



Quality Information, Informed Choices  
**Labor Market Information**

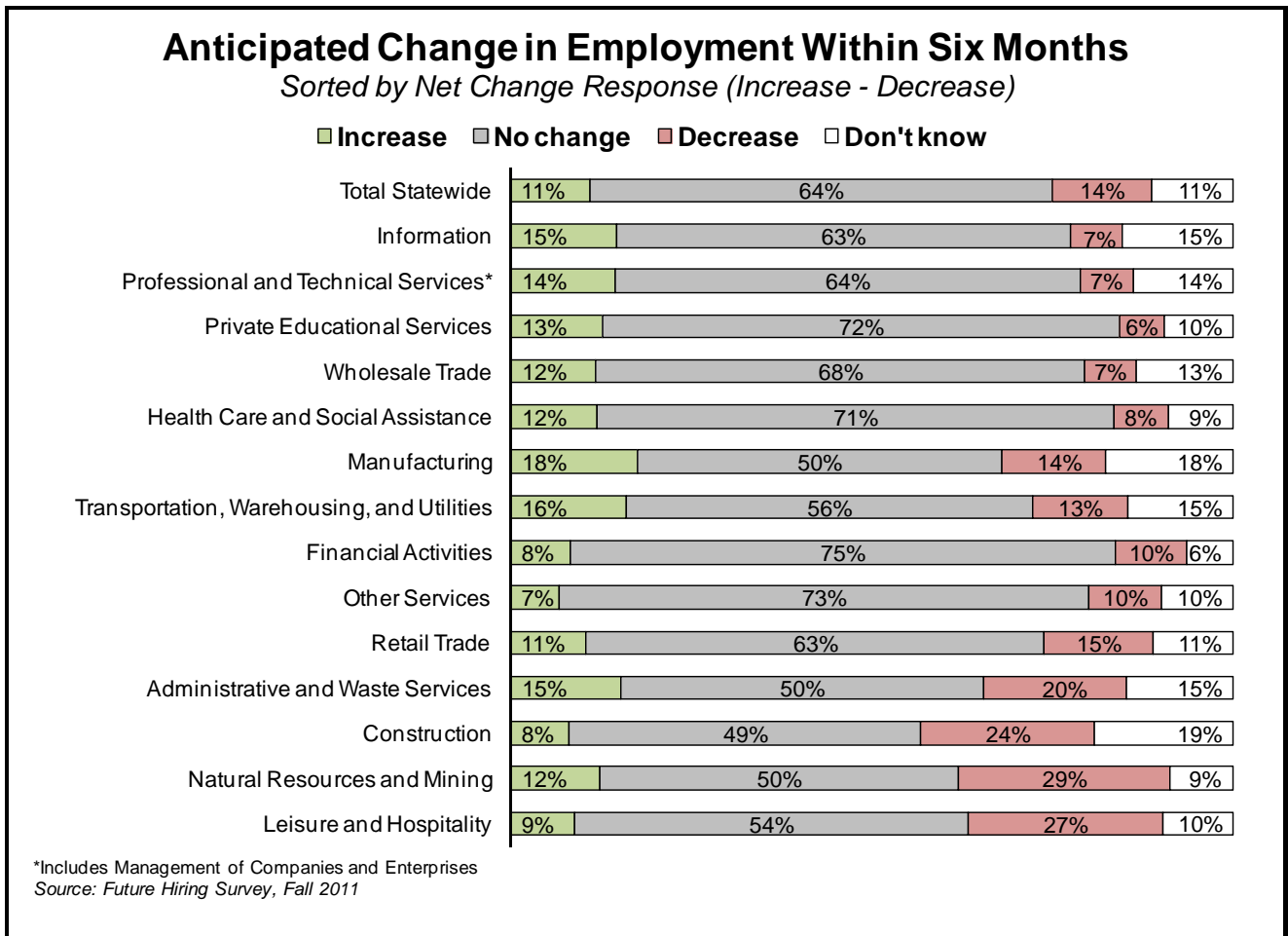
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### One-Third of Oregon Employers Plan to Hire Soon

One out of three private-sector employers in Oregon expect to hire workers over the next six months and 11 percent expect to increase their total number of workers over that period, according to results from the third future hiring survey of employers by the Oregon Employment Department. The six-month period runs approximately through May 2012.



