



June 2026

# Oregon Jobs and Labor Force – May 2026 Update

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## Oregon's Labor Market Posts a Second Straight Gain, But Growth Stays Narrow

Oregon's labor market extended its tentative recovery in May, posting a **second consecutive monthly gain** even as growth remained concentrated in a narrow band of industries. **Total nonfarm payroll employment rose by 3,600 jobs**, building on an upwardly revised gain of 600 jobs in April. Other Services and Professional and Business Services accounted for nearly all of the increase, while Manufacturing continued to contract, extending its losses to 4,200 jobs since December 2025. The breadth of the recovery remains thin: **just four of the state's eleven supersectors** — Construction, Financial Activities, Education and Health Services, and Other Services — **have added jobs on net since January**, while six have lost ground and one has held flat. Measured against a year ago, the gap is wider still: **total nonfarm employment is down 19,100 jobs year-over-year**, with losses concentrated in Professional and Business Services (-7,500) and Manufacturing (-5,700), partially offset by continued growth in Education and Health Services (+7,500).

That offsetting strength, however, is itself losing steam. Education and Health Services — one of **Oregon's biggest job-growth engines since the pandemic** — **has also lost momentum**: the supersector added just 1,500 jobs from January through May 2026, compared with 4,100 jobs over the same stretch in 2025. Even one of the state's most dependable sources of growth is cooling, a sign of how narrow the current expansion has become.

The household survey told a similarly cautious story. Oregon's unemployment rate held at 5.2% in May, well above the national rate of 4.3%, while the state's labor force participation rate slipped to 62.4% in May, continuing a gradual decline from 63.0% in December 2025, though it remains modestly above the national participation rate of 61.8%.

This local picture unfolded against a national backdrop that diverged on two fronts. Nationally, employers added a robust 172,000 jobs in May, well above expectations, while the unemployment rate held steady at 4.3%. At the same time, inflation accelerated to 4.2% year-over-year, its highest reading since 2023, driven largely by a surge in energy prices tied to ongoing geopolitical tensions. The Federal Reserve, under new Chair Kevin Warsh, left the federal funds rate unchanged at 3.50% to 3.75% for a fourth consecutive meeting in June, citing modest job growth nationally and inflation that remains elevated.

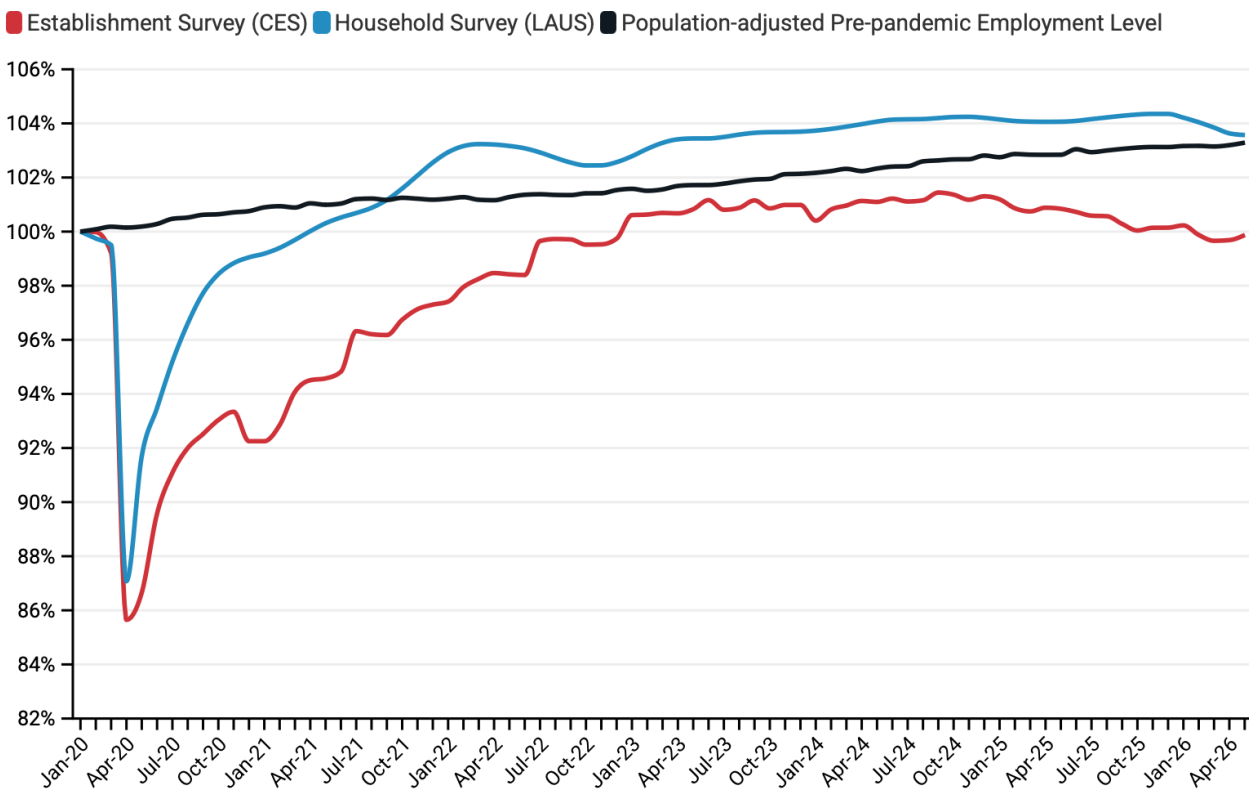
For Oregon, May's gain is encouraging after a rocky start to the year, but it is not yet evidence of a durable turnaround. Job growth remains narrowly distributed, several major industries continue to lag behind their pre-pandemic employment levels, and even the state's strongest growth engines are decelerating.

