

CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS

Policy Session Worksheet

Presentation Date: November 13, 2024 **Approx. Start Time:** 1:00pm **Approx. Length:** 30 minutes

Presentation Title: Development Ready Land Study: Part #1

Department: Transportation and Development (Office of Economic Development)

Presenters: Dan Johnson, Director and Laura Edmonds, Manager

WHAT ACTION ARE YOU REQUESTING FROM THE BOARD?

Feedback on the Economic Landscape Analysis report and authorization to advance the Industrial Site & Workforce Readiness Study, a part of the Development Ready Land Study.

EXECUTIVE SUMMARY:

On October 8, 2024, the Board directed staff to advance the Development Ready Land Study, a collaborative investigation into what usable lands are available to support future housing and job growth.

The current state of the economy of Clackamas County is assessed through an Economic Landscape Analysis (ELA). The ELA is an annual report that provides a snapshot of historical data over the past 10 years. Along with noting the key industry clusters in Clackamas County, the most recent ELA highlights the County's positive population and economic trends:

- County population grew by about 37,000 residents (9.8% annual average) from 2013 to 2023.
- The County's economy added approximately 29,000 private sector jobs and has grown at a 2.1% annual average during the past decade.
- The County experienced a net loss of 9,818 jobs in 2020 but fully recovered those losses by 2022, surpassing the 2019 jobs total in 2023.

On a percentage basis, Clackamas County's economy measured by jobs is growing at a faster rate than other counties in the tri-county region. However, Clackamas County's growth represents the smallest share of new jobs added among the three counties based on 2023 data.

The ELA is an important piece of the Development Ready Land Study and will be built upon by beginning an Industrial Site & Workforce Readiness Study.

Top Industry Anchor Clusters

As of 2023, there are five top private industry anchor clusters in Clackamas County that provide over 45,000 jobs and revenue of approximately \$6.13 billion for the local economy. The supply chain for these sectors support an additional 36,000 jobs and \$3.53 billion in revenue.

- **Advanced Manufacturing** – Organized around legacy anchor firms with an international presence that manufacture primary metals, fabricated metal products, machinery, and transportation equipment.
- **Food Systems** – Includes the cultivation, production, processing, and distribution of agricultural, food, and beverage products.
- **Logistics** – One of the largest sectors, the cluster consists of wholesalers serving food manufacturers, durable goods wholesalers serving high-tech and advanced manufacturing sectors, and specialized or general trucking firms.
- **Healthcare** – Concentration of regional hospitals, diverse range of health care clinics and specialists serving the regional population.
- **High-Tech** – Though a smaller sector, production focuses on semiconductors, computer equipment, circuit boards, circuit assemblies, navigation systems, and batteries.

Data Uses & Next Steps

Staff will use the ELA to expand targeted outreach for business expansion and attraction efforts for both anchor sectors and emerging industries that have beneficial impacts on our local economy.

In addition, ELA data provides data to ensure we diversify our industry mix in order to maintain a balanced economy to reach our self-sufficiency wage jobs and business friendly goals as a County.

Data from this report also informs us of the industries we need to study further to determine needs and site characteristics, as well as availability of land suited to these industries and future workforce demands. An Industrial Site & Workforce Readiness Study will not only help the County, but will also help our city partners to target industries for strategic placement and growth. Lastly, the study will help us to understand what future land and infrastructure investments are needed in order to retain and expand business operations in Clackamas County.

The next phase in the process would be to develop a Scope of Work for the Industrial Site & Workforce Readiness Study to identify the following site characteristics that support those clusters the County is succeeding in and those clusters we wish to support:

- Space Requirements
- Slope Thresholds
- Infrastructure needs

See Attachment C for more detail.

FINANCIAL IMPLICATIONS (current year and ongoing):

Is this item in your current budget? YES NO

What is the cost? Estimated to be \$200,000

What is the funding source? Oregon Lottery Funds

STRATEGIC PLAN ALIGNMENT:

- These activities support the goal to “Grow a Vibrant Economy”

LEGAL/POLICY REQUIREMENTS:

Oregon Revised Statute (ORS) 461.540 stipulates these funds are to be utilized for the following public purposes:

- a. Creating jobs;
- b. Furthering economic development in Oregon

PUBLIC/GOVERNMENTAL PARTICIPATION:

Procurement and legal counsel engagement in creation of Scope of Work and RFQ.

OPTIONS:

- 1) Direct staff to establish the Scope of Work for the Industrial Site & Workforce Readiness Study and present it to the Board on December 11, 2024.
- 2) Do nothing at this time.

RECOMMENDATIONS:

Staff recommend Option #1: Direct staff to establish the Scope of Work for the Industrial Site & Workforce Readiness Study and present it to the Board on December 11, 2024.

ATTACHMENTS:

Attachment A: Economic Landscape Analysis Report 2023-24

Attachment B: Economic Landscape Analysis Executive Summary 2023-24

Attachment C: Industrial Site & Workforce Readiness Study Draft

SUBMITTED BY:

Division Director/Head Approval _____

Department Director/Head Approval

County Administrator Approval _____

For information on this issue or copies of attachments, please contact Laura Edmonds @ 503-742-4366



Attachment A

Clackamas County Economic Landscape Analysis

The Office of Economic Development

Total Private Employment Growth

Total private employment is a measure of the expansion of the local economy, excluding government employees. Prior to the COVID-19 Pandemic, the economy was growing at 3.0% annual rate. After a one-year contraction in 2020, private employment rebounded sharply and surpassed pre-COVID levels in 2022. At the same time, Clackamas County's population declined by -2,964 people through 2021 but surpassed pre-COVID levels in 2023.



Job Growth

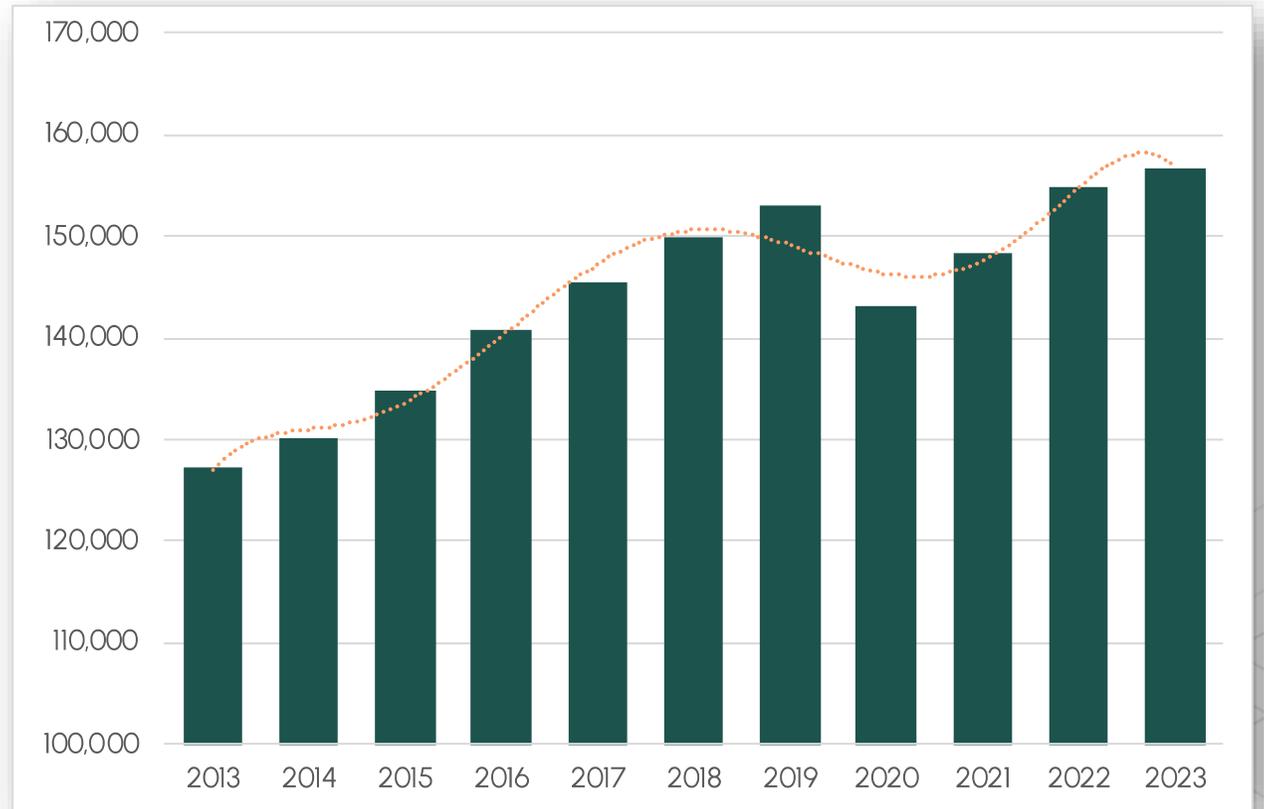
Clackamas County added 29,454 private-sector jobs over the last decade.



Rate of Change

Clackamas County has averaged 2.1% annual employment growth over the decade.

Over the 10-year period, Clackamas County's population has increased by 37,963 residents (+9.8 percent) compared to an increase in employment of 29,454 jobs (+23.2 percent).



SOURCE: Oregon Employment Department (QCEW)

Labor Force Participation and Unemployment

Clackamas County's labor force grew by **13.5% over the decade**. By comparison Oregon's grew by 12.3%. An economy growing faster than labor force growth will lead to a contraction in the unemployment rate. This can be a positive for the economy, with more people seeking work finding jobs. However, **tightness in labor markets can accelerate wage inflation** and become a barrier to economic growth.



