

# INSIDE BUSINESS

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# Benchmarking to build a stronger future

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# OREGON BENCHMARKS



## Having a shared vision can get Oregon through rough patch

The global economic crisis has reduced state revenues, forcing state budget writers to make tough decisions about Oregon's investment in human services, corrections, transportation, and education. Demand for these public services increases during hard times.

Three success factors can provide help to Oregon's policymakers during these difficult times: 1) a shared vision, 2) shared data and 3) collaboration.

No matter what our politics, if we can agree on a shared vision of Oregon's economic, social and environmental well-being, we can coordinate our actions and create a bright future.

In 1989, Oregon became the first state to articulate a 20-year strategic vision — Oregon Shines. Updated in 1997, Oregon Shines II recognized how economic, social and environmental factors interrelate, and told us what overall well-being looks like:

- Quality jobs for all Oregonians. Oregon's economy is robust, unemployment is low, educational levels are high and per capita incomes in Oregon exceed the national average.

- Oregon's communities are engaged, caring and safe. Oregonians are healthy. They sustain strong, caring communities that welcome and value diverse populations. Oregonians give high marks to state and local governments for trust, service and value.

- Oregon's environment is healthy and sustainable. While communities continue to develop



**RITA CONRAD**  
Oregon Progress Board

### Online

Oregon Shines and numerous benchmark tools can be accessed at [www.oregon.gov/DAS/OPB](http://www.oregon.gov/DAS/OPB). Create your own customized benchmark reports at <http://benchmarks.oregon.gov>.

to serve Oregon's growing population, its natural environment remains healthy, clean and inviting.

Nearly 20 years ago, the original Oregon Shines showed the need for collaborative partnerships among people, organizations and governments in order to achieve big benchmark goals. That need still exists.

We must renew our commitment to a shared vision for our state. In 1989, Oregon Shines I helped the state focus and pull out of a deep recession. In 2008, Oregon Shines III will help Oregonians and their leaders re-engage and refocus on what's needed to get through hard times.

Shared data shed light on our progress and provide clues on how to course-correct along the way. Oregon Benchmarks show quantitative evidence of our progress toward the Oregon Shines vision.

Every two years, we send Oregon to the doctor's office and the benchmarks are the lab

results. They tell us how we are doing in the economy, education, civic engagement, social support, public safety and the environment. In between those formal reports, we update benchmarks and their grades on the Progress Board Web site for citizens, teachers, students, reporters, grant writers, planners and policymakers.

Counties can see how they are doing, too. Anyone can view customized county slide shows, county comparison maps and county data tables for per capita income, high school and college completion, teen pregnancy, home ownership and other important benchmark measures.

Benchmark data enable us to reflect on facts. Do we like the results? Are we OK with how Oregon compares to other states? Are we happy with our past performance and self-imposed targets?

Finally, collaboration is what makes benchmark progress possible. The benchmarks are high-level measures that transcend politics and organization. No single entity can take sole blame or exclusive credit. Too many factors affect the outcomes.

Our children and grandchildren deserve economic, social and environmental well-being, too. The Oregon Shines vision and benchmark data provide a common language to help us all build a better future for ourselves and future generations.

