

Historical Look at Oregon's Wood Products Industry

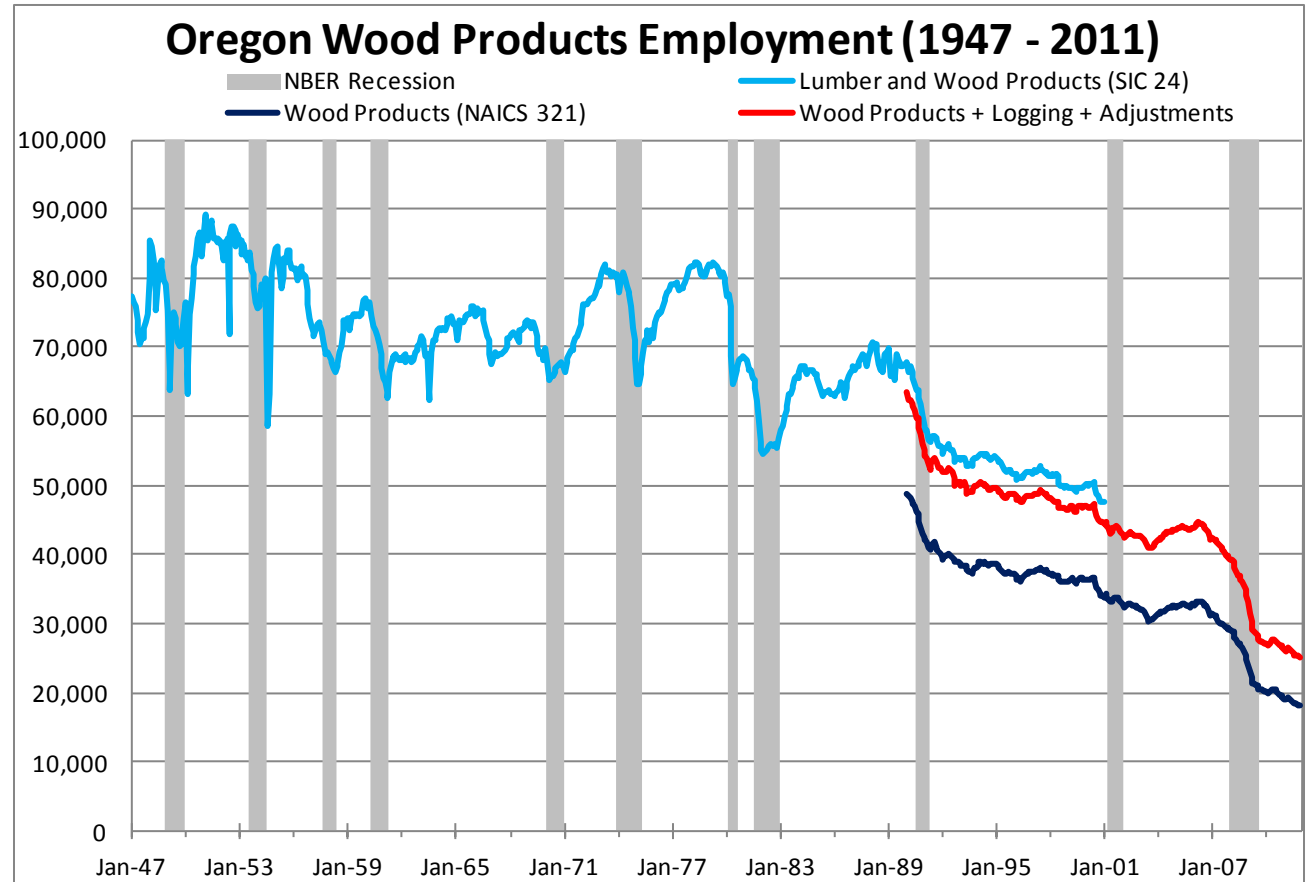
Prepared By: Josh Lehner
Oregon Office of Economic Analysis
January, 2012

Historical Employment

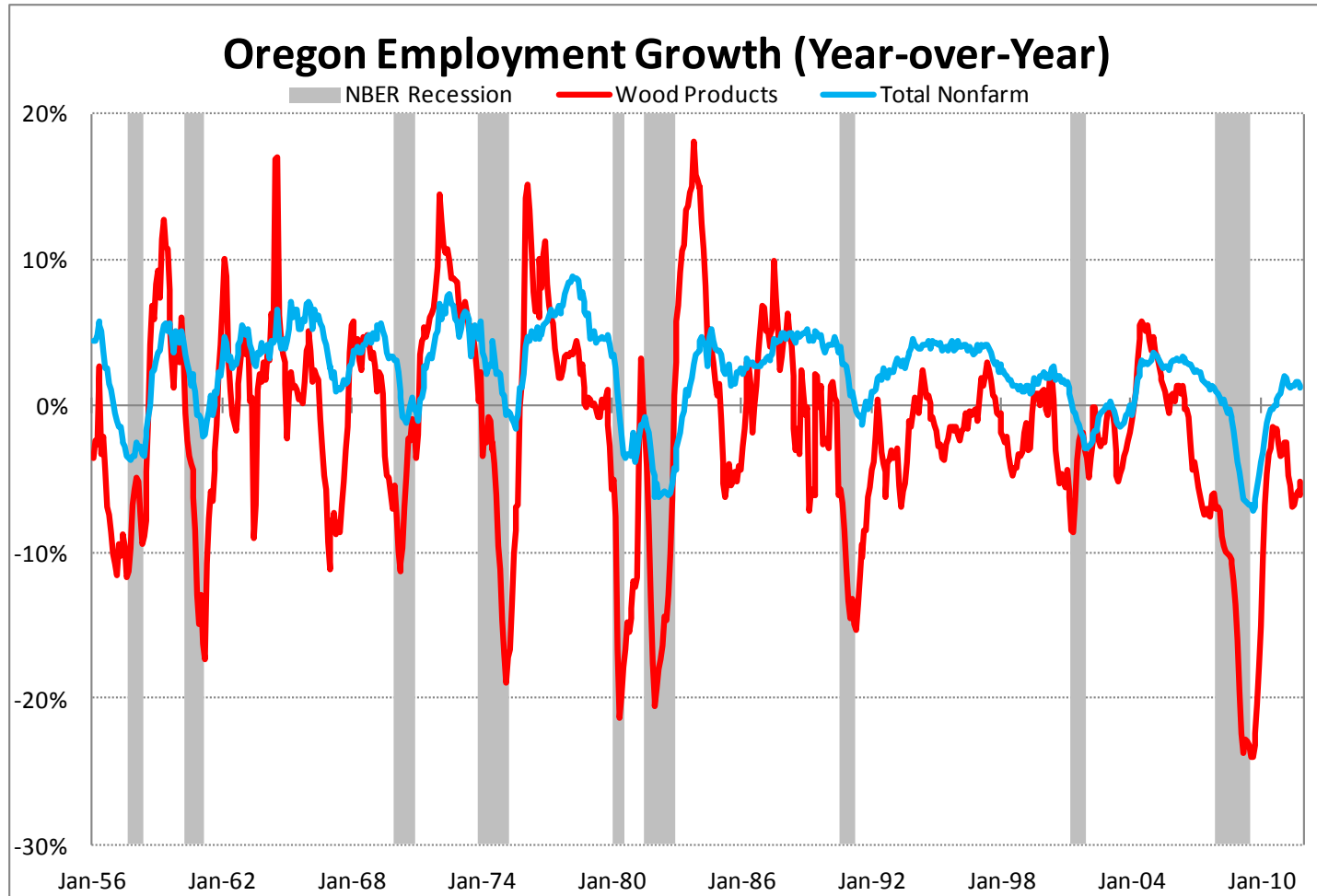
- SIC to NAICS conversion results in historical data breaks

