



Oregon

May 2013 Economic & Revenue Outlook

May 16, 2013

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Office of Economic Analysis



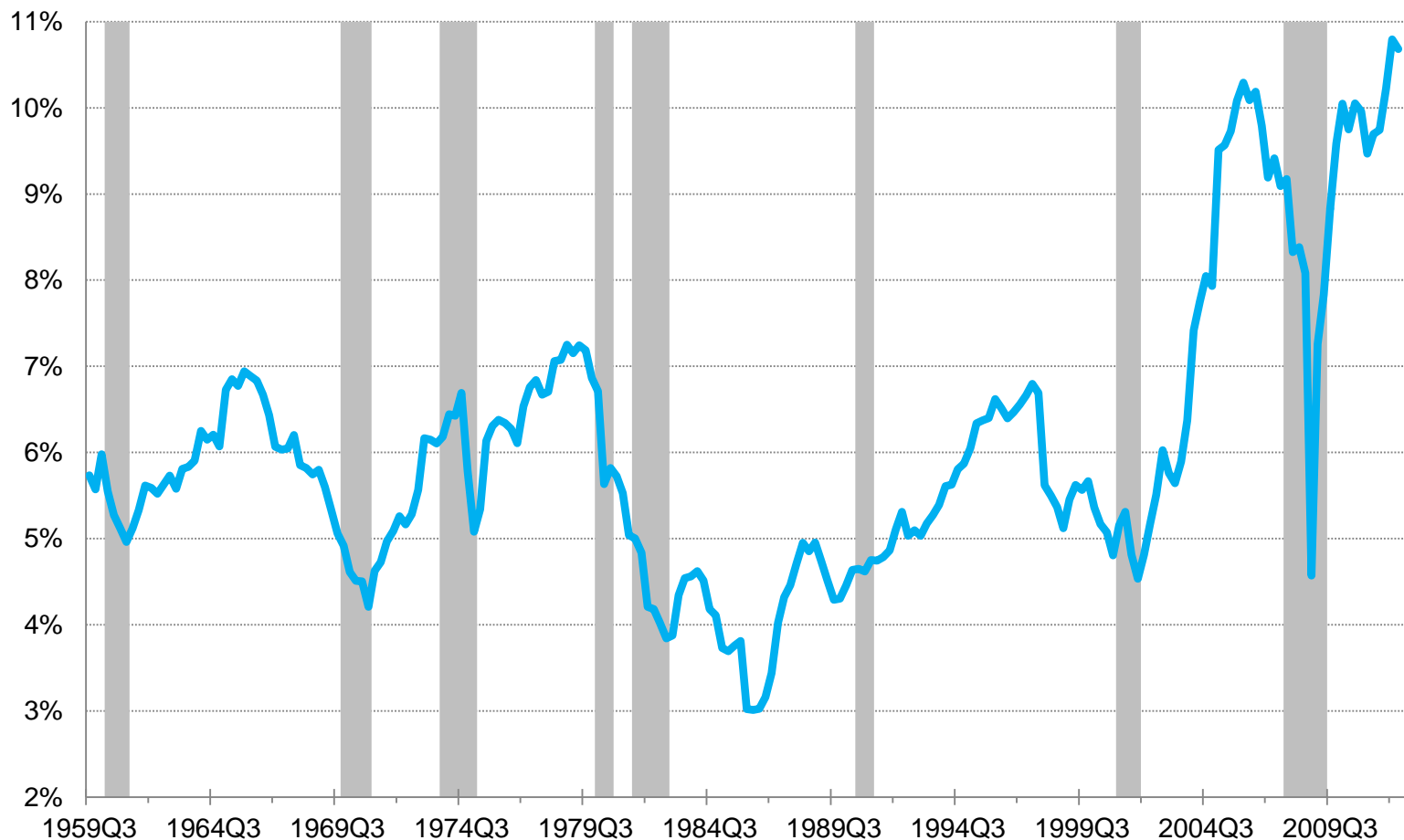
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U.S. Economy



Businesses Are Still Profitable...

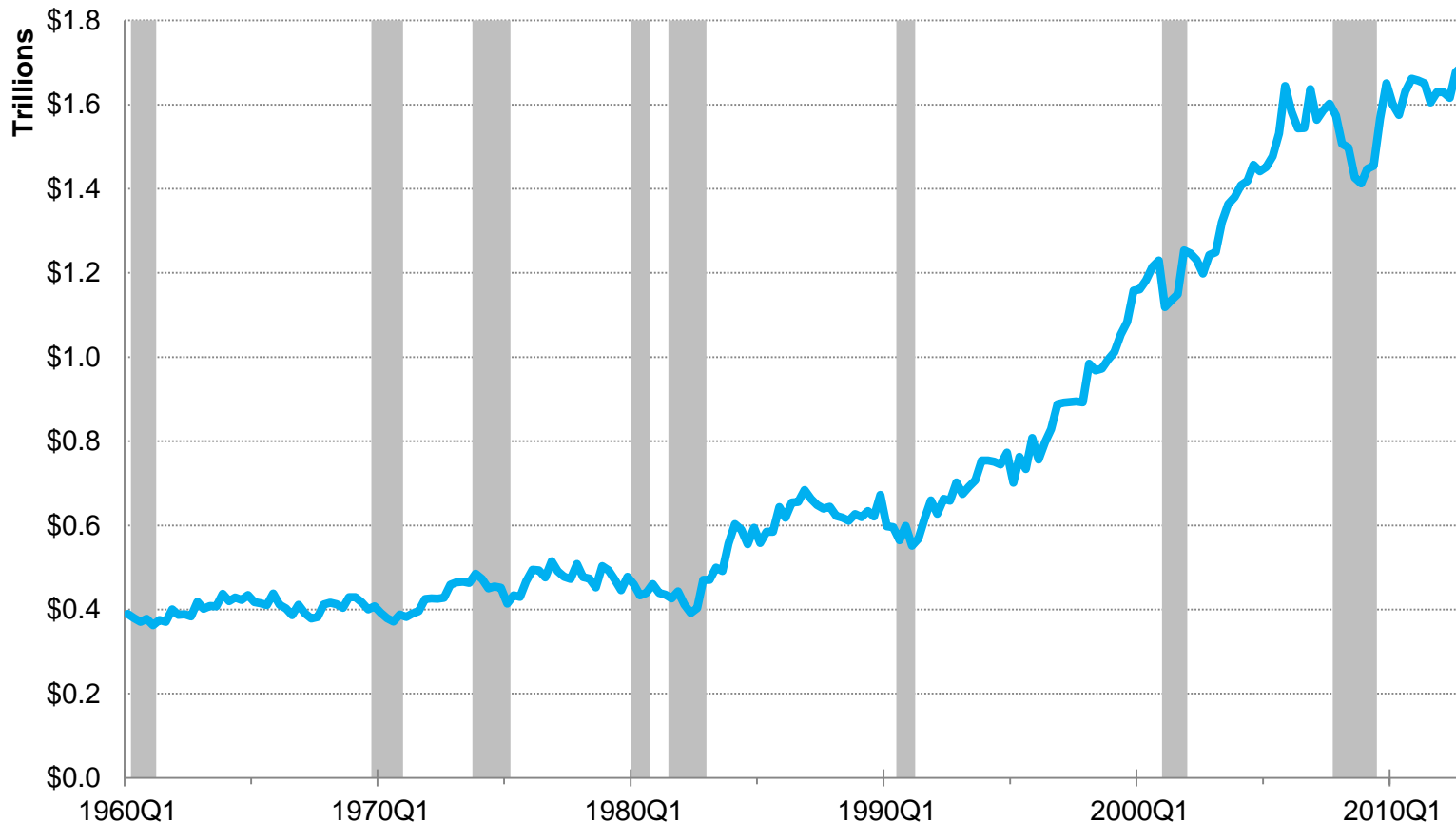
Corporate Profits After Taxes, % share of GDP





...and Still Sitting on Cash

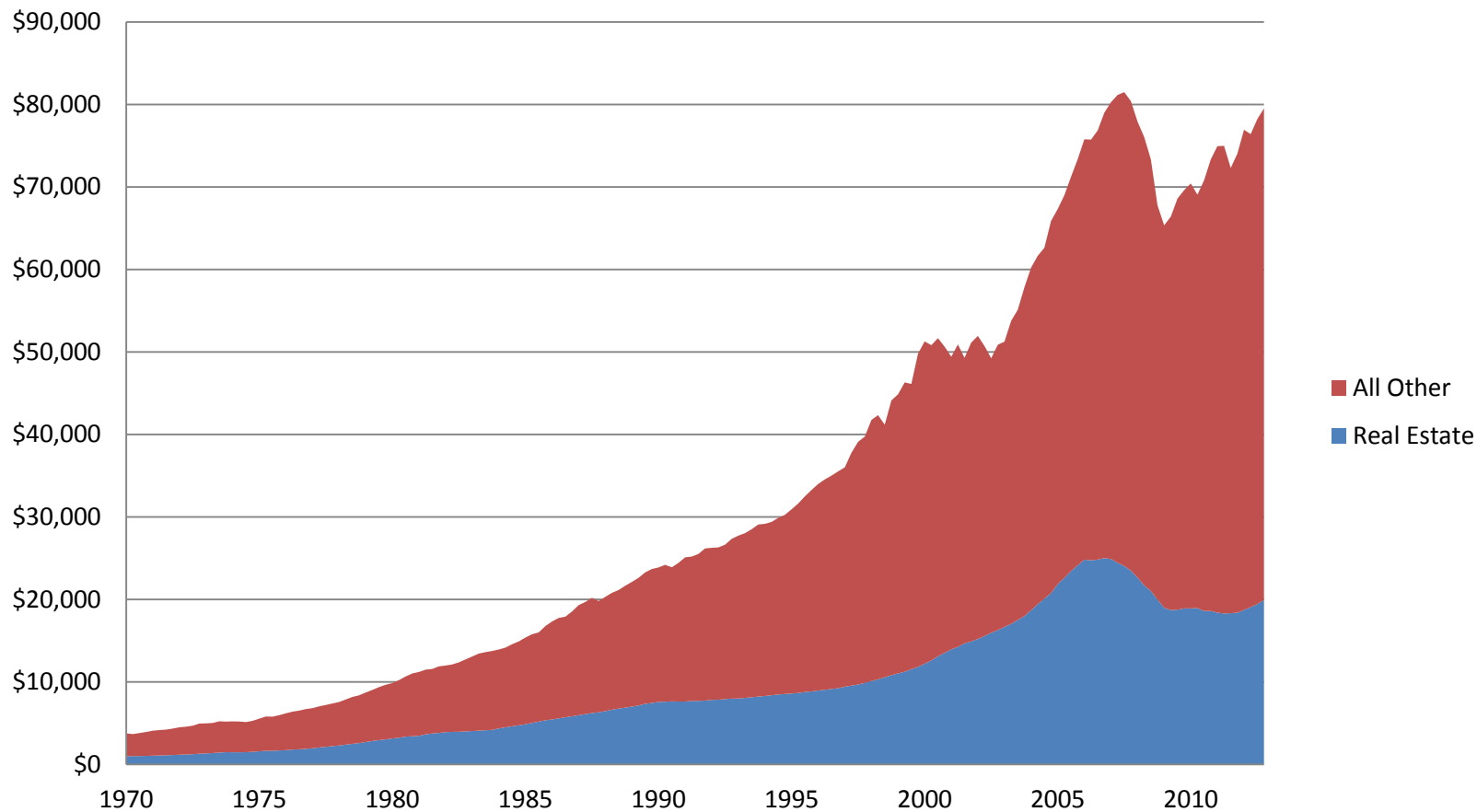
Nonfinancial Corporate Businesses, Real Liquid Assets





Households Gaining Wealth...

