



Oregon's "Full-Throttle" Job Market

[Financial Literacy Conference](#)

October 14, 2016

“Full-Throttle” Job Growth

- Oregon has been adding jobs faster than the U.S. since 2013.
 - Tied with Idaho for fastest job growth rate (3.3%) in the nation
- Oregon recently added more jobs in 12 months than over any 12-month period since 1990 (at least).
- Oregon’s unemployment rate was the lowest in 40 years, up slightly this summer as more people joined the labor force.
- Strong job growth is boosting the labor force participation rate, offsetting the long-term decline in participation.
- The youth labor market has improved a lot, but it’s still not great, especially for teens.



Average monthly job growth increased in each of the past five years.

Oregon's Monthly Job Growth or Decline seasonally adjusted

Average monthly
nonfarm employment
gain:

2011

+1,700 jobs

2012

+1,700 jobs

2013

+3,700 jobs

2014

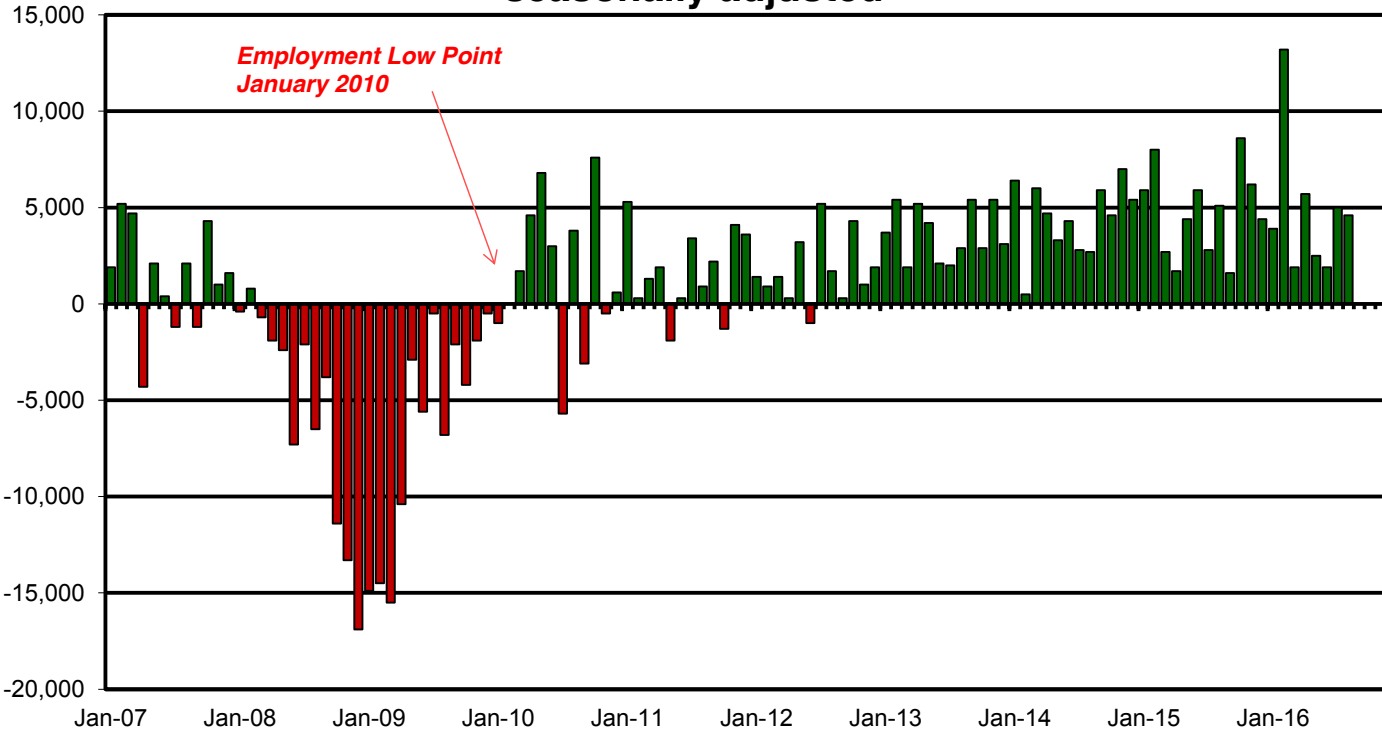
+4,500 jobs

2015

+4,800 jobs

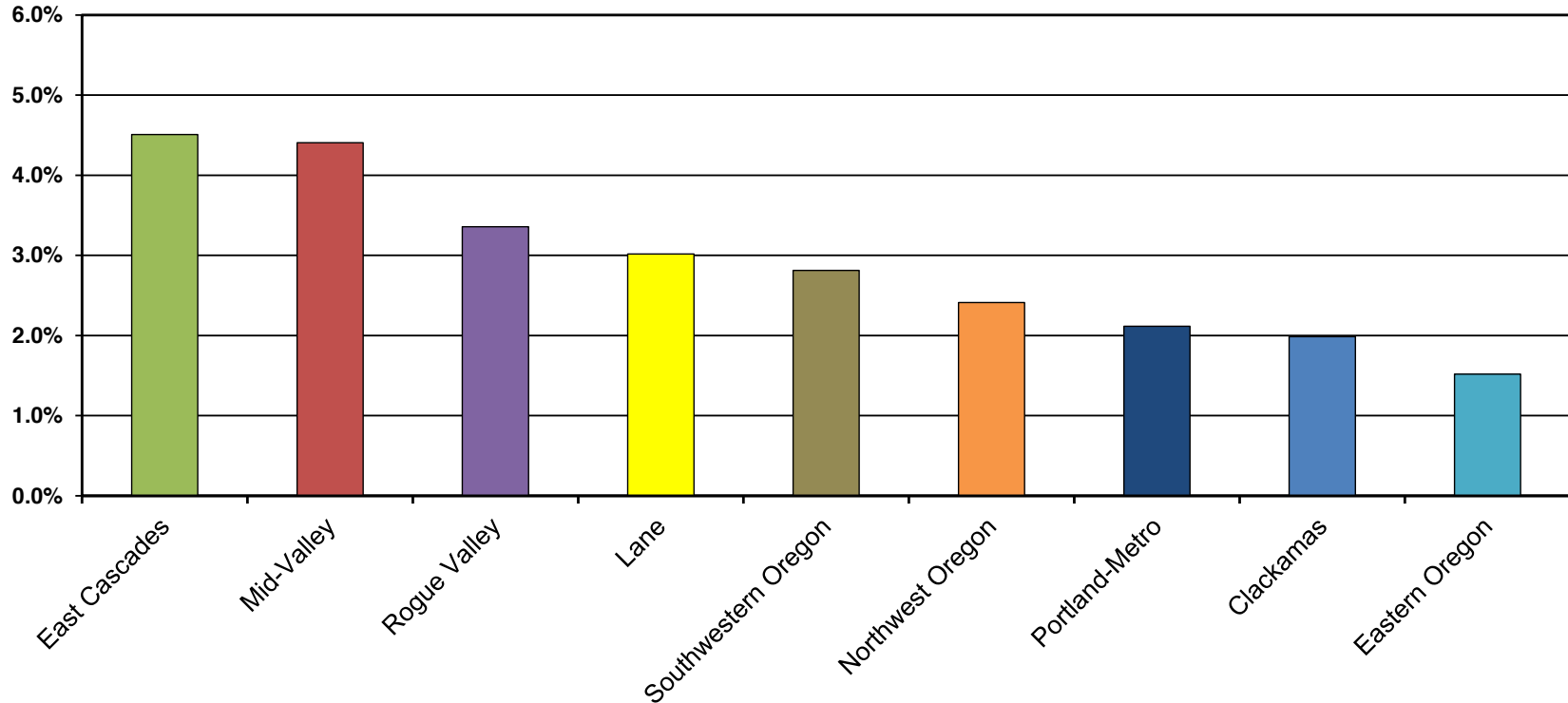
Jan. – Aug. 2016

+4,800 jobs



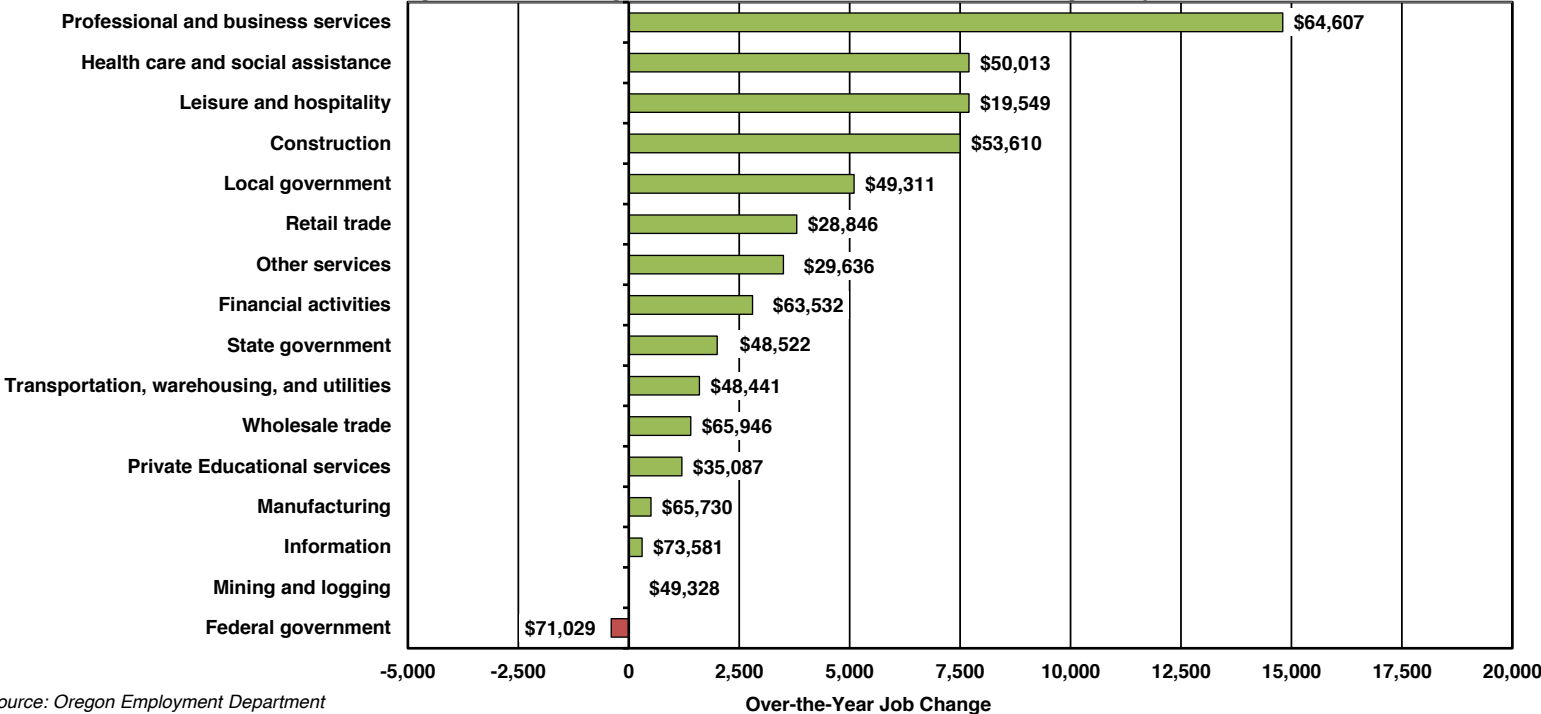
Job growth is fairly strong in most areas of the state.

