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Labor Market Information

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Third Quarter 2018: New Kid on the Block Means Lower Wages

Oregon employers must report total wages and hours worked for each employee covered by unemployment insurance. These quarterly records cover more than two million individuals employed in the state but don't include roughly 280,000 self-employed workers. Past quarterly wage reports are available in the Oregonians @ Work box at www.qualityinfo.org/pubs.

Most people would probably guess that new workers would have lower wages than existing workers, and that seemed to be exactly the case for Oregon in the third quarter of 2018. Sometimes economics yields surprises, and sometimes it confirms hunches. In this comparison of new jobs versus all jobs, our hunch was that new jobs would pay lower wages. And this was the case for every major industry.

This analysis compares the median hourly wage for all jobs in Oregon covered by unemployment insurance in the third quarter of 2018 with the jobs worked in the third quarter but not in the previous quarter. In other words, we compared all jobs with new jobs, where a job is defined as an individual working for a given employer. Individuals can have more than one job. The median wage for all jobs was \$19.85 per hour (see Table 1), but the median wage for new third quarter jobs was only \$13.78 per hour.

New jobs paid less than all jobs in every major industry, although the difference varied. Industries that had higher hourly wages tended to have larger differences. The information industry, state government, and local government paid median hourly wages of around \$30 per hour for all jobs, but workers in new jobs in these industries made roughly 40 percent less. At the other end of the wage scale, leisure and hospitality, natural resources and mining, other services, and retail trade paid median wages of around \$13 to \$16 per hour for all jobs, and workers in new jobs in these industries made about 10 percent to 11 percent less. The wage penalty for being the new kid on the block is much smaller in lower-wage industries.

The wage differences between all jobs and new jobs for different industries is somewhat matched by the differences in turnover by industry. It is likely impossible to say if larger wage differences cause less turnover, or even which direction any influence might work. Leisure and hospitality, natural resources and mining, other services, and retail trade all had annual turnover rates of 10 percent to 15 percent in 2017, according to the Census Bureau's Longitudinal Employer-Household Dynamics program. Turnover for the information industry

and public service was 5 percent to 8 percent. Higher overall pay and higher pay for seniority seem to be associated with lower turnover.

Other wage information about Oregon's industries, business size, multiple job holding, and wage distribution are in the attached tables.

Table 1: Oregon - Number of Jobs by Hourly Wage Level and Broad Industry - 3rd Quarter 2018*

	Under \$10.00	\$10.00 - \$14.99	\$15.00 - \$19.99	\$20.00 - \$29.99	\$30.00 - \$39.99	\$40.00 - \$49.99	\$50.00 - \$59.99	\$60.00 or more	Total	Median Wage
Total - All Industries	21,079	670,132	427,179	464,152	229,061	138,684	85,935	178,835	2,215,057	\$19.85
Natural Resources and Mining	1,179	45,958	25,121	19,275	4,653	1,523	719	1,756	100,184	\$15.37
Construction	495	13,889	26,238	36,140	23,274	16,582	6,326	5,712	128,656	\$25.62
Manufacturing	970	38,078	46,885	56,951	26,000	15,018	10,261	22,453	216,616	\$23.08
Wholesale Trade	432	13,642	17,332	22,223	11,040	6,208	3,893	9,254	84,024	\$24.06
Retail Trade	2,966	136,038	52,437	37,077	11,779	5,524	2,712	6,653	255,186	\$14.29
Transportation, Warehousing, and Utilities	481	11,086	13,883	15,819	7,158	3,600	2,774	6,269	61,070	\$22.37
Information	160	5,884	3,825	7,321	6,011	4,529	3,045	7,568	38,343	\$33.20
Financial Activities	735	12,841	19,716	25,481	12,735	7,736	4,682	10,022	93,948	\$24.45
Professional and Business Services	3,122	81,304	51,804	50,808	29,551	19,430	13,072	33,154	282,245	\$20.57
Private Educational Services	621	8,411	6,541	8,486	4,741	2,480	1,544	2,380	35,204	\$21.85
Health Care & Social Assistance	2,377	69,186	57,337	56,069	27,331	19,293	15,112	32,486	279,191	\$21.27
Leisure and Hospitality	4,086	166,095	51,992	35,867	9,877	2,785	1,298	3,097	275,097	\$13.40
Other Services	1,214	34,843	19,781	17,201	6,873	3,193	1,797	3,162	88,064	\$16.47
State Government	6	2,460	6,782	24,523	11,965	7,712	3,435	2,557	59,440	\$27.30
Local Government	2,220	30,132	27,271	50,652	35,936	22,968	15,194	32,145	216,518	\$29.53
Non-classifiable	15	285	234	259	137	103	71	167	1,271	\$22.63

