

***Oregon's Current and Projected
Economic Conditions***

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Support Business & Promote Employment

www.WorkSourceOregon.org



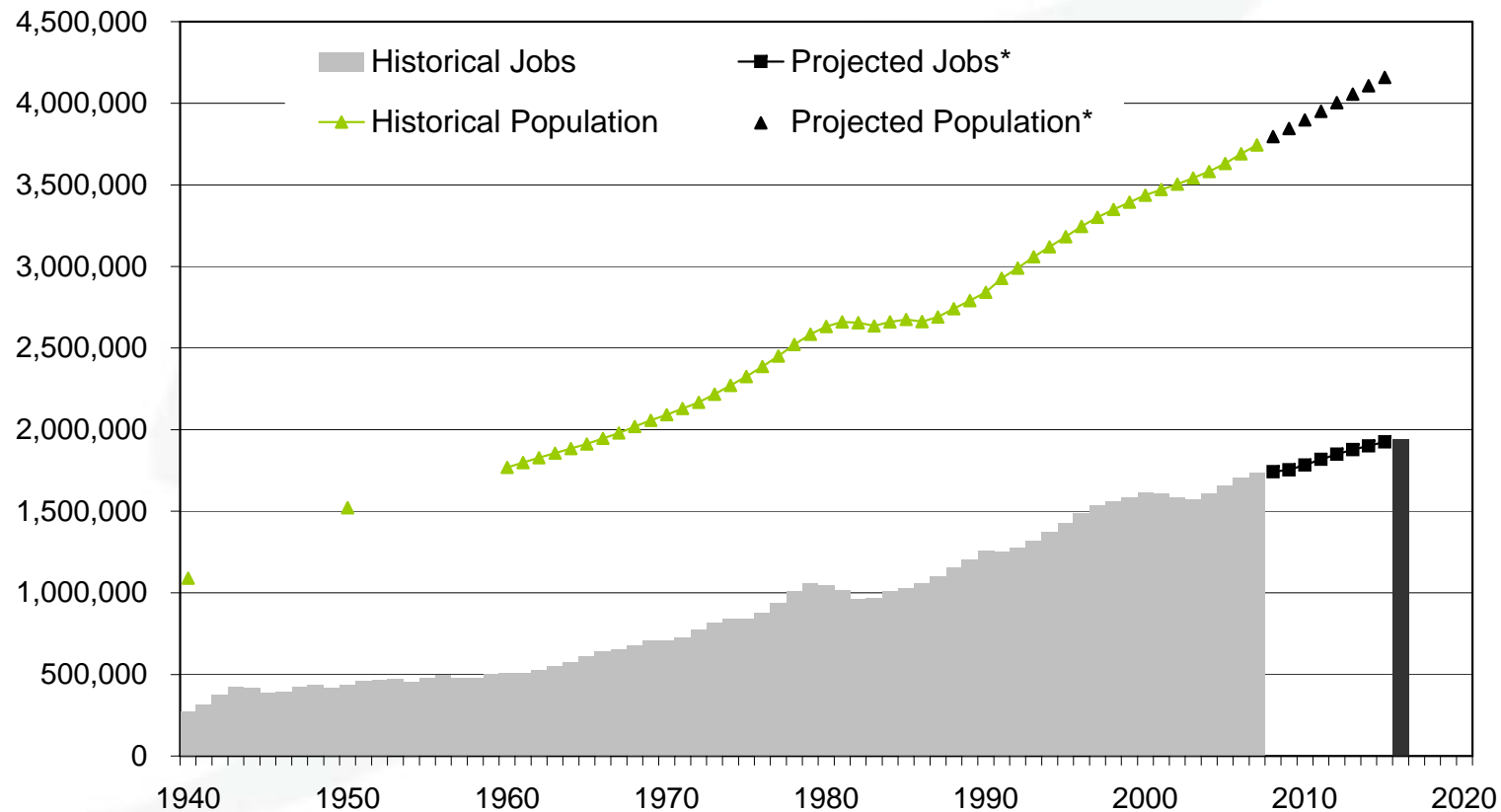
Job declines and rising joblessness

- Past year: slowing job growth, then job decline
- Unemployment rate rose slowly, then quickly
- Forecast: Employment decline only in 2nd to 4th quarter of 2008, then slow-to-moderate growth
- Long-term projections:
 - About 1.3% per year growth from 2006-2016
 - Expect lots of retirements, job openings