### Key Highlights—Oregon May 2026 Employment Data

- Oregon's seasonally adjusted total nonfarm payroll employment increased by 3,600 jobs in May 2026, building on April's upwardly revised gain of 600 jobs and marking a second consecutive month of growth. Private-sector employment drove all of the over-the-month gains, while government employment declined.

- Other Services led sectoral gains, adding 1,950 jobs, while Professional and Business Services also posted a strong gain of 1,800 jobs. Manufacturing registered the largest over-the-month decline, shedding 1,100 jobs, followed by Government, which lost 300 jobs.
- On a seasonally adjusted basis, total nonfarm payroll employment in Oregon remains 2,500 jobs below its January 2020 level. Seven of eleven supersectors continue to trail their pre-pandemic employment levels.
- Oregon's Labor Force Participation Rate declined to 62.4% in May 2026, continuing a gradual downward trend since the start of the year, though it remains above the national rate of 61.8%.
- Oregon's unemployment rate held at 5.2% in May, remaining 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 has remained above that benchmark.

#### Industry-Level Dynamics

- **Overall Employment:** Oregon's seasonally adjusted total nonfarm payroll employment rose by 3,600 jobs in May 2026. April's gain was revised upward by 100 jobs, bringing that month's total to 600 job gains. Private-sector employment again accounted for all of the over-the-month increase, while government employment declined.
- **Other Services** led all supersectors in over-the-month gains, adding 1,950 jobs. Growth was concentrated in the Repair and Maintenance subsector, followed by Membership Associations and Organizations.
- **Professional and Business Services** also contributed substantially, adding 1,800 jobs. Within the supersector, the Professional, Scientific, and Technical Services gained 2,200 jobs, while the Administrative and Support and Waste Management and Remediation Services lost 900 jobs.
- **Construction** continued to expand. April's gain was revised upward by 300 jobs to 1,100, and the sector posted a more modest gain of 300 jobs in May.
- **Financial Activities** partially reversed the prior month's losses, adding 600 jobs over the month.
- **Education and Health Services** posted modest gains, adding 300 jobs, with growth attributed entirely to the Health Care and Social Assistance subsector.
- **Trade, Transportation, and Utilities** also added 300 jobs, driven by gains in the Wholesale Trade subsector, followed by Retail Trade.
- **Mining and Logging** was essentially unchanged, adding 100 jobs.
- **Leisure and Hospitality** held steady overall in May, as job gains in the Arts, Entertainment, and Recreation subsector offset losses in Accommodation and Food Services. April's gain was revised downward by 300 jobs.
- **Manufacturing** employment continued to decline, losing 1,100 jobs in May. April's loss was also revised, down by 500 jobs to a 900-job decline. The sector has now shed 4,200 jobs since December 2025.
- **Government** employment shed 300 jobs, with losses distributed evenly across the Federal, State, and Local government subsectors.

