

The background of the slide features a large, faint, light blue seal of the State of Oregon. The seal is circular and contains the text "STATE OF OREGON" around the top and "1859" at the bottom. In the center, there is an eagle with spread wings perched on a shield, with a banner below it that reads "THE UNION". Below the eagle, there is a scene depicting a plow, a sheaf of wheat, and a cow, symbolizing agriculture and industry.

# Industry Update

Prepared for:

House Interim Committee on Business and Labor

June 1st, 2022

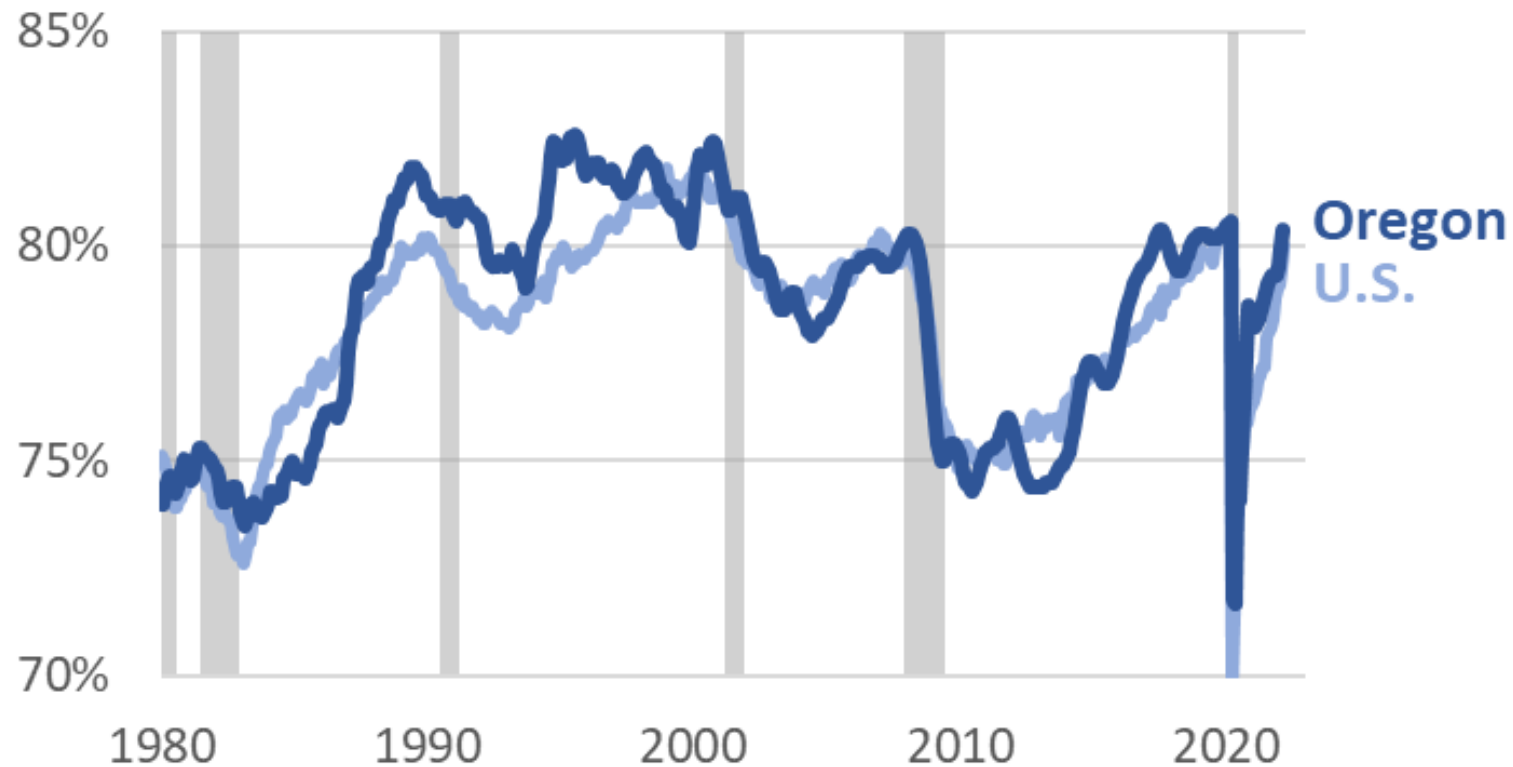
Mark McMullen  
Oregon State Economist



# Good News: Full Employment Ahead

## Cyclical Recovery is Complete

Prime-Age EPOP: Share of 25-54 Year Olds with a Job



- Good news is initial recovery is complete
  - Share of working-age Oregonians with a job is as high as we have seen this millennium
  - Issues from pandemic, recession, distance learning, enhanced UI are all in rearview mirror
- Outlook
  - Growth will slow as firms are, or nearly staffed up, and number of available workers is fewer in a full employment economy

