D. Oregon Economic Review and Forecast

Summary of Recent Trends

Statewide Trends

The third quarter of 2009 preliminary job numbers represent the sixth consecutive quarter of job losses. The job losses in the third quarter were considerably less than the large losses of the previous three quarters, but this is only comfort in relative terms. On a year-over-year basis, jobs decreased in the third quarter by 5.7 percent.

Manufacturing is still seeing large declines in employment but the drops are slightly smaller than the last three quarters. The service sector also continues to shed jobs but the declines are also not as large. Within manufacturing, transportation equipment had a surge of job growth in the third quarter that is most likely related to one time events, such as the new military contract at the Freightliner plant of Daimler Trucks North America. In the service sector, wholesale trade managed a small job increase after five consecutive quarters of job losses. Private educational services continued for the third consecutive quarter with strong job gains. While the government sector lost federal and state jobs, local government added more jobs than lost by these other sectors.

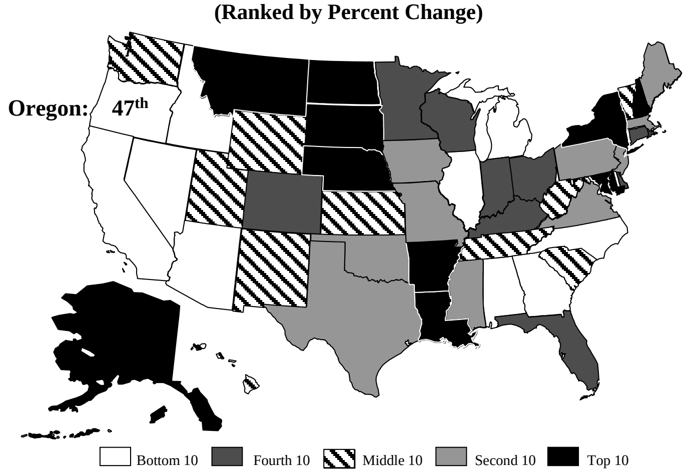
The recession's impact is still wide spread across most industries. Construction recorded its first single digit decline after six quarters of double-digit job losses. Health services lost jobs for the second consecutive quarter, an unheard of job loss sequence from a sector that was once thought to be recession proof. Government jobs have held up better than any sector, but the state September job report showed weakness especially in local government.

The most recent Blue Chip Job Growth rankings place Oregon 47th in the nation for Y/Y job growth. Between September 2008 and September 2009, jobs decreased by 104,400, or -6.05 percent. The relative performance of the fifty states is shown in Figure O.1.

Every state had job losses so the number one ranked state, North Dakota, had the smallest job losses at -0.08 percent. California had job losses ranking at 41st. Washington's job losses have moved the state from a high rank of 8th to a ranking of 28th in the nation. Idaho's job loss was 4.97 percent, ranking 44th among the 50 states.

Figure O.1

Nonfarm Job Growth by State
September 2009 over September 2008
(Ranked by Percent Change)



Source: Blue Chip Job Growth Update, Bank One Economic Outlook Center, Arizona State University, July 2009

OEA's forecast for third quarter annualized job growth was a negative 3.2 percent compared to the reported negative 2.2 percent. Table O.1 provides details of actual third quarter growth compared to the September 2009 forecast and shows annualized growth comparisons and Y/Y growth. When the preliminary estimate is lower than OEA's forecast, forecast error is shown as negative. Positive forecast error then means that the preliminary estimate came in higher than OEA's forecast. Unless noted otherwise, all percentage rates discussed below reflect annualized rates of change for the third quarter of 2009.

Table O.1

Total Nonfarm Employment, 3rd quarter 2009

(Employment in thousands, Annualized Percent Change)

	Preliminary Estimate		Forecast		Forecast Error		Y/Y Change
	level	% ch	level	% ch	level	%	% ch
Total Nonfarm	1,626.2	(2.2)	1,621.8	(3.2)	4.5	0.3	(5.6)
Total Private	1,324.1	(3.2)	1,325.1	(2.8)	(1.0)	(0.1)	(6.7)
Natural Resources and Mining	7.1	(9.7)	6.9	(15.5)	0.1	1.9	(18.6)
Construction	77.8	(6.5)	77.1	(9.3)	0.8	1.0	(16.5)
Manufacturing	164.7	(12.3)	165.9	(9.5)	(1.2)	(0.7)	(14.8)
Durable Goods	116.3	(7.7)	114.4	(13.2)	1.9	1.7	(17.6)
Wood Product	20.9	(9.2)	20.6	(13.4)	0.3	1.4	(22.2)
Metals and Machinery	30.8	(15.3)	30.4	(18.7)	0.4	1.4	(22.1)
Computer and Electronic Product	34.2	(8.6)	33.4	(16.1)	0.7	2.2	(11.7)
Transportation Equipment	12.4	28.4	11.6	1.4	0.7	6.4	(13.3)
Other Durable Goods	18.1	(10.7)	18.3	(6.4)	(0.2)	(1.3)	(17.0)
Nondurable Goods	48.4	(22.2)	51.5	(0.6)	(3.1)	(6.1)	(7.1)
Food	23.9	(26.2)	26.0	2.6	(2.1)	(8.2)	3.1
Other Nondurable Goods	24.5	(18.0)	25.5	(3.7)	(1.0)	(3.9)	(15.3)
Trade, Transportation & Utilities	313.4	(0.6)	312.8	(1.3)	0.7	0.2	(6.4)
Retail Trade	184.7	(2.4)	185.4	(1.0)	(0.6)	(0.3)	(5.8)
Wholesale Trade	74.9	2.9	73.9	(2.0)	1.0	1.3	(6.2)
Transportation, Warehousing & Utilities	53.9	0.9	53.5	(1.4)	0.3	0.6	(8.4)
Information	35.0	(0.8)	34.5	(6.9)	0.5	1.6	(3.0)
Financial Activities	93.9	(7.8)	95.2	(2.5)	(1.4)	(1.4)	(7.4)
Professional & Business Services	179.9	(3.6)	180.8	(1.4)	(0.9)	(0.5)	(8.3)
Educational & Health Services	228.2	5.9	225.4	0.5	2.8	1.2	3.0
Educational Services	37.2	52.5	33.1	(4.7)	4.1	12.5	21.6
Health Services	191.0	(1.0)	192.3	1.4	(1.3)	(0.7)	(0.0)
Leisure and Hospitality	164.3	(6.1)	166.6	(0.9)	(2.3)	(1.4)	(5.2)
Other Services	59.8	(1.8)	59.8	(1.4)	(0.1)	(0.1)	(2.3)
Government	302.1	2.5	296.7	(4.6)	5.5	1.8	(0.4)
Federal	30.1	(9.5)	30.2	(8.9)	(0.1)	(0.2)	2.1
State	77.3	(2.0)	76.6	(5.7)	0.7	0.9	0.5
State Education	28.6	(6.3)	28.5	(7.3)	0.0	0.1	0.3
Local	194.8	6.5	189.9	(3.5)	4.8	2.5	(1.1)
Local Education	104.8	11.9	101.0	(2.5)	3.7	3.7	0.0

The preliminary estimate of job losses was slightly less than our forecast estimate. The degree of job losses in the third quarter is considerably lower than the more than six percent job losses of the previous three quarters.

The total private employment sector declined 3.2 percent in the third quarter with a Y/Y decline of 6.7 percent. Manufacturing lost 5,501 jobs during the quarter, accounting for 45.5 percent of the job drop in total private employment. The manufacturing employment sector is down 12.3 percent in the third quarter with a Y/Y decline of 14.7 percent. Private nonmanufacturing employment was down 1.8 percent in the third quarter. The government sector added jobs at a rate of 2.5 percent in the third quarter due to local government job gains.

Within manufacturing, durable goods employment fell by 7.7 percent. All major sectors in durable goods had declines with the exception of the transportation equipment sector, which increase jobs at a rate of 28.4 percent. This sector had reached a very low level of employment and had some rehiring during this period, notably the military contract with Freightliner. Wood products continued to shed jobs at a 9.2 percent rate. High tech manufacturing was down 8.6 percent. Metals and machinery job loss of 15.3 percent follows even larger losses in the first and second quarter of this year.

In the nondurables manufacturing sectors, food processing declined 26.2 percent in this highly seasonal employment sector. The other nondurable manufacturing sector, which includes paper and allied products, had job declines of 18.0 percent.

In the private nonmanufacturing sectors, construction lost 1,317 jobs for a 6.5 percent decline. Although this drop is less than the plus ten percent job losses of the previous six quarters, this sector continues to be impacted by the downturn in the housing market.

Cautious consumer spending continues to push down the employment in retail trade with a quarterly loss of 2.4 percent. Retail trade Y/Y job loss is 5.8 percent. Wholesale trade jobs are up 2.9 percent, the first quarterly job gains since first quarter of 2008.

The information sector, which includes software publishers, had job losses of 0.8 percent.

Financial Activities continues a string of job losses that started in the second quarter of 2007. Jobs are down 7.8 percent for the third quarter and Y/Y down 7.5 percent.

Professional and business services jobs declined 3.6 percent with a Y/Y job loss of 8.3 percent.

Educational and Health Services is the only private employment sector to register a strong job gain of 5.9 percent, continuing a string of job gains throughout 2007 and 2008. Health care and social assistance lost jobs at a rate of 1.0 percent, the second consecutive quarterly decline, a rare occurrence for this sector.

Leisure and hospitality continues to feel the effect of decreasing discretionary household spending with job declines of 6.1 percent.

Overall government increased jobs 2.5 percent. The sector within government that is mainly responsible for the increase is local government education with a job gain of 6.5 percent. Although the quarterly numbers are up Federal government lost 9.5 percent while state government jobs were down 2.0 percent.

Regional Trends

Since the fourth quarter of 2008, every region of the state has been posting year-over-year declines in employment. Declines accelerated in the first half of 2009. In the most recent quarter, declines ranged from 6.0 percent in the Willamette Valley to 2.4 percent in eastern Oregon.

Regional unemployment rates (not seasonally adjusted) declined in the third quarter, after climbing rapidly in the last half of 2008 and reaching a peak in the first quarter of this year. In September, southern Oregon had the highest rate at 12.5 percent, although central Oregon took a close second at 12.1 percent. The area with the lowest unemployment rate was eastern Oregon (8.8%). Statewide, the September unemployment rate was 11.3 percent.

Portland Area Showing Employment Losses in Many Sectors:
Clackamas, Columbia, Multnomah, Washington, and Yamhill counties

Although the Portland area posted year-over-year employment gains in the first three quarters of 2008, declines in the fourth quarter offset the gains such that average total employment from 2007 to 2008 was essentially unchanged. In the first half of 2009, employment was down more than 4 percent from the first half of 2008. Declines were even greater in the third quarter, with employment down 5.8 percent over the year.

By county, the third quarter employment decline was mildest in Multnomah and most severe in Columbia. Clackamas, Washington and Yamhill counties had declines between these two areas. All of Portland’s counties have seen year-over-year employment declines since at least the fourth quarter of 2008, although the rate of decline has accelerated in 2009.

Most Portland counties experienced the first job losses of this recession in finance or manufacturing. While employment in these industries remains much lower than one year ago, other industries have also accumulated significant job losses. In professional and business services, September’s over-the-year employment declines ranged from 8 percent in Multnomah to 25 percent in Yamhill. Leisure and hospitality is also showing increasing declines; it is down by an average of 8 percent over the year.

Very few sectors posted year-over-year employment growth in September. Three counties saw at least a slight employment gain in education and health services: Columbia, Multnomah, and Yamhill. Clackamas County's only growth sector was state government (+4.5%). No major sector in Washington County posted a job gain over the year, although three industries were unchanged from September 2008.

