



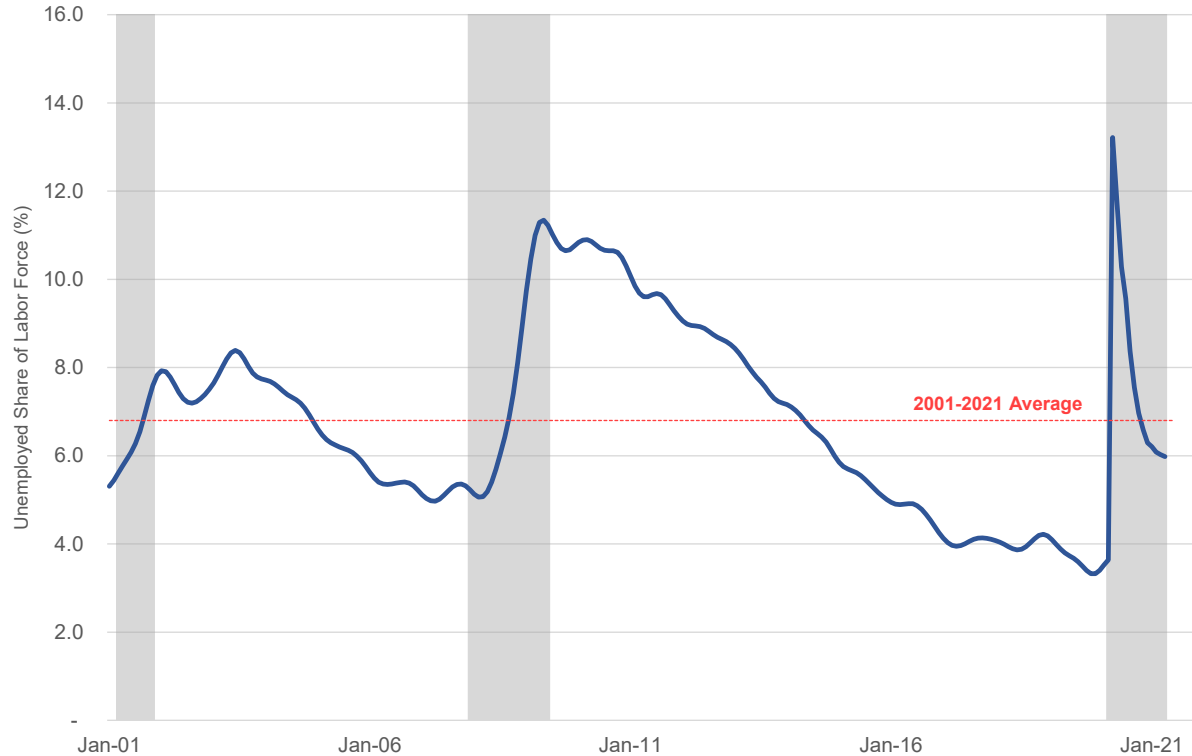
Labor Market Barriers and Difficulty Finding Workers

Pacific Northwest Regional Economic Conference

May 24, 2021



Oregon's Unemployment Rate is Currently Below Its Long-Run Average



Oregon's seasonally adjusted unemployment rate was 6.0% in April, below the average rate (6.8%) of the past two decades.

Unlike Great Recession, when most job losses were permanent, and excess labor supply lasted for years, most of the layoffs were temporary and the unemployment rate plummeted quickly below long-run average in the wake of the pandemic.

