

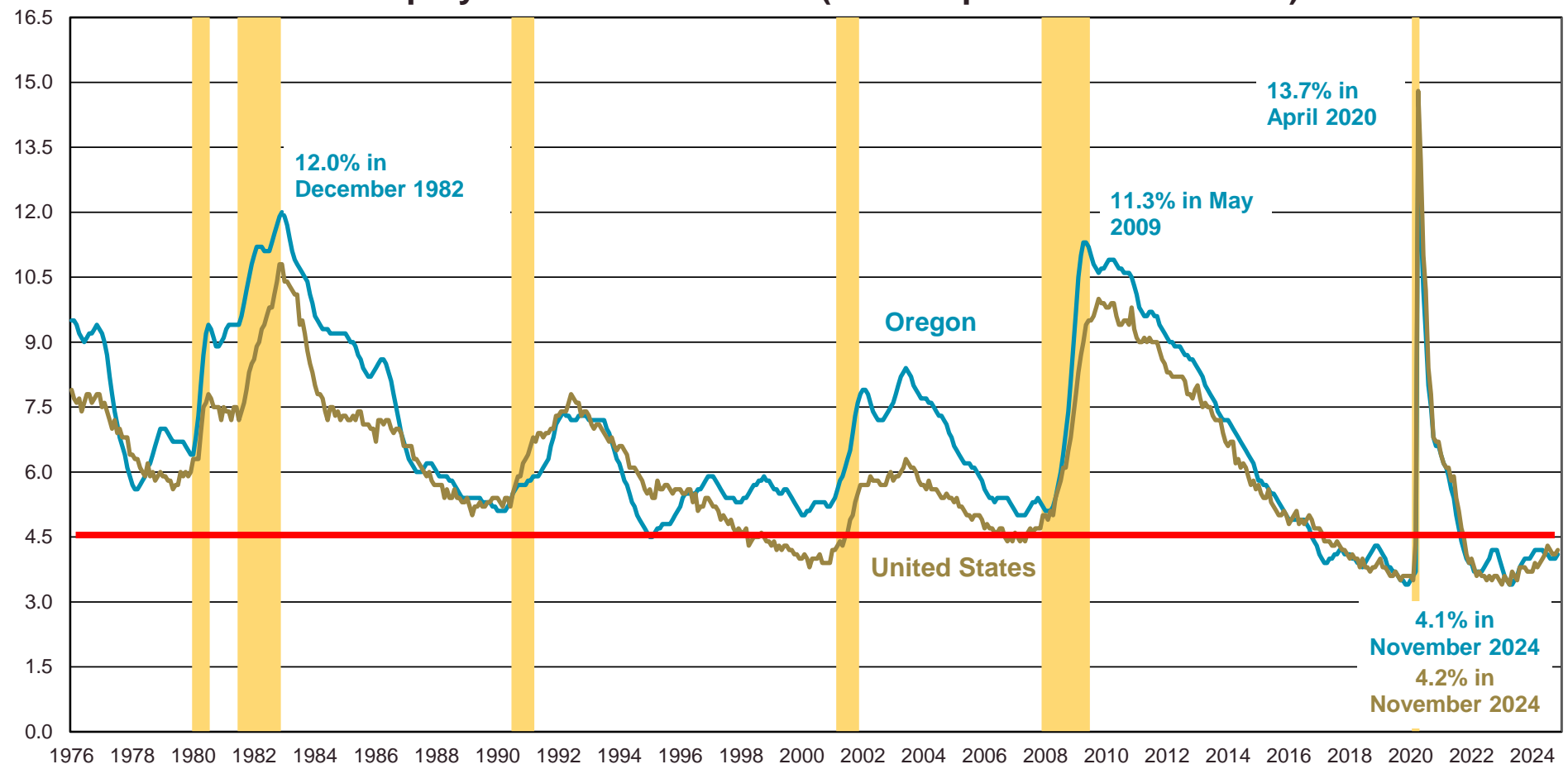
# Job Growth in Oregon and Future Workforce Needs

January 21, 2025

# UNEMPLOYMENT AND LABOR FORCE

# OREGON'S UNEMPLOYMENT RATE WAS 4.1% IN NOVEMBER.

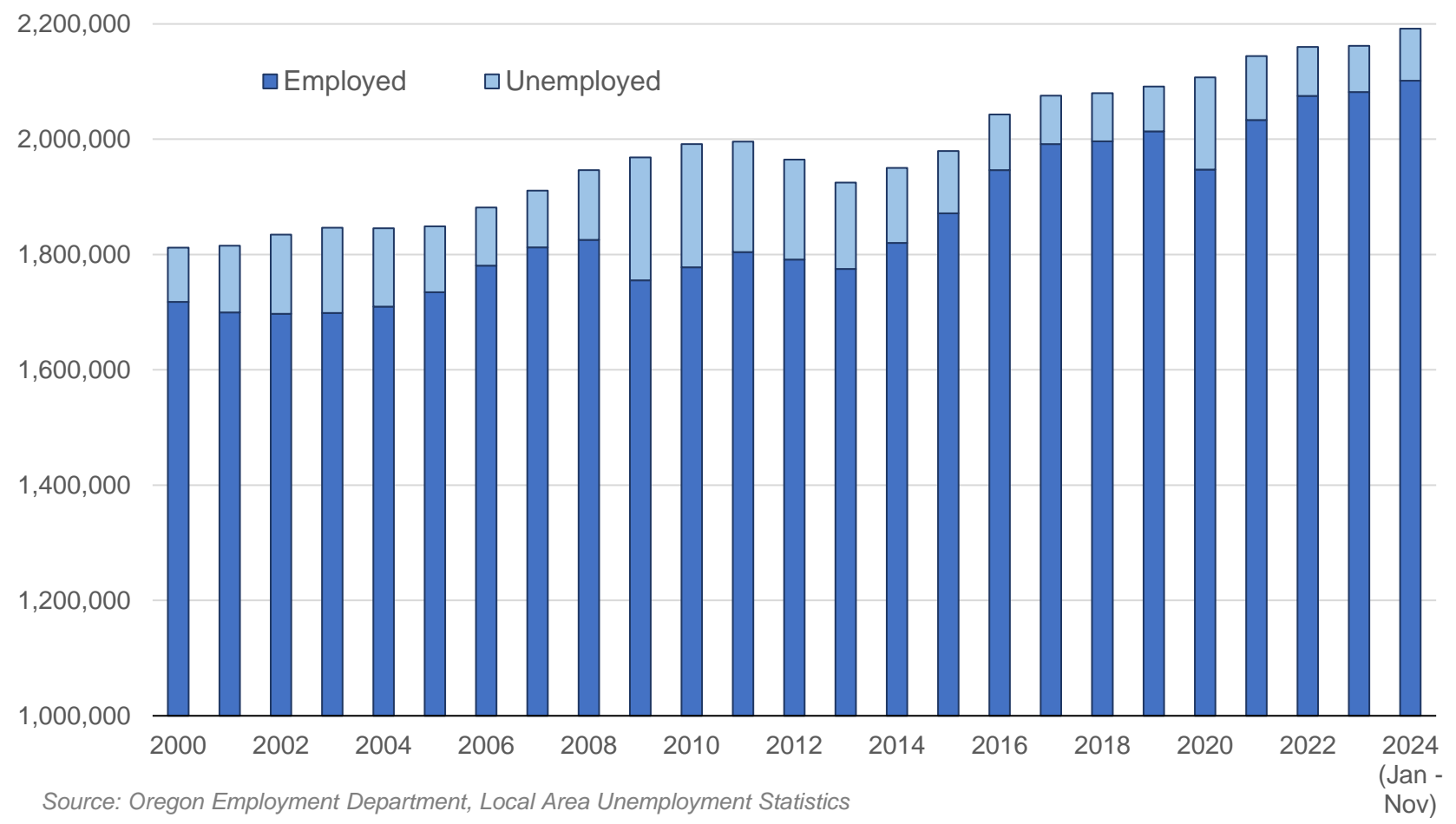
## Oregon's Unemployment Rate Was 4.1% in November 2024 Unemployed % of Labor Force (Bars Represent Recessions)



Source: Oregon Employment Department and National Bureau of Economic Research

# OREGON'S LABOR FORCE GREW BY ABOUT 30,000 PEOPLE IN 2024.

### Oregon's Labor Force Grew by 30,000 People in 2024



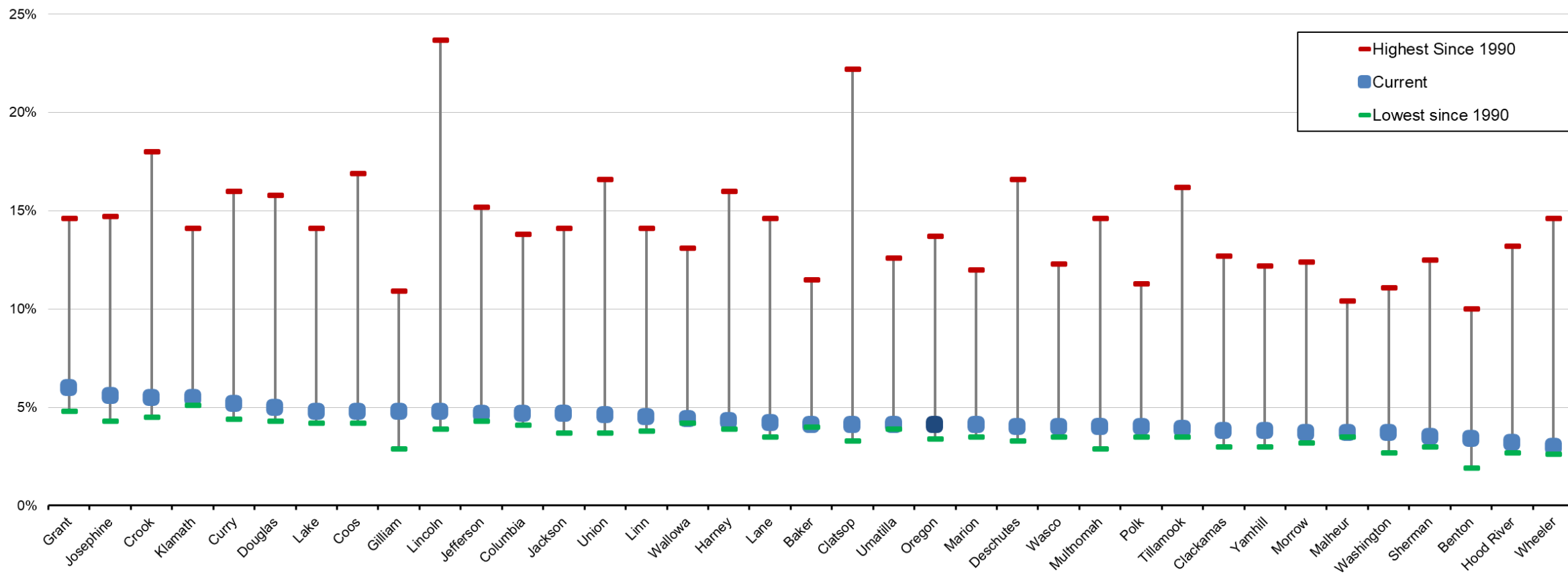
Source: Oregon Employment Department, Local Area Unemployment Statistics

Two-thirds of labor force growth in 2024 was more employed workers, and the other one-third was due to increasing unemployment.

