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**Labor Market Information**

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# *Economic Forecast 2022*

## *November 15, 2021*

*Brian Rooney, Regional Economist*  
*Oregon Employment Department*

## Today's agenda:

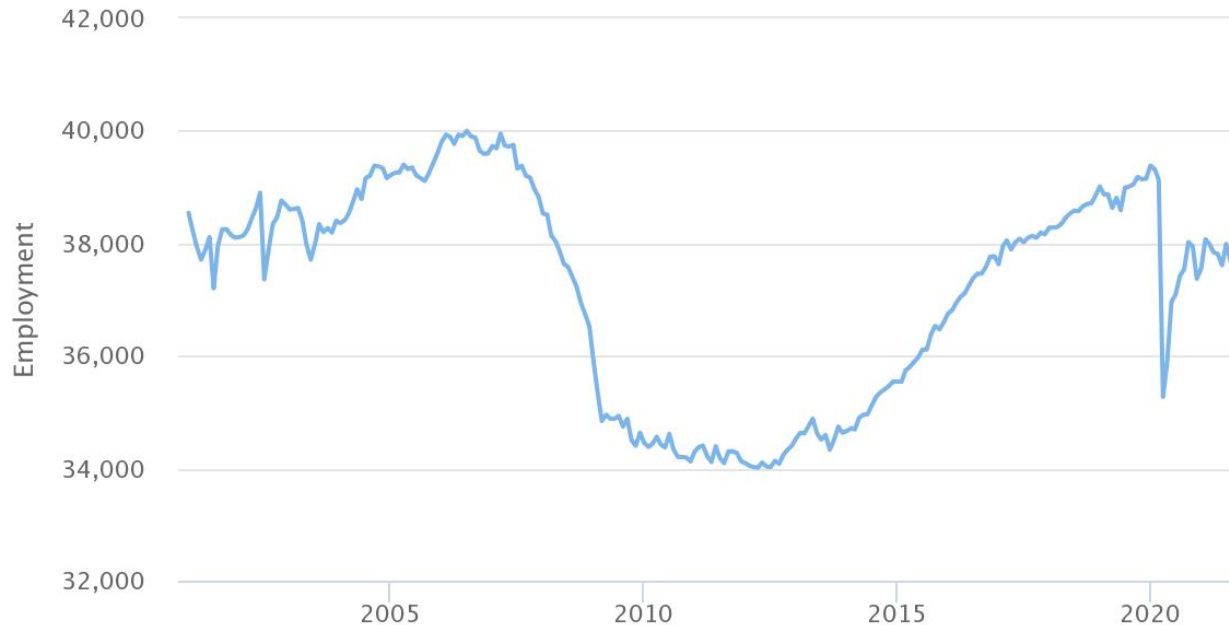
- Employment and unemployment trends.
- Labor shortage.
- New employment forecasts!

# Employment and Unemployment During the Recovery From Pandemic Losses

Some rural counties were not as affected by COVID-19 restrictions as the rest of the state.

### Douglas County Total nonfarm employment

(seasonally adjusted)



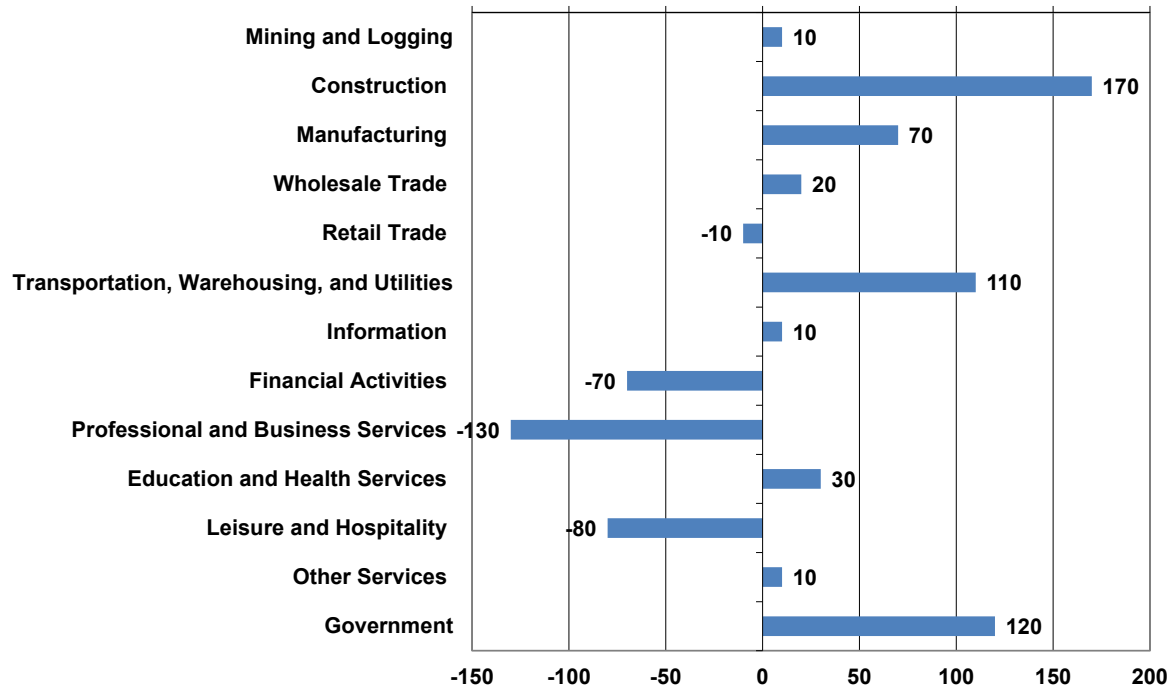
Source: Oregon Employment Department QualityInfo.org

