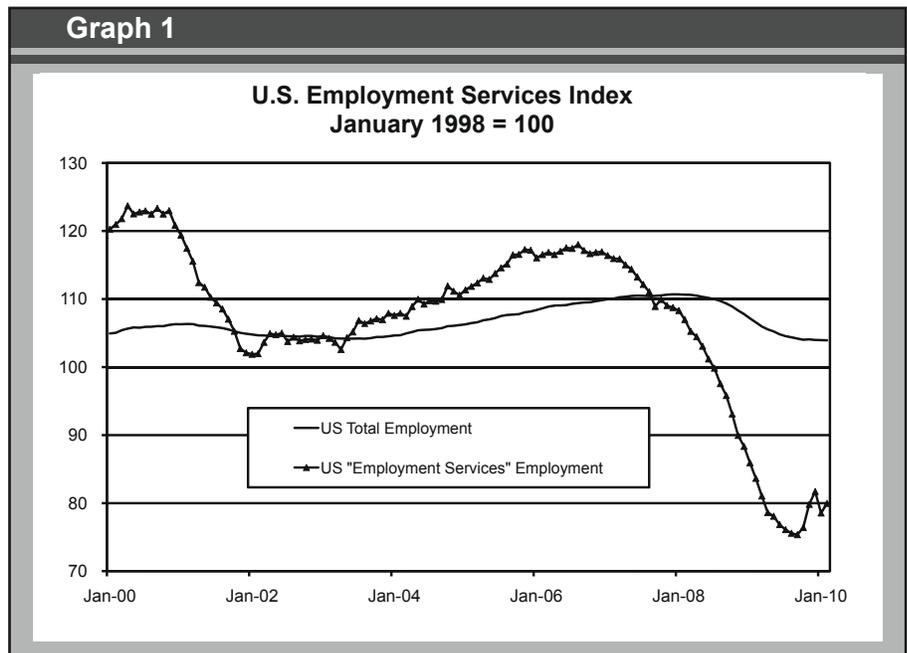


When Will the Economic Recovery Begin? Watch These Indicators!

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It's the longest recession in the modern era for both the U.S. and Oregon. After a major decline in 2008 and 2009, Gross Domestic Product (GDP) resumed growth in the last two quarters of 2009. GDP is the measure of the value of all goods and services produced in the U.S. Conventional wisdom holds that two quarters of GDP growth indicates the end of the recession. While the National Bureau of Economic Research has yet to proclaim the recession officially over, major sectors of the economy seem to be stabilizing after two years of decline.

It's tempting to proclaim the recession over. But economic recovery is a complex process. Some industries grow faster while other industries may



fail to recover at all. The recovery may be strong and sustained or weak and short lived. As certain industries grow, or fail to grow, we'll see indicators about the shape of the new Oregon economy born out of the worst recession in more than a generation.

Employment Services: Staffing Companies Lead the Way

Staffing companies, once a niche service, became a vital part of the U.S. economy in the 1990s. Today, 2 percent to 3 percent of U.S. workers are employed by a staffing company. Watching this industry provides important clues as to future movements in the economy as a whole.

During a recession, hard hit businesses cut expenses to stay profitable. For the vast majority of firms the

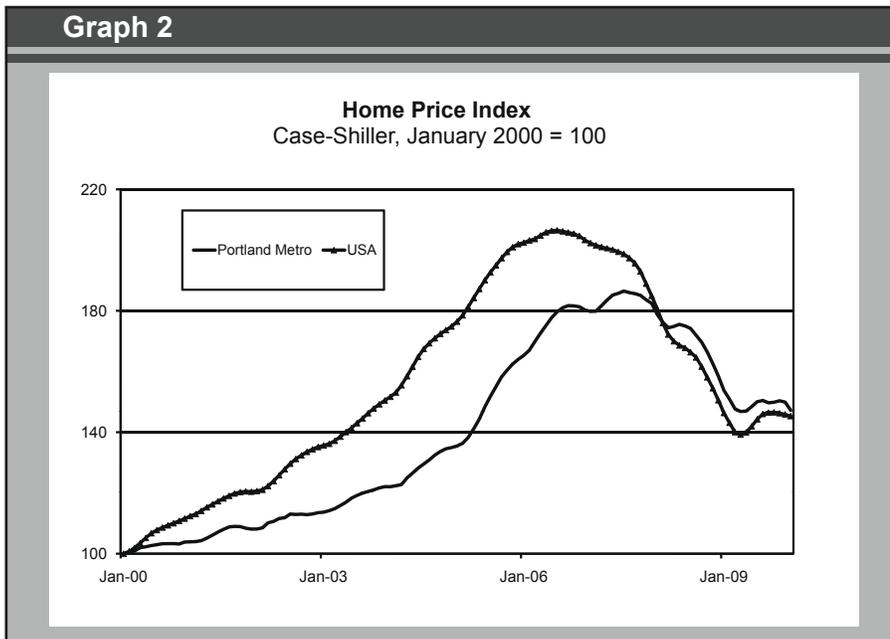
largest expense is the payroll of its employees. Once orders begin to pick up, firms often turn to staffing companies to provide temporary workers – before hiring permanent employees. Conversely, when times are tough, temporary workers are often the first to be let go. Labor economists consider employment through these firms to be an important leading indicator of future economic conditions.

At the start of the 2001 recession, jobs began to decline in the U.S. in February 2001 (Graph 1). During the subsequent, and unusually long “jobless recovery,” jobs continued to disappear for the next two and a half years. The employment services industry that includes staffing companies was particularly hard hit during the recession. More interestingly, the industry began to decline a full 10 months before economy-wide job losses began. Dur-

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Graph 2



ing this most recent recession, employment services began declining in August 2006, more than a year before the entire economy began losing jobs at the end of 2007. This suggests that the industry is an excellent predictor of a coming recession.

If job loss in the employment services industry can signal a coming recession, might job gains in the sector be a premonition of economy wide job growth? The data implies that it can. Employment services began growing in the U.S. in the spring of 2003, four months before the national job recovery took hold. The Oregon data is very similar, with the industry growing in early 2003, followed by statewide job numbers in the summer.

The most recent data is hard to read. Nationally, employment services has been generally trending upward since bottoming out in September of 2009. In Oregon, the picture is less clear. There's a large amount of seasonality in this field, with jobs growing every summer and declining every winter. Adjusting for this seasonality, employment has been fairly flat since April 2009, and losing a little less than 5 percent of all jobs in the past 12 months. For most industries a 5 percent annual decline would be rough, but this industry is unique – it lost 20 percent in 2008. Looking at recent trends, it's easy to imagine the industry entering a growth mode in the middle of 2010.

A note of caution about this leading indicator should be considered. In the first half of 2002, in both Oregon and the U.S., this industry showed modest growth before retreating again in the last half of the year. After the false signal in early 2002, total U.S. industry job counts were essentially flat for at least another year.

Construction: The Engine of Recovery

Once economic recovery starts, what drives economic growth? In a word, construction. Coming out of recessions, the U.S. economy has traditionally relied on an expanding housing market to provide the greatest boost to the economy as a whole. Oregon – with our timber, saw mills, wood product manufacturing firms, and international ports – has long benefited disproportionately from strong home construction.

In order to stimulate economic growth during recessions, the U.S. Federal Reserve takes steps to lower the interest rate. A low interest rate makes it more attractive for businesses and individuals to borrow money. Lowering interest rates encourages businesses to take risks on expansions, open new locations, expand product lines, and hire new workers.

The effect of low interest rates is probably most visible on the residential housing market. In early 2000, the average 30-year fixed mortgage in the U.S. was almost 8.5 percent. By the middle of 2003, due to policy actions taken by the U.S. Federal Reserve, those rates had dropped to about 5.5 percent. This decline of about 3 percentage points had a significant effect. As interest rates fell, millions of homeowners refinanced their mortgages, saving thousands of dollars each year in mortgage payments. Millions more Americans either bought their first, now affordable, home or upgraded to a larger or new home.

Millions of new mortgages funded a housing boom. As during most economic recoveries, low interest rates fed the entire housing industry. Construction firms, wood product manufacturers, hardware stores, realtors, and mortgage firms all hired tens of thousands of employees in Oregon to keep up with demand. From 2003 to 2007, construction grew by almost 30,000 jobs in Oregon, representing 35 percent growth in four short years. Construction became the most visible

success story in the federal government's efforts to create family wage jobs.

The value of homes skyrocketed as well. According to the Case-Shiller index, U.S. home prices more than doubled from 2000 to

**In the last few years,
the average U.S. home
has lost more than
25 percent of its value.**

2006 (Graph 2)! During this time, the Portland Metro area saw home prices grow by about 80 percent. Nationally, the most visible sign of post-2001 recession prosperity could be seen in the housing markets. President Bush boasted in his 2004 State of the Union address that home ownership rates were at record high levels. A rare bright spot in an otherwise jobless economic recovery.

