

# OREGON CRAFT BEER AND BREWERY ECONOMY

Rotary Club of Bend

April 10, 2024

- ✓ Brief overview of current labor market conditions
- ✓ Economic impact of the beer industry
  - Brewers Association
  - Defining key terms
  - Oregon Employment Department Data
- ✓ Emerging trends

## CURRENT LABOR MARKET CONDITIONS

Quarterly Census of Employment & Wages (QCEW)

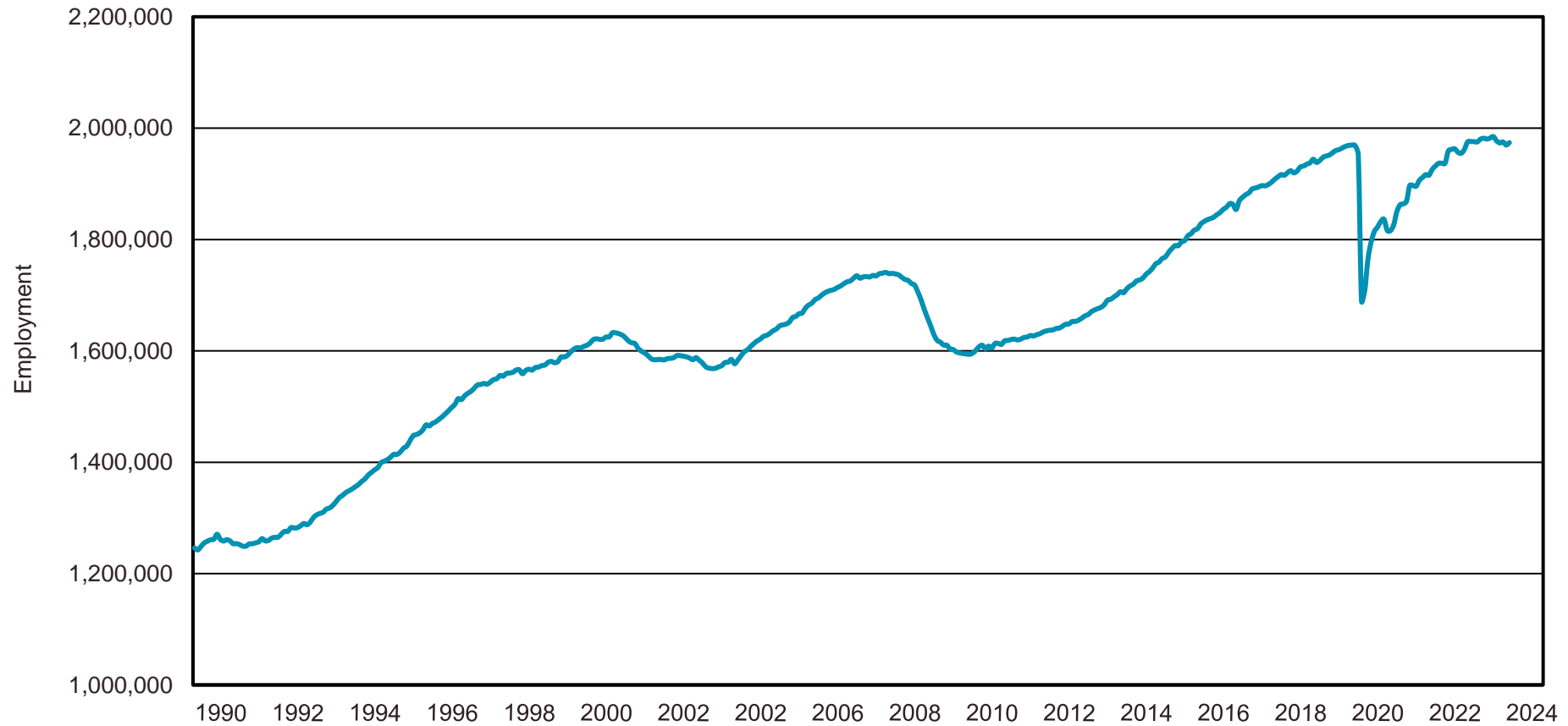
Local Area Unemployment Statistics (LAUS)

Current Employment Statistics (CES)

Quarterly Forecast from the Oregon Office of  
Economic Analysis (EOA)

# NONFARM PAYROLLS IN OREGON GAINED 4,400 JOBS IN FEBRUARY

## Seasonally Adjusted Employment in Oregon Total Nonfarm Payroll: 1990 - 2024

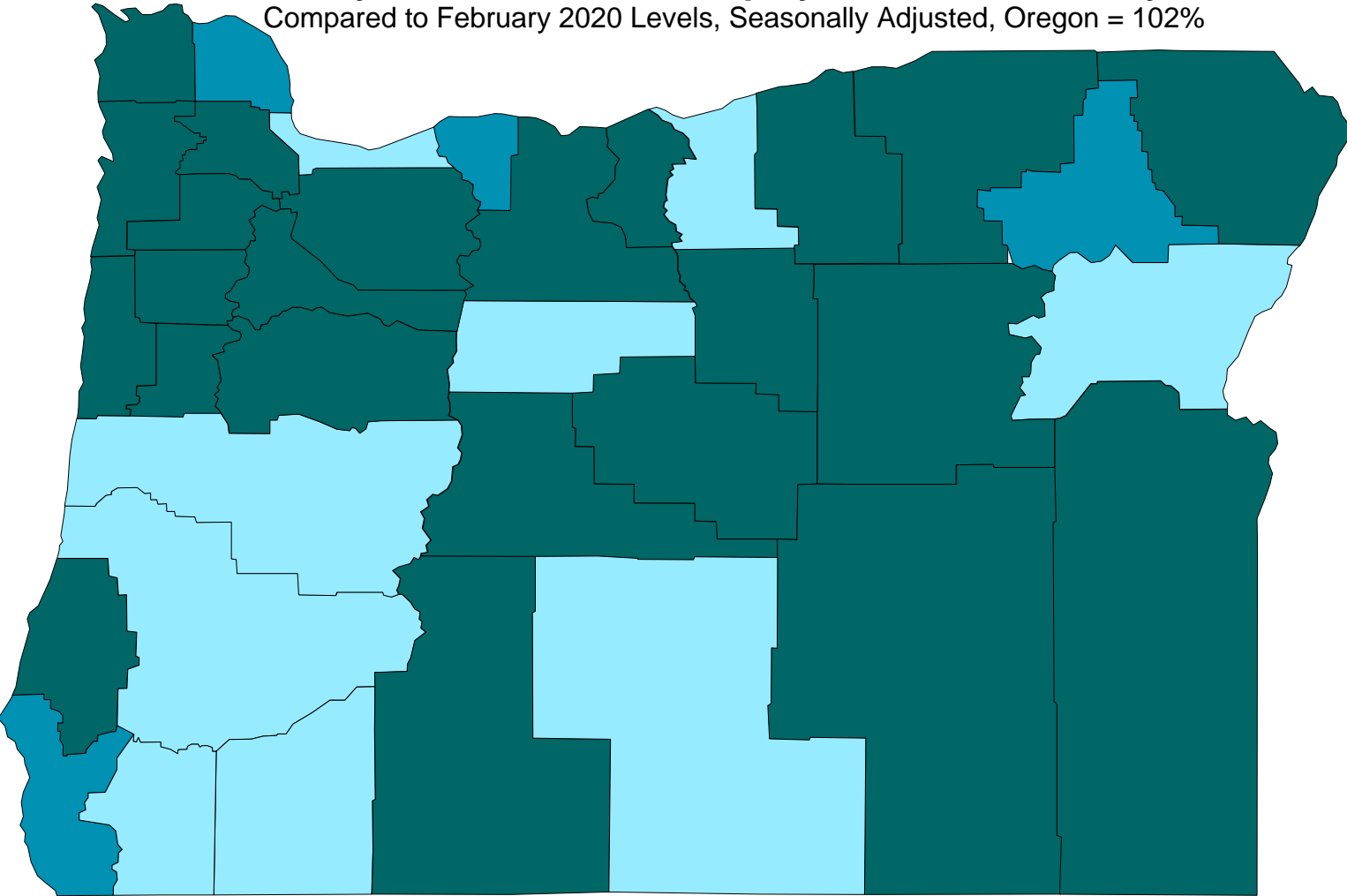


Source: Oregon Employment Department, Current Employment Statistics

# OREGON HAS MORE JOBS NOW THAN BEFORE THE PANDEMIC RECESSION

## Recovery of Total Nonfarm Employment as of February 2024

Compared to February 2020 Levels, Seasonally Adjusted, Oregon = 102%



More than half (23) of all counties have regained their total pandemic recession job losses.

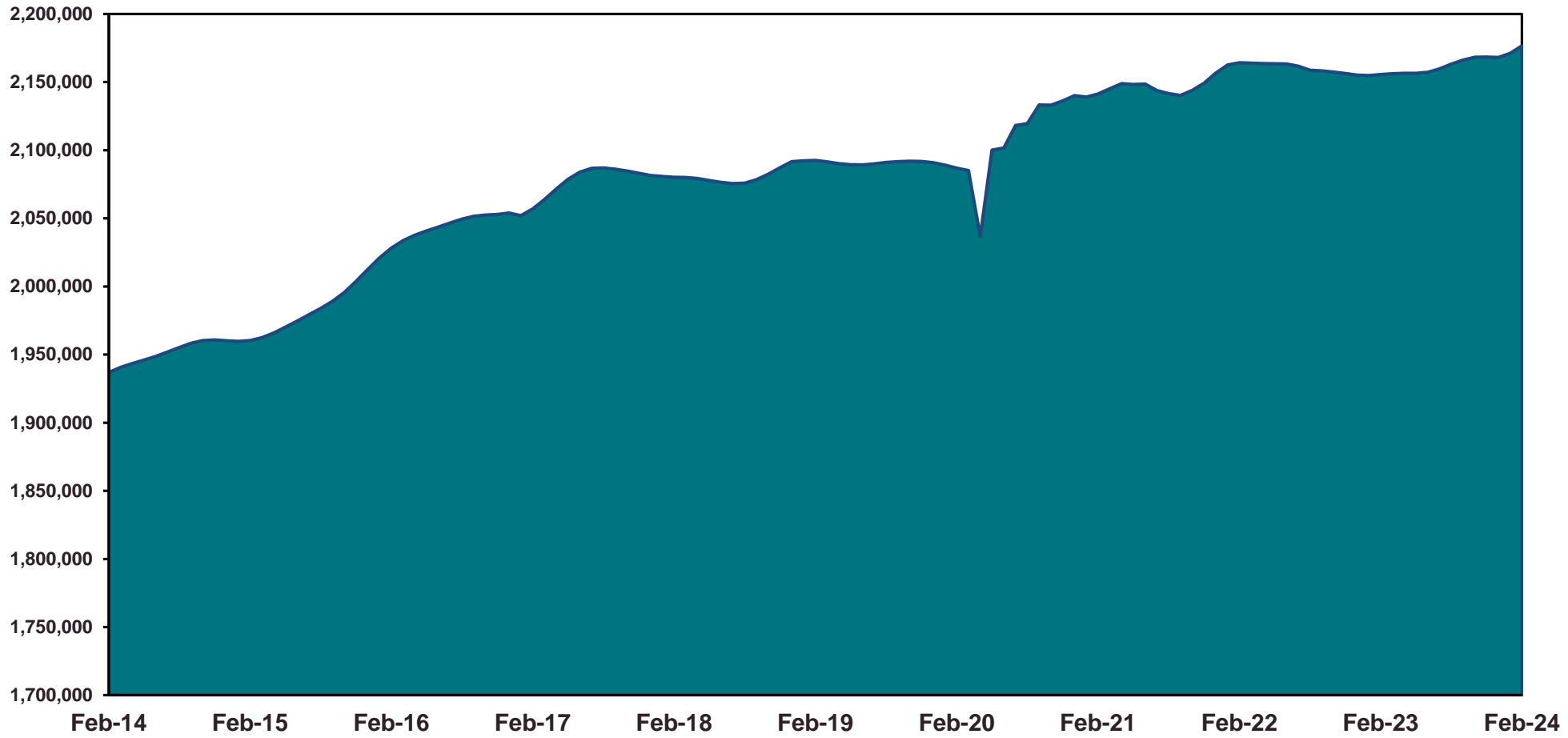
Recovery has been slower in parts of coastal, Southern, and Eastern Oregon.