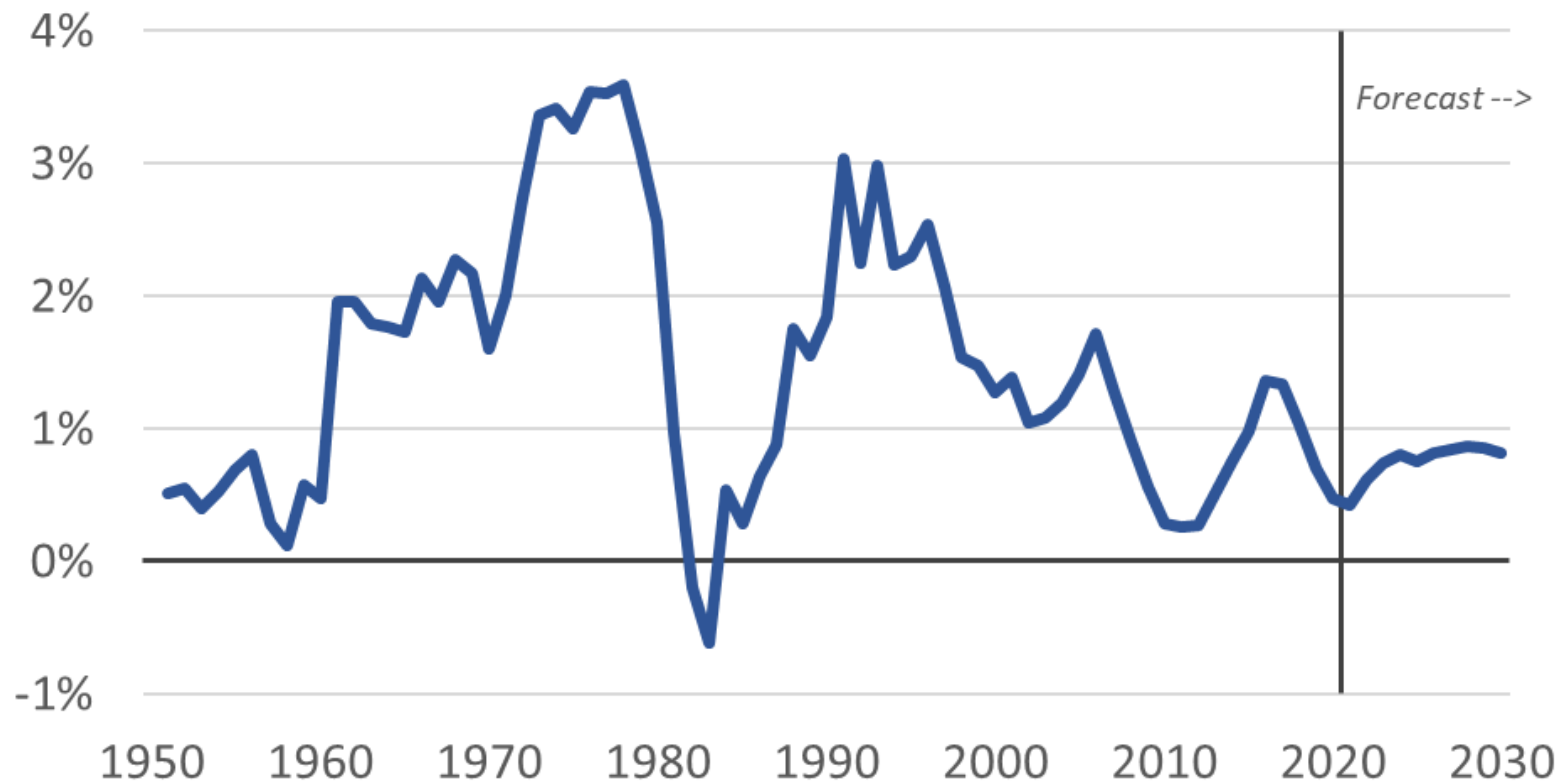




# Bad News: Workers will be scarce for the foreseeable future

## Labor Force Growth is Slower

Annual Growth Rate of Oregon's Potential Labor Force

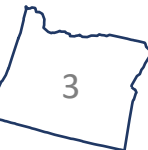


- **Pandemic Changes**

- More self-employment
- Fewer multiple jobholders
- More quits as workers switch jobs

- **Structural Factors**

- Pandemic deaths
- Less international migration
- Demographics of Baby Boomer retirements and smaller Gen Z and slower migration

