After the Recession…

…moving ahead or falling behind?

Westside Economic Alliance
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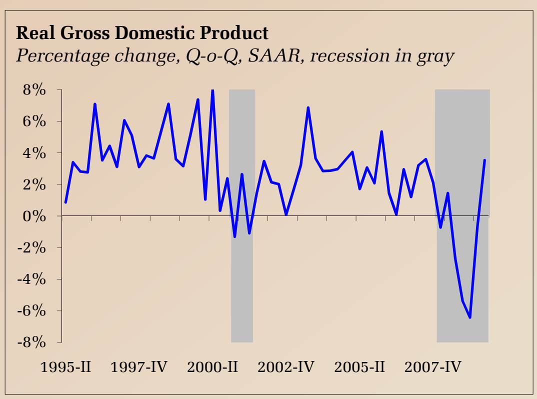
Cyclical Factors Reversing



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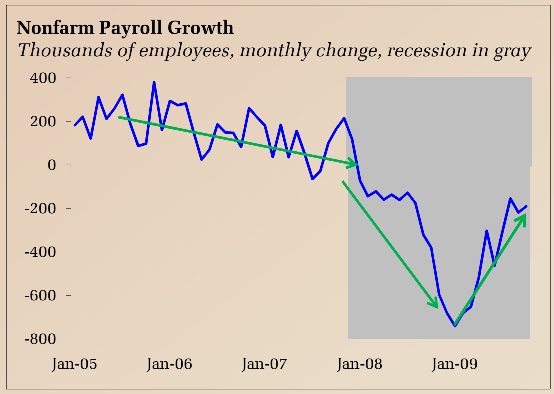
Three Distinct Phases

First: Transition away from housing

Second: Deep cyclical recession.

Third: Initial recovery



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Three Distinct Phases

Initial Recovery Stage

Firms have aligned capacity with new level of demand through layoffs, plant closures, capital spending cuts.

With that realignment largely complete, growth boosted from inventory correction, pent-up demand.

Additional boost provided by federal stimulus.

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Fourth Phase

Beyond the initial recovery

Traditional post-WWII recessions experienced rapid returns to trend growth.

Little structural adjustment; largely cyclical.

Will the current recovery look more like a traditional recovery, or more like the post-2001 recovery?

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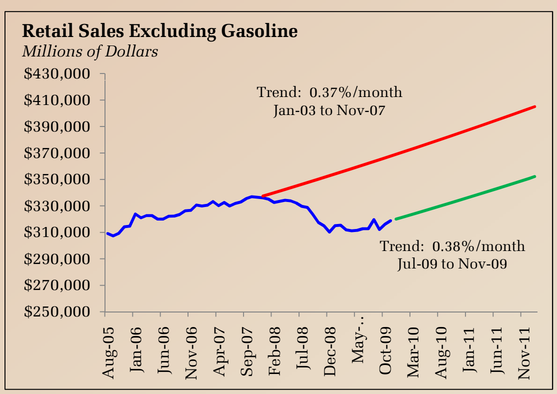
Consumer Still Miserable?



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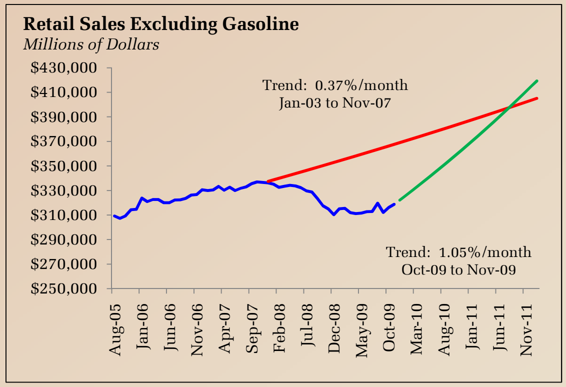
Consumer Still Miserable?



