

Lane County Board of Commissioners Economic Update

Henry Fields

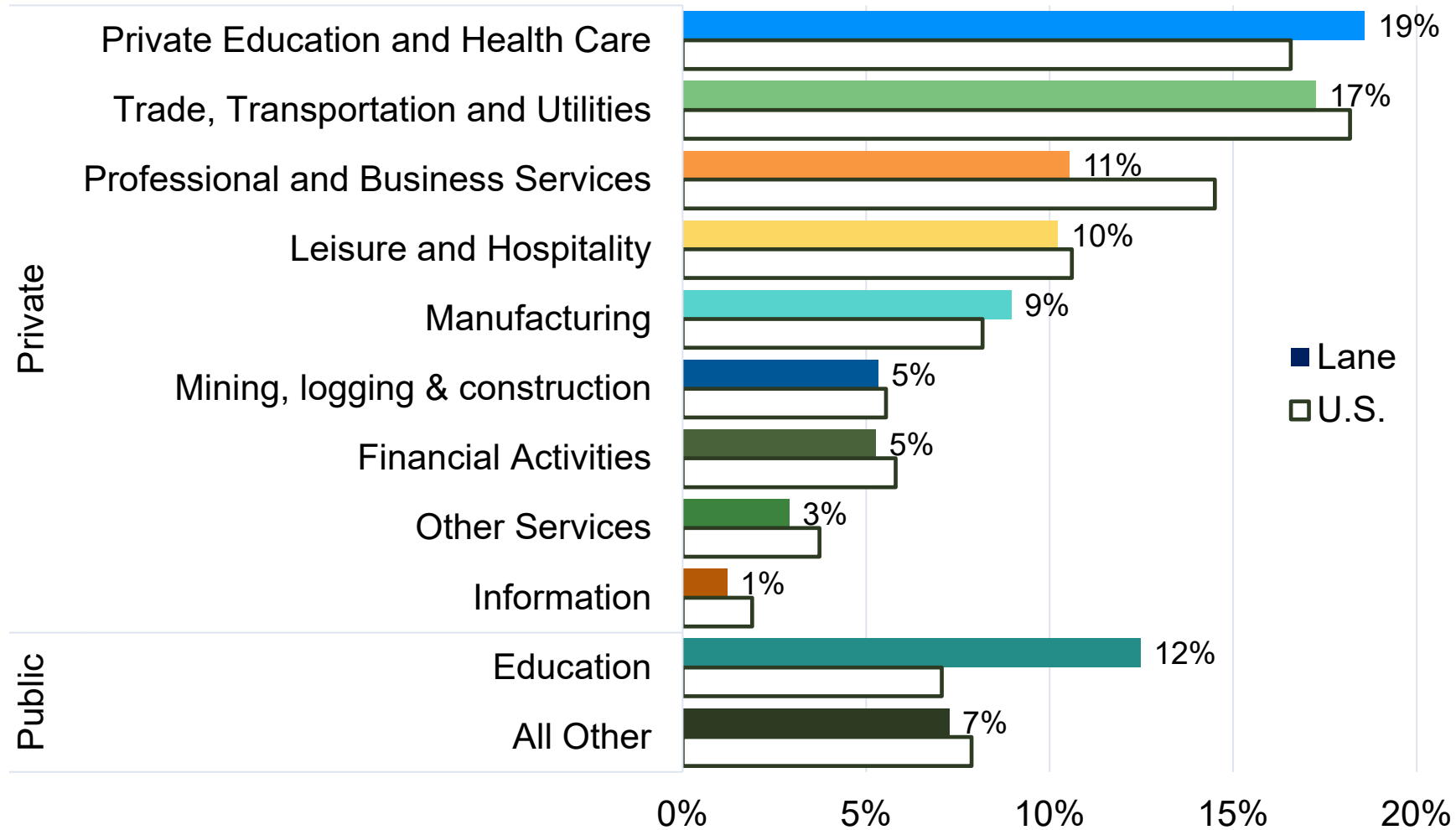
Lane & Douglas Workforce Analyst,
Oregon Employment Department

December 10th, 2024

What are Lane's key sectors?

Lane has a diverse economy with multiple base industries

Employment by Industry, Apr. 2024
Not Seasonally Adjusted



Greater concentration in:

- Private education and health care
- Manufacturing
- Public education

Less concentration in:

- Professional services
- Information

Source: Oregon Employment Department, Current Employment Statistics

Lane Workforce Partnership's sector strategies approach

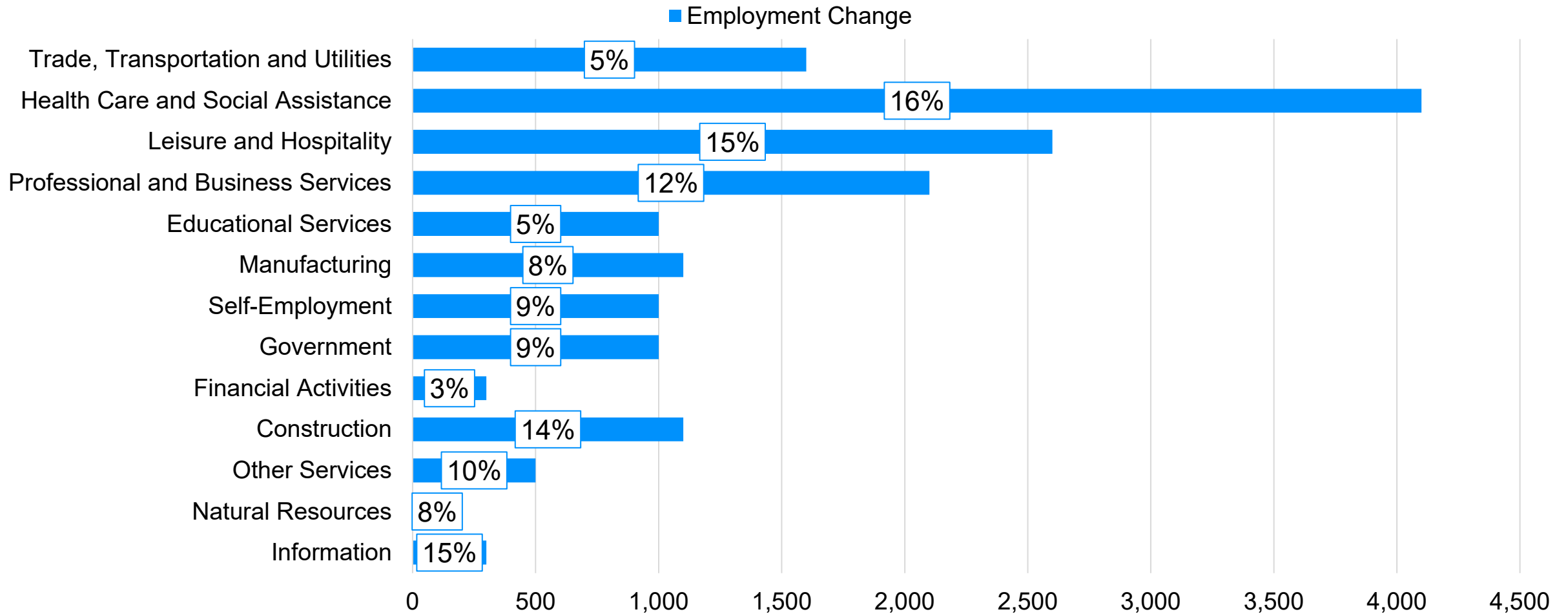
Employment and Wages in Lane County Sectors, Annual Average 2023

Industry	Establishments	Annual Average Employment	Total Wages	Average Wage
All Industries	14,202	157,204	8,853,706,374	\$56,320
Bioscience	190	1,473	\$131,197,575	\$89,068
Child Care	146	1,030	\$31,296,005	\$30,392
Construction Aggregate	1,331	8,188	\$544,377,367	\$66,485
Creative Sector	716	3,477	\$193,074,860	\$55,525
Food and Beverage	188	4,291	\$238,671,063	\$55,621
Health Care	1,167	21,782	\$1,576,768,392	\$72,389
Leisure and Hospitality	1,293	18,410	\$466,293,129	\$25,329
Tech	749	3,714	\$368,701,170	\$99,273
Transportation	211	2,548	\$143,975,137	\$56,505
Wood Products	223	5,818	\$386,699,636	\$66,466

Source: Oregon Employment Department, Quarterly Census of Employment and Wages

All major industries are projected to add jobs over 10 years

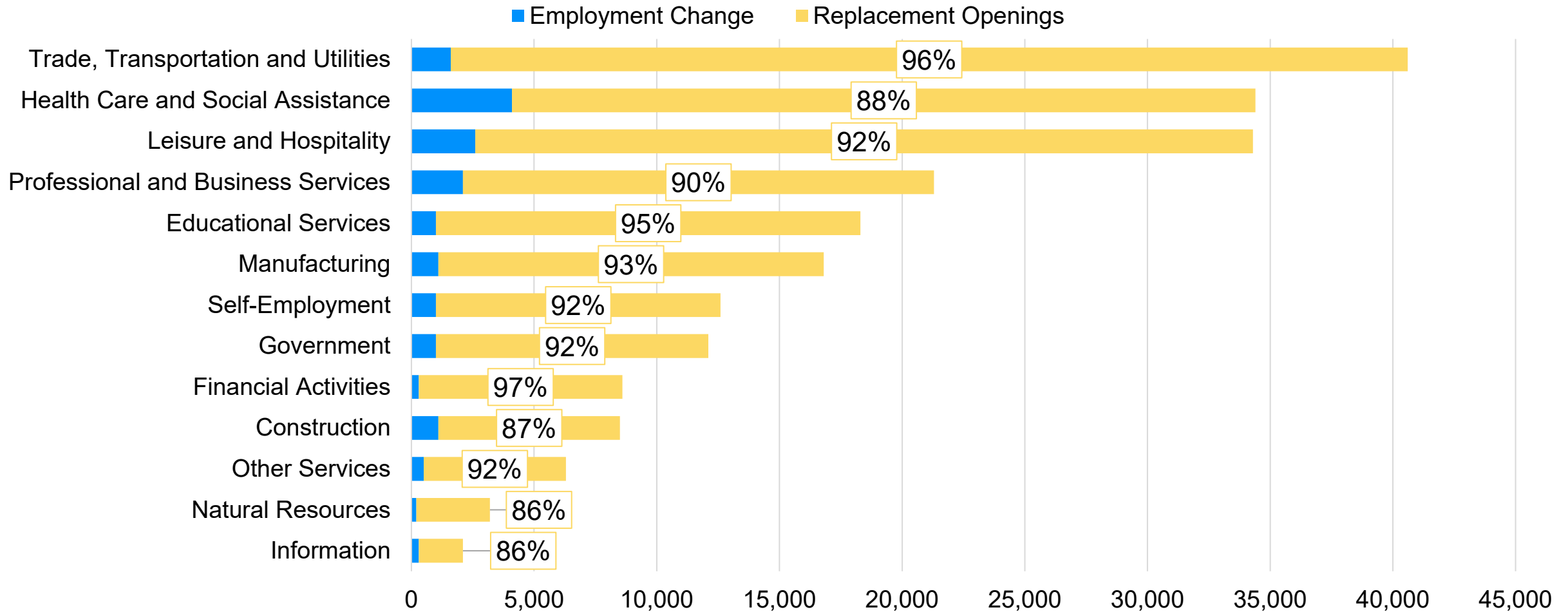
Projected Employment Change, Lane County 2022-2032



Source: Oregon Employment Department, 2022-2032 Industry Employment Projections

Most job openings are due to replacement needs

Projected Employment Change, Lane County 2022-2032

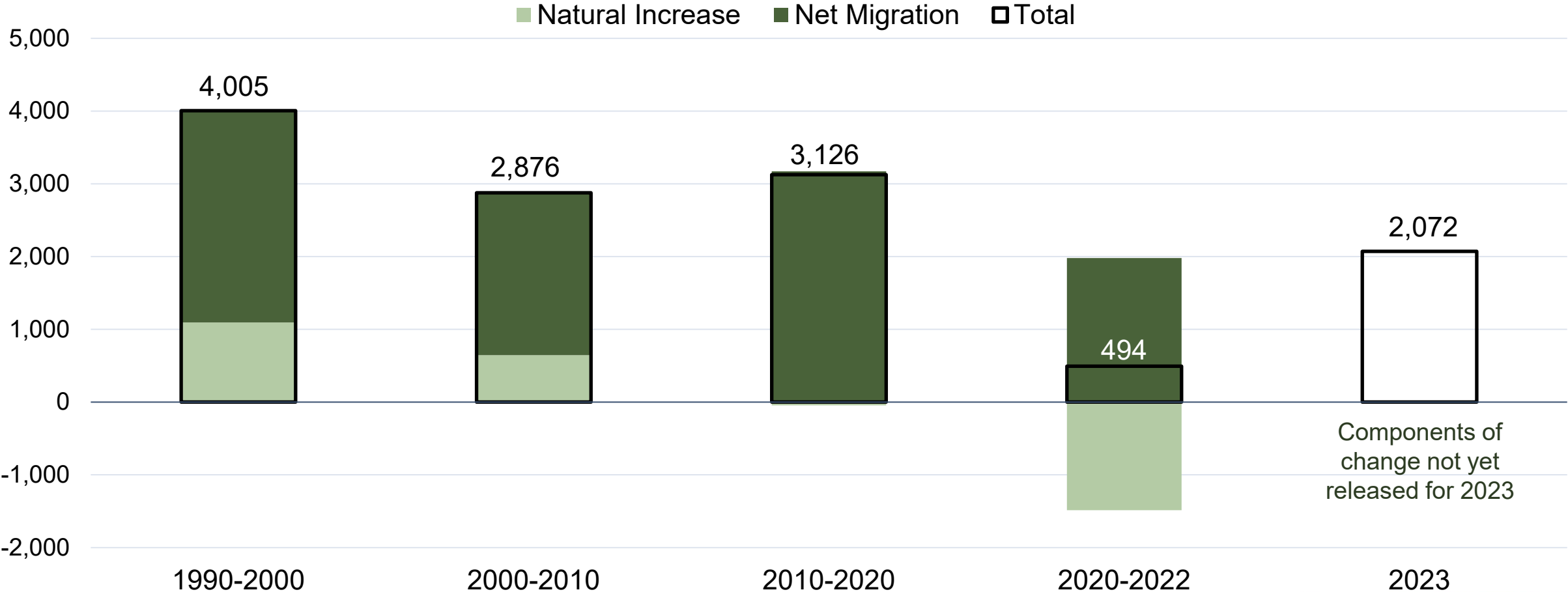


Source: Oregon Employment Department, 2022-2032 Industry Employment Projections

What demographic trends
impact Lane's workforce?

Lane depends on migration for population growth

Lane County Annual Population Change 1990-2022 Annual Averages



Source: U.S. Census Bureau and Portland State University, Population Research Center

The workforce continues aging, in Oregon and the U.S.

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%

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

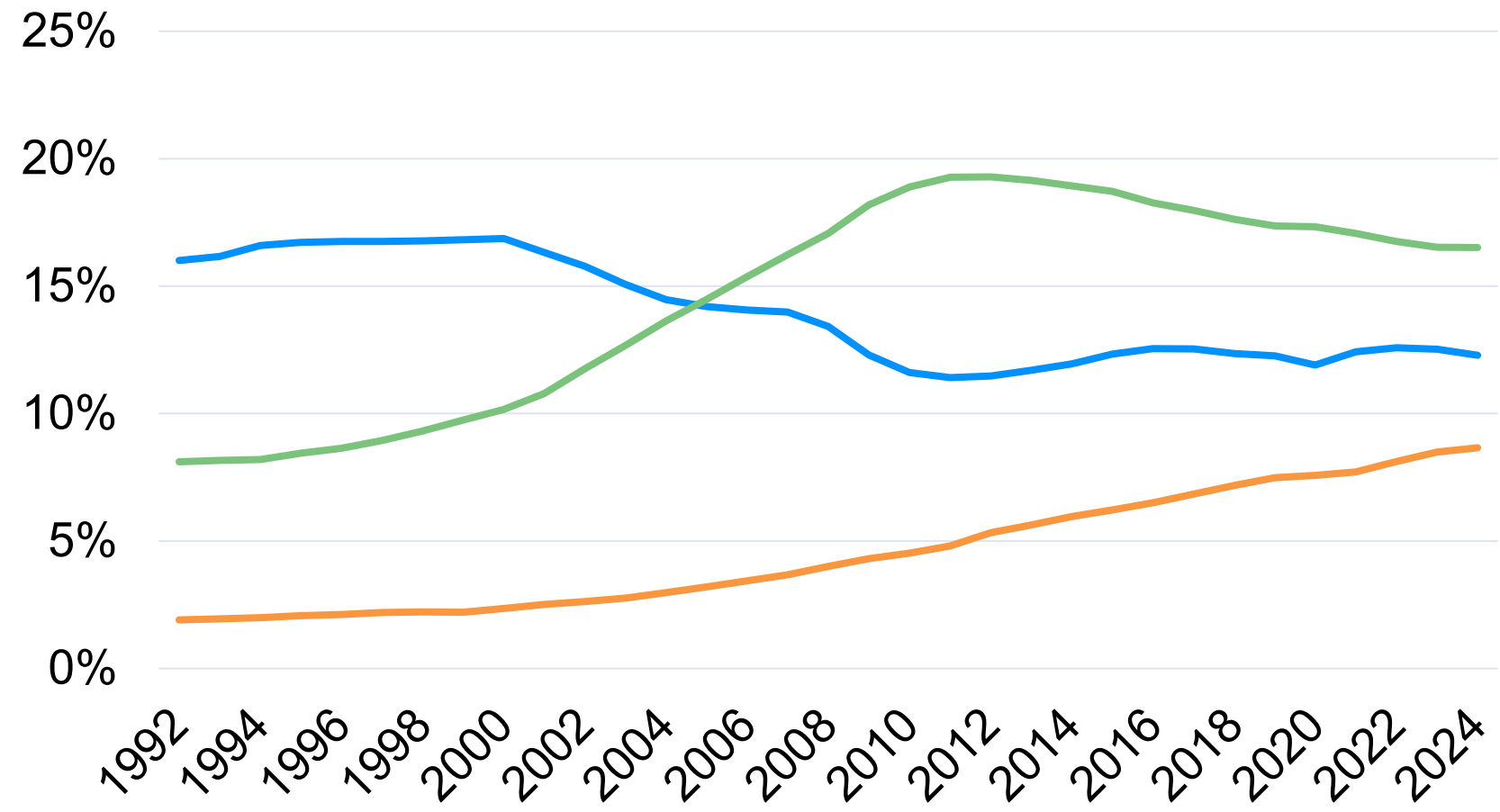
By 2022, nearly one-fourth of all jobs in Oregon and the U.S. were held by workers 55+ years old.