Though unemployment rose by 10,000 (or 12%), both unemployment levels and the annual rate (4.1%) were low.

## Unemployment Rates in Oregon Counties

Current Rate (November 2024), Record High, and Record Low for Each County, Seasonally Adjusted



Source: Oregon Employment Department, Local Area Unemployment Statistics

# DEFINITION OF UNEMPLOYED

To be counted as unemployed (in the regularly used definition), an individual must be age 16 or older, not on active duty in the military, not in an institution, and:

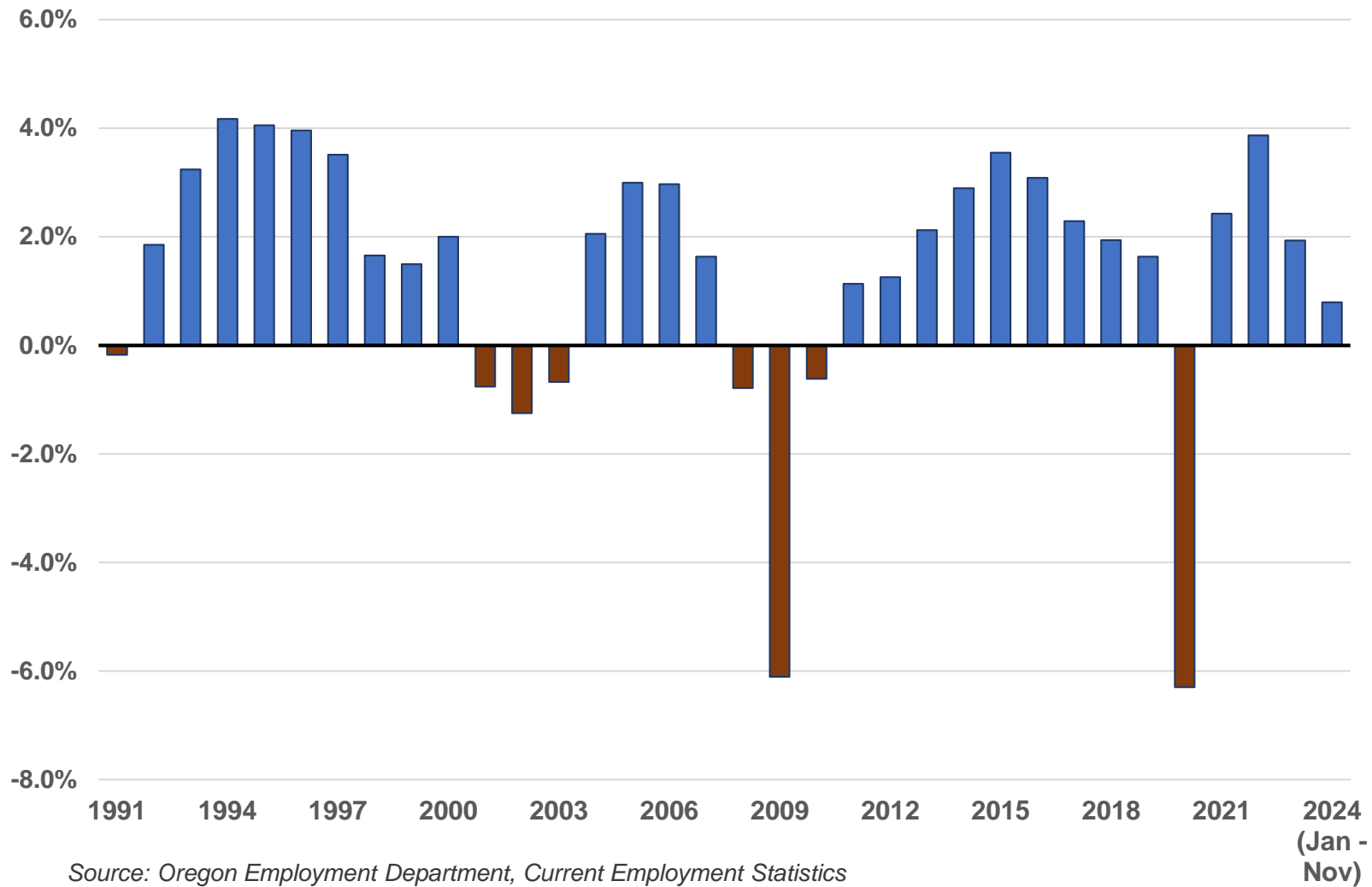
- Not employed
- Available for work
- Making specific efforts to find employment within the last four weeks.

Note: Whether or not an individual has applied for, is receiving, or has ever received unemployment insurance benefits is not a factor in the statistical definition of being unemployed.

# EMPLOYMENT AND JOB GROWTH

# JOB GROWTH CONTINUES, ALTHOUGH SLOWLY, IN OREGON.

## Annual Total Nonfarm Job Growth in Oregon, 1991 - 2024



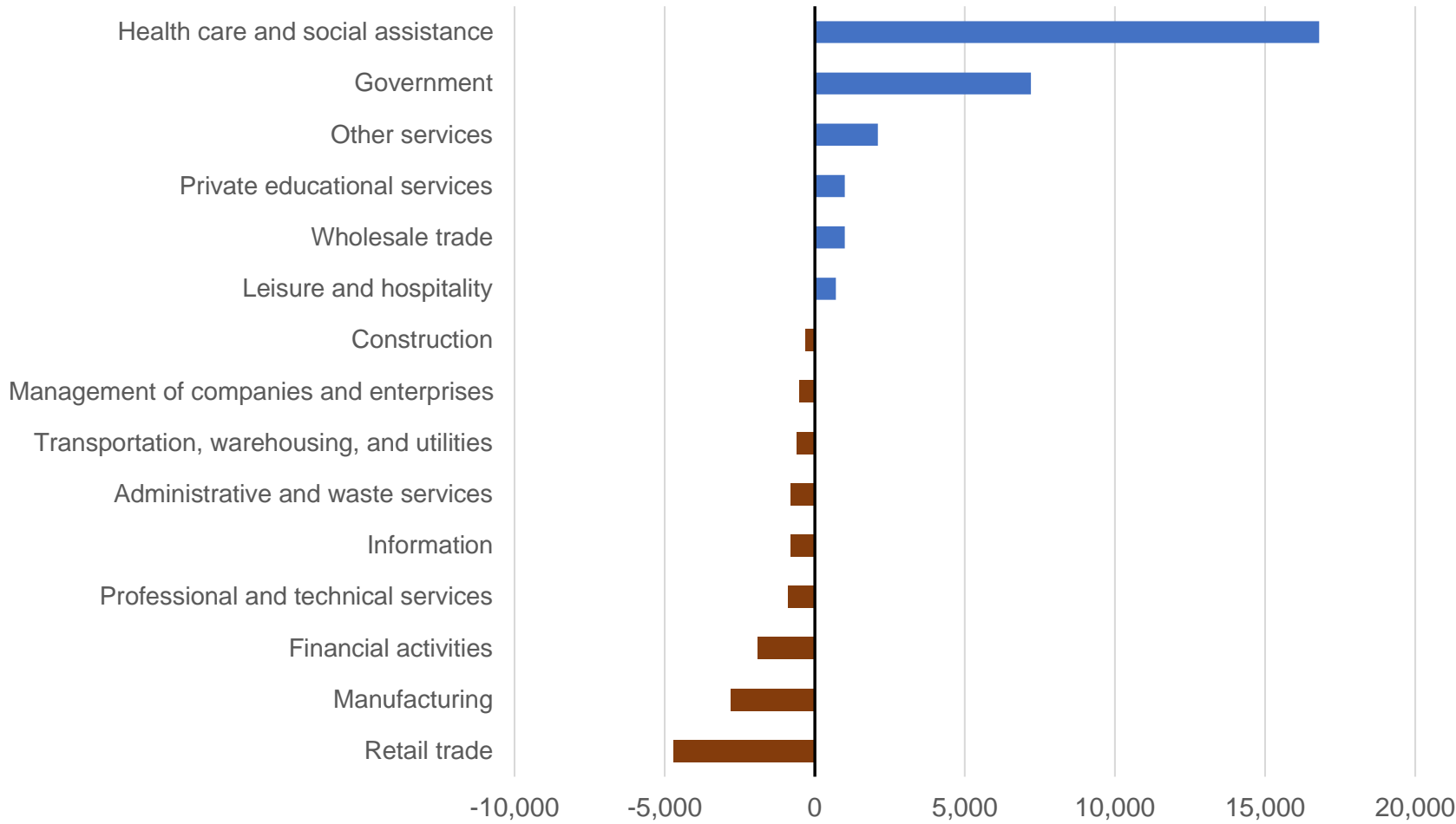
Source: Oregon Employment Department, Current Employment Statistics

Job growth has slowed in Oregon. Employers added 15,700 jobs between 2023 and 2024. That's a growth rate of 0.8%.



# PRIVATE HEALTH CARE AND SOCIAL ASSISTANCE ACCOUNTS FOR MOST OF THE JOB GAINS.

## Annual Job Change in Oregon by Sector, 2023 - 2024\*



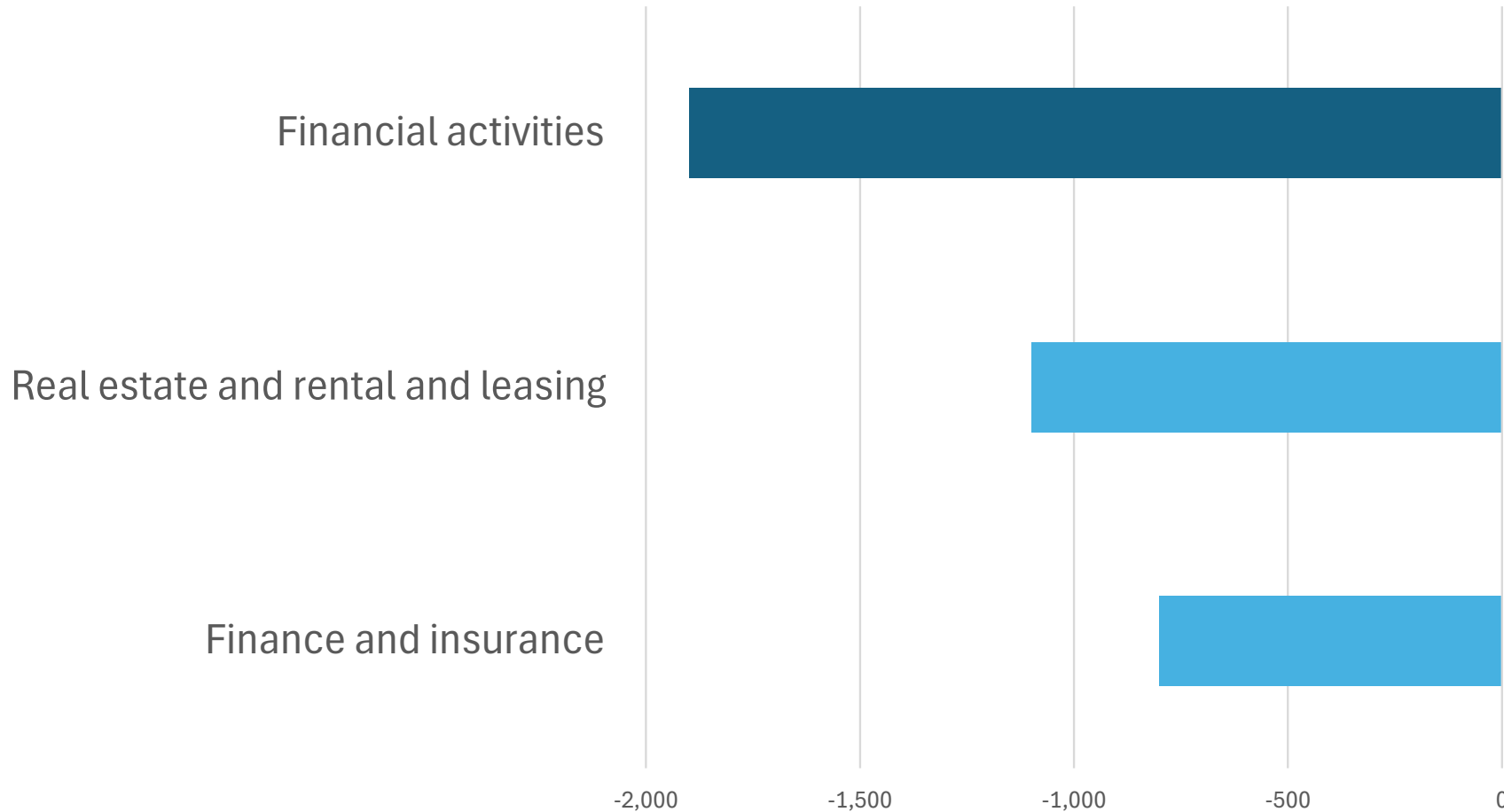
Financial activities lost 1,900 jobs (-1.8%) between 2023 and 2024.

