

# State of the State Economy: Things to Think About

February 4, 2013  
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Salem, Oregon

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“Credit Buying is Much Like  
Being Drunk. The Buzz  
Happens Immediately and  
Gives You a Lift...

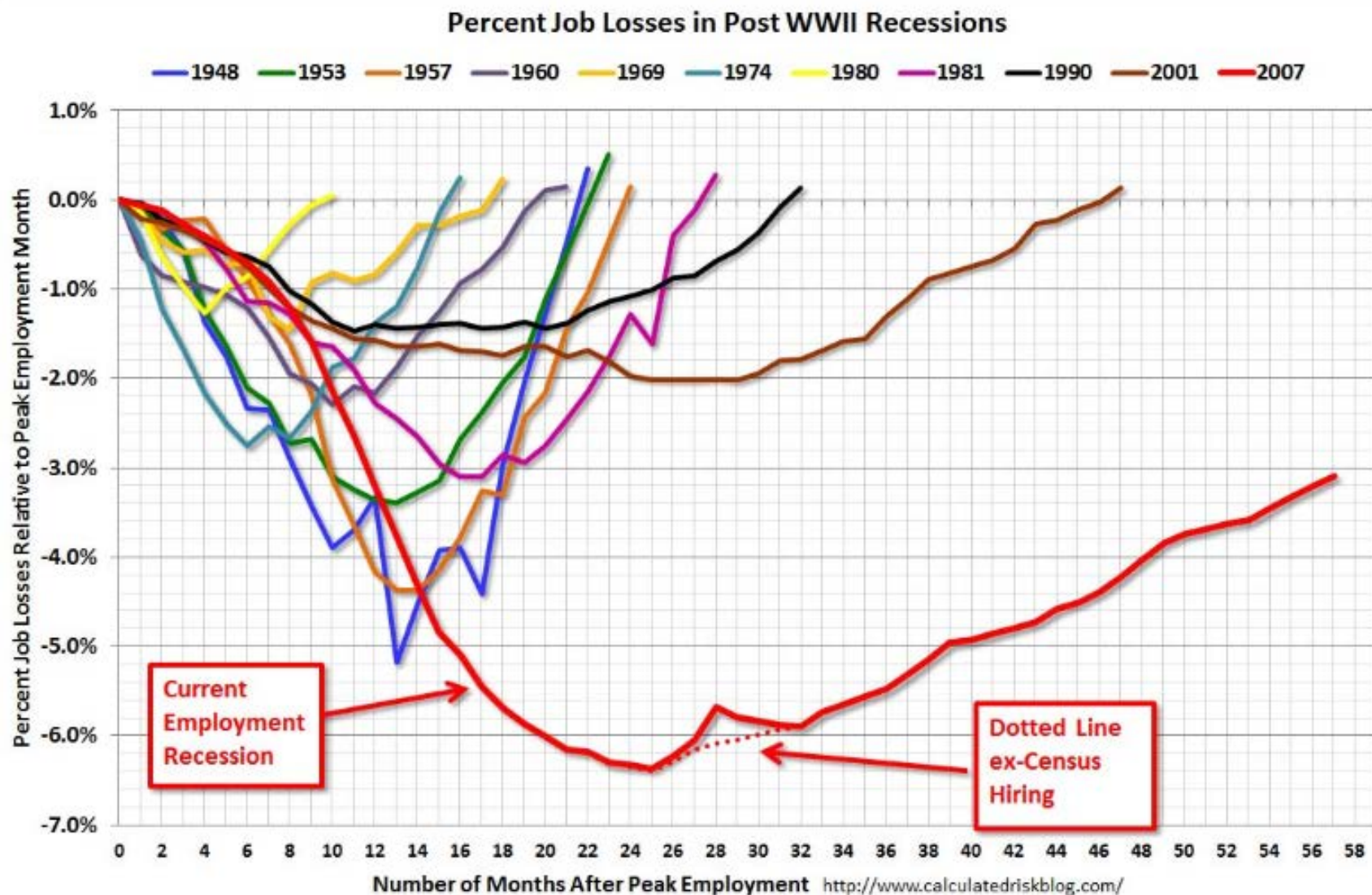
The Hangover Comes the Day  
After.”

