



The Capitol Granger

Regular news from your Grange lobbyist

Economy still growing despite slowing job growth, state forecast says

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Oregon's economy has seen robust growth in recent years, and has continued to grow despite waning job growth. Those facts and a strong upswing in state revenue over the next six to seven years summarize a report that state economists released to legislators Nov. 29.

Don't be confused, though. The report doesn't say that the number of jobs has been declining, only the growth in the number of jobs. Overall nonfarm employment grew throughout the state, and that growth was robust in some areas, and slower in others. Urban areas mostly saw slower growth the last few years while growth changes were mixed in rural areas.

The report projected that state collections would grow roughly in line with collections of personal income taxes during the next four budget periods through June 30, 2025. State budgets cover a two-year period, called a biennium, that begins and ends in an odd-numbered year.

The report came from the state's Office of Economic Analysis, where OEA forecasters estimated state receipts from personal income taxes will grow more than 6 percent in the biennium that runs July 1, 2017, thru June 30,



Coburg Community Grange #535, just north of Eugene off Interstate 5 (photo from Grange website).

2019, and will rise to grow more than 12 percent in the 2019-21 biennium before moderating somewhat, to rise about 8 percent by the 2023-25 biennium.

The report also forecasts state government receipts from lottery sales, corporate taxes, estate taxes, and taxes on sales of marijuana. Corporate tax collections are expected to decline about 11 percent in the current biennium, but recover in future years through 2025. Overall collections from these sources should grow between 5.1 and 11.4 percent in each fiscal period through 2025, the report predicts.

Find a slide show of OEA's forecast here: www.oregon.gov/das/OEA/Pages/forecastcorev.aspx

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