Graph 1

Employers in seasonal industries were the most likely to anticipate employment level declines, likely due to the normal seasonal nature of their work. Employers in leisure and hospitality and natural resources and mining were also the most likely to indicate some type of hiring will occur within six months, possibly due to seasonal hiring around the holidays. Poor economic conditions were the most common reason given for not hiring, and employer outlooks and expectations were unchanged from the fall of 2010. Employers who plan to hire will most likely do so to replace workers leaving as part of the routine turnover of workers over the next six months.

Employers in Central Oregon and the Columbia Gorge were the most likely to indicate some type of hiring would occur (38%) and firms in Southern Oregon were the least likely to share that sentiment (30%). Overall, hiring expectations were similar throughout all regions of the state: between 30 and 40 percent of employers plan to hire within six months. Larger employers were more likely to expect near-term hiring as 69 percent of employers with at least 50 employees reported plans to pick up new staff within six months. Only 31 percent of employers with fewer than 50 employees plan to hire in the near term. In Oregon, businesses with fewer than 50 employees outnumber larger employers 23 to 1.

### **A Large Majority of Employers Expect No Change in Employment Levels**

Fourteen percent of employers expect a decrease in the size of their staff in the near term compared to 11 percent that expect to increase employment levels. A large majority of employers across all industries, 64 percent, said they do not plan to change their total number of employees (Graph 1).

In seven industries – ranging from information to transportation, warehousing, and utilities – more employers expect to increase the number of people working for them than expect a reduction in workers. Employers in seasonal industries like construction, natural resources and mining, and leisure and hospitality were the most pessimistic about near-term hiring trends: those expecting employment declines outnumbered employers planning to increase staffing levels by a ratio of nearly three to one.

The results of this survey were very similar to those reported by employers in the fall of 2010. During both years employers in information; professional, scientific, and technical services; and private educational services were the most optimistic while employers in construction, natural resources and mining, and leisure and hospitality were the most pessimistic. Seasonal expectations in each industry, especially those where more employers expect employment declines, are a good explanation of the similar trends. However, compared to fall 2010 employers this fall were slightly less pessimistic about future hiring trends, especially in seasonal industries.

Through both survey periods the major theme has been that nearly two-thirds of all employers anticipate no change in staffing levels within a six-month period.

## Most Employers Hiring Will Do So Because of Turnover

One-third of employers said they plan on hiring within the next six months, whether or not they expect a net increase in workers. Most hiring will be for the routine replacement of workers due to turnover or to hire seasonal workers. Nineteen percent of employers plan on routine hiring as part of normal turnover, and 9 percent plan on hiring to meet the normal seasonal patterns of their business. Eight percent of employers plan on hiring because they expect to grow their current workforce in some way, and 3 percent plan to replace some of their jobs cut during the recession by bringing back laid off or furloughed workers (Table 1).

**Table 1**

<b>Share of Respondents Indicating Each Reason for Hiring, by Industry</b> (Sorted by Share Planning Any Type of Hiring)				
<b>Industry</b>	<b>Turnover</b>	<b>Seasonal</b>	<b>Expansion</b>	<b>Restoration</b>
<b>Total Statewide</b>	<b>19%</b>	<b>9%</b>	<b>8%</b>	<b>3%</b>
Leisure and Hospitality	31%	14%	5%	2%
Natural Resources and Mining	11%	34%	2%	2%
Health Care and Social Assistance	31%	2%	10%	2%
Manufacturing	19%	7%	14%	6%
Administrative and Waste Services	18%	15%	12%	4%
Retail Trade	25%	13%	5%	2%
Transportation, Warehousing, and Utilities	24%	9%	11%	3%
Information	20%	7%	13%	1%
Professional and Technical Services*	18%	6%	13%	3%
Wholesale Trade	18%	7%	9%	2%
Private Educational Services	15%	7%	10%	3%
Construction	6%	10%	4%	8%
Financial Activities	15%	4%	6%	0%
Other Services	14%	3%	6%	3%

\* Includes Management of Companies and Enterprises  
Source: Future Hiring Survey, Fall 2011

The share of employers planning to hire for turnover, seasonal, expansion, and restoration reasons was basically the same as in fall 2010.

Employers in leisure and hospitality and health care and social assistance were the most likely to say they plan on hiring for turnover. Only a small share of employers in construction and in natural resources and mining plan on hiring because of turnover.

Employers in the natural resources and mining industry were the most likely to be hiring for seasonal work, followed by employers in administrative and waste services. The industries with the smallest share of employers expecting to hire seasonal workers were health care and social assistance, other services, and financial activities.

