

'Tis the Season for Light Truck and Delivery Service Drivers

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The holiday season is here and so is the increasing demand for companies like Fed Ex and UPS. These kinds of companies employ 20 percent of the light truck and delivery service positions in the United States. Drivers in this occupation work in vans or light trucks with a weight less than 26,000 pounds Gross Vehicle Weight, and primarily pick up or drop off merchandise or packages.

From the distribution of warehouse goods to the delivery of packages to households, nearly all goods are brought to their final destination by delivery drivers. Even Santa couldn't do that without a few extra elves during the busy holiday season.

The Future of Light Truck and Delivery Drivers is Bright in Oregon

While only projected to grow at 4 percent in the U.S., light truck or delivery drivers jobs are predicted to grow steadily in Oregon at 11 percent from 2012 to 2022. Statewide growth in this occupation is expected to be above average, with the most growth expected in Clackamas, Deschutes, Crook, and Jefferson counties at 15 percent by 2022. In Deschutes County, growth in the beverage market and the transportation industry has contributed to the increased demand for delivery drivers.

Employment opportunities for light truck and delivery service drivers are diverse, as positions can be found in every industry. Currently, on Qualityinfo.org, there are more than 100 light truck or delivery driver job postings. Positions are commonly posted as delivery driver, home grocery delivery driver, package and pizza delivery driver, along with route driver, to name a few.

Light Truck and Delivery Jobs Offer Immediate Employment After High School

A high school diploma is the only education required for entry into this profes-

sion. Once employed, some short term training may be required for skill competency.

Occupations with the highest skill overlap include sales drivers, taxi or chauffeurs, heavy and tractor-trailer truck, and bus drivers. Skills deemed necessary for this occupation include: reading maps, following geographic directions, loading and unloading trucks, maintaining records and billing statements, and obeying traffic laws.

Average Wages in Some Oregon Counties Exceed the Statewide Average

The 2014 statewide average wage for all jobs in Oregon is \$17.60 per hour. For light truck and delivery drivers the average wage is comparable. However, in some Oregon counties, the wages are slightly higher than average. According to employer surveys, average wages paid to light truck and delivery drivers in Crook, Jefferson, and Deschutes are \$19.56 an hour. In the Morrow/Umatilla region, average wages are \$18.96 with the highest paid light truck and delivery drivers earning more than \$30.00 an hour and the lowest paid just under \$10.00 an hour.

Light Truck and Delivery Drivers Often Have Variety in Their Jobs

Light truck and delivery drivers do enjoy some perks. Unlike long haul truck drivers, delivery drivers tend to work close to home and rarely overnight. For those drivers who work well under

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pressure, enjoy high people contact, and like to use maps or GPS, this is the perfect job. This growing and

diverse occupation allows for independence, exposure to the outdoors, and a chance to see something new every

day, especially during the holiday season. Ho ho ho! ■

United States Postal Service

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The United States Postal Service handles and processes more than 500 million pieces of mail each day. That's almost two pieces of mail for every person in the United States. Delivery is remarkably efficient, reaching areas both urban and rural, providing customers with valuable access to an essential network centuries in the making. Everyone in the United States and its territories has access to postal products and services, and all pay the same postage regardless of location.

This system began more than 200 years ago. Delivery has necessarily transitioned over the years from horse and steamboat to rail, plane, and truck. Once again, the Postal Service is being pressured by market forces to make adjustments to its process. The way people get their mail is transforming, but this time in a way that partially cuts the Postal Service out of the picture. Electronic alternatives continue to increase in popularity, driving down first class mail revenues. As trends in mail delivery shift, the United States Postal Service faces declines in demand for mail services and a decrease in employment.

The State of the Postal Service

Changes in information distribution have affected total mail volume negatively since 2000. While there was a period of growth from 2004 to 2007, the Great Recession accelerated the decline in mail volume, employment, and revenue, among other things. In fact, the largest ever yearly decline in total mail volume (in level terms) came between 2008 and 2009 when it declined by 26 billion pieces (12.8 %). It would be the greatest decline

percentage-wise too, except for a one-year period during the Great Depression when mail dropped by 4.4 billion, a decrease of 18.3 percent. Over the past 10 years, total mail volume fell from 206 billion to 158 billion pieces per year.

The most detrimental issue for the Postal Service is the dwindling first-class mail volume. With increases in email, online processing, and other electronic developments, this decline is expected to continue. Over the past 10 years, first class mail volume declined from 98 billion to 66 billion pieces per year. This puts the USPS in a dire position, since first class mail is the backbone of the Postal Service. It has a high profit margin relative to package delivery. This means if revenues decline for first class mail and increase for package delivery by the same amount, the Postal Service is still losing because the costs of package delivery are much higher than for first class mail.

Did You Know?

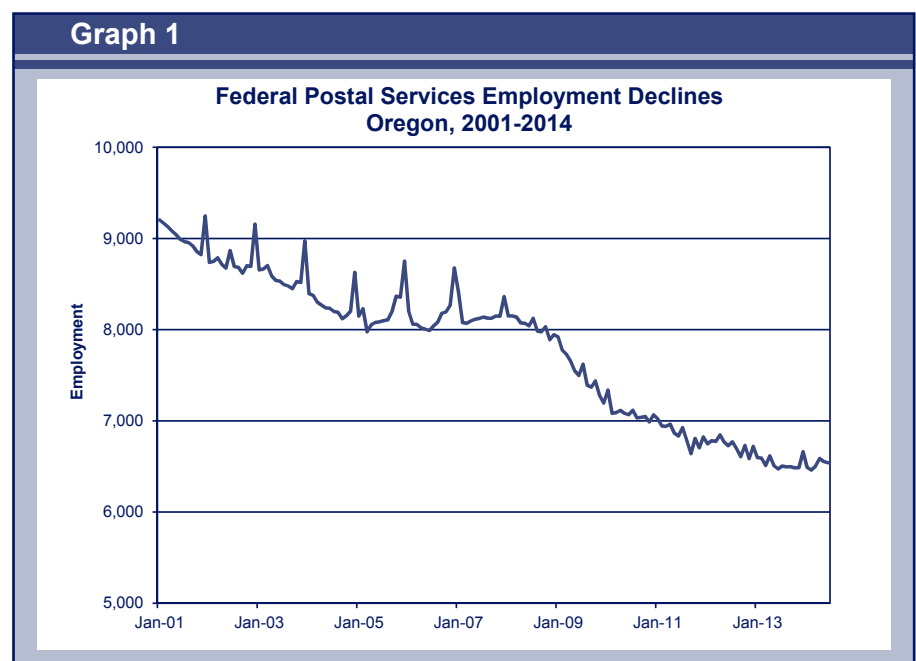
The Postal Service receives no tax dollars for operating expenses and relies on the sale of postage, products, and services to fund its operations.

Ultimately, the Postal Service faces increased debt in the coming years as their most profitable service shrinks.

Employment has Necessarily Declined in the Postal Service

Pressure from declines in mail volume, along with increased automation in the industry, has translated to declines in employment. According to the Bureau of Labor Statistics (BLS), federal Postal Service employment has been on the decline since 2004. Since then, nationwide employment for postal workers declined from about 785,000 to 595,000 in 2013.

Graph 1



Employment in the federal Postal Service is expected to continue its decline by almost 170,000 (28.0%) between 2012 and 2022. Postal Service employment was at 611,000 in 2012.

The USPS also tracks employment of “career employees” – those who have permanent work appointments, including positions like clerks, postmasters, mail handlers, and carriers. The last time the Postal Service saw a yearly increase in career employees was in 1999. Since then, employment for career employees declined from 798,000 in 1999 to 491,000 in 2013.

Postal Service Declines in Oregon

Following the trend across the United States, employment for the Postal Service is declining in Oregon. Since January 2001, federal Postal Service employment has declined from 9,200 to 6,500 (Graph 1).

The Oregon Employment Department does not have a 2012-2022 Postal Service industry projection for Oregon, but does have occupational projections for jobs located almost entirely in the Postal Service industry. To make this distinction clear, the Postal Service industry includes everyone who works for the post offices – i.e., mail carries and sorters, but also janitors, engineers, and information technology workers. We are focusing on mail-specific jobs, however.

