

# Oregon Economic and Revenue Forecast

March 2008

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Theodore R. Kulongoski  
Governor

State of Oregon  
Department of Administrative Services  
Kris Kautz, Interim Director

Prepared By:  
Office of Economic Analysis



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The Oregon Economic and Revenue Forecast, is published quarterly, as follows: March, June, September, and December.

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March 2008

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## FOREWORD

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This document contains the Oregon economic and revenue forecasts. The Oregon economic forecast is published to provide information to planners and policy makers in state agencies and private organizations for use in their decision making processes. The Oregon revenue forecast is published to open the revenue forecasting process to public review. It is the basis for much of the budgeting in state government.

The report is issued four times a year; in March, June, September, and December.

The economic model assumptions and results are reviewed by the Department of Administrative Services Economic Advisory Committee and by the Governor's Council of Economic Advisors. The Department of Administrative Services Economic Advisory Committee consists of 15 economists employed by state agencies, while the Governor's Council of Economic Advisors is a group of 12 economists from academia, finance, utilities, and industry.

Members of the Economic Advisory Committee and the Governor's Council of Economic Advisors provide a two-way flow of information. The Department of Administrative Services makes preliminary forecasts and receives feedback on the reasonableness of such forecasts and assumptions employed. After the discussion of the preliminary forecast, the Department of Administrative Services makes a final forecast using the suggestions and comments made by the two reviewing committees.

The results from the economic model are in turn used to provide a preliminary forecast for state tax revenues. The preliminary results are reviewed by the Council of Revenue Forecast Advisors. The Council of Revenue Forecast Advisors consists of 15 specialists with backgrounds in accounting, financial planning, and economics. Members bring specific specialties in tax issues and represent private practices, accounting firms, corporations, government (Oregon Department of Revenue and Legislative Revenue Office), and the Governor's Council of Economic Advisors. After discussion of the preliminary revenue forecast, the Department of Administrative Services makes a final revenue forecast using the suggestions and comments made by the reviewing committee.

Readers who have questions or wish to submit suggestions may contact the Office of Economic Analysis 503-378-3405.



Kris Kautz, Interim Director  
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## **EXECUTIVE SUMMARY**

**March 2008**

### **Oregon Economic Forecast**

The fourth quarter 2007 initial estimate of job growth was a 2.5 percent annual rate over the third quarter. This follows a decrease of 0.3 percent in the third quarter. This relatively strong fourth quarter is in sharp contrast to the slowing growth of jobs over the last two quarters. On an annual average basis, the year 2007 finished with job gains of 1.4 percent. On a Y/Y basis, jobs increased in the fourth quarter by 1.3 percent. The job growth has been positive Y/Y since the first quarter of 2004 but has slowed through the last 4 quarters.

Troubles to the U.S. economy are coming from two sources: housing and energy. The housing market downturn and subprime mortgage problems are working their way through the financial sector. As home prices are starting to retreat, consumers are not tapping their home equity values. Consumer spending may also slow due to tighter credit criteria, and energy prices are pinching budgets. These actions have the potential to impact all sectors of the economy.

The Oregon economy has likewise experienced a slowdown. Housing starts are down almost 17.0 percent in 2007 following an 11.0 percent drop in 2006. Although housing foreclosures are up, Oregon has one of the lowest rates in the country. We also have one of the lowest proportions of subprime mortgages. On the other hand, Oregon is relatively high in the proportion of variable rate mortgages. In terms of employment, Oregon job growth slowed dramatically in 2007 but ended with a relatively strong fourth quarter. Oregon's initial job claims are higher on a 4-week moving average in early January compared to 2007, but the last few weeks has shown some improvement.

Turning points are difficult to forecast. Many indicators are now pointing to a further slowing of the economy, but not all signals are negative. With the sun possibly setting on this expansion phase of the business cycle, the skies on the horizon are code colored reddish-orange—very cautious about further downturns in the economy.

OEA forecasts 0.3 percent growth for the first quarter of 2008. Job growth will be less in 2008 than in 2007, at 1.0 percent. Jobs will do slightly better in the second half of 2008, with a 1.3 percent growth rate and gradual improvement into 2009. OEA forecasts annual average job growth at 1.7 percent in 2009 and 1.8 percent in 2010.

OEA expects the wood products sector job growth to continue declining at a 0.5 percent rate in 2008 and 0.1 percent in 2009.

OEA projects that the computer electronics industry will grow 0.9 percent in 2008 and decline 1.0 percent in 2009. OEA expects this sector's job growth to remain relatively flat through the forecast horizon of 2013.

OEA expects the transportation equipment sector to see job declines of 7.8 percent in 2008 with a return to job gains of 1.9 percent in 2009.

Metals and machinery job growth was 6.4 percent in 2007, with continued growth of 5.7 percent expected in 2008 and 1.5 percent in 2009.

OEA forecasts employment in food processing to increase 0.9 percent in 2008 and 1.6 percent in 2009.

Construction employment will continue to decline in 2008 with job losses of 3.4 percent. 2009 will see essentially no improvement with minimal job growth of 0.1 percent.

Trade, transportation, and utilities sector employment will mildly increase 0.5 percent in 2008 followed by 1.9 percent growth in 2009.

The information sector, which includes traditional publishers such as newspapers and publishers of software, will continue strong growth of 5.0 percent in 2008 and milder growth of 0.8 percent in 2009.

The financial activities sector will continue to soften with job declines of 0.5 percent in 2008 before returning to positive job growth of 1.8 percent in 2009.

OEA projects that professional and business services will grow 0.8 percent in 2008 and 3.9 percent in 2009.

Education and health services will grow 3.1 percent in 2008 and 2.7 percent in 2009.

OEA projects that leisure and hospitality will grow 2.4 percent in 2008 and 1.8 percent in 2009, slower than the 3.9 percent growth of 2006 and 2007.

The government sector will increase by 1.4 percent in 2008 and 0.8 percent in 2009. OEA projects that local government employment will grow 2.1 percent in 2008 and 1.1 percent in 2009. OEA forecasts that state government employment will grow 0.5 percent in 2008 and 0.4 percent in 2009.

### **Forecast Risks**

The forecast projects a slowing Oregon economy in 2008 with mild growth returning in 2009. This outlook faces heightened risks for a much deeper downturn in 2008. “Risks” are similar to the statistician’s probabilities. Based on information about likely outcomes, the statistician assigns probabilities to various outcomes. The indicators in the national and Oregon economies raise the probability of a more severe downturn. Unlike risk, uncertainty is a situation lacking in data and information. Uncertainty surrounds the financial system. The extent of the housing crisis and the securitization of bad loans are unknown. Whether the financial system will lead to a wide spread credit crunch is the largest question facing the US economy—and thus the Oregon economy. Broadly we place “uncertainty” under “risks”, and note that the Oregon economy is at a precarious juncture of the business cycle.

With the national economy going through a slowdown in 2007, the risks are higher from any disturbances that could throw the economy off track. The same major drag for the slowdown, a slowing housing market, could hurt the economy further when it is most susceptible. The credit crunch and the ensuing instability in the global financial market bring added uncertainty. Businesses are nervous about potential repercussions from the turmoil in the financial markets across the world. Any geopolitical disruptions during this time would be more harmful than when the economy is stronger.

Despite good headline inflation numbers, inflation pressures still exist. The Fed continues to warn about a potential flare-up in inflation pressure. The expectation is that the softening economy will ease inflation pressures. However, sharply higher oil and gasoline prices coupled with a sharp rise in food prices will add inflationary pressure. A weaker dollar may contribute to price pressure through a run-up in import prices.

The housing market in Oregon and the U.S. continue to work off excesses accumulated in the past housing boom. Building permits and housing starts are sharply down. In fact, both have declined more than expected. With declining sales, home prices are coming down at the national level. While house price appreciation has continued in Oregon, some parts of the country have seen house prices drop substantially. House prices will continue to soften in most regions. Negative wealth effect from lower house values and less mortgage equity withdrawal will dampen consumer spending. There is a risk that the housing market may deteriorate worse than expected.

The subprime mortgage problem has led to bankruptcies and huge write-offs in the financial industry. While the credit squeeze continues for some borrowers, short-term financing through the commercial paper market has begun to stabilize. Stricter lending standards also limit credit access, but qualified borrowers continue to enjoy stable financing.

Record oil prices remain a substantial risk. So far, the world economy has withstood the attack of high oil prices remarkably well. Still, there is no question that high oil prices are a significant threat to the already soft U.S. economy.

A variety of factors could disrupt oil supplies, and higher energy prices cannot be ruled out. Crude oil prices continue to hover around record levels. The global supply is still tight, and demand is still strong, particularly from China and the rest of Asia. Geopolitical tensions continue to exist, and there is always room for speculative attacks. There is an indication that current oil prices are being partly supported by speculators.

A rebound in business spending (nonresidential) started in the first quarter of 2007 and continued throughout the year. However, the current instability in the global financial market and uncertainty surrounding the overall economy are weighing on business confidence, which may lead businesses to change their capital spending plan. At the same time, if the economy slows further, it may delay a pickup in business investment and negatively affect Oregon's manufacturing.

We will continue to monitor and recognize the potential impacts of these risk factors on the Oregon economy. We have identified the major risks now facing the Oregon economy in the list below:

- *Contagion of the credit crunch and financial market instability.* The current instability in the financial market is weighing on business confidence, which may lead businesses to change their capital spending plans. The central banks are ready to inject more money to alleviate short-term credit problems, and their measures have been successful so far. At the same time, the Fed has lowered interest rates to stimulate the economy.
- *A further worsening in the housing market.* Low interest rates and easy lending standards have aided a boom in home purchases and mortgage refinancing. With the subprime mortgage problem spreading and tighter lending standards in place, the mortgage market is not as

conducive to residential real estate activity as in the past. Any drop in house price appreciation coupled with a large drop in mortgage equity withdrawal will slow down consumer spending. The Oregon housing market could be adversely impacted by a major housing correction in California and the rest of the nation. Continued gains in employment and personal income will be needed to keep consumer spending from falling. The federal fiscal stimulus package should help alleviate the slower consumer spending.

- *A major deceleration in the U.S. economy and a global downturn triggered by the U.S. slowdown.* The U.S. economy has been an important engine of growth for the global economy. Thanks to a strong global economy, the chances are lower that the U.S. slowdown will set off a global downturn. The rest of the world is growing nicely even with a soft U.S. economy, but if the U.S. economy falters even more, the whole world will surely feel the impact. Asia in particular will be severely affected due to its large exposure to the U.S. economy.
- *A sharp fall of the U.S. dollar.* Depreciation of the dollar against foreign currencies promotes U.S. exports as U.S. products become more price-competitive (or less expensive). Oregon's manufacturing sector has a large dependency on international markets. If the U.S. dollar falls too quickly, this could harm Oregon's trading partners because the lower dollar makes imports more expensive to U.S. consumers. As U.S. trading partners export less to the U.S., their economies may weaken and lower their demand for Oregon products. In the end, a controlled lowering of the U.S. dollar is most beneficial to the Oregon economy.
- *A sharp and major stock market correction.* This would slow consumer spending. Lower stock prices could also limit the ability of businesses to raise necessary capital in the equity markets.
- *A hard landing in China.* The Chinese economy is growing very fast. Building construction and other business investments are largely responsible for this economic growth. Inflationary pressure is strong. The central government's efforts to curb growth have produced minimal success. Limited experience in macro policymaking may result in an undesirable set of policy measures. A major slowdown in China will hurt most Asian economies, along with commodity-exporting countries, including Canada. Given that Canada and Asian countries are the major destinations of Oregon's manufacturing exports, the manufacturing sector would be negatively impacted.
- *Geopolitical risks.* Uncertainty still abounds in Iraq. Tensions with Iran and heightened security risks weigh on businesses and consumers. Disruptions in travel, oil supplies, and consumer confidence could be severe. The drop in business activity could deepen if this uncertainty persists or if the transition out of the Iraq war goes badly for the U.S. The winding down of military expenses will not greatly impact Oregon. There is also an upside risk that the transition will go more smoothly than anticipated, and stability in the Mideast will provide a stronger than forecasted stimulus to the economy.
- *Inflation and Federal Reserve Bank reactions.* A growing economy with surging energy costs is a formula for inflation. Even with a slowing economy, higher inflation than forecasted may force the Federal Reserve to raise interest rates more quickly and to higher levels. This action could further slow the U.S. economy and in turn slow down the Oregon economy as higher interest rates hurt consumers and businesses.

- *Rising regional energy prices.* More businesses may slow production and lay off workers. A geopolitical incident could dramatically disrupt gasoline and natural gas prices. Regionally, electricity generation is subject to weather patterns and natural gas prices. As demand surpasses the available capacity of hydro generation, electric generation may move towards natural gas-powered turbine engines. Higher electricity prices could result because they are pegged to natural gas prices.
- *Initiatives, referendums, and referrals.* Generally, the ballot box brings a number of unknowns that could have sweeping impacts on the Oregon economy.

## **Demographic Forecast**

Oregon's estimated population on July 1, 2007 reached 3,745,455. That was an increase of 1.5 percent over the 2006 population. The recent growth since 2005 is considerably higher than the 1.1 percent annual growth rate between 2000 and 2005. Overall, population change since 2000 is much lower than the rate of growth of well over 2.0 percent during the early 1990s. Oregon's population will continue to grow at a moderately high rate in the near future. Based on the current forecast, Oregon's population will reach 4.062 million in the year 2013 with an annual rate of growth of 1.4 percent.

Oregon's economic condition heavily influences the state's population growth. Its economy determines the ability to attract job seekers from other states and beyond. As Oregon's total fertility rate remains, and will remain, below the replacement level, long-term growth comes from net immigration. Working-age adults come to Oregon as long as we have good economic and employment situations. The net migration during the 1980s, which included a major recession, contributed to 22.0 percent of the population change. On the other extreme, net migration accounted for 73.0 percent of the population change during the booming 1990s. This share of migration declined to 57.0 percent in 2002. As a sign of modest economic gain, the net migration will account for nearly 67.0 percent of the population change in the near future.

Growth in all age groups will show the effects of the baby-boom and their echo generations during the period of 2006-2013. It will also reflect demographics impacted by the depression era birth cohort combined with migration of the working age population and elderly retirees. After a period of slow growth in the past, the elderly population (65+) growth has picked up in pace and will surge as the baby-boom generation starts to enter this age group. The annual growth of the elderly population will exceed 5.0 percent in 2012 as the boomers continue to enter retirement age. The youngest elderly (aged 65-74) will grow at an extremely fast pace due to the direct impact of the baby-boom generation entering retirement age. The elderly aged 75-84 will shrink in numbers until 2009, as the depression era birth-cohort will dominate this group. The oldest elderly (aged 85+) will continue to grow at a moderately high rate due to the combination of cohort change, continued positive net migration, and improving longevity. However, the annual growth rate will continue to taper as the depression era small birth cohort transitions from the younger age group.

As the baby-boom generation matures, the once fast-paced growth of population aged 45-64 will gradually taper to nearly a 0 percent rate by 2012. The young adult population (aged 18-24) will grow at an average of 0.6 percent annually, considerably slower than the rate averaging 1.2 percent experienced between 2000 and 2007. This will ease the pressure on public spending on college education. Children under the age of five show a declining trend in rate of growth averaging below

the state overall rate of growth. The K-12 population (aged 5-17) will show very slow growth which will translate into slow growth in school enrollments. The 25-44 age group population has reversed the several year trend of decline. The decline was mainly due to the exiting baby-boom cohort. This age group has seen positive growth starting in the year 2003 and will approach 1.5 percent annual growth by the year 2011.

## **Revenue Forecast**

The March 2008 forecast for General Fund revenues is \$12,925.4 million, a decrease of \$183.1 million from the December 2007 forecast. The primary reason for the revision is the continued weakening of the national economy, with the baseline scenario involving a recession in the first half of 2008. The final calculation of the beginning balance for the biennium, now that the books are closed on the prior biennium, is \$1,436.7 million. Total resources for the biennium amount to \$13,985.5 million. Excluding legislatively-adopted appropriations, the projected ending balance in the General Fund is \$28.8 million.

Total General Fund revenues will increase 21.4 percent to \$15,697.7 million in 2009-11. Personal income tax growth of 24.3 percent, raising collections to \$13,911.2 million, is due in part to the \$1.084 billion kicker rebate distributed in the prior biennium. Corporate income taxes will resume growth following a flat 2007-09, increasing 6.2 percent to \$911.4 million. All other revenues will reach \$875.1 million, negligibly above the prior biennium's level.

General Fund revenues will total \$17,723.2 million in 2011-13, an increase of 12.9 percent from the prior period. The growth is fueled primarily by a 14.0 percent increase in personal income tax collections to \$15,864.2 million. Corporate income taxes will reach \$952.4 million while all other revenues will total \$906.5 million.

The forecast for total lottery earnings in 2007-09 is \$1,330.4 million, a decrease of \$17.5 million from the December forecast. A \$21.5 million decline in earnings related to video lottery was offset by an additional \$3.9 million in administrative savings included in the third quarter earnings transfer for the biennium. Total resources, including balance carry-forward and interest earnings, were \$1,408.6 million. Excluding dedicated and other legislatively-adopted allocations, the projected ending balance in the Economic Development Fund amounts to \$25.8 million.

The effect of the lowered forecast for video lottery sales is reflected in the long-run earnings forecast. For the 2009-11 biennium, earnings from lottery games will total \$1,376.7 million while total resources will amount to \$1,381.2 million. Earnings will reach \$1,542.8 million in the 2011-13 biennium, with available resources increasing to \$1,548.8 million.

## I. ECONOMIC FORECAST

### March 2008

This edition of the National Economic Review and Forecast contains excerpts from Nigel Gault, *U.S. Economy: Current Situation: Forecast Flash*, Global Insight, December 2007. This publication summarizes Global Insight's baseline national forecast that OEA incorporates into the Oregon economic and revenue models. Editorial comments written by OEA staff are enclosed in [ ]. In addition, Table N.1 provides a quick look at the annual rates. Table N.2 provides a look at the forecast change from the last forecast. Graph N.1 provides a graphic U.S. history and forecast. For a full version of Global Insight's U.S. Executive Summary, please visit our website: [www.oregon.gov/DAS/OEA/docs/economic/nationalfull.pdf](http://www.oregon.gov/DAS/OEA/docs/economic/nationalfull.pdf)

### A. National Economic Review and Forecast

#### Forecast Flash

#### The Economy Keeps Its Head Above Water

The economy appears to have kept its head above water in the fourth quarter—the risk of a decline in GDP has receded, and we now expect 1.1% growth. But the economy remains in a danger zone. The credit markets remain troubled, pointing to tighter credit for households and businesses. Housing activity continues to plunge, and the consumer remains vulnerable. Weakening orders for nondefense capital goods and rising unemployment insurance claims suggest that businesses are becoming more cautious in both capital equipment spending and hiring. We expect growth to be very soft in the first quarter (just 0.6%), before gradually improving over the rest of the year. Key ingredients for this improvement are continuing robust export growth, lower oil prices, and a bottoming-out of housing starts by mid-2008. We expect some more help from the Fed in lower interest rates, but stubborn core inflation is reducing its room for maneuver.

**Fourth-Quarter Growth Upgraded.** We have upgraded our fourth-quarter growth projection to 1.1% from zero. Consumer spending began the quarter much more strongly than had been thought, and even assuming a weak December, should come in at about 2.7%, compared with the 1.2% that we had expected last month. But the economy is far from out of the woods. We still expect weak growth in the first half of 2008 (averaging 1.1%), and maintain the odds of recession at 40%.

**Housing Still Plunging.** There is no magic solution to the overhang of unsold homes. We continue to expect a further drop of around 20% in housing starts, to below 1.0 million units in the first half of 2008. Recent evidence shows home prices falling even faster than before—bad news for consumer wealth, but necessary to improve affordability and create the conditions for a bottoming out in housing activity, which we expect in mid-2008.

**Mixed Consumer Signals.** Consumer sentiment is weak, and some holiday sales reports have been lackluster, yet consumer spending in the fourth quarter seems to have held up much better than expected. One explanation for the disconnect between sentiment and spending may be that those suffering the most are the least affluent, who have a bigger influence on sentiment measures than on spending. But we still see the consumer as highly vulnerable, squeezed by slower employment gains, falling home prices, tighter credit availability, and high energy prices. We expect a dip in real spending in December, and then just a 1.2% annualized growth rate for consumer spending in the first half of 2008.

**Oil Remains a Key Risk.** Oil prices have climbed again into the high-\$90s per barrel. The forecast continues to assume that the price eases, to \$76/barrel by the second quarter of 2008, based in large part on slower growth in the global economy. A key downside risk to the outlook would arise if this does not materialize.

**Export Surge Supports Growth.** Strong improvements in foreign trade, helped by the huge cumulative decline in the dollar since 2002, are a crucial part of the story for 2008. We expect domestic spending growth of just 1.1% in 2008, but GDP growth will be much stronger than that, at 1.9%, helped by export growth of around 10%.

**Inflation Still Troubling.** Headline CPI inflation of over 4% year-on-year in November mainly reflected energy and food costs, but the Fed will be nervous that core inflation has also moved up. Core PCE inflation is now outside the Fed's 1-2% comfort zone. We still expect it to fall back in 2008 as the economy slows, but only to the top end of the comfort zone at 2.0%.

**Fed To Loosen Further.** We still expect the Fed to cut interest rates again to combat recession risks, and assume two 25basis-point rate cuts in the first quarter, taking the federal funds rate down to 3.75%. But stubborn core inflation has led us to remove the further cut to 3.50% that we had assumed in our December forecast. [The Federal Reserve lowered the federal funds rate target by 75 basis points during an emergency meeting then lowered another 50 basis points during its meeting in January. The federal funds target now stands at 3.0 percent. OEA insert.]

–Excerpted from Nigel Gault, *U.S. Economy: Current Situation: Forecast Flash*, Global Insight, December 2007

**Figure N.1\***

	Quarterly			Annual					
	07:3	07:4	08:1	2006	2007	2008	2009	2010	2011
Real GDP (Percent change)	4.9	1.1	0.6	2.9	2.2	1.9	2.7	2.8	2.9
Federal Funds Rate (Percent)	5.07	4.53	4.05	4.96	5.03	3.82	4.03	4.75	4.75
Ten-Year Treasury Yield (Percent)	4.73	4.26	4.08	4.79	4.63	4.06	4.65	5.30	5.30
Oil Prices, WTI (Dollars/barrel)	75.19	90.88	85.33	66.12	72.28	77.37	74.33	74.02	73.42
Consumer Price Index (Percent change)	1.9	4.2	2.6	3.2	2.9	2.2	1.6	1.9	1.9
Housing Starts (Millions)	1.30	1.17	0.98	1.81	1.35	1.03	1.31	1.54	1.71
Consumer Sentiment (Univ. of Michigan)	86	78	80	87	86	85	88	88	90
Unemployment Rate (Percent)	4.6	4.7	4.9	4.6	4.6	5.1	5.1	5.0	4.8

\* Figure N.1 was taken from Nigel Gault, *U.S. Economy: Current Situation: Forecast Flash*, Global Insight, December 2007.

**TABLE N. 1**  
**U.S. Forecast Summary 2006-2015 (January 2008 Forecast)**

	Quarterly			Annual									
	2007:4	2008:1	2008:2	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
GDP (Bil of 2000 \$) Chain Weight	11,691	11,709	11,758	11,319	11,571	11,791	12,105	12,449	12,808	13,127	13,426	13,736	14,066
% Ch	1.1	0.6	1.7	2.9	2.2	1.9	2.7	2.8	2.9	2.5	2.3	2.3	2.4
Personal Income (Bil of \$)	11,869	12,028	12,173	10,983	11,666	12,236	12,825	13,490	14,199	14,929	15,631	16,359	17,128
% Ch	4.2	5.5	4.9	6.6	6.2	4.9	4.8	5.2	5.3	5.1	4.7	4.7	4.7
Nonagricultural Employment (Millions)	138.5	138.7	138.9	136.2	138.0	139.1	140.7	142.5	144.3	145.7	146.7	147.6	148.4
% Ch	0.9	0.6	0.8	1.9	1.3	0.8	1.1	1.3	1.3	1.0	0.7	0.6	0.6
Unemployment Rate	4.7	4.9	5.0	4.6	4.6	5.1	5.1	5.0	4.8	4.7	4.8	4.9	4.9
% Ch	8.9	11.8	13.9	(8.7)	(0.9)	10.1	1.0	(2.7)	(3.7)	(1.4)	2.1	1.7	0.1
Industrial Production Index (2002=100)	113.7	114.1	114.8	111.2	113.3	115.1	118.1	121.1	124.4	126.5	128.6	131.3	134.3
% Ch	(1.8)	1.5	2.5	4.0	1.9	1.6	2.6	2.5	2.7	1.7	1.6	2.1	2.3
Corporate Profits (Bil of \$)	1,891	1,806	1,768	1,806	1,879	1,785	1,810	1,797	1,807	1,783	1,783	1,808	1,848
% Ch	2.4	(16.8)	(8.1)	14.3	4.1	(5.0)	1.4	(0.7)	0.6	(1.3)	(0.0)	1.4	2.2
Money Supply (M2) (Bil of \$)	7,417	7,443	7,481	6,992	7,417	7,600	7,842	8,170	8,534	8,862	9,219	9,602	10,016
% Ch	5.0	1.4	2.1	4.9	6.1	2.5	3.2	4.2	4.5	3.8	4.0	4.2	4.3
Prime Rate	7.52	7.05	6.75	7.96	8.05	6.82	7.03	7.75	7.75	7.75	7.75	7.75	7.75
% Ch	(28.3)	(23.0)	(15.8)	28.6	1.2	(15.2)	3.0	10.2	0.0	0.0	0.0	0.0	0.0
Consumer Price Index (1982-84=100)	2,102	2,115	2,113	2,016	2,073	2,120	2,153	2,195	2,236	2,277	2,318	2,361	2,407
% Ch	4.2	2.6	(0.3)	3.2	2.9	2.2	1.6	1.9	1.9	1.8	1.8	1.9	1.9
Federal Budget (unified) (Bil of \$, Fed FY)	(89.6)	(210.6)	78.7	(209.2)	(172.0)	(309.3)	(351.1)	(346.7)	(304.9)	(305.6)	(305.8)	(356.4)	(398.9)
Current Account Balance (Bil of \$)	(730.0)	(724.3)	(672.7)	(811.5)	(747.0)	(674.9)	(655.7)	(677.6)	(705.1)	(710.8)	(691.6)	(676.5)	(660.5)
% Ch	9.4	(3.1)	(25.6)	7.5	(7.9)	(9.7)	(2.8)	3.3	4.0	0.8	(2.7)	(2.2)	(2.4)
Population (Millions)	303.8	304.5	305.2	300.1	302.8	305.5	308.2	310.9	313.5	316.2	318.9	321.6	324.3
% Ch	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.8	0.8

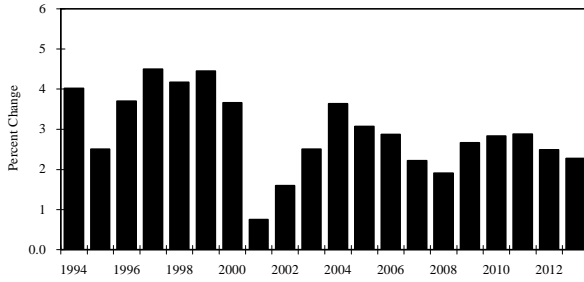
**TABLE N. 2**  
**U.S. Forecast Change - (Current Forecast January 2008 vs. Last Forecast Oct 2007)**

	Quarterly				Annual								
	2007:4	2008:1	2008:2	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
GDP (Bil of 2000 \$) Chain Weight	11,691	11,709	11,758	11,319	11,571	11,791	12,105	12,449	12,808	13,127	13,426	13,736	14,066
% Change From Last Forecast	0.4	0.3	0.3	0.0	0.2	0.1	(0.1)	(0.1)	0.0	(0.1)	(0.2)	(0.2)	(0.2)
Personal Income (Bil of \$)	11,869	12,028	12,173	10,983	11,666	12,236	12,825	13,490	14,199	14,929	15,631	16,359	17,128
% Change From Last Forecast	(0.4)	(0.2)	(0.1)	0.0	(0.2)	(0.2)	(0.4)	(0.4)	(0.3)	(0.3)	(0.4)	(0.4)	(0.5)
Nonagricultural Employment (Millions)	138.5	138.7	138.9	136.2	138.0	139.1	140.7	142.5	144.3	145.7	146.7	147.6	148.4
% Change From Last Forecast	0.1	0.1	0.1	0.0	0.0	0.1	0.0	0.1	0.2	0.2	0.1	0.0	0.0
Unemployment Rate	4.7	4.9	5.0	4.6	4.6	5.1	5.1	5.0	4.8	4.7	4.8	4.9	4.9
% Change From Last Forecast	(1.2)	(0.6)	0.9	0.0	(0.3)	1.7	4.9	5.1	3.7	3.9	4.7	5.2	5.0
Industrial Production Index (2002=100)	113.7	114.1	114.8	111.2	113.3	115.1	118.1	121.1	124.4	126.5	128.6	131.3	134.3
% Change From Last Forecast	(0.5)	(0.1)	0.1	0.0	(0.1)	0.1	0.1	0.2	0.5	0.2	(0.1)	(0.4)	(0.5)
Corporate Profits (Bil of \$)	1,891	1,806	1,768	1,806	1,879	1,785	1,810	1,797	1,807	1,783	1,783	1,808	1,848
% Change From Last Forecast	2.7	(0.4)	(3.4)	0.0	0.9	(3.1)	(5.2)	(5.1)	(4.8)	(6.0)	(6.4)	(6.3)	(6.2)
Money Supply (M2) (Bil of \$)	7,417	7,443	7,481	6,992	7,417	7,600	7,842	8,170	8,534	8,862	9,219	9,602	10,016
% Change From Last Forecast	0.4	0.3	0.3	0.1	0.4	0.0	(0.1)	(0.0)	(0.0)	(0.2)	(0.3)	(0.4)	(0.5)
Prime Rate	7.52	7.05	6.75	7.96	8.05	6.82	7.03	7.75	7.75	7.75	7.75	7.75	7.75
% Change From Last Forecast	(0.1)	(2.8)	(6.9)	0.0	(0.0)	(5.9)	(7.1)	0.0	0.0	0.0	0.0	0.0	0.0
Consumer Price Index (1982-84=1)	2,102	2,115	2,113	2,016	2,073	2,120	2,153	2,195	2,236	2,277	2,318	2,361	2,407
% Change From Last Forecast	0.7	0.9	0.4	0.0	0.2	0.6	0.4	0.4	0.5	0.5	0.5	0.5	0.5
Federal Budget (unified) (Bil of \$, Fed FY)	(89.6)	(210.6)	78.7	(209.2)	(172.0)	(309.3)	(351.1)	(346.7)	(304.9)	(305.6)	(305.8)	(356.4)	(398.9)
Current Account Balance (Bil of \$)	(730.0)	(724.3)	(672.7)	(811.5)	(747.0)	(674.9)	(655.7)	(677.6)	(705.1)	(710.8)	(691.6)	(676.5)	(660.5)
% Change From Last Forecast	(5.4)	(4.0)	(7.3)	0.0	(3.4)	(6.6)	(7.1)	(7.5)	(6.9)	(7.0)	(8.1)	(8.6)	(8.9)
Population (Millions)	303.8	304.5	305.2	300.1	302.8	305.5	308.2	310.9	313.5	316.2	318.9	321.6	324.3
% Change From Last Forecast	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

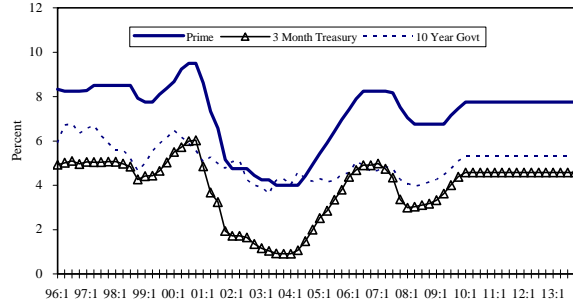
# Graph N.1

## U.S. ECONOMIC HISTORY AND FORECAST

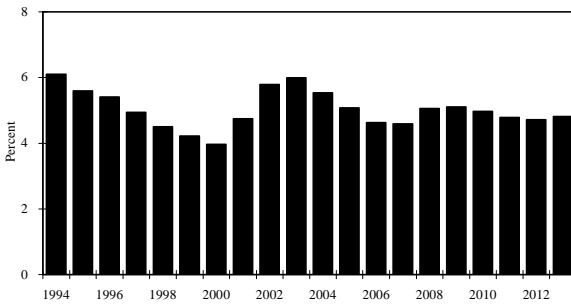
**REAL GDP, PERCENT CHANGE**  
2000 DOLLARS, CHAIN WEIGHTED



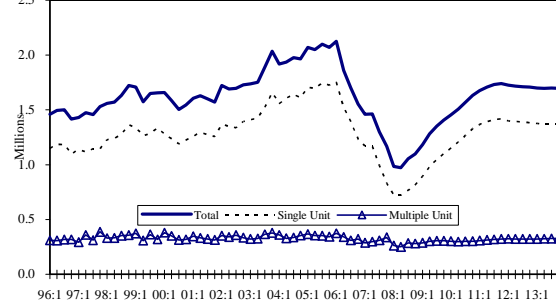
**INTEREST RATES**



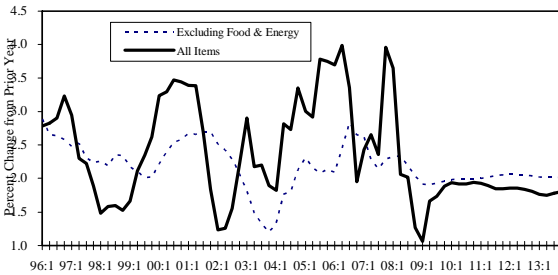
**UNEMPLOYMENT RATE**



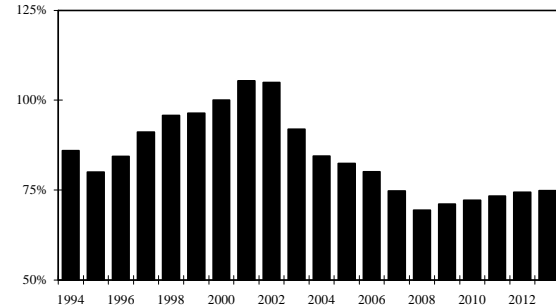
**HOUSING STARTS**



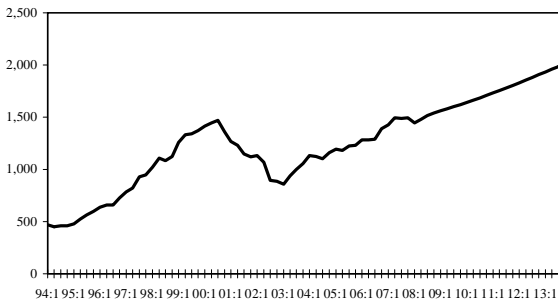
**CONSUMER PRICE INDEX**  
ALL ITEMS VS. ALL ITEMS LESS FOOD & ENERGY



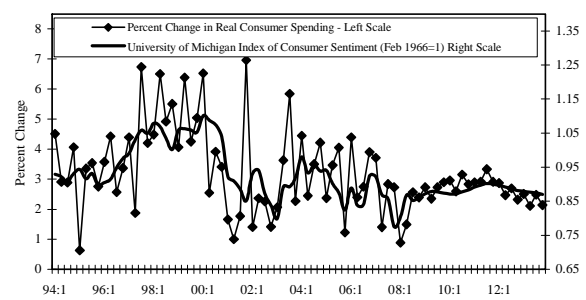
**REAL EXCHANGE RATE**



**STANDARD & POOR'S 500 INDEX**



**CONSUMER CONFIDENCE & SPENDING**





## B. International Review and Outlook

### Introduction

The global economy performed well again in 2007. However, it faces an enormous challenge in the near term. U.S. subprime mortgage-induced financial turmoil has drastically curbed financial activity and threatens business and consumer confidence. Persistently high oil and commodity prices are creating price pressure. Inflation remains a concern in Europe and in some of the fast growing economies, most notably in China. A deeper downturn in the U.S. economy will threaten the health of the global economy. We are witnessing a gradual deterioration of the global economic environment in the near term.

The U.S. economy has slowed. Faced with the possibility of further slowing of the economy, the Federal Reserve (the Fed) responded with a sharp cut in short-term interest rates in January. The U.S. Congress is currently working out a fiscal stimulus package. Central banks in other countries are also cutting short-term interest rates to avoid possible weakening of their economies and to fend off any potential fallout from the slowing U.S. economy. The difficult task for central banks is to balance the risks of inflation and the slowing economy.

International trade has been one bright spot for many countries. Strong external demand has partially offset weak domestic demand in many economies. Unraveling of the housing correction and financial instability certainly dampened demand within the manufacturing sector, but strong exports are providing badly needed support for the sector. U.S. exports for all states increased 11.9 percent in the first 11 months of 2007 from a year earlier. Oregon is also benefiting from a weak U.S. dollar and strong exports: its exports went up by 7.6 percent during the same period. Oregon's exports reached \$15.0 billion (in current dollars) and accounted for 1.4 percent of total U.S. exports.

### Recent Developments and Outlook for Oregon Export Markets

Table I.1 shows Global Insight's (GI's) global economic forecast. After a strong showing in 2006, slightly lower growth is expected in 2007 in many developed economies. However, many developing countries will end up showing an even better performance in 2007. While there is strong residual growth momentum remaining in 2007 and 2008, the global economic environment is deteriorating. The global economy will slow down and the countries will register lower economic growth compared to the recent past.

According to GI, global growth is expected to cool as the world economy is facing twin shocks from the credit crunch and the possibility of sustained high oil prices. GI forecasts that core inflation will remain

**Table I.1**  
**Projected Growth Rates of Real GDP (Percent)**

As of 1/09/2008	(Average)			
	2006	2007	2008	2009-12
United States	2.9	2.2	1.9	2.7
Canada	2.8	2.6	2.4	2.5
Japan	2.4	1.9	1.3	1.6
Eurozone	2.9	2.6	1.8	1.9
Mexico	4.8	3.1	3.0	3.8
South America	5.2	5.6	5.3	4.4
Asia except Japan	7.7	8.0	7.7	6.8
China	11.1	11.4	10.7	8.4
World	4.0	3.6	3.4	3.6

*Source: Global Insight, January 2008*

under control in the developed world but will rise in emerging markets. GI believes that the chances of world recession remain low.

Table I.2 summarizes the Blue Chip Consensus forecast (January 2008) for Oregon's major export markets. It is consistent with the GI forecast shown in Table I.1.

## Key Global Risks in 2008

Risks surrounding the global economy abound. This edition of the International Review and Outlook contains GI's commentary on the key global risks in 2008 from its January *U.S. Economic Outlook*.

The risks of a U.S. recession are now higher than before, but the chances of world recession remain low. U.S. recession risks were 40 percent even before the dismal employment report on January 4. But while much of the rest of the world economy will slow in 2008, the risks of a global recession are still less than 25 percent. While a U.S. recession could darken the global outlook considerably, it would take a combination of a U.S. recession, much weaker growth in Europe, and a China hard landing in late 2008 or early 2009 to push the world economy below the 2 percent growth threshold, which would signal a global recession. What are the key factors that would produce such an outcome?

**Global Credit Crunch.** While liquidity remains plentiful in most regions, the financial panic that set in during August has effectively tightened credit conditions and increased risk aversion. Deteriorating housing and mortgage market conditions could put further downward pressure on prices and ratings of asset-backed securities, impairing bank capital. This impairment could lead to a generalized tightening of credit conditions, with adverse effects on business hiring and investment, as well as consumer spending.

**Asset Bubbles.** Rapid money-supply growth continues to fuel asset inflation in Asia, creating the risk that bubbles will eventually burst, as they are doing in the United States and Europe. How central banks navigate this minefield will make all the difference between a sustained, healthy expansion and a much worse outcome.

**Housing Market Crashes.** Over the past decade, home prices have more than doubled in Ireland, the United Kingdom, Spain, Australia, France, Sweden, Denmark, and South Africa. Such high asset prices can only come about through excessive liquidity growth and debt accumulation, which have led to other problematic macroeconomic imbalances. In recent months, home prices have turned down in the United Kingdom, Ireland, Spain, and France. Any significant correction in house prices

**Table I.2**

Projected Growth for Top U.S. Export Markets						
Ranked by \$ Value of U.S. Goods Exported	Oregon		Projected Change in Real GDP			
	Exports 2006	Rank (\$ mil.)	2006	2007	2008	2009
Canada	1	2,694	2.8	2.6	2.1	2.6
Mexico	7	856	4.8	3.0	3.1	3.5
Japan	4	1,252	2.2	1.9	1.5	2.0
United Kingdom	13	296	2.8	3.0	2.1	2.3
China	2	1,390	11.1	11.3	10.2	9.4
Germany	12	386	2.9	2.5	1.9	2.0
South Korea	3	1,288	5.0	4.8	4.7	4.8
Netherlands	17	173	3.0	2.8	2.1	2.2
Taiwan	8	855	4.7	4.8	4.4	4.8
France	15	227	2.0	1.9	1.8	2.0
Singapore	10	491	7.9	7.5	5.8	5.9
Belgium	24	73	3.0	2.5	1.9	2.0
Hong Kong	14	253	6.9	5.9	5.2	5.2
Australia	11	418	2.7	4.1	3.6	3.2
Brazil	28	63	3.7	4.6	4.5	4.2
Eurozone			2.8	2.6	1.9	2.1
U.S.			2.9	2.2	2.2	2.7

Source: Blue Chip Economic Indicators, January 2008

Oregon Export Data: WISER, November 2007

(as is happening in the United States) could undermine consumer spending through a negative wealth effect.

**Oil Prices.** After hitting a record high of more than \$100/barrel, oil prices have eased a little. Nevertheless, strong demand in the emerging world and restrained OPEC production mean that supply/demand conditions will remain tight. A cold winter in North America, Europe, or in both regions could worsen this picture. Our baseline forecast assumes WTI crude oil prices will settle back to the \$75–85/barrel range in 2008, but there are substantial upside risks. Two-thirds of current global oil production is concentrated in countries with either declining production or significant political and economic risks. With limited spare capacity available, a series of geopolitical shocks or bad weather could hold prices above \$100/barrel in the short run, dampening growth in the oil-importing countries.

