THE RE-EMPLOYMENT OF OREGON

August 2022

State of Oregon
Employment Department

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EXECUTIVE SUMMARY

The pandemic recession brought unparalleled job losses – in both speed and scale – to Oregon in March and April 2020. Two years later, the state's labor market had experienced a remarkable turnaround.

- By April 2022, Oregon's nonfarm payroll employers had regained nine out of 10 jobs lost in spring 2020.
- Oregon's unemployment rate was 3.7% in April 2022, near the record low (3.4%) going back to at least 1976.
- Oregon's labor force grew to new record-high levels, and labor force participation reached its highest rate in nearly a decade.

The jobs recovery has been uneven across sectors of Oregon's economy. By spring 2022, several sectors recovered their recession losses and expanded to new highs, while others struggled to regain jobs.

- The sectors leading recovery have homes and residences as a common thread: greater likelihood to be working from them, building them, making deliveries to them, or selling or leasing them.
- Lagging sectors spanned a variety of industries, including leisure and hospitality, public and private education services, and health care and social assistance.

All sectors of Oregon's economy – leading or lagging – were trying to add more workers over the past year. The combination of many businesses re-opening and re-hiring at about the same time, the relatively fast jobs recovery, and strong ongoing consumer demand helped push job vacancies with private employers to record highs.

- Oregon's private employers reported at least 100,000 job openings at any given time over the past year.
- Ten of 14 broad sectors hit record levels of vacancies at some point since spring 2021.
- Seven out of 10 jobs were hard to fill at any given time between spring 2021 and spring 2022.

As Oregon moved from high unemployment to rapid re-employment, seven out of 10 pandemic recession unemployment claimants were found in Oregon's payroll records again by winter 2022. Three out of 10 were not found working for a covered payroll employer 18 months after their job separation.

- The largest share (36%) of claimants were recalled to and still working for the employer that laid them off. Sectors with the highest rates of returning workers included education services, public administration, and manufacturing.
- Another 12% took new jobs with different employers in the same sector of the economy.
- Sectors most likely to have workers take new jobs with a different employer in their sector included health care and social assistance and leisure and hospitality.

As a cohort, pandemic recession unemployment claimants had greater re-employment rates than their counterparts laid off in non-recessionary times. Pandemic recession claimants also stood apart in terms of their post-layoff earnings.

- By 18 months after their job separation, pandemic recession claimants were more likely to still be found working with a covered payroll employer and working in the same sector of the economy than unemployment claimants from the same timeframe in 2016.

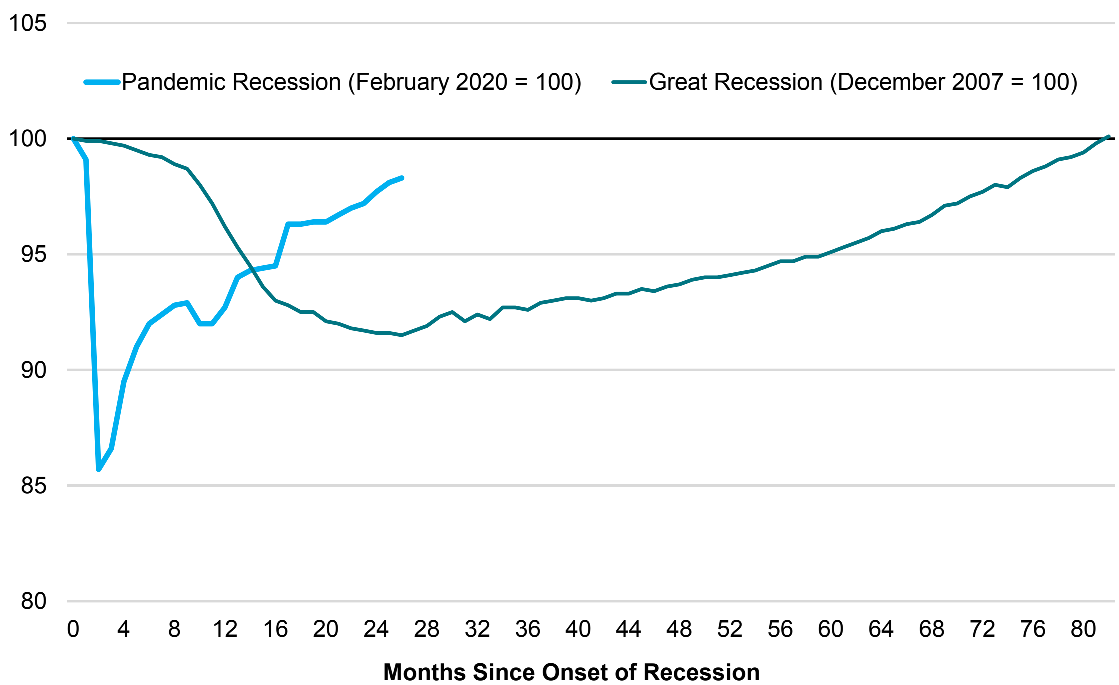
- Oregon’s pandemic recession unemployment claimants had stronger wage growth than their unemployed counterparts in an expansionary period in 2016.
- The pandemic recession cohort also experienced better wage gain outcomes than all Oregon workers – unemployed or not – between the first half of 2020 and the end of 2021.

RAPID REVERSAL OF PANDEMIC JOB LOSSES

In spring 2020, the pandemic recession brought unparalleled job losses to Oregon. One out of seven jobs was lost in two months' time. Unemployment hit a record high rate of 13.3% in April 2020. Oregon had not seen job losses of that scale and speed before.

Two years after employment hit its recessionary bottom, Oregon had seen a remarkable rebound. Oregon employers added 123,500 jobs back by the end of 2020, and another 98,500 in calendar year 2021. Strong job gains continued into the early months of 2022. Prior to the pandemic recession, it took nearly six years (69 months) to add as many jobs (248,000) as in the two years since April 2020. By April 2022, Oregon had regained about nine out of 10 jobs that were lost in the pandemic recession.

Indexed Total Nonfarm Employment in Oregon



Source: Oregon Employment Department, Current Employment Statistics

While all sectors initially experienced job losses, the pandemic recession hit service-providing industries the hardest, including leisure and hospitality, education, and other services. The jobs recovery since spring 2020 has been uneven too. Widespread gains across several sectors pushed employment to new highs in many areas of Oregon's economy. Meanwhile, other sectors lag behind, struggling to add back jobs.

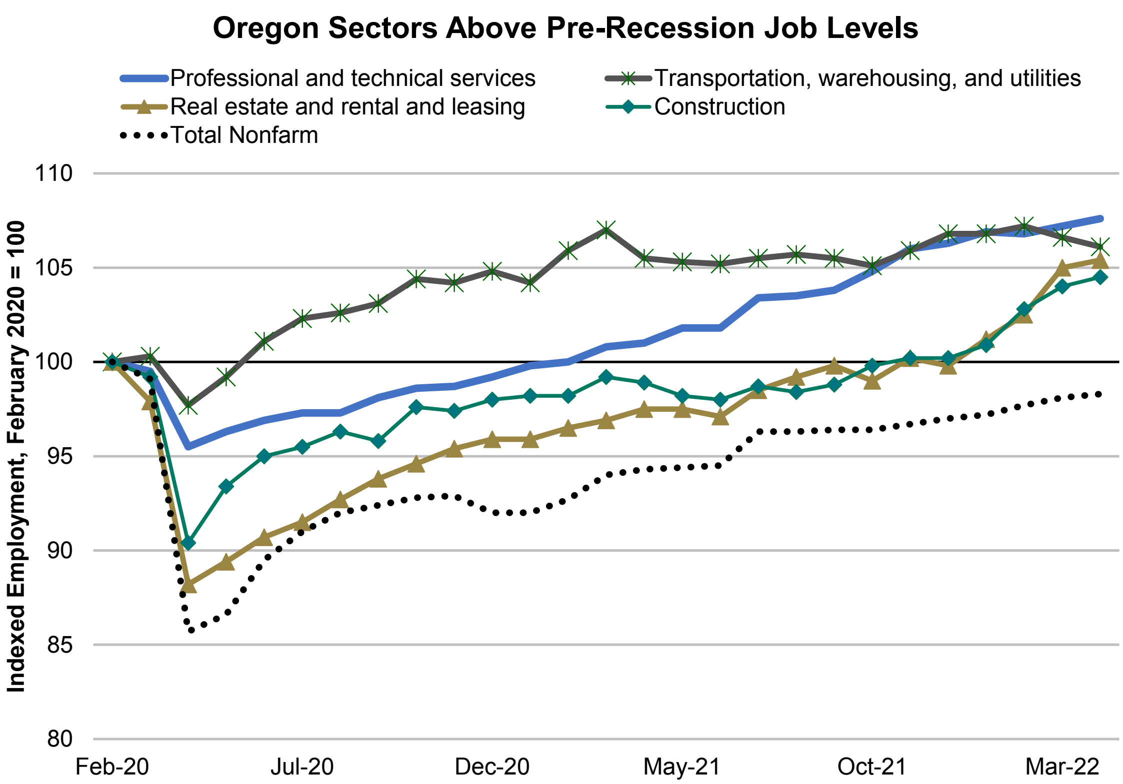
Leading Sectors

By spring 2022, several sectors recovered their recession losses and expanded to new highs. For a variety of reasons, these sectors experienced smaller job losses than the overall economy, and bounced back faster during the recovery. They included construction; wholesale trade; real estate and rental and leasing; the information sector; professional and technical services; and transportation, warehousing, and utilities.

Professional and technical services showed the largest jobs expansion in Oregon since the pandemic recession. The industry includes architectural, engineering, and computer design services; legal and consulting services; and scientific research and development. Many jobs in these industries can be worked remotely, which could help limit job losses during a time of physical distancing. Professional and technical services employment fell by 4,600 jobs (-4.5%) in spring 2020. Since then, the industry added 12,600 jobs, expanding 8,000 jobs above its pre-recession level by April 2022.

Construction also expanded notably in the two years following the recession. The sector had 4,900 more jobs in April 2022 than before the recession. Demand for new homes and renovations of existing ones seemed to play a role. As of April 2022, residential construction and specialty trade contractors had reached their highest employment levels on record. Heavy and civil engineering jobs had also expanded beyond pre-recession levels, but not to an all-time high. Nonresidential building construction employment remained below February 2020 levels.

The transportation, warehousing, and utilities sector experienced a relatively small drop in employment (-1,700 or 2.3%) during the pandemic recession. Jobs making deliveries to people's doors, and the distribution network that helps along the way, quickly rebounded as public health and safety measures kept many people at home more often. By April 2022, the transportation, warehousing, and utilities sector had 4,300 more jobs than before the recession.