*Source: U.S. Census Bureau
Quarterly Workforce Indicators*

There are fewer young workers in Lane, and more workers 65+

Percentage of Workforce by Age, Lane County 1992-2024

— Under 24 — 55-64 — 65+



Declining workforce participation for young people is multifaceted, and replicated nationwide.

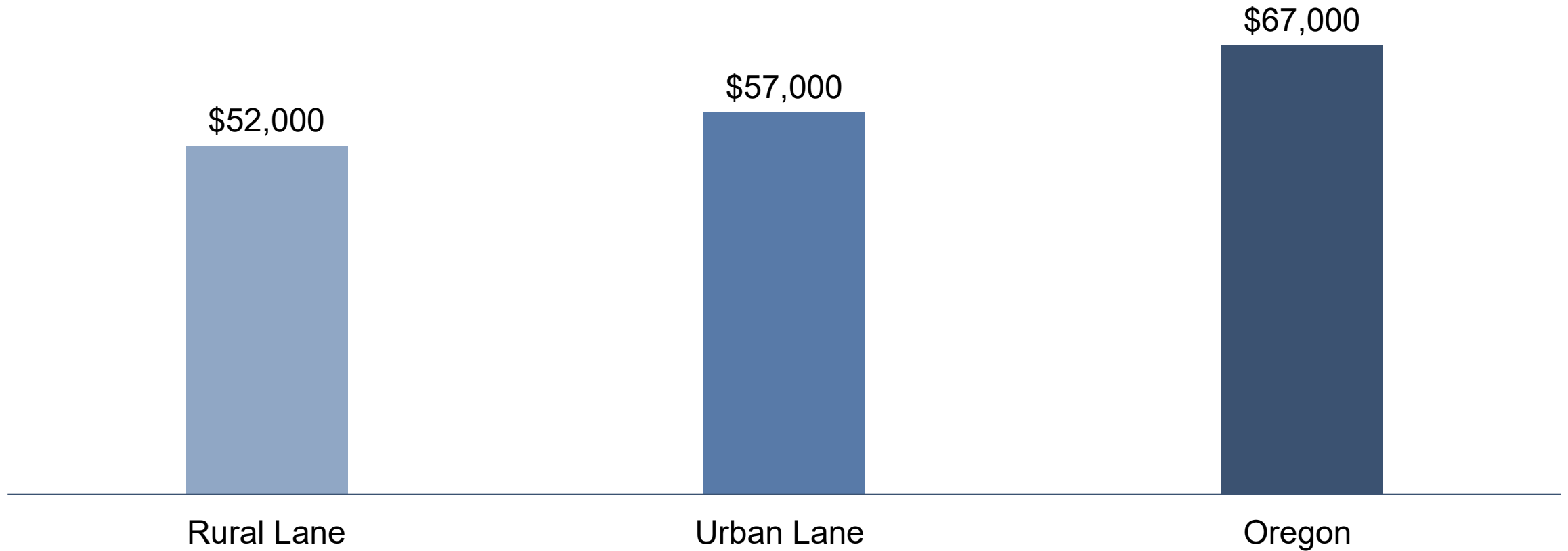
The number of older workers is also not unique to Lane, and represents a growing segment of the population as well as cost pressures and voluntary choice.

Source: U.S. Census Bureau Quarterly Workforce Indicators

What differences exist between rural and urban Lane County?

Rural Lane County has lower average wages

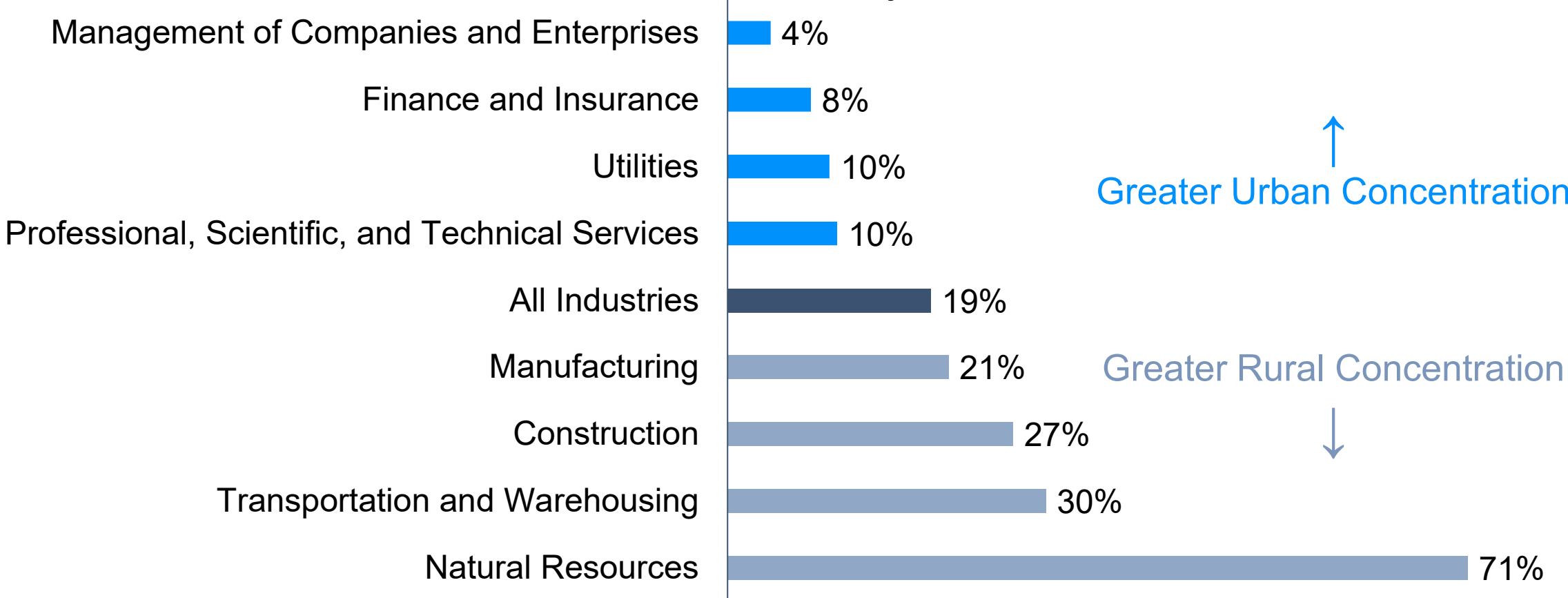
Average Wage
2023



Source: Oregon Employment Department, Geocoded QCEW data

Certain industries are clustered in urban areas

Rural Employment Concentration Lane County, 2023 data

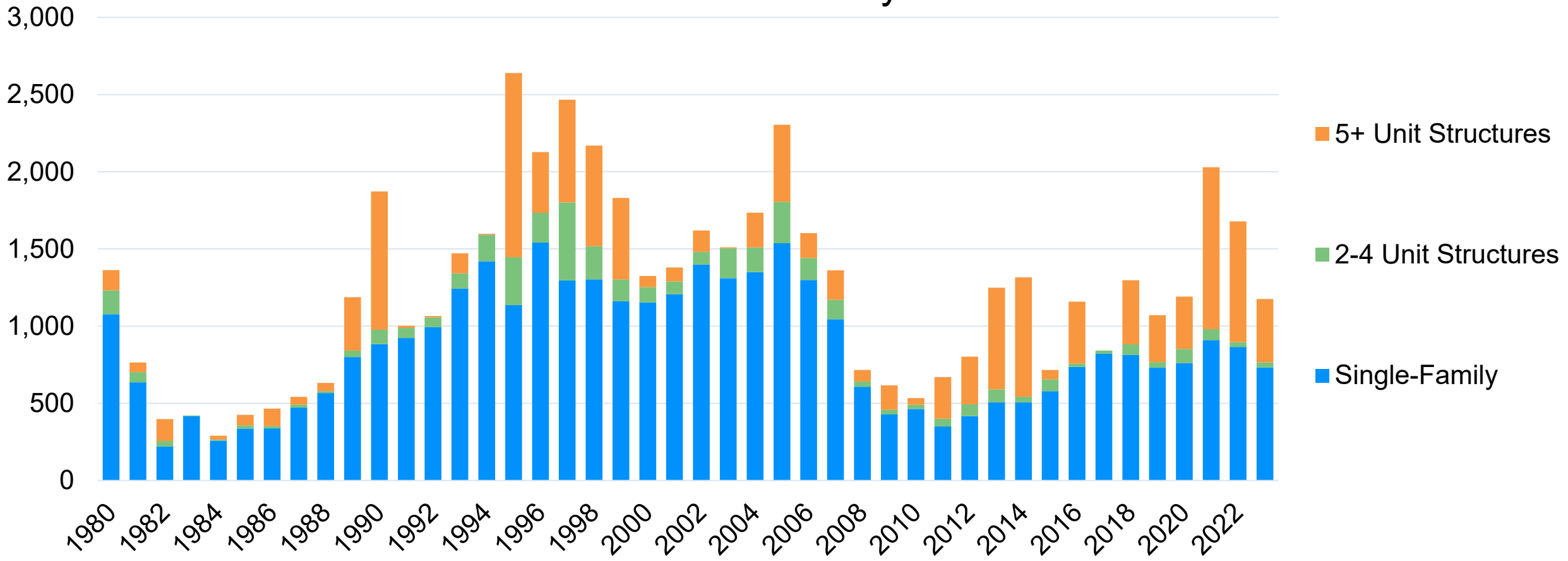


Source: Oregon Employment Department, Geocoded QCEW data
"Urban" in this analysis is considered to be within the Eugene and Springfield UGB

What is the state of housing
affordability in Lane County?

Housing construction lags population growth in recent years

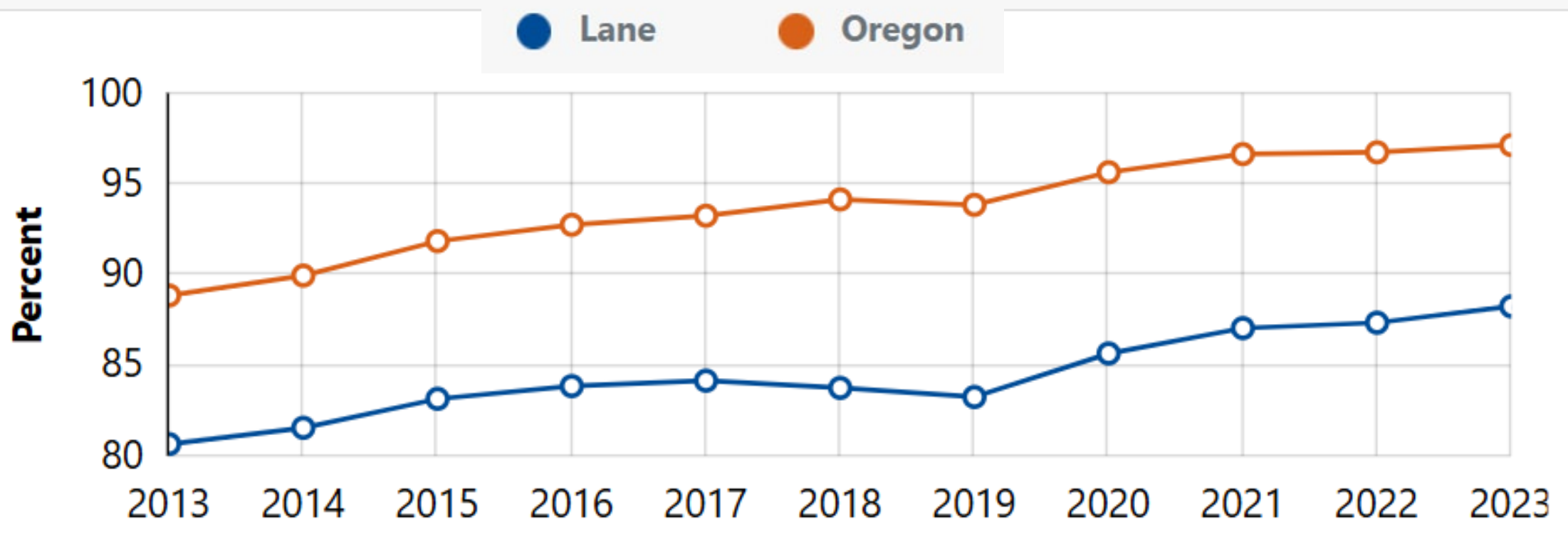
Residential units permitted by structure size Lane County



Source: U.S. Census Bureau Building Permits Survey

The income gap with the U.S. persists but has shrunk in the last 10 years

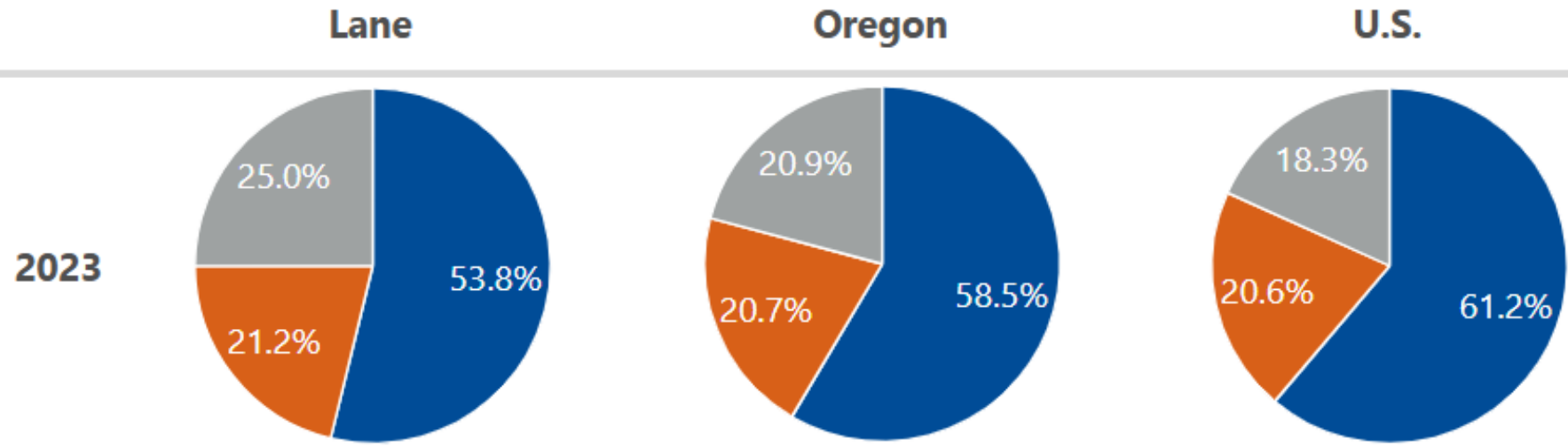
Per Capita Income as a Percent of the United States



Source: Bureau of Economic Analysis [BEARFACTS](#)

The income gap with the U.S. persists but has shrunk in the last 10 years

Percent Contribution to Personal Income

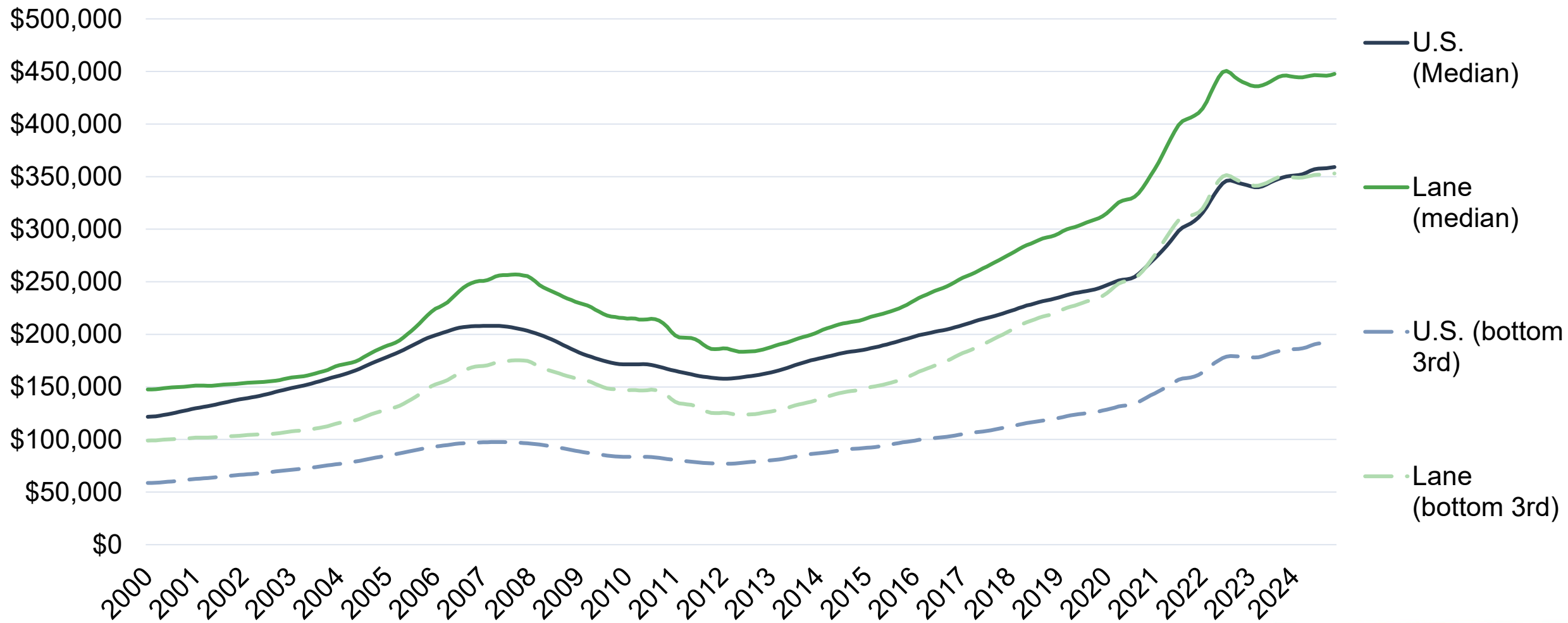


- Net earnings by place of residence
- Dividends, interest, and rent
- Personal current transfer receipts

Source: Bureau of Economic Analysis [BEARFACTS](#)

Housing costs have risen, particularly on the affordable end

Median Housing Value



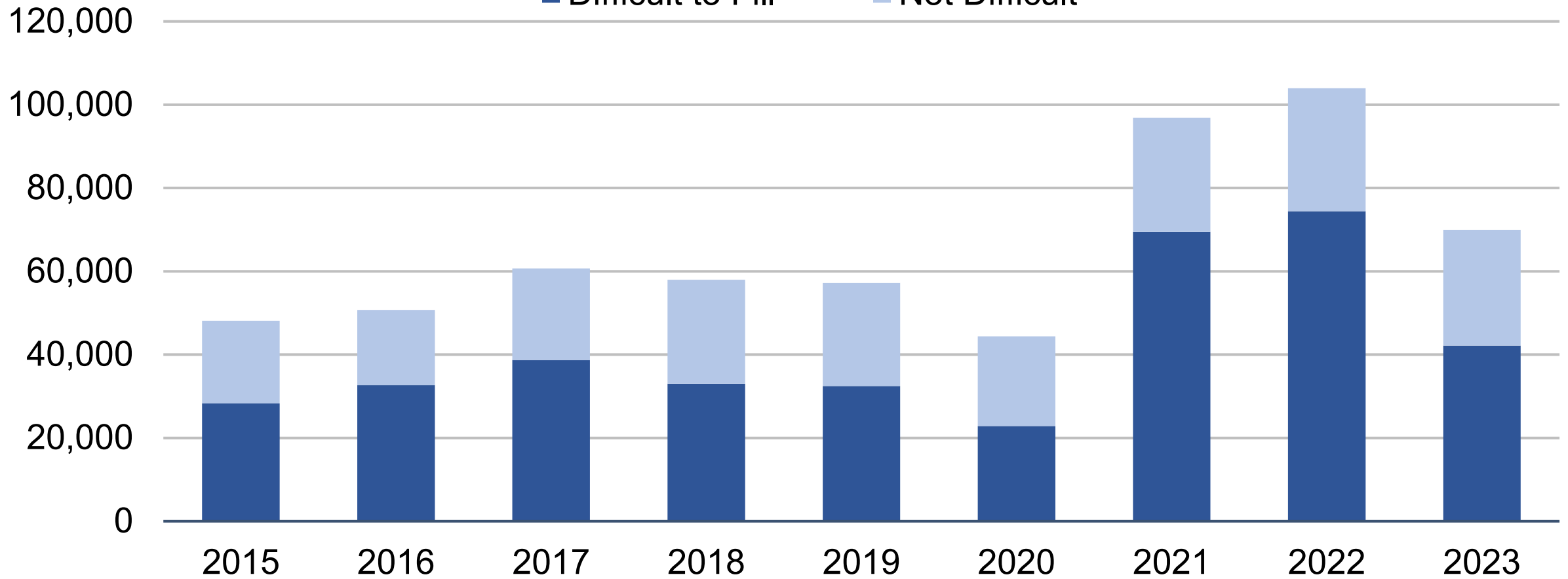
Source: Zillow Research

How difficult is it for
businesses to find workers?

