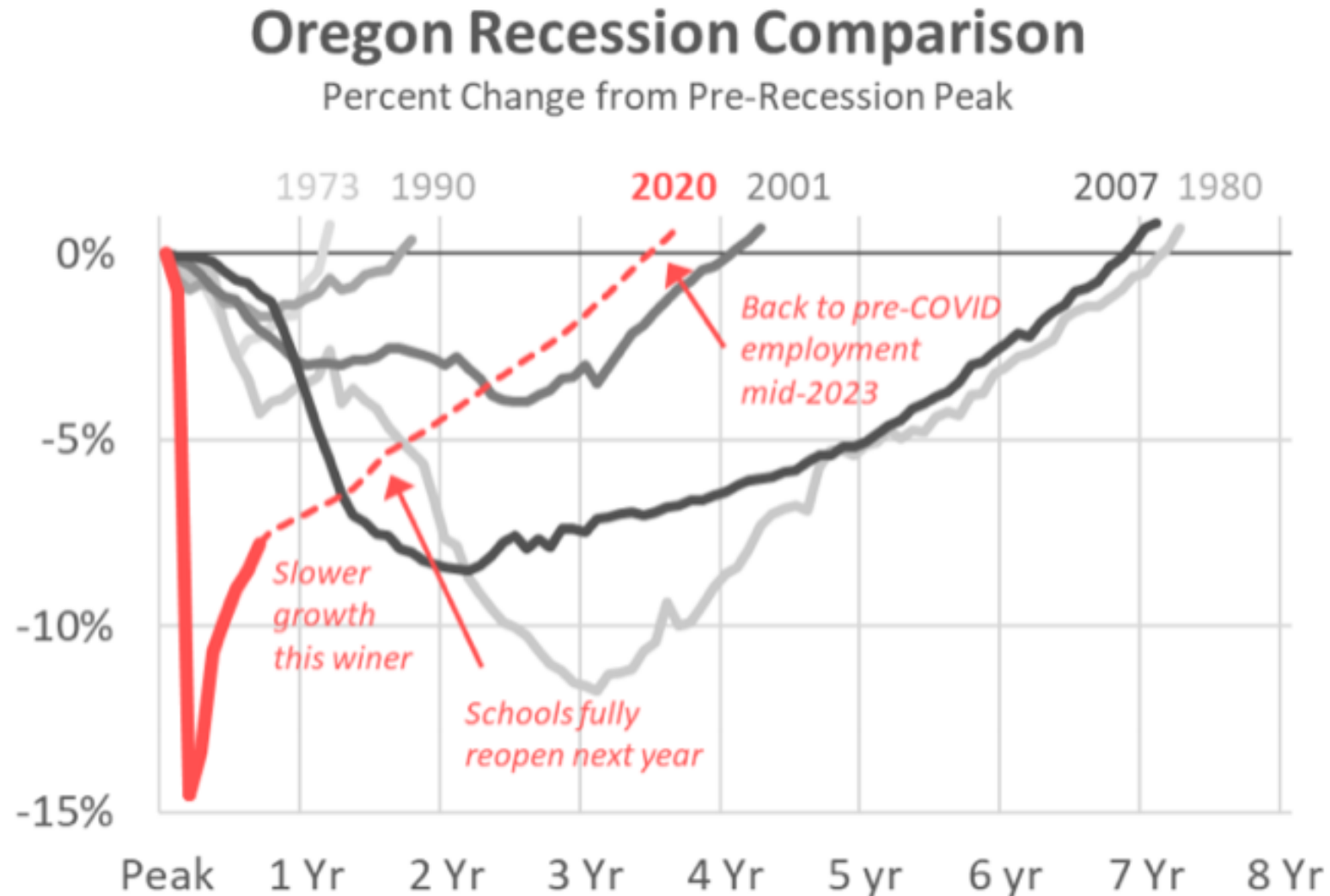

CityObservatory

The Covid Recession: Outlook for Oregon

**Joe Cortright
December 2020**

CityObservatory

The square root recession

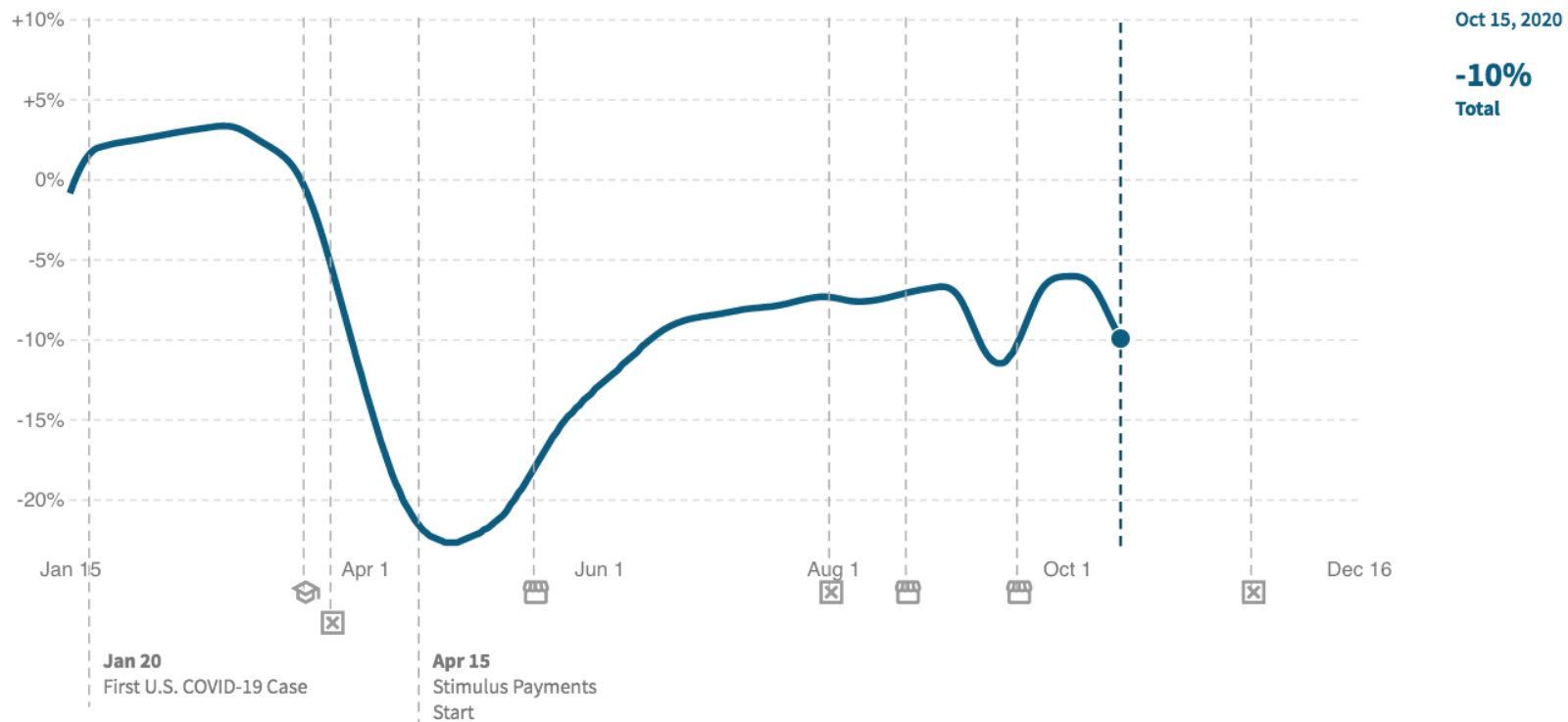


Source: Oregon Employment Department, Oregon Office of Economic Analysis

Could be a “W” recession

Percent Change in Employment*

In **Oregon**, as of **October 15 2020**, employment rates **decreased** by **10%** compared to January 2020 (not seasonally adjusted).



