

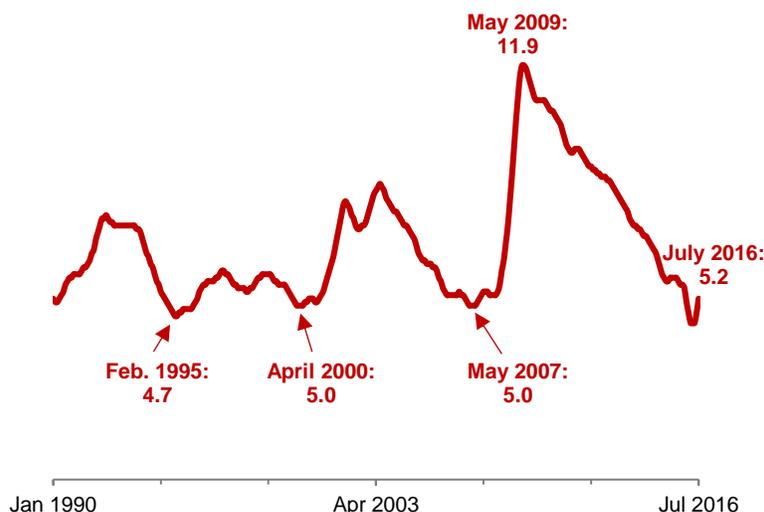
Oregon's Labor Market: Still Room for Improvement

A View of the State of Working Oregon

Although Oregon's labor market is stronger than it has been since before the Great Recession, there is still room for improvement. Strong job growth in early 2016 lowered Oregon's unemployment rate to levels not seen since the mid-1990s. However, the unemployment rate alone doesn't capture the insufficient and uneven recovery of Oregon's labor market, which keeps many working families struggling economically.

Oregon lawmakers can help struggling workers and strengthen the Oregon economy with certain targeted investments. These include expanding access to affordable child care, investing in education, and making needed repairs and improvements to Oregon's infrastructure.

Oregon unemployment rate near record lows



Oregon monthly unemployment rate. July 2016 unemployment rate is a preliminary estimate.
Source: OCPP analysis of Bureau of Labor Statistics data.

Today, Oregon's unemployment rate stands at a level not seen since prior to the Great Recession.

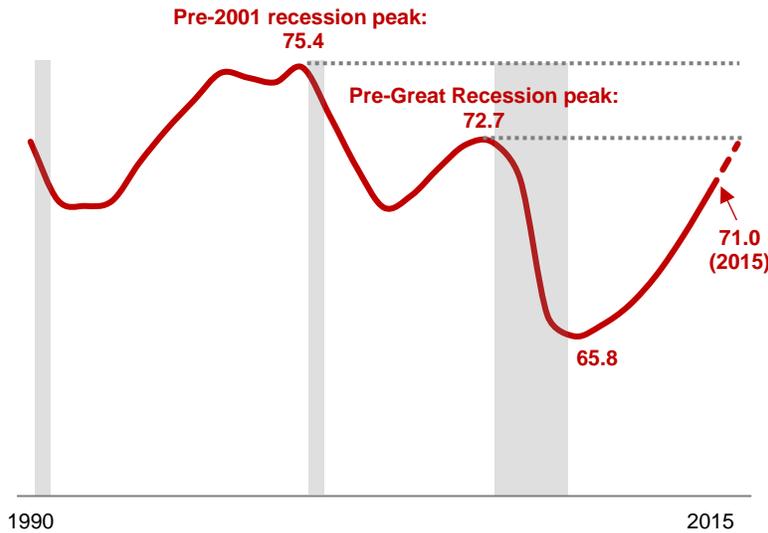
Oregon's unemployment rate dropped below 5 percent in the spring of 2016, before ticking back up to 5.2 percent in July 2016, the month with most recent available data.¹ This is a decline from the peak of 11.9 percent at the height of the recession.

The unemployment rate today compares to previous lows in 1995, 2000 and 2007.

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A View of the State of Working Oregon is a series of occasional OCPP fact sheets examining Oregon's economy from the perspective of working families.

Jobs remain scarce compared to prior peaks



Oregon nonfarm employment per 100 working age adults (18-64). Gray bars indicate recessions. Dashed red line is projected jobs per working age adults. Source: OCPP analysis of Oregon Office of Economic Analysis data.

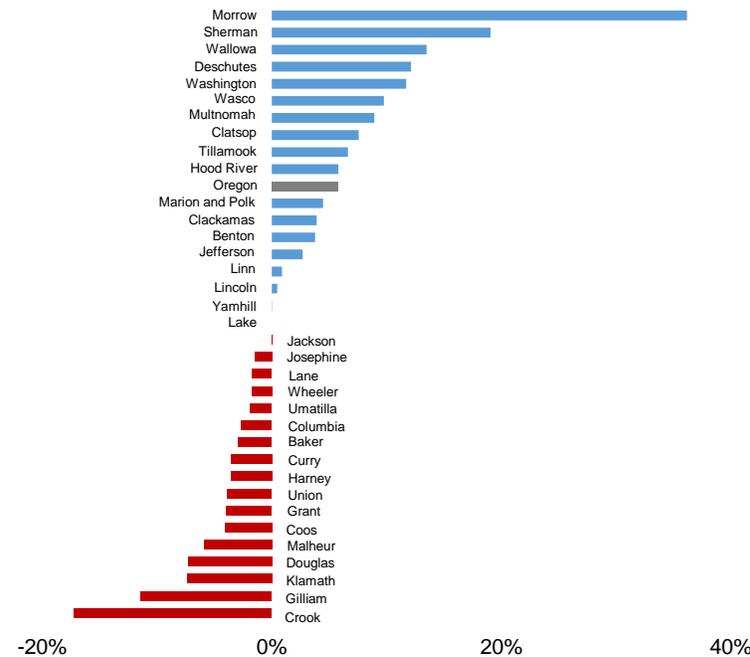
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If unemployment is low, does it mean Oregon has enough jobs? An answer to that question comes from the ratio of jobs per working-age Oregonian. The higher the figure, the more plentiful jobs are, helping workers bargain for better wages.

