

Oregon's Economic Outlook



PNREC: May 23rd, 2024

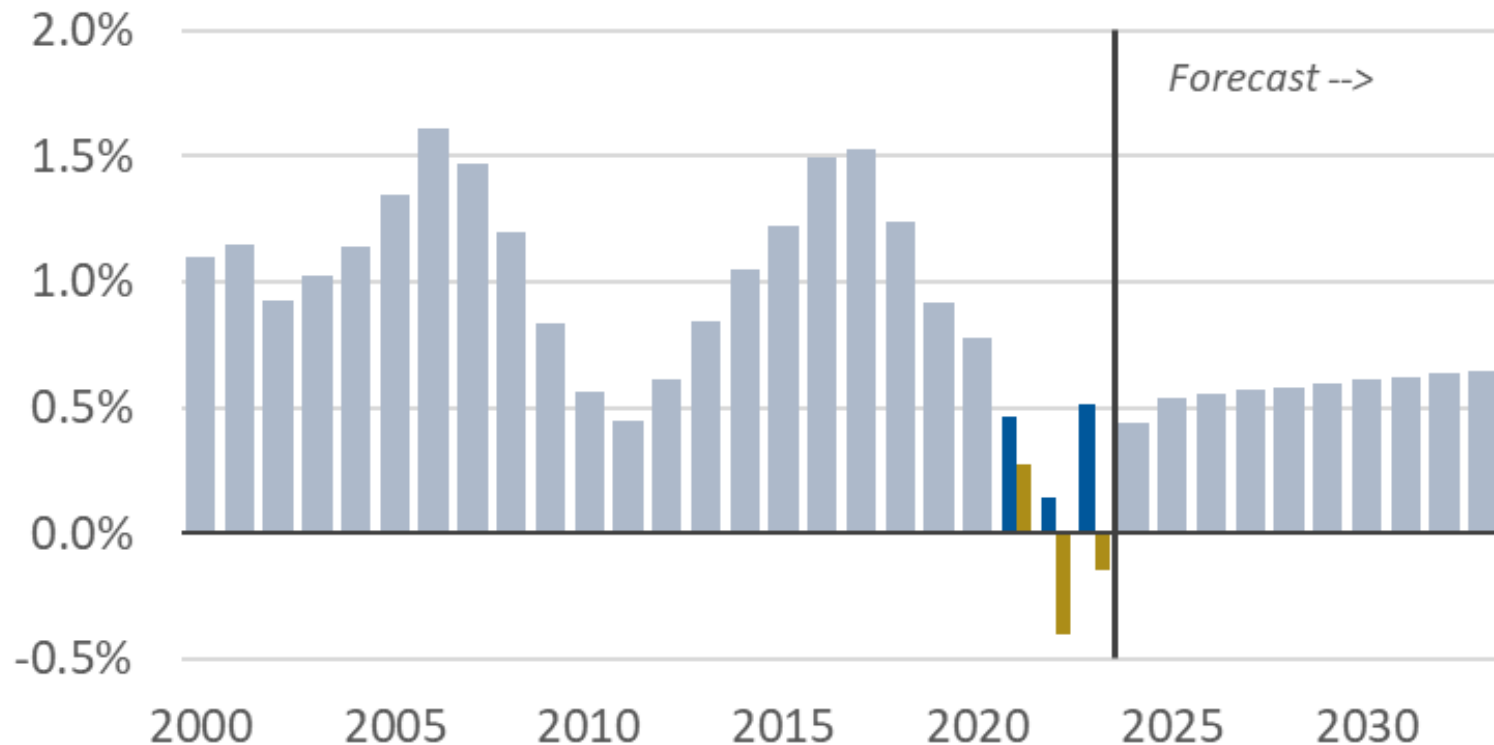
Population: Growth slowly returns



Oregon Population Growth

Annual change in total state population

OEA History and Forecast, **Portland State Estimates**, **Census Estimates**



Latest: 2023 | Source: Census, Portland State Population Research Center, Oregon Office of Economic Analysis