Source: Oregon Employment Department

**More jobs than before recession (100% +)**    **Near full jobs recovery (90% to 100%)**    **Slower recovery (89% or less)**

# OREGON'S LABOR FORCE INCREASED SLIGHTLY IN FEBRUARY

## Oregon Civilian Labor Force, Seasonally Adjusted 2013 to Present

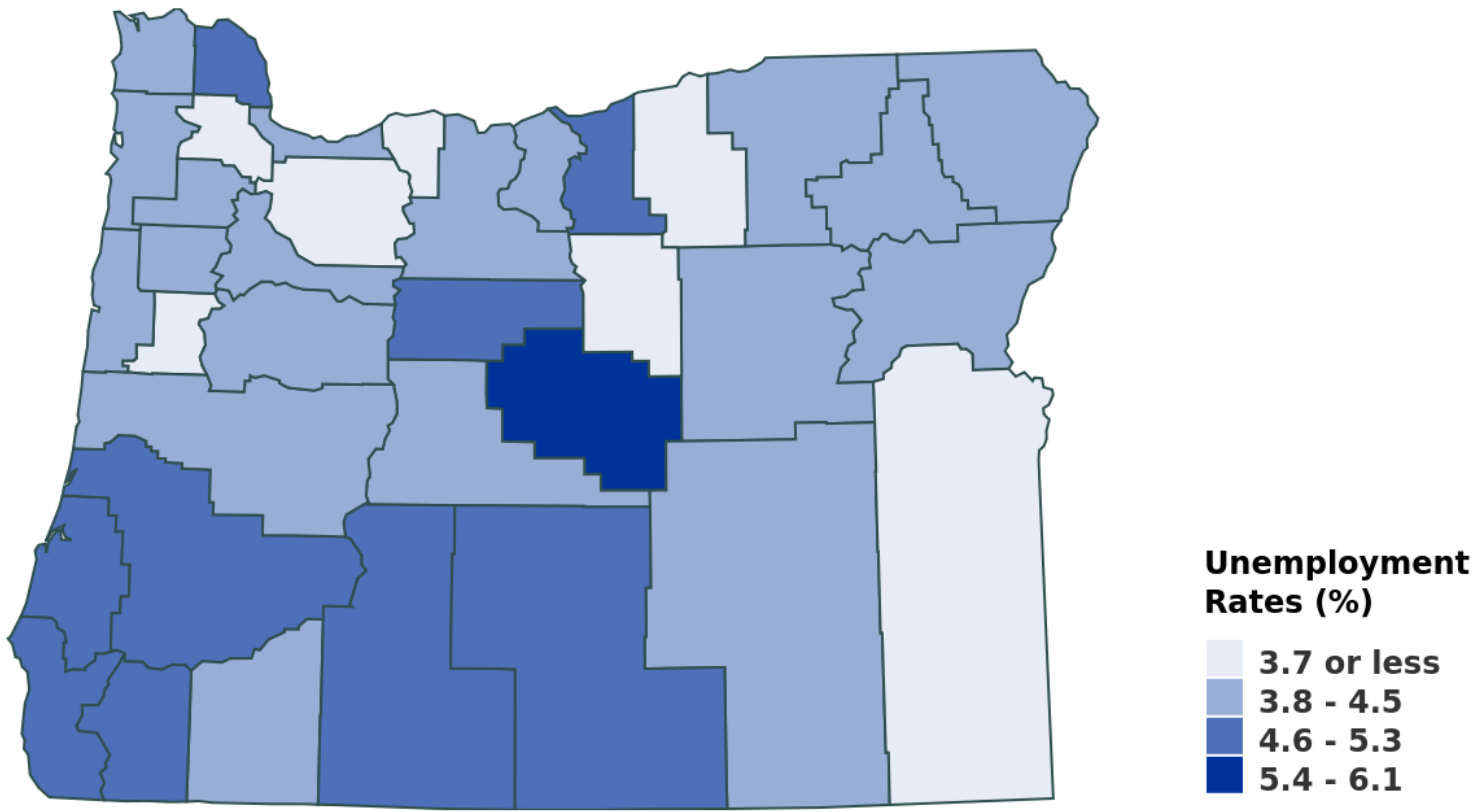


Source: Oregon Employment Department, Local Area Unemployment Statistics

# OREGON UNEMPLOYMENT RATES BY COUNTY

## Seasonally Adjusted Unemployment Rate

February 2024



Oregon Employment Department, Local Area Unemployment Statistics

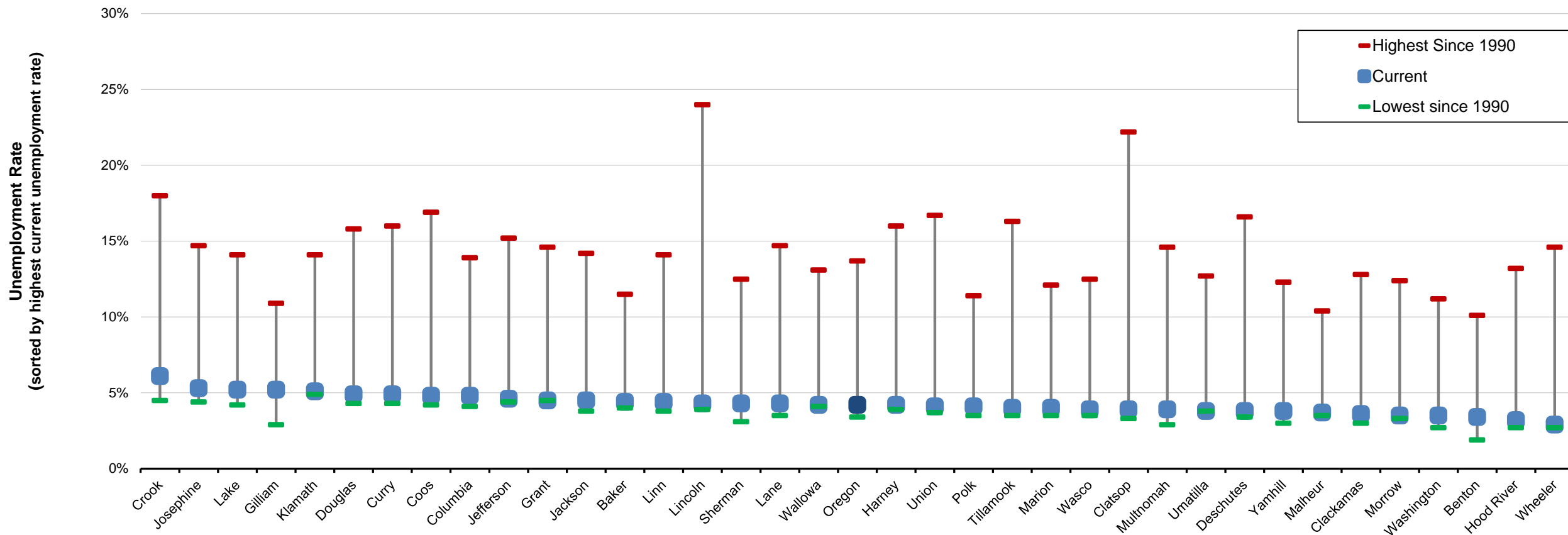
Unemployment rates declined or remained unchanged in three of Oregon's 36 counties in February 2024, and increased in 33 counties.

Crook County had Oregon's highest seasonally adjusted unemployment rate (6.1%) in February.

Wheeler County registered the lowest unemployment rate (2.9%).

## Unemployment Rates in Oregon Counties

Current Rate (February 2024), Record High, and Record Low for Each County, Seasonally Adjusted



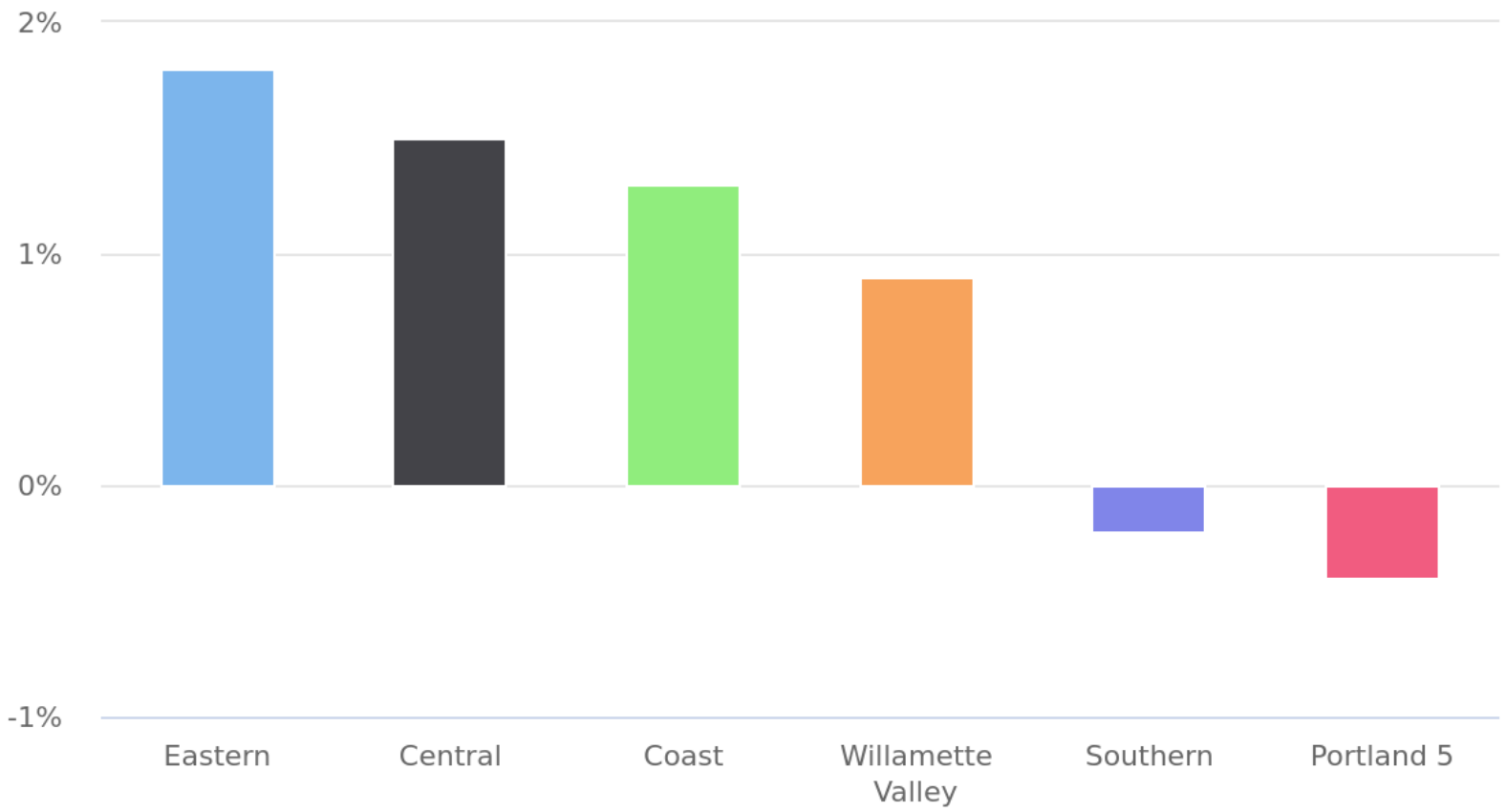
Source: Oregon Employment Department, Local Area Unemployment Statistics



