DAS
DEPARTMENT OF ADMINISTRATIVE SERVICES

Oregon Economic and Revenue Forecast

December 2023

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Department of Administrative Services
Berri Leslie
DAS Director
Chief Operating Officer

Office of Economic Analysis
Mark McMullen, State Economist
Michael Kennedy, Senior Economist
Josh Lehner, Senior Economist
Kanhaiya Vaidya, Senior Demographer

http://oregon.gov/DAS/OEA
http://oregoneconomicanalysis.com
http://twitter.com/OR_EconAnalysis

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.

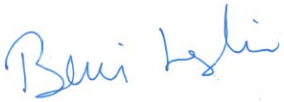
The report is issued four times a year; in March, June, September, and December.

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 from the economic model are in turn used to provide a preliminary forecast for state tax revenues. The preliminary results are reviewed by the Council of Revenue Forecast Advisors. The Council of Revenue Forecast Advisors consists of 15 specialists with backgrounds in accounting, financial planning, and economics. Members bring specific specialties in tax issues and represent private practices, accounting firms, corporations, government (Oregon Department of Revenue and Legislative Revenue Office), and the Governor's Council of Economic Advisors. After discussion of the preliminary revenue forecast, the Department of Administrative Services makes the final revenue forecast using the suggestions and comments made by the reviewing committee.

Readers who have questions or wish to submit suggestions may contact the Office of Economic Analysis by telephone at 503-378-3405.



Berri Leslie
DAS Director
Chief Operating
Officer

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Executive Summary

December 2023

The economy is rebalancing. Inflation remains above the Federal Reserve's target. However inflationary pressures have eased as stronger productivity gains and in increase in the number of Americans looking for work means the labor market is no longer overheated. As wage growth slow, so too will overall inflation in the year ahead.

As a result, the Federal Reserve is now looking to make surgical rate cuts. As inflation continues toward target, the Fed can ease off the brakes, allowing the economy to coast. Most forecasters, including the Fed itself, expects a couple of small interest rate cuts in the second half of 2024, however the rebalancing labor market and cooler inflation readings may allow the Fed to cut sooner than expected. Lower rates will spur more activity, ensuring the economic expansion continues.

Oregon's baseline economic outlook continues to call for the soft landing, and remains effectively unchanged from the prior forecast. Local economic growth is driven by a return to full employment, combined with stronger business investment and productivity gains. Recently released Census data confirm that the economic recovery from the pandemic has been inclusive and broad-based. Looking forward, a modest rebound in migration in the years ahead will allow local businesses to hire and expand at a faster pace than the nation. However, should migration not return as expected, Oregon's economy will not crater, but rather grow at a slower rate than in the baseline.

Oregon's state revenue outlook appears to have stabilized. Aside from persistently strong corporate income taxes, collections in recent months have tracked closely with the September forecast. In particular, personal income tax collections have finally started to weaken.

General Fund revenue collections are expected to decline significantly in the months ahead as corporate profits and business income return to trend, and a record personal income tax kicker credit is issued. Although the revenue outlook appears on track for now, Oregon has yet to go through its first personal income tax filing season of the biennium, so considerable uncertainty remains.

Even excluding the payment of the kicker credit, General Fund revenues were expected to be relatively unchanged when compared to the previous biennium. The revenue boom seen during tax year 2021 is unlikely to be repeated, with collections expected to revert back to their long-term trends. Traditional gains in General Fund collections are expected to resume in the 2025-27 biennium and beyond.

Longer term, revenue growth in Oregon and other states will face considerable downward pressure over the 10-year extended forecast horizon. As the baby boom population cohort works less and spends less, traditional state tax instruments such as personal income taxes and general sales taxes will become less effective, and revenue growth will fail to match the pace seen in the past.

Economic Outlook

Macroeconomic Setting

The labor market remains healthy, but has eased from its overheated state during the pandemic. This rebalancing is primarily the result of job openings declining as firms staffed back up, coupled with stronger productivity gains and an increase in the labor supply. This combination means wages and overall inflation have slowed, even with underlying economic growth and consumer spending remaining quite strong.

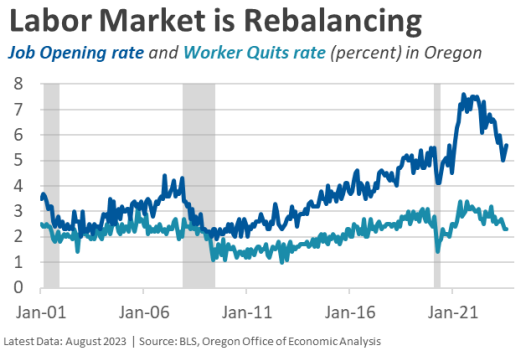
Looking forward, the economy will cool some due to higher interest rates. The better balance in the labor market likewise means underlying wage and spending pressures should be near pre-pandemic rates in the quarters ahead. As a result, the Federal Reserve is now looking to make surgical rate cuts. As inflation continues toward target, the Fed can ease off the brakes, allowing the economy to coast. Most forecasters, including the Fed itself, expects a couple of small interest rate cuts in the second half of 2024, however the rebalancing labor market and cooler inflation readings may allow the Fed to cut sooner than expected, to ensure the economic expansion continues.

