

Oregon Employment Trends

**Art Ayre, State Employment Economist
Oregon Employment Department
May 6, 2008**

Support Business & Promote Employment

www.WorkSourceOregon.org



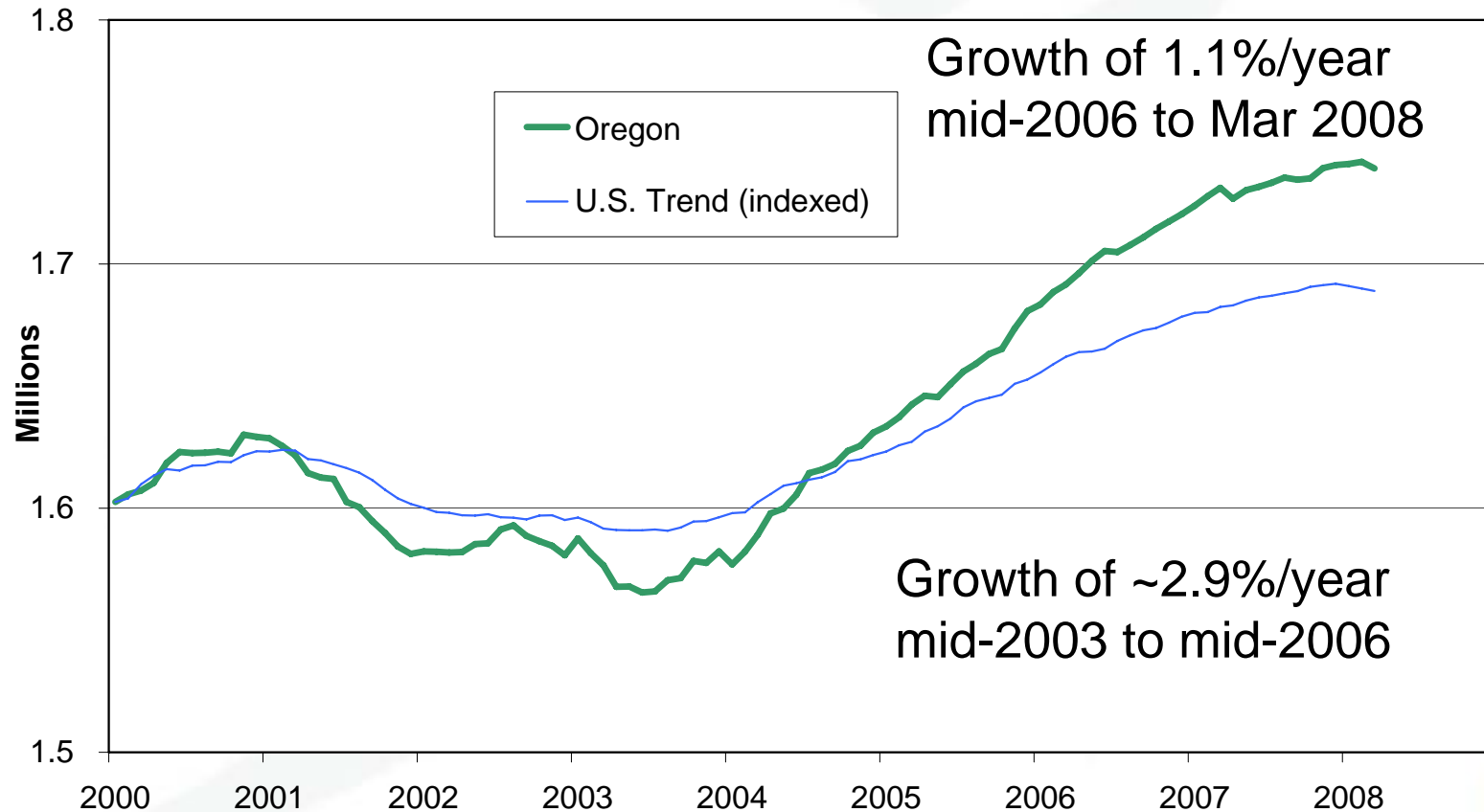
Slower growth and tight labor markets

- Recent past: recession, recovery, slowing job growth
- Unemployment rate rising, but aging and retiring boomers should keep labor markets somewhat tight
- Long-term occupational projection:
 - About 1.3% per year growth from 2006-2016
 - Expect lots of retirements, job openings ...
 - ... especially when the stock market is strong
 - ... because baby boomers will retire some time



Recent past: slowing job growth

Oregon and U.S. Employment Trends*
U.S. Trend Indexed to Oregon's Jan. 2000 Level

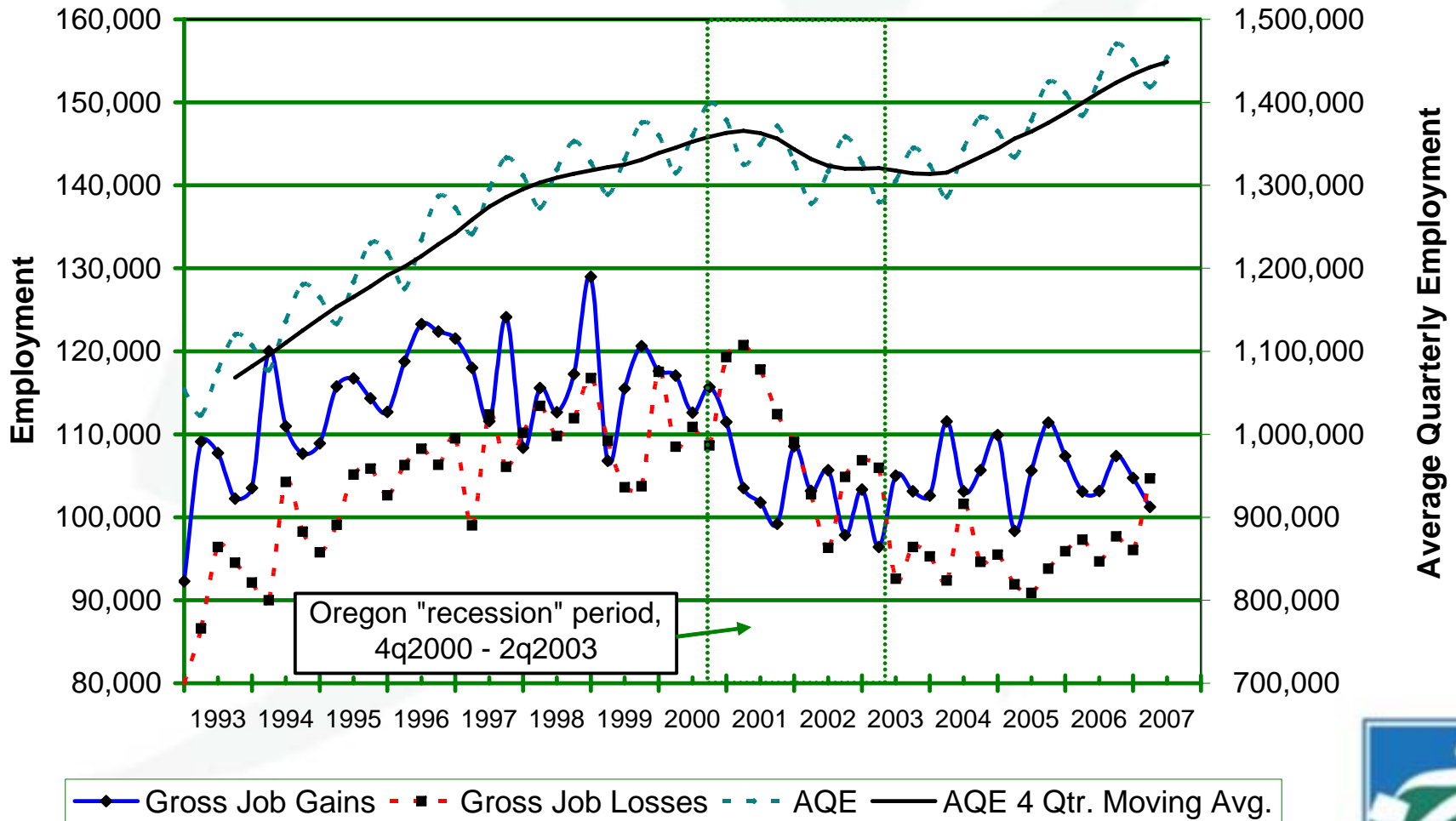


* Seasonally adjusted.



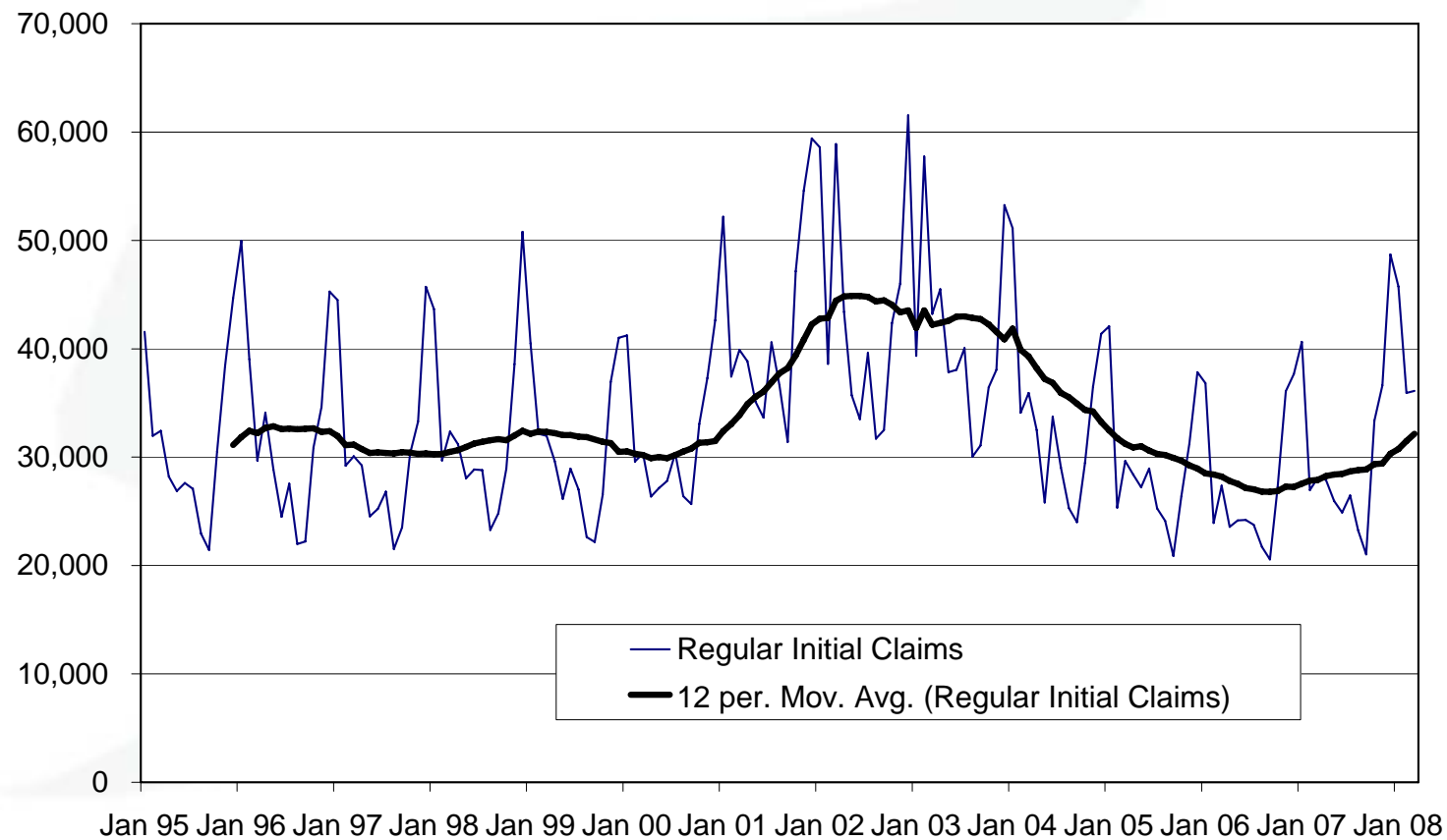
Gross Job Gains/Losses, Seasonally Adjusted, Compared to Average Quarterly Employment

