

# Economic Update and Manufacturing in the Portland Region

Cascadia Manufacturing Network

November 15, 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!**

# KEY FACTS FROM YESTERDAY'S NEWS RELEASE – OREGON IN OCTOBER

Oregon's unemployment rate was 4.0% in October, unchanged from September.

- Oregon's monthly unemployment rate has been in a tight range between 4.0% and 4.2% since October 2023.
- The U.S. unemployment rate was unchanged at 4.1% in October.

Oregon employers added 1,700 jobs to nonfarm payrolls in October.

- This followed a revised gain of 900 jobs in September.
- October gains were largest in leisure and hospitality and financial activities.
- Declines in October were largest in manufacturing, due largely but not entirely, to the Boeing strike, and professional and business services.

Nonfarm payroll employment grew by 22,700 jobs over the past year, or 1.1%.

- Healthcare and social assistance is driving growth. By far. Accounts for nearly three-quarters of job growth over the year.

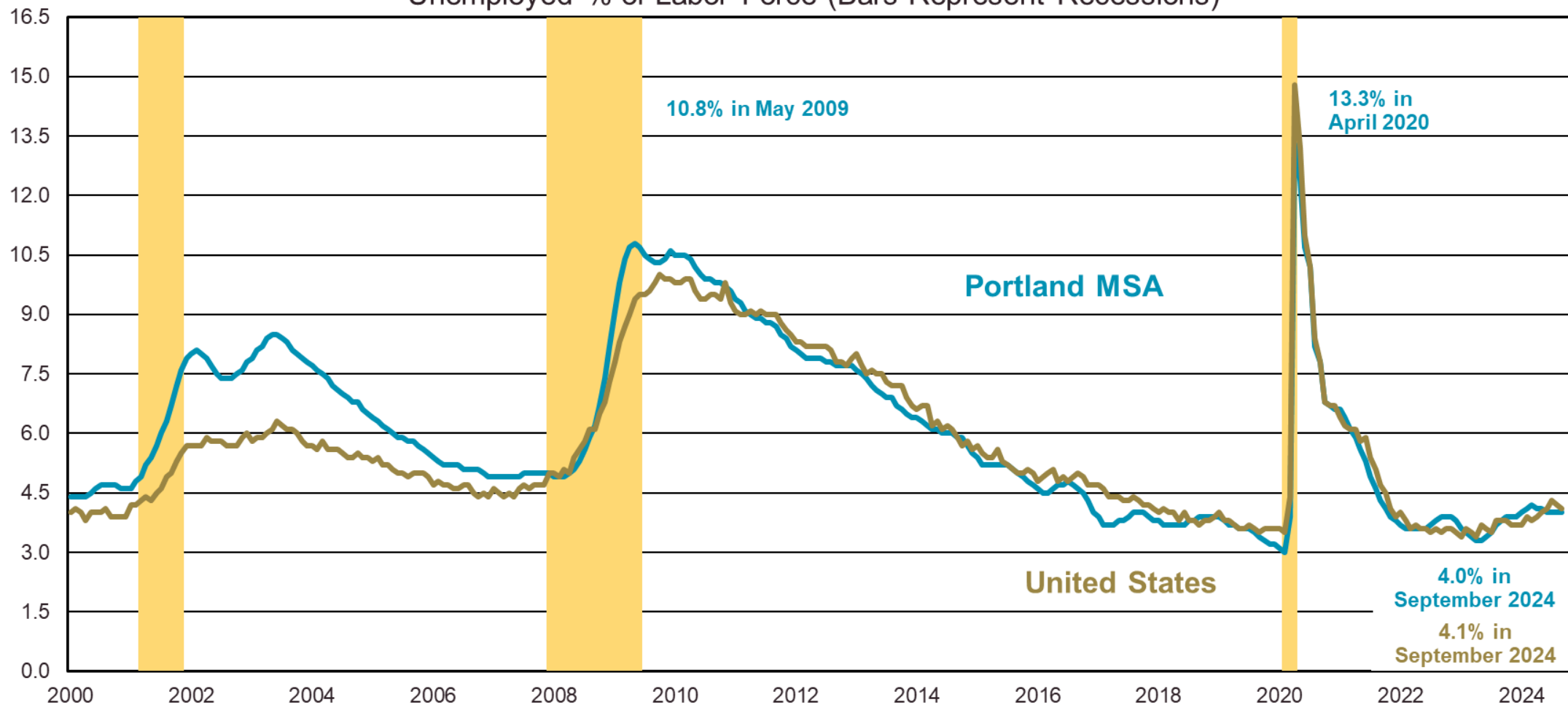
# UNEMPLOYMENT

Local Area Unemployment Statistics (LAUS)  
and Current Population Survey (CPS)

# PORTLAND METRO'S UNEMPLOYMENT RATE WAS 4.0% IN SEPTEMBER.

## Portland's Unemployment Rate Was 4.0% in September 2024

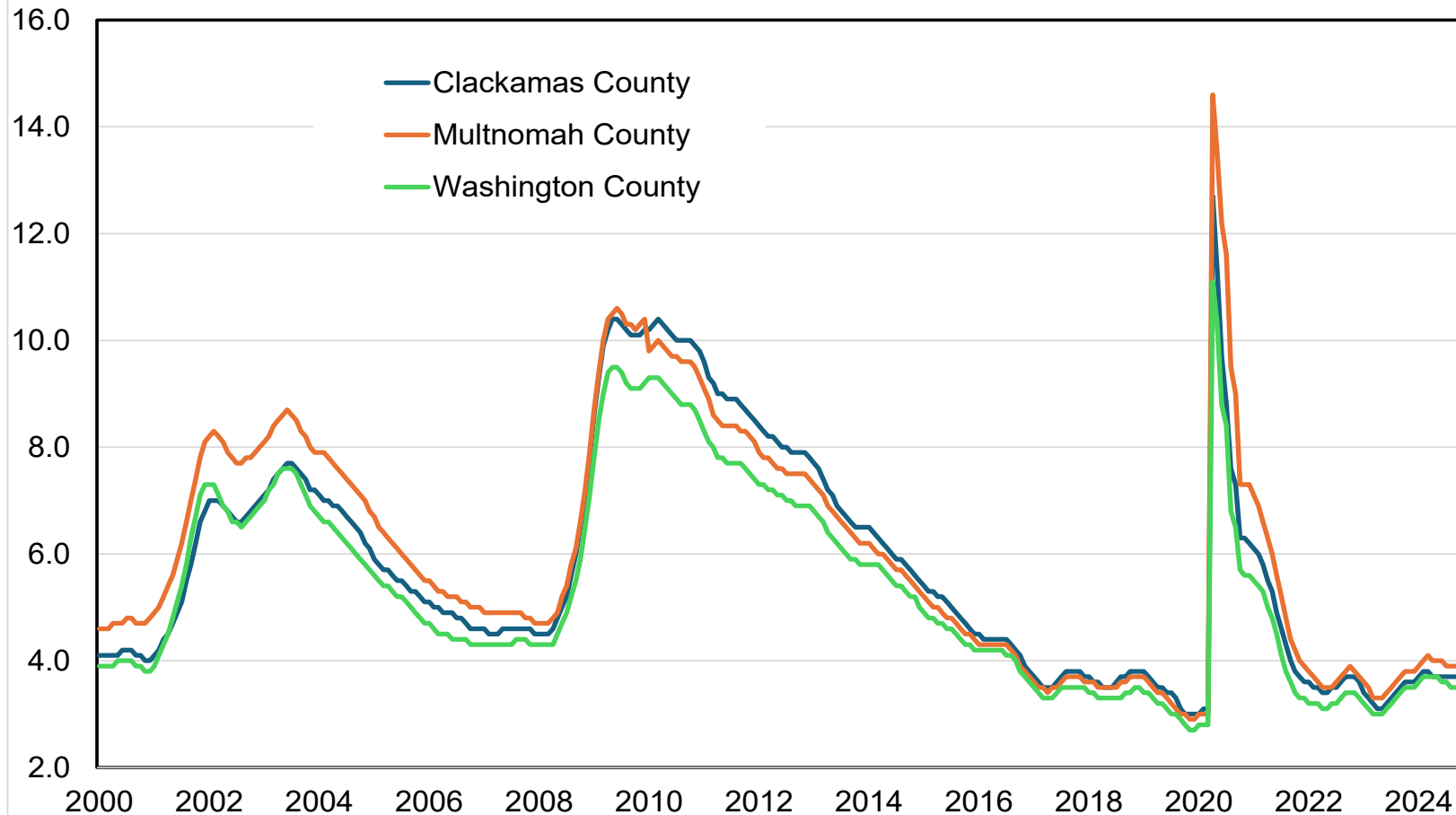
Unemployed % of Labor Force (Bars Represent Recessions)



