

Oregon's unemployment rate shows slight increase in Dec.

by Bend Weekly News Sources

Oregon's seasonally adjusted unemployment rate in December edged up slightly from the previous month - increasing from 5.3 percent to 5.4 percent. Oregon rates remain higher than the national average of 4.5 percent, yet according to Oregon Employment Department economists the number of unemployed Oregonians remains essentially unchanged from one year ago in Dec. 2005.

In December, Oregon's seasonally adjusted nonfarm payroll employment declined by 2,100. Over the last four months of 2006, this measure of employment has risen one month then declined the next, leaving the December employment total at 1,718,100, which is about the same as the August figure of 1,719,600. Oregon's unemployment rate in Dec. edged up slightly to 5.4%, with an estimated 97,677 unemployed workers.

Also in December, two major industries each had large seasonally adjusted job losses. Trade, transportation, and utilities lost 2,000 jobs, and the number of employed in professional and business services declined 1,400. Only one major industry, financial activities (1,000), posted a substantial gain.

Trade, transportation, and utilities employment is made up of 60 percent retail trade, one-fourth wholesale trade, and one-sixth transportation, warehousing and utilities. Retail trade employment most closely related to holiday hiring showed a gain of 8,500 jobs between September and December, compared to a gain of 11,500 in the same period of 2005. Leading the way was the food stores industry, which added 600 jobs over the last three months of 2006. General merchandise added only 3,200 during that time, a relatively weak showing compared with recent years.

Professional and business services employment has been declining on a seasonally adjusted basis since September, following the trend in total nonfarm employment. It expanded rapidly from 2004 through mid-2006, so despite the recent modest pullback, employment in the industry is still well above levels of the recent past. In December, professional and business services dropped 1,400 jobs on a seasonally adjusted basis. Its component industry, employment services, cut 2,800 jobs in December and is down 3,500 jobs in the past 12 months.

Financial activities continued to soar, adding 1,200 jobs in December when a gain of only 200 would be the normal seasonal increase. This industry has grown rapidly for several years as lending conditions have eased and long-term interest rates have remained historically low.

Manufacturing cut 2,500 jobs in December at a time of year when a drop of 1,900 is normal. Durable goods cut 1,100 as several components reduced their workforce. Meanwhile, nondurable goods shed 1,400 as food manufacturing contributed half of this decline.

Seasonally adjusted employment in manufacturing has been trending downward during the summer and fall of 2006. Job losses were particularly acute in wood products, which has lost 1,500 jobs during 2006.

Construction employment closely followed normal trends during December by cutting 1,800 jobs. The weather was dry and mild in Portland during the first 10 days of the month, followed by a rainy week during the survey week of the 12th of the month. Thus, the weather was near normal for the month. Over the past several months, the pace of construction employment growth has slowed dramatically, but the monthly business survey has not indicated a secular downturn in Oregon construction that has been evident at the

national level.

Unemployment (Household Survey Data) Oregon's seasonally adjusted unemployment rate was 5.4 percent in December and 5.3 percent in November. The December reading puts the rate close to the levels seen throughout much of 2006, when Oregon's unemployment rate ranged from a low of 5.1 percent in October to a high of 5.6 percent in February, May, and July. The December rate was essentially unchanged from the year-ago figure of 5.7 percent. In December, 97,677 Oregonians were unemployed, compared with 99,820 in December 2005.

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