



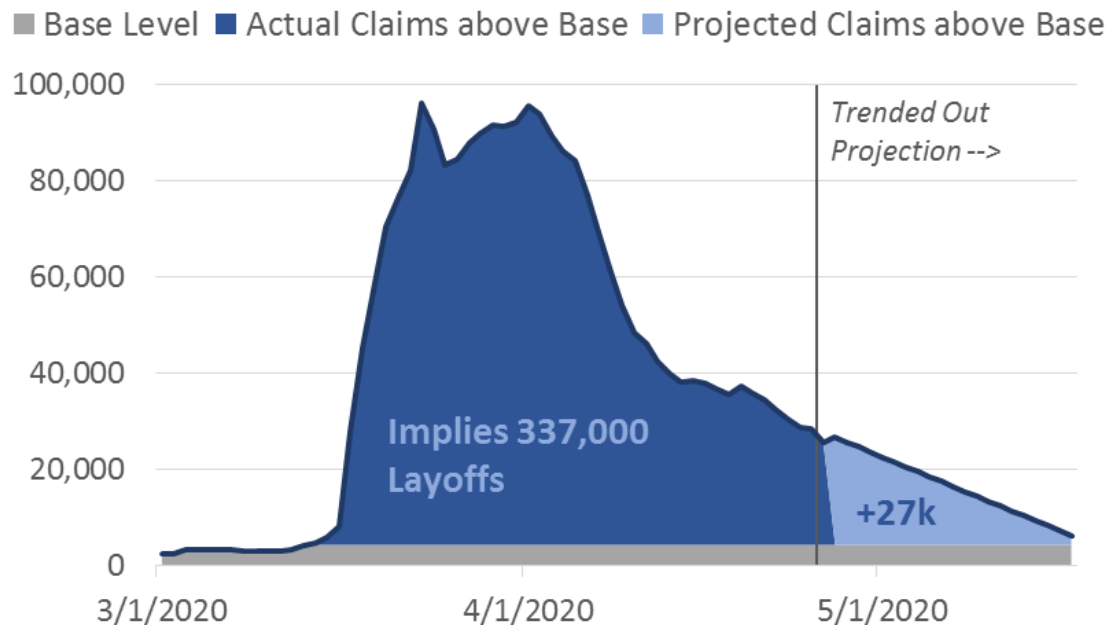
# **10 minute Economic and Workforce Update**

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**Regional Economist**  
**Oregon Employment Department**  
**5-21-2020**



