

ROGUE VALLEY CONSTRUCTION SECTOR OVERVIEW

**ROGUE CONSTRUCTION PARTNERSHIP MEETING
SEPTEMBER 26TH, 2024**

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!

CONSTRUCTION SECTOR

Workforce Demographics

Oregon's Labor Force: What Slower Population Growth and Increasing Retirements Mean for the Workforce



July 2024

NEARLY A QUARTER OF CONSTRUCTION WORKERS MAY RETIRE BY 2032

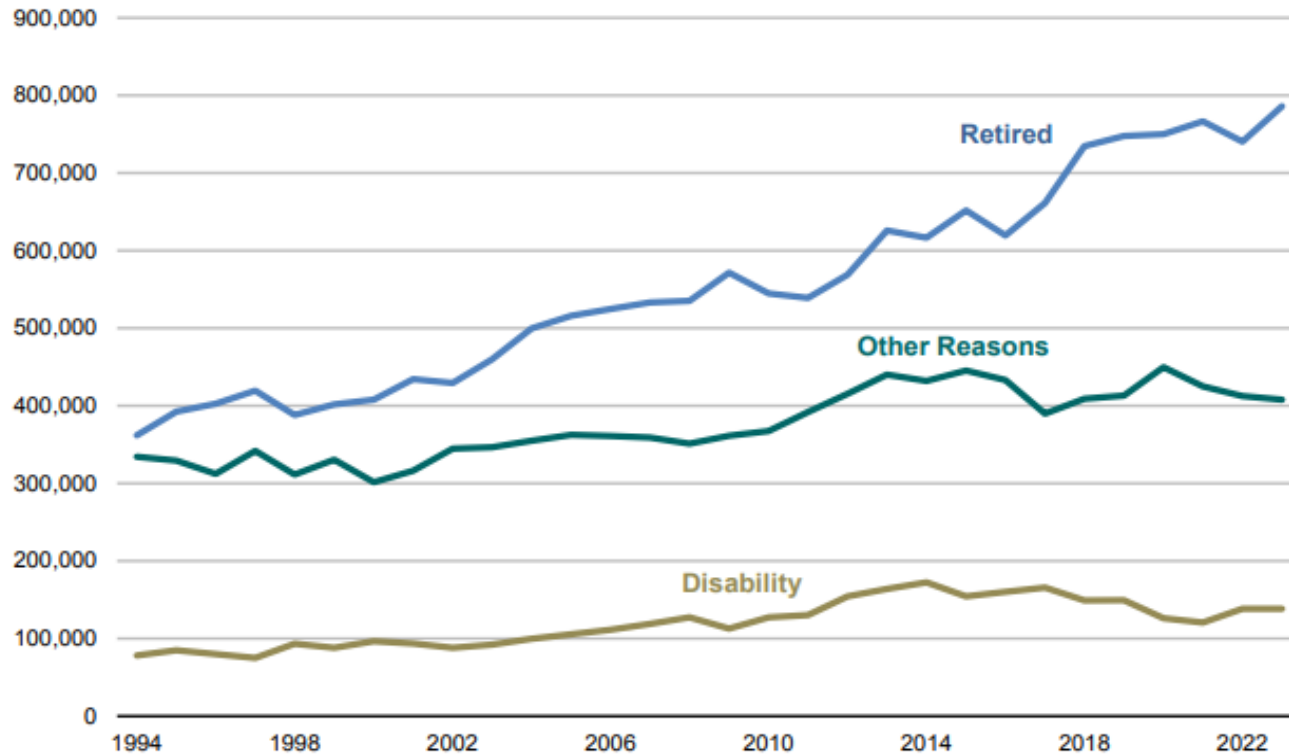
Workers Ages 55+ Could Be Within a Decade of Retirement

Oregon Jobs in 2022	All Workers	Age 55+	% Age 55+
All Sectors	1,908,164	455,792	24%
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%

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

NOT IN LABOR FORCE DUE TO RETIREMENT UP 5% SINCE 2019

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

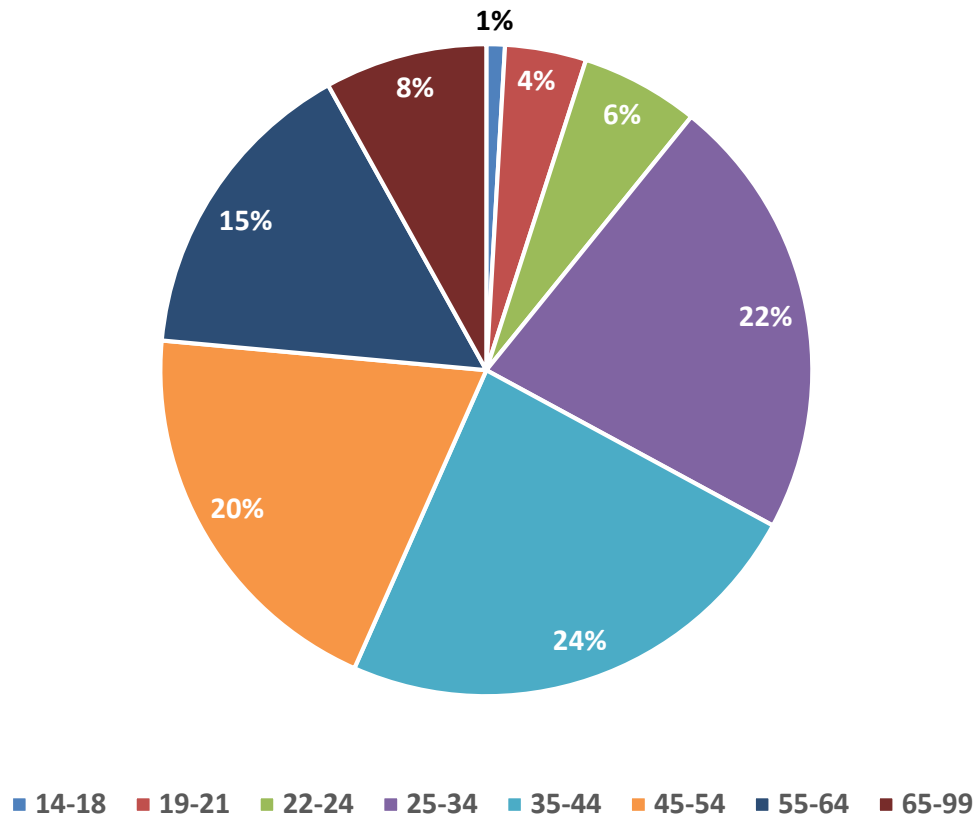


Source: Oregon Employment Department, Local Area Unemployment Statistics

Even in slower growing industries, many vacancies will need to be filled due to retirements, migration, and occupation changes. These “replacement” openings account for a majority of expected job openings.

A QUARTER OF ROGUE VALLEY CONSTRUCTION WORKERS NEARING RETIREMENT

Construction Sector Age Demographics 2023



Prime working age workers in the 25-54 age range account for about two out of every three construction employees in the Rogue Valley.

