



Economic Landscape Emerging Trends Update

June 24, 2022



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Clackamas County Key Clusters

- **Professional Business Services**
 - Corporate HQ, legal, insurance, engineering, finance (excludes banking)
- **Wholesale Trade, Transportation & Distribution**
- **High Tech Manufacturing/Software & Media**
- **Health Care**
- **Advanced Manufacturing – Metals & Machinery**
 - includes primary & fabricated metals and machinery mfg.
- **Food & Beverage Processing**
- **Agriculture, Nurseries & Greenhouses**
- **Wood Manufacturing**



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What Defines Key Cluster?



- Location Quotient (LQ) > 1 or approaching 1
 - Greater presence within Clackamas County relative to the region
 - Concentration of similar businesses & supply chains
 - Propensity to locate in Clackamas County
- Strong Economic Contribution
 - Key clusters account for about 50% of county GDP

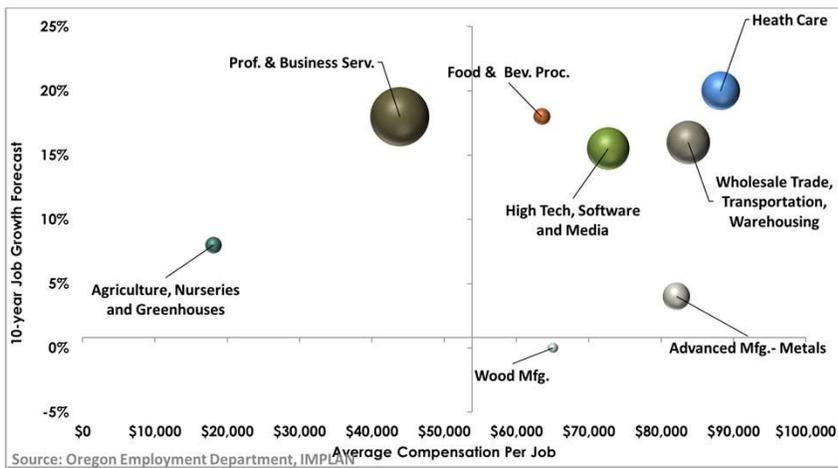


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Comparison of Key Clusters

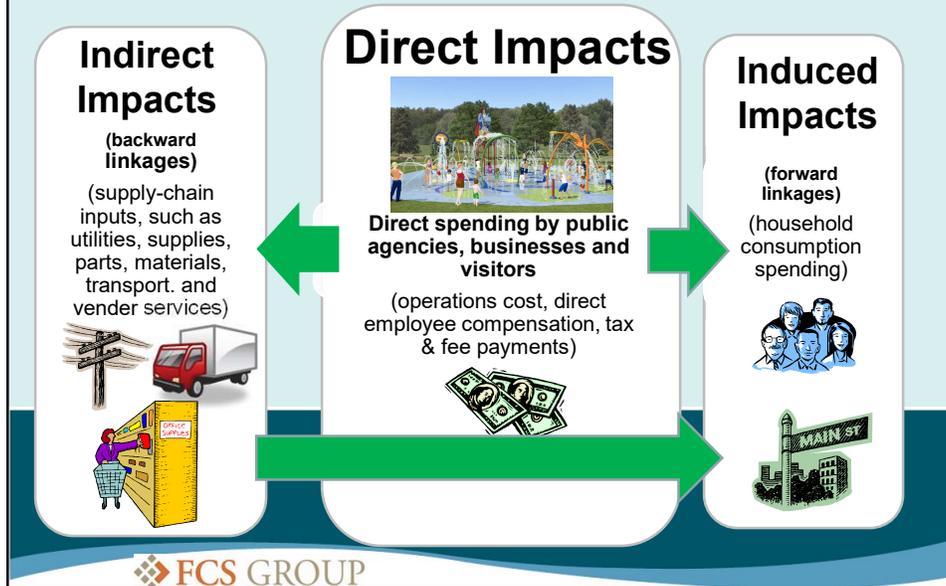


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Understanding Impacts using IMPLAN