# Only Real Data We Have are Claims

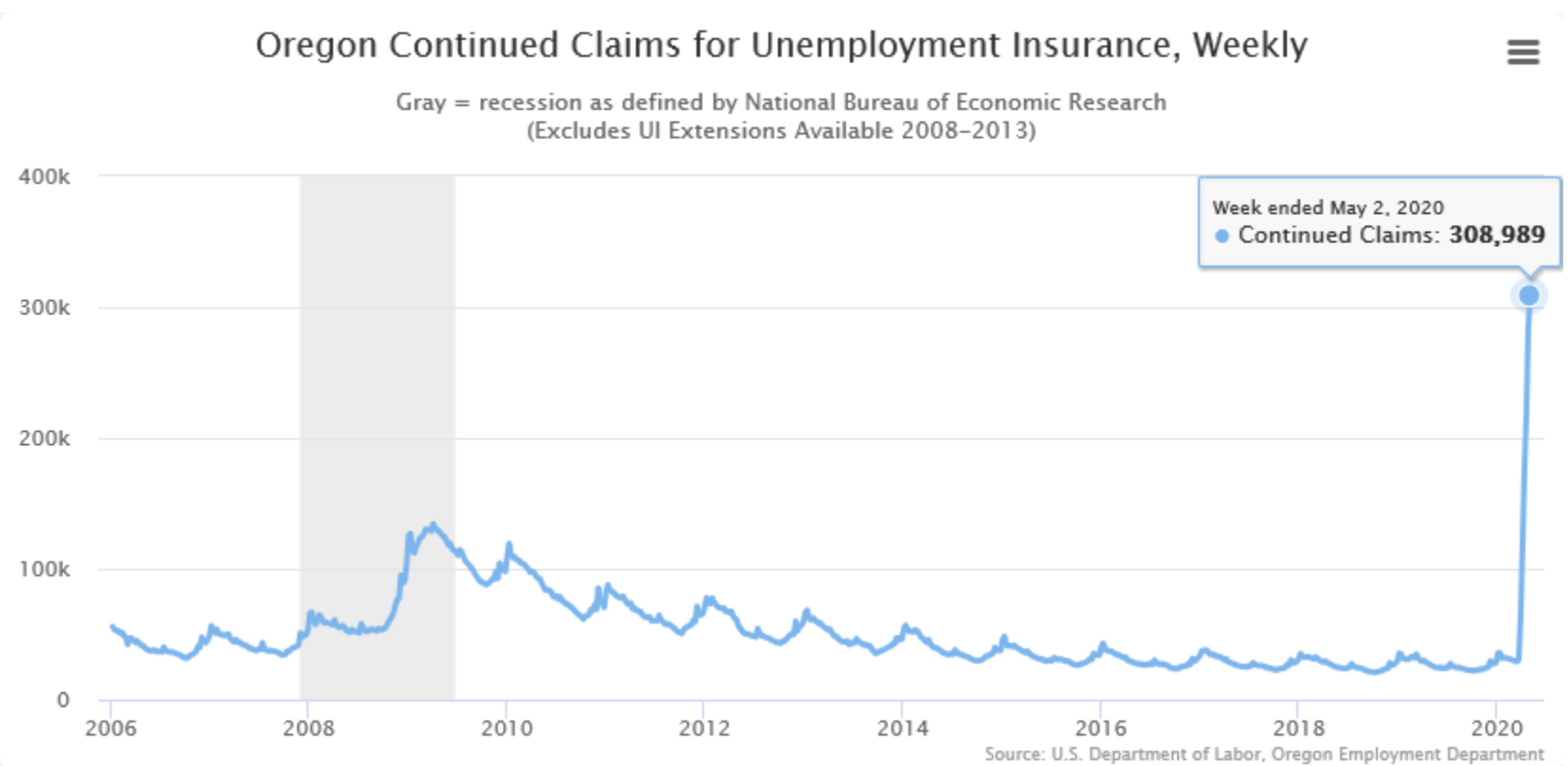
## Oregon Initial Claims, 7 Day Sum



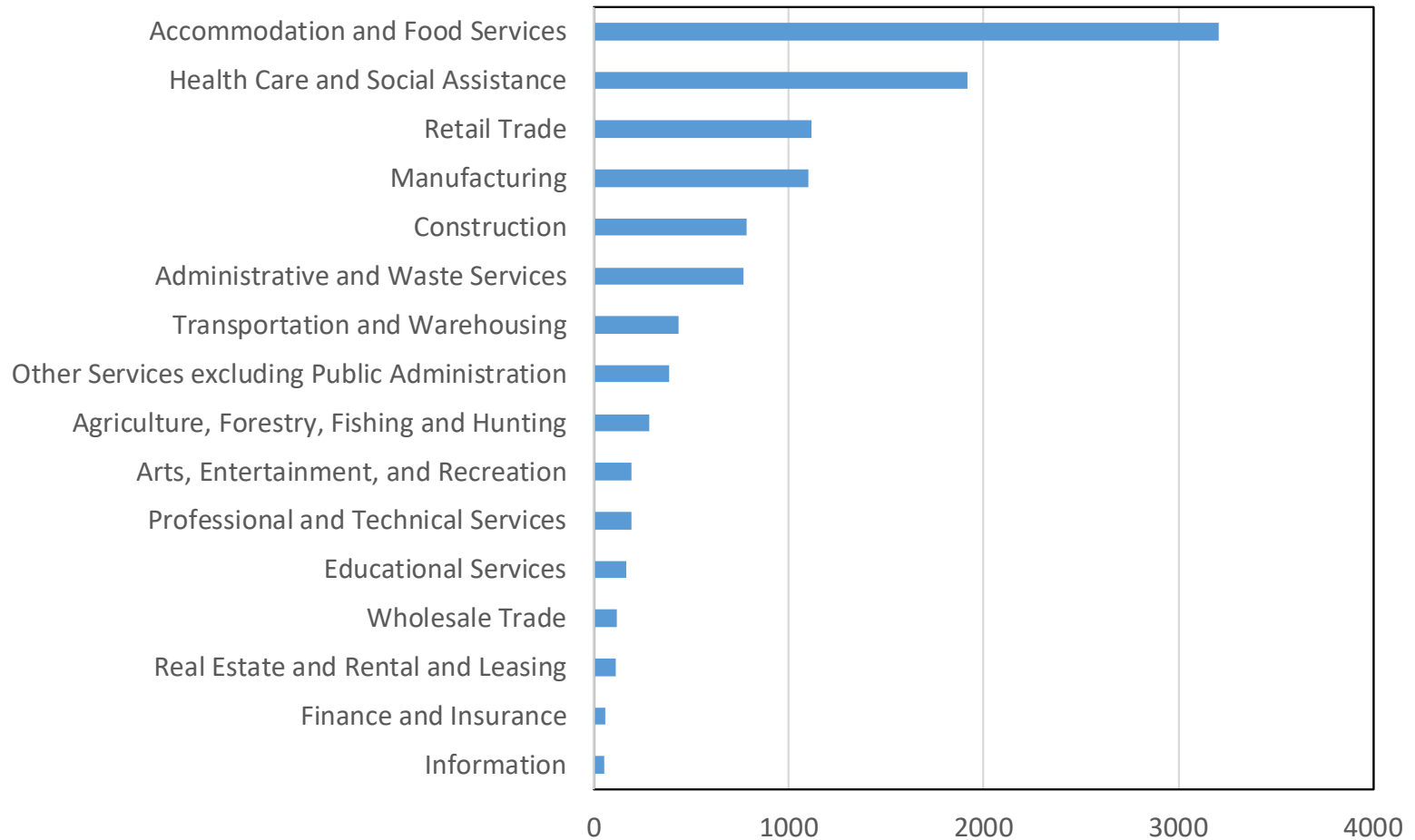
Latest Data: Apr 26, 2020 | Source: Oregon Employment Dept, Oregon Office of Economic Analysis



At the peak of the Great Recession, the week ending April 4, 2009 there were 134,355 continued claims for unemployment insurance in Oregon. The week ending May 2, 2020 there were 308,989 continued claims



