

Eastern Oregon Economic Analysis – 2023 Update For the Eastern Oregon Workforce Board

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Introduction and a Caution about Broad Geographic Data Aggregation

The Eastern Oregon Workforce Area is comprised of eight counties (Baker, Grant, Harney, Malheur, Morrow, Umatilla, Union, and Wallowa). The region represents roughly 40% of the state's total land mass while representing just 4.5% of the state's total population. Counties in the region have a varied mix of industries, resources, demographics, and seasonality. Several industries in Wallowa County, for instance, are highly dependent on tourism, whereas the backbone of Morrow County's employment is manufacturing, and yet Grant County relies on government employment as an economic cornerstone. Because many of the population centers are geographically isolated and there is minimal economic cohesion with other population centers, understanding the economic health of the region as a whole is problematic.

Data aggregation often obscures underlying details, which are paramount to understanding the health and functionality of a broad geographic area. For example, Eastern Oregon's professional and business services industry shows a dramatic decline between 2011 and 2019, down 740 jobs or 19%. In reality, Umatilla County saw a massive loss of 1,090 jobs (-47%) in the industry during the period, while six counties saw growth, and Malheur saw just a small loss of only 40 jobs. However, due to Umatilla's share of employment in the region and the size of the loss in the county, aggregation makes it appear as if each county in the region saw a dramatic decline in the industry, which is not the case.

For reasons such as these, an analysis of the workforce area as a whole fails to provide an economic understanding of the individual counties in the same way that an analysis of the United States as a whole fails to provide an economic understanding of the individual states. The following analysis, however, still attempts to address the region's economy as a whole, also drawing some attention to county level details that might help reduce misunderstanding. Because data aggregation paints in such broad strokes, and because a regional report based on aggregation generally lacks a sufficient look at underlying details, a broad level regional report such as this may do more than provide an incomplete understanding of the economy, it could in fact create an incorrect understanding of the economy. Therefore, a thorough economic analysis for each of the eight counties is recommended but is not within the scope of this report.

1.1 *An analysis of the economic conditions including existing and emerging in-demand industry sectors and occupations; and the employment needs of employers in those industry sectors and occupations.*

Understanding the Present by Looking at the Past

A quick look at Eastern Oregon's total nonfarm employment shows growth of 5.8% over the last decade, a total gain of 5,280 jobs from 2012 to 2022. On the surface, private-sector employment shows a much larger gain of 11.7%, or 5,460 jobs, while public-sector employment shows a small loss of 1.0%, or 180 jobs. But a lot has happened since 2019. Officially, we entered a short-lived pandemic induced recession in February 2020 that ended in April 2020; the first month of expansion was therefore May. Regionally, the COVID-19 pandemic began to impact employment in March 2020, at first causing job loss primarily through government-imposed business closures. Non-forced preemptive closures, supply-chain disruptions, and demand decreases followed, as did direct effects of the disease as workers became ill, which required them to stay home during recovery.

It may come as a surprise to some, but there were positive impacts as well. Demand increased in certain industries and some businesses benefited from an increase in available labor supply allowing for expansion and increased production. Businesses in general had the chance to benefit from sudden widespread access to government funds at low, or even zero percent interest rates, and depending on how a business used the funds, loans could be forgiven altogether. In fact, there are so many nuances to the story of where Eastern Oregon's economy sits today, that to get a handle on how the past few years have impacted the economy, and to try to tease out which industries are expanding, declining, and in-demand, we need to sift through the details of an extended time period.

For roughly a decade (2007 to 2016), Eastern Oregon as a broad economy struggled with the impacts of the Great recession (December 2007 to June 2009) and private industry bore the weight. The region's private-sector nonfarm employment fell from a peak of 48,280 in 2007 to a low of 45,390 in 2010. Total nonfarm employment fell concurrently by 2,900, as government employment went largely unchanged; government generally runs counter cyclical with industry employment tied to legislative action and largely untethered to direct market effects. As for private industry impacts, manufacturing took the largest blow, shedding roughly 1,450 jobs in 2008 and 2009. From 2008 to 2010, construction shed 690 jobs, retail trade shed 540 jobs, and leisure and hospitality shed 360 jobs. Other industries felt the shake up as well, but the brunt of loss came in these four industries over three years. Afterwards, total employment for the region remained relatively flat until 2014.

Seven years of large-scale employment loss and stagnation through 2014, eventually gave way to gradual industry gains leading to full recovery in 2016. In 2019, three years past recovery, continued gradual gains had pushed the region to a new peak for total nonfarm employment of 69,130, as an annual average. This represents a gain of just 2.9% (1,970 jobs) over the 2007 peak but appears as employment growth of 7.2% (4,630 jobs) from 2011 to 2019; in fact, private-sector employment showed a more pronounced gain of 11.3% (5,190 jobs) from 2011 to 2019, while public-sector employment showed an overall loss of 3.0% (560 jobs).

Total employment would have seen quicker movement toward recovery, were it not for losses in the region's government employment from 2011 through 2014, and losses in private-sector employment in Umatilla County in 2013 and 2014, and in Malheur County in 2014. These losses aren't directly tied to the Great Recession. The 2011 losses were smallish losses in federal and local government that were spread among all Eastern Oregon counties and likely tied to budgeting adjustments post-recession. The 2012 and 2013 losses were largely in federal government and came from the decommissioning of the U.S. Army Ordnance Depot located in Umatilla County. This in turn led to a significant loss in Umatilla's professional and business services industry from 2013 to 2015, as the decommissioning process came to an end and workers employed in the process were let go. Malheur County's 2014 loss was a combination of small losses in a few industries and a loss of 100 jobs in manufacturing. All of this reduced the region's aggregate rate of growth in the early years of recovery. Government employment dropped by 730 jobs from 2011 to 2014 while private-sector growth was impeded by 850 jobs, resulting in growth of 830 jobs for the period, or just half the growth that could have come had these specific losses not occurred.