- ✓ *Douglas County lost 4,050 (10%) jobs between February and April of 2020. It had gained back 2,530 (62%) of what was lost by Sept. 2021.*
- ✓ *Statewide, Oregon lost 14% between February and April 2020. It had gained back 72% of what was lost by September.*
- ✓ *Areas with a higher concentration of jobs in restaurants and hotels like the North Coast were the hardest hit.*



# Some industries continue to struggle with the pandemic.

Douglas County Industry Employment Change over-the-year September 2021

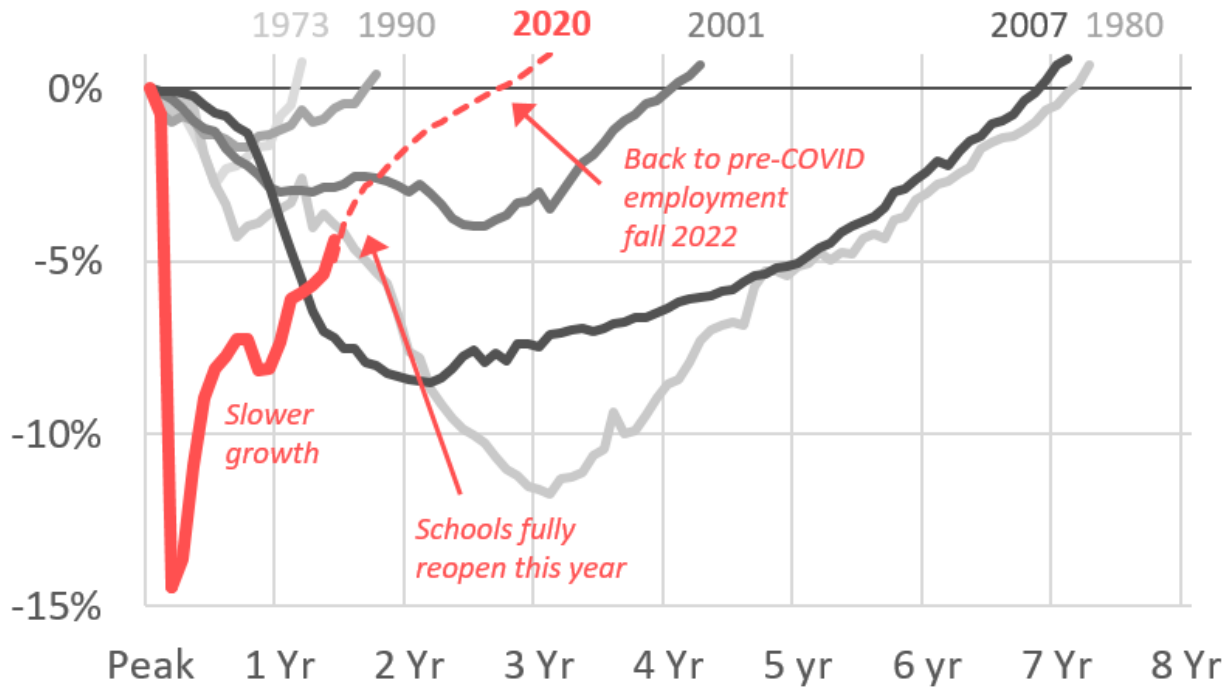


*Total payroll employment is up 260 (0.7%) over the year.*



# Oregon Recession Comparison

Percent Change from Pre-Recession Peak



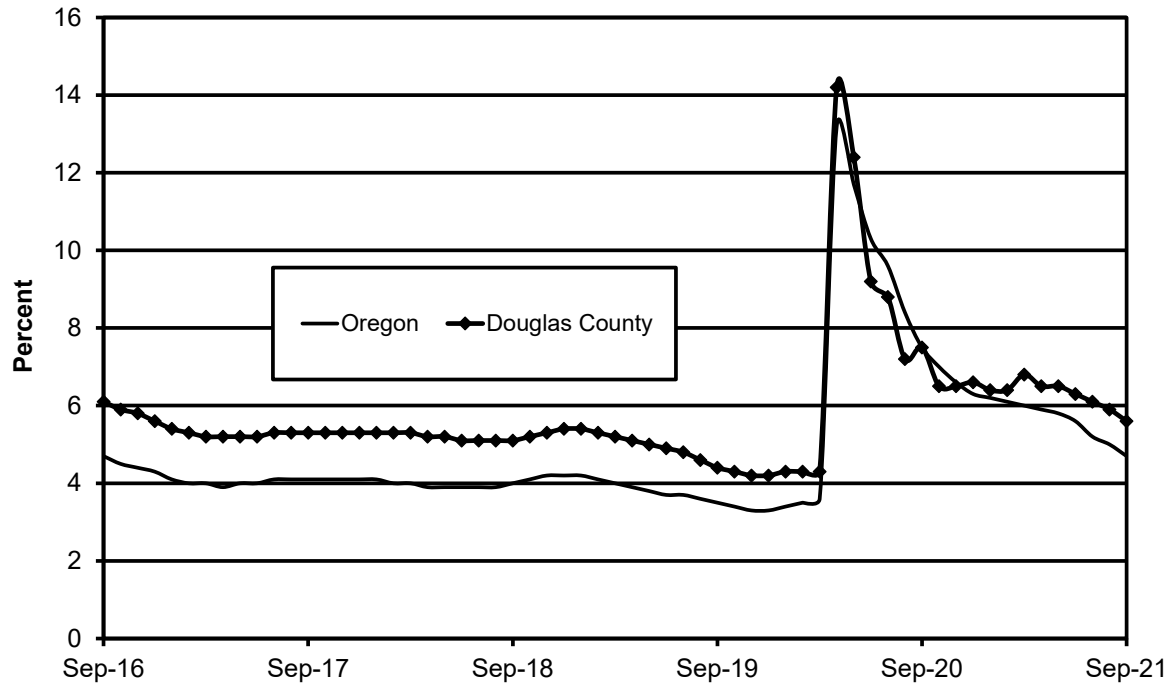
Source: Oregon Employment Department, Oregon Office of Economic Analysis