*Rita Conrad is executive director of the Oregon Progress Board.*

## Benchmarks 2008 vs. 2007

### MARION COUNTY

Benchmark	2008 rank	2007 rank
53b. Tobacco Abstinence During Pregnancy	6	7
12. Pay Per Worker (Overall)	7	7
5. Professional Services	7	7
60. Oregonians with Disabilities Who Work	7	not available
*74b. Affordable Housing (Owners)	7	31
53a. Alcohol Abstinence During Pregnancy	8	8
*74a. Affordable Housing (Renters)	9	23
*24. Some College Completion	10	not available
*26a. College Completion (Bachelor's)	10	13
11. Per Capita Income (Overall)	11	11
*73. Home Ownership	12	32
4. Net Job Growth (Overall)	13	13
50b. Eighth-grade Substance Abuse (Illicit Drugs)	13	13
*23. High School Completion	14	27
45. Preventable Death	15	15
50a. Eighth-grade Substance Abuse (Alcohol)	15	15
15a. Unemployment (Annual Rate)	16	15
15b. Unemployment (Percent of U.S. Unemployment Rate)	16	15
18. Ready to Learn	16	16
84. Municipal Solid Waste	17	20
50c. Eighth-grade Substance Abuse (Cigarettes)	18	18
31a. Voting (Percent Turnout)	19	15
41. Infant Mortality	19	19
59. Independent Seniors	21	23
48. Child Care Availability	22	22
62c. Behavioral Crimes	24	27
51a. Child Abuse or Neglect (Substantiated)	27	25
54. Poverty (Overall)	27	28
42. Immunizations	28	28
63b. Juvenile Arrests (Property Crimes)	28	28
39. Teen Pregnancy	29	31
20b. Eighth-grade Math	30	30
40. Prenatal Care	30	31
63a. Juvenile Arrests (Person Crimes)	30	30
62. Overall Crime	31	32
20a. Eighth-grade Reading	33	33
43a. HIV Diagnosis (Number of New Infections)	33	33
62a. Person Crimes	33	33
62b. Property Crimes	33	33
66. Juvenile Recidivism	33	28
19b. Third-grade Math	35	35
22. High School Dropout Rate	35	33
19a. Third-grade Reading	36	36

### POLK COUNTY

Benchmark	2008 rank	2007 rank
*73. Home Ownership	2	17
53a. Alcohol Abstinence During Pregnancy	3	3
45. Preventable Death	5	5
50a. Eighth-grade Substance Abuse (Alcohol)	5	5
*23. High School Completion	6	8
84. Municipal Solid Waste	6	7
15a. Unemployment (Annual Rate)	7	6
15b. Unemployment (Percent of U.S. Unemployment Rate)	7	6
*24. Some College Completion	7	not available
*26a. College Completion (Bachelor's)	7	7
54. Poverty (Overall)	7	6
*74a. Affordable Housing (Renters)	8	27
50b. Eighth-grade Substance Abuse (Illicit Drugs)	10	10
*74b. Affordable Housing (Owners)	12	28
53b. Tobacco Abstinence During Pregnancy	14	10
60. Oregonians with Disabilities Who Work	14	not available
59. Independent Seniors	15	15
4. Net Job Growth (Overall)	16	16
11. Per Capita Income (Overall)	18	13
41. Infant Mortality	18	18
20a. Eighth-grade Reading	19	19
19b. Third-grade Math	20	20
51a. Child Abuse or Neglect (Substantiated)	20	18

## Benchmarks don't move us forward

When he was governor, Neil Goldschmidt launched the strategic plan for Oregon's economic development and livability. What became known as the Oregon Progress Board and its "benchmarks" grew out of a popular mindset that Oregon should be run like a business, and the idea gained traction in the 1990s with then-Vice President Al Gore's effort to "reinvent government."

Unfortunately, the benchmarks



**CHARLES SHEKETOFF**  
Oregon Center for Public Policy

income funding state and local services than the wealthy, and profitable businesses are not paying their fair share. And the funds come up short. For example, we have yet to fund Oregon's Quality Education

Agriculture showed that Oregon had one of the highest hunger rates in the nation. The strategic effort that resulted in significant improvements in our hunger and food insecurity rates came from anti-hunger and anti-poverty advocates pushing for new policies, not the Progress Board. The Progress Board initially tried to discredit the USDA findings. Fortunately, despite the benchmarks, Oregon made progress.

# OREGON BENCHMARKS

## Data let us compare employment numbers in the area

In September, the Salem area had the same number of nonfarm jobs as in September of 2007 (155,500), for no over-the-year change. Salem also lost 460 jobs (seasonally adjusted) from August to September. Understanding these numbers takes some explaining.

