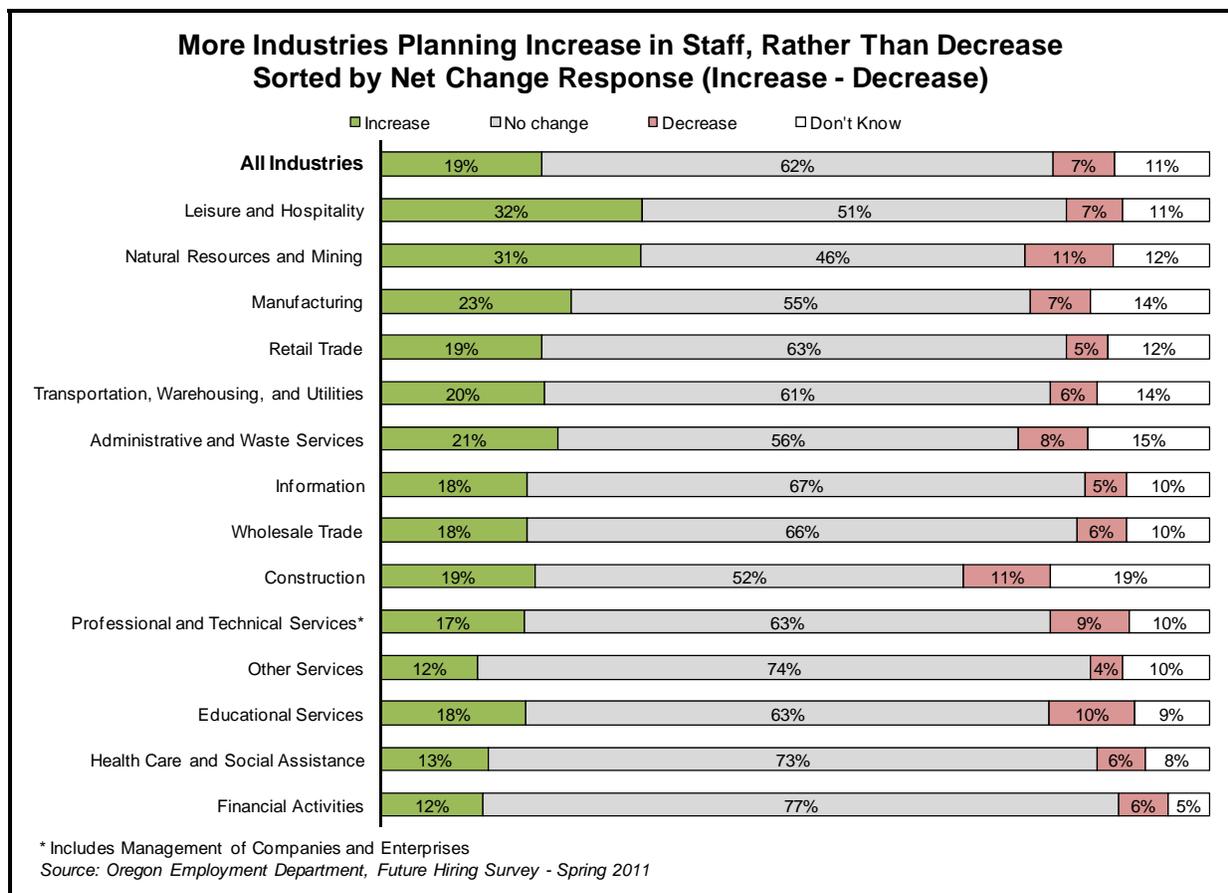


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## Oregon Employers Expecting to Hire More and Increase Staff

Two out of five private-sector employers in Oregon are expecting to hire workers over the next six months and 19 percent expect to increase their total number of workers over that period, according to results from the second future hiring survey of employers by the Oregon Employment Department. The six-month period runs approximately through October 2011.



Graph 1

Employers in seasonal industries were the most likely to be hiring, suggesting that much of the hiring expectations are related to the usual spring increase in employment. Poor economic conditions were the most common reason given for not hiring, but fewer employers mentioned this than when last surveyed in fall 2010. Employers who plan to hire will most likely do so to replace workers leaving as part of the routine turnover of workers over the next six months.

Employers around the state had similar expectations about their future hiring levels. The share of employers expecting increases and decreases did not change significantly by region. Large employers were more likely to expect increases than small employers were, but large employers are a small share of total establishments.

