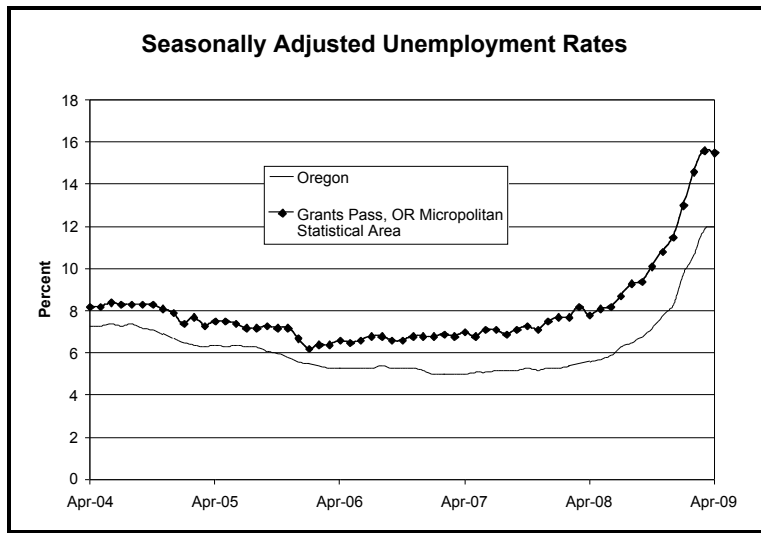


Josephine County Economic and Workforce Trends

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Recent Industry Trends-

Josephine County payroll employment rose by 110 jobs in April, with seasonal hiring totaling 80 jobs in leisure and hospitality accounting for most of the rise. Over the year, payroll employment fell by 1,000 jobs, for a decline of -4.0 percent. The county's seasonally adjusted unemployment rate was essentially unchanged over the month, and was estimated at 15.5 percent in April, about double rate posted in April 2008.



In April industry trends were mixed, with a number of sectors adding jobs, while others remained steady or posted slight job losses. Sectors gaining jobs over the month included financial activities (+20), nursing and residential care facilities (+30), and other services (+20).

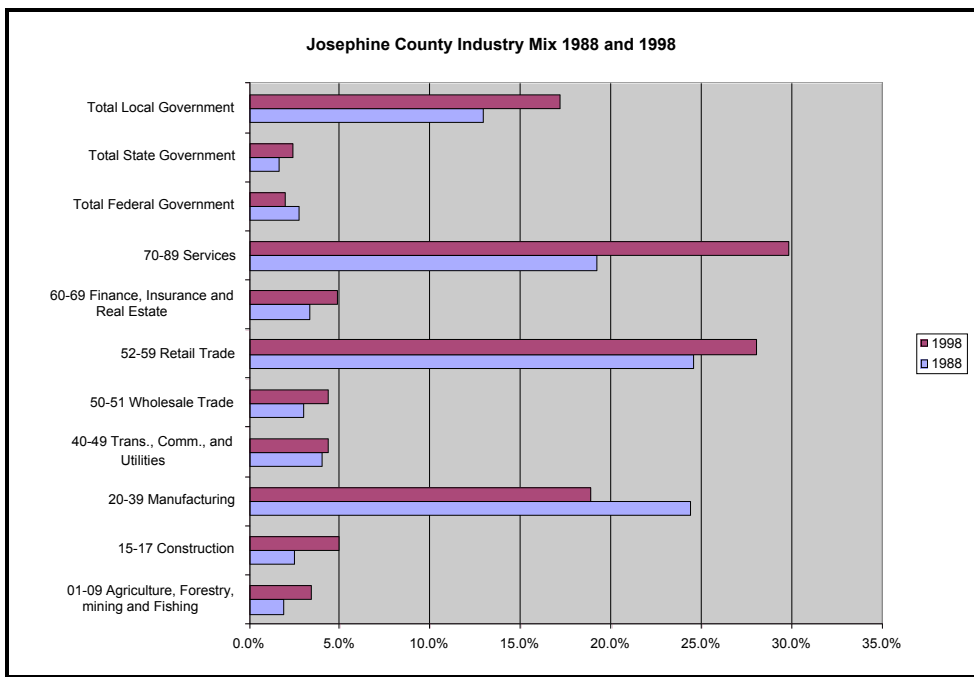
Government employment posted a net increase of 20 jobs in April, with a gain of 40 in federal government offsetting a loss of 20 local government education jobs. Federal government employment rose in part due to hiring for the upcoming 2010 Census.