Growth was very uneven in Eastern Oregon from 2011 to 2019. The largest portion of growth in the private sector came out of Morrow County, a county untouched by the Great Recession in terms of overall job loss. The information industry went on a tear in Morrow County, adding jobs from 2011, when the industry sat at 20, to 2018 when the industry reached 510. Data for the industry in Morrow County became confidential in 2018 due to general legislative rules that regulate data confidentiality, but the industry had been at 20 jobs for all available data years prior to 2011. Morrow's growth represents two-thirds of all growth for the information industry in Eastern Oregon; the second largest gain came in Umatilla, and a small gain also came in Malheur. In addition, the good news for Morrow County doesn't stop there. The county added 570 manufacturing jobs from 2011 to 2019: more than half of Eastern Oregon's total manufacturing gain for the period. Overall, manufacturing saw steep growth in Morrow County since 2006, more than doubling in size with no slow-down during the Great Recession. Other industries in the county added jobs as well over the period causing Morrow to rack up one-third of Eastern Oregon's total private-sector growth from 2011 to 2019, all while representing just one-fifteenth of the region's population and one-thirteenth of the region's total employment.

Eastern Oregon Industries by Growth or Decline, 2011 to 2022

	Change 2011 to 2019		Change 2019 to 2022		Overall Change 2011 to 2022	
Growth Industries (2011 to 2019)						
Education and health services	2,010	25.6%	-410	-4.2%	1,600	20.4%
Local government	1,440	12.8%	-70	-0.6%	1,370	12.2%
Manufacturing*	1,010	13.6%	-570	-6.7%	440	5.9%
Leisure and hospitality	910	16.3%	140	2.2%	1,050	18.8%
Construction	640	31.8%	270	10.2%	880	43.1%
Retail trade	550	6.9%	780	9.1%	1,320	16.5%
Information*	210	34.4%	150	18.3%	360	59.0%
Other services*	130	7.5%	-40	-2.2%	90	5.2%
Wholesale Trade	90	4.5%	-50	-2.4%	50	2.5%
Mining and logging*	70	31.8%	-30	-10.3%	40	18.2%
Transportation, warehousing, and utilities	10	0.2%	-170	-4.1%	-160	-3.9%
Industries in Decline (2011 to 2019)						
Financial activities	-110	-5.3%	-20	-1.0%	-130	-6.2%
Federal government	-400	-18.3%	-30	-1.7%	-430	-19.7%
Professional and business services	-740	-18.9%	500	15.8%	-240	-6.1%
State government	-1,600	-30.7%	120	3.3%	-1,480	-28.4%

Source: Oregon Employment Department

Note: * **Manufacturing** Excludes Harney; **Mining and Logging** Excludes Harney, Malheur, and Umatilla; **Information, and Other Services** Excludes Morrow

The story of Morrow County's growth highlights the difficulty of clearly classifying industries as in-growth, in-decline, or in-demand at the regional level. On the surface in Eastern Oregon, substantial growth appears in seven industries and substantial loss appears in four industries from 2011 to 2019. The same is true when we extend the period to 2022. However subsurface details show that much of this gain should be considered recovery rather than expansion, and a significant portion of the gain, and loss, was no gain or loss at all but rather a clerical shifting of employment from one industry to another due to industry employment reclassification.

On the surface, private-sector education and health services experienced substantial growth from 2011 to 2019 in the region, adding 2,010 jobs for the period. The industry even added employment during the Great Recession. However, the real growth was roughly half as much as it appears to be. In January 2018, a legislative change reclassified homecare workers from state employment to private education and health services. This bumped up education and health services by roughly 900 workers, a significant change that doesn't reflect actual growth, but rather reflects a clerical change. And since these jobs were previously captured in state government employment, the transfer of employment to the private sector resulted in a loss of 900 jobs reflected in the state government tally. Looking further back, another reclassification took place that made the decrease in state government even larger. In 2015 and 2016, a reclassification shifted state government university employment into local government employment. This change moved where we count Eastern Oregon University's employment, which boosted local government by roughly 630 jobs and reduced state government by the same amount. So, while there appears to be a substantial drop in state government (-1,600), and a substantial growth in local

government (+1,440) as well as private-sector education and health services from 2011 to 2019, the real effect was greatly diminished in all three industries. State government didn't really cut 1,600 jobs, local government didn't really add 1,440 jobs, and education and health services didn't add 2,010 jobs. The majority of this was just employment being recorded in one industry instead of another.

In addition, from 2019 to 2022 local government saw a net reduction of 70 jobs because of the pandemic: a drop of 820 jobs in 2020 and recovery of 290 in 2021 and another 460 in 2022. These losses were initially felt in all counties, with most smaller counties rebounding quickly. Malheur, Umatilla, and Union saw the largest losses and Malheur and Union have yet to recover. Education and health services saw a reduction of 410 jobs, dropping by 200 in 2020, by 120 in 2021, and by another 90 in 2022. Again, Malheur, Umatilla, and Union saw the largest losses and have yet to recover. State government saw an increase of 120 jobs during the pandemic as workers were hired to meet increased demand in state regulated aid programs. These gains were seen predominately in Malheur County.