Industry Impacted By:

- Early 1980s recession
- Federal Land Restrictions
- Productivity and efficiency increases
- Increased competition (SE states, British Columbia)

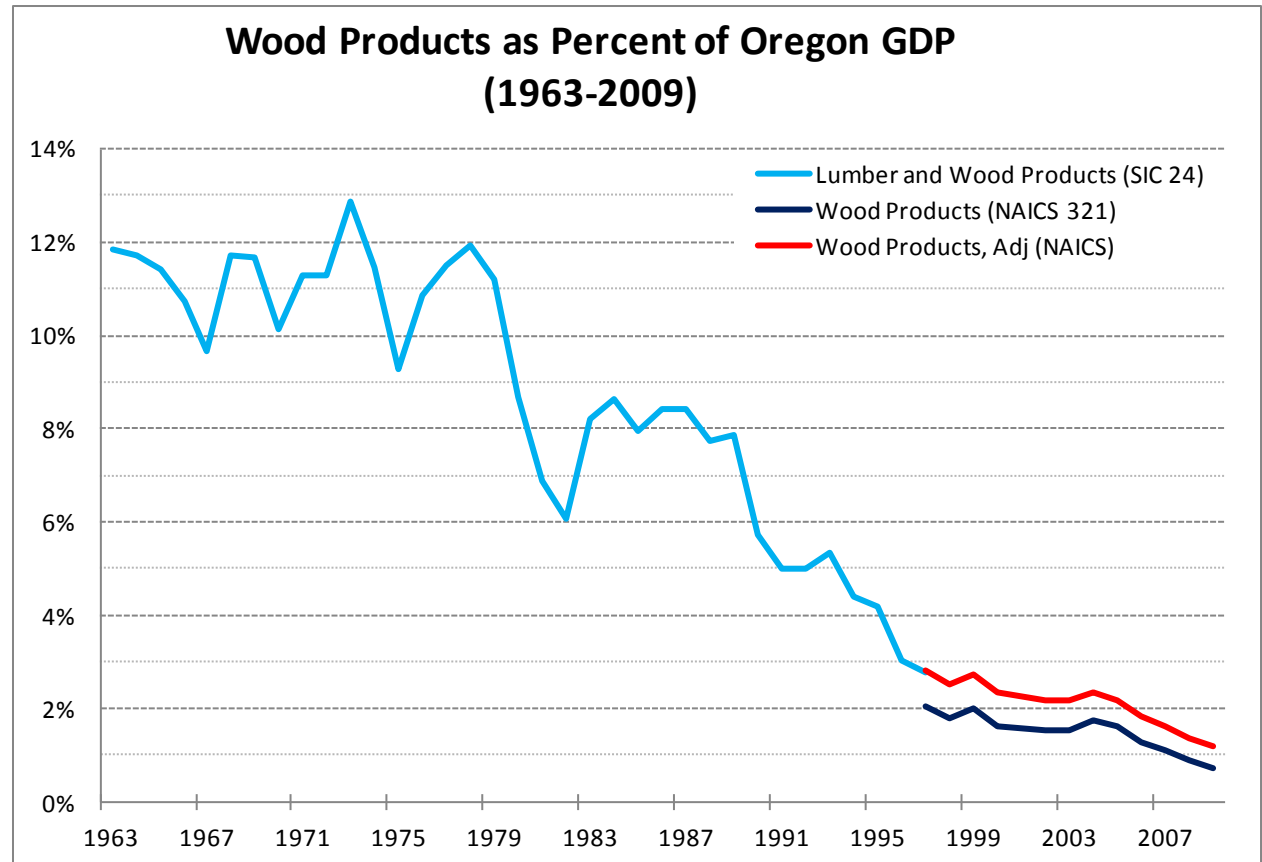


Cyclical Industry Employment



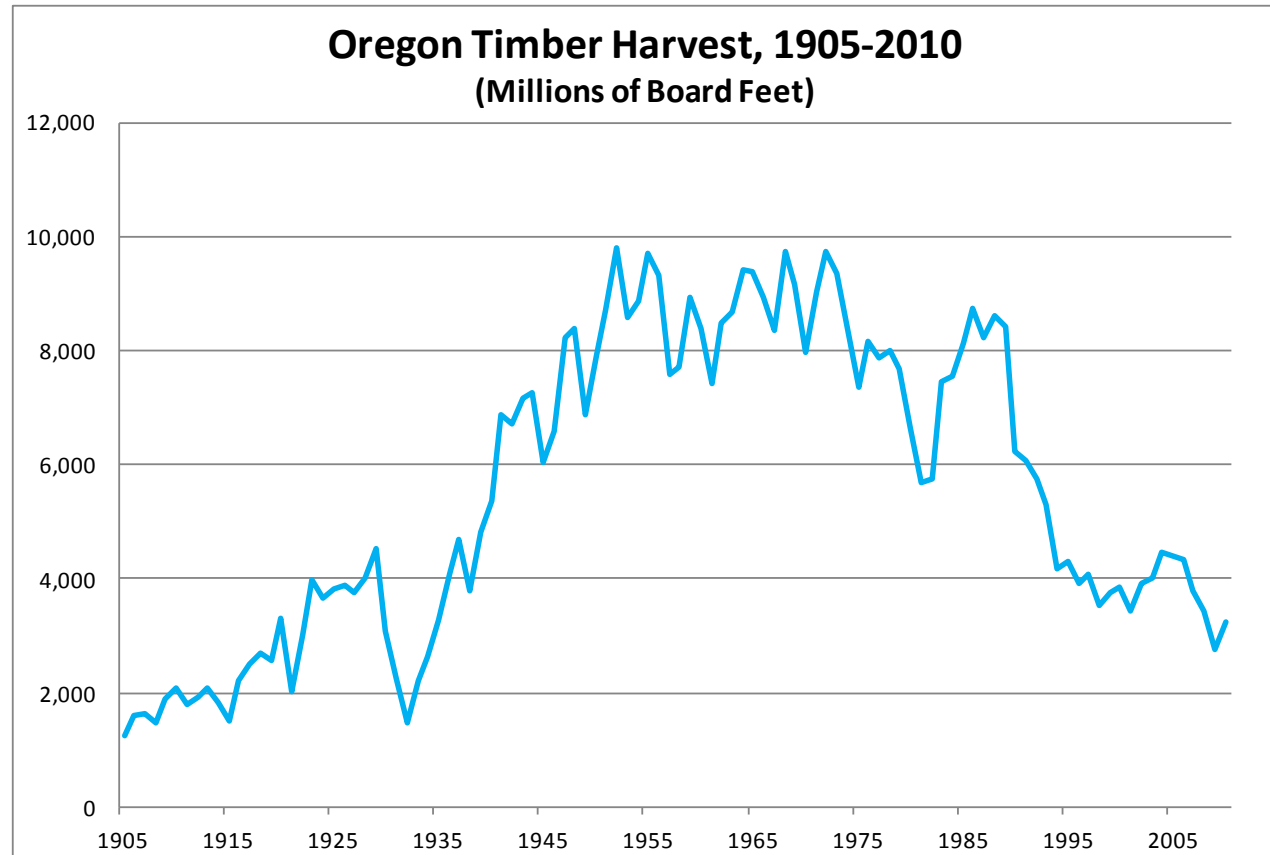
Oregon's GDP Less Reliant on Industry Today

- Industry output has actually held steady since mid-1970s
