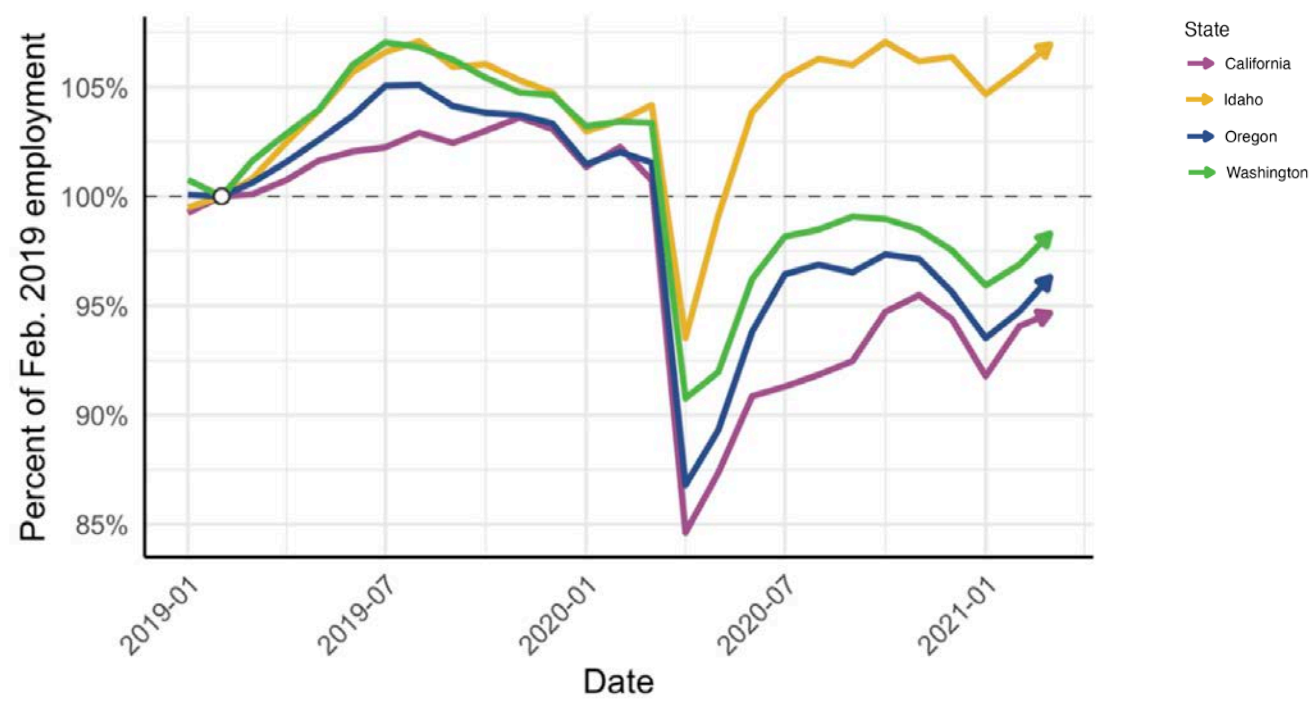


Exhibit 31. Continued Unemployment Insurance Claims by Number of Workers, Oregon, January 2020–December 2021

Source: U.S. Bureau of Labor Statistics; Oregon Employment Department. Wheeler County is not shown due to disclosure issues.

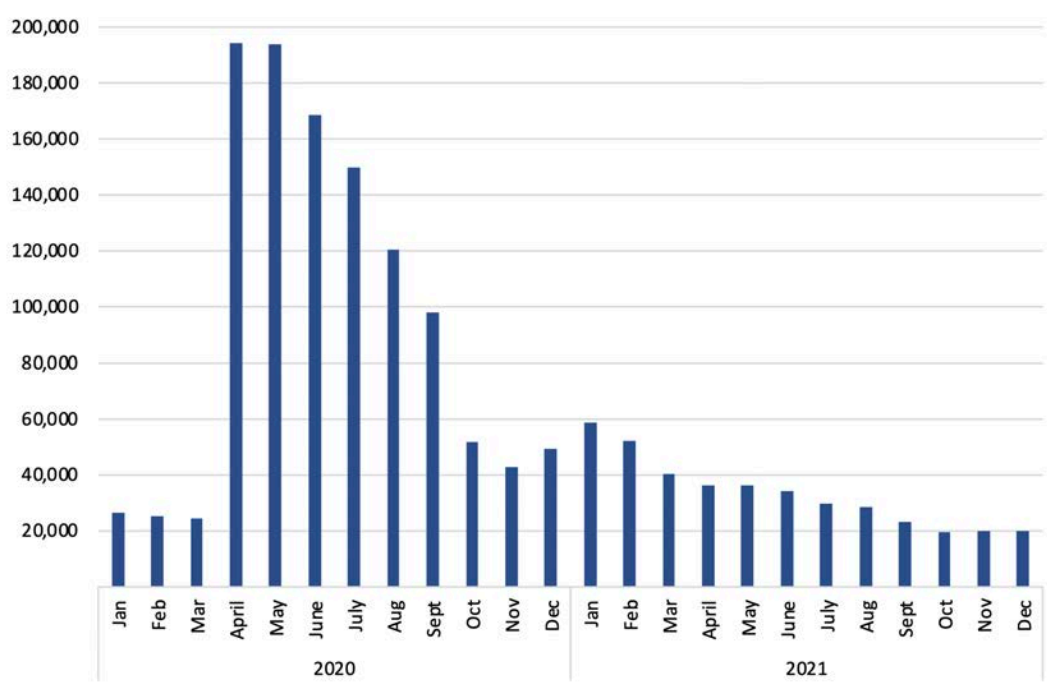


Exhibit 32. Continued Unemployment Insurance Claims During December 2021 as a Share of Total Employment in 2019

Source: U.S. Bureau of Labor Statistics; Oregon Employment Department.

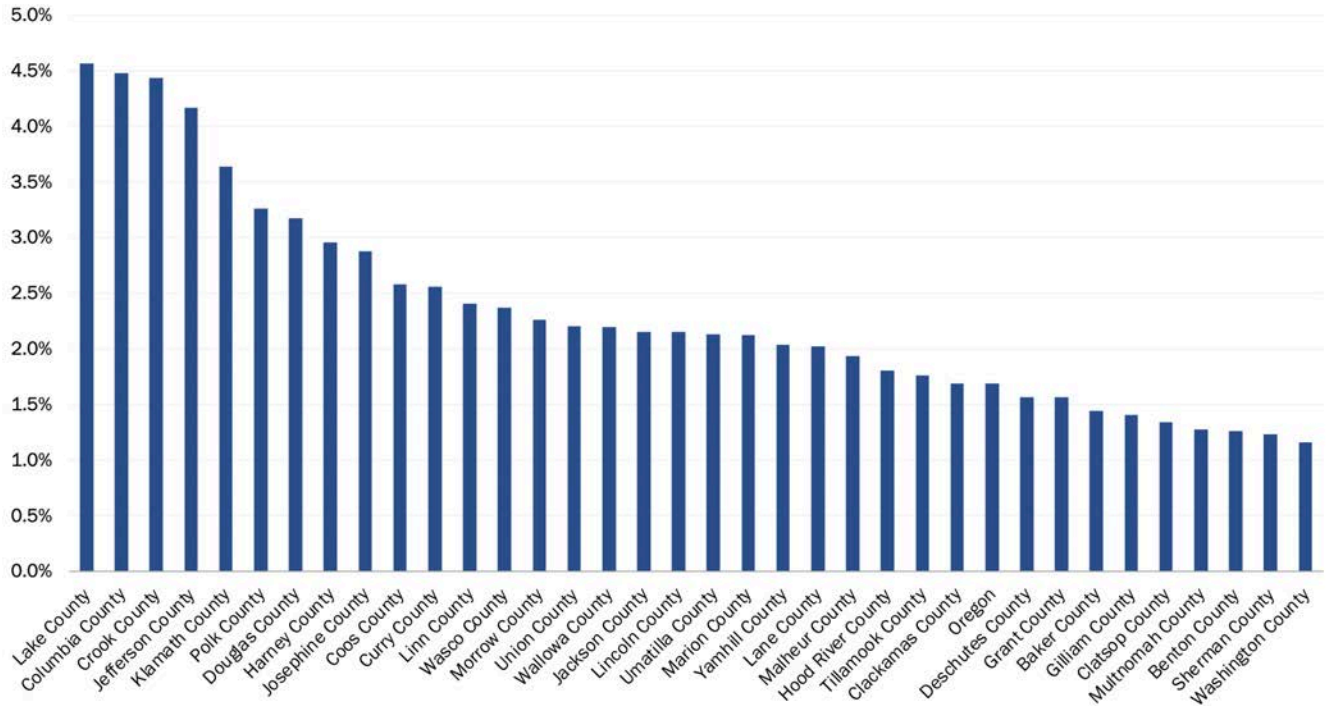
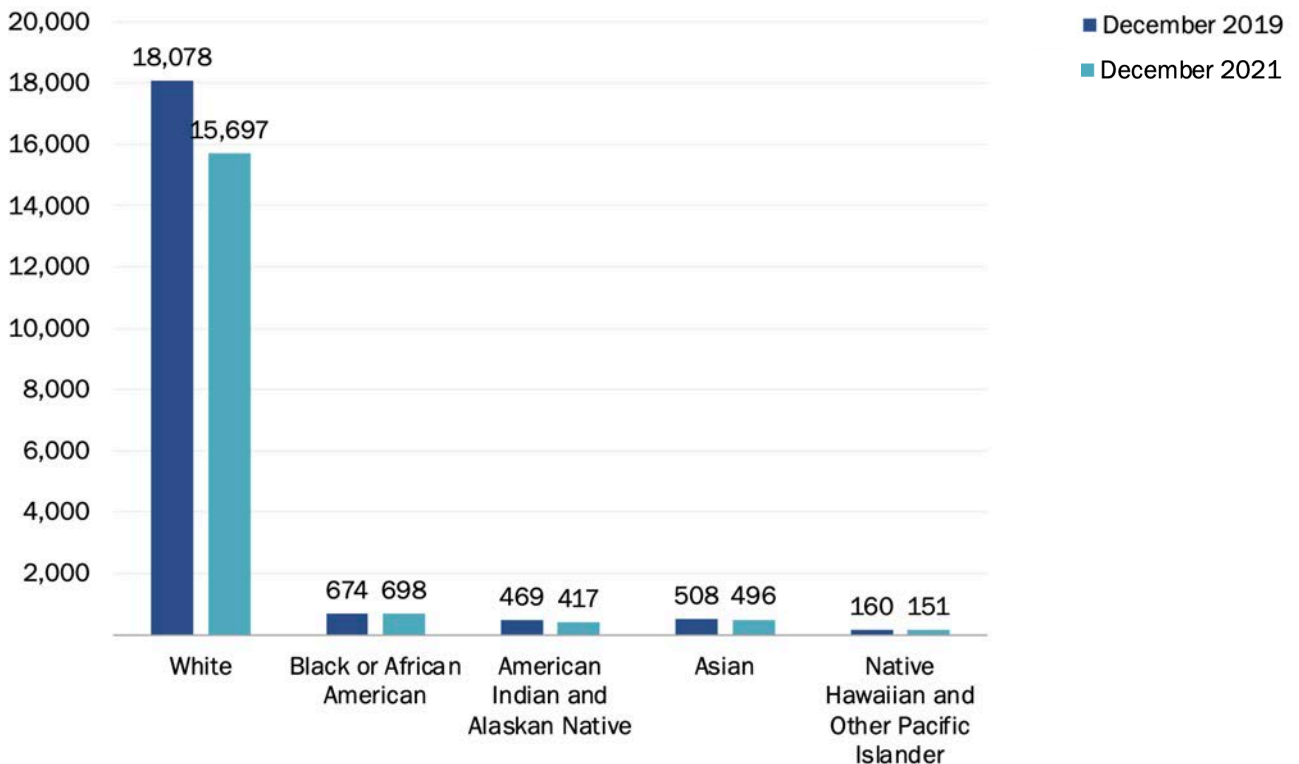