- ✓ *The Oregon Office of Economic Analysis forecasts all of the jobs lost due to COVID-19 restrictions will be gained back by summer 2022, a much more rapid recovery than the Great Recession*



## The unemployment rate continues to decline slowly.

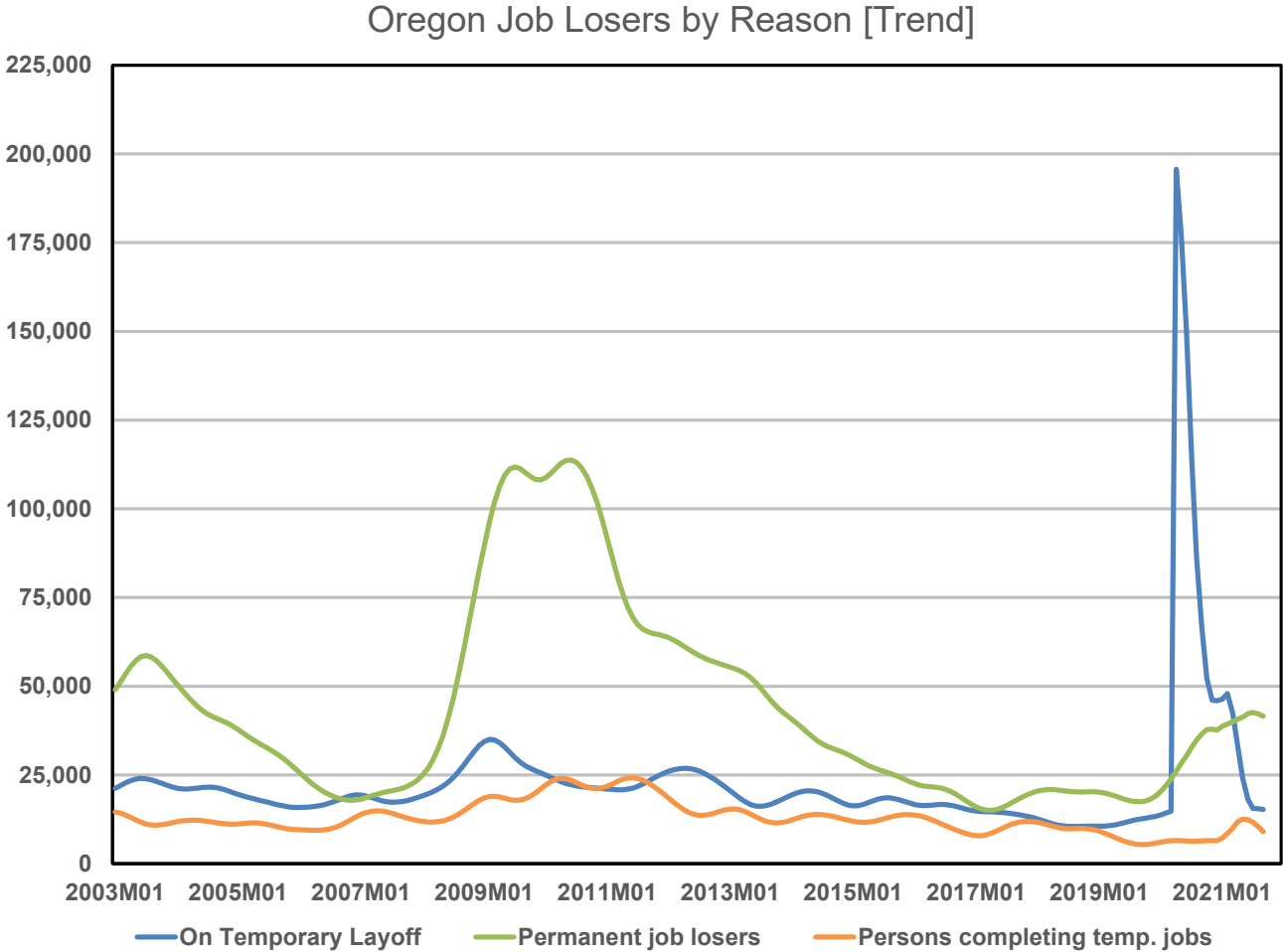
### Seasonally Adjusted Unemployment Rates



- ✓ For Douglas County the unemployment rate hit a high of 14.2% in April 2020 after reaching a record low of 4.2% in December 2019.
- ✓ The record high unemployment rate was 15.8 percent in April 2009.
- ✓ At 5.6%, Douglas County had the 16th highest S.A. county rate in the state in September.
- ✓ The statewide rate was 4.7% and the national rate was 4.8% in September.