Will an expanding housing market once again propel the Oregon – and U.S. – economy? In the near future, that seems doubtful. Home prices, certainly overvalued, began to collapse in 2006. In the last few years, the average U.S. home has lost more than 25 percent of its value. The

decline in the Portland metro area is only slightly less severe. Almost one in four U.S. homeowners are underwater on their mortgage. That is, they owe more money on their mortgage than they would likely get by selling their home. Banks and mortgage brokers are now much more careful about lending money to aspiring home owners. Meanwhile, entire condo developments, built during the housing boom, have sat empty and unsold for years in the Portland area.

In every recent economic recovery, an expanding housing market played a critical role in creating jobs and spreading prosperity. With the

collapse of the housing market, the economy is now burdened with unsold homes, essentially bankrupt homeowners, and armies of unemployed construction workers. It seems unlikely that a broad economic recovery would be possible without a robust housing sector. Increasing home values that would lead developers to once again buy raw materials, hire workers, and build houses, would seem to be not just a signal of broad economic growth, but a necessary condition for growth to occur.

Unemployment Rate: The Painful Lagging Indicator

Economic growth and job creation are great, but what about the economic indicator that people care the most about – the unemployment rate?

During the summer of 2009, the Oregon unemployment rate reached 11.6 percent, close to the record high from late 1982. Over the last several months, the unemployment rate declined by about one full point. Ironically, as the unemployment rate dropped, jobs continued to disappear as well, declining by more than 1 percent over the same time period.

How can the unemployment rate drop as businesses continue to shed jobs? It's important to remember that the unemployment rate is more than just a simple indicator, it's a ratio involving the number of people seeking jobs as a part of the total labor force. Populations grow and decline, workers become discouraged and full time workers shift to part time work or self employment.

The labor market is a complicated and dynamic system. The unemployment rate can only provide a snapshot summary of this complexity.

Most economic forecasters expect the U.S. and Oregon economy to begin

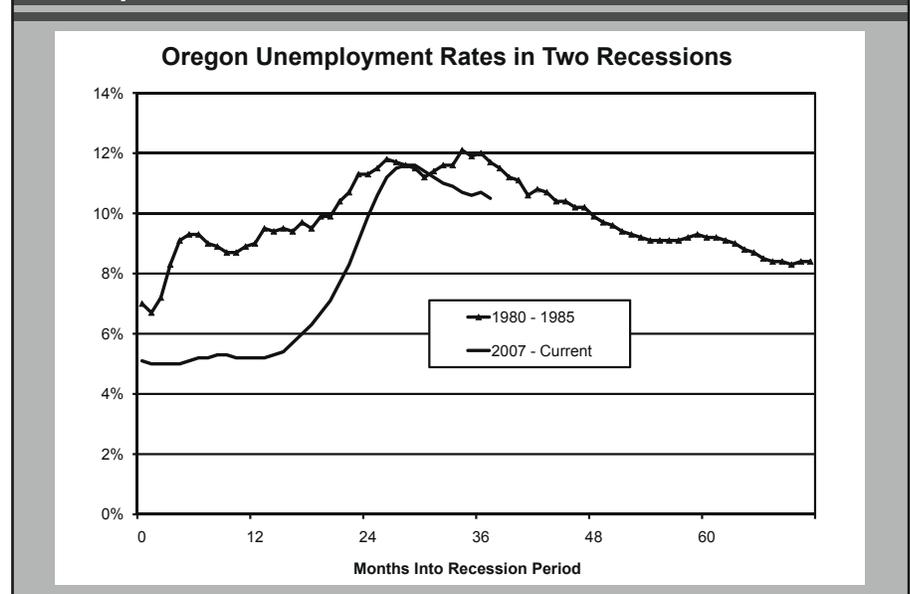
creating jobs, month after month, at some point in 2010. But this may not move the unemployment rate significantly. Over time, the U.S. workforce grows, both from immigration and students leaving school and entering the workforce. The U.S. economy needs to grow by about 100,000 to 150,000 jobs every month just to keep up with population growth.

It's easy to imagine Oregon job growth at a rate that fails to out pace population growth. In that case, the unemployment rate would not significantly decline until job growth reaches at least 2 percent a year. The most recent economic forecast by the Oregon Department of Administrative Services does not expect Oregon to begin growing that fast until early 2011. The same forecast sees growth peaking in 2012 and slowing to only a little more than 2.2 percent in 2013.

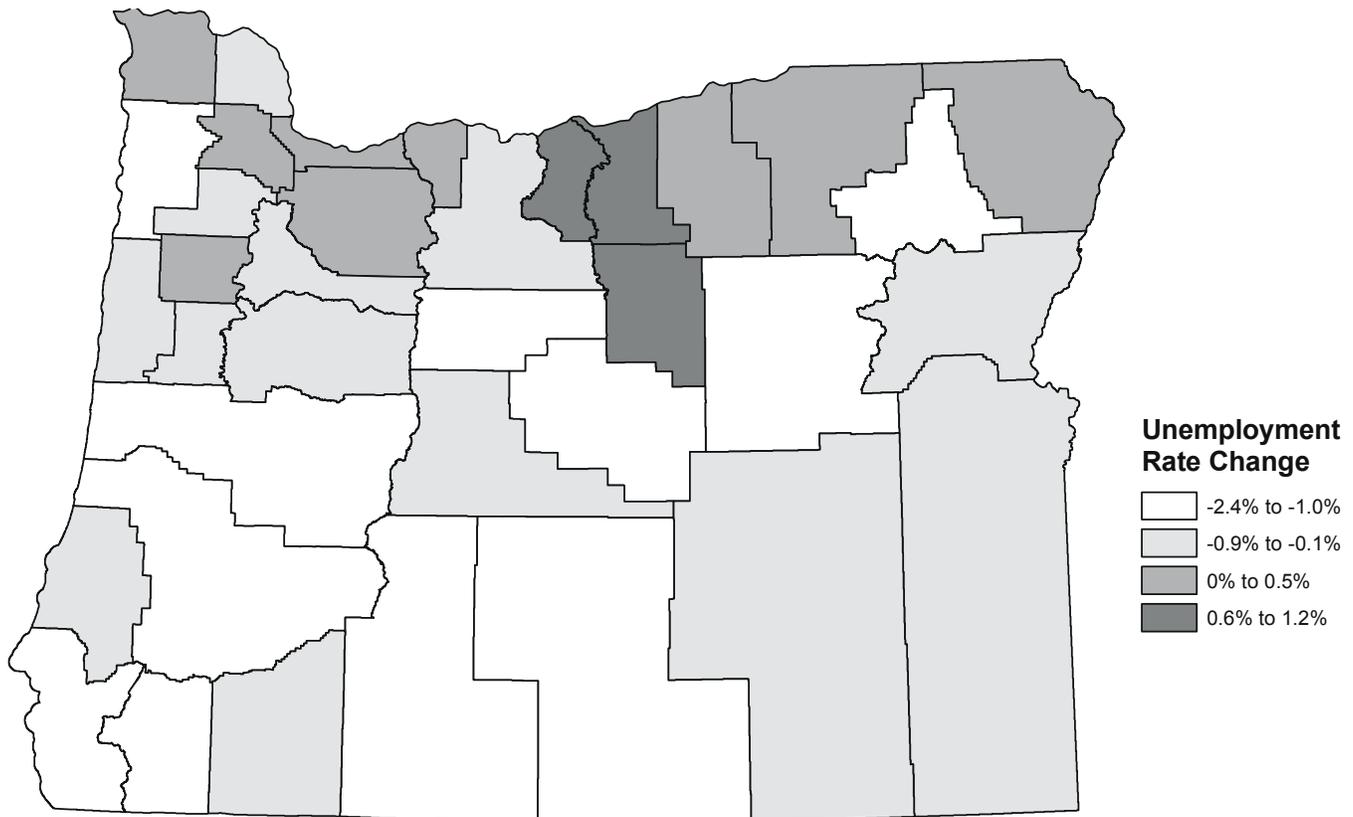
It's difficult to reliably forecast future unemployment rates, but history suggests it will take much longer for the rate to drop than it took for the rate to surge during the recession. During the recession of the early 1980s, the Oregon unemployment rate shot up 5 percentage points to 12 percent in three years (Graph 3). As dramatic as that increase was, 2007 was even worse, with unemployment surging by more than 6 percentage points in the two years ending in the summer of 2009. Three years after the unemployment rate peaked in late 1982, the Oregon unemployment rate had only declined to a still painful 8.5 percent. Should that pattern hold again this time, Oregon could see unemployment rates higher than 8 percent well into 2013. ■

History suggests it will take much longer for the rate to drop than it took for the rate to surge during the recession.

Graph 3



Over-the-Year Unemployment Rate Changes February 2009 to 2010, Seasonally Adjusted



Oregon's Unemployment Rate Steady Since November

Oregon's seasonally adjusted unemployment rate was essentially unchanged at 10.6 percent in March compared with 10.5 percent in February. The rate has been essentially unchanged for the most recent five months. Oregon's unemployment rate was 11.2 percent in March 2009. In March, 229,083 Oregonians were unemployed. In March 2009, 241,319 Oregonians were unemployed.

