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Oregon Jobs and Labor Force – August 2025 Update

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Oregon Job Growth Resumes, but Financial Sector Continues to Lag

Oregon's labor market showed signs of recovery in August, adding 7,000 seasonally adjusted nonfarm payroll jobs after three consecutive months of decline. The state's unemployment rate held steady at 5.0%, remaining above the national average of 4.3% and highlighting ongoing labor market weakness relative to the U.S.

Gains were broad-based, led by Education and Health Services (+2,600), Leisure and Hospitality (+1,500), and Government (+1,100). Manufacturing also added 900 jobs, breaking a three-month streak of losses, though the sector remains on a longer-term downward trajectory.

At the same time, Oregon's financial sector continues to underperform. Financial Activities employment remains well below its pre-pandemic share, and Commercial Banking in particular has lost ground relative to the U.S. as a whole. Bank consolidation, higher interest rates, and exposure to commercial real estate have weighed on the industry, while credit unions have proven more resilient. This weakness has made Financial Activities one of the five major supersectors still below pre-pandemic levels, underscoring structural challenges for the state's economy.

Key Highlights—Oregon August 2025 Employment Data

- **Financial Activities** has continued to contract in Oregon, with Commercial Banking driving much of the decline amid consolidation, higher interest rates, and real estate pressures, even as the sector has grown nationally.
- **Total nonfarm payrolls** rose by **7,000 jobs** in August; the private sector added **5,900**.
- **Largest gains:** Education and Health Services (+2,600), Leisure and Hospitality (+1,500), and Government (+1,100).
- **Goods-producing industries mixed:** Manufacturing (+900), Construction (−200), Mining and Logging (flat).
- **Service industries uneven:** Other Services (+1,000), Financial Activities (+700), Trade/Transportation/Utilities (−1,000), Information (−630), Professional and Business Services (flat).
- **Since January 2020**, Oregon has gained **36,000 jobs**, but five supersectors remain below pre-pandemic levels, led by Manufacturing (−8.3%) and Financial Activities (−7.2%).
- **Labor force participation** rose to **62.9%** in August, above the national rate of 62.3%. The **unemployment rate** held steady at **5.0%**, compared to 4.3% nationally.

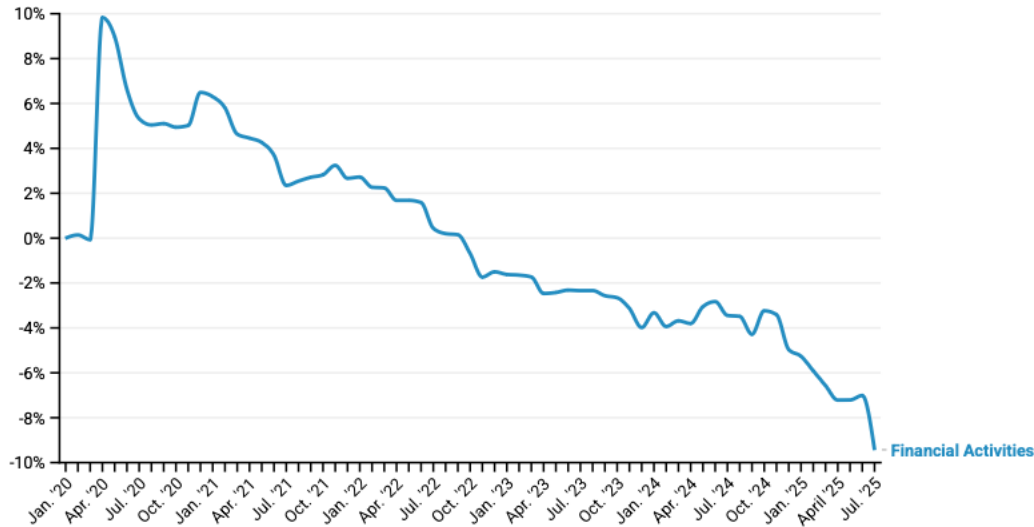
Industry Highlight: Financial Activities

Oregon's financial sector has steadily lost ground since the pandemic. **Figure 1 shows how Financial Activities (NAICS 52) jobs have changed as a share of total Oregon employment, measured relative to their January 2020 level.** The sector briefly gained ground during the early recovery but has since fallen below its pre-pandemic share. Today, Financial Activities accounts for

a smaller portion of Oregon’s workforce than before COVID-19, even as the sector has expanded nationally.