Exhibit 33. Continued Unemployment Insurance Claims by Race, Oregon, December 2019 and December 2021

Source: U.S. Bureau of Labor Statistics; Oregon Employment Department.





APPENDIX

Exhibit 34. Continued Unemployment Insurance Claims by Hispanic Origin, Oregon, December 2019 and December 2021

Source: U.S. Bureau of Labor Statistics; Oregon Employment Department

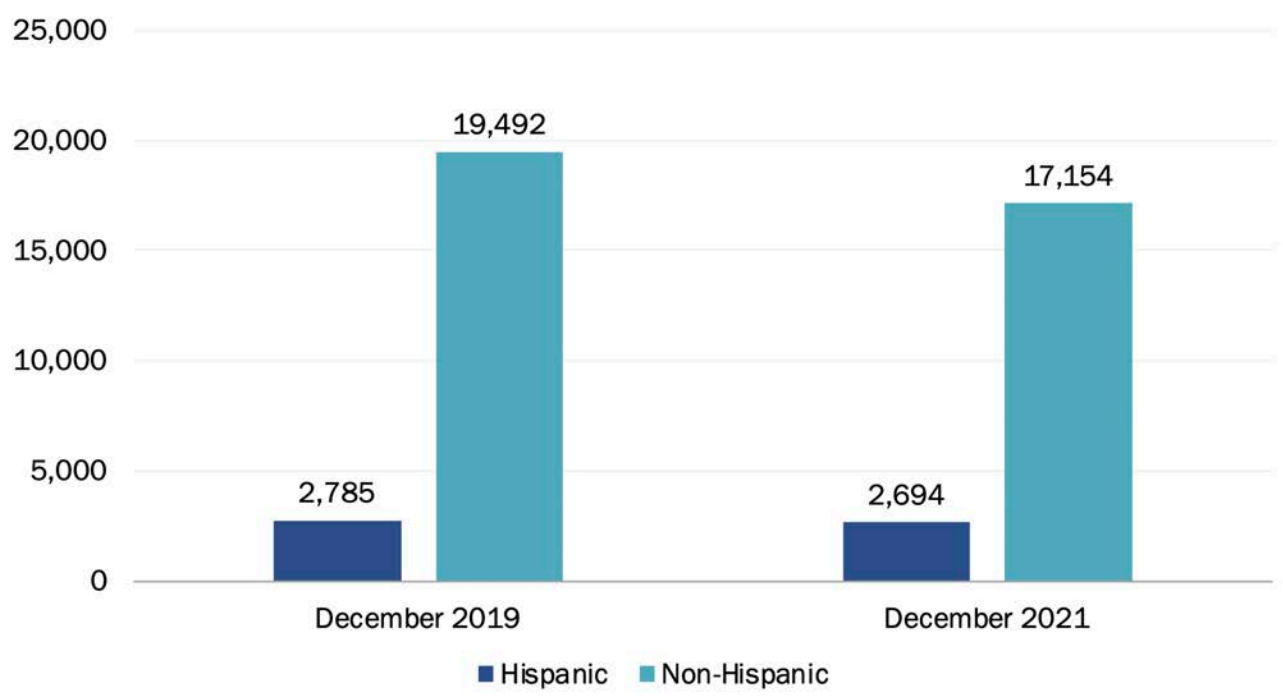
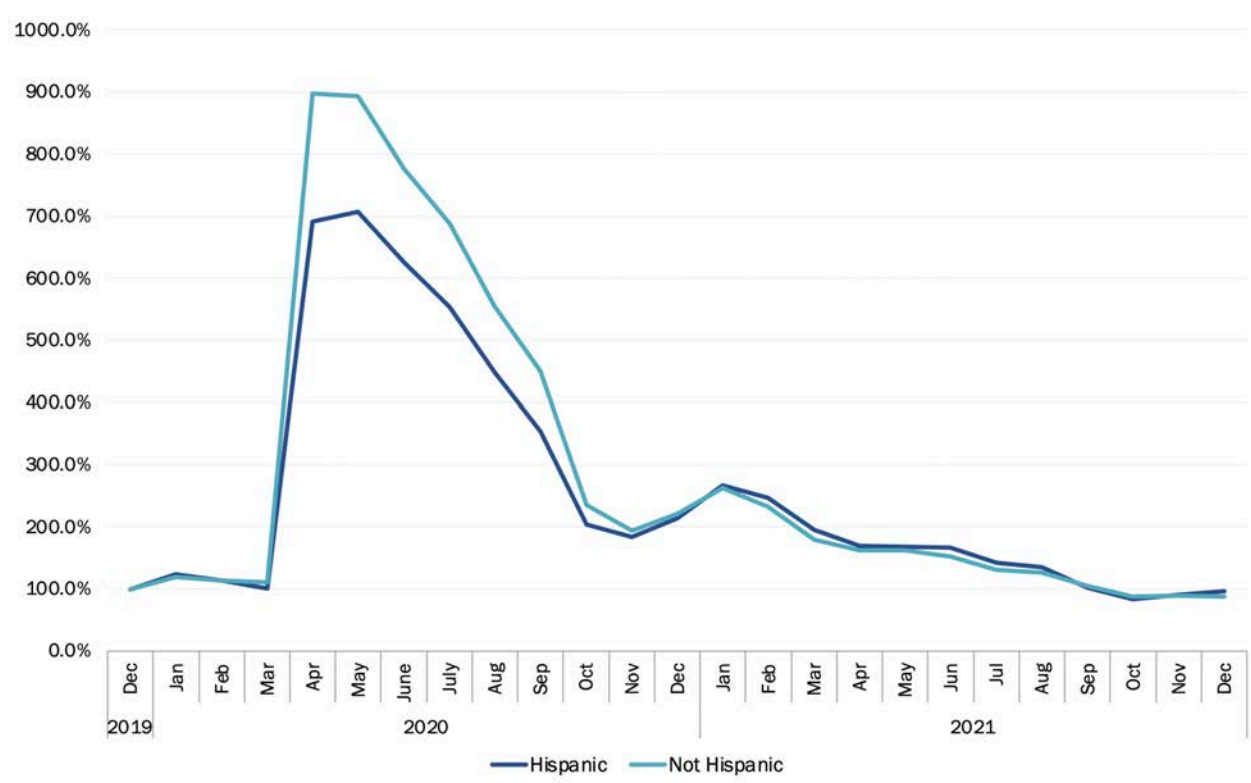


Exhibit 35. Percent Change in Continued Unemployment Insurance Claims by Hispanic Origin, Oregon, December 2019 and December 2021

Source: U.S. Bureau of Labor Statistics; Oregon Employment Department.