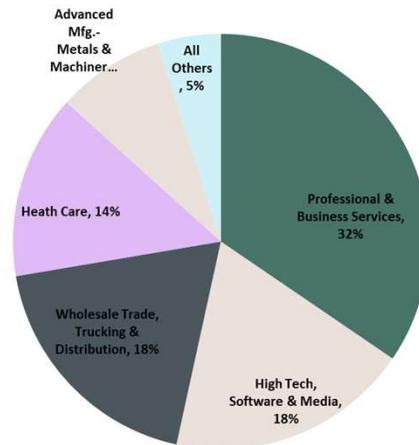
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Clackamas County's Clusters

Key Clusters in Clackamas County:

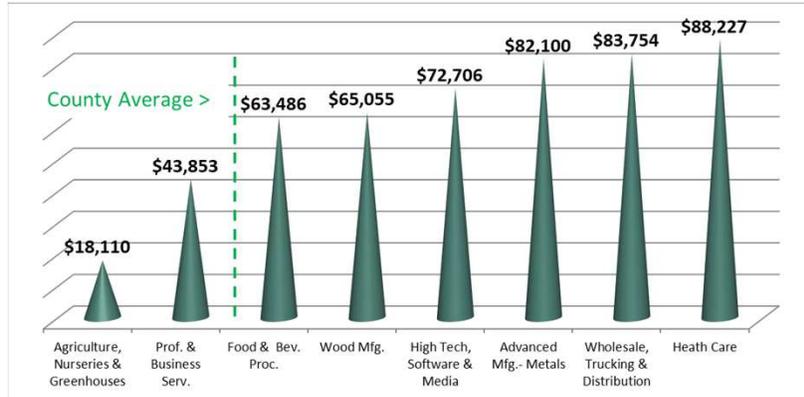
- \$10.5 billion in direct annual GDP
- 49% of total direct GDP in county
- 44% of the Job base
- Avg. covered payroll \$61,587 in key clusters
- 16.5% above county average

Distribution of Annual GDP (\$10.5 Billion)



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Clackamas County Clusters: Annual Compensation per Job



Avg. Emp. Compensation dropped by 1.9% between 2019 and 2020
Most key clusters pay above average compensation

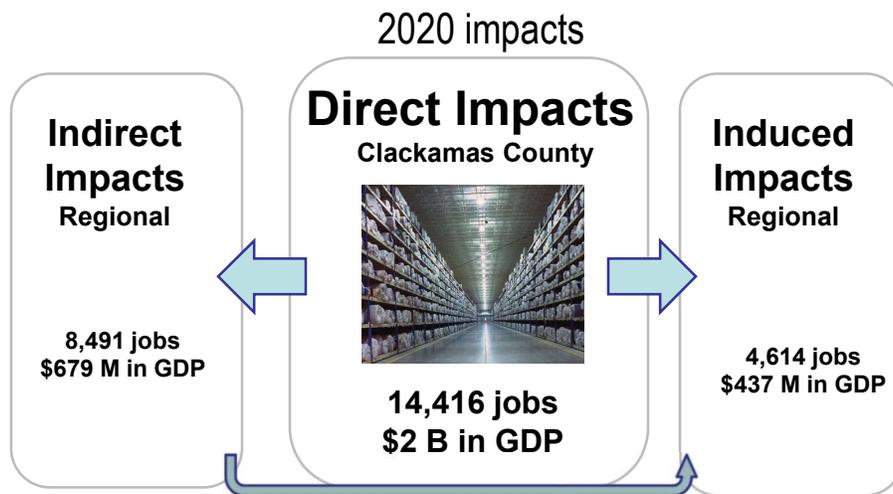


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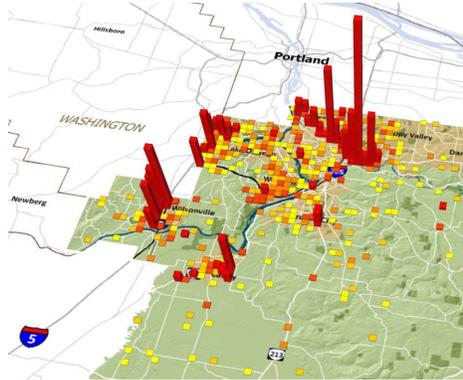
Wholesale Trade, Trucking & Distribution