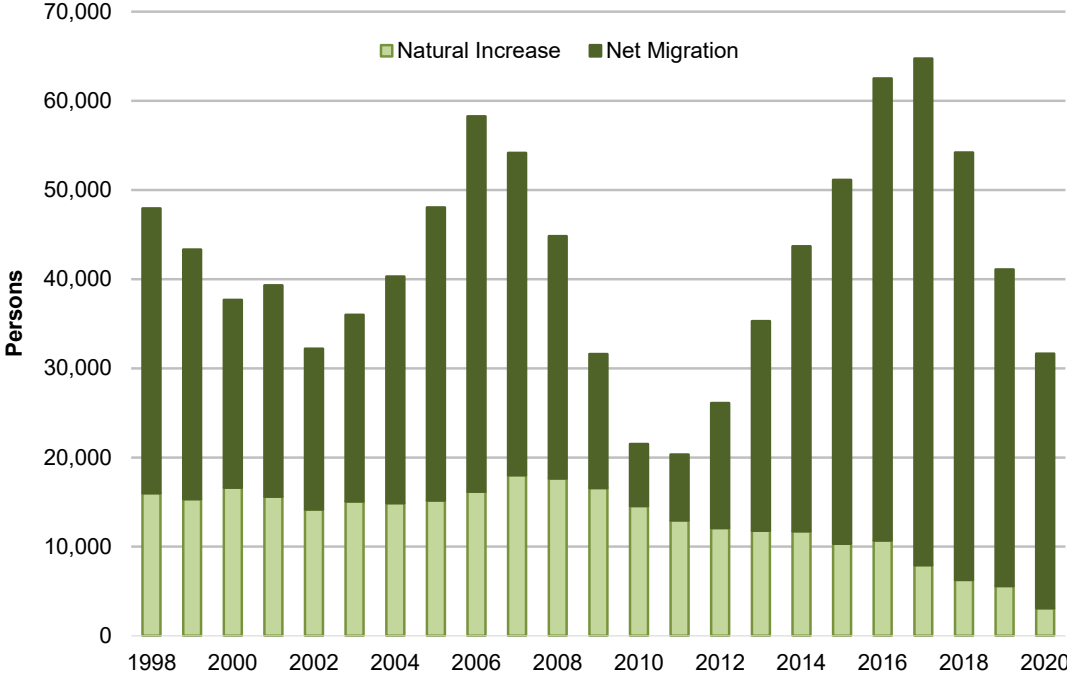
As hiring heated up in the first quarter, employer competition did too.

Latest: Mar '21 | Source: Oregon Employment Dept, Oregon Office of Economic Analysis



Our labor force isn't growing like it usually does.

Components of Oregon's Annual Population Change



For decades, Oregon has mainly grown its labor force from net in-migration of workers from other states and areas. Net in-migration was 20% lower in 2020, at 28,600, than in 2019.

That also marked the lowest net in-migration since 2013.

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



Many Oregonians are sitting out the labor force due to COVID-19 concerns.

Vaccination is key to collective recovery in Oregon

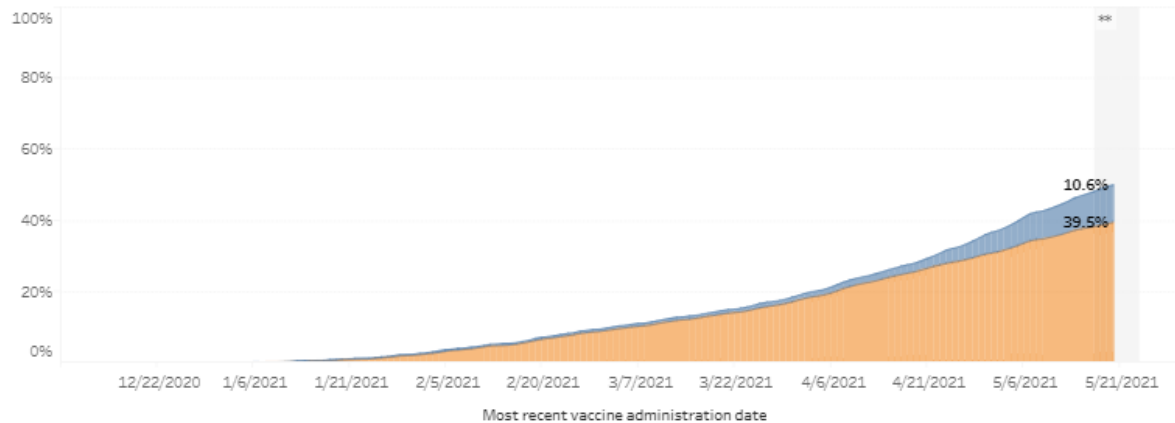
Vaccination efforts can help protect you as well as our community. Progress in Oregon is measured using the following definitions:

- ◆ **Vaccinated:** People who have received at least one dose of any COVID-19 vaccine (Moderna, Pfizer, Johnson & Johnson)
- ◆ **In Progress:** People who still need to receive a second dose of the Moderna or Pfizer COVID-19 vaccines
- ◆ **Series Complete:** People who have received two doses of Moderna vaccine, two doses of Pfizer, or one dose of Johnson & Johnson