The layoffs in this recession are largely temporary but that may be slowly changing.





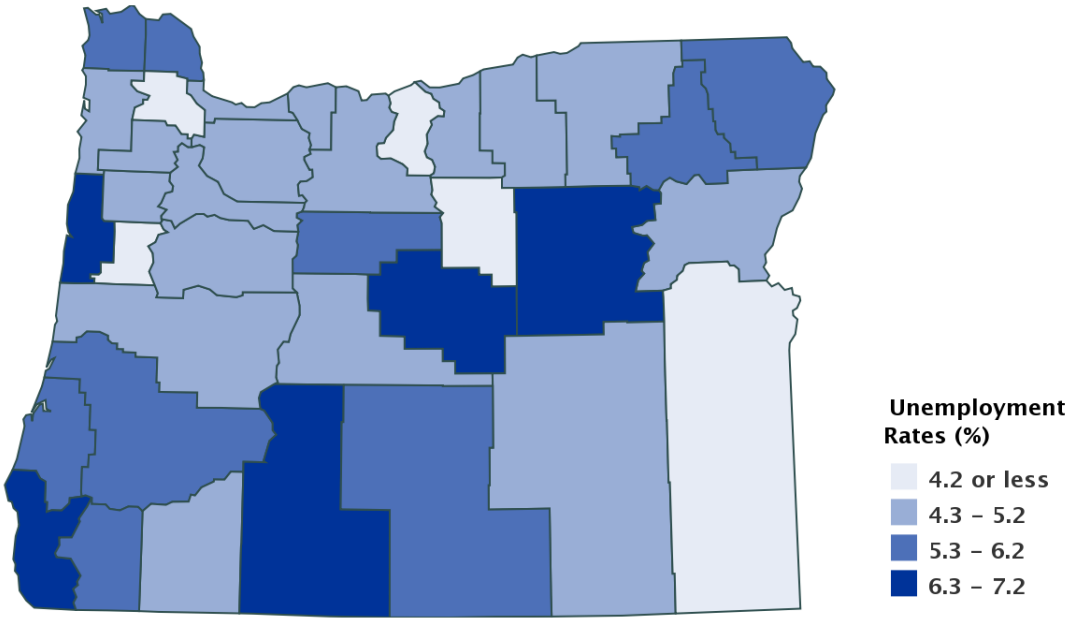
# Oregon Unemployment Rates by County

In September 2021, all but three of Oregon's 36 counties experienced over-the-month decreases in their unemployment rates.

Klamath and Grant County had Oregon's highest seasonally adjusted unemployment rate in September at 6.6%.

Wheeler County registered the lowest unemployment rate for the month at 2.9%.