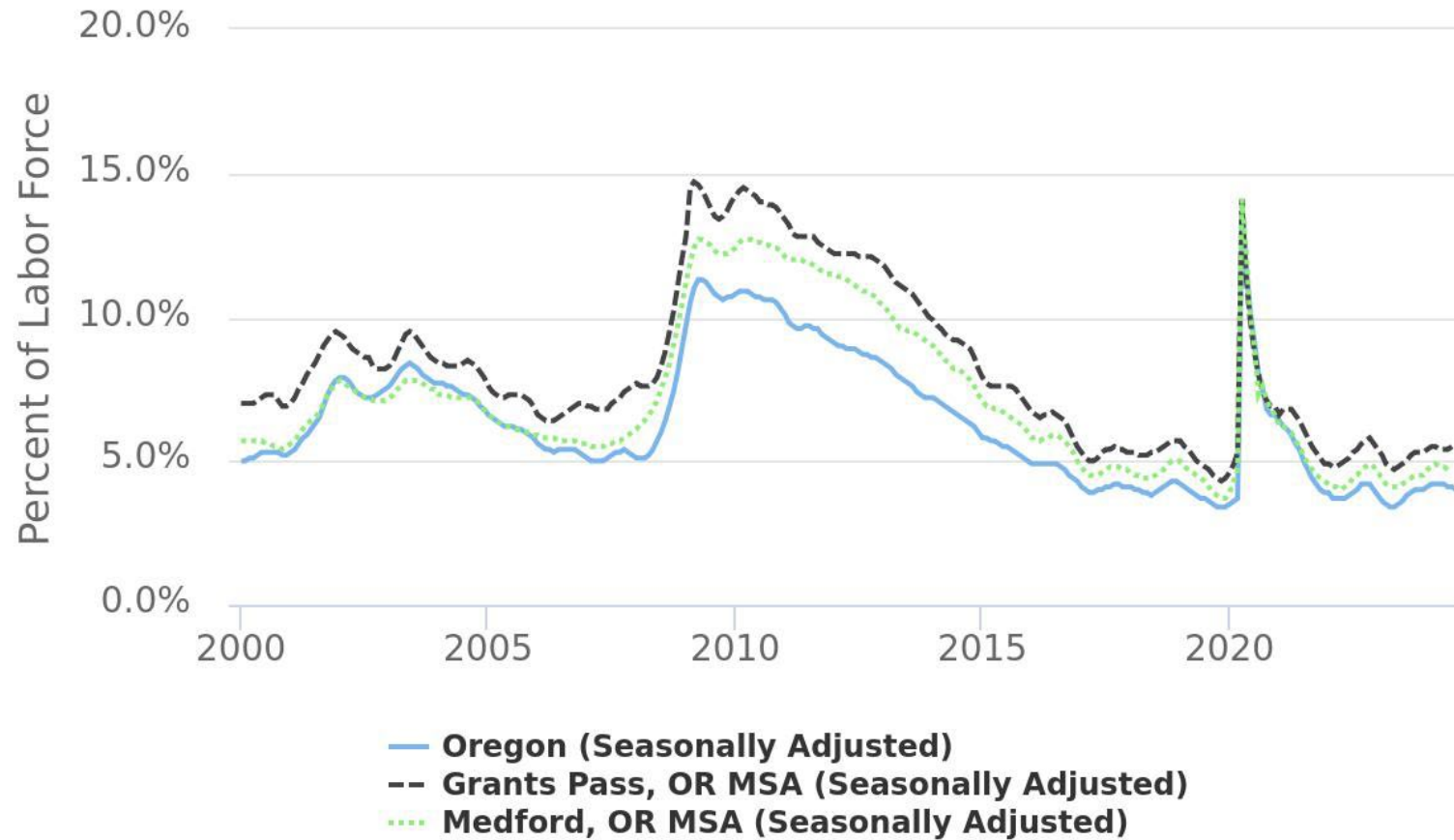
Source: U.S. Census Bureau Quarterly Workforce Indicators

EMPLOYMENT OVERVIEW

Trends and Industry Profiles

UNEMPLOYMENT RATE SLIGHTLY ABOVE HISTORICALLY LOW LEVELS

Unemployment Rate



Source: Oregon Employment Department Qualityinfo.org

CONSTRUCTION SAW EMPLOYMENT INCREASES 21 MONTHS INTO THE PANDEMIC

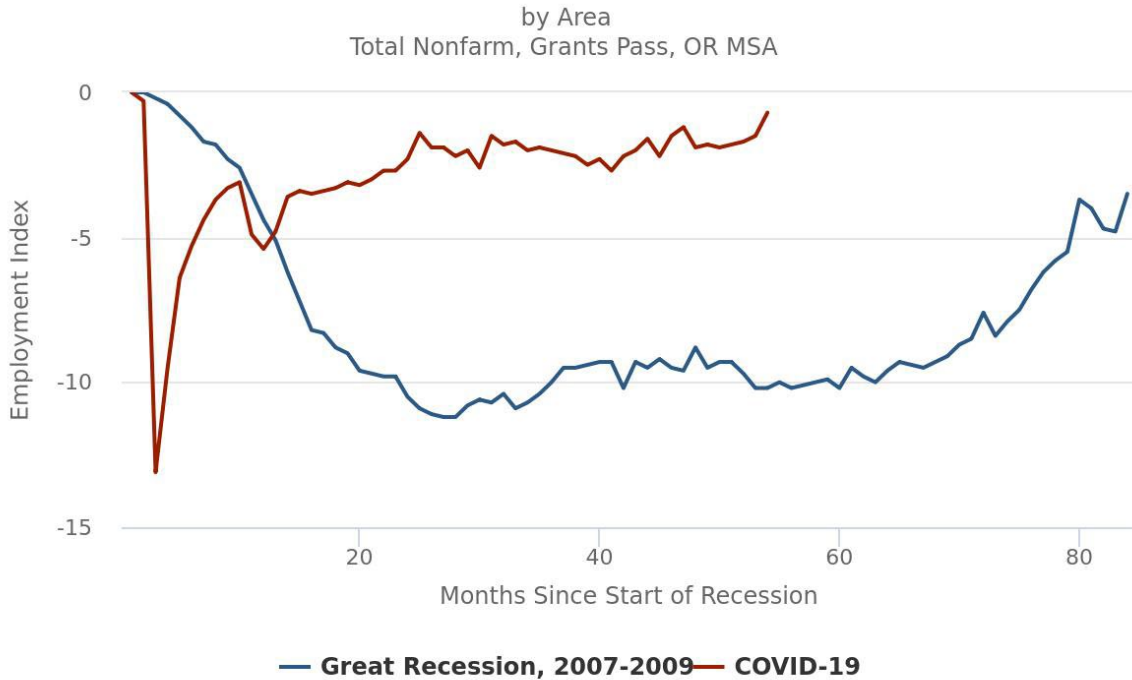
COVID-19 Job Changes Compared to Great Recession Job Changes



