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Oregon Jobs and Labor Force – December 2025 Update

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Unemployment Insurance Claims in Oregon Have Turned the Corner

Oregon's labor market showed renewed weakness at the end of 2025, as seasonally adjusted nonfarm payroll employment declined by 2,200 jobs in December, effectively wiping out the modest gains recorded earlier in the fall. Employment had increased by approximately 800 jobs from October to November, but downward revisions to October payrolls—reducing previously reported growth by 800 jobs—further dampened momentum heading into the final quarter of the year. National labor market growth also slowed, with U.S. nonfarm payroll employment increasing by just 50,000 jobs in December. In Oregon, job losses were concentrated in Construction and Trade, Transportation, and Utilities, while gains were limited to a small number of service-producing sectors.

Labor market slack remains elevated relative to national conditions. Oregon's unemployment rate held at 5.2% in December, well above the national rate of 4.4%, and has risen 0.9 percentage points over the past year. Despite relatively strong labor force participation, these trends point to continued softening in employment conditions as Oregon enters 2026.

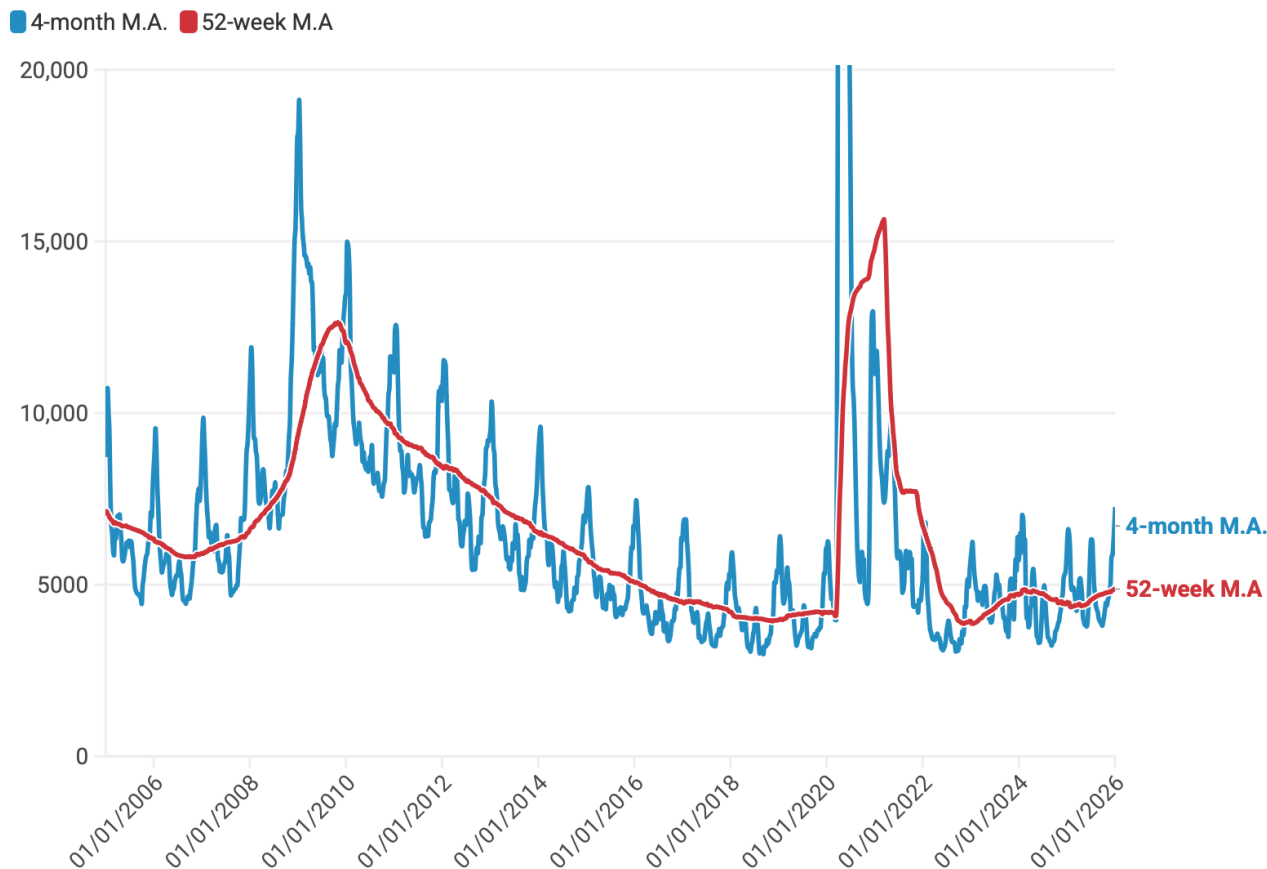
While monthly employment and unemployment data capture the cumulative effects of labor market changes, they often lag shifts in underlying conditions. To assess whether recent payroll declines reflect a temporary pause or a broader turning point, it is useful to examine higher-frequency indicators that respond more quickly to changes in labor demand.