Seasonally Adjusted Unemployment Rate, September 2021

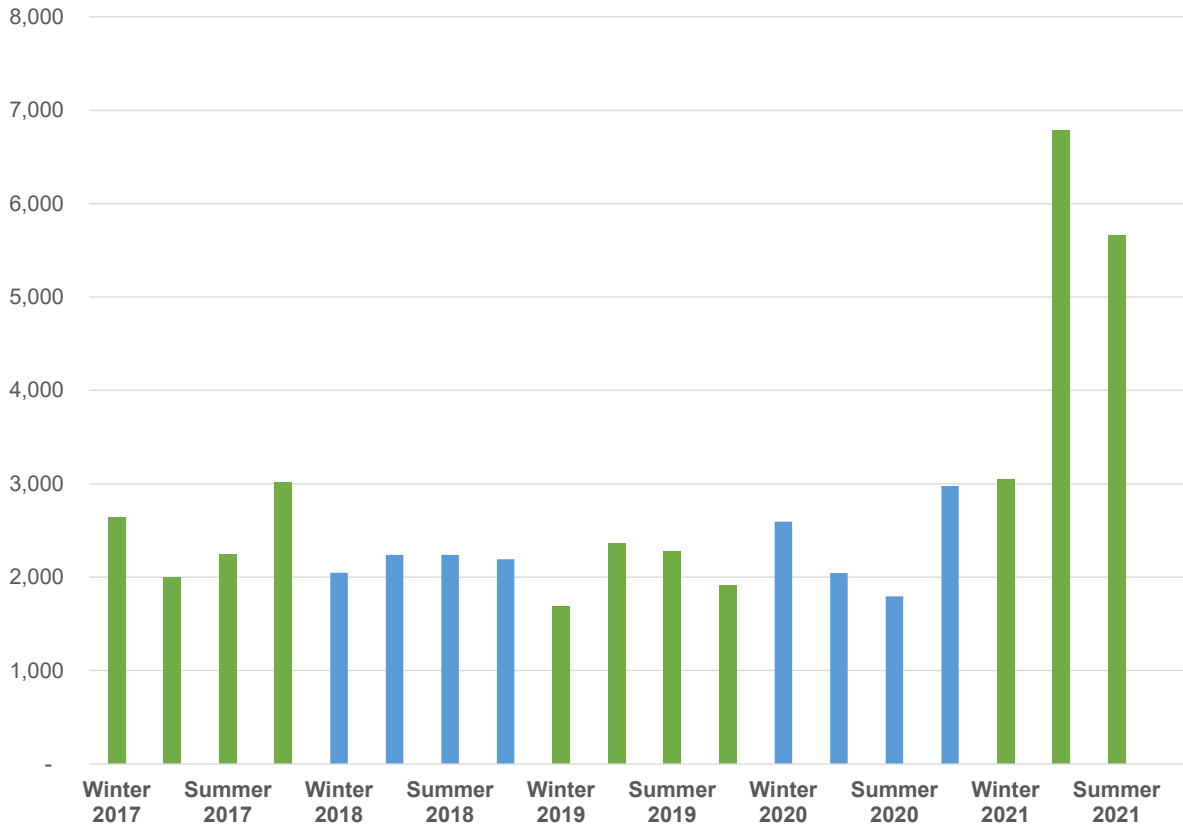


Oregon Employment Department, Local Area Unemployment Statistics

# Labor Shortage

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

Douglas County Quarterly Job Vacancies 2017-2021

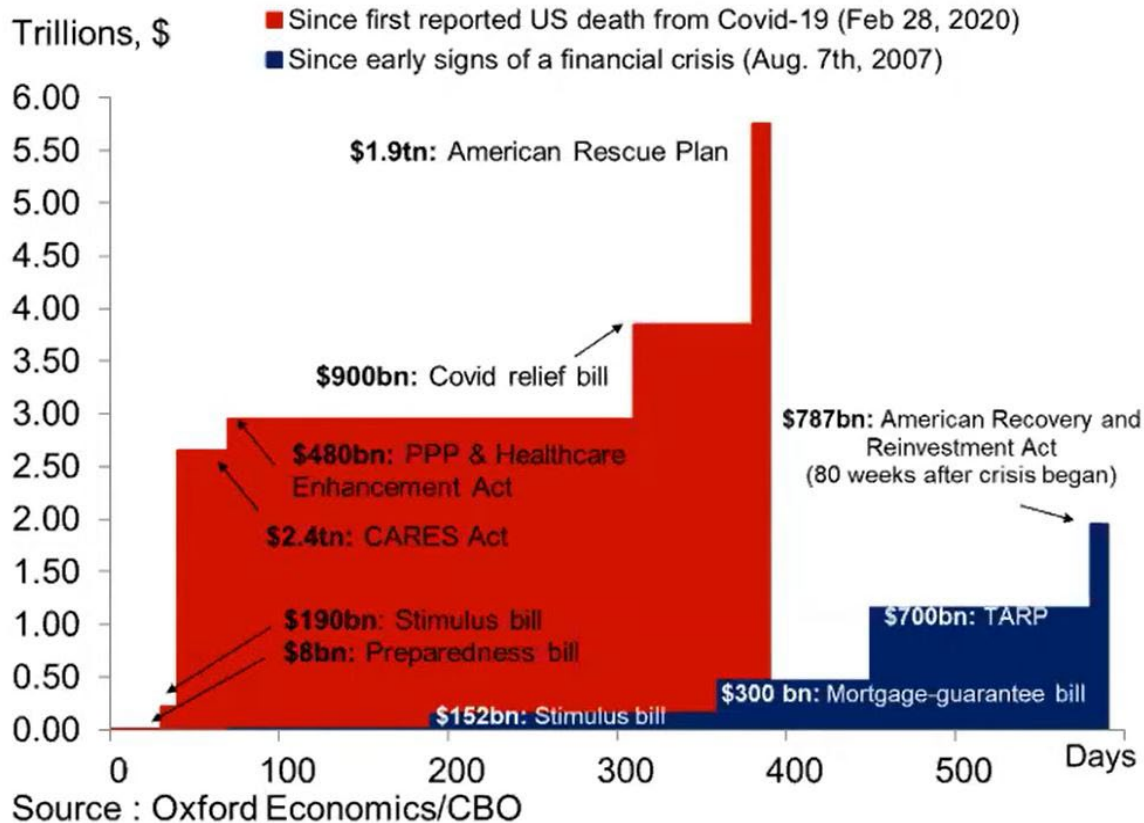


*This only represents private job vacancies.*

*So 5,658 is at least as many job openings as Southwest 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

# Will the end of enhanced UI also end worker shortages?

Region	PEUC Claims Ended	PEUC + PUA Claims Ended	2021 Summer Job Vacancies	PEUC% Vacancies	All Pandemic Claims % of Vacancies
Southwest Oregon	1,908	4,021	5,658	34%	71%
Oregon Statewide	46,454	77,931	106,951	43%	73%

Source: Oregon Employment Department

*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.*

*There are still the 2,113 people in Southwest Oregon whose PUA benefits ended too. As the program drew to a close, four out of five of these workers were self-employed.*