- However, other Oregon industries (especially high tech) have grown substantially
- Thus, Wood Products' share of state GDP continues to decline



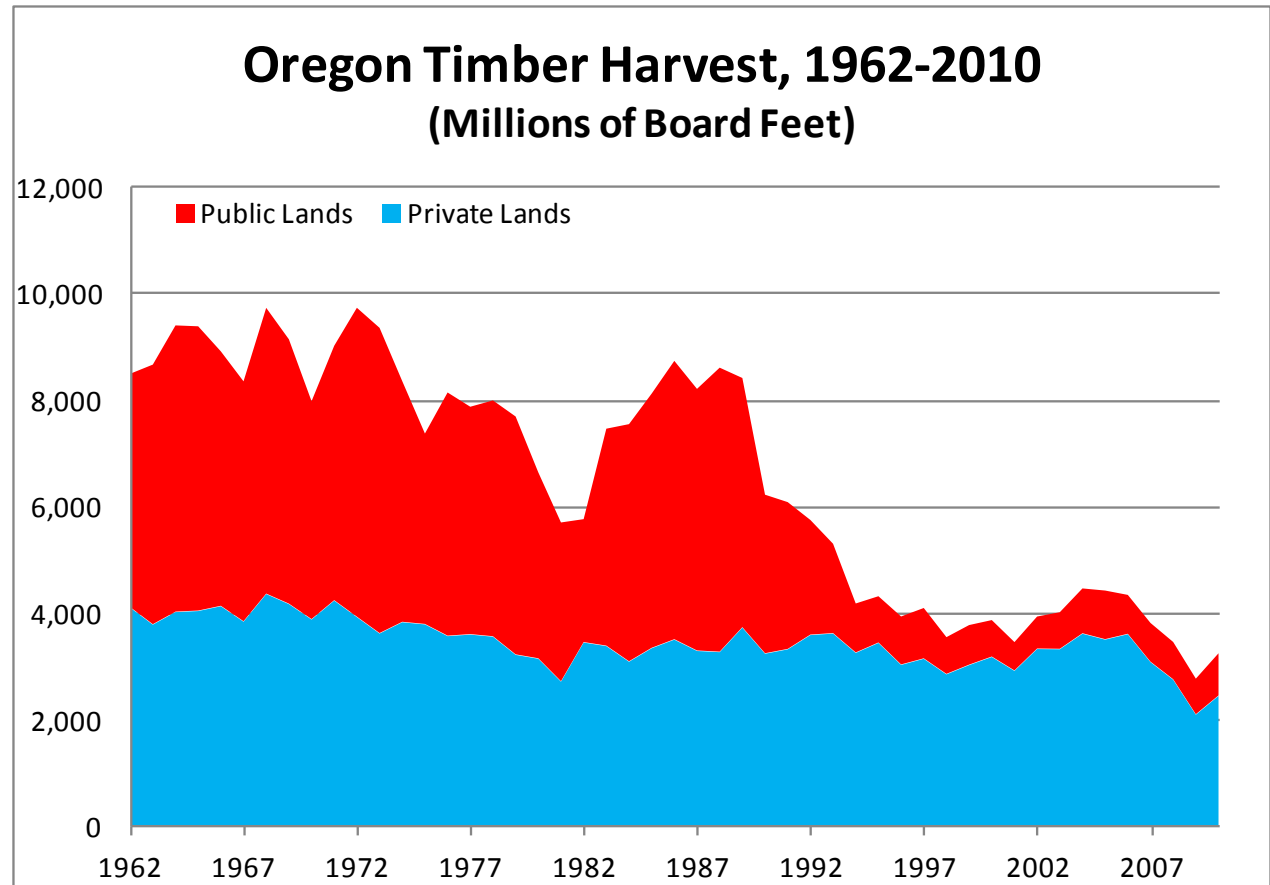
Timber Harvest Fluctuations

- Timber harvest increased substantially beginning during the Great Depression
- Harvest levels held steady through the mid-70s
- Following federal restrictions, harvest declined dramatically in the 1990s