2023 saw fewer job vacancies, but still elevated

Oregon Job Vacancies

■ Difficult to Fill ■ Not Difficult

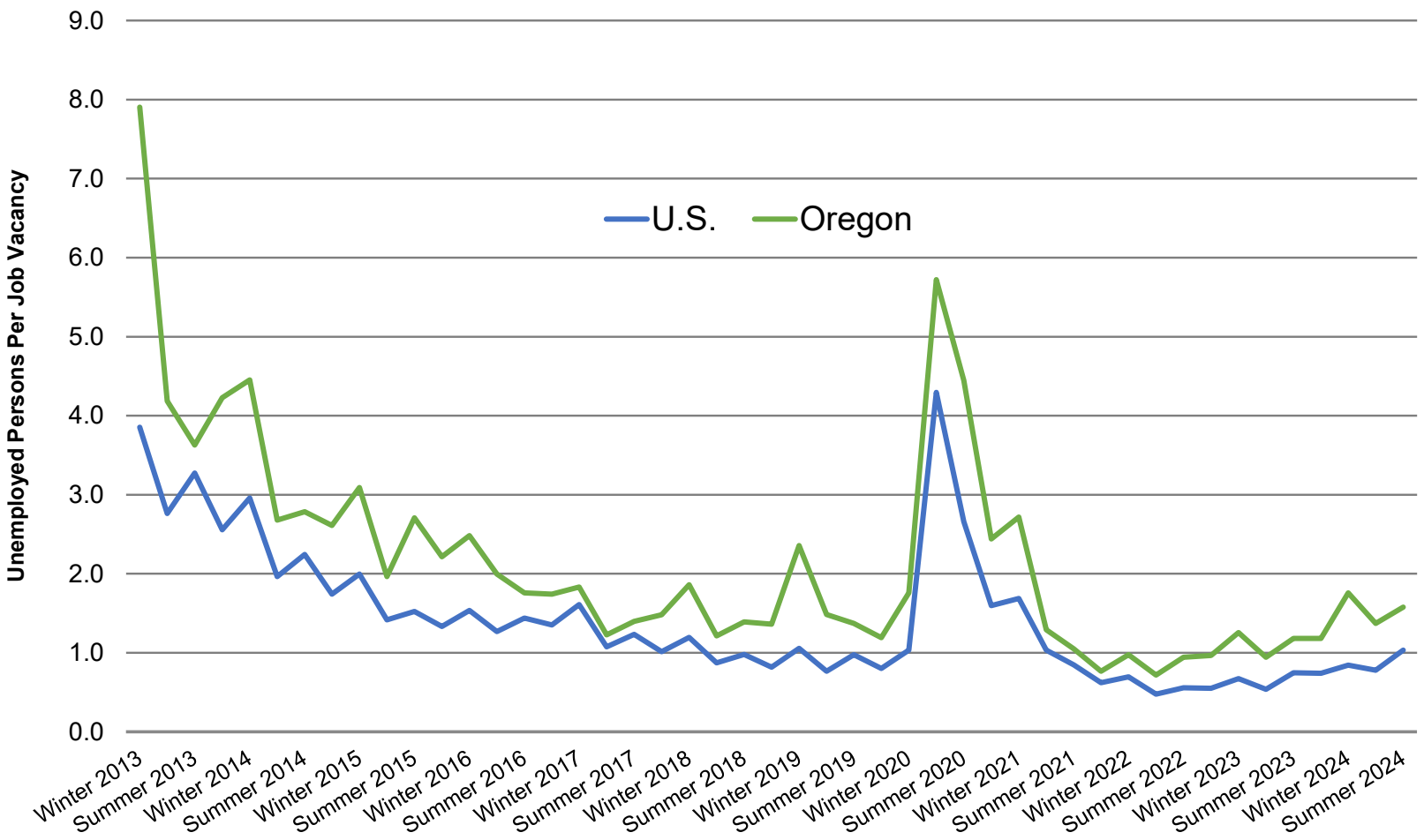


Source: Oregon Employment Department, Job Vacancy Survey

The labor market remains relatively tight

U.S. and Oregon Unemployed to Job Vacancy Ratios Rising Slowly after Record Lows

Job Openings with Private Employers, 2013-2024



The U.S. ratio was 1.0 in July 2024, its 12th straight quarter at or below 1.0. It reached 4.3 in April 2020 after several years around 1-to-1.

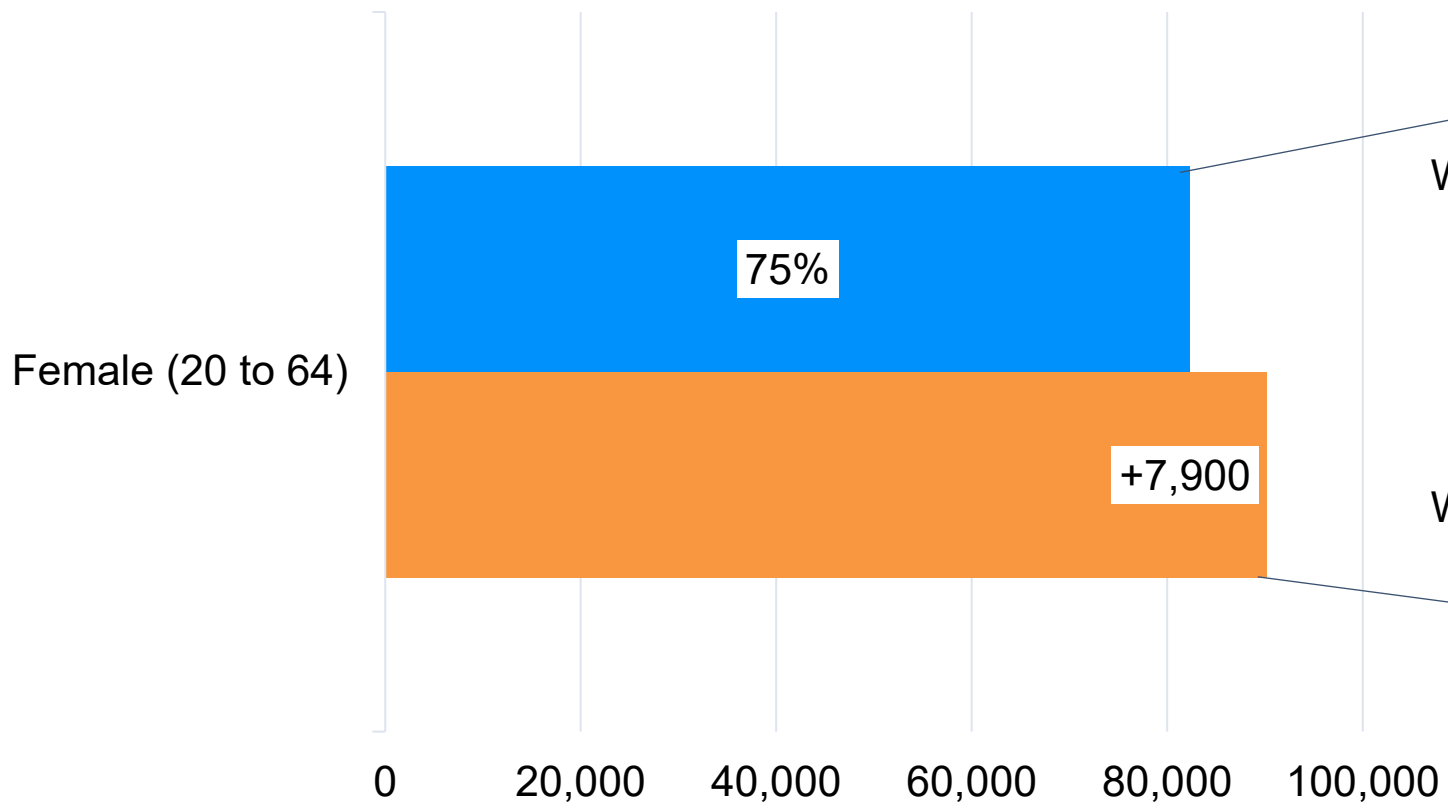
Oregon had about 3 unemployed for every 2 job openings (ratio of 1.6) in summer 2024, still much lower than the peak of 5.7 in May 2020.

Source: Oregon Employment Department

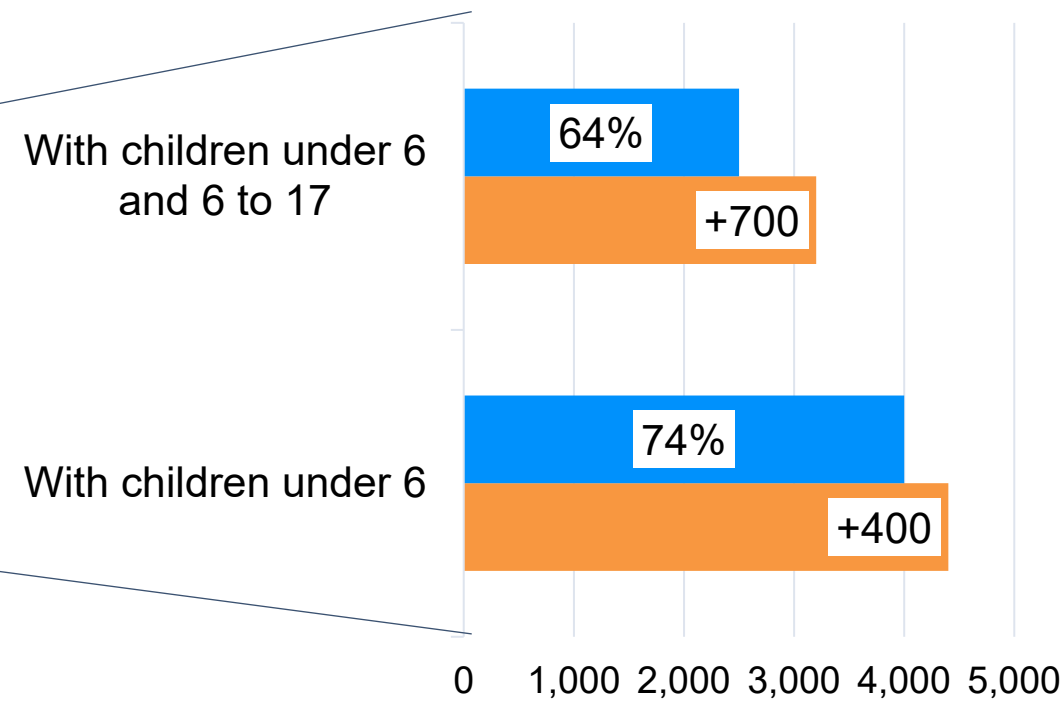
Who's in the labor force, and who could be?

Women's Labor Force Participation Lane County, 2022

■ Labor Force ■ Revised Labor Force



Counterfactual: Equivalent to similar-aged men's LFPR of 82%



Source: Oregon Employment Department, U.S. Census Bureau ACS table S2301

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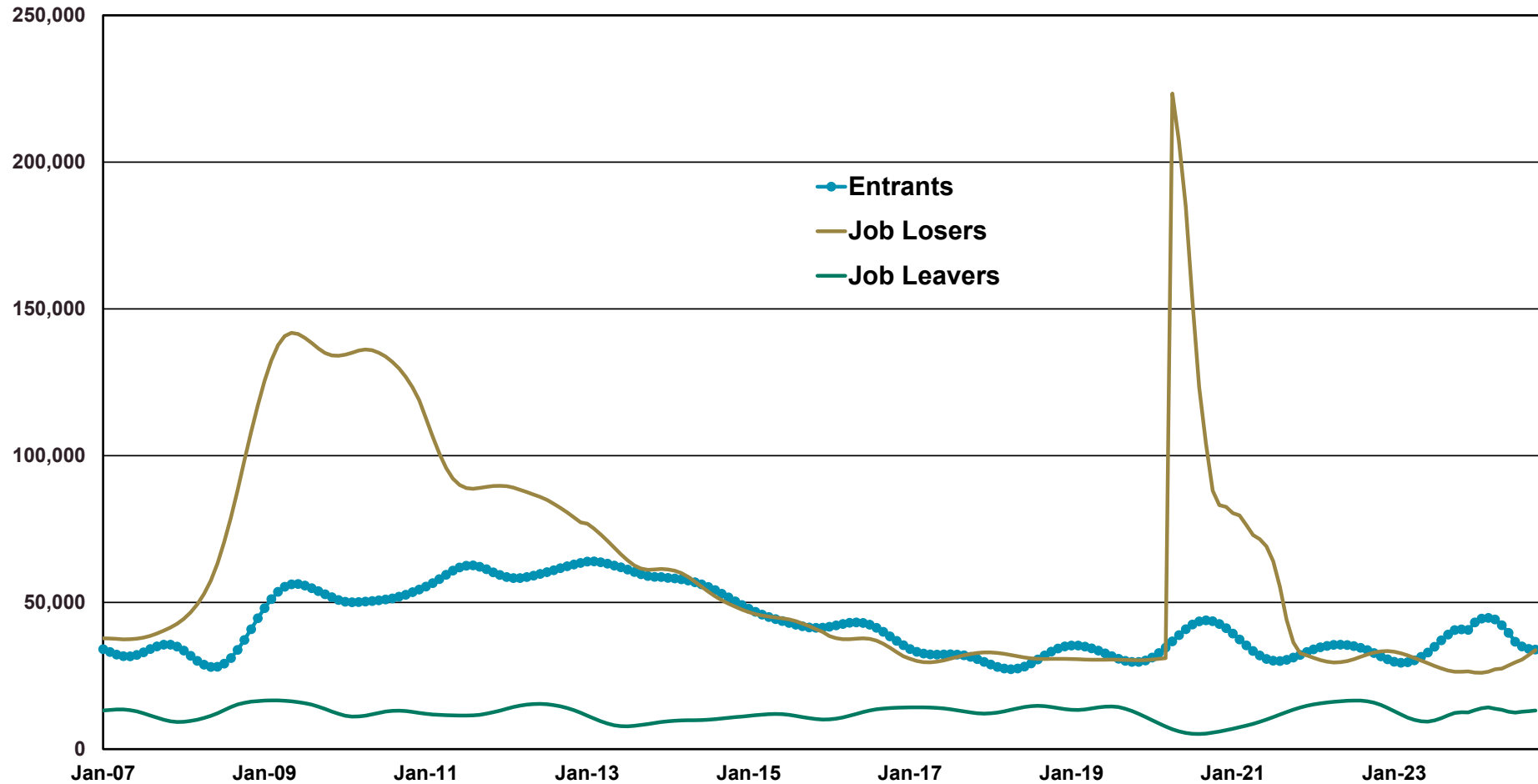
[Recent Publications and Presentations](#)

Additional Slides

Unemployment and Labor Market

Why are Oregonians unemployed?

