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Office of Economic Analysis
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March 2001

Department of Administrative Services

Mike Greenfield, Director

Office of Economic Analysis

Tom Potiowsky, State Economist
Dae Baek, Senior Economist
Cora Parker, Revenue Economist
Kanhaiya Vaidya, Senior Demographer
Suzanne Porter, Prison Forecast Analyst
Leif Anderson, Economist Intern
Barbara Ormond, Administrative Assistant

<http://www.oea.das.state.or.us>

FOREWORD

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. During legislative sessions, the June forecast is released on May 15.

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 are then used to forecast state revenues.

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

Mike Greenfield, Director
Department of Administrative Services

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EXECUTIVE SUMMARY

March 2001

Economic Forecast

The fourth quarter initial estimate of job growth was a weak 0.7 percent annual rate. This continues the rather flat job growth picture from the third quarter, which saw growth of 0.8 percent at an annual rate.

On a year over year (Y/Y) basis, job growth in the fourth quarter was also 0.7 percent. While manufacturing weakened and posted a mild negative downturn, the nonmanufacturing sector recorded growth at an equally mild pace. OEA forecasts employment to grow 0.7 percent in 2001 and 1.8 percent in 2002.

Manufacturing will slow in 2001 with an annual growth decline of 2.0 percent. The sector will bottom out and start to improve in 2002.

Lumber and wood products are projected to be down 3.3 percent in 2001 before a marginal improvement in 2002 of 0.4 percent.

The sector containing semiconductors should grow 2.7 percent in 2001 and 1.0 percent in 2002. These annual growth rates conceal a slowdown in 2001 with several quarters of negative growth.

Personal income is forecast to grow by 4.8 percent in 2001, followed by growth of 6.0 percent in 2002 and 6.7 percent in 2003.

Population growth is expected to be higher than the U.S. average, with increases of 1.1 percent in 2001 and 1.2 percent in 2002.

World market growth appears healthy but questions remain for the Japanese economy. If the U.S. economy continues to soften, both Canada and Mexico are at risk. The Federal Reserve is attempting to jump-start a weakening U.S. economy. Stock markets have been battered since April of 2000. Energy prices have risen dramatically. Although this forecast does not call for a recession, the odds of doing so have never been higher since 1990. The major risks now facing the Oregon economy are:

A further sharp and major stock market correction. This would further slow the main driving force in the economic expansion – consumer spending.

Further increases in inflation. The source of inflation would come from rising world oil prices and rising wage pressure if productivity gains disappear. The inflationary environment may cause the Federal Reserve to abandon its interest rate cuts.

Regional rising energy prices force more businesses to slow production and lay off workers. Snow packs and reservoir levels will be important determinants. Questions surround the speed and benefits from energy deregulation.

Measure 7, "takings." The courts are still debating this land use compensation law. The "current law" forecast will be modified as the economic effects and court decisions become clearer.

Demographic Forecast

The Census 2000 enumerated 3,421,399 persons in Oregon on April 1, 2000. This is an increase of 579,000 persons or 20.4 percent from the 1990 census. Oregon ranked eleventh highest in the nation based on the rate of growth between the two censuses. In tandem with Oregon's slowing economy, population growth rate has slowed in the recent years. The state's population is expected to reach 3.728 million in the year 2007, with an annual rate of growth close to 1.2 percent.

During the 2000-2007 period, the fastest growth in the age groups will show the effects of baby-boom generation and continued positive net migration of working age population and elderly retirees. Age groups 45-54 will have the highest growth rate due to the continued entry of baby-boomers in this age group. Children under the age of 5 and young adults aged 18-24 will increase at slightly lower rate than the overall state average. The 25-44 age group and the K-12 population in 5-17 age group will increase only slightly. Elderly population as a whole will increase by 10 percent. The number of young elderly in the 65-74 age group has been declining. This trend will reverse only after the year 2001. On the other hand the number of oldest elderly (85 and older), although relatively small in size, will continue to grow very rapidly and will increase by 37 percent between 2000 and 2007.

Revenue Forecast

The Office of Economic Analysis expects General Fund revenue for the 1999-2001 biennium to equal \$10,261.3 million. This includes an increase of \$26.8 million above the December forecast. This revenue projection exceeds the Close of Session (COS) forecast by \$350.0 million. OEA projects the ending balance to equal \$487.9 million.

OEA continues to call for a personal kicker refund. All non-corporate revenues are expected to exceed the 1999-COS forecast by \$336.7 million, well above the 2.0 percent threshold. A surplus personal kicker refund is projected to be paid out in late 2001 on tax year 2000 personal income tax liability.

Corporate revenue collections for the remainder of the biennium are expected to be down. In sum, the forecast falls \$16.6 million below the December forecast. It now exceeds the COS forecast by just \$13.3 million. Consequently, OEA is no longer calling for a corporate kicker.

The forecast of General Fund revenues for the 2001-03 biennium decreased significantly from the December forecast. Revenues are now projected to total \$10,877.2 million for the 2001-03 biennium. This is an increase of 6.0 percent over the 1999-2001 biennium. OEA projects total General Fund resources for the biennium at \$11,365.0 million. This is a decrease of \$113.4 million from the December forecast, and includes an expected beginning balance of \$487.9 million.

Total transfers to the Economic Development Fund will remain at the COS level of \$580.4 million for the 1999-01 biennium. The Lottery is retaining gaming revenues above the COS forecast for the purchase of new video terminals. OEA projects an ending balance of \$5.5 million for the 1999-01 biennium.

Forecasted Lottery revenue transfers for 2001-03 are \$13.0 million higher than the December forecast. Projected revenues equal \$600.5 million for the biennium. Projected interest earnings decreased by \$1.6 million, making available resources equal to \$634.4 million.

I. ECONOMIC FORECAST March 2001

A. National Economic Review and Forecast

Summary of Recent Trends

The information age has been a boon to commerce. Business-to-business (B2B) Internet connections have lessened the time to order and purchase. Just-in-time inventory methods have lowered the cost of inventory holdings and hastened the response for making changes. Computer usage has soared with claims of increased productivity – we are doing our work in less time.

But for all this great speed of using information, we still are not sure whether the economy has ended its longest expansion in history. The tealeaves are not quite dry, and it will be months before the soothsayers give a definitive answer. The forecasters are at least in agreement that the economy has slowed significantly since mid 2000. The signs abound: National Association of Purchasing Managers Index down to the recession levels of 1991, consumer confidence falling for the last four months, and a lackluster holiday shopping season. Recent news has highlighted large layoffs at DaimlerChrysler, Xerox, WorldCom, Hewlett-Packard, Lucent, AOL Time Warner, Montgomery Wards, and Sara Lee to name a few. This is on top of 12,828 job cuts made at Internet firms this January as reported by Challenger, Gray, and Christmas Inc.

Is this the end of the expansion? The job cuts listed above may either be the start of more to come or the adjustment that brings growth to a halt just short of a recession. Unfortunately, the signs that will give us the answer will most likely come after the fact. If Gross Domestic Product growth stays positive through 2001, we will have achieved the “landing” albeit somewhat harder than “soft.” If the downturn is deeper and more widespread than is now anticipated, don’t be surprised if you see the Pillsbury Doughboy in the unemployment line along with the long list of others.

This edition of the National Economic Review and Forecast contains excerpts from David Wyss, Standard and Poor’s DRI, “Forecast Summary,” January 2001. The Office of Economic Analysis incorporates DRI’s baseline national forecast in the Oregon economic and revenue models.

DRI’s Bottom Line

The Fed’s move to a loosening posture in December was a precursor to rate cuts. In 1998, the Fed showed it would move quickly when financial disorder threatened. Although the December rout in NASDAQ stocks has not created quite the same crisis as the Russian debt default, the Fed apparently thought it was similar enough to warrant action. The unexpected cut in the funds rate from 6.5 percent to 6.0 percent on January 3 was meant to reassure the market and will be followed by more over the course of 2001. By acting early, the Fed probably hoped to arrest the decline in consumer confidence and thus reduce the risk of the wealth effect kicking into reverse. [Note: Following DRI’s publication of its *January 2001 Forecast Summary*, the Fed took further action to reduce the federal funds rate; cutting another fifty basis points from 6.0 percent to 5.5 percent on January 31, 2001.]

Nonetheless, the risk of recession is rising. If nothing major goes wrong, growth in 2001 will slow to 2.5 percent from the 5.1 percent expected in 2000. The slowdown should be kept in perspective. A soft landing implies a year of growth at least one percentage point below trend. A 2.5 percent growth rate, although barely half the 2000 growth, is almost exactly the needed slowdown. [Since DRI's January publication, they have revised their forecast for GDP growth downward to 2.1%.]

But with the landing looking a bit harder than previously expected, the risk of a crash has increased. The energy situation remains unsettled, as the cold start to the winter has increased pressure on natural gas prices. The stock market remains at risk of more earnings disappointments despite the Fed's interest rate cut. Consumer confidence slid more rapidly than expected in December. If things continue to go wrong, a recession will occur. The odds of a recession in 2001 or 2002 are approaching even.

Overview

The public and market perceptions of the U.S. economy have shifted remarkably in the last few weeks. A few months ago, no one wanted to believe that it would not continue to grow at 5.0 percent forever. Suddenly, press reports, and even the incoming Bush administration, suggest the economy is headed toward recession.

The "R" word is being bandied about much too freely. DRI continues to believe that the economy will slow, probably more sharply than we had thought earlier. This is not too much of a surprise. We have warned before that economic turning points always come later than expected, but when they do come they are often more abrupt.

Confidence is the key to economic growth. While public attitudes remain positive, the economy continues to grow; when confidence becomes negative, everything stops at once. The December plunge in household confidence is troubling because it is a typical step toward recession. Only at the beginnings of the 1980 and 1990 recessions have there been larger one-month drops. Although the level of confidence remains high, and certainly not yet suggestive of recession, it does coincide with a disappointing Christmas retail season and sluggish motor-vehicle sales. The decline confirms the slowdown, but is not yet a signal of recession.

It is notable that the terminology is changing. I haven't heard the term "growth recession" outside of an economics seminar since 1966. The terminology had shifted to "soft landing," probably because compared with the recessions of 1974-75 and 1980-82, near-recessions looked good. Now that Americans have been spoiled by 18 years without a major recession, we are less tolerant of slowdowns.

DRI still believes the odds favor a soft landing; meaning anything but two consecutive negative-growth quarters. Our current forecast includes four consecutive quarters averaging 2.3 percent growth. The future is unlikely to be that smooth; one of these quarters could be significantly weaker, perhaps even negative. But this is a classic soft landing, which requires GDP growth of

one percentage point below trend for a year. [Recently, DRI revised the first quarter estimate of GDP growth to only 0.9%.]

Although 2001 will feel like a recession in many industries and some regions, the slowdown should be kept in perspective. Growth will be half the 2000 rate, but half of 5.1 percent is still a good average year compared with the 1970s and 1980s. The unemployment rate is heading higher, but probably only to 5.0 percent still lower than anything seen since the early 1970s. Inflation remains low, and the Federal Reserve has both the room and the will to act quickly to lower interest rates.

The odds of recession are rising, but are still below 50.0 percent. Only if the economy is hit with a major external shock, perhaps from the Middle East again, is the slowdown likely to turn into recession.

Forecast Highlights

We are getting more nervous about the U.S. economy. The December plunge in consumer confidence, echoing the tailspin in technology stocks, suggests that consumers are backing away from spending. The sluggish Christmas sales reports only confirm this fear. Motor-vehicle sales are also dropping, partly because of growing pessimism but also because of high gasoline prices.

DRI still believes that the economy will escape recession, but the margin will be too narrow for comfort. With four consecutive quarters where growth is expected to average 2.3 percent only a mild shock is needed to send the economy into at least a technical recession. [The forecast for first quarter growth is now 0.9 percent.]

Sectors of the economy, notably manufacturing, are already in recession. The National Association of Purchasing Managers' composite index has fallen for five consecutive months, to 43.7 in December, its lowest level since April 1991. The technology sector is in retreat, and many dot-coms are in bankruptcy.

Nevertheless, there are still a lot of positives. Inflation, especially outside of energy, remains modest. The unemployment rate is still at its lowest level since 1970. The Federal Reserve has room to loosen, and with the January 3 rate cut, Chairman Greenspan has shown his willingness to use that room. The federal budget surplus provides room for fiscal maneuver. Although consumer wealth has dropped because of the technology stocks, the ratio of wealth to income remains near a record high.

These cushions should save the economy from a hard landing, but it will still hurt. Real GDP growth in 2001 (2.5 percent) will be half what it was in 2000 (5.1 percent). But to keep things in perspective, that 2.7 percent rate is about average by the standards of the 1970s and 1980s. After four consecutive years of heady 4%-plus growth, though, it hurts. [DRI has revised growth to 2.1 percent in 2001.]

The consumer is our major worry. Confidence plummeted during December in both the University of Michigan and Conference Board surveys. The drop in the Conference Board data

TABLE 1
U.S. Forecast Summary 2000-2007

	2000:4	2001:1	2001:2	2000	2001	2002	2003	2004	2005	2006	2007
GDP (Bil of 1996 \$) Chain Weight	9,422	9,463	9,512	9,326	9,557	9,964	10,427	10,814	11,213	11,614	12,009
% Ch	2.3	1.7	2.1	5.1	2.5	4.3	4.6	3.7	3.7	3.6	3.4
Personal Income (Bil of \$)	8,435	8,540	8,624	8,283	8,673	9,139	9,703	10,268	10,863	11,510	12,194
% Ch	4.2	5.1	4.0	6.3	4.7	5.4	6.2	5.8	5.8	6.0	5.9
Nonagricultural Employment (Millions)	131.9	131.7	131.5	131.4	131.6	132.8	135.3	137.4	139.7	141.9	143.9
% Ch	0.7	(0.6)	(0.4)	2.1	0.1	0.9	1.8	1.6	1.6	1.6	1.4
Unemployment Rate	4.0	4.3	4.6	4.0	4.7	5.0	4.7	4.6	4.5	4.3	4.3
% Ch	(3.0)	39.7	33.0	(5.1)	18.0	5.9	(6.9)	(1.4)	(2.7)	(2.9)	(0.4)
Industrial Production Index (1996=1)	1,245	1,246	1,249	1,232	1,254	1,294	1,346	1,382	1,417	1,457	1,499
% Ch	1.0	0.3	1.0	5.8	1.8	3.2	4.0	2.7	2.5	2.9	2.8
Corporate Profits (Bil of \$)	922.8	916.9	909.4	932.8	920.1	1,023.6	1,094.1	1,099.7	1,141.0	1,189.5	1,257.5
% Ch	(9.1)	(2.6)	(3.2)	13.3	(1.4)	11.2	6.9	0.5	3.8	4.2	5.7
Money Supply (M2) (Bil of \$)	4,891	4,961	5,030	4,793	5,067	5,367	5,688	6,009	6,342	6,695	7,071
% Ch	5.7	5.8	5.6	5.9	5.7	5.9	6.0	5.7	5.5	5.6	5.6
Prime Rate	9.50	8.84	8.50	9.23	8.40	8.00	8.31	8.94	9.00	9.00	9.00
% Ch	0.0	(25.1)	(14.5)	15.5	(9.1)	(4.7)	3.9	7.5	0.7	0.0	0.0
Consumer Price Index (1982-84=100)	174.4	175.6	176.4	172.3	176.8	179.9	183.4	187.5	191.9	196.8	202.2
% Ch	3.3	2.8	1.8	3.4	2.6	1.8	1.9	2.2	2.4	2.6	2.7
Federal Budget (unified) (Bil of \$, Fed FY)	(0.2)	7.2	207.6	236.6	260.0	203.1	192.5	182.3	203.5	228.7	236.9
Current Account Balance (Bil of \$)	(448.0)	(418.4)	(419.6)	(432.2)	(424.1)	(457.2)	(498.8)	(528.2)	(546.0)	(572.6)	(602.2)
% Ch	6.1	23.9	(1.1)	(30.4)	1.9	(7.8)	(9.1)	(5.9)	(3.4)	(4.9)	(5.2)
Population (Millions)	276.6	277.2	277.9	275.7	278.2	280.7	283.2	285.6	288.1	290.5	293.0
% Ch	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.8	0.8

was the fourth in succession. If these declines continue, American consumers could back away from spending, sending the economy into a power stall. The saving rate has been negative for four consecutive months.

Big-ticket items usually suffer most, whether from the wealth effect or loss of confidence. Motor-vehicle sales are slumping. The auto industry is cutting back on production plans, and this time manufacturers promise not to try to maintain market share by increasing rebates. If they hold to that resolve, sales will drop further over the rest of the model year.

The lackluster Christmas sales certainly suggest that the consumer is swinging away from extra spending. Layoffs in the retail sector will combine with those in manufacturing to further damage consumer confidence. The saving rate is likely to swing positive, although weaker incomes will probably keep it close to zero.

Housing markets remain strong, however. Although consumer confidence is weakening, mortgage rates have dropped to their lowest level since 1999. Home sales and starts are not expected to regain their 1999 records, but will hold near the strong 2000 results. DRI expects about the same slippage in 2001 that we saw in 2000, taking starts to near 1.5 million units. The latest Census results indicate that the U.S. population is rising faster than had been thought, explaining some of the ongoing strength.

TABLE 2
U.S. Forecast Summary - Current vs. Last Forecast

	2000:4	2000	2001	2002	2003	2004	2005	2006	2007
GDP (Bil of 1996 \$) Chain Weight	9,422	9,326	9,557	9,964	10,427	10,814	11,213	11,614	12,009
% Change From Last Forecast	(0.5)	(0.1)	(0.9)	(0.9)	(1.0)	(0.9)	(0.5)	(0.0)	0.2
Personal Income (Bil of \$)	8,435	8,283	8,673	9,139	9,703	10,268	10,863	11,510	12,194
% Change From Last Forecast	(0.4)	(0.1)	(1.0)	(1.3)	(1.5)	(1.8)	(2.0)	(2.0)	(2.0)
Nonagricultural Employment (Millions)	131.9	131.4	131.6	132.8	135.3	137.4	139.7	141.9	143.9
% Change From Last Forecast	(0.1)	(0.0)	(0.4)	(0.7)	(0.8)	(0.8)	(0.5)	(0.0)	0.3
Unemployment Rate	4.0	4.0	4.7	5.0	4.7	4.6	4.5	4.3	4.3
% Change From Last Forecast	(0.1)	(0.0)	0.3	0.4	0.4	0.4	0.2	(0.1)	(0.2)
Industrial Production Index (1996=1)	1.245	1.232	1.254	1.294	1.346	1.382	1.417	1.457	1.499
% Change From Last Forecast	1.2	1.7	0.5	0.3	0.1	(0.2)	0.1	0.7	1.4
Corporate Profits (Bil of \$)	922.8	932.8	920.1	1,023.6	1,094.1	1,099.7	1,141.0	1,189.5	1,257.5
% Change From Last Forecast	(2.9)	(0.9)	(3.3)	(4.2)	(7.2)	(10.5)	(10.3)	(8.5)	(7.6)
Money Supply (M2) (Bil of \$)	4,891	4,793	5,067	5,367	5,688	6,009	6,342	6,695	7,071
% Change From Last Forecast	0.3	(0.0)	0.5	0.6	0.6	0.2	(0.3)	(0.7)	(1.1)
Prime Rate	9.50	9.23	8.40	8.00	8.31	8.94	9.00	9.00	9.00
% Change From Last Forecast	1.0	0.0	(0.9)	(0.9)	(0.4)	0.2	0.2	0.0	0.0
Consumer Price Index (1982-84=1)	1.744	1.723	1.768	1.799	1.834	1.875	1.919	1.968	2.022
% Change From Last Forecast	0.2	0.1	0.2	(0.1)	(0.5)	(1.1)	(1.7)	(2.2)	(2.5)
Federal Budget (unified) (Bil of \$, Fed FY)	(0.2)	236.6	260.0	203.1	192.5	182.3	203.5	228.7	236.9
Current Account Balance (Bil of \$)	(448.0)	(432.2)	(424.1)	(457.2)	(498.8)	(528.2)	(546.0)	(572.6)	(602.2)
% Change From Last Forecast	(1.1)	(0.8)	9.6	14.7	18.2	22.1	26.5	30.2	32.9
Population (Millions)	276.6	275.7	278.2	280.7	283.2	285.6	288.1	290.5	293.0
% Change From Last Forecast	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

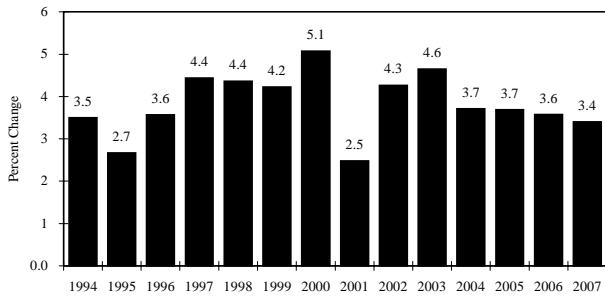
Business investment is softening. Technology purchases are suffering from the collapse of technology stocks, since many companies don't have the money to buy new computers. Much of the late-1999/early-2000 surge was based on Y2K fears, which proved overblown, but did result in premature replacement of systems. The problems in the junk-bond market are also reducing available funds. With business managers becoming more pessimistic about the economy, there is no reason to expand capacity.

Nonresidential construction is benefiting from the federal highway bill (TEA-21), which is fueling a rise in state and local construction spending. New electrical generating capacity is being built, although too late to solve California's present problems. Energy companies are limited by availability of drilling equipment, but are operating as flat-out as possible. Construction in the non-energy private sector, however, is likely to be flat. Retail is especially in trouble, because of the drop-off in sales and financial problems of the sector.

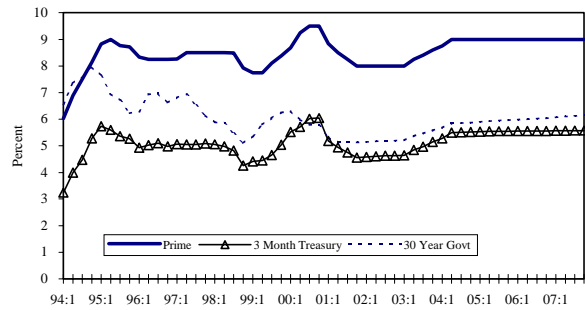
The trade gap continues to deteriorate, but the euro's rally is promising for the future. The United States is expected to cool down more than Europe, with this year's real growth fairly similar across the continents. Imports will slow, while exports continue to rise as the more competitive dollar balances the weaker overseas growth.

GRAPH 1 U.S. ECONOMIC HISTORY AND FORECAST

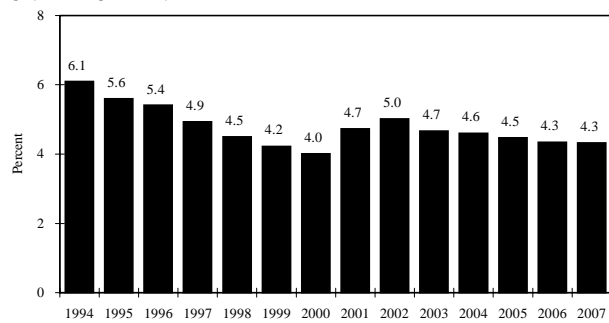
REAL GDP, PERCENT CHANGE
1996 DOLLARS, CHAIN WEIGHTED



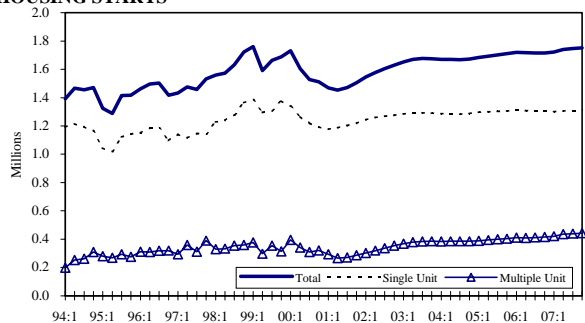
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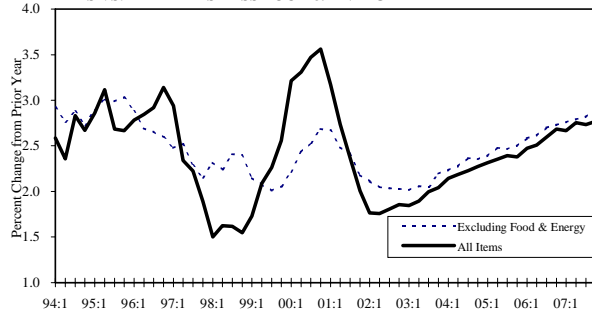
UNEMPLOYMENT RATE



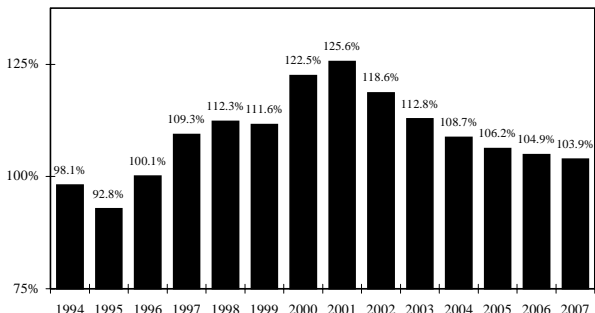
HOUSING STARTS



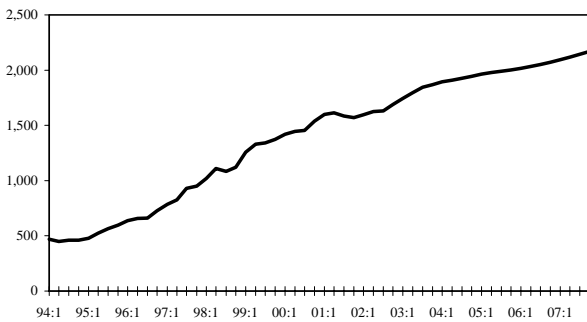
CONSUMER PRICE INDEX
ALL ITEMS VS. ALL ITEMS LESS FOOD & ENERGY



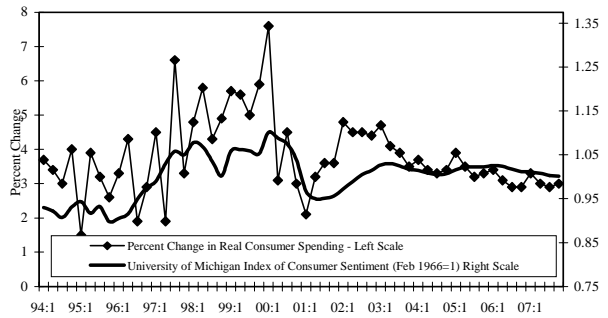
REAL EXCHANGE RATE 1996=100%



STANDARD & POOR'S 500 INDEX



CONSUMER CONFIDENCE & SPENDING



The Federal Reserve will continue to loosen. The Fed is not about to let the economy slide into recession without a fight, as it made clear with its January 3 cut in the funds rate from 6.5 percent to 6.0 percent. Further cuts will come quickly. Bond yields have already plunged in anticipation of the Fed rate cuts. Although it usually takes a year for interest rate changes to have an impact on the economy, the January 3 reduction could help moderate the slowdown if it serves to buoy the stock market. [As noted earlier, the Fed cut rates another 50 basis points on January 31, 2001.]

The stock market had become quite depressed by weak earnings forecasts when the Fed decided to act. The Federal Reserve wanted the "irrational exuberance" squeezed out of the market, but apparently felt that irrational pessimism was moving in. It wants to avoid the negative impact of unreasonably depressed stock prices on consumer confidence and spending. Dramatic as the slide has been, though, it needs to be kept in proportion. Outside of technology and telecommunications, stock prices are actually up since the beginning of 2000. The overall market, however, closed the year down 14.0 percent (S&P 500) from its March peak. [In January, the stock market rose 3.5 percent.]

Labor markets remain very tight, with the unemployment rate holding at 4.0 percent in November. Job growth has slowed, however, and we expect the unemployment rate to rise to 5.0 percent in early 2002.

Overall, the U.S. economy will downshift from fifth to second gear. The dangers of a recession are rising, because there is less room for error than previously thought. External shocks or policy mistakes could well turn this soft landing into a crash. The Fed loosening will boost the economy, but not until the end of 2001. Tax cuts could have a quicker impact, but only if they can be pushed through Congress.

Changes to the Forecast

DRI assumes that oil prices have now passed their peak, and will remain below \$30 per barrel. On the other hand, natural gas prices should remain high; the current price is nearly four times the spot price of a year ago.

Stock prices have slumped even more than we expected. The post-election rebound did not materialize, but the Fed has done what it can to stem the decline. The DRI model now says that stocks are oversold, but the overt Fed action will probably at least halt the slide.

Real GDP growth was revised downward to 2.2% in the third quarter. The weak retail sales reports and slumping manufacturing output suggest the fourth quarter will be similar. The December plunge in consumer confidence is also troubling. [On January 31, the initial estimate of GDP growth was 1.4 percent at an annual rate for the fourth quarter of 2000.]

Recent Evidence

The recent data suggest the U.S. economy is slowing faster than expected. We have downwardly revised our forecasts of both consumer confidence and stock prices, both of which cut consumer

spending. The slowdown seems confirmed by the weaker-than-expected Christmas sales. Real GDP is now expected to rise 2.5 percent in 2001, down from last month's forecast of 3.1 percent. [DRI now forecasts 2.1 percent growth in 2001.]

The stock market correction does not seem to be over. We expect stock prices to recover after the Fed finally eases, but the fact that they have not responded to the already-lower bond yields is disturbing. On the encouraging side, the correction outside of technology stocks has been minor.

Bond yields have been revised downward. Expectations for sharper Fed rate cuts and weaker economic growth have convinced bond investors to buy now. Money is rotating from stocks to bonds, further lowering yields.

Manufacturing is already in recession. Downward revisions to auto production forecasts will result in weaker motor-vehicle sales.

Forecast Assumptions

The country finally has a new president, but it is unclear what he can push through a divided Congress. We expect the programs to be watered down, but there is enough agreement that most of the Bush package can get through. Our assumption is that most of the tax cut is passed, but speeded up from the campaign proposal. Spending increases will be slightly less in defense and a bit more in non-defense than the Bush campaign proposed. The biggest risk is that the Republican right wing will push for all or nothing, which could result in nothing.

The Federal Reserve is poised to continue loosening. By the 4th quarter, we expect the federal funds rate to be down to 5.0 percent. [DRI now predicts that the federal funds rate will reach 4.5 percent by summer, 2001.]

The euro is strengthening, and the yen falling. We have been predicting this shift for the last six months, so it is reassuring that it is finally coming. The stronger euro will make competition easier for U.S. producers.

But economic growth abroad is slowing. The tightening by the European Central Bank has slowed the euro-zone economies. Japan is again looking at a strong first half of the year followed by a second-half slump. Overseas growth is likely to slow by less than in the United States, however.

Risks to the Forecast

The baseline forecast assumes that the Federal Reserve succeeds in hitting its soft landing, carrying this record expansion further into uncharted territory. Core inflation stays calm, as a softer economy eases pressure on labor markets. Oil prices hold at their new lower level, and natural gas prices retreat from their current peak, although not immediately. Although productivity growth slows from its recent breakneck pace, it continues to rise at twice the rate of the 1980s. The soft landing in 2001 buys another three to four years of strong growth.

The Landing Turns Hard

The economy is fundamentally solid, with moderate (non-oil) inflation, a federal surplus, and still-healthy confidence. But whenever the Federal Reserve is aiming for a soft landing, we are more vulnerable to external shocks. The cushions in the economy suggest that multiple shocks would be required to cause a recession. Higher oil prices by themselves, or a stock market correction by itself, are not likely to cause a downturn.

But a combination could. The early-recession scenario assumes that turmoil in the Middle East causes oil prices to spike to \$45/barrel in the wake of spring production cuts by OPEC. Natural gas prices follow oil higher. Electrical brownouts in California and interruptions in industrial natural gas service breed layoffs. The situation calls for tax cuts and an energy policy, but Congress can agree on neither. In the face of all the uncertainties, new lending dries up and venture capitalists go into hibernation. Despite Fed easing, the economy tips into recession.

Amid the damage to corporate earnings from the higher oil prices, production halts, and deteriorating global competitiveness, the stock market crashes. The S&P 500 falls below 1100 in the second quarter, down 30% from its peak. This correction is typical of a bear market, and is still much smaller than, for example, the 1974/75 stock market crash. Lower household wealth and falling consumer confidence cause consumers to pull back, aggravating the recession.

Foreign economies also suffer from high oil prices. The incomplete reforms in Asia leave the region vulnerable to the oil price surge and financial panic. The region falls back into recession. The downturn overseas cuts U.S. exports, deepening the recession. Real GDP drops 1.6 percent from its first-quarter peak to its fourth-quarter trough.

The Federal Reserve responds aggressively. By the end of 2001, the federal funds rate is down to 3.0 percent. The economy recovers quickly from the recession. Inflation drops back as oil prices slide from their unsustainable peak. Falling interest rates allow the stock market to recover. The economy begins to recover in the winter of 2002, and by 2004, the unemployment rate is back under 5.0 percent.

Escape Now, Pay Later

The Fed's quick reaction to the slump in manufacturing and plunge in the NASDAQ stock index suggests that it will be aggressive in fighting the slowdown. The late-recession/low-dollar alternative assumes that the Fed takes no chances, cutting the funds rate quickly. By year-end, the funds rate is at 4.0 percent and, encouraged by lower oil prices, the economy is rebounding briskly. But foreign investors, dismayed by the aggressive loosening, begin to spurn dollar-denominated assets. The stock market lags and interest rates rise to restore equilibrium in the financial markets. By the end of 2002, the dollar is nearly 20.0 percent below its early 2001 peak. Export demand picks up, but so does inflation as producers pass along the higher costs of imported goods and materials. Inflation is further aggravated by the increased pressure on resources created by the higher foreign demand and substitution of domestic for foreign goods.

By the summer of 2003, inflation is piercing 3.0 percent. The Fed decides it is time to strike back and begins raising interest rates. The economy has already been weakened, however, by a drop in the value of stocks and bonds. The higher interest rates discourage just enough spending and investment to tip the economy into a three-quarter recession beginning in the fourth quarter of 2003. The downturn is mild because of the boost from foreign demand; the peak-to-trough drop in real GDP is only 1.4 percent.

When inflation gets back under 2.5 percent at the end of 2004, the Fed begins lowering interest rates. The current account deficit, which narrowed to 2.8 percent of GDP with the aid of the lower dollar and recession, begins to widen again as both the economy and dollar turn up. Inflation continues to recede, and resources shift back from production of exports to satisfaction of domestic demand. The economy has less potential, however, because of the loss of investment during the period of the weak dollar and reduced capital inflow.

B. International Review and Outlook

Introduction

The new millennium kicked-off with great uncertainty, both nationally and throughout the world economy. Will there be a hard landing or a crash landing in the U.S. economy? Do we see signs of slowing in Europe? How is Japan doing? What about the rest of Asia and other emerging markets?

Oregon has been hit hard from the Asian financial crisis and the ensuing recession. Just as the state begins to recover from the lingering effects, Oregon is now facing a slowing national economy. It also faces already uncertain conditions in major export markets. Japan's recovery is not quite up to expectations, Canada is being impacted by the slowdown in the U.S. economy, and some Asian countries are struggling to maintain their growth momentum. Some observers are boldly predicting the second wave of financial crisis in Asia, although this opinion is not shared by the great majority.

Oregon's overall exports managed to post a meager 3.0 percent growth rate in the third quarter of 2000 compared to a year ago. A marked decline in the growth of high tech product exports contributed to this weak growth. Exports to Japan continued their recent upswing, but exports to Canada, Mexico, and South Korea dropped sharply.

Recent Developments and Outlook on Oregon's Export Markets

In a recent teleconference (January 18, 2001) DRI listed some key global uncertainties for 2001. Is a hard landing a distinct possibility for the U.S.? Can Europe become an engine of growth for the rest of the world? Will Japan ever recover and if so, when? Are there more crises coming for the emerging markets?

The U.S. economy has been a major contributor to global economic growth in the past decade. As a result, DRI holds the view that even a soft landing in the U.S. increases the vulnerability to a worldwide shock. There are no obvious signs that Japan is recovering from lackluster performance in the 1990s. Europe is not likely to be a growth locomotive. Moreover, there are indications that some countries including Argentina and Turkey have had close encounters with their own financial crises. Domestically, we are in the midst of an energy crisis, and we are all uncertain as to how it will play out.

Despite these concerns with the global economy, DRI also points out several reasons to be optimistic. The U.S. productivity surge is likely to be sustained; the global banking system is stronger than it was in the 1990s; inflation is not a problem due to stabilizing oil prices; and there is room for both fiscal and monetary stimulus in the U.S. and Europe. DRI believes that another widespread currency crisis remains only a distant possibility.

Oregon's exports (and hence its export-related industries) depend largely on Asia. DRI projects Japan's economic growth will slow to 1.3 percent in 2001 from an estimated 1.7 percent in 2000. Though weak, this is still better than the 0.3 percent growth posted in 1999. South Korea is projected to grow anywhere from 4.0 percent to 6.0 percent in 2001; a far cry from estimated

growth of near 9.0 percent in 2000 and 10.7 percent in 1999. Middle income Asian countries (including China and Malaysia) are forecast to grow over 6.0 percent as a group.

Overall, growth performance in Asia is still strong. This is largely due to healthy domestic demand and continuing momentum in intra-regional trade. However, there are growing concerns. DRI points out that in Japan exports are slowing, business confidence is down, and the banking system has been suffering from bad loans and non-performing assets. In the rest of Asia, banking systems are still faced with huge problem loans, and a rush to capital investment has been exacerbating excess capacity problems. Deflation, or a decline in prices, is persistent in both Japan and China.

Many Asian countries depend on exports for their economic growth. Consequently, the Asian economy is highly vulnerable to the ups and downs of the world economy as well as domestic shocks. A substantial U.S. slowdown or recession would result in significantly diminished purchases of Asian exports. This in turn will adversely affect Asian countries. DRI also notes a possibility of competitive devaluation of Asian currencies if the Japanese yen weakens further. This could lead to more financial turmoil in Asia.

In Europe, Gross Domestic Product (GDP) growth has moderated due to high oil prices and higher interest rates. Euro zone economies have benefited from the weak euro through an increase in exports. Domestic demand was also strong in the first half of 2000. However, consumer spending slowed substantially in recent months. Business investment is holding up.

Consumer Price Index (CPI) inflation is running well above the European Central Bank's target rate of 2.0 percent. Price pressures are coming from high oil prices and a weak euro. DRI points out the danger that higher inflation may trigger higher wage demands.

Among the grounds for optimism, DRI lists the following: major tax cuts in the pipeline for the Euro zone in 2001 (including Germany, France, and Italy), a falling unemployment rate, and stable consumer and business confidence. In addition, the Euro zone exports just slightly over 2.0 percent of GDP to the U.S., which makes the Euro zone economy less vulnerable to a U.S. slowdown.

