

# Slowing Population, Labor Force, and Job Growth in Oregon

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Oregon Employment Department

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# Defining Terms

To be counted as **unemployed** (in the regularly used definition), an individual must be age 16 or older, not on active duty in the military, not in an institution, and:

- Not employed
- Available for work
- Making specific efforts to find employment within the last four weeks.

To count as **employed** an individual must be 16 years and older and

- Performed any work as a paid employee
- Temporarily absent from a job (vacation, illness etc.)

The **labor force** includes all people 16 and older who are either employed or unemployed

**Labor force participation rate** represents the number of the people in the labor force as a percentage of the civilian noninstitutional population

# Economic Overview

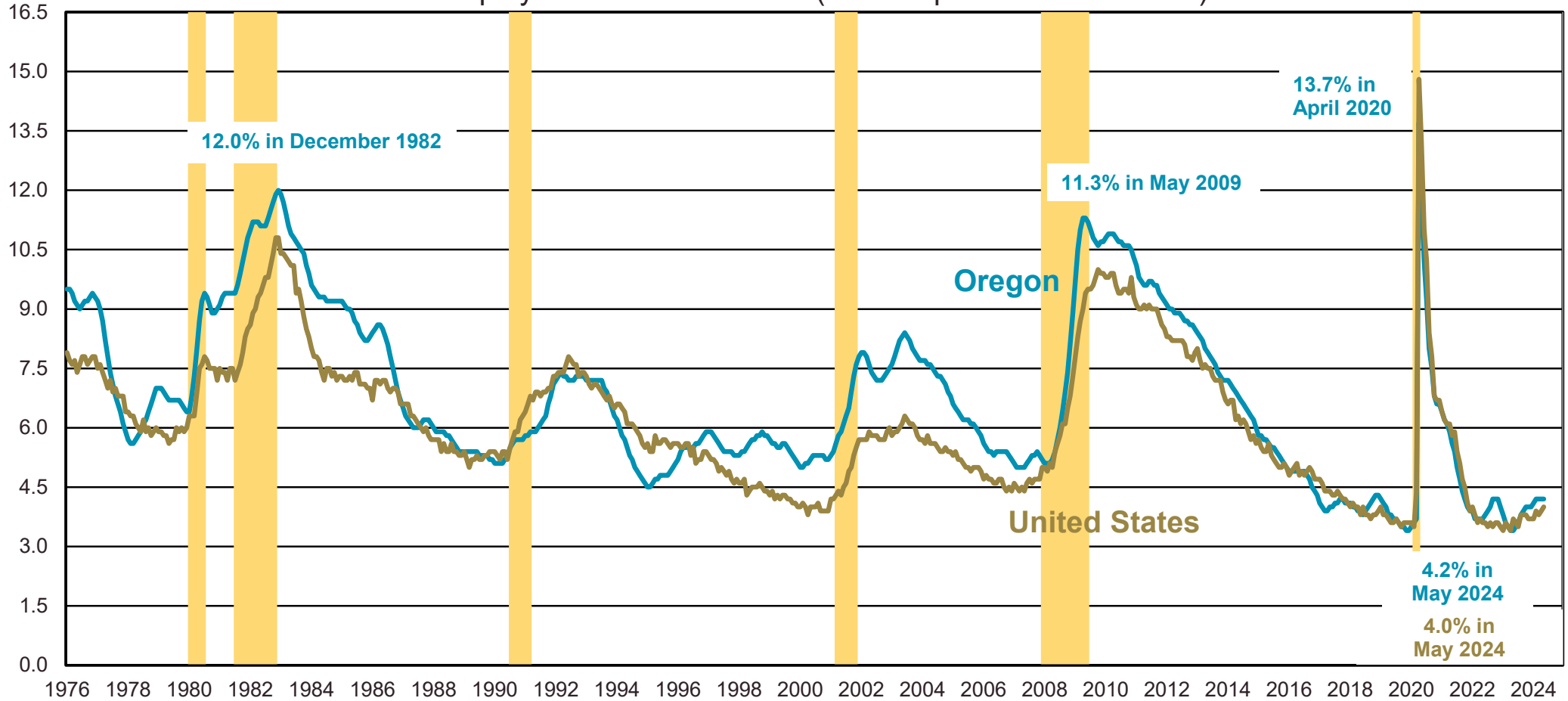
# Oregon's Broad Economy Remains Relatively Strong

- Strong post-pandemic recovery
- Oregon's unemployment rate remains low by historic standards
- Oregon continues to add jobs

# Oregon's Unemployment Rate was 4.2% in May

## Oregon's Unemployment Rate Was 4.2% in May 2024

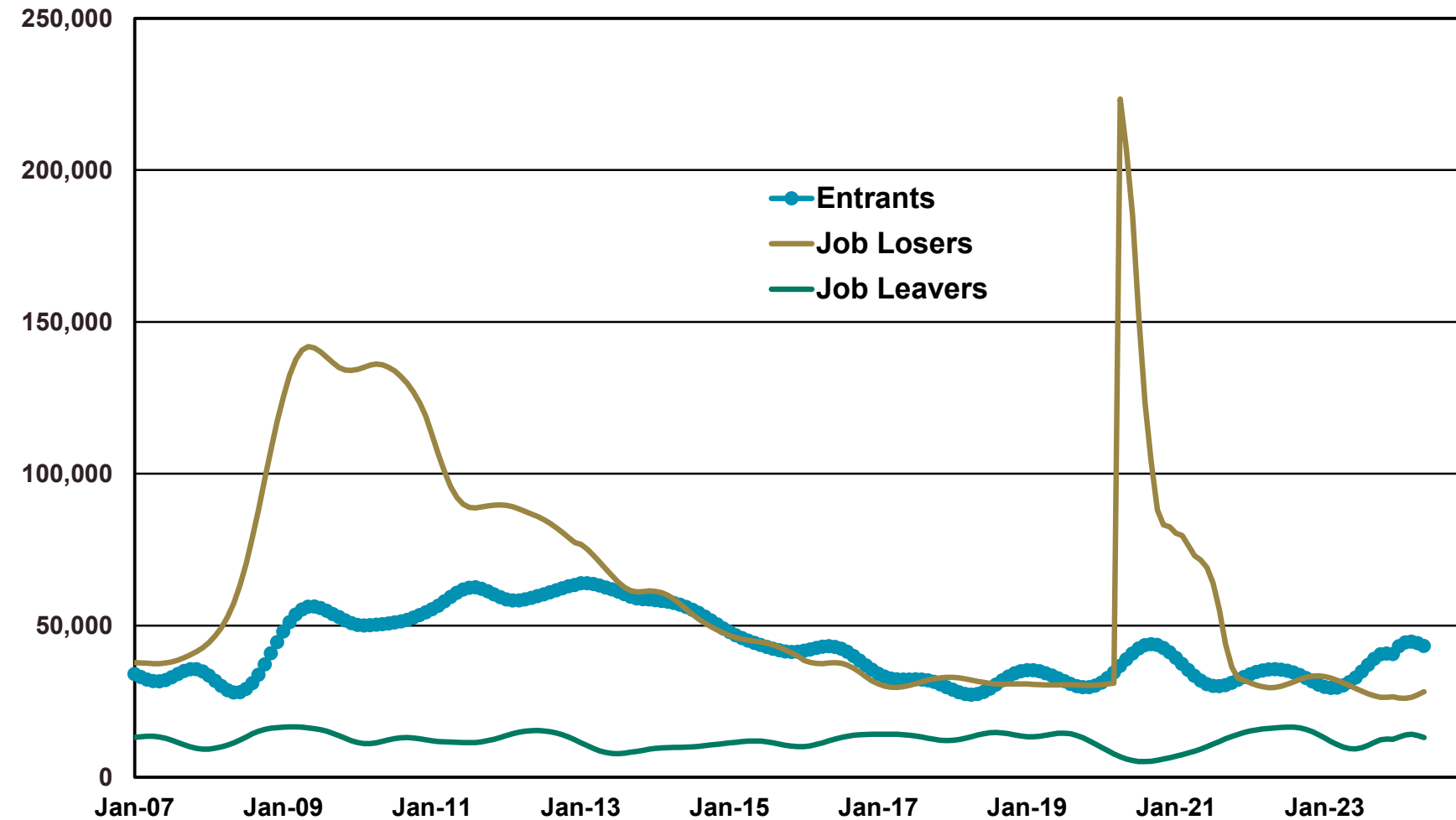
Unemployed % of Labor Force (Bars Represent Recessions)



