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**Labor Market Information**

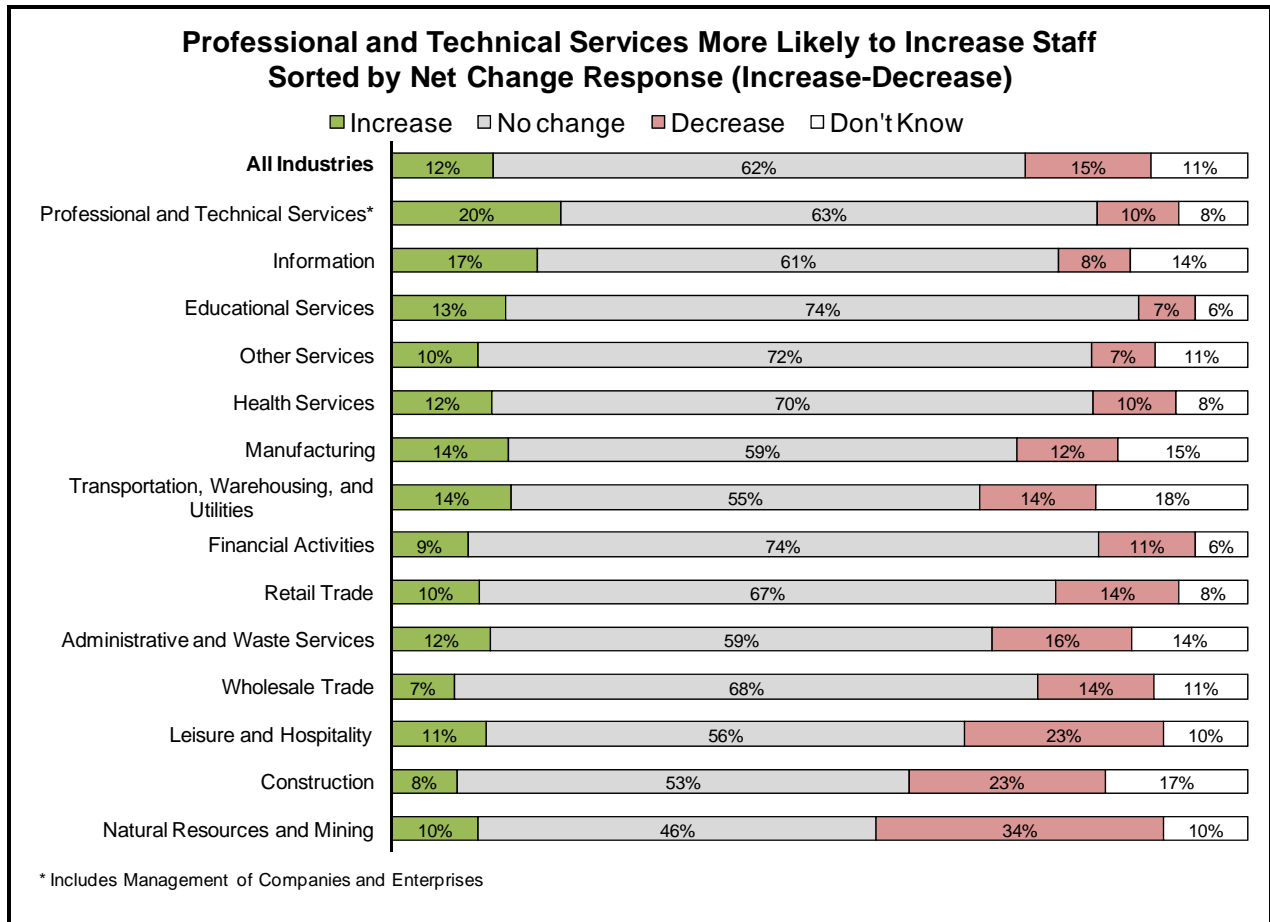
State of Oregon • Employment Department • 875 Union NE, Salem, OR 97311 • [www.QualityInfo.org](http://www.QualityInfo.org)

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Contact Information: Nick Beleiciks  
 (503) 947-1267  
[Nick.J.Beleiciks@state.or.us](mailto:Nick.J.Beleiciks@state.or.us)

### One-Third of Oregon Employers Expect to Hire Despite the Economy

One in three private-sector employers in Oregon is expecting to hire workers over the next six months and 12 percent expect to increase their total number of workers over that period, according to results from the first Future Hiring Survey of employers by the Oregon Employment Department. The six month period runs approximately through April 2011. Most employers who plan to hire will do so to replace workers leaving as part of the routine turnover of workers. The most common reasons employers gave for not hiring were related to the poor economic conditions.



Graph 1

## Few Employers Will Increase the Size of Their Workforce

Employers will certainly be hiring new workers over the next six months, but most do not expect an increase in the size of their staff. A large majority, 62 percent, said they do not plan to change their total number of employees.

More employers expect a reduction in the number of employees working for them than expect to add workers. Fifteen percent expect to decrease the size of their workforce during that time – more than the 12 percent that expect to increase their workforce. Eleven percent said they did not know what their staffing level will be like in six months.

Expected growth by employers varies by industry, with the most optimistic employers being in professional and technical services, information, and educational services. Twenty percent of employers in the professional and technical services industry expect an increase in the number of employees working for them over the next six months, the most of any industry. Thirty-four percent of employers in the natural resources and mining industry expect to have fewer workers over the next six months. They were also the most likely to state seasonal work as the reason for not hiring. Twenty-three percent of employers in leisure and hospitality and construction expect to decrease their workforce.

## Most Employers Hiring Will Do So Because of Turnover

Although most employers do not plan to grow the size of their workforce over the next six months, at least one-third of employers said they do plan on hiring within that period.