12-Month Job Growth Rates by Local Workforce Area
August 2015 to August 2016, Seasonally Adjusted



Industries with low, medium, and high average wages have added jobs over the last year.

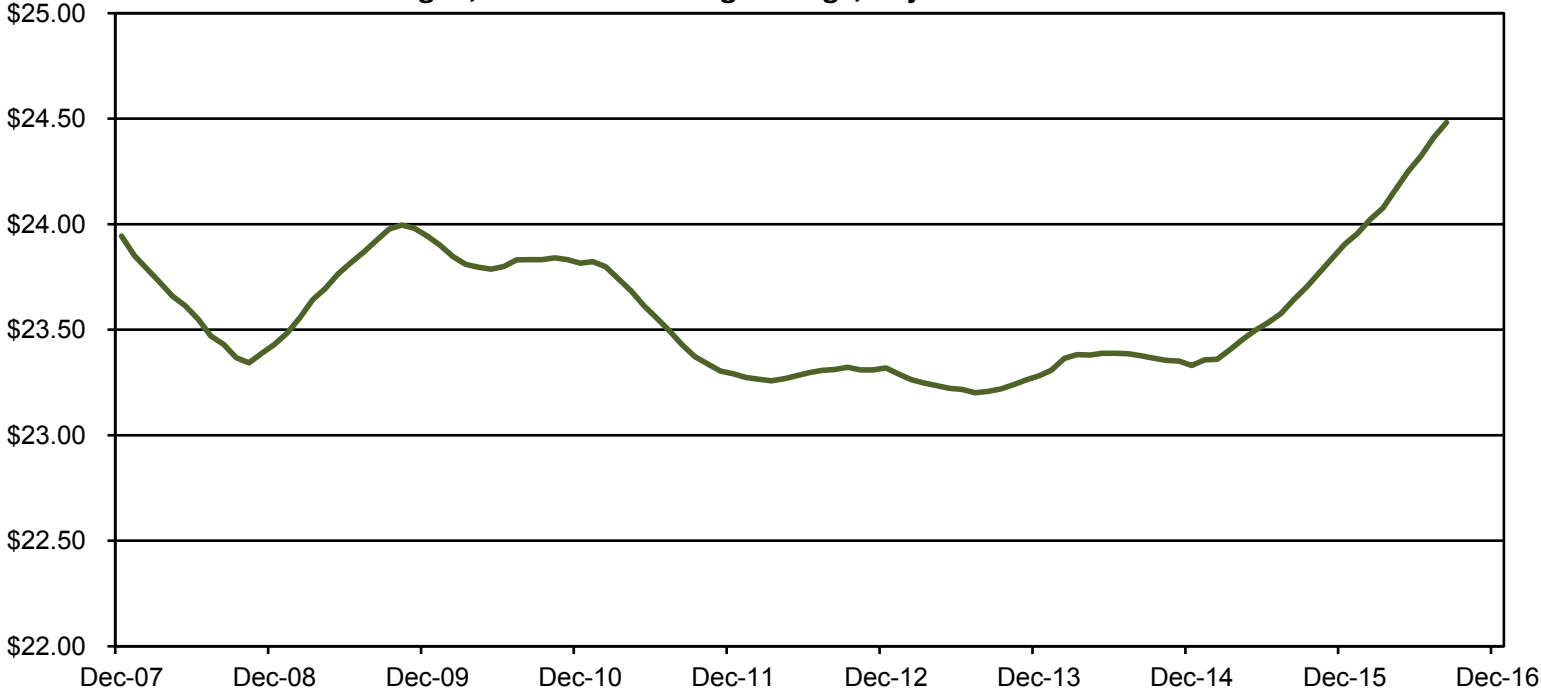
Oregon Job Growth and Average Pay by Industry
 August 2015 - August 2016 Job Growth, 2015 Average Pay



Source: Oregon Employment Department

Strong job growth, a tight labor market, and low inflation are leading to real gains in the average wage of private sector jobs in Oregon.