The September preliminary unemployment rate for the combined five-county Portland area was 10.5 percent. The rate is 5 percentage points higher than in September 2008 – the largest increase of any region in the state.

Willamette Valley Job Losses Increasing:
Benton, Lane, Linn, Marion, and Polk counties

The Willamette Valley showed a year-over-year employment decline of 6 percent in the third quarter of 2009 – the largest employment drop of any region in the state.

By county, year-over-year employment declines ranged from 4.4 percent in Lane to nearly 10 percent in Linn during the third quarter. The other three counties – Benton, Marion, and Polk – had declines closer to 6 percent. The rate of decline has rapidly increased since the start of the year in most of the Willamette Valley, with the exception of Lane County. Its rate of decline has eased since the start of the year.

As of September 2009, manufacturing showed the largest employment decline over the year of any industry in the Willamette Valley. Losses ranged from 16 percent in the Salem area to 24 percent in Benton County. Like the Portland area, other industries with significant losses were construction, which was down by an average of nearly 15 percent, and professional and business services, down by an average of 9 percent.

Despite the overall declines, employment in private education and health services continued to post over-the-year gains in every county. Benton and Lane counties both added a little less than 1 percent. Marion and Polk counties combined added 2 percent, while gains in Linn were closer to 3 percent.

The Valley's preliminary unemployment rate was 10.8 percent in September. One year earlier it was 6.3 percent.

Declines Accelerate in Coastal Oregon Counties:
Clatsop, Coos, Curry, Lincoln, and Tillamook counties

Employment in Oregon's coastal counties declined year-over-year in 2008, falling by a total of nearly 1 percent from 2007. Declines accelerated in the first half of 2009, and by the third quarter, employment was nearly 6 percent below its level in the third quarter of 2008.

Oregon's coastal counties experienced year-over-year employment declines ranging from 3.9 percent in Tillamook to 8.2 percent in Clatsop. Lincoln was between these two, with a 6.2 percent loss. Further south, Coos and Curry counties saw declines of 4.2 percent and 6.5 percent, respectively.

As of September, over-the-year employment losses in construction continued to be large in most coastal counties, ranging from 19 percent in Coos to 31 percent in Clatsop. The only exception is Lincoln County, where construction employment was down just 6 percent since September 2008. Other industries with losses in every county included manufacturing and leisure and hospitality.

One bright spot in every coastal county was education and health services. Employment was up over the year by about 3 percent in Clatsop, Coos, Curry, and Lincoln counties. With an increase of 7 percent, Tillamook was ahead of the pack. Four counties also posted growth in federal government employment, adding a total of 100 jobs over the year.

The unemployment rate in Oregon's coastal counties was 9.9 percent in September – an increase of 4 percentage points from one year earlier.

Job Losses Widespread in Southern Oregon:
Douglas, Jackson, and Josephine counties

Southern Oregon has posted year-over-year employment declines since late 2007. The first region of the state to see employment declines as the housing downturn and recession took hold, it continued to be the region with the fastest decline for several quarters. However, its 4.6 percent employment decline from the third quarter of 2008 to the third quarter of 2009 ranks it among the middle of the state's regions.

Southern Oregon's year-over-year employment declines in the third quarter were about 5 percent in all three counties. The rate of decline in Douglas slowed slightly for the first time in a year, while the rate of decline in Josephine accelerated somewhat. Both Douglas and Josephine counties have experienced declining employment since the beginning of 2007. Jackson held on until late 2007 before seeing its first employment declines in early 2008.

In September, several industries showed significant employment declines in all three southern Oregon counties: construction, leisure and hospitality, manufacturing, and retail trade. These four industries lost nearly 5,600 jobs over the year. Other industries where the region lost jobs include mining and logging, and wholesale trade. Although education and health services is usually a perennial source of growth, it was down in Douglas and Josephine counties over the year, and essentially unchanged in Jackson County.

All of the counties experienced growth in at least two major industries, although there were no common threads in the region. Douglas County saw gains only in the public sector, Jackson County's gains were in the private sector, and Josephine County experienced gains in both the public and private sector.

Southern Oregon's unemployment rate of 12.5 percent in September was the highest regional rate in the state. The rate is up by 4.6 percentage points over the year.

Central Oregon Rate of Decline Holds Steady:
Crook, Deschutes, Gilliam, Hood River, Jefferson, Klamath, Lake, Sherman, Wasco, and Wheeler counties

Much like southern Oregon, Central Oregon saw year-over-year employment declines throughout 2008. Central Oregon declined more rapidly in the last half of 2008 than any other area of the state. In the first three quarters of 2009, employment was down 4 percent over the previous year.

In the first quarter, every county in this diverse region had lost jobs over the year, but by the third quarter two counties emerged with slight over-the-year growth: Gilliam (+2.1%) and Sherman (+0.2%). Losses were moderate in Wasco, where employment was down 2.1 percent over the year. Of the other seven central Oregon counties, six dropped between 2.9 and 7.1 percent over the year. Crook County, with a decline of 13 percent from the prior year, continued to have the steepest loss of any county in the state.

Most central Oregon counties lost jobs over the year in manufacturing, construction, and financial activities. Employment losses in manufacturing were greater than 15 percent in five of the counties: Crook, Hood River, Jefferson, Klamath, and Lake. Many areas also lost jobs in retail trade; transportation, warehousing, and utilities; and professional and business services.

Every county posted over-the-year growth in some portion of public-sector employment. Counties with increased federal government employment over the year were Crook, Gilliam, Hood River, Klamath, and Wasco. A few areas also saw growth in leisure and hospitality.

In September, central Oregon's unemployment rate was 12.1 percent. The rate is 4.7 percentage points higher than the rate one year earlier.

Most Eastern Oregon Counties Lose Employment:
Baker, Grant, Harney, Malheur, Morrow, Umatilla, Union, and Wallowa counties

Eastern Oregon experienced moderate year-over-year employment declines throughout 2008. By the third quarter of 2009, employment was down 2.4 percent from one year earlier. This was the slowest rate of decline, by far, of any region in the state.

Employment in Morrow County grew 4.1 percent from the third quarter of 2008 to the third quarter of 2009. It was one of only three Oregon counties to post employment growth at any time in 2009. Morrow's gain of 120 jobs came from a variety of industries in both the private and public sectors. Nearly half of the gains were in manufacturing. There were also gains in transportation, warehousing, and utilities; and local government.

The remaining counties in eastern Oregon saw rates of decline ranging from 1.9 percent in Malheur to 5.8 percent in Harney. Every county experienced declines in manufacturing and construction. Harney County's manufacturing sector was especially hard hit, losing 92 percent of its employment over the year.

Nearly every county posted a gain in private education and health services from September 2008 to September 2009, although the magnitude of the gain varied by county. For instance, Baker and Umatilla added about 1 percent, while Morrow added about 9 percent. Most areas also increased employment in federal government.

Eastern Oregon's September unemployment rate was the lowest of any region of the state at 8.8 percent. The rate will likely see a sharp rise by year's end as agricultural harvesting and processing concludes for the season. The rate has increased less than any other region; it is up by only 2.7 percentage points since September 2008.

Information on employment in Oregon's 15 workforce regions and 36 counties is available at www.QualityInfo.org.

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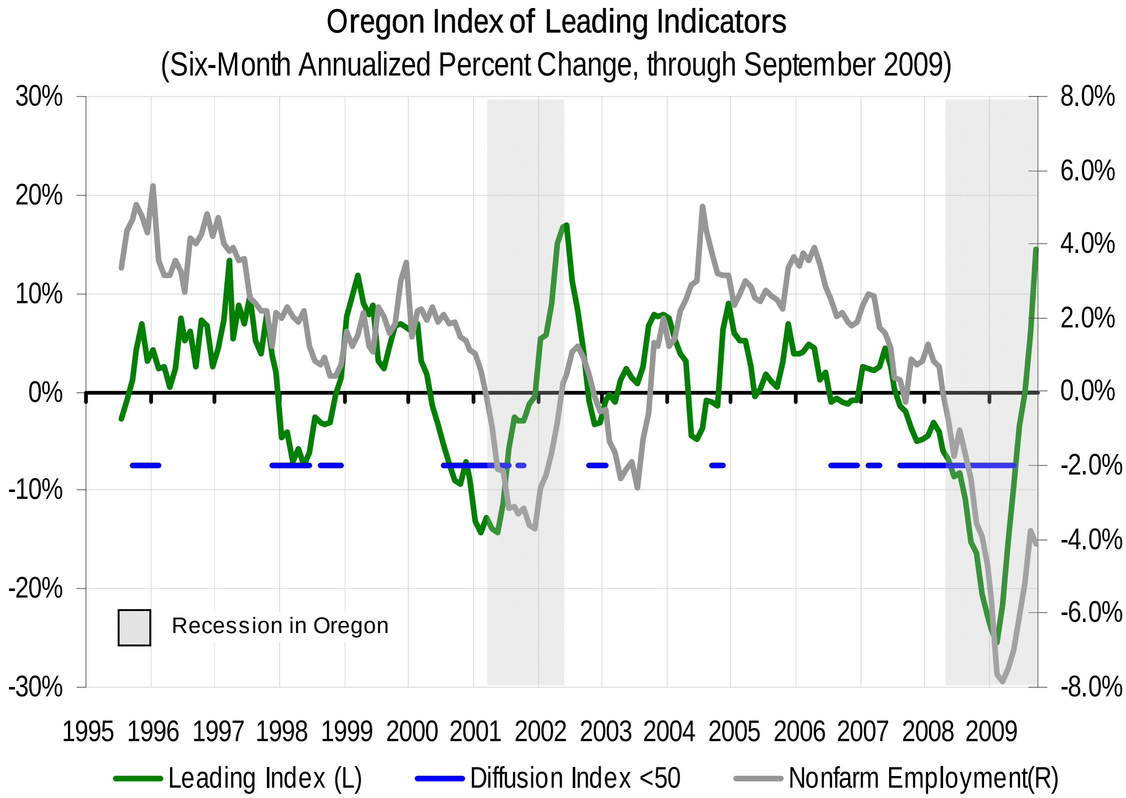
Figure O.2



For the six months ending in September 2009, the Oregon Index of Leading Indicators[1] increased an annualized 14.4 percent, following a revised 5.9 percent increase the prior month. This marks the second consecutive month that the index grew following twenty-three months of decline. Eight of the eleven indicators are registering positive values in September, with only housing permits, help wanted ads and air freight still declining. All other indicators are positive with the semiconductor book-to-bill ratio and the purchasing managers' index being the largest positive contributors. During the previous recession the Index led employment growth for each of that downturn's double dips by five months and six months, respectively. Keeping with the historical pattern and the fact that the Index is designed to lead the Oregon economy by six months, it can be expected that employment will return to positive growth by early 2010. Currently, job losses in Oregon have slowed considerably since early 2009, yet sustained improvement in the labor market has yet to take hold. With the Index now firmly in positive territory, and barring another economic setback, all indications are for renewed optimism in the Oregon economy.

[1] The OILI applies the Conference Board's methodology for the U.S. National Leading Index to Oregon-specific components. The eleven components incorporated in the OILI include: Semiconductor book-to-bill ratio, Oregon housing permits, Institute for Supply Management's purchasing managers index, University of Michigan consumer sentiment index, Oregon withholding, new Oregon incorporations, Oregonian help-wanted index, Portland International Airport air freight tonnage, Oregon trade-weighted dollar index, Industrial Production Index, and initial Oregon unemployment claims.