Source: Oregon Employment Department QualityInfo.org

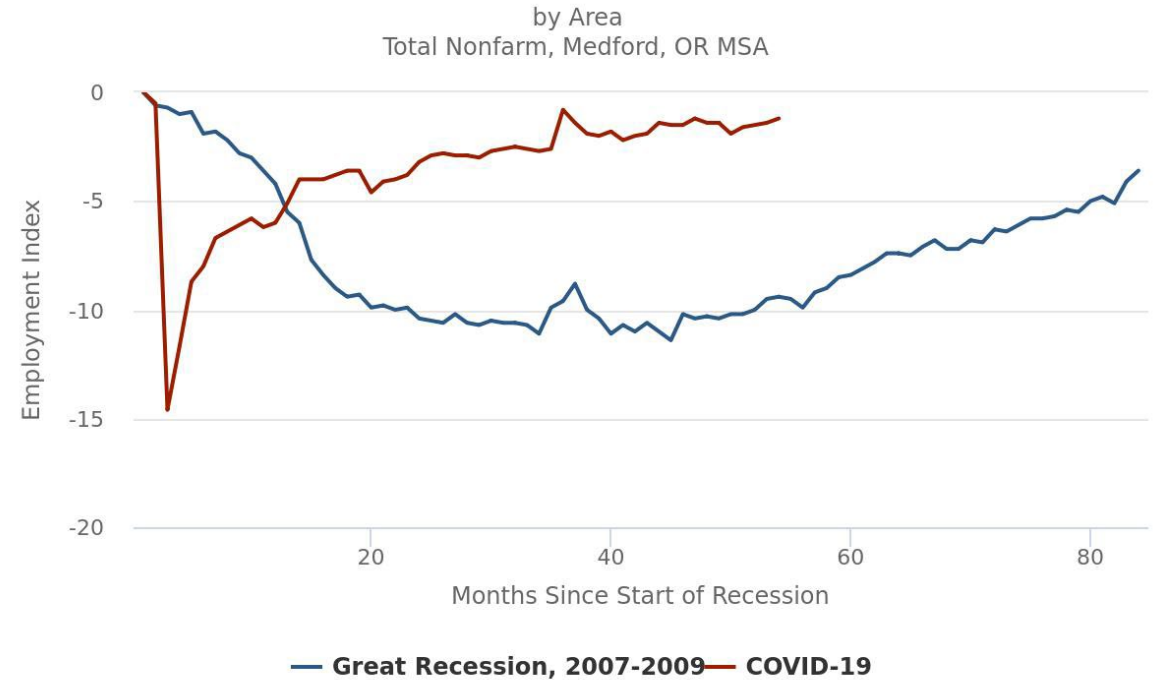
JOSEPHINE COUNTY FARING SLIGHTLY BETTER RECOVERING FROM THE PANDEMIC

COVID-19 Job Changes Compared to Great Recession Job Changes



Source: Oregon Employment Department QualityInfo.org

COVID-19 Job Changes Compared to Great Recession Job Changes



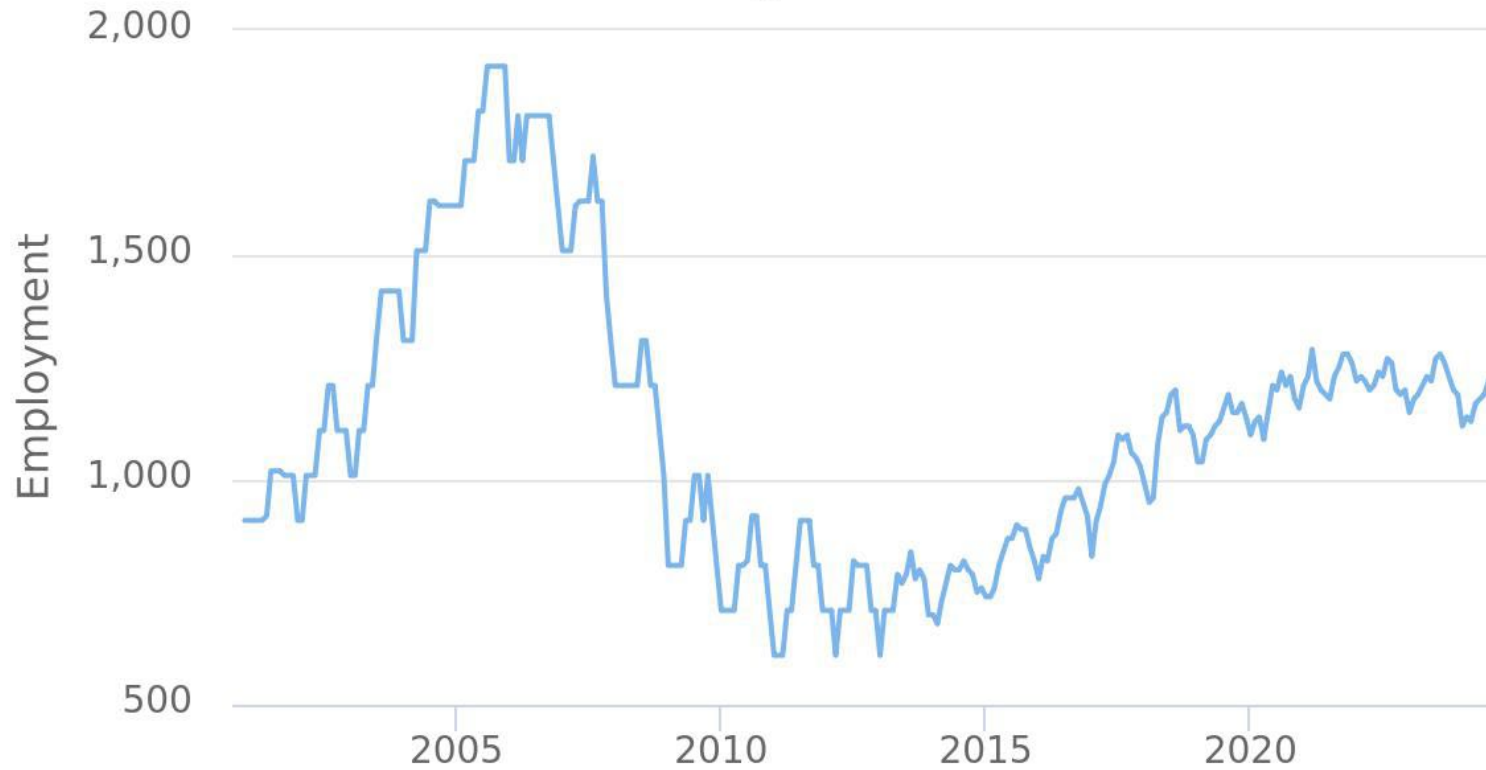
Source: Oregon Employment Department QualityInfo.org

Grants Pass MSA job losses -0.7% compared to -1.2% for Medford MSA 54 months after the beginning of the pandemic.