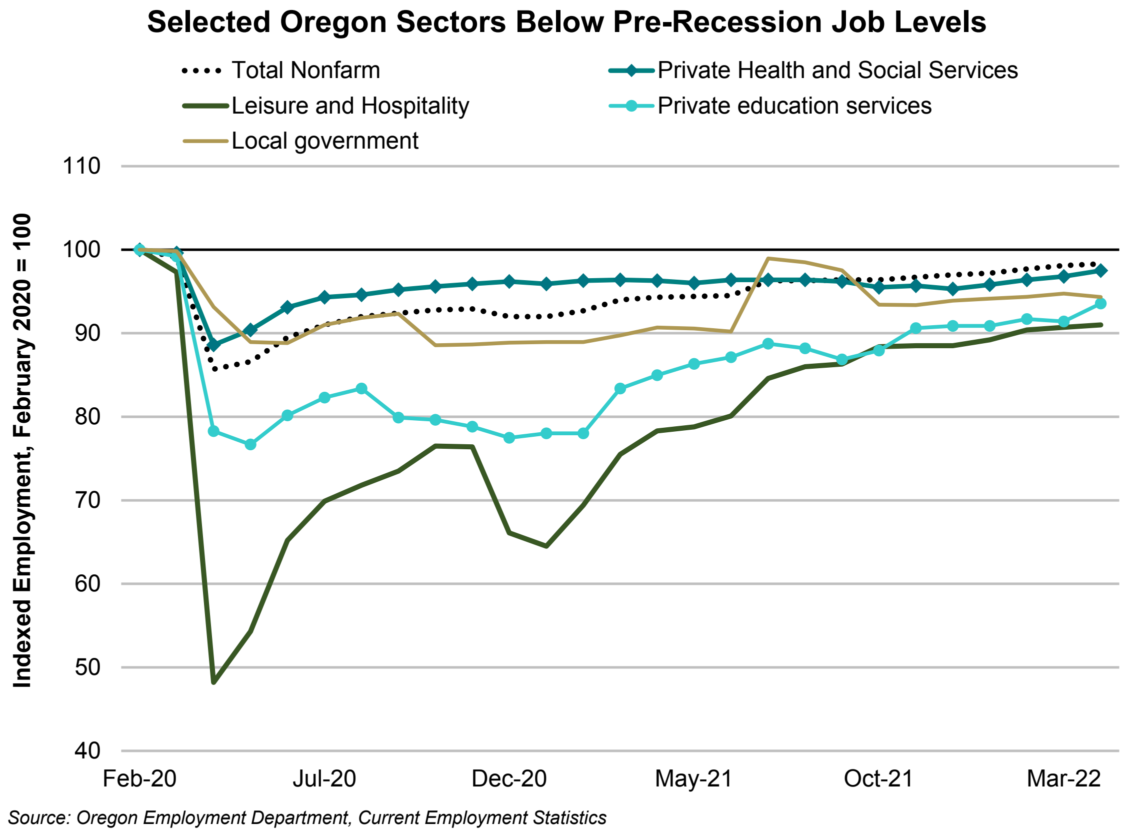


Source: Oregon Employment Department, Current Employment Statistics

The sectors leading recovery have homes and residences as a common thread: greater likelihood to be working from them, building them, or making deliveries to them. In addition to all this, economic recovery from the pandemic recession has also been marked by strong demand and rapidly rising prices for homes themselves. Amid these dynamics, the real estate and rental and leasing industry reached new employment highs in 2022.

Lagging Industries

Leisure and hospitality lost 112,100 jobs in spring 2020, more than half (52%) of the sector's total employment. Oregon's hotels, restaurants, bars, and entertainment places added back 92,300 jobs by April 2022, and regained 82% of recession job losses. Yet leisure and hospitality remained 19,800 jobs below its pre-recession employment level. That was the largest job recovery deficit of any sector.



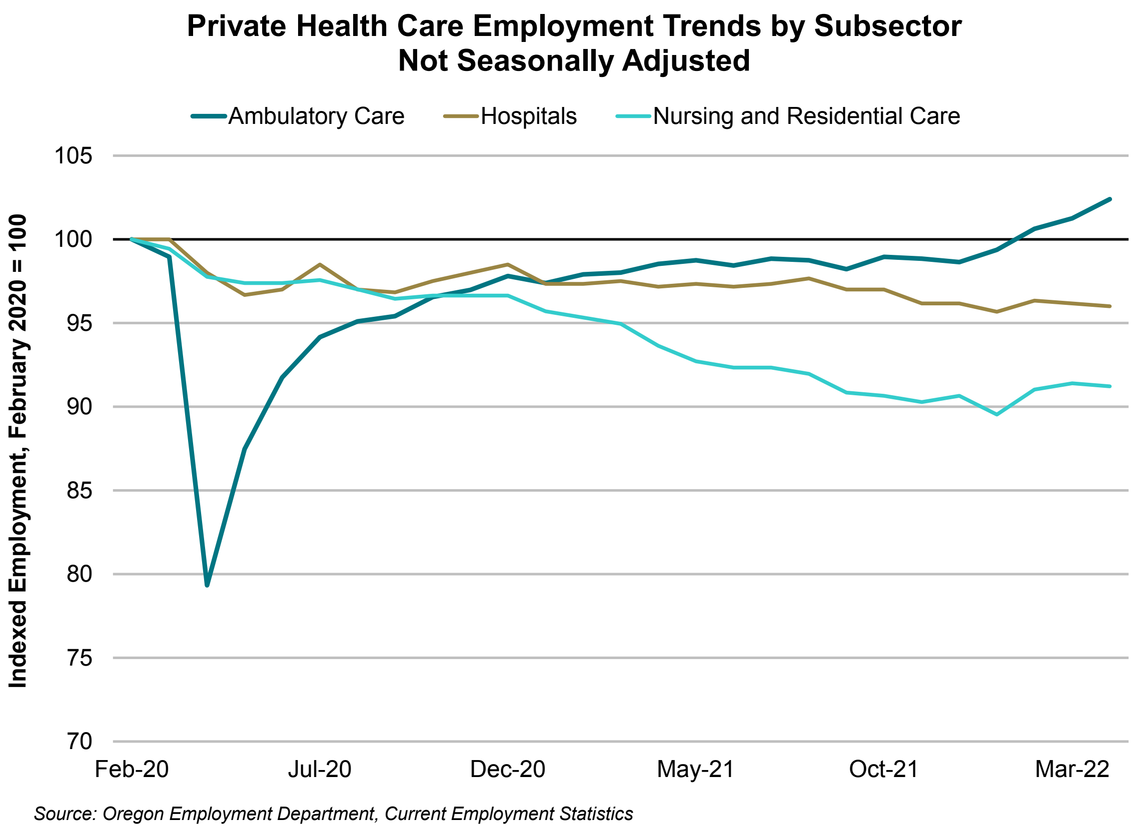
The education services sector in Oregon has lagged in its jobs recovery. One part of that could be timing. Most schools were shuttered – either partially or fully – from at least spring 2020 through late summer 2021. That effectively made education the last sector to fully re-open in Oregon.

Public K-12, community colleges, and public universities make up about half of all jobs in Oregon's local government sector. During summer 2021, job gains rose sharply as enrichment programs picked up, and education institutions made fewer seasonal summer layoffs. The summer gains were not sustained. Public education fell short of typical hiring levels as the 2021-2022 academic year got underway, and employment levels changed little into 2022.

Private education services includes both privately owned K-12 and higher education institutions. They lost 8,100 jobs (-22%) in the pandemic recession. By April 2022, they regained 5,700 (or 70%) of those losses.

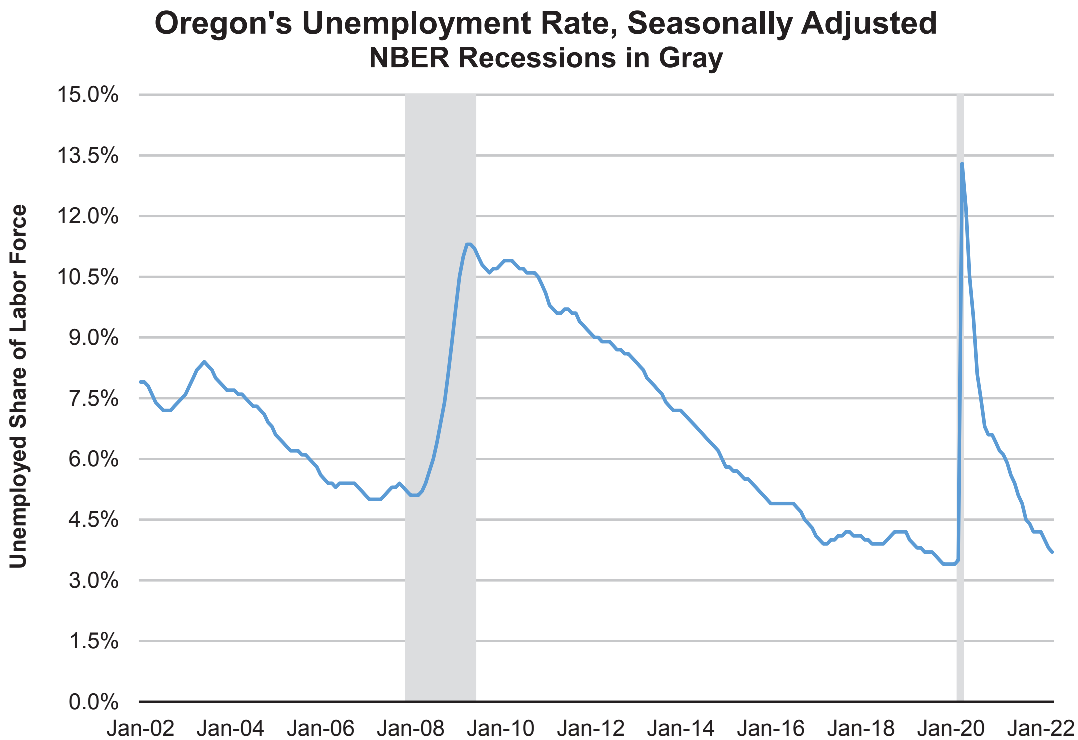
Oregon's health care sector was further along in its recovery from the pandemic recession, but fell behind in July 2021. By April 2022, private health care and social assistance had regained 24,400 (or 77%) of the 31,600 jobs lost in spring 2020, compared with 88% of total nonfarm jobs.

Within the broader health care sector, doctors' and specialists' offices and private social services fully recovered their pandemic recession losses. Meanwhile, hospitals and nursing and residential care facilities lagged behind in recovery. Oregon's private hospitals lost 1,200 jobs during the pandemic recession. Rather than recovering, their payrolls shed another 2,300 jobs between April 2020 and April 2022. Nursing and residential care facilities also lost 1,200 jobs between February and April of 2020. They fared even worse afterwards, losing another 3,700 jobs by April 2022.