Our occupational projections suggest mail carriers, sorters, clerks, and postmasters will all see declines somewhere in the 19 to 20 percent range between 2012 and 2022, which is about 10 percent higher than the expected nationwide decline for postal workers (-28.0%). According to the BLS, in addition to the decline in mail volume, reasons for decreased employment include increased reliance on automated delivery and sorting systems, greater use of cluster mailboxes

Table 1

Most Common Postal Service Jobs, 2012-2022			
Job	2012 Employment	2022 Employment	Percent Decline
Postal Service Mail Carriers	3,263	2,627	19.5%
Postal Service Mail Sorters, Processors, and Processing Machine Operators	1,466	1,180	19.5%
Postal Service Clerks	780	628	19.5%
Postmasters and Mail Superintendents	300	242	19.3%

(which help shorten mail routes), and tighter budgets.

Despite the dramatic decrease in postal jobs, workers will still be needed to replace jobs that open up from retirement and exits. Between 2012 and 2022, there will be about 1,400 job openings for the positions listed in Table 1.

Offices Will Consolidate Across the Country and in Oregon

One of the measures the Postal Service is taking is consolidation of mail processing centers around the country. Throughout 2015, the Postal Service plans to consolidate 82 processing centers across the country, which will save \$3.5 billion in the next five years. This consolidation is expected to increase average first class delivery time from 2.14 to 2.25 days.

Three of these consolidations – Bend, Eugene, and Pendleton – will take place in Oregon. Mail processing will move from these locations to Portland.

Postal Service in the Future

The Postal Service of the future will be shaped in two ways. First, innovations in products and services are essential in ensuring the Postal Service can serve customers in the future. Second, while the USPS can innovate and experiment in some areas, other changes require Congressional action to implement. This section highlights a few of the ways the USPS

is responding with innovations in products and services.

Automated systems contributed to declining employment in the industry, but these systems provide cost savings and improved efficiency. Nationally, the post office uses more than 85,000 pieces of automated equipment, including tray-sorting machines that sort more than 18 million trays per day. These mail trays can be moved by a system of 174 robotic systems with the capability of moving 314,000 trays each day.

Online services are now heavily promoted through the USPS, removing some of the burden from in-person customer service. In 2013, an average of 3.6 million visitors per day accessed usps.com, along with 100,000 each day for the mobile site. USPS’ online presence offers a number of time-saving features. Some of the more advanced features include Click-N-Ship, which allows customers to print shipping labels with postage for various forms of delivery, and internet change-of-address. In 2013, customers printed

Table 2

Sources for Further Exploration
United States Postal Service: 2013 Annual Report to Congress USPS.com, Newsroom
Congress - example of: Legislation Introduced in Senate Postal Reform Act of 2014
Legislation Introduced in House Postal Service Protection Act of 2013

47.6 million labels online, while 14.6 million completed their change-of-address online. In addition to these services, many customers frequent the USPS website for 'track and confirm,' ZIP lookup, rate calculators, and post office locators.

The USPS is also adjusting Sunday package delivery. In a partnership with online retailer Amazon, the USPS delivers Sunday packages for the company. This service, which began in a few major markets with high volume mail, has expanded elsewhere. Portland and Seattle are part of this Sunday delivery for Amazon packages, and the delivery area for this service is expanding. This partnership will allow customers to ship on Sunday at regular rates.

On top of the Sunday Amazon delivery, to accommodate an expected 12 percent growth in package volume for the 2014 season, the USPS will start delivering all packages on Sundays

throughout the holidays in major cities and high volume areas. Seven-day package delivery will begin on November 17 and continue through December 25.

In a more experimental partnership with the USPS and Amazon, the USPS has been part of a grocery delivery trial in the San Francisco area. Since, it has been offered in cities like San Diego, Seattle, and New York. This is an evolving program.

More on the Postal Situation

Many changes to the Postal Service require Congressional action. The situation facing the post office has been highly publicized, and a number of ideas have been floated around on how to deal with the situation.

In the Postal Service's 2013 Annual Report to Congress, a number of requests were made, including a move from six-day mail to five-day mail, a

restructuring of health benefits, and the refunding of overpayments for the Federal Employees Retirement System.

While this article focuses mainly on employment in the Postal Service and its innovations in products and services, more details about the Postal Service and Congressional action can be found in the online version of this article at QualityInfo.org.

Conclusion

The way people are getting their information is changing. Volume for traditional mail services is declining and will continue to decline as electronic alternatives become more popular. As volume decreases, employment in the Postal Service will continue on its downward trend. Continuing to serve customers will require innovation in products and services. ■

Oregon Service-Providing Earnings Ramp Up

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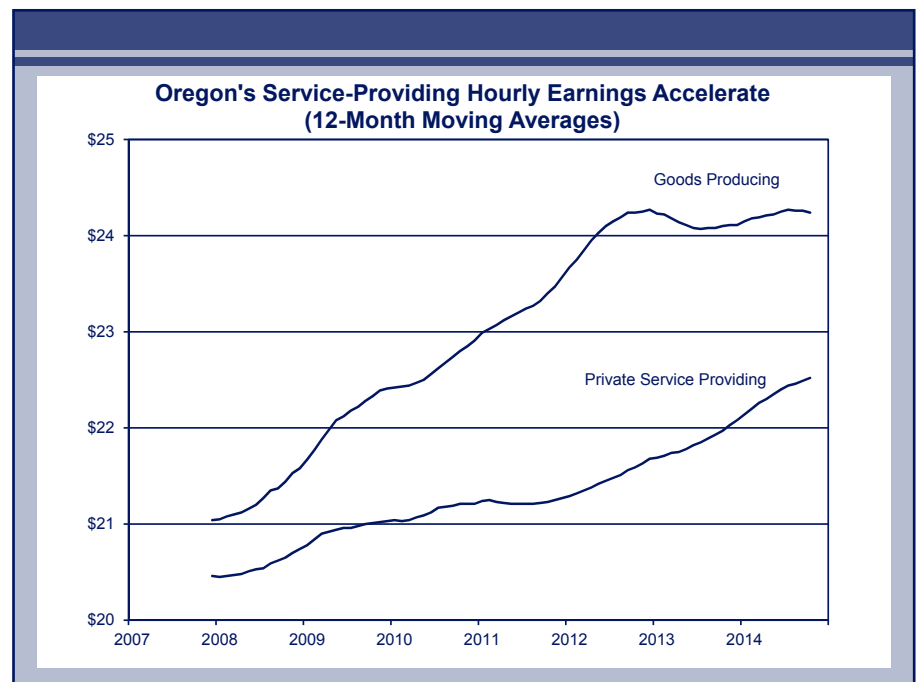
Over the last couple of years, wages accelerated in Oregon's private service-providing industries. The 12-month average through October 2014 was \$22.52 per hour, which was above the comparable figure for October 2013 of \$21.97. This was a gain of 2.5 percent, indicating slightly faster growth than overall inflation.

Meanwhile, wage growth in the goods producing sector appears to be muted. The latest 12-month figure was \$24.24 per hour, which was up only 0.6 percent in a year's time. This slow wage growth was seen in both of goods producing's primary components – manufacturing and construction.

Much of the slow growth in goods-producing wages could be the result of a pause following more rapid gains in

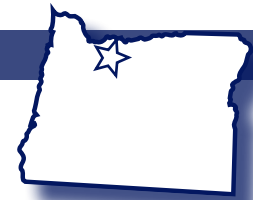
the prior few years. Also, keep in mind that this data is based on a survey and

is thus subject to errors such as sampling error and non-respondent bias. ■



LOCAL HIGHLIGHTS:

Individual Income Tax Returns and County-to-County Migration: Hood River County



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Migration data are based on year-to-year address changes reported on individual income tax returns filed with the IRS. They present migration patterns for inflows – the number of new residents and where they migrated from,

and outflows – the number of residents leaving and where they went.

From 2010 to 2011 the outflow of residents from Hood River County exceeded the inflow of new residents according to IRS migration data. Out of 8,473 Hood River County tax filers in 2010, 93 percent or 7,878 also reported Hood River County as their

residence in 2011. Exemptions for non-migrants averaged 2.4 while the outflow group averaged 1.8 exemptions. In-migrants also averaged 1.8 exemptions but with fewer returns, resulting in a net loss of 55 filers and 134 exemptions from 2010 to 2011.

