

Oregon's Top Performing Economy Can Offer Opportunity for All

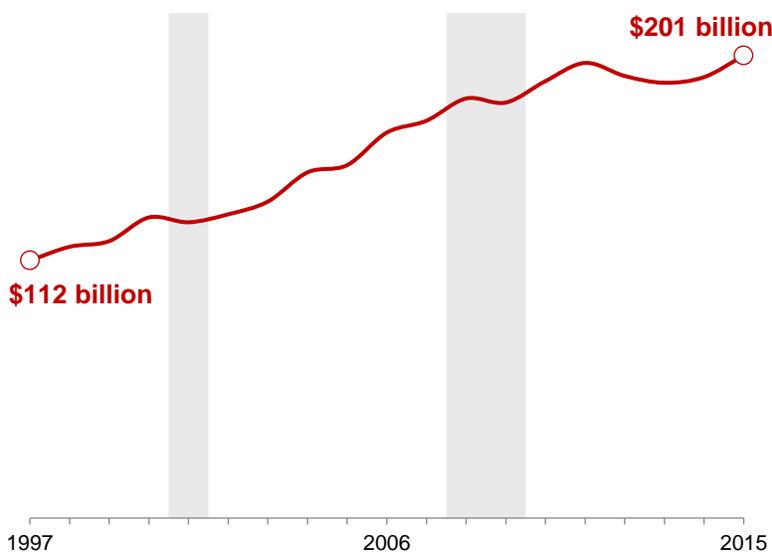
A View of the State of Working Oregon

Oregon's economic success is undeniable. Oregon ranks third among states in terms of economic growth since 2001 and Oregon workers are far more productive than the national average. Indeed, as Oregon's economy has grown over the better part of the last two decades, so too has its importance in the national economy.

This economic growth, however, has bypassed many Oregonians. Oregon's elevated poverty levels and spike in food insecure households are a testament to this failure of the state's economy.

Oregon lawmakers can help ensure all Oregonians have a meaningful opportunity to thrive by strengthening schools and other key services that benefit everyone.

Oregon's economy continues to grow



1997-2015 Oregon GSP in billions of chained 2009 dollars. Gray bars indicate official periods of recession. Source: OCPP analysis of Bureau of Economic Analysis data.

Oregon's economy has excelled since 1997, the beginning of the most recent official data set on state economic growth.

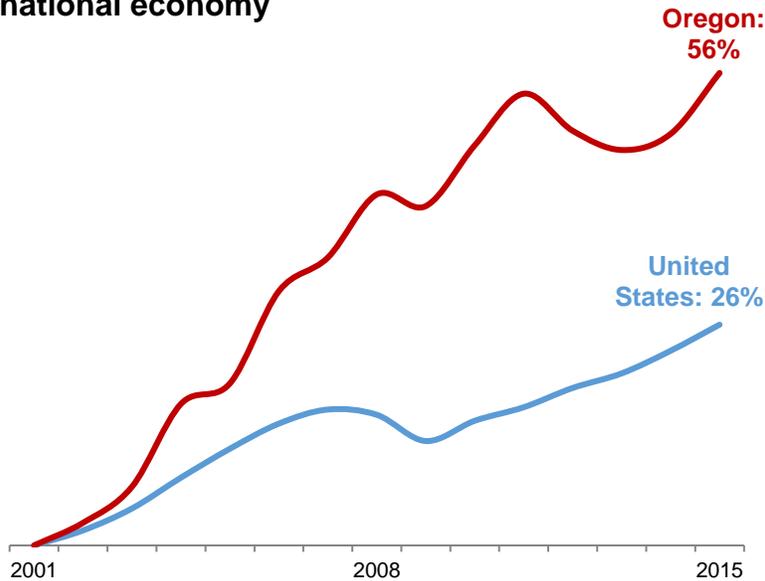
Oregon's inflation-adjusted gross state product (GSP) increased from \$112 billion to \$201 billion between 1997 and 2015.¹

Despite two recessions, including the deepest in recent memory, Oregon's economy expanded by about 80 percent during that time.

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

Oregon's growth more than double that of national economy



2001-15 percent change in GSP/GDP in 2009 chained dollars. Source: OCPP analysis of Bureau of Economic Analysis data.