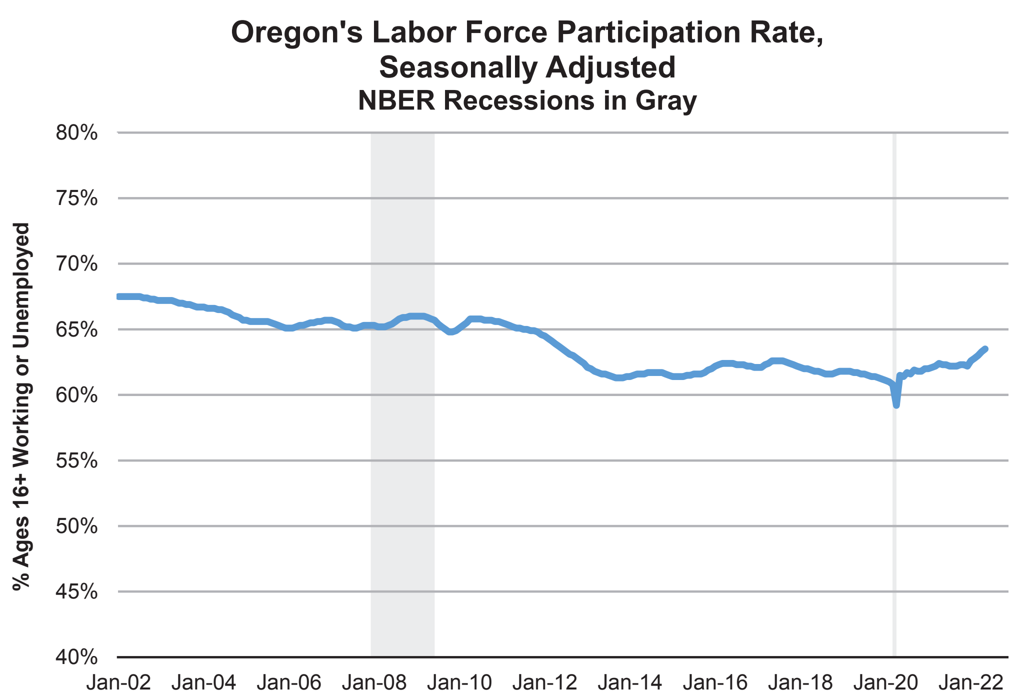
Unemployment Nearing Record Lows

As employers have added jobs relatively quickly in this recovery, and more Oregonians moved into jobs, the state's unemployment rate has quickly improved. Oregon's unemployment rate was 3.7% in April 2022. That's an improvement of 9.6 percentage points from the record high of 13.3% in April 2020. Two years after reaching its all-time peak, Oregon's unemployment rate was 0.3 percentage point away from its all-time record low again.



Source: Oregon Employment Department, Local Area Unemployment Statistics

By comparison, Oregon's unemployment rate peaked at 11.3% at the end of the Great Recession. Two years later, the rate had improved by 1.7 percentage points to 9.6%. It took seven and a half years for the unemployment rate to return to the pre-recession level. There have only been three periods in the past 46 years that Oregon's unemployment rate was at or below 4.5%. They included a few months in the mid-1990s, the two years immediately preceding the pandemic recession, and now.



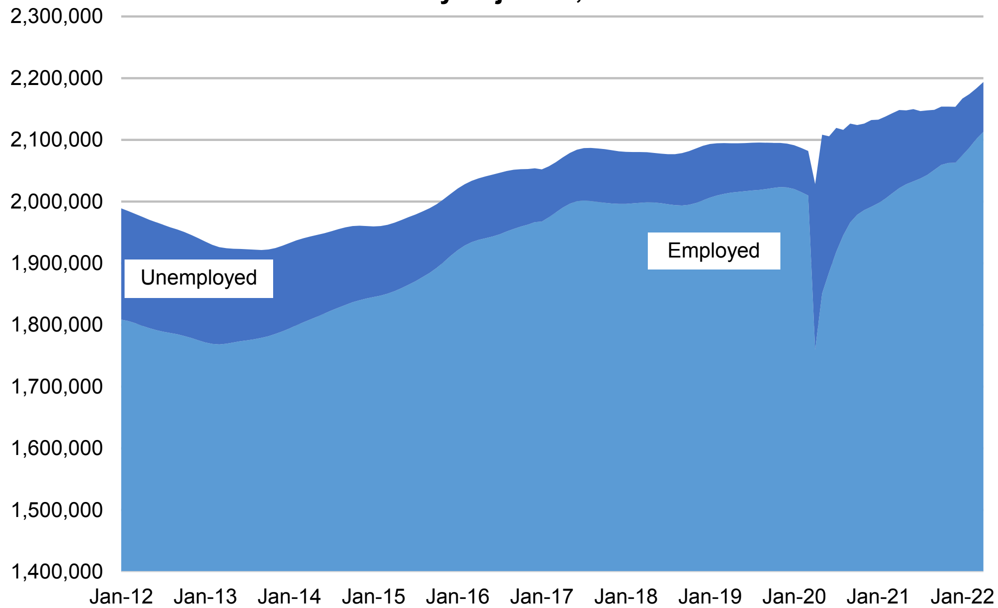
Source: Oregon Employment Department, Local Area Unemployment Statistics

Oregon's unemployment rate improved as the labor force grew to new highs, and participation rose. Oregon's labor force has recovered from the pandemic recession, and hit a new record high of 2.20 million people in April 2022. Labor force participation also shows strong trends. The share of Oregonians ages 16 or older either working, or unemployed and actively seeking a job in the past four weeks (and available and able to take one if offered) rose to 63.3% in April 2022. That was 2.3 percentage points higher than in February 2020, and the highest rate of labor force participation in Oregon since summer 2012.

More (Self)Employed Oregonians

Although Oregon has not recovered all the nonfarm payroll jobs at business establishments in the state, employment shows full recovery and job expansion from the household perspective. In February 2020, Oregon's labor force (employed and unemployed) totaled 2.09 million people. By April 2022, the labor force hit a new record high of 2.19 million. The number of employed Oregonians expanded to 2.11 million in April 2022, meaning there were about 98,000 more working Oregonians than in February 2020, prior to the pandemic recession.

Oregon's Labor Force and Employed Workers Reached Record High Levels in 2022
Seasonally Adjusted, 2012-2022



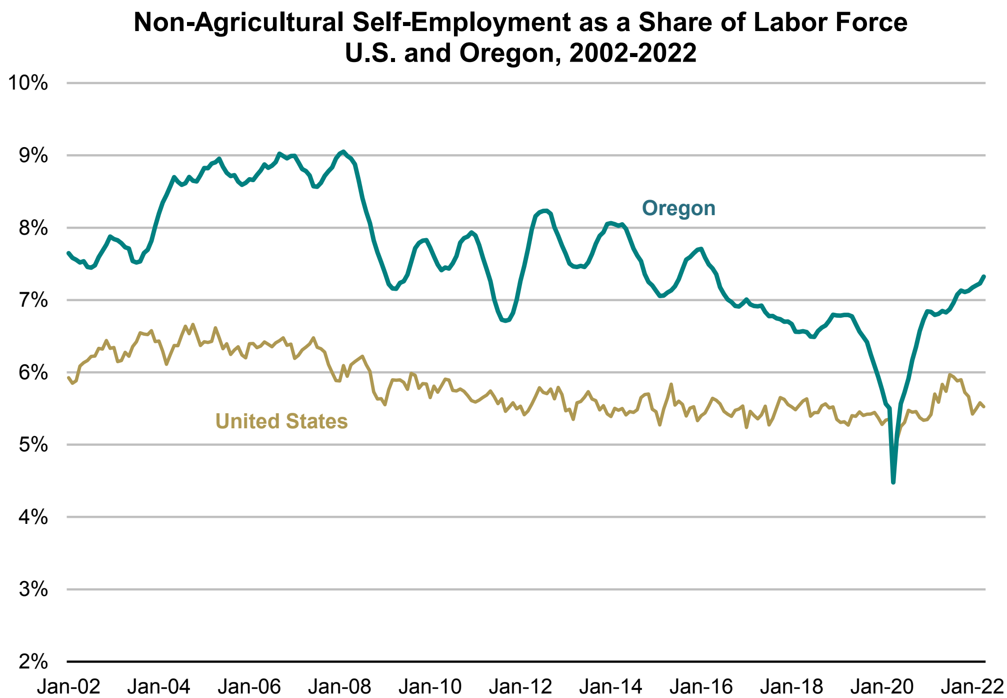
Source: Oregon Employment Department, Local Area Unemployment Statistics

How can there be more Oregonians working than ever before when the state has not yet recovered all the nonfarm jobs lost in the recession? Several factors contribute to this seeming paradox.

For one, more people took to working for themselves rather than a nonfarm payroll employer. While self-employment remains below its historical high in Oregon, the share of Oregon's labor force working for themselves is above the pre-recession level, and trending upward rather than declining.

"More people took to working for themselves rather than a nonfarm payroll employer."

Before the pandemic recession, in April 2019, self-employed workers made up about 6.8% of Oregon's labor force. The share was 5.3% of the U.S. labor force. One year later, during the worst of the pandemic recession job losses in April 2020, self-employed workers accounted for a smaller share of the Oregon (4.5%) and U.S. (4.8%) labor force. By April 2022, self-employment had rebounded to 5.5% of the U.S. labor force. In Oregon, the share rose to 7.3%, which was the highest since spring of 2016.



Sources: U.S. Bureau of Labor Statistics, Oregon Employment Department

In addition to self-employment, more people may have also pursued gig or freelance work for an employer since the pandemic, but not appear on their payroll. The U.S. Census Bureau's nonemployer statistics include people with at least $1,000 in income reported on their income tax Schedule C. In 2019 – the most current available data – Oregon had 308,400 nonemployers. They were most commonly found in professional, scientific, and technical services; real estate and rental and leasing; other services; retail trade; and transportation and warehousing.

The number of nonemployers in Oregon grew by 50,500, or 20%, between 2009 and 2019. More than half those gains were in two sectors: transportation and warehousing; and professional, scientific, and technical services. The number of nonemployers in transportation and warehousing tripled to 25,600 over the period, primarily due to gig-type transport services. Professional and technical services nonemployers – which includes architectural, engineering, and computer systems design, among others – grew by 11,600 (or 28%), and had the most nonemployers of any sector at 52,700.

While pandemic-era nonemployer data have yet to be published, the professional consulting and delivery-type driving opportunities that were growing faster during the last economic expansion were also associated with the leading industries coming out of the pandemic recession.

