

Eastern Oregon Economic Analysis – 2020 Update for the Eastern Oregon Workforce Board

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Introduction:

The Eastern Oregon Local Workforce Area is comprised of eight counties (Baker, Grant, Harney, Malheur, Morrow, Umatilla, Union, and Wallowa). This region represents roughly 40 percent of the state's total land mass. Analysis of the Workforce area as a whole does not capture the economic picture of individual counties in much the same way that an analysis of the United States as a whole does not capture the economic picture of individual states. The aggregation of labor market data can mask what is actually occurring. For example, if one county sees large growth in a particular industry and another county sees a large decrease in the same industry, data aggregation might show this as industry stagnation, which would not be the case.

Individually, Eastern Oregon counties have a varied mix of industries, resources, demographics, and seasonality. One county may rely heavily on tourism to drive the economy, whereas another county relies on agriculture and still another relies on manufacturing. This makes capturing the true economic health of the region as a whole, problematic. The following analysis attempts to address the region's economy as a whole while also occasionally drawing attention to some individual points of interest that may warrant further investigation. A thorough economic analysis of each of the eight counties is recommended, but not within the scope of this report.

1.1 *An analysis of the economic conditions including existing and emerging in-demand industry sectors and occupations; and the employment needs of employers in those industry sectors and occupations.*

Industry Growth and Decline:

Eastern Oregon's total employment gained 4.6 percent from 2007 to 2018. Private-sector employment gained 8.4 percent. Growth was not constant or steady during this period. Total employment dropped during the Great Recession, hitting a low point in 2010. Private-sector employment dropped as well with its low point in 2009. Since 2010, employment has gained ground. In 2015, the region's total and private employment levels returned to where they had been in 2007. Growth beyond recovery has come since 2015.

Eastern Oregon Private Industries by Growth or Decline, 2007 to 2018

Growth Industries (2009 to 2018)	Change		Change		Overall Change	
	2007 to 2009		2009 to 2018		2007 to 2018	
Education and Health Services	410	5.9%	1,910	26.1%	2,320	33.6%
Manufacturing	-1,230	-15.1%	1,520	21.9%	290	3.5%
Leisure and hospitality	-260	-4.4%	710	12.4%	450	7.5%
Information	-100	-13.9%	560	90.3%	460	63.9%
Construction	-540	-19.7%	480	21.8%	-60	-2.2%
Retail trade	-440	-5.2%	340	4.2%	-100	-1.2%
Transportation, warehousing, and utilities	-130	-3.0%	190	4.6%	60	1.4%
Mining and logging	-120	-37.5%	110	55.0%	-10	-3.1%
Other services	30	1.7%	100	5.6%	130	7.3%
Wholesale Trade	-70	-3.3%	40	2.0%	-30	-1.4%
Industries in Decline (2009 to 2018)						
Financial activities	-220	-9.1%	-220	-10.0%	-440	-18.2%
Professional and Business Services	220	5.8%	-870	-21.7%	-650	-17.2%

Note: Manufacturing Excludes Harney; Mining and Logging Excludes Harney, Malheur, and Umatilla

Source: Oregon Employment Department

The majority of employment loss as well as employment growth was driven by the private sector. The accompanying table shows growing industries as well as declining industries in the private sector from 2007 to 2018. The table is broken into three periods of change: 2007 to 2009 when the majority of loss occurred, 2009 to 2018 when recovery and growth occurred, and 2007 to 2018 for a look at overall change since just prior to the recession. From the table we see that the majority of industries lose employment from 2007 to 2009 and then gain employment from 2009 to 2018. Overall change from 2007 to 2018 for most industries, for the region as a whole, is positive or only slightly negative.

It's important to note that the table is representative of Eastern Oregon overall and does not convey the economic situation in individual counties. This is due to a shift effect: large growth or decline in an industry in one county, or just a few counties, that shifts the direction of employment gains or losses and masks the status of that industry in the region overall. This also generally masks the plight or wellbeing of individual counties. Removing the county or counties responsible for the shift effect helps to get a better feel for how the industry is behaving in other counties in the region.

A second accompanying table reveals shift effects in nine industries. In four industries, the shift effect has been removed to reveal a more representative picture of the industry in the region. Education and health services has seen large growth in the region. The industry added employment throughout the recession and continues to add employment. However, in January 2018 a legislative change reclassified homecare workers from state employment to private education and health services. This bumped up education and health services by roughly 860 workers in January, a change that does not represent actual growth.

Eastern Oregon Private Industries by Shift Effect, 2007 to 2018

Industries in Growth or Decline	Change		Change		Overall Change	
	2007 to 2009		2009 to 2018		2007 to 2018	
Education and Health Services	410	5.9%	1,910	26.1%	2,320	33.6%
Education and Health Services ¹	410	5.9%	1,050	14.4%	1,460	21.2%
Manufacturing	-1,230	-15.1%	1,520	21.9%	290	3.5%
Manufacturing ²	-1,570	-21.7%	970	17.1%	-600	-8.3%
Professional and Business Services	220	5.8%	-870	-21.7%	-650	-17.2%
Professional and Business Services ³	-10	-0.6%	200	13.0%	190	12.3%
Information	-100	-13.9%	560	90.3%	460	63.9%
Information ⁴	-100	-14.3%	70	11.7%	-30	-4.3%
Leisure and hospitality	-260	-4.4%	710	12.4%	450	7.5%
Construction	-540	-19.7%	480	21.8%	-60	-2.2%
Retail trade	-440	-5.2%	340	4.2%	-100	-1.2%
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Wholesale Trade	-70	-3.3%	40	2.0%	-30	-1.4%