Oregon Statewide, March 1993 - June 2007
Private Sector



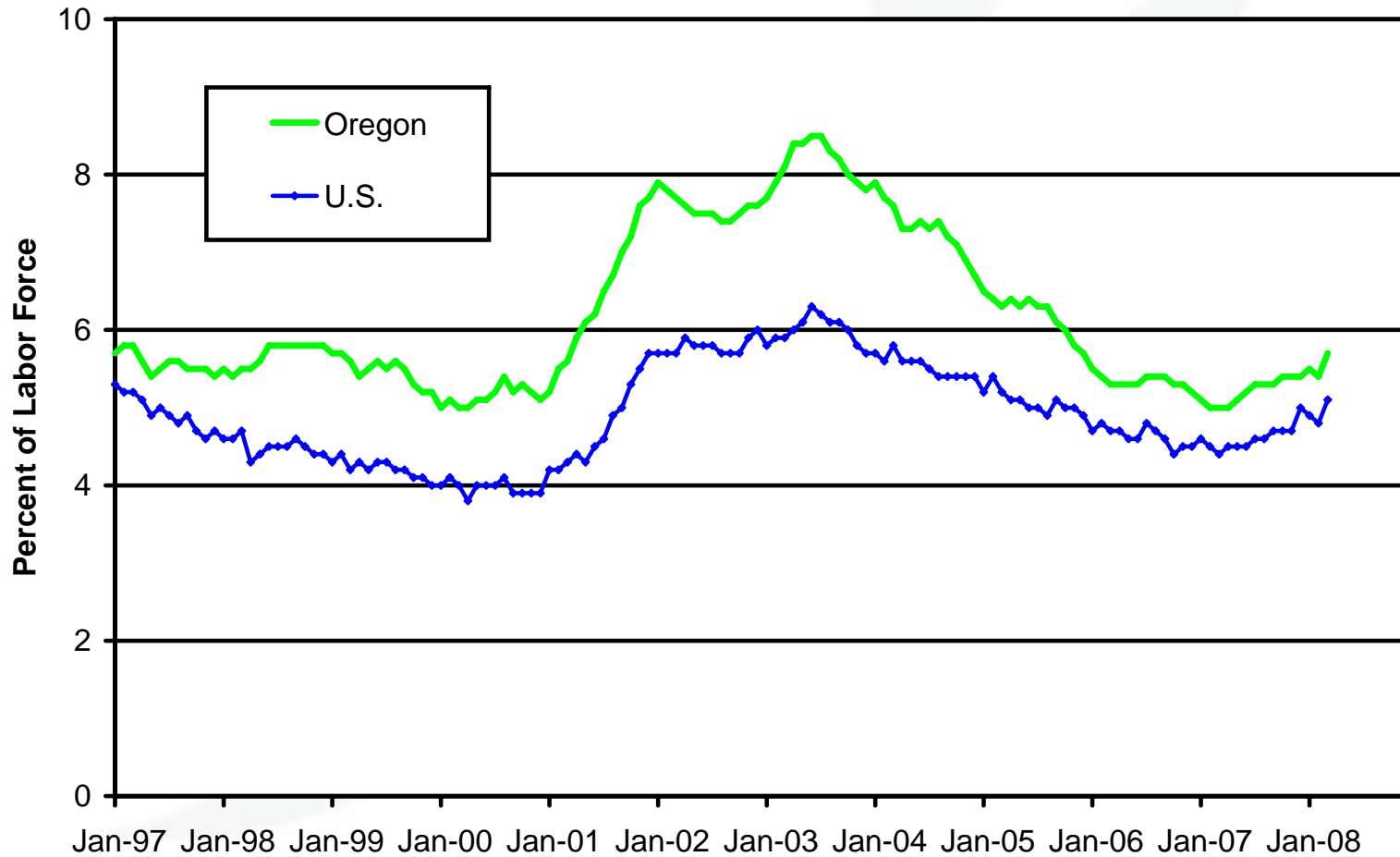
Initial claims are higher than year-ago, but workforce is larger, too

Oregon Regular Initial Claims - Monthly



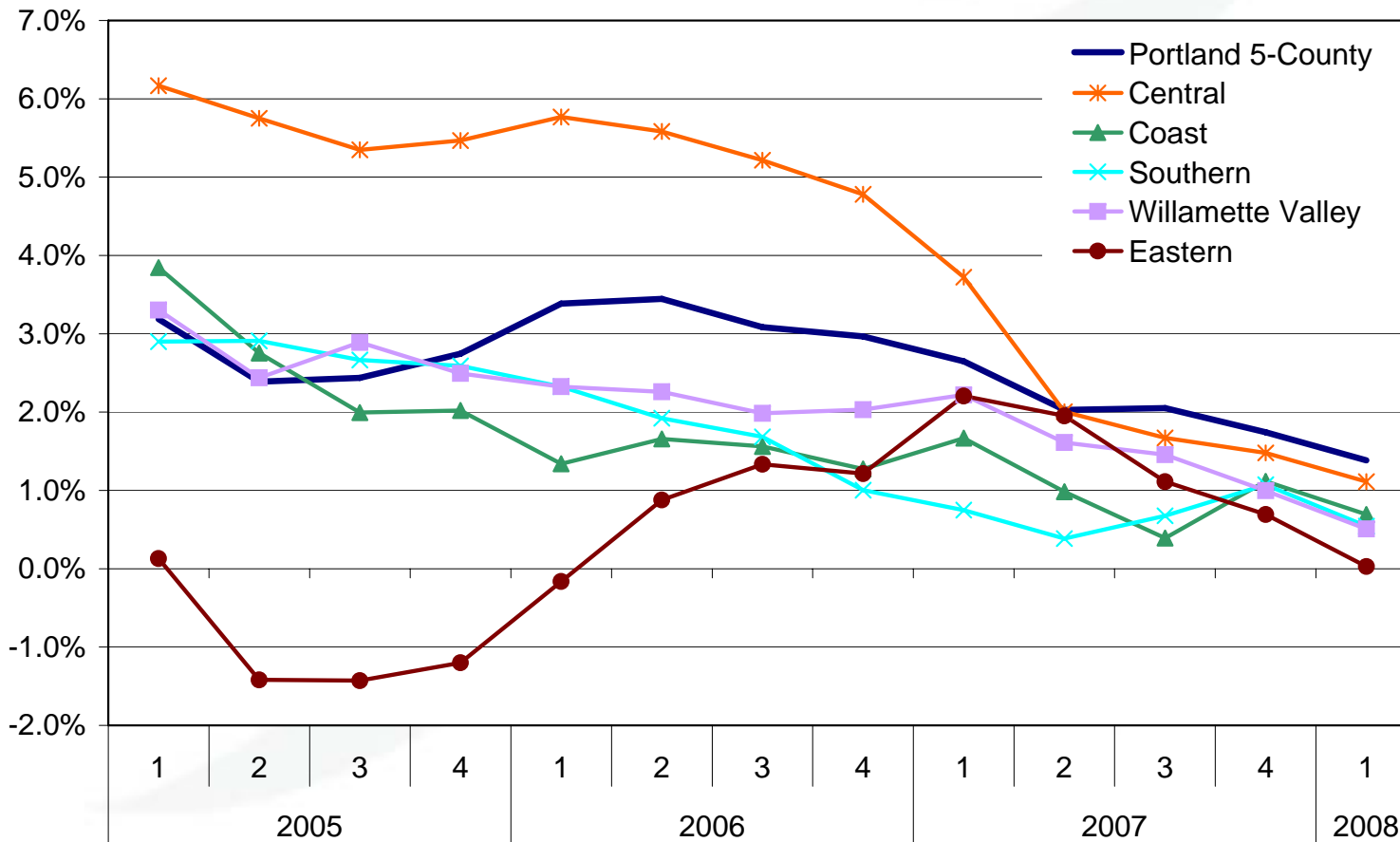
Unemployment rate has been rising

Seasonally Adjusted Unemployment Rates (%)