Even though Oregon's seasonally adjusted unemployment rate held relatively steady over the past five months, the civilian labor force expanded for the first three months of 2010. This was caused largely by an increase in labor force participation, meaning that a higher proportion of adults are joining the labor market. Oregon's seasonally adjusted

civilian labor force hit a recent low of 1,935,774 in December 2009. By March 2010, it grew to 1,955,720.

In March, Oregon's seasonally adjusted nonfarm payroll employment dropped by 400 jobs, following a loss of 900 (as revised) in February. In March, most of the major industries performed near their normal pattern. Only two major industries showed a seasonally adjusted job change of 1,000 or more: manufacturing (+1,100 jobs) and educational and health services (-1,000).

Manufacturing added 1,100 jobs on a seasonally adjusted basis, reaching a total of 162,400 jobs in March. This puts the industry back where it was during August through December 2009.

Wood product manufacturing was flat in March at 19,400 jobs, after losing substantial numbers of workers over the past two years. Wood products employed more than 30,000 as recently as three years ago.

Fabricated metals manufacturing was also flat in March at 12,800. This industry's employment plunged during the past year and a half, after having employed more than 17,000 two years ago.

Computer and electronic product manufacturing employment rose by 700 in March, but this followed a drop of 900 in February. The industry has been close to the 35,000 employment level for the past 12 months.

Transportation equipment manufacturing shed 400 jobs in March. The industry is down to 8,400 jobs, which is less than half its recent high of more than 18,000 reached three years ago.

Perhaps the most positive component of manufacturing has been food manufacturing. It added 300 jobs in March and is up 2,000 jobs since March 2009. The March employment total for the industry was 23,400, which was its

highest March reading since comparable records began in 1990.

Educational and health services cut 400 jobs during a month when it typically would add 600 due to normal seasonal changes. Most of the cuts in March came from ambulatory health care services, which shed 600 jobs. This industry employed 67,200 in March and is even with its year-ago figure.

Leisure and hospitality has shown signs of improvement in recent months. Seasonally adjusted employment in the industry rose in each of the past three months. The gains so far have been only a modest reversal of the steep decline in the industry during late 2008 and early 2009. ■

LOCAL HIGHLIGHTS:



Population Growth and Jobs on the Oregon Coast

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Most folks living on the Oregon coast know that the area lost jobs in 2009 (-3,630 jobs on an annual basis from 2008 to 2009). The recession hit here too, after all. Fewer might know that the coast probably lost a little from its total population also. The total population for Clatsop, Coos, Curry, Lincoln, and Tillamook counties (Oregon's primarily coastal counties) dipped by 112 to 193,075 in 2009. Some error is possible when making population estimates so the actual change might not be exactly -112, but the estimates certainly indicate that the coast didn't grow over the year.

Looking at the individual counties reveals an interesting pattern; the coastal counties that had the higher

population growth rates from 2006 through 2009 tended to have lower rates of job loss. There was also a geographical aspect to job loss; the north coast lost relatively fewer jobs than the south coast.

Data about net migration are not available for 2009 yet, but the 2008 data indicate a considerable drop that year from 2007, especially in Coos, Curry, and Tillamook counties. This is important because immigration is how the coast tends to grow – most coastal counties have more deaths than births. Clatsop County is an exception to this rule.

The fact that population growth and jobs seem related doesn't mean that one necessarily causes the other. In fact, Lincoln County hasn't had a significant change in its population since

Area	2006-2009	
	Population Change	Employment Change
Clatsop	2.15%	0.53%
Tillamook	2.35%	-2.07%
Lincoln	0.40%	-3.31%
Coos	0.25%	-10.27%
Curry	-0.12%	-11.74%
Coast	0.89%	-5.30%

1996 but added a couple thousand jobs since then – before the recession hit – and still has more than it did in 1996. Still, for some coastal counties immigration may have been a source of demand for housing and construction that buoyed the economy.

For more information on specific regions, visit www.QualityInfo.org, then choose an area on the map in the upper right-hand corner. ■

Around the State

Would you like to know more about Oregon businesses? Are you interested in which businesses are expanding and which are having layoffs? Maybe you want to know about business openings and closures in Oregon. You can receive this information in the Oregon Employment Department's weekly *Around the State* publication. *Around the State* tracks Oregon's regional business activities. Current and past editions can also be found on our Web site, www.QualityInfo.org, on the Publications page. To be added to the e-mail list, contact Kathi Riddell at Kathi.R.Riddell@state.or.us or (503) 947-1266.



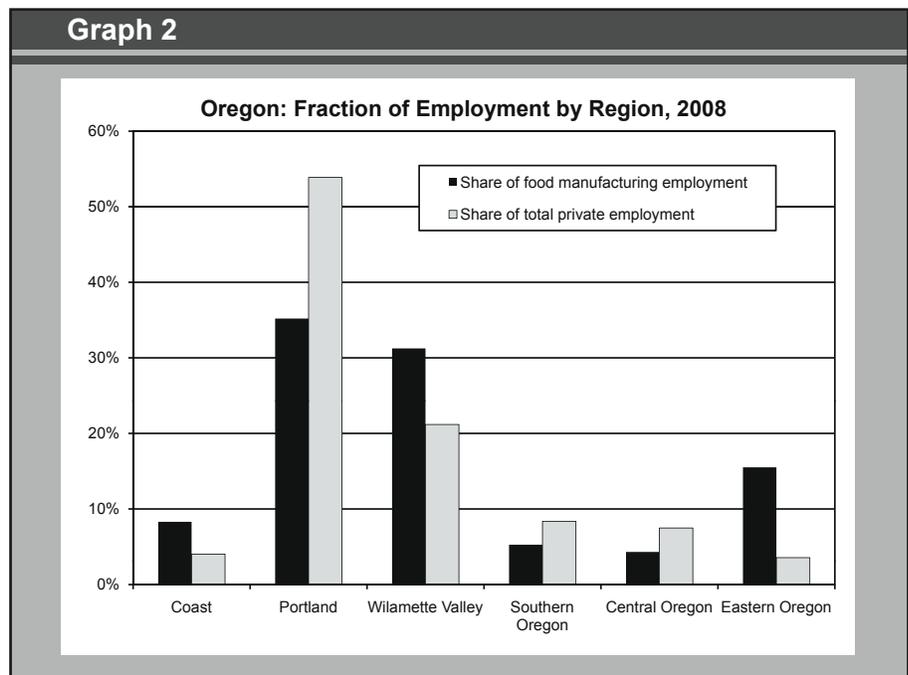
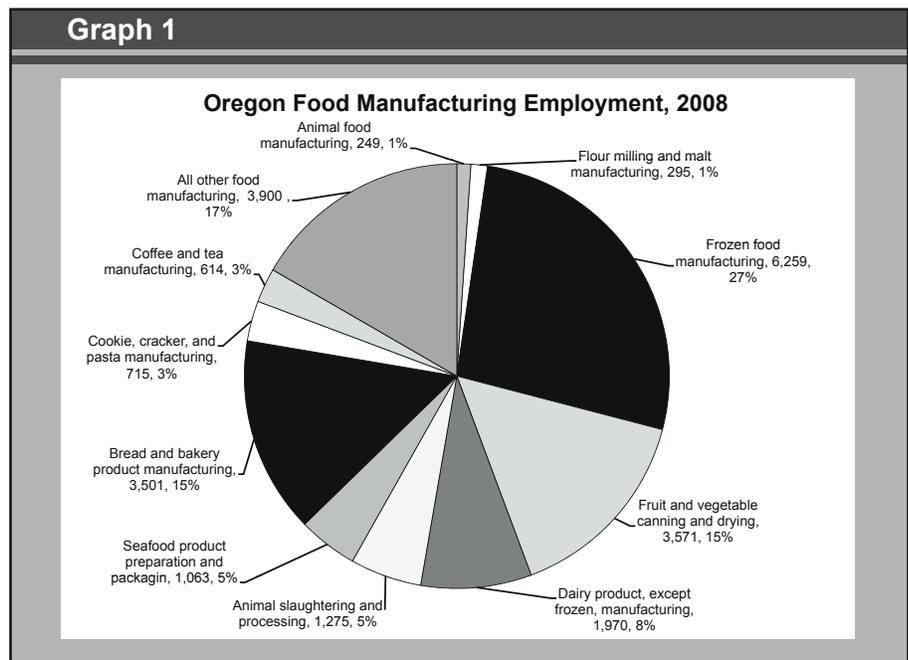
Oregon's Food Manufacturing Sector: Steady Over Time

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Food manufacturing has long been an important industry in Oregon's economy. It has been an important partner with Oregon's famous agriculture sector, a symbiotic relationship that allowed both industries to be a stable and long-time fixture of Oregon's economy. Over the past 50 years, Oregon's food manufacturing sector employed no fewer than 20,000 and no more than 26,000. Over the past half-century, food manufacturing's share of total employment shrunk in Oregon. Back in 1959, food manufacturing employed 21,400 and comprised 4.3 percent of the state's total nonfarm payroll. In 2009, the activity employed 23,700 and comprised 1.5 percent of the state's total nonfarm payroll.