Weekly unemployment insurance claims provide such a signal. Recent movements in initial claims suggest that Oregon's labor market may have passed an inflection point, similar in structure to patterns observed in 2006 and early 2007, prior to the 2008 crisis.

Initial claims have risen to their highest sustained levels in roughly a decade, excluding the pandemic period. Importantly, these levels remain below those typically associated with recessionary labor market stress, indicating that the current signal reflects emerging softness rather than a contractionary environment.

After bottoming out earlier in the year, the 4-week moving average of initial unemployment insurance claims has turned upward, and the 52-week average has begun to trend higher. These movements should be interpreted with caution, as initial claims typically rise at the start of the year following the end of the holiday season, reflecting seasonal labor market dynamics rather than a definitive shift in underlying conditions.

Initial Unemployment Insurance Claims at Highest Levels in a Decade

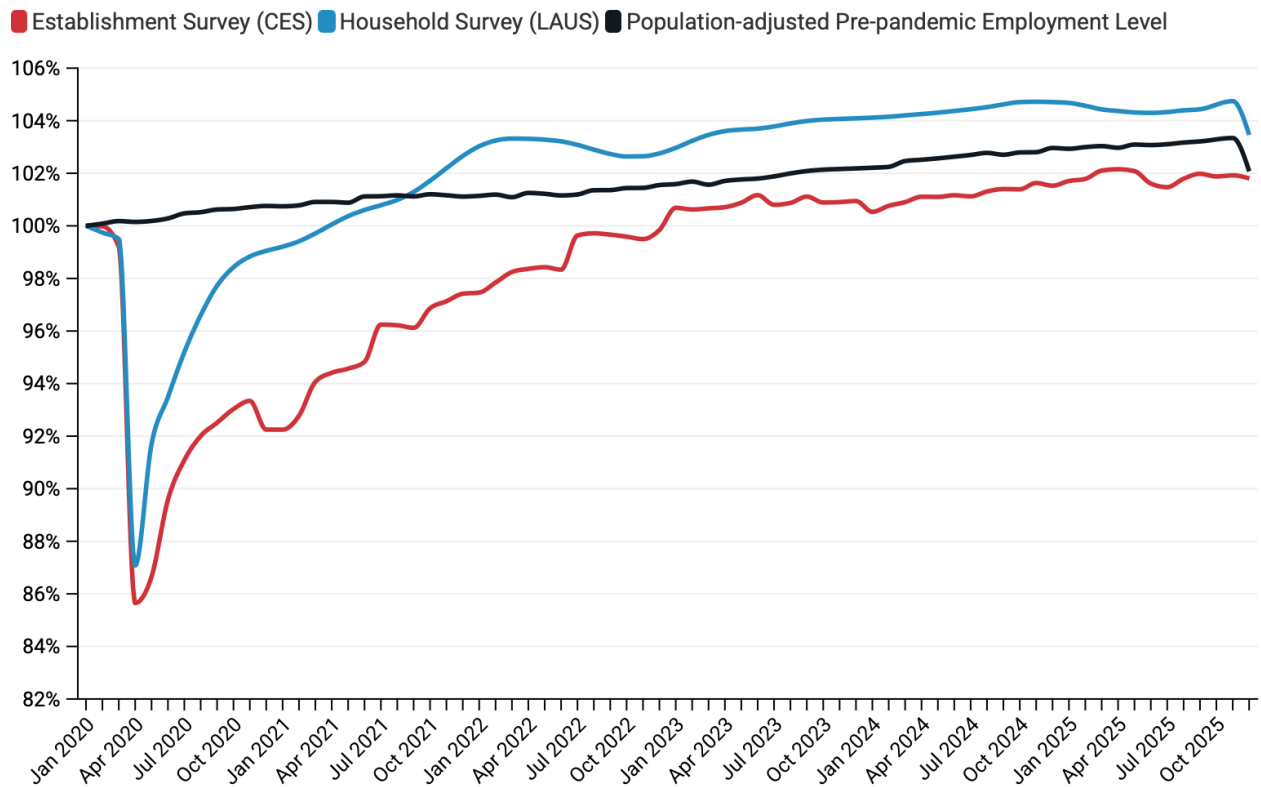


Key Highlights—Oregon December 2025 Employment Data

- **Oregon added 3,300 jobs in December**, though August's initially strong gain was revised down sharply.
- **Job growth has slowed significantly** this year: only **2,200 jobs** added from January–September compared to **17,000** over the same period last year.
- **Unemployment rose to 5.2%**, remaining well above the national rate of **4.4%**.
- **Health care led job gains** again, adding **1,700 jobs** in Oregon and **57,000** nationally.
- **Manufacturing remained weak**, with Oregon losing another **200 jobs** and the U.S. posting **6,000** job losses.
- **Professional and Business Services grew in Oregon (+700)**, contrasting with **national declines**, where PBS recorded the largest losses of any major sector.

- **Financial Activities** posted the largest decline (–700 jobs), continuing the sector’s long-run downward trend.

Employment Levels in Oregon since January 2020



Source: BLS, OED • October data unavailable due to the 2025 lapse in appropriations.

- The **Current Employment Statistics (CES)** survey indicates that Oregon has yet to fully return to its **pre-pandemic employment-to-population ratio**.