JOSEPHINE COUNTY EMPLOYMENT RELATIVELY FLAT LAST FEW YEARS

Grants Pass, OR MSA Construction

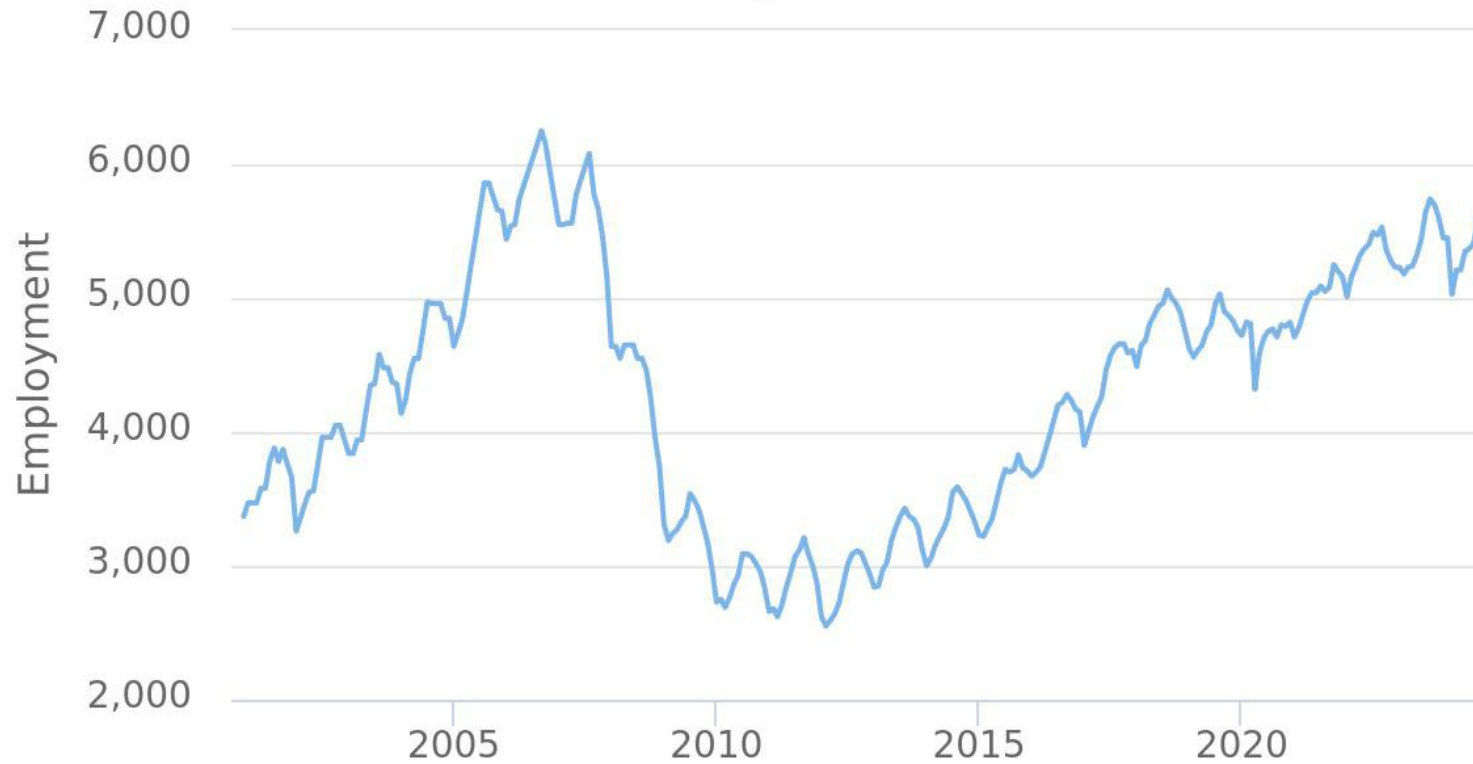
(not seasonally adjusted)
Official Oregon Series