# EASTERN OREGON GREW AT THE FASTEST RATE OF ANY BROAD REGION OVER THE YEAR

## Over-the-Year Employment Change by Region

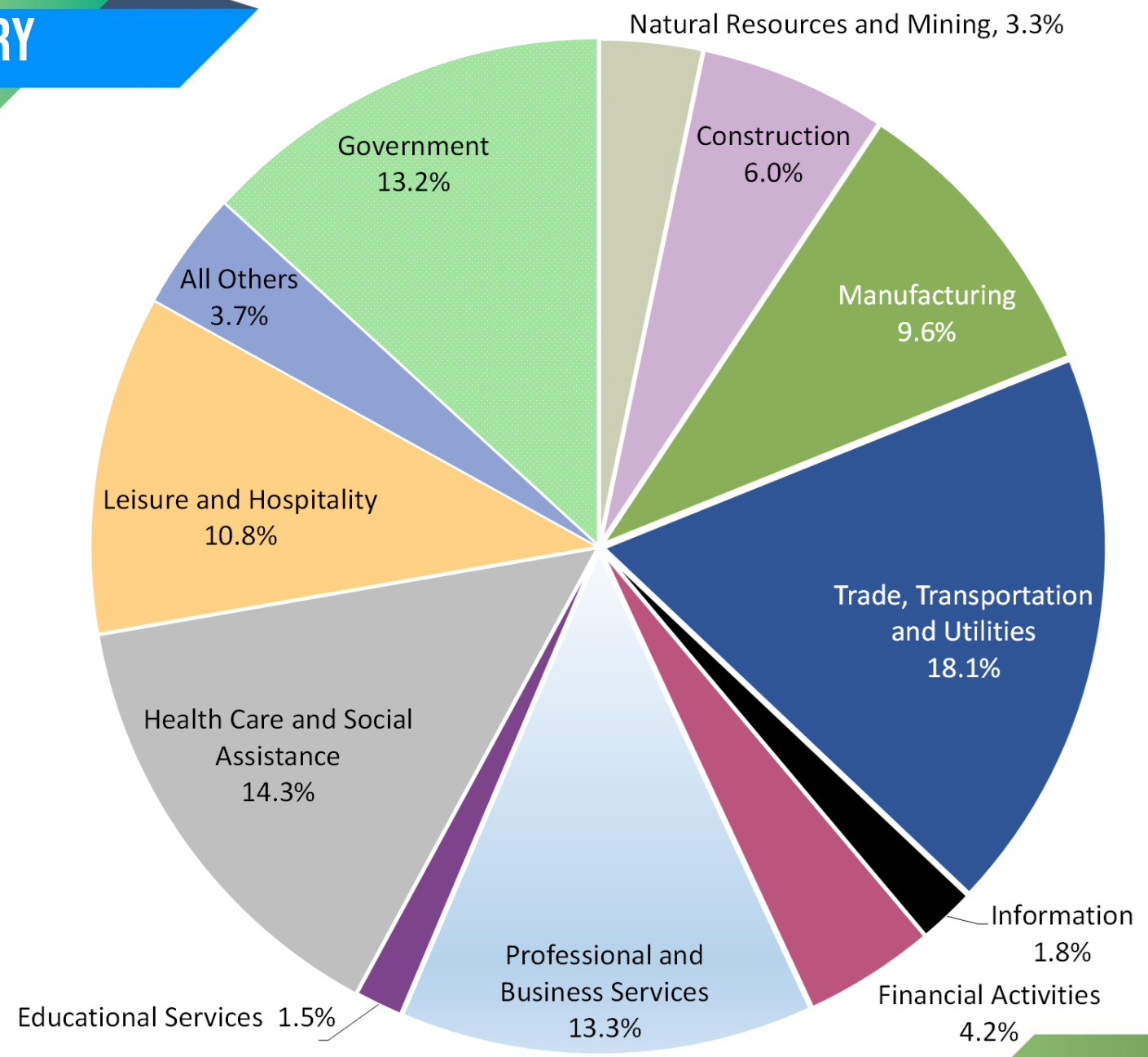
February 2023 to February 2024, Seasonally Adjusted Nonfarm Employment



Oregon Employment Department, Current Employment Statistics

# EMPLOYMENT BY INDUSTRY

**Oregon,**  
**2023 Q3**



Source: Oregon Employment Department, QCEW

# ECONOMIC IMPACT OF THE BEER INDUSTRY

Quarterly Census of Employment & Wages (QCEW)  
Local Area Unemployment Statistics (LAUS)  
Current Employment Statistics (CES)  
Brewers Association



## OREGON

FIND A BREWERY ▶

STATE LAWS ▶



**9.8** Breweries per Capita\*  
(RANKS 7<sup>TH</sup>)  
\*per 100,000 21+ Adults

**\$**  
ECONOMIC IMPACT  
(2022)

**1,816**  
Million Economic Impact  
(RANKS 14<sup>TH</sup>)

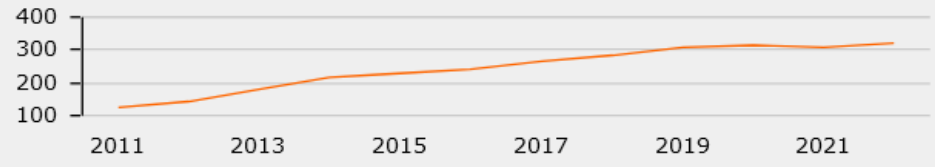
**559.54**  
Impact per Capita  
(RANKS 5<sup>TH</sup>)

PRODUCTION

**867,236**  
Barrels of Craft Beer  
Produced per Year  
(RANKS 9<sup>TH</sup>)

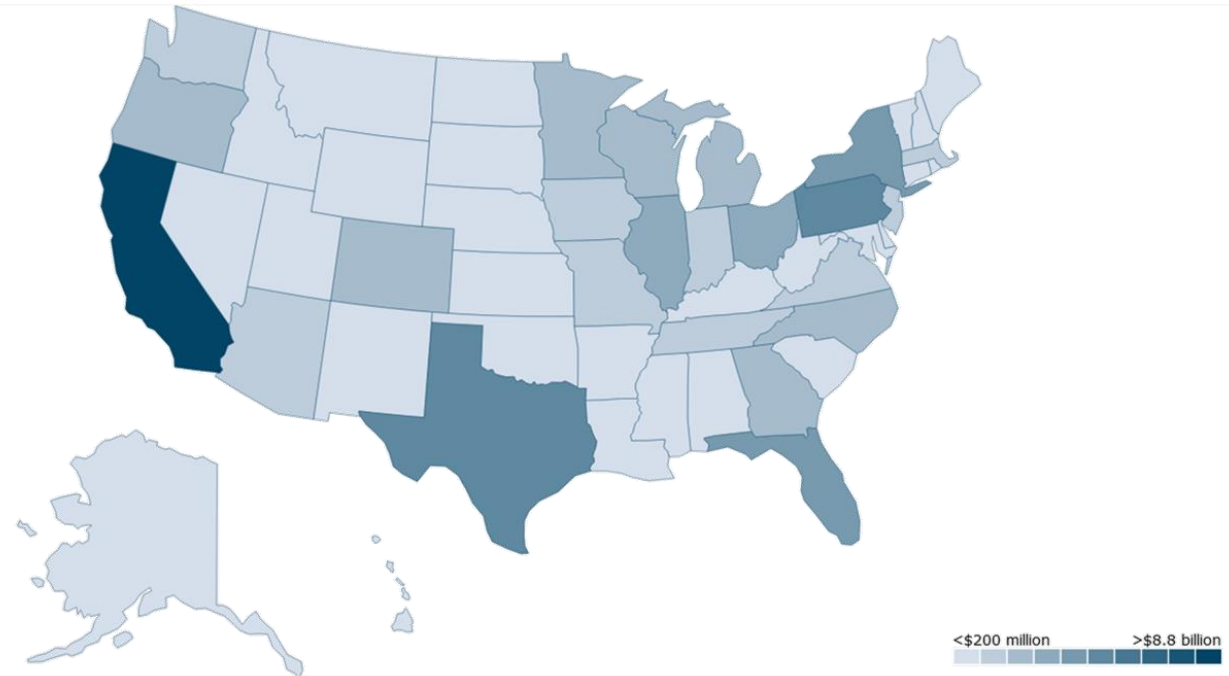
**8.3**  
Gallons per 21+ Adult  
(RANKS 6<sup>TH</sup>)