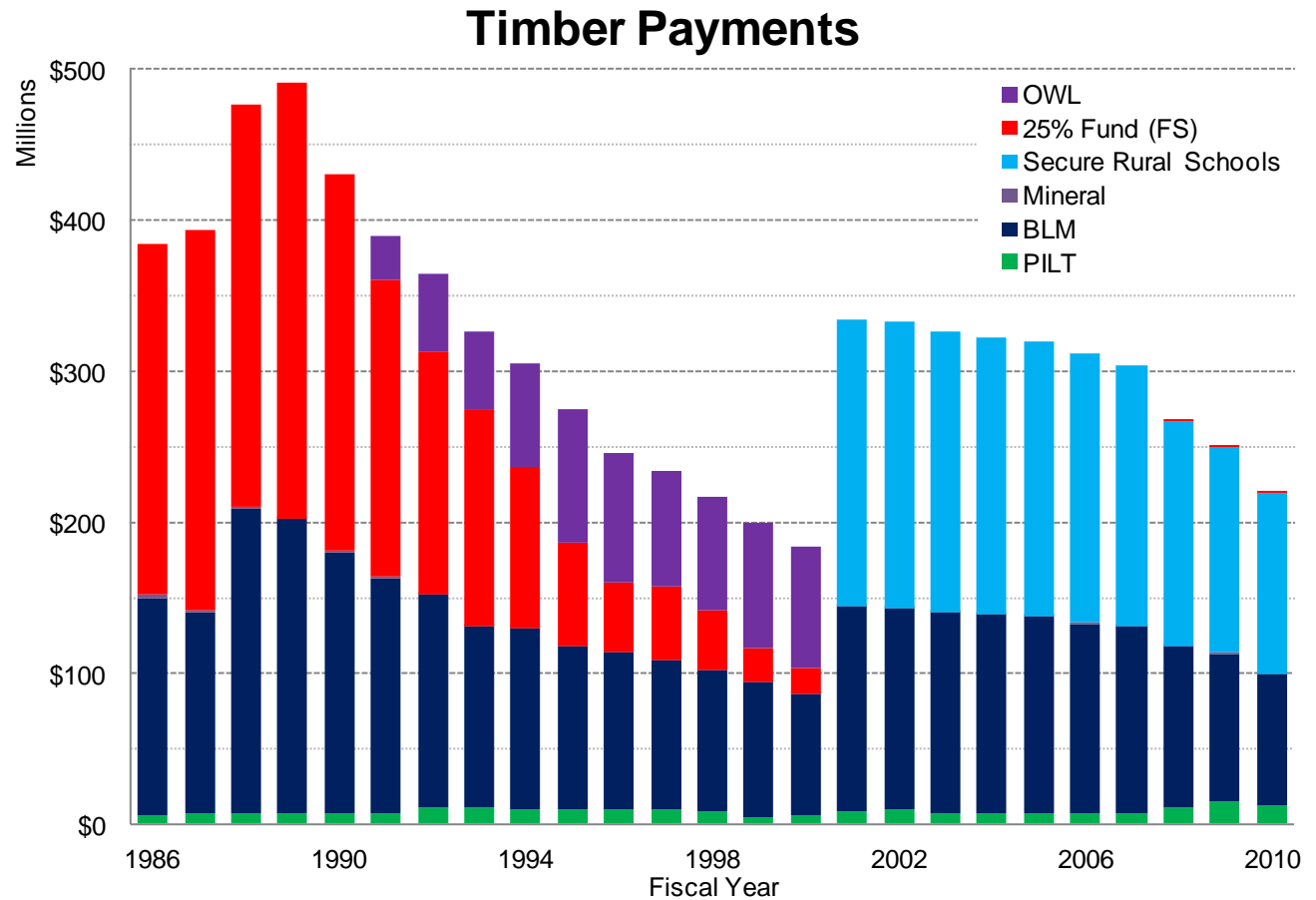
Harvest of Public Lands Decreases

- The harvest decline in the early 1990s was due to decreased logging on public lands
- Private lands harvest levels have held steady



