Oregon unemployment situation worsens â€˜rapidly, substantiallyâ€™

by Bend_Weekly_News_Sources

The Number of Unemployed Oregonians more than Doubled Over the Past 12 Months

Oregonâ€™s seasonally adjusted unemployment rate rose to 10.8 percent in February from 9.8 percent (as revised) in January. The stateâ€™s unemployment rate has risen rapidly and substantially over the past eight months, from a rate of 5.9 percent in June 2008. The U.S. seasonally adjusted unemployment rate rose to 8.1 percent in February, from 7.6 percent in January.In February, Oregonâ€™s seasonally adjusted nonfarm payroll employment declined by 21,700 jobs, following a drop of 13,000 (as revised) in January. Industry Payroll Employment (Establishment Survey Data)Since February 2008, seasonally adjusted payroll employment is down 81,800 jobs or 4.7 percent. Over that 12-month period, construction is down 17,200 jobs or 17.3 percent, while manufacturing has lost 25,000 jobs or 12.4 percent. In addition, three other major industries have shrunk by about seven percent: financial activities (-7,300 jobs); professional and business services (-13,000 jobs); and trade, transportation, and utilities (-23,600 jobs). Over the year, only two major industries have produced significant job gains: government (6,200 jobs or 2.1%) and private educational and health services (6,700 jobs or 3.1%).In February, all seven of Oregonâ€™s largest private-sector industries recorded substantial seasonally adjusted job declines. The losses were widespread with manufacturing down 4,900 jobs and the other six major industries each down between 2,300 to 3,500 jobs.Manufacturing dropped by 4,200 jobs at a time of year when a gain of 700 is the normal seasonal movement. Durable goods manufacturing cut 3,600 jobs in February, sinking to 123,800, its lowest level since comparable records began in 1990. Durable goods manufacturing has dropped by 23,300 or nearly 16 percent since February 2008. It is well below its recent high of 156,900 in August 2006.In February, each of the primary components of durable goods dropped substantially. Wood products cut 900 jobs, primary metals was down 200, fabricated metals cut 400, machinery dropped 600, computer and electronic products shed 500, and transportation equipment manufacturing shed 1,300.Nondurable goods sank to near its low point of the winter, cutting 600 jobs in February. This part of manufacturing, at 49,400 jobs, was close to the typical seasonal lows seen from 2003 through 2006. Food manufacturing seems to be one of the brighter industries in an otherwise gloomy economy. It employed 23,200 in February, which was a gain of 1,400 jobs since February 2008. The industry has been on a gradually expanding trend over the past four years. Conversely, paper manufacturing was down to 5,800 jobs, continuing its trend of slow and steady employment decline over the past two decades, having employed close to 7,500 at the turn of the millennium.Construction job losses accelerated in February as job totals declined by 3,000 for the month at a time of year when a gain of 500 would have been the normal seasonal movement. Weather was not the culprit, as precipitation in the Willamette Valley was light during most of the month and temperatures were only slightly below normal. Rather, the industry is being hit hard by the falloff in demand for new housing and commercial space. In February, construction of buildings was down by 1,300 jobs and specialty trade contractors cut 1,600.During the past 12 months the industry shed jobs at a faster pace than it added them during the rapid buildup of 2004 through 2006. Job losses since February 2008 totaled 16,300 or 17.3 percent. Seasonally adjusted employment in construction is now at 82,500, which is very close to its level during the boom times of 1997 through 2000. Nonetheless, Februaryâ€™s reading was still well below its all-time high of close to 104,000 during most of 2007, a period that encompassed the national housing bubbleâ€™s peak.Professional and business services suffered another loss, cutting 900 jobs during a month that was expected to show a gain of 2,500 jobs on a seasonally adjusted basis. Employment services accounted for half of this job loss, as it cut 500 jobs in February. It has dropped rapidly, from a recent peak of 43,200 in August 2007 to 25,600 in February.Professional and business services experienced a rapid decline that started in September 2008. Since then, the industry has lost 10,500 jobs on a seasonally adjusted

basis, equaling a decline of 5.4 percent over that five month period.After having added employment at a rapid pace from 2004 through 2007, the component industry called â€œprofessional and technical servicesâ€• has trended slightly upward throughout the last 12 months, showing a gain of 400 jobs or 0.5 percent over that period. Computer systems design and related services accounted for 300 of that over-the-year increase.Trade, transportation, and utilities cut 6,500 jobs when a loss of 3,200 is the typical seasonal pattern in February. Wholesale trade dropped 1,100 jobs, retail cut 4,000, and transportation and warehousing cut 1,400. The trucking industry has been hit particularly hard by the economic downturn. Its employment level dropped from 18,800 in February 2008 to 15,300 this February.

Financial activities continued to trend downward rapidly in February, with a loss of 1,800 jobs at a time of year when a gain of 700 is the normal seasonal pattern. Declines started in early 2007 and have accelerated in recent months. The industry is down 7,000 jobs over the past 12 months, a decline of 6.8 percent. Job losses in that time have been concentrated in real estate (-3,500 jobs) and credit intermediation and related activities (-2,500 jobs).Leisure and hospitality also experienced acceleration in its recent employment declines as it shed 1,100 jobs during a month that normally sees an increase of 1,300 jobs due to seasonal changes. Most of the drop for the month occurred in food services and drinking places, which shed 1,700 jobs. During this economic downturn many people are shunning restaurants, saving their money by stocking up at the grocery store and eating more of their meals at home. Full-service restaurants were hit especially hard, having cut 900 jobs in February and 4,700 in the past 12 months.

On the plus side, arts, entertainment and recreation added 500 jobs in February and is up 1,000 since February 2008.Educational and health services added only 1,700 jobs in February, when a gain of 4,000 is the normal seasonal movement for the month. Private-sector educational services added 1,700 in February, but this was well below the typical February movement. The January employment total for this industry was unusually high (by about 2,500 jobs) and is now back to its former trend line. It has added 1,700 jobs since February 2008, as a larger share of the labor force finds going back to school an attractive alternative to the job market during these tough economic times.Health care and social assistance employment was flat in February, but up 5,200 jobs in the past 12 months.Government was the only major industry to add jobs on a seasonally adjusted basis. It added 5,400 jobs during a month where typical job gains number 4,600. Federal government added 300 and is up 600 over the year. State government added 1,800 in February, while local government added 3,300. Look for federal government to rise this year as workers are hired in preparation for the decennial census.Unemployment (Household Survey Data)In February, Oregonâ€™s seasonally adjusted unemployment rate rose to 10.8 percent from 9.8 percent in January. The last time Oregonâ€™s unemployment rate was in double digits was in January 1984, when the rate was 10.0 percent. The last time Oregonâ€™s rate was 10.8 percent or higher was in July 1983 when the rate was 10.8 percent.Oregonâ€™s unemployment rate has now risen in each of the last 13 months, dating back to January 2008, when the rate was 5.3 percent.The increases in Oregonâ€™s unemployment rate have been particularly rapid during the most recent four-month period. In October 2008, Oregonâ€™s unemployment rate was 7.2 percent. This means that over the past four months, the average increase in Oregonâ€™s unemployment rate was nine-tenths of a point per month.The number of unemployed Oregonians jumped to 236,286 in February from 211,979 in January. In February 2008, 115,714 Oregonians were unemployed. Thus, the number of unemployed more than doubled over the past 12 months.

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