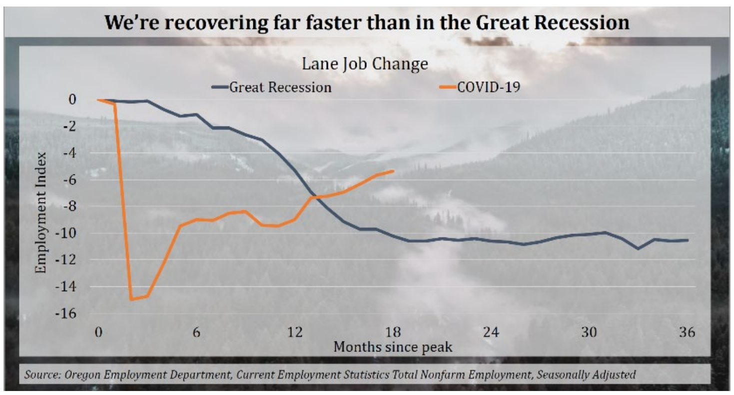
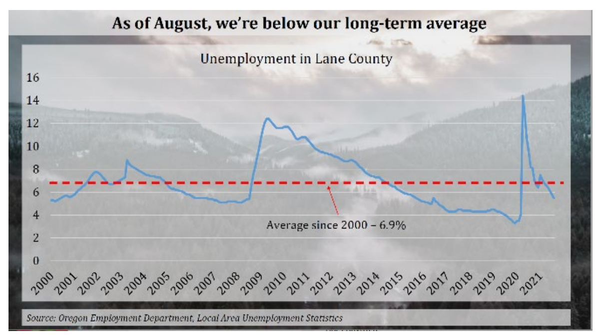
Two major economic disruptions have hit Oregon in the recent past – The Great Recession of 2008 and the COVID Pandemic of 2020. Not only did those two events affect the economy in very different ways, but the impact on the workforce was radically different, according to Henry Fields, the Department of Labor's Workforce analyst for Lane, Benton, and Douglas counties. As the pandemic hit and continued, many workers have responded by radically changing their ideas about work. Unlike previous economic disruptions, the response to the pandemic involved a great deal of worker churn –retirements, workers quitting for a variety of reasons and not returning to the workforce or transitioning to other types of employment, including self-employment.

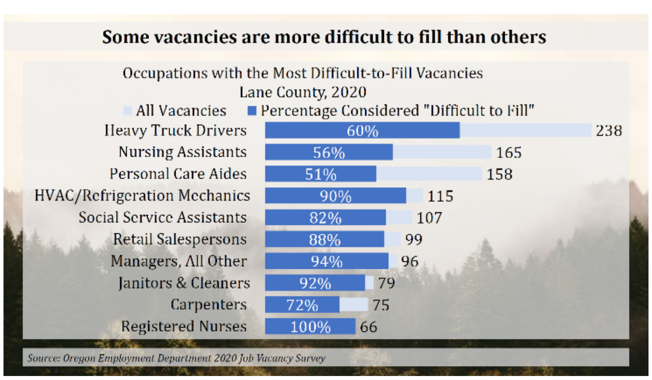


From an economic perspective, the shape of the recovery is also different. At this point in time in the Great Recession, Oregon communities were still losing jobs. In the current disruption, total employment levels, although they fell precipitously in March 2020, have already return to pre-pandemic levels, and the unemployment rate in August was already below the long-term unemployment rate.



In the face of what might seem to be good news about a recovery, employers still are struggling to fill vacancies. The most recent job vacancy survey indicated that there are over 107 thousand vacancies currently in Oregon. Equally concerning is that employers report that 78 percent of those openings are difficult to fill.

According to the survey, there are two categories of jobs difficult to fill. On the one hand there are jobs vacant from lack of qualified applicants. Heavy truck drivers, registered nurses HVAC/Refrigeration mechanics are examples of this category. In many cases, jobs in these categories have been difficult to fill for some time.



The other reason that employers rate jobs as difficult to fill is that there simply not enough applicants. Included in this category are production workers, cashiers, and personal care aides. These types of positions have become

much harder to fill during the pandemic. In response to a question, Mr. Fields agreed there might be some relationship to the fact that many of the jobs which lack applicants are ones at the lower ends of the pay scale where personal contact is required. Concern about infection may be a factor in limiting applicants, but he also noted that many workers forced out of the workforce by the pandemic appear to be making choices to seek employment in other areas where there might be less risk and better pay. He said that it appears that the pandemic additional unemployment benefits may play a role they do not seem to be a major factor in reducing the number of people returning to the work force, since other states where the benefits ended earlier did not see a spike in returns to work following the end of those benefits. Lack of adequate childcare could be a major factor he said, particularly in circumstances where schools are closed because of pandemic concerns.

What the data show, he said, is that in 2020 there were substantially more retirements than at any time in the past, that more people are becoming self-employed, and that many fewer work visas were issued. All of these, he said, could contribute to a massive shortage of workers. Another factor he pointed to be the fact that more people were simply quitting their jobs than at any time in the past 20 years. Every industry is being affected by this trend which, he said, could be the result of people changing their view of what they want to do with their life once the pandemic forced them to leave their job. Mr. Fields recommended that anyone wishing to review the full results of the employment survey visit www.qualityinfo.org

He predicted that businesses will need to take more measures to improve flexibility to attract workers. While Oregon has had more workers working remotely than in the rest of the nation, that trend is likely to grow significantly. Job sharing is likely to increase as a way to induce workers who are unveiling to work a 40-hour week to return to the workforce if they can share a job with someone else. Wages are also likely to rise, although he acknowledged that wages might be becoming a smaller factor in the employment decision than in the past. He suggested expansion of apprenticeship to bring new workers into the workforce would be a benefit.

These changes could have a significant effect on how cities function in the future. He observed that in the Great Recession urban areas recovered more quickly than did rural areas, while in the present recovery the situation is reversed. Rural areas are recovering while cities, particularly larger ones, continue to struggle. He anticipated that might be a major dislocation in the commercial real estate market as companies rethink their need for large office spaces. The spinoff of having fewer workers concentrated in urban cores could also have a major effect on other business activity in the core, particularly retail and food and hospitality.