Percent of people living in Oregon who received COVID-19 vaccine*

Vaccination rates over time

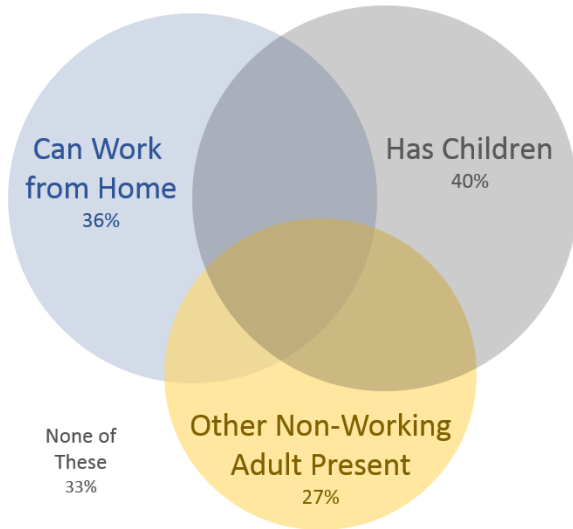
50.0% are vaccinated, **10.6%** are in progress while **39.5%** have completed the series.



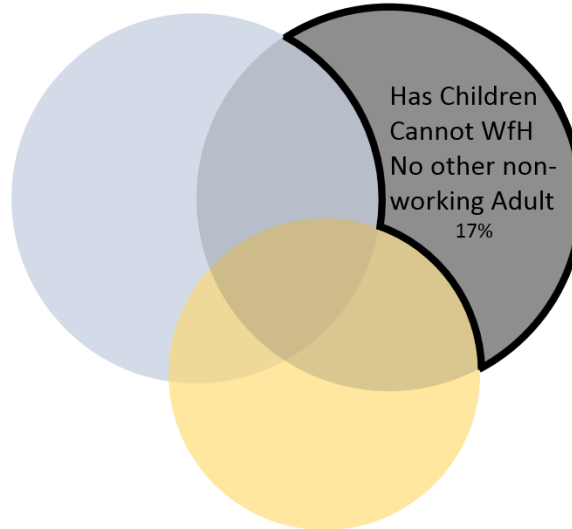
The lack of full-time, in-person schooling puts working parents in a bind.

COVID Challenges Working Oregon Parents

Oregon's Workforce: 2.1 million



Working Parents in a Bind: 350,000



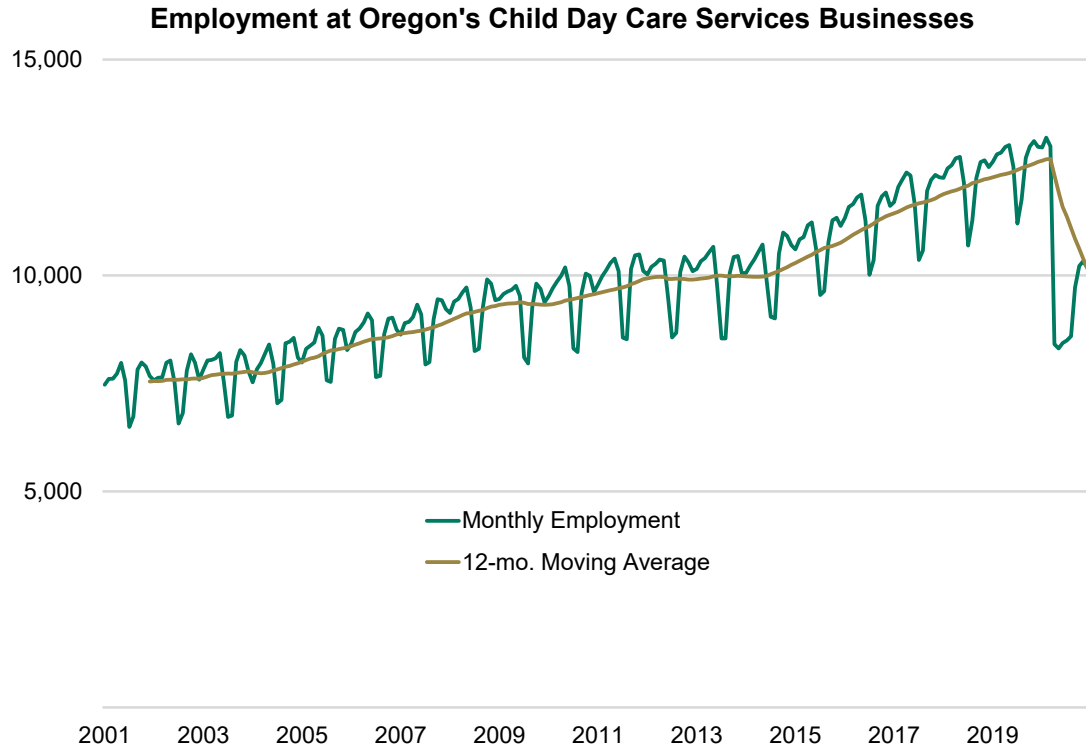
Heading into the pandemic, one out of six workers in Oregon's labor force had children present in their household, and also had a job that could not be teleworked, and also did not have another non-working adult present in the household.