One reason for food manufacturing's steadiness over time is efficiency gains due to technological innovations. Computer operated equipment can now picture, sort and grade food products in the blink of an eye; work that traditionally would have been completely done by hand using human senses. Food manufacturing is not alone in adopting new technologies to increase efficiency. Technological innovations in recent decades allowed Oregon's wood product manufacturing sector to automate many functions and become a much more efficient industry, being able to maintain production levels while reducing labor input.

Food manufacturing tends to weather economic slowdowns and recessions fairly well. People may hold off on purchasing a new house, new appliances, or they may cut back on dining out when the economy is slow. But people have to eat, even when the economy is not doing well. That certainly has been the case during the recent recession. From 2007 to 2009, Oregon's total employment declined 6.9 percent. Over that same period of time, Oregon's manufacturing sector shed 18 percent of its jobs. In contrast, Oregon's food manufacturing employment managed to grow 2.6 percent from 2007 to 2009, bucking the trend of large employment losses experienced by the rest of the



manufacturing sector during the recession. Food manufacturing has also been a steady industry in the long run. From 1990 to 2009, Oregon's manufacturing employment declined 18 percent. Over that same period of time, food manufacturing employment was down just 200 jobs or 0.8 percent.

Oregon's food manufacturing industry comprises a larger share of the state's total employment compared with the nation. Nationally, food manufacturing

made up 1.1 percent of total nonfarm employment in 2009. In Oregon, the sector comprised 1.5 percent of total nonfarm employment in 2009. California is very well known for its agriculture industry, yet food manufacturing made up only 1.0 percent of California's total nonfarm employment in 2009.

Looking within food manufacturing, one of the big reasons why Oregon has a larger than average share of employment is the large presence of

Table 1

Oregon Food Manufacturing Projections for Largest Occupations, 2008-2018

	2008 Employment	2018 Employment	Percent Growth	2008 Occupational Percent of Total Industry	2008 Industry Percent of Total Occupation
Packaging and Filling Machine Operators and Tenders	2,819	3,023	7.2%	12%	56%
Production Workers' Helpers	1,080	1,158	7.2%	5%	23%
Production Workers, All Other	997	1,065	6.8%	4%	12%
Bakers	959	1,035	7.9%	4%	39%
Packers and Packagers, Hand	929	997	7.3%	4%	10%
Supervisors and Managers of Production and Operating Workers	896	960	7.1%	4%	10%
Food Mixing and Blending Machine Operators and Tenders	883	951	7.7%	4%	78%
Laborers and Freight, Stock, and Material Movers, Hand	872	935	7.2%	4%	3%
Graders and Sorters, Agricultural Products	837	893	6.7%	4%	29%
Fork Lift, Industrial Truck and Tractor Operators	737	789	7.1%	3%	8%

job openings; more than 40,000 of those job openings will be replacement openings. Food manufacturing will have more growth openings than many other manufacturing industries, but the vast majority of openings will be replacement openings.

Characteristics of Food Manufacturing Workers

A disproportionately large percentage of workers in food manufacturing are age 45 or older compared with the total private sector (Graph 3). The same is true for Oregon's overall manufacturing sector. This is a big reason why so many replacement openings are expected within food manufacturing and manufacturing as a whole. Nearly half of the workers (46%) in Oregon's food manufacturing are age 45 or older. That compares with 40 percent of Oregon's total private-sector workforce.

frozen food manufacturing (Graph 1). In the U.S., frozen food manufacturing comprises a little less than 6 percent of total food manufacturing employment. In Oregon, frozen food manufacturing comprised 27 percent of the state's total food manufacturing employment in 2008, more than four times the concentration found nationally.

Much of Oregon's frozen food manufacturing employment is located in the Willamette Valley and Eastern Oregon, two areas with large concentrations of food manufacturing (Graph 2). In rural areas, food manufacturing makes up a larger percentage of total employment. Eastern Oregon accounts for 16 percent of the state's food processing employment even though it has less than 4 percent of the state's total private employment. The coastal counties of Oregon make up more than 8 percent of statewide food manufacturing employment while they comprise only 4 percent of Oregon's total private employment. The Salem Metropolitan Statistical Area (MSA) is the only metropolitan area in Oregon where food manufacturing comprises a larger than average percentage of total employment. Much of the frozen food manufacturing employment in the Willamette Valley is located in the Salem area.

The Portland area has the largest share of food manufacturing in Oregon with 35 percent of the state's total. However, Portland makes up nearly 54 percent of the state's total private employment, so food manufacturing is underrepresented in the Portland

area compared to the statewide average. Although a significant amount of Portland's food manufacturing sector produces products that are sold out of state, a larger percentage of the products produced in Portland will be sold within Oregon compared with a rural area like Eastern Oregon. In Eastern Oregon, the vast majority of the frozen food manufactured is sold and consumed outside of Oregon.

A Future of Growth

Looking to the future, food manufacturing is expected to be one of the few bright spots in Oregon's manufacturing sector. From 2008 to 2018, Oregon's manufacturing sector is expected to decline 3 percent, shedding 5,300 jobs. Food manufacturing is the only industry within manufacturing expected to gain employment over the decade, it is expected to grow 7 percent adding 1,700 jobs between 2008 and 2018.

Table 1 displays the 10 largest occupations within Oregon's food manufacturing sector. It shouldn't be a surprise to see that the large occupations within the industry are growing at close to 7 percent, the same percentage food manufacturing is expected to grow from 2008 to 2018. However, job openings due to growth are a fairly small piece of the puzzle regarding total job openings in the manufacturing sector. For some time, replacement openings have been the much larger piece of job openings in Oregon's manufacturing sector. Food manufacturing follows that trend. From 2008 to 2018, Oregon's manufacturing sector is projected to have 41,561 total

Manufacturing has traditionally been a male-dominated industry in terms of employment. Oregon's private sector has nearly 48 percent female workers. In Oregon's manufacturing sector, 27 percent of the workforce is female (Table 2). Food manufacturing's workforce is nearly 41 percent female, less than the average across the private sector, but a dramatically larger percentage than the overall manufacturing sector. Food manufacturing comprised 12 percent of total manufacturing in Oregon during the first quarter of 2009, yet it employed nearly 19 percent of all females in the manufacturing sector.

Wages

Compared to the rest of Oregon's manufacturing sector, food manufacturing's wages are relatively low. In 2008, the average annual wage in Oregon's manufacturing sector was \$53,130, significantly higher than the average across all industries which was \$40,486. Food manufacturing's average wage was less than both of those; its annual average wage in 2008 was \$33,041.

One of the reasons that food manufacturing's wages are relatively low compared to the rest of manufacturing has to do with the occupational mix of jobs within the industry, and the skills those jobs require. Out of the ten largest occupations within food manufacturing, none require any postsecondary training, they all require on-the-job training or related work experience. Typically, jobs that require less training and education pay lower wages than occupations requiring more training and education.

Graph 4 shows that younger workers in food manufacturing have relatively high monthly wages compared to their peers in the private sector. However, average monthly wages for food manufacturing workers in their mid-20s and older lag behind the private-sector average. The story is different when we look at the manufacturing sector as a whole. Manufacturing wages are consistently higher than the average private-sector wage across all age groups.

Summary

Agriculture has been an important part of Oregon's economy since pioneers first crossed the Oregon Trail to settle the fertile territory. A long-time important partner with Oregon's agriculture sector has been the state's food manufacturing industry. The industry provides a conduit where Oregon's agricultural crops are processed and exported outside of Oregon, becoming an important and stable part of Oregon's traded sector economy.

Although food manufacturing employment growth has not kept pace with the overall growth of the economy over the past half-century, it has remained an important and stable industry employing workers throughout the state. It is a particularly important industry for many rural parts of Oregon. ■