Oregon's economy is broadly following the nation. Local economic growth is being driven by a return to full employment, combined with stronger productivity gains. Recently released Census data confirm that the economic recovery from the pandemic has been inclusive and broad-based. In particular, both the racial poverty gap, and racial employment gap remain, but are smaller today than prior to the pandemic. Looking forward, a modest rebound in migration in the years ahead will allow local businesses to hire and expand at a faster pace than the nation. However, should migration not return as expected, Oregon's economy will not crater, but rather grow at a slower rate than in the baseline.

The Economy Continues to Rebalance

Oregon, like the U.S. overall, has a strong labor market. Job openings continue to outnumber the unemployed. However, the labor market has rebalanced and is no longer overheated like it was during the reopening phase of the cycle.

As employment rates have picked up, job opening rates have fallen. Businesses no longer need to worry about staffing back up, but rather can now focus on growing their operations. In some cases that means hiring, but likely at a slower pace. In other cases, that may even mean laying off some workers as firms may have over hired while trying to compete in the post-pandemic world, or maybe the sales outlook is not quite as strong as expected. Either way, labor demand is slower today than a year ago.



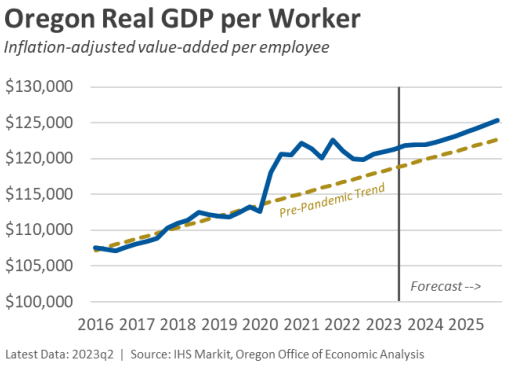
And as the tight labor market has delivered higher wages to workers, employees are now quitting their jobs at a slower pace. Underlying wage pressures, while still higher than pre-pandemic, are starting to ease, and are likely to do so in the quarters ahead.

The dramatic swings down and up during and after the pandemic can make getting a handle of the economy challenging. In reading the latest economic data, a few items stand out. On one hand economic growth in terms of GDP and consumer spending remain quite strong. This points toward the possibility of a continued inflationary economic boom. On the other hand, national job growth has slowed, and the unemployment rate has risen from 3.4 percent in April 2023 to 3.9 percent in October 2023. Such a move up in the unemployment rate only tends to happen heading into recession. While the baseline outlook calls for the soft landing, there are both upside and downside risks in the near-term.

Strong growth and a rising unemployment rate means that the underlying strength in the economy has not translated into a continued overheating of the labor market. As a result, both wages and inflation have slowed in the past year. The question is why? To some extent it could simply be the bullwhip pandemic effects playing out and beginning to normalize. To some extent it is the impact of fading federal aid and tighter monetary policy. And crucially, to some extent it is an improved supply side of the economy.

As discussed in greater detail in the September 2023 forecast, productivity is a key driver of the economy[1]. Increased capital makes workers more productive. There are reasons to believe productivity will pick up in the decade ahead due to the rise in start-up activity, increased federal investments in things like infrastructure and semiconductors, and the potential of generative AI. Better productivity raises the overall speed limit for the economy, allowing for both stronger income and spending growth and keeping inflation in check. The most recent national productivity data for both the second and third quarters of 2023 were blistering at 3.7 percent and 4.7 percent at annualized rates. While the near-term productivity gains help the economy rebalance and ease some inflationary pressures, in the big picture U.S. productivity over the entire pandemic cycle to date is roughly on trend.

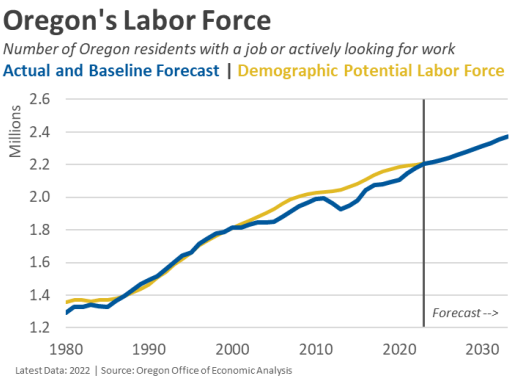
Locally, real GDP per worker continues to increase and remains above the pre-pandemic trend. From 2019q4 through 2023q2, Oregon's real GDP per worker has increased 7.1 percent, ranking 5th highest across all states.



Now, real GDP per worker is a crude measure of productivity, but better metrics like the Bureau of Labor Statistics' labor productivity by state is only available once a year. As of 2022, Oregon's productivity growth so far this cycle ranked 3rd best among all states, only trailing our neighbor to the north, Washington, which ranks 1st and Iowa which ranks 2nd.