### Since the Onset of the Pandemic:

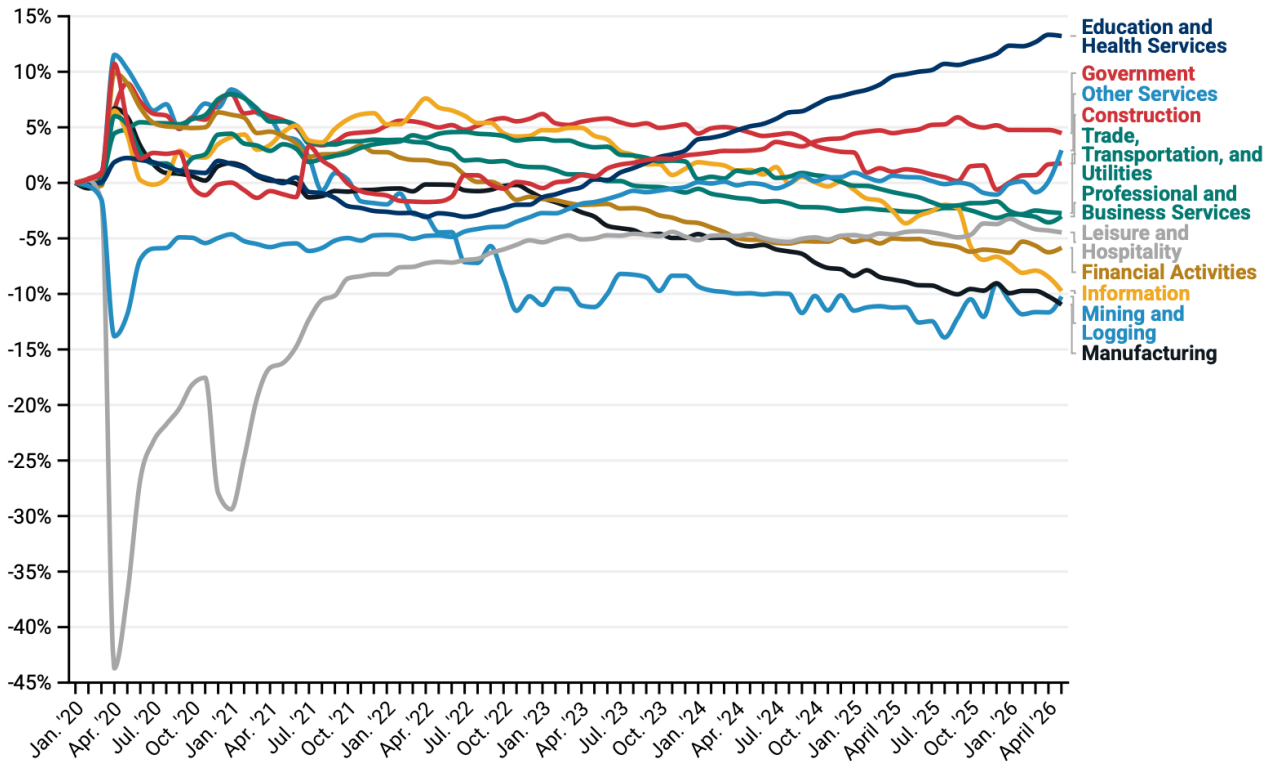
Total seasonally adjusted nonfarm employment in Oregon has decreased by 2,500 jobs since January 2020, with private sector employment accounting for roughly 15,500 of the job losses. Seven of eleven supersectors remain below their pre-pandemic levels on a seasonally adjusted basis: Mining and Logging; Manufacturing; Trade, Transportation, and Utilities; Information; Financial Activities; Professional and Business Services; and Leisure and Hospitality.

### Notable shifts:

- Among the supersectors still below pre-pandemic levels, Mining and Logging and Manufacturing have seen the steepest declines, down 10.4% and 11.1% respectively since January 2020, followed by Information and Financial Activities, down 9.8% and 6% respectively.