*Change in employment rates (not seasonally adjusted), indexed to January 4-31, 2020. This series is based on payroll data from Paychex and Intuit, worker-level data on employment and earnings from Earnin, and timesheet data from Kronos. The dotted line in the low-wage series is a prediction of employment rates based on Kronos data.

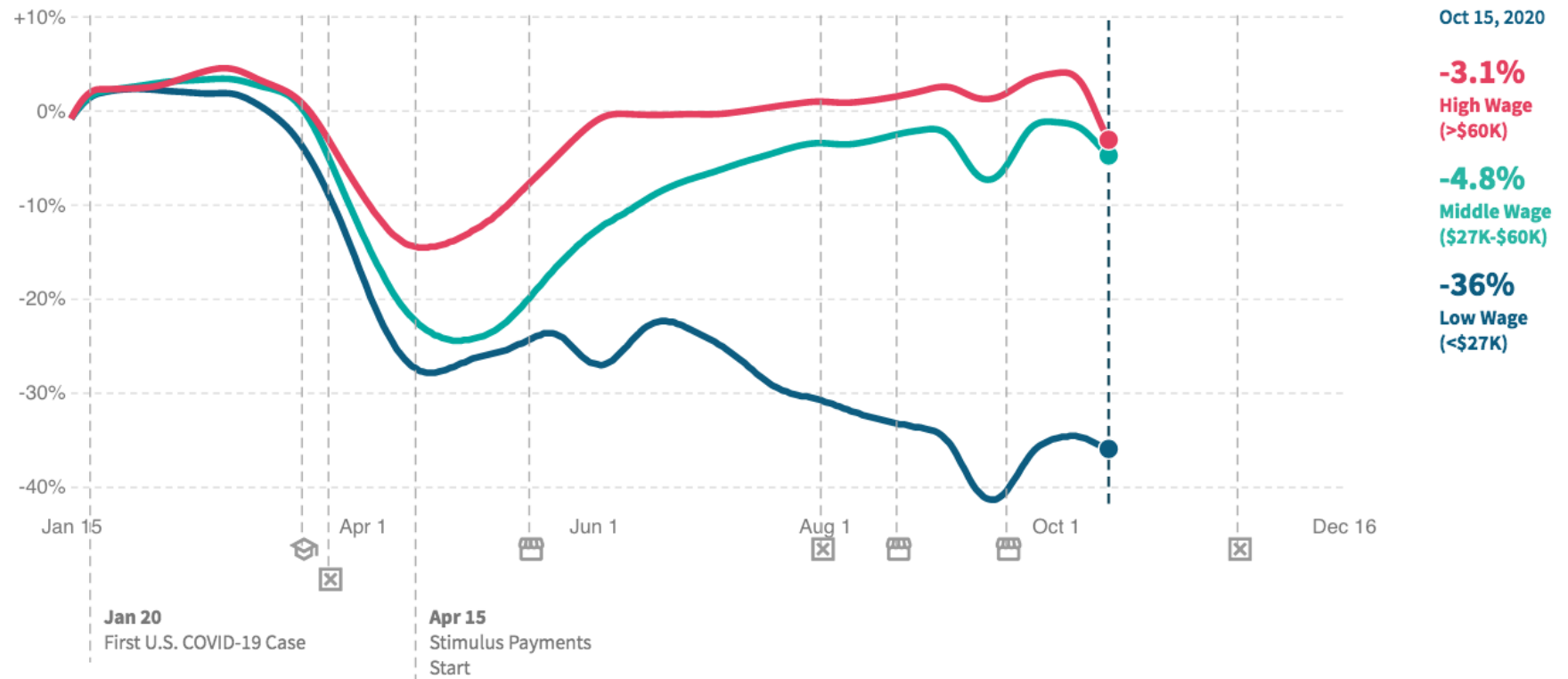
last updated: **December 14, 2020** next update expected: **December 18, 2020**

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A K-shaped recession

Percent Change in Employment*

In **Oregon**, as of **October 15 2020**, employment rates among workers in the bottom wage quartile **decreased** by **36%** compared to January 2020 (not seasonally adjusted).



*Change in employment rates (not seasonally adjusted), indexed to January 4-31, 2020. This series is based on payroll data from Paychex and Intuit, worker-level data on employment and earnings from Earnin, and timesheet data from Kronos. The dotted line in the low-wage series is a prediction of employment rates based on Kronos data.

last updated: **December 14, 2020** next update expected: **December 18, 2020**

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Job loss much worse in services