Jobs remained scarce in 2015, with 71.0 jobs for every 100 working-age Oregonians. That was below the peak of 72.7 in 2007, just before the Great Recession, and even further below the peak prior to the 2001 recession (75.4).²

The Center projects Oregon will return to pre-Great Recession levels in 2016, but not reach the pre-2001 recession peak until 2025.³

Nearly half of Oregon counties yet to recover jobs lost during the recession



Oregon 2007 to July 2016 change in total employment by county. Source: OCPP analysis of Oregon Employment Department data.

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Nearly a decade after the onset of the Great Recession, about half of Oregon counties have yet to recover the jobs lost.

Of Oregon's 36 counties, 17 experienced negative job growth from 2007 to July 2016, the month with most recent data.⁴

The jobs recovery has been highly uneven, with job growth in the Portland metro area and Willamette Valley powering the statewide gains. Of the 17 counties that still face a jobs deficit since the start of the recession, 14 are rural.⁵

Targeted Public Investments Would Help Struggling Workers and Strengthen the Oregon Economy

While Oregon's job market looks far better today than it did during the depths of the Great Recession, there is still room to improve. Oregon lawmakers can take steps to help struggling workers in the near term and lay a foundation for a stronger economy in the future.

- **Make child care more affordable**

Too many working families are unable to afford the high costs of child care. Investments that expand access to affordable child care would remove a barrier for parents who want to work or work more hours. In addition, investments could increase the pay of child care workers. Child care workers typically are underpaid compared to workers in other professions with similar levels of training and experience.⁶

- **Fully fund education**

Investing in education is one of the most important investments lawmakers can make, not just for the economic futures of our children, but also to support thriving Oregon communities.⁷ Unfortunately, Oregon public schools have long been underfunded, lacking the resources needed to provide a quality education to all students.⁸ Fully funding Oregon education would provide students a higher quality education while putting more adults to work as teachers, counselors and other support staff.

- **Invest in Oregon's infrastructure**

Oregon's investment in infrastructure has been shrinking relative to the size of the state's economy. Between fiscal years 2002 and 2013, Oregon state and local infrastructure investment as a share of GDP decreased. Oregon's decline was the 14th worst of all states.⁹ Investing in infrastructure not only would improve Oregon's quality of life and strengthen the state's economy, it would also create good paying jobs in the process. Now is a particularly good time for Oregon to boost spending in infrastructure, given the historically low borrowing rates.

Endnotes

- ¹ OCPP analysis of Bureau of Labor Statistics data. July 2016 unemployment rate is a preliminary estimate.
- ² OCPP analysis of Oregon Office of Economic Analysis data.
- ³ OCPP analysis of Oregon Economic and Revenue Forecast, June 2016.
- ⁴ OCPP analysis of Oregon Employment Department data.
- ⁵ This fact sheet follows the definition of rural and metro counties used by the Oregon Office of Economic Analysis. Rural counties include Josephine, Baker, Klamath, Douglas, Coos, Curry, Crook, Linn, Clatsop, Union, Lincoln, Wallowa, Tillamook, Gilliam, Malheur, Umatilla, Jefferson, Harney, Grant, Wasco, Sherman, Lake, Wheeler, Hood River and Morrow Counties. Metro counties include Yamhill, Multnomah, Lane, Deschutes, Jackson, Clackamas, Washington, Columbia, Marion, Polk and Benton Counties. For more see Josh Lehner, "Rural Oregon," Oregon Office of Economic Analysis, September 1, 2015, available at <https://oregoneconomicanalysis.com/2015/09/01/rural-oregon/>.
- ⁶ Marcy Whitebrook, Deborah Phillips and Carollee Howes, *Worthy Work, STILL Unlivable Wages: The Early Childhood Workforce 25 Years after the National Child Care Staffing Study*, 2015, p. 21, available at <http://csce.berkeley.edu/files/2014/ReportFINAL.pdf>.
- ⁷ Noah Berger and Peter Fisher, *A Well-Educated Workforce Is Key to State Prosperity*, Economic Policy Institute, August 22, 2013, available at <http://www.epi.org/publication/states-education-productivity-growth-foundations/>.
- ⁸ The Oregon Quality Education Model (QEM) estimates that it would cost \$9.158 billion to fully fund K-12 schools in Oregon during the current budget period, not including the cost of full day kindergarten. The 2015-17 Legislatively Adopted Budget appropriated \$7.376 billion for K-12 education. For more on the QEM see *Quality Education Model: Final Report, Quality Education Commission*, August 2014, available at [http://www.ode.state.or.us/superintendent/priorities/final-2014-qem-report-volume-i-\(2\).pdf](http://www.ode.state.or.us/superintendent/priorities/final-2014-qem-report-volume-i-(2).pdf). For more on the budget see *2015-17 Budget Highlights Update, Oregon Legislative Fiscal Office*, March 2016, available at <https://www.oregonlegislature.gov/lfo/Documents/2015-17%20Budget%20Highlights%20Update.pdf>.
- ⁹ Elizabeth McNichol, *It's Time for States to Invest in Infrastructure*, February 23, 2016, available at <http://www.cbpp.org/research/state-budget-and-tax/its-time-for-states-to-invest-in-infrastructure>.

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