The industries with the largest shares of employers planning to hire because they are expanding their business were manufacturing; information; and professional, scientific, and

technical services. The natural resources and mining industry and construction industry had the smallest shares of employers planning to expand.

A small share of employers said they plan to restore some of the jobs cut or furloughed during the recession. The construction and manufacturing industries had the highest shares of employers planning to restore jobs; 8 percent of construction, and 6 percent of manufacturing employers are planning to restore jobs lost in recent years within the next six months.

### Employers Hiring Across the Occupational Spectrum

As part of the survey, employers were invited to list job titles they plan to hire for over the next six months. The majority of employers, roughly 71 percent, did not write in any job titles.

The employers that responded expect to hire workers in 400 different occupations in the near future. The occupations employers said they plan to hire were concentrated in the largest occupational groups. Office and administrative support occupations; food preparation and serving; sales and related; and transportation and material moving occupations were the jobs most often listed by employers (Table 2). Those four groups accounted for just less than one-half of the occupations that employers listed they are expecting to hire.

Overall, the ranking of occupational groups listed by employers was little changed compared to the fall 2010 survey.

The top individual occupations by number of responses were driver/sales worker, farm workers, office clerks, retail salespersons, and laborer and freight movers.

### Economic Conditions Preventing Hiring

Employers were invited to provide the most important factors that might prevent them from hiring over the next six months, and 77 percent of respondents listed at least one factor. The factors were grouped into three broad categories: the economy, the government, or some other reason specific to their business.

Just more than one-half of the employers who provided a reason cited factors relating to poor economic conditions. That is identical to the 51 percent of employers who cited the economy

**Table 2**

<b>Expected Hiring by Occupation Group, Statewide</b> <i>Listed by Frequency of Response</i>
Office and Administrative Support
Food Preparation and Serving Related
Sales and Related Occupations
Transportation and Material Moving
Management Occupations
Production Occupations
Installation, Maintenance, and Repair
Personal Care and Service
Healthcare Practitioners and Technical
Construction and Extraction
Business and Financial Operations
Building and Grounds Cleaning and Maintenance
Healthcare Support Occupations
Education, Training, and Library
Arts, Design, Entertainment, Sports, and Media
Farming, Fishing, and Forestry
Community and Social Service
Architecture and Engineering
Computer and Mathematical
Legal Occupations
Life, Physical, and Social Science
Protective Service

*Source: Future Hiring Survey, Fall 2011*

as a reason for not hiring in fall 2010. Besides the slow economy in general, a few businesses specifically mentioned tight credit and slow housing markets (Table 3).

Nearly 20 percent of employers in the construction industry cited the slow housing market as a reason for not hiring, while 10 percent cited tight credit markets. Similarly, employers in the transportation, warehousing, and utilities industry were the most likely to cite high fuel costs as a barrier.

More than one in four employers said there were other reasons preventing them from hiring. The most common was that their business is in the off-season and would not need to hire in the next six months. Some employers felt a general uncertainty about the future that was preventing them from hiring, while others said they could not find qualified applicants. Employers in transportation, warehousing, and utilities cited lack of qualified applicants most often, while employers in financial activities and natural resources and mining mentioned it the least often.

Fourteen percent of employers provided a reason for not hiring that had to do with government. Six percent mentioned taxes in general, while 1 percent mentioned measures 66 or 67 specifically. Other government-related responses concerned regulations, the minimum wage, health care reform, or state budget cuts. Employers in health care and social assistance and leisure and hospitality were the most likely to finger the government for slow hiring. Employers in health care and social assistance, by a margin of three to one, said state budget cuts may prevent hiring compared with those that mentioned health care reform. Not surprisingly employers in leisure and hospitality were by far the most likely to mention the minimum wage compared to other industries.

### Expectations Similar Around the State

The percent of employers expecting any type of hiring over the next six months did not show much variation by region. Employers in Central Oregon and the Columbia Gorge were the most likely to indicate plans to hire, while employers in Eastern Oregon, along the Oregon Coast, and in Southern Oregon were the least likely. However, employers across all areas of the state showed the same trend: between 30 and 40 percent of respondents plan to hire within six months.

Employers in Central Oregon and the Columbia Gorge were the most likely to anticipate hiring due to seasonal business trends while firms in Portland and surrounding areas were the most likely to anticipate hiring due to company growth. For turnover and restoration hiring there were no major differences between geographical areas of the state.