Short-Term Outlook
Overview

Analysts, including IHS Global Insight and Moody's Economy.com, believe the US recession ended this past summer. With leading indicators rising for the past six months through September, the solid third quarter growth in real GDP, and other indicators, the Great Recession appears to be over. The recovery is expected to build slowly and once again be characterized as a "jobless" recovery. Even though the recession has ended, the unemployment rate is expected to rise into early 2010. The National Bureau of Economic Research's (NBER) announcement declaring the end of the recession will most likely occur sometime in the summer of 2010. They are not in the forecasting business and will wait for substantiating data before dating the end of the recession.

The ability to both forecast and date the end of the recession in Oregon is more problematic. First, there is neither official definition nor agency that dates recessions in Oregon. Second, the type of monthly data that analysts and the NBER look at for the national economy do not exist for state economies or the reporting lags considerably to be of timely usefulness.

Even with the lack of timely indicators on the Oregon economy, it appears that the recession has ended or is very close to ending. A couple of factors are responsible for this determination: 1) the Oregon economy generally follows the US economy; 2) the Oregon Index of Leading Indicators (OILI) has been increasing the past two months (August and September); 3) other economic indicators, the University of Oregon Leading Index and the Philadelphia Federal Reserve State Coincident Index, generally follow the trend of the OILI; 4) the Oregon unemployment rate has stabilized over the last 6 months; 5) the job loss rate in the state has greatly slowed since last April; 6) signs of improving conditions at publicly traded companies in Oregon show improvements in stock prices.

The difficult assessment as to whether the recession has ended in Oregon lies in the availability of timely data. It is generally agreed that the nation will see a "jobless" recovery, and the timeliest data at the state level is employment. Thus, we could see an end to this recession yet still see continued job losses, though the losses should tapper off. By saying that the recession is over or nearly so cannot be substantiated in the near term by the available data. Time will only tell whether this assessment, that the recession has ended or will soon be over, is correct. The data today cannot confirm nor refute this judgment. But indicators do point in the affirmative that this recession has come to a close.

While we may be at a technical end of the recession, we are not at the point of feeling the beneficial effects of a recovery. Demand at businesses will start to pick up, but hiring of labor will be sometime down the road. Presently businesses are using a combination of reduced work hours and furloughs to keep a reduced work force. Before more workers are hired, businesses will be reducing furloughs and increasing work hours. The average hours per week in the manufacturing sector has inched up slightly in recent months though no true trend is yet evident. These and other indicators as mentioned above will be looked at to see if a recovery will be coming soon to the labor market. Even if we are at the technical start of recovery, the labor market recovery may not begin until the first half of 2010 with only mild job gains.

OEA (Office of Economic Analysis – Oregon) forecasts a decline of 3.7 percent in total employment in the fourth quarter of 2009. The first quarter of 2010 will still be very anemic with a slight decline of jobs at 0.1 percent. The Oregon economy does not recover until the latter part of 2010.

The year average for 2009 is an employment decline of 5.1 percent. Job growth is negative at 0.9 percent in 2010 but with modest job gains starting in the second quarter through the end of the year. The Oregon economy does not see above 2 percent job growth until the first quarter of 2011.

Table O.2 compares OEA's forecast to other published forecasts. With the end of 2009 close at hand, almost all the forecasts have the same declines for the year in employment. OEA's forecast for employment in 2010 is closer to the national forecasting firms of Moody's Economy.com and Global Insight than to the local forecasters. The 2011 outlook follows a similar trend with the national forecasters.

The updated forecasts from Moody's Economy.com, Global Insight and OEA all show nearly zero employment growth in 2008 and job losses in 2009 before a mild recovery in 2010. The Global Insight forecast is incorporated into the OEA forecast. While Global Insight forecasts the recession to be relatively mild, OEA's forecast projects it to be longer and deeper than the other published reports. If the other forecasters had updated reports with the most recent data and revised employment numbers, their forecasts might closely resemble the OEA's.

Because income data is not as timely as for employment, the income growth in Table O.2 is more variable for 2009. OEA is more consistent with the national forecasters. Local forecasters are more optimistic for income growth in 2010 compared to the national forecasters and OEA.

Table O.2

Oregon Total Nonfarm Employment and Personal Income Growth

		Employment			Personal Income		
Forecaster	Date of Forecast	2009	2010	2011	2009	2010	2011
Moody's Economy.com	August 2009	-5.0	-0.5	2.4	-0.1	2.0	3.6
IHS Global Insight	October 2009	-5.1	-0.9	1.8	-0.7	1.8	4.4
Wells Fargo & Co.	October 2009	-5.3	-0.3	N/A	0.9	2.3	N/A
John Mitchell	October 2009	-5.0	0.0	N/A	1.0	3.5	N/A
Conerly Consulting	October 2009	-4.9	1.4	N/A	-0.2	3.1	N/A
Portland General Electric	October 2009	-4.5	1.7	N/A	-1.2	4.7	N/A
OEA	October 2009	***-5.1***	***-0.9***	***2.2***	***-1.0***	***2.5***	***4.0***
Consensus*	October 2009	-4.5	0.6	N/A	0.5	3.5	N/A

*Consensus forecast from Western Blue Chip forecast

Table O.3

Oregon Forecast Summary

	Quarterly												
	2009:3	2009:4	2010:1	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
				Personal Income ($ billions)									
Nominal Personal Income	136.2	136.6	137.7	127.4	133.4	137.6	136.2	139.6	145.2	152.7	160.6	168.7	177.1
% change	(0.2)	1.4	3.0	8.3	4.7	3.1	(1.0)	2.5	4.0	5.2	5.2	5.1	4.9
Real Personal Income (base year=2005)	124.3	124.2	125.1	124.0	126.4	126.2	124.7	126.1	128.9	133.3	138.0	142.5	146.9
% change	(2.9)	(0.3)	2.9	5.4	1.9	(0.2)	(1.2)	1.2	2.2	3.5	3.5	3.3	3.1
Nominal Wages and Salaries	70.2	70.4	70.7	69.2	72.9	74.1	70.5	71.5	74.6	78.6	82.8	86.9	91.1
% change	(0.4)	1.0	1.9	7.3	5.4	1.6	(4.9)	1.4	4.3	5.3	5.3	5.0	4.8
				Other Indicators									
Per Capita Income ($1,000)	35.5	35.6	35.8	34.5	35.6	36.3	35.6	36.1	37.2	38.6	40.1	41.6	43.2
% change	(1.2)	0.5	2.2	6.6	3.2	1.9	(1.9)	1.5	2.9	3.9	3.9	3.8	3.7
Average Wage rate ($1,000)	42.8	43.2	43.4	39.4	40.9	42.2	43.1	43.7	44.6	45.8	47.1	48.6	50.1
% change	(4.2)	3.6	2.1	3.9	3.8	3.2	2.0	1.4	2.1	2.6	3.0	3.1	3.1
Population (Millions)	3.8	3.8	3.8	3.7	3.8	3.8	3.8	3.9	3.9	4.0	4.0	4.1	4.1
% change	1.1	0.8	0.8	1.6	1.4	1.2	0.9	0.9	1.1	1.2	1.2	1.2	1.2
Housing Starts (Thousands)	6.7	6.9	7.0	27.6	21.9	12.8	7.3	7.3	8.5	10.7	14.6	18.7	21.0
% change	(30.2)	12.8	9.4	(10.6)	(20.9)	(41.6)	(42.5)	(0.5)	15.8	27.0	36.4	27.9	12.0
				Employment (Thousands)									
Total Nonfarm	1,626.2	1,611.2	1,610.7	1,703.4	1,731.3	1,721.1	1,633.5	1,619.3	1,654.4	1,698.3	1,736.8	1,770.0	1,800.4
% change	(2.2)	(3.7)	(0.1)	3.0	1.6	(0.6)	(5.1)	(0.9)	2.2	2.7	2.3	1.9	1.7
Private Nonfarm	1,324.1	1,313.3	1,312.4	1,417.3	1,441.6	1,422.2	1,333.2	1,319.8	1,353.8	1,394.5	1,429.6	1,459.5	1,486.3
% change	(3.2)	(3.2)	(0.3)	3.5	1.7	(1.3)	(6.3)	(1.0)	2.6	3.0	2.5	2.1	1.8
Construction	77.8	76.4	74.3	100.9	104.2	94.7	79.2	72.2	72.5	74.8	77.7	80.5	82.8
% change	(6.5)	(7.1)	(10.9)	11.0	3.3	(9.2)	(16.3)	(8.8)	0.3	3.2	3.9	3.6	2.9
Manufacturing	164.7	162.0	162.0	207.3	204.1	195.1	168.6	162.3	165.2	170.3	175.0	178.9	180.9
% change	(12.3)	(6.4)	(0.1)	1.7	(1.6)	(4.4)	(13.6)	(3.7)	1.8	3.1	2.8	2.2	1.1
Durable Manufacturing	116.3	113.9	113.9	154.7	150.9	142.4	118.6	114.3	116.7	121.0	124.9	128.2	129.6
% change	(7.7)	(8.0)	(0.1)	1.7	(2.5)	(5.6)	(16.7)	(3.6)	2.0	3.7	3.2	2.6	1.1
Wood Product Manufacturing	20.9	20.2	20.3	32.4	30.0	27.0	21.4	20.5	21.4	22.6	23.4	24.0	24.1
% change	(9.2)	(12.1)	1.4	(0.8)	(7.5)	(9.8)	(20.8)	(4.5)	4.4	5.8	3.7	2.4	0.4
High Tech Manufacturing	34.2	33.4	33.6	41.9	40.7	38.9	34.6	33.9	34.0	34.9	35.9	37.3	38.2
% change	(8.6)	(9.0)	2.6	1.5	(2.9)	(4.4)	(11.0)	(2.1)	0.3	2.8	2.7	3.9	2.4
Transportation Equipment	12.4	12.6	12.7	18.3	17.4	14.9	12.0	12.7	13.0	13.6	14.4	14.9	14.9
% change	28.4	8.1	2.4	2.1	(5.1)	(14.6)	(19.1)	5.8	2.0	5.0	5.8	3.6	(0.3)
Nondurable Manufacturing	48.4	48.1	48.1	52.6	53.2	52.7	50.0	48.0	48.6	49.3	50.1	50.7	51.3
% change	(22.2)	(2.5)	(0.1)	1.6	1.1	(0.9)	(5.2)	(3.9)	1.2	1.5	1.5	1.2	1.2
Private nonmanufacturing	1,159.4	1,151.3	1,150.4	1,210.0	1,237.5	1,227.1	1,164.6	1,157.5	1,188.6	1,224.2	1,254.6	1,280.6	1,305.4
% change	(1.8)	(2.8)	(0.3)	3.8	2.3	(0.8)	(5.1)	(0.6)	2.7	3.0	2.5	2.1	1.9
Retail Trade	184.7	184.4	184.6	197.3	200.7	196.7	185.6	186.3	189.7	193.4	197.5	200.8	204.2
% change	(2.4)	(0.7)	0.4	2.0	1.7	(2.0)	(5.6)	0.4	1.8	1.9	2.1	1.7	1.7
Wholesale Trade	74.9	74.5	74.1	79.9	80.8	80.0	74.9	73.7	75.1	78.4	80.8	82.9	84.7
% change	2.9	(1.6)	(2.2)	2.6	1.2	(1.1)	(6.3)	(1.7)	2.0	4.4	3.0	2.6	2.1
Information	35.0	34.9	34.6	34.9	36.0	36.1	35.0	34.8	35.5	35.8	36.4	36.7	37.0
% change	(0.8)	(1.0)	(3.7)	3.7	3.3	0.4	(3.1)	(0.6)	2.1	0.7	1.6	1.0	0.7
Professional and Business Services	179.9	179.1	180.7	194.4	197.3	195.7	181.6	183.4	194.4	205.6	213.7	220.7	227.2
% change	(3.6)	(1.7)	3.6	4.8	1.5	(0.8)	(7.2)	1.0	6.0	5.8	3.9	3.3	3.0
Health Services	191.0	193.8	194.8	176.8	182.8	189.6	192.2	197.9	205.2	210.7	214.5	219.0	223.8
% change	(1.0)	5.9	2.1	3.0	3.4	3.7	1.4	3.0	3.7	2.7	1.8	2.1	2.2
Leisure and Hospitality	164.3	161.8	162.0	164.9	171.9	173.7	165.6	164.0	166.6	169.9	174.0	177.6	181.4
% change	(6.1)	(6.0)	0.6	3.7	4.2	1.1	(4.7)	(0.9)	1.5	2.0	2.4	2.1	2.1
Government	302.1	297.9	298.4	286.1	289.7	298.9	300.4	299.5	300.6	303.8	307.2	310.6	314.0
% change	2.5	(5.5)	0.7	0.4	1.3	3.2	0.5	(0.3)	0.4	1.1	1.1	1.1	1.1

Goods Producing Sectors

[References to specific businesses and organizations are from public news sources and from compiled news items published in *Around the State*, Workforce Analysis Section, Oregon Employment Department.]

