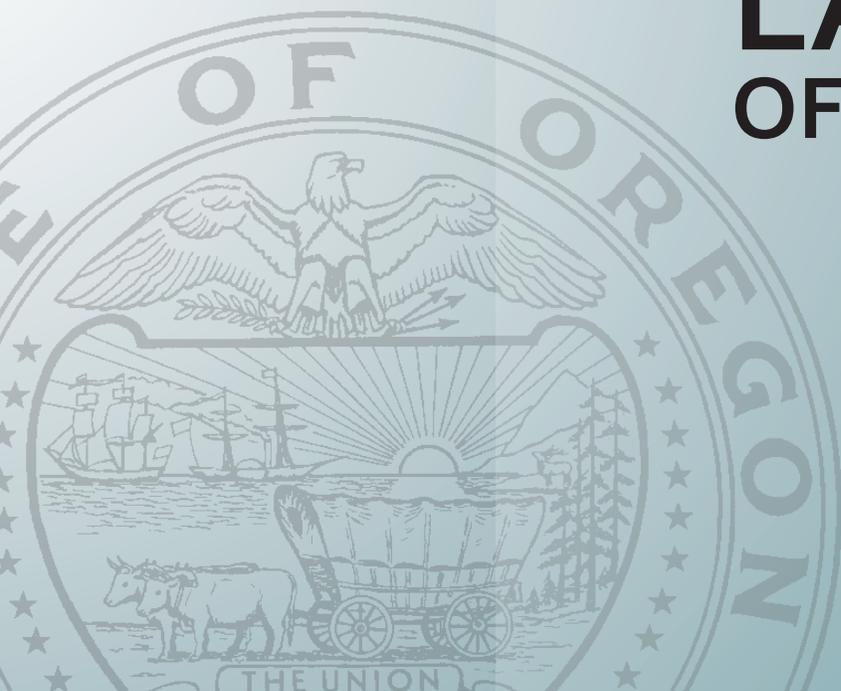


THE EMPLOYMENT LANDSCAPE OF RURAL OREGON



The Employment Landscape of Rural Oregon

May 2017

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Executive Summary

- After seven years of uneven economic recovery, 17 out of Oregon's 23 rural counties remain below peak employment.
- Rural areas of Oregon have higher unemployment rates and less diverse economies than metro areas. This leaves them more vulnerable to economic shocks and recessions.
- The Great Recession was worse in many rural Oregon counties than in metro Oregon. Nationally, the recession lasted from late 2007 until June 2009, but recovery continues today in many rural counties.
- The jobs that have returned in nonmetro counties have been largely low wage, while jobs in high-wage industries remain below pre-recession levels in rural areas.
- Most rural counties face a two-part demographic challenge. A larger share of the rural workforce is at least 55 years old, while the rural population below age 18 shows long-term decline.
- Limited infrastructure reduces options for rural businesses transporting goods to metro markets and increases the difficulty of recruiting new businesses to rural areas.
- Job opportunities exist all around the state; many opportunities will be created in all areas of Oregon as today's older workers retire.

“Rural Oregon” is made up of 23 diverse counties with different histories and economic conditions. Rural Oregon, for the purposes of this report, includes any county characterized as “nonmetropolitan” in federal data sources.

The heading “Rural Oregon” is somewhat arbitrary and unspecific – it captures a broad diversity of places across the state. There is no one rural Oregon. About 17 percent of Oregon’s population lives in the state’s 23 nonmetropolitan counties. Those 23 counties have histories and economies as diverse as their landscapes.

The 23 rural counties combined accounted for 13 percent of Oregon’s job total in 2016; a small enough share to be lost in broader analyses of the state economy. Problems with losing the nonmetro trend under the weight of the larger metro area economies are not unique to Oregon. The economic challenges faced by rural communities are also not unique to Oregon. Urbanization and growth of city centers, concentration of economic and political power in metropolitan areas, and the advantages metropolitan areas derive from a large and diverse economic base are a worldwide phenomenon.

In Oregon, statewide trends in job growth and unemployment are tightly tied to trends in metro areas. It isn’t until we break out the nonmetro areas that we see the variety of economic experiences happening under the state umbrella. When we break the data down by county an even larger variety of economic trajectories shines through.

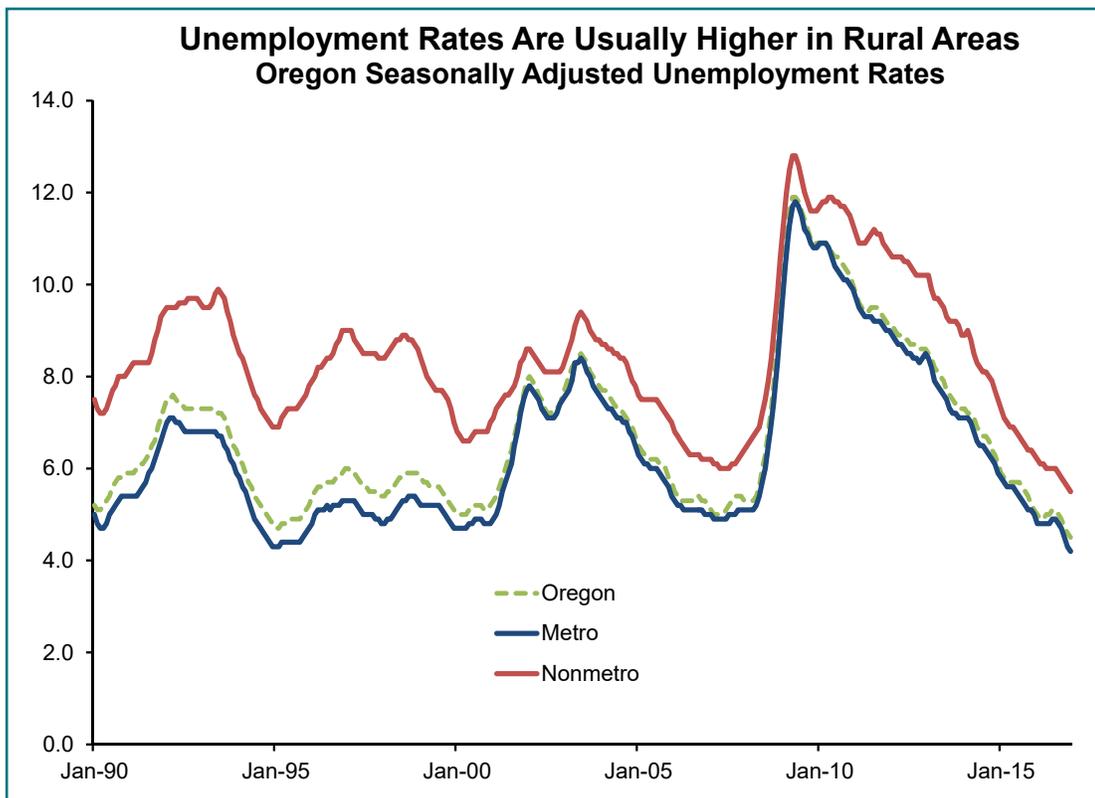
Rural Oregon, for the purposes of this report, includes any county characterized as “nonmetropolitan” in federal data sources.

Urban counties are those defined as part of a “metropolitan statistical area.” We selected this definition due to the breadth of information available at the county level. A shortcoming of this definition is that it undercounts the true impact of rural places. Areas inside metropolitan counties but outside city limits – some of them heavily agricultural and quite rural in appearance and activity – are included as urban here. Polk County is one example of a place characterized in federal data as “metropolitan” because it is part of the Salem Metropolitan Statistical Area, but traveling westward on Highway 22 you’d have trouble pointing out urban features of the landscape in the agricultural valleys and forested coastal range. Another example is Deschutes County, federally known as the Bend-Redmond Metropolitan Statistical Area. While Bend is quite well known for its growth over the past couple of decades, much of the outlying land in Deschutes County is unchanged by the growth of the city center.

Unemployment Rates Are Higher in Rural Oregon

Nonmetro Oregon has higher unemployment rates than metro Oregon. This has been the case since at least 1990, the farthest back these data are available. From 1990 onward, the long-run average of nonmetro unemployment rates (8.4%) is a full 2 percentage points higher than the long-run average of metro unemployment rates (6.4%).

Currently, after years of economic expansion, the unemployment rates for both Oregon's nonmetro areas and Oregon's metros are below their long-run averages. In 2016 the nonmetro unemployment rate fell below 6.0 percent and stayed there for several months. This was the first time that has occurred since 2007, prior to the Great Recession. Metro unemployment rates dipped below 5.0 percent for much of 2016, again, a lower level of unemployment than at any time since 2007. The economy is strong, and much of Oregon – nonmetro and metro – is benefiting from that strength.



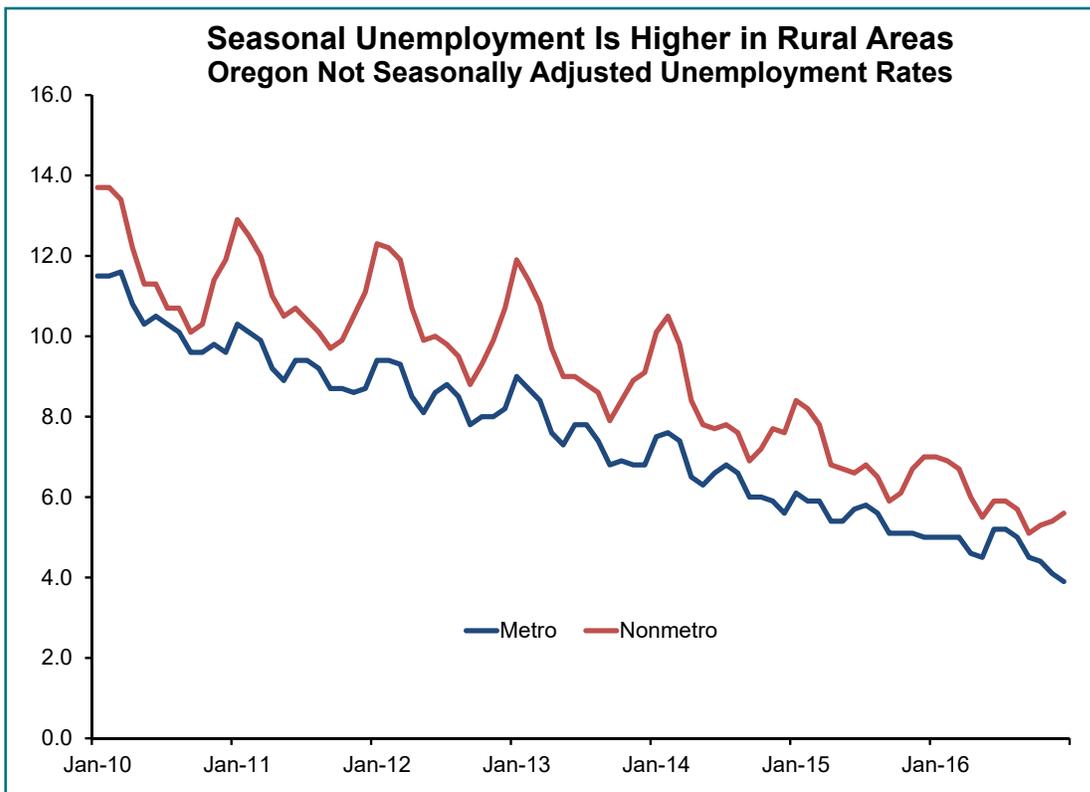
The gap between the unemployment rates of nonmetro and metro counties in Oregon has narrowed over time. Back in the 1990s, nonmetro unemployment rates were often 3 to 4 percentage points above the level in the state's metros. Early in the 2000s, metro areas were significantly impacted by the bursting of the dot-com bubble, which was particularly acute in Oregon's largest metro area, Portland-Vancouver-Hillsboro. At that point, nonmetro unemployment rates converged with the metro rates, bringing nonmetros within a percentage point of the metro unemployment rate. The subsequent Great Recession moderated that trend, with nonmetro unemployment rates remaining higher

for longer than in metro areas. In 2016, Oregon's nonmetro areas had unemployment rates that were averaging 1.2 percentage points higher than in metro areas.

The seasonal pattern of unemployment in nonmetro areas is much stronger than in metro areas. The nonmetro unemployment rate spikes early in the year when there is little outdoor work and retailers and package deliveries slow after the holiday season. Rural Oregon sees the lowest unemployment rates in the late summer and early fall, as harvest season continues and local schools return for a new school year.

It is likely that nonmetro areas will always have unemployment rates that run a bit higher, on average, than in metro areas. There are many possible reasons:

- A larger share of rural economic activity is based on seasonal agriculture and resource extraction industries, leading to a higher degree of seasonal unemployment in these local economies.
- It might also be more difficult for workers losing or leaving one job to find their next job, due to the smaller number of businesses and jobs within commuting distance, which likely means a longer time period spent unemployed and seeking that next job, increasing frictional unemployment.

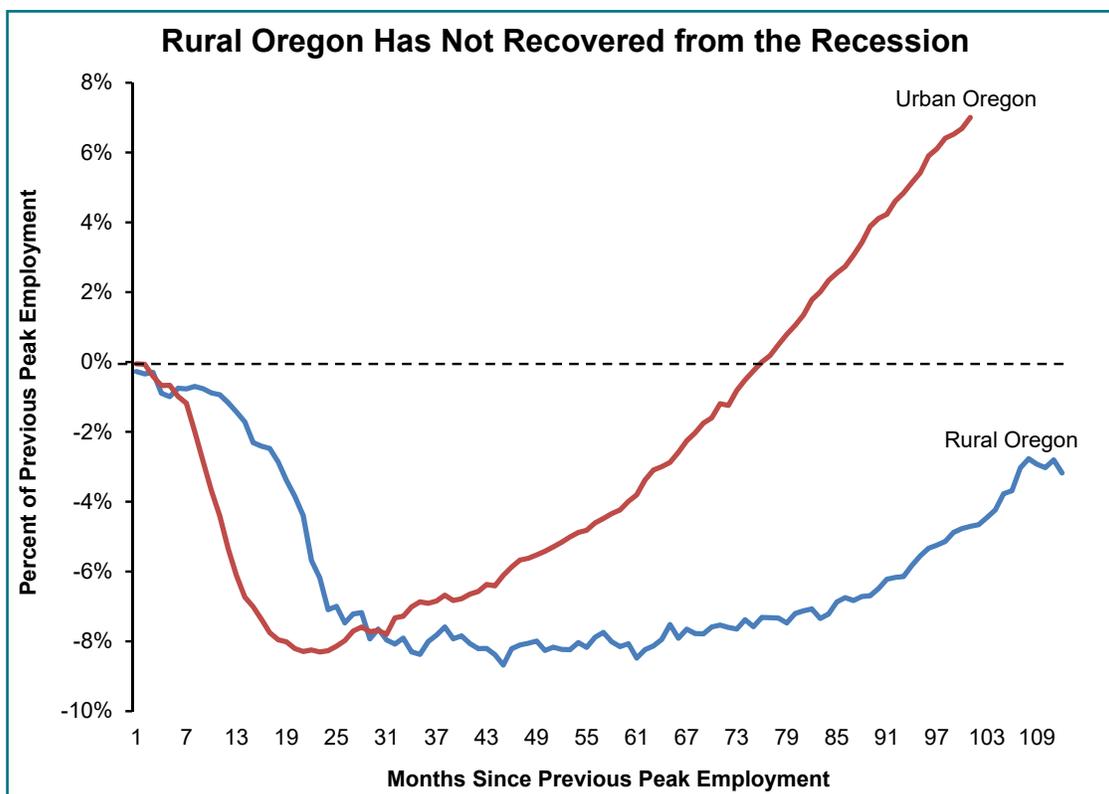


- To the extent that a rural economy is dependent on a single business or a certain type of economic activity, if that business suffers, local workers may have difficulty finding a similar role using their skills at another business, leading to increased structural unemployment.