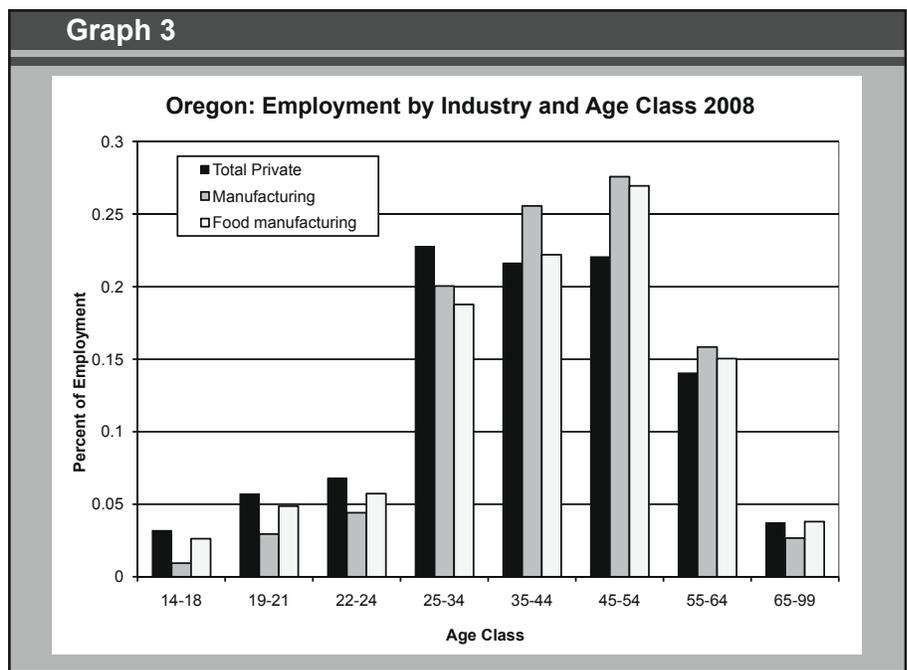
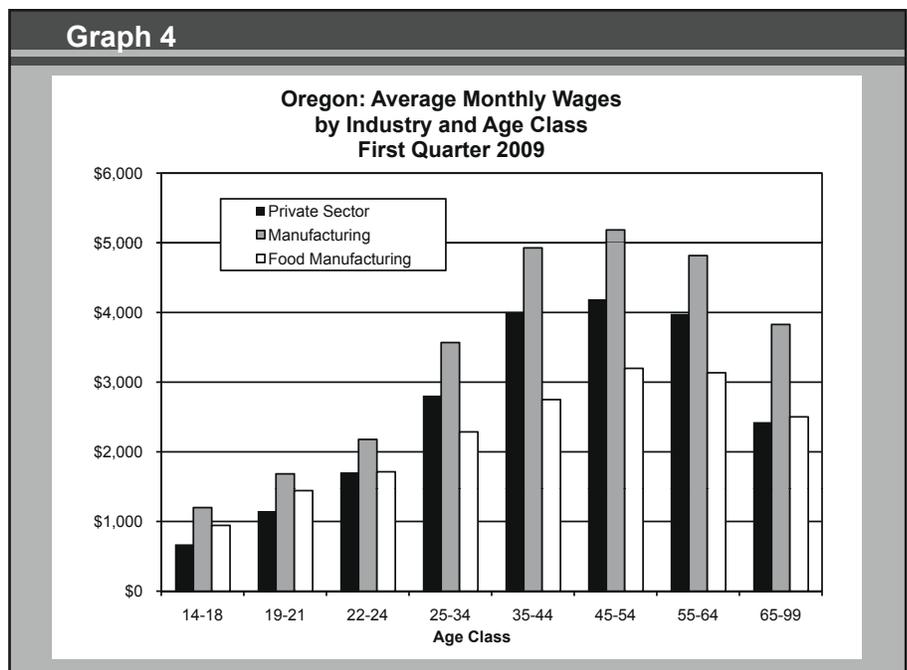


Table 2

**Oregon Employment by Industry and Sex
First Quarter 2009**

	Male	Female	Percent Female
Total Private	691,837	635,013	47.9%
Manufacturing	128,067	47,249	27.0%
Food Manufacturing	12,811	8,859	40.9%

Source: U.S. Census Bureau, LED



Oregon Bakers Put Bread on Table, Literally

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Steady job growth should be expected for the bakers that use culinary magic to put the wonder in Wonder Bread.

In a bustling part of south Eugene sits Metropal Bakery. Freshly baked ciabatta rolls, French bread, and croissants lay in baskets on the wall. Humming displays draw the customers' attention to cakes, cupcakes, and éclairs. A prominently displayed three-tiered carrot cake tells any would be customer that eating here will not comply with any boilerplate carbohydrate-deprived diet. None of these gastronomic delights would be possible were it not for the skill, sweat, and hard work of the bakers behind the counter. Baking is not the highest paying occupation, but steady employment should be expected for those who want to toss some dough around.

Recipe Calls for Dash of Skills, Dollop of Experience

In antiquity, alchemists attempted to use fantastically odd combinations of elements to make gold out of lead, or anything else lying around. Bakers do a similar thing today. Bakers mix and bake ingredients to produce breads and other baked goods. Bakers mix together base ingredients like flour, water, and yeast. Depending on the proportion of these ingredients and the addition of others, like sugar and butter, they can create anything from fluffy phyllo dough to rock hard biscotti. Like the breads they bake, job duties and skills can vary widely depending on whether a bakery is a manufacturing facility, or the local bakery down the street. Table 1 shows a selection of skills often required for bakers.

The baker working down the street at your local patisserie will prepare and mix ingredients according to a recipe. It's not rare to find bakers working odd hours, starting their shifts in the early hours of the morning in order for the breads and other freshly baked goods to be ready for customers. They will use mixing machines to prepare the batter or dough to be used that day.

The ovens for baking require the baker to be comfortable around heat, have the ability to follow safety procedures, and understand how heat affects the selected ingredients. Depending on the size of the bakery staff, a baker may take customer orders, or prepare and serve food items.

Right out of an episode of "Mr. Rodgers' Neighborhood," a baker working at a manufacturing facility will make standardized baked goods using large-volume mixing and baking equipment. The ability to maintain quality standards is necessary in large scale production. Bakers will use basic math skills to ensure the correct portions of ingredients are used. The time sensitive nature of the work, combined with the hot and noisy work environment can make work stressful.

The minimum education requirement for a baker is long-term on-the-job training. Experience can be gained by doing more basic job duties, while working as an apprentice baker, baker in training, or a baking helper. Those who have related work experience or a vocational degree will have a competitive edge in the job market.

Food and Bakers are Inseparable

Bakers can be found at every level of food production and service. Nationally, bakers are commonly employed at bakeries, grocery stores, and restaurants. Oregon data reflect the same story. The only exception is that a higher percentage of Oregon bakers work for bakeries and tortilla manufacturers, 35 percent, than the nationwide estimates of about 32 percent.

Table 1

A Baker's Dozen Skills (Selected Common Skills for Bakers)

- Analyze recipes
- Apply food decorating techniques
- Apply food handling rules
- Apply health and sanitation standards
- Decorate cakes
- Keep production records
- Measure or weigh ingredients
- Mix ingredients per formula or recipe
- Operate baking equipment
- Operate food decorating equipment
- Operate food preparation equipment
- Use basic mathematics
- Use specialized bakery equipment

The Oregon Employment Department estimates there were just over 2,400 bakers in Oregon in 2008. Almost 900 of those bakers worked in bakeries or tortilla manufacturing. Another 650 bakers, 26 percent, worked for grocery stores. Graph 1 shows the distribution of Oregon's bakers across industries.

So Where's the Dough?

Bakers' wages are typically lower than the statewide or nationwide average for all occupations, but Oregon bakers are paid a slightly higher wage than the national average for the occupation. In 2009, half of Oregon bakers earned less than \$12 an hour. More experienced bakers, or those running their own bakeries, have higher earnings potential. Ten percent of Oregon bakers earned more than \$20 an hour in 2009.

Oregon Bakers on the Rise

Many opposing factors will affect employment opportunities for bakers. Population growth should increase the demand for baked goods. Increases in productivity and automation are ex-

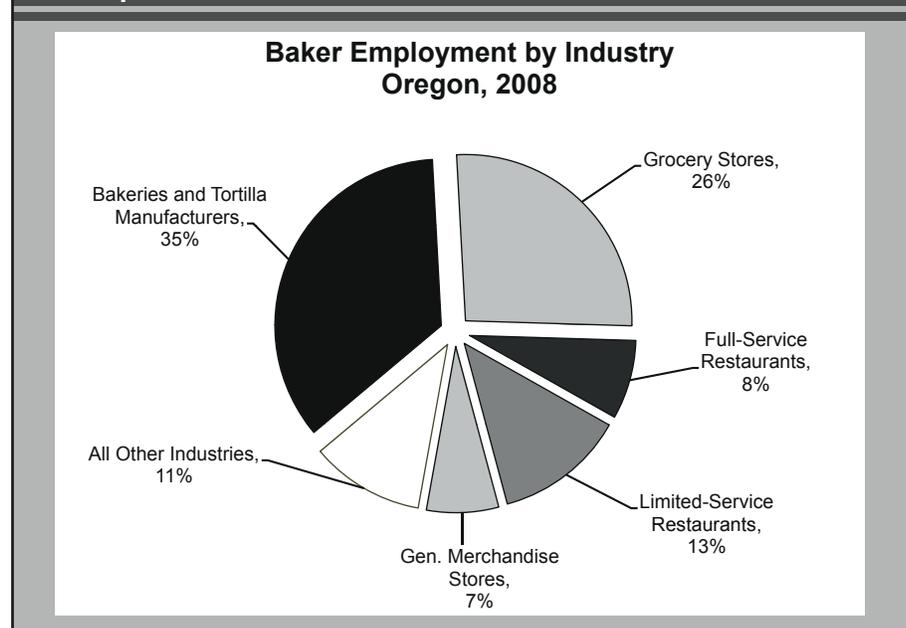
The outlook for bakers in Oregon is far better than the national picture.

pected to dampen employment growth for larger food manufacturers. Nationwide, little to no growth is projected for bakers from 2008 to 2018. National projections show bakers in bakeries and other food manufacturers will see employment opportunities through job replacement, however, as overall employment will be mostly unchanged. More positively, bakers should expect job growth in the retail sector, especially in general merchandise stores.