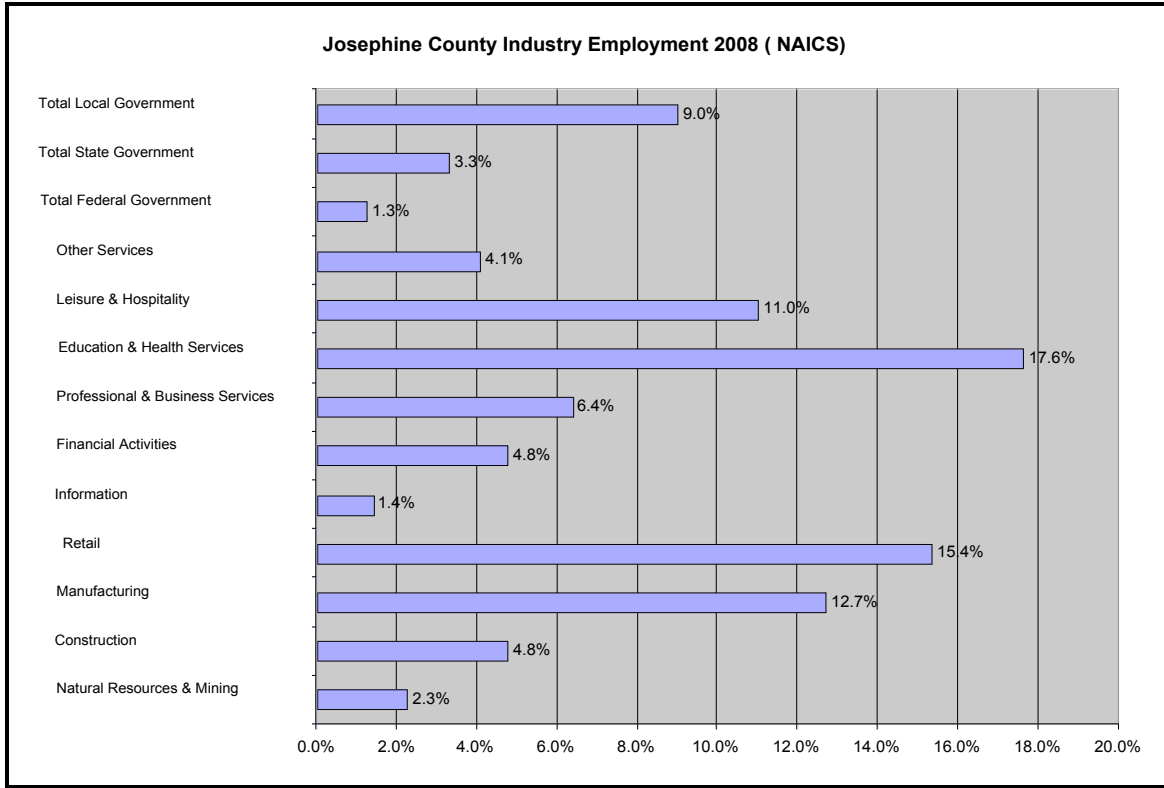
Over the year, manufacturing (-540) accounted for about one-half of the county's total job losses. The county has lost one-in-six manufacturing jobs it had just one year earlier. Other sectors showing notable reductions included construction (-180), wholesale trade (-60), retail trade (-80), health care and social assistance (-50), and leisure and hospitality (-30). Government employment rose by 60 over the year, with federal government (+30) and local government (+30) accounting for the public-sector job growth.

Industry Mix: 1988, 1998 and 2008.

Due to changes on how businesses are categorized by industry starting in 2001, it is not possible to directly compare the mix of industry employment with data before year 2000 and 2001 and later. Prior to 2001, the SIC or standard industrial classification system was used. Beginning in 2001, industry codes were assigned using the North American Industrial Classification System (NAICS).

With that said, the following chart shows the mix of industry employment in Josephine County over the past 30 years.





WAGES AND INCOME, RECENT TRENDS

The current recession, with historically high unemployment rates and significant job losses, could impact wages and income negatively in the Rogue Valley as well as in Oregon. However, it will take some time before the data can reveal this recession's full impact. At present, the latest available data covers up to 2008 for wages and up to 2007 for income data.

Income

Income data for the nation, states and counties is compiled by the Bureau of Economic Analysis (BEA). There are three major sources of personal income as measured by the BEA: net earnings from work, income from investments, and transfers receipts.

Net earnings include wages and salaries and also earnings of self employed individuals. Investment income includes not only corporate dividends, but also income from rent and interest on savings. Transfer receipts cover various payments that governments and corporations give to individuals or non-profit institutions. Examples of transfer payments are Medicare and Medicaid payments, veterans' benefits, federal grants for student aid, and corporate gifts for non-profits and others. Net earnings account for about 65 percent of Oregon's personal income, followed by investment income at 20 percent, and transfer receipts at 15 percent. Per capita personal income (PCPI) for a certain geographic area is the total personal income divided by the population number for that area.