Labor Force Growth

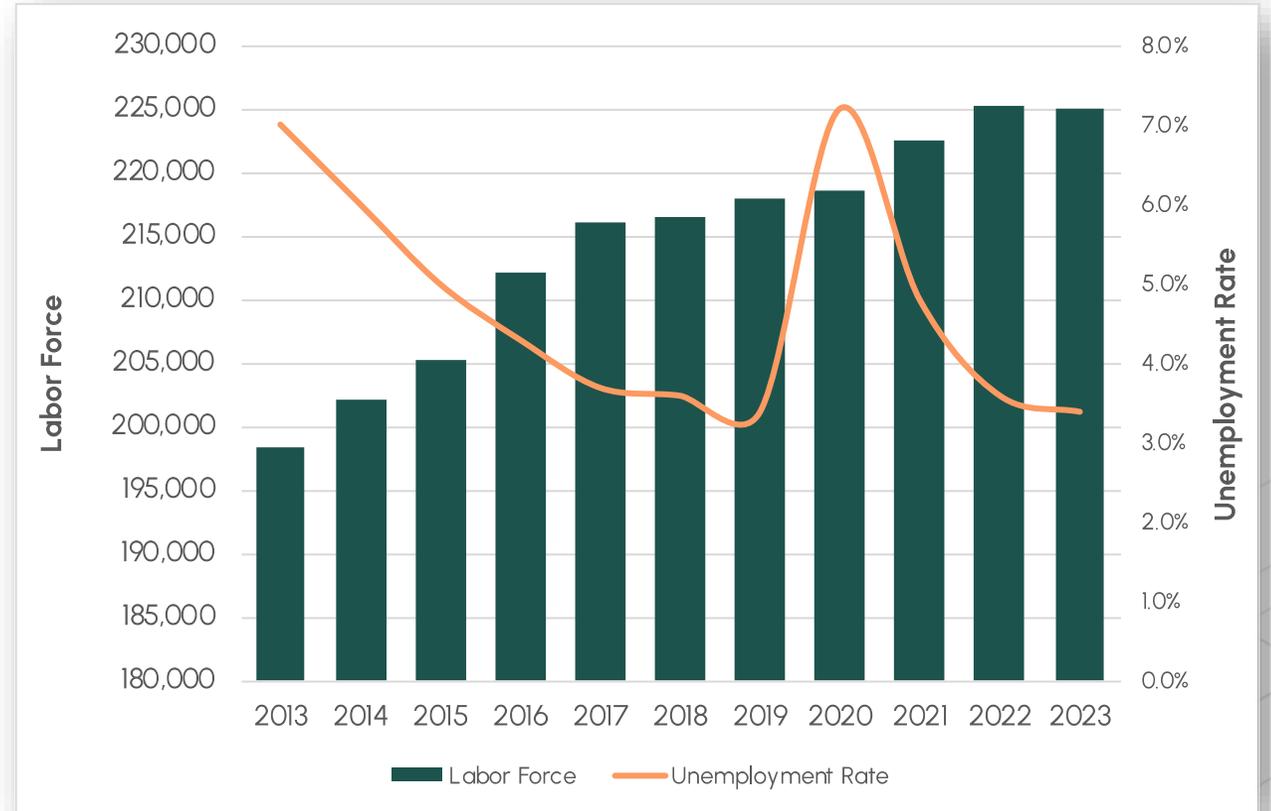
Clackamas County saw a strong rise in labor force, adding **26,759** job seekers.



Total Unemployment Rate*

Clackamas County's unemployment rate fell to **3.4% in 2023**, near an all-time low.

* Unemployment rate data includes all employees, including government employees



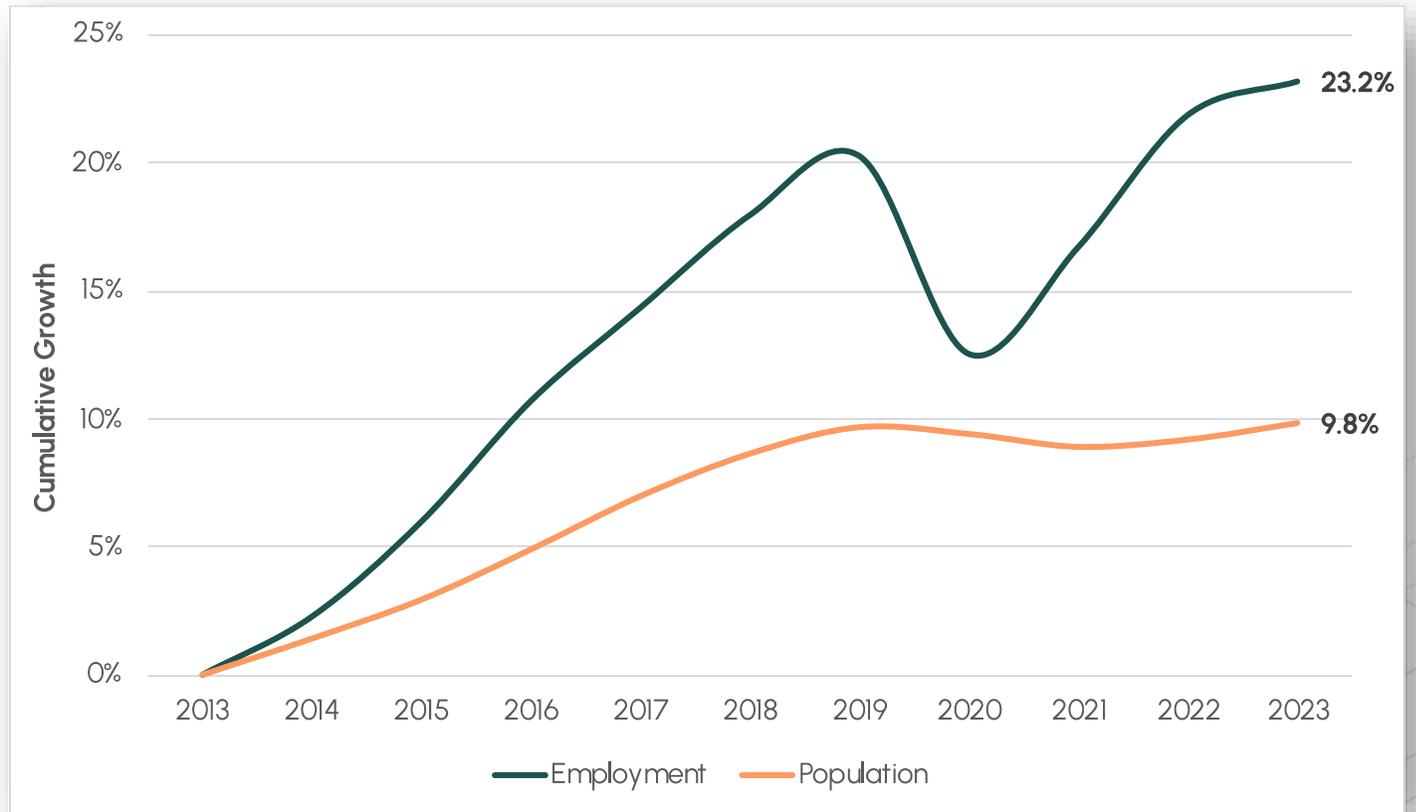
SOURCE: Oregon Employment Department (QCEW)

Cumulative Population and Private Employment Growth

Over the last ten years, Clackamas County's population has increased by 9.8 percent, adding 37,963 new residents. Over the same period, the local economy has added 29,454 new private sector jobs, growing at a 23.2 percent rate.

This is indicative that either a larger share of new in-migrants (all persons moving to Clackamas County from elsewhere) are participating in the workforce, that existing residents are participating in the workforce at a higher rate, or that the county is attracting a larger share of workers who commute from outside the county, likely some mix of these forces.

Cumulative Change in Population and Employment



SOURCE: Oregon Employment Department (QCEW) and Portland State University Population Research Center

Total Private Employment | a regional comparison

Clackamas County is the smallest share of the regional economy, currently accounting for roughly 17.9 percent of the three-county economy. Over the last decade it has added the smallest total number of private sector jobs in the region (+29,454 jobs), accounting for 22.7 percent of regional private sector job growth.



Total Job Growth

Clackamas County has added 29,454 jobs compared to 50,407 in Multnomah County and 49,696 in Washington County



Clackamas is Growing the Fastest

Clackamas County has accounted from 22.7 percent of regional job growth over the last decade.

Year	Clackamas	Multnomah	Washington
2013	127,183	381,369	235,316
2014	130,064	393,813	243,146
2015	134,778	406,799	252,256
2016	140,773	416,577	259,991
2017	145,404	426,598	266,370
2018	150,002	439,742	273,022
2019	152,924	447,067	280,282
2020	143,106	406,298	264,579
2021	148,425	410,176	270,802
2022	154,964	427,092	281,997
2023	156,637	431,776	285,012
Total Growth	29,454	50,407	49,696
Share of Job Growth	22.7%	38.9%	38.4%
AAGR	2.1%	1.2%	1.9%