### **Seasonal Industries Increasing Their Staffing Levels**

Employers will certainly be hiring new workers over the next six months, and highly seasonal industries are more likely to add workers. Nineteen percent of all employers expect an increase in the size of their staff. A large majority, 62 percent, said they do not plan to change their total number of employees (Graph 1).

More employers expect to increase the number of people working for them than expect a reduction in workers. This was true for all industries. Seven percent of employers expect to decrease the size of their workforce, and 11 percent said they did not know what their staffing level will be like in six months.

The growth expected by employers varies by industry, with the most optimistic employers being in leisure and hospitality, and natural resources and mining. Thirty-two percent of employers in the leisure and hospitality industry and 31 percent in natural resources and mining expect an increase in the number of employees working for them over the next six months. Leisure and hospitality businesses hire in the spring to prepare for the summer travel season. Natural resources, which include agriculture, logging, and support businesses, also start most of their work in the spring. Survey results from last fall show employers in these industries, along with construction, were more likely to be decreasing staff.

Eleven percent of employers in natural resources and mining and in construction expect to have fewer workers over the next six months.

### **Most Employers Hiring Will Do So Because of Turnover**

Forty percent of employers said they plan on hiring within the next six months, whether or not they expect a net increase in workers. Most hiring will be for the routine replacement of workers due to turnover or to hire seasonal workers. Nineteen percent of employers plan on routine hiring as part of normal turnover, and 15 percent plan on hiring to meet the normal seasonal increase of their business. Some employers plan on hiring because they expect to grow their current workforce in some way; 10 percent expect to hire because their company is growing; and 5 percent plan to replace some of their jobs cut during the recession by bringing back laid off or furloughed workers (Table 1).

**Table 1**

<b>Most Hiring Will Be for Turnover or for Seasonal Work (Sorted by Share of Employers Planning Any Type of Hiring)</b>				
	<b>Turnover</b>	<b>Seasonal</b>	<b>Expansion</b>	<b>Restoration</b>
<b>All Industries</b>	<b>19%</b>	<b>15%</b>	<b>10%</b>	<b>5%</b>
Leisure and Hospitality	27%	40%	4%	2%
Natural Resources and Mining	8%	51%	3%	2%
Transportation, Warehousing, and Utilities	30%	13%	11%	5%
Retail Trade	27%	19%	8%	3%
Manufacturing	19%	12%	15%	10%
Administrative and Waste Services	18%	19%	12%	6%
Educational Services	29%	10%	13%	3%
Health Care and Social Assistance	32%	3%	11%	3%
Construction	6%	18%	7%	13%
Information	19%	3%	14%	2%
Professional and Technical Services*	14%	9%	12%	3%
Wholesale Trade	11%	8%	12%	5%
Financial Activities	16%	7%	7%	2%
Other Services	16%	6%	7%	2%

\* Includes Management of Companies and Enterprises

The share of employers planning to hire for turnover, expansion, and restoration reasons was almost the same as in fall 2010. The share of employers hiring seasonal workers this spring jumped up from 10 percent in the fall.

Employers in health care and social assistance were the most likely to say they plan on hiring for turnover, followed closely by employers in transportation, warehousing, and utilities; educational services; and leisure and hospitality. Only a small share of employers in construction and in natural resources and mining plan on hiring because of turnover.

Employers in the natural resources and mining industry were the most likely to be hiring for seasonal work, followed by employers in leisure and hospitality. The industries with the smallest share of employers expecting to hire seasonal workers were health care and social assistance and information.

The industries with the largest shares of employers planning to hire because they are expanding their business were manufacturing and information. The natural resources and mining industry and leisure and hospitality had the smallest share of employers planning to expand.

A small share of employers said they plan to restore some of the jobs cut or furloughed during the recession. The construction and manufacturing industries had the highest shares of employers planning to restore jobs, 13 percent of construction, and 10 percent of manufacturing employers are planning some restoration hiring.

## Employers Hiring Across the Occupational Spectrum

Employers expect to hire workers in at least 350 different occupations during the next six months. As part of the survey, employers were invited to list job titles they plan to hire for over the next six months.

The occupations employers said they plan to hire were concentrated in the largest occupational groups. Office and administrative support occupations; food preparation and serving; sales and related; transportation and material moving; and farming, fishing, and forestry occupations were the jobs most often listed by employers (Table 2). Those five groups accounted for about one-half of the occupations that employers listed they are expecting to hire.

The top individual occupations by number of responses were retail salespersons, farm workers, truck drivers (heavy and tractor-trailer), office clerks, teachers and instructors, and waiters and waitresses.