NUMBER OF CRAFT BREWERIES OPERATING PER YEAR

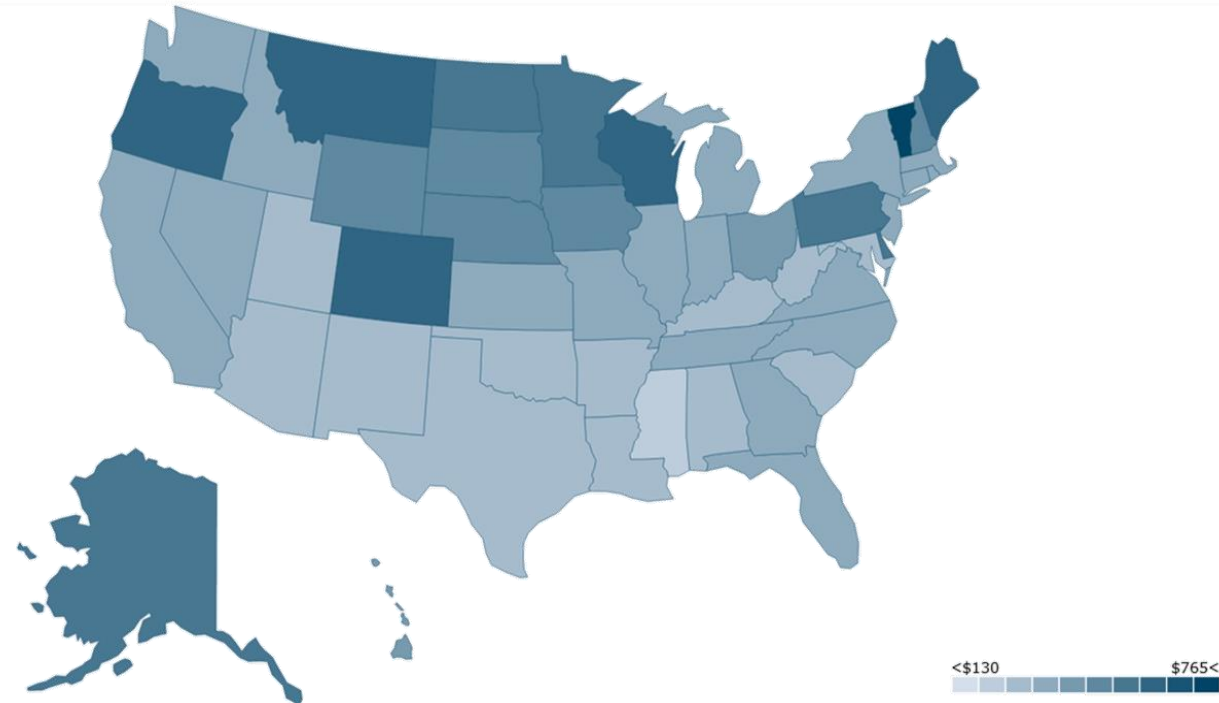


# 2022 CRAFT BREWERY ECONOMIC IMPACT DATA (BREWERS ASSOCIATION)

## Economic Impact by State

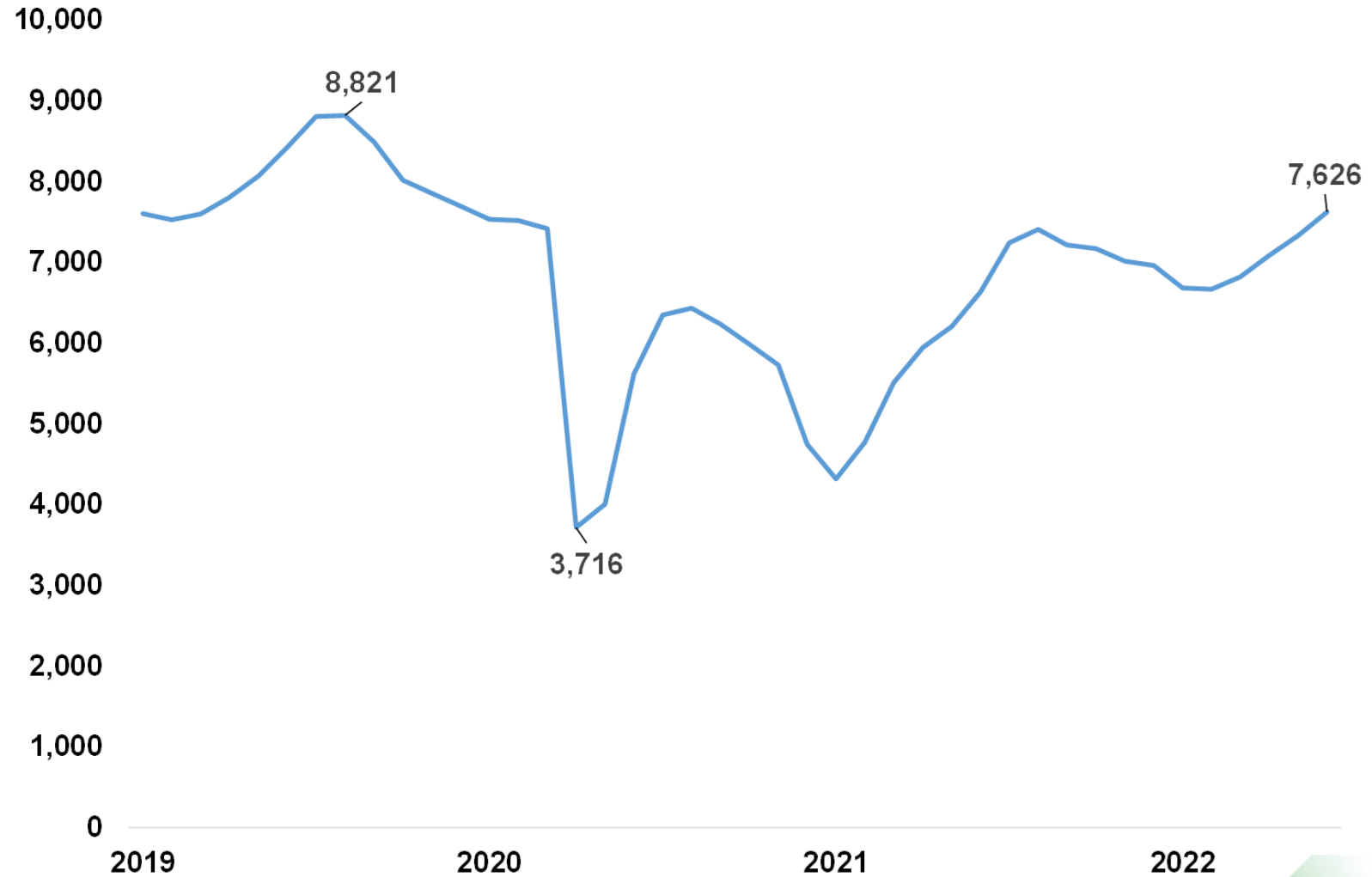


## Economic Impact per Capita (21+ Adult)



# EMPLOYMENT REMAINS BELOW PRE-PANDEMIC HIGHS

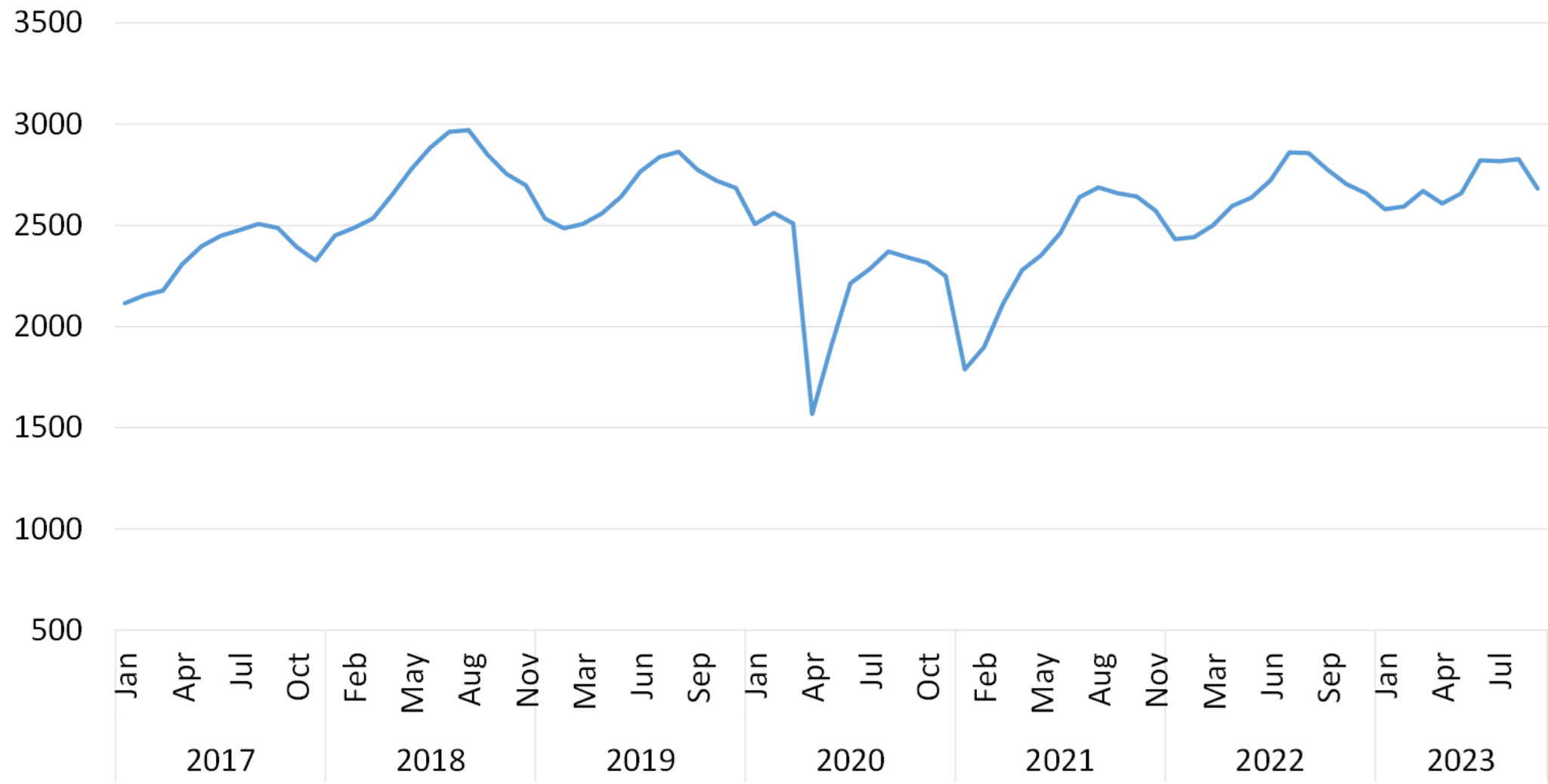
## Employment in Oregon's Breweries and Brewpubs