Wages

Wage data in Oregon is gathered by the Oregon Employment Department, Workforce and Economic Research Division. The wage or payroll data come from the Quarterly Census of Employment and Wages program, for all employers subject to the unemployment insurance (UI) regulations. The Oregon UI system covers about 90 percent of all employers.

Nominal vs. real income and wages

Looking at nominal values of income and wages over time does not really provide a complete picture, without factoring in inflation. If consumer prices increase faster than wages and income, the “real” purchasing power of those earning wages and salaries and other forms of income is diminished.

Inflation is an upward movement in the average level of prices over time, and it is measured by a Consumer price Index (CPI). CPI is compiled by the Bureau of Labor Statistics, under the US Department of Labor. Every month prices on thousands of products and services are measured all over the nation. The types of products and services are revised in parts every year, to ensure that changes in consumer spending, new products and services are taken into consideration.

In this article, the Portland/Salem area index for Urban Consumers is used. The Oregon minimum wage, for instance, is adjusted every year by the national CPI for Urban Consumers. Many employers use the national index to review their employees’ wages and salaries. So there is more than one, “cost of living” number available.

Income and wages in Jackson, Josephine counties and in Oregon

The data in Table 1 shows that per capita income in 2007 was lower in Oregon and Jackson and Josephine counties than the average annual wages (payroll divided by number of jobs). In addition, the table shows a significant difference between the statewide numbers and those for Jackson and Josephine counties.

Income and wages 2007		
	Per capita Personal Income	Average Annual Wages
Oregon state total	\$35,143	\$39,564
Jackson, OR	\$33,516	\$32,867
Josephine, OR	\$27,770	\$29,452

Source: Quarterly Census of Employment and Wages,
OED and Bureau of Economic Analysis

Josephine County's PCPI ranked 29th in the state and was 79 percent of the state average, \$35,143, and 72 percent of the national average, \$38,615. The 2007 PCPI reflected an increase of 4.1 percent from 2006. The 2006-2007 state change was 4.4 percent and the national change was 4.9 percent. In 1997 the PCPI of Josephine was \$19,134 and ranked 28th in the state. The 1997-2007 average annual growth rate of PCPI was 3.8 percent. The average annual growth rate for the state was 3.7 percent and for the nation was 4.3 percent.

TOTAL PERSONAL INCOME

In 2007 Josephine had a total personal income (TPI) of \$2,247,384*. This TPI ranked 12th in the state and accounted for 1.7 percent of the state total. In 1997 the TPI of Josephine was \$1,405,236* and ranked 12th in the state. The 2007 TPI reflected an increase of 4.4 percent from 2006. The 2006-2007 state change was 6.0 percent and the national change was 6.0 percent. The 1997-2007 average annual growth rate of TPI was 4.8 percent. The average annual growth rate for the state was 5.0 percent and for the nation was 5.4 percent.

COMPONENTS OF TOTAL PERSONAL INCOME

Total personal income includes [net earnings](#) by place of residence; [dividends, interest, and rent](#); and [personal current transfer receipts](#) received by the residents of Josephine. In 2007 net earnings accounted for 48.6 percent of TPI (compared with 45.9 in 1997); dividends, interest, and rent were 24.3 percent (compared with 28.1 in 1997); and personal current transfer receipts were 27.1 percent (compared with 26.1 in 1997). From 2006 to 2007 net earnings increased 1.8 percent; dividends, interest, and rent increased 7.6 percent; and personal current transfer receipts increased 6.5 percent. From 1997 to 2007 net earnings increased on average 5.4 percent each year; dividends, interest, and rent increased on average 3.3 percent; and personal current transfer receipts increased on average 5.2 percent.

EARNINGS BY PLACE OF WORK

[Earnings](#) of persons employed in Josephine increased from \$1,150,716* in 2006 to \$1,167,865* in 2007, an increase of 1.5 percent. The 2006-2007 state change was 5.0 percent and the national change was 4.9 percent. The average annual growth rate from the 1997 estimate of \$695,386* to the 2007 estimate was 5.3 percent. The average annual growth rate for the state was 5.0 percent and for the nation was 5.4 percent.