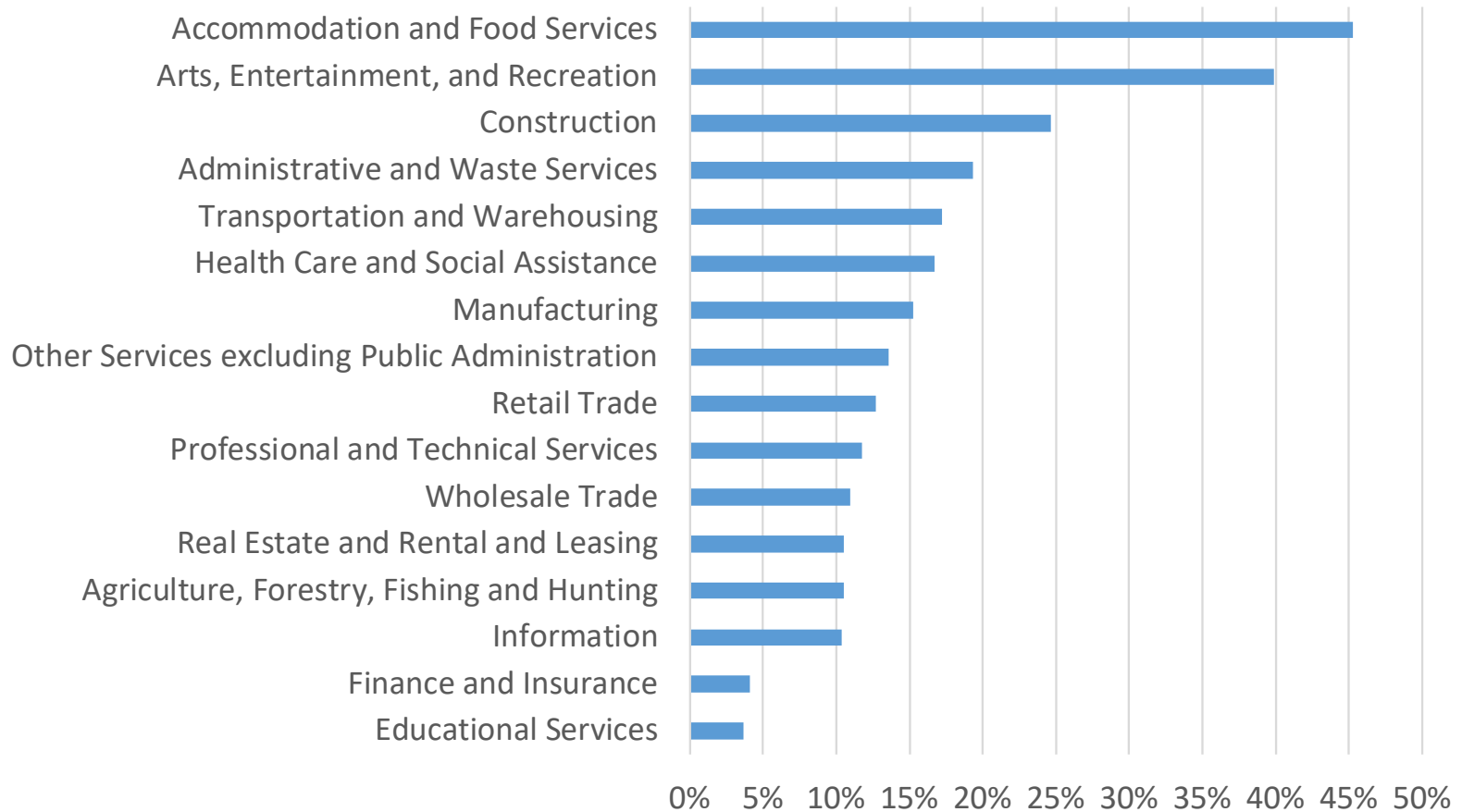
## Southwestern Oregon UI claims past 7 weeks ending 5-2-20



Source: Oregon Employment Department Initial Unemployment Insurance claims processed in the seven weeks ending May 2,



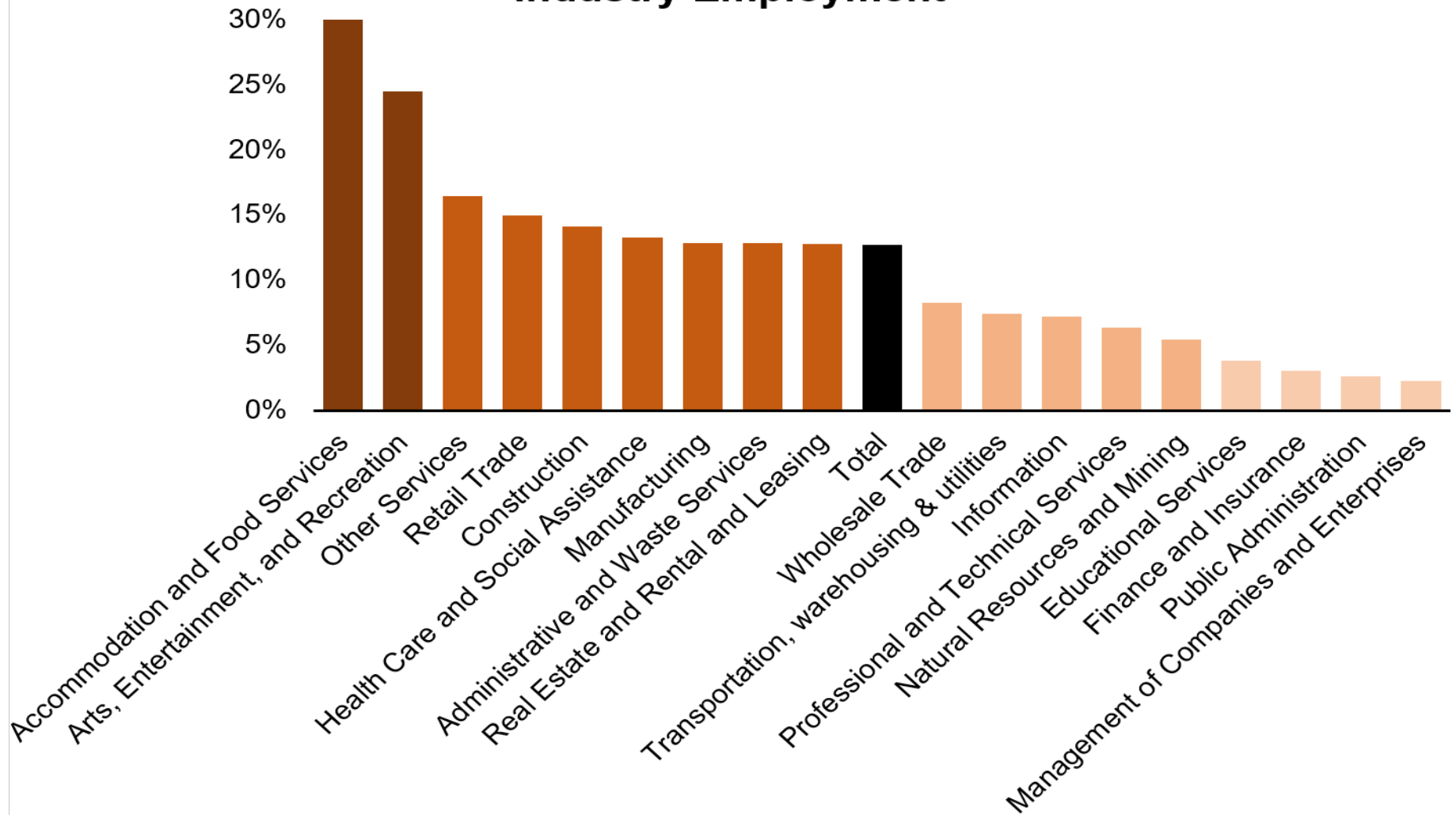
## Southwestern Oregon Initial UI claims for 7 weeks ending 5-2-20 percent of 2019 payroll employment