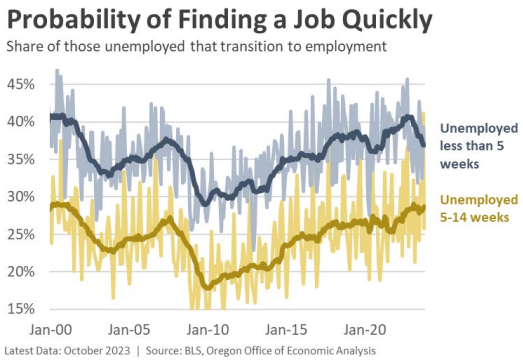
[1] See pages 7-12 digital.osl.state.or.us/islandora/object/osl%3A1015130/datastream/OBJ/view

Another source of supply side improvements is the labor force. Nationally, the labor force participation rate has increased in the past year. The strong economy is brining workers back into the labor market after being on the sidelines during the pandemic for any number of reasons including the shutdowns, the virus itself, childcare or school closures, and the like. Additionally, employment rates across age cohorts are rising as well.



Here in Oregon, there were large labor force participation rate gains in 2022. These increases were enough to fully close the gap in terms of the actual size of Oregon's labor force with our office's estimate of the demographically-adjusted potential labor force. So far in the 2023 data, Oregon's labor force participation rate has moved back down. Today it is an open question to what extent this is a fundamental decrease, or to what extent it is more noise than signal in the preliminary and unbenchmarked data. The upcoming annual benchmarking will be released in a few months, and should provide a better gauge of recent trends. Looking forward, our office's underlying baseline economic forecast is closely tied to maintaining full employment. Job growth is expected to match growth in the potential labor force.

Ultimately the better productivity numbers means firms can produce and provide more goods and services for any given number of workers. As a result job growth has slowed and unemployment has increased.

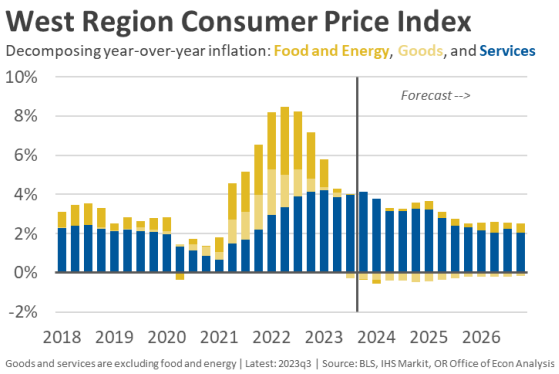


However, at least so far, the national increase in unemployment is not due to significantly more layoffs. Rather it is due to unemployed workers, both those laid off and new entrants, taking slightly longer to find a job. The share of newly unemployed Americans (those unemployed 5 weeks or less) who find a job the next month has fallen in the past year. However the share of Americans who have been unemployed 1-3 months but find a job the next month has picked up. This combination points toward some easing, or rebalancing in the labor market to date. The question is whether it is the start of larger deterioration or not. For now, in in the noisy monthly data, these job finding rates have stabilized at or above their 2019 rates. This points more toward a broader rebalancing story than to the start of something more significant.

In Oregon, the unemployment rate remains near its all-time low. However, increases in both initial claims for unemployment insurance, and the number of continued claims point toward labor market easing as well. These figures will continue to be closely watched in the months ahead to gauge whether it is more of a one-time shift in the balance between labor supply and labor demand, which it appears so far, or the start of a further deterioration in the strength of the economy.

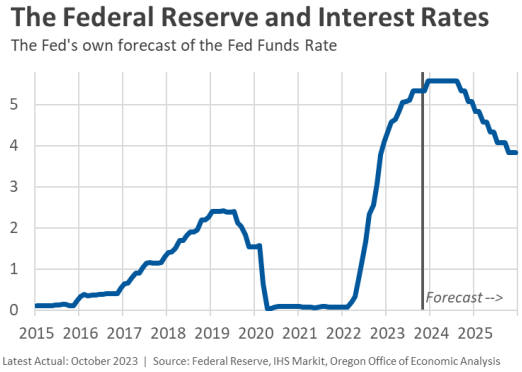
Inflation and the Fed

Inflation has slowed from a 9 percent pace in the summer of 2022 to 3 or 4 percent today depending upon which measure one looks at. Much of this improvement in inflation has to do with goods prices easing following the surge in demand and overloaded supply chains early in the pandemic. The baseline outlook calls for further slowing in inflation, and fully reaching the Federal Reserve's target on a sustained basis in 2025.



Encouragingly, more recent monthly inflation data suggest a faster slowdown could be in the works. For example, the October CPI data was released yesterday, and therefore too new to be incorporate into this forecast, and it showed zero percent inflation on a month-over-month basis. The consensus has been that the higher rates of service inflation will take time to tame. Should wage and spending growth slow sooner or more than expected, overall inflation likely will too. This is not the baseline outlook, or at least not yet, but is a clear possibility for the economy.

Some of these changing dynamics in the economy happen quicker than anticipated. It has been the baseline outlook that a cooling labor market and slower inflation numbers would mean the Federal Reserve could ease off the brakes. Expectations from forecasters, and including the Fed itself, have been for one more rate increase in late 2023, followed by two surgical rate cuts in the second half of 2024. Given the data in recent months, it appears very likely that last interest rate increase will no longer take place, and that those rate cuts may happen earlier in 2024 than expected. The Fed's next forecast, or Summary of Economic Projections (SEP) will be released December 13th, 2023.