Oregon Unemployment by Reason [Trend]



New or returning to the workforce
33,900 (42%)

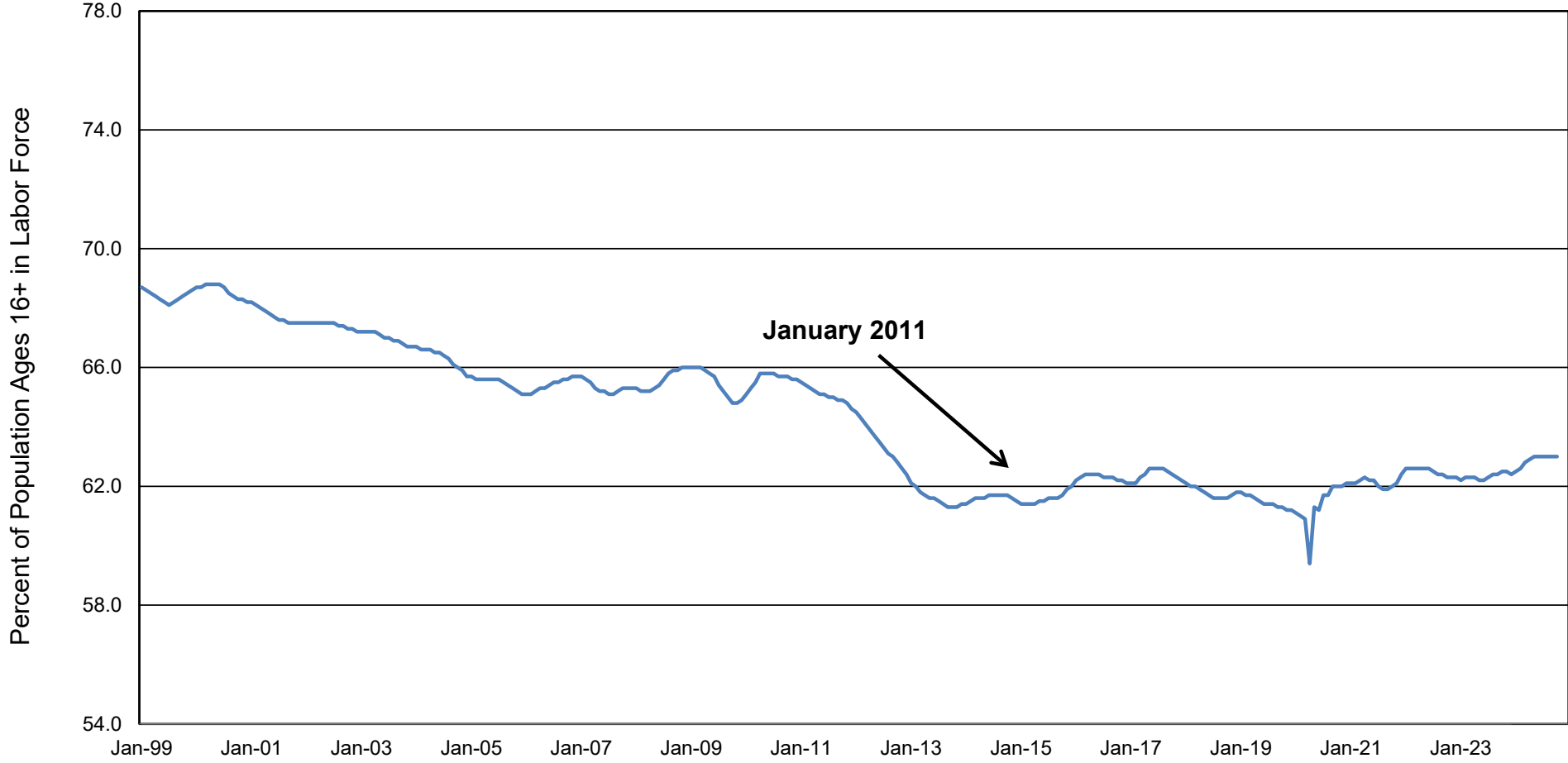
Lost job
33,700 (42%)

Left job voluntarily
13,200 (16%)

Source: Oregon Employment Department, Current Population Survey

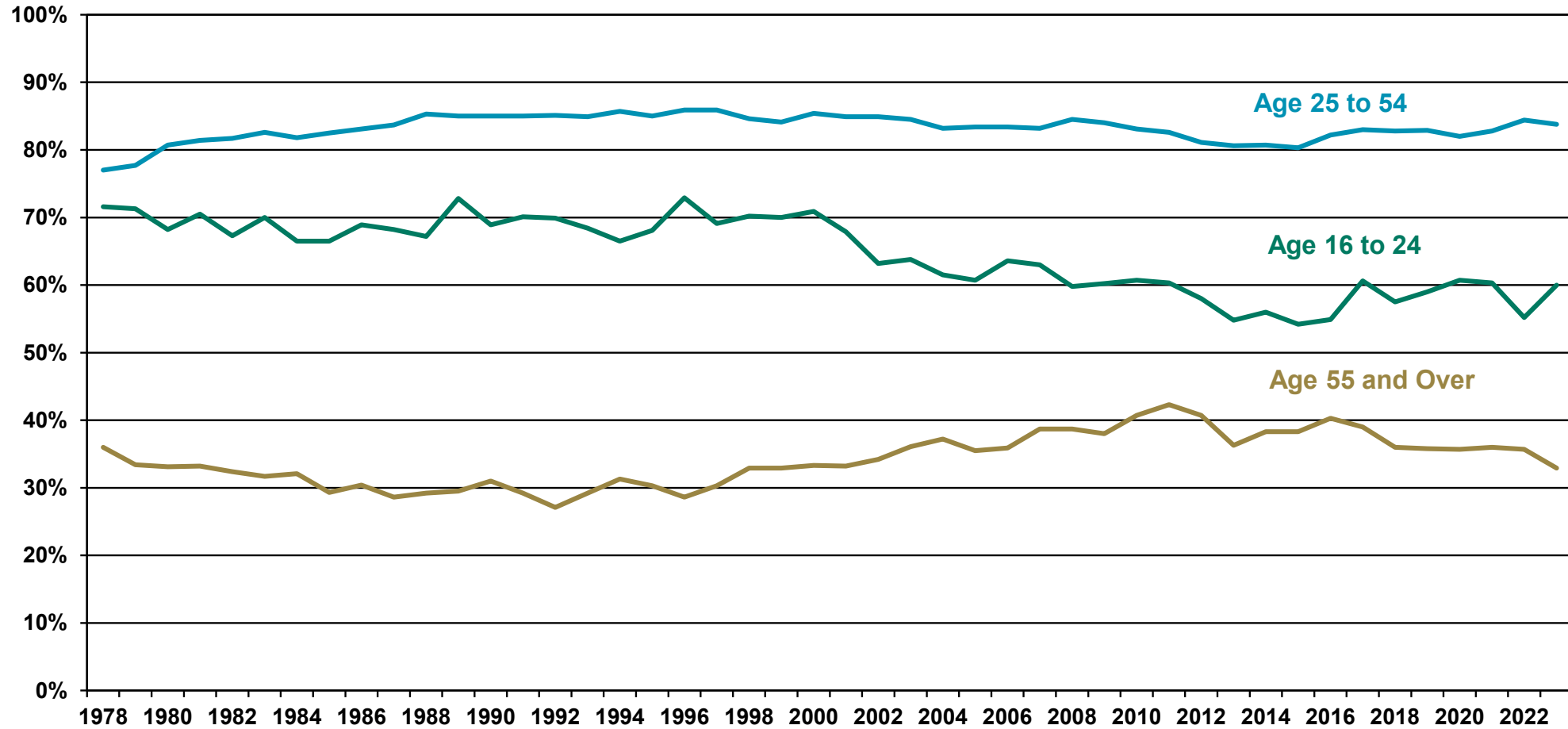
Oregon's labor force participation rate was 63.0% in October.

Oregon Labor Force Participation Rate



Source: Oregon Employment Department, Local Area Unemployment Statistics

Oregon Labor Force Participation Rates by Age Group



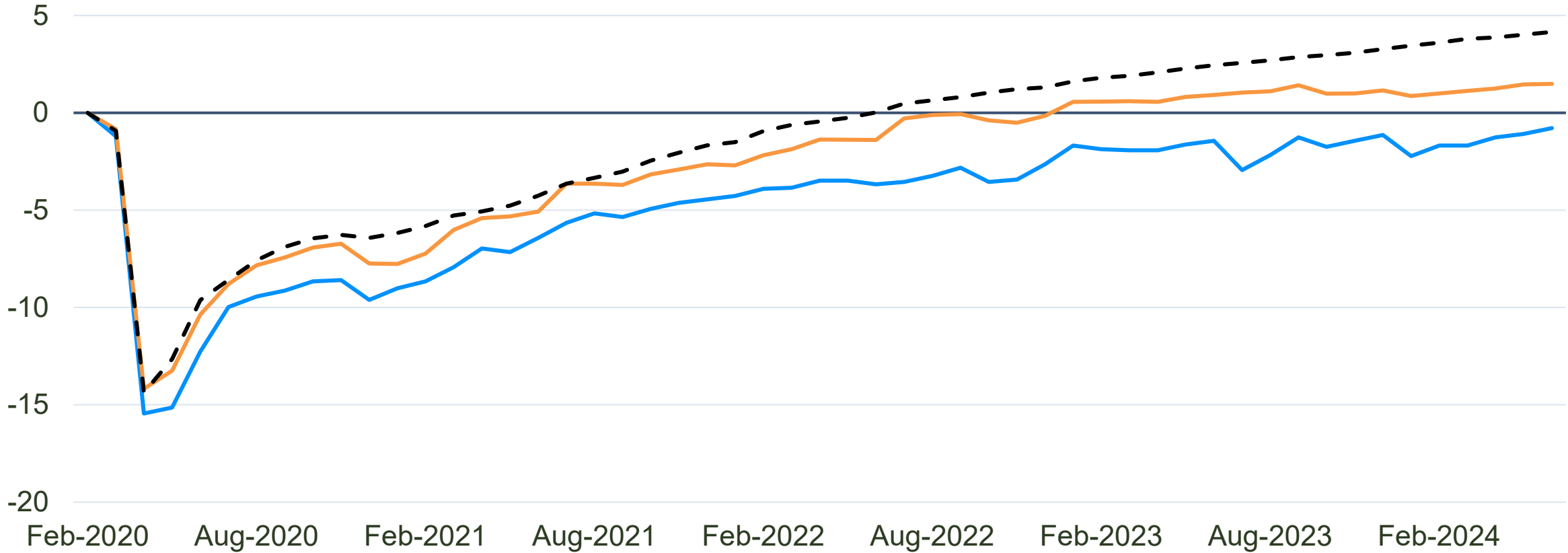
Source: U.S. Bureau of Labor Statistics, Current Population Survey

Employment Trends

Oregon and Lane County are lagging the U.S. jobs recovery

Job Recovery from COVID Recession
Total Nonfarm Employment Index, Feb. 2020 = 0

— Lane — Oregon - - U.S.

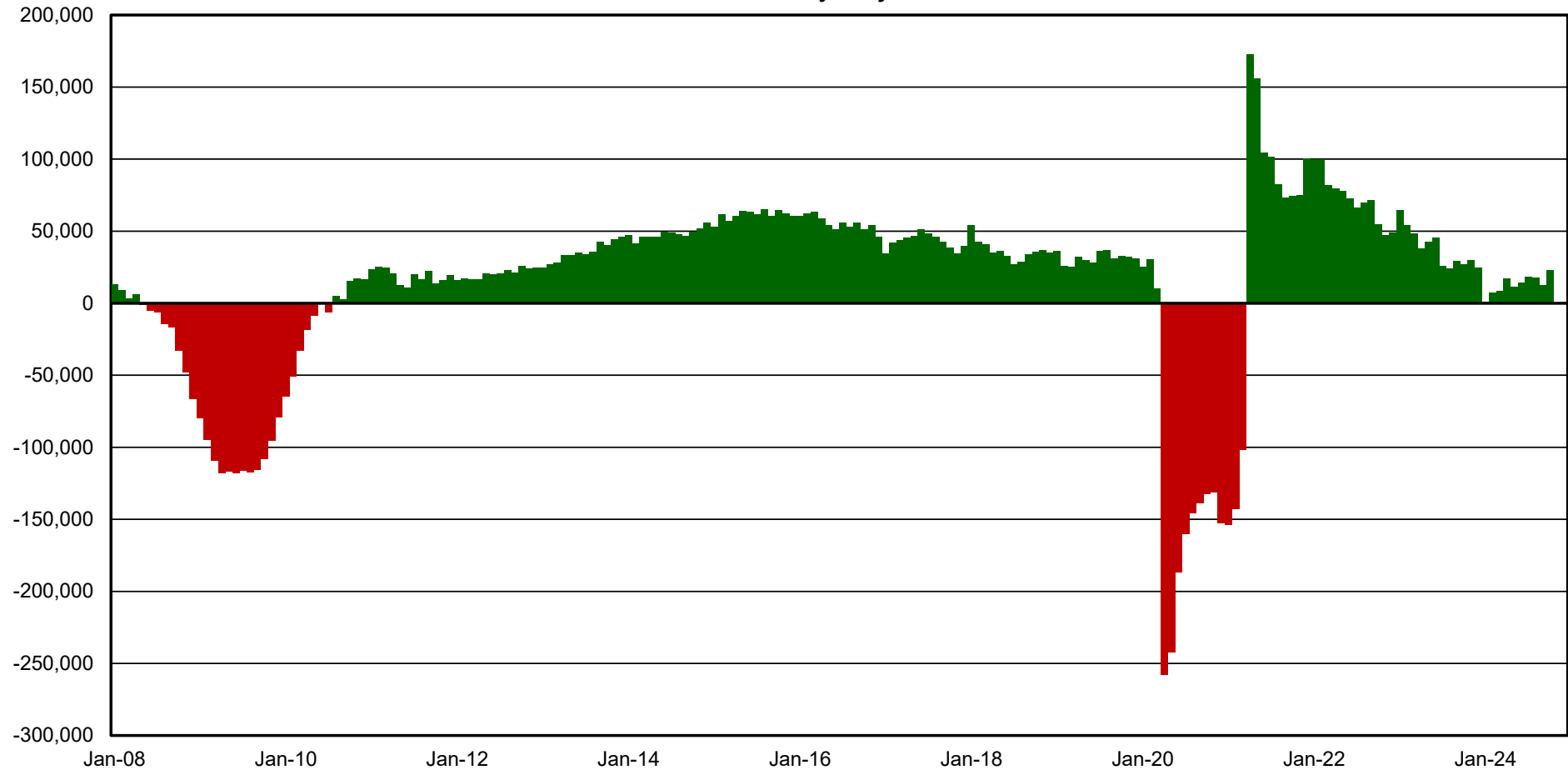


Source: Oregon Employment Department, Current Employment Statistics



Employment grew by 22,700 jobs from October 2023 to October 2024.

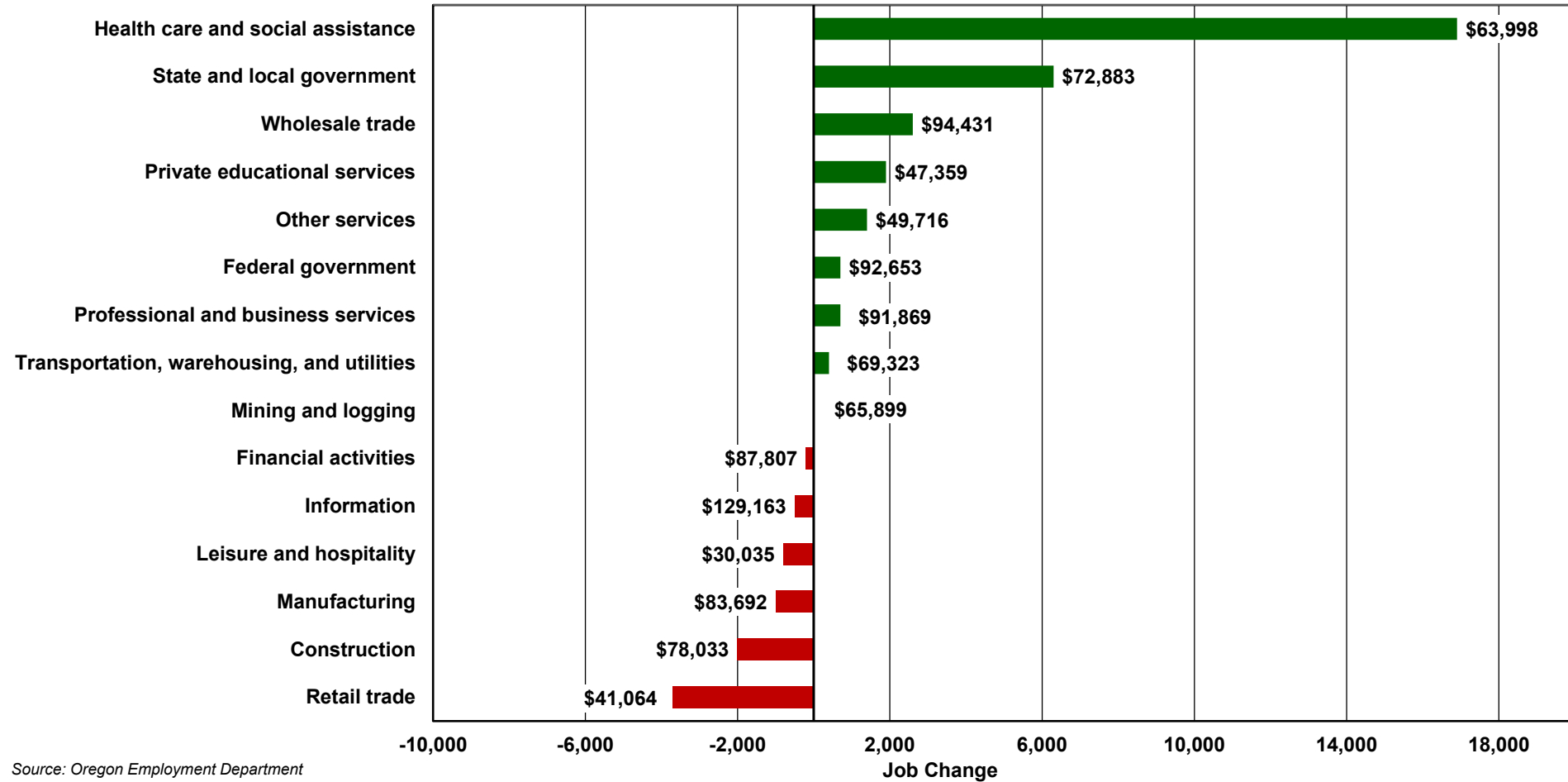
Oregon's Year-Over-Year Job Growth/Decline Seasonally Adjusted



Source: Oregon Employment Department, Current Employment Statistics

Many broad sectors of Oregon's economy have gained jobs over the past year.