Source: Oregon Employment Department Initial Unemployment Insurance claims processed in the seven weeks ending May 2, 2020, Quarterly Census of Employment and Wages 2019 annual average



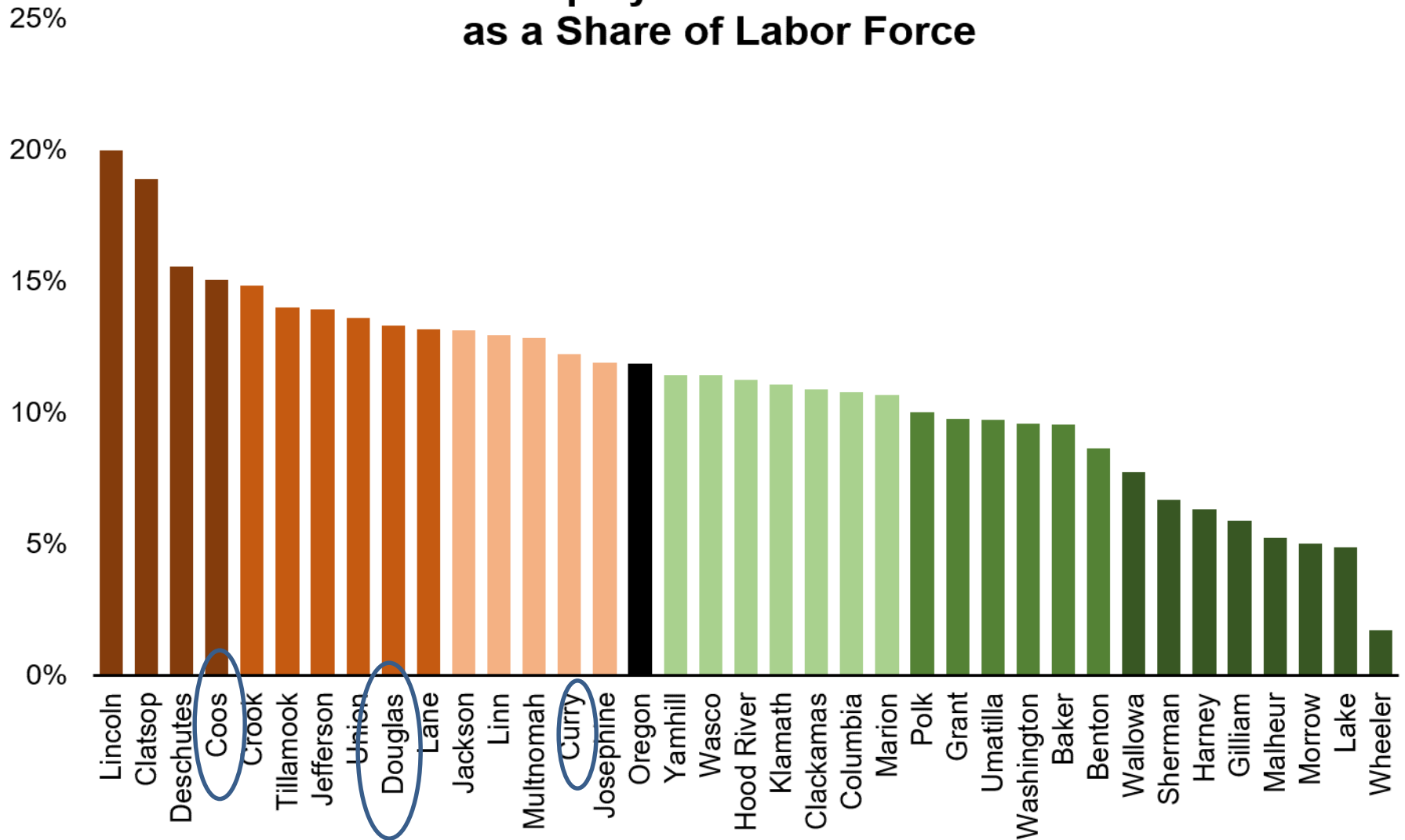
## Initial Unemployment Insurance Claims as a Share of Industry Employment



Source: Oregon Employment Department, initial Unemployment Insurance claims processed in the seven weeks ending May 2, 2020.