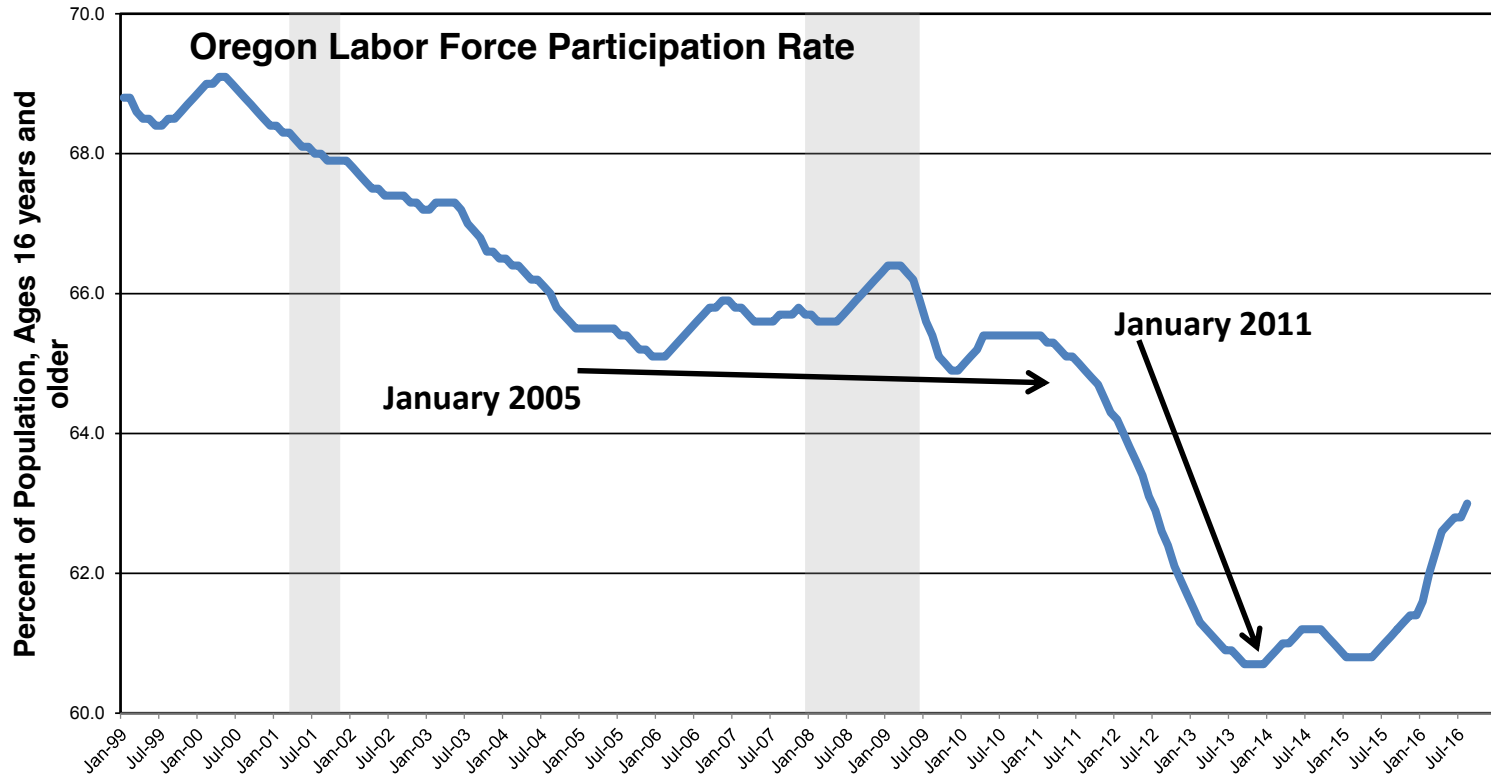
Average Hourly Wages on the Rise
Oregon, 12-Month Moving Average, Adjusted for Inflation



Source: Oregon Employment Department and Bureau of Labor Statistics



Labor force participation is on the rise again as strong job growth attracts more people to Oregon's labor force.



The Takeaways

1. This is what a strong job market looks like.



Job Vacancy Survey

RECENT JOB OPPORTUNITIES



Oregon businesses reported a record 61,000 vacancies this summer.

Snapshot of Oregon Job Vacancies, Summer 2016

Vacancies	61,033
Average Hourly Wage	\$16.66
Full-time Positions	73%
Permanent Positions	94%
Requiring Education Beyond High School	18%
Requiring Previous Experience	57%
Difficult to Fill	63%

- Surveyed 3,500 private employers with two or more employees
- Vacancies requiring previous experience reached a low since the start of the survey in winter 2013.



Many occupation groups had large numbers of vacancies – employers are hiring for many different jobs.

Oregon Job Vacancies by Occupation Group, Summer 2016

<u>Occupation Group</u>	<u>Vacancies</u>
All Occupations	61,033
Food Preparation and Serving Related	7,264
Construction and Extraction	5,661
Sales and Related	5,226
Transportation and Material Moving	5,132
Office and Administrative Support	4,749
Health Care Practitioners and Technical	3,645
Building and Grounds Cleaning and Maintenance	3,566
Personal Care and Service	3,438
Production	3,361
Health Care Support	2,949
Installation, Maintenance, and Repair	2,341
Management	2,279
Business and Financial Operations	1,942
Architecture and Engineering	1,852
Community and Social Service	1,627
Protective Service	1,337
Farming, Fishing, and Forestry	1,152
Arts, Design, Entertainment, Sports, and Media	1,049
Computer and Mathematical	910
Education, Training, and Library	785
Legal	621
Life, Physical, and Social Science	147

The occupations with the largest number of difficult-to-fill vacancies included:

- Personal care aides
- Construction laborers
- Nursing assistants
- Restaurant cooks
- Food prep and serving workers
- Heavy and tractor-trailer truck drivers



The number of high-wage vacancies – paying at least \$25 per hour – doubled over the year.