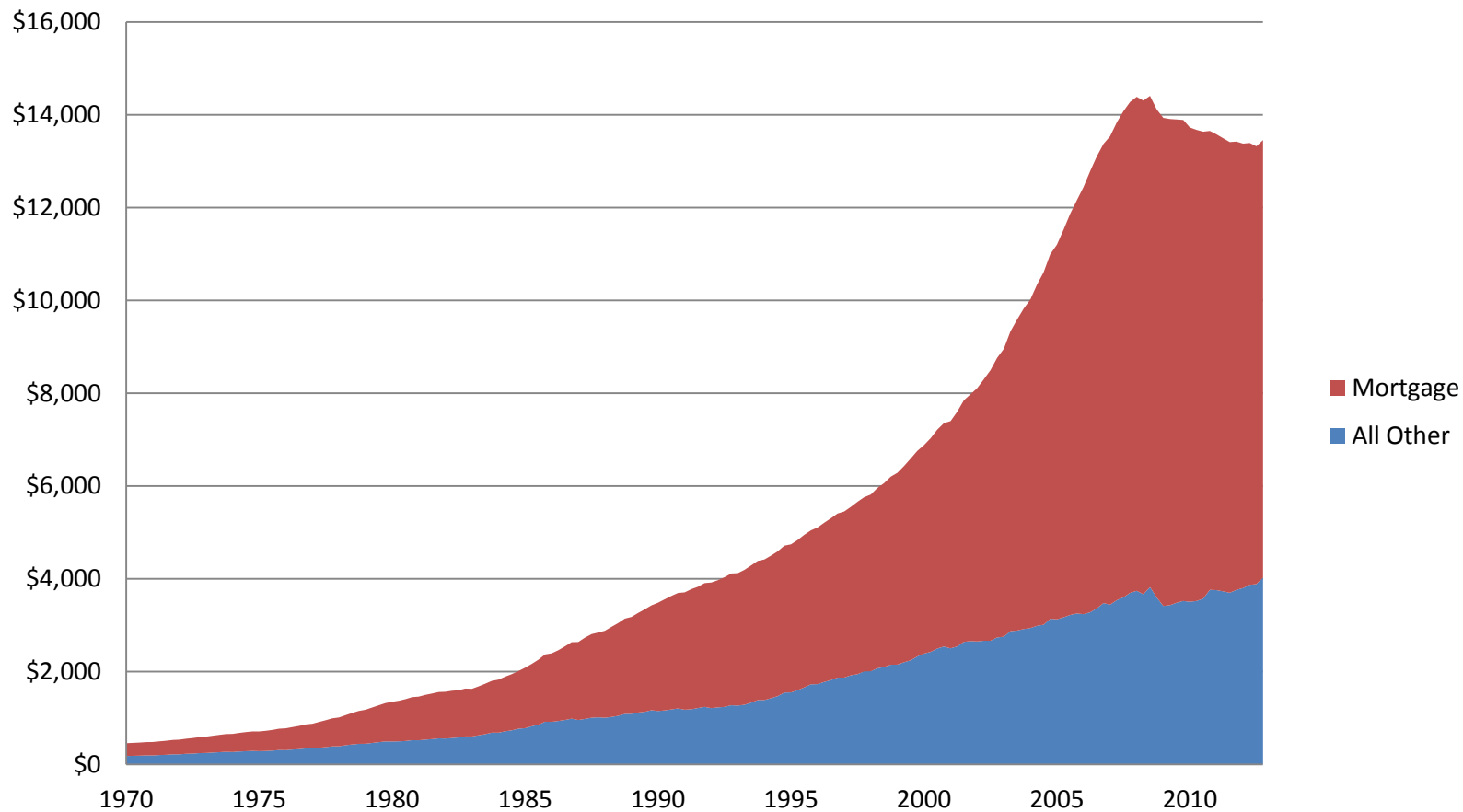
Household Assets (\$ Billions)





... And Lowering Liabilities

Household Liabilities (\$ Billions)





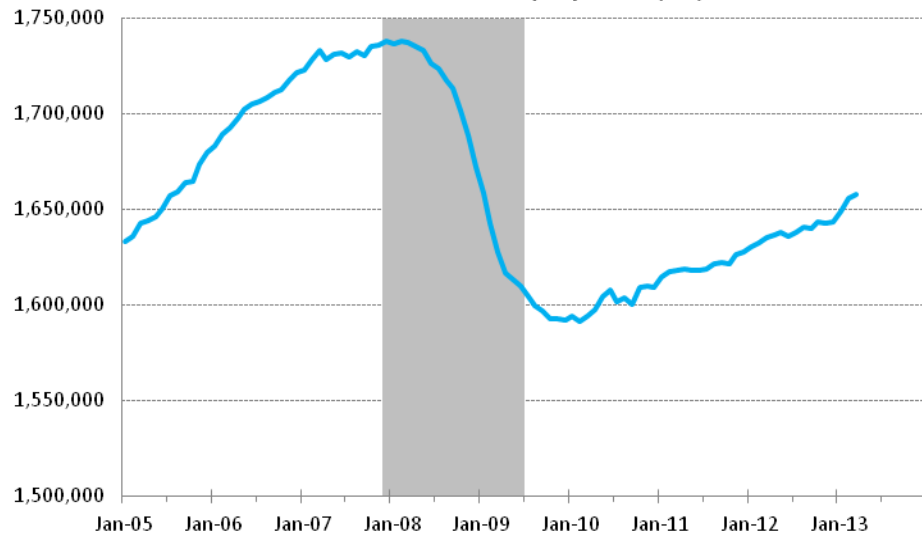
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Oregon: Recent Performance

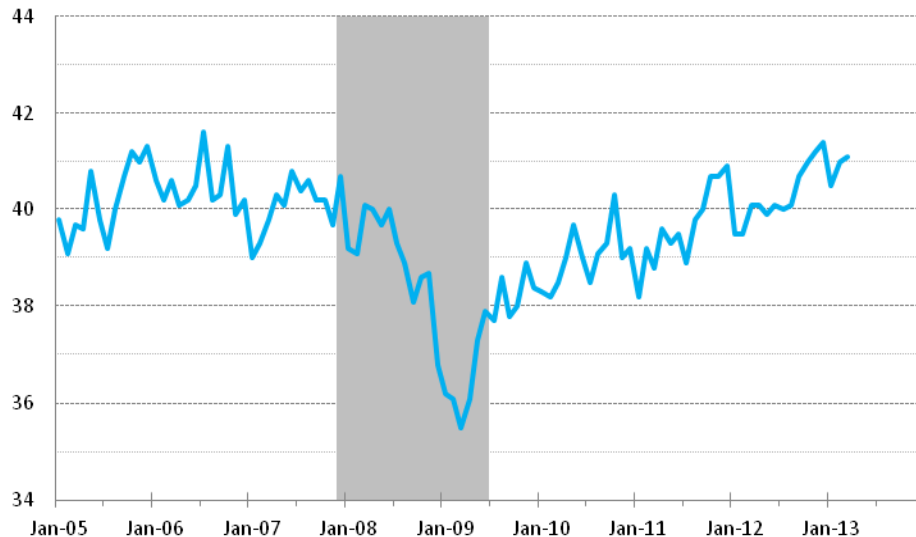


Slow and Steady: Oregon's Coincident Indicators

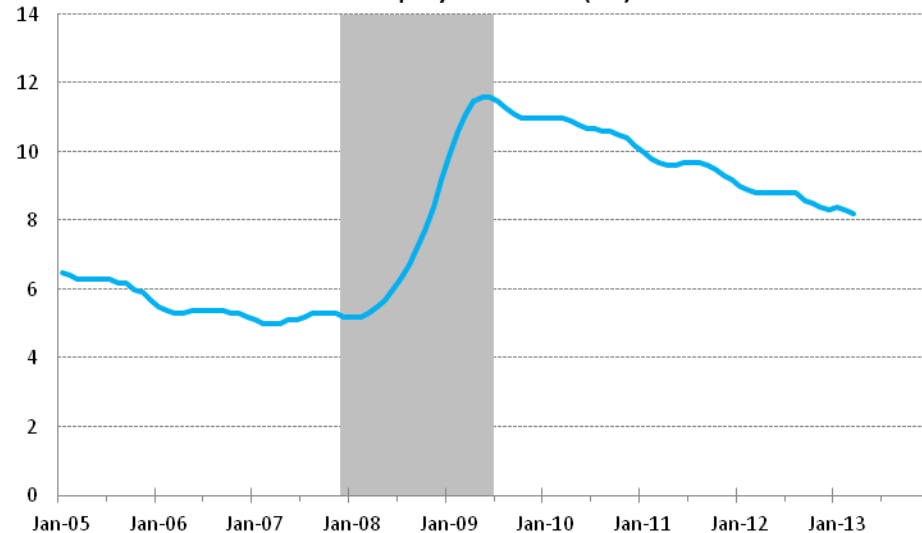
Total Nonfarm Employment (SA)



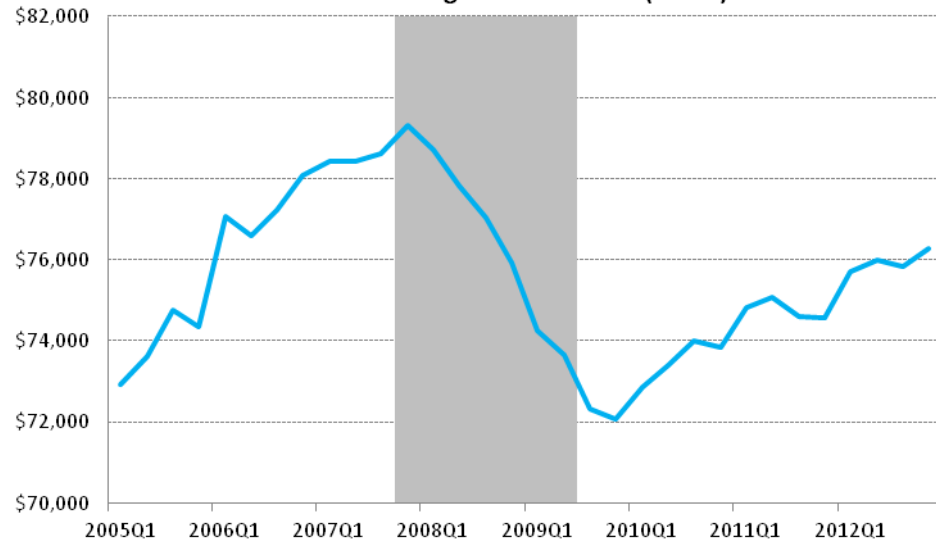
Avg Hours Worked - Manufacturing



Unemployment Rate (SA)