A long history of population and job growth

Oregon's Population and Nonfarm Payroll Jobs

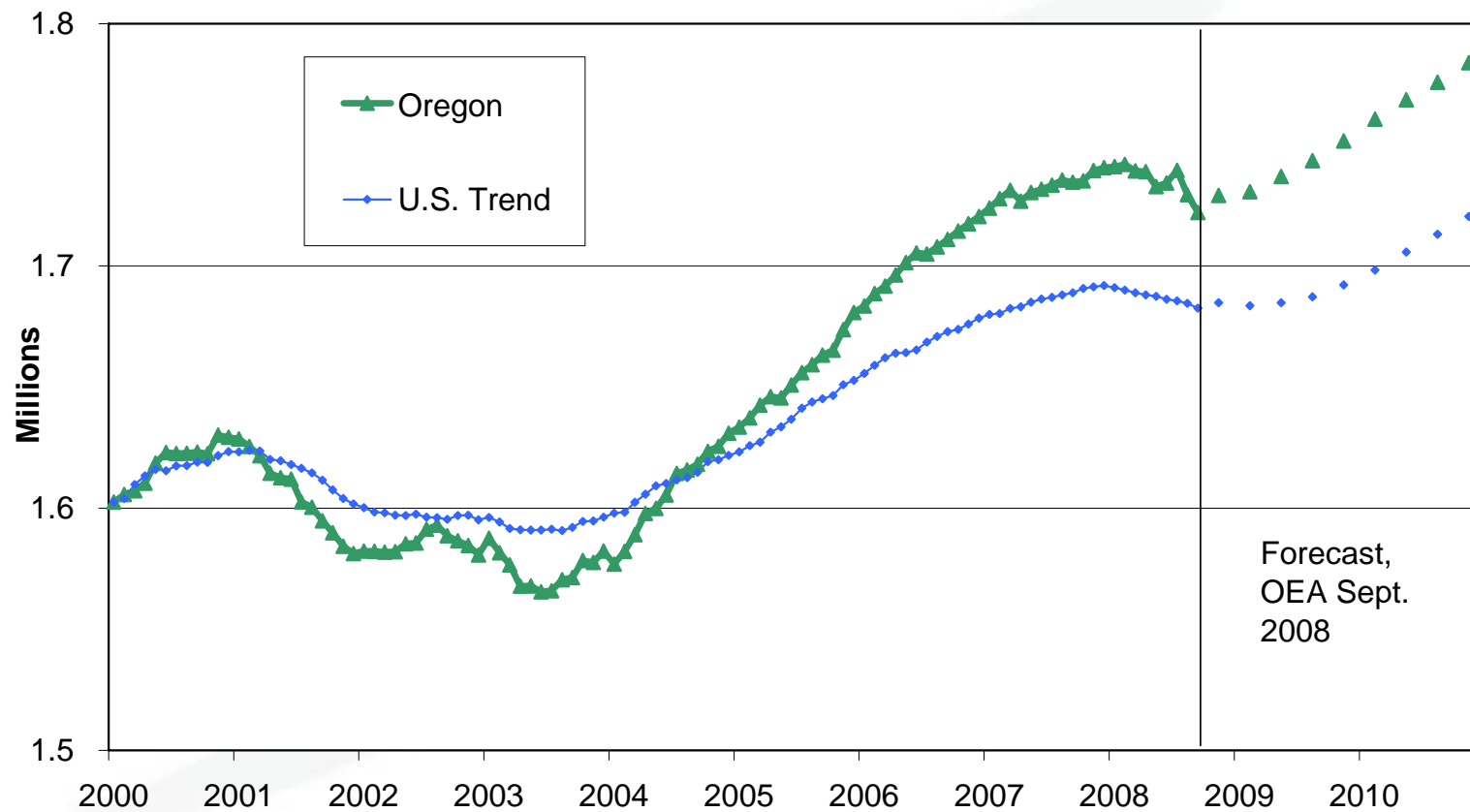


* 2007-2015 annual projections from the Office of Economic Analysis, Oregon Department of Administrative Services, Sept 2008 Oregon Economic and Revenue Forecast.



Recent past: job declines

Oregon Employment Trends* U.S. Trend Indexed to OR Jan. 2000 Level



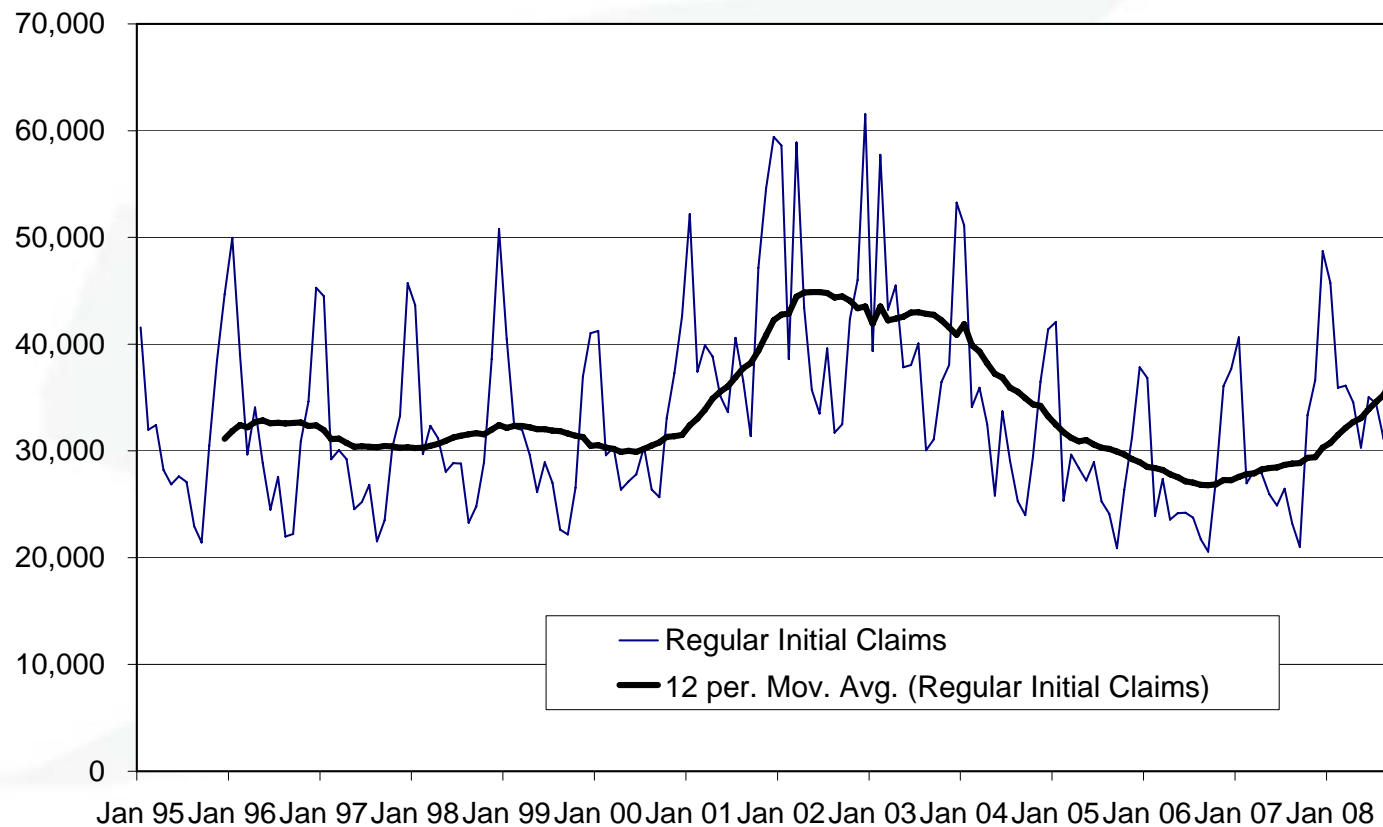
* Seasonally adjusted.

