

EDITORIAL

TITLE: "High" Unemployment

It probably occurred to some a few months back, maybe for some it's been on their minds the entire time. But for most students, those first steps into the real world after graduation day can be almost unexpected. Now it's here. Graduation, fraught with nervous anticipation. This month the doors of high schools and universities across Oregon will fling open and out will spill freshly educated young Oregonians — ready for a job.

Will there be one?

In the pages ahead, Oregon's Governor's Council of Economic Advisors discusses the overall health of Oregon's economy, for the most part, looking at "macro" issues, the big picture. To them these young students represent numbers on one side of a chart or another: employed or unemployed, below median income or above median income. But to their parents, each young Oregonian represents hopes and dreams, worries and fears, and years of struggling with homework, grades, tests, and extracurricular activities to "round them out."

Well, they're rounded right out the door now. And as comedian Bill Cosby once said at a university commencement address, "Go forth. And we mean, go forth!"

We thought we would do what any high school or college grad might do and take a look at the state of Oregon's own Employment Department website.

Yikes. Maybe that's not such a good idea, unless you've got your Prozac ready.

The opening page on the job market offers up bad news. "Construction Boom in Oregon Over, Slow Growth Ahead" screams the headline, warning of a slowing economy in a state where unemployment is higher and per capita income is lower than the national average. The U.S. Department of Commerce reports Oregon's 2006 per capita income at \$33,666 versus the U.S. rate of \$36,276.

The Employment Department's Oregon Labor Market Information System (OLMIS) is actually a well-organized site with loads of useful information for job seekers and anyone interested in a snapshot of the labor environment in Oregon. Frankly, it may be more suited to the high school grad's job search than the college grad, based on the general level of jobs and starting pay rates. But then again, our college grads may need to re-examine their expectations, if they choose to stay in Oregon.

Something else jumped off the website pages that should further alarm Oregonians. A feature article on regional issues noted that in three of the five regions of the state, employers met with difficulty finding job applicants who could pass a drug test. This gives a whole new meaning to the term "high" unemployment. The Oregon Coast, Willamette Valley and Eastern Oregon were singled out in this regard.

Let's face it: Oregon has assiduously honed its reputation as a haven for low ambition, head-in-the-clouds types (ex: "We Love Dreamers"). And we are now witnessing the cross-pollination of these immigrants with the grown-up love generation who are already here. Not only these adults but also the kids they raised are now in the work force together — when they can pass a drug screen that is. Most state-funded, anti-drug messages are aimed at youth, but maybe Oregon has a bigger problem with adult recreational drug use than has yet been recognized.

Oregon's employment website clearly demonstrates that certain trades go unfilled, and yet income levels are low in the state. This is likely to create a brain drain, if not now, then very quickly when the current load of young dreamers and the thousands continuing to graduate reach their late 20s or early 30s and decide they actually do need that "family wage" job.

Perhaps the much-lauded "creative class" is the best hope for entrepreneurial ideas. But they'd better get busy soon with some hard-edged ideas that create thousands of highly paid jobs, because a day job at the doggie daycare or a night shift at the local brew pub do not feed and clothe a family.

Oregon's employment outlook is not good unless you are a government employee, a nurse or other health care specialist, practice a skilled trade, or your dad knows Phil Knight personally. Hey there, liberal arts grads, are you listening?

How does this situation get fixed?

On one hand, there are discussions that the state should spend millions, maybe billions, to improve Oregon engineering schools so that local companies can hire Oregon students. On the other hand, most trained economists and experienced politicians understand that government can only do so much to predict where jobs will be. Efforts to coax particular kinds of businesses to locate in Oregon may or may not succeed.

What if five years from now most of the new high tech jobs, even high-level jobs, are outsourced to India or China? And aren't we talking about a few hundred new engineers a year, at best, that high tech companies would hire? Why must they be Oregonians? Why not build businesses and jobs first, and let universities respond to those needs on their own?

Universities do build synergy with and resources for existing businesses that can help promote business clusters, but the current trend toward massive tax-dollar infusions through grants and outright funding seems backwards. In the long term, the trend of funding key industries is a manipulation of more practical, accurate market forces. State dollars would be better directed, and quickly, at heating up the business climate to create jobs.

How?

By getting the basics right. An efficient transportation system that moves goods and people quickly. A business-friendly tax system. A usable, affordable supply of land. A vibrant, balanced community college and university system that responds to the business environment. Most important, a reliable reputation as a state that embraces economic growth — no hand-selecting the artists and dreamers, and kissing off the welders and electricians.

There are thousands of Oregon students graduating every year that need good family wage jobs *now* or they will be forced to look elsewhere for employment. Well, yes, there is the other option of becoming a crack addict or pot smoker to forget your troubles while you play the lottery hoping to hit the jackpot.

We could do nothing to make things better. And if the state website is accurate, it's positively alarming how many people are choosing this option.

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