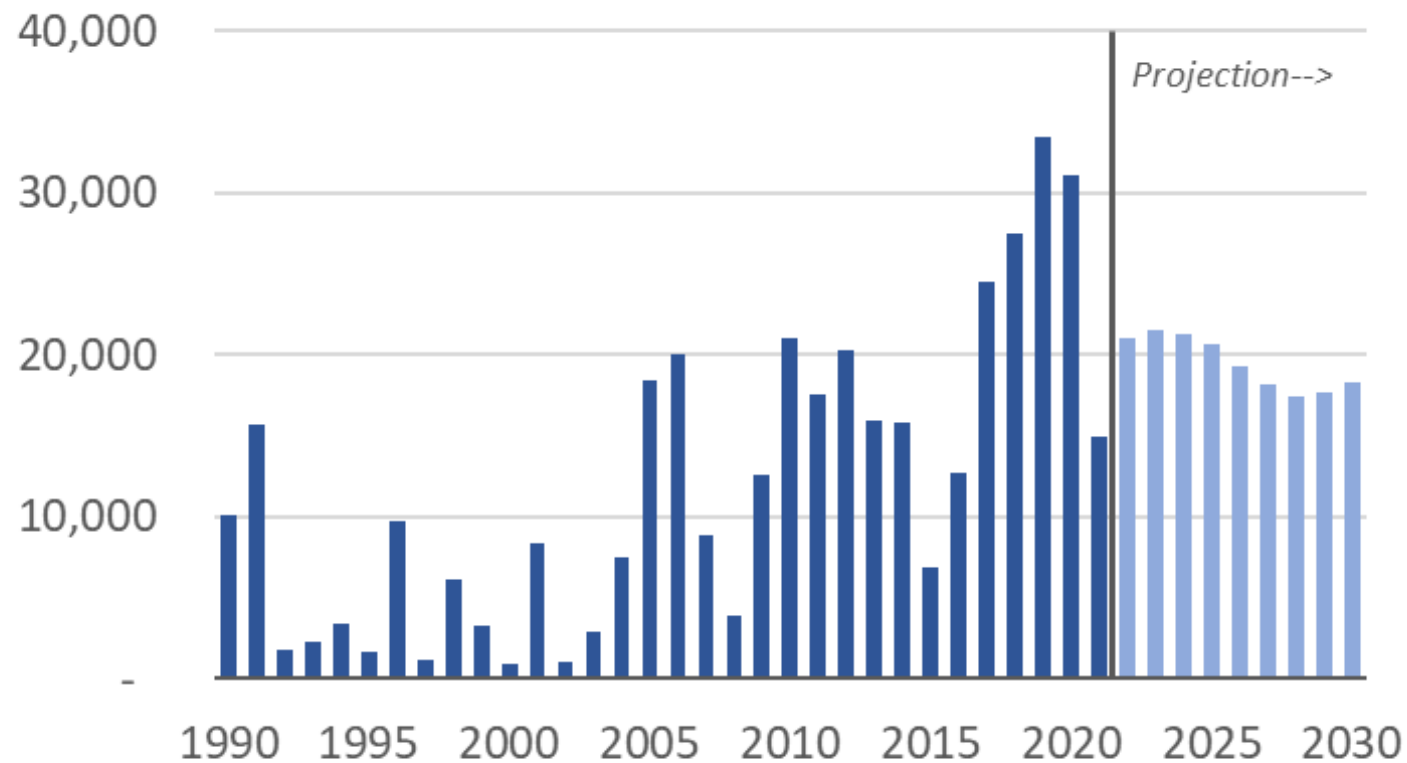




# Retirements are not about the pandemic

## Oregon's Silver Tsunami

Annual Retirements (60+ Years Old Not in the Labor Force)