The adjusted gross income (AGI) of in-migrants averaged \$46,441,

**Individual Income Tax Returns: County-to-County Migration
Inflow & Outflow for Selected Income Items, Calendar Years 2010-2011**

	Number of Returns	Number of Exemptions	Adjusted Gross Income	Average AGI	Average Number of Exemptions
Outflow					
Hood River County Non-Migrants	7,878	18,781	\$405,675,000	\$51,495	2.4
Multnomah County	107	173	\$2,814,000	\$26,299	1.6
Wasco County	86	170	\$2,863,000	\$33,291	2.0
Klickitat County	46	85	\$3,520,000	\$76,522	1.8
Washington County	25	38	\$689,000	\$27,560	1.5
Clark County	24	44	\$1,582,000	\$65,917	1.8
Clackamas County	21	35	\$570,000	\$27,143	1.7
King County	17	24	\$645,000	\$37,941	1.4
Skamania County	16	31	\$523,000	\$32,688	1.9
Deschutes County	12	24	\$672,000	\$56,000	2.0
Marion County	10	17	\$328,000	\$32,800	1.7
Other Flows - Same State	57	105	\$1,827,000	\$32,053	1.8
Other Flows - Diff State	174	338	\$5,991,000	\$34,431	1.9
All Outflow	595	1,084	\$22,024,000	\$37,015	1.8
Inflow					
Hood River County Non-Migrants	7,878	18,781	\$405,675,000	\$51,495	2.4
Multnomah County	65	99	\$3,013,000	\$46,354	1.5
Wasco County	49	82	\$2,026,000	\$41,347	1.7
Klickitat County	49	92	\$2,323,000	\$47,408	1.9
Washington County	22	34	\$928,000	\$42,182	1.5
Clark County	15	26	\$732,000	\$48,800	1.7
Clackamas County	21	34	\$766,000	\$36,476	1.6
King County	14	25	\$1,665,000	\$118,929	1.8
Skamania County	10	15	\$267,000	\$26,700	1.5
Deschutes County	10	14	\$464,000	\$46,400	1.4
Other Flows - Same State	57	109	\$2,680,000	\$47,018	1.9
Other Flows - Diff State	228	420	\$10,214,000	\$44,798	1.8
All Inflow	540	950	\$25,078,000	\$46,441	1.8

exceeding that of out-migrants by \$9,426 or more than 25 percent. Inflow brought \$25.1 million into Hood River County from 2010 to 2011, while out-migrants packed their bags and left with \$22 million.

Across all destinations reporting inflow and outflow, the largest income gap belonged with King County, WA. In-migrant tax filers from King County reported AGI averaging \$118,929, compared with \$37,941 for filers moving to King County. Exemptions averaged 1.8 for the King County-to-Hood River in-migrants, compared with 1.4 for the out-migrant group.

Klickitat County, WA attracted high-income Hood River County migrants, with 46 filers taking a short trip across the Columbia while taking with them

AGI averaging \$76,522. In-migrant tax filers arriving from Klickitat County numbered 49 with AGI averaging \$47,408, leaving a gap of 61 percent. In gross terms, \$3.5 million AGI moved to Klickitat County and \$2.3 million came back across the Columbia River.

Clark County, WA attracted 24 filers from Hood River County along with \$1.6 million in AGI or an average \$65,917. In-migrants arriving from Clark County from 2010 to 2011 numbered 15 with \$0.7 million AGI or an average of \$48,800. Deschutes County also drew from Hood River County, taking in 12 filers and \$0.7 million AGI at an average of \$56,000. Ten in-migrant filers from Deschutes County brought with them \$0.5 million AGI or an average \$46,600. The group leaving Hood River averaged two

exemptions while the in-migrants averaged just 1.4.

Multnomah, Wasco, and Washington counties were likely destinations for Hood River County out-migrants with below-average AGI. Multnomah County welcomed 107 Hood River County filers with AGIs averaging \$26,299, while receiving 65 out-migrant filers at \$42,182. Out-flow to Wasco County attracted 86 filers and AGIs averaging \$33,291, while inflow brought in 49 filers at \$41,347. Washington County received 25 filers with AGI averaging \$27,560 while losing 22 filers at \$42,182.

IRS migration data for other counties in Oregon or another state can be found at www.irs.gov/uac/SOI-Tax-Stats-Migration-Data. ■

Oregon Added 9,900 Jobs in October

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Payroll employment shot up by 9,900 in October. Most major industries added jobs on a seasonally adjusted basis, with three showing solid strength: professional and business services (+2,700 jobs); manufacturing (+2,200); and health care and social assistance (+2,000). The gain of 9,900 was the largest monthly increase in nearly 20 years. The last time Oregon's economy added at least this many jobs was in August 1995 when 10,400 were added.

Payroll employment rose by 800 in September. This was a revision from the originally reported decline of 300 jobs.

Professional and business services accelerated its hiring trend in recent months. Its 2,700-job gain in October was the largest of the major industries. Over the past 12 months it added 12,600 jobs, which is more than one-quarter of all of Oregon's over-the-year payroll employment gains.

The companies in this broad industry include services firms such as legal,

engineering, computer systems design, corporate offices, employment services, business support, and building services.

Two industries within professional and business services grew at especially fast rates over the past year. Employment services, which includes employee leasing and temporary help supply, added 3,700 jobs, or 9.9 percent. Services to buildings and dwellings added 1,300 jobs, or 6.4 percent.

Manufacturing also performed better than expected in October. Normally, manufacturing would shed 3,600 jobs at this time of year as food manufacturing firms scale back their workforce following the heavy summer harvest season. But in October, manufacturing only shed 1,400 jobs. This translated into a seasonally adjusted gain of 2,200.

Over the longer term, a few manufacturing industries have grown at a faster rate than the overall economy. In the past 12 months, transportation equipment manufacturing added 700 jobs, or 6.5 percent, while wood product manufacturing also added 700 jobs, or 3.3 percent.

Health care and social assistance added 2,000 jobs on a seasonally adjusted basis. Its social assistance component has been growing the fastest over the course of the year, adding 1,800 jobs, or 5.3 percent, since October 2013.

Oregon's unemployment rate was unchanged at 7.0 percent in October. Despite October's strong job growth, the unemployment rate didn't fall because more and more Oregonians are entering the labor force and looking for work. The September unemployment rate was also 7.0 percent, revised from the originally reported 7.1 percent. Oregon's unemployment rate has remained in a tight range between 6.8 percent and 7.1 percent since December 2013.

Another sign of an improving labor market is declining long-term unemployment. The number of Oregonians unemployed for more than 27 weeks declined steadily over the past four years. In October, approximately 33,000 Oregonians were unemployed for 27 weeks or more. This is down from more than 100,000 during much of 2010. ■

Oregon Job Vacancies Reach New High

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Oregon businesses reported 49,600 vacancies this summer. That's 6,700 more vacancies than last summer and the most found by any Oregon Job Vacancy Survey, which began in the spring of 2008.

There were three unemployed Oregonians for each vacancy during the summer. That's the same unemployed-to-vacancy ratio as in the spring, but below Oregon's 4-to-1 ratio in the summer of 2013. Nationwide, there were two unemployed persons per vacancy this summer.

Three large industries in Oregon reported more than 5,000 vacancies apiece: health care and social assistance (10,800); management, administration, and waste services (10,400); and leisure and hospitality (5,400). Together these three industries accounted for more than half (54%) of all vacancies reported this summer. Management, administrative, and waste services includes temporary help services, janitorial services, call centers, and other related firms.

Although just a few large industries accounted for so many vacancies, employers were looking to fill openings across a wide range of occupations this summer. The broad occupational groups with the largest number of vacancies were food preparation, office and administrative support, health care, and construction. Compared with last year, the number of vacancies have increased the most for health care (+8,400) and construction-related (+3,900) occupations.

The number of vacancies for jobs requiring postsecondary education – such as a certification or associate's degree – increased substantially (+3,900) compared with last summer. Occupations with the most vacancies in this category included auto mechanics, medical assistants, nursing assistants, registered nurses, and truck drivers.

Average wages increased along with educational requirements. Vacancies that required some training beyond high school had an average wage almost \$5 per hour above those that needed a high school diploma. The average wage paid for vacancies with bachelor or advanced degree requirements was \$16 per hour above those with postsecondary training. Overall, the average wage offered for vacancies this summer, \$15.81, was comparable to the \$15.44 average reported last summer.