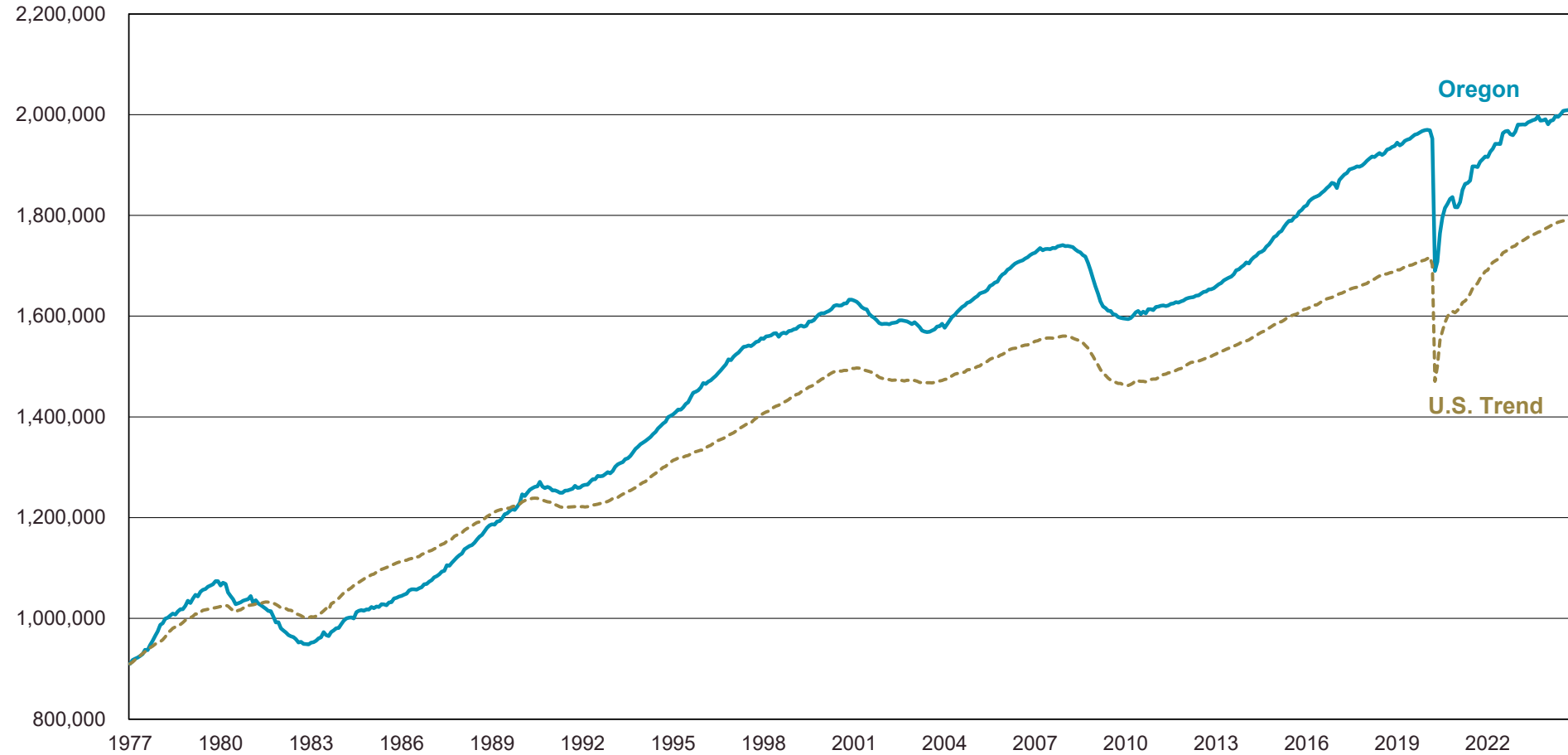
Oregon Job Change and Average Pay by Industry October 2023 - October 2024 Job Change, 2023 Average Pay



Source: Oregon Employment Department

In the longer-term, Oregon has a track record of greater job growth than the U.S.

Oregon and U.S. Employment Trends*
1977 to Current: U.S. Trend Indexed to January 1977

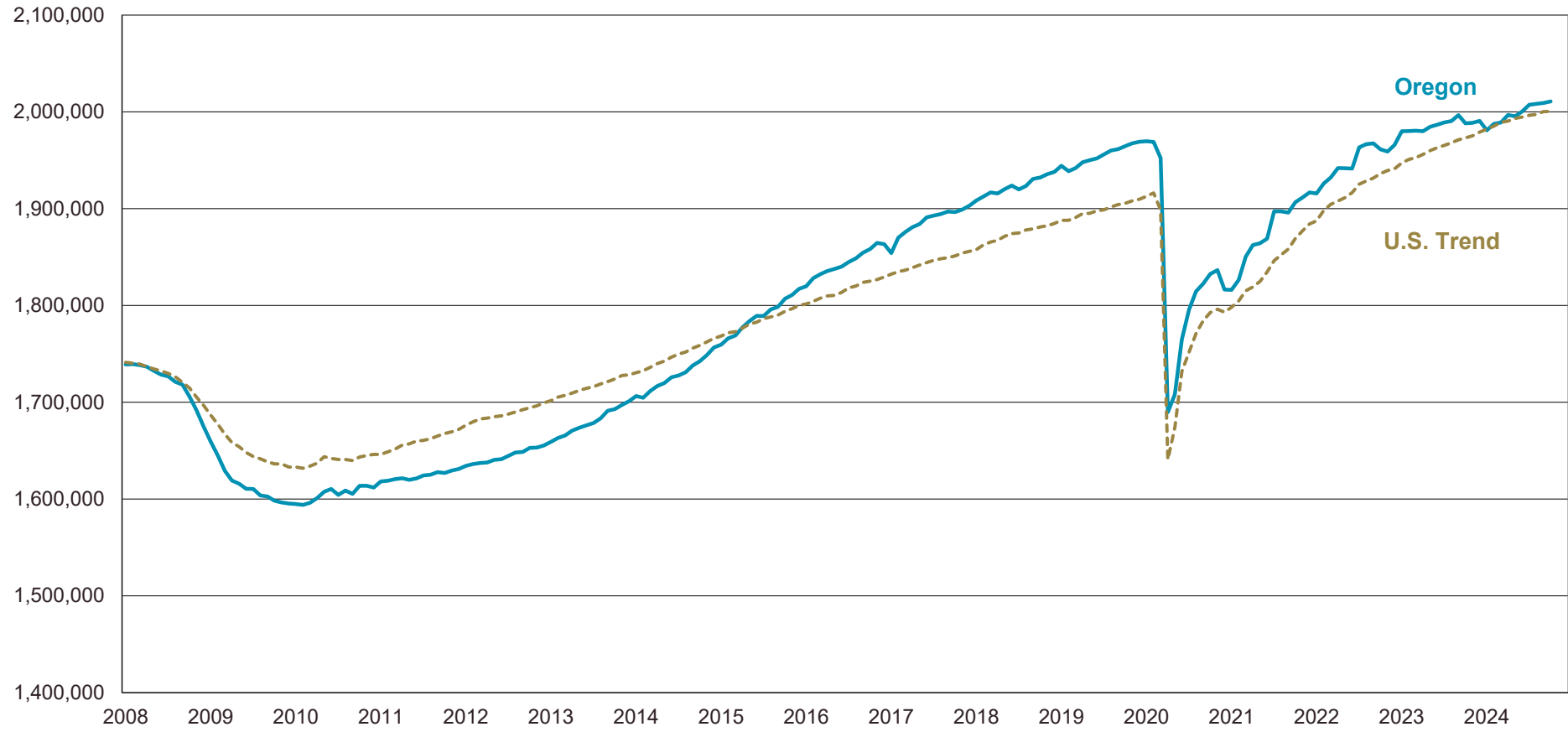


Source: Oregon Employment Department, Current Employment Statistics

* Seasonally Adjusted

...But that trend has reversed in recent years.

Oregon and U.S. Employment Trends*
December 2007 to Current:
U.S. Trend Indexed to December 2007

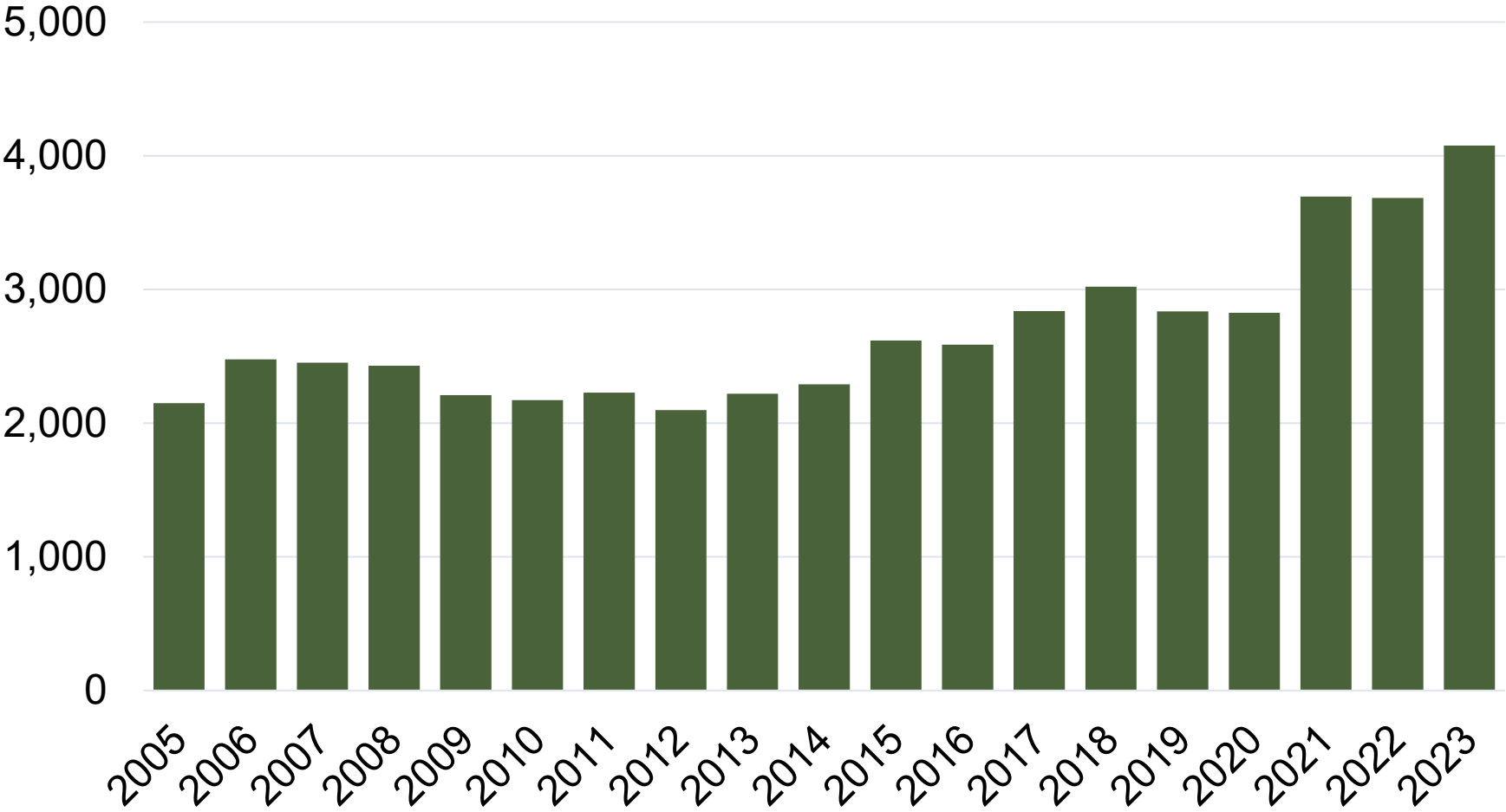


Source: Oregon Employment Department, Current Employment Statistics

* Seasonally Adjusted

New business formation is stronger than it has been in decades

Lane County New Business Applications



Declining percentage of business applications are “high propensity”

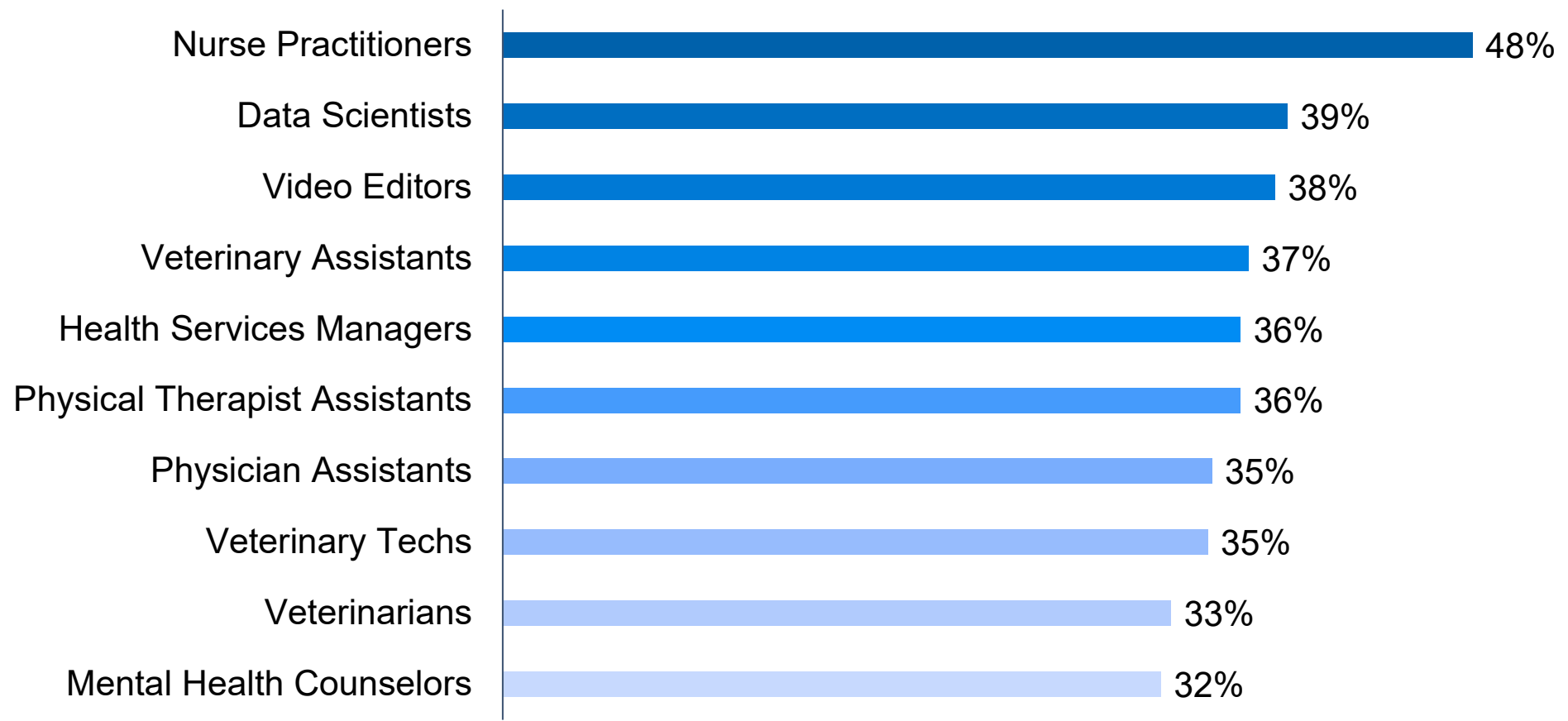
Article:
<https://qualityinfo.org/web/guest/-/startup-boom-continues-in-lane-county-and-beyond>

Source: U.S. Census Bureau, Business Formation Statistics

In Demand Occupations

The *fastest growing* jobs are skewed towards health and tech

Fastest Growing Jobs 2022-2032 Lane County occupations employing 50+ in 2022



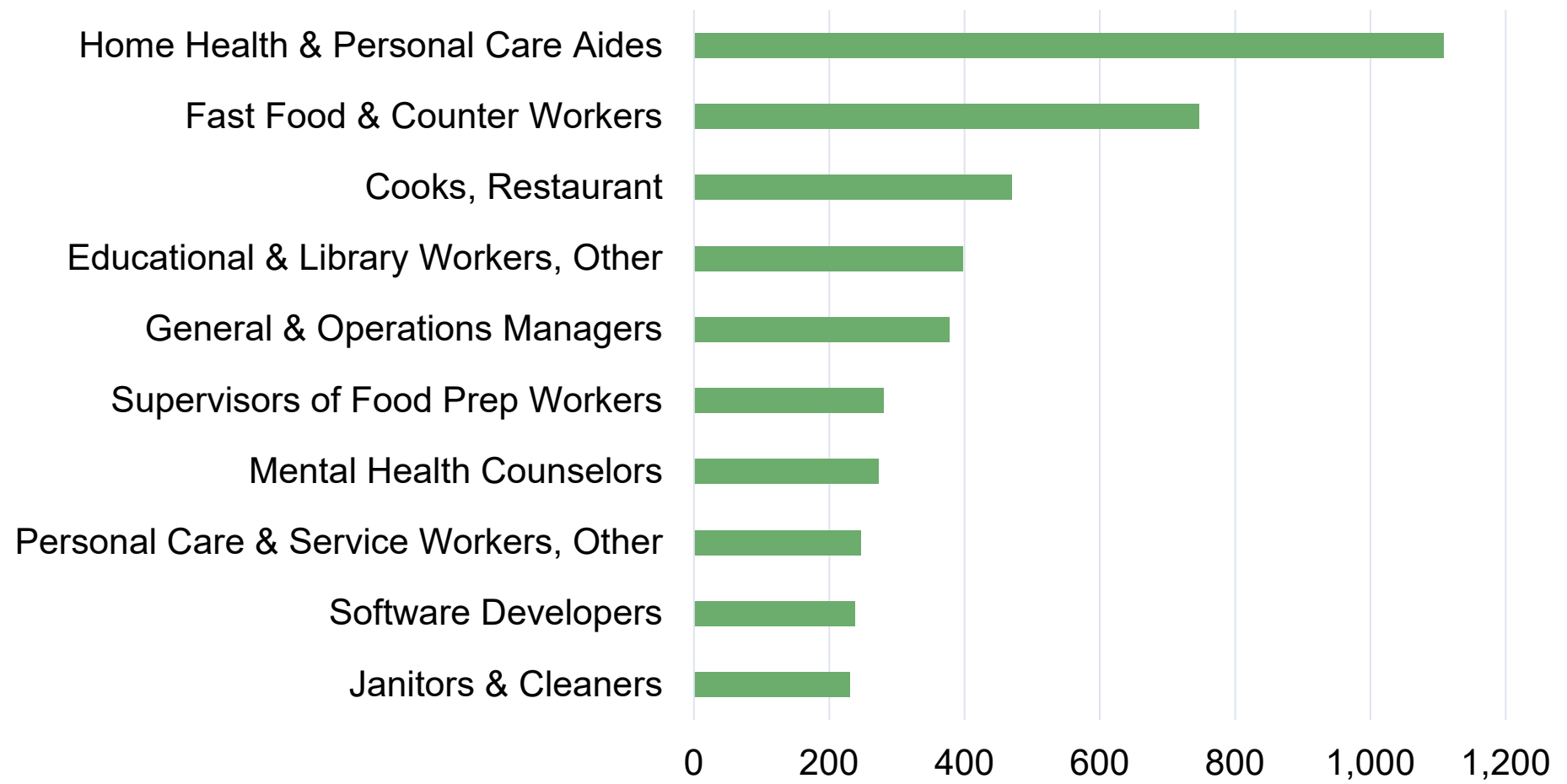
Occupations on average are projected to grow 10% during this time

Vet Assistants, Vet Techs, and PT Assistants only occupations on this list with competitive entry level education of AA or less

Source: Oregon Employment Department, 2022-2032 Occupational Employment Projections

While jobs with the most growth openings are more varied

Lane County occupations with the most growth openings, 2022-2032



Educational requirements are more varied in this group

Four of 10 have competitive entry level education of a Bachelor's degree

Source: Oregon Employment Department, 2022-2032 Occupational Employment Projections

Specific Industries

Employment and Wages in Lane County, Annual Average 2023

Industry	Employment	Total Wages	Average Wage
All Sectors	157,204	\$8.9 Billion	\$56,320
Wood Products	5,818	\$390 Million	\$66,466