APPENDIX

Exhibit 36. Continued Unemployment Insurance Claims by Gender, Oregon, December 2019 and December 2021

Source: U.S. Bureau of Labor Statistics; Oregon Employment Department

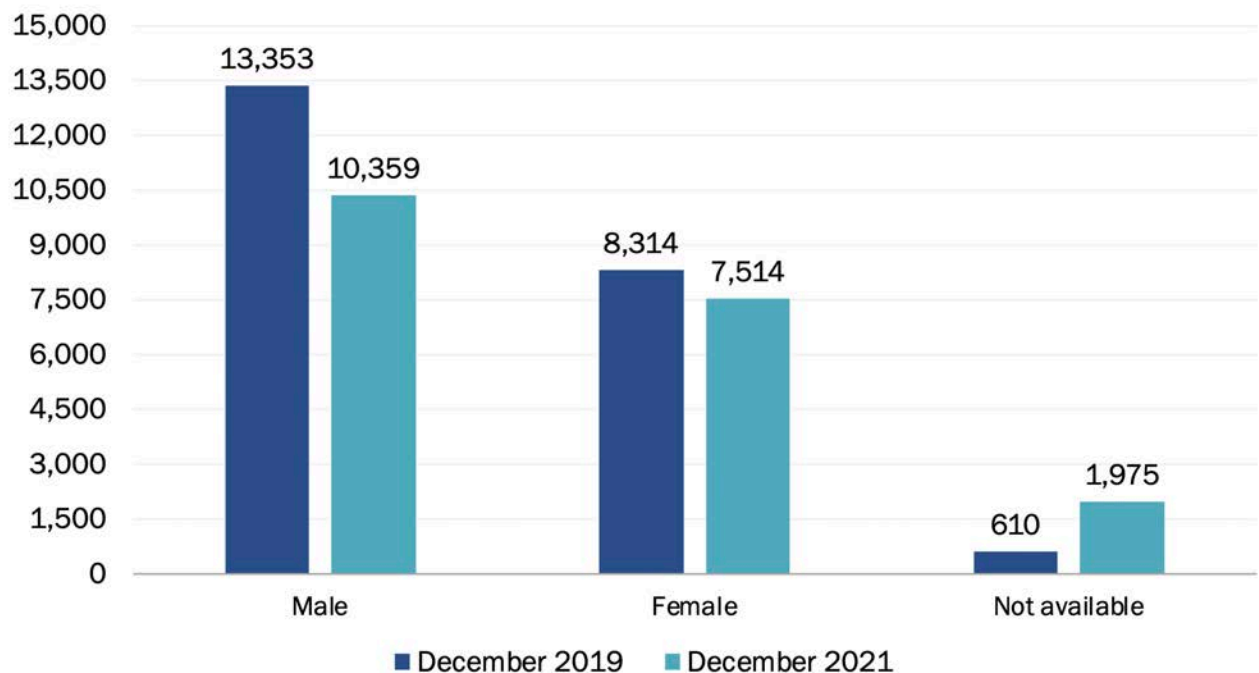


Exhibit 37. Continued Unemployment Insurance Claims by Age Group, Oregon, December 2019 and December 2021

Source: U.S. Bureau of Labor Statistics; Oregon Employment Department.

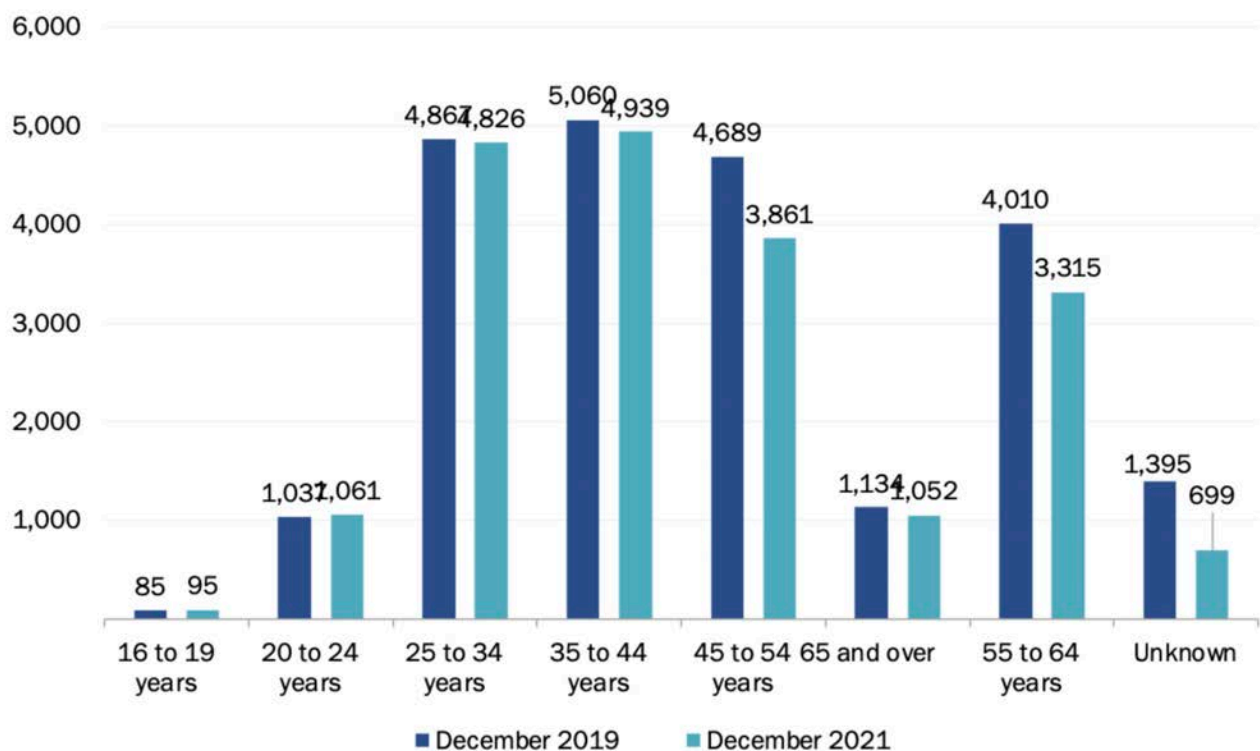




Exhibit 38. Continued Unemployment Insurance Claims by Educational Attainment, Oregon, December 2019 and December 2021