Source: Oregon Employment Department and National Bureau of Economic Research

# Why are Oregonians Unemployed?

## Oregon Unemployment by Reason [Trend]



**New or returning to the workforce**  
43,300 (51%)

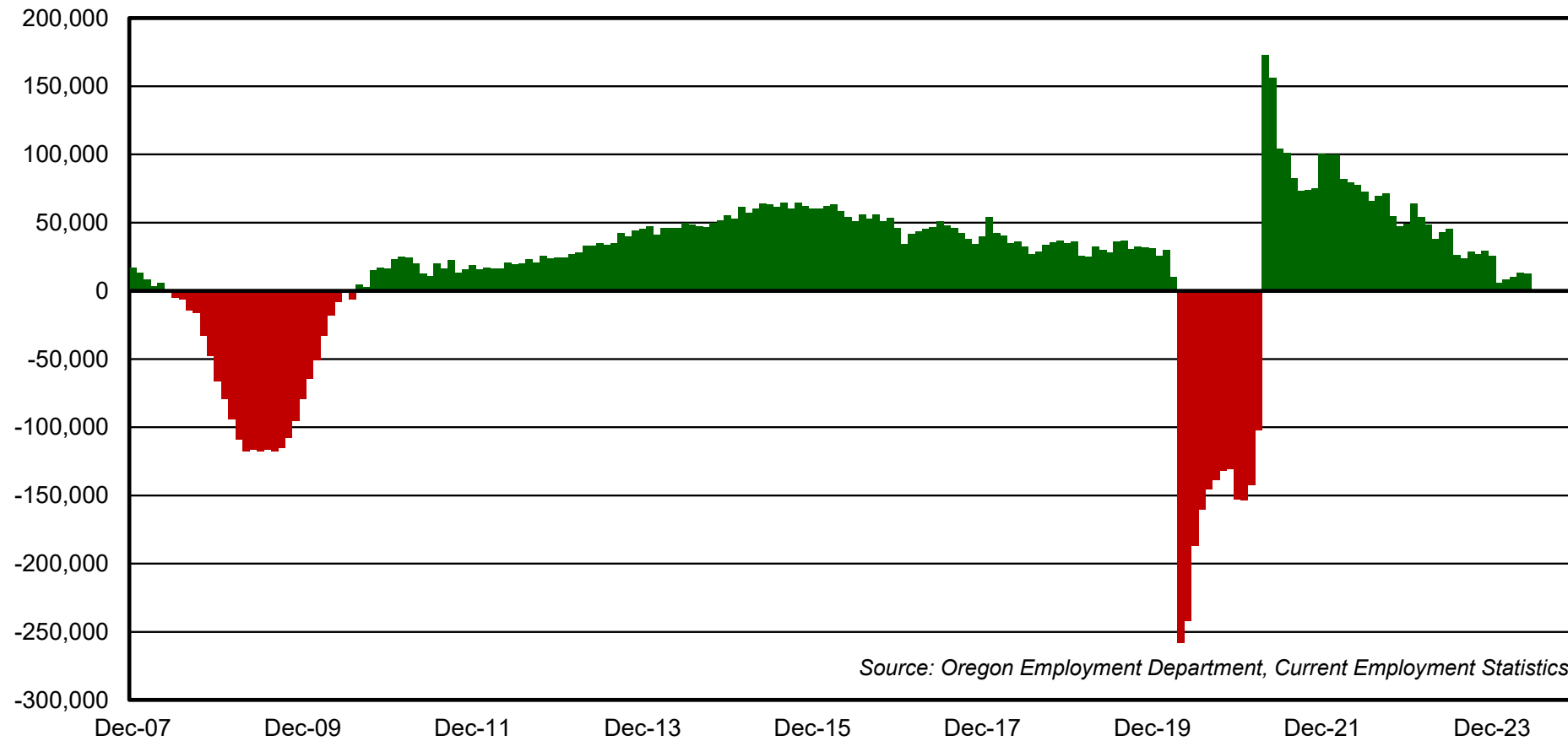
**Lost job**  
28,200 (33%)

**Left job voluntarily**  
13,100 (16%)

Source: Oregon Employment Department, Current Population Survey

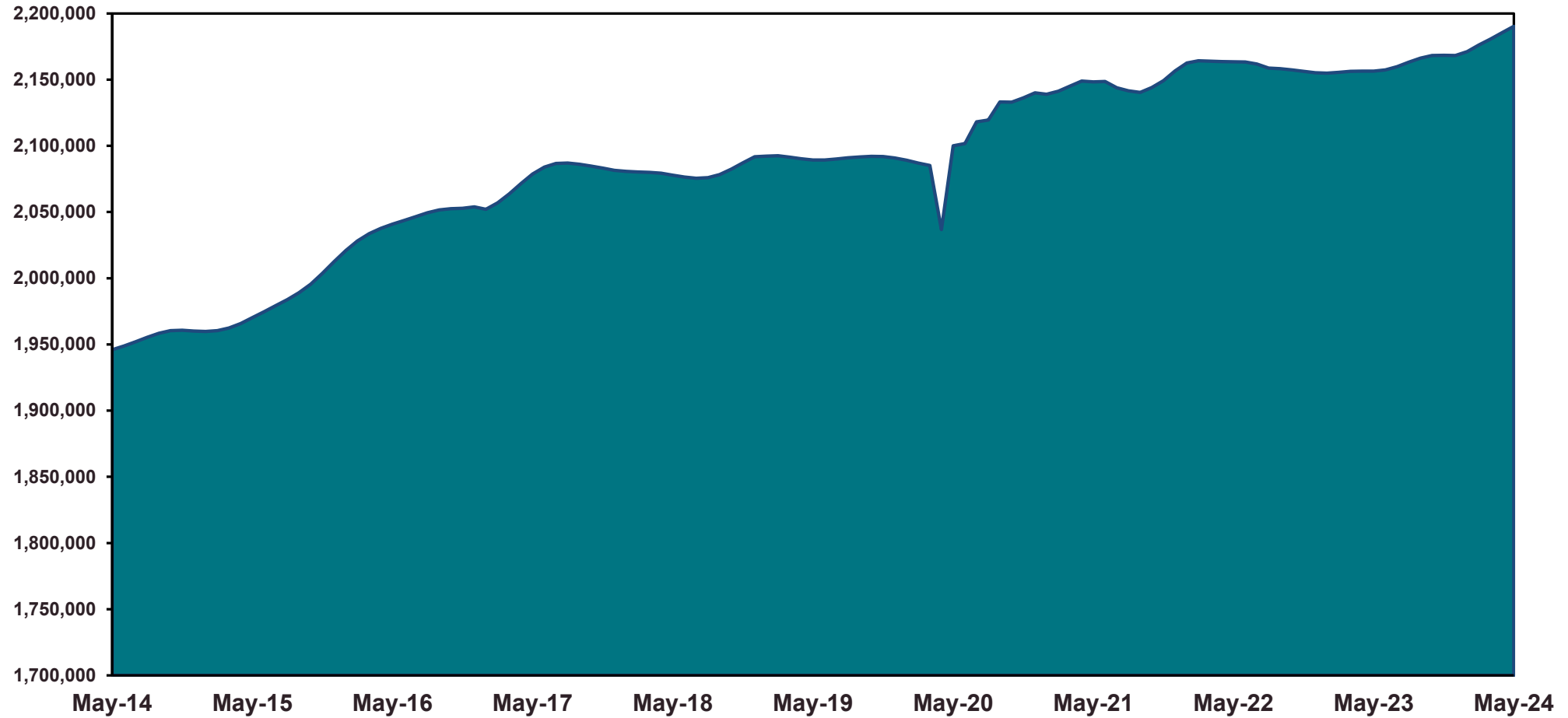
# Employment Grew by 12,600 Jobs From May 2023 to May 2024