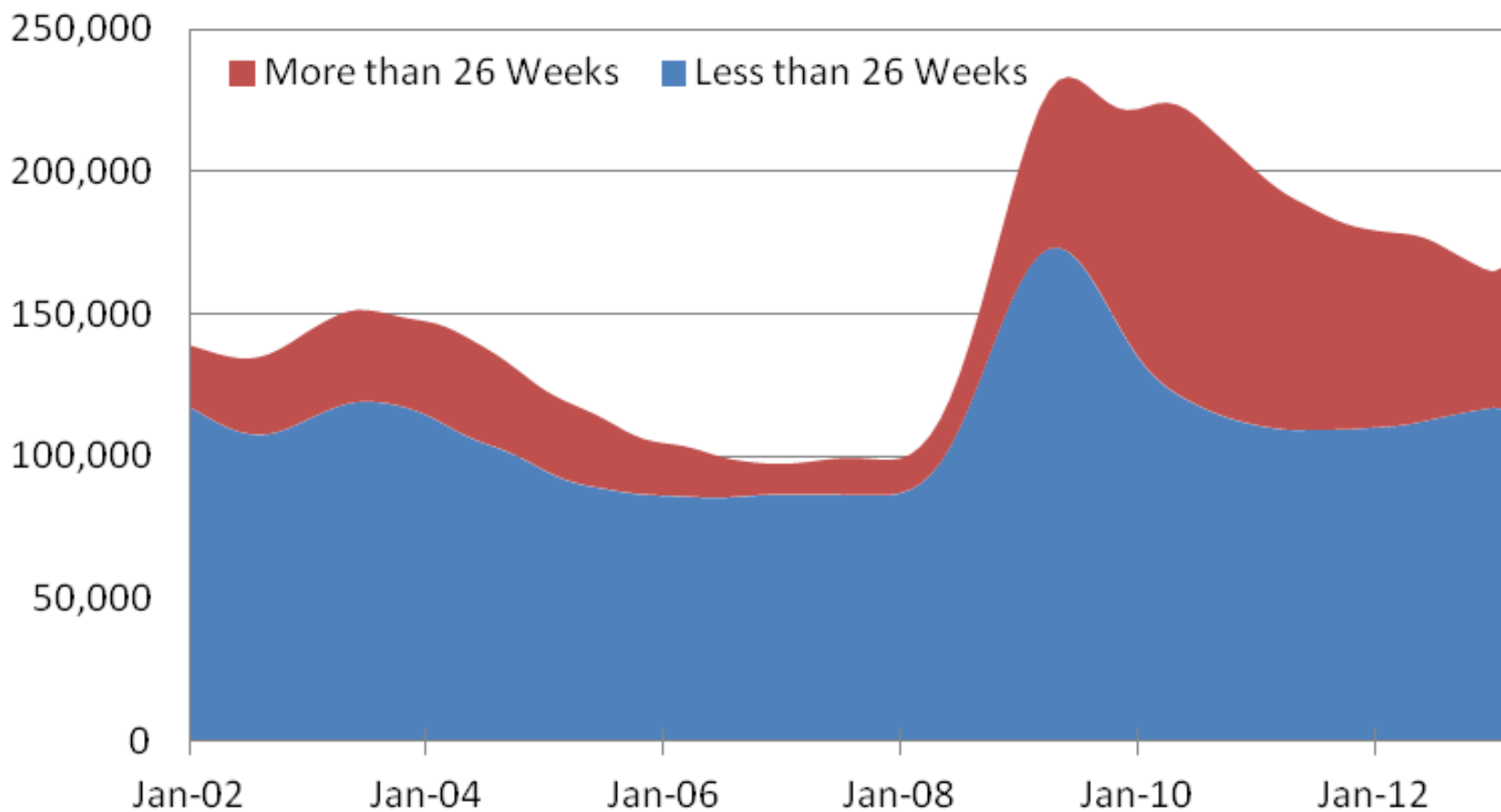
Real Wages and Salaries (SAAR)



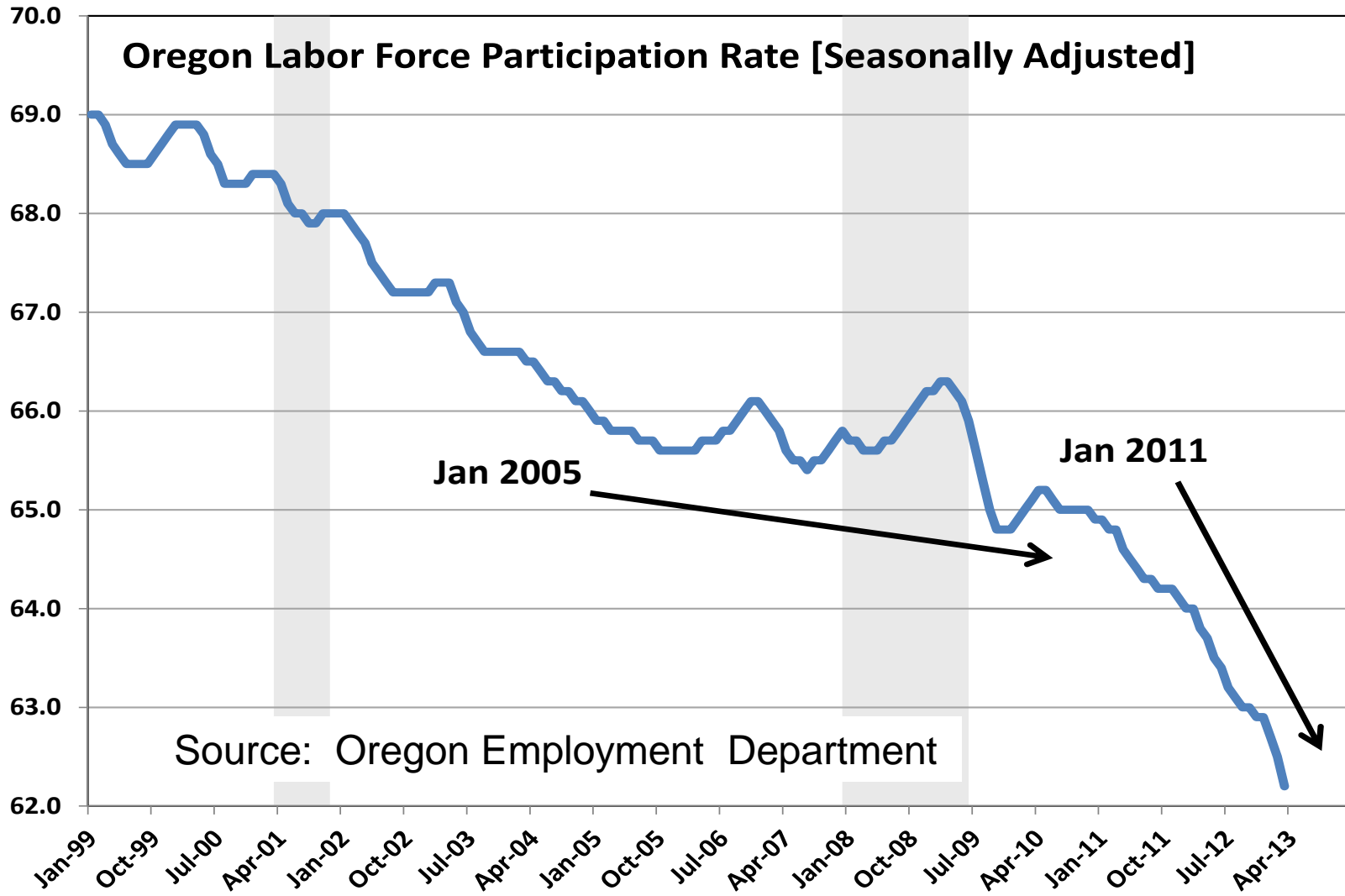


Long-Term Unemployment Remains Elevated

Unemployed Oregonians Length of Duration



Labor Force Participation: Will Workers Return?





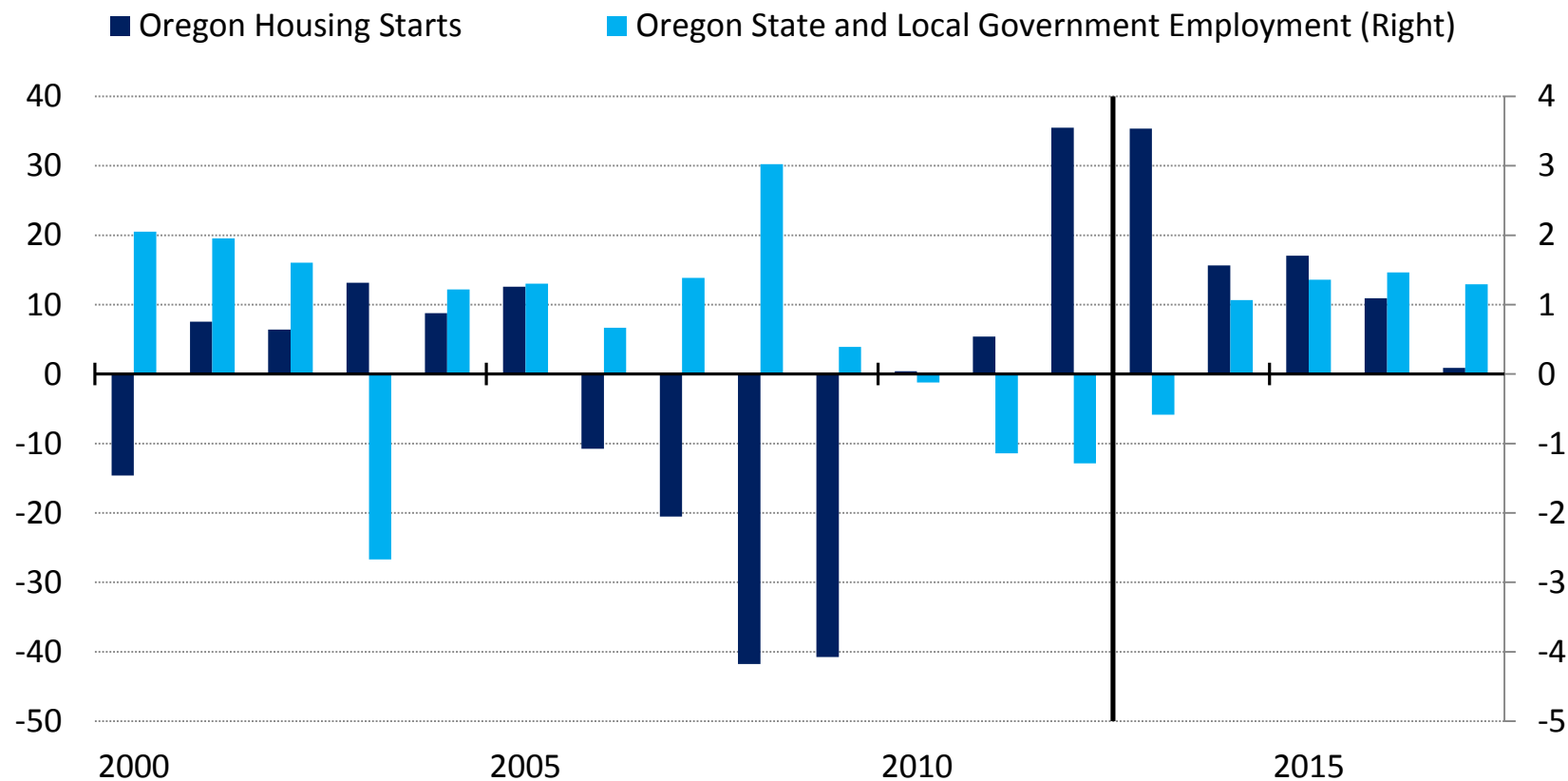
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Industries



