



Fall Trade Ally Forums November 2017

Breakout Topics & Locations

Breakout Session A: 9:50 – 10:50

Mainstage	Fireside	Joshua Room
Residential Measure and Program Updates	CCB Code Training	Solar Program and Measure Updates
Scott Leonard	Howard Asch	Jeni Hall

Breakout Session B: 11:00 – 12:00

Mainstage	Fireside	Joshua Room
Existing Multifamily Measure and Program Updates	Connected Thermostats: Smart and Sensible or Dumb and Dumber	Solar Program and Measure Updates
Kate Scott	Dan Wildenhaus	Jeni Hall/OSEIA



Who is here this morning?



OREGON
Air Conditioning
Contractors Association



GreenTech Solar USA®
Think Green





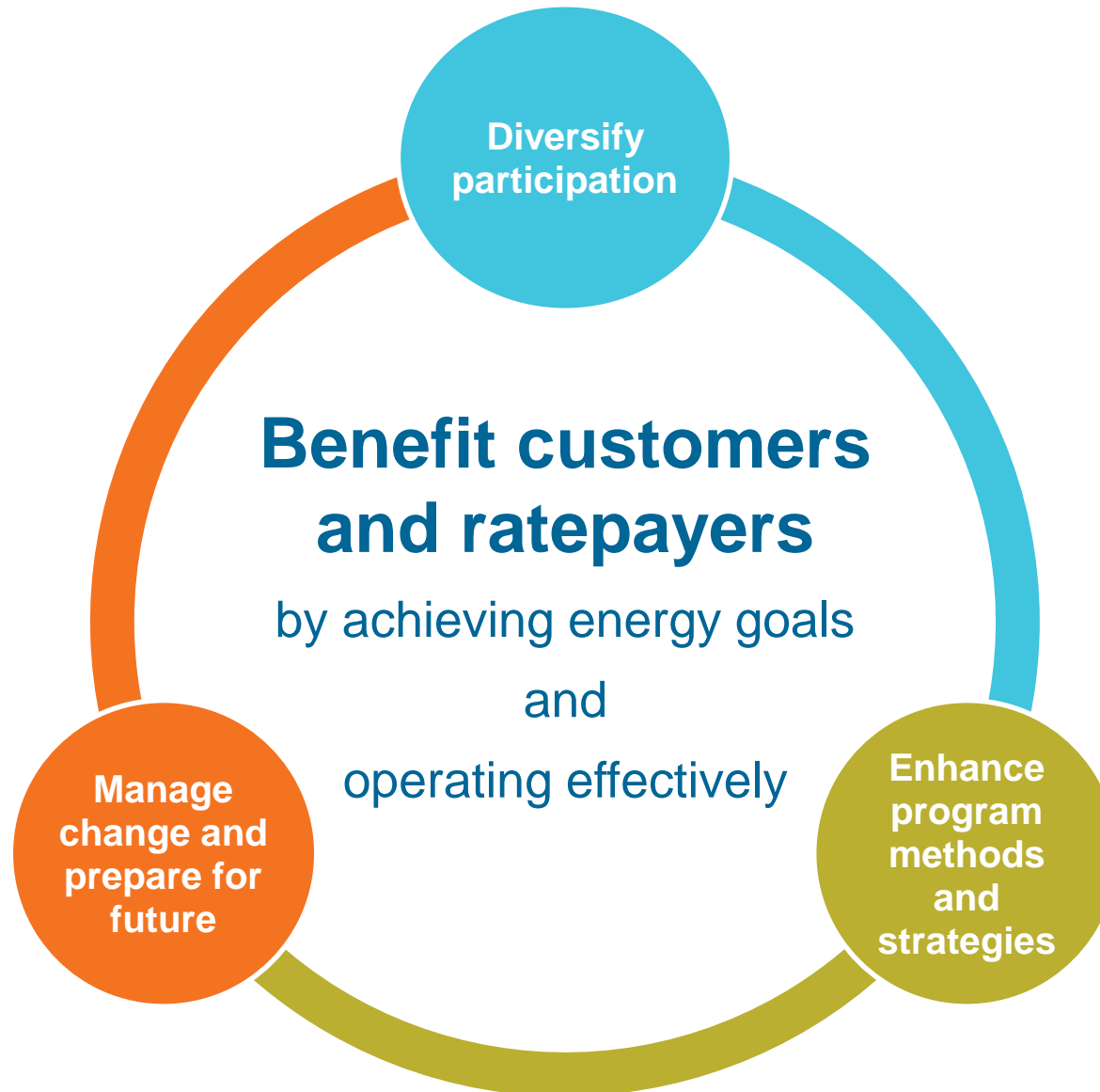
Draft 2018 Budget Overview

Trade Ally Forums

November 2017



Program Areas of Emphasis

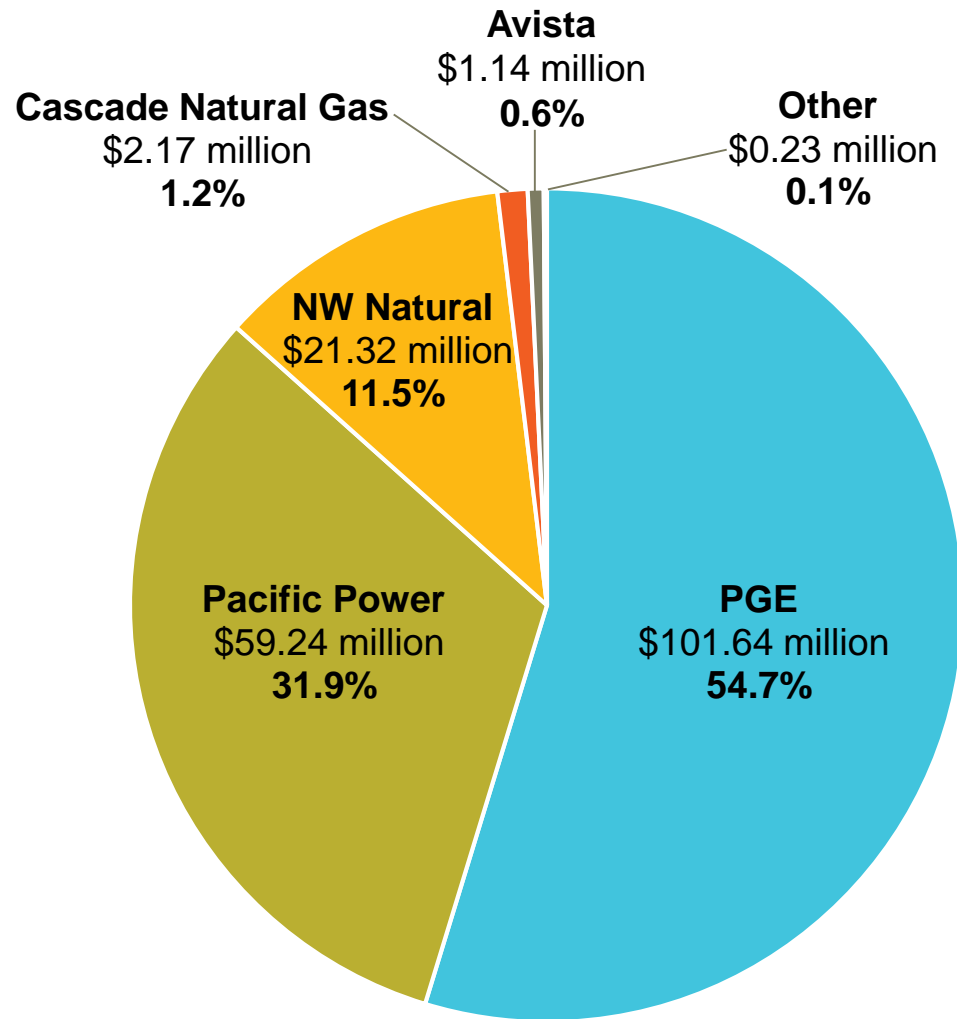


Drive forward organizational diversity, equity and inclusion strategies and activities

- Adopt organizational diversity, equity and inclusion operations plan
- Propose board-level policy
- Establish specific goals across the organization
- Apply diversity, equity and inclusion lens to our internal operations and how we deliver programs
- Develop and deepen relationships with organizations that serve diverse customer groups
- Develop systems and process for demographic data collection and use

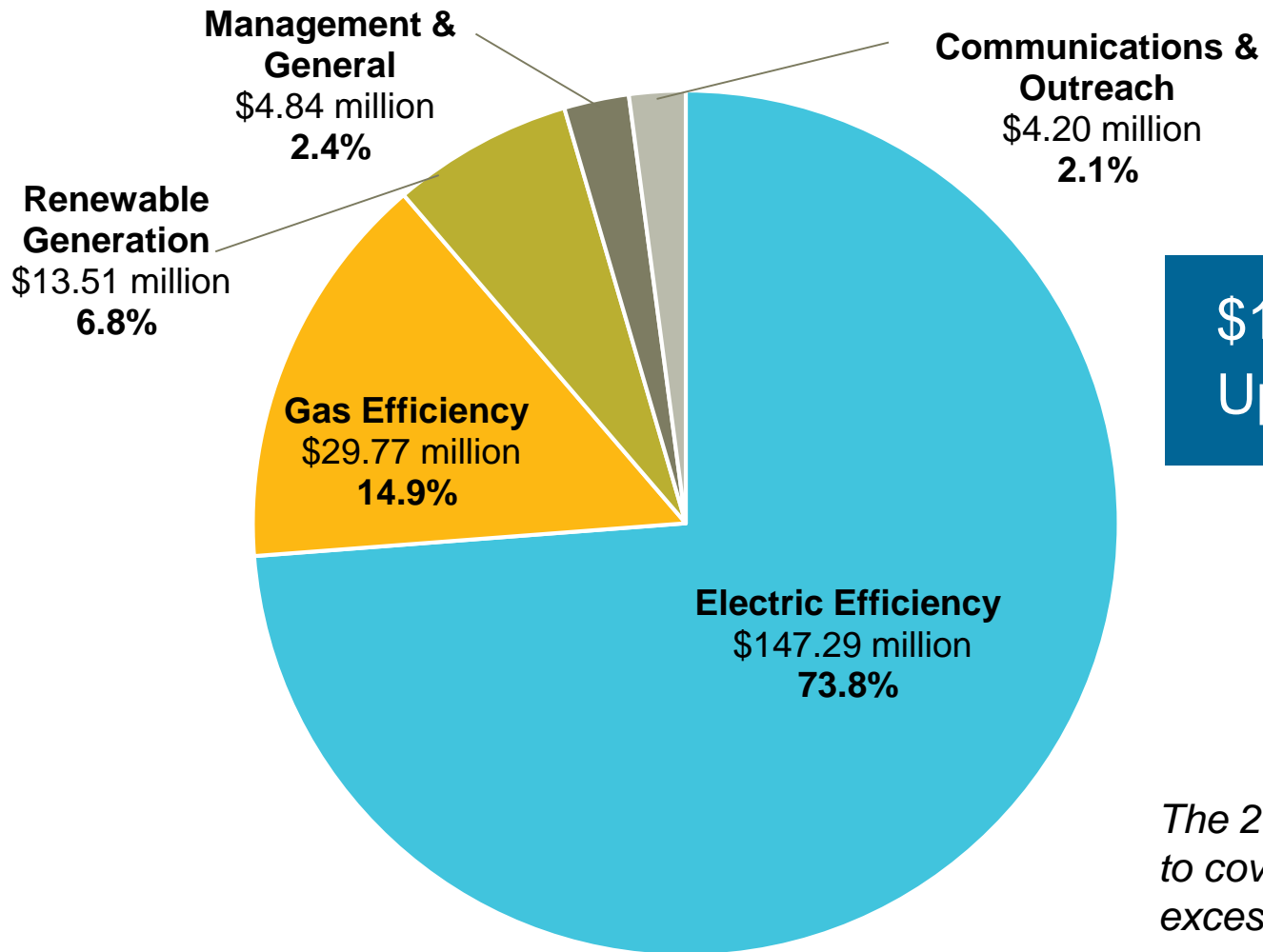


2018 Draft Budget Revenues



Total 2018 revenue \$185.7 million, down 3.7%

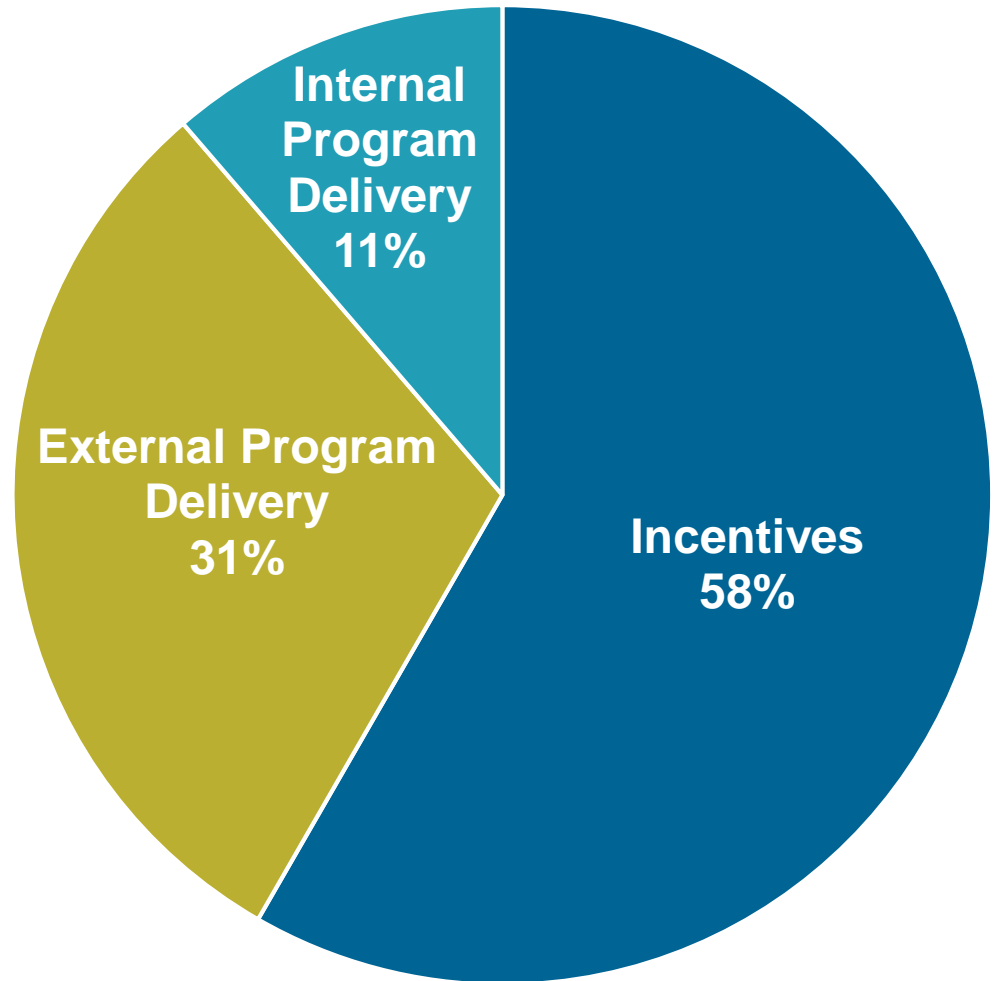
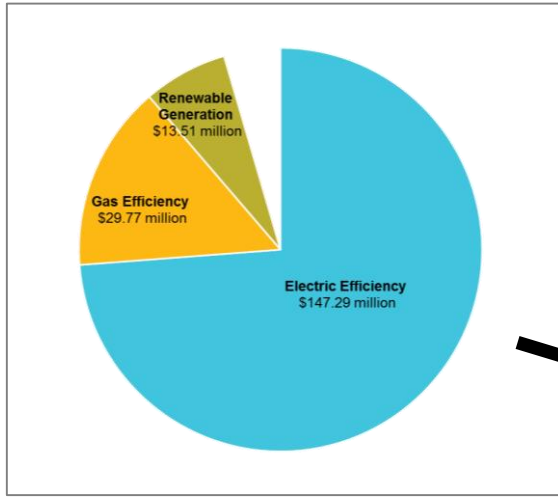
2018 Draft Budget Expenditures



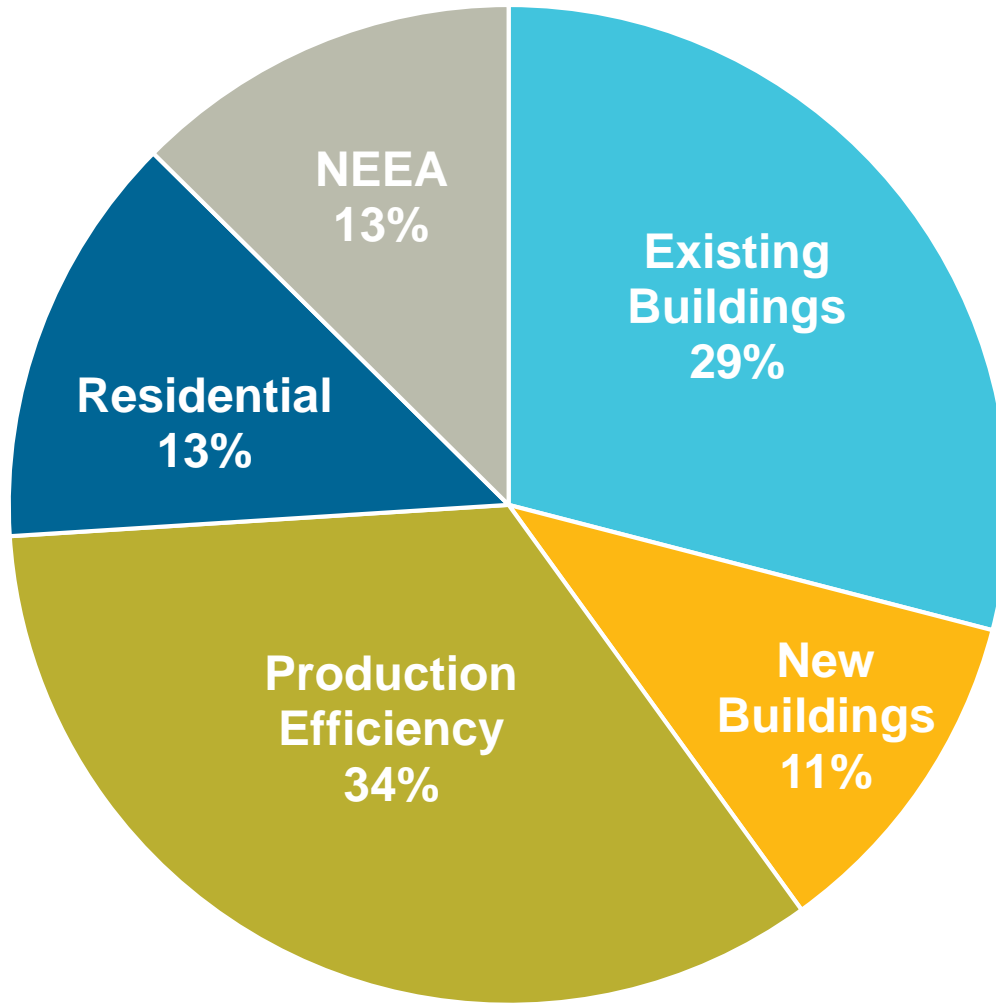
\$199.6 million
Up 0.5% from 2017

The 2018 budget utilizes reserves to cover planned expenses in excess of anticipated revenue.