Forecast,
OEA Sept.
2008



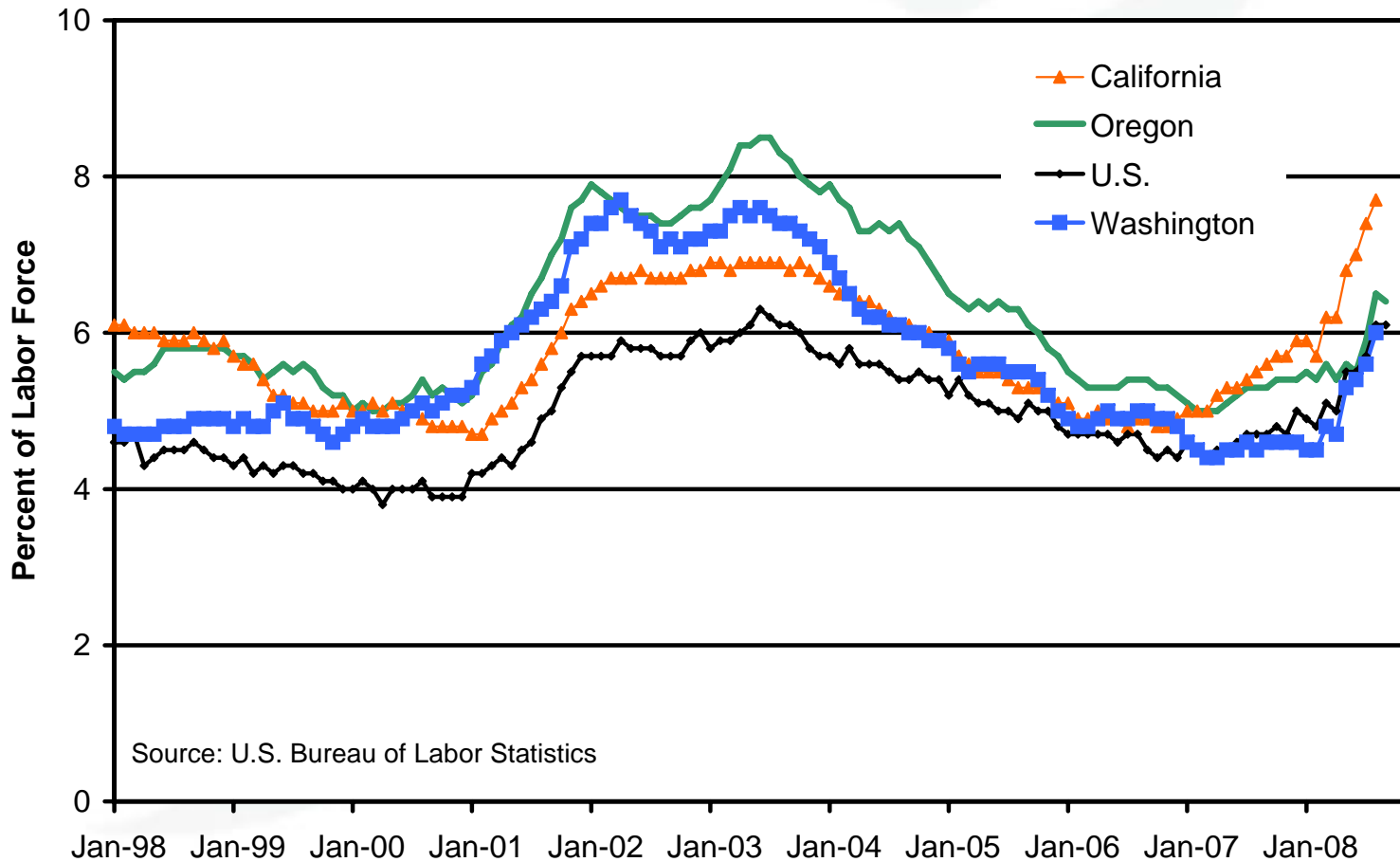
Initial claims for unemployment insurance benefits are higher than one year ago

