

Employer Needs and Practices Survey - 2008 (Fall 2007)

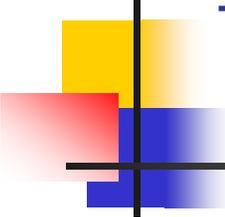
DRAFT RESULTS

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Workforce Board Presentation

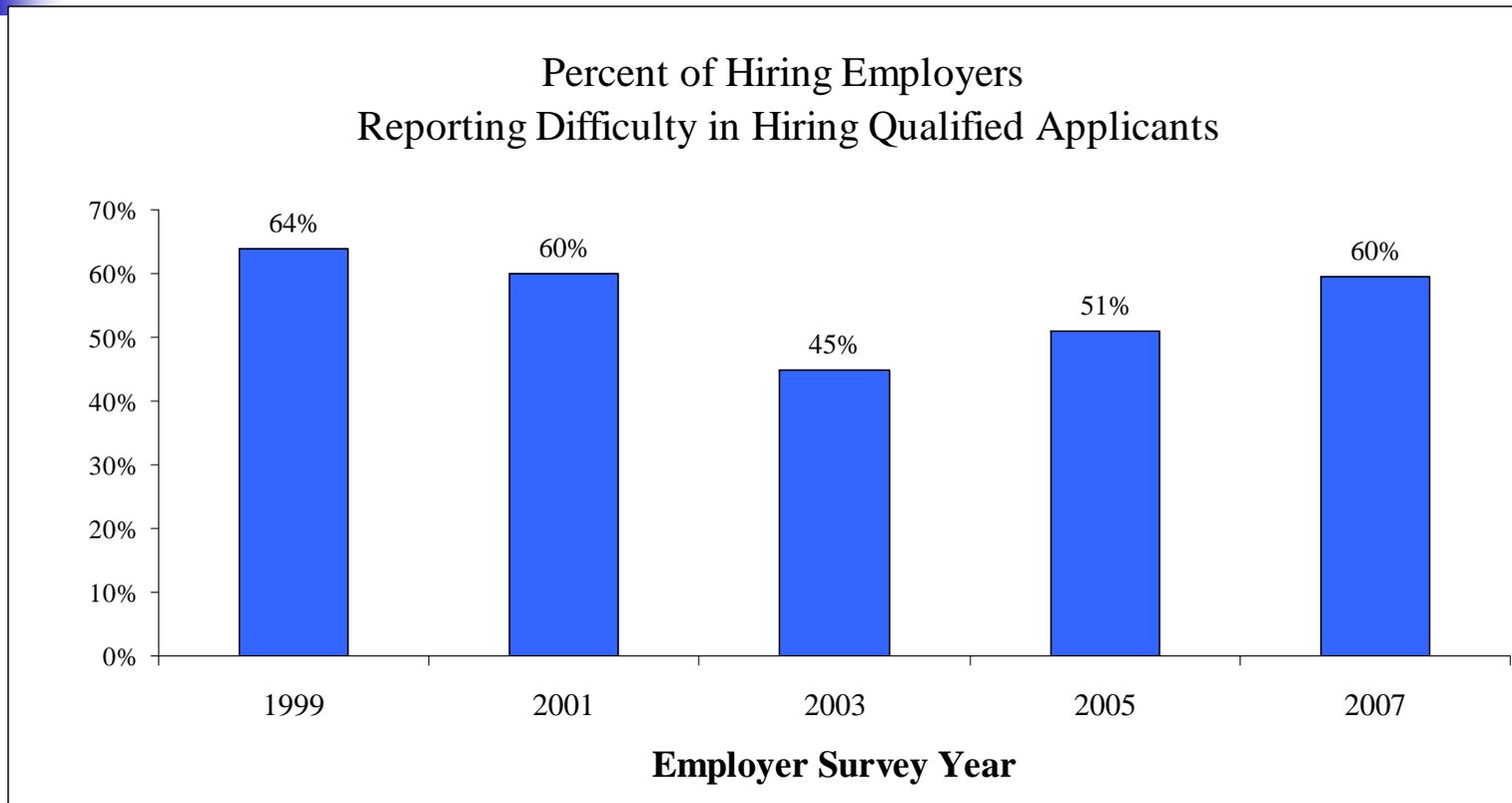
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The Survey

