



May 2026

Oregon Jobs and Labor Force – March 2026 Update

Authors: Mark McMullen, Serra Kirsch

Oregon Labor Market: Slowing Momentum Amid Demographic Change

Oregon's labor market is navigating a period of notable softening, set against the backdrop of a significant data revision. With the release of January 2026 data on February 11, 2026, the Bureau of Labor Statistics introduced its annual benchmark revision to the Current Employment Statistics survey, revising national nonfarm employment down by 898,000 jobs. Oregon was not immune, with the revision materially altering the state's employment picture.

Against this backdrop, 2026 opened with a modest gain of 1,600 jobs in January, only to be followed by sharper contractions of 6,900 jobs in February and 4,800 in March. The state's unemployment rate held at 5.2% in March — well above the national rate of 4.3% and elevated relative to Oregon's own historical distribution.

A closer look at labor force trends adds nuance. Oregon's overall labor force participation rate stood at 62.6% in March — above its pre-pandemic level — yet the employment-to-population ratio tells a more cautious story, at 59.5% in February 2026 and still below pre-pandemic levels of 61–62%. This gap suggests that while more Oregonians are participating in the labor force, not all have secured employment. Median unemployment duration has also been declining, which in combination with softening participation can sometimes signal discouraged workers exiting the labor force. However, Oregon's population has been aging steadily — the state's median age rose from 38.1 in 2010 to 39.5 in 2020 and 40.8 in 2024 — which mechanically pulls both participation and employment ratios lower over time as more residents approach retirement. At the national level, data suggests that prime-age workers (ages 25–54) have maintained relatively strong labor force attachment, offering cautious reassurance that some of the participation softening reflects longer-run demographic forces rather than purely cyclical discouragement.

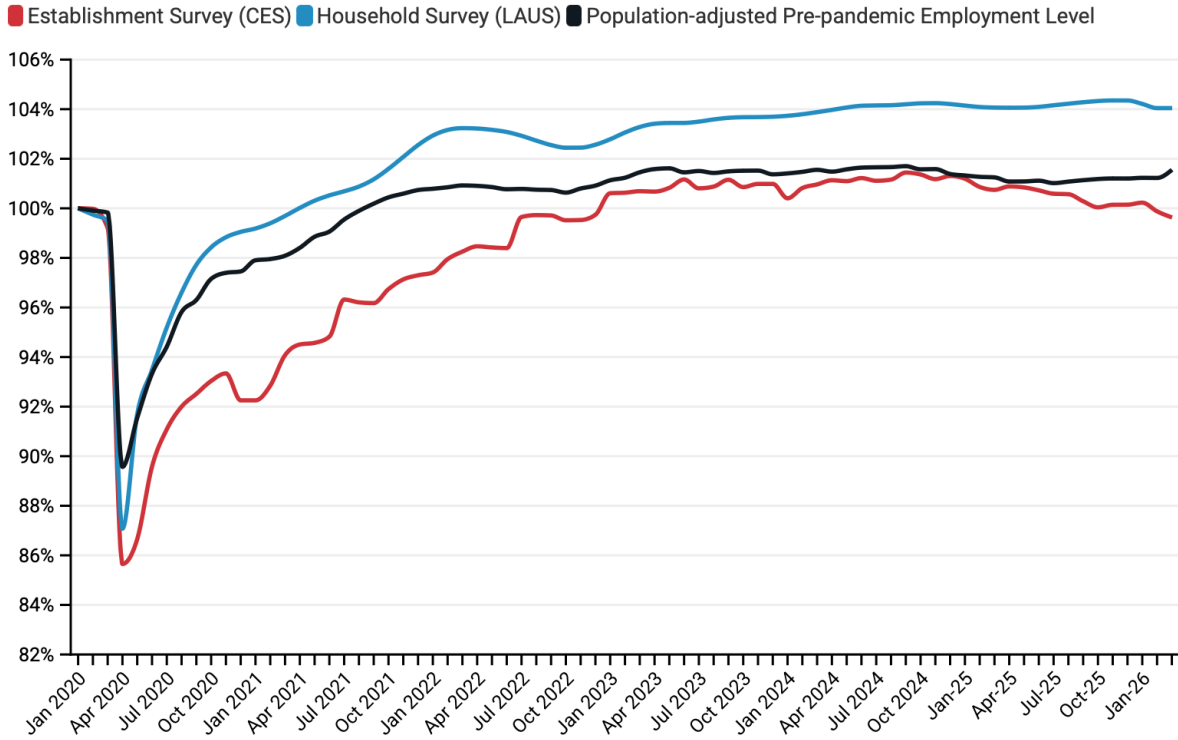
The sections that follow detail where Oregon's job growth has been concentrated in March, which sectors have shed employment, and how unemployment and participation trends are evolving across the state.

