



2018 Economic Update

Oregon Employer Council
Washington County
October 17, 2018



Key Facts from September's News Release

- Oregon's unemployment rate remained a record low 3.8 percent in September.
 - The U.S. rate declined to 3.7 percent.
- Nonfarm payroll employment added 300 jobs in September.
 - Employment increased 40,400 (2.1%) over the year.
 - Oregon's over-the-year job growth is much faster than the U.S. rate of 1.6%.
- Most sectors were close to their usual pattern of seasonal job gains or losses in September.

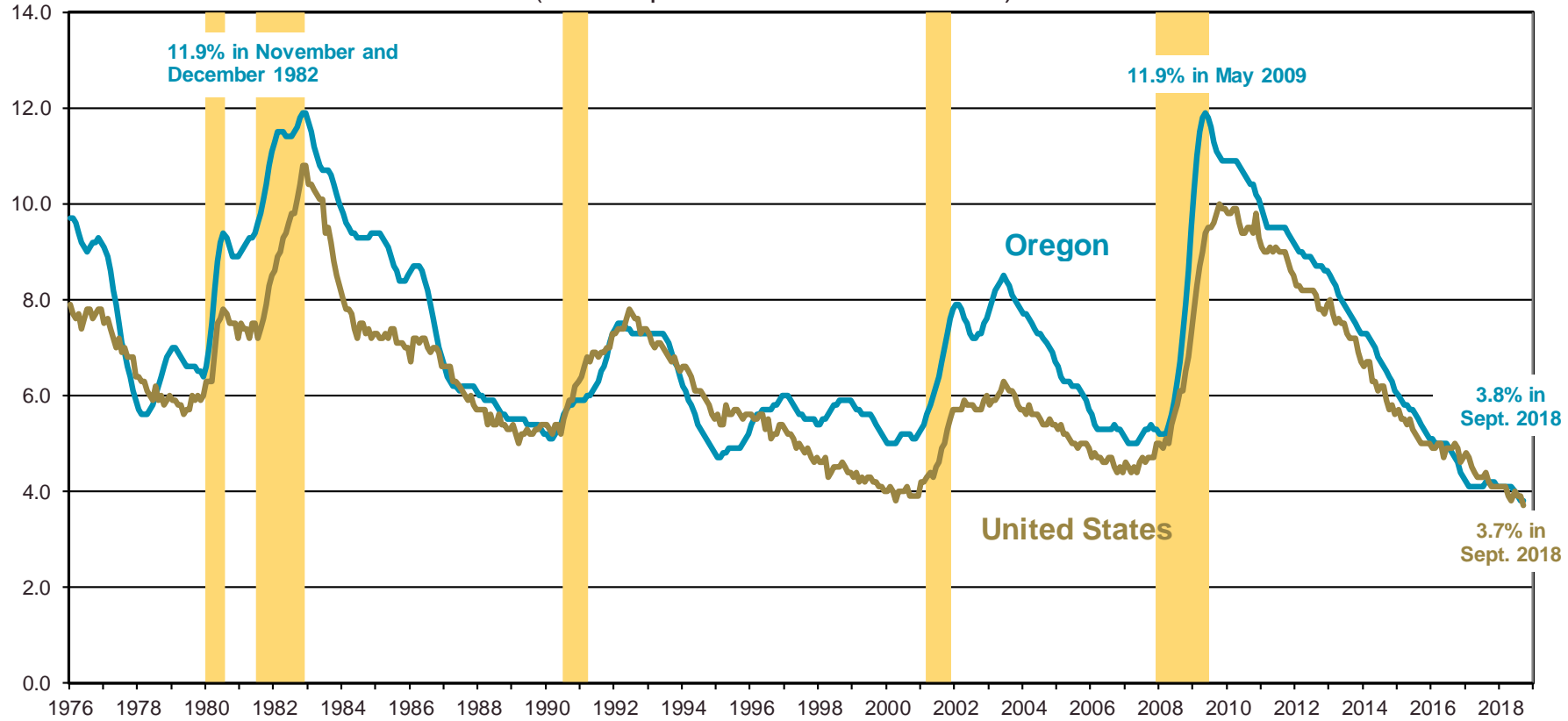


Unemployment Update



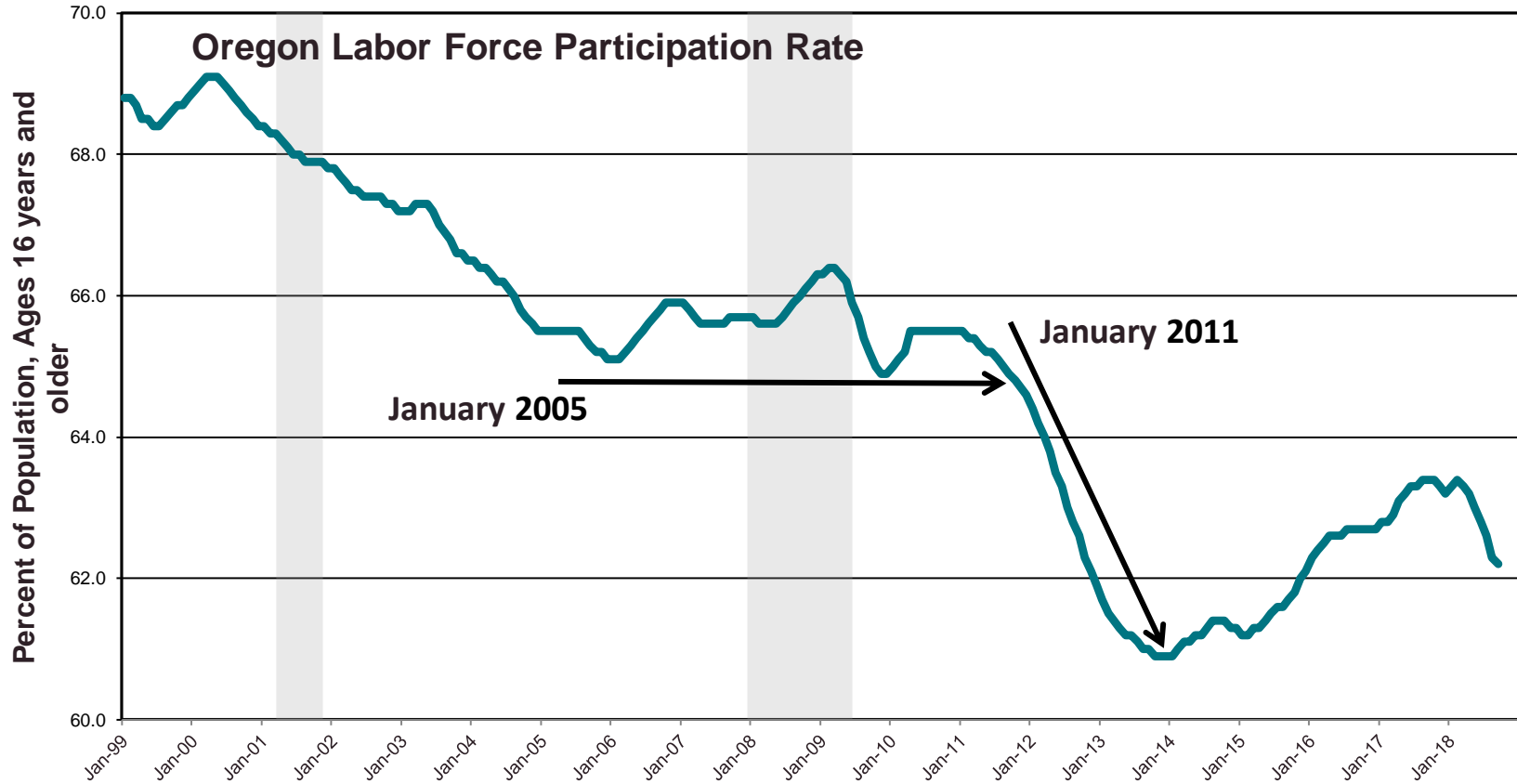
Oregon's Unemployment Rate is at a Record Low

(Bars Represent NBER Recessions)



Source: Oregon Employment Department and National Bureau of Economic Research

The labor force participation has fallen in 2018.