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Wholesale Trade, Trucking & Distribution

- Employment: 14,416
- Cluster shed 1,000 jobs during the pandemic
- Avg. compensation: \$83,754
- GDP down slightly from 2019
- Output down around 7% from 2019



Annual Economic Output by Location



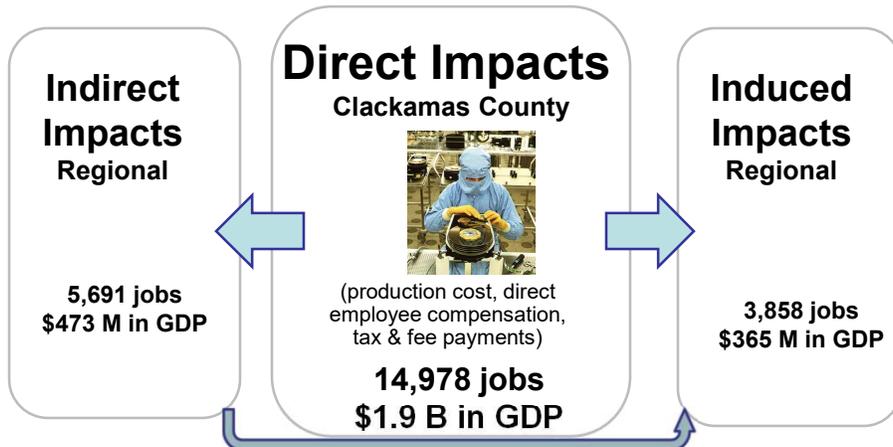
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High Tech, Software & Media

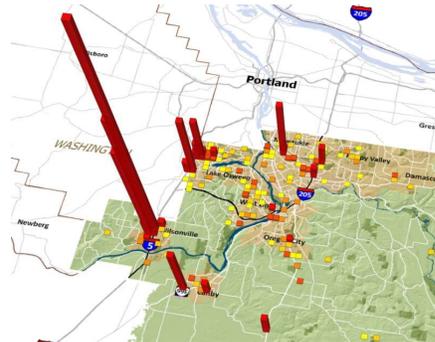
2020 impacts



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High Tech, Software & Media

- Employment: 14,978 jobs
- GDP down a bit from 2019
- Avg. compensation: \$72,706
- Good opportunities for entry-level employment
- Jobs bounced back by end of 2020



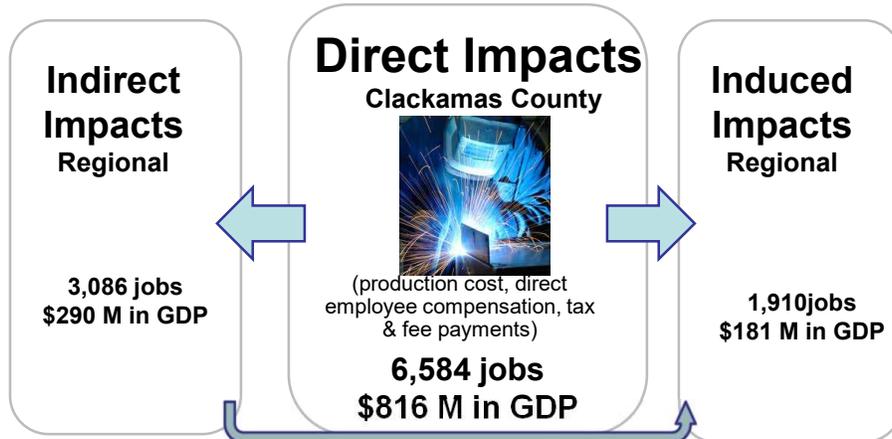
Annual Economic Output by Location



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Advanced Mfg. – Metals & Machinery

