



# Oregon's Labor Market is Tighter Than You Think

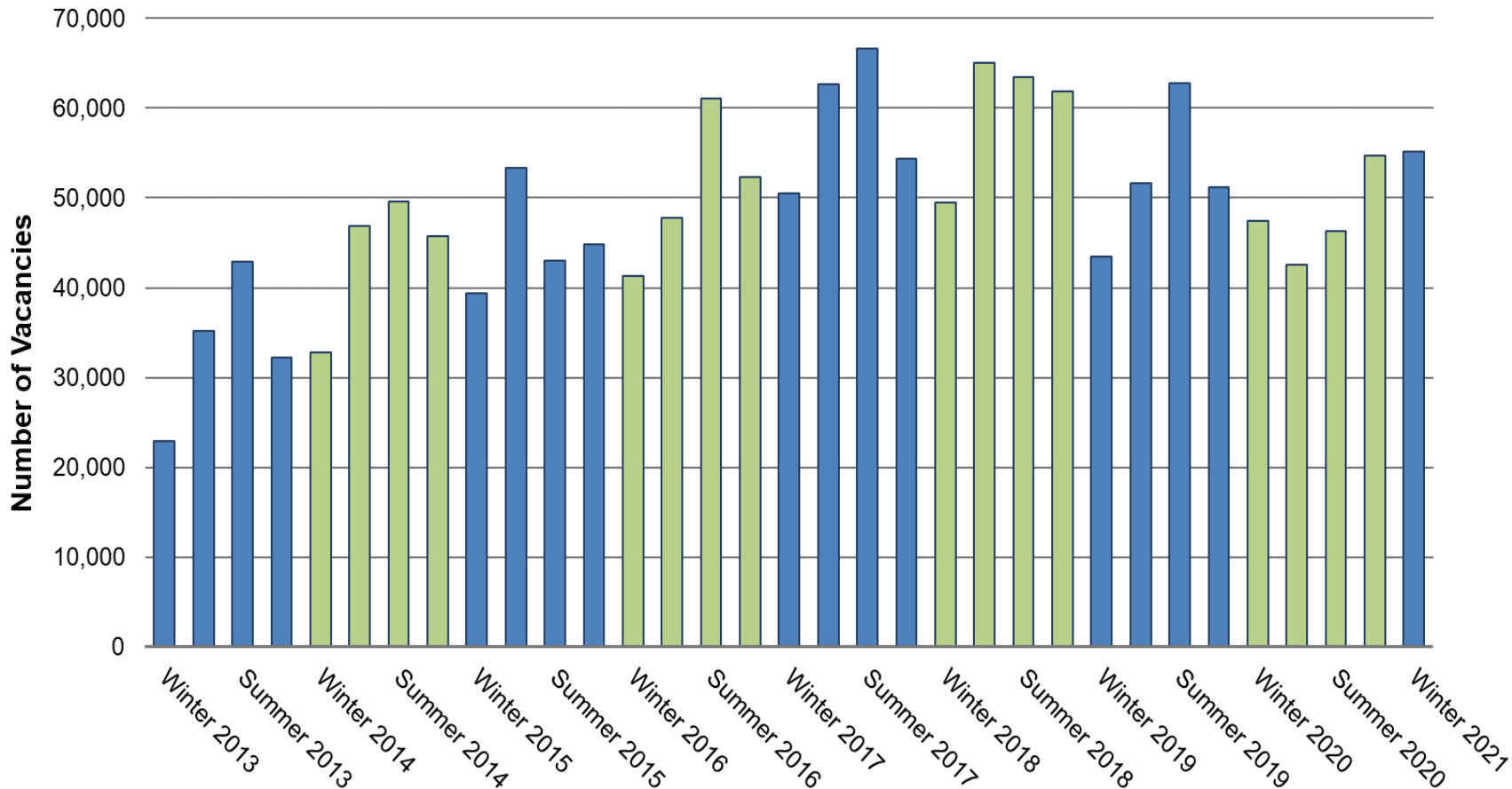
May 4<sup>th</sup>, 2021

Oregon Office of Economic Analysis  
Josh Lehner



# Firms sure aren't acting like there is excess labor today

Oregon's Quarterly Job Vacancies, 2013-2021



- Past recessions
  - Fewer job openings due to weak economy
  - Deep pool of candidates
  - Slow wage growth
- Pandemic recession
  - Strong labor demand
  - Strong wage growth
  - Shallower pool of candidates than you think

