

## TECH SECTOR LEADS STATE ECONOMIC IMPACT

**Leadership Summit Discussion Draft, December 5, 2016  
(Narrative Provided by Technology Association of Oregon)**

Oregon's tech sector employs over 92,000 people at an average annual wage of \$105,300, which is 126 percent more than the average private sector employee in the state. Oregon's tech industry has an annual payroll of \$9.7 billion. A comparative analysis of the economic impact of the tech industry in each of the 50 states found that the tech industry in Oregon has the biggest direct economic impact on the state's economy compared to all other states. Notably, the tech industry in Oregon accounts for 23 percent of Oregon's economy, which is significantly larger than the industry's impact in any other state.

The semiconductor and device industry in Oregon is the main reason why Corvallis (HP and OSU) was the most productive metro area in the U.S. from 2001 to 2011 as measured per capita. Portland was second. During the past decade, the Information and Communication Technology (ICT) sector (inclusive of IT, software, semiconductors, devices, etc.) in Oregon was the second most productive ICT region in the U.S., and the ICT industry in the Portland metro was the fastest growing among all U.S. cities. Over 40 percent of Oregon's ICT industry is made up of companies new to Oregon since 2001.

Notably, during that same period, the Portland metro area vaulted to ninth in the country in terms of startup density, which indicates the number of new companies formed per capita. A recent global entrepreneurship study by the Kauffman Foundation found that startup activity was flat in the Portland area from 2015 to 2016, but activity increased significantly elsewhere in Oregon. As a result, Oregon saw the biggest year-over-year increase in startup activity of any state, moving up seven spots to fifteenth, one spot ahead of Washington.

Job postings for tech occupations increased by over 101 percent from 2014 to 2015, increasing from 9,600 postings in 2014 to 19,400 postings in 2015. As of last year, the semiconductor sector in Oregon employed 27,700 people, IT services accounted for 14,900 people, software publishing 10,200 people, engineering services 8,400 people, and telecommunications 6,400 people. Between 2014 and 2015, Oregon added 3,889 jobs in the tech industry, which accounted for 4.4 percent annual growth. The two fastest-growing occupational categories are computer systems analysts (6.8 percent) and software app developers (5.5 percent).

### Cluster Priorities

Priorities include: talent development; cyber security; infrastructure (transportation, housing, etc.). TAO will be working on the following legislation in 2017:

**Computer Science.** Oregon tech companies are committed to helping ensure that Oregon students are equipped to get tech jobs, and get them here in Oregon. Additionally, tech is committed to hiring, training and mentoring a diverse and inclusive work force. Currently, one of the barriers for students in Oregon taking computer science classes is that the computer science classes are counted as elective credit, not a requirement for graduation. Thus fewer students overall (and particularly students of color) take computer science classes in high school, instead focusing on classes needed for graduation. TAO believes Oregon should follow Washington's lead in requiring high schools that offer computer science classes to count those classes as math and/or science graduation requirements. When Washington did this, not only did they produce a more educated and tech-ready employment workforce, twice as many women and students of color took computer science classes. TAO will introduce legislation that would model Washington's requirement here in Oregon.

**Cyber Security Center of Excellence.** Additionally, we are supporting the legislation introduced by the Oregon Department of Administrative Services (DAS), and the Office of the State CIO in particular, calling for consolidation of cyber security functions into a single function within the State CIO's office, as well as the creation of a Cyber Center of Excellence to focus on the development of a cyber-ready workforce and shared resources in combating cyber threats among public, private, and academic institutions in the state.