

To: Cindy Moore, & Corina Copeland; Clackamas County Business & Economic Development

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RE Clackamas County Economic Landscape Update

SUMMARY

This document provides the annual update of economic data that depict job growth in Clackamas County since 2000. The trends cover the period ending in 2020, which generally represents the beginning of the national economic recession attributed to the global Covid-19 pandemic. Key findings include:

- Clackamas County businesses lost about 25,000 jobs in the depths of the pandemic but recovered 15,000 by the end of 2020.
- GDP in the county followed a similar trajectory, ending 2020 down only 1% compared with 2019.
- Key clusters in Clackamas County lost a total of 3,000 jobs due to the pandemic but had gained back 1,000 by the end of 2020.
- Labor compensation in key clusters averaged \$61,587; 20% higher than the County average.
- Two clusters managed to grow during the pandemic: Professional & Business Services and Food & Beverage Manufacturing.
- While most of the County job losses attributed to the pandemic are likely to be regained by the end of 2021, long term job growth will likely require targeted public transportation and infrastructure investments in designated employment centers.

OVERVIEW

This update of the Clackamas County Economic Landscape identifies trends in economic activity within key business clusters defined by Clackamas County. The analysis is primarily based upon IMPLAN model results that are reported for Clackamas County for years 2000 through the end of 2020 (the most recent data available).

Clackamas County's Key Business Clusters:

- Advanced Manufacturing – Metals and Machinery
- Food and Beverage Processing
- Health Care
- High Tech, Software and Media Production
- Agriculture, Nurseries and Green Houses

- Professional & Business Services
- Wholesale Trade, Transportation and Distribution
- Wood Product Manufacturing

It should be noted that the IMPLAN data reported in this Memorandum reflect total employment and related economic activity using an input-output model that is widely accepted for public policy analysis. IMPLAN data depict “all jobs” and related business activity measured in terms of annual output (gross sales minus year-end inventories and depreciation), gross domestic product (GDP), and labor compensation (includes wages and employee benefits).

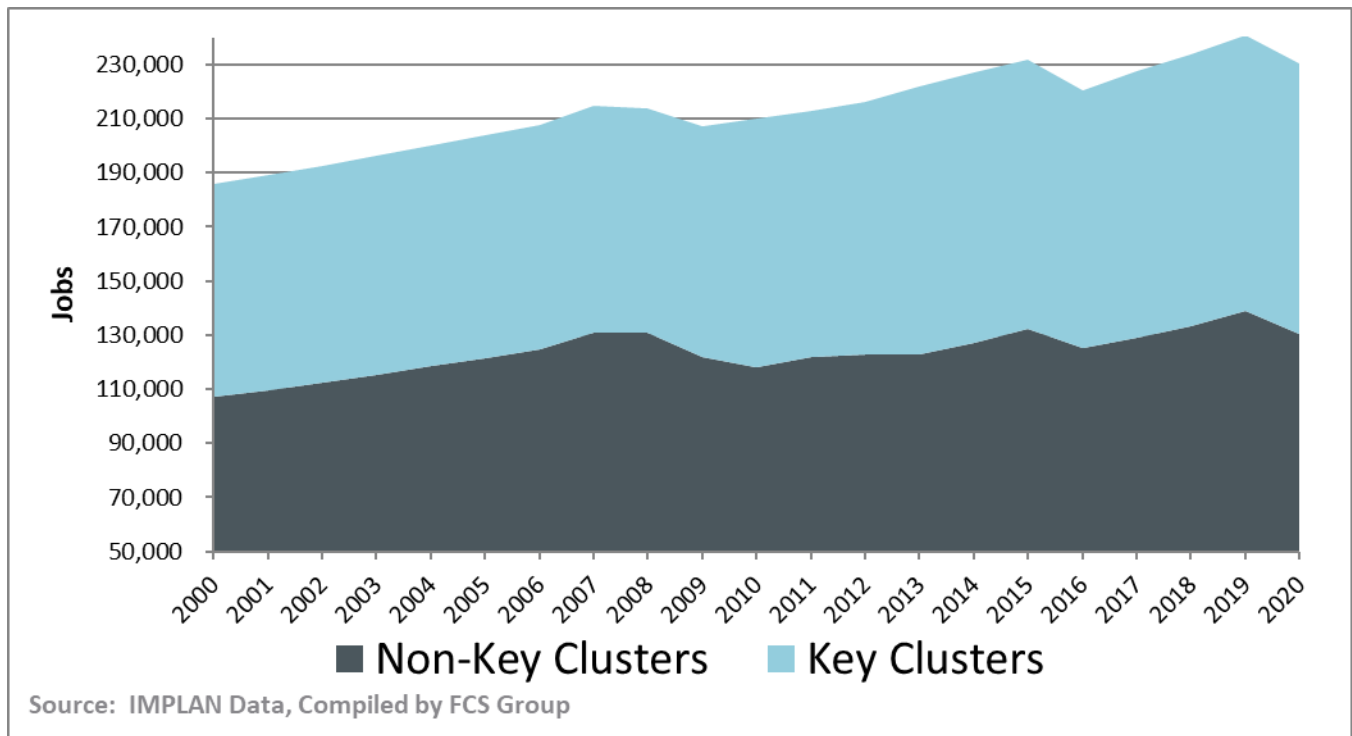
Given different estimating methods, the data provided by the IMPLAN model should not be directly compared with other data sources, such as Oregon Employment Department’s (OED) “covered” workforce and payroll estimates, which account for only non-farm workers that are “covered” by unemployment insurance. IMPLAN estimates reflect “all” jobs including farm and non-farm jobs and both covered and other “non-covered” employment levels. As such, IMPLAN job estimates tend to be higher than the non-farm covered employment estimates reported by the OED.

CURRENT TRENDS

Key findings and employment trends from this analysis of key clusters are highlighted below.

- Clackamas County began to recover from the impact of the Coronavirus pandemic by the end of 2020, regaining 60% of jobs lost earlier that year.
- Countywide employment increased to 240,000 jobs in 2019--the highest total since tracking began (**Figure 1**). After a dip to 215,7000 in the second quarter of 2020, the county ended the year with 230,564 jobs.
- Employment in Clackamas County has increased at an average annual growth rate (AAGR) of 1% between 2000 and the end of 2020. That growth rate mimics the population growth rate (1% AAGR) during that time frame.
- Jobs within the key clusters (combined) increased by 1% annually (AAGR) between 2000-2020 (see **Table 2 and Exhibit 2**).
- Key clusters account for 49% of the County’s total GDP.
- Labor compensation levels have been increasing along with job growth and GDP. The average level of labor compensation increased by 2% (AAGR) between 2014 and 2020 in Clackamas County after adjusting for inflation.
- Within the Key Clusters (combined), the average labor compensation (\$61,587) was about 17% higher than the Clackamas County average (\$52,830) for all jobs.

Figure 1: Clackamas County Key Cluster and Non-Key Cluster Job Growth (2000-2020)



- The clusters with the highest average compensation include: Health Care (\$88,227), Wholesale Trade, Transportation and Distribution (\$83,754), Advanced Manufacturing – Metals (\$82,100), High Tech, Software and Media Production (\$72,706), Wood Manufacturing (\$65,055), and Food and Beverage Manufacturing (\$63,486).
- The clusters with the fastest job growth include the following: High Tech, Software and Media Production; Professional and Business Services; Food and Beverage Manufacturing; and Health Care.
- Clusters with lagging job growth rates include industries that are either “mature” or are subject to seasonal economic activity. Mature industries include: Wholesale Trade, Trucking and Distribution; Advanced Manufacturing—Metals & Machinery; and Wood Manufacturing. Seasonal industries include: Agriculture, Nurseries and Greenhouses.