# Long Haul Following Financial Crises

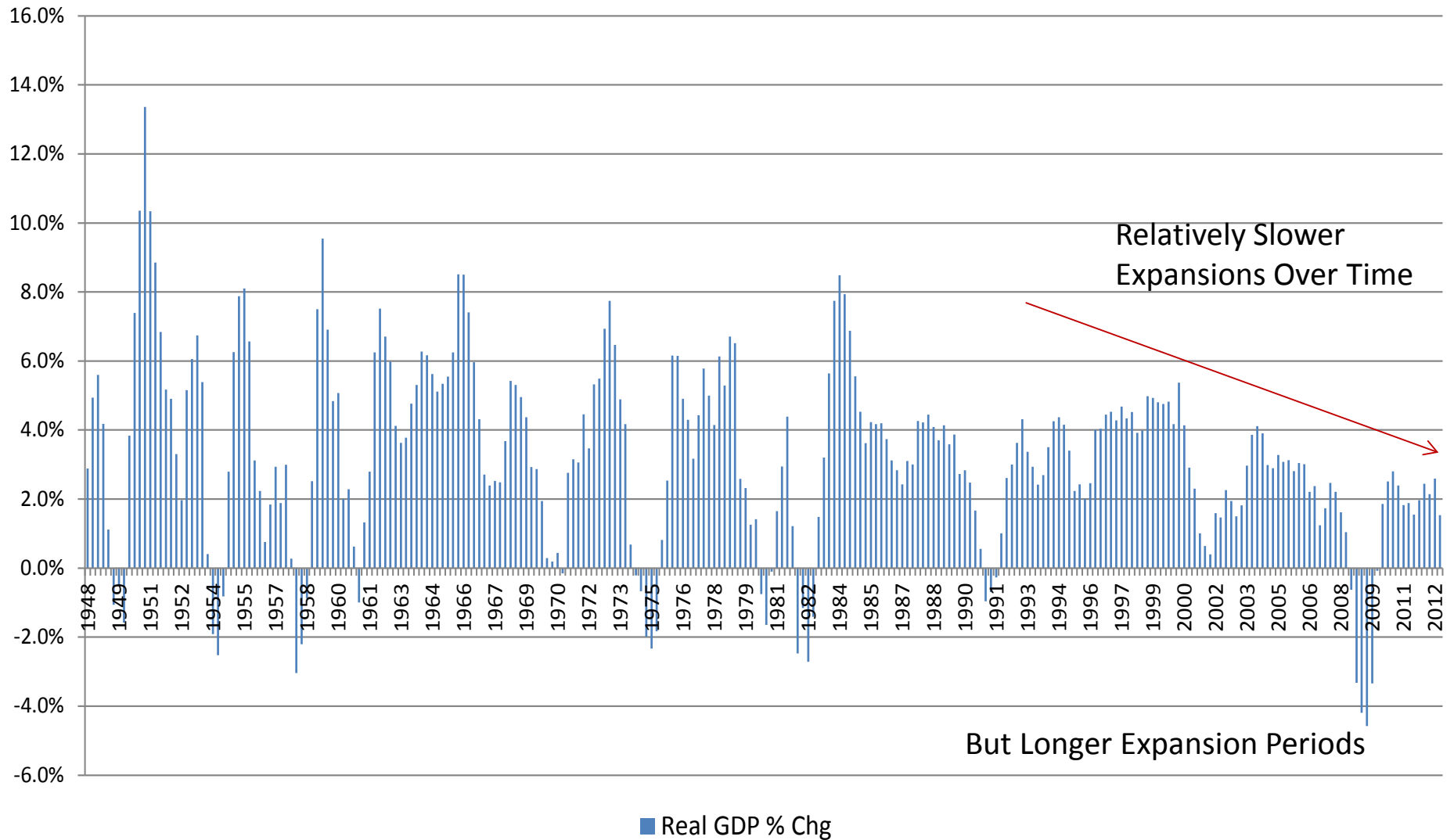
- History tells us that economies take a long time to recover from financial crises.
- Financial sector is a part of all markets, providing the communication link that allows goods and services to be produced and sold.
- This breakdown in “communications” is slowly coming back, and thus the economy is slowly coming back.

# U.S. Employment Losses

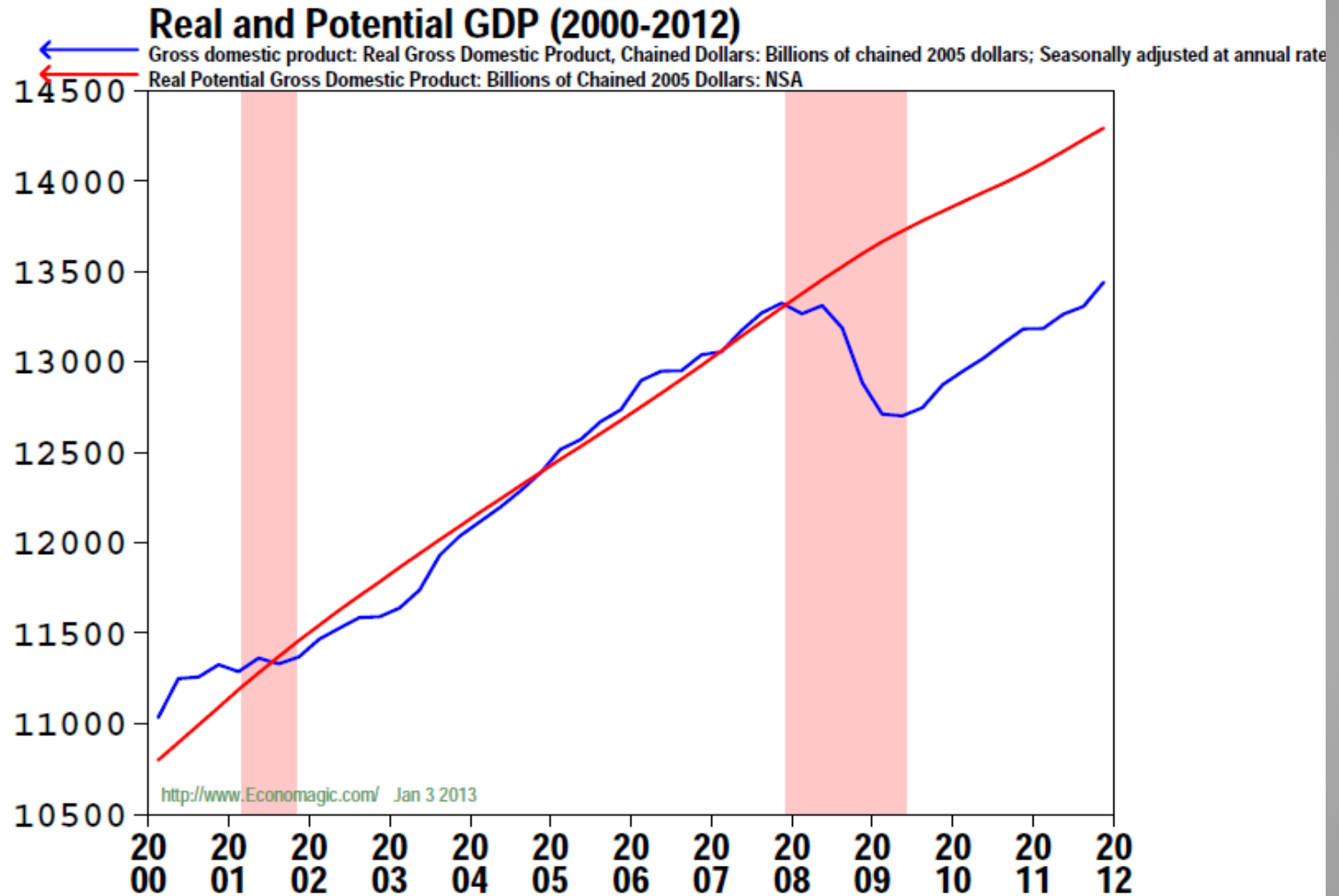
(through December 2012)