Key Highlights—Oregon March 2026 Employment Data

- After a modest gain of 1,600 jobs in January, Oregon's labor market deteriorated sharply — shedding 6,900 jobs in February and a further 4,800 in March.
- Weakness was broad-based in March, with Professional and Business Services, Leisure and Hospitality, Financial Activities, and Other Services all contracting. Trade, Transportation, and Utilities was the sole supersector to post gains (+300).
- Following a significant downward data revision, Oregon's total nonfarm employment now stands **7,200 jobs below** its January 2020 level — reversing what had previously been reported as a net gain of ~39,000 jobs.
- Seven of eleven supersectors remain below pre-pandemic levels, led by Manufacturing (-9.8%), Information (-8.2%), and Financial Activities (-6.0%). Education and Health Services is the standout exception, up 12.1% since January 2020.

- Oregon's unemployment rate held at 5.2% in March, well above the national rate of 4.3%.

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 by February fell below the benchmark.

Industry-Level Dynamics

- **Overall Employment:** Oregon's seasonally adjusted total nonfarm payroll employment contracted by 4,800 jobs in March 2026, extending a streak of labor market softening following a downwardly revised loss of 6,900 jobs in February.
- **Private Sector:** Private-sector payrolls declined by 4,000 jobs in March, after shedding 5,800 jobs in February. Weakness was broadly distributed, with the steepest contractions recorded in Professional and Business Services, Leisure and Hospitality, and Financial Activities.
- **Professional and Business Services:** The sector contracted by 2,400 jobs, with losses concentrated in Professional, Scientific, and Technical Services (-1,500). Administrative and Support, Waste Management, and Remediation Services shed an additional 900 jobs, suggesting softening demand across both high-skill and support-oriented segments of the sector.

- **Government:** Public-sector employment declined by 800 jobs. Local government accounted for the largest share of losses (-400), while State and Federal government each contracted by 200 jobs.
- **Education and Health Services:** The sector posted a modest net loss of 100 jobs in March, indicating relative stability following a steeper contraction of 1,400 jobs in February — losses that were concentrated in Health Care and Social Assistance per April data revisions.
- **Mining, Logging, Construction, and Manufacturing:** These sectors held steady in March, contributing no net change to overall payroll employment.
- **Trade, Transportation, and Utilities:** The sole supersector to record net job gains in March (+300), partially offsetting a loss of 1,000 jobs in February and offering a modest counterweight to broader labor market weakness.
- **Financial Activities:** The sector shed 600 jobs, with losses driven primarily by contraction in Finance and Insurance (-500).
- **Information:** Payroll employment in the Information sector was unchanged in March.
- **Other Services:** Employment declined by 600 jobs, with no single subsector identified as the primary driver.
- **Leisure and Hospitality:** The sector lost 600 jobs in March. Accommodation and Food Services accounted for the majority of the decline (-400), with Arts, Entertainment, and Recreation contributing the remainder (-200).

Since the Onset of the Pandemic:

- Oregon's total seasonally adjusted nonfarm payroll employment now stands **7,200 jobs below** its pre-pandemic level, with current employment at 1,962,200 compared to 1,969,600 in January 2020. This reflects a significant downward revision to the data — what had previously appeared to be a net gain of approximately 39,000 jobs since the onset of the pandemic has been materially revised, underscoring the broader fragility of Oregon's labor market recovery.
- **Seven of the eleven supersectors remain below their January 2020 employment levels** on a seasonally adjusted basis: Mining and Logging; Manufacturing; Trade, Transportation, and Utilities; Information; Financial Activities; Professional and Business Services; and Leisure and Hospitality.