Please also refer to the attached PowerPoint presentation for summary statistics, including a recent comparison of economic metrics for selected employment centers.

COMPARISON OF KEY CLUSTERS

FCS GROUP conducted a comparison of the Key Clusters using the most recent 2020 IMPLAN data along with current 10-year job growth forecasts provided by the Oregon Employment Department.

The employment cluster analysis summarized in **Figure 2** reflects each cluster by their average compensation level and the job growth using trends and forecasts (based on Oregon Employment

Department projections). The relative size of a cluster is based on their employment and is reflected by the size of the “bubbles.”

The clusters that are shaping the economic landscape of Clackamas County are:

Stellar Clusters: High Compensation and Robust Job Growth (upper right quadrant)

- Health Care
- Wholesale Trade, Transportation and Warehousing
- High Tech, Software and Media
- Food and Beverage Processing
- Advanced Manufacturing: Metals and Machinery

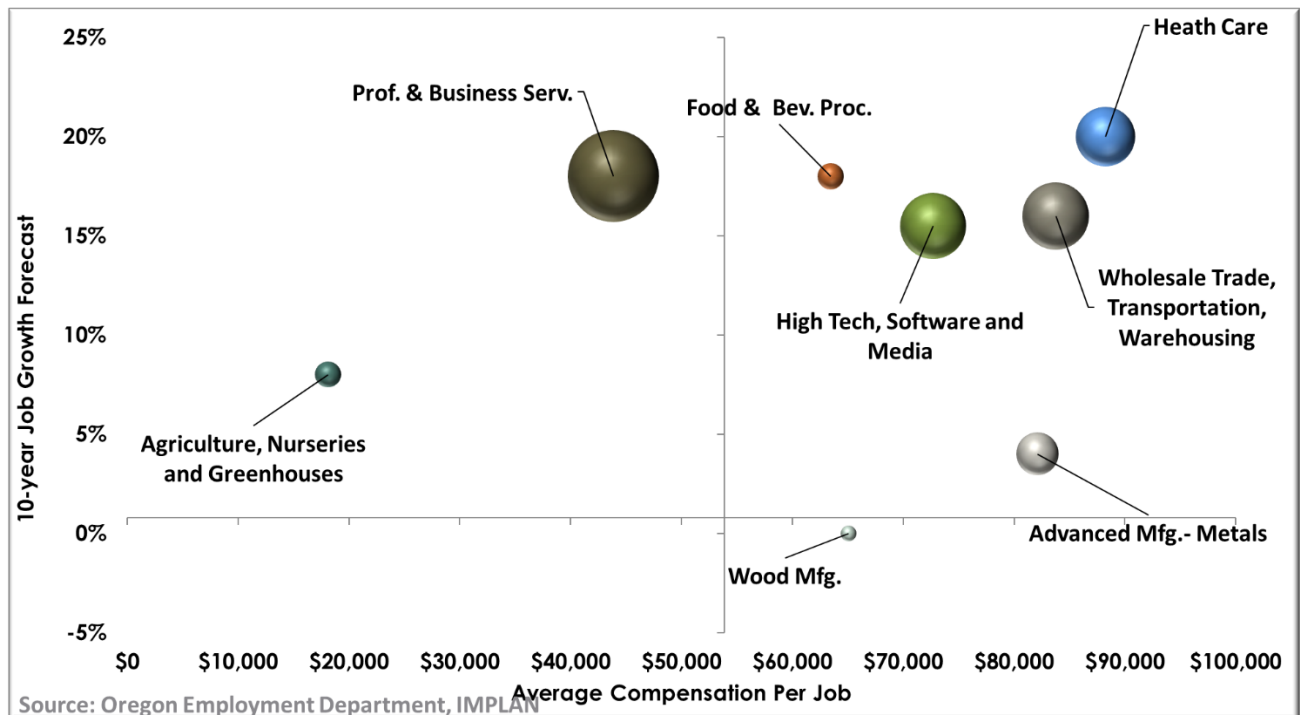
Mature Clusters: High Compensation and Low Job Growth (lower right quadrant)

- Wood Product Manufacturing

Emerging Clusters: Robust Job Growth and Low Compensation (upper left quadrant)

- Professional & Business Services
- Agriculture, Nurseries and Greenhouses

Figure 2: Comparison of Key Cluster Job Growth and Average Compensation (sized based on annual GDP)



Trends in the key clusters are summarized in the following tables and exhibits. Please refer to the attached PowerPoint summary for additional detail regarding key cluster trends and business activity for selected employment centers in Clackamas County.

Table 1 All Employment Sectors

Data in nominal dollars, not adjusted for inflation

	2000	2010	2019	2020 Q2	2020 Q4	2 Year AAGR	3 Year AAGR	6 Year AAGR	21 Year AAGR
Jobs	185,741	209,937	241,002	215,691	230,564	-2.19%	-0.43%	0.25%	1.03%
GDP	\$9,904,430,399	\$14,981,877,562	\$21,919,829,994	\$20,226,013,720	\$21,414,239,048	-1.16%	0.20%	3.33%	3.74%
Output	\$17,172,405,053	\$25,737,041,980	\$40,349,898,381	\$36,783,581,962	\$38,770,668,814	-1.98%	0.22%	2.64%	3.95%
Compensation	\$5,578,988,414	\$7,724,912,281	\$11,988,598,339	\$11,613,669,626	\$12,180,581,380	0.80%	2.00%	5.18%	3.79%
Metrics	2000	2010	2019	2020 Q2	2020 Q4	2 Year AAGR	3 Year AAGR	6 Year AAGR	21 Year AAGR
Output per Job	\$92,453	\$122,594	\$167,426	\$170,538	\$168,156	0.22%	0.65%	2.38%	2.89%
GDP per Job	\$53,324	\$71,364	\$90,953	\$93,773	\$92,878	1.05%	0.63%	3.07%	2.68%
Compensation Per Job	\$30,036	\$36,796	\$49,745	\$53,844	\$52,830	3.05%	2.43%	4.91%	2.73%

Data in constant 2020 Dollars, adjusted for inflation

	2000	2010	2019	2020 Q2	2020 Q4	2 Year AAGR	3 Year AAGR	6 Year AAGR	21 Year AAGR
Jobs	185,741	209,937	241,002	215,691	230,564	-2.19%	-0.43%	0.25%	1.03%
GDP	\$16,308,635,095	\$19,217,254,349	\$24,203,876,279	\$21,791,507,182	\$21,414,239,048	-5.94%	-3.56%	0.41%	1.31%
Output	\$28,276,082,160	\$33,012,903,748	\$44,554,357,792	\$39,630,631,206	\$38,770,668,814	-6.72%	-3.54%	-0.27%	1.51%
Compensation	\$9,186,362,322	\$9,908,744,983	\$13,237,810,286	\$12,512,567,655	\$12,180,581,380	-4.08%	-1.83%	2.20%	1.35%
Metrics	2000	2010	2019	2020 Q2	2020 Q4	2 Year AAGR	3 Year AAGR	6 Year AAGR	21 Year AAGR
Output per Job	\$152,234	\$157,251	\$184,871	\$183,738	\$168,156	-4.63%	-3.13%	-0.52%	0.47%
GDP per Job	\$87,803	\$91,538	\$100,430	\$101,031	\$92,878	-3.83%	-3.14%	0.15%	0.27%
Compensation Per Job	\$49,458	\$47,199	\$54,928	\$58,012	\$52,830	-1.93%	-1.40%	1.94%	0.31%

Source: compiled by FCS GROUP, based on IMPLAN model results for Clackamas County.