Total Private Employment Growth Rate | a regional comparison

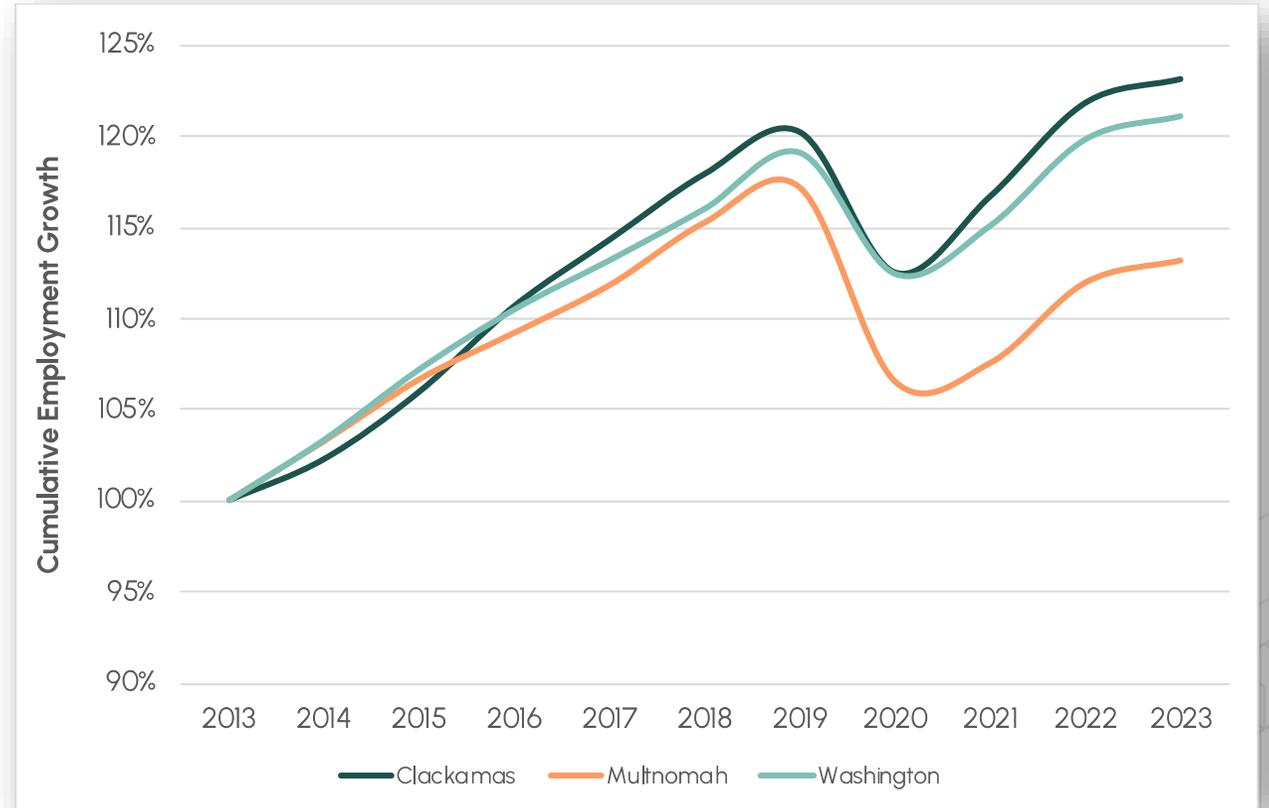
Over the last 10 years, Clackamas County has outpaced regional growth rates. This trend began back in 2015 when both Washington and Clackamas County pulled away from Multnomah in terms of rate of growth. In fact, Clackamas County and Washington County have tracked quite closely for much of the decade.

The economic contraction at the onset of the COVID pandemic impacted Multnomah County far more than the rest of the region.



Clackamas is Growing the Fastest

As a share of the size of the economy, Clackamas County was the **fastest growing** County in the region.



SOURCE: Oregon Employment Department (QCEW)

Performance by employment area

Clackamas County’s four major employment areas account for 24,542 jobs and over \$13.18 billion in output. Each area serves a different economic function in the economy. For example, the Clackamas Industrial Area has the second highest concentration of manufacturing and highest concentration of wholesaling firms, while Kruse Way serves more of a professional services function. From 2018 to 2022, every employment area saw an increase in employment with the exception of the North Milwaukie Industrial Area, which declined by 202 jobs.

* Output and employment is total employment in these areas, including government employees.

Jobs



24,542

Total jobs in core employment areas.

Output



\$13.18 billion

Total output in employment areas.

Metric	Clackamas Industrial	East Wilsonville Industrial	Kruse Way	North Milwaukie Industrial
# Firms (2022)	560	56	404	50
Jobs (2022)	12,480	4,435	6,010	1,617
Job Growth (2018-2022)	+113	+503	+884	-202
Job Growth % (2018-2022)	+0.9 percent	+12.8 percent	+17.2 percent	-11.1 percent
Output (2022)	\$5,281 Million	\$2,740 Million	\$4.667 Million	\$490 Million
Jobs/Acre (2022)	9.16 jobs/acre	12.86 jobs/acre	59.5 jobs/acre	7.35 jobs/acre
Output/Acre (2022)	\$3.88 Million	\$7.94 Million	\$46.21 Million	\$2.23 Million
Sector Concentration	23% manufacturing 21% wholesaling 15% construction	31% manufacturing 30% professional svcs. 16% construction	40% financial services 31% professional svcs. 12% leisure & hospitality	29% construction 17% wholesaling 15% admin. & waste

SOURCE: Oregon Employment Department (QCEW) and IMPLAN

Labor Market Tightness | Unemployment Rate Comparison

The rate of growth of Clackamas County’s economy has outpaced labor force growth and participation. This has driven the unemployment rate to **historic lows**. Relative to other parts of Oregon, Clackamas County has the second lowest unemployment rate in the region, trailing only Washington County, and is the **5th lowest in the entire state**.



Clackamas is below OR and U.S.
Clackamas County’s unemployment rate is slightly below the state and national avg.



Clackamas is among the top in OR
Clackamas County has the fifth lowest unemployment rate in Oregon.

Annual Average Unemployment Rate (2023)

Rank	County	Unemployment Rate
1	Wheeler County	2.8%
2	Hood River County	3.0%
3	Benton County	3.0%
4	Washington County	3.2%
5	Clackamas County	3.4%
6	Morrow County	3.4%
7	Yamhill County	3.4%
8	Multnomah County	3.6%
9	Malheur County	3.7%
10	Clatsop County	3.7%
11	Deschutes County	3.7%
12	Marion County	3.7%
13	Polk County	3.7%
14	Tillamook County	3.8%
15	Sherman County	3.8%
<i>National Rate</i>		3.6%
<i>Oregon Rate</i>		3.7%

SOURCE: Oregon Employment Department

Economic Growth| where in Clackamas is it happening?

Private-sector growth has been distributed across the County. On a percentage basis, **smaller cities are seeing a larger share of growth**, with Estacada, Gladstone, and Canby all among the fastest growing cities.

+1,995

Lake Oswego

Lake Oswego added nearly 2,000 jobs. Growth was in professional service sectors that utilize office space.

+1,108

Happy Valley

Happy Valley added 1,108 jobs driven by growth in Health Systems and a rebound in the retail and restaurant sectors.

-1,185

Milwaukie

Milwaukie contracted by 1,185 jobs. Losses were widespread in construction, professional services, manufacturing, and health services.

Total Private Sector Job Change by City (2018-2022)

City	Job Chg.	% Chg.
Happy Valley	1,108	37%
Estacada	311	36%
Gladstone	481	18%
West Linn	494	12%
Canby	679	12%
Lake Oswego	1,995	11%
Oregon City	883	8%
Wilsonville	945	7%
Molalla	53	2%
Sandy	19	1%
Uninc. Clackamas	-1,556	-2%
Milwaukie	-1,185	-10%
Tualatin*	-546	-17%

* In Clackamas County
SOURCE: Oregon Employment Department (QCEW)

Economic Growth | what sectors are driving growth?

Across the county, service sectors like retail and restaurants have not fully recovered from the pandemic, with retail and hospitality sectors **down 6.6% and 3.2%**, respectively. Service sectors have performed the strongest, likely driven in part by outward business migration from losses in Multnomah County.



Information & Professional Services

Growth was overwhelmingly driven by services. The information and professional services sectors accounted for two-third of positive growth.



Manufacturing

Manufacturing grew relatively flat, adding 270 jobs.



Logistics (T.W.U. and Wholesale Trade)

Sectors concentrated in logistics continued a steady path, adding 873 jobs and growing by 6.2%.

Total Private Sector Job Change by Industry Sector (2018-2022)

Industry Sector	Job Chg.	% Chg.
Professional & Business	3,424	17.4%
Construction	833	6.1%
Information	654	34.5%
Wholesale Trade	512	5.1%
T.W.U.	361	8.9%
Manufacturing	270	1.5%
Natural Resources	-78	-1.6%
Education & Health	-128	-0.5%
Financial Services	-138	-1.7%
Other Services	-428	-5.9%
Leisure & Hospitality	-531	-3.2%
Retail Trade	-1,293	-6.6%

T.W.U. = Transportation, Warehousing, & Utilities
 SOURCE: Oregon Employment Department (QCEW)