2018 Draft Budget Expenditures Detail



2018 Electric Savings by Program



56.52 aMW goal
3.0 cents/kWh

- Savings up 0.2%
- \$154.3 million in total costs, including customer incentives, services and delivery

aMW: average megawatts
Cost per kilowatt hour is levelized

2018 Renewable Energy Programs

	\$ Million	aMW
Solar	\$10.23	2.18
Other Renewables	\$3.91	0.00
Total	\$14.15	2.18

- Generation down 24%
- \$14.15 million in total costs, including customer incentives, services and delivery
- Other Renewables expenditures include:
 - Project development assistance payments for potential generation in future years (63%)
 - Staff, professional services, outreach and other allocated costs (37%)

Budget Outreach Schedule

October & November

Draft budget online, Nov. 1
Trade ally forums, Nov. 2-16
Recorded webinar online, Nov. 7
Board of Directors, Nov. 8
OPUC public meeting, Nov. 16
RAC/CAC updates, Nov. 17
Public comments due Nov. 17
Comments reviewed, final adjustments

+ www.energytrust.org/about/budget

Send comments to info@energytrust.org

December

Final proposed budget online,
Dec. 8
Board of Directors, **Dec. 15**,
Action on Final Proposed
2018-19 Budget and Action Plan

Thank You

info@energytrust.org

1.866.368.7878

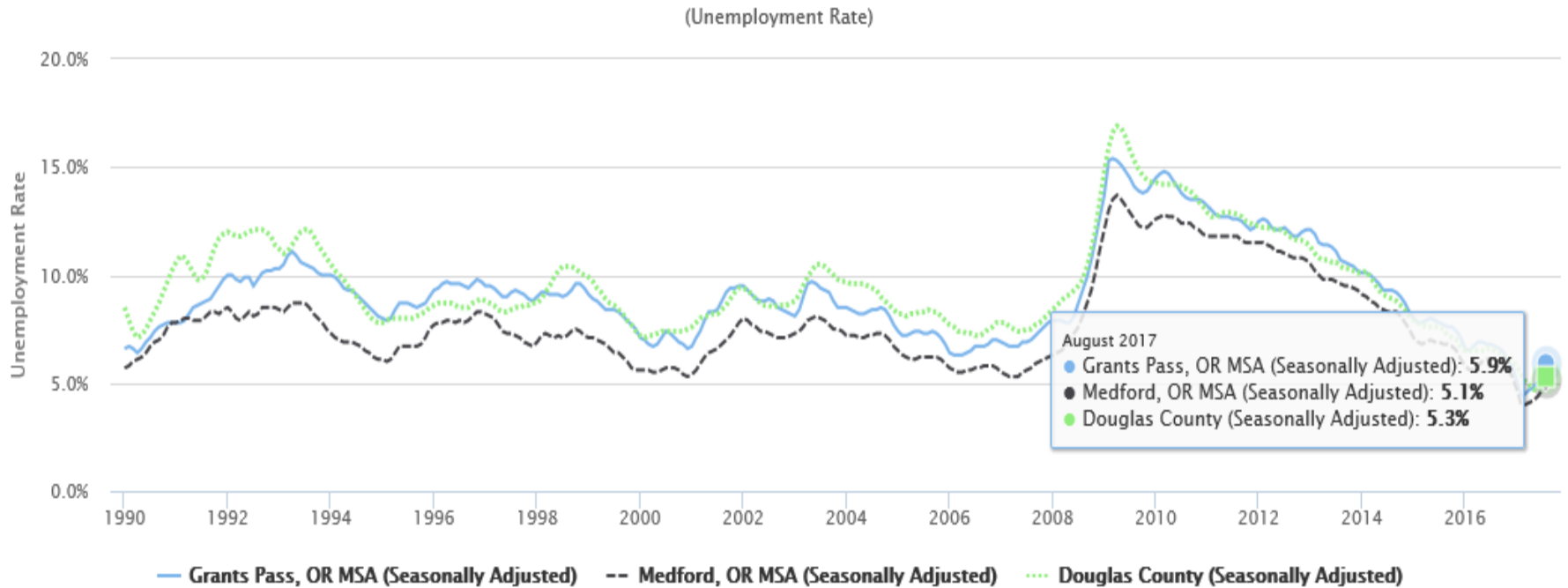




Economy and Employment in Southwest Oregon A Summary Through August 2017

Unemployment rates near historic lows

Local Area Unemployment Statistics

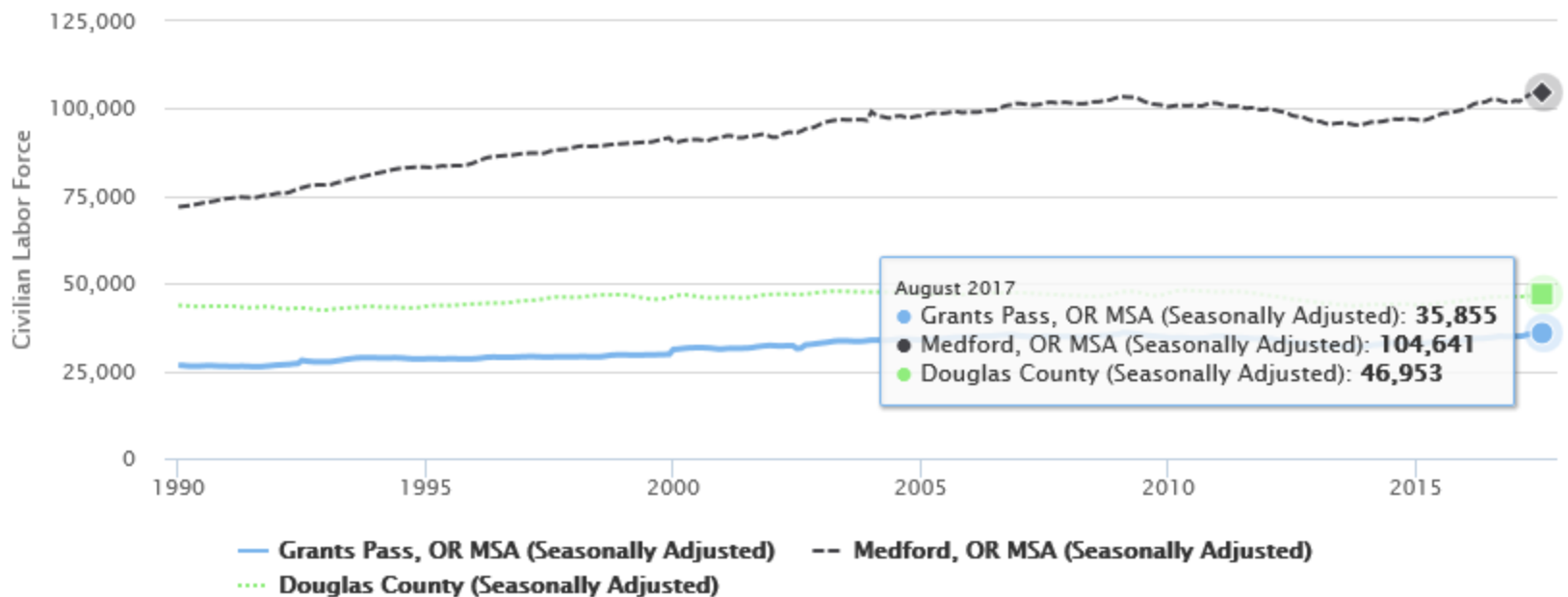


Source: Oregon Employment Department Qualityinfo.org

Labor force continues to expand

Local Area Unemployment Statistics

(Civilian Labor Force)



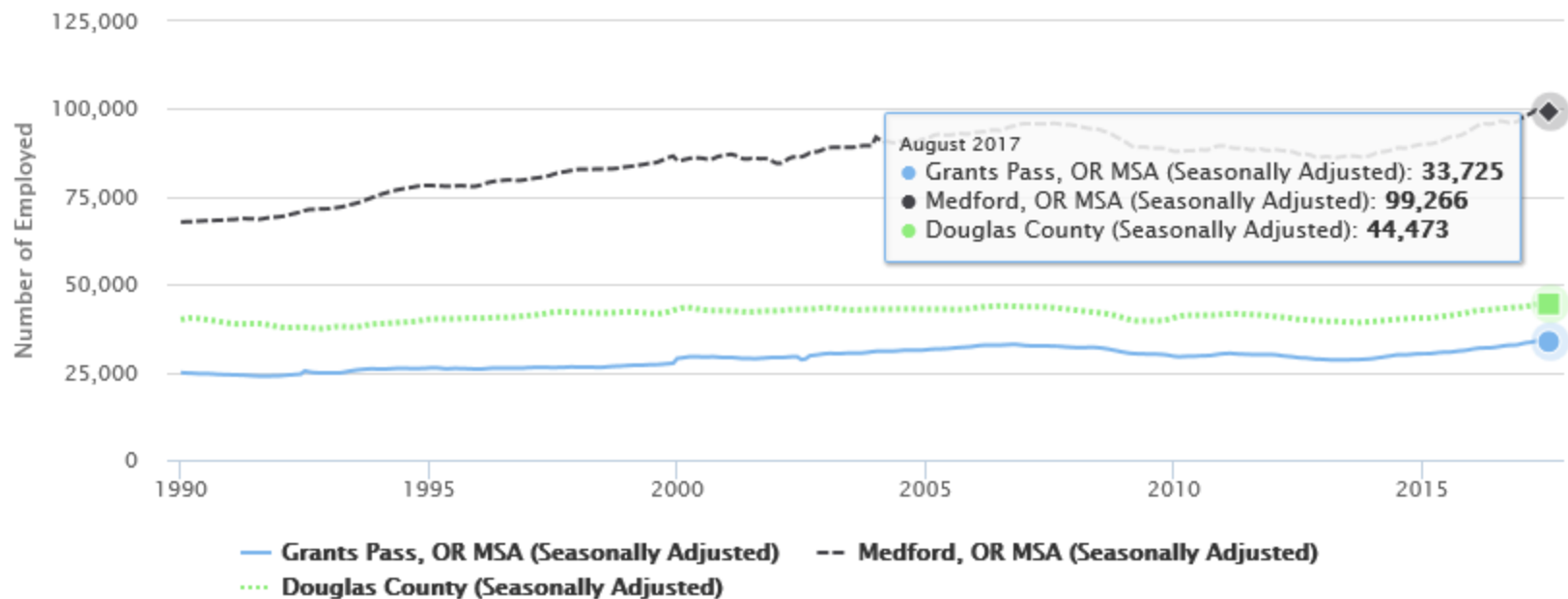
Source: Oregon Employment Department Qualityinfo.org

Total employment reached record levels this year.

Local Area Unemployment Statistics

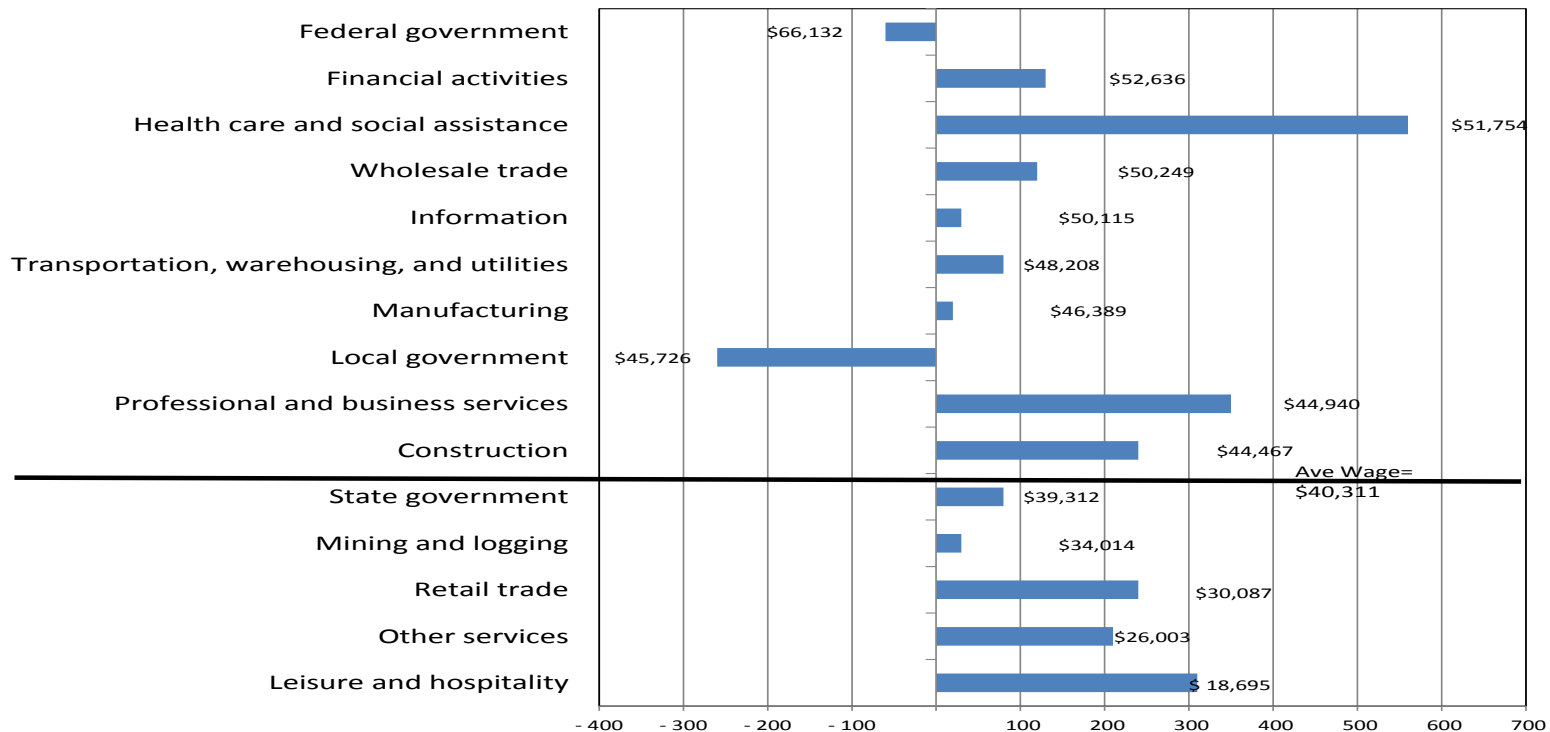


(Number of Employed)



Source: Oregon Employment Department Qualityinfo.org

Three out of four jobs added in Jackson County last year were in industries with average wages higher than the average of \$40,311 per year.



The Housing Crisis Is a Building Crisis

From *The Atlantic*

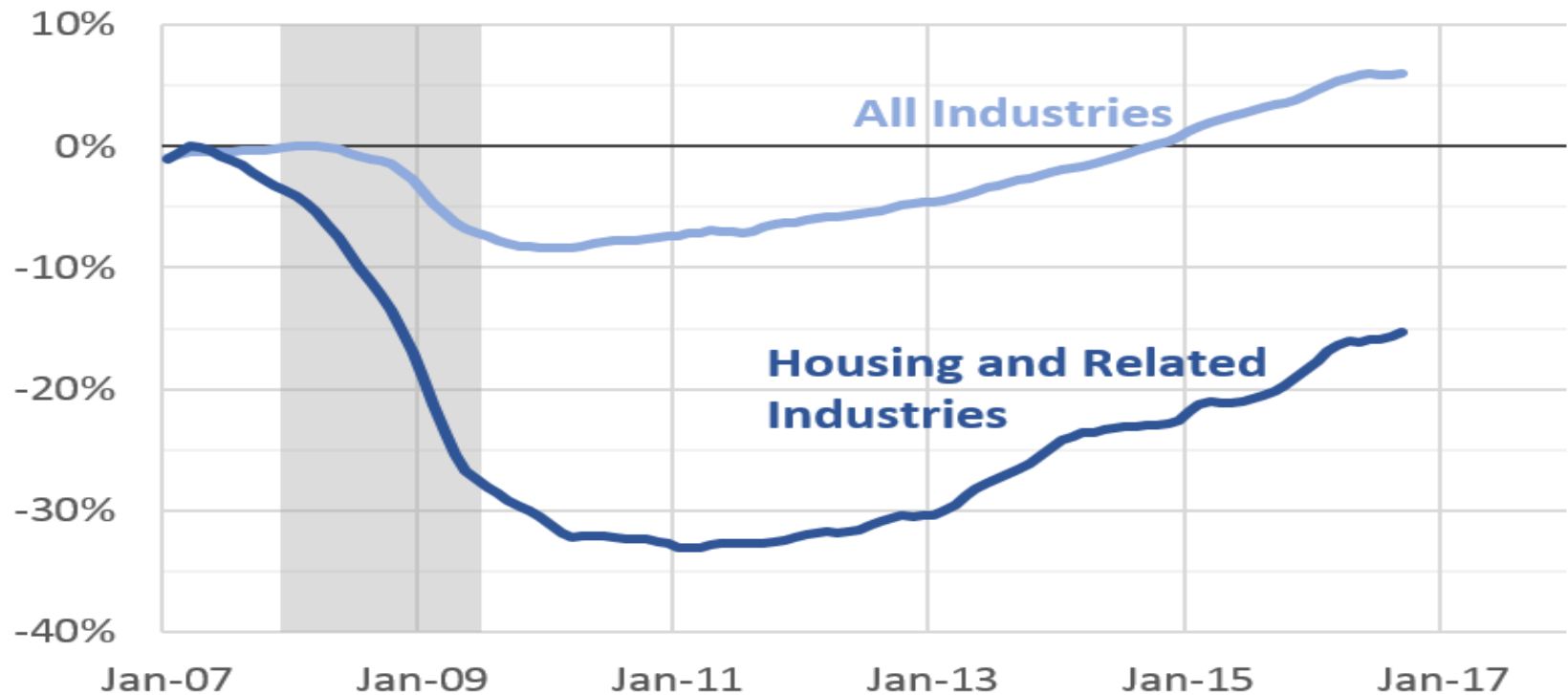
CITYLAB

“...the construction industry is one of its most important sources of higher-paying low-skill jobs. The construction industry is responsible for substantial spillover effects in the broader economy, ...”