Nonemployers by Sector in Oregon, 2009-2019

Sector	2009	2019	# Change	% Change
All Sectors	**257,828**	**308,360**	**50,532**	**20%**
Transportation and warehousing	8,637	25,562	16,925	196%
Professional, scientific, and technical services	41,117	52,733	11,616	28%
Arts, entertainment, and recreation	16,701	24,619	7,918	47%
Administrative and waste services	16,116	21,273	5,157	32%
Real estate and rental and leasing	31,192	35,900	4,708	15%
Educational services	6,610	11,206	4,596	70%
Retail trade	22,692	26,261	3,569	16%
Accommodation and food services	3,375	6,062	2,687	80%
Information	4,365	5,481	1,116	26%
Natural resources and mining	5,912	6,756	844	14%
Manufacturing	6,608	6,901	293	4%
Utilities	185	148	-37	-20%
Wholesale trade	4,585	4,424	-161	-4%
Finance and insurance	6,994	6,172	-822	-12%
Construction	24,242	22,861	-1,381	-6%
Health care and social assistance	26,407	24,782	-1,625	-6%
Other services	32,090	27,219	-4,871	-15%

Source: Oregon Employment Department and U.S. Census Bureau

Remote Work

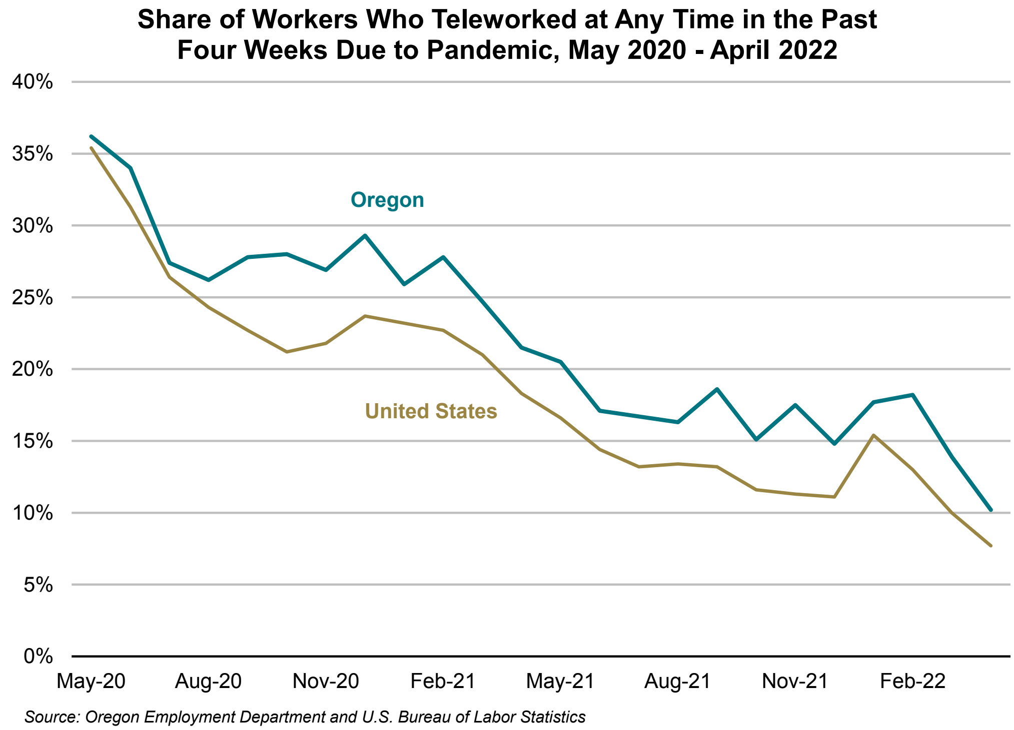
Another factor contributing to new highs in household-based employment could be that more Oregonians are working – either physically or remotely – for an employer in another state. Prior to the pandemic, Oregon was one of the most prominent states for working from home. The Census Bureau's American Community Survey shows that, from 2016 to 2020, 9.4% of Oregon workers ages 16 and older worked from home. That ranked third highest among all states and the District of Columbia. Some portion of these remote workers are tied to employers based in other states and areas. Their employment counts in Oregon's labor force, but their jobs are not always counted in nonfarm payroll business establishments physically located in Oregon.

Oregon Among Top States for Working from Home Workers Ages 16+, 2016-2020

Area	% Work at Home
District of Columbia	12.3%
Colorado	10.8%
Oregon	9.4%
Utah	9.1%
Vermont	9.0%
Washington	9.0%
Arizona	8.9%
Minnesota	8.6%
California	8.4%
Massachusetts	8.3%

Source: Oregon Employment Department and U.S. Census Bureau, American Community Survey

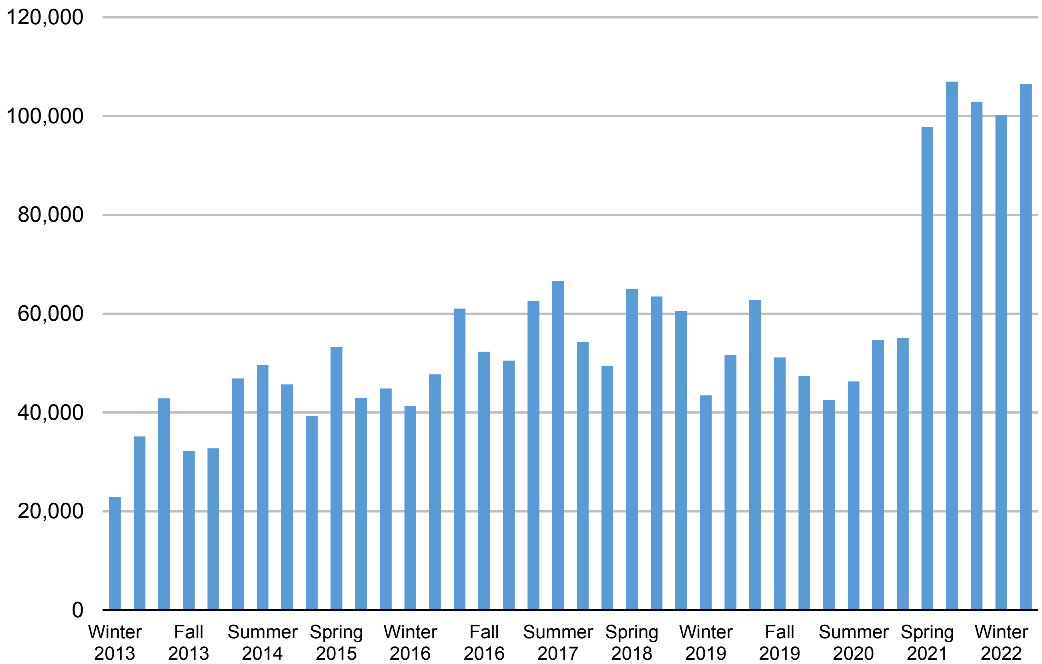
Oregonians were also more likely to be working from home at least part of the time due to pandemic reasons from 2020 into early 2022. The U.S. Bureau of Labor Statistics began collecting supplemental data on pandemic-related telework in spring 2020. Each month from May 2020 through April 2022, Oregon had a larger share of teleworkers due to the pandemic than the U.S.



Help Wanted (Everywhere) in Oregon

The relatively fast jobs recovery, low unemployment, and more workers forging self-employment or other paths have all increased difficulty for employers seeking to hire. That was also the case when unemployment was low in 2019, before the pandemic. Employers' difficulty finding enough workers has been exacerbated during this economic recovery by the incredibly high number of job openings.

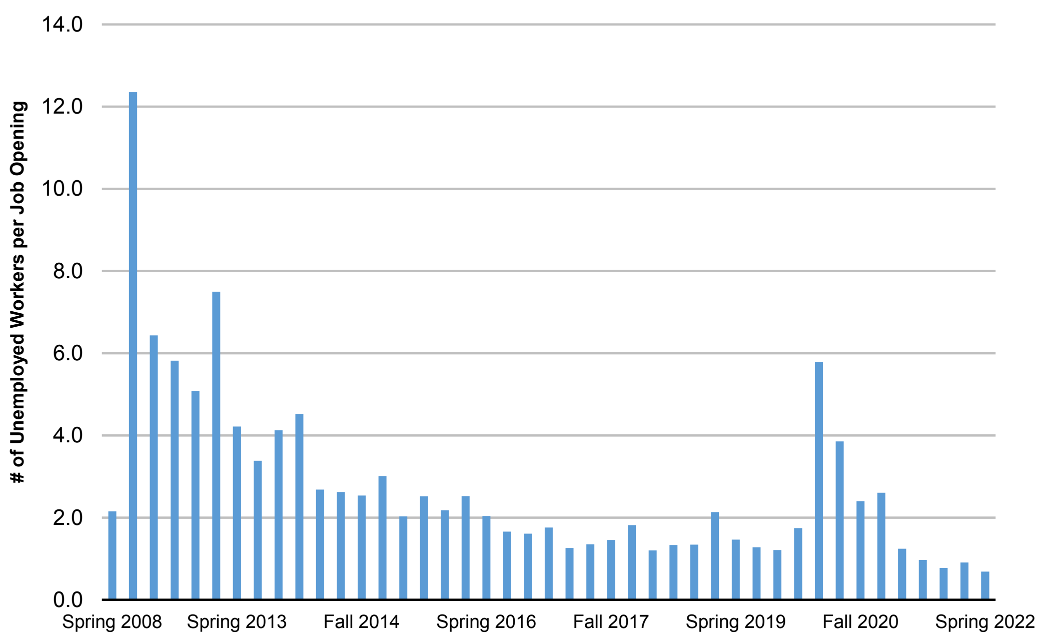
Job Openings with Private Employers in Oregon, 2013-2022



Source: Oregon Employment Department, Quarterly Job Vacancy Survey

In spring 2021, Oregon's capacity limits under the county-level risk framework started to ease. Businesses more fully re-opened, nearly simultaneously, and began re-staffing. At about the same time, many people started to get COVID-19 vaccines. Job vacancies soared to 98,000 in the spring of 2021, hit a record high of 107,000 in the summer, and nearly matched that record again at 106,000 in spring 2022. Oregon has had more job openings than unemployed workers for more than a year. There haven't been enough available workers for the incredibly high level of job openings.