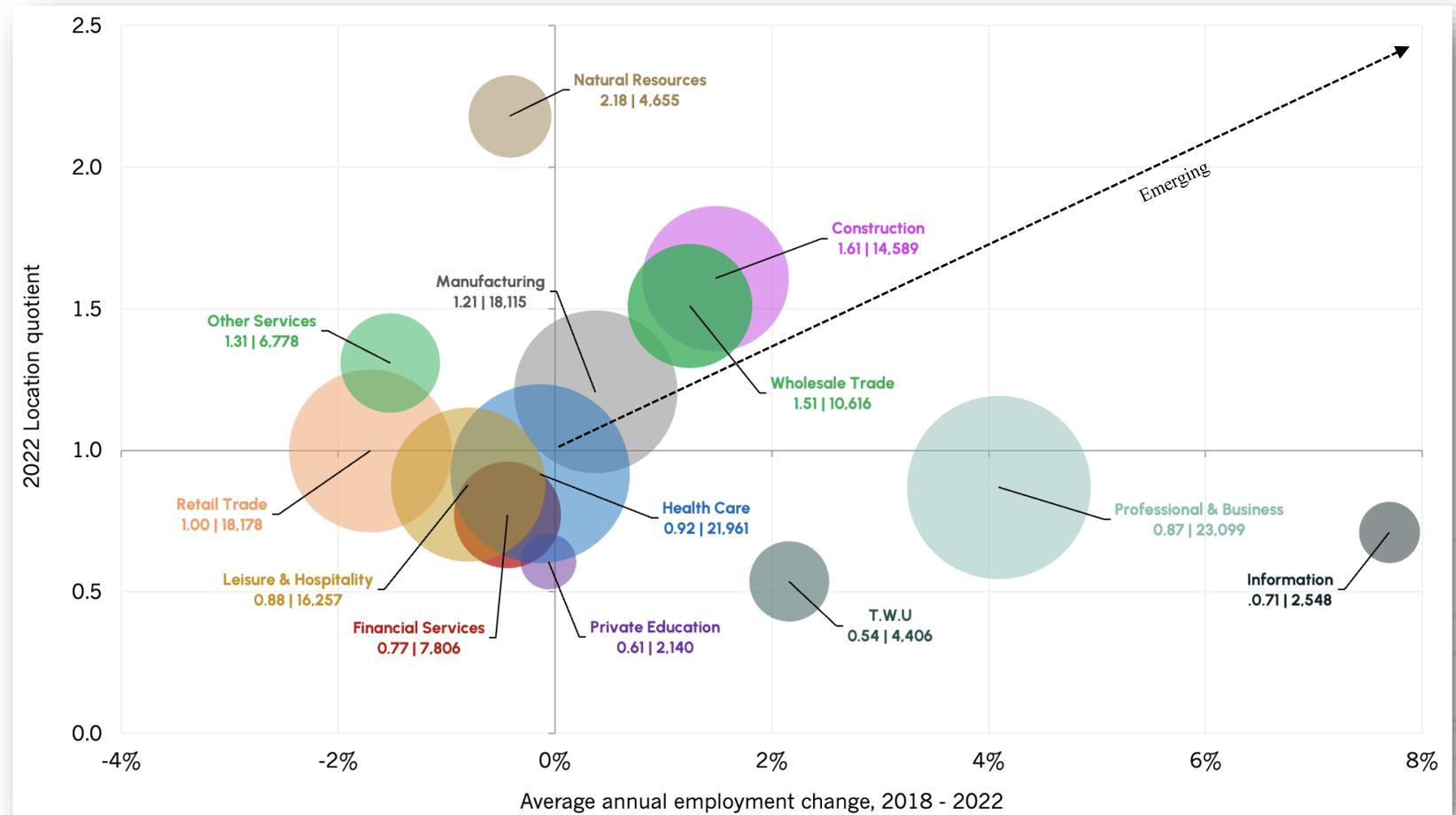
Sector Specialization and Growth

Location Quotient. A location quotient measures the distribution of a local economic sector relative to the national average. Higher values indicate progressively greater local specialization.

Growth Sectors. Clackamas County's fastest growing sectors are those that are not necessarily the most "specialized". This is indicative of sectors that are seeing an increasing competitive advantage.

Specialized Sectors. The County's more specialized sectors are those that are showing moderate growth or high concentrations. These are anchors of broader and mature industry concentrations. These include Natural Resources, Wholesaling, Manufacturing, and Construction.

SOURCE: Oregon Employment Department (QCEW)



Sectors that are in the top right quadrant are "star" sectors in the sense that they have an above average local concentration and have been exhibiting growth. Sectors in the bottom left are sectors that have been contracting and are less specialized locally.

Target Cluster Profiles

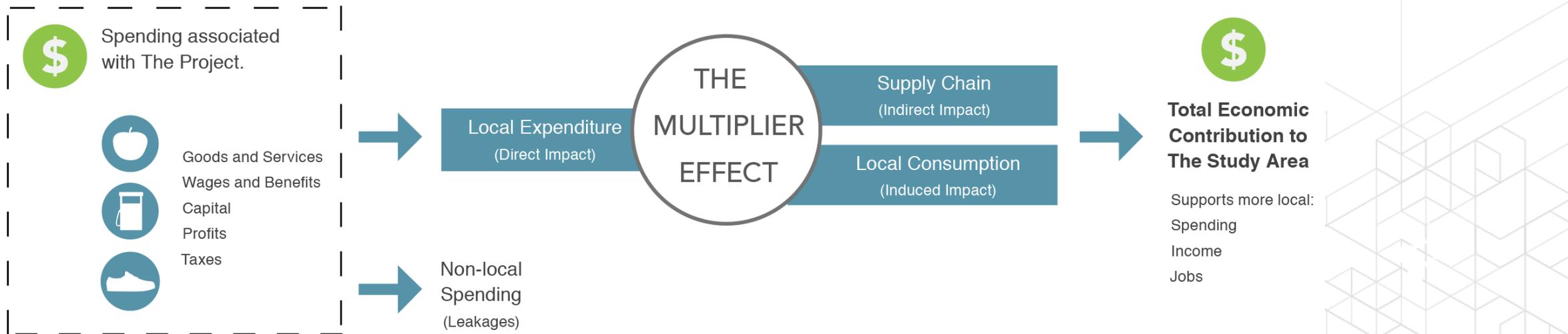
Clackamas County Economic Landscape

Definitions and Terms – Economic Impacts

Direct Effects. The output, jobs, and income associated with the immediate effects of final demand changes.

Indirect Effects. The production changes in backward-linked industries caused by the changing input needs of directly affected industries. Suppliers to the directly involved industry will also purchase additional goods and services; spending leads to additional rounds of indirect impacts. Because they represent interactions among businesses, these indirect effects are often referred to as supply-chain impacts.

Induced Effects. The changes in regional household spending patterns caused by changes in household income. The direct and indirect increases in employment and income enhance the overall purchasing power in the economy, thereby inducing further spending by households. Employees in these industries, for example, will use their income to purchase groceries or take their children to the doctor. These induced effects are often referred to as consumption-driven impacts.



Definitions and Terms – Economic Linkages

Gross Inputs. The total amount that businesses in each industry spend on a given commodity. The sum of gross inputs is the total value of intermediate inputs in a production function.

Regional Inputs. The total amount that businesses in each industry spend on a given commodity locally. The sum of regional inputs is the total value of intermediate inputs purchased locally in a production function.

Regional Purchase Coefficient (RPC). The proportion of spending on a given commodity that is purchased locally. $RPC = (\text{Regional Inputs}/\text{Gross Inputs})$.

Gross Absorption. The percentage of the total output of an industry that is comprised of any given commodity (intermediary) input. Total absorption is the share of an industry's output that is the result of intermediary inputs.

Regional Absorption. The percentage of the total output of an industry that is comprised of the local purchase of any given commodity (intermediary) input. Total regional absorption is the share of an industry's output that is the result of local intermediary inputs.

Value Added Output. Total output above and beyond the total value of intermediary inputs (Gross Inputs).

Cluster Analysis

The Oregon Business Plan defines Industry Clusters as groups of similar and related firms in a defined geographic area that share common markets, technologies, worker skill needs, and which are often linked by buyer-seller relationships. In the analysis that follows, we profile five key clusters in Clackamas County. For each of these clusters, we present information with respect to:



ECONOMIC CONTRIBUTION

A quantification of how the cluster contributes to the local economy in terms of jobs, labor income, and output. For example, a widget manufacturer employs workers and purchases capital inputs that have benefit to the local economy.



CLUSTER ORGANIZATION

A representation of the production inputs that are most important each industry cluster's production function. For example, a widget manufacturer requires some mix of raw materials, services, real estate, or other inputs in the production of widgets.



LOCAL CAPTURE

A representation of the production inputs that are sources locally in the Clackamas County economy. For example, a widget manufacturer requires a range of production inputs as defined in "cluster organization". Some of these inputs may be available locally and others may have to—or currently be, sourced from outside the region.

Food Systems

Food Systems is an agglomeration of sectors concentrated in the cultivation, production, processing, and distribution of agricultural, food, and beverage products. In Clackamas County, crop production and food manufacturing are not necessarily related in that crops raised in Clackamas County are a large part of the manufacturing production function. However, they share a robust distribution and labor network.



NAICS 111: Crop Production

The crop production sector in Clackamas County is dominated mostly by nursery, tree, and floriculture production accounting for two-thirds of sector employment.



NAICS 311: Food Manufacturing

Food manufacturing in Clackamas County is concentrated around the production of baked goods, and frozen and prepared foods. Anchor businesses like Bob’s Red Mill and Dave’s Killer Bread have anchored a commercial baking sector that has led to many smaller spin-offs.



NAICS 312: Beverage Manufacturing

Clackamas County is very much a part of Oregon’s commercial brewing sector, with a handful of production breweries and wineries located in the County. Non-production breweries, tap-houses, and tasting rooms are not included in this sector.

Economic Impacts (dollars in millions)

Firms in the anchor sectors of **Food Systems** employ over 5,900 employees in Clackamas County. The annual direct contribution to the local economy is **\$585 million dollars in value-added output**. Secondary effects contribute an additional 3,900 jobs and \$408 million in value-added output.

Impacts	Jobs	Labor Income	Value Added	Output
Direct	5,900	\$356.9	\$584.9	\$2,169.8
Indirect	2,700	\$183.2	\$275.1	\$514.0
Induced	1,200	\$72.6	\$133.1	\$220.1
Total	9,800	\$612.7	\$993.1	\$2,903.9

Major Employers

- **Bob’s Red Mill**
- **Dave’s Killer Bread/Nature Bake**
- **Safeway (non-retail)**
- **Fred Meyer (non-retail)**
- **Interstate Meat Distributors**
- **AG Specialty Foods**
- **Ever Fresh Fruit**
- **Pacific Seafood**

Food Systems

The Food Systems cluster relies on 68 different goods and service categories in a production function that allows it to support over \$2.16 billion dollars in annual economic output and \$585 million in value-added output.

Raw food commodities and manufactured food products are the most important production inputs. Of the \$1.5 billion in commodity inputs that support this output, 47.7 percent is cross spending within these other parts of the anchor sectors.