Eastern Oregon Industries by Growth or Decline, 2021 to 2022

	Change in Eastern Oregon		Change in Oregon	
EO Growth Industries				
Leisure and hospitality	520	8.5%	23,500	13.4%
Local government	460	3.8%	8,900	4.2%
Professional and business services	310	9.2%	12,100	4.8%
Construction	230	8.6%	4,500	4.0%
Retail trade	190	2.1%	1,400	0.7%
Information*	130	15.5%	1,700	4.8%
Financial activities	60	3.2%	900	0.9%
Wholesale Trade	40	2.0%	2,000	2.7%
Other services*	20	1.1%	2,700	4.6%
State government	10	0.3%	500	1.2%
EO Industries in Decline				
Manufacturing*	-90	-1.1%	6,500	3.5%
Education and health services	-90	-0.9%	4,700	1.6%
Transportation, warehousing, and utilities	-40	-1.0%	1,900	2.5%
Mining and logging*	-10	-3.7%	-300	-4.5%
Federal government	-10	-0.6%	-700	-2.5%

Source: Oregon Employment Department

Note: * **Manufacturing** Excludes Harney; **Mining and Logging** Excludes Harney, Malheur, and Umatilla; **Information, and Other Services** Excludes Morrow

Not as Economically Interconnected as Other Workforce Areas

Most Oregon Workforce Areas are apportioned a small number of counties, which cover a relatively minor portion of the state's geographic area. Because of this, each of these

Workforce Areas, generally speaking, is focused on a largely interconnected economy. The Eastern Oregon Workforce Area, however, is an outlier. The eight-county region covers a combined 38,044 square miles, roughly 40% of Oregon’s total geographic area: 95,988 square miles.

Area Size, Population, and Population Cluster

	Square Miles	2022 Population	% of Pop in Largest City(s)	
Oregon	95,988	4,281,851	15.1%	Portland
Baker	3,068	17,148	59.8%	Baker City
Grant	4,528	7,337	31.9%	John Day/Canyon City
Harney	10,133	7,640	58.4%	Burns/Hines
Malheur	9,887	32,095	36.9%	Ontario
Morrow	2,031	12,315	33.4%	Boardman
Umatilla	3,215	80,401	45.9%	Hermiston & Pendleton
Union	2,036	26,673	54.5%	La Grande/Island City
Wallowa	3,146	7,541	28.2%	Enterprise
Eastern Oregon	38,044	191,150	45.3%	

Source: Oregon Employment Department, U.S. Census Bureau, and Portland State University Population Research Center

Long distances and difficult or hazardous travel conditions between the region’s population centers make casual commuting and reliable shipping a challenge. A commutable distance in the Portland-Metro area is not necessarily a commutable distance in Eastern Oregon. Cities in Grant, Harney, and Wallowa counties struggle due to lack of proximity to major highways and primary shipping corridors such as Interstate 84. Even cities that lie along I-84, suffer from winter weather issues that make commuting and shipping difficult during several months each year. Cities in Baker and Union counties struggle due to mountain passes that close often during winter months. Issues with commutability and shipping create geographic isolation within the region, which limits economic interconnectedness. These regional mobility constraints inhibit a population center in one area of the region from sharing in economic benefits realized in another area of the region.

In other words, micro economies in the region are not necessarily structurally similar or dependent on each other, and therefore gains or losses in one area do not necessarily impact or benefit another. For example, the travel time by car between Burns (Harney County’s major population center) and Boardman (Morrow County’s major population center) is four hours and twenty minutes. These two cities likely share little direct economic transference. In addition, the two cities are structurally dissimilar as well. In 2022, Harney County drew less than 0.5% of private employment from the manufacturing industry whereas Morrow County drew over 33% of private employment from manufacturing. Similarly, in 2022 Harney County drew 38% of total employment from the government sector whereas Morrow County drew just 16% of total employment from the government sector.

1.2 An analysis of the knowledge and skills required to meet the employment needs of the employers in the local area, including employment requirements for in-demand industry sectors and occupations.

Projected Growth Captures Region's Rebound from the Pandemic

The Oregon Employment Department's 2021-2031 Industry Employment Projections show total projected growth of 8% or 6,200 jobs over the coming decade. The private sector is projected to add 5,100 jobs while the public sector is projected to add 1,100 jobs. Local government should see the majority of gains on the public side. The industry should add 900 jobs for a gain of 8% while state government should add 200 jobs for a gain of 6%. Federal government is expected to remain unchanged. The top three private-sector industries by projected growth are education and health services (+1,300 jobs), leisure and hospitality (+600 jobs), and wholesale and retail trade (+600). Construction should also see sizeable growth adding 500 jobs by 2031.

Since the base year for projections was 2021, the base year is artificially low. Large-scale pandemic related job loss occurred in a set of industries in early 2020. In 2021, only partial recovery had occurred in many industries. As the release of the projections occurred during the on-going recovery, a portion of projected growth in the 2021-2031 projections is due to the expectation of jobs recovery in specific industries during 2021 and 2022.

Most of the growth in the leisure and hospitality industry is expected to come from jobs that were lost during the COVID pandemic being added back over time. Leisure and hospitality lost 860 jobs in 2020 on an annual average basis. In 2021 the industry recovered 480 of those lost jobs and an additional 520 jobs in 2022 to surpass full recovery.

Private education and health services also saw a loss during the pandemic, although to a lesser extent. The industry lost 320 jobs in 2020 and 2021 (annual average). The industry shed another 90 jobs by the end of 2022. The majority of loss came in Malheur, Umatilla, and Union counties, although other counties dropped as well and remained below recovery in 2022. The vast majority of growth for the industry is expected in health services, not in education. Private education is a relatively small portion of the overall industry in Eastern Oregon and is not expected to show much growth.

Manufacturing dropped by 480 jobs during the pandemic and lost another 100 jobs by the end of 2022. Roughly half of the industry's projected growth for the decade is expected to come from adding back jobs lost rather than from pure growth. Over half of the industry's projected growth is expected to come in the Columbia Basin (Morrow and Umatilla) where gains should come primarily in durable goods.

Retail trade saw no overall job loss during the pandemic. Instead, the industry remained strong, adding 590 jobs in 2020 and 2021, then adding an additional 190 jobs in 2022. Wholesale trade dropped by 90 jobs over 2020 and 2021, added back 40 in 2022 but is

not expected to add much in the way of projected growth. Retail trade should be responsible for a significant portion of the projected job growth in the combined industry.