Note: Manufacturing Excludes Harney; Mining and Logging Excludes Harney, Malheur, and Umatilla

Note: ¹ Excludes Home Care Workers, ² Excludes Morrow, ³ Excludes Umatilla, ⁴ Excludes Morrow

Source: Oregon Employment Department

Manufacturing has seen continued growth since 2009. However, Morrow, Umatilla, and Union counties represent roughly 92 percent of this growth. In addition, Morrow County was the only Eastern Oregon county with no drop in manufacturing employment from 2007 to 2009. Removal of Morrow shows much softer growth since 2009 and reveals that manufacturing in the region is still down 600 workers from 2007 to 2018.

Umatilla County saw a loss of 1,070 workers in professional and business services since 2009. Removal of Umatilla from this industry's analysis reveals that the industry did not lose ground in the majority of counties. Instead, the industry has actually gained ground.

The information industry has been on a tear in Morrow County since 2009, adding 490 workers for the period. This represents nearly all growth for the industry in Eastern Oregon. On the other hand, information employment has decreased in half of the region's counties. Removal of Morrow from the analysis reveals a gain of only 70 since 2009 and a slight decrease overall since 2007.

In the remaining five industries, the shift effect was not removed from the analysis. In leisure and hospitality 42 percent of growth since 2009 came in Umatilla County, with 41 percent of growth in Union, Malheur, and Grant counties. In construction, Umatilla, Morrow, and Malheur counties represent 90 percent of growth since 2009. In Retail

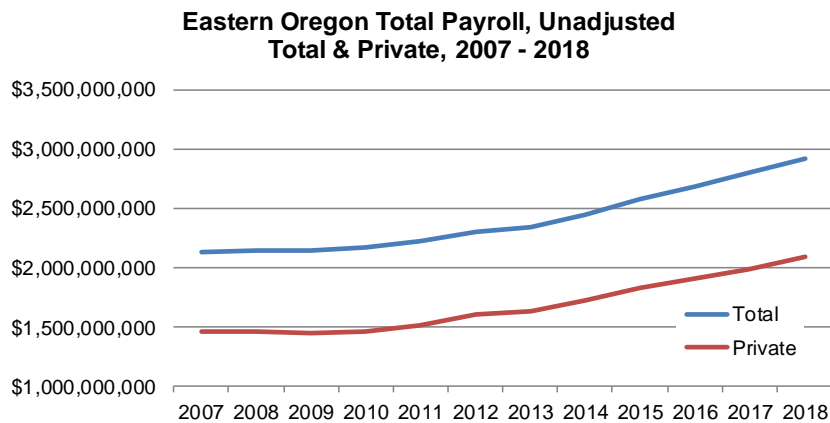
trade, Baker, Morrow, and Union counties account for the majority of growth. Harney, Malheur, and Umatilla are not included in the mining and logging analysis. Union County was down 80 in mining and logging since 2007, Grant County was up 90 since 2009, and several counties were basically stagnant with little employment. Wholesale trade has a similar story. Umatilla was up 190 in wholesale trade since 2009, Malheur was down 170 since 2016, and the remaining counties were relatively stagnant.

After accounting for shift effects, the growth and decline levels shown for other services, financial activities, and transportation, warehousing, and utilities appear to be the only industries representative of the region overall.

Total and Private Payroll:

Eastern Oregon’s total payroll was \$2.9 billion in 2018. Private-sector payroll was \$2.1 billion while government-sector payroll was \$822 million. Total payroll grew 35.7 percent from 2009 to 2018; not adjusted for inflation. Growth was light following the Great Recession and moderate from 2011 to 2013. Payroll growth has gained speed since 2014. Total payroll growth was a more modest 16.0 percent since 2009, after adjusting for inflation.

The graph illustrates how private-sector payroll moves total payroll. Private-sector payroll slipped in 2008 and 2009 with a loss of 0.4 percent and 0.9 percent, respectively. Private-sector payroll grew 44.8 percent however, from 2009 to 2018 (unadjusted). Growth was cut to 23.7 percent from 2009 to 2018 after adjusting for inflation.