Oregon Job Vacancies by Hourly Wage Range

Wage (per hour)	Summer 2015	Summer 2016
All Wage Ranges	42,976	61,033
Less than \$15	21,513	29,180
\$15 through \$24.99	11,822	13,291
\$25 and up	4,103	8,166

unknown excluded

- This contributed to the higher average wage (\$16.66) in summer.



Job vacancies were concentrated in Portland-area counties and the Willamette Valley.

Oregon Job Vacancies by Geography, Summer 2016

<u>Geography</u>	<u>Vacancies</u>
Oregon Statewide	61,033
Portland Metro	18,953
Mid-Valley	8,883
Clackamas	6,736
Central Oregon/East Cascades	6,214
Lane	4,340
Northwest Oregon	4,253
Rogue Valley	4,039
Eastern Oregon	2,277
Southwestern Oregon	2,103

Multi-area or unknown excluded

- Central Oregon reported a relatively high number of vacancies, which reflects the region's strong growth.

The Takeaways

1. This is what a strong job market looks like.
2. There are a lot of job opportunities right now.



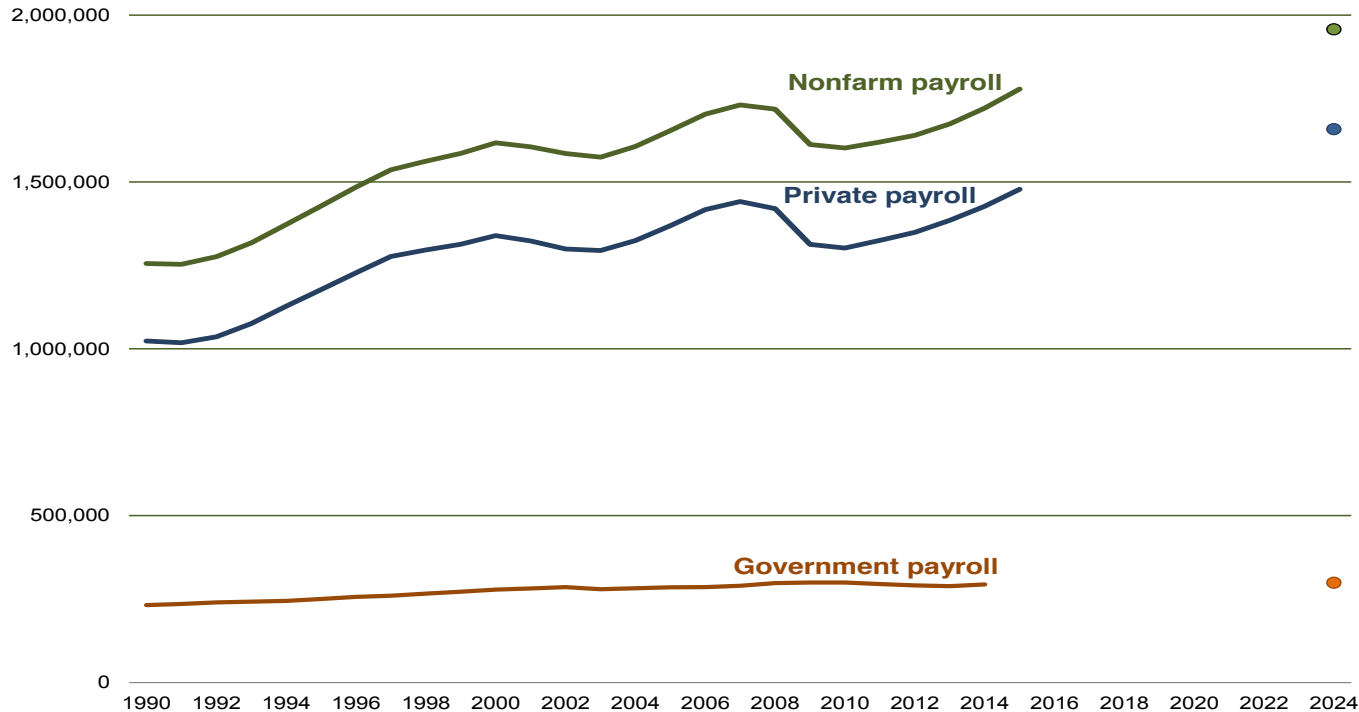


2014-2024 Employment Projections

FUTURE JOB OPPORTUNITIES

The overall number of jobs in Oregon is expected to grow by 14 percent from 2014 to 2024.

Oregon to Add 260,000 Jobs by 2024



245,000 payroll jobs due to economic growth (14%)