Occupational Openings Highlight Imbalance in High-Wage vs. High-Demand

Occupational Employment Projections for Eastern Oregon show more than 94,000 total job openings from 2021 to 2031. The majority (94%) of expected openings will come from workers who leave their current occupations for unrelated occupations. A smaller share of openings will come from workers who retire, or who exit the labor force for some other reason. Thus, workers already circulating in the labor force will likely fill the majority of job openings, with a smaller share of openings filled by new workers entering the labor force.

All totaled, 78% of projected job openings are in occupations that require no more than a high school diploma as a minimum education requirement, with 41% of openings projected in occupations that don't even require a diploma. Occupations with high wages tend to have high minimum education requirements. They also tend to attract competition, which requires applicants to have a level of education above the minimum to be competitive for open positions. A high school diploma is the competitive level of education for 53% of projected job openings over the next decade, while less than high school is not the competitive level of education for any occupation in Eastern Oregon. Occupations that don't require at least a high school diploma tend to be low skill, low wage, and often-times seasonal. Occupations with higher wages and no diploma requirement as a minimum are projected to have comparatively few job openings in Eastern Oregon over the coming years.

An occupation is considered "high-demand" if its total number of expected openings for the ten-year period is above the median number of expected openings for the region, which is 29 openings. The average number of expected job openings for the 10% of high-demand occupations with the highest number of openings (23 occupations) in Eastern Oregon is 1,865 over the ten-year period. These 23 occupations account for about 46% of all expected openings in the region. Only two of the top 23 occupations require a bachelor's degree as a minimum requirement. One requires postsecondary training (non-degree) and the other 20 require a high school diploma or less. The 11 occupations with the highest number of expected openings require a minimum qualification of high school diploma or less and pay a relatively low median wage. Most are entry-level service jobs: fast food workers, cashiers, retail salespersons, wait staff, and laborers. Nine of the top 23 occupations do have a competitive education level of post-secondary or above. These occupations include substitute teachers, correctional officers, and some supervisory positions. While one benefit to these jobs is a higher median wage, an added benefit is often the potential for more career growth opportunities.

Occupations with a median wage above \$18.86 per hour are considered high-wage for Eastern Oregon. High-wage occupations account for roughly 33% of all projected job openings for the region. In all, there are 235 occupations listed as high-wage. The

minimum education level for 73 of these occupations was high school diploma, with less than high school as a requirement for an additional seven. When looking at competitive qualifications, high school diploma is listed for only 35 of these high-wage occupations. Post-secondary training is listed for 39 occupations, associate's degree is listed for 27, and the remaining 134 have a competitive education level of bachelor's degree or higher.

Only 139 occupations were considered both high-wage and high-demand as opposed to 235 considered high-wage and 230 considered high-demand. Many high-wage jobs, as well as many high-demand jobs, aren't found on the combined high-wage and high-demand list. Roughly 52% of bachelor's degree or higher occupations on the high-wage list are expected to have fewer than 29 total openings from 2021 to 2031. Even so, occupations with this level of education account for nearly half of those on the combined list when considering competitive education. In addition, over half of occupations on the combined list required post-secondary education or above as a minimum education requirement, and nearly four out of every five had a competitive education level of post-secondary or above.

1.3 An analysis of the local workforce, including current labor force employment and unemployment data, and information on labor market trends, and the educational and skill levels of the workforce in the region, including individuals with barriers to employment.

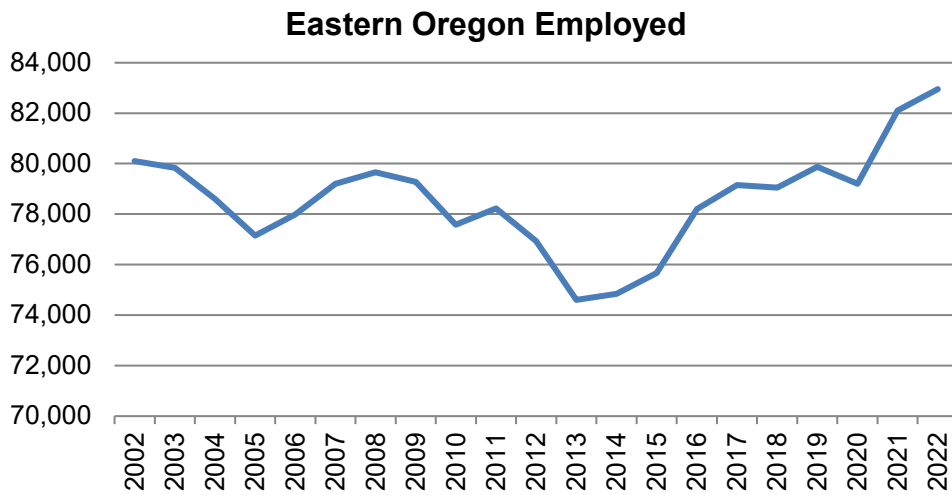
Employment Status of Resident Labor Force at Peak in 2022

Total employed, or the number of people who reside in Eastern Oregon that are actively employed, was 79,652 in 2008. This number is larger than the previously mentioned *total nonfarm employment* discussed at the beginning of this report. Total nonfarm measures the number of people employed within an area, not including farm employment or self-employment. *Total employed*, on the other hand, measures the employment status of people who reside in an area, even if they work outside of the area; this measure also includes farm employment and self-employment.

Total employed was at a peak in 2008, during the Great Recession, slightly higher than in 2007. This is likely due to lag effects and the number of people who continued to report as self-employed in 2008 even as industry employment was slipping. Total employed trended downward through 2013, dropping by 5,050. The measure regained its footing in 2014 and then trended upward to reach 79,867 in 2019, slightly above the 2008 peak. The pandemic brought a slight dip in 2020, but the measure quickly rebounded, jumping to a new peak of 82,955 in 2022.