In the U.K., the economy is expanding at a healthy pace. The unemployment rate is the lowest since the fall of 1975. Retail sales are strong and the service sector is growing. However, the manufacturing and export sectors are negatively affected by a strong U.K. pound. Faced with potential fallout from a slowing U.S. economy, the Bank of England cut interest rates. Expected expansionary fiscal policy should help the economy.

Canada and Mexico have been two important beneficiaries of outstanding U.S. economic growth. Similarly, these two economies are highly exposed to economic fluctuations in the U.S. economy. A hard landing in the U.S. would have enormous impacts on Canada and Mexico. In fact, Canada is feeling the pinch already. A strong third quarter 2000 is considered in large part a consequence of unintended accumulation of inventories as demand has weakened. Similar to the U.S., automobile manufacturing is expected to continue to slow. Blue Chip Economic Indicators believes that already announced tax cuts, along with past income and employment

gains, should keep personal consumption strong in 2001. DRI projects 3.2 percent economic growth for Canada in 2001. This is a much slower pace than the estimated 4.7 percent growth in 2000.

Table 3 shows the latest Blue Chip consensus forecast for Oregon's major export markets. After strong growth in 2000, a substantial slowdown is projected for most countries in 2001. Growth projections for 2002 are only marginally different from 2001. This Blue Chip consensus is consistent with DRI projections.

Oregon Exports

Oregon managed to post a 3.0 percent increase in exports for the third quarter 2000 from a year ago. A downward trend in export growth has been obvious. In the first two quarters of 2000, growth rates were 27.8 percent and 11.4 percent. Exports of high tech products and transportation equipment have slowed while other sectors are either stabilizing or improving. Exports to Japan are robust but exports to Canada, Mexico, and South Korea are lagging. Oregon's exports will depend on how strong the Japanese recovery continues to be and how well Canada and Mexico manage to survive a slowdown in the U.S. economy.

Graph 2 shows Oregon's total export figures from 1988 in current prices. Exports in the third quarter of 2000 declined from the second quarter but still show an increase of 3.0 percent from a year ago.

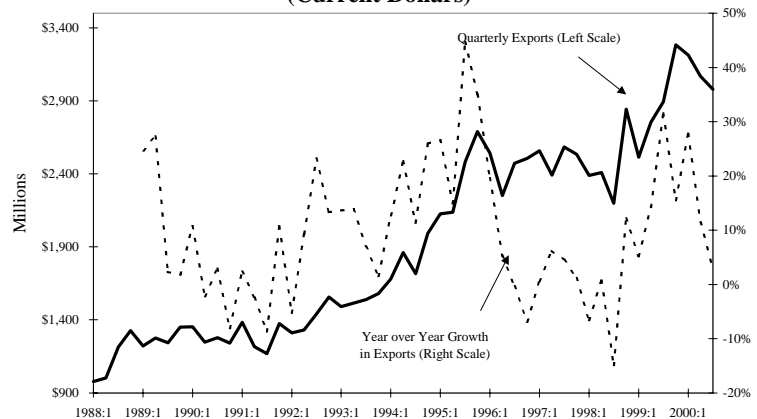
Graph 3 illustrates export trends for Oregon's major international markets. With \$495 million in the third quarter of 2000, Oregon's top export market is Japan. Exports to Japan have been increasing recently, posting more than 30 percent growth in the last three quarters on a year-over-year basis. The figures are still below the record \$614 million set in the third quarter of 1995, but the upward trend is encouraging.

TABLE 3
Projected Growth for Top U.S. Export Markets

Ranked by \$ Value of U.S. Goods Exported in 1998	Oregon Exports 1999		Projected Change in real GDP	
	Rank	(\$ mil.)	2001	2002
Canada	2	1,798	3.4	3.3
Mexico	4	909	4.8	4.6
Japan	3	1,539	1.9	2.2
United Kingdom	9	356	2.7	2.6
South Korea	1	1,943	5.8	5.6
Germany	12	242	2.9	2.7
Taiwan	8	520	5.6	5.9
Netherlands	6	590	3.6	3.4
Singapore	10	308	6.4	6.0
France	15	170	3.1	2.9
Brazil	25	47	4.2	4.3
Hong Kong	11	251	5.3	4.9
Belgium	18	119	3.0	2.8
China	14	172	7.6	7.7
Australia	13	190	3.7	3.4

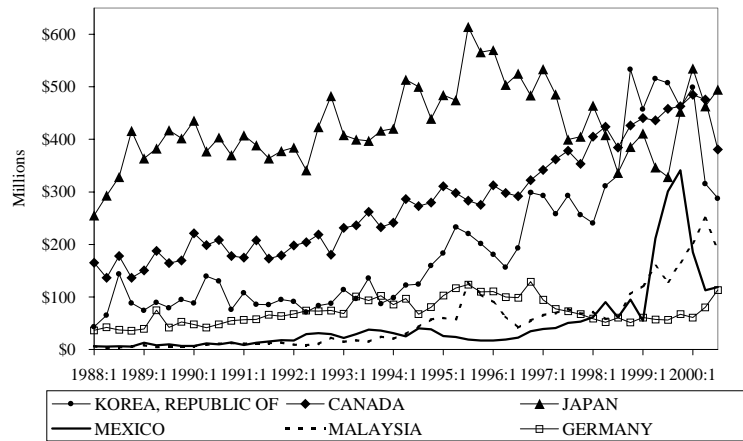
Source: Blue Chip Economic Indicators, January 10, 2001
Oregon Export Data: MISER, December 2000

GRAPH 2
Quarterly Oregon Exports
(Current Dollars)



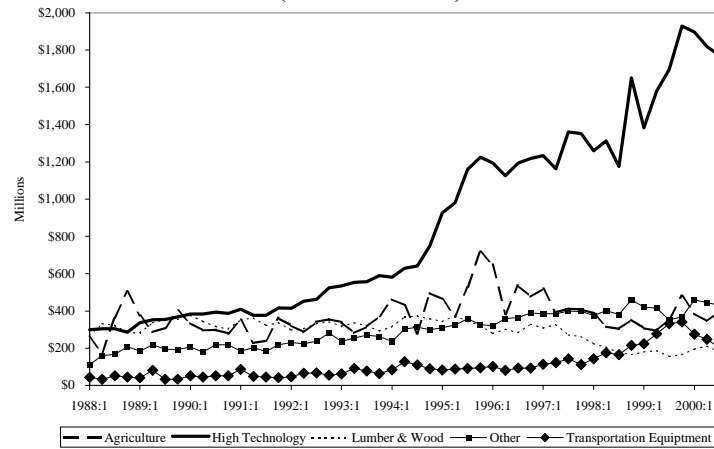
Exports to Canada and South Korea declined in the third quarter. Exports to Canada dropped 17.0 percent, registering \$381 million. Canada is being impacted by a rapid slowdown in the U.S. economy. Canadian growth is still much stronger than the U.S., but these two economies are very closely linked. Even a soft landing in the U.S. could impact Canada extensively. A further slowdown in Canada will have a negative consequence on Oregon's exports to the country.

GRAPH 3
Oregon Exports to Major Trading Partners
(Current Dollars)



Oregon has also witnessed a substantial decline in exports to South Korea in recent quarters. In the third quarter, exports to Korea declined by 43.3 percent from a year ago, totaling \$288 million. This follows a drop of approximately 40 percent in the second quarter. A major decline in exports to Mexico is also worth mentioning. Germany is now the top export market in Europe, replacing the Netherlands. Exports to Germany now stand at \$113 million in the third quarter, a 100 percent increase from a year ago.

GRAPH 4
Oregon Quarterly Exports by Sector
(Current Dollars)



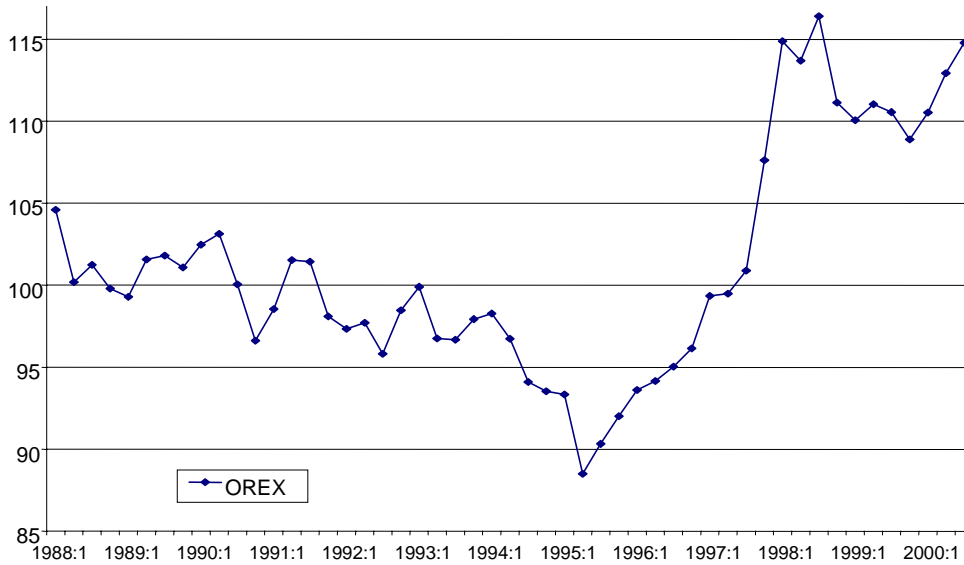
A major slowdown in the growth rate of high tech exports and a marked drop in transportation equipment exports are two interesting details shown in Graph 4. High tech exports increased by 4.4 percent in the third quarter, and transportation equipment exports declined by 39.5 percent from a year ago. High tech exports account for 59.3 percent of total Oregon exports, now totaling \$1,770 million.

It is also important to note that exports of agricultural products and lumber and wood products are stabilizing. Both products posted over 10 percent growth in the third quarter of 2000 compared to a year ago.

Oregon Real Exchange Index (OREX)

Oregon's export-weighted real dollar index has steadily increased since the last forecast. OREX was at a level of 110.5 in the first quarter of 2000. Since then, the index climbed to 112.9 in the second quarter followed by 114.8 in the third quarter of the year. Some of this substantial increase was due to a weak euro during the period.

GRAPH 5



C. Western Region Economic Review

Introduction

This section represents the latest update to the Western Region Economic Review. This issue provides a comparison of the relative performance of the western region to that of the U.S. It also provides a look at the individual performance of the states within the region. The current energy situation, as it relates to the region, will also be briefly examined. The western review studies seven states: Arizona, California, Idaho, Nevada, Oregon, Utah, and Washington.

Summary of Recent Trends

Western region performance remains strong compared to the rest of the nation. In terms of job and personal income growth, the region continues to surpass national levels. This trend is expected to continue through 2002. Manufacturing in the region is getting a boost in demand from the recent rebound in Asian economies. This increase in demand is allowing the sector to perform above average for the moment. Further, the region's strong link to export markets should help to protect it from slowing domestic demand.

Table 4 documents the performance of the western region between 1995 and 2000. Arizona and Nevada led the region in employment growth. Oregon had the highest level of overall growth during this period, coupled with the lowest growth in employment in the region. One reason for this surprising difference is the large value-added component of the manufacturing sector, which was a strong performer during the period.

TABLE 4

Review of Regional Trends

Percent Change 1995-2000

	Gross State Product¹	Non-Farm Employment	Unemployment Rate	Population	Housing Prices
Arizona	42.8%	25.8%	-30.9%	13.6%	28.9%
California	38.0%	16.0%	-30.6%	6.7%	36.6%
Idaho	31.1%	17.9%	-15.4%	9.1%	16.5%
Nevada	33.8%	30.8%	-31.5%	22.8%	14.5%
Oregon	57.0%	12.4%	-15.3%	6.6%	28.5%
Utah	35.2%	18.4%	-14.3%	9.3%	25.2%
Washington	36.8%	14.7%	-26.2%	7.0%	30.3%
US	23.8%	12.2%	-28.3%	4.7%	28.5%

1. U.S. growth is represented by Gross Domestic Product for comparative purposes.

State Sources : Regional Financial Associates, Precis: State Edition, December 2000

US : HousingPrice - FreddieMac, Employment and Unemployment - BLS, GDP - BEA, Population - Census

The western region's population has been growing rapidly compared to the rest of the U.S. All seven states reported higher population growth than the U.S. average between 1990 and 2000. As Table 5 shows, the states in the western region represent four of the five states with the fastest population growth in the nation during this period. Nevada's growth, in particular, was more than five times that of the national average. Oregon's population growth is also above the U.S. average. It grew faster than 39 other states. Even the slowest growing state in the region, California at a 1.4 percent population growth, outpaced the 1.3 percent U.S. average.

TABLE 5

Population Growth

Average Annual Rate, 1990-2000
and National Ranking

	<u>Growth</u>	<u>Rank</u>
Arizona	4.0%	2
California	1.4%	18
Idaho	2.9%	5
Nevada	6.6%	1
Oregon	2.0%	11
Utah	3.0%	4
Washington	2.1%	10
US	1.3%	

Source: Census Bureau

The Energy Situation

States throughout the western region, in particular California and the Pacific Northwest, are being forced to deal with an energy shortage. The subject has attracted so much attention that the U.S. Energy Secretary and the chairman of the Federal Energy Regulatory Commission have met with governors of the western states, including Oregon, to address the region's growing electricity energy crisis.

Many are quick to point to California's utility deregulation as a major cause for the problem. California began the changeover to a deregulated electric industry in 1998. Most energy analysts assumed that this switch would result in lower electricity prices. What the analysts failed to factor in was the huge increase in demand, somewhat related to unusually severe weather, which characterized the market for energy. During this same period, supply remained relatively stagnant creating a large shortage. In addition, some now point to the failure to deregulate the consumer side of the picture as a potential flaw in the system, placing even more fiscal pressure on California's utilities.

California's situation directly affects Oregon and the western region because of the interstate energy trading that has been normal practice. Typically, during hot summer months, when California's electricity needs exceed its generation capability, Oregon and other states provide additional supply. The reverse has also been true during cold winter months, when Pacific Northwest states have often purchased additional supply from California. This winter, no such excess supply exists in California. Rather, the state has continued to rely on Oregon and other states for much of its excess energy needs of late.

What other factors have led to this power shortage and correspondingly high prices? One additional reason is the low seasonal rain and snowfall affecting the western region. A large amount of regional power generation is hydroelectric and is very sensitive to changes in precipitation. Another very powerful force helping to raise prices of energy is the escalating price of natural gas, especially in California. The exceptionally low level of inventories of

natural gas, especially in the West, has resulted in price increases. Demand for natural gas in California, as well as the rest of the nation, is driven by electricity use. About 31 percent of all electricity produced in California comes from natural gas versus 15 percent for the U.S. as a whole (Allan Brady, *California's Gas Pains Are Hardly Natural*, Dismal.com, 12/13/00). Environmental concerns and policies have also tightened supplies of power. The increased cost of Nitrogen Oxide emission allowances (a byproduct of electricity generation) has created higher production costs for electricity.

The energy problem has even caused a local aluminum company – Kaiser Aluminum – to close two plants temporarily, in order to sell its unused power. The decision was reached when Kaiser realized that the power used by the plants was worth far more on the open market than it was in making aluminum.

Time will tell if the California deregulation will be a success and if pressure on electricity rates in the region will ease. Long-term solutions like additional capacity generation are needed to ensure future power costs will become competitively priced, and, perhaps more importantly, stable. In any case, the nation will continue to watch, with both interest and concern, as the West's energy crisis plays itself out during the next several months.

Short Term Outlook

Table 6 provides a summary of the 2001 and 2002 forecast for the western region. The Oregon forecast is consistent with the OEA March Forecast. Forecasts for the other states in the region are produced by Regional Financial Advisors. Nevada and Arizona are again on top of the list for forecasted growth in 2001 and 2002. However, all states in the region are forecasted to slow

TABLE 6

Regional Short Term Outlook
Annual Growth

	GSP		Employment		Personal Income		Population		Housing Prices	
	2001	2002	2001	2002	2001	2002	2001	2002	2001	2002
Arizona	4.2%	4.8%	3.1%	2.9%	7.2%	7.3%	2.4%	2.4%	2.3%	2.5%
California	4.0%	4.6%	1.6%	2.0%	6.4%	6.3%	1.5%	1.5%	7.2%	5.3%
Idaho	3.9%	4.0%	2.7%	2.1%	6.2%	6.2%	1.4%	1.4%	4.0%	3.7%
Nevada	4.8%	5.0%	4.1%	3.4%	8.0%	7.5%	3.1%	2.7%	4.0%	4.3%
Oregon	3.9%	3.7%	0.6%	1.8%	4.6%	5.8%	1.1%	1.1%	4.1%	4.8%
Utah	4.2%	4.4%	2.9%	2.6%	7.4%	6.2%	1.6%	1.7%	2.5%	2.8%
Washington	3.6%	4.5%	1.8%	2.0%	6.0%	6.3%	1.0%	1.5%	5.3%	5.2%
US	3.2%	4.3%	0.5%	1.2%	5.7%	5.7%	0.9%	0.9%	2.6%	3.0%

1. U.S. growth is represented by Gross Domestic Product for comparative purposes.

Sources: Oregon (except GSP) : OEA, consistent with March 2001 Economic Forecast.

Other States and Oregon GSP : Regional Financial Associates, *Precis: State Edition*, December 2000.

US : Employment - BLS, GDP and Personal Income - BEA , Population - Census, Housing Prices - Fannie Mae

slightly in 2001 compared to their recent pace of growth. Oregon is expected to be one of the slowest growing states in the region.

The major risks associated with the region are:

- A weak stock market could drive tech firms to dramatically reduce capital investment and research & development spending.
- Overbuilding in the region could create a magnified business cycle in one to two years.
- Increased power shortages in the western region could continue to push prices higher, eroding the comparative cost advantages once enjoyed by the region's businesses.
- Tech companies could continue to report disappointing earnings and abandon near-term expansion plans.

D. Oregon Economic Review and Forecast

Summary of Recent Trends

The fourth quarter initial estimate of job growth was a weak 0.7 percent annual rate. This continues the rather flat job growth picture from the third quarter, which saw slow but positive growth of 0.8 percent at an annual rate. On an annual average basis, the year 2000 finished with job growth of 1.8 percent. This average growth rate masks the slower growth from the second quarter of last year.

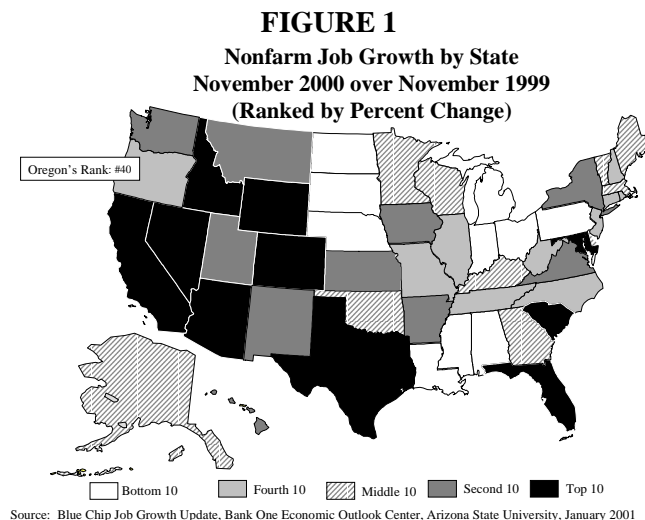
On a year over year (Y/Y) basis, job growth in the fourth quarter was at 0.7 percent. While manufacturing weakened and posted a mild negative downturn, the nonmanufacturing sector recorded positive growth at an equally mild pace. Within manufacturing, high tech jobs continued the strong growth of the last two quarters. On the other hand, relatively high interest rates and gasoline prices continued to hurt the lumber and wood and transportation equipment sectors. On the nonmanufacturing side, construction and services turned in better job performances, only to have the gains offset by declining jobs in trade and government. The winding down of Census 2000 continued a hefty decline in federal government jobs.

The most recent Blue Chip Job Growth rankings place Oregon 40th in the nation for Y/Y job growth. Between November 1999 and November 2000, jobs increased by 11,300 or 0.7 percent. A year ago, Oregon ranked 29th. The relative performance of the fifty states is shown in Figure 1.

California and Nevada are still growing strong, ranked 4th and 1st, respectively. Idaho's job growth placed the state at the 5th fastest for the period. Washington's job growth was 1.9 percent, ranking 19th among the 50 states.

OEA's forecast for fourth quarter annualized job growth was 1.9 percent compared to the reported 0.7 percent. Details of actual fourth quarter growth compared to the December 2000 forecast are shown in Tables 7 and 8. Table 7 shows annualized growth comparisons. Table 8 shows year over year growth. Job growth was weak across both manufacturing and nonmanufacturing sectors. Unless noted otherwise, all percentage rates discussed below reflect annualized rates of change for the fourth quarter of 2000.

Manufacturing employment declined by 500 jobs, a 0.9 percent drop from the third quarter. The Y/Y employment dropped 0.1 percent. Nonmanufacturing employment added 3,200 jobs for a 1.0 percent increase from the third quarter. This sector's job Y/Y growth is up 0.9 percent.



Source: Blue Chip Job Growth Update, Bank One Economic Outlook Center, Arizona State University, January 2001

TABLE 7
Initial estimate vs. Forecast Employment Fourth Quarter 2000
(Employment in Thousands, Annualized Growth Rates)

Total Nonagricultural		Instr & Related Products		Construction		Finance, Ins & Real Estate	
Initial estimate	1,609.4	Initial estimate	10.6	Initial estimate	88.4	Initial estimate	94.2
% Ch	0.7	% Ch	2.5	% Ch	7.8	% Ch	0.7
Forecast	1,614.3	Forecast	10.6	Forecast	86.9	Forecast	94.3
% Ch	1.9	% Ch	4.9	% Ch	0.9	% Ch	1.2
Difference	(4.9)	Difference	(0.1)	Difference	1.5	Difference	(0.1)
% Diff	(0.3)	% Diff	(0.6)	% Diff	1.6	% Diff	(0.1)
Manufacturing		Other Durables		Mining		Services	
Initial estimate	242.3	Initial estimate	14.0	Initial estimate	1.9	Initial estimate	443.7
% Ch	(0.9)	% Ch	5.2	% Ch	(7.0)	% Ch	3.2
Forecast	243.5	Forecast	13.9	Forecast	1.9	Forecast	442.4
% Ch	1.1	% Ch	1.8	% Ch	(2.5)	% Ch	2.0
Difference	(1.2)	Difference	0.1	Difference	(0.0)	Difference	1.3
% Diff	(0.5)	% Diff	0.8	% Diff	(1.2)	% Diff	0.3
Durable Manufacturing		Nondurable Manufacturing		Transportation, Comm & Utilities		Health Services	
Initial estimate	178.3	Initial estimate	64.0	Initial estimate	80.4	Initial estimate	110.8
% Ch	(0.9)	% Ch	(0.8)	% Ch	0.8	% Ch	4.9
Forecast	179.5	Forecast	64.0	Forecast	80.6	Forecast	109.8
% Ch	1.6	% Ch	(0.3)	% Ch	2.1	% Ch	1.2
Difference	(1.1)	Difference	(0.1)	Difference	(0.3)	Difference	1.0
% Diff	(0.6)	% Diff	(0.1)	% Diff	(0.3)	% Diff	0.9
Lumber and Wood Products		Food and Kindred		Transportation		Nonhealth Services	
Initial estimate	47.6	Initial estimate	24.2	Initial estimate	54.7	Initial estimate	332.9
% Ch	(4.5)	% Ch	(3.0)	% Ch	(0.6)	% Ch	2.6
Forecast	48.1	Forecast	24.4	Forecast	54.9	Forecast	332.7
% Ch	(0.4)	% Ch	(0.1)	% Ch	1.0	% Ch	2.3
Difference	(0.5)	Difference	(0.2)	Difference	(0.2)	Difference	0.2
% Diff	(1.1)	% Diff	(0.7)	% Diff	(0.4)	% Diff	0.1
Metals		Paper and Allied Products		Communication and Utilities		Government	
Initial estimate	26.5	Initial estimate	7.8	Initial estimate	25.7	Initial estimate	263.4
% Ch	(3.5)	% Ch	(2.5)	% Ch	3.9	% Ch	(3.9)
Forecast	26.9	Forecast	7.8	Forecast	25.7	Forecast	267.3
% Ch	1.6	% Ch	(0.1)	% Ch	4.4	% Ch	1.8
Difference	(0.3)	Difference	(0.0)	Difference	(0.0)	Difference	(3.8)
% Diff	(1.3)	% Diff	(0.6)	% Diff	(0.1)	% Diff	(1.5)
Nonelectrical Machinery		Printing and Publishing		Trade		Federal Government	
Initial estimate	20.2	Initial estimate	17.2	Initial estimate	395.1	Initial estimate	29.6
% Ch	(4.5)	% Ch	2.9	% Ch	0.5	% Ch	(18.8)
Forecast	20.4	Forecast	17.1	Forecast	397.4	Forecast	30.8
% Ch	(1.5)	% Ch	(0.1)	% Ch	2.8	% Ch	(4.7)
Difference	(0.2)	Difference	0.1	Difference	(2.3)	Difference	(1.2)
% Diff	(0.8)	% Diff	0.7	% Diff	(0.3)	% Diff	(4.1)
Electrical Machinery		Other Nondurables		Wholesale Trade		State Government	
Initial estimate	40.2	Initial estimate	14.8	Initial estimate	94.1	Initial estimate	59.8
% Ch	10.4	% Ch	(0.4)	% Ch	0.6	% Ch	(0.8)
Forecast	39.8	Forecast	14.8	Forecast	94.4	Forecast	59.8
% Ch	6.0	% Ch	(1.0)	% Ch	1.6	% Ch	(0.7)
Difference	0.4	Difference	0.0	Difference	(0.2)	Difference	(0.0)
% Diff	1.0	% Diff	0.2	% Diff	(0.3)	% Diff	(0.0)
Transportation Equipment		Nonmanufacturing		Retail Trade		Local Government	
Initial estimate	19.2	Initial estimate	1,367.1	Initial estimate	301.0	Initial estimate	174.1
% Ch	(11.6)	% Ch	1.0	% Ch	0.5	% Ch	(2.1)
Forecast	19.7	Forecast	1,371.0	Forecast	303.1	Forecast	176.7
% Ch	(0.8)	% Ch	2.1	% Ch	3.2	% Ch	3.9
Difference	(0.6)	Difference	(3.9)	Difference	(2.1)	Difference	(2.6)
% Diff	(2.9)	% Diff	(0.3)	% Diff	(0.7)	% Diff	(1.5)

TABLE 8
Employment Growth: Fourth Quarter 2000
(Employment in Thousands, Year-over-Year Growth Rates)

Total Nonagricultural		Instr & Related Products		Construction		Finance, Ins & Real Estate	
Initial estimate	1,595.5	Initial estimate	10.2	Initial estimate	89.4	Initial estimate	95.6
Y/Y % Ch	0.7	Y/Y % Ch	0.7	Y/Y % Ch	7.0	Y/Y % Ch	0.7
Manufacturing		Other Durables		Mining		Services	
Initial estimate	240.3	Initial estimate	14.6	Initial estimate	1.7	Initial estimate	437.7
Y/Y % Ch	(0.1)	Y/Y % Ch	6.7	Y/Y % Ch	(4.6)	Y/Y % Ch	1.0
Durable Manufacturing		Nondurable Manufacturing		Transportation, Comm & Utilities		Health Services	
Initial estimate	177.1	Initial estimate	63.2	Initial estimate	79.6	Initial estimate	109.9
Y/Y % Ch	(0.2)	Y/Y % Ch	0.1	Y/Y % Ch	1.5	Y/Y % Ch	1.9
Lumber and Wood Products		Food and Kindred		Transportation		Nonhealth Services	
Initial estimate	46.3	Initial estimate	24.4	Initial estimate	54.4	Initial estimate	327.9
Y/Y % Ch	(5.4)	Y/Y % Ch	2.7	Y/Y % Ch	0.3	Y/Y % Ch	0.7
Metals		Paper and Allied Products		Communication and Utilities		Government	
Initial estimate	26.9	Initial estimate	7.6	Initial estimate	25.3	Initial estimate	261.2
Y/Y % Ch	0.8	Y/Y % Ch	(5.8)	Y/Y % Ch	4.2	Y/Y % Ch	0.1
Nonelectrical Machinery		Printing and Publishing		Trade		Federal Government	
Initial estimate	19.9	Initial estimate	16.8	Initial estimate	389.9	Initial estimate	28.9
Y/Y % Ch	(4.7)	Y/Y % Ch	0.9	Y/Y % Ch	(0.1)	Y/Y % Ch	(1.7)
Electrical Machinery		Other Nondurables		Wholesale Trade		State Government	
Initial estimate	39.4	Initial estimate	14.5	Initial estimate	94.9	Initial estimate	59.2
Y/Y % Ch	9.0	Y/Y % Ch	(1.9)	Y/Y % Ch	0.4	Y/Y % Ch	0.6
Transportation Equipment		Nonmanufacturing		Retail Trade		Local Government	
Initial estimate	19.9	Initial estimate	1,355.2	Initial estimate	294.9	Initial estimate	173.1
Y/Y % Ch	(5.8)	Y/Y % Ch	0.9	Y/Y % Ch	(0.2)	Y/Y % Ch	0.2

Electrical machinery, which includes semiconductors, was the strong sector in manufacturing. Employment increased by 1000 jobs for a 10.4 percent growth rate.

Instruments and related products also increased with growth of 2.5 percent. Non-electrical machinery, which includes computers, had a mild decline in the fourth quarter. Overall, high technology jobs finished 2000 on a strong note, adding close to 3,300 jobs since the fourth quarter of 1999.

Transportation equipment, which experienced rapid growth in 1998 and 1999, slowed to 2.1 percent growth in 2000. Rising interest rates and gasoline prices are slowing this sector. Lumber and wood products once again faced declining commodity prices, now coupled with higher mortgage rates. This sector lost 600 jobs for a 1.0 percent decline.

Non-durable manufacturing jobs fell by 0.8 percent. Food and kindred jobs decreased by 3.0 percent for the quarter. This sector has been very volatile with an amazing 16.6 percent growth rate in the last quarter of 1999 followed by a decline of 2.9 and 9.0 percent in the first and second quarters of 2000. Industry restructuring and seasonal factors continue to push around the quarterly numbers. Food and kindred is down 600 jobs from the fourth quarter of 1999.

Non-manufacturing employment posted positive growth – at just 1.0 percent. A major contributor to this low growth was the end of Census 2000 employment by the Federal Government. Laid-off census workers lowered federal government sector jobs by 18.8 percent. Construction was quite strong with growth of 7.8 percent. Trade was marginally positive while

the service sector was slightly stronger. The transportation and communications and utilities sectors' performance was mixed. Transportation declined 0.6 percent while communication and utilities increased by 3.9 percent. Finance, real estate, and insurance continued to bounce back from the first and second quarters to increase by 0.7 percent. Local government job growth declined by 2.1 percent and state government employment declined by 120 jobs or 0.8 percent.

Short-Term Outlook

Overview

The Oregon economy will follow the U.S. economy down the path of very slow growth or possible recession. That said, Oregon is expected to grow somewhat faster than the U.S. in 2001 and 2002. This *faster* growth, however, is really just a reflection of even slower growth expected in the U.S. economy compared to the slow growth projected for Oregon. OEA forecasts employment to grow 0.7 percent in 2001 and 1.8 percent in 2002.

The table below compares OEA's forecast to other published forecasts. Standard and Poor's DRI has the most pessimistic outlook for 2001. OEA's forecast follows the direction of the DRI forecast but believes that the slowdown will be deep and short-lived with growth returning at a faster rate.

Total Nonfarm Employment Growth Forecasts

Forecaster	Date of Forecast	Employment Growth		
		2001	2002	2003
Economy.com	Dec. 2000	1.2	1.5	1.5
Standard and Poor's DRI	Dec. 2000	0.5	1.4	2.0
Wells Fargo & Company	Jan. 2001	1.0	0.5	NA
U.S. Bank	Jan. 2001	1.3	1.6	NA
OEA	Jan./Feb. 2001	0.7	1.8	2.4

Manufacturing will slow in 2001 with an annual growth decline of 2.0 percent. The sector will bottom out and start to improve in 2002. This will still result in a decline of 0.5 percent in 2002. Non-manufacturing jobs will increase 1.1 percent in 2001 and 2.2 percent in 2002.

Lumber and wood products are projected to be down 3.3 percent in 2001 before a marginal improvement of 0.4 percent expected in 2002.

The sector that contains semiconductors, electrical machinery, should grow 2.7 percent in 2001 and 1.0 percent in 2002. These annual growth rates mask a slowing in 2001 with several quarters of negative growth projected.

TABLE 9
Oregon Forecast Summary - Current vs. Last Forecast

	2000:4	2001:1	2001:2	2000	2001	2002	2003	2004	2005	2006	2007
Personal Income (Billions of Dollars)											
Nominal Personal Income	98.0	99.1	100.2	96.3	100.9	106.9	114.1	121.4	129.1	137.2	145.8
% Change From Last Forecast	(0.0)	(0.6)	(1.0)	0.2	(1.0)	(1.3)	(1.5)	(1.8)	(1.9)	(1.9)	(1.8)
Real Personal Income (1996 \$)	90.3	91.2	91.8	89.6	92.2	96.2	100.8	105.1	109.2	113.3	117.2
% Change From Last Forecast	(0.2)	(0.5)	(0.8)	0.1	(0.7)	(0.7)	(0.5)	(0.3)	0.3	0.7	1.1
Other Indicators											
Per Capita Income (Thousands \$)	28.4	28.7	28.9	28.1	29.1	30.5	32.1	33.8	35.4	37.2	39.1
% Change From Last Forecast	(2.7)	(3.3)	(3.6)	(2.6)	(3.7)	(4.0)	(4.3)	(4.8)	(5.0)	(5.1)	(5.2)
Average Wage Rate (Thousands \$)	34.8	35.2	35.6	34.3	35.8	37.4	39.2	41.0	42.7	44.6	46.6
% Change From Last Forecast	(0.2)	(0.5)	(0.3)	(0.1)	(0.3)	0.0	(0.0)	(0.4)	(0.9)	(1.4)	(1.8)
Population (Millions)	3.445	3.455	3.464	3.430	3.469	3.51	3.553	3.598	3.642	3.686	3.728
% Change From Last Forecast	2.7	2.8	2.8	2.8	2.8	2.9	3.0	3.1	3.3	3.4	3.5
Housing Starts (Thousands)	20.3	19.4	18.9	18.9	19.2	20.3	21.0	21.7	22.2	22.7	23.0
% Change From Last Forecast	11.1	6.7	4.5	0.5	6.1	7.7	9.7	11.6	14.3	18.9	20.2
Employment (Thousands)											
Nonagricultural	1,609.4	1,609.4	1,611.3	1,603.3	1,614.9	1,644.2	1,684.3	1,720.0	1,753.2	1,785.2	1,813.2
% Change From Last Forecast	0.5	0.2	(0.2)	0.5	(0.3)	(0.6)	(0.7)	(0.9)	(0.8)	(0.6)	(0.5)
Durable Manufactures	178.3	176.9	175.5	179.0	175.1	174.4	177.4	179.4	180.2	182.4	185.0
% Change From Last Forecast	0.1	(1.1)	(2.3)	0.4	(2.5)	(3.6)	(3.9)	(4.3)	(3.6)	(2.5)	(1.6)
Lumber and Wood Products	47.6	47.5	47.4	49.0	47.4	47.6	48.5	49.0	49.0	49.1	49.4
% Change From Last Forecast	1.6	1.2	1.0	2.3	1.1	1.8	2.6	4.1	6.1	7.9	8.6
High Technology	71.0	70.5	70.0	69.4	69.8	70.0	71.7	72.9	73.9	75.8	77.6
% Change From Last Forecast	2.5	0.9	(0.6)	1.9	(1.2)	(3.5)	(4.6)	(5.7)	(5.5)	(4.0)	(2.3)
Nondurable Manufactures	64.0	63.2	63.0	63.9	63.0	62.7	62.7	63.0	63.2	63.4	63.6
% Change From Last Forecast	0.9	(0.4)	(0.8)	0.7	(0.7)	(0.2)	(0.2)	(0.3)	0.3	0.9	1.5
Nonmanufacturing	1,367.1	1,369.3	1,372.9	1,360.3	1,376.7	1,407.2	1,444.2	1,477.6	1,509.8	1,539.4	1,564.6
% Change From Last Forecast	0.5	0.4	0.1	0.5	0.1	(0.2)	(0.3)	(0.5)	(0.5)	(0.5)	(0.5)
Construction	88.4	88.0	87.8	85.7	88.0	89.8	93.2	96.2	99.2	101.8	103.7
% Change From Last Forecast	0.1	0.0	(0.2)	(0.9)	(0.1)	0.9	2.2	3.5	5.0	7.2	9.2
Retail Trade	301.0	301.4	302.0	300.1	302.6	307.3	314.9	322.1	328.5	333.8	338.3
% Change From Last Forecast	1.3	0.9	0.6	1.4	0.5	(0.6)	(0.9)	(1.4)	(1.2)	(1.1)	(1.2)
Services	443.7	445.0	446.7	438.8	448.6	463.3	478.5	492.0	505.7	518.5	529.2
% Change From Last Forecast	1.7	1.5	1.2	0.8	1.2	1.4	1.3	0.9	0.8	0.6	0.3
Total Government	261.2	262.0	263.0	266.0	265.5	269.7	274.2	278.5	282.3	285.6	288.5
% Change From Last Forecast	(1.5)	(1.3)	(1.5)	(0.4)	(1.5)	(1.7)	(2.0)	(2.3)	(2.7)	(3.3)	(3.8)

Construction is expected to continue to add jobs, but at much slower rates compared to 2000. Job growth will be 2.7 percent in 2001 and 2.1 percent in 2002.

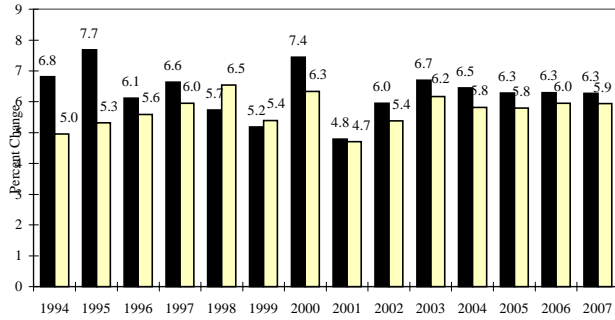
Trade job growth will remain relatively weak in 2001 with growth of 0.8 percent. Job growth will be stronger in 2002 at 1.6 percent. Services should see annual job growth of 2.2 percent in 2001 and 3.3 percent in 2002.

Population growth is expected to be higher than the U.S. average, but slower than the growth experienced in the mid-1990's. Slower growth will prevail over the next two years, with increases of 1.1 percent in 2001 and 1.2 percent in 2002.