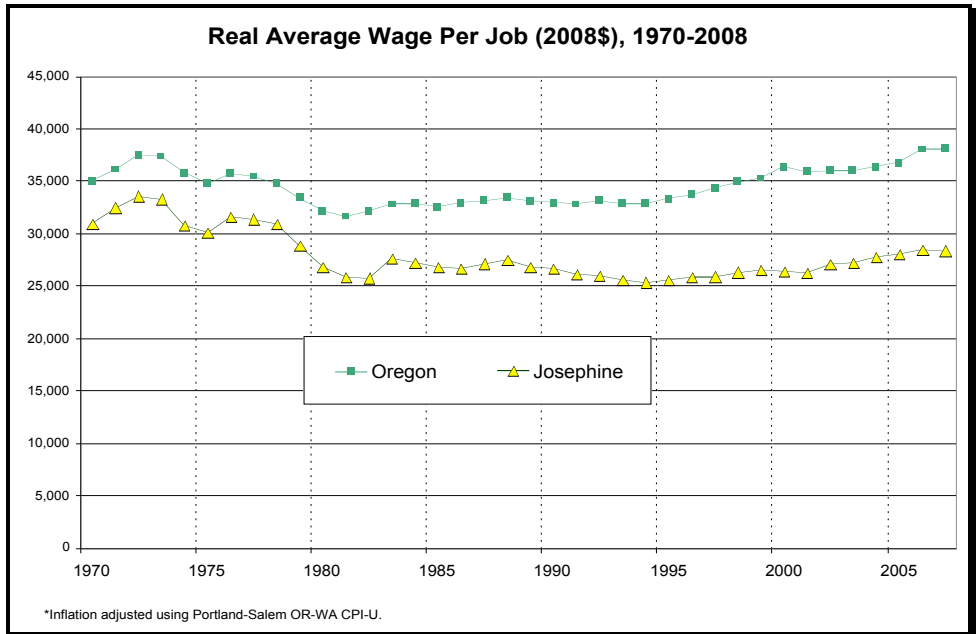
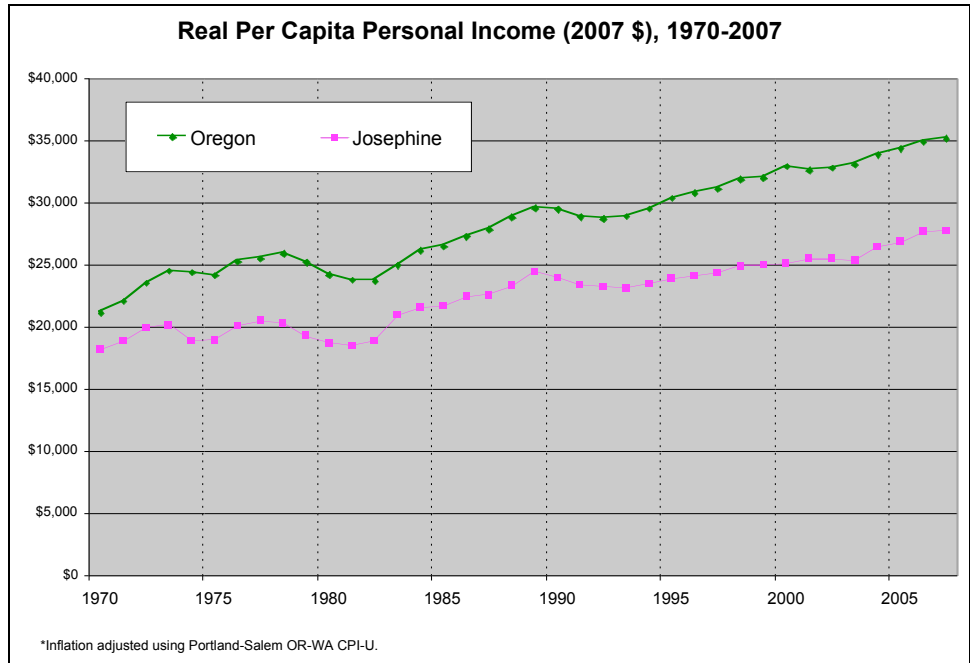
At the height of the prosperous years of the timber industry in Oregon, per capita personal income and wages in Josephine County Oregon as a whole were more similar. Since the mid 1980's, wages and PCPI in Southern Oregon counties had some difficulty keeping up with the state. The main reason for the gap is that statewide data is heavily skewed toward the Portland Metro area, home for about half of all jobs in Oregon. In recent decades, the Portland metro area experienced a significant growth in industries and occupations with higher wages and salaries, such as capital investments and growth in the high-tech sector. The Portland metro area also has a higher share of large companies, which tend to have higher wages.

Though highly diversified today, the economy in Jackson and Josephine counties has mostly smaller businesses. In addition, seasonal industries with lower wages - such as Leisure and hospitality, and retail trade - have a strong presence in the region.