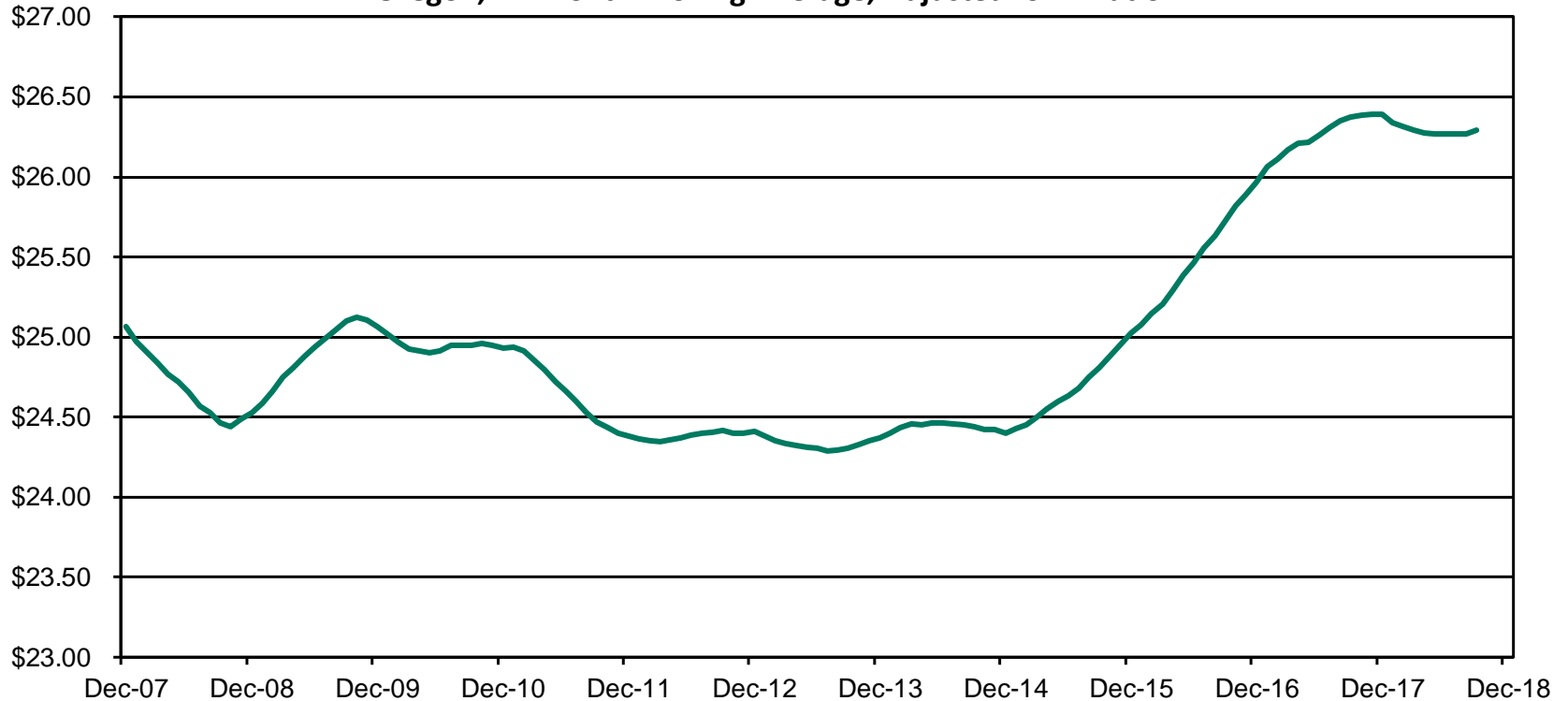


Wages Update



The real average wage of private nonfarm jobs fell through most of 2018.

Average Hourly Wages on the Rise
Oregon, 12-Month Moving Average, Adjusted for Inflation

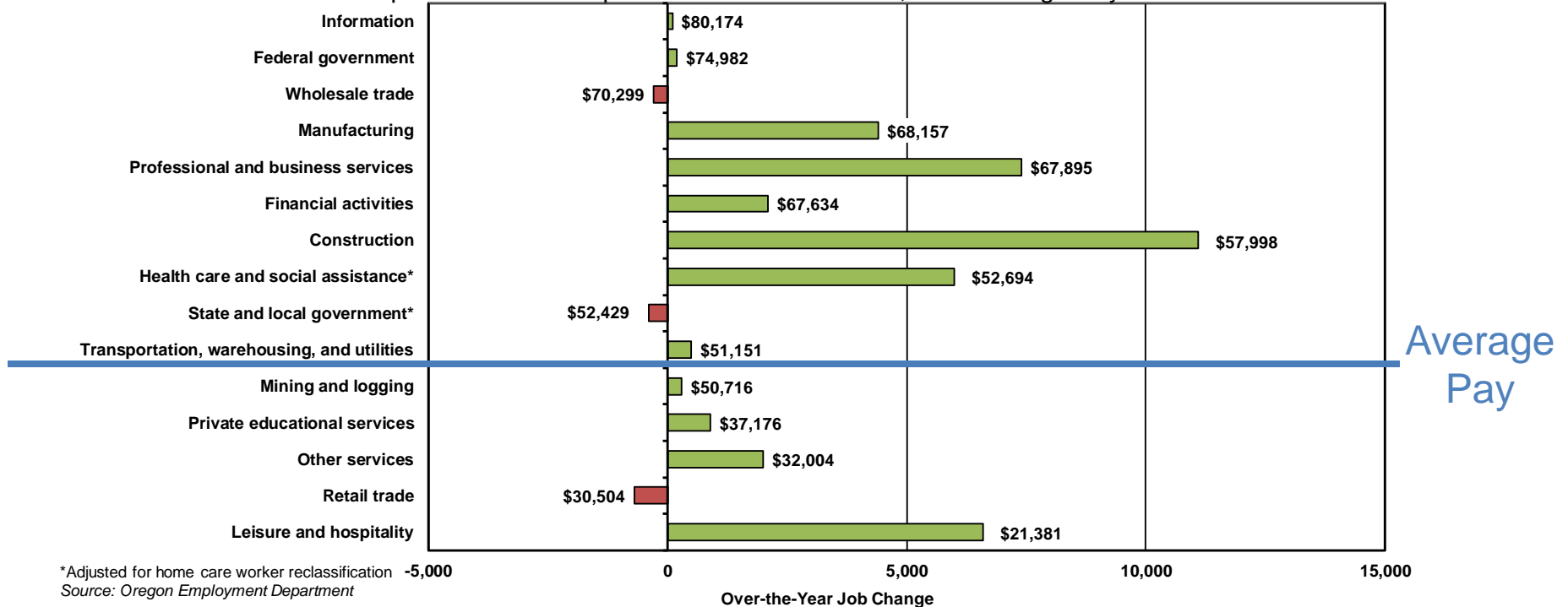


Source: Oregon Employment Department and Bureau of Labor Statistics



Seventy-seventy percent of the jobs added in Oregon last year were in industries with average wages higher than the statewide average of \$51,132 per year.

Oregon Job Growth and Average Pay by Industry
September 2017 - September 2018 Job Growth, 2017 Average Pay