What commodities are important to food systems?

Gross Inputs are the goods and services that make up the production function that produces another good or service, regardless of where these inputs are sourced. In the Food Systems Cluster in Clackamas County, the top 20 inputs represent 93.5% of all production inputs. Inputs are largely agricultural commodities like flour, meat, eggs, and poultry; temporary labor services; transportation and distribution of products, and wholesaling of grocery products and food processing equipment.

TOP SECTORS	GROSS INPUT (millions)
Crop Production	\$446.7
Food Manufacturing	\$269.1
Animal Production and Aquaculture	\$178.0
Merchant Wholesalers, Nondurable Goods	\$107.3
Truck Transportation	\$104.5
Rail Transportation	\$41.5
Paper Manufacturing	\$34.3
Professional, Scientific, and Technical Services	\$29.0
Management of Companies and Enterprises	\$28.5
Utilities	\$26.4
Support Activities for Agriculture and Forestry	\$23.9
Fishing, Hunting and Trapping	\$23.0
Plastics and Rubber Products Manufacturing	\$19.8
Real Estate	\$15.2
Fabricated Metal Product Manufacturing	\$14.8
Merchant Wholesalers, Durable Goods	\$14.6
Petroleum and Coal Products Manufacturing	\$10.5
Chemical Manufacturing	\$10.1
Insurance Carriers and Related Activities	\$9.6
Credit Intermediation and Related Activities	\$9.5

SOURCE: IMPLAN and ECONorthwest



Food Systems

Firms in the **Food Systems** sector support a broad range of other sectors within the Clackamas County economy. Across all inputs that support Food Systems, **27 percent** of production inputs are purchased within the County.



Local Absorption Rate

Inputs that are large parts of the overall production function and have high rates of local purchase are core elements of what makes up a cluster. In **Food Systems** these include:

Example Local Inputs with High Regional Purchase Coefficients (RPC)

- 87.6%** Truck Transportation Services
- 99.9%** Grocery Wholesalers
- 99.7%** Support Services for Ag. and Forestry
- 93.2%** Machinery Leasing
- 22.9%** Greenhouse and Nursery Products
- 57.7%** Flour

What commodities are sourced locally?

Regional inputs are the goods and services that make up production function but *are purchased locally within the local economy*. In the **Food Systems** Cluster in Clackamas County, the largest regional inputs include a mix of wholesale and logistics activities, real estate, utilities, and local professional and financial services.

TOP SECTORS	REGIONAL INPUT (millions)	GROSS INPUT (millions)
Merchant Wholesalers, Nondurable Goods	\$104.4	\$107.3
Truck Transportation	\$91.5	\$104.5
Support Activities for Agriculture and Forestry	\$23.8	\$23.9
Food Manufacturing	\$23.4	\$269.1
Professional, Scientific, and Technical Services	\$18.9	\$29.0
Management of Companies and Enterprises	\$15.4	\$28.5
Real Estate	\$15.1	\$15.2
Utilities	\$14.6	\$26.4
Merchant Wholesalers, Durable Goods	\$12.1	\$14.6
Crop Production	\$11.5	\$446.7
Wholesale Trade Agents and Brokers	\$8.0	\$8.3
Administrative and Support Services	\$7.8	\$9.3
Animal Production and Aquaculture	\$7.5	\$178.0
Insurance Carriers and Related Activities	\$6.7	\$9.6
Credit Intermediation and Related Activities	\$5.4	\$9.5
Rental and Leasing Services	\$5.3	\$6.0
Repair and Maintenance	\$4.6	\$4.8
Monetary Authorities-Central Bank	\$4.2	\$8.2
Waste Management and Remediation Services	\$4.2	\$4.2

SOURCE: IMPLAN and ECONorthwest

Health Systems

Health Systems is anchored by Clackamas County’s concentration of regional hospitals alongside a diverse range of health care clinics and specialists serving the regional population. This concentration, creating a pipeline of talented health care workers and a need for supportive services has in turn attracted a handful of research, testing, and manufacturing firms in the health care sector.

NAICS 622: Hospitals
 Regional hospitals including Legacy, Providence, and Sunnyside employ thousands of workers in the County and anchor the Health Systems Sector.

NAICS 621 Ambulatory Healthcare
 This sector includes proprietors that largely serve local and regional resident populations. These include family physicians, specialists, dentists, mental and physical health, and other related services. There are over 200 firms with 10 or more employees in Clackamas County in this sector.

NAICS 5413 & 5417: Medical R&D and Testing Laboratories
 Clackamas County has a small presence of medical research and testing firms that has held steady in recent years.

NAICS 3391: Medical Equipment Manufacturing
 Clackamas County has attracted a very small concentration of firms that produce medical equipment products ranging from optical devices and surgical appliances to prosthetics.

NAICS 32541: Pharmaceutical and Medicinal Products Manufacturing
 Clackamas County has only a small number of manufacturers in this sector, but firms like Health Wright Products are major employers producing dietary supplements and other products.

Economic Impacts (dollars in millions)

Firms in the anchor sectors of **Health Systems** employ over 14,800 employees in Clackamas County. The annual direct contribution to the local economy is **\$1.9 billion dollars in value-added output**. Secondary effects contribute an additional 8,500 jobs and \$883 million in value-added output.

Impacts	Jobs	Labor Income	Value Added	Output
Direct	14,800	\$1,620.9	\$1,900.0	\$2,949.0
Indirect	4,500	\$310.3	\$445.7	\$829.0
Induced	4,000	\$230.1	\$437.4	\$722.3
Total	23,300	\$2,161.3	\$2,783.1	\$4,500.3

Major Employers

- Providence Hospital
- Legacy Hospital
- Sunnyside Hospital
- Eye Health Northwest
- The Oregon Clinic
- Rehab Specialists Inc.
- Kaiser
- Health Wright Products

Health Systems

The **Health Systems** cluster relies on **75 different goods and service categories** in a production function that allows it to support over **\$2.95 billion** dollars in annual economic output and **\$1.89 billion** in value-added output.

Primary inputs to the cluster largely include service uses, including scientific research and development, employment services, management consulting, legal services, laboratories, and the network of clinics and family practitioners. Of the \$2 billion in commodity inputs that support this output, **2 percent** is cross spending across hospitals and ambulatory health services.

Key Industries by Gross Inputs

Gross Inputs are the goods and services that make up the production function that produces another good or service, regardless of where these inputs are sourced. In the **Health Systems** Cluster, the top 20 inputs represent **88.3% of all production inputs**. Inputs include a mix of products including chemicals, back office (administrative and management services), wholesalers, and professional/technical services.

TOP SECTORS	GROSS INPUT (millions)
Professional, Scientific, and Technical Services	\$539.4
Real Estate	\$288.7
Administrative and Support Services	\$202.8
Management of Companies and Enterprises	\$96.0
Food Services and Drinking Places	\$80.5
Merchant Wholesalers, Nondurable Goods	\$77.4
Insurance Carriers and Related Activities	\$72.0
Merchant Wholesalers, Durable Goods	\$69.8
Chemical Manufacturing	\$57.2
Credit Intermediation and Related Activities	\$39.7
Ambulatory Health Care Services	\$38.8
Monetary Authorities-Central Bank	\$37.9
Food Manufacturing	\$26.7
Repair and Maintenance	\$25.9
Plastics and Rubber Products Manufacturing	\$23.5
Publishing Industries	\$22.4
Utilities	\$22.3
Computing Infrastructure Providers, Data Processing, Web Hosting, and Related Services	\$20.0
Securities, Commodity Contracts, and Other Financial Investments and Related Activities	\$15.3
Telecommunications	\$14.7

SOURCE: IMPLAN and ECONorthwest

Health Systems

Firms in the **Health Systems** sector support a broad range of other sectors within the Clackamas County economy. Across all inputs that support **Health Systems**, **68 percent** of production inputs are purchased within the County.



Local Absorption Rate

Inputs that are large parts of the overall production function and have high rates of local purchases are core elements of what makes up a cluster. In **Health Systems** these include:

Example Local Inputs with High Regional Purchase Coefficients (RPC)

- 77.9%** Scientific Research and Development
- 81.0%** Management Consulting
- 99.7%** Legal Services
- 99.1%** Environmental & Tech. Consulting
- 99.8%** Wholesalers of prof. & com. equipment
- 53.7%** Misc. prof. tech. & scientific services

Key Industries by Regional Inputs

Regional inputs are the goods and services that make up a production function but *are purchased locally within the local economy*. In the **Health Systems** Cluster, the largest regional inputs include a mix of wholesale and logistics activities, real estate, utilities, and local professional and financial services.

TOP SECTORS	REGIONAL INPUT (millions)	GROSS INPUT (millions)
Professional, Scientific, and Technical Services	\$539.4	\$387.5
Real Estate	\$288.7	\$288.5
Administrative and Support Services	\$202.8	\$175.6
Food Services and Drinking Places	\$80.5	\$68.8
Merchant Wholesalers, Durable Goods	\$69.8	\$64.9
Management of Companies and Enterprises	\$96.0	\$51.8
Merchant Wholesalers, Nondurable Goods	\$77.4	\$48.7
Insurance Carriers and Related Activities	\$72.0	\$37.3
Repair and Maintenance	\$25.9	\$24.5
Credit Intermediation and Related Activities	\$39.7	\$21.2
Monetary Authorities-Central Bank	\$37.9	\$19.6
Utilities	\$22.3	\$14.7
Computing Infrastructure Providers, Data Processing, Web Hosting	\$20.0	\$14.3
Waste Management and Remediation Services	\$12.5	\$12.3
Truck Transportation	\$13.8	\$12.1
Rental and Leasing Services	\$14.3	\$12.0
Securities, Commodity Contracts, an Other Financial Investments	\$15.3	\$11.5
Publishing Industries	\$22.4	\$11.1
Ambulatory Health Care Services	\$38.8	\$10.1
Personal and Laundry Services	\$6.1	\$5.4

SOURCE: IMPLAN and ECONorthwest

Advanced Manufacturing

Advanced Manufacturing in Clackamas County is organized around legacy anchor firms with an international presence that manufacture primary metals, fabricated metal products, machinery, and transportation equipment. It is one of the most well-organized clusters in the region, grown out of Oregon’s legacy manufacturing firms and labor proficiencies in metals manufacturing. Many firms in this sector support a broader supply chain providing components, parts and machinery service aerospace, advanced tools, and other industrial and transportation equipment.