One key to monetary policy is the so-called neutral rate of interest. This is the interest rate at which monetary policy is neither actively stimulating nor restricting the economy. The Fed estimates neutral is approximately 2.5 percent. Even if the neutral rate is a bit higher today given household finances, upcoming federal investment or any other reason, today's interest rates are clearly restrictive. So as inflation slows, the Fed can begin to cut interest rates while also maintaining relatively tight policy to ensure inflation continues to head lower. The question has been exactly when can or will the Fed begin this process. Again, the baseline forecast was for the second half of 2024, but being data-dependent, like the Fed says it is, may mean this process occurs sooner. And this would certainly be the case should the economic data shift from more of a rebalancing to something indicating a further deterioration.

Declining interest rates will spur additional economic activity. Consumers and businesses are likely to take on more loans for spending or expansion plans. Additionally, higher rates have sidelined many construction projects which will begin to pencil out better at lower rates, generating additional activity. The challenge is for the Fed to balance these risks. Higher interest rates eventually will choke off economic growth. However, cutting rates too quickly or by too much may spur too much additional spending and activity that could revive inflation later next year or in 2025.

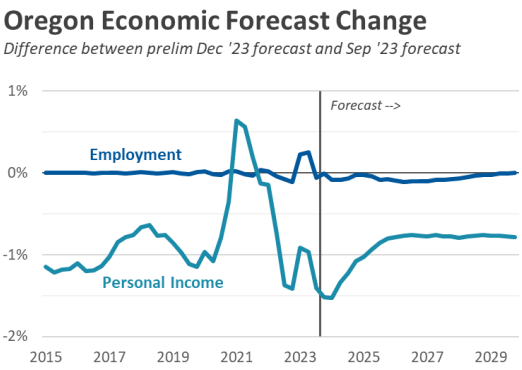
The economic bottom line is that this initial descent from the heights of the inflationary economy boom toward the soft landing has gone as well as could be hoped for. Inflation has slowed significantly. Underlying economic growth remains strong. The challenge is this initial path that leads to the soft landing and continued economic expansion looks the same as the path that leads to a recession. Only time will tell which fork in the road the economy ultimately takes.

The baseline forecast remains for the soft landing. However, risks abound, including a number of exogenous supply shocks such as wars in Ukraine and Israel, and labor strikes among screen writers and auto workers nationally, and schoolteachers locally. It is possible that the underlying strength in the economy revives inflation, or inflation could be driven higher by these supply shocks. As such the Federal Reserve may have more work to do that ultimately results in a Boom/Bust Recession Scenario, see page 21 for more.

Oregon's Economic Outlook

At the topline, macroeconomic view, the current forecast is essentially unchanged from the previous outlook.

Recent monthly employment reports and revisions have closely tracked the previous outlook and the population and demographic forecasts are stable. As such, the overall employment forecast is similar to last quarter, although the near-term outlook is revised lower by less than one tenth of a percent. As discussed in the next section, even as the topline employment outlook is stable, there are more sizable differences across industries.



The personal income forecast is lowered by 0.8 percent in the years ahead, however this downward revision is not due to lower expected growth rates moving forward. Rather this downward revision to the income outlook is due to historical revisions by the BEA to the national and state estimates. The majority of the BEA revisions were to non-wage forms of income like nonfarm proprietors' income and dividends, interest, and rent. Additionally, wage income, while not revised lower historically, was revised downward in the 2022 estimates, which has implications for the pattern of wages and average wage gains in the state during the pandemic as discussed below. A modestly lower personal income outlook does feed into the Oregon consumer spending, and associated tax revenues, in the year ahead.

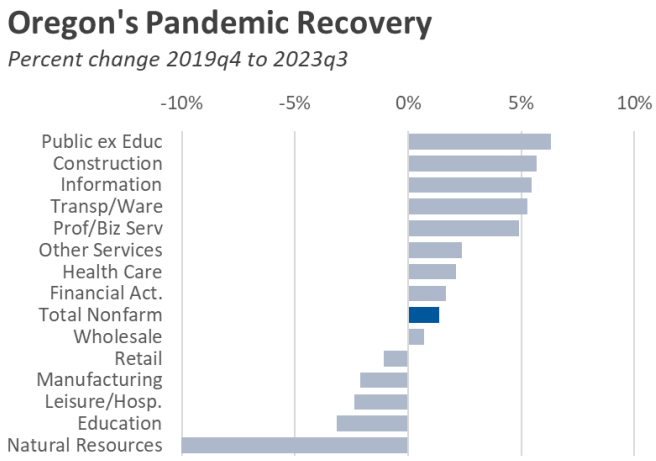
Industry Employment Forecast

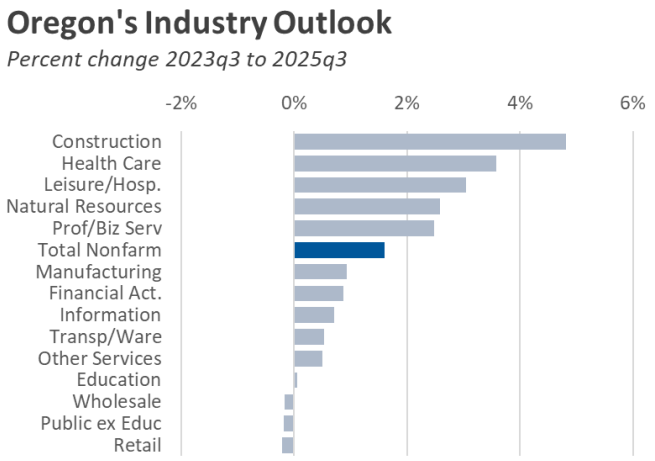
Oregon's total nonfarm employment forecast this quarter is effectively unchanged from last quarter. Recent monthly employment reports have closely tracked the previous outlook. That said, the nature of the forecast has changed in a few significant ways.