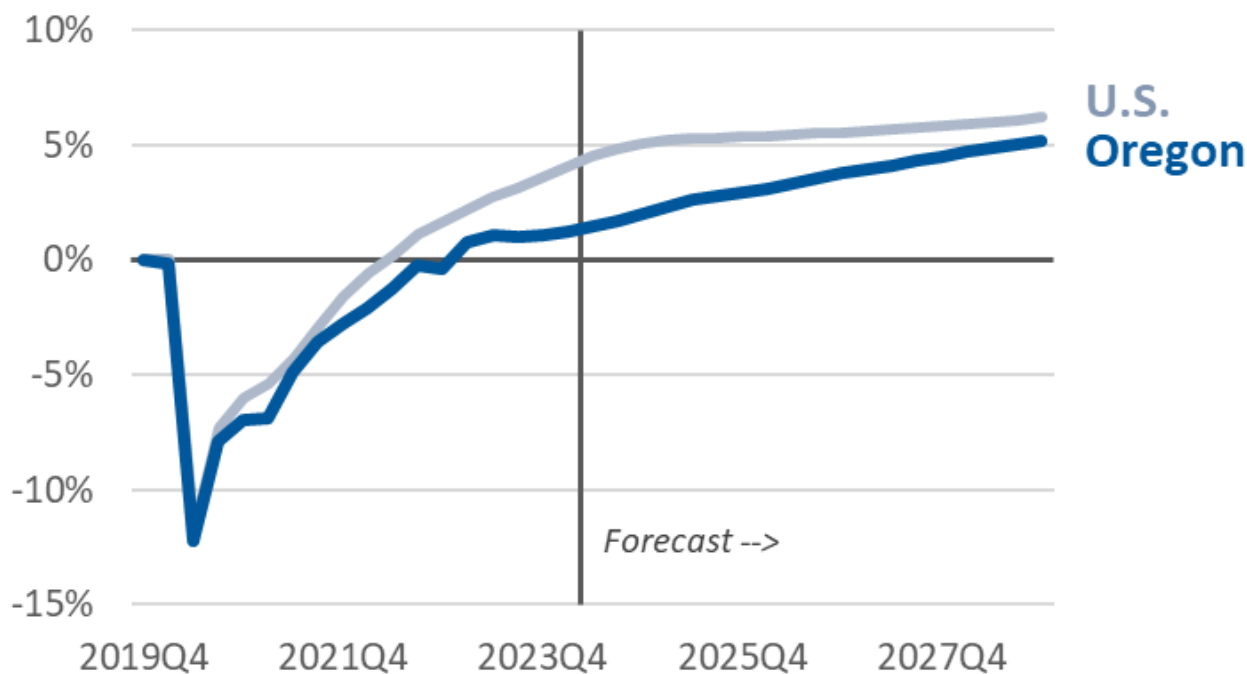
- Migration is the primary reason Oregon grows faster than the U.S. It allows local businesses to hire and expand at a faster rate
- 2023 population estimates differed again with PSU up, Census down
 - Losses driven by out-migration across most socio-economic groups, except 18-24 yr olds
- Forecast
 - Migration has historically been pro-cyclical
 - Total growth slower in part due to deaths outnumbering birth
 - Average annual growth 2023-2033 is 0.6%
- Developed a Zero Migration demographic alternative scenario