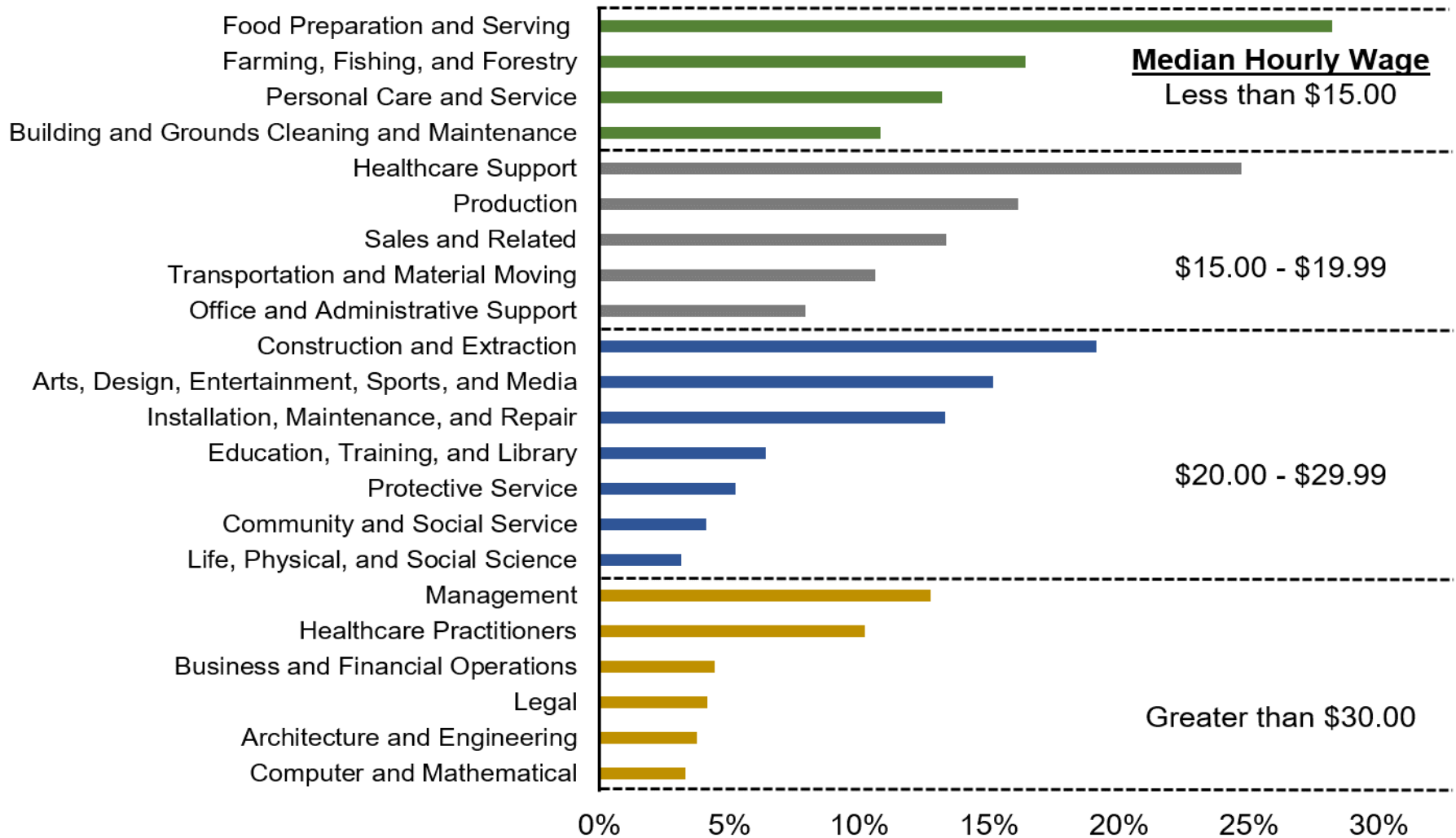
## Initial Unemployment Insurance Claims as a Share of Labor Force



Source: Oregon Employment Department, initial Unemployment Insurance claims processed in the seven weeks ending May 2, 2020.



