



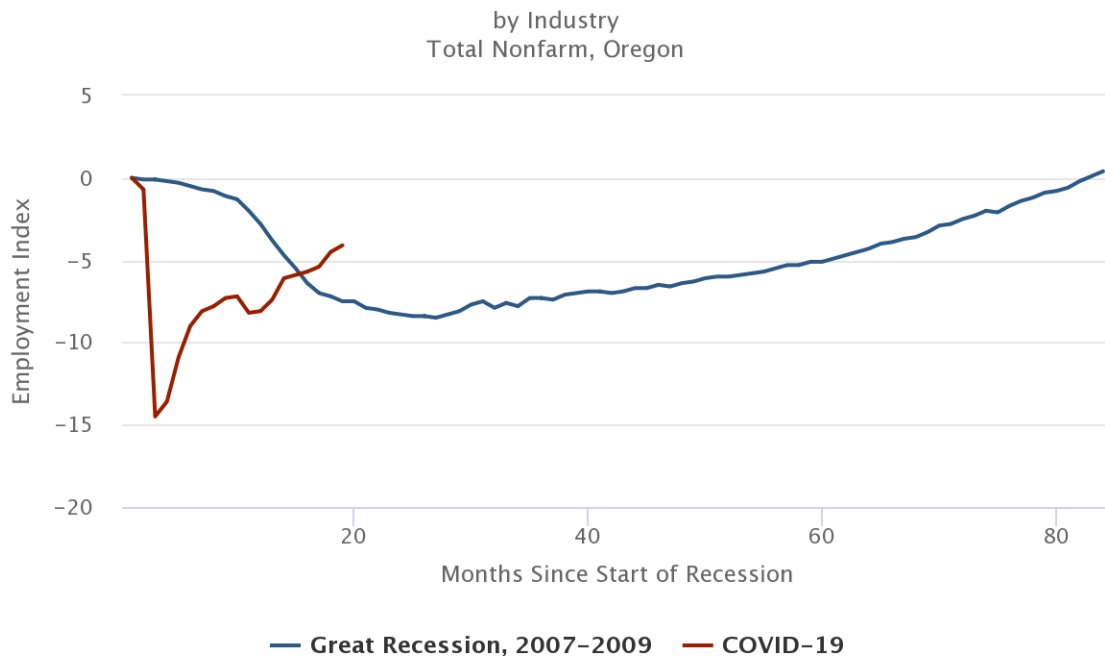
Recession, Recovery, and Future Job Growth in Oregon

