



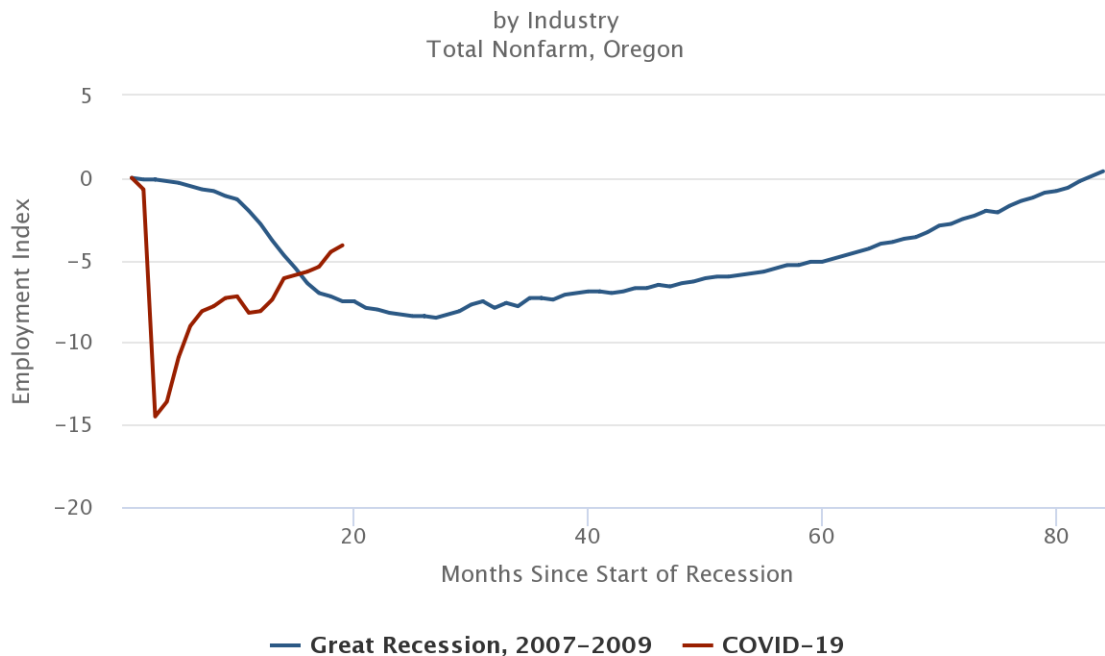
Help Wanted in Oregon

North Coast Regional Solutions Advisory Committee
October 6, 2021



Relatively Fast Jobs Recovery

COVID-19 Job Changes Compared to Great Recession Job Changes



Source: Oregon Employment Department QualityInfo.org

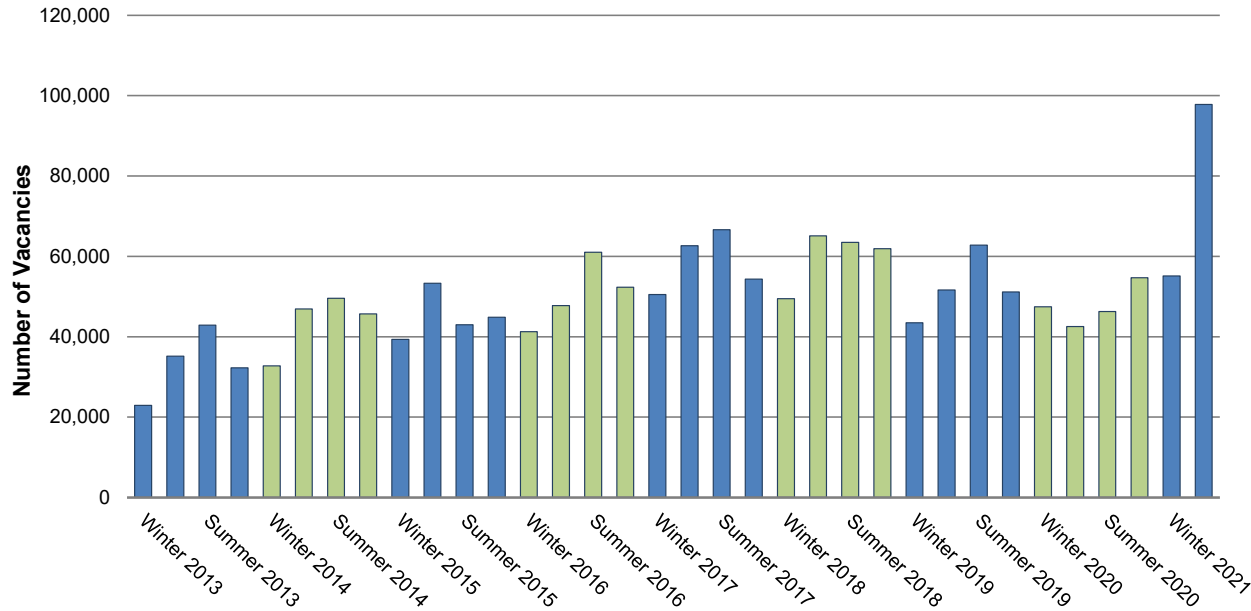
We're 18 months past the initial downturn, and have regained nearly three out of four (72%) jobs