- Estimates from the **Local Area Unemployment Statistics (LAUS)** program show 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 payroll employment declined by **2,200 jobs in December**, following a modest gain of approximately **800 jobs from October to November**. October employment gains were revised downward by **800 jobs**, reducing previously reported growth between October and November. Nationally, total nonfarm payroll employment increased by **50,000 jobs in December**. Job losses in Oregon were concentrated in **Construction** and **Trade, Transportation, and Utilities**.

- **Private Sector Losses:** The private sector accounted for approximately **2,700 of the jobs lost** in December.
- **Professional and Business Services:** Professional and Business Services posted the largest job gains, adding **1,100 jobs** in December. This growth included **600 jobs in Professional, Scientific, and Technical Services** and **500 jobs in Administrative and Support and Waste Management and Remediation Services**.
- **Government:** Government employment increased by **500 jobs**, driven entirely by gains in **State Government (+300 jobs)** and **Federal Government (+200 jobs)** employment.
- **Education and Health Services:** Employment in Education and Health Services rose by **400 jobs**, with all gains occurring in **Educational Services**.
- **Manufacturing:** Manufacturing employment also increased by **400 jobs** in December.
- **Construction:** The largest job losses occurred in the **Construction** sector, which shed approximately **2,500 jobs in December**. Since January 2025, Construction employment has declined by roughly **3,300 jobs**.
- **Trade, Transportation, and Utilities:** Employment in Trade, Transportation, and Utilities fell by approximately **1,700 jobs**, with losses evenly split between **Retail Trade and Transportation, Warehousing, and Utilities**.
- **Financial Activities and Information:** Both the **Financial Activities** and **Information** sectors lost approximately **200 jobs** each.
- **Mining and Logging:** Employment in Mining and Logging was unchanged in December and has remained stable for more than a year, posting a net gain of approximately **100 jobs** over that period.
- **Other Services:** Employment in Other Services increased modestly, rising by approximately **100 jobs**.
- **Leisure and Hospitality:** Leisure and Hospitality employment declined by roughly **200 jobs**, with losses concentrated in **Arts, Entertainment, and Recreation**.