**China Hard Landing.** The heated investment boom that began in 2003 poses serious risks to China's economy, accentuating its excess capacity and credit risks in the state banking sector. The government will be reluctant to rock the economy with aggressive austerity measures until after the Olympics in Beijing this August. Meanwhile, incremental policy tightening will be insufficient to contain the boom, leading to greater imbalances. In the hard-landing scenario, we estimate China's real GDP growth would subside to around 5 percent in early 2009, a pace that would lead to rising unemployment. Structural weakness in consumer demand precludes an immediate switch from investment-led growth to consumer-led growth. A China hard landing, in turn, would trigger a slide in commodity prices, adversely affecting exporting nations but cushioning importing countries. A five-percentage-point reduction in China's growth rate would hit other Asian economies hard and trim about one percentage point off global economic growth. – Excerpted from *U.S Economic Outlook*, Global Insight January 2008.

### **Oregon Exports**

We do not have updates on detailed Oregon exports as of the forecast release on February 8, 2008. Please refer to the December 2007 Economic and Revenue Forecast, Section B. International Review and Outlook for detailed export statistics through third quarter 2007, located on our Web site: [http://www.oregon.gov/DAS/OEA/docs/economic/oregon\\_export.pdf](http://www.oregon.gov/DAS/OEA/docs/economic/oregon_export.pdf).



## C. Western Region: Demographic Review

### Introduction

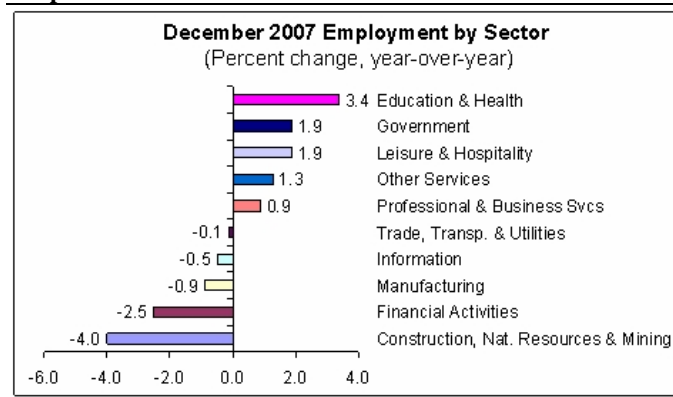
This section contains excerpts from Global Insight, *U.S. Regional Analysis* January 2008. It presents employment and job growth trends in the western states, encompassing California, Idaho, Nevada, Oregon, and Washington.

### California

#### *Half of California's Sectors Lose Jobs*

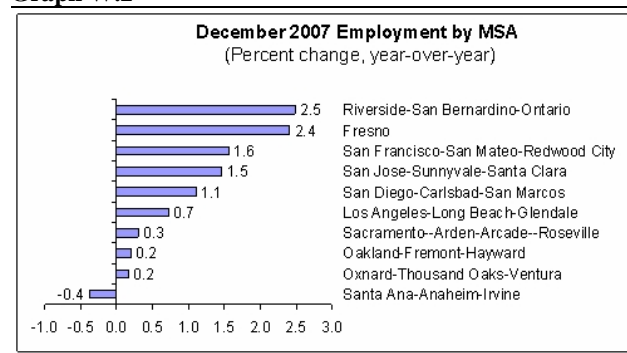
California's economy continued to decelerate in terms of job growth through the end of 2007. The nonfarm job data for December showed year-over-year (y/y) growth of just 0.5%, and total growth for the year as a whole was 1.2%. Half of the state's 10 major employment sectors lost jobs, with construction and finance both in a freefall in a painful reflection of the busted housing-market bubble. The effects appear to be spilling into other sectors as well. In December, the unemployment rate jumped to a seasonally adjusted 6.1%, the highest for the state since late 2004.

**Graph W.1**



The construction and financial activities sectors continued losing jobs in December 2007 as a result of the dismal housing market in California. They declined 4.0% and 2.5%, respectively, and are a major reason for the slowing of overall job growth in California. Suppressed housing starts and mass layoffs at mortgage lenders (the latter particularly in Southern California) have spelled disaster for those two sectors, which have shed a combined 70,000 jobs since their peak 18 months earlier. Overall growth has been propped up by growth in other sectors in the past, but the housing effects are spreading and other sectors are now declining too.

**Graph W.2**



## Idaho

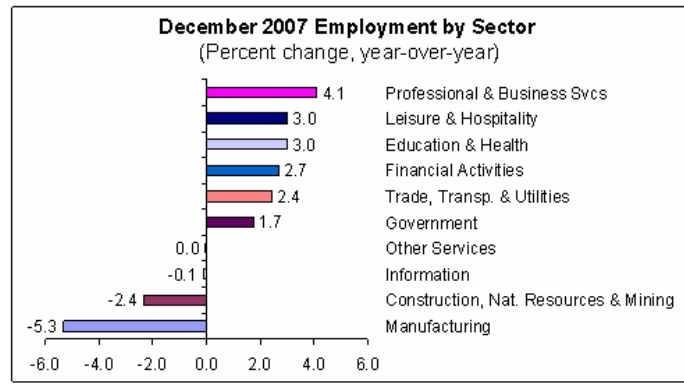
### *Construction and Manufacturing Drag on Growth*

Job growth in Idaho continued to slow through the end of 2007, mostly attributable to the housing downturn and layoffs in the high-tech manufacturing sector. Total year-over-year (y/y) job growth in December was just 1.3%, and total growth for the year was 2.6%, sharply lower than in the previous two years. Labor-force growth was markedly low too at 0.7% y/y in December, and the unemployment rate rose to 3.0% for the first time since January. Nevertheless, although the unemployment rate moved up, it is still the lowest in the country.

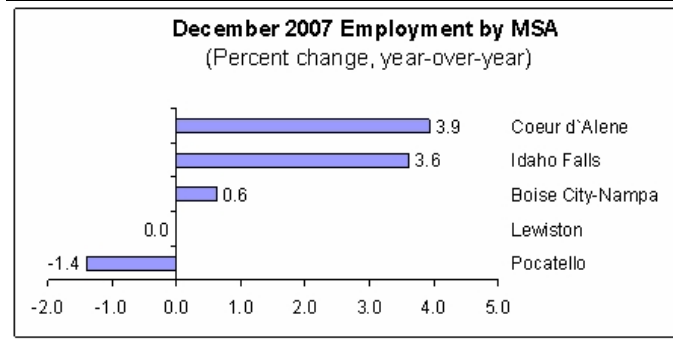
The slumping housing market continues to be a drag on growth. With housing starts down more than one-third from a year earlier, construction jobs are being lost rapidly. The downturn has also damaged the local lumber manufacturing industry, which makes up more than one-tenth of manufacturing jobs in the state.

In addition to losses in the lumber industry, the manufacturing sector is also losing high-tech jobs. Low semiconductor prices over the past year have led to significant restructuring in that industry, including layoffs and shifting of production overseas. Employment in computer manufacturing is also down in Idaho.

**Graph W.3**



**Graph W.4**

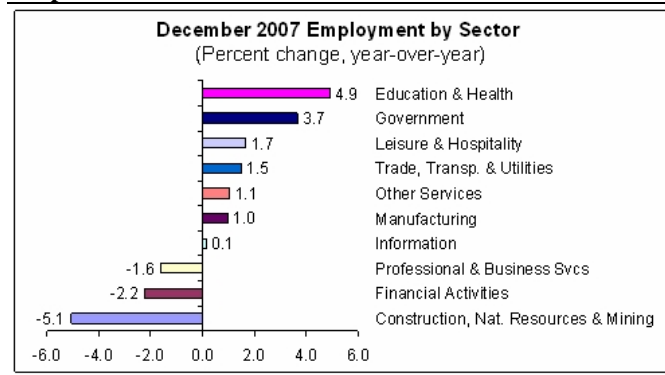


## Nevada

### *Employment Growth Continues to Slow in Nevada*

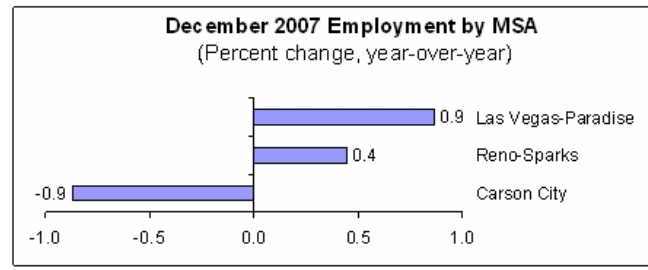
Total employment growth in Nevada slowed in December, to 0.6%, the slowest growth since late 2002, when the state was pulling out of the September 2001 related slump. Nevada had been the fastest-growing state in the nation for some time, and growth has slowed on the heels of a significant downturn in the construction industry. This sector has

**Graph W.5**



seen year-over-year losses in every month in 2007, after posting double-digit growth through 2005 and into 2006. Nearly all sectors of the economy are feeling the effects of the slowdown, as most are reporting lower growth rates, and in some cases declines, over the year.

**Graph W.6**



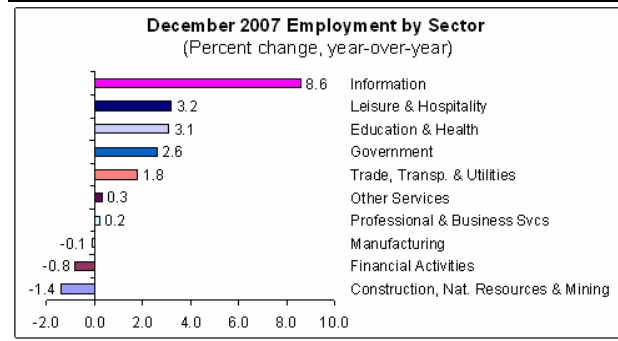
Educational and health services continued to be one of the strongest sectors in the state economy in December, along with the leisure and hospitality services sector. Educational and health services added nearly 4,400 jobs, for a gain of 4.9%, and leisure and hospitality services added 5,700 jobs, for a gain of 1.7%. Nevada's service sectors are feeling the pinch, with some seeing declines (professional and business services lost 2,600 jobs over the year), but the state population will continue to increase and the effects will be short-lived.

**Oregon**

*A Deceleration for Oregon's Job Growth*

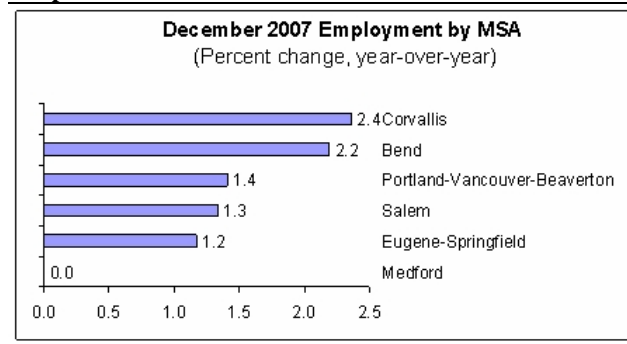
Oregon's job growth measured 1.6% year-over-year in December 2007, ranking it 12th in the nation. Overall growth for the year was 1.3%. The December figure was better than some lower rates posted in the third quarter, but still well below growth seen in recent years. The collapsing local market has damaged both the construction and finance sectors. Also, the nationwide downturn has hurt the local logging and wood products manufacturing sectors. The unemployment rate ticked up a bit to 5.6% in December, the highest in two years.

**Graph W.7**



The fastest-growing sector in terms of employment was information, thanks to an 800-job jump at area software companies. The education, health, leisure, and hospitality industries showed decent growth through the end of the year. The growth is in response to a surge of domestic in-migration to the area over the past two years. Employment growth and relatively lower housing costs compared with California led to net in-migration of more than 80,000 people from July 2004 to July 2006 according to Census estimates. That is double the flow of net migration in the two previous years.

**Graph W.8**



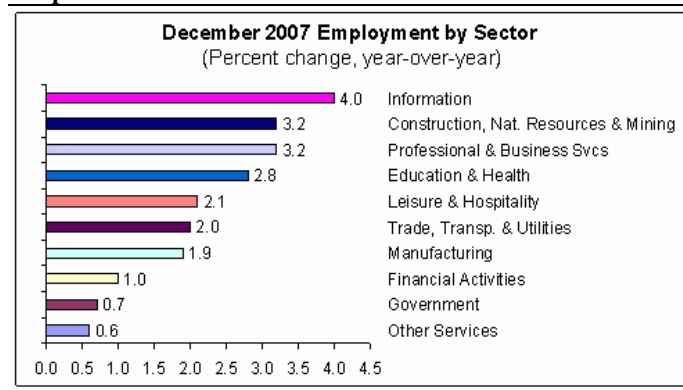
Jobs in the wholesale trade sector increased 2.9% y/y through December, thanks mostly to increased international trade. The slumping dollar has spelled doom for imports, but exports are surging as foreigners can afford more American goods. Accordingly, export activity jumped in 2007, and so did port related jobs, especially on the west coast.

## Washington

### *Washington Job Growth Ranks High Among States*

Job growth in Washington remained relatively strong through the end of the year, posting year-over-year (y/y) growth of 2% in December 2007, ranking the state sixth in the country. All major sectors posted job growth, with the information sector leading the way at 4% y/y. Washington's unemployment rate remained steady at 4.8% during a time when two-thirds of other states are seeing y/y increases in their unemployment rates. The state has generally not seen the detrimental effects of the collapsing housing market that have afflicted the rest of the country. Strong in-migration of new residents provided demand for much of the new housing, although construction has clearly declined.

**Graph W.9**



The information sector is the strongest for several reasons. Microsoft, the major player in the industry, is expanding its Redmond campus and is moving into downtown Seattle as well. Additionally, other major tech firms are expanding in downtown Seattle, attempting to capitalize on the area's rich talent base in technology. Lastly, the highly trained local labor force provides an ideal atmosphere for entrepreneurial startups in the tech industry.

**Graph W.10**



Employment in the construction sector remains strong despite the sharp decline in residential construction over the past year. Growth is slowing, though. Some of the strength is related to increased office and industrial construction, but this can only help for so long. Global Insight expects a decline in construction employment in 2008.

## D. Oregon Economic Review and Forecast

### Summary of Recent Trends

[Special Note: The Oregon Economic and Revenue Forecast utilizes the data and information associated with the January 2008 Global Insight national forecast. Two days before this February 8 release, Global Insight changed their baseline forecast to include a recession scenario for the first half of 2008. The Oregon economic forecast does not reflect this new baseline forecast from Global Insight. There was time to take this new information into account for the tax revenue forecast.]

#### *Statewide Trends*

The fourth quarter 2007 initial estimate of job growth was a 2.5 percent annual rate over the third quarter. This follows a decrease of 0.3 percent in the third quarter. This relatively strong fourth quarter is in sharp contrast to the slowing growth of jobs over the last two quarters. On an annual average basis, the year 2007 finished with job gains of 1.4 percent. On a Y/Y basis, jobs increased in the fourth quarter by 1.3 percent. The job growth has been positive Y/Y since the first quarter of 2004 but has slowed through the last 4 quarters.

The fourth quarter job growth still showed weakness in sectors related to the housing industry. Wood products employment was essentially flat after falling over the last six quarters. Construction jobs were down substantially. Financial activities posted job losses that started back in the fourth quarter of 2006. Weak housing conditions spilled over to lower employment in retail trade.

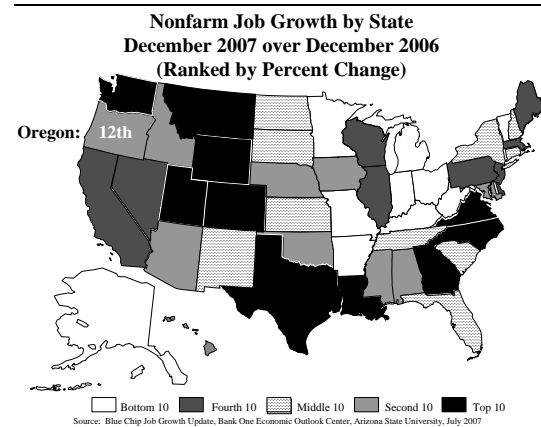
Although housing related sectors showed continued weakness, other sectors added jobs in the fourth quarter. Total private nonfarm employment increased by 2.4 percent in the fourth quarter. Job gains in metals and machinery, other durable goods, and food processing lifted manufacturing.

On the service producing side, job gains were strong in wholesale trade, information, private educational services, health services, and leisure and hospitality. Both state and local governments added jobs.

The most recent Blue Chip Job Growth rankings place Oregon 12<sup>th</sup> in the nation for Y/Y job growth. Between December 2006 and December 2007, jobs increased by 26,700, or 1.55 percent. A year ago, Oregon ranked 21<sup>st</sup>. The relative performance of the fifty states is shown in Figure O.1.

Utah held on to the number one spot with job growth of 4.0 percent, ranking 1<sup>st</sup> in the nation. California's job growth slowed to place its ranking at 40<sup>th</sup>. Idaho's job gains placed the state as the 15<sup>th</sup> fastest for the period. Washington ranked 6<sup>th</sup> among the 50 states, with job growth at 2.0 percent. Of the 50 states, only 11 states had higher job growth compared to a year ago.

**Figure O. 1**



OEA's forecast for fourth quarter annualized job growth was a positive 0.5 percent compared to the reported positive 2.5 percent. Table O.1 provides details of actual fourth quarter growth compared to the December 2007 forecast and shows annualized growth comparisons and Y/Y growth. Unless noted otherwise, all percentage rates discussed below reflect annualized rates of change for the fourth quarter of 2007.

Total private employment gained 8,400 jobs from the third quarter for a 2.4 percent increase. Manufacturing employment increased by 3,200 jobs, a 6.6 percent rise from the third quarter. The Y/Y manufacturing employment is down 1.1 percent and has been negative since the first quarter of 2007. Private non-manufacturing employment gained 5,200 jobs for a 1.7 percent increase from the third quarter. This sector's job gain Y/Y is 1.6 percent. The government sector gained 2,100 jobs for an increase of 3.0 percent.

**Table O.1****Total Nonfarm Employment, 4th quarter 2007**

(Employment in thousands, Annualized Percent Change)

	Preliminary Estimate		Forecast		Forecast Error		Y/Y Change
	level	% ch	level	% ch	level	%	% ch
<b>Total Nonfarm</b>	1,733.7	2.5	1,725.2	0.5	8.5	0.5	1.3
<b>Total Private</b>	1,439.9	2.4	1,432.5	0.4	7.4	0.5	1.2
<b>Natural Resources and Mining</b>	8.4	6.7	8.2	(3.0)	0.2	2.3	(2.5)
<b>Construction</b>	100.5	(6.8)	101.7	(3.0)	(1.1)	(1.1)	(0.2)
<b>Manufacturing</b>	203.3	6.6	200.6	1.2	2.7	1.4	(1.1)
<b>Durable Goods</b>	149.9	2.8	148.9	0.3	0.9	0.6	(2.1)
<b>Wood Product</b>	29.2	0.3	29.1	(1.0)	0.1	0.4	(6.2)
<b>Metals and Machinery</b>	40.8	8.4	40.4	4.5	0.3	0.9	8.0
<b>Computer and Electronic Product</b>	40.8	1.4	40.8	0.5	0.1	0.2	(2.7)
<b>Transportation Equipment</b>	15.2	(16.0)	15.8	(4.0)	(0.6)	(3.5)	(14.3)
<b>Other Durable Goods</b>	23.8	13.4	22.9	(2.7)	0.9	4.1	(2.4)
<b>Nondurable Goods</b>	53.5	18.3	51.7	4.0	1.8	3.5	1.7
<b>Food</b>	24.0	45.5	22.4	10.0	1.6	7.2	4.2
<b>Other Nondurable Goods</b>	29.5	0.7	29.3	(0.3)	0.2	0.7	(0.2)
<b>Trade, Transportation &amp; Utilities</b>	342.7	0.0	343.6	1.0	(0.9)	(0.3)	1.6
<b>Retail Trade</b>	202.0	(2.2)	203.5	0.9	(1.6)	(0.8)	2.1
<b>Wholesale Trade</b>	83.7	6.4	82.6	0.7	1.1	1.4	2.2
<b>Transportation, Warehousing &amp; Utilities</b>	57.1	(0.8)	57.5	1.5	(0.5)	(0.8)	(0.8)
<b>Information</b>	38.4	14.1	37.5	3.0	1.0	2.6	7.8
<b>Financial Activities</b>	104.8	(1.6)	104.8	(1.5)	(0.0)	(0.0)	(0.9)
<b>Professional &amp; Business Services</b>	195.0	1.2	193.7	(1.5)	1.2	0.6	0.3
<b>Educational &amp; Health Services</b>	212.4	4.9	210.3	1.6	2.1	1.0	2.9
<b>Educational Services</b>	30.2	8.3	29.5	(1.5)	0.7	2.3	4.5
<b>Health Services</b>	182.3	4.4	180.8	2.1	1.4	0.8	2.7
<b>Leisure and Hospitality</b>	174.0	6.6	171.5	1.7	2.4	1.4	3.0
<b>Other Services</b>	60.3	0.5	60.6	1.8	(0.3)	(0.5)	0.9
<b>Government</b>	293.8	3.0	292.7	0.5	1.1	0.4	2.2
<b>Federal</b>	28.8	(0.6)	28.8	(0.9)	0.1	0.2	(0.8)
<b>State</b>	75.3	5.0	74.4	0.5	0.9	1.3	0.3
<b>State Education</b>	27.9	6.4	27.4	0.5	0.5	1.8	1.8
<b>Local</b>	189.7	2.7	189.5	0.8	0.1	0.1	3.4
<b>Local Education</b>	100.3	5.2	99.7	0.8	0.6	0.6	4.4

Within manufacturing, transportation equipment decreased 16.0 percent, with a loss of 700 jobs. Wood products remains weak, but computer and electronic products added 130 jobs after three quarterly declines. Metals and machinery continued a strong string of job gains, starting with the fourth quarter of 2006, with an 8.4 percent increase in the fourth quarter of 2007. The highly volatile food processing sector increased 45.5 percent while its Y/Y job growth is up 4.2 percent. The “Other” category for durable goods, which includes electrical equipment, appliance, and furniture products, added 700 jobs, accounting for around 22.8 percent of all manufacturing jobs added in the fourth quarter.

Within the private non-manufacturing sector, construction employment data is finally seeing the effects of the housing industry downturn. After following weak job gains in the third quarter of 2007, the fourth quarter registered job losses at 6.8 percent, a loss of 1,800 jobs. Other sectors associated with the housing industry also experienced job losses. Financial activities employment fell 1.6 percent, and retail trade jobs were down 2.2 percent. Other sectors had relatively strong employment gains lead by information jobs up 14.1 percent. Wholesale trade jobs increased 6.4 percent, and educational and health services employment posted job gains of 4.9 percent. Leisure and hospitality had their strongest job gains since the fourth quarter of 2006, with 6.6 percent growth.

The government sector posted job gains of 3.0 percent. Within the levels of government, there were gainers and losers. Federal jobs decreased at a rate of 0.6 percent, while both state and local government education employment increased by 6.4 percent and 5.2 percent, respectively.

### *Regional Trends*

The state's Y/Y employment growth remained positive at 1.3 percent in the final quarter of 2007. This was approximately 1 percentage point slower than it was one year earlier.

Regional growth rates ranged narrowly from 1.0 percent to 2.0 percent. In most regions, job growth in late 2007 was slower than in late 2006. The slowing trend was most noticeable in Central Oregon. The region had only 2.0 percent Y/Y growth in the fourth quarter of 2007, exactly half the growth rate from one year earlier. However, this slower growth rate was still the fastest of all Oregon regions.

The Portland area also saw a noteworthy slowdown in job growth, dropping from 2.7 percent in the fourth quarter of 2006 to 1.5 percent in the fourth quarter of 2007. Despite the decline, this was the second-fastest growth rate of all regions.

Slowdown also occurred in the Willamette Valley and Southern Oregon. These two regions grew roughly 1.0 percent over the past year. This rate was slightly lower than the growth rate in late 2006.

The two remaining regions—the Coast and Eastern Oregon, bucked the slowdown trend as of the fourth quarter. Both grew by about 1.0 percent over the prior year, improving slightly on their late 2006 growth rate.

Despite slower job growth, unemployment rates are at low levels in most of Oregon's counties, but rates in some counties have trended up in recent months.

#### *Greater Portland Area Sees Slower Job Growth: Clackamas, Columbia, Multnomah, Washington, and Yamhill counties*

Y/Y job growth in the region slowed from more than 3.0 percent in most of 2006 to 1.5 percent at the end of 2007. Washington and Columbia counties showed only about 0.5 percent growth over the prior year. Yamhill County grew only slightly faster, at 1.0 percent. Multnomah County added almost 2.0 percent to its jobs. Clackamas County added almost 3.0 percent. Of all five counties, only Clackamas had no weakening of job growth from its late-2006 pace.

One major issue affecting the metro area is the housing situation. Despite some weakness in residential building permits and jobs, public and commercial projects continue to support Y/Y growth in construction employment. An expansion at Clackamas Town Center finished recently, and there are many civil engineering and some commercial projects in downtown Portland. Although weaker, residential construction employment is still above year-ago levels, likely due to home prices remaining above year-ago levels and to the construction of many condominium or apartment buildings.

The weakness in building permits and parts of construction continues to cause ripples in other sectors of the economy, notably finance. Employment has fallen below year-ago levels in banks.

Another major issue for the region is the decline in manufacturing. The sector has lost more than 1,000 jobs since the fourth quarter of 2006, with downturns in high tech and transportation. Layoff announcements at Intel and Freightliner made the news, but so did the plans for employment at new solar-cell factories that have not yet been fully realized.

Clackamas County has seen a slight slowdown in growth, from about 3.3 percent Y/Y in the first quarter of 2007 to 2.9 percent in the fourth. It has the strongest manufacturing sector in the Portland area thanks to continuing demand for metals. Multnomah County's Y/Y growth wavered in the middle of 2007, but is back to early 2007 levels.

The metro area's unemployment rate has been hovering around 5.0 percent for the past six months. December 2007 unemployment rates were essentially unchanged from December 2006.

*Willamette Valley Jobs Rise by 1.2 Percent Year over Year:  
Benton, Lane, Linn, Marion, and Polk counties*

The Valley region added 1.2 percent to its jobs between late 2006 and late 2007. This rate of growth was a little slower than typical for 2006 but about normal for 2007.

Benton County had the region's highest growth rate, at 2.0 percent. Employment in state education grew by about 450 jobs between December 2006 and December 2007. Health care also added jobs. In neighboring Linn County, there was a large gain in the transportation, warehousing, and utilities industry along with smaller gains in construction, health care, and primary metals. Total employment rose 1.4 percent over the past year.

The larger metro areas in the region grew a bit slower. Marion and Polk counties had a combined growth rate of 1.1 percent. This two-county metro area saw job gains in most of its industries. Further south, Lane County added 0.9 percent to its employment. Job losses in transportation equipment manufacturing partly offset gains in most other sectors.

The region's unemployment rates remained at levels similar to those of one year ago.

*Coastal Oregon Sees Growth Rates Rise at Year-End:  
Clatsop, Coos, Curry, Lincoln, and Tillamook counties*

After slower growth in the middle of the year, the Coastal region ended 2007 with a 1.3 percent increase Y/Y. Growth rates varied greatly, ranging from about 3.0 percent in Clatsop and Tillamook counties to -2.5 percent in Curry County. In between, both Lincoln and Coos counties gained roughly 1.0 percent in employment.

A job gain in local public education during the fall added to Clatsop County's overall job growth. Offsetting some weakness in food manufacturing, Tillamook County gained jobs in the trade, transportation, and utilities sector, along with job growth in accommodation and food services.

Coos County added to its educational and health services sector as well as to its leisure and hospitality sector. A new airport terminal is under construction at the Southwestern Oregon Regional Airport. Bandon Dunes is currently constructing its fourth 18-hole golf course. And there are plans for a new Home Depot in North Bend as part of a mixed-retail development near the Mill Casino and Hotel, which is in the midst of an expansion and remodel. However, the closure of the CORP railroad due to unsafe conditions in a few tunnels has left area manufacturers scrambling for alternative means of transporting goods out of the area, mainly via additional trucks on the local highways.

In Lincoln County, job losses in nondurable goods manufacturing partly offset gains in accommodation and food services, trade, and construction.

Curry County lost jobs over the past year in both construction and local government. The slowing California real estate market has affected Curry County to a greater degree than Coos County. There was more of a boom-bust cycle in home sales and construction in Curry County.

Unemployment rates in the region are highest in Coos and Curry counties, at more than 7.0 percent. Elsewhere they are around 6.0 percent or slightly less.

*Southern Oregon Adds 1.0 Percent to Jobs:  
Douglas, Jackson, and Josephine counties*

The three southern Oregon counties along Interstate 5 gained 1.0 percent between late 2006 and late 2007. Both Douglas and Jackson counties ended the year slightly more than 1.0 percent above their year-ago levels. Josephine County grew at about half that rate.

Douglas County's Y/Y gains stem largely from the professional and business services industry (e.g., call centers and temporary help firms). The county has also seen new jobs in leisure and hospitality as well as in the federal government sector. Wood products manufacturing has been on a downtrend.

Jackson County has seen job gains in leisure and hospitality as well as in health care; manufacturing; and transportation, warehousing, and utilities. However, job losses in construction and financial activities have dampened the county's growth. Y/Y growth was about 1.0 percent at the end of the year compared with more than 2.0 percent at the beginning of 2007.

In Josephine County, Y/Y job losses early in 2007 gave way to modest job gains by the end of the year. Sectors showing growth include leisure and hospitality; health care and social assistance;

educational and health services; and transportation, warehousing, and utilities. Construction is the weak spot with declining employment.

Unemployment rates in Southern Oregon's three counties are higher than in many other areas of Oregon. In Douglas and Josephine counties, the unemployment rate is around 8.0 percent, while Jackson County's unemployment rate is a little below 7 .0 percent.

*Central Oregon Grows by 2.0 Percent:*

*Crook, Deschutes, Gilliam, Hood River, Jefferson, Klamath, Lake, Sherman, Wasco, and Wheeler counties*

Central Oregon added 2.0 percent to its total nonfarm payroll employment between the fourth quarter of 2006 and the fourth quarter of 2007. Even though only half the Y/Y growth rate of late 2006, this is the fastest of all regions' growth rates.

Hood River's employment stood 5.0 percent higher than in late 2006. Notable gains occurred late in 2007 in leisure and hospitality and in retail trade. Recreational facilities were able to capture the holiday season at full capacity. The three least populous counties—Sherman, Gilliam, and Wheeler, posted Y/Y gains of around 4.0 percent. Additional jobs in Sherman and Gilliam counties partly reflect the development of wind energy projects.

Deschutes County's 2.6 percent Y/Y gain was spread across many industries, although durable goods manufacturing and financial activities showed declines. Employment in the natural resources, mining, and construction sector remains slightly above year-ago levels, but growth has slowed almost to a standstill.

Most industries contributed to Wasco County's 1.7 percent job growth, although construction fell slightly short of its strong showing one year earlier. The remaining Central Oregon counties saw little change in employment over the past year, with the exception of a 1.0 percent job loss in Jefferson County, where a new state government correctional institution was not enough to offset job losses in wood products and the closure of a boat manufacturer.

Unemployment rates have climbed in Deschutes, Crook, and especially Jefferson counties as well as in Gilliam and Klamath counties. They remain at a low level in Hood River, Sherman, Wasco, and Wheeler counties and are little changed Y/Y in Lake County.

*Eastern Oregon Continues 1.0 Percent Annual Growth Rate:*

*Baker, Grant, Harney, Malheur, Morrow, Umatilla, Union, and Wallowa counties*

The eight-county Eastern Oregon region had 1.0 percent more jobs in the fourth quarter of 2007 than in the fourth quarter of 2006. This continues the region's moderate pace of growth since mid-2006. However, this stability and growth has not been shared by all of the region's counties.

Roughly mirroring the region's trend were Umatilla, Union, Wallowa, Baker, and Malheur counties. All of these showed Y/Y gains and have a recent history of fairly stable growth. Among these, Malheur County stands out for higher-than-normal Y/Y growth in late 2007 and Union County had lower-than-normal growth.

Morrow County's Y/Y job growth has slowed from 11.0 percent in the second quarter of 2007 to 2.9 percent in the fourth quarter. Manufacturing shows gains due to the opening of the Pacific Ethanol plant and the RDO-Calbee potato dough plant. Construction on these plants ended in September and August, respectively, leaving construction employment a little above 2005 levels.

Grant and Harney counties show Y/Y job losses, with Grant paring the largest number of jobs with a 3.3 percent loss. Curtailments in wood product manufacturing likely contributed to losses in the natural resources and mining sector, which includes logging.

In recent months, unemployment rates have exceeded year-ago levels notably in Union and Wallowa counties.

Information on employment in Oregon's 15 workforce regions and 36 counties is available at [www.QualityInfo.org](http://www.QualityInfo.org).

For more information, contact Art Ayre, state employment economist, [Art.L.Ayre@state.or.us](mailto:Art.L.Ayre@state.or.us), 503-947-1268.

### **Oregon Index of Leading Indicators (OILI)**

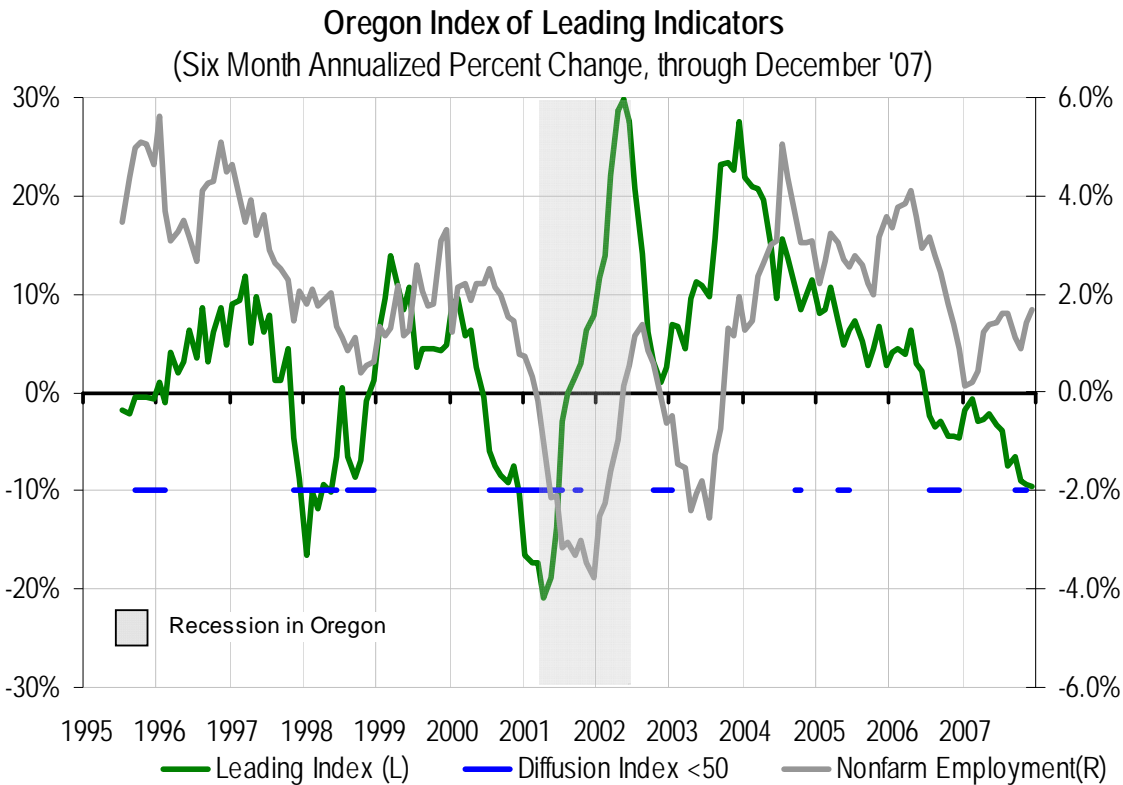
For the six months ending in December 2007, the Oregon Index of Leading Indicators<sup>1</sup> declined an annualized 9.5 percent, following a revised 9.6 percent decline the prior month. The moderately negative indicator is not seen as a signal of a broad based downturn in Oregon, but rather as a sign of increased risk that this might occur. Annualized employment growth of 1.7 percent for the six months through December followed a revised 1.4 percent increase for November.

Nearly all components contributed to the negative signal, lead by consumer sentiment, help wanted ads, the purchasing manager's index, and unemployment insurance claims. The relative value of the dollar, withholding receipts, and new incorporations were the only contrary indicators

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<sup>1</sup> The OILI applies the Conference Board's methodology for the U.S. National Leading Index to Oregon-specific components. The ten components incorporated in the OILI include: Semiconductor book-to-bill ratio, Oregon housing permits, Institute for Supply Management's purchasing managers index, spread between 10-year treasury bond and Federal Funds rates, University of Michigan consumer sentiment index, Oregon withholding, Federal Reserve Bank of Atlanta Dollar index (Pacific excluding Japan), new Oregon incorporations, Oregonian help-wanted index, and initial Oregon unemployment claims.

**Figure O.2**



## Short-Term Outlook

### Overview

Turning points in the business cycle are the most difficult to forecast. Forecasters try to project if a turning point will happen and when it will occur. Usually they can call either one correctly, but not both at the same time. Even with the inherent difficulties, we still forge ahead with our best estimates of the future. Without a forecast, we blindly stumble along, blissfully counting on our ignorance to keep us out of harms way.

The U.S. economic news as we finished 2007 and entered 2008 has been disturbing, to say the least. The advanced estimate for real GDP growth in the fourth quarter of 2007 is 0.6 percent with annual growth for the year being the slowest in the last five years. The U.S. Leading Economic Indicators decreased 0.2 percent in December and has fallen four of the last six months. Unemployment rose three-tenths of a percentage point to 5.0 percent in December, coupled with a disappointing job loss for January. Goldman Sachs expects a recession during 2008, and Moody's Economy.com places the probability of recession in the next six months at 56.0 percent.

Troubles to the economy are stemming from two sources: housing and energy. The housing market downturn and subprime mortgage problems are working their way through the financial sector. As home prices are starting to retreat, consumers are not tapping their home equity values. Consumer

spending may also slow due to tighter credit criteria, and energy prices are pinching budgets. These actions have the potential to impact all sectors of the economy.

The Oregon economy has likewise experienced a slowdown. Housing starts are down almost 17.0 percent in 2007 following an 11.0 percent drop in 2006. Although housing foreclosures are up, Oregon has one of the lowest rates in the country. We also have one of the lowest proportions of subprime mortgages. On the other hand, Oregon is relatively high in the proportion of variable rate mortgages. In terms of employment, Oregon job growth slowed dramatically in 2007 but ended with a relatively strong fourth quarter. Oregon's initial job claims are higher on a 4-week moving average in early January compared to 2007, but the last few weeks has shown some improvement.

Turning points are difficult to forecast. Many indicators are now pointing to a further slowing of the economy, but not all signals are negative. With the sun possibly setting on this expansion phase of the business cycle, the skies on the horizon are code colored reddish-orange—very cautious about further downturns in the economy.

OEA forecasts 0.3 percent growth for the first quarter of 2008. Job growth will be less in 2008 than in 2007, at 1.0 percent. Jobs will do slightly better in the second half of 2008, with a 1.3 percent growth rate and gradual improvement into 2009. OEA forecasts annual average job growth at 1.7 percent in 2009 and 1.8 percent in 2010.

Table O.2 compares OEA's forecast to other published forecasts. OEA's forecast follows the pattern of Global Insight, Western Blue Chip Consensus, and Wells Fargo & Co. forecasts. The general trend is a slowing of growth into 2008 with improving conditions in 2009. All forecasts have the same trend for personal income to slow into 2008 except for US Bank. The forecasts are more mixed for employment growth; Moody's Economy.com, U.S. Bank, and Conerly Consulting show higher growth for 2008. Most of the forecasts (other than OEA) were produced in early December 2007 or possibly late November 2007. Given more recent data on the U.S. and Oregon economies, it is possible that the other forecasts would be different than those displayed in Table O.2.