Source: Oregon Employment Department

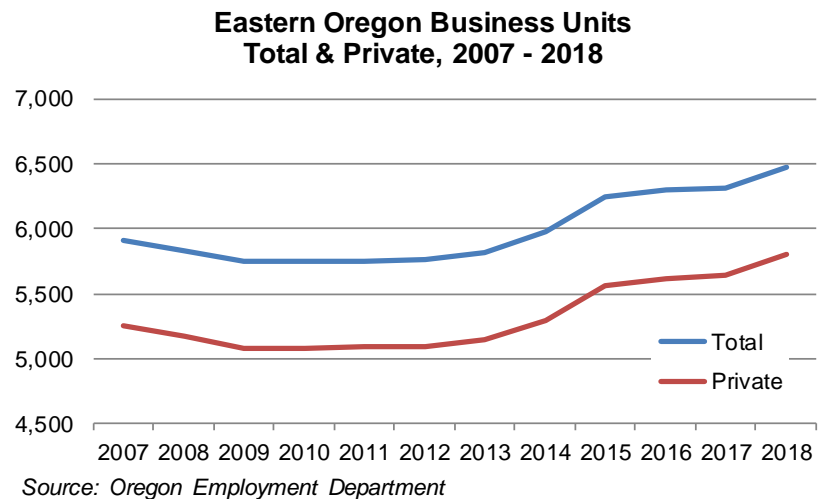
The overall growth in Eastern Oregon’s private-sector payroll over the last few years points to, and adds to, a strengthening regional economy. Private sector employers continue to tack on more employees. In turn, the added paychecks feed growth in the region. More than \$270 million has been added to private-sector payroll in Eastern Oregon since 2015.

Total and Private Firms:

The total number of businesses in Eastern Oregon was 6,470 in 2018 (annual average). This was a gain of 2.4 percent since 2017: a gain of 9.5 percent (564 firms) since 2007. The number of firms hit a low in 2010 after a loss of 163 firms during the recession.

Business growth was slow until 2013. The majority of firms added since the recession came in 2014 and 2015. Growth slowed again in 2016 and 2017.

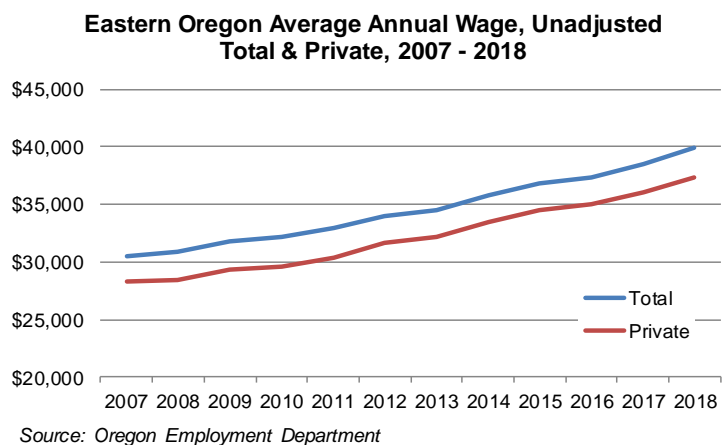
The private sector drives new business growth. From 2007 to 2018, the increase or decrease in total number of firms moved with the pattern of growth and decline in the private sector. The private sector added 562 firms since 2007, up 10.7 percent. Private-sector firms accounted for 90.0 percent of all Eastern Oregon businesses in 2018. This was nearly unchanged since 2007.



Firms have been added in all Eastern Oregon counties except for Grant. Grant fell to 260 firms in 2012 (-34 from 2007). The county made little headway in adding firms in 2014 and 2015, and has since fallen to 258 firms in 2018. The overall growth however, in the number of businesses in Eastern Oregon points to the ability of firms to operate in the current economy and a willingness to enter into the regional market. It's plausible that a slowing firm growth rate over the past few years is correlated with the tightening labor market and the dramatically decreased unemployment rate. Fewer new firms may be choosing to enter the market due to increasing difficulty of finding workers.

Wages:

Eastern Oregon's total average annual wage was \$30,485 in 2007. The average annual wage grew 31.0 percent to reach \$39,939 in 2018 (unadjusted). The private sector wage grew from \$28,282 in 2007 to reach \$37,281 in 2018: a gain of 31.8 percent.



Adjusted for inflation, wage growth held a much more modest pace. The total average annual wage grew 8.2 percent from 2007 to 2018 and the private sector wage grew 8.8 percent.

The average annual wage is not a good measure of an individual worker's actual average wage because the number is simply total payroll divided by total employment. This measure however, is one gauge for the health of the overall economy. In Eastern Oregon, average annual wage growth continues to outpace inflation. This could be due to the mix of higher wage industries in the region that saw growth over the extended period. For instance, manufacturing and information jobs in Morrow County, and education and health services jobs in the region overall.

Unemployment insurance wage records provide a better look at the wage paid to an individual worker. According to wage records, 7.9 percent of workers in Eastern Oregon earned minimum wage (\$10.50 per hour in 2018) and almost half (43.3%) of workers earned \$15 per hour or less in 2018. By comparison, 7.3 percent of all Oregon workers earned \$10.50 per hour and 31.2 percent of workers earned \$15 per hour or less.

Jobs Paying \$15.00/hour or Less - 2018

	Total Jobs	\$10.50/hour or less	% of Total	\$15.00/hour or less	% of Total
Oregon	2,215,057	161,963	7.3%	691,211	31.2%
Baker	6,090	545	8.9%	2,511	41.2%
Grant	2,570	252	9.8%	939	36.6%
Harney	2,680	330	12.3%	1,150	42.9%
Malheur	15,022	1,815	12.1%	7,762	51.7%
Morrow	7,986	279	3.5%	2,853	35.7%
Umatilla	37,900	2,508	6.6%	16,805	44.3%
Union	11,713	990	8.5%	4,526	38.6%
Wallowa	3,175	198	6.2%	1,203	37.9%
Eastern Oregon	87,136	6,917	7.9%	37,750	43.3%

Source: Oregon Employment Department

Individual county figures vary widely in Eastern Oregon. Morrow County had the fewest workers in the region that were paid minimum wage in 2018 (3.5%) while Harney County had the most (12.3%). Malheur was a close second for most at 12.1 percent. Morrow County also had the fewest workers earning \$15 per hour or less (35.7%) while Malheur County had the most (51.7%).