Employers reported a slightly more difficult time filling job vacancies this summer. Since the spring of 2013, difficult-to-fill vacancies have made up roughly half of the total. In the summer of 2014, that share was 58 percent. Across Oregon, difficult-to-fill job vacancies were slightly more likely to be full-time (82%), and slightly less likely to be permanent positions (82%), compared with vacancies where businesses did not report difficulty (70% and 94%, respec-

Table 1

Snapshot of Oregon Job Vacancies

	Summer 2014
Vacancies	49,580
Average Hourly Wage	\$15.81
Full-time Positions	76%
Permanent Positions	87%
Requiring Education Beyond	31%
Requiring Previous Experience	75%
Difficult to Fill	58%

Table 2

Occupation Groups with the Most Vacancies in Summer 2014

	Summer 2013	Summer 2014
Food Preparation and Serving	4,774	5,236
Office and Administrative Support	6,375	5,004
Health Care Practitioners and Technical	2,456	4,728
Construction and Extraction	1,883	3,865
Health Care Support	1,719	3,689
Production	2,103	3,362
Sales and Related	2,106	3,264

Table 3

Job Vacancies by Educational Requirement

	Summer 2013	Summer 2014
All Education Levels	42,883	49,580
No Requirement	10,014	9,785
High School Diploma	19,117	21,863
Postsecondary Training	6,004	9,929
Bachelor +	7,663	7,626

tively). Average hourly wages looked similar for both difficult-to-fill (\$15.77) and not-difficult-to-fill (\$15.85) vacancies in the summer.

Central and Eastern Oregon each reported that three out of four job vacancies were difficult to fill. The most-frequently cited reasons for difficulty filling positions in these areas included a lack of applicants or a lack of qualified candidates. Additional contributing factors may have in-

cluded the relatively low share of full-time vacancies in Central Oregon, and smaller share of permanent positions in Eastern Oregon.

For more information about Oregon's job vacancies, visit the Publications page at QualityInfo.org (<https://www.qualityinfo.org/pubs>). ■

Table 4

Oregon Job Vacancies by Geography

	Vacancies	Difficult to Fill
Oregon Statewide	49,580	58%
Portland Tri-County	27,025	55%
Northwest Oregon/Willamette Valley	12,212	59%
Southwest Oregon	4,708	58%
Central Oregon	3,488	74%
Eastern Oregon	1,345	74%

Multi-region or unknown area excluded.

News from Oregon's Wage Records: 1st Quarter 2014

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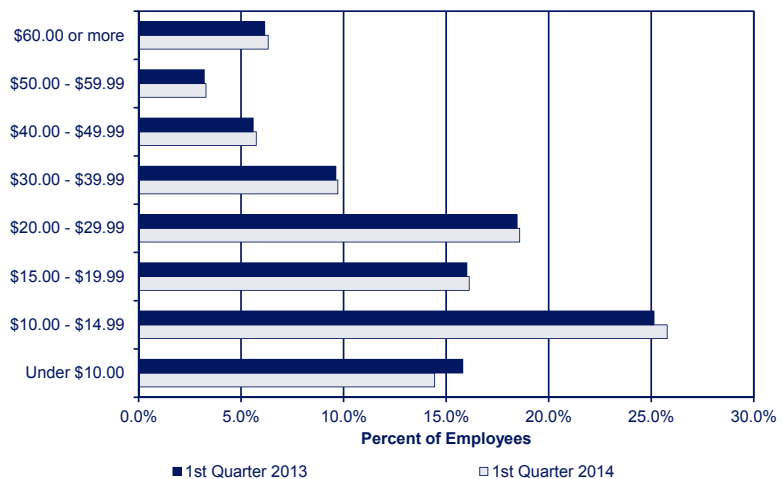
Broad industry data from Oregon's unemployment insurance records, showed 1,815,162 jobs provided in the first quarter of 2014, a gain of 60,849 (3.5%) from the first quarter of 2013. The three industries that grew the most were: professional and business services (+12,087); retail trade (+11,179); and construction (+9,488). The only loss for a major industry was in information, which had 236 fewer jobs.

The overall median wage in the first quarter of 2014 was \$17.74, up 21 cents over the year. All of Oregon's major industries showed a rise in their hourly wage. These respective gains were less than 50 cents except for information (+70 cents) and natural resources and mining (+50 cents). The three industries with the highest percentage of hourly wage growth were information (up 4 percent); while natural resources and mining tied with leisure and hospitality at a 3 percent gain.

Oregon's minimum wage rose to \$9.10 in January 2014 and fewer employees earned less than \$10.00

Graph 1

Fewer Employees Earning Less Than \$10.00 an Hour



Source: Unemployment Insurance Wage Records

an hour, compared with the year before. There was an increase in the share of employees earning \$10.00 to \$14.99 an hour, the wage range where one-quarter of all jobs fall. The median hourly wage increased 21 cents over the year to \$17.74.

The percent of workers who held two or more jobs during the quarter

was the same as last year. Among employees covered by unemployment insurance, 91 percent held just one job during the quarter, while 8 percent held two jobs, and 1 percent held three or more jobs. The jobs may have been held simultaneously, or the worker could have switched jobs during the quarter. ■

Oregon Ranks 6th in the Nation in Share of Self-Employed

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Self-employed workers who run unincorporated businesses are a larger slice of Oregon's labor force than they are for most states and the nation as a whole. There were 163,000 self-employed Oregon workers in 2013. They accounted for 9.3 percent of workers in Oregon, compared with the national self-employed rate of 6.5 percent. That places Oregon among the "most self-employed" states, ranking 6th in the nation in 2013.

Oregon has had a greater share of its working population self-employed since these statistics have been tracked. It could be our frontier-loving nature – there is, after all, a self-selection process that has made many independent minded and entrepreneurial types choose Oregon to call home. It started with the Oregon Trail, but it didn't end there. Oregon continues to draw residents from far outside its borders. Job growth has struggled to keep up with the talent streaming across our borders, and in some cases, these new residents choose to start businesses, joining yet another frontier landscape; that of the self-employed.

Most self-employed workers in Oregon, and nationwide, are engaged in nonagricultural activities. A smaller number of self-employed individuals are self-employed in agricultural work. In Oregon, nine out of ten self-employed workers are in non-agricultural industries, and nationwide self-employment is even more heavily skewed toward non-agricultural industries, with just 8 percent of the self-employed nationally in agricultural industries.

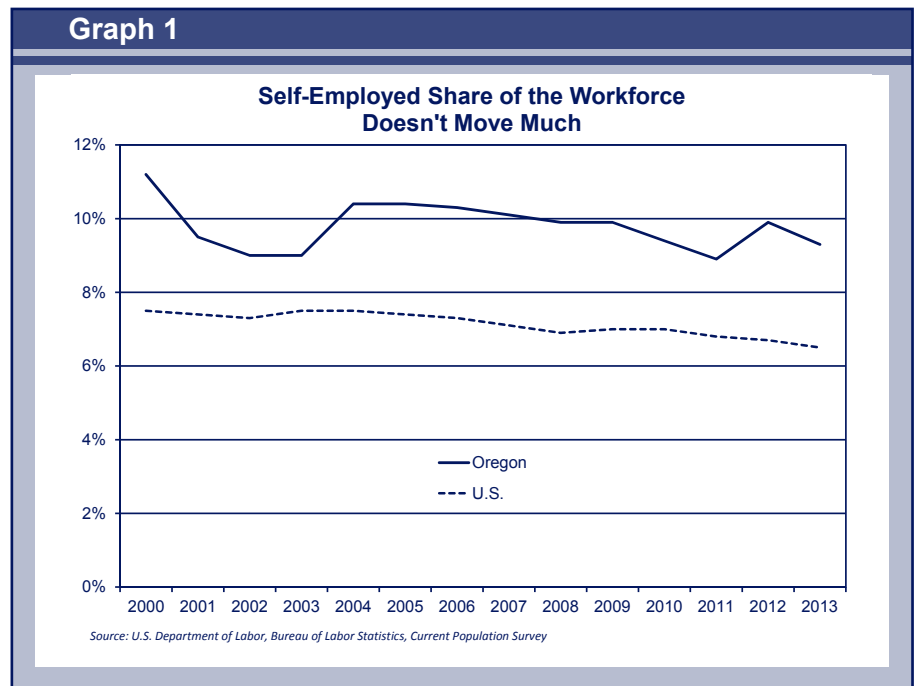
There are also some individuals with incorporated self-employed businesses that are not counted here. Data is available for this group nationally, and shows an additional 5.3 million workers who are self-employed in incorporated businesses, which by definition result in these workers being counted as "wage and salary workers" right

Table 1

Non-Ag Activities Make Up Most of Self-Employment, 2013

	Oregon		U.S.	
Total Self-Employment	163,000		9,408,000	
Non-Agricultural Self-Employment	147,000	90%	8,619,000	92%
Agricultural Self-Employment	16,000	10%	789,000	8%

Source: U.S. Department of Labor, Bureau of Labor Statistics, Current Population Survey



alongside those working for wages and salaries that come from somebody else.