Source: Oregon Employment Department and National Bureau of Economic Research

# UNEMPLOYMENT RATES IN THE 4-COUNTY REGION ARE STILL NEAR HISTORIC LOWS.

## Unemployment Rate (seasonally adjusted)



Source: Oregon Employment Department

### September

Clackamas: 3.7%

Multnomah: 3.9%

Washington: 3.5%

Portland MSA: 4.0%

Oregon: 4.0%

U.S.: 4.1%

**Special Report:**

# **Slower Population Growth and Increasing Retirements in Oregon**

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



*July 2024*

# THE WORKFORCE CONTINUES AGING, IN OREGON AND THE U.S.

## 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%

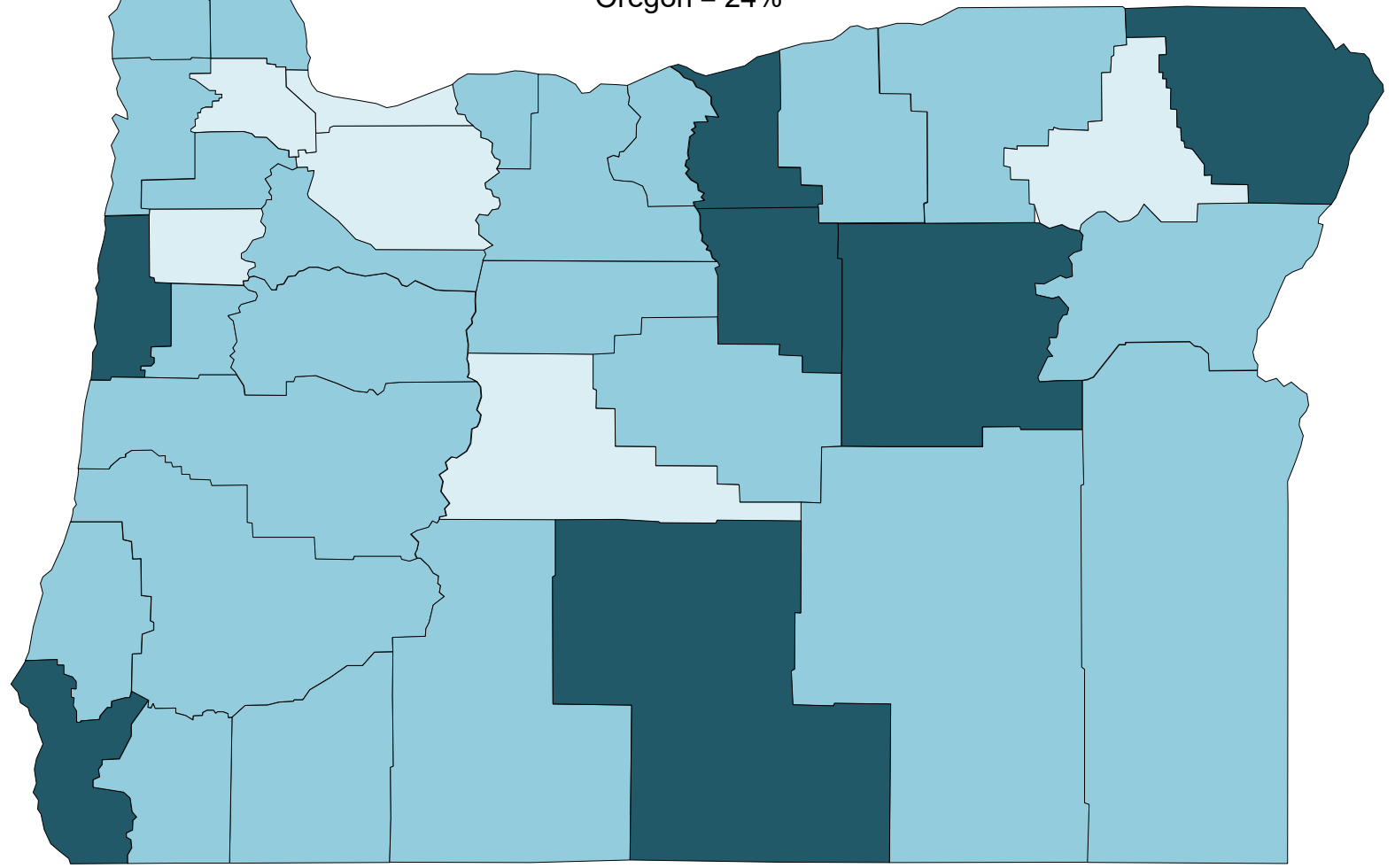
In the early 1990s, one out of 10 jobs was held by a worker age 55 or older.

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



### Share of Workers Ages 55+ in 2022

Oregon = 24%



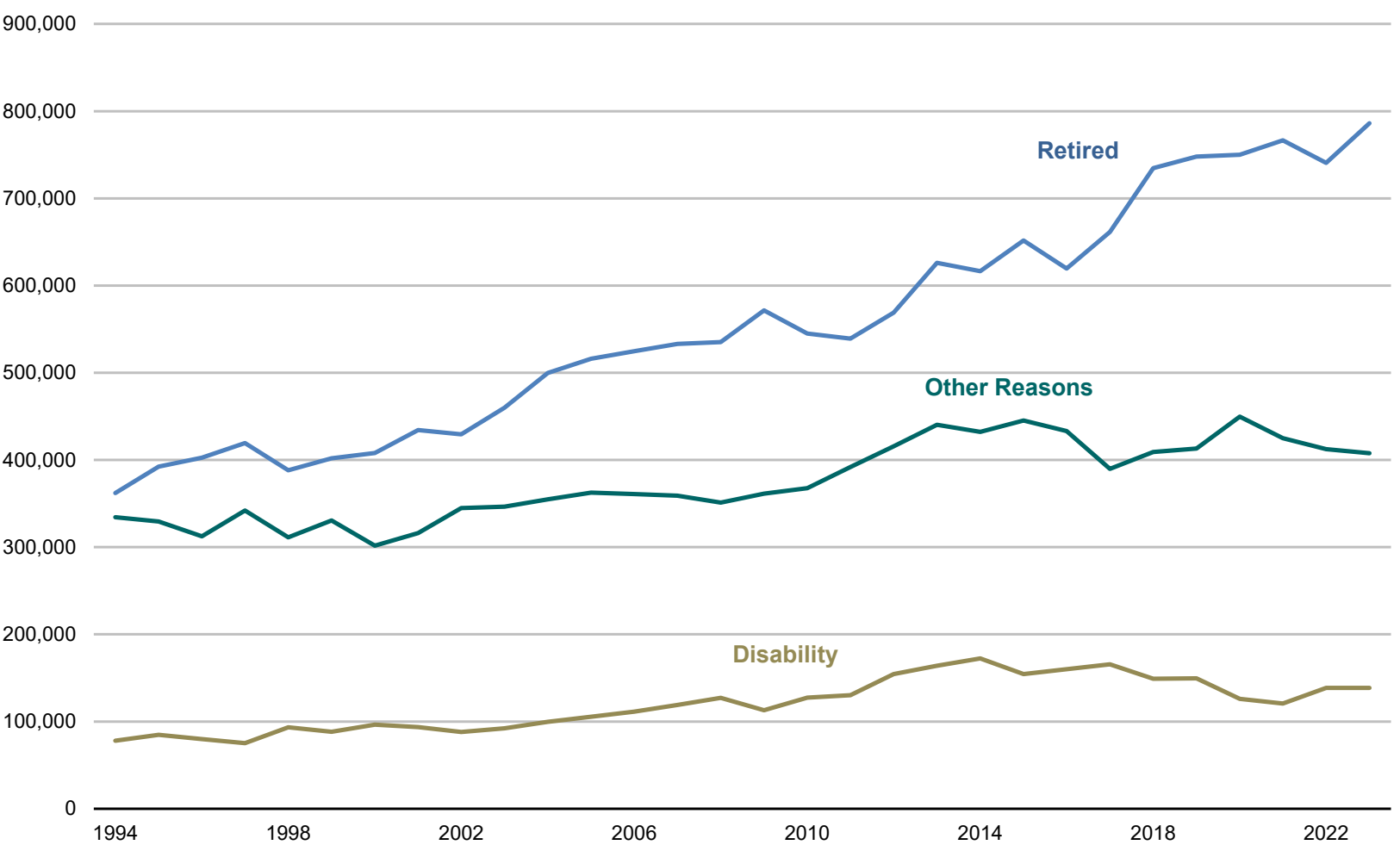
Rural counties tend to have higher shares of workers who may be nearing retirement in the coming years.