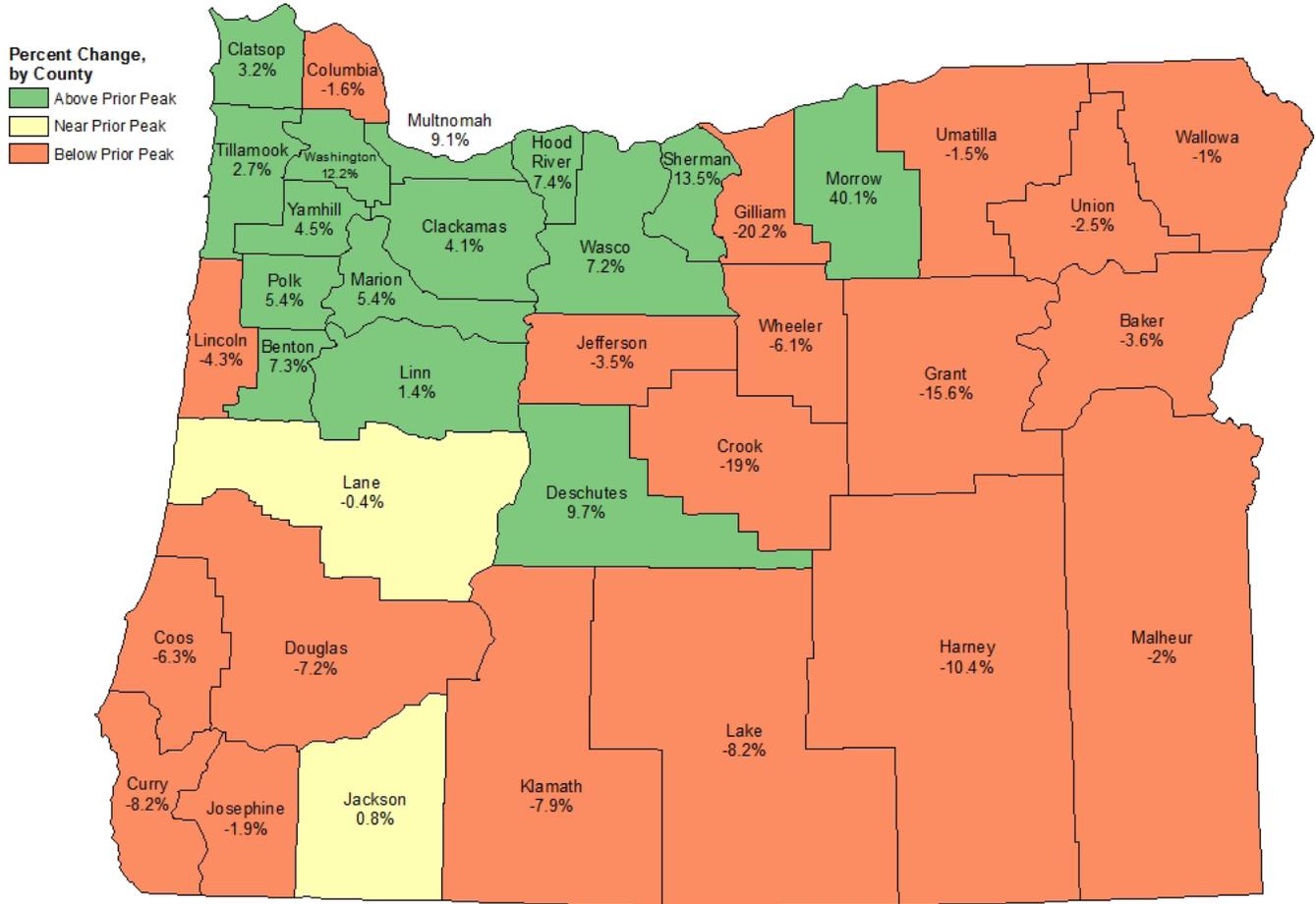
An Uneven Recovery

Oregon has been in a period of employment expansion since February 2010. In October 2014 statewide employment levels exceeded the pre-recession peak. It was a long recession and slow recovery, taking six and a half years to add back all the lost jobs. However, in rural Oregon the recovery is ongoing. Today, employment remains 3.2 percent below the pre-recession peak in the combined rural counties, while metro counties as a group are solidly above their pre-recession peak employment. In order to fully recover from the recession, rural counties would need to add about 7,800 additional jobs, which would take another two years at the current pace of job growth.

Twenty counties in Oregon remain below their pre-recession employment peak and 17 of them are rural counties. The influence of sharing transportation corridors with large metros is evident when we look at the nonmetros that seem to be doing well after the recession. The strong recovery is evident along the I-5 corridor and the Columbia Gorge. The southern and eastern parts of the state continue to face a long road to recovery from the Great Recession.



Job Change Since Pre-Recession Peak



Job Losses and Gains by Industry Wage Level

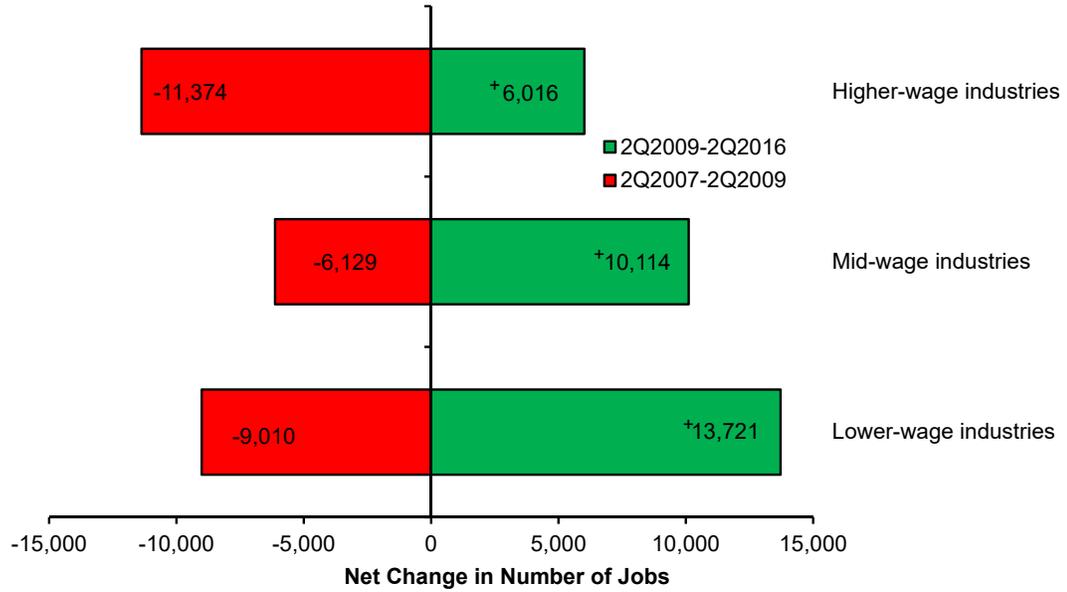
In addition to having further to grow to reach pre-recession employment levels in some rural areas around the state, the jobs that have returned in nonmetro areas have more often been lower- and mid-wage jobs. Higher-wage jobs have yet to recover.

Between the second quarter of 2007 and the second quarter of 2009, Oregon's rural counties lost almost 27,000 private-sector jobs. When the industries are lined up in terms of median wage and split into higher-wage, mid-wage, and lower-wage thirds by industry, the largest job loss occurred in the higher-wage industries. Rural Oregon's high-wage industries – such as wood product manufacturing, specialty trade contractors, and forestry and logging – dropped more than 11,000 jobs in the Great Recession. Mid-wage industries dropped about 6,000 jobs in rural Oregon, and lower-wage industries lost 9,000 jobs.

In the recovery period from the second quarter of 2009 through the second quarter of 2016, lower- and mid-wage industries, such as food services and drinking places, have made full recoveries in Oregon's rural counties overall, with nearly 14,000 lower-wage jobs and 10,000

Rural Oregon Lost Many High-Wage Jobs in Recession Nonmetro Counties Private-Sector Job Loss and Job Growth*

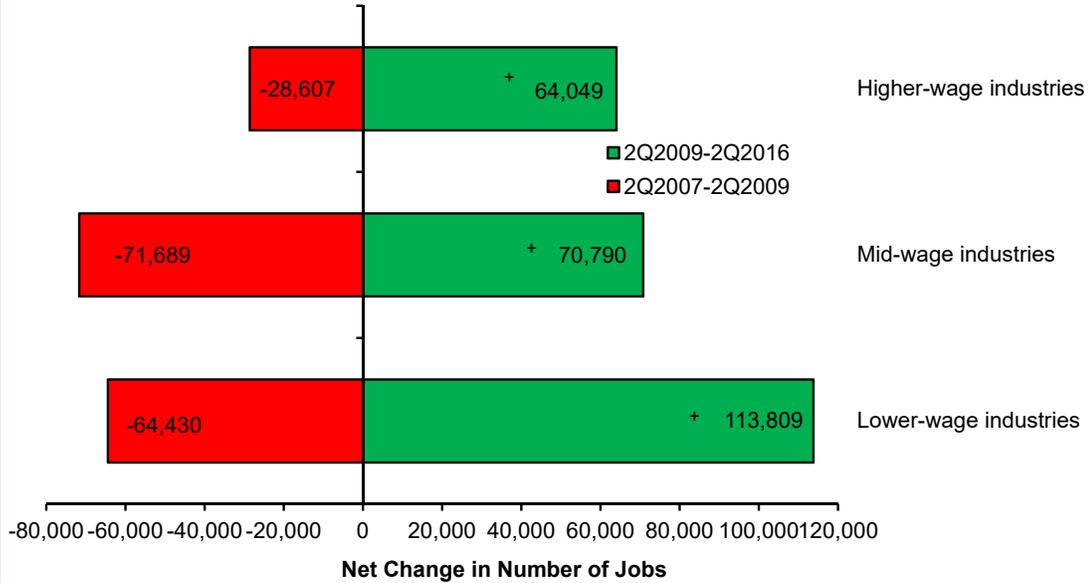
*after nearly seven years of recovery



Source: Oregon unemployment insurance wage records

Metro Oregon Has Recovered from Recession Metro Counties Private-Sector Job Loss and Job Growth*

*after nearly seven years of recovery



Source: Oregon unemployment insurance wage records

mid-wage jobs added. The higher-wage industries have added 6,000 jobs, little more than half of the jobs lost between 2007 and 2009. Jobs in higher-wage construction of buildings, specialty trade contractors, and wood product manufacturing remain more than 20 percent below the level in 2007.

“The Great Recession created a painful scaling back of what we lost in the early 80s with the downturn of the timber industry. This created great vulnerability for the entire economic base.”

Ginger Castillo,
South Central Oregon
Economic Development District

There's a sharp contrast with the employment recovery in Oregon's urban centers. Much less of the metro area job loss between the second quarter of 2007 and the second quarter of 2009 took place in higher-wage industries; job losses in urban areas were more concentrated in mid-wage industries such as metal and transportation equipment manufacturing. Mid-wage industries almost recovered the jobs lost by the second quarter of 2016.

Lower-wage industries in the urban areas look similar to rural areas, with more jobs added in recovery than were lost in recession. However, urban Oregon has regained more than twice the number of jobs lost in higher-wage industries, such as corporate headquarters and construction of buildings. Higher-wage industries dropped 29,000 jobs between the second quarters of 2007 and 2009 and subsequently gained 64,000 jobs by the second quarter of 2016. Thus, the recession in urban areas was less concentrated in higher-wage employment and the urban recovery brought a larger share of higher-wage jobs.

Rural Oregon Jobs Profile

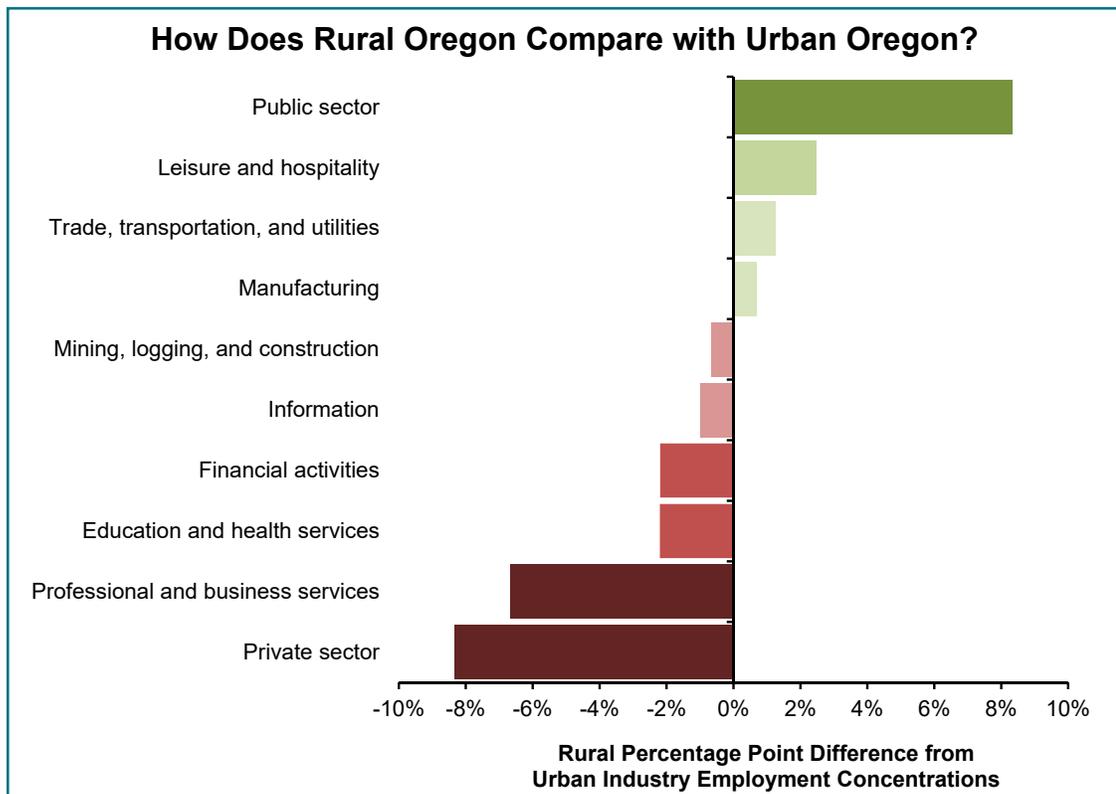
Rural Oregon counties had 238,000 jobs in 2016. The 23 counties combined accounted for 13 percent of Oregon's job total last year. About 180,000 rural jobs are in private sector industries and another 57,000 jobs are in government at the federal, state and local levels.

