

Oregon's Unemployment Rate Essentially Unchanged

by Bend Weekly News Sources

Oregon's Employment Situation: May 2006

Oregon's seasonally adjusted unemployment rate in May was essentially unchanged at 5.6 percent, from 5.5 percent in April. The state's unemployment rate has been stable this year, with the rate staying between 5.3 percent and 5.6 percent for the first five months of the year. The U.S. unemployment rate was 4.6 percent in May, about the same as the 4.7 percent reading in April, and at its lowest level since July 2001 when the rate was 4.6 percent. Oregon's seasonally adjusted nonfarm payroll employment grew substantially, adding 4,000 jobs in May. The revised April figure showed a loss of 500 jobs, which was the first monthly job loss since January 2004 when severe storms resulted in a monthly employment decline. Industry Payroll Employment (Establishment Survey Data) Oregon's three-year trend of rapid economic expansion continued in May. Nonfarm payroll employment was up 59,300, or 3.6 percent since May 2005. After a winter surge in seasonally adjusted employment, a few major industry sectors have returned to employment levels consistent with longer-term trends. Financial activities bounced up 2,200 jobs during the first three months of the year, but has been flat since then. Professional and business services employment spiked upward by 4,100 in January, but has been level since then. Leisure and hospitality grew strongly between May and September of last year by adding 6,200 jobs, but now, at 163,400, is slightly below the September reading. Over the longer term, most major industry sectors have grown at consistent rates for more than two years. The following industries are shown with their annualized growth rates from January 2004 through May 2006: construction (10.7%), financial activities (4.4%), professional and business services (4.4%), educational and health services (3.8%), manufacturing (3.1%), trade, transportation and utilities (2.8%), and leisure and hospitality (2.7%). In May, three major industries — construction (1,500 jobs), trade, transportation and utilities (1,500), and government (1,700) — posted seasonally adjusted job gains of close to 1,500. One major industry saw a substantial loss; leisure and hospitality slipped by 1,500 jobs on a seasonally adjusted basis.

Construction continued to expand rapidly and for the first time exceeded seasonally adjusted employment of 100,000.

Construction employment continues to lead Oregon's economic expansion. The industry has added 10,800 jobs over the past 12 months. Oregon's construction industry is also among the fastest growing of all states. In the 12 months ending in April, the most recent month that data for all states are available, Oregon's construction industry had the third-fastest-growing construction sector of any state, with 12.2 percent growth. In May, construction job gains were widespread, with no published industry showing a job loss. Nonresidential building construction added 500 jobs. This industry, which employed 9,900, has been particularly robust recently, as employment has grown by 1,500 over the past 12 months, a gain of nearly 18 percent. Building foundation and exterior contractors added 1,000 jobs in May. This industry, which is a component of specialty trade contractors, has grown rapidly over the past year and is up 1,500 jobs during the past 12 months. Firms in this industry include those working on residential as well as nonresidential projects.

Trade, transportation, and utilities gained 2,700 jobs in May, more than double a projected increase of 1,200 based on seasonal trends. Over the year the sector has added 10,600.

Merchant wholesalers of nondurable goods added 600 jobs to lead wholesale trade. There was more volatility in retail trade; the net result was a gain of 1,200. Building material and garden supply stores continued its hiring trend, adding 400 in May. Hiring among miscellaneous store retailers — such as florists, pet stores, office supply stores, and secondhand stores — accounted for 300 new jobs. General merchandise stores added 200, as did food and beverage stores. Clothing and clothing accessories stores and gasoline stations both declined, each losing 400 over the month.

Government added 3,900 jobs in May. Federal employment grew by 500 and state government grew by 300

jobs. Local governments added 3,100, which included a gain of 1,900 in local education. Total government was 1,200 jobs above its May 2005 level.

Leisure and hospitality added 1,600 jobs in May, which was about half of typical gains. Accommodation added 1,500 jobs and food services and drinking places added 1,000. Arts, entertainment, and recreation cut 900 jobs, leaving this industry 1,900 below its May 2005 level.

Unemployment (Household Survey Data) Oregon's seasonally adjusted unemployment rate was 5.6 percent in May and 5.5 percent in April. The rate has been essentially the same during the past few months. The May rate was down substantially from the year-ago figure of 6.3 percent. In May, 100,156 Oregonians were unemployed, compared with 111,552 in May 2005. In May, Oregon reached record highs, on a seasonally adjusted basis, for both civilian labor force (1,886,751) and employment (1,780,800). Even though employment growth has been rapid over recent months, the total number of people in the labor force has also grown rapidly, resulting in an unemployment rate that has been stable so far this year.

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