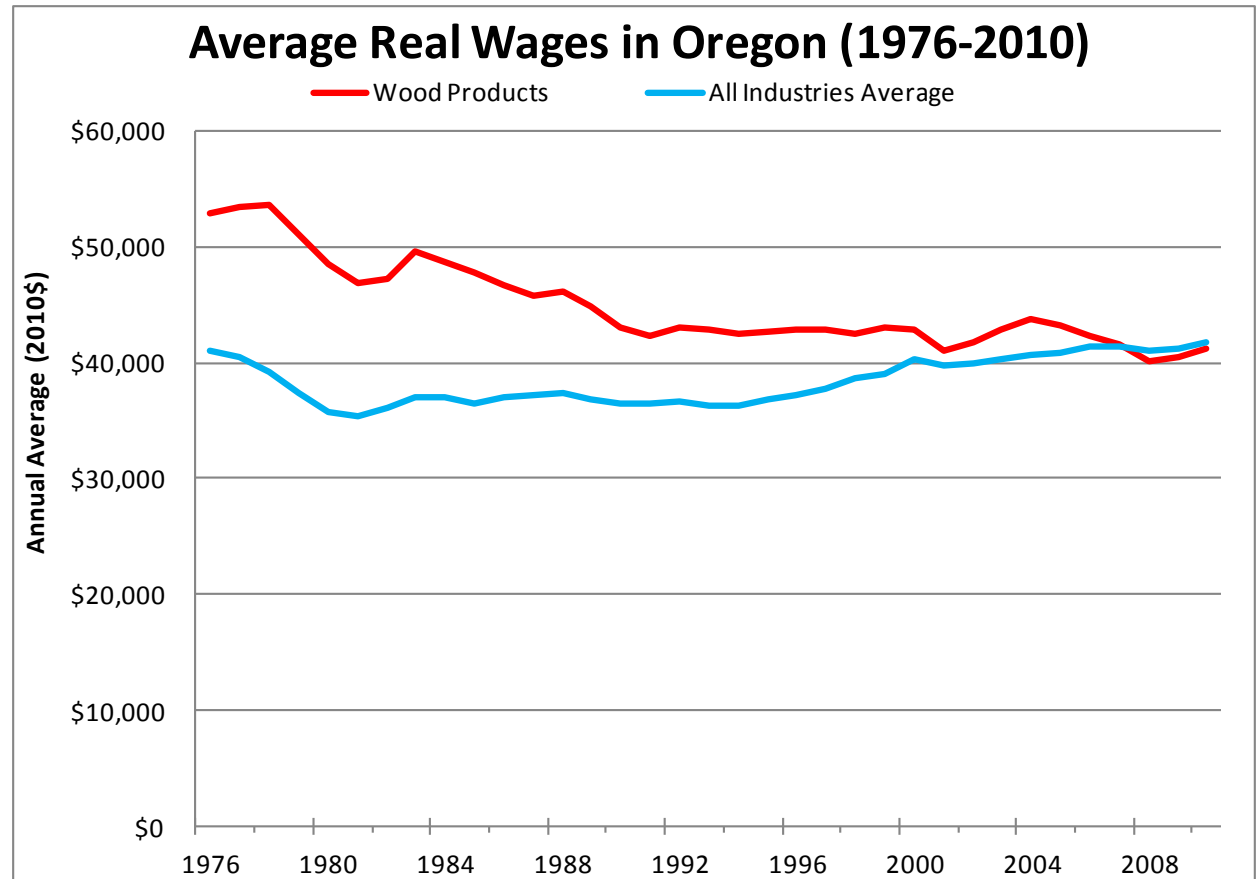
Federal Payments to Counties Decline

- Since 1908 counties received 25% of sales
- Secure Rural Schools and Community Self-Determination Act of 2000
- Continued for 4 years at declining levels, included in ARRA



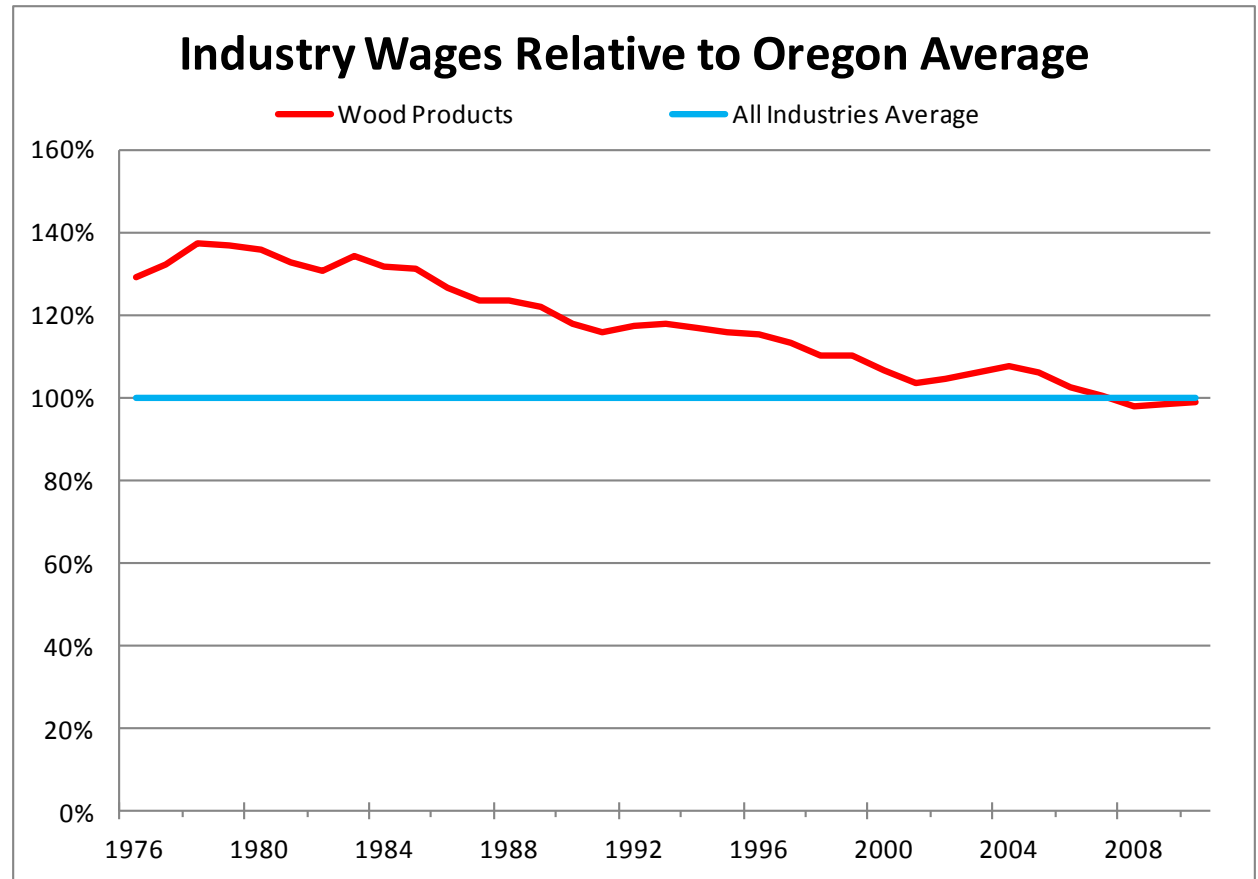
Industry Used To Pay High Wages...