Source: Oregon Employment Department, Current Employment Statistics

\*2024 annual data is Jan-Nov

# MOST FINANCIAL ACTIVITIES LOSSES WERE IN CREDIT AND REAL ESTATE.

## Oregon Job Losses in Financial Activities, 2023-2024

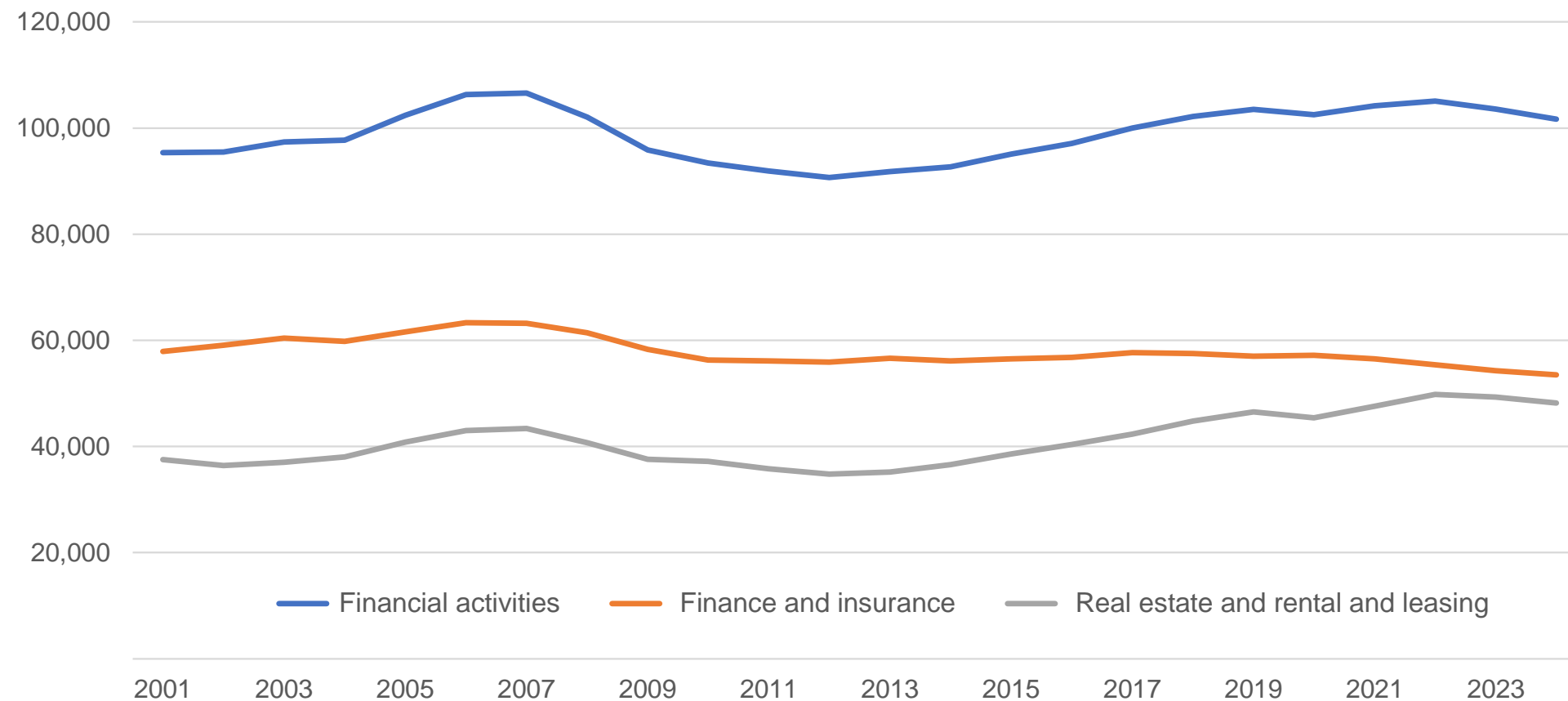


Finance and insurance includes credit intermediation – activities such as mortgage and loan brokerage, loan management, accepting bank deposits and lending from them, etc.

Source: Oregon Employment Department, Current Employment Statistics

# FINANCIAL ACTIVITIES LAST PEAKED IN 2007

## Financial Activities Nearly Returned to All-Time High Employment in 2022



Total nonfarm payroll employment for financial activities was about the same in 2024 as in 2018.

Source: Oregon Employment Department, Current Employment Statistics, Note: 2024 Data is Jan-Nov

# A LARGE PORTION OF REAL ESTATE EMPLOYMENT IS NOT ON PAYROLLS

## Financial Activities Accounts for 15% of All Nonemployers in Oregon, 2022

Sector	# Nonemployers	Total Revenue / Sales	Average Annual Income
<b>All Sectors</b>	<b>320,778</b>	<b>\$320,778,000</b>	<b>\$57,106</b>
Agriculture, forestry, fishing and hunting	6,414	\$6,414,000	\$67,009
Mining, quarrying, and oil and gas extraction	154	\$154,000	\$112,864
Utilities	179	\$179,000	\$117,927
Construction	23,076	\$23,076,000	\$94,885
Manufacturing	6,827	\$6,827,000	\$55,966
Wholesale trade	4,564	\$4,564,000	\$113,525
Retail trade	24,691	\$24,691,000	\$62,708
Transportation and warehousing	33,830	\$33,830,000	\$41,514
Information	5,766	\$5,766,000	\$36,969
Finance and insurance	5,978	\$5,978,000	\$106,285
Real estate and rental and leasing	36,736	\$36,736,000	\$120,800
Professional, scientific, and technical services	53,213	\$53,213,000	\$46,925
Administrative, support and waste management services	21,909	\$21,909,000	\$30,592
Educational services	10,511	\$10,511,000	\$17,360
Health care and social assistance	26,134	\$26,134,000	\$43,687
Arts, entertainment, and recreation	25,990	\$25,990,000	\$24,622
Accommodation and food services	6,691	\$6,691,000	\$48,868
Other services	28,115	\$28,115,000	\$37,805

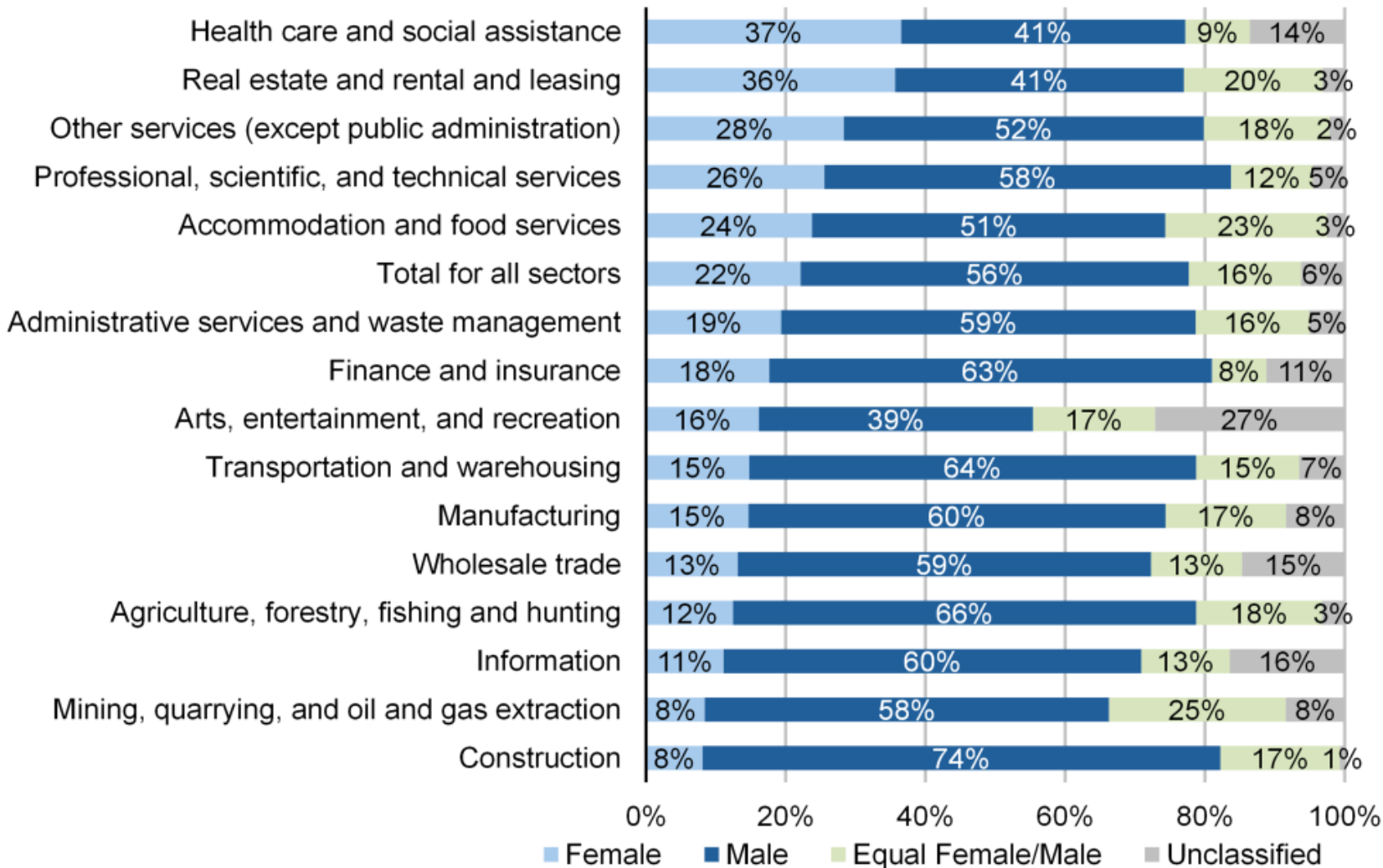
Nonemployers are those who earn at least \$1,000 in income during a year, and report it on their tax schedule C.