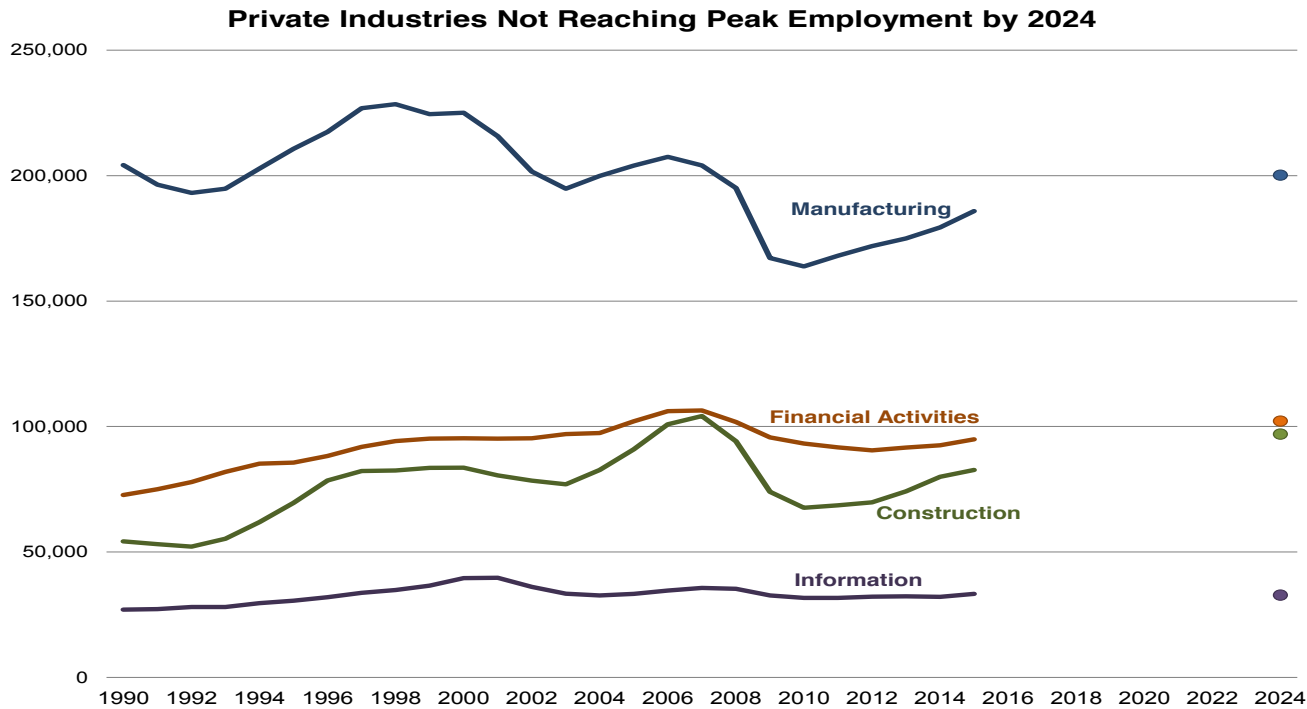
Private-sector growing faster (16%)

16,000 more in self-employment (15%)

Government growing slower (4%)

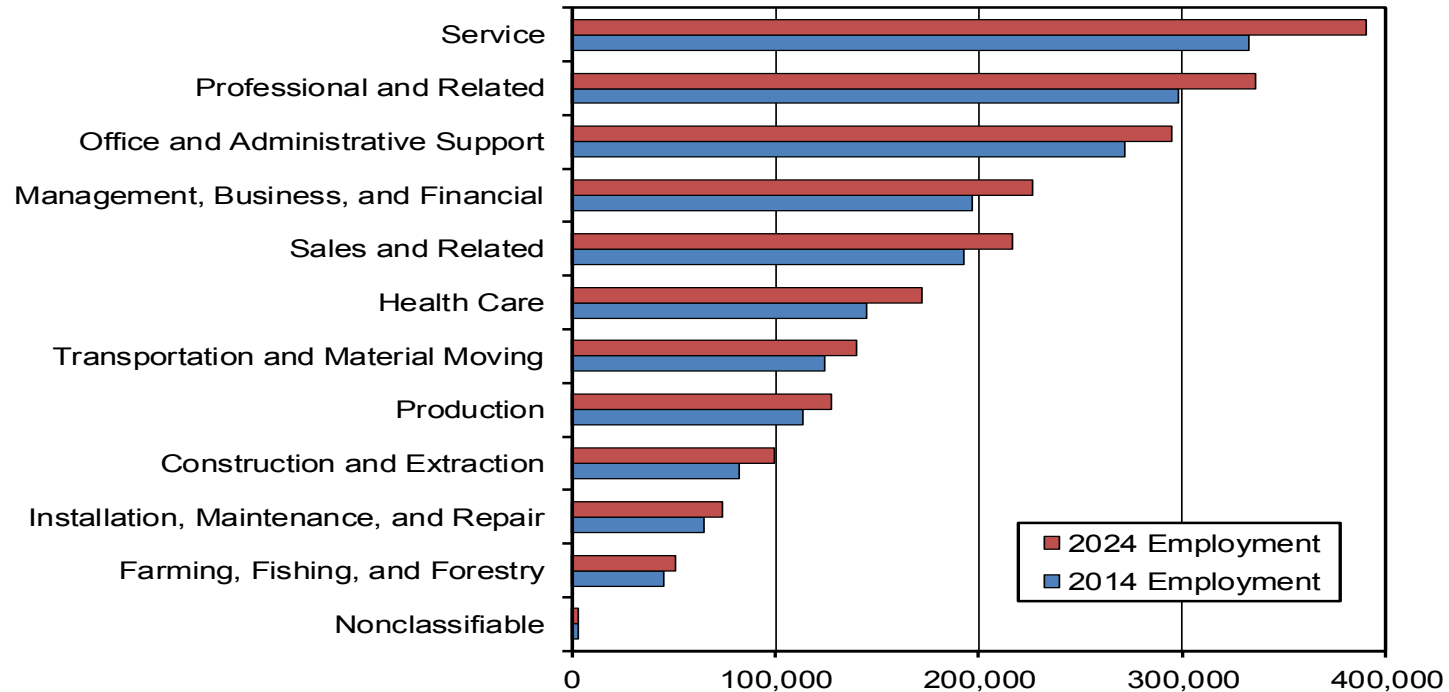


Despite its fast growth, construction is not expected to return to its all-time peak employment level by 2024. Neither will manufacturing, financial activities, or information.