Labor Market: Slower job growth, and higher participation rates



Job Growth Since the Pandemic

Percent change in employment from 2019q4



Latest Data: 2024q1 | Source: BLS, Oregon Office of Economic Analysis

Oregon's Labor Force Participation

Share of all Oregonians 16 years and older with a job or looking for work



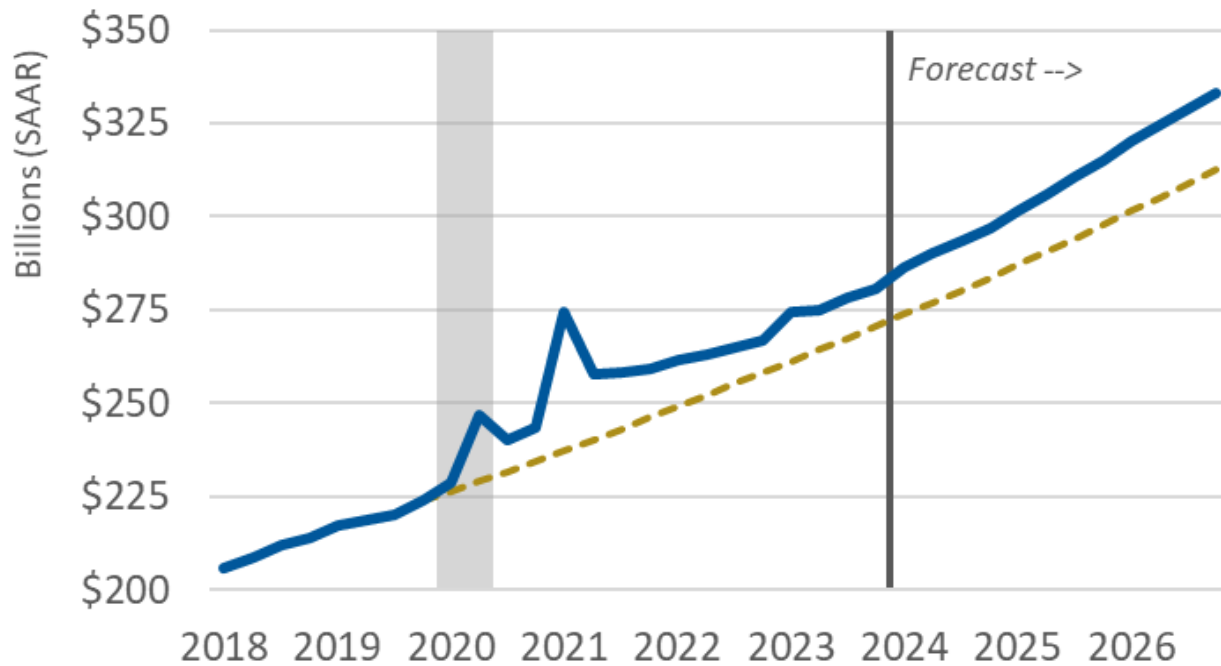
Latest Actual: April 2024 | Source: BLS, Census, Oregon Office of Economic Analysis