Drags on Economic Growth Are Easing

Annual Percent Changes in Oregon





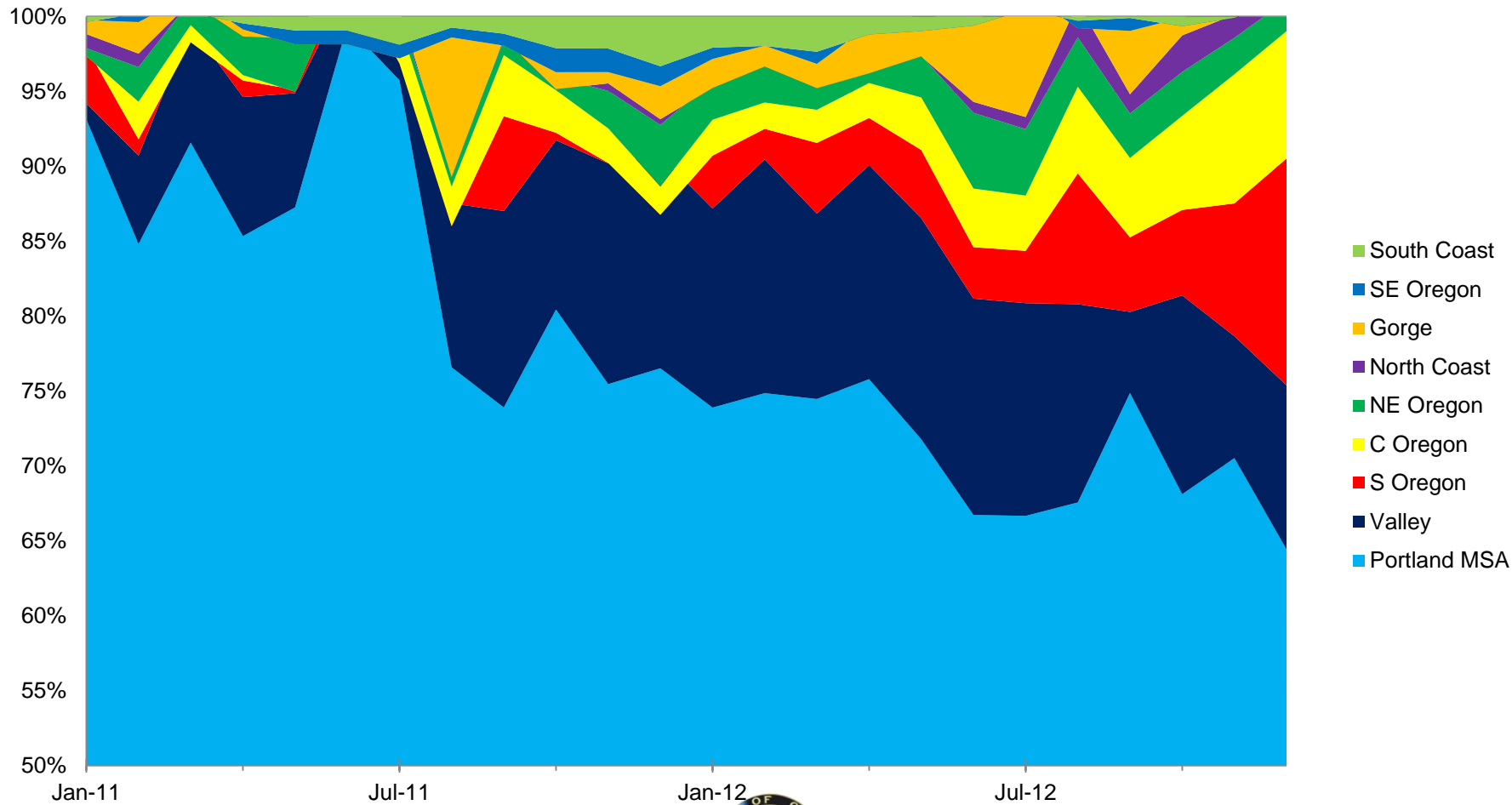
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Oregon: Regional Trends



Recovery Spreading to Rural Areas

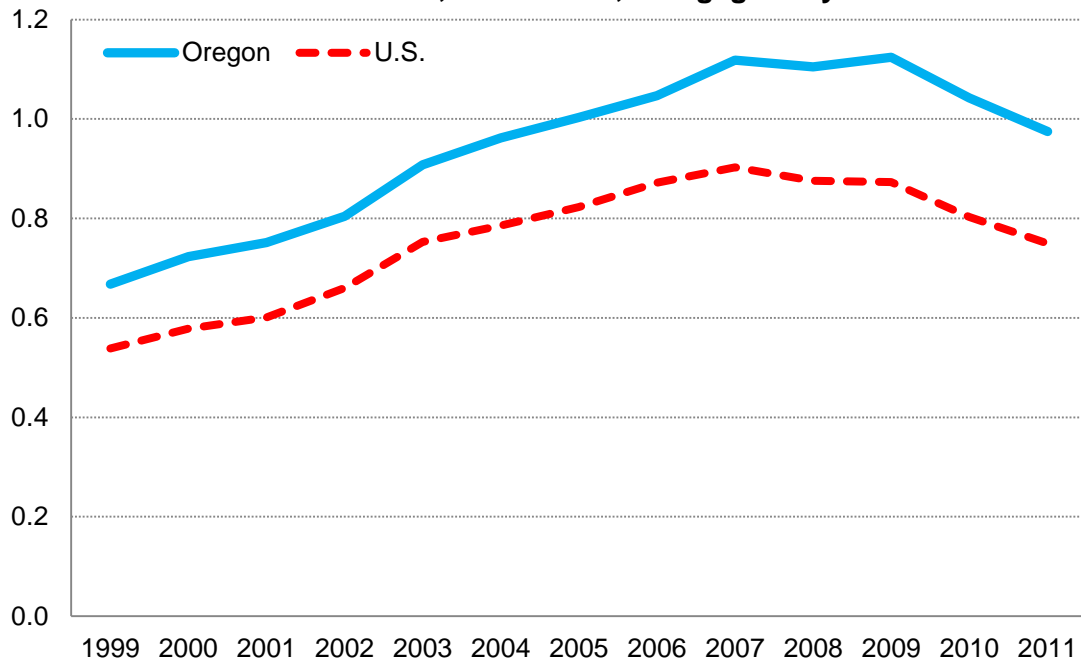
Regional Employment Growth Share of Overall Gains



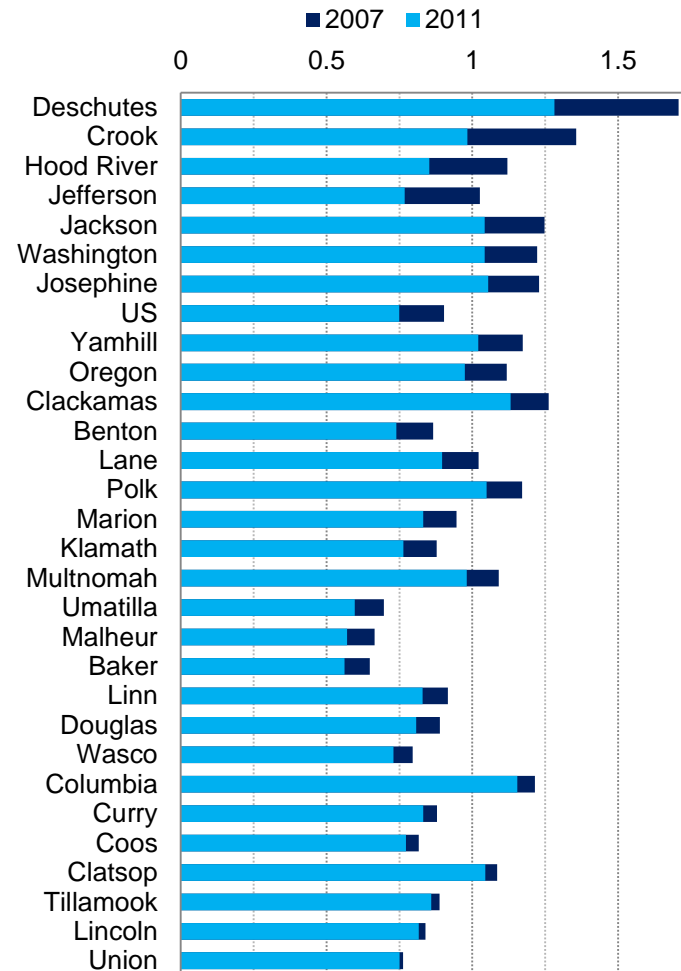


Household Debt Across Oregon

Debt to Income Ratio
Auto, Credit Card, Mortgage Only



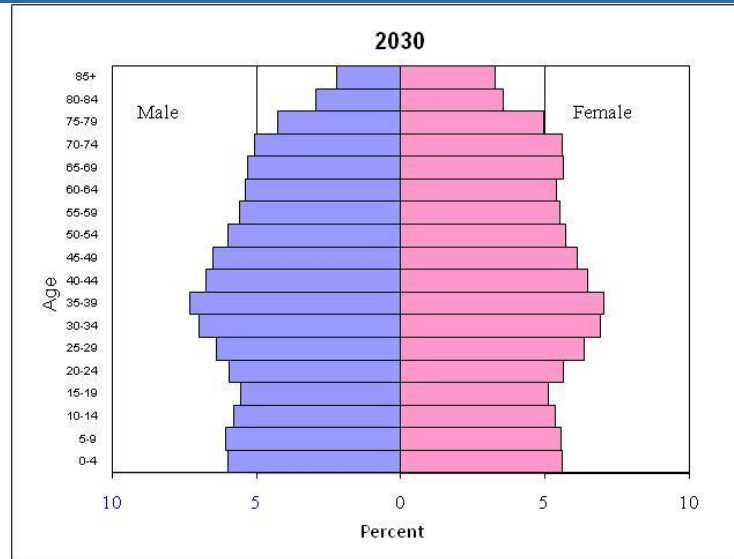
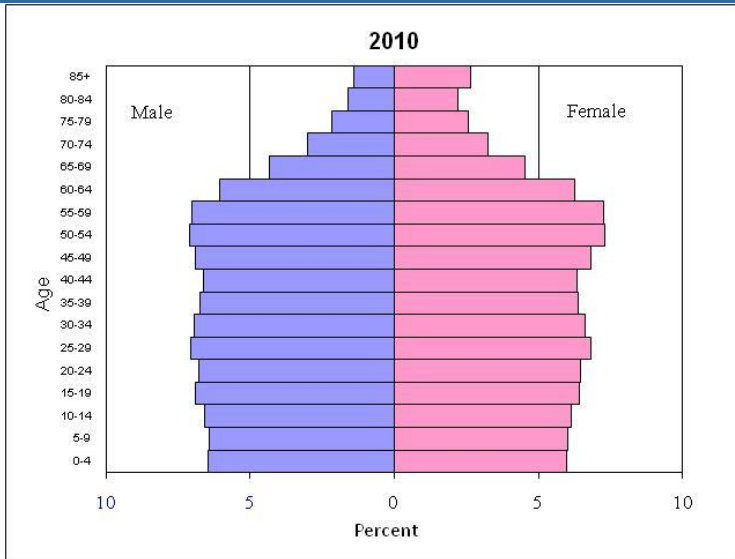
Debt to Income Ratio
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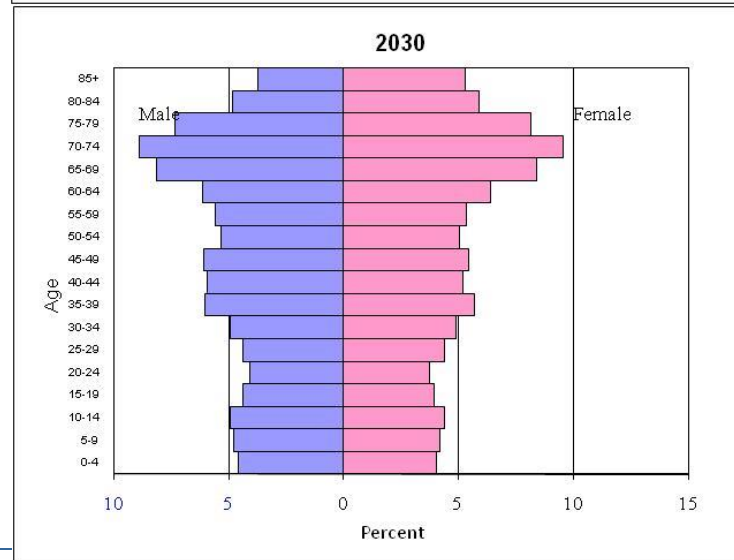
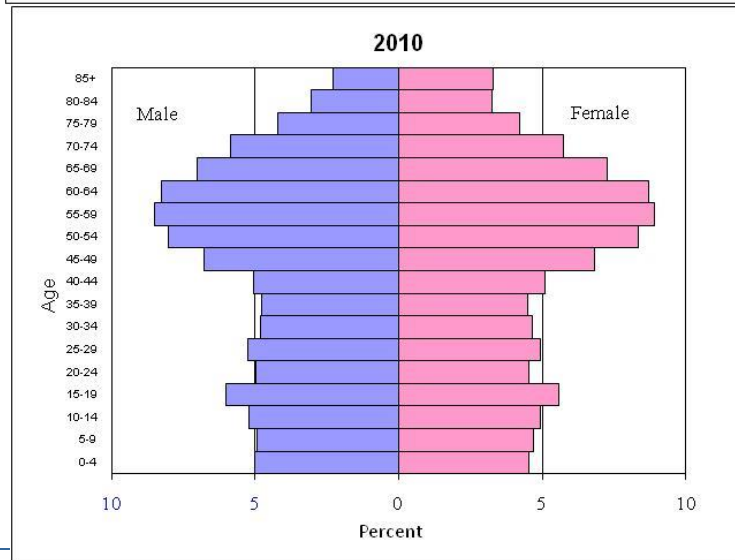