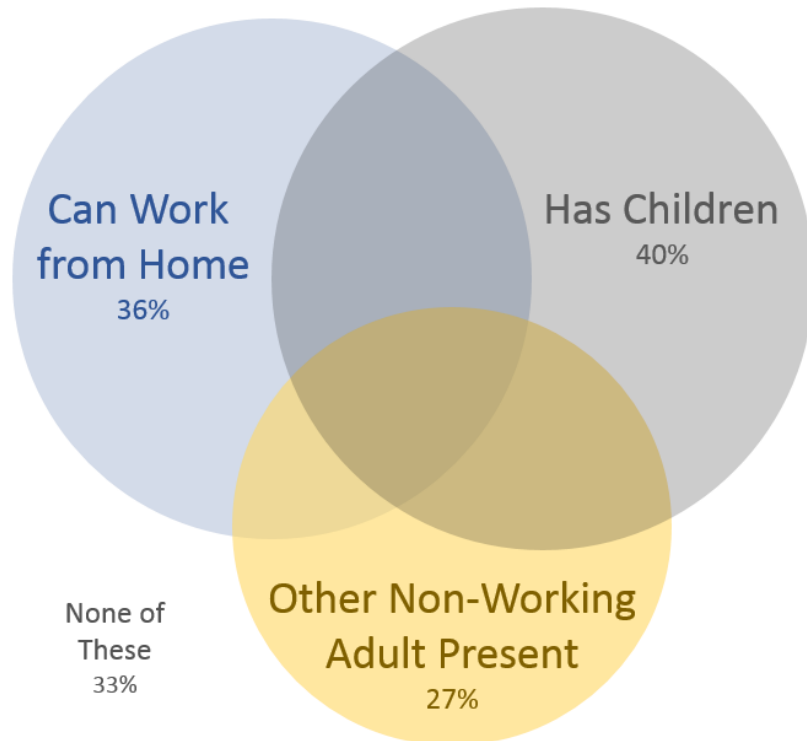




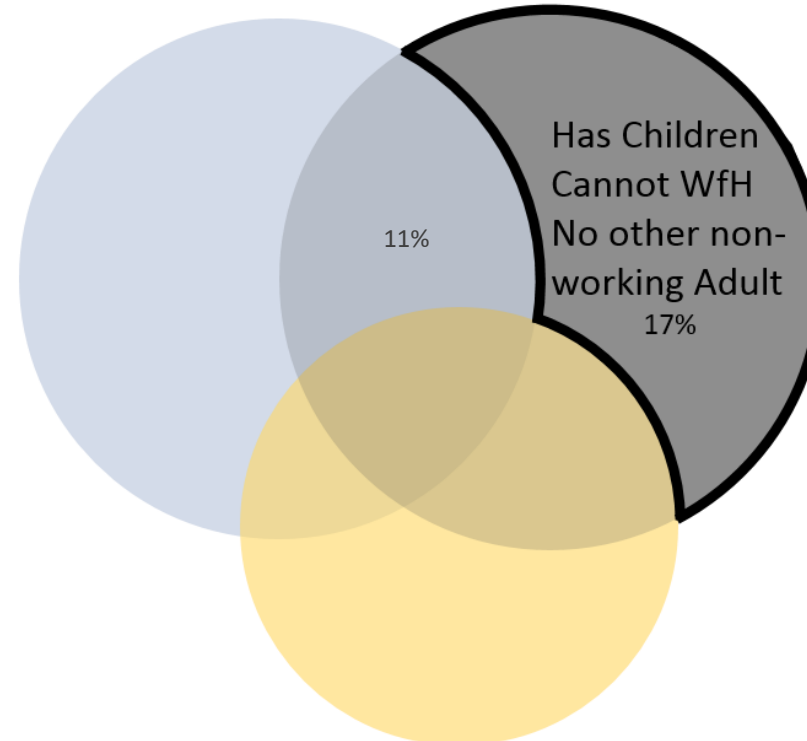
# Labor supply headwinds

## COVID Challenges Working Oregon Parents

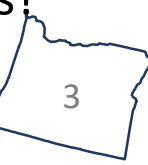
Oregon's Workforce: 2.1 million



Working Parents in a Bind: 350,000



- Pandemic fear
  - 45,000 Oregonians were not looking for a job in 2021q1 due to COVID concerns
- Lack of in-person school
- Migration slows in recession as job opportunities are harder to come by
- At or near peak retirements today, how does the pandemic affect those patterns?