The outlook for bakers in Oregon is far better than the national picture. The Oregon Employment Department projects employment for bakers will increase 10 percent between 2008 and 2018, a slightly higher growth rate than is expected for all occupations. Bakers are expected to see just over 250 job openings due to growth, and another 660 jobs due to replacing workers entering retirement or leaving the trade. It is also expected that industries that employ bakers will grow faster in Oregon than nationally.

Back at Metropol a father and son sit down for lunch. The two split a turkey

Graph 1



sandwich made with a croissant baked that morning. The son stares intently at the assortment of freshly made strawberry cupcakes. He may not know the skill that it took to make the perfect croissant. He probably can't

understand what combination of flour and sugar it takes to conjure the cakes and other treats many delight in. But the smile on a child's face should tell any baker just how much their work is appreciated and enjoyed. ■

GREEN JOBS

Occupations With Green Jobs to be Studied Extensively in Coming Months

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This article is the first of a 12-month series related to Oregon's green jobs.

Oregon was awarded a \$1.25 million Green Jobs Labor Market Information Improvement Grant in December 2009 aimed at increasing the state's understanding of green jobs. Thirteen occupations were selected for in-depth study based on a number of criteria, but priority was given to occupations where new or additional skills may be required for workers in the future.

One goal is to identify the differences between green jobs and non-green jobs within the same occupation. The first step of this process is to compile

as much previously known information about the 13 occupations as possible prior to conducting more detailed research.

Employment, Projections, and Wages

Of the 13 occupations selected for study, 11 had measurable employment in Oregon in 2008. Wind turbine service technicians and solar photovoltaic installers are popularly discussed as examples of green jobs, however they are relatively new occupations and don't yet have publishable employment estimates in the United States.

Of the remaining occupations, farmworkers and laborers for crops, nurseries, and greenhouses had the most employment in 2008 and the greatest number of projected openings over

the next 10 years (Table 1). However, not all of the jobs in this occupation, or any other occupation, are green jobs. In 2008 there were only 3,189 green jobs in this occupation, indicating that only a portion of the 10-year growth will be in green jobs.

As a group, the 11 occupations represented 72,144 jobs in Oregon in 2008 and are projected to grow by 6.0 percent by 2018, adding a total of 4,320 positions. The projected growth rate for this group is slightly lower than the overall growth rate of 9.1 percent projected for all occupations in Oregon.

Education and Training

In a statewide survey of green jobs conducted in 2009, employers indicated that roughly two-thirds of Oregon's green jobs require no education

Table 1

Employment, Projections, and Wages for Selected Occupations With Green Jobs						
Occupation	2008 Employment	2018 Employment	Net Change	Percent Change	Total Openings	Annual Mean Wage
Farmworkers and Laborers for Crops, Nurseries, and Greenhouses	18,715	19,941	1,226	6.6%	6,438	\$20,687
Landscaping and Groundskeeping Workers	11,031	12,427	1,396	12.7%	2,807	\$26,128
Carpenters	13,637	13,864	227	1.7%	1,939	\$41,602
Bus and Truck Mechanics and Diesel Engine Specialists	4,247	4,591	344	8.1%	1,358	\$42,379
Plumbers, Pipefitters, and Steamfitters	4,514	4,543	29	0.6%	942	\$58,899
Construction Laborers	10,215	10,461	246	2.4%	937	\$33,683
Civil Engineers	3,208	3,517	309	9.6%	877	\$74,350
Heating, Air Conditioning, and Refrigeration Mechanics and Installers	2,771	2,867	96	3.5%	550	\$44,902
Construction and Building Inspectors	1,370	1,543	173	12.6%	472	\$58,515
Urban and Regional Planners	1,250	1,405	155	12.4%	411	\$64,066
Water and Liquid Waste Treatment Plant and System Operators	1,186	1,305	119	10.0%	387	\$45,220
Total	72,144	76,464	4,320	6.0%	17,118	-

beyond high school. However, there is often a significant difference between the minimum required education to be eligible for a job, and the education level that will make a job candidate competitive in the hiring process.

Of the 13 occupations selected, two require a bachelor's degree and two require postsecondary training. Seven of the occupations typically provide on-the-job training or require related work experience but don't require formal education beyond high school. However, a job seeker would be competitive in only two occupations if she didn't have some postsecondary education. Four of the occupations also have state-required licenses.

Skills

The Oregon Employment Department hosts an online job matching tool called iMatchSkills® (www.iMatchSkills.org). The tool is unique in that it allows job seekers to advertise the skills they possess in addition to their past employment experience. The tool matches job seekers with job openings that have been posted to the site. Employers identify the skills they are seeking for each job opening.

Employers identified 59 unique skills they were seeking in qualified applicants for civil engineering positions, while 16 skills were identified by

employers in listings for construction laborers. Differences between the number of skills requested within each occupation may indicate a diversity of activities that employees in those occupations are expected to perform.

The majority of the skills requested by employers were occupation specific; they were unique to just one of the occupations. However, there were some common threads through many of the occupations with green jobs. Ten skills were sought much more frequently than average, and in multiple occupations (Table 2).

Table 2

Skill Requested	Requested In	
	Occupations	Job Openings
Follow safety procedures	9	1,465
Use basic mathematics	8	732
Use algebra	8	173
Maneuver heavy objects	7	958
Read schematics and specifications	7	360
Use geometry	6	123
Read repair work orders	5	448
Read blueprints and technical drawing	5	256
Perform basic carpentry	4	459
Understand, use, and communicate technical information	4	138

Source: iMatchSkills.org, 3/2009 - 3/2010

Future Research

The Oregon Employment Department will conduct in-depth research about these 13 occupations over the next year. Green jobs within each occupation will undergo extensive skills analyses to identify the knowledge, skills, and abilities required for workers to perform those jobs. The results will be compared to similar analyses of non-green jobs within the same occupations to determine how the skills for green jobs differ from non-green jobs.

For more information about Oregon's green jobs visit www.QualityInfo.org/Green.

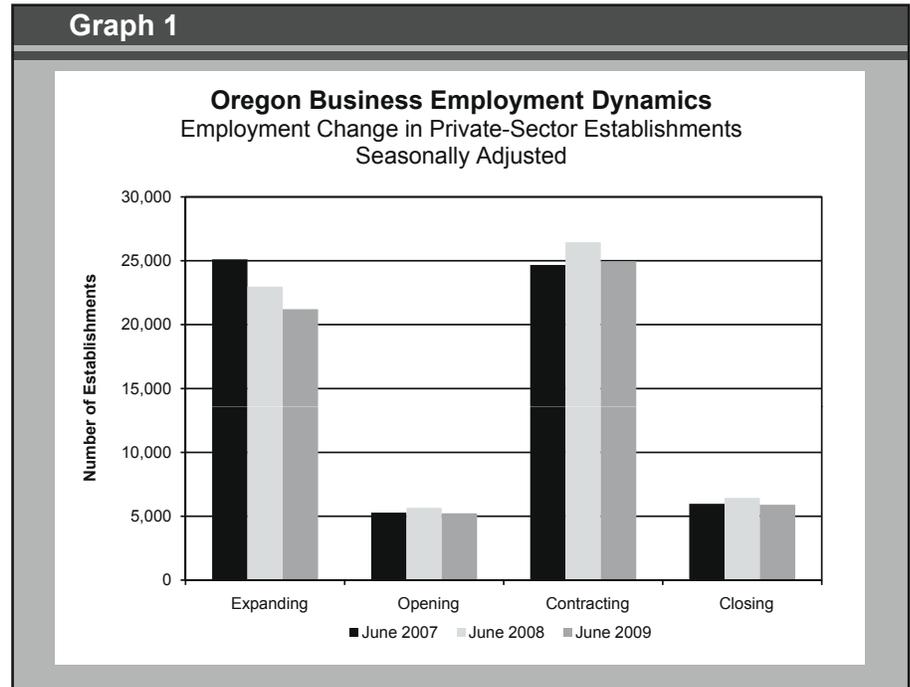
Oregon Business Employment Dynamics: Second Quarter, 2009

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The number of establishments generating jobs through openings, and those losing jobs through closings, remained relatively constant since the current recession began in December, 2007. The most recent Business Employment Dynamics (BED) data is for the second quarter of 2009. A comparison of the current BED quarter (2nd quarter, 2009) to the BED data from the second quarter of the last two years illustrates the differences between expanding and contracting establishments (Graph 1). The number of expanding establishments declined over the last two years while the number of contracting establishments increased in the second quarter of 2008 but decreased in the second quarter of 2009.

The second quarter 2009 Oregon BED data is about 18 months into the current recessionary period. It indicates a moderation in the number of net jobs lost in the Oregon private sector economy and is consistent with the consensus of most economists that the Oregon economy has reached the bottom of the recession.