Source: U.S. Bureau of Labor Statistics; Oregon Employment Department

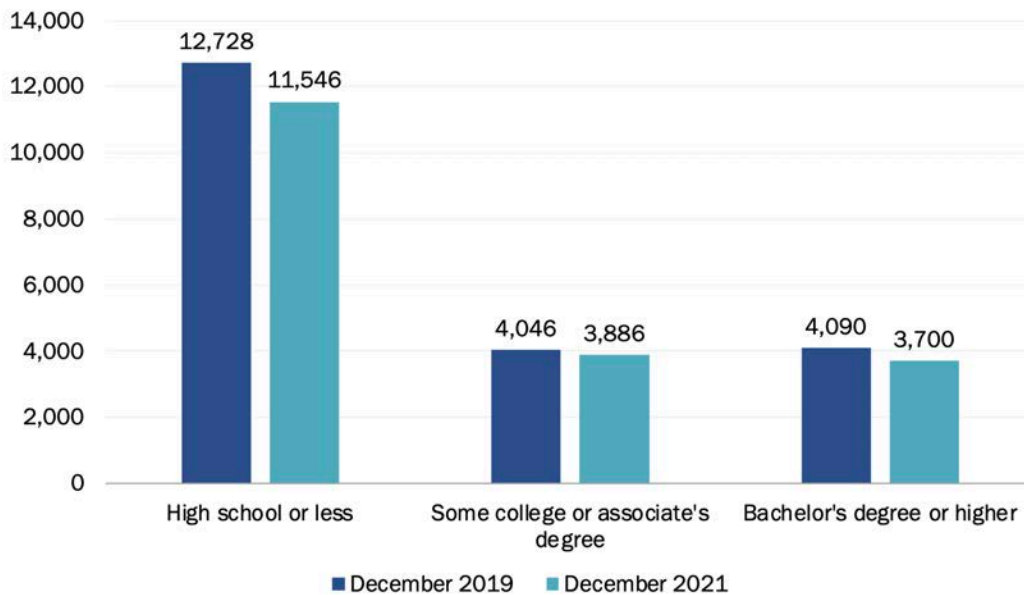
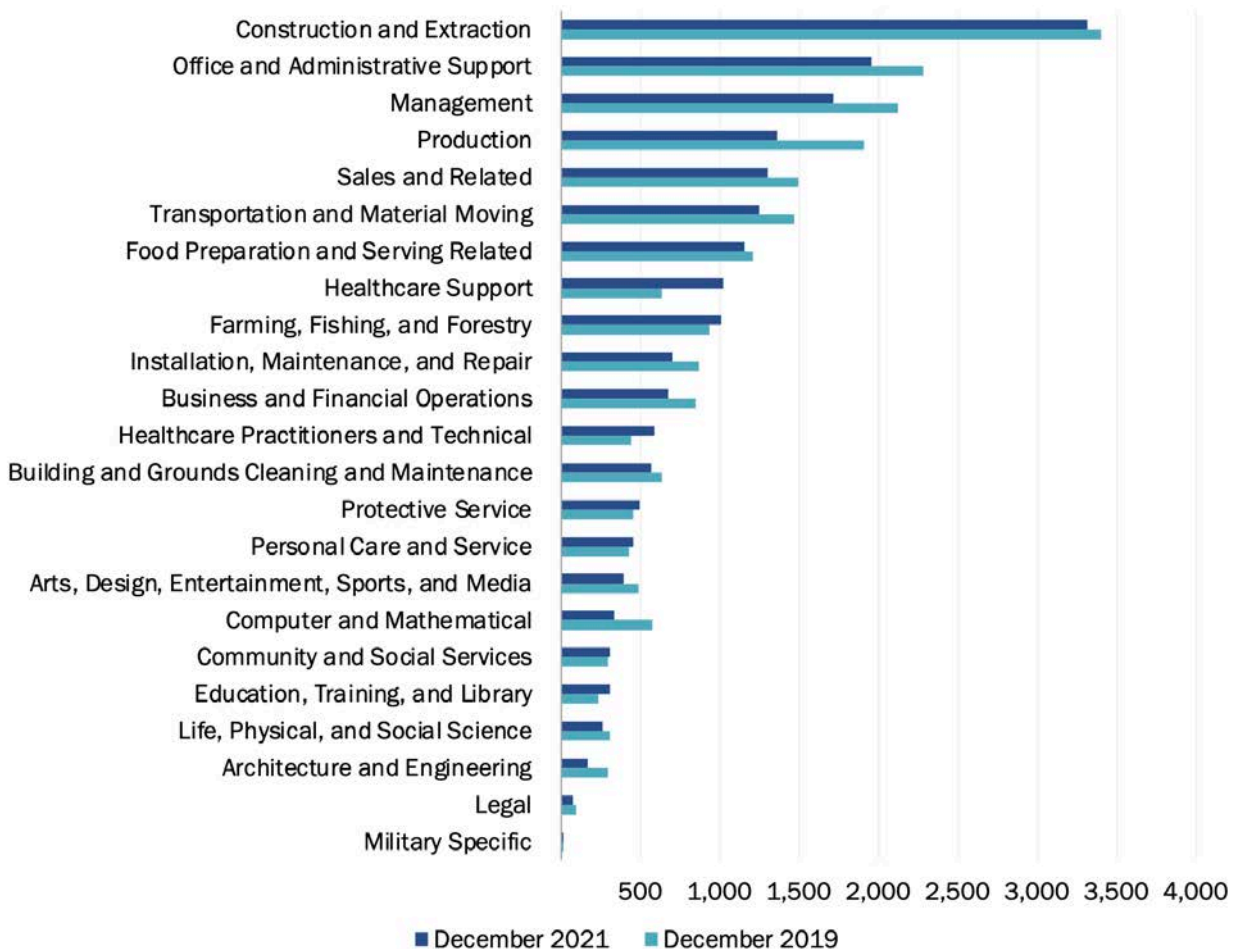


Exhibit 39. Continued Unemployment Insurance Claims by Occupation, Oregon, December 2019 and December 2021

Source: U.S. Bureau of Labor Statistics; Oregon Employment Department.





APPENDIX

Exhibit 40. Change in Covered Employment by Supersector, Oregon and U.S., February 2019–March 2021

Source: Quarterly Census of Employment and Wages, Oregon Employment Department

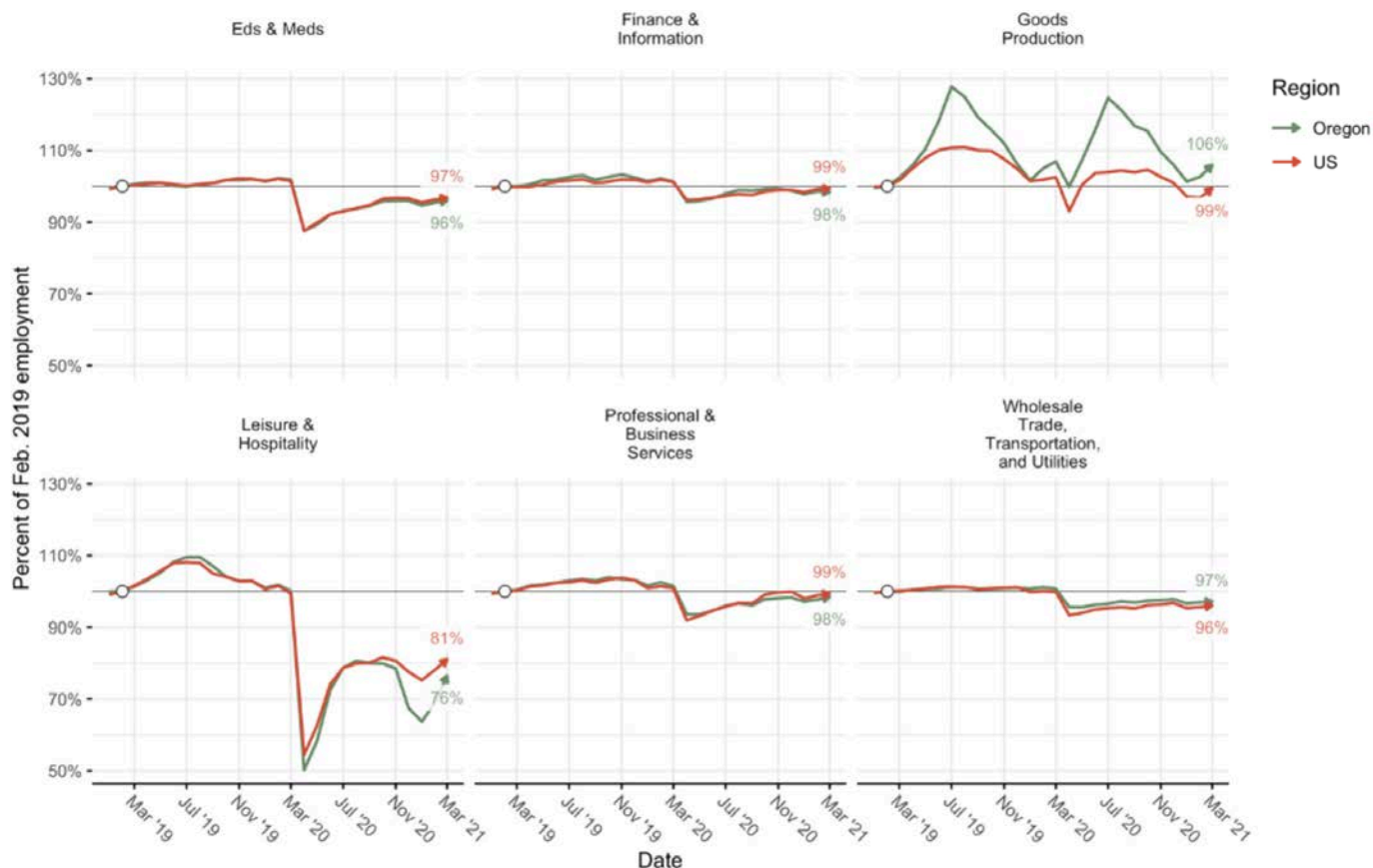
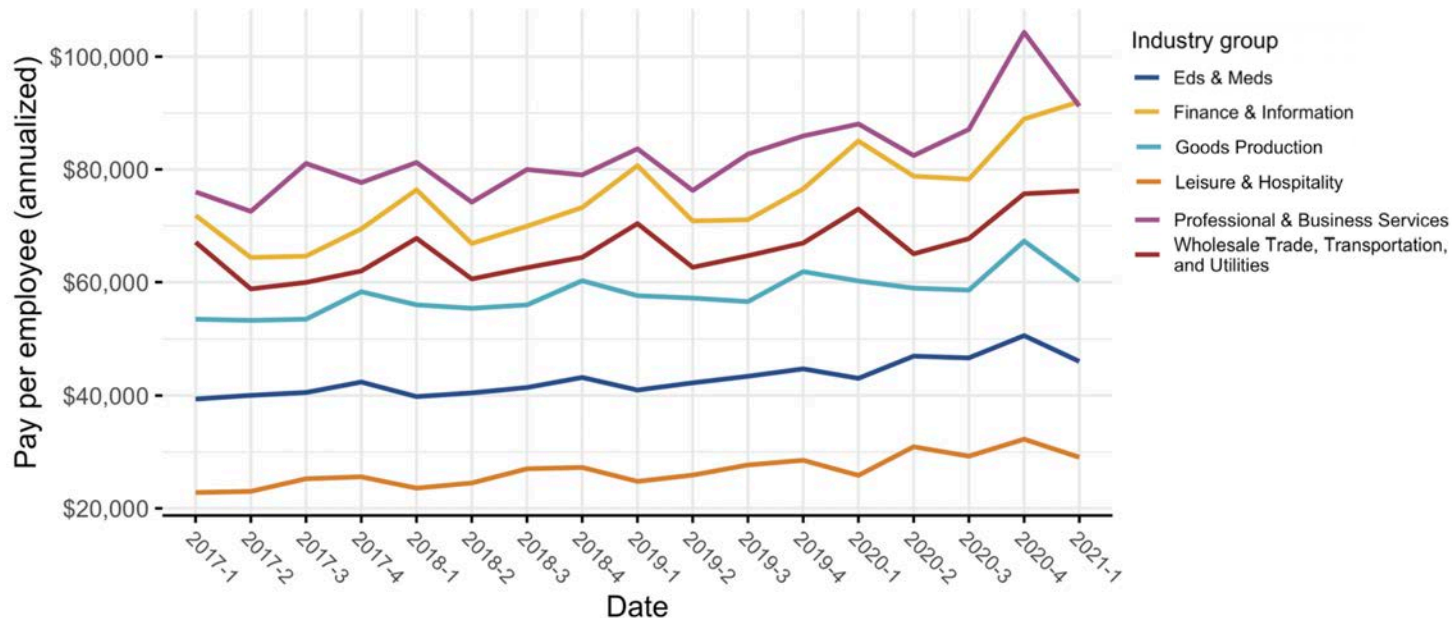