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ECONOMIC TRACKER

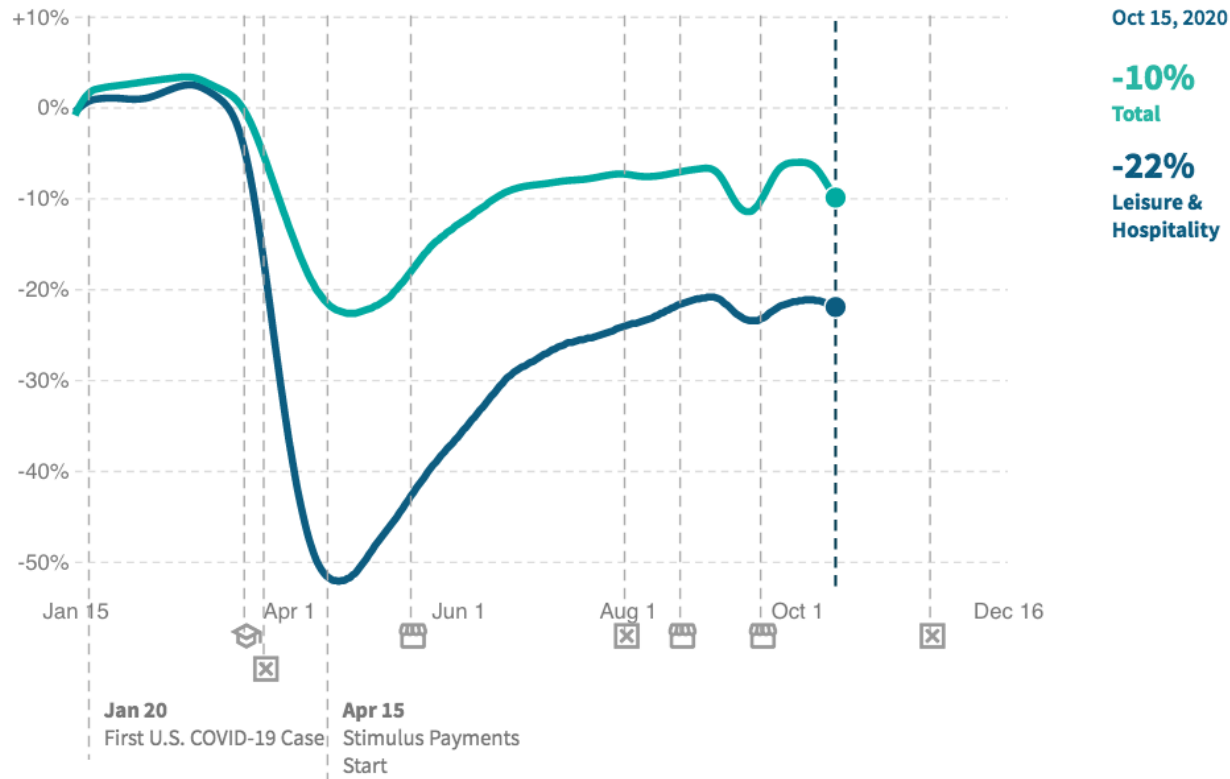
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GATES foundation

Percent Change in Employment*

In **Oregon**, as of **October 15, 2020**, employment rates in leisure and hospitality **decreased** by **22%** compared to January 2020 (not seasonally adjusted).



*Change in employment rates (not seasonally adjusted), indexed to January 4-31, 2020. This series is based on payroll data from Paychex and Intuit, worker-level data on employment and earnings from Earnin, and timesheet data from Kronos. The dotted line in the low-wage series is a prediction of employment rates based on Kronos data.

last updated: **December 14, 2020** next update expected: **December 18, 2020**

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Spending collapsed, stimulus worked

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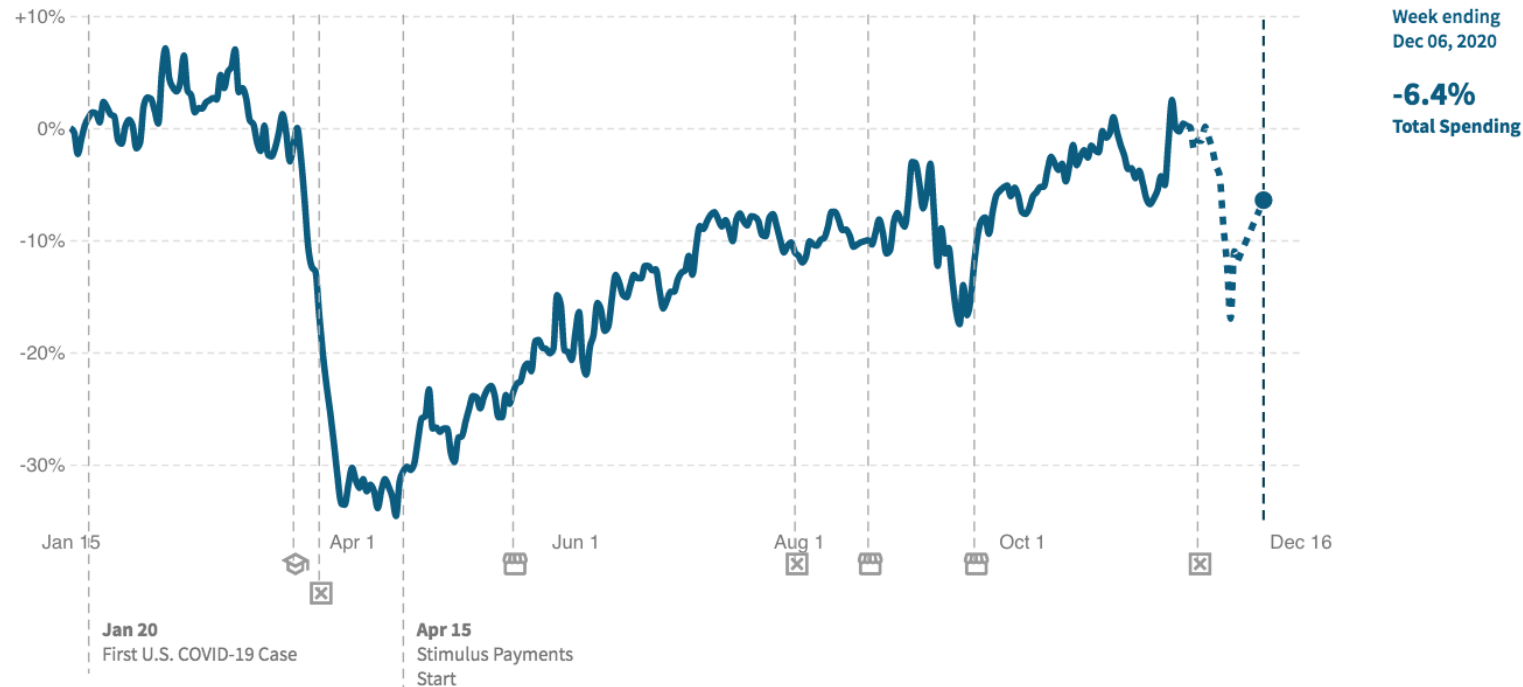
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Percent Change in All Consumer Spending*

In **Oregon**, as of **December 06, 2020**, total spending by all consumers **decreased** by **6.4%** compared to January 2020.



*Change in average consumer credit and debit card spending, indexed to January 4-31, 2020 and seasonally adjusted. The dashed segment of the line is provisional data, which may be subject to non-negligible revisions as newer data is posted. This series is based on data from Affinity Solutions.