The outlooks for both construction, and leisure and hospitality have been raised in the current forecast. The combination of increased federal investment and need to boost housing production means the demand for construction workers will grow stronger in the years ahead. That said, in the near-term, construction has slowed down due to the higher interest rates, resulting in less building activity today and in the next few quarters, even as that demand over the medium- and long-term is higher.

Leisure and hospitality employment continues to come in above forecast. Consumer spending on travel, going out to eat, and entertainment has fully recovered the past couple of years, however industry employment had not. One key consideration were some structural changes made within the sector, be it more kiosk ordering at restaurants, or hotels no longer providing daily cleaning and the like. However, at least nationally, leisure and hospitality employment per capita has fully returned to its pre-pandemic peak. The long-run growth path of the industry's employment is still slower than pre-pandemic trends, however the outlook is still stronger today than it was a year ago.

Offsetting these industry increases, are modest downward revisions to the outlook for durable goods manufacturing, in addition to retail, wholesale, and transportation and warehousing. These industries have been weaker than forecast recently, at least in the preliminary data, and even with a largely unchanged macroeconomic outlook, the employment forecasts largely carry these lower recent numbers into the future, leaving the topline employment outlook unchanged.





Broadly speaking, the near-term employment outlook calls for a relatively slow pace of growth, keeping in-line with the changes in the potential labor force. At the industry level, many of the industries expected to see above average gains in the next year or two, are those than have seen slower pandemic recoveries, while those expected to see below average increases had seen stronger

pandemic recoveries and/or face structural change issues. As a result, the pattern of growth continues to see the overall economy move toward normalization when compared with pre-pandemic trends.

Wage Growth

Overall, the baseline outlook has and continues to call for total labor income to slow in the year(s) ahead. The simple reason is job growth will slow as overall employment rises and unemployed workers find jobs. Mechanically, total labor income increases would be less about underlying job growth, and more about wage gains per worker.

One complicating factor in recent forecast has been that different measures of wage growth were telling different stories. That is no longer the case today. Following revisions to both the BEA wage and salary income data and the employment data, average wage growth in Oregon now looks more like the state's income tax withholding patterns over the past year. This means there was a significant slowing early in 2023, followed by a reacceleration during the middle of year. Currently, average wages in Oregon are rising at a 4.5 percent pace.

With the labor market rebalancing, expectations are average wage gains will ease closer to 4 percent in the years ahead. Average wage increases of 4 percent are consistent with the tight labor market of late last decade, and inflation near the Federal Reserve's target.

Both upside and downside risks remain for the wage outlook. Wage pressures could remain more persistent than expected, especially as low-wage workers struggle to make ends meet with higher inflation and higher costs, and the fact most middle- and high-wage workers' wages have not kept pace with inflation in recent years. However, the cooling labor market may see wage increases at even slower paces. Already, the U.S. average hourly earnings have slowed to 3.2 percent on an annualized basis in the three months ending in October.

2022 American Community Survey Summary

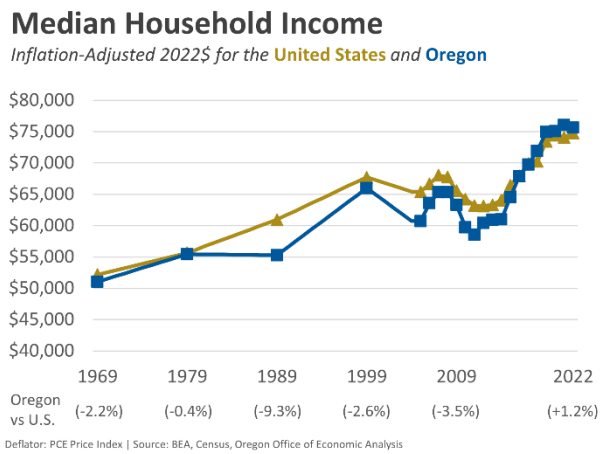
The 2022 American Community Survey is the first real, post-pandemic look at the socio-economic characteristics of Americans and Oregonians. The Census releases the annual estimates in September, with the underlying publicly available microdata data a month later. What follows is a high level summary of the latest data.