Oregon Regular Initial Claims - Monthly



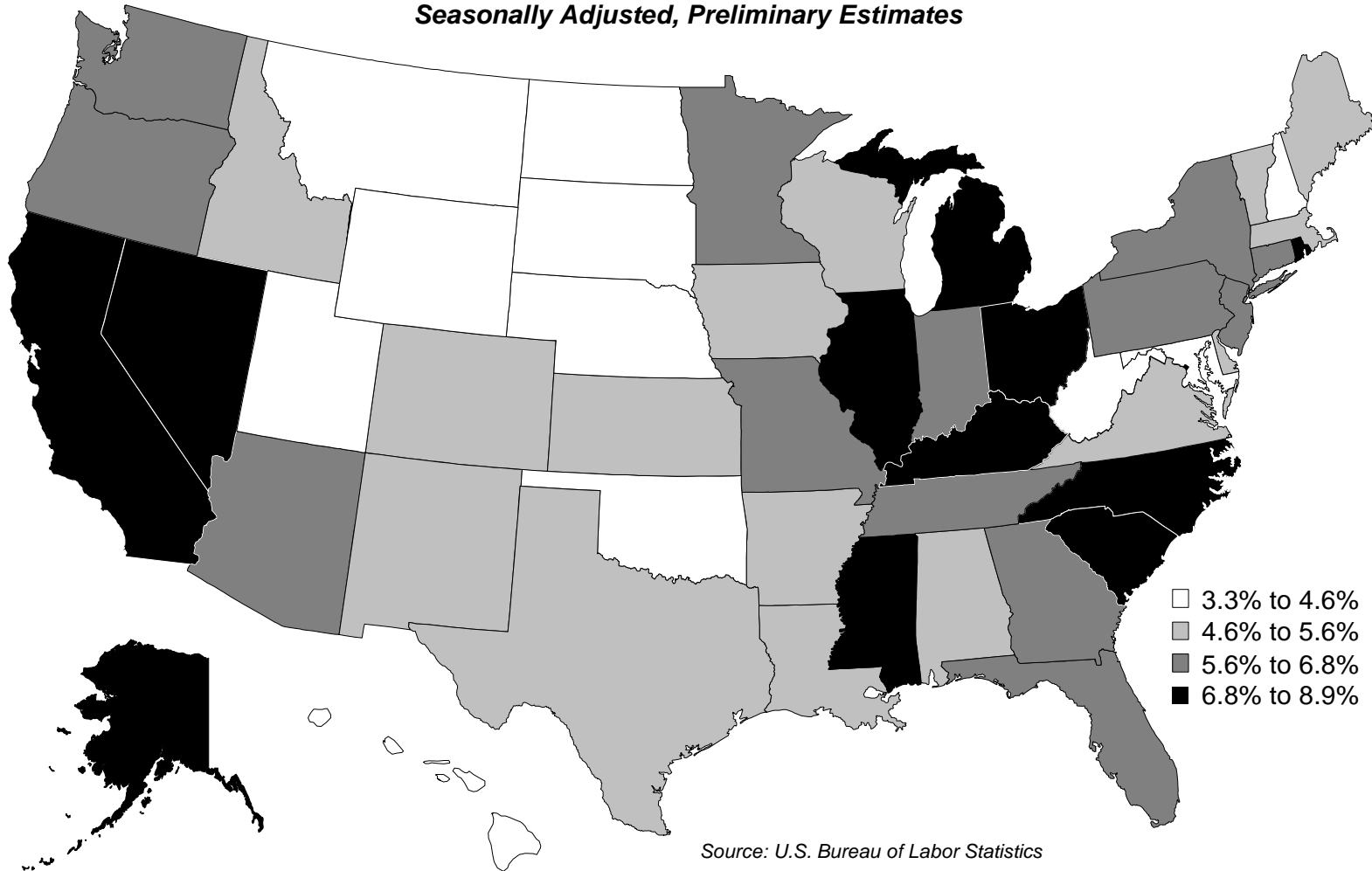
Unemployment rate has been rising

Seasonally Adjusted Unemployment Rates (%)