Source: Oregon Employment Department QualityInfo.org

Medford, OR MSA Construction

(not seasonally adjusted)
Official Oregon Series



Source: Oregon Employment Department QualityInfo.org

BUILDING CONSTRUCTION FLAT IN JOSEPHINE, INCREASING IN JACKSON

Construction of Buildings

Josephine County



Source: Oregon Employment Department Qualityinfo.org

Construction of Buildings

Jackson County

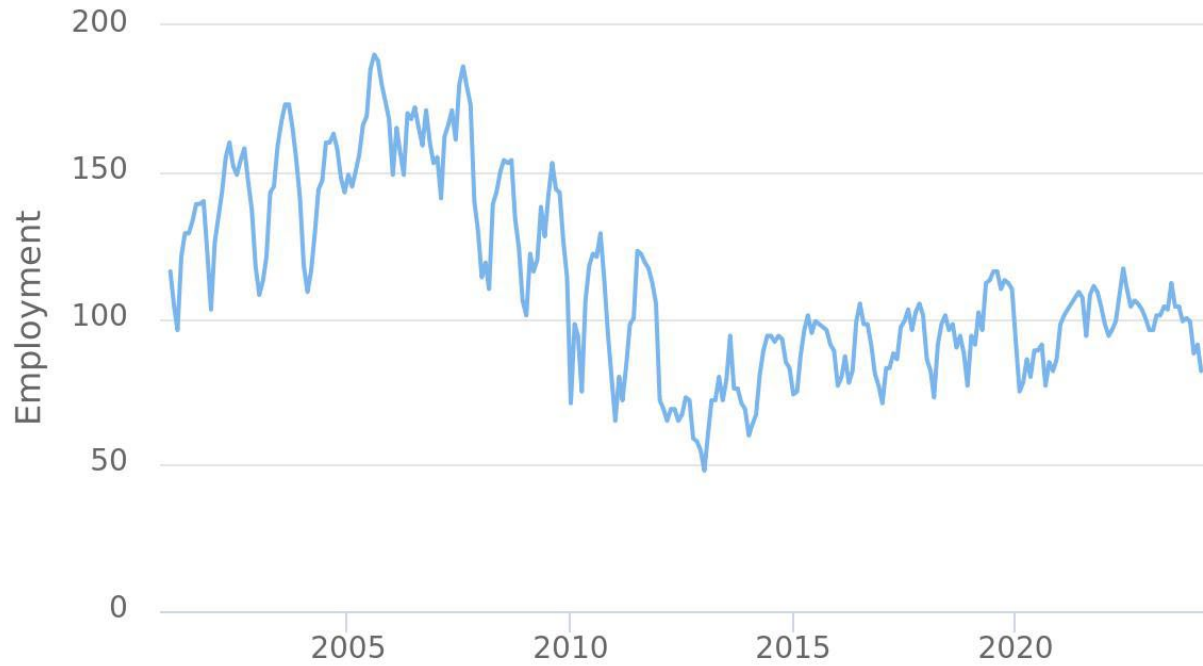


Source: Oregon Employment Department Qualityinfo.org

HCE CONSTRUCTION TRENDING DOWNWARD IN JOSEPHINE, LOWER LEVEL IN JACKSON

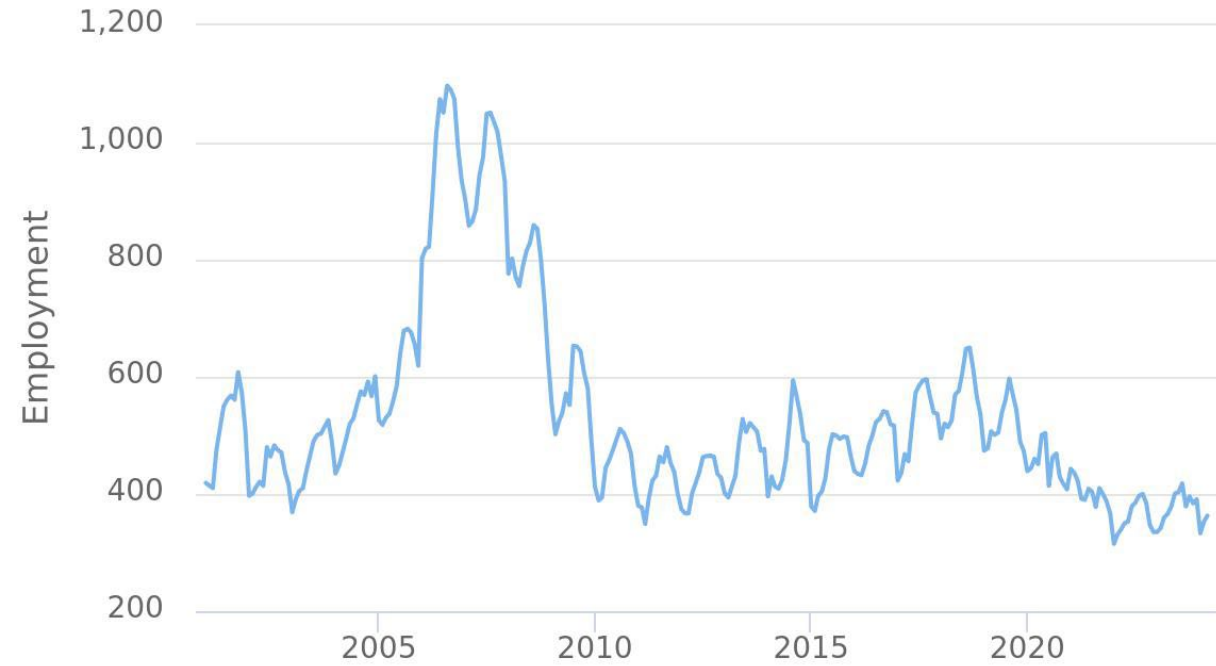
Heavy and Civil Engineering Construction

Josephine County



Heavy and Civil Engineering Construction

Jackson County



Source: Oregon Employment Department Qualityinfo.org

Source: Oregon Employment Department Qualityinfo.org

STC LOWER LEVEL IN JOSEPHINE, REBOUND FOLLOWED BY DECLINE IN JACKSON

Specialty Trade Contractors

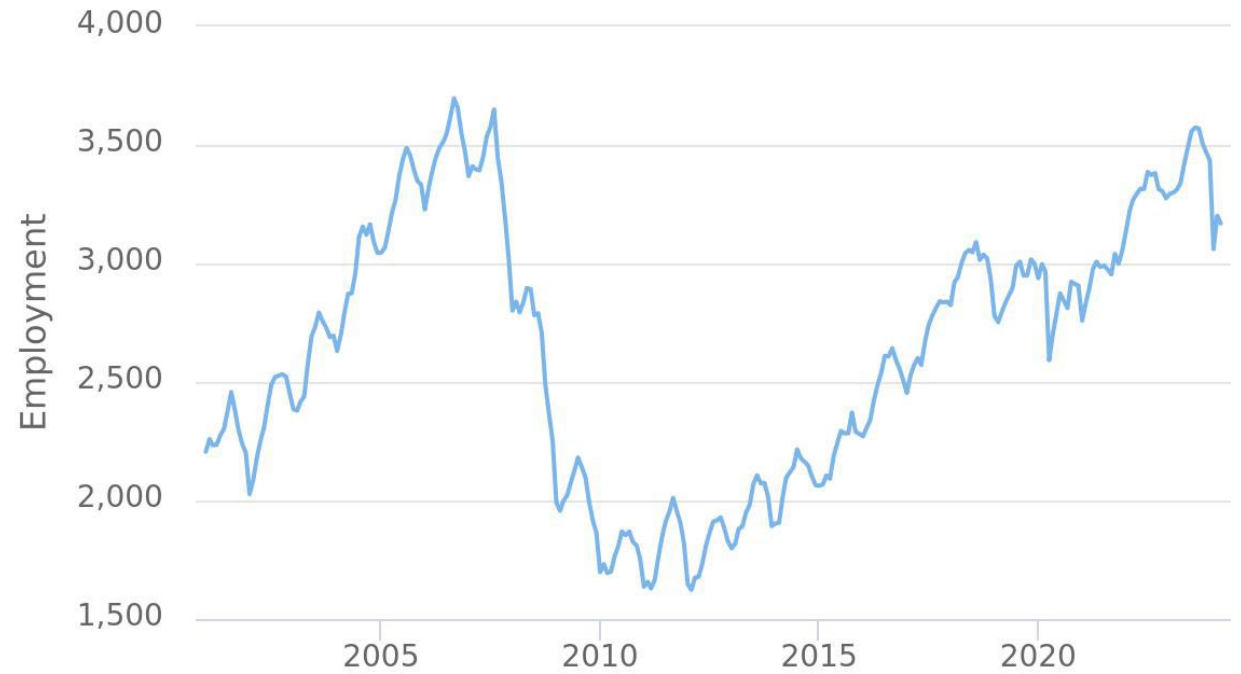
Josephine County



Source: Oregon Employment Department Qualityinfo.org

Specialty Trade Contractors

Jackson County



Source: Oregon Employment Department Qualityinfo.org

HELP WANTED IN OREGON AND THE ROGUE VALLEY

Results from the Job Vacancy Survey

BUSINESSES REPORTED HIRING IN VARIOUS INDUSTRIES

Oregon Job Vacancies by Industry, Spring 2024

Industry	Vacancies
All Industries	57,686
Health care and social assistance	13,830
Manufacturing	6,708
Leisure and hospitality	6,423
Retail trade	5,126
Management, administrative, and waste services	4,725
Construction	4,545
Private educational services	3,857
Other services	3,269
Professional, scientific, and technical services	3,233
Wholesale trade	1,599
Transportation, warehousing, and utilities	1,481
Natural resources and mining	1,107
Financial activities	1,104
Information	679

Source: Oregon Employment Department

Construction had 4,545 vacancies in Oregon in Q2, or 7.9% of all vacancies.

Note: The Oregon Job Vacancy Survey includes only private-sector businesses with two or more employees.

CONSTRUCTION REPORTED THE 4TH MOST JOB VACANCIES AND HAD ONE OF THE HIGHEST AVERAGE WAGES

Rogue Valley Job Vacancies by Industry, 2023

Industry	Vacancies	Average Wage
All Industries	5,214	\$22.87
Health care and social assistance	1,976	\$26.61
Leisure and hospitality	468	\$16.12
Retail trade	445	\$15.47
Construction	435	\$26.19
Manufacturing	403	\$25.74
Management, administrative, and waste services	328	\$18.61
Other services	266	\$21.29
Natural resources and mining	232	\$19.44
Professional, scientific, and technical services	208	\$23.88
Wholesale trade	158	\$23.97
Transportation, warehousing, and utilities	144	\$23.06
Financial activities	80	\$16.63
Information	40	n/a
Private educational services	31	n/a

Construction represented 8.3% of all vacancies in the Rogue Valley, nearly 1 in every 10 openings.