Oregon Office of  
Economic Analysis

Latest Data: 2021 | Source: IPUMS-CPS, Oregon Office of Economic Analysis

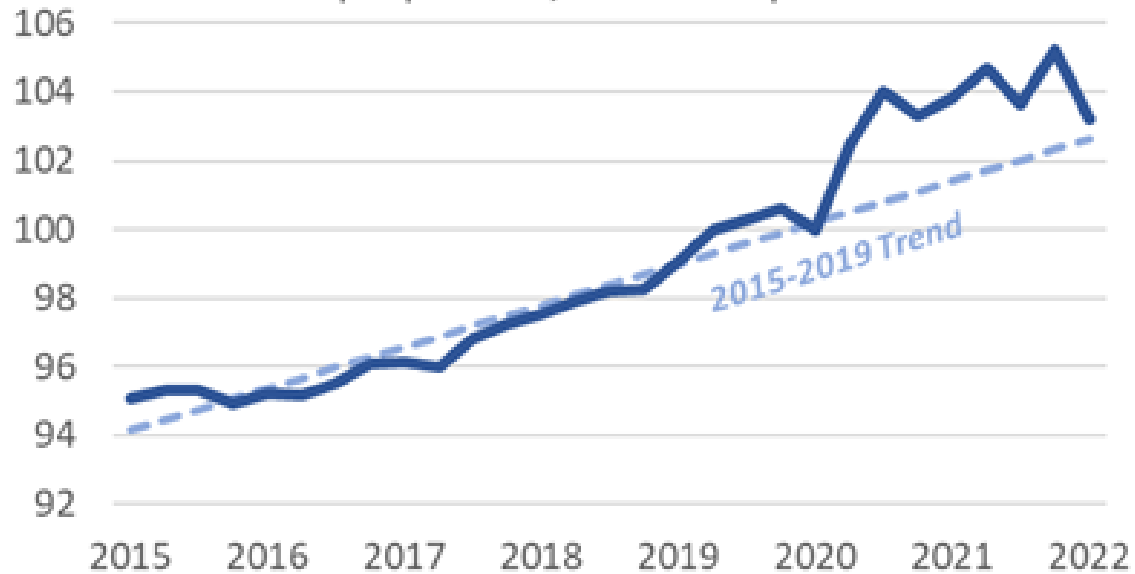




# Productivity growth would help

## U.S. Nonfarm Productivity

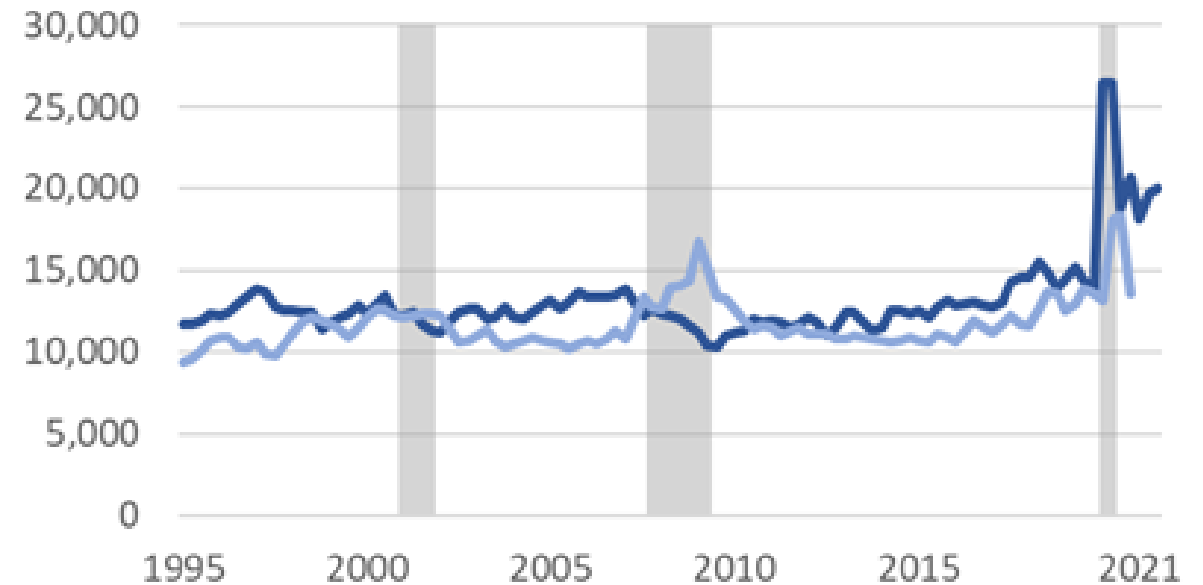
Output per Hour, Index 2020q1=100



Latest Data: 2022q1 | Source: BLS, Oregon Office of Economic Analysis

## Oregon Business Closures Increased but Startups Rose Even More

Establishment Births and Deaths, Annualized Rate