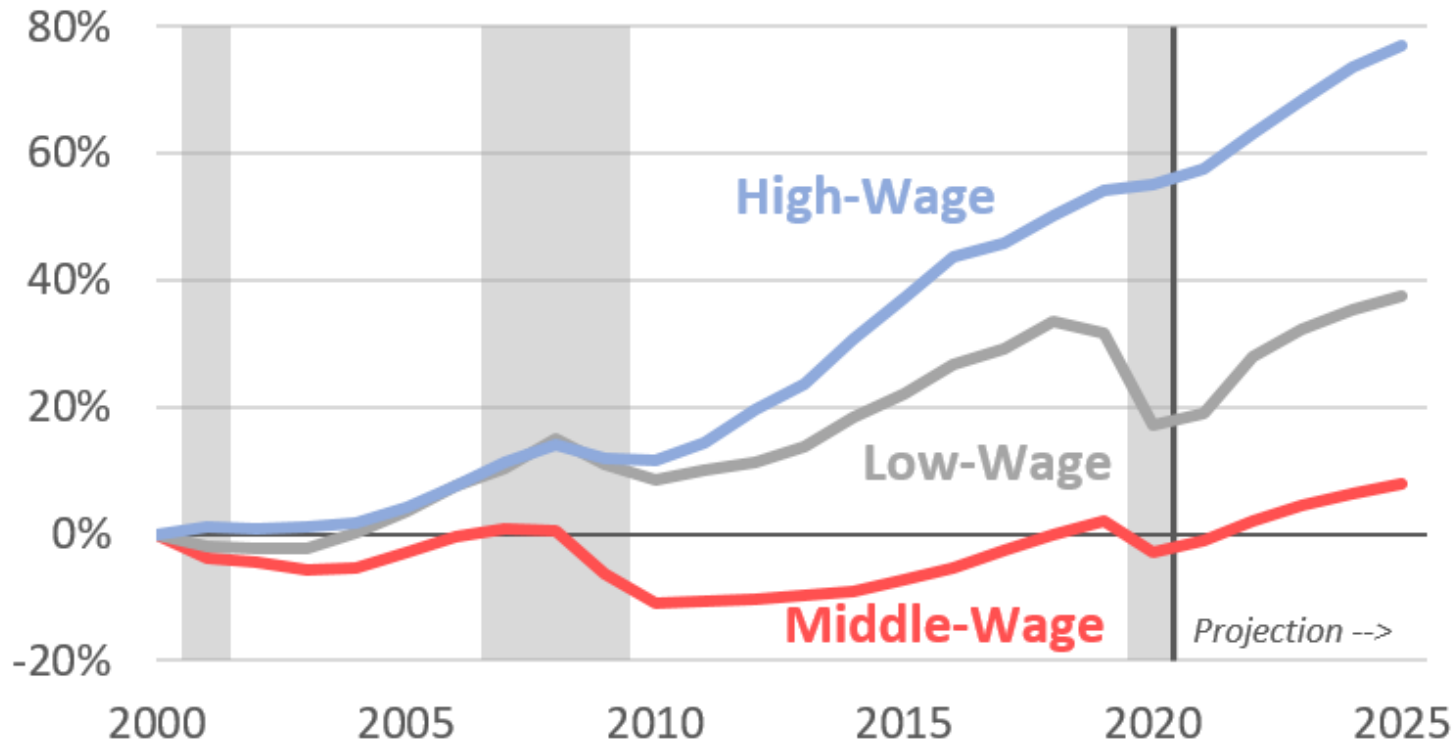




# Concentrated economic shock

## COVID-19 and Job Polarization

Percent Change in Oregon Employment Since 2000



- Disparity Issues and Risks
  - Job Polarization
  - Geographic
  - Racial and Ethnic
- Market Dynamics
  - Today, not much slack to begin with
  - Concentrated shock in a few sectors
  - Rehiring all at same time
  - Still many temporary layoffs

Wage groups based on median wage by occupation. Projections based on industry employment forecasts and mix of occupations each industry employs. | Latest Data: 2020 | Source: BLS, Oregon Office of Econ Analysis