Oregon's Housing Industry Recovering

Employment Change Relative to Pre-Great Recession Peak

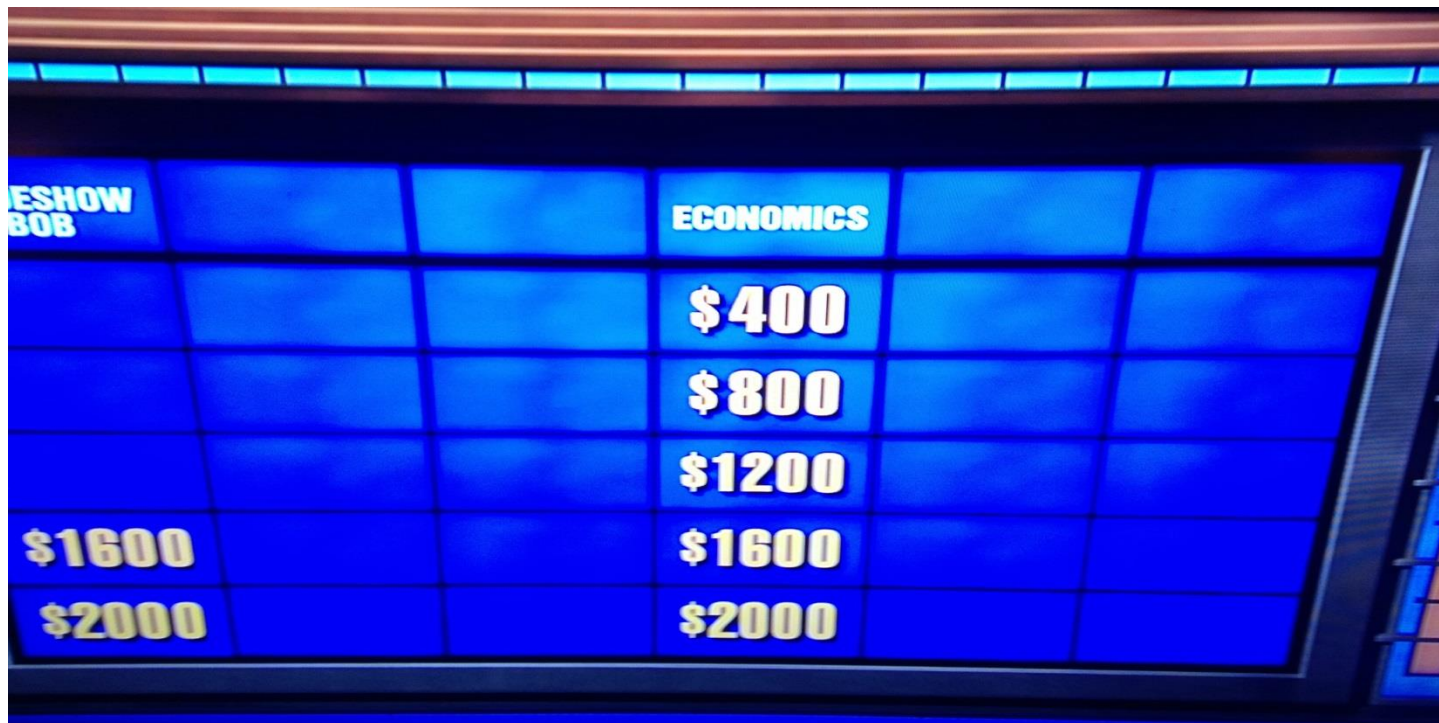


Latest Data: Sep '16, QCEW | Source: BLS, Oregon Employment Dept., Oregon Office of Economic Analysis

JEOPARDY!

According to this statistically
representative sample of 3 contestants,
what is everyone's least favorite Jeopardy
category?

Answer: What is Economics?-



ESHOW BOB	ECONOMICS
	\$400
	\$800
	\$1200
\$1600	\$1600
\$2000	\$2000

“The median age of a home buyer nationally”

“The median age of a home
buyer nationally”

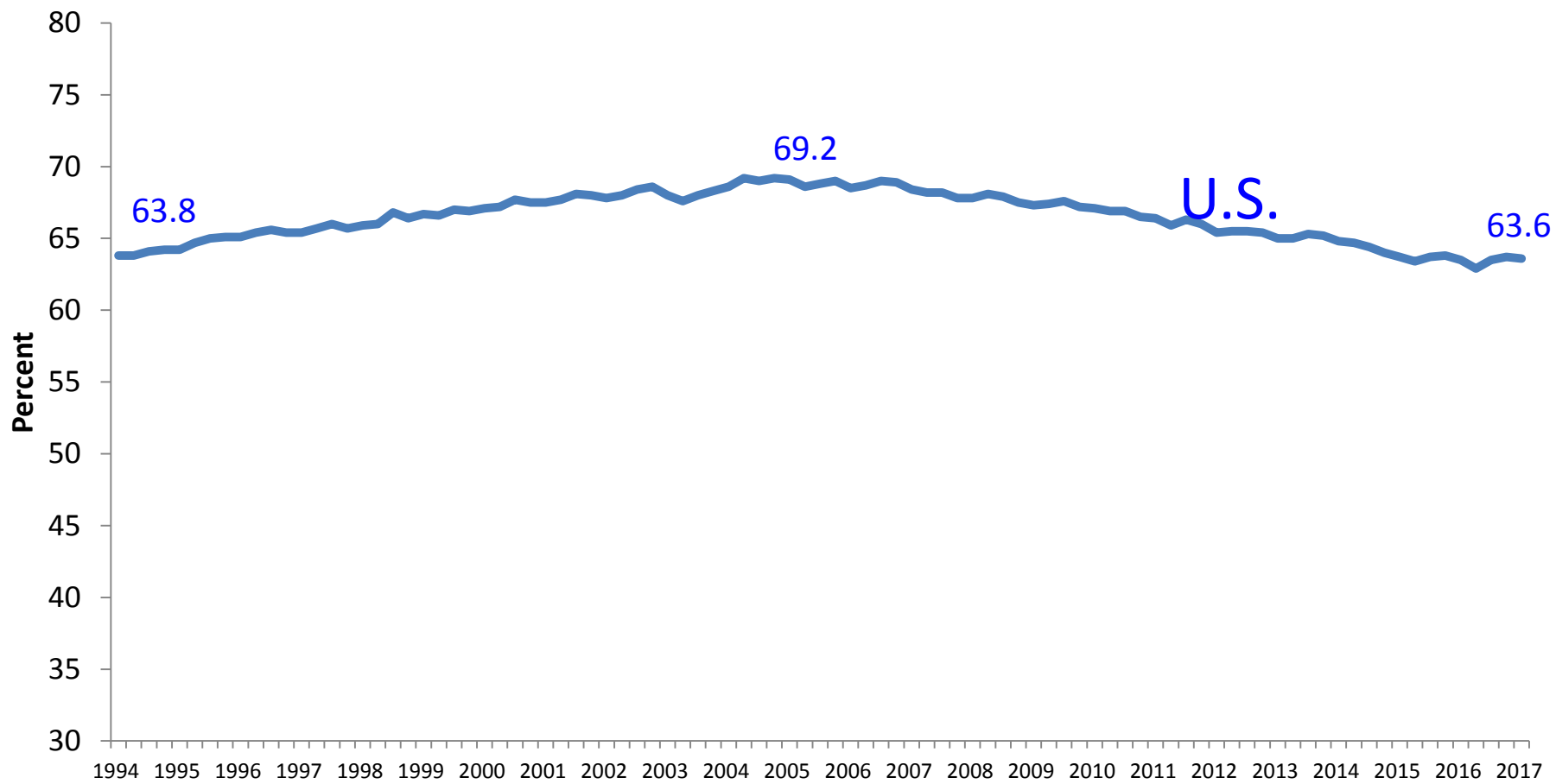
36

(almost a millennial)

“The average change in price
when a seller buys a new
home”

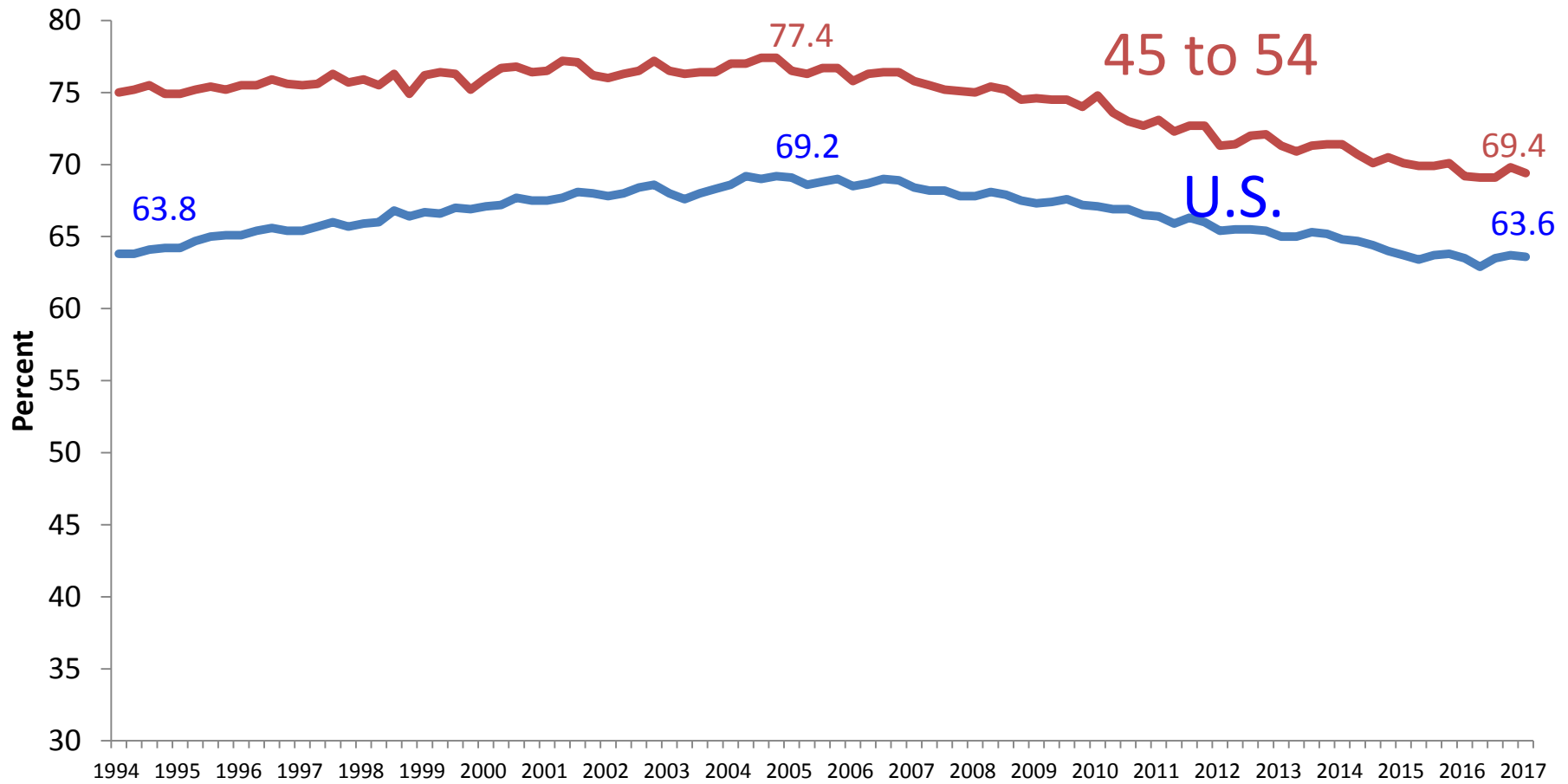
“The average change in price
when a seller buys a new
home”