### Economic Conditions Preventing Hiring

Employers were invited to provide the most important factors that might prevent them from hiring over the next six months, and 74 percent of respondents listed at least one factor. The factors were grouped into three broad categories, the economy, the government, or some reason specific to their business.

Just less than one-half of the employers who provided a reason cited factors relating to poor economic conditions. That is less than the 67 percent of employers who cited the economy as a reason for not hiring in fall 2010. Besides the slow economy in general, some business specifically mentioned tight credit and slow housing markets (Table 3).

Four percent of employers said that high fuel costs may prevent them from hiring, but a much higher 15 percent of employers involved in transportation, warehousing, and utilities listed high fuel costs. Fuel costs were not listed as a factor in hiring decisions during the fall future hiring survey.

One in five employers said there were other reasons preventing them from hiring. The most common was that their business is in the off-season and would not need to hire in the next six months. Other employers felt a general uncertainty about the future that was preventing them from hiring, while others said they could not find qualified applicants.

Table 2

<b>Expected Hiring Concentrated in the Largest Occupational Groups (Listed by Frequency of Response)</b>
Office and Administrative Support
Food Preparation and Serving Related
Sales and Related Occupations
Transportation and Material Moving
Farming, Fishing, and Forestry
Construction and Extraction
Production Occupations
Building and Grounds Cleaning
Installation, Maintenance, and Repair
Education, Training, and Library
Management Occupations
Computer and Mathematical
Personal Care and Service
Healthcare Practitioners and Technical
Healthcare Support Occupations
Business and Financial Operations
Architecture and Engineering
Community and Social Services
Arts, Design, Entertainment, Sports, and Media
Protective Service
Life, Physical, and Social Science
Legal Occupations

Thirteen percent of employers provided a reason for not hiring that had to do with government. Seven percent mentioned taxes in general, while 1 percent mentioned measures 66 or 67 specifically. Other government-related responses concerned regulations, health care reform, state budget cuts, or the minimum wage.

### Expectations Similar Around the State

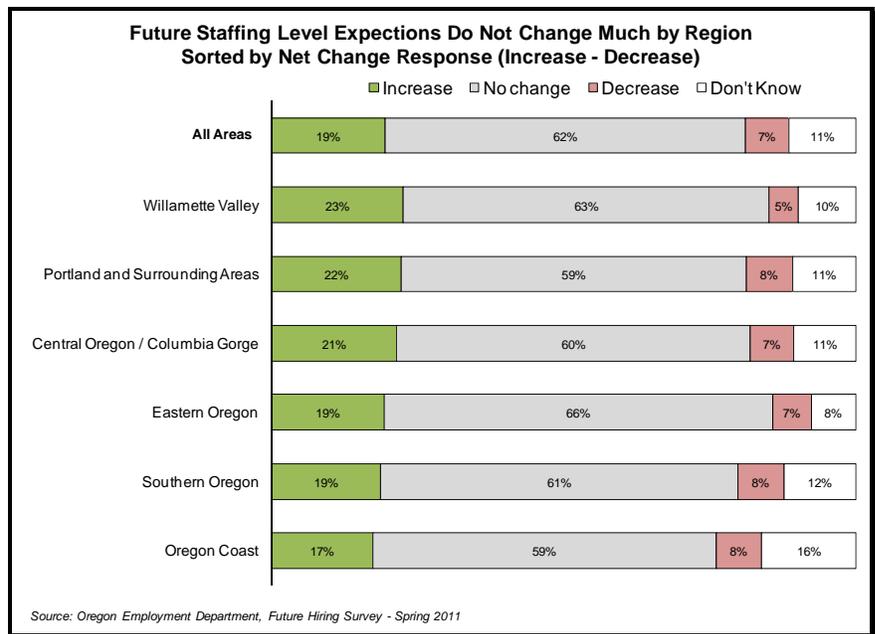
The percent of employers expecting to have more workers over the next six months, and the percent of employers expecting to have fewer, did not show much variation by region. Twenty-three percent of employers in the Willamette Valley, 22 percent in the Portland area, and 21 percent in Central Oregon and the Columbia Gorge are expecting increases, slightly more than the statewide average of 19 percent. Along the Oregon Coast, 17 percent of employers are planning an increase – just slightly less than the average. They were also more likely to say they don’t know what their staffing levels will look like six months into the future. Employers in Eastern Oregon were more likely to say they were not expecting a change (Graph 2).