Data: 2 qtr average | Latest: Births 2021q3, Deaths 202q4 | Source: BLS, Oregon Office of Economic Analysis



Oregon Office of Economic Analysis

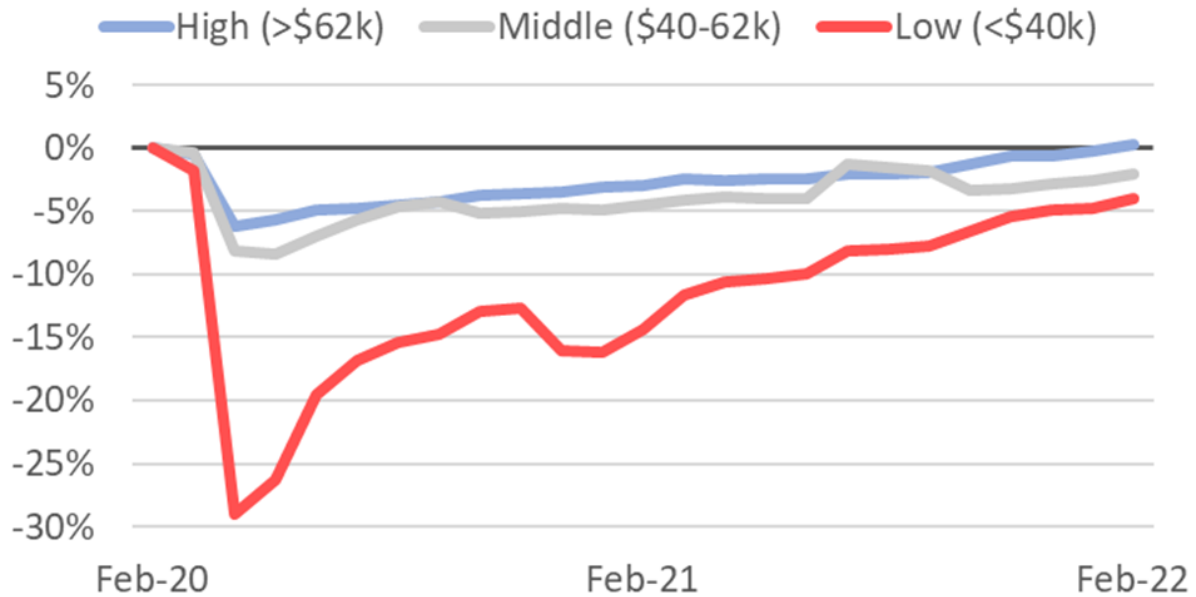




# Low-wage service industries have yet to recover

## Oregon Employment by Wage

Percent Change Since February 2020, Terciles Based on Industry Average Wage



Latest Data: Feb 2022 | Source: Oregon Employment Department, Oregon Office of Economic Analysis