11% increase



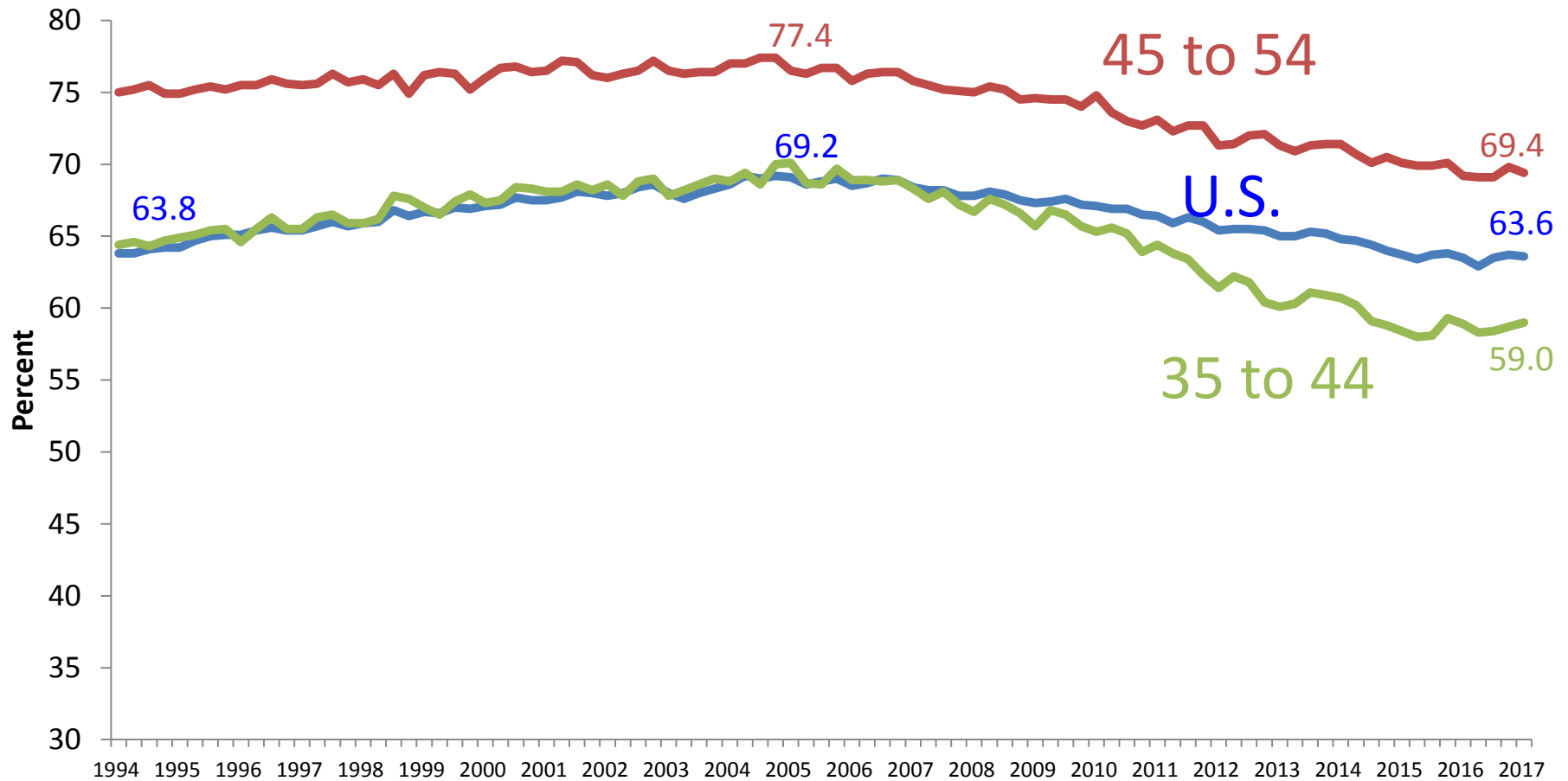
Source: U.S. Census Bureau

U.S. Homeownership Rate by Age



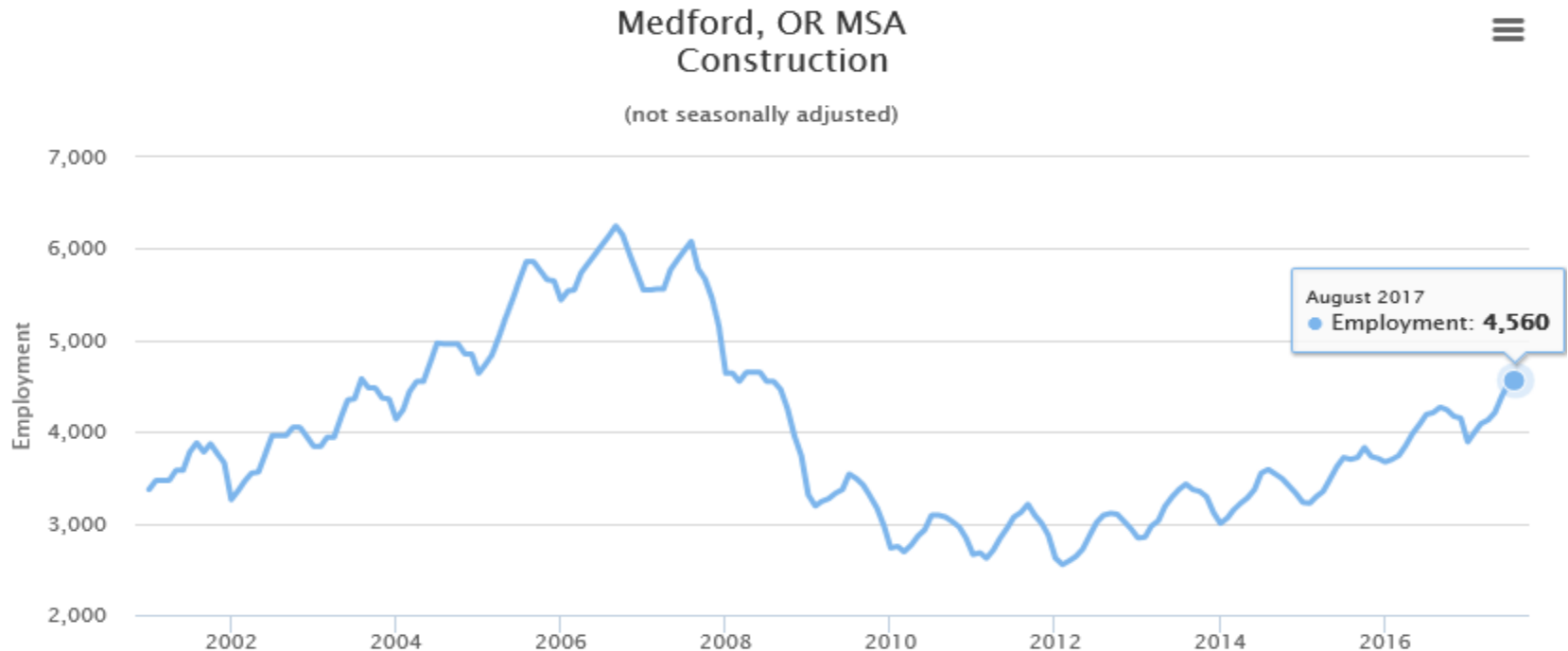
Source: U.S. Census Bureau

U.S. Homeownership Rate by Age



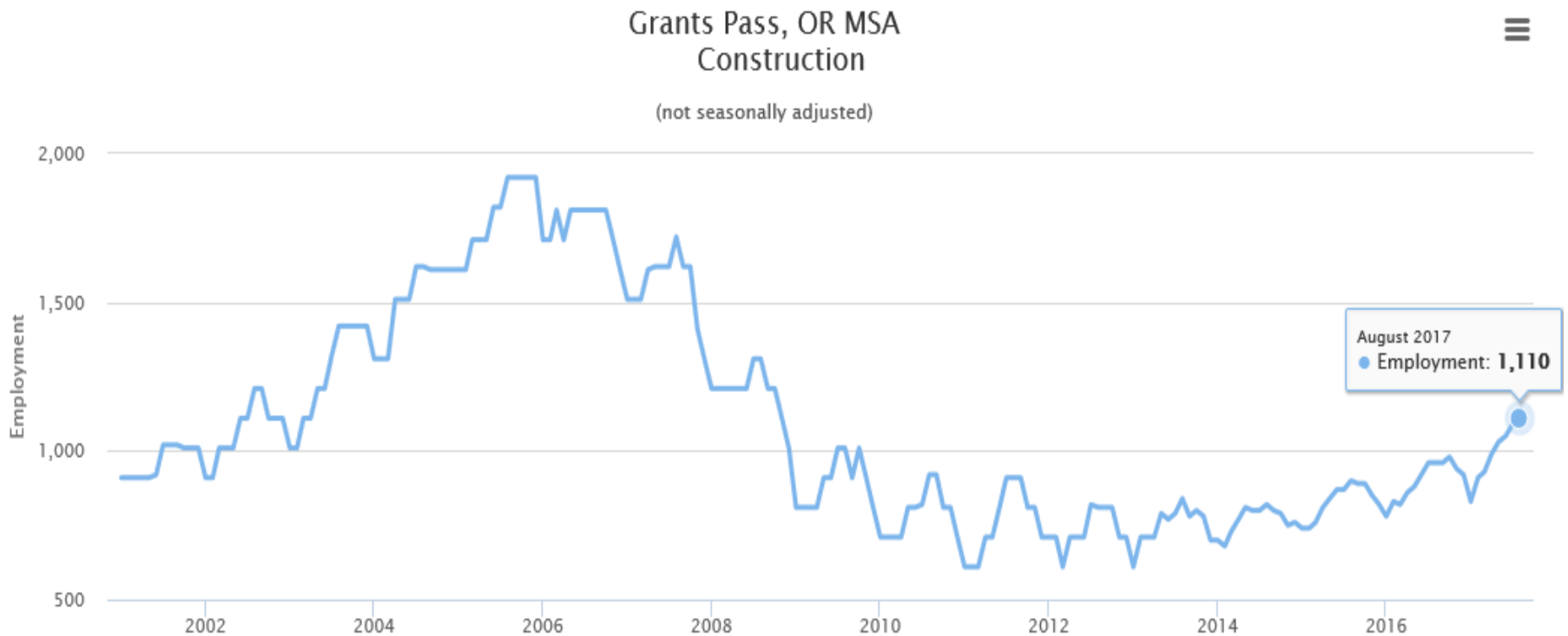
Source: U.S. Census Bureau

After a calamitous decline, construction is adding jobs faster than other industries.



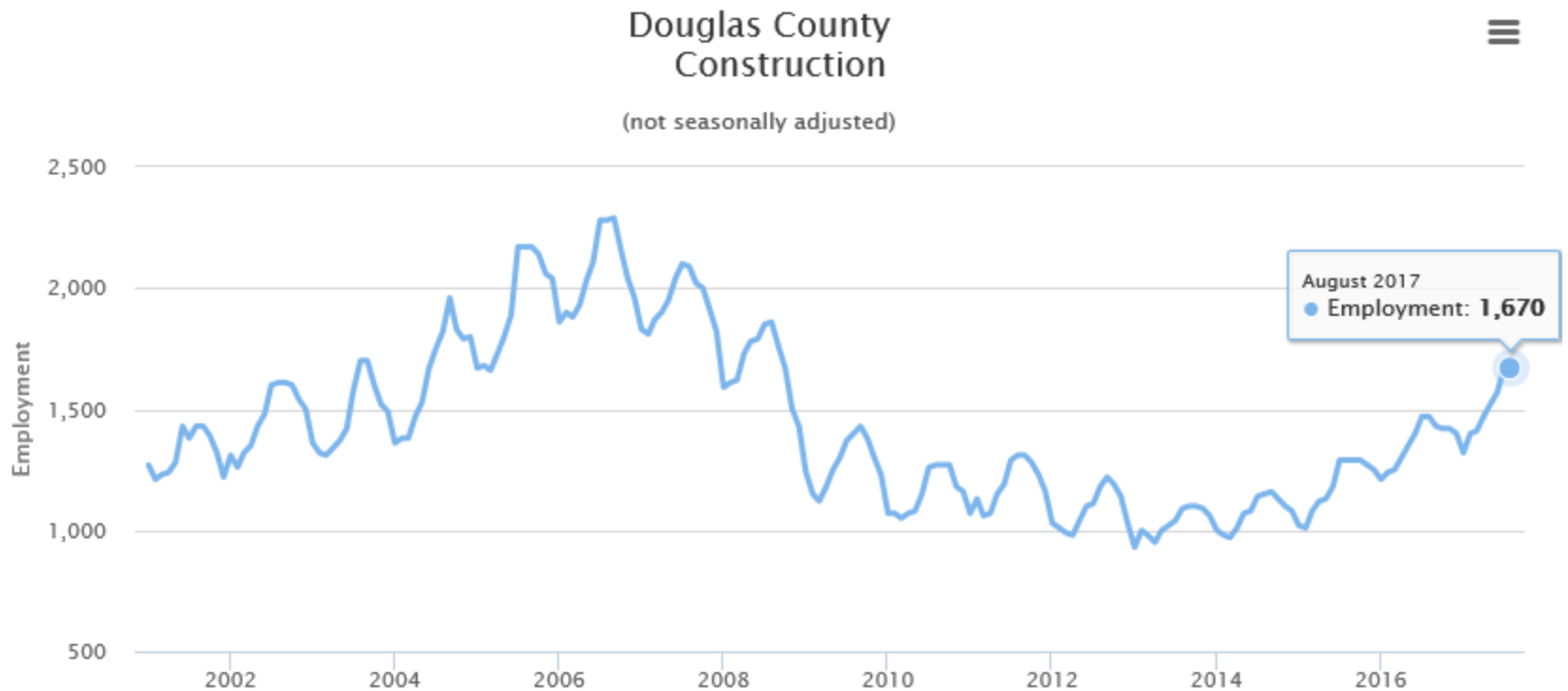
Source: Oregon Employment Department QualityInfo.org

Even with recent uptick in employment, still a long way from pre-recession peak



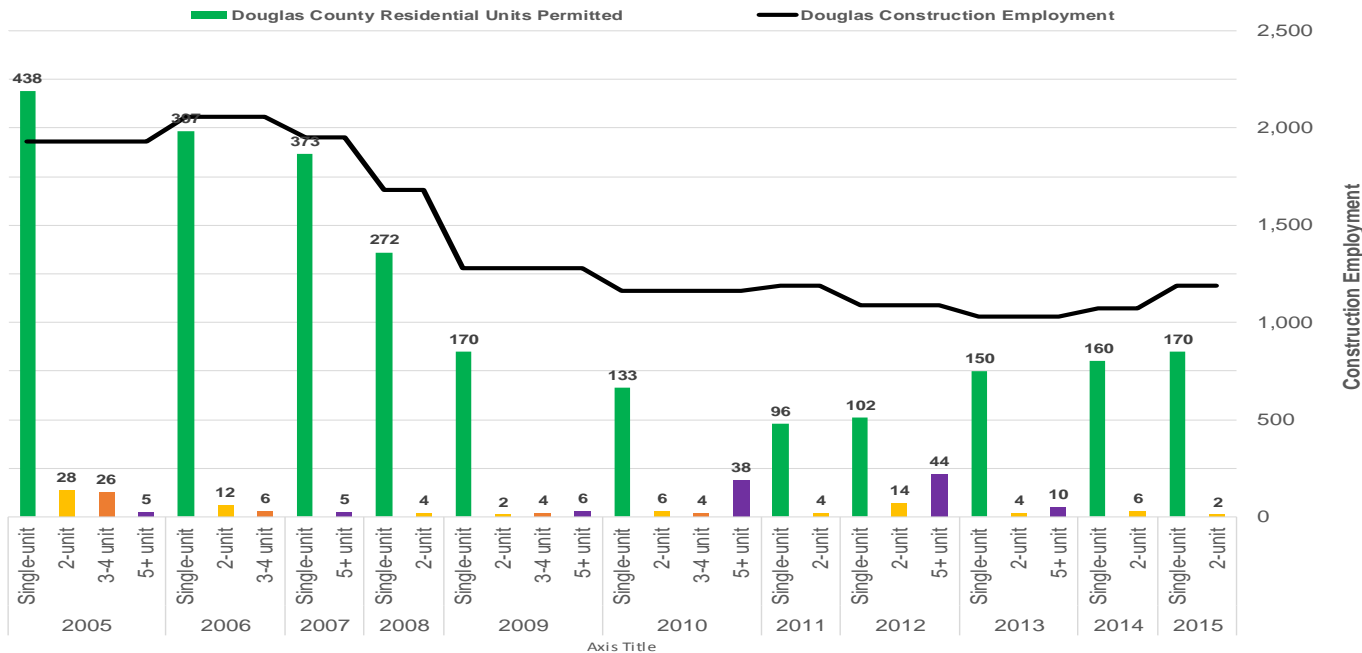
Source: Oregon Employment Department QualityInfo.org

Even with recent uptick in employment, still a long way from pre-recession peak



Source: Oregon Employment Department QualityInfo.org

Douglas County: Construction Employment and Units Permitted, New Privately-Owned Residential Construction



Source: U.S. Census Bureau, Residential Construction Branch

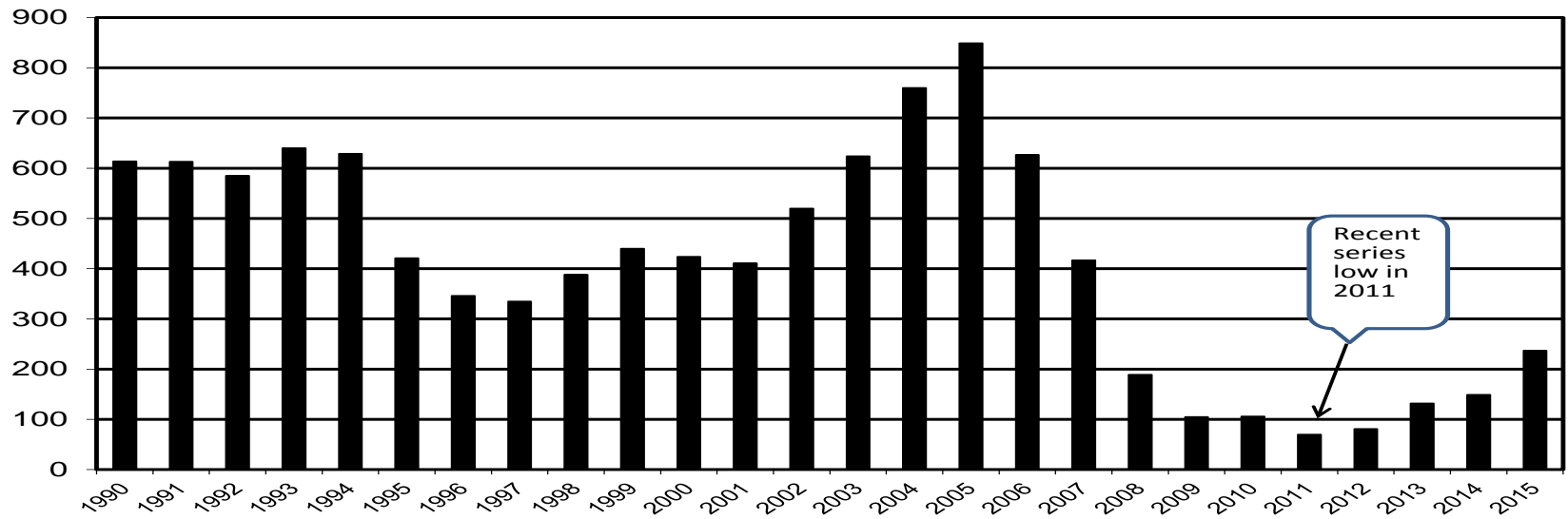
Construction:

- fall 2006 – spring 2013: **-59%**
- spring 2013 – spring 2017: **+24%**

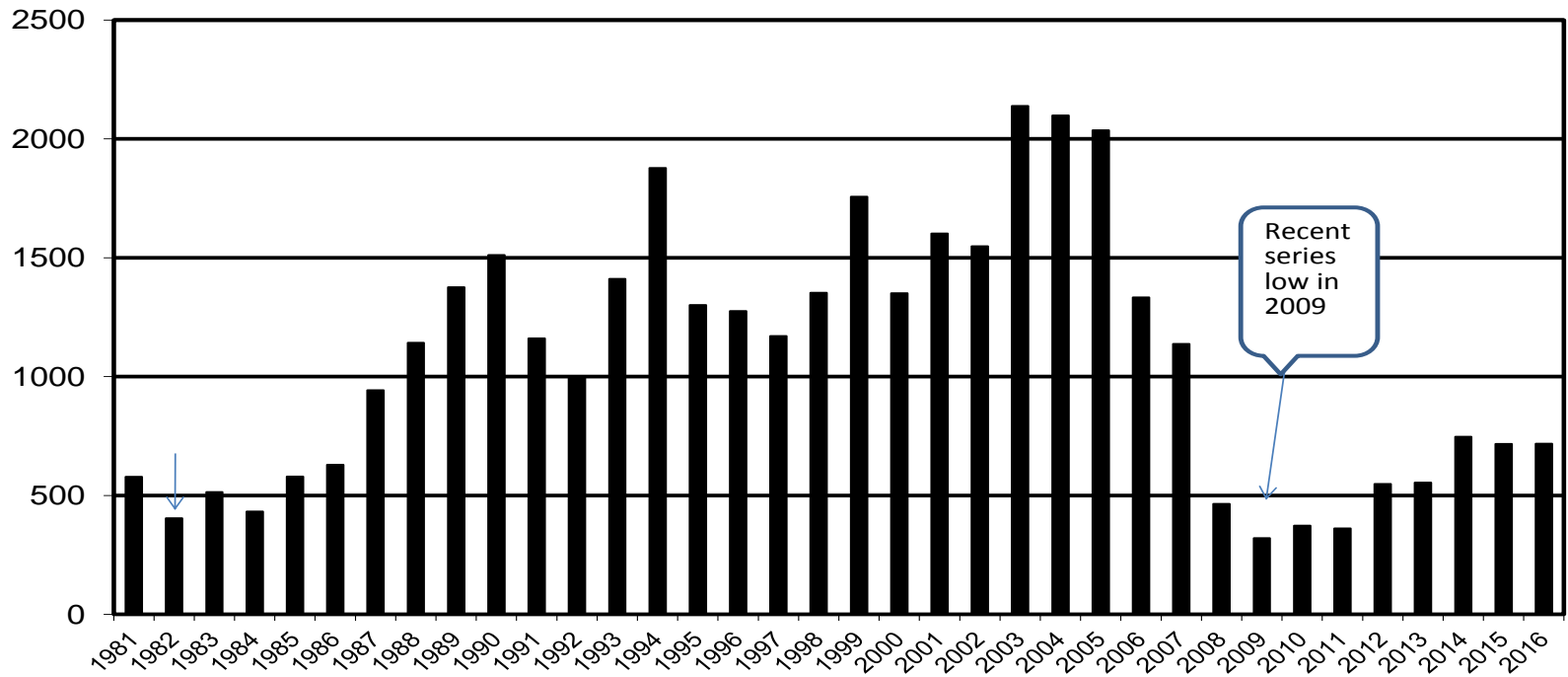
2016 Annual Average Wages:

- All industries: \$38,731
- Construction: \$44,176
- Specialty trades: \$44,895

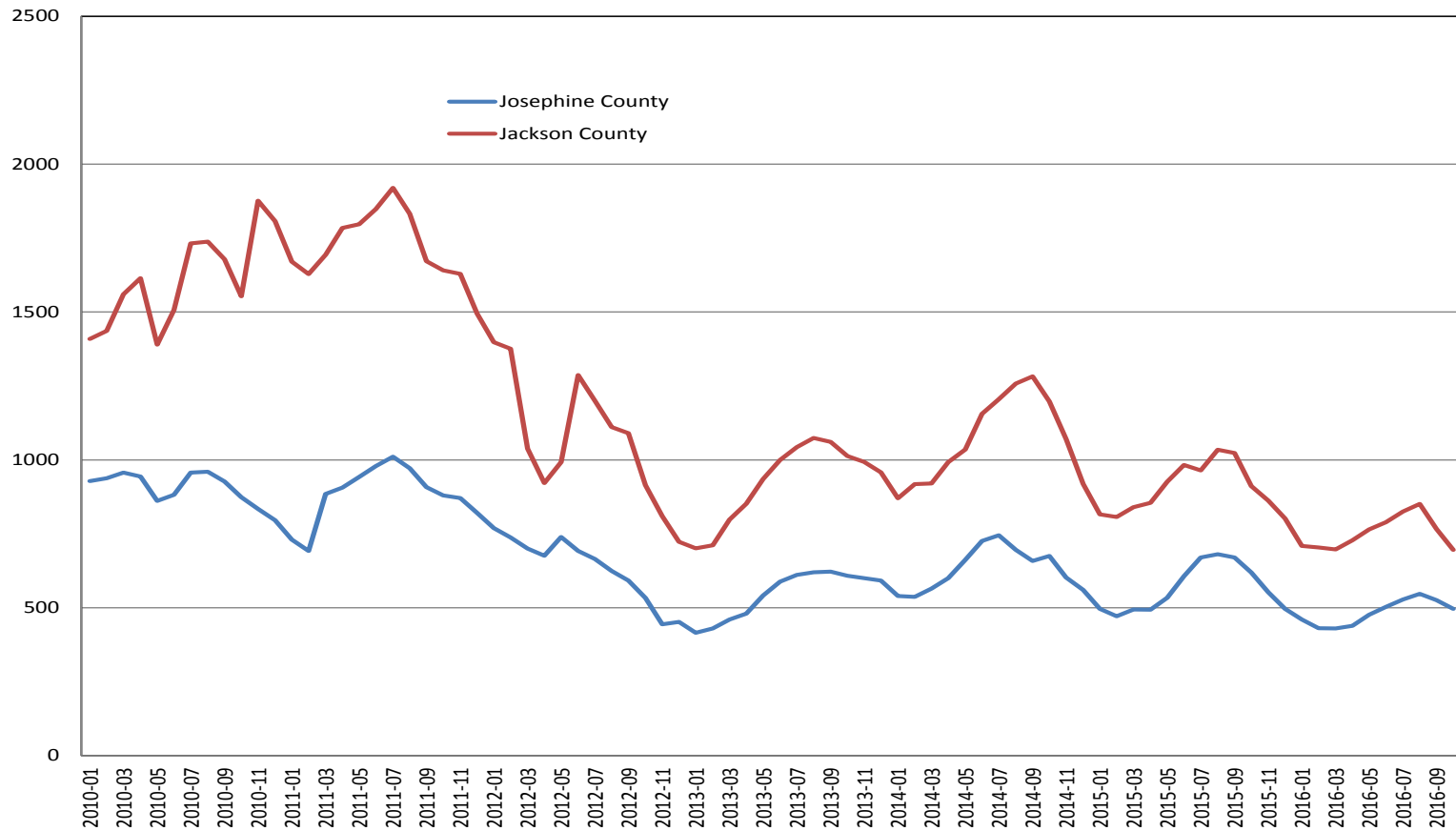
Josephine County Residential Unit Building Permits 1990-2015



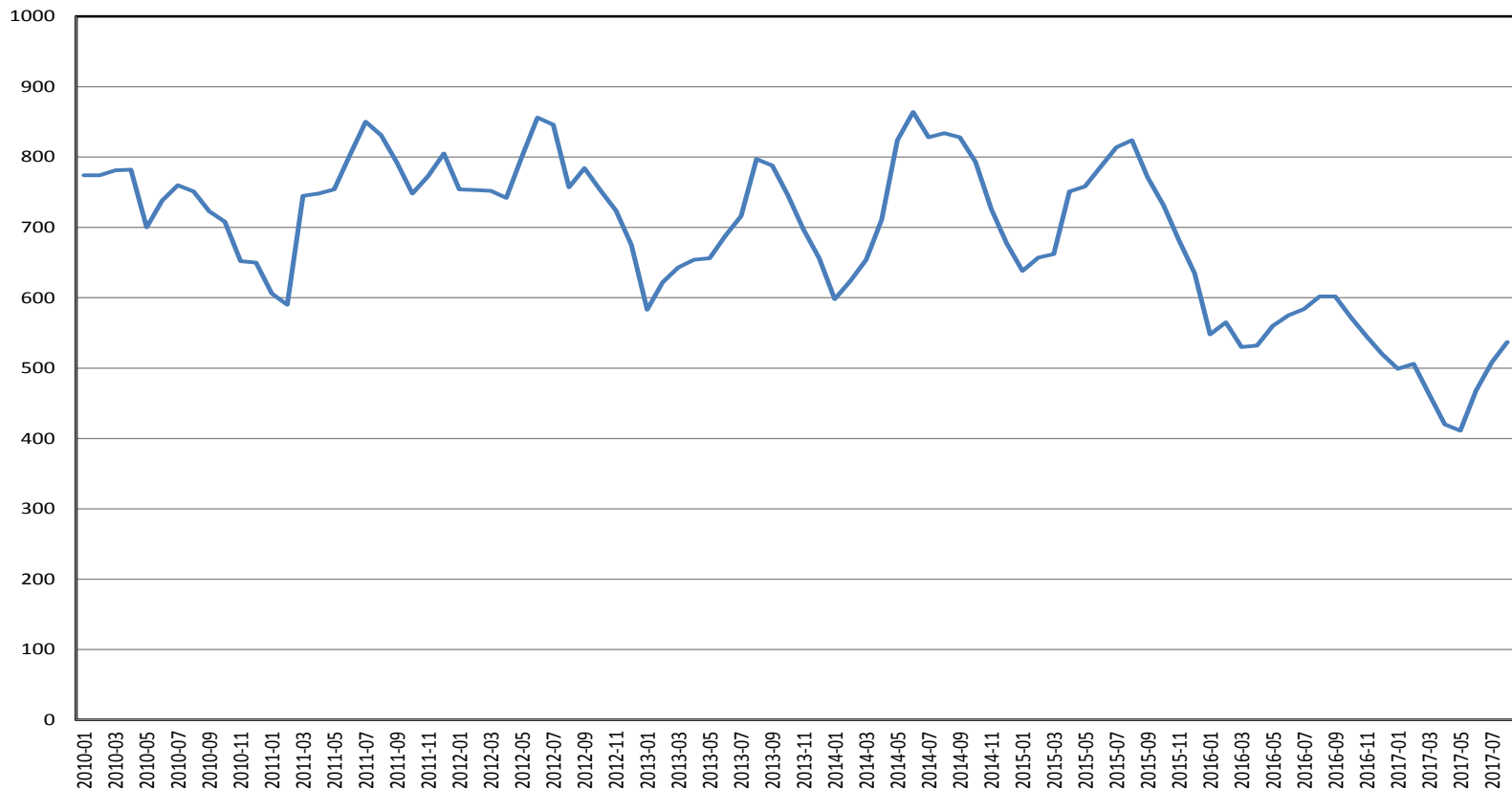
Jackson County Residential Unit Building Permits 1981-2016