Notable shifts:

The depth of contraction varies considerably across sectors.

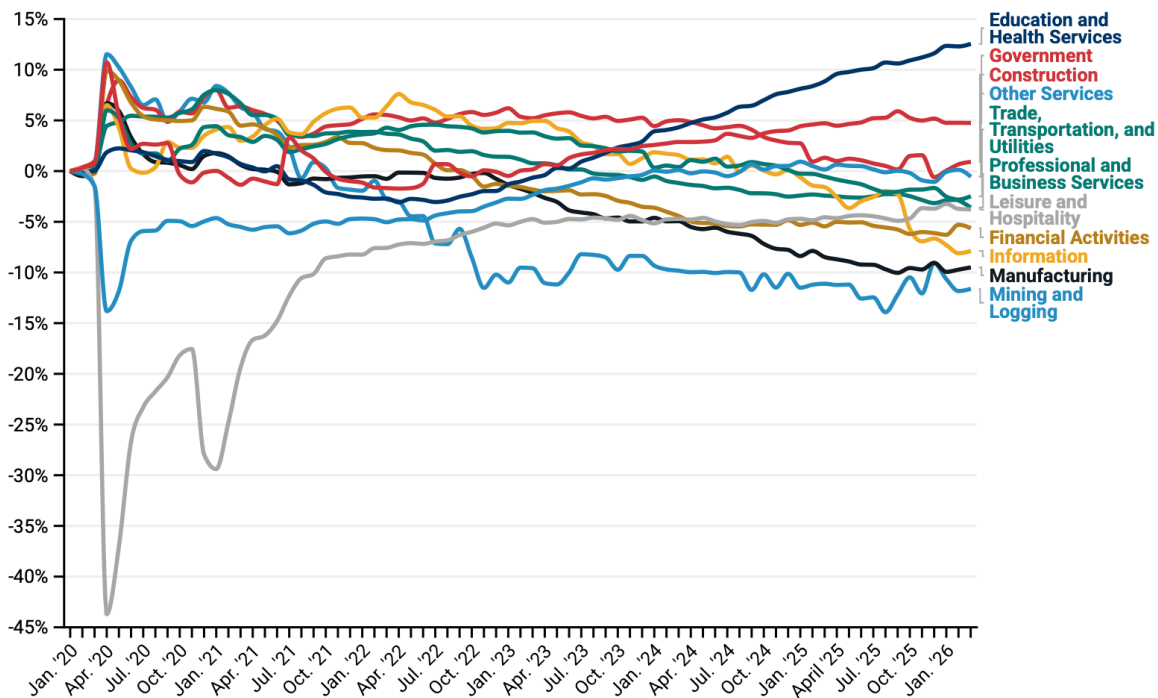
- Manufacturing has sustained the steepest decline, shedding 19,300 jobs — down 9.8% from January 2020 — with losses distributed across both durable goods (-10.3%) and non-durable goods (-8.7%).
- Professional and Business Services has contracted by 10,100 jobs (-3.9%), driven largely by losses in Administrative and Support, Waste Management, and Remediation Services (-10.2%).

- Leisure and Hospitality remains 8,900 jobs below its pre-pandemic level (-4.1%), with Accommodation and Food Services accounting for the bulk of that shortfall (-4.6%).
- Financial Activities and Information have also failed to recover, posting declines of 6.0% and 8.2%, respectively.

Offsetting these losses,

- Education and Health Services has been the standout growth sector, expanding by 38,300 jobs — up 12.1% since January 2020 — driven predominantly by Health Care and Social Assistance, which has grown 14.6%.
- Government employment has also increased, rising 13,100 jobs (+4.4%), with State government recording the most pronounced gain (+19.9%), though Federal government employment has contracted (-6.3%).

