



Long-term Industry Forecasts for Lane County

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The Oregon Employment Department produces long-term industry forecasts every two years. This effort is not undertaken to predict the next upturn or downturn in the economy or length of the current cycle, but to provide a broad sketch of the effects of current structural changes in the local economy.

The industry forecasts are first developed at the statewide level by linking population forecasts produced by the Oregon Office of Economic Analysis (OEA) with employment. Given this ballpark forecast, a group of Employment Department and OEA analysts then focus on manufacturing since it is a largely independent sector of the economy influenced by factors other than local population growth. After generating manufacturing industry forecasts, we then focus on nonmanufacturing industries (e.g., construction, utilities, trade, finance, services and government).

The department's eight regional economists use the statewide forecasts and personal knowledge of their local economies as guides in developing the local projections. Unfortunately, there is no crystal ball involved in the process and therefore uncertainty abounds. That said, let's look at how the employment situation is expected to unfold through 2014.

Overall, Lane County is expected to add 21,200 jobs for a 13.8 percent increase in nonfarm payroll employment between 2004 and 2014. This compares with a statewide growth rate of 15.0 percent. Stronger expansion driven by population growth is expected in the Medford area and Central Oregon. Slower job growth is expected in Eastern Oregon and the South Coast where weakness in many rural areas' resource-based industries is expected to dampen population and job growth.

The following table shows the detailed forecast. Some highlights include:

- Construction is expected to have strong growth (+1,200, +17.9%) but at a slower pace than in the past year as expected higher interest rates slow residential and commercial construction.
- Manufacturing will grow (+1,100) as a loss in wood products is countered by strong growth in transportation equipment (RVs) and other durable goods manufacturing (+320). Nondurable goods (e.g. food processing, plastics and chemicals) adds 100.
- Wholesale (+700) and retail trade (+2,300) will add jobs, but at a slower rate than the overall economy.
- Information is expected to add 500 (+15.2%) due largely to growth in software publishing.
- Professional and business services will be the most rapidly growing major industry sector (+28.4%). The growth will be mostly due to temporary firms and call centers, including the new Royal Caribbean call center.
- Private education and health care is expected to show strong growth. The majority will come from

health care (4,200, 28.4%), as both major hospitals in the Eugene-Springfield area plan major expansions.

- Government is expected to grow slower than the overall economy at 8.4 percent. Much of that growth will be from state education and local government, which includes tribal employment.

Table 1
Region 5: Industry Employment Forecast, 2004-2014
Lane County

	2004	2014	Change	% Change
Total nonfarm employment	143,700	164,900	21,200	14.8%
Total private	117,500	136,500	19,000	16.2%
Natural resources and mining	1,000	1,000	0	0.0%
Construction	6,700	7,900	1,200	17.9%
Manufacturing	19,400	20,500	1,100	5.7%
Durable goods	15,300	16,300	1,000	6.5%
Wood product manufacturing	4,700	4,400	-300	-6.4%
Transportation equipment manufacturing	4,200	5,000	800	19.0%
Nondurable goods	4,100	4,200	100	2.4%
Trade, transportation, and utilities	26,800	30,200	3,400	12.7%
Wholesale trade	5,600	6,300	700	12.5%
Retail trade	18,300	20,600	2,300	12.6%
General merchandise and clothing stores	4,900	5,500	600	12.2%
Food and beverage stores	3,700	4,000	300	8.1%
Transportation, warehousing, and utilities	2,900	3,300	400	13.8%
Information	3,300	3,800	500	15.2%
Financial activities	7,700	8,600	900	11.7%
Professional and business services	15,500	19,900	4,400	28.4%
Administrative and support services	7,800	10,800	3,000	38.5%
Educational and health services	18,600	23,600	5,000	26.9%
Health care and social assistance	17,300	22,000	4,700	27.2%
Health care	14,800	19,000	4,200	28.4%
Leisure and hospitality	13,600	15,500	1,900	14.0%
Accommodation and food services	11,600	13,300	1,700	14.7%
Food services and drinking places	10,100	11,600	1,500	14.9%
Other services	4,900	5,500	600	12.2%
Government	26,200	28,400	2,200	8.4%
Federal government	1,900	1,900	0	0.0%
State government	9,400	10,000	600	6.4%
State education	8,400	8,900	500	6.0%
Local government	14,900	16,500	1,600	10.7%
Local education	8,500	9,100	600	7.1%

Figure 1

Oregon: Forecast Job Growth Rate by Region, 2004-2014