NAICS 331: Primary Metals Manufacturing

Clackamas County’s primary metals sector is anchored by PCC structural, which serves a function of attracting a broad labor pool that spills into other sectors in the region.



NAICS 332: Fabricated Metals Manufacturing

This sector serves a broad range of functions, from machining and precision tuning to production of fabricated metal components serving many industries including many of the equipment and tool manufactures in the region.



NAICS 333: Machinery Manufacturing

Clackamas County has over 25 medium to large firms producing value-added machine products. These firms employ over 1,200 workers across the county.



NAICS 336: Transportation Equipment Manufacturing

Clackamas County’s transportation equipment manufacturing sector is small and dominated by medium-sized firms producing motor vehicle parts, boats, and aircraft parts and equipment.

Economic Impacts (dollars in millions)

Firms in the anchor sectors of **Advanced Manufacturing** employ 8,275 employees in Clackamas County. The annual direct contribution to the local economy is **\$599 million dollars in value-added output**. Secondary effects contribute an additional 6,000 jobs and \$399 million in value-added output.

Impacts	Jobs	Labor Income	Value Added	Output
Direct	8,275	\$831.4	\$598.9	\$2,000.0
Indirect	3,475	\$280.0	\$266.8	\$507.0
Induced	2,525	\$150.1	\$132.3	\$217.3
Total	14,275	\$1,261.5	\$998.0	\$2,724.3

Major Employers

- Warn
- PCC Structurals
- Blount/Oregon Tool
- Benchmade
- Vigor
- DW Fritz
- SSI
- Orchid Orthopedic

Advanced Manufacturing

The **Advanced Manufacturing** cluster relies on **63 different goods and service categories** in a production function that allows it to support **\$2.0 billion dollars in annual economic output and \$599 million in value-added output.**

Raw materials, specifically other metal products and components are the most important production inputs. Of the \$1.4 billion in commodity inputs that support this output, 42.3 percent is cross spending across other parts of the anchor sectors.

Key Industries by Gross Inputs

Gross Inputs are the goods and services that make up the production function that produces another good or service, regardless of where these inputs are sourced. In the Advanced Manufacturing Cluster, the top 20 inputs represent 90.5% of all production inputs. Inputs are overwhelmingly materials inputs such as iron and steel ferroalloy products, scrap metal, machined products, aluminum, and ferrous and nonferrous metals products.

TOP SECTORS	GROSS INPUT (millions)
Primary Metal Manufacturing	\$420.0
Merchant Wholesalers, Durable Goods	\$233.3
Fabricated Metal Product Manufacturing	\$194.2
Professional, Scientific, and Technical Services	\$106.7
Transportation Equipment Manufacturing	\$84.9
Scrap	\$63.2
Computer and Electronic Product Manufacturing	\$60.3
Management of Companies and Enterprises	\$59.5
Administrative and Support Services	\$57.0
Truck Transportation	\$47.4
Utilities	\$33.4
Plastics and Rubber Products Manufacturing	\$30.2
Chemical Manufacturing	\$23.2
Paper Manufacturing	\$20.9
Securities, Commodity Contracts, and Other Financial Investments and Related Activities	\$20.6
Machinery Manufacturing	\$18.9
Computing Infrastructure Providers, Data Processing, Web Hosting, and Related Services	\$16.8
Credit Intermediation and Related Activities	\$14.6
Rail Transportation	\$14.3
Real Estate	\$13.0

SOURCE: IMPLAN and ECONorthwest

Advanced Manufacturing

Firms in the **Advanced Manufacturing** sector support a broad range of other sectors within the Clackamas County economy. Across all inputs that support **Advanced Manufacturing**, **79 percent** of production inputs are purchased within the County. This makes **Advanced Manufacturing** one of the the most complete clusters in the region



Local Absorption Rate

Inputs that are large parts of the overall production function and have high rates of local purchase are core elements of what makes up a cluster. In **Advanced Manufacturing** these include:

Example Local Inputs with High Regional Purchase Coefficients (RPC)

- 94.6%** Wholesaling, Durable Goods
- 87.6%** Truck Transportation
- 55.2%** Scrap Metal
- 94.4%** Computer Programming
- 28.7%** Ferrous Metals

Key Industries by Regional Inputs

Regional inputs are the goods and services that make up a production function but *are purchased locally within the local economy*. In the **Advanced Manufacturing** Cluster, the largest regional inputs include a mix of wholesale, professional and financial services, and raw materials.

TOP SECTORS	REGIONAL INPUT (millions)	GROSS INPUT (millions)
Merchant Wholesalers, Durable Goods	\$196.4	\$233.3
Professional, Scientific, and Technical Services	\$78.9	\$106.7
Administrative and Support Services	\$49.0	\$57.0
Truck Transportation	\$41.5	\$47.4
Scrap	\$34.9	\$63.2
Management of Companies and Enterprises	\$32.1	\$59.5
Utilities	\$19.6	\$33.4
Primary Metal Manufacturing	\$16.8	\$420.0
Fabricated Metal Product Manufacturing	\$15.1	\$194.2
Real Estate	\$13.0	\$13.0
Computing Infrastructure Providers, Data Processing, Web Hosting	\$12.0	\$16.8
Securities, Commodity Contracts, and Other Financial Investments	\$11.2	\$20.6
Merchant Wholesalers, Nondurable Goods	\$10.6	\$12.2
Repair and Maintenance	\$8.8	\$9.4
Credit Intermediation and Related Activities	\$8.4	\$14.6
Insurance Carriers and Related Activities	\$7.5	\$9.3
Monetary Authorities-Central Bank	\$6.4	\$12.3
Waste Management and Remediation Services	\$5.5	\$5.5

SOURCE: IMPLAN and ECONorthwest

High Tech

High Tech is a small sector in terms of the number of firms operating in Clackamas County, but these sectors have high direct economic impacts, multipliers that have considerable spillover effects, and average wages well over the regional average. The sector employs over 3,100 employees across the county. High-tech products manufactured in the county include semiconductors, computer equipment, circuit boards, circuit assemblies, navigation systems, and batteries.



NAICS 334: Computer and Electronic Products

There are only 18 firms in this sector in Clackamas County, but 10 of them employ over 100 employees. International firms like Xerox, Tyco, and Shimadzu are key anchors.



NAICS 335: Electrical Equipment, Appliances, and Components

There are only a few of firms in this sector, but they are all medium to large-scale companies. Eaton and Johnson Controls highlight this sector.

Economic Impacts (dollars in millions)

Firms in the anchor sectors of High Tech employ over 3,150 employees in Clackamas County. The annual direct contribution to the local economy is \$735 million dollars in value-added output. Secondary effects contribute an additional 3,880 jobs and \$462 million in value-added output.

Impacts	Jobs	Labor Income	Value Added	Output
Direct	3,150	\$391.2	\$735.6	\$1,953.4
Indirect	2,500	\$219.2	\$312.6	\$567.6
Induced	1,380	\$82.2	\$150.0	\$246.4
Total	7,030	\$692.6	\$1,198.2	\$2,767.4

Major Employers

- Xerox
- Micro Systems
- Tyco
- Shimadzu

- Eaton
- Johnson Controls
- Rockwell Collins
- Flir Systems

High Tech

The **High Tech** cluster relies on **57 different goods and service categories** in a production function that allows it to support over **\$1.95 billion dollars** in annual economic output and **\$735 million in value-added output**.

High Tech inputs include a relatively diverse range of products and services that includes corporate management, professional and technical services, other computer and electronics components and machinery, and electronics wholesaling services. Of the **\$875 million in commodity inputs** that support this output, **23.9 percent** is cross spending across other parts of the sector.

Key Industries by Gross Inputs

Gross Inputs are the goods and services that make up the production function that produces another good or service, regardless of where these inputs are sourced. In the **High Tech Cluster**, the top 20 inputs represent **94.3% of all production inputs** and the **top 5 inputs represent 73.8 percent of all inputs**. Inputs generally include computer and electronic components, mostly semiconductors and related equipment, circuit assemblies, electronic components, chemicals, and computer programming.

TOP SECTORS	GROSS INPUT (millions)
Computer and Electronic Product Manufacturing	\$203.8
Management of Companies and Enterprises	\$180.8
Merchant Wholesalers, Durable Goods	\$119.0
Professional, Scientific, and Technical Services	\$96.8
Fabricated Metal Product Manufacturing	\$45.7
Administrative and Support Services	\$25.6
Warehousing and Storage	\$21.8
Utilities	\$19.6
Truck Transportation	\$19.1
Chemical Manufacturing	\$18.3
Plastics and Rubber Products Manufacturing	\$17.4
Computing Infrastructure Providers, Data Processing, Web Hosting, and Related Services	\$9.8
Insurance Carriers and Related Activities	\$7.3
Repair and Maintenance	\$6.9
Primary Metal Manufacturing	\$6.7
Merchant Wholesalers, Nondurable Goods	\$6.2
Electrical Equipment, Appliance, and Component Manufacturing	\$5.7
Transportation Equipment Manufacturing	\$5.3
Wood Product Manufacturing	\$5.3
Wholesale Trade Agents and Brokers	\$4.8

SOURCE: IMPLAN and ECONorthwest

High Tech

Firms in the **High Tech** sector support a broad range of other sectors within the Clackamas County economy. Across all inputs that support **High Tech**, **42 percent** of production inputs are purchased within the County.