Source: Oregon Employment Department

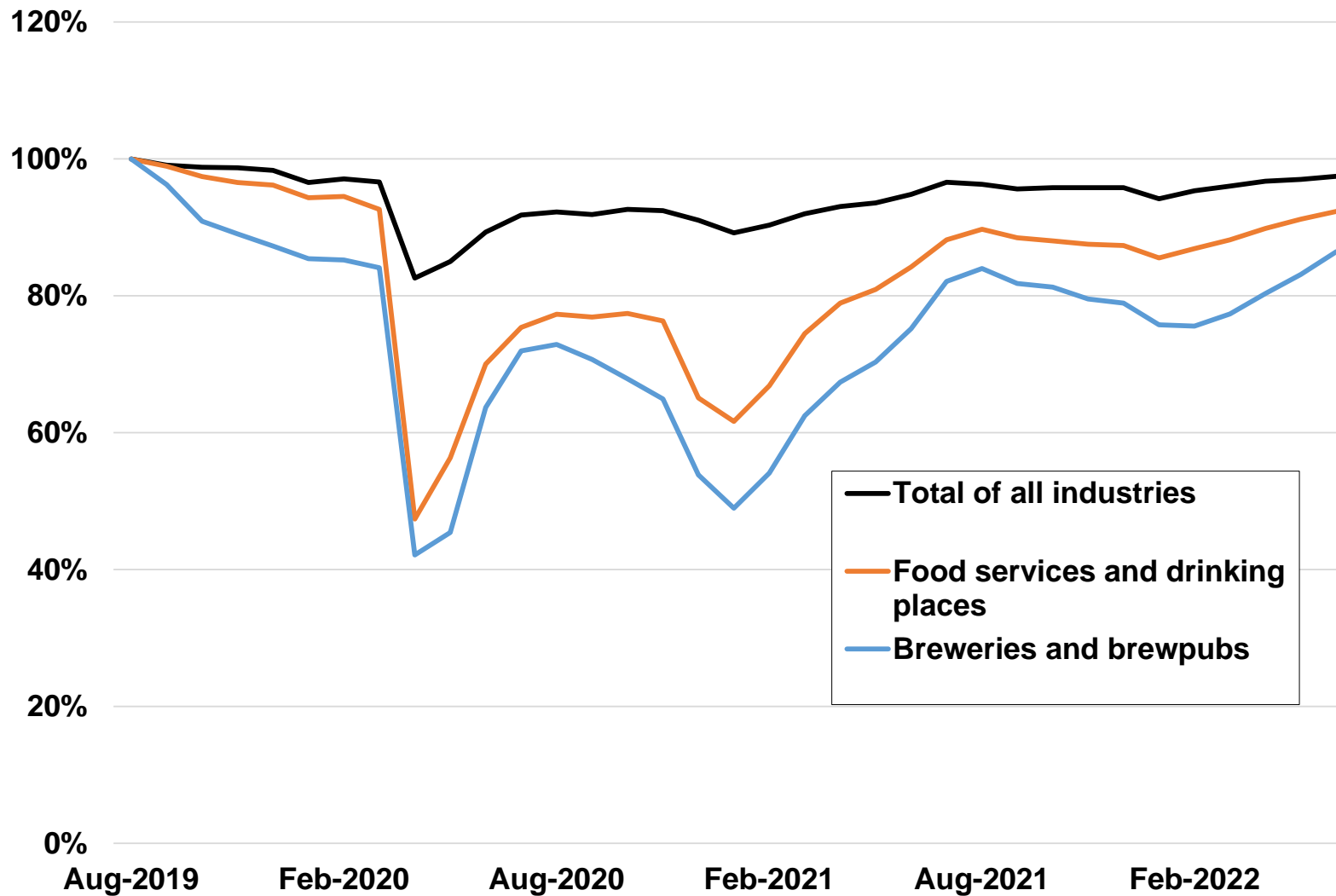
# BREWERY INDUSTRY EMPLOYMENT

Oregon's Brewery Employment, January 2017 - September 2023



# BREWERY AND BREWPUB EMPLOYMENT HAS BEEN SLOW TO RECOVER

## Oregon Employment Change Relative to August 2019

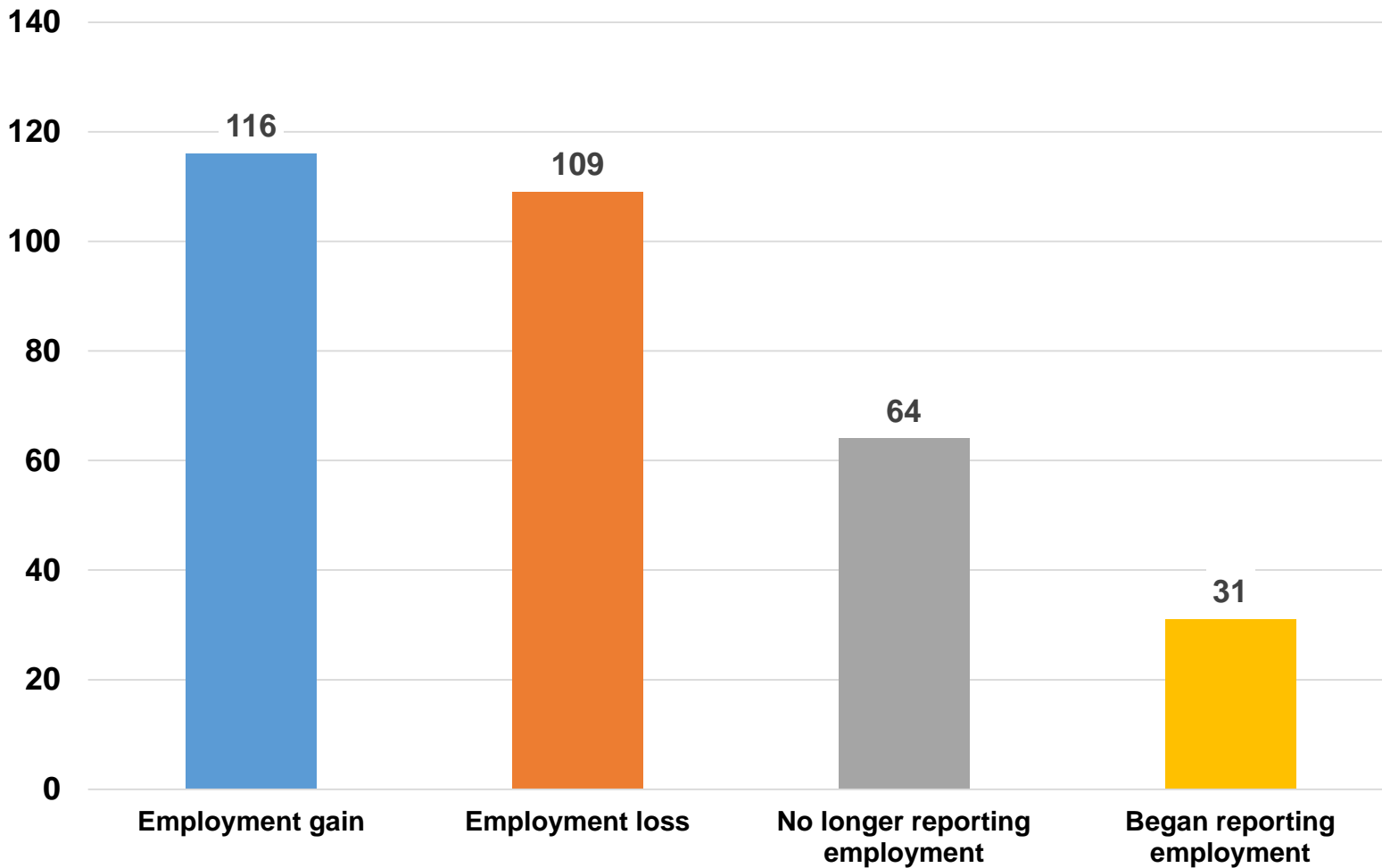


Source: Oregon Employment Department



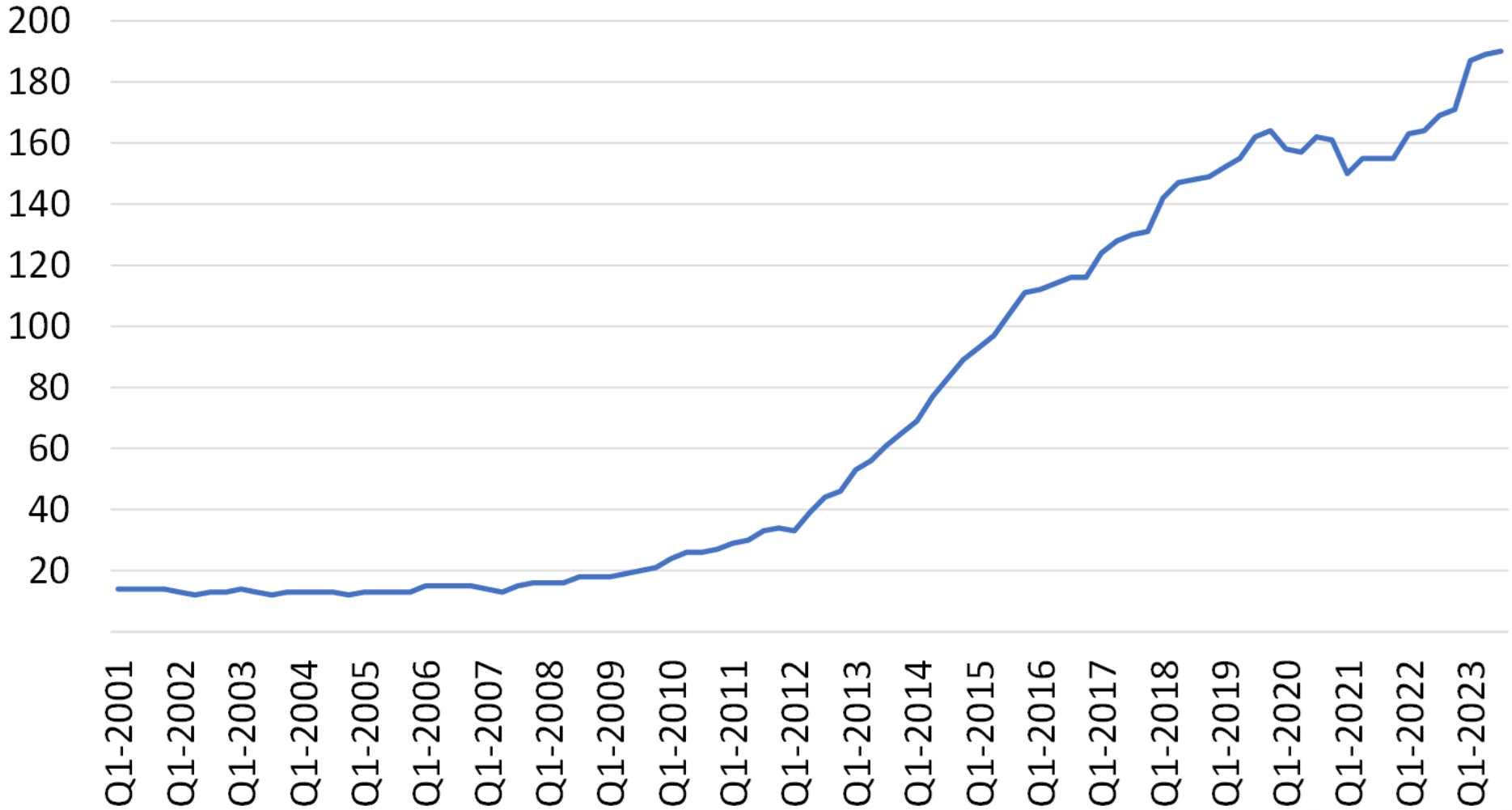
# 109 BREWERIES & BREWPUBS HAD LESS EMPLOYMENT IN 2022 THAN IN 2019