As of mid-May, [two-thirds of K-12 schools](#) were still in full or partial remote learning.

Data: 2018 ACS | Source: IPUMS-USA, Univ of Chicago, Oregon Office of Economic Analysis



Lack of child care can also limit parents' workforce options.

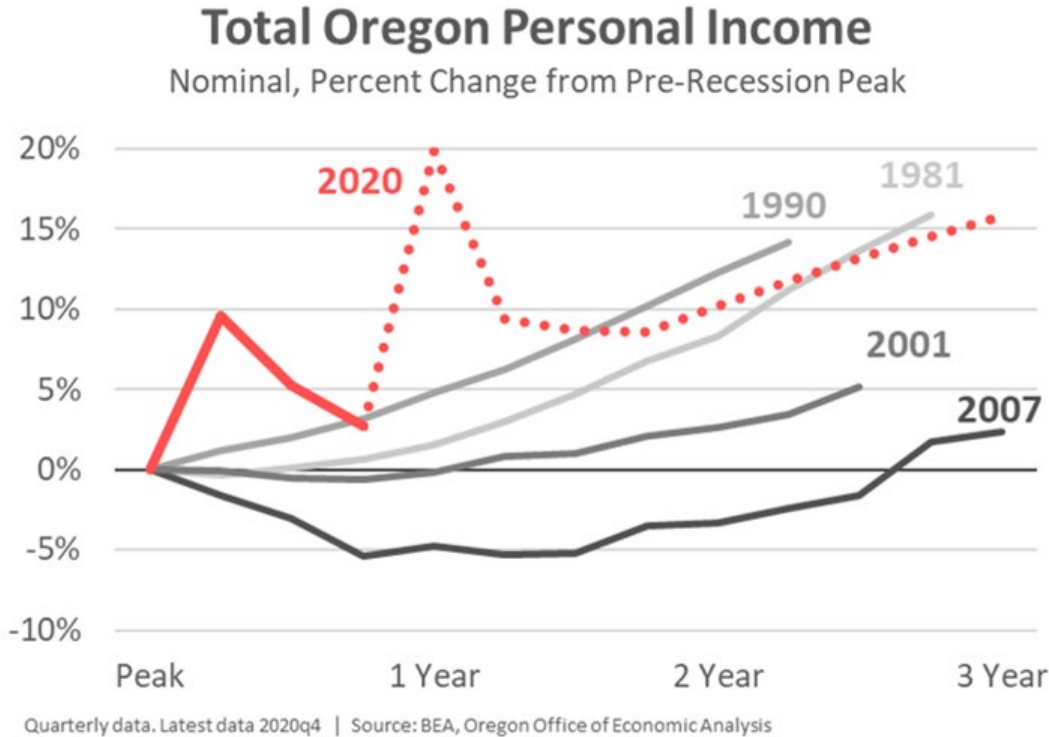


Source: Oregon Employment Department, Quarterly Census of Employment and Wages.

Many areas of the state already had too few child care slots prior to the pandemic.

With reduced capacity and employment still down in the child care industry, that hasn't improved over the past year.

Total personal income is about 20% higher today than pre-pandemic.