Land Mass:

While lack of land mass may be an issue for other workforce areas, for Eastern Oregon size is an issue of a different kind. The eight county region covers a combined 38,044 square miles of Oregon's total 95,988 square miles: 40 percent of the state's total geographic area. This helps to highlight some pitfalls in studying the region as a single economy.

Since vast distances exist between many cities and counties in Eastern Oregon, prosperity felt in one part of Eastern Oregon may not be felt in another part of Eastern Oregon. Regional mobility issues such as shipping and

Land Coverage

	Square Miles
Oregon	95,988
Baker	3,068
Grant	4,528
Harney	10,133
Malheur	9,887
Morrow	2,031
Umatilla	3,215
Union	2,036
Wallowa	3,146
Eastern Oregon	38,044

Source: Oregon Employment Department and U.S. Census Bureau

commutability constraints likely hamper economic benefits in one area from spreading to another. What is a commutable distance in the Portland-Metro area is not necessarily a commutable distance in Eastern Oregon. Cities in Grant, Harney, and Wallowa counties struggle the most with this issue due to long relative proximity to major highways. Cities in Baker and Union counties struggle with this issue due to mountain passes that close often during winter months as well as distance between cities.

Along these lines, many municipalities are likely not economically co-reliant. In other words, micro economies in the region may not be structurally similar or dependent on one another. For example, in 2011 Harney County drew just 0.5 percent of private employment from the manufacturing industry whereas Morrow County drew over 31.0 percent of private employment from manufacturing. Similarly, in 2014 Harney County drew almost 45 percent of total employment from the government sector whereas Morrow County drew less than 16 percent of total employment from the government sector.

1.2 An analysis of the knowledge and skills required to meet the employment needs of the employers in the local area, including employment requirements for in-demand industry sectors and occupations.

Long-term Industry Outlook:

The Oregon Employment Department's 2017-2027 Industry Employment Projections show expected total industry growth of 10 percent, or 7,200 jobs over the coming decade. The private sector is expected to add 6,300 jobs while the government sector is expected to add 900 jobs. Government growth should come primarily in local government, which is expected to add 700 jobs for a gain of 6 percent. State government should add 100 jobs for a gain of 3 percent while federal government is expected to remain unchanged.

The top three private-sector industries by projected growth are education and health services (+1,300 jobs), natural resources and mining (+1,000 jobs), and manufacturing (+900 jobs). The majority of growth in the private education and health services industry is expected in health services. Private education in Eastern Oregon is a relatively small portion of the overall industry and is not expected to show much growth. Natural resources and mining should see the most growth in the natural resources portion of the industry. This should come primarily in crop and animal production in Morrow and Umatilla counties. Roughly two-thirds of growth in manufacturing should come in Morrow and Umatilla as well: primarily in food manufacturing. Other notable industries for projected growth are leisure and hospitality (+13% or 800 jobs), and construction (+20% or 500 jobs).

Long-term Occupational Outlook:

Occupational Projections for Eastern Oregon show an expectation of more than 101,000 total job openings from 2017 to 2027. The majority (93,000 openings) of

expected openings will come from the need to replace workers who retire or exit the labor force for some other reason, and from workers who leave their current occupations for unrelated occupations.

All told, roughly 80 percent of projected job openings are in occupations that require no more than a high school diploma and 42 percent of openings are projected in occupations that don't require a diploma. Occupations that don't require at least a high school diploma tend to be low skill, low wage, and often times seasonal. Occupations with higher wages and no diploma requirement are projected to have comparatively few job openings in Eastern Oregon over the coming years. Less than high school is not the competitive level of education for any occupation in Eastern Oregon, however a high school diploma is the competitive level of education for 56 percent of projected job openings over the next decade.

Out of 644 different occupations for Eastern Oregon, just 32 occupations account for roughly half of all projected job openings. An occupation is considered high demand if its total number of expected openings for the ten-year period is above the median number of expected openings for the region (32.5 openings). The average number of expected job openings for the 32 occupations is 1,538 over the ten-year period. The majority of these high demand occupations require a minimum qualification of high school diploma or less and pay a relatively low median wage. Only two require a bachelor's degree and only two require post-secondary training no degree. These four along with only four more of the 32 have a median wage above \$16.36 per hour, which is the all-industry median wage for Eastern Oregon.

Occupations with a median wage above \$16.36 per hour are considered high wage for Eastern Oregon. High wage occupations account for roughly 31 percent of all projected job openings for the region. In all, there are 184 occupations listed as high wage. The minimum education level for 60 of these occupations is high school diploma, with less than high school as a requirement for an additional six. When looking at competitive qualifications, high school diploma is listed for just 19 of these high wage occupations. Post-secondary training is listed for 40 occupations, associate's degree listed for 23, and the remaining 102 have a competitive education level of bachelor's degree or higher.