PGE Leadership Operations Team
October 5, 2021



Relatively Fast Jobs Recovery

COVID-19 Job Changes Compared to Great Recession Job Changes



Source: Oregon Employment Department QualityInfo.org

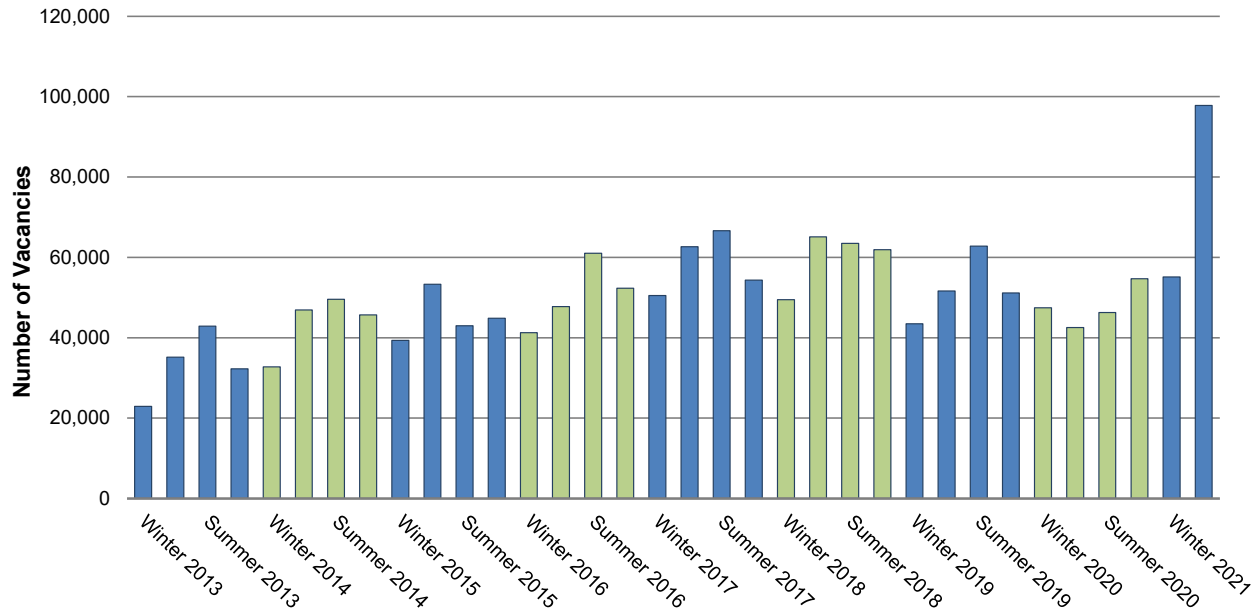
We're 18 months past the initial downturn, and have regained nearly three out of four (72%) jobs that were lost. At 18 months past the onset of the Great Recession, we were still losing jobs.

Oregon employers added more than **80,000 jobs in the first 8 months** of 2021. That's as many jobs as they added in the 31 months leading up to the pandemic recession.



Employers aren't trying to get back to February 2020. They're way beyond it.

Oregon's Quarterly Job Vacancies, 2013-2021



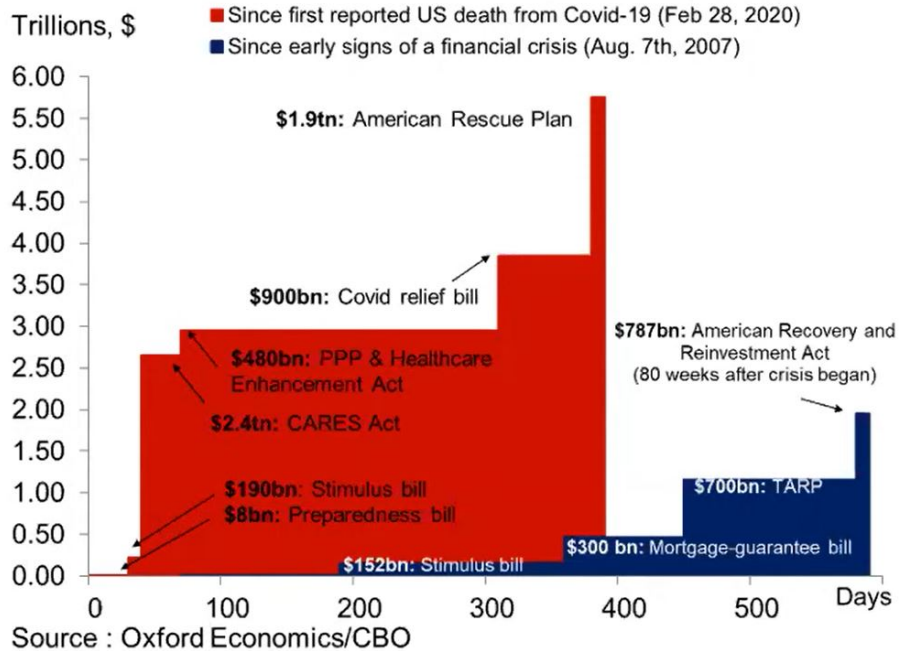
This only represents private job vacancies, and we've seen hiring demand continue to grow nationally through summer.

So 98,000 is at least as many job openings as businesses have been trying to fill in recent months.



What's fueling record levels of job vacancies?