Note: GDP methodology for 2000-2010 varies from the method used after 2010, so direct comparison of GDP among all years is not recommended.

Table 2: Key Clusters

Data in nominal dollars, not adjusted for inflation

	2000	2010	2019	2020 Q2	2020 Q4	2 Year AAGR	3 Year AAGR	6 Year AAGR	21 Year AAGR
Jobs	78,773	91,935	102,329	99,164	100,302	-1.00%	-0.02%	0.05%	1.16%
GDP	\$5,688,293,852	\$7,598,870,052	\$10,789,575,181	\$10,406,046,125	\$10,477,859,362	-1.46%	-0.19%	0.86%	2.95%
Output	\$9,784,899,044	\$13,413,505,091	\$21,619,110,800	\$20,295,645,965	\$20,453,879,073	-2.73%	-0.60%	1.57%	3.57%
Compensation	\$2,826,096,342	\$3,955,790,338	\$6,082,539,190	\$6,164,839,867	\$6,177,268,250	0.78%	1.76%	4.19%	3.79%
Metrics	2000	2010	2019	2020 Q2	2020 Q4	2 Year AAGR	3 Year AAGR	6 Year AAGR	21 Year AAGR
Output per Job	\$124,216	\$145,903	\$211,271	\$204,667	\$203,924	-1.75%	-0.58%	1.52%	2.39%
GDP per Job	\$72,211	\$82,655	\$105,440	\$104,937	\$104,463	-0.46%	-0.17%	0.81%	1.77%
Compensation Per Job	\$35,876	\$43,028	\$59,441	\$62,168	\$61,587	1.79%	1.79%	4.14%	2.61%

Data in constant 2020 Dollars, adjusted for inflation

	2000	2010	2019	2020 Q2	2020 Q4	2 Year AAGR	3 Year AAGR	6 Year AAGR	21 Year AAGR
Jobs	78,773	91,935	102,329	99,164	100,302	-1.00%	-0.02%	0.05%	1.16%
GDP	\$9,366,344,656	\$9,747,070,616	\$11,913,848,915	\$11,211,474,095	\$10,477,859,362	-6.22%	-3.93%	-2.00%	0.54%
Output	\$16,111,814,765	\$17,205,502,980	\$23,871,822,145	\$21,866,528,962	\$20,453,879,073	-7.44%	-4.33%	-1.30%	1.14%
Compensation	\$4,653,450,237	\$5,074,092,266	\$6,716,339,774	\$6,641,998,473	\$6,177,268,250	-4.10%	-2.05%	1.23%	1.36%
Metrics	2000	2010	2019	2020 Q2	2020 Q4	2 Year AAGR	3 Year AAGR	6 Year AAGR	21 Year AAGR
Output per Job	\$204,534	\$187,149	\$233,285	\$220,508	\$203,924	-6.50%	-4.31%	-1.35%	-0.01%
GDP per Job	\$118,903	\$106,022	\$116,427	\$113,060	\$104,463	-5.28%	-3.91%	-2.05%	-0.61%
Compensation Per Job	\$59,074	\$55,192	\$65,635	\$66,980	\$61,587	-3.13%	-2.03%	1.18%	0.20%

Source: compiled by FCS GROUP, based on IMPLAN model results for Clackamas County.

Note: GDP data methodology for 2000-2010 varies from the method used after 2010, so direct comparison of GDP among all years is not recommended.

Exhibit 1 Clackamas County Overall Trends

Clackamas County Economic Landscape Trends: 2000 to 2020

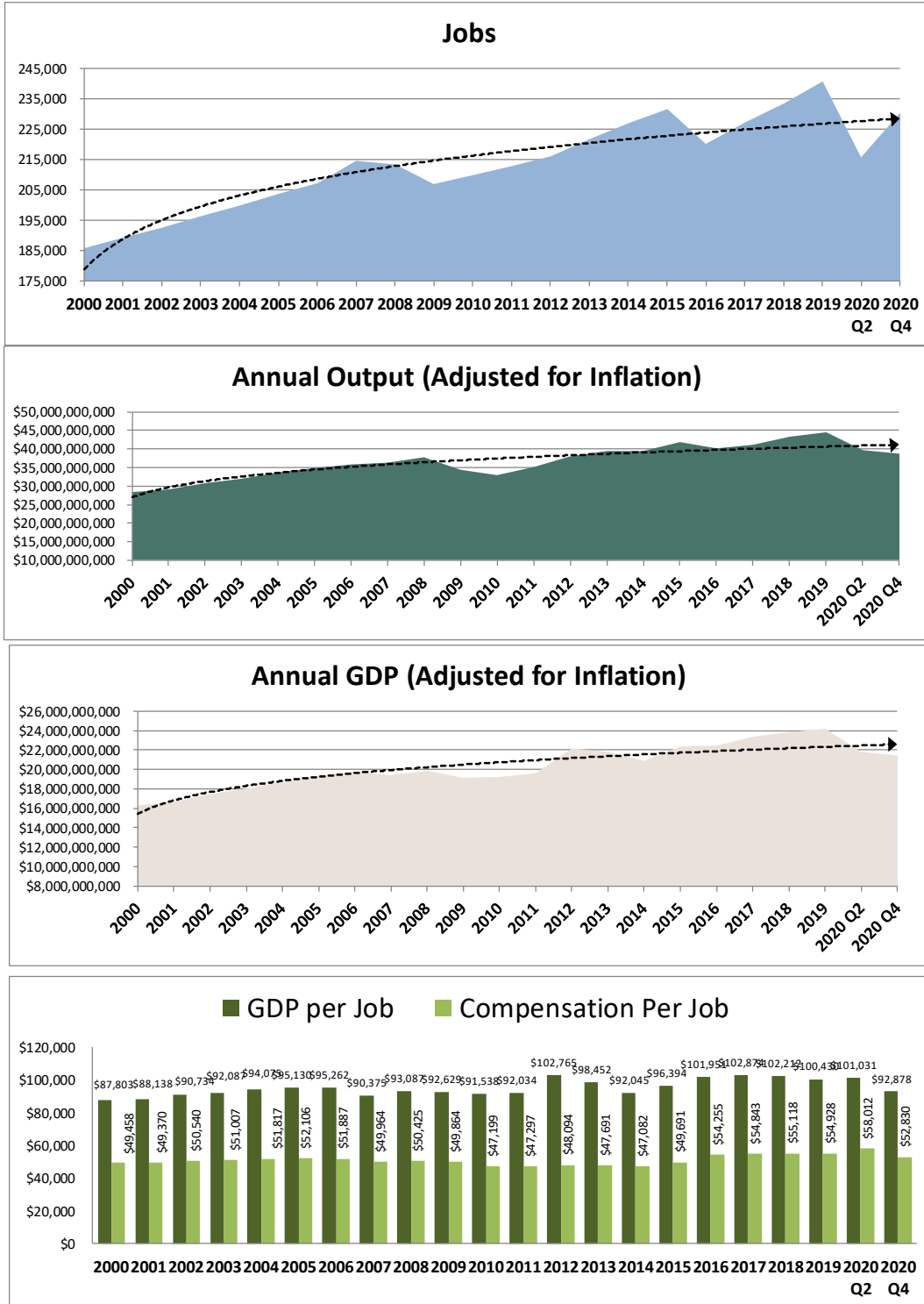


Exhibit 2 Clackamas County Key Cluster Trends (combined)