Occupations considered both high wage and high demand shake out in mostly similar fashion as those that are just high wage. The primary difference between the high wage category and the high wage high demand category is the diminished number of occupations that require a bachelor's degree or higher in the latter category. This is because for many of these bachelor's degree or higher occupations there are fewer than 33 total job openings projected from 2017 to 2027. This removes them from the high demand category. For high school diploma there are 19 occupations in the high wage high demand category, for post-secondary there are 37, and for associate's there are 17.

Population:

Population Change

	2018	2017	2008	Over-the-Year		Ten-Year Change	
				Change		Change	
Oregon	4,195,300	4,141,100	3,791,075	54,200	1.3%	404,225	10.7%
Baker	16,765	16,750	16,455	15	0.1%	310	1.9%
Grant	7,400	7,415	7,530	-15	-0.2%	-130	-1.7%
Harney	7,380	7,360	7,705	20	0.3%	-325	-4.2%
Malheur	31,925	31,845	31,675	80	0.3%	250	0.8%
Morrow	11,885	11,890	12,485	-5	0.0%	-600	-4.8%
Umatilla	80,765	80,500	72,380	265	0.3%	8,385	11.6%
Union	26,885	26,900	25,360	-15	-0.1%	1,525	6.0%
Wallowa	7,175	7,195	7,115	-20	-0.3%	60	0.8%
Eastern Oregon	190,180	189,855	180,705	325	0.2%	9,475	5.2%

Source: Oregon Employment Department and Portland State University Population Research Center

Portland State's Population Research Center estimates the population of Oregon was nearly 4.2 million in 2018. The state gained over 404,000 people since 2008, growth of 10.7 percent. Over the year, Oregon's population grew 1.3 percent adding roughly 54,200 people. In comparison, Eastern Oregon's population tipped 190,000 in 2018, 4.5 percent of the state's total population. The region's population grew 5.2 percent (9,475 people) since 2008 and 0.2 percent (325 people) over the year.

The majority of population growth from 2008 to 2018 centered in Umatilla and Union counties. Grant, Harney, and Morrow each saw a decreasing population for the ten-year period. Over the year, light decreases came in Grant, Morrow, Union, and Wallowa. The majority of growth over the year centered in Umatilla County, with Malheur County picking up a solid gain as well.

Eastern Oregon Major City Population Change, 2008 - 2018

Umatilla County is responsible for 80 percent of Eastern Oregon's population gain since 2008. A large share of this growth was in Hermiston, which grew 13.2 percent for the period adding 2,120 people. Hermiston surpassed Pendleton as Umatilla's largest population center in 2010. With 18,200 people in 2018, Hermiston has 1,390 residents more than Pendleton and is the largest population center in all of Eastern Oregon.

	2018	2008	Change	% Change
Portland	648,740	575,931	72,809	12.6%
Baker City	9,890	10,140	-250	-2.5%
John Day	1,735	1,845	-110	-6.0%
Burns	2,830	3,025	-195	-6.4%
Hines	1,560	1,870	-310	-16.6%
Ontario	11,470	11,435	35	0.3%
Boardman	3,690	3,330	360	10.8%
Heppner	1,295	1,425	-130	-9.1%
Pendleton	16,810	17,295	-485	-2.8%
Hermiston	18,200	16,080	2,120	13.2%
La Grande	13,245	12,935	310	2.4%
Enterprise	1,985	1,975	10	0.5%
Joseph	1,120	1,105	15	1.4%
EO Major Cities	83,830	82,460	1,370	1.6%

Source: Oregon Employment Department and Portland State University Population Research Center

Population centers in Eastern Oregon have seen mixed results. Baker City, John Day, Burns, Hines, Heppner, and Pendleton have all seen declining populations since 2008. Ontario, Boardman, Hermiston, La Grande, Enterprise, and Joseph have all seen increasing populations. While Baker, Umatilla, Union and Malheur counties have seen most of the population growth since 2008, the majority of growth appears to be in unincorporated parts of the counties.

Demographics:

Families accounted for two-thirds of all households in Eastern Oregon in 2018. Married couples represented half of all households. People living alone accounted for roughly 27.0 percent of households and 47.0 percent of people living alone were over the age of 65. Nearly one-third of households had children younger than 18 years old and the majority of children were the householder's own children. Single parents with children under the age of 18 represented 9.6 percent of households; females headed three-fourths of these single parent households. Children under the age of six were present in 32.6 percent of single parent households. Single parent households with children under the age of six represented 6.0 percent of all households in Eastern Oregon.

Compared with the state, Eastern Oregon had a larger share (27%) of workers 55 or older in 2018 and a smaller share (62%) of workers in their prime working years, 25 to 54. This varied significantly among the eight counties. Grant, Harney, and Wallowa counties had the largest share of older workers. Umatilla and Union had the smallest share of older workers.

