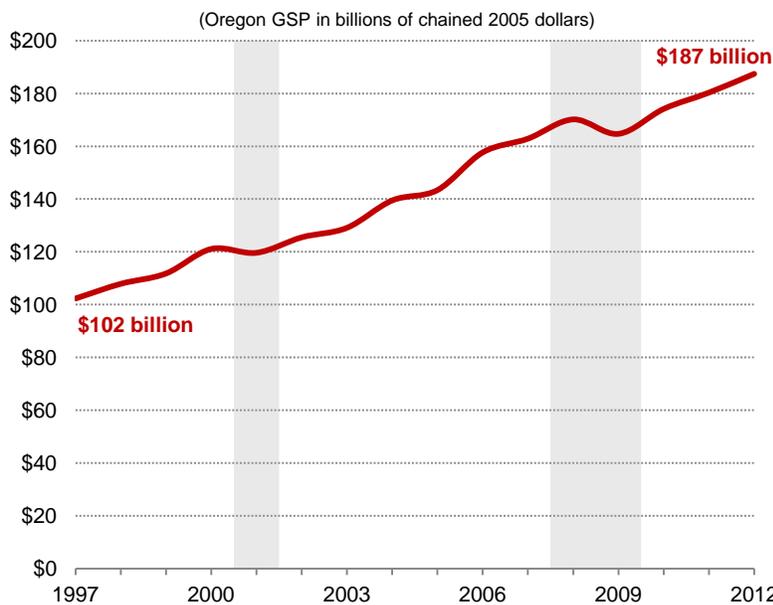


If Economic Growth Assured Well-Being, Oregonians Would be Thriving

A View of the State of Working Oregon

If economic growth alone determined the well-being of a state's inhabitants, all Oregonians would be thriving. When measured by economic output, Oregon's economy has performed exceptionally well for over a decade — especially when compared to other states.

Oregon's economy: a long, upward trend



Gray areas indicate approximate National Bureau of Economic Research official periods of recession.
Source: Bureau of Economic Analysis, GDP by state in chained 2005 dollars data series.

Oregon's economy has grown significantly since 1997, the starting point of the official data series for measuring economic growth.¹

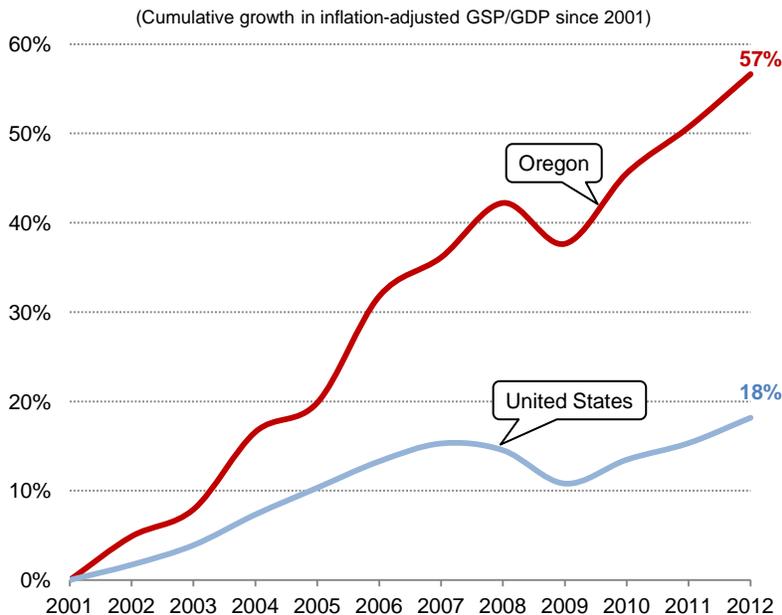
Oregon's real (inflation-adjusted) Gross State Product (GSP) increased from about \$102 billion in 1997 to over \$187 billion in 2012, according to the most recent data available.

Thus, Oregon's economy expanded 83 percent during that time period. It grew in all but two of those years — the recessionary years of 2001 and 2009.

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A View of the State of Working Oregon is a series of occasional OCPP fact sheets published to help explain Oregon's economy from the perspective of working families.

Oregon's economy has outpaced U.S. economy



Source: OCPP analysis of Bureau of Economic Analysis, GDP by state in chained 2005 dollars data series.