Wood Products represents:

3.7% of local employment

4.4% of local wages

\$10,000 higher average wage per worker

Wood Product Manufacturing has a location quotient (or employment concentration) of 8.5

More jobs in that sector here than L.A. or Seattle metro areas

Source: Bureau of Labor Statistics and Oregon Employment Department, Quarterly Census of Employment and Wages

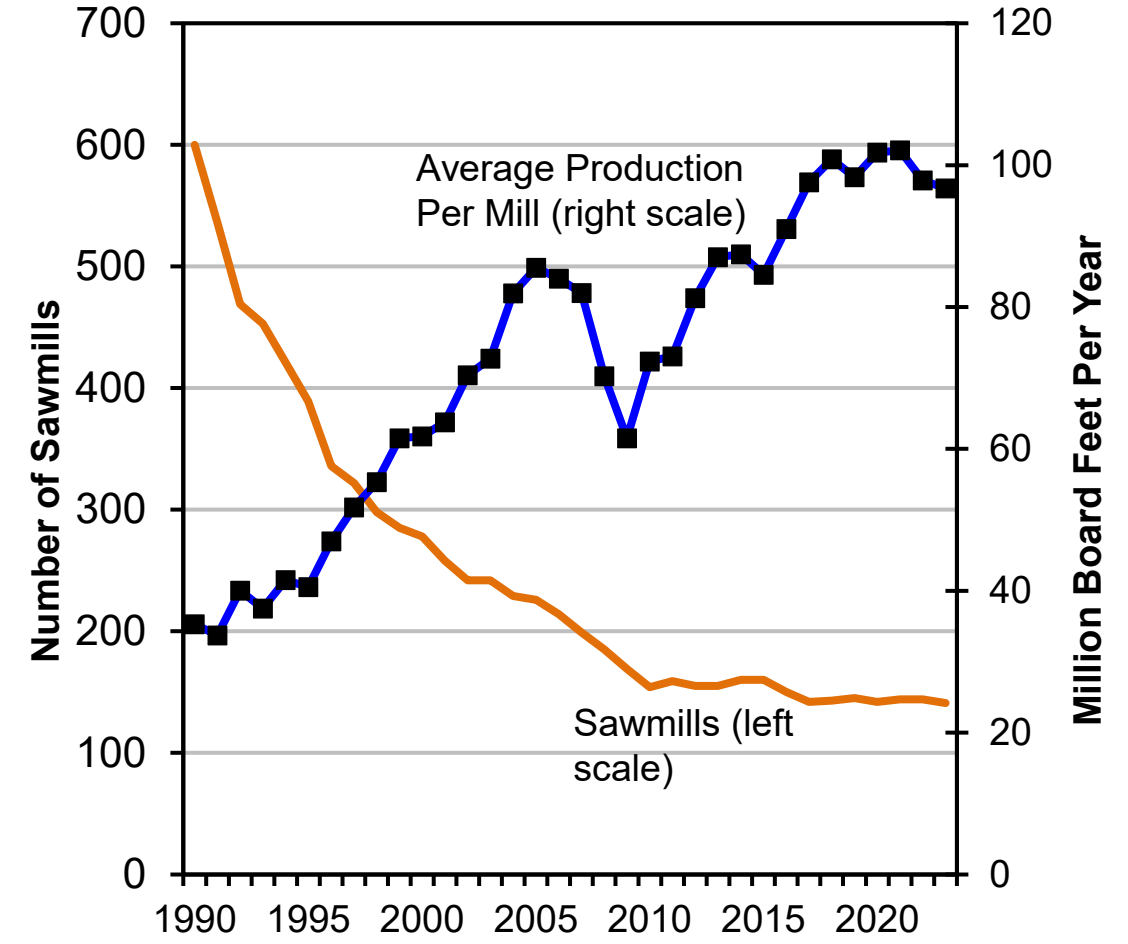
Wood product manufacturing is more concentrated and less labor intensive

Oregon Employment and Timber Harvest Levels



*MMBF - million board feet

Sawmills Operating in the Western U.S. 1990-2023

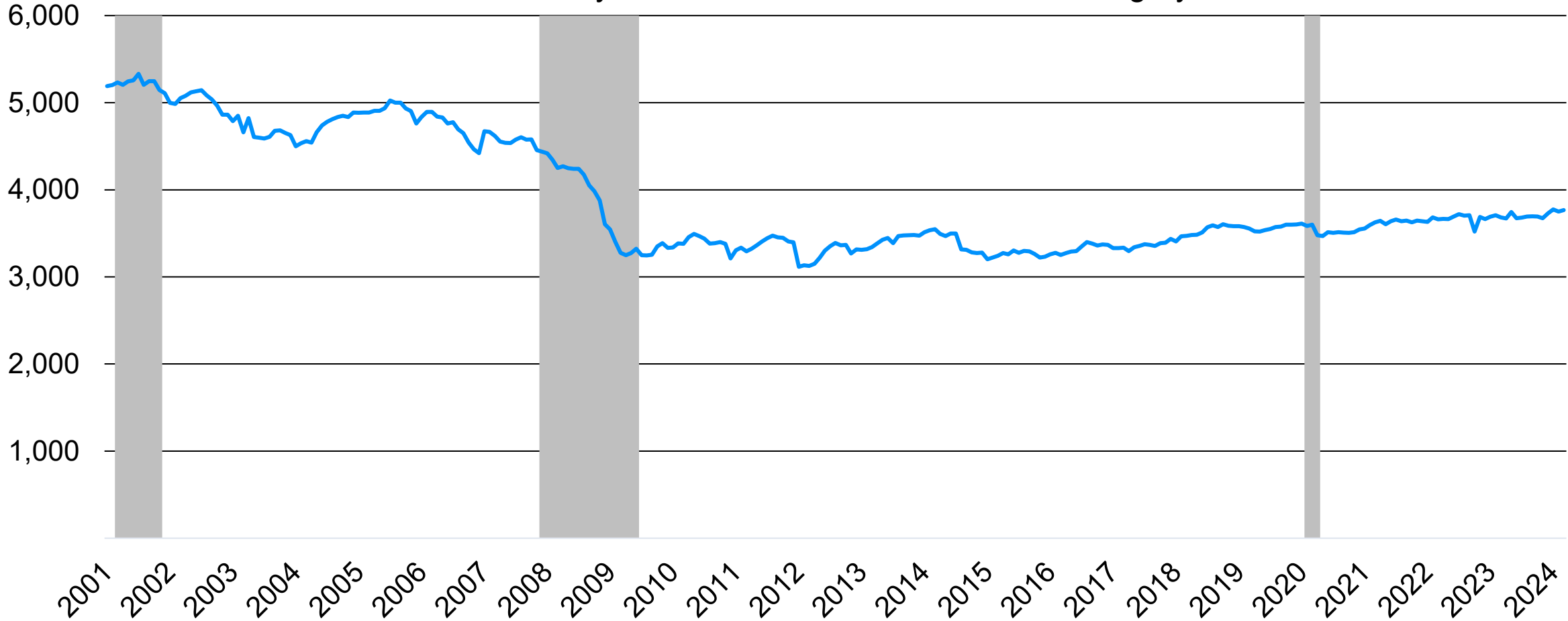


Source: Oregon Employment Department, Oregon Dept. of Forestry, and Western Wood Products Association

Employment declined steeply during the 2008 recession

Wood Products Manufacturing Employment

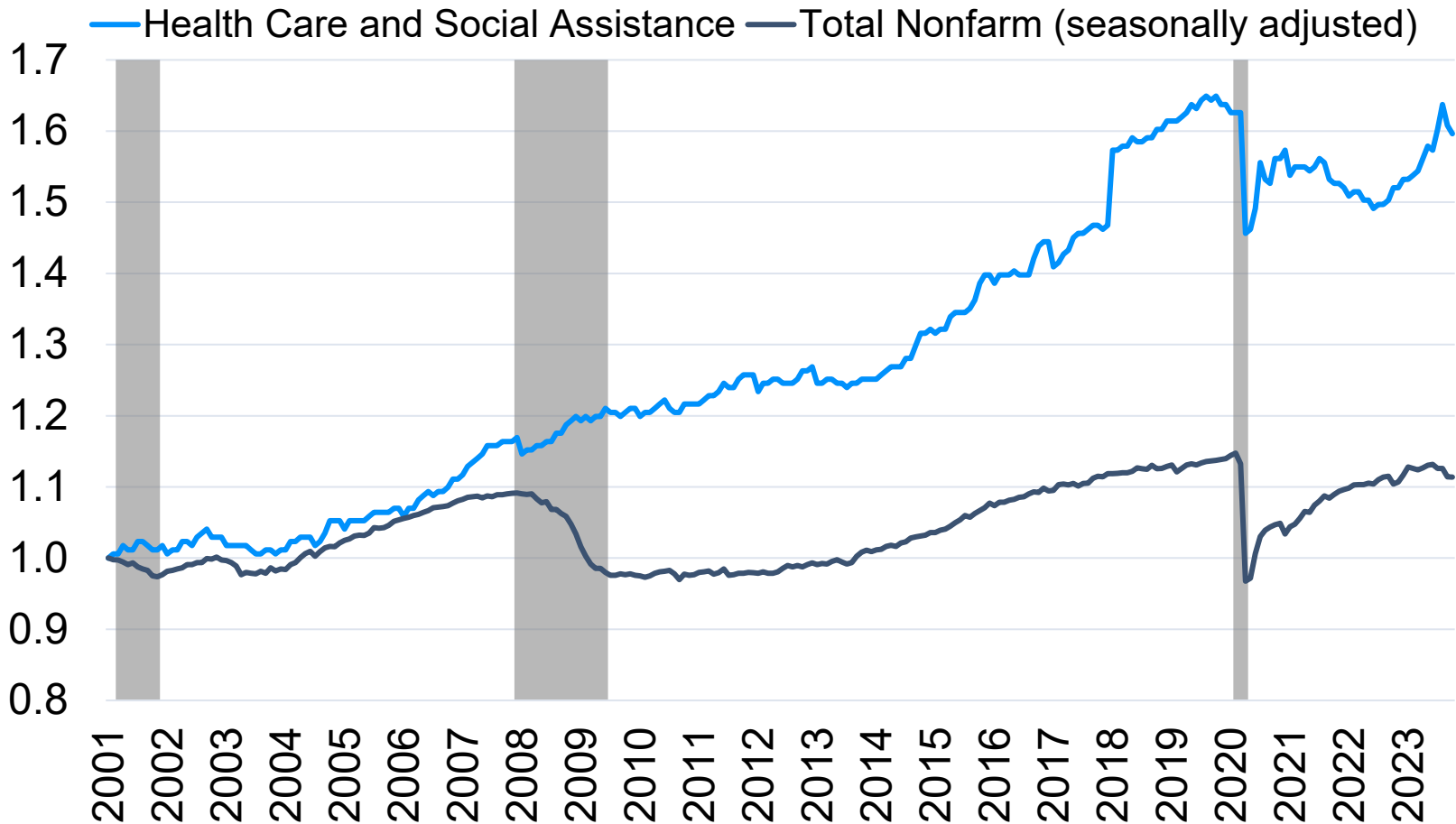
Lane County 2001-2024, recessions Indicated in gray



Source: Oregon Employment Department, Quarterly Census of Employment and Wages

Unlike in previous recessions, health care struggled in 2020

Indexed Employment, Lane County Jan. 2001 = 1, U.S. Recessions indicated in gray



Recessions Total Employment vs. Health Care

2001: "Dot com crash"
-2% +1%

2008: "Great Recession"
-10% +4%

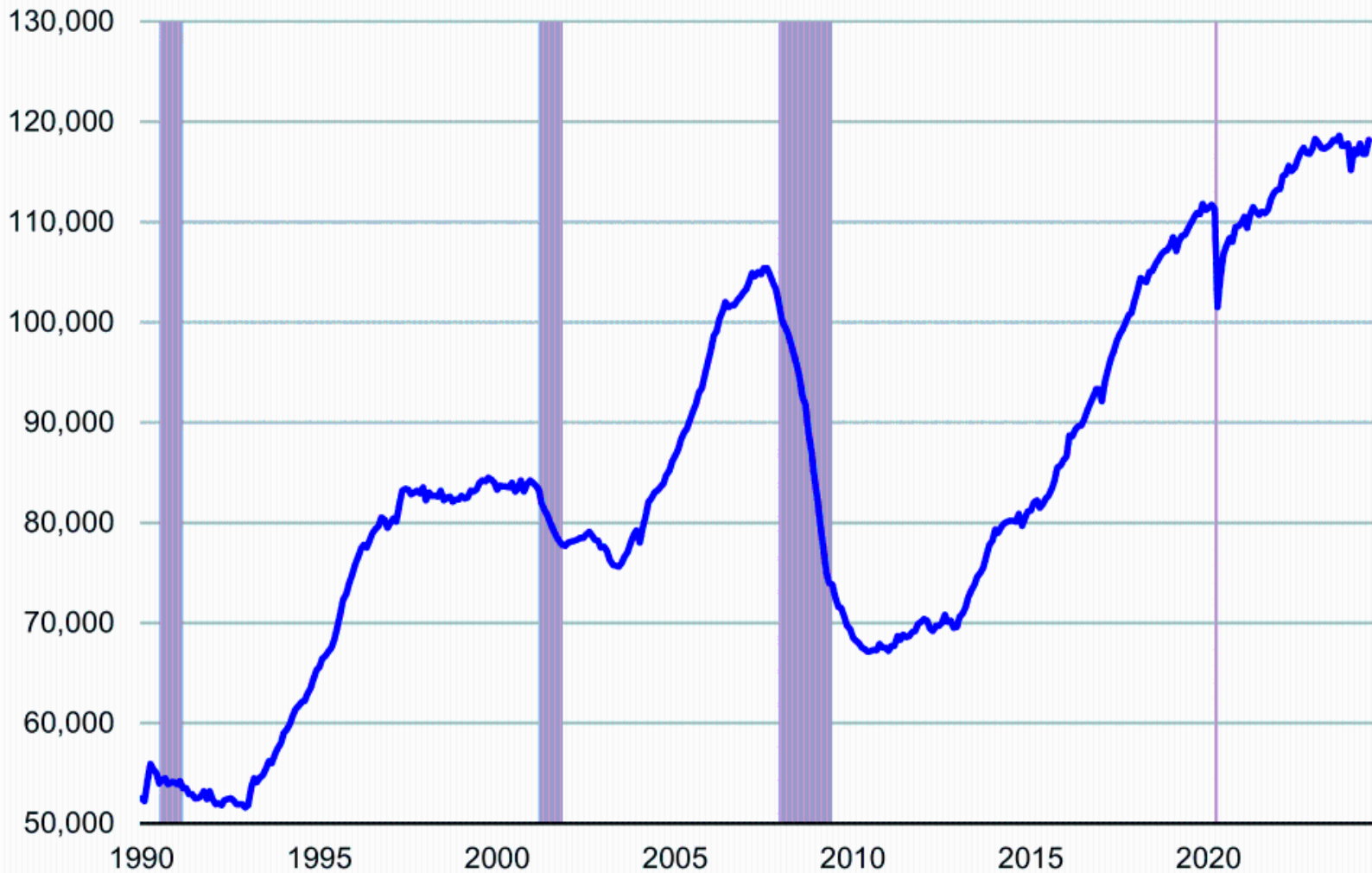
2020: "COVID Recession"
-16% -10%

Note: Jan. 2018 series break due to reclassification of home health care workers

Source: Oregon Employment Department, Current Employment Statistics

Statewide, construction is near its record high

Oregon Construction Employment Ramps Up After Recessions



Source: Oregon Employment Department

Oregon Construction employment at or near record high for about the last 24 months

As a percentage of total employment construction is about 6%. That was as low as 4% in 2010.

Construction jobs have been harder to fill than average

**Job Vacancies by Percentage Difficult to Fill
Oregon, 2023**

Industry	Vacancies	Average Hourly Wage	Full-time Positions	Permanent Positions	Require Education Beyond High School	Require Previous Experience	Difficult to Fill
Transportation, warehousing, and utilities	1,643	\$24.22	93%	99%	50%	68%	81%
Construction	5,845	\$29.70	98%	97%	41%	75%	73%
Other services	3,650	\$25.96	79%	96%	55%	66%	73%
Natural resources and mining	1,736	\$19.90	80%	56%	15%	52%	72%
Manufacturing	6,338	\$22.87	87%	97%	20%	60%	69%
Health care and social assistance	19,499	\$27.32	82%	99%	58%	57%	62%
Leisure and hospitality	8,131	\$17.00	57%	89%	6%	46%	62%
All Industries	72,815	\$25.13	82%	94%	39%	58%	61%
Management, administrative, and waste services	7,567	\$23.95	85%	92%	30%	46%	59%
Retail trade	6,378	\$19.99	76%	92%	13%	44%	50%
Financial activities	2,047	\$23.61	93%	92%	35%	61%	50%
Wholesale trade	2,726	\$22.22	93%	97%	36%	54%	46%
Professional, scientific, and technical services	5,324	\$36.21	92%	98%	85%	80%	46%
Information	1,219	\$34.63	84%	86%	49%	81%	41%
Private educational services	691	\$30.03	76%	99%	74%	81%	38%