Changing Share of Financial Activities in Oregon Employment Since 2020

This chart shows how Financial Activities jobs have changed as a share of total Oregon employment, measured relative to January 2020. The sector’s share rose early in the recovery but has since drifted downward, and it now makes up a smaller portion of Oregon’s workforce than it did before the pandemic.

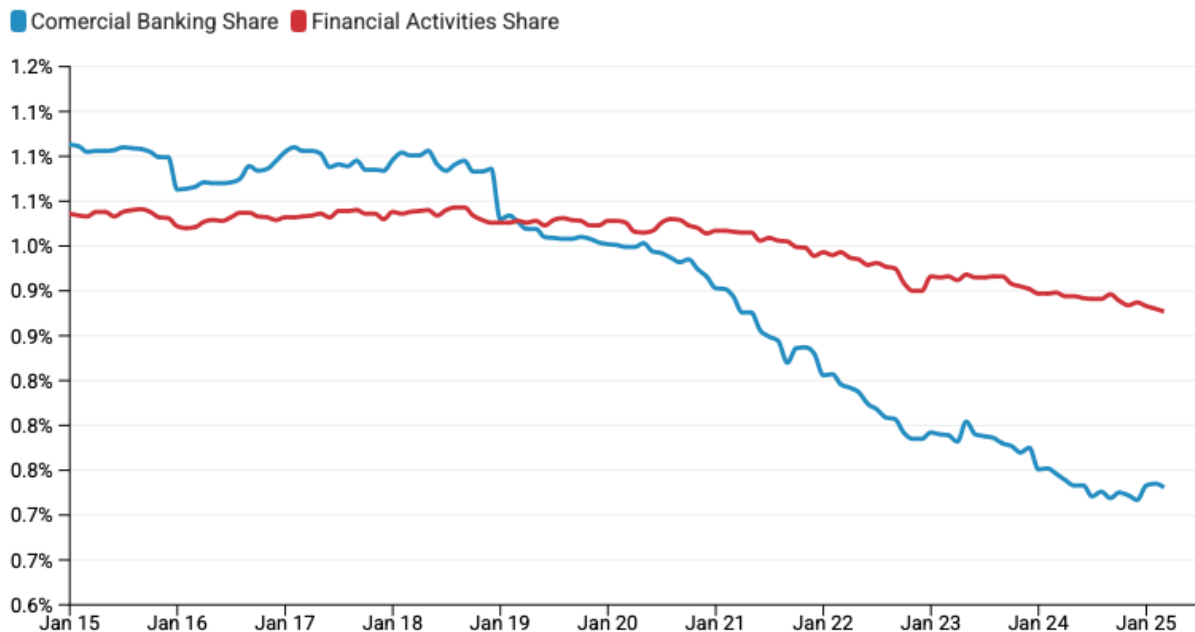


Source: Calculated by CSI using employment data from BLS, State of Oregon Employment Department CES

Within this broader sector, Commercial Banking (NAICS 52211) stands out as a particular weak spot. **Figure 2 shows that Oregon’s share of U.S. banking employment has declined more steeply than its share of financial activities overall**, pointing to banks as a key driver of the state’s weakness.

Oregon's Share of U.S. Employment in Banking and Finance

This chart shows Oregon's share of total U.S. employment in Commercial Banking and in the broader Financial Activities sector, which includes banking along with industries like insurance and real estate. Since 2018, Oregon's overall share has fallen, with the steeper drop in commercial banking suggesting it may be contributing to the sector's decline.