Most real estate nonemployers are sole proprietors or partnerships.

Source: U.S. Census Bureau

# LARGER SHARE OF WOMEN-OWNED REAL ESTATE AND RENTAL / LEASING FIRMS

## Oregon Firms by Gender Ownership for Selected Industries



More than one-third (37%) of firms in real estate and rental and leasing were female-owned in 2022.

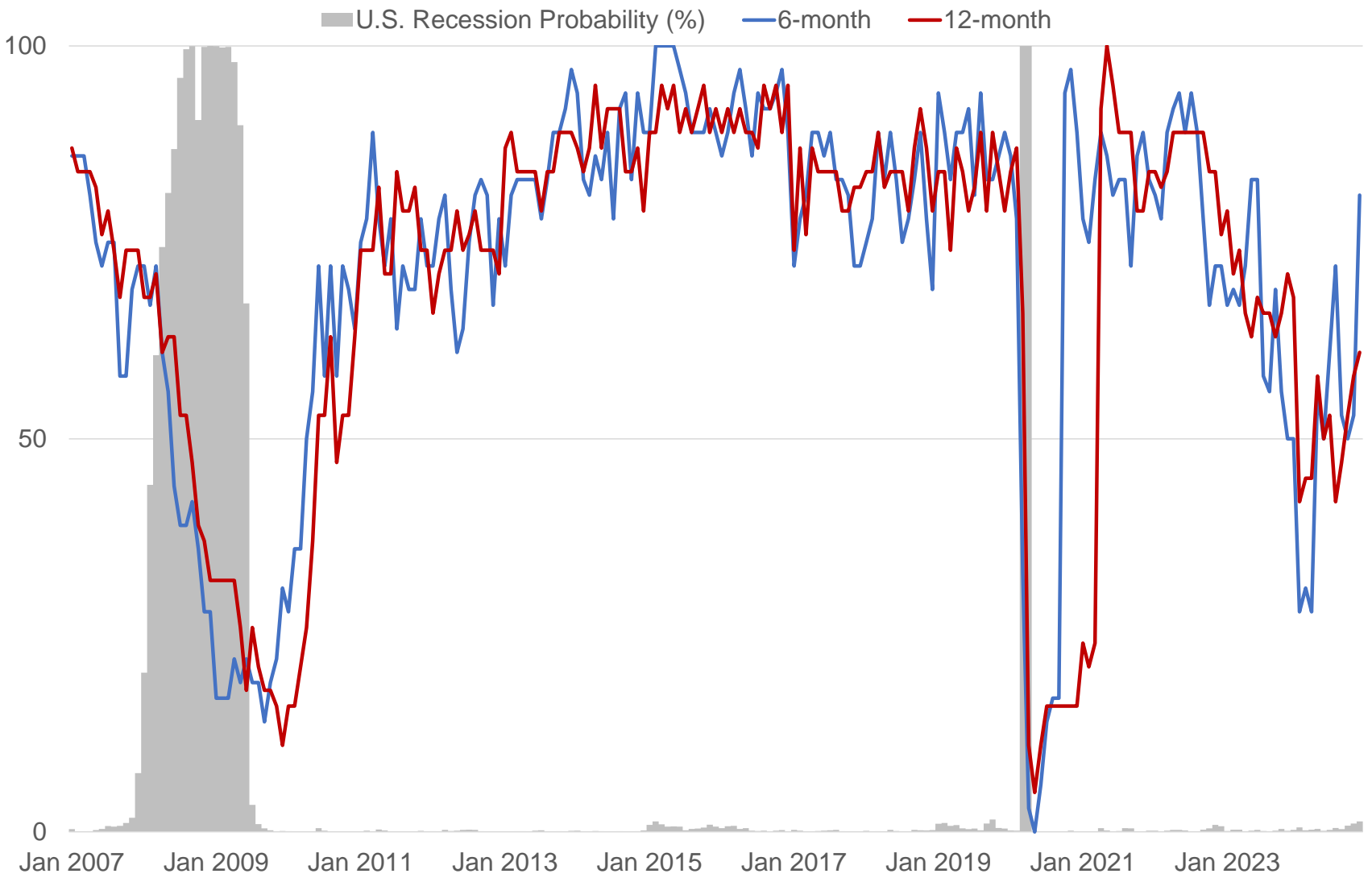
Across all sectors, less than one-fourth (22%) of all firms were owned by women.

Source: Oregon Employment Department, U.S. Census Annual Business Survey

# FUTURE AND LONGER-TERM JOB GROWTH

# WHILE STILL SLOW, JOB GROWTH DID BECOME A BIT MORE WIDESPREAD IN OREGON LATER IN 2024

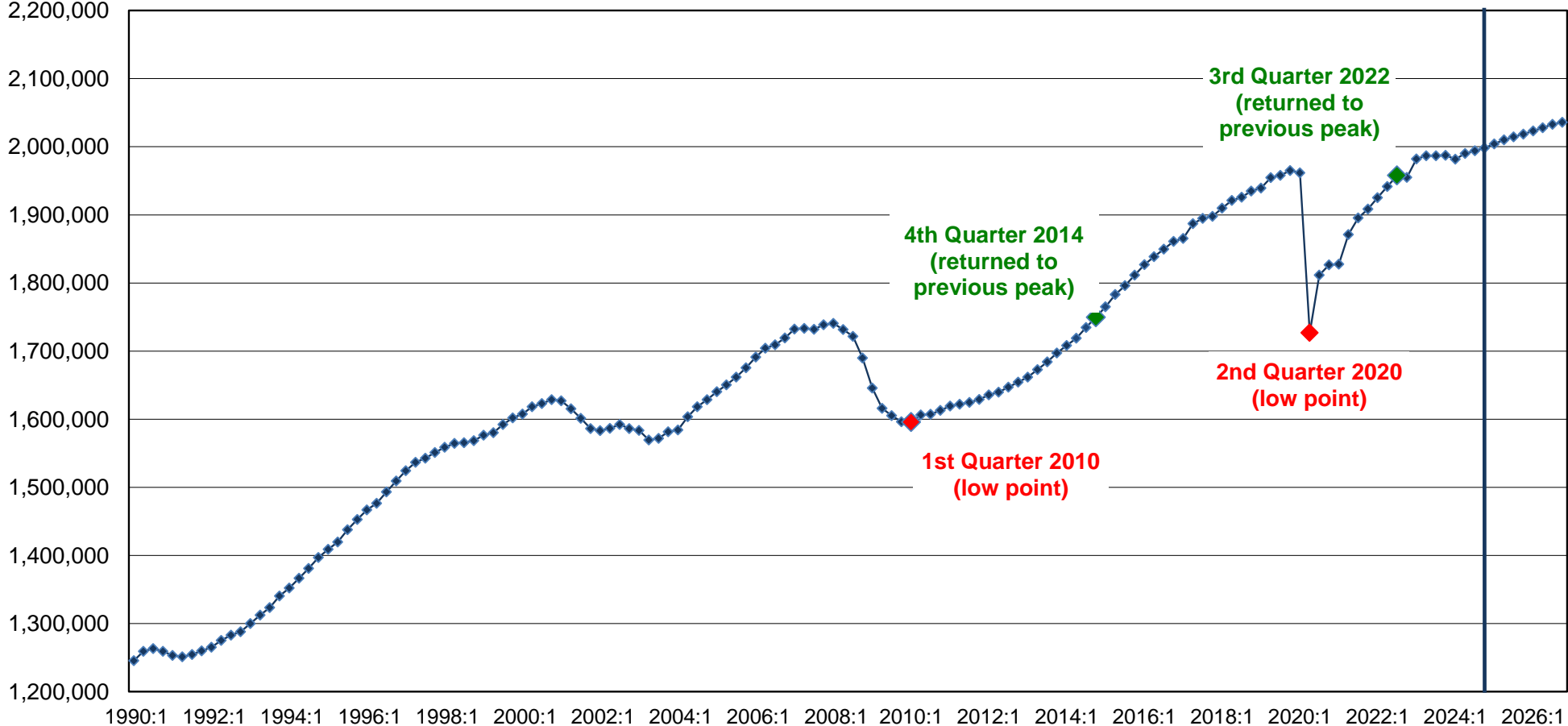
### Oregon Current Employment Diffusion Index



When the index is below 50, that means more sectors of the economy are losing jobs than gaining them. That was the case at the beginning of 2024, but more sectors started showing small over-the-year gains later in 2024.

Sources: Oregon Employment Department and Prof. Jeremy Piger Recession Probabilities, University of Oregon

### Oregon Nonfarm Payroll Employment Quarterly History and Projection, 1990-2026

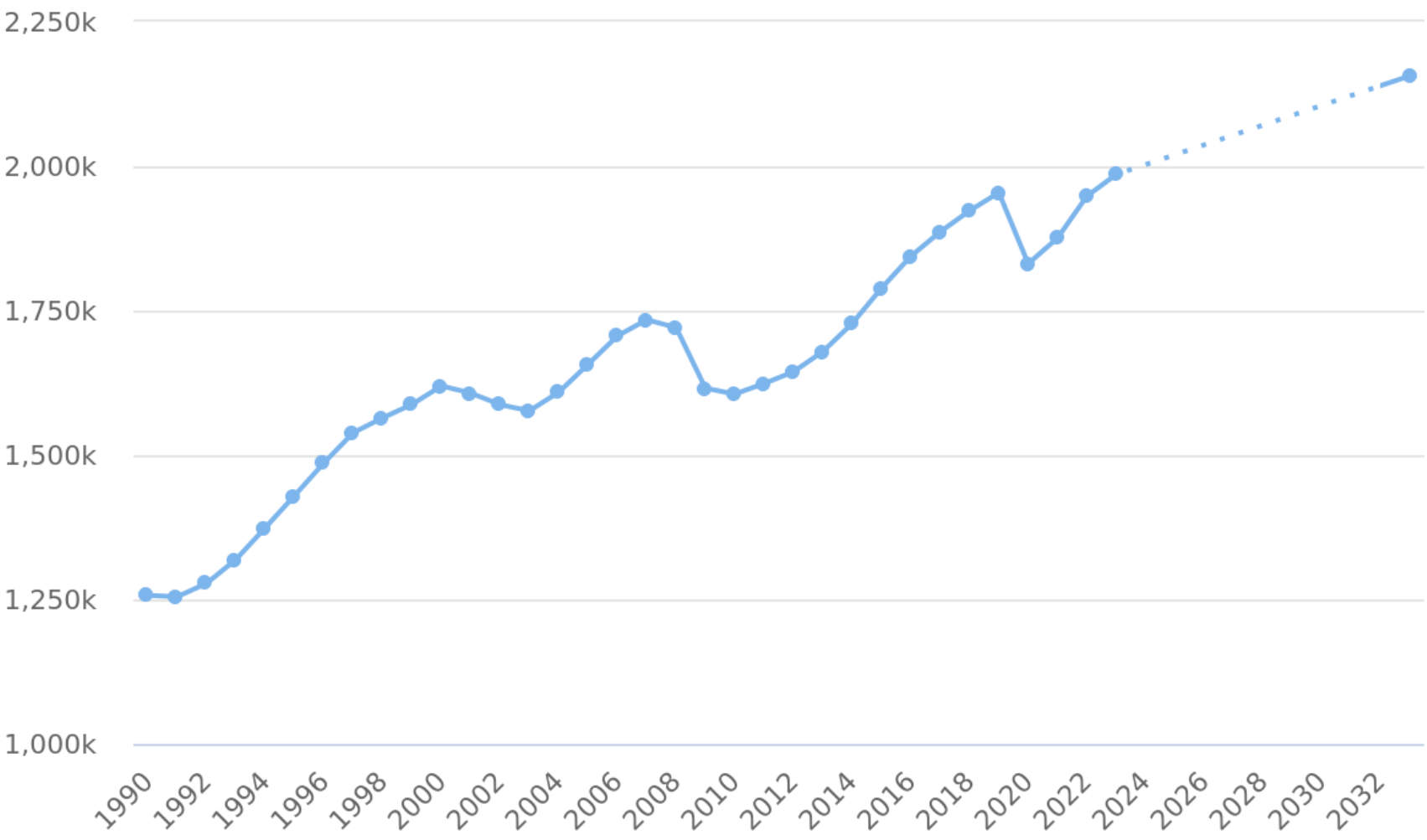


Source: Office of Economic Analysis, Department of Administrative Services, December 2024