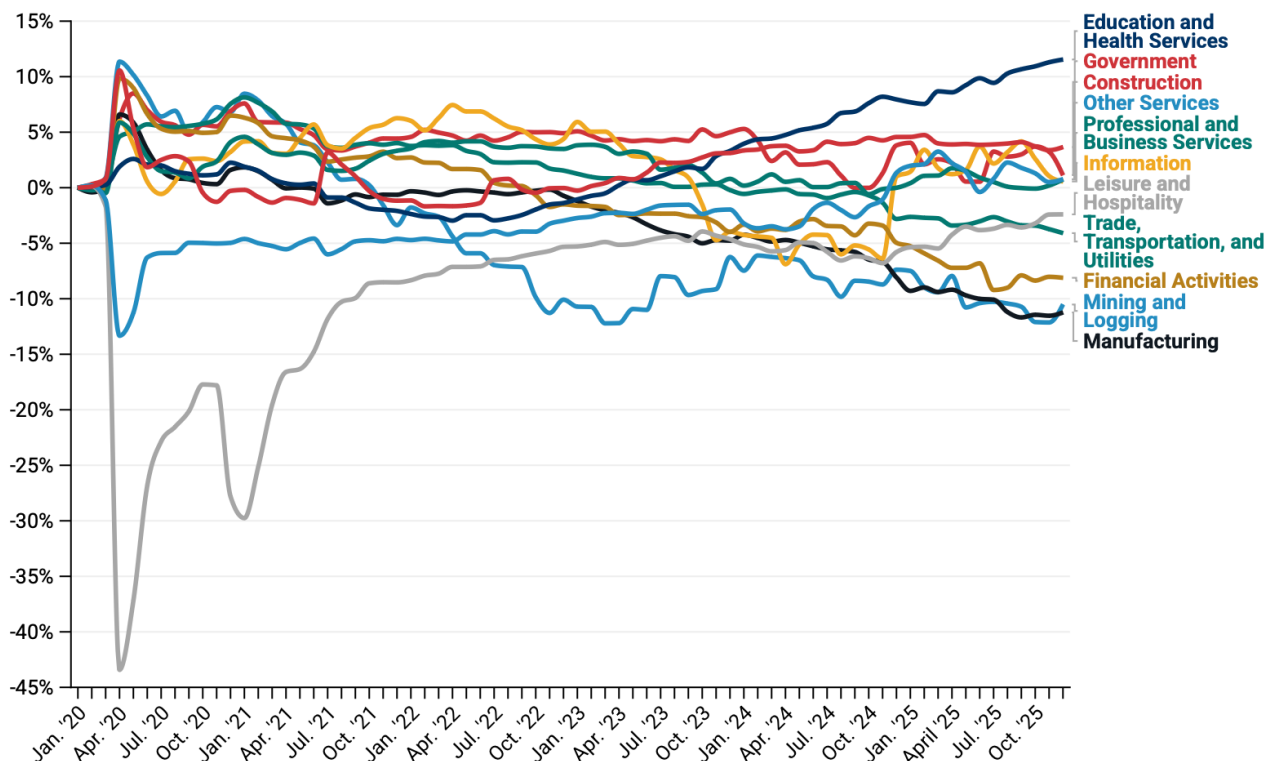
Since the Onset of the Pandemic:

- Total nonfarm employment in Oregon has increased by 35,600 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 9.6% compared to January 2020. **Mining and Logging** and **Financial Activities** are also lower, by 8.9% and 6.5%, respectively.
- In contrast, **Education and Health Services** employment has grown by 13.6%, driven largely by gains in **Health Care and Social Assistance**, which is up 15.7%.
- **Government** employment has also increased, rising 5.5% since January 2020.

Changing Industry Shares of Total Oregon Employment since January 2020



Source: Calculated by CSI using employment data from BLS and OED • Employment levels for November and December are estimated by applying Oregon Employment Department (OED) growth rates to the October BLS benchmark.

Oregon Labor Force Update

- **Labor Force Participation Rate (LFPR):** Oregon's LFPR rose to **63.2% in December**, an increase of 2.1 percentage points since January 2020. The state continues to exceed the national LFPR, which measured 62.4% in December 2025.
- **Unemployment Rate:** Oregon's unemployment rate stood at **5.2% in December**, remaining well above the **national rate of 4.4%**. Since December 2024, Oregon's unemployment rate has increased by **0.9 percentage points**.

Labor Force Participation Rate in Oregon Since 2000

■ Labor Force Participation Rate ■ Pre-pandemic Level



Source: BLS, OED • October data unavailable due to the 2025 lapse in appropriations.

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 **October 2025**. Labor force estimates come from the **Local Area Unemployment Statistics (LAUS)** program. **October 2025 CES estimates** are extrapolated using **monthly growth rates** from the **Oregon Employment Department's December release**.