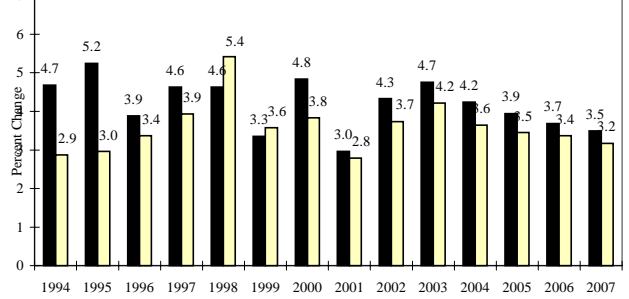
GRAPH 6 OREGON AND U.S. ECONOMIC FORECASTS

■ OREGON ■ U.S.

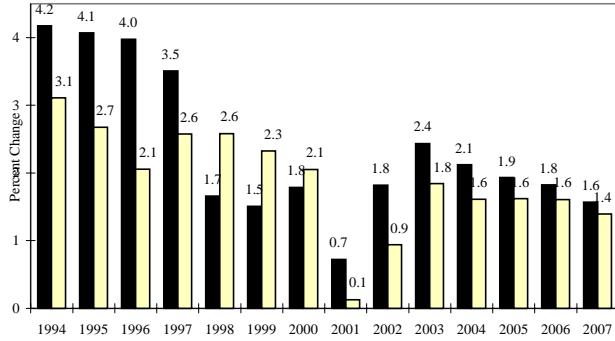
PERSONAL INCOME



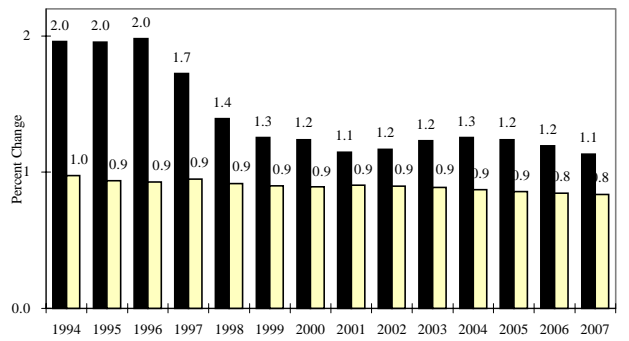
REAL PERSONAL INCOME 1996 CHAIN WEIGHTED DOLLARS



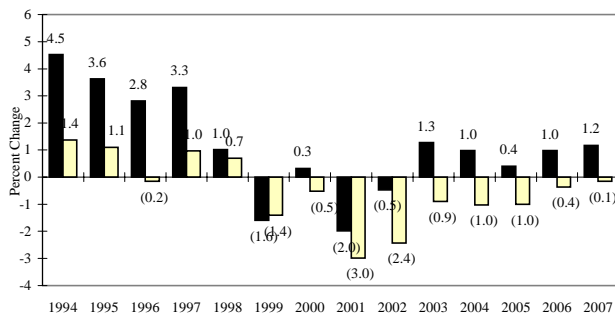
NON FARM EMPLOYMENT



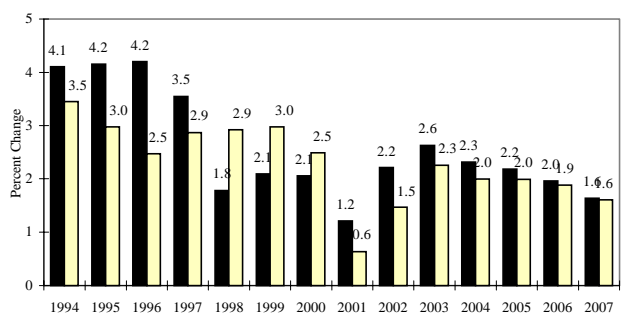
POPULATION



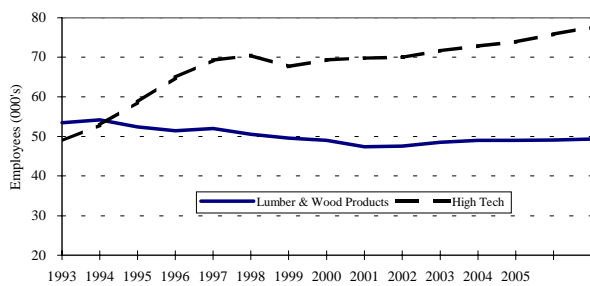
MANUFACTURING EMPLOYMENT



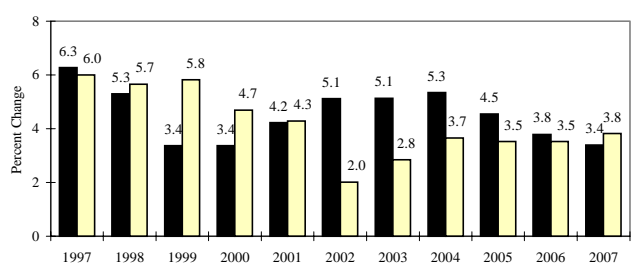
NON MANUFACTURING EMPLOYMENT



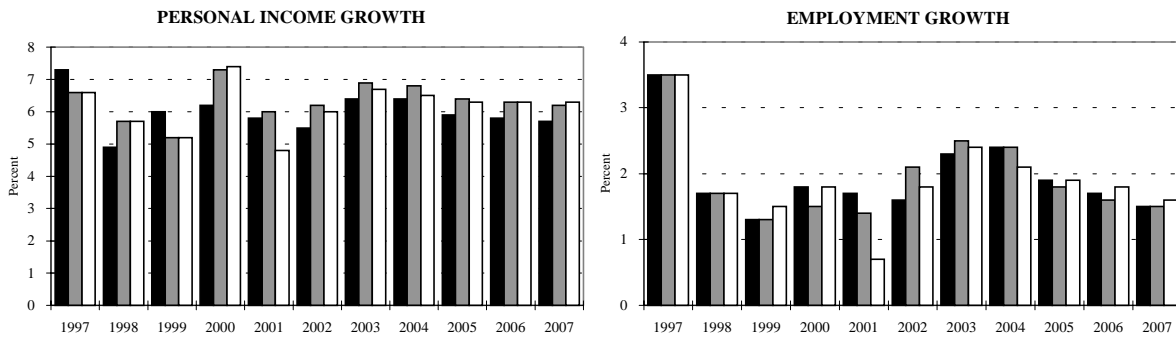
LUMBER & WOOD PRODUCTS & HIGH TECHNOLOGY EMPLOYMENT



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



GRAPH 7
COMPARISON OF LAST THREE FORECASTS
 ■ Sep 2000 ■ Dec 2000 □ March 2001



Forecast Changes

OEA’s March 2001 Oregon economic forecast reflects a decrease in both personal income and employment levels. The personal income decrease stems from lower national forecasts. The employment decrease is also based on weaker national forecasts and weaker performance of the Oregon economy in the fourth quarter of 2000. The slowdown in the Oregon economy is much sooner than forecasted and the projected recovery is not as strong. Table 9 and Graph 7 provide a summary of the forecast changes. A summary of the Oregon forecast is shown in Graph 6.

The forecast for total nonfarm jobs has been revised down 0.3 percent in 2001 and 0.6 percent in 2002. National economic growth has been weaker than anticipated and fourth quarter job growth in Oregon was slower than anticipated.

Manufacturing overall has been significantly decreased. The high technology sector forecast was reduced 1.2 percent for 2001 and 3.5 percent for 2002 reflecting weaker than expected growth. Still, the high technology sector will remain one of the fastest growing manufacturing sectors in the state through 2005. Overall, the forecast of nonmanufacturing jobs was increased by 0.1 percent in 2001 and decreased by 0.2 percent in 2002. Spillover from the weakness in the manufacturing sector will soften nonmanufacturing.

The lumber and wood products sector for 2001 is 1.1 percent higher than the December 2000 forecast. Commodity prices remain low but declining mortgage rates and an upturn in housing starts should stem a steep decline. The forecast is also revised up 1.8 percent in 2002. The slow secular decline for the industry is expected to remain.

Construction forecasts are lowered by 0.1 percent for 2001 and then raised by 0.9 percent for 2002. The previous forecast had commercial projects slowing with continued drops in housing starts. The recent fall in mortgage rates should help residential projects.

Service job growth is increased by 1.2 percent 2001 and 1.4 percent in 2002. Retail trade is revised up by 0.5 percent in 2001 and down by 0.6 percent in 2002.

Personal Income Components

Personal income is forecast to grow by 4.8 percent in 2001, followed by growth of 6.0 percent in 2002 and 6.7 percent in 2003. Wage and salary income will grow 5.2 percent in 2000 and 2001.

Non-farm proprietors' income will grow 5.0 percent in 2001. Growth in this income component will increase to 8.3 percent in 2002.

Per capita income in Oregon will stay below the U.S. average in 2001. With faster growth forecasted for the Oregon economy, per capita income will move towards the U.S. average through 2007.

Goods-Producing Sectors

The lumber and woods product sector suffered the impact from rising interest rates. The drop in 30-year mortgage rates to below 7.0 percent should help this sector rebound. In May of 2000, rates were above 8.0 percent. U.S. housing starts rebounded in December to a six-month high. But lumber prices are still depressed. The Random Lengths Composite Price (*Random Lengths Publications*, January 2001) for lumber fell from \$271 per thousand feet to \$265 per thousand feet. Prices averaged over \$375 last March 2000. The lower mortgage rates should help minimize the losses for this industry. But with a general downturn in the economy, demand may remain relatively weak. The sector is also being battered by high electricity and natural gas prices. The Western Wood Products Association expects lumber imports from Canada to increase as the agreement with the U.S. limiting imports expires at the end of March. The sector will see some mild improvement in the latter half of 2001 and into 2002.

The high technology sector ended 2000 with a strong push to add capacity, especially among semiconductor manufacturers. The surge in job growth may be ending abruptly. Just last December, 2001 revenue forecasts for the chip industry were revised down from double digit growth to single digits. Intel now estimates that first quarter revenues will fall about 15 percent from the fourth quarter. This slowing demand outlook caused Intel to indefinitely postpone construction of a \$400 million research and development campus in Hillsboro (*Oregonian*, January 18, 2001). The slowing of personal computer and communications markets has led to a rapid slowdown, which may not turnaround until mid to late 2001. The outlook is much brighter through 2005 once inventory depletions bring some balance to supply and demand.

Transportation equipment lost jobs in the second half of 2000. High interest rates and gasoline prices, coupled with a softening economy quickly slowed this sector. Demand has also weakened internationally with exports falling almost 40 percent in the third quarter of 2000. Adding to layoffs and closures in the motor home and RV industry, Freightliner announced job cuts of 1,085 expected by April 1, 2001. Given lower interest rates on the horizon, the transportation equipment sector should stabilize by the end of 2001 and show improvement into 2002.

Metals manufacturing has been hard hit by the rise in electricity prices. Last Fall, Reynolds Metals' smelter in Troutdale laid off about 500 workers, while Golden Northwest Aluminum cut production at its aluminum smelter in The Dalles. Its long-term contract with BPA allows

Golden Northwest Aluminum to sell back its power and continue to pay wages to laid off workers. These contracts expire this coming October and may result in continued layoffs without pay. This industry is trying to find alternate generation of electricity, but any true solutions are at least three years away. The forecast calls for declines in growth of around 4.0 percent for both 2001 and 2002.

Employment in food processing is forecast to decline 2.0 percent in 2001 and 0.9 percent in 2002. This industry continues to face increased competition and consolidation. AgriFrozen Foods vegetable-processing plant in Woodburn is scheduled to close this June, laying off 300 workers. Relief from improving export markets will merely keep this sector from further declines.

Service-Producing Sectors

Construction employment is projected to increase annually by 2.7 percent in 2001 and 2.1 percent in 2002. This is slightly less than the 2.9 percent growth seen in 2000. The annual growth in 2001 distorts the slow quarterly growth for the year. The first and second quarter growth rates decline at 1.5 and 1.0 percent, respectively. The slowdown in high technology and dot.com firms will depress the commercial side. But lower mortgage rates will help housing starts to mildly lift the residential side of construction. Construction is a very volatile sector, subject to wide swings. If the economy slides into recession, this sector will see steep cuts in jobs. The outlook becomes brighter as we head into 2002.

The trade sector employment will see very weak growth of 0.8 percent in 2001. Consumer confidence has dropped over the last four months. Stock market wealth has dramatically declined over the year. The lackluster holiday shopping season showed that the mood of the spend-free consumer was changing. The announcement of the closure and cutbacks by Montgomery Wards and Lucy.com were among many retailers hurt by the slow consumer spending. This sector will improve in 2002 with growth of 1.6 percent as the economy strengthens.

Lowering interest rates should bolster the finance, insurance, and real estate sector. Annual employment is expected to increase by 0.8 percent in 2001 and 1.6 percent in 2002.

Services will manage only mild growth in 2001 with a 2.2 percent increase. The softness in the semiconductor sector will dampen demand for business services, such as engineering and management services. Overall, services are forecasted to add jobs annually at 3.3 percent in 2002.

The government sector will be marginally negative in 2001 and increase by 1.6 percent in 2002. The slowing economy will bring slower tax revenues and less hiring at federal, state, and local levels. School age population for K-12 is leveling off. The number of young adults aged 18-24 is increasing rapidly through the next 3 years. This will place enrollment pressures on community colleges and public universities.

Forecast Risks

World market growth appears healthy, but questions remain for the Japanese economy. If the U.S. economy continues to soften, both Canada and Mexico are at risk. The Federal Reserve is attempting to jump-start a weakening U.S. economy. Stock markets have been battered since April of 2000. Energy prices have risen dramatically. Although this forecast does not call for a recession, the odds of doing so have not been higher since 1990. The major risks now facing the Oregon economy are:

- A further sharp and major stock market correction. This would further slow the main driving force in the economic expansion – consumer spending.
- Further increases in inflation. The source of inflation would come from rising world oil prices and rising wage pressure if productivity gains disappear. The inflationary environment may cause the Federal Reserve to abandon its interest rate cuts.
- Regional rising energy prices force more businesses to slow production and lay off workers. Snow packs and reservoir levels will be key determinants. Questions surround the speed and benefits from energy deregulation.
- Measure 7, “takings.” The courts are still debating this land use compensation law. The "current law" forecast will be modified as the economic effects and court decisions become clearer.

Extended Outlook

The Oregon economy grew slower than the U.S. economy in 1998, 1999, and 2000. Previously, this had not occurred since 1985. OEA forecasts the Oregon economy will again grow faster than the U.S. economy in 2001. Between 2001 and 2007, the U.S. economy is expected to have even slower growth than the slow growth expected for the Oregon economy. Employment growth in Oregon will be much slower than the mid-1990s.

The slower economic growth of 1999 and 2000 also slowed the growth of Oregon per capita income and average wage. The devastating 1980-82 recession slowed the growth of incomes and wages until 1986. As the Oregon economy became more industrially diversified, per capita income and wages grew faster than the nation as a whole. Even though the Oregon economy is projected to grow faster than the nation in 2001, per capita income and average wages are still below the national average. Although the recent period of prosperity has raised these two measures, they have yet to reach their previous peaks of 1978.

The key factors that will fuel the state’s long term growth are:

- *Recovery in the semiconductor industry:* Increasing demand for computers and communications equipment and an increase in orders will eliminate the excess capacity in the industry. The needs of the Internet should fuel greater demand. The strength in the industry

will allow previously announced investment plans by major companies to be carried out in the 2002-2005 period.

- *Export growth and rising commodity prices:* Global recovery of economies will increase demand for Oregon finished goods and commodities. Rising 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. If the plan can assure businesses of abundant, reliable, and relatively inexpensive supply of electricity, the state (and Pacific Northwest) will continue to have a relative energy advantage over other regions. If recent price hike proposals for electricity and natural gas surpass those for other parts of the country, Oregon could lose this cost advantage. Equally important is an educated work force that contributes to productivity.
- *Environmental issues.* Salmon protection measures, Portland Super Fund, and other issues could change the economic landscape.
- *Affordable housing:* If housing costs rise faster in Oregon than in the rest of the nation, companies will face increased difficulties recruiting workers. Recently, California and Washington have experienced rising housing costs compared to Oregon. If Oregon can maintain a relative cost advantage in housing, this factor will be attractive for firm location.
- *Quality of life:* Oregon will continue to attract financially secure retirees. Companies that place a high premium on quality of life will desire to locate in Oregon.

Oregon Regional Profile

The accompanied tables provide data on regional and county levels within the state. This section will be a regular feature following the Oregon Economic Review and Forecast. The tables highlight the social, economic, and demographic diversity in the state. Please review these tables in each quarterly issue as data is updated and new information is displayed.

OREGON REGIONAL TABLES
TABLE 10

Economic Profile of Oregon Counties (Counties Grouped by Regions)							
Geography	Population July 1, 2000	Total employment 1999	Unemployment rate 1999	Per capita income 1998	Poverty rate: all ages 1997	Poverty rate: <18 yrs. of age 1997	Average wage per job 1999
OREGON	3,365,900	1,660,090	5.7%	25,912	11.6%	16.3%	30,372
Portland PMSA	1,541,150	828,790	4.6%	29,989	9.2%	12.7%	34,565
Clackamas	332,850	186,420	4.0%	30,709	6.4%	8.6%	30,970
Columbia	43,200	21,320	6.2%	23,004	8.6%	11.1%	27,366
Multnomah	653,800	348,380	5.2%	30,662	12.2%	17.6%	34,332
Washington	427,500	232,700	4.1%	30,621	6.7%	9.3%	38,678
Yamhill	83,800	39,970	4.8%	22,586	10.5%	13.8%	26,299
Willamette Valley	844,250	399,840	5.9%	23,646	12.5%	17.3%	27,097
Benton	77,950	39,590	2.9%	27,307	9.1%	10.0%	30,902
Lane	318,100	153,900	5.7%	24,151	13.3%	18.0%	26,247
Linn	103,000	48,540	8.0%	21,218	12.3%	17.2%	27,489
Marion	284,000	129,130	6.3%	23,240	13.2%	19.0%	27,386
Polk	61,200	28,680	5.3%	22,334	10.5%	14.3%	22,971
Coast	186,200	78,440	7.4%	21,703	14.9%	21.9%	23,273
Clatsop	35,250	16,200	5.6%	22,662	13.3%	18.3%	24,254
Coos	61,700	24,450	8.7%	21,332	16.7%	23.6%	24,168
Curry	21,200	7,750	7.3%	21,993	13.9%	22.9%	21,051
Lincoln	43,850	19,350	8.3%	21,913	14.7%	23.0%	22,514
Tillamook	24,200	10,690	5.2%	20,613	13.6%	20.7%	22,403
Southern	354,800	150,950	7.7%	21,723	15.1%	22.0%	24,837
Douglas	100,900	41,020	9.3%	20,543	14.6%	20.5%	25,332
Jackson	179,050	83,250	6.6%	23,214	13.8%	20.3%	25,178
Josephine	74,850	26,680	8.4%	19,862	18.7%	28.5%	22,862
Central	265,250	122,040	7.5%	22,051	12.9%	18.8%	24,664
Crook	18,150	6,900	9.1%	19,905	12.8%	18.6%	25,831
Deschutes	109,600	53,920	6.4%	24,784	10.6%	15.9%	25,354
Gilliam	2,050	1,140	5.8%	14,353	9.4%	11.5%	24,669
Hood River	20,400	10,040	8.6%	21,262	13.0%	18.8%	21,637
Jefferson	18,600	8,010	6.5%	18,328	16.6%	23.0%	24,643
Klamath	62,800	26,260	8.7%	19,800	15.9%	22.8%	24,295
Lake	7,400	3,030	10.1%	19,996	14.7%	20.1%	22,756
Sherman	1,900	1,000	5.7%	16,247	12.0%	15.8%	20,409
Wasco	22,750	11,200	7.5%	22,876	12.9%	18.3%	25,669
Wheeler	1,600	540	10.0%	15,555	12.5%	18.2%	15,744
Eastern	174,250	80,030	7.6%	20,175	15.4%	20.7%	23,784
Baker	16,700	6,740	8.4%	19,049	16.8%	24.4%	21,897
Grant	8,000	3,560	12.1%	19,963	14.5%	19.7%	22,530
Harney	7,600	3,790	7.6%	20,534	14.8%	21.9%	21,737
Malheur	31,200	13,510	8.9%	19,542	19.6%	26.0%	21,800
Morrow	10,050	3,730	10.8%	18,353	7.0%	8.3%	25,488
Umatilla	69,000	33,960	6.5%	21,018	15.6%	21.0%	25,486
Union	24,500	11,530	6.0%	20,272	13.9%	17.3%	23,622
Wallowa	7,200	3,210	9.1%	19,636	13.1%	16.8%	21,068

Sources: 1997 Poverty Rates - U.S. Census Bureau
2000 Population - Population Research Center, PSU
1998 Per capita income - Regional Economic Information System, 1969-1998, Bureau of Economic Analysis.
1999 Employment and Unemployment rate - Oregon Employment Department
1999 Average wage per job, Bureau of Economic Analysis.

Note: Portland PMSA excludes Clark County, WA.

TABLE 11

1999 Annual Average Covered Employment by Industry Division and by Region

Employment	Region						
	Oregon	Portland	Willamette	Coast	Southern	Central	Eastern
		PMSA	Valley				
Agriculture, Forestry and Fishing	47,148	17,022	14,444	1,842	3,529	5,014	4,857
Construction & Mining	84,844	43,805	18,907	3,011	6,096	5,981	3,062
Manufacturing	242,101	127,018	59,138	8,646	20,503	15,824	10,702
Trans., Comm., & Utilities	75,511	47,745	10,733	2,681	5,833	3,995	2,680
Wholesale Trade	93,786	62,300	13,392	1,510	5,163	4,761	2,810
Retail Trade	294,479	145,011	65,406	16,486	30,286	22,569	12,953
Finance, Insurance and Real Estate	84,089	55,168	14,420	2,324	4,564	4,605	1,869
Services	415,704	230,770	87,340	16,856	33,557	26,335	12,808
Fed., State, & Local govt.	238,649	98,348	70,640	14,026	21,073	18,633	15,822
Total	1,577,666	827,822	354,657	67,538	130,791	108,241	67,893

Percent Distribution	Region						
	Oregon	Portland	Willamette	Coast	Southern	Central	Eastern
		PMSA	Valley				
Agriculture, Forestry and Fishing	3.0%	2.1%	4.1%	2.7%	2.7%	4.6%	7.2%
Construction & Mining	5.4%	5.3%	5.3%	4.5%	4.7%	5.5%	4.5%
Manufacturing	15.3%	15.3%	16.7%	12.8%	15.7%	14.6%	15.8%
Trans., Comm., & Utilities	4.8%	5.8%	3.0%	4.0%	4.5%	3.7%	3.9%
Wholesale Trade	5.9%	7.5%	3.8%	2.2%	3.9%	4.4%	4.1%
Retail Trade	18.7%	17.5%	18.4%	24.4%	23.2%	20.9%	19.1%
Finance, Insurance and Real Estate	5.3%	6.7%	4.1%	3.4%	3.5%	4.3%	2.8%
Services	26.3%	27.9%	24.6%	25.0%	25.7%	24.3%	18.9%
Federal, State, & Local govt.	15.1%	11.9%	19.9%	20.8%	16.1%	17.2%	23.3%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Oregon Employment Department
 Note: employment includes covered employment. Portland PMSA includes Oregon only.
 Oregon total includes multi-county employment.

TABLE 12

Oregon's Population by Race and Hispanic Origin, July 1, 1999

Region	White	African American	American Indian	Asian and Pacific Islander	Hispanic
Oregon July 1, 1999	93.4%	1.9%	1.4%	3.3%	6.4%
Change 4/1/90 - 7/1/99	14.8%	30.7%	11.7%	54.0%	86.6%
Portland PMSA	90.7%	3.4%	0.9%	5.0%	5.8%
Willamette Valley	95.1%	0.9%	1.3%	2.7%	7.2%
Coast	96.4%	0.3%	2.0%	1.3%	3.2%
Southern	97.2%	0.3%	1.4%	1.2%	5.4%
Central	95.4%	0.4%	3.1%	1.0%	7.4%
Eastern	95.8%	0.5%	2.2%	1.6%	12.4%

Source: Population Division, U.S. Census Bureau
 Note: person of Hispanic origina can be of any race.

TABLE 13

Oregon's Population by Age, July 1, 1999							
Region	Population by Age Groups			Age composition			Dependency Ratio*
	0-17	65+	Total	0-17	65+	Total	
Oregon	829,794	440,891	3,300,800	25.1%	13.4%	100.0%	63%
Portland PMSA	379,972	167,738	1,504,200	25.3%	11.2%	100.0%	57%
Willamette Valley	208,811	111,153	831,150	25.1%	13.4%	100.0%	63%
Coast	41,877	37,285	185,600	22.6%	20.1%	100.0%	74%
Southern	84,197	62,070	348,800	24.1%	17.8%	100.0%	72%
Central	67,033	37,908	258,800	25.9%	14.6%	100.0%	68%
Eastern	47,904	24,737	172,250	27.8%	14.4%	100.0%	73%

Source: Population Research Center, PSU.
 * Dependency ratio is the ratio of combined child population (under 18) and aged population (65+) to the working-age population (18-64).

TABLE 14

Selected Characteristics of Oregonians, 2000					
Region	Education		Born in Oregon	Health Insurance	
	Bachelor's or higher	High school graduate		Uninsured - All ages	Uninsured - age 0-17
Oregon	28.9%	91.7%	45.7%	11.0%	9.5%
Portland PMSA	35.7%	94.3%	46.5%	9.2%	6.5%
Willamette Valley	27.2%	91.7%	47.5%	10.8%	10.9%
Coast	20.3%	88.2%	43.7%	15.7%	13.4%
Southern	19.3%	85.8%	38.6%	14.5%	13.3%
Central	21.5%	90.5%	44.5%	12.9%	11.6%
Eastern	18.9%	87.9%	48.7%	13.6%	12.4%

Source: Oregon Population Survey, 2000
 Note: education levels are for 25 years and older population;

II. REVENUE FORECAST

A. 1999-2001 General Fund Revenue

The Office of Economic Analysis expects General Fund revenue for the 1999-2001 biennium to equal \$10,261.3 million. This includes an increase of \$26.8 million above the December forecast. This revenue projection exceeds the Close of Session (COS) forecast by \$350.0 million. OEA projects the ending balance to equal \$487.9 million.

Total 1999-2001 personal income tax collections are expected to be slightly higher than anticipated in December. Collections in the second quarter of fiscal year 2001 were \$33.4 million above the December forecast – approximately 3.4 percent greater than projected. Continued strength in withholding receipts accounted for much of the higher than anticipated collections. In addition, lower than projected refunds during the quarter helped to offset smaller than expected final and estimated payments. Table B.8 in Appendix B provides a track record for the December 2000 forecast, for the fourth quarter of calendar year 2000 (second quarter fiscal year 2001).

The forecast of personal income tax collections for the remainder of the biennium decreased slightly. This is consistent with expectations that withholding collections will slow because of sluggish employment growth. Overall, personal income tax revenues for the biennium are expected to be \$18.5 million greater than previously forecasted. OEA now expects personal income tax revenue for 1999-01 to be \$299.5 million above the COS forecast.

OEA continues to call for a personal kicker refund. All non-corporate revenues are expected to exceed the 1999 COS forecast by \$336.7 million, well above the 2.0 percent threshold. A surplus personal kicker refund is projected to be paid out in late 2001 on tax year 2000 personal income tax liability. This projected refund is built into the forecast of total revenues for 2001-03.

The forecast of corporate income tax revenues for 1999-2001 also decreased from December. Second fiscal quarter collections were somewhat less than projected. While advance payments during the quarter were significantly over forecast, refunds were also much larger than anticipated. The net result was that collections during the period were \$11.9 million below the December forecast. Corporate revenue collections for the remainder of the biennium are also expected to be down. In sum, the forecast falls \$16.6 million below the December forecast. It now exceeds the COS forecast by just \$13.3 million. Consequently, OEA is no longer calling for a corporate kicker.

The March forecast of all other general fund revenues increased by approximately \$24.9 million. The total of these other sources now equals \$728.6 million for the biennium. The forecast of cigarette tax revenues increased by \$0.2 million from December. However, most of the change related to an increase in funds available from Medicaid upper billing revenues.

B. 2001-03 General Fund Revenue

The forecast of General Fund revenues for the 2001-03 biennium decreased significantly from the December forecast. A drop in anticipated personal income tax collections for the period, as

well as an increased kicker refund, account for much of this change. A slight decrease in the forecast of corporate revenue collections for 2001-03 is largely offset by the elimination of previously projected kicker credits. The forecast of other General Fund revenues for the biennium was largely unchanged.

General Fund revenues are now projected to total \$10,877.2 million for the 2001-03 biennium. This is an increase of 6.0 percent over the 1999-2001 biennium. Personal income tax revenues will total \$9,264.6 million, 6.2 percent above 1999-2001. Corporate income tax revenues will be 13.0 percent higher, totaling \$917.6 million for the biennium. Other General Fund revenue sources are expected to decrease 4.6 percent to \$695.0 million.

OEA projects total General Fund resources for the biennium at \$11,365.0 million. This is a decrease of \$113.4 million from the December forecast, and includes an expected beginning balance of \$487.9 million.

C. Extended Revenue Outlook

The forecast of General Fund revenues for 2003-05 totals \$12,488.6 million. This is 14.8 percent above the previous biennium. Personal income tax revenue will total \$10,841.1 million. Corporate tax revenue accounts for \$1,031.8 million. Other General Fund revenues will be \$615.7 million for the biennium.

OEA projects General Fund revenues totaling \$14,091.4 million for the 2005-07 biennium. Personal income tax revenues account for \$12,283.1 million. The forecast of corporate tax revenues is \$1,177.3 million. Other General Fund revenues will increase only slightly to \$630.9 million. Table 15 provides a summary of forecasted revenues through the 2005-07 biennium.

TABLE 15
General Fund Revenue Forecast Summary (Millions of Dollars, Current Law)

Revenue Source	Actual 1997-99 Biennium	% Chg	Forecast 1999-01 Biennium	% Chg	Forecast 2001-03 Biennium	% Chg	Forecast 2003-05 Biennium	% Chg	Forecast 2005-07 Biennium
Personal Income Taxes	7,123.1	13.0%	8,720.6	22.4%	9,264.6	6.2%	10,841.1	17.0%	12,283.1
Corporate Income Taxes	589.1	-13.9%	812.1	37.9%	917.6	13.0%	1,031.8	12.4%	1,177.3
All Others	612.5	-17.2%	728.6	19.0%	695.0	-4.6%	615.7	-11.4%	630.9
Total General Fund	8,324.6	7.7%	10,261.3	23.3%	10,877.2	6.0%	12,488.6	14.8%	14,091.4

D. Tax Law Assumptions

Adjustments are made to the forecast to account for legislative and other actions outside of the revenue forecasting models. These adjustments include expected kicker refunds and credits, as well as federal pension refunds. A summary of these actions can be found in Appendix B, Table

B.3. Estimated impacts related to passage of Ballot Measure 88 are no longer accounted for in this table. Rather, the expected impacts are incorporated into the revenue forecasting models.

E. Lottery Forecast

The forecast of Lottery revenues increased slightly from December. Total resources available for transfer will equal \$627.6 million in 1999-2001. This is an increase of \$4.0 million from the prior forecast. Total transfers to the Economic Development Fund will remain at the COS level of \$580.4 million for the biennium. The Lottery is retaining gaming revenues above the COS forecast for the purchase of new video terminals.

The total of other resources available to the Economic Development Fund decreased by \$0.3 million because of a drop in anticipated interest earnings. Further, the forecast of Sports Action revenues saw a slight decrease once again. Sales during the season were somewhat less than forecasted. Because this revenue stream transfers directly to Higher Education, the corresponding dedicated distribution decreased as well. In contrast, the distribution to counties for economic development use increased because of stronger than expected video sales. Other resource allocations remain unchanged from the December forecast. OEA projects an ending balance of \$5.5 million for the 1999-01 biennium.

Summary of Lottery Resources

MARCH 2001										
1997-99 Actuals	1999-01		2001-03		2003-05		2005-07			
	3/1/01 Forecast	Change from 12/1/00	Change from COS	3/1/01 Forecast	Change from 12/1/00	3/1/01 Forecast	Change from 12/1/00	3/1/01 Forecast	Change from 12/1/00	
LOTTERY EARNINGS										
Regular Lottery	143.9	132.3	0.9	9.2	116.6	3.4	105.9	3.0	95.6	2.8
Video Lottery	450.3	494.5	3.1	38.0	483.9	9.6	497.5	4.8	510.4	5.3
Total Lottery Earnings	594.2	626.8	4.0	47.2	600.5	13.0	603.4	7.8	606.0	8.1
Administrative Savings	13.8	0.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Available to Transfer	608.0	627.6	4.0	47.2	600.5	13.0	603.4	7.8	606.0	8.1
Transfer to Economic Development Fund ³	608.0	580.4	0.0	0.0	600.5	13.0	603.4	7.8	606.0	8.1
ECONOMIC DEVELOPMENT FUND										
Beginning Balance	27.7	0.8	0.0	0.2	5.5	-0.1	0.0	0.0	0.0	0.0
Transfers from Lottery	608.0	580.4	0.0	0.0	600.5	13.0	603.4	7.8	606.0	8.1
Other Resources ²	16.9	19.7	-0.3	5.5	28.4	-1.6	14.0	0.0	14.0	0.0
Total Available Resources	652.6	600.9	-0.3	5.7	634.4	11.3	617.4	7.8	620.0	8.1
Allocations of Resources										
Sports Action ⁴	4.1	4.6	-0.4	-0.3	4.9	0.1	5.0	0.0	5.2	0.0
County Economic Development ⁴	20.1	22.0	0.2	1.6	22.5	0.5	23.2	0.2	23.8	0.2
Education Endow Fund	91.2	87.1	0.0	0.0	92.3	1.9	90.5	1.2	90.9	1.2
Parks and Natural Resources Fund		87.1	0.0	0.0	92.3	1.9	90.5	1.2	90.9	1.2
Allocations from Fund ¹	536.4	394.6	0.0	0.0						
Ending Balance / Available Resources	0.8	5.5	-0.1	4.4	422.4	6.9	408.2	5.2	409.2	5.5

1. The primary allocations are Debt Service, Gambling Addiction funds, Economic and Community Development and the State School Fund.

2. Includes interest earnings on Economic Development Fund, Reversions, and anticipated Administrative Actions.

3. The Oregon Lottery is retaining additional working capital in the Lottery Contingency Fund for the purchase of new video terminals.

4. Sports Action and County Video revenues are distributed directly to Higher Education and the Counties, respectively.

Forecasted Lottery revenue transfers for 2001-03 are \$13.0 million higher than the December forecast. Projected revenues equal \$600.5 million for the biennium. Increased Video revenues account for \$9.6 million of this change. Revenues from traditional games are expected to grow by \$3.4 million. The traditional game increase includes the addition of a new game to Lottery's

line-up. *Win for Life* debuted February 19, 2001. It is expected to add just under \$2 million to revenue transfers each biennium. Projected interest earnings decreased by \$1.6 million, making available resources equal to \$634.4 million.

Dedicated distributions for Sports Action, county economic development, the Education Endowment Fund, and the Parks and Natural Resources Fund will total \$212.0 million. This leaves \$422.4 million available for allocation in the 2001-03 biennium. This figure includes amounts that will be dedicated for debt service and gambling addiction allocations. Details of forecasted Lottery revenues and dedicated distributions for 2001-03 can be found in Table B.10. in Appendix B.

The forecast of Lottery revenues for 2003-05 and 2005-07 equal \$603.4 million and \$606.0 million, respectively. Available resources for 2003-05 will total \$617.4 million, an increase of \$7.8 million from the December forecast. Resources available for 2005-07 are up by \$8.1 million. Total available resources for this biennium will be \$620.0 million.

F. Forecast Risks

This edition of the Revenue Forecast includes a new section devoted to the discussion of forecast risks. OEA feels that it is important to discuss the risks inherent to the forecast of General Fund and Lottery revenues. While many of the risks are not new, the recent turn in Oregon's economic outlook makes awareness of these risks increasingly important.

- Both personal and corporate income tax forecasts link directly to expected changes in employment, personal income levels, and other economic inputs. To the extent that current projections of these variables are modified with future forecasts, revenue projections will also be impacted. For example, if employment slows more than expected, withholding receipts could be impacted more than projected within this revenue forecast. An upside risk exists were the reverse to occur.
- Historically, taxable capital gains have been extremely volatile. Oregon benefited from incredible growth in this revenue source during the 1990's. However, future projections for this stream are very difficult to predict.
- This forecast is a "current law" forecast. It does not include any impacts related to potential tax cuts at the federal level.
- A large proportion of refunds and final payments for any given fiscal year occur during the first and second calendar quarters. Therefore, this forecast does not have the benefit of comprehensive actual collection data for the current fiscal year. To the extent that refunds or final payments are greater or less than anticipated, the ending balance and projected kicker refunds could be impacted.
- House Bill 2292, introduced at the request of Governor Kitzhaber, would amend the mission statement of the Lottery to focus primarily on minimizing the addictive impact of Lottery products, while fulfilling the public purposes required by Oregon's constitution. While the bill, if enacted, is not expected to have a material impact on lottery revenues, any shift to Lottery's operating procedures could represent a risk to future revenue projections.

