

Lane County Budget Committee

February 2, 2010

Brian Rooney

Support Business & Promote Employment

www.WorkSourceOregon.org

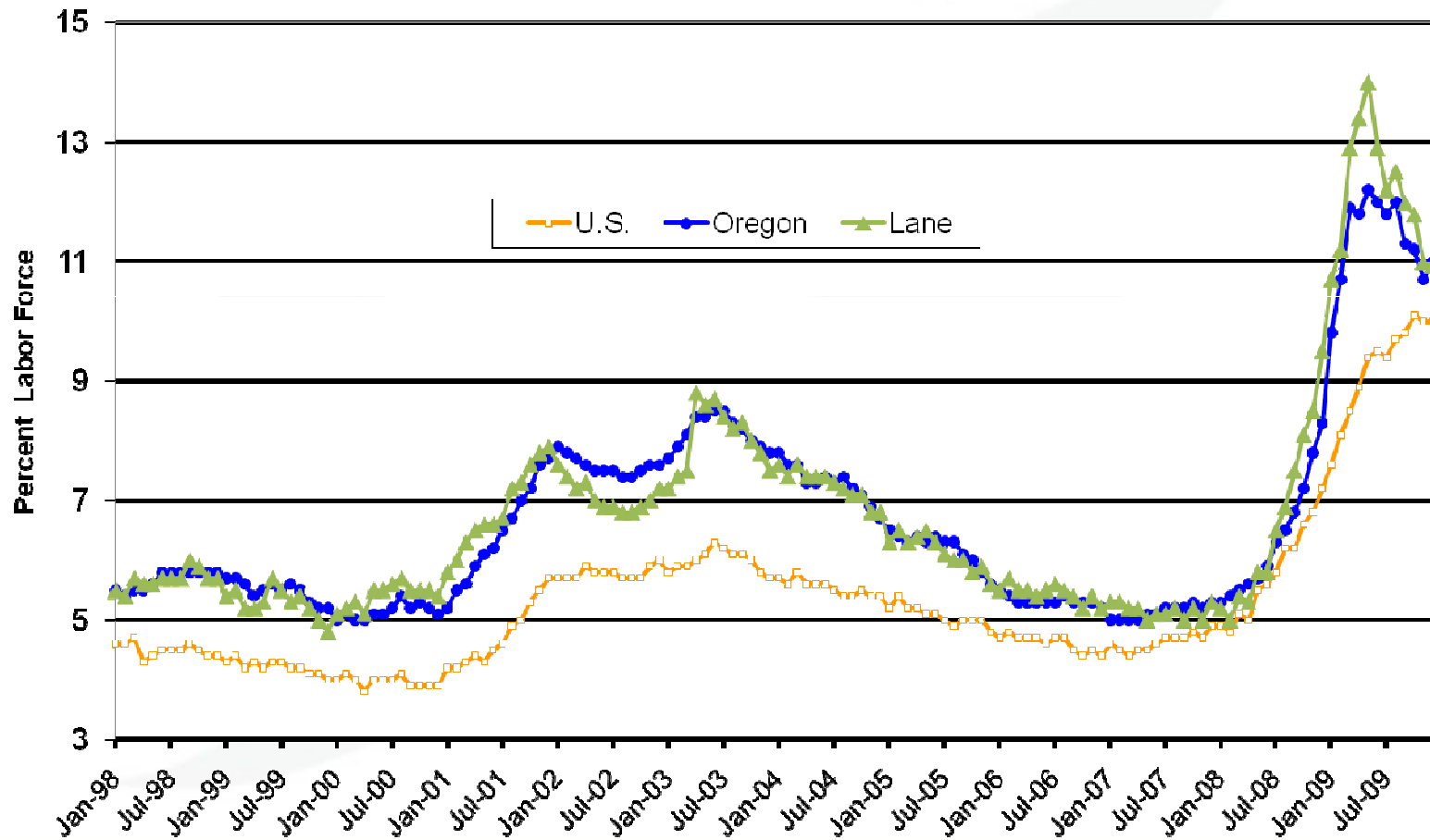


The Recession's Impact in Lane County



Lane County's December unemployment rate stood at 10.9 percent, down from a high of 14 percent in May.