Exhibit 41. Average Wages by Supersector, Oregon

Quarterly Census of Employment and Wages, Oregon Employment Department





APPENDIX

Exhibit 42. Location Quotient Change by Target Industry, Oregon and Other Western States, 2019-2021

Source: U.S. Bureau of Labor Statistics

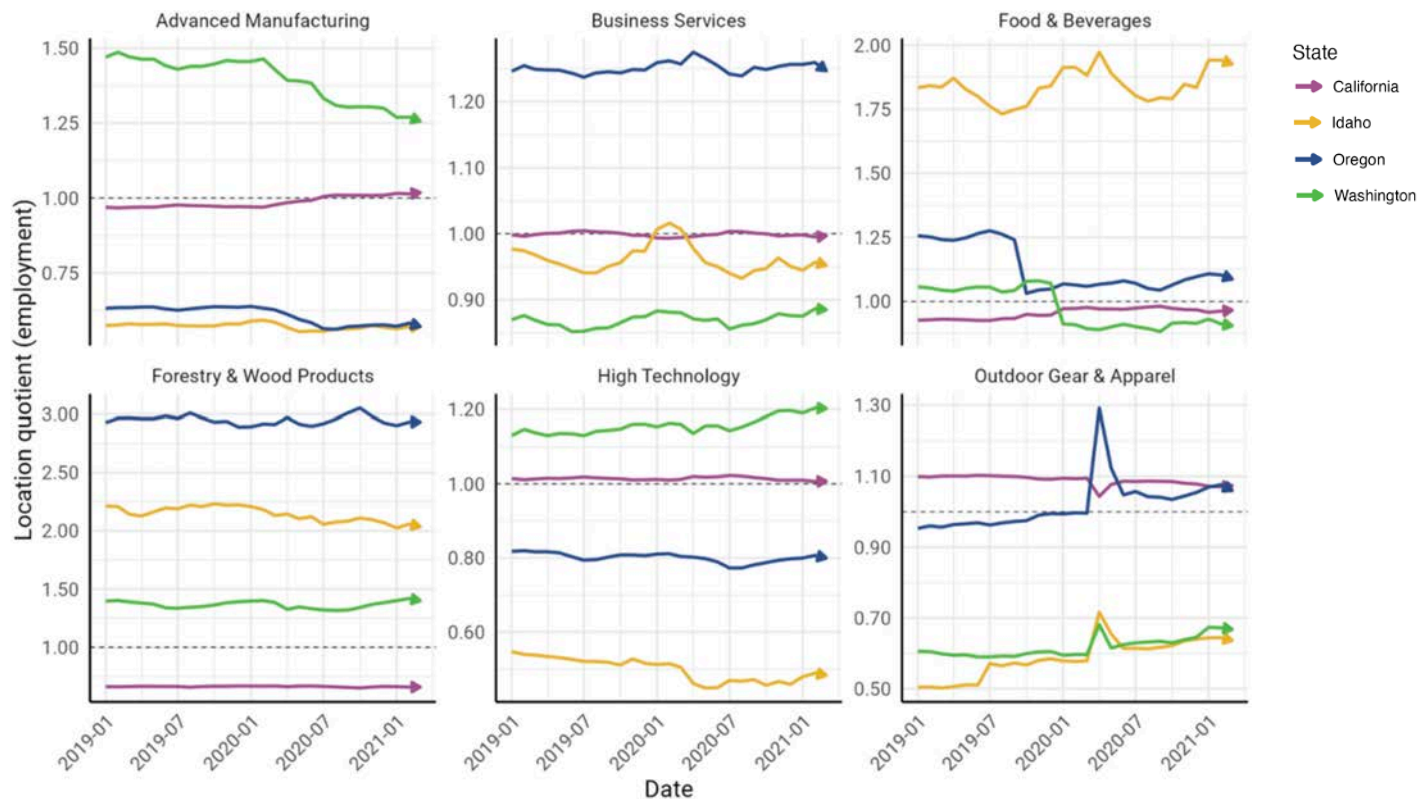
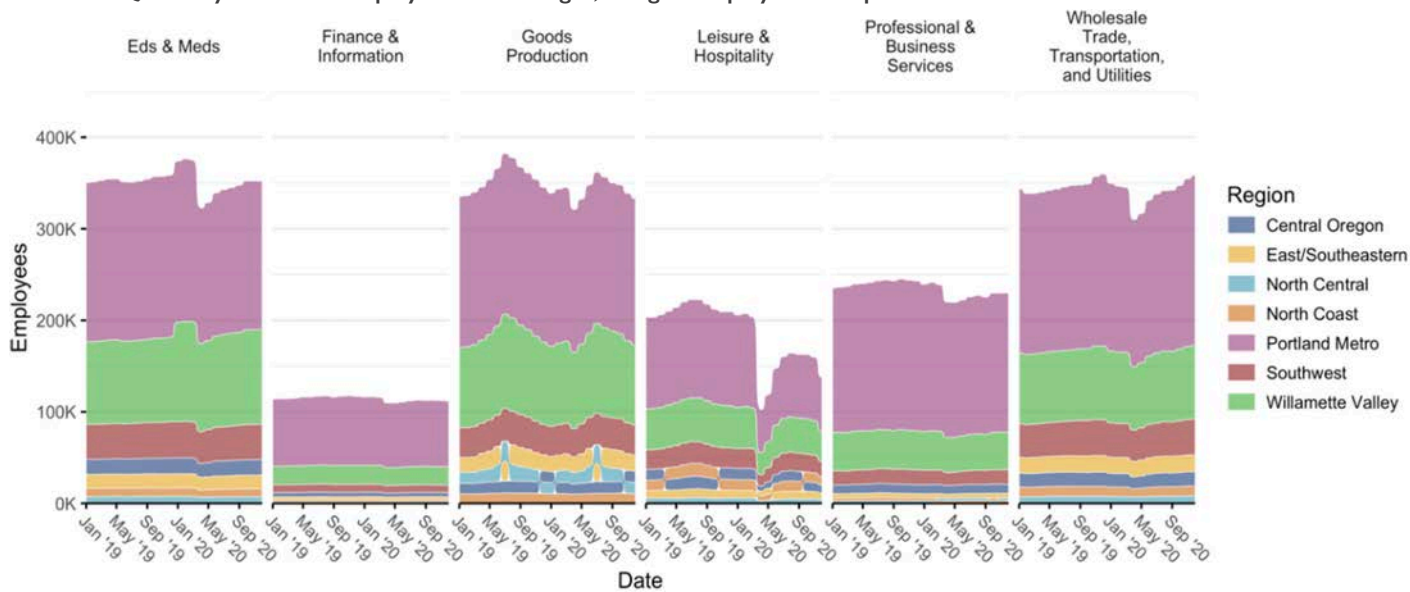