# OREGON IS PROJECTED TO ADD 170,000 NEW JOBS BY 2033.

## Oregon to Add 170,000 New Jobs by 2033



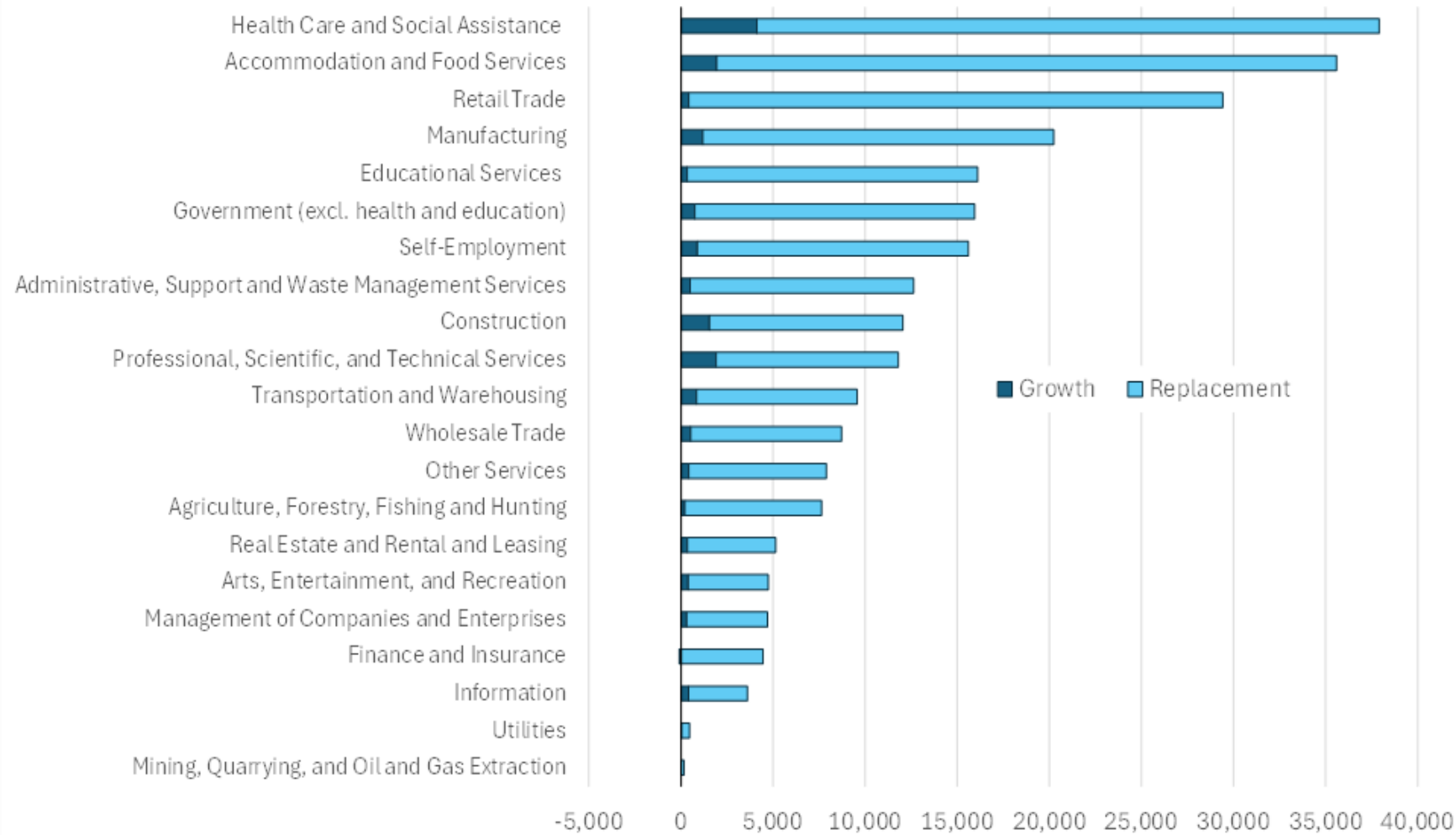
Source: Oregon Employment Department

About 9 out of every 10 new jobs will be on private-sector payrolls.

There will also be more than 2.5 million overall total job openings when we account for replacement openings, to fill jobs left by those who retire, leave the labor force, or make major occupational changes.

# HEALTH CARE WILL CONTINUE TO LEAD JOB GROWTH IN OREGON

## 2023 - 2033 Projected Annual Job Openings by Industry in Oregon



Nine out of every 10 job openings over the decade will be due to the need to replace retiring workers, or those who leave the labor force, or make major occupational changes.

Source: Oregon Employment Department, 2023-2033 Employment Projections

# SOME FACTORS THAT COULD AFFECT LONG-TERM JOB GROWTH

# AGING LABOR FORCE AND SLOWING LABOR FORCE GROWTH

## Workers Ages 55+ Could Be Within a Decade of Retirement

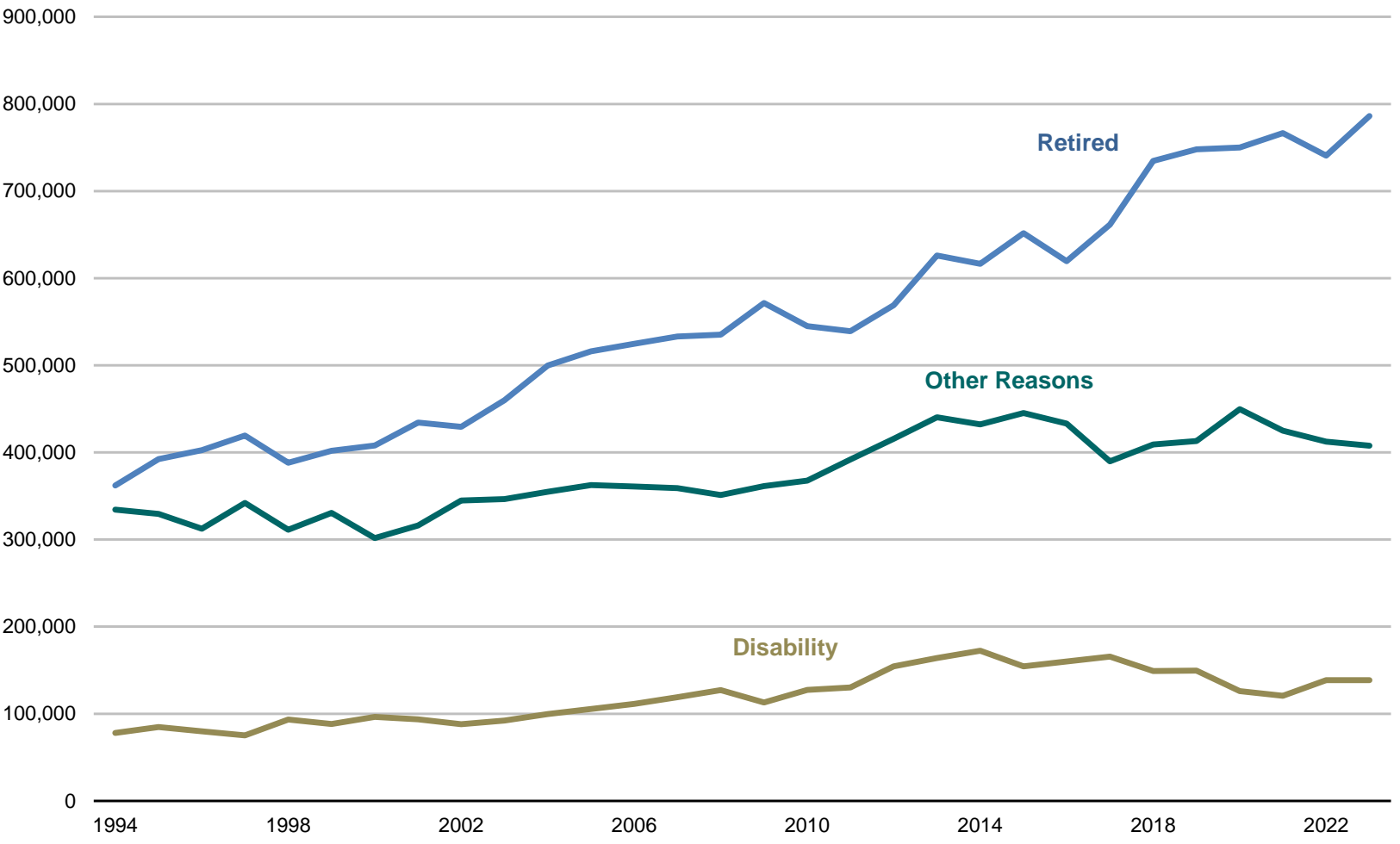
Oregon Jobs in 2022	All Workers	Age 55+	% Age 55+
<b>All Sectors</b>	<b>1,908,164</b>	<b>455,792</b>	<b>24%</b>
Agriculture, Forestry, Fishing and Hunting	52,269	17,026	33%
Mining, Quarrying, and Oil and Gas Extraction	1,787	574	32%
Real Estate and Rental and Leasing	30,756	8,795	29%
Utilities	8,025	2,230	28%
Other Services	65,394	17,780	27%
Public Administration	75,343	20,117	27%
Wholesale Trade	77,229	20,205	26%
Educational Services	144,633	37,806	26%
Manufacturing	188,469	49,178	26%
Transportation and Warehousing	80,059	20,392	25%
Finance and Insurance	55,032	13,480	24%
Health Care and Social Assistance	284,182	69,324	24%
Retail Trade	209,208	47,907	23%
Administrative and Waste Services	108,487	24,775	23%
Construction	122,998	28,005	23%
Professional, Scientific, and Technical Services	111,361	24,248	22%
Arts, Entertainment, and Recreation	29,817	6,345	21%
Management of Companies and Enterprises	51,883	10,705	21%
Information	41,014	7,684	19%
Accommodation and Food Services	170,218	29,216	17%

In the early 1990s, 1 out of every 10 jobs was held by a worker age 55+. In recent years, 1 out of 4 jobs has been held by a worker at least 55 years of age.

The nominal total of job holders ages 55+ is likely understated for real estate due to high rates of self-employment.