Seasonally Adjusted Unemployment Rates, 1998 to Dec. 2009



The Importance of Unemployment Insurance in Lane County

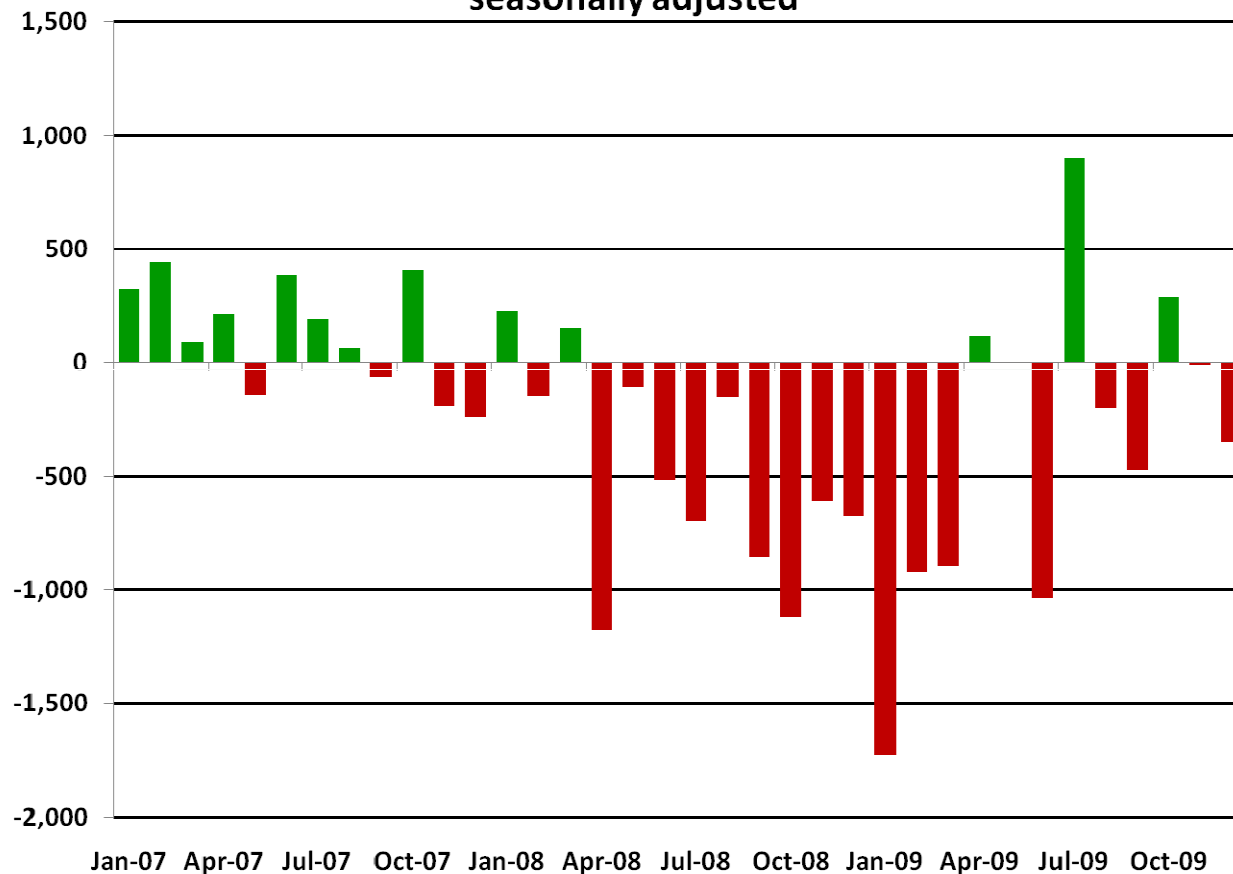
- We expect to pay \$250 million to \$270 million in UI benefits in Lane County 2009.
- If this were an industry payroll, it would rank between 2nd and 4th among 80 industries in Lane County
- Total payroll in Lane County's state government, including the university was \$294 million.
- Total payroll for Lane County's ambulatory health care services \$364 million.
- Total payroll at Lane County's wood products manufacturing \$176 million.

** Quarterly Census of Employment and Wages; 2008 annual totals; three-digit North American Industry Classification Series industry levels.*



Monthly job change is variable since April, but losses definitely slowing.

Lane County's Monthly Growth/Decline
seasonally adjusted

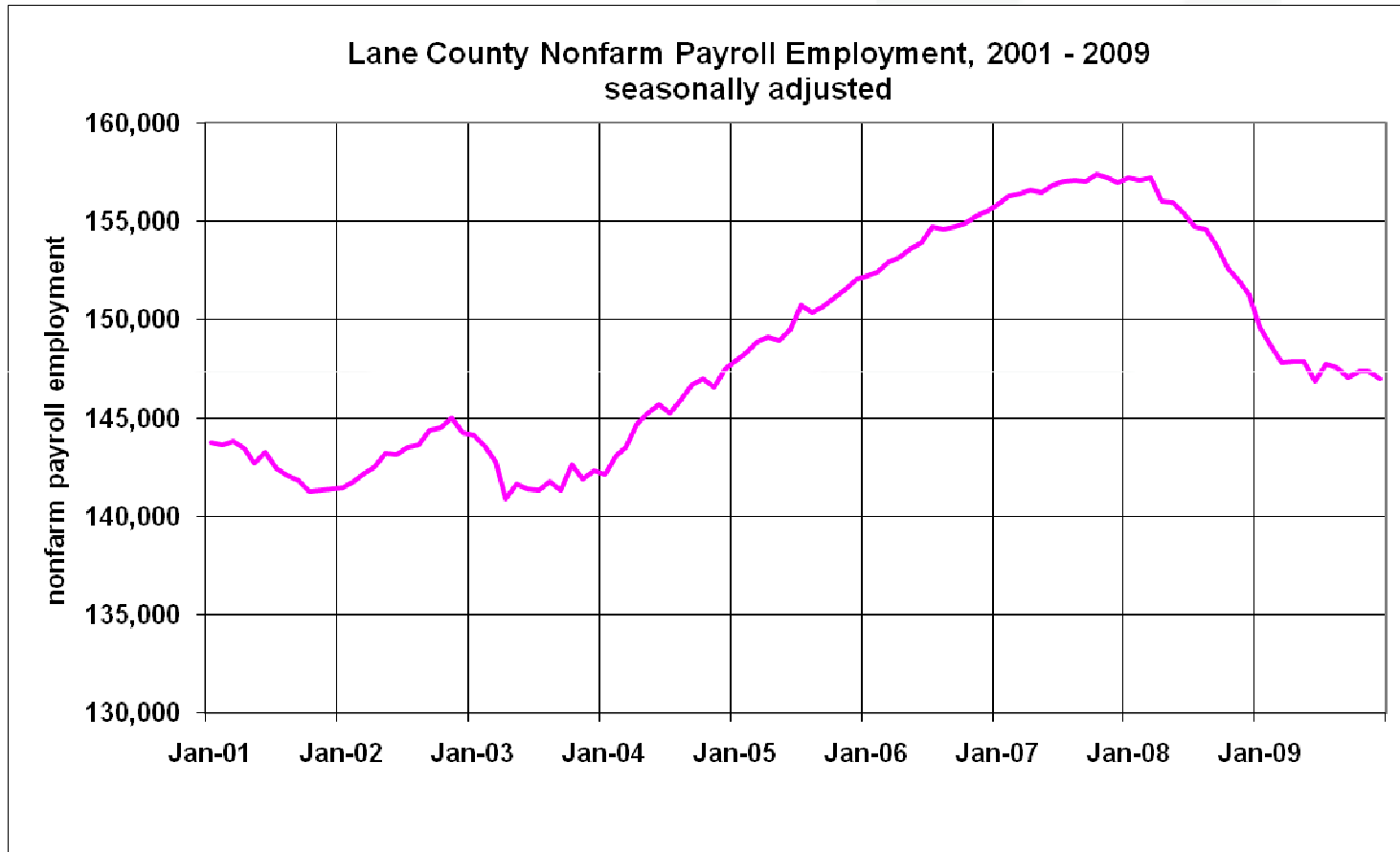


- Down 18 of the last 21 months.