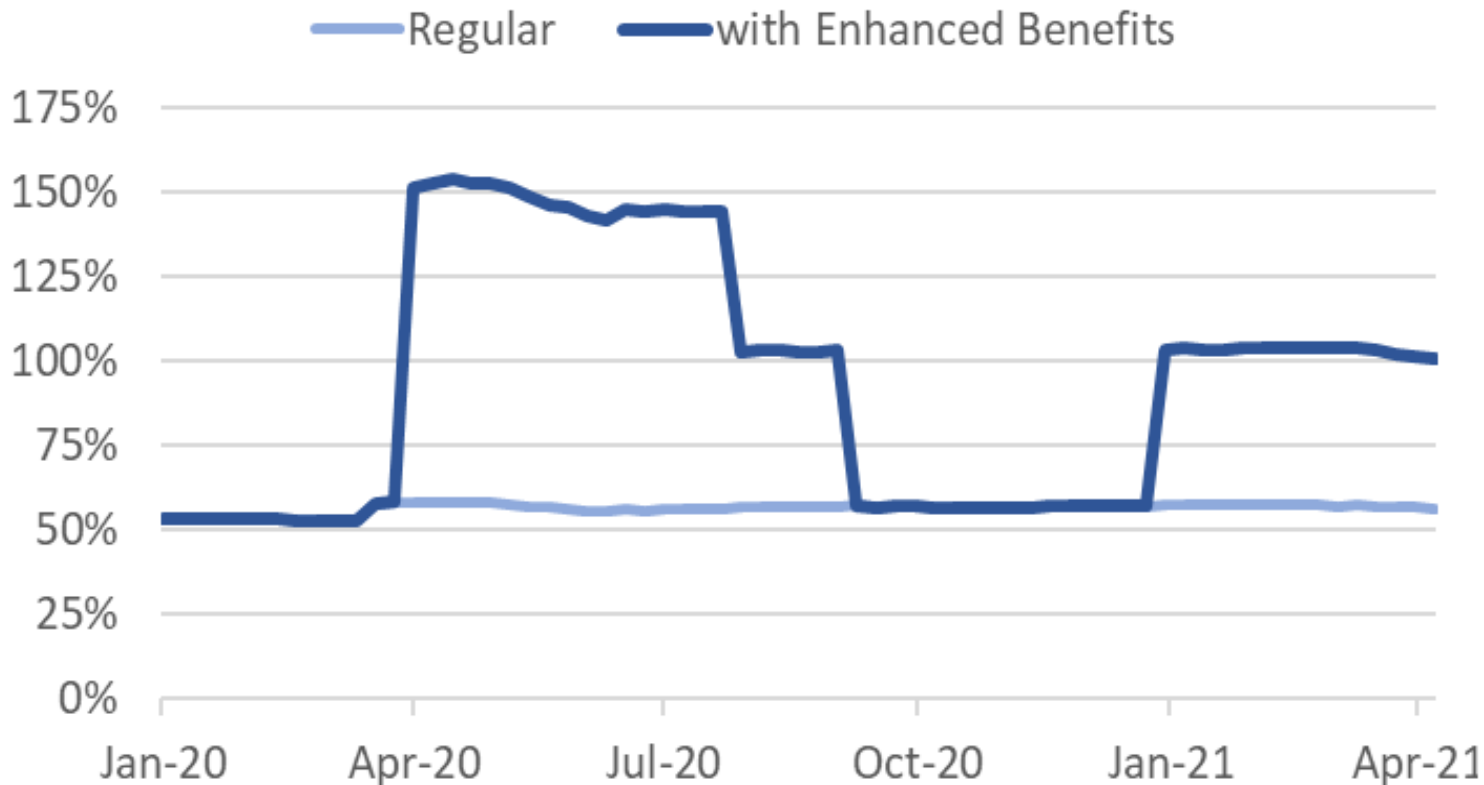




# Strong household finances

## Oregon UI Replacement Rates

Weekly Benefit as Share of Base Wage



Source: Oregon Employment Department, Oregon Office of Economic Analysis

- Household Finances

- Incomes 15-20% higher today
- Record asset markets
- Recovery rebates and enhanced UI each add \$12 billion to Oregon income
- Primary reason overall economic outlook is so bright
- UI is 100% wage replacement today

- Outlook Questions

- How quickly do firms adjust and raise wages/perks to attract and retain?
- Or more gradual adjustment knowing pandemic's unique circumstances are ending soon?