that were lost. At 18 months past the onset of the Great Recession, we were still losing jobs.

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



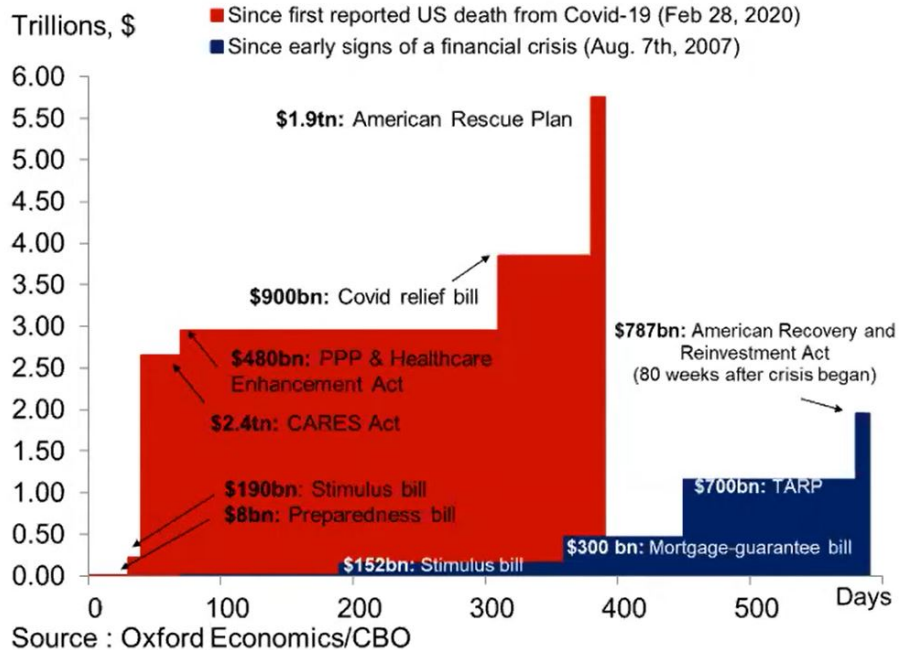
This only represents private job vacancies, and we've seen hiring demand continue to grow nationally through summer.

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

Hiring demand was widespread across Oregon's economy.