August 2008 Unemployment Rates

Seasonally Adjusted, Preliminary Estimates

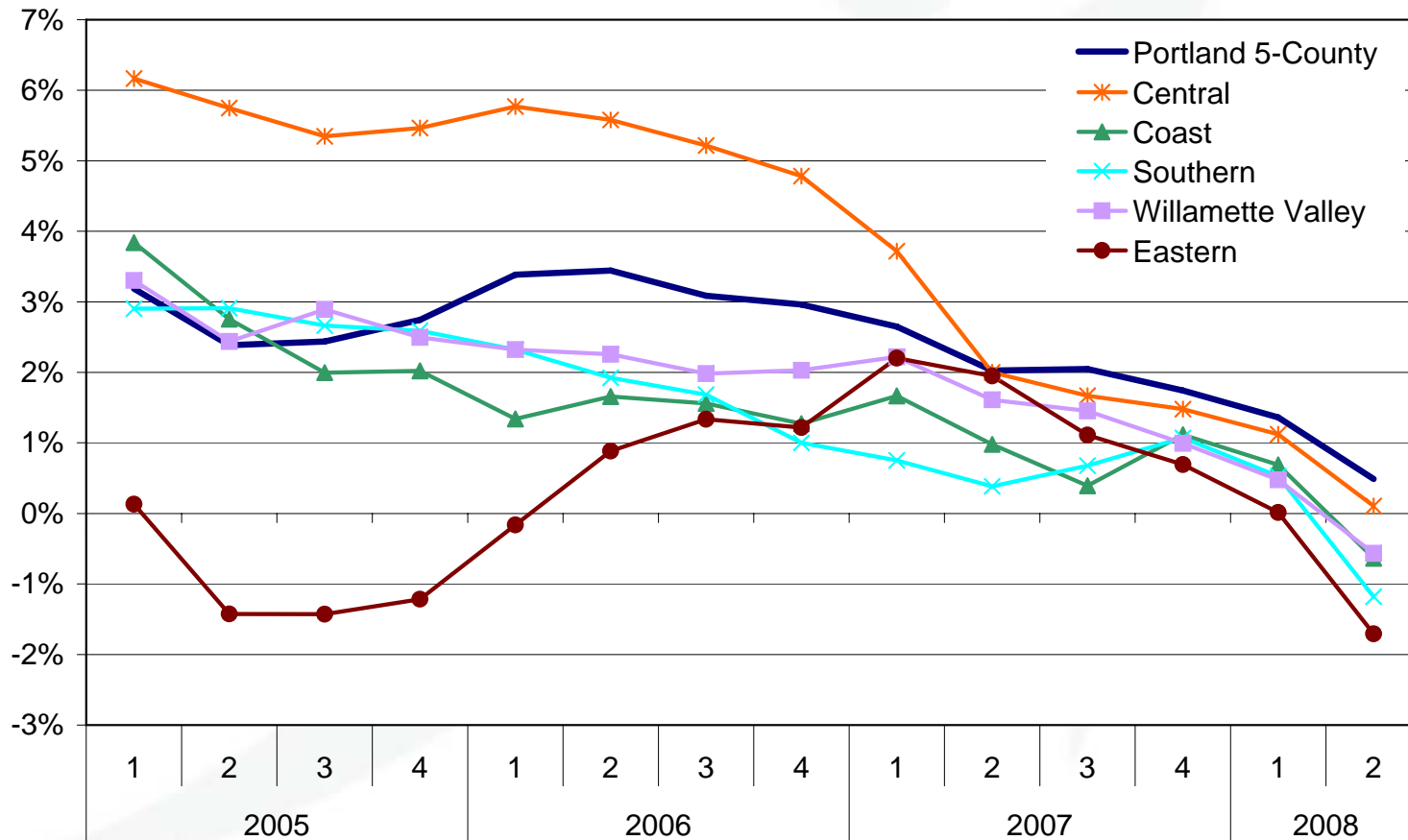


Source: U.S. Bureau of Labor Statistics



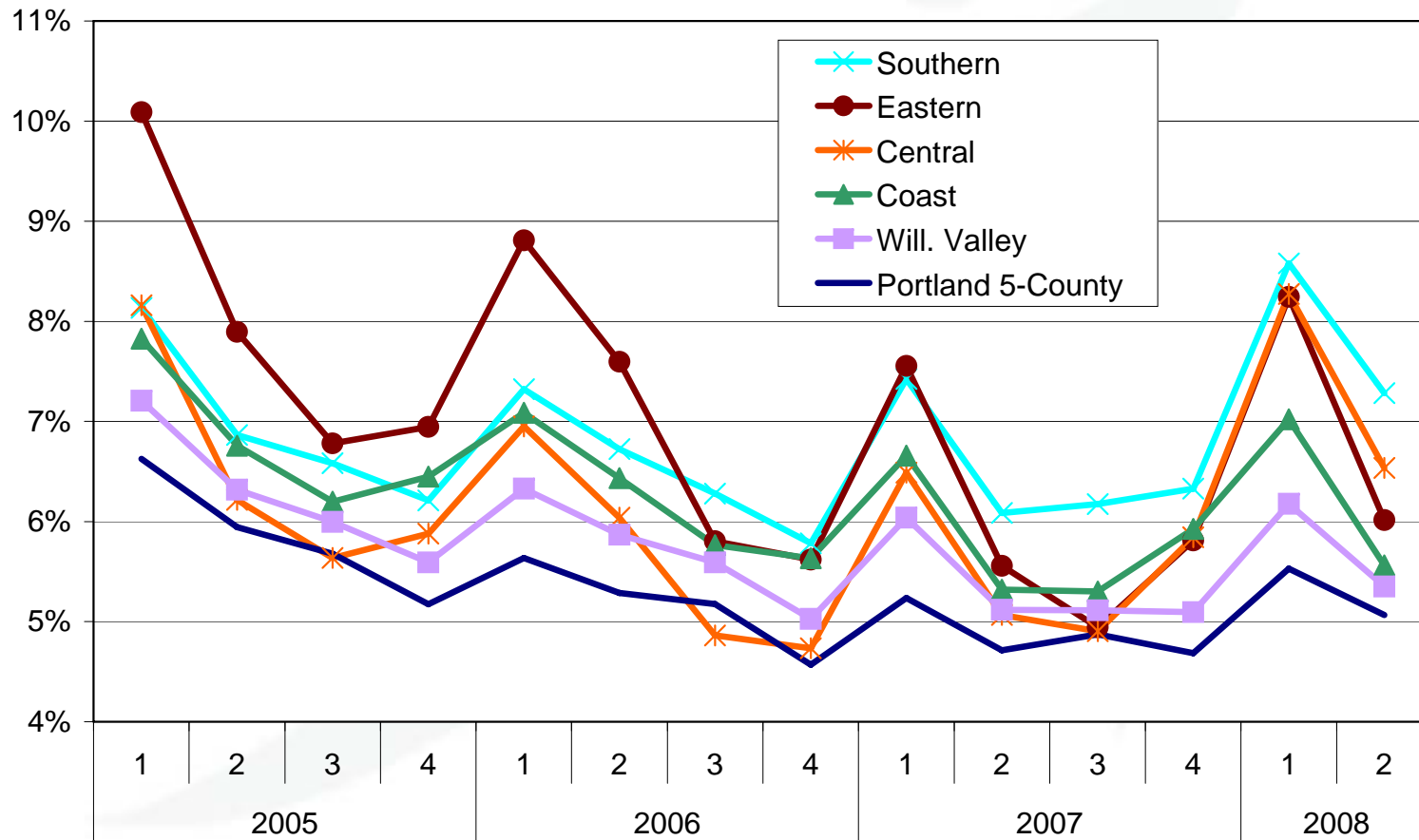
Slowing growth rates in all regions

Job growth from one year earlier