- Based on responses of 2,091 employers statewide.
- Margin of error is + or – 2.1 percent on typical responses.
- Survey conducted during the fall of 2007.
- The survey response rate was 21 percent, up from 17 percent in 2005.
- Information is collected by mail, internet, and telephone on:
 - Hiring practices of employers
 - Difficulty finding workers at various training levels
 - Employer's training practices
 - Employer's satisfaction with trainees they hired

Employers found it difficult to hire qualified workers



Number and Percent of Employers with Difficulty Hiring Qualified Workers

Results by Workforce Development Area

Workforce Development Area	Number of Employers With Difficulty Hiring - 2007	Percent of Employers Attempting to Hire - 2007	Percent of All Employers	
			2005	2007
Benton-Franklin Counties	2,400	59%	15%	42%
Eastern Partnership	3,200	65%	34%	52%
King County	35,800	56%	25%	50%
North Central Washington	5,500	76%	41%	64%
Northwest Washington	9,500	77%	36%	66%
Olympic Consortium	5,700	60%	42%	50%
Pacific Mountain	4,300	33%	25%	27%
Pierce County	9,700	59%	34%	47%
South Central	5,000	62%	47%	55%
Snohomish County	7,700	61%	35%	47%
Southwest Washington	6,200	61%	44%	43%
Spokane County	8,900	71%	38%	61%
Statewide	104,100	60%	32%	50%

More firms tried to hire in 2007 than in 2005 and more had difficulty. 104,100 firms had difficulty hiring in 2007, compared with only 69,025 in 2005.

Compared with 2005, employer difficulty increased the most in Benton-Franklin and King County.

Employer difficulty increased the least in Pacific Mountain and Southwest Washington

Number and Percent of Employers with Difficulty Hiring Qualified Workers Results by Sector and Size of Firm

Firms, by Sector and Size	Number of Employers With Difficulty Hiring - 2007	Percent of Employers Attempting to Hire - 2007	Percent of All Employers	
			2005	2007
Agriculture/Food Processing	3,000	63%	41%	54%
Construction	10,400	69%	44%	63%
High Technology *	1,300	47%	39%	30%
Manufacture	3,100	67%	35%	50%
Services	36,200	48%	27%	42%
Trade	27,000	75%	33%	63%
Other Industry	23,100	64%	38%	49%
Large (100+ Workers)	6,600	75%	N.A.	69%
Medium (20-99 Workers)	22,200	61%	N.A.	59%
Small (1-19 Workers)	75,200	58%	N.A.	46%
All Firms	104,100	60%	32%	50%

Compared with 2005, the percent of firms with difficulty increased most in the Trade and Services.

Increases in Construction and Manufacturing below the average for all firms.

The percent of firms in the High Tech sector reporting difficulty declined.

* High Technology includes chemicals and allied products, industrial machinery and equipment, electronics and other electric equipment, instruments and related products, communication, software, business services, and engineering and management services. Boeing is included in the Manufacturing sector.

Number and Percent of Employers with Difficulty Hiring Qualified Workers Results by Education Level

Education Levels	Number of Employers With Difficulty Hiring - 2007	Percent of Employers Attempting to Hire - 2007	Percent of All Employers	
			2005	2007
Neither a high school diploma or GED	15,000	14%	2%	8%
High school diploma or GED	25,600	25%	7%	13%
Some college course work	43,400	42%	9%	22%
Vocational certificate	36,000	35%	9%	18%
Vocational associate degree	27,700	27%	8%	14%
Academic associate degree	19,900	19%	5%	10%
Baccalaureate degree	24,900	24%	6%	13%
Masters degree	15,000	14%	4%	8%
Doctoral or professional degree	10,700	10%	2%	6%

A growing economy increased the number and percent of firms facing difficulty at each education level.

As in prior years, more employers experienced difficulty trying to hire at mid-levels of education -- above high school level and below baccalaureate level -- than at higher or lower levels of education.