**Table O. 2**

**Oregon Total Nonfarm Employment and Personal Income Growth**

Forecaster	Date of Forecast	Employment			Personal Income		
		2007	2008	2009	2007	2008	2009
Moody's Economy.com	December 2007	1.3	1.5	1.8	5.8	4.2	5.7
Global Insight	October 2007	1.1	0.9	1.7	6.1	4.9	5.4
Wells Fargo & Co.	December 2007	1.0	0.6	N/A	5.1	5.0	N/A
U.S. Bank	December 2007	1.7	2.0	N/A	5.7	6.0	N/A
Conerly Consulting	December 2007	1.3	1.9	N/A	6.3	5.2	N/A
Portland General Electric	December 2007	1.9	N/A	N/A	5.7	N/A	N/A
<b>OEA</b>	<b>January 2008</b>	<b>1.4</b>	<b>1.0</b>	<b>1.7</b>	<b>6.2</b>	<b>5.4</b>	<b>5.6</b>
Consensus*	December 2007	1.7	1.5	N/A	5.9	5.5	N/A

\*Consensus forecast from Western Blue Chip forecast

**Table O.3****Oregon Forecast Summary**

	Quarterly			Annual								
	2007:4	2008:1	2008:2	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Personal Income (\$ billions)</b>												
<b>Nominal Personal Income</b>	133.2	134.9	136.8	114.6	123.1	130.6	137.6	145.3	153.8	162.7	172.0	181.1
% change	5.1	5.4	5.8	4.4	7.3	6.1	5.4	5.6	5.9	5.8	5.7	5.3
<b>Real Personal Income (base year=2000)</b>	111.9	112.8	114.2	102.7	107.3	111.1	114.6	119.0	123.7	128.5	133.3	137.8
% change	1.3	3.1	5.3	1.4	4.4	3.5	3.2	3.9	3.9	3.8	3.8	3.4
<b>Nominal Wages and Salaries</b>	72.7	73.5	74.5	63.5	67.8	71.6	74.9	78.9	83.3	87.9	92.6	97.3
% change	4.2	4.1	5.7	6.3	6.8	5.5	4.7	5.3	5.5	5.5	5.4	5.0
<b>Other Indicators</b>												
<b>Per Capita Income (\$1,000)</b>	35.3	35.7	36.1	31.6	33.3	34.9	36.2	37.7	39.3	41.0	42.8	44.5
% change	3.6	3.9	4.3	3.0	5.6	4.5	3.9	4.1	4.4	4.3	4.3	3.9
<b>Average Wage rate (\$1,000)</b>	41.5	41.9	42.3	37.9	39.4	41.0	42.5	44.0	45.6	47.3	49.1	50.9
% change	1.7	3.8	4.6	3.1	3.9	4.2	3.6	3.6	3.7	3.7	3.8	3.6
<b>Population (Millions)</b>	3.768	3.781	3.794	3.631	3.691	3.747	3.801	3.855	3.910	3.964	4.017	4.071
% change	1.5	1.4	1.4	1.4	1.6	1.5	1.4	1.4	1.4	1.4	1.4	1.3
<b>Housing Starts (Thousands)</b>	17.4	16.7	16.3	30.9	27.5	22.0	16.6	18.4	20.7	22.2	23.2	23.5
% change	(49.8)	(14.9)	(8.9)	12.5	(10.9)	(20.1)	(24.5)	10.4	13.0	7.2	4.1	1.3
<b>Employment (Thousands)</b>												
<b>Total Nonfarm</b>	1,733.7	1,735.2	1,739.8	1,654.4	1,702.3	1,725.5	1,742.9	1,771.7	1,802.8	1,833.2	1,861.0	1,886.2
% change	2.5	0.3	1.1	3.0	2.9	1.4	1.0	1.7	1.8	1.7	1.5	1.4
<b>Private Nonfarm</b>	1,439.9	1,441.3	1,445.3	1,369.3	1,415.7	1,434.8	1,448.1	1,474.4	1,502.4	1,531.2	1,556.2	1,578.3
% change	2.4	0.4	1.1	3.4	3.4	1.3	0.9	1.8	1.9	1.9	1.6	1.4
<b>Construction</b>	100.5	99.4	98.4	90.9	100.3	101.6	98.1	98.2	100.1	102.9	105.1	106.7
% change	(6.8)	(4.7)	(3.8)	9.9	10.4	1.3	(3.4)	0.1	2.0	2.8	2.1	1.6
<b>Manufacturing</b>	203.3	203.5	203.7	203.9	206.8	202.4	203.7	204.1	205.9	207.9	208.6	208.5
% change	6.6	0.4	0.5	2.0	1.4	(2.1)	0.7	0.2	0.9	1.0	0.4	(0.1)
<b>Durable Manufacturing</b>	149.9	150.8	151.1	152.2	154.4	149.6	151.2	151.6	153.2	155.0	155.6	155.6
% change	2.8	2.7	0.7	3.2	1.5	(3.1)	1.1	0.2	1.1	1.2	0.4	(0.1)
Wood Product Manufacturing	29.2	29.7	29.5	32.7	32.3	29.5	29.4	29.4	30.0	30.3	30.4	30.4
% change	0.3	6.6	(2.6)	1.8	(1.1)	(8.6)	(0.5)	(0.1)	2.3	0.7	0.3	0.0
High Tech Manufacturing	40.8	41.0	41.2	41.3	42.0	40.9	41.2	40.8	40.9	41.3	41.1	40.5
% change	1.4	1.5	2.0	0.7	1.7	(2.7)	0.9	(1.0)	0.3	0.9	(0.6)	(1.3)
Transportation Equipment	15.2	14.9	14.8	18.0	18.2	16.1	14.8	15.1	15.8	16.3	16.6	16.7
% change	(16.0)	(8.1)	(1.7)	7.7	1.2	(11.5)	(7.8)	1.9	4.4	3.5	1.9	0.3
<b>Nondurable Manufacturing</b>	53.5	52.6	52.6	51.8	52.4	52.8	52.5	52.5	52.7	52.9	53.0	52.9
% change	18.3	(6.0)	(0.2)	(1.1)	1.2	0.9	(0.5)	(0.1)	0.3	0.5	0.1	(0.2)
<b>Private nonmanufacturing</b>	1,236.5	1,237.8	1,241.6	1,165.4	1,209.0	1,232.3	1,244.4	1,270.4	1,296.5	1,323.3	1,347.5	1,369.8
% change	1.7	0.4	1.2	3.6	3.7	1.9	1.0	2.1	2.1	2.1	1.8	1.7
Retail Trade	202.0	202.4	202.9	193.5	197.5	202.6	203.3	207.5	211.6	214.9	218.2	221.3
% change	(2.2)	0.8	1.0	3.1	2.1	2.6	0.3	2.0	2.0	1.5	1.6	1.4
Wholesale Trade	83.7	83.6	83.8	77.8	80.6	82.8	83.9	84.9	85.8	87.1	87.9	88.6
% change	6.4	(0.3)	0.7	2.9	3.5	2.8	1.4	1.2	1.1	1.4	0.9	0.8
<b>Information</b>	38.4	38.6	38.9	33.6	35.0	37.1	38.9	39.2	39.1	39.0	39.4	39.8
% change	14.1	2.2	2.5	2.0	4.0	6.0	5.0	0.8	(0.4)	(0.2)	1.0	1.1
<b>Professional and Business Services</b>	195.0	195.7	196.7	185.6	193.1	195.9	197.6	205.2	213.1	221.3	226.8	232.0
% change	1.2	1.6	1.9	5.3	4.1	1.5	0.8	3.9	3.9	3.8	2.5	2.3
<b>Health Services</b>	182.3	183.7	185.4	171.5	176.2	180.5	186.1	191.7	195.3	198.1	201.4	204.9
% change	4.4	3.1	3.8	2.9	2.7	2.4	3.1	3.0	1.9	1.4	1.7	1.7
<b>Leisure and Hospitality</b>	174.0	174.4	175.3	159.1	165.3	171.7	175.8	179.0	181.8	185.4	189.5	193.5
% change	6.6	1.1	2.0	2.6	3.9	3.9	2.4	1.8	1.6	2.0	2.2	2.1
<b>Government</b>	293.8	293.9	294.5	285.1	286.6	290.7	294.8	297.3	300.4	302.0	304.9	307.9
% change	3.0	0.1	0.8	1.0	0.5	1.4	1.4	0.8	1.1	0.5	1.0	1.0

Table O.3 provides a summary of the current forecast (February 2008). Following the slower growth of 2007, OEA expects Oregon's economy to see job growth of 1.0 percent in 2008. Job growth will start to pick up in 2009 and 2010, at 1.7 percent and 1.8 percent, respectively. Total private nonfarm employment will grow 0.9 percent in 2008 and improve to 1.8 percent in 2009.

## *Goods Producing Sectors*

[References to specific businesses and organizations are from public news sources and from compiled news items published in *Around the State*, Workforce Analysis Section, Oregon Employment Department.]

The wood products sector has been hard hit by the housing downturn. The Random Lengths Composite Price (Random Lengths Publications, November 2007) for lumber is currently \$262 per thousand feet, essentially unchanged from the October price of \$263 per thousand feet. This represents a drop of 27.0 percent from November 2005, when the price was \$359 per thousand feet. The price was above \$400 per thousand feet for six months during 2004. Demand has greatly fallen off with housing starts in Oregon down close to 17.0 percent in 2007. OEA expects housing starts to be down again by 17.3 percent in 2008.

The soft market conditions have impacted wood producer employment. Swanson Group laid off 150 workers in December at mills in Roseburg, Glendale, and Noti. Umpqua Lumber in Dillard will start a six-month work stoppage in February, and Boise Cascade will permanently close mills in White City. Not all news is bad, however: Timber Products will add a shift to its particle board plant in Medford in March. The depreciation of the U.S. dollar has decreased softwood imports into the U.S. by 46.0 percent in the third quarter of 2007 compared to a year ago, and Canadians are buying more plywood from the Pacific Northwest. The wood products sector job growth is expected to continue declining at a 0.5 percent rate in 2008 and 0.1 percent in 2009.

The outlook for the computer electronics industry, which includes semiconductors, is very uncertain. While inventories appear to be under control, demand is questionable going into 2008. Analysts at the 2008 Industry Strategy Symposium project chip revenue growth to improve slightly in 2008 compared to 2007 at around 6.0 percent. Equipment suppliers to the industry will see a decline in 2008. The outlook is clouded by the prospects of a U.S. recession and the impact on world economic growth. The book-to-bill ratio for semiconductor equipment rose slightly to 0.89 for December 2007, continuing an upward movement from September 2007. [Generally a ratio higher than one is an expectation of expansion while a ratio less than one infers contraction.] The book-to-bill ratio has been below one since February 2007.

Major companies, such as Intel, appear to be past extensive cost cutting. Still, the unclear economic future has been punishing high tech stock prices. Recently, Merix Corp. announced it will close their Wood Village plant in March due to declining demand, shifting production to Forest Grove and China. The computer electronics industry is projected to grow 0.9 percent in 2008 and decline 1.0 percent in 2009. This sector's job growth is expected to remain relatively flat through the forecast horizon of 2013.

The transportation equipment sector declined 11.5 percent in 2007, largely anticipated due to the end of a production run-up before raised emission standards and the shifting of commercial truck production by Freightliner out of the state. The RV sector had mixed news, with Country Coach of Junction City announcing lay-offs in December but plans to hire back 65 workers due to increased demand for their luxury motor homes. This industry sector is expected to see job declines of 7.8 percent in 2008 with a return to job gains of 1.9 percent in 2009.

Metals and machinery has avoided the slowdown seen in most other sectors of the economy. Strong international demand coupled with sustained growth at home has led to strong job growth. Job growth in 2007 was 6.4 percent, with continued growth of 5.7 percent expected in 2008 and 1.5 percent in 2009.

OEA forecasts employment in food processing to increase 0.9 percent in 2008 and 1.6 percent in 2009. This sector is traditionally very volatile, and recent information confirms that this continues today. The Oregon Trail Mushroom plant in Vale temporarily closed in December for the next three or four months, laying off more than 100 people. Exports have received a boost from a lower value of the U.S. dollar and continued growth of Pacific Rim economies.

Construction employment will continue to decline in 2008 with job losses of 3.4 percent. 2009 will see essentially no improvement with minimal job growth of 0.1 percent. The downward weight of the contracting residential market is countering the activity in the non-residential and public works sector. With an additional decline of 17.3 percent for Oregon housing starts in 2008, the construction sector will be struggling into 2009.

### *Service Producing Sectors*

Trade, transportation, and utilities sector employment will mildly increase 0.5 percent in 2008 followed by 1.9 percent growth in 2009. Although the residential housing market has continued to slow, we still see examples of retailers related to this industry opening new stores. The Home Depot and Lowe's both opened in December and January in Redmond with 220 new employees. The slowing economy will impact commerce and have a dampening effect on wholesale trade and transportation services.

The information sector, which includes traditional publishers such as newspapers and publishers of software, will continue strong growth of 5.0 percent in 2008 and milder growth of 0.8 percent in 2009. Software company Iovation of Portland is expected to expand with an infusion of \$10 million. 2008 will be the third year in a row for strong growth in this sector, but the slowing economy should also lower job growth in the second half of the year.

The financial activities sector will continue to soften with job declines of 0.5 percent in 2008 before returning to positive job growth of 1.8 percent in 2009. In the wake of the declining housing market and subprime mortgages, financial institutions face increasing their loan loss reserves and raising their credit standards, essentially adding to the impact of declining loan demand. Major banks and stock brokerages, including Washington Mutual, have reported losses. Wells Fargo announced in December that they will eliminate 146 positions associated with the home equity loan business at its loan processing center in Beaverton. This sector has the largest downside potential as we enter 2008.

OEA projects that professional and business services will grow 0.8 percent in 2008 and 3.9 percent in 2009. Call centers are still coming and going in Oregon. The latest announced call center is from Enterprise Rent-A-Car which will begin hiring in February for its new facility in Eugene. The call center is expected to hire 100 employees in February, eventually reaching 200 workers. The slowing economy will definitely impact this sector in 2008.

Education and health services will grow 3.1 percent in 2008 and 2.7 percent in 2009. Reports of openings of small health and medical centers continue around the state. This sector has weathered the past recessions and should continue to do well through the current slow economy.

OEA projects leisure and hospitality to grow 2.4 percent in 2005 and 1.8 percent in 2006, slower than the 3.9 percent growth of 2006 and 2007. The lower value of the U.S. dollar should assist this sector with international visitors.

The government sector will increase by 1.4 percent in 2008 and 0.8 percent in 2009. Budgets at the local government level are feeling the stress from revenue declines due to reduced building permits. The City of Bend plans to lay off 10 planning and engineering employees. OEA expects local government employment to grow 2.1 percent in 2008 and 1.1 percent in 2009. State government employment will grow 0.5 percent in 2008 and 0.4 percent in 2009.

### *Personal Income Components*

OEA forecasts that personal income will grow 6.1 percent in 2007, followed by growth of 5.4 percent in 2008 and 5.6 percent in 2009. The strong first quarter growth in 2007 has pushed the annual number higher. The growth in the second half of 2007 is below 6.0 percent leading into 2008 and bringing the growth rate down for the year. Personal income growth will improve in 2009 with the growth rate reaching 6.0 percent in the fourth quarter.

Wage and salary income will grow 5.0 in 2007, 4.7 percent in 2008, and 5.3 percent in 2009. This income component follows the employment forecast with slower growth in 2008. Although OEA forecasts inflation to be lower this year than in 2007, some pressure on wages may show up in the latter part of 2008 and into 2009.

Appendix A provides the forecast of various personal income components. Nonfarm proprietors' income, which includes income of small businesses, will grow 1.9 percent in 2007, followed by 4.9 percent in 2008 and 7.1 percent in 2009. As the economy is expected to improve toward the end of 2008, this income component tends to rise first before employment numbers recover. Other personal income components follow the national forecast with slower growth in 2008 and improvements in 2009.

Per capita income in Oregon will stay slightly below the U.S. average throughout the forecast horizon. Oregon's economy is expected to grow faster than the U.S. economy, with Oregon's total personal income growing faster than the nation's. Most job gains will come from the nonmanufacturing sector of the private economy. But Oregon's population growth will also be higher than the nation's. As a result, per capita income in Oregon will not appreciatively gain or lose ground compared to the U.S. average.

### **Forecast Changes Relative to the December 2007 Forecast**

OEA's March 2008 Oregon economic forecast is little changed from the prior forecast. Table O.4 provides a summary of these forecast changes.

**Table O.4**  
**Oregon Forecast Change (Current vs. Last)**

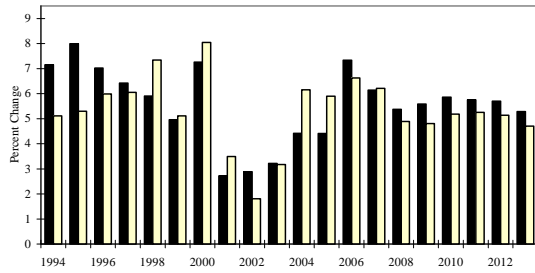
	Quarterly			Annual								
	2007:4	2008:1	2008:2	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Personal Income (\$ billions)</b>												
<b>Nominal Personal Income</b>	133.2	134.9	136.8	114.6	123.1	130.6	137.6	145.3	153.8	162.7	172.0	181.1
% change	(0.1)	(0.2)	(0.0)	0.0	0.0	(0.1)	(0.1)	(0.3)	(0.3)	(0.1)	(0.1)	(0.1)
<b>Real Personal Income (base year=2000)</b>	111.9	112.8	114.2	102.7	107.3	111.1	114.6	119.0	123.7	128.5	133.3	137.8
% change	(0.7)	(0.9)	(0.5)	0.0	0.0	(0.2)	(0.6)	(0.7)	(0.6)	(0.6)	(0.6)	(0.7)
<b>Nominal Wages and Salaries</b>	72.7	73.5	74.5	63.5	67.8	71.6	74.9	78.9	83.3	87.9	92.6	97.3
% change	(0.2)	(0.5)	(0.3)	0.0	0.0	(0.2)	(0.4)	(0.6)	(0.7)	(0.6)	(0.6)	(0.7)
<b>Other Indicators</b>												
<b>Per Capita Income (\$1,000)</b>	35.3	35.7	36.1	31.6	33.3	34.9	36.2	37.7	39.3	41.0	42.8	44.5
% change	(0.1)	(0.2)	(0.0)	0.0	0.0	(0.1)	(0.1)	(0.3)	(0.3)	(0.1)	(0.1)	(0.1)
<b>Average Wage rate (\$1,000)</b>	41.5	41.9	42.3	37.9	39.4	41.0	42.5	44.0	45.6	47.3	49.1	50.9
% change	(0.7)	(0.8)	(0.5)	(0.0)	(0.0)	(0.3)	(0.6)	(0.6)	(0.7)	(0.7)	(0.7)	(0.7)
<b>Population (Millions)</b>	3.768	3.781	3.794	3.631	3.691	3.747	3.801	3.855	3.910	3.964	4.017	4.071
% change	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1
<b>Housing Starts (Thousands)</b>	17.4	16.7	16.3	30.9	27.5	22.0	16.6	18.4	20.7	22.2	23.2	23.5
% change	(12.8)	(14.4)	(15.6)	0.1	0.0	(3.9)	(16.7)	(20.5)	(16.9)	(13.4)	(11.4)	(11.3)
<b>Employment (Thousands)</b>												
<b>Total Nonfarm</b>	1,733.7	1,735.2	1,739.8	1,654.4	1,702.3	1,725.5	1,742.9	1,771.7	1,802.8	1,833.2	1,861.0	1,886.2
% change	0.5	0.3	0.2	0.0	0.0	0.1	0.2	0.1	0.0	0.1	0.0	(0.0)
<b>Private Nonfarm</b>	1,439.9	1,441.3	1,445.3	1,369.3	1,415.7	1,434.8	1,448.1	1,474.4	1,502.4	1,531.2	1,556.2	1,578.3
% change	0.5	0.4	0.3	0.0	0.0	0.1	0.2	0.1	0.0	0.1	0.0	(0.1)
<b>Construction</b>	100.5	99.4	98.4	90.9	100.3	101.6	98.1	98.2	100.1	102.9	105.1	106.7
% change	(1.1)	(1.3)	(1.5)	0.0	0.0	(0.3)	(1.6)	(1.6)	(1.5)	(0.9)	(0.4)	(0.3)
<b>Manufacturing</b>	203.3	203.5	203.7	203.9	206.8	202.4	203.7	204.1	205.9	207.9	208.6	208.5
% change	1.4	1.4	1.4	(0.0)	(0.0)	0.3	1.4	1.1	1.2	1.4	1.4	1.2
<b>Durable Manufacturing</b>	149.9	150.8	151.1	152.2	154.4	149.6	151.2	151.6	153.2	155.0	155.6	155.6
% change	0.6	1.3	1.3	(0.0)	(0.0)	0.2	1.4	1.0	1.0	1.3	1.3	1.0
Wood Product Manufacturing	29.2	29.7	29.5	32.7	32.3	29.5	29.4	29.4	30.0	30.3	30.4	30.4
% change	0.4	2.8	2.8	0.0	0.0	0.1	2.6	1.9	2.2	1.9	2.0	1.8
High Tech Manufacturing	40.8	41.0	41.2	41.3	42.0	40.9	41.2	40.8	40.9	41.3	41.1	40.5
% change	0.2	0.3	(0.0)	(0.0)	(0.0)	0.1	0.1	(1.1)	(0.9)	1.0	1.1	0.3
Transportation Equipment	15.2	14.9	14.8	18.0	18.2	16.1	14.8	15.1	15.8	16.3	16.6	16.7
% change	(3.5)	(5.4)	(5.6)	(0.0)	(0.0)	(0.9)	(5.5)	(5.5)	(4.1)	(2.3)	(1.0)	(0.5)
<b>Nondurable Manufacturing</b>	53.5	52.6	52.6	51.8	52.4	52.8	52.5	52.5	52.7	52.9	53.0	52.9
% change	3.5	1.6	1.5	0.0	(0.0)	0.9	1.5	1.4	1.6	1.6	1.8	1.8
<b>Private nonmanufacturing</b>	1,236.5	1,237.8	1,241.6	1,165.4	1,209.0	1,232.3	1,244.4	1,270.4	1,296.5	1,323.3	1,347.5	1,369.8
% change	0.4	0.2	0.1	0.0	0.0	0.1	0.0	(0.1)	(0.1)	(0.1)	(0.2)	(0.2)
Retail Trade	202.0	202.4	202.9	193.5	197.5	202.6	203.3	207.5	211.6	214.9	218.2	221.3
% change	(0.8)	(1.0)	(1.2)	0.0	0.0	(0.2)	(1.3)	(1.4)	(1.2)	(1.3)	(1.2)	(1.2)
Wholesale Trade	83.7	83.6	83.8	77.8	80.6	82.8	83.9	84.9	85.8	87.1	87.9	88.6
% change	1.4	1.1	1.1	(0.0)	(0.0)	0.3	1.1	1.2	1.1	1.2	1.1	1.0
<b>Information</b>	38.4	38.6	38.9	33.6	35.0	37.1	38.9	39.2	39.1	39.0	39.4	39.8
% change	2.6	2.8	3.1	0.0	0.0	0.6	3.0	3.4	2.9	1.9	1.8	1.6
<b>Professional and Business Services</b>	195.0	195.7	196.7	185.6	193.1	195.9	197.6	205.2	213.1	221.3	226.8	232.0
% change	0.6	0.9	0.9	0.0	0.0	0.1	0.7	0.1	(0.2)	(0.0)	(0.5)	(0.7)
<b>Health Services</b>	182.3	183.7	185.4	171.5	176.2	180.5	186.1	191.7	195.3	198.1	201.4	204.9
% change	0.8	1.0	1.0	0.0	0.0	0.2	1.0	1.4	1.6	1.5	1.5	1.5
<b>Leisure and Hospitality</b>	174.0	174.4	175.3	159.1	165.3	171.7	175.8	179.0	181.8	185.4	189.5	193.5
% change	1.4	0.8	0.4	(0.0)	(0.0)	0.4	0.4	(0.0)	(0.2)	(0.4)	(0.4)	(0.5)
<b>Government</b>	293.8	293.9	294.5	285.1	286.6	290.7	294.8	297.3	300.4	302.0	304.9	307.9
% change	0.4	0.1	0.1	(0.0)	(0.0)	0.1	0.1	0.0	0.0	(0.0)	(0.0)	(0.0)

# Graph O.1

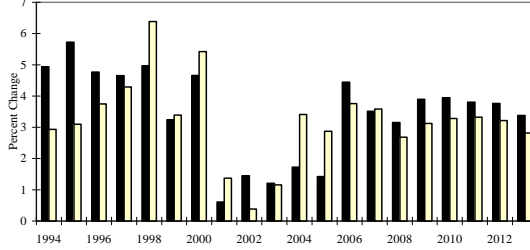
## OREGON AND U.S. ECONOMIC FORECASTS

■ OREGON ■ U.S.

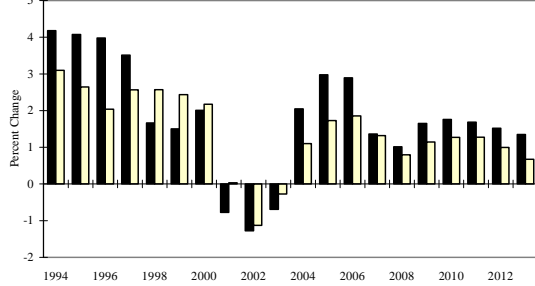
**PERSONAL INCOME**



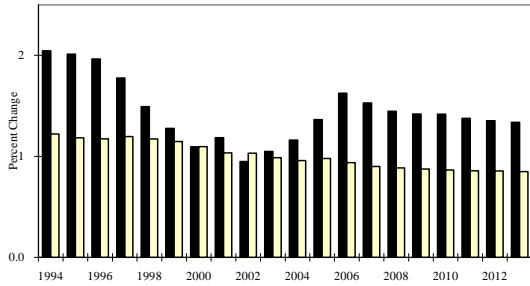
**REAL PERSONAL INCOME  
2000 CHAIN WEIGHTED DOLLARS**



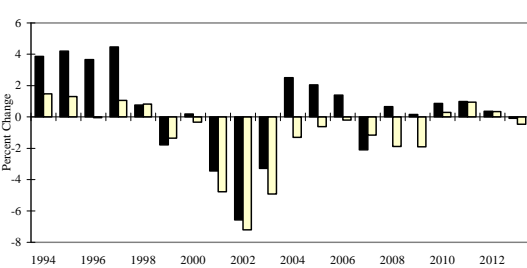
**NON FARM EMPLOYMENT**



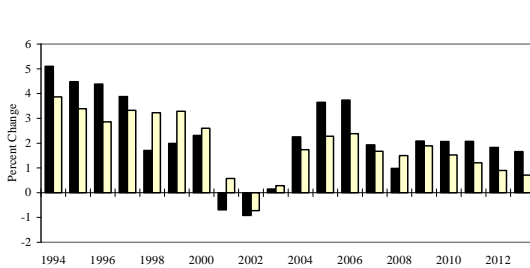
**POPULATION**



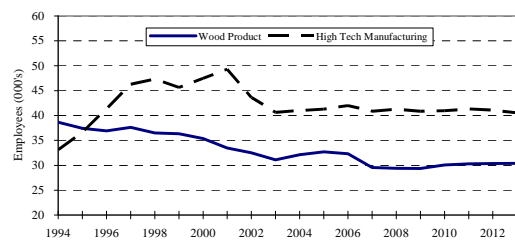
**MANUFACTURING EMPLOYMENT**



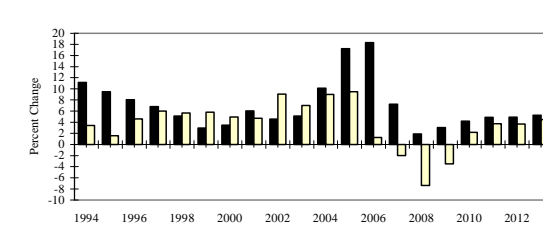
**PRIVATE NON MANUFACTURING EMPLOYMENT**



**WOOD PRODUCT MANUFACTURING  
& HIGH TECH MANUFACTURING EMPLOYMENT**



**HOUSING PRICES  
OREGON REPEAT PURCHASE INDEX VS. U.S. AVERAGE SALES PRICE OF  
EXISTING SINGLE FAMILY HOMES**



OEA lowered the personal income forecast slightly due to third quarter numbers. The national forecast has also been slightly lowered. This slight drop is carried out over the forecast horizon.

OEA also lowered Oregon's average wage rate due to the lower national forecast. Lower productivity estimates makes it more difficult to give wage increases. At the same time, the softening economy alleviates some of the wage pressure from tight labor markets.

OEA revised nonfarm employment up 0.1 percent in 2007 and 0.2 percent in 2008. This reflects the stronger than expected fourth quarter job growth in 2007. This slight bump up in the forecast is carried out to 2009 and then reverts back to the prior forecast.

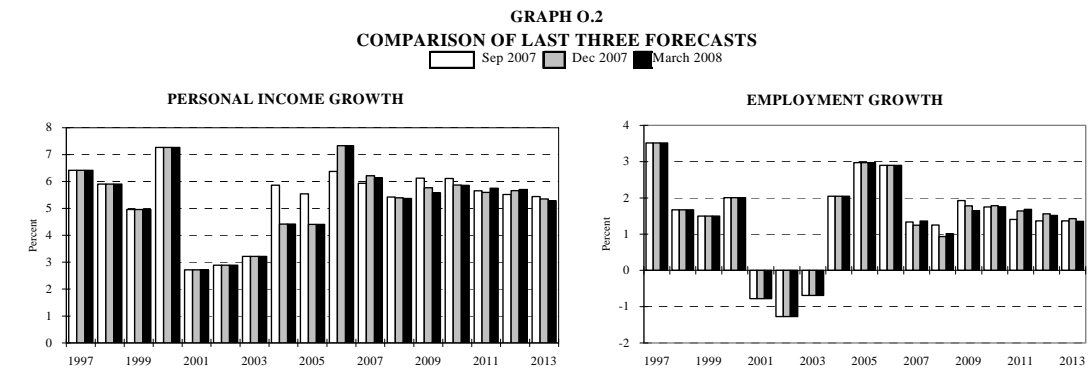
OEA has significantly lowered housing start projections in 2008 and 2009. The main reason is a substantial downward revision at the national level for 2008 and 2009. The extent of the downturn is deeper than previously forecast and the correction period is lasting longer. OEA still expects housing starts to increase in 2009.

OEA has revised manufacturing up in 2007 and through the end of the forecast horizon. The revision is mainly due to the better growth than forecasted for most durable and nondurable sectors of manufacturing, with the exception of transportation equipment. This revision does not change the trend for manufacturing, with relatively weak growth through the outer years.

Private nonmanufacturing is essentially unchanged from the previous forecast. Most notable of the revisions are retail and wholesale trades and information. OEA revised retail trade down to reflect the weaker performance in the fourth quarter of 2007. This corresponds to a somewhat lackluster holiday retail season at the national level. OEA revised wholesale trade employment up to reflect the stronger than forecasted fourth quarter of 2007. Information also had a much stronger fourth quarter 2007 than projected.

There is virtually no change to the outlook for the government sector.

## Graph O.2



## Alternative Scenarios

The baseline forecast is our projection of the most likely outcome for the Oregon economy. As with any forecast, however, other scenarios are possible. The economy could either under- or over-perform relative to our baseline forecast. We broadly call these forecasts the Optimistic and Pessimistic scenarios. While we attach the highest probability to the baseline forecast, these other outcomes are within the realm of possibility. Table O.5 shows the annual summary of alternative scenarios. Figure O.3 shows the quarterly details of alternative scenarios for total nonfarm

employment, personal income, manufacturing employment, and private nonmanufacturing employment.

The outlook for the U.S. economy has a direct influence on the outlook for the Oregon economy. Global Insight provides alternative forecasts to their baseline forecast that we label “Optimistic” and “Pessimistic.” Essentially, the optimistic forecast has stronger growth in the next few years while the pessimistic forecast has weaker growth for the same period. The Governor’s Council of Economic Advisors (GCEA) met with OEA to discuss the outlook for the U.S. economy. Members were asked to compare their outlook with that of forecaster Global Insight, whose forecast forms the basis for OEA’s Oregon economic model.

GCEA believes the Baseline Scenario has a greater chance of occurrence, with more downside risks than upside. This heightened view of risks in the next few years is reflected in OEA’s forecast for the Oregon economy.

*Optimistic Scenario:* The spread of the credit crunch is limited and the financial market stabilizes quickly. The housing sector bottoms out sooner than expected. High productivity helps economic growth, leads to employment gains, lowers budget deficits, brings down inflation, and promotes a stronger dollar. Business investment spending is strong. Foreign growth boosts stronger exports, helping the manufacturing sector. Residential construction rebounds due to better job growth, lower interest rates, lower mortgage rates, and higher consumer confidence. Energy prices are substantially lower.

In this scenario, Oregon continues to grow above trend. Employment will grow 1.8 percent in 2008, stronger than the baseline forecast of 1.0 percent. Job growth gets even stronger in 2009 and 2010. Personal income also grows strongly at 6.7 percent in 2008 compared to the baseline forecast of 5.4 percent. Its growth will continue to be over 6.0 percent in 2009 and 2010.

**Table O.5**

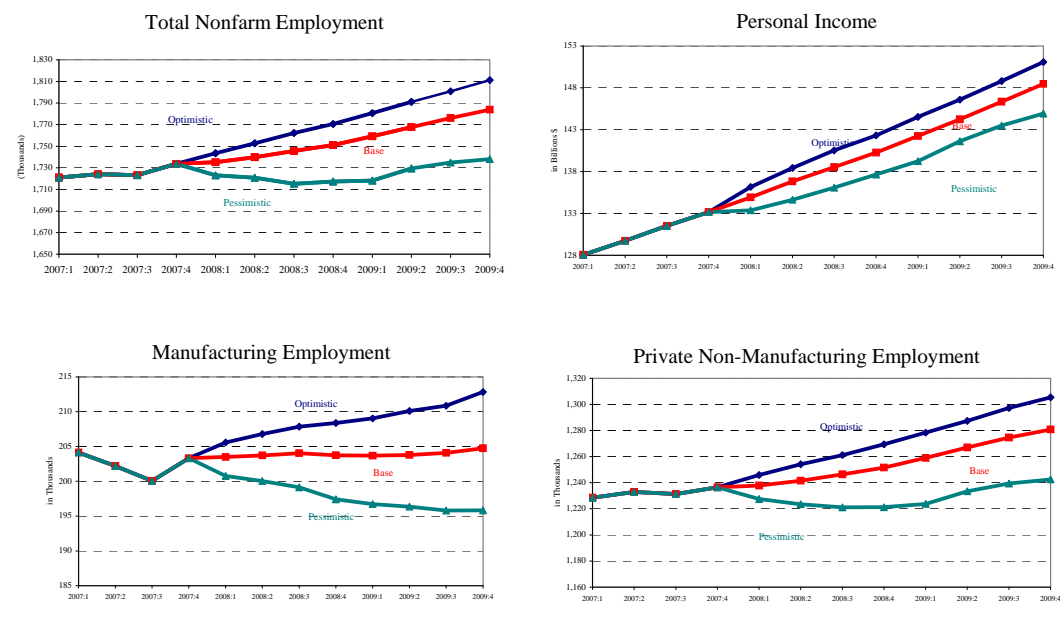
		Compared to Baseline					Growth Rates		
		Baseline	Pessimistic	Losses	Optimistic	Gains	Baseline	Pessimistic	Optimistic
<b>Total Employment</b> (thousands)	<b>2007</b>	1725.5	1725.5	0.0	1725.5	0.0	1.4%	1.4%	1.4%
	<b>2008</b>	1742.9	1719.1	-23.9	1757.3	14.4	1.0%	-0.4%	1.8%
	<b>2009</b>	1771.7	1730.1	-41.6	1796.0	24.2	1.7%	0.6%	2.2%
	<b>2010</b>	1802.8	1760.7	-42.2	1837.4	34.5	1.8%	1.8%	2.3%
<b>Personal Income</b> (\$ billions)	<b>2007</b>	130.6	130.6	0.0	130.6	0.0	6.1%	6.1%	6.1%
	<b>2008</b>	137.6	135.4	-2.2	139.4	1.7	5.4%	3.7%	6.7%
	<b>2009</b>	145.3	142.3	-3.0	147.8	2.4	5.6%	5.1%	6.0%
	<b>2010</b>	153.8	150.0	-3.8	156.8	3.0	5.9%	5.4%	6.1%

*Pessimistic Scenario:* The subprime mortgage problem spreads to other segments of the financial market. There are widespread credit problems, and the financial market is in turmoil. Financial

market instability spreads over to the real sector of the economy. Productivity is weaker, and oil and gasoline prices are much higher. There is a deeper housing downturn and decline in house prices. Business capital spending stays flat or declines. The U.S. dollar weakens as foreign investors lose confidence in the dollar. Higher inflation causes the Fed to hike interest rates. Consumer confidence suffers, and consumers rein in their spending. The global economy slows down substantially. A sluggish China does not work as the engine of growth for Asian countries.

Under this economic environment, Oregon’s economy worsens for the rest of 2008. 2009 is essentially flat with some job gains during the year. Manufacturing sheds jobs through 2009. Personal income growth suffers, and weak consumer spending does not support jobs in the retail and service sectors. Employment growth stays well below the baseline scenario through 2010.

**Figure O.3**



**Forecast Risks**

The forecast projects a slowing Oregon economy in 2008 with mild growth returning in 2009. This outlook faces heightened risks for a much deeper downturn in 2008. “Risks” are similar to the statistician’s probabilities. Based on information about likely outcomes, the statistician assigns probabilities to various outcomes. The indicators in the national and Oregon economies raise the probability of a more severe downturn. Unlike risk, uncertainty is a situation lacking in data and information. Uncertainty surrounds the financial system. The extent of the housing crisis and the securitization of bad loans are unknown. Whether the financial system will lead to a wide spread credit crunch is the largest question facing the US economy—and thus the Oregon economy. Broadly we place “uncertainty” under “risks”, and note that the Oregon economy is at a precarious juncture of the business cycle.

With the national economy going through a slowdown in 2007, the risks are higher from any disturbances that could throw the economy off track. The same major drag for the slowdown, a slowing housing market, could hurt the economy further when it is most susceptible. The credit crunch and the ensuing instability in the global financial market bring added uncertainty. Businesses are nervous about potential repercussions from the turmoil in the financial markets across the world. Any geopolitical disruptions during this time would be more harmful than when the economy is stronger.

Despite good headline inflation numbers, inflation pressures still exist. The Fed continues to warn about a potential flare-up in inflation pressure. The expectation is that the softening economy will ease inflation pressures. However, sharply higher oil and gasoline prices coupled with a sharp rise in food prices will add inflationary pressure. A weaker dollar may contribute to price pressure through a run-up in import prices.

The housing market in Oregon and the U.S. continue to work off excesses accumulated in the past housing boom. Building permits and housing starts are sharply down. In fact, both have declined more than expected. With declining sales, home prices are coming down at the national level. While house price appreciation has continued in Oregon, some parts of the country have seen house prices drop substantially. House prices will continue to soften in most regions. Negative wealth effect from lower house values and less mortgage equity withdrawal will dampen consumer spending. There is a risk that the housing market may deteriorate worse than expected.

The subprime mortgage problem has led to bankruptcies and huge write-offs in the financial industry. While the credit squeeze continues for some borrowers, short-term financing through the commercial paper market has begun to stabilize. Stricter lending standards also limit credit access, but qualified borrowers continue to enjoy stable financing.

Record oil prices remain a substantial risk. So far, the world economy has withstood the attack of high oil prices remarkably well. Still, there is no question that high oil prices are a significant threat to the already soft U.S. economy.

A variety of factors could disrupt oil supplies, and higher energy prices cannot be ruled out. Crude oil prices continue to hover around record levels. The global supply is still tight, and demand is still strong, particularly from China and the rest of Asia. Geopolitical tensions continue to exist, and there is always room for speculative attacks. There is an indication that current oil prices are being partly supported by speculators.

A rebound in business spending (nonresidential) started in the first quarter of 2007 and continued throughout the year. However, the current instability in the global financial market and uncertainty surrounding the overall economy are weighing on business confidence, which may lead businesses to change their capital spending plan. At the same time, if the economy slows further, it may delay a pickup in business investment and negatively affect Oregon's manufacturing.

We will continue to monitor and recognize the potential impacts of these risk factors on the Oregon economy. We have identified the major risks now facing the Oregon economy in the list below:

- *Contagion of the credit crunch and financial market instability.* The current instability in the financial market is weighing on business confidence, which may lead businesses to change their

capital spending plans. The central banks are ready to inject more money to alleviate short-term credit problems, and their measures have been successful so far. At the same time, the Fed has lowered interest rates to stimulate the economy.

- *A further worsening in the housing market.* Low interest rates and easy lending standards have aided a boom in home purchases and mortgage refinancing. With the subprime mortgage problem spreading and tighter lending standards in place, the mortgage market is not as conducive to residential real estate activity as in the past. Any drop in house price appreciation coupled with a large drop in mortgage equity withdrawal will slow down consumer spending. The Oregon housing market could be adversely impacted by a major housing correction in California and the rest of the nation. Continued gains in employment and personal income will be needed to keep consumer spending from falling. The federal fiscal stimulus package should help alleviate the slower consumer spending.
- *A major deceleration in the U.S economy and a global downturn triggered by the U.S. slowdown.* The U.S. economy has been an important engine of growth for the global economy. Thanks to a strong global economy, the chances are lower that the U.S. slowdown will set off a global downturn. The rest of the world is growing nicely even with a soft U.S. economy, but if the U.S. economy falters even more, the whole world will surely feel the impact. Asia in particular will be severely affected due to its large exposure to the U.S. economy.
- *A sharp fall of the U.S. dollar.* Depreciation of the dollar against foreign currencies promotes U.S. exports as U.S. products become more price-competitive (or less expensive). Oregon's manufacturing sector has a large dependency on international markets. If the U.S. dollar falls too quickly, this could harm Oregon's trading partners because the lower dollar makes imports more expensive to U.S. consumers. As U.S. trading partners export less to the U.S., their economies may weaken and lower their demand for Oregon products. In the end, a controlled lowering of the U.S. dollar is most beneficial to the Oregon economy.
- *A sharp and major stock market correction.* This would slow consumer spending. Lower stock prices could also limit the ability of businesses to raise necessary capital in the equity markets.
- *A hard landing in China.* The Chinese economy is growing very fast. Building construction and other business investments are largely responsible for this economic growth. Inflationary pressure is strong. The central government's efforts to curb growth have produced minimal success. Limited experience in macro policymaking may result in an undesirable set of policy measures. A major slowdown in China will hurt most Asian economies, along with commodity-exporting countries, including Canada. Given that Canada and Asian countries are the major destinations of Oregon's manufacturing exports, the manufacturing sector would be negatively impacted.
- *Geopolitical risks.* Uncertainty still abounds in Iraq. Tensions with Iran and heightened security risks weigh on businesses and consumers. Disruptions in travel, oil supplies, and consumer confidence could be severe. The drop in business activity could deepen if this uncertainty persists or if the transition out of the Iraq war goes badly for the U.S. The winding down of military expenses will not greatly impact Oregon. There is also an upside risk that the transition will go more smoothly than anticipated, and stability in the Mideast will provide a stronger than forecasted stimulus to the economy.

- *Inflation and Federal Reserve Bank reactions.* A growing economy with surging energy costs is a formula for inflation. Even with a slowing economy, higher inflation than forecasted may force the Federal Reserve to raise interest rates more quickly and to higher levels. This action could further slow the U.S. economy and in turn slow down the Oregon economy as higher interest rates hurt consumers and businesses.
- *Rising regional energy prices.* More businesses may slow production and lay off workers. A geopolitical incident could dramatically disrupt gasoline and natural gas prices. Regionally, electricity generation is subject to weather patterns and natural gas prices. As demand surpasses the available capacity of hydro generation, electric generation may move towards natural gas-powered turbine engines. Higher electricity prices could result because they are pegged to natural gas prices.
- *Initiatives, referendums, and referrals.* Generally, the ballot box brings a number of unknowns that could have sweeping impacts on the Oregon economy.