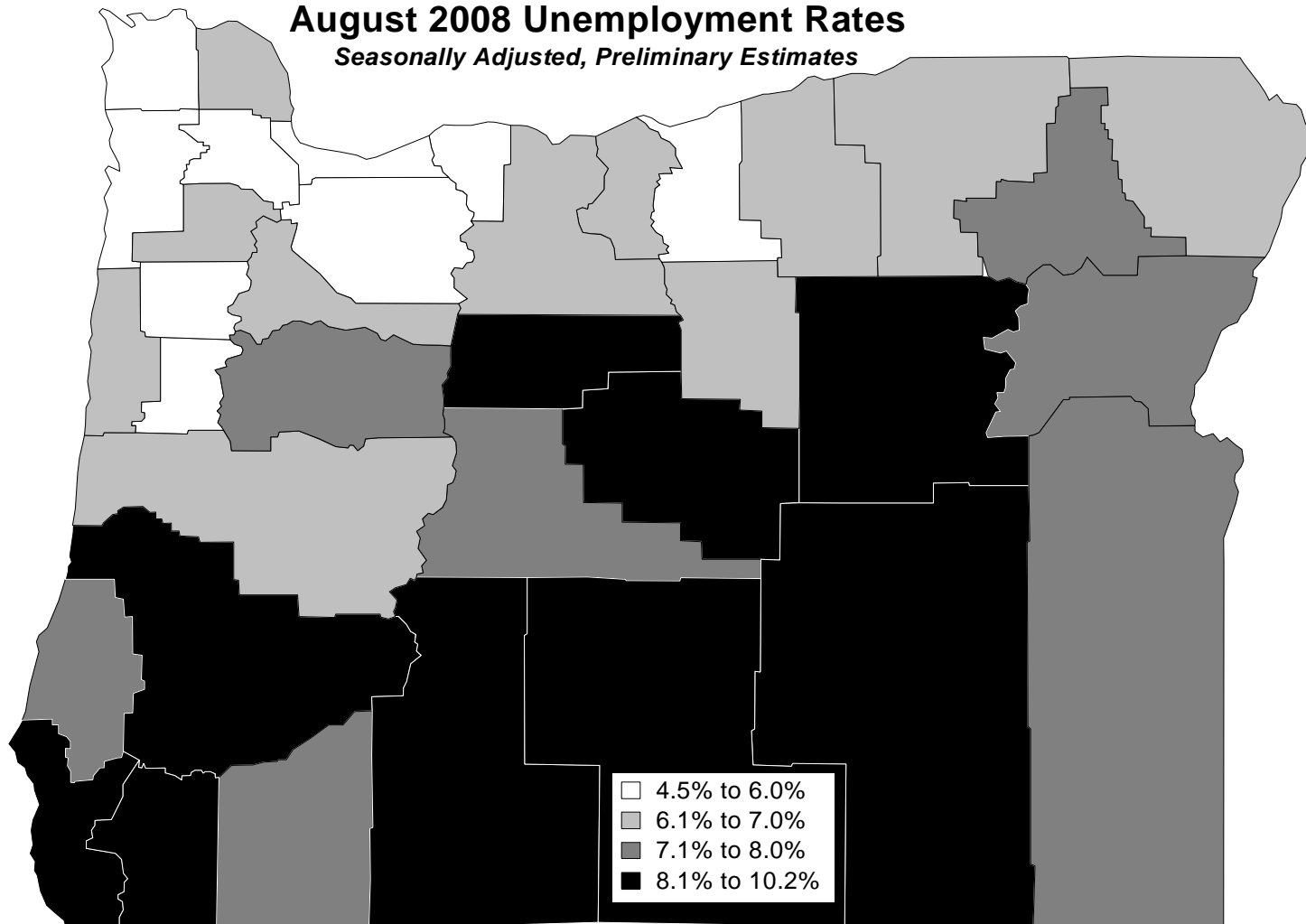


Regional unemployment rates up from 2007

Unemployment Rates by Region



August 2008 Unemployment Rates *Seasonally Adjusted, Preliminary Estimates*

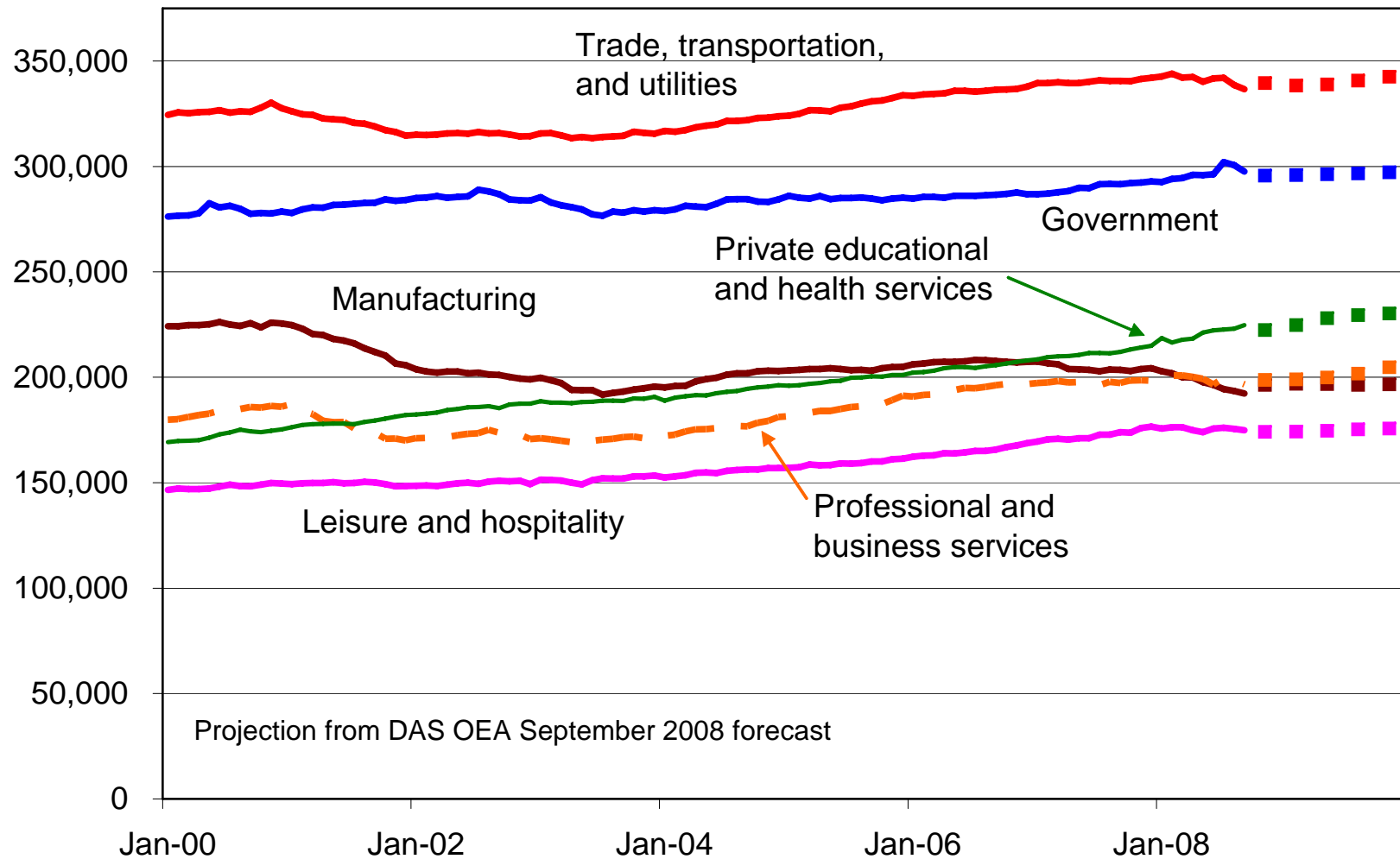


2008-2009 forecast: “shallow downturn”