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



# SLOWING LABOR FORCE GROWTH: MORE RETIREMENTS

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



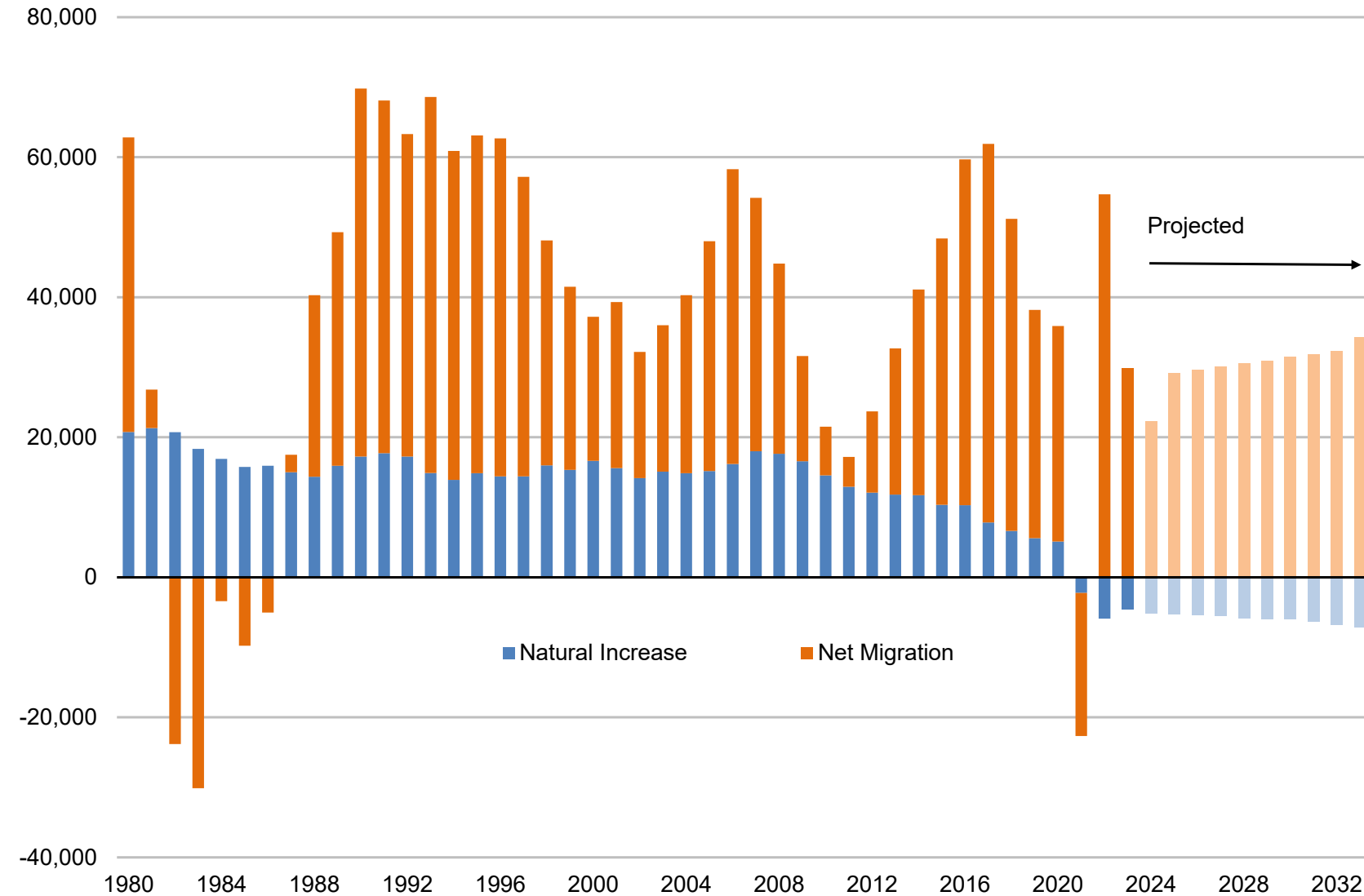
Not in Oregon's labor force due to retirement:

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

Source: Oregon Employment Department, Local Area Unemployment Statistics

# SLOWING LABOR FORCE GROWTH: SLOWER POPULATION GROWTH

## Oregon's Population Components of Change

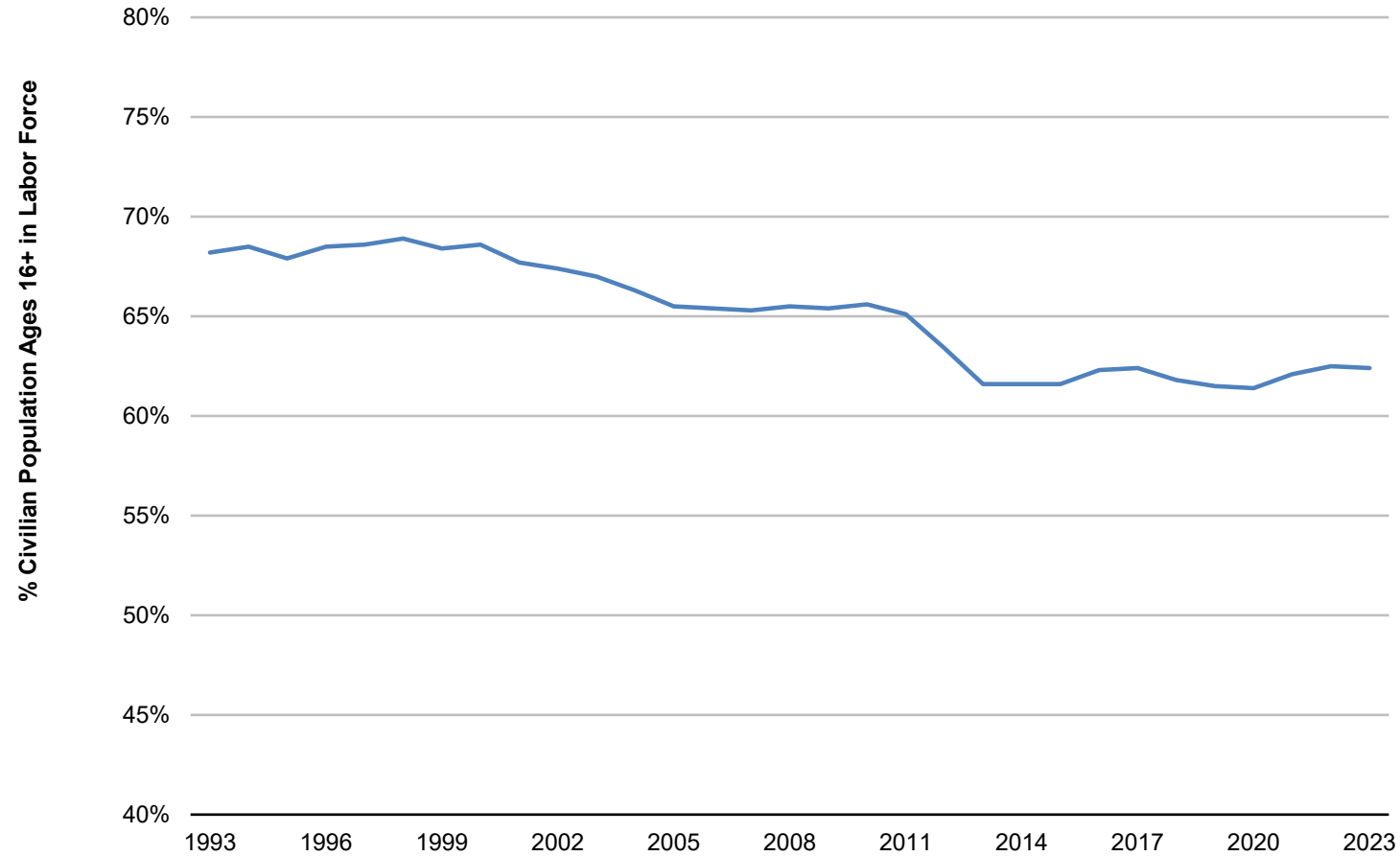


Portland State University estimates show a rebound in 2022, but population growth is projected to be slower in the coming years than historical norms.