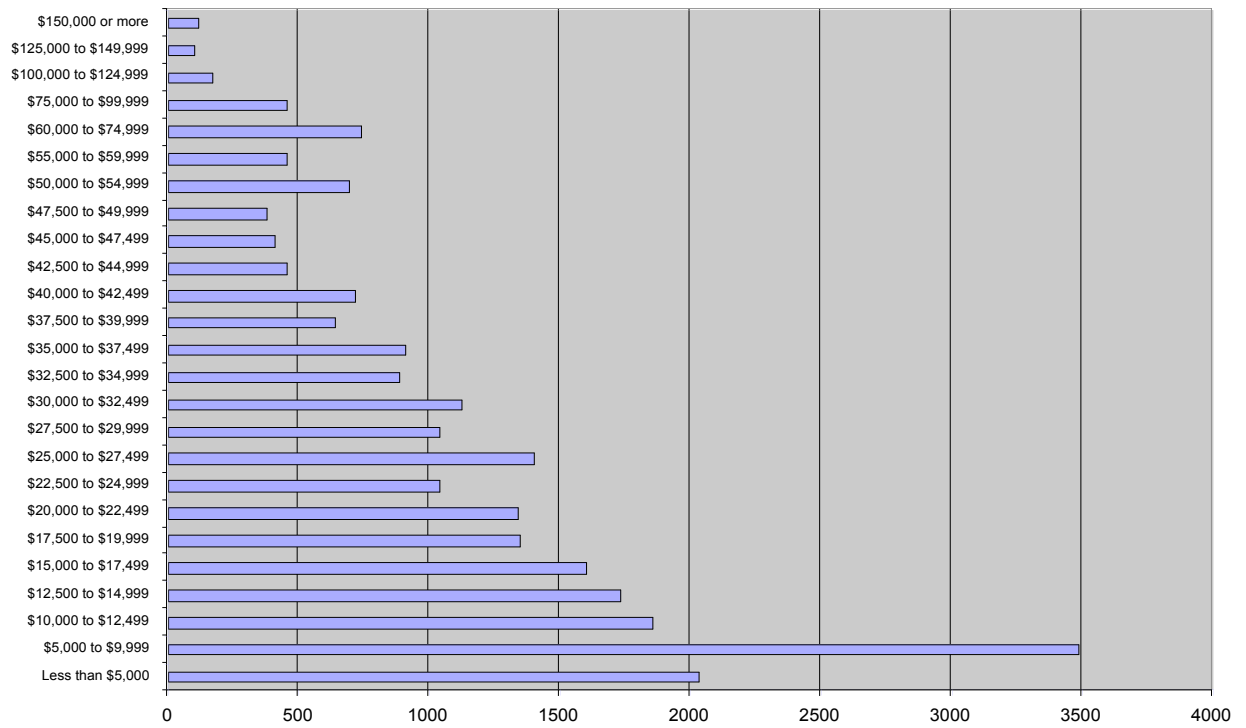
While real Per Capital Personal Income has been climbing steadily in Josephine Count, the gap between the county's income and Oregon statewide continues to widen. But as with all statistics, there are limitations. The BEA PCPI data does not count private pension disbursement as income, and therefore, with Josephine County's large contingent of retirees, may understate this portion of actual dollars that are actually flowing into local retiree coffers.

However, the wage gap between Josephine County and Oregon did not improve between 2002 and 2007. The average wages of Jackson County were at 83.4 percent of the statewide wages 2002 and at 83.1 percent in 2007. In Josephine County the annual average wages in 2007 were at 74.4 of the statewide average, down from 75.3 percent in 2002.