- Total statewide wages have only grown slightly faster than inflation
- Wages in Wood Products have actually fallen in real terms since the 70s



...Now Pay The State Average

- Pre- restructuring, average Industry wages were 30% larger than the statewide average
- Today the industry pays the same as the average industry
- Increased productivity, lower levels of harvest and lost jobs have contributed to falling wages

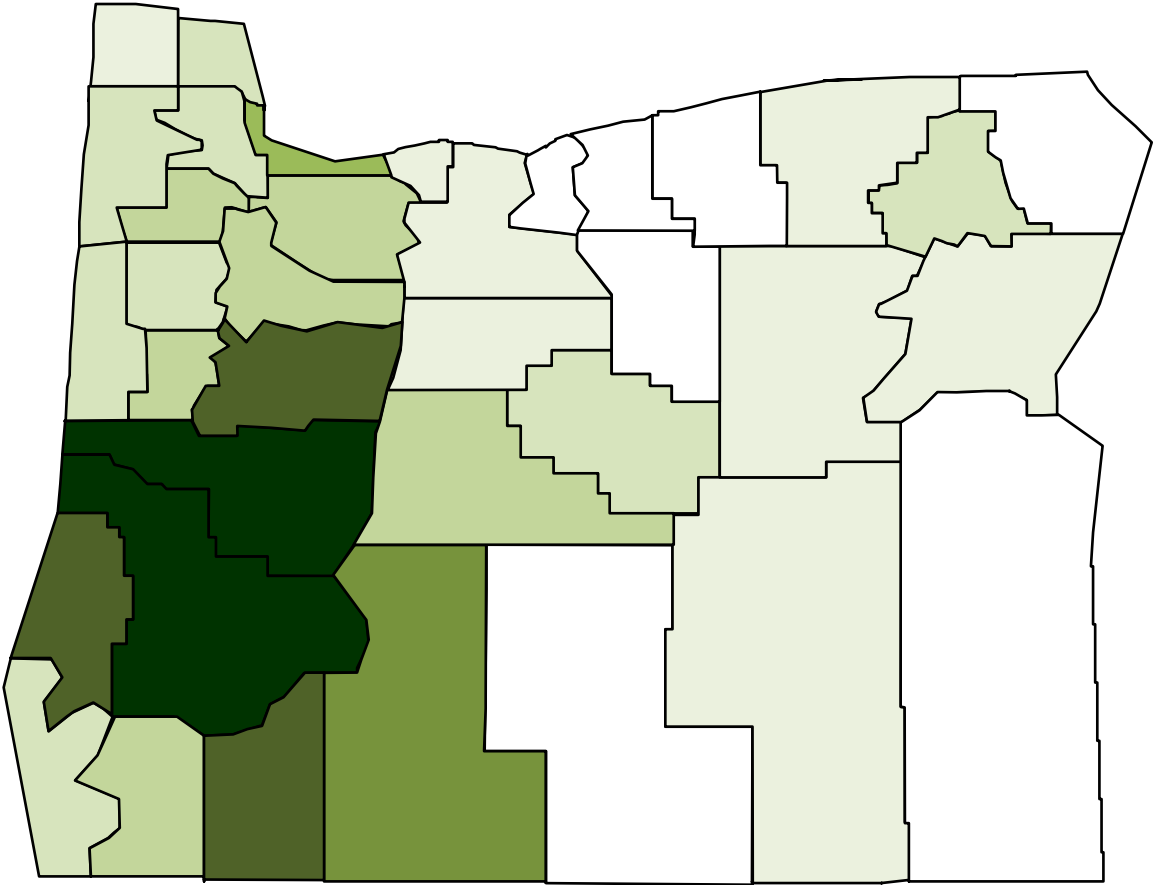


Wood Products Employment by County

1978

Statewide: 81,376

	0-500
	500-1,000
	1,000-2,000
	2,000-3,000
	3,000-4,000
	4,000-5,000
	5,000-8,000
	8,000+

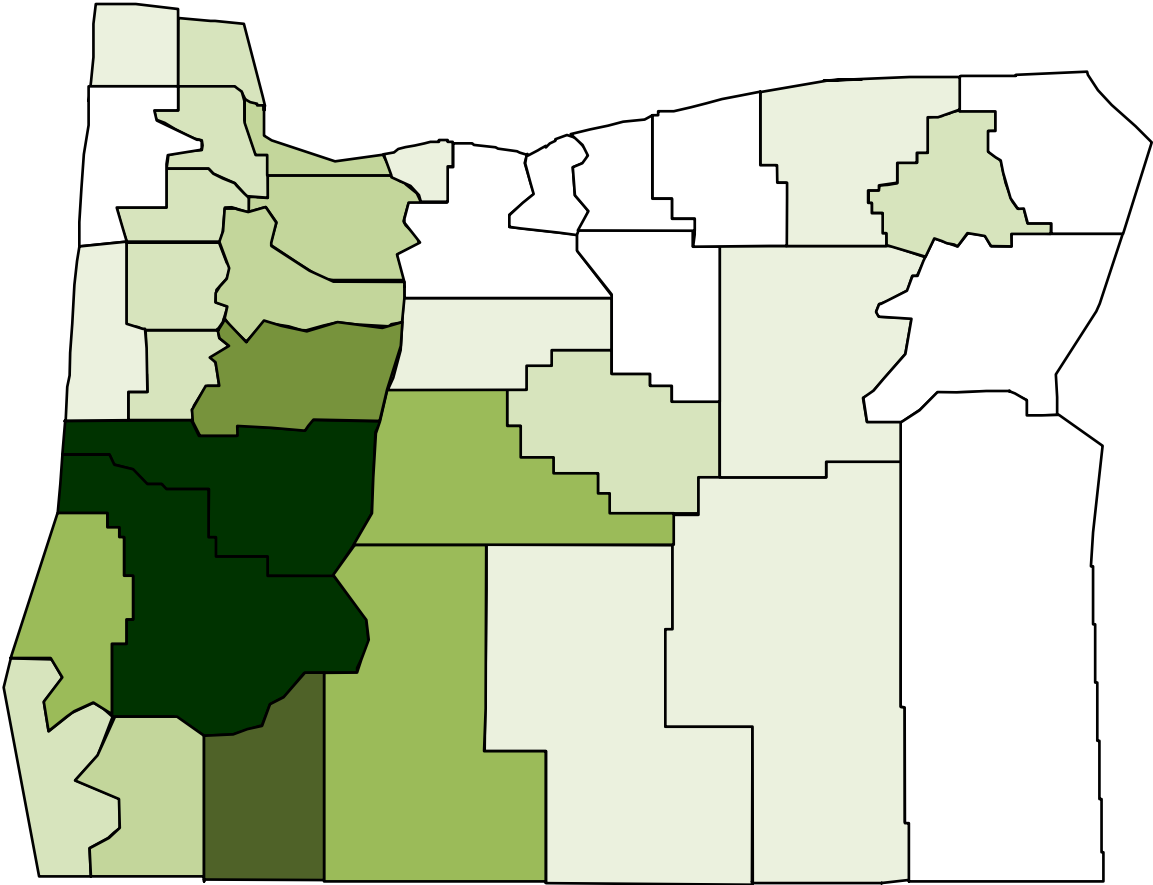


Wood Products Employment by County

1988

Statewide: 69,473

	0-500
	500-1,000
	1,000-2,000
	2,000-3,000
	3,000-4,000
	4,000-5,000
	5,000-8,000
	8,000+