Income: Faster nominal growth, and stronger relative gains



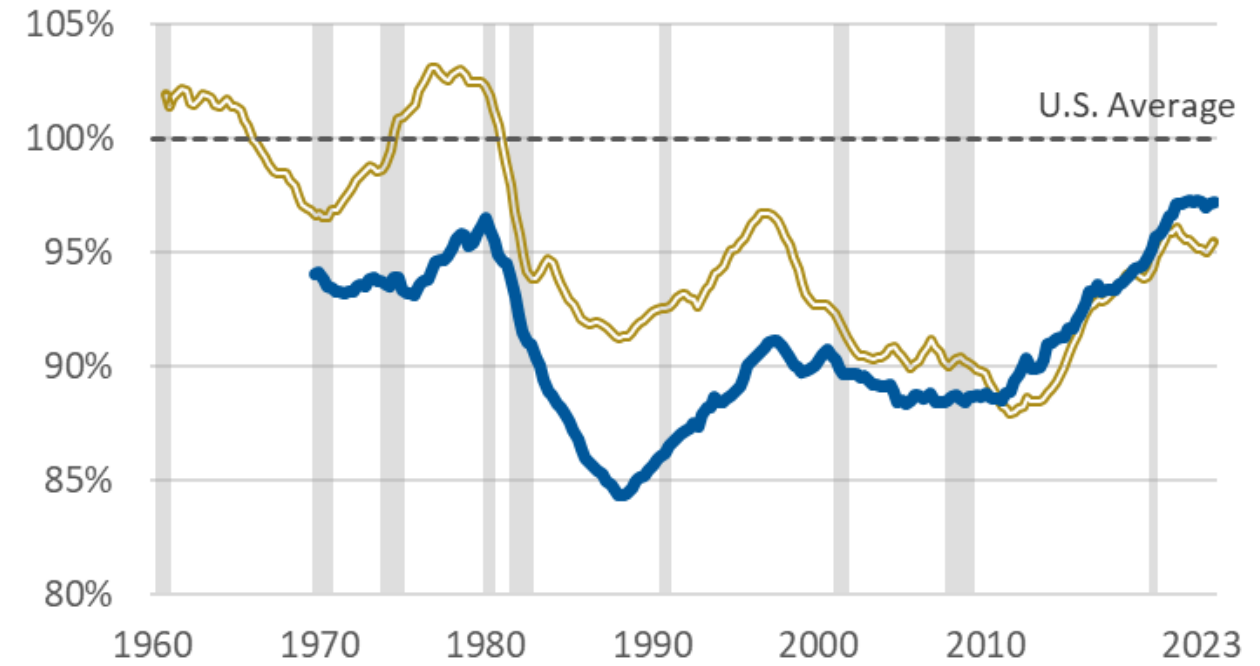
Oregon Personal Income

Current Forecast | Pre-Pandemic Forecast



Oregon Income, Share of U.S. Average

Per Capita Personal Income | Average Wage



Latest Data: 2023q4 | Source: BEA, Oregon Office of Economic Analysis

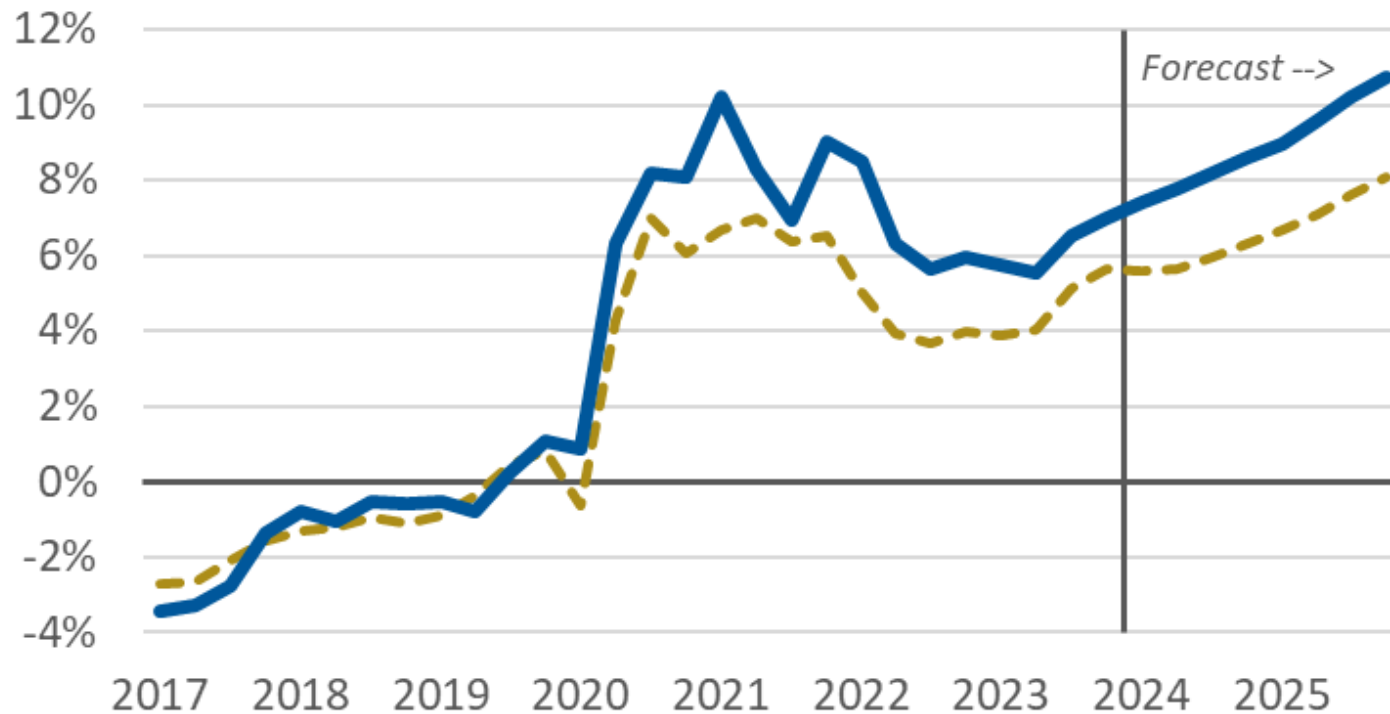
Latest data: 2023q4 | Source: BEA, S&P Global, Oregon Office of Economic Analysis