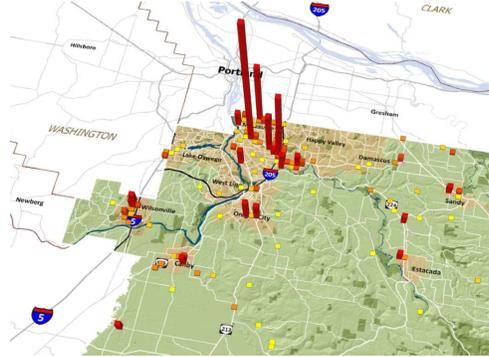
2020 impacts



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Advanced Mfg. – Metals & Machinery*

- Employment: 6,584
- Sector hit the hardest in the pandemic year, having lost 800 jobs
- GDP down 16% from 2019
- Avg. compensation: \$82,100



Annual Economic Output by Location

* Includes primary metals, fabricated metals, machinery manufacturing.



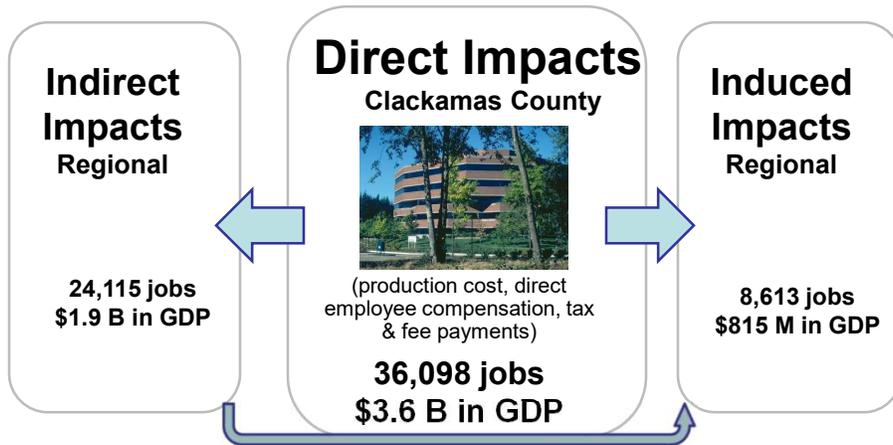
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Professional & Business Services

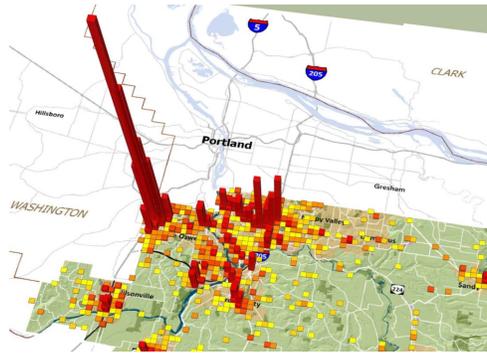
2020 impacts



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Professional & Business Services*

- Largest GDP contributor among Key Clusters
- Wages hit highest mark in 2020
- Employment up significantly in 2020
- GDP essentially flat between 2018 and 2020



Annual Economic Output by Location

* Includes legal, eng., accounting, marketing, insurance, sales, real estate, computer systems; excludes commercial banking



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Food & Beverage Processing

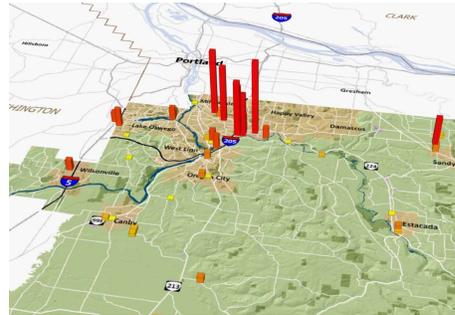
2020 impacts



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Food & Beverage Processing*

- Employment: 2,921 jobs in 2020, up from only 783 jobs in year 2000. Up 200 from 2019.
- Avg. compensation: \$63,486
- GDP has increased \$40 million since 2019
- Industry shook off mid-year pandemic slowdown to recover and continue steady employment gains.