* Count of records. Individuals holding multiple jobs will be counted more than once.

Records meeting the following conditions have been excluded from this analysis:

- 0 (zero) hours reported
- 999 hours reported
- wages < \$7.25/hr calculated
- wages > \$500/hr calculated and < 10 hours reported
- federal government employment

Source: Unemployment Insurance Wage Records

Table 2: Oregon - Fraction of Jobs by Broad Industry by Hourly Wage Level - 3rd Quarter 2018*

	Under \$10.00	\$10.00 - \$14.99	\$15.00 - \$19.99	\$20.00 - \$29.99	\$30.00 - \$39.99	\$40.00 - \$49.99	\$50.00 - \$59.99	\$60.00 or more	Total
Total - All Industries	1.0%	30.3%	19.3%	21.0%	10.3%	6.3%	3.9%	8.1%	100.0%
Natural Resources and Mining	1.2%	45.9%	25.1%	19.2%	4.6%	1.5%	0.7%	1.8%	100.0%
Construction	0.4%	10.8%	20.4%	28.1%	18.1%	12.9%	4.9%	4.4%	100.0%
Manufacturing	0.4%	17.6%	21.6%	26.3%	12.0%	6.9%	4.7%	10.4%	100.0%
Wholesale Trade	0.5%	16.2%	20.6%	26.4%	13.1%	7.4%	4.6%	11.0%	100.0%
Retail Trade	1.2%	53.3%	20.5%	14.5%	4.6%	2.2%	1.1%	2.6%	100.0%
Transportation, Warehousing, and Utilities	0.8%	18.2%	22.7%	25.9%	11.7%	5.9%	4.5%	10.3%	100.0%
Information	0.4%	15.3%	10.0%	19.1%	15.7%	11.8%	7.9%	19.7%	100.0%
Financial Activities	0.8%	13.7%	21.0%	27.1%	13.6%	8.2%	5.0%	10.7%	100.0%
Professional and Business Services	1.1%	28.8%	18.4%	18.0%	10.5%	6.9%	4.6%	11.7%	100.0%
Private Educational Services	1.8%	23.9%	18.6%	24.1%	13.5%	7.0%	4.4%	6.8%	100.0%
Health Care & Social Assistance	0.9%	24.8%	20.5%	20.1%	9.8%	6.9%	5.4%	11.6%	100.0%
Leisure and Hospitality	1.5%	60.4%	18.9%	13.0%	3.6%	1.0%	0.5%	1.1%	100.0%
Other Services	1.4%	39.6%	22.5%	19.5%	7.8%	3.6%	2.0%	3.6%	100.0%
State Government	0.0%	4.1%	11.4%	41.3%	20.1%	13.0%	5.8%	4.3%	100.0%
Local Government	1.0%	13.9%	12.6%	23.4%	16.6%	10.6%	7.0%	14.8%	100.0%
Non-classifiable	1.2%	22.4%	18.4%	20.4%	10.8%	8.1%	5.6%	13.1%	100.0%

* Count of records. Individuals holding multiple jobs will be counted more than once.