## Counts of Oregon's Breweries and Brewpubs by Employment Change, August 2019 to June 2022

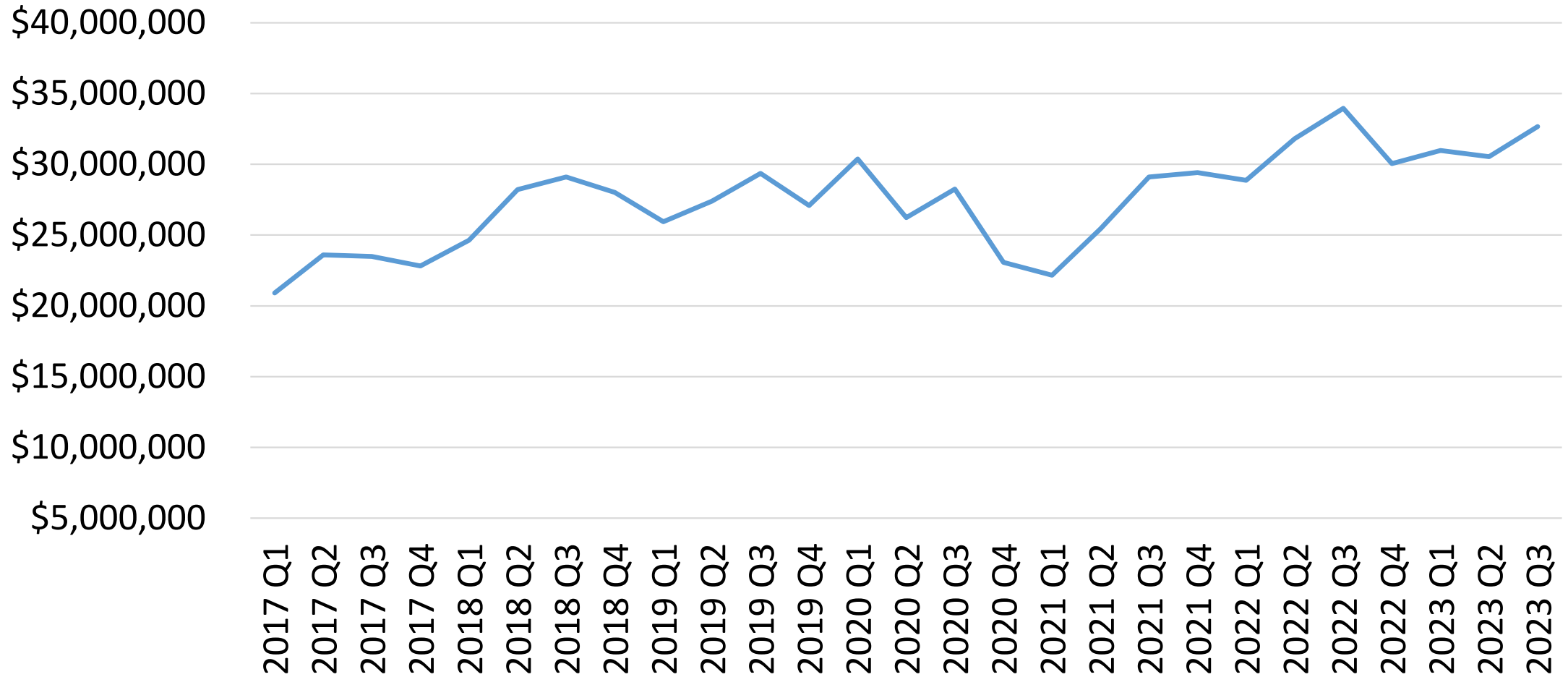


Source: Oregon Employment Department

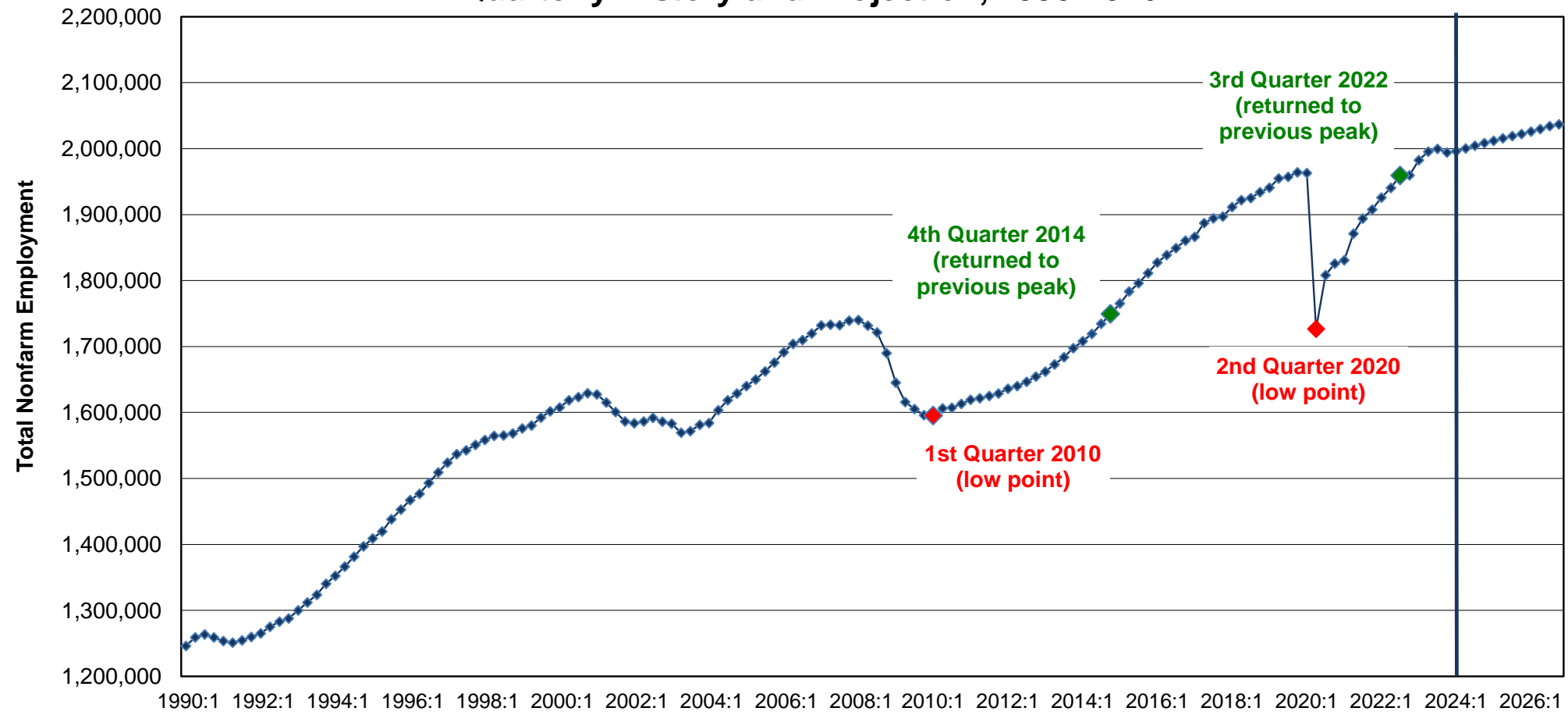
## Establishments in Oregon's Brewery Industry



## Oregon's Quarterly Payroll, Brewery Industry



### Oregon Nonfarm Payroll Employment Quarterly History and Projection, 1990-2026



Source: Office of Economic Analysis, Department of Administrative Services, March 2024

## EMERGING TRENDS

Local Area Unemployment Statistics (LAUS)

Current Population Survey (CPS)

Quarterly Census of Employment and Wages (QCEW)

## News ▶ Oregon Loses 30 Breweries in 2023

Posted January 4, 2024 by [Tom McCormick](#)

Oregon, one of the initial hotbeds of craft beer along with California, Washington and Colorado, has seen over 30 craft breweries, cideries and taprooms close down in 2023, the highest number of any year.

It comes as no surprise that brewery closings would peak last year given the [challenges confronting the industry](#) prior to 2020 and then compounded by the pandemic. But to see the number of 30 locations closing in a state with a total of 318 craft breweries (in 2022) is an eye opener.

## Oregon Brewers Cry in Their Beer After Brutal 2023

**More than 20 Oregon breweries closed last year as craft beer sales stalled. The state is taking a fresh look at taxes on the industry, among the nation's lowest.**

## News ▶ Beer Shipments Fall to Lowest Level in Over 20 Years

Posted January 3, 2024 by [Tom McCormick](#)

Good riddance 2023. We won't miss you. Beer shipments have fallen by 5% in the first three quarters of 2023 and are tracking to fall below 200 million barrels for the year, the lowest in over 20 years.

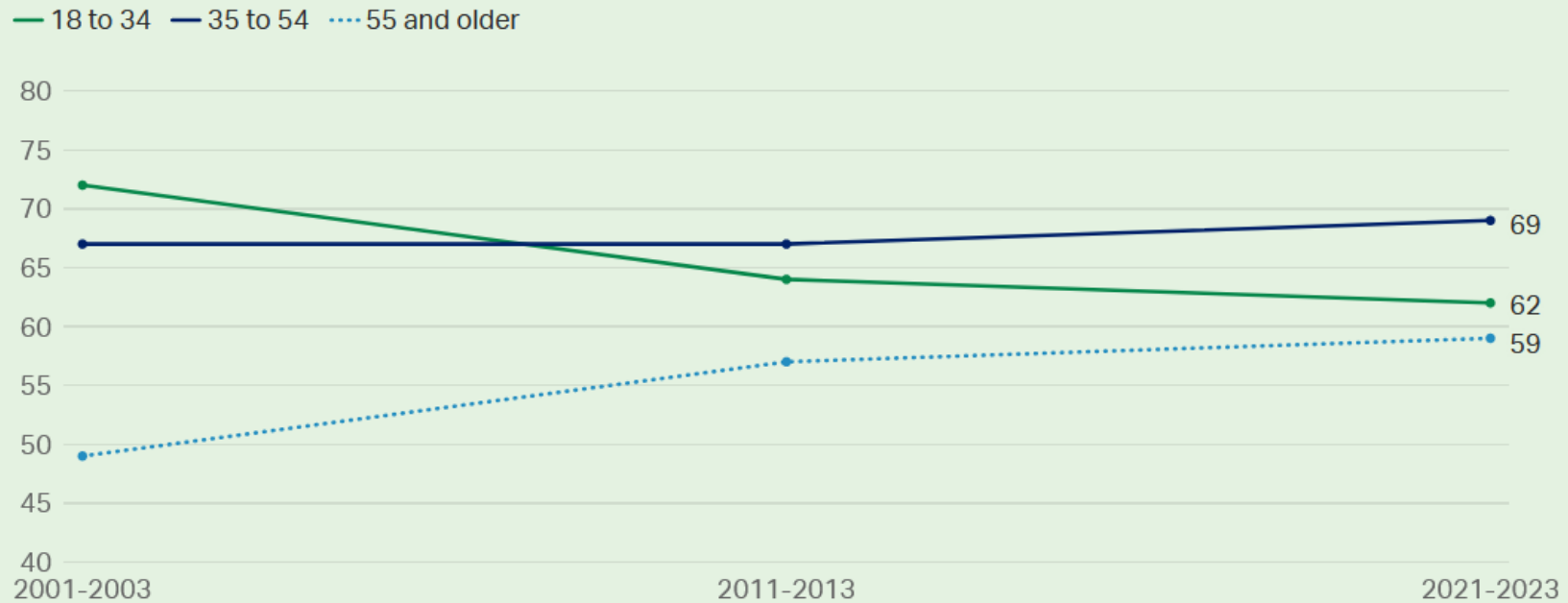
“It’s a tough moment for Oregon’s craft brewers,” says Ben Edmunds, the brewmaster at Breakside Brewery and president of the Oregon Brewers Guild. “Increased costs, changes in consumer preferences, and diminished on-premises consumption all made 2023 an especially challenging year.”

# YOUNG ADULTS ARE DRINKING LESS THAN IN PRIOR DECADES

## Shifts in Americans' Alcohol Consumption, by Age

Do you have occasion to use alcoholic beverages such as liquor, wine or beer, or are you a total abstainer?

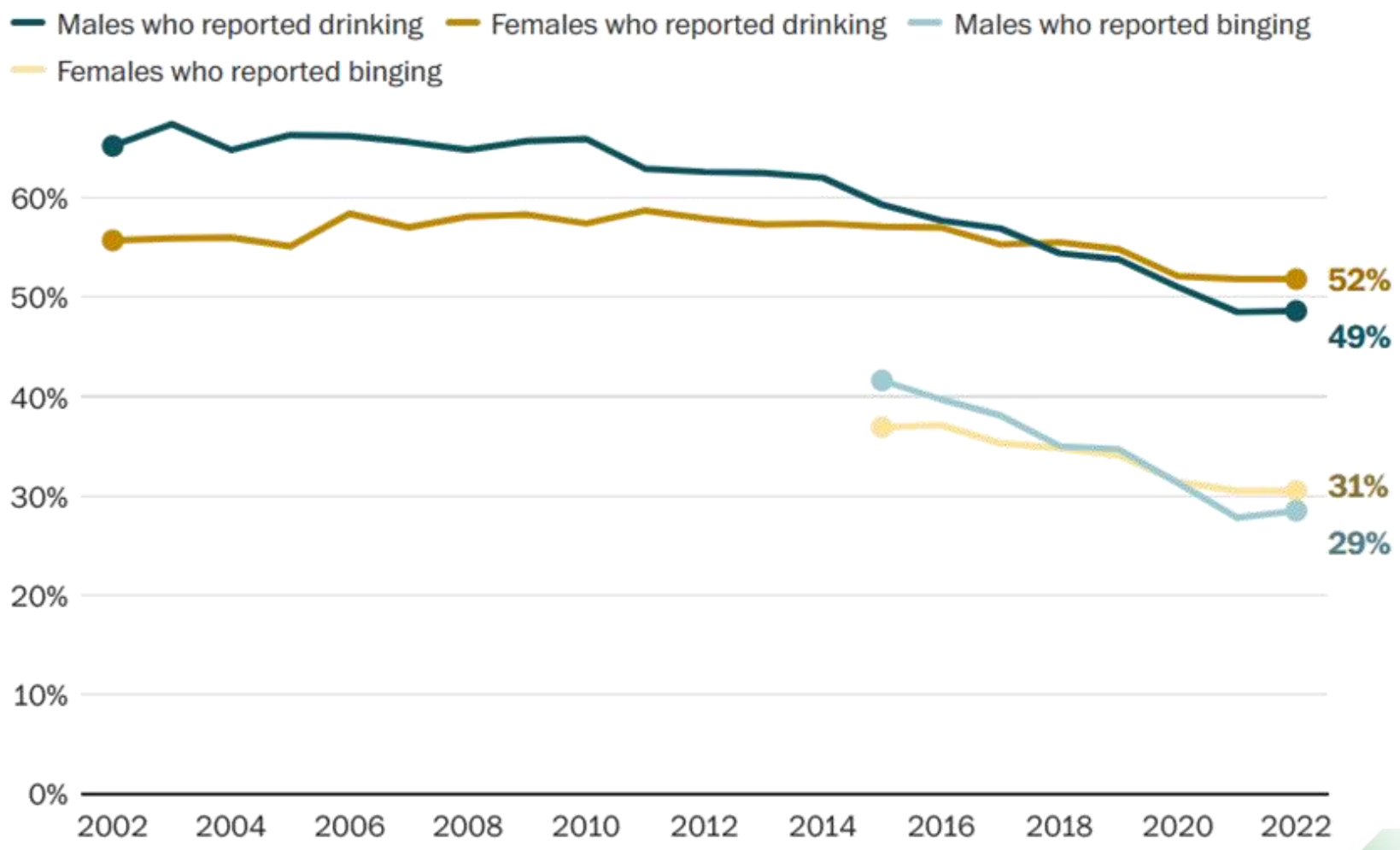
% Yes, drink



[Get the data](#) • [Download image](#)

GALLUP®

## Reported drinking within the past month, among 18- to 25-year-olds



Source: The Washington Post and National Institute on Alcohol Abuse and Alcoholism



# Is the alcohol industry drying up?

From Japan to the United States, global drinking habits have shifted dramatically in recent years. With people increasingly drawn to a more sober lifestyle, is the alcohol industry heading towards the last chance saloon?