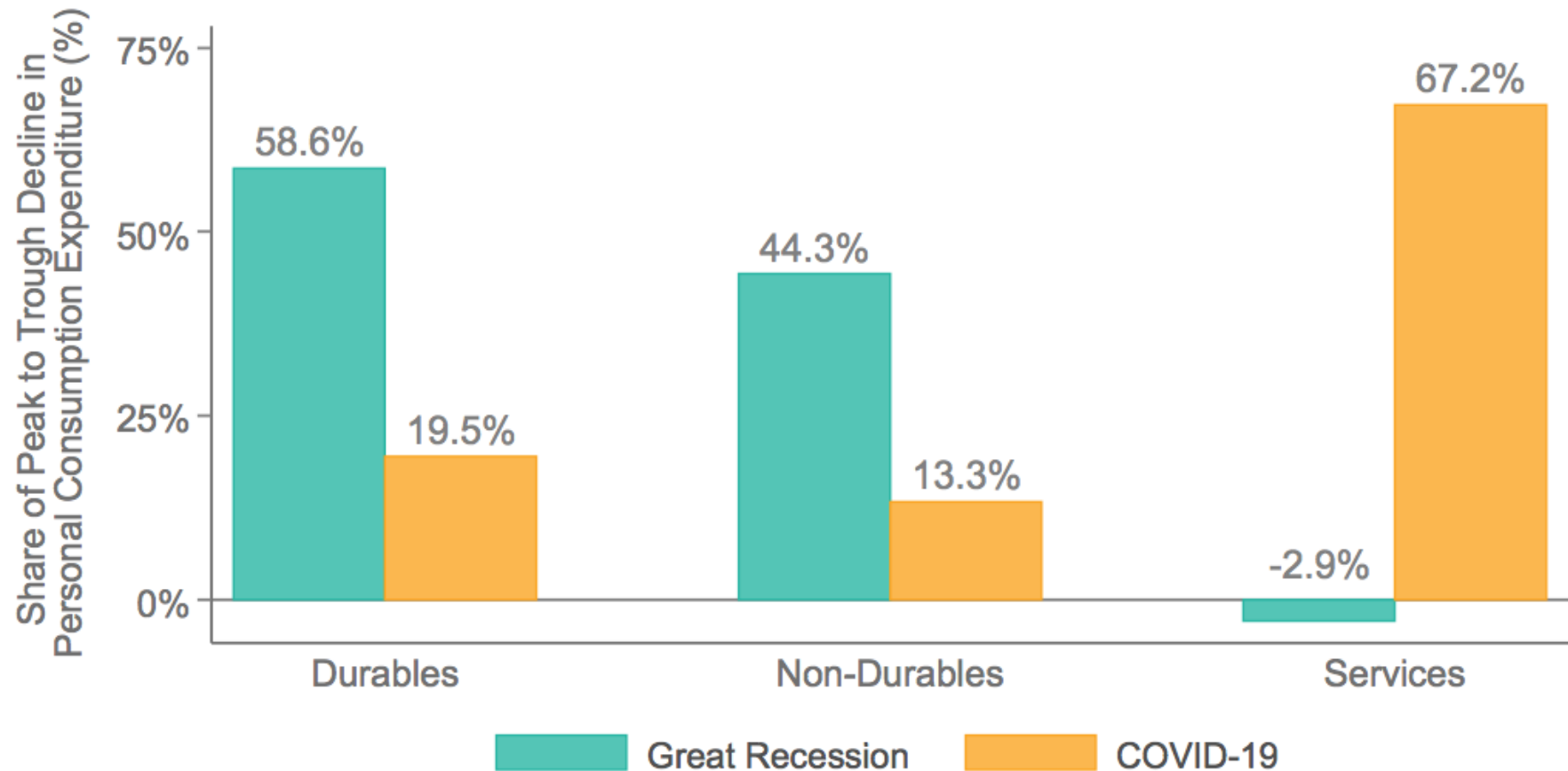
last updated: **December 15, 2020** next update expected: **December 30, 2020**