**Table 3**

<b>Reasons That May Prevent Employers From Hiring Over Next Six Months</b>	
<i>Share of Respondents</i>	
<b>Related to Economy</b>	<b>51%</b>
Recession	37%
Tight credit market	4%
Slow housing market	4%
Inflation	3%
High fuel costs	1%
<b>Other Reasons</b>	<b>29%</b>
Seasonal work	13%
Current staff is adequate	11%
Lack of qualified applicants	5%
Lack of turnover	3%
<b>Related to Government</b>	<b>14%</b>
Taxes	6%
Regulations	4%
Minimum wage	4%
Health care	3%
State budget cuts	3%
Measures 66 & 67	1%

## Larger Employers More Likely To Expect Increases

Large employers are more likely to anticipate near-term increases in employment levels than smaller firms. However, in Oregon small firms outnumber large ones by a wide margin. It is impossible to know how these responses will predict or affect overall hiring levels. Despite being less likely to hire, smaller establishments could have a large impact on the total number of workers hired.

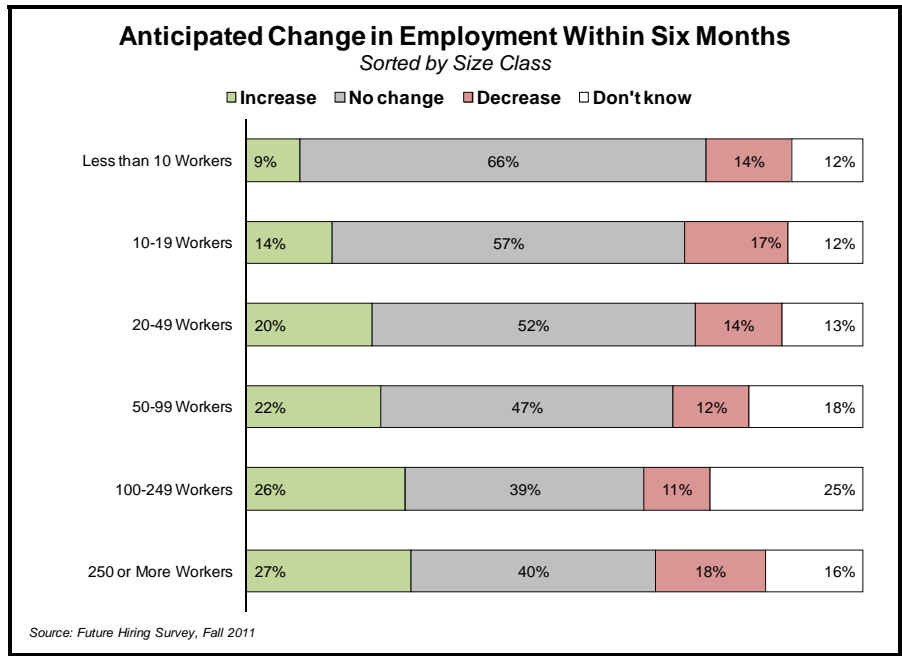
The percent of employers expecting to decrease the size of their staff over the next six months didn't show any trend across size classes. Most notably, large employers were more confident that their firm would either grow or shrink as opposed to smaller employers who were more likely to report no expected change in employment levels.

Ignoring net employment changes, large employers were significantly more likely to report that they would hire in the next six months compared to smaller employers. Nearly 70 percent of employers with at least 50 employees plan to hire within six months compared to just 31 percent of employers with fewer than 50 employees.

## Prospects for Job Seekers

The results of the fall 2011 future hiring survey show that Oregon employers still have reservations about current economic conditions, but one-third of firms plan to hire new staff within six months. Employers in all regions and of all sizes are still hiring and plan to do so across a broad range of occupations.

It is clear that the job market is weak right now and improvements are slow; through three survey periods conducted in the fall of 2010, and spring and fall of 2011, roughly half of all employers said economic conditions may prevent them from hiring in the near term.



**Graph 2**

## **Survey Details**

The Oregon Employment Department's fall 2011 future hiring survey asked 5,692 private-sector employers about their expectations to hire over the next six months and how they expect the size of their workforce to change over the period. Employers were asked to list what

occupations they planned on hiring and invited to comment on the factors that would prevent them from hiring. Employers responded to the survey during the period from the first week of October through the second week of December.