### **Extended Outlook**

The Oregon economy grew slower than the U.S. economy from 1998 through 2003. This has not occurred since 1985. It outpaced the nation in growth in 2004 through 2006. Between 2007 and 2013, employment growth in Oregon will be slower than in the mid-1990s. However, the U.S. economy is expected to have even slower growth than that expected in Oregon.

The slower economic growth of 1998 through 2003 also slowed the growth of Oregon's per capita income and average wages. The devastating 1980-82 recession slowed the growth of incomes and wages until 1986. In the 1990s, as the Oregon economy became more industrially diversified, per capita income and wages grew faster than the nation's as a whole. Going forward, the Oregon economy is projected to grow faster than the nation's. However, it will take some time for per capita income and average wages to catch up with the national averages.

The key factors that will fuel the state's long-term growth are listed below:

- *Steady in-migration and population growth:* High population growth is an opportunity for economic growth as the state creates jobs to serve a growing population. At the same time, it presents a challenge for the state as the demand for services increases.
- *Pacific Rim orientation:* The economies in the Pacific Rim, including Canada and Asian countries, are growing very rapidly.
- *Export growth and high commodity prices:* Global economic expansion will increase demand for Oregon commodities, both finished and capital goods. Oregon is well positioned for trade with Asian countries. High commodity prices will benefit agricultural and timber producers in the state.
- *Continued strength in domestic markets:* Continued economic growth in California and other major domestic markets will fuel demand for Oregon products.

- *Business costs advantages:* The Oregon economy will benefit from a comprehensive energy plan. Efforts which have long been in place for electricity planning should extend to all energy sources. If the plan can assure businesses of an abundant, reliable, and relatively inexpensive supply of electricity and other sources of energy, the state (and the Pacific Northwest) will continue to have a relative energy cost advantage over other regions. Oregon has other business cost advantages, such as lower workers' compensation rates and multi-modal transportation options compared to other states. Equally important is an educated work force that contributes to productivity.
- *Environmental issues:* Salmon protection measures, the Portland Super Fund, and other issues could change the economic landscape.
- *Affordable housing:* For most of the late 1990s and the early part of this decade, California, Washington, and the nation as a whole have experienced more rapidly rising housing costs than Oregon. Oregon's house price appreciation is finally picking up. If housing costs rise faster in Oregon than in the rest of the nation, companies will face increased difficulties recruiting workers. If Oregon can maintain a relative cost advantage in housing, this factor will be attractive for firm location.
- *Biotechnology and Clean Technology:* These sectors are seen by many as the next growth industries. Portland and the State have launched funding plans to promote the biotechnology sector. The platform for the Oregon Business Plan includes nanotechnology as an emerging field for Oregon. It is too early to tell if these are indeed the next growth industries and what returns they may bring.
- *Sustainable development:* Centered in the Portland area, this movement in sustainable building practices is spreading throughout the U.S. Uncertainty surrounds the number of new jobs associated with this movement, but it may allow gains in market shares for construction and consulting firms in Oregon.
- *Quality of life:* Oregon will continue to attract financially secure retirees. Companies that place a high premium on quality of life will also want to locate in Oregon.

## **Oregon Regional Profile**

The accompanying tables provide data on regional and county population levels within the state. This section will be a regular feature following the Oregon Economic Review and Forecast. The tables (Table O.6 through O.9) highlight the social, economic, and demographic diversity in the state. Please review these tables in each quarterly issue as they will include updated data every quarter.

**Table O. 6**

<b>Oregon's Economic Profile by County and Region</b>				
<b>Geography</b>	<b>2007*</b> Total Employment	<b>2007*</b> Unemployment Rate	<b>2005</b> Per capita personal income	<b>2007</b> Average wage per job
<b>Oregon</b>	<b>1,828,924</b>	<b>5.3%</b>	<b>\$32,289</b>	<b>\$38,070</b>
<b>Portland 5-County</b>	<b>887,667</b>	<b>4.8%</b>	<b>\$37,032</b>	<b>\$43,313</b>
Clackamas	190,918	4.6%	\$39,729	\$39,176
Columbia	22,847	5.8%	\$29,111	\$32,263
Multnomah	359,603	5.0%	\$37,798	\$43,040
Washington	270,356	4.4%	\$34,626	\$48,129
Yamhill	43,943	5.2%	\$28,713	\$32,796
<b>Willamette Valley</b>	<b>442,951</b>	<b>5.5%</b>	<b>\$29,977</b>	<b>\$33,745</b>
Benton	41,610	4.2%	\$36,685	\$40,553
Lane	170,614	5.4%	\$29,841	\$33,240
Linn	50,161	6.5%	\$26,870	\$33,486
Marion	145,295	5.6%	\$28,826	\$33,354
Polk	35,271	5.2%	\$28,030	\$28,309
<b>Coast</b>	<b>87,756</b>	<b>5.9%</b>	<b>\$28,460</b>	<b>\$28,346</b>
Clatsop	18,829	4.9%	\$28,854	\$29,394
Coos	27,014	6.8%	\$26,953	\$28,101
Curry	8,863	6.9%	\$27,010	\$26,925
Lincoln	21,034	5.8%	\$29,445	\$27,883
Tillamook	12,016	5.2%	\$28,449	\$29,132
<b>Southern</b>	<b>174,689</b>	<b>6.6%</b>	<b>\$28,651</b>	<b>\$31,064</b>
Douglas	44,699	7.8%	\$27,237	\$31,406
Jackson	97,031	5.8%	\$30,239	\$31,693
Josephine	32,959	7.2%	\$25,198	\$28,469
<b>Central</b>	<b>156,152</b>	<b>5.6%</b>	<b>\$29,385</b>	<b>\$31,476</b>
Crook	9,161	6.5%	\$23,802	\$32,710
Deschutes	78,616	5.0%	\$32,094	\$33,324
Gilliam	965	5.0%	\$26,911	\$31,221
Hood River	12,355	4.7%	\$27,173	\$25,349
Jefferson	8,680	7.0%	\$23,514	\$29,736
Klamath	28,950	7.1%	\$25,997	\$31,114
Lake	3,419	7.5%	\$26,508	\$28,969
Sherman	854	5.4%	\$23,120	\$31,368
Wasco	12,556	5.3%	\$26,537	\$28,395
Wheeler	596	5.9%	\$25,923	\$22,613
<b>Eastern</b>	<b>79,711</b>	<b>6.2%</b>	<b>\$24,949</b>	<b>\$29,238</b>
Baker	6,800	6.2%	\$24,199	\$27,087
Grant	3,249	8.3%	\$27,975	\$28,697
Harney	3,095	7.7%	\$26,620	\$28,490
Malheur	12,135	6.0%	\$21,609	\$27,203
Morrow	5,190	5.6%	\$25,108	\$32,584
Umatilla	34,332	6.1%	\$25,322	\$30,534
Union	11,493	5.8%	\$27,522	\$29,164
Wallowa	3,417	6.6%	\$28,300	\$25,196

\* 2007 employment and unemployment rate data are preliminary and subject to change.  
Sources: Total employment and unemployment rate: Oregon Employment Department;  
per capita personal income: U.S. Bureau of Economic Analysis;  
average wage per job: Oregon Employment Department.

Table O. 7

Oregon's Gross Farm & Ranch Sales By County and Region for 2006 and 2007							
STATE/COUNTY	Year 2007			Year 2006			Change in total sales from 06 to 07
	All Crops	All Animal Products	Total Sales	All Crops	All Animal Products	Total Sales	
<b>OREGON</b>	<b>3,520,923</b>	<b>1,371,359</b>	<b>4,892,282</b>	<b>3,269,266</b>	<b>1,162,776</b>	<b>4,432,040</b>	<b>10.4%</b>
<b>Portland PMSA</b>	<b>1,046,208</b>	<b>125,618</b>	<b>1,171,828</b>	<b>993,464</b>	<b>107,706</b>	<b>1,101,171</b>	<b>6.4%</b>
Clackamas	353,421	56,492	409,914	340,817	51,521	392,338	4.5%
Columbia	28,323	4,002	32,325	29,801	3,898	33,700	-4.1%
Multnomah	79,321	2,855	82,176	76,575	2,654	79,229	3.7%
Washington	330,470	20,837	351,307	302,779	16,155	318,934	10.2%
Yamhill	254,673	41,432	296,106	243,492	33,478	276,970	6.9%
<b>Willamette Valley</b>	<b>1,039,285</b>	<b>281,067</b>	<b>1,320,352</b>	<b>1,021,712</b>	<b>238,580</b>	<b>1,260,291</b>	<b>4.8%</b>
Benton	97,801	13,789	111,590	96,069	13,188	109,257	2.1%
Lane	107,020	31,984	139,004	101,402	32,325	133,727	3.9%
Linn	237,549	57,466	295,015	230,578	51,465	282,043	4.6%
Marion	479,784	134,944	614,728	478,592	108,020	586,611	4.8%
Polk	117,131	42,884	160,015	115,071	33,582	148,653	7.6%
<b>Coast</b>	<b>88,289</b>	<b>148,723</b>	<b>237,012</b>	<b>76,648</b>	<b>134,995</b>	<b>211,643</b>	<b>12.0%</b>
Clatsop	5,567	11,184	16,752	6,234	10,034	16,267	3.0%
Coos	38,366	16,890	55,256	30,189	16,304	46,493	18.8%
Curry	28,889	3,500	32,388	23,606	3,479	27,086	19.6%
Lincoln	10,474	1,833	12,307	10,823	1,823	12,646	-2.7%
Tillamook	4,993	115,316	120,309	5,796	103,355	109,151	10.2%
<b>Southern</b>	<b>137,533</b>	<b>55,826</b>	<b>193,359</b>	<b>125,157</b>	<b>65,264</b>	<b>190,422</b>	<b>1.5%</b>
Douglas	59,622	21,979	81,601	51,145	25,862	77,007	6.0%
Jackson	59,444	22,574	82,018	55,641	26,415	82,056	0.0%
Josephine	18,467	11,273	29,740	18,371	12,987	31,359	-5.2%
<b>Central</b>	<b>484,170</b>	<b>242,104</b>	<b>726,274</b>	<b>407,552</b>	<b>201,004</b>	<b>608,555</b>	<b>19.3%</b>
Crook	18,602	21,702	40,305	16,394	24,882	41,276	-2.4%
Deschutes	15,092	10,441	25,533	14,360	13,168	27,528	-7.2%
Gilliam	27,558	10,022	37,580	15,594	10,027	25,621	46.7%
Hood River	67,679	1,200	68,879	69,830	1,200	71,030	-3.0%
Jefferson	44,586	9,855	54,441	38,756	13,934	52,690	3.3%
Klamath	157,497	140,824	298,321	115,099	89,982	205,081	45.5%
Lake	36,327	28,864	65,191	29,838	28,854	58,692	11.1%
Sherman	43,416	2,974	46,390	28,379	1,809	30,187	53.7%
Wasco	69,622	6,998	76,619	77,566	7,174	84,741	-9.6%
Wheeler	3,791	9,224	13,015	1,736	9,974	11,709	11.2%
<b>Eastern</b>	<b>725,438</b>	<b>518,021</b>	<b>1,243,457</b>	<b>644,733</b>	<b>415,227</b>	<b>1,059,958</b>	<b>17.3%</b>
Baker	17,869	49,279	67,148	20,482	44,194	64,675	3.8%
Grant	6,913	40,397	47,310	7,074	35,878	42,952	10.1%
Harney	19,408	50,884	70,291	17,445	50,248	67,692	3.8%
Malheur	129,634	131,639	261,273	158,785	90,652	249,437	4.7%
Morrow	177,419	144,974	322,393	144,820	105,051	249,871	29.0%
Umatilla	292,039	66,389	358,428	232,014	54,160	286,174	25.2%
Union	56,534	16,563	73,096	41,905	16,490	58,395	25.2%
Wallowa	25,622	17,896	43,518	22,208	18,554	40,762	6.8%

Source: Oregon State University's Oregon Agricultural Information Network (OAIN),  
Extension Economic Information Office.

**Table O. 8**

<b>Oregon's Public Elementary and Secondary School Enrollment Statistics</b>				
	<b>Oct. 1, 2007</b>	<b>Oct. 1, 2000</b>	<b>2000-2007</b>	<b>2006-2007</b>
<b>STATE/COUNTY</b>	<b>enrollment</b>	<b>enrollment</b>	<b>% change</b>	<b>% of students eligible for free lunch</b>
<b>OREGON</b>	<b>565,565</b>	<b>545,680</b>	<b>3.6%</b>	<b>33.5%</b>
<b>Portland PMSA</b>	<b>259,555</b>	<b>245,255</b>	<b>5.8%</b>	<b>29.8%</b>
Clackamas	59,085	54,691	8.0%	20.3%
Columbia	8,586	8,600	-0.2%	26.0%
Multnomah	91,835	93,296	-1.6%	39.4%
Washington	83,465	73,195	14.0%	25.5%
Yamhill	16,584	15,473	7.2%	34.1%
<b>Willamette Valley</b>	<b>142,878</b>	<b>134,717</b>	<b>6.1%</b>	<b>36.5%</b>
Benton	9,064	9,996	-9.3%	24.0%
Lane	47,464	48,144	-1.4%	32.8%
Linn	20,441	17,798	14.8%	34.1%
Marion	59,144	52,271	13.1%	42.0%
Polk	6,765	6,508	3.9%	38.8%
<b>Coast</b>	<b>24,717</b>	<b>28,293</b>	<b>-12.6%</b>	<b>36.4%</b>
Clatsop	5,127	5,555	-7.7%	31.0%
Coos	8,218	9,404	-12.6%	37.3%
Curry	2,673	3,072	-13.0%	33.7%
Lincoln	5,367	6,496	-17.4%	39.6%
Tillamook	3,332	3,766	-11.5%	39.6%
<b>Southern</b>	<b>55,878</b>	<b>57,338</b>	<b>-2.5%</b>	<b>35.2%</b>
Douglas	15,565	16,646	-6.5%	36.6%
Jackson	28,891	29,188	-1.0%	32.4%
Josephine	11,422	11,504	-0.7%	40.5%
<b>Central</b>	<b>51,376</b>	<b>47,645</b>	<b>7.8%</b>	<b>34.6%</b>
Crook	3,247	3,198	1.5%	34.4%
Deschutes	24,395	19,867	22.8%	24.3%
Gilliam	250	353	-29.2%	29.9%
Hood River	3,968	3,777	5.1%	40.7%
Jefferson	3,787	3,722	1.7%	59.2%
Klamath	10,602	11,048	-4.0%	43.4%
Lake	1,124	1,383	-18.7%	39.2%
Sherman	271	364	-25.5%	37.1%
Wasco	3,521	3,678	-4.3%	42.5%
Wheeler	211	255	-17.3%	54.6%
<b>Eastern</b>	<b>30,792</b>	<b>31,716</b>	<b>-2.9%</b>	<b>42.6%</b>
Baker	2,294	2,826	-18.8%	41.2%
Grant	1,059	1,352	-21.7%	32.9%
Harney	1,299	1,426	-8.9%	34.6%
Malheur	5,372	5,609	-4.2%	51.6%
Morrow	2,383	2,250	5.9%	51.1%
Umatilla	13,601	12,878	5.6%	43.8%
Union	3,901	4,177	-6.6%	30.4%
Wallowa	883	1,198	-26.3%	25.2%

Source: Oregon Department of Education, Office of Analysis and Reporting

**Table O. 9****2006 Annual Average Covered Employment by NAICS Division and by Region**

<b>Employment</b>	<b>Region</b>						
	<b>Oregon</b>	<b>Portland 5-County</b>	<b>Willamette Valley</b>	<b>Coast</b>	<b>Southern</b>	<b>Central</b>	<b>Eastern</b>
Natural Resources & Mining	50,015	13,844	16,768	2,757	4,974	6,024	5,563
Construction	99,899	50,184	20,696	4,065	9,583	10,783	2,395
Manufacturing	206,741	112,231	48,914	6,902	16,284	13,809	8,525
Trade, Transportation, & Utilities	332,922	176,802	66,652	13,461	32,203	24,730	13,354
Information	34,853	20,869	6,519	841	2,409	2,313	739
Financial Activities	89,233	55,870	15,831	2,484	6,247	5,544	1,996
Professional & Business Services	194,300	119,636	35,688	5,464	12,396	11,150	3,762
Education & Health Services	198,682	102,005	46,644	6,907	20,178	15,204	6,608
Leisure & Hospitality	164,693	80,469	32,891	12,797	15,696	16,571	5,584
Other Services	61,994	32,812	13,761	2,563	5,393	4,230	1,862
Government	266,569	110,245	77,926	15,894	23,188	21,360	17,934
<b>Total</b>	<b>1,700,609</b>	<b>875,270</b>	<b>382,400</b>	<b>74,159</b>	<b>148,581</b>	<b>131,778</b>	<b>68,339</b>

<b>Distribution</b>	<b>Region</b>						
	<b>Oregon</b>	<b>Portland 5-County</b>	<b>Willamette Valley</b>	<b>Coast</b>	<b>Southern</b>	<b>Central</b>	<b>Eastern</b>
Natural Resources & Mining	2.9%	1.6%	4.4%	3.7%	3.3%	4.6%	8.1%
Construction	5.9%	5.7%	5.4%	5.5%	6.4%	8.2%	3.5%
Manufacturing	12.2%	12.8%	12.8%	9.3%	11.0%	10.5%	12.5%
Trade, Transportation, & Utilities	19.6%	20.2%	17.4%	18.2%	21.7%	18.8%	19.5%
Information	2.0%	2.4%	1.7%	1.1%	1.6%	1.8%	1.1%
Financial Activities	5.2%	6.4%	4.1%	3.3%	4.2%	4.2%	2.9%
Professional & Business Services	11.4%	13.7%	9.3%	7.4%	8.3%	8.5%	5.5%
Education & Health Services	11.7%	11.7%	12.2%	9.3%	13.6%	11.5%	9.7%
Leisure & Hospitality	9.7%	9.2%	8.6%	17.3%	10.6%	12.6%	8.2%
Other Services	3.6%	3.7%	3.6%	3.5%	3.6%	3.2%	2.7%
Government	15.7%	12.6%	20.4%	21.4%	15.6%	16.2%	26.2%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Source: Oregon Employment Department

Note: Employment includes only covered employment.

Oregon total includes multi-county employment not shown in individual regions.

Total includes a small number of non-classifiable jobs not shown in individual industries.

Definition of regions:

Portland 5-County: Clackamas, Columbia, Multnomah, Washington, and Yamhill counties.

Willamette Valley: Benton, Lane, Linn, Marion, and Polk counties.

Coast: Clatsop, Coos, Curry, Lincoln, and Tillamook counties.

Southern: Douglas, Jackson, and Josephine counties.

Central: Crook, Deschutes, Gilliam, Hood River, Jefferson, Klamath, Lake, Sherman, Wasco, and Wheeler counties.

Eastern: Baker, Grant, Harney, Malheur, Morrow, Union, Umatilla, and Wallowa counties.



## II. REVENUE FORECAST

### A. 2007-09 General Fund Revenues

The March 2008 forecast for General Fund revenues is \$12,925.4 million, a decrease of \$183.1 million from the December 2007 forecast. As discussed in further detail below, the primary reason for the revision is the continued weakening of the national economy, with the baseline scenario involving a recession in the first half of 2008. Whereas a broad based economic downturn has hitherto been considered a downside risk, recent indicators point to recession as the likeliest outcome. The revenue outlook presented herein is consistent with such a scenario at the national level, as it is likely to impact taxable incomes and revenues in Oregon.

The final calculation of the beginning balance for the biennium, now that the books are closed on the prior biennium, is \$1,436.7 million. Adding the beginning balance to the new revenue forecast, and adjusting for cash management costs and the distribution to the Oregon Rainy Day Fund, total resources for the biennium amount to \$13,985.5 million. Excluding legislatively-adopted appropriations, the projected ending balance in the General Fund is \$28.8 million. Table B.1 in Appendix B presents detailed revenue information for the 2007-09 biennium.

The latest revenue forecast for the current biennium represents the most probable outcome given available information. OEA feels that it is important that anyone using this forecast for decision-making purposes recognize the potential for actual revenues to depart significantly from this projection. Actual revenues are likely to fall within 3.1 percent of the forecast produced at this point in the biennium, and are highly unlikely to deviate more than 6.2 percent. Table R.1 presents the March forecast for the 2007-09 biennium, including guidelines for budgetary purposes. Section D discusses explicit risks that might cause actual revenues to differ substantially from the forecast.

**Table R.1**

2007-09 General Fund Forecast Summary					
(Millions)	2007 COS Forecast	December 2007 Forecast	March 2008 Forecast	Change from Prior Forecast	Change from COS Forecast
<b>Beginning Balance</b>	\$1,513.0	\$1,429.4	\$1,436.7	\$7.3	-\$76.3
<b>Structural Revenues</b>					
Personal Income Tax	\$12,347.9	\$12,431.1	\$12,277.8	-\$153.3	-\$70.1
Corporate Income Tax	\$920.9	\$921.0	\$858.3	-\$62.7	-\$62.6
All Other Revenues	\$888.5	\$827.7	\$873.5	\$45.9	-\$15.0
<b>Gross GF Revenues</b>	\$14,157.3	\$14,179.8	\$14,009.6	-\$170.2	-\$147.7
Total Kicker Refunds/Credits	-\$1,164.7	-\$1,071.2	-\$1,084.2	-\$13.0	\$80.5
<b>Net GF Revenues</b>	\$12,992.6	\$13,108.6	\$12,925.4	-\$183.1	-\$67.2
Administrative Actions <sup>1</sup>	-\$57.3	-\$57.3	-\$57.3	\$0.0	\$0.0
Legislative Actions <sup>2</sup>	-\$309.4	-\$319.3	-\$319.3	\$0.0	-\$9.9
<b>Net Available Resources</b>	\$14,138.9	\$14,161.3	\$13,985.5	-\$175.8	-\$153.4
<b>Confidence Intervals</b>					
67% Confidence	+/- 3.1%		\$400.7	\$12.52B to \$13.33B	
95% Confidence	+/- 6.2%		\$801.4	\$12.12B to \$13.73B	

1. Reflects cost of cash flow management actions, exclusive of internal borrowing.

2. Equals portion of 2005-07 corporate surplus designated for Rainy Day Fund.

## **Personal Income Tax**

Personal income tax collections totaled \$307.7 million for the second quarter of fiscal year 2008, \$6.5 million above the most recent forecast. Withholding receipts of \$1,200.8 million exceeded projection by \$14.1 million, while estimated payments equal to \$217.2 million were \$7.0 million above forecast. Y/Y growth in withholding was low due to changes in the withholding tables in effect beginning tax year 2007.

Final payments of \$129.8 million were \$11.7 million off relative to the December 2007 forecast. Payments did increase 45.2 percent from the year-ago level, due in part to kicker refunds retained by the Department of Revenue to cover outstanding tax liabilities. Total refunds, which include kicker refunds, amounted to \$1,240.1 million, \$2.9 million below the forecast released in December 2007. Table B.8 in Appendix B presents a comparison of actual and projected personal income tax revenues for the final quarter of the biennium.

While collections met projections for the last quarter of 2007, expectations for wage and non-wage income growth in 2008 are somewhat weaker than assumed in prior forecasts. OEA expects strong growth to resume in 2009; however, the lower base in 2008 results in personal income tax liabilities below the prior forecast levels until 2013. Personal income tax collections will equal \$11,193.6 million for 2007-09, a decrease of \$166.3 million from the December forecast.

## **Corporate Income Tax**

Corporate income taxes equaled \$92.3 million for the second quarter of fiscal year 2008, a shortfall of \$8.1 million relative to the December forecast. Quarterly advanced payments were \$205.4 million for the quarter, \$14.2 million above forecast. Payments accompanying a filed tax return totaled \$45.1 million, exceeding the latest forecast by \$15.1 million. The shortfall in net taxes was due to unexpectedly high refunds, which exceeded forecast by \$37.4 million.

On a Y/Y basis, corporate receipts were up 70.4 percent. The sizeable jump is due primarily to the effect of the kicker credit afforded corporate filers for tax year 2005, which resulted in unusually large refunds for the second quarter of fiscal year 2007. Appendix B presents a comparison of actual and projected corporate income tax revenues for the final quarter of the biennium.

Beginning in tax year 2006, Oregon corporate taxpayers apportion their federal taxable income to the taxable Oregon share based solely on the percent of sales they make in Oregon. The overall effect of this change is to reduce corporate tax liability, although some firms pay more while other pay less. Refund activity noted above indicates that the actual impact on 2006 tax liability is greater than initially expected. This results in a level shift down in expected tax liability going forward, everything else equal. With the lowered economic expectations for 2008, the total effect is a \$62.7 million reduction in the forecast for corporate income tax collection to \$858.3 million.

## Non-income Tax Sources of Revenue

All other sources of revenue will equal \$873.5 million for the biennium, an increase of \$45.9 million from the December forecast. The primary contributors to the revision are a \$21.0 million increase to interest earnings and a \$16.8 million rise in estate tax. Both adjustments were the result of higher than expected receipts in the second quarter of the biennium. Other minor adjustments occurred in miscellaneous revenues, insurance taxes, and criminal fines and assessments

### B. Extended General Fund Revenue Outlook

Table R.2 exhibits the long-run forecast for General Fund revenues through the 2011-13 biennium. Total General Fund revenues will increase 21.4 percent to \$15,697.7 million in 2009-11. Personal income tax growth of 24.3 percent, raising collections to \$13,911.2 million, is due in part to the \$1.084 billion kicker rebate distributed in the prior biennium. Corporate income taxes will resume growth following a flat 2007-09, increasing 6.2 percent to \$911.4 million. All other revenues will reach \$875.1 million, negligibly above the prior biennium's level.

General Fund revenues will total \$17,723.2 million in 2011-13, an increase of 12.9 percent from the prior period. The growth is fueled primarily by a 14.0 percent increase in personal income tax collections to \$15,864.2 million. Corporate income taxes will reach \$952.4 million, while all other revenues will total \$906.5 million.

**Table R.2**

General Fund Revenue Forecast Summary (Millions of Dollars, Current Law)

Revenue Source	Forecast 2003-05		Forecast 2005-07		Forecast 2007-09		Forecast 2009-11		Forecast 2011-13	
	Biennium	% Chg	Biennium	% Chg	Biennium	% Chg	Biennium	% Chg	Biennium	% Chg
Personal Income Taxes	8,991.6	16.8%	11,040.3	22.8%	11,193.6	1.4%	13,911.2	24.3%	15,864.2	14.0%
Corporate Income Taxes	640.8	52.5%	844.1	31.7%	858.3	1.7%	911.4	6.2%	952.4	4.5%
All Others	805.8	-35.3%	857.6	6.4%	873.5	1.9%	875.1	0.2%	906.5	3.6%
<b>Total General Fund</b>	<b>10,438.2</b>	<b>11.4%</b>	<b>12,742.0</b>	<b>22.1%</b>	<b>12,925.4</b>	<b>1.4%</b>	<b>15,697.7</b>	<b>21.4%</b>	<b>17,723.2</b>	<b>12.9%</b>

Other taxes include General Fund portions of the Eastern Oregon Severance Tax, Western Oregon Severance Tax and Amusement Device Tax. Commercial Fish Licenses & Fees and Pari-mutual Receipts are included in Other Revenues

### C. Tax Law Assumptions

The revenue forecast is based on existing law, including actions signed into law during the 2007 Oregon Legislative Session and recent federal legislation. OEAE makes routine adjustments to the forecast to account for legislative and other actions not factored into the personal and corporate income tax models. These adjustments can include expected kicker refunds, when applicable, as well as any tax law changes not yet present in the historical data. A summary of these items can be found in Appendix B Table B.3b.

Beginning with the May 2003 forecast, OEA altered the manner in which it factors tax law changes into the revenue forecast. In the past, legislative impact estimates were characterized at the point of collections. However, tax laws are directly related to tax liability for given tax years. In fact, the original tax law impacts developed by the Legislative Revenue Office are characterized at the point of liability and irrespective of the timing of receipt. Given the focus on taxable income and liability in the personal and corporate income tax models, incorporating tax law changes as adjustments to the liability forecast proved far easier to administer and more intuitively accessible.

A rough rule of thumb for personal income tax is that nearly all collections activity on a given tax year occurs between the start of the tax year and June of the following year. Modest payment and refund activity continues for years thereafter, but with only a marginal net impact on revenues. Therefore, when interpreting the timing of personal income tax impacts presented in Appendix B Table B.3, this 18-month window is suitable for all but the most technical purposes.

Corporate income tax is more difficult in that corporations do not have a standardized tax year. A corporate tax year is signified by the calendar year in which the corporation's fiscal year begins. The rule of thumb is that the majority of corporate collections on a given tax year will be received in the State fiscal year that begins July 1 of that year, i.e. the corporate tax impact specified in Appendix B Table B.3 for tax year 2007 will be realized primarily in state fiscal year 2007-08. Contact the Office of Economic Analysis at (503) 378-3455 with questions regarding tax law impacts.

#### **D. Forecast Risks**

The revenue forecast presented herein constitutes a guideline for budgetary purposes. Variation above or below this forecast is to be expected, although OEA strives to minimize the magnitude of this variation by investigating new data resources and methodological approaches, as well as regularly consulting with experts from the economics, financial, and accounting communities.

The following are major factors that could cause actual revenues to deviate from this forecast by a significant degree:

- *Personal income tax is expected to account for nearly ninety percent of General Fund revenues in the 2007-09 biennium.* The income tax forecast is based on OEA's outlook regarding general economic conditions. To the extent that actual economic performance departs from this outlook, particularly with respect to factors that influence more volatile forms of non-wage income, so too will the personal income tax, and thus the General Fund forecast.
- *The future of capital gains income remains highly uncertain.* Equity prices are quite volatile, and the realization of potential gains depends on behavioral factors that often defy precise prediction. Following the collapse in the stock market in 2001, net capital gains income recovered significantly by 2005, although it remains to be seen what fraction of these increases are permanent. Depending on the source of the additional gains, whether from the exhaustion of losses, the sale of business assets, stock market appreciation, and/or real estate activity, the potential exists for taxable gains to vary greatly in either direction from current projections.

- *Numerous changes have been made to Oregon's corporate income tax code in recent years.* The most significant is in how multi-state corporations apportion federal taxable income to compute income taxable in Oregon. Prior to July 1, 2005, the formula was based on the relative presence of three factors: payroll, property, and sales. For tax years beginning on or after July 1, 2005, the apportionment calculation is a function of the percentage of total sales that take place in Oregon. This change is expected to cause a major shift in the distribution of corporate tax liability across industrial sectors, e.g., away from manufacturing and towards services. While the long-run effect will be more stable collections, the near-term consequences are uncertain and could result in sizable variation from the current forecast.
- *Growth in revenues is partly due to inflation.* Wage inflation contributes to rising wage and salary income, and consequently personal income tax collections. Price inflation raises gross corporate revenues and, potentially, corporate income tax revenue. Rental and small business income exhibit similar growth factors. The magnitude of actual revenue growth will depend on actual inflation rates. Currently, OEA expects inflation to remain low for the coming years, contributing to slower than expected revenue growth compared to that experienced in the previous two decades. Should inflation be stronger than expected, revenue growth could also exceed forecast.

#### **E. Lottery Earnings Forecast**

The forecast for total lottery earnings in 2007-09 is \$1,330.4 million, a decrease of \$17.5 million from the December forecast. A \$21.5 million decline in earnings related to video lottery was offset by an additional \$3.9 million in administrative savings included in the third quarter earnings transfer for the biennium. Total resources, including balance carry-forward and interest earnings, were \$1,408.6 million. Excluding dedicated and other legislatively-adopted allocations, the projected ending balance in the Economic Development Fund amounts to \$25.8 million. Table B.9 in Appendix B provides detailed information regarding lottery earnings and allocations for the 2007-09 biennium.

Since the December forecast was published, weekly video sales have fallen short of projections for most weeks. In fact, the two weeks with substantial surpluses occurred immediately following the distribution of the record \$1,071.2 million personal kicker rebate. Given that winter marks the crest of the seasonal cycle in sales, it appeared evident that weakening consumer spending was showing up in the sales data. In addition, the recent deterioration in the economic outlook implies that this softening in video sales is likely to continue well into the future.

**Table R.3****Summary of Lottery Resources**

March 2008

(in millions of dollars)

	2007-09		2009-11		2011-13		
	Mar-08 Forecast	Change from Dec-07	Change from COS	Mar-08 Forecast	Change from Dec-07	Mar-08 Forecast	Change from Dec-07
<b>LOTTERY EARNINGS</b>							
Traditional Lottery	130.614	(0.086)	1.318	127.359	(0.191)	127.148	(0.305)
Video Lottery	1,138.909	(21.386)	(12.945)	1,249.313	(23.351)	1,415.618	(8.022)
Total Lottery Earnings	1,269.523	(21.472)	(11.627)	1,376.672	(23.541)	1,542.766	(8.327)
Admin. Savings	60.857	3.943	25.857	0.000	0.000	0.000	0.000
Total Available to Transfer	1,330.380	(17.529)	14.231	1,376.672	(23.541)	1,542.766	(8.327)
<b>ECONOMIC DEVELOPMENT FUND</b>							
Beginning Balance	64.109	0.000	(2.184)	0.000	0.000	0.000	0.000
Transfers from Lottery	1,330.380	(17.529)	14.231	1,376.672	(23.541)	1,542.766	(8.327)
Other Resources <sup>1</sup>	14.083	0.000	4.301	4.500	0.000	6.000	0.000
<b>Total Available Resources</b>	1,408.572	(17.529)	16.347	1,381.172	(23.541)	1,548.766	(8.327)
<b>Allocations of Resources</b>							
County Economic Development	43.962	(0.578)	(1.221)	50.026	(0.936)	56.689	(0.321)
Education Stability Fund <sup>2</sup>	239.468	(3.155)	2.562	247.801	(4.237)	277.698	(1.499)
Parks and Natural Resources Fund <sup>3</sup>	199.557	(2.629)	2.135	206.501	(3.531)	231.415	(1.249)
Collegiate Athletics <sup>4</sup>	11.777	(0.175)	0.142	13.767	(0.235)	15.428	(0.083)
Gambling Addiction <sup>5</sup>	13.304	(0.175)	0.142	13.767	(0.235)	15.428	(0.083)
County Fairs	3.557	0.000	0.000	3.331	0.000	3.331	0.000
Debt Service on Lottery Bonds <sup>6</sup>	167.486	0.000	0.000	166.306	0.000	166.306	0.000
Other Legislatively Adopted Allocations	703.689	0.000	0.000				
<b>Ending Balance</b>	25.771	(10.816)	12.587	679.674	(14.366)	782.472	(5.091)

Note: Some totals may not foot due to rounding.

1. Includes interest earnings on Economic Development Fund and reversions.

2. The Education Stability Fund Constitutional amendment requires that 18% of proceeds be transferred to the school account.

3. The Parks and Natural Resources Fund Constitutional amendment requires 15% of net proceeds be transferred to the parks account.

4. Prior to July 1, 2007, Higher Education will receive Sports Action and Scoreboard earnings. Afterwards, 1% of lottery earnings are dedicated to collegiate athletic scholarship.

5. One percent of net lottery proceeds are dedicated to Gambling Addiction programs.

6. 2007-11 figures reflect gross debt service on lottery bonds. Figures do not include future issuance.

Table R.3 exhibits long-run lottery earnings and distribution information through the 2011-13 biennium. The effect of the lowered forecast for video lottery sales is reflected in the long-run earnings forecast. For the 2009-11 biennium, earnings from lottery games will total \$1,376.7 million while total resources will amount to \$1,381.2 million. Earnings will reach \$1,542.8 million in the 2011-13 biennium, with available resources increasing to \$1,548.8 million.

**APPENDIX A: ECONOMIC FORECAST DETAIL**

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**Table A.1****March 2008 - Personal Income****(Billions of Current Dollars)**

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Total Personal Income*</b>												
Oregon	101.9	105.2	109.8	114.6	123.1	130.6	137.6	145.3	153.8	162.7	172.0	181.1
% Ch	2.9	3.2	4.4	4.4	7.3	6.1	5.4	5.6	5.9	5.8	5.7	5.3
U.S.	8,881.9	9,163.6	9,727.2	10,301.1	10,983.4	11,665.6	12,236.3	12,824.5	13,489.6	14,199.1	14,928.9	15,631.4
% Ch	1.8	3.2	6.2	5.9	6.6	6.2	4.9	4.8	5.2	5.3	5.1	4.7
<b>Wage and Salary</b>												
Oregon	55.3	56.6	59.7	63.5	67.8	71.6	74.9	78.9	83.3	87.9	92.6	97.3
% Ch	0.1	2.2	5.6	6.3	6.8	5.5	4.7	5.3	5.5	5.5	5.4	5.0
U.S.	4,980.9	5,112.7	5,394.5	5,667.9	6,018.2	6,367.4	6,642.7	6,952.1	7,292.4	7,655.8	8,022.6	8,373.7
% Ch	0.8	2.6	5.5	5.1	6.2	5.8	4.3	4.7	4.9	5.0	4.8	4.4
<b>Other Labor Income</b>												
Oregon	14.6	15.9	15.6	15.4	16.2	17.2	17.8	18.6	19.6	20.8	22.0	23.2
% Ch	20.1	8.8	(1.8)	(1.3)	5.5	5.8	3.8	4.3	5.3	6.0	5.9	5.4
U.S.	745.1	815.6	868.5	927.7	970.7	1,016.8	1,053.1	1,091.0	1,140.4	1,197.9	1,260.7	1,324.9
% Ch	15.9	9.5	6.5	6.8	4.6	4.7	3.6	3.6	4.5	5.0	5.2	5.1
<b>Nonfarm Proprietor's Income</b>												
Oregon	7.9	8.1	8.8	9.5	9.9	10.1	10.6	11.3	12.0	12.7	13.5	14.2
% Ch	(3.1)	3.0	7.7	8.0	4.4	1.9	4.9	7.1	5.9	6.1	5.9	5.4
U.S.	757.8	782.1	874.3	939.1	987.4	1,006.8	1,048.5	1,117.9	1,179.0	1,249.0	1,319.7	1,387.1
% Ch	0.7	3.2	11.8	7.4	5.1	2.0	4.1	6.6	5.5	5.9	5.7	5.1
<b>Dividend, Interest and Rent</b>												
Oregon	19.5	19.8	21.0	21.5	23.9	25.7	27.4	28.9	30.9	32.7	34.5	36.2
% Ch	(2.5)	1.5	6.2	2.2	11.2	7.8	6.4	5.4	6.8	6.0	5.6	4.9
U.S.	1,486.2	1,469.6	1,550.5	1,660.7	1,851.0	2,011.3	2,142.7	2,244.8	2,390.8	2,532.7	2,669.2	2,783.9
% Ch	(4.0)	(1.1)	5.5	7.1	11.5	8.7	6.5	4.8	6.5	5.9	5.4	4.3
<b>Transfer Payments</b>												
Oregon	15.7	16.1	16.7	17.7	19.1	20.5	21.9	23.2	24.4	25.8	27.3	29.0
% Ch	8.4	2.5	3.5	6.3	7.6	7.4	6.8	6.1	5.4	5.5	6.0	6.2
U.S.	1,248.9	1,316.7	1,396.1	1,483.1	1,585.3	1,703.0	1,808.3	1,911.7	2,007.4	2,112.3	2,234.1	2,368.0
% Ch	9.2	5.4	6.0	6.2	6.9	7.4	6.2	5.7	5.0	5.2	5.8	6.0
<b>Contributions for Social Security</b>												
Oregon	9.3	9.6	10.3	10.8	11.5	12.1	12.6	13.1	13.8	14.5	15.2	16.0
% Ch	1.6	3.3	6.7	5.7	6.2	5.2	3.9	4.5	4.8	5.2	5.0	5.0
U.S.	384.8	396.5	420.5	445.7	475.7	503.4	523.7	548.1	577.0	609.7	643.5	677.0
% Ch	2.7	3.0	6.0	6.0	6.7	5.8	4.0	4.7	5.3	5.7	5.5	5.2
<b>Residence Adjustment</b>												
Oregon	(2.0)	(2.0)	(2.1)	(2.3)	(2.4)	(2.6)	(2.6)	(2.7)	(2.8)	(2.9)	(3.0)	(3.2)
% Ch	3.2	2.0	3.0	11.0	6.5	5.6	1.5	4.0	4.0	4.1	4.0	3.9
<b>Farm Proprietor's Income</b>												
Oregon	0.1	0.3	0.4	0.2	0.1	0.2	0.2	0.2	0.3	0.3	0.3	0.3
% Ch	321.3	181.6	27.6	(36.9)	(54.8)	125.8	(2.1)	9.5	10.4	6.8	5.3	4.3
<b>Per Capita Income (Thousands of \$)</b>												
Oregon	29.1	29.7	30.7	31.6	33.3	34.9	36.2	37.7	39.3	41.0	42.8	44.5
% Ch	1.9	2.1	3.2	3.0	5.6	4.5	3.9	4.1	4.4	4.3	4.3	3.9
U.S.	30.8	31.4	33.0	34.6	36.6	38.5	40.1	41.6	43.4	45.3	47.2	49.0
% Ch	0.8	2.2	5.1	4.9	5.6	5.3	4.0	3.9	4.3	4.4	4.2	3.8

\* Personal Income includes all classes of income minus Contributions for Social Security