Local Absorption Rate

Inputs that are large parts of the overall production function and have high rates of local purchase are core elements of what makes up a cluster. In **High Tech** these include:

Example Local Inputs with High Regional Purchase Coefficients (RPC)

- 54.0%** Corporate Functions (Management of Cos.)
- 94.7%** Durable Good Wholesalers
- 94.4%** Custom Computer Programming
- 55.4%** Industrial Gases
- 71.5%** Data Processing

Key Industries by Regional Inputs

Regional inputs are the goods and services that make up a production function but *are purchased locally within the local economy*. In the **High Tech** Cluster, the largest regional inputs include a mix of corporate management, wholesaling, logistics, technical services, and raw materials including fabricated metals and chemicals.

TOP SECTORS	REGIONAL INPUT (millions)	GROSS INPUT (millions)
Management of Companies and Enterprises	\$97.6	\$180.8
Merchant Wholesalers, Durable Goods	\$87.0	\$119.0
Professional, Scientific, and Technical Services	\$70.3	\$96.8
Administrative and Support Services	\$22.0	\$25.6
Truck Transportation	\$16.7	\$19.1
Utilities	\$12.6	\$19.6
Computing Infrastructure Providers, Data Processing, Web Hosting	\$7.0	\$9.8
Repair and Maintenance	\$6.5	\$6.9
Warehousing and Storage	\$6.1	\$21.8
Insurance Carriers and Related Activities	\$5.7	\$7.3
Merchant Wholesalers, Nondurable Goods	\$5.7	\$6.2
Wholesale Trade Agents and Brokers	\$4.7	\$4.8
Chemical Manufacturing	\$3.4	\$18.3
Waste Management and Remediation Services	\$3.3	\$3.4
Fabricated Metal Product Manufacturing	\$3.2	\$45.6

SOURCE: IMPLAN and ECONorthwest

Logistics

Logistics is one of the largest sectors in the Clackamas County economy, comprised of nearly 1,100 firms and 13,750 employees. The cluster is represented by a mix of wholesalers servicing food manufacturers, durable goods wholesalers servicing high-tech and advanced manufacturing sectors, and specialized and general trucking firms.

 **NAICS 423: Durable Goods Wholesalers**

Wholesalers of durable goods are a critical part of the outbound and inbound supply chain. Clackamas County has concentrations of firms that deal in lumber and wood products, medical equipment, metals, and electronics products.

 **NAICS 424: Nondurable goods Wholesalers**

The vast majority of nondurable goods wholesalers in Clackamas County are linked to the Food Systems sector, specializing in grocery, farm, and beverage production.

 **NAICS 425: Wholesale Trade Agents**

Wholesale trade agents act on behalf of buyers and sellers in the supply chain and are closely related to the products purchased and sold in the local economy.

 **NAICS 484: Truck Transportation**

The location of some of Clackamas County's key employment areas along key transportation corridors has led to a concentration of trucking and distribution uses. This sector employs 2,000 workers in the county.

 **NAICS 493: Warehousing and Storage**

Warehousing and storage is the smallest part of Logistics in Clackamas County, but the warehousing functions of several large firms like Bob's Red Mill are essential to those firms' supply chain.

Economic Impacts (dollars in millions)

Firms in the anchor sectors of Logistics employ over 13,750 employees in Clackamas County. The annual direct contribution to the local economy is large at \$2.31 billion dollars in value-added output. Secondary effects contribute an additional 12,400 jobs and \$1.38 billion in value-added output.

Impacts	Jobs	Labor Income	Value Added	Output
Direct	13,750	\$1,412.2	\$2,316.4	\$4,312.4
Indirect	9,800	\$635.3	\$887.5	\$1,604.8
Induced	4,600	\$270.4	\$494.0	\$808.7
Total	28,150	\$2,317.9	\$3,697.9	\$6,725.9

Major Employers

- **Con-Way Freight**
- **Fred Meyer (non-retail)**
- **International Wood Products**
- **Milestone Systems**
- **Biotronik**
- **Medline Systems**
- **Waste Connections**

Logistics

The **Logistics** cluster relies on **68 different goods and service categories** in a production function that allows it to support over **\$4.3 billion dollars** in annual economic output and **\$2.3 billion in value-added output**.

Logistics centers consume a lot of space and require detailed planning and management, so real estate, corporate management, and back office (administrative) services are key inputs. Because this use relies on a very diverse range of inputs, of the \$1.5 billion in commodity inputs that support its output, only 13.2 percent is cross spending within other anchors of the cluster.

Key Industries by Gross Inputs

Gross Inputs are the goods and services that make up the production function that produces another good or service, regardless of where these inputs are sourced. In the Logistics Cluster, the top 20 inputs represent 87.9% of all production inputs. Aside from management and real estate, other key inputs include petroleum products (gas) automotive repair, insurance, and plastics and rubber products (tires and packaging).

TOP SECTORS	GROSS INPUT (millions)
Professional, Scientific, and Technical Services	\$201.4
Management of Companies and Enterprises	\$135.9
Administrative and Support Services	\$118.8
Real Estate	\$100.6
Petroleum and Coal Products Manufacturing	\$89.5
Couriers and Messengers	\$77.6
Merchant Wholesalers, Nondurable Goods	\$62.3
Warehousing and Storage	\$60.3
Repair and Maintenance	\$58.5
Insurance Carriers and Related Activities	\$48.7
Rental and Leasing Services	\$42.2
Scenic and Sightseeing Transportation	\$40.6
Support Activities for Transportation	\$40.6
Merchant Wholesalers, Durable Goods	\$37.6
Credit Intermediation and Related Activities	\$31.4
Utilities	\$28.7
Gasoline Stations and Fuel Dealers	\$26.7
Monetary Authorities-Central Bank	\$22.5
Truck Transportation	\$22.3
Plastics and Rubber Products Manufacturing	\$22.2

SOURCE: IMPLAN and ECONorthwest

Logistics

Firms in the **Logistics** sector support a broad range of other sectors within the Clackamas County economy. Across all inputs that support **Logistics**, **61 percent** of production inputs are purchased within the County.



Local Absorption Rate

Inputs that are large parts of the overall production function and have high rates of local purchase are core elements of what makes up a cluster. In **Logistics** these include:

Example Local Inputs with High Regional Purchase Coefficients (RPC)

- 99.6%** Real Estate
- 54.0%** Management of Companies
- 97.6%** Repair and Maintenance
- 93.2%** Machinery Leasing
- 86.4%** Gasoline
- 64.1%** Advertising

Key Industries by Regional Inputs

Regional inputs are the goods and services that make up production function but *are purchased locally within the local economy*. In the **Logistics** Cluster, the largest non-anchor regional inputs include a mix real estate, corporate management, and business management services, employment services, and advertising services.

TOP SECTORS	REGIONAL INPUT (millions)	GROSS INPUT (millions)
Professional, Scientific, and Technical Services	\$137.9	\$201.4
Administrative and Support Services	\$104.7	\$118.8
Real Estate	\$100.5	\$100.6
Management of Companies and Enterprises	\$73.4	\$135.9
Repair and Maintenance	\$55.7	\$58.5
Couriers and Messengers	\$45.2	\$77.6
Rental and Leasing Services	\$34.7	\$42.2
Merchant Wholesalers, Durable Goods	\$31.3	\$37.6
Merchant Wholesalers, Nondurable Goods	\$29.8	\$62.3
Insurance Carriers and Related Activities	\$25.3	\$48.7
Gasoline Stations and Fuel Dealers	\$23.3	\$26.7
Scenic and Sightseeing Transportation	\$21.1	\$40.6
Support Activities for Transportation	\$21.1	\$40.6
Utilities	\$20.0	\$28.7
Truck Transportation	\$19.5	\$22.3
Credit Intermediation and Related Activities	\$19.3	\$31.4
Warehousing and Storage	\$17.0	\$60.3
Wholesale Trade Agents and Brokers	\$15.5	\$16.0
Postal Service	\$13.3	\$22.1
Monetary Authorities-Central Bank	\$11.6	\$22.5

SOURCE: IMPLAN and EConorthwest



For additional information please contact:
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Date: October 17, 2024
To: Laura Edmonds, Clackamas County
From: Chris Blakney, ECONorthwest
Subject: Clackamas County Economic Landscape | **Year 1 Executive Summary**

The Clackamas County Economic Landscape Analysis project is an annual report that provides a snapshot of the local economy in Clackamas County. Decision makers and economic developers in the County use this report for marketing, business recruitment and retention, strategic planning, and as a metric of economic performance over time. Data in the Economic Landscape analysis includes an overview of recent macroeconomic performance, an assessment of how the county is performing relative to the region, how key industry clusters are organized and linked to other sectors of the economy, and how key clusters are contributing to the local economy. Below we summarize key findings.

Local Economic Performance (2013-2023)

Clackamas County's economy is growing. Over the last decade Clackamas County added 29,454 private sector jobs, growing at a 2.1 percent average annual rate.

The COVID pandemic was disruptive but recovered quickly. Prior to the pandemic Clackamas County was growing at a 3 percent annual rate. COVID brought a contraction of -9,818 jobs in 2020, but the County economy swiftly recovered and passed pre-COVID levels by 2022.

Clackamas County's economy is growing faster than its population. Job growth has outpaced population growth in Clackamas County over two-fold (23.2 percent compared to 9.8 percent) over the last decade. This is indicative that either a larger share of new migrants are participating in the workforce, that existing residents are participating in the workforce at a higher rate, or that the county is attracting a larger share of workers who commute from outside the county, likely some mix of these forces.