Annual Economic Output by Location

* Includes food processing and beverage manufacturing



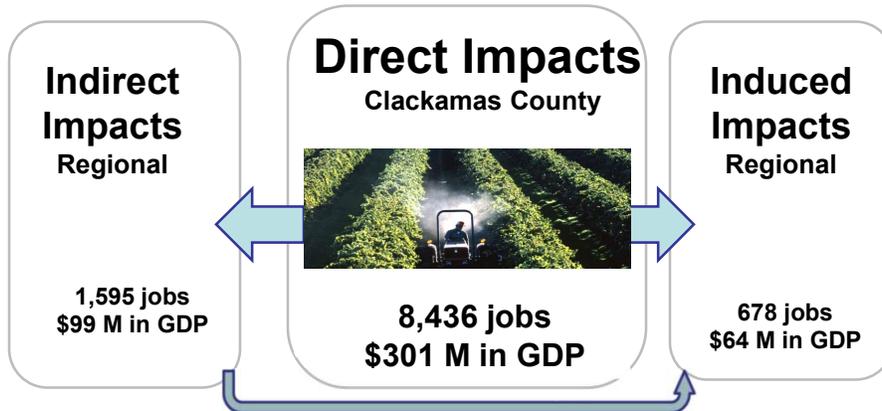
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Agriculture, Nurseries & Greenhouses

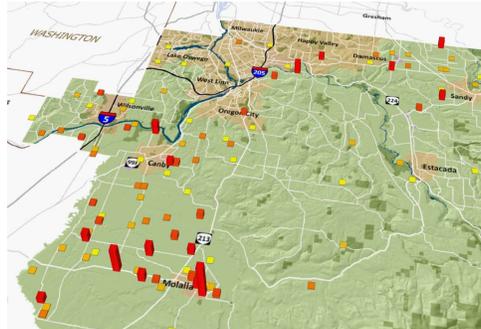
2020 impacts



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Agriculture, Nurseries & Greenhouses

- Employment: 8,436 jobs
- Average Compensation: \$18,110, down 9% from 2019
- GDP flat over the same timeframe
- Concentrations in rural areas. Important rural and urban interface



Annual Economic Output by Location



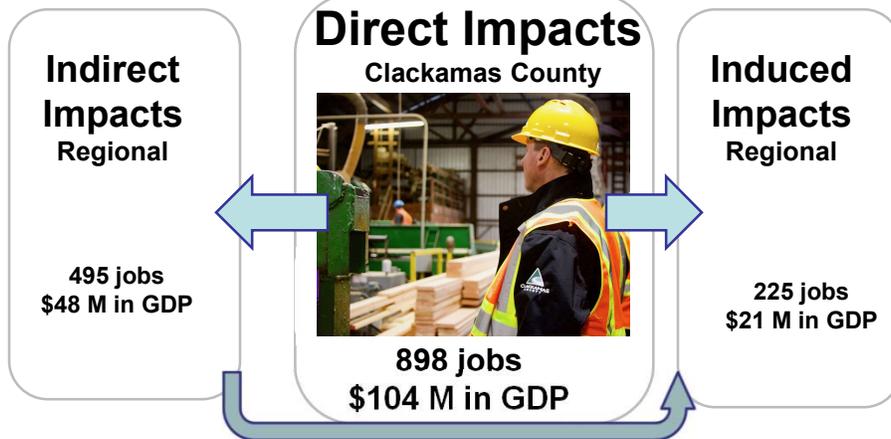
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Wood Product Manufacturing

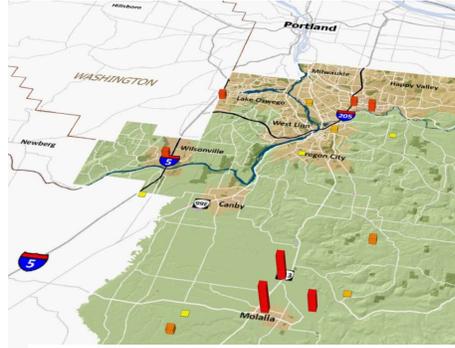
2020 impacts



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Wood Product Manufacturing*

- Cluster still well below peak employment
- Employment: 898 jobs
- Avg. compensation: \$65,055 (up \$8,000 since 2019)
- Jobs down during pandemic by 2.5%, GDP up 7% and wages up 5%
- Measurable benefits in rural areas