**Table A.1****March 2008 - Employment By Industry  
(Oregon - Thousands, U.S. - Millions)**

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Total Nonfarm</b>												
Oregon	1,585.3	1,574.4	1,606.6	1,654.4	1,702.3	1,725.5	1,742.9	1,771.7	1,802.8	1,833.2	1,861.0	1,886.2
% Ch	(1.3)	(0.7)	2.0	3.0	2.9	1.4	1.0	1.7	1.8	1.7	1.5	1.4
U.S.	130.3	130.0	131.4	133.7	136.2	138.0	139.1	140.7	142.5	144.3	145.7	146.7
% Ch	(1.1)	(0.3)	1.1	1.7	1.9	1.3	0.8	1.1	1.3	1.3	1.0	0.7
<b>Private Nonfarm</b>												
Oregon	1,299.6	1,294.6	1,324.2	1,369.3	1,415.7	1,434.8	1,448.1	1,474.4	1,502.4	1,531.2	1,556.2	1,578.3
% Ch	(1.8)	(0.4)	2.3	3.4	3.4	1.3	0.9	1.8	1.9	1.9	1.6	1.4
U.S.	108.8	108.4	109.8	111.9	114.2	115.7	116.7	118.2	119.7	121.5	122.7	123.6
% Ch	(1.7)	(0.4)	1.3	1.9	2.1	1.3	0.8	1.3	1.3	1.4	1.0	0.7
<b>Natural Resources and Mining</b>												
Oregon	9.3	9.4	9.7	9.6	9.2	8.6	8.3	8.4	8.2	8.0	7.9	7.7
% Ch	(0.1)	0.6	3.1	(1.0)	(4.2)	(6.6)	(2.9)	0.6	(1.6)	(2.1)	(2.1)	(2.0)
U.S.	0.6	0.6	0.6	0.6	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.6
% Ch	(3.9)	(1.8)	3.2	6.2	9.0	5.6	2.1	(3.1)	(1.6)	(2.7)	(3.7)	(4.2)
<b>Construction</b>												
Oregon	78.3	77.0	82.7	90.9	100.3	101.6	98.1	98.2	100.1	102.9	105.1	106.7
% Ch	(2.8)	(1.7)	7.4	9.9	10.4	1.3	(3.4)	0.1	2.0	2.8	2.1	1.6
U.S.	6.7	6.7	7.0	7.3	7.7	7.6	7.4	7.3	7.4	7.7	7.8	7.9
% Ch	(1.6)	0.3	3.6	5.2	4.8	(0.7)	(3.4)	(0.7)	1.2	3.4	2.0	1.0
<b>Manufacturing</b>												
Oregon	201.6	194.9	199.8	203.9	206.8	202.4	203.7	204.1	205.9	207.9	208.6	208.5
% Ch	(6.6)	(3.3)	2.5	2.0	1.4	(2.1)	0.7	0.2	0.9	1.0	0.4	(0.1)
U.S.	15.3	14.5	14.3	14.2	14.2	14.0	13.8	13.5	13.5	13.7	13.7	13.7
% Ch	(7.2)	(4.9)	(1.3)	(0.6)	(0.2)	(1.2)	(1.9)	(1.9)	0.3	0.9	0.3	(0.5)
<b>Durable Manufacturing</b>												
Oregon	148.7	142.9	147.5	152.2	154.4	149.6	151.2	151.6	153.2	155.0	155.6	155.6
% Ch	(7.6)	(3.9)	3.2	3.2	1.5	(3.1)	1.1	0.2	1.1	1.2	0.4	(0.1)
U.S.	9.5	9.0	8.9	9.0	9.0	8.9	8.7	8.5	8.6	8.7	8.8	8.8
% Ch	(8.2)	(5.5)	(0.4)	0.3	0.5	(1.2)	(1.9)	(2.2)	0.9	1.5	0.7	(0.4)
<b>Wood Products</b>												
Oregon	32.5	31.1	32.1	32.7	32.3	29.5	29.4	29.4	30.0	30.3	30.4	30.4
% Ch	(2.8)	(4.5)	3.4	1.8	(1.1)	(8.6)	(0.5)	(0.1)	2.3	0.7	0.3	0.0
U.S.	0.6	0.5	0.5	0.6	0.6	0.5	0.5	0.5	0.5	0.5	0.5	0.5
% Ch	(3.3)	(3.2)	2.3	1.7	0.2	(6.5)	(11.1)	(3.1)	8.4	8.3	2.9	0.0
<b>Metal and Machinery</b>												
Oregon	35.4	33.9	34.8	36.2	37.2	39.6	41.9	42.5	42.1	41.9	41.9	41.9
% Ch	(9.6)	(4.3)	2.7	3.9	2.9	6.4	5.7	1.5	(1.1)	(0.4)	(0.0)	0.2
U.S.	3.3	3.1	3.1	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.3
% Ch	(9.1)	(5.5)	0.1	1.4	1.8	1.0	(0.1)	(1.7)	(0.4)	0.8	1.5	0.8
<b>Computer and Electronic Products</b>												
Oregon	43.6	40.6	41.0	41.3	42.0	40.9	41.2	40.8	40.9	41.3	41.1	40.5
% Ch	(11.4)	(6.9)	0.9	0.7	1.7	(2.7)	0.9	(1.0)	0.3	0.9	(0.6)	(1.3)
U.S.	1.5	1.4	1.3	1.3	1.3	1.3	1.3	1.2	1.2	1.1	1.1	1.1
% Ch	(13.8)	(10.1)	(2.4)	(0.5)	0.0	(0.8)	(0.2)	(7.7)	(1.9)	(2.7)	(4.0)	(3.8)
<b>Transportation Equipment</b>												
Oregon	14.9	15.0	16.7	18.0	18.2	16.1	14.8	15.1	15.8	16.3	16.6	16.7
% Ch	(2.7)	0.9	10.9	7.7	1.2	(11.5)	(7.8)	1.9	4.4	3.5	1.9	0.3
U.S.	1.8	1.8	1.8	1.8	1.8	1.7	1.7	1.7	1.7	1.8	1.8	1.8
% Ch	(5.6)	(3.0)	(0.5)	0.3	(0.4)	(3.5)	(2.4)	1.8	2.4	3.1	0.9	(1.9)
<b>Other Durables</b>												
Oregon	22.2	22.3	22.9	24.0	24.7	23.5	23.9	23.8	24.4	25.2	25.7	26.0
% Ch	(6.1)	0.4	2.7	5.1	2.7	(4.8)	1.5	(0.4)	2.6	3.3	2.2	1.2
U.S.	2.9	2.7	2.7	2.7	2.7	2.6	2.5	2.4	2.5	2.6	2.6	2.6
% Ch	(5.7)	(4.7)	0.1	(0.5)	(0.1)	(2.5)	(5.6)	(2.0)	2.9	3.4	1.3	0.3

**Table A.1****March 2008 - Employment By Industry  
(Oregon - Thousands, U.S. - Millions)**

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Nondurable Manufacturing</b>												
Oregon	52.9	52.0	52.4	51.8	52.4	52.8	52.5	52.5	52.7	52.9	53.0	52.9
% Ch	(3.6)	(1.6)	0.7	(1.1)	1.2	0.9	(0.5)	(0.1)	0.3	0.5	0.1	(0.2)
U.S.	5.8	5.5	5.4	5.3	5.2	5.1	5.0	5.0	4.9	4.9	4.9	4.9
% Ch	(5.4)	(4.0)	(2.8)	(2.2)	(1.4)	(1.1)	(1.8)	(1.5)	(0.7)	0.0	(0.2)	(0.6)
<b>Food Manufacturing</b>												
Oregon	22.0	22.0	22.2	21.6	22.5	23.3	23.5	23.9	24.1	24.3	24.5	24.5
% Ch	(1.2)	(0.3)	0.9	(2.6)	4.0	3.6	0.9	1.6	1.0	0.8	0.6	0.2
U.S.	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.6	1.6	1.6
% Ch	(1.6)	(0.5)	(1.5)	(1.1)	0.4	0.8	0.5	1.5	0.9	1.5	1.0	0.6
<b>Other Nondurable</b>												
Oregon	30.8	30.0	30.2	30.2	29.9	29.5	29.1	28.6	28.5	28.6	28.5	28.4
% Ch	(5.3)	(2.6)	0.5	(0.1)	(0.9)	(1.2)	(1.6)	(1.5)	(0.3)	0.2	(0.2)	(0.5)
U.S.	4.2	4.0	3.9	3.8	3.7	3.7	3.6	3.5	3.4	3.4	3.4	3.3
% Ch	(6.7)	(5.2)	(3.3)	(2.6)	(2.2)	(1.6)	(1.9)	(2.3)	(1.6)	(0.9)	(1.1)	(1.2)
<b>Trade, Transportation, and Utilities</b>												
Oregon	315.3	314.8	320.3	328.6	336.2	342.5	344.3	350.8	357.4	363.7	369.3	374.4
% Ch	(1.7)	(0.2)	1.7	2.6	2.3	1.9	0.5	1.9	1.9	1.8	1.5	1.4
U.S.	25.5	25.3	25.5	26.0	26.2	26.5	26.6	27.1	27.3	27.6	27.8	27.9
% Ch	(1.9)	(0.8)	1.0	1.7	1.1	0.9	0.7	1.5	0.9	0.9	0.8	0.6
<b>Retail Trade</b>												
Oregon	185.4	184.4	187.8	193.5	197.5	202.6	203.3	207.5	211.6	214.9	218.2	221.3
% Ch	(2.0)	(0.5)	1.8	3.1	2.1	2.6	0.3	2.0	2.0	1.5	1.6	1.4
U.S.	15.0	14.9	15.1	15.3	15.3	15.4	15.4	15.7	15.7	15.7	15.7	15.8
% Ch	(1.4)	(0.7)	1.0	1.5	0.3	0.4	0.4	1.5	0.3	(0.1)	0.2	0.0
<b>Wholesale Trade</b>												
Oregon	73.9	74.6	75.6	77.8	80.6	82.8	83.9	84.9	85.8	87.1	87.9	88.6
% Ch	(1.2)	1.0	1.3	2.9	3.5	2.8	1.4	1.2	1.1	1.4	0.9	0.8
U.S.	5.7	5.6	5.7	5.8	5.9	6.0	6.1	6.1	6.2	6.3	6.3	6.4
% Ch	(2.1)	(0.8)	1.0	1.8	2.3	1.9	0.9	0.8	1.1	1.6	1.0	0.9
<b>Transportation and Warehousing, and Utilities</b>												
Oregon	56.0	55.7	56.9	57.2	58.1	57.1	57.0	58.4	60.0	61.8	63.2	64.5
% Ch	(1.5)	(0.4)	2.0	0.6	1.5	(1.7)	(0.1)	2.4	2.7	3.0	2.4	2.0
U.S.	4.8	4.8	4.8	4.9	5.0	5.1	5.1	5.3	5.4	5.6	5.7	5.8
% Ch	(3.1)	(1.2)	1.0	2.2	2.0	1.4	1.3	2.4	2.5	2.8	2.2	1.8
<b>Information</b>												
Oregon	36.3	33.6	33.0	33.6	35.0	37.1	38.9	39.2	39.1	39.0	39.4	39.8
% Ch	(9.2)	(7.4)	(1.9)	2.0	4.0	6.0	5.0	0.8	(0.4)	(0.2)	1.0	1.1
U.S.	3.4	3.2	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.2
% Ch	(6.5)	(6.1)	(2.3)	(1.8)	(0.2)	1.1	1.4	(0.2)	0.1	(0.4)	1.1	1.3
<b>Financial Activities</b>												
Oregon	95.3	97.0	97.4	102.1	105.8	105.3	104.8	106.7	109.3	111.7	113.6	115.2
% Ch	0.1	1.8	0.4	4.8	3.6	(0.4)	(0.5)	1.8	2.4	2.2	1.7	1.5
U.S.	7.8	8.0	8.0	8.2	8.4	8.4	8.4	8.6	8.8	8.9	8.9	8.9
% Ch	0.5	1.6	0.7	1.5	2.6	1.0	(0.0)	2.0	2.0	1.4	0.2	(0.2)
<b>Professional and Business Services</b>												
Oregon	172.5	170.8	176.2	185.6	193.1	195.9	197.6	205.2	213.1	221.3	226.8	232.0
% Ch	(2.7)	(1.0)	3.2	5.3	4.1	1.5	0.8	3.9	3.9	3.8	2.5	2.3
U.S.	16.0	16.0	16.4	16.9	17.6	17.9	18.3	19.0	19.7	20.3	20.7	21.0
% Ch	(3.0)	0.0	2.5	3.4	3.6	2.1	2.1	3.9	3.5	3.3	1.9	1.7

**Table A.1****March 2008 - Employment By Industry  
(Oregon - Thousands, U.S. - Millions)**

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Education and Health Services</b>												
Oregon	185.2	188.8	192.8	198.7	205.2	209.5	215.9	221.8	225.7	228.8	232.4	236.2
% Ch	3.6	1.9	2.1	3.1	3.3	2.1	3.1	2.7	1.7	1.4	1.6	1.6
U.S.	16.2	16.6	17.0	17.4	17.8	18.4	18.9	19.3	19.6	19.8	20.0	20.2
% Ch	3.6	2.4	2.2	2.5	2.7	3.0	2.8	2.3	1.4	0.9	1.0	1.0
<b>Educational Services</b>												
Oregon	24.1	25.3	26.0	27.2	29.0	29.0	29.9	30.1	30.4	30.7	31.0	31.3
% Ch	2.3	4.9	3.0	4.5	6.6	0.1	3.0	0.8	0.9	1.0	1.0	1.0
U.S.	2.6	2.7	2.8	2.8	2.9	3.0	3.1	3.1	3.1	3.1	3.0	2.9
% Ch	5.4	1.9	2.4	2.7	2.9	2.9	2.1	0.4	0.1	(0.8)	(1.9)	(2.2)
<b>Health Care and Social Assistance</b>												
Oregon	161.1	163.5	166.8	171.5	176.2	180.5	186.1	191.7	195.3	198.1	201.4	204.9
% Ch	3.8	1.5	2.0	2.9	2.7	2.4	3.1	3.0	1.9	1.4	1.7	1.7
U.S.	13.6	13.9	14.2	14.5	14.9	15.4	15.8	16.2	16.5	16.7	17.0	17.2
% Ch	3.2	2.5	2.2	2.4	2.6	3.0	3.0	2.6	1.6	1.3	1.5	1.6
<b>Leisure and Hospitality</b>												
Oregon	149.7	151.6	155.1	159.1	165.3	171.7	175.8	179.0	181.8	185.4	189.5	193.5
% Ch	0.1	1.3	2.3	2.6	3.9	3.9	2.4	1.8	1.6	2.0	2.2	2.1
U.S.	12.0	12.2	12.5	12.8	13.1	13.6	13.8	14.0	14.2	14.4	14.6	14.7
% Ch	(0.4)	1.6	2.6	2.6	2.5	3.2	2.0	1.3	1.0	1.4	1.5	0.7
<b>Other Services</b>												
Oregon	56.1	56.7	57.3	57.3	59.0	60.2	60.7	61.1	61.8	62.5	63.5	64.2
% Ch	(1.0)	0.9	1.1	(0.1)	3.1	1.9	0.8	0.7	1.1	1.2	1.6	1.2
U.S.	5.4	5.4	5.4	5.4	5.4	5.5	5.5	5.5	5.4	5.4	5.5	5.5
% Ch	2.2	0.5	0.1	(0.3)	0.7	0.7	1.0	(0.9)	(0.6)	(0.3)	0.4	0.5
<b>Government</b>												
Oregon	285.7	279.8	282.4	285.1	286.6	290.7	294.8	297.3	300.4	302.0	304.9	307.9
% Ch	1.4	(2.1)	0.9	1.0	0.5	1.4	1.4	0.8	1.1	0.5	1.0	1.0
U.S.	21.5	21.6	21.6	21.8	22.0	22.3	22.4	22.5	22.7	22.8	23.0	23.1
% Ch	1.8	0.3	0.2	0.9	0.8	1.2	0.8	0.4	0.9	0.4	0.8	0.5
<b>Federal Government</b>												
Oregon	29.8	30.7	30.3	29.7	29.0	29.0	28.8	28.9	29.6	28.6	28.6	28.6
% Ch	(0.5)	3.0	(1.4)	(2.0)	(2.1)	(0.2)	(0.6)	0.5	2.5	(3.6)	0.1	0.2
U.S.	2.8	2.8	2.7	2.7	2.7	2.7	2.7	2.7	2.8	2.7	2.7	2.7
% Ch	0.1	(0.2)	(1.1)	0.1	(0.2)	(0.5)	0.1	0.2	2.0	(3.6)	(0.0)	0.1
<b>State Government</b>												
Oregon	74.5	73.0	74.3	75.6	75.0	74.8	75.2	75.5	75.9	76.5	77.1	77.7
% Ch	2.8	(2.0)	1.7	1.9	(0.8)	(0.3)	0.5	0.4	0.6	0.7	0.8	0.9
<b>Education State Government</b>												
Oregon	25.9	26.4	26.7	27.5	27.4	27.5	27.9	28.0	28.1	28.3	28.5	28.8
% Ch	2.9	1.9	1.0	3.0	(0.4)	0.6	1.2	0.5	0.5	0.6	0.8	0.8
<b>Local Government</b>												
Oregon	181.4	176.1	177.9	179.8	182.5	186.9	190.8	192.9	194.9	196.9	199.2	201.5
% Ch	1.1	(2.9)	1.0	1.1	1.5	2.4	2.1	1.1	1.0	1.1	1.2	1.2
<b>Education Local Government</b>												
Oregon	95.7	93.3	93.8	94.9	95.8	98.3	100.5	101.3	102.4	103.6	104.8	106.0
% Ch	3.2	(2.5)	0.5	1.2	1.0	2.6	2.3	0.8	1.1	1.1	1.2	1.1

**Table A.1****March 2008 - Other Economic Indicators**

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>GDP (Bil of 2000 \$),</b>												
Chain Weight (in billions of \$)	10,048.9	10,301.1	10,675.7	11,003.5	11,319.4	11,570.7	11,791.2	12,105.4	12,448.8	12,807.5	13,126.9	13,425.7
% Ch	1.6	2.5	3.6	3.1	2.9	2.2	1.9	2.7	2.8	2.9	2.5	2.3
<b>Price and Wage Indicators</b>												
<b>GDP Implicit Price Deflator,</b>												
Chain Weight U.S., 2000=100	104.2	106.4	109.5	113.0	116.6	119.6	121.8	123.9	126.2	128.8	131.4	133.9
% Ch	1.7	2.1	2.9	3.2	3.2	2.6	1.8	1.7	1.9	2.0	2.0	1.9
<b>Personal Consumption Deflator,</b>												
Chain Weight U.S., 2000=100	103.5	105.6	108.4	111.6	114.7	117.6	120.1	122.1	124.3	126.6	129.0	131.4
% Ch	1.4	2.0	2.6	2.9	2.8	2.5	2.2	1.6	1.8	1.9	1.9	1.8
<b>CPI, Urban Consumers, 1982-84=100</b>												
Portland-Salem, OR-WA	183.8	186.3	191.2	196.0	201.2	208.5	214.0	218.4	223.1	227.8	232.7	237.5
% Ch	0.7	1.4	2.6	2.5	2.6	3.6	2.6	2.1	2.2	2.1	2.1	2.1
U.S.	179.9	184.0	188.9	195.3	201.6	207.3	212.0	215.3	219.5	223.6	227.7	231.8
% Ch	1.6	2.3	2.7	3.4	3.2	2.9	2.2	1.6	1.9	1.9	1.8	1.8
<b>Oregon Average Wage</b>												
Rate (Thous \$)	34.5	35.5	36.8	37.9	39.4	41.0	42.5	44.0	45.6	47.3	49.1	50.9
% Ch	1.5	3.0	3.4	3.1	3.9	4.2	3.6	3.6	3.7	3.7	3.8	3.6
<b>U.S. Average Wage</b>												
Wage Rate (Thous \$)	38.2	39.3	41.0	42.4	44.2	46.1	47.8	49.4	51.2	53.1	55.1	57.1
% Ch	1.9	2.9	4.4	3.3	4.2	4.4	3.5	3.5	3.6	3.7	3.8	3.7
<b>Housing Indicators</b>												
<b>Oregon Repeat Purchase</b>												
Housing Index 1987 Q1=100	291.5	306.4	337.4	395.5	468.0	501.9	511.4	527.0	549.1	575.9	604.2	635.9
% Ch	4.6	5.1	10.1	17.2	18.3	7.2	1.9	3.1	4.2	4.9	4.9	5.3
<b>National Average Sales</b>												
Price of Existing Single Family Homes (Thous \$)	208.4	223.0	243.0	266.1	269.5	264.2	244.7	236.1	241.3	250.3	259.5	271.1
% Ch	9.1	7.0	9.0	9.5	1.3	(2.0)	(7.4)	(3.5)	2.2	3.7	3.7	4.5
<b>Housing Starts</b>												
Oregon (Thous)	22.4	25.3	27.5	30.9	27.5	22.0	16.6	18.4	20.7	22.2	23.2	23.5
% Ch	6.4	13.1	8.7	12.5	(10.9)	(20.1)	(24.5)	10.4	13.0	7.2	4.1	1.3
U.S. (Millions)	1.710	1.854	1.950	2.073	1.812	1.348	1.027	1.307	1.541	1.714	1.716	1.698
% Ch	6.8	8.4	5.2	6.3	(12.6)	(25.6)	(23.8)	27.2	17.9	11.2	0.1	(1.1)
<b>Other Indicators</b>												
<b>Industrial Production Index,</b>												
U.S., 2002 = 100	100.0	101.1	103.6	106.9	111.2	113.3	115.1	118.1	121.1	124.4	126.5	128.6
% Ch	0.0	1.1	2.5	3.2	4.0	1.9	1.6	2.6	2.5	2.7	1.7	1.6
<b>Prime Rate (Percent)</b>												
	4.7	4.1	4.3	6.2	8.0	8.0	6.8	7.0	7.8	7.8	7.8	7.8
% Ch	(32.5)	(11.8)	5.3	42.5	28.6	1.2	(15.2)	3.0	10.2	0.0	0.0	0.0
<b>Population (Millions)</b>												
Oregon	3.505	3.541	3.583	3.631	3.691	3.745	3.800	3.853	3.905	3.957	4.009	4.062
% Ch	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
U.S.	288.8	291.7	294.5	297.3	300.1	302.8	305.5	308.2	310.9	313.5	316.2	318.9
% Ch	1.0	1.0	1.0	1.0	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9
<b>Timber Harvest (Mil Bd Ft)</b>												
Oregon	3,922.0	4,002.0	4,450.0	4,355.0	4,250.0	4,100.0	4,075.0	4,050.0	4,050.0	4,050.0	4,050.0	4,050.0
% Ch	14.0	2.0	11.2	(2.1)	(2.4)	(3.5)	(0.6)	(0.6)	0.0	0.0	0.0	0.0

**Table A.2****March 2008 - Personal Income  
(Billions of Current Dollars)**

	2004:1	2004:2	2004:3	2004:4	2005:1	2005:2	2005:3	2005:4	2006:1	2006:2
<b>Total Personal Income</b>										
Oregon	107.5	109.3	110.3	112.1	112.4	113.8	115.7	116.6	120.8	121.9
% Ch	(0.0)	6.9	3.9	6.8	1.0	5.1	6.8	3.1	15.0	3.9
U.S.	9,482.8	9,629.6	9,770.9	10,025.5	10,074.1	10,234.1	10,328.6	10,567.4	10,787.1	10,915.5
% Ch	6.2	6.3	6.0	10.8	2.0	6.5	3.7	9.6	8.6	4.8
<b>Wage and Salary</b>										
Oregon	58.1	59.6	60.3	60.9	62.1	62.9	64.4	64.5	67.1	66.8
% Ch	1.5	10.1	4.9	3.9	8.5	5.4	9.6	1.0	17.0	(1.7)
U.S.	5,260.9	5,351.2	5,447.8	5,518.1	5,559.1	5,614.0	5,720.4	5,777.9	5,945.6	5,958.4
% Ch	3.9	7.0	7.4	5.3	3.0	4.0	7.8	4.1	12.1	0.9
<b>Other Labor Income</b>										
Oregon	15.4	15.7	15.7	15.5	15.6	15.3	15.4	15.3	15.9	16.0
% Ch	(22.3)	9.7	(0.1)	(4.2)	0.5	(5.8)	0.6	(1.9)	16.3	3.3
U.S.	848.7	861.4	874.9	889.1	908.9	921.6	935.6	944.6	955.2	965.5
% Ch	6.9	6.1	6.4	6.7	9.2	5.7	6.2	3.9	4.6	4.4
<b>Nonfarm Proprietor's Income</b>										
Oregon	8.4	8.8	8.9	9.0	9.2	9.4	9.6	9.6	9.8	10.0
% Ch	1.0	18.2	7.5	6.2	8.3	7.4	10.8	(0.2)	7.6	8.3
U.S.	839.1	869.1	881.1	908.0	918.6	937.1	936.2	964.4	979.3	998.9
% Ch	16.1	15.1	5.6	12.8	4.8	8.3	(0.4)	12.6	6.3	8.2
<b>Dividend, Interest and Rent</b>										
Oregon	20.5	20.6	21.0	22.1	20.7	21.2	21.7	22.3	23.2	23.9
% Ch	5.0	2.8	7.5	22.8	(22.1)	9.9	8.2	12.2	16.6	12.5
U.S.	1,500.3	1,510.4	1,525.6	1,665.8	1,615.2	1,664.6	1,594.1	1,768.8	1,784.6	1,851.0
% Ch	2.6	2.7	4.1	42.1	(11.6)	12.8	(15.9)	51.6	3.6	15.7
<b>Transfer Payments</b>										
Oregon	16.7	16.6	16.6	16.8	17.4	17.8	17.8	17.9	18.6	18.9
% Ch	14.6	(2.9)	(1.8)	5.2	17.1	7.6	0.1	3.2	16.7	6.2
U.S.	1,379.8	1,392.6	1,396.2	1,415.7	1,456.0	1,479.4	1,491.1	1,505.8	1,546.9	1,573.3
% Ch	13.6	3.8	1.0	5.7	11.9	6.6	3.2	4.0	11.4	7.0
<b>Contributions for Social Security</b>										
Oregon	10.0	10.3	10.3	10.4	10.7	10.8	11.0	10.9	11.4	11.4
% Ch	7.3	9.4	3.5	2.1	11.7	3.2	7.0	(0.8)	19.5	(2.5)
U.S.	411.3	417.4	424.1	429.1	438.5	442.3	449.2	452.7	470.8	472.1
% Ch	8.7	6.1	6.6	4.8	9.1	3.5	6.4	3.2	17.0	1.1
<b>Residence Adjustment</b>										
Oregon	(2.0)	(2.1)	(2.1)	(2.1)	(2.2)	(2.3)	(2.3)	(2.3)	(2.4)	(2.4)
% Ch	(12.1)	9.3	2.2	2.7	36.5	3.4	6.7	(1.9)	24.5	(5.7)
<b>Farm Proprietor's Income</b>										
Oregon	0.4	0.3	0.3	0.3	0.3	0.2	0.2	0.2	0.0	0.1
% Ch	78.8	(59.1)	(34.1)	50.1	(50.4)	(58.0)	(52.3)	(8.1)	(99.7)	2,752.9

**Table A.2****March 2008 - Personal Income  
(Billions of Current Dollars)**

	2006:3	2006:4	2007:1	2007:2	2007:3	2007:4	2008:1	2008:2	2008:3	2008:4
<b>Total Personal Income</b>										
Oregon	123.7	125.8	128.1	129.7	131.5	133.2	134.9	136.8	138.5	140.3
% Ch	6.0	6.8	7.4	5.3	5.6	5.1	5.4	5.8	5.1	5.1
U.S.	11,030.9	11,200.2	11,469.2	11,577.3	11,746.7	11,869.0	12,028.5	12,173.0	12,304.4	12,439.0
% Ch	4.3	6.3	10.0	3.8	6.0	4.2	5.5	4.9	4.4	4.4
<b>Wage and Salary</b>										
Oregon	67.8	69.5	70.3	71.2	72.0	72.7	73.5	74.5	75.4	76.3
% Ch	6.2	10.0	5.0	5.2	4.3	4.2	4.1	5.7	4.8	4.8
U.S.	6,015.8	6,153.0	6,294.4	6,318.9	6,393.5	6,462.7	6,537.0	6,607.8	6,676.7	6,749.2
% Ch	3.9	9.4	9.5	1.6	4.8	4.4	4.7	4.4	4.2	4.4
<b>Other Labor Income</b>										
Oregon	16.4	16.7	16.8	17.1	17.3	17.5	17.6	17.7	17.9	18.1
% Ch	9.4	8.8	3.0	6.4	4.3	4.9	2.1	3.5	4.5	3.5
U.S.	975.4	986.7	999.2	1,010.9	1,022.7	1,034.3	1,041.6	1,048.0	1,057.6	1,065.2
% Ch	4.2	4.7	5.2	4.8	4.8	4.6	2.9	2.5	3.7	2.9
<b>Nonfarm Proprietor's Income</b>										
Oregon	9.9	9.9	10.0	10.1	10.1	10.2	10.3	10.5	10.7	10.8
% Ch	(5.5)	0.9	3.5	3.5	1.4	4.6	4.5	6.8	6.7	7.1
U.S.	985.5	985.8	998.3	1,005.3	1,010.0	1,013.5	1,024.5	1,040.8	1,056.4	1,072.1
% Ch	(5.3)	0.1	5.2	2.8	1.9	1.4	4.4	6.5	6.1	6.1
<b>Dividend, Interest and Rent</b>										
Oregon	24.2	24.3	24.9	25.5	26.1	26.5	26.9	27.3	27.6	27.9
% Ch	5.9	1.9	9.4	11.2	9.2	6.0	6.5	5.4	4.4	4.6
U.S.	1,881.0	1,887.5	1,936.1	1,992.1	2,044.5	2,072.7	2,105.4	2,133.3	2,155.5	2,176.6
% Ch	6.6	1.4	10.7	12.1	10.9	5.6	6.5	5.4	4.2	4.0
<b>Transfer Payments</b>										
Oregon	19.3	19.5	20.2	20.3	20.6	20.8	21.4	21.7	22.0	22.3
% Ch	8.1	4.7	15.8	0.9	6.4	5.5	11.0	6.4	5.5	5.2
U.S.	1,603.2	1,618.0	1,683.1	1,689.4	1,714.4	1,725.3	1,770.4	1,797.7	1,821.3	1,843.7
% Ch	7.8	3.8	17.1	1.5	6.0	2.6	10.9	6.3	5.3	5.0
<b>Contributions for Social Security</b>										
Oregon	11.5	11.7	11.9	12.1	12.2	12.3	12.4	12.5	12.6	12.7
% Ch	5.3	8.4	6.9	4.2	3.4	3.2	5.5	3.6	3.1	2.5
U.S.	475.6	484.4	498.6	500.1	505.0	509.7	518.1	522.1	525.8	528.6
% Ch	3.0	7.6	12.2	1.2	4.0	3.8	6.7	3.1	2.9	2.2
<b>Residence Adjustment</b>										
Oregon	(2.4)	(2.5)	(2.6)	(2.6)	(2.5)	(2.6)	(2.6)	(2.6)	(2.6)	(2.6)
% Ch	3.9	12.7	11.6	3.7	(3.8)	3.1	(2.0)	4.9	4.1	3.8
<b>Farm Proprietor's Income</b>										
Oregon	0.1	0.1	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2
% Ch	44.4	147.6	2,736.0	(91.1)	0.0	151.5	(12.3)	9.1	(1.3)	13.3

**Table A.2****March 2008 - Personal Income  
(Billions of Current Dollars)**

	2009:1	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2010:4	2011:1	2011:2
<b>Total Personal Income</b>										
Oregon	142.2	144.2	146.3	148.5	150.7	152.8	154.9	157.0	159.2	161.5
% Ch	5.7	5.7	6.0	6.0	6.0	5.8	5.6	5.4	5.8	5.8
U.S.	12,591.5	12,740.6	12,901.4	13,064.7	13,239.8	13,408.6	13,572.4	13,737.8	13,922.6	14,105.4
% Ch	5.0	4.8	5.1	5.2	5.5	5.2	5.0	5.0	5.5	5.4
<b>Wage and Salary</b>										
Oregon	77.3	78.4	79.4	80.5	81.7	82.8	83.8	84.9	86.1	87.2
% Ch	5.7	5.3	5.7	5.7	6.0	5.1	5.1	5.2	5.8	5.5
U.S.	6,831.1	6,910.0	6,992.2	7,075.0	7,166.0	7,249.7	7,334.4	7,419.7	7,516.3	7,608.4
% Ch	4.9	4.7	4.8	4.8	5.2	4.8	4.8	4.7	5.3	5.0
<b>Other Labor Income</b>										
Oregon	18.3	18.5	18.7	18.9	19.2	19.4	19.7	20.0	20.3	20.6
% Ch	4.5	4.6	5.2	4.2	5.5	5.5	6.8	5.3	6.0	5.8
U.S.	1,075.1	1,084.1	1,097.1	1,107.6	1,120.1	1,132.7	1,148.3	1,160.6	1,175.1	1,189.0
% Ch	3.8	3.4	4.9	3.9	4.6	4.6	5.6	4.4	5.1	4.8
<b>Nonfarm Proprietor's Income</b>										
Oregon	11.1	11.3	11.4	11.6	11.7	11.9	12.1	12.2	12.4	12.6
% Ch	8.2	7.2	6.0	5.8	5.9	6.2	5.2	5.5	6.7	6.8
U.S.	1,092.3	1,110.9	1,127.0	1,141.3	1,156.0	1,171.8	1,186.3	1,201.8	1,221.2	1,240.6
% Ch	7.7	7.0	5.9	5.2	5.3	5.6	5.1	5.3	6.6	6.5
<b>Dividend, Interest and Rent</b>										
Oregon	28.2	28.6	29.1	29.6	30.1	30.6	31.1	31.5	32.0	32.5
% Ch	4.8	6.2	6.9	7.2	7.2	6.8	6.1	6.0	5.8	6.1
U.S.	2,198.2	2,225.3	2,259.1	2,296.5	2,337.2	2,375.2	2,408.3	2,442.7	2,476.9	2,514.8
% Ch	4.0	5.0	6.2	6.8	7.3	6.7	5.7	5.8	5.7	6.3
<b>Transfer Payments</b>										
Oregon	22.8	23.1	23.3	23.6	24.0	24.3	24.6	24.8	25.3	25.6
% Ch	8.6	5.2	4.9	4.8	7.1	5.0	4.2	4.7	7.3	5.0
U.S.	1,879.1	1,901.3	1,922.3	1,944.1	1,975.3	1,996.9	2,017.3	2,040.0	2,074.9	2,099.5
% Ch	7.9	4.8	4.5	4.6	6.6	4.4	4.1	4.6	7.0	4.8
<b>Contributions for Social Security</b>										
Oregon	13.0	13.1	13.2	13.3	13.6	13.7	13.8	14.0	14.3	14.4
% Ch	9.1	3.2	3.6	2.6	10.4	2.7	3.2	4.1	9.9	4.1
U.S.	541.5	545.9	550.9	554.1	570.0	573.6	579.1	585.4	600.9	607.4
% Ch	10.1	3.3	3.7	2.3	12.0	2.5	3.9	4.4	11.0	4.4
<b>Residence Adjustment</b>										
Oregon	(2.7)	(2.7)	(2.7)	(2.7)	(2.8)	(2.8)	(2.8)	(2.8)	(2.9)	(2.9)
% Ch	3.8	3.7	4.1	4.1	3.9	3.8	4.0	4.0	4.0	4.0
<b>Farm Proprietor's Income</b>										
Oregon	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.3
% Ch	14.5	8.0	9.9	5.4	14.0	13.0	9.4	8.4	4.9	5.6

**Table A.2****March 2008 - Personal Income  
(Billions of Current Dollars)**

	2011:3	2011:4	2012:1	2012:2	2012:3	2012:4	2013:1	2013:2	2013:3	2013:4
<b>Total Personal Income</b>										
Oregon	163.9	166.2	168.6	170.9	173.1	175.3	177.6	179.8	182.3	184.5
% Ch	6.1	5.7	5.9	5.6	5.4	5.1	5.4	5.1	5.5	5.1
U.S.	14,292.8	14,475.6	14,667.5	14,846.4	15,018.2	15,183.4	15,366.6	15,541.3	15,722.5	15,895.2
% Ch	5.4	5.2	5.4	5.0	4.7	4.5	4.9	4.6	4.7	4.5
<b>Wage and Salary</b>										
Oregon	88.5	89.6	90.9	92.0	93.2	94.3	95.6	96.7	97.8	99.0
% Ch	5.8	5.4	5.7	5.0	5.1	4.9	5.5	4.7	4.9	4.7
U.S.	7,703.5	7,794.9	7,892.0	7,979.8	8,067.0	8,151.4	8,244.2	8,329.9	8,417.6	8,503.1
% Ch	5.1	4.8	5.1	4.5	4.4	4.3	4.6	4.2	4.3	4.1
<b>Other Labor Income</b>										
Oregon	20.9	21.2	21.5	21.8	22.2	22.4	22.7	23.0	23.3	23.6
% Ch	7.1	5.2	5.9	5.8	6.5	5.0	5.4	4.6	6.3	4.5
U.S.	1,206.4	1,221.3	1,236.6	1,252.1	1,269.8	1,284.2	1,299.9	1,315.9	1,334.7	1,349.0
% Ch	6.0	5.0	5.1	5.1	5.8	4.6	5.0	5.0	5.8	4.3
<b>Nonfarm Proprietor's Income</b>										
Oregon	12.8	13.0	13.2	13.4	13.6	13.7	13.9	14.1	14.3	14.5
% Ch	5.9	5.8	6.3	6.0	5.2	5.1	5.7	5.5	5.2	4.7
U.S.	1,258.8	1,275.6	1,294.6	1,312.2	1,328.4	1,343.5	1,361.8	1,379.6	1,396.1	1,411.1
% Ch	6.0	5.4	6.1	5.6	5.0	4.6	5.6	5.3	4.9	4.3
<b>Dividend, Interest and Rent</b>										
Oregon	32.9	33.4	33.9	34.3	34.7	35.1	35.5	36.0	36.4	36.9
% Ch	5.9	5.9	5.8	5.5	4.6	4.9	4.5	5.0	5.0	5.1
U.S.	2,551.0	2,588.2	2,623.2	2,656.8	2,684.7	2,712.2	2,738.9	2,768.5	2,798.1	2,829.9
% Ch	5.9	6.0	5.5	5.2	4.3	4.2	4.0	4.4	4.3	4.6
<b>Transfer Payments</b>										
Oregon	25.9	26.3	26.8	27.1	27.5	27.9	28.4	28.8	29.2	29.6
% Ch	5.0	5.5	8.1	5.5	5.5	5.3	8.2	5.7	5.8	5.8
U.S.	2,123.8	2,150.9	2,191.6	2,220.1	2,247.8	2,276.9	2,321.4	2,351.9	2,383.4	2,415.2
% Ch	4.7	5.2	7.8	5.3	5.1	5.3	8.0	5.4	5.5	5.5
<b>Contributions for Social Security</b>										
Oregon	14.6	14.7	15.0	15.1	15.3	15.4	15.8	15.9	16.0	16.2
% Ch	3.4	3.6	9.2	3.2	3.9	4.0	9.6	3.4	2.7	3.6
U.S.	612.5	618.2	634.4	640.0	646.5	653.1	669.1	674.9	678.6	685.3
% Ch	3.4	3.8	10.9	3.6	4.1	4.2	10.1	3.5	2.2	4.0
<b>Residence Adjustment</b>										
Oregon	(2.9)	(3.0)	(3.0)	(3.0)	(3.1)	(3.1)	(3.1)	(3.1)	(3.2)	(3.2)
% Ch	4.7	4.1	3.8	3.6	4.3	3.9	3.8	3.7	3.8	3.7
<b>Farm Proprietor's Income</b>										
Oregon	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
% Ch	5.4	5.3	5.9	5.0	4.7	4.5	4.2	4.2	3.9	3.7

**Table A.2****March 2008 - Employment by Industry  
(Oregon - Thousands, U.S. - Millions)**

	2004:1	2004:2	2004:3	2004:4	2005:1	2005:2	2005:3	2005:4	2006:1	2006:2
<b>Total Nonfarm</b>										
Oregon	1,582.8	1,601.2	1,616.0	1,626.5	1,638.7	1,647.3	1,658.6	1,672.9	1,689.7	1,700.0
% Ch	0.9	4.7	3.8	2.6	3.0	2.1	2.8	3.5	4.1	2.5
U.S.	130.5	131.3	131.6	132.2	132.7	133.4	134.1	134.7	135.4	135.9
% Ch	1.2	2.3	1.1	1.8	1.3	2.2	2.2	1.6	2.2	1.5
<b>Private Nonfarm</b>										
Oregon	1,302.8	1,319.6	1,331.6	1,342.8	1,353.4	1,361.9	1,373.6	1,388.3	1,404.7	1,414.0
% Ch	0.8	5.3	3.7	3.4	3.2	2.5	3.5	4.4	4.8	2.7
U.S.	109.0	109.7	110.0	110.5	110.9	111.6	112.3	112.8	113.5	114.0
% Ch	1.4	2.6	1.1	1.9	1.4	2.4	2.4	1.9	2.6	1.6
<b>Natural Resources and Mining</b>										
Oregon	9.5	9.8	9.6	9.7	9.8	9.4	9.5	9.5	9.4	9.4
% Ch	5.2	13.4	(8.6)	3.6	6.0	(15.7)	2.6	1.4	(4.4)	(1.6)
U.S.	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.7	0.7
% Ch	2.8	7.3	3.9	2.0	8.7	6.9	5.7	10.8	9.8	12.0
<b>Construction</b>										
Oregon	79.1	82.3	83.8	85.5	87.5	89.2	91.7	95.0	98.8	100.6
% Ch	2.1	17.4	7.4	8.2	9.7	8.3	11.8	14.9	17.1	7.3
U.S.	6.9	6.9	7.0	7.1	7.1	7.3	7.4	7.5	7.7	7.7
% Ch	3.6	4.7	3.6	6.0	2.4	8.3	5.3	7.6	7.4	2.0
<b>Manufacturing</b>										
Oregon	195.7	199.0	201.7	203.0	203.7	204.0	203.4	204.6	206.8	207.2
% Ch	1.9	6.9	5.6	2.7	1.4	0.5	(1.2)	2.5	4.4	0.7
U.S.	14.3	14.3	14.3	14.3	14.3	14.2	14.2	14.2	14.2	14.2
% Ch	(0.7)	1.2	0.3	(0.8)	(1.1)	(0.8)	(1.1)	(0.0)	0.4	0.3
<b>Durable Manufacturing</b>										
Oregon	143.7	146.5	149.2	150.6	151.8	152.3	151.6	152.9	154.6	155.0
% Ch	3.1	7.8	7.5	3.9	3.3	1.3	(1.7)	3.4	4.4	1.0
U.S.	8.9	8.9	9.0	9.0	9.0	9.0	8.9	9.0	9.0	9.0
% Ch	0.5	2.4	1.6	0.4	(0.2)	(0.0)	(0.5)	1.0	1.0	1.5
<b>Wood Products</b>										
Oregon	31.6	31.9	32.3	32.6	32.6	32.8	32.6	32.7	33.1	32.8
% Ch	4.9	4.1	5.5	3.1	0.6	1.7	(2.1)	1.3	4.3	(3.4)
U.S.	0.5	0.5	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6
% Ch	2.4	4.3	2.5	4.0	0.1	(1.0)	2.2	5.0	4.4	(3.1)
<b>Metal and Machinery</b>										
Oregon	34.0	34.5	35.2	35.6	35.9	36.1	36.2	36.6	36.9	37.0
% Ch	2.2	6.8	8.2	4.6	3.1	2.5	1.3	3.9	3.3	1.9
U.S.	3.1	3.1	3.1	3.1	3.1	3.1	3.2	3.2	3.2	3.2
% Ch	1.0	3.7	2.8	0.6	1.1	1.6	0.6	1.7	1.5	2.7
<b>Computer and Electronic Products</b>										
Oregon	39.8	40.8	41.6	41.8	41.7	41.4	40.9	41.1	41.9	42.0
% Ch	(1.3)	9.6	8.4	1.7	(0.4)	(2.8)	(5.3)	1.9	7.8	1.3
U.S.	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3
% Ch	(0.5)	0.9	1.0	(2.3)	(0.3)	(0.5)	(0.1)	(0.8)	(1.5)	3.0
<b>Transportation Equipment</b>										
Oregon	15.9	16.6	17.0	17.2	17.7	18.1	17.8	18.3	18.3	18.4
% Ch	13.9	18.3	9.3	6.9	11.5	7.9	(5.8)	11.8	(0.8)	2.4
U.S.	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8
% Ch	(0.4)	0.2	0.7	2.4	0.5	0.0	(3.9)	2.2	0.6	1.5
<b>Other Durables</b>										
Oregon	22.4	22.7	23.0	23.4	23.8	23.9	24.1	24.3	24.6	24.8
% Ch	3.0	4.6	6.6	5.7	8.2	1.5	3.6	2.2	4.7	4.2
U.S.	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7
% Ch	0.8	3.2	1.1	0.1	(2.1)	(1.7)	0.1	0.5	2.1	(0.5)