Many rural communities are heavily dependent on just a handful of industries. This makes them particularly vulnerable to localized economic shocks and can make it difficult for these communities to recover. In contrast, larger urban areas are less dependent on individual businesses or industries. A local shock in one industry can be overcome by gains in a different industry.

Nonfarm Industries

Rural Employment Is Concentrated in a Few Industries

Rural Oregon was hit hard during the most recent recession because a large share of its employment base was concentrated in wood product manufacturing and related industries. When the national housing bubble burst, the demand for manufactured wood products was greatly diminished. The result was massive layoffs in communities such as Prineville, Klamath Falls, Madras, Roseburg, and Gilchrist.

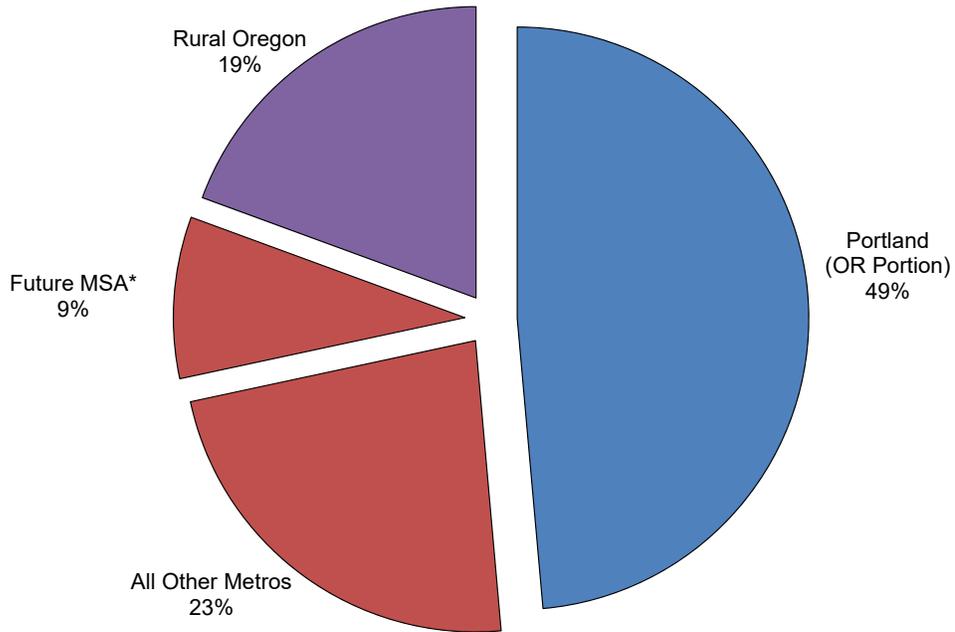


More than 40 percent of rural Oregon employment is concentrated in natural resources, leisure and hospitality (tourism), and government. Together those three sectors make up around 27 percent of the employment in urban Oregon. Many of the major industry sectors in rural communities continue to struggle, while the hot industries across the state, such as construction and professional and business services are more heavily concentrated in cities.

The Decline of Manufacturing Jobs over Time

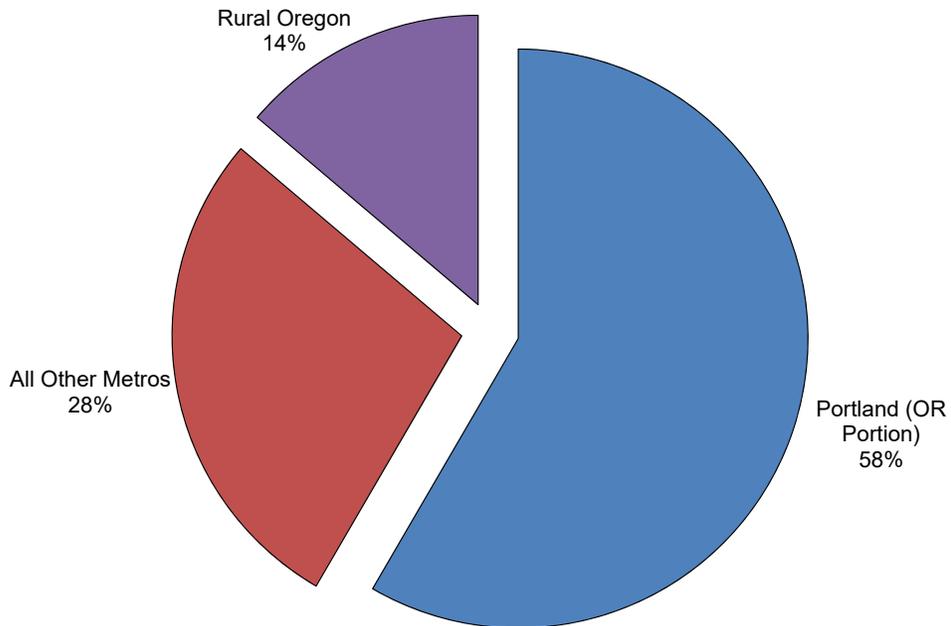
Oregon's manufacturing employment declined 8 percent between 1990 and 2016, even as total nonfarm employment grew 46 percent. In addition, the location of manufacturing in Oregon has shifted, with more manufacturing happening in the Portland metro area and less in rural counties. Access to transportation infrastructure is one critical component of this shift, and one that we cover later in this report.

Even in 1990, Half of Oregon Manufacturing Took Place in Portland
1990 Manufacturing Employment



*Albany, Bend, and Grants Pass

Rural Oregon's Share of Manufacturing Has Declined
2015 Manufacturing Employment

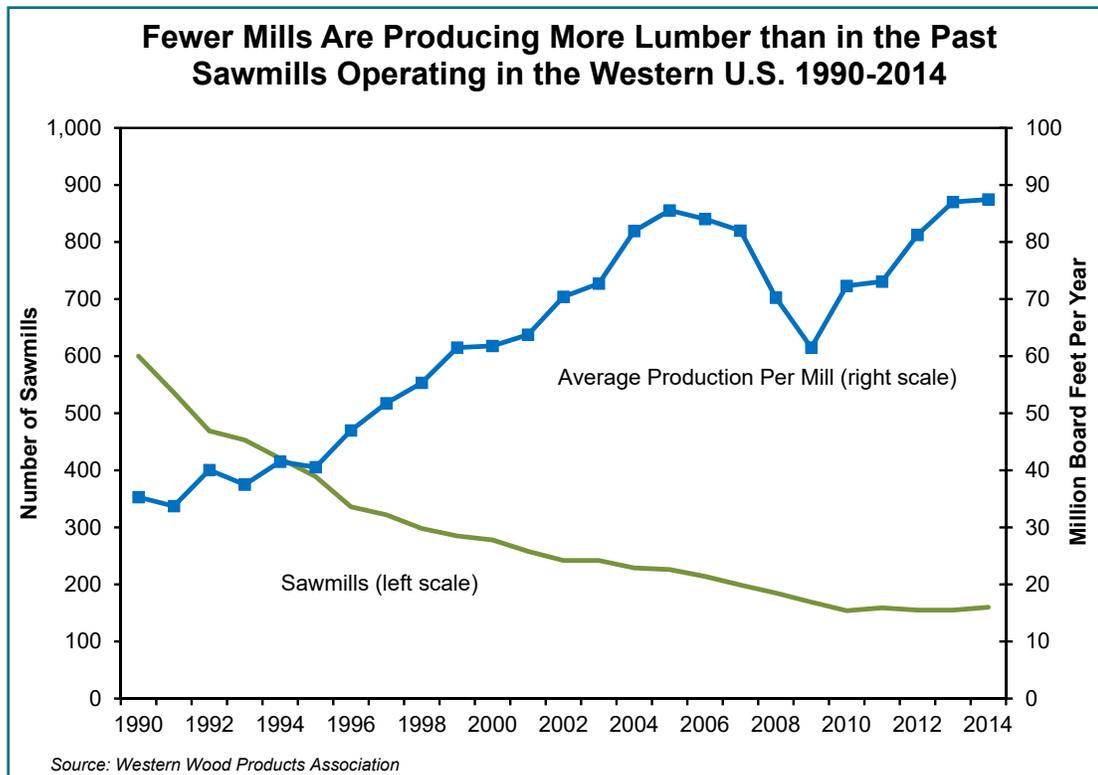


Oregon's current metro areas contained 81 percent of all manufacturing jobs in 1990. Now they account for 86 percent of all manufacturing jobs. Portland's share increased from 49 percent to 58 percent of statewide manufacturing employment. The influence of fast growth in high-tech industries helped to shift manufacturing concentration toward Portland.

Manufacturing is an economic base sector that is traded outside of the local economy, bringing dollars into the local area. Historically, it provided high-paying jobs with relatively low education requirements. For the last couple of decades, these jobs have been disappearing from rural Oregon. In 1990, rural Oregon had about 43,000 manufacturing jobs; but by 2015, the total across rural counties dropped to 26,000.

Historically, rural Oregon's economy was dependent on resource extraction, such as logging and farming. There are nearly 20 million acres of forestland in rural Oregon. For much of the 20th century, Oregon averaged well over 7 billion board feet of timber harvested each year. Annual timber harvests dropped significantly in the 1990s. Logging on federal forestlands was greatly reduced due to concerns around a variety of endangered species. Although timber harvests remain much lower than the historic average, there has been a rebound in harvests, which are back to pre-recession levels.

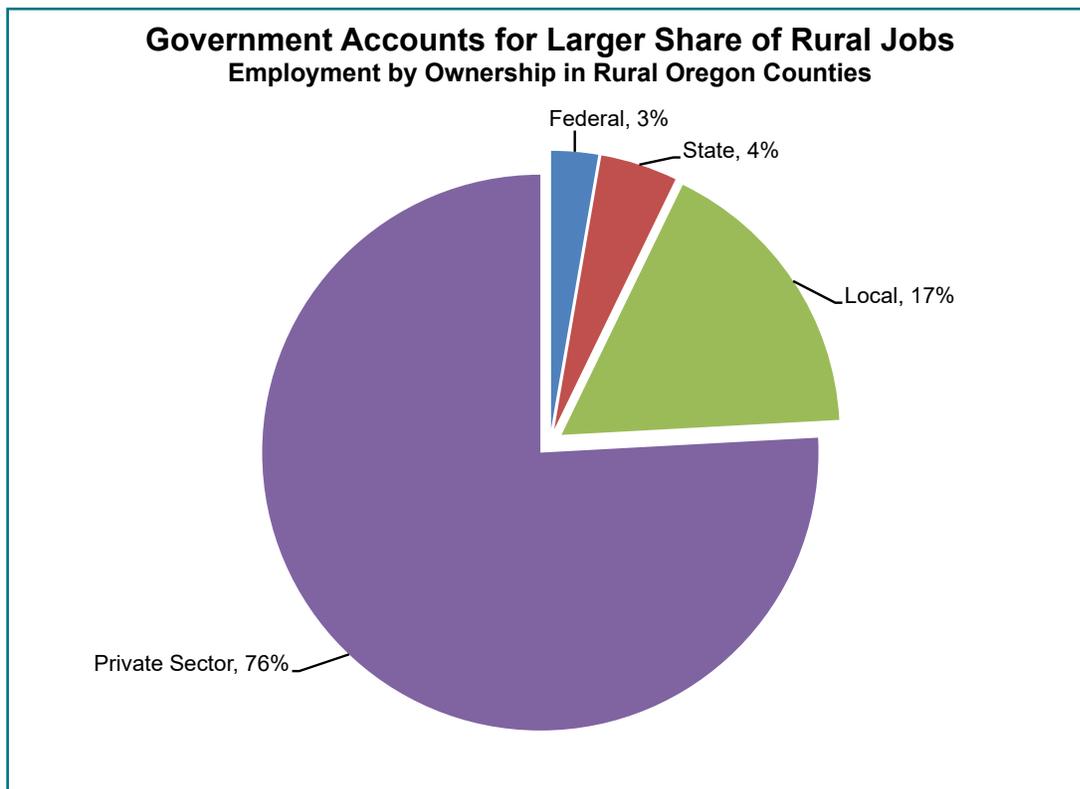
Despite timber harvest levels recovering from the recession, employment in rural Oregon will likely not depend on resource extraction to the degree it did historically. Labor productivity has increased over time. As companies shed jobs and reorganize



for the future with each business cycle, they can return to prior production levels without as many workers. This has been the case in the wood products sector. The number of sawmills in the western U.S. has fallen dramatically since 1990, but the sawmills that remain are producing more board feet than ever before. With increased labor productivity it's possible to produce the same level of output or increase output without employing as many workers.