Demographics Weigh on Rural Areas (Share of Population by Age)

Oregon
Total



Southern
Coast



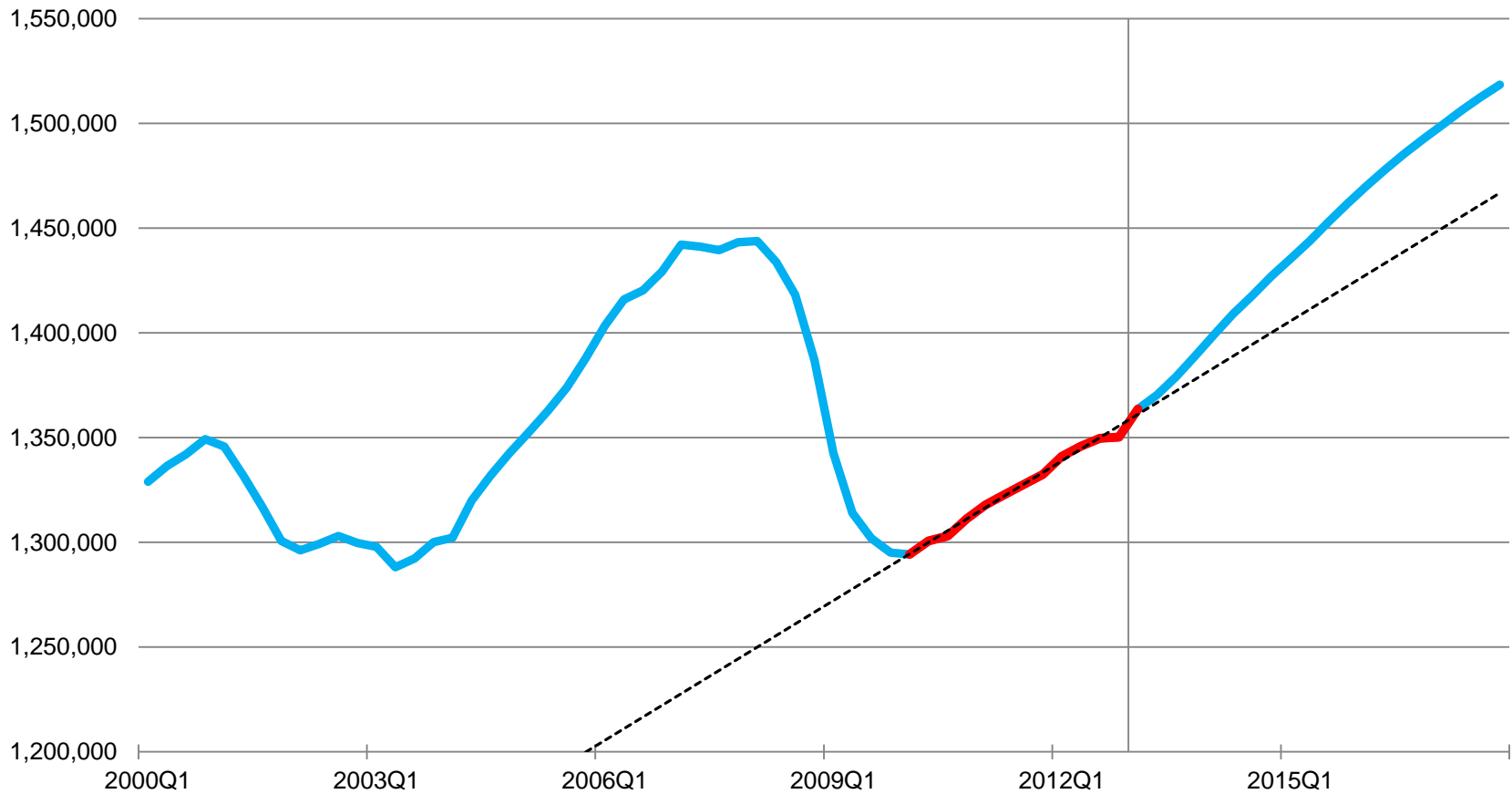


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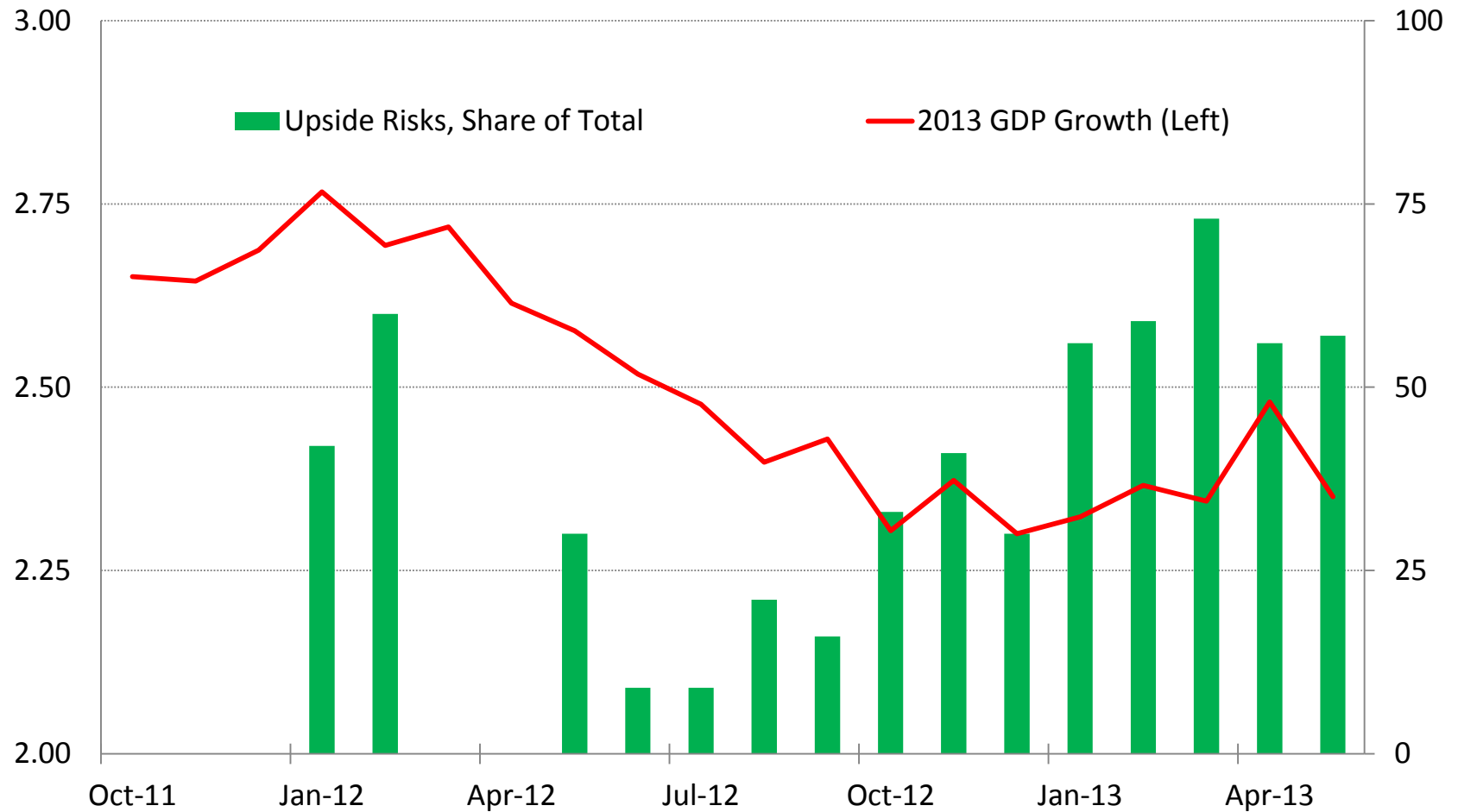
Outlook & Risks

Bottom Line: Still Some Acceleration

Oregon Private Sector Employment



Stable Outlook, Yet Shifting Risks




Source: Wall Street Journal Economic Forecasting Survey





Oregon

Revenue Outlook



“Those Who Cannot Remember the Past.....”

Job Losses Begin	Forecast Date (Around 5 years later)	PIT Growth Forecast	Actual Growth (Net of Kicker)	PIT Kicker (\$ mil)
Dec 1979	May 1985	-2.2%	10.9%	\$221
Aug 1990	May 1995	9.9%	16.6%	\$432
Dec 2000	May 2005	12.6%	22.6%	\$1,071
Dec 2007	May 2013	11.4%	???	???

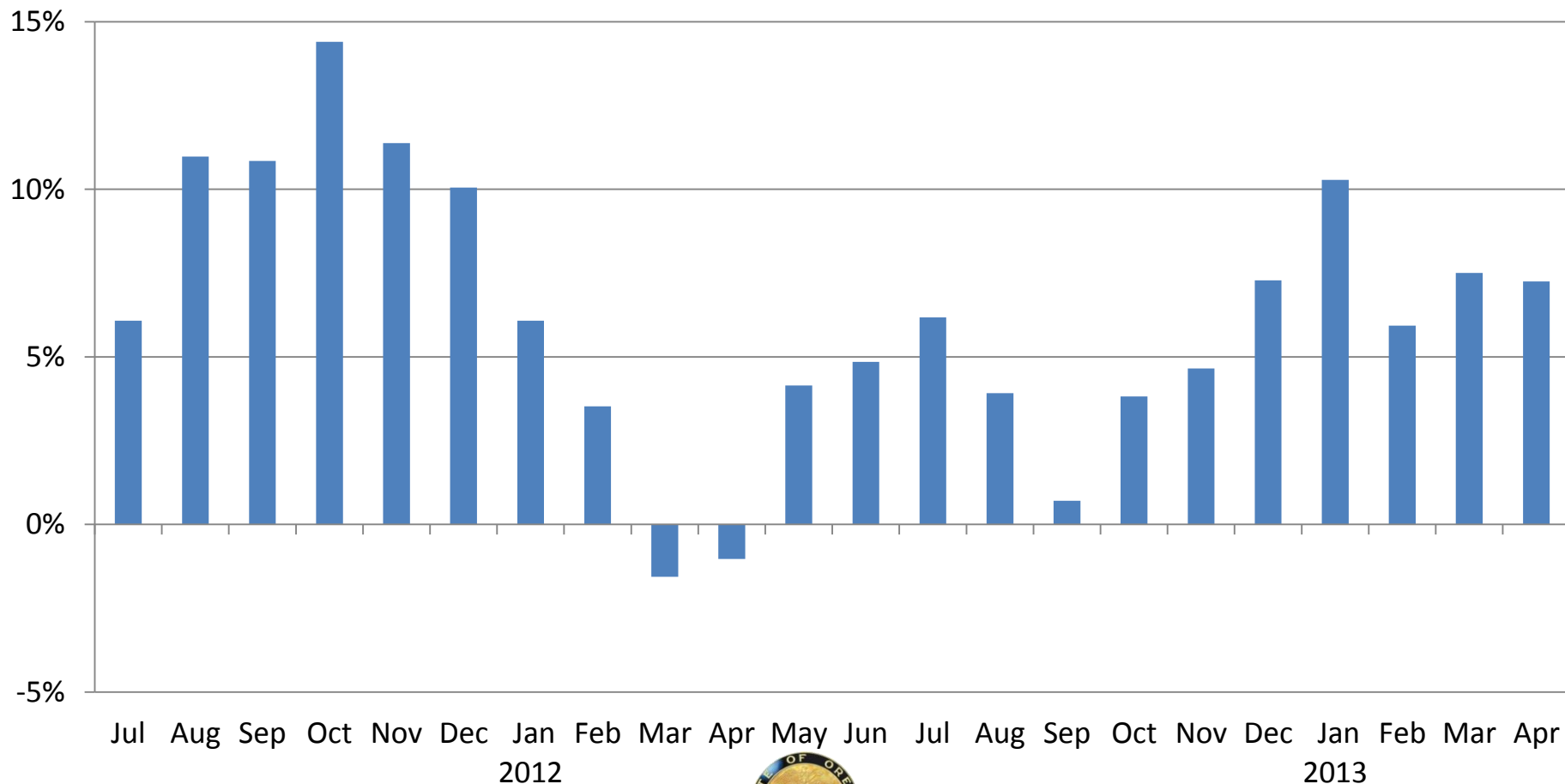
BI1985-87 includes a personal income tax rate cut