Source: Oregon Employment Department, Job Vacancy Survey

For particular skilled trades, that's even higher

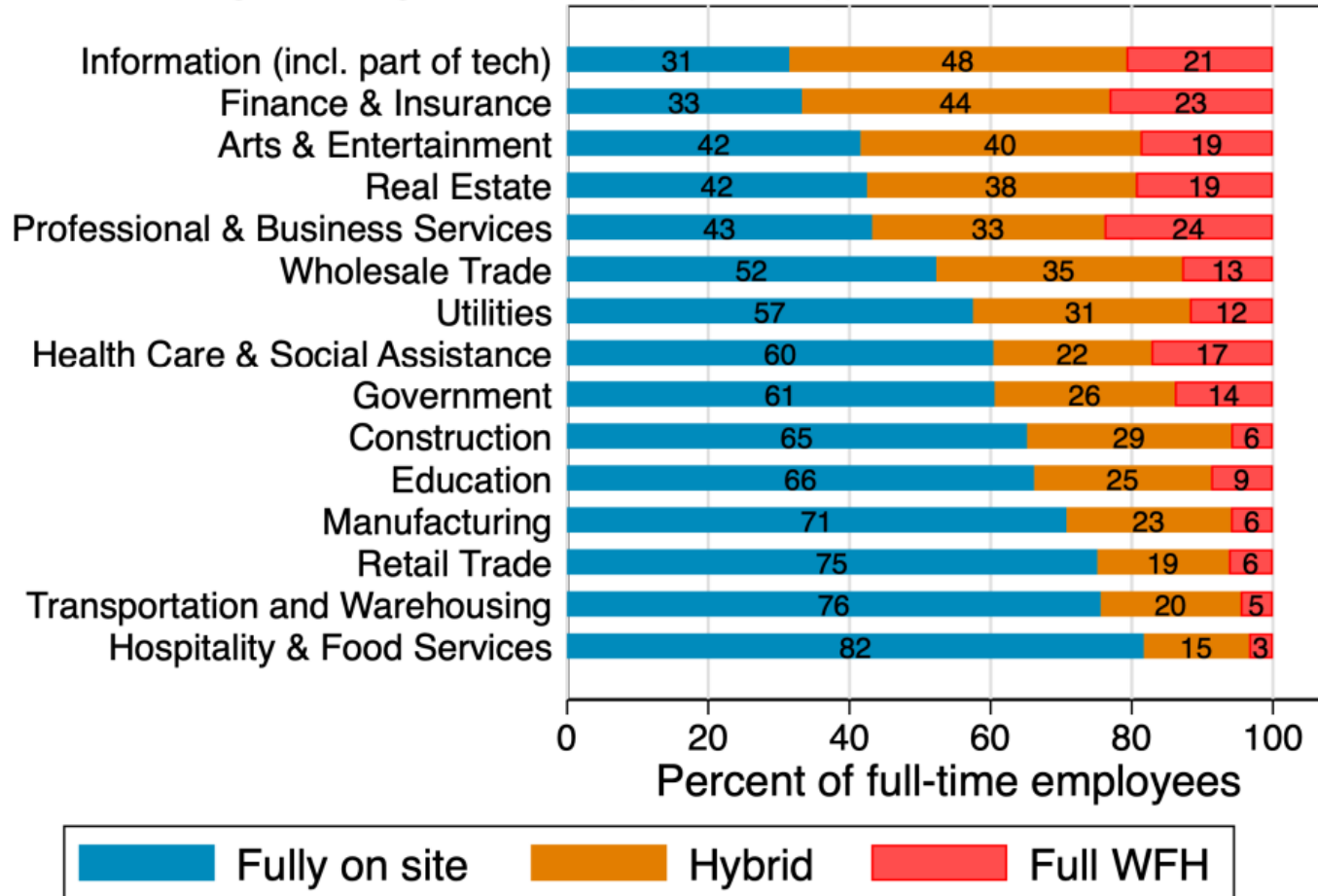
Construction and Allied Occupations in Oregon With the most difficult to fill Job Vacancies, 2023

Occupation	Vacancies	Full-time Positions	Permanent Positions	Difficult-to-Fill Vacancies
Tree Trimmers and Pruners	168	100%	100%	100%
Brickmasons and Blockmasons	107	91%	91%	100%
Cost Estimators	222	100%	100%	95%
Carpenters	859	97%	97%	90%
Crossing Guards and Flaggers	144	29%	31%	89%
Roofers	116	100%	79%	86%
Heavy and Tractor-Trailer Truck Drivers	1,753	97%	98%	86%
Bus and Truck Mechanics and Diesel Engine Specialists	565	100%	100%	86%
Plumbers, Pipefitters, and Steamfitters	539	100%	100%	85%
Operating Engineers and Construction Equipment Operators	176	100%	88%	72%
HVAC Mechanics and Installers	692	100%	100%	69%
Cement Masons and Concrete Finishers	118	95%	95%	65%
Construction Laborers	1,224	94%	91%	63%
All Occupations	72,815	82%	94%	61%
Electricians	679	97%	100%	54%
Painters, Construction and Maintenance	151	100%	100%	48%
Construction Managers	145	100%	100%	35%

Source: Oregon Employment Department, Job Vacancy Survey

Changing Work Patterns

Working Arrangements by Industry Mar to Jun 2024



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

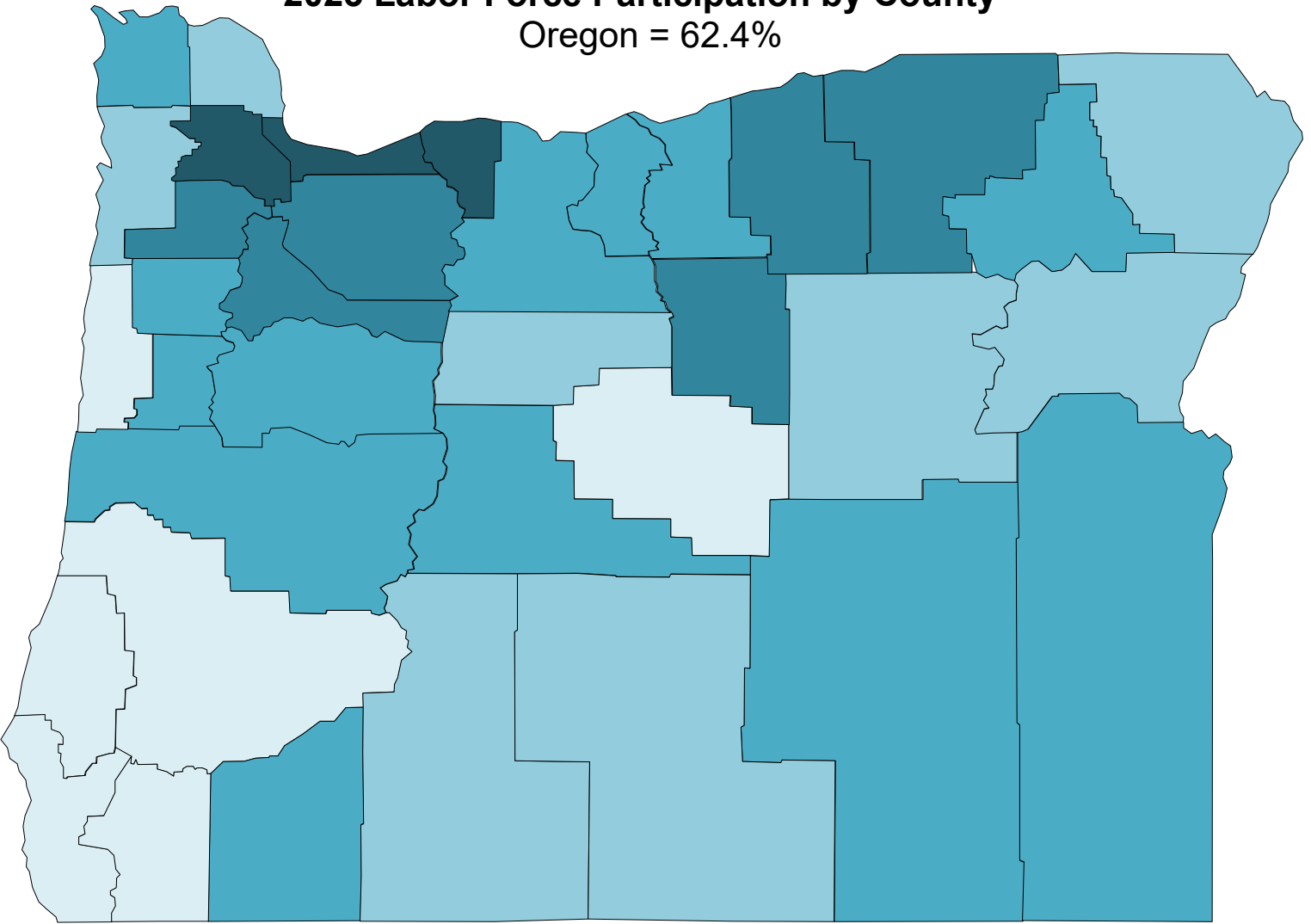
Source: Barrero, Jose Maria, Nicholas Bloom, and Steven J. Davis, 2021. "Why working from home will stick," National Bureau of Economic Research Working Paper 28731.

https://wfhresearch.com/wp-content/uploads/2024/07/WFHResearch_updates_July2024.pdf

Labor force participation rates (LFPR) vary across Oregon's counties

2023 Labor Force Participation by County

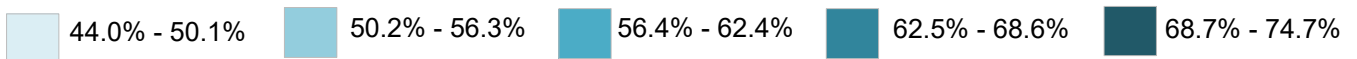
Oregon = 62.4%



High
Hood River County
74.7%

Lane County
56.6%

Low
Curry County
44.0%

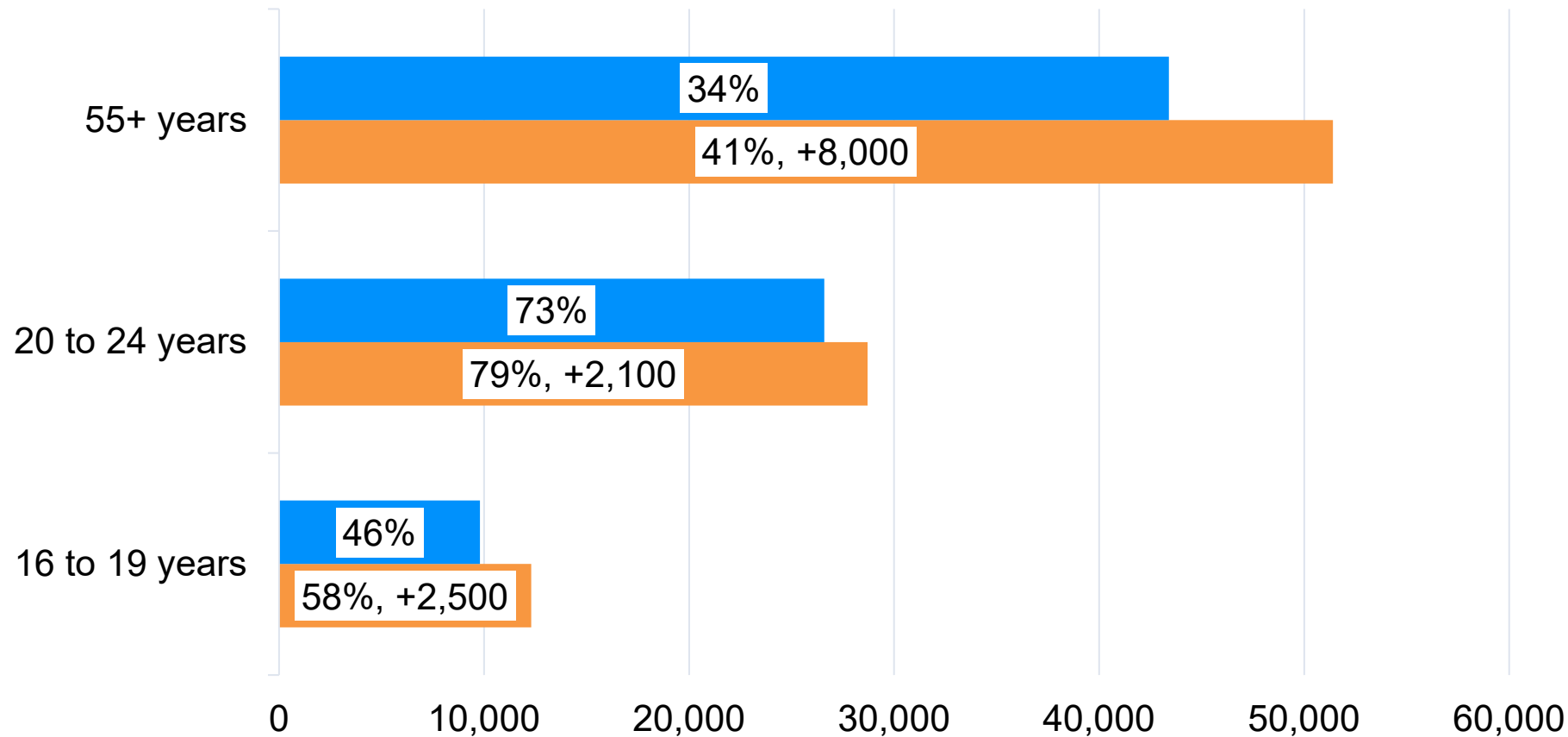


Source: Oregon Employment Department

Who's in the labor force, and who could be?

Labor Force participation by age
Lane County, 2022

■ Labor Force ■ Revised Labor Force



Counterfactual:
Highest historical Labor Force Participation Rate (LFPR)

55 and older: 41% - 2012

20 to 24: 79% - 1987

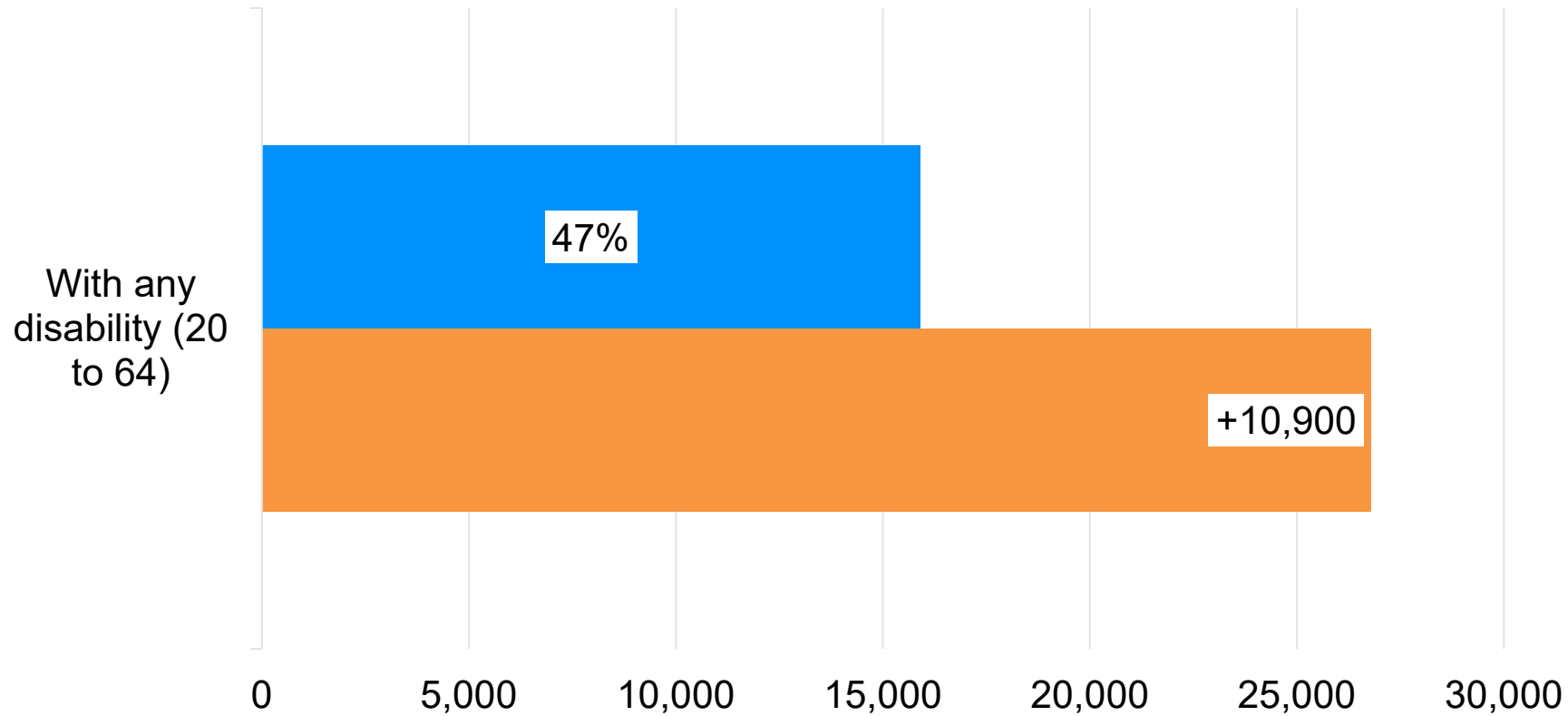
16 to 19: 58% - 1979

Source: Oregon Employment Department, U.S. Census Bureau ACS table S2301

Who's in the labor force, and who could be?

Labor Force Participation Rate Lane County, 2022

■ Labor Force ■ Revised Labor Force



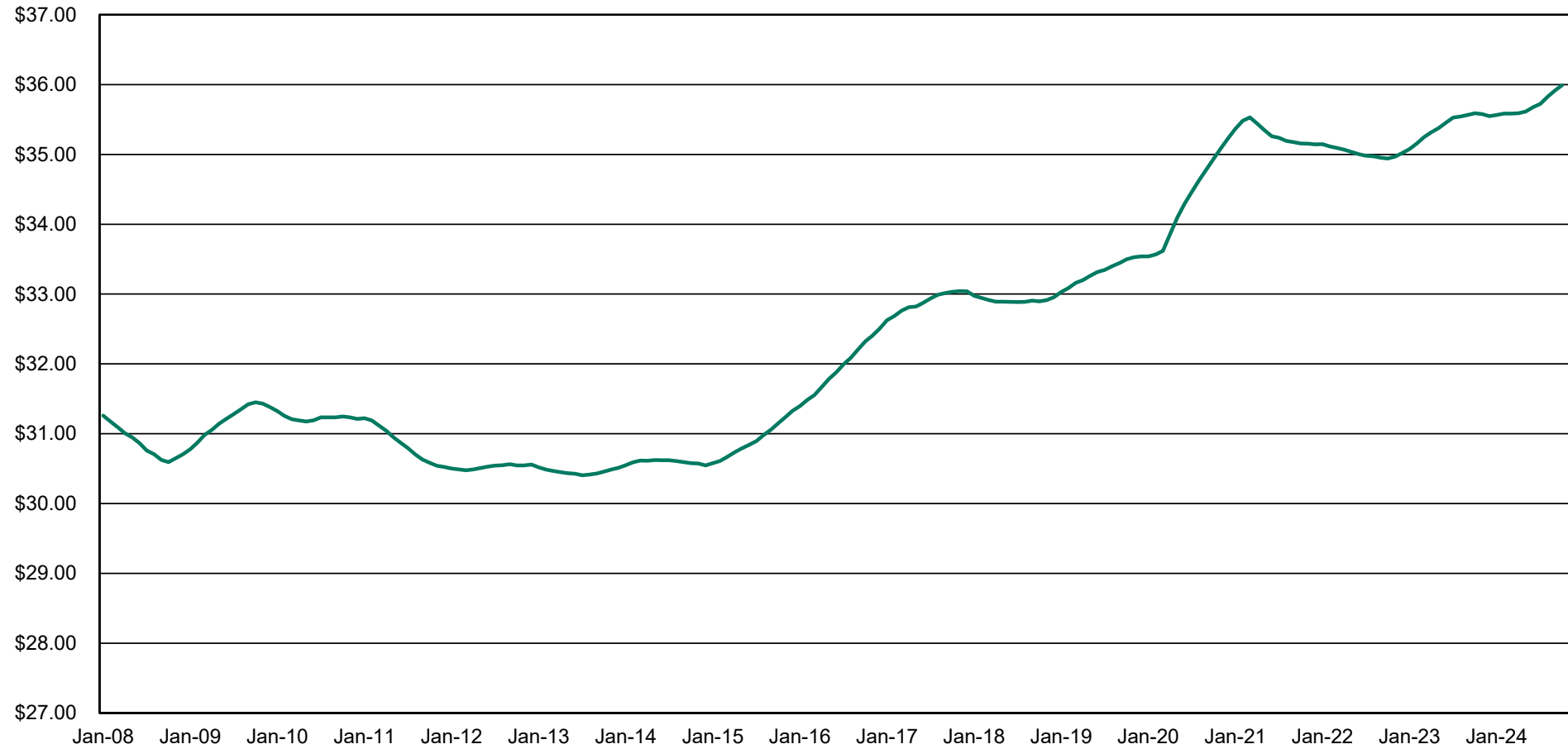
Counterfactual:
Equivalent to LFPR of
total population in age
range (79%)