A significant portion of the 2021 jump might be in self-employment. Although there's no regional data to directly support this, national and state level survey data suggests that the number of self-employed increased uncharacteristically in this short window during the pandemic. Given the decrease in total nonfarm from 2019 to 2021, and the increase in total employed for the period, as well as the inclusion of self-employment in total

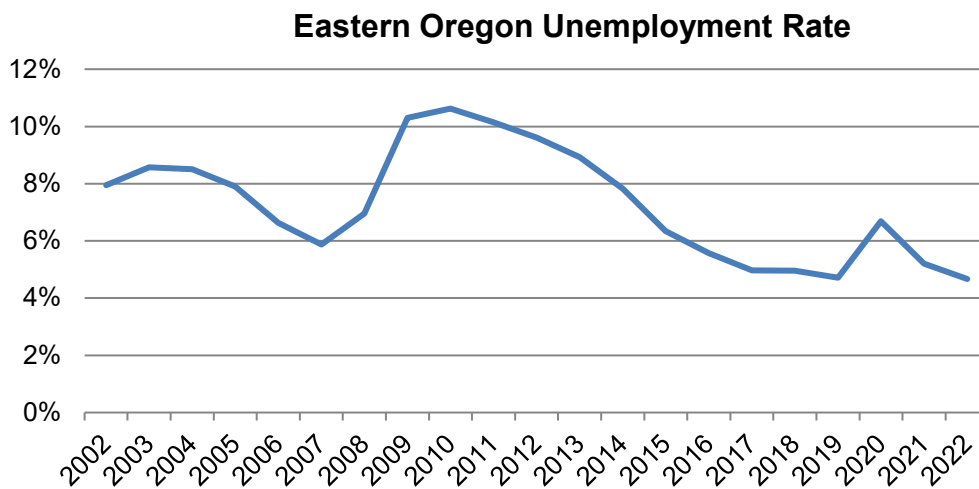
employed, there is indirect evidence to suggest self-employment increased in Eastern Oregon as well.



Source: Oregon Employment Department

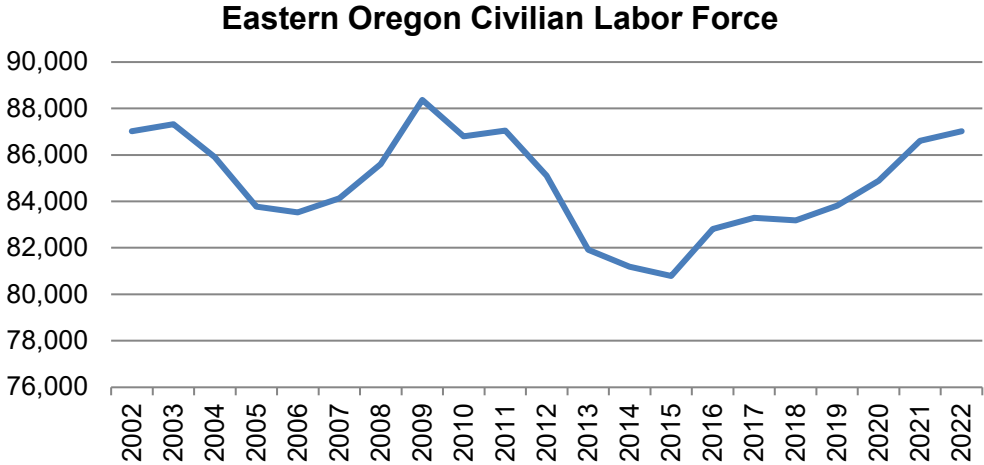
Unemployment Status of Resident Labor Force Matches Low Point in 2022

Eastern Oregon’s annual average unemployment rate was at a high of 10.1% in 2011. This was actually a slight decrease from its highest point of 10.6% in 2010. From 2011 to 2019, the unemployment rate decreased at an average of 0.7 percentage point per year. The region’s unemployment rate dropped to 7.8% by 2014, slipping just below the long-term average of 8.0% (1990 to 2006). The rate fell below the 2007 record low point (5.9%) in 2016 to reach 5.6%, and then reached a record low 4.7% in 2019. Job loss during the pandemic kicked the rate up to 6.7% in 2020, but the unemployment rate quickly fell back to 5.2% in 2021 and matched its record low 4.7% in 2022. Both the 2020 rate and the 2021 rate were still low by historical comparisons.



Source: Oregon Employment Department

The size of the labor force dropped to a low of 80,785 in 2015. This marked the end of a downward trend since the 2009 peak of 88,372, which came when unemployment was nearing its record high. It's not unusual to see the labor force swell during times of increasing unemployment. Workers who choose voluntarily to sit on the sidelines during expanding economies, likely drive much of the labor force gains in times of recession. For example, non-earners in a single earner household might enter the labor force to improve the chance of someone in the household maintaining employment, or to cover loss of wages due to loss of hours. A growing labor force, however, can also come from population gains and shifting demographics; and from high employment, low unemployment, and increasing wages creating job opportunities that entice workers to leave the sidelines and get in the game. Since 2015, the labor force has been on an upward swing, reaching 87,020 in 2022. A portion of this gain (17.1%) came during the pandemic as unemployment rose, but the trend continued with 27.7% of the gain coming in 2022, even as unemployment dropped.



Source: Oregon Employment Department

For Eastern Oregon labor force participants, employment conditions rebounded quickly during the pandemic and remained favorable in 2022. All counties were very near historic low unemployment rates in 2022. All counties in the region except Grant and Wallowa saw 2022 labor force levels above levels just prior to the Great Recession in 2007; Wallowa’s labor force was roughly the same as it was in 2007, while Grant’s labor force was roughly 200 lower than in 2007. Total employed levels were higher for all counties except Grant, which was lower by 130, and total unemployed levels were lower for all counties in 2022 than in 2007. Given that unemployment rates remain near historic lows, labor market levels suggest employment opportunities are meeting the needs of job seekers. In other words, job seekers are able to find employment if they choose to. This has created a tight labor market that may not be so favorable for employers however, as they are met with increasing difficulty finding qualified workers to fill job openings.