# SLOWING LABOR FORCE GROWTH: MORE RETIREMENTS

## Reasons Oregonians Ages 16+ are Not in Labor Force Annual Average, 1994-2023



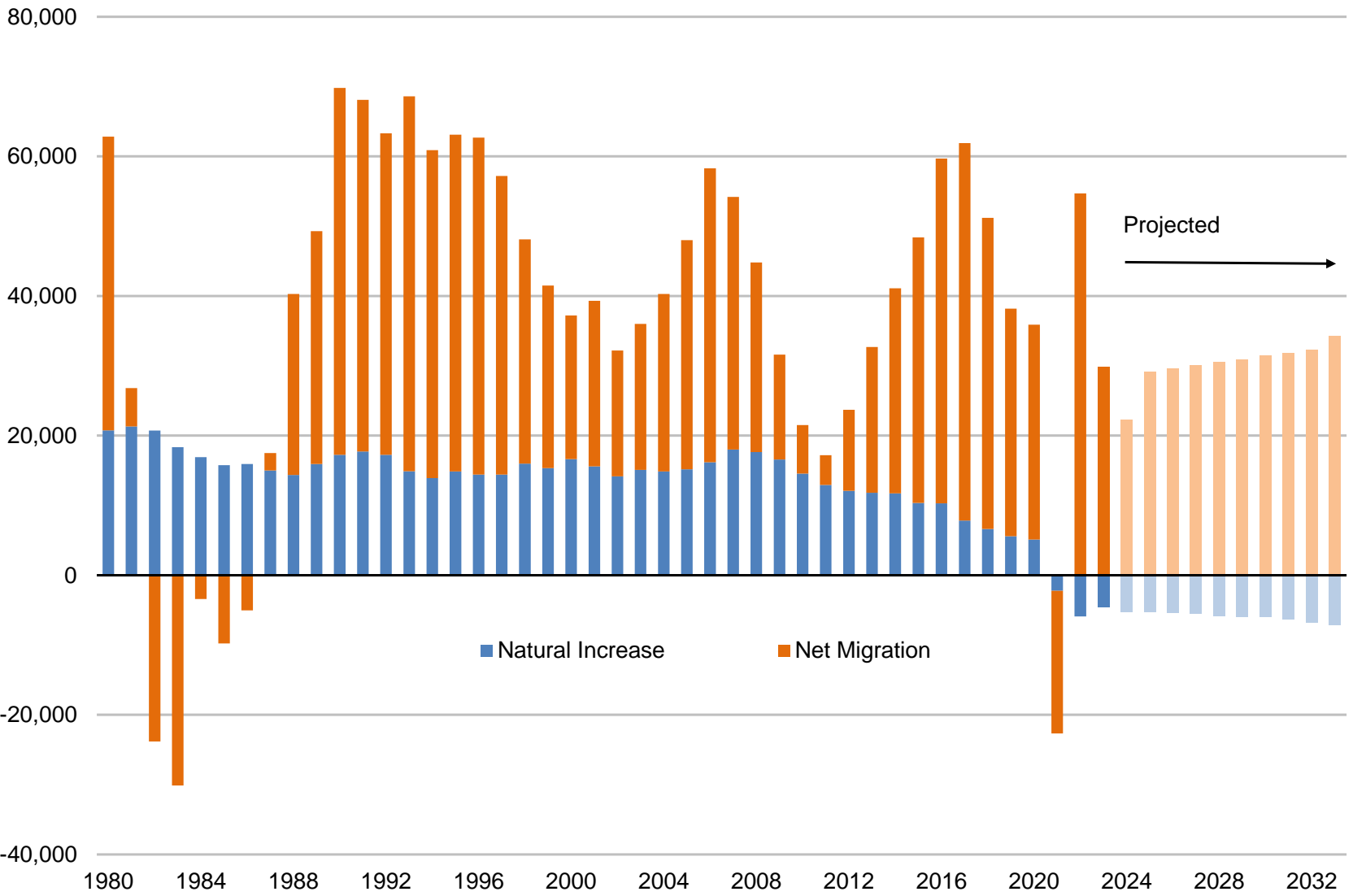
Not in Oregon's labor force due to retirement:

- Up 5% since 2019
- Rose by 26% over the past decade

Source: Oregon Employment Department, Local Area Unemployment Statistics

# SLOWING LABOR FORCE GROWTH: SLOWER POPULATION GROWTH

## Oregon's Population Components of Change

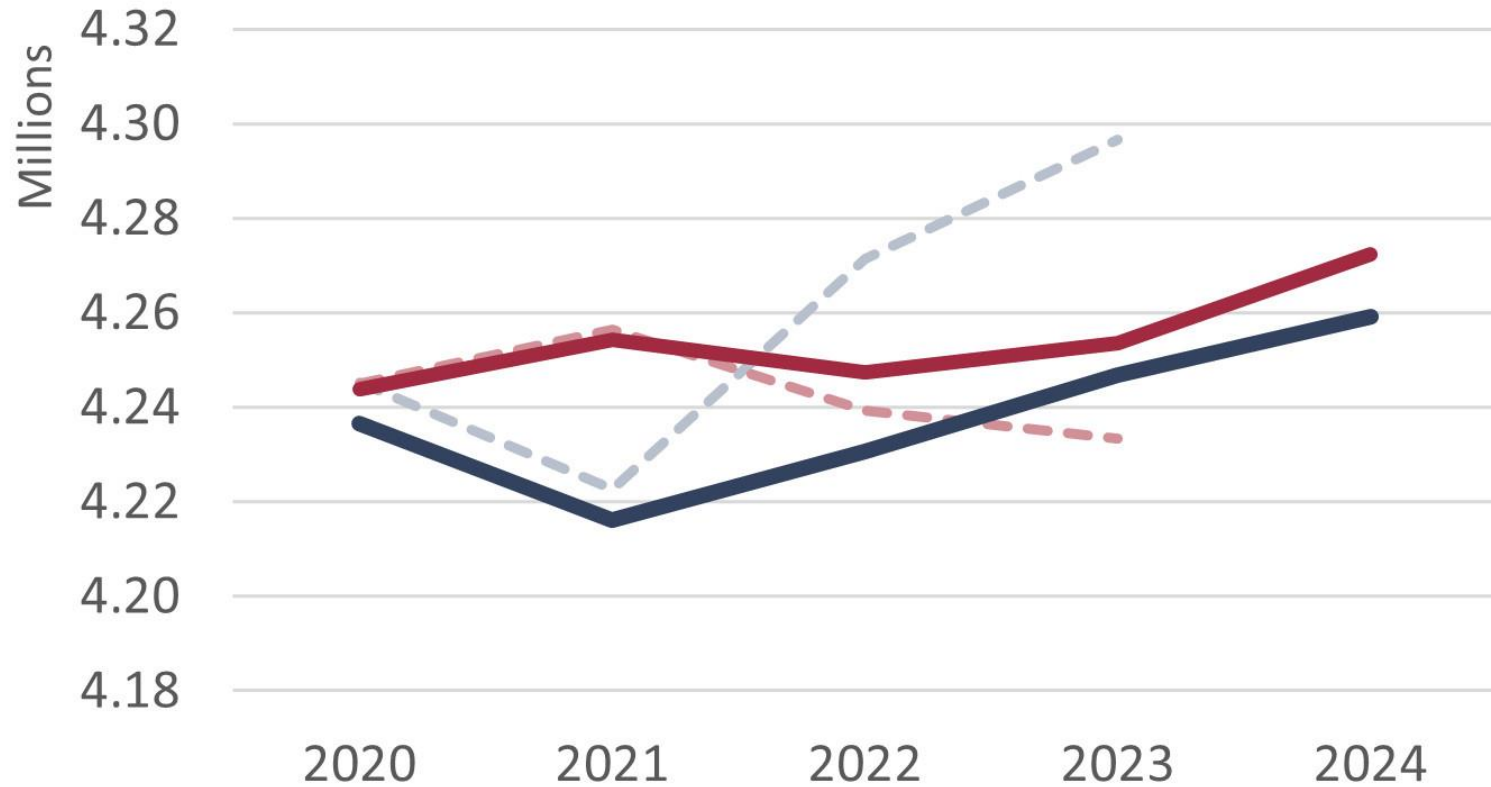


Portland State University estimates show a rebound in 2022, but population growth is projected to be slower in the coming years than historical norms.

Source: Oregon Employment Department, Oregon Office of Economic Analysis

# Oregon Population Estimates

Current Census | Previous Census | Current PSU | Previous PSU



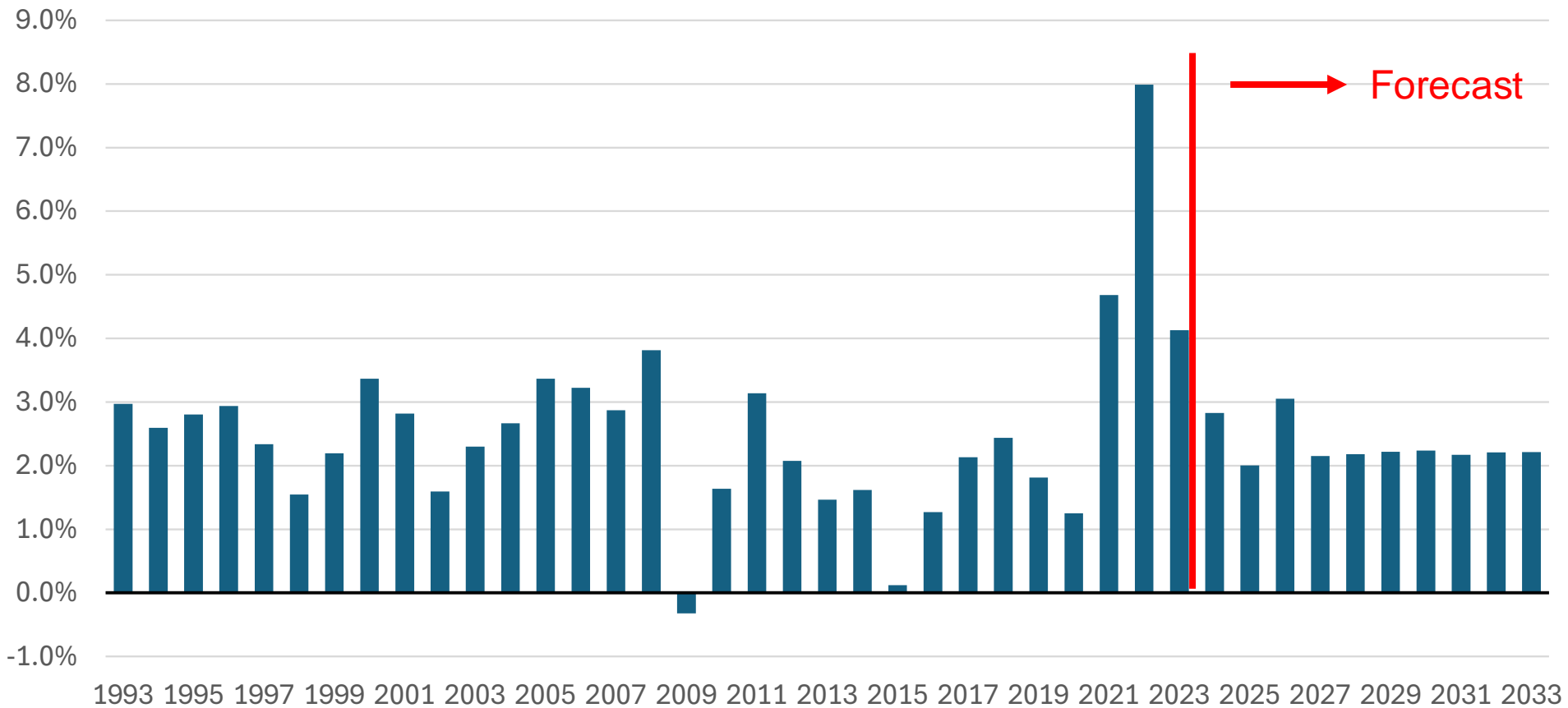
After a post-pandemic dip, population growth shows a rebound in Oregon in recent years.