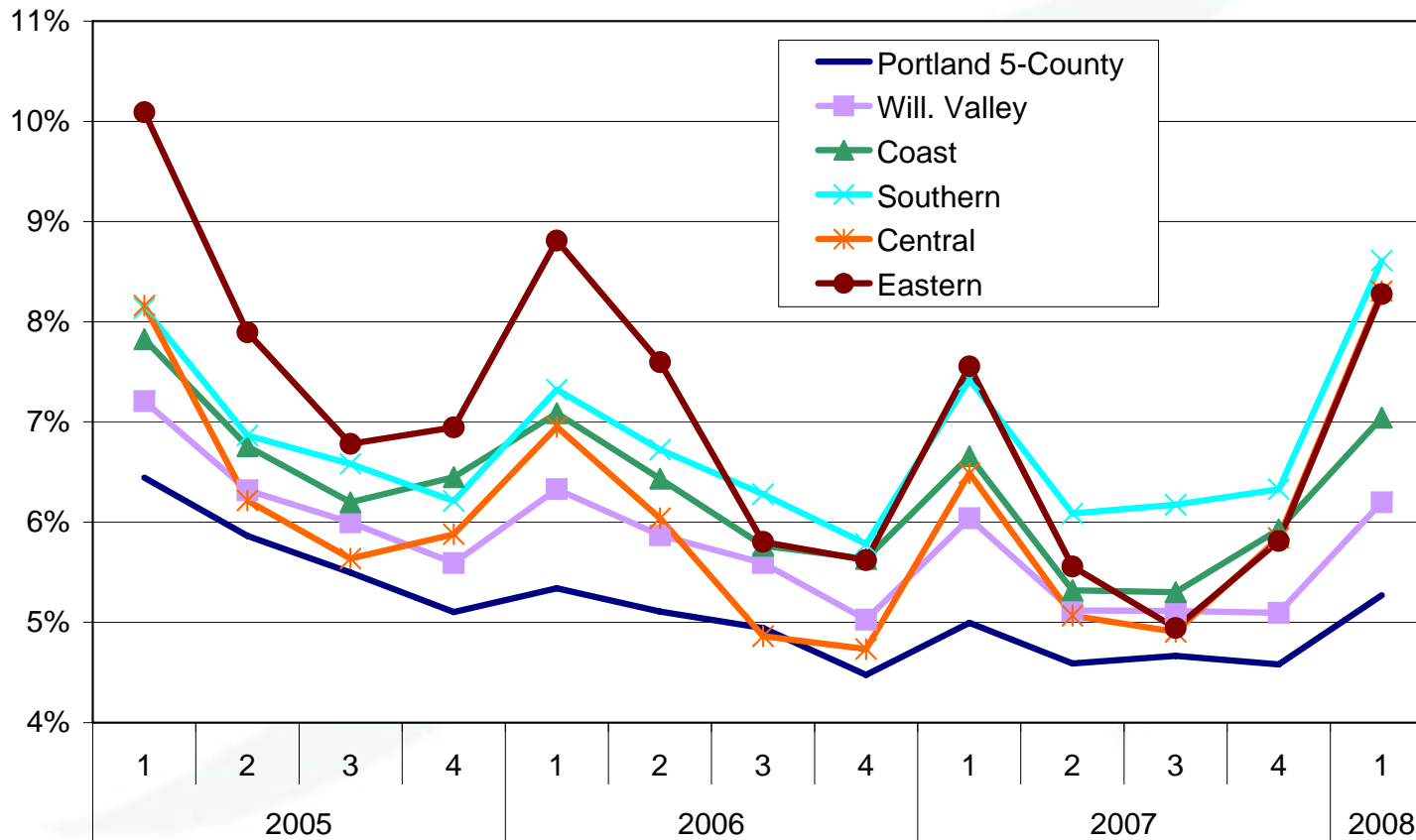
Slowing growth rates in all regions

Job Growth From One Year Earlier



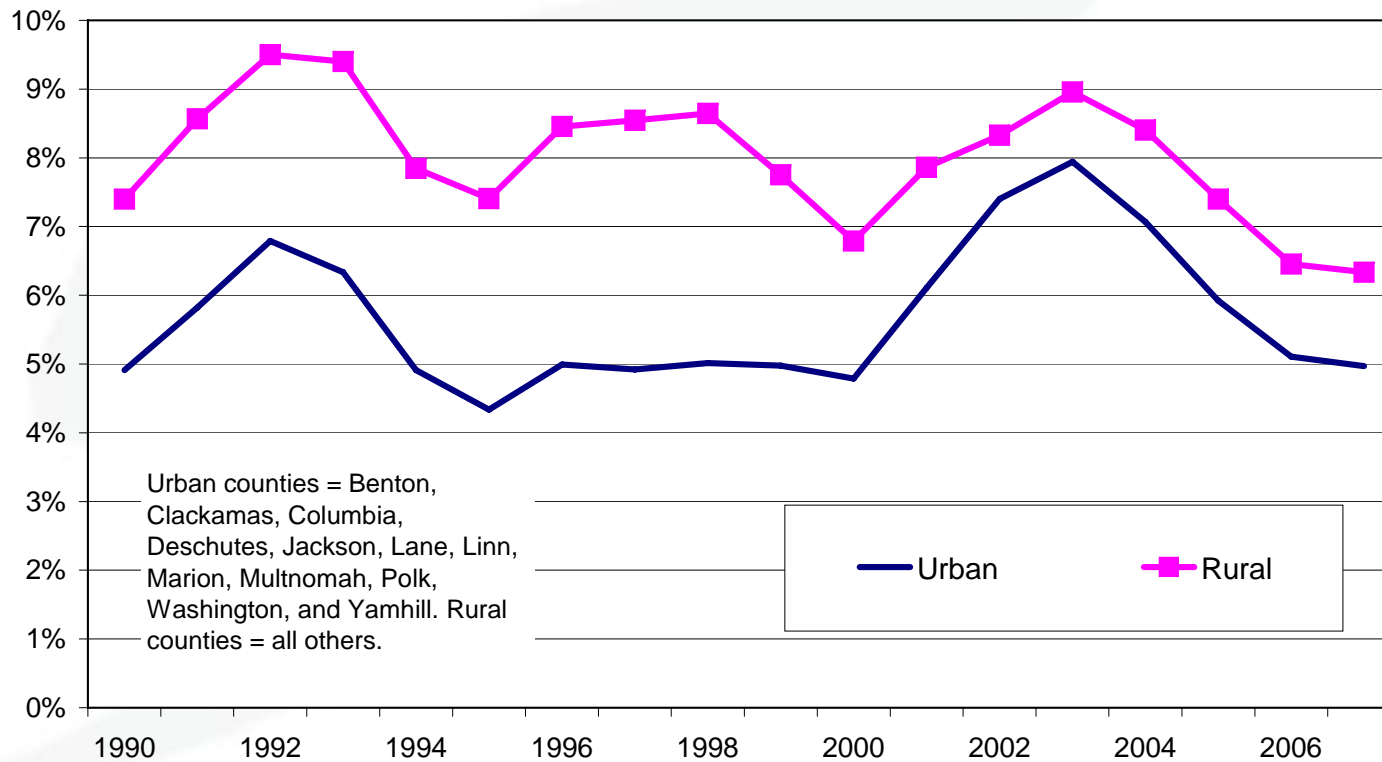
Regional unemployment rates up from 2007

Unemployment Rates by Region



Rural area unemployment rates declined

Unemployment Rates in Oregon Annual Averages, Urban and Rural Counties

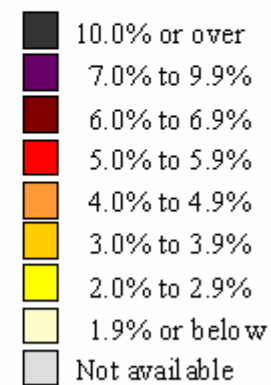
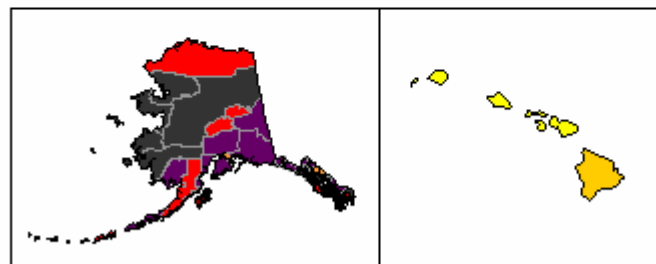
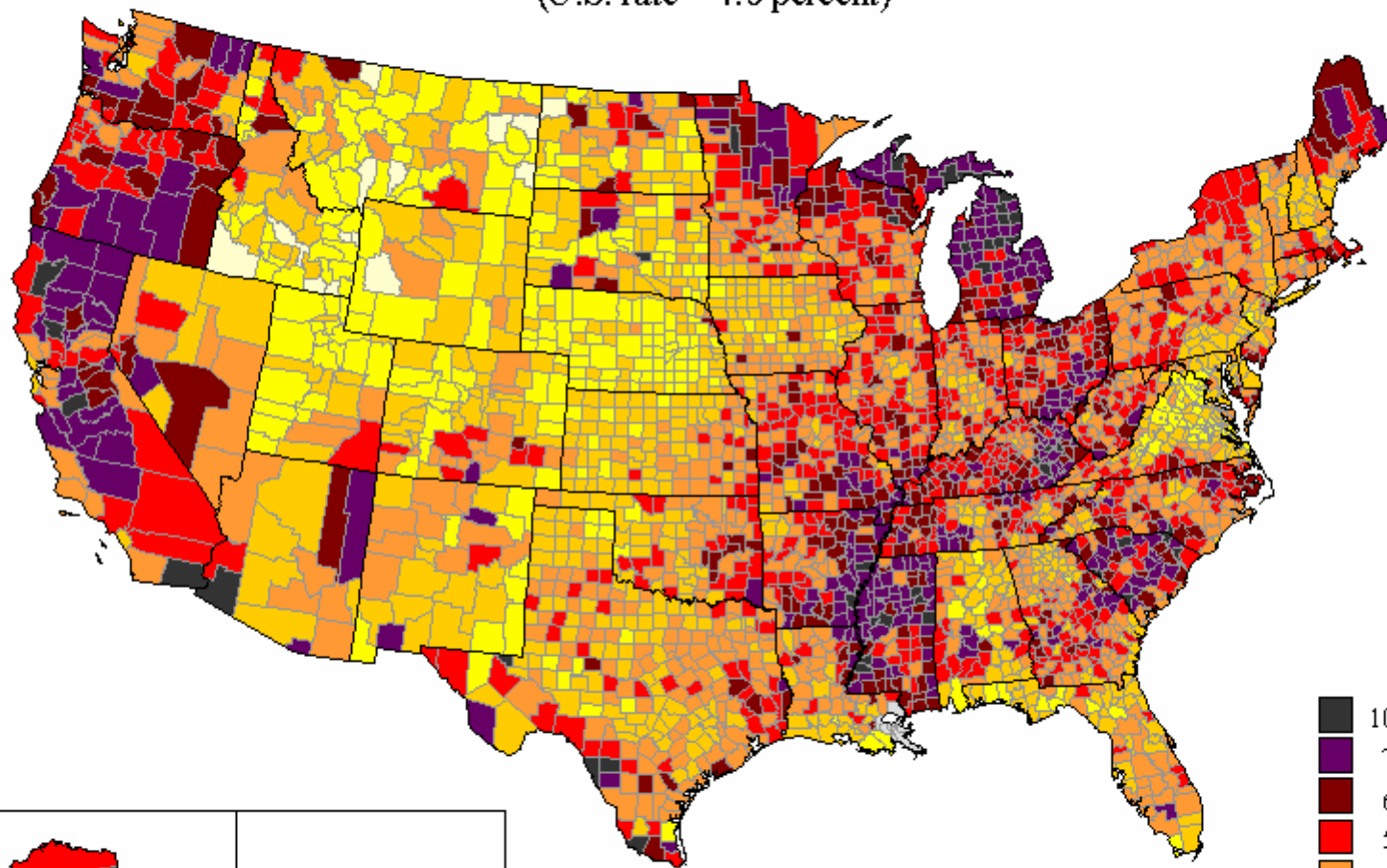


Source: Oregon Employment Department; Art Ayre, 503-947-1268, Art.L.Ayre@state.or.us



Unemployment rates by county, January - December 2007 averages

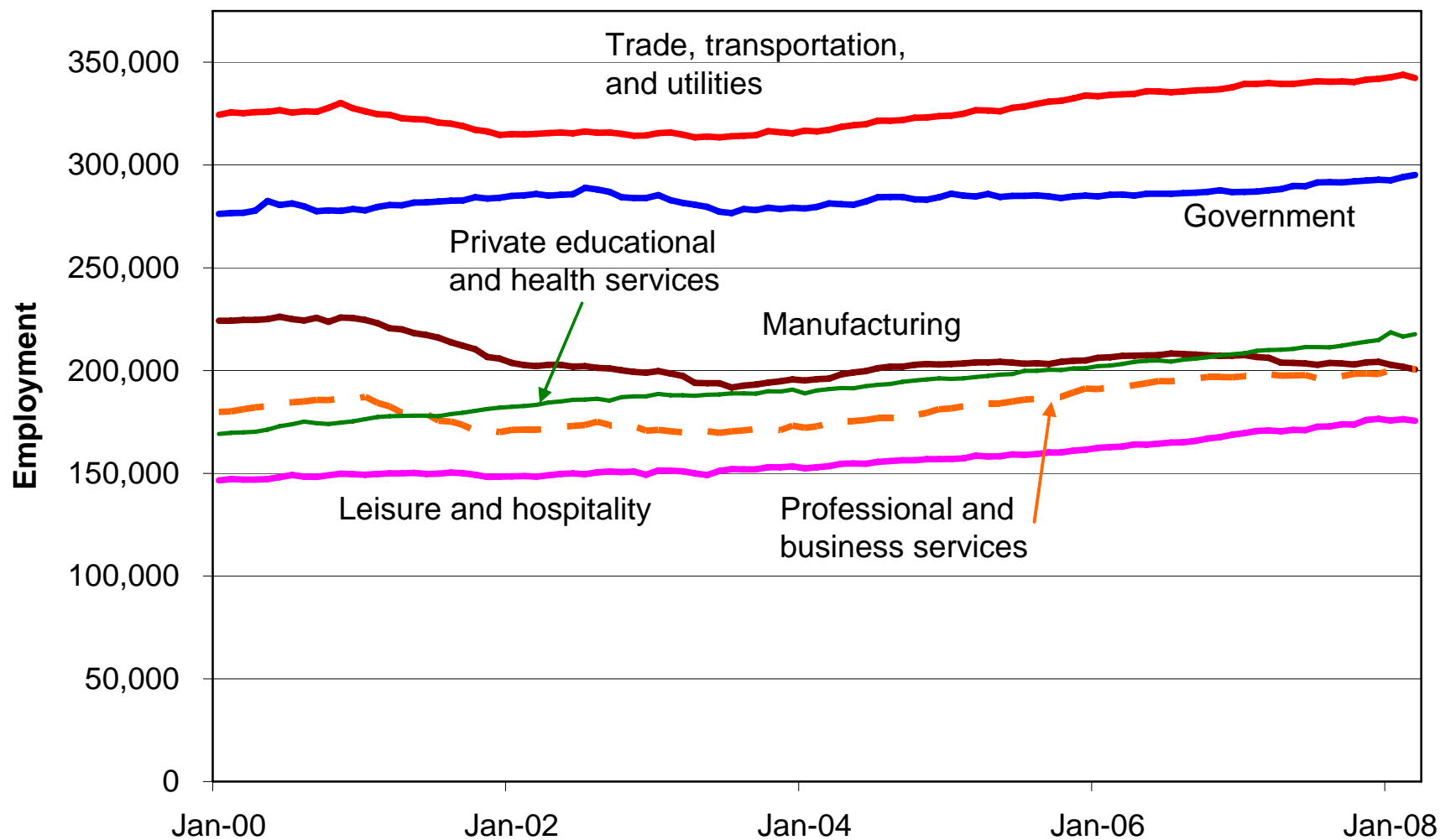
(U.S. rate = 4.6 percent)