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A services recession

Change in Consumer Spending by Sector

COVID vs Great Recession



Restaurant spending

do

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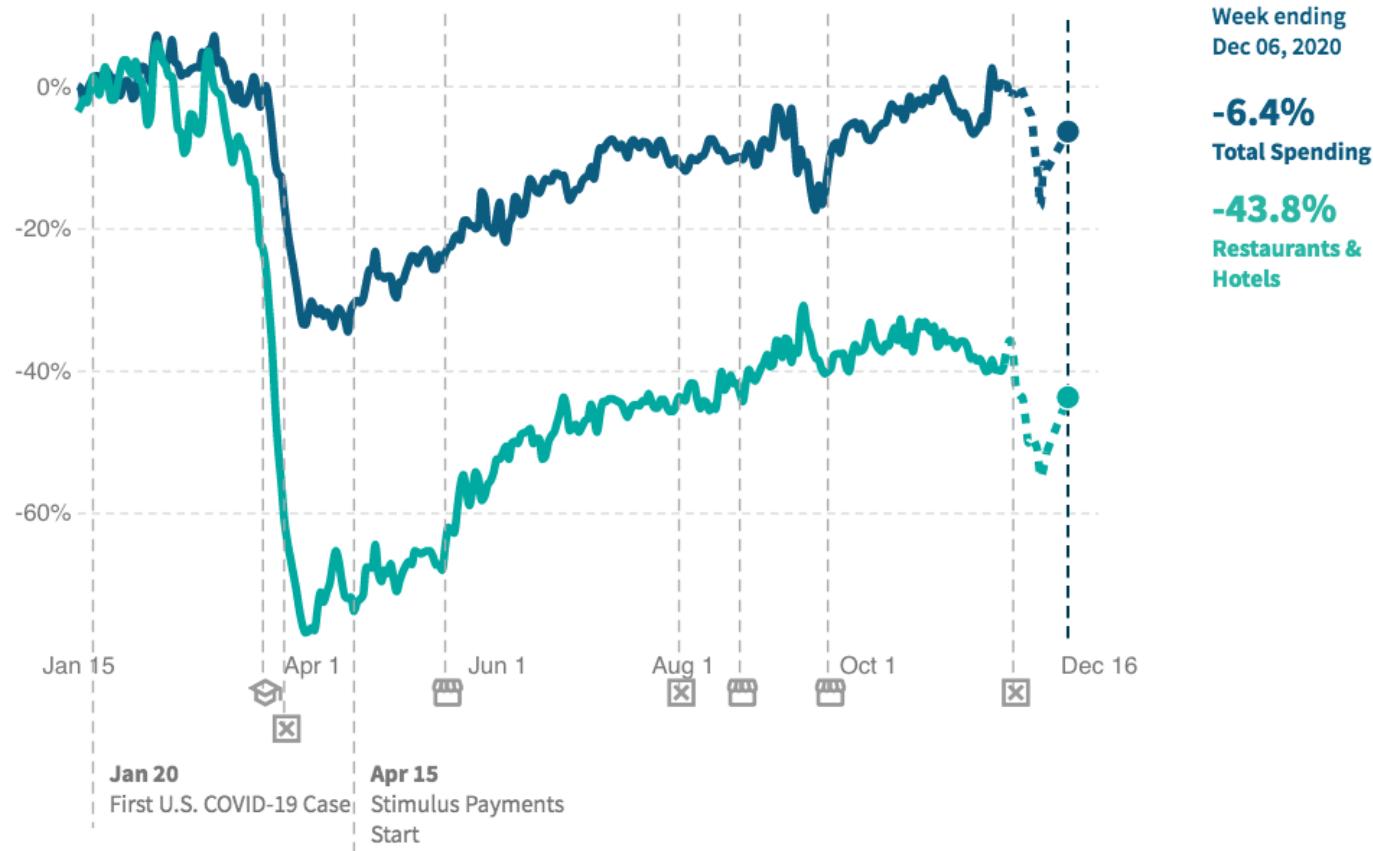
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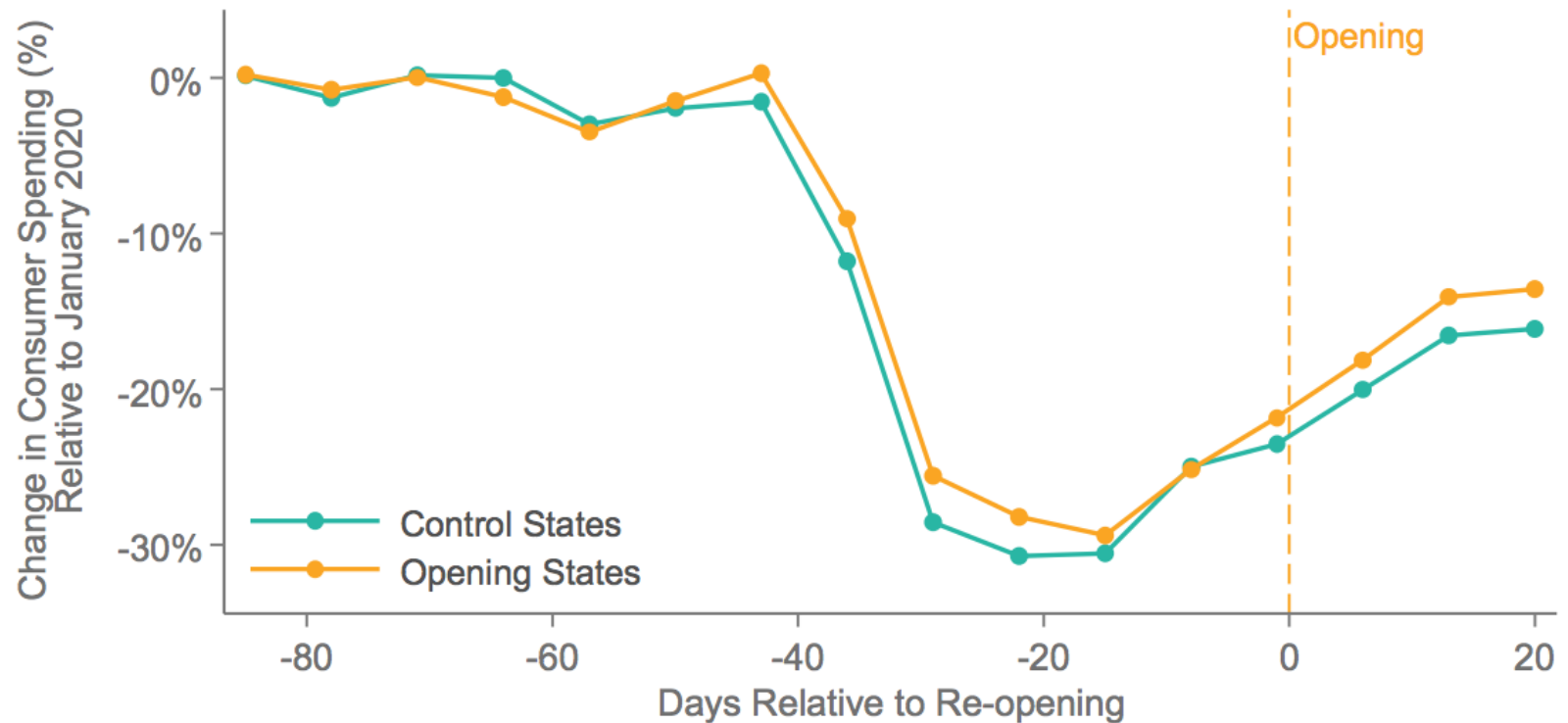
last updated: December 15, 2020 next update expected: December 30, 2020

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The Covid cycle is the business cycle

Causal Effects of Re-Openings on Economic Activity: Event Studies

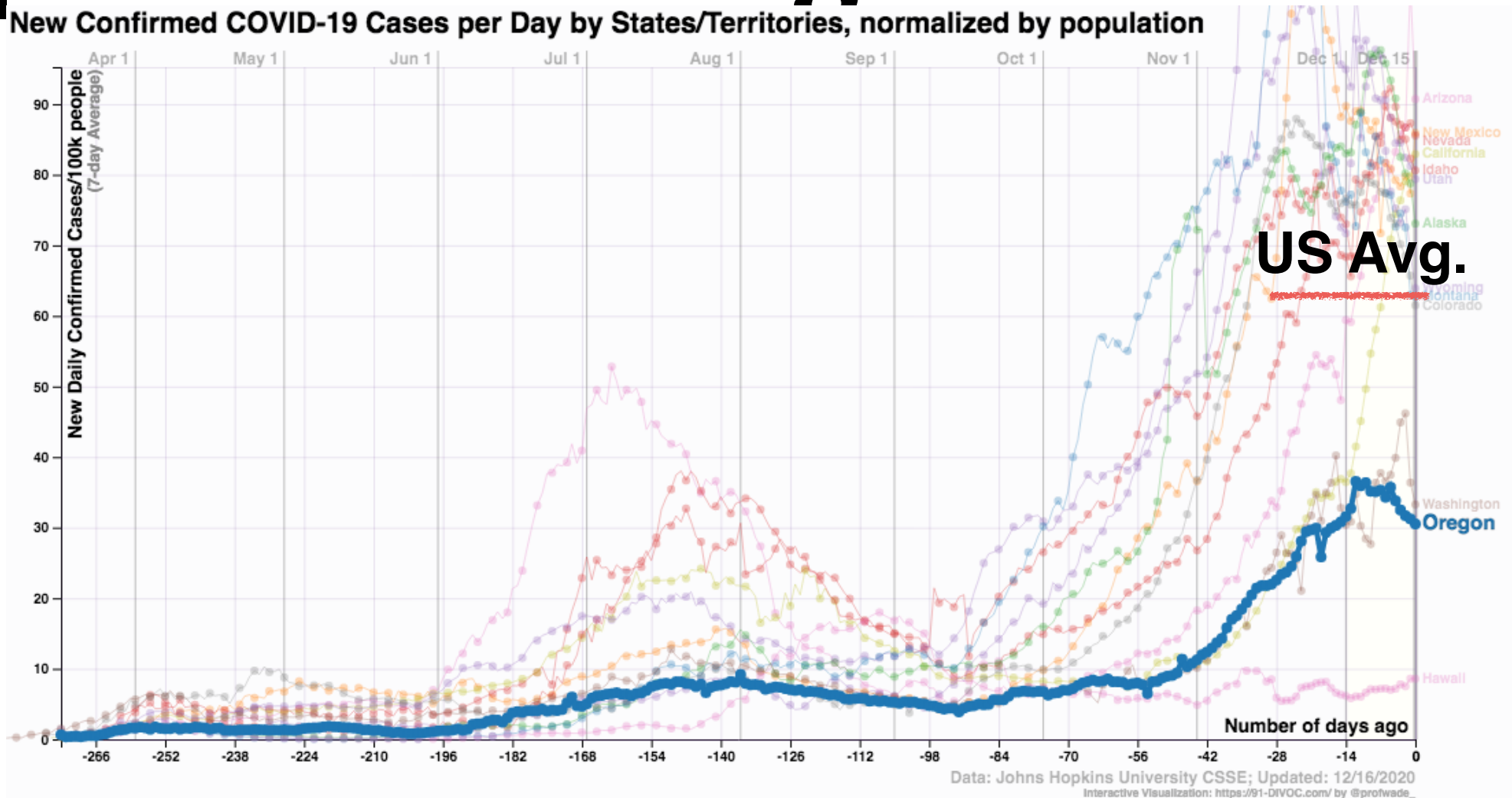
Re-Opened States vs. Control States: Consumer Spending