# Hiring demand was widespread across Oregon's economy.

## Oregon Job Vacancies by Industry, Summer 2021

<b>Industry</b>	<b>Vacancies</b>
<b>All Industries</b>	<b>106,951</b>
Health care and social assistance	20,916
Leisure and hospitality	16,740
Retail trade	12,006
Manufacturing	11,966
Construction	8,526
Professional, scientific, and technical services	7,218
Other services	5,882
Management, administrative, and waste services	5,455
Financial activities	5,169
Wholesale trade	4,784
Transportation, warehousing, and utilities	3,194
Natural resources and mining	3,152
Private educational services	1,425
Information	198

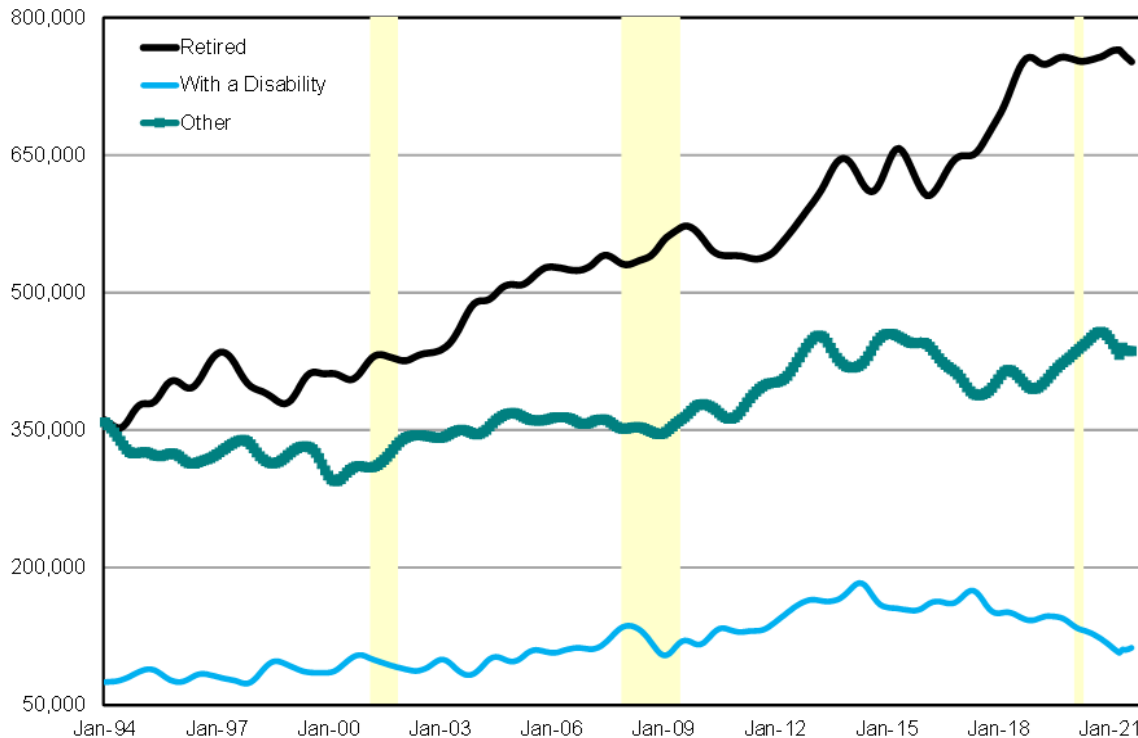
*Note: While we've all seen evidence of local school districts hiring as in-person classes resume, those openings and other government hiring aren't captured in this survey of private-sector businesses.*

Source: Oregon Employment Department

# 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

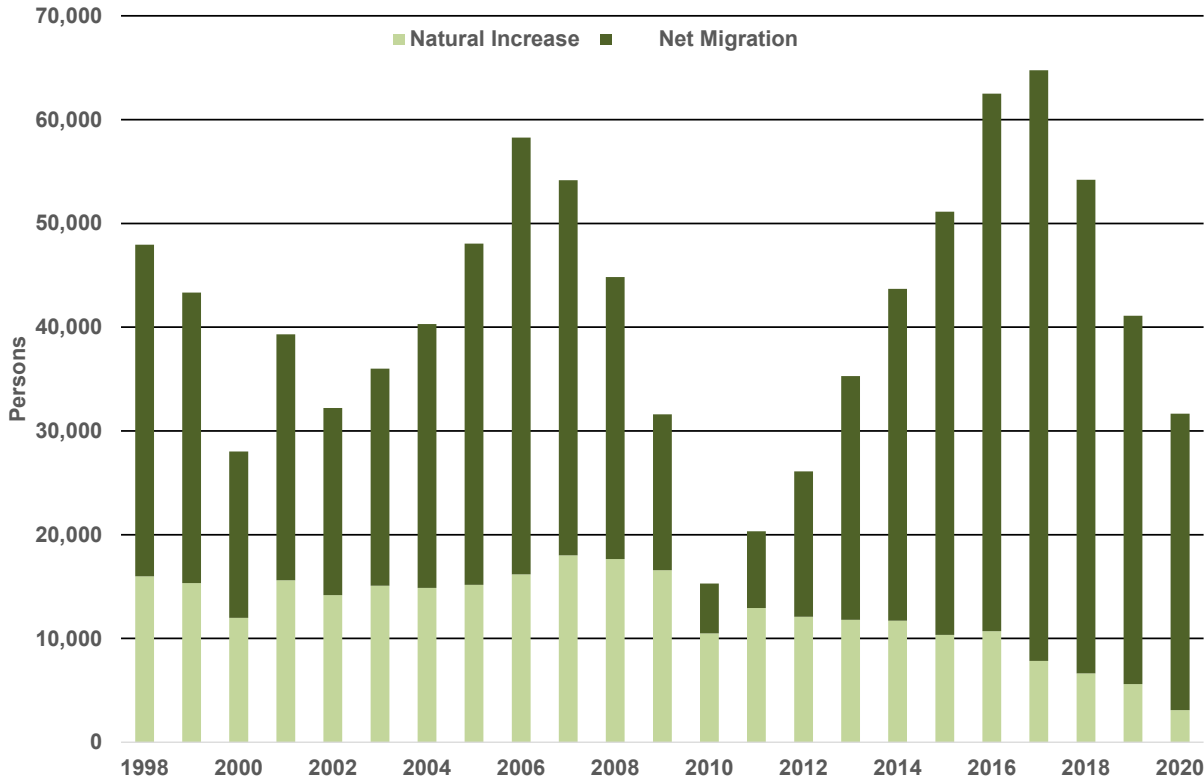
*The number of people who were not in Oregon's labor force due to retirement grew by 21% between 2016 and 2019.*