Oregon Job Vacancies by Industry, Spring 2021

<u>Industry</u>	<u>Vacancies</u>
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:

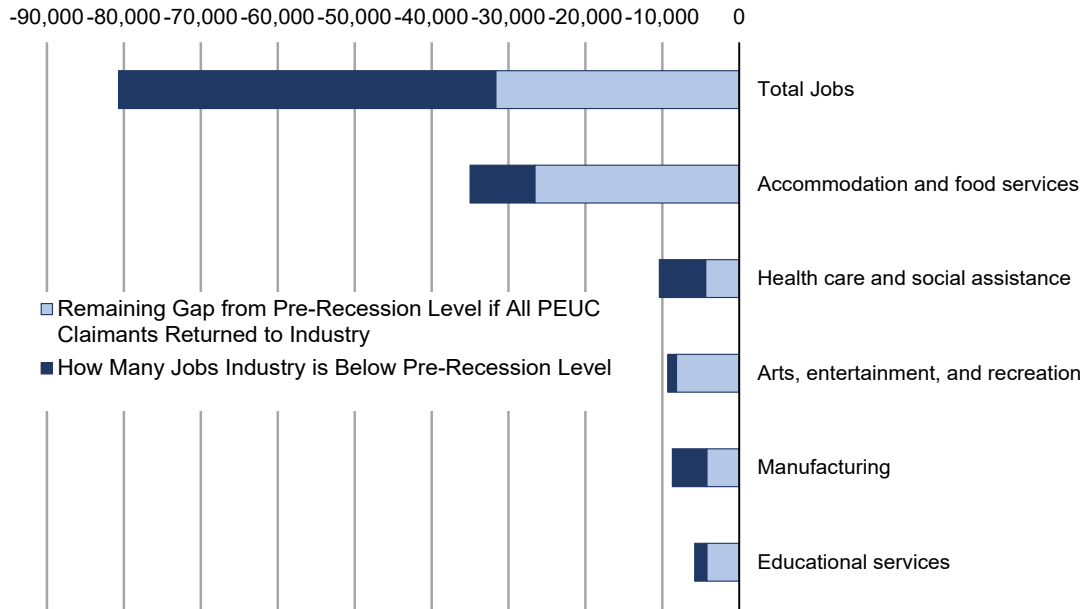
- retail salespersons (5,500)
- maids and housekeeping cleaners (4,800)
- personal care aides (3,700)
- waiters and waitresses (3,300)

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.

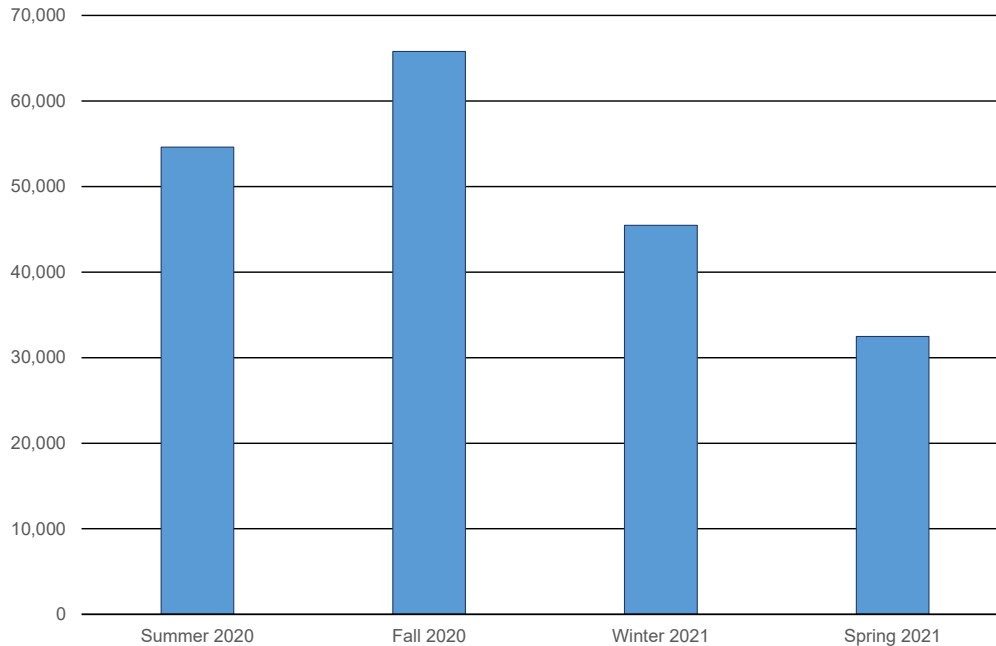
There are still the 32,000 people whose PUA benefits ended too. As the program drew to a close, four out of five of these workers were self-employed.