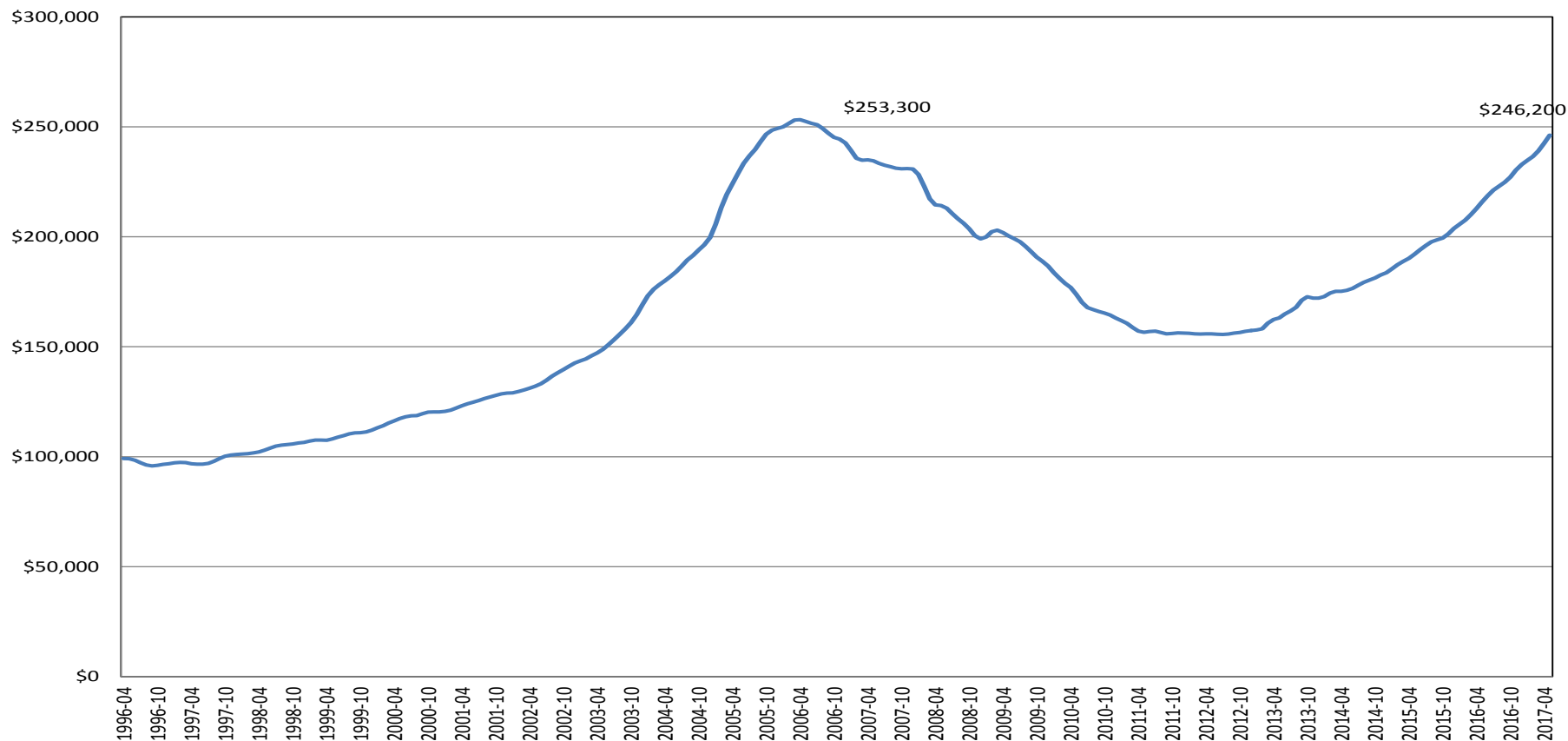
Inventory of Homes for Sale



Douglas County Inventory of Homes for Sale

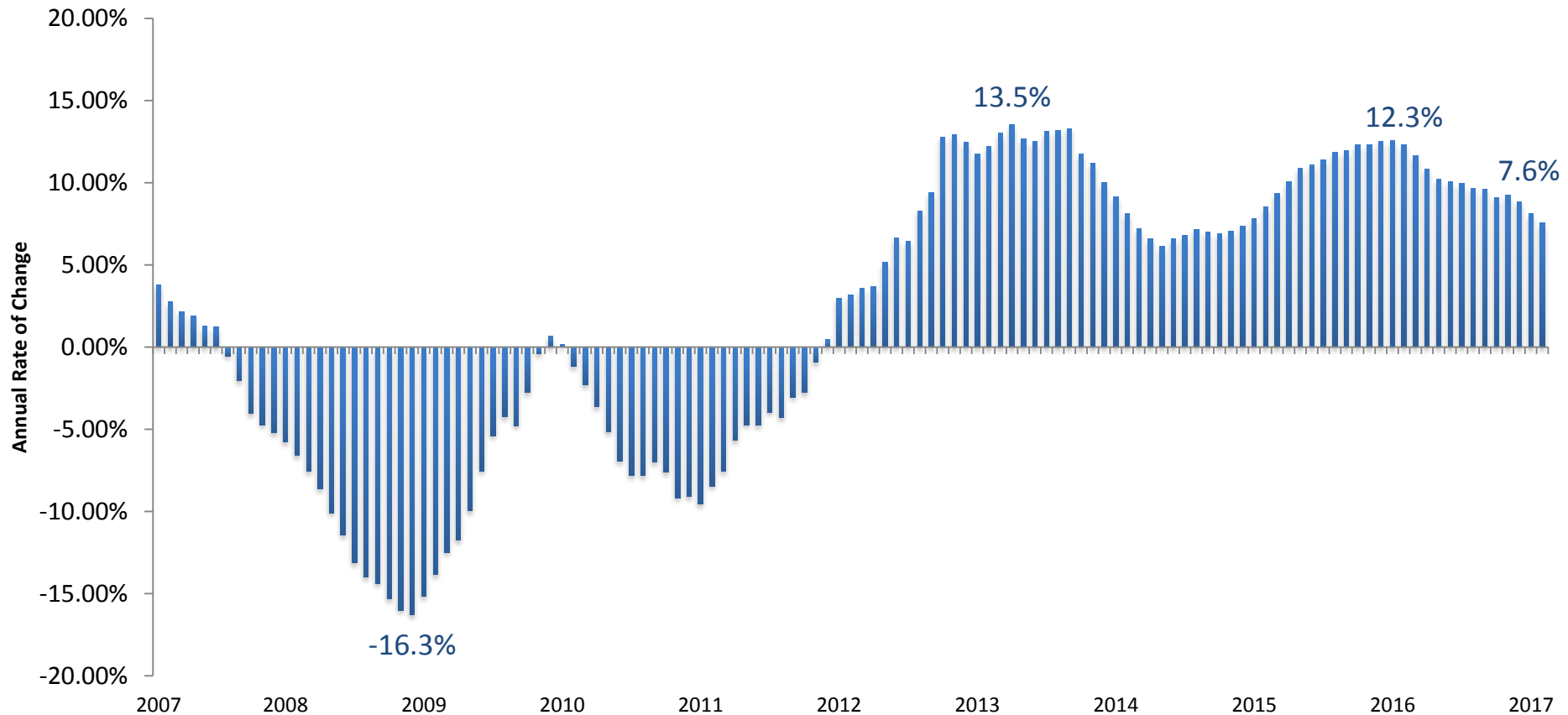


Josephine County Average Home Price 1996-2017

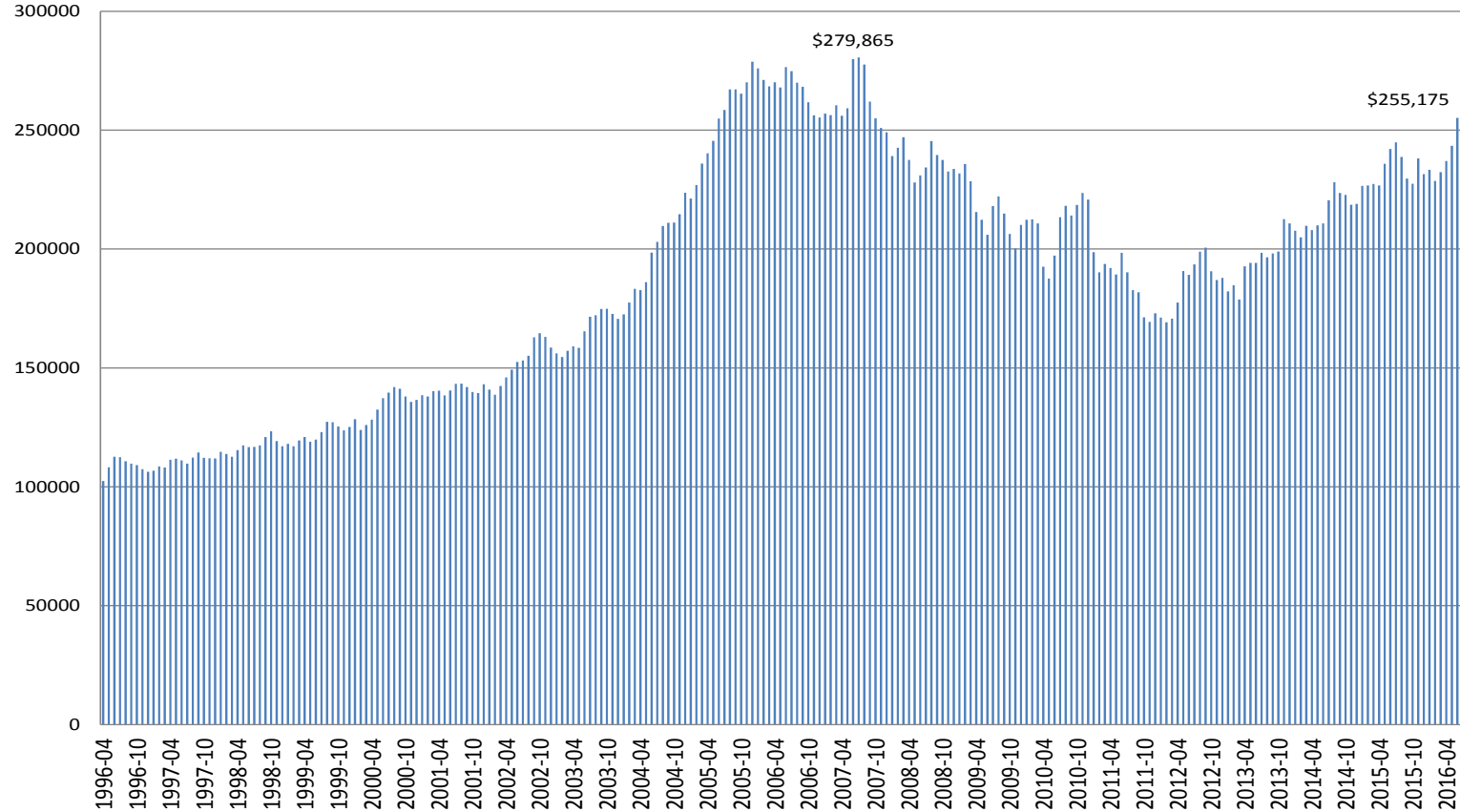


Portland S & P Case Shiller Home Price

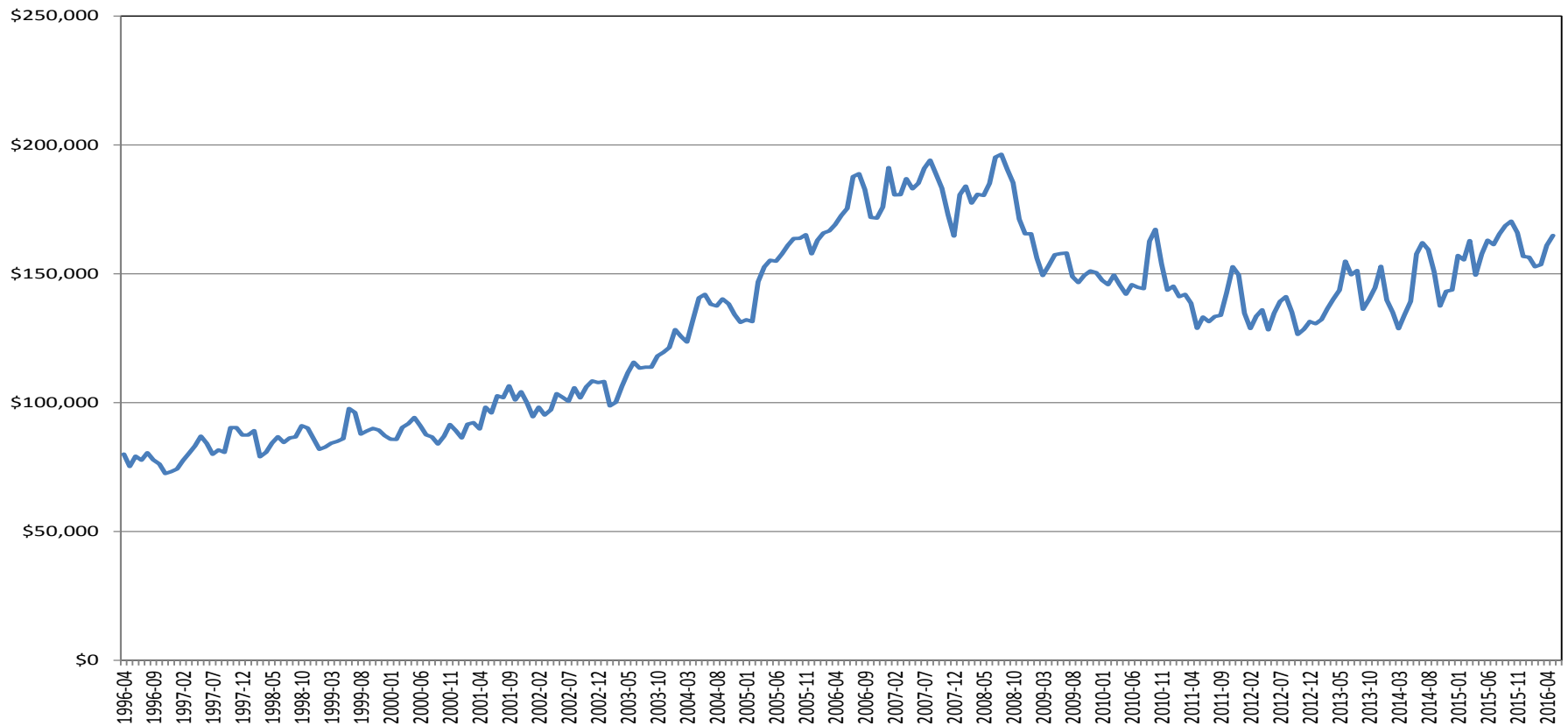
Monthly from July 2007 (peak) to July 2017



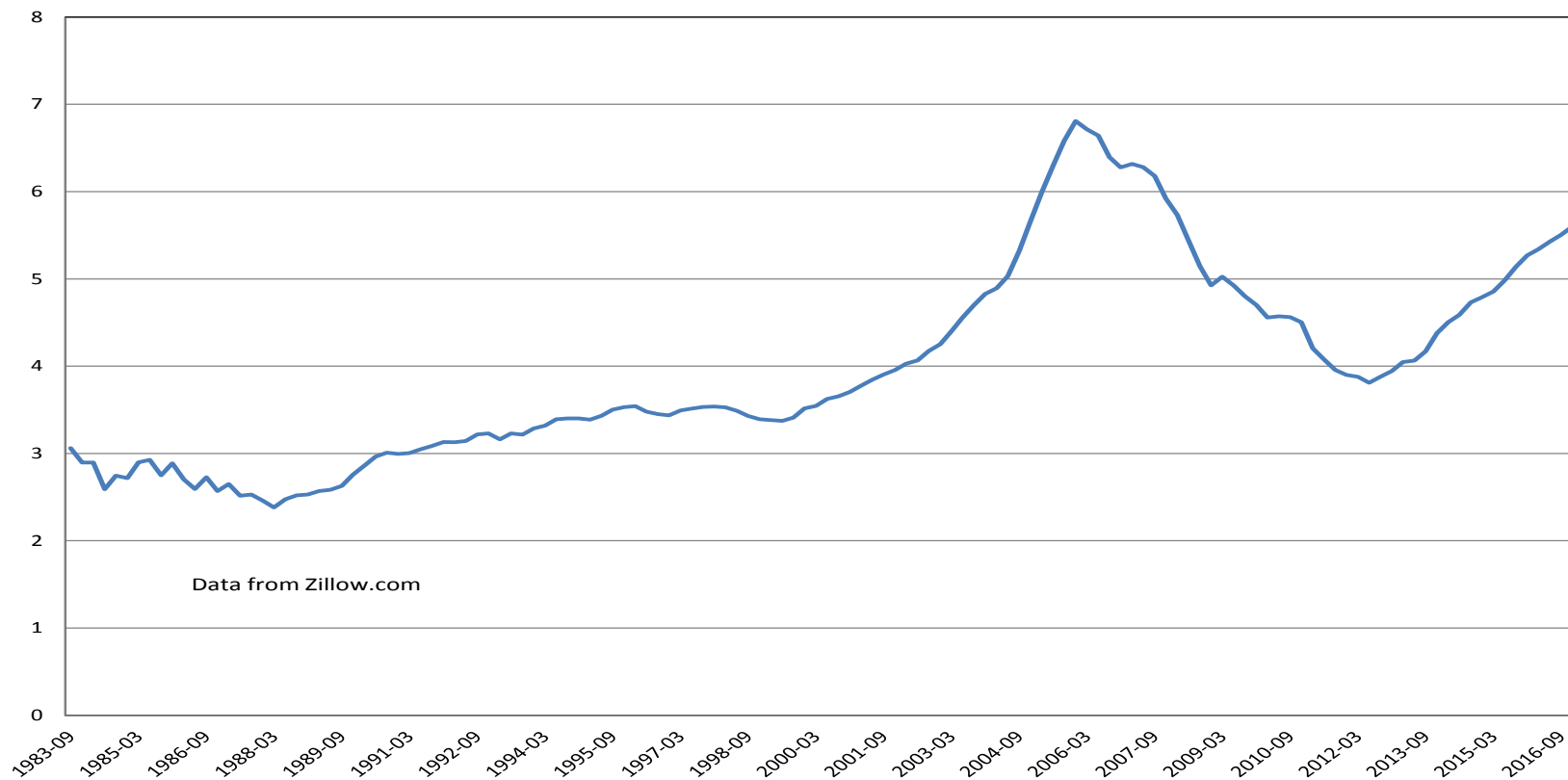
Jackson County Median Home Sales Price



Douglas County Median Home Sales Price



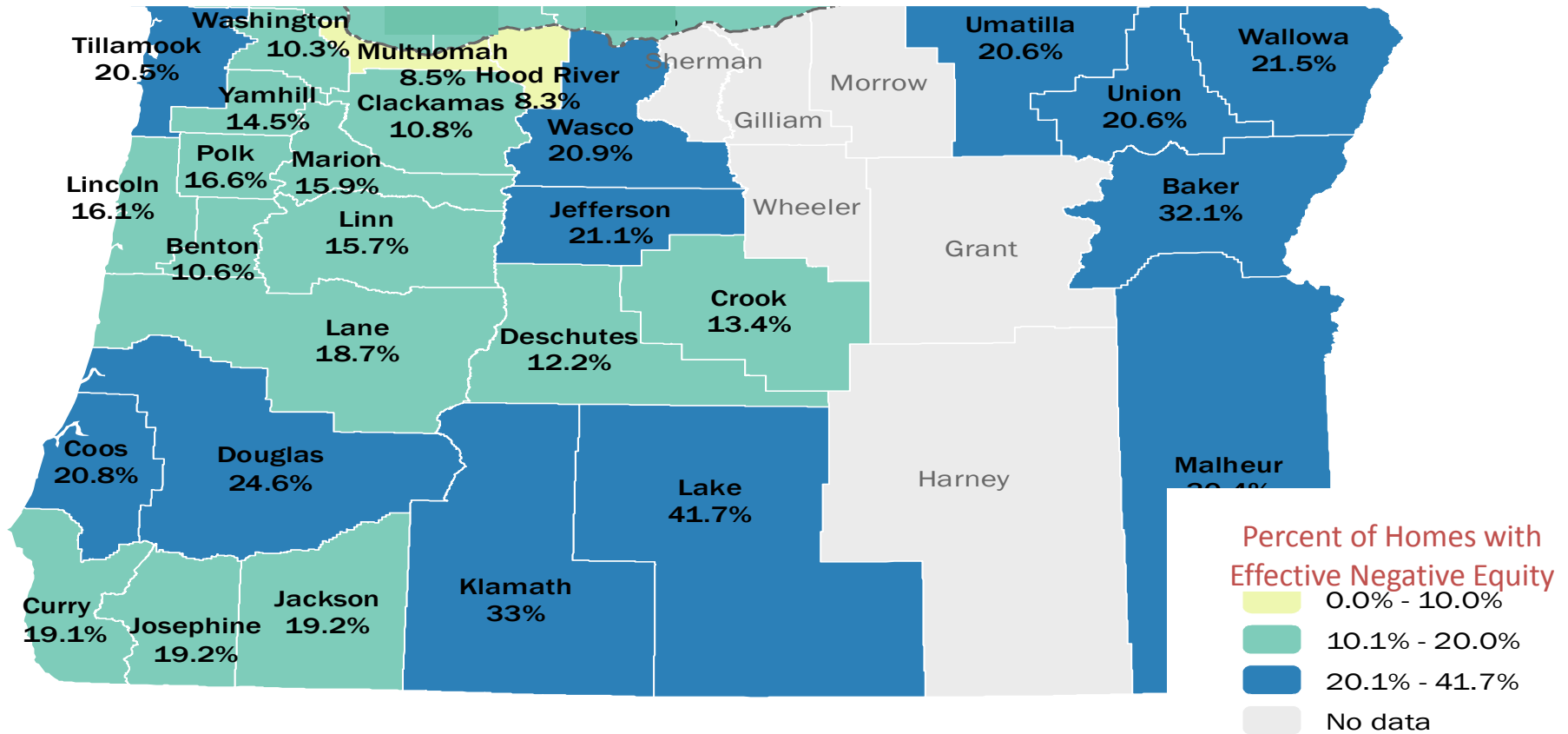
Jackson County Home Price to Income ratio