US: Funds authorized by Congress

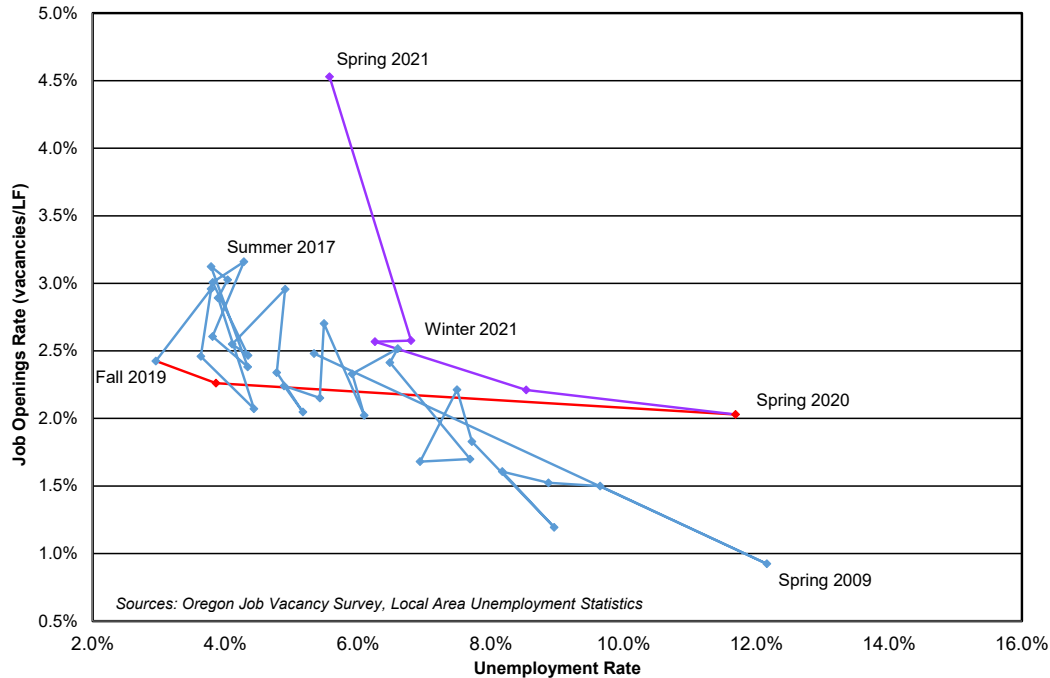


- The economy got much more stimulus – and much faster than during the Great Recession.
- Higher household incomes fuel more demand for goods and services (and jobs to make/provide them)
- Record quits
- Retirements

But there still just aren't enough workers to fill record job openings.

Oregon Beveridge Curve

Job Openings Rate vs. Unemployment Rate, Spring 2008 to Spring 2021



Compare spring 2009 and spring 2020: the number of job openings stayed higher even though both were recession periods.

Spring 2021 is off the charts due to record job vacancies. To get back down to the more familiar summer 2017 or fall 2019 territory, either the number of job postings needs to come down significantly, or the labor force needs to grow a LOT.



Hiring demand was widespread across Oregon's economy.

Oregon Job Vacancies by Industry, Spring 2021

Industry	Vacancies
All Industries	97,822
Health care and social assistance	22,248
Leisure and hospitality	19,912
Retail trade	10,543
Manufacturing	8,265
Other services	7,079
Management, administrative, and waste services	6,595
Construction	6,009
Professional, scientific, and technical services	4,043
Natural resources and mining	3,441
Wholesale trade	3,245
Financial activities	3,044
Private educational services	1,959
Transportation, warehousing, and utilities	1,027
Information	412

Source: Oregon Employment Department

Employers were hiring for jobs in more than 240 different occupations in spring. Those with the most vacancies included:

