

Workers

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He said he suspects his employees appreciate their training, but also other perks. He offers insurance and vacations. Depending on their experience, a new driver can earn \$20 to \$22 per hour. His crane operators can earn \$23 to \$40 or more.

These are nonunion jobs, but Karlson said employees can benefit from not being union members. Union employees, he said, might have to wait years before they can receive crane training. This is not the case for his workers — they can start training right away.

Turnover, then, is low, according to Karlson. His workers appreciate their jobs and the benefits of their labor, so they work well, but this is not all. They did not just start working hard when they joined his company; they started as good workers.

Karlson relies on pre-employment interviews to screen potential employees. Even if he has to do interviews by Zoom, rather than in person, he likes to be able to look a potential employee in the eye. He said he tries to figure their abilities and their character. If he thinks an employee will be a good fit, he said, they usually are.

Karlson said his company is “in the best position we’ve ever been in,” and this is during a pandemic when many other companies are struggling to retain or to find employees.

N.W. Crane has experience in worker relations, which Karlson attributed to its humble beginnings. The company grew as part of N.W. Metal Fabricators Inc., a company owned by his father, Kerry Karlson. His father was doing well with



Ben Lonergan/East Oregonian/East Oregonian

Riley Sederburg of Adams lines up a hydraulic component while working with Hermiston-based N.W. Crane Service Inc. to assemble a crane.



Christopher Rich



Gail Krumenauer

metal fabricating, but he saw the need for cranes. When he started operating his own crane, more and more employers approached him for help. He added a second crane, which led to more.

By 2005, the crane side of the business was large enough to justify a separate business, and N.W. Crane Services was born. It began operating on its own property, separate from the fabrication company from which it started.

A family operation that has developed since Karlson’s father first came to Hermiston with his family in 1986, the companies treat their workers like family, according to Karlson. That approach has “gone a long way” to inspiring employees to stay, he said.

Having experienced workers is vital, Karlson said, because their jobs are no small feat.

He has nine cranes. The smallest weighs 40 tons. The largest tops out at 550 tons. He recently had his biggest crane on site at Lamb Weston. It took 15 semitrailers to move the crane and a 60-ton support crane to put it together. Taking it down, after the job, takes his staff 5.5 hours of coordinated, skilled and difficult work.

“They’re amazing,” Karlson said of his employees.

Economists say prepare for headwinds to temper growth

To say it’s been a tough year to be a business owner would be an understatement.

The rise and the fall of COVID-19 cases, risk levels that opened and closed businesses, new safety proto-

cols and a severe labor shortage has forced many business owners to rethink and retool their operations. Some industries — health care and leisure and hospitality — have been hit hard by the pandemic and a labor shortage. Others, like professionals haven’t felt a thing, economists say.

In response, small businesses have raised wages, bumped up benefits and raised prices to offset these new costs. A job that paid a minimum wage of \$9.25 an hour in 2016, now pays \$12.75 an hour, according to the Oregon Bureau of Labor and Industries. For the past five weeks, EO Media Group has explored the effect of the labor shortage on businesses, industries and workers young and old.

The Oregon Employment Department reported that the state regained nearly two out of three jobs lost in spring 2020 when government mandates restricted or closed business operations. A record level of job openings were reported in April and June in Oregon and across the country. Businesses reported 98,000 job vacancies at any given time between April and June.

In addition, there were about 32,500 Oregonians between April and June who have said they couldn’t work because of child care concerns or health concerns related to COVID-19.

EO Media Group asked regional economists Christopher Rich and Gail Krume-

nauer to project the economic outlook for their areas and Damon Runberg, the state’s economist, to comment on Oregon’s future economy. Their answers have been edited for clarity and brevity.

Q: What is the economic vision for Oregon going forward now that the initial impacts of the pandemic-related shutdowns are behind us?

A: Krumenauer: I think the general, common theme is that we’d all hope to see continued recovery and/or economic expansion. As recovery and/or expansion continues, there are some longer-term factors that are going to come into play, creating headwinds for growth. Those are lower net in-migration (the primary way we grow our workforce is from people moving here), and ongoing or increasing baby boomer retirements. And rural areas tend to have a larger share of workers at or near retirement age.

Q: Will there be inflation or other affect on the economy because of the higher wages paid to workers in this tight labor market?

A: Krumenauer: I’d say that yes, we’ve already been seeing higher inflation in recent months. It’s due in part to worker wages rising, in part to higher demand (this summer for things like air travel and accommodations), and also in part to shortages in supply chains that are reducing the ability to produce as many of

certain goods as people want (microchips and cars are a good example of this).

Q: Where is the economy headed?

A: Runberg: As recovery and/or expansion continues, there are some longer-term facts that are going to come into play, creating headwinds for growth. Those are lower net in-migration — the primary way we grow our workforce — and ongoing or increasing retirements. According to the Current Population Survey, there was a 4.5% increase in those 65-plus who were not in the labor force in 2020. That is a big jump, roughly 2 million people age 65 and older are out of the labor force nationwide. The big picture trend is clear that the retiring of the baby boomers has begun and it is one of the factors in our tight labor market.

Q: Will businesses have to continue to pivot to stay ahead of this current labor crisis?

A: Krumenauer: As for businesses pivoting, or rather continuing to adjust their hiring strategies, yes. I think they’ve already been incredibly innovative in changing their business operations due to COVID, and in trying to hire more workers when the labor market is so tight (lots of job openings, relatively low unemployment, and some workers still facing barriers to taking jobs).

Q: What are some of the things employers are doing to encourage workers to return to the workforce?

A: Krumenauer: For one, employers have raised wages. Those wages have risen by more than 2% in Oregon over the past year. Three out of five offered health benefits, and half offered retirement benefits. One out of 10 of employers offering health insurance, and one out of five offering retirement benefits, cited worker hiring and retention advantages related to those offerings. Half of Oregon’s private firms offered paid holidays, and half offered paid vacation days. One-third offered at least one of the following: flexible work schedules, production or performance bonuses, paid professional development training and life insurance. Some employers have relaxed experience requirements.

Employers also are layering help wanted signs with other efforts such as referral incentives, signing bonuses, posting with online job boards, and working with recruiters outside of their immediate geographical area.

Eastern Oregon outlook by Christopher Rich: “The largest uncertainty in Eastern Oregon’s regional outlook is currently COVID-19. Prior to the pandemic, the region saw prolonged job growth beginning to slow due to a tight labor market. One of the largest concerns employers voiced was a need to hire workers and a lack thereof. Industries at the top of the list were health care and social assistance, manufacturing, retail trade, leisure and hospitality, and transportation. Total employment reached a peak of 70,570 jobs in October 2019 and the average annual unemployment rate for the region had fallen to a low 4.7%. The January through August average unemployment rate for the region was 5.3%.”