

# Manufacturing, hospitality among worst hit industries

## Worker Shortage



THIRD IN A 5-PART SERIES

### Editor's Note

This is the third in a five-part series by EO Media Group looking at the issue of the lack of workers for jobs in Central and Eastern Oregon — why workers are not returning to previously held jobs and how businesses are pivoting to function without being fully staffed.

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EO Media Group

BAKER CITY — Tyler Brown's family owns one restaurant in Baker City that hasn't served a meal since before the first COVID-19 case was confirmed in Baker County.

But the Browns' challenges to keep enough workers to run their two other restaurants are so daunting that they can't begin to plan the reopening of the closed business.

That's the Sumpter Junction restaurant, off Campbell Street near Interstate 84. The Browns closed the restaurant in March 2020. Inside rest the memories of customers who once frequented the restaurant, told quietly by a single butter knife resting on the edge of a booth table.

A newsstand is stacked high with Baker City Herald issues blaring the headline "Coronavirus Closures." They're dated March 14, 2020. It was three days before Gov. Kate Brown banned dining inside restaurants. It was the last paper delivered to Sumpter Junction.

During much of the rest of that year, and continuing into 2021, the number of customers at Baker County's various restaurants was limited due to the county's COVID-19 risk level.

Those restrictions meant it wasn't feasible to reopen Sumpter Junction, Tyler Brown said.

Risk levels and restaurant limits ended June 30, but Brown said it remains a struggle to keep a sufficient workforce to operate Barley Brown's Brew Pub and Tap House, separate establishments, both owned by the family's Windmill Enterprises LLC, on Main Street in downtown Baker City.

In fact, Brown said the situation has worsened in the past month or so since the governor required people to wear masks in most public indoor settings, including restaurants.

Brown said he has lost a couple employees who simply refuse to continue working while required to wear a mask throughout their shift.

"I know it's frustrating for everyone," he said.

Wearing masks isn't the only thing that discourages workers, Brown said.

It's also stressful for employees to enforce the mandate with customers, some of whom refuse to comply.

"It definitely wears on (employees)," Brown said.

In addition, Brown said he recently had four employees, all of whom are fully vaccinated, test positive for COVID-19.

Although none had severe symptoms, they had to miss work for 10 days, which forced a reduction in his restaurants' hours.

The surge in COVID-19 cases driven by the more contagious delta variant has affected other restaurants in Baker City.

Dairy Queen, for instance, posted a sign on its window stating that the restaurant would be closed for two weeks, starting Sept. 3, due to staffing shortages resulting from COVID-19. Dairy Queen is slated to reopen, with regular hours, on Sept. 18.

Some employers have attributed the workforce shortage to expanded federal unemployment payments.

But even though those benefits ended in early September, Brown said he's not optimistic that this will result in an influx of potential workers.

The scarcity of workers has had an obvious effect on the restaurant sector, with many businesses, in Baker City and elsewhere, reducing hours, and in many cases closing altogether on some days.

### Hungry for workers

Among Eastern Oregon counties, Baker County saw the largest percentage decrease of workers employed in the leisure and hospitality industry, dropping nearly 17%, or 120 workers, between July 2019 and July 2021. Harney County saw an increase of 3%, or 10 workers during the same time period, and Umatilla County saw the largest total decrease of employment in the sector, losing 180 jobs from July 2019 to July 2021.

Across all industries in Eastern Oregon, leisure and hospitality saw the biggest decrease in employment from July 2019 to July 2021, dropping 8.2% from its 2019 levels for a total loss of 570 jobs. The second hardest hit industry was manufacturing, which saw a 6.6% decrease along the same time period for a total loss of 570 jobs as well. Compared to the rest of the state in regards to employment, however, the leisure and hospitality industries were in far less dire straits in Eastern Oregon — Oregon overall saw nearly a 20% decrease in employment within the sector; far above any other industry with regards to job losses.

Other Eastern Oregon counties didn't fare much better. Union registered a 10.3% drop in leisure and hospitality workers since July 2019. Malheur County, which borders Idaho and remained open for



Alex Wittmer/EO Media Group

Restaurateur and business owner Tyler Brown poses for a photo Wednesday, Sept. 15, 2021, inside Sumpter Junction, one of his restaurants, in Baker City. The establishment has been closed since March 2020 following statewide shutdown orders that shuttered businesses across the state to fight the pandemic. Sumpter Junction has yet to reopen due to a lack of workers.



Alex Wittmer/EO Media Group

Diner booths sit empty on Wednesday, Sept. 15, 2021, at the Sumpter Junction restaurant in Baker City. The restaurant has had to remain closed due to a lack of workers.

much of the pandemic, saw a 9.75% decrease in the sector, while Umatilla County saw a 6.8% drop, beating out the regional average. Surprisingly, Wallowa County saw only a marginal decrease from its July 2019 numbers; it lost just 10 jobs.

Unsurprisingly, the manufacturing jobs lost aren't affected by seasonal employment changes normally seen in the leisure and hospitality industries. Still, manufacturing in Eastern Oregon lost 200 jobs from the start of the pandemic in March 2020.

Morrow County saw an 8.4% decrease in workers in the manufacturing industry since July 2019; a drop of 160 workers. Not to be outdone, Umatilla County registered a neat 10% decrease of workers within the same sector, within the same time period, numbering 340 lost jobs. Baker and Union counties saw a 5% decrease in the sector during the same period, corresponding to 30 and 70 workers lost, respectively.

