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Oregon Payrolls Rise in April

Nonfarm employers added 3,300 net new jobs during April. The trend in hiring has been more moderate recently, although payrolls remain up a solid 2.5% year-over-year, a pace faster than the nation as a whole.

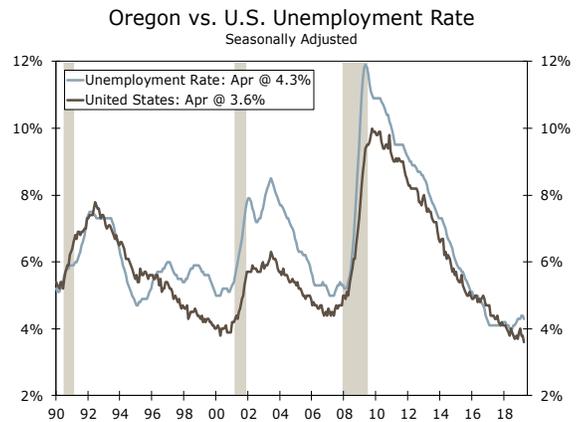
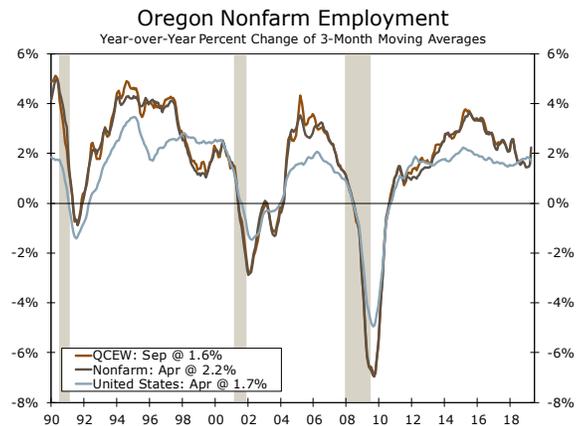
Beaver State Economy Remains Resilient Amid Trade Headwinds

The Oregon economy continues to forge ahead. Recently released GDP data revealed that the Beaver State grew 3.4% over the course of 2018, the eighth fastest rate in the nation. Much of that strength, however, was at the start of the year. Economic growth decelerated to a 1.3% annualized rate in the final quarter, the slowest pace since 2016. Hiring in Oregon has taken a similar trajectory. While still solid, hiring has been more modest compared to the blazing pace hit in the middle of the decade. Even with some moderation, payrolls have expanded 2.5% over past 12 months, a fairly robust pace of hiring that is faster than the national average. Employers added 3,300 net new jobs during April, slightly less than the 4,000 monthly average over the past 12 months. Furthermore, gains have been widespread across virtually every industry.

A moderation in hiring is not indicative of general economic malaise, and more likely a natural consequence of low unemployment and businesses struggling to find the qualified workers needed to expand. The unemployment rate, which was sitting at 4.3% as of April, has drifted higher in recent months, a result of the labor force expanding at a faster pace than household employment. Still, the unemployment rate remains near a record low. Furthermore, unemployment is much lower in Portland, which is home to 63% of the state's employment base.

The construction industry has been a standout and added 500 additional jobs during April. Construction firms have boosted payrolls 6.7% over the past year. This comes as little surprise as there remains a huge pipeline of residential, commercial and infrastructure projects driven by the continued influx of residents from out of state and abroad. Population growth moderated slightly in 2018 but still registered the 11th fastest rate of any state at 1.1%, which equates to 44,121 new residents. Single-family building has struggled to gain traction, especially in Portland which has a dwindling number of developable lots. The multifamily segment has fared much better, with waves of new apartments delivered over the past few years, although activity has been pared back after reaching near record levels in 2018.

Transportation & warehousing payrolls were left unchanged during April, but hiring remains up 9.2% year-over-year. Growing international trade and e-commerce have bolstered demand for warehouses and distribution facilities, especially in Portland's port district. Total state exports rose 1.8% during 2018, however the state's longstanding position as a gateway between the Pacific Northwest and Pacific Rim makes it significantly exposed to ongoing trade tensions, as roughly 21% of all exports leaving Oregon are destined for China. Intel, which is both the state's largest employer as well as exporter, sends billions of dollars in computer chips to China every year. Intel is also expanding its Oregon footprint, with a multibillion dollar research facility in Portland. Tariffs and trade frictions also present challenges to other locally based global firms, including Nike and Columbia



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