**Table A.2****March 2008 - Employment by Industry  
(Oregon - Thousands, U.S. - Millions)**

	2006:3	2006:4	2007:1	2007:2	2007:3	2007:4	2008:1	2008:2	2008:3	2008:4
<b>Total Nonfarm</b>										
Oregon	1,708.8	1,710.6	1,720.9	1,724.0	1,723.2	1,733.7	1,735.2	1,739.8	1,745.6	1,751.1
% Ch	2.1	0.4	2.4	0.7	(0.2)	2.5	0.3	1.1	1.3	1.3
U.S.	136.4	137.0	137.4	137.9	138.1	138.5	138.7	138.9	139.2	139.5
% Ch	1.6	1.5	1.5	1.2	0.8	0.9	0.6	0.8	0.8	0.9
<b>Private Nonfarm</b>										
Oregon	1,421.1	1,423.1	1,432.7	1,434.9	1,431.5	1,439.9	1,441.3	1,445.3	1,450.5	1,455.4
% Ch	2.0	0.6	2.7	0.6	(1.0)	2.4	0.4	1.1	1.4	1.3
U.S.	114.4	114.8	115.3	115.6	115.9	116.1	116.3	116.5	116.8	117.1
% Ch	1.6	1.5	1.5	1.2	0.9	0.8	0.6	0.8	0.9	1.0
<b>Natural Resources and Mining</b>										
Oregon	9.2	8.6	8.6	8.9	8.3	8.4	8.3	8.3	8.3	8.3
% Ch	(5.9)	(23.4)	(0.2)	13.2	(25.1)	6.7	(5.0)	(1.0)	0.4	1.1
U.S.	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7
% Ch	6.8	5.5	5.4	4.6	4.9	2.7	5.4	(0.3)	(1.9)	(5.5)
<b>Construction</b>										
Oregon	101.0	100.7	101.3	102.1	102.3	100.5	99.4	98.4	97.6	97.1
% Ch	1.8	(1.2)	2.4	3.1	0.9	(6.8)	(4.7)	(3.8)	(3.2)	(2.2)
U.S.	7.7	7.7	7.7	7.7	7.6	7.6	7.5	7.4	7.3	7.3
% Ch	1.0	(1.3)	(0.4)	(1.0)	(2.3)	(3.0)	(3.8)	(5.9)	(3.5)	0.0
<b>Manufacturing</b>										
Oregon	207.4	205.6	204.1	202.2	200.1	203.3	203.5	203.7	204.0	203.7
% Ch	0.5	(3.5)	(2.8)	(3.7)	(4.1)	6.6	0.4	0.5	0.6	(0.6)
U.S.	14.2	14.1	14.1	14.1	14.0	14.0	13.9	13.8	13.7	13.6
% Ch	(0.3)	(2.0)	(1.0)	(1.3)	(1.5)	(1.5)	(1.7)	(2.1)	(2.5)	(3.2)
<b>Durable Manufacturing</b>										
Oregon	155.0	153.0	150.7	149.2	148.8	149.9	150.8	151.1	151.5	151.3
% Ch	0.1	(5.0)	(6.1)	(3.9)	(0.9)	2.8	2.7	0.7	1.1	(0.6)
U.S.	9.0	9.0	8.9	8.9	8.9	8.8	8.8	8.8	8.7	8.6
% Ch	(0.1)	(1.8)	(1.7)	(1.4)	(1.4)	(1.3)	(1.7)	(2.6)	(2.2)	(3.7)
<b>Wood Products</b>										
Oregon	32.3	31.1	30.2	29.6	29.2	29.2	29.7	29.5	29.3	29.2
% Ch	(5.7)	(13.8)	(11.7)	(7.3)	(5.7)	0.3	6.6	(2.6)	(2.4)	(1.7)
U.S.	0.6	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.4
% Ch	(5.2)	(10.9)	(6.9)	(4.7)	(3.2)	(8.8)	(7.6)	(22.0)	(16.9)	(7.2)
<b>Metal and Machinery</b>										
Oregon	37.3	37.8	38.6	39.2	40.0	40.8	41.3	41.7	42.1	42.4
% Ch	2.8	5.1	9.1	6.2	8.2	8.4	5.7	3.7	3.4	2.9
U.S.	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2
% Ch	3.5	0.4	0.7	0.5	0.4	0.8	(0.5)	(0.1)	(1.1)	(1.6)
<b>Computer and Electronic Products</b>										
Oregon	42.1	42.0	41.2	40.7	40.7	40.8	41.0	41.2	41.5	41.2
% Ch	0.9	(1.1)	(7.4)	(4.3)	(0.2)	1.4	1.5	2.0	3.3	(3.0)
U.S.	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3
% Ch	0.2	0.0	(0.7)	(2.5)	(2.4)	(1.2)	3.1	2.5	1.5	(14.7)
<b>Transportation Equipment</b>										
Oregon	18.3	17.8	17.1	16.2	15.9	15.2	14.9	14.8	14.8	14.8
% Ch	(0.8)	(11.8)	(14.1)	(19.9)	(6.8)	(16.0)	(8.1)	(1.7)	0.3	(1.0)
U.S.	1.8	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7
% Ch	(3.4)	(4.2)	(5.2)	(2.7)	(2.3)	(3.7)	(4.4)	(1.1)	(0.3)	1.4
<b>Other Durables</b>										
Oregon	25.0	24.4	23.6	23.5	23.1	23.8	23.9	23.9	23.8	23.8
% Ch	3.3	(9.1)	(12.5)	(2.4)	(6.4)	13.4	2.1	(1.0)	(1.3)	(0.6)
U.S.	2.7	2.7	2.7	2.7	2.6	2.6	2.6	2.5	2.5	2.4
% Ch	(2.3)	(3.6)	(2.8)	(2.2)	(2.0)	(1.3)	(9.0)	(8.9)	(6.5)	(3.5)

**Table A.2****March 2008 - Employment by Industry  
(Oregon - Thousands, U.S. - Millions)**

	2009:1	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2010:4	2011:1	2011:2
<b>Total Nonfarm</b>										
Oregon	1,759.1	1,767.7	1,776.1	1,783.9	1,792.3	1,799.2	1,806.2	1,813.6	1,821.4	1,829.2
% Ch	1.8	2.0	1.9	1.8	1.9	1.6	1.6	1.6	1.7	1.7
U.S.	140.0	140.5	140.9	141.3	141.8	142.2	142.7	143.1	143.6	144.1
% Ch	1.3	1.5	1.3	1.2	1.3	1.3	1.2	1.2	1.4	1.3
<b>Private Nonfarm</b>										
Oregon	1,462.7	1,470.8	1,478.6	1,485.6	1,492.0	1,498.5	1,506.0	1,513.1	1,520.4	1,527.6
% Ch	2.0	2.2	2.1	1.9	1.7	1.7	2.0	1.9	1.9	1.9
U.S.	117.5	118.0	118.4	118.8	119.1	119.5	120.0	120.4	120.9	121.3
% Ch	1.5	1.7	1.4	1.2	1.0	1.4	1.7	1.4	1.5	1.4
<b>Natural Resources and Mining</b>										
Oregon	8.4	8.4	8.4	8.3	8.3	8.2	8.2	8.2	8.1	8.1
% Ch	1.6	1.3	(0.9)	(1.4)	(2.0)	(2.3)	(2.4)	(2.1)	(1.9)	(2.0)
U.S.	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7
% Ch	(3.6)	(3.1)	(1.9)	(1.2)	(1.2)	(1.4)	(2.1)	(2.3)	(2.2)	(3.2)
<b>Construction</b>										
Oregon	97.5	98.2	98.4	98.7	99.2	99.8	100.4	101.2	101.9	102.6
% Ch	2.0	2.6	1.1	1.2	2.0	2.3	2.5	3.1	3.0	3.0
U.S.	7.3	7.3	7.3	7.3	7.3	7.4	7.4	7.5	7.6	7.6
% Ch	1.7	(0.4)	(1.2)	(0.5)	1.6	2.4	2.9	3.1	4.6	3.6
<b>Manufacturing</b>										
Oregon	203.7	203.8	204.1	204.7	205.3	205.6	206.0	206.6	207.2	207.7
% Ch	(0.1)	0.2	0.6	1.3	1.0	0.7	0.7	1.2	1.3	1.0
U.S.	13.5	13.5	13.5	13.5	13.5	13.5	13.6	13.6	13.6	13.7
% Ch	(2.6)	(1.0)	(0.4)	0.4	0.2	0.5	1.0	1.1	1.1	0.9
<b>Durable Manufacturing</b>										
Oregon	151.3	151.3	151.6	152.2	152.7	153.0	153.3	153.8	154.4	154.8
% Ch	(0.2)	0.1	0.7	1.6	1.4	0.8	0.7	1.4	1.6	1.2
U.S.	8.6	8.5	8.5	8.5	8.6	8.6	8.6	8.7	8.7	8.7
% Ch	(3.3)	(1.4)	(0.1)	1.3	1.0	0.9	1.6	1.7	1.7	1.4
<b>Wood Products</b>										
Oregon	29.1	29.2	29.4	29.7	29.9	30.0	30.1	30.1	30.2	30.2
% Ch	(0.4)	1.2	2.3	4.0	3.7	1.2	0.6	0.5	0.6	1.0
U.S.	0.4	0.4	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
% Ch	(0.4)	5.4	7.1	8.5	9.3	8.6	8.6	8.5	10.1	8.6
<b>Metal and Machinery</b>										
Oregon	42.6	42.6	42.5	42.4	42.2	42.1	42.0	41.9	41.9	41.9
% Ch	2.1	(0.1)	(0.7)	(1.0)	(1.4)	(1.4)	(1.1)	(0.5)	(0.0)	(0.4)
U.S.	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2
% Ch	(3.2)	(1.7)	(1.3)	(0.1)	(0.6)	(0.4)	0.7	0.9	0.8	0.7
<b>Computer and Electronic Products</b>										
Oregon	41.0	40.8	40.8	40.8	40.8	40.9	40.9	41.1	41.2	41.3
% Ch	(2.5)	(1.2)	(0.7)	0.2	0.5	0.8	0.2	1.4	1.5	1.1
U.S.	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2
% Ch	(10.5)	(9.4)	(4.8)	(2.2)	(0.0)	0.1	(0.6)	(2.9)	(2.8)	(3.7)
<b>Transportation Equipment</b>										
Oregon	14.9	15.0	15.2	15.4	15.6	15.7	15.8	16.0	16.2	16.3
% Ch	2.3	3.2	5.0	5.7	4.7	3.4	3.0	4.1	4.3	3.1
U.S.	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.8	1.8
% Ch	1.3	3.3	3.6	3.6	1.6	0.9	2.1	3.7	3.7	3.5
<b>Other Durables</b>										
Oregon	23.7	23.7	23.7	23.9	24.1	24.2	24.4	24.7	24.9	25.1
% Ch	(1.2)	(0.3)	0.8	3.3	2.9	2.5	3.4	3.9	4.0	2.8
U.S.	2.4	2.4	2.4	2.5	2.5	2.5	2.5	2.6	2.6	2.6
% Ch	(1.5)	0.5	1.6	2.3	3.4	3.5	4.0	4.1	4.0	3.0

**Table A.2****March 2008 - Employment by Industry  
(Oregon - Thousands, U.S. - Millions)**

	2011:3	2011:4	2012:1	2012:2	2012:3	2012:4	2013:1	2013:2	2013:3	2013:4
<b>Total Nonfarm</b>										
Oregon	1,837.5	1,844.7	1,851.5	1,857.9	1,864.4	1,870.3	1,876.7	1,883.1	1,889.6	1,895.3
% Ch	1.8	1.6	1.5	1.4	1.4	1.3	1.4	1.4	1.4	1.2
U.S.	144.5	144.9	145.3	145.6	145.9	146.1	146.4	146.6	146.8	147.0
% Ch	1.3	1.1	1.0	0.8	0.8	0.6	0.7	0.7	0.6	0.5
<b>Private Nonfarm</b>										
Oregon	1,535.2	1,541.8	1,547.8	1,553.5	1,559.2	1,564.2	1,569.9	1,575.6	1,581.3	1,586.3
% Ch	2.0	1.7	1.6	1.5	1.5	1.3	1.5	1.4	1.5	1.3
U.S.	121.7	122.0	122.4	122.6	122.9	123.1	123.3	123.5	123.7	123.9
% Ch	1.4	1.1	1.1	0.9	0.8	0.6	0.7	0.7	0.7	0.5
<b>Natural Resources and Mining</b>										
Oregon	8.0	8.0	7.9	7.9	7.9	7.8	7.8	7.7	7.7	7.7
% Ch	(2.1)	(2.2)	(2.1)	(2.0)	(1.9)	(1.9)	(2.0)	(2.2)	(1.9)	(1.8)
U.S.	0.7	0.7	0.7	0.7	0.7	0.6	0.6	0.6	0.6	0.6
% Ch	(4.3)	(3.9)	(3.4)	(3.6)	(3.9)	(3.7)	(4.1)	(4.6)	(4.9)	(4.5)
<b>Construction</b>										
Oregon	103.3	103.8	104.3	104.9	105.4	105.8	106.1	106.5	106.9	107.2
% Ch	2.6	2.0	1.9	2.2	2.0	1.4	1.4	1.6	1.5	1.2
U.S.	7.7	7.7	7.8	7.8	7.8	7.8	7.9	7.9	7.9	7.9
% Ch	2.7	1.8	2.7	1.6	1.1	0.4	1.5	0.8	0.8	(0.0)
<b>Manufacturing</b>										
Oregon	208.1	208.4	208.6	208.7	208.7	208.5	208.4	208.4	208.5	208.6
% Ch	0.7	0.6	0.4	0.2	(0.0)	(0.5)	(0.2)	0.1	0.1	0.1
U.S.	13.7	13.7	13.7	13.7	13.7	13.7	13.7	13.7	13.6	13.6
% Ch	0.8	0.6	0.5	0.1	(0.2)	(0.5)	(0.5)	(0.6)	(0.6)	(0.4)
<b>Durable Manufacturing</b>										
Oregon	155.2	155.4	155.6	155.7	155.7	155.5	155.4	155.5	155.6	155.7
% Ch	0.8	0.7	0.5	0.3	0.0	(0.6)	(0.1)	0.2	0.2	0.2
U.S.	8.8	8.8	8.8	8.8	8.8	8.8	8.8	8.8	8.8	8.7
% Ch	1.3	1.0	0.9	0.3	(0.1)	(0.5)	(0.4)	(0.6)	(0.6)	(0.5)
<b>Wood Products</b>										
Oregon	30.3	30.4	30.4	30.4	30.4	30.2	30.3	30.4	30.4	30.4
% Ch	0.9	0.7	0.6	0.6	(1.1)	(1.5)	0.7	0.9	0.6	(0.1)
U.S.	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
% Ch	6.1	3.8	3.4	1.3	(0.6)	(1.4)	0.6	0.7	0.2	(0.7)
<b>Metal and Machinery</b>										
Oregon	41.9	41.9	41.8	41.8	41.9	41.9	41.9	41.9	41.9	42.0
% Ch	(0.1)	0.0	(0.3)	(0.2)	0.5	0.5	0.0	(0.0)	(0.1)	0.6
U.S.	3.2	3.2	3.2	3.2	3.2	3.3	3.3	3.3	3.3	3.3
% Ch	1.2	1.6	1.7	1.6	1.3	1.2	0.9	0.3	0.3	0.6
<b>Computer and Electronic Products</b>										
Oregon	41.3	41.3	41.3	41.1	41.1	40.8	40.6	40.6	40.5	40.5
% Ch	0.1	(0.3)	(0.6)	(1.0)	(0.8)	(2.8)	(2.0)	(0.3)	(0.1)	(0.4)
U.S.	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
% Ch	(3.9)	(3.9)	(3.6)	(4.8)	(3.7)	(5.3)	(4.4)	(2.6)	(2.2)	(1.8)
<b>Transportation Equipment</b>										
Oregon	16.4	16.5	16.6	16.6	16.7	16.7	16.7	16.7	16.7	16.7
% Ch	2.5	2.5	1.7	1.7	1.1	0.4	0.1	0.2	(0.3)	(0.4)
U.S.	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.7
% Ch	3.3	1.8	0.9	(0.3)	(1.2)	(1.7)	(1.9)	(2.5)	(2.6)	(2.6)
<b>Other Durables</b>										
Oregon	25.2	25.4	25.6	25.7	25.8	25.8	25.9	26.0	26.0	26.1
% Ch	2.4	2.5	2.7	1.7	1.1	1.3	1.5	0.8	0.8	1.0
U.S.	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6
% Ch	2.1	1.5	1.4	0.8	0.4	0.2	0.4	0.2	(0.0)	0.1

**Table A.2****March 2008 - Employment by Industry  
(Oregon - Thousands, U.S. - Millions)**

	2004:1	2004:2	2004:3	2004:4	2005:1	2005:2	2005:3	2005:4	2006:1	2006:2
<b>Nondurable Manufacturing</b>										
Oregon	52.0	52.5	52.5	52.4	51.9	51.7	51.7	51.7	52.2	52.2
% Ch	(1.4)	4.2	0.1	(0.6)	(4.0)	(1.7)	0.2	(0.1)	4.2	(0.2)
U.S.	5.4	5.4	5.4	5.3	5.3	5.3	5.3	5.2	5.2	5.2
% Ch	(2.7)	(0.6)	(1.7)	(2.8)	(2.7)	(2.1)	(2.0)	(1.8)	(0.8)	(1.6)
<b>Food Manufacturing</b>										
Oregon	22.1	22.3	22.2	22.1	21.8	21.7	21.5	21.4	22.0	22.0
% Ch	(4.8)	4.3	(1.7)	(2.4)	(5.4)	(2.1)	(2.6)	(1.6)	10.5	1.0
U.S.	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
% Ch	(3.2)	(0.3)	(0.6)	(2.2)	(1.0)	(1.3)	(0.5)	(0.6)	1.2	1.2
<b>Other Nondurable</b>										
Oregon	29.9	30.2	30.3	30.4	30.1	30.0	30.2	30.3	30.3	30.2
% Ch	1.1	4.0	1.5	0.8	(3.0)	(1.3)	2.3	1.0	(0.2)	(1.1)
U.S.	3.9	3.9	3.9	3.9	3.8	3.8	3.8	3.8	3.7	3.7
% Ch	(2.5)	(0.8)	(2.2)	(3.0)	(3.3)	(2.4)	(2.6)	(2.3)	(1.6)	(2.7)
<b>Trade, Transportation, and Utilities</b>										
Oregon	316.8	319.4	321.5	323.3	325.4	327.0	329.5	332.5	334.2	335.9
% Ch	1.1	3.4	2.6	2.2	2.6	1.9	3.1	3.7	2.1	2.0
U.S.	25.4	25.5	25.6	25.7	25.8	25.9	26.1	26.1	26.2	26.2
% Ch	1.5	2.0	1.0	1.5	1.5	2.4	2.0	0.7	1.4	0.1
<b>Retail Trade</b>										
Oregon	185.8	187.5	188.6	189.3	191.0	192.3	194.4	196.4	196.8	197.1
% Ch	1.1	3.7	2.4	1.5	3.6	2.8	4.5	4.2	0.7	0.8
U.S.	15.0	15.1	15.1	15.1	15.2	15.3	15.3	15.3	15.4	15.3
% Ch	1.2	2.2	0.4	1.4	1.3	2.4	2.1	(0.1)	0.5	(1.2)
<b>Wholesale Trade</b>										
Oregon	74.7	75.4	76.0	76.4	77.2	77.6	78.0	78.5	79.3	80.2
% Ch	(0.3)	3.5	3.2	2.4	4.2	1.9	2.3	2.8	4.0	4.7
U.S.	5.6	5.7	5.7	5.7	5.7	5.7	5.8	5.8	5.9	5.9
% Ch	2.0	2.0	1.5	1.7	1.0	2.4	2.2	2.2	3.0	2.3
<b>Transportation and Warehousing, and Utilities</b>										
Oregon	56.3	56.6	57.0	57.6	57.2	57.1	57.0	57.5	58.1	58.5
% Ch	3.1	2.4	2.6	4.4	(2.7)	(0.9)	(0.4)	3.5	4.3	2.5
U.S.	4.8	4.8	4.8	4.8	4.9	4.9	4.9	4.9	5.0	5.0
% Ch	1.8	1.7	2.3	1.6	2.9	2.4	1.7	1.6	2.3	1.9
<b>Information</b>										
Oregon	32.8	33.1	33.1	32.8	32.9	33.5	33.7	34.3	34.5	34.5
% Ch	(1.8)	3.9	0.5	(3.3)	1.0	6.9	2.9	7.4	2.0	0.4
U.S.	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1
% Ch	(1.3)	(0.8)	(3.5)	(2.6)	(2.7)	(0.2)	(0.6)	(0.9)	0.4	(0.7)
<b>Financial Activities</b>										
Oregon	95.9	97.1	97.6	99.1	100.2	101.3	102.7	104.1	105.3	105.8
% Ch	(1.8)	5.1	2.4	6.1	4.7	4.3	5.6	5.7	4.6	2.1
U.S.	8.0	8.0	8.0	8.1	8.1	8.1	8.2	8.2	8.3	8.3
% Ch	(0.0)	1.9	0.6	1.2	1.5	0.7	3.0	3.5	2.7	2.5
<b>Professional and Business Services</b>										
Oregon	172.9	175.2	177.1	179.7	182.5	183.9	186.6	189.3	191.7	193.1
% Ch	1.9	5.4	4.3	6.0	6.4	3.1	6.2	5.7	5.3	2.8
U.S.	16.2	16.4	16.4	16.6	16.7	16.8	17.0	17.2	17.4	17.5
% Ch	1.4	4.9	2.0	3.7	2.7	3.4	4.7	4.4	3.8	2.8

**Table A.2****March 2008 - Employment by Industry  
(Oregon - Thousands, U.S. - Millions)**

	2006:3	2006:4	2007:1	2007:2	2007:3	2007:4	2008:1	2008:2	2008:3	2008:4
<b>Nondurable Manufacturing</b>										
Oregon	52.4	52.5	53.5	53.0	51.3	53.5	52.6	52.6	52.5	52.4
% Ch	1.7	1.0	7.2	(3.2)	(12.8)	18.3	(6.0)	(0.2)	(0.9)	(0.6)
U.S.	5.2	5.2	5.2	5.2	5.1	5.1	5.1	5.1	5.0	5.0
% Ch	(0.5)	(2.3)	0.3	(1.3)	(1.6)	(1.9)	(1.8)	(1.1)	(2.8)	(2.5)
<b>Food Manufacturing</b>										
Oregon	22.8	23.0	23.6	23.6	21.9	24.0	23.4	23.4	23.5	23.6
% Ch	15.0	3.9	10.6	0.3	(27.0)	45.5	(10.0)	1.0	1.5	2.0
U.S.	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
% Ch	1.4	(0.1)	1.5	1.3	0.2	(1.0)	(0.1)	2.4	0.6	1.1
<b>Other Nondurable</b>										
Oregon	29.6	29.5	29.8	29.4	29.4	29.5	29.3	29.2	29.0	28.8
% Ch	(7.3)	(1.2)	4.6	(5.9)	0.1	0.7	(2.6)	(1.2)	(2.8)	(2.7)
U.S.	3.7	3.7	3.7	3.7	3.6	3.6	3.6	3.6	3.6	3.5
% Ch	(1.2)	(3.2)	(0.3)	(2.3)	(1.6)	0.0	(2.1)	(2.1)	(4.0)	(2.8)
<b>Trade, Transportation, and Utilities</b>										
Oregon	337.3	337.3	341.4	343.2	342.7	342.7	342.8	343.6	344.7	346.1
% Ch	1.8	(0.0)	5.0	2.1	(0.6)	0.0	0.1	0.9	1.3	1.7
U.S.	26.2	26.3	26.4	26.5	26.5	26.5	26.6	26.6	26.6	26.8
% Ch	0.5	1.2	1.4	0.7	0.8	0.7	1.0	(0.6)	1.1	1.6
<b>Retail Trade</b>										
Oregon	198.4	197.9	202.1	203.4	203.1	202.0	202.4	202.9	203.5	204.6
% Ch	2.6	(1.1)	8.8	2.6	(0.5)	(2.2)	0.8	1.0	1.3	2.1
U.S.	15.3	15.3	15.4	15.4	15.4	15.4	15.4	15.4	15.4	15.5
% Ch	(0.4)	0.5	1.5	0.3	0.0	(0.0)	1.4	(0.9)	0.4	2.3
<b>Wholesale Trade</b>										
Oregon	80.8	81.9	82.4	82.7	82.4	83.7	83.6	83.8	84.1	84.3
% Ch	2.9	5.5	2.5	1.2	(1.2)	6.4	(0.3)	0.7	1.5	0.9
U.S.	5.9	5.9	6.0	6.0	6.0	6.1	6.0	6.0	6.1	6.1
% Ch	1.5	1.8	1.4	2.4	2.2	2.1	(0.4)	(0.3)	1.8	(0.1)
<b>Transportation and Warehousing, and Utilities</b>										
Oregon	58.1	57.5	56.9	57.2	57.2	57.1	56.8	56.9	57.1	57.3
% Ch	(2.4)	(3.9)	(4.2)	1.5	0.2	(0.8)	(1.5)	0.7	0.9	1.4
U.S.	5.0	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.2	5.2
% Ch	1.9	2.5	1.2	0.2	1.3	1.5	1.6	0.2	2.1	1.8
<b>Information</b>										
Oregon	35.2	35.6	35.9	36.8	37.2	38.4	38.6	38.9	39.0	39.1
% Ch	8.0	4.8	2.7	10.5	4.3	14.1	2.2	2.5	1.5	0.8
U.S.	3.0	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.2	3.1
% Ch	(0.3)	1.7	2.5	2.0	(0.6)	(0.4)	0.6	6.6	1.5	(2.1)
<b>Financial Activities</b>										
Oregon	106.2	105.8	105.8	105.4	105.2	104.8	104.6	104.6	104.8	105.2
% Ch	1.5	(1.7)	0.1	(1.5)	(0.7)	(1.6)	(0.8)	0.0	0.8	1.5
U.S.	8.4	8.4	8.4	8.5	8.5	8.4	8.4	8.4	8.5	8.5
% Ch	1.8	1.9	0.9	0.6	0.1	(1.8)	(0.6)	0.3	2.1	1.9
<b>Professional and Business Services</b>										
Oregon	193.1	194.4	196.6	197.8	194.4	195.0	195.7	196.7	198.1	199.7
% Ch	0.1	2.7	4.6	2.4	(6.8)	1.2	1.6	1.9	3.0	3.3
U.S.	17.6	17.7	17.8	17.9	17.9	18.0	18.1	18.2	18.4	18.5
% Ch	2.7	2.6	2.3	1.2	1.3	2.3	0.9	3.0	3.3	3.1

**Table A.2****March 2008 - Employment by Industry  
(Oregon - Thousands, U.S. - Millions)**

	2009:1	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2010:4	2011:1	2011:2
<b>Nondurable Manufacturing</b>										
Oregon	52.4	52.5	52.5	52.6	52.6	52.6	52.7	52.8	52.8	52.9
% Ch	(0.0)	0.4	0.3	0.4	0.1	0.4	0.5	0.6	0.6	0.4
U.S.	5.0	5.0	5.0	5.0	4.9	4.9	4.9	4.9	4.9	4.9
% Ch	(1.3)	(0.3)	(0.8)	(1.2)	(1.1)	(0.3)	(0.0)	0.1	(0.0)	0.1
<b>Food Manufacturing</b>										
Oregon	23.7	23.8	23.9	24.0	24.0	24.1	24.1	24.2	24.3	24.3
% Ch	1.8	1.5	1.4	1.4	0.8	0.7	0.9	0.8	1.0	0.6
U.S.	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.6	1.6
% Ch	1.6	2.5	1.4	0.1	0.2	1.0	1.5	1.6	1.5	1.6
<b>Other Nondurable</b>										
Oregon	28.7	28.6	28.6	28.6	28.5	28.5	28.5	28.6	28.6	28.6
% Ch	(1.5)	(0.4)	(0.7)	(0.5)	(0.6)	0.2	0.2	0.3	0.3	0.3
U.S.	3.5	3.5	3.5	3.5	3.5	3.4	3.4	3.4	3.4	3.4
% Ch	(1.8)	(1.5)	(2.0)	(2.3)	(1.9)	(1.2)	(0.9)	(0.7)	(0.9)	(0.9)
<b>Trade, Transportation, and Utilities</b>										
Oregon	347.9	349.8	351.9	353.6	355.0	356.6	358.3	359.8	361.3	362.9
% Ch	2.1	2.2	2.3	2.0	1.6	1.8	1.9	1.7	1.6	1.8
U.S.	26.9	27.0	27.1	27.2	27.2	27.3	27.3	27.4	27.4	27.5
% Ch	1.7	2.4	1.6	1.0	0.3	0.9	0.9	0.6	0.8	1.1
<b>Retail Trade</b>										
Oregon	205.7	206.9	208.1	209.2	210.3	211.2	212.1	212.8	213.5	214.4
% Ch	2.3	2.3	2.2	2.2	2.1	1.7	1.8	1.3	1.2	1.7
U.S.	15.6	15.7	15.7	15.7	15.7	15.7	15.7	15.7	15.7	15.7
% Ch	2.0	2.5	0.9	0.6	(0.2)	0.2	(0.1)	(0.7)	(0.2)	0.3
<b>Wholesale Trade</b>										
Oregon	84.5	84.8	85.1	85.3	85.4	85.7	86.0	86.3	86.7	87.0
% Ch	1.2	1.1	1.7	0.8	0.4	1.4	1.6	1.6	1.6	1.4
U.S.	6.1	6.1	6.1	6.1	6.1	6.2	6.2	6.2	6.2	6.3
% Ch	0.5	1.3	1.9	0.8	0.4	1.3	1.8	1.7	1.8	1.7
<b>Transportation and Warehousing, and Utilities</b>										
Oregon	57.6	58.1	58.7	59.1	59.3	59.7	60.2	60.7	61.1	61.6
% Ch	2.5	3.6	3.6	2.7	1.8	2.7	3.1	3.3	2.9	3.1
U.S.	5.2	5.3	5.3	5.3	5.4	5.4	5.4	5.5	5.5	5.5
% Ch	2.4	3.3	3.3	2.5	1.7	2.5	2.8	3.0	2.7	2.8
<b>Information</b>										
Oregon	39.1	39.2	39.3	39.3	39.1	39.1	39.1	39.0	38.9	38.9
% Ch	0.5	0.2	1.2	0.3	(1.6)	(0.6)	(0.3)	(0.7)	(0.7)	(0.0)
U.S.	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1
% Ch	(3.3)	0.7	2.0	1.1	(0.9)	(0.2)	(0.4)	(0.7)	(1.0)	(0.4)
<b>Financial Activities</b>										
Oregon	105.8	106.4	107.0	107.7	108.4	108.9	109.6	110.3	111.0	111.5
% Ch	2.3	2.4	2.3	2.4	2.6	2.1	2.4	2.8	2.4	1.7
U.S.	8.5	8.6	8.6	8.7	8.7	8.8	8.8	8.9	8.9	8.9
% Ch	2.3	2.3	2.3	2.1	2.0	1.4	1.8	2.4	1.7	0.5
<b>Professional and Business Services</b>										
Oregon	201.7	204.1	206.6	208.4	210.0	212.0	214.4	216.3	218.2	220.5
% Ch	3.9	4.9	5.1	3.5	3.0	3.9	4.6	3.6	3.7	4.1
U.S.	18.7	18.9	19.1	19.3	19.4	19.6	19.8	19.9	20.1	20.2
% Ch	4.0	4.8	4.8	3.2	2.3	3.9	4.0	3.0	3.1	3.6

**Table A.2****March 2008 - Employment by Industry  
(Oregon - Thousands, U.S. - Millions)**

	2011:3	2011:4	2012:1	2012:2	2012:3	2012:4	2013:1	2013:2	2013:3	2013:4
<b>Nondurable Manufacturing</b>										
Oregon	53.0	53.0	53.0	53.0	53.0	53.0	52.9	52.9	52.9	52.9
% Ch	0.4	0.4	0.1	0.0	(0.2)	(0.2)	(0.3)	(0.2)	(0.0)	(0.0)
U.S.	4.9	4.9	4.9	4.9	4.9	4.9	4.9	4.9	4.9	4.9
% Ch	(0.0)	(0.1)	(0.3)	(0.3)	(0.5)	(0.5)	(0.8)	(0.6)	(0.4)	(0.2)
<b>Food Manufacturing</b>										
Oregon	24.3	24.4	24.4	24.4	24.5	24.5	24.5	24.5	24.5	24.5
% Ch	0.9	0.7	0.6	0.4	0.3	0.3	0.1	0.1	0.3	0.2
U.S.	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6
% Ch	1.4	1.1	1.0	1.0	0.7	0.5	0.3	0.5	0.7	0.8
<b>Other Nondurable</b>										
Oregon	28.6	28.6	28.6	28.6	28.5	28.5	28.4	28.4	28.4	28.4
% Ch	(0.0)	0.1	(0.3)	(0.4)	(0.5)	(0.5)	(0.6)	(0.5)	(0.4)	(0.2)
U.S.	3.4	3.4	3.4	3.4	3.4	3.4	3.3	3.3	3.3	3.3
% Ch	(0.9)	(1.0)	(1.3)	(1.2)	(1.1)	(1.2)	(1.4)	(1.2)	(1.0)	(0.8)
<b>Trade, Transportation, and Utilities</b>										
Oregon	364.6	366.1	367.5	368.8	369.9	371.2	372.5	373.8	375.1	376.3
% Ch	1.8	1.7	1.5	1.4	1.2	1.4	1.5	1.4	1.4	1.3
U.S.	27.6	27.7	27.7	27.7	27.8	27.8	27.9	27.9	28.0	28.0
% Ch	1.0	1.0	0.8	0.6	0.6	0.6	0.7	0.5	0.5	0.6
<b>Retail Trade</b>										
Oregon	215.4	216.2	217.1	217.9	218.5	219.3	220.2	220.9	221.7	222.5
% Ch	1.8	1.7	1.6	1.4	1.2	1.4	1.6	1.4	1.4	1.4
U.S.	15.7	15.7	15.7	15.8	15.8	15.8	15.8	15.8	15.8	15.8
% Ch	0.3	0.4	0.3	0.1	(0.0)	0.1	0.2	(0.1)	(0.1)	0.0
<b>Wholesale Trade</b>										
Oregon	87.2	87.4	87.6	87.8	87.9	88.1	88.3	88.5	88.7	88.8
% Ch	1.1	1.0	0.8	0.8	0.8	0.8	0.9	0.8	0.8	0.8
U.S.	6.3	6.3	6.3	6.3	6.3	6.4	6.4	6.4	6.4	6.4
% Ch	1.4	1.0	0.8	0.8	0.8	0.8	1.0	0.9	0.7	0.8
<b>Transportation and Warehousing, and Utilities</b>										
Oregon	62.0	62.4	62.8	63.1	63.4	63.7	64.0	64.4	64.7	65.0
% Ch	2.8	2.8	2.1	2.1	2.0	2.2	1.8	2.0	1.9	2.0
U.S.	5.6	5.6	5.6	5.7	5.7	5.7	5.7	5.8	5.8	5.8
% Ch	2.6	2.6	1.9	1.9	1.8	2.0	1.7	1.9	1.8	1.8
<b>Information</b>										
Oregon	39.0	39.1	39.2	39.3	39.4	39.6	39.7	39.8	39.8	39.9
% Ch	0.5	1.2	1.0	1.2	1.2	1.5	1.0	1.0	0.7	0.8
U.S.	3.1	3.1	3.1	3.1	3.2	3.2	3.2	3.2	3.2	3.2
% Ch	0.1	1.0	1.4	1.6	1.4	1.8	1.3	1.1	0.9	1.0
<b>Financial Activities</b>										
Oregon	111.9	112.4	112.9	113.3	113.8	114.3	114.8	115.1	115.4	115.7
% Ch	1.7	1.8	1.7	1.5	1.7	1.7	1.7	1.2	1.1	1.0
U.S.	8.9	8.9	8.9	8.9	8.9	8.9	8.9	8.9	8.9	8.9
% Ch	0.6	0.5	0.2	(0.3)	0.2	0.2	(0.1)	(0.7)	(0.4)	(0.5)
<b>Professional and Business Services</b>										
Oregon	222.5	224.0	225.1	226.3	227.4	228.5	229.8	231.3	232.9	234.1
% Ch	3.8	2.7	2.0	2.1	2.0	2.0	2.1	2.7	2.7	2.2
U.S.	20.4	20.5	20.6	20.7	20.7	20.8	20.9	21.0	21.1	21.2
% Ch	3.1	1.9	1.5	1.7	1.5	1.1	1.5	2.3	2.4	1.7

**Table A.2****March 2008 - Employment by Industry  
(Oregon - Thousands, U.S. - Millions)**

	2004:1	2004:2	2004:3	2004:4	2005:1	2005:2	2005:3	2005:4	2006:1	2006:2
<b>Education and Health Services</b>										
Oregon	190.2	191.9	193.5	195.5	196.5	198.1	199.7	200.7	202.8	204.7
% Ch	0.2	3.7	3.3	4.2	2.0	3.2	3.4	2.0	4.4	3.8
U.S.	16.8	16.9	17.0	17.1	17.2	17.3	17.5	17.5	17.7	17.8
% Ch	2.1	2.6	1.7	3.0	1.9	2.8	3.4	2.0	2.9	2.4
<b>Educational Services</b>										
Oregon	25.5	25.8	26.1	26.7	27.0	27.1	27.1	27.6	28.0	28.7
% Ch	(0.2)	4.5	6.0	8.5	4.8	2.1	(1.0)	7.8	6.2	10.1
U.S.	2.7	2.8	2.8	2.8	2.8	2.8	2.9	2.9	2.9	2.9
% Ch	2.6	0.9	(0.3)	6.4	2.1	2.2	3.9	0.8	3.6	3.0
<b>Health Care and Social Assistance</b>										
Oregon	164.7	166.2	167.4	168.8	169.5	170.9	172.6	173.1	174.9	176.1
% Ch	0.3	3.6	2.9	3.6	1.6	3.4	4.1	1.1	4.1	2.8
U.S.	14.1	14.2	14.2	14.3	14.4	14.5	14.6	14.7	14.8	14.9
% Ch	2.1	3.0	2.1	2.4	1.8	2.9	3.3	2.3	2.7	2.3
<b>Leisure and Hospitality</b>										
Oregon	153.0	154.7	156.1	156.6	157.7	158.6	159.6	160.7	162.8	164.1
% Ch	0.1	4.4	3.6	1.3	2.9	2.2	2.6	2.7	5.4	3.4
U.S.	12.4	12.5	12.5	12.6	12.7	12.8	12.9	12.9	13.0	13.1
% Ch	3.3	2.8	1.4	3.1	2.7	3.7	2.1	0.4	3.0	2.7
<b>Other Services</b>										
Oregon	56.9	57.2	57.6	57.6	57.1	57.2	57.2	57.6	58.1	58.9
% Ch	(0.5)	2.2	3.4	(0.5)	(3.2)	0.5	0.5	2.3	4.0	5.3
U.S.	5.4	5.4	5.4	5.4	5.4	5.4	5.4	5.4	5.4	5.4
% Ch	0.2	0.9	(0.6)	(1.0)	(0.7)	0.3	0.8	(0.7)	1.8	0.8
<b>Government</b>										
Oregon	280.0	281.5	284.3	283.6	285.3	285.4	284.9	284.6	285.1	286.0
% Ch	1.3	2.2	4.0	(1.0)	2.4	0.2	(0.7)	(0.5)	0.6	1.3
U.S.	21.6	21.6	21.6	21.7	21.7	21.8	21.8	21.9	21.9	21.9
% Ch	0.3	0.9	0.6	1.3	0.8	0.8	1.3	0.1	0.3	1.3
<b>Federal Government</b>										
Oregon	30.4	30.2	30.3	30.2	29.9	29.8	29.5	29.4	29.1	29.1
% Ch	(3.6)	(1.6)	0.2	(1.3)	(2.9)	(2.4)	(3.3)	(1.3)	(3.8)	(0.7)
U.S.	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7
% Ch	(0.8)	0.9	(1.0)	0.0	(0.1)	0.6	(0.0)	0.7	(1.2)	0.3
<b>State Government</b>										
Oregon	73.9	74.1	74.4	74.6	75.9	75.9	75.6	75.2	74.9	74.8
% Ch	5.5	1.3	1.3	1.1	7.2	0.2	(1.8)	(2.2)	(1.2)	(0.8)
<b>Education State Government</b>										
Oregon	26.5	26.8	26.8	26.7	27.5	27.7	27.6	27.1	27.1	27.3
% Ch	(0.4)	4.4	(0.3)	(1.6)	13.2	3.7	(2.2)	(6.8)	0.4	2.1
<b>Local Government</b>										
Oregon	175.7	177.2	179.7	178.9	179.5	179.7	179.9	180.0	181.0	182.1
% Ch	0.5	3.3	5.9	(1.8)	1.3	0.6	0.3	0.4	2.1	2.5
<b>Education Local Government</b>										
Oregon	92.2	93.1	95.3	94.4	95.0	94.9	94.7	95.0	95.4	95.8
% Ch	(2.2)	3.9	9.6	(3.8)	2.6	(0.5)	(0.6)	1.1	1.8	2.0