Capital investment takes on even greater importance in years ahead



Real GDP per Worker

Percent change since 2019 in **U.S.** and **Oregon**



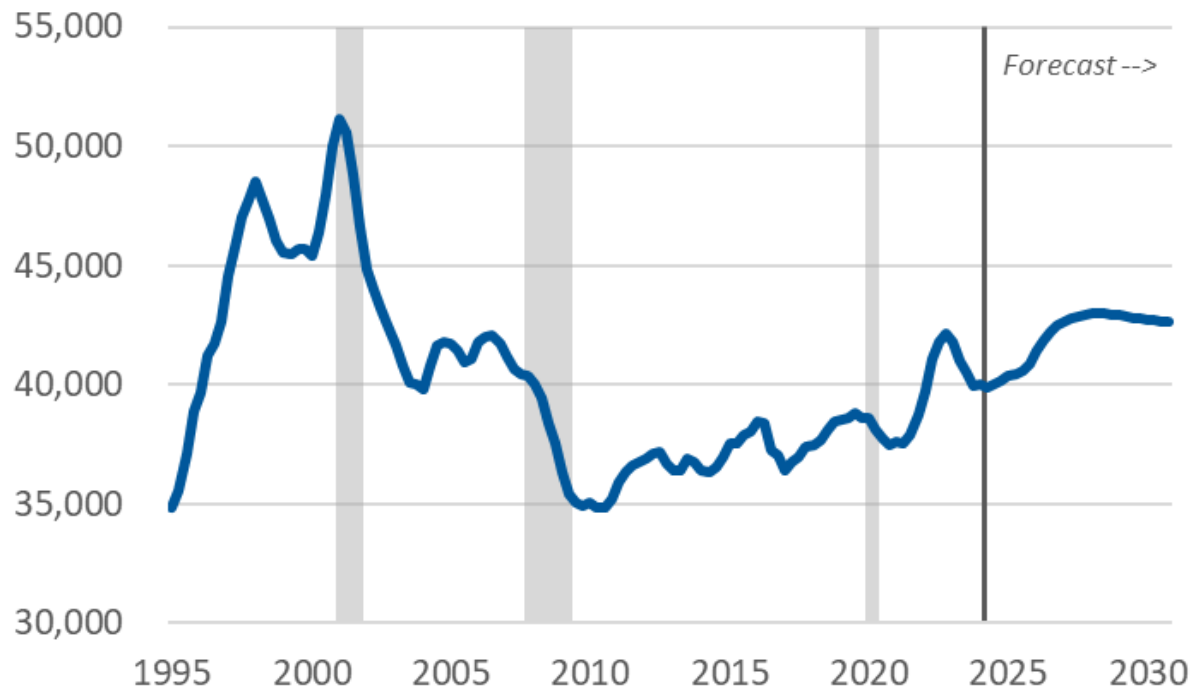
Latest Actual: 2023q4 | Source: BEA, BLS, S&P, Oregon Office of Economic Analysis