Self-Employment Also Suffers in Recessions

While the share of the workforce that is self-employed doesn't swing around wildly, instead staying within a couple of percentage points since the turn of the century, the rate of self-employment in Oregon is affected by recessions. In the last two recessions, the share of employment that is self-employed has dipped. It has yet to show a consistent trend after the Great Recession that ended in 2009. Nationally, the self-employment rate

is much more stable, although it has declined slightly during the past two decades.

From the limited data available, it is apparent that self-employment goes down during recessions, and that recovery in self-employment lags slightly behind the broader economic recovery.

In the first recession during this period in Oregon, both total employment and self-employment peaked in 2000, with total employment topping 1.7 million for the first time, and self-employment reaching 192,000. The share of self-employed was also at a peak at that point, at 11.2 percent. Total employ-

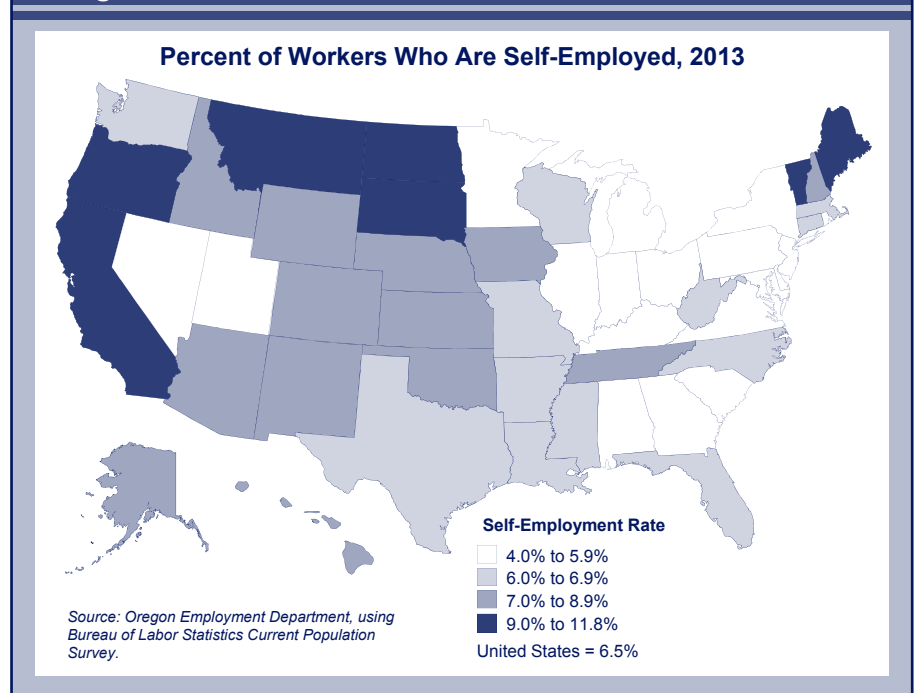
ment bottomed out the next year on an annual basis, sinking 2 percent in that short-lived recession. Self-employment took two years to reach bottom, settling at 153,000 in 2002, a decline of 20 percent over two years! The number of self-employed Oregon workers has not yet returned to the peak seen in 2000, though total employment had completely recovered, and then some, by 2005.

The Great Recession caused another dip in self-employment, but not to the degree seen in the earlier recession. From a new peak of 186,000 in 2007, self-employment took years to decline to a low of 161,000 in 2011. Over the next two years, it bounced around to reach a similar 163,000 in 2013.

Self-Employment Shares State by State

Around the nation, self-employment tends to be higher in the west. Only five states east of Texas have self-employment rates greater than 7 percent: Vermont and Maine are in the top group with Oregon, with rates higher than 9 percent, and the others are New Hampshire, Iowa, and Tennessee. Large East Coast states tend

Figure 1



to fall among the group with the lowest self-employment share.

On the west coast, Oregon is in mixed company. California also has among the highest shares of self-employment in the country, at 9 percent, which ranks

just after Oregon at 7th. In Idaho, the self-employed make up 8 percent of workers. Washington State matches the national rate of 6.5 percent self-employment. Nevada is the outlier among Oregon neighbors, with a very low rate of self-employment at 4.8 percent. ■

Wage Inequality in Oregon: The Widening Gap

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Over the past two decades, the distribution of wage income in Oregon has continued to become more unequal. In 2013, four-quarter employees earned a total of more than \$65.6 billion in covered wages, an increase of nearly \$25 billion over 1990. The gains in wage income, however, have not been evenly shared by all workers. High-wage workers' slice of the wage pie has increased in size, while that of low- and middle-wage workers has shrunk.

Top Earners Cut Away From the Pack

One way to track the degree of wage inequality is to compare wages by

earnings percentile. To derive the value of a given earnings percentile, the wages of each worker are computed and then all workers' wages are sorted from lowest to highest. The wage associated with a given percentile is the highest wage earned by that percentage of the workforce.

In 2013, the bottom 20 percent of year-round Oregon wage earners made \$17,873 or less and the bottom half of wage earners made \$35,159 or less (Table 1). The top 10 percent of year-round workers in the state made more than \$90,192 and the highest earning 1 percent of workers made more than \$236,415. Between 1990 and 2013, the real (inflation-adjusted) wages of the lowest-paid of the top 10 percent rose 19.9 percent, while the maximum wage of the lowest 20 percent increased by only 5.4 percent.

The gap between the 50th percentile wage value and higher percentile wage values has widened over time. The ratio of the 99th percentile to the 50th percentile wage was 5-to-1 in 1990, but has since steadily widened to nearly 7-to-1 in 2013. Over the same period, the gap between the wage of the bottom 20th percentile and the 50th percentile changed little, remaining at 2-to-1.

Middle-Wage Workers Get Left Behind

Between 1990 and 2013, the median inflation-adjusted wage of all four-quarter Oregon workers was essentially stagnant, rising by only 0.9 percent (Graph 1). During that period of time, the lowest median (\$34,069) occurred in 1994 and the highest (\$36,433) in 2004, just prior to the recent economic downturn. The

median has not recovered since the recession. In fact, the median wage of four-quarter workers in 2013 was \$271 less than it was in 2000 and 3.5 percent less than it was in 2004.

The median wage of the top 1 percent of all four-quarter workers rose 29.9 percent over the past two decades, from \$243,997 to \$316,906, after adjusting for inflation. The upward trend was disrupted during the recessions in 2001 and 2008, when the wages of the top earners dropped for two straight years. It is likely that annual bonuses for this group of workers were considerably lower during these periods of slowdown. Their median wages successfully rebounded afterwards, however, to a high of \$337,103 in 2011. Since then, their median wages have dropped slightly, about \$20,000, or 6.4 percent.

The median wages of the top 0.1 percent of Oregon's year-round wage earners experienced a growth rate (61.3%) that was more than double that of the rest of the top 1 percent during the past two decades (Graph 2). Members of this group earned at least \$596,866 in covered wages in 2013; their median wage that year was \$804,867, about 22.5 percent lower than the highest median wage (\$1,038,073) that was reached in 2000. After reaching its peak, the median wage for this group declined abruptly to a recessionary low in 2002, rose again to a lower peak in 2007, and dropped again during the most recent downturn.

What a Difference a Decade Can Make

Between 1990 and 2000, all percentile wage values increased by more than the rate of inflation, meaning that nearly all groups saw real growth in wages (Graph 3). The percentage increases were greatest at the high and low ends of the earnings spectrum over that time period. For most of the percentiles below the 26th and all of those above the 82nd, real wage values grew by at least 5 percent. For the 92nd percentile and above, they grew by at least 10 percent, with more than 15 percent growth for the 96th and 98th percentiles. Workers in the 2nd (the lowest) and middle wage percentiles (34th to 72nd) experienced the