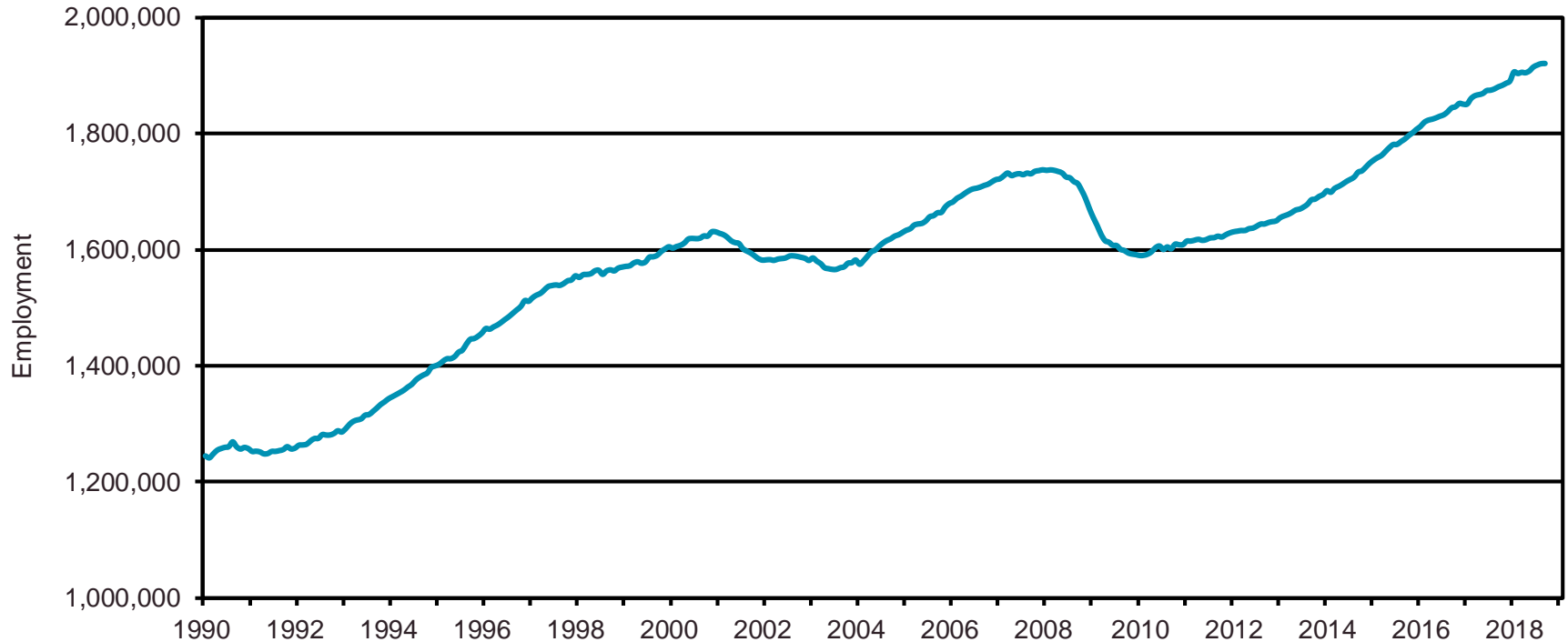


Industry Updates



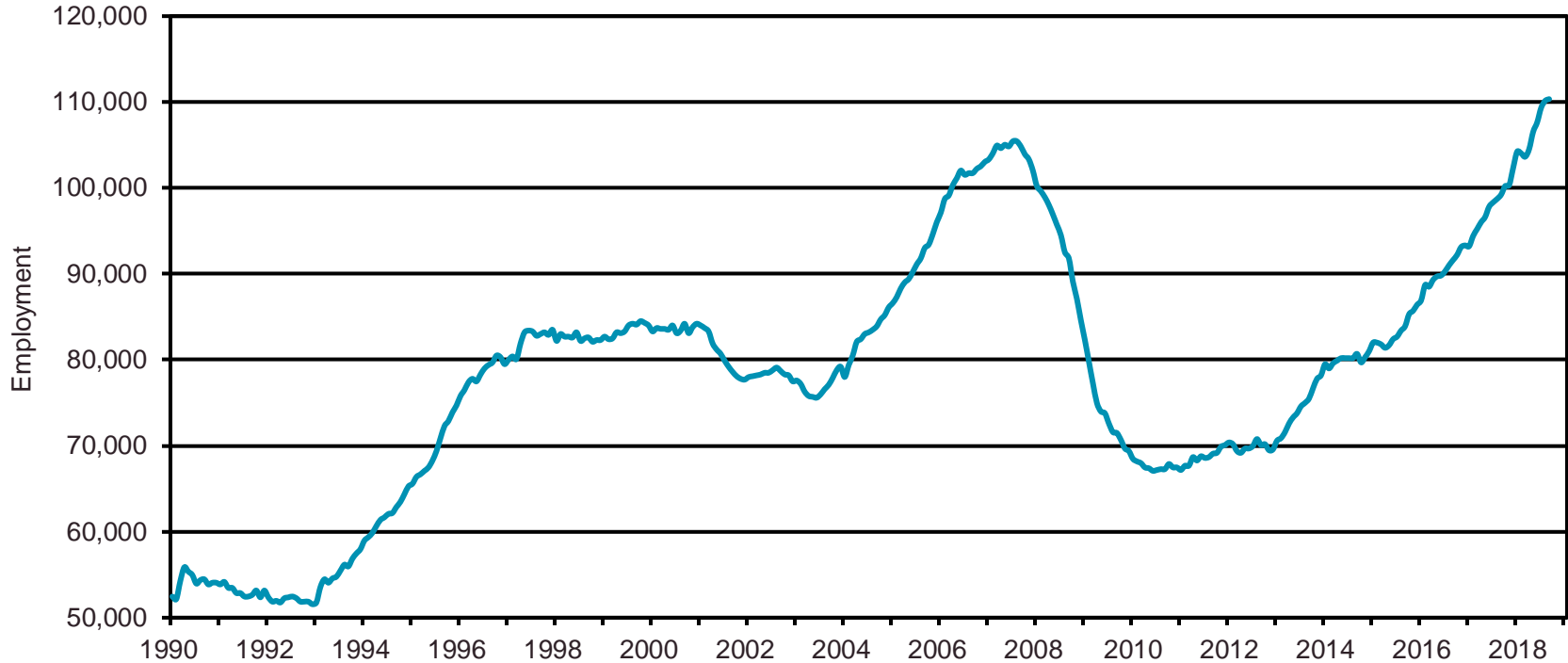
Job growth rate running at 2.1 percent over the year.

Seasonally Adjusted Employment in Oregon Total Nonfarm Payroll: 1990 - 2018



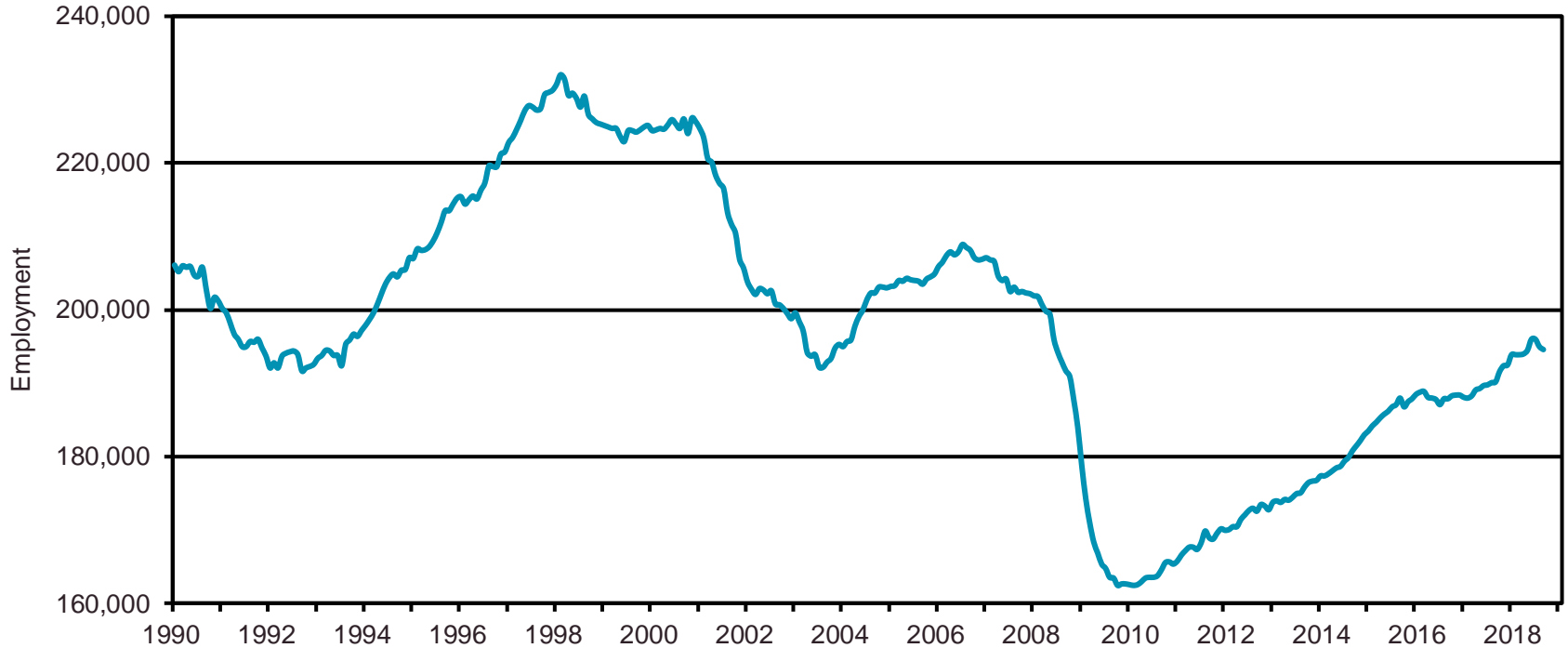
Construction continues to be the fastest growing sector in Oregon.