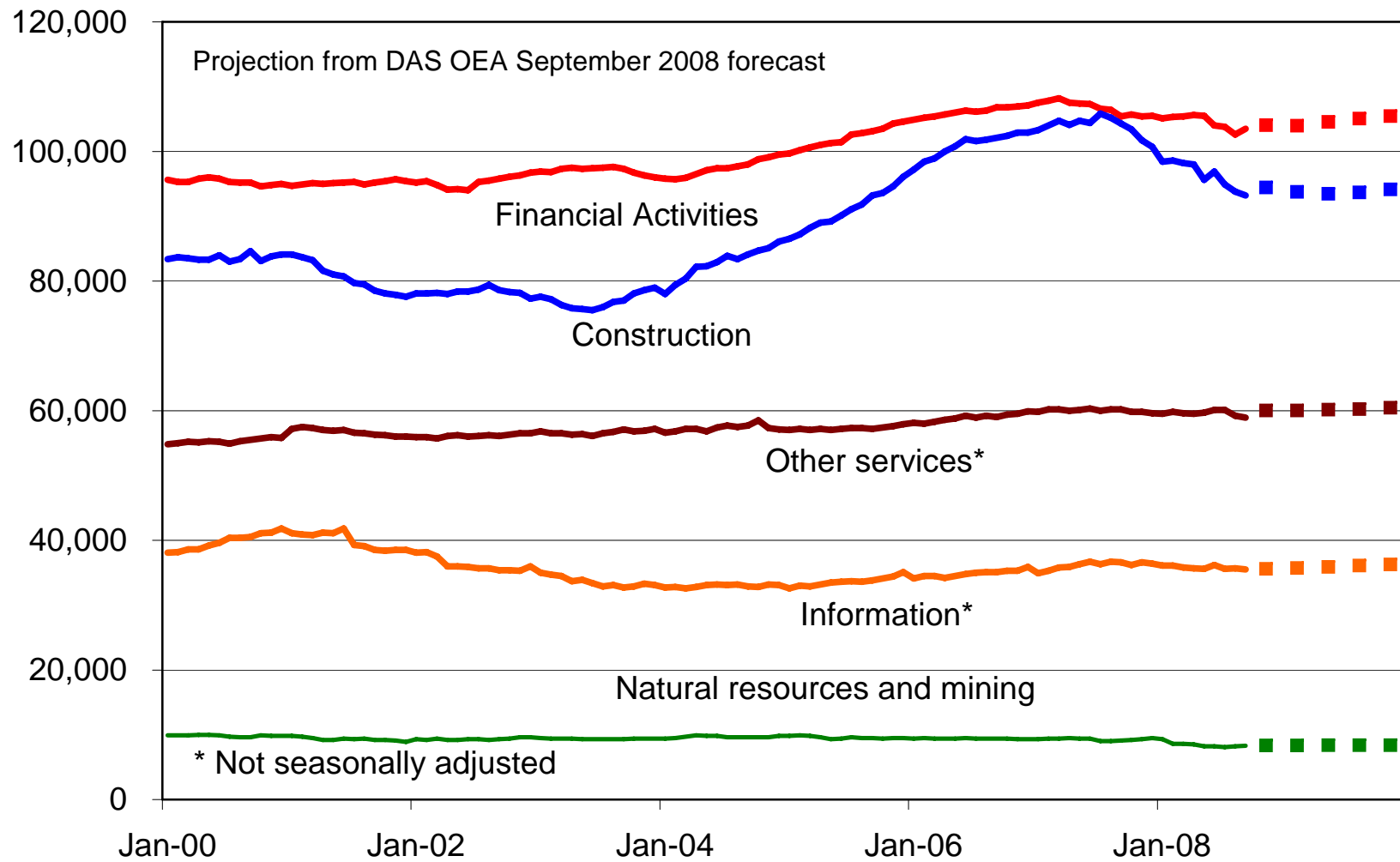
- Sept. 2008 forecast shows 0.2% job growth in 2008, 0.3% in 2009, 1.8% in 2010
- “Heightened” downside risks:
 - ✓ More instability in financial markets
 - ? Further worsening of housing markets
 - ☒ Loss of federal timber payments to OR
 - *Renewal included in recovery legislation*
 - ☒ Impacts of high oil prices - improved
 - ? Faltering of world economy, incl. Asia