Source: Oregon Employment Department

BY OCCUPATIONAL GROUP CONSTRUCTION HAD THE 6TH MOST VACANCIES

Rogue Valley Job Vacancies by Occupation Group, 2023

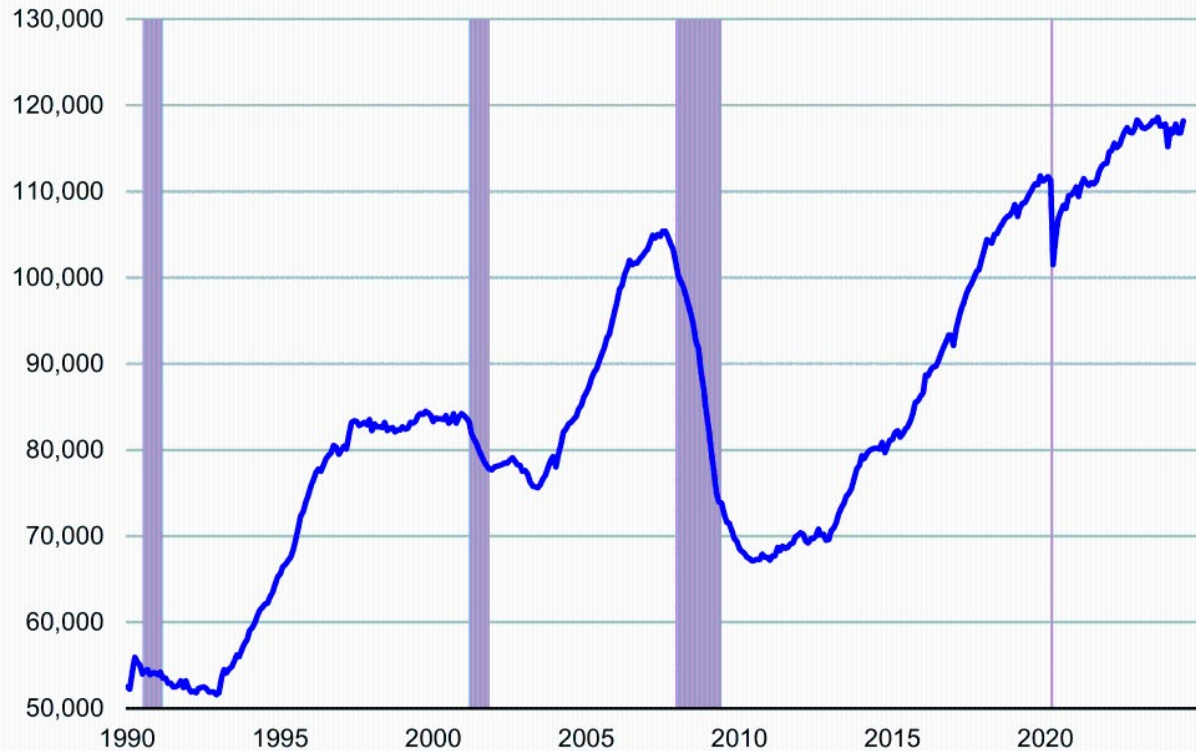
Occupation Group	Vacancies	Average Wage
All Occupations	5,214	\$22.87
Health Care Support	778	\$20.21
Health Care Practitioners and Technical	582	\$43.01
Sales and Related	426	\$15.50
Office and Administrative Support	385	\$17.60
Installation, Maintenance, and Repair	364	\$26.29
Construction and Extraction	337	\$27.80
Community and Social Service	328	\$20.91
Food Preparation and Serving Related	290	\$15.72
Transportation and Material Moving	289	\$18.56
Education, Training, and Library	245	\$18.87
Protective Service	223	\$19.15
Production	204	\$17.97
Business and Financial Operations	183	\$27.94
Management	168	\$28.19
Personal Care and Service	102	\$17.19
Arts, Design, Entertainment, Sports, and Media	101	\$20.93
Farming, Fishing, and Forestry	100	\$16.96

Construction and extraction represented 6.5% of all vacancies in the Rogue Valley, more than 1 in every 20 openings.

Source: Oregon Employment Department

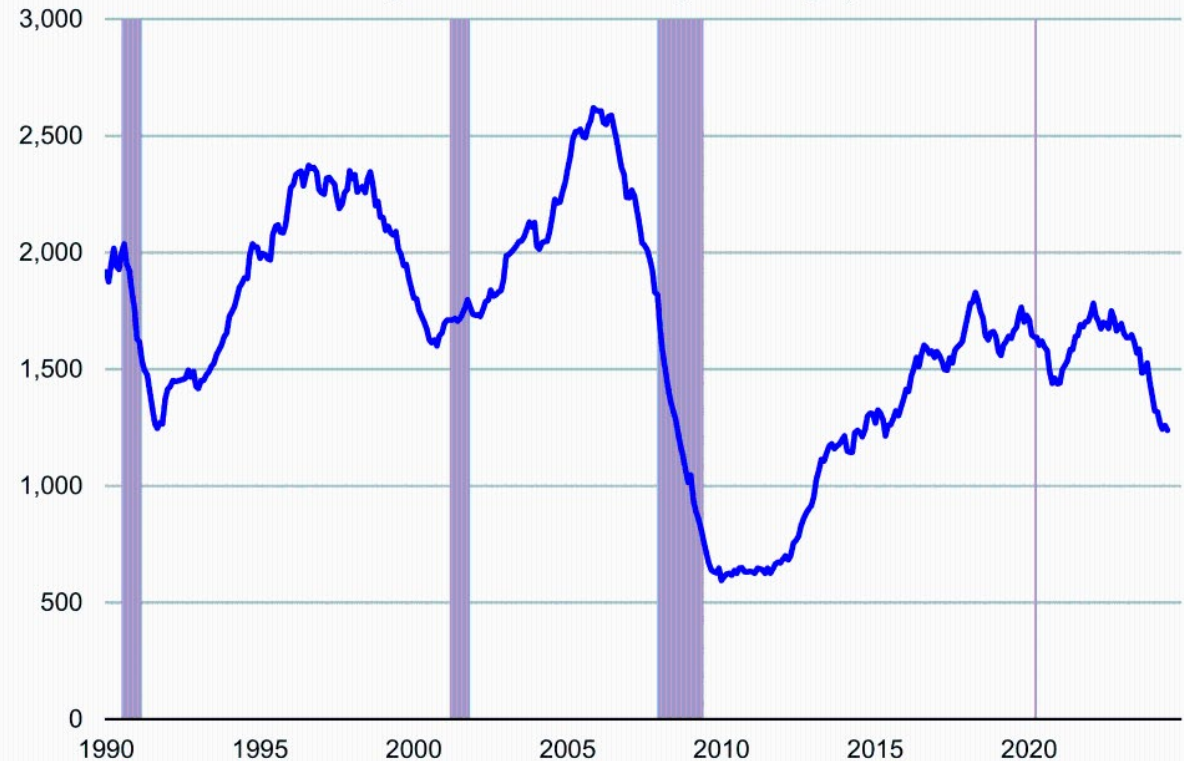
OREGON CONSTRUCTION EMPLOYMENT NEAR RECORD HIGH PAST 24 MONTHS

Oregon Construction Employment Ramps Up After Recessions



Source: Oregon Employment Department

Oregon Building Permits Still Well Below Prior Peaks (12-Month Moving Average)