# Quarterly Real GDP Year over Year Percentage Change



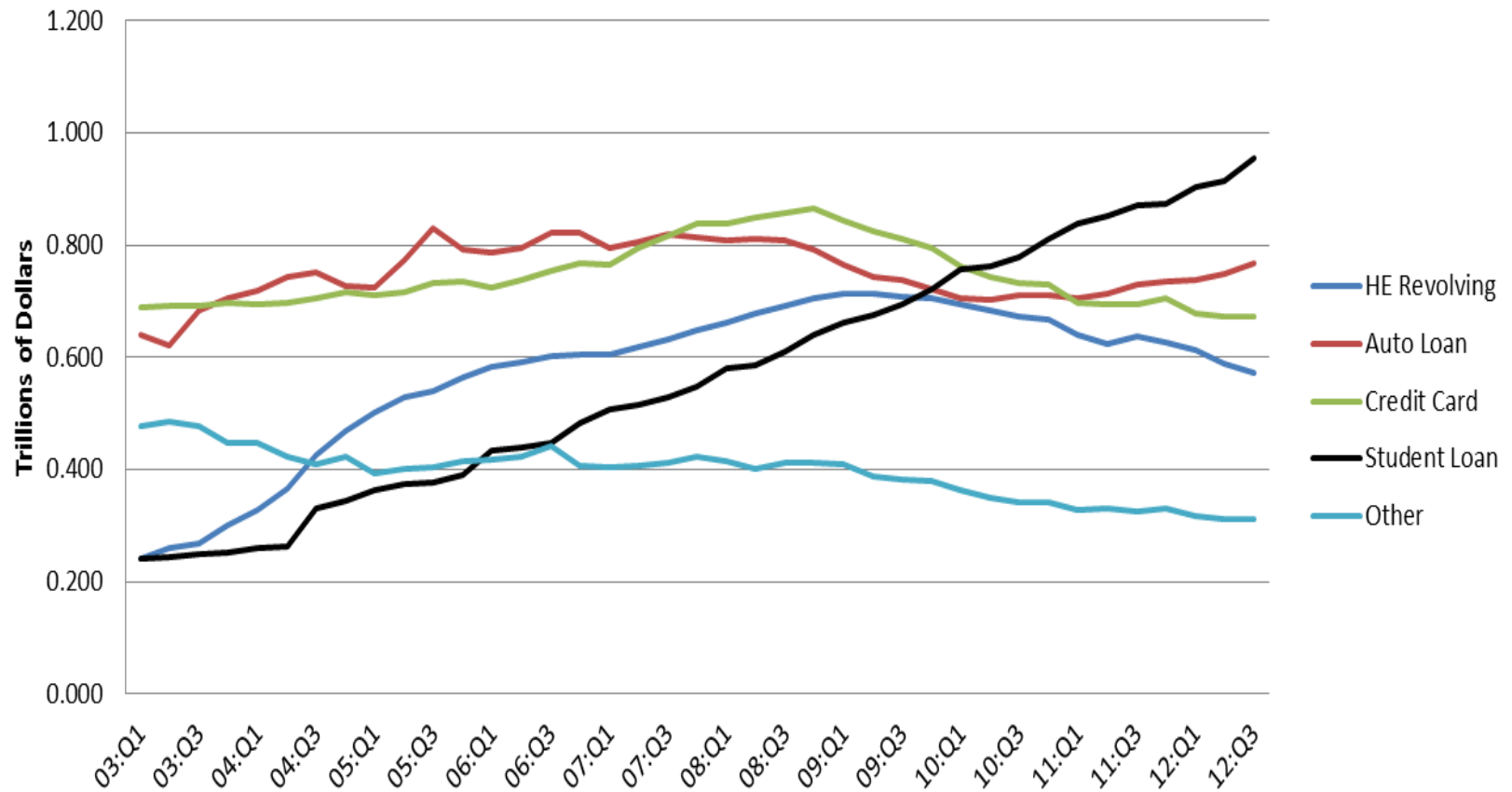
# Output Gap



# Recent Oregon Economy Facts

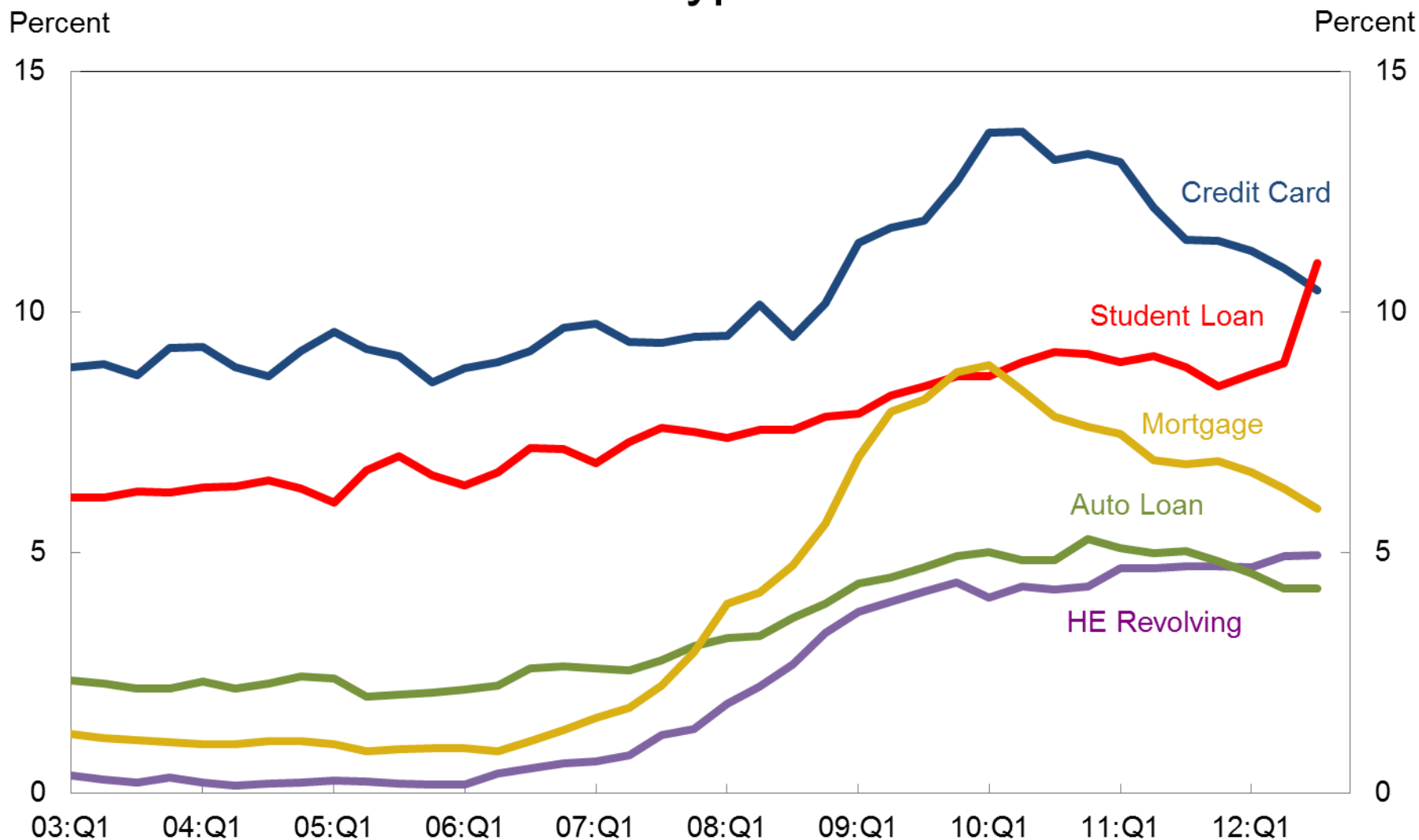
- 8.4% unemployment rate for Dec 2012 (Dec US rate is 7.8% (Jan 7.9%)) is down from 9.0% a year ago in Dec 2011 and down 3.2% from recession highs.
- 24<sup>th</sup> fastest job growth at 1.3% for all states for December 2012 over December 2011.
- Total nonfarm employment increased 1.1% year-over-year for the 4th quarter of 2012. Total nonfarm up 48,200 since Feb 2010 with the private sector up 55,300 thru Dec 2012.
- 4.4% personal income growth for 3<sup>rd</sup> quarter of 2012 over 3<sup>rd</sup> quarter of 2011. Annualized 3<sup>rd</sup> quarter 2012 growth at 3.3%.
- Oregon exports through November 2012 are up 0.4% from a year ago.
  - Computer and Electronic Products: -1.0%
  - Agricultural Products: -6.7%
  - All Other: +3.6%