This is important because Oregon's population gains – particularly through net in-migration – have been the primary way of growing our labor force for the last four decades.

Source: Census, Portland State Univ Pop Research Center

# OFFICE OF ECONOMIC ANALYSIS SHOWS INFLATION LEVELING OFF JUST ABOVE 2%

## Historical and Forecast Inflation, Consumer Price Index, 1991 - 2033



OEA forecasts that the Consumer Price Index should mostly stabilize in the coming years.

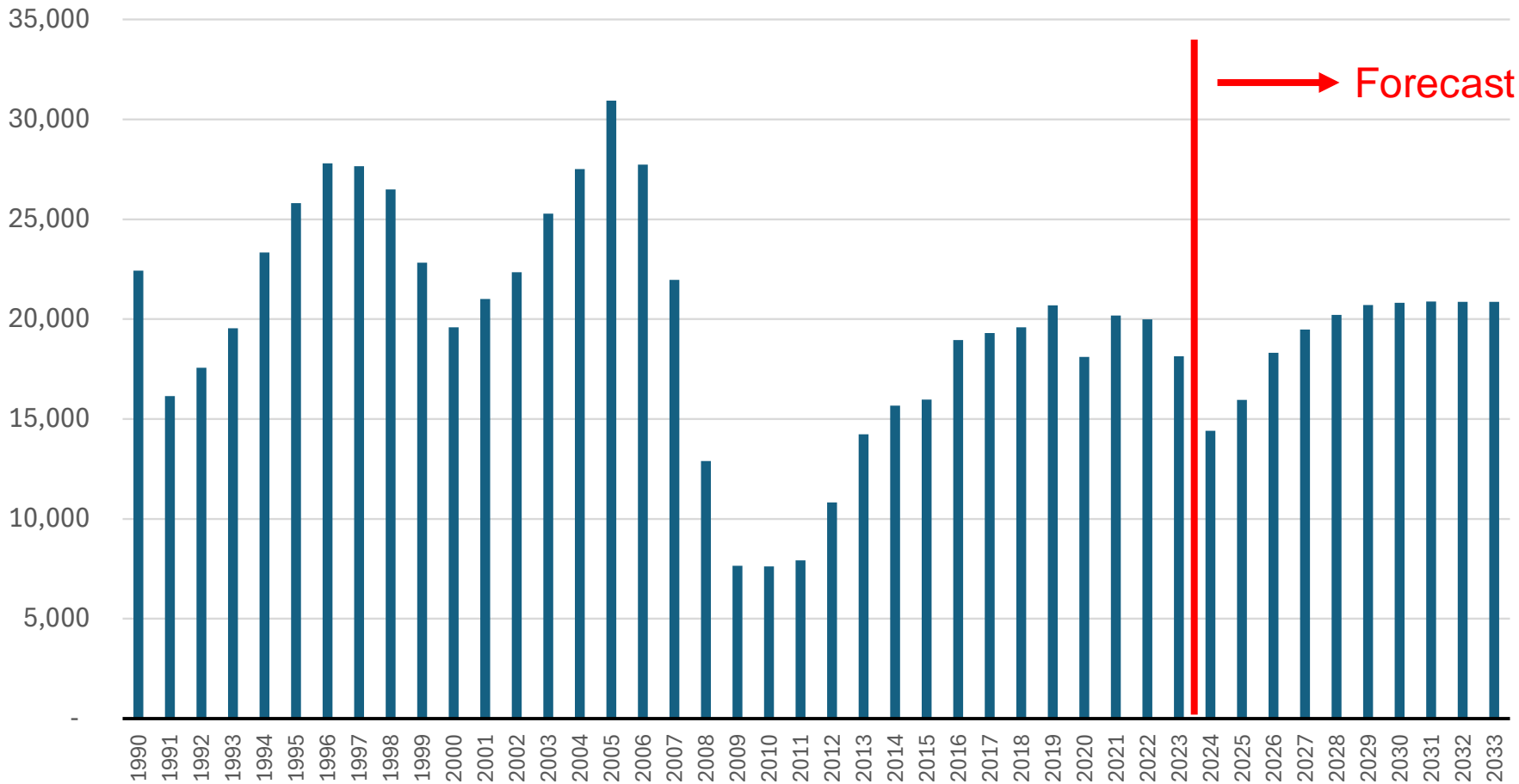
That said, mortgage rates remain relatively high and rate cuts expected to be slow.

Sources: U.S. Bureau of Labor Statistics, Oregon Office of Economic Analysis



# OFFICE OF ECONOMIC ANALYSIS SHOWS A REBOUND THEN FLATTENING HOUSING STARTS

## Historical and Forecast Housing Starts in Oregon, 1990 - 2033



Forecast

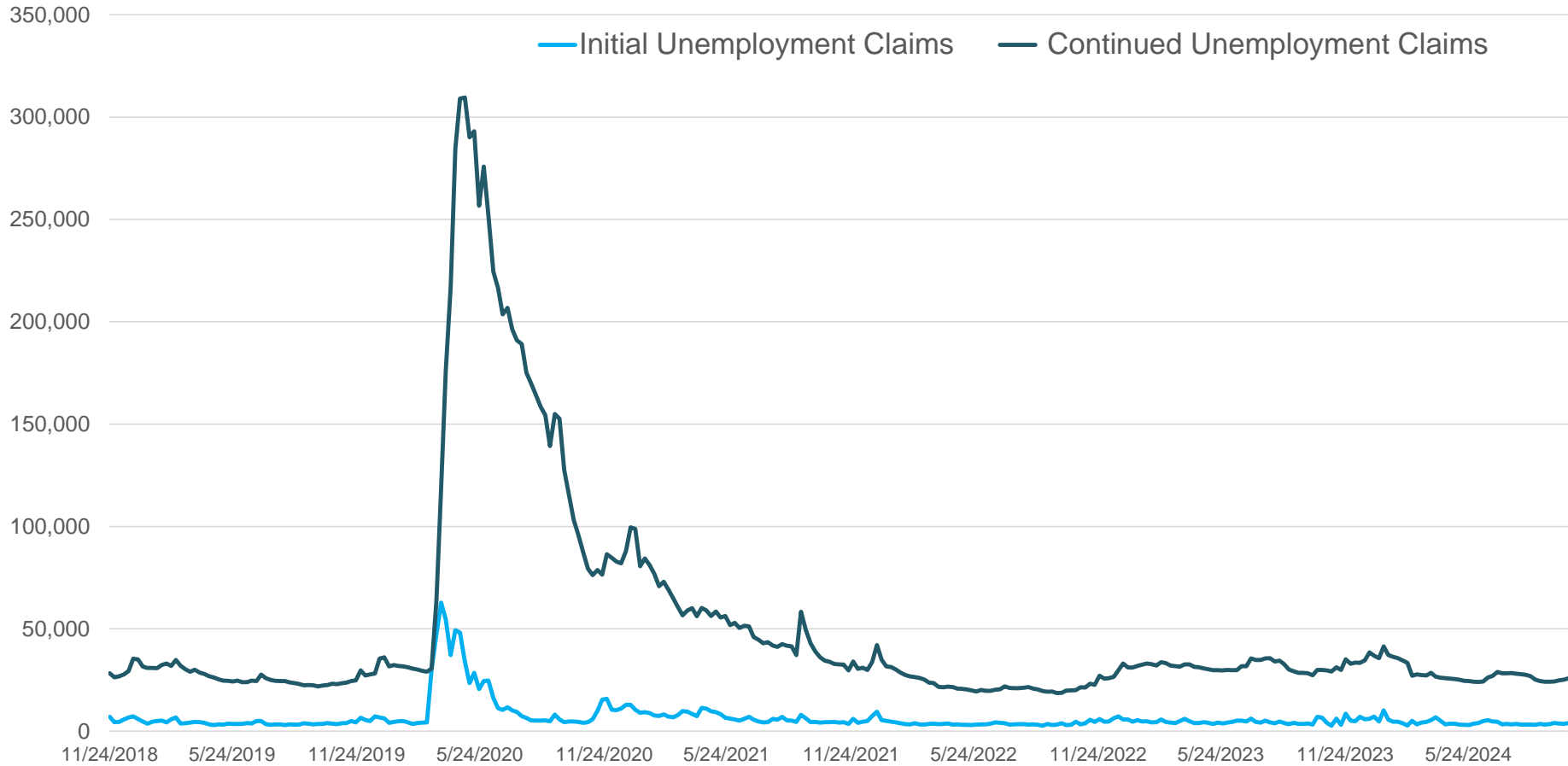
OEA forecasts relatively slower population growth and housing starts in the coming years.

Source: Oregon Office of Economic Analysis

# SOME INDICATORS FOR TRACKING THE ECONOMIC CYCLE

# UNEMPLOYMENT INSURANCE CLAIMS REMAIN RELATIVELY LOW

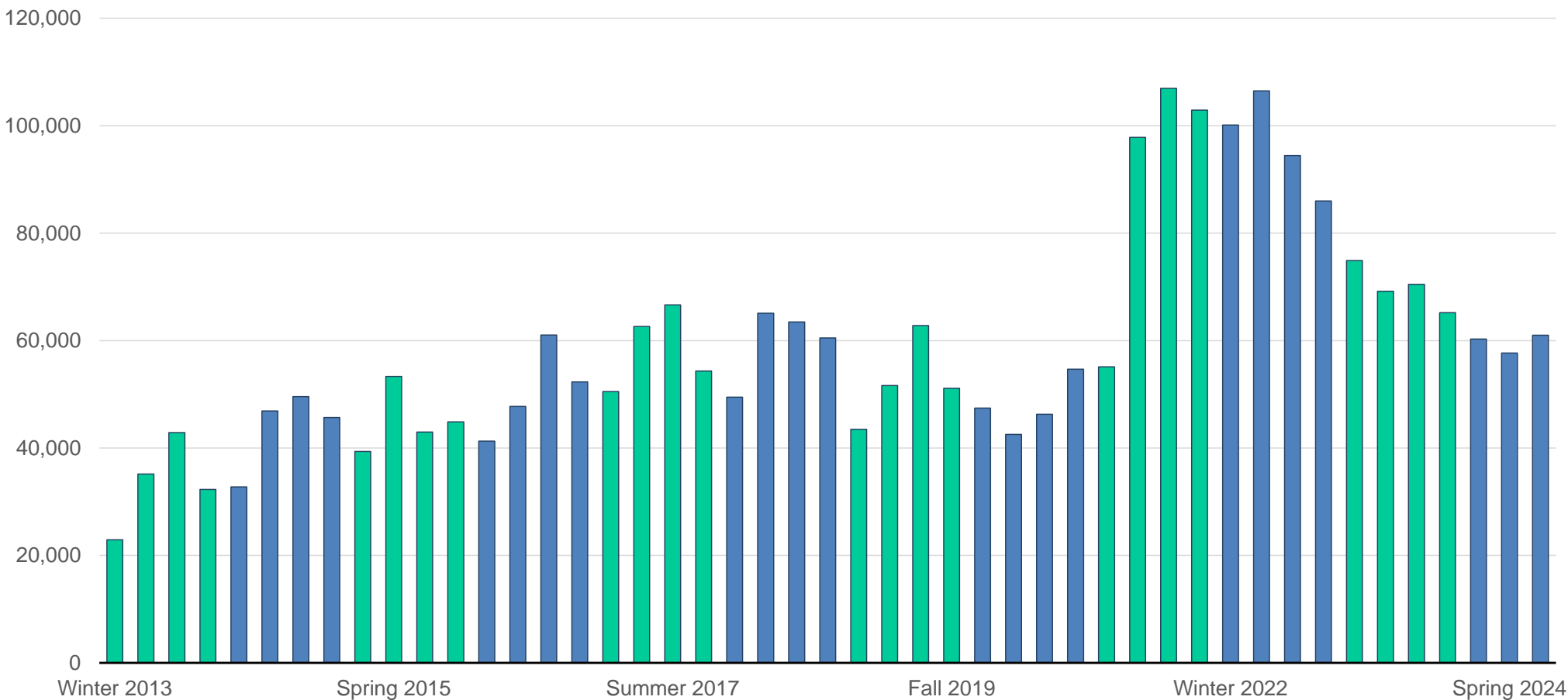
## Initial and Continued Claims for Unemployment Benefits in Oregon Reflecting Week Ended 11/24/18 - 11/9/24