Effective Negative Equity Still Persists Q1

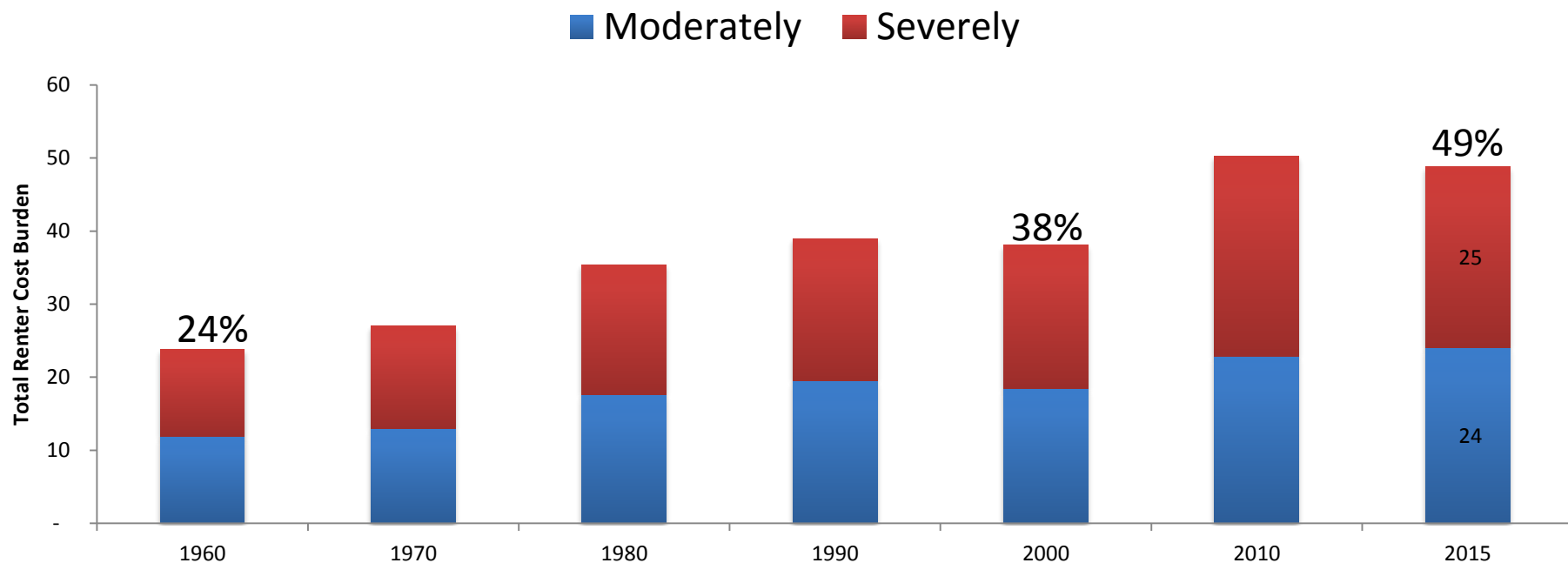
Q1 2017

Effective Negative Equity = Less than 20% Equity



Source: Zillow Effective Negative Equity, Q1 2017

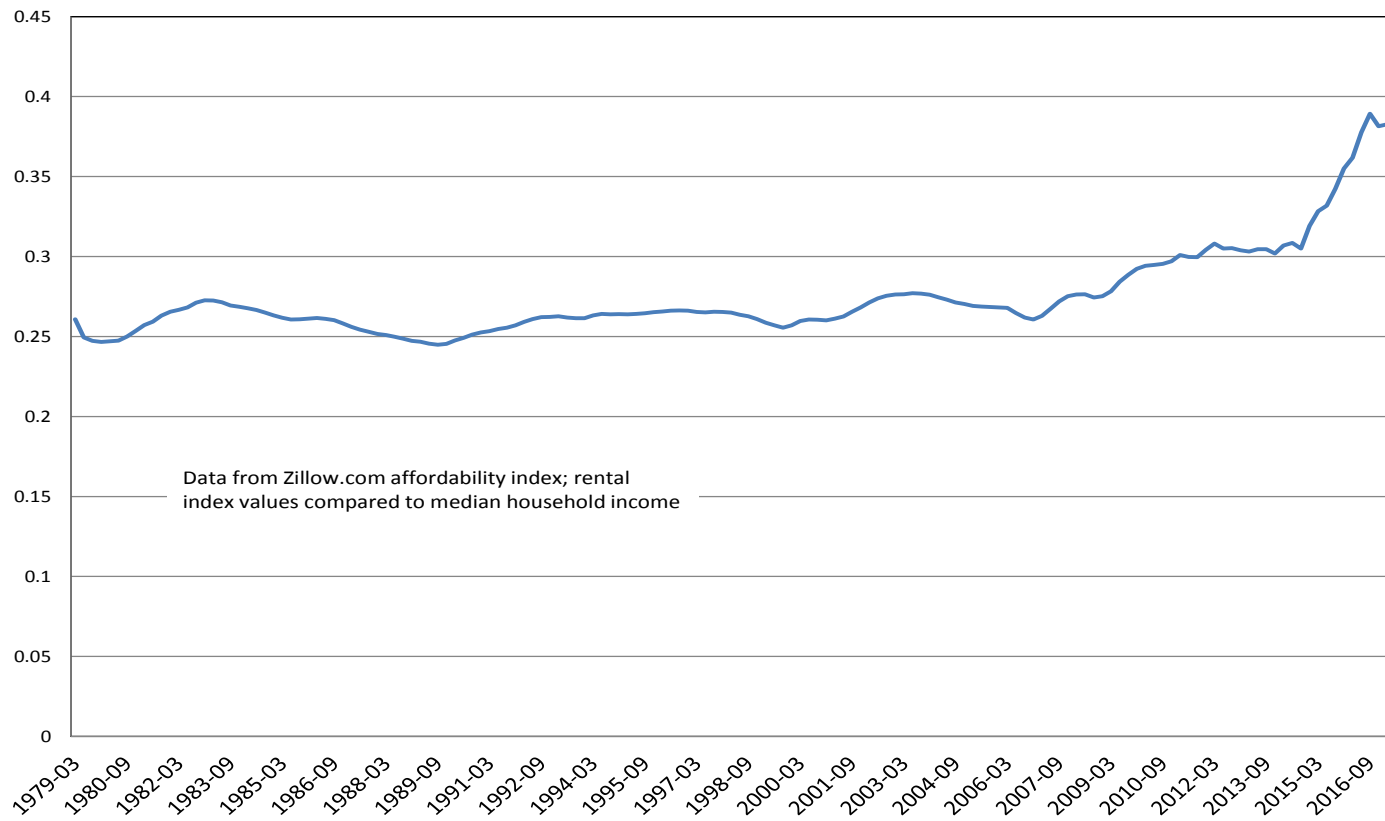
U.S. Rent Burden Increasing Over Time



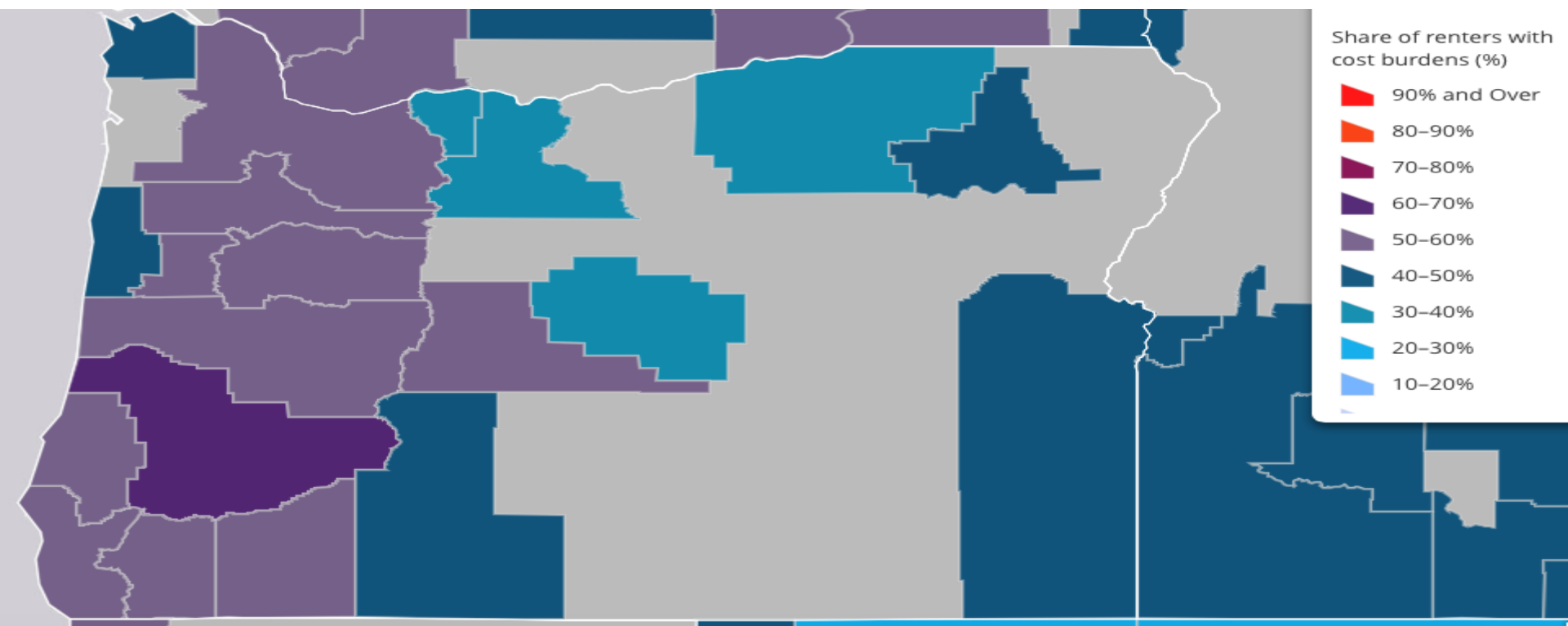
Source: Harvard Joint Center for Housing Studies



Jackson County rent affordability index

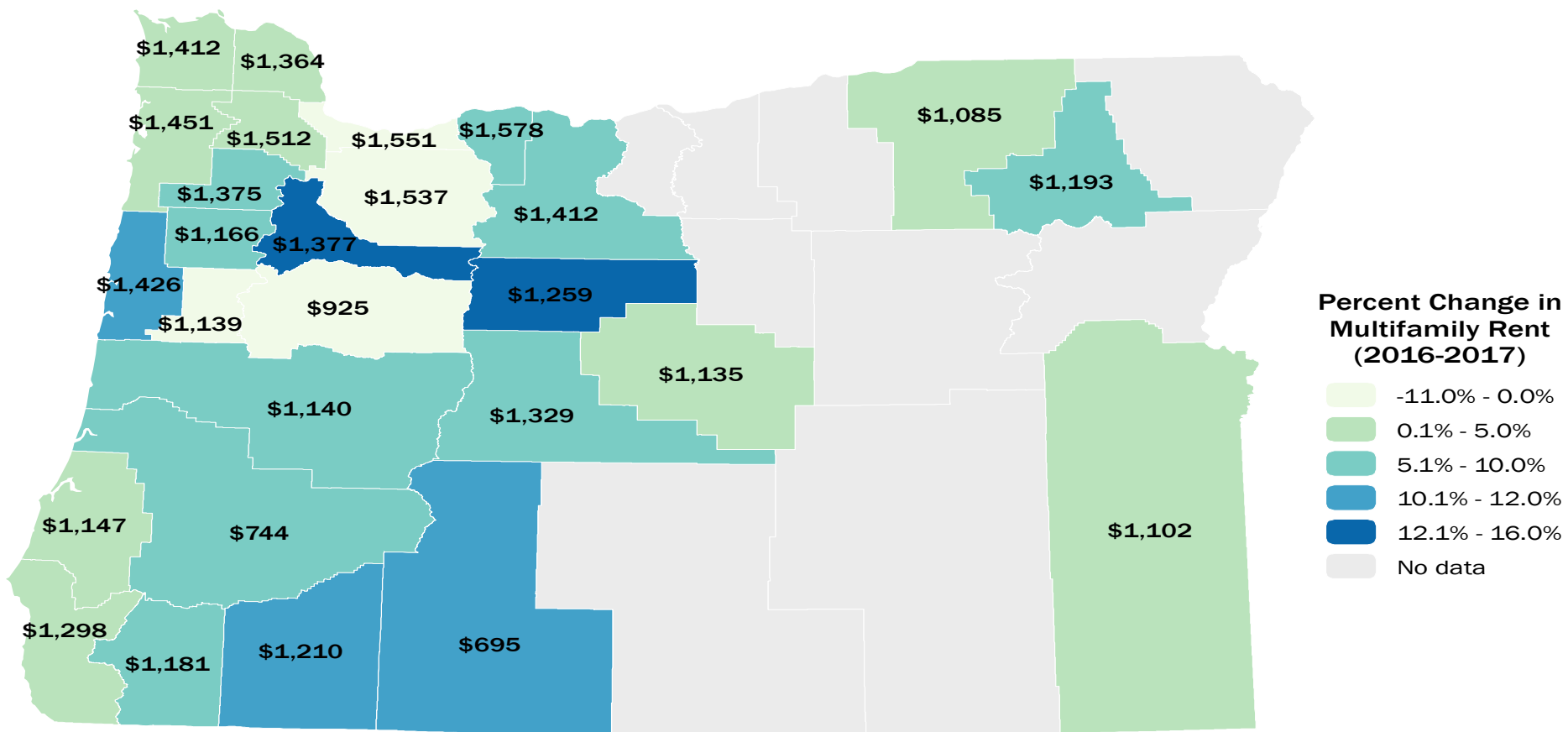


Renter Cost Burden By County



Rent Burden = Spending more than 30% of Gross Income on Rent

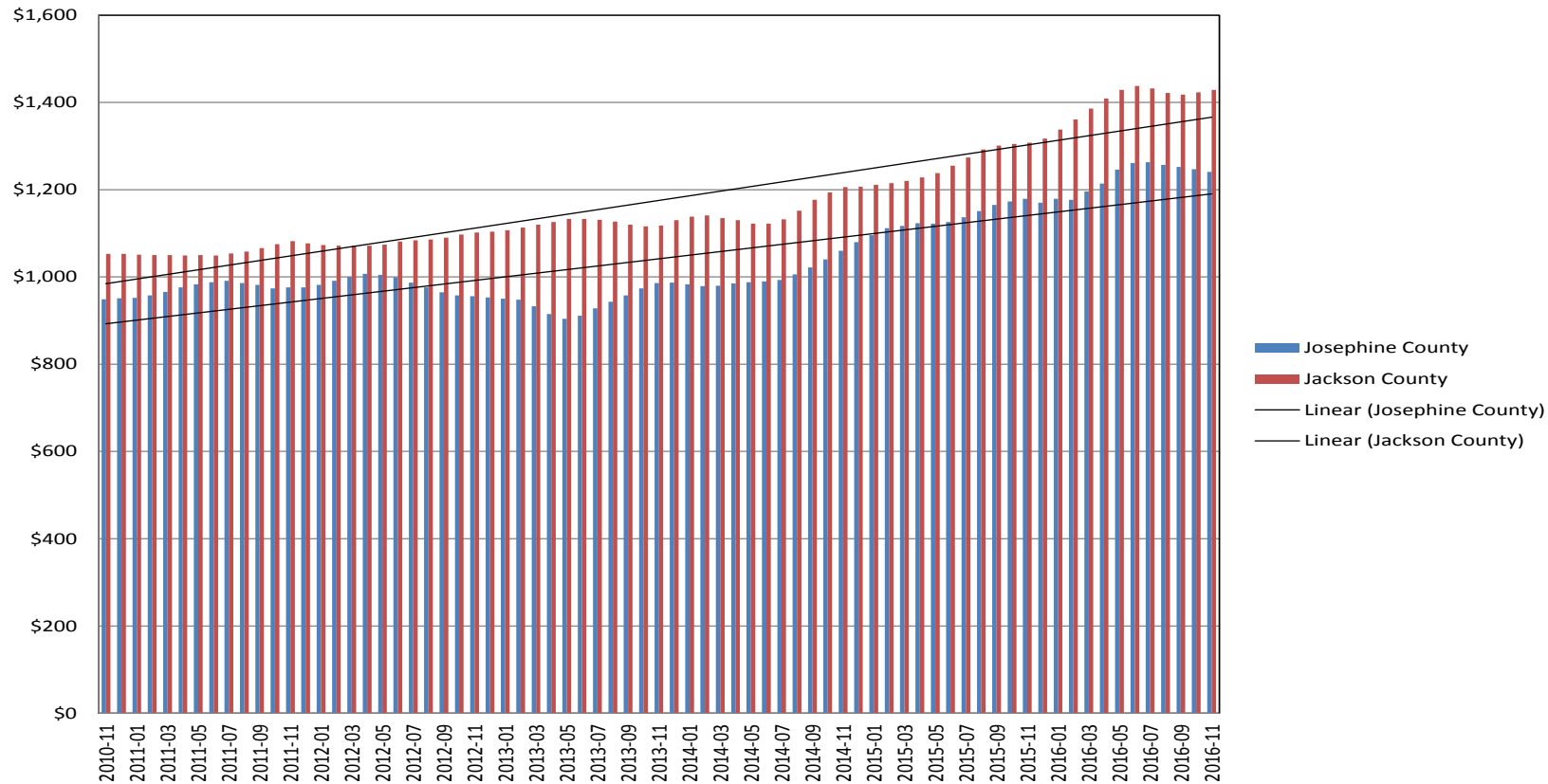
Source: Harvard Joint Center for Housing Studies



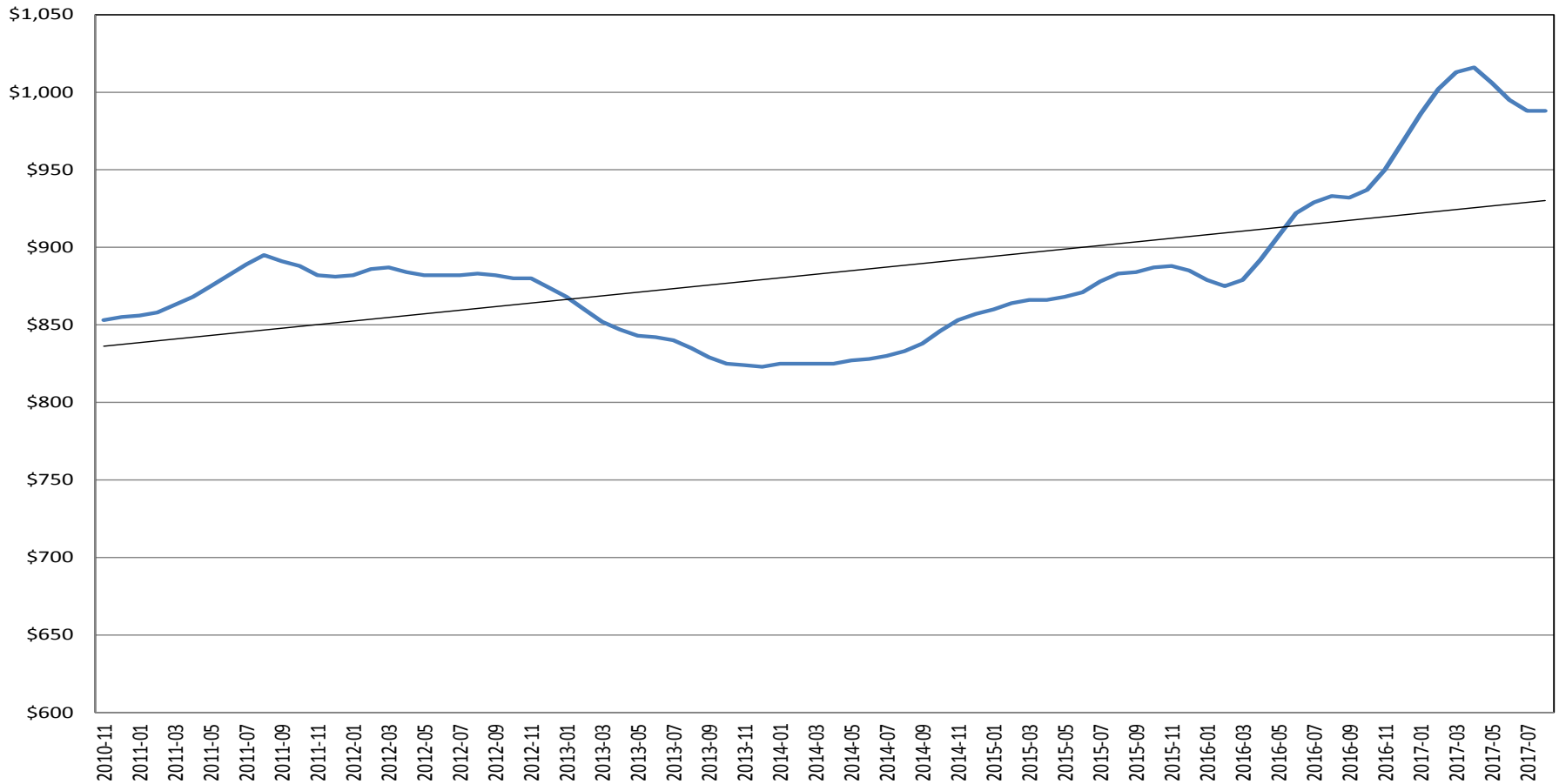
Source: Zillow, ZRI Time Series Multifamily, August 2016-2017

Source: Zillow

Zillow Rental Price Index all types



Douglas County Rental Price Index- Zillow





Help Wanted in the Rogue Valley

***Results from the 2016
Job Vacancy Survey***



The Rogue Valley had roughly 3,000 job vacancies at any given time in 2016.

We surveyed 1,300 private employers in Jackson and Josephine counties with two or more employees during 2016.

If they were hiring, we asked about each vacancy's:

- ✓ Job title
- ✓ Full- or part-time status
- ✓ Permanent or temporary status
- ✓ Starting wage or salary
- ✓ Educational and experience requirements

Nearly two-thirds of responses from businesses about their primary challenge filling vacancies fall into three categories.