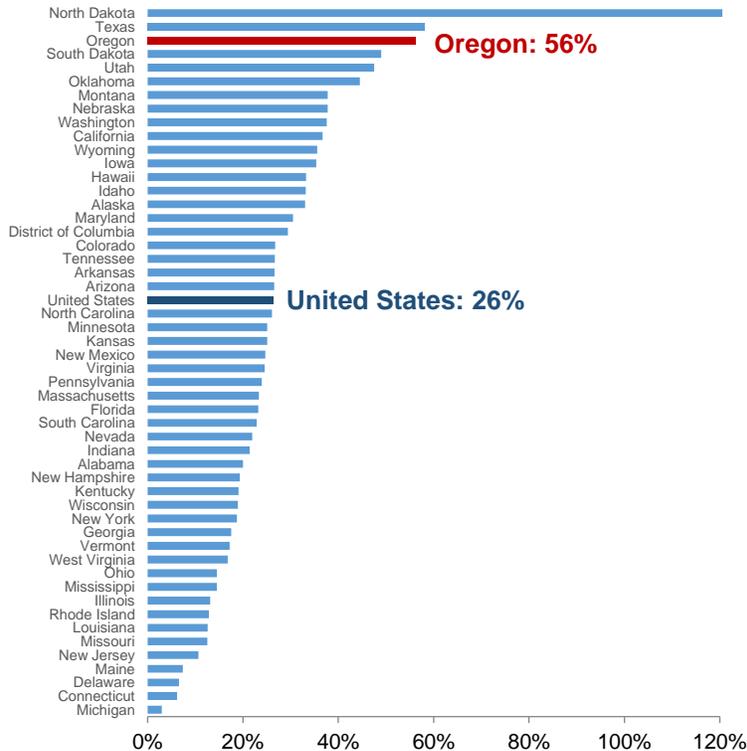
Since 2001, Oregon's economic growth has outpaced that of the national economy.

From 2001 to 2015, the national economy grew by about 26 percent.

Meanwhile, Oregon's economy expanded by about 56 percent, more than double the growth of the national economy during that time.

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Oregon economic growth tops nearly all states



2001-15 percent change in GSP in chained 2009 dollars. Source: OCPP analysis of Bureau of Economic Analysis data.

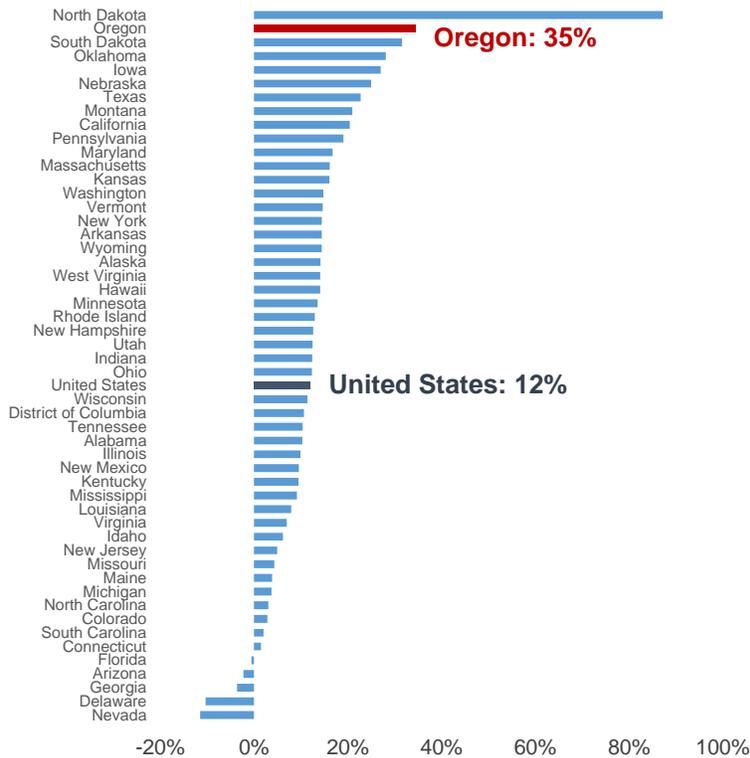
Oregon's economy performs exceptionally well, relative to other states.

From 2001 to 2015, Oregon ranked third among all states and the District of Columbia in terms of economic growth.

Only North Dakota and Texas, two oil-rich states, fared better than Oregon in terms of its economic growth.

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Oregon economy excels on a per person basis



2001-15 percent change in GSP/GDP per capita in chained 2009 dollars.
Source: OCPP analysis of Bureau of Economic Analysis data.

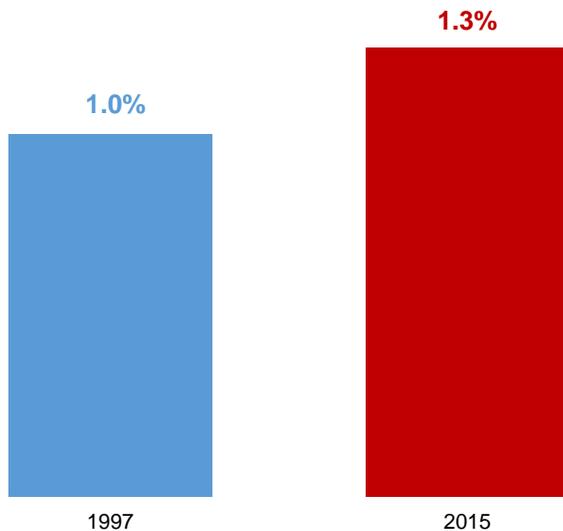
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Changes in population can affect economic growth, so it is important to also consider growth on a “per capita,” or per person, basis. Adjusting for changes in population, Oregon’s economy remains a top performer.

