

## Tri-county unemployment up more than expected

by Bend\_Weekly\_News\_Sources

All three counties in Central Oregon saw their unemployment rates increase from November to December, and all three rates increased more than expected, the Oregon Employment Department announced Thursday. Deschutes County had the lowest rate at 6.1 percent, while Jefferson County had the highest at 8.3 percent.

Deschutes County (Bend MSA): The county's unemployment rate increased by 0.6 percentage points to 6.1 percent in December, up from 5.5 in November. This was a larger than expected move for the rate during December, and the rate currently stands 1.6 percentage points higher than the historical lows of last December. The county had the 16th lowest local unemployment rate among Oregon's 36 counties.

December saw the fourth straight month of job declines, as jobs are normally shed going into the slower winter months. The loss of 290 jobs this December was slightly greater than expected. Normally the county sheds about 230 jobs in December as hiring for the holiday season's shopping and winter recreation offsets more of the seasonal jobs lost elsewhere.

The county's largest job declines occurred in the private sector and were concentrated in professional and business services (€210) and natural resources, mining and construction (€320). Professional and business services is an industry to keep an eye on. One of its key components is employment services or temporary help agencies, where companies get workers when times are good and let them go when times are slow. Statewide this industry is down 1,800 jobs over the year. Locally professional and business services is still positive over

the year, but its growth rate has been declining to 3.3 percent in December from above 7.0 percent last winter. Natural resources, mining and construction is also seeing a declining growth rate and currently has only 60 more jobs than one year ago.

Meanwhile the largest gains in December were seen in leisure and hospitality ( 220) and trade, transportation and utilities ( 130), with the retail portion adding 70 jobs in December. The gains in both these industries are heavily tied to the holiday season as not only shopping increases but the county benefits from increased traffic do to winter recreational opportunities.

The area continued to see over-the-year growth at 2.3 percent this December. Expansion continued, stimulated by educational and health services ( 5.2%), retail trade ( 3.9%) and leisure and hospitality ( 3.4%). Financial activities (-3.1%) and manufacturing (-2.8%) showed weakness.

Crook County: The county's unemployment rate jumped to 7.3 percent in December, up 0.9 percentage point from November. The increase was greater than expected for the month. The rate is higher than the historical lows of last year, and similar to its level in 2005. While similar to its 2005 level, the county's civilian labor force is over 200 persons greater than in 2005.

The county lost 90 jobs in December, after shedding 240 jobs in the previous two months. Overall the county has lost 400 jobs since June (its high point of 2007). The drop in December was slightly larger than expected. Typically the county sees seasonal declines through the autumn and winter months. Overall the county's employment performed near expectations during the spring then was slightly better during the summer and is now slowing heading into winter.

The largest job losses in December occurred in both local and federal government. Each of these lost 30 jobs over the month. Outside of government a number of industries declined by 10 jobs including: natural resources and mining, wholesale trade, transportation, warehousing and utilities, professional and business services and leisure and hospitality. Wholesale trade is down 50 jobs since August, while leisure and hospitality is down 80 jobs over that period.

Only two industries added jobs in December. Both financial activities and other services added 10 jobs. Retail trade has 30 more jobs than when the year began. Employment in financial activities has been relatively flat this year and is only up 10 jobs since January 2007.

The county recorded fewer jobs in December than in December of 2006. This was the first month to see over the year declines since December 2003. Industries showing gains include construction ( 5.7%), leisure and hospitality ( 5.4%), financial activities ( 3.6%) and retail trade ( 1.7%). However, declines occurred in wood product manufacturing (â€‘3.9%), federal government (â€‘3.6%) and wholesale trade (â€‘2.3%).

Jefferson County: The countyâ€™s 8.3 percent December unemployment rate was higher than its November rate of 7.3 percent. The full point gain was slightly more than expected for the month, and the rate now stands 2.9 percentage points higher than last year. This is the highest December unemployment rate since 1996.

Jefferson County lost 30 jobs in December at a time of year when job declines are typical. Normally the county sheds about 90 jobs during the month, so this year the county performed above expectations.

Employment gains were sparse in December, with only professional and business services ( 10) showing a gain. The industry is down 20 jobs since its most recent peak in July 2007 and typically employment in December remains steady with November.

There were only a few industries that lost jobs in December. Indian tribal (â€‘20) recorded the largest drop followed by natural resources and mining (â€‘10), wood product manufacturing (â€‘10) and leisure and hospitality (â€‘10). Leisure and hospitality has lost 130 jobs since the summer and is expected to continue to decline during the winter. Meanwhile wood product manufacturing has 390 fewer jobs than January 2007; most of those declines occurred in February 2007 and since then has seen only moderate declines.

Even with recent gains in state government the drop earlier in the year in manufacturing continued to hold the countyâ€™s year-over-year employment in negative territory. Employment this December was down 1.1 percent from last December. Losses in manufacturing (â€‘23.9%) and federal government (â€‘6.3%) were the largest contributors to the decline. Gains were seen in state government ( 135.7%), financial activities ( 11.8%), educational and health services ( 5.6%) and leisure and hospitality ( 4.2%).

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