*Douglas County's share of workers 55+ = 27%, a little higher than Oregon.*



# 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



## More Workers will Likely be Available in the (not so immediate) Future

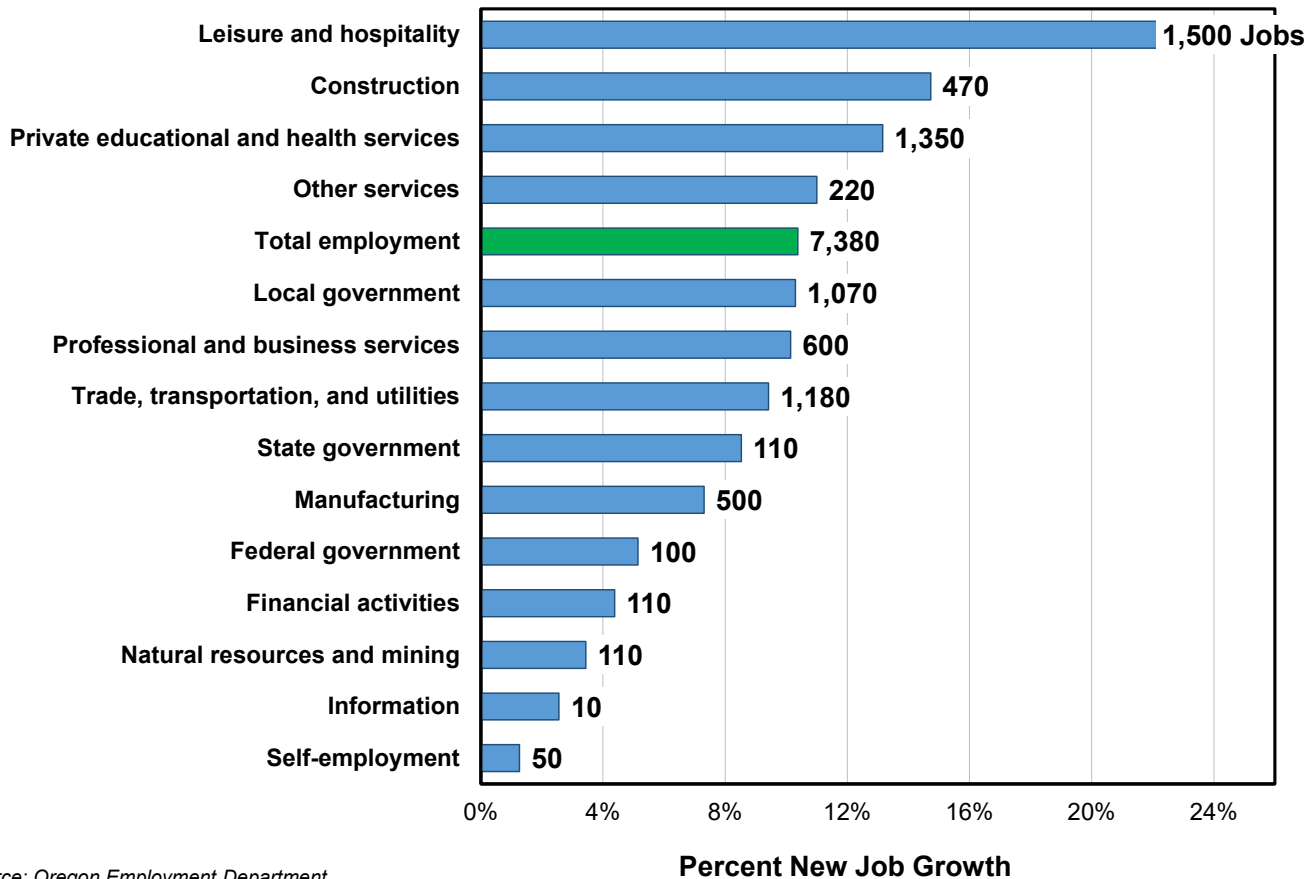
- As we move past the pandemic more people not working because of COVID-19 (about 30,000 statewide) become available.
- Schools return to in-person teaching. More child care becomes available.
- Household savings rose dramatically during the pandemic, allowing some people to be more patient about returning to work. The extra funds won't last forever.
- Douglas County is forecast to add 8,267 to its population by 2035 according to Portland State University Population Research Center.