Regional Economic Comparison

Clackamas County is the fastest growing economy in the region. On a percentage basis, Clackamas County's economy (measured by jobs) is growing at a faster rate than the region and both Multnomah and Washington Counties individually. Over the last decade Clackamas County grew at an annual rate of 2.1 percent compared to 1.2 percent in Multnomah County and 1.9 percent in Washington County.

However, it is still a smaller share of the regional economy and overall growth. While Clackamas County is growing faster than other counties in the region, it still accounts for the smallest share of overall growth. Over the last decade Clackamas County's share of regional growth was 22.7 percent.

Clackamas County has one of the tightest labor markets in the state. The total unemployment rate in Clackamas County is at an historic low at 3.4 percent. This is below but the statewide average (3.7 percent) and national average (3.6 percent). This is the fifth lowest county rate in Oregon.

Factors Driving Growth

Economic Growth is widespread across the County, but a few areas are lagging. The majority of incorporated areas in Clackamas County have shown positive job growth over the last four years. Happy Valley led the way, growing by 37 percent (+1,108 jobs). On a percentage basis, Estacada was the second fastest growing city at 36 percent (+311 jobs). Lake Oswego had the largest employment gain with 1,995 new jobs (+11 percent). On the other end of the equation Sandy's growth was flat and Milwaukie contracted by 10 percent (-1,185 jobs).

Clackamas County is seeing a redistribution of its economic concentrations. Among 12 major private sector industry categories, six saw positive employment growth and six contracted over the last four years. In general, services sectors led growth, production and logistics sectors were moderate to flat, and retail and personal services showed the largest declines.

- ◆ **Retail continues to struggle.** Contraction in Leisure & Hospitality, which largely includes restaurants (-531 jobs | -3.2 percent) and Retail Trade (-1,293 jobs, -6.6 percent) is a function of holdover COVID impacts along with structural changes in consumer behavior in retail trade. These sectors will continue to lag for some time.
- ◆ **The manufacturing sector is not gaining traction.** While manufacturing remains one of the larger sectors of the economy, employment growth was generally flat, adding only 270 jobs (+1.5 percent). Gains in Food Manufacturing (+511 jobs), Transportation Equipment (+192 jobs), and Paper (+162 jobs) were offset by declines in Computer and Electronic Products (-352 jobs), Primary Metals (-283 jobs), and Wood Products (-40 jobs).
- ◆ **A transition towards a service economy.** Professional & Business Services led all job growth by a considerable margin, adding 3,424 jobs (17.4 percent). The Information Sector (which includes publishing and software) was the fastest growing sector at 34.5 percent (+654 jobs). Much of this growth was captured in Kruse Way. Some of this growth certainly reflects out-migration of businesses from downtown Portland into suburban markets.

Key Clusters and Emerging Industries

The **Oregon Business Plan defines** Industry Clusters as groups of similar and related firms in a defined geographic area that share common markets, technologies, worker skill needs, and which are often linked by buyer-seller relationships.

Clackamas County has specialized clusters. Clackamas County has at least five agglomerations of businesses organized as clusters organized around anchor industry sectors. These anchors have the scale, linkages to other parts of the local economy, and specialization to serve as foundations of the local economy. They include:



- ◆ Food Systems
- ◆ Health Systems
- ◆ Advanced Manufacturing
- ◆ High-Tech
- ◆ Logistics

Sectors that anchor clusters include both legacy and emerging industries. The table below summarizes industry sector performance within each of the identified clusters. Some sectors are larger, stable segments of the economy. Others are emerging through growth and an increase in local specialization.

CLUSTER/SECTOR	SECTOR SIZE	LOCATION QUOTIENT	SHIFT-SHARE
Food Systems			
111 Crop Production	2,717	4.2	-86
311 Food Manufacturing	2,383	1.2	415
312 Beverage and Tobacco Product Manufacturing	232	0.6	102
Health Systems			
622 Hospitals	4,311	0.7	-286
621 Ambulatory Health Care Services	8,308	0.9	-1,118
5413 & 5417 Medical R&D and Testing Laboratories	2,084	0.7	-2,203
3391 Medical Equipment Manufacturing	321	0.8	-9
32541 Pharmaceutical and Medicinal Products Manufacturing	Not Disclosable		
Advanced Manufacturing			
331 Primary Metal Manufacturing	2,084	4.9	-191
332 Fabricated Metal Product Manufacturing	3,460	2.1	125
333 Machinery Manufacturing	1,355	1.0	-58
336 Transportation Equipment Manufacturing	1,223	0.6	186
High Tech			
334 Computer and Electronic Product Manufacturing	2,676	2.1	-434
335 Electrical Equipment, Appliance, and Component Man.	419	0.9	4
Logistics			
423 Merchant Wholesalers, Durable Goods	4,247	1.1	239
424 Merchant Wholesalers, Nondurable Goods	5,353	2.1	199
425 Wholesale Trade Agents and Brokers	1,016	1.7	-55
484 Truck Transportation	1,992	1.1	113
493 Warehousing and Storage	549	0.2	-298

SOURCE: Oregon Employment Department QCEW Data (2022). Metrics calculated from national QCEW data from the US Bureau of Labor Statistics.



Location Quotient: Measures the concentration of employment in an industry relative to a geographic benchmark (the national average). Values greater than 1.0 indicate an above average specialization.

Shift Share: Measures the growth in employment in an industry relative to the expected structural growth relative to a geographic benchmark (the national average). Positive values indicate the sector locally is outperforming the industry average.

Economic Contribution of Key Clusters

Economic contribution is measured in terms jobs, labor income, and output. Contributions come from both direct (final demand changes), indirect (supply-chain linkages), and induced (household response impacts). In total, the five key clusters support 82,555 jobs and contribute \$9.67 billion in value-added output to the Clackamas County economy.

Food Systems. Firms in the anchor sectors of **Food Systems** employ over 5,900 employees in Clackamas County. The annual direct contribution to the local economy is **\$585 million dollars in value-added output**. Secondary effects contribute an additional 3,900 jobs and \$408 million in value-added output.

IMPACTS	JOBS	LABOR INCOME	VALUE ADDED	OUTPUT
Direct	5,900	\$356.9	\$584.9	\$2,169.8
Indirect	2,700	\$183.2	\$275.1	\$514.0
Induced	1,200	\$72.6	\$133.1	\$220.1
Total	9,800	\$612.7	\$993.1	\$2,903.9

Health Systems. Firms in the anchor sectors of **Health Systems** employ over 14,800 employees in Clackamas County. The annual direct contribution to the local economy is **\$1.9 billion dollars in value-added output**. Secondary effects contribute an additional 8,500 jobs and \$883 million in value-added output.

IMPACTS	JOBS	LABOR INCOME	VALUE ADDED	OUTPUT
Direct	14,800	\$1,620.9	\$1,900.0	\$2,949.0
Indirect	4,500	\$310.3	\$445.7	\$829.0
Induced	4,000	\$230.1	\$437.4	\$722.3
Total	23,300	\$2,161.3	\$2,783.1	\$4,500.3



Advanced Manufacturing. Firms in the anchor sectors of **Advanced Manufacturing** employ 8,275 employees in Clackamas County. The annual direct contribution to the local economy is **\$599 million dollars in value-added output**. Secondary effects contribute an additional 6,000 jobs and \$399 million in value-added output.

IMPACTS	JOBS	LABOR INCOME	VALUE ADDED	OUTPUT
Direct	8,275	\$831.4	\$598.9	\$2,000.0
Indirect	3,475	\$280.0	\$266.8	\$507.0
Induced	2,525	\$150.1	\$132.3	\$217.3
Total	14,275	\$1,261.5	\$998.0	\$2,724.3

High-Tech. Firms in the anchor sectors of **High Tech** employ over 3,150 employees in Clackamas County. The annual direct contribution to the local economy is **\$735 million dollars in value-added output**. Secondary effects contribute an additional 3,880 jobs and \$462 million in value-added output.

IMPACTS	JOBS	LABOR INCOME	VALUE ADDED	OUTPUT
Direct	3,150	\$391.2	\$735.6	\$1,953.4
Indirect	2,500	\$219.2	\$312.6	\$567.6
Induced	1,380	\$82.2	\$150.0	\$246.4
Total	7,030	\$692.6	\$1,198.2	\$2,767.4

Logistics. Firms in the anchor sectors of **Logistics** employ over 13,750 employees in Clackamas County. The annual direct contribution to the local economy is large at **\$2.31 billion dollars in value-added output**. Secondary effects contribute an additional 12,400 jobs and \$1.38 billion in value-added output.

IMPACTS	JOBS	LABOR INCOME	VALUE ADDED	OUTPUT
Direct	13,750	\$1,412.2	\$2,316.4	\$4,312.4
Indirect	9,800	\$635.3	\$887.5	\$1,604.8
Induced	4,600	\$270.4	\$494.0	\$808.7
Total	28,150	\$2,317.9	\$3,697.9	\$6,725.9



For additional information please contact:

The Office of Economic Development

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Development Ready Land Study Part 1: Industrial Site & Workforce Readiness Study:

*Study will include such items as:

- Population and jobs forecast
- Identify available land supply for industrial and employment uses
- Forecast employment lands needed by type
- Identify constraints and barriers to development and expansion
- Identify potential tools to support needed expansion and employment growth
- Industrial site characteristic study for expected uses
 - o Space requirements (square footage of building and/or acreage)
 - o Slope thresholds
 - o Features / amenities of building or sites (docks/bays, storage yard, parking, office, other)
 - o Utility needs (water, sewer, electrical, gas, et all)
 - o Average # of jobs / wages
 - o Average gross revenue / property taxes
 - o Transportation (proximity to rail, freeway, air and public transit)
 - o Cost of infrastructure / buildable lands