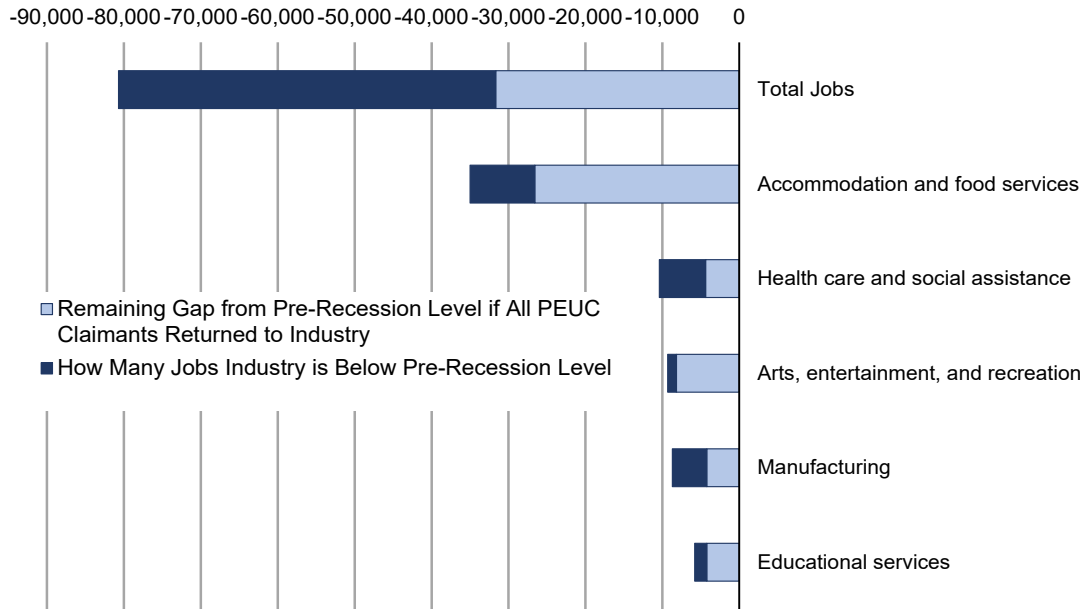
- retail salespersons (5,500)
- maids and housekeeping cleaners (4,800)
- personal care aides (3,700)
- waiters and waitresses (3,300)

Note: While we've all seen evidence of local school districts hiring as in-person classes resume, those openings and other government hiring aren't captured in this survey of private-sector businesses.



Will the end of enhanced UI also end worker shortages?

Labor Shortages Bigger than Possible Workforce Gains from Expired Federal Pandemic Emergency Unemployment Compensation Benefits



Source: Oregon Employment Department

The workers who were on PEUC benefits worked for payroll employers before they lost their jobs.

If you assume all those who lost benefits go back to payroll employers in their previous industries, there would still be notable gaps in restaurants and hotels, manufacturing, education, and health care.

By contrast, the recovery gaps would appear to be filled – if workers returned to their main industries of pre-COVID employment – in construction, wholesale and retail trade, and administrative and waste services.

*That's ***IF*** all the workers who lost benefits went back to prior industry, and right away.*



Will the end of enhanced UI also end worker shortages?

Federal Pandemic Unemployment Claims that Ended as Share of Job Vacancies in Oregon

Region	PEUC Claims	All Pandemic Claims Ended	2021 Spring Job Vacancies	PEUC % Vacancies	All Pandemic Claims % of Vacancies
Northwest Oregon	2,244	3,808	9,825	23%	39%
Southwestern Oregon	1,908	4,021	6,789	28%	59%
Eastern Oregon	1,214	1,865	4,168	29%	45%
East Cascades / Central Oregon	3,470	6,033	11,128	31%	54%
Rogue Valley	3,263	6,453	8,430	39%	77%
Clackamas	4,380	7,061	8,601	51%	82%
Lane	4,228	7,571	7,079	60%	107%
Mid-Valley	6,273	10,343	10,314	61%	100%
Portland Metro	19,474	30,776	30,682	63%	100%
Oregon Statewide	46,454	77,931	97,016	48%	80%

Source: Oregon Employment Department, unemployment claims and quarterly job vacancy survey excludes 3,000 multi-area or unknown claims, and excludes 700 multi-area or unknown job vacancies

In each workforce region of the state, even if all the Oregonians whose PEUC benefits ended were able to match to a job vacancy in their area, it would still leave notable shortfalls compared with regional hiring demand.