Clackamas County Economic Landscape Trends: 2000 to 2020

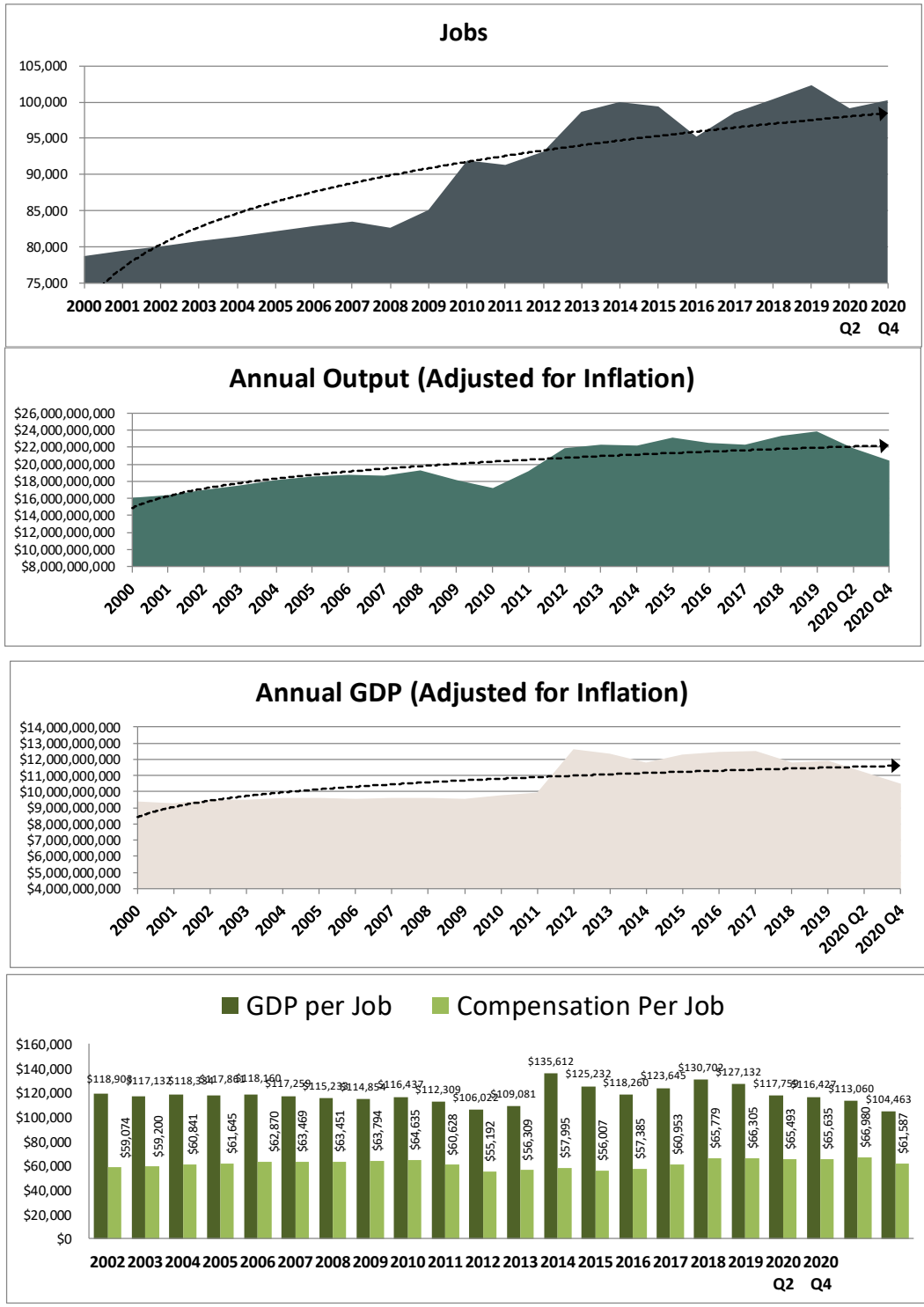


Exhibit 3 Wholesale Trade, Transportation and Warehousing Cluster, Clackamas County

**Wholesale Trade, Transportation, Warehousing
Clackamas County Economic Landscape Trends: 2000 to 2020**

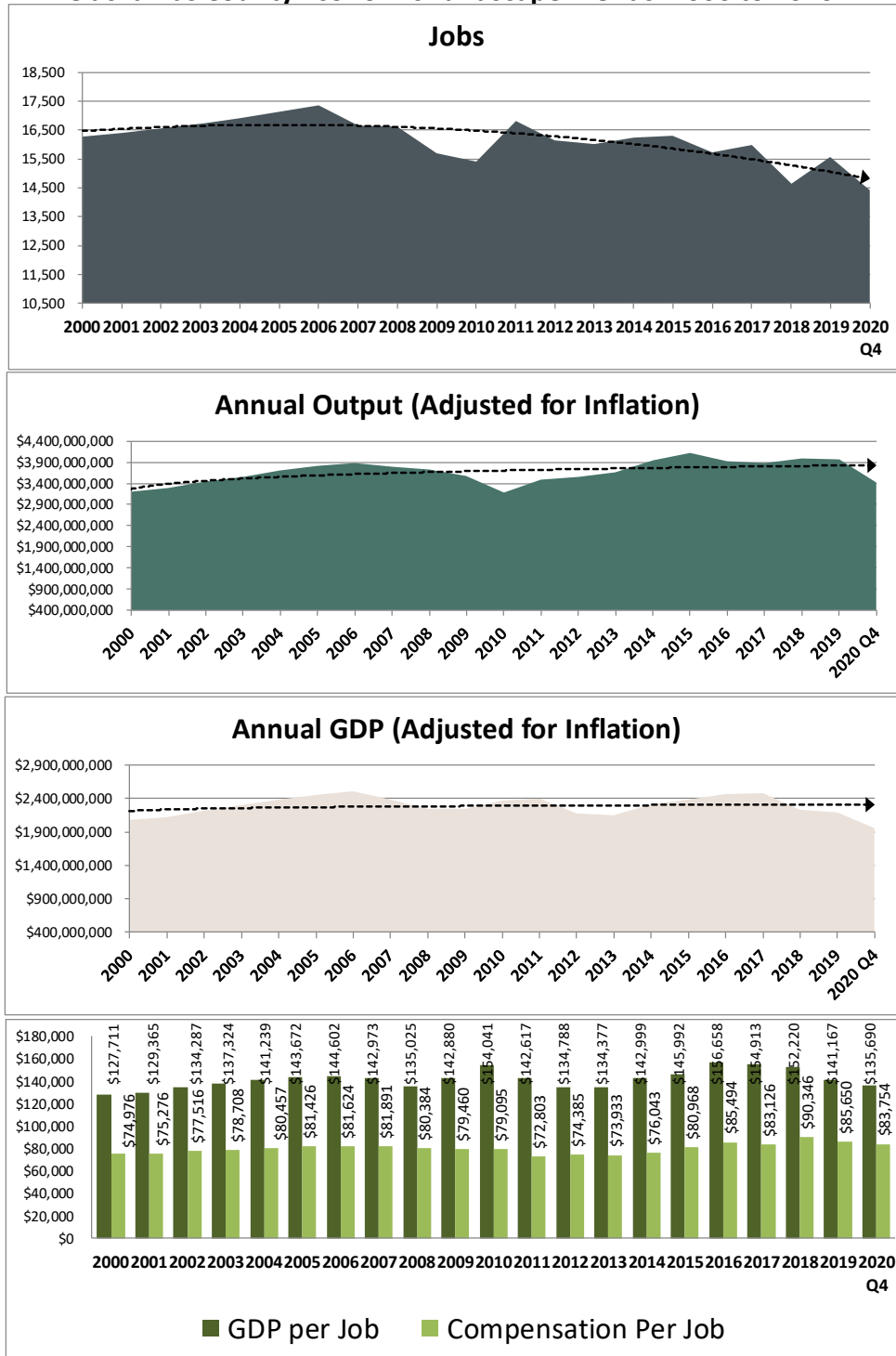


Exhibit 4 Advanced Technologies—High Tech, Software and Media Cluster, Clackamas County