Exhibit 43. Change in Employment by Supersector and Region, Oregon

Source: Quarterly Census of Employment and Wages, Oregon Employment Department

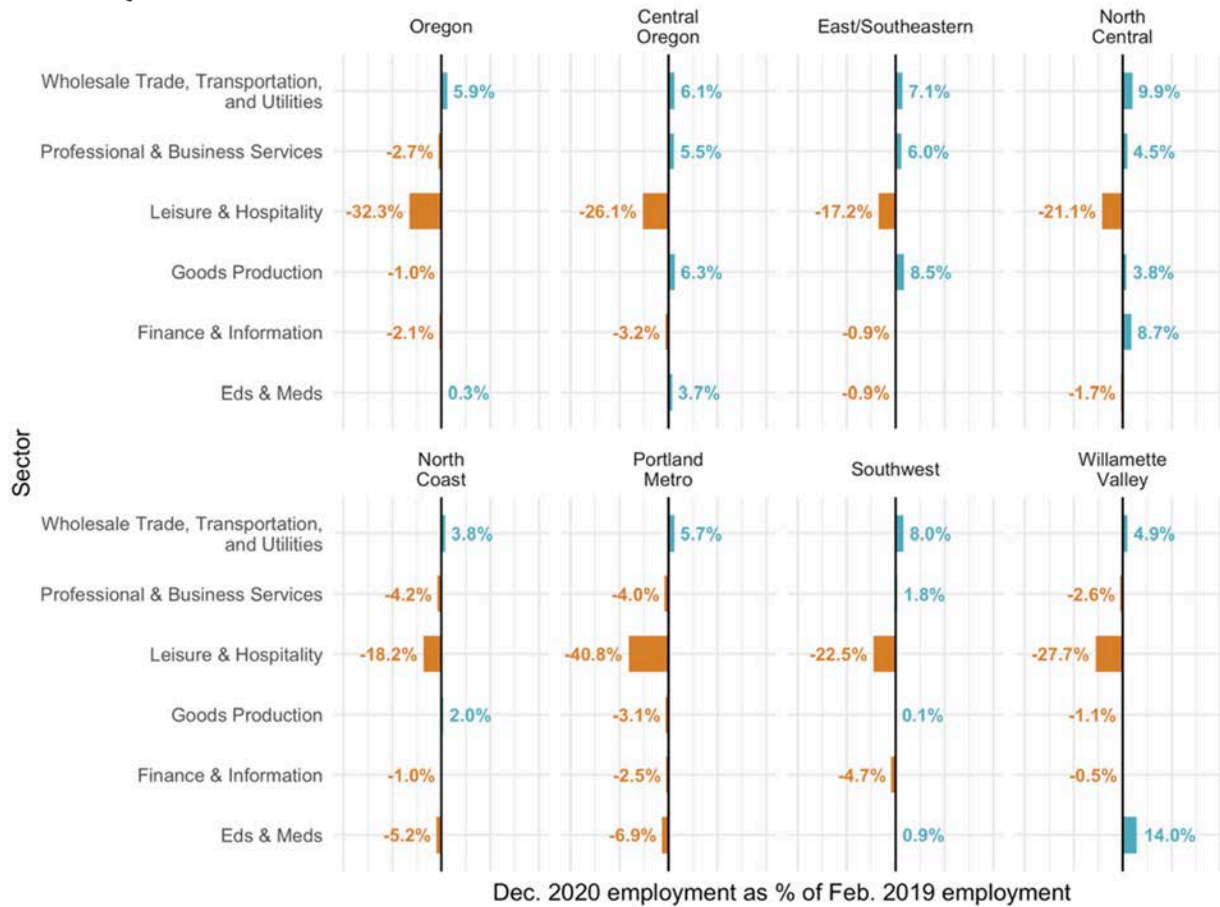




APPENDIX

Exhibit 44. Covered Employment in December 2020 as a Share of February 2019 Employment by Supersector and Region

Source: QCEW





January 2022

Business Oregon
Oregon COVID-19 Economic Recovery Plan
Summary of Stakeholder Outreach and Engagement

Business Oregon set out to involve stakeholders in developing the Oregon Economic Recovery Plan with the primary goal of ensuring integration of the needs and local recovery plans of internal and external stakeholders whose resources or buy-in will be required for implementation. The project team also set out to hear experiences of people and businesses most negatively impacted by the economic disruption of COVID-19, help the team interpret data, identify the needs and capacities of economic development partners, including Native American tribes and other organizations who serve people/businesses typically underrepresented in planning and decision-making processes, and continue the conversation about what “equitable economic recovery from COVID-19” means for Oregon.

From September 2021 through January 2022, this effort has engaged hundreds of Oregonians. As a result, the proposed actions and programs are a direct reflection of diverse community needs, values, and priorities.

Participation by the numbers	
Collaborator Interviews	40 participants Oct 2021-Jan 2022
Regional Recovery Forums	220 participants @ 6 forums
Bilingual Survey	289 responses
Focused Discussion Groups	120+ participants at OEDA Conference 20 businesses representing Rural areas, Woman- and Minority- Owned, Tribal lands / Native-owned
Steering Committee	11 strategic advisors to Business Oregon
Internal involvement	Managers Work Session and Kickoff
Business Oregon Communications	media release Oct 2021 web updates RDO email invites to 500+ stakeholders in Nov 2021

Through a timely and multifaceted process, stakeholders shared their evolving recovery needs and allowed the team to develop concepts and projects for legislative consideration and Business Oregon’s staff to position the agency for a strategic planning effort anticipated to kickoff in early 2022. Ultimately, the engagement program met the desired outcomes to:

- Continue strengthening stakeholder relationships and trust in Business Oregon’s partnerships.

deborah meihoff
aicp

942 SE 15th Ave
Portland OR 97214
deb@communitasplanning.com
503.358.3404

www.communitasplanning.com

- Engage and center diverse community stakeholders and local leaders across the state to be an essential part of the data-informed decision-making process.
- Engage and empower people and industries who have been negatively impacted by COVID-19 to directly inform the solutions and the roadmap for recovery.
- Collaborate with internal and external stakeholders to identify and deliver programs that can comprehensively address COVID-19 economic injury.
- Clearly and inclusively communicate to stakeholders about the COVID-19 recovery project and Business Oregon’s desire for collaboration and partnerships.

Key takeaways

COVID-19 continues to have a significant impact on nearly every segment of Oregon’s economy. Stakeholders helped the project team understand how different parts of the state and different sectors are experiencing issues that are not always knowable from the quantitative data. They also surfaced innovative ideas and reasoned opinions about what role the State should play to ensure an equitable recovery.

Throughout the process, the team continually heard a few key messages and opinions that were then integrated with the technical analysis and directly translated into the recovery plan. These consistent messages were expressed by a diversity of stakeholders who conduct business in different parts of the state, with different economic conditions, and Oregonians of different races, ethnicities, abilities, and backgrounds.

The most consistently held and strongest sentiments registered through the Recovery Plan process:

- » **Childcare availability and housing affordability are integrally linked to the economy and economic development.** We heard stories of housing shortages on the coast that are leading to severe labor shortages and Southern Oregon stakeholders reported that the devastating impacts from wildfires in 2020 continues to stress the housing market. A small business owner from the Valley told us she’s on the edge of having to close her doors because she cannot find reliable childcare and is having great difficulty retaining employees in the current labor market where signing bonuses of \$1000s are becoming increasingly common.
- » **Economic recovery is obstructed by the lack of workforce availability and readiness, and is becoming increasingly challenging as the pandemic wears on.** Stakeholders around Oregon reported labor shortages resulting in the dreadful cycle of reduced hours of operation, lower output, reduced employee pay, product shortages, and low to no profits. Some businesses in Tribal areas noted that local communities are at full employment, commutes to nearby towns are long, and they’re finding it virtually impossible to find new workers. Many business owners expressed that they were so understaffed that have little ability to contemplate the future.
- » **Businesses owned by people of color, women, people with disabilities, Native Americans, and those operating on Tribal lands and in rural communities shared that they cannot access**

the capital they need to expand to new markets and grow their economic impact in Oregon.

Commercial lending has not adequately served these businesses for decades. Despite continued efforts, people of color and women face biases in the lending process and due to the historical exclusion, many do not have a strong connection to the banking community. Many of these businesses across the state, especially in rural areas, shared frustrations with the inaccessibility of federal recovery dollars due to lack of banking relationships and processes too onerous to navigate while running a business. Native American businesses on Tribal lands have additional layers of complications and barriers to capital. Some noted that their ability to access State and Federal programs are hampered by confusing layers of regulations, the very definition of “small business”, and for Tribal area businesses, the complex web of on-reservation / off-reservation programs and rules. Many stakeholders, including women and minority business owners, expressed appreciation for the partnerships with local SBDCs, chambers, and other EDOs, but gaps in access remain. They have requested Business Oregon help to deliver better and more personal communications about funding and technical assistance available to help grow their businesses and the state’s economy.