Source: Oregon Employment Department, Oregon Office of Economic Analysis

# LABOR FORCE PARTICIPATION RATES HOLDING

## Oregon's Labor Force Participation Rate, 1993-2023

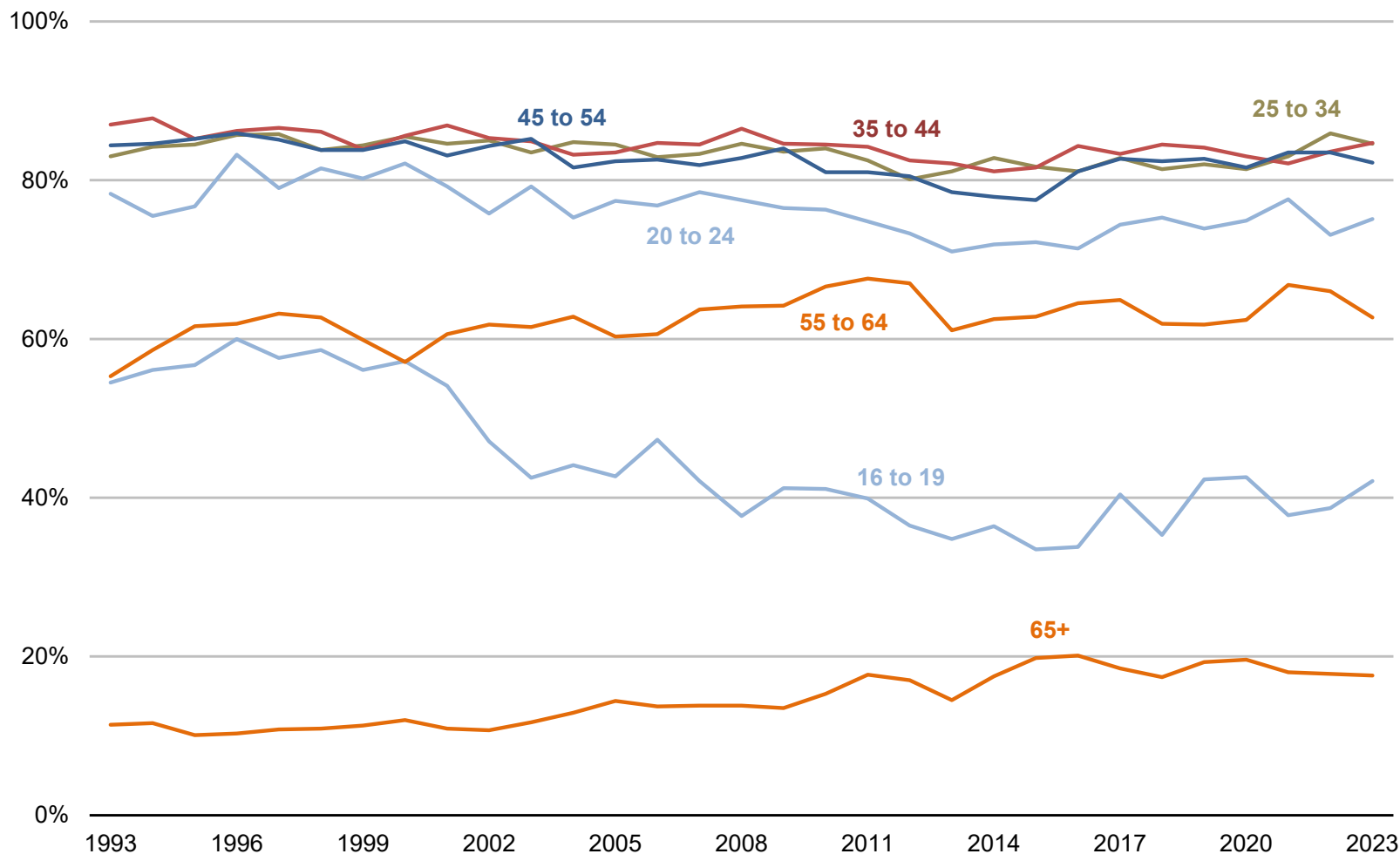


May be able to grow the labor force amid slower population and labor force growth by instead increasing participation rates within the existing population.

Source: Oregon Employment Department, Local Area Unemployment Statistics

# 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

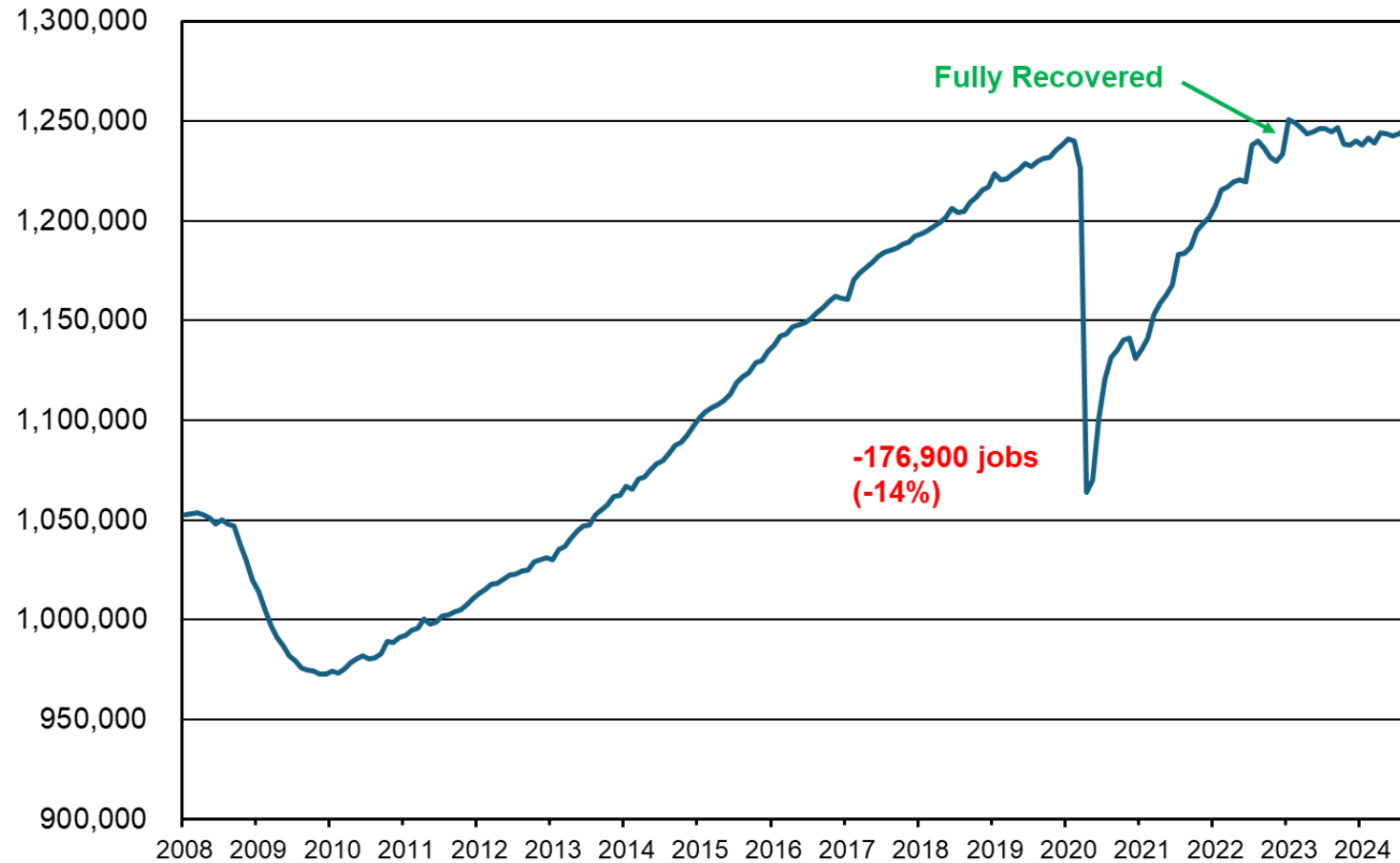
- By industry and region
- Potential impacts on workers and employers
- Potential impacts to Oregon
- Attracting and retaining workers in a tight labor market
- Population and labor force outlook