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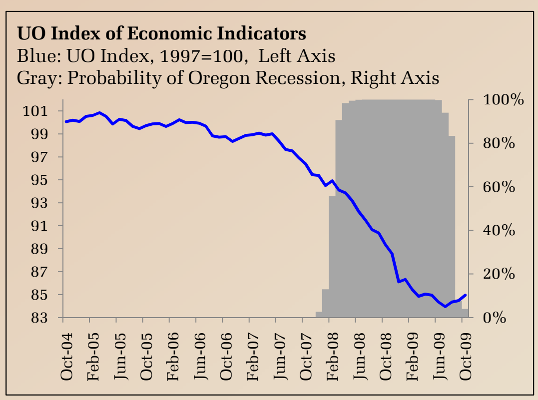
KeyBank



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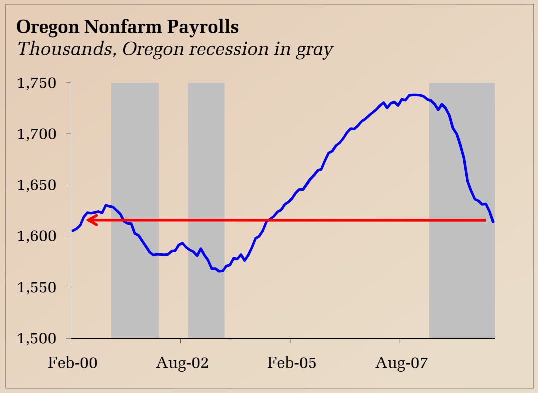
Oregon



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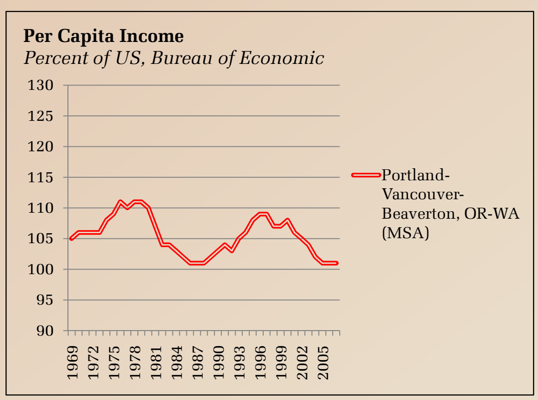
Per Capita Income



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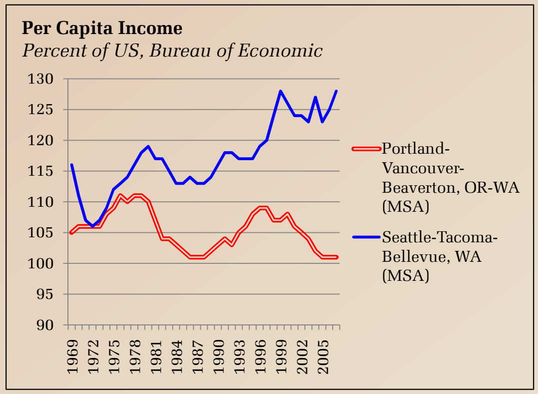
Per Capita Income



Winning the Creative Class?

	City of Portland	City of Seattle
Median Family Income	$64,193	$88,016
% Some College	22.80%	17.70%
% BA or Higher	39.60%	53.70%
Public Transport to Work	12.20%	18.10%
Commute to work in car alone	61.50%	54.10%

Source: 2006-2008 American Community Survey

Location Choice Important

2008 Annual Average BLS QCEW		Portland MSA (OR Portion)			Seattle MSA		
		Employees	Percent of Total Private	Average Wage	Employees	Percent of Total Private	Average Wage
	Private Sector	774,295		$45,872	1,466,917		$53,933
51	Information	22,152	2.86%	$71,809	88,529	6.04%	$115,054
334	Computer and electronic product manufacturing	32,364	4.18%	$96,286	15,763	1.07%	$80,263
336	Transportation equipment manufacturing	7,926	1.02%	$54,118	86,492	5.90%	$85,760
541& 551	Professional, Scientific & Technical Svcs and Management of Companies	70,240	9.07%	$70,171	141,550	9.65%	$78,753

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Big Question

Can a region afford to set policies that make them undesirable to large firms?