Diff-in-Diff Estimate: +1.43p.p. (s.e. = 0.51)

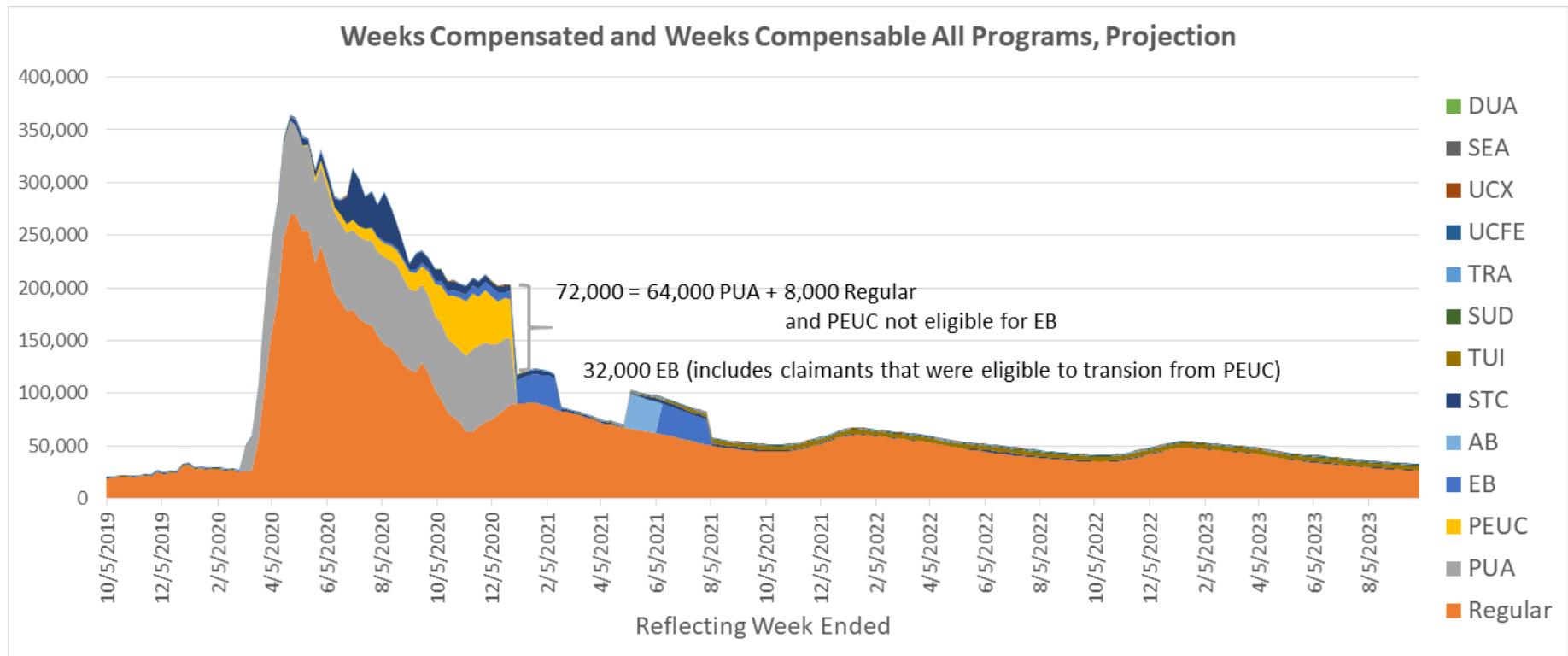
Third wave may have peaked in Oregon

New Confirmed COVID-19 Cases per Day by States/Territories, normalized by population