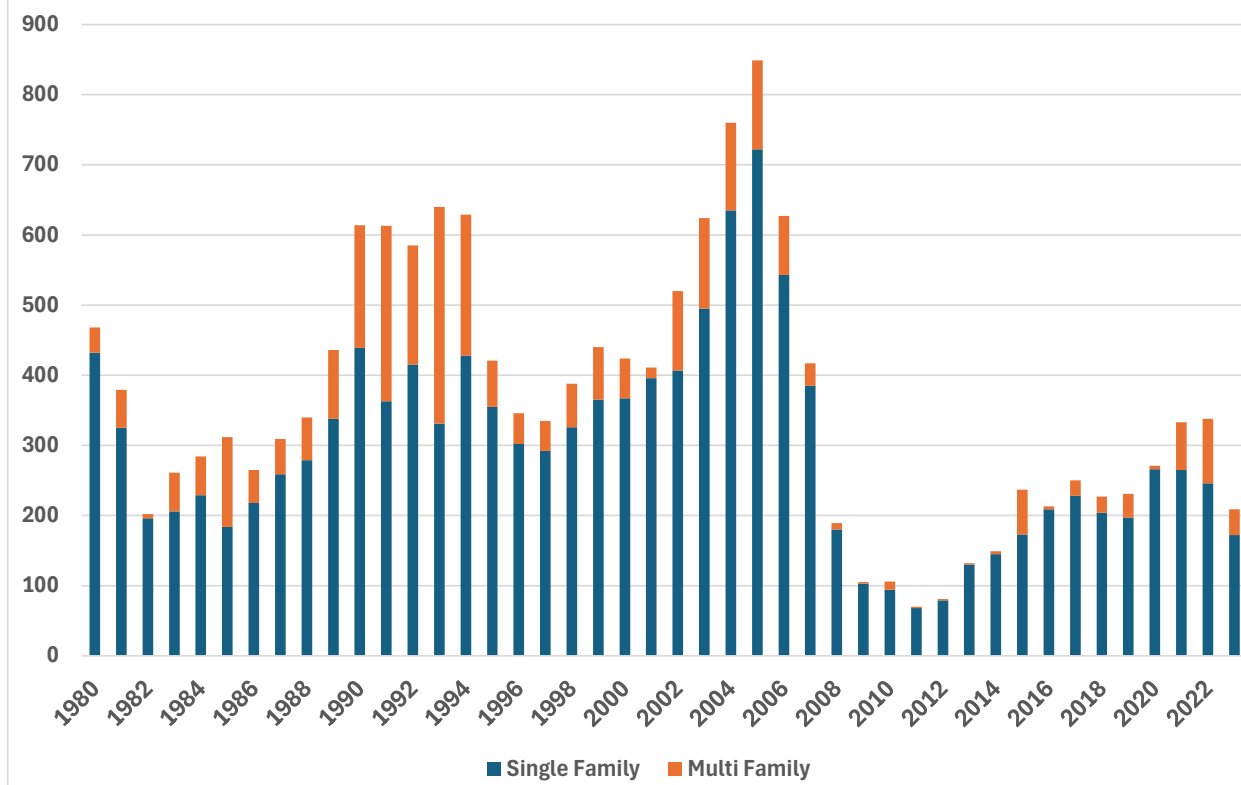


Source: Oregon Employment Department

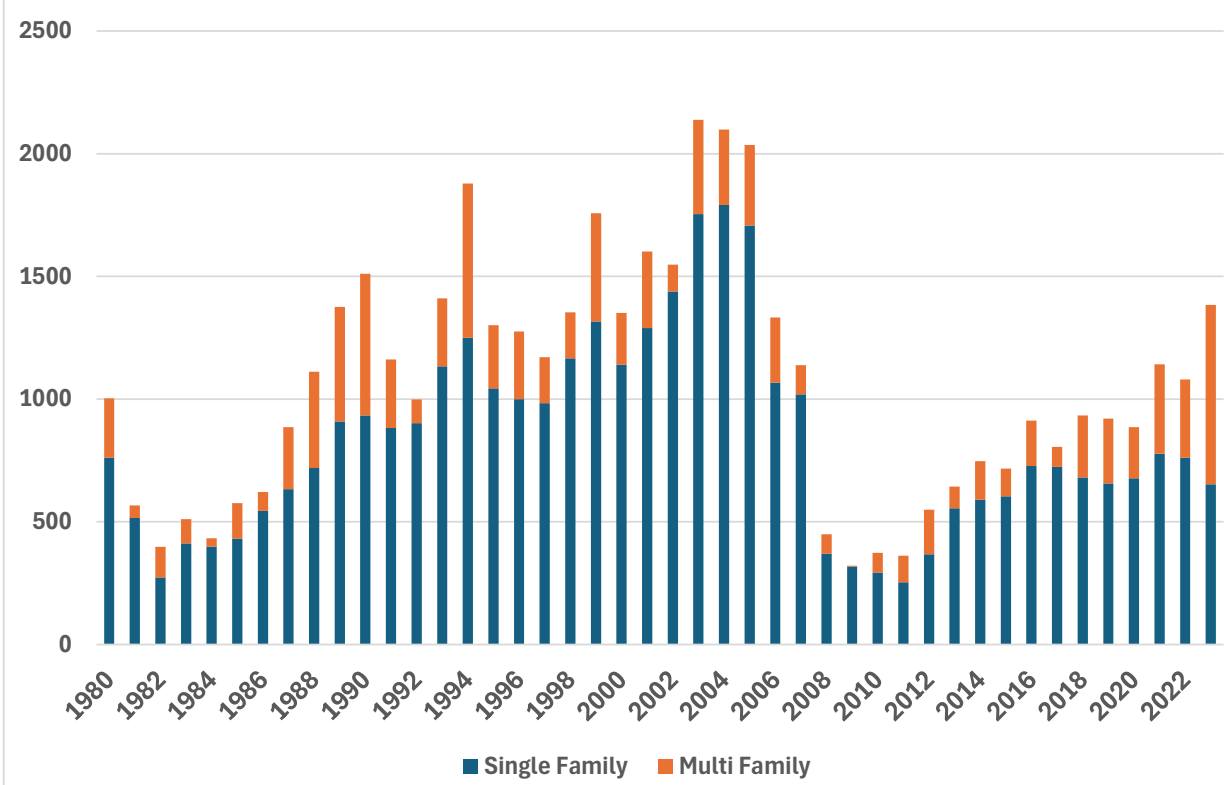
Oregon has gone through several cycles in the construction industry over the past several decades. At 5.9% of total nonfarm payroll jobs it's tied with the record highs in 2006 and 2007 as a share of total jobs when measured relative to the state's growing population.