High Tech, Software and Media

Clackamas County Economic Landscape Trends: 2000 to 2020

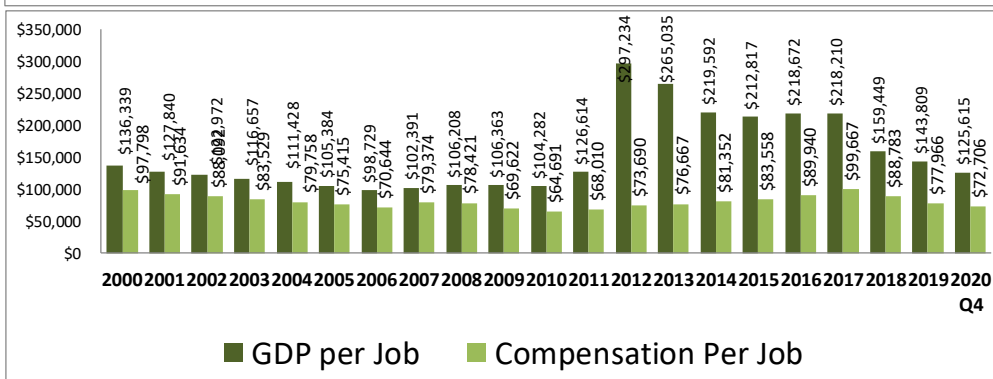
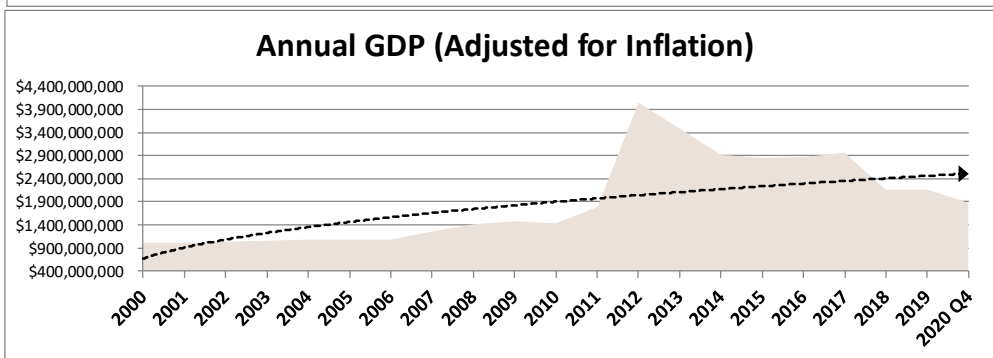
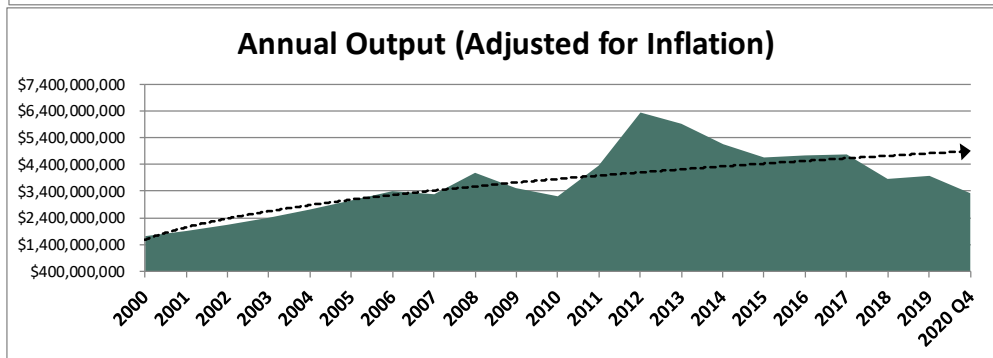
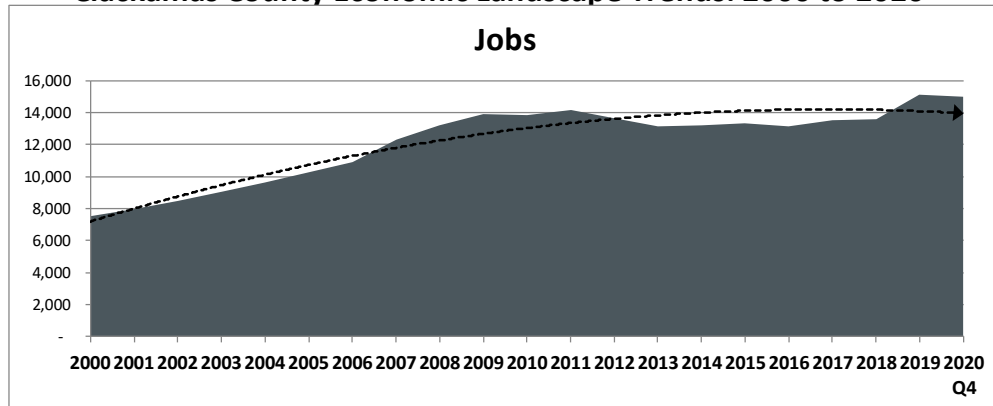