## Student loans exceed non-mortgage debt balances



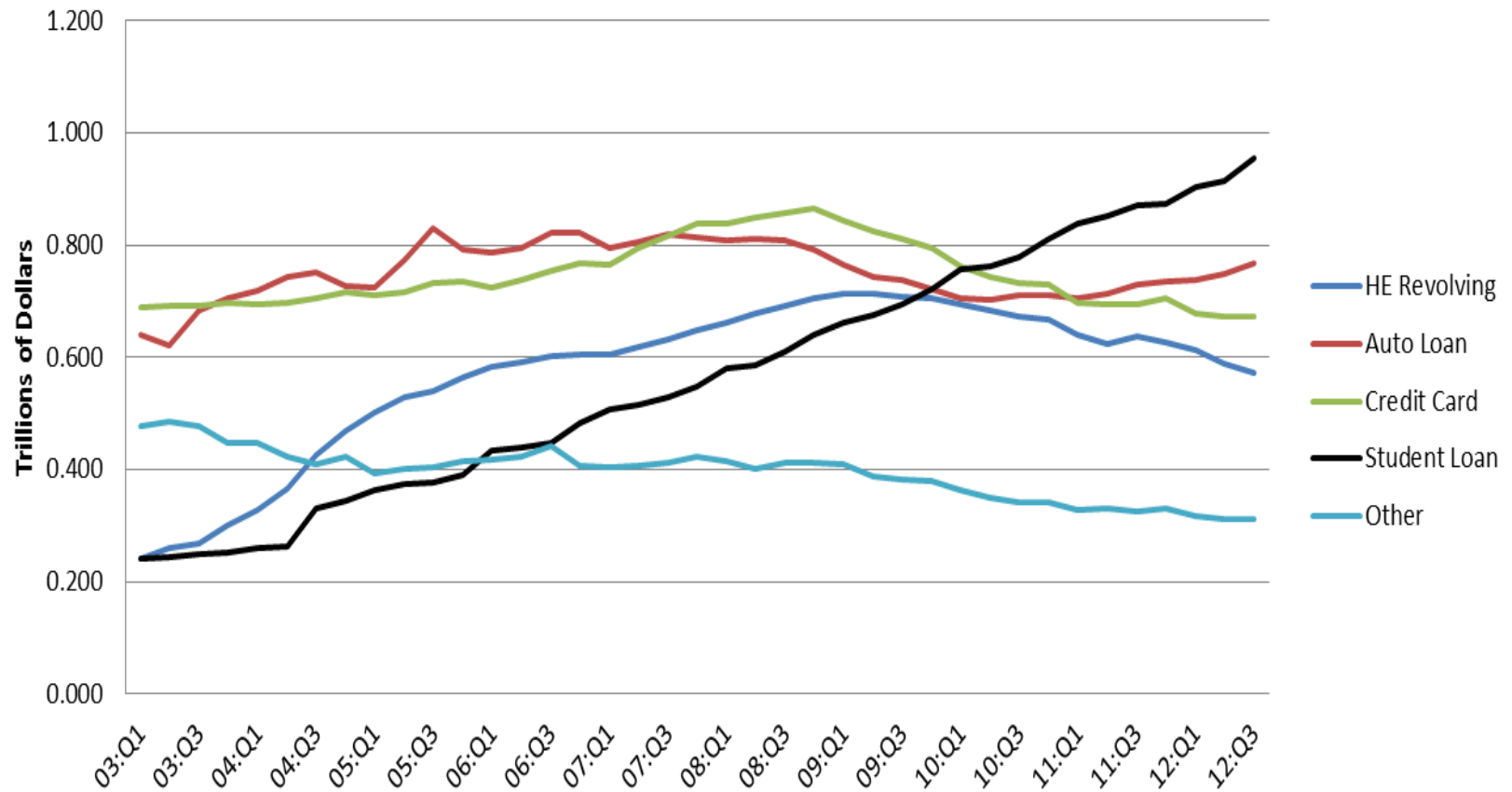
Source: Federal Reserve Bank of New York

# Percent of Balance 90+ Days Delinquent by Loan Type



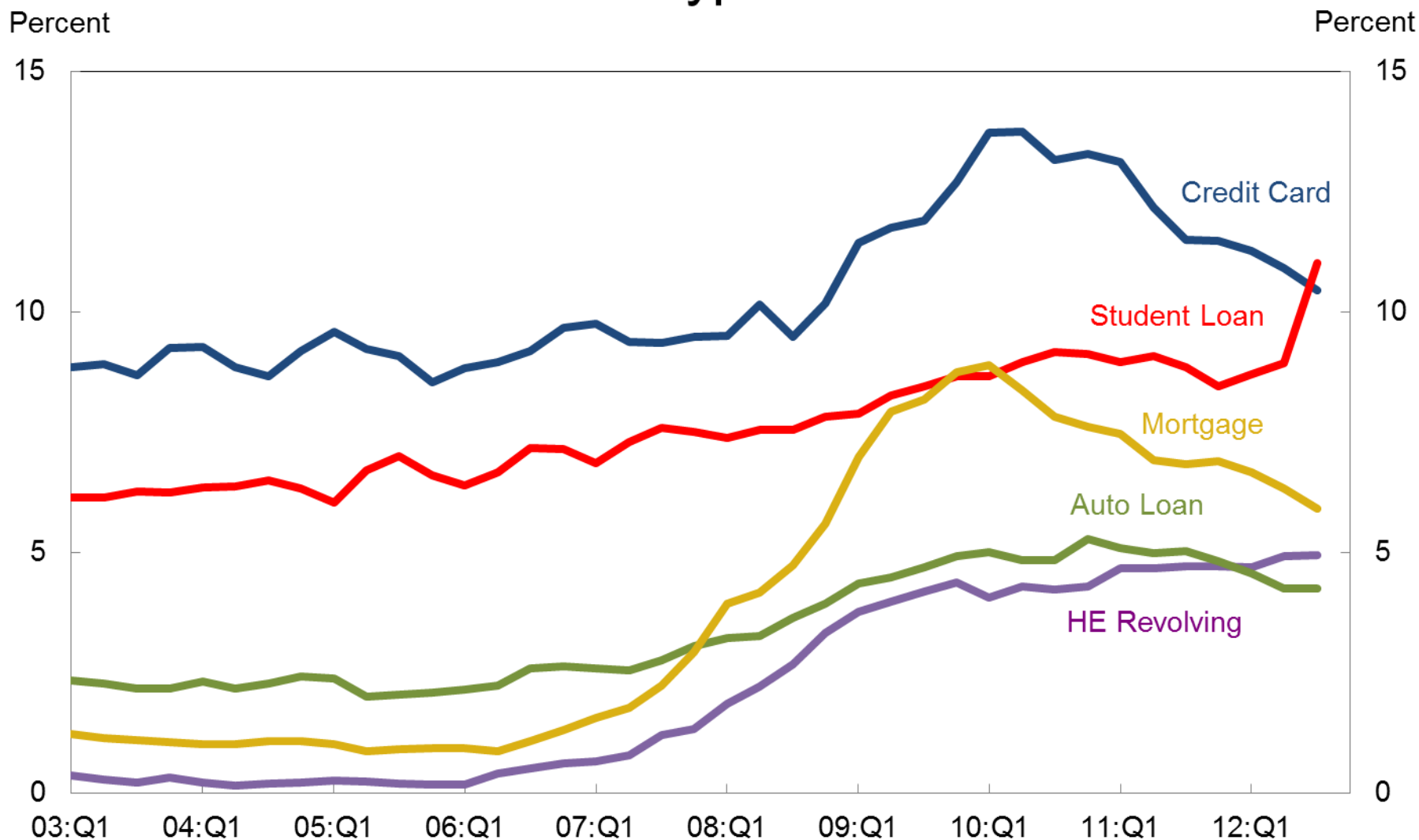
Source: FRBNY Consumer Credit Panel/Equifax

