Oregon’s “Full-Throttle” Job Market

Financial Literacy Conference
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“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.

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

+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.
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.

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

<table>
<thead>
<tr>
<th>Wage (per hour)</th>
<th>Summer 2015</th>
<th>Summer 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Wage Ranges</td>
<td>42,976</td>
<td>61,033</td>
</tr>
<tr>
<td>Less than $15</td>
<td>21,513</td>
<td>29,180</td>
</tr>
<tr>
<td>$15 through $24.99</td>
<td>11,822</td>
<td>13,291</td>
</tr>
<tr>
<td>$25 and up</td>
<td>4,103</td>
<td>8,166</td>
</tr>
</tbody>
</table>

*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

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

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

*Multi-area or unknown excluded*
The Takeaways

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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.

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

**Occupational Openings, 2014-2024 Oregon**

- Service
- Professional and Related
- Sales and Related
- Office and Administrative Support
- Management, Business, and Financial
- Health Care
- Transportation and Material Moving
- Production
- Construction and Extraction
- Installation, Maintenance, and Repair
- Farming, Fishing, and Forestry
- Nonclassifiable

**Growth Openings**

**Replacement Openings**
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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

- Less than high school: 34%
- High school diploma or equivalent: 32%
- Bachelor's degree: 19%
- Postsecondary training (non-degree): 8%
- Associate's degree: 3%
- Master's, Doctoral or professional degree: 4%
#FirstSevenJobs

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

PERCENT UNEMPLOYED
- 3.2%
- 4.5%
- 6.0%
- 6.0%
- 9.0%

EDUCATION LEVEL
- FOUR-YEAR OR HIGHER DEGREE
- TWO-YEAR COLLEGE DEGREE
- SOME COLLEGE, NO DEGREE
- HIGH SCHOOL DIPLOMA
- NO HIGH SCHOOL DIPLOMA

AVERAGE HOURLY EARNINGS
- $29.83
- $19.80
- $18.53
- $16.70
- $12.20

Available [www.qualityinfo.org/pubs](http://www.qualityinfo.org/pubs) & [www.qualityinfo.org/p-pofrm](http://www.qualityinfo.org/p-pofrm)
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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

<table>
<thead>
<tr>
<th>Expansion</th>
<th>Recession</th>
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<tbody>
<tr>
<td>1 Year</td>
<td></td>
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<tr>
<td>8 Years</td>
<td></td>
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<tr>
<td>10 Years</td>
<td></td>
</tr>
<tr>
<td>6 Years</td>
<td></td>
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<tr>
<td>7 Years (so far)</td>
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- Jan-80 to Jan-82: High Interest Rates
- Jan-84 to Jan-90: S&L Crisis and Oil Price Shock
- Jan-92 to Jan-94: Dot Com Bubble Burst
- Jan-96 to Jan-10: The Great Recession

Source: Oregon Employment Department based on NBER Business Cycles
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5. Economic conditions change.