- Oregon's above average productivity gains offset middle of the pack population and labor gains so far this cycle
- 5 Types of Capital: Financial, Human, Natural, Physical, Social
- Reasons productivity should be better include the tight labor market, increase in start-ups, federal investment, and potential of generative AI

Federal investment and CHIPS



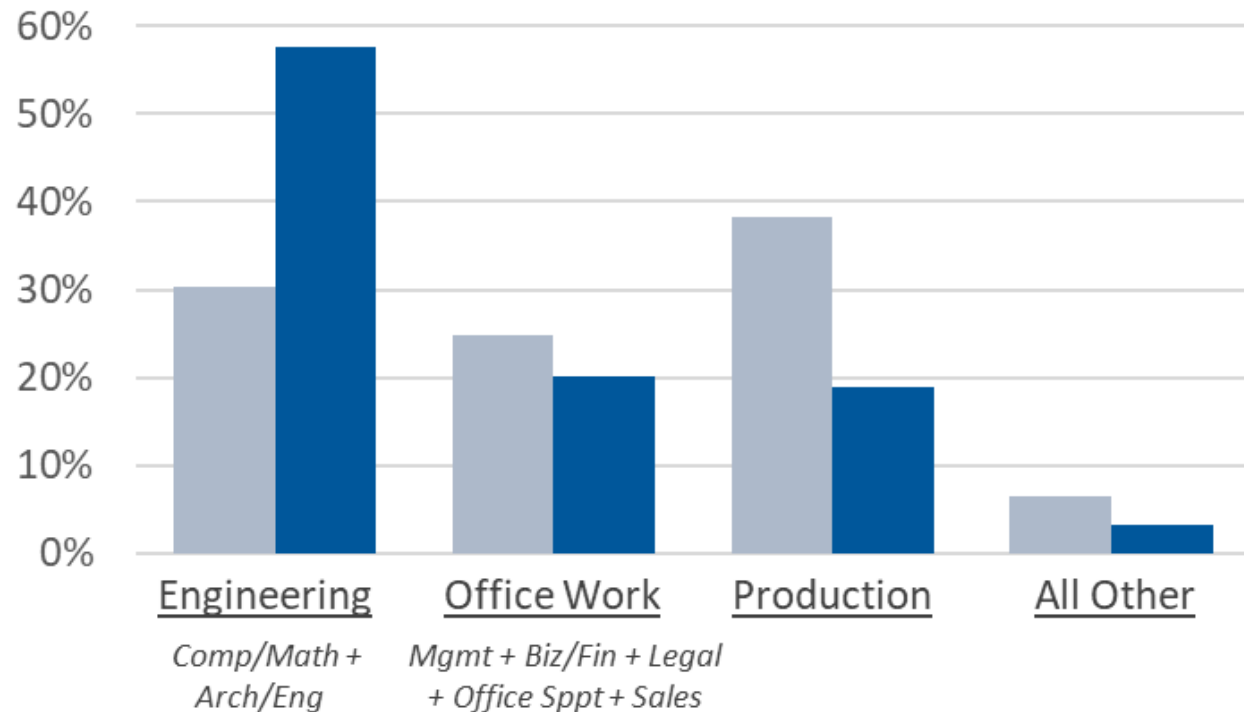
Oregon Computer & Electronic Product Manufacturing Employment



Latest Data: 2024q1 | Source: Oregon Employment Dept, Oregon Office of Econ Analysis

