State jobless rate surges to historic high: 12.1%

by Bend_Weekly_News_Sources

Gov. Ted Kulongoski: â€œThe employment statistics released today are staggering, representing the many families across the state struggling to make ends meet during this recession. â€œWhile national economists are noting positive signs, todayâ€™s numbers also tell us that we have entered uncharted territory â€“ that this recession is not comparable to the recessions before that we remember or read about in history books.â€•

Oregonâ€™s seasonally adjusted unemployment rate rose to 12.1 percent in March from 10.7 percent (as revised) in February. The stateâ€™s unemployment rate has risen rapidly and substantially over the past nine months, from a rate of 5.9 percent in June 2008. The U.S. seasonally adjusted unemployment rate rose to 8.5 percent in March, from 8.1 percent in February.In March, Oregonâ€™s seasonally adjusted nonfarm payroll employment declined by 14,000 jobs, following a drop of 22,800 (as revised) in February.Industry Payroll Employment (Establishment Survey Data)In March, five of Oregonâ€™s seven largest private-sector industries recorded substantial seasonally adjusted job declines. The losses were widespread with trade, transportation and utilities down 3,600 jobs and four other major industries each down approximately 2,400 jobs. None of Oregonâ€™s major industries gained a substantial number of Jobs in March.Trade, transportation, and utilities cut 1,800 jobs when a gain of 1,800 would have been the normal seasonal movement. Wholesale trade shed 800 jobs and is down 6,200 over the prior 12 months. This industry has declined rapidly since July 2008, when 81,200 were employed. The March reading was 74,500. Job losses in March were widespread, with both the durable goods side of wholesale (500 jobs) and the nondurable side (-200) scaling back for the month.Retail trade continued to shrink its employment base, cutting 500 jobs in March. The industry is down 14,100 jobs or 7.2 percent since March 2008. In March, food and beverage stores cut 400 jobs, but is only down 100 jobs over the past 12 months.Transportation, warehousing and utilities cut 500 jobs in March and was down 5,500, or 9.4 percent, since March 2008. The industry has been hit hard by the downturn, with truck transportation, off 3,100 jobs in the past 12 months, seeing the most precipitous decline.Manufacturing shed 2,100 jobs in March, during a time of year when a flat employment pattern is typical. Employment stood at 171,600 in March, which was by far the lowest employment level since comparable records began in 1990. Following the 2001 recession, Oregonâ€™s manufacturing employment bottomed at 190,900 in January 2004. Following the early 1990sâ€™ decline it reached a low point of 185,600 in January 1992. The severity of the current downturn is highlighted by manufacturingâ€™s current reading of 171,600 jobs.Durable goods continued to be responsible for manufacturingâ€™s dismal readings. Since September, durable goods manufacturing has dropped at a rapid pace, with seasonally adjusted employment declining 17,500 jobs or 12.5 percent.In March, wood product manufacturing cut 700 jobs, fabricated metal product manufacturing and machinery were each down 300 jobs, while computer and electronic product manufacturing dropped 600.Within nondurable goods, food manufacturing continued to be the brightest light in manufacturing, adding 400 jobs for the month and up 2,100 jobs over the prior 12 months. Meanwhile, paper manufacturing shed another 400 jobs in March.Construction losses steepened, dropping 1,700 jobs at a time of year when a gain of 700 was the expected normal seasonal movement. The rate of seasonally adjusted losses in construction has quickened, as the industry is down 12,600 jobs or 13.6 percent over the past six months.Seasonally adjusted construction employment, at 80,000, is now below its level of approximately 83,000 jobs seen during much of 1997 through 2000. Despite a drop of more than

25,000 jobs since reaching its peak in 2007, construction is still slightly above its low point over the past dozen yearsâ€”75,500, which was reached in June 2003.In March, substantial losses were seen in nonresidential building construction (-400 jobs) and in specialty trade contractors (-1,500).Professional and business services continued to trend downward, cutting 700 jobs when a gain of 1,700 was the typical seasonal pattern. The industry is down 14,900 jobs, or 7.6 percent since March 2008. The closely watched employment services shed another 200 in March; at 25,400 jobs, it is down 10,900 jobs or 30 percent from its March 2008 level. Economists are watching employment services closely for signs of an uptick in its employment as a leading indicator of broader economic recovery. One industry showing a positive reading in March was services to buildings and dwellings, which added 800 jobs.Leisure and hospitality accelerated its employment decline in March as it cut 300 jobs at a time of year when a gain of 2,100 is the normal seasonal movement. Seasonally adjusted losses have been steep over the first three months of the year, with 5,600 job losses or a 3.3 percent decline over those three months. Arts, entertainment and recreation cut 800 jobs in March and is now down 900 since March 2008. Accommodation and food services added 500 jobs in March, but this lackluster gain during the start of this industryâ€™s seasonal upswing meant that the industry is still well below its year-ago level (146,800 jobs).Educational and health services cut 200 jobs when a gain of 700 is the normal seasonal pattern. The industry is showing signs of weakness after years of steady and rapid growth. Seasonally adjusted employment, at 222,900, is now very close to levels seen during much of the second half of 2008. It remains to be seen if recent job totals in this industry will mark the beginning of a flattening in the industry or will be followed by its long-term trend of continual increases.Government added only 200 jobs in March, when a gain of 1,200 is the normal seasonal movement. Seasonally adjusted government employment has been close to 300,000 since September 2008. Federal government should be expanding throughout the year as hiring ramps up for work on the decennial census. It cut 200 jobs in March, but is up 200 since March 2008.Unemployment (Household Survey Data)In March, Oregonâ€™s seasonally adjusted unemployment rate rose to 12.1 percent from 10.7 percent in February. This tied Oregonâ€™s unemployment rate in November 1982, the highpoint of the early 1980s recession. While historical records prior to 1976 are not exactly comparable, it appears clear that the 12.1 percent level is Oregonâ€™s highest since 1947, when the Employment Department first started publishing unemployment rates.Oregonâ€™s unemployment rate has now risen in each of the last 14 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 five-month period. In October 2008, Oregonâ€™s unemployment rate was 7.2 percent. This means that over the past five months, the average increase in Oregonâ€™s unemployment rate was one full percentage point per month.The number of unemployed Oregonians jumped to 256,404 in March from 232,568 in February. In March 2008, 115,629 Oregonians were unemployed. Thus, the number of unemployed more than doubled over the past 12 months.

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