- Average loss April 2008 to December 2009 = 487



About 10,400 jobs lost in Lane County since October 2007

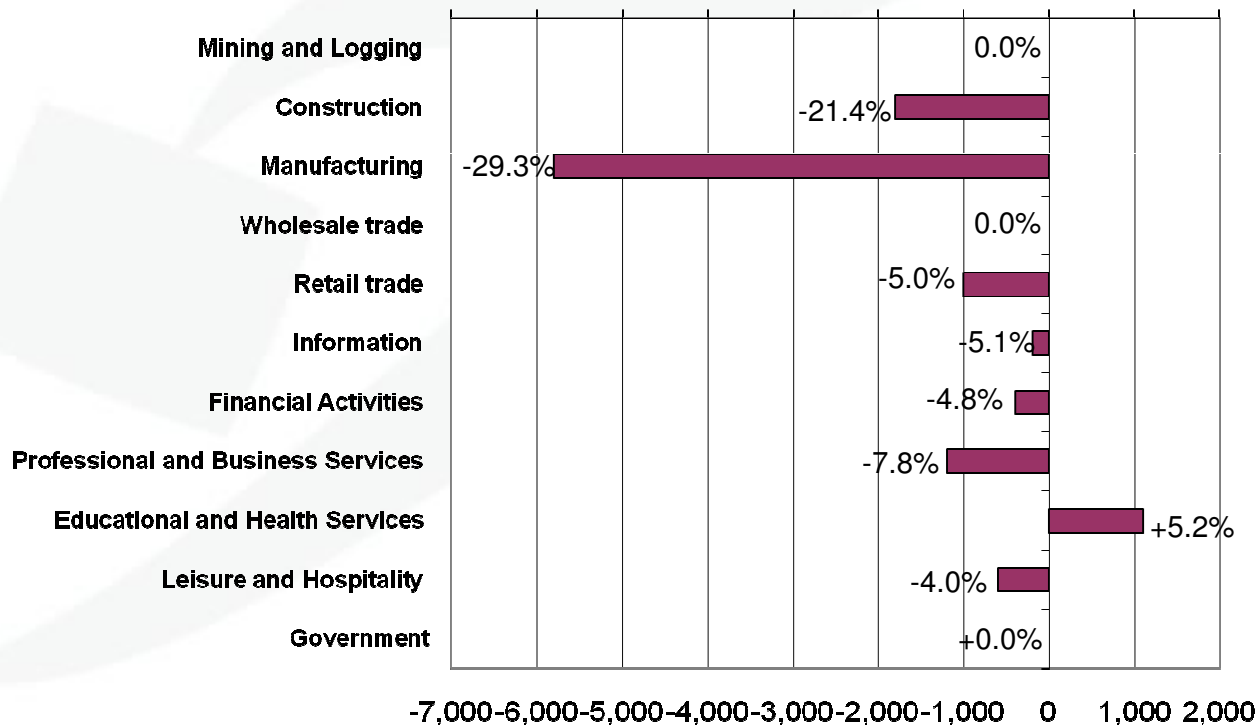


✓ - 6.6 percent loss between October 2007 and December 2009.



A recession that started in manufacturing and construction has now negatively affected most industry sectors.