Semiconductor Workforce

Share of all jobs by occupation in the *United States*, and *Oregon*

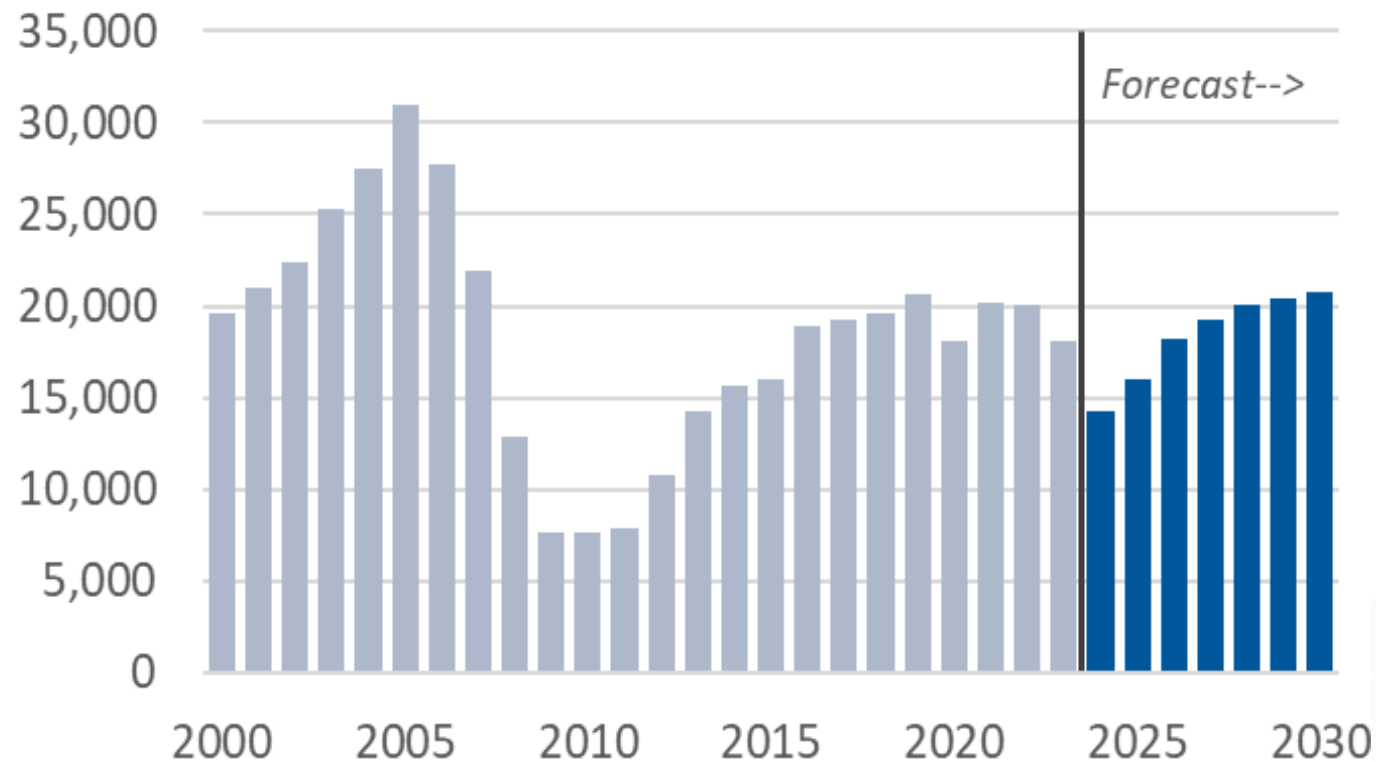


Data: 2023 | Source: BLS, Oregon Office of Economic Analysis

Housing supply matters



Oregon Housing Starts



Source: Census, Oregon Office of Economic Analysis

- Oregon has historically underbuilt housing
- Industry running into supply side constraints
- Affordability hurts low-income households the most, and slows future growth
- During the pandemic, household formation boomed even with a stagnant population. “Missing households” have now formed, lowering underproduction. Relative prices have adjusted across states.
- Outlook
 - Near-term decline due to high rates & afford.
 - Long-term tied to population & demographics
 - Public policy now designed to increase production, and improve affordability, which could revive lost migration patterns

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