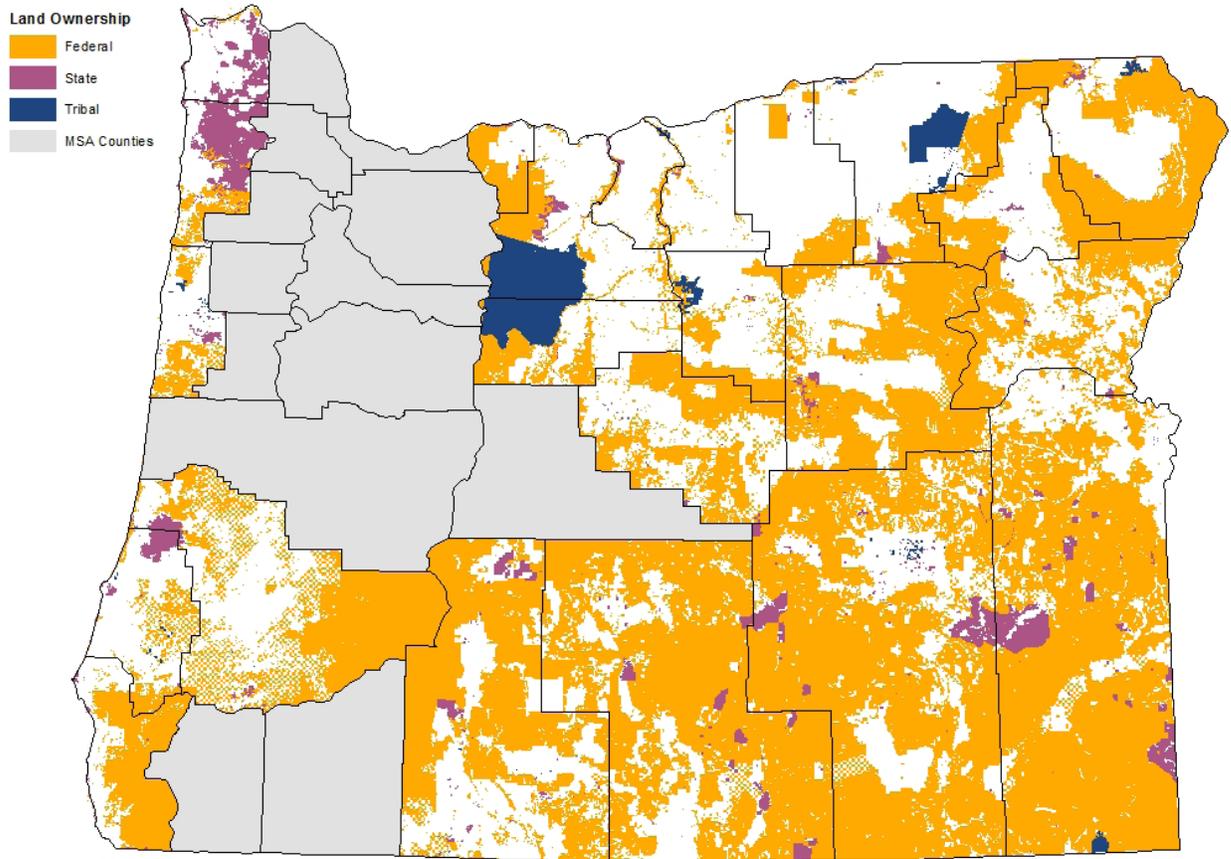
Public-Sector Jobs in Rural Oregon

Rural Oregon has a high concentration of employment in the public sector. Although the public sector is a critical employer in rural Oregon, it is not a growth industry. Across rural Oregon, government jobs account for nearly a quarter (24%) of total nonfarm employment compared with around 16 percent of jobs in metro areas. All levels of government (federal, state, and local government) have higher shares of total nonfarm employment in rural Oregon.



Of rural Oregon's 57,400 total government jobs, local government makes up by far the largest share, with 40,300 jobs. Many of these workers are in local schools, health districts and hospitals, or working for tribal governments. Local government jobs make up 17 percent of rural Oregon employment, compared with 12 percent of metro area employment. State government accounts for 10,600 government workers in rural counties. State government jobs are 5 percent of employment in rural Oregon, compared

Federal, State, and Tribal Land Ownership Within Non-MSA Counties



with 3 percent in metro Oregon. Federal government is the smallest slice of government employment, with 6,500 jobs in rural counties. Federal jobs account for 3 percent of employment in rural Oregon compared with 1 percent in metro Oregon.

Government accounts for a larger share of employment in rural counties for a variety of reasons. First, there is a lot of public land to be managed in rural Oregon. Much of this land is managed by federal agencies, such as the Bureau of Land Management and the U.S. Forest Service. Fourteen rural Oregon counties have more than half of their land owned by governments, whether it is federal, state or tribal government. Counties in southern Oregon and eastern Oregon have high shares of land owned by the federal government, with Malheur, Lake, and Harney counties topping 70 percent of the land owned by the federal government. In Curry County on the sparsely populated south coast, the federal government owns 66 percent of the land. In Hood River, at the northern edge of the Mt. Hood National Forest, the federal government owns 65 percent of the county's land.

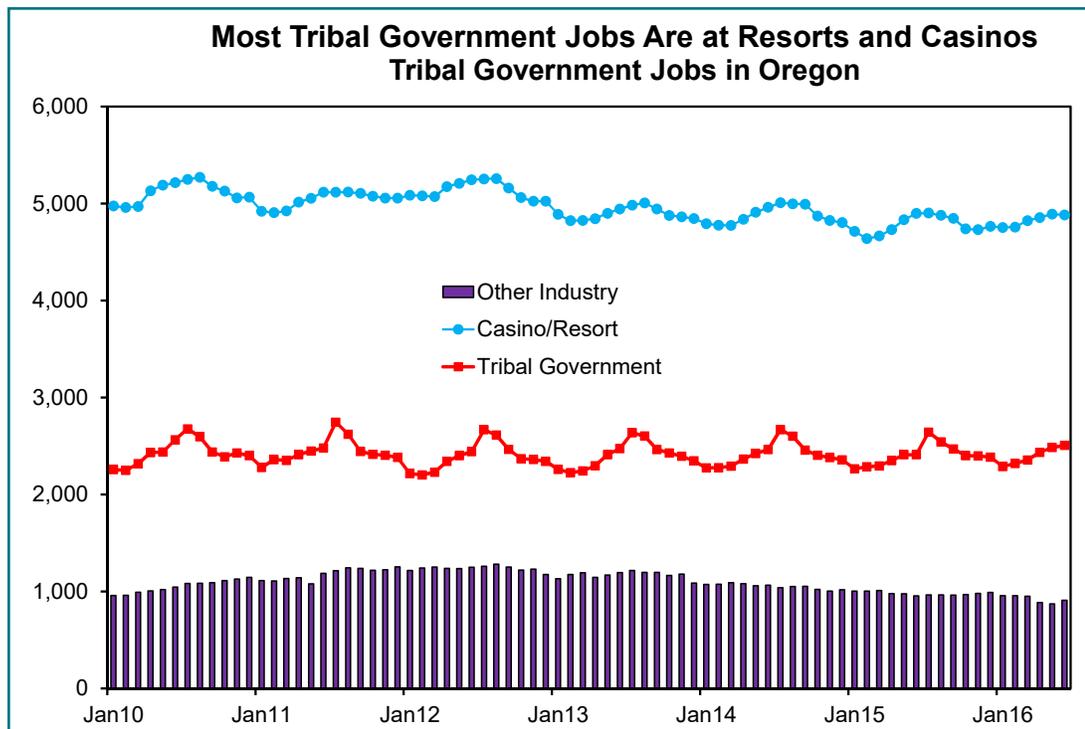
Tribal Government Jobs Are a Large Part of Some Rural Economies

Tribal governments within Oregon provided about 8,100 jobs on average over the last year. Three out of four tribal government jobs are in rural Oregon counties. Of the other one-quarter located within metro counties, many jobs are located in rural areas within the metro county. All tribal employment is counted as part of local government employment.

Tribal government jobs account for less than 1 percent of total employment statewide. However, in some counties their presence makes up a sizeable share of local economic activity. The greatest concentration was in rural Jefferson County, where tribal government employment represented 16 percent of the nonfarm jobs in the county. In metro Polk County, 8 percent of jobs were in tribal government establishments; in rural Lincoln County, they accounted for 6 percent of employment; and in rural Umatilla County, they made up 5 percent of jobs.

Government Land Ownership Across Oregon			
Nonmetropolitan Counties			
County	Federal	State	Tribal
Total - Non-MSA Counties	54%	3%	2%
Baker	51%	0%	0%
Clatsop	2%	30%	0%
Coos	24%	7%	1%
Crook	50%	1%	0%
Curry	66%	1%	less than 1%
Douglas	52%	2%	less than 1%
Gilliam	9%	0%	1%
Grant	62%	1%	0%
Harney	72%	3%	less than 1%
Hood River	65%	1%	less than 1%
Jefferson	29%	0%	22%
Klamath	58%	2%	less than 1%
Lake	73%	2%	0%
Lincoln	31%	4%	1%
Malheur	73%	5%	less than 1%
Morrow	18%	0%	0%
Sherman	14%	1%	1%
Tillamook	21%	42%	0%
Umatilla	24%	1%	8%
Union	50%	1%	less than 1%
Wallowa	59%	1%	1%
Wasco	18%	2%	25%
Wheeler	30%	0%	3%
Metropolitan Counties			
County	Federal	State	Tribal
Total - MSA Counties	47%	2%	less than 1%
Benton	19%	6%	0%
Clackamas	51%	1%	1%
Columbia	3%	4%	0%
Deschutes	75%	3%	0%
Jackson	51%	0%	0%
Josephine	67%	1%	0%
Lane	59%	1%	less than 1%
Linn	38%	2%	0%
Marion	30%	4%	less than 1%
Multnomah	29%	3%	0%
Polk	9%	2%	less than 1%
Washington	3%	11%	0%
Yamhill	13%	0%	2%

Tribal jobs pay less than the average for all jobs in Oregon, but are closer to the average in the rural Oregon counties where they're located. Tribal jobs paid an average of \$36,536 across the 10 rural counties with tribal jobs, while the overall average paid in those counties was \$37,756.

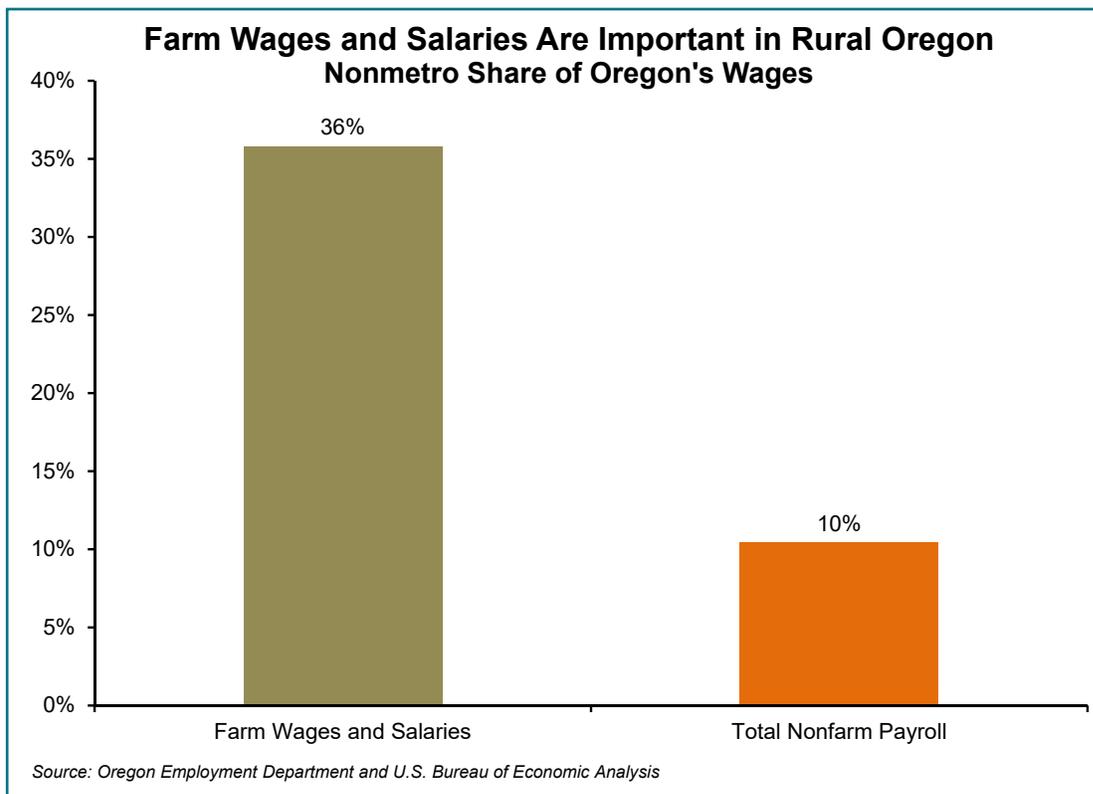


Much of tribal employment is concentrated in casinos and resorts, with relatively low-paid jobs. But tribal governments provide jobs in many industries. About 4,800 jobs were in casinos and resorts, while another 2,400 jobs were in public administration. Other industries accounted for 12 percent of tribal government jobs, including employment in agriculture, utilities, construction, manufacturing, retail trade, information, financial activities, professional and business services, and educational and health services.

Agriculture's Impact on Rural Employment

Oregon's climate and landscape support employment in logging, mining, farming, and ranching. Logging is important to the economy in the mountainous regions along the coast range, Cascades, Blue Mountains, and Klamath Mountains. The fertile river valleys, such as the Willamette and Rogue valleys, support high-value agriculture, with vegetable crops, fruits, and wine grapes. The dry side of the state is farming and ranching country with crop production concentrated around animal feedstock, grains, potatoes, and onions.

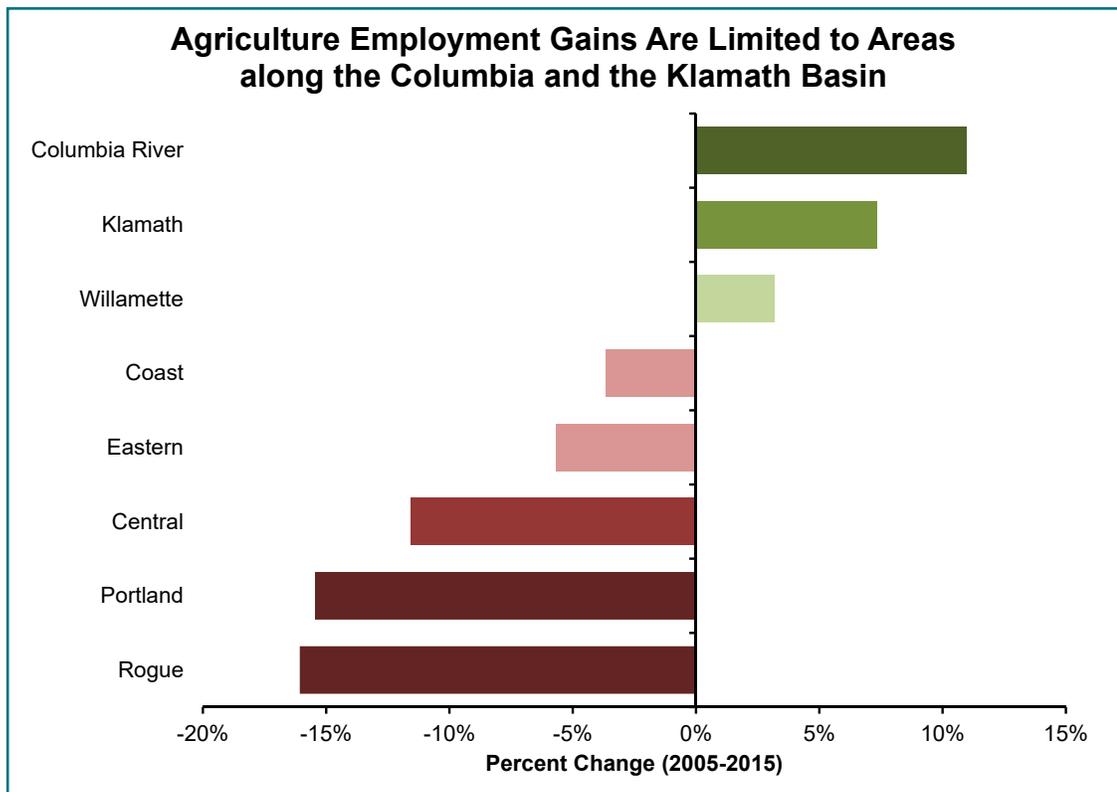
Ranching and farming are not limited to the rural counties. In fact, the largest concentration of agricultural jobs is in the densely populated Willamette Valley (18,700 jobs) followed by the even more densely populated Portland Metro area (15,100 jobs). The Willamette Valley and Portland Metro area combined account for 60 percent of the state's agricultural jobs. Although the raw number of jobs is much higher in the metropolitan counties of the state, farming and ranching plays a more central role in Oregon's rural economies.