Lane County Employment Change,
October 2007 to October 2009

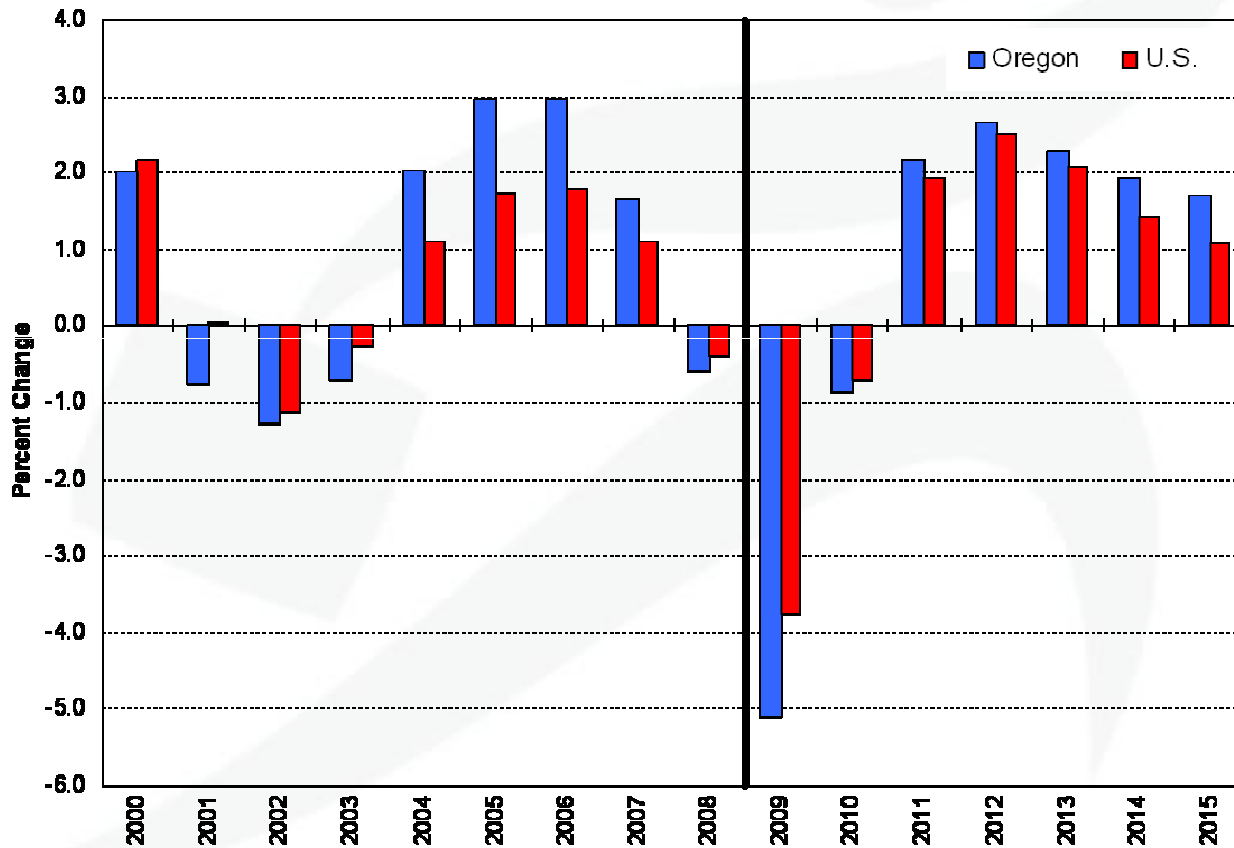


Short-term Forecast

(DAS, Office of Economic Analysis)

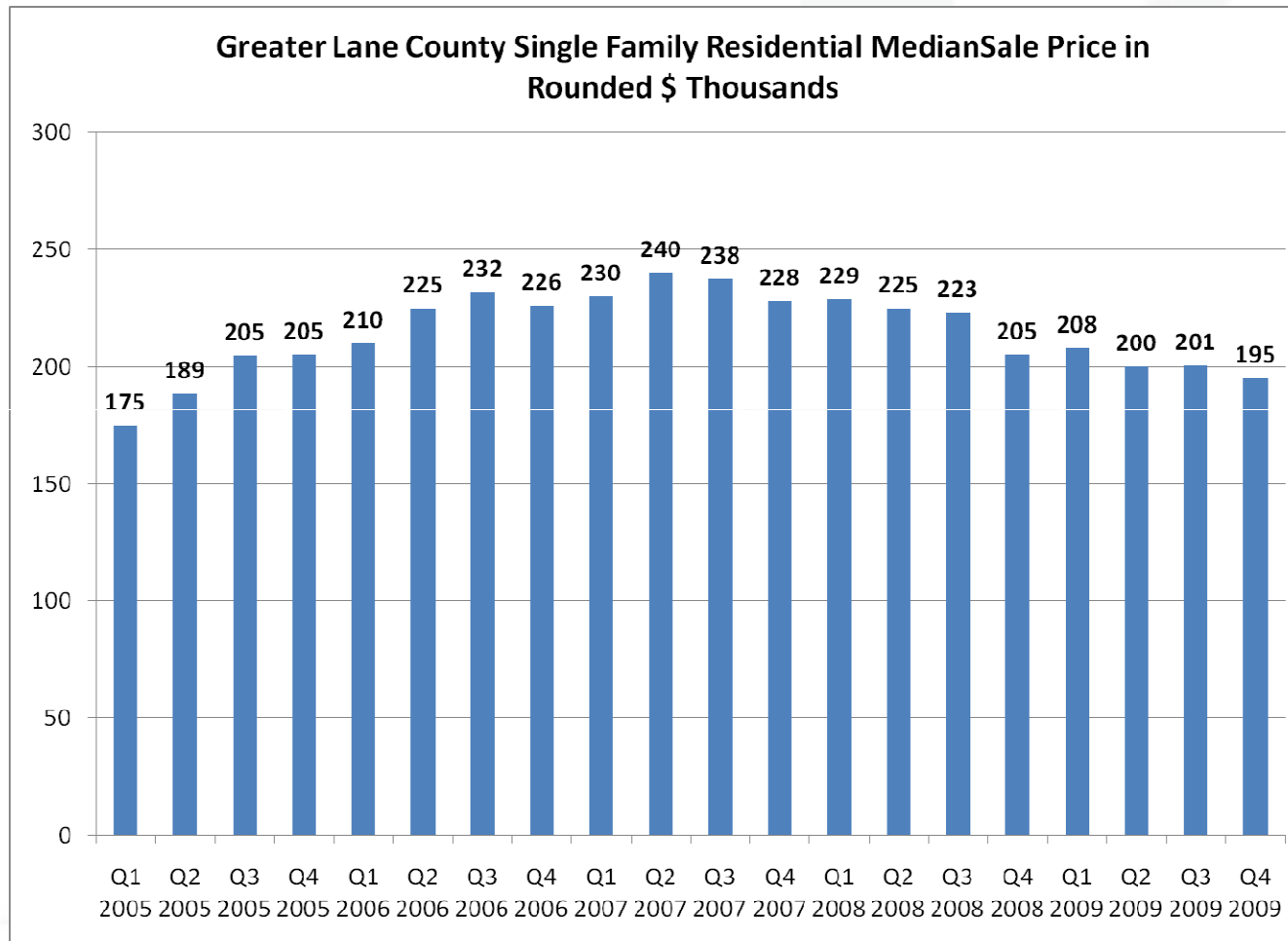


Short-term statewide economic forecast shows employment growth becoming positive sometime in 2010.



✓ Statewide total nonfarm payroll employment is down 59,400 or 3.5 percent in 2009.

Housing market stabilization may be key to a recovery.