Seasonally Adjusted Employment in Oregon
Construction: 1990 - 2018



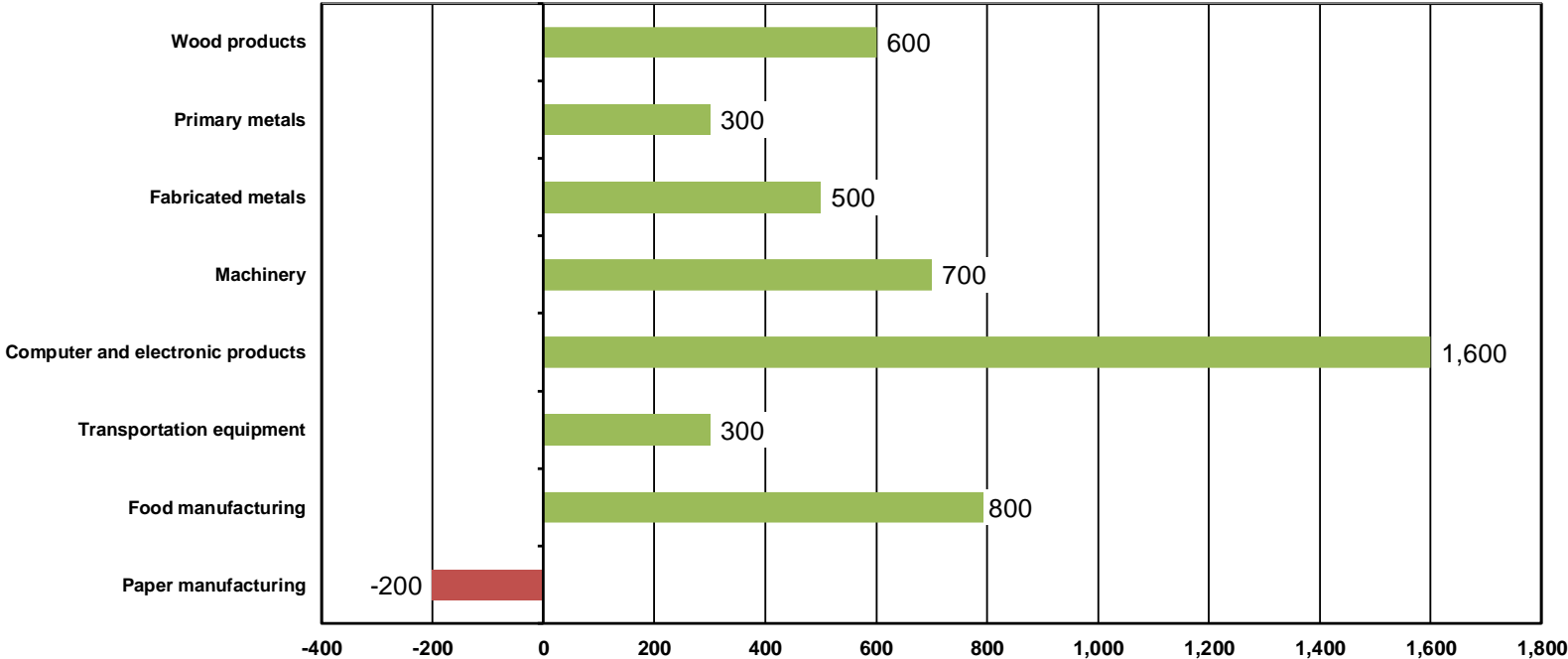
Oregon's manufacturing sector added 4,400 jobs over the past year.

Seasonally Adjusted Employment in Oregon Manufacturing: 1990 - 2018



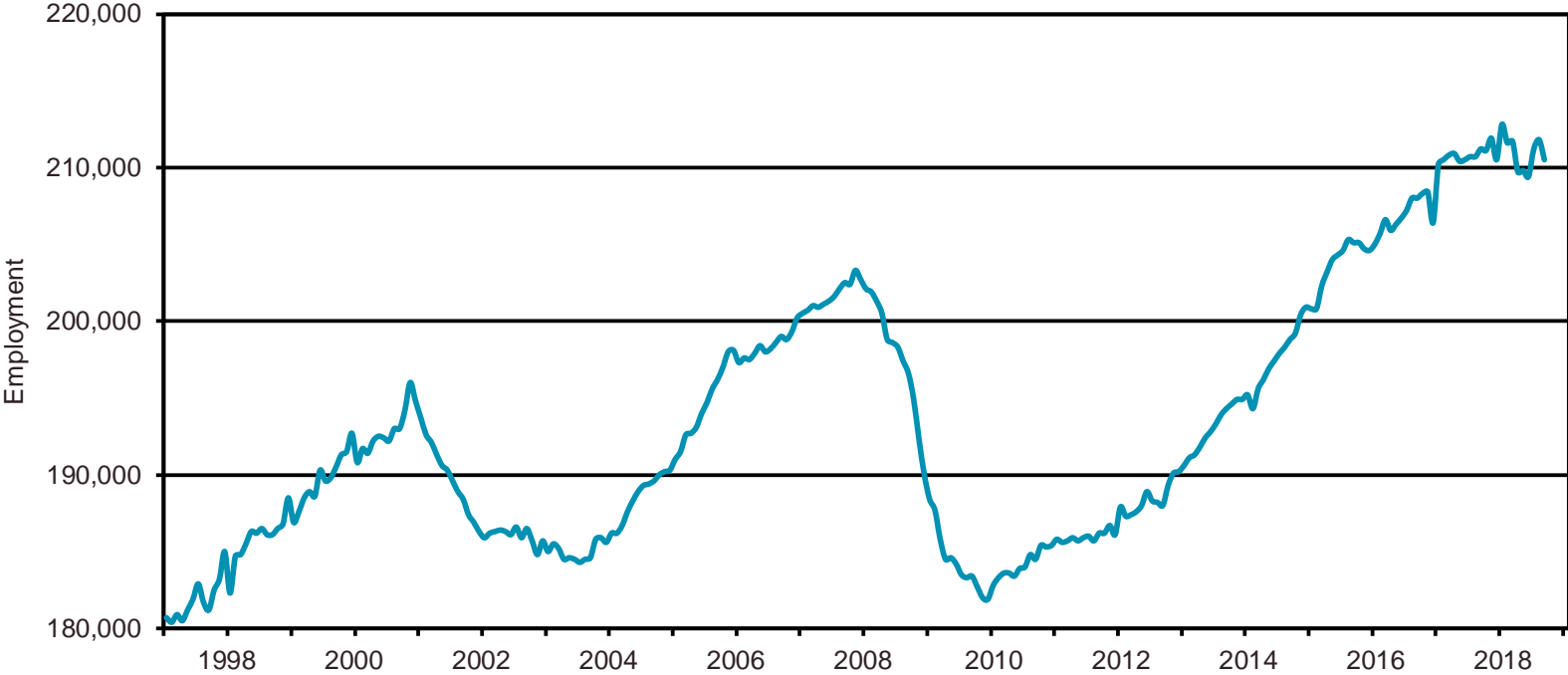
Wood products, metals, machinery, computers, and food are areas of manufacturing seeing a lot of job growth.

Oregon Manufacturing Employment Compared with Last Year
September 2017 to September 2018



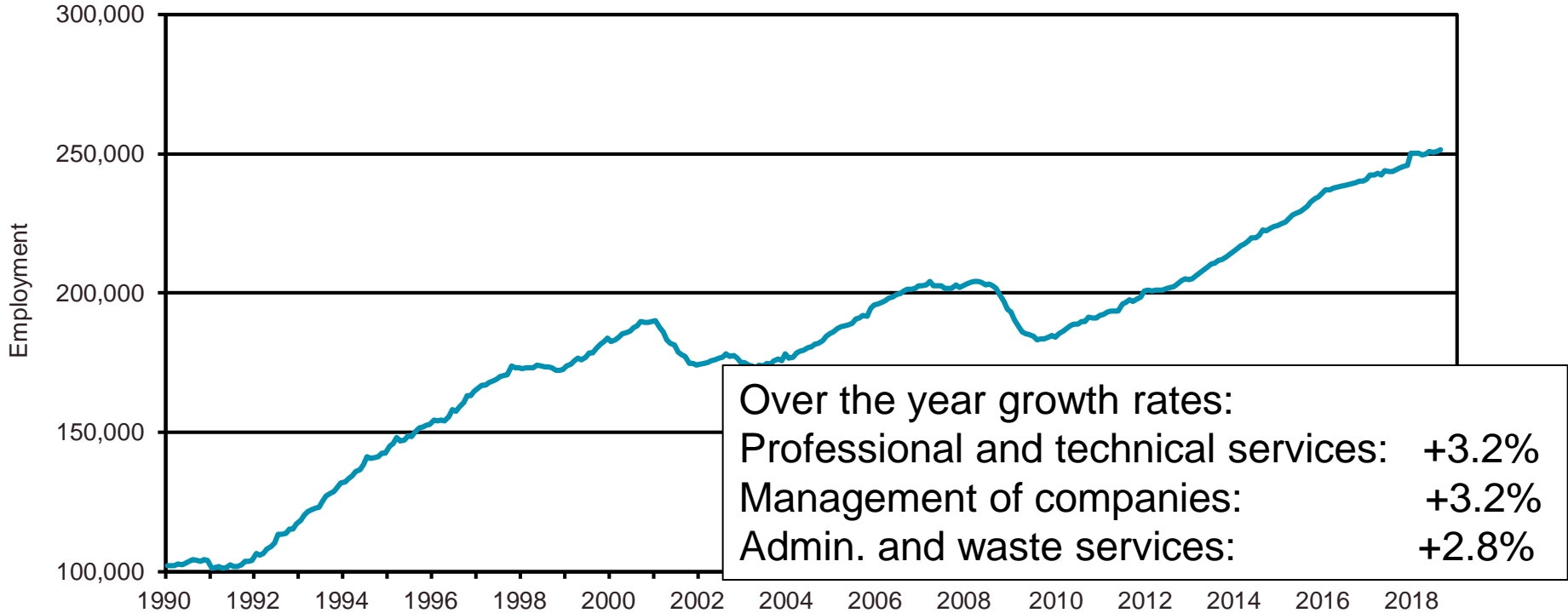
Some retailers are cutting jobs, but other areas are expanding, such as building material stores, car dealers, and miscellaneous store retailers.