APPENDIX A: ECONOMIC FORECAST DETAIL

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TABLE A.1
March 2001 - Personal Income
(Billions of Current Dollars)

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Total Personal Income*											
Oregon	80.6	85.2	89.6	96.3	100.9	106.9	114.1	121.4	129.1	137.2	145.8
% Ch	6.6	5.7	5.2	7.4	4.8	6.0	6.7	6.5	6.3	6.3	6.3
U.S.	6,937.0	7,391.0	7,789.7	8,282.9	8,672.8	9,139.5	9,703.4	10,268.0	10,863.2	11,509.9	12,193.8
% Ch	6.0	6.5	5.4	6.3	4.7	5.4	6.2	5.8	5.8	6.0	5.9
Wage and Salary											
Oregon	45.1	47.7	50.7	54.9	57.7	61.5	66.0	70.5	74.9	79.7	84.5
% Ch	8.6	5.8	6.3	8.3	5.2	6.6	7.3	6.7	6.3	6.4	6.1
U.S.	3,888.9	4,190.7	4,470.0	4,769.9	5,012.1	5,288.2	5,630.3	5,966.1	6,314.4	6,687.2	7,071.2
% Ch	7.2	7.8	6.7	6.7	5.1	5.5	6.5	6.0	5.8	5.9	5.7
Other Labor Income											
Oregon	5.2	5.4	5.5	5.9	6.1	6.4	6.8	7.2	7.6	8.0	8.4
% Ch	(1.0)	2.5	3.3	6.1	4.6	4.9	6.0	5.4	5.6	5.5	5.3
U.S.	475.4	485.5	501.0	524.0	546.6	571.1	604.7	637.7	673.2	710.6	748.6
% Ch	(3.0)	2.1	3.2	4.6	4.3	4.5	5.9	5.4	5.6	5.6	5.4
Nonfarm Proprietor's Income											
Oregon	6.1	6.5	7.0	7.4	7.8	8.5	9.1	9.7	10.2	10.8	11.4
% Ch	3.8	6.9	7.3	6.8	5.0	8.3	8.2	5.7	5.5	5.6	6.3
U.S.	551.5	595.2	638.2	688.6	721.2	780.4	842.9	887.1	930.7	982.7	1,040.4
% Ch	8.0	7.9	7.2	7.9	4.7	8.2	8.0	5.2	4.9	5.6	5.9
Dividend, Interest and Rent											
Oregon	18.2	19.5	20.2	21.7	22.3	23.0	24.3	25.8	27.5	29.2	31.0
% Ch	7.8	7.3	3.3	7.4	3.2	2.9	5.6	6.4	6.5	6.1	6.1
U.S.	1,327.2	1,427.3	1,477.4	1,571.5	1,613.1	1,652.4	1,736.6	1,835.3	1,942.1	2,057.6	2,178.7
% Ch	7.2	7.5	3.5	6.4	2.6	2.4	5.1	5.7	5.8	6.0	5.9
Transfer Payments											
Oregon	10.8	11.4	12.0	12.7	13.5	14.6	15.4	16.4	17.5	18.7	20.1
% Ch	3.4	6.2	5.2	5.6	6.6	7.8	5.7	6.3	6.5	6.8	7.3
U.S.	934.4	954.3	986.5	1,036.8	1,101.4	1,182.2	1,245.4	1,318.0	1,399.3	1,489.8	1,595.0
% Ch	3.5	2.1	3.4	5.1	6.2	7.3	5.3	5.8	6.2	6.5	7.1
Contributions for Social Security											
Oregon	3.6	3.7	4.0	4.3	4.5	4.6	4.9	5.2	5.4	5.7	5.9
% Ch	7.2	4.4	6.6	8.1	3.7	4.2	6.2	5.2	4.6	4.8	4.5
U.S.	297.9	316.2	338.5	360.6	374.9	391.1	414.5	435.5	456.9	479.8	502.9
% Ch	6.2	6.2	7.0	6.6	4.0	4.3	6.0	5.1	4.9	5.0	4.8
Residence Adjustment											
Oregon	(1.4)	(1.7)	(1.8)	(2.0)	(2.2)	(2.5)	(2.7)	(3.0)	(3.2)	(3.5)	(3.7)
% Ch	(16.8)	(20.1)	(4.8)	(10.4)	(12.0)	(11.5)	(10.4)	(9.2)	(8.3)	(7.6)	(6.9)
Farm Proprietor's Income											
Oregon	0.3	0.1	(0.0)	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
% Ch	27.8	(48.9)	(106.9)	11.1	(100.0)	NC	50.0	33.3	0.0	0.0	0.0
Per Capita Income (Thousands of \$)											
Oregon	24.4	25.5	26.5	28.1	29.1	30.5	32.1	33.8	35.4	37.2	39.1
% Ch	4.8	4.3	3.9	6.1	3.6	4.7	5.4	5.1	5.0	5.0	5.1
U.S.	25.9	27.3	28.5	30.0	31.2	32.6	34.3	35.9	37.7	39.6	41.6
% Ch	5.0	5.6	4.5	5.4	3.8	4.4	5.2	4.9	4.9	5.1	5.1

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

TABLE A.1
March 2001 - Employment By Industry
(Oregon - Thousands, U.S. - Millions)

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Total Nonagricultural Employment											
Oregon	1,526.4	1,551.7	1,575.1	1,603.3	1,614.9	1,644.2	1,684.3	1,720.0	1,753.2	1,785.2	1,813.2
% Ch	3.5	1.7	1.5	1.8	0.7	1.8	2.4	2.1	1.9	1.8	1.6
U.S.	122.7	125.8	128.8	131.4	131.6	132.8	135.3	137.4	139.7	141.9	143.9
% Ch	2.6	2.6	2.3	2.1	0.1	0.9	1.8	1.6	1.6	1.6	1.4
Manufacturing											
Oregon	243.6	246.1	242.2	243.0	238.1	237.0	240.1	242.4	243.4	245.8	248.7
% Ch	3.3	1.0	(1.6)	0.3	(2.0)	(0.5)	1.3	1.0	0.4	1.0	1.2
U.S.	18.7	18.8	18.5	18.4	17.9	17.5	17.3	17.1	17.0	16.9	16.9
% Ch	1.0	0.7	(1.4)	(0.5)	(3.0)	(2.4)	(0.9)	(1.0)	(1.0)	(0.4)	(0.1)
Durable Manufacturing											
Oregon	178.0	180.3	177.3	179.0	175.1	174.4	177.4	179.4	180.2	182.4	185.0
% Ch	4.7	1.3	(1.7)	1.0	(2.2)	(0.5)	1.7	1.2	0.5	1.2	1.4
U.S.	11.0	11.2	11.1	11.1	10.7	10.4	10.4	10.3	10.3	10.3	10.3
% Ch	2.0	1.8	(0.9)	(0.2)	(3.5)	(2.6)	(0.2)	(0.6)	(0.8)	0.0	0.3
Lumber and Wood Products											
Oregon	52.0	50.6	49.6	49.0	47.4	47.6	48.5	49.0	49.0	49.1	49.4
% Ch	1.0	(2.8)	(2.0)	(1.0)	(3.3)	0.4	1.9	1.1	(0.0)	0.2	0.6
U.S.	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
% Ch	2.2	2.2	1.8	(0.9)	(3.4)	(0.1)	2.5	1.2	0.1	0.1	0.3
Metals											
Oregon	26.7	27.7	26.6	26.6	25.4	24.4	24.6	24.8	24.7	24.8	25.1
% Ch	7.2	3.8	(4.0)	0.1	(4.5)	(4.0)	0.7	0.9	(0.5)	0.4	1.2
U.S.	2.2	2.2	2.2	2.2	2.1	2.0	2.0	2.0	2.0	1.9	1.9
% Ch	1.4	1.6	(0.3)	0.5	(4.1)	(4.2)	(1.6)	(1.6)	(1.7)	(1.4)	(1.3)
Non-electrical Machinery											
Oregon	23.3	22.9	21.1	20.4	19.7	19.4	19.9	20.3	20.6	21.1	21.7
% Ch	4.9	(1.6)	(7.7)	(3.3)	(3.7)	(1.2)	2.3	2.2	1.2	2.4	2.9
U.S.	2.2	2.2	2.1	2.1	2.0	2.0	2.0	2.0	2.0	2.1	2.1
% Ch	2.5	1.8	(3.0)	(0.6)	(4.2)	(3.1)	1.7	1.2	0.1	1.8	2.5
Electrical Machinery											
Oregon	35.0	36.4	36.0	38.5	39.6	39.9	41.0	41.6	42.4	43.7	44.8
% Ch	8.8	4.1	(1.0)	6.9	2.7	1.0	2.7	1.5	1.8	3.2	2.4
U.S.	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7
% Ch	1.7	1.1	(2.2)	1.9	(2.2)	0.3	0.0	(0.4)	0.5	1.6	1.2
Transportation Equipment											
Oregon	16.8	18.2	19.7	20.2	18.5	18.3	18.5	18.6	18.5	18.4	18.4
% Ch	6.4	8.7	8.3	2.1	(8.3)	(0.7)	0.9	0.4	(0.5)	(0.2)	(0.1)
U.S.	1.8	1.9	1.9	1.8	1.8	1.7	1.7	1.6	1.6	1.6	1.6
% Ch	3.4	2.6	(0.4)	(2.2)	(4.8)	(3.9)	(1.3)	(1.8)	(1.9)	(1.3)	(1.0)
Instruments and Related Products											
Oregon	11.0	11.2	10.5	10.4	10.6	10.6	10.8	10.9	10.9	11.0	11.1
% Ch	4.0	1.8	(6.1)	(1.4)	1.8	0.2	1.5	1.3	0.3	0.6	1.0
U.S.	0.9	0.9	0.9	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
% Ch	1.2	0.8	(1.9)	(1.2)	(0.9)	(1.1)	(0.5)	(0.1)	(0.2)	0.0	0.2
Other Durables											
Oregon	13.3	13.3	13.8	13.9	14.0	14.1	14.1	14.2	14.2	14.4	14.6
% Ch	2.2	0.2	3.1	0.8	1.2	0.1	0.6	0.3	0.2	1.2	1.8
U.S.	1.5	1.5	1.5	1.5	1.5	1.4	1.4	1.4	1.4	1.3	1.3
% Ch	1.4	2.2	1.2	0.8	(3.1)	(3.1)	(1.5)	(2.0)	(1.6)	(0.7)	(0.5)

TABLE A.1
March 2001 - Employment By Industry
(Oregon - Thousands, U.S. - Millions)

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Non Durable Manufacturing											
Oregon	65.6	65.8	64.9	63.9	63.0	62.7	62.7	63.0	63.2	63.4	63.6
% Ch	(0.3)	0.2	(1.4)	(1.4)	(1.5)	(0.5)	0.1	0.5	0.2	0.3	0.4
U.S.	7.7	7.6	7.4	7.4	7.2	7.0	6.9	6.8	6.7	6.6	6.6
% Ch	(0.5)	(0.8)	(2.1)	(1.1)	(2.2)	(2.2)	(1.9)	(1.6)	(1.4)	(1.0)	(0.8)
Food and Kindred											
Oregon	25.4	25.1	24.6	24.3	23.8	23.6	23.6	23.8	23.8	23.8	23.9
% Ch	(1.9)	(1.1)	(2.1)	(1.1)	(2.0)	(0.9)	0.1	0.7	0.1	0.0	0.2
U.S.	1.7	1.7	1.7	1.7	1.7	1.6	1.6	1.6	1.6	1.6	1.6
% Ch	(0.5)	(0.1)	(0.4)	(0.2)	(0.6)	(2.0)	(1.8)	(1.2)	(0.9)	(0.6)	(0.2)
Paper and Allied											
Oregon	8.2	8.5	8.2	7.9	7.7	7.7	7.7	7.7	7.7	7.7	7.7
% Ch	(1.7)	4.1	(3.5)	(3.9)	(2.5)	0.1	(0.1)	(0.1)	(0.2)	(0.0)	0.0
U.S.	0.7	0.7	0.7	0.7	0.7	0.6	0.6	0.6	0.6	0.6	0.6
% Ch	(0.0)	(0.8)	(1.4)	(0.9)	(1.2)	(0.9)	(1.5)	(1.9)	(1.8)	(1.1)	(0.5)
Printing and Publishing											
Oregon	16.2	16.5	16.8	17.1	17.0	16.9	16.8	16.8	16.9	17.0	17.0
% Ch	1.3	1.9	2.4	1.5	(0.5)	(0.8)	(0.2)	0.1	0.4	0.4	0.2
U.S.	1.6	1.6	1.6	1.6	1.5	1.5	1.5	1.5	1.5	1.5	1.4
% Ch	0.8	0.8	(0.8)	0.3	(0.7)	(2.6)	(1.7)	(0.9)	(0.7)	(0.5)	(0.8)
Other Non-durables											
Oregon	15.9	15.7	15.2	14.6	14.5	14.5	14.6	14.7	14.8	14.9	15.1
% Ch	1.6	(1.3)	(3.0)	(3.9)	(1.2)	0.2	0.5	1.0	0.5	0.8	1.1
U.S.	3.7	3.6	3.5	3.4	3.3	3.2	3.2	3.1	3.0	3.0	3.0
% Ch	(1.2)	(1.9)	(3.6)	(2.1)	(3.8)	(2.5)	(2.1)	(2.1)	(1.8)	(1.4)	(1.1)
Non-manufacturing											
Oregon	1,282.7	1,305.6	1,332.9	1,360.3	1,376.7	1,407.2	1,444.2	1,477.6	1,509.8	1,539.4	1,564.6
% Ch	3.5	1.8	2.1	2.1	1.2	2.2	2.6	2.3	2.2	2.0	1.6
U.S.	104.0	107.0	110.2	113.0	113.7	115.4	118.0	120.3	122.7	125.0	127.0
% Ch	2.9	2.9	3.0	2.5	0.6	1.5	2.3	2.0	2.0	1.9	1.6
Construction											
Oregon	81.5	81.6	83.3	85.7	88.0	89.8	93.2	96.2	99.2	101.8	103.7
% Ch	5.0	0.2	2.0	2.9	2.7	2.1	3.8	3.2	3.1	2.6	1.9
U.S.	5.7	6.0	6.4	6.7	6.7	6.7	6.8	6.9	7.0	7.1	7.2
% Ch	5.0	5.7	6.4	4.6	(0.6)	0.6	2.0	1.5	1.5	1.1	0.6
Mining											
Oregon	1.8	1.8	1.9	1.9	1.8	1.8	1.9	1.9	1.9	1.9	1.9
% Ch	1.5	(0.8)	3.1	0.9	(2.7)	0.5	0.9	0.1	(0.4)	0.4	0.5
U.S.	0.6	0.6	0.5	0.5	0.5	0.5	0.5	0.5	0.4	0.4	0.4
% Ch	2.8	(1.1)	(9.2)	0.4	(1.1)	(6.9)	(3.1)	(4.2)	(3.2)	(2.4)	(2.5)
Transportation, Communication and Utilities											
Oregon	74.9	76.2	77.8	79.9	81.0	82.9	85.3	87.3	89.1	90.8	92.6
% Ch	1.9	1.8	2.0	2.7	1.4	2.3	2.9	2.3	2.1	2.0	1.9
U.S.	6.4	6.6	6.8	7.0	7.1	7.1	7.3	7.4	7.5	7.6	7.7
% Ch	2.5	3.2	3.2	2.5	1.0	1.0	2.0	1.6	1.6	1.6	1.2
Transportation											
Oregon	52.4	52.9	53.9	54.9	54.7	55.9	57.7	59.2	60.5	61.7	63.0
% Ch	2.0	1.0	1.9	1.7	(0.2)	2.1	3.2	2.6	2.2	2.0	2.0
Communication and Utilities											
Oregon	22.5	23.3	23.8	25.0	26.3	27.0	27.6	28.1	28.6	29.1	29.6
% Ch	1.8	3.5	2.4	5.1	5.0	2.7	2.2	1.8	1.8	1.9	1.5

TABLE A.1
March 2001 - Employment By Industry
(Oregon - Thousands, U.S. - Millions)

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Trade											
Oregon	377.4	383.4	387.9	394.0	397.2	403.4	412.8	421.7	429.9	436.9	442.9
% Ch	3.2	1.6	1.2	1.6	0.8	1.6	2.3	2.2	1.9	1.6	1.4
U.S.	28.6	29.1	29.7	30.2	30.2	30.1	30.7	31.2	31.6	32.0	32.3
% Ch	1.9	1.7	2.1	1.6	0.1	(0.4)	1.9	1.8	1.2	1.1	1.0
Wholesale Trade											
Oregon	93.7	95.5	93.4	93.9	94.6	96.1	98.0	99.6	101.4	103.1	104.7
% Ch	4.9	1.9	(2.2)	0.5	0.7	1.6	1.9	1.7	1.8	1.7	1.5
U.S.	6.6	6.8	6.9	7.1	7.0	7.1	7.3	7.3	7.4	7.5	7.5
% Ch	2.5	2.3	1.8	1.9	(0.4)	1.5	1.8	0.9	1.0	1.0	0.7
Retail Trade											
Oregon	283.7	287.9	294.5	300.1	302.6	307.3	314.9	322.1	328.5	333.8	338.3
% Ch	2.6	1.5	2.3	1.9	0.8	1.6	2.5	2.3	2.0	1.6	1.3
U.S.	22.0	22.3	22.8	23.1	23.2	23.0	23.4	23.9	24.2	24.5	24.7
% Ch	1.7	1.5	2.2	1.5	0.3	(0.9)	1.9	2.1	1.3	1.2	1.0
Finance, Insurance and Real Estate											
Oregon	94.8	95.2	95.1	94.0	94.8	96.3	98.5	100.5	102.3	104.5	106.4
% Ch	4.3	0.4	(0.1)	(1.2)	0.8	1.6	2.2	2.1	1.8	2.1	1.8
U.S.	7.1	7.4	7.6	7.6	7.7	7.8	8.0	8.2	8.3	8.4	8.5
% Ch	2.9	3.9	2.5	0.6	0.8	1.8	2.4	1.9	1.8	1.6	1.3
Services											
Oregon	402.8	412.0	425.6	438.8	448.6	463.3	478.5	492.0	505.7	518.5	529.2
% Ch	5.3	2.3	3.3	3.1	2.2	3.3	3.3	2.8	2.8	2.5	2.1
U.S.	36.0	37.5	39.0	40.4	41.0	42.4	43.8	45.1	46.5	47.9	49.2
% Ch	4.6	4.1	4.0	3.5	1.6	3.3	3.3	2.9	3.2	3.0	2.6
Health Services											
Oregon	103.2	105.2	107.8	109.1	112.1	114.8	117.5	120.4	123.3	126.1	128.8
% Ch	3.6	2.0	2.4	1.2	2.8	2.4	2.3	2.5	2.4	2.3	2.1
Non Health Services											
Oregon	299.6	306.8	317.9	329.7	336.6	348.6	361.0	371.6	382.5	392.5	400.5
% Ch	5.9	2.4	3.6	3.7	2.1	3.6	3.6	2.9	2.9	2.6	2.0
Government											
Oregon	249.5	255.3	261.3	266.0	265.5	269.7	274.2	278.5	282.3	285.5	288.4
% Ch	1.2	2.4	2.3	1.8	(0.2)	1.6	1.7	1.6	1.4	1.2	1.0
U.S.	19.5	19.8	20.2	20.6	20.5	20.7	20.9	21.1	21.3	21.5	21.7
% Ch	0.7	1.3	1.8	2.0	(0.2)	1.0	0.9	0.9	1.0	1.0	1.0
Federal Government											
Oregon	30.3	30.4	30.4	31.3	29.4	29.2	29.0	28.7	28.5	28.3	28.2
% Ch	(0.1)	0.3	0.0	2.9	(5.9)	(0.7)	(0.9)	(0.8)	(0.8)	(0.6)	(0.5)
U.S.	2.7	2.7	2.7	2.8	2.6	2.6	2.6	2.6	2.6	2.6	2.6
% Ch	(2.1)	(0.5)	(0.7)	4.1	(6.2)	1.2	(0.3)	(0.2)	(0.1)	0.0	0.1
State and Local Government											
Oregon	219.2	225.0	230.9	234.7	236.0	240.5	245.2	249.7	253.7	257.2	260.3
% Ch	1.4	2.6	2.6	1.7	0.6	1.9	2.0	1.8	1.6	1.4	1.2
U.S.	16.8	17.1	17.5	17.8	17.9	18.1	18.3	18.5	18.7	18.9	19.1
% Ch	1.2	1.6	2.1	1.7	0.7	1.0	1.0	1.1	1.1	1.2	1.2
State Government											
Oregon	57.3	58.6	58.7	59.7	60.0	60.4	60.8	61.1	61.5	61.9	62.2
% Ch	1.6	2.2	0.3	1.6	0.5	0.6	0.7	0.6	0.6	0.6	0.5
Local Government											
Oregon	161.9	166.4	172.2	175.0	176.1	180.1	184.5	188.6	192.3	195.3	198.1
% Ch	1.3	2.8	3.5	1.7	0.6	2.3	2.4	2.3	1.9	1.6	1.4

TABLE A.1
March 2001 - Other Economic Indicators

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
GDP (Bil of 1996 \$), Chain Weight											
(in billions of \$)	8,159.5	8,515.6	8,875.8	9,325.5	9,556.7	9,964.3	10,427.4	10,814.4	11,213.2	11,614.2	12,008.7
% Ch	4.4	4.4	4.2	5.1	2.5	4.3	4.6	3.7	3.7	3.6	3.4
Price and Wage Indicators											
GDP Implicit Price Deflator, Chain Weight											
U.S., 1996=1	1.02	1.032	1.048	1.07	1.093	1.112	1.13	1.156	1.182	1.211	1.241
% Ch	2.0	1.3	1.5	2.1	2.1	1.7	1.9	2.1	2.2	2.4	2.5
Personal Consumption Deflator, Chain Weight											
U.S., 1996=1	1.02	1.03	1.049	1.074	1.094	1.111	1.13	1.156	1.182	1.211	1.244
% Ch	1.9	1.1	1.8	2.4	1.9	1.6	1.9	2.1	2.3	2.5	2.7
CPI, Urban Consumers, 1982-84=100											
Portland-Salem, OR-WA	164.1	167.1	172.6	177.9	183.7	188.9	194.0	199.3	204.9	210.8	217.0
% Ch	3.4	1.9	3.3	3.1	3.2	2.8	2.7	2.8	2.8	2.9	2.9
U.S.	160.6	163.2	166.7	172.3	176.8	179.9	183.4	187.5	191.9	196.8	202.2
% Ch	2.3	1.6	2.2	3.4	2.6	1.8	1.9	2.2	2.4	2.6	2.7
Oregon Average Wage Rate (Thous \$)	29.5	30.8	32.2	34.3	35.8	37.4	39.2	41.0	42.7	44.6	46.6
% Ch	4.9	4.1	4.7	6.4	4.4	4.7	4.8	4.5	4.3	4.4	4.5
Or. Manufacturing Wage Rate (Thous \$)	37.4	39.0	41.5	47.2	49.8	52.3	55.0	57.6	60.4	63.5	66.5
% Ch	6.8	4.2	6.5	13.7	5.5	5.1	5.2	4.8	4.8	5.0	4.9
Or. Private Service Wage Rate (Thous \$)	26.8	28.0	29.3	30.8	32.2	33.8	35.6	37.3	39.0	40.8	42.7
% Ch	4.8	4.5	4.6	5.1	4.6	5.1	5.1	4.8	4.6	4.7	4.6
Housing Indicators											
Oregon Repeat Purchase Housing Index											
1987 Q1=100	225.9	237.9	245.9	254.2	264.9	278.5	292.8	308.4	322.5	334.7	346.0
% Ch	6.3	5.3	3.4	3.4	4.2	5.1	5.1	5.3	4.5	3.8	3.4
National Average Sales Price of Existing Single Family Homes											
(Thous \$)	149.9	158.4	167.6	175.5	183.0	186.7	192.0	199.0	206.0	213.3	221.4
% Ch	6.0	5.7	5.8	4.7	4.3	2.0	2.8	3.7	3.5	3.5	3.8
Housing Starts											
Oregon (Thous)	26.1	24.8	21.8	18.9	19.2	20.3	21.0	21.7	22.2	22.7	23.0
% Ch	(0.0)	(5.0)	(12.1)	(13.1)	1.3	5.8	3.7	3.4	2.1	2.2	1.2
U.S. (Millions)	1.48	1.62	1.68	1.59	1.47	1.59	1.66	1.67	1.70	1.72	1.74
% Ch	0.4	9.9	3.4	(4.9)	(7.5)	7.8	5.0	0.1	1.6	1.2	1.4
Other Indicators											
Industrial Production Index, U.S, 1996 = 1	1.067	1.118	1.164	1.232	1.254	1.294	1.34	1.382	1.417	1.457	1.499
% Ch	6.7	4.8	4.1	5.8	1.8	3.2	4.0	2.7	2.5	2.9	2.8
Prime Rate (Percent)	8.4	8.4	8.0	9.2	8.4	8.0	8.3	8.9	9.0	9.0	9.0
% Ch	2.1	(1.0)	(4.3)	15.5	(9.1)	(4.7)	3.9	7.5	0.7	0.0	0.0
Population (Millions)											
Oregon	3.3	3.346	3.388	3.430	3.469	3.510	3.550	3.598	3.642	3.686	3.728
% Ch	1.7	1.4	1.3	1.2	1.1	1.2	1.2	1.3	1.2	1.2	1.1
U.S.	268.4	270.8	273.2	275.7	278.2	280.7	283.2	285.6	288.1	290.5	293.0
% Ch	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.8	0.8
Timber Harvest (Bill Bd Ft)											
Oregon	4.13	3.54	3.46	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50
% Ch	5.2	(14.3)	(2.3)	1.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0

TABLE A.2
March 2001 - Personal Income
(Billions of Current Dollars)

	1998:1	1998:2	1998:3	1998:4	1999:1	1999:2	1999:3	1999:4	2000:1	2000:2
Total Personal Income										
Oregon	83.8	84.7	85.6	86.7	87.4	88.9	90.2	92.0	94.1	95.9
% Ch	7.1	4.5	4.0	5.1	3.6	6.8	6.2	7.9	9.8	7.7
U.S.	7,230.7	7,339.5	7,445.1	7,548.6	7,628.1	7,729.7	7,828.5	7,972.3	8,105.8	8,242.1
% Ch	7.7	6.2	5.9	5.7	4.3	5.4	5.2	7.6	6.9	6.9
Wage and Salary										
Oregon	47.1	47.4	47.8	48.5	49.2	50.3	51.2	52.1	53.5	54.7
% Ch	8.7	2.6	2.9	6.2	6.1	9.3	6.7	7.6	11.5	8.9
U.S.	4,084.9	4,153.4	4,226.2	4,298.2	4,364.3	4,430.4	4,507.0	4,578.3	4,660.4	4,740.1
% Ch	8.5	6.9	7.2	7.0	6.3	6.2	7.1	6.5	7.4	7.0
Other Labor Income										
Oregon	5.3	5.3	5.4	5.4	5.4	5.5	5.5	5.6	5.7	5.8
% Ch	9.1	2.1	1.4	2.8	3.9	4.5	2.6	4.8	9.6	7.5
U.S.	480.0	483.8	487.4	490.9	495.1	498.7	502.8	507.4	514.0	520.5
% Ch	7.0	3.2	3.1	2.8	3.5	2.9	3.4	3.7	5.3	5.1
Nonfarm Proprietor's Income										
Oregon	6.4	6.4	6.5	6.7	6.8	6.9	7.0	7.2	7.4	7.4
% Ch	15.7	3.2	4.9	10.2	6.6	8.1	7.6	7.8	11.5	2.9
U.S.	580.9	590.0	598.4	611.7	619.1	631.4	644.2	657.9	674.8	688.1
% Ch	12.7	6.4	5.8	9.2	5.0	8.2	8.4	8.8	10.7	8.1
Dividend, Interest and Rent										
Oregon	19.1	19.5	19.7	19.7	19.7	19.9	20.3	20.7	21.2	21.5
% Ch	7.1	8.2	5.1	(0.3)	0.2	3.8	7.0	9.7	9.1	6.9
U.S.	1,392.8	1,422.7	1,444.3	1,449.5	1,450.8	1,463.8	1,479.6	1,515.4	1,544.0	1,564.7
% Ch	7.3	8.9	6.2	1.4	0.4	3.6	4.4	10.0	7.8	5.5
Transfer Payments										
Oregon	11.2	11.4	11.5	11.7	11.9	12.0	12.1	12.2	12.4	12.7
% Ch	10.7	6.2	5.6	4.4	7.9	3.4	4.3	2.9	8.1	8.8
U.S.	948.6	951.7	956.9	959.8	975.7	982.6	990.4	997.3	1,016.5	1,035.5
% Ch	4.4	1.3	2.2	1.2	6.8	2.9	3.2	2.8	7.9	7.7
Contributions for Social Security										
Oregon	3.7	3.7	3.7	3.8	3.9	4.0	4.0	4.1	4.2	4.3
% Ch	8.0	0.8	1.3	4.9	10.9	8.7	5.9	7.0	13.3	8.0
U.S.	310.3	314.0	318.2	322.5	331.2	335.8	341.0	345.9	353.4	358.8
% Ch	7.6	4.8	5.4	5.5	11.2	5.7	6.4	5.8	9.0	6.3
Residence Adjustment										
Oregon	(1.7)	(1.7)	(1.7)	(1.7)	(1.7)	(1.8)	(1.8)	(1.8)	(1.9)	(2.0)
% Ch	(96.5)	1.2	2.6	(6.5)	(3.1)	(16.4)	(0.9)	(2.9)	(17.5)	(16.3)
Farm Proprietor's Income										
Oregon	0.1	0.1	0.1	0.2	(0.0)	(0.0)	(0.1)	0.1	(0.0)	(0.0)
% Ch	(97.3)	(3.8)	0.0	1,763.4	NM	74.0	(20,751.4)	NM	NM	0.0

TABLE A.2
March 2001 - Personal Income
(Billions of Current Dollars)

	2000:3	2000:4	2001:1	2001:2	2001:3	2001:4	2002:1	2002:2	2002:3	2002:4
Total Personal Income										
Oregon	97.1	98.0	99.1	100.2	101.5	102.7	104.4	106.1	107.7	109.4
% Ch	5.4	3.5	4.8	4.5	5.1	4.9	6.6	6.8	6.2	6.4
U.S.	8,349.0	8,434.5	8,540.2	8,624.4	8,717.3	8,809.2	8,940.6	9,073.8	9,203.8	9,339.7
% Ch	5.3	4.2	5.1	4.0	4.4	4.3	6.1	6.1	5.9	6.0
Wage and Salary										
Oregon	55.4	56.0	56.6	57.3	58.1	59.0	59.9	61.0	62.0	63.1
% Ch	5.4	4.3	4.2	5.2	5.8	6.0	6.7	7.3	7.0	7.3
U.S.	4,804.9	4,874.2	4,932.8	4,982.6	5,037.9	5,095.4	5,169.5	5,246.6	5,326.8	5,410.2
% Ch	5.6	5.9	4.9	4.1	4.5	4.6	5.9	6.1	6.3	6.4
Other Labor Income										
Oregon	5.9	6.0	6.0	6.1	6.2	6.2	6.3	6.4	6.5	6.6
% Ch	5.0	3.1	5.1	4.5	4.4	4.7	5.3	4.4	5.6	5.6
U.S.	527.6	533.8	539.0	544.0	549.0	554.3	560.1	566.0	574.8	583.6
% Ch	5.6	4.8	3.9	3.8	3.7	3.9	4.2	4.3	6.3	6.3
Nonfarm Proprietor's Income										
Oregon	7.5	7.5	7.6	7.7	7.9	8.0	8.2	8.4	8.5	8.7
% Ch	3.6	1.5	6.5	6.0	6.8	7.6	10.6	7.5	8.4	8.0
U.S.	693.1	698.3	705.8	714.9	725.4	738.6	756.7	772.3	788.4	804.4
% Ch	2.9	3.0	4.4	5.3	6.0	7.5	10.1	8.5	8.6	8.4
Dividend, Interest and Rent										
Oregon	21.8	22.0	22.3	22.3	22.4	22.4	22.6	22.9	23.1	23.4
% Ch	5.3	3.9	4.1	0.6	2.0	0.5	3.0	4.9	4.5	4.6
U.S.	1,580.7	1,596.8	1,609.6	1,611.1	1,615.6	1,616.4	1,624.7	1,643.7	1,660.3	1,680.8
% Ch	4.1	4.1	3.2	0.4	1.1	0.2	2.1	4.8	4.1	5.0
Transfer Payments										
Oregon	12.8	12.9	13.2	13.4	13.7	13.9	14.2	14.5	14.7	14.9
% Ch	3.9	2.7	9.5	7.2	7.2	6.8	10.0	8.6	5.7	5.7
U.S.	1,043.4	1,051.8	1,074.9	1,092.8	1,110.4	1,127.3	1,157.6	1,177.5	1,190.4	1,203.3
% Ch	3.1	3.3	9.1	6.8	6.6	6.2	11.2	7.1	4.5	4.4
Contributions for Social Security										
Oregon	4.3	4.4	4.4	4.4	4.5	4.5	4.6	4.6	4.7	4.7
% Ch	4.7	3.2	5.3	1.3	2.2	2.5	4.9	5.3	6.2	6.0
U.S.	363.1	367.3	370.9	373.4	376.2	379.2	383.7	388.3	393.7	398.7
% Ch	4.9	4.6	4.0	2.7	3.1	3.2	4.8	4.9	5.7	5.2
Residence Adjustment										
Oregon	(2.0)	(2.1)	(2.1)	(2.2)	(2.2)	(2.3)	(2.4)	(2.4)	(2.5)	(2.6)
% Ch	(5.0)	(13.8)	(13.0)	(12.4)	(12.1)	(11.7)	(11.6)	(11.3)	(11.0)	(10.7)
Farm Proprietor's Income										
Oregon	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
% Ch	NM	(100.0)	(100.0)	NC	NC	NC	NC	0.0	0.0	0.0

TABLE A.2
March 2001 - Personal Income
(Billions of Current Dollars)

	2003:1	2003:2	2003:3	2003:4	2004:1	2004:2	2004:3	2004:4	2005:1	2005:2
Total Personal Income										
Oregon	111.4	113.2	115.0	116.7	118.7	120.6	122.3	124.1	126.3	128.2
% Ch	7.3	6.9	6.4	6.0	7.1	6.4	6.0	6.0	7.1	6.1
U.S.	9,494.6	9,637.3	9,772.7	9,909.1	10,064.4	10,201.9	10,334.3	10,471.3	10,637.0	10,789.1
% Ch	6.8	6.1	5.7	5.7	6.4	5.6	5.3	5.4	6.5	5.8
Wage and Salary										
Oregon	64.3	65.5	66.6	67.7	68.9	69.9	71.0	72.0	73.2	74.4
% Ch	7.5	7.5	7.2	6.8	7.1	6.3	6.0	6.0	7.0	6.3
U.S.	5,503.2	5,589.5	5,672.9	5,755.7	5,845.3	5,926.2	6,005.8	6,087.2	6,180.8	6,270.4
% Ch	7.1	6.4	6.1	6.0	6.4	5.7	5.5	5.5	6.3	5.9
Other Labor Income										
Oregon	6.7	6.8	6.9	7.0	7.1	7.2	7.2	7.3	7.4	7.5
% Ch	7.4	6.3	5.4	4.9	5.7	5.7	5.1	5.1	6.0	5.6
U.S.	592.4	600.8	608.9	616.8	625.0	633.4	641.9	650.4	659.5	668.6
% Ch	6.2	5.8	5.5	5.3	5.4	5.5	5.4	5.4	5.7	5.6
Nonfarm Proprietor's Income										
Oregon	8.9	9.1	9.2	9.4	9.5	9.6	9.7	9.9	10.0	10.1
% Ch	9.8	8.3	6.1	6.2	5.3	5.2	5.1	5.4	6.3	4.9
U.S.	822.5	837.7	850.0	861.4	873.5	882.5	891.1	901.2	913.7	924.9
% Ch	9.3	7.6	6.0	5.5	5.7	4.2	3.9	4.6	5.7	5.0
Dividend, Interest and Rent										
Oregon	23.7	24.1	24.5	24.8	25.2	25.7	26.1	26.5	26.9	27.3
% Ch	6.2	6.7	6.2	5.2	6.7	7.4	6.4	6.6	6.5	6.7
U.S.	1,701.8	1,725.8	1,747.6	1,771.3	1,797.1	1,824.4	1,847.5	1,872.0	1,899.8	1,929.6
% Ch	5.1	5.8	5.2	5.5	6.0	6.2	5.2	5.4	6.1	6.4
Transfer Payments										
Oregon	15.2	15.4	15.5	15.7	16.1	16.3	16.5	16.8	17.1	17.4
% Ch	7.4	4.1	4.4	4.6	9.6	5.9	6.1	6.0	9.3	5.2
U.S.	1,224.1	1,237.5	1,252.2	1,267.7	1,292.6	1,309.1	1,326.4	1,343.7	1,372.0	1,389.6
% Ch	7.1	4.5	4.8	5.1	8.1	5.2	5.4	5.3	8.7	5.2
Contributions for Social Security										
Oregon	4.8	4.9	5.0	5.0	5.1	5.2	5.2	5.3	5.4	5.4
% Ch	8.5	5.4	4.4	5.1	5.9	5.1	4.9	4.9	4.8	4.3
U.S.	406.7	411.9	417.2	422.3	428.0	433.0	437.9	442.9	448.7	454.3
% Ch	8.2	5.3	5.2	5.1	5.5	4.8	4.6	4.6	5.4	5.0
Residence Adjustment										
Oregon	(2.6)	(2.7)	(2.8)	(2.8)	(2.9)	(2.9)	(3.0)	(3.1)	(3.1)	(3.2)
% Ch	(10.5)	(10.1)	(9.7)	(9.4)	(9.3)	(8.9)	(8.6)	(8.4)	(8.4)	(8.1)
Farm Proprietor's Income										
Oregon	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
% Ch	406.3	0.0	0.0	0.0	216.0	0.0	0.0	0.0	0.0	0.0

TABLE A.2
March 2001 - Personal Income
(Billions of Current Dollars)

	2005:3	2005:4	2006:1	2006:2	2006:3	2006:4	2007:1	2007:2	2007:3	2007:4
Total Personal Income										
Oregon	130.0	131.8	134.1	136.2	138.2	140.2	142.7	144.8	146.8	148.9
% Ch	5.8	5.8	7.1	6.3	6.1	6.0	7.2	6.0	5.7	5.8
U.S.	10,936.8	11,089.8	11,270.3	11,432.4	11,588.8	11,748.0	11,937.6	12,108.7	12,277.4	12,451.7
% Ch	5.6	5.7	6.7	5.9	5.6	5.6	6.6	5.9	5.7	5.8
Wage and Salary										
Oregon	75.5	76.5	77.8	79.1	80.3	81.5	82.8	84.0	85.1	86.2
% Ch	6.0	5.9	6.9	6.4	6.3	6.1	6.6	5.9	5.5	5.4
U.S.	6,358.4	6,448.0	6,548.3	6,642.7	6,733.6	6,824.3	6,926.5	7,023.9	7,118.9	7,215.5
% Ch	5.7	5.8	6.4	5.9	5.6	5.5	6.1	5.7	5.5	5.5
Other Labor Income										
Oregon	7.6	7.7	7.9	8.0	8.1	8.2	8.3	8.4	8.5	8.6
% Ch	5.6	5.6	5.8	5.6	5.0	4.8	5.5	5.3	5.6	5.5
U.S.	677.7	686.9	696.5	705.9	715.4	724.6	734.1	743.6	753.5	763.4
% Ch	5.6	5.5	5.7	5.5	5.4	5.3	5.4	5.2	5.4	5.3
Nonfarm Proprietor's Income										
Oregon	10.3	10.4	10.5	10.7	10.8	11.0	11.2	11.4	11.5	11.7
% Ch	5.3	5.2	6.4	5.6	5.7	5.4	7.7	6.2	5.8	5.6
U.S.	936.0	948.3	963.0	976.1	989.0	1,002.7	1,018.8	1,033.0	1,047.5	1,062.3
% Ch	4.9	5.4	6.3	5.6	5.4	5.7	6.6	5.7	5.7	5.8
Dividend, Interest and Rent										
Oregon	27.7	28.1	28.6	29.0	29.4	29.8	30.3	30.8	31.2	31.7
% Ch	5.8	6.2	6.4	6.2	5.5	5.7	6.5	6.5	5.8	6.3
U.S.	1,955.4	1,983.6	2,014.3	2,044.8	2,071.5	2,100.0	2,131.3	2,164.0	2,193.3	2,226.2
% Ch	5.5	5.9	6.3	6.2	5.3	5.6	6.1	6.3	5.5	6.1
Transfer Payments										
Oregon	17.6	17.8	18.2	18.5	18.8	19.1	19.6	19.9	20.2	20.5
% Ch	5.4	5.3	9.7	6.3	6.7	6.7	9.9	6.1	6.7	6.6
U.S.	1,408.3	1,427.3	1,458.5	1,478.4	1,500.1	1,522.3	1,558.6	1,581.5	1,607.0	1,632.7
% Ch	5.5	5.5	9.0	5.6	6.0	6.1	9.9	6.0	6.6	6.6
Contributions for Social Security										
Oregon	5.5	5.5	5.6	5.7	5.7	5.8	5.8	5.9	6.0	6.1
% Ch	4.1	4.1	6.1	4.8	4.6	4.4	3.6	5.1	4.8	4.8
U.S.	459.7	465.1	471.3	477.1	482.6	488.0	494.3	500.1	505.8	511.5
% Ch	4.8	4.8	5.4	5.0	4.7	4.6	5.2	4.8	4.6	4.6
Residence Adjustment										
Oregon	(3.3)	(3.3)	(3.4)	(3.4)	(3.5)	(3.6)	(3.6)	(3.7)	(3.7)	(3.8)
% Ch	(7.9)	(7.7)	(7.6)	(7.4)	(7.2)	(7.0)	(7.0)	(6.8)	(6.6)	(6.5)
Farm Proprietor's Income										
Oregon	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
% Ch	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