Source: Multiple Listing Service

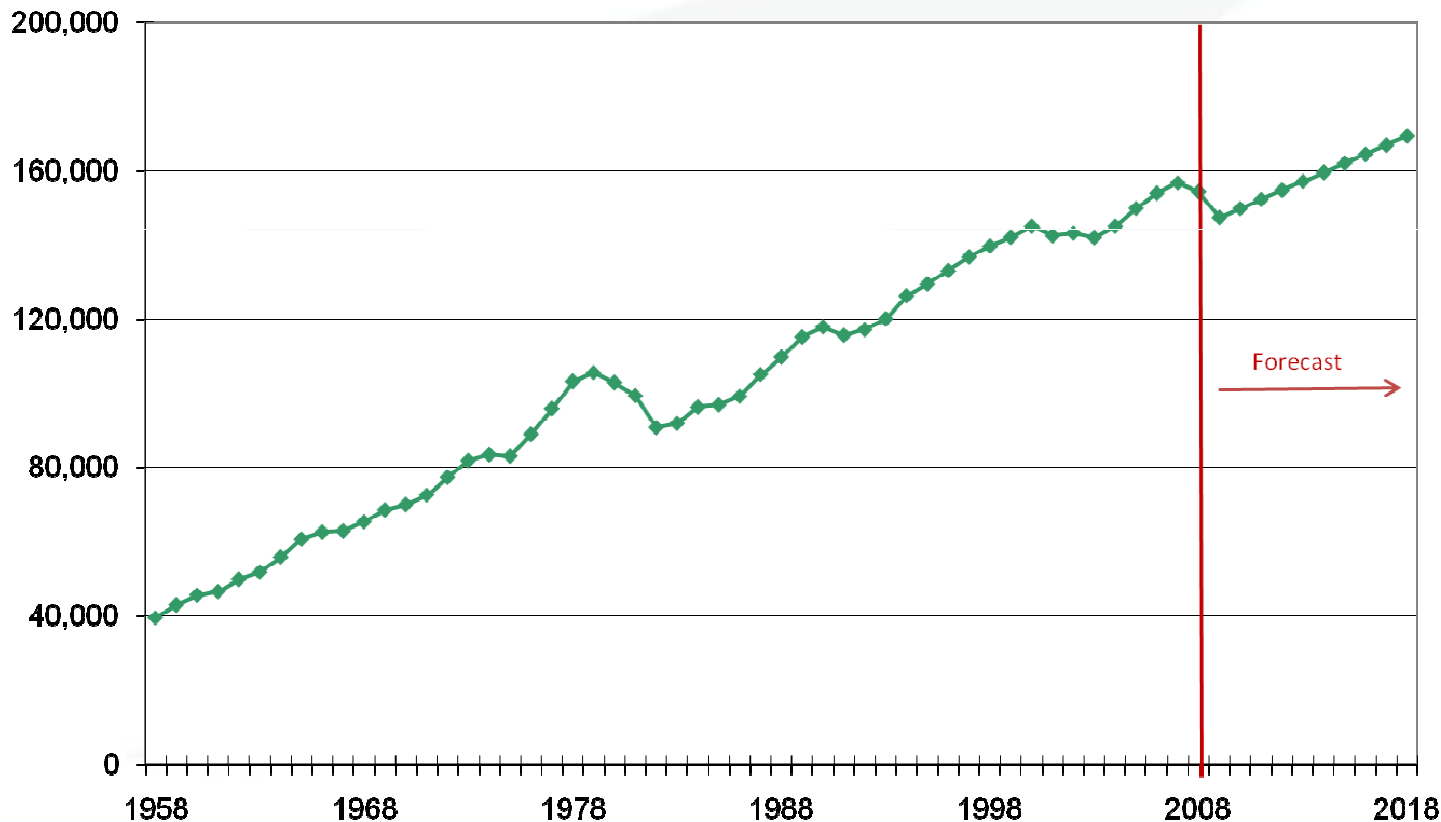


“Where Is Lane County Headed?”
Long-term Projections and Forecasts



Forecast for 2008 – 2018 includes losses in 2009, then rebound.

Region 5 Nonfarm Payroll Jobs



✓ 10% growth is slower than the average ten-year span in Lane County of 31% (although 15% is more typical in recent years).

✓ Expected statewide growth rate is 160,000 jobs, or 9%



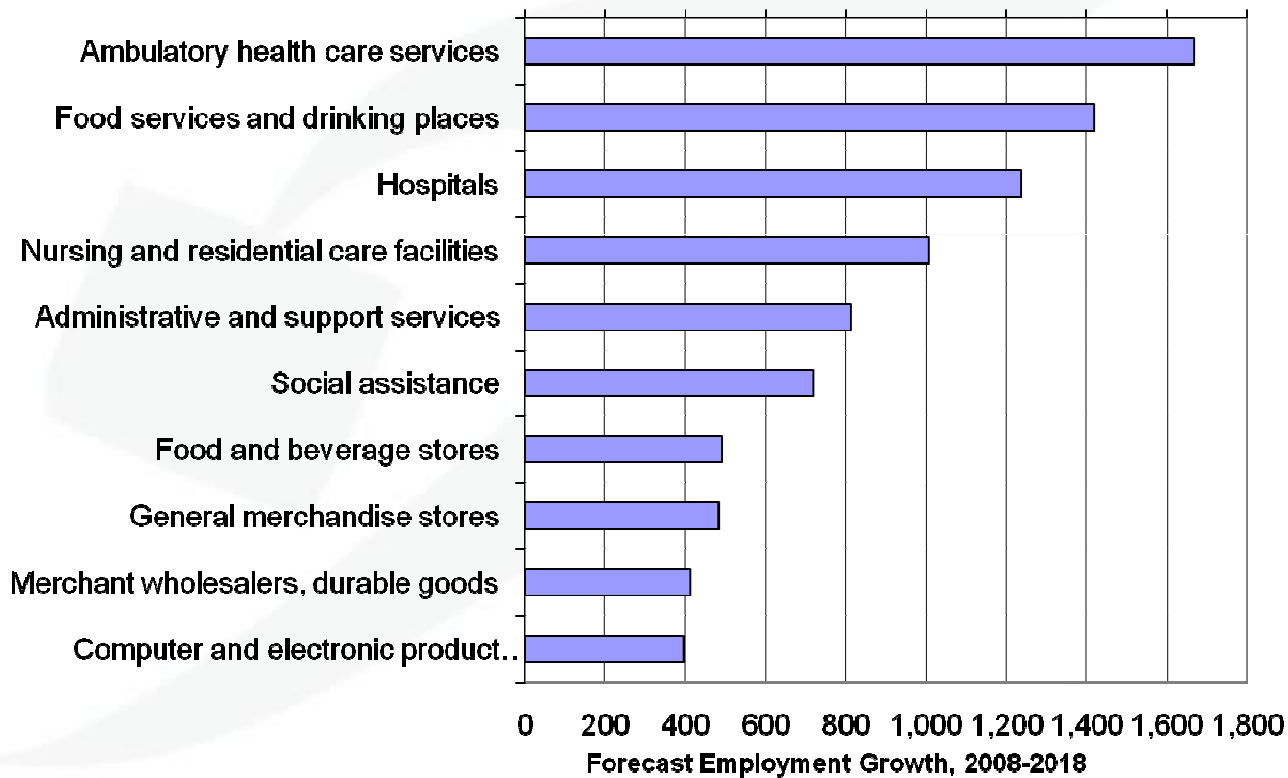
Lane County industry growth is similar to statewide except more growth in government and less in construction.