Seasonally Adjusted Employment in Oregon
Retail Trade: 1997 - 2018



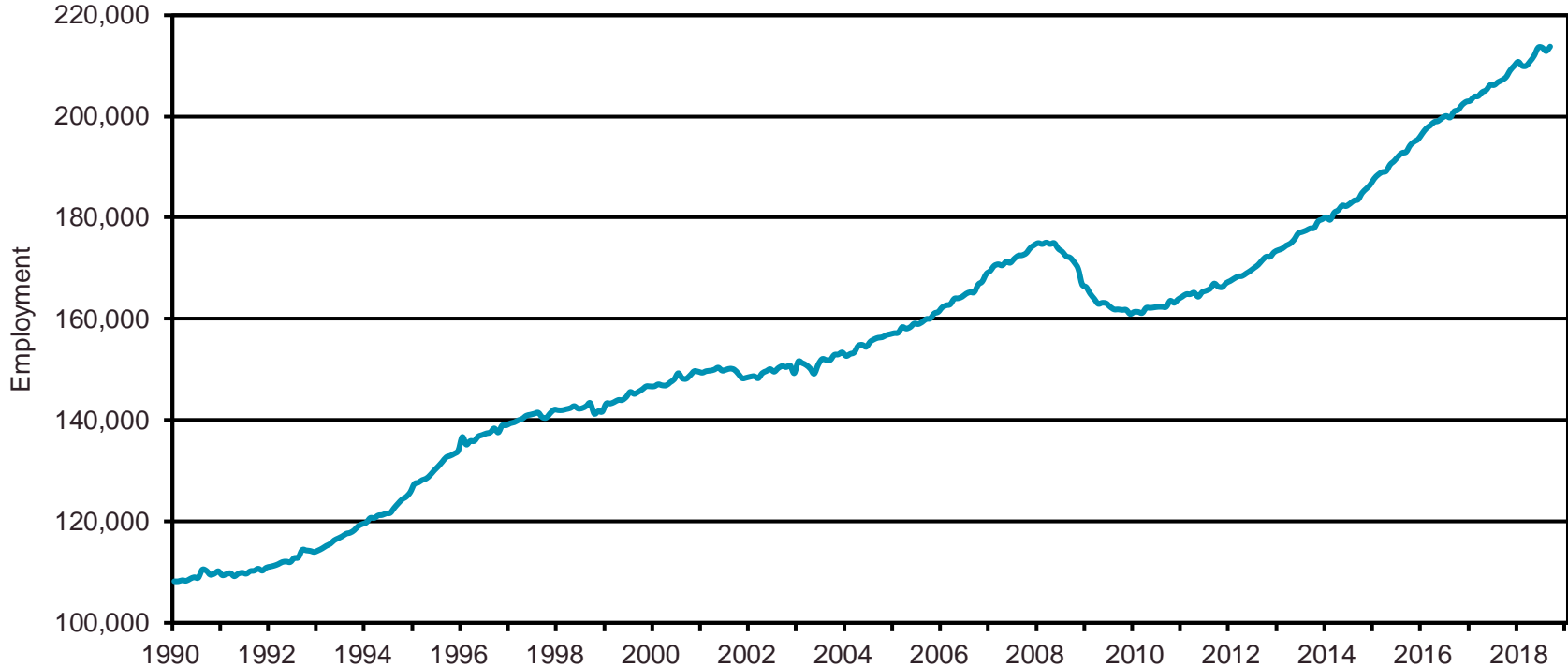
Professional and business services added just 7,400 jobs over the last year.

Seasonally Adjusted Employment in Oregon Professional and Business Services: 1990 - 2018



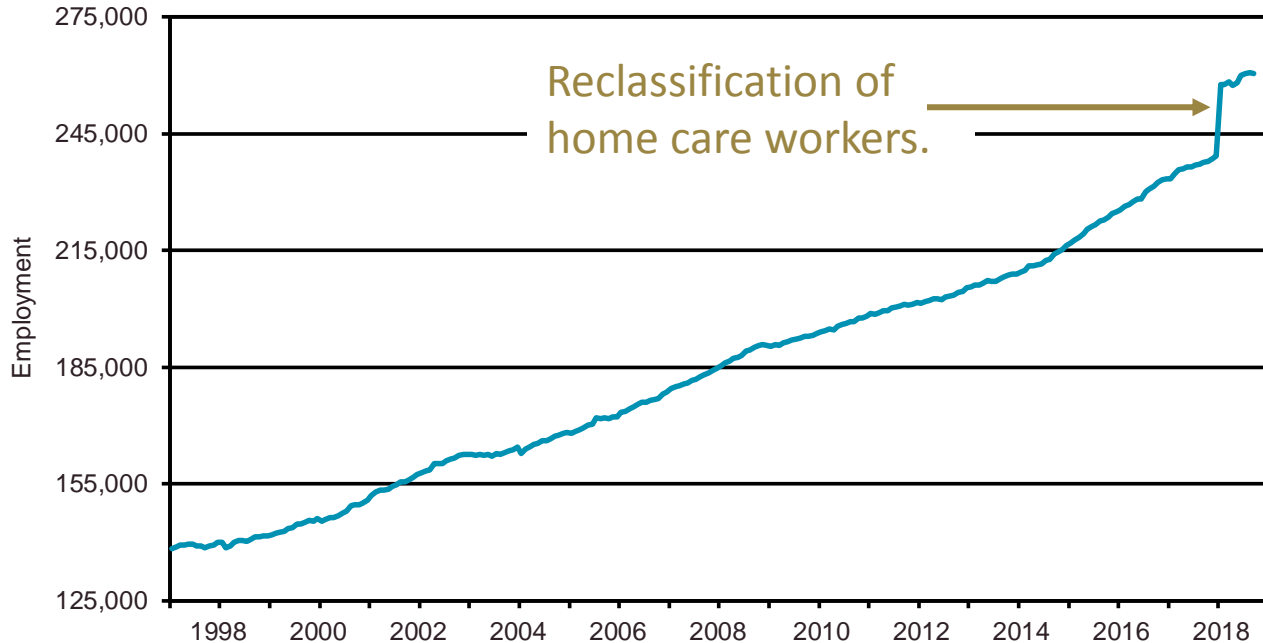
Leisure and hospitality has added 6,600 jobs over the last year.

Seasonally Adjusted Employment in Oregon
Leisure and Hospitality: 1990 - 2018



Home care workers moved from state government to private health care in January 2018.

Seasonally Adjusted Employment in Oregon
Private Health Care and Social Services: 1997 - 2018



Over the year:

Ambulatory:
+1,500

Hospitals:
+600

Nursing and
residential:
+1,000

Social assistance:
+18,400



Home care workers moved from state government to private health care in January 2018.