Area	2020	2025	% Growth 2020- 25	2030	% Growth 2020- 30	2035	% Growth 2020- 35
Douglas County	114,003	115,815	2%	119,212	4%	122,270	7%
Canyonville UGB	2,034	2,060	1%	2,210	8%	2,330	13%
Drain UGB	1,361	1,388	2%	1,415	4%	1,443	6%
Elkton UGB	223	236	5%	247	10%	257	13%
Glendale UGB	997	1,010	1%	1,021	2%	1,031	3%
MyrtleCreek UGB	8,047	8,285	3%	8,773	8%	9,142	12%
Oakland UGB	1,137	1,180	4%	1,211	6%	1,240	8%
Reedsport UGB	4,178	4,161	0%	4,181	0%	4,199	1%
Riddle UGB	1,194	1,210	1%	1,227	3%	1,243	4%
Roseburg UGB	30,420	31,070	2%	32,619	7%	34,385	12%
Sutherlin UGB	8,554	8,708	2%	9,148	6%	9,626	11%
Winston UGB	6,049	6,374	5%	6,928	13%	7,367	18%
Yoncalla UGB	1,111	1,128	1%	1,154	4%	1,173	5%
Outside UGB Area	48,699	49,006	1%	49,078	1%	48,835	0%

# Forecast

# Southwest Oregon (Coos, Curry and Douglas) Jobs are Projected to Increase 10% by 2030

## Southwest Industry Sectors Forecast, 2020-2030



*Leisure and hospitality adds the most jobs due to recovery from the COVID-19 recession.*

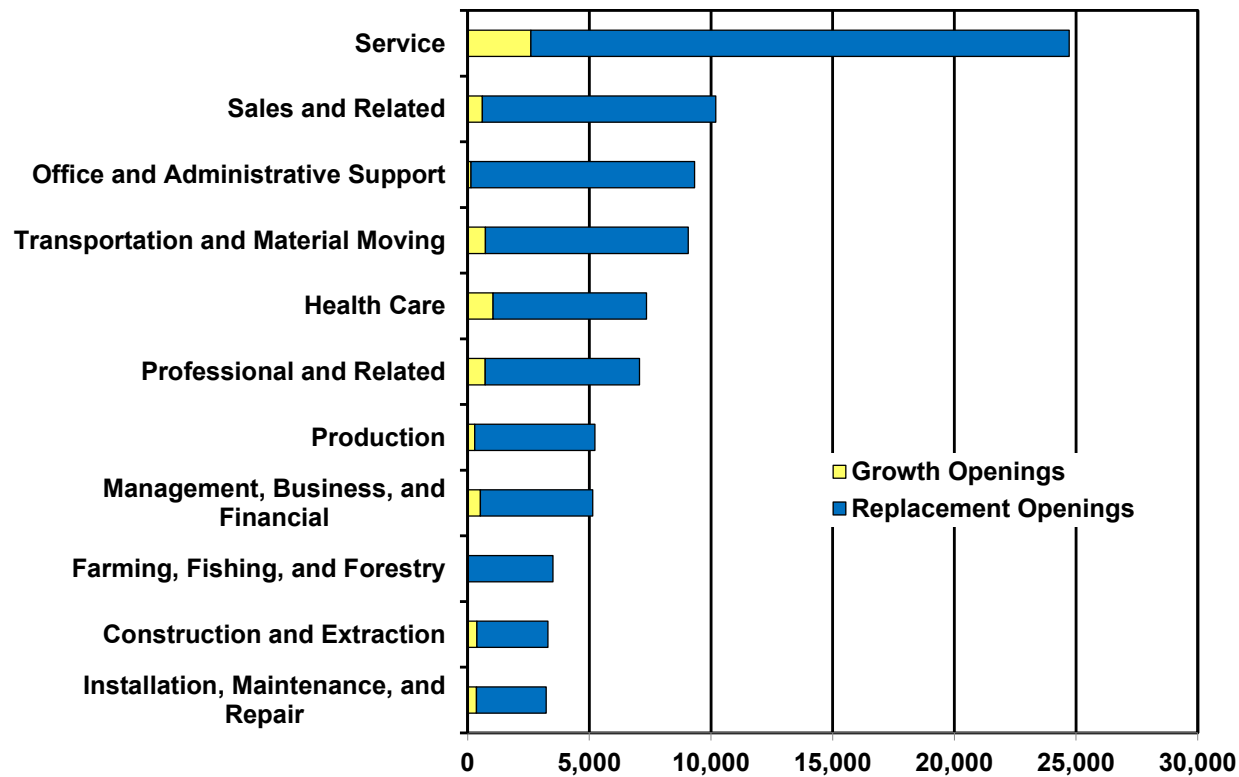
*Oregon statewide is expected to increase 16% by 2030.*

*Other areas expected at fastest rate are Central Oregon (18%), Portland area (17%) and Northwest Oregon (16%).*

Source: Oregon Employment Department

# All broad occupational categories provide opportunity through replacement openings.

Projected Occupational Openings, 2020-2030  
Southwestern Oregon



# Thank you!

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