Majority of Counties Continue to Gain Population

Portland State University's Population Research Center estimates that Oregon's population was nearly 4.3 million in 2022. The state gained roughly 398,000 people since 2012, growth of 10.3%. Over the year, Oregon's population was virtually unchanged. In comparison, Eastern Oregon's population hovered just above 191,100 in 2022. This accounted for 4.5% of the state's total population. The region's population grew 3.9% (+7,170 people) since 2012 but rose only 0.4% (+837 people) over the year.

The majority of population growth centered in Umatilla and Morrow counties from 2012 to 2022. Both counties continue to gain residents at a relatively fast pace as Hermiston and Boardman, the two largest population centers for the two counties respectively, continue to grow in popularity and size. Grant County was the only county to see a decrease in population for the ten-year period. Grant continues to experience population loss as deaths outnumber births, net migration remains low, and the population ages over time.

Umatilla County alone is responsible for nearly half of Eastern Oregon's population gain since 2012. Umatilla continues to see sizeable and sustained growth as Hermiston expands at a rapid pace. Hermiston became the county's largest population center in 2010, surpassing Pendleton. The city grew by 9.7% since 2018, adding 1,773 people. At 19,973 people in 2022, Hermiston now has 3,079 more residents than Pendleton and is the largest population center in all of Eastern Oregon. Pendleton by comparison, grew just 0.5% or 84 people since 2018.

Population Change

	2022	2021	2012	Over-the-Year Change		Ten-Year Change	
Oregon	4,281,851	4,263,581	3,883,735	18,270	0.4%	398,116	10.3%
Baker	17,148	16,892	16,210	256	1.5%	938	5.8%
Grant	7,337	7,253	7,450	84	1.2%	-113	-1.5%
Harney	7,640	7,563	7,315	77	1.0%	325	4.4%
Malheur	32,095	31,996	31,395	99	0.3%	700	2.2%
Morrow	12,315	12,399	11,300	-84	-0.7%	1,015	9.0%
Umatilla	80,401	80,074	77,120	327	0.4%	3,281	4.3%
Union	26,673	26,650	26,175	23	0.1%	498	1.9%
Wallowa	7,541	7,486	7,015	55	0.7%	526	7.5%
Eastern Oregon	191,150	190,313	183,980	837	0.4%	7,170	3.9%

Source: Oregon Employment Department and Portland State University Population Research Center

Eastern Oregon population centers have seen mixed results when it comes to maintaining or increasing their number of residents. Heppner, John Day/Canyon City, Pilot Rock, Union, and Vale have all seen a decline in population over the last five years. For smaller more remote cities such as these, population loss is a persistent issue. These cities struggle to attract new residents and keep young residents because they lack access to housing, as well as convenient access to amenities, activities, and

job opportunities. Cities that have relatively convenient access to at least some of these, however, continue to add to their ranks slowly and surely.

Eastern Oregon Population Centers Larger Than 1,000

	2022	Over-the-Year		Five-Year Change	
	Population	Change	Change	Change	Change
Portland**	645,316	-2,445	-0.4%	-1,054	-0.2%
Athena	1,211	3	0.2%	41	3.5%
Baker City	10,263	67	0.7%	373	3.8%
Boardman	4,116	12	0.3%	426	11.5%
Burns/Hines*	4,463	42	1.0%	73	1.7%
Elgin	1,778	61	3.6%	48	2.8%
Enterprise	2,126	17	0.8%	141	7.1%
Heppner	1,182	-5	-0.4%	-113	-8.7%
Hermiston	19,973	332	1.7%	1,773	9.7%
Irrigon	2,067	46	2.3%	77	3.9%
John Day/Canyon City*	2,343	8	0.3%	-97	-4.0%
Joseph	1,173	-1	-0.1%	53	4.7%
La Grande/Island City*	14,548	-3	0.0%	78	0.5%
Milton-Freewater	7,197	92	1.3%	92	1.3%
Nyssa	3,314	37	1.1%	4	0.1%
Ontario	11,845	29	0.2%	375	3.3%
Pendleton	16,894	-224	-1.3%	84	0.5%
Pilot Rock	1,326	-2	-0.2%	-179	-11.9%
Stanfield	2,239	42	1.9%	54	2.5%
Umatilla	7,632	378	5.2%	312	4.3%
Union	2,154	-5	-0.2%	-6	-0.3%
Vale	1,916	2	0.1%	-34	-1.7%
Eastern Oregon Larger City Total	119,760	928	0.8%	3,575	3.1%

*Populations combined due to geographic proximity

**Added for growth comparison to state's largest city

Source: Oregon Employment Department and Portland State University Population Research Center

Single Parent Males More Likely to Have Children Five Years or Younger

There were 68,011 households in Eastern Oregon in 2021. Families with own children – which consists of a married couple, cohabitating adults not in a romantic relationship, or a male or female householder without a spouse present, *and* one or more children under the age of 18 living in the same household who are related to the householder by birth or adoption – accounted for 28.1% of all households. Married couples, in general – which includes formal marriages as well as common law marriages – represented 50.1% of all households. Married couples with children represented 19.4% of all households, and 38.7% of married couple households. Children five years old or younger were present in 46.2% of these married couple households with children.

Single parent households represented 8.7% of all households in Eastern Oregon. Here the term single parent household refers to those without a spouse present. Single parents may be cohabitating with other adults they are not in a romantic relationship with and still be considered single parents. Children five years old or younger were present in 40.1% of single parent households and these households represented 3.5% of all households in the region. Females were head-of-household for nearly three-fourths of single parent households, yet a larger share of single parent males had children five years or younger: 52.9% for male parent households compared with 35.5% for female parent households.