TABLE A.2
March 2001 - Employment by Industry
(Oregon - Thousands, U.S. - Millions)

	1998:1	1998:2	1998:3	1998:4	1999:1	1999:2	1999:3	1999:4	2000:1	2000:2
Total Nonagricultural Employment										
Oregon	1,544.8	1,552.5	1,553.3	1,556.2	1,563.3	1,568.4	1,579.3	1,589.5	1,593.5	1,603.5
% Ch	1.6	2.0	0.2	0.7	1.8	1.3	2.8	2.6	1.0	2.5
U.S.	124.7	125.5	126.2	127.0	127.8	128.4	129.1	129.8	130.6	131.6
% Ch	2.6	2.4	2.2	2.5	2.7	2.0	2.0	2.2	2.6	2.9
Manufacturing										
Oregon	247.8	247.4	245.5	243.7	242.6	241.6	241.4	243.3	242.8	243.9
% Ch	2.9	(0.6)	(3.2)	(2.8)	(1.9)	(1.7)	(0.3)	3.2	(0.7)	1.8
U.S.	18.9	18.9	18.8	18.7	18.6	18.5	18.5	18.5	18.5	18.5
% Ch	1.5	(0.0)	(2.2)	(1.0)	(1.8)	(1.9)	(0.6)	(0.7)	(0.0)	0.2
Durable Manufacturing										
Oregon	181.9	181.8	179.8	177.8	176.8	176.6	177.4	178.6	178.8	180.2
% Ch	3.5	(0.3)	(4.2)	(4.4)	(2.3)	(0.5)	1.9	2.7	0.6	3.1
U.S.	11.2	11.2	11.2	11.2	11.1	11.1	11.1	11.1	11.1	11.1
% Ch	2.9	0.7	(2.3)	(0.1)	(1.6)	(1.3)	0.4	(0.7)	0.3	0.6
Lumber and Wood Products										
Oregon	51.4	51.2	49.9	49.7	49.4	49.4	49.6	49.8	50.1	50.3
% Ch	(0.6)	(1.3)	(9.7)	(1.9)	(1.9)	(0.6)	2.0	1.5	2.2	1.9
U.S.	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
% Ch	2.5	2.5	1.5	2.5	3.5	0.0	1.0	1.0	0.0	(1.4)
Metals										
Oregon	28.4	28.0	27.3	27.2	26.7	26.6	26.6	26.5	26.5	26.6
% Ch	13.8	(6.0)	(9.1)	(2.0)	(7.0)	(1.1)	(0.2)	(1.1)	0.3	1.3
U.S.	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2
% Ch	2.4	0.5	(1.4)	0.0	0.0	(1.3)	0.4	0.4	1.3	1.8
Non-electrical Machinery										
Oregon	23.7	23.3	22.6	22.0	21.5	21.2	21.0	20.9	20.5	20.6
% Ch	(0.3)	(7.0)	(10.6)	(11.2)	(8.6)	(5.5)	(3.5)	(1.6)	(8.1)	2.8
U.S.	2.2	2.2	2.2	2.2	2.2	2.1	2.1	2.1	2.1	2.1
% Ch	2.9	0.4	(2.0)	(4.3)	(5.4)	(2.2)	(0.7)	(1.1)	(0.6)	(0.2)
Electrical Machinery										
Oregon	36.5	36.7	36.4	35.9	35.7	35.7	36.1	36.6	36.7	37.9
% Ch	6.9	2.2	(3.2)	(6.1)	(1.7)	(0.1)	4.0	5.8	1.5	14.2
U.S.	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7
% Ch	2.8	(1.2)	(3.9)	(4.8)	(3.1)	(0.5)	1.0	0.2	2.4	2.9
Transportation Equipment										
Oregon	17.5	17.9	18.6	18.9	19.1	19.3	19.8	20.7	21.1	20.6
% Ch	6.6	10.7	16.9	5.5	5.0	4.7	10.3	18.6	7.6	(8.8)
U.S.	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9
% Ch	2.8	1.3	(6.6)	8.8	(2.1)	(3.1)	0.6	(3.4)	(1.3)	(0.4)
Instruments and Related Products										
Oregon	11.1	11.2	11.5	11.0	10.7	10.7	10.6	10.2	10.2	10.3
% Ch	0.3	3.8	8.1	(14.1)	(11.8)	(1.7)	(3.5)	(11.7)	(0.9)	2.9
U.S.	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.8	0.8	0.8
% Ch	0.9	0.9	(1.8)	(3.2)	(1.4)	(2.3)	(1.4)	(2.8)	(1.9)	(0.5)
Other Durables										
Oregon	13.3	13.4	13.4	13.2	13.7	13.7	13.8	13.9	13.8	13.8
% Ch	(4.5)	3.7	0.8	(6.6)	14.3	1.3	1.9	2.5	(2.4)	1.8
U.S.	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
% Ch	4.7	1.4	1.4	0.0	1.6	1.1	1.9	1.3	1.3	0.0

TABLE A.2
March 2001 - Employment by Industry
(Oregon - Thousands, U.S. - Millions)

	2000:3	2000:4	2001:1	2001:2	2001:3	2001:4	2002:1	2002:2	2002:3	2002:4
Total Nonagricultural Employment										
Oregon	1,606.7	1,609.4	1,609.4	1,611.3	1,616.3	1,622.4	1,630.6	1,639.6	1,648.3	1,658.3
% Ch	0.8	0.7	0.0	0.5	1.2	1.5	2.0	2.2	2.1	2.5
U.S.	131.6	131.9	131.7	131.5	131.5	131.6	132.0	132.5	133.1	133.7
% Ch	0.2	0.7	(0.6)	(0.4)	(0.0)	0.3	1.2	1.4	1.8	1.8
Manufacturing										
Oregon	242.8	242.3	240.1	238.5	237.3	236.6	236.6	236.6	237.1	237.8
% Ch	(1.8)	(0.9)	(3.5)	(2.7)	(1.9)	(1.2)	(0.1)	0.1	0.8	1.3
U.S.	18.5	18.4	18.2	18.0	17.8	17.6	17.5	17.5	17.4	17.4
% Ch	(0.8)	(2.0)	(4.1)	(4.2)	(4.3)	(3.0)	(2.3)	(1.5)	(1.1)	(1.1)
Durable Manufacturing										
Oregon	178.7	178.3	176.9	175.5	174.4	173.8	173.8	173.9	174.4	175.3
% Ch	(3.2)	(0.9)	(3.2)	(3.2)	(2.4)	(1.5)	0.0	0.3	1.2	1.9
U.S.	11.1	11.0	10.9	10.7	10.6	10.5	10.5	10.4	10.4	10.4
% Ch	(0.4)	(2.1)	(5.0)	(5.4)	(5.0)	(3.5)	(2.4)	(1.3)	(0.4)	(0.4)
Lumber and Wood Products										
Oregon	48.2	47.6	47.5	47.4	47.4	47.4	47.4	47.5	47.6	47.9
% Ch	(15.8)	(4.5)	(1.2)	(0.8)	(0.2)	0.5	0.2	0.3	0.7	2.7
U.S.	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
% Ch	(3.8)	(7.1)	(4.4)	(0.5)	(1.5)	(1.0)	(0.5)	0.0	2.0	2.5
Metals										
Oregon	26.8	26.5	26.1	25.7	25.1	24.8	24.5	24.3	24.4	24.4
% Ch	2.3	(3.5)	(5.7)	(7.3)	(8.9)	(4.7)	(4.3)	(2.6)	0.6	0.1
U.S.	2.2	2.2	2.2	2.2	2.1	2.1	2.1	2.1	2.0	2.0
% Ch	(0.5)	(1.2)	(6.1)	(6.6)	(6.7)	(5.0)	(4.7)	(2.7)	(1.6)	(1.8)
Non-electrical Machinery										
Oregon	20.5	20.2	20.0	19.8	19.6	19.4	19.4	19.4	19.4	19.5
% Ch	(2.7)	(4.5)	(5.1)	(4.0)	(3.8)	(3.0)	(0.2)	(1.1)	1.7	1.9
U.S.	2.1	2.1	2.1	2.1	2.0	2.0	2.0	2.0	2.0	2.0
% Ch	0.6	(1.1)	(7.3)	(6.0)	(6.1)	(4.5)	(3.2)	(2.6)	0.4	2.0
Electrical Machinery										
Oregon	39.2	40.2	39.9	39.7	39.4	39.2	39.5	39.8	40.1	40.4
% Ch	14.0	10.4	(2.7)	(2.5)	(2.3)	(2.5)	2.9	3.3	3.0	3.2
U.S.	1.7	1.7	1.7	1.7	1.7	1.6	1.7	1.7	1.7	1.7
% Ch	5.5	(1.6)	(5.0)	(5.3)	(3.6)	(0.7)	2.2	3.2	1.4	(0.7)
Transportation Equipment										
Oregon	19.8	19.2	18.8	18.4	18.4	18.4	18.3	18.3	18.3	18.4
% Ch	(14.7)	(11.6)	(8.2)	(8.2)	(0.3)	(0.1)	(0.5)	(0.1)	(0.6)	1.4
U.S.	1.8	1.8	1.8	1.8	1.7	1.7	1.7	1.7	1.7	1.7
% Ch	(6.5)	(3.0)	(4.3)	(6.9)	(5.5)	(5.6)	(3.9)	(2.1)	(1.6)	(2.4)
Instruments and Related Products										
Oregon	10.5	10.6	10.6	10.6	10.6	10.6	10.6	10.6	10.6	10.6
% Ch	8.8	2.5	0.2	0.7	(0.8)	0.2	0.6	(0.9)	1.0	1.0
U.S.	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
% Ch	1.9	(0.5)	0.5	(3.7)	(3.3)	(0.5)	0.5	(2.4)	(0.5)	0.0
Other Durables										
Oregon	13.8	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.1	14.1
% Ch	(0.4)	5.2	0.9	(0.0)	(0.1)	0.2	0.0	0.0	0.6	0.4
U.S.	1.5	1.5	1.5	1.5	1.5	1.4	1.4	1.4	1.4	1.4
% Ch	0.3	(1.8)	(4.4)	(4.7)	(4.5)	(4.0)	(3.3)	(2.2)	(1.4)	(1.7)

TABLE A.2
March 2001 - Employment by Industry
(Oregon - Thousands, U.S. - Millions)

	2003:1	2003:2	2003:3	2003:4	2004:1	2004:2	2004:3	2004:4	2005:1	2005:2
Total Nonagricultural Employment										
Oregon	1,668.3	1,679.2	1,690.0	1,699.6	1,707.8	1,716.1	1,724.0	1,732.1	1,740.7	1,749.2
% Ch	2.4	2.6	2.6	2.3	2.0	1.9	1.9	1.9	2.0	2.0
U.S.	134.3	135.0	135.6	136.1	136.7	137.2	137.7	138.2	138.8	139.4
% Ch	2.0	1.9	1.7	1.6	1.7	1.5	1.4	1.5	1.8	1.7
Manufacturing										
Oregon	238.7	239.7	240.5	241.3	242.1	242.4	242.5	242.7	243.0	243.2
% Ch	1.4	1.8	1.3	1.4	1.2	0.6	0.2	0.2	0.5	0.3
U.S.	17.4	17.3	17.3	17.2	17.2	17.2	17.1	17.0	17.0	17.0
% Ch	(0.6)	(0.6)	(1.1)	(0.8)	(0.9)	(1.0)	(1.6)	(1.3)	(1.0)	(0.6)
Durable Manufacturing										
Oregon	176.1	177.1	177.8	178.5	179.1	179.4	179.5	179.6	179.8	180.0
% Ch	1.9	2.2	1.6	1.6	1.4	0.7	0.1	0.2	0.7	0.4
U.S.	10.4	10.4	10.4	10.4	10.4	10.4	10.3	10.3	10.3	10.3
% Ch	0.3	0.1	(0.5)	(0.4)	(0.4)	(0.8)	(1.4)	(1.2)	(0.7)	(0.4)
Lumber and Wood Products										
Oregon	48.1	48.4	48.6	48.8	49.0	49.0	49.0	49.0	49.0	49.0
% Ch	1.9	2.6	1.7	1.5	1.2	0.6	(0.0)	0.1	(0.2)	(0.0)
U.S.	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
% Ch	3.0	3.5	2.0	2.0	1.0	1.0	(0.5)	0.0	0.0	0.5
Metals										
Oregon	24.4	24.5	24.6	24.7	24.8	24.8	24.7	24.7	24.8	24.6
% Ch	0.1	2.0	1.6	2.3	1.2	0.3	(1.4)	(0.6)	1.0	(2.0)
U.S.	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
% Ch	(1.6)	(1.0)	(1.6)	(1.4)	(1.6)	(1.4)	(2.2)	(1.6)	(2.0)	(1.6)
Non-electrical Machinery										
Oregon	19.7	19.9	19.9	20.1	20.2	20.3	20.4	20.5	20.5	20.6
% Ch	3.6	2.9	1.7	2.3	3.1	1.9	1.7	1.4	0.7	1.3
U.S.	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
% Ch	2.9	2.2	1.4	2.4	1.8	0.4	(0.8)	(0.4)	0.0	0.4
Electrical Machinery										
Oregon	40.7	40.9	41.2	41.3	41.5	41.6	41.7	41.8	42.0	42.2
% Ch	3.0	2.3	2.2	1.4	1.5	1.3	1.1	0.7	1.8	2.1
U.S.	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7
% Ch	0.0	(0.2)	(1.0)	(0.5)	(0.2)	(0.5)	(0.7)	0.5	0.5	1.0
Transportation Equipment										
Oregon	18.4	18.5	18.5	18.6	18.6	18.6	18.6	18.5	18.5	18.5
% Ch	0.9	1.3	1.1	1.6	0.6	(0.7)	(0.6)	(1.1)	(0.3)	(0.1)
U.S.	1.7	1.7	1.7	1.7	1.6	1.6	1.6	1.6	1.6	1.6
% Ch	0.2	(1.0)	(1.7)	(2.6)	(0.7)	(2.2)	(2.2)	(3.4)	(1.0)	(1.5)
Instruments and Related Products										
Oregon	10.7	10.7	10.8	10.8	10.9	10.9	10.9	10.9	10.9	10.9
% Ch	1.4	3.0	1.8	1.8	1.4	1.1	(0.1)	0.3	0.3	0.3
U.S.	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
% Ch	(1.0)	0.5	(0.5)	(0.5)	0.0	0.5	(0.5)	(0.5)	(0.5)	0.5
Other Durables										
Oregon	14.1	14.1	14.1	14.1	14.2	14.2	14.2	14.2	14.2	14.2
% Ch	1.1	0.5	(0.1)	0.6	0.9	(0.1)	(0.5)	(0.3)	1.0	0.2
U.S.	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4
% Ch	(1.1)	(1.1)	(2.0)	(1.4)	(2.3)	(2.0)	(2.3)	(2.3)	(1.7)	(0.9)

TABLE A.2
March 2001 - Employment by Industry
(Oregon - Thousands, U.S. - Millions)

	2005:3	2005:4	2006:1	2006:2	2006:3	2006:4	2007:1	2007:2	2007:3	2007:4
Total Nonagricultural Employment										
Oregon	1,757.5	1,765.4	1,773.2	1,781.2	1,789.5	1,796.9	1,804.5	1,810.6	1,816.2	1,821.7
% Ch	1.9	1.8	1.8	1.8	1.9	1.7	1.7	1.4	1.3	1.2
U.S.	140.0	140.5	141.1	141.7	142.2	142.7	143.2	143.7	144.1	144.6
% Ch	1.6	1.6	1.7	1.6	1.4	1.4	1.5	1.4	1.3	1.3
Manufacturing										
Oregon	243.5	244.0	244.7	245.4	246.1	246.9	247.7	248.4	249.0	249.6
% Ch	0.4	0.9	1.2	1.2	1.2	1.2	1.3	1.1	1.0	0.9
U.S.	16.9	16.9	16.9	16.9	16.9	16.9	16.9	16.9	16.9	16.8
% Ch	(0.8)	(0.4)	(0.2)	(0.1)	(0.4)	(0.2)	0.0	0.1	(0.4)	(0.4)
Durable Manufacturing										
Oregon	180.3	180.7	181.4	182.1	182.7	183.4	184.2	184.8	185.3	185.8
% Ch	0.6	1.0	1.5	1.5	1.5	1.5	1.7	1.4	1.1	1.0
U.S.	10.2	10.2	10.3	10.3	10.3	10.3	10.3	10.3	10.3	10.3
% Ch	(0.5)	(0.1)	0.3	0.2	0.1	0.2	0.5	0.5	(0.1)	(0.1)
Lumber and Wood Products										
Oregon	49.0	49.0	49.0	49.0	49.1	49.2	49.3	49.3	49.4	49.5
% Ch	(0.1)	(0.4)	0.2	0.2	0.9	0.6	0.6	0.6	0.5	0.5
U.S.	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
% Ch	0.0	0.0	0.0	0.0	0.5	0.0	0.5	0.5	0.5	0.0
Metals										
Oregon	24.6	24.6	24.7	24.7	24.8	24.8	25.0	25.0	25.1	25.2
% Ch	(0.7)	0.4	1.3	0.3	0.4	1.0	2.4	1.1	1.0	1.0
U.S.	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9
% Ch	(1.6)	(1.0)	(1.2)	(1.6)	(1.7)	(1.5)	(1.3)	(1.0)	(1.3)	(1.3)
Non-electrical Machinery										
Oregon	20.6	20.7	20.8	21.0	21.2	21.3	21.5	21.6	21.8	21.9
% Ch	0.8	1.9	2.9	2.9	3.2	3.6	3.0	2.5	2.0	2.1
U.S.	2.0	2.0	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1
% Ch	0.6	1.8	2.0	2.2	2.0	2.9	2.9	2.5	1.7	2.1
Electrical Machinery										
Oregon	42.5	42.8	43.2	43.6	43.9	44.2	44.5	44.7	44.9	45.0
% Ch	2.6	3.6	3.2	3.9	2.7	2.6	2.9	2.1	1.6	1.2
U.S.	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7
% Ch	0.7	1.4	1.9	1.9	1.7	2.6	0.9	1.2	(0.5)	0.0
Transportation Equipment										
Oregon	18.5	18.5	18.5	18.4	18.4	18.4	18.4	18.4	18.4	18.4
% Ch	(0.1)	(0.5)	(0.2)	(0.1)	(0.0)	(0.6)	0.0	0.1	0.2	(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	(1.5)	(2.5)	(0.3)	(1.3)	(1.3)	(2.3)	0.0	(0.8)	(0.8)	(2.3)
Instruments and Related Products										
Oregon	10.9	10.9	11.0	11.0	11.0	11.1	11.1	11.1	11.1	11.1
% Ch	0.3	0.3	0.7	0.4	1.1	1.8	0.3	1.5	1.1	0.4
U.S.	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
% Ch	(0.5)	0.0	0.0	0.5	(0.5)	0.0	0.0	1.0	0.5	0.5
Other Durables										
Oregon	14.2	14.2	14.3	14.3	14.4	14.5	14.5	14.6	14.7	14.7
% Ch	0.2	0.2	1.8	2.0	1.8	1.6	1.6	2.2	2.0	2.0
U.S.	1.4	1.4	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3
% Ch	(0.9)	(0.9)	(0.6)	(0.3)	(0.6)	(0.9)	(0.9)	0.0	(0.3)	(0.3)

TABLE A.2
March 2001 - Employment by Industry
(Oregon - Thousands, U.S. - Millions)

	1998:1	1998:2	1998:3	1998:4	1999:1	1999:2	1999:3	1999:4	2000:1	2000:2
Non Durable Manufacturing										
Oregon	65.9	65.7	65.6	65.9	65.8	65.0	64.0	64.7	64.0	63.7
% Ch	1.5	(1.4)	(0.3)	1.7	(0.6)	(4.6)	(6.3)	4.6	(4.2)	(1.8)
U.S.	7,647	7.6	7.6	7.5	7.5	7.5	7.4	7.4	7.4	7.4
% Ch	(0.5)	(1.1)	(2.1)	(2.3)	(2.1)	(2.7)	(2.0)	(0.8)	(0.5)	(0.5)
Food and Kindred										
Oregon	25.2	25.3	24.8	25.0	25.1	24.5	23.8	24.8	24.6	24.0
% Ch	1.0	2.3	(7.9)	3.0	2.3	(9.7)	(10.5)	16.6	(2.9)	(9.0)
U.S.	1,683	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7
% Ch	(0.2)	0.5	(0.7)	0.0	1.0	(2.1)	(1.4)	0.7	0.2	0.5
Paper and Allied										
Oregon	8.4	8.3	8.7	8.8	8.5	8.3	8.0	8.1	8.1	8.0
% Ch	5.6	(3.9)	20.6	4.0	(11.5)	(8.6)	(14.2)	4.9	(1.6)	(3.8)
U.S.	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7
% Ch	(0.6)	(1.2)	(1.8)	(1.8)	(1.2)	(1.2)	(1.2)	(1.2)	(1.2)	(0.6)
Printing and Publishing										
Oregon	16.3	16.3	16.5	16.7	16.8	16.8	16.9	16.9	16.9	17.1
% Ch	(1.1)	0.4	3.6	6.6	0.6	1.8	1.0	0.8	0.7	4.5
U.S.	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.5	1.6	1.6
% Ch	1.3	0.8	0.0	(0.8)	(1.3)	(1.5)	0.0	(0.8)	0.3	1.3
Other Non-durables										
Oregon	16.0	15.7	15.7	15.4	15.4	15.4	15.3	14.9	14.4	14.6
% Ch	3.0	(7.5)	(2.0)	(6.2)	(0.2)	(0.6)	(2.7)	(8.7)	(12.8)	4.9
U.S.	3.7	3.7	3.6	3.6	3.5	3.5	3.5	3.5	3.5	3.4
% Ch	(1.5)	(2.4)	(3.7)	(4.1)	(3.9)	(3.9)	(3.2)	(1.7)	(0.8)	(1.7)
Non-manufacturing										
Oregon	1,297.0	1,305.1	1,307.9	1,312.5	1,320.7	1,326.8	1,337.9	1,346.2	1,350.7	1,359.6
% Ch	1.3	2.5	0.9	1.4	2.5	1.8	3.4	2.5	1.3	2.7
U.S.	105.9	106.6	107.4	108.3	109.2	109.9	110.6	111.3	112.1	113.1
% Ch	2.8	2.8	3.0	3.2	3.4	2.7	2.5	2.7	3.1	3.3
Construction										
Oregon	81.9	82.0	81.4	81.3	82.2	82.9	83.8	84.3	83.8	84.0
% Ch	(0.9)	0.5	(2.9)	(0.0)	4.4	3.1	4.4	2.5	(2.4)	1.1
U.S.	5.9	6.0	6.1	6.2	6.3	6.4	6.4	6.5	6.7	6.7
% Ch	6.5	6.2	6.7	8.3	8.3	4.7	2.5	6.2	9.7	0.7
Mining										
Oregon	1.8	1.8	1.8	1.8	1.9	1.8	1.9	1.9	1.9	1.9
% Ch	(9.7)	0.0	0.2	(3.3)	13.3	(4.1)	10.8	(0.3)	4.2	(1.8)
U.S.	0.6	0.6	0.6	0.6	0.6	0.5	0.5	0.5	0.5	0.5
% Ch	1.3	(3.9)	(7.2)	(8.6)	(13.9)	(13.1)	(4.4)	1.5	3.1	4.6
Transportation, Communication and Utilities										
Oregon	76.2	76.2	76.4	76.1	77.0	77.6	78.1	78.4	79.2	79.8
% Ch	1.3	0.0	0.8	(1.3)	4.7	2.9	3.0	1.4	4.1	3.0
U.S.	6.5	6.6	6.6	6.7	6.8	6.8	6.8	6.9	6.9	7.0
% Ch	2.7	3.4	3.6	3.6	3.4	2.7	3.0	2.7	2.5	2.0
Transportation										
Oregon	53.0	52.9	53.1	52.7	53.2	53.9	54.2	54.4	55.1	54.9
% Ch	(1.1)	(1.1)	1.7	(3.2)	4.1	4.9	2.8	1.4	5.1	(1.6)
Communication and Utilities										
Oregon	23.2	23.3	23.2	23.4	23.8	23.7	23.9	24.0	24.1	24.9
% Ch	6.9	2.6	(1.1)	3.2	6.2	(1.3)	3.4	1.3	1.9	14.2

TABLE A.2
March 2001 - Employment by Industry
(Oregon - Thousands, U.S. - Millions)

	2000:3	2000:4	2001:1	2001:2	2001:3	2001:4	2002:1	2002:2	2002:3	2002:4
Non Durable Manufacturing										
Oregon	64.1	64.0	63.2	63.0	62.9	62.8	62.8	62.7	62.7	62.6
% Ch	2.2	(0.8)	(4.5)	(1.5)	(0.4)	(0.4)	(0.6)	(0.3)	(0.4)	(0.6)
U.S.	7.4	7.3	7.3	7.2	7.2	7.1	7.1	7.1	7.0	7.0
% Ch	(1.3)	(1.7)	(2.7)	(2.3)	(3.2)	(2.4)	(2.1)	(1.8)	(2.0)	(2.0)
Food and Kindred										
Oregon	24.4	24.2	24.0	23.8	23.7	23.7	23.7	23.6	23.6	23.5
% Ch	5.9	(3.0)	(3.2)	(3.7)	(0.5)	(0.4)	(0.8)	(0.7)	(0.8)	(1.0)
U.S.	1.7	1.7	1.7	1.7	1.7	1.7	1.6	1.6	1.6	1.6
% Ch	(1.7)	0.7	0.2	(1.0)	(2.4)	(1.7)	(2.2)	(1.9)	(1.9)	(2.2)
Paper and Allied										
Oregon	7.8	7.8	7.7	7.7	7.7	7.7	7.7	7.7	7.7	7.7
% Ch	(8.2)	(2.5)	(2.8)	(0.2)	0.4	0.3	0.0	(0.1)	0.0	(0.0)
U.S.	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.6	0.6	0.6
% Ch	(0.6)	0.0	(3.0)	(0.6)	(1.2)	(1.2)	(0.6)	(0.6)	(1.2)	(1.2)
Printing and Publishing										
Oregon	17.1	17.2	17.0	17.0	17.0	17.0	16.9	16.9	16.8	16.8
% Ch	(0.6)	2.9	(4.4)	(0.1)	(0.6)	(1.0)	(1.3)	(0.5)	(0.9)	(0.4)
U.S.	1.6	1.6	1.6	1.6	1.5	1.5	1.5	1.5	1.5	1.5
% Ch	1.3	0.5	(0.5)	(1.8)	(2.8)	(2.8)	(3.1)	(2.3)	(2.4)	(1.9)
Other Non-durables										
Oregon	14.8	14.8	14.5	14.5	14.5	14.5	14.5	14.5	14.5	14.5
% Ch	5.4	(0.4)	(7.8)	(0.1)	(0.6)	(0.1)	0.4	0.7	0.7	(0.3)
U.S.	3.4	3.4	3.3	3.3	3.3	3.3	3.2	3.2	3.2	3.2
% Ch	(2.4)	(4.5)	(4.6)	(3.8)	(4.0)	(2.9)	(2.0)	(1.6)	(2.2)	(2.0)
Non-manufacturing										
Oregon	1,363.8	1,367.1	1,369.3	1,372.9	1,378.9	1,385.8	1,394.1	1,402.9	1,411.2	1,420.5
% Ch	1.3	1.0	0.6	1.0	1.8	2.0	2.4	2.6	2.4	2.7
U.S.	113.2	113.5	113.5	113.5	113.7	114.0	114.5	115.0	115.7	116.3
% Ch	0.4	1.2	(0.0)	0.2	0.7	0.8	1.8	1.9	2.2	2.2
Construction										
Oregon	86.7	88.4	88.0	87.8	88.0	88.2	88.6	89.4	90.4	91.0
% Ch	13.8	7.8	(1.5)	(1.0)	1.0	0.7	1.9	3.6	4.5	2.7
U.S.	6.7	6.8	6.7	6.6	6.6	6.6	6.7	6.7	6.7	6.7
% Ch	0.7	3.9	(2.4)	(4.3)	0.3	(0.9)	1.7	1.1	2.1	2.1
Mining										
Oregon	1.9	1.9	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.9
% Ch	(2.7)	(7.0)	(3.0)	(1.3)	0.6	0.8	0.2	1.4	0.1	0.6
U.S.	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
% Ch	(0.7)	1.5	6.8	(4.3)	(11.9)	(12.3)	(7.6)	(2.4)	(1.6)	(2.4)
Transportation, Communication and Utilities										
Oregon	80.2	80.4	80.6	80.8	81.2	81.6	82.1	82.6	83.1	83.8
% Ch	2.2	0.8	1.0	0.9	2.1	1.8	2.7	2.5	2.6	3.3
U.S.	7.0	7.1	7.1	7.0	7.1	7.1	7.1	7.1	7.1	7.2
% Ch	1.4	3.8	(0.2)	(0.6)	1.1	(0.6)	1.5	1.2	2.2	2.3
Transportation										
Oregon	54.7	54.7	54.6	54.6	54.8	55.0	55.4	55.7	56.0	56.5
% Ch	(1.0)	(0.6)	(0.3)	(0.3)	1.5	1.6	2.8	2.5	2.3	3.6
Communication and Utilities										
Oregon	25.5	25.7	26.0	26.2	26.4	26.6	26.7	26.9	27.1	27.3
% Ch	9.6	3.9	3.9	3.5	3.5	2.4	2.3	2.4	3.1	2.5

TABLE A.2
March 2001 - Employment by Industry
(Oregon - Thousands, U.S. - Millions)

	2003:1	2003:2	2003:3	2003:4	2004:1	2004:2	2004:3	2004:4	2005:1	2005:2
Non Durable Manufacturing										
Oregon	62.6	62.7	62.7	62.9	63.0	63.0	63.1	63.1	63.1	63.2
% Ch	0.1	0.5	0.5	0.7	0.6	0.4	0.3	0.3	0.2	0.2
U.S.	7.0	6.9	6.9	6.9	6.8	6.8	6.8	6.8	6.7	6.7
% Ch	(1.9)	(1.8)	(2.1)	(1.4)	(1.6)	(1.4)	(1.9)	(1.5)	(1.4)	(1.1)
Food and Kindred										
Oregon	23.5	23.6	23.6	23.7	23.7	23.8	23.8	23.8	23.8	23.8
% Ch	0.5	0.6	0.7	1.0	0.7	0.8	0.2	0.5	(0.2)	0.1
U.S.	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6
% Ch	(2.0)	(1.7)	(1.5)	(1.0)	(1.2)	(0.8)	(1.5)	(1.0)	(1.0)	(0.5)
Paper and Allied										
Oregon	7.7	7.7	7.7	7.7	7.7	7.7	7.7	7.7	7.7	7.7
% Ch	(0.4)	0.1	(0.6)	0.6	0.2	(0.4)	(0.7)	(0.4)	0.1	(0.1)
U.S.	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6
% Ch	(1.8)	(1.2)	(2.5)	(1.3)	(1.9)	(1.9)	(2.5)	(1.9)	(1.9)	(1.3)
Printing and Publishing										
Oregon	16.8	16.8	16.8	16.8	16.8	16.8	16.8	16.8	16.9	16.9
% Ch	(0.1)	(0.0)	0.1	0.2	(0.0)	0.0	0.4	(0.0)	0.2	0.7
U.S.	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
% Ch	(1.9)	(1.1)	(1.3)	(0.8)	(0.8)	(0.5)	(1.1)	(0.8)	(0.8)	(0.5)
Other Non-durables										
Oregon	14.5	14.6	14.6	14.6	14.7	14.7	14.7	14.8	14.8	14.8
% Ch	0.0	1.1	1.4	1.0	1.3	0.5	1.0	0.8	1.1	(0.2)
U.S.	3.2	3.2	3.1	3.1	3.1	3.1	3.1	3.1	3.0	3.0
% Ch	(2.2)	(2.0)	(2.5)	(2.1)	(2.0)	(2.0)	(2.2)	(2.1)	(1.8)	(1.6)
Non-manufacturing										
Oregon	1,429.6	1,439.4	1,449.5	1,458.2	1,465.8	1,473.6	1,481.5	1,489.5	1,497.7	1,506.1
% Ch	2.6	2.8	2.8	2.4	2.1	2.2	2.1	2.2	2.2	2.3
U.S.	117.0	117.7	118.3	118.9	119.5	120.0	120.6	121.2	121.8	122.4
% Ch	2.4	2.3	2.2	2.0	2.0	1.9	1.9	1.9	2.2	2.0
Construction										
Oregon	92.0	92.9	93.6	94.4	95.2	95.9	96.6	97.2	98.0	98.9
% Ch	4.6	3.7	3.2	3.7	3.2	2.9	3.2	2.3	3.4	3.6
U.S.	6.8	6.8	6.8	6.9	6.9	6.9	6.9	7.0	7.0	7.0
% Ch	2.4	1.8	1.7	1.6	1.8	1.0	1.4	1.4	2.2	1.1
Mining										
Oregon	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9
% Ch	1.4	1.2	(0.3)	2.0	(0.1)	(0.2)	(1.1)	(1.7)	0.0	0.3
U.S.	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.4
% Ch	(3.2)	(4.0)	(4.1)	(3.3)	(5.0)	(4.2)	(4.3)	(3.5)	(2.6)	(3.5)
Transportation, Communication and Utilities										
Oregon	84.5	85.1	85.6	86.1	86.6	87.1	87.5	88.0	88.4	88.8
% Ch	3.4	2.6	2.5	2.3	2.5	2.2	2.2	2.2	1.5	2.2
U.S.	7.2	7.3	7.3	7.3	7.4	7.4	7.4	7.4	7.5	7.5
% Ch	2.0	1.8	1.8	2.0	1.5	1.3	1.5	1.6	1.8	1.4
Transportation										
Oregon	57.1	57.6	58.0	58.3	58.7	59.1	59.4	59.8	60.0	60.3
% Ch	4.2	3.0	2.8	2.3	2.9	2.5	2.4	2.4	1.5	2.4
Communication and Utilities										
Oregon	27.4	27.5	27.6	27.8	27.9	28.0	28.1	28.3	28.4	28.5
% Ch	1.9	1.8	1.8	2.1	1.6	1.5	1.9	1.9	1.7	1.7

TABLE A.2
March 2001 - Employment by Industry
(Oregon - Thousands, U.S. - Millions)

	2005:3	2005:4	2006:1	2006:2	2006:3	2006:4	2007:1	2007:2	2007:3	2007:4
Non Durable Manufacturing										
Oregon	63.2	63.3	63.3	63.4	63.4	63.5	63.5	63.6	63.7	63.8
% Ch	0.0	0.5	0.3	0.4	0.2	0.4	0.3	0.4	0.6	0.7
U.S.	6.7	6.7	6.7	6.6	6.6	6.6	6.6	6.6	6.6	6.6
% Ch	(1.4)	(0.9)	(1.0)	(0.7)	(1.3)	(0.8)	(0.8)	(0.4)	(0.9)	(0.7)
Food and Kindred										
Oregon	23.8	23.8	23.8	23.8	23.8	23.8	23.8	23.9	23.9	23.9
% Ch	(0.2)	0.1	(0.1)	0.2	(0.1)	0.4	0.1	0.5	0.2	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	(1.0)	(0.5)	(0.8)	(0.3)	(0.8)	0.0	(0.5)	0.3	(0.3)	(0.3)
Paper and Allied										
Oregon	7.7	7.7	7.7	7.7	7.7	7.7	7.7	7.7	7.7	7.7
% Ch	(0.4)	0.4	(0.0)	(0.2)	(0.2)	(0.0)	(0.1)	0.2	0.2	0.2
U.S.	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6
% Ch	(1.9)	(1.3)	(0.7)	(1.3)	(1.3)	0.0	(0.7)	0.0	(0.7)	0.0
Printing and Publishing										
Oregon	16.9	17.0	17.0	17.0	17.0	17.0	17.0	17.0	17.0	17.0
% Ch	0.8	1.1	0.1	0.0	(0.1)	0.1	(0.1)	0.1	0.8	0.8
U.S.	1.5	1.5	1.5	1.5	1.4	1.4	1.4	1.4	1.4	1.4
% Ch	(0.5)	(0.3)	(0.5)	0.0	(1.4)	(1.1)	(0.8)	(0.6)	(0.8)	(0.8)
Other Non-durables										
Oregon	14.8	14.8	14.9	14.9	14.9	15.0	15.0	15.0	15.1	15.2
% Ch	(0.3)	0.4	1.3	1.3	1.2	0.8	1.3	0.5	1.2	1.8
U.S.	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	2.9	2.9
% Ch	(1.7)	(1.4)	(1.3)	(1.1)	(1.5)	(1.5)	(0.7)	(1.1)	(1.1)	(0.9)
Non-manufacturing										
Oregon	1,514.1	1,521.4	1,528.5	1,535.8	1,543.4	1,550.0	1,556.8	1,562.2	1,567.2	1,572.1
% Ch	2.1	2.0	1.9	1.9	2.0	1.7	1.8	1.4	1.3	1.3
U.S.	123.0	123.6	124.2	124.8	125.3	125.8	126.3	126.8	127.3	127.7
% Ch	2.0	1.9	2.0	1.8	1.7	1.6	1.7	1.5	1.5	1.5
Construction										
Oregon	99.7	100.2	100.8	101.4	102.1	102.8	103.3	103.5	103.9	104.1
% Ch	3.3	2.1	2.2	2.5	2.8	3.0	1.8	0.9	1.4	0.7
U.S.	7.0	7.1	7.1	7.1	7.1	7.1	7.1	7.2	7.2	7.2
% Ch	1.3	1.1	1.7	0.7	0.7	0.4	1.0	0.2	0.7	0.4
Mining										
Oregon	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9
% Ch	0.1	0.0	0.9	0.8	0.1	(0.0)	0.6	1.3	(0.2)	0.5
U.S.	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
% Ch	(2.7)	(1.8)	(1.8)	(2.7)	(2.7)	(2.7)	(1.8)	(2.8)	(2.8)	(2.8)
Transportation, Communication and Utilities										
Oregon	89.4	89.8	90.3	90.6	91.0	91.4	91.9	92.3	92.8	93.2
% Ch	2.4	2.2	2.0	1.6	1.8	1.6	2.3	1.7	1.9	1.9
U.S.	7.5	7.6	7.6	7.6	7.6	7.7	7.7	7.7	7.7	7.8
% Ch	1.8	1.8	1.8	1.3	1.4	1.3	1.4	0.8	1.1	1.2
Transportation										
Oregon	60.7	61.1	61.4	61.6	61.9	62.1	62.5	62.8	63.2	63.5
% Ch	2.4	2.3	2.0	1.7	1.8	1.6	2.6	2.0	2.0	2.1
Communication and Utilities										
Oregon	28.7	28.8	28.9	29.0	29.2	29.3	29.4	29.5	29.6	29.7
% Ch	2.3	1.9	2.0	1.5	1.9	1.7	1.7	1.0	1.6	1.6