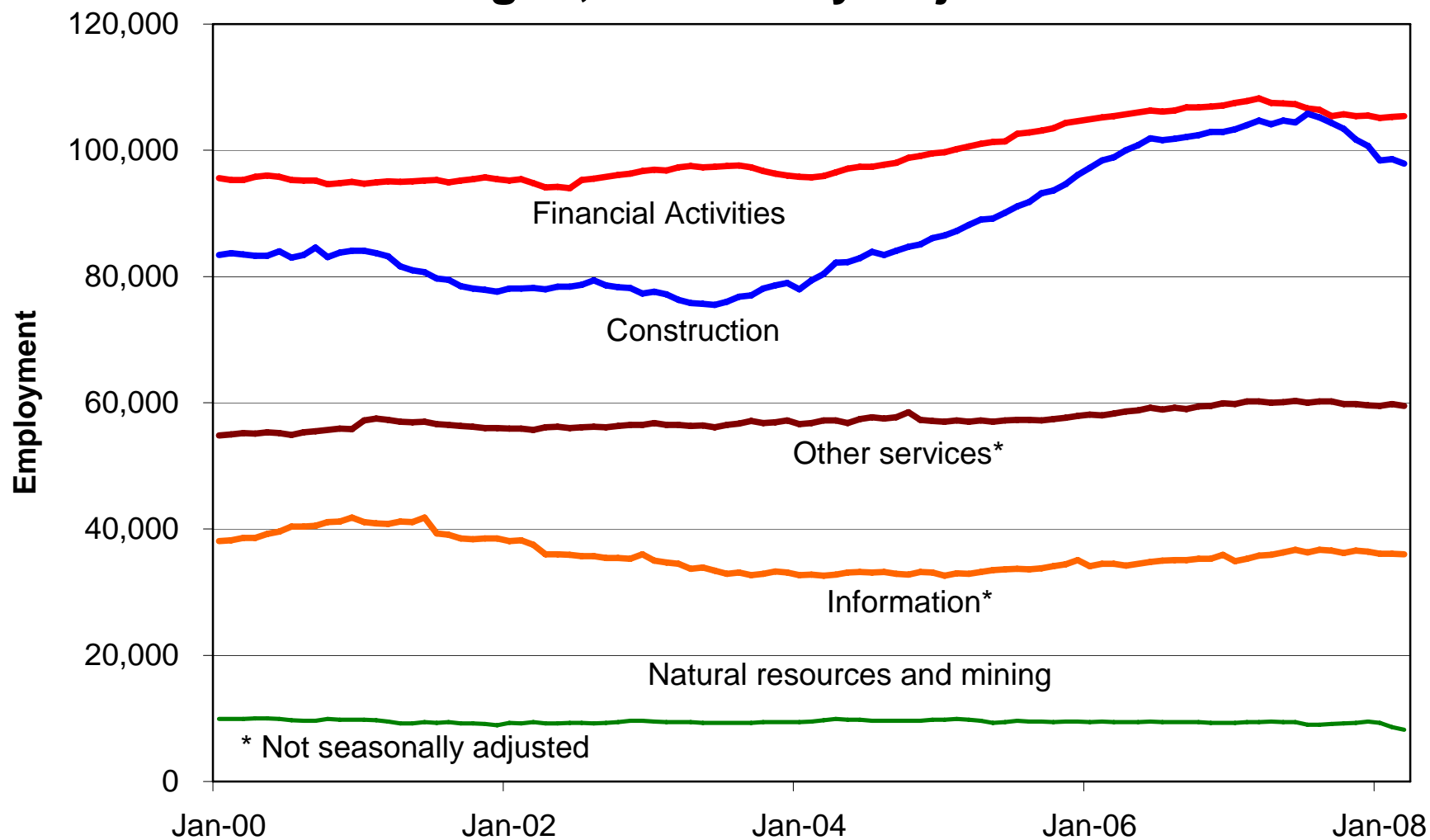
SOURCE: Bureau of Labor Statistics
Local Area Unemployment Statistics

NOTE: County data for 2007 are subject
to revision on April 18.

Nonfarm Payroll Employment, Selected Industries Oregon, Seasonally Adjusted

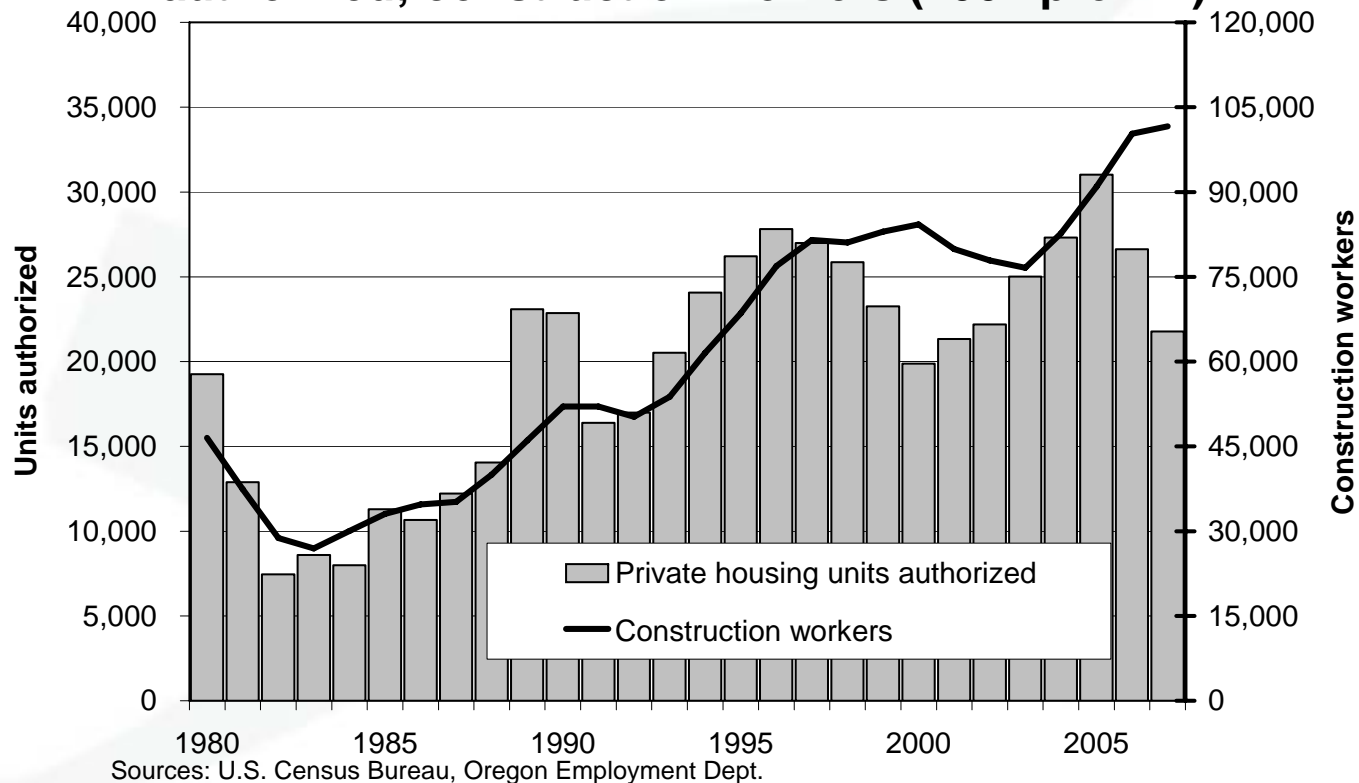


Nonfarm Payroll Employment, Selected Industries Oregon, Seasonally Adjusted



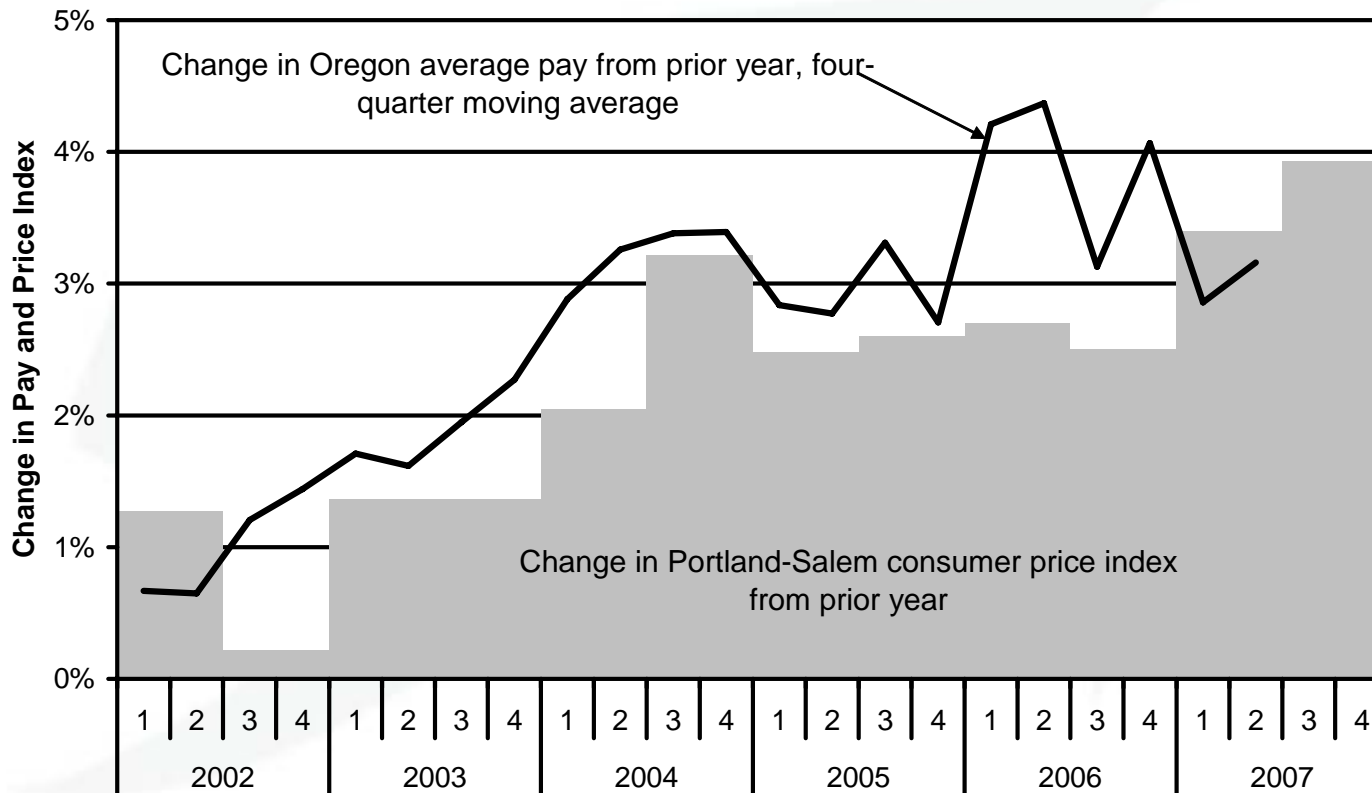
New housing units declining while construction jobs are still high

Oregon: New privately owned housing units authorized; construction workers (2007 prelim.)



Average pay has exceeded inflation until recently

Inflation Exceeds Oregon's Average Pay Increases Over-the-Year Percentage Changes

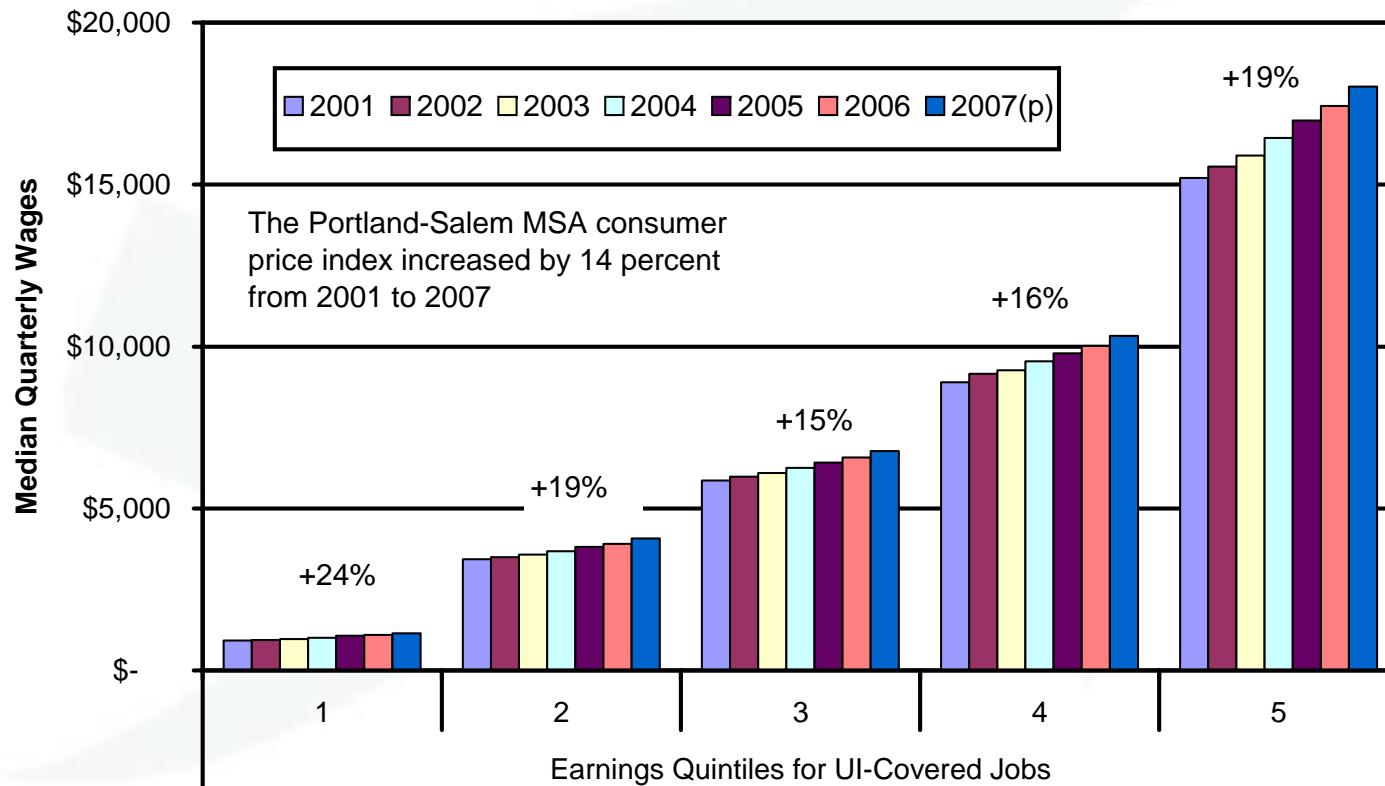


Source: Consumer price index data from U.S. Bureau of Labor Statistics



Median wages topped inflation from 2001 to 2007 (projected)