Employers in Portland and the surrounding areas are less likely to be hiring for seasonal workers than employers in other parts of the state. About 12 percent of Portland area employers are hiring for seasonal work compared with 21 to 22 percent of Oregon Coast and Central and Eastern Oregon employers.

Portland area employers are more likely to hire because they are planning to expand, with 15 percent citing expansion. Responses from Willamette Valley employers matched the statewide average of 10 percent. All other areas were in the 5 percent to 7 percent range.

Table 3

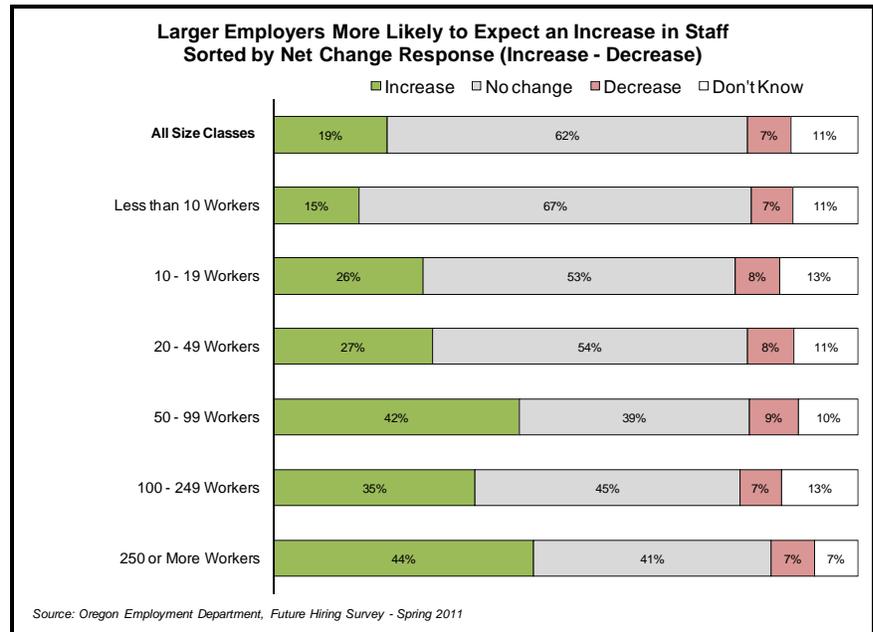
Reasons That May Prevent Employers From Hiring Over Next Six Months	
<b>Related to Economy</b>	<b>49%</b>
Recession	31%
High Fuel Costs	4%
Tight Credit Market	3%
Slow Housing Market	3%
<b>Other Reasons</b>	<b>20%</b>
Seasonal Work	7%
Uncertainty About the Future	5%
Lack of Qualified Applicants	5%
<b>Related to Government</b>	<b>13%</b>
Taxes	7%
Regulations	3%
Health Care	3%
State Budget Cuts	3%
Minimum Wage	2%
Measure 66 & 67	1%



Graph 2

## Larger Employers More Likely To Expect Increases

Over one-third of employers that had at least 50 employees expect an increase in their number of workers over the next six months. However, there are fewer large employers and they accounted for only 6 percent of employer responses. It is impossible to know how their increase will affect overall hiring levels. Over one-fourth of employers with 10 to 49 employees are planning increases and they represented 28 percent of employer responses. Only 15 percent of employers with fewer than 10 workers expect an increase, but employers with fewer than 10 workers accounted for 66 percent of the responses. Despite being less likely to hire, smaller establishments could have a large impact on the total number of workers hired.



**Graph 3**

The percent of employers expecting to decrease the size of their staff over the next six months was close to the statewide average of 7 percent for every size class.

## Prospects for Job Seekers

The results of the spring 2011 future hiring survey show that Oregon employers still have reservations about current economic conditions, but more employers are expecting to increase their staffing levels. Employers in all regions and of all sizes are still hiring and plan to do so across a broad range of occupations.

While it is clear that the job market is weak right now, employers are less likely to report the economy as a reason for not hiring than they were in the Fall 2010 future hiring survey. The next rounds of future hiring surveys should reveal more about the trends in employers' hiring plans.

## Survey Details

The Oregon Employment Department's spring 2011 future hiring survey asked 5,150 private-sector employers about their expectations to hire over the next six months and how they expect the size of their workforce to change over the period. Employers were asked to list what

occupations they planned on hiring and invited to comment on the factors that would prevent them from hiring. Employers responded to the survey during the period from the last week of March through the first week of May.