

# Restoring Oregon's Competitiveness

House Economic Development and Small Business Committee  
May 30, 2024



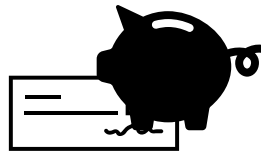


**Oregon Business & Industry exists to strengthen Oregon's economy in order to achieve a healthy, prosperous and competitive Oregon for the benefit of present and future generations.**



We Believe:

**Everything we want to accomplish as a society begins with a healthy, prosperous private sector.**



INDIVIDUAL  
PROSPERITY



PHILANTHROPY



GOVERNMENT  
SERVICES



COMMUNITY  
VITALITY



# First Principals First:

## We all love Oregon..

- ✓ It's uniquely beautiful.
- ✓ It has a rich history and a tremendous diversity of people, cultures, communities and businesses.
- ✓ Yes, we are often passive aggressive... but at least we have polite drivers. 😊
- ✓ **It's home.**



# But Oregon is struggling.

- Significant increase in tax burdens.
- Stagnant population growth.
- National reputation.
- Poor business and regulatory climate rankings.
- High cost of living and low housing affordability.
- State spending growth outpacing GDP growth.
- Lackluster results for state spending.



# Loss of competitive footing.

- Oregon's business tax burden increased by more than 40% since 2019 – *Ernst & Young*
- Portland has second highest marginal income rate in nation – *Ernst & Young*
- Portland area businesses have experienced 32% increase in local taxes since 2019 – *Ernst & Young*
- Oregon's business tax burden higher than most peer states, including Washington, Idaho and California – *Ernst & Young*
- Oregon has gone from business tax climate of 9<sup>th</sup> in 2014, to 24<sup>th</sup> in 2024 – *Tax Foundation*
- Oregon's corporate tax rank went from 30<sup>th</sup> in 2014 to 49<sup>th</sup> in 2024 - *Tax Foundation*



# 2024 Oregon Competitiveness “Red Book”

- Oregon ranks 6<sup>th</sup> in quality of life, but 48<sup>th</sup> in cost of living – *CNBC*
- Oregon ranks 2<sup>nd</sup> in unemployment taxes as % of wages – *US Dept of Labor*
- Oregon ranks 8<sup>th</sup> in both industrial and residential energy costs, and 7<sup>th</sup> in commercial energy costs – *US Dept of Energy*
- Oregon ranks 41<sup>st</sup> in business openings and 11<sup>th</sup> in business closings – *US Bureau of Labor Statistics*
- Oregon ranks 41<sup>st</sup> in home ownership – *US Census Bureau*. While Metro area ranks 11<sup>th</sup> in home cost relative to income – *Harvard/Joint Center for Housing Studies*
- Portland ranks 1<sup>st</sup> in effective property tax rate on primary residence in state’s largest city – *Lincoln Institute of Land Policy*

**We can no longer rely on “but it’s a great place to live.”**



# So, what have we done about it?

For more than 40 years we've said '**NO**'

- No anti-business laws
- No overburdensome regulations
- No more taxes
- No anti-business candidates or ballot measures

**And look where that's got us.**



# OBI's Statewide Growth Initiative

## 2025 Growth & Innovation Roadmap

- Working with stakeholders, legislators, policy leaders, media and public.
- Creating and promoting a positive, pro-growth, pro-innovation, legislative policy agenda for 2025.
- Designed to improve Oregon's business climate, strengthen the state's economy, improve Oregon's competitive position, and create and sustain family-wage career jobs.



# 2025 Growth & Innovation Roadmap



## **Competitive Vitality**

- Tax reform & Incentives
- Economic Development

## **Workforce & Livability**

- Workforce Development
- Housing Availability/Affordability
- Public Safety

## **Fewer Barriers to Success**

- Regulatory Modernization
- Land Use Reform
- Culture/mindset that recognizes value of business



# Final thoughts..

- In 2023, you passed the most important economic development policy package in the history of Oregon in SB 4 and parts of HB 2009.
- Legacy legislation: Beach Bill, Bottle Bill, SB 100, and now the ***Oregon Chips Act***.
- Ensures that Oregon will remain the capitol of semiconductor research & development going forward.
- Bipartisan and bicameral. The Oregon Way.
- Please take this same approach for all Oregon manufacturing businesses.



# Thank you!

**Scott Bruun**

[scottbruun@oregonbusinessindustry.com](mailto:scottbruun@oregonbusinessindustry.com)