Oregon Median Quarterly Wages per Job by Quintile, plus 2001-2007 Percentage Changes

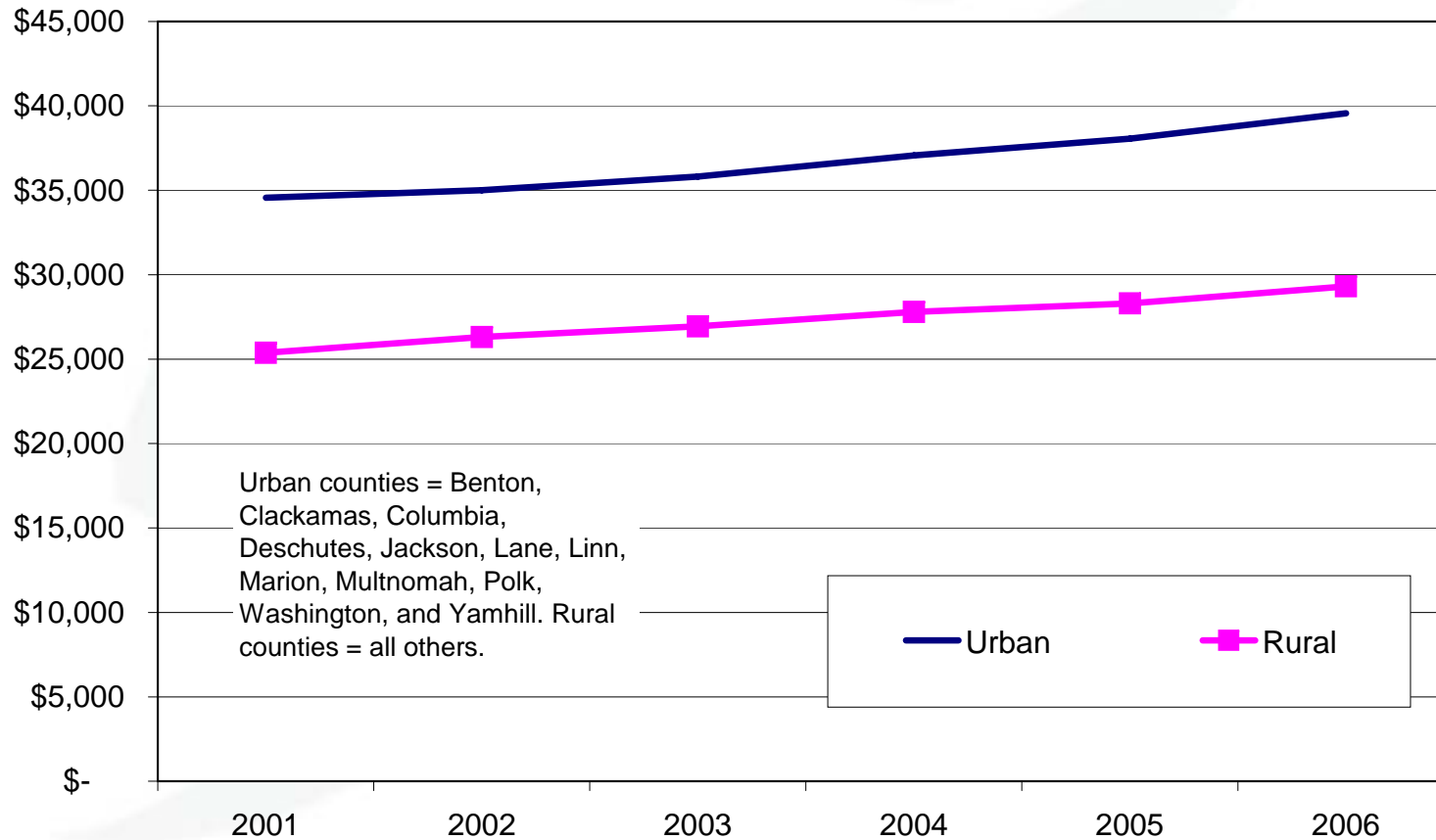


Note: 2007 levels are projected based on first two quarters.



People in rural areas earn less

Annual Average Covered Pay per Worker, Oregon

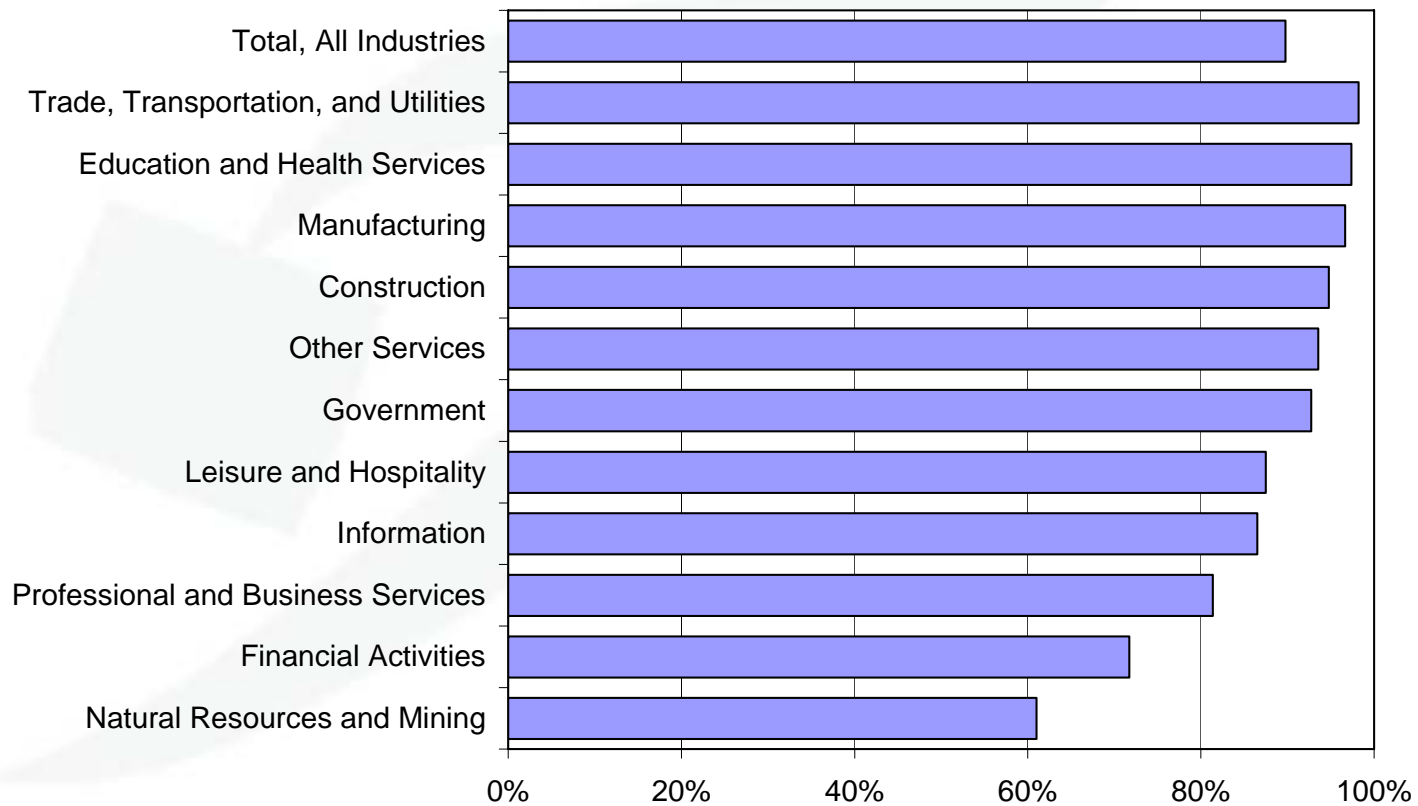


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Oregonians earn less than the national average

Oregon Average Covered Pay per Worker as Share of U.S. Average, 2006



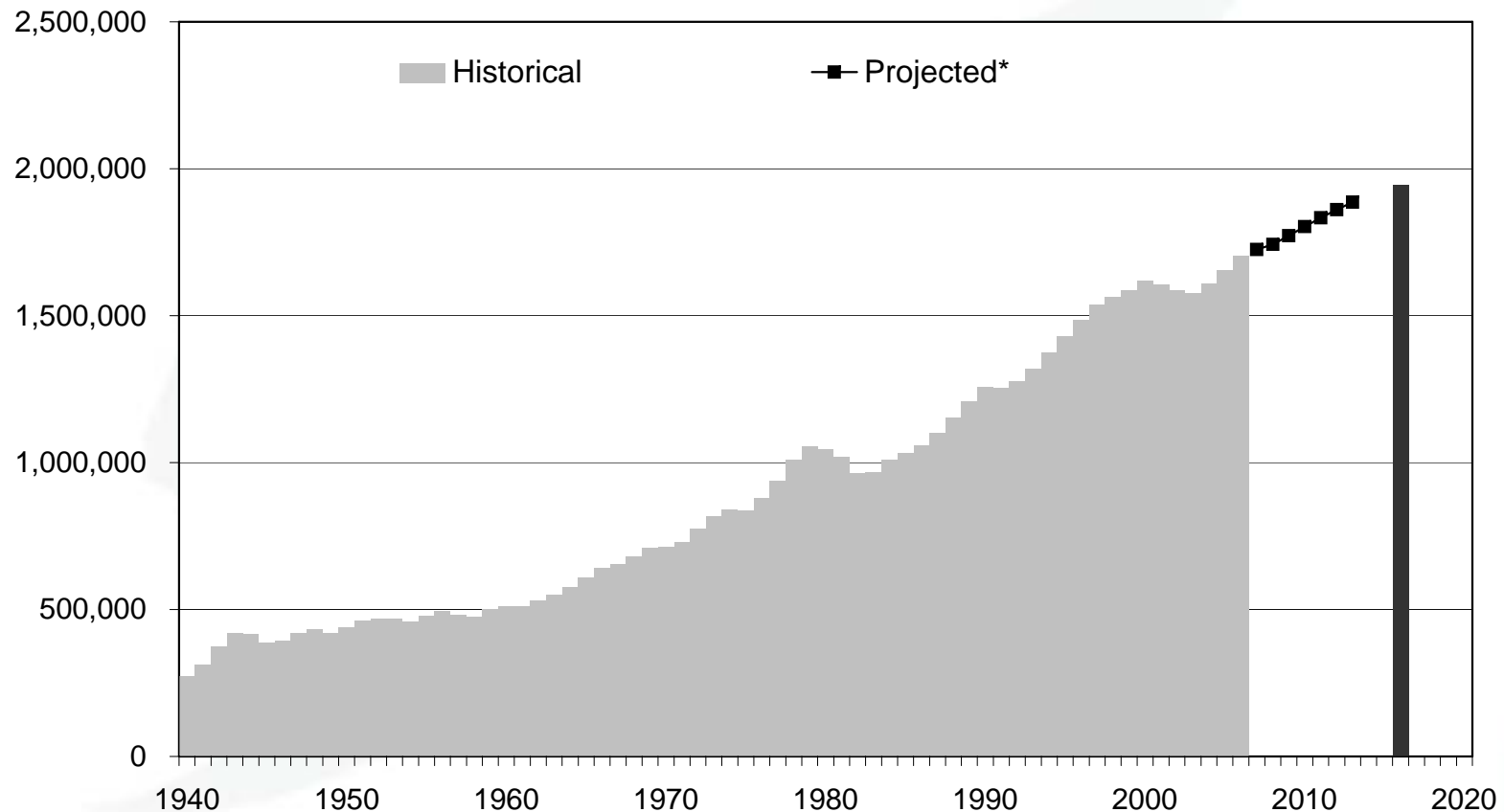
Slow job growth between 2006-2016

- We expect 14% growth in employment from 2006 to 2016
 - more than 240,000 job openings due to growth
 - close to the 15% rate for 1996-2006
 - slower than in most historical 10-year periods
 - assumes lack of “engine of growth” that drove rapid expansion in the 1970s and 1990s