Healthy Growth in Personal Income Taxes

Recent Personal Income Tax Collections
% change over year ago, 3 month moving sum

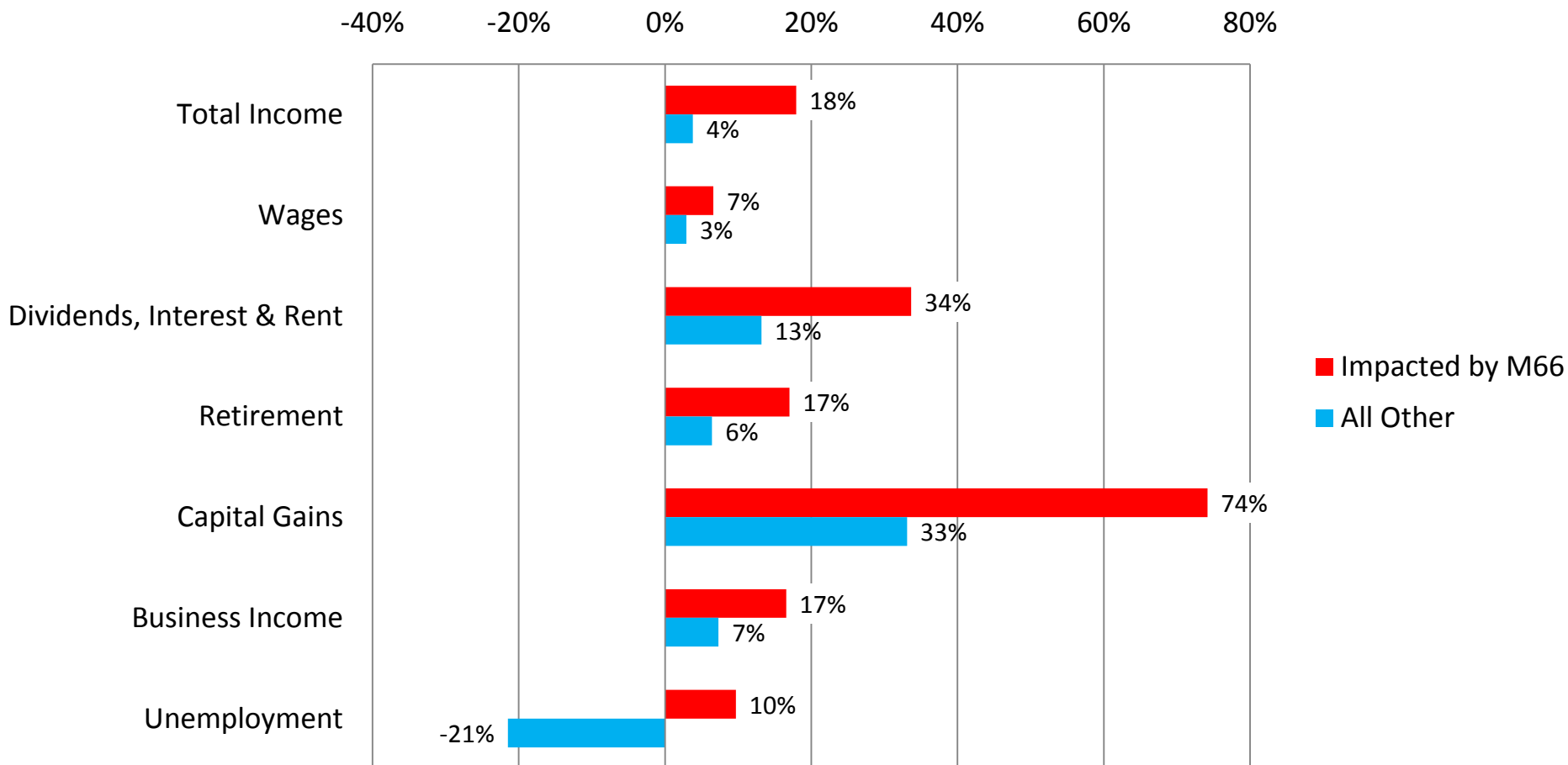




Boom in Investment Income

(Income Growth 2011-2012: Early Matched Tax Returns)

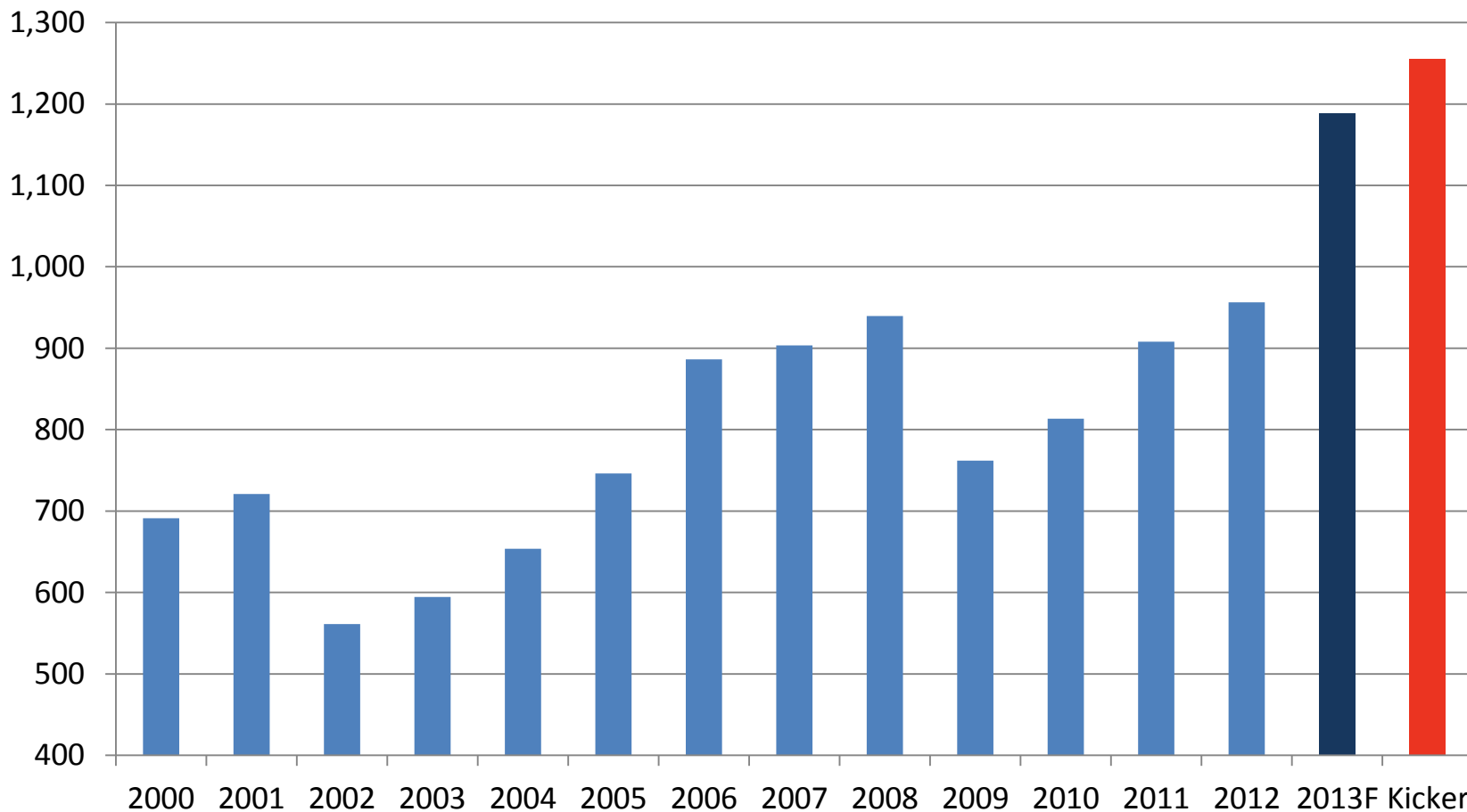
Income Growth 2011-2012: Early Matching Tax Returns





PIT Collections Over the Home Stretch

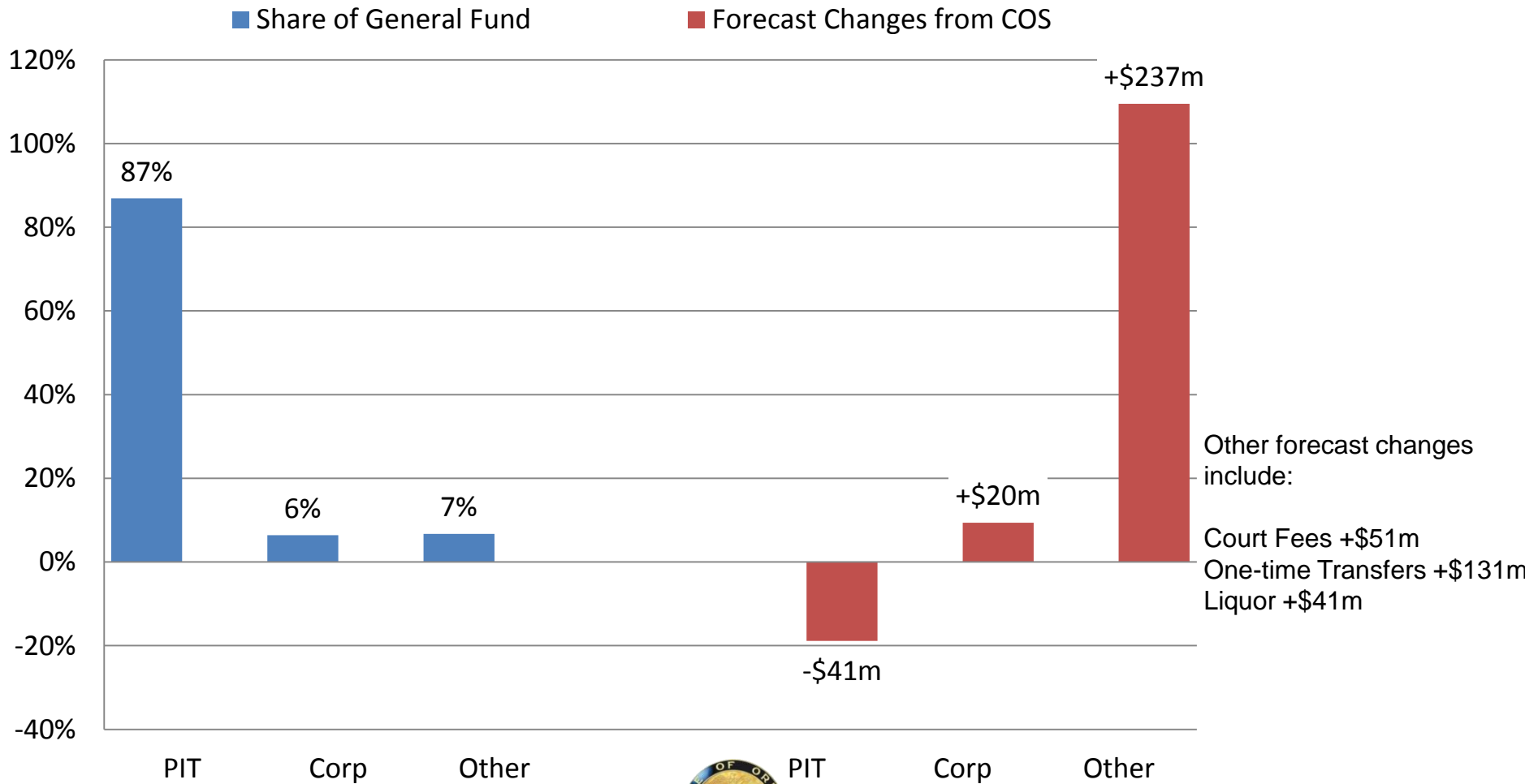
Personal Income Tax Revenues Received May 15-June 30
(\$millions)