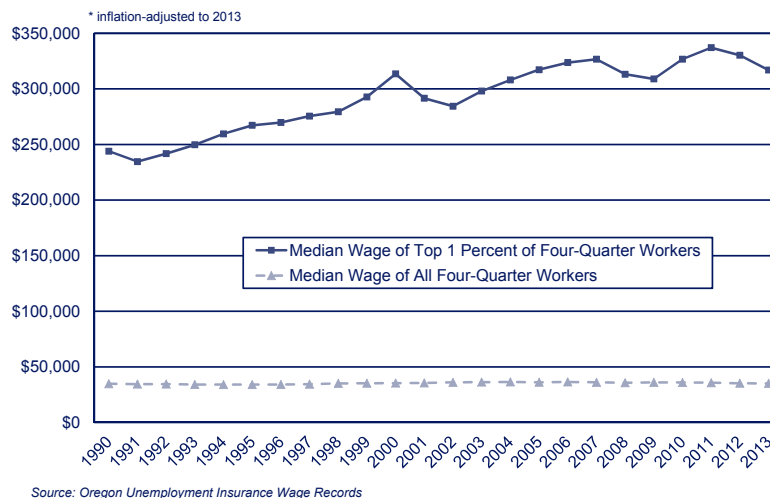
Table 1

**Oregon: Wage Level by Earnings Percentile, 1990-2013
Four-Quarter Employees (2013 Dollars)**

Year	Worker Earnings Percentile			
	20 th	50 th	90 th	99 th
1990	\$16,962	\$34,846	\$75,220	\$175,980
1995	\$16,717	\$34,100	\$76,947	\$192,555
2000	\$18,066	\$35,430	\$81,873	\$220,372
2005	\$18,413	\$36,188	\$86,474	\$229,008
2010	\$18,072	\$35,970	\$90,018	\$238,078
2013	\$17,873	\$35,159	\$90,192	\$236,415

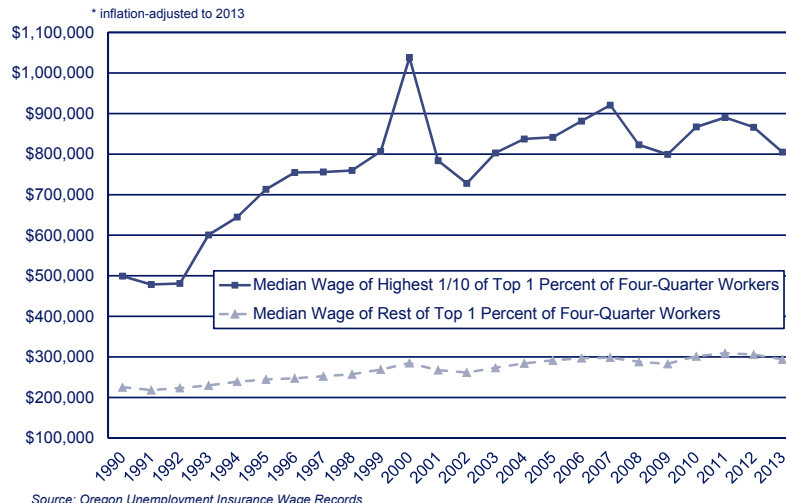
Graph 1

**Wages of Top 1 Percent Make Significant Gains;
Wages of Workers in the Middle Remain Stagnant**

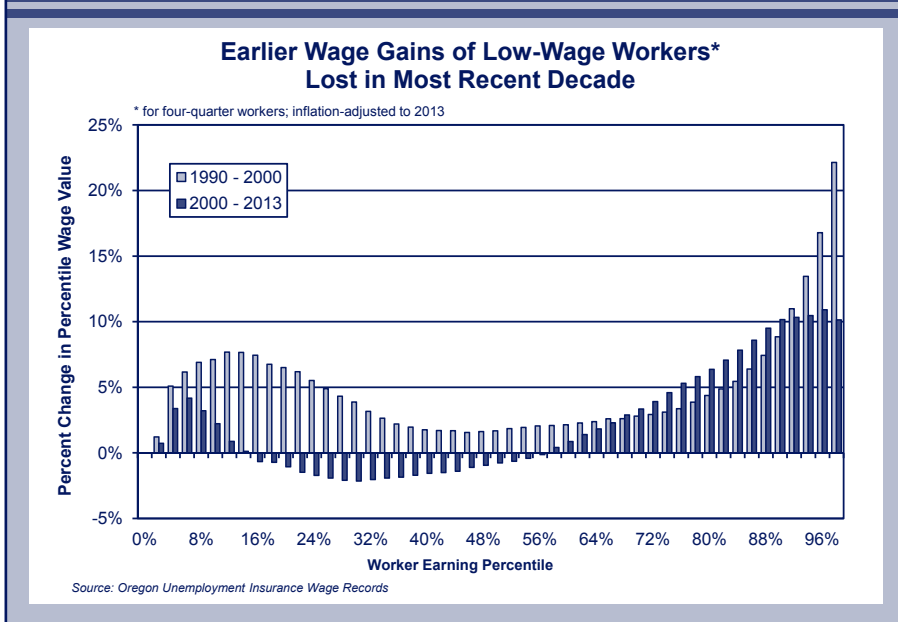


Graph 2

Growth Rate of Wages of Highest One-Tenth of Top 1 Percent is Double That of Remaining Top 1 Percent



Graph 3



least amount of growth in real wage values – less than 3 percent.

The story was different between 2000 and 2013, when many low-wage workers saw their real wages shrink. For the majority of the percentiles below the 58th, the wage levels did not keep up with inflation and showed a negative change. Wage earners in the 2nd through the 14th percentiles saw very slight growth in real wage values – between 0.1 percent and 4.2 percent. The 16th through the 56th percentiles saw decreases ranging from 0.1 percent to 2.2 percent. All percentiles from the 58th upward experienced positive growth in real wages, from as little as 0.4 percent to 10.9 percent. For all but the 68th through the 90th percentiles, the 2000 to 2013 growth rates were smaller than they were during the previous decade. Generally, the higher the percentile above the 44th, the larger the percentage increase (or the smaller the percentage decrease) in real wage value. This was true for both time periods.

The Pie Grows, but Slices for Lower-Wage Earners Shrink

The top 1 percent of Oregon’s wage-earners saw their percentage take – their slice – of total wages increase significantly, growing 28.6 percent over the past two decades (Graph 4). This group of workers and the remainder of the top 20 percent were the only groups whose slice of the

wages pie increased. Workers in the middle quintile (the middle 20 percent of four-quarter workers) saw their share of total wages decrease by 11.1 percent – more than any other group. The next, or second lowest quintile experienced a percentage loss nearly as large, at 10.6 percent. The lowest quintile’s slice of the wages pie decreased by 5.5 percent between 1990 and 2013. But for Oregon’s increases in the minimum wage, which rose in several steps from \$4.75 per hour to \$8.95 per hour between 1997 and 2013, these lower-wage workers

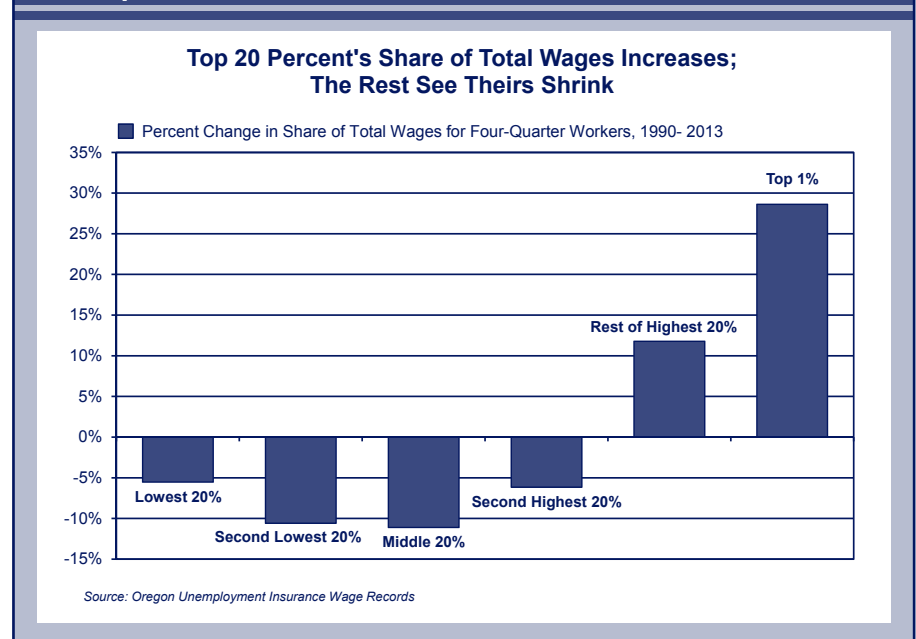
might have seen their share shrink by a much larger percentage. Unemployment Insurance (UI) wage file data also suggest that there is a positive relationship between the average number of hours worked by this group and their percentile wage value.

A Fat Gini Grants No Wish for Wage Equality

Beyond the comparisons of percentile groups, there are other indicators that help to measure wage inequality. One of those commonly used by economists is the Gini coefficient, based on the Lorenz curve that graphically displays the degree of income or wage inequality among workers. The larger the Gini coefficient, the greater the degree of wage inequality. A score of zero indicates perfect wage equality, where all workers earned the same wage. A score of one would indicate that only one worker earned all the wages. It is helpful to use annual Gini coefficients to see the pattern of changes in wage inequality over time.