## Student loans exceed non-mortgage debt balances



Source: Federal Reserve Bank of New York

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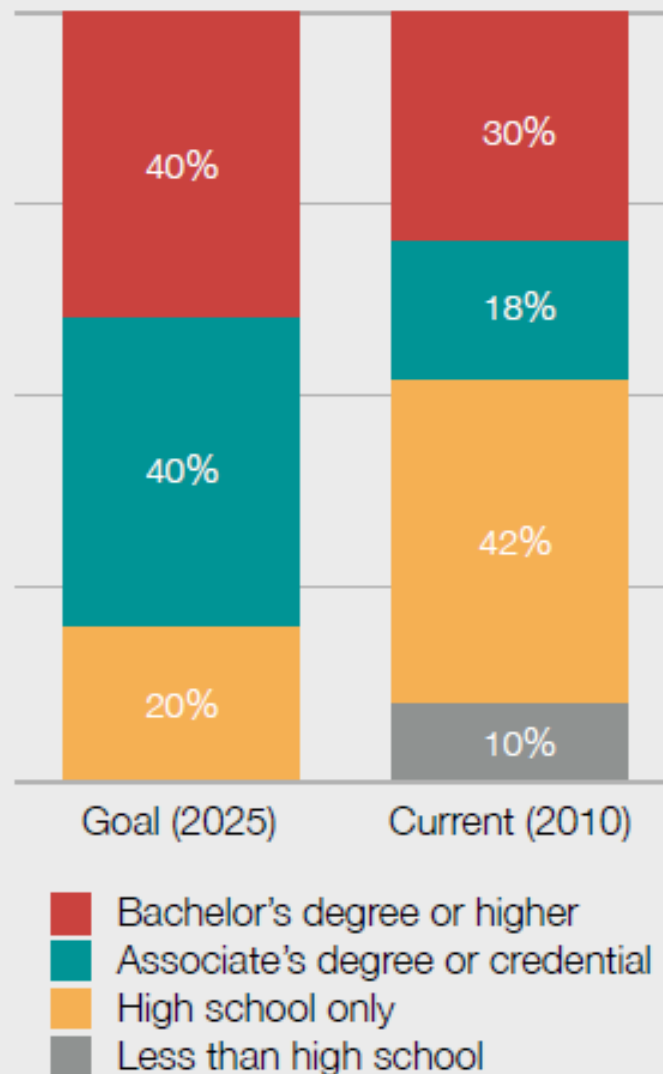