From 2001 to 2015, the national economy grew by about 12 percent on a per person basis.

Meanwhile, Oregon’s economy grew by about 35 percent, nearly three times that of the national average. Oregon’s per capita economic growth ranked second among all states, trailing only that of North Dakota.

Oregon's share of the national economy grows



Oregon share of the national economy by year.
Source: OCPP analysis of Bureau of Economic Analysis, GDP by state in chained 2009 dollars data series.

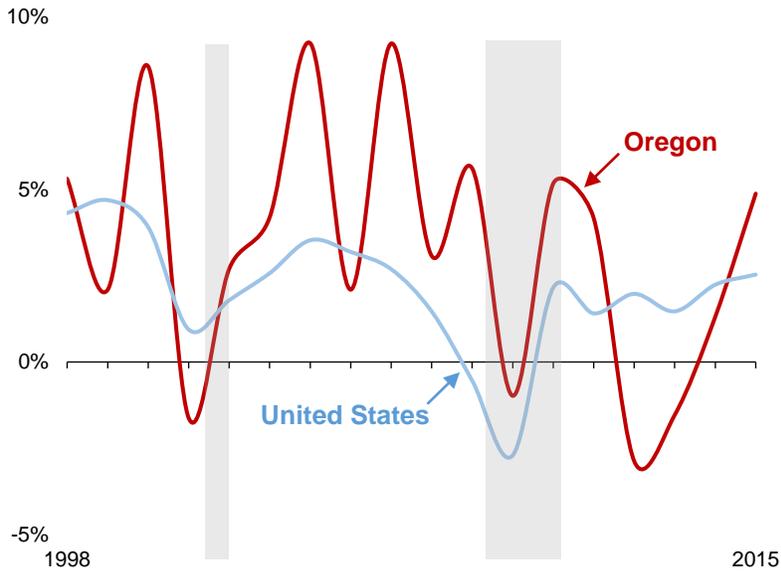
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As Oregon’s economy has grown, it has become a more important part of the national economy.

In 1997 the Oregon economy made up 1 percent of the national economy.

By 2015, Oregon’s economy had grown to 1.3 percent of the national economy, an increase of 24 percent.

Oregon's economy shines during expansions



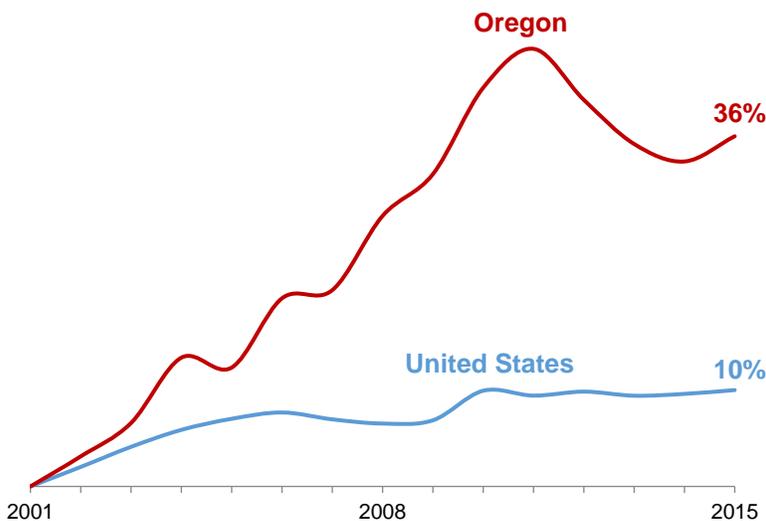
1998-2015 annual GSP/GDP growth in chained 2009 dollars. Gray bars indicate official periods of recession.
Source: OCPP analysis of Bureau of Economic Analysis data.

Oregon's economy tends to outperform the national economy during good economic times.

For example, Oregon's economy has grown faster than the national average in three out of every four years since 1998.

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Oregon workers more than three times as productive as national average



2001-15 percent change in economic output per worker.
Source: OCPP analysis of Bureau of Economic Analysis data.