By Rachel Richards, Features Writer



January 4, 2023

## No- and low-alcohol category value surpasses \$11bn in 2022

New IWSR data shows no/low-alcohol consumption will increase by a third by 2026, spearheaded by the growth of no-alcohol products

# Deschutes Brewery Offers Non-Alcoholic Versions Of Its Best-Selling Beers

**Jeanette Hurt** Contributor @

*I cover the indulgence of all things distilled, fermented and brewed.*

Follow

An Oregon brewery has become first brewery of scale to produce their own non-alcoholic beer, using a special, patented system.

[Deschutes Brewery](#) spent five years of research and development - along with \$5 million - to install equipment and technology from Sustainable Beverage Technologies (SBT).

# HAVE YOU BEEN ASKED TO PARTICIPATE IN A BUREAU OF LABOR STATISTICS (BLS) SURVEY? *PLEASE DO!*

**BLS survey information is gathered to create data** for businesses, jobseekers, workers and policy-makers about the economy including:

Employment*	Unemployment*	Occupational Wages*
Job vacancies*	Productivity	Occupational Employment*
Consumer spending patterns	Workplace injuries	Compensation
Long-term employment projections*	Employer-provided benefits	Price movements

*\* Collected and produced by Oregon Employment Department*

**Your response is vital to ensuring accurate, complete, and unbiased data** that is representative of the people and businesses in Oregon and the United States.

Your confidential responses are protected by federal and state law and strict security policies that prohibit us from releasing any information that could reveal the identity of you or your business without your consent.

**Thank you for helping us track the Oregon economy!**

**Nicole S. Ramos, Regional Economist**

[nicole.s.ramos@employ.oregon.gov](mailto:nicole.s.ramos@employ.oregon.gov)

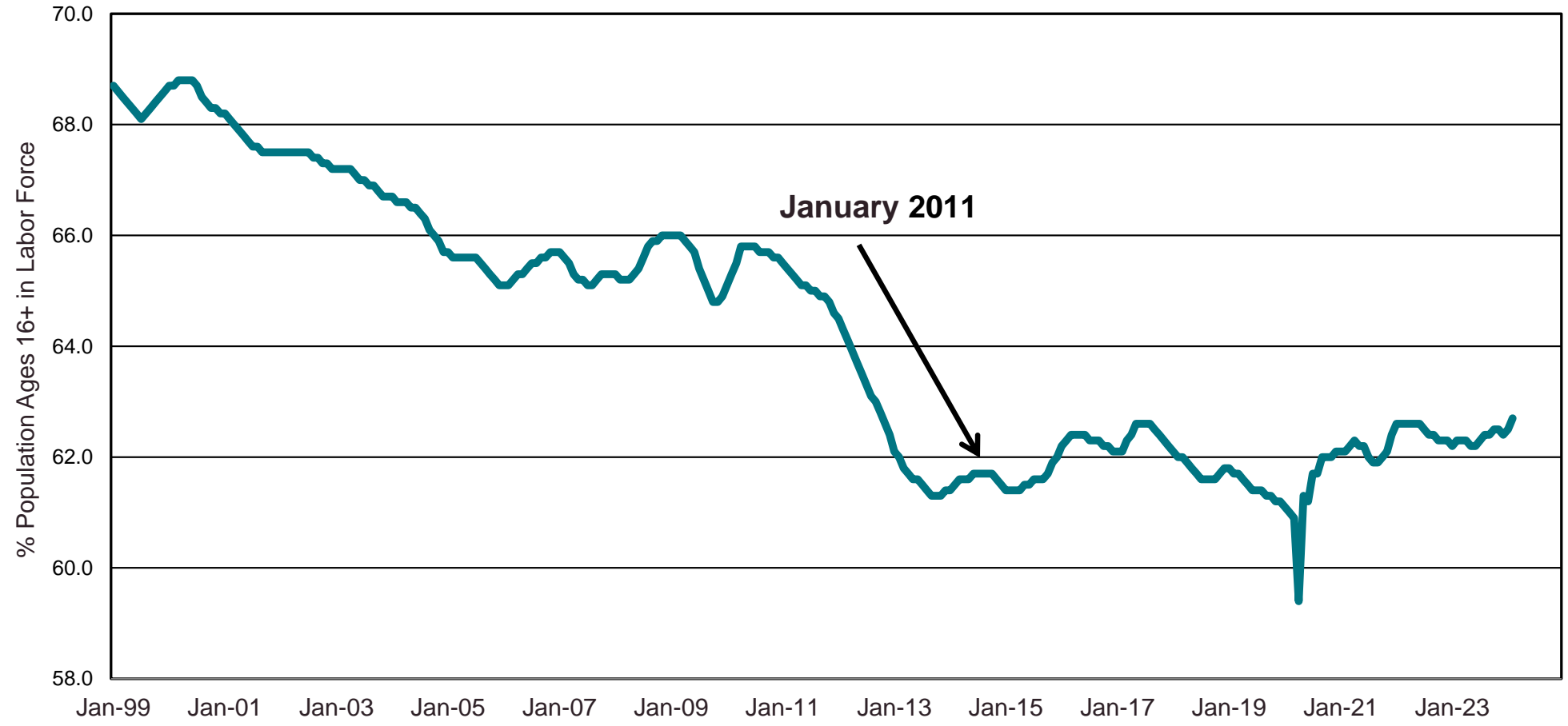
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# OREGON'S LABOR FORCE PARTICIPATION RATE WAS 62.7% IN FEBRUARY.

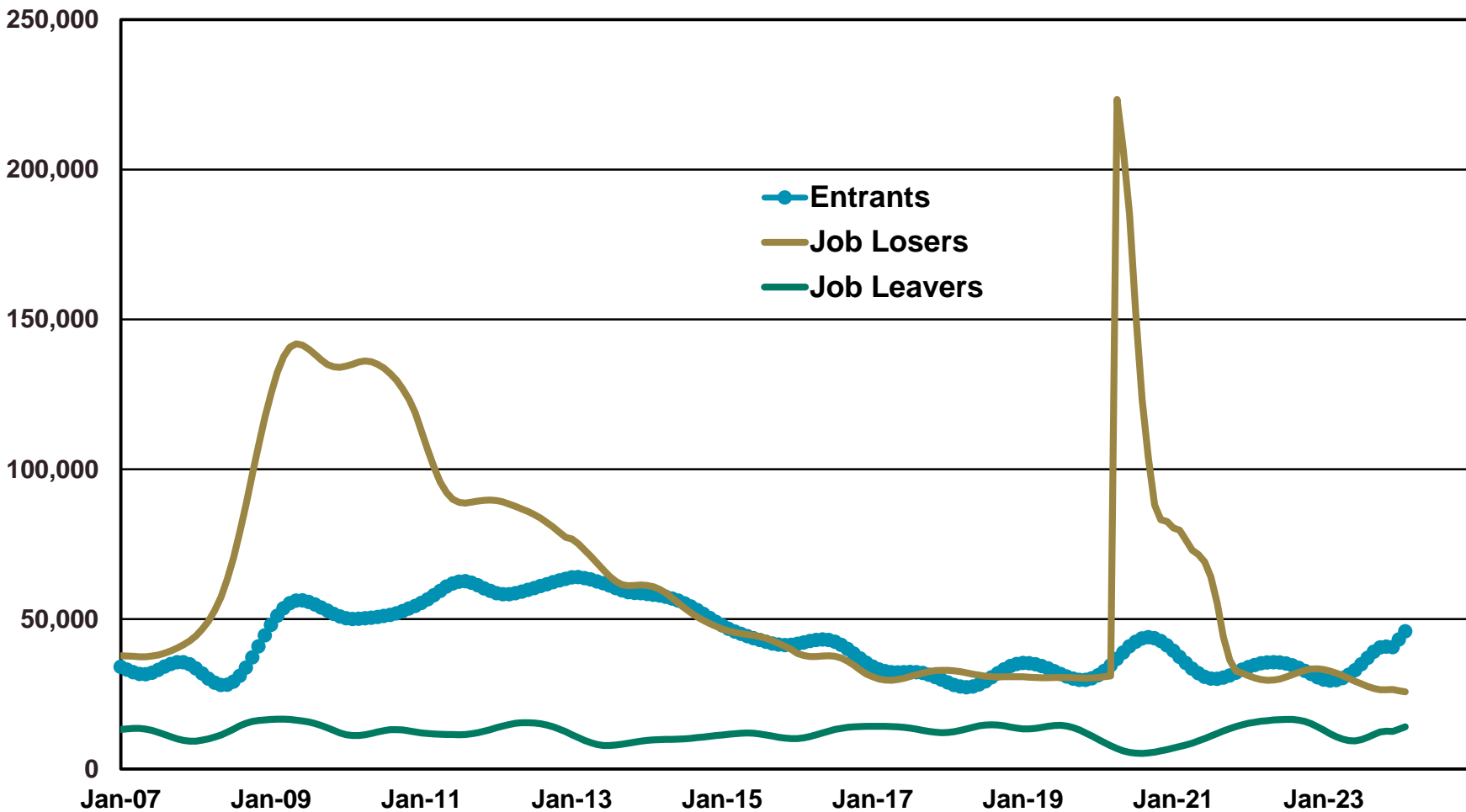
## Oregon Labor Force Participation Rate