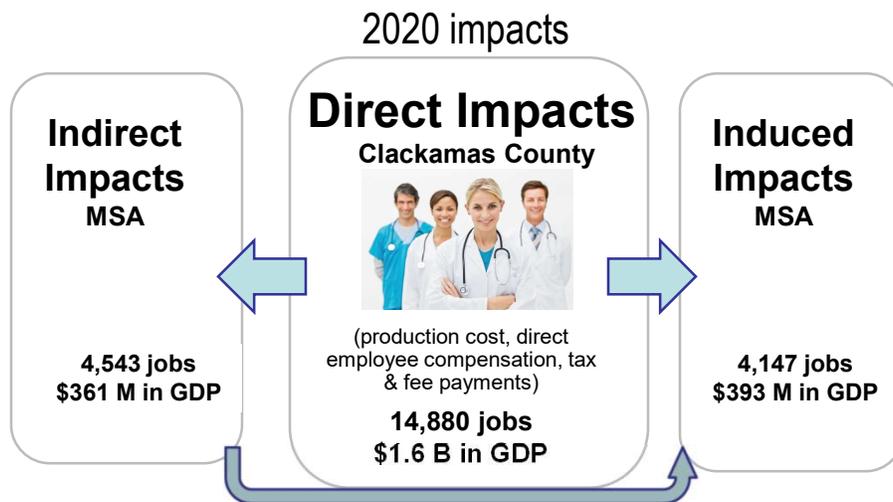
Annual Economic Output by Location

* Includes firms making products, such as trusses, cabinets, wood furniture, etc.



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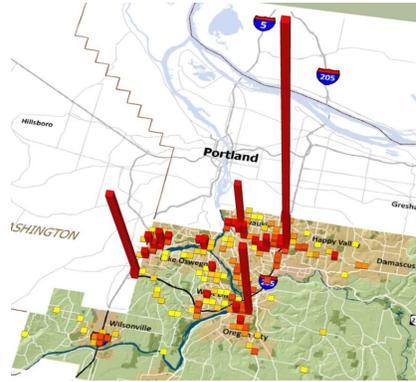
Health Care



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Health Care*

- 14,881 jobs in 2020, down slightly from 2019
- Avg. compensation: \$88,227, up slightly from 2019
- Annual GDP unchanged at \$1.6 billion for 2020
- Opportunities for specialized medical care (i.e., cancer treatment, Alzheimer's care, etc.)
- Pandemic had mixed impact on this sector



Annual Economic Output by Location

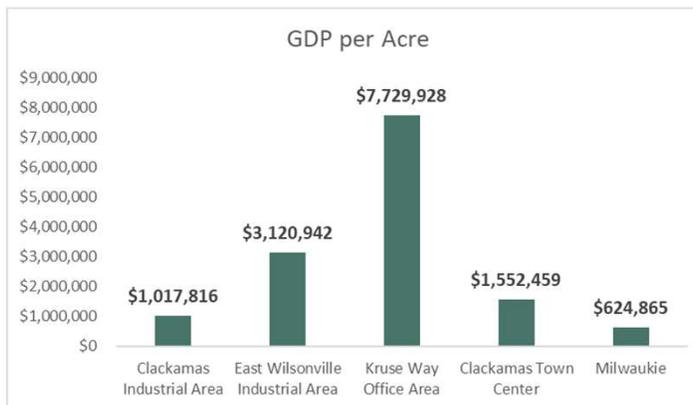
*includes hospitals, offices of physicians, dentists, and home health care professionals



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Employment Areas: GDP metrics

- GDP per acre still highest in Kruse Way
- Clackamas Town Center GDP is relatively low due to retail and service jobs, but is now increasing year over year



Source: FCS GROUP based on data from the Oregon Employment Department, IMPLAN and Metro's RLIS data.