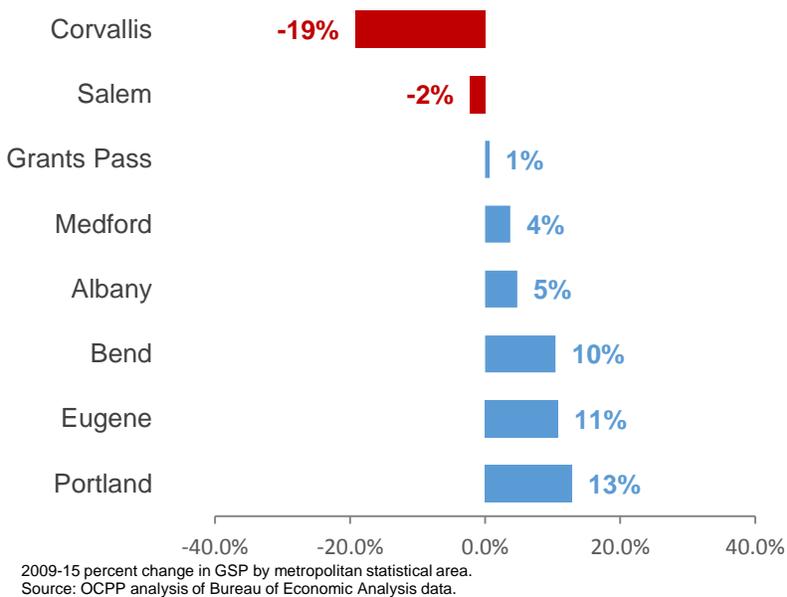
Oregon workers are highly productive.

Between 2001 and 2015, Oregon productivity — the state's economic output per worker — increased by about 36 percent.

By comparison, between 2001 and 2015, productivity nationally increased by about 10 percent.

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Economic growth is uneven across Oregon



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Oregon's economy has not recovered from the recession equally across the state.

From the start of the recovery in 2009 to 2015, the economies of Corvallis and Salem contracted by 19 percent and 2 percent, respectively.

By contrast, Portland, Eugene, and Bend saw double-digit economic growth over the same period.

Lawmakers can ensure all Oregonians share the benefits of a growing economy

All is not well in Oregon, despite the state's strong economic growth. Poverty remains at a level higher than before the Great Recession.² In recent years, Oregon has seen a rise in the share of families living in poverty despite having at least one working parent, as well as a sharp increase in the number of families struggling to put food on the table.³ Economic growth has disproportionately flowed to the very top, as the incomes of the richest of the rich have rebounded to near record highs.⁴

There are ways lawmakers in Oregon can make the economy work better for everyone.

One of the most important things lawmakers can do is to adequately fund the public services that benefit all Oregonians. Investing in education, for example, opens the doors of opportunity for the next generation, while setting the stage for a stronger state economy.⁵ Similarly, extending health insurance to all children in Oregon ensures that everyone has a chance to be healthy and succeed in school and life, while creating a more skilled workforce that can strengthen Oregon's economy.⁶

In the short term, a top priority is for Oregon lawmakers to confront the state's revenue problem with a revenue solution. Oregon faces a \$1.6 billion revenue shortfall. Unless lawmakers find the revenue to fill the shortfall, schools and other essential services will suffer, as will all Oregonians who benefit from them.

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Addressing the current budget crisis is not enough. The quality and reach of public services are insufficient for all Oregonians to gain from the state's economic success. Public schools, for example, have not recovered from the devastating impact of property tax changes in the 1990s. Lawmakers must confront the long-term underfunding of public services if Oregon is to become a place that offers everyone a meaningful opportunity to thrive.

¹ Unless otherwise noted, all figures in this fact sheet are OCPP analysis of Bureau of Economic Analysis data accessed on February 22, 2017.

² *Oregon's Poor Still Feel Weight of the Great Recession*, Oregon Center for Public Policy, October 12, 2016, available at <http://www.ocpp.org/2016/10/12/oregons-poor-still-feel-great-recession/>.

³ *More Oregon Families Cannot Escape Poverty Despite Full-Time Work*, Oregon Center for Public Policy, December 27, 2016, available at <http://www.ocpp.org/2016/12/27/2016122-oregon-families-poor-full-time-work/>.

⁴ *Outsized Gains at the Top Worsen Oregon Income Inequality*, Oregon Center for Public Policy, June 9, 2016, <http://www.ocpp.org/2016/06/09/fs20160609-oregon-income-inequality-worse/>.

⁵ Noah Berger and Peter Fisher, *A Well-Educated Workforce Is Key to State Prosperity*, Economic Analysis and Research Network, August 22, 2013, available at <http://www.epi.org/publication/states-education-productivity-growth-foundations/>.

⁶ *Health Care for All Children: Oregon Thrives When All Children Have a Chance to Grow Up Healthy*, Oregon Latino Health Coalition and Oregon Center for Public Policy, October 21, 2014, available at http://www.ocpp.org/media/uploads/documents/2014/rpt102114HealthCareforAllChildrenReport_fnl.pdf.