Source: FRBNY Consumer Credit Panel/Equifax

# The Desire is There

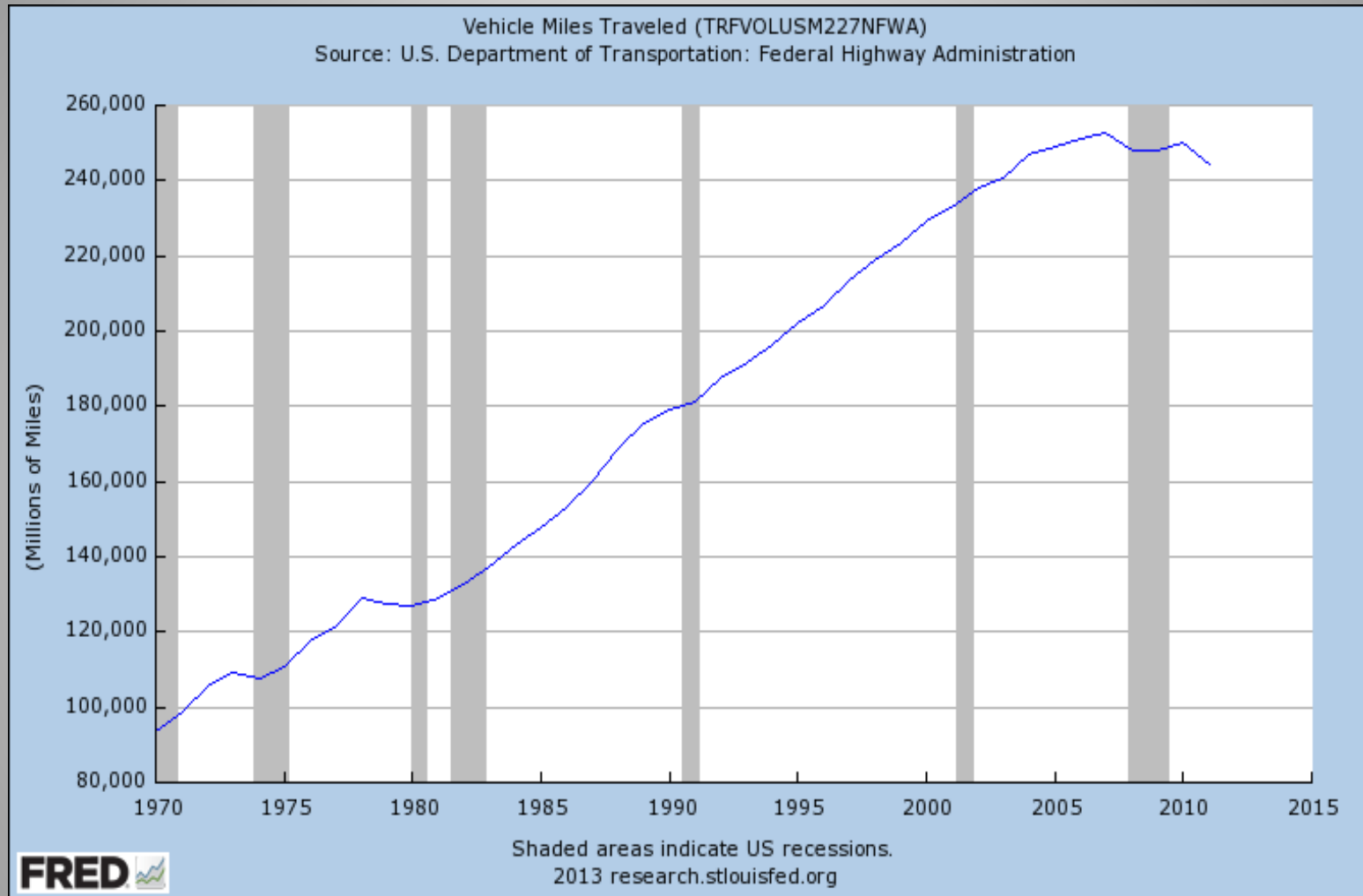
## Will the Finance Stop Us?