Agriculture is a critical industry in rural communities. There were around 20,300 agricultural jobs in Oregon’s rural counties in 2015. That represents 36 percent of statewide agricultural jobs. This compares with 17 percent of the state’s population and just 13 percent of the state’s nonfarm payroll jobs being in rural counties.

Similar to the share of agricultural jobs, farm wages and salaries earned in rural counties account for 36 percent of statewide farm earnings. Nonfarm payroll wages in rural counties account for just 10 percent of the statewide total. Agriculture is a classic traded-sector industry, where nearly all of the crops or animals raised are sold outside of the local economy. Rural Oregon’s disproportionate share of farm wages helps stabilize demand for local support industries as these wages are spent at local grocery stores and restaurants.

Over the past 10 years (2005-2015) agricultural employment declined by 4 percent (-2,100 jobs) across Oregon. The statewide figure is pulled down by declines in metropolitan counties (-2,700), whereas rural counties saw employment rise a modest 3 percent over the past decade (+600 jobs).



This urban/rural divide doesn't paint a complete picture as rural employment gains are driven by growth in two regions, the Columbia River Gorge (especially Hood River, Umatilla, and Morrow counties) and the Klamath Basin. Employment increased by nearly 1,000 jobs in counties stretching along the Columbia River from the Gorge east to Hermiston. Despite years of sustained drought, employment in the Klamath Basin rose by around 150 jobs (+7%). Agricultural employment declined in all other rural regions of the state from 2005 to 2015, including the coast, Eastern Oregon, and Central Oregon.

Despite inconsistent trends in Oregon's agricultural sectors, farming and ranching will continue to be big business for rural communities. New consumer preferences for local and organic foods will likely increase demand for crops and animals produced in rural Oregon. Long-term agricultural employment declines are being driven by increased efficiency through larger farms and more mechanization and heavy equipment, while production levels are on the rise.

The Aging of Rural Oregon's Population and Workforce

Demographic trends are leading to rapid aging in rural communities. Natural population growth is low, in-migration is slow, and young people often leave rural communities to seek educational or employment opportunities in urban centers. Older in-migrants choosing rural locales for retirement bring dollars into their new home communities and increase local demand for goods and services. Dealing with aging populations and the need to replace many workers reaching retirement are major challenges for some areas.

Slow Population Growth

Oregon's rural communities are growing, just at a much slower pace than in urban centers. According to Portland State University, rural counties added 14,500 new residents between 2010 and 2015, a growth rate of 2.2 percent. Urban counties expanded by 5.3 percent over the same period.

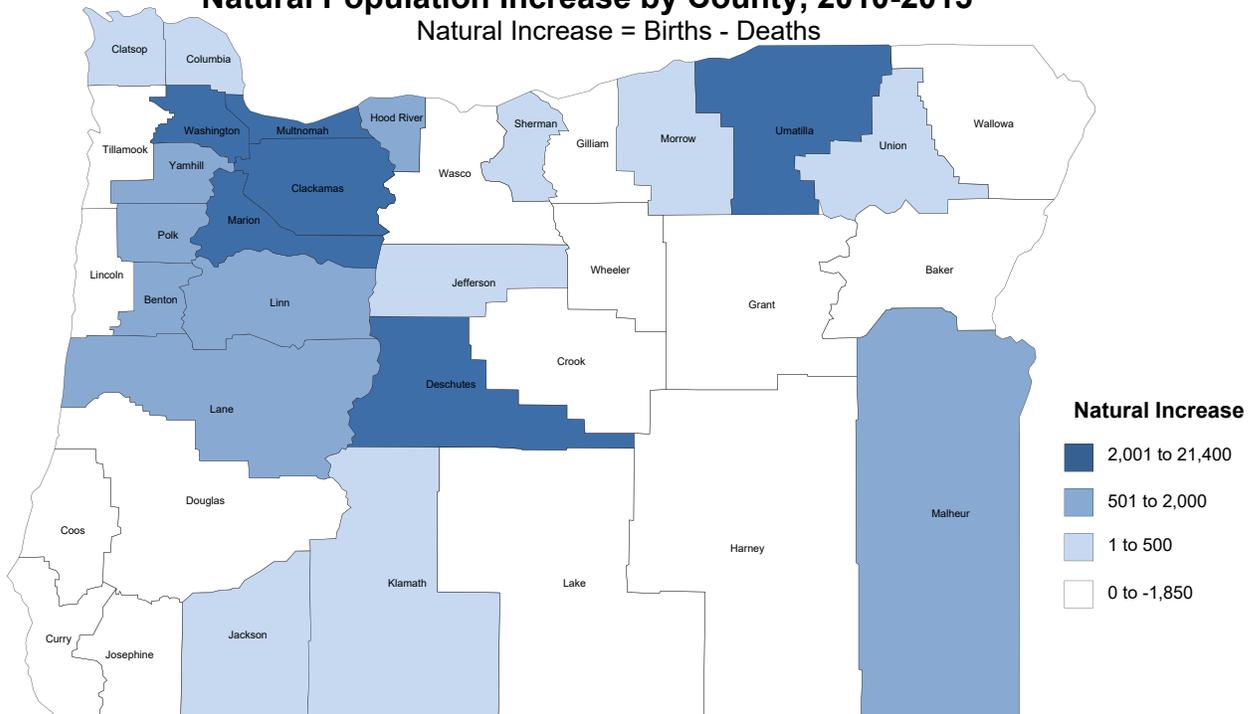
Below the surface, trends in population growth are even more striking. Net population change results from the combination of two factors: natural increase or decrease in a population (births minus deaths); and net migration (in-migrants minus out-migrants). Essentially, in-migration – new residents moving in – accounts for all of the population growth in rural Oregon between 2010 and 2015. In total from 2010 to 2015, Oregon's 23 rural counties combined had a natural increase of just 10 residents. Births across rural Oregon were nearly evenly matched by deaths. In metro counties, natural increase accounted for 38 percent of population gains between 2010 and 2015.

The lack of natural population increase in rural Oregon hides a lot of variety beneath its surface. Curry and Wheeler counties had sizeable natural population declines of about 4 percent from 2010 to 2015, shrinking these already small counties even further. In each case the natural population decrease was almost equally matched by net in-migration, leaving these two counties' total populations flat overall. Another seven rural Oregon counties had natural population decreases of 1 percent to 2 percent: Coos, Wallowa, Lincoln, Douglas, Grant, Crook, and Baker.

Overall – once natural population change and net migration are taken into account – three Oregon counties lost population between 2010 and 2015; all of them are rural. Population declined 1.7 percent in Harney County, a loss of 127 residents. Declines were very small in both Grant (-0.2%) and Coos (-0.1%) counties.

Natural Population Increase by County, 2010-2015

Natural Increase = Births - Deaths



Rural areas of the state that are growing the fastest include the Columbia Basin area, with Morrow County growing 3.8 percent between 2010 and 2015 and Umatilla County not far behind that with 3.4 percent growth. In both cases, most of the population growth was natural increase – the result of more births than deaths within the counties. For Morrow, eight out of 10 new residents were the result of natural population increase and in Umatilla that jumped to nine out of 10. Hood River added 2.5 percent to its population, but in its case seven out of 10 new residents were the result of in-migration. Malheur County, on the Oregon-Idaho border, grew 2.2 percent; all of its population growth resulted from natural increase, as net migration was negative for this county. Jefferson County also grew 2.2 percent, with natural increase accounting for two out of three new residents.

Almost all Oregon counties added population since 2010, but population trends and the drivers of those trends are mixed and speak of many different experiences depending on location within rural Oregon.

Aging Population

Although rural Oregon continues to grow, it is the nature of the growth that raises concern for the long-term economic outlook. Rural Oregon's share of population 65 years of age and older increased from around 18 percent in 2010 to nearly 22 percent in 2015. The retirement age population grew by 24 percent, while the working age population (-3%) and youth population (-2%) both declined.

The fact that the retirement age cohort is growing is less of a concern than the fact that youth and working age populations are declining. This means that as folks age out of the labor force there are fewer individuals to replace those who retire. As The Economist magazine pointed out in an April 2014 analysis entitled “Age Invaders,” fewer workers results in less output, which is another way of saying that economic growth will be greatly reduced in these aging communities.

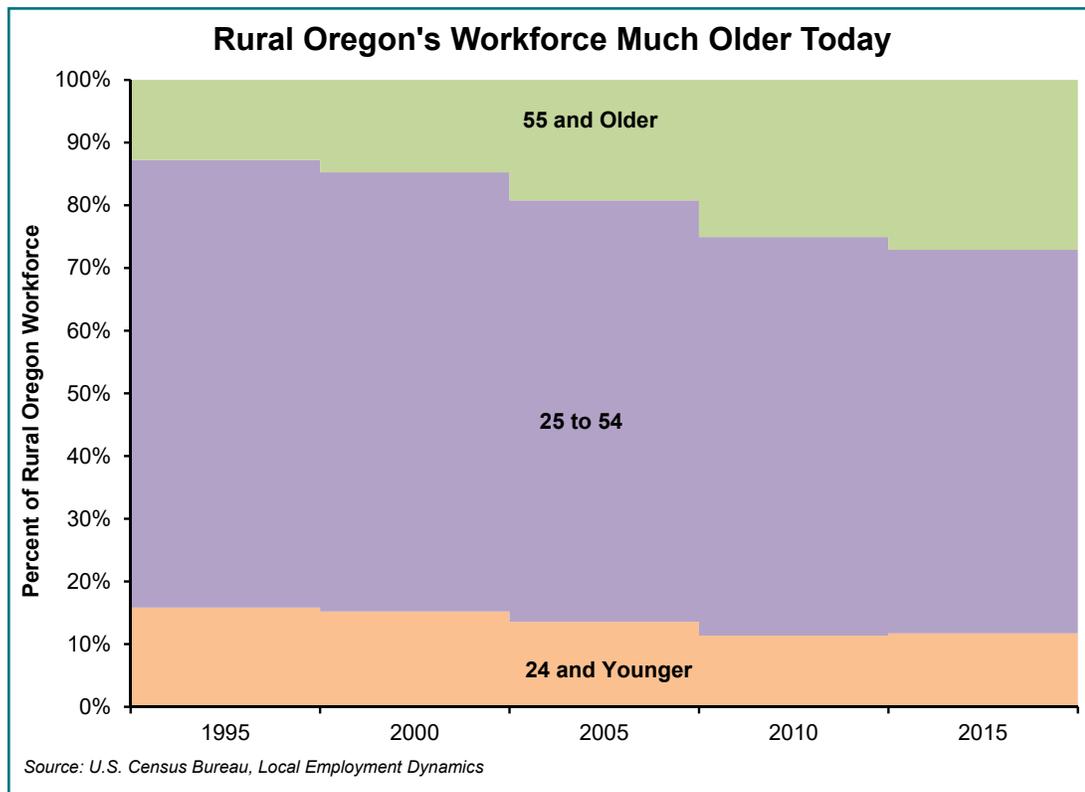
Local areas with low shares of youth below the age of 18 and high shares of people ages 65 and over are likely to face the greatest economic difficulties related to aging. Statewide in 2016, 21 percent of the population was below the age of 18 and 17 percent of the population was age 65 or older. In Curry, Wheeler, Grant, Gilliam, and Lincoln counties, less than 18 percent of the population was below the age of 18 AND more than 27 percent of the 2016 population was age 65 or older. Curry County seems to face the most dire circumstance, with 14 percent of the population below the age of 18, and 32 percent of the population ages 65 and older. All Oregon counties with the highest shares of older population and with the lowest shares of youth population are rural. (Full county table in appendix.)

Aging Workforce

These population trends translate directly into the workforce, which is aging rapidly. Twenty years ago only 13 percent of the workforce in rural Oregon was 55 or older. That share has roughly doubled to 27 percent of the workforce. There are more than 35,000 additional workers ages 55 and older in rural Oregon today. Meanwhile, the prime working age and youth workforces are both smaller today than back in 1995.

At a glance, the share of the rural workforce that is above the age of 55 doesn't seem too far off from the share in metro areas, which is 23 percent compared with 27 percent in nonmetro counties. However, combined with the smaller population under the age of 18, retirements are likely to hit these communities harder as there are fewer young workers to rejuvenate the workforce.

In some counties the share of older workers is much higher. Every county with greater than 30 percent of its workforce over the age of 55 is rural. The concentration of older workers is greatest in Wheeler County (37%), Wallowa County (33%), Lake and Gilliam counties (32%), and Grant and Lincoln counties (31%). These areas will face a significant challenge in replacing workers as they retire. (Full county table in appendix.)



Workers 55+ in Nonmetro and Metro Oregon, Average Second Quarter 2015 - First Quarter 2016

	<u>All Ages (14-99)</u>	<u>55-64</u>	<u>65-99</u>	<u>Share 55+</u>
Nonmetro	227,761	45,278	16,462	27%
Metro	1,530,653	261,189	88,637	23%
Oregon	1,758,414	306,467	105,099	23%

Source: U.S. Census Bureau, Local Employment Dynamics.

There are also rural counties with lower shares of the workforce ages 55 and older that are comparable to the statewide average. In Hood River and Umatilla counties, the share of the workforce ages 55 and over is 25 percent, and in Klamath, Union and Malheur counties it is 26 percent. These areas are still likely to struggle to replace aging workers – a workforce challenge occurring statewide – but the challenge is likely to be less severe where there is a lower concentration of older workers.