# Initial Claims by Occupational Group as a Share of Total Employment

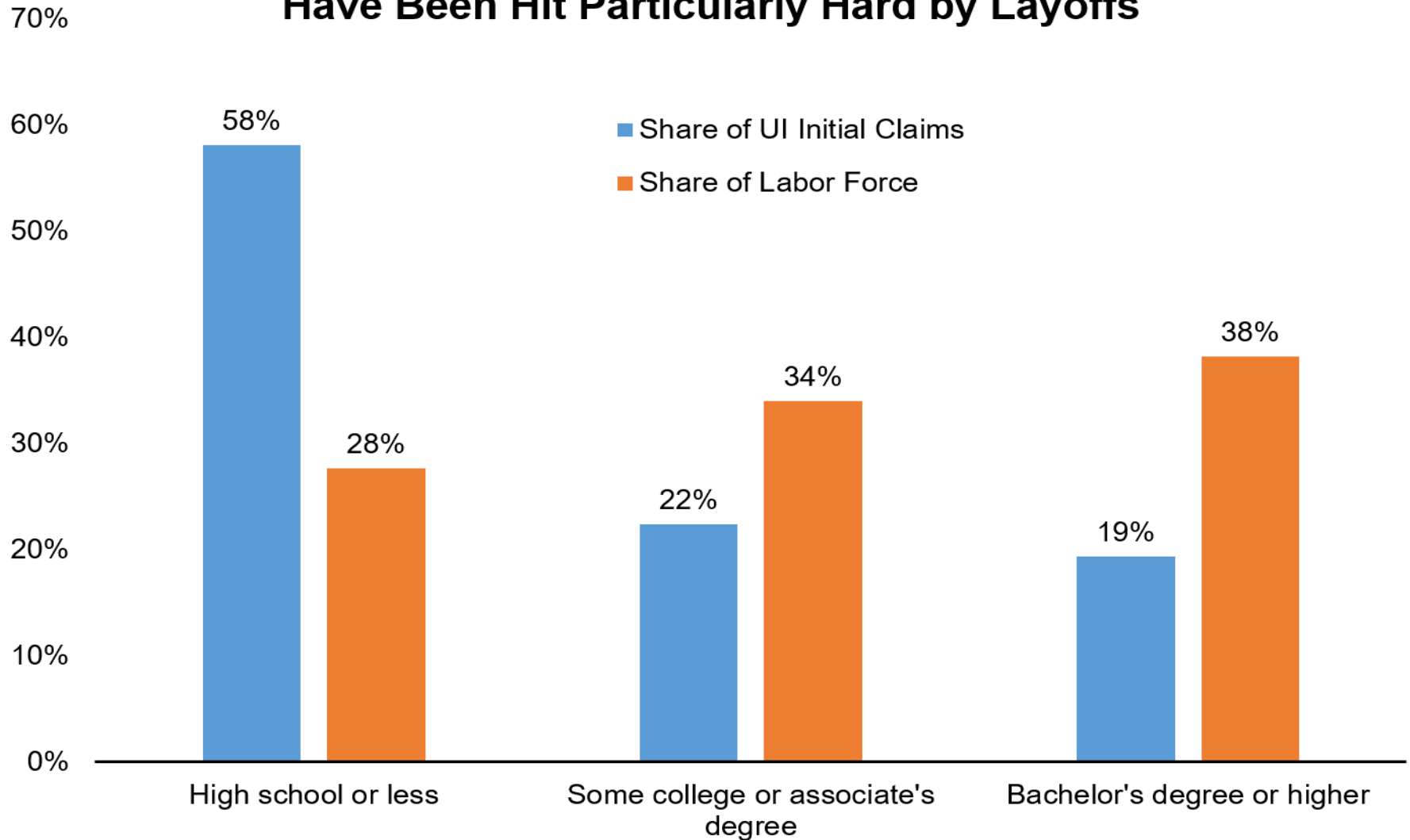


Source: Oregon Employment Department, initial Unemployment Insurance claims processed in the seven weeks ending May 2, 2020.





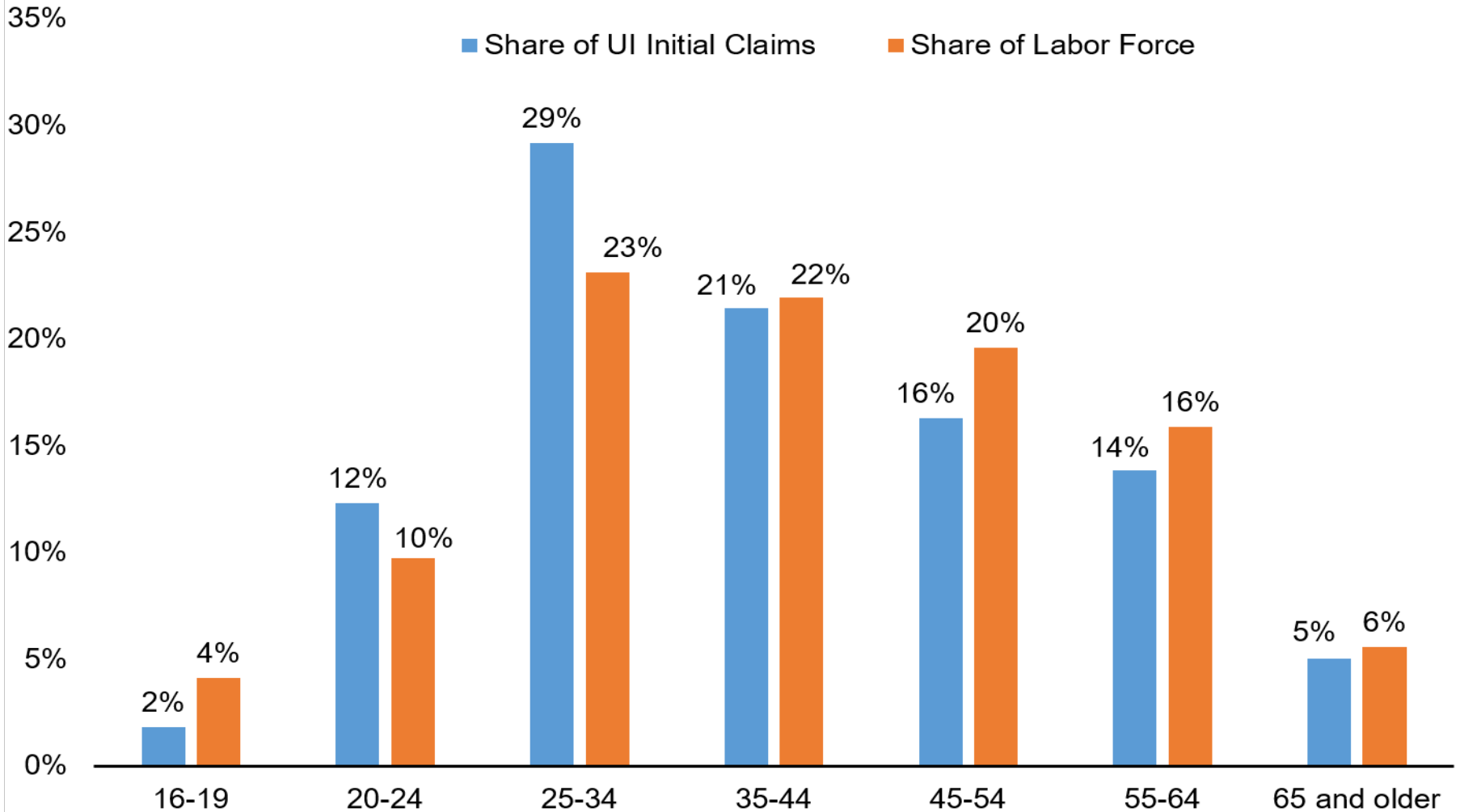
## Those with High School Diploma or Less Have Been Hit Particularly Hard by Layoffs