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

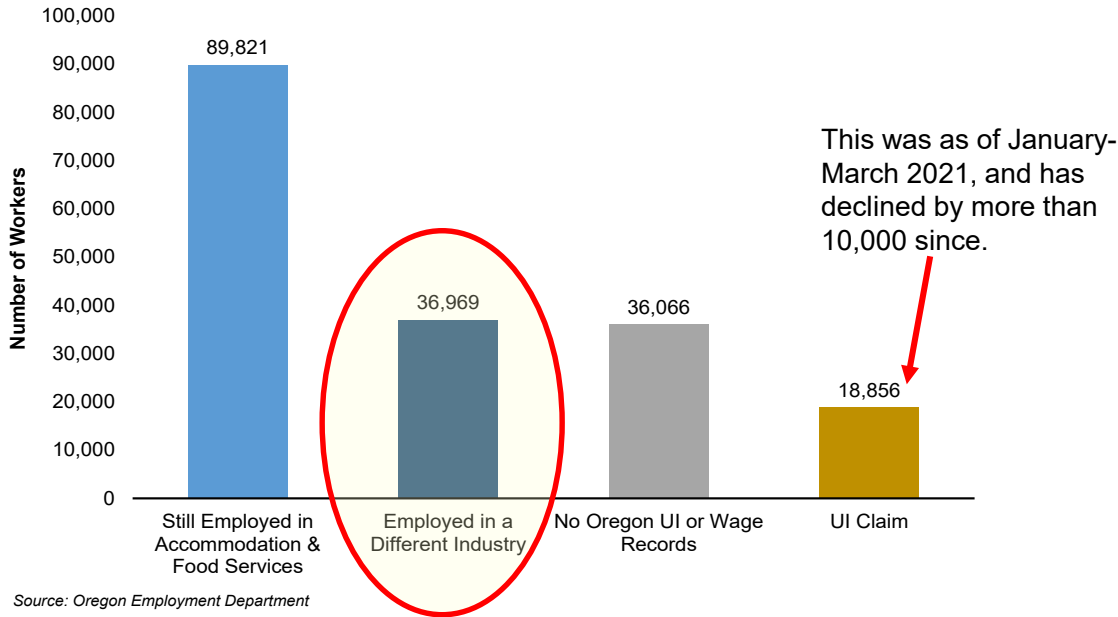
There's also likely to be some households where someone stopped working, and their household total income picture is such that they are just going to take a post-pandemic breath before charging back to work.

Delta variant isn't helping reduce COVID fear.