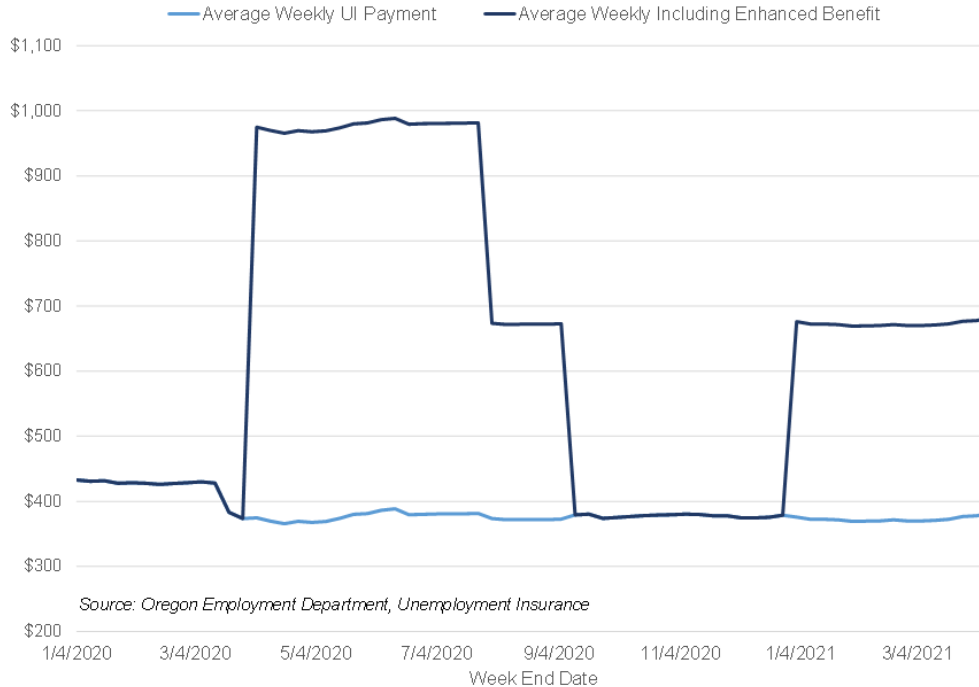


More than \$24 billion in additional federal funds have come to Oregon since the pandemic began. Federal recovery rebates alone have added \$12 billion to personal income in Oregon.

Brightens overall economic outlook, and may also reduce labor force participation in the short term.

Enhanced Unemployment Benefits

Average Weekly Regular Unemployment Insurance Payments in Oregon



During the first three months of 2021, weekly UI payments averaged \$670 per week. That's equivalent to \$16.75 per hour for full-time work.

Earning \$16.75 per hour and working full-time, year round would result in gross earnings of \$34,800. In 2019, the median earnings of Oregon workers was \$50,700.

PUA benefits may also allow some self-employed or contract workers to be supported until that work picks up again, rather than immediately take a payroll job.

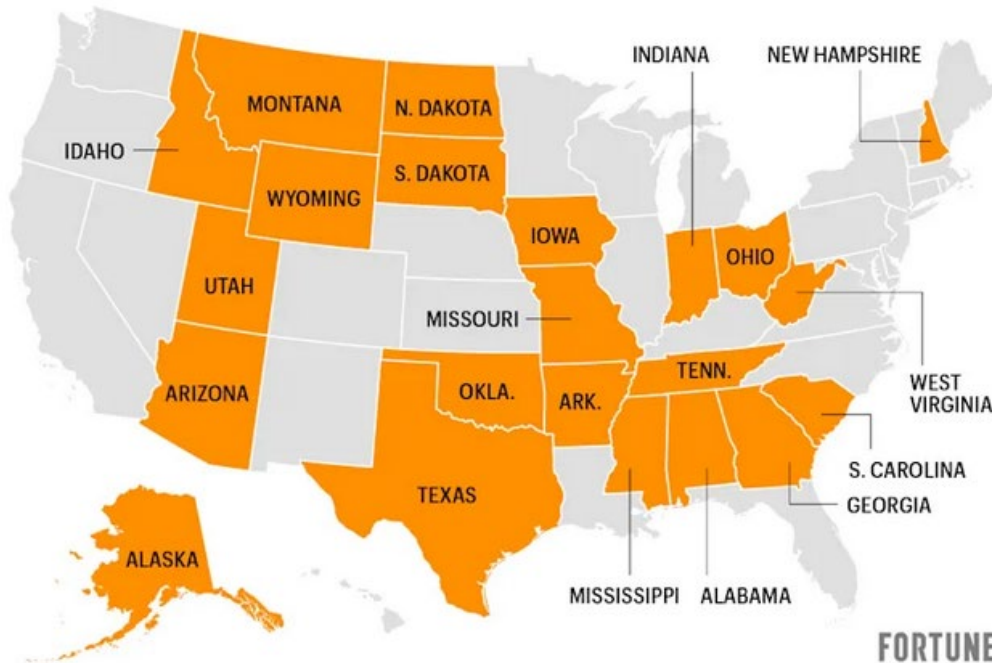
Note: turning down work due solely to UI payments is considered fraud, and should be reported by employers at <https://bit.ly/2QpAhWd>



The Benefits Cliff

STATES CUTTING ENHANCED UNEMPLOYMENT BENEFITS

STATES DROPPING THE \$300-A-WEEK FEDERAL UNEMPLOYMENT BENEFITS



So will the policy lever of cutting enhanced unemployment benefits, alone and of itself, “solve” labor shortages?

And once the temporary trends in play – COVID fear, remote learning, fiscal support – subside, do returns to lower headline unemployment and longer-term demographic trends set us up for ongoing labor shortages?





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The full report on this topic can be found at <http://bit.ly/ORLaborMarket>

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