Economic Indicators Influenced by Aging

The aging of rural communities is showing up in many economic indicators and influencing the trends we can expect to see in a variety of economic measures. So while it may look like an economic issue when these indicators show unfavorable differences between nonmetropolitan and metropolitan areas, some of the perceived weakness in rural Oregon economies is actually a reasonable effect of demographic differences, not a sign of economic weakness.

Labor Force Participation

Labor force participation rates (LFPR) – the share of the civilian noninstitutional population ages 16 and over that is working or actively looking for work – tend to be lower in rural counties. But there’s actually a lot of diversity under that overarching statement. For instance, Josephine County (one of the state’s newest metros with Grant’s Pass now a metropolitan area) has one of the lowest labor force participation rates in the state. And Hood River, a nonmetro county within commuting distance of the Portland metro area and southwest Washington, has the state’s highest LFPR.

Aging is a major determining factor in labor force participation. Counties with the largest shares of population ages 65 and older have the lowest participation in the labor force – because many residents are retired. The bottom nine counties in terms of LFPR all have large older populations, with more than 25 percent of the population age 65 and

Rank	County	LFPR	Rank	County	LFPR
1	Hood River County	75.5%	19	Harney County	56.9%
2	Washington County	67.4%	20	Wallowa County	56.9%
3	Multnomah County	66.0%	21	Lane County	56.8%
4	Yamhill County	65.1%	22	Union County	56.6%
5	Morrow County	65.0%	23	Jefferson County	56.5%
6	Wasco County	63.9%	24	Jackson County	56.4%
7	Clackamas County	63.7%	25	Lake County	55.8%
8	Umatilla County	63.4%	26	Tillamook County	53.7%
9	Sherman County	63.2%	27	Klamath County	53.3%
10	Wheeler County	61.4%	28	Gilliam County	52.0%
11	Marion County	61.1%	29	Grant County	51.4%
12	Benton County	60.5%	30	Baker County	51.3%
13	Deschutes County	59.9%	31	Lincoln County	51.0%
14	Clatsop County	59.3%	32	Crook County	50.7%
15	Columbia County	58.0%	33	Douglas County	49.7%
16	Polk County	58.0%	34	Coos County	49.2%
17	Malheur County	57.7%	35	Josephine County	47.4%
18	Linn County	57.3%	36	Curry County	44.0%

Source: Local Area Unemployment Statistics, U.S. Department of Labor Bureau of Labor Statistics

older. The counties with the highest LFPRs have lower shares of older residents, with the population ages 65 and over coming in around the statewide average of 17 percent or lower. These counties include the state’s largest counties in the Portland Metro area, where just 12 percent of the population is age 65 or older.

Per Capita Personal Income

Rural counties also tend to have lower per capita personal income (PCPI) than metro counties. The math behind this indicator is simple: per capita income is the total personal income in an area divided by the population. Wages and salaries are typically the largest source of personal income. Areas with large youth populations or large retirement populations have lower per capita income because a larger share of their population isn’t working and earning income. In total, nonmetro Oregon had per capita personal income of \$37,332 in 2015, while metro Oregon’s PCPI was \$45,040.

Overall, per capita income in Oregon nonmetros is very close to nonmetro income nationwide, while Oregon’s metros are further behind the national level of income for metros. The nonmetro gap with the national nonmetros is just 1.4 percent while the metro gap is 9.6 percent.

The only component of Oregon’s per capita income that results in higher income in rural counties is per capita transfer receipts, which was \$11,196 in nonmetros and \$8,406

	<u>Total</u>	<u>Metro</u>	<u>Nonmetro</u>
Per capita personal income			
United States	\$48,112	\$49,827	\$37,866
Oregon	\$43,783	\$45,040	\$37,332
Per capita net earnings			
United States	\$30,729	\$32,260	\$21,584
Oregon	\$26,467	\$27,911	\$19,058
Per capita transfer receipts			
United States	\$8,334	\$8,118	\$9,624
Oregon	\$8,861	\$8,406	\$11,196
Per capita dividends, interest, and rent			
United States	\$9,049	\$9,449	\$6,658
Oregon	\$8,455	\$8,723	\$7,078

Source: U.S. Bureau of Economic Analysis

in metros in 2015. For other sources of income, Oregon’s nonmetro counties are far behind the metro areas. Net earnings were \$19,058 per capita in nonmetros compared with \$27,911 in metros. Per capita dividends, interest and rent were \$7,078 in nonmetros and \$8,723 in metros.

More income in rural areas comes from transfer receipts – such as social security benefits – and the major difference is the larger retirement age population in rural Oregon.

Although overall PCPI is lower in rural Oregon compared with metro Oregon, rural counties sometimes top the list of county-level PCPI, particularly grain-growing counties in the Columbia Gorge with very small populations. In 2015, Sherman County fit this bill, with the highest per capita personal income in the state at \$57,526. Hood River and Morrow counties, also along the northern edge of the state, were the only other rural counties to beat the statewide PCPI level in 2015.

The bottom five counties in terms of PCPI were all rural and all have per capita income below \$36,000: Malheur, Jefferson, Baker, Klamath, and Douglas. Of the bottom 10 counties, nine were rural counties, and the sole metro county was Josephine, one of Oregon’s newest metropolitan areas. Looking at that group of 10 counties, five of them have outsized older populations, with more than 25 percent of the population age 65 or older and another two counties have larger than average youth populations. (Full county table in appendix.)

Infrastructure Needed to Get Rural Goods to Market

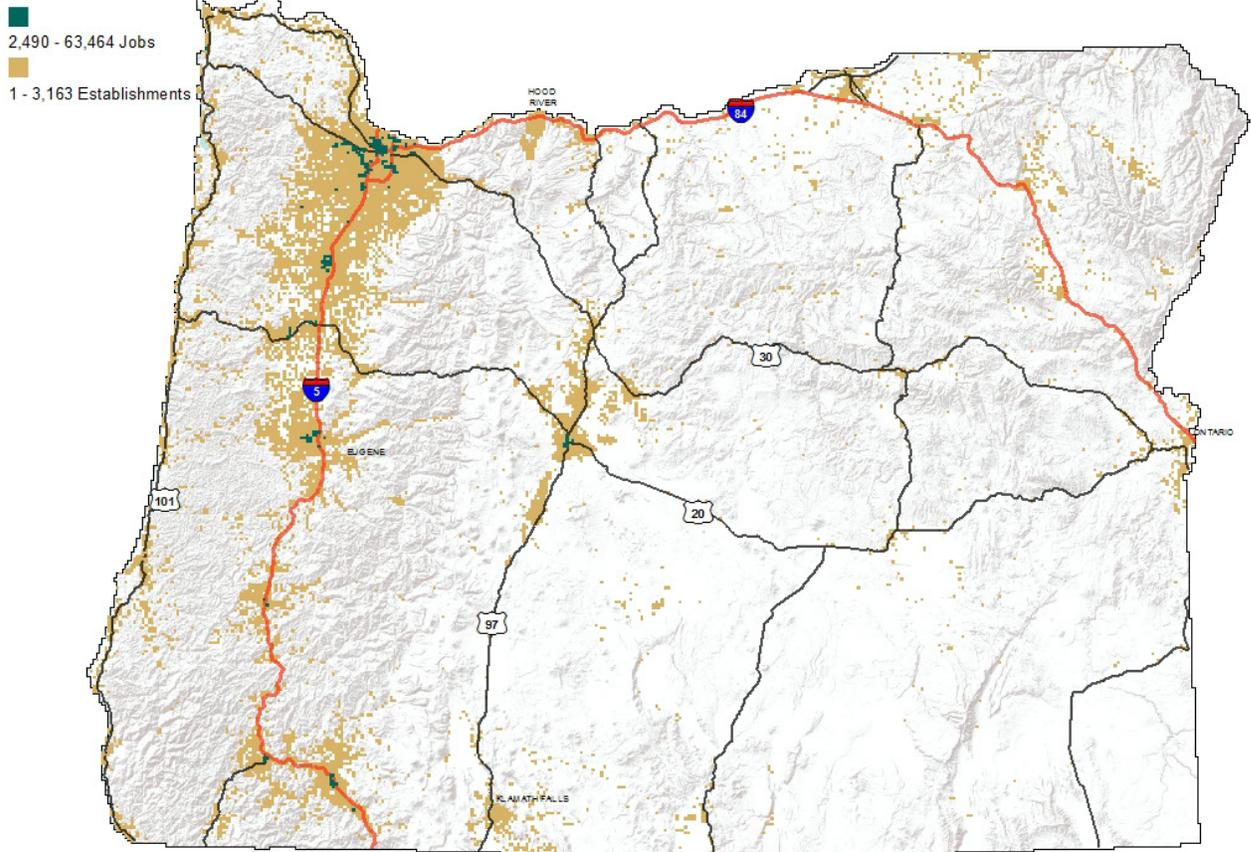
The lack of critical infrastructure is one of the more observable challenges faced by rural communities. Businesses concentrate where they can easily get the supplies they need and transport the goods they’re making to markets. Yet building new highways that enable heavy truck transportation to serve sparsely populated areas requires considerable investment. That’s also the case for establishing commercial air service. And that investment is needed prior to rural economies achieving a more connected appearance in order to draw the businesses they need to thrive.

Parts of rural Oregon are very remote, far removed from jobs and employers. This map shows where jobs are concentrated in Oregon. Each square mile block with at least one employer establishment is shaded in tan. The 157 square mile blocks in green have job concentrations of at least 2,490 jobs – and they range up to more than 63,000 jobs concentrated in a single square mile. Half of the jobs in Oregon reside in those 157 green blocks, which are crowded around Portland and the state’s other metros, with occasional green blocks elsewhere in the state. Employer establishments are more spread out, but most of the square mile blocks in Oregon don’t have any establishments or jobs. Establishments outside of major transportation corridors are spread thinly.

“Long, often treacherous weather during the winter is a discouragement for industry requiring transportation of goods. Access to entertainment, goods and services is also a factor in recruiting skilled and professional workers for new industry.”

Ginger Castillo,
South Central Oregon
Economic Development District

Half of the Jobs in Oregon are Located in Just 157 Square Mile Sections, 2015



Freight Corridors

Many goods producing businesses depend on major freight corridors to transport their goods to market. The farther a business is located from these major corridors, the more expensive it can be to transport those goods. Interstate 5 is a major truck transportation corridor that runs from Oregon's northern border to its southern border. As a result, we see a high concentration of manufacturing firms in this part of Oregon.

“Costs of transportation discourage companies that are interested in the geography and lifestyle of the area. While they appreciate the community and area they cannot justify locating here because transportation costs become a weighted factor in their siting decisions.”

Ginger Castillo,
South Central Oregon
Economic Development District

Another major freight corridor is through the Columbia River Gorge with Interstate 84 and barge traffic on the Columbia River, as well as the Union Pacific and BNSF Rail lines. This major freight corridor runs through the rural counties of Hood River, Wasco, Sherman, Gilliam, Morrow, and Umatilla. Only six rural counties have recovered all jobs lost during the recession. It is no coincidence that four of those six counties are along the Columbia River (Hood River, Wasco, Sherman, and Morrow). Among other things,

access to critical transportation and freight infrastructure helped to lessen the impact of the recession and allowed those communities to recover faster. However, much of rural Oregon is isolated from these major freight networks, making it difficult for them to attract more diverse goods-producing firms.

Commercial Air Service

Another major infrastructure challenge facing rural areas is access to commercial air service. Just as many businesses require access to major freight corridors or fast internet speeds, other businesses need to be near airports in order to travel to their clients or transport their clients here to Oregon. There are currently seven airports in Oregon that offer commercial passenger service (Portland, Eugene, Redmond, Medford, North Bend, Klamath, and Pendleton).

Activity at Oregon airports is heavily concentrated at the metro airports, while total operations at rural airports are much, much lower. The Crater Lake – Klamath Regional airport had the most operations among rural airports, with 55,761 total operations in 2015 (counting both itinerant and local flights of civil and military aircraft). The two other airports located in rural counties had fewer than 20,000 total operations apiece in 2015.

National Rank	Facility	Name	Itinerant		Local		Total Operations
			Civil	Military	Civil	Military	
42	PDX	Portland International	210,171	3,461	4,355	34	218,021
55	HIO	Portland-Hillsboro	75,584	367	110,446	5	186,402
94	TTD	Portland-Troutdale	35,548	141	93,284	60	129,033
277	EUG	Mahlon Sweet Field	38,559	1,831	17,749	1,824	59,963
299	LMT	Crater Lake - Klamath Regional Airport	16,473	9,964	18,888	10,436	55,761
348	RDM	Redmond - Roberts Field	22,858	307	22,138	408	45,711
391	MFR	Rogue Valley International - Medford Airport	32,060	355	5,534	120	38,069
406	SLE	Salem - McNary Field	22,028	2,331	9,443	1,857	35,659
503	OTH	Southwest Oregon Regional Airport	9,973	2,598	751	3,336	16,658
514	PDT	Eastern Oregon Regional Airport	8,410	894	1,662	841	11,807
517	UAO	Aurora State Airport	3,385	20	1,762	38	5,205

Source: Federal Aviation Administration

Close proximity to commercial passenger air service offers three benefits to a local area, as highlighted by a 2005 study, “The Economic and Social Benefits of Air Transport,” produced by the Air Transport Action Group. First, it allows businesses to serve larger markets. Second, air transport can make it easier to attract high-quality workers. Finally, air transport can help stimulate tourism by reducing the barriers to visitation.

Broadband Internet Service

The United States economy is becoming more dependent on service rather than goods producing firms. The Internet evens the playing field, allowing folks to work remotely and provide their services away from major population clusters. However, another major infrastructure challenge in rural communities is access to Internet service that qualifies as broadband. The broadband definition is constantly changing as technology advances, but it is critical for Internet based businesses, online retailers, and other technology related firms.

“There’s some cachet in Oregon goods. “Made in rural Oregon” can be an advantage for certain types of products which the Internet allows people to market to larger places.”

Bruce Weber, Professor Emeritus,
Oregon State University

According to the National Broadband Map, only about 55 percent of people living in rural areas have access to speeds that qualify as broadband, compared with 94 percent of the urban population. The digital divide isn’t quite that bad in Oregon; however, lack of broadband access is a critical challenge preventing many rural communities from drawing more businesses that rely on the Internet to sell or distribute their services. As high quality Internet service becomes pervasive, new opportunities to sell local goods and services to a worldwide market will continue to emerge.

Other Constraints to Consider

Other factors may be limiting the growth of rural job markets or the availability of workers to fill rural job openings.