Two industry sectors that posted positive net figures in second quarter 2009: information and education and health services. The education and health services industry sec-



tor bounced back by adding a net of 1,501 jobs after losing a net total of 949 jobs last quarter. Once again the manufacturing industry suffered the largest net change of all industries, losing a net total of 6,708 jobs. Still, the sector managed to fare better than it did in the first quarter of 2009 when a net total of 14,964 jobs disappeared.

The transportation and warehousing industry lost more jobs during the current recession than it did during the 2001 economic downturn. Truck transportation in particular has taken a large hit in employment. The industry employed more than 19,000 people

when the recession began in December 2007 and now employs less than 17,000 people. The establishment count for truck transportation has remained relatively the same, which suggests that the bulk of employment loss was the result of layoffs.

Data on quarterly gross job gains and losses come from the Business Employment Dynamics program at the U.S. Bureau of Labor Statistics. A more detailed Business Employment Dynamics Report is available at www.QualityInfo.org on the Publications page in the News box. ■

A Portrait of Unemployment Insurance Recipients in 2009

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The "Great Recession" affected most Oregon business to some extent: a loss of revenues, restricted access to

credit, or even bankruptcy. Many employers laid off workers either permanently or temporarily because of the economic conditions. Most of these workers were eligible for unemployment insurance (UI) benefits.

Who is (and Isn't) a UI Benefit Recipient

The number of people receiving UI benefits are counted from administrative files of those who qualified for unemployment insurance benefits. From July through September 2009,

when an estimated 223,900 Oregonians were unemployed on average, 167,500 people received UI benefits, or about 75 percent of the unemployed.

Not all of the unemployed are eligible for UI benefits. The UI laws are very complicated, but generally workers qualify for benefits if they worked enough hours and earned enough income in the past year(s) for an insured employer. Additionally, they must be unemployed through no fault of their own.

The roughly 25 percent of the unemployed who do not receive UI benefits include those with too little work or earnings to qualify, those who quit or lost their job through some fault of their own, people who have never worked (e.g., young teens and recent graduates), people returning to the workforce after an absence, and those who worked for themselves or in jobs that were not covered by unemployment insurance – such as many agricultural jobs.

Unemployment Insurance Data

This article discusses demographic characteristics of UI claimants based on data from 2006 through 2009. The method for gathering data has not changed over the recession. However, changes in UI eligibility influences who is included in the data. Extension programs allow people who exhausted their UI benefits to claim additional weeks of benefits. In 2008, the Emergency Unemployment Benefits program was enacted and continues to provide benefits to long-term unemployed workers. In addition, Extended Benefits became available in late 2008, and Oregon Emergency Benefits were available in the last quarter of 2009. Smaller changes in eligibility and benefit availability have occurred over the course of the recession from legislative or court action.

Who Received a UI Benefit in 2009?

In 2009, a record number of 366,106 people received over 2.7 billion dollars in unemployment insurance benefits. This was more than 1.5 times the number that received benefits in 2008.

Did you know that...

- More than \$150 million in unemployment insurance benefits were paid to claimants in Deschutes County last year?
- More than 16,000 initial claims for unemployment insurance were filed in Jackson County in 2009?

To find more information on Oregon's unemployment insurance program, visit www.WorkingInOregon.org, go to the Unemployment link and locate UI Statewide Statistics.

According to the Current Population Survey, men make up between 52 percent and 54 percent of the Oregon labor force. However, in 2009, 64 percent of UI recipients were male. The percentage of male recipients has risen each year since 2006 when males represented only 60 percent of recipients. Men are over represented as UI benefit recipients because they are more likely to work in industries which are seasonal, such as construction, or at a manufacturing plant that is shut down for maintenance.

The growth in the percentage share of men receiving benefits reflects the deep employment cuts in these male-dominated industries. In 2009, the percentage share of recipients whose last major employment was in the construction or manufacturing industry was 15 percent and 23 percent, respectively. Recipients from female-dominated industries such as health care and social assistance, or accommodation and food service accounted for only 6 percent and 7 percent, respectively.

As mentioned earlier, a person must have sufficient recent work experience to have earned enough and worked enough hours to meet UI eligibility requirements. Additionally there are restrictions on school attendance while receiving UI benefits. These eligibility criteria make the representation of those under 20 years old lower in the insured unemployment statistics than for the overall unemployment statistics. In 2009, as in every year previous, fewer than 1 percent of UI recipients were under the age of 20.

The share of UI recipients in their 30's and 40's decreased since 2006, while the share for those 60 and over increased from around 1 percent in 2006, to 9 percent in 2009.

During the recession, the percentage share of UI recipients with a bachelor's degree or higher increased modestly. Those with a bachelor's degree or higher comprised 12 percent of UI recipients in 2006; by 2009 this percentage had grown to 14 percent. Similarly, the group that had only some post-secondary coursework moved from 8 to 9 percent. The share with an associate's degree dropped nearly 1 percentage point, though it stayed in the 11 percent range.

UI recipients are asked to voluntarily disclose their race when completing their application for benefits. However, one-half of the UI recipients choose not to report their race, making the data on the race of UI recipients unreliable.

The Long-term Unemployed

Most UI recipients qualify for 26 weeks of benefits referred to as "regular" benefits. Though some recipients qualify for fewer than 26 weeks, this analysis assumes that by exhausting regular benefits they are long-term unemployed (usually defined as unemployed for more than six months or 27 weeks.) There were almost 26,000 people who exhausted their regular benefits prior to 2009, and in 2009 were only receiving UI extension benefits. In addition to these, 26,000 there were about 125,000 that received both regular and extension benefits.

Most of those who received only extended benefits in 2009 were unemployed for more than a year. The demographics of this group tended to be older and more often female than the group overall. Of these recipients, 42 percent were female and 14 percent were over 55 years old. The education levels for this group were similar to those of all recipients. ■

Annexations Add to City Population

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Portland State University produces annual population estimates for Oregon's counties and incorporated cities. The reports are based on the population on July 1 of a given year, and the data is gathered through a survey.

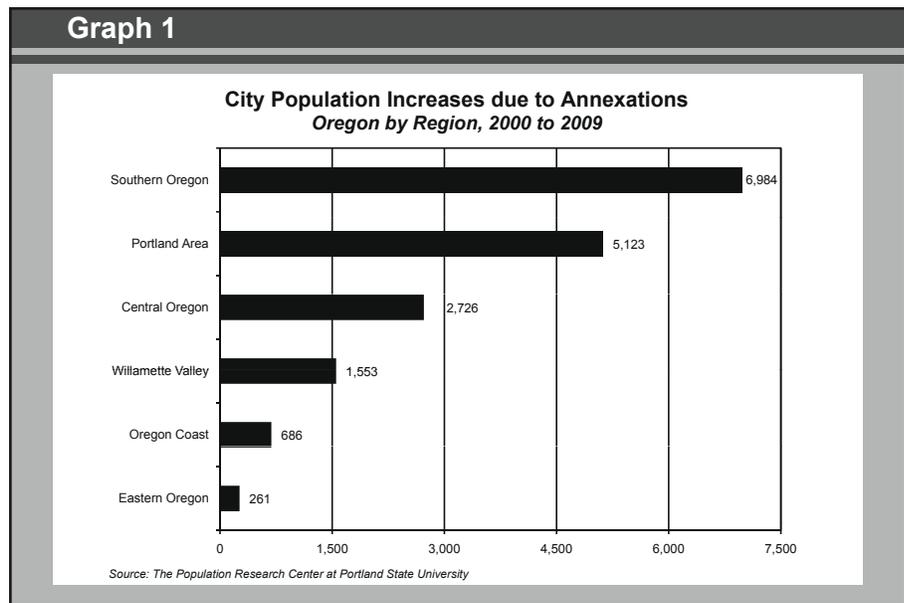
In 2009, there were 242 incorporated cities in Oregon. The most recent addition to the list of incorporated cities was La Pine in Deschutes County, which was added in 2006.

The total population for Oregon's incorporated cities was 2,671,032 in 2009 – an increase of 24,270 people from 2008. These 2.7 million people accounted for nearly 70 percent of Oregon's population in 2009. Over the last decade, this figure gradually increased; in 2000, city dwellers accounted for 67 percent of the state's population.

Not surprisingly, Portland was Oregon's most populous city in 2009. Its 582,130 residents represented more than 15 percent of the state's total population. Three other Portland-area cities were among the state's top 10 most populous cities: Gresham (101,015), Hillsboro (90,380), and Beaverton (86,860).

Oregon's smallest incorporated city in 2009 was Greenhorn, located on the border of Baker and Grant counties, with a population of two. Oregon's six

Graph 1



smallest cities have seen essentially no change in population since the beginning of the decade.

A city adds population when there are more births than deaths (a natural increase), when more people move in than move out (net in-migration), or both. A city can also add population by incorporating an outlying area into the city boundaries – a process known as annexation.