Broad Industry	2008	2018	Change	Percent Change
Total payroll employment	154,400	169,400	15,000	10%
Educational and health services	21,400	26,100	4,700	22%
Professional and business services	15,600	17,700	2,100	13%
Leisure and hospitality	15,000	16,900	1,900	13%
Government	29,600	32,900	3,300	11%
Trade, transportation, and utilities	28,400	31,200	2,800	10%
Other services	5,200	5,600	400	8%
Financial activities	8,300	8,600	300	4%
Information	3,800	3,900	100	3%
Natural resources and mining	2,100	2,100	0	0%
Manufacturing	17,700	17,300	-400	-2%
Construction	7,300	7,100	-200	-3%



Like statewide, services, especially health care, add many jobs in Lane County.

Region 5: Industries Adding Most Jobs, 2008-2018

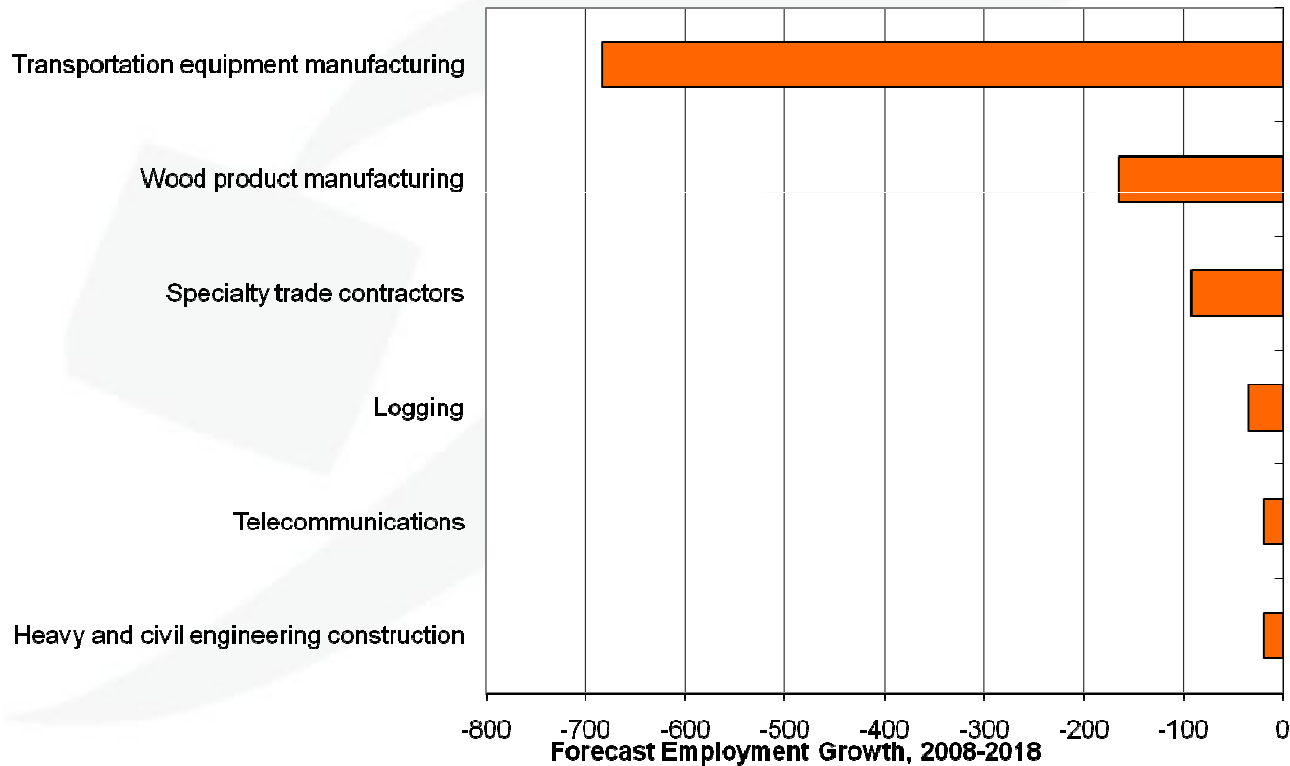


✓ Computer and electronics products is positive for Lane County.



A very small number of industries are projected to decline in Lane County...

Region 5: Industries Losing Jobs, 2008-2018



Compared to the statewide forecast:

- ✓ computer and electronic manufacturing is not negative locally
- ✓ primary metals very small locally
- ✓ federal government flat.



