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Oregon Jobs and Labor Force – January 2026 Update

Authors: Mark McMullen, Serra Kirsch

Fragile Footing: Oregon's Labor Market Enters 2026

Oregon's labor market entered 2026 carrying the weight of a difficult year. On average, the state employed approximately 9,000 fewer workers in 2025 than in 2024 — a decline of 0.5% — with weakness broadly distributed across industries. Based on the most recent BLS LAUS data available as of this publication, the seasonally adjusted unemployment rate rose 0.9 percentage points between December 2024 and December 2025, reaching levels not seen outside a recession in over a decade. The one notable exception was Health Care and Social Assistance, which added approximately 12,400 jobs over the year, a gain of 4.1%, underscoring the degree to which a single sector carried Oregon's labor market through an otherwise difficult period.

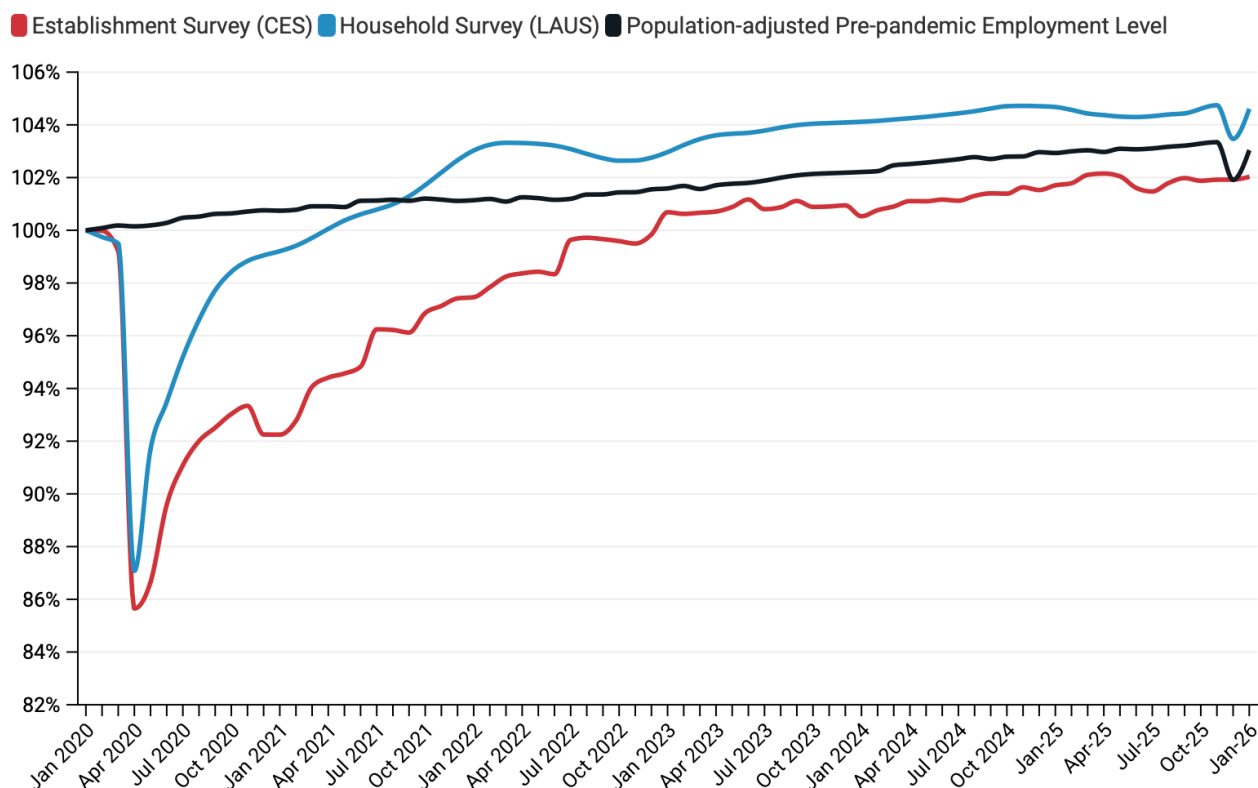
January 2026 offers a modestly more encouraging read. Total nonfarm payroll employment rose by 2,000 jobs, led by Leisure and Hospitality (+1,900) and Education and Health Services (+1,700), with Construction also rebounding after months of decline. The seasonally adjusted unemployment rate held at 5.2%, still well above the national rate of 4.3%, and the December rate was revised upward to 5.3%. The private sector drove the month's gains, adding 2,600 jobs, though government employment continued to slip, with Federal Government shedding another 500 jobs — an early signal of workforce reductions that began accelerating nationally in early 2026.

