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Special to the Salem Reporter
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The most recent Salem area employment report from the Oregon Employment Department provides a snapshot of a full year of the area's pandemic economy, from March 2020 to March of 2021. [employment report](#)

The report brings some good news and some questions. A brief recap of the employment situation at the beginning of the pandemic will give perspective on how far we've come. It will also help with understanding the questions prompted by the report.

In mid-March of last year, many businesses shut down, partly or completely, to limit the spread of Covid. From March to April, 19,400 jobs disappeared in the Salem area, 12 percent of Salem's jobs. The state lost 14 percent of its jobs (258, 000).

To contrast, consider that the Salem area's largest one month job loss in the "Great Recession" of 2008 was 2,200 jobs, in November of 2008, eight percent of all jobs. And it took 46 months to get to the bottom. Then it took another 36 months to recover to pre-recession levels. (see graph)

How is the Salem area doing in terms of recovering lost jobs after only one year?

First of all, better than other areas of the state (see graph), for a lot of reasons.

The biggest job losses occurred where most of the jobs are, in western Oregon, with the exception of Bend (which has doubled its population and nearly doubled its employment over the last 20 years).

The Eugene and Corvallis areas experienced the largest percentage of job losses, as the University of Oregon and Oregon State, severely affected by pandemic shutdowns, are located there.

The Portland-Vancouver-Hillsboro area had the third-largest year-over-year job loss. The area has over a million jobs, a state university, a number of private universities, and a large Leisure and Hospitality industry, the industry hit hardest by the shut-downs.

The Salem area's economy has been buffered somewhat by the presence of state jobs. Half them are in Salem, and state employment has stayed stable through the last year. So, Salem looks good compared to the rest of western Oregon.

The area economy looks good by another measure, the percentage of the 19,400-job loss that it's recovered so far. According to the April report, it's recovered 72 percent of its job loss. The state as a whole has gained back 54 percent of its 248,000-job loss.

Is Salem really doing that much better than the state?

There's a reason to ask that question. Generally, the Salem economy tracks well with the state as a whole. When it doesn't, it makes sense to question what is going on. The key to an answer is understanding how the employment numbers are produced.

The first thing to know is that the employment estimates for the state and its areas, reported monthly by Employment Department economists, come from a survey of businesses. The Salem area estimates are based on a survey sample of some 340 businesses. Employment for the entire state is estimated from a much larger sample, 2,420 businesses, and therefore more reliable.

The next thing to know is that there is a way to check the monthly employment estimates produced from the survey sample. Every quarter, all businesses in the state with employees submit a list of employees, work hours and earnings to the Oregon Employment Department. This is an actual count of jobs, and it is called the Quarterly Census of Employment and Wages. (This information becomes the basis for the unemployment system).

The information from the Quarterly Census takes time to process, so its publication lags by a few months. The most recent month available from this count is December, 2020.

So, let's check in with the Quarterly Census. According to the December 2020 employment count, the state as a whole and the Salem area were just about equal in the percentage of lost jobs recovered, about 53 percent.

Now remember that the most recent monthly estimate for March 2021 had Salem recovering 72 percent of its jobs.

Is it possible that, in the first three months of 2021, the Salem area improved from 53 percent to 72 percent job recovery?

It's possible but not likely.

Another indication that the employment report may be over-stating the Salem recovery is what's happening with Leisure and Hospitality employment.

In March 2021, according to the report, Salem's Leisure and Hospitality industry employment stood at 14,600.

What does the Quarterly Census say about employment last December in that industry? Employment had recovered to 11,455 jobs (from a low of 9,000 in April 2020). This means that the industry would have had to gain 3,155 jobs in the first three months of 2021 to recover to 14,600 jobs by March, 2021.

Again, it's possible but not likely.

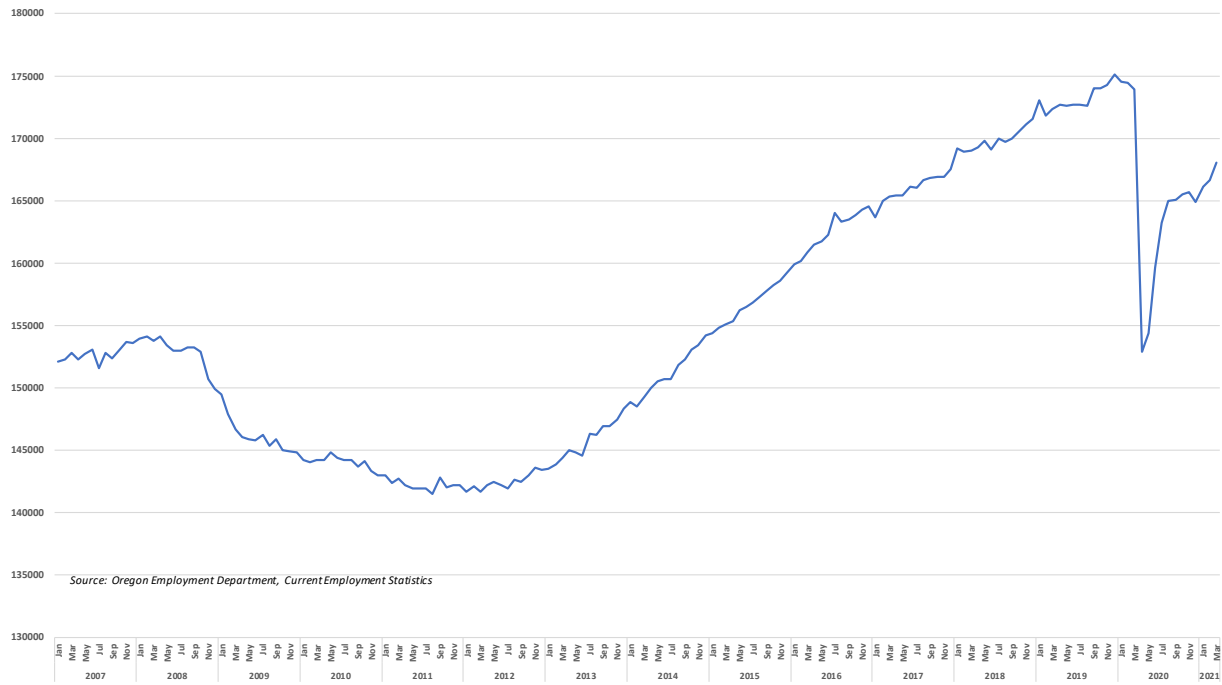
There are at least two important points to learn from all this.

First, the circumstances of the pandemic economy have made estimating monthly employment quite challenging. Think about school closures, and the several times indoor dining has been prohibited, then allowed again, for example. In spite of these unusual economic circumstances, the monthly reports have mostly tracked well with what seems to be going on. When they don't, as in the April report, a look at the Quarterly Census acts as a check. But the Census is always a few months behind, so we'll have to wait a few more months to get a better picture of Salem's employment recovery.

Secondly, there is no doubt that state and Salem area employment are in recovery mode for now. Covid cases are rising again however, and the future is still uncertain.

Pam Ferrara of the Willamette Workforce Partnership continues a regular column examining local economic issues. She may be contacted at pferrara@willwp.org

Salem Area Monthly Employment Change January 2007 through March 2021



Employment Change in Oregon's Metro Areas

March, 2020 to March, 2021, Seasonally Adjusted