Larger Share of Older and Younger Workers in Eastern Oregon

Compared with the state, Eastern Oregon had a larger share (26%) of workers 55 or older in 2022 and a smaller share (61%) of workers in their prime working years, 25 to 54. This varied significantly among the eight counties, which highlights how focusing on the region as a whole can obscure individual county issues. In line with previously mentioned population issues, counties with less access to housing, amenities, activities, and job opportunities had the largest share of older workers and the smallest share of younger workers: specifically Grant, Harney, and Wallowa. Counties with better access had the smallest share of older workers and the largest share of younger workers: specifically Malheur, Morrow, Umatilla, and Union. Baker County was somewhat in the middle.

Eastern Oregon, along with several of the region's individual counties saw a larger share of workers under the age of 25, both in the private sector and in overall employment, although this was more pronounced in the private sector. This, along with data on "flow" employment, speaks to the difficulty faced by employers in the region in filling open positions and retaining workers who fill those positions. Workers under the age of 25 are much more likely to leave a job for any number of reasons. Flow employment data shows the share of workers under the age of 25 is on average 5.1 percentage points higher than it is for stable employment. In other words, the region's employers use a larger share of young workers to fill open positions and those workers are much more unlikely to remain with those employers for a full year.

**Share of Workers by Age Group
Annual Average, 1Q2022 - 4Q2022**

	Total Employment			Private Sector		
	Under 25	25-54	55+	Under 25	25-54	55+
Oregon	10%	65%	25%	11%	65%	24%
Baker	10%	61%	28%	11%	61%	27%
Grant	9%	59%	33%	10%	57%	33%
Harney	11%	59%	30%	15%	58%	28%
Malheur	12%	61%	27%	15%	58%	27%
Morrow	11%	64%	25%	11%	64%	25%
Umatilla	12%	63%	25%	14%	61%	25%
Union	13%	63%	24%	15%	61%	23%
Wallowa	8%	60%	31%	10%	59%	31%
Eastern Oregon	12%	62%	26%	13%	61%	26%

Source: Oregon Employment Department and U.S. Census Bureau, QWI - LED

Close to the State in Overall Racial Diversity, But Varied by Individual Race

Eastern Oregon’s racial structure in 2021 was nearly unchanged from the previous year. Year-to-year changes are generally small; however, the region’s racial structure does continue to change incrementally over time. The region is predominately white (90.7%), slightly higher than the state’s 88.0% mark. American Indian and Alaskan Native (4.6%) was the second largest group by race. Asian (1.5%), African American (1.4%), and Hawaiian or Pacific Islander (0.7%) account for just 3.6% of the region’s population. Umatilla, Morrow, and Malheur were the most racially diverse counties in the group. Umatilla saw 87.1% of residents identify as white while in Morrow it was 89.2% and in Malheur it was 90.6%. Harney County was the least racially diverse at 97.3% white.

Race by County - 2021

	Total Population	White		Black/African American		American Indian or Alaskan Native		Asian		Hawaiian or Pacific Islander		Some Other Race	
		Count	%	Count	%	Count	%	Count	%	Count	%	Count	%
Oregon	4,207,177	3,704,064	88.0%	129,985	3.1%	139,496	3.3%	265,718	6.3%	37,159	0.9%	289,198	6.9%
Baker	16,539	15,657	94.7%	224	1.4%	455	2.8%	205	1.2%	84	0.5%	544	3.3%
Grant	7,225	7,007	97.0%	72	1.0%	174	2.4%	70	1.0%	44	0.6%	164	2.3%
Harney	7,454	7,252	97.3%	98	1.3%	454	6.1%	70	0.9%	101	1.4%	123	1.7%
Malheur	31,313	28,360	90.6%	403	1.3%	1,662	5.3%	483	1.5%	137	0.4%	4,139	13.2%
Morrow	11,964	10,676	89.2%	193	1.6%	357	3.0%	115	1.0%	74	0.6%	2,266	18.9%
Umatilla	79,509	69,241	87.1%	1,255	1.6%	4,698	5.9%	1,284	1.6%	433	0.5%	9,482	11.9%
Union	26,255	24,852	94.7%	341	1.3%	697	2.7%	535	2.0%	428	1.6%	487	1.9%
Wallowa	7,330	7,062	96.3%	108	1.5%	128	1.7%	27	0.4%	40	0.5%	282	3.8%
Eastern Oregon	187,589	170,107	90.7%	2,694	1.4%	8,625	4.6%	2,789	1.5%	1,341	0.7%	17,487	9.3%

Source: Oregon Employment Department and U.S. Census Bureau, ACS 5-Year 2021

Hispanic Share of Population Larger Than State, But Only in Three Counties

Ethnic diversity was more predominate for the region overall and for three specific counties. Residents who identify as Hispanic or Latino accounted for 21.6% of Eastern Oregon’s population in 2021, compared with 13.6% of the state’s overall population.

Morrow, Malheur, and Umatilla had a much larger presence than the other five Eastern Oregon counties; Hispanics accounted for 37.8%, 34.7%, and 27.8% of county residents, respectively in the three-county group. The Hispanic population in the remaining five counties remained relatively low, at or below 5.5%.

Self Identified Ethnicity by County - 2021

	Total Population	Non-Hispanic		Hispanic	
Oregon	4,207,177	3,636,666	86.4%	570,511	13.6%
Baker	16,539	15,743	95.2%	796	4.8%
Grant	7,225	6,916	95.7%	309	4.3%
Harney	7,454	7,044	94.5%	410	5.5%
Malheur	31,313	20,432	65.3%	10,881	34.7%
Morrow	11,964	7,439	62.2%	4,525	37.8%
Umatilla	79,509	57,425	72.2%	22,084	27.8%
Union	26,255	24,925	94.9%	1,330	5.1%
Wallowa	7,330	7,058	96.3%	272	3.7%
Eastern Oregon	187,589	146,982	78.4%	40,607	21.6%

Source: Oregon Employment Department and U.S. Census Bureau, ACS 5-Year 2021

Lower High School Diploma and Bachelor’s Degree Rates Than the State Overall

In 2021, roughly 86% of Eastern Oregonians over the age of 25 were high school graduates, however just 18.7% held a bachelor’s degree or higher. This was lower than the high school graduates rate for Oregon overall (91.5%), and slightly more than half the bachelor’s degree or higher rate (35.0%).

