Oregonâ€™s jobless rate dips slightly

by Bend_Weekly_News_Sources

Oregonâ€™s seasonally adjusted unemployment rate took a slight dip in January, with 5.2 percent last month compared with 5.4 percent in December, according to a report released today by the Oregon Employment Department. Oregon still ranks higher than the nationâ€™s average. The U.S. seasonally adjusted unemployment rate was 4.6 percent in January and 4.5 percent in December. In January, Oregonâ€™s seasonally adjusted nonfarm payroll employment rose by 500. Between July and January, this measure of employment has been relatively flat, rising only 2,200 jobs or 0.1 percent over that six-month period. This leveling off of economic activity followed rapid job gains that averaged an annual growth rate of 3.0 percent during 2004 through the first half of 2006. Industry Payroll Employment (Establishment Survey Data)Employment data in recent months show downturns in manufacturing and construction, flat trends in financial activities, and continued gains in leisure and hospitality, professional and business services, and educational and health services. These trends are largely consistent with trends of the prior two years, with the exception of noticeably weaker performance in construction, manufacturing, and financial activities. Manufacturing cut 1,700 jobs in January at a time of year when a loss of 1,300 would be normal. Since its recent peak in August, manufacturing has shed 5,000 jobs on a seasonally adjusted basis. Much of the weakness here has been in lumber and wood products where the downturn in residential construction at the national level has been primarily responsible for a drop in lumber prices and reduced demand. Wood product manufacturing employed 30,200 in January, down 2,400 from January 2006, and its lowest level in decades. Losses have been seen in each of the three published components of lumber and wood. Plywood and engineered wood product manufacturing dropped to 9,900 in January, which was the first time the industry has been below 10,000 in recent memory. This industry employed more than 13,000 during much of the 1990s. In addition, logging, which is categorized outside of manufacturing, has cut 800 jobs since January 2006. Computer and electronic product manufacturing lost 1,000 jobs in January and is now 400 below its year-ago level. In nondurable goods, food manufacturing added 600 jobs to help boost an otherwise somber month for manufacturing overall. Construction employment dipped slightly below normal seasonal trends in January by cutting 4,100 jobs when a loss of 3,500 is normal in the first month of the year. Nearly every component of construction trimmed its workforce in January. The exception was building foundation and exterior contractors, which was essentially flat for the month, but up 2,000 for the year. Seasonally adjusted construction employment has been waning steadily for the past five months and is down a total of 2,600 in that time. Even though the trend has been one of slight decline, the industry has come down only modestly from an extremely high level of activity. Construction employment averaged 100,300 in 2006, which was substantially above employment levels in the industry during 1996 through 2004 when the averages for each year were in a tight range of between 77,000 and 83,600. Financial activities seems to be feeling the affects of the housing slowdown as well as the rise in short-term interest rates. Financial activities cut 2,200 jobs in January, which was a bigger bite than the typical drop of 1,500 for the month. Prior to January, seasonally adjusted employment in the industry hasnâ€™t shown much movement over the prior eight months. This industry, like construction, showed strong employment gains during 2004 and 2005, and despite recent softening still employs near record numbers of workers in Oregon. Leisure and hospitality cut only 3,000 jobs in January during a month where typical job losses would number 4,000. Therefore, January was a strong month for the industry and continues a string of very strong gains over the past half-year. Since June, leisure and hospitality has added 7,000 to its payrolls. And over the past 12 months, the industry has grown by 5 percent, the fastest rate of the major industries. Firms in food services and drinking places make up 87 percent of the employment in the broader industry. Job gains have been spread evenly over the past year in both classifications of restaurants, with full-service restaurants boosting employment by 3,000 and limited-service eating places adding 3,400. Professional and business services cut 8,000 jobs in January, which was a bigger cut than the normal decline of 7,100 for the month. The one-month drop followed strong gains during prior months, which have seen the industry growing at about the same rate as the overall economy over the past 12 months. Most of the job losses in January were seen in administrative and support services, where each of the three published components cut substantially: employment services (-4,600 jobs), business support services (-1,400), and services to buildings and dwellings (-1,000).Educational and health services cut 6,600

jobs in January, which was more substantial than the expected 5,300-job loss for January. This situation is likely to be a one-month aberration. Looking back over the past decade, the industry has grown the most steadily of all the major industries. Since January 2006, it is up 2,900 jobs, or about equaling the rate of overall payroll employment growth. Private sector education, which makes up 26,000 jobs, slipped by 4,800 for the month and is likely to bounce back in the late winter and spring months.Unemployment (Household Survey Data)Oregonâ€™s seasonally adjusted unemployment rate was 5.2 percent in January and 5.4 percent in December. The January reading puts the rate close to the levels seen throughout much of 2006, when Oregonâ€™s unemployment rate averaged 5.4 percent. The January rate was also essentially unchanged from the year ago figure of 5.5 percent. In January, 114,753 Oregonians were unemployed, compared with 113,779 in January 2006.

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