The wood products industry continues to feel the pain from the housing downturn and decreasing demand. The Random Lengths Composite Price (Random Lengths Publications, September 2009) for lumber is $236 per thousand feet compared to $239 per thousand feet in August. Prices a year ago in September 2008 were $272. Although these prices are higher than the below $200 numbers at the start of year, they are still greatly depressed from levels five years ago. The Western Woods Product Association (WWPA) forecasts lumber demand to mildly improve in 2010. Helping to push demand, WWPA expects housing starts in the US to increase 21 percent, though this level of housing starts will be only half of the level in 2007. In related businesses, Columbia River Forest Products opened a mill in St. Helens employing about 31 people. Marlette Homes, a producer of manufactured homes, laid off 18 workers at its Hermiston plant.
The wood products sector is projected to lose jobs at a rate of 20.8 percent in 2009 with a further decline of 4.5 percent in 2010. Looking forward the housing market will continue to correct itself with mild improvements in 2011. Wood products jobs will increase by 4.4 percent in 2011.

The computer and electronic product sector has substantially declined in this recession though not as deep as during the 2001 recession. The semiconductor equipment book-to-bill ratio rose for the eighth straight month to 1.17. Orders for semiconductor equipment from North American suppliers grew for the sixth consecutive month. Still, both bookings and billings are below last year's levels.

The Semiconductor Industry Association (SIA) reports worldwide sales were 10.1 percent lower in the third quarter of 2009 compared to the same period last year. The SIA projects sales to increase 10.2 percent in 2010 and 8.4 percent in 2011. Forecasts were raised due to better than expected demand from PC's and cell phones. For now, the news from this industry is mixed. Uni-Chem of South Korea will buy the closed Hynix chip plant in Eugene and convert the facility to produce solar chips. SolarWorld opened a new manufacturing plant to complement its existing solar panel operations. PV Powered, a solar products maker in Bend, has added 30 employees since early summer. Insitu of Bingen, Washington, will move 150 employees to Hood River. Novellus Systems Inc. will consolidate its manufacturing operations in Tualatin bringing in about 175 jobs. On the other side, layoffs continue for this sector. Sun Microsystems Inc. will lay off 42 workers in the Hillsboro area. Integrated Device Technology is closing its Hillsboro fabrication plant. RadiSys Corp. in Hillsboro will lay off 119 employees through mid-2010 as it transitions manufacturing over to Asia. Benchmark Electronics Inc. will close its Beaverton plant by the end of the year, laying off 183 workers. Lattice Semiconductor Inc. will layoff around 30 employees in Hillsboro. Job cuts will result in a 11.0 percent decline for 2009. Job losses will not be as great in 2010 with a decline of 2.1 percent. Jobs are slow to return with a mild increase of 0.3 percent in 2011.

The transportation equipment sector is having tough back-to-back years with double digit job losses in 2008 and projected for 2009. If projections hold, this sector will have lost around 35 percent of its employment since 2006. Recent news has been more encouraging for the transportation equipment sector, starting with the military contract that is keeping the doors open at the Daimler Truck plant on Swan Island. A New York maker of recreational windows and doors started operations in Pendleton and employs around 80 people. Zieman Manufacturing, also a producer of recreational vehicle parts, expanded in McMinnville adding 35 jobs. Ourdoors RV has moved into the former Fleetwood RV plant in Island City and employs around 100 workers. Monaco RV in Coburg has resumed operation and employs around 400. Electric powered transportation is emerging around the state. Brammo Powercycles in Ashland, a maker of electric motorcycles, now employs 50 workers. Tinitron in Hillsboro will manufacture a hybrid car with plans to hire 50 to 100 people. Arcimoto in Eugene is an electric car maker that employs 14 with plans to expand to 30 to 40 workers by late 2010. Employment in the transportation equipment industry will decline 19.1 percent in 2009, increase by 5.8 percent in 2010 and 2.0 percent in 2011.

The metals and machinery sector continued losing jobs in 2009. As the recession became global in scope, this sector's jobs fell with the contraction in international trade. Job losses are estimated to be 18.1 percent in 2009 and 9.1 percent in 2010. Growth will turn positive in 2011 with growth of 1.4 percent.

Employment in food processing, while highly seasonal, has been adding jobs during this recession. Monterey Gourmet Foods closed its Eugene plant laying off about 25 workers. Southern Oregon Sales in Medford opened a new packing house employment 50 people. This sector is expected to grow 4.2 percent in 2009 and then declines of 2.8 percent in 2010 before an upturn with growth of 1.0 percent in 2011. This sector is subject to wide employment swings due to seasonal factors.

Other nondurables, which includes paper and allied products, is projected to have job declines of 12.9 percent in 2009 and 5.0 percent in 2010 before adding jobs in 2011 at 1.4 percent. Of particular note, International Paper will be closing its Albany Paper Mill in Millersburg resulting in the loss of 230 jobs. ReVolt Technology LLC is locating its U.S. headquarters in Portland with initial employment of 75 people with plans to ramp up to 250 workers.

Construction is still suffering from the effects of the housing sector collapse. Single-family residential building permits are down 35.9 percent year to date for September 2009, a better showing then the 49.9 percent decline for the same period in 2008. This continued decline in single-family home building has extended into multi-family housing units. With the additional supply of rental units coming from foreclosures, condo conversions to apartments, and renting of second homes, the need to build new multi-family housing is greatly reduced. Commercial real estate generally lags other markets in a recession. This sector is now reeling from the recession with vacancy rates rising in the Portland Metro area. Grubb and Ellis report that Portland area office space vacancy stands at 14.1 percent for the third quarter of 2009, up from 11.1 percent for the third quarter of 2008. Likewise industrial space vacancy has risen for the past four quarters through the third quarter of 2009. Although federal and state stimulus packages have not kept construction job from contracting, they have supported jobs on public works projects. Construction jobs are projected to decline 16.3 percent in 2009 followed by a decline of 8.8 percent in 2010. A mild job increase of 0.3 percent is forecasted for 2011.

Service Producing Sectors

Trade, transportation, and utilities sector is projected to decline jobs at a rate of 6.3 percent in 2009, a decline of 0.3 percent in 2010, and moderate growth of 2.0 percent in 2011. Retail and wholesale continue to be impacted by the drops in growth of household spending. A Walmart Supercenter will open next year in Warrenton employing 300 people. An expanded Costco store in Warrenton will raise employment from 120 to 250. Crossmark Home Improvement Services Ltd. is laying off 46 workers statewide. Northwest Natural Gas Company is cutting its workforce by between 50 to 100 employees by the end of the year. Wind farms are still planned to be built in Arlington and Moro. Retail employment will decline 5.6 percent in 2009, marginally add jobs in 2010 at a rate of 0.4 percent, and rebound with growth of 1.8 percent in 2011. Wholesale trade jobs will be down 6.3 percent in 2009, a loss of 1.7 percent in 2010, and stronger growth of 2.0 percent in 2011.

The information sector, which includes traditional publishers such as newspapers and publishers of software, continues to slow considerably compared to the plus 3 percent growth of 2006 and 2007. With the slowing of consumer spending, traditional publishers are finding less advertise bookings and cutting both costs and circulations to accommodate. This sector will reduce jobs by 3.1 percent in 2009, 0.6 percent in 2010, and grow 2.1 percent in 2011. Laika Inc., a Portland based animation studio, will lay off 60 workers. The Register-Guard newspaper in Eugene is laying off 16 employees.

The finance sector is still struggling with the global recession. The regional commercial banks that deal in commercial real estate appear to be at risk from this declining market. Community First Bank of Prineville was declared insolvent by the Oregon Department of Business and Consumer Services. Except for senior managers, employees kept their jobs as the bank was reopened with a new owner. Clear One Health Plans Inc. in Bend will lay off 25 people by the end of the year. Regence Blue Cross Blue Shield in Medford has been recently hiring and plans more hiring. This sector will lose 6.5 percent of jobs in 2009; lose 2.5 percent in 2010, before recovering 2.3 percent employment in 2011.

Professional and business services will decrease jobs by 7.2 percent in 2009. With the prospects of an economic recovery, job growth will turn positive with a 1.0 percent increase in 2010 before rebounding to 6.0 percent growth in 2011. RM International Ind. in Portland, a test-engineering firm for the transportation sector will lay off 109 people. Affiliated Computer Services Inc. in Tualatin plans to hire 100 workers, with additional hires of around 50 people in North Bend. Call centers are still in the picture for this sector. First Call Resolution in Grants Pass plans to hire 70 to 75 workers for a new call center with another 40 workers in the summer of 2010. AT&T will close its call center in Bend.

Education and health services are one of the few sectors with positive growth for 2009. Job growth will be 2.8 percent in 2009, 1.8 percent in 2010, and 3.2 percent in 2011. The severity of this recession has considerably slowed the growth of health services. In the private education sector, Mt. Bachelor Academy in Crook County will close this December laying off about 70 people.

Leisure and hospitality has slowed considerably from the 4.2 percent job growth of 2007. This sector will loose jobs at a rate of 4.7 percent in 2009, milder declines of 0.9 percent in 2010, and then adding jobs at a rate of 1.5 percent in 2011. Full-service restaurants have seen slowed customer demand has households reduce their discretionary spending. Portland area restaurants – Kincaid's Fish, Stanford's at Riverplace, T.G.I. Fridays, and Chop & Steak House – have closed. Jeld-Wen Inc. resorts Brasada Ranch in Powell Butte and Eagle Crest Resort near Redmond has cut positions.

The government sector employment will add jobs by 0.5 percent in 2009, a mild decline of 0.3 percent in 2010, and a slight rise of 0.4 percent in 2011. The federal employment will get a temporary boost from the hiring of census enumerators next year. The National Oceanic and Atmospheric Administration is moving its Marine Operations Center-Pacific to Newport, bringing in 175 employees. An example of federal stimulus spending is the road construction and hazardous fuels reduction projects in the Wallowa-Whitman National Forest, employing an estimated 119 people. Road construction continues on Highway 20 near Newport, employing over 300 people. State and local governments tax and fee revenues have declined and adjustments are under way. City of Portland's Bureau of Development Services is cutting 150 positions due to stalled construction projects. Numerous local school districts are trimming support staff and teachers. State government will increase jobs by 1.2 percent for 2009 and then decrease jobs by 2.1 percent in 2010. A mild job growth of 0.4 percent is projected for 2011. Local government will decrease jobs by 0.2 percent in 2009 and 0.5 percent in 2010, before adding jobs at a rate of 1.2 percent in 2011.