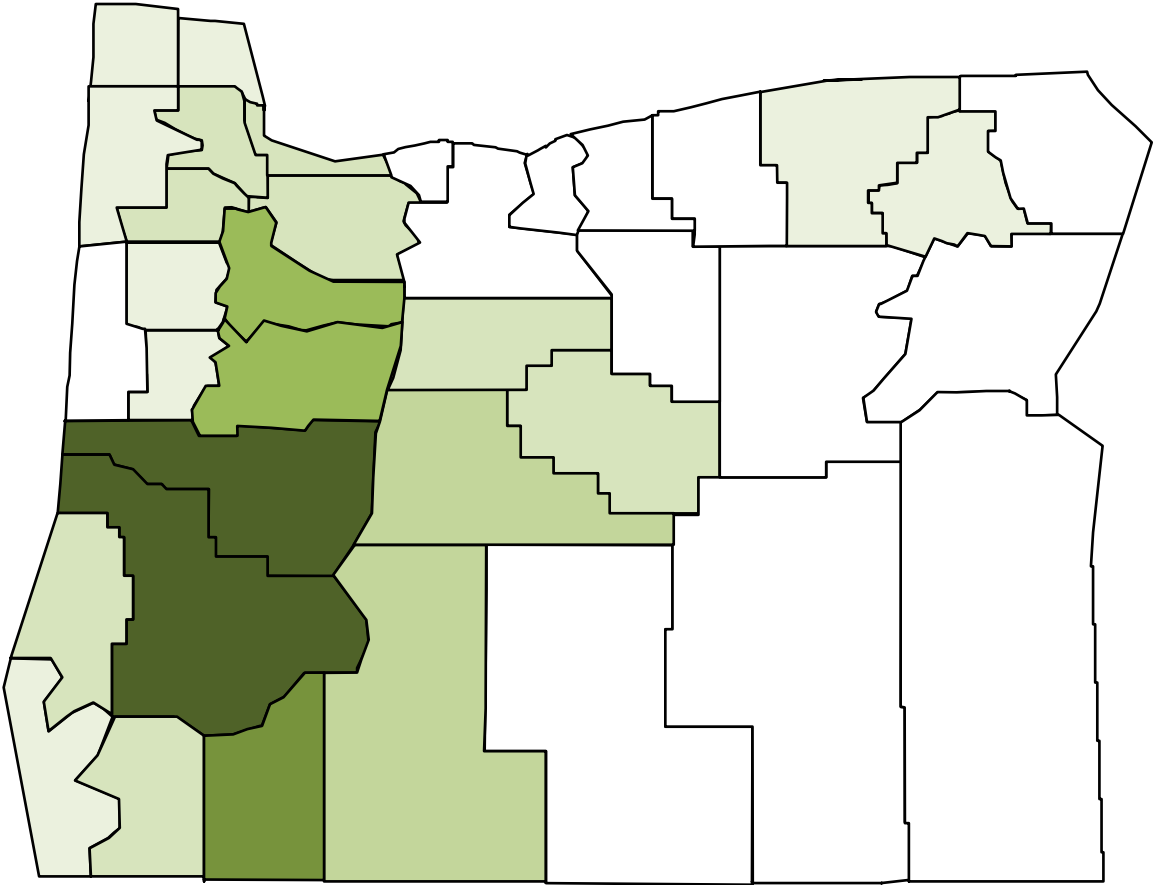


Wood Products Employment by County

1998

Statewide: 50,794

	0-500
	500-1,000
	1,000-2,000
	2,000-3,000
	3,000-4,000
	4,000-5,000
	5,000-8,000
	8,000+