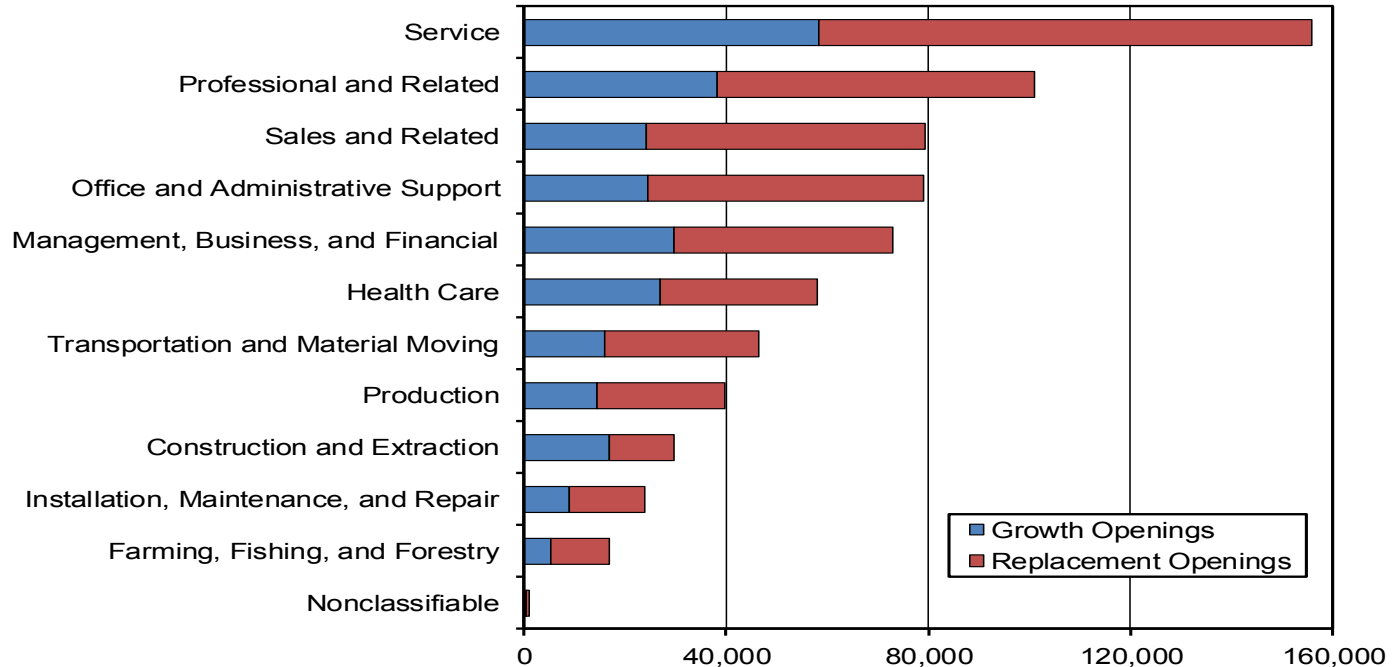
All broad occupational categories will add jobs through 2024.

Oregon Employment by Broad Occupational Group 2014 and 2024



There will be more jobs openings to replace workers leaving occupations than through economic growth.

**Occupational Openings, 2014-2024
Oregon**



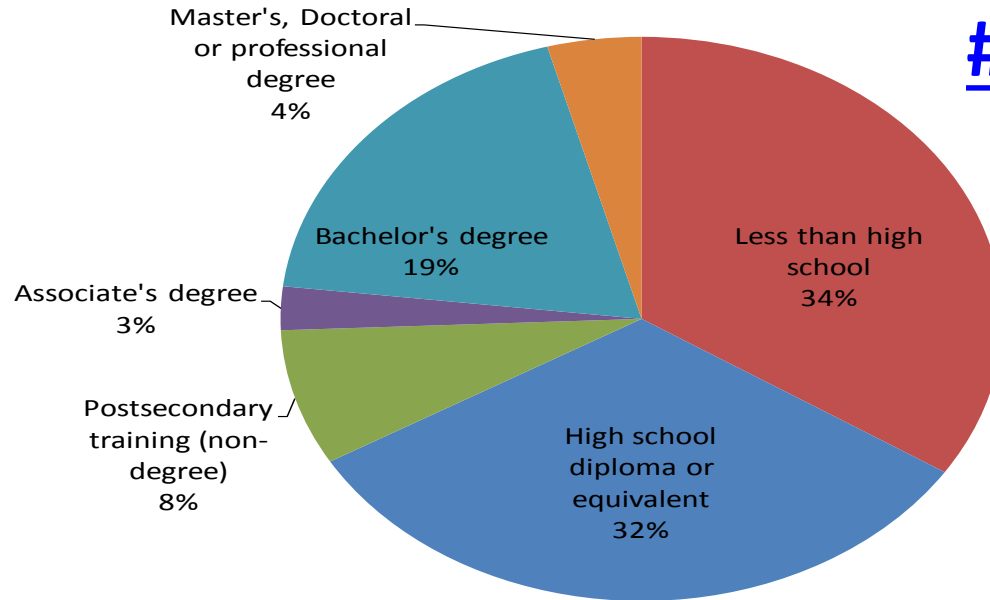
The Takeaways

1. This is what a strong job market looks like.
2. There are a lot of job opportunities right now.
3. There will continue to be job opportunities as more baby boomers leave the work force.