Population growth in the state is forecasted to increase 0.9 percent in 2009 and 2010, and grow at a slightly faster rate in 2011 at 1.1 percent.

Personal Income Components

Personal income is projected to decline 1.0 percent in 2009, the first annual decline based on comparable records back to 1970. This is attributable to the recession and very low inflation. Growth rates pick up in 2010 at 2.5 percent and further increases to 4.0 percent in 2011. The growth path follows the economic outlook and does not reach back above a 5.0 percent annualized rate until the third quarter of 2011.

Wage and salary income declined sharply at a rate of 4.9 percent in 2009. Jobs gains will be slow to materialize as businesses move from cost cutting to increased production of goods and services. This component will increase 1.4 percent in 2010 and 4.3 percent in 2011.

The other income components generally follow the economic outlook. Transfer payments may get a boost in 2009 from the federal stimulus package.

Per capita income in Oregon will stay slightly below the U.S. average throughout the forecast horizon. Although Oregon's employment is expected to grow faster than the U.S. employment, Oregon's total personal income is expected to grow at about the same rate as the nation's in 2011 and 2012, but then slightly slower. With Oregon's population growth expected to be slightly higher, per capita income in Oregon does not gain back ground lost during the recession compared to the U.S. average.

Forecast Changes Relative to the September 2009 Forecast

Table O.4 provides a summary of forecast changes compared to the September 2009 forecast.

With the Bureau of Economic Analysis (BEA) revisions of state personal income going back to 1969, the historical values in 2006 to 2008 were altered. The revisions raised the historical levels of Oregon's personal income from approximately mid-1995 to the present estimate of the first quarter of 2009.

Personal income was slightly raised in 2009 and 2010 and lowered slightly in 2011 through 2015. The BEA upward revisions are carried forward in the near term outlook while outer years are barely lowered due to lower national outlook for personal income. Essentially, very little change in personal income. Real personal income was raised further because of lower forecasts for inflation.

OEA also downwardly revised employment numbers 0.0 to 0.4 percent in each of the years 2009-2015. Although the third quarter job counts better than previously predicted, the October job report along with September revisions brought job levels slightly down. But with little change on the overall economic outlook, the employment forecast is barely changed.

Housing starts were significantly lowered for 2009 through 2015. Residential building permits in Oregon were improving for single family homes but multifamily has dropped significantly. The Governor's Council of Economic Advisors questioned the strength of the national housing permits and the strength of the Oregon housing market. For these reasons, the housing starts outlook was substantially lowered.

The construction outlook is raised for 2009-2015 as higher actual job counts are beginning to reflect both the federal and state stimulus packages and a small increase in single family residential housing permits. The raised forecast has been tempered by the lower overall housing starts outlook.

The manufacturing outlook is essentially unchanged in 2009 and raised for 2010-2015. The upward revisions reflect an improving outlook for durable goods near term and improving national outlook in the outer years.

Private nonmanufacturing is lowered slightly for 2009-2015. The mostly downward revisions to large employment sectors, such as retail, health services, and professional and business services more than offset upward revisions to the information and wholesale trade sectors.

The government sector employment is raised in 2009-2015. This reflects the stronger job gains shown in local government for the third quarter. This sector still keeps the weak growth path through 2012.

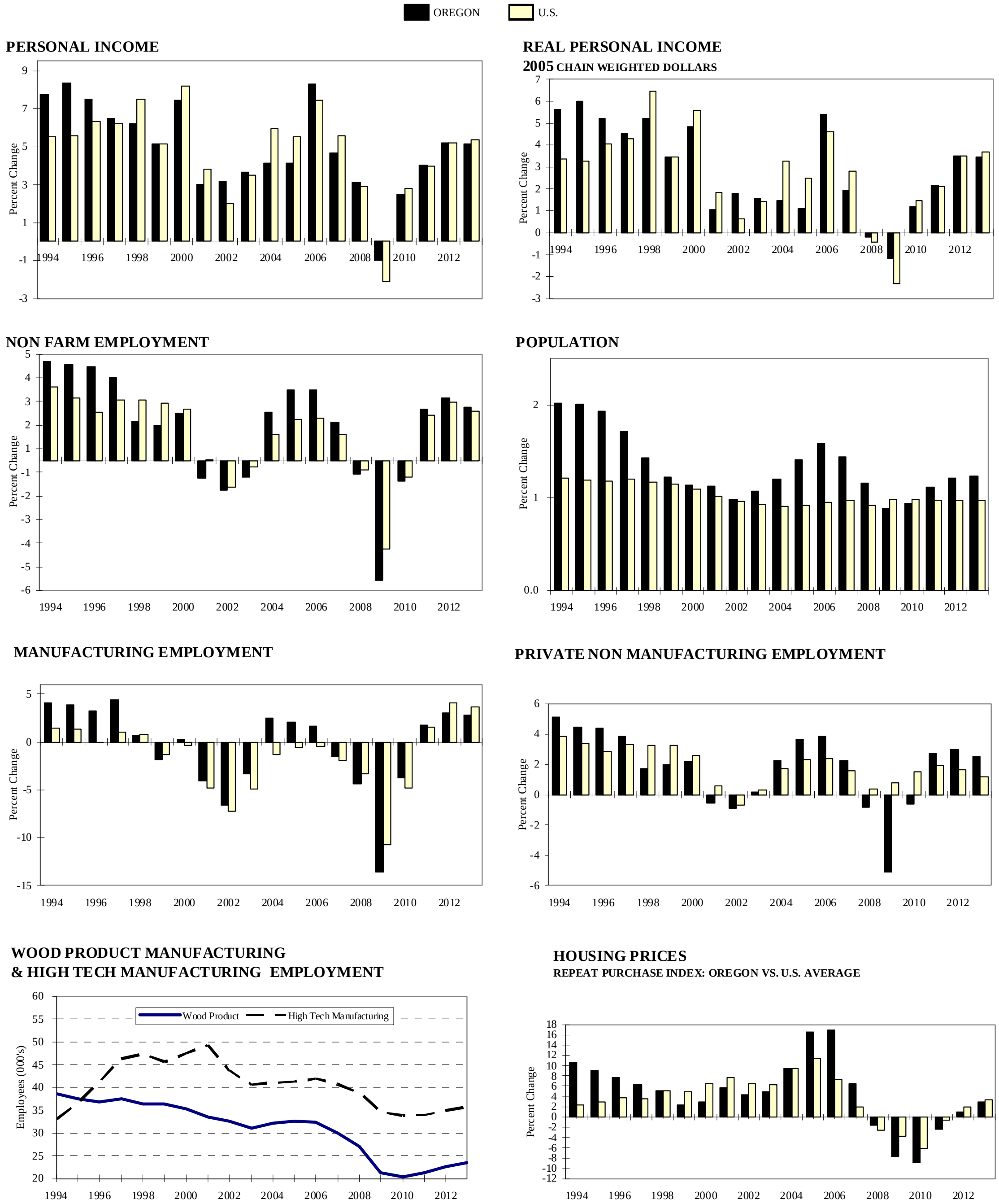
Table O.4

Oregon Forecast Change (Current vs. Last)