**Table A.2****March 2008 - Employment by Industry  
(Oregon - Thousands, U.S. - Millions)**

	2006:3	2006:4	2007:1	2007:2	2007:3	2007:4	2008:1	2008:2	2008:3	2008:4
<b>Education and Health Services</b>										
Oregon	206.9	206.4	207.2	208.5	209.9	212.4	213.5	215.2	217.1	218.0
% Ch	4.3	(1.1)	1.6	2.6	2.7	4.9	2.0	3.3	3.6	1.6
U.S.	17.9	18.0	18.1	18.3	18.5	18.6	18.7	18.8	19.0	19.1
% Ch	2.7	2.9	2.8	3.5	3.8	2.4	2.7	3.0	3.1	1.4
<b>Educational Services</b>										
Oregon	30.4	28.9	28.1	28.2	29.6	30.2	29.8	29.8	29.9	30.0
% Ch	26.5	(18.8)	(10.1)	2.1	20.0	8.3	(4.8)	0.8	0.9	0.7
U.S.	2.9	2.9	3.0	3.0	3.0	3.0	3.1	3.1	3.1	3.1
% Ch	3.9	2.2	2.0	4.1	4.8	0.1	3.2	1.4	1.0	1.1
<b>Health Care and Social Assistance</b>										
Oregon	176.5	177.5	179.1	180.3	180.3	182.3	183.7	185.4	187.2	188.0
% Ch	1.0	2.3	3.6	2.6	0.1	4.4	3.1	3.8	4.0	1.8
U.S.	15.0	15.1	15.2	15.3	15.4	15.6	15.7	15.8	15.9	16.0
% Ch	2.5	3.1	2.9	3.4	3.5	2.8	2.7	3.3	3.5	1.5
<b>Leisure and Hospitality</b>										
Oregon	165.3	168.8	171.3	170.4	171.2	174.0	174.4	175.3	176.1	177.3
% Ch	2.9	8.8	5.9	(1.9)	1.9	6.6	1.1	2.0	1.8	2.9
U.S.	13.2	13.3	13.4	13.5	13.6	13.7	13.7	13.8	13.8	13.9
% Ch	3.5	4.1	3.2	3.0	2.1	3.1	1.4	2.8	(0.5)	2.7
<b>Other Services</b>										
Oregon	59.3	59.8	60.3	59.8	60.2	60.3	60.5	60.7	60.7	60.7
% Ch	2.9	3.0	4.0	(3.2)	2.5	0.5	1.1	1.5	0.3	0.1
U.S.	5.4	5.4	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5
% Ch	0.3	1.0	0.4	1.7	0.1	0.2	2.0	2.1	0.6	(0.9)
<b>Government</b>										
Oregon	287.7	287.6	288.2	289.1	291.7	293.8	293.9	294.5	295.1	295.7
% Ch	2.4	(0.2)	0.9	1.2	3.6	3.0	0.1	0.8	0.9	0.9
U.S.	22.0	22.1	22.2	22.2	22.3	22.3	22.4	22.4	22.4	22.5
% Ch	1.6	1.4	1.2	1.1	0.4	1.6	0.7	0.7	0.2	0.4
<b>Federal Government</b>										
Oregon	28.8	29.1	29.1	29.1	28.9	28.8	28.7	28.8	28.8	28.9
% Ch	(3.3)	3.0	1.1	(1.2)	(2.7)	(0.6)	(2.1)	1.4	0.9	0.5
U.S.	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7
% Ch	0.2	(2.0)	(0.2)	(0.7)	0.0	0.0	(0.6)	0.9	0.5	0.2
<b>State Government</b>										
Oregon	75.1	75.2	74.9	74.6	74.4	75.3	75.2	75.2	75.2	75.3
% Ch	1.8	0.2	(1.5)	(1.5)	(0.9)	5.0	(1.0)	0.2	0.2	0.2
<b>Education State Government</b>										
Oregon	27.6	27.4	27.3	27.5	27.5	27.9	27.8	27.8	27.9	27.9
% Ch	5.6	(3.2)	(2.1)	2.8	0.3	6.4	(1.6)	0.6	0.5	0.5
<b>Local Government</b>										
Oregon	183.7	183.4	184.2	185.5	188.4	189.7	190.0	190.5	191.0	191.6
% Ch	3.6	(0.8)	1.9	2.7	6.5	2.7	0.8	1.0	1.1	1.2
<b>Education Local Government</b>										
Oregon	95.9	96.0	96.4	97.4	99.0	100.3	100.3	100.4	100.6	100.8
% Ch	0.4	0.3	1.6	4.3	6.8	5.2	0.1	0.5	0.7	0.6

**Table A.2****March 2008 - Employment by Industry  
(Oregon - Thousands, U.S. - Millions)**

	2009:1	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2010:4	2011:1	2011:2
<b>Education and Health Services</b>										
Oregon	219.7	221.4	222.6	223.4	224.3	225.1	226.2	226.9	227.7	228.1
% Ch	3.3	3.0	2.2	1.4	1.7	1.4	2.0	1.2	1.3	0.8
U.S.	19.2	19.3	19.4	19.4	19.5	19.6	19.6	19.7	19.7	19.7
% Ch	2.7	2.5	1.8	1.1	1.4	1.1	1.7	0.8	0.8	0.4
<b>Educational Services</b>										
Oregon	30.0	30.1	30.1	30.2	30.3	30.3	30.4	30.5	30.6	30.6
% Ch	0.8	0.8	0.8	0.9	0.9	0.8	0.9	1.0	1.1	0.9
U.S.	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1
% Ch	(0.1)	(0.1)	0.2	0.1	0.1	0.3	(0.0)	(0.4)	(1.0)	(1.0)
<b>Health Care and Social Assistance</b>										
Oregon	189.7	191.3	192.5	193.2	194.1	194.8	195.8	196.4	197.1	197.5
% Ch	3.7	3.4	2.4	1.5	1.8	1.4	2.2	1.2	1.4	0.7
U.S.	16.1	16.2	16.3	16.4	16.4	16.5	16.6	16.6	16.6	16.7
% Ch	3.2	3.0	2.1	1.3	1.6	1.2	2.0	1.1	1.2	0.6
<b>Leisure and Hospitality</b>										
Oregon	178.0	178.6	179.2	180.1	180.9	181.5	182.0	182.9	183.9	184.9
% Ch	1.5	1.3	1.4	2.0	1.7	1.4	1.1	2.0	2.1	2.3
U.S.	14.0	14.0	14.0	14.1	14.1	14.1	14.2	14.2	14.3	14.3
% Ch	2.0	0.7	(0.1)	1.2	1.2	1.1	1.0	1.4	1.5	1.6
<b>Other Services</b>										
Oregon	60.9	61.0	61.1	61.3	61.5	61.7	61.9	62.0	62.2	62.4
% Ch	1.2	0.5	1.0	1.2	1.3	0.9	1.3	1.0	1.2	1.2
U.S.	5.5	5.5	5.5	5.5	5.4	5.4	5.4	5.4	5.4	5.4
% Ch	(1.7)	(1.6)	(1.4)	(0.7)	(0.7)	(0.1)	(0.0)	(0.0)	(0.7)	(0.5)
<b>Government</b>										
Oregon	296.4	296.9	297.5	298.3	300.3	300.7	300.3	300.5	301.0	301.6
% Ch	0.9	0.7	0.8	1.1	2.7	0.6	(0.7)	0.3	0.7	0.9
U.S.	22.5	22.5	22.5	22.6	22.7	22.7	22.7	22.7	22.7	22.8
% Ch	0.3	0.2	0.4	1.0	2.9	0.5	(0.9)	0.2	0.7	0.9
<b>Federal Government</b>										
Oregon	28.9	28.9	28.9	29.1	30.5	30.3	29.1	28.7	28.6	28.6
% Ch	0.3	(0.3)	(0.1)	3.3	20.2	(2.7)	(14.0)	(5.7)	(2.0)	(0.0)
U.S.	2.7	2.7	2.7	2.7	2.8	2.8	2.7	2.7	2.7	2.7
% Ch	(0.0)	(0.5)	(0.4)	2.7	18.4	(2.7)	(13.2)	(5.5)	(2.1)	(0.2)
<b>State Government</b>										
Oregon	75.4	75.4	75.5	75.6	75.8	75.9	76.0	76.1	76.2	76.4
% Ch	0.5	0.4	0.4	0.6	0.7	0.5	0.6	0.7	0.8	0.8
<b>Education State Government</b>										
Oregon	27.9	28.0	28.0	28.0	28.1	28.1	28.2	28.2	28.2	28.3
% Ch	0.5	0.4	0.4	0.4	0.6	0.7	0.4	0.6	0.7	0.8
<b>Local Government</b>										
Oregon	192.1	192.6	193.1	193.6	194.1	194.6	195.2	195.7	196.2	196.7
% Ch	1.1	1.0	1.1	1.0	1.0	1.2	1.1	1.1	1.1	1.0
<b>Education Local Government</b>										
Oregon	101.0	101.2	101.4	101.7	101.9	102.2	102.5	102.8	103.1	103.4
% Ch	0.9	0.9	0.9	1.0	1.0	1.1	1.2	1.2	1.1	1.1

**Table A.2****March 2008 - Employment by Industry  
(Oregon - Thousands, U.S. - Millions)**

	2011:3	2011:4	2012:1	2012:2	2012:3	2012:4	2013:1	2013:2	2013:3	2013:4
<b>Education and Health Services</b>										
Oregon	229.3	230.0	231.1	231.9	233.0	233.8	234.9	235.7	236.7	237.4
% Ch	2.1	1.3	1.9	1.4	2.0	1.4	1.9	1.3	1.7	1.1
U.S.	19.8	19.8	19.9	19.9	20.0	20.0	20.1	20.1	20.2	20.2
% Ch	1.4	0.8	1.2	0.8	1.3	0.8	1.2	0.8	1.1	0.6
<b>Educational Services</b>										
Oregon	30.7	30.8	30.9	31.0	31.0	31.1	31.2	31.3	31.3	31.4
% Ch	1.0	1.2	1.1	0.9	0.9	1.0	1.2	0.8	0.9	0.9
U.S.	3.0	3.0	3.0	3.0	3.0	3.0	3.0	2.9	2.9	2.9
% Ch	(2.0)	(1.2)	(2.2)	(2.2)	(2.3)	(2.2)	(2.7)	(2.0)	(2.0)	(1.7)
<b>Health Care and Social Assistance</b>										
Oregon	198.6	199.2	200.2	200.9	202.0	202.7	203.7	204.4	205.4	206.0
% Ch	2.2	1.3	2.0	1.5	2.1	1.5	2.0	1.4	1.8	1.1
U.S.	16.8	16.8	16.9	16.9	17.0	17.1	17.1	17.2	17.3	17.3
% Ch	2.0	1.2	1.8	1.3	1.9	1.3	1.9	1.3	1.7	1.0
<b>Leisure and Hospitality</b>										
Oregon	185.9	187.0	188.0	189.1	190.1	191.0	192.0	193.0	193.9	194.9
% Ch	2.1	2.5	2.1	2.3	2.1	2.1	2.1	2.1	1.9	1.9
U.S.	14.4	14.5	14.5	14.6	14.6	14.6	14.6	14.7	14.7	14.7
% Ch	1.4	2.0	1.6	1.4	0.8	1.1	0.6	0.6	0.1	0.6
<b>Other Services</b>										
Oregon	62.6	62.8	63.2	63.4	63.6	63.8	64.0	64.1	64.3	64.5
% Ch	1.6	1.4	2.0	1.3	1.7	1.1	1.2	1.0	1.3	1.0
U.S.	5.4	5.4	5.4	5.4	5.5	5.5	5.5	5.5	5.5	5.5
% Ch	(0.2)	0.6	0.4	0.7	0.6	0.9	0.3	0.4	0.3	0.8
<b>Government</b>										
Oregon	302.3	303.0	303.7	304.5	305.2	306.1	306.8	307.5	308.2	309.0
% Ch	0.9	0.9	1.0	0.9	1.0	1.1	1.0	0.9	0.9	1.0
U.S.	22.8	22.9	22.9	23.0	23.0	23.0	23.1	23.1	23.1	23.2
% Ch	0.8	0.8	0.8	0.8	0.6	0.5	0.5	0.5	0.5	0.5
<b>Federal Government</b>										
Oregon	28.6	28.6	28.6	28.6	28.6	28.6	28.6	28.6	28.6	28.7
% Ch	(0.1)	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.1	0.2
U.S.	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7
% Ch	(0.2)	(0.0)	(0.0)	0.0	0.0	0.1	0.1	0.1	0.1	0.1
<b>State Government</b>										
Oregon	76.5	76.7	76.8	77.0	77.1	77.3	77.5	77.7	77.8	78.0
% Ch	0.8	0.9	0.8	0.7	0.8	0.8	1.1	0.9	0.8	0.8
<b>Education State Government</b>										
Oregon	28.3	28.4	28.5	28.5	28.6	28.6	28.7	28.7	28.8	28.8
% Ch	0.7	0.6	0.9	0.8	0.7	0.6	0.8	0.9	0.8	0.8
<b>Local Government</b>										
Oregon	197.2	197.7	198.3	198.9	199.5	200.2	200.7	201.2	201.8	202.4
% Ch	1.0	1.0	1.3	1.1	1.2	1.3	1.1	1.0	1.1	1.1
<b>Education Local Government</b>										
Oregon	103.7	104.0	104.3	104.6	104.9	105.3	105.5	105.8	106.1	106.4
% Ch	1.2	1.1	1.3	1.1	1.2	1.3	1.1	1.0	1.1	1.1

**Table A.2****March 2008 - Other Economic Indicators**

	2004:1	2004:2	2004:3	2004:4	2005:1	2005:2	2005:3	2005:4	2006:1	2006:2
GDP (Bil of 2000 \$) Chain Weight (in billions of \$)	10,543.6	10,634.2	10,728.7	10,796.4	10,878.4	10,954.1	11,074.3	11,107.2	11,238.7	11,306.7
% Ch	3.0	3.5	3.6	2.5	3.1	2.8	4.5	1.2	4.8	2.4
<b>Price and Wage Indicators</b>										
GDP Implicit Price Deflator, Chain Weight U.S., 2000=100	108.2	109.2	109.8	110.7	111.7	112.5	113.4	114.4	115.4	116.4
% Ch	3.7	3.8	2.3	3.2	3.9	2.6	3.5	3.5	3.4	3.5
Personal Consumption Deflator, Chain Weight U.S., 2000=100	107.2	108.2	108.7	109.5	110.1	111.0	112.2	113.0	113.5	114.7
% Ch	3.5	3.8	2.0	3.0	2.2	3.4	4.3	2.8	1.7	4.3
CPI, Urban Consumers, 1982-84=100										
Portland-Salem, OR-WA	189.1	190.6	191.9	193.1	193.9	195.1	196.8	198.2	199.2	200.4
% Ch	4.5	3.2	2.9	2.5	1.6	2.6	3.6	2.7	2.1	2.5
U.S.	186.5	188.5	189.5	191.1	192.1	194.0	196.6	198.3	199.2	201.7
% Ch	3.5	4.2	2.1	3.6	2.1	3.9	5.6	3.4	1.9	5.0
OR Average Wage Rate (Thous \$)	36.3	36.8	36.9	37.0	37.4	37.7	38.4	38.1	39.3	38.9
% Ch	0.5	5.1	1.1	1.3	4.6	3.3	6.8	(2.4)	12.5	(4.2)
U.S. Average Wage Rate (Thous \$)	40.3	40.8	41.4	41.7	41.9	42.1	42.7	42.9	43.9	43.8
% Ch	2.7	4.7	6.3	3.4	1.7	1.8	5.5	2.4	9.7	(0.7)
<b>Housing Indicators</b>										
Oregon Repeat Purchase Housing Index 1987 Q1=100	320.2	330.0	345.3	354.2	364.8	385.0	406.3	426.0	443.6	463.4
% Ch	5.5	12.8	19.9	10.7	12.6	24.0	24.0	20.9	17.5	19.1
National Average Sales Price of Existing Single Family Homes (Thous \$)	228.1	245.6	249.0	249.5	250.2	267.4	274.8	272.1	264.4	274.4
% Ch	(0.1)	34.5	5.7	0.7	1.2	30.4	11.5	(3.9)	(10.9)	16.1
Housing Starts Oregon (Thous)	23.7	26.4	30.8	29.1	30.8	30.0	30.6	32.3	30.0	29.9
% Ch	(21.0)	54.9	84.8	(19.5)	24.5	(9.5)	7.4	24.8	(25.7)	(0.7)
U.S. (Millions)	1.918	1.937	1.977	1.965	2.072	2.051	2.100	2.069	2.127	1.861
% Ch	(21.1)	4.0	8.4	(2.3)	23.5	(3.9)	9.8	(5.8)	11.8	(41.4)
<b>Other Indicators</b>										
Industrial Production Index, U.S., 1997=100	102.6	103.2	103.7	104.8	106.0	106.7	106.9	108.1	109.5	111.2
% Ch	3.3	2.5	1.8	4.3	4.6	2.8	0.8	4.7	5.0	6.5
Prime Rate (Percent)	4.0	4.0	4.4	4.9	5.4	5.9	6.4	7.0	7.4	7.9
% Ch	0.0	0.3	48.6	56.0	47.1	39.6	39.5	38.1	29.4	27.8

**Table A.2**  
**March 2008 - Other Economic Indicators**

	2006:3	2006:4	2007:1	2007:2	2007:3	2007:4	2008:1	2008:2	2008:3	2008:4
GDP (Bil of 2000 \$) Chain Weight (in billions of \$)	11,336.7	11,395.5	11,412.6	11,520.1	11,658.9	11,691.2	11,708.8	11,757.9	11,814.8	11,883.3
% Ch	1.1	2.1	0.6	3.8	4.9	1.1	0.6	1.7	1.9	2.3
<b>Price and Wage Indicators</b>										
GDP Implicit Price Deflator, Chain Weight U.S., 2000=100	117.0	117.5	118.8	119.5	119.8	120.5	121.1	121.5	122.0	122.5
% Ch	2.4	1.7	4.2	2.6	1.0	2.2	2.2	1.3	1.8	1.4
Personal Consumption Deflator, Chain Weight U.S., 2000=100	115.4	115.1	116.1	117.3	117.9	119.0	119.6	119.8	120.3	120.7
% Ch	2.6	(0.9)	3.5	4.3	1.8	3.8	2.2	0.5	1.7	1.4
CPI, Urban Consumers, 1982-84=100										
Portland-Salem, OR-WA	201.6	203.4	205.4	207.9	209.4	211.1	212.6	213.3	214.5	215.5
% Ch	2.5	3.4	4.1	4.8	3.0	3.3	2.7	1.5	2.2	1.9
U.S.	203.2	202.2	204.1	207.1	208.0	210.2	211.5	211.3	212.2	212.8
% Ch	3.1	(2.1)	3.8	6.0	1.9	4.2	2.6	(0.3)	1.7	1.2
OR Average Wage Rate (Thous \$)	39.2	40.2	40.4	40.9	41.3	41.5	41.9	42.3	42.7	43.1
% Ch	4.1	9.7	2.6	4.5	4.5	1.7	3.8	4.6	3.4	3.5
U.S. Average Wage Rate (Thous \$)	44.1	44.9	45.8	45.8	46.3	46.7	47.1	47.6	48.0	48.4
% Ch	2.3	7.8	7.9	0.3	4.0	3.5	4.0	3.6	3.4	3.5
<b>Housing Indicators</b>										
Oregon Repeat Purchase Housing Index 1987 Q1=100	478.0	487.3	493.4	502.7	504.9	506.8	508.0	509.9	512.3	515.5
% Ch	13.2	8.0	5.1	7.7	1.8	1.5	1.0	1.5	1.9	2.5
National Average Sales Price of Existing Single Family Homes (Thous \$)	272.2	267.0	260.8	272.7	267.8	255.4	242.0	249.7	247.2	239.8
% Ch	(3.2)	(7.5)	(8.9)	19.6	(7.1)	(17.2)	(19.5)	13.5	(4.0)	(11.5)
Housing Starts										
Oregon (Thous)	25.9	24.3	27.0	22.9	20.7	17.4	16.7	16.3	16.5	16.9
% Ch	(44.0)	(22.0)	52.1	(48.3)	(33.6)	(49.8)	(14.9)	(8.9)	4.7	8.0
U.S. (Millions)	1.704	1.555	1.460	1.464	1.300	1.169	0.985	0.973	1.054	1.098
% Ch	(29.7)	(30.8)	(22.1)	1.1	(37.9)	(34.5)	(49.7)	(4.8)	38.0	17.7
<b>Other Indicators</b>										
Industrial Production Index, U.S., 1997=100	112.3	111.9	112.2	113.2	114.2	113.7	114.1	114.8	115.5	116.1
% Ch	4.0	(1.5)	1.1	3.5	3.9	(1.8)	1.5	2.5	2.1	2.1
Prime Rate (Percent)	8.3	8.3	8.3	8.3	8.2	7.5	7.0	6.8	6.8	6.8
% Ch	18.9	0.0	0.0	0.0	(3.5)	(28.3)	(23.0)	(15.8)	0.0	0.0

**Table A.2****March 2008 - Other Economic Indicators**

	2009:1	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2010:4	2011:1	2011:2
GDP (Bil of 2000 \$) Chain Weight (in billions of \$)	11,974.4	12,063.2	12,151.5	12,232.6	12,321.0	12,406.0	12,493.7	12,574.5	12,670.3	12,764.3
% Ch	3.1	3.0	3.0	2.7	2.9	2.8	2.9	2.6	3.1	3.0
<b>Price and Wage Indicators</b>										
GDP Implicit Price Deflator, Chain Weight U.S., 2000=100	123.0	123.6	124.1	124.7	125.3	125.9	126.5	127.1	127.8	128.5
% Ch	1.8	1.7	1.9	1.8	2.1	1.9	1.9	1.9	2.2	2.0
Personal Consumption Deflator, Chain Weight U.S., 2000=100	121.2	121.8	122.4	122.9	123.5	124.0	124.6	125.2	125.8	126.4
% Ch	1.7	1.9	1.9	1.7	1.8	1.9	1.9	1.8	1.9	1.9
CPI, Urban Consumers, 1982-84=100										
Portland-Salem, OR-WA	216.7	217.8	219.0	220.2	221.3	222.5	223.7	224.9	226.1	227.2
% Ch	2.1	2.2	2.2	2.1	2.2	2.1	2.1	2.1	2.1	2.1
U.S.	213.8	214.8	215.9	216.8	217.9	219.0	220.0	221.1	222.1	223.1
% Ch	1.7	2.1	2.0	1.7	1.9	2.0	2.0	1.9	1.9	1.8
OR Average Wage										
Rate (Thous \$)	43.4	43.8	44.2	44.6	45.0	45.4	45.8	46.2	46.7	47.1
% Ch	3.7	3.2	3.7	3.8	4.0	3.5	3.5	3.5	4.0	3.7
U.S. Average Wage										
Rate (Thous \$)	48.8	49.2	49.6	50.1	50.5	51.0	51.4	51.8	52.3	52.8
% Ch	3.6	3.2	3.5	3.6	3.9	3.4	3.5	3.5	3.9	3.6
<b>Housing Indicators</b>										
Oregon Repeat Purchase Housing Index 1987 Q1=100	519.5	525.2	528.3	535.2	540.0	546.5	551.5	558.5	564.7	573.2
% Ch	3.2	4.4	2.4	5.3	3.7	4.9	3.7	5.1	4.6	6.1
National Average Sales Price of Existing Single Family Homes (Thous \$)	229.3	239.6	240.0	235.5	229.2	243.5	246.9	245.6	239.6	253.3
% Ch	(16.4)	19.1	0.7	(7.3)	(10.3)	27.5	5.6	(2.1)	(9.3)	24.8
Housing Starts										
Oregon (Thous)	17.3	18.0	18.8	19.4	20.0	20.6	21.0	21.4	21.7	22.1
% Ch	10.1	17.0	19.1	14.8	13.0	11.0	9.0	7.5	7.0	7.0
U.S. (Millions)	1.184	1.283	1.353	1.409	1.456	1.506	1.569	1.633	1.676	1.707
% Ch	35.1	38.0	23.6	17.5	14.1	14.4	17.8	17.4	11.0	7.5
<b>Other Indicators</b>										
Industrial Production Index, U.S, 1997=100	116.9	117.8	118.6	119.3	119.9	120.7	121.5	122.4	123.3	124.1
% Ch	2.8	3.1	3.0	2.3	2.0	2.6	2.7	3.1	3.0	2.6
Prime Rate (Percent)	6.8	6.8	7.2	7.5	7.8	7.8	7.8	7.8	7.8	7.8
% Ch	0.0	0.4	25.4	19.1	15.9	0.0	0.0	0.0	0.0	0.0

**Table A.2**  
**March 2008 - Other Economic Indicators**

	2011:3	2011:4	2012:1	2012:2	2012:3	2012:4	2013:1	2013:2	2013:3	2013:4
GDP (Bil of 2000 \$) Chain Weight (in billions of \$)	12,859.1	12,936.4	13,019.0	13,092.4	13,165.8	13,230.4	13,310.3	13,388.5	13,467.6	13,536.6
% Ch	3.0	2.4	2.6	2.3	2.3	2.0	2.4	2.4	2.4	2.1
<b>Price and Wage Indicators</b>										
GDP Implicit Price Deflator, Chain Weight U.S., 2000=100	129.1	129.8	130.5	131.1	131.7	132.3	133.0	133.5	134.2	134.8
% Ch	2.0	2.0	2.2	1.9	1.9	1.8	2.0	1.8	1.9	1.8
Personal Consumption Deflator, Chain Weight U.S., 2000=100	126.9	127.5	128.1	128.7	129.3	129.9	130.5	131.1	131.7	132.3
% Ch	1.9	1.9	1.9	1.8	1.8	1.8	1.8	1.8	1.9	1.9
CPI, Urban Consumers, 1982-84=100										
Portland-Salem, OR-WA	228.4	229.6	230.9	232.1	233.3	234.5	235.7	236.9	238.2	239.4
% Ch	2.1	2.1	2.2	2.1	2.1	2.1	2.1	2.1	2.1	2.0
U.S.	224.1	225.1	226.2	227.2	228.2	229.2	230.2	231.2	232.3	233.3
% Ch	1.8	1.8	1.9	1.8	1.7	1.7	1.8	1.8	1.8	1.8
OR Average Wage										
Rate (Thous \$)	47.5	48.0	48.5	48.9	49.3	49.8	50.3	50.7	51.1	51.5
% Ch	3.9	3.7	4.1	3.6	3.7	3.5	4.0	3.3	3.4	3.4
U.S. Average Wage										
Rate (Thous \$)	53.3	53.8	54.3	54.8	55.3	55.8	56.3	56.8	57.3	57.8
% Ch	3.7	3.7	4.0	3.6	3.7	3.6	3.9	3.5	3.6	3.6
<b>Housing Indicators</b>										
Oregon Repeat Purchase Housing Index 1987 Q1=100	579.2	586.6	592.7	601.4	607.1	615.5	622.7	632.8	639.5	648.6
% Ch	4.2	5.2	4.3	6.0	3.8	5.7	4.8	6.6	4.3	5.8
National Average Sales Price of Existing Single Family Homes (Thous \$)	255.1	253.3	246.7	261.7	265.2	264.4	258.3	273.8	277.0	275.4
% Ch	2.9	(2.8)	(10.0)	26.6	5.5	(1.2)	(8.9)	26.2	4.8	(2.3)
Housing Starts										
Oregon (Thous)	22.4	22.7	22.9	23.1	23.3	23.4	23.4	23.5	23.5	23.5
% Ch	5.5	4.5	4.0	3.7	3.5	1.2	1.0	0.7	0.3	0.2
U.S. (Millions)	1.732	1.741	1.726	1.718	1.713	1.708	1.699	1.697	1.699	1.696
% Ch	6.0	2.0	(3.3)	(1.8)	(1.4)	(1.0)	(2.1)	(0.5)	0.5	(0.8)
<b>Other Indicators</b>										
Industrial Production Index, U.S. 1997=100	124.8	125.4	125.8	126.3	126.7	127.1	127.6	128.2	128.9	129.5
% Ch	2.3	1.8	1.5	1.3	1.4	1.4	1.6	1.8	2.0	2.1
Prime Rate (Percent)	7.8	7.8	7.8	7.8	7.8	7.8	7.8	7.8	7.8	7.8
% Ch	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0



**APPENDIX B: REVENUE FORECAST DETAIL**

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Table B.1  
General Fund Revenue Statement -- 2007-09

	Estimate at COS 2007	Actuals through 12/31/2007		Forecasts Dated: 12/1/2007			Forecasts Dated: 3/1/2008			Difference		
			2007-08	2008-09	Total 2007-09		2007-08	2008-09	Total 2007-09		03/1/2008 Less 12/1/2007	03/1/2008 Less COS
					2007-08	2008-09			2007-08	2008-09		
<b>Taxes</b>												
Personal Income Taxes (Before Kicker)	12,347,910,000	1,482,146,096	6,039,221,000	6,391,914,000	12,431,135,000	6,001,400,000	6,276,449,000	12,277,849,000	(153,286,000)	(70,061,000)		
Implicit Kicker Offset	(1,164,712,000)		(1,071,224,000)	(1,071,224,000)	(1,071,224,000)	(1,084,201,000)	(1,084,201,000)	(1,084,201,000)	(12,977,000)	80,511,000		
Corporate Income Taxes (Before Kicker)	920,897,000	209,748,792	459,521,000	461,462,000	920,983,000	439,298,000	418,952,000	858,250,000	(62,733,000)	(62,647,000)		
Insurance Taxes	157,060,000	19,956,294	56,049,000	58,662,000	114,711,000	56,987,000	58,869,000	115,856,000	1,145,000	(41,204,000)		
Estate Taxes	141,000,000	45,439,943	77,500,000	80,000,000	157,500,000	87,425,000	86,892,000	174,317,000	16,817,000	33,317,000		
Cigarette Taxes	86,073,000	21,998,229	43,761,000	42,170,000	85,931,000	43,761,000	42,170,000	85,931,000	0	(142,000)		
Other Tobacco Products Taxes	33,860,000	8,788,725	16,856,000	16,762,000	33,618,000	16,856,000	16,762,000	33,618,000	0	(242,000)		
Other Taxes	1,900,000	8,849,667	842,000	700,000	1,542,000	842,000	700,000	1,542,000	0	(358,000)		
<b>Fines and Fees</b>												
State Court Fees	61,794,000	11,635,685	29,204,000	29,204,000	58,408,000	29,679,000	29,679,000	59,358,000	950,000	(2,436,000)		
Secretary of State Fees	20,692,000	6,503,098	10,947,000	11,231,000	22,178,000	11,126,000	11,957,000	23,083,000	905,000	2,391,000		
Criminal Fines & Assessments	82,756,000	14,705,265	37,285,000	38,420,000	75,705,000	37,855,000	39,007,000	76,862,000	1,157,000	(5,894,000)		
Securities Fees	19,404,000	990,737	9,034,000	9,219,000	18,253,000	8,898,000	9,235,000	18,133,000	(120,000)	(1,271,000)		
<b>Central Service Charges</b>	8,666,000	2,167,691	4,333,000	4,333,000	8,666,000	4,333,000	4,333,000	8,666,000	0	0		
<b>Liquor Apportionment</b>	179,549,000	39,835,336	88,766,000	92,390,000	181,156,000	88,766,000	92,390,000	181,156,000	0	1,607,000		
<b>Interest Earnings</b>	78,000,000	48,049,429	42,700,000	10,300,000	53,000,000	48,200,000	25,800,000	74,000,000	21,000,000	(4,000,000)		
<b>Miscellaneous Revenues</b>	15,480,000	8,520,856	8,500,000	8,500,000	17,000,000	11,000,000	10,000,000	21,000,000	4,000,000	5,520,000		
<b>One-time Transfers</b>	2,300,000	200,311	0	0	0	0	0	0	0	(2,300,000)		
<b>Gross General Fund Revenues</b>	14,157,341,000	1,929,536,154	6,924,519,000	7,255,267,000	14,179,786,000	6,886,426,000	7,123,195,000	14,009,621,000	(170,165,000)	(147,720,000)		
Total Kicker Refunds/Credits	(1,164,712,000)	0	(1,071,224,000)	0	(1,071,224,000)	(1,084,201,000)	0	(1,084,201,000)	(12,977,000)	80,511,000		
<b>Net General Fund Revenues</b>	12,992,629,000	1,929,536,154	5,853,295,000	7,255,267,000	13,108,562,000	5,802,225,000	7,123,195,000	12,925,420,000	(183,142,000)	(67,209,000)		
Plus Beginning Balance	1,513,010,424				1,429,391,424			1,436,710,360	7,318,936	(76,300,064)		
Less Anticipated Administrative Actions*	(57,332,917)				(57,332,917)			(57,332,917)	0	0		
Less Legislatively Adopted Actions**	(309,418,000)				(319,287,000)			(319,287,000)	0	(9,869,000)		
<b>Available Resources</b>	14,138,888,507				14,161,333,507			13,985,510,443	(175,823,064)	(153,378,064)		
Appropriations	13,954,705,033				13,954,705,033			13,956,706,190	2,001,157	2,001,157		
Plus Legislative Actions	0				0			0	0	0		
Plus Administrative Actions												
Adjusted Appropriations	13,954,705,033				13,954,705,033			13,956,706,190	2,001,157	2,001,157		
Less Estimated Reversions	0				0			0	0	0		
<b>Projected Expenditures</b>	13,954,705,033				13,954,705,033			13,956,706,190	2,001,157	2,001,157		
<b>Estimated Ending Balance</b>	184,183,474				206,628,474			28,804,253	(177,824,221)	(155,379,221)		

Notes: Corporate income tax figure includes Corporate Multistate taxes.  
Other taxes include General Fund portions of the Eastern Oregon Severance Tax, Western Oregon Severance Tax and Amusement Device Tax.  
Cigarette and Other Tobacco Taxes are gross tax receipts. Distributions, net of administrative costs, are reported in the Table B.6.  
Kickers generated in 2005-07 are accounted as revenue offsets in 2007-09.  
Detailed entries may not add to totals due to rounding.  
\* Administrative Actions equal expenses associated with cashflow management, exclusive of internal borrowing.  
\*\* Equals 2005-07 portion of corporate surplus designated for Rainy Day Fund.

**TABLE B.2**  
**General Fund Revenue Forecast**  
(\$Millions)

March 2008

Fiscal Years	2003-04		2004-05		2005-06		2006-07		2007-08		2008-09		2009-10		2010-11		2011-12		2012-13			
	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year		
<b>Taxes</b>																						
Personal Income	4,268.6	4,723.0	5,443.6	5,596.7	4,917.2	6,276.4	6,720.8	7,190.4	7,677.0	8,187.3												
Corporate Excise & Income	317.5	323.3	438.2	405.9	439.3	419.0	441.6	469.8	470.5	481.9												
Insurance	51.7	55.0	60.9	53.8	57.0	58.9	61.3	64.6	67.6	70.6												
Estate	73.6	56.9	89.3	79.6	87.4	86.9	90.8	94.7	98.6	102.5												
Cigarette	38.5	44.1	44.3	44.5	43.8	42.2	40.5	39.3	39.4	39.5												
Other Tobacco Products	10.9	11.1	16.3	16.2	16.9	16.8	16.4	16.3	16.5	16.7												
Other Taxes	1.4	1.4	1.5	1.0	0.8	0.7	0.6	0.4	0.3	0.2												
<b>Other Revenues</b>																						
Licenses and Fees	74.2	61.1	91.6	83.8	87.6	89.9	89.3	91.5	91.0	93.1												
Charges for Services	3.3	3.0	3.4	3.3	4.3	4.3	4.3	4.3	4.3	4.3												
Liquor Apportionment	62.9	60.4	78.8	67.3	88.8	92.4	88.8	92.4	88.8	92.4												
Interest Earnings	8.2	22.2	32.2	69.2	48.2	25.8	32.0	27.0	32.0	27.0												
Others	11.1	154.9	11.7	8.9	11.0	10.0	10.3	10.5	10.8	11.0												
<b>Total General Fund</b>	4,921.9	5,516.3	6,311.8	6,430.2	5,802.2	7,123.2	7,596.5	8,101.2	8,596.7	9,126.5												
<b>Biennial Totals</b>																						
<b>Taxes</b>																						
Personal Income	8,991.6	16.8%	11,040.3	22.8%	11,193.6	1.4%	13,911.2	24.3%	15,864.2	14.0%												
Corporate Excise & Income	640.8	52.5%	844.1	31.7%	858.3	1.7%	911.4	6.2%	952.4	4.5%												
Insurance	106.7	-5.4%	114.7	7.5%	115.9	1.0%	125.9	8.6%	138.2	9.8%												
Estate Taxes	130.5	11.9%	168.9	29.5%	174.3	3.2%	185.5	6.4%	201.0	8.4%												
Cigarette	82.7	-13.8%	88.8	7.4%	85.9	-3.2%	79.8	-7.2%	78.9	-1.1%												
Other Tobacco Products	21.9	0.0%	32.6	48.5%	33.6	3.3%	32.7	-2.7%	33.2	1.7%												
Other Taxes	2.8	-17.4%	2.5	-10.2%	1.5	-38.4%	1.0	-38.4%	0.5	-47.4%												
<b>Other Revenues</b>																						
Licenses and Fees	135.2	24.0%	175.4	29.7%	177.4	1.2%	180.7	1.9%	184.1	1.8%												
Charges for Services	6.3	1.3%	6.7	6.5%	8.7	29.6%	8.7	0.0%	8.7	0.0%												
Liquor Apportionment	123.3	7.3%	146.1	18.5%	181.2	24.0%	181.2	0.0%	181.2	0.0%												
Interest Earnings	30.4	41.9%	101.4	233.2%	74.0	-27.0%	59.0	-20.3%	59.0	0.0%												
Others	166.1	-74.2%	20.5	-87.6%	21.0	2.5%	20.8	-1.2%	21.8	4.8%												
<b>Total General Fund</b>	10,438.2	11.4%	12,742.0	22.1%	12,925.4	1.4%	15,697.7	21.4%	17,723.2	12.9%												

Note: Detailed entries may not add to totals due to rounding. Other taxes include General Fund portions of the Eastern Oregon Severance Tax, Western Oregon Severance Tax and Amusement Device Tax. Commercial Fish Licenses & Fees and Pari-mutual Receipts are included in Other Revenues

**Table B.3 Summary of Tax Model Adjustments**

March 2008

Personal Income Tax (Thousands)	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Federal Law Changes</b>									
Working Families Tax Relief Act of 2004	8,808	9,912	11,130	7,492	5,265	0	0	0	0
Tax Increase Prevention and Reconciliation Act of 2005		500	2,600	-14,700	-11,000	6,300	24,200	19,700	6,500
Pension Protection Act of 2006		-500	-1,900	-1,500	-1,500	-2,500	-19,300	-21,400	-25,700
Other Federal Legislation		-12,300	-13,700	-1,000	-900	-16,500	6,500	4,400	3,300
<b>Measure 88 (Federal Tax Subtraction Increase)</b>	-85,800	-117,198	-149,500	-152,000	-154,500	-157,000	-159,500	-162,000	-164,500
<b>Multnomah County Income Tax</b>	-8,100								
<b>2005 Session</b>									
Total Tax Law Changes	-5,200	-13,786	-16,572	-20,460	-18,872	-26,058	-17,143	-13,571	-13,846
Additional Audit and Compliance Efforts	7,500	12,000	13,200	13,200	13,200	13,200	13,200	13,200	13,200
<b>2007 Session</b>									
Total Tax Law Changes			6,279	-284	-3,264	-5,233	-19,701	-19,216	-19,218
Additional Audit and Compliance Efforts			9,264	1,990	2,060	2,240	2,340	2,440	2,540
<b>Projected Kicker</b>		-1,071,200							
<b>Personal Income Tax Law Adjustments</b>	<b>-82,792</b>	<b>-1,192,572</b>	<b>-139,199</b>	<b>-167,262</b>	<b>-169,511</b>	<b>-185,551</b>	<b>-169,404</b>	<b>-176,447</b>	<b>-197,724</b>
<b>Corporate Income Tax (Thousands)</b>									
<b>Federal Law Changes</b>									
Job Creation Act of 2004	-7,564	-12,637	-4,210	5,952	5,967	3,822	0	0	0
Tax Increase Prevention and Reconciliation Act of 2005	-100	-1,700	-5,400	-5,700	-1,400	500	500	400	300
Other Federal Legislation	-200	-2,000	-2,400	-2,000	-2,400	-2,700	-2,200	-2,200	-2,500
<b>2005 Session</b>									
Total Tax Law Changes	5,500	3,757	6,886	8,213	7,045	6,914	6,450	7,045	6,914
Additional Audit and Compliance Efforts	1,700	2,000	2,500	2,500	2,500	2,500	2,500	2,500	2,500
<b>2007 Session</b>									
H.B. 2031 (Small Business Tax Credit)		0	-24,800	0	0	0	0	0	0
Other Tax Law Changes		0	-19,002	3,012	-183	-3,481	-6,825	-8,345	-9,389
Additional Audit and Compliance Efforts		4,536	1,210	1,240	1,360	1,460	1,560	1,660	1,760
<b>Projected Kicker</b>									
<b>Corporate Income Tax Law Adjustments</b>	<b>-664</b>	<b>-6,044</b>	<b>-45,217</b>	<b>13,217</b>	<b>12,889</b>	<b>9,015</b>	<b>1,985</b>	<b>1,060</b>	<b>-416</b>

Notes: Adjustments factored into model results beginning with first forecast observation. Impacts phased out as impact becomes present in historical data.