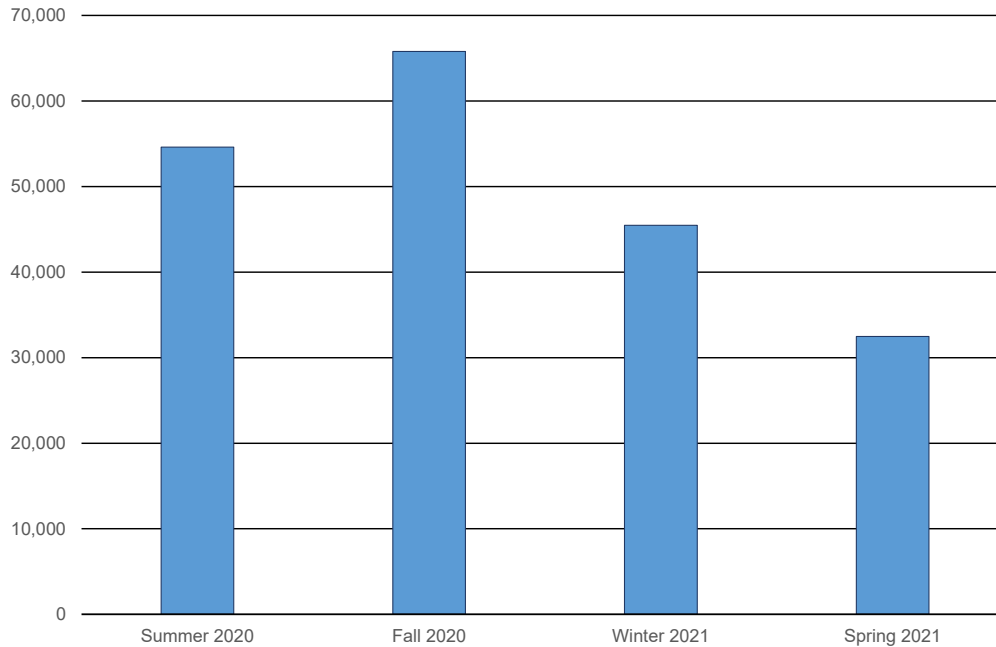
There are still the 32,000 people whose PUA benefits ended too. As the program drew to a close, four out of five of these workers were self-employed.

If you did add the PUA claimants whose benefits ended into the workforce available to payroll employers, they would still account for less than half of the job openings employers want to fill in Northwest Oregon or Eastern Oregon.



Some workers still have barriers to getting back to work.

Oregonians Out of the Labor Force and Not Looking for Work due to COVID-19



Source: Current Population Survey

While this has gone down by half between fall 2020 and spring 2021, there's still 32,500 people who want to take part in this recovery and can't yet. It also reduces available workforce for the record number of job openings. Among possible reasons:

- Immunocompromised
- Back to school year delayed, or COVID cases in schools send classes remote – disrupts parents' work availability