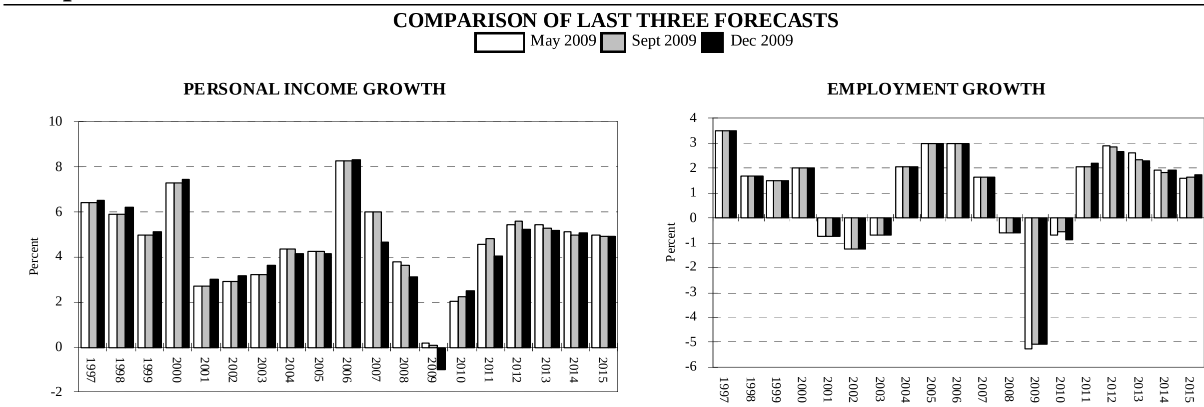
	Quarterly												
	2009:3	**2009:4**	**2010:1**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**
				Personal Income ($ billions)									
Nominal Personal Income	136.2	136.6	137.7	127.4	133.4	137.6	136.2	139.6	145.2	152.7	160.6	168.7	177.1
% change	0.1	0.1	0.3	2.9	1.6	1.1	0.0	0.3	(0.5)	(0.8)	(0.9)	(0.9)	(0.8)
Real Personal Income (base year=2005)	124.3	124.2	125.1	124.0	126.4	126.2	124.7	126.1	128.9	133.3	138.0	142.5	146.9
% change	0.0	(0.1)	0.3	2.9	1.6	1.1	0.1	0.4	(0.2)	(0.5)	(0.5)	(0.4)	(0.3)
Nominal Wages and Salaries	70.2	70.4	70.7	69.2	72.9	74.1	70.5	71.5	74.6	78.6	82.8	86.9	91.1
% change	(1.8)	(1.7)	(1.5)	2.0	1.9	1.2	(1.4)	(1.5)	(1.5)	(1.9)	(2.2)	(2.2)	(2.2)
				Other Indicators									
Per Capita Income ($1,000)	35.5	35.6	35.8	34.5	35.6	36.3	35.6	36.1	37.2	38.6	40.1	41.6	43.2
% change	0.2	0.2	0.4	2.9	1.6	1.1	0.1	0.4	(0.3)	(0.6)	(0.7)	(0.6)	(0.6)
Average Wage rate ($1,000)	42.8	43.2	43.4	39.4	40.9	42.2	43.1	43.7	44.6	45.8	47.1	48.6	50.1
% change	(1.8)	(1.3)	(1.1)	0.0	0.0	0.0	(0.8)	(1.2)	(1.3)	(1.6)	(1.8)	(1.9)	(2.0)
Population (Millions)	3.834	3.842	3.849	3.698	3.751	3.795	3.829	3.865	3.908	3.955	4.004	4.053	4.104
% change	(0.1)	(0.1)	(0.1)	(0.0)	(0.0)	(0.0)	(0.1)	(0.1)	(0.2)	(0.2)	(0.3)	(0.3)	(0.2)
Housing Starts (Thousands)	6.7	6.9	7.0	27.6	21.9	12.8	7.3	7.3	8.5	10.7	14.6	18.7	21.0
% change	(15.1)	(19.0)	(22.7)	0.1	(0.0)	0.1	(8.5)	(27.8)	(39.1)	(37.2)	(23.9)	(9.7)	(6.4)
				Employment (Thousands)									
Total Nonfarm	1,626.2	1,611.2	1,610.7	1,703.4	1,731.3	1,721.1	1,633.5	1,619.3	1,654.4	1,698.3	1,736.8	1,770.0	1,800.4
% change	0.3	(0.4)	(0.4)	(0.0)	(0.0)	(0.0)	(0.0)	(0.3)	(0.2)	(0.4)	(0.4)	(0.3)	(0.3)
Private Nonfarm	1,324.1	1,313.3	1,312.4	1,417.3	1,441.6	1,422.2	1,333.2	1,319.8	1,353.8	1,394.5	1,429.6	1,459.5	1,486.3
% change	(0.1)	(0.6)	(0.6)	(0.0)	(0.0)	(0.0)	(0.1)	(0.5)	(0.4)	(0.6)	(0.6)	(0.6)	(0.6)
Construction	77.8	76.4	74.3	100.9	104.2	94.7	79.2	72.2	72.5	74.8	77.7	80.5	82.8
% change	1.0	1.6	1.1	(0.0)	(0.0)	0.0	0.8	1.2	1.9	1.0	1.0	1.5	1.8
Manufacturing	164.7	162.0	162.0	207.3	204.1	195.1	168.6	162.3	165.2	170.3	175.0	178.9	180.9
% change	(0.7)	(0.8)	0.4	(0.0)	(0.0)	(0.0)	(0.3)	1.4	1.7	0.9	0.7	0.5	0.2
Durable Manufacturing	116.3	113.9	113.9	154.7	150.9	142.4	118.6	114.3	116.7	121.0	124.9	128.2	129.6
% change	1.7	1.7	3.2	(0.0)	(0.0)	(0.0)	0.9	4.5	4.6	3.4	3.3	3.4	3.3
Wood Product Manufacturing	20.9	20.2	20.3	32.4	30.0	27.0	21.4	20.5	21.4	22.6	23.4	24.0	24.1
% change	1.4	(0.4)	(1.1)	(0.0)	(0.0)	(0.0)	0.4	(2.2)	(4.6)	(5.9)	(5.9)	(6.0)	(6.3)
High Tech Manufacturing	34.2	33.4	33.6	41.9	40.7	38.9	34.6	33.9	34.0	34.9	35.9	37.3	38.2
% change	2.2	1.8	4.1	(0.0)	(0.0)	(0.0)	1.0	6.2	6.3	2.5	3.0	4.6	4.5
Transportation Equipment	12.4	12.6	12.7	18.3	17.4	14.9	12.0	12.7	13.0	13.6	14.4	14.9	14.9
% change	6.4	6.9	7.0	(0.0)	(0.0)	0.0	3.5	8.1	8.7	8.3	7.3	5.2	3.3
Nondurable Manufacturing	48.4	48.1	48.1	52.6	53.2	52.7	50.0	48.0	48.6	49.3	50.1	50.7	51.3
% change	(6.1)	(6.3)	(5.7)	0.0	0.0	(0.0)	(3.1)	(5.3)	(4.8)	(4.9)	(5.3)	(6.1)	(6.7)
Private nonmanufacturing	1,159.4	1,151.3	1,150.4	1,210.0	1,237.5	1,227.1	1,164.6	1,157.5	1,188.6	1,224.2	1,254.6	1,280.6	1,305.4
% change	0.0	(0.5)	(0.7)	(0.0)	(0.0)	(0.0)	(0.1)	(0.7)	(0.7)	(0.8)	(0.8)	(0.7)	(0.7)
Retail Trade	184.7	184.4	184.6	197.3	200.7	196.7	185.6	186.3	189.7	193.4	197.5	200.8	204.2
% change	(0.3)	(0.4)	(0.8)	(0.0)	(0.0)	(0.0)	(0.2)	(0.8)	(0.0)	(0.3)	(0.7)	(0.6)	(0.5)
Wholesale Trade	74.9	74.5	74.1	79.9	80.8	80.0	74.9	73.7	75.1	78.4	80.8	82.9	84.7
% change	1.3	1.2	0.9	(0.0)	(0.0)	(0.0)	0.7	0.9	1.6	1.5	0.9	0.8	0.5
Information	35.0	34.9	34.6	34.9	36.0	36.1	35.0	34.8	35.5	35.8	36.4	36.7	37.0
% change	1.6	2.9	3.5	(0.0)	(0.0)	(0.0)	1.1	4.5	2.3	2.4	3.2	3.2	3.1
Professional and Business Services	179.9	179.1	180.7	194.4	197.3	195.7	181.6	183.4	194.4	205.6	213.7	220.7	227.2
% change	(0.5)	(1.1)	(0.4)	(0.0)	(0.0)	(0.0)	(0.4)	(0.5)	(1.5)	(2.3)	(2.4)	(2.4)	(2.5)
Health Services	191.0	193.8	194.8	176.8	182.8	189.6	192.2	197.9	205.2	210.7	214.5	219.0	223.8
% change	(0.7)	(0.0)	(0.7)	0.0	0.0	0.0	(0.2)	(1.0)	(0.5)	0.4	0.8	0.9	1.0
Leisure and Hospitality	164.3	161.8	162.0	164.9	171.9	173.7	165.6	164.0	166.6	169.9	174.0	177.6	181.4
% change	(1.4)	(2.8)	(2.8)	(0.0)	(0.0)	(0.0)	(1.0)	(2.4)	(2.4)	(2.6)	(2.2)	(2.0)	(1.8)
Government	302.1	297.9	298.4	286.1	289.7	298.9	300.4	299.5	300.6	303.8	307.2	310.6	314.0
% change	1.8	0.4	0.3	(0.0)	(0.0)	(0.0)	0.5	0.3	0.6	0.7	0.6	0.8	1.1

Graph O.1

OREGON AND U.S. ECONOMIC FORECASTS



Graph O.2



Alternative Scenarios

The baseline forecast is our projection of the most likely outcome for the Oregon economy. As with any forecast, however, other scenarios are possible. The economy could either under- or over- perform relative to our baseline forecast. We broadly call these forecasts the Optimistic and Pessimistic scenarios. While we attach the highest probability to the baseline forecast, these other outcomes are within the realm of possibility. Table O.5 shows the annual summary of alternative scenarios. Figure O.3 shows the quarterly details of alternative scenarios for total nonfarm employment, personal income, manufacturing employment, and private nonmanufacturing employment.

Optimistic Scenario: The stimulus packages and policy moves of the Treasury, Congress, the Federal Reserve, and world central banks gains traction more quickly than in the baseline scenario. The recession is still quite deep but growth in recovery is more robust. The housing sector bottoms out sooner than expected. High productivity helps economic growth, leads to employment gains, lowers budget deficits, brings down inflation, and promotes a stronger dollar. Business investment spending is strong. Even with the stronger dollar, foreign growth boosts stronger exports, helping the manufacturing sector. Residential construction rebounds due to better job growth, lower interest rates, lower mortgage rates, and higher consumer confidence. Energy prices are substantially lower in the outer years.

In this scenario, Oregon continues to grow above trend. Employment will decline 5.0 percent in 2009, moderately stronger than the baseline forecast of -5.1 percent. Job growth turns slightly positive in 2010, with more robust growth in 2011 at 2.7 percent. Personal income is still down slightly at -0.6 percent in 2009 compared to the baseline forecast of -1.0 percent. Its growth will push up to 4.1 percent in 2010 and 4.5 percent in 2011.

Table O.5

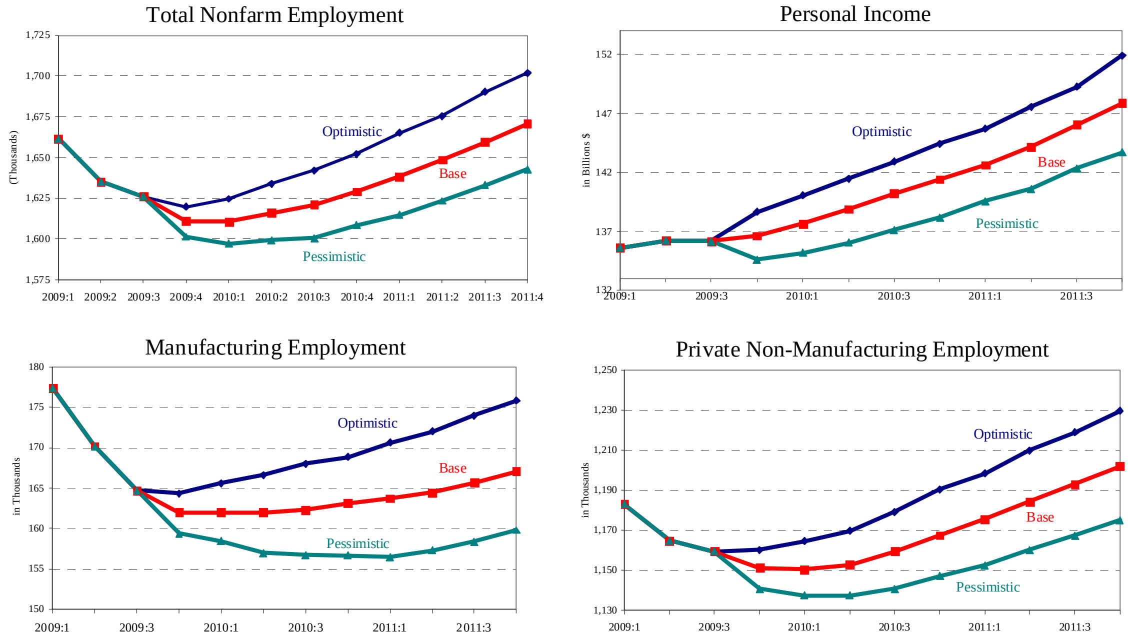
Alternative Scenarios for Oregon Total Employment and Personal Income

			Compared to Baseline				Growth Rates		
		Baseline	**Pessimistic**	**Losses**	**Optimistic**	**Gains**	**Baseline**	**Pessimistic**	**Optimistic**
Total Employment (thousands)	**2008**	1721.1	1721.1	0.0	1721.1	0.0	-0.6%	-0.6%	-0.6%
	2009	1633.5	1631.1	-2.4	1635.7	2.1	-5.1%	-5.2%	-5.0%
	2010	1619.3	1601.3	-17.9	1638.3	19.1	-0.9%	-1.8%	0.2%
	2011	1654.4	1628.5	-25.8	1683.3	28.9	2.2%	1.7%	2.7%
Personal Income ($ billions)	**2008**	137.6	137.6	0.0	137.6	0.0	3.1%	3.1%	3.1%
	2009	136.2	135.7	-0.5	136.7	0.5	-1.0%	-1.4%	-0.6%
	2010	139.6	136.6	-2.9	142.2	2.7	2.5%	0.7%	4.1%
	2011	145.2	141.6	-3.6	148.6	3.4	4.0%	3.6%	4.5%

Pessimistic Scenario: Credit markets do not respond to policy moves. The lack of financing further curtails household and business spending. The housing market continues to be a drag on the economy and takes longer to reach a bottom. Consumer confidence takes a hit from the poor housing market and personal consumption stays at low levels. Business capital spending continues to drop throughout the year. The global economy is also quite weak, and a relatively lower US dollar does not help exports. The recession is deeper with a longer time to recovery.

Under this economic environment, Oregon's economy worsens with job losses deepening in 2010. Job growth stays at this lower level through the third quarter of 2010. Manufacturing sheds jobs through late 2010 and remain subdued through the second quarter of 2011. Personal income growth suffers, and weak consumer spending does not support jobs in the retail and service sectors. Employment growth stays well below the baseline scenario through 2011.