Source: Oregon Employment Department, initial Unemployment Insurance claims processed in the seven weeks ending May 2, 2020.



## Those Ages 25-34 Account for a High Share of Initial Unemployment Insurance Claims



Source: Oregon Employment Department, initial Unemployment Insurance claims processed in the seven weeks ending May 2, 2020.



# Starting Point: Turning UI Claims into Sector Employment Losses. Every Sector Hit Hard. Not Just Bars & Restaurants.

	Employment	Initial Claims	
	March 2020	Processed 3/15-4/18	Allocated Total
Nat. Resources	6,739	2,319	3,995
Construction	112,511	13,087	22,544
Manufacturing	196,370	17,508	30,160
Trade/Transp/Util	360,323	33,099	57,017
Retail	208,648	23,606	40,664
Wholesale	77,000	4,554	7,845
Transp/Ware/Util	74,676	4,939	8,508
Information	35,206	2,153	3,709
Financial Activities	104,887	4,118	7,094
Finance/Insurance		1,205	2,076
Real Estate		2,913	5,018
Prof/Biz Services	257,170	15,746	27,124
Prof/Tech Serv		4,845	8,346
Mgmt of Comp		787	1,356
Admin/Waste		10,114	17,423
Educ & Health Serv	304,302	34,641	59,673
Education	36,537	4,623	7,964
Health Care	267,765	30,018	51,709
Leisure and Hospitality	214,790	59,026	101,679
Arts/Ent/Recreate		6,118	10,539
Acc/Food Serv		52,908	91,140
Other Services	65,324	10,160	17,502
Public Administration	302,452	1,510	2,601
Unclassified		350	603
<b>Total Nonfarm</b>	<b>1,960,074</b>	<b>193,717</b>	<b>333,700</b>

Sector	Impact Category		Comment
	Initial Thoughts	Current Thinking	
Nat. Resources	Mild	Extreme	Kind of a surprise but shouldn't be, goods get hit
Construction	Mild	Severe	
Manufacturing	Mild	Moderate	Supply chain impacts coming?
Retail	Mostly Severe	Severe	
Wholesale	Mild/Moderate	Moderate	Non-essential parts
Transp/Ware/Util	Moderate	Moderate	
Information	Mild	Moderate	Impacts in FY2021
Financial Activities	Mild	Mild	
Prof/Biz Services	Mild	Moderate	
Education Serv	Mild	Severe	
Health Care	Mild	Severe	
Leisure/Hospitality	Severe	Extreme	
Other Services	Mild/Moderate	Severe	
Government	Mild	Mild	



# Recession severity factors for Oregon

## Less Severe

- Energy/mining

## Average

- Leisure & Hospitality
- Demographics
- Wealth/asset markets

## More Severe

- International trade
- *Goods producing\**
- *Migration\**

\* Traditionally Oregon is more volatile for two reasons: our larger goods producing industries like natural resources and manufacturing, and migration flows.



Industries with most pandemic-related UI claims have a larger share of employment in Southwestern Oregon than U.S.

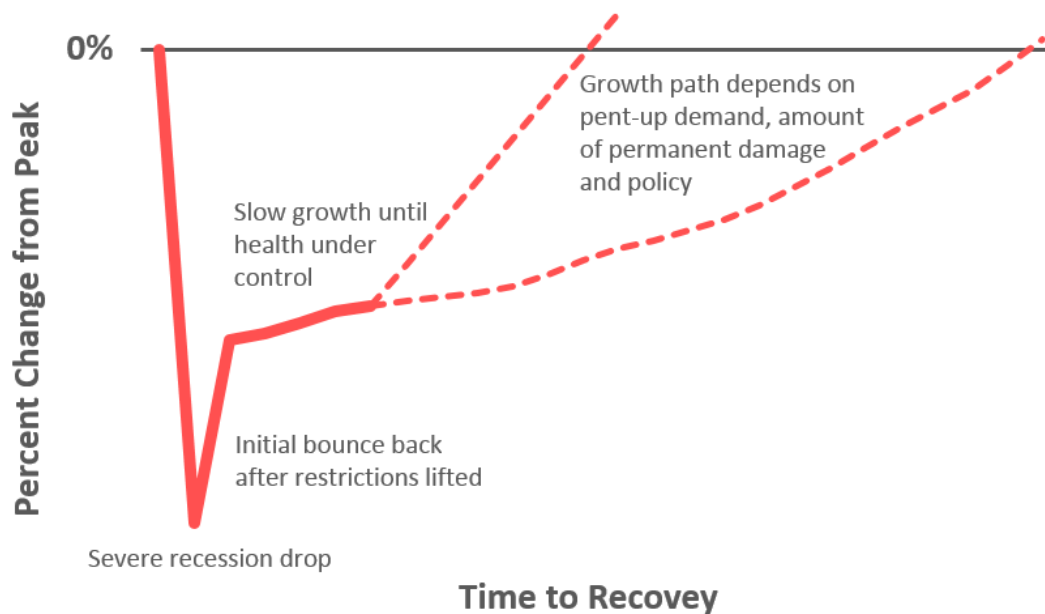
Location Quotients**			
A measure of concentration of employment relative to the U.S. average			
	Coos	Curry	Douglas
Construction	0.9	1.25	0.8
Manufacturing	0.8	1.16	1.4
Retail trade	1.25	1.4	1.2
Health Care and Social Assistance**	1	N/A	1.06
Accommodations and Food Services	1.24	2.04	1
Other services	1.05	1.09	1.3
** LQ private sector only			