## Oregon's Year-Over-Year Job Growth/Decline Seasonally Adjusted



# Oregon's Labor Force Has Been Growing

## Oregon Civilian Labor Force, Seasonally Adjusted 2014 to Present



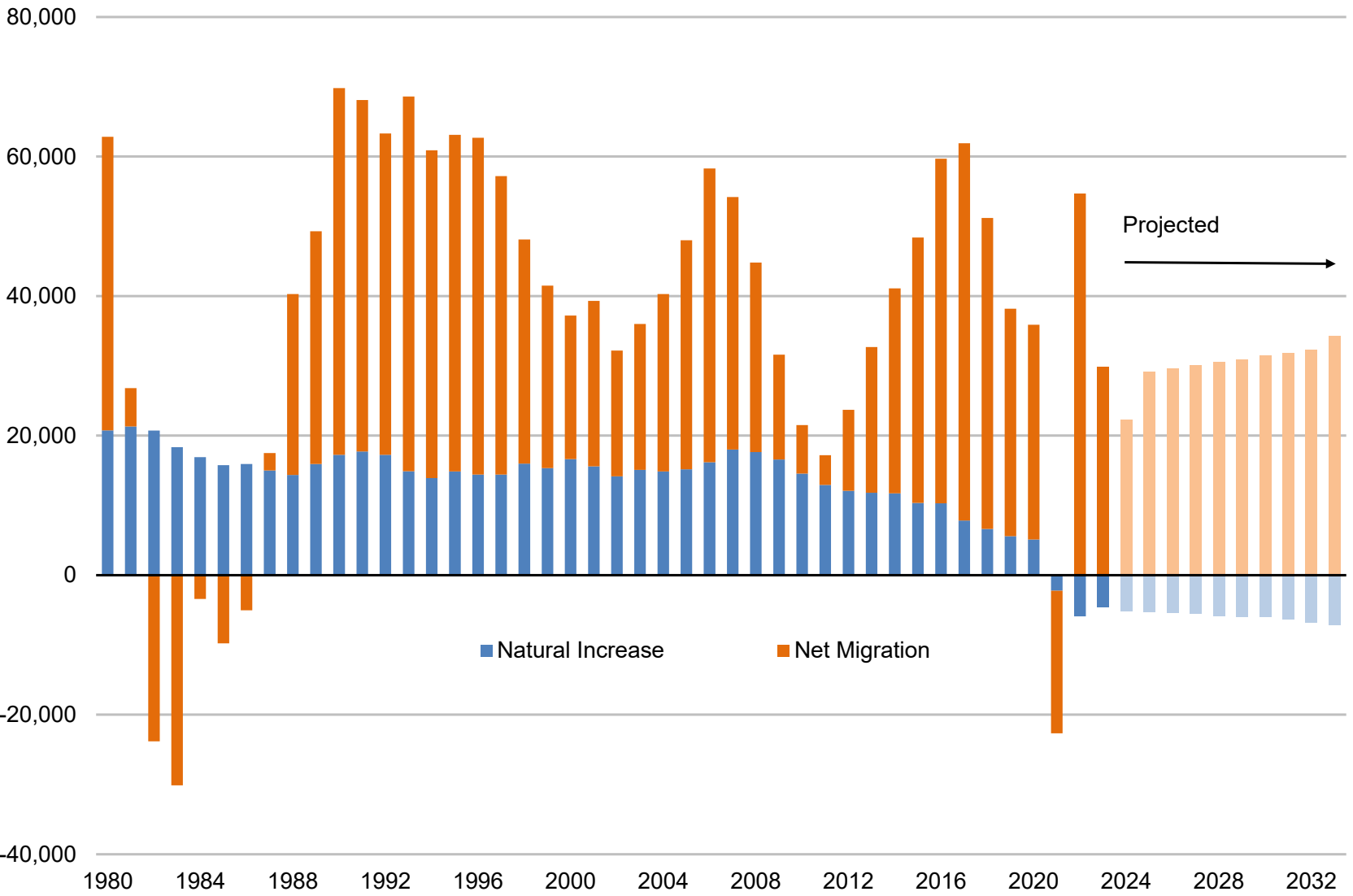
Source: Oregon Employment Department, Local Area Unemployment Statistics



# Oregon's Slowing Labor Force Growth

# Slowing Labor Force Growth: Slower Population Growth

## Oregon's Population Components of Change



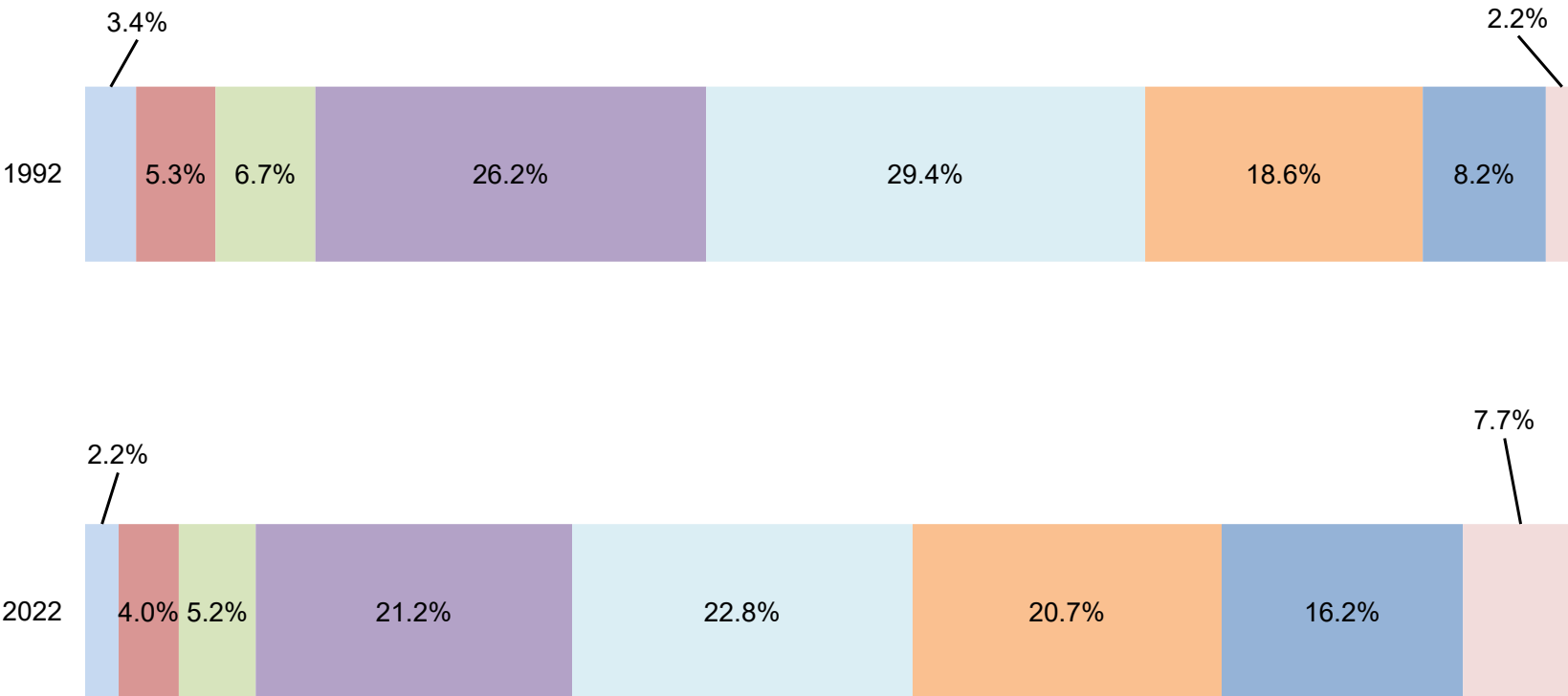
Portland State University estimates show a rebound in 2022, but population growth is projected to be slower in the coming years than historical norms.