TABLE A.2
March 2001 - Employment by Industry
(Oregon - Thousands, U.S. - Millions)

	1998:1	1998:2	1998:3	1998:4	1999:1	1999:2	1999:3	1999:4	2000:1	2000:2
Trade										
Oregon	381.6	384.2	384.3	383.8	385.6	386.3	388.5	391.3	392.3	394.0
% Ch	0.9	2.8	0.1	(0.5)	2.0	0.7	2.3	2.9	1.1	1.7
U.S.	28.9	29.0	29.2	29.3	29.5	29.7	29.8	29.9	30.0	30.2
% Ch	1.2	1.5	2.0	2.0	2.9	2.2	1.5	1.4	1.7	2.3
Wholesale Trade										
Oregon	96.0	96.5	95.1	94.5	94.0	93.5	93.1	93.2	93.7	93.8
% Ch	3.1	2.1	(5.5)	(2.7)	(1.9)	(2.3)	(1.8)	0.8	2.2	0.3
U.S.	6.8	6.8	6.8	6.8	6.9	6.9	6.9	7.0	7.0	7.1
% Ch	2.8	1.8	0.9	1.5	1.8	1.9	2.8	2.5	1.6	2.0
Retail Trade										
Oregon	285.6	287.7	289.1	289.3	291.6	292.8	295.4	298.0	298.5	300.2
% Ch	0.1	3.0	2.0	0.2	3.3	1.6	3.7	3.5	0.7	2.2
U.S.	22.1	22.2	22.3	22.5	22.6	22.8	22.8	22.9	23.0	23.1
% Ch	0.7	1.4	2.3	2.1	3.2	2.3	1.2	1.0	1.7	2.4
Finance, Insurance and Real Estate										
Oregon	94.7	95.2	95.3	95.7	96.0	95.4	94.8	94.4	94.1	93.6
% Ch	(0.6)	2.5	0.1	1.7	1.4	(2.6)	(2.6)	(1.4)	(1.4)	(1.9)
U.S.	7.3	7.4	7.4	7.5	7.5	7.6	7.6	7.6	7.6	7.6
% Ch	4.3	4.4	3.3	3.1	2.5	1.8	1.5	1.0	0.7	(1.0)
Services										
Oregon	408.7	411.8	413.4	414.0	418.7	422.6	428.0	433.1	433.8	437.3
% Ch	1.6	3.1	1.5	0.6	4.5	3.9	5.2	4.8	0.7	3.3
U.S.	37.0	37.3	37.7	38.1	38.5	38.8	39.2	39.6	39.9	40.3
% Ch	4.2	3.7	3.8	4.1	4.2	3.9	3.7	4.2	3.6	3.3
Health Services										
Oregon	103.6	105.0	106.0	106.2	106.7	107.5	108.5	108.5	107.7	108.3
% Ch	(0.7)	5.4	4.0	0.6	1.7	3.1	3.8	(0.0)	(2.6)	2.0
Non Health Services										
Oregon	305.0	306.8	307.3	307.8	312.0	315.2	319.6	324.7	326.1	329.1
% Ch	2.4	2.4	0.7	0.6	5.5	4.1	5.7	6.5	1.8	3.7
Government										
Oregon	252.3	253.9	255.4	259.7	259.3	260.2	262.8	262.8	265.6	268.9
% Ch	3.0	2.6	2.5	6.9	(0.6)	1.3	4.1	0.1	4.2	5.1
U.S.	19.7	19.8	19.9	20.0	20.1	20.1	20.2	20.3	20.4	20.8
% Ch	0.9	1.7	2.0	1.9	2.2	1.0	1.8	1.5	3.1	8.0
Federal Government										
Oregon	30.5	30.2	30.2	30.5	30.5	30.2	30.3	30.6	30.9	33.5
% Ch	(1.2)	(3.0)	0.1	3.9	(0.4)	(4.4)	2.0	3.3	4.5	38.5
U.S.	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.6	2.7	3.1
% Ch	(1.5)	(0.1)	1.8	3.8	(0.9)	(5.1)	(2.2)	(1.3)	12.7	61.3
State and Local Government										
Oregon	221.8	223.6	225.2	229.2	228.8	230.0	232.5	232.3	234.7	235.4
% Ch	3.6	3.4	2.9	7.3	(0.7)	2.1	4.3	(0.3)	4.2	1.3
U.S.	17.0	17.1	17.2	17.2	17.4	17.4	17.5	17.6	17.7	17.8
% Ch	1.3	1.9	2.1	1.6	2.7	2.0	2.4	2.0	1.7	1.2
State Government										
Oregon	57.8	58.1	58.8	59.7	58.9	58.9	58.4	58.7	59.7	59.3
% Ch	5.2	2.1	5.3	6.0	(5.2)	0.2	(3.3)	1.9	7.1	(2.7)
Local Government										
Oregon	164.0	165.6	166.4	169.5	169.9	171.1	174.1	173.6	175.0	176.1
% Ch	3.1	3.8	2.0	7.7	1.0	2.8	7.1	(1.1)	3.3	2.6

TABLE A.2
March 2001 - Employment by Industry
(Oregon - Thousands, U.S. - Millions)

	2000:3	2000:4	2001:1	2001:2	2001:3	2001:4	2002:1	2002:2	2002:3	2002:4
Trade										
Oregon	394.6	395.1	395.6	396.4	397.6	399.2	400.7	402.6	404.2	406.1
% Ch	0.7	0.5	0.5	0.8	1.2	1.6	1.5	1.9	1.6	1.8
U.S.	30.3	30.3	30.3	30.3	30.1	30.1	30.0	30.1	30.1	30.2
% Ch	0.9	0.3	0.1	0.5	(2.4)	0.0	(1.5)	0.6	0.6	1.4
Wholesale Trade										
Oregon	94.0	94.1	94.3	94.4	94.7	95.1	95.7	96.0	96.2	96.7
% Ch	0.8	0.6	0.6	0.6	1.5	1.5	2.3	1.5	0.8	2.0
U.S.	7.1	7.1	7.0	7.0	7.0	7.0	7.1	7.1	7.2	7.2
% Ch	0.6	1.7	(2.7)	(1.7)	0.6	0.2	2.6	2.2	2.7	2.0
Retail Trade										
Oregon	300.6	301.0	301.4	302.0	302.9	304.2	305.2	306.7	308.1	309.5
% Ch	0.6	0.5	0.5	0.9	1.2	1.7	1.3	2.0	1.8	1.8
U.S.	23.2	23.2	23.2	23.3	23.1	23.1	22.9	22.9	23.0	23.0
% Ch	1.1	(0.2)	0.9	1.2	(3.4)	(0.1)	(2.7)	0.1	0.0	1.2
Finance, Insurance and Real Estate										
Oregon	94.1	94.2	94.4	94.6	95.0	95.3	95.6	96.2	96.6	97.0
% Ch	1.8	0.7	0.7	0.8	1.7	1.1	1.5	2.5	1.9	1.3
U.S.	7.6	7.7	7.7	7.7	7.7	7.7	7.7	7.8	7.8	7.9
% Ch	0.3	2.4	1.1	(0.4)	0.8	1.3	2.4	2.1	2.5	2.3
Services										
Oregon	440.2	443.7	445.0	446.7	449.6	453.2	457.4	461.3	465.1	469.5
% Ch	2.7	3.2	1.2	1.5	2.7	3.3	3.7	3.5	3.3	3.9
U.S.	40.6	40.8	40.8	40.8	41.1	41.4	41.8	42.2	42.6	43.0
% Ch	2.8	2.2	0.1	0.5	3.0	2.1	4.4	3.7	4.1	3.6
Health Services										
Oregon	109.5	110.8	111.2	111.7	112.4	113.0	113.8	114.6	115.1	115.7
% Ch	4.5	4.9	1.6	1.7	2.7	2.1	2.9	2.6	1.9	2.2
Non Health Services										
Oregon	330.8	332.9	333.8	335.0	337.2	340.3	343.6	346.8	350.0	353.9
% Ch	2.1	2.6	1.1	1.5	2.7	3.7	4.0	3.7	3.7	4.5
Government										
Oregon	266.1	263.4	264.1	265.0	266.0	266.8	267.9	269.2	270.3	271.4
% Ch	(4.2)	(3.9)	1.0	1.4	1.4	1.3	1.7	1.8	1.7	1.7
U.S.	20.5	20.5	20.4	20.5	20.6	20.6	20.7	20.7	20.8	20.8
% Ch	(5.5)	(1.6)	(0.2)	1.1	1.0	0.9	1.4	0.8	0.9	0.9
Federal Government										
Oregon	31.1	29.6	29.5	29.5	29.4	29.3	29.3	29.3	29.2	29.1
% Ch	(25.4)	(18.8)	(0.6)	(0.7)	(0.8)	(0.8)	(0.1)	(1.0)	(0.9)	(1.0)
U.S.	2.7	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6
% Ch	(40.2)	(12.3)	(2.7)	1.6	0.6	0.6	4.2	(0.5)	(0.3)	(0.5)
State and Local Government										
Oregon	234.9	233.9	234.6	235.6	236.6	237.5	238.6	239.9	241.1	242.3
% Ch	(0.8)	(1.8)	1.2	1.7	1.7	1.5	1.9	2.2	2.0	2.0
U.S.	17.8	17.8	17.8	17.9	17.9	18.0	18.0	18.1	18.1	18.2
% Ch	1.8	0.0	0.2	1.0	1.1	0.9	1.0	0.9	1.0	1.1
State Government										
Oregon	59.9	59.8	59.9	60.0	60.0	60.1	60.1	60.3	60.4	60.6
% Ch	4.3	(0.8)	0.6	0.6	0.3	0.3	0.4	0.9	1.1	1.0
Local Government										
Oregon	175.0	174.1	174.7	175.6	176.6	177.4	178.5	179.6	180.7	181.8
% Ch	(2.5)	(2.1)	1.5	2.0	2.2	2.0	2.4	2.6	2.3	2.4

TABLE A.2
March 2001 - Employment by Industry
(Oregon - Thousands, U.S. - Millions)

	2003:1	2003:2	2003:3	2003:4	2004:1	2004:2	2004:3	2004:4	2005:1	2005:2
Trade										
Oregon	408.1	411.4	414.6	416.9	418.9	420.6	422.6	424.6	426.8	428.9
% Ch	2.0	3.3	3.2	2.2	1.9	1.7	1.9	1.9	2.2	1.9
U.S.	30.4	30.6	30.8	30.9	31.0	31.2	31.3	31.4	31.4	31.6
% Ch	2.5	2.6	2.5	1.2	2.1	1.7	1.5	1.3	0.9	1.4
Wholesale Trade										
Oregon	97.2	97.8	98.2	98.7	99.1	99.4	99.8	100.3	100.8	101.3
% Ch	2.2	2.3	1.8	2.1	1.6	1.2	1.4	2.0	2.3	1.8
U.S.	7.2	7.3	7.3	7.3	7.3	7.3	7.3	7.3	7.4	7.4
% Ch	1.9	1.4	0.9	1.1	0.9	0.5	0.6	0.8	1.6	1.0
Retail Trade										
Oregon	311.0	313.7	316.5	318.3	319.9	321.3	322.9	324.4	326.1	327.7
% Ch	2.0	3.6	3.7	2.2	2.0	1.8	2.0	1.8	2.2	2.0
U.S.	23.2	23.3	23.5	23.6	23.7	23.9	24.0	24.0	24.1	24.2
% Ch	2.7	2.9	3.0	1.2	2.5	2.1	1.7	1.4	0.6	1.6
Finance, Insurance and Real Estate										
Oregon	97.6	98.3	98.8	99.4	99.9	100.4	100.7	101.1	101.5	102.0
% Ch	2.7	2.7	2.1	2.5	2.1	1.8	1.5	1.6	1.5	1.8
U.S.	7.9	8.0	8.0	8.1	8.1	8.1	8.2	8.2	8.2	8.3
% Ch	2.5	2.7	2.0	2.6	1.6	1.7	1.5	1.8	2.0	1.8
Services										
Oregon	473.2	476.6	480.3	483.7	486.8	490.3	493.6	497.3	500.7	504.3
% Ch	3.2	2.9	3.2	2.9	2.5	2.9	2.8	3.0	2.8	2.9
U.S.	43.3	43.7	44.0	44.3	44.6	44.9	45.2	45.5	46.0	46.3
% Ch	3.3	3.1	2.8	3.0	2.8	2.8	2.8	3.0	3.7	3.3
Health Services										
Oregon	116.5	117.1	117.8	118.6	119.2	120.0	120.8	121.6	122.3	123.0
% Ch	2.5	2.4	2.4	2.5	2.3	2.6	2.6	2.8	2.4	2.2
Non Health Services										
Oregon	356.9	359.5	362.6	365.2	367.6	370.3	372.9	375.7	378.4	381.3
% Ch	3.4	3.0	3.4	3.0	2.6	3.0	2.8	3.0	2.9	3.1
Government										
Oregon	272.5	273.6	274.8	275.9	277.0	278.0	279.0	279.9	281.0	281.9
% Ch	1.6	1.6	1.8	1.6	1.5	1.5	1.4	1.4	1.5	1.3
U.S.	20.8	20.9	20.9	21.0	21.0	21.1	21.1	21.2	21.2	21.3
% Ch	0.9	0.8	0.9	0.9	0.9	0.9	1.0	1.0	0.9	1.0
Federal Government										
Oregon	29.1	29.0	28.9	28.9	28.8	28.8	28.7	28.7	28.6	28.5
% Ch	(0.8)	(0.8)	(0.9)	(0.8)	(0.8)	(0.9)	(0.7)	(0.7)	(1.0)	(0.8)
U.S.	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6
% Ch	(0.2)	(0.2)	(0.3)	(0.2)	(0.2)	(0.3)	(0.2)	(0.2)	(0.2)	(0.2)
State and Local Government										
Oregon	243.4	244.6	245.9	247.0	248.2	249.3	250.3	251.3	252.4	253.3
% Ch	1.9	1.9	2.1	1.9	1.8	1.8	1.6	1.6	1.7	1.5
U.S.	18.2	18.3	18.3	18.4	18.4	18.4	18.5	18.6	18.6	18.7
% Ch	1.0	1.0	1.0	1.1	1.1	1.1	1.1	1.1	1.1	1.1
State Government										
Oregon	60.7	60.8	60.8	60.9	61.0	61.1	61.2	61.3	61.4	61.4
% Ch	0.7	0.5	0.5	0.5	0.7	0.6	0.5	0.6	0.6	0.6
Local Government										
Oregon	182.8	183.9	185.1	186.2	187.2	188.2	189.1	190.0	191.0	191.9
% Ch	2.3	2.4	2.7	2.4	2.2	2.2	1.9	2.0	2.1	1.8

TABLE A.2
March 2001 - Employment by Industry
(Oregon - Thousands, U.S. - Millions)

	2005:3	2005:4	2006:1	2006:2	2006:3	2006:4	2007:1	2007:2	2007:3	2007:4
Trade										
Oregon	430.8	432.9	434.5	435.8	437.6	439.6	441.2	442.3	443.5	444.8
% Ch	1.8	1.9	1.5	1.2	1.7	1.8	1.5	1.0	1.1	1.1
U.S.	31.7	31.8	31.8	31.9	32.0	32.1	32.1	32.2	32.3	32.4
% Ch	1.2	1.2	0.8	1.4	1.2	1.1	0.5	1.2	1.0	1.0
Wholesale Trade										
Oregon	101.6	102.0	102.5	102.8	103.4	103.8	104.4	104.6	104.8	105.0
% Ch	1.5	1.5	2.0	1.2	2.1	1.9	2.0	1.0	0.8	0.8
U.S.	7.4	7.4	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5
% Ch	0.9	1.0	1.5	0.8	0.6	0.6	1.2	0.5	0.5	0.6
Retail Trade										
Oregon	329.2	330.9	332.0	333.1	334.4	335.8	336.9	337.7	338.7	339.8
% Ch	1.9	2.0	1.4	1.2	1.6	1.7	1.3	1.0	1.2	1.3
U.S.	24.3	24.3	24.4	24.5	24.5	24.6	24.6	24.7	24.8	24.9
% Ch	1.3	1.3	0.6	1.5	1.4	1.3	0.2	1.4	1.1	1.1
Finance, Insurance and Real Estate										
Oregon	102.6	103.2	103.7	104.3	104.7	105.1	105.7	106.2	106.6	107.1
% Ch	2.4	2.4	2.2	2.0	1.7	1.7	2.2	1.8	1.6	1.9
U.S.	8.3	8.4	8.4	8.4	8.5	8.5	8.5	8.5	8.6	8.6
% Ch	1.7	1.8	1.7	1.6	1.3	1.4	1.3	1.2	1.0	1.4
Services										
Oregon	507.6	510.5	513.6	517.2	520.2	523.0	525.8	528.3	530.3	532.3
% Ch	2.7	2.3	2.5	2.8	2.4	2.2	2.2	1.9	1.6	1.5
U.S.	46.7	47.0	47.4	47.8	48.1	48.4	48.7	49.0	49.3	49.6
% Ch	3.1	3.0	3.4	2.8	2.5	2.4	3.0	2.5	2.3	2.3
Health Services										
Oregon	123.6	124.3	125.0	125.7	126.5	127.1	127.9	128.5	129.0	129.6
% Ch	2.0	2.0	2.4	2.4	2.3	2.2	2.4	1.8	1.8	1.8
Non Health Services										
Oregon	384.0	386.3	388.7	391.5	393.9	395.9	398.0	399.9	401.3	402.7
% Ch	2.8	2.4	2.5	2.9	2.4	2.1	2.1	1.9	1.5	1.4
Government										
Oregon	282.7	283.5	284.3	285.2	285.9	286.6	287.5	288.2	288.8	289.3
% Ch	1.2	1.2	1.1	1.2	1.1	1.0	1.3	0.9	0.8	0.8
U.S.	21.3	21.4	21.4	21.5	21.6	21.6	21.7	21.7	21.8	21.8
% Ch	1.0	1.0	1.0	1.0	1.1	1.0	1.0	1.0	1.1	0.9
Federal Government										
Oregon	28.5	28.4	28.4	28.4	28.3	28.3	28.2	28.2	28.2	28.1
% Ch	(0.7)	(0.7)	(0.7)	(0.5)	(0.5)	(0.6)	(0.5)	(0.5)	(0.5)	(0.6)
U.S.	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6
% Ch	0.0	0.0	0.0	0.2	0.2	0.0	0.2	0.2	0.2	0.0
State and Local Government										
Oregon	254.2	255.1	255.9	256.8	257.6	258.3	259.3	260.0	260.6	261.2
% Ch	1.4	1.4	1.3	1.4	1.3	1.2	1.4	1.1	0.9	0.9
U.S.	18.7	18.8	18.8	18.9	18.9	19.0	19.0	19.1	19.2	19.2
% Ch	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.1	1.2	1.0
State Government										
Oregon	61.5	61.6	61.7	61.8	61.9	62.0	62.1	62.2	62.3	62.3
% Ch	0.6	0.7	0.6	0.6	0.6	0.6	0.5	0.5	0.5	0.3
Local Government										
Oregon	192.7	193.5	194.2	195.0	195.7	196.3	197.2	197.8	198.3	198.9
% Ch	1.6	1.6	1.6	1.6	1.5	1.3	1.7	1.3	1.1	1.1

TABLE A.2
March 2001 - Other Economic Indicators

	1998:1	1998:2	1998:3	1998:4	1999:1	1999:2	1999:3	1999:4	2000:1	2000:2
GDP (Bil of 1996 \$) Chain Weight (in billions of \$)	8,404.9	8,465.6	8,537.6	8,654.5	8,730.0	8,783.2	8,905.8	9,084.1	9,191.8	9,318.9
% Ch	6.5	2.9	3.4	5.6	3.5	2.5	5.7	8.3	4.8	5.6
Price and Wage Indicators										
GDP Implicit Price Deflator, Chain Weight U.S., 1996=1	1.028	1.030	1.034	1.037	1.043	1.046	1.049	1.053	1.062	1.068
% Ch	1.2	0.8	1.6	1.2	2.3	1.2	1.2	1.5	3.5	2.3
Personal Consumption Deflator, Chain Weight U.S., 1996=1	1.025	1.028	1.032	1.036	1.040	1.046	1.051	1.057	1.066	1.071
% Ch	0.4	1.2	1.6	1.6	1.6	2.3	1.9	2.3	3.5	1.9
CPI, Urban Consumers Portland-Salem, OR-WA	166.1	166.2	167.4	168.8	170.0	171.6	173.5	175.3	176.0	176.8
% Ch	0.4	0.2	3.0	3.4	2.9	3.8	4.4	4.4	1.6	1.6
U.S.	162.1	162.8	163.5	164.2	164.9	166.2	167.2	168.4	170.2	171.7
% Ch	1.0	1.7	1.7	1.7	1.7	3.2	2.4	2.9	4.3	3.6
Or. Manufacturing Wage Rate (Thous \$)	38.8	39.2	38.7	39.1	39.8	41.1	42.4	42.8	45.4	47.2
% Ch	9.0	4.5	(4.7)	4.3	6.5	13.8	13.5	4.0	26.6	16.7
Or. Private Service Wage Rate (Thous \$)	27.7	27.7	28.0	28.5	28.7	29.2	29.4	29.8	30.3	30.6
% Ch	8.1	(0.3)	4.7	7.8	1.6	8.3	2.8	4.7	7.7	3.4
Housing Indicators										
Oregon Repeat Purchase Housing Index 1987 Q1=100	234.6	236.5	239.0	241.6	242.7	245.0	246.9	249.1	250.4	252.5
% Ch	6.1	3.4	4.2	4.5	1.8	4.0	3.1	3.5	2.1	3.4
National Average Sales Price of Existing Single Family Homes (Thous \$)	152.5	160.0	161.9	159.1	161.6	168.5	172.1	168.3	169.5	176.1
% Ch	0.9	21.2	4.8	(6.9)	6.4	18.2	9.0	(8.6)	2.9	16.4
Housing Starts Oregon (Thous)	26.2	24.1	25.6	23.2	23.3	22.9	20.7	20.2	19.8	18.9
% Ch	(23.0)	(28.3)	26.5	(31.9)	0.5	(5.5)	(33.2)	(10.0)	(8.1)	(17.1)
U.S. (Millions)	1.6	1.6	1.6	1.7	1.8	1.6	1.7	1.7	1.7	1.6
% Ch	7.2	3.4	15.9	24.3	9.1	(33.2)	19.4	6.4	10.6	(26.3)
Other Indicators										
Industrial Production Index, U.S, 1996 = 1	1.105	1.113	1.123	1.131	1.142	1.155	1.172	1.188	1.208	1.231
% Ch	3.3	2.9	3.6	2.9	3.9	4.6	6.0	5.6	6.9	7.8
Prime Rate (Percent)	8.5	8.5	8.5	7.9	7.8	7.8	8.1	8.4	8.7	9.2
% Ch	0.0	0.0	(0.1)	(24.5)	(8.3)	0.0	19.5	14.0	15.9	28.4

TABLE A.2
March 2001 - Other Economic Indicators

	2000:3	2000:4	2001:1	2001:2	2001:3	2001:4	2002:1	2002:2	2002:3	2002:4
GDP (Bil of 1996 \$) Chain Weight										
(in billions of \$)	9,369.5	9,422.0	9,462.7	9,512.0	9,584.1	9,668.2	9,788.6	9,902.5	10,023.2	10,142.9
% Ch	2.2	2.3	1.7	2.1	3.1	3.6	5.1	4.7	5.0	4.9
Price and Wage Indicators										
GDP Implicit Price Deflator, Chain Weight										
U.S., 1996=1	1.072	1.078	1.085	1.091	1.095	1.100	1.105	1.109	1.110	1.119
% Ch	1.5	2.3	2.6	2.2	1.5	1.8	1.8	1.5	1.8	1.8
Personal Consumption Deflator, Chain Weight										
U.S., 1996=1	1.076	1.082	1.087	1.092	1.096	1.100	1.104	1.108	1.110	1.118
% Ch	1.9	2.2	1.9	1.9	1.5	1.5	1.5	1.5	1.8	1.8
CPI, Urban Consumers										
Portland-Salem, OR-WA	178.4	180.5	181.7	182.9	184.4	185.7	187.1	188.4	189.5	190.8
% Ch	3.9	4.7	2.7	2.6	3.3	2.9	2.9	2.8	2.5	2.6
U.S.	173.0	174.4	175.6	176.4	177.1	177.9	178.7	179.5	180.3	181.2
% Ch	3.1	3.3	2.8	1.8	1.6	1.8	1.8	1.8	1.8	2.0
Or. Manufacturing Wage Rate (Thous \$)	47.8	48.3	48.8	49.6	50.1	50.6	51.3	51.9	52.6	53.3
% Ch	5.5	4.0	4.5	6.3	4.1	4.7	5.6	4.9	5.4	5.4
Or. Private Service Wage Rate (Thous \$)	30.9	31.2	31.6	32.0	32.4	32.8	33.2	33.6	34.1	34.5
% Ch	4.4	3.9	4.7	5.1	5.4	5.1	4.7	5.7	5.0	5.0
Housing Indicators										
Oregon Repeat Purchase Housing Index										
1987 Q1=100	255.6	258.4	261.1	263.5	266.1	269.1	272.9	277.3	280.6	283.2
% Ch	5.0	4.4	4.3	3.7	4.0	4.5	5.9	6.5	4.8	3.7
National Average Sales Price of Existing Single Family Homes										
(Thous \$)	179.8	176.6	180.4	184.7	185.8	181.1	183.5	188.3	189.7	185.2
% Ch	8.7	(6.9)	8.9	9.9	2.3	(9.7)	5.4	11.0	3.1	(9.3)
Housing Starts										
Oregon (Thous)	16.8	20.3	19.4	18.9	18.9	19.5	19.8	20.2	20.5	20.6
% Ch	(37.7)	115.2	(16.6)	(10.1)	0.9	11.3	7.9	8.3	4.8	3.4
U.S. (Millions)	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.6	1.6	1.6
% Ch	(17.9)	(4.1)	(10.9)	(4.8)	5.9	9.3	11.4	8.5	7.3	5.9
Other Indicators										
Industrial Production Index, U.S, 1996 = 1	1.242	1.245	1.246	1.249	1.256	1.265	1.275	1.287	1.300	1.314
% Ch	3.6	1.0	0.3	1.0	2.3	2.9	3.2	3.8	4.4	4.1
Prime Rate (Percent)	9.5	9.5	8.8	8.5	8.3	8.0	8.0	8.0	8.0	8.0
% Ch	11.4	0.0	(25.1)	(14.5)	(11.3)	(11.6)	0.0	0.0	0.0	0.0

TABLE A.2
March 2001 - Other Economic Indicators

	2003:1	2003:2	2003:3	2003:4	2004:1	2004:2	2004:3	2004:4	2005:1	2005:2
GDP (Bil of 1996 \$) Chain Weight										
(in billions of \$)	10,271.9	10,378.3	10,481.0	10,578.3	10,681.4	10,766.3	10,856.3	10,953.7	11,066.4	11,162.5
% Ch	5.2	4.2	4.0	3.8	4.0	3.2	3.4	3.6	4.2	3.5
Price and Wage Indicators										
GDP Implicit Price Deflator, Chain Weight										
U.S., 1996=1	1.124	1.130	1.135	1.141	1.147	1.153	1.159	1.166	1.172	1.179
% Ch	1.8	2.2	1.8	2.1	2.1	2.1	2.1	2.4	2.1	2.4
Personal Consumption Deflator, Chain Weight										
U.S., 1996=1	1.123	1.129	1.134	1.140	1.146	1.152	1.159	1.165	1.171	1.178
% Ch	1.8	2.2	1.8	2.1	2.1	2.1	2.5	2.1	2.1	2.4
CPI, Urban Consumers										
Portland-Salem, OR-WA	192.0	193.3	194.6	196.0	197.3	198.6	200.0	201.3	202.8	204.2
% Ch	2.6	2.7	2.9	2.9	2.7	2.7	2.8	2.6	2.9	2.9
U.S.	182.0	182.9	183.9	184.9	185.9	186.9	188.0	189.1	190.2	191.3
% Ch	1.8	2.0	2.2	2.2	2.2	2.2	2.4	2.4	2.3	2.3
Or. Manufacturing Wage Rate (Thous \$)	54.0	54.7	55.3	56.0	56.7	57.3	58.0	58.6	59.4	60.1
% Ch	5.3	5.1	4.8	4.6	5.2	4.7	4.6	4.6	5.2	4.9
Or. Private Service Wage Rate (Thous \$)	34.9	35.4	35.8	36.2	36.6	37.1	37.5	37.9	38.3	38.8
% Ch	5.2	5.1	4.8	4.7	5.1	4.7	4.5	4.4	5.0	4.5
Housing Indicators										
Oregon Repeat Purchase Housing Index										
1987 Q1=100	287.0	290.4	294.6	299.1	302.9	307.5	311.0	312.3	316.5	321.6
% Ch	5.5	4.9	5.9	6.2	5.3	6.1	4.7	1.6	5.5	6.6
National Average Sales Price of Existing Single Family Homes										
(Thous \$)	188.0	193.4	195.4	191.3	194.6	200.5	202.7	198.4	201.7	207.6
% Ch	6.1	12.0	4.3	(8.2)	7.1	12.7	4.5	(8.3)	6.8	12.3
Housing Starts										
Oregon (Thous)	20.8	21.0	21.1	21.3	21.5	21.7	21.9	21.9	22.0	22.1
% Ch	2.9	3.7	2.4	3.2	4.6	4.0	3.0	(0.5)	2.0	3.0
U.S. (Millions)	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7
% Ch	6.0	4.4	1.4	(0.5)	(1.0)	(0.2)	(0.7)	1.2	2.4	2.9
Other Indicators										
Industrial Production Index, U.S, 1996 = 1	1.329	1.341	1.352	1.361	1.371	1.378	1.386	1.393	1.403	1.411
% Ch	4.6	3.7	3.3	2.7	3.0	2.1	2.3	2.0	2.9	2.3
Prime Rate (Percent)	8.0	8.3	8.4	8.6	8.8	9.0	9.0	9.0	9.0	9.0
% Ch	0.0	13.1	7.5	9.9	7.2	11.9	0.0	0.0	0.0	0.0

TABLE A.2
March 2001 - Other Economic Indicators

	2005:3	2005:4	2006:1	2006:2	2006:3	2006:4	2007:1	2007:2	2007:3	2007:4
GDP (Bil of 1996 \$) Chain Weight										
(in billions of \$)	11,260.3	11,363.7	11,474.1	11,566.9	11,660.0	11,755.7	11,864.5	11,957.2	12,055.6	12,157.3
% Ch	3.6	3.7	3.9	3.3	3.3	3.3	3.8	3.2	3.3	3.4
Price and Wage Indicators										
GDP Price Deflator, Chain Weight										
U.S., 1996=1	1.185	1.192	1.200	1.207	1.214	1.222	1.230	1.237	1.245	1.253
% Ch	2.1	2.4	2.7	2.4	2.3	2.7	2.6	2.3	2.6	2.6
Personal Consumption Deflator, Chain Weight										
U.S., 1996=1	1.185	1.192	1.200	1.207	1.215	1.223	1.231	1.239	1.248	1.257
% Ch	2.4	2.4	2.7	2.4	2.7	2.7	2.6	2.6	2.9	2.9
CPI, Urban Consumers										
Portland-Salem, OR-WA	205.7	207.0	208.5	210.0	211.6	213.0	214.6	216.2	217.8	219.3
% Ch	2.9	2.5	3.0	2.9	3.1	2.7	2.9	3.1	3.0	2.8
U.S.	192.5	193.6	194.9	196.1	197.5	198.8	200.1	201.5	202.9	204.3
% Ch	2.5	2.3	2.7	2.5	2.9	2.7	2.6	2.8	2.8	2.8
Or. Manufacturing Wage Rate (Thous \$)	60.8	61.5	62.3	63.1	63.8	64.6	65.4	66.1	66.9	67.7
% Ch	4.8	5.0	5.1	5.1	5.0	5.0	4.6	4.9	4.8	4.6
Or. Private Service Wage Rate (Thous \$)	39.2	39.6	40.1	40.6	41.0	41.5	42.0	42.4	42.9	43.3
% Ch	4.2	4.1	5.4	4.8	4.6	4.4	5.0	4.6	4.2	4.2
Housing Indicators										
Oregon Repeat Purchase Housing Index										
1987 Q1=100	325.2	326.5	329.8	334.0	337.1	337.7	341.2	345.3	348.3	349.2
% Ch	4.5	1.6	4.1	5.3	3.7	0.7	4.3	4.9	3.4	1.1
National Average Sales Price of Existing Single Family Homes										
(Thous \$)	209.7	205.1	208.5	214.8	217.1	212.6	216.4	223.0	225.5	220.8
% Ch	4.1	(8.5)	6.8	12.5	4.5	(8.1)	7.2	12.8	4.6	(8.1)
Housing Starts										
Oregon (Thous)	22.3	22.4	22.6	22.7	22.7	22.7	22.8	23.0	23.0	23.1
% Ch	2.7	3.0	3.5	0.8	0.6	0.6	1.1	2.8	1.2	0.9
U.S. (Millions)	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.8
% Ch	1.7	1.9	2.4	(0.7)	(0.2)	0.2	1.4	4.2	1.6	1.2
Other Indicators										
Industrial Production Index, U.S, 1996 = 1	1.421	1.431	1.443	1.452	1.462	1.472	1.483	1.493	1.504	1.514
% Ch	2.9	2.8	3.4	2.5	2.8	2.8	3.0	2.7	3.0	2.7
Prime Rate (Percent)	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0
% 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 -- 1999-2001

	Estimate at COS 1999-2001	Actuals Through 12/31/00	Forecasts Dated: 12/01/00			Forecasts Dated: 03/01/01			Differences	
			1999-2000	2000-2001	Total 1999-2001	1999-2000	2000-2001	Total 1999-2001	03/01/01 Less 12/01/00	03/01/01 Less COS
Taxes										
Personal Income Taxes	8,421,012,000	6,148,335,615	4,197,282,000	4,504,733,000	8,702,015,000	4,197,282,000	4,523,272,000	8,720,554,000	18,539,000	299,542,000
Corporate Excise and Income Taxes	798,832,000	568,260,067	405,221,000	423,465,000	828,686,000	405,221,000	406,870,000	812,091,000	(16,595,000)	13,259,000
Insurance Taxes	100,190,000	72,566,054	54,001,000	46,203,000	100,204,000	54,001,000	46,203,000	100,204,000	0	14,000
Gift and Inheritance Taxes	85,000,000	62,817,399	47,881,000	44,000,000	91,881,000	47,881,000	44,000,000	91,881,000	0	6,881,000
Cigarette Taxes	110,625,000	75,293,028	52,555,000	51,647,000	104,202,000	52,555,000	51,812,000	104,367,000	165,000	(6,258,000)
Other Tobacco Products Taxes	22,427,000	16,473,787	10,894,000	11,069,000	21,963,000	10,894,000	11,069,000	21,963,000	0	(464,000)
Other Taxes	4,615,000	3,111,008	2,372,000	2,365,000	4,737,000	2,372,000	2,365,000	4,737,000	0	122,000
Fines and Fees										
State Court Fees	23,100,000	16,907,649	10,961,000	11,550,000	22,511,000	10,961,000	11,550,000	22,511,000	0	(589,000)
Secretary of State Corporation Fees	10,782,000	9,886,517	6,571,000	6,168,000	12,739,000	6,571,000	6,168,000	12,739,000	0	1,957,000
Criminal Fines & Assessments	40,000,000	37,824,926	26,149,000	30,000,000	56,149,000	26,149,000	30,000,000	56,149,000	0	16,149,000
Central Service Charges										
	6,200,000	5,622,109	3,271,000	2,929,000	6,200,000	3,271,000	2,929,000	6,200,000	0	0
Liquor Apportionment										
	99,750,000	79,788,710	51,364,000	52,332,000	103,696,000	51,364,000	52,332,000	103,696,000	0	3,946,000
Interest Earnings										
	77,000,000	48,788,983	34,117,000	38,500,000	72,617,000	34,117,000	38,500,000	72,617,000	0	(4,383,000)
Other										
	111,758,000	50,503,431	45,142,000	61,709,000	106,851,000	45,142,000	86,408,000	131,550,000	24,699,000	19,792,000
Total General Fund Revenues										
	9,911,291,000		4,947,781,000	5,286,670,000	10,234,451,000	4,947,781,000	5,313,478,000	10,261,259,000	26,808,000	349,968,000
Plus Beginning Balance, 7-1-1999										
	261,885,439				329,389,922			329,389,922	0	67,504,483
Available Resources										
	10,173,176,439				10,563,840,922			10,590,648,922	26,808,000	417,472,483
Appropriations										
	10,127,312,279				10,125,964,086			10,125,964,086	0	(1,348,193)
Plus Legislative Actions										
	0				0			0	0	0
Plus Administrative Actions										
	0				1,318,800			1,318,800	0	1,318,800
Adjusted Appropriations										
	10,127,312,279				10,127,282,886			10,127,282,886	0	(29,393)
Less Estimated 1999-01 Reversions										
	0				24,500,000			24,500,000	0	24,500,000
Projected Expenditures										
	10,127,312,279				10,102,782,886			10,102,782,886	0	(24,529,393)
Estimated Ending Balance, 6-30-2001										
	45,864,160				461,058,036			487,866,036	26,808,000	442,001,876

Note: 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.