Income and Poverty

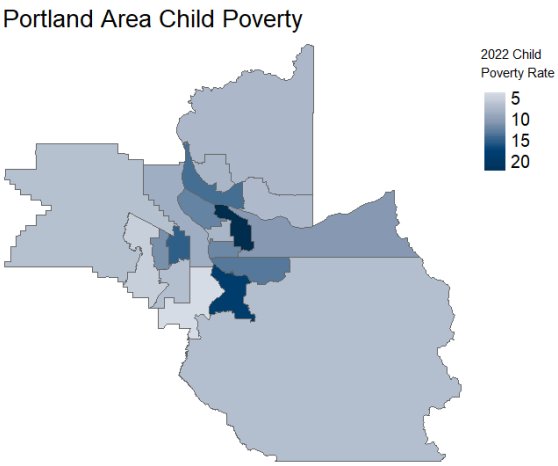
The big picture good news remains that the typical Oregon household outearns the typical American household, and Oregon's poverty rate is lower than the nation's. The issue is the impact of high inflation last year and the fading federal aid meant on an inflation-adjusted basis, incomes fell year-over-year

and poverty rates increase off their pandemic lows. Oregon households remain in good shape, and in better shape than the national figures, but adjusting to the post-pandemic world is not without its challenges.

Encouragingly, the income and poverty trends are broad-based in recent years when analyzing trends across different racial and ethnic groups. For instance, Asian and Black Oregon households have seen the strongest household income gains. And the racial poverty gap, the difference between the percent of white, non-Hispanic Oregonians living below the federal poverty line and the share of Black, Indigenous, and People of Color (BIPOC) is at a record low based on the 2022 data. Make no mistake, disparities remain, however those differences are smaller today than they were in the years leading up to the pandemic.



Even so, these economic disparities are clearly evident at the regional, city and even neighborhood level. The nearby map shows the 2022 child poverty rate in the Porland region. The geographic areas shown in the map are so-called Public Use Microdata Areas, or PUMAs. These are geographic areas of approximately 100,000 residents and is the smallest geographic areas for which the underlying microdata is released by Census. The map consists of all the PUMAs in Clackamas, Multnomah, and Washington Counties in Oregon, in addition to Clark County in Washington.



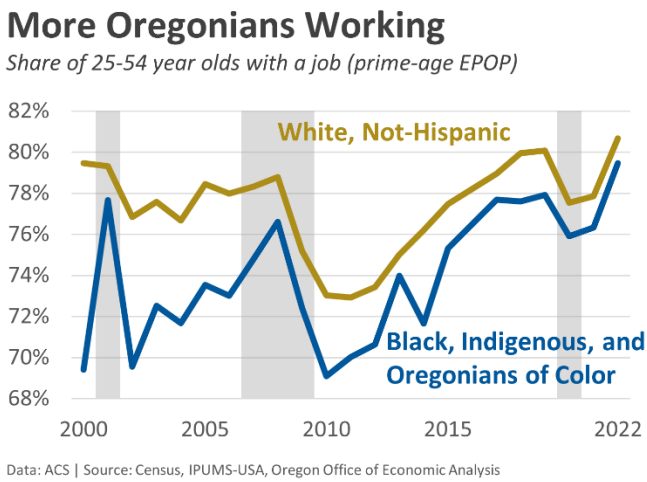
The concentration of child poverty in a few specific areas of the Portland region stands out. East Portland in particular has the highest rate of child poverty in the state. High rates of child poverty are also seen in the Portland area in Oregon City/Gladstone, Beaverton-Cedar Mill, and in West Vancouver in SW Washington. Economic research[2] has shown that one of the key factors affecting economic mobility – the probability a child is born poor but grows up to be successful – is economic and racial segregation. Children growing up in concentrated poverty are at a noticeable disadvantage. So even as the recovery form the pandemic has been broad-based and inclusive, it does not mean these disparities are gone.

Employment

[2] https://oregoneconomicanalysis.com/2018/11/29/economic-mobility-place-and-community-matters/

When it comes to the labor market and employment growth this cycle, the key factor is that there is not a labor shortage due to fewer people looking for work. Rather, the labor shortage comes from the fact that businesses are looking to hire more workers, even after employment rates have reached multidecade highs. The share of prime working-age Oregonians with a job today is the highest its been this Century with only the 1990s barely outpacing it.

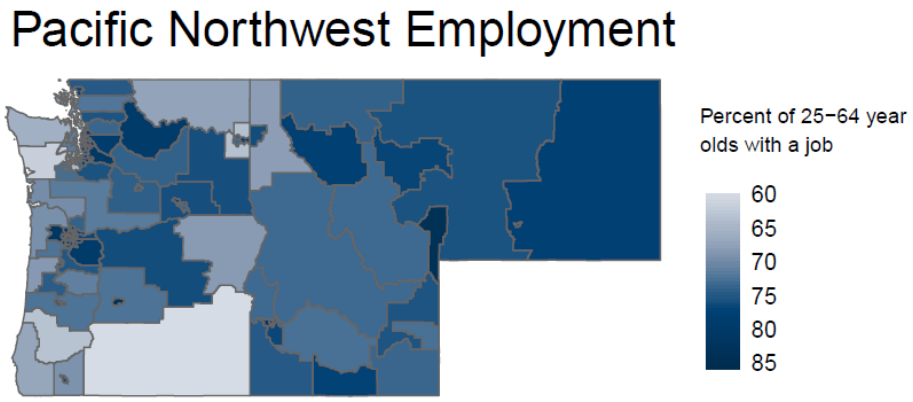
The ACS data only began in 2000 but provides the largest sample size and best available information when examining trends by race and ethnicity in the state. Employment rates among 25-54 year old Oregonians, both white, non-Hispanic, and BIPOC are the highest in recent decades. Additionally this racial employment gap is the smallest it has been as well.