Housing availability and affordability is one such factor: in order to fill jobs and grow the local economy, workers need places to live. Stories about housing shortages in metropolitan areas are often repeated, but many rural areas are also dealing with low vacancy rates, a short supply of affordable housing, and an aging housing stock. Recent work by Oregon’s Office of Economic Analysis (OEA) shows

“Transportation options are important to Central Oregon’s rural communities – especially for the senior, low-income, and veteran populations that depend on public transit to access essential services like medical appointments. Providing public transit to rural communities is challenging for Cascades East Transit because residents are typically spread over a large geographic area with low density. For rural communities, CET offers demand-response transit service that requires riders to make appointments the previous day to be guaranteed a ride. While this type of service is well-utilized by some, demand-response service is not as convenient or cost-effective as fixed-route service that adheres to a schedule and relies more on population density to pool trips. Additionally, rural communities are less able to provide the level of funding necessary to meet the needs of their populations.”

Judy Watts,
Central Oregon
Intergovernmental Council

that although rural Oregon housing is more affordable relative to metropolitan areas, it is among the least affordable compared with other rural communities across the nation. Many of Oregon's rural counties are in the 10th percentile for least affordable rural counties in the United States. Rural communities struggle with housing affordability for a variety of reasons. OEA discusses how resort housing, vacation homes, and retirees may all be contributing factors in rural housing prices, particularly along the coast and in Central Oregon.

Another commonly discussed challenge in rural communities is access to child care, in particular affordable child care. When child care options are limited or unaffordable, it can limit work opportunities for parents, which reduces the earning power of households and decreases the size of the labor force. According to the 2016 Childcare Market Price Study by Oregon's Department of Human Services, the average hourly rate for home-based toddler care is roughly \$2.75 an hour in rural counties, compared with the statewide rate of around \$3.00. To put it another way, child care expenses are roughly 8 percent lower in Oregon's rural communities than the state as a whole. However, when controlling for local earnings we find that child care is more expensive in many rural Oregon communities as the per capita net earnings are 27 percent lower in rural Oregon than the state as a whole. In addition to child care, elder care is also a concern for many families, and constrains the labor force in a similar way – if affordable care for families is not available, these workers are less able to be present and effective at work.

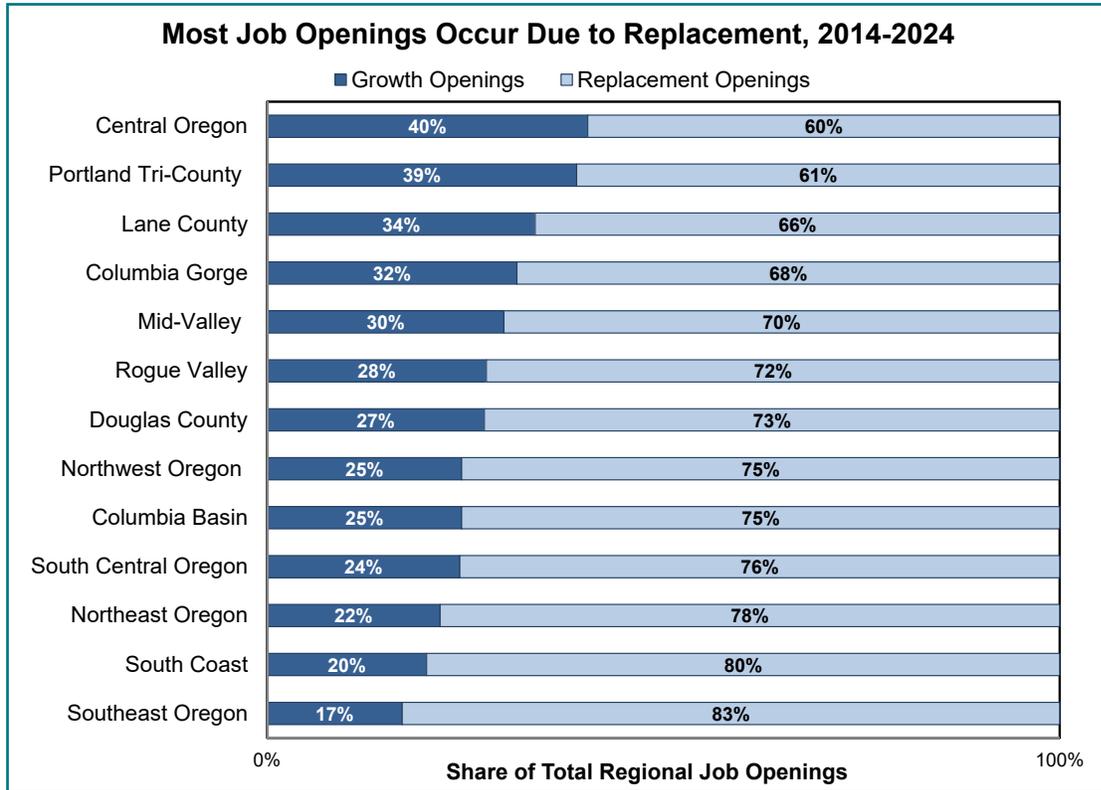
Finally, lack of reliable or consistent public transportation is another constraint rural Oregon residents deal with as they travel to and from work. Without reliable public transportation more workers are likely to be marginally attached to the labor force due to a lack of transportation. Short housing supply can compound the issue as workers may be traveling farther to reach their work locations. Developing a robust public transportation network without a critical mass of people to utilize the service is very difficult. Even in large metropolitan areas public transportation is often subsidized in order to continue operation. The cost per rider skyrockets in rural communities where there are far fewer individuals using the transportation network.

Rural Job Opportunities

The economy has been strong in recent years in much of the state. Unemployment rates are below their long-term averages and job growth has occurred in all areas of the state. Employers are having increasing difficulty finding the workers they need to fill job vacancies. And on the horizon, with an aging population there will be many job openings and employers seeking their next great hire over the coming years. Opportunities are out there!

Replacement Job Openings

Even when an economy isn't growing fast, there are opportunities due to the need to replace workers who leave their occupations, largely due to retirement. Statewide, 63 percent of total projected job openings between 2014 and 2024 are expected due to the need to replace workers, and the other 37 percent are due to growth. In some areas of the state replacement openings make up an even larger share. In several rural regions, replacements outweigh growth openings by a three-to-one margin. While rural economies in some areas of the state aren't expected to grow quickly, there are opportunities for new workers to replace those who leave the workforce..



Taking a look at one of the slowest-growing areas of the state, Southeast Oregon (Harney and Malheur counties) projections show job growth of 4 percent by 2024, with 600 openings anticipated due to growth and another 3,800 job openings anticipated due to replacement needs. Government, education and health services, and retail trade are the top sources of projected replacement openings – each industry will need to replace about 700 workers by 2024.

In Northeast Oregon (Baker, Union, and Wallowa counties), job growth of about 6 percent is anticipated between 2014 and 2024, with 1,100 openings projected due to growth and 4,600 to replace workers leaving their occupations. Education and health

services employers can anticipate more than 900 openings due to replacements; it is the industry with the most replacement needs over the decade. Retail trade, government and leisure and hospitality will also need to replace a significant number of current workers, each with more than 500 replacement openings expected. More than 400 replacement openings are expected in manufacturing.

Projections show growth of 5 percent in the South Coast region (Coos and Curry counties), with 1,600 growth openings and 7,200 replacement openings projected. Replacements are expected to be greatest in education and health services, followed by retail trade and leisure and hospitality – each industry expects more than 1,100 replacement openings between 2014 and 2024. Replacement openings in government should number close to 900 in the two counties. Manufacturing can anticipate a need for about 500 workers to fill jobs as current workers leave their occupations.

Employment in the Columbia Basin (Grant, Morrow, and Umatilla counties) is expected to grow 7 percent between 2014 and 2024. More than 2,900 job openings are anticipated due to growth and another 9,600 openings are anticipated to replace workers leaving their occupations, mostly through retirements. Government is the top source of replacement needs, with more than 1,500 replacement openings over the decade. Education and health services will have 1,400 replacement openings, while manufacturing, retail trade, and natural resources industries will have more than 1,000 apiece.

South Central Oregon (Klamath and Lake counties) is expected to grow about 7 percent between 2014 and 2024. The region anticipates 1,800 job openings due to growth and 6,500 due to replacements by 2024. The educational and health services industry is once again a major source of replacement openings, accounting for 1,300 openings. Retail trade and leisure and hospitality will each have close to 1,000 replacement openings.

Projected job growth is pegged at 9 percent in Douglas County between 2014 and 2024. The county can expect 3,300 job openings due to growth and 9,000 to replace workers leaving their occupations. The most replacements are expected in education and health services, at 1,600. Another 1,300 replacement openings are expected in retail trade. Manufacturing and leisure and hospitality will each have about 1,000 replacement openings.

The Columbia Gorge area is the fastest-growing rural region in Oregon, with growth projected at 11 percent between 2014 and 2024. Growth will add about 3,300 job openings, while 7,300 replacement openings are projected. Leisure and hospitality expects the most replacement openings, swiftly followed by education and health services, and natural resources – each accounts for about 1,200 openings by 2024.

The Northwest Oregon region includes two metropolitan counties and three nonmetropolitan counties along the north coast. The data is heavily weighted toward the larger metro counties; projections for 2014 to 2024 show growth of 7 percent. Northwest Oregon can anticipate 7,400 openings due to growth and another 24,200 to replace

workers who leave their occupations. Industries with the greatest anticipated replacement openings include education and health services, leisure and hospitality, and retail trade. Regional manufacturers can anticipate needing to fill more than 2,000 openings to replace current workers by 2024.

“Rural and frontier areas of Oregon continue to struggle with a lack of nurses, and we need to find innovative ways to recruit and retain nurses in those areas.”

Jana Bitton,
Oregon Center for Nursing

High-Wage and High-Demand Jobs

Another way of thinking about future opportunities in rural areas is to examine occupations that are high-wage and high-demand – those that pay more than the median wage for the area under consideration and that also have more than the median number of total openings projected between 2014 and 2024.

In Southeast Oregon (Harney and Malheur counties), high-wage and high-demand occupations with the most total openings projected between 2014 and 2024 include occupations in corrections and protective service, health care, transportation, and agriculture. Northeast Oregon (Baker, Grant and Wallowa counties) jobs in top demand include positions in health care, education, production and transportation, showing the wide range of opportunity available even in a comparatively slow-growing area of the state.

Occupations with the most total openings in the South Coast (Coos and Curry counties) high-wage and high-demand occupations list include production jobs tied to wood products and logging, health care, transportation, and education. Inland Douglas County will need many workers in the same types of roles as their neighbors on the South Coast.

Klamath and Lake counties' top high-wage and high-demand occupations include those geared toward education, production, transportation, and management jobs.

In the Columbia Gorge the high-wage and high-demand occupations are weighted toward health care, education, agriculture, transportation and construction jobs. The Columbia Basin (Grant, Morrow and Umatilla counties) anticipates many high-wage and high-demand openings in transportation, corrections and protective service, education, and production occupations.

What's largely missing in the high-wage and high-demand snapshots of smaller areas of the state are the high-tech jobs that have grown over time in metro areas and are expected to continue to grow. In the Portland metro area, software developers, computer systems analysts, web developers, and the sales workforce are all a much larger part of economic activity and anticipated labor demand.

No matter the size of the local economy, a certain level of demand for workers exists. Approaching opportunity through the lens of high-wage and high-demand jobs or the level of replacement openings in an area illustrates how varied job opportunities are in rural Oregon.

Working Toward the Economy of the Future

Rural Oregon is made up of places with diverse economic histories and trends. In general, rural communities are trying to address issues such as a lack of industry diversity, an aging workforce, and an absence of critical infrastructure.

Local economies are often influenced by variables that are outside the control of many within the community. Luck plays a major role. For instance, Bend would not have developed into the thriving metro area it is today without the Cascades in its backyard or the Deschutes River winding through town. These natural amenities allowed outdoor-based tourism to fill the void left by the timber industry and eventually led to rapid economic expansion. Many communities do not have these amenities. Their vision for growing the economy of the future must be different than becoming the next Bend or Hood River. However, many residents of rural communities don't want their town to become the next Bend. They simply want the community to maintain its character, job base, and values. A rural eastern Oregon resident summed it up well when she said, "I don't want my community to become like the big city, but I want there to be enough opportunity for my children to live and work here if they so choose."

Growth doesn't have to be the goal: a desire to thrive with the current level of population and business activity is understandable. Whatever the local community's goals, local people organizing and achieving the economy and community they aim for should be supported. An individual with an idea can have a major impact in a small rural economy. Rural success stories often highlight a single individual or organization that made a large difference and sent the community down a new path. But by working together, local communities can strategically move toward a future that everyone can be excited about.

“In every instance, the part we can't predict is around new partnerships and the learning that goes on locally. Local leaders uncover opportunities for growth and the future.”

Mary Bosch,
Rural Development Initiatives,
rdiinc.org

Rural communities will always struggle to maintain a diverse economy. By their very nature rural areas are small on people and large on space. That does not bode well for developing a diverse economic base. However, rural areas can be more responsive to the changing economic landscape. For instance, there are efforts in Prineville to expand their existing mountain bike trail network. Focusing on these recreational amenities will benefit their tourism industry, but it may also lead to more workers at the high-tech data centers deciding to live in Prineville instead of commuting from Bend.

How do rural economies overcome a declining labor force? In today's economy many workers are drawn to lifestyle communities. These are areas known for quality of life, recreation, and health. Preliminary research by Damon Runberg with the Oregon Employment Department – in an article titled "Is Today's Labor Force Drawn to Lifestyle

Communities?” – shows more vibrant labor force and job growth in these lifestyle metro areas around the United States. As Runberg says, “Lifestyle communities tend to be tourism destinations and they have a larger share of their workforce concentrated in tourism-related industries. However, these lifestyle communities are also experiencing significantly faster job growth than the average metro area.” He points out that both total nonfarm employment and the labor force are growing faster in these lifestyle communities than in the average metro area.

“Tourism is as strong as ever and we still need to work on models to help businesses survive for a 12-month cycle.”

Mary Bosch,
Rural Development Initiatives,
rdiinc.org

What can rural locations take from this example? A dependence on tourism can be seen as negative because the jobs are often part time, seasonal, and pay relatively lower wages. But drawing new people to recreate in your small town can also introduce prospective workers to the local community, which could provide a competitive advantage as labor supply is constrained across the country by the aging and retirement of the baby boomer generation.

Two communities in Oregon, Bend and Hood River, each made the transition from a rural town with a traditional natural resource based economy to a small urban center with a more diverse economy. The turning point for both of those communities was expansion of the tourism industry and growth in recreational amenities (wind surfing, mountain biking, skiing, golfing, etc.). Tourism introduced visitors to the community and some of those tourists eventually became residents – some even moved their businesses. Capitalizing on the lifestyle amenities of a rural community is one way to persuade young people from leaving and can be a tool for attracting young families to that community. Mary Bosch of Rural Development Initiatives notes, “These little clusters of entrepreneurial activity become magnets that give young people a glimpse...there’s something cool for me to do here.”