- By contrast, Education and Health Services has grown 13.1% since January 2020, driven largely by Health Care and Social Assistance, which is up 15.6%. Government employment has similarly increased, rising 4.3% over the same period

### Changing Industry Shares of Total Oregon Employment since January 2020



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

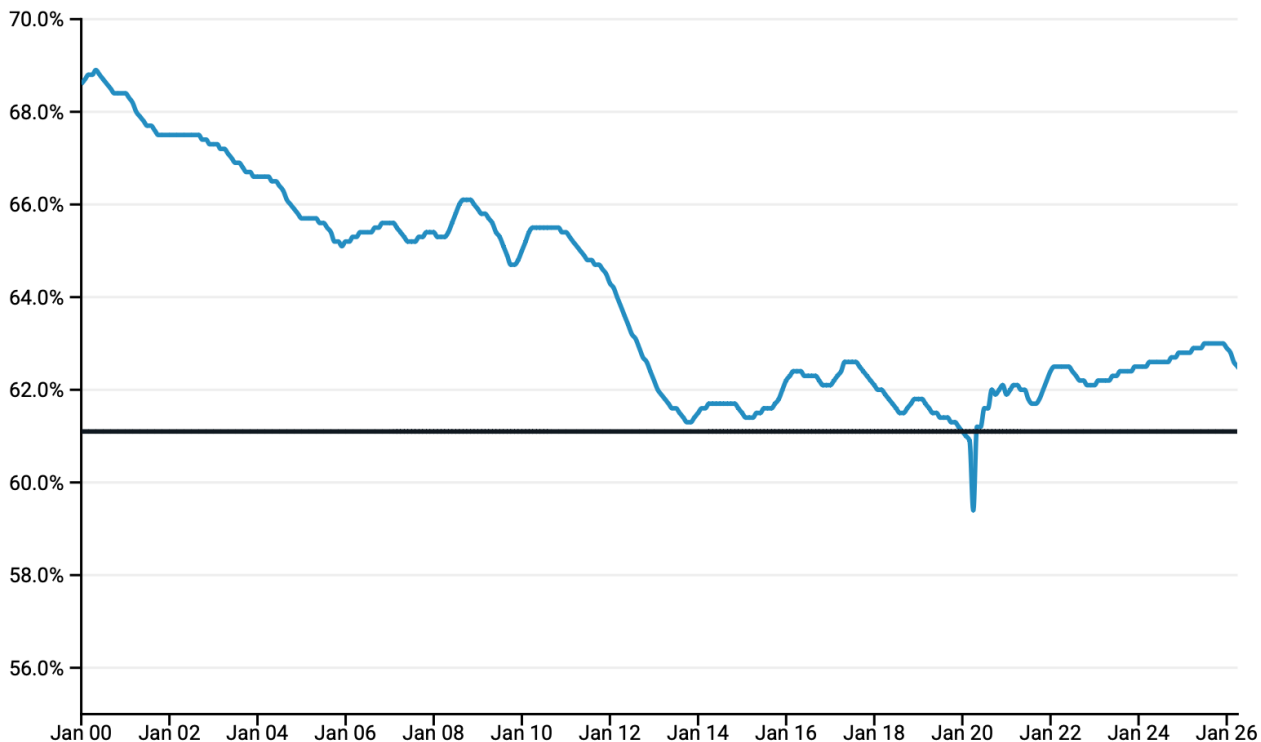
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### Oregon Labor Force Update

- **Labor Force Participation Rate (LFPR):** Oregon's LFPR has declined gradually since the start of the year, falling from 63.0% in December 2025 to 62.4% in May 2026, though it remains above the national rate of 61.8%.
- **Unemployment Rate:** Oregon's unemployment rate has held steady at 5.2% since the beginning of the year (as of May data), remaining well above the national rate of 4.3%.

## 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 derived from the **Oregon Current Employment Statistics (CES)** survey and are benchmarked to **Bureau of Labor Statistics (BLS)** data through **March 2026**. Labor force estimates come from the Local Area Unemployment Statistics (LAUS) program, with data through May 2026. April and May 2026 CES estimates are extrapolated using monthly growth rates from the Oregon Employment Department's May release.