



ISSUE BRIEF

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Continued Misery, Not Recovery: November Employment Figures Show Job Market Still Has a Long Way to Go

By Jeff Thompson

Oregon Center for Public Policy (OCPP) analysis of the new figures released today by the Oregon Employment Department shows that the recent decreases in the unemployment rate are due primarily to workers dropping out of the labor market, rather than a return of job growth. Oregon must still create 159,000 jobs to overcome the damage from the 2001 recession.

Is today's news good news?

Oregon's unemployment rate fell to 7.3 percent in November 2003, down from 7.6 percent in October and 8.5 percent in June 2003 (Table 1). These declines are largely due to unemployed workers dropping out of the labor force. Since October, employment rose 1,500 and Oregon's labor force fell by 15,360. Between June and November, the labor force declined by 63,000, while the state added only 2,400 jobs. The "labor force" includes all employed and unemployed workers. To be counted as part of the labor force, a jobless person must be looking for work.

Table 1. Declining labor force drives recent decline in unemployment

	Unemployment rate	Labor force	Employment
Nov-02	7.3%	1,842,000	1,570,200
Jun-03	8.5%	1,871,000	1,559,800
Oct-03	7.6%	1,823,360	1,560,700
Nov-03	7.3%	1,808,000	1,562,200
Change			
Oct 03 to Nov 03	-0.3%	-15,360	1,500
June 03 to Nov 03	-1.2%	-63,000	2,400
Nov 02 to Nov 03	0.0%	-34,000	-8,000

Source: OCPP analysis of OED data. Employment and unemployment rate are seasonally adjusted.

Oregon's unemployment rate in November 2003 was no different than the rate in November 2002. Significant job losses and a growing population of working-age adults over the last year did not impact the unemployment rate, because 34,000 workers left the labor force altogether, after fruitless job search.

The Bush recession "jobs gap" is growing

A declining labor force is not a recipe for economic recovery or cause for celebration. For the labor market to recover, the state must create jobs, and a lot of them. Oregon needs enough jobs not only to employ those workers who lost jobs in the 2001 recession, but also to absorb continued growth in the working-age population (ages 20 to 64).¹

From November 2002 to November 2003, the working-age population grew by nearly 31,000, but 8,000 jobs were lost (Table 2). Since November 2000, the working-age population has grown by nearly 102,000, and 57,200 jobs have been lost.

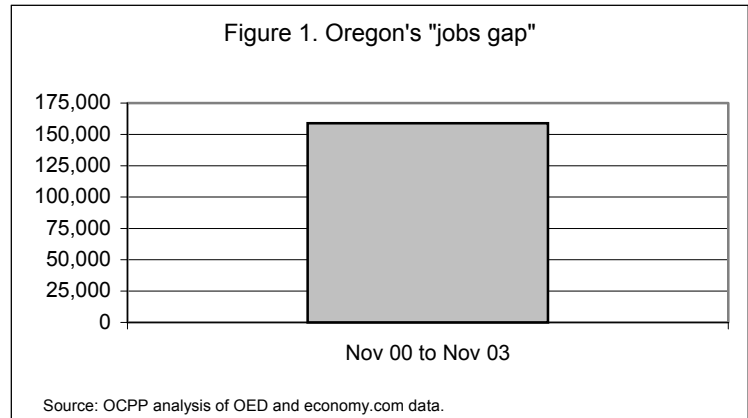
Table 2. Gap between jobs and working-age population is growing

	Employment	Working-age population*	
Nov-00	1,619,400	2,053,400	
Nov-02	1,570,200	2,124,170	
Nov-03	1,562,200	2,155,130	
change			Total Gap in Employment
Nov 02 to Nov 03	-8,000	30,960	38,960
Nov 00 to Nov 03	-57,200	101,730	158,930

Source: OCPP analysis of OED and economy.com data. *Working-age population figures are for fourth quarter in each year.

Job losses and population growth create a gap between jobs and the working-age population. Since November 2000, this “jobs gap” has grown to nearly 159,000 (Figure 1). Nearly 39,000 of the “jobs gap” developed in 2003.

The sizeable “jobs gap” that remains means that Oregon’s economy has a long way to go before the job market recovers from the damage inflicted during the 2001 recession. November’s employment figures are not cause for celebration.



Endnotes

¹ Data on Oregon’s working-age population are from economy.com and made available by the Economic Policy Institute.

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