Expecting continued job growth

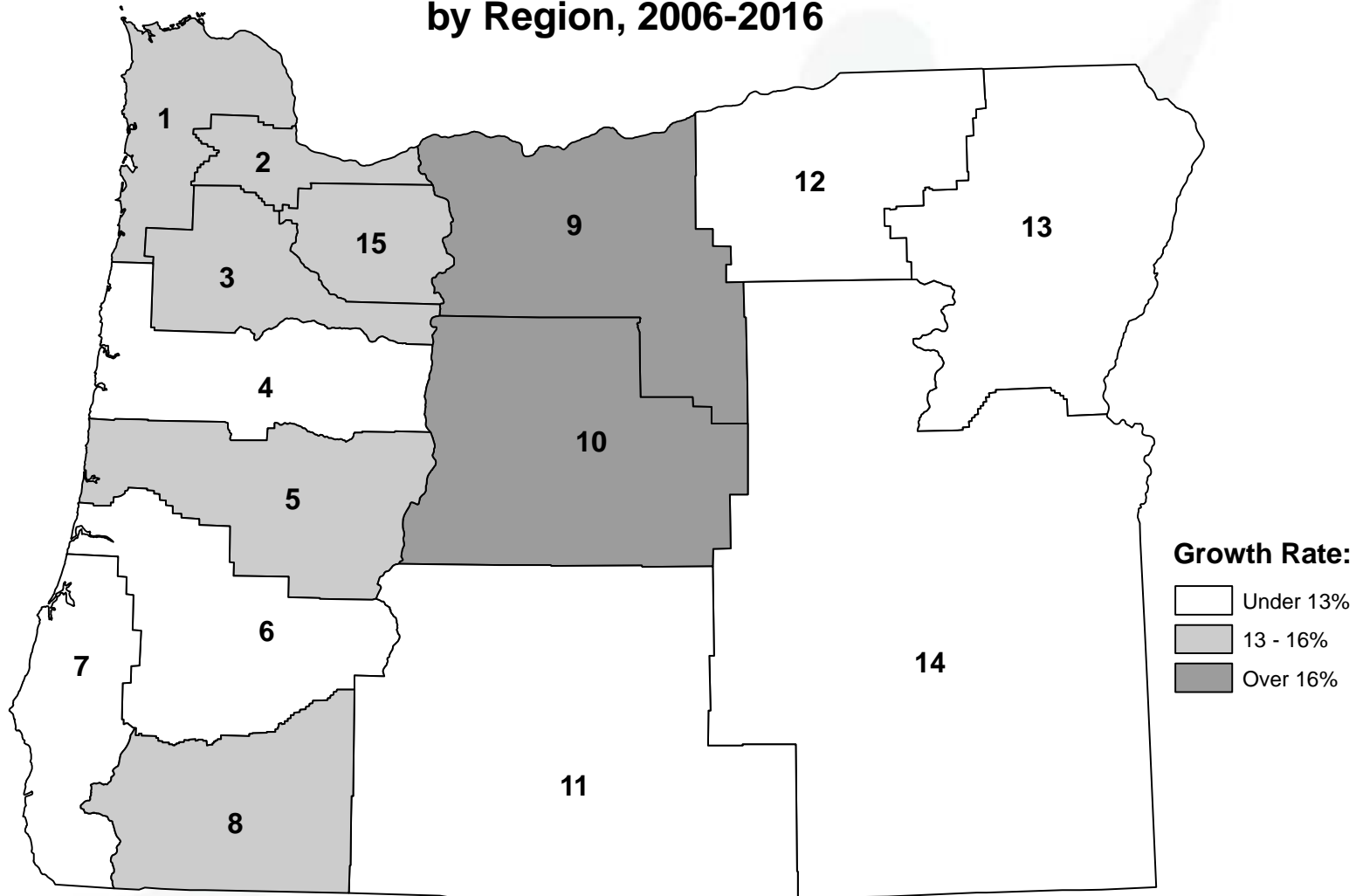
Oregon's Nonfarm Payroll Jobs



* 2007-2013 annual projections from the Office of Economic Analysis, Oregon Department of Administrative Services, March 2008 Oregon Economic and Revenue Forecast.



Oregon: Forecast Job Growth Rate by Region, 2006-2016



At least 5% growth in occupational groups

Broad Occupational Group	2006	2016	Change	Percent Change
Health Care	113,054	144,394	31,340	28%
Service	266,264	316,742	50,478	19%
Construction and Extraction	84,882	97,033	12,151	14%
Office and Administrative Support	288,380	328,538	40,158	14%
Management, Business, and Financial	150,633	171,034	20,401	14%
Sales and Related	186,139	210,217	24,078	13%
Professional and Related	266,152	300,178	34,026	13%
Installation, Maintenance, and Repair	68,837	76,532	7,695	11%
Transportation and Material Moving	133,168	147,128	13,960	10%
Farming, Fishing, and Forestry	35,705	38,917	3,212	9%
Nonclassifiable	27,145	29,197	2,052	8%
Production	132,365	139,612	7,247	5%



**Oregon's Fastest Growing Occupations (Based on Percent Change), 2006-2016
(Occupations with at least 500 Employment in 2006)**

→ = health-related

	2006 Employment	2006-2016 Percent Change
→ Physician Assistants	613	57.7%
→ Gaming Dealers	566	52.7%
→ Medical Assistants	5,825	36.2%
→ Home Health Aides	8,698	36.1%
→ Physical Therapist Aides	543	35.9%
→ Personal Financial Advisors	613	33.9%
→ Opticians, Dispensing	760	33.6%
→ Physical Therapists	1,942	33.1%
→ Network and Computer Systems Administrators	3,096	32.5%
→ Physicians and Surgeons	6,751	32.2%
→ Dental Hygienists	3,032	30.5%
→ Fitness Trainers and Aerobics Instructors	2,910	30.2%
→ Dental Assistants	4,373	30.1%
→ Dentists, General	898	30.1%
→ Medical Records and Health Information Technicians	2,455	30.0%
→ Medical and Clinical Laboratory Technicians	1,239	29.9%
→ Network Systems and Data Communications Analysts	2,588	29.3%
→ Food Servers, Nonrestaurant	2,944	29.1%
→ Veterinarians	836	28.8%
→ Medical Transcriptionists	1,587	28.7%
→ Radiologic, CAT, and MRI Technologists and Technicians	2,070	28.4%
→ Veterinary Technologists and Technicians	1,163	28.0%
→ Interviewers, Except Eligibility and Loan	3,535	27.8%
→ Veterinary Assistants and Laboratory Animal Caretakers	1,058	27.6%
→ Surgical Technologists	853	27.4%



Despite only 14% total job growth, we expect many occupational openings

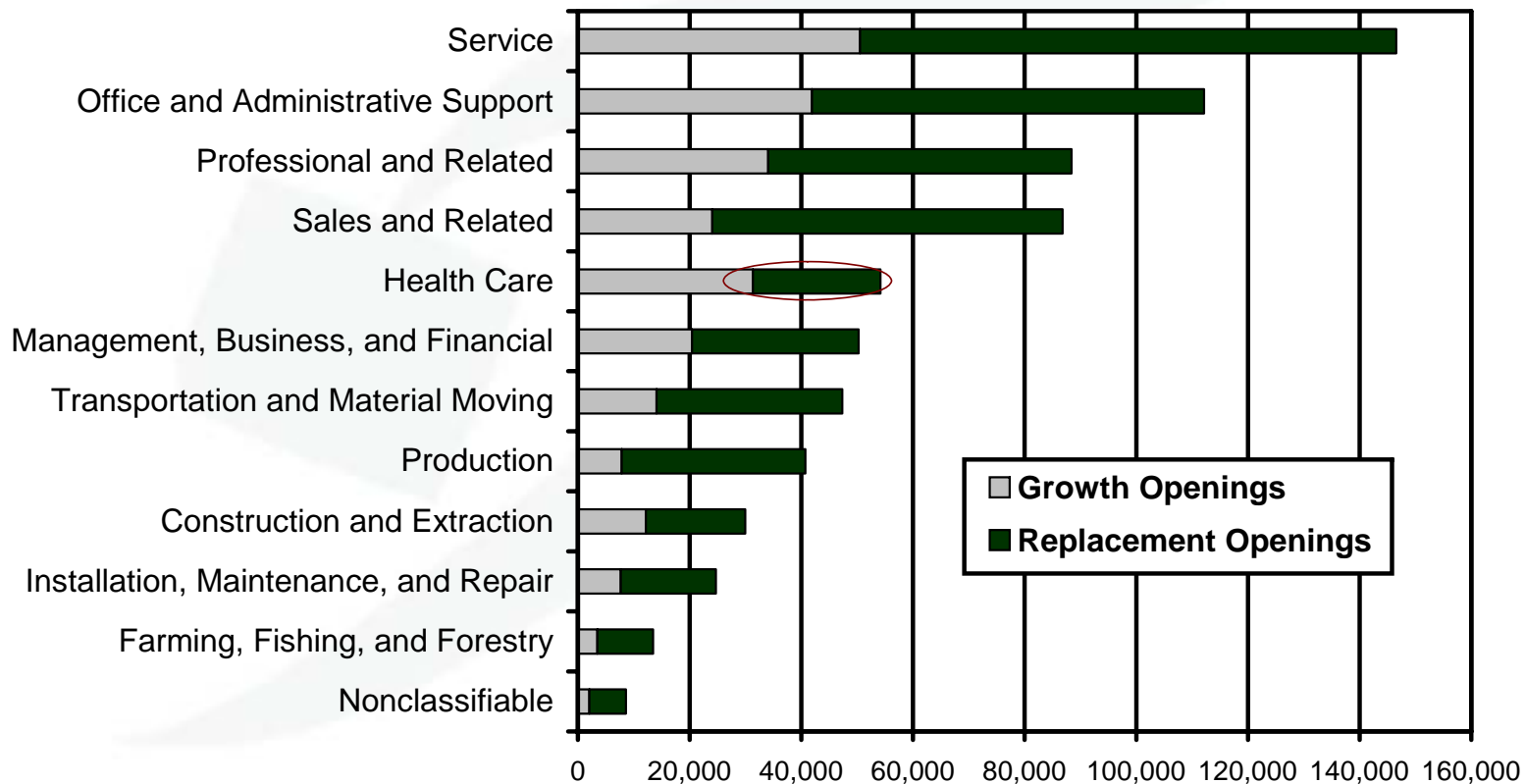
- More than 450,000 openings during the decade to replace current workers as they ...
 - change occupations early in their careers,
 - or retire – baby boomers are nearing retirement
- Add to this the more than 240,000 openings due to economic growth, and we expect ...
 - about 700,000 occupational openings*

*This doesn't include job openings due to people changing jobs but not their occupations.