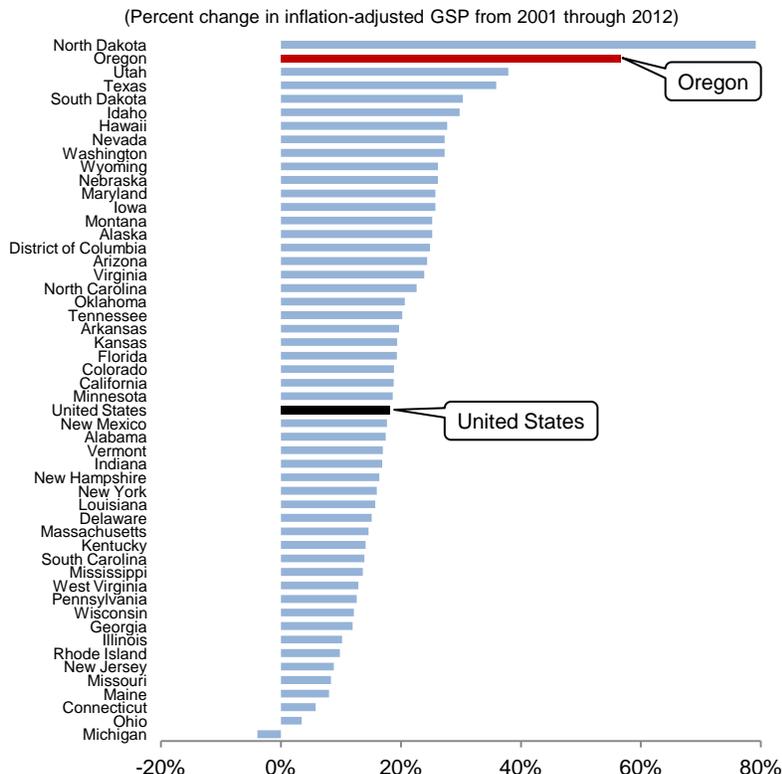
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Over the last 12 years, Oregon's economy has grown more than three times faster than the national economy.

From 2001 to 2012, a period beginning at the trough of the 2001 recession to the most recently available data, Oregon's inflation-adjusted GSP grew 57 percent, while the nation's inflation-adjusted Gross Domestic Product (GDP) expanded just 18 percent.

This three-times-the-national growth rate topped nearly all states.

Oregon economic growth tops nearly all states



Source: OCPP analysis of Bureau of Economic Analysis, GDP by state in chained 2005 dollars data series.

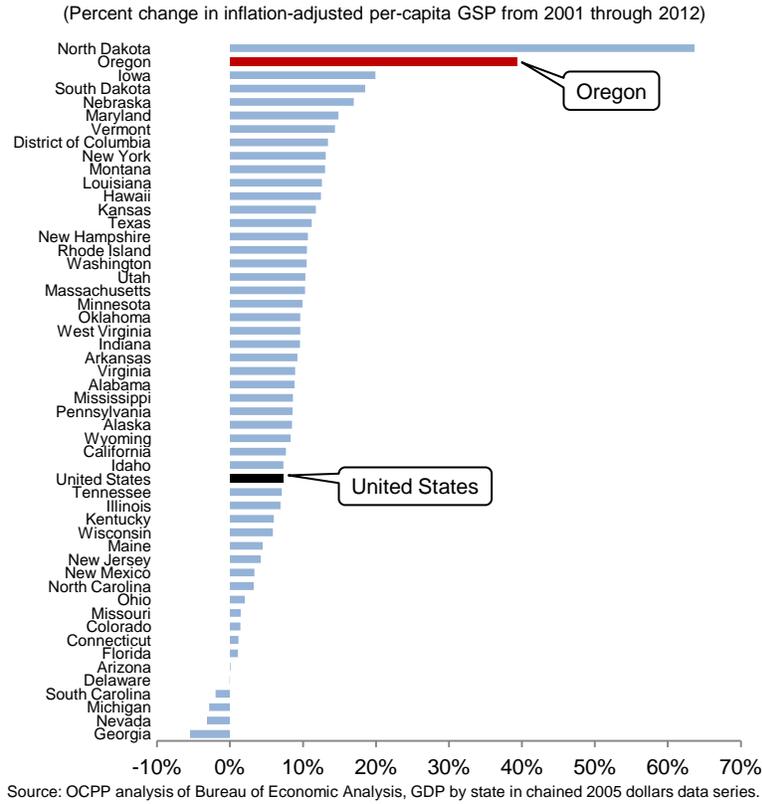
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Oregon has enjoyed the second-highest level of economic growth over the last 12 years, measured by inflation-adjusted GSP, among all states and the District of Columbia.