The degree of wage inequality in Oregon has generally increased since 1990, though not steadily (Graph 5). The state’s Gini coefficient for all year-round workers rose from 1991 through the mid-1990s, then was largely flat before rising to a peak in 2000. Since 2000, the coefficient fell slightly in 2001 and 2002, during

Graph 4

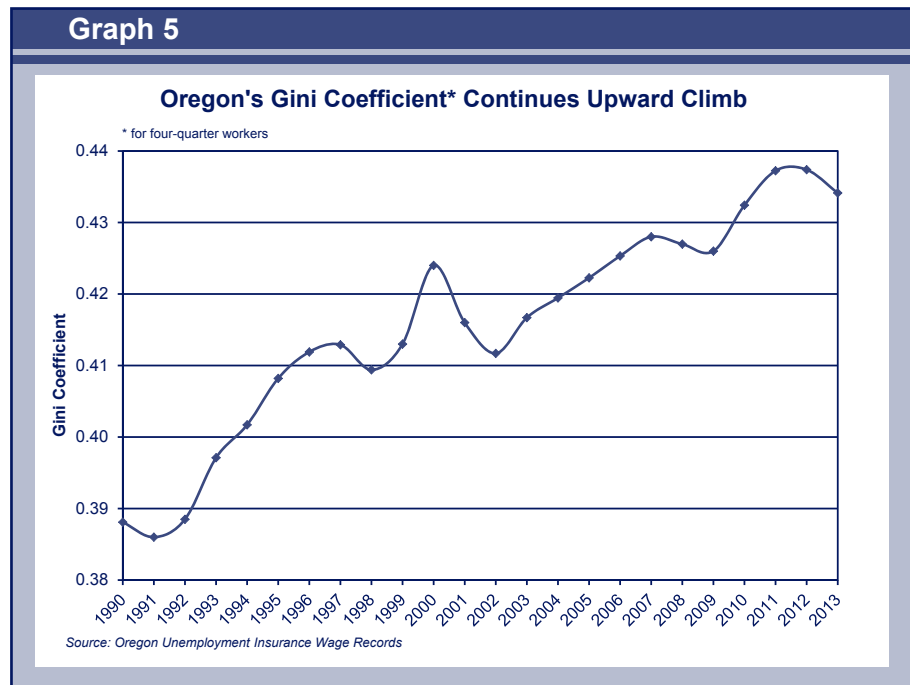


the first economic slowdown of the decade. Afterwards, it began a steady rise to a second peak in 2007, as the state's economy recovered from the recession earlier in the decade. The coefficient decreased a little again in 2008 and 2009 and subsequently rose to reach its highest point in the 22 year period in 2012. In 2013, it fell slightly below the 2011 value.

Some Workers are Not Included in This Study

This study analyzes wage records submitted quarterly by all employers for workers subject to unemployment insurance (UI) taxes in Oregon. That includes workers at most private employers as well as state and local government workers. Federal government workers covered by a separate UI system are not included. Roughly 90 to 95 percent of all private employees are covered by UI, with notable exceptions including the self-employed, workers paid solely by commission, and employees of small agricultural employers. Although workers not covered by UI affect wage distribution and inequality in Oregon, we were not able to include them because of the lack of data.

Wage distributions will vary depending on whether all workers or only full-time



year-round workers are included. For many individuals, annual earnings are influenced by the number of hours or quarters worked during the year. Many workers have part-time or seasonal jobs. Others may take a new job in Oregon at some point during the year or leave the state for a job. Still others will drop from the wage files for various reasons, including death, disability, or retirement. Because such factors tend

to reduce annual wages, the wage distribution will likely be wider for all workers than for those who are working full-time year-round. In 2013, the average wage for full-time year-round workers was \$66,461, compared with just over \$35,995 for all workers. Roughly two-thirds of Oregon workers are employed year-round; of these, slightly less than one-third work full-time. ■

Helping After the Crash or Burn: Claims Adjusters, Examiners, and Investigators

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If you've ever been in a fender bender or accidentally burned down your kitchen and had to file an insurance claim, there was probably a claims adjuster, examiner, or investigator at the insurance company who worked on your claim. Broadly speaking, these individuals decide whether an insurance company must pay a claim and, if so, how much to pay.

Privately, Publicly, and Individually Employed

Adjusters, examiners, and investigators work for all types of insurance

companies, including automotive, health, and home. They also work for the government, processing worker's compensation or unemployment insurance claims.

Some adjusters are self-employed, usually working for claimants rather than an insurance company. These individuals are generally referred to as public adjusters. "The goal of adjusters working for insurance companies is to save as much money for the company as possible. The goal of a public adjuster working for a claimant is to get the highest possible amount paid to the claimant. They are paid a percentage of the settled claim" (Bureau of Labor Statistics, *Occupational Outlook Handbook*).

Some Do it All

At some companies, the duties of examining, investigating, and adjusting are all handled by one individual. Other companies have separate workers handle each of these responsibilities.

Those who cover the entire process become involved as soon as an individual files a claim and stay on the case until the final decision is made. Along the way, they investigate claims to make sure the circumstances are covered by the insurance policy and that the claim is legitimate. They contact doctors, employers, building contractors, or others as needed to gather and verify information about a claim. When necessary, they confer with legal counsel. Before determining the amount to be paid,

Skills Most Often Requested by Oregon Employers for Claims Adjusters, Examiners, and Investigators

Skill	Number of Job Listings
Use word processing software	17
Use computers to enter, access and retrieve data	16
Organize and work with detailed records	15
Conduct investigations and research	14
Process records and maintain forms and files	14
Obtain information from clients, customers, patients or others	13
Use telephone to gather data	13
Use insurance terminology	13
Use spreadsheet software	12
Interview customers	12
Use basic mathematics	12
Investigate insurance claims	12

Source: iMatchSkills Job Listings, 2014

claims adjusters are sometimes involved in settlement negotiations. After all the investigative work is complete, if a claim is deemed valid, the adjuster authorizes payment be made.

Based on job listings posted to the Oregon Employment Department's job-matching tool iMatchSkills, employers place a high value on technical skills when looking to fill job openings for claims adjusters, examiners, and investigators. Employers repeatedly ask for job seekers with computer skills who are also detail-oriented and experienced with gathering information.

Education, Employment Growth, and Earnings

Although individuals can start working as a claims adjuster with only a high school diploma, those with a bachelor's degree have a competitive advantage in the labor market. In addition, long-term on-the-job training is typically needed for workers to gain competency in this field. There are 15 Oregon schools and training providers, including one community college, offering postsecondary classes in insurance.

In Oregon, nearly 3,000 individuals worked as a claims adjuster, examiner, or investigator in 2012. Although reasonable employment opportunities exist in this field, the occupation is expected to grow at a somewhat slower rate than the statewide average growth rate through 2022. We estimate that each year there are almost three times as many job openings from people leaving the occupation than there are from new jobs being created (69 vs. 24, respectively).

Once employed, claims adjusters, examiners, and investigators are well paid for their efforts. In 2014, the average wage in Oregon was \$65,000 a year. The average starting wage was nearly \$20 an hour (about \$41,000 a year), and top-earning workers made in excess of \$43 an hour (\$90,000 a year). Wages varied depending on location, with lower averages in southern Oregon and higher averages in the Portland area.

Want More?