Exhibit 5 Advanced Manufacturing—Metals & Machinery Cluster, Clackamas County

Advanced Mfg.- Metals & Machinery

Clackamas County Economic Landscape Trends: 2000 to 2020

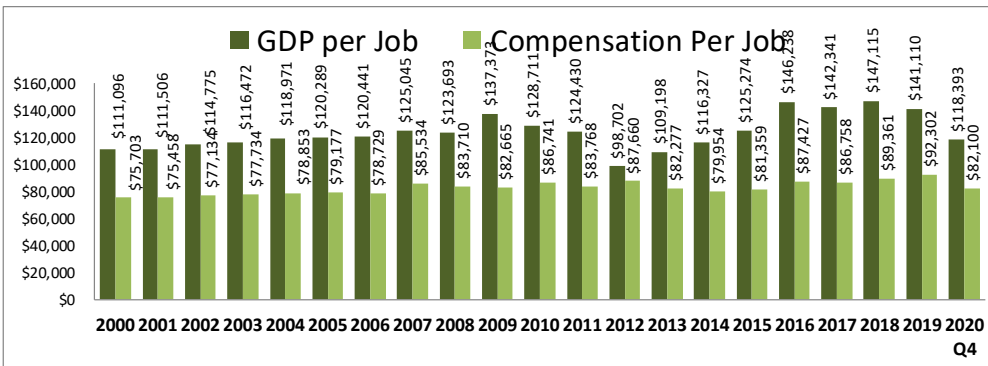
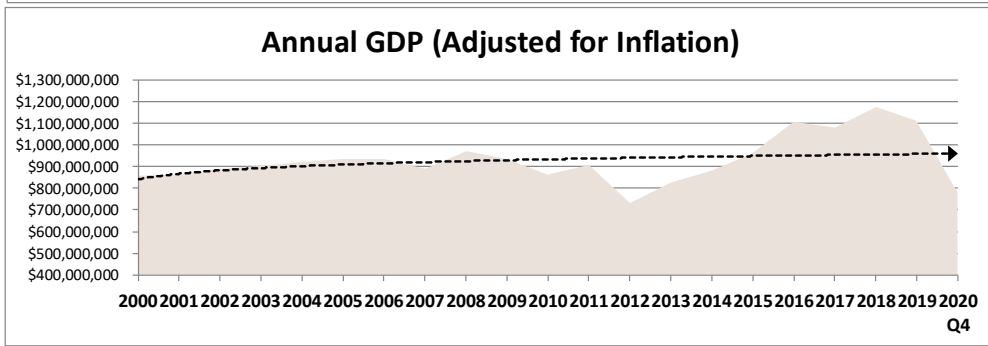
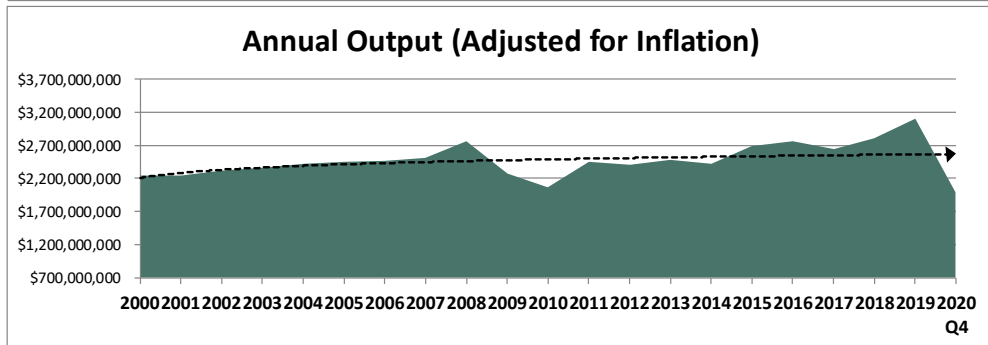
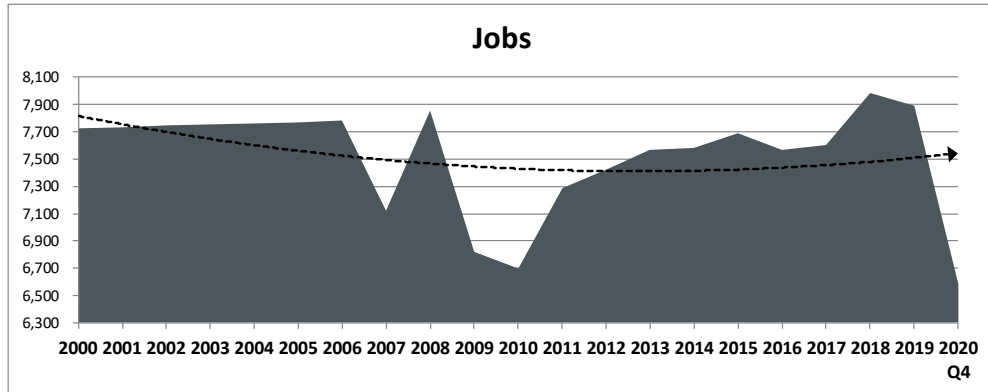


Exhibit 6 Professional and Business Services Cluster, Clackamas County

Professional Business Services

Clackamas County Economic Landscape Trends: 2000 to 2020

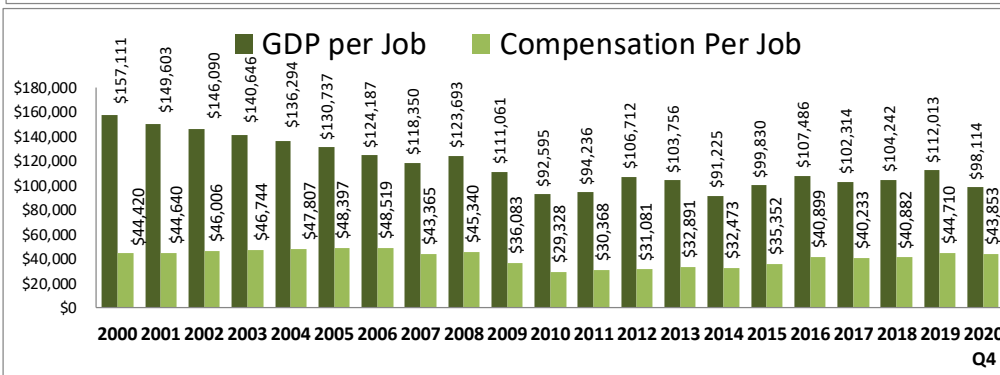
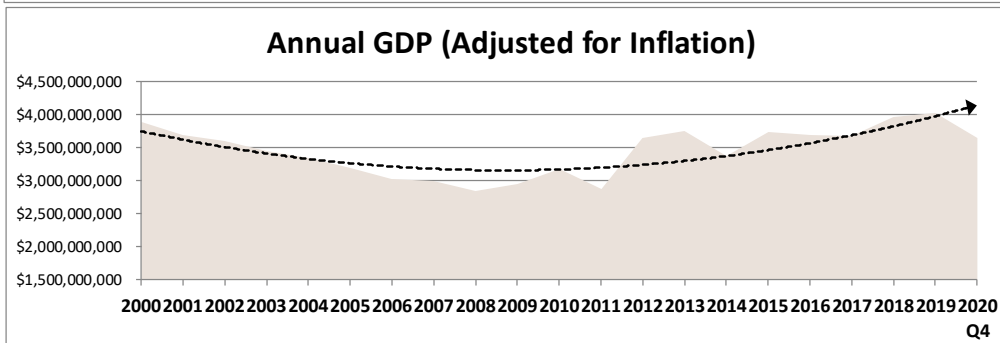
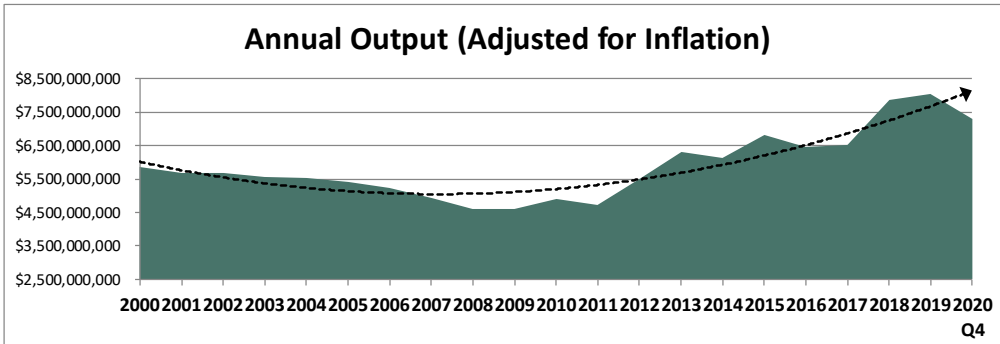
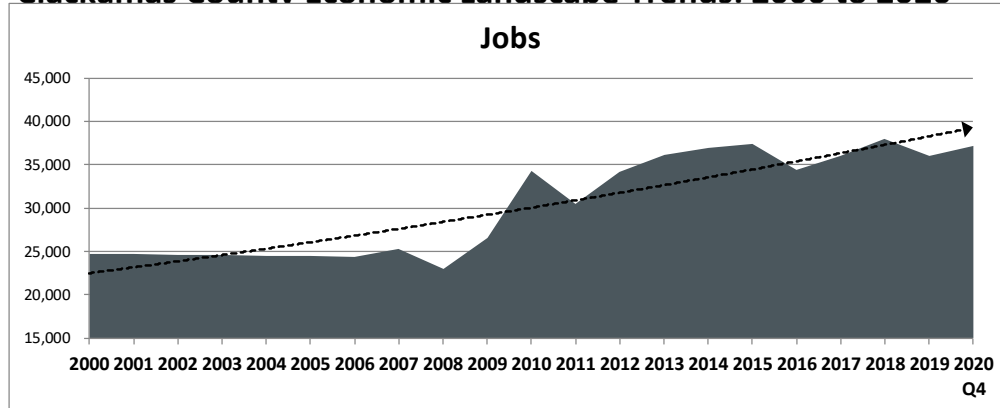