**Table 1**

| <b>Most Hiring Will Be for Turnover or for Seasonal Work<br/>(Sorted by Share of Employers Planning Any Type of Hiring)</b> |                 |                 |                  |                    |
|---|-----------------|-----------------|------------------|--------------------|
|   | <b>Turnover</b> | <b>Seasonal</b> | <b>Expansion</b> | <b>Restoration</b> |
| <b>All Industries</b>   | <b>19%</b>      | <b>10%</b>      | <b>9%</b>        | <b>4%</b>          |
| Leisure and Hospitality   | 32%             | 16%             | 5%               | 2%                 |
| Transportation, Warehousing, and Utilities  | 25%             | 11%             | 11%              | 4%                 |
| Information   | 24%             | 8%              | 16%              | 3%                 |
| Health Services   | 31%             | 2%              | 11%              | 2%                 |
| Manufacturing   | 19%             | 7%              | 11%              | 10%                |
| Administrative and Waste Services   | 19%             | 15%             | 9%               | 3%                 |
| Professional and Technical Services*  | 16%             | 10%             | 13%              | 4%                 |
| Natural Resources and Mining  | 9%              | 27%             | 3%               | 3%                 |
| Retail Trade  | 24%             | 12%             | 5%               | 1%                 |
| Educational Services  | 19%             | 8%              | 10%              | 2%                 |
| Financial Activities  | 19%             | 3%              | 9%               | 2%                 |
| Other Services  | 16%             | 3%              | 8%               | 4%                 |
| Construction  | 6%              | 8%              | 7%               | 9%                 |
| Wholesale Trade   | 12%             | 6%              | 8%               | 3%                 |

\* Includes Management of Companies and Enterprises

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 10 percent plan on hiring to meet the normal seasonal increase in their business. Some employers plan on hiring because they expect to grow their current workforce in some way; 9 percent expect to expand their business and 4 percent plan to replace jobs that were cut during the recession.

Employers in the leisure and hospitality industry were the most likely to say they plan on hiring for turnover, followed closely by employers in health services, and transportation, warehousing, and utilities. Only a small share of employers in natural resources and mining, and in construction, 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 leisure and hospitality, and administrative and waste services (which includes temporary help agencies). The industries with the smallest share of employers expecting to hire seasonal workers were health services, financial activities, and other services, like repair and maintenance businesses, personal and laundry services, and membership associations and organizations.

The industries with the largest shares of employers planning to hire to expand their business were the information industry and professional and technical services. The smallest share of employers planning to expand was in the natural resources and mining industry. A small share of employers say they plan to restore some of the jobs cut or furloughed during the recession. The manufacturing and construction industries had the highest shares of employers planning to restore jobs; 10 percent of manufacturing and 9 percent of construction employers are planning some restoration hiring.

### Employers Hiring Across the Occupational Spectrum

Employers expect to hire workers in at least 350 different occupations during the next six months. As part of the survey, employers were invited to list up to four job titles they plan to hire for over the next six months.

The frequency of which occupations employers said they plan to hire was concentrated in the largest occupational groups. Office and administrative support occupations, sales and related, food preparation and serving, transportation and material moving, and construction and extraction occupations were the most often listed by employers. Those five groups accounted for about one-half of the occupations employers expect to hire.

**Table 2**

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

The top individual occupations by number of responses were retail salespersons, truck drivers (heavy and tractor-trailer), secretaries, construction laborers, and farmworkers.

### 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 then grouped into three broad categories: the economy, the government, or some reason specific to their business.

Two-thirds of the employers who provided a reason cited factors relating to poor economic conditions. Besides the slow economy in general, some business specifically mentioned tight credit and slow housing markets. Although many employers said economic conditions could prevent them from hiring, a larger share of employers in construction, manufacturing, and wholesale trade cited the economy.

Over one-third of 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. A few employers felt they could not find qualified applicants or responded that they plan to hire contractors to get the work done.

Eighteen percent of employers provided a reason for not hiring that had to do with government. Twelve percent mentioned taxes in general while 1 percent mentioned proposition 66 or 67 specifically. Other government-related responses concerned regulations, health care reform, minimum wage, or state budget cuts.

### Prospects for Job Seekers

The results of the first Future Hiring Survey show that Oregon employers still have concerns about current economic conditions and are still hesitant to hire additional workers. At the same time, the survey shows that despite the tough job market, many employers are still hiring and plan to do so across a broad range of occupations.

While it is clear that the job market is weak right now, it is impossible to say whether the survey results predict an improvement or decline in the labor market because there are no historical data to make comparisons. We plan to repeat the Future Hiring Survey in six months, at which time we will be able to monitor changes, if any, in businesses' hiring plans and opinions.

**Table 3**

| <b>Reasons That May Prevent Employers From Hiring Over Next Six Months</b> |            |
|--|------------|
| <b>Related to Economy</b>  | <b>67%</b> |
| Recession  | 60%        |
| Tight Credit Market  | 4%         |
| Slow Housing Market  | 3%         |
| <b>Other Reasons</b>   | <b>25%</b> |
| Seasonal Work  | 15%        |
| Uncertainty About Future   | 7%         |
| Lack of Qualified Applicants   | 5%         |
| Hire Contractors   | 1%         |
| <b>Related to Government</b>   | <b>18%</b> |
| Taxes  | 12%        |
| Regulations  | 3%         |
| Health Care  | 3%         |
| Minimum Wage   | 2%         |
| State Budget Cuts  | 1%         |
| Proposition 66 & 67  | 1%         |

## **Survey Details**

The Oregon Employment Department's 2010 Future Hiring Survey asked 4,650 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 last week of September through the middle of November.