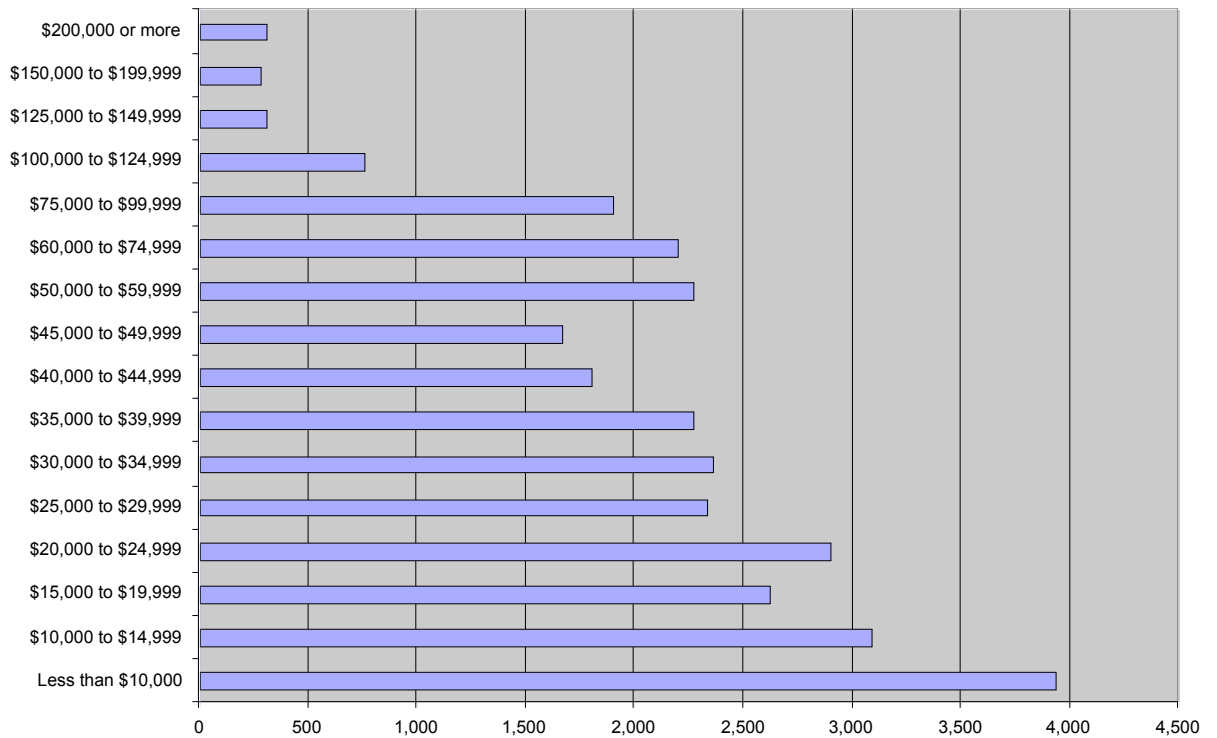
Wages and income kept up with inflation. On the bright side, both wages and per capita income mentioned above kept up with the inflation rate. Between 2002 and 2007 the national CPI for Urban Consumers grew by 15.3 percent. That means per capita income and wages in Oregon and Josephine counties increased in real terms, not only nominally.