We expect many replacement openings

Replacement Openings Make Up Largest Share in All but One Category Oregon Projected Occupational Openings, 2006-2016



Labor availability is already tight in some healthcare occupations

An Employment Department analysis examined 71 healthcare occupations and identified 17 as shortage occupations. They include:

Nurses: RNs, LPNs, and CNAs

Therapists: Occupational, Physical, and Respiratory

Occupational and Physical Therapists' Assistants

Pharmacists

Physicians and surgeons

Technologists and Technicians: Cardiovascular, Radiologic, CAT, and MRI

Dental hygienists

Medical and clinical laboratory technologists

Mental Health Counselors

Speech and Language Pathologists

Diagnostic Medical Sonographers and Ultrasound Techs

Source: Oregon Health Care Workforce Needs Assessment 2006

1 in 5 workers is age 55+ in some industries & areas

Percent of Workers Age 55+ by Industry Oregon, 2005

Mining	24%
Utilities	23%
Educational Services	22%
Real Estate and Rental and Leasing	22%
Other Services (ex. Public Admin.)	20%
Transportation and Warehousing	20%
Public Administration	20%
Health Care and Social Assistance	19%
Ag., Forestry, Fishing and Hunting	19%
Mgt. of Co's and Enterprises	17%
Prof., Scientific, and Tech. Svcs.	17%
Wholesale Trade	16%
Manufacturing	16%
Finance and Insurance	15%
Arts, Entertainment, and Recreation	15%
Retail Trade	14%
Admin. & Supp't/Waste Mgt. & Remed.	14%
Construction	13%
Information	13%
Accommodation and Food Services	10%
All NAICS Sectors	16%

Oregon Counties Ranked by Percentage of Employed Age 55+ (2005)

OREGON	35-44	45-54	55+
	23.0%	24.1%	16.5%

TOP SIX

Wheeler	21.8%	29.1%	28.3%
Gilliam	23.9%	28.3%	22.2%
Lincoln	19.9%	27.0%	21.5%
Curry	22.0%	25.8%	21.0%
Grant	22.1%	27.7%	20.7%
Wallowa	21.6%	28.7%	20.4%

BOTTOM SIX

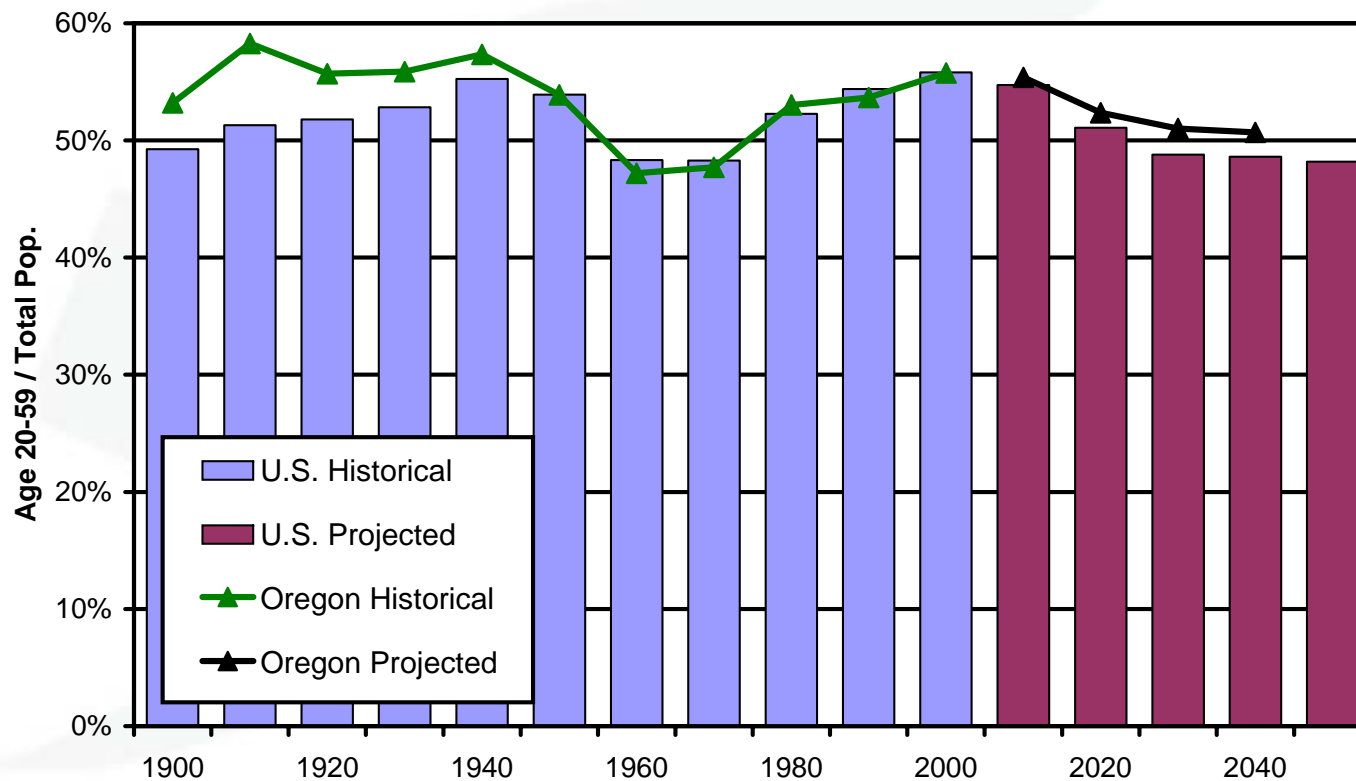
Umatilla	23.2%	23.4%	16.4%
Clackamas	23.1%	23.7%	16.2%
Multnomah	23.7%	23.8%	15.9%
Hood River	24.0%	24.6%	15.3%
Deschutes	22.5%	23.1%	14.9%
Washington	25.0%	22.6%	13.9%

Source: Local Employment Dynamics, U.S. Census Bureau



Labor availability: back to levels not seen since the 1960s and 1970s. One difference: this time, many of the dependents will be older, not younger.

Age 20-59 as Share of Total Population

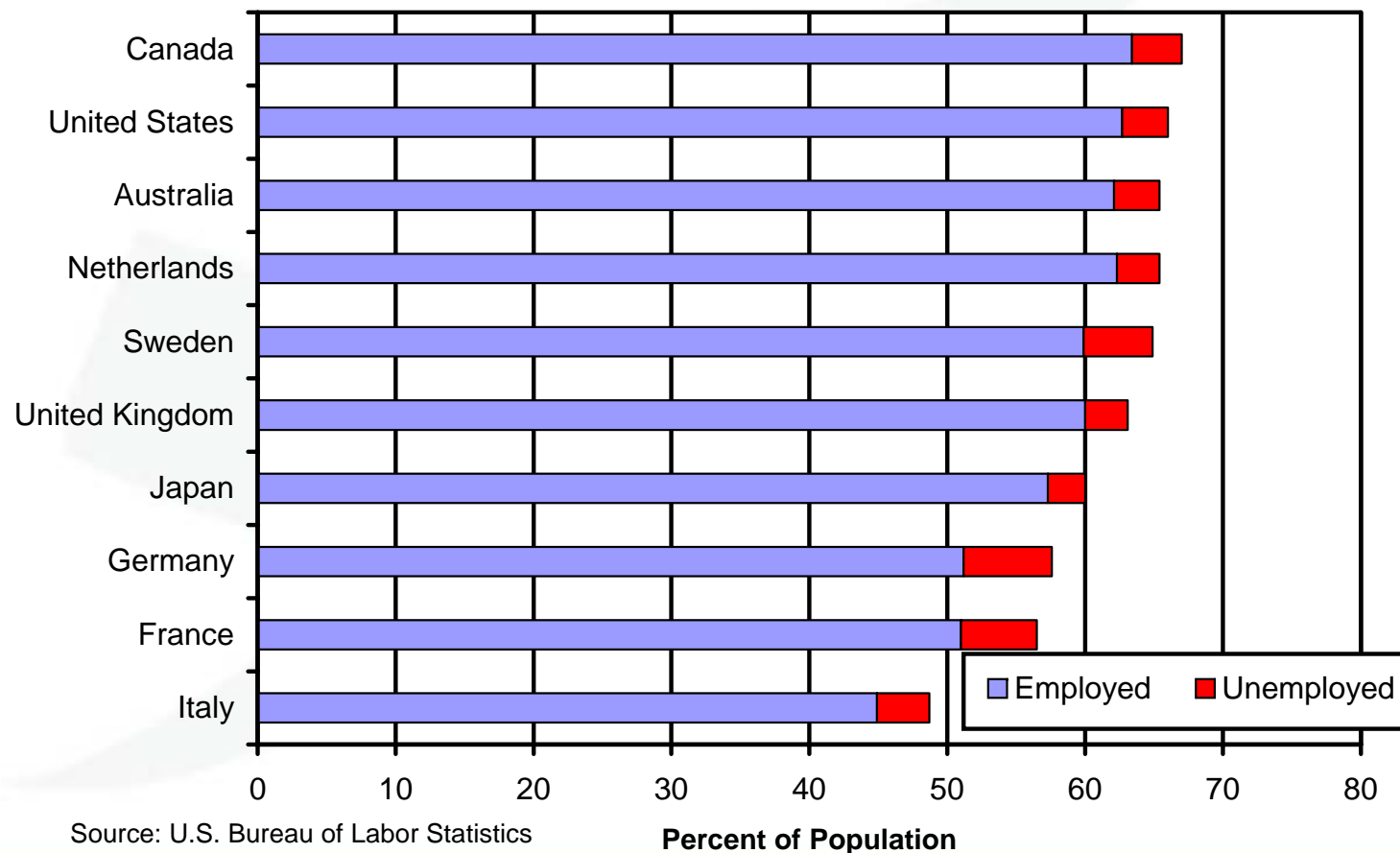


Sources: All U.S. data and Oregon historical from U.S. Census Bureau; Oregon projected from Dept. of Admin. Svcs., Office of Econ. Anal.



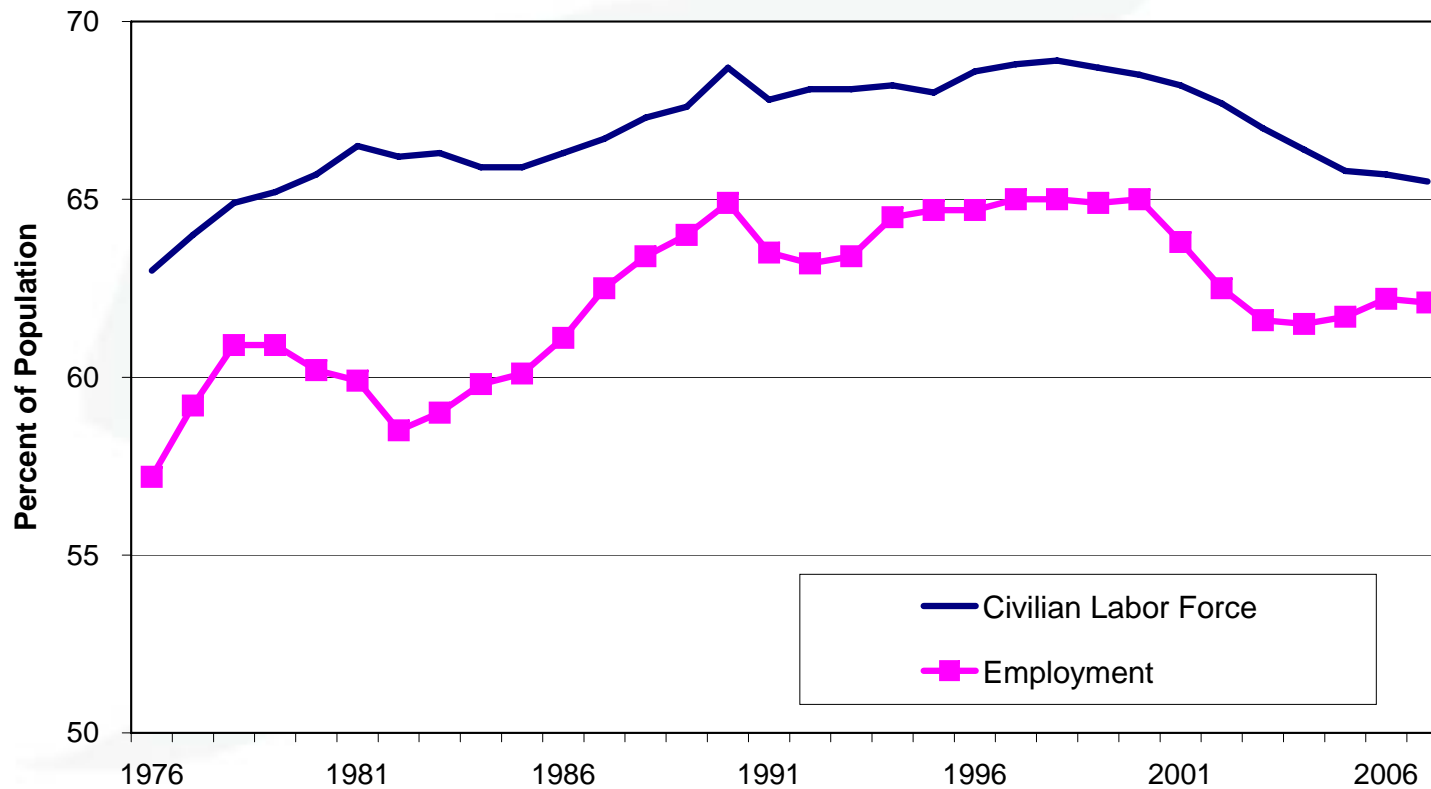
Compared to other areas: A large share of the U.S. population is working