At Behlen Mfg. Co.'s plant in Baker City, where 110 employees weld and otherwise assemble gates, panels, troughs and other livestock equipment, maintaining

a full workforce during the pandemic has been "challenging," said Stacy Delong, the plant's human resources manager.

Only 30 jobs were lost in the Baker County manufacturing industry from July 2019 to July 2021, representing a 5% decrease.

However, Delong said Behlen, a Nebraska company that opened its Baker City factory in 1996, has been "fairly successful recruiting new applicants the last couple of months."

Among the company's techniques was setting up an electronic reader board on Campbell Street, Baker City's busiest thoroughfare, advertising a job fair at the factory on Aug. 18.

"We found that to be successful," Delong said.

She said she hopes that the end of the federal unemployment payments will persuade more people to apply for jobs at the Baker City plant.

Behlen's goal is to add about 40 workers, to a total of 150, by the end of 2021.

"Our approach has been to broaden community outreach through communication and to best utilize our current advertising resources and simply engaging current employees to encourage friends and family to apply," Delong said. "Fortunately, Behlen County offers excellent benefits and competitive wages. This does give us slight edge over other employers not able to offer such benefits. We are not there yet, there is a lot of work to do."

Delong said demand for the company's products has continued to increase, "and we don't foresee any kind of decline anytime in the future."

### Out of woodwork

Another of Baker City's larger manufacturing employers is Marvin Wood Products.

The company, which employs about 170 workers at its factory, would like to hire about 30 more employees, plant manager Sandi Fuller said in June of this year.

To entice people to apply for jobs, Marvin Wood Products earlier this year boosted its entry level wage to \$17.73 per hour, plus a 50 cent bonus for people who accept rotating shifts, and other incentives including signing bonuses of \$500 and up to \$1,500 to help people move to Baker City.

Shelly Cutler, executive director of the Baker County Chamber of Commerce, said she recently heard "positive feedback" from some businesses that have struggled

to retain their workforce, although she said she doesn't know of any local restaurants that are fully staffed.

Cutler cautioned that she believes the county is in the "very early stages of recovery."

She is optimistic the cessation of federal jobless benefits, combined with higher wages and incentives some businesses are offering, will entice people to reenter the workforce.

Cutler also said she has been sending an increasing number of relocation packets to people who might be interested in moving to Baker County — including younger people who would need a job.

Anna Johnson, a senior economic analyst at Oregon Employment Department, wrote that difficult-to-fill positions were largely unrelated to the pandemic.

"The phrase 'no one wants to work anymore' was already a common reason given for why vacancies were difficult to fill," Johnson wrote. "Now, with lack of applicants and lack of qualified candidates still being a major factor in hiring difficulties, the reason has expanded to become 'no one wants to work anymore ... because of high unemployment insurance benefits.'"

Johnson reported that between April and June, only 14% of difficult-to-fill vacancies had relatively high jobless benefits reported as the primary reason employers had trouble filling job openings.

Johnson also noted leisure and hospitality was the top industry for the pandemic-related, difficult-to-fill vacancies. Among the hardest to fill jobs were restaurant cooks.

Reasons for the vacancies vary — among those offered up include lack of child care, high unemployment benefit pay and low wages at leisure and hospitality jobs. According to the report, the number of employers citing low wages as the reason for the vacancies grew to 15% in spring 2021.

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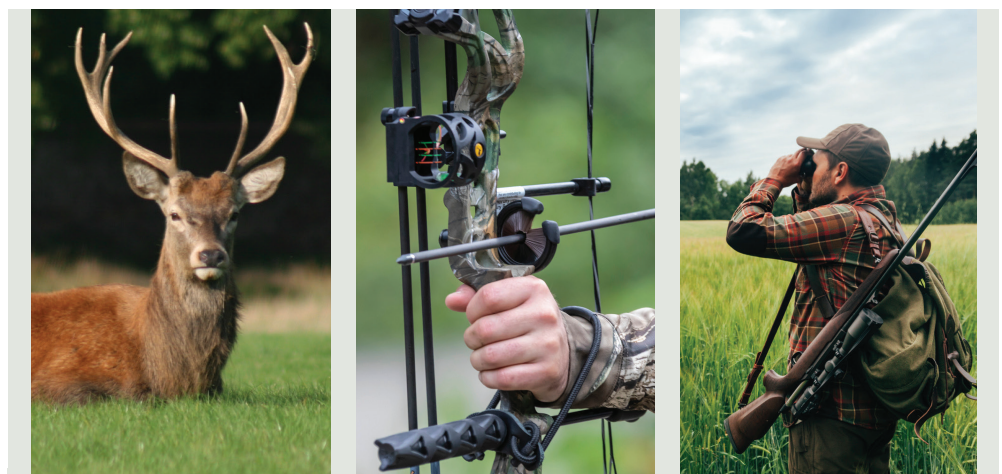
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**La Grande VA Clinic**  
— Drive-thru vaccinations —  
202 12<sup>th</sup> St., La Grande, OR (in parking lot)  
September 22 | 9:00 a.m. - 3:00 p.m.

**Enterprise Telehealth Clinic**  
— Drive-thru & walk-in vaccinations —  
401 Northeast 1<sup>st</sup> Street, Suite A, Enterprise, OR  
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No appt. necessary | Masking required for all who present for flu shots at both locations  
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