Unemployed-to-Job Vacancy Ratio in Oregon, 2013 - 2022



Source: Oregon Employment Department, Job Vacancy Survey and Local Area Unemployment Statistics

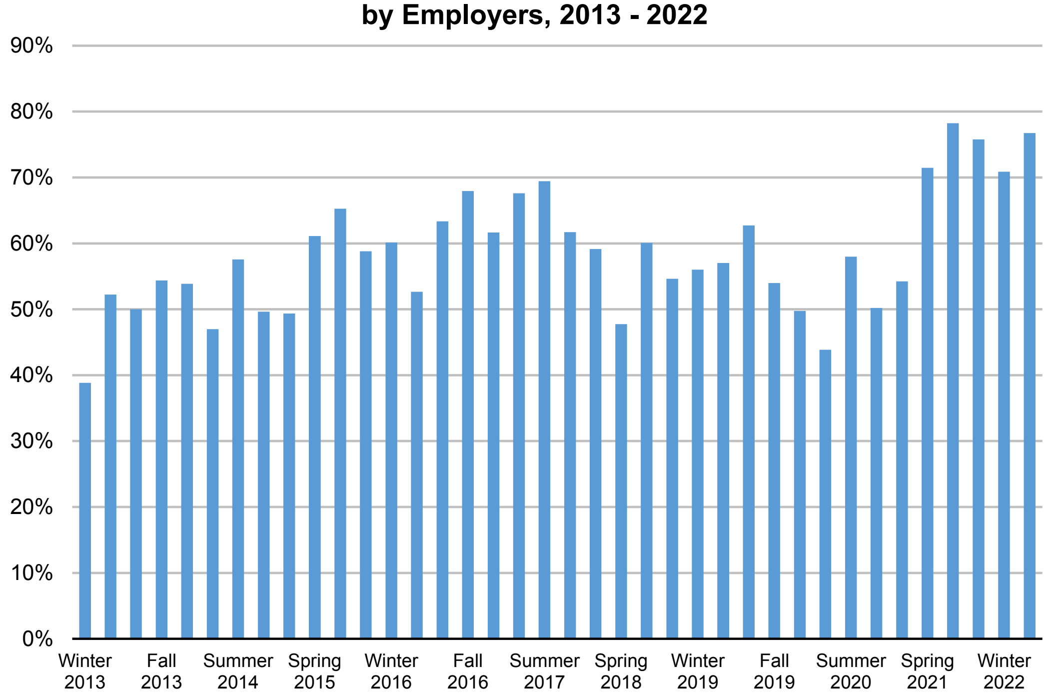
"The low-unemployment and high-competition environment for workers has also created record difficulty for employers to fill their job vacancies."

Record levels of job openings – and resulting worker shortages – have been widespread across Oregon's economy. Ten of 14 broad sectors hit record levels of vacancies at some point since spring 2021.

The sectors lagging in Oregon's overall jobs recovery actually showed the largest hiring demand since spring 2021. Job openings in Oregon's leisure and hospitality hit a record level in spring 2022. At any given time between April and June, there were 24,000 job openings at hotels, restaurants, bars, and entertainment places across the state. Private education had the most job openings they have ever reported in fall 2021. Private health care and social assistance posted 27,700 job openings in the fourth quarter of 2021. That's the largest number of job openings ever reported in any sector in Oregon.

The low-unemployment and high-competition environment for workers has also created record difficulty for employers to fill their job vacancies. At least seven out of 10 job openings have been hard for private employers to fill for more than a year. Given the high number of job vacancies and relatively low available workforce, it's not surprising that employers cited a lack of applicants as the primary challenge for nearly half (47%) of all hard-to-fill job openings in 2021.

Share of Private Job Openings Reported as Difficult to Fill by Employers, 2013 - 2022



Source: Oregon Employment Department, Quarterly Job Vacancy Survey

WHERE DID THEY GO?

Oregon's relatively fast jobs recovery, low unemployment, and record number of job openings makes for a job seekers' market, with plenty of job opportunities for workers. During the pandemic recession, some groups of workers were more likely to lose jobs. They included younger workers, women, and lower-wage earners. In the recovery from the pandemic recession, many employers set to rehire workers to keep up with the growing demand for goods and services and often found the labor market tight, making it difficult to find workers.

We looked at the cohort of Oregon workers who were laid off during the beginning months of the COVID-19 pandemic to see what their employment status is now, about two years after the initial mandated shutdowns. At the beginning of the pandemic, about 418,300 Oregonians (or 20% of the state's labor force) filed for regular Unemployment Insurance (UI) benefits.

Amid the relatively strong employment recovery, and historically large number of job openings for job seekers, we can see how many of the pandemic unemployment claimants fell into the following categories during the first quarter of 2022 (Leibert, 2022, p. 1[1]):

- Returned to job at the employer who had laid them off;
- Returned to a different employer, but in the same sector from which they were laid off;
- Found new job in a different sector; and
- Not working in UI-covered employment in Oregon.

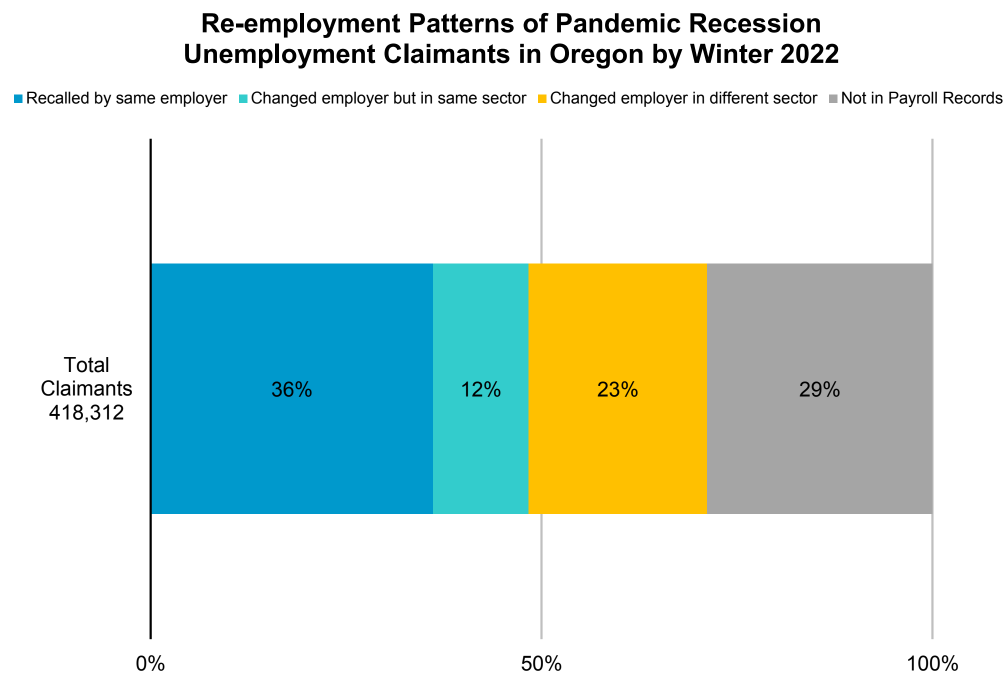
For these 418,300 pandemic unemployment claimants, 71% worked in payroll jobs with an Oregon employer in fourth quarter 2021 or first quarter 2022. More than one-third (36%) of the claimants returned to and were still working for the same employer who had laid them off. About one-fourth (23%) worked in a different industry from their layoff. Another 12% worked in the same industry as their layoff, but worked with a different employer.

[1]Leibert, Alessia. "Reemployment after COVID-19 layoffs in Minnesota: Who's getting left behind?" Minnesota Economic Trends March 2022: page 1: Reemployment after COVID-19 layoffs in Minnesota: Who's getting left behind? / Minnesota Department of Employment and Economic Development (mn.gov)

Work Share

The Coronavirus Aid, Relief, and Economic Security (CARES) Act passed by Congress in March 2020 included temporary changes that enhanced state unemployment benefit programs employers can use for their workers when the employer reduces their hours, but doesn't lay them off completely. In Oregon, that program is called Work Share. Program details are available at https://tinyurl.com/ORWorkShare.

In the early months of the pandemic, about 67,600 regular unemployment claimants were paid at least one week of Work Share benefits. Those receiving Work Share benefits would count as an unemployment insurance claimant, even though they still held jobs.



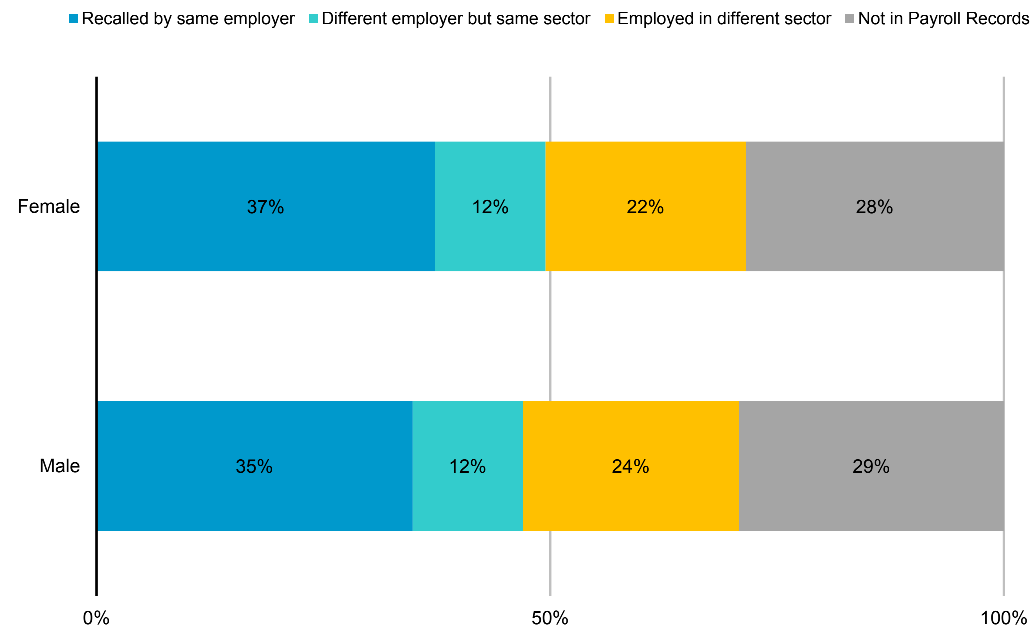
Source: Oregon Employment Department, Unemployment Insurance Wage Records

About three out of 10 (or 29%) pandemic recession unemployment claimants were not found in the payroll records by winter 2022. Those not found in Oregon's payrolls could be unemployed, they could be employed in another state, they could have retired or left the labor force, or they could be working in the gig economy, as a contractor, or be self-employed.

Re-Employment by Gender

In spring 2020, women were initially impacted to a greater degree by the pandemic recession. Of the 418,300 claims, 53% were filed by women, although they made up 47% of Oregon's labor force. Looking at the re-employment patterns by gender, there was not a significant distinction between men and women. Nearly the same share of female claimants (37%) were recalled by the same employer who laid them off as their male counterparts (35%). Similar shares of men (24%) and women (22%) were also employed in a different sector from their layoff by winter 2022.

