Oregon Economic Update

UI Benefit Manager Meeting
August 20, 2019
Employment in Oregon: What’s Going On?
Unemployment Near Record Lows
Oregon's Unemployment Rate was at a Record Low in July
(Bars Represent NBER Recessions)

11.9% in November and December 1982
11.9% in May 2009
4.0% in July 2019
3.7% in July 2019

Source: Oregon Employment Department and National Bureau of Economic Research

Support Business ∙ Promote Employment
The number of unemployed Oregonians is very low.

Unemployed Persons, Oregon Statewide
Seasonally Adjusted, 2007 to Present

Seasonally Adjusted

Unemployment:

**Pre-recession**
April 2007: 94,800

**Highest**
May 2009: 235,900

**Current**
July 2019: 84,300
Why are Oregonians Unemployed?

New to the workforce - 45%
Lost job - 37%
Left job voluntarily - 18%

Source: Oregon Employment Department, CPS
Many counties are at or near their record low unemployment rates.

Seasonally adjusted unemployment rate was lowest in Benton County (3.1%) and highest in Grant County (7.3%).

Eight of Oregon’s 36 counties have rates at or below the statewide level of 4.0%.

Seven counties have rates at or below the national level of 3.7%.
Job Growth Has Slowed
Oregon’s jobs growth rate was 1.6 percent over the past 12 months.
Fewer jobs are being added this year.

Oregon's Year-Over-Year Job Growth/Decline
seasonally adjusted

Support Business ∙ Promote Employment
Fastest job growth in Portland and Southern Oregon.

Over-the-Year Employment Growth by Region
July 2018 to July 2019, Seasonally Adjusted Nonfarm Employment

[Bar chart showing employment growth by region: Portland 5, Southern, Willamette Valley, Coast, Eastern, Central. Portland 5 has the highest growth percentage.]
Construction continues to be a fast-growing sector in Oregon.

Seasonally Adjusted Employment in Oregon
Construction: 1990 - 2019

Support Business ∙ Promote Employment
Oregon’s manufacturing sector added 5,000 jobs over the past year.

Seasonally Adjusted Employment in Oregon
Manufacturing: 1990 - 2019
Some retailers are cutting jobs, but other areas are expanding, such as miscellaneous store retailers, food stores, and building supply stores.
Transportation, warehousing, and utilities added 4,500 jobs in past 12 months.
Recession 2020?
Economic Expansions Don't Die of "Old Age," but They Don't Last Forever

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1 Year | 8 Years | 10 Years | 6 Years | 10 Years (so far)

High Interest Rates | Savings and Loan Crisis and Oil Price Shock | Dot Com Bubble Burst | The Great Recession

Source: Oregon Employment Department based on NBER Business Cycles
The Yield Curve. Lower yields on longer-term treasury notes signals that investors are worried about economic conditions in the shorter term.
The Yield Curve. Less than zero signals a recession within a year or two. Was 0.01 as of August 14, 2019.
The Oregon Measure of Economic Activity is still above average. The household sector is contributing through low unemployment, low initial unemployment claims, and solid consumer sentiment.

June 2019
The UO Index edged up in June for the third consecutive month. Expecting continued economic growth at a slower pace than last year.
Thanks For Your Time!
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