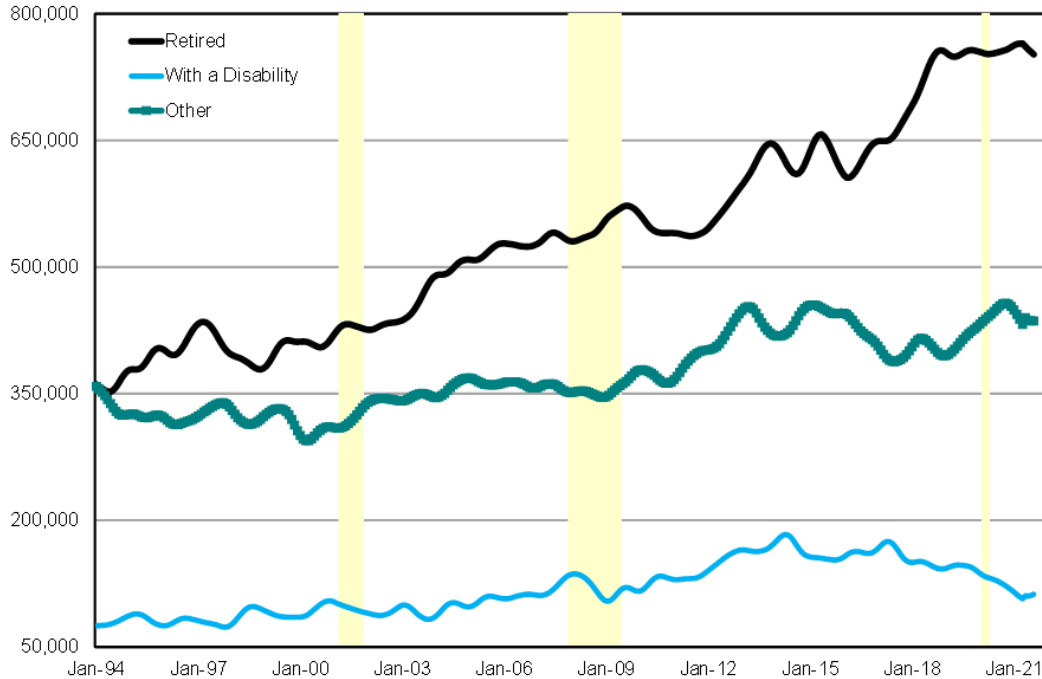
There's also likely to be some households where someone stopped working, and their household total income picture is such that they are just going to take a post-pandemic breath before charging back to work.

Delta variant isn't helping reduce COVID fear.



Struggling Beyond September: Retirements

Reasons People Ages 16+ Are Not in Oregon's Labor Force
Shaded Bars = NBER Recessions



Source: Oregon Employment Department, Local Area Unemployment Statistics

The number of people who were not in Oregon's labor force due to retirement grew by 21% between 2016 and 2019.

After a pandemic pause, this number is expected to rise again.

Current Workforce and Looming Retirements

Many Workers Are at or Likely Within a Decade of Retirement

Oregon Jobs in 2019	% Workers Ages 55+
All Sectors	24%
Agriculture, Forestry, Fishing and Hunting	32%
Mining, Quarrying, and Oil and Gas Extraction	33%
Utilities	30%
Construction	23%
Manufacturing	25%
Wholesale Trade	26%
Retail Trade	22%
Transportation and Warehousing	28%
Information	20%
Finance and Insurance	24%
Real Estate and Rental and Leasing	29%
Professional, Scientific, and Technical Services	22%
Management of Companies and Enterprises	20%
Administrative and Waste Services	22%
Educational Services	27%
Health Care and Social Assistance	24%
Arts, Entertainment, and Recreation	20%
Accommodation and Food Services	15%
Other Services (except Public Administration)	29%
Public Administration	27%

Source: Quarterly Workforce Indicators, U.S. Census Bureau

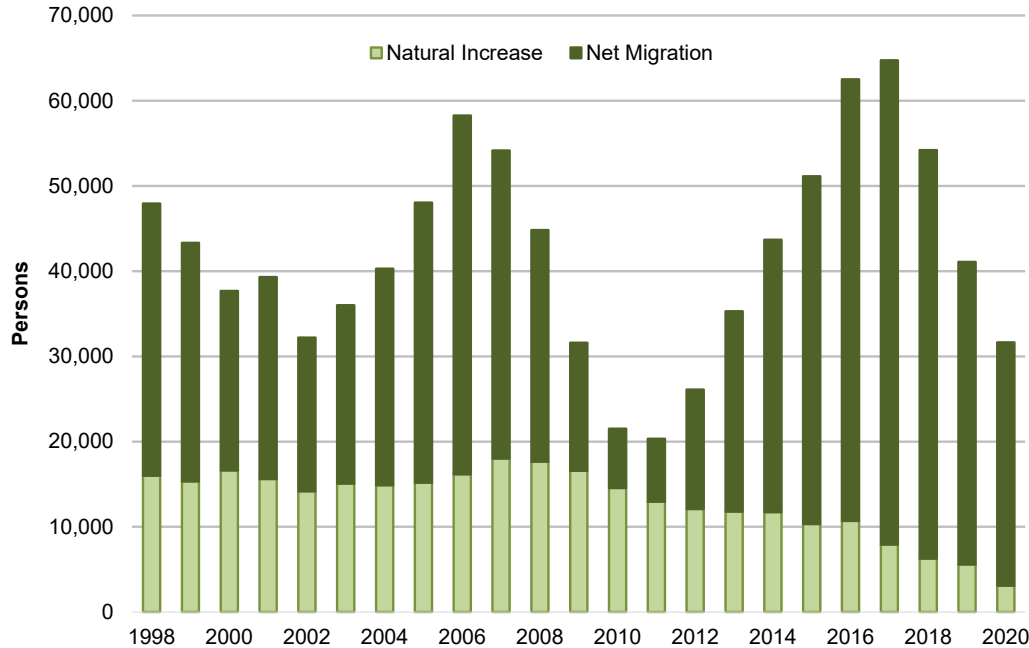
As (primarily) Baby Boomers continue to retire in the coming years, it has impacts for succession planning, how to maintain institutional knowledge, and for recruitment intensity to replace the workforce.