Source: Oregon Employment Department

# HIRING DEMAND HAS RETURNED TO MORE TYPICAL LEVELS

## Job Vacancies at Private Employers in Oregon, 2013 - 2024

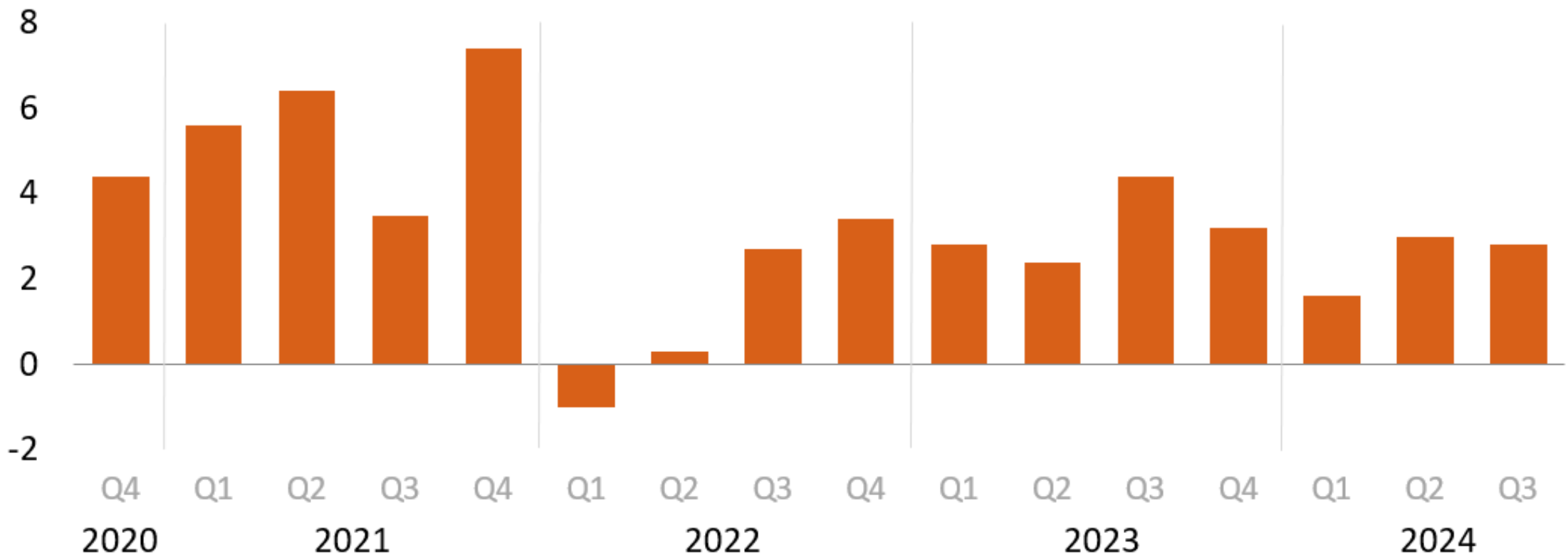


Like job growth, job openings have been concentrated in health care and social assistance.

Source: Oregon Employment Department, Quarterly Job Vacancy Survey

# GROSS DOMESTIC PRODUCT HAS INCREASED FOR MORE THAN TWO YEARS

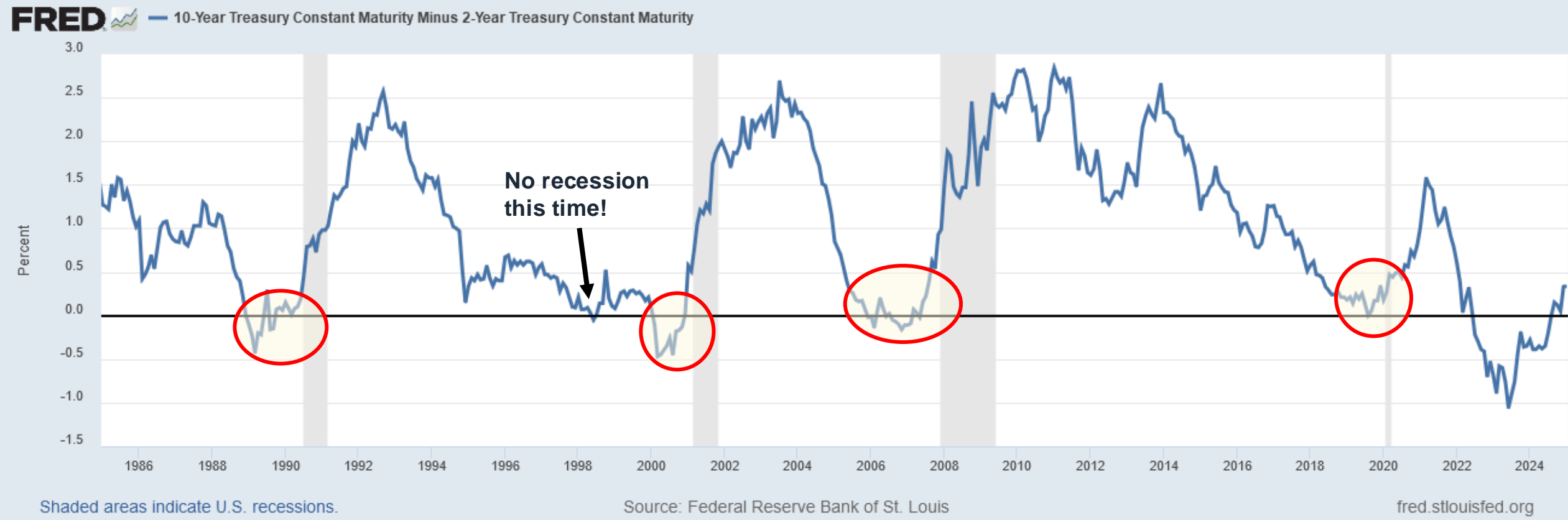
## Real GDP: Percent change from preceding quarter



U.S. Bureau of Economic Analysis

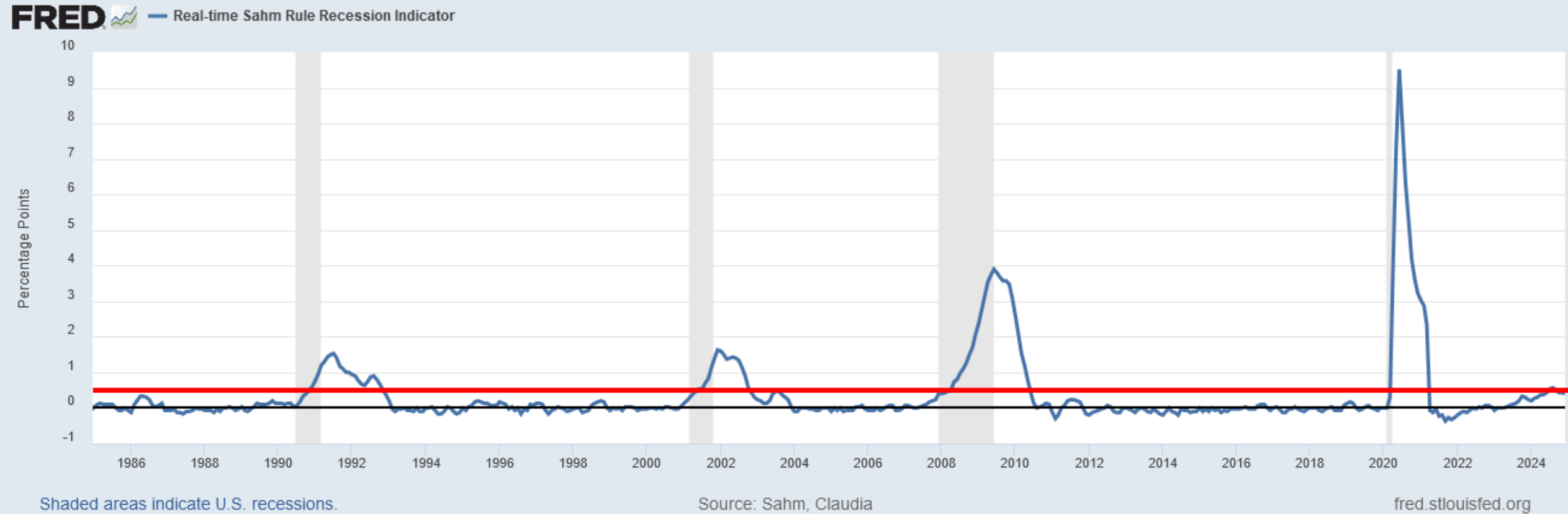
Seasonally adjusted annual rates

# YIELD CURVE INVERTED FOR TWO YEARS, BUT TURNED POSITIVE AGAIN



When the yield curve inverts, a recession typically follows within a couple of years. The yield curve itself doesn't cause or predict recession; it does indicate enough short-term weakness that more economic shocks could tip us into recession.

# SAHM RULE: UNEMPLOYMENT RATE UP 0.5 PERCENTAGE POINT FROM LOW, POSSIBLE RECESSION



The U.S. unemployment rate crossed this threshold from July 2024 through September 2024. Unemployment is rising from low levels though; possible this flag is not quite as alarming (yet).

**GAIL KRUMENAUER, STATE EMPLOYMENT ECONOMIST**  
**[GAIL.K.KRUMENAUER@EMPLOY.OREGON.GOV](mailto:GAIL.K.KRUMENAUER@EMPLOY.OREGON.GOV)**

**SIGN UP FOR THE LATEST WORKFORCE AND ECONOMIC RESEARCH**  
**[WWW.QUALITYINFO.ORG/SUBSCRIBE](http://WWW.QUALITYINFO.ORG/SUBSCRIBE)**



**SHARE YOUR FEEDBACK!**