Source: Oregon Employment Department, Oregon Office of Economic Analysis

# An Aging Workforce

## Oregon Workers by Age Category, 1992 and 2022

14-18   19-21   22-24   25-34   35-44   45-54   55-64   65-99



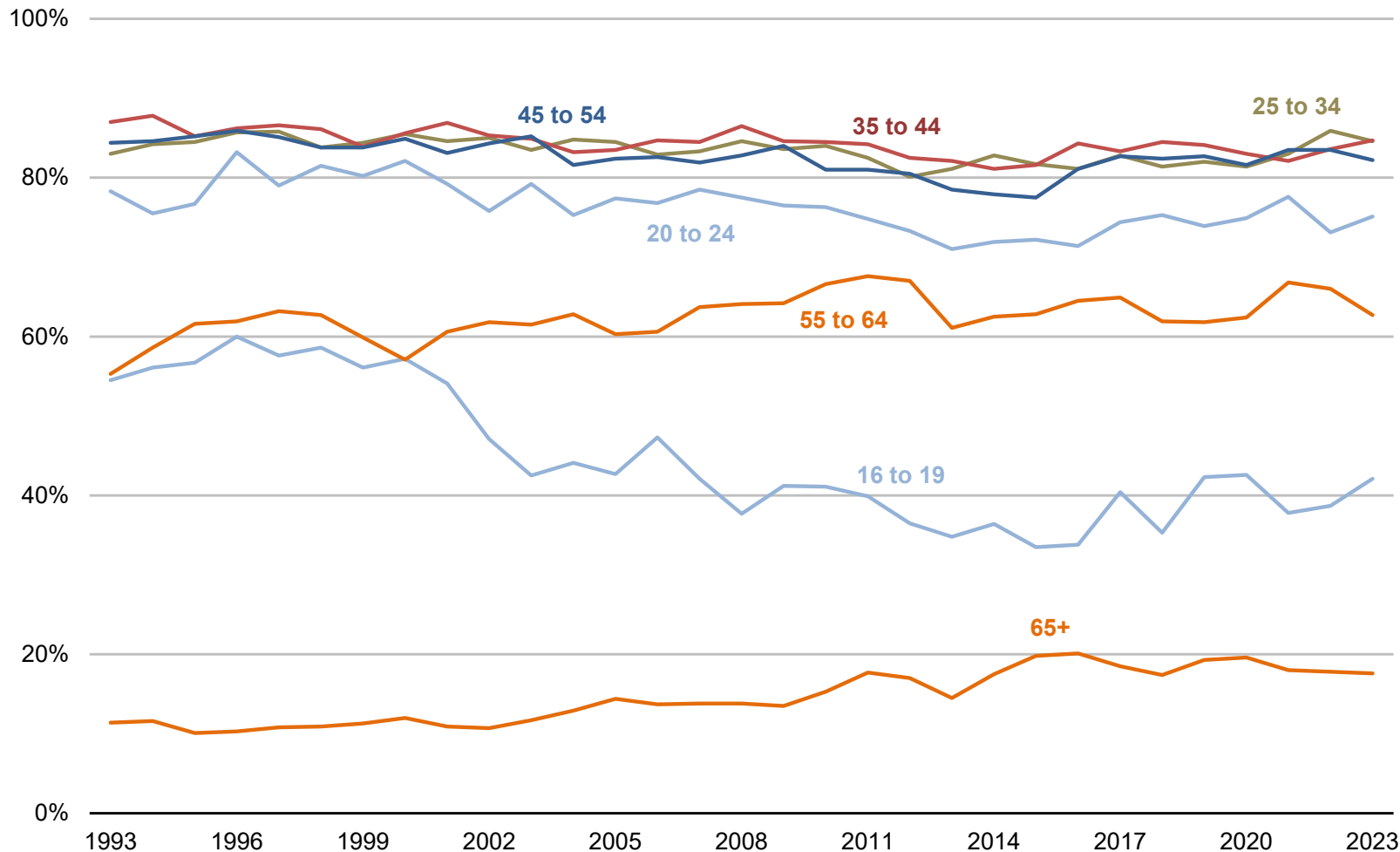
In the early 1990s, one out of 10 jobs was held by a worker aged 55 or older.

By 2022, nearly one-fourth of all jobs in Oregon and the U.S. were held by workers 55+ years old.

Source: Oregon Employment Department and U.S. Census Bureau, Quarterly Workforce Indicators

# Labor Force Participation Rates Vary Widely by Age Category

## Oregon Labor Force Participation Rates by Age Category, 1993 - 2023



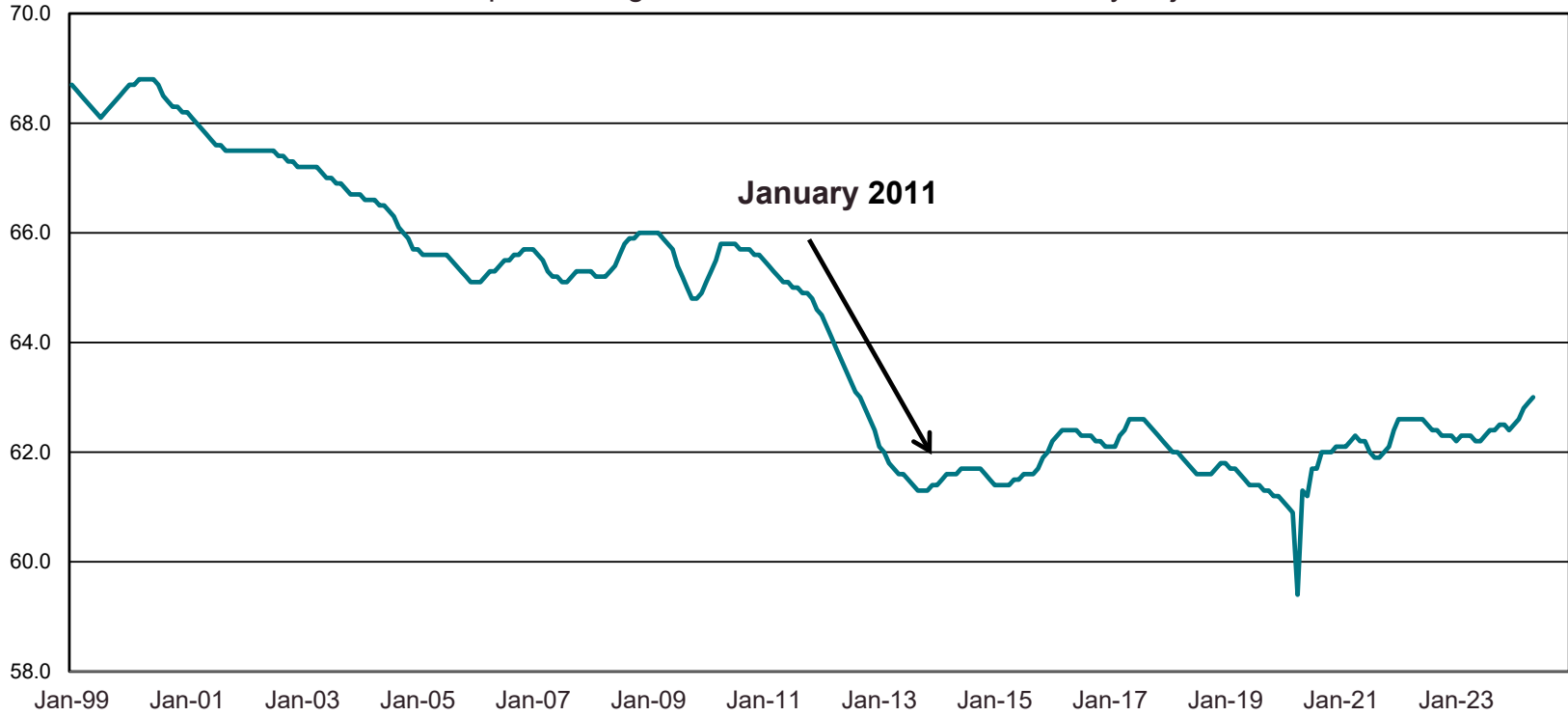
Participation rate rebounding slightly for teens, but well below historic highs.

The rate doubled for those 65 years and older over the past decade.

