

Oregon jobless rate drops for third month

by Bend_Weekly_News_Sources

Oregon's seasonally adjusted unemployment rate was 5.0 percent in May compared with 5.1 percent in April. The May unemployment rate was the lowest since April 2000, when the rate was also 5.0 percent. The U.S. seasonally adjusted unemployment rate was 4.5 percent in both April and May. In May, Oregon's seasonally adjusted nonfarm payroll employment rose by 4,600, following a gain of 5,200 in April. Unemployment (Household Survey Data) Oregon's seasonally adjusted unemployment rate reached 5.0 percent in May. Thus far in 2007, Oregon's unemployment rate has inched down from 5.4 percent during most of 2006. The recent reductions in the unemployment rate reflect a continuation of a longer term trend of declining unemployment that started when the rate peaked at 8.5 percent in July 2003.

During only three periods over the last 30 years has Oregon's unemployment rate dropped to the five percent range: in early 1990, in late-1994 through most of 1995, and in early 2000. The lowest level was in March and April 1995, when the rate was 4.7 percent. The last time Oregon's rate was below 5.0 percent was in October 1995, when it was 4.9 percent. In May, Oregon's unemployment rate was five tenths of a percentage point above the U.S. rate of 4.5 percent. The gap between Oregon and the U.S. has not been this close since June 1997, when it was also five tenths.

Over the past year, the number of unemployed individuals has declined while the number of employed has risen. Since May 2006, the number of unemployed has declined by more than 5,000 and now stands at 90,662. Meanwhile, the number of employed has risen by more than 28,000 and was 1,821,534 in May. Industry Payroll Employment (Establishment Survey Data) Seasonally adjusted payroll employment rose for the fourth consecutive month, reaching a record level of 1,727,300. Monthly gains have averaged 3,900 jobs over the past four months. This strong growth is similar to the average monthly gains of 4,100 produced in Oregon during the rapid economic expansion and recovery of 2004 through August 2006. The recent gains follow a flat period that ran from September 2006 through January 2007.

In May, government, construction, and educational and health services boosted employment above their normal amounts for the time of year. Other major industries performed in line with their typical May seasonal pattern.

Government added 4,900 jobs in May, nearly double the normal gain for the month. Late spring hiring was a month early in several local government parks and recreation departments, which helped boost local government employment to a gain of 3,800 jobs in May. Hiring at Indian tribal gaming establishments was robust as well with 300 additional jobs for the month and 600 jobs added since May 2006.

Federal government also had a strong May, adding 700 jobs.

Construction employment has defied expectations over the past two months by adding 4,300 jobs. The industry reached another record high for seasonally adjusted numbers with 104,700 jobs in May. Between September and January, the industry looked like it was scaling back, but strong gains during April and May have propelled it to record territory. In May, the extent that mild and dry weather in the Willamette Valley allowed for early hiring for summer projects, will lead to the possibility of less robust employment gains during June and July.

Job gains were widespread among the published industries. Residential building construction (400 jobs), nonresidential building construction (300), heavy and civil engineering construction (1,200), and all components of specialty trade contractors (2,000) added jobs in May.

Educational and health services showed flat job activity in May, when a loss of 1,800 jobs would be normal for the month. Educational services dropped 600 jobs as professional and trade schools cut back on their workforces. Over the prior five years, the average May decline in these private schools is 1,000 jobs. In health care, hospitals added 300 jobs in May, while social assistance added 300. Health care and social assistance is back on the track of its long-term gains, having added 4,300 jobs or 2.4 percent over the past 12 months.

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