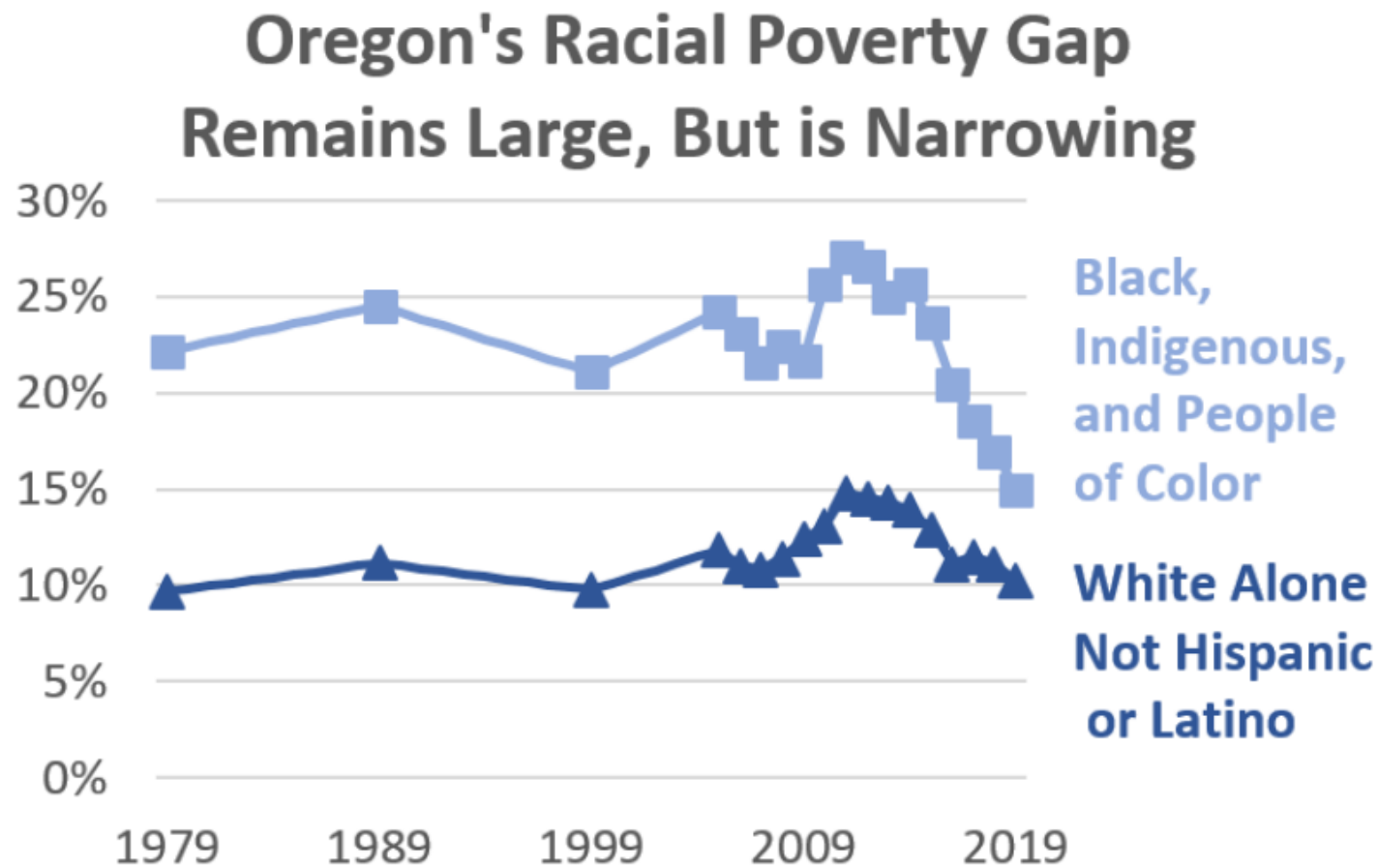


City

A cliff for many



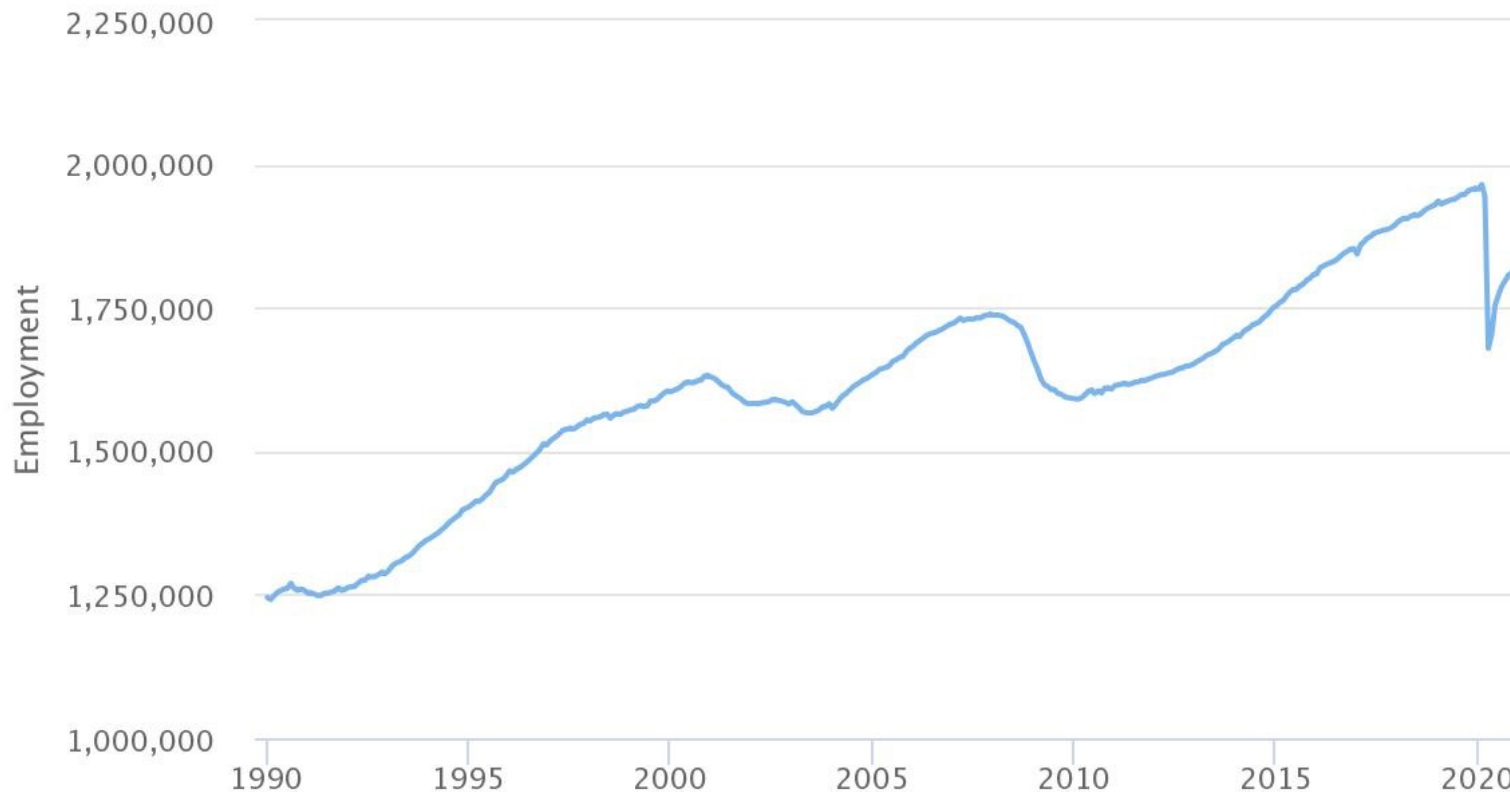
Strong economy helps equity



Source: Census, IPUMS-USA, Oregon Office of Economic Analysis

Recession in perspective

Oregon
Total nonfarm employment
(seasonally adjusted)