First, the facts. "Nonfarm" employment, so called because farm jobs are not included, is an estimate of jobs, even though it's called "employment." If you have two jobs, both are counted. Here's how nonfarm employment is estimated: The Bureau of Labor Statistics (BLS) selects a sample of businesses from different industries, who are asked to



**PAMELA FERRARA**

Worksource Oregon  
Employment Department

report how many jobs they have to the bureau (if you are one of these, thank you!) Based on these reports, BLS and state of Oregon economists estimate the number of jobs by industry every month.

Sometimes, businesses' reports of jobs arrive too late to make the month's estimating deadline, so economists have to revise the number the following month. For example, Oregon's August employment was

revised in September from a loss of 7,400 to a loss of 10,000.

There's a regular report schedule. National employment is reported on the first Friday of the month for the previous month, Oregon employment on the second Monday, and metropolitan statistical areas (such as Salem) and counties' employment the following Monday.

From the reports of nonfarm employment by industry, it's possible to compare this year's September employment to last September's. In the Salem area, the construction industry was down 1,100 jobs over this time period, private education and health services were up 400 jobs, and overall there was

no over-the-year change in the number of jobs.

What about August to September? Every year in September, school district employees go back to work, and area food processors gear up for peak employment — there's always a job gain from August to September. In order to make the month-to-month comparison meaningful, economists ask "how much higher or lower (if it's January when our employment level is always the lowest) is employment than usual?"

Area employment normally increases from August to September 1,660 jobs. This year it only increased 1,200. The Salem area therefore lost 460

jobs from August to September — this is called "seasonal adjustment." One thing to note: Only the total number of jobs is adjusted this way.

So far, Oregon and the Salem area have just begun to show the negative employment numbers that have been dominating the national news. If you want to keep track, contact me and we'll subscribe you to our monthly "Salem Area Labor Trends," and we're always available to answer your questions.

*Pamela Ferrara is a work force analyst for Worksource Oregon Employment Department, Marion, Polk and Yamhill counties. Contact her at (503) 378-8386 or Pamela.A.Ferrara@state.or.us.*

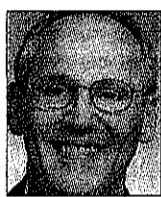
## State can build on its strengths, even during a recession

As 2008 draws to a close, the national economy is clearly in a recession, taking Oregon with it. Unemployment is up, public revenues are down, and uncertainty reigns as we face a new year.

Seven years ago, another recession hit our state severely. We recorded the highest unemployment rate of any state.

In 2002, elected and business leaders came together at the Leadership Summit to plot a path out of the recession to greater prosperity. Operating from a playbook called the Oregon Business Plan, public and business leaders worked together to spark economic growth, adopting initiatives on education and work force, land use, transportation, innovation and many other topics. And leaders have continued to meet, refining the strategy and updating the initiatives each year since.

As we prepare for the Seventh



**DUNCAN WYSE**

Oregon  
Business Council

### Online

**LEADERSHIP SUMMIT:**  
[Oregonleadershipsummit.org](http://Oregonleadershipsummit.org)

**OREGON BUSINESS PLAN:**  
[Oregonbusinessplan.org](http://Oregonbusinessplan.org)

Annual Leadership Summit on Dec. 11, Oregonians are fully justified in asking: Has the work we've done during the seven years since the Business Plan began done anything to better prepare our state for this next downturn?

Fortunately, we have some good news.

In the last recession, the state lost about 65,000 jobs over 30 months. Since the bottom of that recession in 2003, Oregon

has gained 175,000 jobs, more than making up those lost and reaching a new peak level of employment of 1,745,000 wage and salary workers.

The economy we grew over the past five years is not simply a larger version of the economy we had in 2000. The economy has diversified, notably into emerging clean-technology businesses like solar, wind, green-building and green-professional services.

Our economy also has grown by exporting. Oregon now exports nearly \$20 billion worth of products annually, up from just \$10 billion in a decade ago. The state ranks in the top 10 in exports per capita.

And perhaps more important, the composition of Oregon exports has changed dramatically, whereas the state has historically exported mostly lightly processed raw materials like logs, lumber and wheat, today the overwhelming

majority of our exports are "value added" products like electronics, machinery and transportation equipment.