# EMPLOYMENT TRENDS IN THE PORTLAND AREA

Current Employment Statistics (CES)

**PORTLAND'S TOTAL EMPLOYMENT IS 0.6% ABOVE FEBRUARY 2020, OR 7,200 JOBS.**

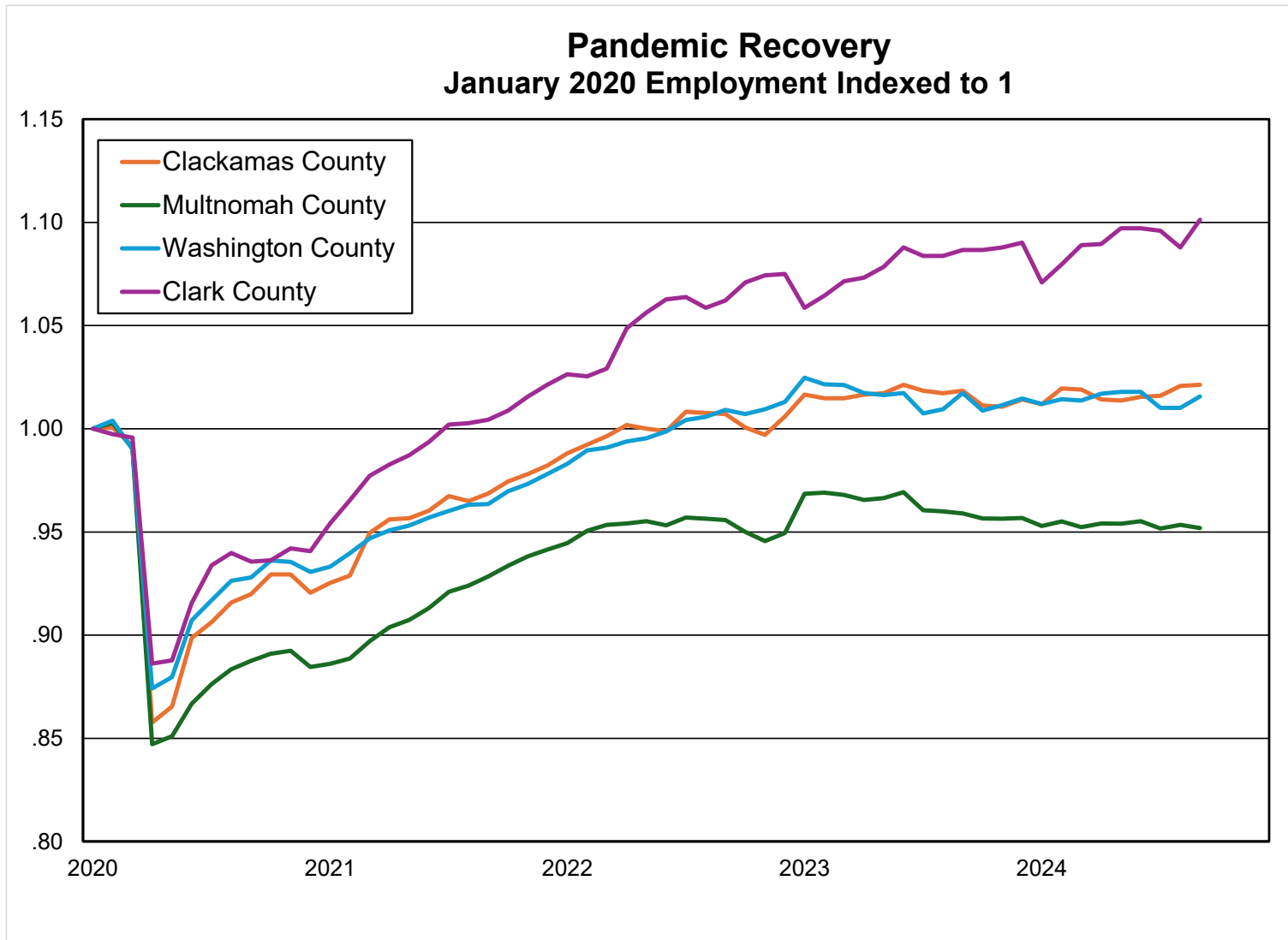
### Portland Metropolitan Area's Total Nonfarm Employment



Source: Oregon Employment Department



# RECOVERY DIFFERS WIDELY BY COUNTY



Clark County recovered first and is now 10% above pre-pandemic employment levels.

Multnomah has yet to fully recover, down 5% from pre-pandemic employment levels.

Clackamas and Washington made a full recovery in early 2022 and are now about 2% above pre-pandemic levels.