Primary Reason Provided by Employer

Difficult-to-Fill Categories for Employer-Provided Responses		Difficult-to-Fill Vacancies	Share with Reasons Provided
	Lack of applicants	12,067	38%
	Lack of qualified candidates	4,953	16%
	Unfavorable working conditions	3,554	11%
	Low wages	2,724	9%
	Lack of work experience	2,324	7%
	Lack of soft skills	1,853	6%
	Other	1,762	6%
	Lack of certification	860	3%
	Location	588	2%
	Lack of technical skills	583	2%
	Right fit	547	2%
	Lack of training	133	less than 1%
	Reason not provided	733	
	Total with reasons provided	31,948	
	Total all difficult-to-fill vacancies	32,681	

- Difficult-to-fill vacancies paid an average of almost \$3 per hour more than job openings filled without difficulty.
- Difficult-to-fill vacancies were also more likely to require previous work experience.



Health care and construction had the largest number of job vacancies.

Rogue Valley Job Vacancies by Industry, 2016

Industry	Vacancies
All Industries	2,992
Health care and social assistance	547
Construction	526
Administrative, management, and waste services	396
Leisure and hospitality	346
Retail trade	267
Manufacturing	244
Transportation, warehousing, and utilities	189
Wholesale trade	127
Professional and technical services	109
Other services	105
Natural resources and mining	63
Financial activities	59
Information	14

Similarly, construction and the combined health care occupations represented the largest number of vacancies by occupational group.

Rogue Valley Job Vacancies by Occupation Group, 2016

Occupation Group	Vacancies
All Occupations	2,992
Construction and Extraction	473
Transportation and Material Moving	277
Office and Administrative Support	276
Sales and Related	247
Installation, Maintenance, and Repair	218
Food Preparation and Serving Related	206
Production	189
Health Care Support	183
Health Care Practitioners and Technical	138
Business and Financial Operations	131
Community and Social Service	123
Building and Grounds Cleaning and Maintenance	123
Personal Care and Service	103
Farming, Fishing, and Forestry	77
Arts, Design, Entertainment, Sports, and Media	50
Management	49
Computer and Mathematical	40
Education, Training, and Library	38
Architecture and Engineering	28
Life, Physical, and Social Science	14
Protective Service	9

Rogue Valley businesses reported job vacancies in 130 different occupations- many in construction fields.

Top 20 Rogue Valley Occupations
With the Highest Number of Job Vacancies, 2016

Occupation	Vacancies
All Occupations	2,992
Construction Laborers	112
Carpenters	101
Cashiers	99
Social and Human Service Assistants	99
Retail Salespersons	96
Bus Drivers, School or Special Client	93
Team Assemblers	82
Heavy and Tractor-Trailer Truck Drivers	81
Office and Administrative Support Workers, All Other	81
Registered Nurses	80
Personal Care Aides	80
Roofers	72
Nursing Assistants	70
Landscaping and Groundskeeping Workers	70
Accountants and Auditors	69
Bus and Truck Mechanics and Diesel Engine Specialists	69
Medical Assistants	61
Cement Masons and Concrete Finishers	58
Automotive Service Technicians and Mechanics	57
Combined Food Preparation and Serving Workers, Including Fast Food	55

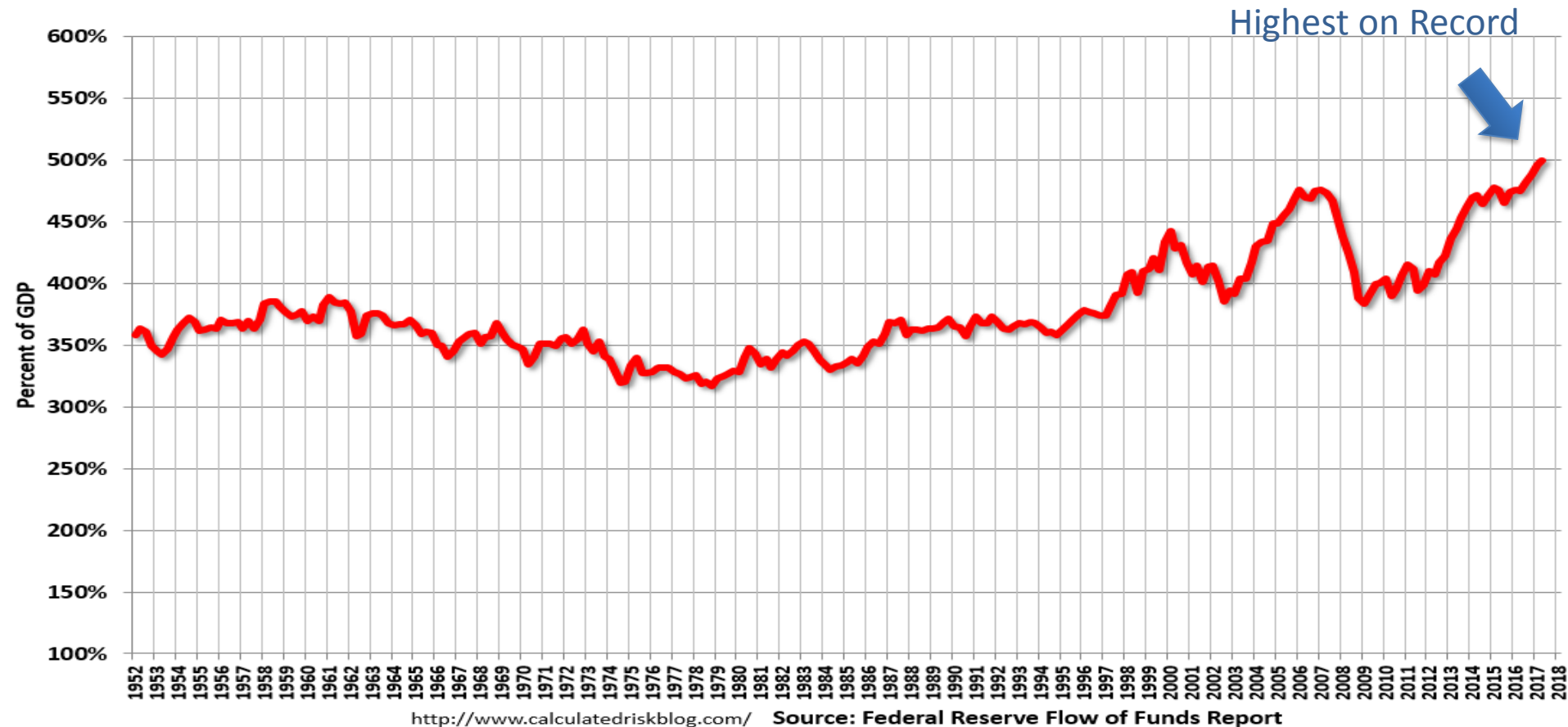
From Damon Runberg's article "Where Did All of Oregon's Construction Workers Go"?

At this point, it doesn't seem like those experienced construction workers from the boom years are coming back to fill Oregon's recent construction vacancies.

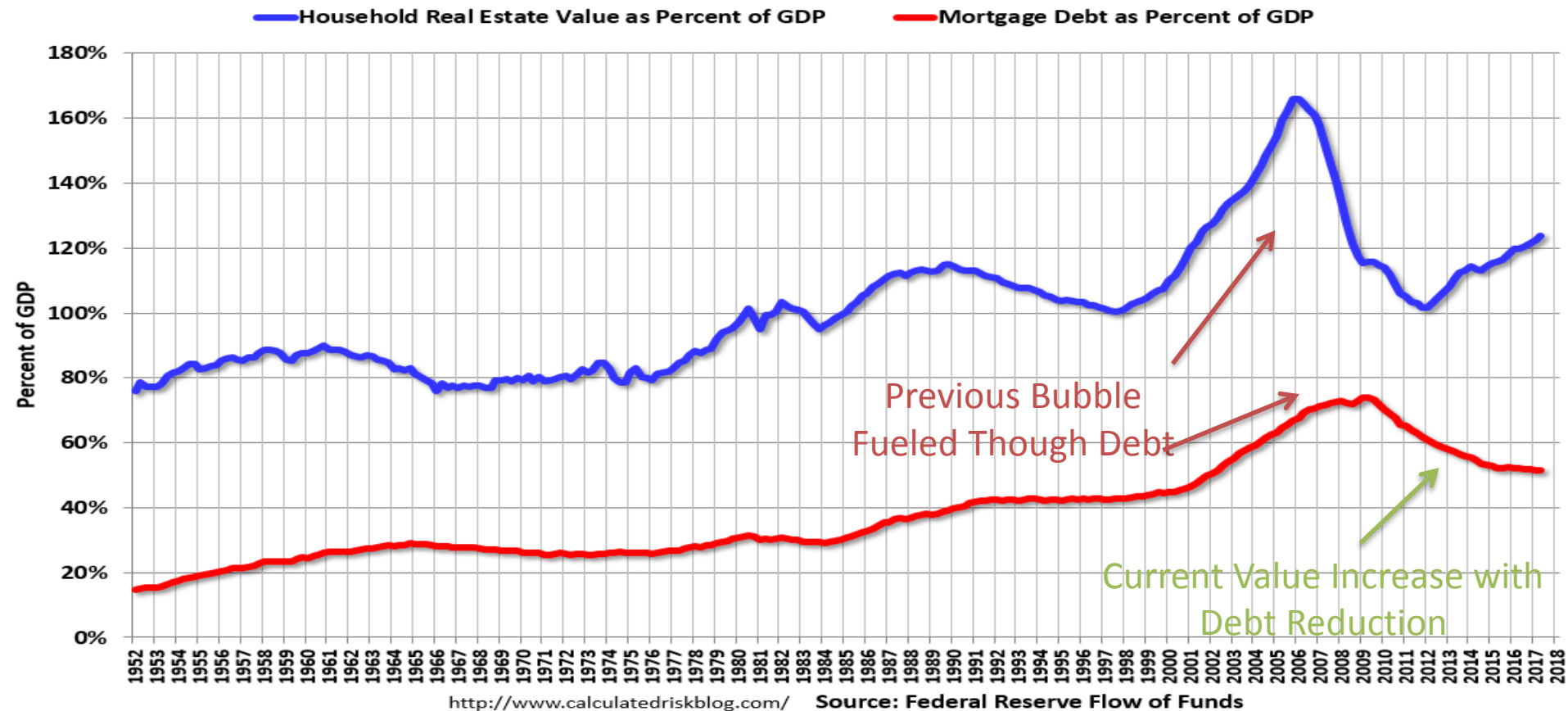
Although many of the former construction workers from 2007 still employed in Oregon no longer hold a job in construction, many are now employed in similar industries. About 43 percent of the non-construction jobs are in industries with significant hands-on physical work, such as waste management, transportation, warehousing, manufacturing, agriculture, and forestry.

Only 57 percent of the construction workers from the boom years were still working in Oregon as of 2014. We don't know how many of those who are no longer working in Oregon are either unemployed, retired, or working outside the state. But, we do know that only about half of those still working in Oregon remain employed in construction. The rest are employed in a variety of other industries. It seems that the recent uptick in hiring demand for construction labor is doing little to persuade those former construction workers to come back to their former industry.

Household Net Worth as a percent of GDP

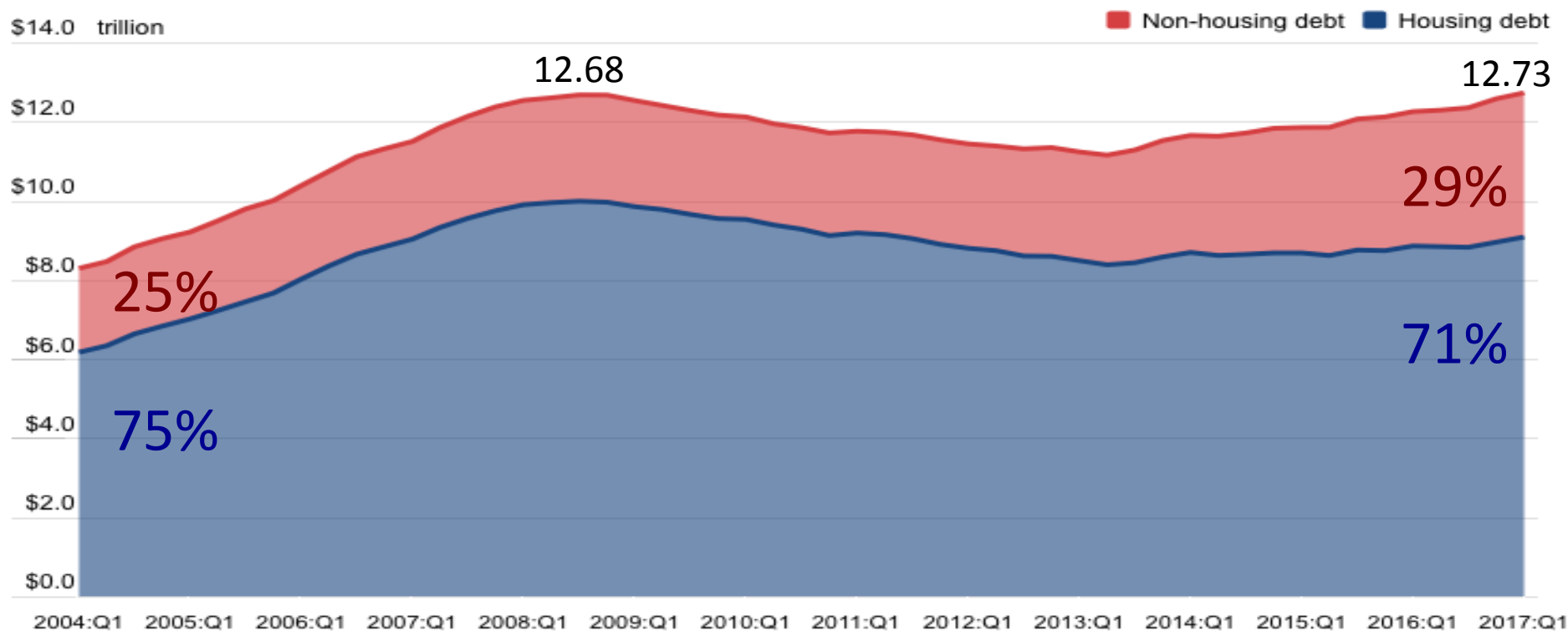


Real Estate Value and Debt vs. GDP



Total Debt at Record High

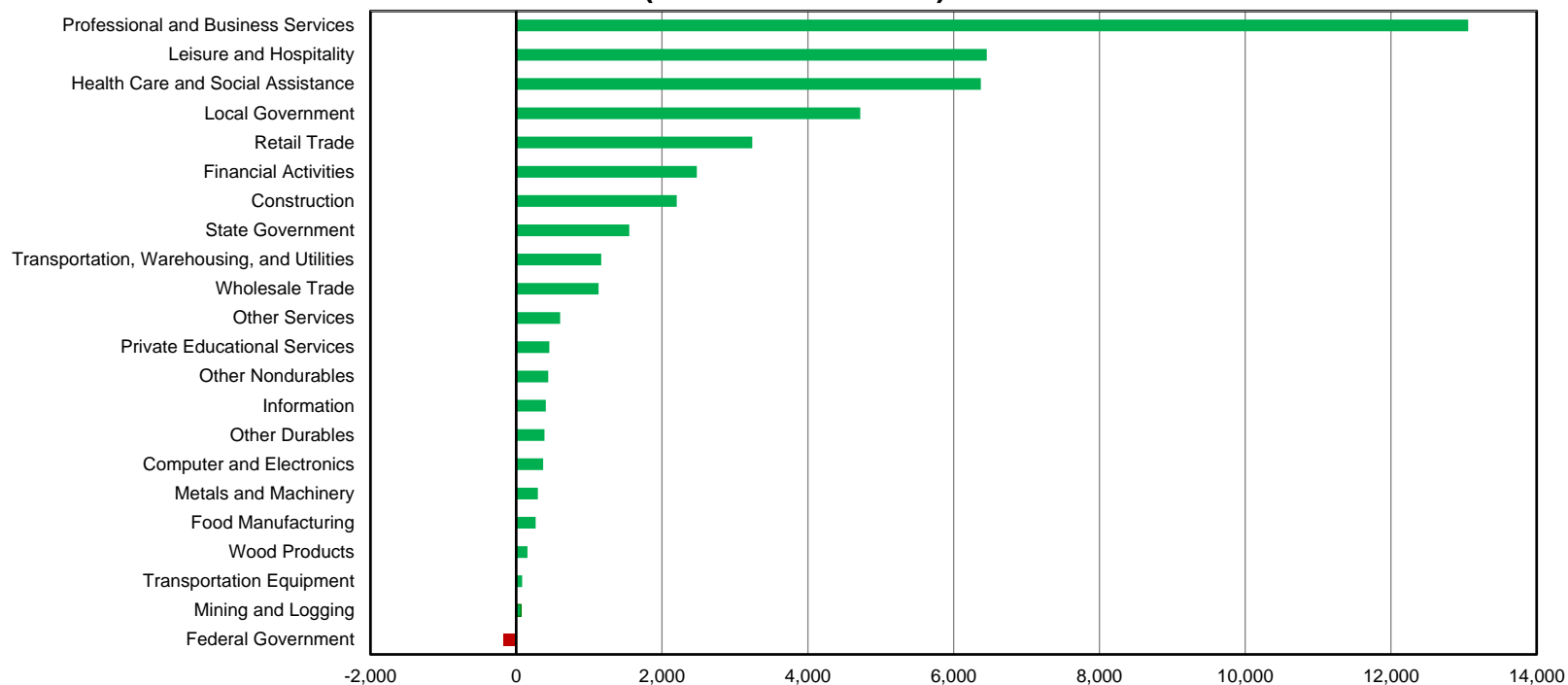
Total Debt Balance



Source: Federal Reserve Bank New York

Oregon is expected to add 45,700 jobs in 2018, with growth spread across nearly all sectors.

**Expected Job Changes by Industry Sector Over The Year
(2Q 2017 - 2Q 2018)**



Source: OED analysis using OEA Forecast, May 2017



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