Source: Oregon Employment Department, U.S. Census Bureau ACS table S2301

Wages and Wage Gap

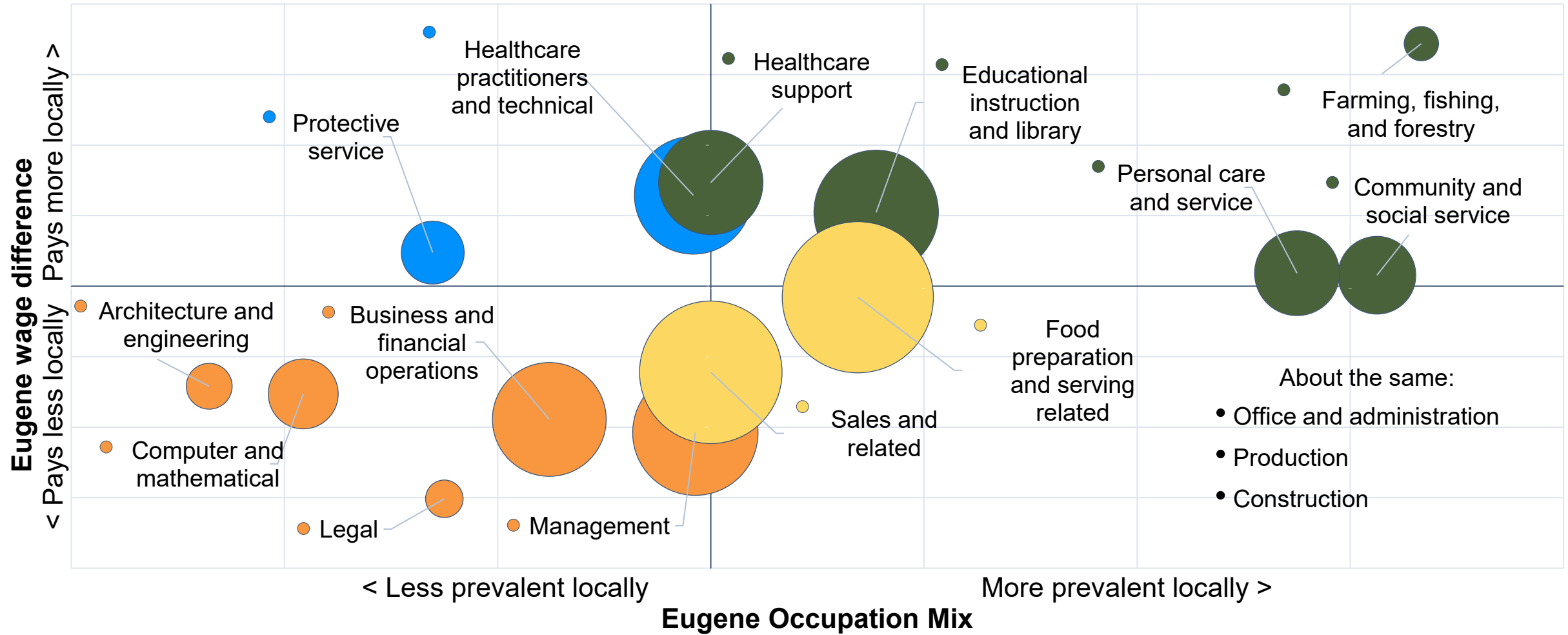
Real average wages for private nonfarm jobs increased slightly in recent months.

Average Hourly Earnings Oregon, 12-Month Moving Average, Adjusted for Inflation



Source: Oregon Employment Department and Bureau of Labor Statistics. The inflation adjustment is calculated using the U.S. CPI-U.

Key contributor to the wage gap: the occupation mix



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

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%

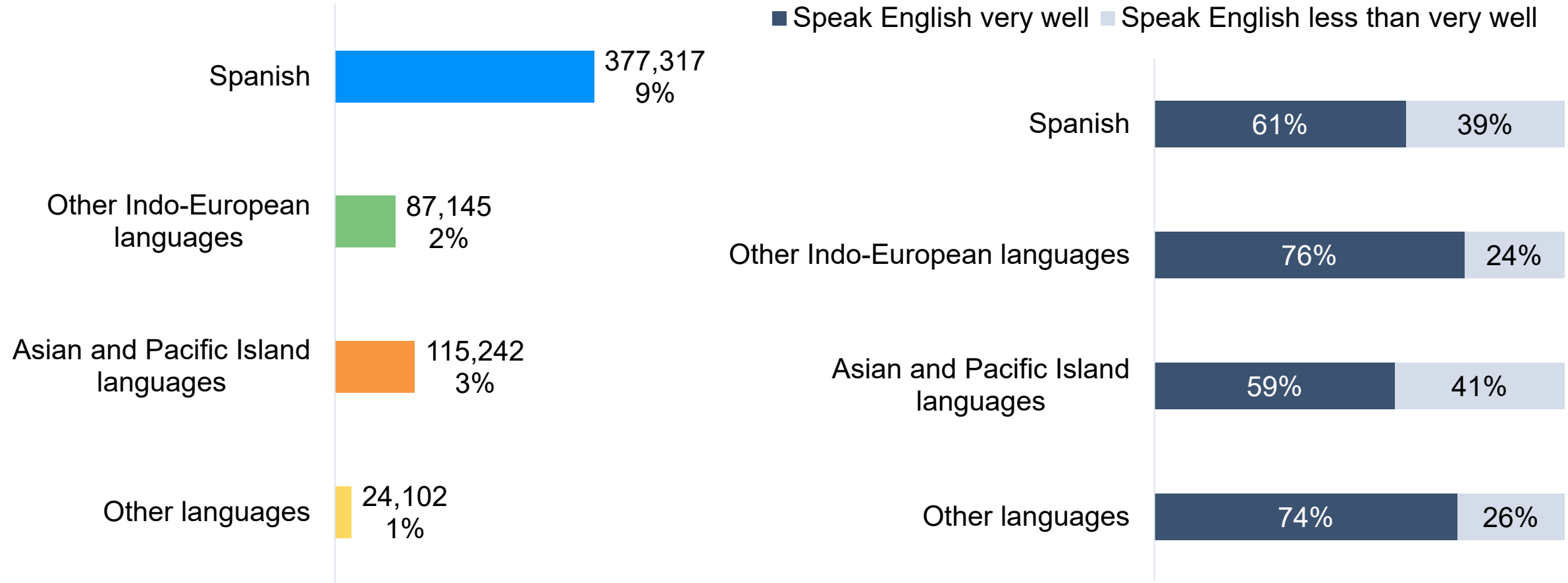
Source: Oregon Employment Department and U.S. Bureau of Labor Statistics

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

Demographic Changes and Population Dynamics

15% of Oregonians speak a language other than English at home

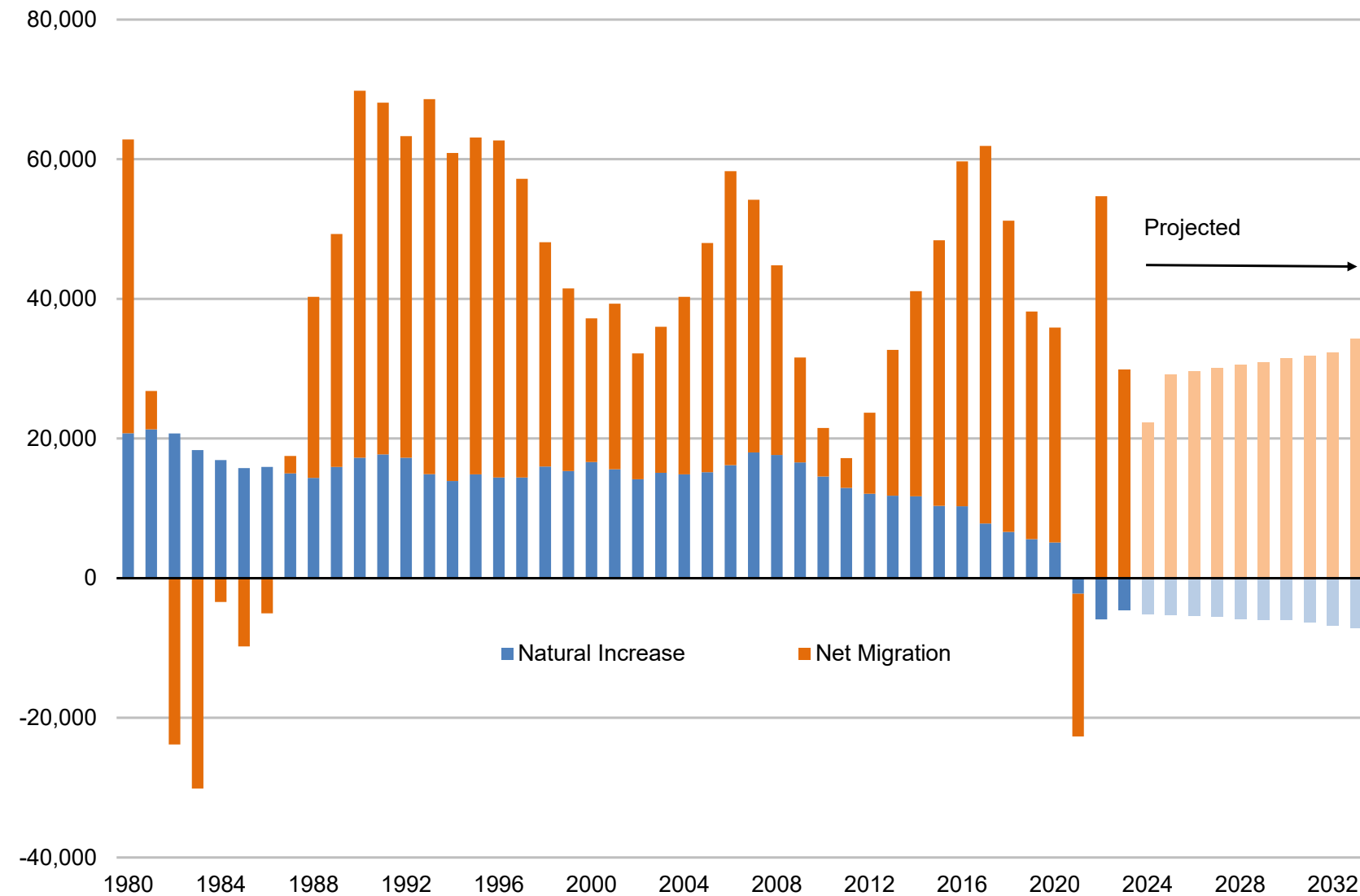
Language Spoken at home (individuals) Oregon, 2022



Source: U.S. Census Bureau, American Community Survey

Slowing Labor Force Growth: slower population growth

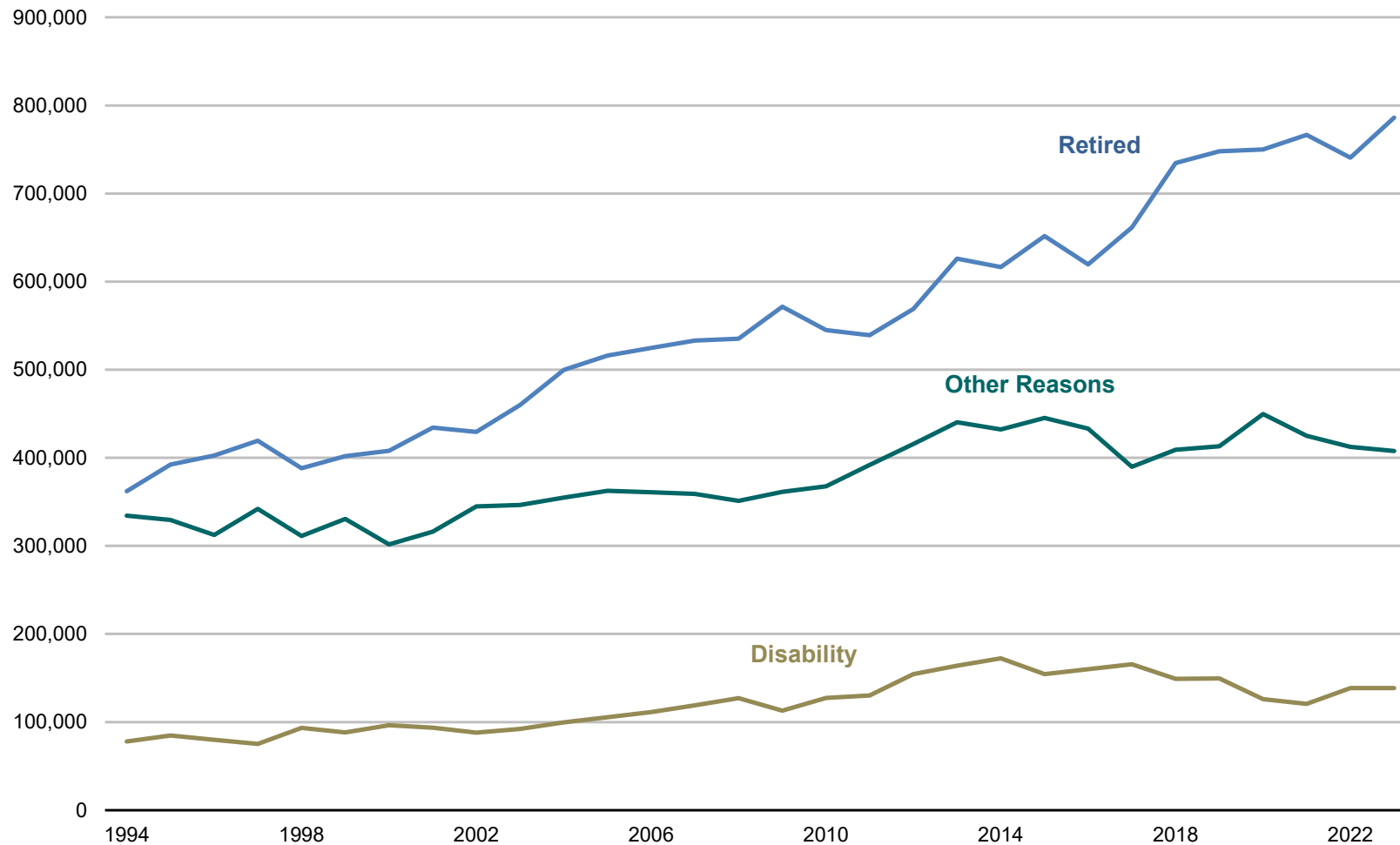
Oregon's Population Components of Change



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

Slowing Labor Force Growth: More Retirements

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



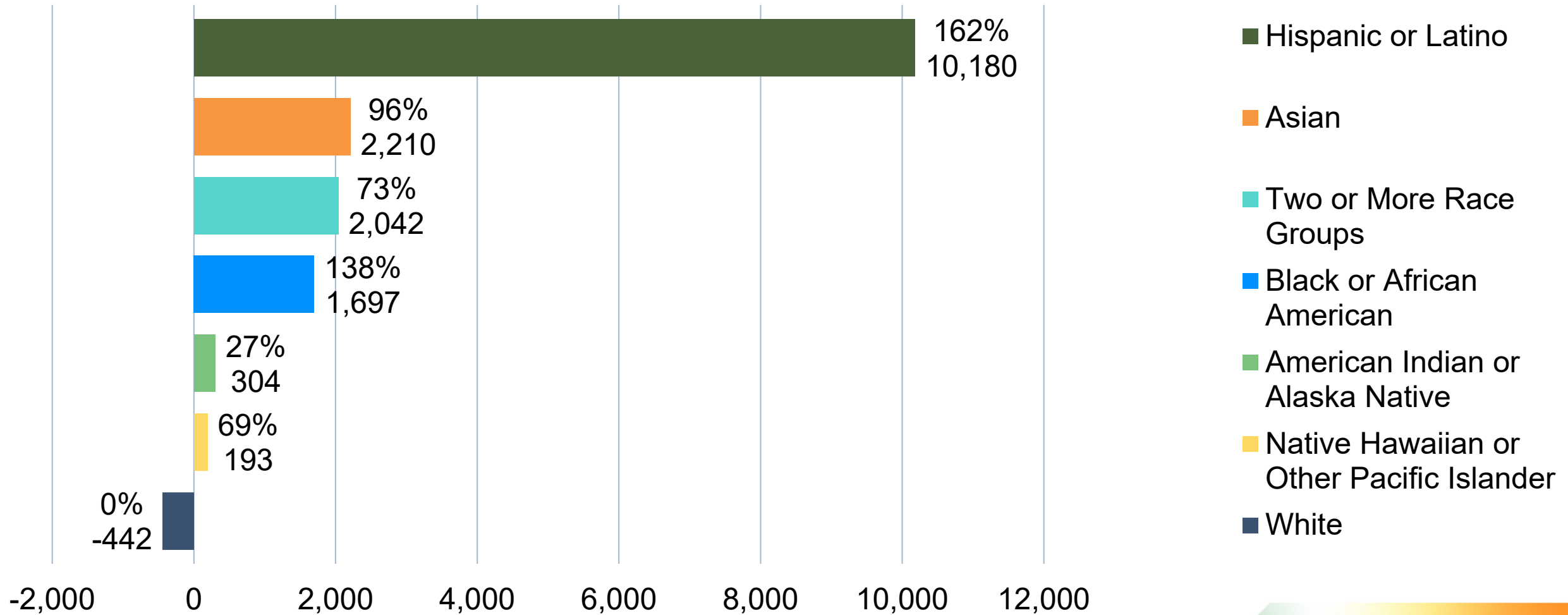
Source: Oregon Employment Department, Local Area Unemployment Statistics

Not in Oregon's labor force due to retirement:

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

The workforce is diversifying rapidly in recent years

Lane County Net Change in Workers 2001-2023



Source: U.S. Census Bureau Quarterly Workforce Indicators