## Rising Employment Rates

Share of Prime-Age Oregonians (25-54) with a Job



Data: 12 Month Average | Latest: March 2022 | Source: IPUMS-CPS, Oregon Office of Economic Analysis



Oregon Office of Economic Analysis

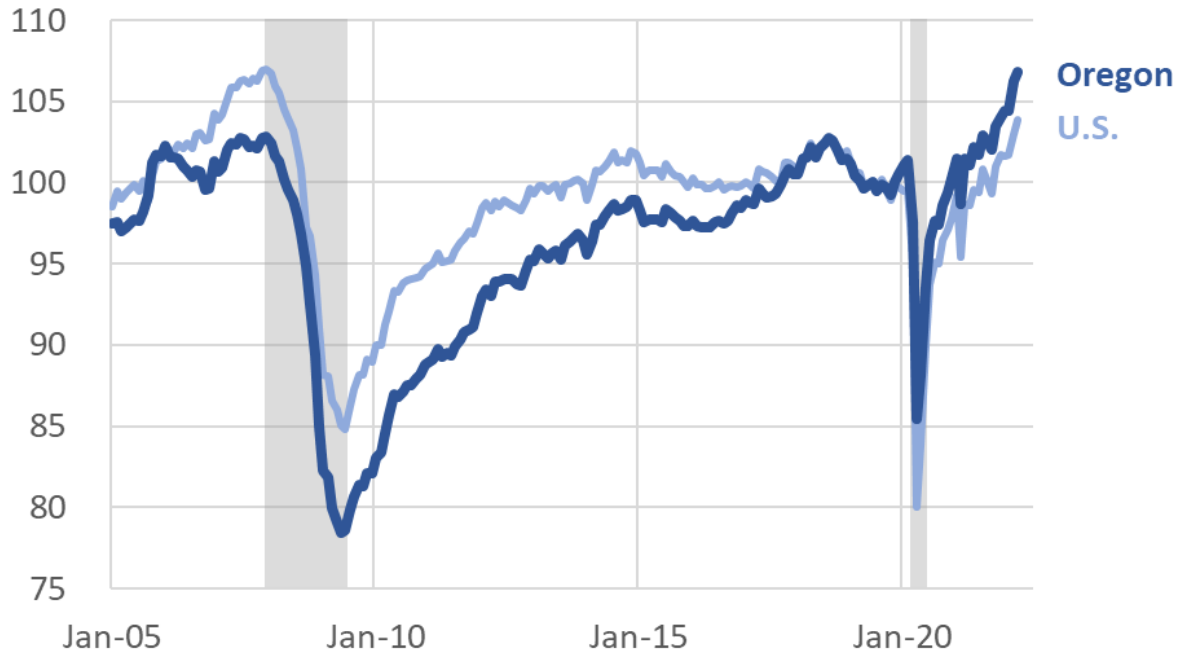




# A different cycle for manufacturers

## Manufacturing Production is Strong

Index 2019=100, Oregon Index Reweights U.S. Production Data  
Based on Local Employment Mix



Latest Data: March 2022 | Source: Federal Reserve, Oregon Employment Dept, Oregon Office of Economic Analysis

## Manufacturing Pays Below Average

Average manufacturing wage excluding computer and electronic products, relative to average private sector wage



Latest Data: 2021q4 | Source: Oregon Employment Dept, Oregon Office of Economic Analysis