Records meeting the following conditions have been excluded from this analysis:

- 0 (zero) hours reported
- 999 hours reported
- wages < \$7.25/hr calculated
- wages > \$500/hr calculated and < 10 hours reported
- federal government employment

Source: *Unemployment Insurance Wage Records*

Table 3: Oregon - Fraction of Jobs by Hourly Wage Level by Broad Industry - 3rd Quarter 2018*

	Under \$10.00	\$10.00 - \$14.99	\$15.00 - \$19.99	\$20.00 - \$29.99	\$30.00 - \$39.99	\$40.00 - \$49.99	\$50.00 - \$59.99	\$60.00 or more	Total
Total - All Industries	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Natural Resources and Mining	5.6%	6.9%	5.9%	4.2%	2.0%	1.1%	0.8%	1.0%	4.5%
Construction	2.3%	2.1%	6.1%	7.8%	10.2%	12.0%	7.4%	3.2%	5.8%
Manufacturing	4.6%	5.7%	11.0%	12.3%	11.4%	10.8%	11.9%	12.6%	9.8%
Wholesale Trade	2.0%	2.0%	4.1%	4.8%	4.8%	4.5%	4.5%	5.2%	3.8%
Retail Trade	14.1%	20.3%	12.3%	8.0%	5.1%	4.0%	3.2%	3.7%	11.5%
Transportation, Warehousing, and Utilities	2.3%	1.7%	3.2%	3.4%	3.1%	2.6%	3.2%	3.5%	2.8%
Information	0.8%	0.9%	0.9%	1.6%	2.6%	3.3%	3.5%	4.2%	1.7%
Financial Activities	3.5%	1.9%	4.6%	5.5%	5.6%	5.6%	5.4%	5.6%	4.2%
Professional and Business Services	14.8%	12.1%	12.1%	10.9%	12.9%	14.0%	15.2%	18.5%	12.7%
Private Educational Services	2.9%	1.3%	1.5%	1.8%	2.1%	1.8%	1.8%	1.3%	1.6%
Health Care & Social Assistance	11.3%	10.3%	13.4%	12.1%	11.9%	13.9%	17.6%	18.2%	12.6%
Leisure and Hospitality	19.4%	24.8%	12.2%	7.7%	4.3%	2.0%	1.5%	1.7%	12.4%
Other Services	5.8%	5.2%	4.6%	3.7%	3.0%	2.3%	2.1%	1.8%	4.0%
State Government	0.0%	0.4%	1.6%	5.3%	5.2%	5.6%	4.0%	1.4%	2.7%
Local Government	10.5%	4.5%	6.4%	10.9%	15.7%	16.6%	17.7%	18.0%	9.8%
Non-classifiable	0.1%	0.0%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%

* Count of records. Individuals holding multiple jobs will be counted more than once.

Records meeting the following conditions have been excluded from this analysis:

- 0 (zero) hours reported
- 999 hours reported
- wages < \$7.25/hr calculated
- wages > \$500/hr calculated and < 10 hours reported
- federal government employment

Source: *Unemployment Insurance Wage Records*

Table 4: Oregon - Number of Jobs by Hourly Wage Level and Firm Employment Size Class - 3rd Quarter 2018*

	Under \$10.00	\$10.00 - \$14.99	\$15.00 - \$19.99	\$20.00 - \$29.99	\$30.00 - \$39.99	\$40.00 - \$49.99	\$50.00 - \$59.99	\$60.00 or more	Total	Median Wage
Total - All Size Classes	21,079	670,132	427,179	464,152	229,061	138,684	85,935	178,835	2,215,057	\$19.85
Under 5 employees	1,931	35,737	25,246	24,478	10,337	6,056	3,820	9,325	116,930	\$18.75
5 - 9 employees	1,331	45,398	29,504	27,621	11,638	5,674	2,933	6,245	130,344	\$17.63
10 - 19 employees	1,633	65,290	41,031	38,837	15,875	8,248	4,092	8,421	183,427	\$17.62
20 - 49 employees	2,731	103,495	62,220	61,254	26,472	13,522	7,022	13,758	290,474	\$17.76
50 - 99 employees	2,021	70,842	46,622	47,822	22,814	12,775	6,691	12,270	221,857	\$18.83
100 - 249 employees	3,188	92,920	62,254	64,068	32,614	17,794	9,299	19,362	301,499	\$19.20
250 - 499 employees	1,959	69,229	42,995	44,870	22,631	13,686	8,081	15,097	218,548	\$19.26
500 or more employees	6,285	187,221	117,307	155,202	86,680	60,929	43,997	94,357	751,978	\$23.21

* Count of records. Individuals holding multiple jobs will be counted more than once.