Figure O.3



Forecast Risks

Discussions on the US economy have turned to recovery. More economists and financial analysts have turned their attention to how this recovery will play out. IHS Global Insight now (October) views the risks around their baseline forecast to be equally balanced. Basically, the upside risk is that the economy will take off quickly once the recovery begins. The downside risk is that the economy will bounce on the bottom for awhile before growth begins. To these are extremes of "taking off like a rocket" or having a lost decade of no growth once we hit bottom.

Oregon's economy does follow the US economy. During recessions, Oregon may fall deeper than or not as deep as the US. During expansions, Oregon may grow faster or not quite as fast. Timing can also be off. But Oregon does not miss a US recession or a US expansion period.

As with the US, the risks for the Oregon economy appear to be balanced on the up- and down-side. Job losses in the last few months are at lower rates than during the free fall period of late 2008 and the first quarter of 2009. Inventory of Oregon homes on the market is starting to fall and prices are not falling as fast. The bulk of Oregon's share of the stimulus package is just starting to come forward. Stabilization signs are more numerous with an anticipated end to this recession either already here or just a few months away.

We will continue to monitor and recognize the potential impacts of risk factors on the Oregon economy. We have identified the major risks now facing the Oregon economy in the list below:

- *Contagion of the credit crunch and financial market instability*. With the freezing up of credit markets, broad based borrowing and lending is very expensive or non-existent. Consumer spending has been greatly curtailed and the stock market has lost 40 percent of its value in 2008, though the stock market has risen almost 60 percent from its low in March 2009. Some signs of credit easing are appearing. If the credit markets do not return soon to some sort of state of normalcy, the current recession could be much deeper and longer than presently projected. Oregon will suffer the consequences along with the rest of the nation.

- *H1N1 flu*. The flu pandemic is still unknown, but worries that it could reignite this October at the start of the flu season. The disruption to the economy of Mexico has been severe, but other economies so far have not been greatly impacted. Indications to date are for mild disruption and nothing approaching the devastation of the Spanish Flu of 1918-19. Still, rather than a smaller 5 percent of the workforce impacted, it could go as high as 30 to 40 percent.

- *Prolonged housing market instability.* Generally, analysts believe that the housing market has yet to hit bottom, at least in terms of price declines. Though Oregon has been hit hard through this downturn, Oregon's housing market is relatively better off compared to California, Nevada, Florida, and Arizona. Coupled with the recessionary state of the economy, overbuilding and heightened credit standards will keep demand for housing relatively low. Rather than the correction of the housing bubble further hurting the Oregon housing market, it has been the deepening recession that caused further home price declines and rising foreclosures. Unlike many parts of the economy, there is an upside risk here as well. If the recession is over sooner than forecasted, Oregon's housing market should revive better than the states that experienced the greater housing market bubbles.

- *The relative effectiveness of nearly-global government stimulus.* The level of government response to the current recession has never been greater. Furthermore, the coordination of central bank actions throughout the world was similarly unprecedented. Federal Reserve, US Treasury, and the federal stimulus package may lift this economy out of recession sooner than projected.

- *The return of federal timber payments to Oregon counties*. Included in the federal bailout was a provision to reinstate federal timber payments for four years. Oregon counties will receive $254 million, down from the previous $282 million level and will be phased out over the four year window. While this temporary reinstatement helps cover short term budgets for Oregon counties, finding or replacing this dwindling revenue source will be imperative as any loss of public services could have adverse impacts on economic activity.

- *The extent of the global downturn*. The U.S. economy has been an important engine of growth for the global economy. The economic woes of the U.S. have been felt throughout the global supply chain and production process. Asian economies, exposed via trade to the U.S., have begun a strong rebound in recent months after slowing or contracting earlier this year. It is expected that Asian economies will lead the world out of recession, which is good news for Oregon's exports. China is the top export market for Oregon's products and a strong Chinese expansion, along with other Pacific Rim countries will aid the Oregon recovery.

- *National and regional energy prices*. The over 60 percent drop in oil prices is bringing relieve to both businesses and households. The near term outlook is also for lower regional prices for natural gas and electricity. This comes at a welcomed time when businesses are looking for cost savings. The benefit from lower energy prices is most likely short-lived as the underlying demand drivers will return once the world economies rebound from this recession.

- *Geopolitical risks*. Uncertainty still abounds in Iraq. Tensions with Iran and heightened security risks weigh on businesses and consumers. Disruptions in travel, oil supplies, and consumer confidence could be severe. The drop in business activity could deepen if this uncertainty persists or if the transition out of the Iraq war goes badly for the U.S. The eventual winding down of military expenses will not greatly impact Oregon. There is also an upside risk that the transition will go more smoothly than anticipated, and stability in the Mideast will provide a stronger than forecasted stimulus to the economy.

- *Initiatives, referendums, and referrals*. Generally, the ballot box brings a number of unknowns that could have sweeping impacts on the Oregon economy.

The Oregon economy grew slower than the U.S. economy from 1998 through 2003. This has not occurred since 1985. It outpaced the nation in growth in 2004 through 2007. Between 2009 and 2015, employment growth in Oregon will be slower than in the mid-1990s. However, the U.S. economy is expected to have even slower growth than that expected in Oregon. Global Insight projects Oregon's Gross State Product to have the second highest growth rate in the nation over the coming years.

The slower economic growth of 1998 through 2003 also slowed the growth of Oregon's per capita income and average wages. The devastating 1980-82 recession slowed the growth of incomes and wages until 1986. In the 1990s, as the Oregon economy became more industrially diversified, per capita income and wages grew faster than the nation's as a whole. Going forward, the Oregon economy is projected to grow faster than the nation's. However, it will take some time for per capita income and average wages to catch up with the national averages.

The key factors that will fuel the state's long-term growth are listed below:

- *Steady in-migration and population growth*: High population growth is an opportunity for economic growth as the state creates jobs to serve a growing population. At the same time, it presents a challenge for the state as the demand for services increases.

- *Export growth and high commodity prices*: Global economic expansion will increase demand for Oregon commodities, both finished and capital goods. Oregon is well positioned for trade with countries in the Pacific Rim. High commodity prices will benefit agricultural and timber producers in the state.

- *Returning high energy prices.* Recently, slower demand for oil has caused the gas price spike to fade. However, the long-term growth of the developing world could cause demand to return, creating upward price pressures. We have already seen how high energy prices can slow consumer spending and raise business costs.

- *Continued strength in domestic markets*: Continued economic growth in California and other major domestic markets will fuel demand for Oregon products.

- *Business costs advantages*: The Oregon economy will benefit from a comprehensive energy plan. Efforts which have long been in place for electricity planning should extend to all energy sources. If the plan can assure businesses of an abundant, reliable, and relatively inexpensive supply of electricity and other sources of energy, the state (and the Pacific Northwest) will continue to have a relative energy cost advantage over other regions. Oregon has other business cost advantages, such as lower workers' compensation rates and multi-modal transportation options compared to other states. Equally important is an educated work force that contributes to productivity.

- *Environmental issues*: Salmon protection measures, the Portland Super Fund, and other issues could change the economic landscape.

- *Affordable housing*: For most of the late 1990s and the early part of this decade, California, Washington, and the nation as a whole have experienced more rapidly rising housing costs than Oregon. The housing boom once again raised California prices above Oregon's house prices, and Washington kept pace with Oregon. This relative advantage in housing cost is narrowing as prices in California fall faster than in Oregon, with Washington once again keeping pace with Oregon. If housing costs rise faster in Oregon than in the rest of the nation, companies will face increased difficulties recruiting workers. If Oregon can maintain a relative cost advantage in housing, this factor will be attractive for firm location.

- *Biotechnology and Clean Technology*: These sectors are seen by many as the next growth industries. Portland and the State have launched funding plans to promote the biotechnology sector. The platform for the Oregon Business Plan includes nanotechnology as an emerging field for Oregon. It is too early to tell if these are indeed the next growth industries and what returns they may bring.

- *Renewable Energy and Sustainable development*: Centered in the Portland area, this movement in sustainable building practices is spreading throughout the U.S. Uncertainty surrounds the number of new jobs associated with this movement, but it may allow gains in market shares for construction and consulting firms in Oregon.

Renewable energy such as solar and wind mills are increasing looking to Oregon as a place to locate.

- *Quality of life:* Oregon will continue to attract financially secure retirees. Companies that place a high premium on quality of life will also want to locate in Oregon.

Oregon Regional Profile

The accompanying tables provide data on regional and county population levels within the state. This section will be a regular feature following the Oregon Economic Review and Forecast. The tables (Table O.6 through O.9) highlight the social, economic, and demographic diversity in the state. Please review these tables in each quarterly issue as they will include updated data every quarter.

Table O. 6

Oregon's Economic Profile by County and Region

Geography	2008 Total Employment	2008 Unemployment Rate	2007 Per capita personal income	2008 Average wage per job
Oregon	**1,833,374**	**6.4%**	**$35,143**	**$40,486**
Portland 5-County	**898,290**	**5.6%**	**$39,952**	**$46,023**
Clackamas	189,924	5.5%	$43,965	$41,145
Columbia	22,689	6.9%	$31,828	$33,117
Multnomah	365,473	5.7%	$40,598	$45,992
Washington	275,361	5.1%	$38,371	$51,134
Yamhill	44,843	6.3%	$32,290	$34,258
Willamette Valley	**446,698**	**6.4%**	**$31,564**	**$35,774**
Benton	41,206	4.5%	$36,398	$42,384
Lane	171,888	6.6%	$32,877	$35,367
Linn	51,153	7.6%	$28,153	$35,154
Marion	145,408	6.5%	$30,863	$35,513
Polk	37,043	5.5%	$28,370	$29,887
Coast	**87,676**	**6.6%**	**$30,587**	**$30,033**
Clatsop	19,406	5.1%	$31,108	$30,864
Coos	26,033	8.1%	$29,087	$30,316
Curry	8,923	7.8%	$31,214	$28,421
Lincoln	21,440	6.5%	$31,796	$29,281
Tillamook	11,874	5.4%	$30,862	$30,488
Southern	**168,447**	**9.5%**	**$31,274**	**$32,639**
Douglas	41,953	9.8%	$29,708	$32,925
Jackson	94,500	7.7%	$33,516	$33,366
Josephine	31,994	9.0%	$27,770	$29,764
Central	**152,306**	**6.8%**	**$31,418**	**$33,489**
Crook	8,960	9.6%	$25,158	$34,694
Deschutes	75,563	8.0%	$35,057	$35,023
Gilliam	1,108	4.3%	$29,853	$37,513
Hood River	12,560	5.3%	$31,792	$30,188
Jefferson	8,455	9.9%	$24,986	$31,334
Klamath	28,259	9.0%	$28,050	$32,193
Lake	3,301	8.5%	$26,571	$31,064
Sherman	910	5.8%	$28,971	$47,107
Wasco	12,601	5.9%	$30,589	$30,531
Wheeler	589	5.8%	$26,549	$24,338
Eastern	**79,961**	**7.1%**	**$26,617**	**$30,888**
Baker	6,927	7.0%	$25,754	$28,340
Grant	3,056	10.3%	$30,231	$29,548
Harney	3,023	9.4%	$28,238	$29,461
Malheur	11,959	7.3%	$21,733	$28,500
Morrow	5,131	6.2%	$32,079	$35,567
Umatilla	35,175	6.4%	$26,535	$32,451
Union	11,328	8.0%	$28,833	$30,446
Wallowa	3,362	7.5%	$29,537	$26,704

Sources: Total employment and unemployment rate: Oregon Employment Department;
per capita personal income: U.S. Bureau of Economic Analysis;
average wage per job: Oregon Employment Department.