Personal Income Tax Kicker Would Be a Misnomer

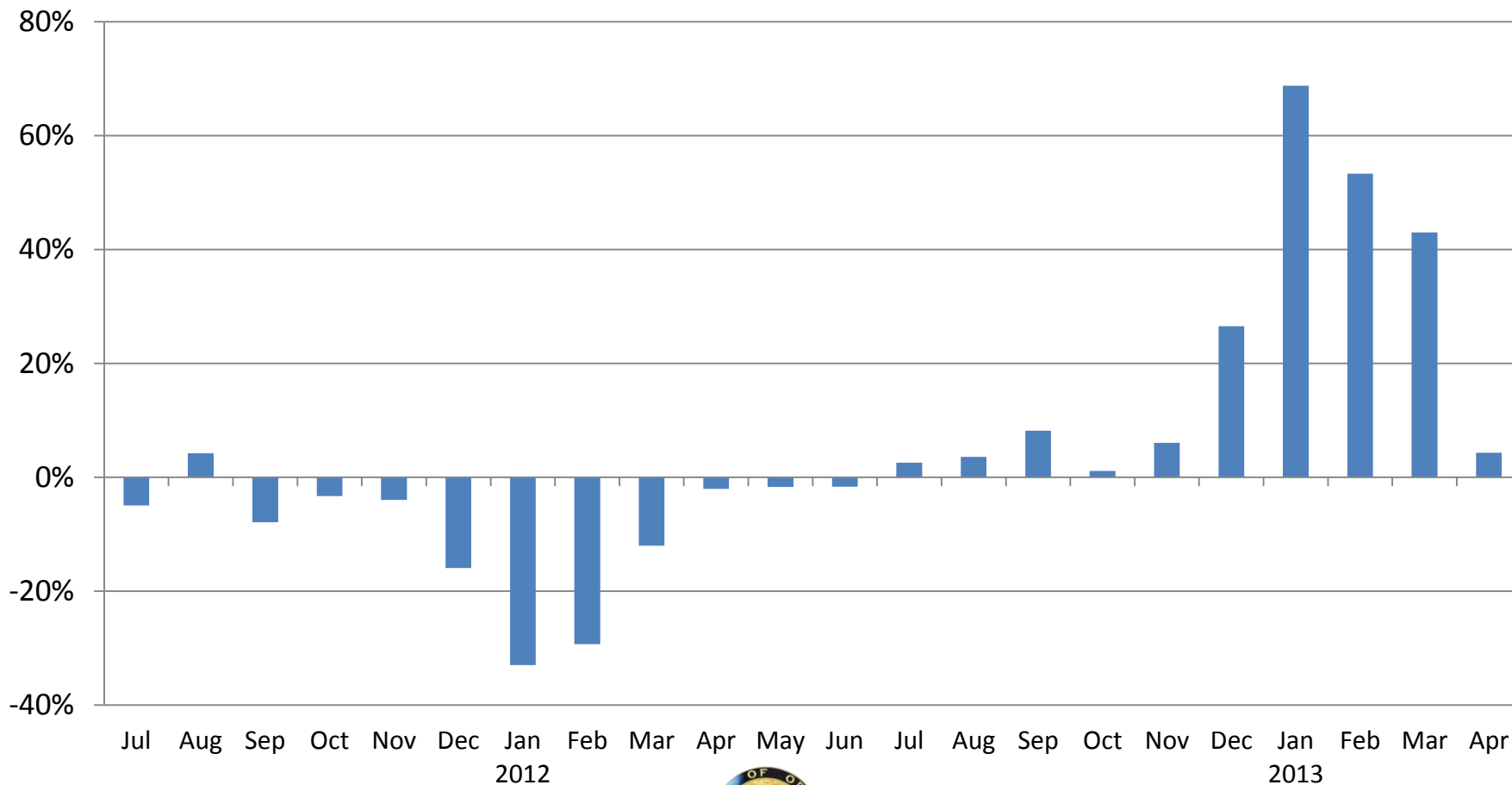
2011-13 General Fund Revenues





Corporate Taxes: Growth Stopped in April

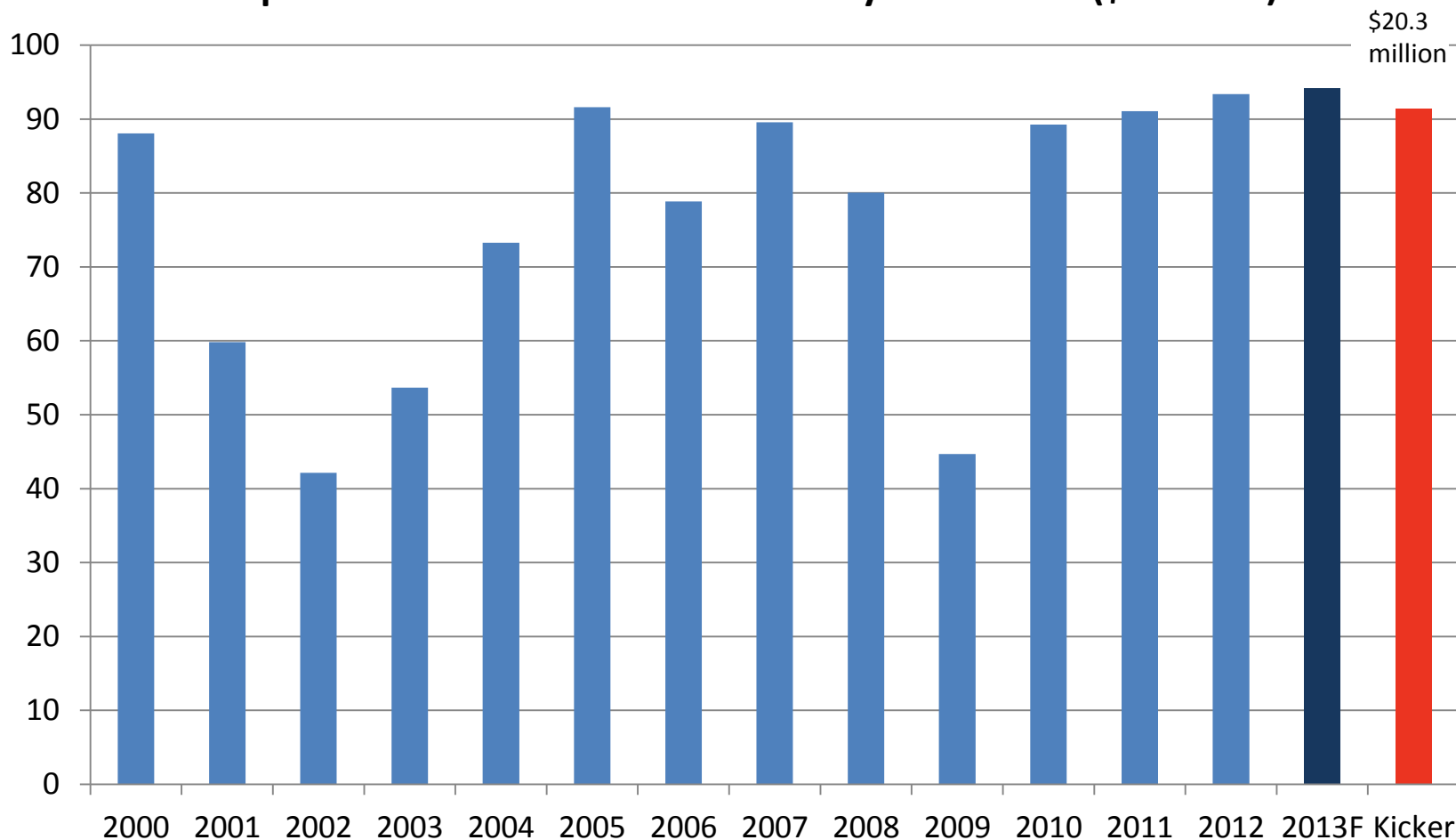
Corporate Excise Tax Collections
% change over year ago, 3 month moving sum





Corporate Tax Kicker Is in the Baseline--but Is not a Sure Thing

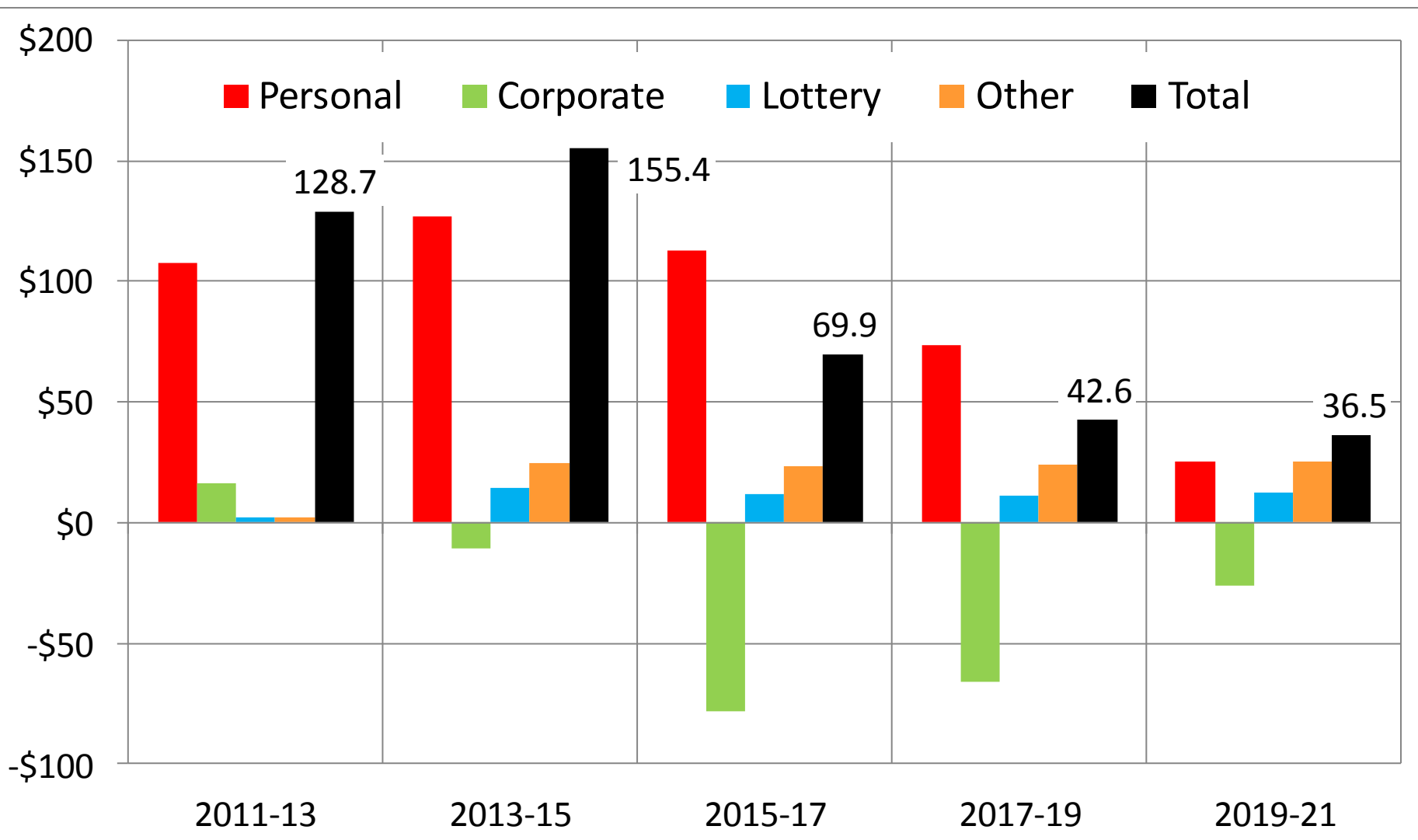
Corporate Tax Revenues Received May 15-June 30 (\$millions)