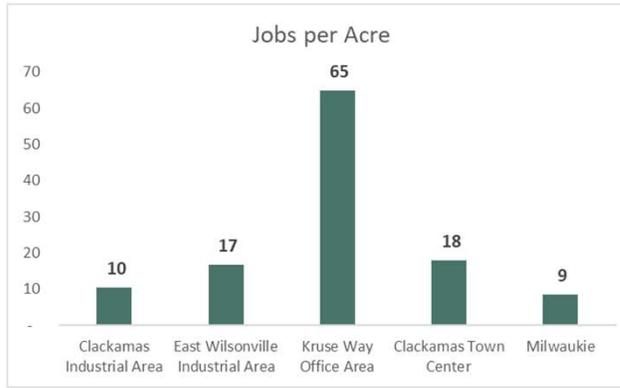
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Employment Areas: Jobs per acre

- Kruse Way Employment Area is the leader with 64 jobs per acre
- Clackamas Town Center is gaining
- Potential for added jobs in other locations



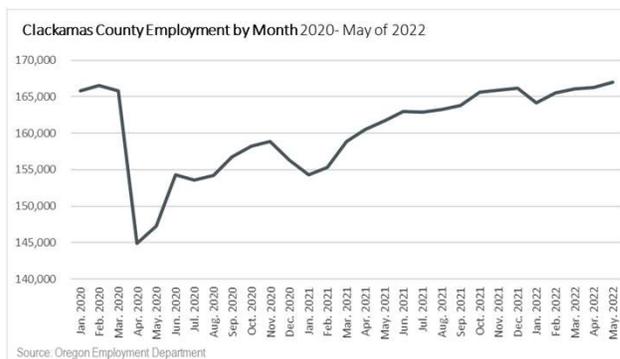
Source: FCS GROUP based on data from Oregon Employment Department



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County Employment, Monthly, 2020-22

- Peak job loss occurred April-October 2020
- By December 2020, county recovered almost half of pandemic-related job losses.
- May 2022 employment exceeded pre-pandemic high of 166,504



Source: Oregon Employment Department

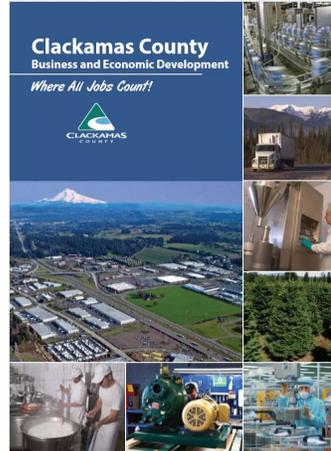
Source: FCS GROUP based on data from Oregon Employment Department, 2020



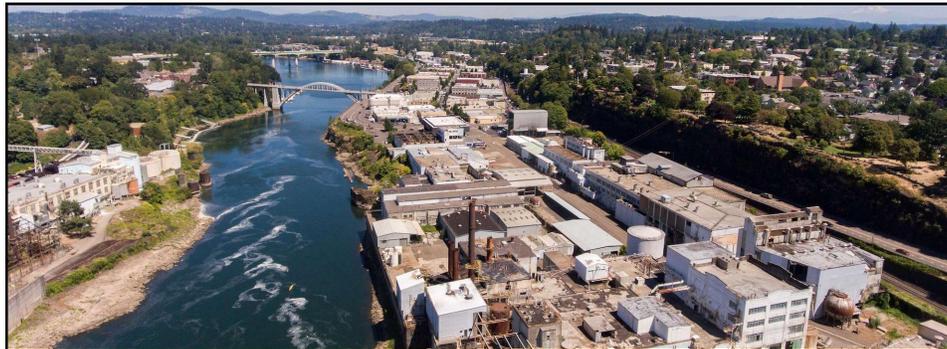
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Summary

- Employment in the key clusters now steadily rising since pandemic
- Wages also continue to increase for key clusters
- Fastest growing clusters:
 - High Tech/Software/Media;*
 - Prof. & Business Services;*
 - Food & Beverage Manufacturing;*
 - Health Care*
- Potential for future growth requires targeted infrastructure investments



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For additional information please contact:
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A division of Business & Community Services
503-742-4329



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