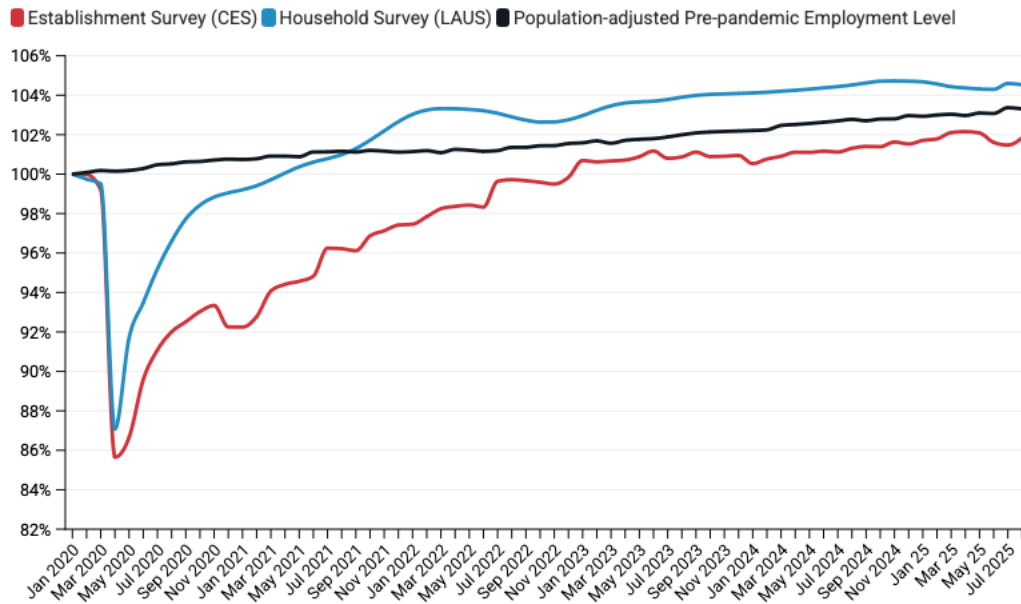


Source: Bureau of Labor Statistics, State of Oregon Employment Department

Several forces help explain these trends. The 2023 merger of Umpqua Bank with Columbia Banking System reduced the state's regional banking presence.ⁱ Rising interest rates have squeezed bank margins and left many institutions with large unrealized securities losses, while also dampening lending activity.ⁱⁱ Regional banks are more exposed to commercial real estate, where office vacancies and financing costs remain a challenge.ⁱⁱⁱ In contrast, credit unions — which are exempt from federal income taxes — have been better insulated and in some cases expanding.

Taken together, the figures show that Oregon's financial sector has been losing ground both within the state's overall employment base and relative to the U.S. as a whole. While Financial Activities employment has grown nationally since 2020, Oregon's share has contracted, with Commercial Banking showing the steepest decline. Other states such as Washington and California experienced growth over much of the post-2015 period, though California has softened more recently. Oregon's contraction, however, has been both sharper and more persistent. A shrinking presence in this industry, especially in commercial banking, raises longer-term concerns for Oregon's economic competitiveness, given the critical role financial services play in supporting households, businesses, and investment.