Source: Oregon Employment Department, Local Area Unemployment Statistics

# Oregon's Labor Force Participation Rate was 63.0% in May

**Oregon's Labor Force Participation Rate**  
% of Population Ages 16+ in Labor Force, Seasonally Adjusted



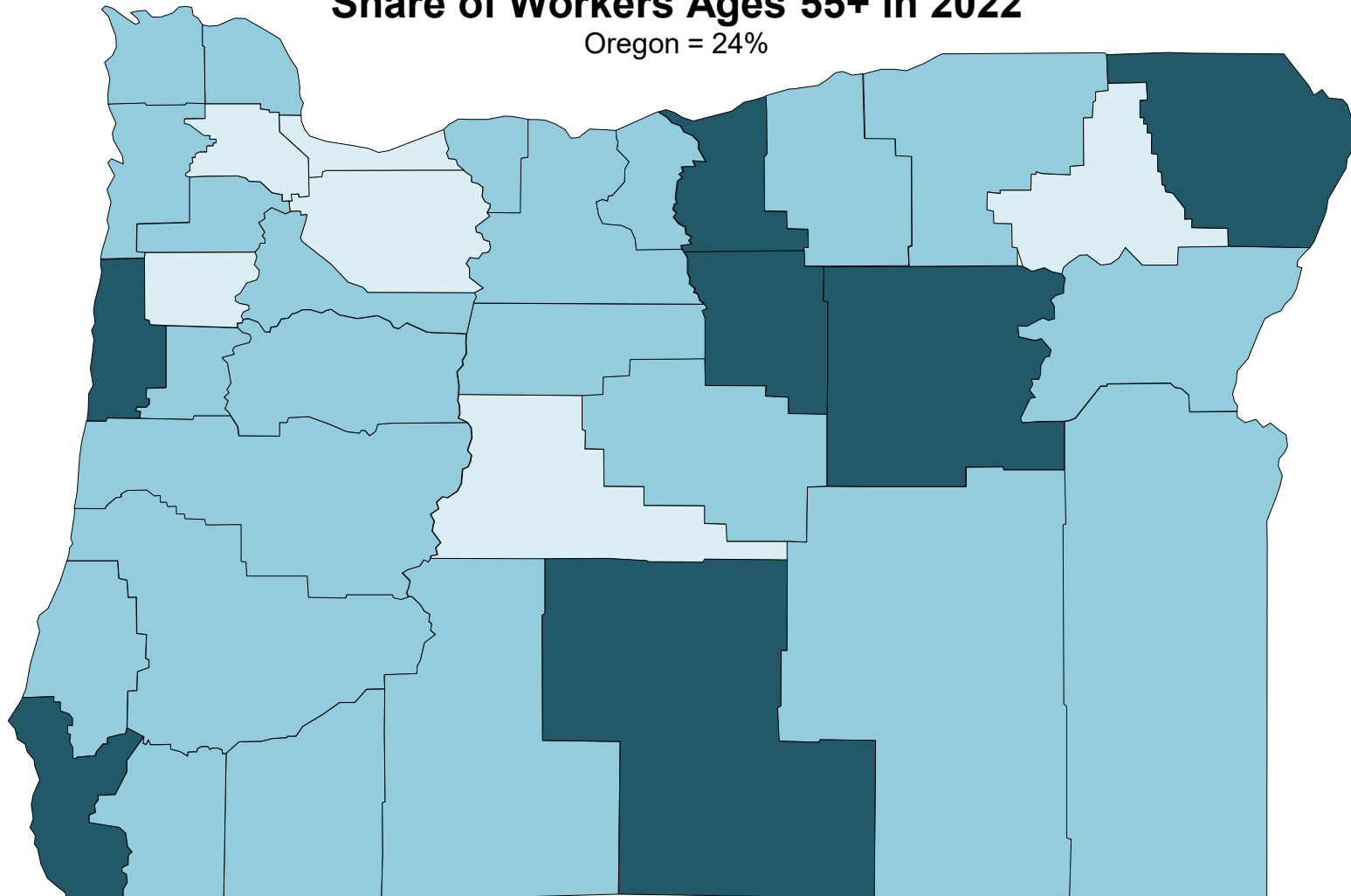
May be able to grow the labor force amid slower population and labor force growth by instead increasing participation rates within the existing population.

Source: Oregon Employment Department, Local Area Unemployment Statistics

# The Workforce Continues Aging, in Oregon and Across the U.S.

## Share of Workers Ages 55+ in 2022

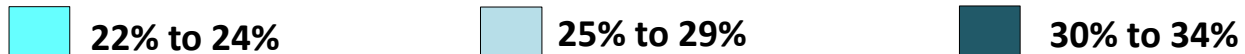
Oregon = 24%



Rural counties tend to have higher shares of workers who may be nearing retirement in the coming years.

Yet, Multnomah County has more jobs held by workers 55 or older than all rural counties combined.

Source: Oregon Employment Department



# Some Industries Have Many Workers Close to Retirement

## Workers Ages 55+ Could Be Within a Decade of Retirement

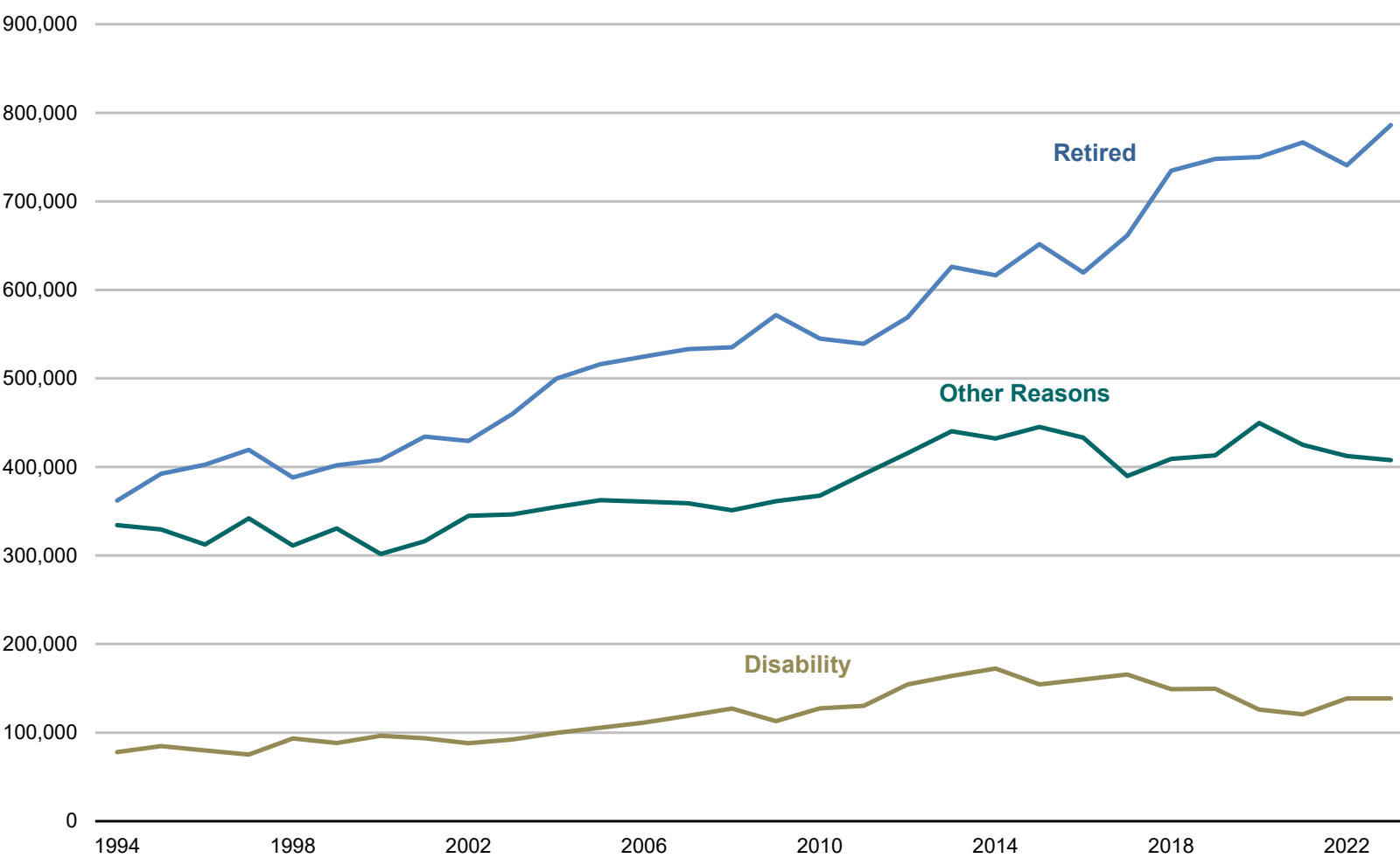
Oregon Jobs in 2022	All Workers	Age 55+	% Age 55+
<b>All Sectors</b>	<b>1,908,164</b>	<b>455,792</b>	<b>24%</b>
Agriculture, Forestry, Fishing and Hunting	52,269	17,026	33%
Mining, Quarrying, and Oil and Gas Extraction	1,787	574	32%
Real Estate and Rental and Leasing	30,756	8,795	29%
Utilities	8,025	2,230	28%
Other Services	65,394	17,780	27%
Public Administration	75,343	20,117	27%
Wholesale Trade	77,229	20,205	26%
Educational Services	144,633	37,806	26%
Manufacturing	188,469	49,178	26%
Transportation and Warehousing	80,059	20,392	25%
Finance and Insurance	55,032	13,480	24%
Health Care and Social Assistance	284,182	69,324	24%
Retail Trade	209,208	47,907	23%
Administrative and Waste Services	108,487	24,775	23%
Construction	122,998	28,005	23%
Professional, Scientific, and Technical Services	111,361	24,248	22%
Arts, Entertainment, and Recreation	29,817	6,345	21%
Management of Companies and Enterprises	51,883	10,705	21%
Information	41,014	7,684	19%
Accommodation and Food Services	170,218	29,216	17%

Workers ages 55 and over traditionally may be within a decade of retirement.