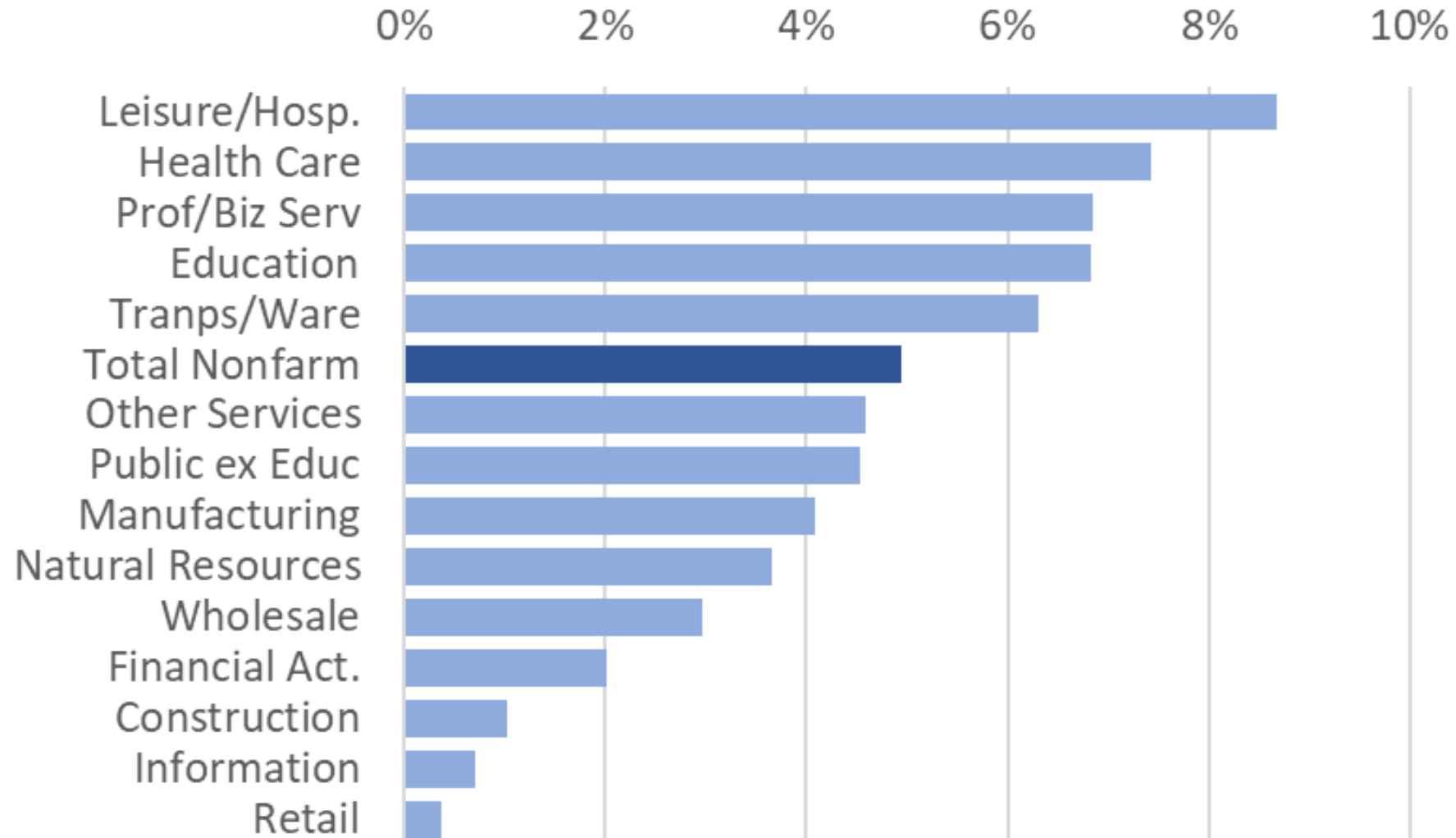
Oregon Office of  
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# Oregon Industry Employment Forecast

## 2021q4 – 2023q4 Percent Change







# Contact

mark.mcmullen@das.oregon.gov

(971) 209-5929



[www.OregonEconomicAnalysis.com](http://www.OregonEconomicAnalysis.com)



@OR\_EconAnalysis



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