From 2000 to 2009, Oregon's incorporated cities added more than 17,300 people due to annexations, accounting for 4.6 percent of the 374,100 additional city dwellers. This figure is much smaller than the last decade. From 1990 to 2000, total city population grew by nearly 531,500; annexations contributed nearly 83,000 people (+15.6%) to the total growth.

The economic landscape of the 1990s versus the 2000s likely affected the annexation-related growth in city popu-

lation. In the 1990s, the state experienced one fairly moderate recession in the early part of the decade, followed by sustained growth. That growth created many job opportunities, thereby enabling people to move and causing cities to grow. Since 2000, Oregon has suffered two more severe recessions. The first one was early in the decade, and the second began in late 2007. These recessions diminished job opportunities, likely causing more people to remain in their current locations. Also, with increased levels of unemployment, cities received lower tax revenue and were less able to support the expansion of city boundaries.

By individual city, annexations contributed anywhere from zero to more than 5,200 residents from 2000 to 2009. Grants Pass (+5,217) added more population due to annexation than any other city, dwarfing the second-place city of Beaverton (+2,075). Two other Southern Oregon cities saw a large increase due to annexations: Medford (+1,544) and Redmond (+1,266). ■

Oregon at Work: Engineer Margaret Pritchard

This is the sixth in a series of excerpts from the book *Oregon at Work: 1859-2009*, co-authored by Employment Department communications manager Tom Fuller and former state employment economist Art Ayre.

When did Margaret Pritchard become an engineer? To hear her tell it, it was at age three. It was about that time that her mother caught young Margaret taking her brother's clock apart. "I was just opening up the main spring when Mother caught me," she remem-

bers. "[Mother] made me put it back in working order by dinner time, and I did."

Margaret's mother was none other than Laverne Pritchard, one of Oregon's first female bank managers...

Margaret's predilection towards engineering never wavered. When she was six years old, she asked her parents to return a doll set given to her and exchange it for a carpenter set. When she was in high school in Milwaukie, she asked to take math rather than home or commercial economics. Laverne appealed to the school board and Margaret got her classes in mechanical drawing and higher math.

Margaret was offered a full scholarship to college but couldn't take it because she was needed at home to help care for her family. She went to night school instead at Multnomah Junior College to study engineering, and in 1958 she began working during the day at Portland General Electric. Despite her talent and

training, Margaret remembers being paid \$2,500 a year less than her male counterparts.

The inequality of pay between men and women has existed in America throughout its history, but it wasn't until 1964 that something was done about it. That year, President John F. Kennedy signed the Equal Pay Act into law. The law made it illegal to pay women and men differently for the same job solely because of gender. Up until that time, newspapers printed separate job listings for men and women. Between 1960 and 1964, women with full-time year-round jobs earned, on average, \$0.60 for every \$1.00 earned by men in full-time year-round jobs.

Pay wasn't the only disparity for Margaret Pritchard...

Margaret remembers working in the service center for thirty-six hours straight, answering telephones, during the Columbus Day storm in 1962. But even if she had wanted to, Margaret could not leave the office to help customers with downed lines. That was a man's job.

Read more stories about the history of work in Oregon in *Oregon at Work: 1859-2009*, available for purchase online and at local bookstores. Find out more: www.OregonAtWork.org. ■

Oregon Current Labor Force and Industry Employment

	March 2010	February 2010	March 2009	Change From February 2010	Change From March 2009
Labor Force Status					
Civilian labor force	1,958,304	1,941,045	1,974,263	17,259	-15,959
Unemployed	229,083	218,807	241,319	10,276	-12,236
Unemployment rate	11.7	11.3	12.2	0.4	-0.5
Unemployment rate, seasonally adjusted	10.6	10.5	11.2	0.1	-0.6
Employed	1,729,221	1,722,238	1,732,944	6,983	-3,723
Nonfarm Payroll Employment					
Total nonfarm payroll employment	1,578,400	1,572,400	1,613,000	6,000	-34,600
Total private	1,272,200	1,267,700	1,306,300	4,500	-34,100
Natural resources and mining	6,500	6,600	6,700	-100	-200
Construction	60,000	60,100	72,600	-100	-12,600
Manufacturing	159,700	158,900	168,000	800	-8,300
Durable goods	111,700	111,300	120,400	400	-8,700
Nondurable goods	48,000	47,600	47,600	400	400
Trade, transportation, and utilities	306,400	305,000	309,900	1,400	-3,500
Wholesale trade	74,800	74,100	76,100	700	-1,300
Retail trade	179,600	178,800	180,000	800	-400
Transportation, warehousing, and utilities	52,000	52,100	53,800	-100	-1,800
Information	32,500	33,100	33,300	-600	-800
Financial activities	93,000	93,200	95,700	-200	-2,700
Professional and business services	172,400	170,600	179,100	1,800	-6,700
Professional and technical services	69,600	68,100	72,000	1,500	-2,400
Management of companies and enterprises	28,500	29,000	30,700	-500	-2,200
Administrative and waste services	74,300	73,500	76,400	800	-2,100
Educational and health services	226,100	226,500	224,100	-400	2,000
Educational services	31,400	31,100	32,900	300	-1,500
Health care and social assistance	194,700	195,400	191,200	-700	3,500
Leisure and hospitality	158,700	156,600	159,200	2,100	-500
Other services	56,900	57,100	57,700	-200	-800
Government	306,200	304,700	306,700	1,500	-500
Federal government	29,100	28,600	28,900	500	200
State government	80,700	80,000	80,100	700	600
State education	31,500	31,000	31,300	500	200
Local government	196,400	196,100	197,700	300	-1,300
Local education	108,700	108,400	109,500	300	-800
Labor-management disputes	0	0	0	0	0

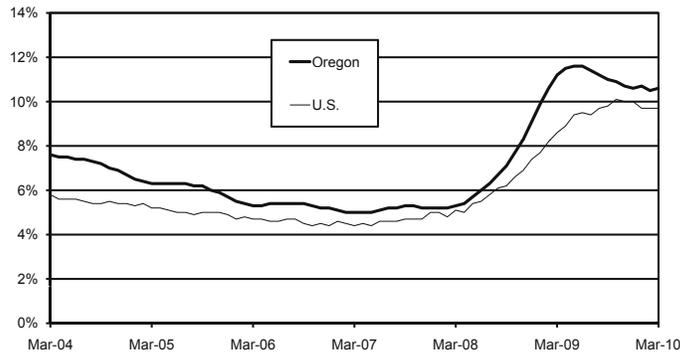
The most recent month is preliminary, the prior month is revised. Prepared in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

Labor Force Status: Civilian labor force includes employed and unemployed individuals 16 years and older by place of residence. Employed includes nonfarm payroll employment, self-employed, unpaid family workers, domestics, agriculture and labor disputants. Unemployment rate is calculated by dividing unemployed by civilian labor force.

Nonfarm Payroll Employment: Data are by place of work and cover full- and part-time employees who worked or received pay for the pay period that includes the 12th of the month. The data exclude the self-employed, volunteers, unpaid family workers, and domestics. "Natural resources" includes only Logging (NAICS 1133).

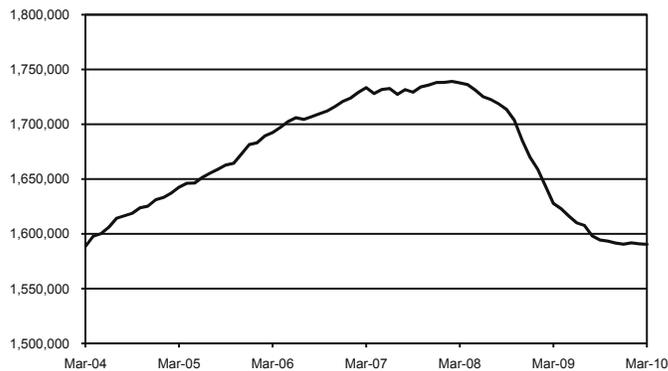
Unemployment Rates

Oregon and National Rates Unchanged in March
Unemployment Rates, Seasonally Adjusted



Total Nonfarm Payroll Employment

Employment Holds Steady Over the Month
Oregon Nonfarm Payroll Employment, Seasonally Adjusted



Indicators

Unemployment Rate (Seasonally adjusted)

	Oregon	U.S.
Mar. 2010	10.6	9.7
Feb. 2010	10.5	9.7
Mar. 2009	11.2	8.6

Seasonally Adjusted Employment (Total Nonfarm Payroll Jobs)

	Oregon	U.S.
Mar. 2010	1,590,400	129,750,000
Feb. 2010	1,590,800	129,588,000
Mar. 2009	1,627,800	132,070,000
Change From		
Mar. 2009	-37,400	-2,320,000
% Change	-2.3%	-1.8%

Consumer Price Index (CPI)

(All urban consumers, 1982-84=100)

Port.-Salem, OR-WA	Index	Yearly Change
July-Dec. 2009	217.191	0.5%
Annual Average 2009	215.647	0.1%
United States		
Mar. 2010	217.631	2.3%
Annual Average 2009	214.537	-0.4%



OREGON LABOR TRENDS

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