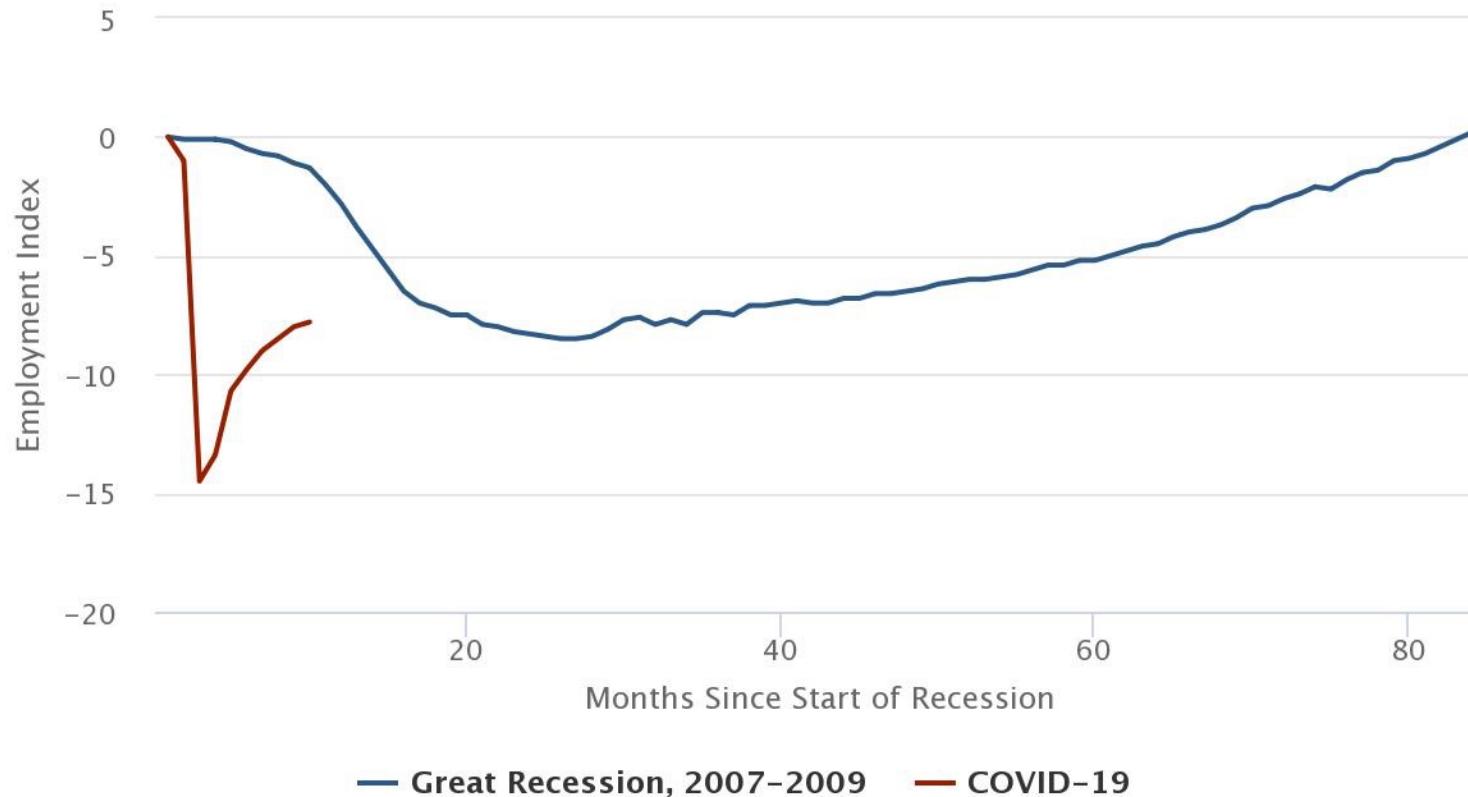


Source: Oregon Employment Department QualityInfo.org

Latest Employment Report

COVID-19 Job Changes Compared to Great Recession Job Changes

by Industry
Total Nonfarm, Oregon

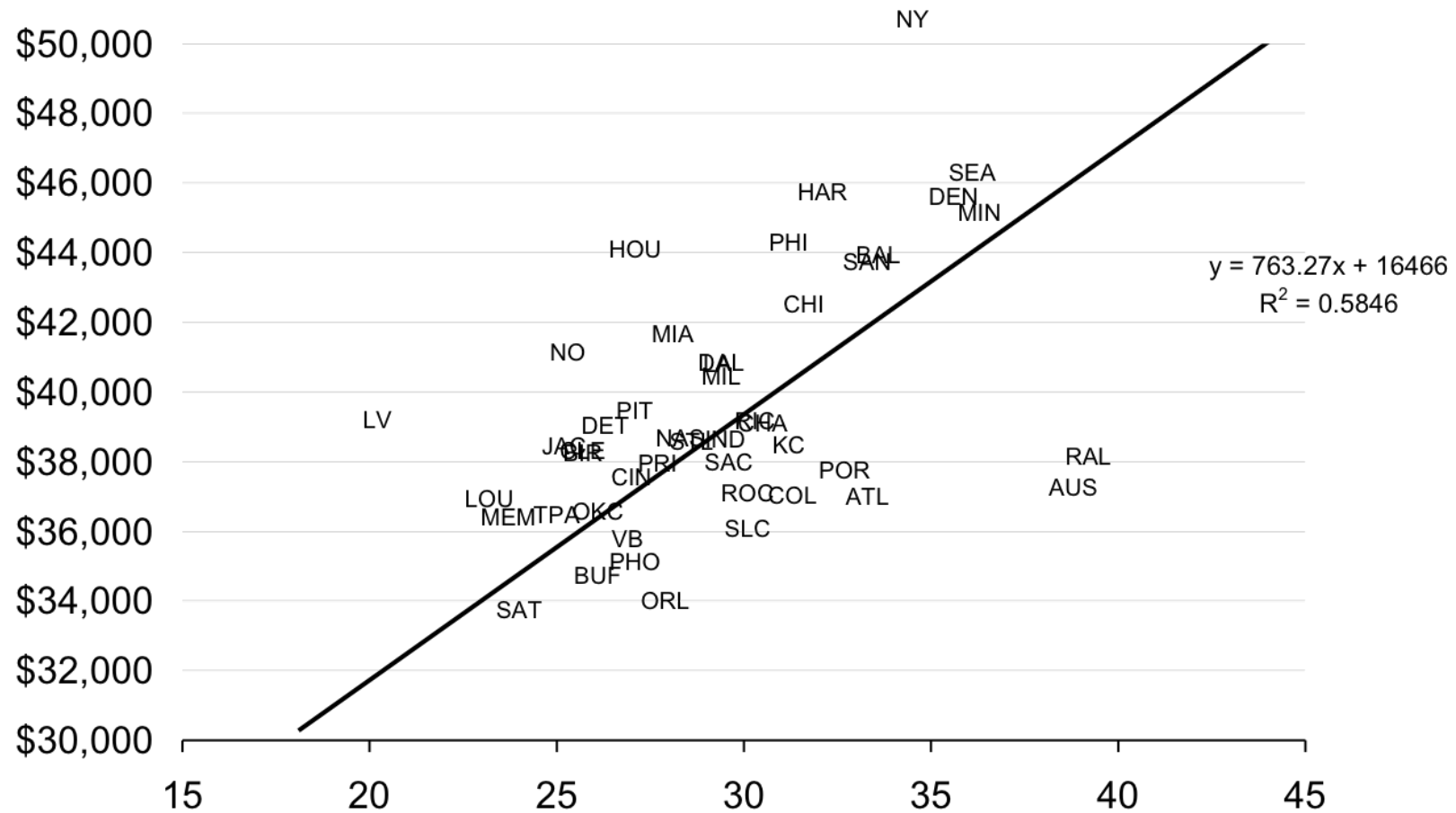


Source: Oregon Employment Department QualityInfo.org

Talent Matters

Education Explains Most Differences in Metro Income

Annual Per Capita Income, 2005



Percent of Population with a 4-Year College Degree, 2006

Sources: BEA (Income), Census (Education)