TABLE B.2**General Fund Estimates: 1997-99 Through 2005-07 Biennia**

	1997-99	1999-00	2000-01	1999-01	2001-02	2002-03	2001-03	2003-04	2004-05	2003-05	2005-06	2006-07	2005-07
	Biennium	Fiscal Yr	Fiscal Yr	Biennium	Fiscal Yr	Fiscal Yr	Biennium	Fiscal Yr	Fiscal Yr	Biennium	Fiscal Yr	Fiscal Yr	Biennium
Taxes													
Personal Income	7,123.1	4,197.3	4,523.3	8,720.6	4,313.6	4,951.0	9,264.6	5,244.6	5,596.5	10,841.1	5,936.5	6,346.6	12,283.1
Corporate Excise and Income	589.1	405.2	406.9	812.1	434.0	483.6	917.6	507.7	524.0	1,031.8	564.2	613.1	1,177.3
Insurance	102.0	54.0	46.2	100.2	43.8	40.6	84.4	43.4	44.7	88.1	46.4	47.7	94.1
Gift and Inheritance	89.0	47.9	44.0	91.9	44.0	44.0	88.0	44.0	44.0	88.0	44.0	44.0	88.0
Cigarette	119.7	52.6	51.8	104.4	51.4	52.2	103.6	52.8	53.4	106.2	54.0	54.6	108.6
Other Tobacco Products	21.2	10.9	11.1	22.0	11.2	11.4	22.7	11.6	11.8	23.4	11.9	12.1	24.1
Other Taxes	4.9	2.4	2.4	4.7	2.4	2.4	4.7	2.4	2.4	4.7	2.4	2.4	4.7
Subtotal	8,048.9	4,770.2	5,085.6	9,855.8	4,900.3	5,585.2	10,485.5	5,906.4	6,276.9	12,183.3	6,659.4	7,120.6	13,780.0
Other Revenues													
Licenses and Fees	78.2	43.7	47.7	91.4	43.5	46.1	89.6	47.0	47.8	94.8	48.7	49.6	98.4
Charges for Services	6.0	3.3	2.9	6.2	3.0	3.1	6.1	3.2	3.2	6.4	3.3	3.3	6.6
Liquor Apportionment	91.0	51.4	52.3	103.7	55.9	56.5	112.4	56.2	56.2	112.3	56.2	56.2	112.3
Interest Earnings	88.6	34.1	38.5	72.6	38.5	38.5	77.0	38.5	38.5	77.0	38.5	38.5	77.0
Others	11.9	45.1	86.4	131.6	67.7	38.9	106.6	7.1	7.7	14.8	8.3	8.9	17.1
Subtotal	275.7	177.6	227.9	405.5	208.6	183.1	391.7	151.9	153.4	305.3	154.9	156.5	311.4
Total General Fund	8,324.6	4,947.8	5,313.5	10,261.3	5,108.9	5,768.3	10,877.2	6,058.4	6,430.2	12,488.6	6,814.3	7,277.0	14,091.4

Note: Detailed entries may not add to totals due to rounding.

TABLE B.3
Impact of Tax Law Changes (Thousands of Dollars)

MARCH 2001

PERSONAL INCOME TAX	CY 2001-----				CY 2002-----				CY 2003-----			
	1ST Q	2ND Q	3RD Q	4TH Q	1ST Q	2ND Q	3RD Q	4TH Q	1ST Q	2ND Q	3RD Q	4TH Q
TWO PERCENT KICKER (2000 TAX YEAR)	0	0	0	(316,506)	(11,785)	(8,418)	0	0	0	0	0	0
GASB ADJUSTMENT (30 DAY)	0	130,000	(130,000)	0	0	138,000	(138,000)	0	0	146,000	(146,000)	0
FEDERAL PENSION INCOME	(18,830)	(32,280)	(112,814)	(1,076)	(19,355)	(33,180)	(1,659)	(1,106)	(19,810)	(33,960)	(1,698)	(1,132)
TAX CREDIT EXTENSIONS	(605)	(1,234)	(1,806)	(2,557)	(6,719)	(6,984)	(1,827)	(2,569)	(6,761)	(7,087)	(1,803)	(2,525)
RECONNECT TO FEDERAL CODE -- 1998	(320)	(320)	(336)	(336)	(336)	(336)	(380)	(380)	(380)	(380)	(421)	(421)
TAX LOTTERY WINNINGS	525	1,125	464	283	541	1,262	464	283	541	1,262	477	292
DOR AUDITOR STAFF 01	0	0	0	0	3,083	3,083	3,083	3,083	3,083	3,083	3,133	3,133
EXCLUDE RESIDENT IN FOREIGN COUNTRY	(154)	(436)	(136)	(75)	(155)	(435)	(136)	(75)	(155)	(434)	(136)	(75)
TAX LAW HOUSEKEEPING BILLS	(117)	(294)	(97)	(59)	(118)	(293)	(97)	(59)	(118)	(293)	(98)	(59)
SUBTOTAL	(19,501)	96,561	(244,725)	(320,326)	(34,844)	92,700	(138,552)	(823)	(23,601)	108,191	(146,545)	(787)
CORPORATE INCOME TAX												
TWO PERCENT KICKER (2001 Tax Year)	0	0	0	0	0	0	0	0	0	0	0	0
GASB ADJUSTMENT (30 DAY)	0	7,500	(7,500)	0	0	9,000	(9,000)	0	0	10,500	(10,500)	0
TAX CREDIT EXTENSIONS	(2,938)	(3,016)	(1,619)	(3,795)	(3,036)	(3,138)	(1,641)	(3,818)	(3,077)	(3,177)	(1,076)	(1,807)
RECONNECT TO FEDERAL CODE -- 1998	149	744	240	80	80	401	128	43	43	213	134	45
INSURANCE PREMIUM TAX REFORM	750	3,750	2,400	800	800	4,000	2,550	850	850	4,250	2,700	900
MEASURE 50/FEEDBACK EFFECT	225	531	446	463	240	566	474	491	225	602	499	518
SUBTOTAL	(1,813)	9,509	(6,033)	(2,452)	(1,916)	10,829	(7,490)	(2,434)	(1,959)	12,388	(8,243)	(344)
TOTAL	(21,315)	106,070	(250,758)	(322,778)	(36,760)	103,528	(146,042)	(3,257)	(25,560)	120,579	(154,788)	(1,132)

TABLE B.3
Impact of Tax Law Changes (Thousands of Dollars)

MARCH 2001

PERSONAL INCOME TAX	CY 2004				CY 2005				CY 2006				CY 2007	
	1ST Q	2ND Q	3RD Q	4TH Q	1ST Q	2ND Q	3RD Q	4TH Q	1ST Q	2ND Q	3RD Q	4TH Q	1ST Q	2ND Q
TWO PERCENT KICKER (2000 TAX YEAR)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
GASB ADJUSTMENT (30 DAY)	0	155,000	(155,000)	0	0	164,000	(164,000)	0	0	174,000	(174,000)	0	0	184,000
FEDERAL PENSION INCOME	(19,810)	(33,960)	(1,698)	(1,132)	(20,230)	(34,680)	(1,734)	(1,156)	(20,230)	(34,680)	(1,734)	(1,156)	(20,230)	(34,680)
TAX CREDIT EXTENSIONS	(6,604)	(6,857)	(1,814)	(2,529)	(6,623)	(6,894)	(290)	(226)	(391)	(779)	(340)	(246)	(676)	(1,300)
RECONNECT TO FEDERAL CODE -- 1998	(421)	(421)	1,428	1,428	1,428	1,428	1,428	1,428	1,428	1,428	1,428	1,428	1,428	1,428
TAX LOTTERY WINNINGS	557	1,300	477	292	557	1,300	482	295	562	1,312	482	295	562	1,312
DOR AUDITOR STAFF 01	3,133	3,133	3,133	3,133	3,133	3,133	3,133	3,158	3,158	3,158	3,158	3,158	3,158	3,158
EXCLUDE RESIDENT IN FOREIGN COUNTRY	(155)	(433)	(137)	(75)	(156)	(432)	(192)	(200)	(208)	(200)	(192)	(200)	(208)	(200)
TAX LAW HOUSEKEEPING BILLS	(118)	(292)	(98)	(60)	(119)	(291)	(75)	(75)	(193)	(224)	(75)	(75)	(193)	(224)
SUBTOTAL	(23,419)	117,469	(153,708)	1,057	(22,009)	127,564	(161,248)	3,224	(15,873)	144,015	(171,273)	3,204	(16,159)	153,494
CORPORATE INCOME TAX														
TWO PERCENT KICKER (2001 Tax Year)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
GASB ADJUSTMENT (30 DAY)	0	11,500	(11,500)	0	0	12,500	(12,500)	0	0	13,000	(13,000)	0	0	13,500
TAX CREDIT EXTENSIONS	(1,617)	(1,838)	(1,025)	(1,755)	(1,555)	(1,753)	(298)	(252)	(310)	(440)	(298)	(252)	(310)	(440)
RECONNECT TO FEDERAL CODE -- 1998	45	223	141	47	47	235	465	465	465	465	465	465	465	465
INSURANCE PREMIUM TAX REFORM	900	4,500	2,850	950	950	4,750	3,000	1,000	1,000	5,000	3,150	1,050	1,050	5,250
MEASURE 50/FEEDBACK EFFECT	268	634	525	544	282	667	282	667	551	571	288	680	562	583
SUBTOTAL	(405)	15,018	(9,009)	(214)	(276)	16,399	(9,051)	1,880	1,707	18,596	(9,396)	1,944	1,768	19,357
TOTAL	(23,824)	132,487	(162,717)	842	(22,285)	143,963	(170,299)	5,104	(14,167)	162,610	(180,669)	5,147	(14,391)	172,851

TABLE B.4

OREGON PERSONAL INCOME TAX REVENUE FORECAST - QUARTERLY COLLECTIONS

MARCH 2001

Thousands of Dollars - Not Seasonally Adjusted

	1995:3	1995:4	1996:1	1996:2	FY 1996	1996:3	1996:4	1997:1	1997:2	FY 1997
WITHHOLDING	582,216	643,776	669,091	638,498	2,533,580	665,738	707,114	729,565	671,109	2,773,526
%CHYA	7.9%	11.3%	11.3%	9.0%	9.9%	14.3%	9.8%	9.0%	5.1%	9.5%
OTHER PAYMENTS	156,174	82,336	210,636	491,247	940,392	180,733	102,124	225,267	572,913	1,081,037
%CHYA	-1.9%	-3.2%	15.6%	15.1%	10.2%	15.7%	24.0%	6.9%	16.6%	15.0%
REFUNDS	38,013	181,471	155,051	196,114	570,649	43,315	37,911	155,747	232,763	469,735
%CHYA	9.2%	530.8%	9.4%	10.3%	49.0%	13.9%	-79.1%	0.4%	18.7%	-17.7%
LEG. CHANGES	(77,585)	-	-	75,969	(1,616)	(75,969)	-	-	129,068	53,099
TOTAL	622,792	544,640	724,676	1,009,600	2,901,708	727,187	771,328	799,084	1,140,327	3,437,927
%CHYA	2.4%	-14.2%	12.9%	10.6%	3.7%	3.8%	41.6%	10.3%	22.1%	18.4%
	1997:3	1997:4	1998:1	1998:2	FY 1998	1998:3	1998:4	1999:1	1999:2	FY 1999
WITHHOLDING	759,391	767,081	781,461	759,871	3,067,804	770,154	810,095	839,510	810,086	3,229,844
%CHYA	14.1%	8.5%	7.1%	13.2%	10.6%	1.4%	5.6%	7.4%	6.6%	5.3%
OTHER PAYMENTS	226,777	173,491	240,526	697,937	1,338,731	219,251	158,344	242,827	701,922	1,322,344
%CHYA	25.5%	69.9%	6.8%	21.8%	23.8%	-3.3%	-8.7%	1.0%	0.6%	-1.2%
REFUNDS	44,397	488,332	209,262	225,944	967,935	52,530	53,577	378,631	354,683	839,420
%CHYA	2.5%	1188.1%	34.4%	-2.9%	106.1%	18.3%	-89.0%	80.9%	57.0%	-13.3%
LEG. CHANGES	(129,068)	-	-	110,402	(18,666)	(110,402)	-	-	103,487	(6,915)
TOTAL	812,703	452,239	812,725	1,342,266	3,419,934	826,473	914,862	703,706	1,260,812	3,705,852
%CHYA	11.8%	-41.4%	1.7%	17.7%	-0.5%	1.7%	102.3%	-13.4%	-6.1%	8.4%
	1999:3	1999:4	2000:1	2000:2	FY 2000	2000:3	2000:4	2001:1	2001:2	FY 2001
WITHHOLDING	826,937	883,525	930,483	892,132	3,533,078	906,738	933,915	963,086	900,961	3,704,700
%CHYA	7.4%	9.1%	10.8%	10.1%	9.4%	9.7%	5.7%	3.5%	1.0%	4.9%
OTHER PAYMENTS	224,155	166,504	277,729	779,947	1,448,335	233,796	140,255	305,301	823,631	1,502,983
%CHYA	2.2%	5.2%	14.4%	11.1%	9.5%	4.3%	-15.8%	9.9%	5.6%	3.8%
REFUNDS	55,428	239,863	249,916	270,469	815,676	65,050	62,580	235,665	263,144	626,439
%CHYA	5.5%	347.7%	-34.0%	-23.7%	-2.8%	17.4%	-73.9%	-5.7%	-2.7%	-23.2%
LEG. CHANGES	(103,487)	-	-	135,032	31,545	(135,032)	-	(19,501)	96,561	(57,972)
TOTAL	892,177	810,166	958,297	1,536,642	4,197,282	940,453	1,011,590	1,013,221	1,558,009	4,523,272
%CHYA	7.9%	-11.4%	36.2%	21.9%	13.3%	5.4%	24.9%	5.7%	1.4%	7.8%

TABLE B.4

OREGON PERSONAL INCOME TAX REVENUE FORECAST - QUARTERLY COLLECTIONS

MARCH 2001

Thousands of Dollars - Not Seasonally Adjusted

	2001:3	2001:4	2002:1	2002:2	FY 2002	2002:3	2002:4	2003:1	2003:2	FY 2003
WITHHOLDING	919,055	956,671	1,003,828	955,262	3,834,816	948,456	986,970	1,066,667	1,014,680	4,016,773
%CHYA	1.4%	2.4%	4.2%	6.0%	3.5%	3.2%	3.2%	6.3%	6.2%	4.7%
OTHER PAYMENTS	258,566	183,977	282,678	877,664	1,602,885	279,341	200,580	319,209	864,723	1,663,852
%CHYA	10.6%	31.2%	-7.4%	6.6%	6.6%	8.0%	9.0%	12.9%	-1.5%	3.8%
REFUNDS	52,107	68,667	232,506	263,675	616,955	57,222	83,826	248,359	285,425	674,832
%CHYA	-19.9%	9.7%	-1.3%	0.2%	-1.5%	9.8%	22.1%	6.8%	8.2%	9.4%
LEG. CHANGES	(244,725)	(320,326)	(34,844)	92,700	(507,195)	(138,552)	(823)	(23,601)	108,191	(54,785)
TOTAL	880,789	751,655	1,019,156	1,661,951	4,313,551	1,032,022	1,102,901	1,113,917	1,702,169	4,951,008
%CHYA	-6.3%	-25.7%	0.6%	6.7%	-4.6%	17.2%	46.7%	9.3%	2.4%	14.8%
	2003:3	2003:4	2004:1	2004:2	FY 2004	2004:3	2004:4	2005:1	2005:2	FY 2005
WITHHOLDING	1,008,078	1,038,413	1,129,301	1,068,903	4,244,694	1,067,504	1,099,655	1,192,567	1,133,725	4,493,451
%CHYA	6.3%	5.2%	5.9%	5.3%	5.7%	5.9%	5.9%	5.6%	6.1%	5.9%
OTHER PAYMENTS	291,050	208,995	332,891	921,084	1,754,020	312,499	223,659	359,798	990,374	1,886,330
%CHYA	4.2%	4.2%	4.3%	6.5%	5.4%	7.4%	7.0%	8.1%	7.5%	7.5%
REFUNDS	58,687	80,844	261,250	300,056	700,837	61,862	85,218	274,416	314,672	736,168
%CHYA	2.6%	-3.6%	5.2%	5.1%	3.9%	5.4%	5.4%	5.0%	4.9%	5.0%
LEG. CHANGES	(146,545)	(787)	(23,419)	117,469	(53,282)	(153,708)	1,057	(22,009)	127,564	(47,096)
TOTAL	1,093,896	1,165,777	1,177,523	1,807,400	5,244,596	1,164,434	1,239,153	1,255,940	1,936,991	5,596,517
%CHYA	6.0%	5.7%	5.7%	6.2%	5.9%	6.4%	6.3%	6.7%	7.2%	6.7%
	2005:3	2005:4	2006:1	2006:2	FY 2006	2006:3	2006:4	2007:1	2007:2	FY 2007
WITHHOLDING	1,127,532	1,171,516	1,258,931	1,196,475	4,669,454	1,190,498	1,226,405	1,327,337	1,261,157	5,005,397
%CHYA	5.6%	6.5%	5.6%	5.5%	3.9%	5.6%	4.7%	5.4%	5.4%	7.2%
OTHER PAYMENTS	335,849	240,144	397,009	1,080,677	2,053,679	359,710	256,960	414,906	1,144,151	2,175,726
%CHYA	7.5%	7.4%	10.3%	9.1%	8.9%	7.1%	7.0%	4.5%	5.9%	5.9%
REFUNDS	65,034	89,587	282,713	319,438	756,772	68,239	94,002	301,625	339,910	803,775
%CHYA	5.1%	5.1%	3.0%	1.5%	2.8%	4.9%	4.9%	6.7%	6.4%	6.2%
LEG. CHANGES	(161,248)	3,224	(15,873)	144,015	(29,882)	(171,273)	3,204	(16,159)	153,494	(30,734)
TOTAL	1,237,099	1,325,296	1,357,354	2,101,729	5,936,479	1,310,696	1,392,567	1,424,460	2,218,892	6,346,615
%CHYA	6.2%	7.0%	8.1%	8.5%	6.1%	5.9%	5.1%	4.9%	5.6%	6.9%

TABLE B.5

OREGON CORPORATE INCOME TAX REVENUE FORECAST - QUARTERLY COLLECTIONS

MARCH 2001

Thousands of Dollars - Not Seasonally Adjusted

	1995:3	1995:4	1996:1	1996:2	FY 1996	1996:3	1996:4	1997:1	1997:2	FY 1997
ADVANCE PAYMENTS	82,897	74,540	65,029	122,208	344,675	99,564	81,314	119,158	221,425	521,460
%CHYA	14.8%	-26.3%	55.0%	-14.3%	-3.7%	20.1%	9.1%	83.2%	81.2%	51.3%
FINAL PAYMENTS	6,378	8,733	12,265	17,199	44,574	7,511	9,658	12,670	10,895	40,733
%CHYA	-52.4%	-13.7%	22.7%	172.5%	11.9%	17.8%	10.6%	3.3%	-36.7%	-8.6%
REFUNDS	7,326	13,855	48,608	21,865	91,654	14,496	29,674	110,716	23,332	178,217
%CHYA	-39.6%	-66.0%	202.3%	49.8%	9.7%	97.9%	114.2%	127.8%	6.7%	94.4%
LEG. CHANGES	-	-	-	-	-	-	-	-	-	-
TOTAL	81,949	69,418	28,687	117,542	297,595	92,578	61,298	21,112	208,988	383,976
%CHYA	11.5%	-1.7%	-20.0%	-12.5%	-5.3%	13.0%	-11.7%	-26.4%	77.8%	29.0%
	1997:3	1997:4	1998:1	1998:2	FY 1998	1998:3	1998:4	1999:1	1999:2	FY 1999
ADVANCE PAYMENTS	98,472	74,574	83,290	133,413	389,749	90,946	145,826	83,439	187,379	507,590
%CHYA	-1.1%	-8.3%	-30.1%	-39.7%	-25.3%	-7.6%	95.5%	0.2%	40.5%	30.2%
FINAL PAYMENTS	3,161	22,450	15,749	9,053	50,413	11,502	4,892	33,413	11,836	61,643
%CHYA	-57.9%	132.4%	24.3%	-16.9%	23.8%	263.8%	-78.2%	112.2%	30.7%	22.3%
REFUNDS	26,731	33,358	87,393	13,468	160,949	34,730	86,354	93,157	30,236	244,477
%CHYA	84.4%	12.4%	-21.1%	-42.3%	-9.7%	29.9%	158.9%	6.6%	124.5%	51.9%
LEG. CHANGES	(6,148)	-	-	2,128	(4,020)	(2,128)	-	-	(8,753)	(10,881)
TOTAL	68,755	63,665	11,646	131,127	275,193	65,589	64,364	23,696	160,226	313,875
%CHYA	-25.7%	3.9%	-44.8%	-37.3%	-28.3%	-4.6%	1.1%	103.5%	22.2%	14.1%
	1999:3	1999:4	2000:1	2000:2	FY 2000	2000:3	2000:4	2001:1	2001:2	FY 2001
ADVANCE PAYMENTS	105,288	150,610	84,634	189,445	529,978	122,260	200,726	84,053	212,055	619,095
%CHYA	15.8%	3.3%	1.4%	1.1%	4.4%	16.1%	33.3%	-0.7%	11.9%	16.8%
FINAL PAYMENTS	16,091	22,404	13,760	16,244	68,499	11,233	12,885	18,902	10,022	53,042
%CHYA	39.9%	358.0%	-58.8%	37.2%	11.1%	-30.2%	-42.5%	37.4%	-38.3%	-22.6%
REFUNDS	37,022	89,680	60,669	28,920	216,290	24,086	145,419	67,850	21,326	258,681
%CHYA	6.6%	3.9%	-34.9%	-4.4%	-11.5%	-34.9%	62.2%	11.8%	-26.3%	19.6%
LEG. CHANGES	8,753	-	-	14,281	23,034	(14,281)	-	(1,813)	9,509	(6,586)
TOTAL	93,110	83,334	37,726	191,051	405,221	95,126	68,192	33,292	210,260	406,870
%CHYA	42.0%	29.5%	59.2%	19.2%	29.1%	2.2%	-18.2%	-11.8%	10.1%	0.4%

TABLE B.5

OREGON CORPORATE INCOME TAX REVENUE FORECAST - QUARTERLY COLLECTIONS

MARCH 2001

Thousands of Dollars - Not Seasonally Adjusted

	2001:3	2001:4	2002:1	2002:2	FY 2002	2002:3	2002:4	2003:1	2003:2	FY 2003
ADVANCE PAYMENTS	120,494	172,481	82,657	231,618	607,251	134,000	195,151	88,655	248,317	666,123
%CHYA	-1.4%	-14.1%	-1.7%	9.2%	-1.9%	11.2%	13.1%	7.3%	7.2%	9.7%
FINAL PAYMENTS	10,888	11,315	25,206	14,306	61,715	11,132	13,530	26,254	12,996	63,912
%CHYA	-3.1%	-12.2%	33.3%	42.7%	16.4%	2.2%	19.6%	4.2%	-9.2%	3.6%
REFUNDS	25,515	100,842	84,820	24,232	235,409	36,264	89,116	92,813	28,745	246,938
%CHYA	5.9%	-30.7%	25.0%	13.6%	-9.0%	42.1%	-11.6%	9.4%	18.6%	4.9%
LEG. CHANGES	(6,033)	(2,452)	(1,916)	10,829	428	(7,490)	(2,434)	(1,959)	12,388	504
TOTAL	99,835	80,502	21,127	232,521	433,985	101,378	117,131	20,137	244,955	483,601
%CHYA	5.0%	18.1%	-36.5%	10.6%	6.7%	1.5%	45.5%	-4.7%	5.3%	11.4%
	2003:3	2003:4	2004:1	2004:2	FY 2004	2004:3	2004:4	2005:1	2005:2	FY 2005
ADVANCE PAYMENTS	146,336	211,662	95,930	254,826	708,754	149,199	213,879	96,794	265,039	724,911
%CHYA	9.2%	8.5%	8.2%	2.6%	6.4%	2.0%	1.0%	0.9%	4.0%	2.3%
FINAL PAYMENTS	10,473	15,316	25,477	11,080	62,345	12,733	16,435	33,077	17,818	80,063
%CHYA	-5.9%	13.2%	-3.0%	-14.7%	-2.5%	21.6%	7.3%	29.8%	60.8%	28.4%
REFUNDS	35,635	95,612	111,181	26,990	269,419	34,822	118,678	105,560	28,767	287,827
%CHYA	-1.7%	7.3%	19.8%	-6.1%	9.1%	-2.3%	24.1%	-5.1%	6.6%	6.8%
LEG. CHANGES	(8,243)	(344)	(405)	15,018	6,026	(9,009)	(214)	(276)	16,399	6,900
TOTAL	112,930	131,022	9,821	253,933	507,706	118,100	111,422	24,036	270,489	524,047
%CHYA	11.4%	11.9%	-51.2%	3.7%	5.0%	4.6%	-15.0%	144.7%	6.5%	3.2%
	2005:3	2005:4	2006:1	2006:2	FY 2006	2006:3	2006:4	2007:1	2007:2	FY 2007
ADVANCE PAYMENTS	155,914	224,619	101,974	277,700	760,207	168,373	240,105	111,916	300,352	820,746
%CHYA	4.5%	5.0%	5.4%	4.8%	4.9%	8.0%	6.9%	9.8%	8.2%	8.0%
FINAL PAYMENTS	14,188	18,221	33,473	18,029	83,912	14,120	17,880	33,882	18,174	84,056
%CHYA	11.4%	10.9%	1.2%	1.2%	4.8%	-0.5%	-1.9%	1.2%	0.8%	0.2%
REFUNDS	37,260	119,815	106,883	29,088	293,046	37,674	121,874	115,766	30,016	305,331
%CHYA	7.0%	1.0%	1.3%	1.1%	1.8%	1.1%	1.7%	8.3%	3.2%	4.2%
LEG. CHANGES	(9,051)	1,880	1,707	18,596	13,131	(9,396)	1,944	1,768	19,357	13,673
TOTAL	123,791	124,905	30,271	285,237	564,204	135,423	138,054	31,801	307,867	613,144
%CHYA	4.8%	12.1%	25.9%	5.5%	7.7%	9.4%	10.5%	5.1%	7.9%	8.7%

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

MARCH 2001

	Cigarette Tax Distribution						Other Tobacco Tax Distribution			
	State GF (22 cents) ¹	Health Plan (Measure 44) (37 cents) ¹	Tobacco Use Reduction Account (3 cents) ³	State Total	Cities, Counties & Public Transit ⁴	Total	State GF	Health Plan ⁶ (Measure 44) ⁷	Tobacco Use Reduction Account ⁶	State Total
1997-98 (Actual)²	63.839	109.007	8.834	181.680	17.839	199.519	10.481	8.104	0.901	19.485
1998-99 (Actual)	55.881	93.434	7.572	156.886	15.143	172.029	10.678	8.233	0.916	19.828
1997-99 Biennium	119.720	202.441	16.406	338.567	32.982	371.549	21.159	16.337	1.817	39.313
1999-00⁵	52.555	89.912	7.164	149.632	14.329	163.960	10.894	8.546	0.935	20.375
2000-01	51.812	87.138	7.065	146.016	14.131	160.146	11.069	8.684	0.950	20.703
1999-01 Biennium	104.367	177.051	14.230	295.647	28.459	324.107	21.963	17.230	1.885	41.078
2001-02⁵	51.399	72.815	7.009	131.222	14.018	145.240	11.237	8.816	0.964	21.017
2002-03	52.155	64.009	7.112	123.276	14.224	137.500	11.414	8.955	0.979	21.348
2001-03 Biennium	103.554	136.823	14.121	254.498	28.242	282.740	22.651	17.770	1.944	42.366
2003-04	52.792	64.790	7.199	124.780	14.398	139.178	11.593	9.095	0.995	21.683
2004-05	53.417	65.557	7.284	126.258	14.568	140.826	11.767	9.231	1.010	22.008
2003-05 Biennium	106.209	130.347	14.483	251.038	28.966	280.004	23.360	18.326	2.005	43.691
2005-06	54.018	66.295	7.366	127.679	14.732	142.411	11.943	9.369	1.025	22.337
2006-07	54.610	67.022	7.447	129.078	14.894	143.972	12.119	9.508	1.040	22.667
2005-07 Biennium	108.628	133.317	14.813	256.758	29.626	286.384	24.062	18.877	2.065	45.004

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 is scheduled to sunset on January 1, 2002.

2. FY 1998-99 revenue figures reflect adjustments to switch to an accrual base of revenue recognition from a cash receipts basis. This has the effect of adding approximately one month of revenue.

3. Measure 44 created the TURA and funded it with a 3 cents per pack tax effective February 1, 1997.

4. Cities, Counties and Public Transit each receive revenue from a 2 cent per pack tax. The total amount shown equals the total 6 cents per pack dedicated to these entities.

5. The Federal excise tax increased 10 cents on January 1, 2000 and is expected to increase additional 5 cents on January 1, 2002.

6. Measure 44 increased the other tobacco taxes from 35% to 65% of the wholesale price, effective February 1, 1997. The Health Plan receives 41.54% of the revenue from the other tobacco tax collections. The TURA receives 4.62 % of collections. The remainder goes to the General Fund.

TOBACCO SETTLEMENT PAYMENT

Tobacco Settlement payments to date equal \$92.7 million.

Estimated total Tobacco Settlement payments for fiscal year : 2001 - \$72.2 m; 2002 - \$86.8 m; 2003 - \$87.6 m; 2004 - \$76.5 m; 2005 - \$77.3 m.

TABLE B.7

MARCH 2001

Revenue Distribution to Local Governments (Millions of \$)

	Liquor Apportionment Distribution							Cigarette Tax Distribtuion to Cities, Counties & Public Transit ¹
	Total Liquor	Less General Fund 56%	Available for	City Revenue			Counties	
	Revenue		Cities and	Revenue	Regular	Total		
	Available		Counties	Sharing				
1997-98 (Actual)	80.871	45.288	35.583	11.322	16.174	27.496	8.087	17.839
1998-99 (Actual)	81.590	45.690	35.900	11.423	16.318	27.741	8.159	15.143
1997-99 Biennium	162.461	90.978	71.483	22.744	32.492	55.237	16.246	32.982
1999-00	91.722	51.364	40.358	12.841	18.344	31.185	9.172	14.329
2000-01	93.449	52.332	41.118	13.083	18.690	31.773	9.345	14.131
1999-01 Biennium	185.171	103.696	81.475	25.924	37.034	62.958	18.517	28.459
2001-02	99.841	55.911	43.930	13.978	19.968	33.946	9.984	14.018
2002-03	100.805	56.451	44.354	14.113	20.161	34.274	10.081	14.224
2001-03 Biennium	200.646	112.362	88.284	28.090	40.129	68.220	20.065	28.242
2003-04	100.268	56.150	44.118	14.038	20.054	34.091	10.027	14.398
2004-05	100.268	56.150	44.118	14.038	20.054	34.091	10.027	14.568
2003-05 Biennium	200.536	112.300	88.236	28.075	40.107	68.182	20.054	28.966
2005-06	100.268	56.150	44.118	14.038	20.054	34.091	10.027	14.732
2006-07	100.268	56.150	44.118	14.038	20.054	34.091	10.027	14.894
2005-07 Biennium	200.536	112.300	88.236	28.075	40.107	68.182	20.054	29.626

¹ For details on cigarette revenues see TABLE B.6 on previous page

TABLE B.8**TRACK RECORD FOR THE DECEMBER 2000 FORECAST
OF FOURTH QUARTER 2000 GENERAL FUND INCOME TAX REVENUE
(thousands of dollars)**

	December Forecast	Actual	Difference	Percent Difference
<hr/>				
PERSONAL INCOME TAX				
Withholding	\$912,312	\$933,915	\$21,603	2.4%
Combined Other payments, Refunds, and Legislative Changes	\$65,867	\$77,675	\$11,808	17.9%
<hr/>				
Net Personal Income Tax Revenue	\$978,179	\$1,011,590	\$33,411	3.4%
CORPORATE INCOME TAX				
Advance Payments	\$145,430	\$200,726	\$55,296	27.5%
Combined Final Payments, Refunds, and Legislative Changes	(\$65,365)	(\$132,535)	(\$67,169)	-50.7%
<hr/>				
Net Corporate Income Tax Revenue*	\$80,064	\$68,192	(\$11,873)	-14.8%

* Includes multistate corporation tax

TABLE B.9
Lottery Forecast Statement 1999-2001

MARCH 2001

	Close of Session 1999-2001	12/1/00 Forecast 1999-2001	03/01/01 Forecast			Difference	
			1999-2000	2000-01	Total 1999-2001	3/1/01 less 12/1/00	3/1/01 less COS
LOTTERY EARNINGS							
Regular Lottery							
Sports Action	4.9	5.0	2.8	1.8	4.6	(0.4)	(0.3)
Other Lottery	118.2	126.4	67.1	60.6	127.7	1.3	9.5
Video Lottery							
State	436.1	469.6	231.0	241.5	472.5	3.0	36.4
County	20.4	21.8	10.7	11.3	22.0	0.1	1.6
Total Earnings	579.6	622.8	311.6	315.2	626.8	4.0	47.2
Less Lottery Working Capital ¹	-	43.2	20.2	27.0	47.2	4.0	47.2
Plus Administrative Savings	0.8	0.8	0.8	-	0.8	-	-
Transfers to Economic Development Fund	580.4	580.4	292.2	288.2	580.4	-	-
ECONOMIC DEVELOPMENT ACCOUNT							
Beginning Balance	0.6	0.8	0.8		0.8	0.0	0.2
Resources							
Reversions	5.4	3.4	1.7	1.7	3.4	0.0	(2.0)
Lottery Transfers	579.6	579.6	291.4	288.2	579.6	0.0	(0.0)
Lottery Administrative Savings	0.8	0.8	0.8	-	0.8	0.0	0.0
Interest Earnings	8.8	16.6	4.6	11.7	16.3	(0.3)	7.5
Total Resources	595.2	601.2	299.3	301.6	600.9	(0.3)	5.7
Distributions							
County	20.4	21.8			22.0	0.2	1.6
Education Endowment Fund ²	87.1	87.1			87.1	0.0	0.0
Parks and Natural Resources Fund ³	87.1	87.1			87.1	0.0	0.0
Sports Action	4.9	5.0			4.6	(0.4)	(0.3)
Gambling Addiction ⁴	5.8	5.8			5.8	0.0	0.0
Debt Service on Lottery Bonds ⁵	26.8	26.8			26.8	0.0	0.0
Legislative Adopted Allocations	362.0	362.0			362.0	0.0	0.0
Total Distributions and Allocations	594.1	595.6			595.4	(0.2)	1.3
Ending Balance	1.1	5.6			5.5	(0.1)	4.5

1. The Oregon Lottery is retaining additional working capital in the Lottery Contingency Fund for the purchase of new video terminals.
2. The Education Endowment Fund Constitutional amendment requires that 15% of net lottery proceeds be transferred to the school account.
3. The Parks and Natural Resources Fund was passed in November 1998. The measure requires 15% of net proceeds be transferred to the parks account.
4. One percent of net proceeds is dedicated to Gambling Addiction. For the biennium, only 5.273 million will be spent, leaving a beginning balance for next biennium.
5. Debt service does not reflect portion paid by Education Endowment Fund interest earnings or local revenue offsets.

TABLE B.10
Lottery Forecast Statement 2001-03

MARCH 2001

	12/1/00 Forecast 2001-03	03/01/01 Forecast		Total 2001-03	Difference 12/1/00 less 03/01/01
		2001-02	2002-03		
LOTTERY EARNINGS					
Regular Lottery					
Sports Action	4.8	2.4	2.5	4.9	0.1
Other Lottery	108.4	57.7	54.0	111.7	3.3
Video Lottery					
State	452.3	231.3	230.1	461.4	9.1
County	22.0	11.2	11.3	22.5	0.5
Total Earnings	587.5	302.6	297.9	600.5	13.0
Transfers to Economic Development Account	587.5	302.6	297.9	600.5	13.0
ECONOMIC DEVELOPMENT ACCOUNT					
Beginning Balance	5.6	5.5		5.5	(0.1)
Resources					
Reversions	1.6	1.6	0.0	1.6	0.0
Lottery Transfers	587.5	302.6	297.9	600.5	13.0
Lottery Administrative Actions	15.0	7.5	7.5	15.0	0.0
Interest Earnings	13.4	3.7	8.1	11.8	-1.6
Total Resources	623.1	320.9	313.5	634.4	11.3
Distributions					
County	22.0			22.5	0.5
Education Endowment Fund ¹	90.4			92.3	1.9
Parks and Natural Resources Fund ²	90.4			92.3	1.9
Sports Action	4.8			4.9	0.1
Available for Allocation ³	415.5			422.4	6.9

1. The Education Endowment Fund Constitutional amendment requires that 15% of net lottery proceeds be transferred to the school account.

2. The Parks and Natural Resources Fund was passed in November 1998. The measure requires 15% of net proceeds be transferred to the parks account.

3. Amount available for allocation includes amounts dedicated for Debt Service and Gambling Addiction funds.

APPENDIX C

**STATE OF OREGON
POPULATION FORECASTS BY AGE AND SEX**

OREGON'S POPULATION FORECASTS BY AGE AND SEX

Procedures and Assumptions

The 2000 U.S. Census enumerated 3,421,399 persons on April 1 in Oregon. This count was much higher than anticipated. Following a standard demographic procedure, an error of closure was estimated for the total population of Oregon for the year 2000. The error of closure is the difference between actual count and the anticipated population. The Census Bureau's intercensal estimates for Oregon were adjusted to reflect this difference. Starting from the year 2000 and working backward, the error was linearly reduced to zero in 1990. This is done based on the assumption that the magnitude of error in the intercensal estimates is time dependent. Since the intercensal estimates were based on the 1990 census, the error is likely to be proportionate to the time elapsed since the census date. The age-sex distributions in the following tables are based on the Census Bureau's estimates of total Oregon population adjusted for the error of closure. Further adjustments will be made as more data from the Census 2000 become available.

Population forecasts by age and sex are developed using the cohort-component projection procedure. The July 1, 2000 population by single year of age and sex, estimated by the Office of Economic Analysis based on the 2000 Census count, is projected subject to specific assumptions about vital events and migrations. To explain the procedure very briefly, the forecasting model "survives" the initial population distribution by age and sex to the following year, 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.

The numbers of births and deaths for the period 1990 to 1999 are obtained from the Oregon's Center for Health Statistics. The total populations for the period 2000 to 2007 are generated by the economic and revenue forecast model of the Office of Economic Analysis.

Age-specific fertility rates are projected based on Oregon's past trends and past and projected U. S. trends. Oregon's total fertility rate is assumed to remain close to 2.0 children per woman during the forecast period, tracking at a slightly lower than the U. S. rate.