“Taking an idea and moving it forward doesn’t necessarily require a city – certain activities that can draw on agricultural or local products provide potential for young people to develop their own niches.”

Bruce Weber, Professor Emeritus,
Oregon State University

Many workers, particularly millennials, are prioritizing work/life balance over career opportunities, according to the 2016 Deloitte Millennial Survey. The survey found that millennials ranked a “good work/life balance” as the single most important factor when evaluating a job opportunity. This trend bodes well for rural communities that often rank high on quality of life measures, such as access to recreation.

The Deloitte study also found that “Millennials feel underutilized and believe they’re not being developed as leaders.” Also, “Millennials often put their personal values ahead of organizational goals.” Rural Oregon is in need of its next generation of leaders and could benefit from the aspirations of millennials if they can successfully introduce their local

areas to this younger generation. Younger workers moving into rural Oregon – and potentially raising their families there – could alleviate the tendency toward aging that is a major challenge in parts of rural Oregon.

**Read More about Your Local Area at
QualityInfo.org**

There's no way to sufficiently cover the unique conditions found in different corners of our state in one report. The Oregon Employment Department has economists stationed throughout the state who write about Oregon's local areas in much more detail. To find more information about your local area, please visit QualityInfo.org and click on your area of the Oregon map to find local labor market information and contacts.

Appendix A: Unemployment Rates by County

Annual Average Unemployment Rates in Oregon Counties

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
United States	4.6	4.6	5.8	9.3	9.6	8.9	8.1	7.4	6.2	5.3	4.9
Oregon	5.3	5.2	6.5	11.3	10.6	9.5	8.8	7.9	6.8	5.6	4.9
Baker	6.3	5.8	7.1	10.4	10.3	10.9	10.6	9.6	8.3	6.9	6.4
Benton	4.7	4.1	4.7	8.0	7.1	6.4	6.0	5.7	5.1	4.3	3.9
Clackamas	4.8	4.6	5.7	10.4	10.1	8.9	8.0	7.1	6.2	5.2	4.4
Clatsop	5.0	4.7	5.3	9.1	10.0	9.4	8.7	7.8	6.6	5.6	4.8
Columbia	5.7	5.7	7.1	13.3	12.9	11.3	10.7	9.7	8.4	7.2	6.2
Coos	6.7	6.6	8.3	13.0	12.7	11.6	11.1	10.3	9.0	7.6	6.5
Crook	5.9	6.2	9.9	18.2	15.9	14.3	13.6	12.1	9.8	8.5	7.0
Curry	6.8	6.5	8.1	13.2	12.6	12.0	11.8	10.6	10.2	8.5	6.9
Deschutes	4.6	5.0	8.2	14.9	13.8	12.3	11.3	9.5	7.8	6.0	4.9
Douglas	7.4	7.7	9.9	15.7	14.0	12.7	12.0	10.6	9.2	7.7	6.4
Gilliam	4.8	4.5	4.3	6.9	9.0	9.7	10.1	9.5	8.1	6.5	5.9
Grant	8.3	8.0	10.6	13.7	13.7	13.8	14.0	12.4	10.5	8.9	7.8
Harney	8.0	7.3	9.5	16.3	14.2	13.3	11.8	11.6	9.6	7.3	6.3
Hood River	5.4	4.5	5.4	8.2	8.3	7.9	7.2	6.3	5.5	4.7	4.2
Jackson	5.7	5.6	7.9	12.8	12.5	11.7	11.1	9.8	8.4	6.9	5.8
Jefferson	5.6	6.7	10.1	15.0	13.7	12.7	11.8	10.5	8.9	7.4	6.7
Josephine	6.6	7.0	9.2	14.5	14.0	12.6	12.2	11.1	9.4	7.9	6.6
Klamath	6.6	6.9	9.2	14.1	12.9	12.0	11.7	10.8	9.4	8.0	6.9
Lake	7.5	7.3	8.6	12.6	13.5	13.1	12.9	11.4	9.6	7.8	6.4
Lane	5.4	5.2	6.7	12.3	11.0	9.7	8.9	8.0	6.9	5.9	5.1
Lincoln	6.0	5.5	6.6	10.6	11.0	10.4	9.9	8.8	7.8	6.8	5.7
Linn	6.5	6.3	7.8	14.0	12.8	11.4	10.7	9.7	8.1	6.9	5.8
Malheur	6.3	5.6	7.5	10.9	9.7	9.4	9.4	8.5	8.0	6.5	5.6
Marion	5.6	5.4	6.6	11.1	11.2	10.5	10.0	8.9	7.4	6.1	5.1
Morrow	6.5	5.4	6.4	9.4	9.3	8.2	8.1	7.7	6.9	5.8	5.0
Multnomah	5.1	4.9	5.9	10.6	9.6	8.3	7.6	6.8	5.9	5.0	4.3
Polk	4.9	4.9	5.6	9.5	9.7	9.3	8.9	8.1	6.8	5.7	5.1
Sherman	5.9	4.8	5.9	9.1	11.7	11.1	10.8	9.3	7.5	6.3	4.6
Tillamook	5.5	4.9	5.5	9.6	10.5	9.9	9.7	8.3	6.9	5.8	5.0
Umatilla	6.7	5.8	6.6	9.8	10.3	9.5	9.1	8.8	7.8	6.5	5.4
Union	5.9	5.5	8.1	11.6	10.3	10.0	9.4	8.4	7.3	6.3	5.9
Wallowa	6.5	6.1	7.6	12.0	12.9	12.2	11.5	11.1	10.0	7.9	6.7
Wasco	5.4	4.9	6.1	9.1	9.6	8.8	8.4	7.6	6.6	5.7	4.9
Washington	4.4	4.3	5.3	9.5	9.0	7.7	7.1	6.3	5.6	4.8	4.2
Wheeler	6.5	5.6	6.0	9.1	9.5	8.5	6.9	6.3	6.3	5.2	4.3
Yamhill	5.1	5.0	6.5	11.6	10.4	9.2	8.5	7.6	6.5	5.3	4.7

Appendix B: County Population by Age Group

Estimates of Population Age Groups (ages under 18 yrs., 18-64 yrs., and 65 yrs. and over) for Oregon and Its Counties, July 1, 2016

	Total Population	Ages 0-17 as % of Total		Ages 18-64 as % of Total		Ages 65 and over as % of Total	
		Ages 0-17 Population	%	Ages 18-64 Population	%	Ages 65 and over Population	%
Oregon	4,076,350	870,019	21.3%	2,521,212	61.8%	685,119	16.8%
Baker	16,510	3,177	19.2%	9,018	54.6%	4,315	26.1%
Benton	91,320	14,812	16.2%	61,995	67.9%	14,514	15.9%
Clackamas	404,980	88,628	21.9%	246,237	60.8%	70,115	17.3%
Clatsop	38,225	7,569	19.8%	22,747	59.5%	7,909	20.7%
Columbia	50,795	10,903	21.5%	30,937	60.9%	8,956	17.6%
Coos	63,190	11,855	18.8%	35,471	56.1%	15,864	25.1%
Crook	21,580	4,182	19.4%	11,851	54.9%	5,547	25.7%
Curry	22,600	3,207	14.2%	12,067	53.4%	7,326	32.4%
Deschutes	176,635	39,151	22.2%	106,020	60.0%	31,464	17.8%
Douglas	110,395	21,065	19.1%	61,445	55.7%	27,885	25.3%
Gilliam	1,980	349	17.6%	1,088	54.9%	543	27.4%
Grant	7,410	1,199	16.2%	3,909	52.8%	2,302	31.1%
Harney	7,320	1,509	20.6%	4,089	55.9%	1,722	23.5%
Hood River	24,735	5,964	24.1%	15,111	61.1%	3,660	14.8%
Jackson	213,765	44,084	20.6%	124,196	58.1%	45,485	21.3%
Jefferson	22,790	5,198	22.8%	13,384	58.7%	4,208	18.5%
Josephine	84,675	16,146	19.1%	46,458	54.9%	22,071	26.1%
Klamath	67,410	13,897	20.6%	39,363	58.4%	14,150	21.0%
Lake	8,015	1,361	17.0%	4,691	58.5%	1,963	24.5%
Lane	365,940	66,938	18.3%	230,582	63.0%	68,420	18.7%
Lincoln	47,735	7,866	16.5%	26,993	56.5%	12,876	27.0%
Linn	122,315	28,190	23.0%	72,052	58.9%	22,074	18.0%
Malheur	31,705	7,700	24.3%	18,494	58.3%	5,511	17.4%
Marion	333,950	85,007	25.5%	198,519	59.4%	50,425	15.1%
Morrow	11,745	3,035	25.8%	6,857	58.4%	1,853	15.8%
Multnomah	790,670	153,166	19.4%	539,138	68.2%	98,367	12.4%
Polk	79,730	19,037	23.9%	46,957	58.9%	13,736	17.2%
Sherman	1,795	341	19.0%	998	55.6%	456	25.4%
Tillamook	25,920	5,121	19.8%	14,452	55.8%	6,348	24.5%
Umatilla	79,880	20,581	25.8%	47,484	59.4%	11,815	14.8%
Union	26,745	6,055	22.6%	15,263	57.1%	5,427	20.3%
Wallowa	7,140	1,389	19.4%	3,699	51.8%	2,052	28.7%
Wasco	26,700	6,016	22.5%	15,157	56.8%	5,527	20.7%
Washington	583,595	140,312	24.0%	370,717	63.5%	72,567	12.4%
Wheeler	1,465	258	17.6%	734	50.1%	473	32.3%
Yamhill	104,990	24,753	23.6%	63,038	60.0%	17,199	16.4%

Source: Portland State University, Population Research Center

Appendix C: County Workforce by Age Group

Workers 55+ by County, Average 2Q2015 - 1Q2016

	All Ages (14-99)	55-64	65-99	Share 55+
Oregon	1,758,414	306,467	105,099	23%
Baker	4,989	1,013	346	27%
Benton	35,890	7,043	2,055	25%
Clackamas	155,736	27,025	9,471	23%
Clatsop	15,842	3,128	1,199	27%
Columbia	9,720	1,761	623	25%
Coos	21,055	4,556	1,585	29%
Crook	5,333	1,056	370	27%
Curry	5,893	1,235	486	29%
Deschutes	70,265	11,590	3,865	22%
Douglas	33,761	6,880	2,139	27%
Gilliam	739	178	58	32%
Grant	1,966	461	150	31%
Harney	2,131	475	149	29%
Hood River	12,082	2,131	838	25%
Jackson	81,398	15,038	5,465	25%
Jefferson	5,987	1,169	436	27%
Josephine	24,141	4,711	1,660	26%
Klamath	21,211	4,077	1,401	26%
Lake	2,101	492	188	32%
Lane	145,497	27,125	9,233	25%
Lincoln	16,279	3,550	1,477	31%
Linn	42,705	7,876	2,770	25%
Malheur	12,756	2,447	884	26%
Marion	144,620	26,284	9,331	25%
Morrow	5,003	959	386	27%
Multnomah	485,413	78,783	26,100	22%
Polk	18,879	3,371	1,263	25%
Sherman	638	129	45	27%
Tillamook	8,821	1,778	682	28%
Umatilla	29,120	5,141	2,019	25%
Union	9,506	1,822	637	26%
Wallowa	2,449	585	214	33%
Wasco	9,813	1,943	740	27%
Washington	283,297	44,609	14,504	21%
Wheeler	286	73	33	37%
Yamhill	33,092	5,973	2,297	25%

Source: U.S. Census Bureau, Local Employment Dynamics.

Appendix D: County Components of Per Capita Personal Income

Components of Per Capita Personal Income in Oregon Counties, 2015

	Per Capita Personal Income	Per Capita Net Earnings	Per Capita Personal Current Transfer Receipts	Per Capita Dividends, Interest, and Rent
Sherman	\$57,526	\$35,465	\$12,862	\$9,199
Washington	\$51,909	\$35,543	\$6,527	\$9,839
Clackamas	\$49,565	\$32,582	\$7,072	\$9,910
Multnomah	\$49,230	\$32,150	\$7,633	\$9,447
Hood River	\$45,856	\$27,352	\$7,451	\$11,052
Deschutes	\$44,435	\$25,189	\$9,337	\$9,908
Morrow	\$44,281	\$30,732	\$8,439	\$5,111
Oregon	\$43,783	\$26,467	\$8,861	\$8,455
Gilliam	\$43,694	\$24,119	\$10,807	\$8,768
Wallowa	\$41,949	\$19,579	\$11,993	\$10,377
Benton	\$41,676	\$25,179	\$6,275	\$10,222
Wasco	\$40,989	\$23,811	\$10,479	\$6,699
Jackson	\$40,698	\$21,158	\$10,643	\$8,897
Clatsop	\$40,278	\$21,953	\$10,461	\$7,864
Lane	\$39,871	\$22,177	\$9,679	\$8,015
Lincoln	\$38,968	\$19,112	\$11,333	\$8,523
Yamhill	\$38,920	\$23,134	\$8,755	\$7,031
Columbia	\$38,845	\$23,608	\$9,837	\$5,400
Curry	\$38,707	\$16,104	\$13,568	\$9,035
Grant	\$38,647	\$19,240	\$10,974	\$8,433
Coos	\$38,475	\$18,317	\$13,156	\$7,002
Tillamook	\$38,276	\$18,572	\$11,436	\$8,267
Harney	\$38,253	\$20,434	\$10,718	\$7,101
Linn	\$37,355	\$20,217	\$11,289	\$5,849
Marion	\$37,199	\$21,128	\$9,811	\$6,260
Lake	\$36,944	\$18,038	\$10,556	\$8,350
Polk	\$36,797	\$21,507	\$8,628	\$6,662
Umatilla	\$36,434	\$21,584	\$9,268	\$5,583
Wheeler	\$36,294	\$15,697	\$12,113	\$8,483
Union	\$36,268	\$19,047	\$10,643	\$6,578
Crook	\$36,153	\$17,325	\$11,718	\$7,110
Josephine	\$36,013	\$16,169	\$12,848	\$6,997
Douglas	\$35,977	\$16,839	\$12,284	\$6,854
Klamath	\$35,216	\$17,295	\$11,656	\$6,265
Baker	\$35,153	\$15,135	\$11,449	\$8,569
Jefferson	\$32,178	\$15,979	\$11,089	\$5,110
Malheur	\$30,255	\$14,511	\$10,423	\$5,321

Source: U.S. Bureau of Economic Analysis