Specifically, employment rates among Asian Oregonians and American Indian or Alaska Native Oregonians continued to rise throughout the pandemic and set new all-time highs, or at least with this data back to 2000. Employment rates among Black and Hispanic or Latino Oregonians are higher in 2022 than they were in 2019, although their peak rates were set back in 2017 or 2018, and 2022 employment rates were just a hair lower than those.

Even with these strong, broad-based employment trends, overall employment rates remain lower than average for both Black and American Indian or Alaska Native Oregonians, while employment rates for Hispanic or Latino Oregonians are near the statewide average, and both white, non-Hispanic, and Asian Oregonians see higher than average employment rates.

Additionally, employment differences are also seen at the regional level. Despite large metro areas, especially those on the West Coast, lagging their smaller metro and rural neighbors, the urban-rural divide remains noticeable in the post-pandemic world.



The nearby map shows the 2022 employment rates among 25-64 years across the Pacific Northwest, based on data available at the PUMA level again. It is quite clear that urban areas still have the strongest, most vibrant economies today, even if the relative growth patterns in recent years have shifted some. Both Portland and Seattle have high employment rates, as do other metros like Bend, Boise, Bozeman, Eugene, Medford, Spokane, and the like. This speaks to the continued productivity and

importance of large, diversified economies even in a world of more remote work and a broader dispersion of population given the outflows of large cities during the pandemic. As such, urban areas still matter.

The broader Portland regional economy when it comes to employment and income is right in the middle of the pack when compared with other large metros nationwide. But the recovery in the urban core is lagging. As discussed last quarter[3], the demand has to come from somewhere, be it an increase in the number of local residents living downtown, improvements in out-of-town visitors be it for leisure or business trips, increased trips among local residents heading downtown for shopping and entertainment, and some sort of slow, but ongoing recovery in office-based work and commuter demand. These trends are important for the health of the region, and the state.

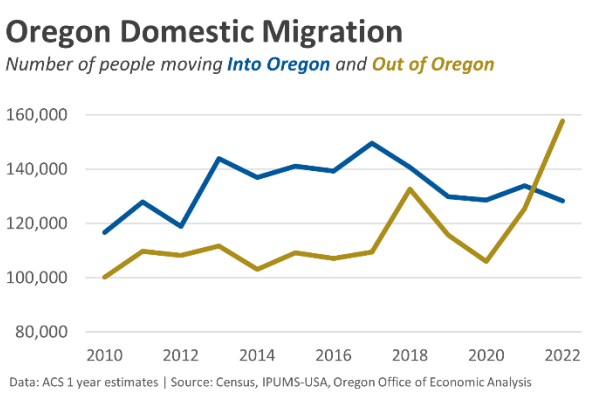
Migration

In Oregon's modern history, or post-World War II, the state's population has increased every single year except for four times. Three years in the 1980s Oregon is estimated to have lost population, largely due to out-migration given the severe economic recession as the timber industry restructured. And then for a fourth time in 2022, according to Census. What happened?

First, a quick note on data availability. The topline state population estimates have been known for some time. And the topline 2023 estimates are set to be released by Portland State in a couple of weeks, and by Census in early December. But the underlying details and characteristics of migrants in 2022 was only known when the ACS data was released a few weeks ago.

Now, what happened in 2022? According to the Census data, the population loss was driven by a few factors. On one hand, deaths outnumber births in the state of Oregon. The immediate cause of this trend, unfortunately, was the increase in deaths during the pandemic. However the root cause of this trend is the state's Bottom 5 birthrate nationally. On the other hand, the primarily contributor to the population declines was net out-migration.

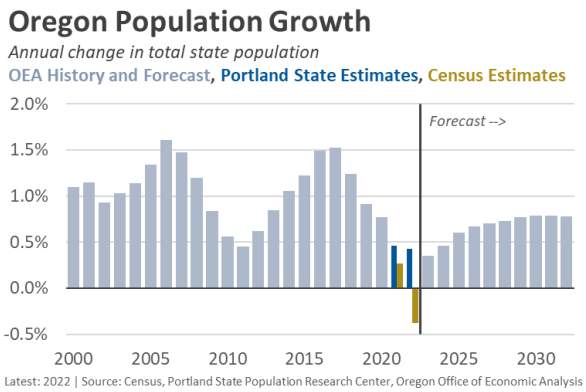
As seen in the nearby chart, this net out-migration was not driven by fewer people moving into Oregon, but rather by a large increase in the number of people moving out of Oregon. The blue line, the inflows into the state, is roughly steady in the past decade. People continue to move to Oregon. This trend is evident in the surrendered driver licenses at Oregon DMVs, and has continued through 2023 as well. But the real story is the yellow line, where one can see the large acceleration in the number of Oregonians moving out of state.



[3] See page 13 https://digital.osl.state.or.us/islandora/object/osl%3A1015130/datastream/OBJ/view

Who moved out last year? It is a little bit of everyone. Net out-migration is approximately half children and half adults, which speaks to families leaving. It is also about 50-50 in terms of white, non-Hispanic and BIPOC Oregonians, which does mean it is disproportionately people of color leaving. It is likewise about half college graduates and half non-college graduates, which means it is disproportionately adults with college degrees leaving. As such, net out-migration in 2022 is seen across all major income brackets. Low-, middle-, and high-income Oregon households left the state on net.