Seasonally Adjusted Employment in Oregon
Government: 1990 - 2018



Current Workforce Gaps



Special Report June 2018

Oregon's Current Workforce Gaps



Difficult-to-Fill Job Openings
Oregon Job Vacancy Survey
June 2018



Key Findings

Snapshot of Oregon's Job Vacancies, 2017

| | Vacancies | Difficult to Fill | Not Difficult to Fill |
|--------------------------------------|------------------|--------------------------|------------------------------|
| Vacancies | 60,718 | 38,691 | 22,027 |
| Average wage | \$17.82 | \$18.28 | \$16.62 |
| Full time | 77% | 77% | 75% |
| Permanent | 88% | 85% | 92% |
| Require education beyond high school | 29% | 29% | 29% |
| Require previous experience | 57% | 67% | 40% |
| Difficult to fill | 64% | 100% | 0% |



Top 20 Occupations with Difficult-to-Fill Job Vacancies in Oregon, 2017

| Occupation Title | Vacancies | Not Difficult to Fill | Difficult to Fill | Percent Difficult to Fill |
|---|-----------|-----------------------|-------------------|---------------------------|
| Heavy and Tractor-Trailer Truck Drivers | 1,799 | 261 | 1,538 | 85% |
| Carpenters | 1,540 | 86 | 1,454 | 94% |
| Personal Care Aides | 2,327 | 905 | 1,422 | 61% |
| Construction Laborers | 1,406 | 355 | 1,051 | 75% |
| Farmworkers and Laborers, Crop, Nursery, and Greenhouse | 1,392 | 442 | 950 | 68% |
| Cooks, Restaurant | 1,174 | 253 | 921 | 78% |
| Maids and Housekeeping Cleaners | 983 | 198 | 785 | 80% |
| Retail Salespersons | 1,896 | 1,131 | 765 | 40% |
| Registered Nurses | 1,130 | 403 | 727 | 64% |
| Janitors and Cleaners, Except Maids and Housekeeping Cleaners | 797 | 106 | 691 | 87% |
| Nursing Assistants | 951 | 310 | 641 | 67% |
| Painters, Construction and Maintenance | 671 | 92 | 579 | 86% |
| Laborers and Freight, Stock, and Material Movers, Hand | 896 | 359 | 537 | 60% |
| Electricians | 627 | 94 | 533 | 85% |
| Security Guards | 515 | 11 | 504 | 98% |
| Production Workers, All Other | 803 | 334 | 469 | 58% |
| Maintenance and Repair Workers, General | 611 | 166 | 445 | 73% |
| Stock Clerks and Order Fillers | 775 | 370 | 405 | 52% |
| Light Truck or Delivery Services Drivers | 727 | 324 | 403 | 55% |
| Landscaping and Groundskeeping Workers | 522 | 124 | 398 | 76% |

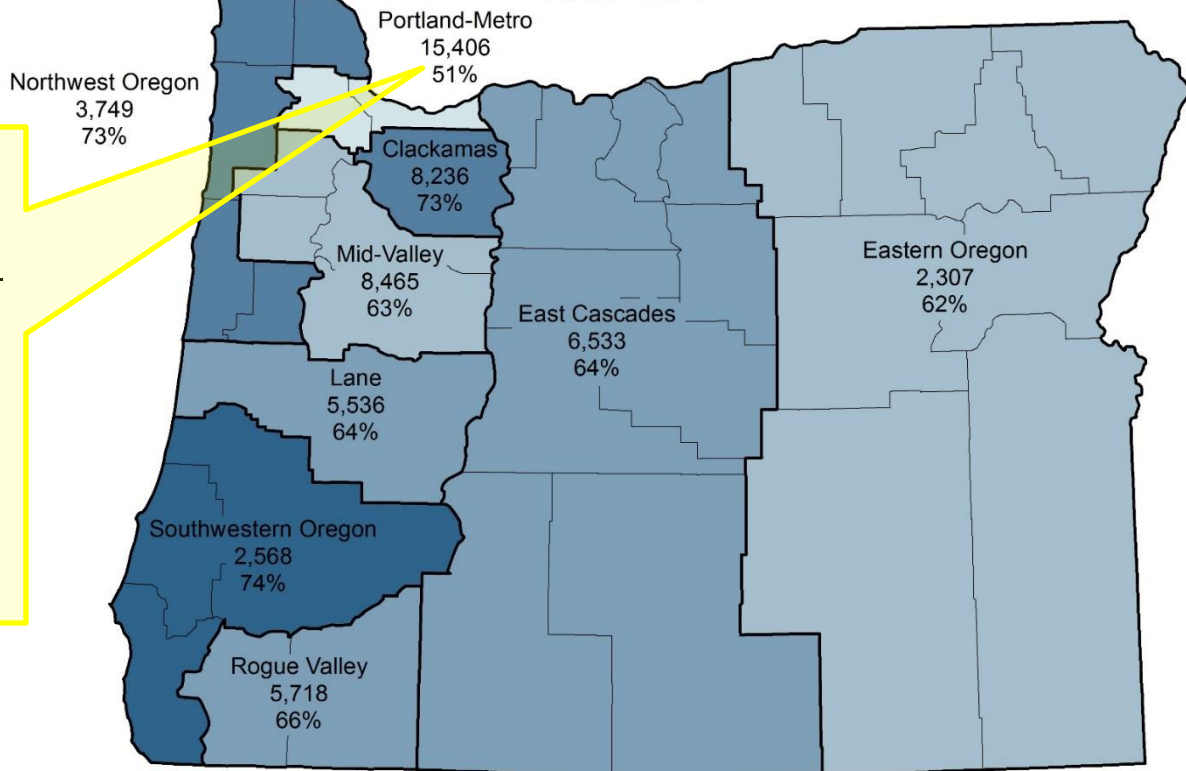


Vacancies and Share Difficult to Fill by Workforce Area, 2017

Oregon

Number of Vacancies: 60,700

Difficult to Fill: 64%

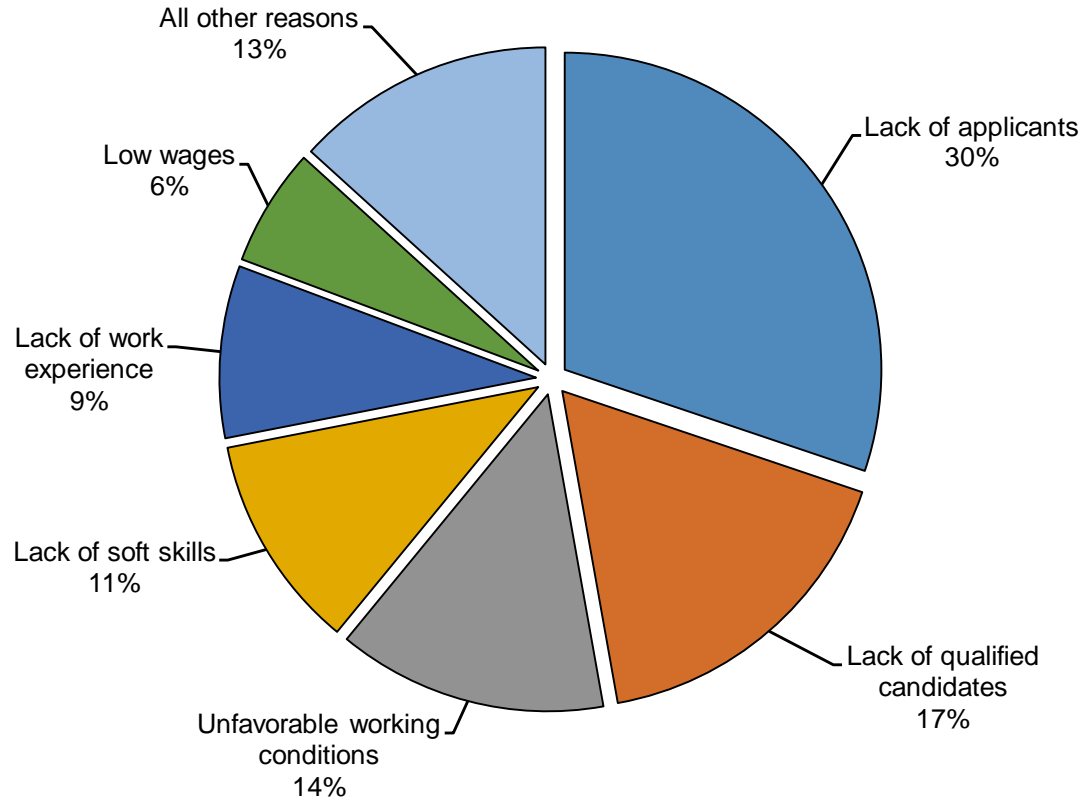


Portland-Metro, 2017 (Multnomah and Washington Counties)

| | |
|--|--------------|
| Difficult-to-Fill Vacancies | 7,922 |
| Average Hourly Wage | \$22.96 |
| Full-time Positions | 79% |
| Permanent Positions | 95% |
| Requiring Education Beyond High School | 45% |
| Experience | 82% |