ROGUE VALLEY HOUSING PERMIT ACTIVITY

Josephine County Housing Permits



Jackson County Housing Permits



Source: U.S. Department of Housing and Urban Development

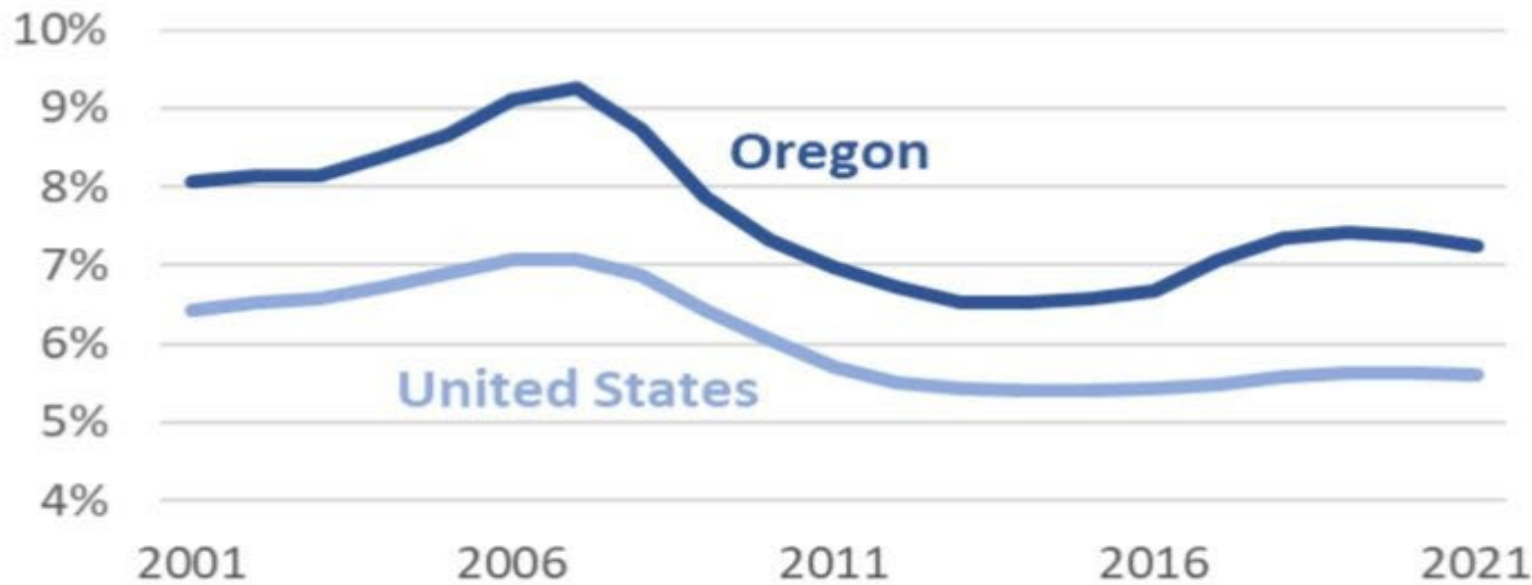
Josephine County housing unit permitting increased in 2021 and 2022 then slid with an emphasis on single family units. Jackson County permitting is at a heightened level with 2023 showing more multi family unit permits for the first time in recent history.



Issue: Fewer Construction Firms

Residential Construction Firms

Number of business units, share of total private sector



Data: QCEW | Source: BLS, Oregon Office of Economic Analysis

- Housing underwent industry consolidation following the bubble bursting 15 years ago
- Even as construction employment has fully returned, the number of construction firms as a share of the economy remains lower than pre-bubble era
- Implication is Oregon has 1,300 fewer residential construction companies than expected
 - Nationally about 100,000 fewer
- Like the overall economy, construction needs more entrepreneurship





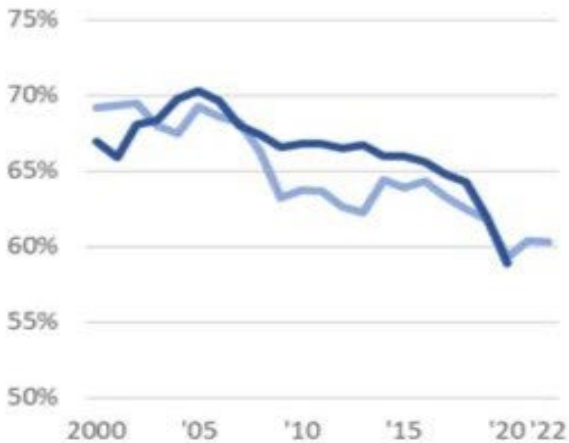
Possible Issue: Industry Structure

Construction Industry: More Managing. Less Doing?

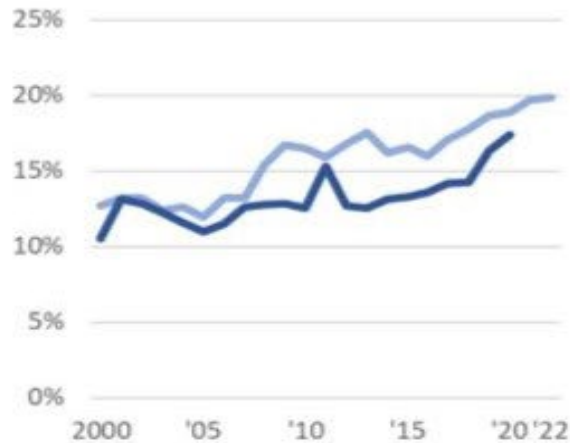
Decomposing the U.S. private sector construction industry by occupation

American Community Survey | Current Population Survey (aka Household Survey)

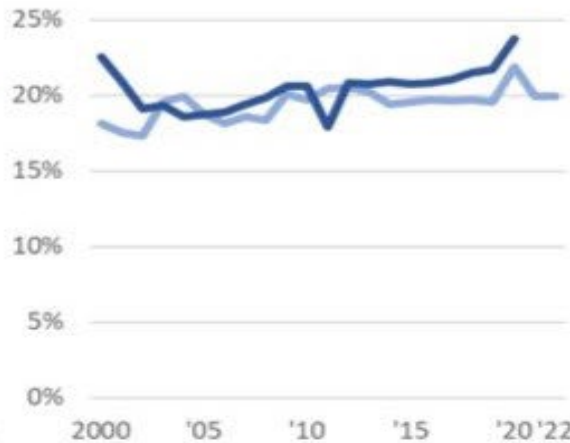
Construction Occupations



Management Occupations



All Other Occupations



Latest Data: ACS 2020, CPS August 2022 | Source: IPUMS-CPS, IPUMS-USA, Oregon Office of Economic Analysis



Oregon Office of
Economic Analysis

- The *share* of the construction industry workforce that actually builds things has fallen in recent decades
- The management share of the construction workforce has been increasing in recent decades
- Given industry consolidation, why is management/overhead increasing?
 - Is it just data or classification issues?
 - Note this data uses IPUMS consistently defined industry and occupation codes, but still a potential issue
 - Is this why construction overall has zero productivity gains? More workers for same volume of work?
 - Outsourcing of manual work to subcontractors or temp workers that show up classified somewhere else? (Household survey results similar looking at self-employment vs payroll jobs)
 - Change in the mix of projects?
 - Increased regulation/compliance?
 - Other industry-specific issues?



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