Some industries have a higher concentration 55+ workers

# Slowing Labor Force Growth: More Retirements

Reasons Oregonians Ages 16+ are Not in Labor Force  
Annual Average, 1994-2023



Not in Oregon's labor force due to retirement:

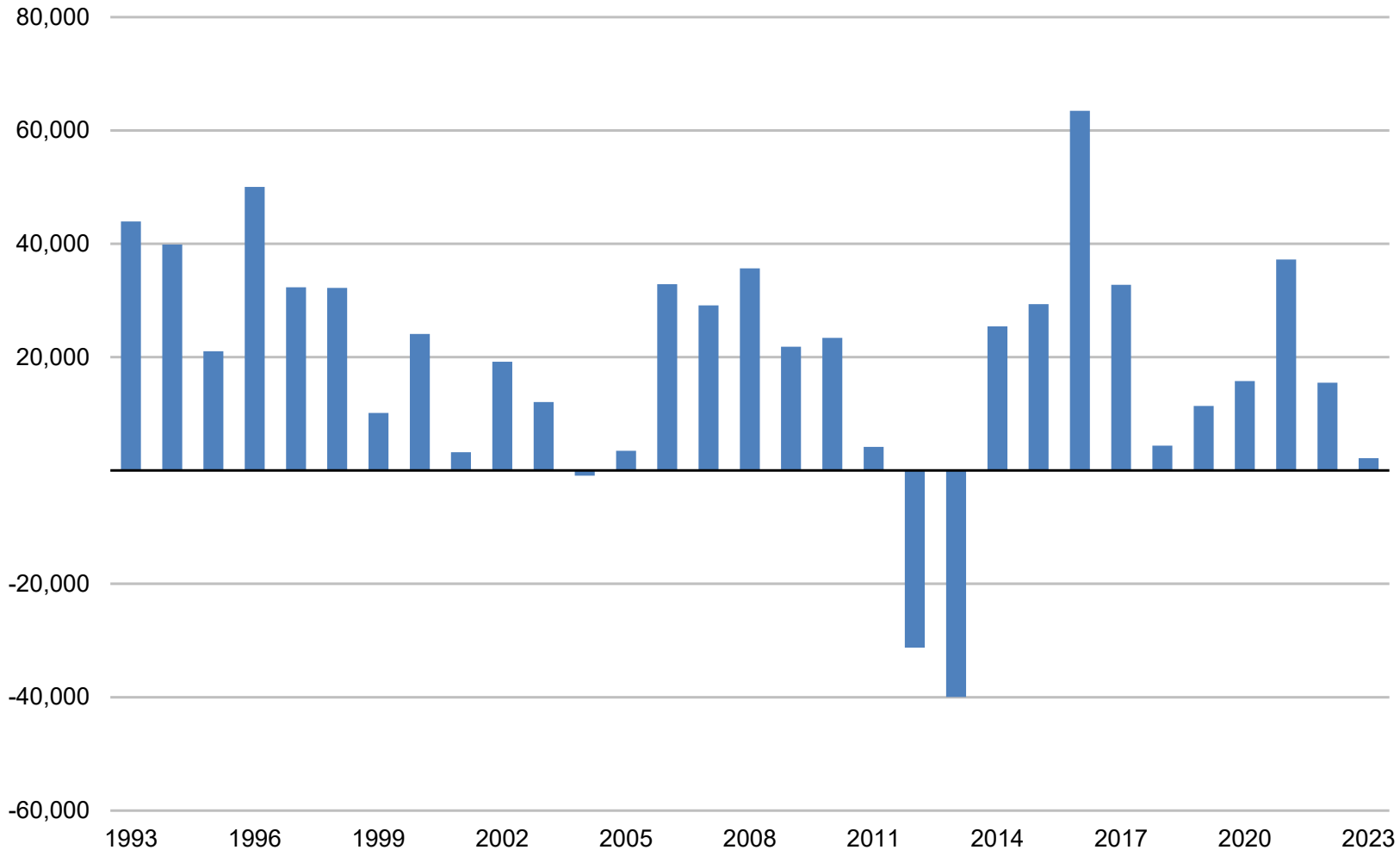
- Up 5% since 2019
- Rose by 26% over the past decade

Source: Oregon Employment Department, Local Area Unemployment Statistics



# Oregon's Labor Force Growth has Slowed

Annual Labor Force Change in Oregon, 1993 - 2023



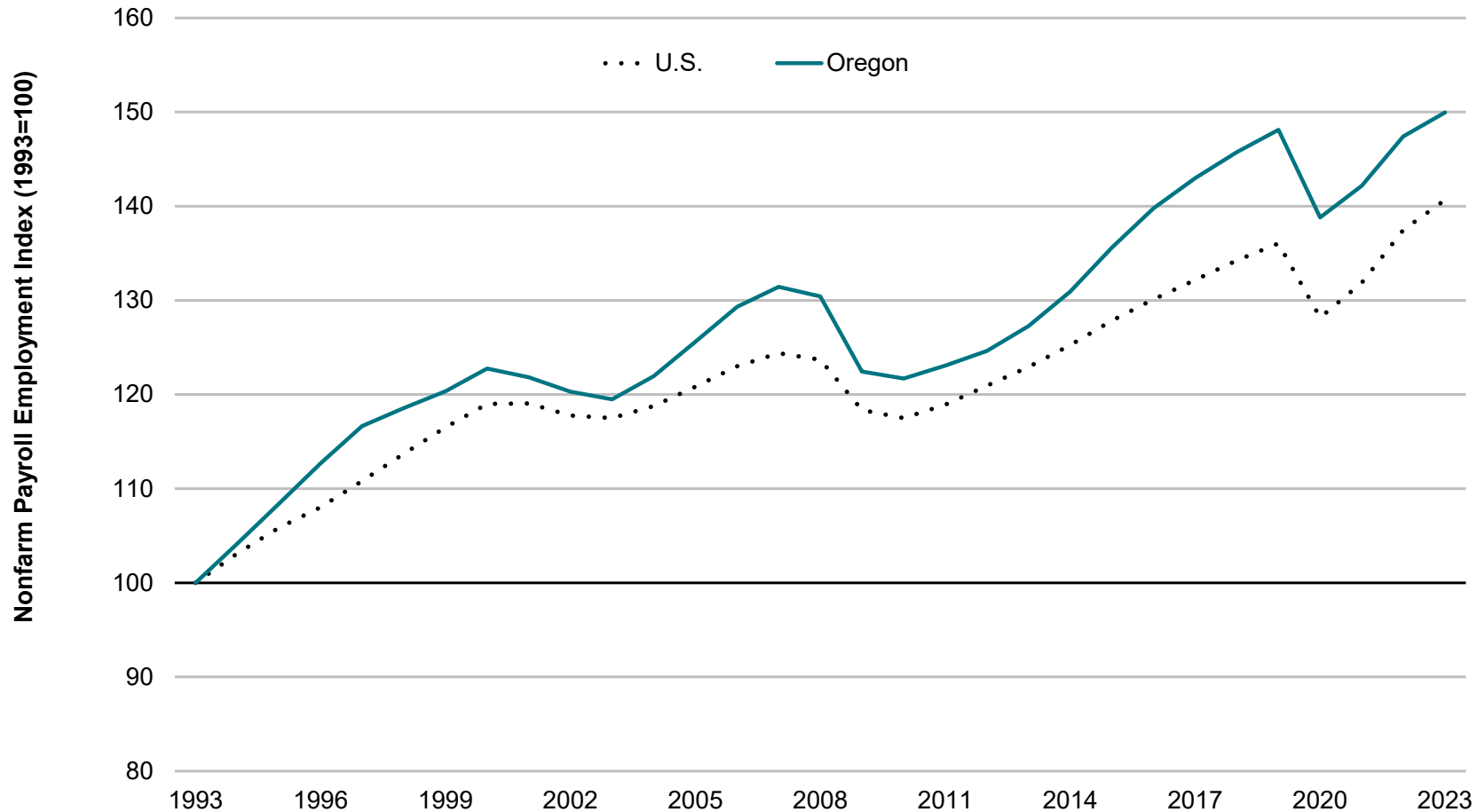
In 2023, Oregon added 2,200 people to the labor force.