Source: Oregon Employment Department, Local Area Unemployment Statistics

# WHY ARE OREGONIANS UNEMPLOYED?

## Oregon Unemployment by Reason [Trend]



**New to the workforce**  
45,900 (54%)

**Lost job**  
25,800 (30%)

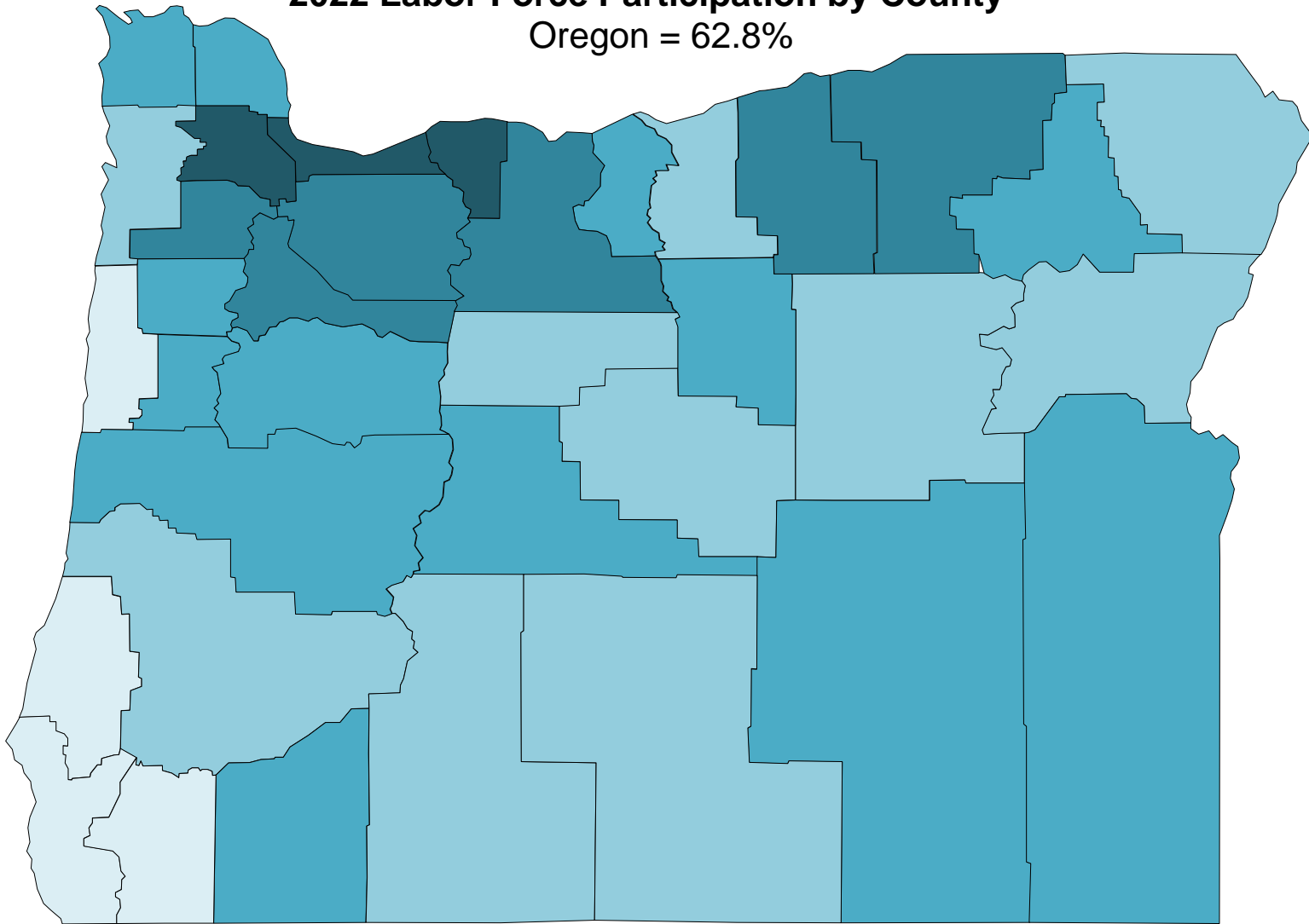
**Left job voluntarily**  
14,000 (16%)

Source: Oregon Employment Department, Current Population Survey

# LABOR FORCE PARTICIPATION RATES VARY WIDELY ACROSS OREGON'S COUNTIES.

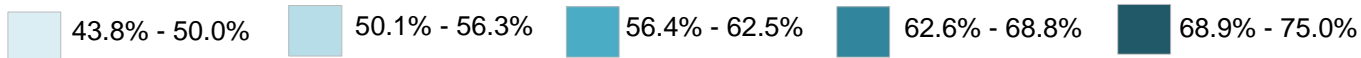
## 2022 Labor Force Participation by County

Oregon = 62.8%



**High**  
Hood River County  
75.0%

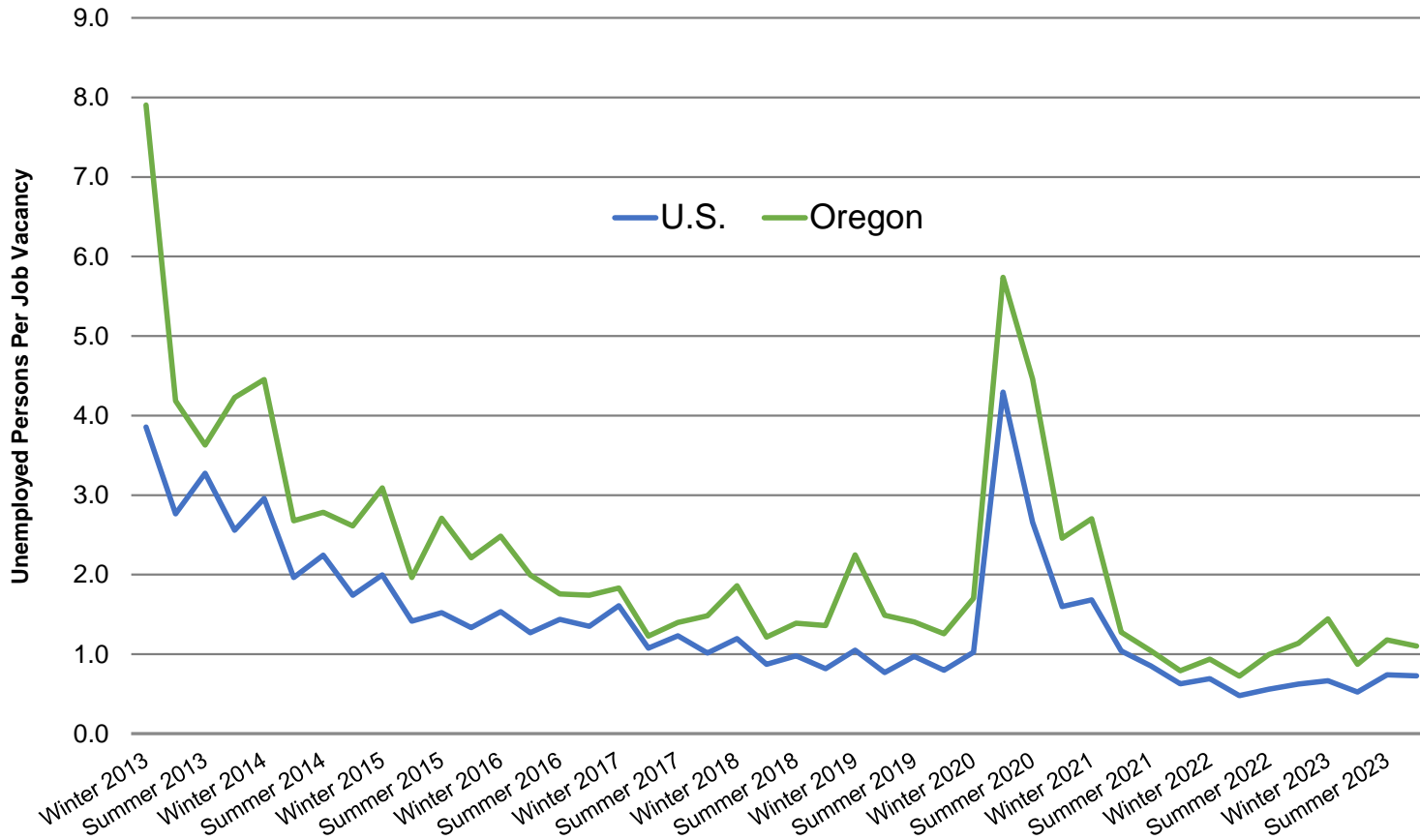
**Low**  
Curry County  
43.8%



Source: Oregon Employment Department

**AS UNEMPLOYMENT AND VACANCIES DROPPED IN THE FALL, THE UNEMPLOYED TO JOB VACANCY RATIO IN OREGON REMAINED FLAT.**

**U.S. and Oregon Unemployed to Job Vacancy Ratios Still Low after Spring 2020 Peak**  
(Job Openings with Private Employers, 2013-2023)

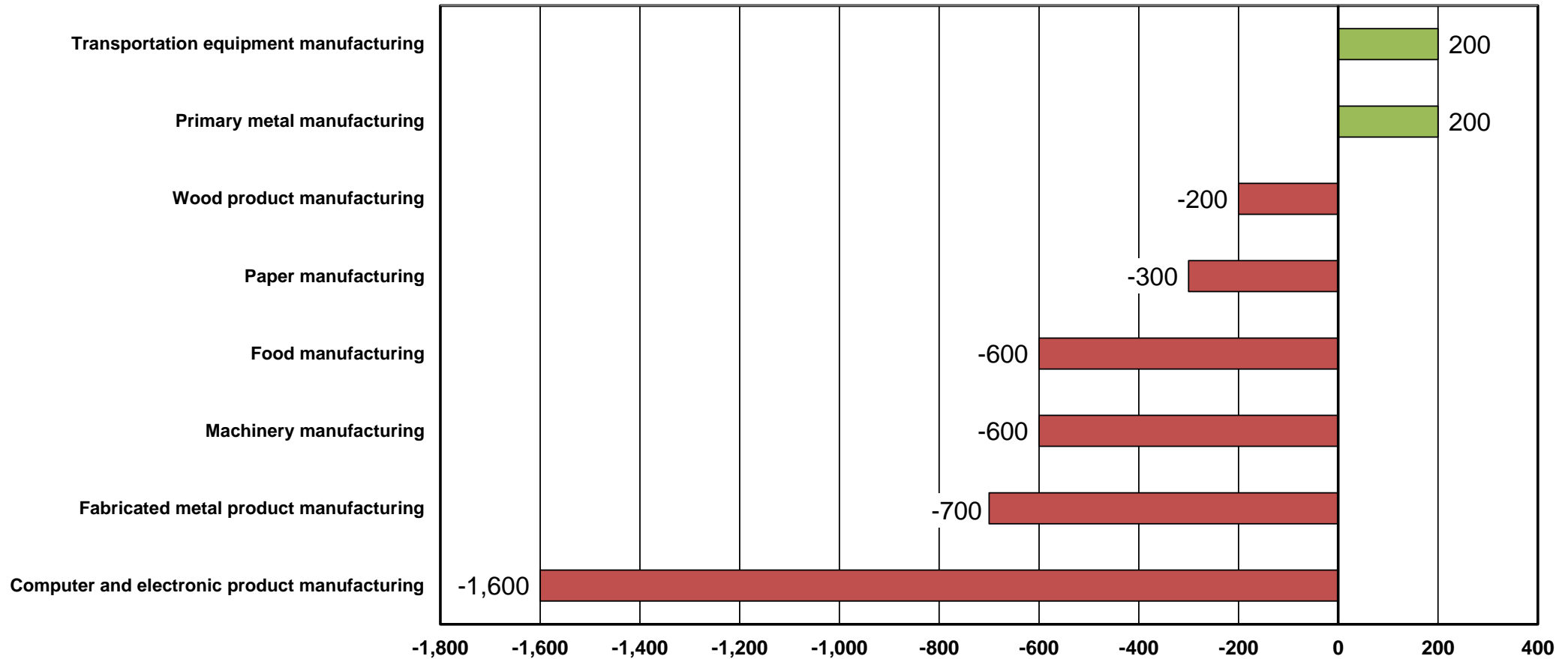


Source: Oregon Employment Department

- ✓ Oregon’s unemployed-to-vacancy ratio has been below pre-pandemic levels for the past two years.
- ✓ The U.S. ratio was 0.7 in October 2023, its tenth straight quarter below 1. It reached 4.3 in April 2020 after several years around 1-to-1.
- ✓ Oregon had 1.1 unemployed per job vacancy in fall 2023, still much lower than the peak of 5.7 in May 2020.

# TWO MANUFACTURING SECTORS GAINED JOBS OVER THE YEAR.

## Oregon Manufacturing Employment Compared with Last Year February 2023 to February 2024



Source: Oregon Employment Department, Current Employment Statistics