Employer-Provided Reasons for Difficulty Filling Vacancies in Oregon, 2017

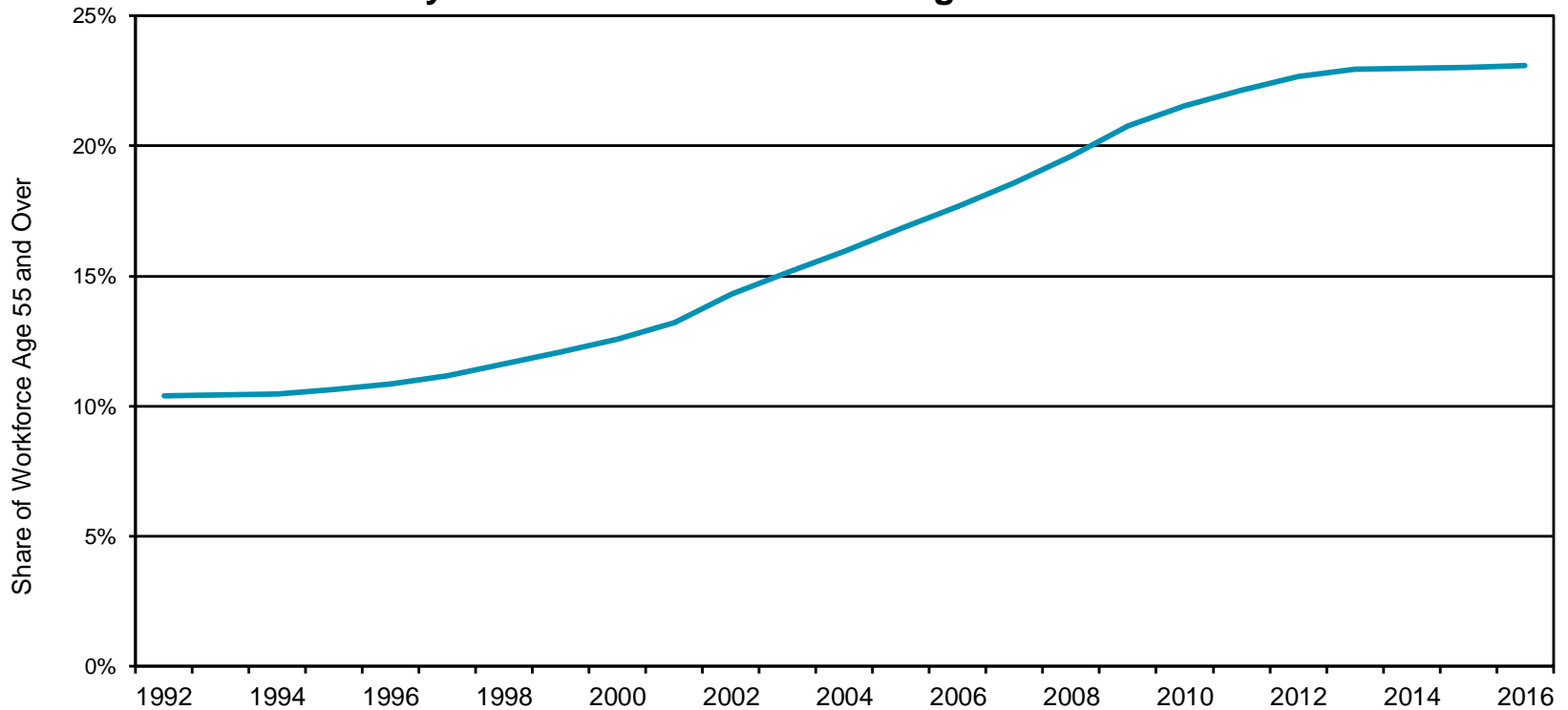


Aging of the Workforce



23% of workers will reach retirement age in the next 10 years.

Nearly One in Four Workers in Oregon is 55 or Older



Source: U.S. Census Bureau, Center for Economic Studies, LEHD



Mining and Utilities have the Highest Share of Workers 55 and Over,
But Health Care and Social Assistance Has the Most Workers 55 and Over

| | Workers All Ages | Workers Age 55 and Over | Percent Age 55 and Over |
|--|---------------------|----------------------------|----------------------------|
| All Industries | 1,797,480 | 415,213 | 23% |
| Mining, Quarrying, and Oil and Gas Extraction | 1,827 | 625 | 34% |
| Utilities | 7,435 | 2,359 | 32% |
| Agriculture, Forestry, Fishing and Hunting | 47,624 | 14,485 | 30% |
| Real Estate and Rental and Leasing | 27,067 | 7,951 | 29% |
| Transportation and Warehousing | 57,884 | 16,902 | 29% |
| Educational Services | 150,555 | 42,668 | 28% |
| Public Administration | 72,454 | 20,406 | 28% |
| Other Services | 68,169 | 18,041 | 26% |
| Wholesale Trade | 74,843 | 18,960 | 25% |
| Manufacturing | 186,873 | 45,370 | 24% |
| Health Care and Social Assistance | 261,871 | 63,256 | 24% |
| Finance and Insurance | 56,114 | 13,055 | 23% |
| Construction | 95,425 | 20,967 | 22% |
| Professional, Scientific, and Technical Services | 94,328 | 20,301 | 22% |
| Management of Companies and Enterprises | 46,368 | 9,457 | 20% |
| Administrative Support and Waste Management | 103,332 | 21,073 | 20% |
| Retail Trade | 202,464 | 41,202 | 20% |
| Information | 36,365 | 7,277 | 20% |
| Arts, Entertainment, and Recreation | 30,761 | 6,109 | 20% |
| Accommodation and Food Services | 175,713 | 24,736 | 14% |

Private and public average employment for 2016

Source: U.S. Census Bureau, Center for Economic Studies, LEHD

Washington County has the youngest workforce, with 20% of workers age 55 years and over.

[Oregon's Aging Workforce by Industry and County, 2016](#)

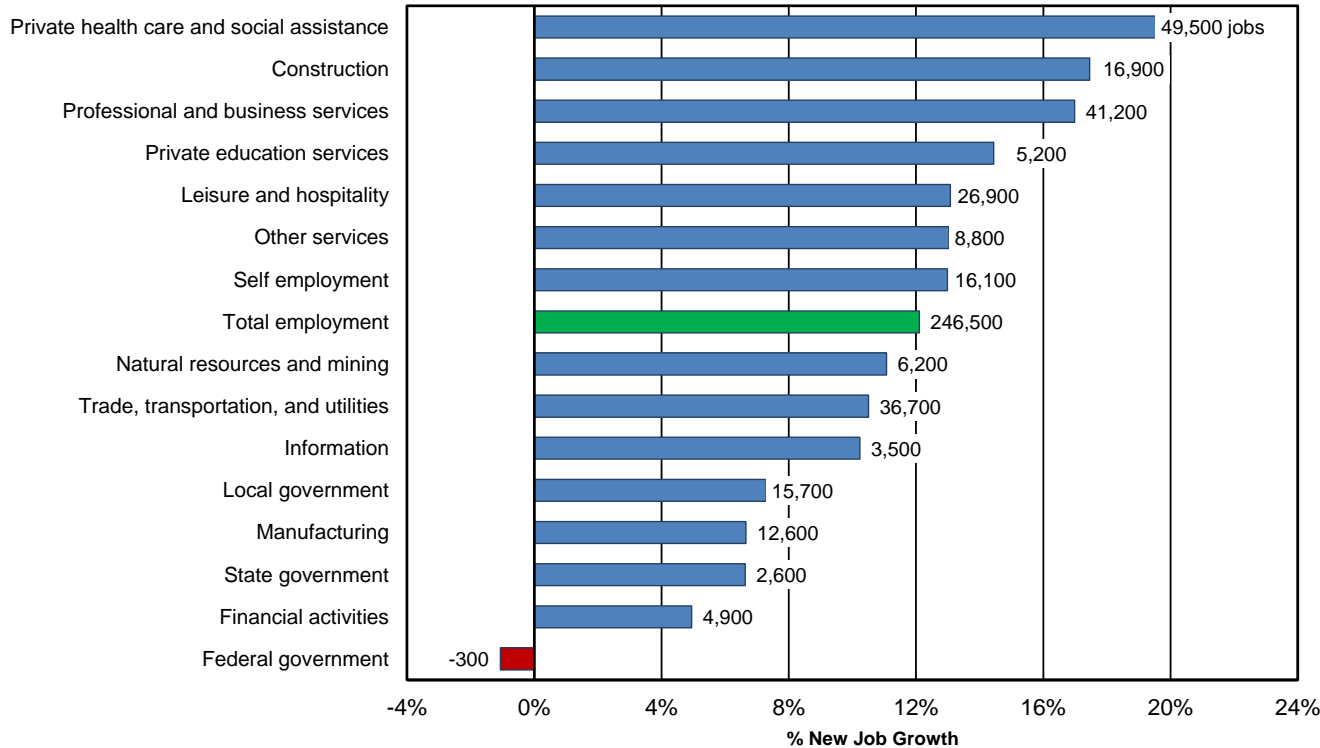


Future Workforce Needs Projecting Jobs by Industry From 2017 to 2027



Growth rate relatively slow, but lots of new jobs and replacement openings.