That was a gain of 0.1%.

Source: Oregon Employment Department, Local Area Unemployment Statistics

# Ageing Workforce and Slower Labor Force Growth Could Impact Job Growth

## Employment Levels Relative to 1993 U.S. and Oregon

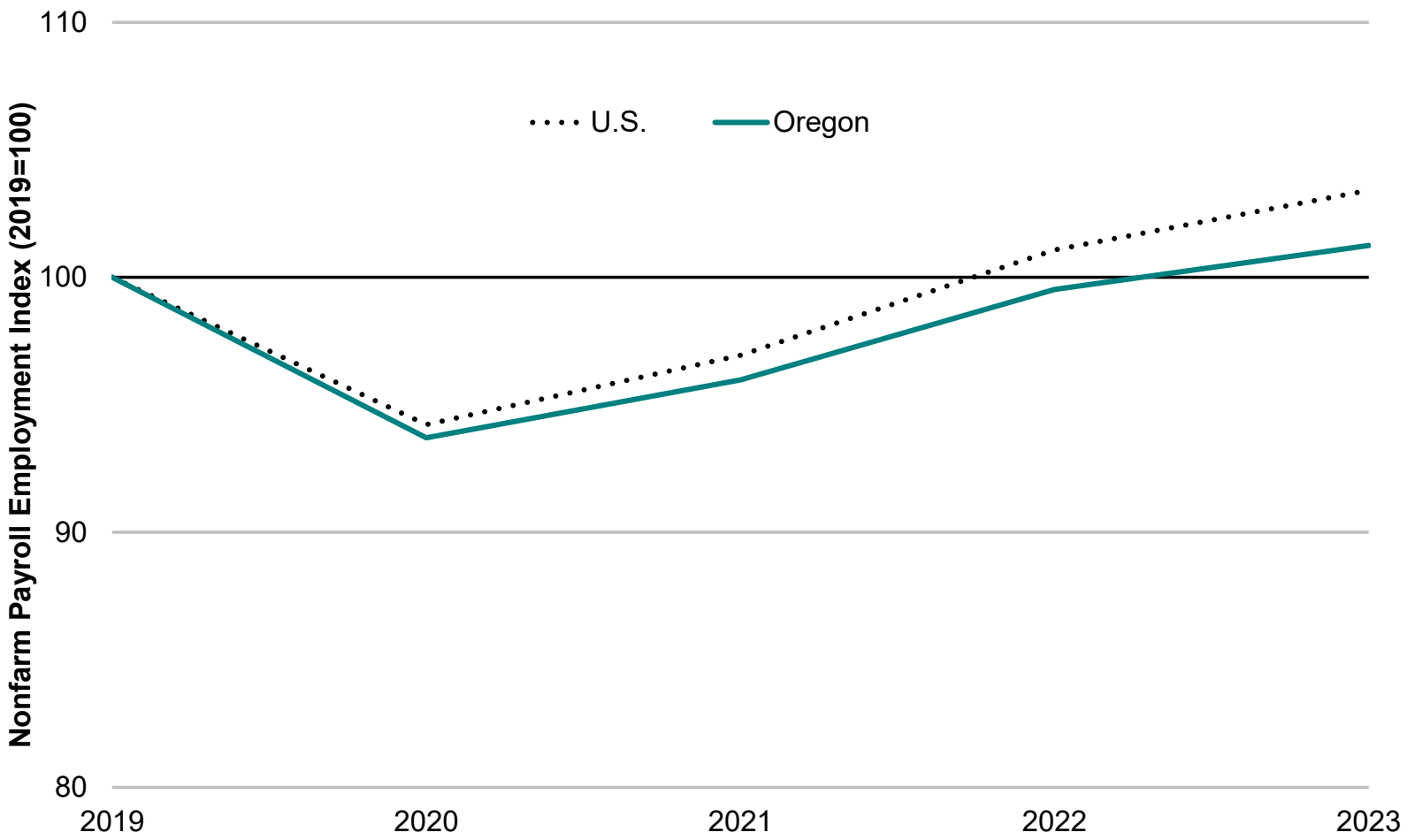


Between 1993 and 2023, Oregon's total nonfarm employment grew by 50%, compared with 41% for the U.S.

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

# Ageing Workforce and Slower Labor Force Growth Could Impact Job Growth

## Employment Levels Relative to 2019 U.S. and Oregon



Oregon has lagged the U.S. in jobs recovery and expansion since 2020.

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

# Unemployment Remains Low by Historical Standards

## Oregon Job Vacancies and Unemployment Rates, 2019-2023

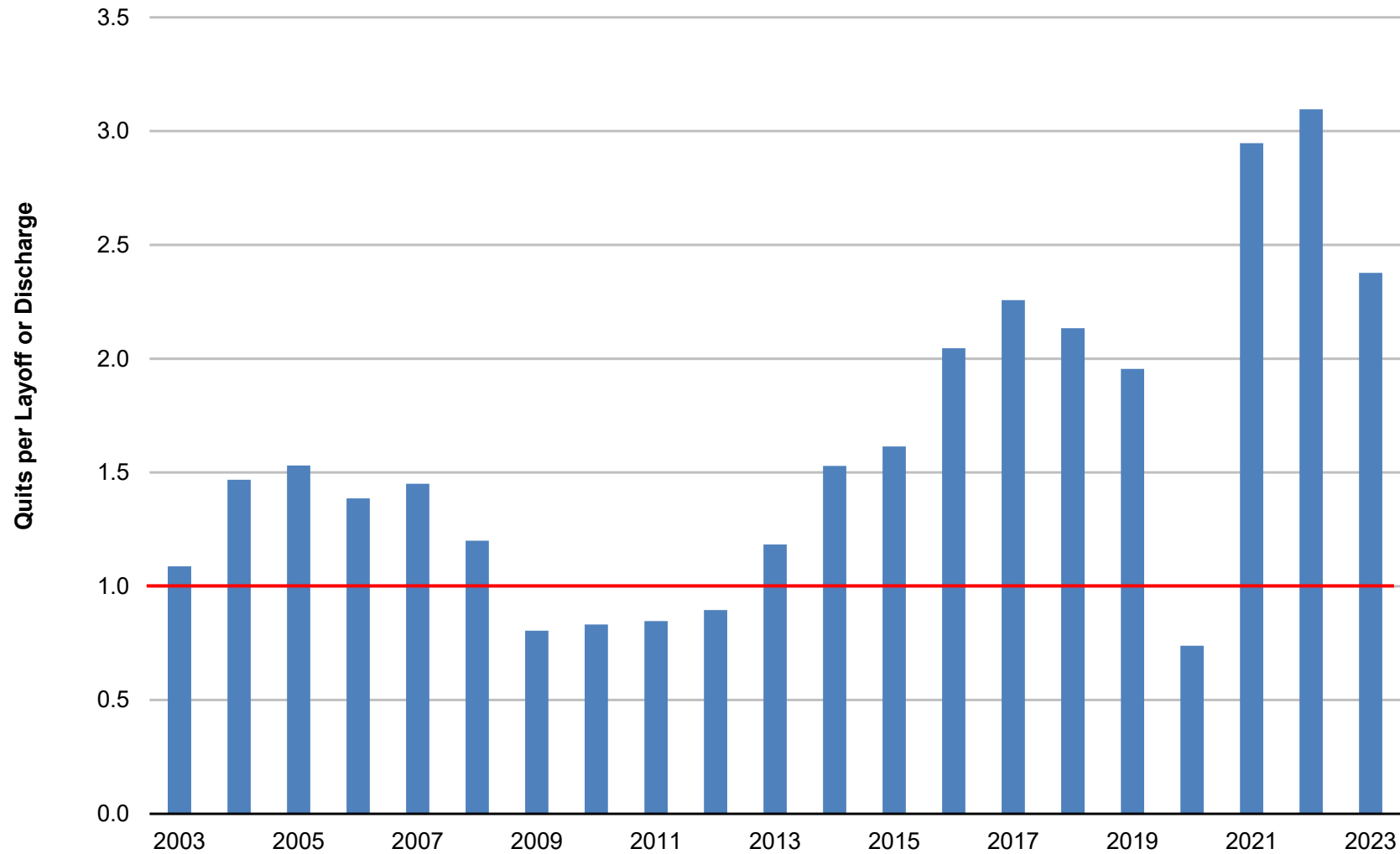
	2019	2020	2021	2022	2023
<b>Vacancies</b>	<b>57,241</b>	<b>44,408</b>	<b>96,887</b>	<b>103,977</b>	<b>72,815</b>
Average Hourly Wage (in 2023\$)	\$22.42	\$21.25	\$22.14	\$22.55	\$25.13
Full-time Positions	77%	79%	78%	81%	82%
Permanent Positions	93%	92%	93%	94%	94%
Requiring Education Beyond High School	34%	33%	30%	29%	39%
Requiring Previous Experience	57%	53%	53%	52%	58%
Difficult to Fill	57%	51%	72%	72%	61%
Unemployment Rate	3.8%	7.8%	5.2%	4.2%	3.7%