Educational Attainment in Oregon

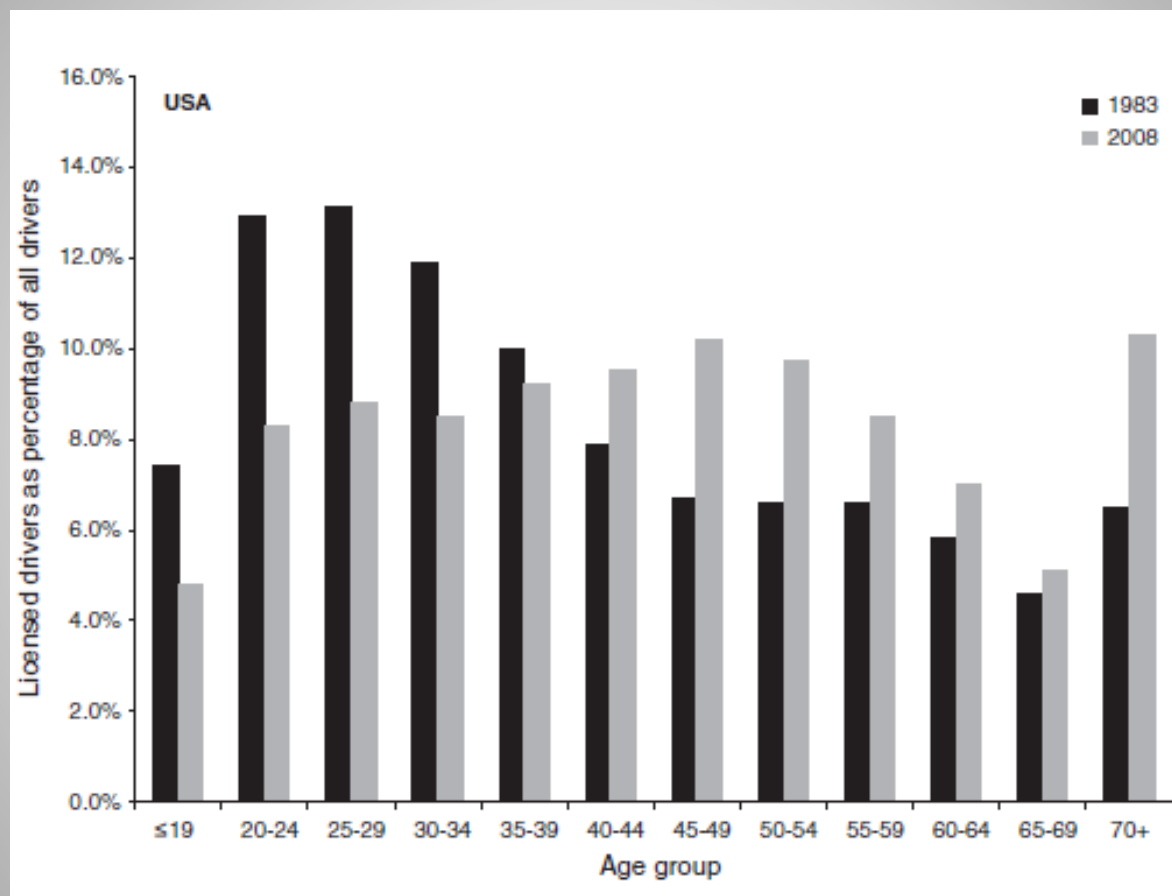


Source:  
Oregon Learns:  
The Strategy to  
Get to 40/40/20

# Vehicle Miles Traveled (1970-2012)

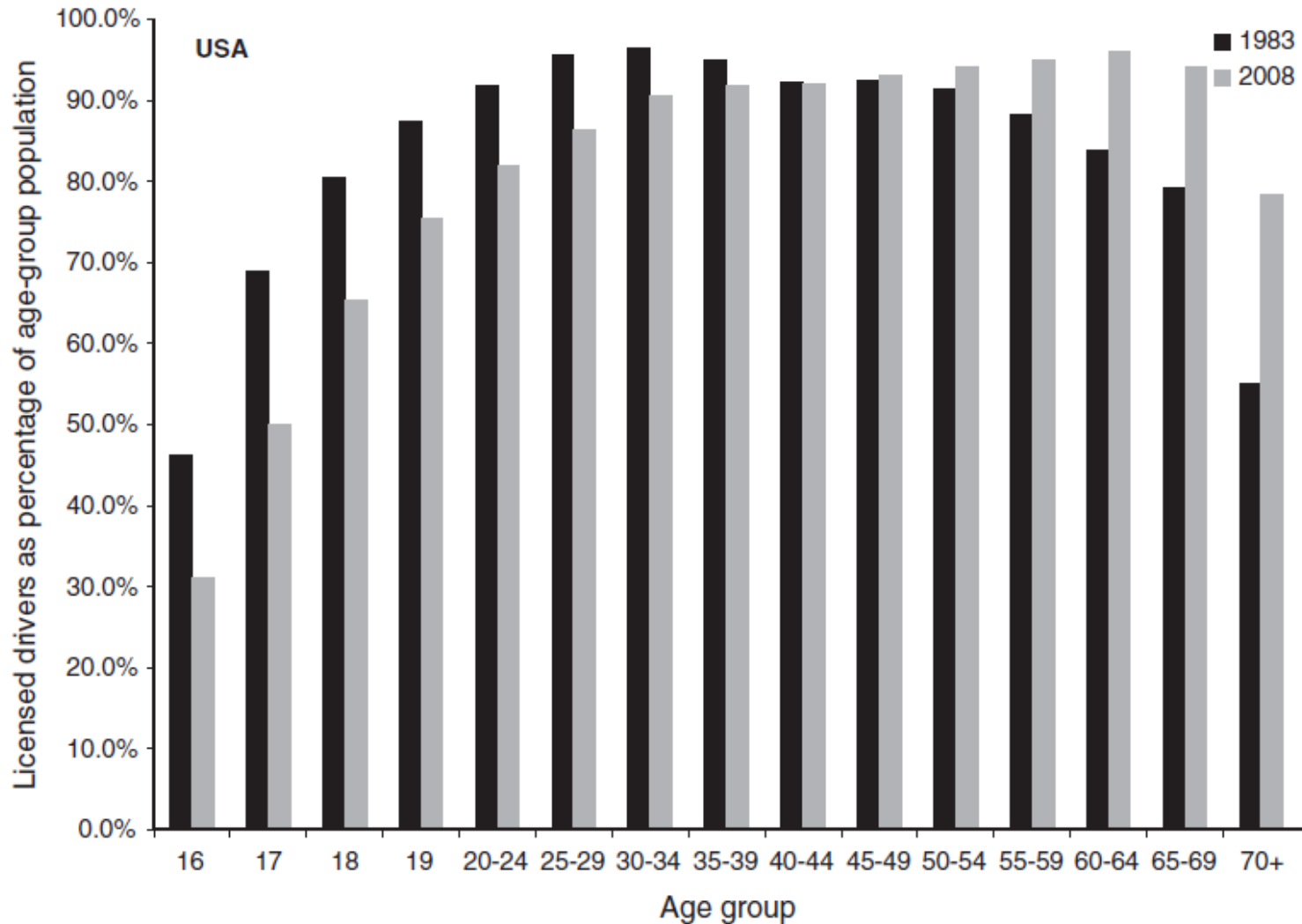


# Declining Percentage of Young Licensed Drivers in USA



Source: Michael Sivak & Brandon Schoettle (2012): Recent Changes in the Age Composition of Drivers in 15 Countries, *Traffic Injury Prevention*, 13:2, 126-132. Retrieved from: <http://dx.doi.org/10.1080/15389588.2011.638016>

## Declining Percentage of Young Licensed Drivers Within the Same Age Group



Source: Michael Sivak & Brandon Schoettle (2012): Recent Changes in the Age Composition of Drivers in 15 Countries, Traffic Injury Prevention, 13:2, 126-132. Retrieved from: <http://dx.doi.org/10.1080/15389588.2011.638016>

# Things to Think About

- Oregon Economy, as with the US economy, may likely experience slower growth for a number of years.
- Students with college degrees help the state in many ways: skilled labor force, likely home owners, civic leaders,... Is this production function breaking down?
- Does the changing social perspectives of driving have an impact on future modes of transportation?

# For More Information

Information for the presentation

draws from NERC and

the Oregon Office of

Economic Analysis

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