From 2001 to 2012, only North Dakota's economy grew faster than that of Oregon.

This exceptional performance started with the expansionary period following the 2001 recession, and goes through the devastating impact of the Great Recession, and the recovery period thus far.

On per person basis, Oregon's economy excels



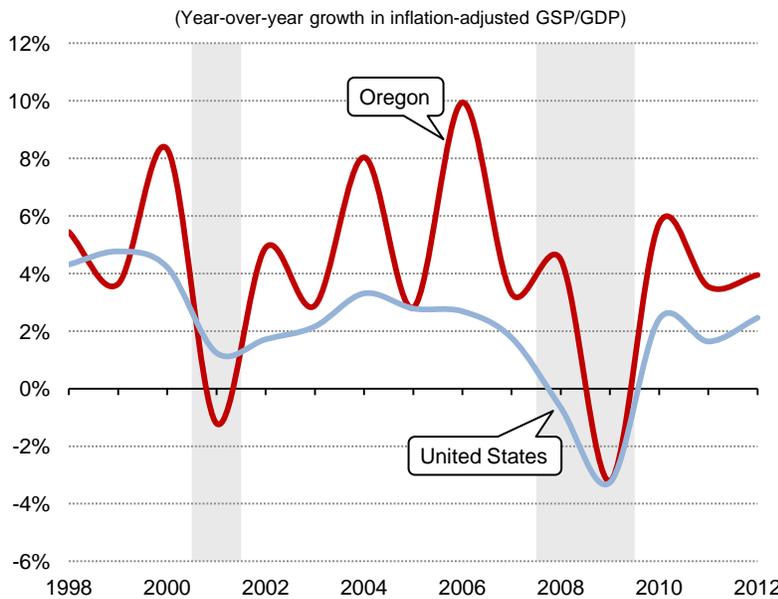
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Population changes can impact economic growth, so it is important to also look at growth on a per person (per capita) basis.

Even when adjusted for population changes within states, Oregon's economic performance has been exceptional. Oregon ranked second among all states and the District of Columbia during the 2001-12 period in terms of economic growth per person.

On a per capita basis, Oregon's economy expanded by 39 percent while the national economy grew by 7 percent. In other words, Oregon's economy grew more than five times as much as the national economy.

Oregon's economy shines during expansions



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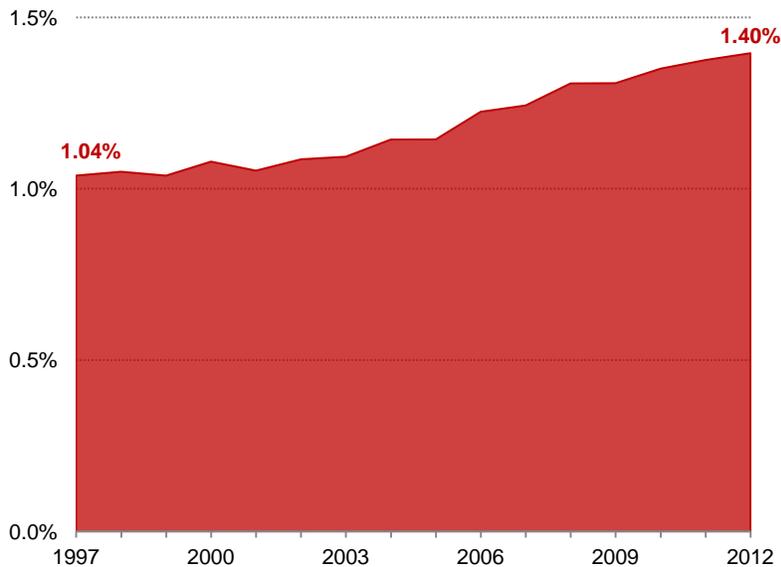
When the nation enjoys good economic times, Oregon typically has even better times. Oregon's economy outperformed the national economy in all but one year of the previous expansionary period (2002 to 2007).

Moreover, the state has outperformed the nation thus far in the current recovery period.