Employers still have a relatively large number of job openings.

Sources: Oregon Employment Department; Job Vacancy Survey, Local Area Unemployment Statistics

# Job Seekers' Labor Market

## Labor Leverage Ratio in Oregon, 2003-2023



Slow labor force growth, many job openings, and low unemployment give workers the upper hand in the labor market.

Workers have quit jobs at 2-3 times the rate of employer-initiated layoffs or discharges in recent years.

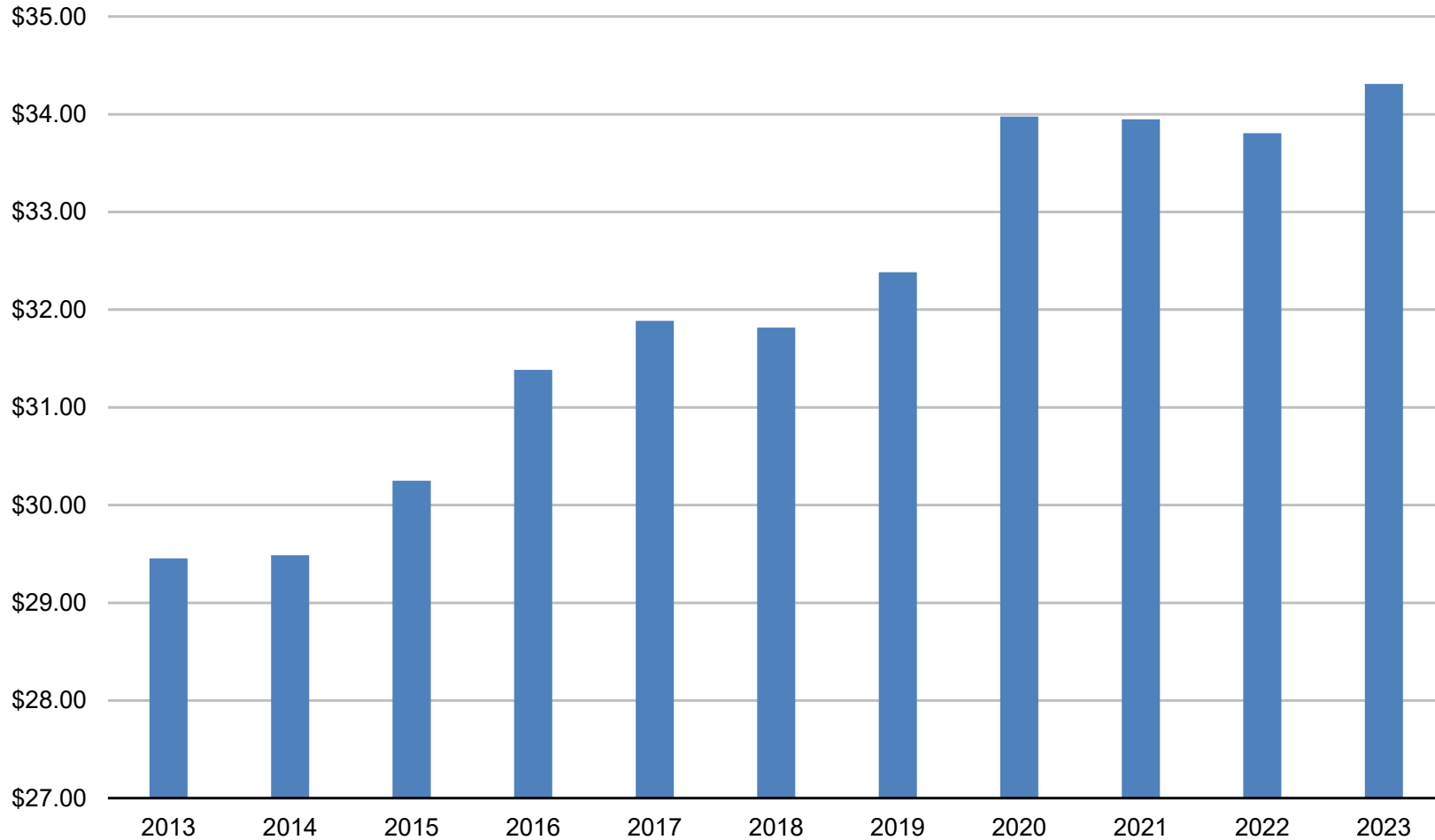
Layoffs / discharges hit their lowest level in 20 years in Oregon during 2023.

Source: Oregon Employment Department and U.S. Bureau of Labor Statistics; Upjohn Institute, Soujourner

## Potential Impacts on Employers and Workers

- Oregon's population growth is slowing
- Oregon's workforce is aging
- Oregon's labor force growth is slowing
- Employment growth is slowing
- The result is a tight labor market which provides challenges and opportunities for workers and employers

## Real Average Hourly Earnings of All Private Employees in Oregon (2023 Dollars)



It has taken more than eight years for the average hourly earnings of incumbent employees to see a similar-sized gain (13%) to that of average starting wages for job openings in just the past two years.

Source: Oregon Employment Department and U.S. Bureau of Labor Statistics

# Attracting and Retaining Workers: More Benefits, Perks, or Job Flexibility

## Top 10 States by Share of Those Working from Home in 2022

Area	Worked from Home
District of Columbia	33.8%
Colorado	21.2%
Washington	20.5%
Maryland	19.2%
Arizona	19.2%
Oregon	19.0%
Massachusetts	18.4%
Virginia	18.2%
Utah	18.0%
New Hampshire	17.3%

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

Reducing previous work experience requirements – when it’s safe to do so – and increasing recruitment intensity are also considerations.

## Share of U.S. Workers With Access to Selected Benefits, by Employer Class Size

	Year	Employer Size Class				
		All	Less than 50	50 - 99	100 - 499	500+
Paid Vacation	2013	77%	66%	76%	84%	90%
	2023	79%	71%	76%	86%	91%
Paid Holidays	2013	77%	67%	74%	85%	91%
	2023	80%	73%	75%	86%	92%
Health Insurance	2013	70%	53%	69%	83%	89%
	2023	72%	56%	75%	85%	90%
Retirement Benefits	2013	64%	45%	63%	79%	87%
	2023	70%	53%	71%	83%	91%

Source: Oregon Employment Department and U.S. Bureau of Labor Statistics



# Oregon's Slowing Labor Force

- Population and demographic shifts have contributed to a slowing labor force growth
- The result has been a change in dynamics between workers and employers
- Areas and industries with a larger number of workers close to retirement need continue to adjust how they recruit

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