Source: Bureau of Labor Statistics Quarterly Census of Employment and Wage 3Q 2019



# Preliminary Economic Outlook

## COVID-19: The Square Root Recovery?

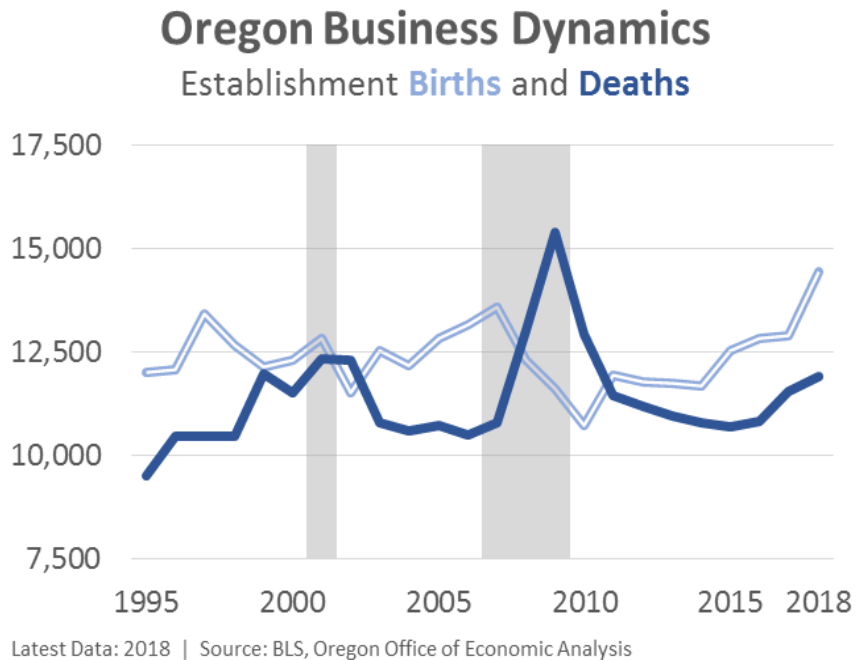


Source: Oregon Office of Economic Analysis

- Sudden stop of economic activity leads to near-depression
- Growth rebounds strongly once restrictions lift this summer, however recovery is incomplete, takes economy from depression to severe recession
- Slow growth through 2021 until medical treatment is widely available
- Growth after that determined by how much permanent damage is done to economy in meantime



# Firm failures are permanent damage



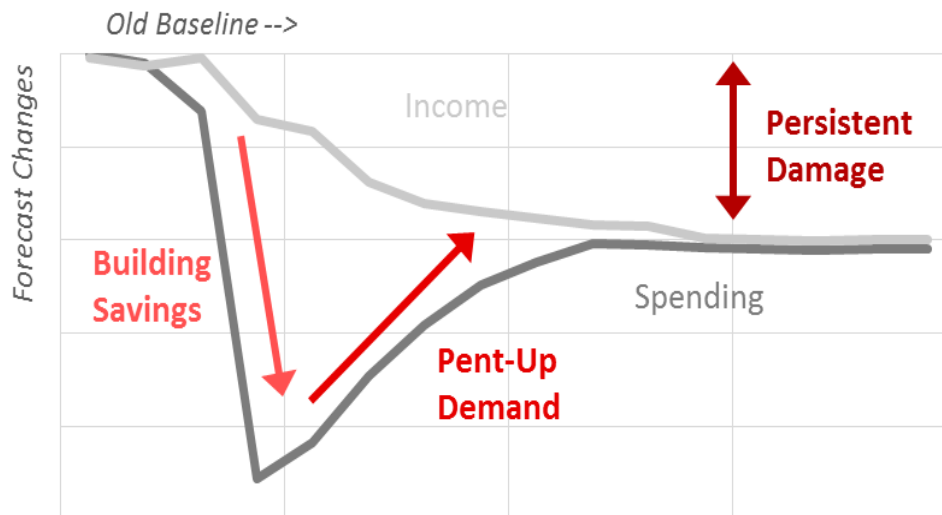
- During Great Recession Oregon lost 5% of firms on net
- Likely to see 7%+ this time (more closures, fewer start-ups)
- PPP design concerns



# Pent-up demand and permanent damage

## Pent-Up Demand and Persistent Damage

Changes from Previous Forecast



Source: Oregon Office of Economic Analysis

- Forecast based on adjusting IHS spending outlook lower given OEA's more severe recession and new Oregon income outlook
- Today economy is seeing savings build, spending dropping faster than income in part as households cannot spend as much as normal, savings rate skyrocketing
- Once restrictions begin to lift, consumer spending will rebound
- However macro economic outlook is lower than before







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