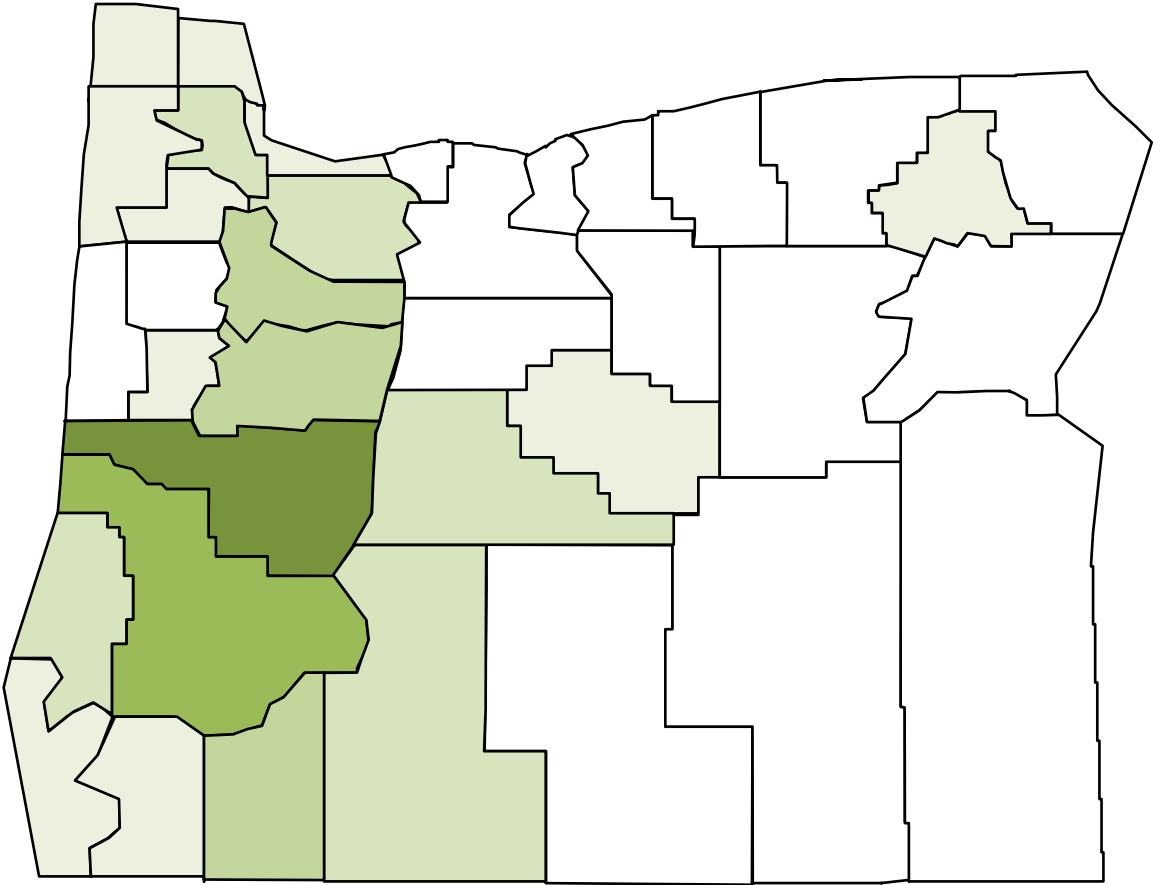


Wood Products Employment by County

2008*

Statewide: 33,274

	0-500
	500-1,000
	1,000-2,000
	2,000-3,000
	3,000-4,000
	4,000-5,000
	5,000-8,000
	8,000+

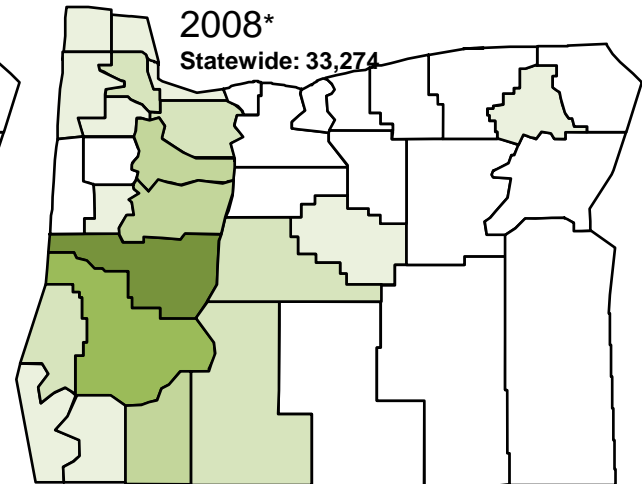
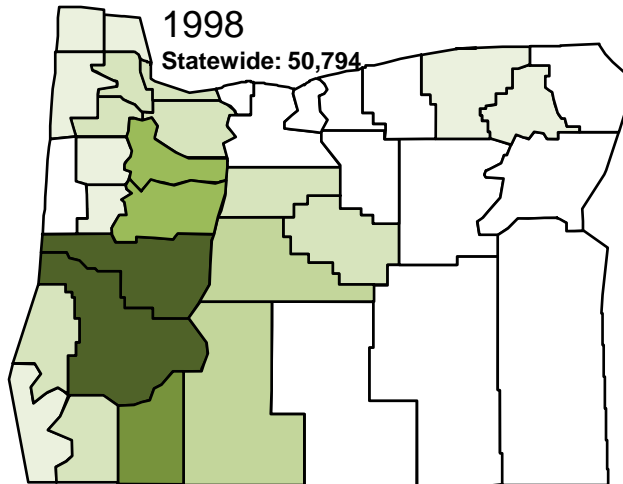
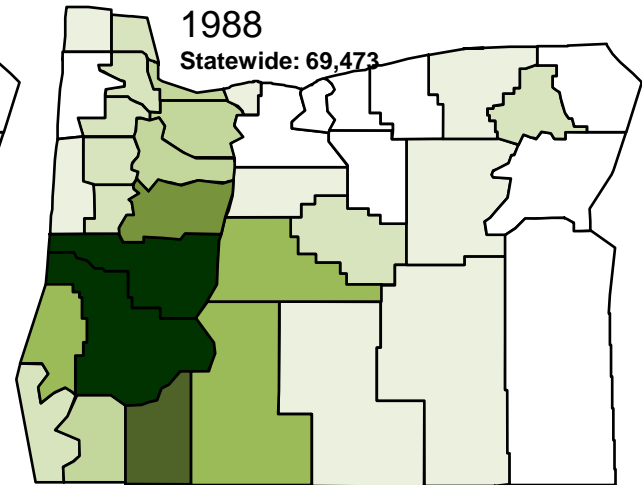
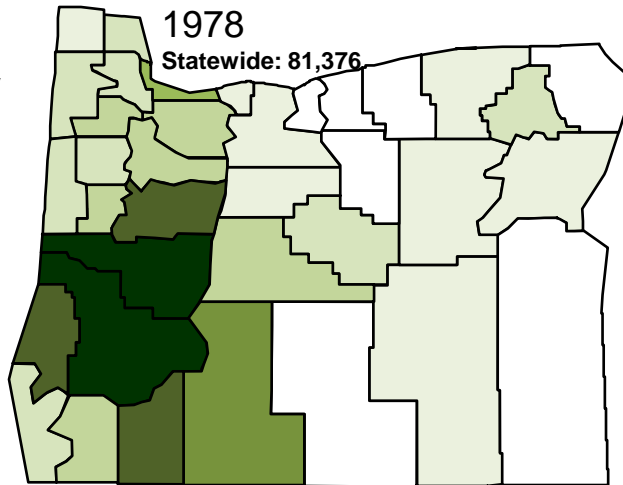


* Wood Products Manufacturing + Logging Employment

County Timeline

Wood Products Employment by County

	0-500
	500-1,000
	1,000-2,000
	2,000-3,000
	3,000-4,000
	4,000-5,000
	5,000-8,000
	8,000+



* Wood Products Manufacturing + Logging Employment

Conclusion

- During the '40s-'70s the industry employed 70,000+ workers and paid 30% above the state average
- Significant events that impacted the industry:
 - Early 80s recession; Industry restructuring; Federal Land restrictions; Increased competition from SE US and Canada; Increased productivity and efficiencies
- Today there are about 25,000 jobs that pay the state average