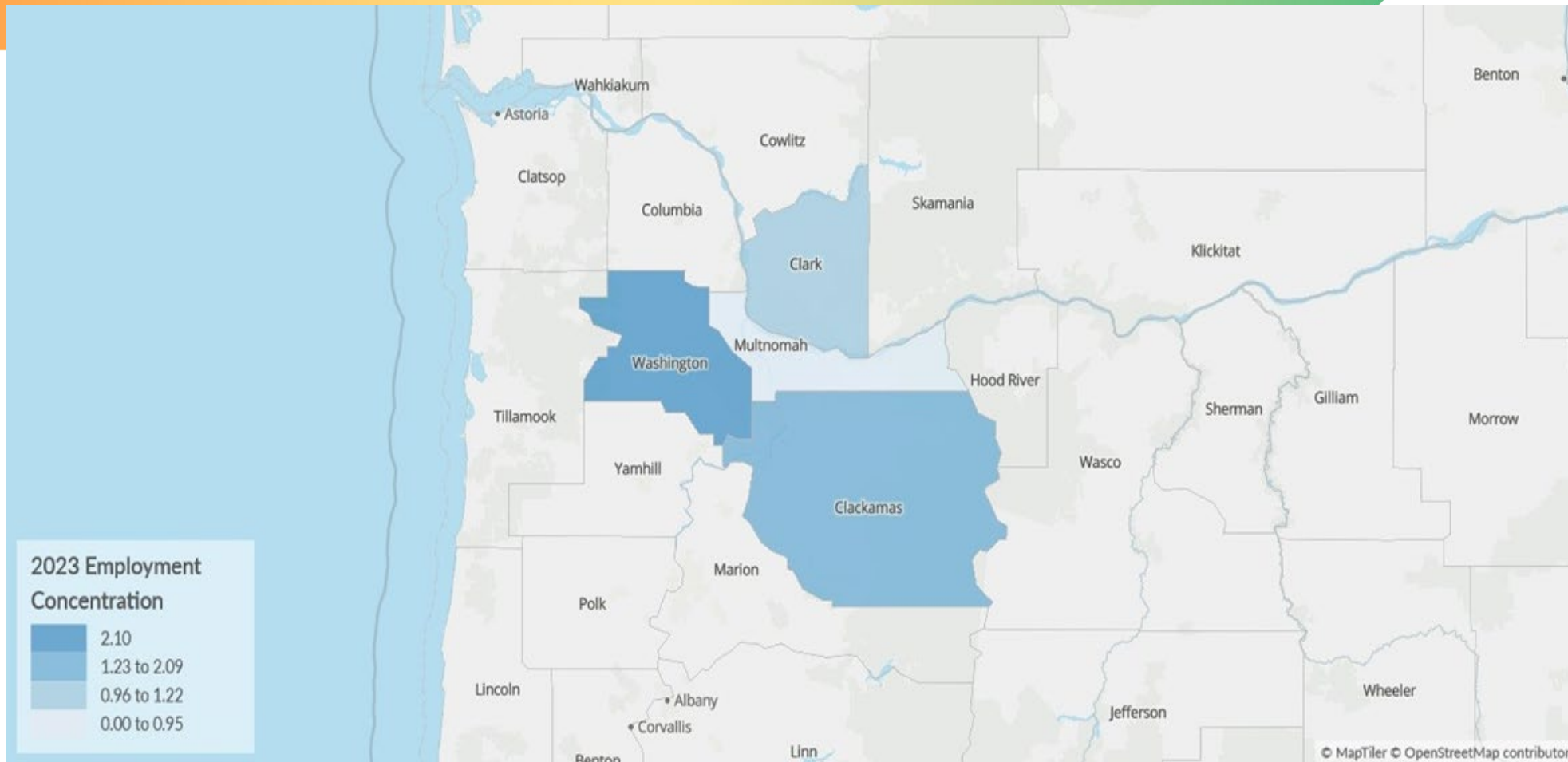
# MANUFACTURING IN THE PORTLAND AREA

# MANUFACTURING IN THE 4-COUNTY REGION

- 3,800 establishments, 116,00 jobs  
= 9.6% of all jobs
  - Nationally, manufacturing = 8.0% of all jobs
- So nearly 20% more concentrated here than nationally

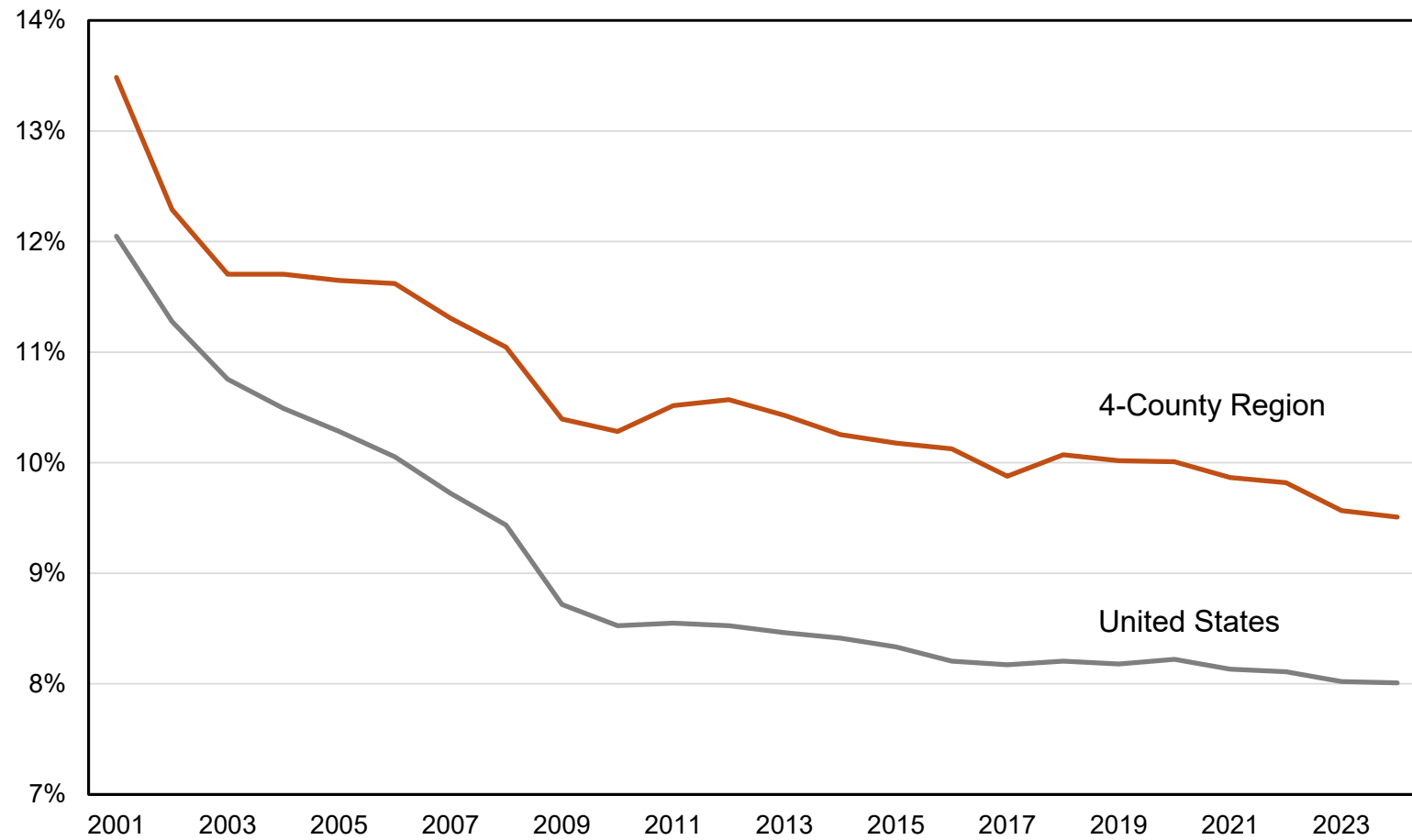
	Location Quotient	2023 Employment	2023 Avg. Wage
Computer and Electronics	4.89	40,300	\$168,664
Primary Metals	1.50	4,200	\$106,769
Machinery	1.10	9,400	\$123,438
Fabricated Metals	1.07	11,600	\$86,148
Nonmetallic Minerals	0.99	3,100	\$88,226
Electrical Equipment	0.74	2,300	\$111,917
Plastics and Rubber	0.59	3,200	\$71,887
Transportation Equipment	0.46	6,200	\$107,211
Nondurable Goods	0.76	28,707	
Manufacturing, total	1.19	116,300	\$117,800
<i>Source: Lightcast</i>			