Forecast Changes

Difference from March forecast, \$ millions



May 2013 Forecast Summary

	2011-13 BN			2013-15 BN		
	Mar '13 Forecast	May '13 Forecast	Change	Mar '13 Forecast	May '13 Forecast	Change
Taxes						
Personal Income Taxes	12,044.9	12,152.7	107.8	13,452.7	13,579.5	126.8
Corporate Income Taxes	898.3	914.6	16.3	1,026.8	1,036.6	9.7
Other Taxes (Estate, Insurance, Tobacco)	443.3	441.6	(1.7)	445.4	446.3	0.9
Fines and Fees	279.6	285.5	5.9	258.8	270.9	12.1
All Other (Liquor, Interest, Misc, One-Time)	456.2	454.1	(2.1)	261.7	273.3	11.6
Offsets & Transfers	(12.0)	(12.0)	0.0	(101.5)	(120.8)	(19.3)
Net General Fund Revenues	14,110.3	14,236.5	126.3	15,343.8	15,485.7	141.8
Plus Beginning Balance	0.0	0.0	0.0	382.1	497.2	115.1
Less Anticipated Administrative Actions*	(4.4)	(4.4)	0.0	(18.2)	(18.2)	0.0
Legislatively Adopted Actions				(137.2)	(137.3)	(0.1)
Available Resources	14,105.9	14,232.1	126.3	15,570.4	15,827.3	256.8
Projected Expenditures	13,723.8	13,734.9	11.2			
Estimated Ending Balance	382.1	497.2	115.1			
Lottery Available Resources	1,079.7	1,082.1	2.4	1,045.0	1,059.6	14.6
Total Available Resources (GF + Lottery)	15,185.5	15,314.2	128.7	16,615.4	16,886.9	271.5
				Excluding beginning balance:		156.4

	2015-17 BN	2017-19 BN	2019-21 BN
Total Available Resources (GF + Lottery)	74.1	44.8	36.4

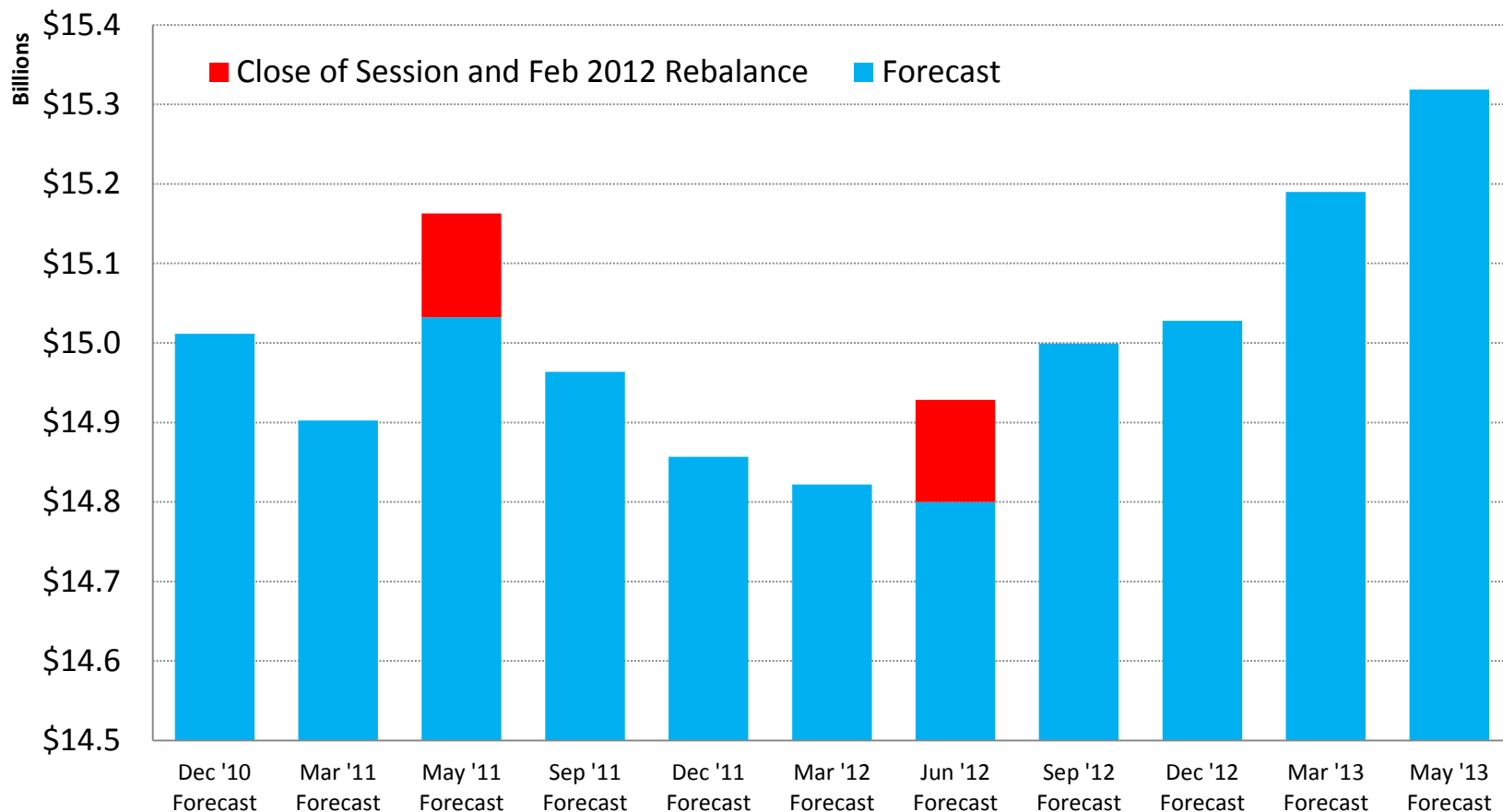




Saving the Best for Last

Forecast Evolution, Dec 2010 to May 2013

Combined General Fund and Lottery Fund Revenues (2011-13 BN)



10-Year Forecast

Table R.2

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

Revenue Source	Forecast 2009-11		Forecast 2011-13		Forecast 2013-15		Forecast 2015-17		Forecast 2017-19		Forecast 2019-21		Forecast 2021-23	
	Biennium	% Chg	Biennium	% Chg	Biennium	% Chg	Biennium	% Chg	Biennium	% Chg	Biennium	% Chg	Biennium	% Chg
Personal Income Taxes	10,467.2	3.7%	12,152.7	16.1%	13,579.5	11.7%	15,312.8	12.8%	16,789.4	9.6%	18,497.0	10.2%	20,411.8	10.4%
Corporate Income Taxes	827.6	20.9%	914.6	10.5%	1,036.6	13.3%	1,004.0	-3.1%	974.0	-3.0%	1,005.0	3.2%	1,096.7	9.1%
All Others	1,226.6	29.8%	1,181.2	-3.7%	990.5	-16.1%	1,047.5	5.8%	1,116.2	6.6%	1,201.7	7.7%	1,277.2	6.3%
Gross General Fund	12,521.4	6.8%	14,248.5	13.8%	15,606.5	9.5%	17,364.2	11.3%	18,879.6	8.7%	20,703.7	9.7%	22,785.7	10.1%
<i>Offsets and Transfers</i>	-		(12.0)		(120.8)		(116.3)		(82.2)		(44.7)		(47.3)	
Net Revenue	12,521.4	-2.2%	14,236.5	13.7%	15,485.7	8.8%	17,247.9	11.4%	18,797.4	9.0%	20,659.0	9.9%	22,738.3	10.1%

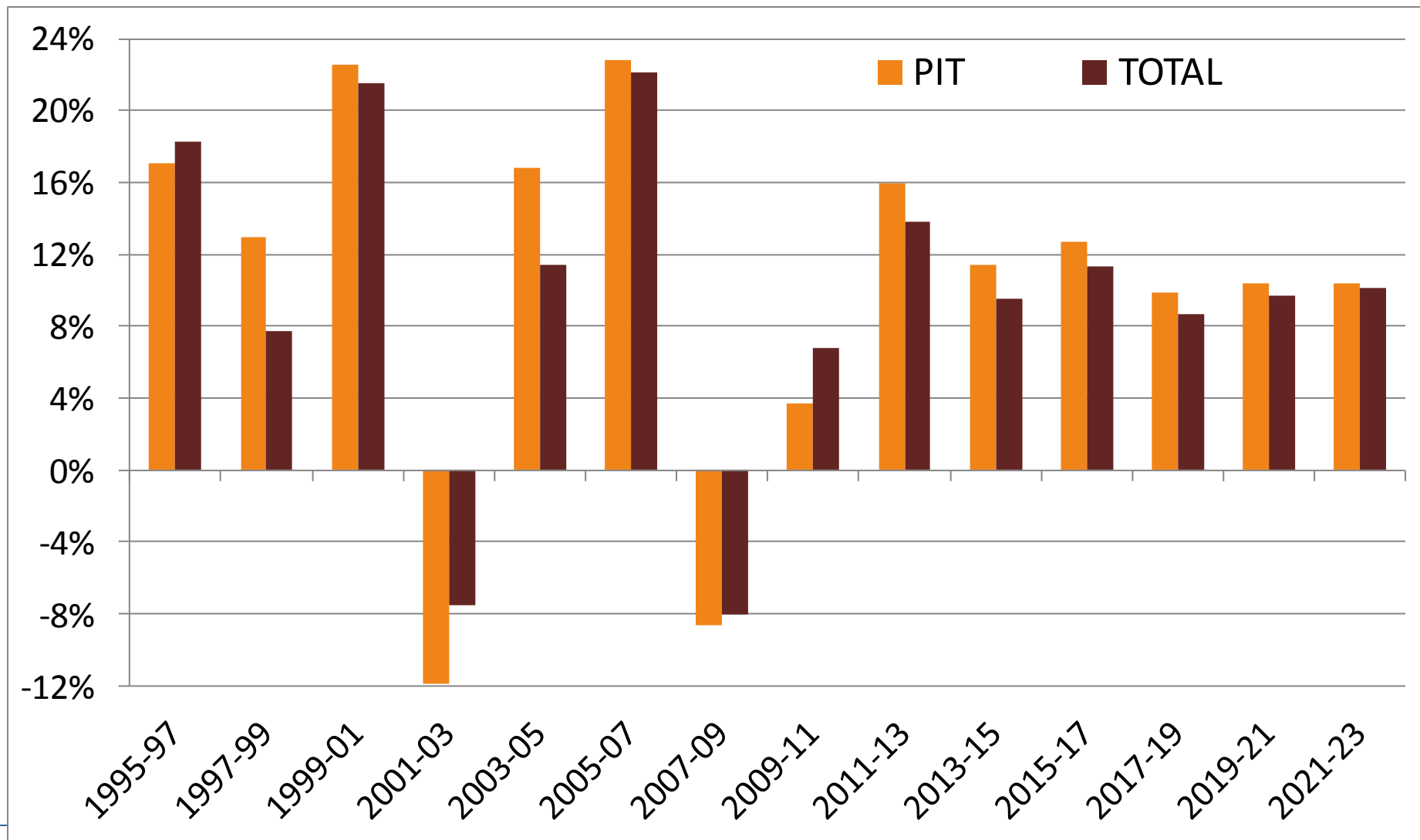
Other taxes include General Fund portions of the Eastern Oregon Severance Tax, Western Oregon Severance Tax and Amusement Device Tax.

Commercial Fish Licenses & Fees and Pari-mutual Receipts are included in Other Revenues





Biennial Revenue Growth





For More Information

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