Leisure and Hospitality Employers' Challenges

Oregon's COVID-Impacted Accommodation & Food Services Workers One Year Later



Stricter COVID-19 prevention for longer time to reduce community spread

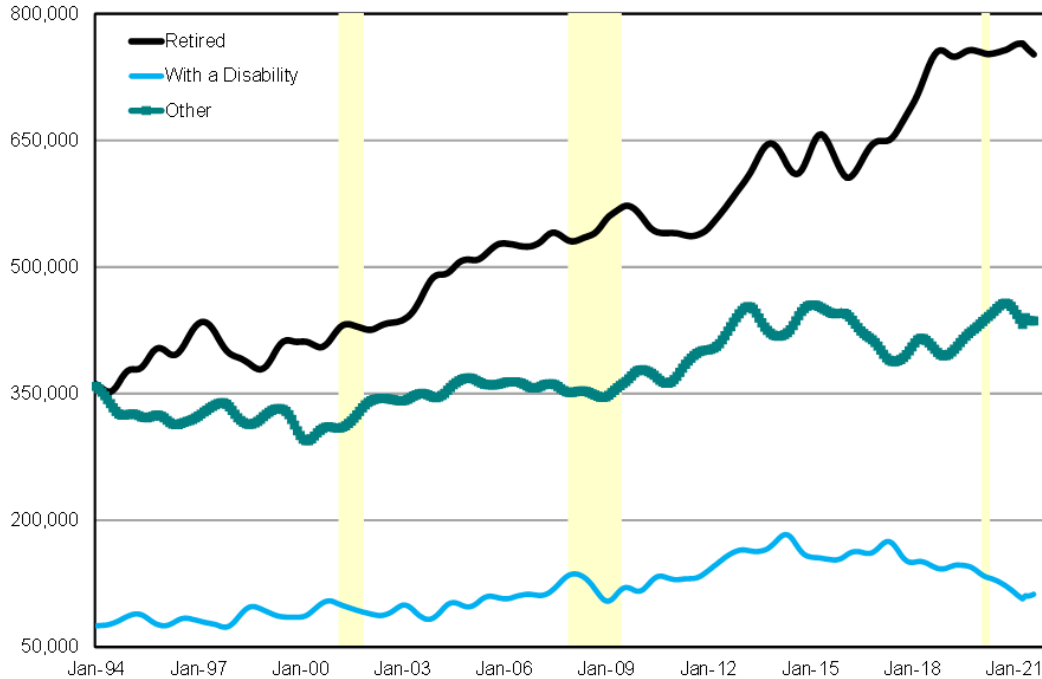
Wages still lower than other industries they lose workers to already.

Leisure and hospitality raised wages by \$2 per hour (14%) over the year

Still less than retail or transportation and warehousing – and lost 37,000 workers to those industries in 2020

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.

Struggling Beyond September: Retirements

Share of Workers Likely at or Within a Decade of Retirement by County, Oregon = 24%

Area	% Workers Ages 55+	Area	% Workers Ages 55+
Baker	28%	Lake	31%
Benton	25%	Lane	25%
Clackamas	24%	Lincoln	30%
Clatsop	27%	Linn	25%
Columbia	25%	Malheur	27%
Coos	29%	Marion	25%
Crook	26%	Morrow	27%
Curry	30%	Multnomah	21%
Deschutes	23%	Polk	24%
Douglas	27%	Sherman	27%
Gilliam	31%	Tillamook	28%
Grant	32%	Umatilla	25%
Harney	30%	Union	25%
Hood River	26%	Wallowa	33%
Jackson	26%	Wasco	27%
Jefferson	28%	Washington	22%
Josephine	27%	Wheeler	39%
Klamath	26%	Yamhill	25%