Employment Levels in Oregon since January 2020

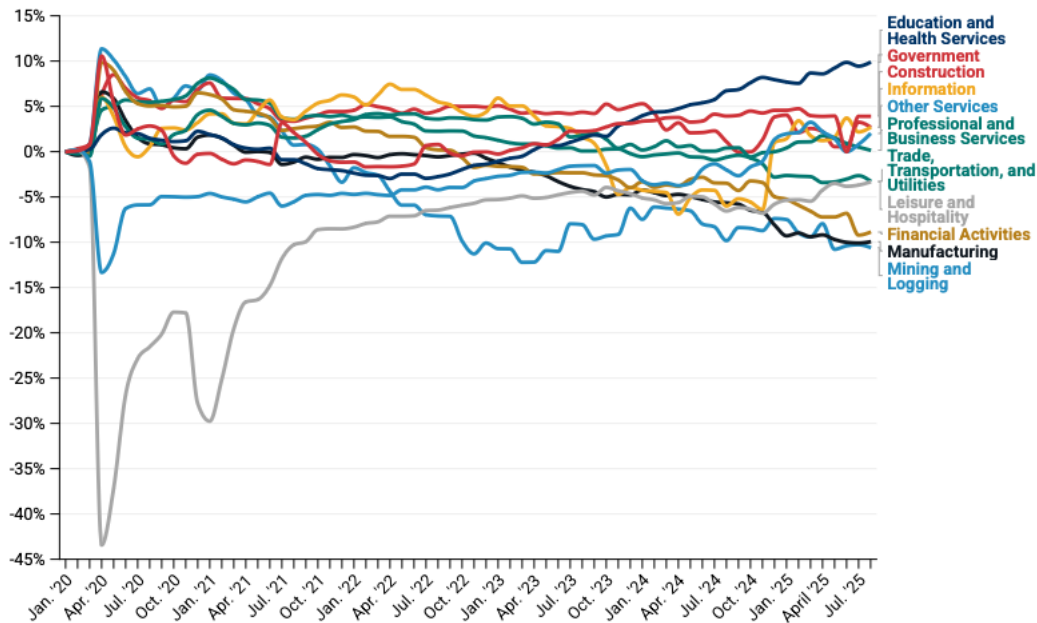


Source: BLS, State of Oregon Employment Department • Data through July 2025 from BLS; August estimates calculated using Oregon Employment Department data and CSI calculations. August employment-population ratio is assumed to be the same as the prior month for population estimation.

- The **Current Employment Statistics (CES)** survey indicates that Oregon has yet to fully return to its **pre-pandemic employment-to-population ratio**.
- However, estimates from the **Local Area Unemployment Statistics (LAUS)** program that Oregon's total employment surpassed pre-pandemic levels as early as **September 2021** and has remained above that benchmark.
- **Industry-Level Dynamics**
- **Overall Employment:** Oregon's seasonally adjusted total nonfarm payrolls increased by 7,000 in August, in line with national gains. However, these additions were not enough to offset the job losses recorded over the previous three months.
- **Private Sector Gains:** The private sector accounted for about 5,880 of the new jobs.
- **Education and Health Services, Leisure and Hospitality, and Government Sectors Led the Gains:** Education and Health Services added 2,600 jobs, while Leisure and Hospitality gained 1,500 and Government added 1,100. Within Leisure and Hospitality, Accommodation and Food Services contributed 1,300 jobs. Government growth was concentrated in local government, partly offset by a combined loss of 200 jobs in state and federal government.
- **Manufacturing Recovery:** The sector added 900 jobs, ending a three-month stretch of losses. However, this modest gain is not enough to reverse the broader downward trend that has persisted since early 2023.
- **Mining and Logging Steady:** Employment was unchanged, and the sector has remained stable for more than a year.
- **Other Services:** Employment increased by around 1000 jobs.

- **Construction Sector:** Employment fell by 200 jobs in August, following a sharp rebound of 2,900 jobs in July.
- **Trade, Transportation, and Utilities:** Employment decreased by 1,000 jobs, led by a drop of 1,150 in Wholesale Trade. Retail Trade lost 400 jobs, while Transportation, Warehousing, and Utilities added 500 jobs.
- **Financial Activities:** The sector added 700 jobs, marking a pause in its long-run downward trend.
- Professional and Business Services showed no net change, while Information sector registered an increase of 300 jobs.
- **Since the Onset of the Pandemic:**
 - Total nonfarm employment in Oregon has increased by 36,000 jobs since January 2020.
 - However, five of the eleven supersectors remain below their pre-pandemic levels: Mining and Logging; Manufacturing; Trade, Transportation, and Utilities; Financial Activities; and Leisure and Hospitality.
 - **Notable shifts:**
 - **Manufacturing** employment remains well below pre-pandemic levels—down 8.3% compared to January 2020. **Mining and Logging** and **Financial Activities** are also lower, by 9% and 7.2%, respectively.
 - In contrast, **Education and Health Services** employment has grown by 11.9%, driven largely by gains in **Health Care and Social Assistance**, which is up 14.2%.
 - **Government** employment has also increased, rising 5.8% since January 2020.