**TABLE B.4**

**OREGON PERSONAL INCOME TAX REVENUE FORECAST - QUARTERLY COLLECTIONS**

Thousands of Dollars - Not Seasonally Adjusted

March 2008

	2001:3	2001:4	2002:1	2002:2	FY 2002	2002:3	2002:4	2003:1	2003:2	FY 2003
WITHHOLDING	885,524	945,525	917,441	878,620	3,627,109	891,114	939,681	923,585	905,902	3,660,283
%CHYA	-2.3%	1.2%	-5.4%	-2.2%	-2.2%	0.6%	-0.6%	0.7%	3.1%	0.9%
EST. PAYMENTS	181,067	95,422	210,050	238,914	725,454	151,934	110,001	168,682	215,153	645,771
%CHYA	-8.0%	-3.3%	-16.7%	-15.5%	-12.6%	-16.1%	15.3%	-19.7%	-9.9%	-11.0%
FINAL PAYMENTS	43,331	50,993	46,545	344,313	485,182	37,695	46,875	50,185	362,573	497,328
%CHYA	17.0%	22.8%	-10.0%	-36.6%	-27.9%	-13.0%	-8.1%	7.8%	5.3%	2.5%
REFUNDS	94,452	35,859	283,057	387,831	801,199	76,430	82,931	304,839	315,603	779,803
%CHYA	46.3%	-42.4%	34.5%	19.7%	21.1%	-19.1%	131.3%	7.7%	-18.6%	-2.7%
OTHER	(230,399)	(257,970)	(600)	130,102	(358,868)	(130,110)	-	-	128,394	(1,716)
TOTAL	785,071	798,111	890,378	1,204,118	3,677,678	874,203	1,013,627	837,614	1,296,419	4,021,863
%CHYA	-16.5%	-21.1%	-16.2%	-21.0%	-19.0%	11.4%	27.0%	-5.9%	7.7%	9.4%
2003:3	2003:4	2004:1	2004:2	FY 2004	2004:3	2004:4	2005:1	2005:2	FY 2005	
WITHHOLDING	933,137	983,211	996,751	962,199	3,875,297	982,063	1,022,832	1,065,596	1,014,547	4,085,037
%CHYA	4.7%	4.6%	7.9%	6.2%	5.9%	5.2%	4.0%	6.9%	5.4%	5.4%
EST. PAYMENTS	145,084	116,621	168,334	233,037	663,076	159,213	136,815	201,521	269,882	767,431
%CHYA	-4.5%	6.0%	-0.2%	8.3%	2.7%	9.7%	17.3%	19.7%	15.8%	15.7%
FINAL PAYMENTS	40,743	45,029	56,825	403,032	545,630	44,363	53,304	78,178	527,249	703,094
%CHYA	8.1%	-3.9%	13.2%	11.2%	9.7%	18.4%	18.4%	37.6%	30.8%	28.9%
REFUNDS	74,032	78,971	292,880	366,839	812,722	69,112	80,463	343,067	363,923	856,565
%CHYA	-3.1%	-4.8%	-3.9%	16.2%	4.2%	-6.6%	1.9%	17.1%	-0.8%	5.4%
OTHER	(128,394)	-	-	125,686	(2,708)	(125,686)	-	-	149,733	24,047
TOTAL	916,537	1,065,890	929,030	1,357,116	4,268,573	990,841	1,132,488	1,002,228	1,597,487	4,723,045
%CHYA	4.8%	5.2%	10.9%	4.7%	6.1%	8.1%	6.2%	7.9%	17.7%	10.6%
2005:3	2005:4	2006:1	2006:2	FY 2006	2006:3	2006:4	2007:1	2007:2	FY 2007	
WITHHOLDING	1,064,107	1,087,942	1,177,488	1,075,476	4,405,013	1,118,878	1,172,656	1,182,336	1,088,108	4,561,977
%CHYA	8.4%	6.4%	10.5%	6.0%	7.8%	5.1%	7.8%	0.4%	1.2%	3.6%
EST. PAYMENTS	194,848	186,648	224,403	270,754	876,653	231,720	177,026	267,345	363,055	1,039,146
%CHYA	22.4%	36.4%	11.4%	0.3%	14.2%	18.9%	-5.2%	19.1%	34.1%	18.5%
FINAL PAYMENTS	51,797	68,000	88,998	787,622	996,416	55,408	89,432	100,476	779,577	1,024,893
%CHYA	16.8%	27.6%	13.8%	49.4%	41.7%	7.0%	31.5%	12.9%	-1.0%	2.9%
REFUNDS	62,638	94,755	345,524	358,699	861,617	89,254	126,707	444,768	369,456	1,030,186
%CHYA	-9.4%	17.8%	0.7%	-1.4%	0.6%	42.5%	33.7%	28.7%	3.0%	19.6%
OTHER	(149,733)	-	-	176,911	27,178	(176,911)	-	-	177,781	870
TOTAL	1,098,381	1,247,835	1,145,365	1,952,063	5,443,644	1,139,841	1,312,406	1,105,388	2,039,066	5,596,701
%CHYA	10.9%	10.2%	14.3%	22.2%	15.3%	3.8%	5.2%	-3.5%	4.5%	2.8%

Note: "Other" includes kicker and federal pension refunds, as well as July withholding accrued to June. Tax law impacts are reflected in the collections numbers to produce more meaningful projections.



**TABLE B.5 OREGON CORPORATE INCOME TAX REVENUE FORECAST - QUARTERLY COLLECTIONS**

		Thousands of Dollars - Not Seasonally Adjusted												March 2008													
		FY						FY						FY													
		2001:3	2001:4	2002:1	2002:2	2002:3	2002:4	2003:1	2003:2	2003:3	2003:4	2004:1	2004:2	2004:3	2004:4	2005:1	2005:2	2005:3	2005:4	2006:1	2006:2	2006:3	2006:4	2007:1	2007:2	2007	
ADVANCE PAYMENTS		79,641	129,432	47,504	112,266	368,843	67,746	125,734	39,115	124,921	357,516																
%CHYA		-34.6%	-35.6%	-12.2%	-21.7%	-29.1%	-14.9%	-2.9%	-17.7%	11.3%	-3.1%																
FINAL PAYMENTS		9,445	13,204	12,202	8,937	43,788	8,683	10,698	8,962	11,420	39,763																
%CHYA		-15.8%	3.9%	-33.3%	-34.8%	-21.7%	-8.1%	-19.0%	-26.6%	27.8%	-9.2%																
REFUNDS		30,626	122,519	31,959	32,348	217,452	18,700	109,299	19,337	24,920	172,257																
%CHYA		29.5%	-15.7%	81.1%	95.3%	7.0%	-38.9%	-10.8%	-39.5%	-23.0%	-20.8%																
TOTAL		58,460	20,117	27,747	88,856	195,180	57,729	27,132	28,740	111,421	225,021																
%CHYA		-46.6%	-70.5%	-49.3%	-36.8%	-47.7%	-1.3%	34.9%	3.6%	25.4%	15.3%																
		FY																									
		2003:3	2003:4	2004:1	2004:2	2004:3	2004:4	2005:1	2005:2	2005:3	2005:4	2006:1	2006:2	2006:3	2006:4	2007:1	2007:2	2007									
ADVANCE PAYMENTS		91,425	151,227	28,619	120,004	391,275	92,089	143,362	40,464	146,093	422,009																
%CHYA		35.0%	20.3%	-26.8%	-3.9%	9.4%	0.7%	-5.2%	41.4%	21.7%	7.9%																
FINAL PAYMENTS		10,068	14,962	22,643	34,694	82,368	16,583	16,464	20,117	45,967	99,132																
%CHYA		16.0%	39.9%	152.7%	203.8%	107.1%	64.7%	10.0%	-11.2%	32.5%	20.4%																
REFUNDS		17,431	94,587	19,329	24,791	156,137	18,617	130,324	15,204	33,721	197,866																
%CHYA		-6.8%	-13.5%	0.0%	-0.5%	-9.4%	6.8%	37.8%	-21.3%	36.0%	26.7%																
TOTAL		84,062	71,603	31,934	129,907	317,506	90,056	29,503	45,378	158,340	323,276																
%CHYA		45.6%	163.9%	11.1%	16.6%	41.1%	7.1%	-58.8%	42.1%	21.9%	1.8%																
		FY																									
		2005:3	2005:4	2006:1	2006:2	2006:3	2006:4	2007:1	2007:2	2007																	
ADVANCE PAYMENTS		119,391	183,280	59,091	163,812	525,573	129,737	236,441	59,754	162,465	588,396																
%CHYA		29.6%	27.8%	46.0%	12.1%	24.5%	8.7%	29.0%	1.1%	-0.8%	12.0%																
FINAL PAYMENTS		14,985	17,619	24,327	39,526	96,457	19,718	17,154	25,440	65,628	127,941																
%CHYA		-9.6%	7.0%	20.9%	-14.0%	-2.7%	31.6%	-2.6%	4.6%	66.0%	32.6%																
REFUNDS		16,350	108,723	19,140	39,592	183,805	22,481	199,419	38,715	49,865	310,480																
%CHYA		-12.2%	-16.6%	25.9%	17.4%	-7.1%	37.5%	83.4%	102.3%	25.9%	68.9%																
TOTAL		118,026	92,177	64,278	163,745	438,225	126,975	54,176	46,478	178,228	405,857																
%CHYA		31.1%	212.4%	41.6%	3.4%	35.6%	7.6%	-41.2%	-27.7%	8.8%	-7.4%																

**TABLE B.5**

**OREGON CORPORATE INCOME TAX REVENUE FORECAST - QUARTERLY COLLECTIONS**

Thousands of Dollars - Not Seasonally Adjusted

	2007:3	2007:4	2008:1	2008:2	2008:3	2008:4	2009:1	2009:2	March 2008 FY 2009
ADVANCE PAYMENTS	133,408	205,375	67,890	158,930	118,163	182,782	65,262	158,359	524,567
%CHYA	2.8%	-13.1%	13.6%	-2.2%	-11.4%	-11.0%	-3.9%	-0.4%	-7.3%
FINAL PAYMENTS	23,631	45,064	31,139	35,751	17,832	16,661	30,841	34,482	99,816
%CHYA	19.8%	162.7%	22.4%	-45.5%	6.0%	-63.0%	-1.0%	-3.5%	-26.4%
REFUNDS	39,623	158,106	25,941	38,221	22,122	126,700	22,887	33,721	205,431
%CHYA	76.3%	-20.7%	-33.0%	-23.4%	-44.2%	-19.9%	-11.8%	-11.8%	-21.6%
TOTAL	117,416	92,333	73,089	156,460	113,873	72,743	73,216	159,120	418,952
%CHYA	-7.5%	70.4%	57.3%	-12.2%	8.2%	-3.0%	0.2%	1.7%	-4.6%
	2009:3	2009:4	2010:1	2010:2	2010:3	2010:4	2011:1	2011:2	FY 2011
ADVANCE PAYMENTS	118,367	184,880	66,337	166,085	124,697	196,335	70,451	170,858	562,341
%CHYA	0.2%	1.1%	1.6%	4.9%	5.3%	6.2%	6.2%	2.9%	5.0%
FINAL PAYMENTS	16,609	15,635	31,398	35,804	16,602	15,896	33,492	37,485	103,475
%CHYA	-6.9%	-6.2%	1.8%	3.8%	0.0%	1.7%	6.7%	4.7%	4.1%
REFUNDS	19,518	120,299	21,730	32,017	18,532	122,665	22,158	32,647	196,002
%CHYA	-11.8%	-5.1%	-5.1%	-5.1%	-5.1%	2.0%	2.0%	2.0%	1.3%
TOTAL	115,458	80,216	76,005	169,872	122,767	89,566	81,786	175,695	469,814
%CHYA	1.4%	10.3%	3.8%	6.8%	6.3%	11.7%	7.6%	3.4%	6.4%
	2011:3	2011:4	2012:1	2012:2	2012:3	2012:4	2013:1	2013:2	FY 2013
ADVANCE PAYMENTS	127,699	199,426	71,417	173,941	130,083	203,378	72,856	177,454	583,771
%CHYA	2.4%	1.6%	1.4%	1.8%	1.9%	2.0%	2.0%	2.0%	2.0%
FINAL PAYMENTS	17,148	16,483	34,879	36,733	17,646	16,527	35,231	37,535	106,939
%CHYA	3.3%	3.7%	4.1%	-2.0%	2.9%	0.3%	1.0%	2.2%	1.6%
REFUNDS	18,896	130,182	23,516	34,648	20,054	130,442	23,563	34,717	208,776
%CHYA	2.0%	6.1%	6.1%	6.1%	6.1%	0.2%	0.2%	0.2%	0.7%
TOTAL	125,950	85,727	82,780	176,026	127,676	89,462	84,524	180,272	481,934
%CHYA	2.6%	-4.3%	1.2%	0.2%	1.4%	4.4%	2.1%	2.4%	2.4%

**TABLE B.6**  
**Cigarette & Tobacco Tax Distribution (Millions of \$)\***

	Cigarette Tax Distribution				Other Tobacco Tax Distribution			
	State GF (22 cents) <sup>1</sup>	Health Plan (Measure 44) (87 cents) <sup>1</sup>	Tobacco Use Reduction Account (3 cents) <sup>2</sup>	Cities, Counties & Public Transit <sup>3</sup>	State GF	Health Plan <sup>4</sup> (Measure 44)	Tobacco Use Reduction Account <sup>4</sup>	State Total
<b>Gross Receipts Forecast</b>								
2007-08	43.761	170.548	6.803	13.606	234.718	16.856	13.005	1.446
2008-09	42.170	164.347	6.555	13.111	226.184	16.762	12.933	1.438
<b>2007-09 Biennium</b>	85.931	334.895	13.358	26.717	460.901	33.618	25.938	2.885
2009-10	40.508	157.869	6.297	12.594	217.268	16.364	12.625	1.404
2010-11	39.275	153.064	6.105	12.211	210.655	16.334	12.602	1.402
<b>2009-11 Biennium</b>	79.782	310.933	12.403	24.805	427.923	32.698	25.228	2.806
2011-12	39.512	153.991	6.142	12.285	211.930	16.530	12.754	1.418
2012-13	39.637	154.477	6.162	12.324	212.600	16.714	12.896	1.434
<b>2011-13 Biennium</b>	79.150	308.468	12.304	24.608	424.530	33.244	25.649	2.853
<b>Distribution Forecast*</b>								
2007-08	43.408	169.173	6.748	13.496	232.824	16.419	12.668	1.409
2008-09	41.817	162.972	6.501	13.001	224.290	16.325	12.596	1.401
<b>2007-09 Biennium</b>	85.225	332.144	13.249	26.497	457.115	32.744	25.264	2.810
2009-10	40.508	157.869	6.297	12.594	217.268	16.364	12.625	1.404
2010-11	39.275	153.064	6.105	12.211	210.655	16.334	12.602	1.402
<b>2009-11 Biennium</b>	79.782	310.933	12.403	24.805	427.923	32.698	25.228	2.806
2011-12	39.401	153.556	6.125	12.250	211.332	16.530	12.754	1.418
2012-13	39.525	154.041	6.144	12.289	212.000	16.714	12.896	1.434
<b>2011-13 Biennium</b>	78.926	307.597	12.269	24.539	423.332	33.244	25.649	2.853

\* The figures reflect the distribution forecast net of Tobacco Task Force expense of \$5.409 million for 2007-09 biennium. For other biennia, there is no such adjustment.  
1. The 1997 Legislature specified that the temporary 10 cent tax be counted as other funds starting July 1, 1997. As a result the Health Plan received 37 cents per pack as of July 1, 1997. The 10 cent tax has expired on January 1, 2004.

2. Voters approved 60 cents per pack tax increase dedicated to the Health Plan, effective November 1, 2002.

3. Measure 44 created the TURA and funded it with a 3 cents per pack tax effective February 1, 1997. The total amount shown equals the total 6 cents per pack dedicated to these entities. Cities, Counties and Public Transit each receive revenue from a 2 cent per pack tax.

4. Measure 44 increased the other tobacco taxes from 35% to 65% of the wholesale price, effective February 1, 1997. House Bill 3433, enacted by the 2001 Legislature, limits this tax to 50 cents per cigar.

The Health Plan receives 41.54% of the revenue from the other tobacco tax collections. The TURA receives 4.63% of collections. The remainder goes to the General Fund.

Note: Tobacco Settlement Payment Forecast (\$millions)

Year	2007	2008	2009
Amount	75.1	97.4	98.9

Source: Bear Stearns

**TABLE B.7**  
**Revenue Distribution to Local Governments (Millions of \$)**

	Liquor Apportionment Distribution							Cigarette Tax Distribution to Cities, Counties & Public Transit <sup>1</sup>
	Total Liquor Revenue Available	Available for			City Revenue			
		Less General Fund 56%	Cities and Counties	Sharing Revenue	Regular	Total	Counties	
<b>2007-08</b>	158.512	88.766	69.745	22.192	31.702	53.894	15.851	13.496
<b>2008-09</b>	164.981	92.390	72.592	23.097	32.996	56.094	16.498	13.001
<b>2007-09 Biennium</b>	323.493	181.156	142.337	45.289	64.699	109.988	32.349	26.497
<b>2009-10</b>	158.512	88.766	69.745	22.192	31.702	53.894	15.851	12.594
<b>2010-11</b>	164.981	92.390	72.592	23.097	32.996	56.094	16.498	12.211
<b>2009-11 Biennium</b>	323.493	181.156	142.337	45.289	64.699	109.988	32.349	24.805
<b>2011-12</b>	158.512	88.766	69.745	22.192	31.702	53.894	15.851	12.250
<b>2012-13</b>	164.981	92.390	72.592	23.097	32.996	56.094	16.498	12.289
<b>2011-13 Biennium</b>	323.493	181.156	142.337	45.289	64.699	109.988	32.349	24.539

<sup>1</sup> For details on cigarette revenues see TABLE B.6 on previous page

## Table B.8 Track Record for the December 2007 Forecast

(Quarter ending December 31, 2007)

Personal Income Tax		Forecast Comparison			Year/Year Change	
		Actual Revenues	Latest Forecast	Percent Difference		
(Millions of dollars)						
Withholding	\$1,200.8	\$1,186.7	1.2%	\$1,172.7	2.4%	
Dollar difference		\$14.1		\$28.2		
Estimated Payments	\$217.2	\$210.2	3.3%	\$177.0	22.7%	
Dollar difference		\$7.0		\$40.1		
Final Payments	\$129.8	\$141.5	-8.2%	\$89.4	45.2%	
Dollar difference		-\$11.7		\$40.4		
Refunds	-\$1,240.1	-\$1,237.2	0.2%	-\$126.7	878.7%	
Dollar difference		-\$2.9		-\$1,113.4		
<b>Total Personal Income Tax</b>	<b>\$307.7</b>	<b>\$301.2</b>	<b>2.2%</b>	<b>\$1,312.4</b>	<b>-76.6%</b>	
Dollar difference		\$6.5		-\$1,004.7		
Corporate Income Tax		Forecast Comparison			Year/Year Change	
		Actual Revenues	Latest Forecast	Percent Difference		
(Millions of dollars)						
Advanced Payments	\$205.4	\$191.2	7.4%	\$236.4	-13.1%	
Dollar difference		\$14.2		-\$31.1		
Final Payments	\$45.1	\$30.0	50.2%	\$17.2	162.7%	
Dollar difference		\$15.1		\$27.9		
Refunds	-\$158.1	-\$120.7	30.9%	-\$199.4	-20.7%	
Dollar difference		-\$37.4		\$41.3		
<b>Total Corporate Income Tax</b>	<b>\$92.3</b>	<b>\$100.4</b>	<b>-8.1%</b>	<b>\$54.2</b>	<b>70.4%</b>	
Dollar difference		-\$8.1		\$38.2		
Total Income Tax		Forecast Comparison			Year/Year Change	
		Actual Revenues	Latest Forecast	Percent Difference		
(Millions of dollars)						
<b>Corporate and Personal Tax</b>	<b>\$400.0</b>	<b>\$401.6</b>	<b>-0.4%</b>	<b>\$1,366.6</b>	<b>-70.7%</b>	
Dollar difference		-\$1.6		-\$966.6		





**APPENDIX C: POPULATION FORECASTS BY AGE AND SEX**

**STATE OF OREGON**

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## **OREGON'S POPULATION FORECASTS BY AGE AND SEX**

### **Procedure and Assumptions**

OEA develops its population forecasts by age and sex based on specific assumptions of vital events and migrations. OEA utilized the commonly used cohort-component projection procedure. Oregon's population as of July 1, 2000 is the base population for the forecasting model. OEA derived the total base population by age-sex detail from the U.S. Census Bureau.

To explain the cohort-component projection procedure very briefly, the forecasting model "survives" the initial population distribution by age and sex to the next age-sex category in the following year, and then applies age-sex-specific birth and migration rates to the mid-year population. Further iterations subject the in-and-out migrants to the same vital rates.

Total populations for the years 2001 through 2007 in the following tables are Portland State University's annual estimates. The numbers of births and deaths through 2006 are from Oregon's Center for Health Statistics. OEA generated the total populations for the period 2008 to 2013 as part of its economic and revenue forecast. OEA projects the numbers of births and deaths based on the assumptions of fertility and mortality rates derived from historical trends and forecasts for the United States.

OEA projects age-specific fertility rates based on Oregon's past trends and past and projected national trends. OEA assumes that Oregon's total fertility rate will remain slightly below 2.0 children per woman during the forecast period, tracking at slightly lower than the national rate.

OEA has developed Life Table survival rates for the year 2000. OEA projects male and female life expectancies for the 2000-2013 period based on the past three decades of trends and national projected life expectancies. OEA expects gradual improvements in life expectancies over the forecast period. At the same time, the difference between the male and female life expectancies will continue to shrink. OEA projects that the male life expectancy of 75.7 and the female life expectancy of 80.3 in 2000 will improve to 77.8 years for males and 82.3 years for females by the year 2013.

OEA based its estimates and forecasts of the number of net migrations on the residuals from the difference between population change and natural increase (births minus deaths) in a given forecast period. OEA expects the annual net migration between 2007 and 2013 to remain in the range of 35,000 to 36,000, averaging 35,400 persons annually. When Oregon's economy slowed down during the early years of this decade so did the net migration component of population change. Population growth and net migration rates in 2000 through 2004 were the lowest in over a decade. However, improving Oregon's economy has led to higher levels of net migration and population growth. Relative uncertainty in the economy leads to uncertain migration flow and population growth.

**Table C. 1**

STATE OF OREGON POPULATION FORECASTS COMPONENTS OF CHANGE 1980 -2013										
Year (July 1)	Population	Population Change		Births		Deaths		Natural Increase	Net Migration	
		Number	Percent	Number	Rate/1000	Number	Rate/1000		Number	Rate/1000
1980	2,641,200	---	---	---	---	---	---	---	---	---
1981	2,668,000	26,800	1.01	43,196	16.27	21,870	8.24	21,326	5,474	2.06
1982	2,664,900	-3,100	-0.12	42,261	15.85	21,548	8.08	20,713	-23,813	-8.93
1983	2,653,100	-11,800	-0.44	40,378	15.19	22,039	8.29	18,339	-30,139	-11.33
1984	2,666,600	13,500	0.51	39,611	14.89	22,702	8.54	16,909	-3,409	-1.28
1985	2,672,600	6,000	0.23	39,296	14.72	23,531	8.81	15,765	-9,765	-3.66
<b>1980-1985</b>		<b>31,400</b>		<b>204,742</b>		<b>111,690</b>		<b>93,052</b>	<b>-61,652</b>	
1986	2,683,500	10,900	0.41	39,332	14.69	23,403	8.74	15,929	-5,029	-1.88
1987	2,701,000	17,500	0.65	38,702	14.38	23,695	8.80	15,007	2,493	0.93
1988	2,741,300	40,300	1.49	39,120	14.38	24,752	9.10	14,368	25,932	9.53
1989	2,790,600	49,300	1.80	40,648	14.70	24,705	8.93	15,943	33,357	12.06
1990	2,860,400	69,800	2.50	42,008	14.87	24,763	8.76	17,245	52,555	18.60
<b>1985-1990</b>		<b>187,800</b>		<b>199,810</b>		<b>121,318</b>		<b>78,492</b>	<b>109,308</b>	
1991	2,928,500	68,100	2.38	42,682	14.75	24,944	8.62	17,738	50,362	17.40
1992	2,991,800	63,300	2.16	42,427	14.33	25,166	8.50	17,261	46,039	15.55
1993	3,060,400	68,600	2.29	41,442	13.69	26,543	8.77	14,899	53,701	17.75
1994	3,121,300	60,900	1.99	41,487	13.42	27,564	8.92	13,923	46,977	15.20
1995	3,184,400	63,100	2.02	42,426	13.46	27,552	8.74	14,874	48,226	15.30
<b>1990-1995</b>		<b>324,000</b>		<b>210,464</b>		<b>131,769</b>		<b>78,695</b>	<b>245,305</b>	
1996	3,247,100	62,700	1.97	43,196	13.43	28,768	8.95	14,428	48,272	15.01
1997	3,304,300	57,200	1.76	43,625	13.32	29,201	8.91	14,424	42,776	13.06
1998	3,352,400	48,100	1.46	44,696	13.43	28,705	8.62	15,991	32,109	9.65
1999	3,393,900	41,500	1.24	45,188	13.40	29,848	8.85	15,340	26,160	7.76
2000	3,431,530	37,630	1.11	45,534	13.34	28,909	8.47	16,625	21,005	6.15
<b>1995-2000</b>		<b>247,130</b>		<b>222,239</b>		<b>145,431</b>		<b>76,808</b>	<b>170,322</b>	
2001	3,471,700	40,170	1.17	45,536	13.19	29,934	8.67	15,602	24,568	7.12
2002	3,504,700	32,999	0.95	44,995	12.90	30,828	8.84	14,167	18,832	5.40
2003	3,541,500	36,800	1.05	45,686	12.97	30,604	8.69	15,082	21,718	6.16
2004	3,582,600	41,100	1.16	45,599	12.80	30,721	8.62	14,878	26,222	7.36
2005	3,631,440	48,840	1.36	45,892	12.72	30,723	8.52	15,169	33,671	9.33
<b>2000-2005</b>		<b>199,910</b>		<b>227,708</b>		<b>152,810</b>		<b>74,898</b>	<b>125,012</b>	
2006	3,690,505	59,065	1.63	46,471	12.69	30,277	8.27	16,194	42,871	11.71
2007	3,745,455	54,951	1.49	48,503	13.05	30,338	8.16	18,165	36,785	9.89
2008	3,799,500	54,045	1.44	48,848	12.95	30,459	8.07	18,389	35,655	9.45
2009	3,852,600	53,100	1.40	48,975	12.80	31,421	8.21	17,555	35,545	9.29
2010	3,905,200	52,600	1.37	49,147	12.67	32,002	8.25	17,145	35,455	9.14
<b>2005-2010</b>		<b>273,760</b>		<b>241,944</b>		<b>154,496</b>		<b>87,448</b>	<b>186,312</b>	
2011	3,957,400	52,200	1.34	49,383	12.56	32,578	8.29	16,805	35,395	9.00
2012	4,009,200	51,800	1.31	50,010	12.55	33,493	8.41	16,517	35,284	8.86
2013	4,061,700	52,500	1.31	50,611	12.54	33,346	8.26	17,264	35,236	8.73
<b>1980-1990</b>		<b>219,200</b>		<b>404,552</b>		<b>233,008</b>		<b>171,544</b>	<b>47,656</b>	
<b>1990-2000</b>		<b>571,130</b>		<b>432,703</b>		<b>277,200</b>		<b>155,503</b>	<b>415,627</b>	
<b>2000-2010</b>		<b>473,670</b>		<b>469,652</b>		<b>307,306</b>		<b>162,346</b>	<b>311,324</b>	

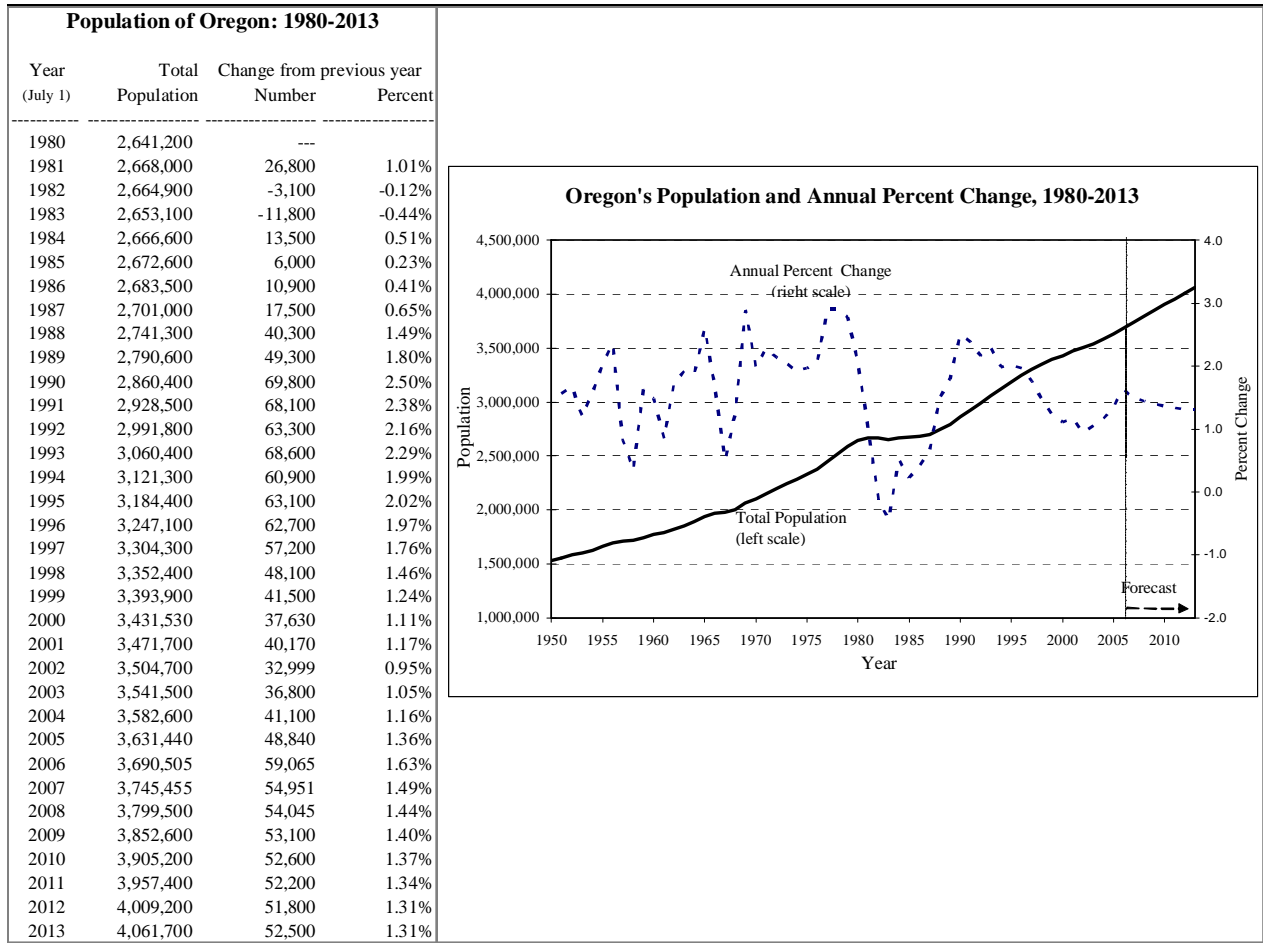
Sources: 1980-2000 population - U.S. Bureau of the Census; 2001-2007 population - Population Research Center, PSU;  
2008-2013 - Office of Economic Analysis; 1980-07 births, and 1980-06 deaths: vital statistics - Oregon Center for Health Statistics.

Table C.2

Oregon's Population Forecasts by Age and Sex: 2000-2013 (July 1 population)

Age	2000		2001		2002		2003		2004		2005		2006	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
0-4	114,089	109,109	114,787	109,772	115,315	109,623	116,269	110,184	117,252	110,870	118,149	111,630	118,149	111,630
5-9	119,728	114,005	119,007	113,231	118,118	112,606	117,883	112,465	118,406	112,877	119,161	113,687	119,161	113,687
10-14	124,731	118,373	124,314	116,091	126,686	120,516	127,295	120,652	126,570	120,068	125,239	124,577	125,239	124,577
15-19	125,941	119,230	124,171	117,207	127,088	119,652	126,195	119,889	127,073	120,711	129,200	122,359	129,200	122,359
20-24	119,362	113,342	121,170	115,814	123,579	118,071	124,650	120,316	128,638	122,391	130,275	123,391	130,275	123,391
25-29	120,609	112,253	122,862	119,786	119,842	112,600	122,442	114,274	123,882	116,633	126,564	119,965	126,564	119,965
30-34	122,510	114,776	123,286	120,663	124,564	118,996	124,189	119,897	128,406	119,230	127,145	118,406	127,145	118,406
35-39	128,828	126,293	126,215	123,089	134,213	119,675	128,986	117,197	133,721	116,849	127,564	119,490	127,564	119,490
40-44	134,552	137,191	135,204	136,820	137,677	140,374	133,536	133,354	132,271	136,069	135,825	139,224	135,825	139,224
45-49	135,715	137,448	136,623	139,024	137,647	140,374	137,297	136,075	136,075	139,361	135,825	139,224	135,825	139,224
50-54	118,674	119,617	128,291	125,894	126,687	128,201	125,889	126,177	133,113	136,069	135,825	139,224	135,825	139,224
55-59	85,986	88,165	89,442	91,603	98,465	100,676	104,214	106,171	110,423	112,314	117,728	119,974	117,728	119,974
60-64	64,549	67,444	67,461	70,398	70,804	73,921	75,692	78,704	83,184	83,184	84,458	87,557	84,458	87,557
65-69	53,078	59,230	53,650	59,157	56,246	55,499	55,999	56,396	58,416	62,323	60,821	63,035	60,821	63,035
70-74	48,503	58,073	48,075	54,186	47,453	52,223	46,953	46,875	46,875	54,916	47,409	54,878	47,409	54,878
75-79	40,447	54,757	40,348	54,186	40,220	53,315	40,207	52,396	39,854	51,345	39,703	50,727	39,703	50,727
80-84	26,452	40,414	27,349	41,372	28,182	42,239	28,497	42,910	28,874	43,600	29,232	43,758	29,232	43,758
85+	18,528	39,528	19,444	40,582	20,119	41,366	21,100	42,405	21,923	43,439	23,031	44,881	23,031	44,881
Total	1,702,282	1,729,248	1,723,816	1,747,885	1,741,595	1,763,105	1,761,312	1,780,188	1,783,248	1,799,352	1,809,202	1,822,238	1,809,202	1,822,238
Mdn. Age	35.2	37.6	35.3	37.8	35.5	38.0	35.7	38.2	35.8	38.3	36.0	38.4	36.0	38.4
Total	3,431,530	3,471,700	3,447,632	3,495,770	3,483,190	3,526,210	3,542,624	3,560,376	3,566,496	3,598,704	3,618,404	3,644,476	3,618,404	3,644,476
2007	114,303	115,390	123,305	116,461	124,609	117,417	125,464	118,131	125,935	118,563	128,250	121,128	128,250	121,128
2008	115,838	116,461	123,305	116,461	124,609	117,417	125,464	118,131	125,935	118,563	128,250	121,128	128,250	121,128
2009	117,453	117,453	124,366	117,453	124,366	117,453	124,366	117,453	124,366	117,453	124,366	117,453	124,366	117,453
2010	119,013	119,013	126,014	119,013	126,014	119,013	126,014	119,013	126,014	119,013	126,014	119,013	126,014	119,013
2011	120,432	120,432	127,515	120,432	127,515	120,432	127,515	120,432	127,515	120,432	127,515	120,432	127,515	120,432
2012	121,128	121,128	124,947	121,128	124,947	121,128	124,947	121,128	124,947	121,128	124,947	121,128	124,947	121,128
2013	121,989	121,989	124,947	121,989	124,947	121,989	124,947	121,989	124,947	121,989	124,947	121,989	124,947	121,989
Total	3,651,440	3,651,440	3,651,440	3,651,440	3,651,440	3,651,440	3,651,440	3,651,440	3,651,440	3,651,440	3,651,440	3,651,440	3,651,440	3,651,440

**Table C. 3**



**Table C. 4**

**Table C. 5**

**Table C. 6**

Year (July 1)	Children: Ages 0-4			School Age Population: Ages 5-17			Young Adult Population: Ages 18-24		
	Population	Number	Percent	Population	Number	Percent	Population	Number	Percent
1980	199,525	---	---	524,446	---	---	329,407	---	---
1990	209,638	10,113	5.07%	532,727	8,281	1.58%	268,134	-61,273	-18.60%
2000	223,198	13,560	6.47%	624,354	91,627	17.20%	330,358	62,224	23.21%
2001	224,560	1,362	0.61%	624,980	626	0.10%	336,875	6,517	1.97%
2002	224,938	378	0.17%	624,963	-17	0.00%	341,352	4,478	1.33%
2003	226,453	1,515	0.67%	624,790	-173	-0.03%	346,291	4,939	1.45%
2004	228,122	1,669	0.74%	626,039	1,249	0.20%	350,685	4,394	1.27%
2005	229,779	1,657	0.73%	629,011	2,971	0.47%	353,292	2,606	0.74%
2006	231,549	1,770	0.77%	634,423	5,412	0.86%	357,077	3,786	1.07%
2007	235,331	3,782	1.63%	636,463	2,040	0.32%	359,797	2,719	0.76%
2008	238,496	3,165	1.34%	637,613	1,150	0.18%	363,828	4,031	1.12%
2009	241,819	3,323	1.39%	639,633	2,020	0.32%	367,339	3,510	0.96%
2010	245,027	3,208	1.33%	641,946	2,313	0.36%	369,846	2,507	0.68%
2011	247,947	2,920	1.19%	645,203	3,257	0.51%	371,716	1,870	0.51%
2012	249,379	1,432	0.58%	651,040	5,836	0.90%	372,318	602	0.16%
2013	251,109	1,731	0.69%	656,604	5,565	0.85%	373,655	1,337	0.36%

**Table C. 7**

**Table C. 8**

**Table C. 9**

Year (July 1)	<b>Criminally "At Risk" Population: Males Ages 15-39</b>			<b>Prime Wage Earners: Ages 25-44</b>			<b>Older Wage Earners: Ages 45-64</b>		
	Population	Number	Percent	Population	Number	Percent	Population	Number	Percent
1980	561,931	---	---	790,750	---	---	491,249	---	---
1990	544,738	-17,193	-3.06%	926,326	135,576	17.15%	531,181	39,932	8.13%
2000	617,250	72,512	13.31%	997,012	70,686	7.63%	817,598	286,417	53.92%
2001	620,440	3,190	0.52%	996,329	-683	-0.07%	847,646	30,048	3.68%
2002	623,013	2,574	0.41%	993,060	-3,268	-0.33%	876,805	29,159	3.44%
2003	626,203	3,189	0.51%	992,009	-1,052	-0.11%	904,242	27,437	3.13%
2004	631,721	5,518	0.88%	994,347	2,338	0.24%	930,932	26,690	2.95%
2005	640,747	9,026	1.43%	1,001,027	6,681	0.67%	958,857	27,925	3.00%
2006	652,630	11,882	1.85%	1,011,358	10,330	1.03%	986,925	28,068	2.93%
2007	662,253	9,623	1.47%	1,022,673	11,316	1.12%	1,010,386	23,461	2.38%
2008	670,625	8,373	1.26%	1,034,402	11,729	1.15%	1,028,694	18,308	1.81%
2009	676,680	6,054	0.90%	1,046,189	11,787	1.14%	1,046,386	17,692	1.72%
2010	680,658	3,978	0.59%	1,059,854	13,665	1.31%	1,062,258	15,872	1.52%
2011	685,946	5,289	0.78%	1,075,426	15,573	1.47%	1,075,723	13,465	1.27%
2012	691,516	5,570	0.81%	1,090,813	15,387	1.43%	1,076,216	494	0.05%
2013	698,748	7,232	1.05%	1,105,528	14,715	1.35%	1,079,842	3,626	0.34%

**Table C. 10**

Year (July 1)	<b>Elderly Population by Age Group</b>							
	Ages 65+	Change from previous decade/yr.	Ages 65-74	Change from previous decade/yr.	Ages 75-84	Change from previous decade/yr.	Ages 85+	Change from previous decade/yr.
1980	305,841	---	185,863	---	91,137	---	28,841	---
1990	392,369	28.29%	224,772	20.93%	128,813	41.34%	38,784	34.48%
2000	439,010	11.89%	218,884	-2.62%	162,070	25.82%	58,056	49.69%
2001	441,311	0.52%	218,031	-0.39%	163,254	0.73%	60,026	3.39%
2002	443,581	0.51%	218,140	0.05%	163,957	0.43%	61,484	2.43%
2003	447,715	0.93%	220,199	0.94%	164,010	0.03%	63,506	3.29%
2004	452,475	1.06%	223,440	1.47%	163,672	-0.21%	65,362	2.92%
2005	459,474	1.55%	228,143	2.10%	163,420	-0.15%	67,912	3.90%
2006	469,173	2.11%	235,234	3.11%	162,748	-0.41%	71,191	4.83%
2007	480,805	2.48%	244,637	4.00%	161,847	-0.55%	74,321	4.40%
2008	496,468	3.26%	258,217	5.55%	161,066	-0.48%	77,185	3.85%
2009	511,234	2.97%	271,467	5.13%	160,072	-0.62%	79,695	3.25%
2010	526,269	2.94%	283,860	4.57%	160,422	0.22%	81,987	2.88%
2011	541,384	2.87%	296,670	4.51%	160,783	0.22%	83,932	2.37%
2012	569,434	5.18%	321,908	8.51%	162,025	0.77%	85,501	1.87%
2013	594,962	4.48%	343,034	6.56%	164,856	1.75%	87,071	1.84%





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