Nonfarm Payroll Employment, Selected Industries Oregon, Seasonally Adjusted

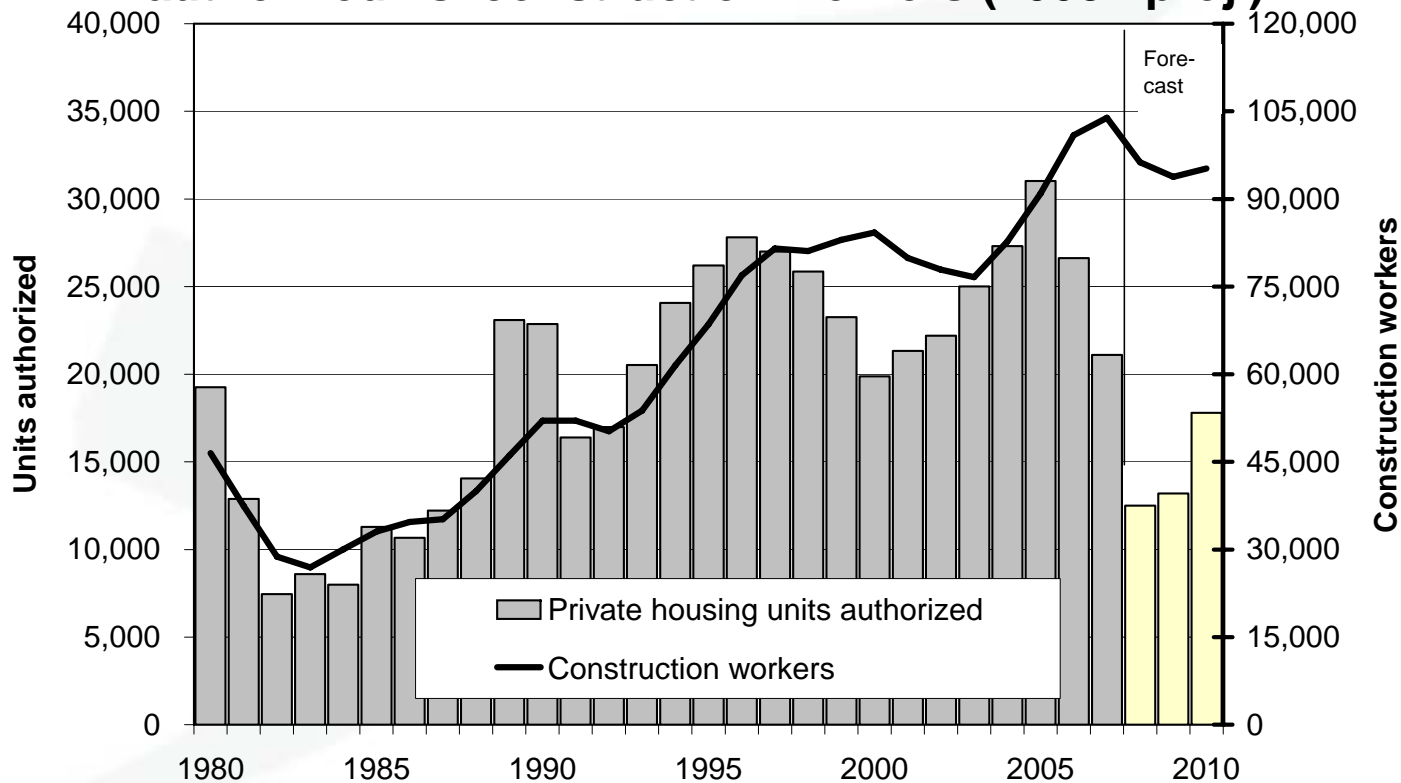


Nonfarm Payroll Employment, Selected Industries Oregon, Seasonally Adjusted



New housing units have declined while construction jobs remain high

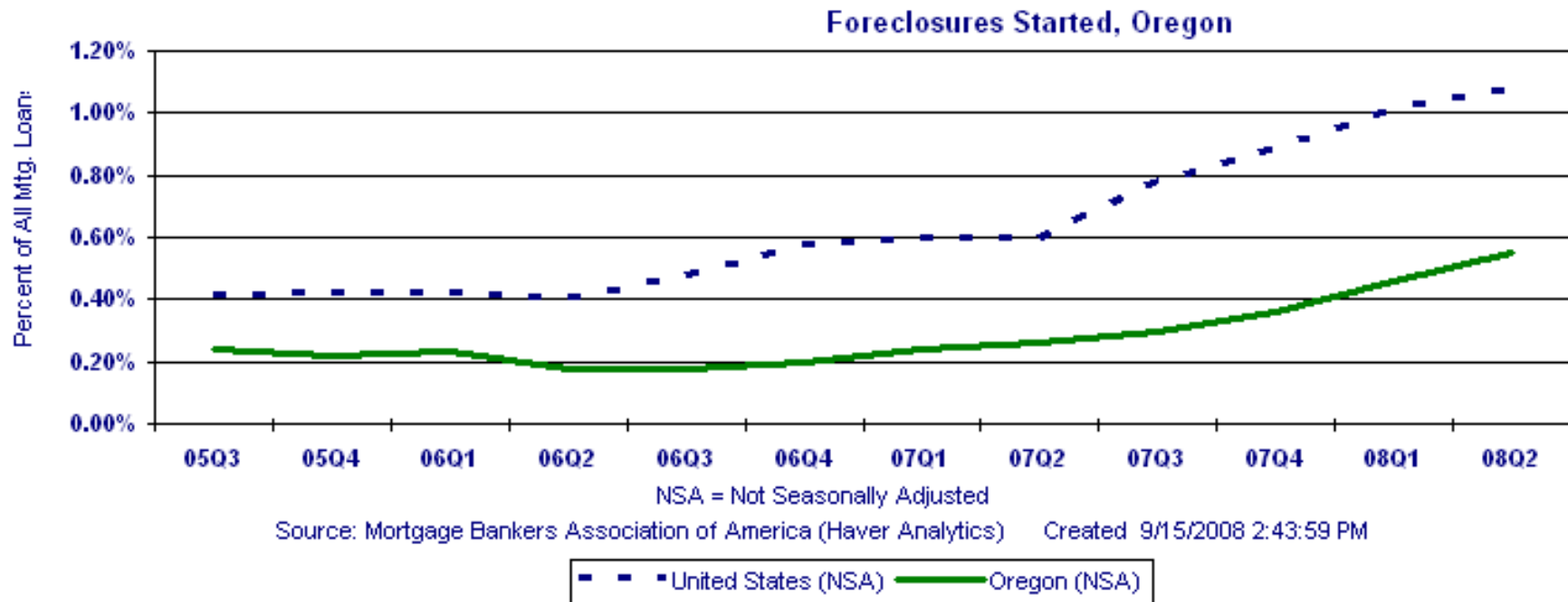
Oregon: New privately owned housing units authorized vs. construction workers (2008+ proj.)



Sources: U.S. Census Bureau; Oregon Employment Dept.; DAS Office of Economic Analysis, Sept 2008 forecast.



Oregon's mortgage foreclosure rate is low compared to U.S. rate, but rising



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