Nationally, the median age in electric power generation, transmission, and distribution is 44.8 years, compared with 42.5 years for all workers.



Struggling Beyond September: Lower Net In-Migration

Components of Oregon's Annual Population Change



The primary way we grow our workforce is by people moving here from other states and areas. That was down by 20% in 2020, but had been sliding for years.

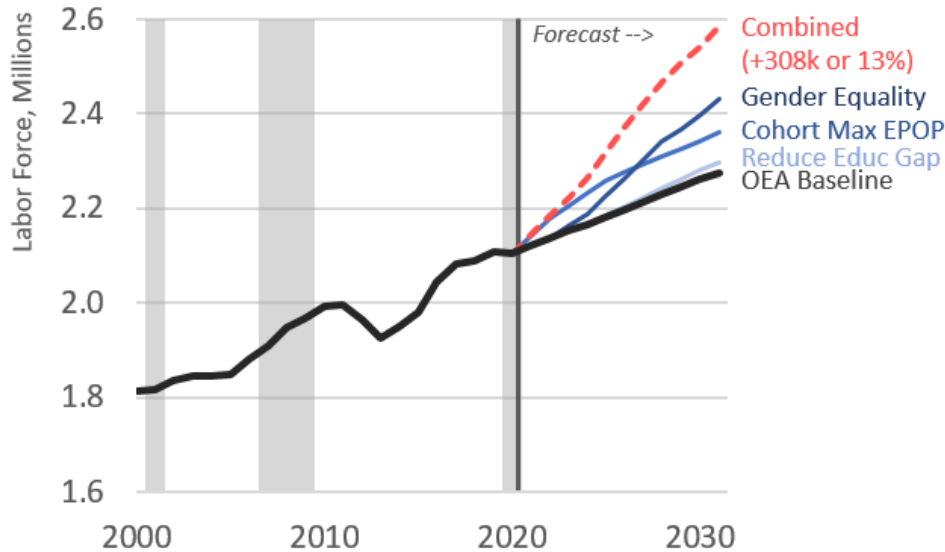
Lack of affordable housing – or very little housing stock in some areas – could be a big driver here.

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



Get More Participation from Existing Workforce

Oregon's Latent Labor Force



Research from the Office of Economic Analysis shows potential to boost the labor force by more than 300,000 in the coming years...IF...

- Reduce educational attainment gaps in college/non-college graduation
- Labor force participation of women matches that of men
- Labor force participation in Oregon's communities of color gets back to historical highs

"The upshot of addressing these employment disparities in Oregon, is that they have the potential to boost the labor supply much more than any realistic increase in migration ever could."





Gail Krumenauer, State Employment Economist

Gail.K.Krumenauer@Oregon.gov

Get the latest labor market data and analysis at QualityInfo.org

Join the conversation:

OregonEmployment.Blogspot.com

Twitter [@OED Research](https://twitter.com/OED_Research)