Educational attainment varies widely by county. Baker, Grant, Harney, Union, and Wallowa have high school diploma rates above 90%. Baker and Union have bachelor’s degree or higher rates of 24.2%. Grant and Harney have bachelor’s or higher rates of 17.4% and 15.4%, respectively. Wallowa is at the high end for both categories with 94.0% of the population over 25 holding a high school diploma and 27.6% holding a bachelor’s degree or higher.

Malheur, Morrow, and Umatilla all have significantly lower graduation and degree rates. Umatilla is at the high end for the three-county group with high school diploma rates of 83.2% and bachelor’s degree or higher rates of 18.2%. Morrow is at the low end with just 77.5% of the population over 25 holding a high school diploma and only 10.4% holding a bachelor’s degree or higher. Malheur was at 81.5% for diploma holders and 14.1% for degree holders. Malheur and Umatilla with their large populations put downward pressure on Eastern Oregon’s overall high school graduate and degree holder rates.

Eastern Oregon Educational Attainment - 2021

	Eastern Oregon	% EO 25 and Over	Oregon	% Oregon 25 and Over
Population 25 years and over	126,540	-	2,971,396	-
Less the 9th grade	7,047	5.6%	97,909	3.3%
9th to 12th grade, no diploma	10,960	8.7%	154,693	5.2%
High school graduate (includes equivalency)	39,416	31.1%	668,083	22.5%
Some college, no degree	33,094	26.2%	739,245	24.9%
Associate's degree	12,316	9.7%	270,372	9.1%
Bachelor's degree	15,698	12.4%	644,813	21.7%
Graduate or professional degree	8,009	6.3%	396,281	13.3%

Source: Oregon Employment Department and U.S. Census Bureau, ACS 5-Year 2021

Higher Rate of Disability Creates More Barriers to Employment

The Census Bureau's 2021 American Community Survey (ACS) shows that 15.4% (15,453 residents) of the civilian noninstitutionalized population age 18 to 64 in Eastern Oregon had some type of disability; many people also have more than one disability. The state's overall rate of disability was 12.0%. In general, older residents have a higher rate of disability and the region's higher rate of disability is likely tied to its higher ratio of older residents to younger residents. This also suggests that most workers with a disability are in older age groups.

The ACS estimates that 43.3% (6,686) of residents age 18 to 64 with a disability in Eastern Oregon were in the labor force, which leaves 56.7% (8,767) not in the labor force. In comparison, 79.8% of residents without a disability were in the labor force. The majority of residents with a disability in the labor force (87.1%) were actively employed in 2021. For residents without a disability this was 94.6%. The unemployment rate was 12.9% for workers with a disability compared with 5.4% for workers without a disability. People with a disability accounted for 9.0% of Eastern Oregon's labor force overall compared with 7.2% for the state's overall labor force.

Eastern Oregon Employment Status by Disability Status - 2021

	Residents	% of 18-64	% of Subgroup
Population 18 to 64 years	100,388		
With employment disability:	15,453	15.4%	-
Employed	5,825	5.8%	37.7%
Unemployed	861	0.9%	5.6%
Not in Labor Force	8,767	8.7%	56.7%
Without employment disability:	84,935	84.6%	-
Employed	64,114	63.9%	75.5%
Unemployed	3,639	3.6%	4.3%
Not in Labor Force	17,182	17.1%	20.2%

Source: Oregon Employment Department and U.S. Census Bureau, ACS 5-Year 2021

Lower Rate of English Proficiency Creates More Barriers to Employment

The ability to speak a foreign language can make a job applicant more desirable to a potential employer. However, the ability to speak English is likely a requirement for most jobs. In Eastern Oregon, 80.7% of residents age 18 to 64 speak only English. For Oregon overall this was 83.5%. A higher share of residents age 18 to 64 speak only English compared with residents age 5 to 17. This is likely due to school age populations among foreign language speakers, who learn and speak English in school, but who can also use a language other than English when communicating with parents, relatives, or individuals in the community. In Eastern Oregon, this group is primarily the growing Hispanic youth populations in Malheur, Morrow, and Umatilla counties.

In total, 20.5% of residents 5 to 64 (28,824 people) in Eastern Oregon speak a foreign language. Among residents speaking a language other than English, Spanish is the majority language spoken. Spanish speakers represent 18.9% of the 5- to 64-year-old population and 64.6% of these Spanish speakers speak English “very well.” Among the youth population that speaks Spanish or another foreign language, more than three-fourths also speak English very well; among youths that speak Spanish this was greater than 80%. Among the adult population that speaks Spanish, only 58.5% speak English very well, whereas 75.6% of adults that speak another foreign language also speak English very well.

Eastern Oregon Ability to Speak English - 2021

	18-64 Years	% 18-64	5-17 Years	% 5-17
Total	107,534		33,370	
Speak only English	86,732	80.7%	25,348	76.0%
Speak Spanish	18,892	17.6%	7,740	23.2%
Speak English "Very Well"	11,060	58.5%	6,137	79.3%
Speak Other Foreign Language	1,910	1.8%	282	0.8%
Speak English "Very Well"	1,444	75.6%	224	79.4%

Note: For Speak English "Very Well," Percent is of Subgroup

Source: Oregon Employment Department and U.S. Census Bureau, ACS 5-Year 2021