- » **The State’s current economic development programs and supports need retooling to address the unique and continued economic impacts of COVID-19.** Many of the challenges described above are outside Business Oregon’s typical line of business and authority, and stakeholders’ most critical economic issues cannot be addressed by any one State agency or funding source. At the same time, it is also difficult for Business Oregon and its partners to carry on their work of attracting and investing in traded sector businesses when local suppliers and potential employees cannot find a footing in Oregon. Stakeholders from a diversity of sectors and locations shared their strong encouragement for Business Oregon to facilitate multi-agency coordination to tackle the workforce and childcare shortages, to enhance communications with businesses and partners, and to think creatively about how the agency’s existing capital and infrastructure programs could be used to invest in the workforce, housing, childcare, and the capital needs of small, rural, and minority- and woman-owned businesses.
- » **Stakeholders implore the State to continue to work in partnership and hear their stories of geographic and business variations often lost in aggregated data.** Appended are records of the many diverse voices heard through the interviews, forums, focus groups, briefings, and online survey. Stakeholders have shared their desire for leaders and agency staff to spend time hearing their struggles, unique and nuanced needs exposed by the pandemic, and innovative avenues to realize an equitable economy through recovery.



Exhibit 45. What are the most urgent economic recovery needs in your community (please rank, with 1 as most urgent)

Source: ECONorthwest Fall 2021 Survey

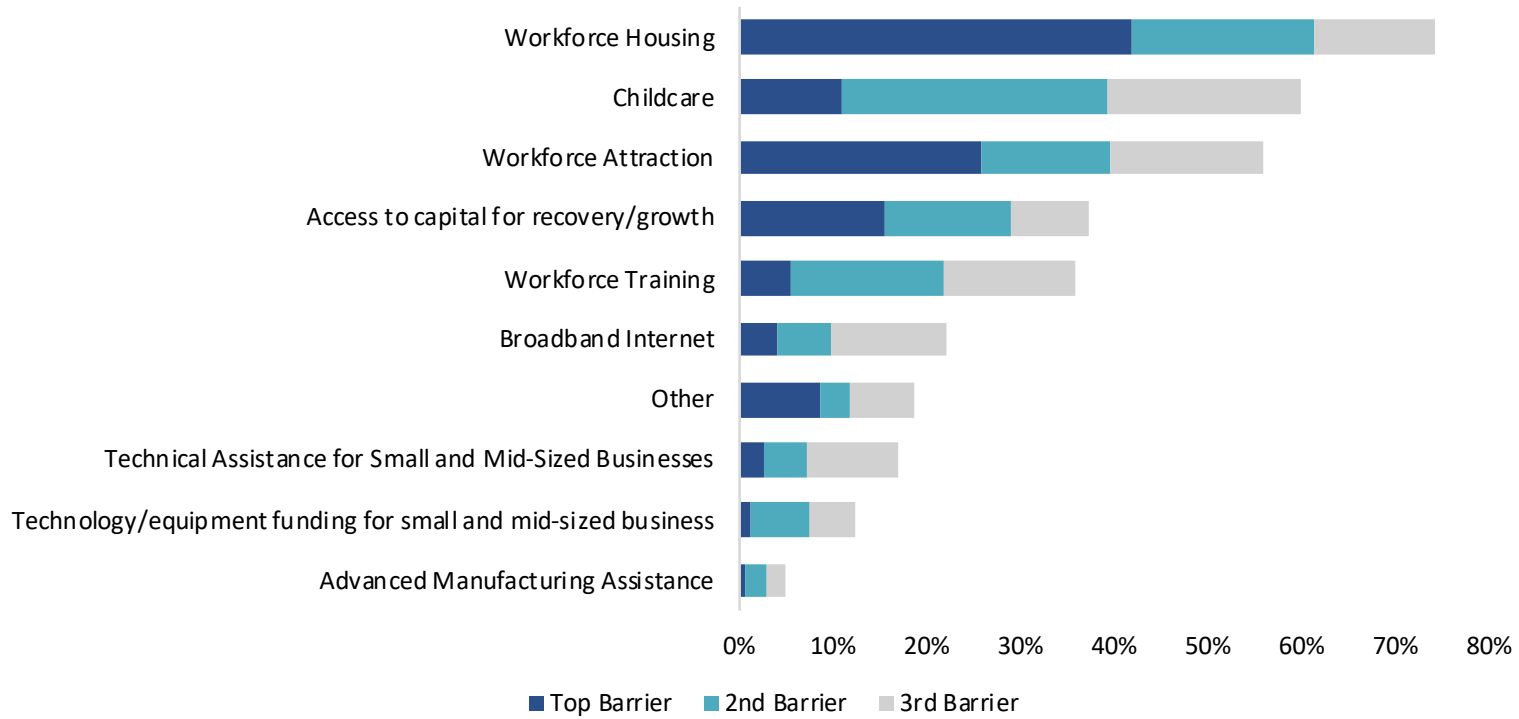
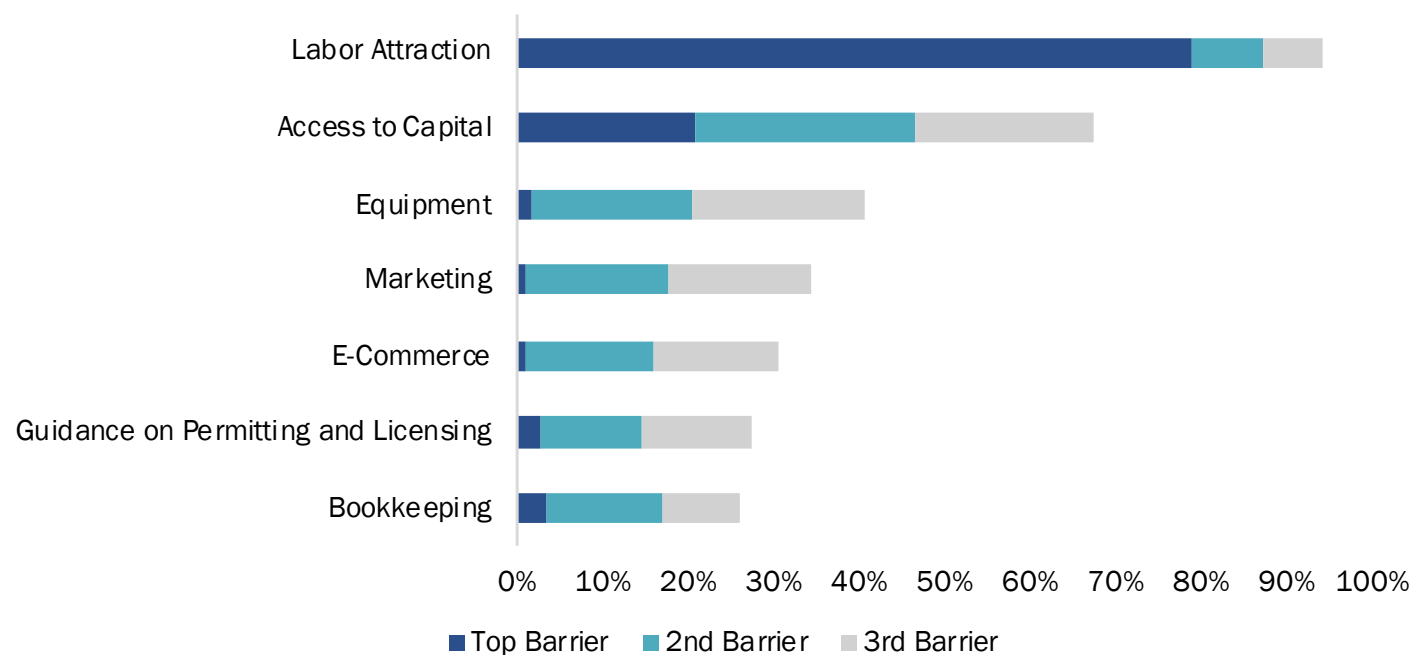


Exhibit 46. If you are or work with medium or large employers, how would you rank the following items in terms of current challenges, with 1 as the most challenging?

Source: ECONorthwest Fall 2021 Survey





APPENDIX

Exhibit 47. If you are or work with small businesses, how would you rank the following items in terms of current challenges, with 1 as the most challenging?