# MOST CONCENTRATED IN WASHINGTON COUNTY, LEAST CONCENTRATED IN MULTNOMAH



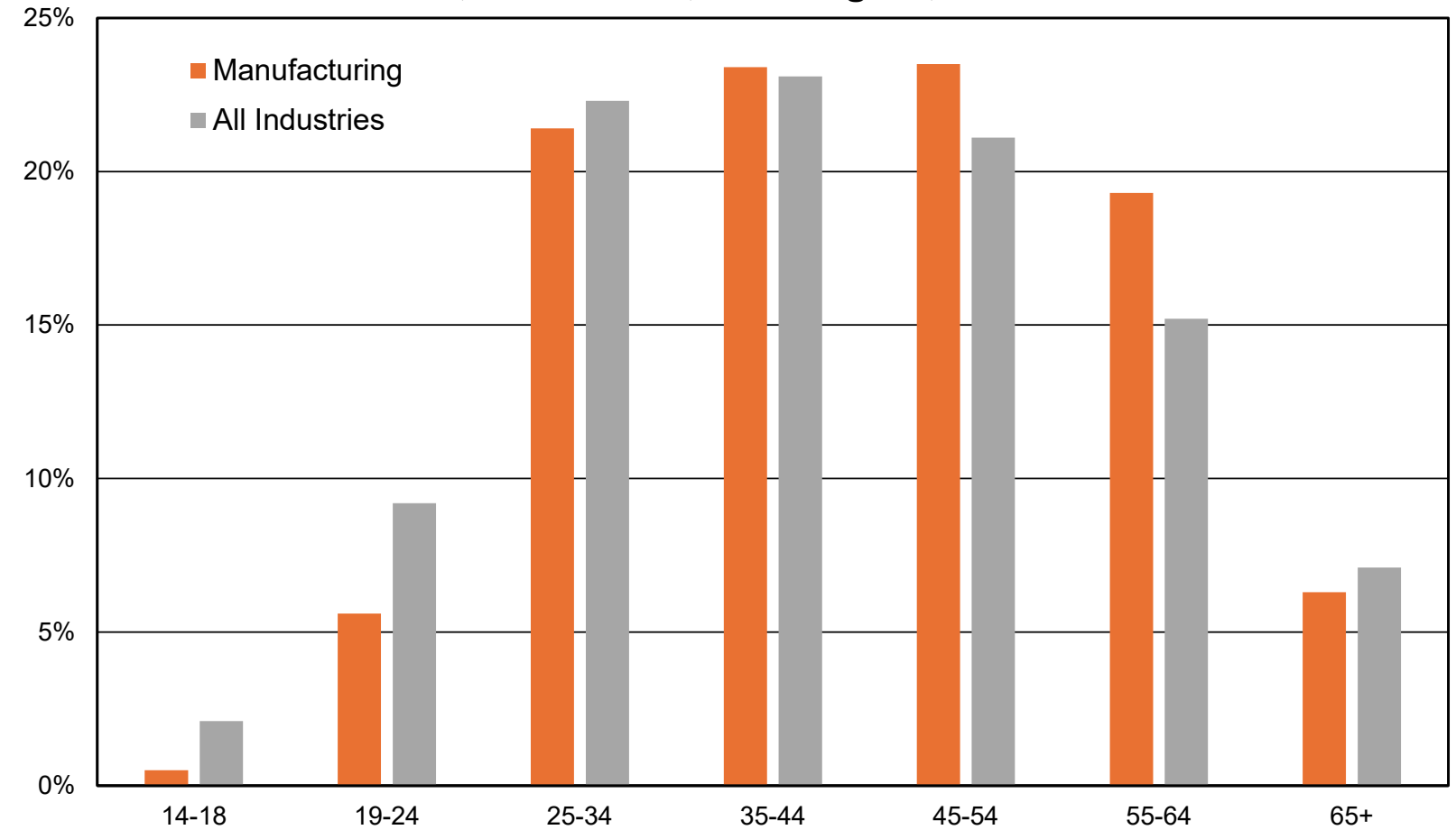
Source: Lightcast

## Manufacturing Share of Total Employment



Source: Lightcast

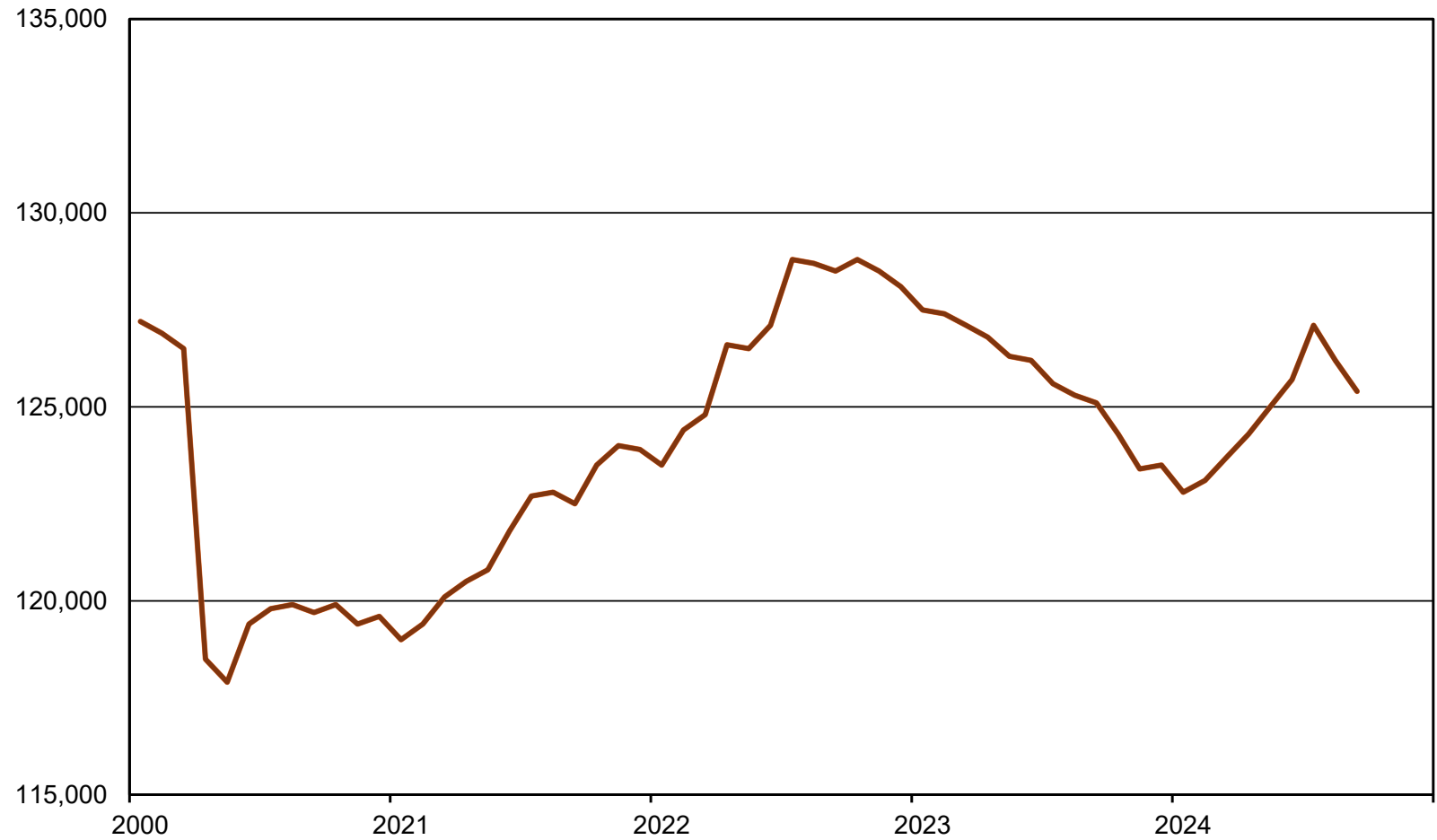
## Manufacturing Workforce by Age Clackamas, Multnomah, Washington, Clark Counties



Source: Lightcast

<b>Workforce 55+</b>		
Clackamas, Multnomah, Washington, Clark Counties		
	Share	Number
Agriculture, Forestry, Fishing and Hunting	34%	219
Mining, Quarrying, and Oil and Gas Extraction	33%	51
Real Estate and Rental and Leasing	26%	412
<b>Manufacturing</b>	<b>26%</b>	<b>5,778</b>
Other Services	25%	15,163
Utilities	25%	6,479
Wholesale Trade	25%	6,496
Finance and Insurance	23%	4,786
Transportation and Warehousing	23%	2,028
Administrative and Support a Services	23%	4,569
Government	23%	1,600
Health Care and Social Assistance	23%	6,296
Retail Trade	22%	4,077
Educational Services	22%	3,564
Construction	21%	1,624
Professional, Scientific, and Technical Services	20%	13,166
Management of Companies and Enterprises	19%	484
Arts, Entertainment, and Recreation	18%	1,994
Information	17%	3,690
Accommodation and Food Services	17%	15,645
<b>All Industries</b>	<b>22%</b>	<b>270,283</b>
<i>Source: Lightcast</i>		

### Manufacturing Employment, Portland Metro Area (not seasonally adjusted)



In 2023, manufacturing lost about 5,000 jobs.