Table O. 7

Oregon's Gross Farm & Ranch Sales By County and Region for 2007 and 2008 (in 1,000 $)

STATE/COUNTY	Year 2008 All Crops	Year 2008 Livestock & Poultry	Year 2008 All Crop & Livestock	Year 2007 All Crops	Year 2007 Livestock & Poultry	Year 2007 All Crop & Livestock	Change in total sales from 07 to 08
OREGON	**3,496,243**	**1,387,060**	**4,883,304**	**3,452,694**	**1,371,359**	**4,824,053**	**1.2%**
Portland PMSA	**929,056**	**123,162**	**1,052,216**	**978,862**	**125,618**	**1,104,483**	**-4.7%**
Clackamas Coun	307,246	56,998	364,243	331,732	56,492	388,225	-6.2%
Columbia County	18,870	3,999	22,869	22,566	4,002	26,569	-13.9%
Multnomah Cour	76,296	2,851	79,147	82,676	2,855	85,531	-7.5%
Washington Cou	282,407	19,650	302,057	290,861	20,837	311,698	-3.1%
Yamhill County	244,237	39,664	283,900	251,027	41,432	292,460	-2.9%
Willamette Valley	**1,029,957**	**287,855**	**1,317,811**	**1,027,157**	**281,067**	**1,308,225**	**0.7%**
Benton County	100,108	12,466	112,574	97,801	13,789	111,590	0.9%
Lane County	108,442	31,380	139,822	107,020	31,984	139,004	0.6%
Linn County	237,754	58,693	296,447	237,549	57,466	295,015	0.5%
Marion County	460,896	143,153	604,048	464,235	134,944	599,179	0.8%
Polk County	122,757	42,163	164,920	120,552	42,884	163,437	0.9%
Coast	**101,851**	**149,007**	**250,858**	**89,012**	**148,723**	**237,735**	**5.5%**
Clatsop County	8,980	13,595	22,575	6,000	11,184	17,185	31.4%
Coos County	45,033	16,344	61,377	38,366	16,890	55,256	11.1%
Curry County	34,124	3,345	37,469	28,889	3,500	32,388	15.7%
Lincoln County	8,998	1,845	10,843	10,474	1,833	12,307	-11.9%
Tillamook Count	4,716	113,878	118,594	5,283	115,316	120,599	-1.7%
Southern	**113,137**	**49,919**	**163,056**	**130,241**	**55,826**	**186,067**	**-12.4%**
Douglas County	43,731	20,063	63,794	52,330	21,979	74,309	-14.2%
Jackson County	55,921	21,508	77,429	59,444	22,574	82,018	-5.6%
Josephine County	13,485	8,348	21,833	18,467	11,273	29,740	-26.6%
Central	**491,816**	**258,496**	**750,315**	**491,232**	**242,104**	**733,335**	**2.3%**
Crook County	20,536	19,363	39,899	18,298	21,702	40,000	-0.3%
Deschutes Count	16,468	9,522	25,991	14,985	10,441	25,426	2.2%
Gilliam County	15,855	9,022	24,877	27,558	10,022	37,580	-33.8%
Hood River Cour	72,259	1,200	73,459	76,797	1,200	77,997	-5.8%
Jefferson County	55,028	14,748	69,777	44,285	9,855	54,139	28.9%
Klamath County	143,544	157,388	300,932	157,497	140,824	298,321	0.9%
Lake County	48,385	28,669	77,054	36,327	28,864	65,191	18.2%
Sherman County	40,390	2,815	43,205	43,416	2,974	46,390	-6.9%
Wasco County	76,798	6,495	83,294	68,278	6,998	75,276	10.7%
Wheeler County	2,553	9,274	11,827	3,791	9,224	13,015	-9.1%
Eastern	**830,426**	**518,621**	**1,349,048**	**736,190**	**518,021**	**1,254,208**	**7.6%**
Baker County	24,823	41,673	66,496	17,869	49,279	67,148	-1.0%
Grant County	7,669	38,329	45,998	6,152	40,397	46,548	-1.2%
Harney County	37,320	45,024	82,344	19,408	50,884	70,291	17.1%
Malheur County	160,069	116,374	276,443	130,517	131,639	262,155	5.5%
Morrow County	195,737	175,340	371,078	176,075	144,974	321,049	15.6%
Umatilla County	311,587	67,374	378,961	303,446	66,389	369,835	2.5%
Union County	64,921	15,338	80,259	58,110	16,563	74,673	7.5%
Wallowa County	28,300	19,169	47,469	24,613	17,896	42,509	11.7%

Source: Oregon State University's Oregon Agricultural Information Network (OAIN), Extension Economic Information Office.

Table O. 8

Oregon's Public Elementary and Secondary School Enrollment Statistics					
	Enrollment				
STATE/COUNTY	Oct. 1, 2008 enrollment	Oct. 1, 2007 enrollment	2007-2008 % change	2008-2009 % eligible for free or reduced price lunch	2007-2008 Operating expenditure per student
OREGON	**564,064**	**564,747**	**-0.1%**	**45.7%**	**$9,664**
Portland PMSA	**258,943**	**258,221**	**0.3%**	**40.1%**	**$9,569**
Clackamas	58,961	58,812	0.3%	31.1%	$8,808
Columbia	8,584	8,639	-0.6%	34.8%	$8,983
Multnomah	91,062	90,751	0.3%	50.0%	$10,728
Washington	83,701	83,385	0.4%	35.1%	$9,052
Yamhill	16,635	16,634	0.0%	45.6%	$8,902
Willamette Valley	**142,480**	**142,374**	**0.1%**	**48.8%**	**$9,594**
Benton	9,030	9,064	-0.4%	35.5%	$9,751
Lane	46,686	47,464	-1.6%	42.9%	$9,931
Linn	21,325	20,497	4.0%	41.3%	$8,517
Marion	58,676	58,584	0.2%	58.6%	$9,724
Polk	6,763	6,765	0.0%	45.6%	$9,190
Coast	**24,719**	**24,808**	**-0.4%**	**53.7%**	**$10,628**
Clatsop	5,020	5,119	-1.9%	46.5%	$10,632
Coos	8,446	8,251	2.4%	53.4%	$10,180
Curry	2,575	2,673	-3.7%	53.4%	$10,200
Lincoln	5,377	5,433	-1.0%	58.3%	$10,433
Tillamook	3,301	3,332	-0.9%	58.4%	$12,396
Southern	**54,684**	**55,725**	**-1.9%**	**51.1%**	**$9,296**
Douglas	15,181	15,537	-2.3%	53.4%	$9,673
Jackson	28,367	28,876	-1.8%	48.5%	$9,035
Josephine	11,136	11,312	-1.6%	54.5%	$9,446
Central	**50,793**	**51,301**	**-1.0%**	**50.1%**	**$9,933**
Crook	3,208	3,247	-1.2%	56.2%	$9,852
Deschutes	24,578	24,397	0.7%	40.4%	$8,793
Gilliam	233	250	-6.8%	42.9%	$19,130
Hood River	3,973	3,968	0.1%	56.7%	$11,746
Jefferson	3,681	3,787	-2.8%	75.6%	$11,349
Klamath	10,094	10,525	-4.1%	61.6%	$10,473
Lake	1,103	1,124	-1.9%	50.0%	$11,665
Sherman	275	271	1.5%	52.0%	$16,106
Wasco	3,450	3,521	-2.0%	46.2%	$10,458
Wheeler	198	211	-6.2%	58.6%	$20,818
Eastern	**30,285**	**30,654**	**-1.2%**	**57.8%**	**$10,217**
Baker	2,208	2,286	-3.4%	54.0%	$11,259
Grant	1,032	1,059	-2.5%	43.9%	$12,926
Harney	1,187	1,254	-5.3%	63.4%	$11,598
Malheur	5,194	5,372	-3.3%	66.7%	$10,866
Morrow	2,412	2,376	1.5%	67.6%	$10,840
Umatilla	13,551	13,545	0.0%	59.0%	$9,398
Union	3,830	3,886	-1.4%	42.3%	$9,786
Wallowa	871	876	-0.6%	45.7%	$11,053

Source: Oregon Department of Education

Note: Pre-kindergarten enrollment suppressed in October 1 enrollments

Operating expenditure per student calculated by dividing school year expenditure by average daily membership (ADM)

County/region total do not add to the state total due to county not assigned cases.

Table O. 9

2008 Annual Average Covered Employment by NAICS Division and by Region

		Region					
Employment	Oregon	Portland 5-County	Willamette Valley	Coast	Southern	Central	Eastern
Natural Resources & Mining	50,629	13,642	17,256	2,760	4,845	5,949	5,957
Construction	92,928	48,758	19,963	3,936	7,129	8,395	2,480
Manufacturing	194,859	109,245	44,046	6,866	15,174	11,657	7,733
Trade, Transportation, & Utilities	332,578	176,937	67,119	13,352	30,857	24,668	13,934
Information	36,040	22,150	6,701	803	2,257	2,198	670
Financial Activities	85,984	53,557	15,276	2,521	6,055	5,386	1,949
Professional & Business Services	195,596	120,968	35,303	4,639	12,034	11,336	3,854
Education & Health Services	212,942	109,741	50,176	7,446	21,057	16,564	6,979
Leisure & Hospitality	172,798	85,707	34,447	13,096	15,743	17,329	5,839
Other Services	63,340	33,859	14,007	2,607	5,251	4,261	1,860
Government	277,533	115,999	81,679	16,064	23,363	22,081	18,308
Total	1,716,008	890,948	386,067	74,100	143,807	129,890	69,580

		Region					
Distribution	Oregon	Portland 5-County	Willamette Valley	Coast	Southern	Central	Eastern
Natural Resources & Mining	3.0%	1.5%	4.5%	3.7%	3.4%	4.6%	8.6%
Construction	5.4%	5.5%	5.2%	5.3%	5.0%	6.5%	3.6%
Manufacturing	11.4%	12.3%	11.4%	9.3%	10.6%	9.0%	11.1%
Trade, Transportation, & Utilities	19.4%	19.9%	17.4%	18.0%	21.5%	19.0%	20.0%
Information	2.1%	2.5%	1.7%	1.1%	1.6%	1.7%	1.0%
Financial Activities	5.0%	6.0%	4.0%	3.4%	4.2%	4.1%	2.8%
Professional & Business Services	11.4%	13.6%	9.1%	6.3%	8.4%	8.7%	5.5%
Education & Health Services	12.4%	12.3%	13.0%	10.0%	14.6%	12.8%	10.0%
Leisure & Hospitality	10.1%	9.6%	8.9%	17.7%	10.9%	13.3%	8.4%
Other Services	3.7%	3.8%	3.6%	3.5%	3.7%	3.3%	2.7%
Government	16.2%	13.0%	21.2%	21.7%	16.2%	17.0%	26.3%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Oregon Employment Department
Note: Employment includes only covered employment.
Oregon total includes multi-county employment not shown in individual regions.
Total includes a small number of non-classifiable jobs not shown in individual industries.

Definition of regions:
Portland 5-County: Clackamas, Columbia, Multnomah, Washington, and Yamhill counties.
Willamette Valley: Benton, Lane, Linn, Marion, and Polk counties.
Coast: Clatsop, Coos, Curry, Lincoln, and Tillamook counties.
Southern: Douglas, Jackson, and Josephine counties.
Central: Crook, Deschutes, Gilliam, Hood River, Jefferson, Klamath, Lake, Sherman, Wasco, and Wheeler counties.
Eastern: Baker, Grant, Harney, Malheur, Morrow, Union, Umatilla, and Wallowa counties.