Exhibit 7 Agriculture Nurseries and Greenhouses Cluster, Clackamas County

**Agriculture, Nurseries and Greenhouses
Clackamas County Economic Landscape Trends: 2000 to 2020**

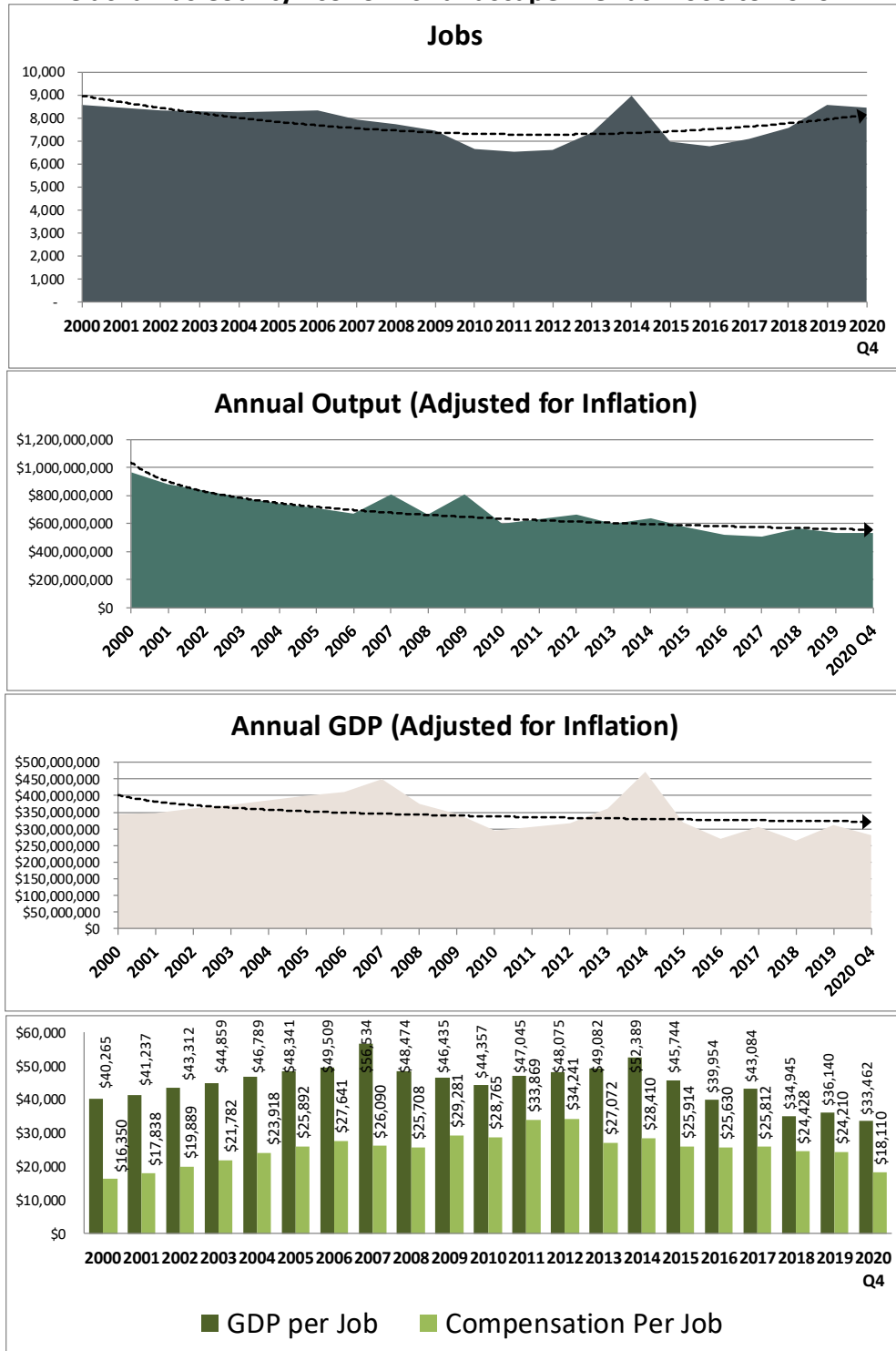


Exhibit 8 Wood Manufacturing Cluster, Clackamas County

Wood Manufacturing

Clackamas County Economic Landscape Trends: 2000 to 2020

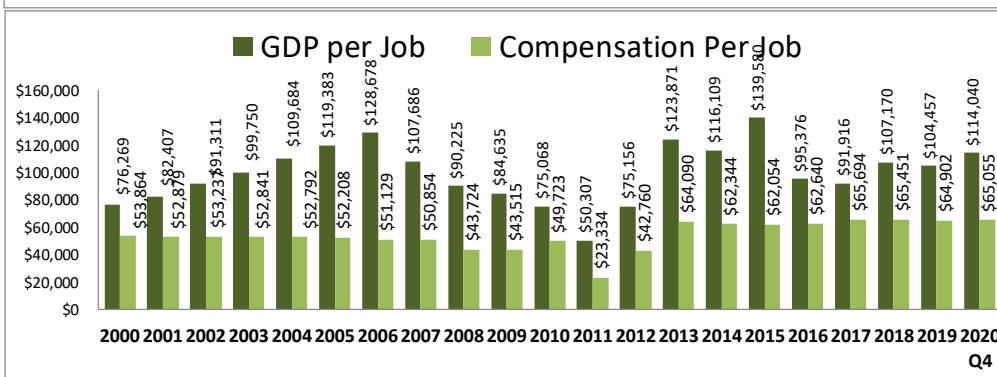
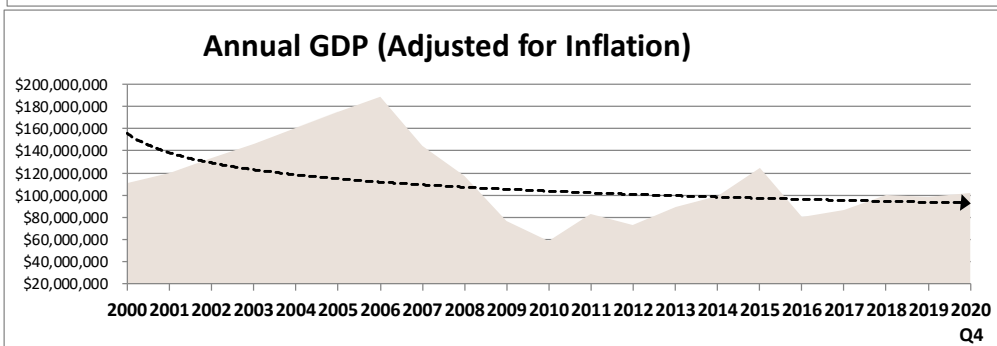
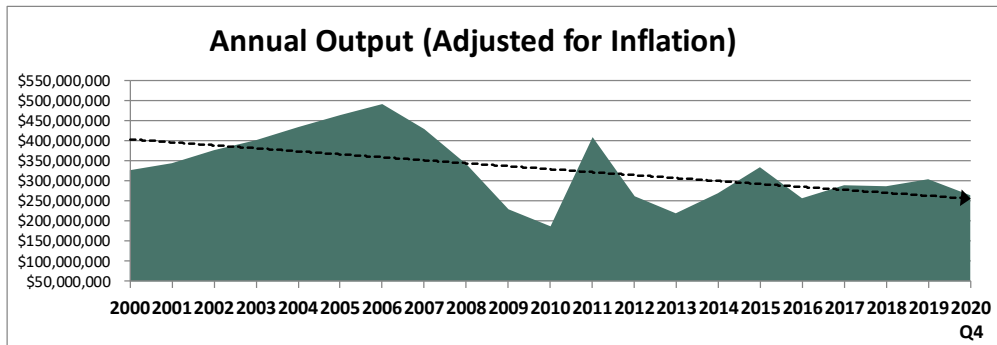
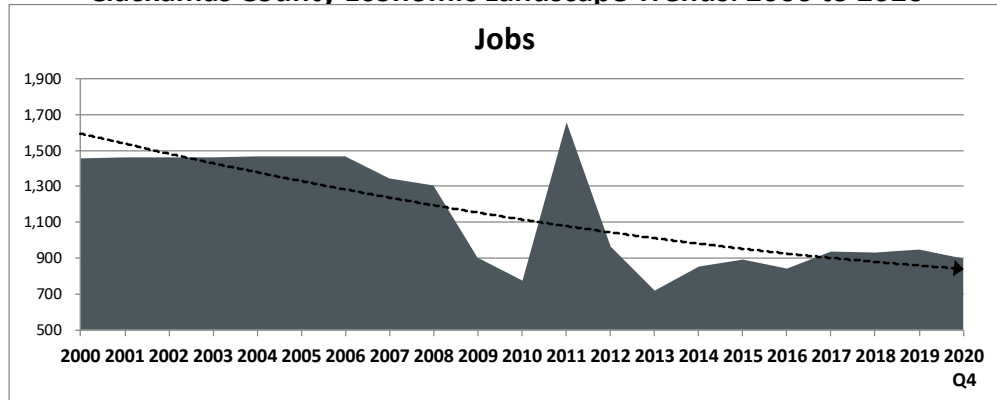