The structural picture remains uneven. Four supersectors — Manufacturing, Mining and Logging, Trade Transportation and Utilities, and Financial Activities — are still below their pre-pandemic employment levels, with Manufacturing now down nearly 10% from January 2020. Health Care and Social Assistance continues to carry an outsized share of Oregon's job growth, up 16.7% since the pandemic onset. Whether January's modest rebound reflects a genuine turn or a temporary reprieve within a still-softening labor market remains the central question as the year unfolds.

Key Highlights—Oregon January 2026 Employment Data

- Total nonfarm employment rose by 2,000 jobs, driven by private-sector growth (+2,600), offsetting declines in government.
- Leisure and Hospitality and Education & Health Services led gains.
- Construction rebounded after prior declines; Manufacturing and Professional & Business Services showed continued weakness.
- Financial Activities, and Information were mostly flat.
- Oregon's total employment is 39,000 jobs above January 2020, though several sectors remain below pre-pandemic levels.
- Labor Force Participation Rate was 62.9%; unemployment stood at 5.2%, above the national average.

Employment Levels in Oregon since January 2020



Source: BLS, OED • October data unavailable due to the 2025 lapse in appropriations.

- The **Current Employment Statistics (CES)** survey indicates that Oregon has yet to fully return to its **pre-pandemic employment-to-population ratio**.
- Estimates from the **Local Area Unemployment Statistics (LAUS)** program show that Oregon's total employment surpassed pre-pandemic levels as early as **September 2021** and has remained above that benchmark.

Industry-Level Dynamics

- **Overall Employment:** Oregon's seasonally adjusted total nonfarm payroll employment rose by 2,000 jobs in January 2026, following a modest gain of 100 jobs in December 2025. Private-sector employment drove the increase (+2,600), more than offsetting a decline in government employment (-600).
- **Private Sector:** The private sector added 2,600 jobs in January, led by gains in Leisure and Hospitality, Education and Health Services, and Trade, Transportation, and Utilities.
- **Professional and Business Services:** This sector declined slightly (-1,300 jobs), with losses concentrated in Administrative and Support and Waste Management Services (-1,200 jobs).
- **Government:** Government employment fell by 600 jobs. Declines occurred in Federal Government (-500 jobs) and State Government (-200 jobs), partially offset by a small gain in Local Government (+100 jobs).

- **Education and Health Services:** Employment increased by 1,700 jobs, driven by Health Care and Social Assistance (+1,500 jobs) and Educational Services (+200 jobs).
- **Manufacturing:** Manufacturing employment declined by 1,500 jobs, continuing its longer-term downward trend.
- **Construction:** Construction rebounded slightly, adding 1,000 jobs, following prior monthly declines.
- **Trade, Transportation, and Utilities:** This sector added 800 jobs, with gains in Transportation, Warehousing, and Utilities (+900 jobs), while Retail Trade remained flat.
- **Financial Activities and Information:** Both sectors experienced small declines, with Financial Activities down 300 jobs and Information unchanged.
- **Mining and Logging:** Employment remained stable, shedding only 200 positions.
- **Other Services:** Employment increased modestly, rising by 700 jobs.
- **Leisure and Hospitality:** This sector saw the largest gains (+1,900 jobs), with increases in Accommodation and Food Services (+1,500 jobs) and Arts, Entertainment, and Recreation (+400 jobs).