To obtain more information about this field of work, check out its Occupational Profile on Quality Info at www.qualityinfo.org/jc-oprof. There is also a wealth of detailed information about the duties and work environment for claims adjusters available on national websites, including O*Net Online (www.onetonline.org) and the *Occupational Outlook Handbook* from the Bureau of Labor Statistics (www.bls.gov/ooh). ■

Oregon Current Labor Force and Industry Employment

	October 2014	September 2014	October 2013	Change From September 2014	Change From October 2013
Labor Force Status					
Civilian labor force	1,967,933	1,951,646	1,920,985	16,287	46,948
Unemployed	127,041	118,765	134,655	8,276	-7,614
Unemployment rate	6.5	6.1	7.0	0.4	-0.5
Unemployment rate, seasonally adjusted	7.0	7.0	7.4	0.0	-0.4
Employed	1,840,892	1,832,881	1,786,330	8,011	54,562
Other Labor Force Indicators					
Labor force participation rate, seasonally adjusted	61.8	61.5	61.1	0.3	0.7
Labor underutilization rate – U-6, seasonally adjusted	14.1	13.9	16.0	0.2	-1.9
Nonfarm Payroll Employment					
Total nonfarm payroll employment	1,747,600	1,726,500	1,703,400	21,100	44,200
Total private	1,444,800	1,442,800	1,409,200	2,000	35,600
Mining and logging	8,100	8,100	7,900	0	200
Construction	81,700	83,100	79,500	-1,400	2,200
Manufacturing	181,700	183,100	178,100	-1,400	3,600
Durable goods	126,900	127,300	124,200	-400	2,700
Nondurable goods	54,800	55,800	53,900	-1,000	900

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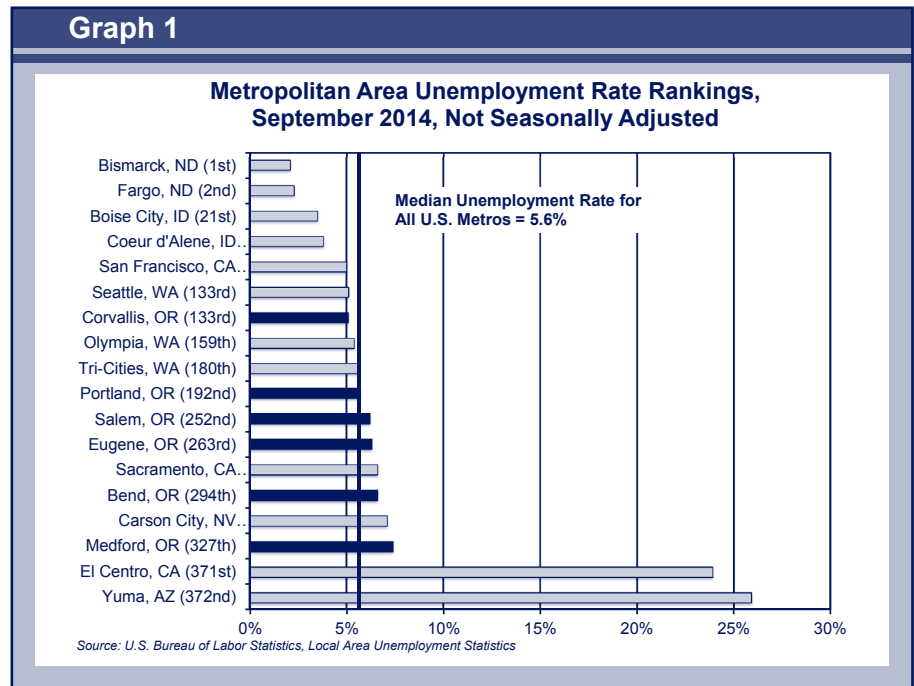
Unemployment Rate Rankings in Metropolitan Areas

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Unemployment rates in 339 of the nation's 372 metro areas were lower in September 2014 than in September 2013. The nationwide rate came in at 5.7 percent (not seasonally adjusted), down from September 2013's 7.0 percent.

Bismarck, ND had the lowest unemployment rate (2.1%) of any metro area in the nation, while Yuma, AZ had the highest (25.9%).

The only metro area in Oregon with a lower unemployment rate than the nationwide median was Corvallis (5.1%). Portland (5.7%), Salem (6.2%), Eugene (6.3%), Bend (6.6%), and Medford (7.4%) had unemployment rates higher than the nationwide median, but all of these rates were down compared with September 2013. ■



– Continued from page 14

	October 2014	September 2014	October 2013	Change From September 2014	Change From October 2013
Trade, transportation, and utilities	328,300	326,300	322,600	2,000	5,700
Wholesale trade	72,700	72,300	72,100	400	600
Retail trade	198,100	197,000	194,700	1,100	3,400
Transportation, warehousing, and utilities	57,500	57,000	55,800	500	1,700
Information	30,900	30,700	32,200	200	-1,300
Financial activities	91,400	91,600	91,600	-200	-200
Professional and business services	225,800	224,600	214,000	1,200	11,800
Professional and technical services	84,800	84,300	81,700	500	3,100
Management of companies and enterprises	40,800	40,800	38,700	0	2,100
Administrative and waste services	100,200	99,500	93,600	700	6,600
Educational and health services	254,200	247,500	247,700	6,700	6,500
Educational services	37,100	33,300	37,100	3,800	0
Health care and social assistance	217,100	214,200	210,600	2,900	6,500
Leisure and hospitality	182,400	188,400	177,500	-6,000	4,900
Other services	60,300	59,400	58,100	900	2,200
Government	302,800	283,700	294,200	19,100	8,600
Federal government	27,700	28,400	27,600	-700	100
State government	87,000	80,200	83,000	6,800	4,000
State education	33,800	26,700	33,300	7,100	500
Local government	188,100	175,100	183,600	13,000	4,500
Local education	100,600	87,100	97,300	13,500	3,300
Labor-management disputes	0	0	0	0	0

The most recent month is preliminary, the prior month is revised. Prepared in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

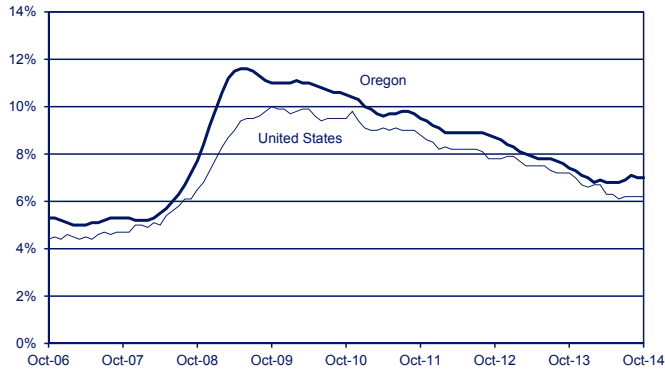
Labor Force Status: Civilian labor force includes employed and unemployed individuals 16 years and older by place of residence. Employed includes nonfarm payroll employment, self-employed, unpaid family workers, domestics, agriculture and labor disputants. Unemployment rate is calculated by dividing unemployed by civilian labor force.

U-6 is the total unemployed plus all persons marginally attached to the labor force plus total employed part-time for economic reasons, as a percent of the civilian labor force plus all persons marginally attached to the labor force.

Nonfarm Payroll Employment: Data are by place of work and cover full- and part-time employees who worked or received pay for the pay period that includes the 12th of the month. The data exclude the self-employed, volunteers, unpaid family workers, and domestics. These survey-based estimates are revised quarterly, based on more complete information from employer tax records.

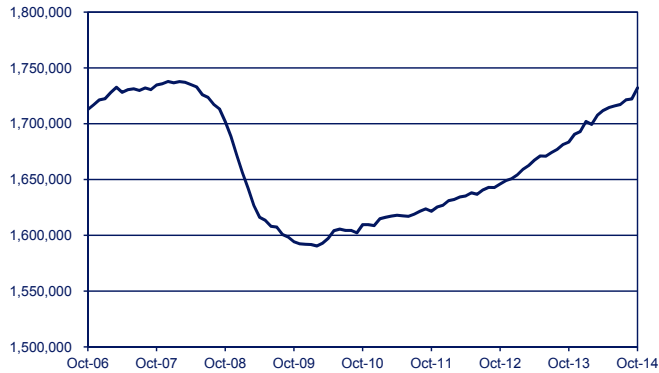
Unemployment Rates

Oregon's Unemployment Rate Held Steady in October
Unemployment Rates, Seasonally Adjusted



Total Nonfarm Payroll Employment

Oregon Job Counts Increase in October
Oregon Nonfarm Payroll Employment, Seasonally Adjusted



Indicators

Unemployment Rate (Seasonally adjusted)

	Oregon	U.S.
Oct. 2014	7.0	5.8
Sept. 2014	7.0	5.9
Oct. 2013	7.4	7.2

Seasonally Adjusted Employment (Total Nonfarm Payroll Jobs)

	Oregon	U.S.
Oct. 2014	1,732,100	139,680,000
Sept. 2014	1,722,200	139,466,000
Oct. 2013	1,683,500	137,037,000
Change From		
Oct. 2013	48,600	2,643,000
% Change	2.9%	1.9%

Consumer Price Index (CPI)

(All urban consumers, 1982-84=100)

Port.-Salem, OR-WA	Index	Yearly Change
Jan.-June 2014	239.751	2.6%
Annual Average 2013	235.528	2.5%
United States		
Oct. 2014	237.433	1.7%
Annual Average 2013	232.957	1.5%



OREGON LABOR TRENDS

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