Changing Industry Shares of Total Oregon Employment since January 2020

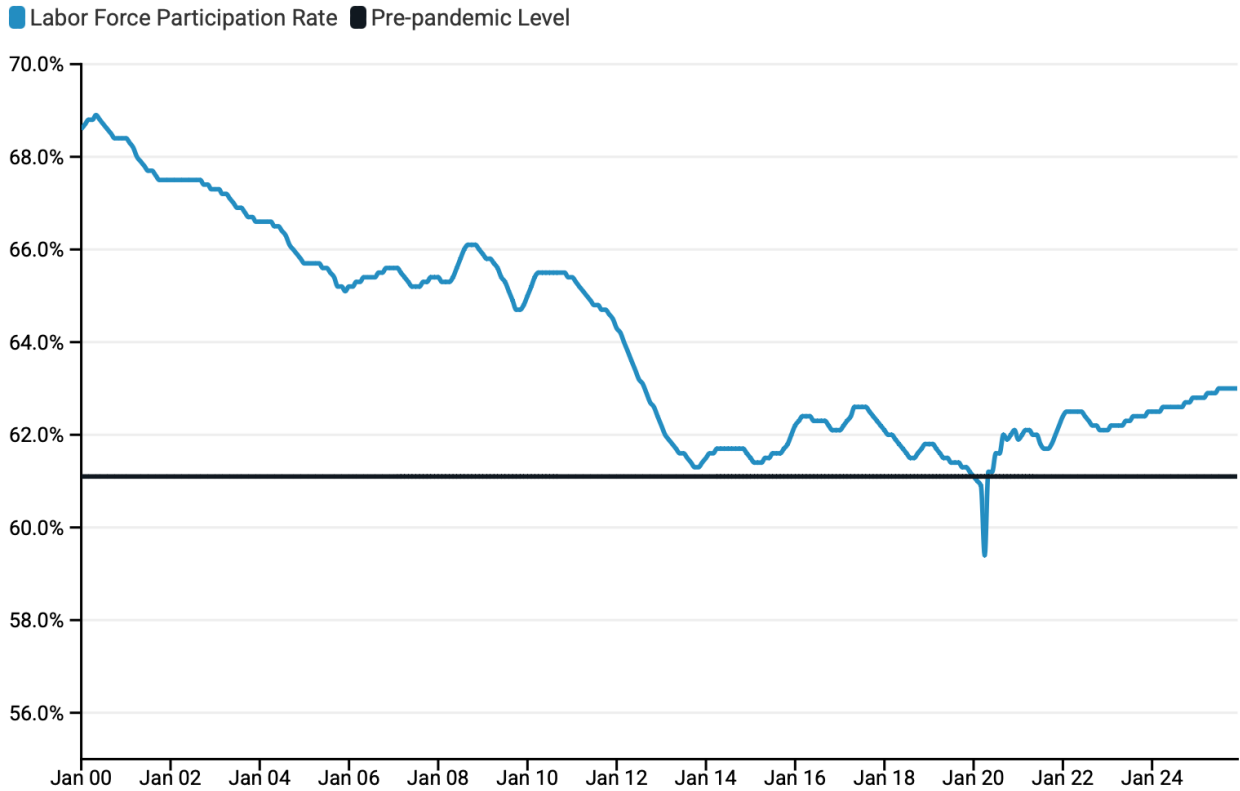


Source: Calculated by CSI using employment data from BLS and OED • Employment levels for February and March are estimated by applying Oregon Employment Department (OED) growth rates to the January 2026 BLS benchmark.

Oregon Labor Force Update

- **Labor Force Participation Rate (LFPR):** Oregon’s LFPR posted as **62.6% in March**, an increase of 1.5 percentage points since January 2020.
- **Unemployment Rate:** Oregon’s unemployment rate stood at **5.2% in March**, remaining well above the **national rate of 4.3%**.

Labor Force Participation Rate in Oregon Since 2000



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 **January 2026**. Labor force estimates come from the **Local Area Unemployment Statistics (LAUS)** program. **January 2026 CES estimates** are extrapolated using **monthly growth rates** from the **Oregon Employment Department’s December release**.