The results show that our industries have outperformed comparable sectors of the U.S. economy. In each of Oregon's principal traded industry clusters — high technology, metals, machinery and transportation equipment — employment growth in the past four years has been stronger in Oregon than in the same industry nationally. In the past six years, Oregon's economy has added 19,000 new businesses, an increase about 40 percent faster than in the nation as a whole.

We have made progress on building a better climate for economic growth. The original Oregon Business Plan established a four-part framework for improving Oregon's economy: Pioneering Innovation, People, Place and

Productivity. Through the Oregon Business Plan we can track important progress on initiatives that support this framework.

Oregon is not leading the nation into recession, as we did in 2001. For each of the last four years, Oregon has actually outperformed the national economy in job growth, a kind of momentum we didn't have in 2001. And unlike seven years ago, Oregon has set aside budgetary reserves, in the form of more than \$600 million in the Education Stabilization Fund and Rainy Day Fund, that can be used to buffer us from extreme revenue shortfalls.

No strategy can repeal the business cycle. But as we come together for the Seventh Annual Leadership Summit, we have significant strengths to build upon.

*Duncan Wyse is president of Oregon Business Council.*

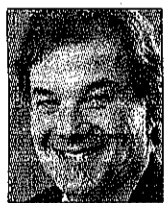
## Indicators help keep sustainable forests

How are Oregon's forests doing? Are they healthy and resilient? Are they managed in ways that meet our present needs — and the needs of future generations?

For the first time, Oregon has a set of sustainable forest management indicators — measuring sticks that will allow us to gauge and understand conditions and trends in Oregon's forests, and to track how those conditions change over time.

Developed by a group representing a broad range of interests, and endorsed recently by the Oregon Board of Forestry, the 19 indicators have gained both national and international recognition in forestry circles. In fact, they advance work already under way in the international arena.

The indicators are organized around the seven sustainable forest-management goals in the forestry board's strategic plan — the Forestry Program for Oregon. In turn, these goals have been adapted from an international framework



**DAVID MORMAN**

Oregon  
Department  
of Forestry

indicators address questions that Oregonians have long been asking. Work to collect the data needed to answer these questions will proceed over the next several years — much of it in collaboration with partners such as other natural resource agencies, and national, state and local organizations.

The indicators will likely be revised and refined over time in response to new knowledge and changing values. But the framework is now in place for all citizens interested in Oregon's forests — regardless of their perspectives — to use a common set of indicators to measure and discuss forest conditions and trends.

Ultimately, these indicators will feed the

sustainability is a journey, not a destination. With the Oregon Indicators of Sustainable Forest Management now in place, we will be able to see where we have been and begin to foresee where we are going. We will know where our successes have been and where we need to focus

our efforts. We can lead and plan for the future of Oregon's forests.

For more information about the indicators, go to the Oregon Board of Forestry's Web site at [www.oregonforestry.org](http://www.oregonforestry.org).

*David Morman is the forest resources planning director for Oregon Department of Forestry.*

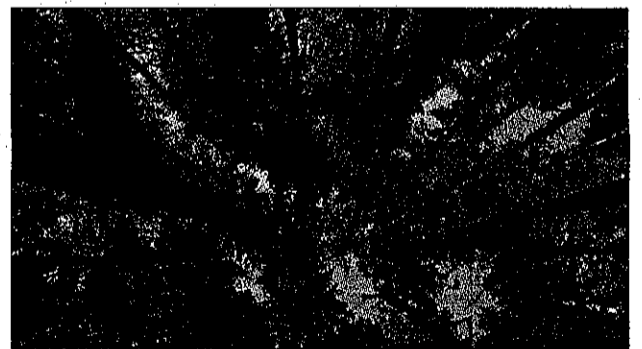


Photo courtesy of Oregon Department of Forestry

*New indicators will tell us if Oregon's forests, such as this one in Northwest Oregon, are being managed sustainably.*