Share of Workers by Age Group
Annual Average - 2018

	Total Employment			Private Sector		
	Under 25	25-54	55+	Under 25	25-54	55+
Oregon	10%	66%	24%	11%	66%	24%
Baker	10%	61%	29%	11%	61%	28%
Grant	8%	59%	33%	11%	57%	32%
Harney	9%	60%	31%	12%	59%	29%
Malheur	11%	62%	27%	14%	60%	26%
Morrow	9%	63%	27%	10%	64%	26%
Umatilla	11%	64%	25%	13%	62%	25%
Union	12%	62%	26%	14%	62%	25%
Wallowa	8%	59%	33%	9%	58%	32%
Eastern Oregon	11%	62%	27%	13%	61%	26%

Source: Oregon Employment Department and U.S. Census Bureau, QWI - LED

Eastern Oregon's racial structure was little changed in 2018. The region is predominately white (92.0%) with American Indian and Alaskan Native (4.1%) as the second largest group by race. Asian (1.7%), African American (1.4%), and Hawaiian or Pacific Islander (0.5%) account for just 3.6 percent of the region's population. Umatilla, Morrow, and Malheur were the most racially diverse counties in the group at 89.2 percent, 91.7 percent, and 91.9 percent white, respectively. Wallowa and Grant were the least racially diverse at 97.4 percent and 97.3 percent white, respectively.

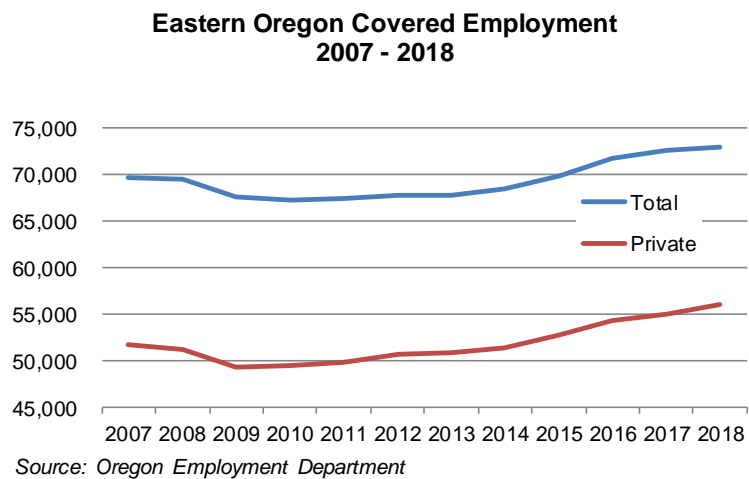
Ethnicity was also little changed in 2018. The share of the population that identified themselves as Hispanic or Latino was roughly 20.5 percent. The Hispanic population in five Eastern Oregon counties remained at or below 5.0 percent. Morrow, Malheur, and Umatilla had much larger Hispanic populations accounting for 35.9 percent, 33.4 percent, and 26.4 percent of county residents respectively.

1.3 *An analysis of the local workforce, including current labor force employment and unemployment data, and information on labor market trends, and the educational and skill levels of the workforce in the region, including individuals with barriers to employment.*

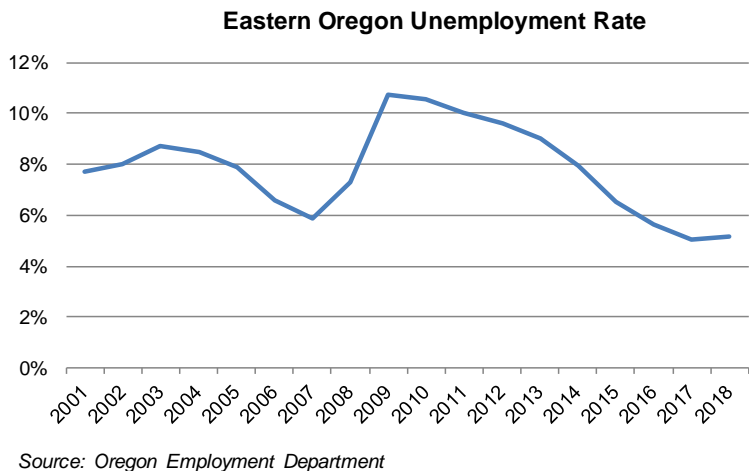
Employment:

Eastern Oregon’s total employment peaked prior to the recession at 69,801 in 2007. The recession low was 67,380 in 2010 and since 2011 total employment has been on the upswing. Employment finally surpassed the 2007 peak in 2015 and increased to 73,006 in 2018. Total employment growth was light during much of the post-recession recovery. The largest growth came in 2016 when over-the-year growth was 2.6 percent. Overall growth since 2007 was a subdued 4.6 percent, with four years of growth at or below 0.5 percent.

Private employment incurred the brunt of loss during the recession. The majority of post-recession growth has come from the private sector as well. Private employment fell from a peak of 51,783 in 2007 to a low of 49,333 in 2009. As with total employment, private employment growth was light during much of the recovery. The largest gain came in 2016 when over-the-year growth was 2.9 percent. Overall growth since 2007 was 8.4 percent. Over-the-year growth since 2014 has been at or above 1.0 percent, with two years near 3.0 percent and 2018 growth at 2.0 percent.



On the whole, Eastern Oregon has been slow to recover jobs lost during the Great Recession. Rural economies often lag in the business cycle and this was true of Eastern Oregon. Jobs recovery occurred for the region in 2015 and the area has seen growth continue during the last few years with the private sector as the driver.