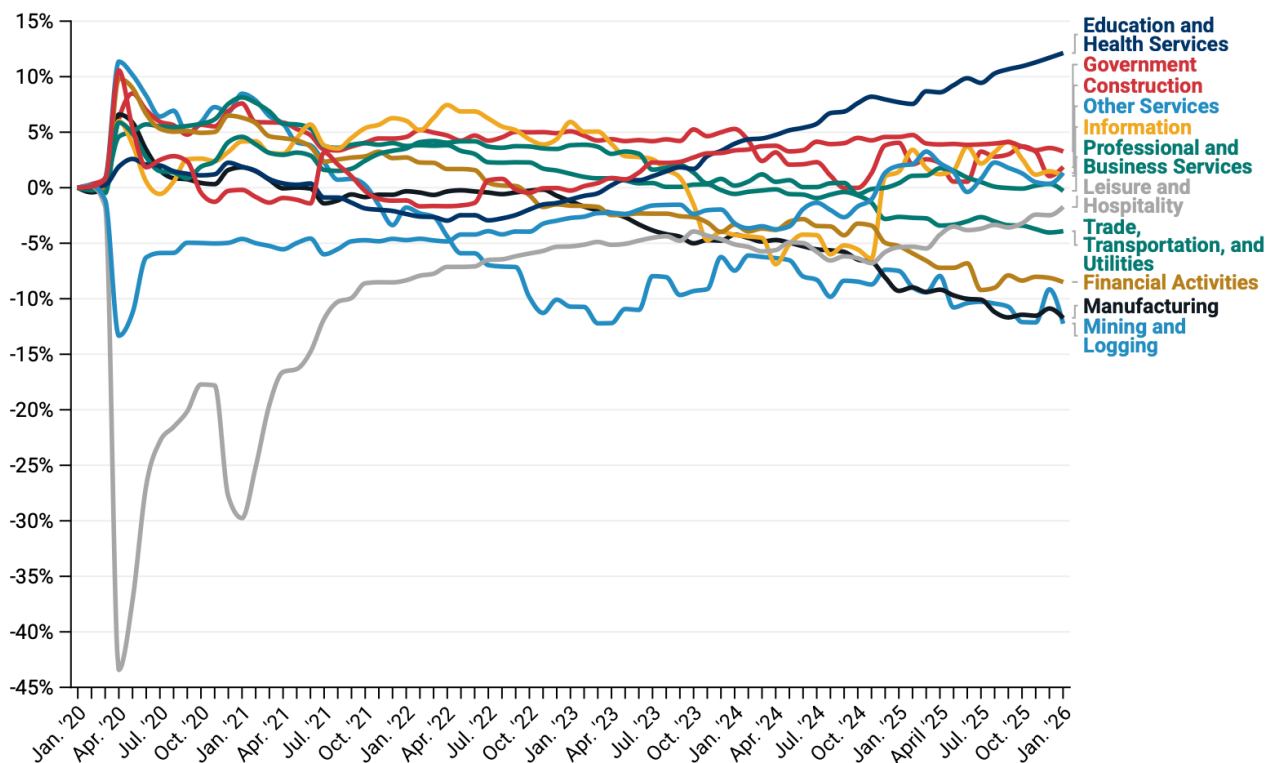
Since the Onset of the Pandemic:

- Total seasonally adjusted nonfarm employment in Oregon has increased by 39,000 jobs since January 2020.
- However, four of the eleven supersectors remain below their pre-pandemic levels on a seasonally adjusted basis : Mining and Logging; Manufacturing; Trade, Transportation, and Utilities; and Financial Activities. Leisure and Hospitality.

Notable shifts:

- **Manufacturing** employment remains well below pre-pandemic levels—down 9.9% compared to January 2020. **Mining and Logging** and **Financial Activities** are also lower, by 10.4% and 6.6%, respectively.
- In contrast, **Education and Health Services** employment has grown by 14.4%, driven largely by gains in **Health Care and Social Assistance**, which is up 16.7%.
- **Government** employment has also increased, rising 5.4% since January 2020.

Changing Industry Shares of Total Oregon Employment since January 2020



Source: Calculated by CSI using employment data from BLS and OED • Employment levels for December and January are estimated by applying Oregon Employment Department (OED) growth rates to the October BLS benchmark.

Oregon Labor Force Update

- **Labor Force Participation Rate (LFPR):** Oregon's LFPR posted as **62.9% in January**, an increase of 1.8 percentage points since January 2020. December LFPR revised downwards from 63.2% to 63%. The state continues to exceed the national LFPR, which measured 62.1% in December 2025.
- **Unemployment Rate:** Oregon's unemployment rate stood at **5.2% in December**, remaining well above the **national rate of 4.3%**, while the December rate is revised to 5.3%. Since January 2024, Oregon's non-seasonally adjusted unemployment rate has increased by **0.4 percentage points**.

Labor Force Participation Rate in Oregon Since 2000

■ Labor Force Participation Rate ■ Pre-pandemic Level



Source: BLS, OED • October data unavailable due to the 2025 lapse in appropriations.

Technical Notes and Data Sources

All data are seasonally adjusted unless otherwise noted. Employment estimates derive from the **Oregon Current Employment Statistics (CES)** survey and are benchmarked to **Bureau of Labor Statistics (BLS)** data through **November 2025**. Labor force estimates come from the **Local Area Unemployment Statistics (LAUS)** program. **November 2025 CES estimates** are extrapolated using **monthly growth rates** from the **Oregon Employment Department's December release**.