Number and Percent of Employers with Difficulty Hiring Qualified Workers Results by Type of Skill

Skills	Number of Employers With Difficulty Hiring -2007	Percent of Employers Attempting to Hire - 2007	Percent of All Employers	
			2005	2007
Occupation-specific skills	84,900	82%	22%	42%
Problem solving or critical thinking skills	81,900	79%	21%	41%
Positive work habits and attitudes	71,700	69%	20%	36%
Communication skills	67,600	65%	19%	34%
Team work skills	66,900	64%	18%	33%
Ability to adapt to changes in duties and responsibilities	66,400	64%	16%	33%
Ability to accept supervision	58,400	56%	15%	29%
Math Skills	49,800	48%	12%	25%
Writing skills	40,200	39%	12%	20%
Computer skills	39,700	38%	12%	20%
English as a Second Language skills	35,300	34%	5%	18%
Reading skills	27,600	27%	7%	14%

Occupation-specific skills always top the list of skills firms have difficulty finding. In 2005, 76% of hiring firms had problems with occupation skills. The biggest increase in difficulty came in finding English as a Second Language skills, affecting only 17% of hiring firms and 5% of firms overall in 2005.

Consequences of Difficulty in Hiring Qualified Workers

Responses to the difficulty in finding qualified applicants	Number of Employers With Difficulty Hiring - 2007	Percent of Employers Attempting to Hire - 2007	Percent of All Employers	
			2005	2007
Lowered overall productivity	63,300	61%	16%	31%
Reduced production output or sales	58,600	56%	17%	29%
Reduced product or service quality	44,000	42%	14%	22%
Prevented firm from expanding its facilities	28,000	27%	8%	14%
Prevented firm from developing new products/services	23,700	23%	6%	12%
Caused firm to move some operations out of Washington	4,000	4%	0.2%	1.9%

Lower overall productivity was a more frequent response to recruitment difficulty in 2007 than in 2005.

Has your firm experienced difficulty with entry-level workers hired in the last six months demonstrating the following skills?

Skill of Entry-Level Workers	Number of Employers With Difficulty Hiring -2007	Percent of Employers Attempting to Hire -2007	Percent of All Employers	
			2005	2007
Solve problems and make decisions	66,100	63%	17%	33%
Take responsibility for learning	64,300	62%	18%	32%
Resolve conflict and negotiate	60,500	58%	13%	30%
Observe critically	57,000	55%	13%	29%
Cooperate with others	50,800	49%	12%	26%
Use math to solve problems and communicate	49,500	48%	10%	25%
Listen actively	49,400	47%	13%	25%
Read with understanding	43,800	42%	10%	22%
Use information and communications technology	40,700	39%	11%	21%
Speaks so others can understand	38,600	37%	7%	20%

The biggest increases since 2005 involved:

- Speaking so others can understand;
- Using math to solve problems and communicate;
- Resolving conflicts and negotiating.

These problems affected 24%, 35% and 44% of firms attempting to hire in 2005.

The same problems affected 37%, 48%, and 58% of firms attempting to hire in 2007.