Unemployment and Labor Force:

Eastern Oregon's annual average unemployment rate was at a low (5.9%) in 2007. This was the lowest rate for the region since at least 1990. During the recession, unemployment spiked with a rate of 10.7 percent (in 2009) and remained above 10.0 percent through 2011. In 2014, the region's unemployment rate dropped to match the previous long-term trend, an average of 8.0 percent from 1990 to 2006. The unemployment rate fell to 5.7 percent in 2016, and then reached a record low 5.1 percent in 2017 and 2018.

The total labor force peaked in 2009 at 88,721 during the height of unemployment. The labor force was much smaller (84,619) in 2007 when employment was at a peak and unemployment was at a low. Workers, who were previously out of the labor force voluntarily, likely drove much of the labor force increase from 2007 to 2009. An example is the non-earner in a single earner family, where the single earner suffered job loss during the recession, and the non-earner entered the labor force to improve the chance of someone in the family finding work. As unemployment fell from 2009 to 2014 so did the labor force. The labor force reached a low of 80,614 in 2014. Prior to the recession (1990 to 2006) the labor force averaged 83,851. The labor force reached 83,783 in 2018, just 68 below the prerecession average and 836 below the 2007 mark.

Not all Eastern Oregon counties have seen a return to prerecession employment and labor force levels. For Harney, Morrow, and Umatilla there were more people employed and more people in the labor force in 2018 than there were just prior to the recession. For Baker, Grant, Malheur, Union, and Wallowa employment and labor force levels were below prerecession levels. However, all Eastern Oregon counties were at or near historic low unemployment rates in 2018. County employment and labor force levels have shifted. Given that unemployment rates remain at or near historic lows, the labor market levels suggest that employment opportunities are meeting the needs of county job seekers, at least at the base level. In other words, job seekers are finding employment. In turn, this has created a tight labor market where employers are having increasing difficulty finding qualified workers to fill job openings.

Education:

As of 2018, roughly 85.0 percent of Eastern Oregonians over the age of 25 were high school graduates, however just 17.9 percent held a bachelor's degree or higher. This was lower than the high school graduates rate for Oregon overall (90.4%), and slightly more than half the bachelor's degree or higher rate (32.9%).

Eastern Oregon Educational Attainment - 2018

	Eastern Oregon	% EO 25 and Over	Oregon	% Oregon 25 and Over
Population 25 years and over	122,378	-	2,850,693	-
Less the 9th grade	7,738	6.3%	105,456	3.7%
9th to 12th grade, no diploma	10,851	8.9%	168,726	5.9%
High school graduate (includes equivalency)	37,372	30.5%	656,365	23.0%
Some college, no degree	33,346	27.2%	732,477	25.7%
Associate's degree	11,223	9.2%	249,852	8.8%
Bachelor's degree	14,072	11.5%	583,144	20.5%
Graduate or professional degree	7,776	6.4%	354,673	12.4%

Source: Oregon Employment Department and U.S. Census Bureau, ACS 5-Year 2018

Educational attainment varies widely by county. Wallowa is at the high end with 92.5 percent of the population over 25 holding a high school diploma and 24.7 percent holding a Bachelor's degree or higher. Union is very similar with 92.3 percent and 24.7 percent, respectively. Morrow is at the low end with only 75.3 percent of the population over 25 holding a high school diploma and just 10.9 percent holding a Bachelor's degree or higher. Malheur and Umatilla also have low rates for high school graduates at 80.9 percent and 82.2 percent, respectively, and for bachelor's or higher at 13.8 percent and 16.2 percent, respectively. Malheur and Umatilla with their larger, younger populations put downward pressure on the Eastern Oregon's high school graduate and degree holder rates.

Barriers to Employment:

The Census Bureau's 2018 American Community Survey (ACS) shows that 28.0 percent (27,476 residents) of the 18 to 64 year old civilian noninstitutionalized population in Eastern Oregon had some type of disability. In general, older residents have a higher rate of disability, which suggests that most workers with a disability are among older age groups.

The ACS estimates that 43.6 percent (6,473) of residents age 18 to 64 with a disability in Eastern Oregon were in the labor force. This leaves 56.4 percent (8,376) not in the labor force. In comparison, 80.6 percent of residents without a disability were in the labor force. The majority of residents with

Eastern Oregon Employment Status by Disability Status - 2018

	Residents	% of 18-64	% of Subgroup
Population 18 to 64 years	98,020		
With employment disability:	14,849	15.1%	-
Employed	5,740	5.9%	38.7%
Unemployed	733	0.7%	4.9%
Not in Labor Force	8,376	8.5%	56.4%
Without employment disability:	83,171	84.9%	-
Employed	62,444	63.7%	75.1%
Unemployed	4,631	4.7%	5.6%
Not in Labor Force	16,096	16.4%	19.4%

Source: Oregon Employment Department and U.S. Census Bureau, ACS 5-Year 2018

a disability in the labor force (88.7%) were actively employed in 2018. For residents without a disability this was 93.1 percent. The unemployment rate was 4.4 percentage points higher for workers with a disability than it was for workers without a disability.