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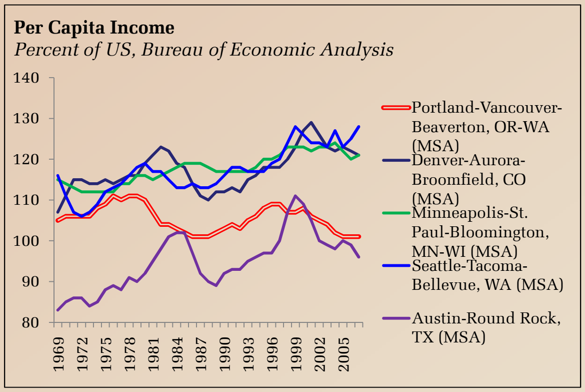
Is It Just Seattle?



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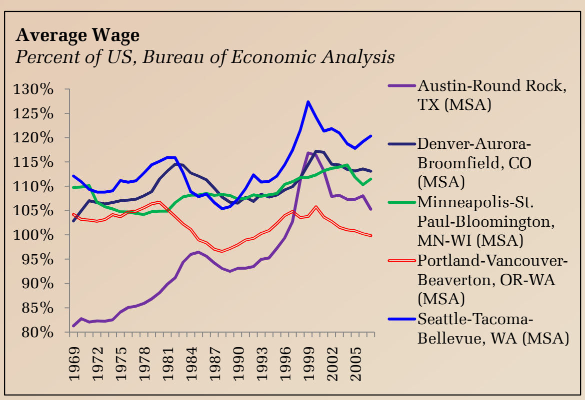

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Is It Just Seattle?

	Austin MSA	Denver MSA	Minneapolis MSA	Portland MSA	Seattle MSA
Median Family Income	$72,145	$74,304	$82,448	$69,888	$80,341
% Some College	20.70%	21.50%	22.10%	25.50%	23.30%
% BA or Higher	38.30%	36.60%	37.00%	32.60%	36.30%
Cost of Living Compared to Portland	-12.7%	-4.2%	-5.2%		+5.2%

Source: 2006-2008 American Community Survey, Monster.com

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Tax Climate

	2008 Ranking	2010 Ranking
Texas	11	11
Colorado	10	13
Minnesota	42	43
Oregon	8	14
Washington	14	9

Source: Tax Foundation 2010 State Business Tax Climate Index

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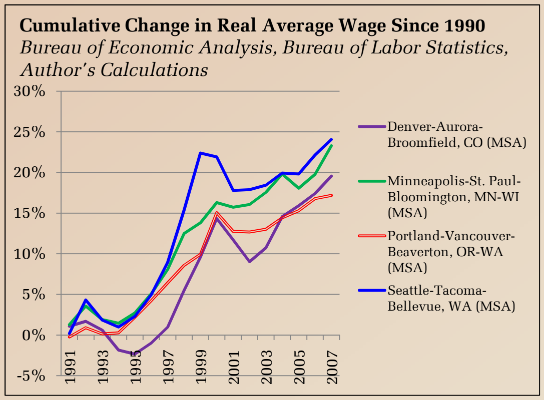
Falling Behind?



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By County

Prosperity and Poverty in Oregon

	Clackamas	Clark	Multnomah	Washington	Yamhill
Median household income (2008)	$66,122	$58,917	$51,393	$65,625	$64,889
Percent Receiving Food Stamps	6%	9%	12%	7%	10%
Unemployment Rate September 2009	10.7%	13.9%	11.2%	10.1%	12.1%
Jobs lost since September 2008	-10,500	-8,800	-27,000	-17,400	-2,510

Sources: U.S. Census Bureau
WorkSource Oregon
Daily Columbian

Updated: October 20, 2009

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New Directions?

Are we ready to admit there is a problem?

Are we willing to accept, as a region, being average?

Can we come to an agreement that sustainable cities are both environmentally sustainable and economically sustainable?

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New Directions?

What makes a region attractive to firms?

- Labor supply
- Infrastructure
- Transportation networks
- Pro-business climate
- Land supply

Focusing on the creative class is part of the solution, but is it enough?

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