Source: ECONorthwest Fall 2021 Survey

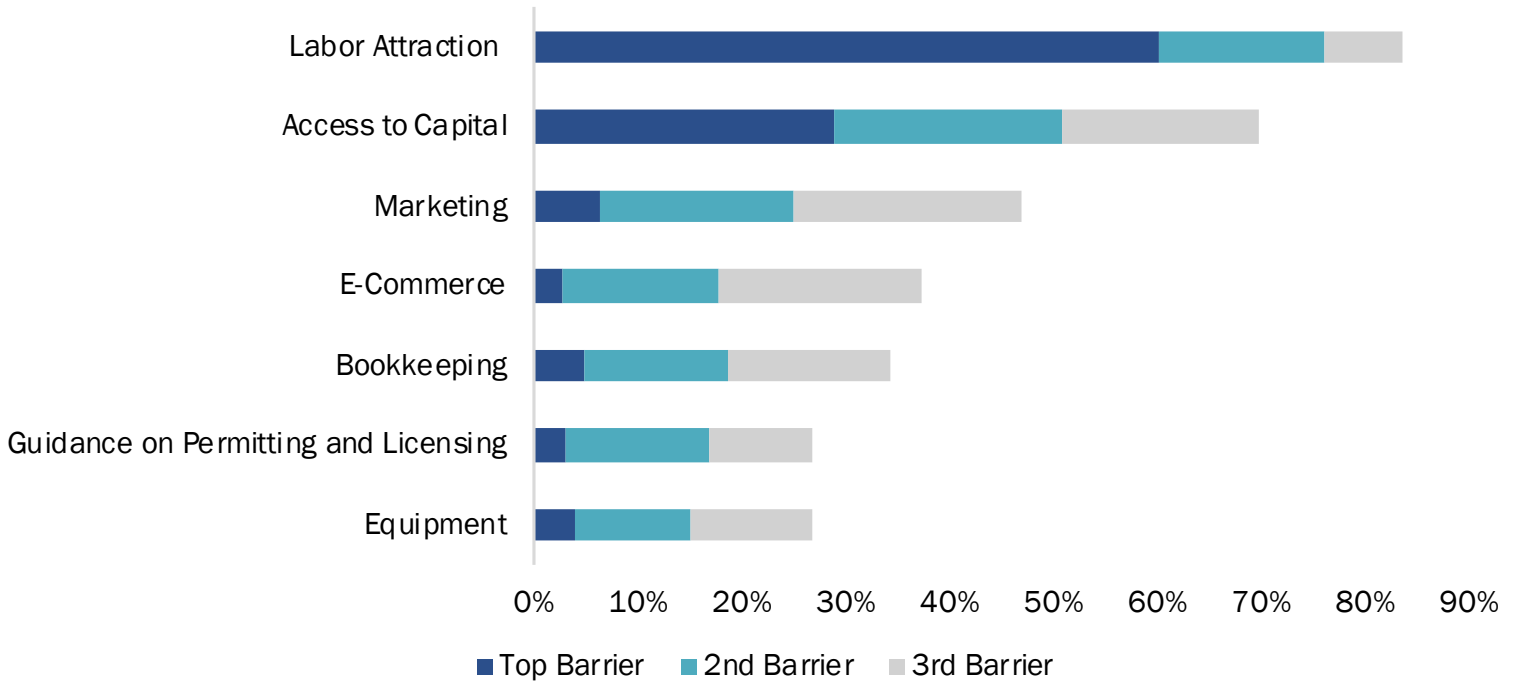


Exhibit 48. What can the State of Oregon do to help address the most urgent needs for economic recovery in your community?

Source: ECONorthwest Fall 2021 Survey

Topic:	Broad-band	Hospital-ity	Inno-vation/ advanced manufac-turing	Small business support	Supply chain	Workforce childcare	Workforce develop-ment (up-skilling)	Workforce housing	Workforce retention/ attraction
Count:	9	9	13	80	5	29	23	66	26



ORGANIZATIONS CONTRIBUTING INPUT

- 1188 Brewing Company LLC
- Adkins Engineering and Surveying
- Affiliated Tribes of Northwest Indians
- Akana Engineering
- Albany General Hospital Foundation
- Albany-Millersburg Economic Development Corp
- Alt Coworking
- American Events
- Amity Flats
- Ashland Chamber of Commerce
- Bandon Chamber of Commerce
- Bison Coffee House
- Boardman Community Development Association
- Bottom Lines Consulting
- Bringam Fish Market
- Burns Paiute of Harney County
- Business for a Better Portland
- Carina's Bakery
- CCD Business Development Corporation
- CEDR- Clatsop Economic Development Resources
- Central Oregon Intergovernmental Council
- Chemeketa Center for Business & Industry
- Chemeketa SBDC
- City of Albany
- City of Astoria
- City of Bend
- City of Chiloquin
- City of Condon
- City of Cornelius
- City of Dallas
- City of Falls City
- City of Florence
- City of Gresham
- City of Gresham Small Business Center
- City of Independence
- City of Lone Oregon
- City of Klamath Falls
- City of La Pine
- City of Lebanon
- City of Medford
- City of North Bend
- City of Oakridge
- City of Pendleton
- City of Redmond
- City of Sherwood
- City of Sweet Home
- City of Tigard
- City of Vale
- City of Veneta
- City of Willamina
- Clackamas Workforce Partnership
- Clatsop SBDC
- Clearesult
- Columbia Development Authority
- Columbia Industrial Products
- Columbia-Pacific Economic Development District
- Confederated Tribes of Coos, Lower Umpqua, and Siuslaw
- Confederated Tribes of Grand Ronde
- Confederated Tribes of Siletz
- Confederated Tribes of Umatilla
- Confederated Tribes of Warm Springs
- Coos Bay-North Bend VCB
- Coquille Indian Tribe
- Corvallis Benton County Economic Development
- Covered Bridge Brewing Group
- Craft3
- Curry County
- Deschutes County
- Oregon Department of Land Conservation & Development
- Domaine Serene Vineyards & Winery
- Eastern Oregon Visitors Association
- Economic Development Alliance of Lincoln County
- Economic Development Council of Tillamook County
- Economic Development for Central Oregon
- Elixir Coffee
- Eugene Eye Clinic, LLC
- EUVALCREE
- Experience Grants Pass
- Experience Roseburg
- Gilliam County
- GK Soundbooth, Inc.
- Grand Pacific, LLC
- Grand Ronde TERO
- Grant County Economic Development
- Greater Eastern Oregon Development Corporation



APPENDIX

Greater Eastern Oregon Development Corporation
Greater Newport Chamber Of Commerce
Greater Portland Economic Development District, Inc.
Grow Yamhill County
Harney County Economic Development
Harvey Bragg
Hello Care
Heppner Chamber of Commerce
Here to Help Housing
Higher Education Coordinating Commission
Hyak Maritime LLC
Idaho First Bank
Illinois Valley Chamber of Commerce
Javelin Utility Services, Inc.
Jefferson County
John Southgate LLC
Klamath County Economic Development District
Klamath Community College SBDC
Klamath Falls Downtown Association
Klamath IDEA
KW Associates LLC dba Ampere Scientific
Lake County
Lam Hotels
Lane County
Lane SBDC
LaPine/Sunriver Economic Development
Life's Milestones LLC
Lincoln County School District
MacTaps
Madras-JC Chamber
Malheur County Economic Development
Marion County
Marv's Glass Shop
Mid-Columbia Economic Development District
McMinnville Economic Development Partnership
Merkley
Metro
Micro Enterprise Services of Oregon
Mid-Columbia Economic Development District
Mid-Willamette Valley Council of Governments
Moto Stuff
MPulse Software, Inc.
Mt. Hood Community College SBDC
MTM Transit
Multnomah County
Neiman Enterprises Inc.
Northeast Oregon Economic Development District
Northwest Oregon Works
NW Oregon Economic Alliance
Oregon Coast Visitors Associations
Oregon Cascades West Council of Governments
Oregon Entrepreneurs Network
Office of Governor Kate Brown
OnlineNW
OR Technology Business Center
Oregon Manufacturing Extension Partnership
Oregon Arts Commission
Oregon Broadband Office
Oregon Business and Industry
Oregon Business Council
Oregon Business for Climate
Oregon Cascades West Council of Governments
Oregon Dept of Ed Early Learning Division
Oregon Employment Department
Oregon Float Homes
Oregon Main Street
Oregon Manufacturing Extension Partnership
Oregon RAIN
Oregon Restaurant & Lodging Association
Oregon SBDC Capital Access Team
Oregon Shakespeare Festival
Oregon Small Business Development Center
OSU Hatfield Marine Science Center
OSU-Cascades Co-Lab
Pacific Power
Philippine-American Chamber
Portland Incubator Experiment
Pork County Massage
Port of Toledo
Prosper Portland
Reach Break Brewing
Regional Accelerator & Innovation Network
RemarkableArts and Conundrum House
Rep. Smith Staff
Rogue Valley International-Medford Airport
Rural Development Initiatives (RDI)
RVFSN - Rogue Valley Food System Network
Rogue Workforce Partnership
SBDC & High Desert Partnership
SBDC/Napping Wyvern Press



APPENDIX

South Central Oregon Economic Development District
SGA CPAs and Consultants LLP
Sisters Athletic Club
Southern Oregon Regional Economic Development, Inc.
South Central Oregon Economic Development District
South Coast Development Council, Inc.
South Coast Tours
Southern Oregon Regional Economic Development, Inc.
Spirit Mountain Casino
Springfield Area Chamber of Commerce
State of Oregon
Strategic Economic Development Corporation
Tech Association of Oregon
Third Street Books
Tillamook Bay Community College
Tillamook Coast Visitors Association
Town of Lakeview, Oregon
Travel Lane County
Travel Oregon
Travel Portland
Treasure Valley Community college
Type A Press
Umpqua Economic Development Partnership
Urban Renewal Agency of City of Talent
USBS Cloud Consulting LLC
Visit McMinnville
Visit Tillamook Coast
Washington County
Washington County Chamber
Washington County Visitors Association
WayPoint Energy
Whiteside Theatre
Willamette Mountain Mercantile
Wilsonart
Wings and a Prayer Alpacas
WorkSource / Oregon Employment Department
Worksource Employment Department
WorkSource Lane
WorkSource Oregon
WorkSource Oregon - Corvallis
WorkSource Oregon Yamhill Center
Zana Construction
Zydeco Kitchen and Cocktails