Expectations of Future Demand for Workers, by Education Level

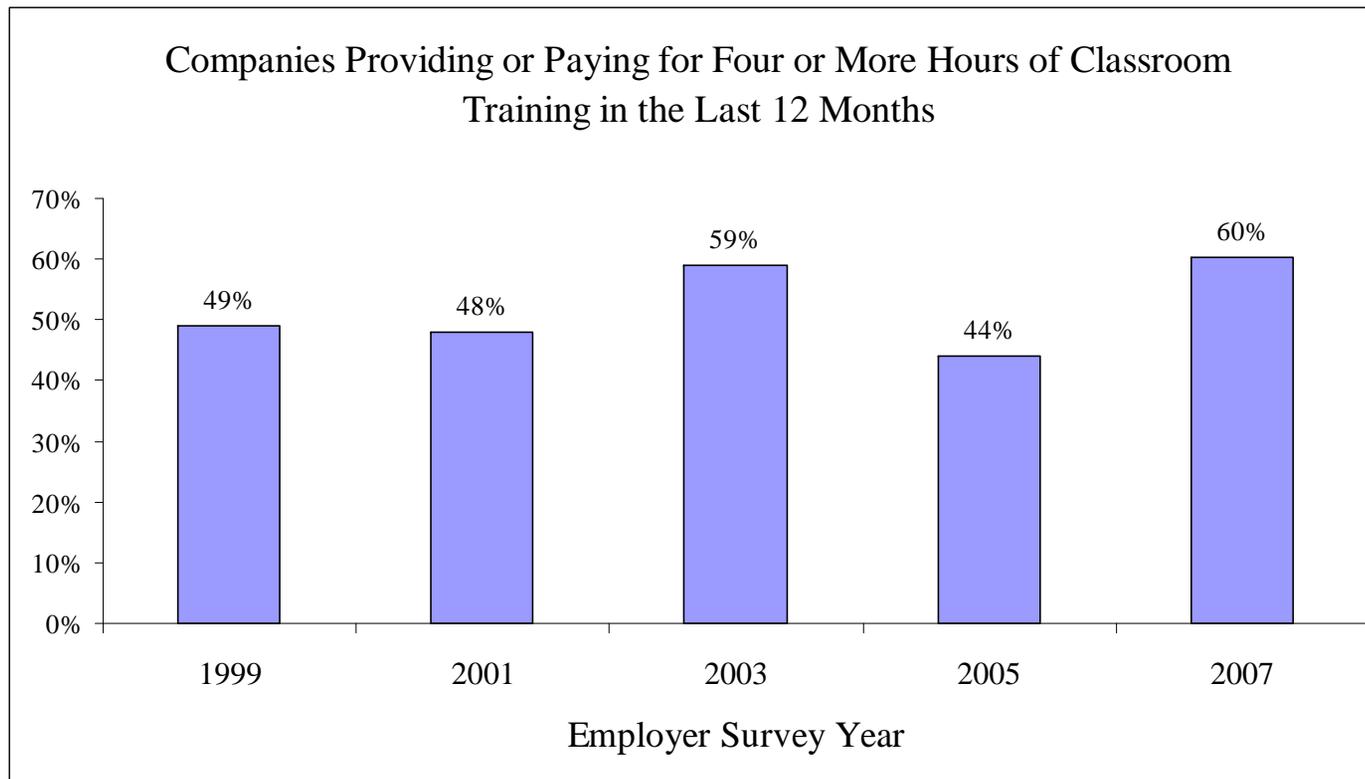
Education level needed	Increase	Stay Same	Decrease	Not Needed
No high school /GED diploma	12%	45%	4%	39%
With high school /GED diploma	18%	63%	2%	17%
With some college coursework, no degree	27%	46%	1%	26%
With vocational certificate	22%	39%	1%	39%
With vocational Associate degree	17%	39%	1%	43%
With academic Associate degree	10%	41%	5%	44%
With BA/BS degree	18%	35%	1%	46%
With Masters degree	7%	30%	5%	58%
With PhD/Professional degree	4%	25%	5%	66%

Employers expect more demand than in 2005. Increased demand is seen by some firms at both the lowest and highest education levels.

In 2005, only 2% of firms expected an increased need for workers at the lowest level. This year, 12% expect increased need.

In 2005, only 59% of employers said that workers without a high school diploma or GED were not needed at their firms. In 2005, only 6% of firms expected an increased need for workers with Master's degrees and 1% expected an increased need for workers with PhDs or Professional degrees. In 2005, only 1% of firms thought need for such workers would decrease, but 67% of firms reported they did not need workers with Masters degrees and 76% reported they did not need workers with PhD or professional degrees.

Did your firm provide or pay for classroom training workshops or seminars for any employees in the past year?



Employers providing training by firm size and occupation group

Size of Firm	Provided Training		Did Not Provide Training		Not Applicable		Total
	Percent	Number	Percent	Number	Percent	Number	
Large (100+ Workers)..	87%	7,800	12%	1,000	1%	100	9,000
Medium (20-99 Workers)	72%	27,100	27%	10,200	0%	100	37,500
Small (1-19 Workers)	56%	90,700	42%	67,800	2%	3,500	162,000
All Firms	60%	125,700	38%	79,100	2%	3,700	20,8500

Percent in Occupational Group who received Training	Percent who Received	
	Classroom Training	On-the Job Training
Managerial and administrative occupations	49%	28%
Professional occupations	32%	16%
Technical and paraprofessional occupations	30%	21%
Clerical and administrative support occupations	26%	34%
Production, construction, operation, maintenance, and material-handling occupations	26%	28%
Service occupations	24%	20%
Marketing and sales-related occupations	19%	18%
Agricultural, forestry, fishing, and related occupations	9%	9%

Classroom Training was provided to more workers in many occupations, but decreased for Marketing, Clerical, and Production occupations compared with 2005. OJT decreased in most occupations.