Re-employment Patterns of Oregon Pandemic Recession Unemployment Claimants in Winter 2022 by Gender

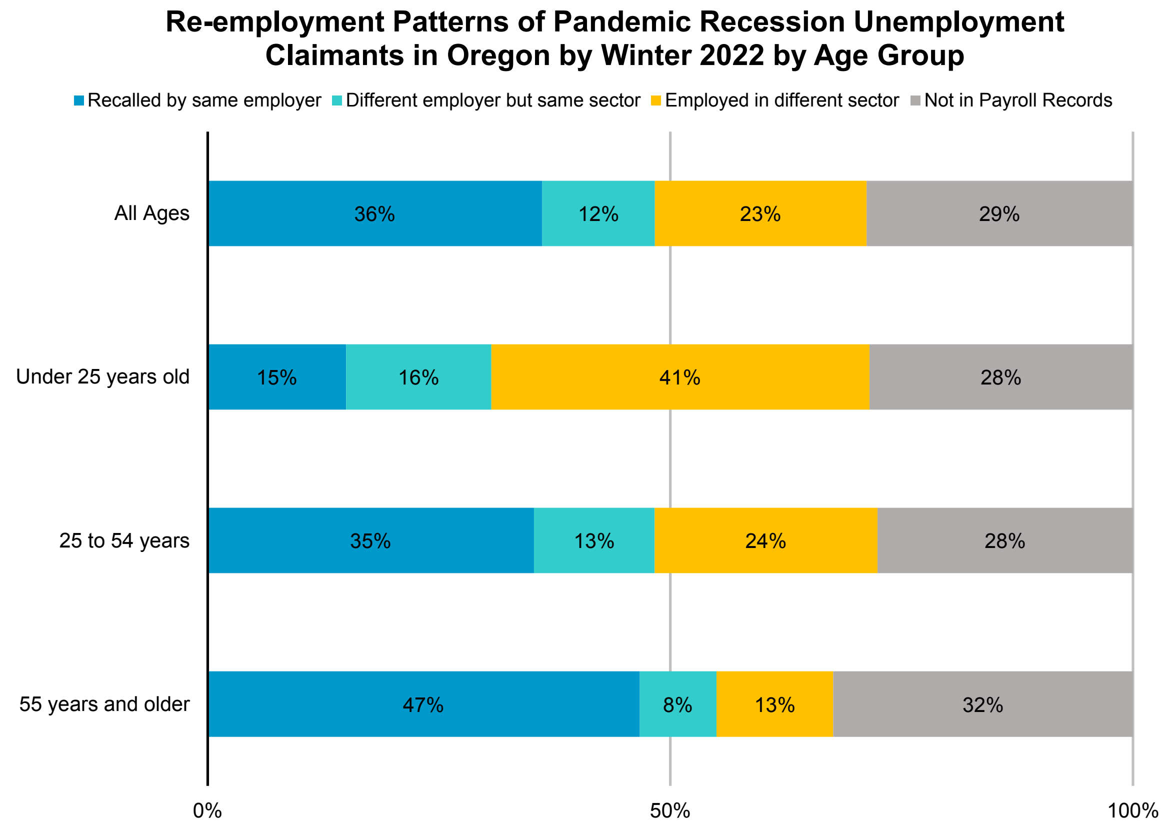


Source: Oregon Employment Department, Unemployment Insurance Wage Records

Employment Shifts Vary by Age Group

Re-employment patterns did vary significantly by age group. Older pandemic recession unemployment claimants were more likely to return to and stay with their pre-recession employer. Meanwhile, claimants under 25 years old were more likely to switch employers, and more likely take jobs in a different broad sector of the economy.

Only 15% of claimants under the age of 25 were recalled by the same employer, and still employed there as of winter 2022. That's less than half the share (35%) of those ages 25 to 54 who returned to and stayed with the same employer after their layoff. Claimants 55 and older were the most likely to work for the same employer. Nearly half (47%) returned and stayed with the employer that they lost their job with during the pandemic recession.



Source: Oregon Employment Department, Unemployment Insurance Records

Claimants ages 55 and older were the least likely to switch employers within the same sector of the economy. Only 8% of pandemic recession claimants ages 55 and older worked for a different employer in the same sector by winter 2022. By comparison, about 13% of pandemic recession claimants ages 25 to 54, and 16% of those under age 25 switched employers within the same industry sector.

Claimants ages 55 and over were also least likely to work in a different sector of the economy in their next job following their layoff. While 13% of them made a sector change, nearly one-fourth (24%) of claimants ages 25 to 54 switched sectors in their next job. Two out of five claimants (41%) under 25 years old went on to take jobs in different sectors.

A similar share of claimants – about three out of 10 – in each age cohort were not found in Oregon's payroll employment records by winter 2022. While the shares are similar, the reasons may differ across age groups. Some over the age of 55 who lost jobs in the pandemic recession may have been more likely to retire. Some age cohorts may have been more likely to leave Oregon and take jobs in other states, or have child or other family care obligations amid the ongoing pandemic.

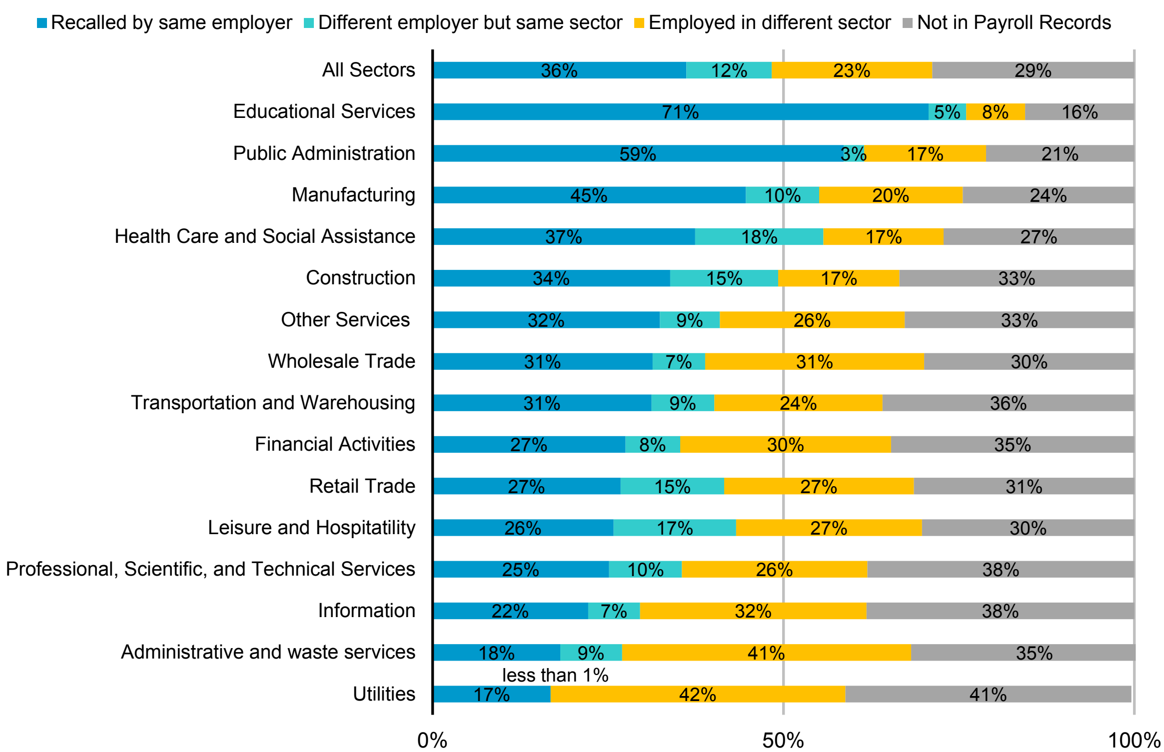
Recall and Retention by Industry

Re-employment patterns of pandemic recession claimants varied notably by industry sector. Overall, about two out of five (36%) claimants returned to the employer that laid them off. By sector, the share who returned and stayed with the same employer ranged from 17% to 71%. Three sectors had notably higher rates of claimants that returned and stayed with their employer than the all-industry average. They included education services (71%), public administration (59%), and manufacturing (45%).

Temporary federal changes to Oregon's Work Share program under the Coronavirus Aid, Relief, and Economic Security (CARES) Act affects at least some of these sector trends. Oregon employers can enroll in the Work Share program on behalf of their workers they need to reduce employees' hours between 20% and 40% instead of implementing layoffs. Work Share participants would show up in the unemployment claimant records, while also still holding their jobs.

In the early months of the pandemic, there were about 67,600 people who received at least one week of Work Share benefits. More than half of them (59%) were in the education services sector. By comparison, education services accounted for 12% of all the 418,300 regular unemployment claimants during this timeframe. While the public administration sector had 3% of total pandemic unemployment claimants, they accounted for 8% of Work Share claimants.

Re-employment Patterns of Pandemic Recession Unemployment Claimants in Oregon in Winter 2022 by Sector



Source: Oregon Employment Department, Unemployment Insurance Records

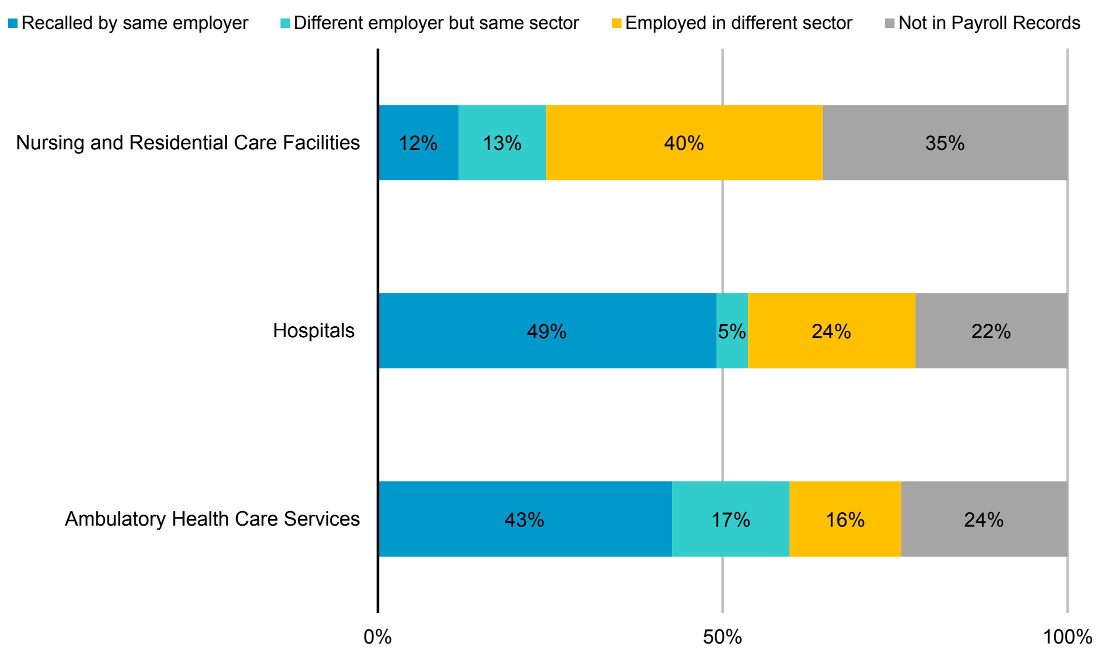
Same Sector, Different Job

About one out of eight (or 12%) pandemic recession unemployment claimants in Oregon went back to the same sector, but returned to a different employer. Sectors where this trend was most prevalent included health care and social assistance (18%), and leisure and hospitality (17%).