Records meeting the following conditions have been excluded from this analysis:

- 0 (zero) hours reported
- 999 hours reported
- wages < \$7.25/hr calculated
- wages > \$500/hr calculated and < 10 hours reported
- federal government employment

Source: Unemployment Insurance Wage Records

Table 5: Oregon - Fraction of Jobs by Firm Employment Size Class by Hourly Wage Level - 3rd Quarter 2018*

	Under \$10.00	\$10.00 - \$14.99	\$15.00 - \$19.99	\$20.00 - \$29.99	\$30.00 - \$39.99	\$40.00 - \$49.99	\$50.00 - \$59.99	\$60.00 or more	Total
Total - All Size Classes	1.0%	30.3%	19.3%	21.0%	10.3%	6.3%	3.9%	8.1%	100.0%
Under 5 employees	1.7%	30.6%	21.6%	20.9%	8.8%	5.2%	3.3%	8.0%	100.0%
5 - 9 employees	1.0%	34.8%	22.6%	21.2%	8.9%	4.4%	2.3%	4.8%	100.0%
10 - 19 employees	0.9%	35.6%	22.4%	21.2%	8.7%	4.5%	2.2%	4.6%	100.0%
20 - 49 employees	0.9%	35.6%	21.4%	21.1%	9.1%	4.7%	2.4%	4.7%	100.0%
50 - 99 employees	0.9%	31.9%	21.0%	21.6%	10.3%	5.8%	3.0%	5.5%	100.0%
100 - 249 employees	1.1%	30.8%	20.6%	21.2%	10.8%	5.9%	3.1%	6.4%	100.0%
250 - 499 employees	0.9%	31.7%	19.7%	20.5%	10.4%	6.3%	3.7%	6.9%	100.0%
500 or more employees	0.8%	24.9%	15.6%	20.6%	11.5%	8.1%	5.9%	12.5%	100.0%

* Count of records. Individuals holding multiple jobs will be counted more than once.

Records meeting the following conditions have been excluded from this analysis:

- 0 (zero) hours reported
- 999 hours reported
- wages < \$7.25/hr calculated
- wages > \$500/hr calculated and < 10 hours reported
- federal government employment

Source: Unemployment Insurance Wage Records

Table 6: Oregon - Fraction of Jobs in Hourly Wage Level by Firm Employment Size Class - 3rd Quarter 2018*

	Under \$10.00	\$10.00 - \$14.99	\$15.00 - \$19.99	\$20.00 - \$29.99	\$30.00 - \$39.99	\$40.00 - \$49.99	\$50.00 - \$59.99	\$60.00 or more	Total
Total - All Size Classes	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Under 5 employees	9.2%	5.3%	5.9%	5.3%	4.5%	4.4%	4.4%	5.2%	5.3%
5 - 9 employees	6.3%	6.8%	6.9%	6.0%	5.1%	4.1%	3.4%	3.5%	5.9%
10 - 19 employees	7.7%	9.7%	9.6%	8.4%	6.9%	5.9%	4.8%	4.7%	8.3%
20 - 49 employees	13.0%	15.4%	14.6%	13.2%	11.6%	9.8%	8.2%	7.7%	13.1%
50 - 99 employees	9.6%	10.6%	10.9%	10.3%	10.0%	9.2%	7.8%	6.9%	10.0%
100 - 249 employees	15.1%	13.9%	14.6%	13.8%	14.2%	12.8%	10.8%	10.8%	13.6%
250 - 499 employees	9.3%	10.3%	10.1%	9.7%	9.9%	9.9%	9.4%	8.4%	9.9%
500 or more employees	29.8%	27.9%	27.5%	33.4%	37.8%	43.9%	51.2%	52.8%	33.9%

* Count of records. Individuals holding multiple jobs will be counted more than once.