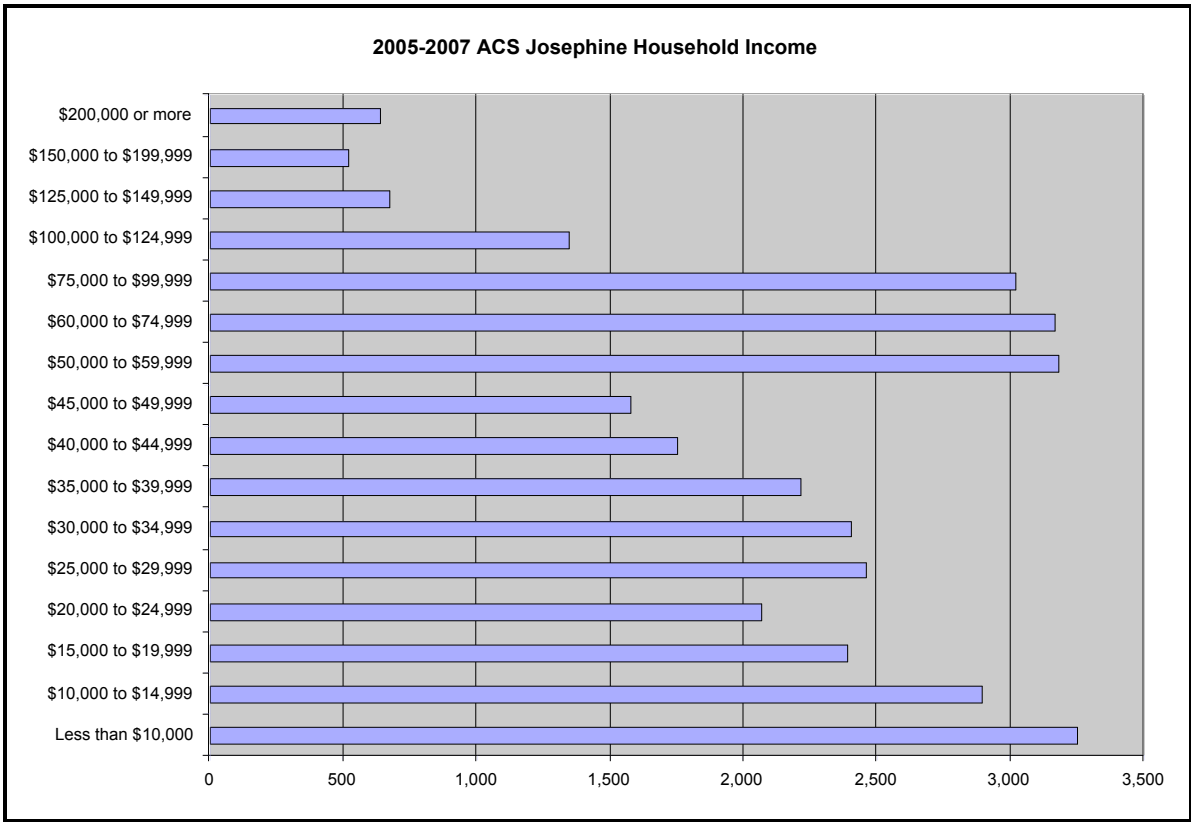


Household income 1990



Household income 2000 Census Josephine County





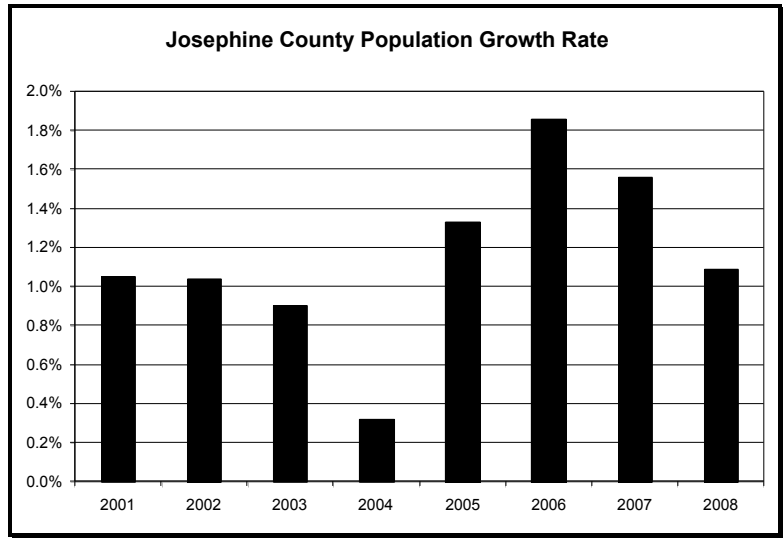
Though per capita personal income data is not available for 2008, the average payroll per job data showed Josephine County continuing to lose ground to Oregon statewide. Oregon payroll per job (all industries) rose by 2.3 percent between 2007 and 2008. In Josephine County, the average wages for the same time increased by 1.1 percent. If we look at the gap between Oregon's average wage per job and Josephine County, back in 1988, Oregon's statewide average wage per job was \$5,830 greater than Josephine's. By 1998 that gap grew to \$7,293. In 2008, Oregon average wage per job stood at \$10,722 more than the Josephine County average.

Population and Demographics

Portland State's Population Research Center released the 2008 Oregon Population Report in March. The full report can be found at www.pdx.edu/prc. Some of the data in this report include estimates for births, deaths, natural increase and net migration for Oregon by year, and for Oregon's counties from 2000 to 2008. Annual population estimates from 2000 to 2008 for cities and counties are also available. Estimates of population by age for each Oregon County are produced by the Population Research Center.

Josephine County continued to add new residents between July 1, 2007 and July 1, 2008, but at a slower pace than in past years.

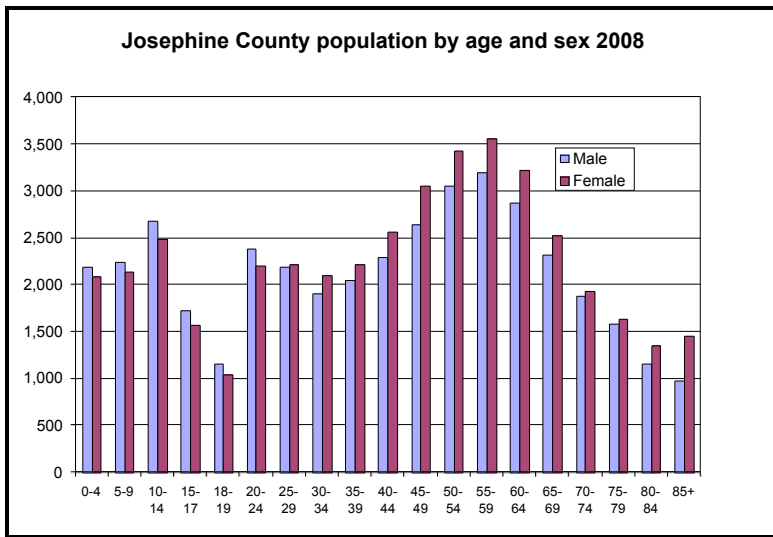
Josephine's population rose by 900 over the year to reach 83,290. The Rogue Valley mirrored Oregon's trend of population growth, but at a slower pace than the past few years. Chart 2 shows Josephine's rate of population change.