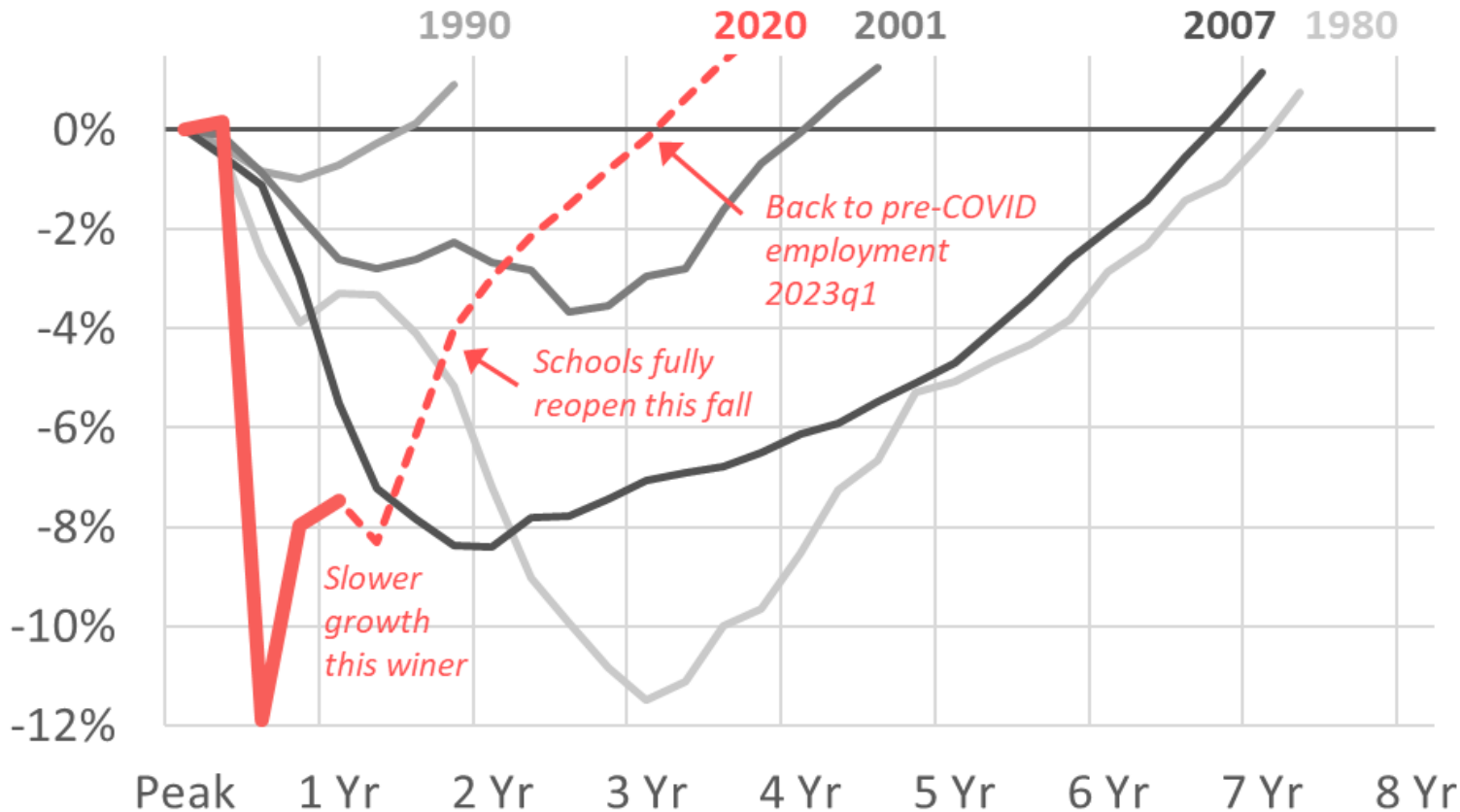




# Bottom line

## Oregon Recession Comparison

Employment Percent Change from Pre-Recession Peak



- Unique pandemic circumstances are about to end
  - Pandemic will wane
  - Kids will return to the classroom
  - UI expires in September
  - Migration flows will rebound
- Labor market will remain relatively tight, there is no excess labor
- When labor is tight:
  - Firms must compete more on price to attract and retain workers
  - Firms will need to cast a wider net, dig deeper into their resume stack, and hire workers with incomplete skill sets and those that may have been passed over in a weaker economy
  - Lessens but not does eliminate disparities



Source: Oregon Employment Department, Oregon Office of Economic Analysis



# Contact



joshua.lehner@oregon.gov  
(971) 209-5929



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



@OR\_EconAnalysis



Oregon Office of  
Economic Analysis

