

## **OREGON BUSINESS NEWS**

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### **Oregon's job figures show end of recession may be in sight**

by Richard Read, The Oregonian

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Oregon lost fewer jobs in July than in any month of the last year, officials said Monday, while the state's unemployment rate essentially held flat at 11.9 percent.

A one-month loss of 700 jobs, seasonally adjusted, and an unemployment rate that remains among the nation's highest are not exactly good news. But economists highlight Oregon's slowing rate of decline and say the recession's departure -- if not a end to high unemployment -- is in sight.

Oregon might escape 13 percent unemployment after all, said Tom Potiowsky, state government's chief economist.

One promising indicator: Temp hiring, which had declined most of the past year, turned positive in July. Economists watch the employment-services industry as a lead indicator of economic recovery, because companies often hire temporary workers initially as business picks up.

Temp employment rescued University of Oregon 2008 graduate Lesley Hopkins, who had been out of work for about three months when Boly:Welch Recruiting found her a slot in May at Element Power, a renewable-energy startup in Portland.

"I would like the security of direct hire," said Hopkins, 23, who works as an office assistant. "But temping's a great way to get through the recession."

Behind July's encouraging numbers are continued declines in key sectors that show Oregon still faces severe economic challenges.

Manufacturing continued shrinking in July, cutting 500 jobs when a gain of 2,600 is normal for the month. Construction lost 2,500 jobs, seasonally adjusted, dropping to 77,200 jobs -- the lowest figure since September 2003.

But other sectors outperformed. Government, boosted by stimulus programs, added 3,400 jobs, seasonally adjusted. Trade, transportation and utilities increased by 1,700 jobs, seasonally adjusted, while educational and health services added 1,600.

Oregon's seasonally adjusted nonfarm payroll employment hit 1,630,300 in July, down 98,600 -- or 6 percent -- from the same month last year.

Yet the pace of decline has slowed. Job losses averaged 1,900 a month during the past three months, versus 10,300 per month over the prior nine months.

Employment Department officials also said Oregon lost fewer jobs -- 3,400 -- in June than the 7,200 initially estimated. Likewise the state's unemployment rate was 12 percent in June, instead of the 12.2 percent originally reported.

July's 11.9 percent jobless rate remains far above the national rate of 9.4 percent. In July 232,782 Oregonians were unemployed, compared to 120,582 in the same month a year ago.

Oregon's unemployment rate is still near the highest on record going back 60 years or so, said David Cooke, a state labor economist. "Conditions are still tough for workers and for many businesses," Cooke said, "especially for manufacturing and construction."

The unemployment rate has flattened as the number of jobless stabilized and as a surge in people entering the labor force has reversed, said Tim Duy, a University of Oregon economist.

People who began job-hunting due to stock-market declines may have grown discouraged and left the labor force, helping to temper unemployment, Duy said.

Duy feels the slight increase in temp hiring is significant after a long decline. However, he added, "It's a pretty thin string to be holding onto."

Some Portland-area recruiting managers report increases in temporary-worker hiring.

"The Portland metro area has definitely seen more of an uptick than what we've seen in the Puget Sound area," said Molly Kalomiris, Northwest Staffing Resources Inc. general manager in Portland. "I think the worst is behind us now."

At Boly:Welch, which placed Hopkins at Element Power, temporary hiring has picked up during the last three to four weeks.

The recruiting company sent temps to car dealerships for processing paperwork on the cash-for-clunkers program. Temporary accounting and finance jobs are also opening at companies that aren't yet ready for direct hiring.

The story is different at Contractors Temporary Employment Service, a Milwaukie temp agency that specializes in construction.

Jobs tend to be small -- new counter tops and a sink, for example, instead of a full kitchen or bathroom remodel.

"I have carpenters and journeymen that have had their own homebuilding and remodeling companies bringing in \$35 to \$50 an hour that are taking \$10-to-\$15-an-hour jobs," said Teresa Moore, the agency's personnel director. "Whatever they can get."

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