Population by age estimates show that the Rogue Valley is home to proportionally more older residents than Oregon statewide. In Oregon, 12.9 percent of the population is age 65 and older. Josephine County's 65 and older crowd comprised 20.2 percent of the population. Note the higher number of females, once you get to the upper 40's age groups. Women's longer life expectancy is clearly evident in the upper age brackets.

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The chart shows the distribution by age and sex in Josephine County. The higher percent of older citizens and relatively less younger- aged residents are shown in this chart.

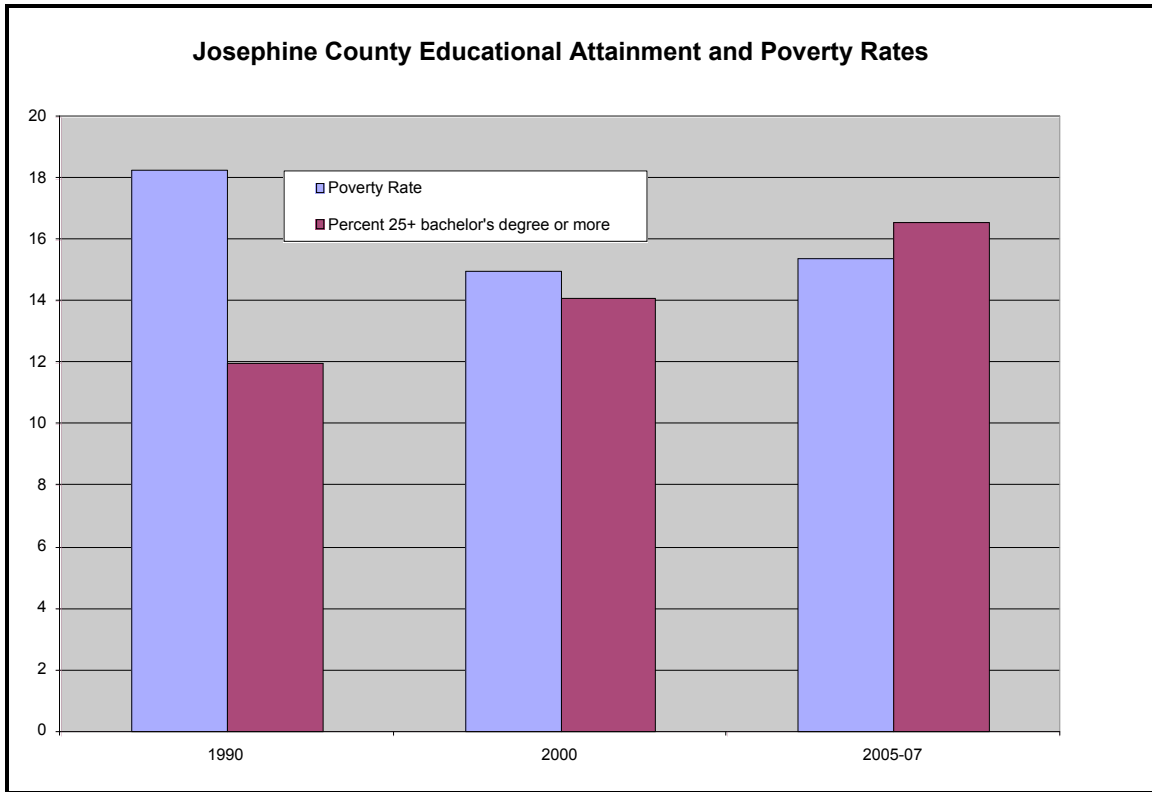


The Census Bureau also recently released population estimates for states and counties. The numbers differ from the Population Research Center's data due to different estimation methodologies. Census Bureau's county estimates can be found at:

<http://www.census.gov/popest/counties/counties.html>

Poverty and Educational Attainment

This chart shows poverty rates falling slightly from 1990 to 2000, while the percentage of the population age 25 and over with a bachelor's degree or higher from the 1990, 2000, and 2005-2007 average from the Census' American Community Survey. Please note these ACS data are not strictly comparable to decennial census data due to different survey methodology and sample sizes.



Construction Employment and Residential Building Permit Trends.

This chart shows the relationship between residential building permits and construction employment in Josephine County. As permit levels continue to decline in 2009 relative to 2008 numbers, the trend is point to further curtailments in construction employment in 2009.