Records meeting the following conditions have been excluded from this analysis:

- 0 (zero) hours reported
- 999 hours reported
- wages < \$7.25/hr calculated
- wages > \$500/hr calculated and < 10 hours reported
- federal government employment

Source: Unemployment Insurance Wage Records

Table 7: Oregon - Unemployment Insurance Wage Record Summary Statistics - 3rd Quarter 2018

	Count	12-Month Percent Change	Percent of Total SSNs	Total Wages	12-Month Percent Change	Percent of Total Wages	Mean Wages Per Quarter	12-Month Percent Change
Total SSNs	1,991,338	1.7%	100.0%	\$ 24,364,136,198	5.5%	100.0%	\$ 12,235	3.8%
One Job	1,750,658	1.5%	87.9%	\$ 22,055,362,202	5.2%	90.5%	\$ 12,598	3.6%
Two Jobs	205,411	2.3%	10.3%	\$ 1,995,504,298	8.5%	8.2%	\$ 9,715	6.0%
Three Jobs	27,530	4.4%	1.4%	\$ 237,571,677	11.1%	1.0%	\$ 8,630	6.4%
Four or More Jobs	7,739	5.7%	0.4%	\$ 75,698,021	9.7%	0.3%	\$ 9,781	3.7%
Total Records	2,280,559	1.8%						
Records per SSN	1.15							
Two or More Jobs	240,680	2.7%	12.1%					
Workers in Oregon's workforce in 3rd Quarter 2018 who:								
- did not work in Oregon in 2nd quarter 2018	181,469	1.2%						
- had not worked in Oregon since 1990	66,677	-1.1%						
- returned to Oregon's workforce*	114,792	2.6%						
Percent in workforce one year ago	83.3%							
Percent in same primary industry	83.3%							
Percent in new primary industry (3-digit NAICS)	16.7%							

*Did not work in Oregon in 2nd Quarter 2018, but have worked in Oregon at some point since 1990.

Source: Unemployment Insurance Wage Records

Table 8: Oregon - Quarterly Wages by Quintile and Hours Worked - 3rd Quarter 2018

2018 3rd Quarter Wages

All Workers

	Quintile					
	All ¹	1	2	3	4	5
Quintiles		\$3,656	\$7,130	\$10,821	\$17,377	NA
Mean	\$12,235	\$1,744	\$5,453	\$8,868	\$13,690	\$31,420
Median	\$8,822	\$1,714	\$5,495	\$8,822	\$13,500	\$24,114

¹1,991,338 SSNs

Employed 200+ Hours

	Quintile					
	All ²	1	2	3	4	5
Quintiles		\$6,000	\$8,832	\$12,510	\$19,134	NA
Mean	\$14,272	\$4,304	\$7,402	\$10,532	\$15,421	\$33,695
Median	\$10,466	\$4,402	\$7,402	\$10,466	\$15,205	\$26,055

²1,603,588 SSNs

Employed 350+ Hours

	Quintile					
	All ³	1	2	3	4	5
Quintiles		\$7,408	\$10,102	\$13,882	\$20,652	NA
Mean	\$15,863	\$5,876	\$8,715	\$11,858	\$16,857	\$36,009
Median	\$11,796	\$6,027	\$8,700	\$11,796	\$16,661	\$27,901

³1,305,550 SSNs

Percent Change from Prior Year

All Workers

	Quintile					
	All ¹	1	2	3	4	5
Quintiles		4.9%	5.0%	3.9%	3.6%	NA
Mean	3.8%	5.0%	5.2%	4.3%	3.7%	3.4%
Median	4.3%	5.2%	5.3%	4.3%	3.8%	3.2%

Employed 200+ Hours

	Quintile					
	All ²	1	2	3	4	5
Quintiles		5.1%	4.0%	3.4%	3.3%	NA
Mean	3.7%	5.2%	4.4%	3.6%	3.4%	3.5%
Median	3.7%	5.4%	4.4%	3.7%	3.2%	3.0%

Employed 350+ Hours

	Quintile					
	All ³	1	2	3	4	5
Quintiles		4.6%	3.6%	3.5%	3.3%	NA
Mean	3.8%	5.1%	4.0%	3.5%	3.4%	3.7%
Median	3.5%	5.0%	4.0%	3.5%	3.4%	3.3%

Source: Unemployment Insurance Wage Records