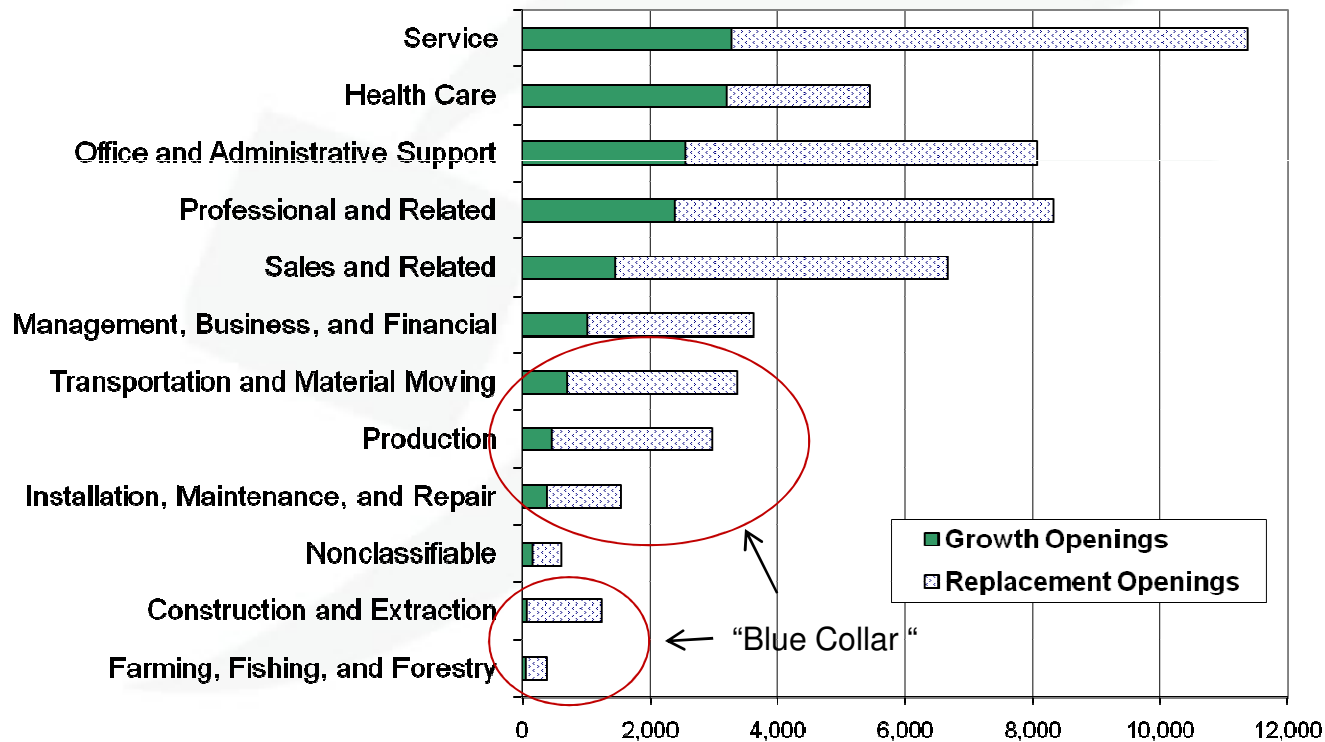
Health care occupations lead growth

	Employment			
	2008	2018	Change	Percent Change
Health Care	11,859	15,053	3,194	26.9%
Service	24,859	28,139	3,280	13.2%
Office and Administrative Support	25,336	27,855	2,519	9.9%
Nonclassifiable	1,846	2,021	175	9.5%
Professional and Related	25,219	27,581	2,362	9.4%
Management, Business, and Financial	11,184	12,206	1,022	9.1%
Sales and Related	17,395	18,850	1,455	8.4%
Transportation and Material Moving	10,951	11,649	698	6.4%
Installation, Maintenance, and Repair	5,794	6,142	348	6.0%
Farming, Fishing, and Forestry	1,236	1,265	29	2.3%
Production	12,302	12,309	7	0.1%
Construction and Extraction	6,491	6,448	-43	-0.7%



All occupational sectors have more replacement openings than growth openings except health care.

Region 5 Projected Employment Openings 2008-2018



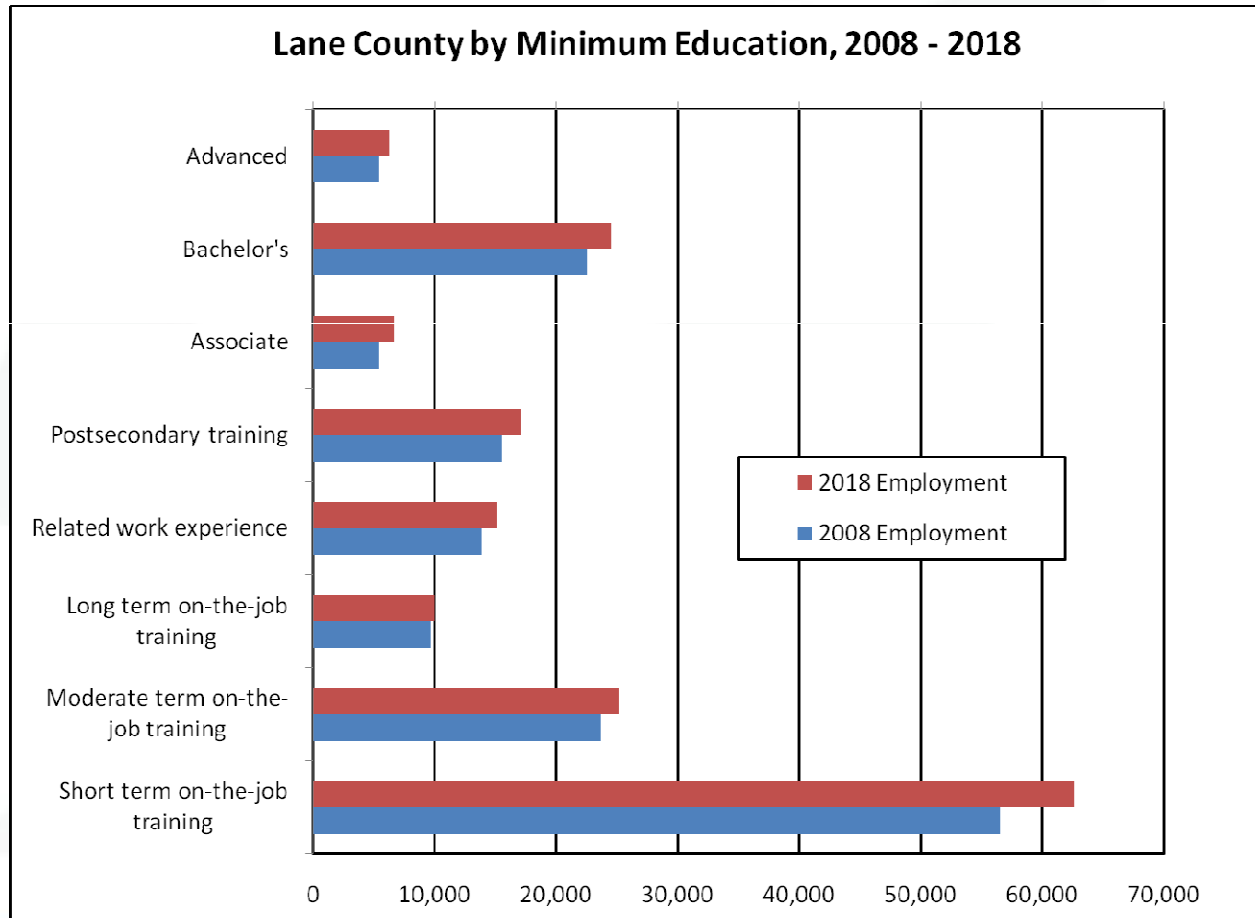
✓ Roughly 7,900 out of 9,600 openings (82%) in “blue collar” occupations are replacement openings in Lane County.