Health care settings have been among the most directly COVID-exposed work environments during the pandemic. As with overall employment trends in health care, the re-employment trends of those who lost health care jobs differed by the part of the sector where workers lost jobs. Almost half of the workers laid off from hospitals (49%) returned to and continued working for their prior employer. At the same time, 43% of those laid off from doctors' and specialists' types of businesses in ambulatory health care services returned to the same employer. That was larger than the share of recalled workers who continued jobs with their prior employers in all industries (36%).

By contrast, about one out of eight (12%) workers laid off from nursing and residential care facilities returned to their employer. Instead, former nursing and residential care workers were far more likely to switch sectors. Two out of five (40%) no longer worked in any area of health care by winter 2022. In addition, 35% of former nursing and residential care facilities workers laid off in the pandemic recession were not found in Oregon's payroll records by winter 2022. That was slightly higher than the share for all industries (29%), and higher than the share for other areas of health care.

Re-employment Patterns of Health Care Workers with Pandemic Unemployment Claims in Oregon by Winter 2022



Source: Oregon Employment Department, Unemployment Insurance Records

Health risk and lower pay may have been among the factors in larger shares of nursing and residential care worker departures. In the first wave of COVID, and the pandemic recession period, nursing and residential care facilities were among the places more commonly experiencing outbreaks. Nursing and residential care facilities also paid far lower average wages at the start of the pandemic recession (about $32,000 per year) than the average for all industries (about $57,000), or the other major parts of the health care sector.

Leisure and hospitality lost the most jobs (-112,100) by far of any sector in the pandemic recession. The larger share of younger workers who were laid off and moved on to other sectors could have an outsized impact on the sector. Young workers held more than one-fourth (27%) of jobs in Oregon's hotels, restaurants, bars, and entertainment places leading into the recession. By comparison, younger workers held 11% of jobs across all industries. They were also least likely among age cohorts to return to the same employer, and most likely to either switch employers within their pre-pandemic sector, or switch sectors altogether.

In addition, leisure and hospitality employers began re-opening in spring and summer 2021 and needed to re-hire large numbers of workers – many with similar roles and skills – at about the same time. They added more than half of all the jobs regained in Oregon during 2021. That level of hiring competition, and record levels of job openings in the sector, created plenty of opportunities for job seekers in the sector to choose among employers.

New Jobs in New Sectors

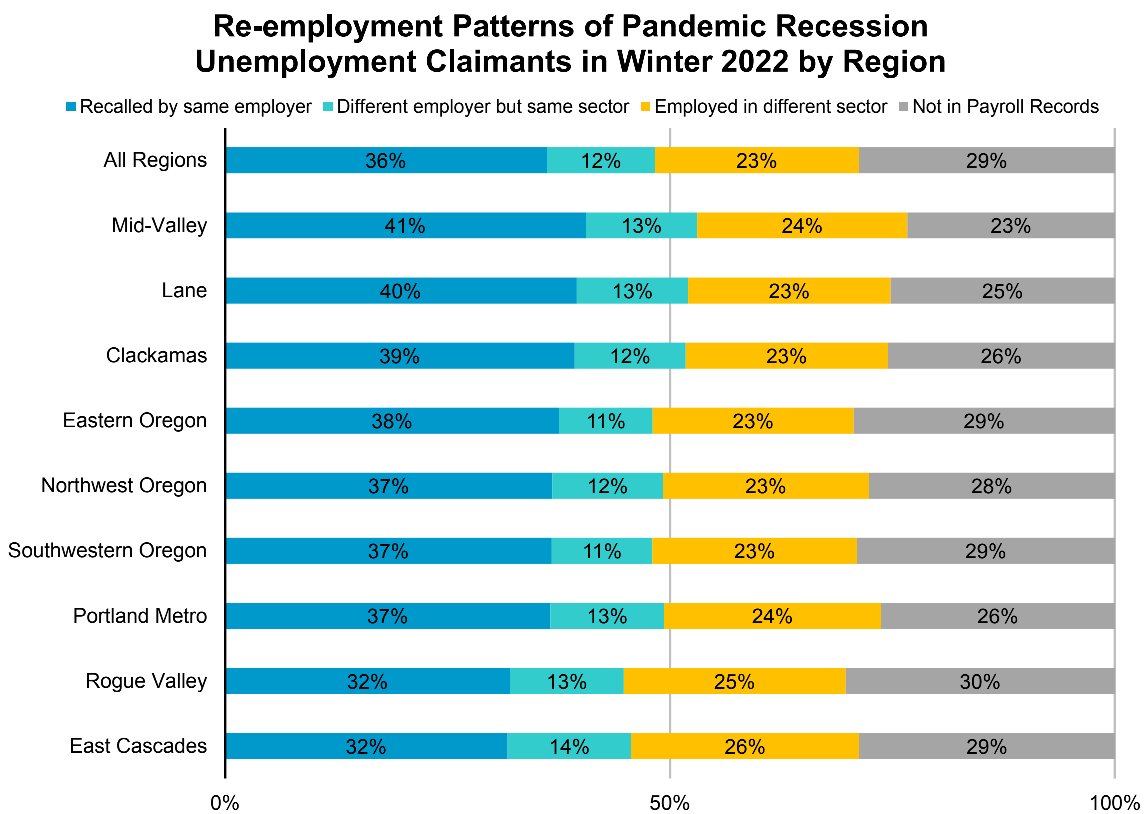
Overall, about one-fourth (23%) of all workers in the pandemic claimant cohort worked at jobs in another sector by winter 2022. Utilities had both the lowest share of return workers and highest shares either working in another sector of the economy or not found in payroll records. Similarly, the information sector had among the smallest shares of returning workers, and the second-highest share not found in any payroll job by winter 2022. While these sector trends are notable, they represent a small piece of the overall re-employment picture in Oregon. Taken together, utilities and information accounted for 1.5% of the pandemic claimant cohort.

Administrative and waste services had the second-largest share of pandemic claimants that took jobs in other sectors (41%) by winter 2022. This sector includes temporary help services. Temporary help services involves placing workers with employers in other sectors. Some of whom would go on to work permanently in that other sector. In 2019, about 29% of workers in administrative and waste services had job flows from one sector to another.

Leisure and hospitality and retail trade each had about the same share of unemployment claimants who lost jobs to pandemic shutdowns take other jobs – either with another company in the same line of work, or a different line of work altogether – as all sectors brought back laid off workers and continued to recruit for more openings.

Regional Differences

The re-employment patterns of pandemic recession unemployment claimants looked remarkably similar across regions of the state. Slightly higher shares of workers laid off in the mid-Willamette Valley (41%) and Lane County (40%) returned to and stayed with their employer by winter 2022. Slightly smaller shares of workers in these areas dropped out of the payroll records altogether. Although some areas showed slight differences, the trends looked generally consistent. Despite differences in re-employment patterns by worker age groups and industries, the overall trends appeared to happen in a mostly consistent manner across all areas of the state (see Appendix B for geographic definitions).



Source: Oregon Employment Department, Unemployment Insurance Records

Pandemic Re-Employment vs. "The Before Times"

A baseline comparison group can help inform whether the rates of returning to employers, switching employers or sectors of employment, or dropping out of Oregon's payroll employment records were typical. During the last economic expansion, Oregon's fastest job growth occurred in 2015 and 2016. Comparing the wage records of workers who lost jobs on the heels of this strong growth, between March 9th and June 27th of 2016 and the same timeframe in 2020 shows pandemic-affected unemployment claimants were slightly more likely to re-enter the workforce following their job separation. They were also slightly more likely to be working in the same industry than the 2016 cohort. The 2016 unemployment claimants were more likely to be working in a different sector of the economy 18 months after their job separation.

As of third quarter 2021, about three-fourths (or 74%) of COVID-impacted workers who experienced a separation worked in payroll jobs covered by unemployment insurance in Oregon. A majority (54%) returned to jobs in the same sector, and 20% had shifted their primary job to a different major sector of the economy. One-fourth (or 26%) of the early pandemic unemployment claimants were not found in any payroll job in Oregon roughly 18 months after their job separation.

Share of Workers 18 Months After Separation

	2016 Cohort	2020 Cohort
Working in Same Sector	39%	54%
Working in New Sector	31%	20%
No Longer in Wage Records	31%	26%
All Covered Payroll Workers	**100%**	**100%**

Source: Oregon Employment Department, Unemployment Insurance Wage Records

By comparison, almost two out of five (or 39%) workers who lost jobs in the same timeframe in 2016 were found in payroll jobs in the same sector a year and a half after their job loss. The baseline group was also more likely to switch sectors of employment, with 31% found working in new sectors 18 months later. A slightly higher share of unemployment claimants in the 2016 cohort no longer reported wages in Oregon 18 months later (31%) compared with the pandemic-affected cohort in 2020. The COVID-impacted workers re-entered the Oregon workforce at a higher rate than similar groups who experienced a separation in stronger economic conditions.

REAL WAGE GAINS AMONG PANDEMIC UI CLAIMANTS

The experience of workers who lost jobs and claimed unemployment insurance during the pandemic recession differed from those who lost jobs in prior recessions. The labor market quickly gained steam in recovery and record levels of job openings meant many simultaneous opportunities to return to work, often at higher wages. Overall, the cohort that lost jobs during the height of the pandemic were able to make real wage gains that outpaced gains across the total workforce.

Overall, and over the decades, these and many other studies show job losses have tended to result in negative impacts on affected workers' earnings. These losses tend to occur regardless of economic conditions, sector of employment, or geographical location.

At least in the short term, Oregon's pandemic recession unemployment claimants reversed the typical, long-term or permanent wage declines workers tended to experience after job losses. Oregon workers who lost a job between March 9th and June 27th, 2020, and re-entered the workforce posted notable wage gains in their jobs.

Real (inflation-adjusted) median hourly wages for this cohort of unemployment claimants in 2020 rose by $1.45 per hour (or 7%) one year after the initial separation. By the third quarter of 2021, about 18 months after their job displacements, real median hourly wages for this group of pandemic-impacted workers rose by $2.71 per hour (or 13%) from their pre-pandemic levels.