Exhibit 9 Food and Beverage Processing Cluster, Clackamas County

Food and Beverage Mfg

Clackamas County Economic Landscape Trends: 2000 to 2020

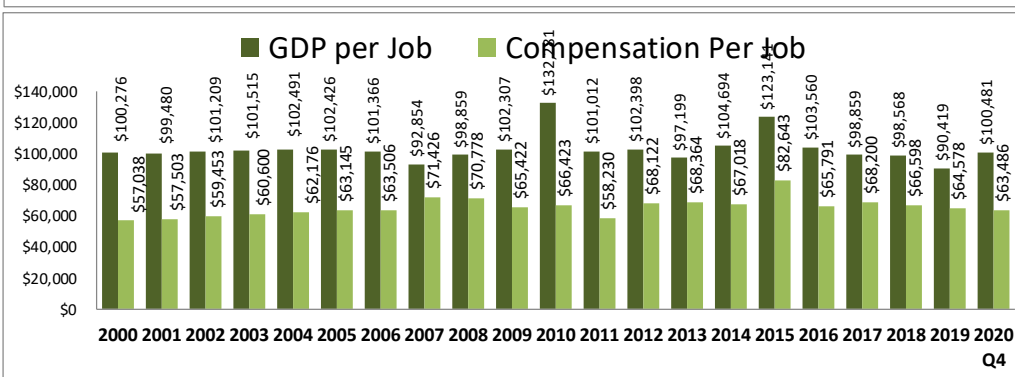
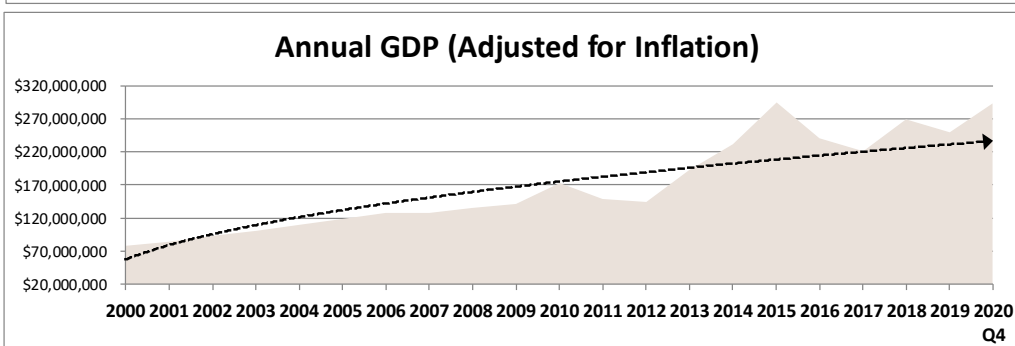
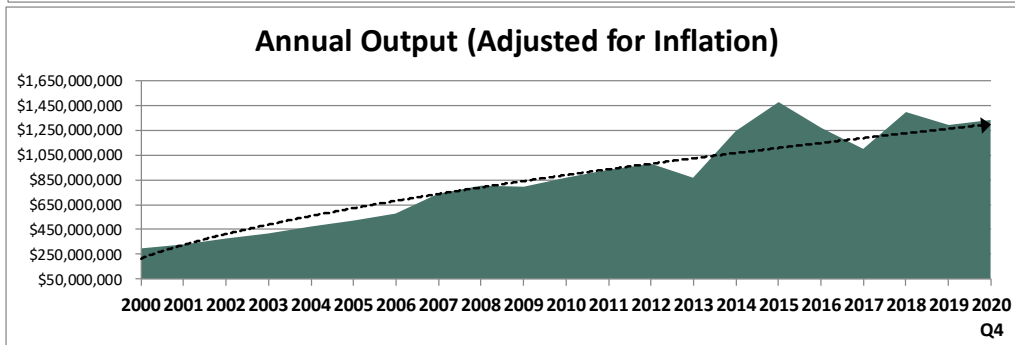
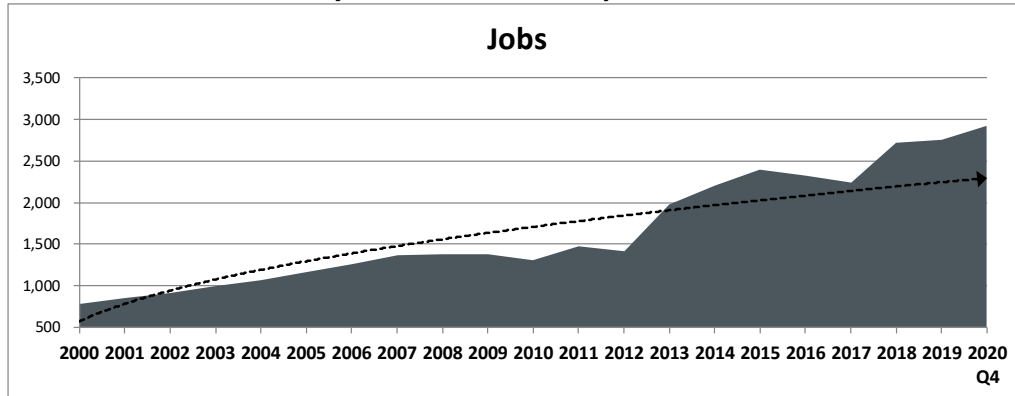


Exhibit 10 Health Care Cluster, Clackamas County

Health Care

Clackamas County Economic Landscape Trends: 2000 to 2020