The ability to speak a foreign language can make a job applicant more desirable to a potential employer. However, the ability to speak English is likely a requirement for

Eastern Oregon Ability to Speak English - 2018

		18-64 Years	% 18-64	5-17 Years	% 5-17
Total		105,577		31,925	
Speak only English		85,775	81.2%	23,792	74.5%
Speak Spanish		18,022	17.1%	7,872	24.7%
Speak English "Very Well"		9,344	51.8%	5,894	74.9%
Speak Other Foreign Language		1,780	1.7%	261	0.8%
Speak English "Very Well"		1,275	71.6%	223	85.4%

Note: For Speak English "Very Well," Percent is of Subgroup

Source: Oregon Employment Department and U.S. Census Bureau, ACS 5-Year 2018

most jobs. In Eastern Oregon, 81.2 percent of residents age 18 to 64 speak only English. A higher share of residents age 18 to 64 speak only English compared with residents age 5 to 17. This is likely due to the growing Hispanic youth populations in Malheur, Morrow, and Umatilla counties.

Among the youth population that speaks Spanish or another foreign language, the majority also speak English very well. Among the adult population that speaks Spanish, slightly more than half speak English very well, whereas 71.6 percent of adults that speak another foreign language also speak English very well. In total, 20.3 percent of residents 5 to 64 (27,935 people) in Eastern Oregon speak a foreign language. Among residents speaking a language other than English, Spanish is the majority language spoken. Spanish speakers represent 18.8 percent of the 5 to 64 year old population and 58.8 percent of these Spanish speakers speak English "very well."

There were an estimated 68,007 households in Eastern Oregon in 2018. The householders own children under the age of 18 were present in 28.2 percent of these households. 25.7 percent (4,933) of households with children were headed by a female householder with no husband present, 8.5 percent (1,627) were headed by a male householder with no wife present. Single parent households accounted for 34.2 percent (6,560) of households with children and 9.6 percent of all households in Eastern Oregon.

See the accompanying table for more barriers to employment demographics.

Barriers to Employment Demographics - 2018

	<u>Eastern Oregon</u>		<u>Oregon</u>	
Displaced Homemaker	-	-	-	-
Low-income - Less than 150% of the Poverty Level	(A) 51,748	30.1%	932,926	23.3%
American Indian, Alaska Native, or Native Hawaiian alone	3,952	2.2%	62,967	1.5%
White: and American Indian or Alaskan Native	3,031	1.7%	69,185	1.7%
Individuals with Disabilities - 18 to 64 years old	(B) 27,476	28.0%	543,471	21.7%
With a hearing difficulty	3,871	3.9%	67,385	2.7%
With a vision difficulty	2,933	3.0%	50,664	2.0%
With a cognitive difficulty	6,147	6.3%	141,275	5.6%
With an ambulatory difficulty	7,067	7.2%	131,456	5.3%
With a self-care difficulty	2,567	2.6%	48,022	1.9%
With an independent living difficulty	4,891	5.0%	104,669	4.2%
Older Individuals - 55 years or older	(C) 62,264	32.7%	1,290,577	30.8%
55 to 64	25,710	13.5%	551,159	13.1%
65 and older	36,554	19.2%	739,417	17.6%
Ex-offenders	-	-	-	-
Homeless Individuals - Total	(D) 287	0.15%	13,953	0.34%
Sheltered	76	0.04%	5,986	0.14%
Unsheltered	211	0.11%	7,967	0.19%
Youth in Foster Care	(E) 495	1.1%	7,672	0.9%
English language Learners - 18 to 64 years old	(F) 6,215	5.9%	91,340	3.6%
Speak English "not well"	4,074	3.9%	65,948	2.6%
Speak English "not at all"	2,141	2.0%	25,392	1.0%
Low Literacy - Lacking Basic Prose Literacy Skills	(G) 17,844	13.7%	271,387	10.0%
Migrant and Seasonal Farmworkers	(H) 11,630	6.1%	82,961	2.0%
Migrant and Seasonal	3,895	2.1%	27,792	0.7%
Seasonal	7,735	4.1%	55,169	1.3%
Households with Cash Public Assistance or Food Stamps	(I) 15,605	22.9%	279,394	17.6%
Householder no Spouse Present - Own Children Under 18	(J) 6,560	34.2%	125,899	30.5%
Male Householder no Wife Present	1,627	8.5%	36,145	8.8%
Female householder no Husband Present	4,933	25.7%	89,754	21.8%
Long-term Unemployed - More than 27 weeks	(K) 721	0.167	13,760	0.158

Note: Percent is of total population unless otherwise noted. All data is from 2014 - 2018 American Community Survey data unless otherwise noted.

(A) Based on total population (includes children under 18 and adults over 65). Individuals in households with income less than 150% of Federal Poverty level.

(B) Percent is of age group (18 to 64). Disability category sums to more than total due to individuals with multiple disabilities.

(C) Portland State University, Annual Population Estimates

(D) 2017 data from Oregon Housing and Community Services. Percent is of 2017 total population from Portland State University (PSU) population estimate.

(E) 2018 data from Oregon Department of Human Services - 2018 Child Welfare Data Book. Percent is of 2018 population 0-17 from Portland State University population estimates.

(F) Percent is of age group (18 to 64).

(G) 2003 National Center for Education Statistics data. Percent is of 16 and older population from 2003.

(H) 2018 update for Migrant and Seasonal Farmworker Enumeration Profiles Study. Percent is of total population based on PSU 2017 population estimate.

(I) Percent is of households.

(J) Percent is of households with children.

(K) 2018 data from Oregon Employment Department - Local Area Unemployment Statistics Data. Percent is of total unemployed for area.