At the typical entry level, one-third of projected openings require education beyond high school

**Total Projected Openings by
Typical Entry-Level Education**

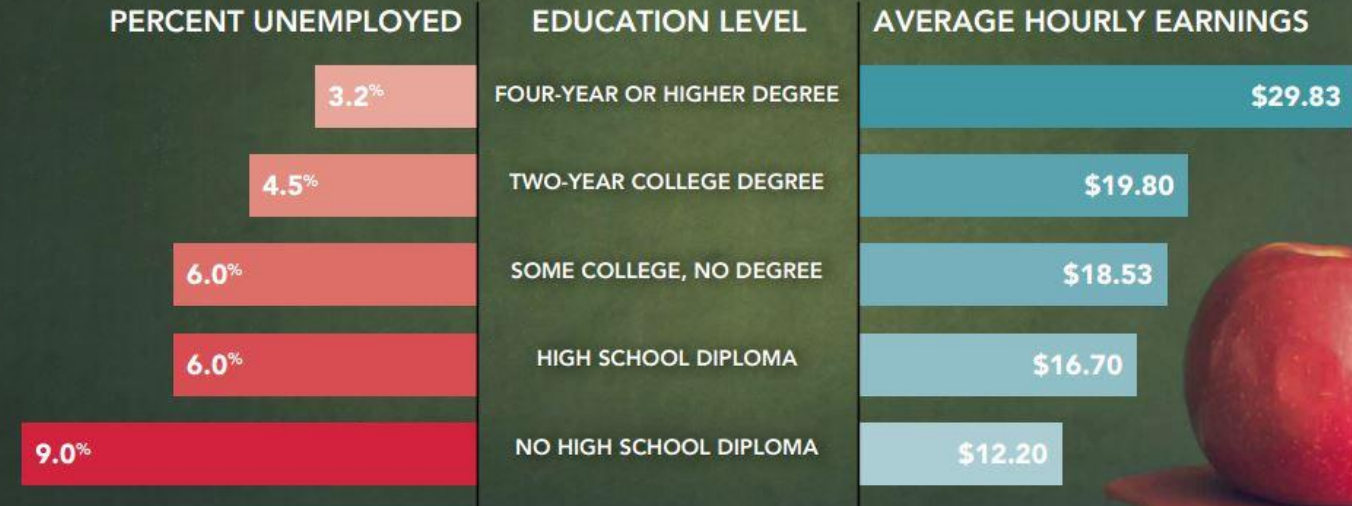


[#FirstSevenJobs](#)

#FirstSevenJobs

1. Newspaper carrier
2. Dishwasher
3. Courtesy clerk
4. Retail salesperson
5. Graduate research assistant
6. Economist

EDUCATION PAYS



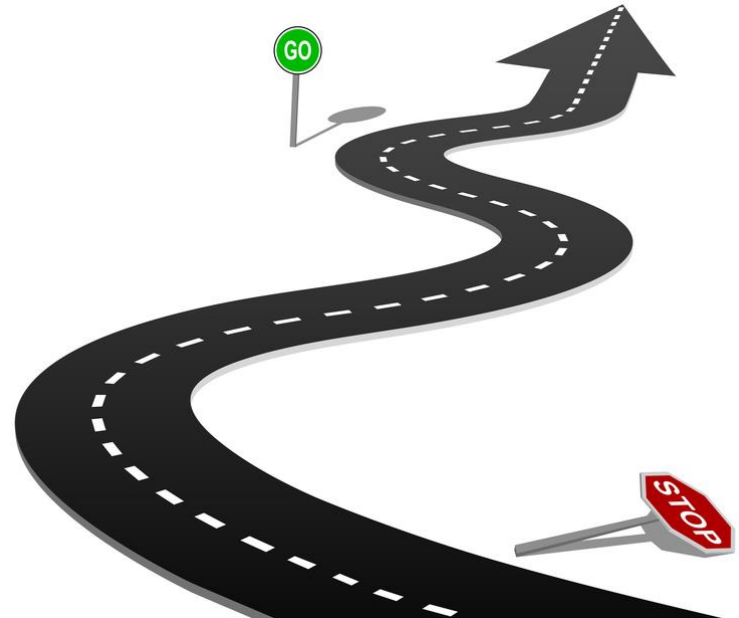
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4. Education pays.



GOING DOWN THE ROAD FEELIN' FINE

But Economic Conditions Change



Longest Period of Economic Expansion since WWII Lasted 10 Years (1991-2001)

- Impossible to know when the next recession will begin
- There have been 11 cycles of recession and expansion since 1945
 - Average recession lasted 1 year
 - Average expansion lasted 5 years
 - Average from trough to trough was 6 years
 - Average from peak to peak was 6 years
- Current expansion is 7 years and counting
 - Since June 2009

Economic Expansions Don't Die of "Old Age," but They Don't Last Forever



Source: Oregon Employment Department based on NBER Business Cycles



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4. Education pays.
5. Economic conditions change.



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