Since the end of the recession (2009), Oregon's inflation-adjusted GSP has grown at an average yearly rate of 4.4 percent. That is about double the nation's average growth for the same time period.

Oregon's share of national economy grows

(Inflation-adjusted Oregon GSP as a percentage of inflation-adjusted U.S. GDP)



Source: OCPP analysis of Bureau of Economic Analysis, GDP by state in chained 2005 dollars data series.

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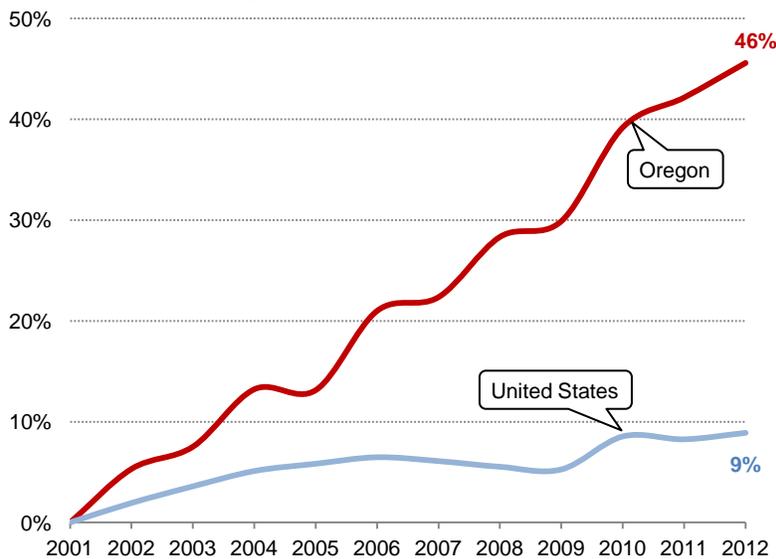
Oregon's economy accounts for an increased share of the national economy.

Although Oregon's economy constitutes only a small portion of the U.S. economy, its share has been growing. In 1997, the beginning of the current data series for measuring economic growth, Oregon's economy made up 1.04 percent of the national economy. By 2012, Oregon's share had increased to 1.40 percent.

While it's still a small portion of national economic output, Oregon's contribution to the national economy has grown by over a third over that time period.

Oregon led nation in worker productivity gains

(Cumulative change in inflation-adjusted economic output per worker)



Source: OCPP analysis of Bureau of Economic Analysis, GDP by state in chained 2005 dollars data series and employment data.

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Oregon's strong economic performance relative to that of other states may in part be explained by the fact that Oregon workers led the nation in terms of increased productivity.

In 2001, a typical Oregon worker produced about \$57,600 of goods and services in today's dollars. By 2012, productivity had increased to about \$83,900. That 46 percent growth in productivity was over five times the national increase of 9 percent over the same period.

No other state saw a greater increase in worker productivity in dollar or percent terms.

Conclusion

While some like to claim that Oregon suffers from “economic mediocrity,”² by a number of economic measures Oregon’s economy has performed exceptionally well since the recession at the turn of the century. Economic growth alone, however, does not assure the well-being of most Oregonians.

Endnotes

¹ In 1997, the official economic arbiter, the United States Bureau of Economic Analysis (BEA) discontinued a state-level data series dating back to 1963. Because the BEA began using new definitions and data sources in 1997 to measure Gross State Product (GSP), the bureau “strongly cautions” against combining the two data series to construct a longer series of data. Gross state product (sometimes also referred to as gross domestic product by state) is the value of all goods and services produced within a state as measured by the BEA. For more information, see <http://bea.gov/regional/gsp/>. Unless otherwise noted, all data in this fact sheet are from OCPP analysis of BEA data.

² See, e.g., “What’s Missing from the Minimum Wage Debate,” *The Oregonian*, February 22, 2014, available at http://www.oregonlive.com/opinion/index.ssf/2014/02/whats_missing_from_minimum-wag.html.

This work is made possible in part by the support of the Ford Foundation, the Stoneman Family Foundation, the Oregon Education Association, the Oregon School Employees Association, SEIU Local 503, United Food and Commercial Workers Local 555, and by the generous support of organizations and individuals.

OCPP is a part of the State Fiscal Analysis Initiative (SFAI) and the Economic Analysis and Research Network (EARN).