Changing Industry Shares of Total Oregon Employment since January 2020

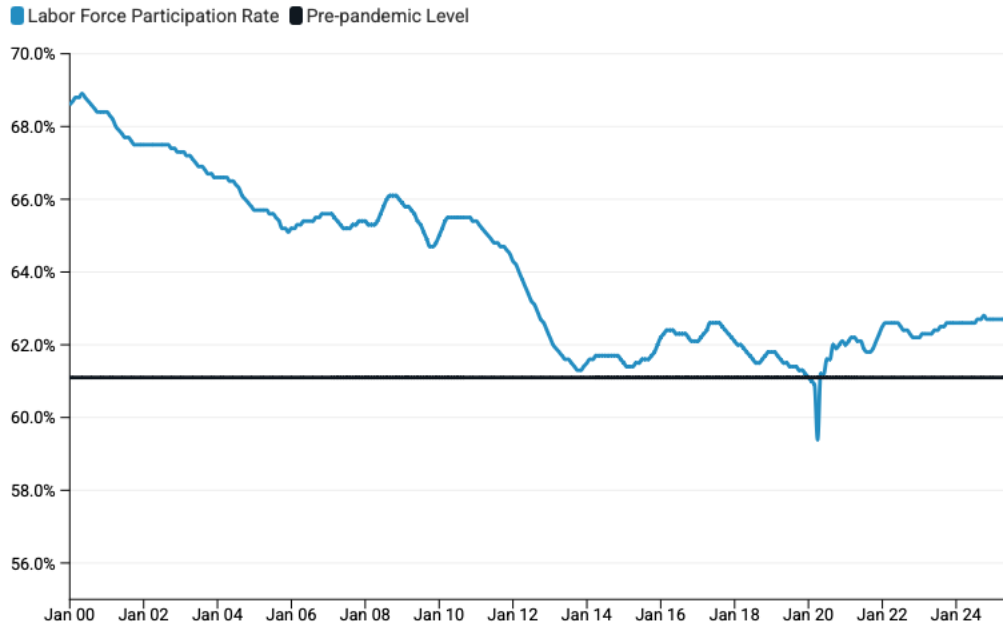


Source: Calculated by CSI using employment data from BLS, State of Oregon Employment Department CES • Employment data benchmarked to BLS; August estimates based on Oregon CES growth rates.

Oregon Labor Force Update

- **Labor Force Participation Rate (LFPR):** Oregon's LFPR rose to from **62.8% to 62.9%** in August—up 1.8 percentage points since January 2020. This remains above the national LFPR of 62.3% in August 2025.
- **Unemployment Rate:** Oregon's unemployment rate remained stable at 5% in August, much higher than the national average which inched up from 4.2% to 4.3% this month

Labor Force Participation Rate in Oregon Since 2000



Source: BLS, State of Oregon Employment Department • Labor force participation data from BLS; August estimate updated using Oregon Employment Department data.

Technical Notes and Data Sources

All data are seasonally adjusted unless otherwise noted. Employment estimates derive from the **Oregon Current Employment Statistics (CES)** survey and are benchmarked to **Bureau of Labor Statistics (BLS)** data through **June 2025**. Labor force estimates come from the **Local Area Unemployment Statistics (LAUS)** program. **July 2025 CES estimates** are extrapolated using **monthly growth rates** from the **Oregon Employment Department’s August release**.

ⁱ <https://www.columbiabankingsystem.com/news-market-data/press-releases/press-release/2023/Columbia-Banking-System-and-Umpqua-Holdings-Corporation-Complete-Merger/default.aspx>

ⁱⁱ <https://www.financialresearch.gov/the-ofr-blog/2025/05/15/the-state-of-banks-unrealized-securities-losses/>

ⁱⁱⁱ <https://www.financialresearch.gov/briefs/files/OFRBrief-24-04-bank-health-and-future-commercial-real-estate-losses.pdf>