Life Table survival rates are developed for the year 1990. Male and female life expectancies for 2000-2007 period are projected based on the past two decades of trends. Minor improvements in the life expectancies are expected over the forecast period. However, the difference between the male and female life expectancies will continue to shrink. The male life expectancy of 73.4 years in 1990 is expected to improve to 75.4 by the year 2007. For females, the life expectancy of 79.8 years in 1990 is expected to approach 81.2 by the year 2007.

Estimates and forecasts of the number of net migrations are the residuals from the difference between population change and natural increase (births minus deaths) in a given forecast year. The annual number of net migration between years 2000 and 2007 is expected to remain in the range of 22,600-32,200, averaging 26,800 persons annually. Age-sex distributions of in-and-out migrants were developed by modifying the Census Bureau's 1985-1990 residency based migration data from the 1990 Census.

STATE OF OREGON
POPULATION FORECASTS
COMPONENTS OF CHANGE 1980 -2007

Year (July 1)	Population	Population Change		Births		Deaths		Natural Increase	Net Migration	
		Number	Percent	Number	Rate/1000	Number	Rate/1000		Number	Rate/1000
1980	2,640,000	---	---	---	---	---	---	---	---	---
1981	2,668,000	28,000	1.06	43,196	16.28	21,870	8.24	21,326	6,674	2.51
1982	2,665,000	-3,000	-0.11	42,261	15.85	21,548	8.08	20,713	-23,713	-8.89
1983	2,653,000	-12,000	-0.45	40,378	15.19	22,039	8.29	18,339	-30,339	-11.41
1984	2,667,000	14,000	0.53	39,611	14.89	22,702	8.53	16,909	-2,909	-1.09
1985	2,673,000	6,000	0.22	39,296	14.72	23,531	8.81	15,765	-9,765	-3.66
1980-1985		33,000		204,742		111,690		93,052	-60,052	
1986	2,684,000	11,000	0.41	39,332	14.68	23,403	8.74	15,929	-4,929	-1.84
1987	2,701,000	17,000	0.63	38,702	14.37	23,695	8.80	15,007	1,993	0.74
1988	2,741,000	40,000	1.48	39,120	14.38	24,752	9.10	14,368	25,632	9.42
1989	2,791,000	50,000	1.82	40,648	14.70	24,705	8.93	15,943	34,057	12.31
1990	2,860,000	69,000	2.47	42,008	14.87	24,763	8.76	17,245	51,755	18.32
1985-1990		187,000		199,810		121,318		78,492	108,508	
1991	2,928,000	68,000	2.38	42,682	14.75	24,944	8.62	17,738	50,262	17.37
1992	2,991,000	63,000	2.15	42,427	14.34	25,166	8.50	17,261	45,739	15.45
1993	3,060,000	69,000	2.31	41,442	13.70	26,543	8.77	14,899	54,101	17.88
1994	3,120,000	60,000	1.96	41,487	13.43	27,564	8.92	13,923	46,077	14.91
1995	3,182,000	62,000	1.99	42,426	13.46	27,552	8.74	14,874	47,126	14.96
1990-1995		322,000		210,464		131,769		78,695	243,305	
1996	3,244,000	62,000	1.95	43,196	13.44	28,768	8.95	14,428	47,572	14.81
1997	3,300,000	56,000	1.73	43,625	13.33	29,201	8.92	14,424	41,576	12.71
1998	3,346,000	46,000	1.39	44,696	13.45	28,682	8.63	16,014	29,986	9.02
1999	3,388,000	42,000	1.26	45,002	13.37	29,848	8.86	15,154	26,846	7.97
2000	3,430,000	42,000	1.24	45,412	13.32	29,570	8.67	15,842	26,158	7.67
1995-2000		248,000		221,931		146,069		75,862	172,138	
2001	3,469,000	39,000	1.14	45,882	13.30	29,445	8.54	16,437	22,563	6.54
2002	3,510,000	41,000	1.18	46,432	13.31	30,184	8.65	16,248	24,752	7.09
2003	3,550,000	40,000	1.14	47,094	13.34	30,882	8.75	16,212	23,788	6.74
2004	3,598,000	48,000	1.35	47,365	13.25	31,560	8.83	15,805	32,195	9.01
2005	3,642,000	44,000	1.22	47,818	13.21	32,231	8.90	15,587	28,413	7.85
2001-2005		212,000		234,591		154,302		80,289	131,711	
2006	3,686,000	44,000	1.21	48,184	13.15	32,849	8.97	15,335	28,665	7.82
2007	3,728,000	42,000	1.14	48,316	13.03	33,469	9.03	14,847	27,153	7.32
2005-2007		86,000		96,500		66,318		30,182	55,818	
1980-1990		220,000		404,552		233,008		171,544	48,456	
1990-2000		570,000		432,395		277,838		154,557	415,443	
2000-2007		298,000		331,091		220,620		110,471	187,529	

Note: the 1990-2000 intercensal population numbers are estimated by OEA based on the Census Bureau's previously released annual population estimates and the census enumerations.

State of Oregon
Population Forecasts by Age and Sex: 1990-2007
(July 1 Population)

Age	1990			1991			1992			1993		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
0-4	107,260	102,525	209,786	108,790	104,027	212,818	110,273	105,438	215,711	111,225	106,304	217,529
5-9	109,065	103,573	212,638	110,583	104,895	215,478	112,243	106,920	219,163	113,648	108,614	222,262
10-14	105,952	100,370	206,322	109,935	104,802	214,737	112,098	106,671	218,769	115,117	109,674	224,792
15-19	98,590	93,547	192,137	99,144	93,281	192,425	102,388	96,486	198,873	105,741	99,873	205,614
20-24	96,415	93,198	189,613	99,487	96,299	195,786	100,880	97,293	198,173	102,773	98,437	201,209
25-29	105,905	104,209	210,114	104,226	101,696	205,922	104,091	100,670	204,761	104,028	99,540	203,568
30-34	118,803	120,213	239,016	120,431	121,636	242,067	119,797	120,801	240,598	120,450	121,223	241,673
35-39	124,562	125,769	250,331	126,371	127,606	253,978	129,098	130,281	259,379	129,942	131,159	261,101
40-44	113,521	112,535	226,056	121,743	121,239	242,982	122,207	122,110	244,317	126,208	126,594	252,802
45-49	83,737	83,028	166,765	87,419	86,495	173,914	97,955	96,837	194,792	103,958	102,985	206,943
50-54	64,542	65,124	129,666	68,366	68,766	137,133	71,288	71,911	143,200	77,358	77,415	154,773
55-59	55,605	59,368	114,973	56,470	59,773	116,243	58,611	61,325	119,937	60,625	63,343	123,968
60-64	56,773	63,296	120,069	56,890	63,031	119,920	56,002	61,998	118,001	56,351	61,577	117,928
65-69	56,230	66,300	122,529	56,700	66,647	123,347	56,864	66,565	123,430	57,228	66,427	123,655
70-74	45,861	56,484	102,345	47,308	58,505	105,813	48,838	60,445	109,282	49,838	62,073	111,911
75-79	33,183	45,800	78,983	34,443	47,148	81,591	35,190	48,011	83,200	36,220	49,320	85,540
80-84	18,751	31,120	49,870	19,927	32,676	52,603	21,282	34,132	55,414	22,525	35,676	58,201
85+	11,433	27,354	38,787	12,380	28,864	41,244	13,387	30,614	44,001	14,328	32,203	46,531
Total	1,406,187	1,453,813	2,860,000	1,440,614	1,487,386	2,928,000	1,472,491	1,518,509	2,991,000	1,507,563	1,552,437	3,060,000
Mdn. Age	33.4	35.4	34.4	33.7	35.7	34.7	34.0	36.0	35.0	34.2	36.3	35.3

Age	1994			1995			1996			1997		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
0-4	111,217	106,450	217,667	110,541	106,381	216,922	110,829	106,643	217,471	111,258	107,029	218,287
5-9	115,398	110,451	225,848	117,477	112,301	229,778	118,910	113,702	232,612	120,169	114,891	235,060
10-14	116,880	111,449	228,329	118,164	112,272	230,436	119,563	113,485	233,049	121,137	115,422	236,559
15-19	109,578	103,523	213,101	113,719	107,858	221,576	117,569	112,207	229,776	119,596	113,962	233,558
20-24	103,375	98,530	201,906	103,829	98,268	202,097	104,333	97,927	202,260	107,473	101,044	208,517
25-29	105,175	100,146	205,321	107,765	102,746	210,511	110,705	105,751	216,456	111,770	106,466	218,236
30-34	120,297	120,682	240,980	119,153	118,703	237,857	117,258	116,006	233,265	116,911	114,694	231,605
35-39	130,121	131,057	261,178	130,690	131,625	262,315	132,106	132,891	264,997	131,285	131,903	263,188
40-44	129,605	130,811	260,416	132,280	133,722	266,002	133,841	135,381	269,222	136,424	137,897	274,321
45-49	110,871	109,915	220,786	118,247	117,749	235,996	126,242	126,327	252,569	126,435	127,094	253,530
50-54	81,771	81,749	163,519	85,979	85,970	171,949	89,508	89,315	178,822	99,905	99,519	199,425
55-59	63,130	65,436	128,566	66,191	67,922	134,113	69,875	71,439	141,314	72,602	74,428	147,030
60-64	56,847	61,347	118,194	57,755	61,561	119,316	58,632	61,925	120,557	60,598	63,299	123,897
65-69	56,898	65,667	122,565	56,662	65,195	121,858	56,857	64,855	121,712	56,026	63,799	119,825
70-74	50,691	63,539	114,230	51,773	64,782	116,555	52,124	65,031	117,155	52,513	64,895	117,407
75-79	37,220	50,442	87,663	38,034	51,482	89,516	39,329	53,221	92,550	40,655	54,887	95,542
80-84	23,585	37,009	60,594	24,705	38,316	63,021	25,618	39,313	64,931	26,033	39,693	65,727
85+	15,455	33,681	49,136	16,723	35,461	52,184	18,032	37,249	55,281	19,397	38,890	58,287
Total	1,538,113	1,581,887	3,120,000	1,569,686	1,612,314	3,182,000	1,601,331	1,642,669	3,244,000	1,630,189	1,669,811	3,300,000
Mdn. Age	34.5	36.6	35.5	34.8	36.8	35.8	35.0	37.1	36.1	35.3	37.4	36.3

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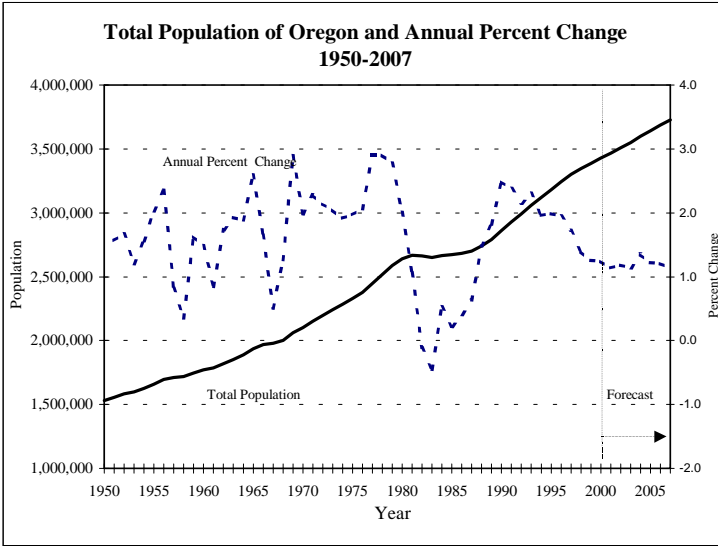
Age	1998			1999			2000			2001		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
0-4	112,443	108,167	220,609	113,790	109,443	223,233	114,960	110,581	225,541	116,011	111,587	227,598
5-9	120,088	114,745	234,833	119,205	114,060	233,265	117,619	113,137	230,756	116,882	112,419	229,301
10-14	121,659	116,268	237,927	122,745	117,472	240,217	124,060	118,583	242,643	124,508	119,046	243,554
15-19	121,878	116,220	238,098	123,021	117,391	240,412	123,585	117,548	241,133	124,141	117,981	242,122
20-24	110,074	103,904	213,977	113,501	107,189	220,690	117,193	111,162	228,355	120,471	115,022	235,492
25-29	112,455	106,559	219,014	111,978	105,730	217,708	111,379	104,653	216,032	110,778	103,385	214,163
30-34	115,484	112,127	227,611	115,529	111,516	227,045	116,975	112,826	229,801	118,500	114,348	232,849
35-39	130,727	131,197	261,924	129,630	129,787	259,417	127,443	126,770	254,213	124,317	122,813	247,129
40-44	136,373	137,929	274,302	135,974	137,171	273,145	135,850	137,020	272,869	136,369	137,376	273,745
45-49	129,808	130,930	260,738	132,599	134,652	267,251	134,687	137,008	271,694	135,523	137,982	273,505
50-54	105,346	105,171	210,517	111,799	111,770	223,570	118,662	119,100	237,762	126,039	127,145	253,184
55-59	78,107	79,433	157,541	82,051	83,293	165,344	85,826	87,070	172,897	88,965	89,968	178,933
60-64	61,984	64,785	126,768	63,929	66,520	130,449	66,467	68,605	135,071	69,513	71,618	141,132
65-69	55,874	62,932	118,806	56,083	62,266	118,349	56,566	61,929	118,495	56,855	61,679	118,535
70-74	52,610	64,338	116,948	52,106	63,359	115,464	51,727	62,558	114,285	51,733	61,916	113,649
75-79	41,391	56,216	97,607	42,109	57,175	99,284	42,825	57,938	100,763	43,070	57,806	100,876
80-84	26,642	40,485	67,126	27,377	41,233	68,609	28,064	42,016	70,079	29,029	43,363	72,392
85+	20,927	40,725	61,653	22,330	42,219	64,548	23,807	43,801	67,608	25,402	45,438	70,840
Total	1,653,869	1,692,131	3,346,000	1,675,754	1,712,246	3,388,000	1,697,695	1,732,305	3,430,000	1,718,108	1,750,892	3,469,000
Mdn. Age	35.5	37.7	36.6	35.7	37.9	36.8	35.9	38.2	37.1	36.2	38.4	37.3

Age	2002			2003			2004			2005		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
0-4	117,351	112,860	230,211	118,504	113,973	232,477	119,954	115,360	235,314	121,244	116,602	237,846
5-9	116,655	112,186	228,841	117,606	113,087	230,693	119,224	114,618	233,842	120,513	115,869	236,382
10-14	125,061	119,551	244,613	124,713	119,160	243,873	123,978	118,618	242,596	122,447	117,749	240,196
15-19	125,138	119,381	244,519	125,453	120,039	245,493	126,700	121,378	248,078	128,097	122,572	250,669
20-24	122,139	116,420	238,558	124,222	118,554	242,776	125,576	119,868	245,444	126,139	120,025	246,164
25-29	113,236	106,005	219,241	115,609	108,673	224,282	119,368	112,312	231,681	123,226	116,418	239,643
30-34	118,623	114,077	232,701	118,975	113,809	232,784	118,874	113,319	232,194	118,405	112,401	230,806
35-39	123,048	120,618	243,666	121,306	117,737	239,043	121,603	117,320	238,923	123,137	118,704	241,842
40-44	134,880	135,684	270,564	134,050	134,722	268,772	133,127	133,474	266,602	130,977	130,512	261,489
45-49	137,568	139,995	277,563	137,398	139,854	277,252	137,129	139,150	276,279	137,020	139,019	276,040
50-54	125,840	127,556	253,396	128,983	131,273	260,256	131,810	135,031	266,842	133,864	137,383	271,247
55-59	99,036	99,827	198,863	104,227	105,274	209,501	110,706	111,915	222,621	117,554	119,255	236,808
60-64	71,830	74,262	146,092	77,095	79,136	156,232	81,167	83,076	164,243	84,934	86,844	171,778
65-69	58,363	62,660	121,024	59,497	63,928	123,426	61,433	65,757	127,190	63,924	67,838	131,762
70-74	50,757	60,536	111,293	50,609	59,467	110,076	50,874	58,807	109,681	51,245	58,392	109,637
75-79	43,294	57,271	100,565	43,305	56,602	99,908	42,739	55,572	98,311	42,187	54,621	96,808
80-84	29,925	44,702	74,626	30,374	45,681	76,055	30,962	46,524	77,486	31,480	47,093	78,572
85+	26,807	46,857	73,664	28,529	48,528	77,057	30,308	50,366	80,674	32,147	52,165	84,311
Total	1,739,552	1,770,448	3,510,000	1,760,500	1,789,500	3,550,000	1,785,532	1,812,468	3,598,000	1,808,540	1,833,460	3,642,000
Mdn. Age	36.3	38.7	37.5	36.5	38.9	37.7	36.6	39.0	37.8	36.7	39.2	37.9

Age	2006			2007		
	Male	Female	Total	Male	Female	Total
0-4	122,459	117,771	240,230	123,379	118,657	242,036
5-9	121,810	117,109	238,919	123,230	118,459	241,689
10-14	121,954	117,264	239,217	121,840	117,139	238,979
15-19	128,749	123,230	251,980	129,386	123,819	253,205
20-24	126,819	120,578	247,397	127,843	122,019	249,861
25-29	126,771	120,475	247,245	128,515	121,912	250,427
30-34	118,135	111,500	229,636	120,697	114,256	234,953
35-39	124,991	120,538	245,529	125,258	120,410	245,668
40-44	128,080	126,766	254,845	126,905	124,654	251,559
45-49	137,664	139,520	277,183	136,205	137,883	274,088
50-54	134,748	138,426	273,174	136,784	140,446	277,230
55-59	124,952	127,358	252,310	124,706	127,755	252,461
60-64	88,128	89,793	177,921	98,164	99,634	197,798
65-69	66,995	70,915	137,910	69,251	73,530	142,781
70-74	51,489	58,143	109,632	52,905	59,061	111,966
75-79	42,016	53,854	95,870	40,835	52,310	93,145
80-84	31,505	46,757	78,261	31,490	45,992	77,482
85+	34,296	54,445	88,740	36,179	56,492	92,671
Total	1,831,559	1,854,441	3,686,000	1,853,571	1,874,429	3,728,000

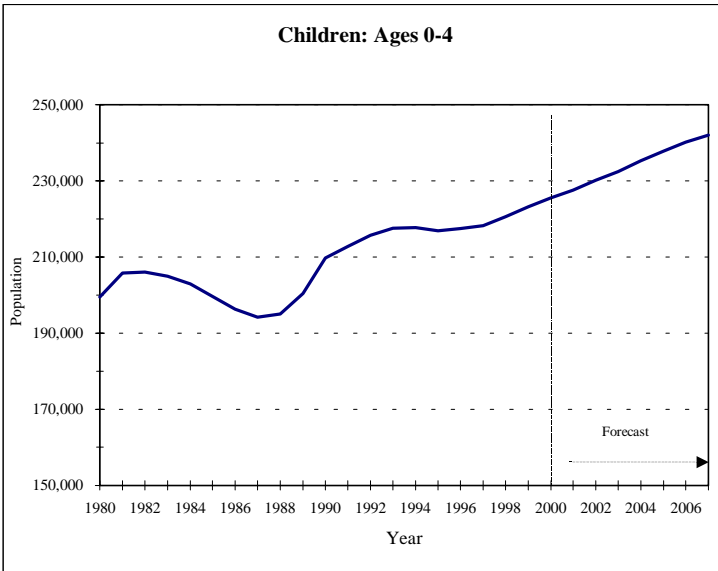
Population of Oregon: 1980-2007

Year (July 1)	Total Population	Change from previous year	
		Number	Percent
1980	2,641,218	---	---
1981	2,667,984	26,766	1.01
1982	2,664,922	-3,062	-0.11
1983	2,653,058	-11,864	-0.45
1984	2,666,592	13,534	0.51
1985	2,672,648	6,056	0.23
1986	2,683,531	10,883	0.41
1987	2,700,999	17,468	0.65
1988	2,741,307	40,308	1.49
1989	2,790,568	49,261	1.80
1990	2,860,000	69,432	2.49
1991	2,928,000	68,000	2.38
1992	2,991,000	63,000	2.15
1993	3,060,000	69,000	2.31
1994	3,120,000	60,000	1.96
1995	3,182,000	62,000	1.99
1996	3,244,000	62,000	1.95
1997	3,300,000	56,000	1.73
1998	3,346,000	46,000	1.39
1999	3,388,000	42,000	1.26
2000	3,430,000	42,000	1.24
2001	3,469,000	39,000	1.14
2002	3,510,000	41,000	1.18
2003	3,550,000	40,000	1.14
2004	3,598,000	48,000	1.35
2005	3,642,000	44,000	1.22
2006	3,686,000	44,000	1.21
2007	3,728,000	42,000	1.14



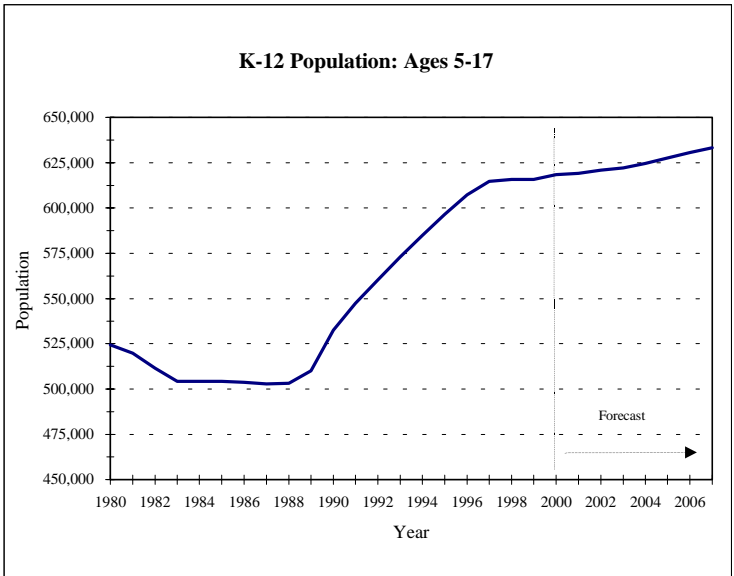
Children: Ages 0-4

Year (July 1)	Population	Change from previous year	
		Number	Percent
1980	199,525	---	---
1981	205,752	6,227	3.12
1982	206,063	311	0.15
1983	204,977	-1,086	-0.53
1984	202,914	-2,063	-1.01
1985	199,673	-3,241	-1.60
1986	196,339	-3,334	-1.67
1987	194,186	-2,153	-1.10
1988	195,028	842	0.43
1989	200,410	5,382	2.76
1990	209,786	9,376	4.68
1991	212,818	3,032	1.45
1992	215,711	2,893	1.36
1993	217,529	1,818	0.84
1994	217,667	138	0.06
1995	216,922	-744	-0.34
1996	217,471	549	0.25
1997	218,287	815	0.37
1998	220,609	2,323	1.06
1999	223,233	2,624	1.19
2000	225,541	2,308	1.03
2001	227,598	2,058	0.91
2002	230,211	2,613	1.15
2003	232,477	2,266	0.98
2004	235,314	2,837	1.22
2005	237,846	2,532	1.08
2006	240,230	2,383	1.00
2007	242,036	1,806	0.75



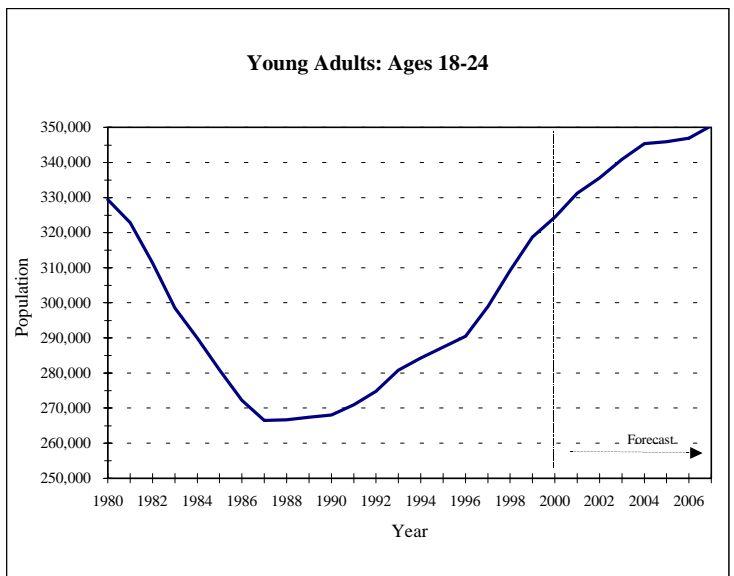
School Age Population: Ages 5-17

Year (July 1)	Population	Change from previous year	
		Number	Percent
1980	524,446	---	---
1981	519,772	-4,674	-0.89
1982	511,597	-8,175	-1.57
1983	504,256	-7,341	-1.43
1984	504,254	-2	0.00
1985	504,320	66	0.01
1986	503,868	-452	-0.09
1987	502,762	-1,106	-0.22
1988	503,175	413	0.08
1989	510,229	7,054	1.40
1990	532,653	22,424	4.39
1991	547,423	14,771	2.77
1992	560,239	12,816	2.34
1993	573,054	12,815	2.29
1994	584,925	11,871	2.07
1995	596,538	11,614	1.99
1996	607,269	10,730	1.80
1997	614,724	7,455	1.23
1998	615,648	924	0.15
1999	615,793	145	0.02
2000	618,448	2,655	0.43
2001	619,231	783	0.13
2002	620,938	1,707	0.28
2003	622,017	1,080	0.17
2004	624,585	2,568	0.41
2005	627,490	2,905	0.47
2006	630,627	3,138	0.50
2007	633,249	2,622	0.42



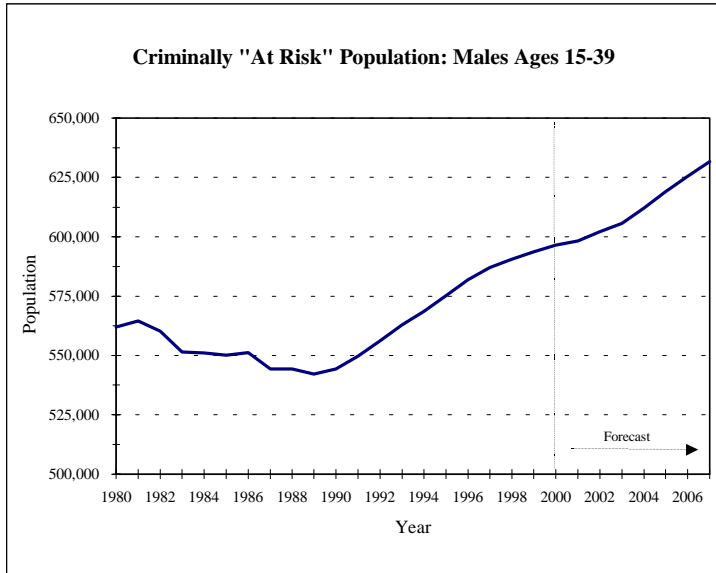
Young Adult Population: Ages 18-24

Year (July 1)	Population	Change from previous year	
		Number	Percent
1980	329,407	---	---
1981	322,868	-6,539	-1.99
1982	311,293	-11,575	-3.59
1983	298,474	-12,819	-4.12
1984	289,873	-8,601	-2.88
1985	280,898	-8,975	-3.10
1986	272,221	-8,677	-3.09
1987	266,471	-5,750	-2.11
1988	266,616	145	0.05
1989	267,303	687	0.26
1990	268,057	754	0.28
1991	271,002	2,945	1.10
1992	274,739	3,736	1.38
1993	280,823	6,084	2.21
1994	284,260	3,437	1.22
1995	287,348	3,089	1.09
1996	290,429	3,081	1.07
1997	298,971	8,542	2.94
1998	309,187	10,216	3.42
1999	318,791	9,604	3.11
2000	324,440	5,649	1.77
2001	331,238	6,798	2.10
2002	335,594	4,356	1.31
2003	340,864	5,270	1.57
2004	345,375	4,511	1.32
2005	345,921	546	0.16
2006	346,885	965	0.28
2007	350,485	3,599	1.04



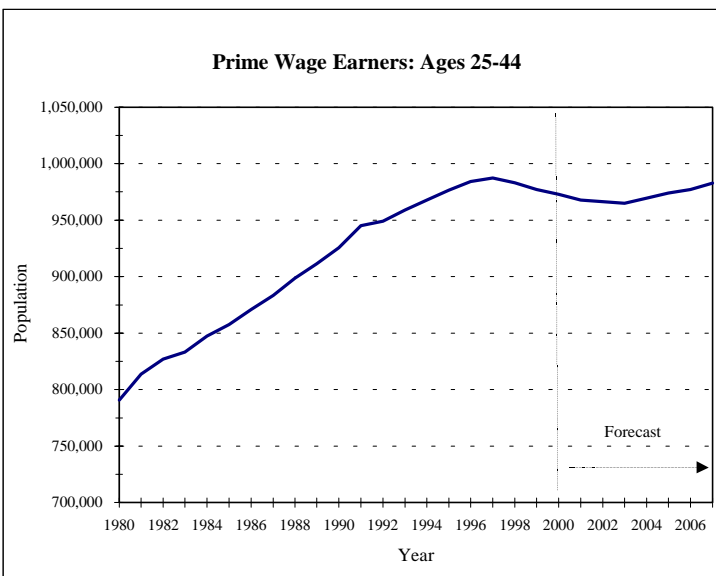
**Criminally "At Risk" Population:
Males Ages 15-39**

Year (July 1)	Population	Change from previous year	
		Number	Percent
1980	561,931	---	---
1981	564,556	2,625	0.47
1982	560,255	-4,301	-0.76
1983	551,503	-8,752	-1.56
1984	551,013	-490	-0.09
1985	550,045	-968	-0.18
1986	551,116	1,071	0.19
1987	544,293	-6,823	-1.24
1988	544,353	60	0.01
1989	542,162	-2,191	-0.40
1990	544,276	2,114	0.39
1991	549,659	5,384	0.99
1992	556,253	6,593	1.20
1993	562,934	6,681	1.20
1994	568,547	5,613	1.00
1995	575,156	6,609	1.16
1996	581,971	6,815	1.18
1997	587,036	5,066	0.87
1998	590,617	3,581	0.61
1999	593,659	3,041	0.51
2000	596,575	2,916	0.49
2001	598,207	1,632	0.27
2002	602,185	3,977	0.66
2003	605,611	3,426	0.57
2004	612,121	6,511	1.08
2005	619,004	6,883	1.12
2006	625,466	6,462	1.04
2007	631,698	6,232	1.00

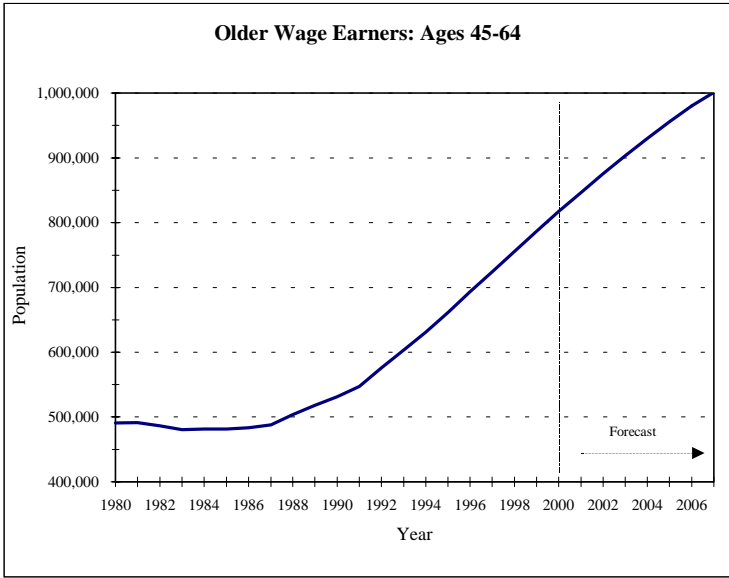


Prime Wage Earners: Ages 25-44

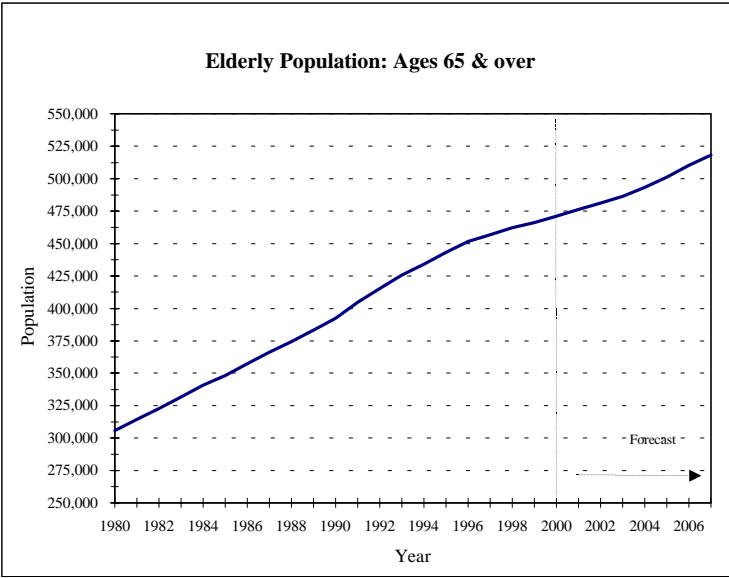
Year (July 1)	Population	Change from previous year	
		Number	Percent
1980	790,750	---	---
1981	813,638	22,888	2.89
1982	826,883	13,245	1.63
1983	833,274	6,391	0.77
1984	847,257	13,983	1.68
1985	857,810	10,553	1.25
1986	870,743	12,933	1.51
1987	883,134	12,391	1.42
1988	898,525	15,391	1.74
1989	911,231	12,706	1.41
1990	925,517	14,286	1.57
1991	944,949	19,432	2.10
1992	949,055	4,107	0.43
1993	959,145	10,089	1.06
1994	967,895	8,750	0.91
1995	976,685	8,790	0.91
1996	983,939	7,254	0.74
1997	987,350	3,411	0.35
1998	982,851	-4,498	-0.46
1999	977,315	-5,537	-0.56
2000	972,916	-4,399	-0.45
2001	967,886	-5,030	-0.52
2002	966,172	-1,714	-0.18
2003	964,881	-1,292	-0.13
2004	969,400	4,519	0.47
2005	973,780	4,381	0.45
2006	977,256	3,476	0.36
2007	982,608	5,352	0.55



Older Wage Earners: Ages 45-64			
Year (July 1)	Population	Change from previous year	
		Number	Percent
1980	491,249	---	
1981	491,618	369	0.08
1982	486,392	-5,226	-1.06
1983	480,343	-6,049	-1.24
1984	481,654	1,311	0.27
1985	481,686	32	0.01
1986	483,195	1,509	0.31
1987	488,220	5,025	1.04
1988	503,723	15,503	3.18
1989	518,106	14,383	2.86
1990	531,473	13,367	2.58
1991	547,209	15,736	2.96
1992	575,929	28,719	5.25
1993	603,612	27,684	4.81
1994	631,066	27,454	4.55
1995	661,373	30,307	4.80
1996	693,263	31,890	4.82
1997	723,881	30,618	4.42
1998	755,564	31,683	4.38
1999	786,614	31,050	4.11
2000	817,424	30,810	3.92
2001	846,754	29,330	3.59
2002	875,914	29,160	3.44
2003	903,241	27,327	3.12
2004	929,984	26,744	2.96
2005	955,873	25,888	2.78
2006	980,588	24,715	2.59
2007	1,001,577	20,989	2.14



Elderly Population: Ages 65+			
Year (July 1)	Population	Change from previous year	
		Number	Percent
1980	305,841	---	
1981	314,336	8,495	2.78
1982	322,694	8,358	2.66
1983	331,734	9,040	2.80
1984	340,640	8,906	2.68
1985	348,261	7,621	2.24
1986	357,165	8,904	2.56
1987	366,226	9,061	2.54
1988	374,240	8,014	2.19
1989	383,289	9,049	2.42
1990	392,514	9,225	2.41
1991	404,598	12,084	3.08
1992	415,327	10,729	2.65
1993	425,837	10,510	2.53
1994	434,188	8,351	1.96
1995	443,133	8,945	2.06
1996	451,629	8,496	1.92
1997	456,788	5,158	1.14
1998	462,140	5,352	1.17
1999	466,255	4,114	0.89
2000	471,232	4,977	1.07
2001	476,292	5,060	1.07
2002	481,171	4,879	1.02
2003	486,521	5,350	1.11
2004	493,342	6,821	1.40
2005	501,090	7,748	1.57
2006	510,413	9,323	1.86
2007	518,046	7,632	1.50



Elderly Population by Age Groups

Year (July 1)	Ages 65-74	% Change	Ages 75-84	% Change	Ages 85+	% Change	Ages 75+	% Change
1980	185,863		91,137		28,841		119,978	
1981	190,598	2.55	93,872	3.00	29,866	3.55	123,738	3.13
1982	194,810	2.21	96,816	3.14	31,068	4.02	127,884	3.35
1983	199,323	2.32	100,280	3.58	32,131	3.42	132,411	3.54
1984	203,361	2.03	104,034	3.74	33,245	3.47	137,279	3.68
1985	206,590	1.59	107,576	3.40	34,095	2.56	141,671	3.20
1986	210,542	1.91	111,410	3.56	35,213	3.28	146,623	3.50
1987	213,997	1.64	116,182	4.28	36,047	2.37	152,229	3.82
1988	217,006	1.41	120,369	3.60	36,865	2.27	157,234	3.29
1989	220,945	1.82	124,615	3.53	37,729	2.34	162,344	3.25
1990	224,874	1.78	128,853	3.40	38,787	2.80	167,640	3.26
1991	229,161	1.91	134,194	4.14	41,244	6.34	175,438	4.65
1992	232,712	1.55	138,614	3.29	44,001	6.68	182,615	4.09
1993	235,565	1.23	143,741	3.70	46,531	5.75	190,272	4.19
1994	236,795	0.52	148,257	3.14	49,136	5.60	197,393	3.74
1995	238,413	0.68	152,536	2.89	52,184	6.20	204,720	3.71
1996	238,867	0.19	157,481	3.24	55,281	5.94	212,762	3.93
1997	237,232	-0.68	161,269	2.41	58,287	5.44	219,556	3.19
1998	235,754	-0.62	164,734	2.15	61,653	5.77	226,386	3.11
1999	233,813	-0.82	167,893	1.92	64,548	4.70	232,442	2.67
2000	232,781	-0.44	170,843	1.76	67,608	4.74	238,451	2.59
2001	232,184	-0.26	173,268	1.42	70,840	4.78	244,108	2.37
2002	232,316	0.06	175,191	1.11	73,664	3.99	248,855	1.94
2003	233,502	0.51	175,962	0.44	77,057	4.61	253,019	1.67
2004	236,872	1.44	175,797	-0.09	80,674	4.69	256,471	1.36
2005	241,399	1.91	175,380	-0.24	84,311	4.51	259,692	1.26
2006	247,542	2.54	174,131	-0.71	88,740	5.25	262,871	1.22
2007	254,747	2.91	170,628	-2.01	92,671	4.43	263,298	0.16

