

**For Immediate Release**

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## **Economic Recovery Package Offers Fiscal Help to Oregon**

Statement by OCPP Policy Analyst Janet Bauer on Congressional Vote

(Silverton) -- Today's approval of a \$789 billion economic recovery package promises to create and preserve Oregon jobs, demonstrating the critical role that government can play in the economy.

The legislation comes at an opportune time. It will help Oregon and nearly all states in the nation confront revenue shortfalls caused by the deepening recession. We applaud Representatives Blumenauer, Schrader and Wu and Senators Wyden and Merkley for supporting the measure.

The legislation means significant federal investment in Oregon's health care, education, law enforcement and transportation infrastructure and provides additional resources for Oregon's social safety net. These approaches are widely known to provide economic stimulus with a good "bang for the buck," according to leading economists.

A sizeable portion of the package (about \$116 billion or 15 percent) will go to a new Making Work Pay credit. The credit will benefit all but the wealthiest working Oregon households.

According to a memo released today by the White House, the recovery package will create or save an estimated 44,000 jobs in Oregon. The memo breaks these jobs down by congressional district: 9,300 jobs in Representative David Wu's district, 8,500 in Representative Greg Walden's district, 8,700 in Representative Earl Blumenauer's district, 8,400 in Representative Peter DeFazio's district and 8,700 in Representative Kurt Schrader's district.

Not all provisions of the bill are likely to provide effective stimulus. For instance, inclusion of a one-year "patch" for the Alternative Minimum Tax will generate relatively little economic activity, despite its \$70 billion price tag. Likewise, prospects of the "bonus depreciation" business tax break for generating new economic activity in Oregon are quite poor.

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While there were some missed opportunities, the overall package is likely to lessen the severity of the recession and may help jumpstart Oregon's economy.

The Oregon Center for Public Policy is a non-partisan research institute that does in-depth research and analysis on budget, tax and economic issues. The Center's goal is to improve decision making and generate more opportunities for all Oregonians.