Labor Force as Percent of Population, 2005



Participation in the workforce is waning

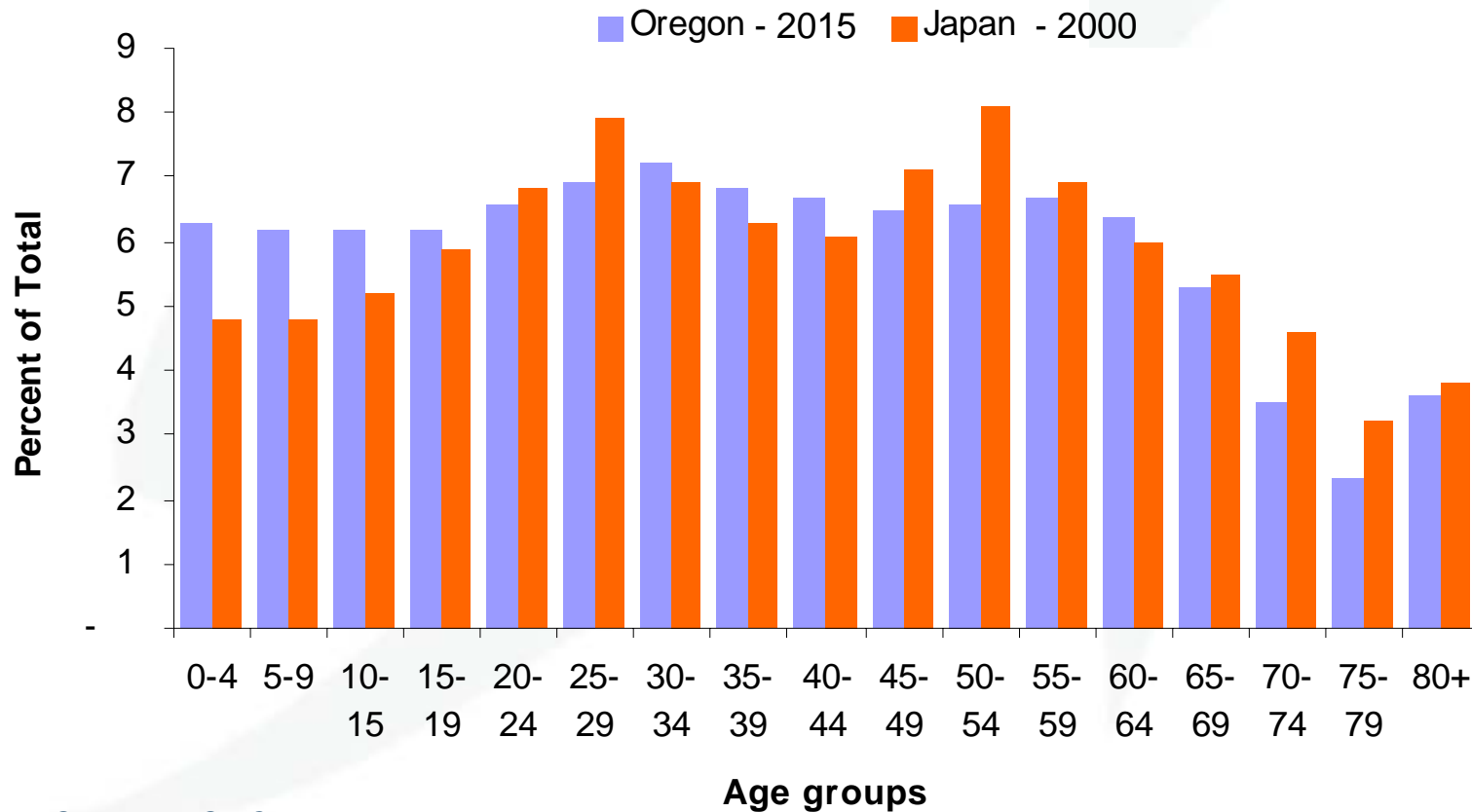
**Oregon Civilian Labor Force and Employment
as percent of age 16+ civilian noninstitutional population**



Source: U.S. Bureau of Labor Statistics; <http://www.bls.gov/lau/staadata.txt>.



Oregon's population by age in 2015 could look like Japan's population in 2000...



Source: U.S. Census Bureau



How are the Japanese approaching the issue?

Expanded support network for working parents

Flexible work schedules

Redesigned pension system; progressive retirement

Expanded internship programs/“dual system”

High school graduates work as apprentices while studying in vocational schools

Reforms for increased employment of workers with disabilities



Potential Labor Market Adaptations

Decrease need for workers:

- Increase productivity through automation, training, and restructuring
- Redesign product or service to reduce need for specific skills that are lacking
- Shift activity to areas with greater labor availability: relocation of business or outsourcing or offshoring

Increase number of workers:

- More migration, higher labor force participation rate, lower unemployment rate
- Raise or modify wages, benefits, and working conditions to attract and retain more workers
- Change recruitment and training practices to attract, train, and retain more workers
- Hire more of the chronically unemployed or discouraged workers not currently in the labor force



For more information:

Art Ayre

(503) 947-1268

Art.L.Ayre@state.or.us

Visit our web site at:

www.QualityInfo.org

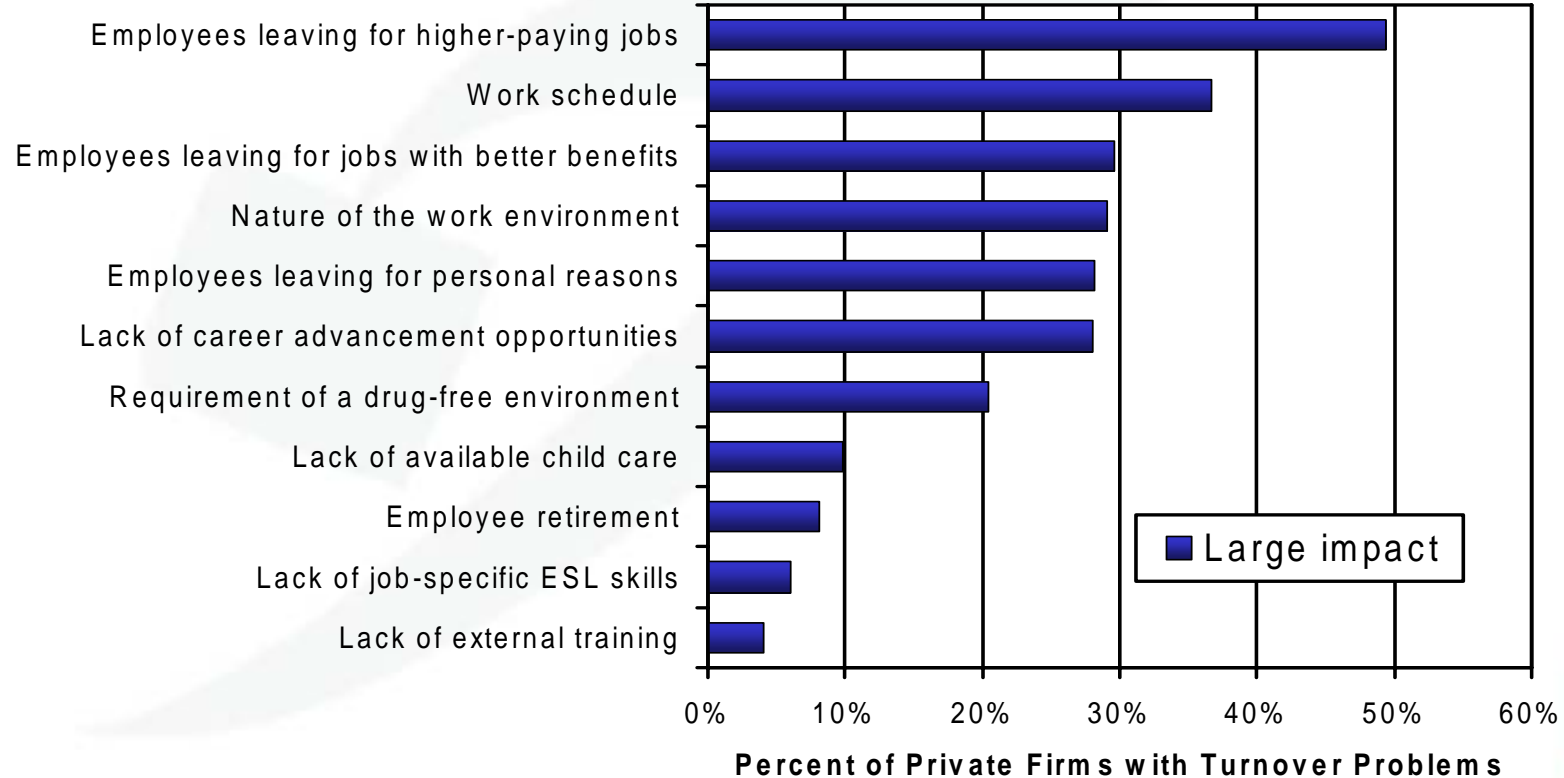
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Higher-paying jobs are the biggest turnover factor for the private sector.

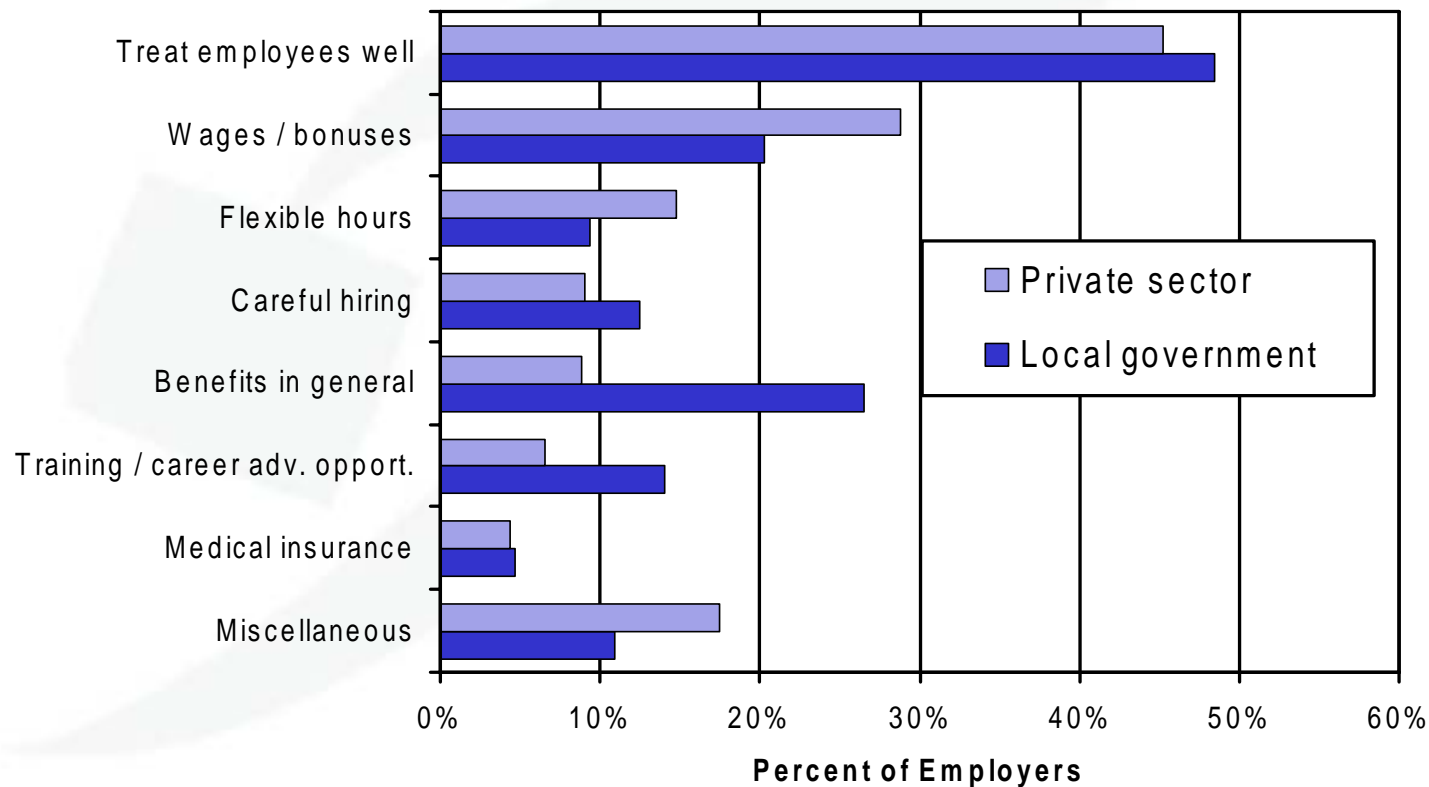
To what extent have each of the following factors affected turnover in your firm in the past 12 months?



Oregon statewide data, 2004

Many employers feel treating their employees well is effective in retention.

What is the most effective tool your organization now uses to reduce employee turnover?



Oregon statewide data, 2004