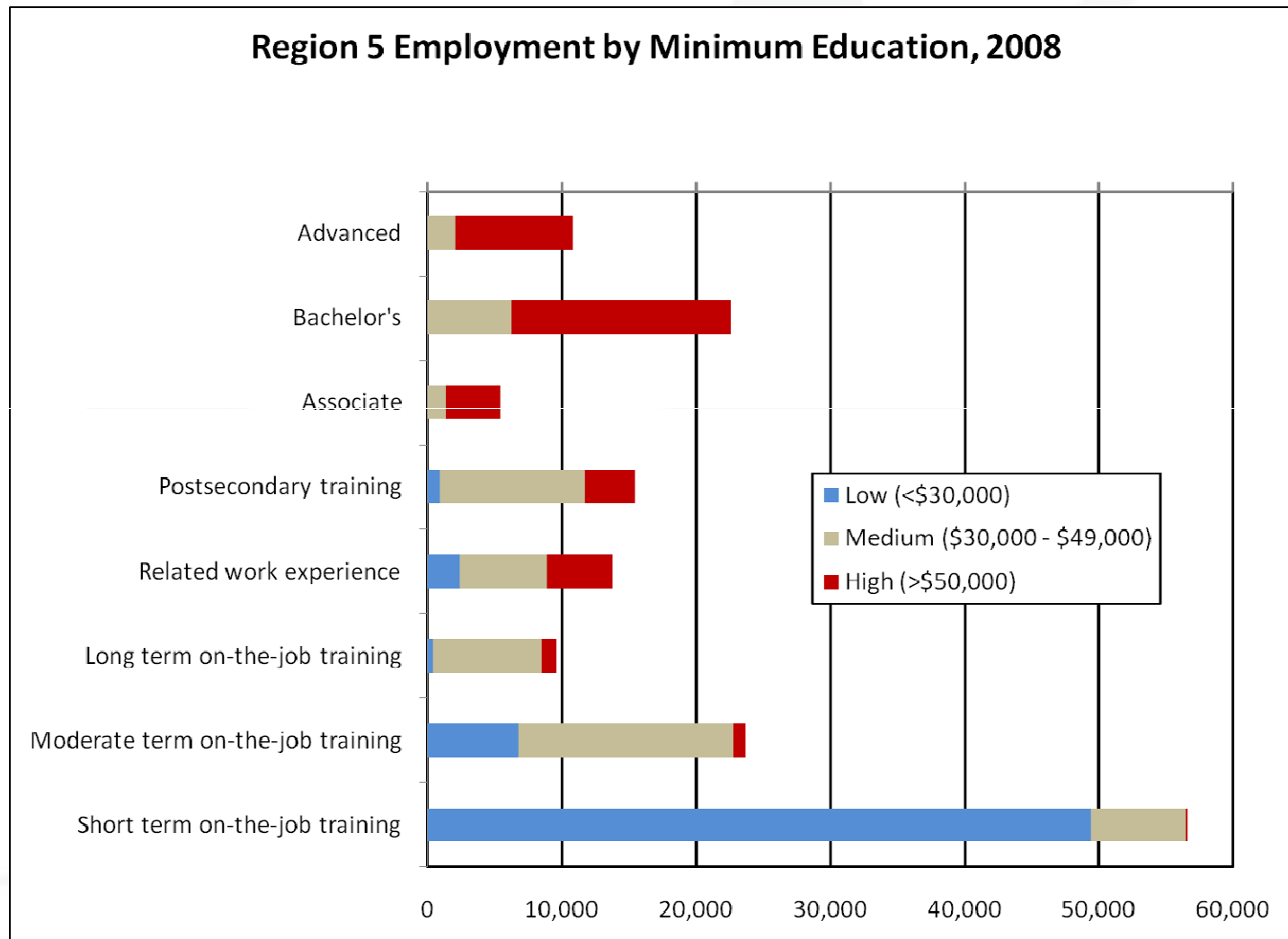
Lane County New Jobs – Their Wages, Education Requirements and Skills



Similar to the state, on-the-job training and then a bachelor's degree are the primary “minimum” training requirements.



In Lane County as elsewhere, education pays.



Probable and possible long-term changes in Lane County

- Infrastructure is being put in for a state mental facility and possible prison in Junction City area, providing high paying stable employment in the area.
- May have employment in the solar industry – Unichem and Grape Solar.
- RV manufacturing is likely to have a presence out of the three companies. But, we compete with other manufacturing areas, including Elkheart Ind.
- Wood products is a lean manufacturing industry that will be providing employment for the long-term. It's a great area to grow trees and there is sufficient transportation.



Long-term changes continued...

- The housing market will improve, but still a long way to go due to high inventories. It will improve with the addition of high paying jobs.
- Population will likely continue to increase. Oregon remains popular with retirees.
- The university will remain a stabilizing force in the economy.



Any questions or comments please contact:

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**And please visit our web site – www.QualityInfo.org –
for more information about Oregon's economy and
workforce.**



Thank You!

Any Questions?