The wage gains for these workers who lost jobs and then re-entered the job market exceeded gains across the total workforce during the same timeframe. All workers saw smaller inflation-adjusted gains of $0.72 per hour (or 3%) during the same period.

Wage gains among this cohort of pandemic unemployment claimants were also stronger than for Oregon workers from a non-recession comparison group of unemployment claimants. During the last economic expansion, Oregon added jobs at the fastest pace during 2015 and 2016. The cohort of unemployment claimants between March 9th and June 27th in 2016 experienced real median wage declines of $0.87 per hour (or -5%) one year after their job loss. By the third quarter of 2017, their real median hourly earnings partially recovered, but remained $0.27 per hour (-1%) below their pre-unemployment earnings.

Inflation-Adjusted Median Hourly Wages of Oregon Workers Who Re-entered the Workforce After Separation

	2016 Cohort	2020 Cohort
Base Hourly Wage	$18.37	$21.29
1-Year After Separation	$17.49	$22.74
18 months After Separation	$18.10	$24.00
1-Year After Separation	-5%	7%
18 months After Separation	-1%	13%

Source: Oregon Employment Department, Unemployment Insurance Wage Records

Stronger wage gains among pandemic unemployment claimants are partly a reflection of the unique labor market and economic conditions specific to the pandemic recession itself. The majority of layoffs in prior recessions were permanent, and resulted from business contractions or permanent closures. During the pandemic recession, an otherwise healthy economy went into shutdowns for health and safety measures.

This recovery has been characterized by widespread hiring and high consumer demand. These factors have helped push job openings to record and near-record levels for a sustained period of time. One result of the highly competitive hiring environment has been higher starting wages during the re-employment period for the pandemic recession unemployed, and all job seekers in Oregon.

DISPLACEMENT AND ONGOING RECOVERY

Oregon saw a rapid reversal from the tremendous job losses of the pandemic recession. Two years after the recession's official end, about nine out of 10 jobs lost in the recession had been recovered. Strong monthly job gains continued, and unemployment was nearing record lows again. Low unemployment, paired with a sustained and high level of job openings, created incredibly competitive hiring conditions for employers. Employers faced record difficulty filling job vacancies in spring 2022.

This mix of labor market conditions created unique re-employment circumstances for unemployment claimants rejoining the workforce. Nearly half of those who lost jobs early in the pandemic returned to the same industry of their layoff. Most commonly, by winter 2022 these displaced workers (36%) returned to and still worked at the employer that laid them off during the largely temporary public health and safety closures and restrictions.

Nearly as large a share (29%) were not found anywhere in Oregon's payroll records by winter 2022. That didn't differ significantly from a comparison unemployed group in Oregon though. During 2016, in an expanding economy, and on the heels of Oregon's fastest job growth during the last expansion, about three out of 10 unemployment claimants weren't found in wage records again 18 months after their job separation.

Oregon's pandemic unemployment claimants had real median wage gains of 13% by 18 months after their job displacement. Oregonians who lost their jobs at the beginning of the pandemic recession experienced economic disruption and hardship. One key difference, at least as of the second half of 2021, between these workers and unemployed workers from prior recessions is that in addition to the stress and economic hardship of job displacement, they were able to avoid the additional scarring of longer-term wage losses if and when they resumed working.

APPENDIX A:
EMPLOYER DATA BY CUSTOMER DATABASE TECHNICAL NOTES

The focus of this dataset is to look at Oregon workers who were laid off during the beginning months of the COVID-19 pandemic and see what their employment status is now, almost two years after the initial mandated shutdowns. In the recovery from the pandemic recession, most employers set to rehire workers to keep up with the growing demand for goods and services and often found the labor market tight, making it difficult to find workers.

Among Oregon workers laid off during the initial months of the pandemic, where are they working now? Did their original employers call them back to work, were they working for a different employer in the same industry, or were they working in a new industry entirely?

This dataset helps to answer those questions and others by examining fourth quarter 2021 and first quarter 2022 employment status of Oregonians eligible for Unemployment Insurance (UI) who filed for benefits in the initial months of the pandemic.

At the beginning of the pandemic, about 418,300 Oregonians (or about 20% of the workforce) filed for regular Unemployment Insurance (UI) benefits. This study presents the most up-to-date information we have about their employment status. Specifically, this study considers how many and which workers fell into the following categories during first quarter 2022 (Leibert, 2022, p. 1[2]):

- Returned to job at the employer who had laid them off;
- Returned to a different employer, but in the same sector from which they were laid off
- Found new job in a different sector
- Not working in UI-covered employment in Oregon.

To track the employment status of the pandemic claimant cohort a database was created by the Oregon Employment Department's IT team. This database combined data from numerous sources including: Unemployment Insurance claims shed, which contains individual level data about claimants and their demographics, and the wage shed, which contains individual data about a person's payroll employment.

Determining the employment status of each claimant required knowing the base period employer and the recent employer. Because we are interested in the industries of employment for these claimants, it narrows the claimants to only those workers applying from UI-covered jobs. It does not include self-employed and gig workers who cannot be tracked in UI wage records.

Base employer refers to the most relevant employer during the base period of the most recent claim filed. The most relevant employer is chosen by picking the highest paid amount in the last paid quarter of the base period. If there is more than one with the same wage total, then the next ranking is by number of hours worked.

[2] *Leibert, Alessia. "Reemployment after COVID-19 layoffs in Minnesota: Who's getting left behind?" Minnesota Economic Trends March 2022: page 1. Reemployment after COVID-19 layoffs in Minnesota: Who's getting left behind? / Minnesota Department of Employment and Economic Development (mn.gov)*

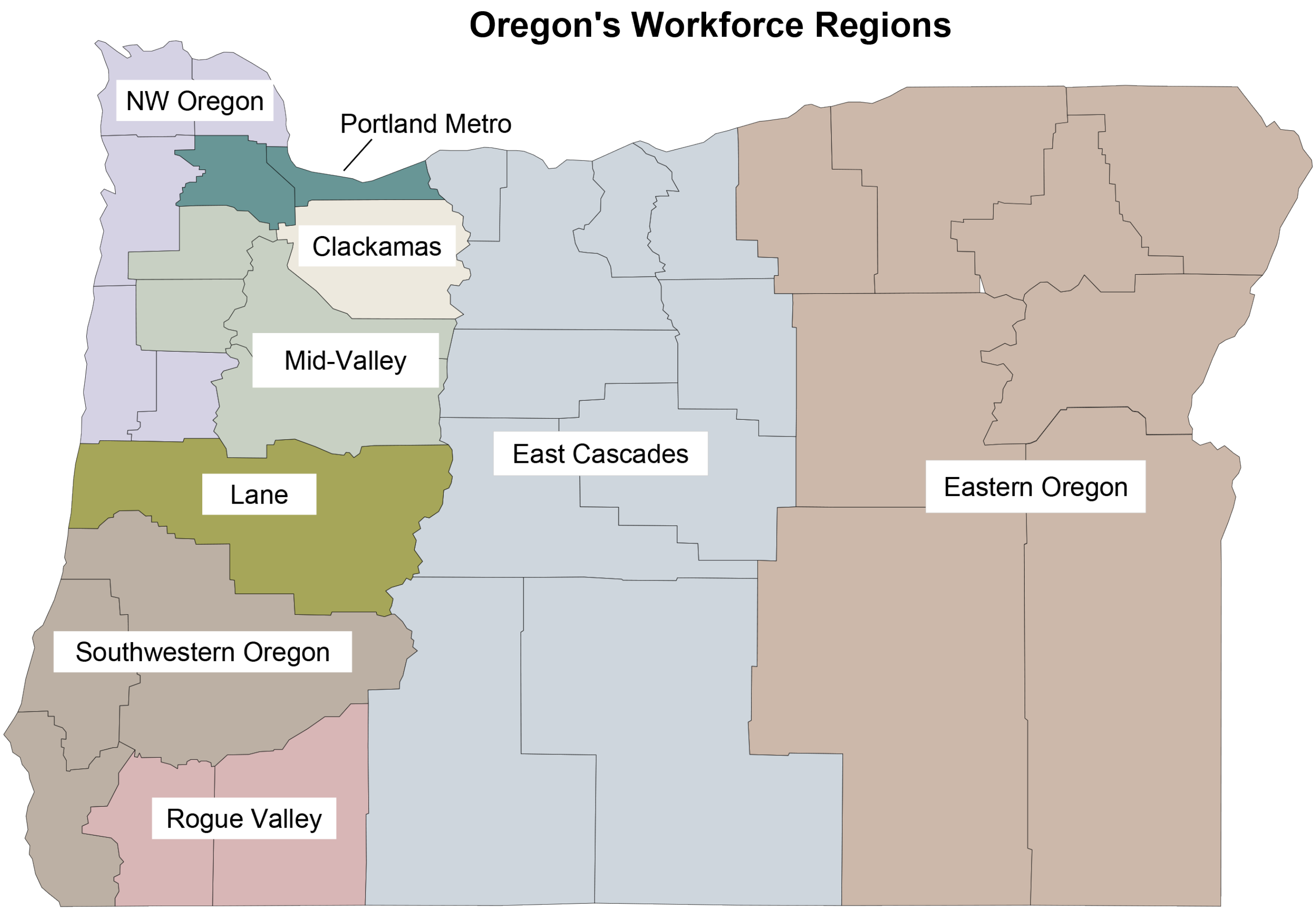
The recent employer is the most relevant employer that has paid wages in the most recent paid quarter. The most relevant employer is chosen by picking the highest paid amount in the most recent quarter in which the customer has wages. If there is more than one with the same wage total then the next ranking is by number of hours worked.

To isolate the pandemic unemployed universe, the claimants were narrowed to those whose base period employer, the most relevant employer in a person's claim base year, was narrowed to the last two quarters of 2019 and the first quarter of 2020. Then, we looked to see if that claimant could be found with a recent payroll employer in the last quarter of 2021 or the first quarter of 2022.

The Coronavirus Aid, Relief, and Economic Security (CARES) Act passed by Congress in March 2020 included temporary changes that enhanced state unemployment benefit programs employers can use for their workers when the employer reduces their hours, but doesn't lay them off completely. In Oregon, that program is called Work Share. Program details are available at https://tinyurl.com/ORWorkShare.

In the early months of the pandemic, about 67,600 regular unemployment claimants were paid at least one week of Work Share benefits. Those receiving Work Share benefits would count as an unemployment insurance claimant, even though they still held jobs.

APPENDIX B:
GEOGRAPHIC DEFINITIONS OF OREGON'S WORKFORCE REGIONS



Source: Oregon Employment Department

State of Oregon
Employment
Department

www.Oregon.gov/employ
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