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**Oregon's Middle Class Under Threat**  
**Report examines the economic pressures faced by typical Oregonians**

Oregon's middle class is fraying, with well-paying jobs in short supply and the cost of raising a family dramatically increasing. That's the assessment of a major report released today by the Oregon Center for Public Policy and Demos, a New York City-based research and advocacy institute.

"The American Dream is vanishing before our eyes," said Demos Distinguished Senior Fellow Bob Herbert. "Sadly, Oregonians who work hard and play by the rules can no longer expect to provide a decent life for their families."

The recession upped the pressure on Oregon's middle class, but the stress had been building over several decades, according to the report titled *The Fraying of Oregon's Middle Class*.

The report details the decline of manufacturing, historically a mainstay of well-paying jobs. Oregon manufacturing jobs declined from about 23 percent of all jobs in 1979-1980 to about 13 percent in 2009-2010.

Meantime, the wages of the typical Oregon worker have barely budged, with median annual earnings in 2009-10 coming in at only \$477 more than the level in 1993-94. And as a group, only those with a post-secondary degree have experienced any wage gains.

Younger workers — workers aged 25 to 34 — have fared worse, the report notes, with wages since 1980 having declined for all young workers except those with a college degree or more.

While wages have stagnated or declined, the same cannot be said of expenses associated with raising a family. "Even with two parents in the labor force, Oregon families struggle to meet the high costs of housing and child care, let alone save for a rainy day or invest in the future," the report says.

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Another cost pressuring the middle class is student debt. Three out of five college graduates who entered the workforce in 2009 carried a student debt, and that debt averaged \$22,417, according to the report.

“This report is a wake-up call for Oregon lawmakers to rebuild the middle class, the backbone of the state’s economy,” said OCPP Executive Director Chuck Sheketoff. “The middle class did not arise out of thin air, but was built by the efforts of organized labor to ensure that workers shared in the state’s prosperity and by public policies that invested in the state and its people.”

Sheketoff called on Oregon lawmakers to make sure that all of the state’s spending on economic development is tied to the creation of well-paying jobs.

He also said that the lawmakers must stop “eroding opportunity” for the middle class by following a “cuts-only” approach to balancing the budget.

“It’s essential for the state to raise more revenue,” he said. “The goals should not only be to avoid more budget cuts, but also to increase investments in key public structures such as education and health and human services that nurture the middle class.”

Both Sheketoff and Herbert underscored the importance of a reinvigorated organized labor movement to rebuilding the middle class.

“Lawmakers must remove the barriers to organizing that unions face,” said Herbert. “Organized labor must grow if the American Dream is to endure.”

Demos is a non-partisan public policy research and advocacy organization founded in 2000. Headquartered in New York City, Demos works with advocates and policymakers around the country in pursuit of four overarching goals: a more equitable economy with widely shared prosperity and opportunity; a vibrant and inclusive democracy with high levels of voting and civic engagement; an empowered public sector that works for the common good; and responsible U.S. engagement in an interdependent world.

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.