Semiconductors: -1,700

Metals: -1,100

Machinery: -1,100

Nondurables: -1,100

Source: Oregon Employment Department

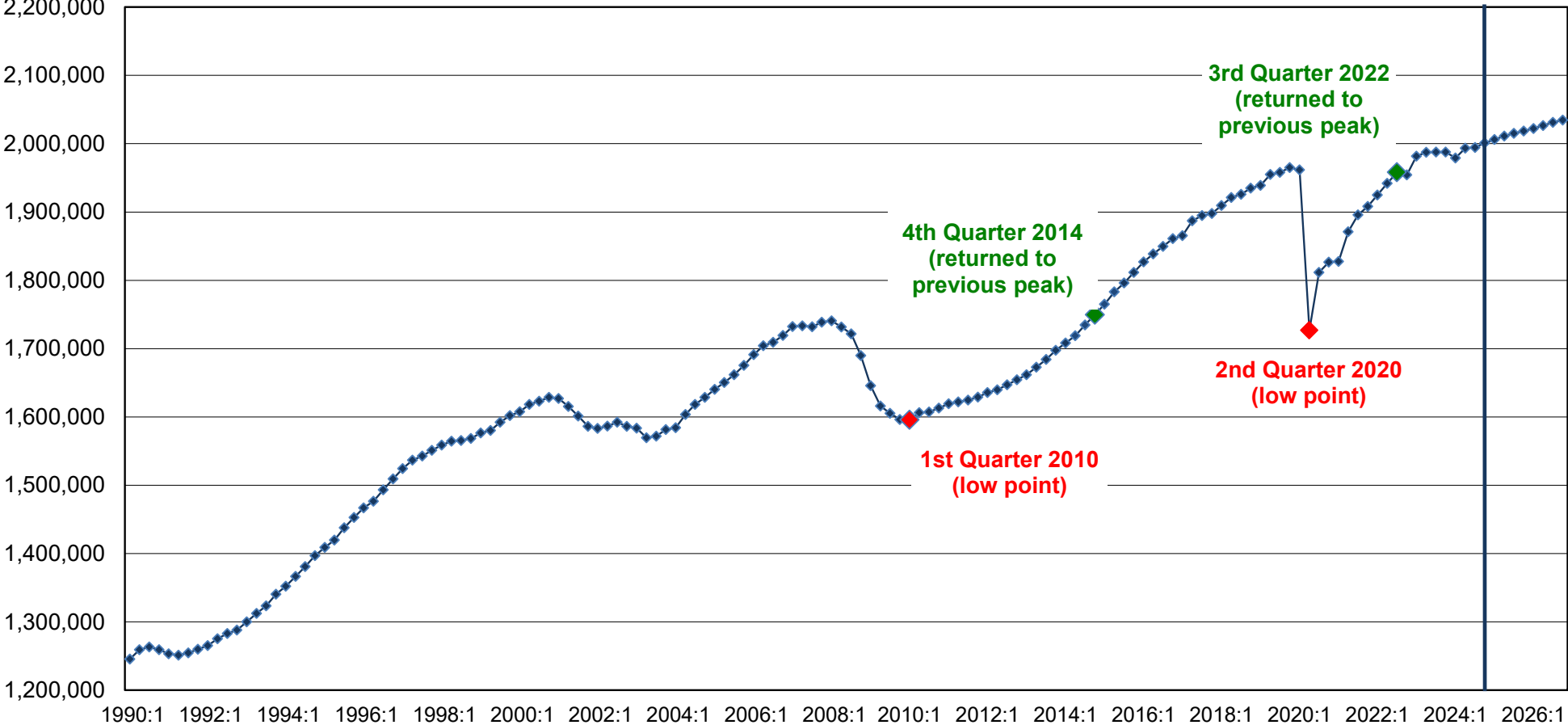


# OUTLOOK

The Quarterly Forecast from the Oregon Office of  
Economic Analysis

Oregon Employment Department Projections

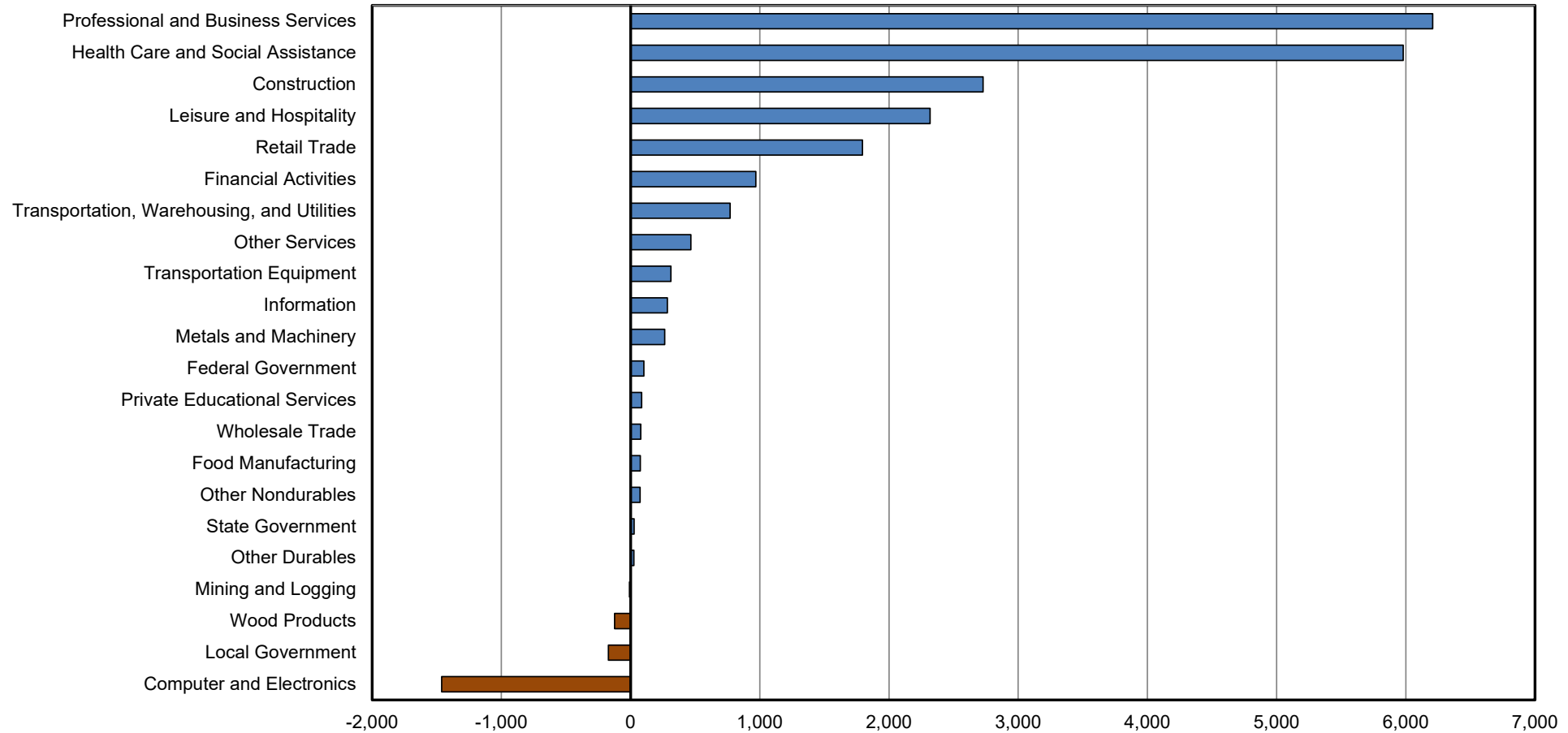
### Oregon Nonfarm Payroll Employment Quarterly History and Projection, 1990-2026



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

# OEA EXPECTS OREGON TO GAIN 20,800 JOBS OVER THE NEXT YEAR.

## Expected Job Changes by Industry Sector Over The Year (3Q2024 - 3Q2025)



Source: Oregon Employment Department analysis using Oregon Office of Economic Analysis Forecast, September 2024

# LONG TERM PROJECTIONS

<b>2022-2032</b>		
	Manufacturing	All Industries
Portland TriCounty (Clackamas, Multnomah, Washington)	8.4%	12.1%
Southwest Washington (Clark, Cowlitz, Wahkiakum)	3.7%	14.1%
United States	-0.9%	2.8%
<b>2023-2033</b>		
Portland TriCounty	7.2%	12.1%
United States	0.8%	4.0%

- Clark County is about 2/3rds of Southwest Washington
- Tri County: Continuing pandemic recovery, semiconductors, aerospace (!)
- National: Food and beverage, computer equipment, chemicals, electrical equipment
- 2023-2033 Tri County projections preliminary. Will be released late 2024/early 2025

Source: Oregon Employment Department; Bureau of Labor Statistics

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