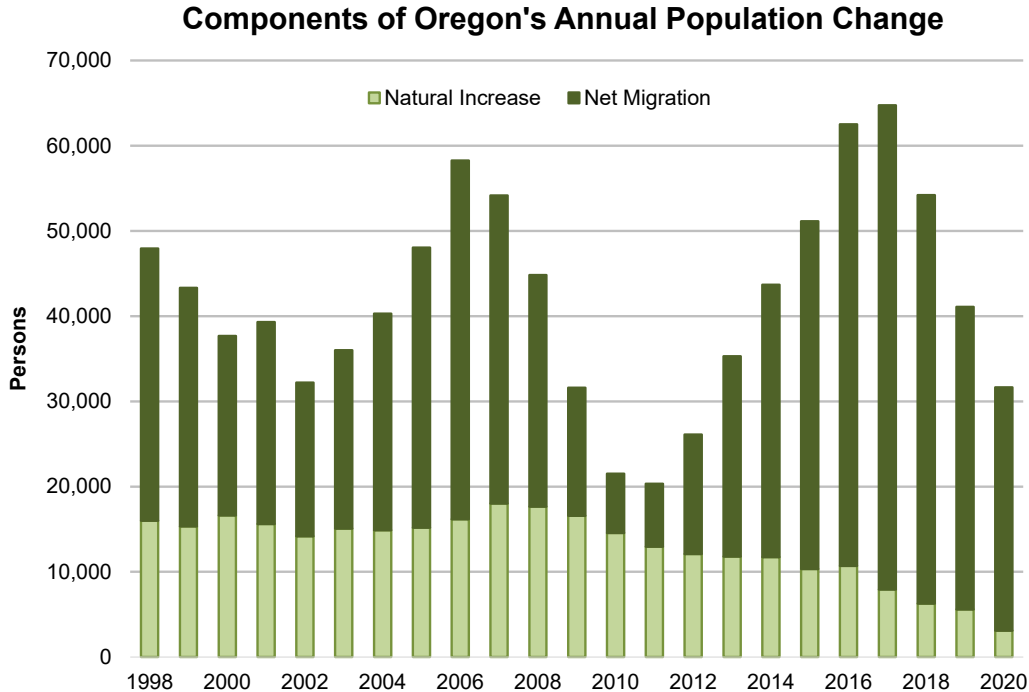
Source: Quarterly Workforce Indicators, U.S. Census Bureau

Rural counties tend to have slightly higher shares of workers ages 55 and older.

That's an added squeeze on employers in the counties – and there are a few in Eastern Oregon – that have already recovered all their job losses from 2020.



Struggling Beyond September: Lower Net In-Migration



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

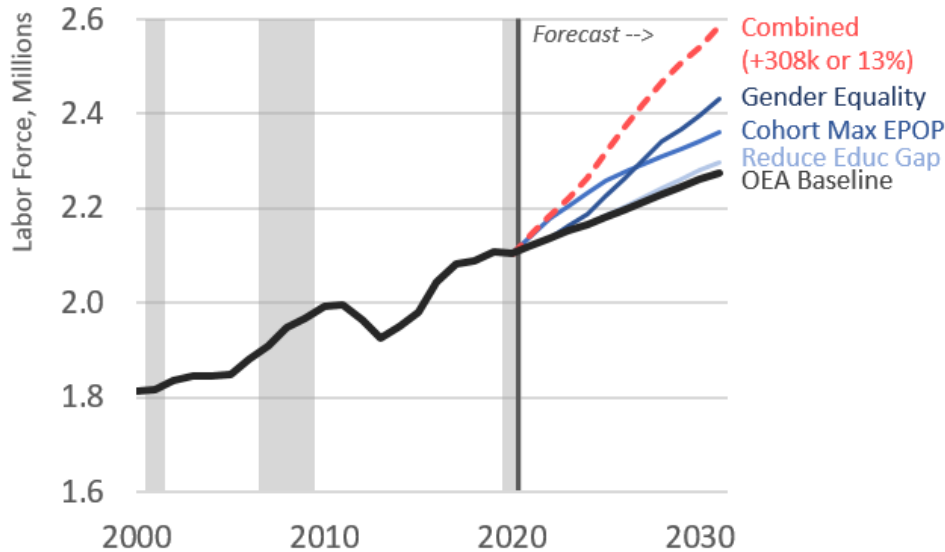
The primary way we grow our workforce is by people moving here from other states and areas. That was down by 20% in 2020, but had been sliding for years.

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



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."



What can employers do now?

Wages

- Average starting wages for job openings up by more than 2% after adjusting for inflation
- Average hourly earnings up by more than 2% for all workers too, so raising wages for existing employees

Benefits and Other Perks

- Paid vacation and paid holidays
- Flexible schedules, tuition assistance, relocation expenses, wage differentials for busy times of week/year

Changing business operations

- Technology and take out
- Loosening previous work experience requirements

Recruitment Intensity





Gail Krumenauer, State Employment Economist

Gail.K.Krumenauer@Oregon.gov

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