Health Care Leads Long-Term Employment Growth
Oregon Industry Projections, 2017-2027



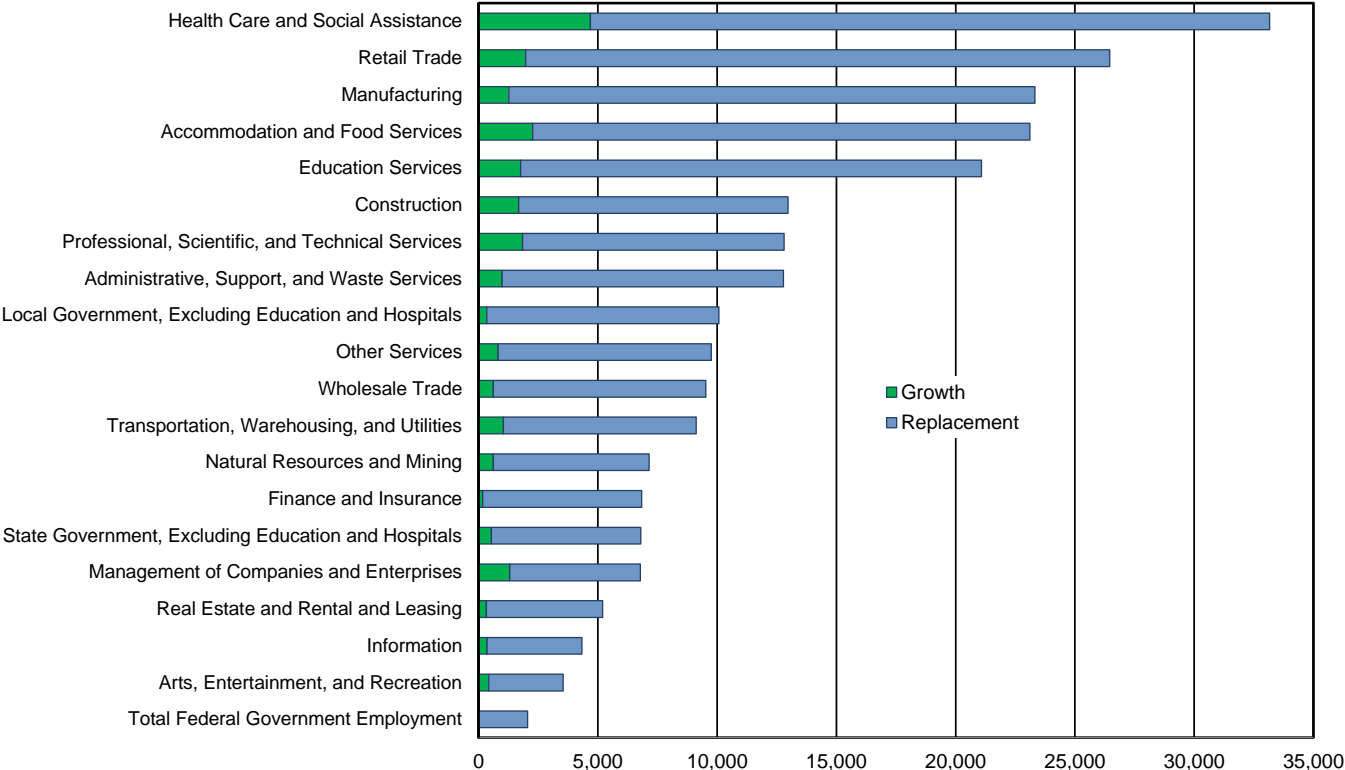
Learn more about
employment projections at:

www.qualityinfo.org/projections



About nine replacement openings for each opening due to growth.

2017-2027 Average Annual Openings by Sector in Oregon



Is the Next Recession Around the Corner?



Tracking Other Signals of Recessions

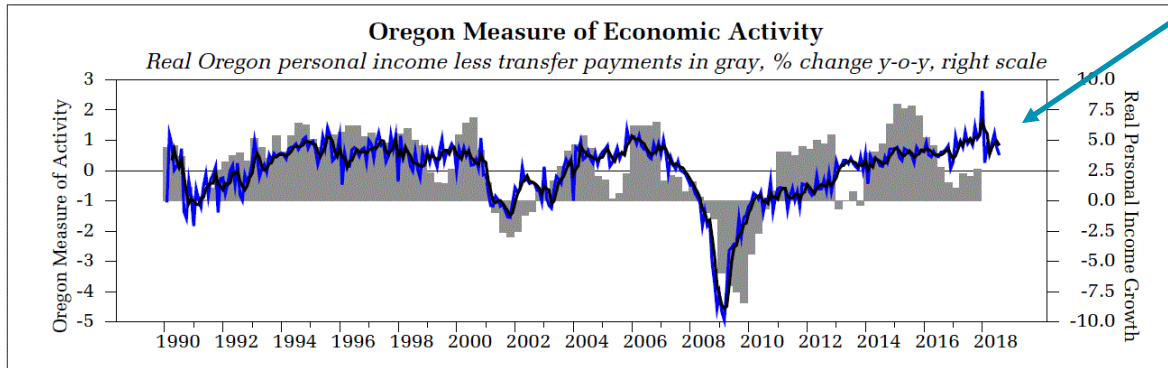
Total Weeks Claimed



Few Unemployment Claims

A Lot of Economic Activity

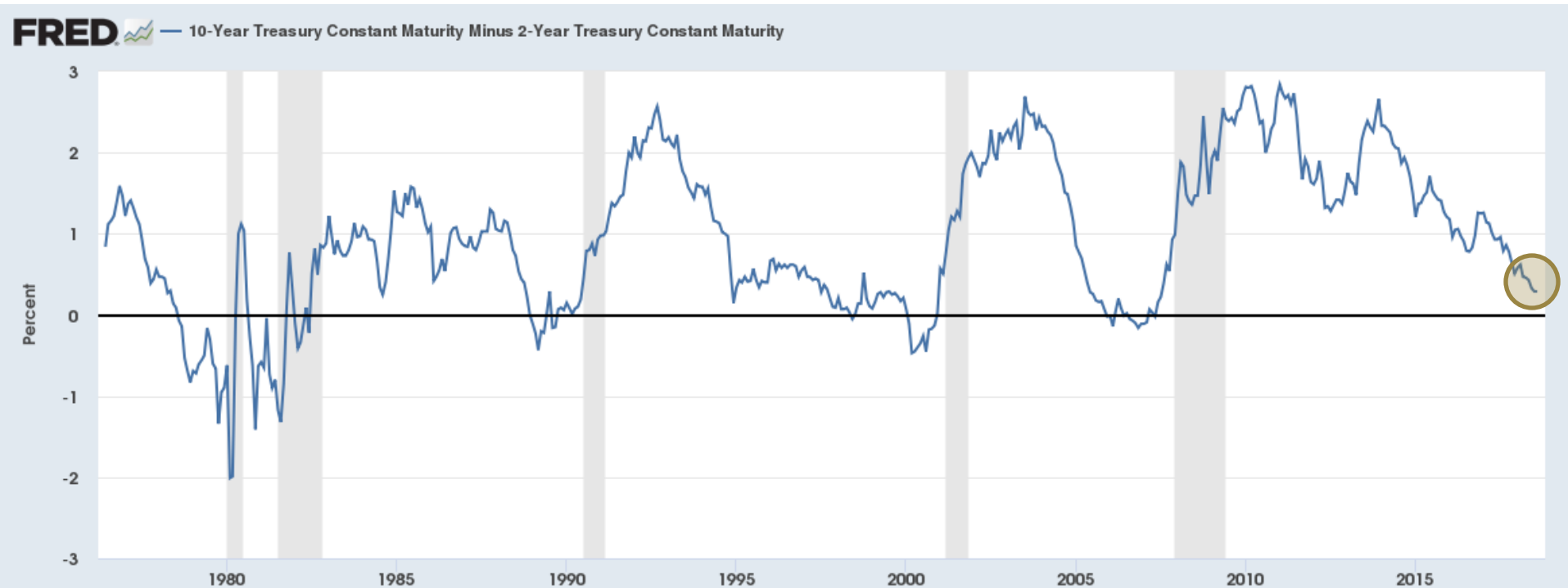
Source: Oregon Employment Department



Source: University of Oregon, State of Oregon Economic Indicators, August 2018



Flattening Yield Curve



Shaded areas indicate U.S. recessions

Source: Federal Reserve Bank of St. Louis

myf.red/g/kPXr



What Other Economists Say

- 0% chance of recession this year – Tim Duy U.O.
- Probably not a recession in 2019 – IHS Global Insight
- Federal funds rate near 3.5% in 2020 – Federal Reserve
- “A good chance the economy will suffer a recession in 2020.” – Mark Zandi, Moody’s
 - Economy is growing strongly and consumer and businesses are upbeat.
 - Economists calling for a recession is unprecedented.
 - “Notoriously poor at predicting economic turning points.”



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