If there is one silver lining to the 2022 migration data it is the fact that 18-24 year olds continued to move to Oregon in greater numbers than moved away. This has traditionally been the key demographic for the state's migration. If young adults continue to move here, and then as they age into their root-setting years (25-34 years old), which is when people begin their careers in earnest, settle down, get married, buy a house, have kids, and the like, then that is a bright spot for Oregon's future labor force and overall economic growth. That said it is just one positive spot amongst the sea of out-migration last year.



The baseline outlook for Oregon is that population growth will see a modest rebound in the years ahead. Oregon is still an attractive, scenic place to live, and there are plentiful job opportunities. However there are some structural changes afoot both in terms of demographics as somewhat smaller generations will age into their 20s and 30s in the decades ahead, and the ability to work from home to a greater degree means states and metros with high cost of living and terrible housing affordability will likely see slower gains or larger losses as some households can now work further afield. This is in addition to any other considerations impacting household choices be they taxes, politics, social issues, or the like.

That said, Oregon must be open to the possibility that even a modest rebound in migration may not materialize in the years ahead. It is possible that the pandemic is a structural break point from an historical perspective. Identifying the new normal, or new trends in real time is difficult given the patterns of the past 80 years. Our office still believes modest net in-migration to Oregon is the most likely outcome. Expectations are some of the pandemic era patterns will subside. However, what if they do not? Back in the May 2023 forecast, our office released so-called exploratory findings of a net zero migration scenario. This quarter, our office is officially releasing a full-fledged Zero Migration demographic alternative scenario and the potential implications for Oregon's demographics, economic growth, and state revenues.

Zero Migration, a Demographic Alternative Scenario

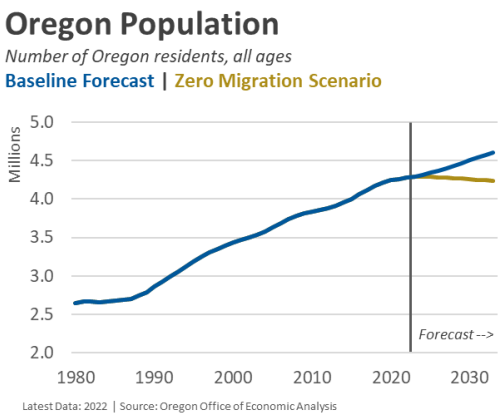
Population growth is the main reason Oregon's economy outperforms the typical state over the entire business cycles. Given migration is generally pro-cyclical, meaning people move less during bad economic times, and move more in good economic times as they chase economic opportunities, it also contributes to Oregon's more volatile economy as well. During the pandemic, population growth in

Oregon slowed as it typically does during recessions, but so far in expansion it has not picked up. In fact, the Census Bureau estimates Oregon lost population in 2022 for the first time nearly 40 years.

Only four times since World War II is Oregon estimated to have lost population in any given year. Three of those years occurred in the 1980s when Oregon suffered a severe recession – worse locally than the Global Financial Crisis was – as the timber industry restructured and workers packed up and left the state in search of better opportunities. And then the fourth time was last year. While our office's baseline forecast calls for a modest rebound in migration and population growth in the years ahead, there is the possibility that the pandemic served as a break point from historical patterns and moving forward Oregon cannot rely upon migration to grow the economy. Our office has developed a Zero Migration demographic alternative scenario to model what the implications are for the state's population, demographics, economy, housing demand, and state revenues.

Population and Demographics

This Zero Migration scenario is exactly as it sounds. The number of people moving into Oregon is equal to the number of people moving out of Oregon. Given that the number of deaths in Oregon outnumber births, without migration Oregon's total population will decline slowly.

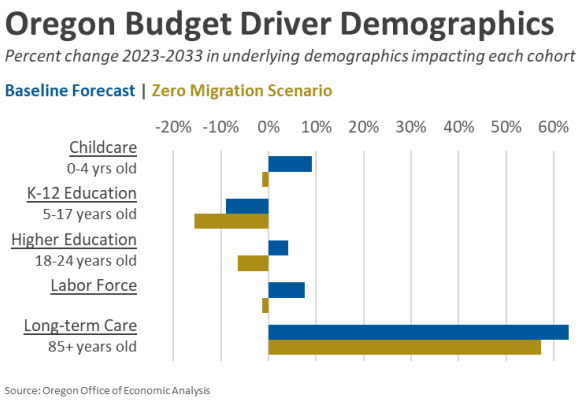


In our office's baseline forecast, Oregon's population is expected to increase by 7.3 percent in the decade ahead, 2023 to 2033. In the Zero Migration scenario, Oregon's population is projected to decline by 1.4 percent. This means the 2033 state population in the Zero Migration scenario is 8.1 percent below the baseline, or 372,000 fewer residents than expected.

Given migration rates has highest among 20- and 30-somethings, the implications of zero migration on the state's demographics are important to consider. For instance, if there are relatively fewer young adults moving to Oregon today, that means fewer workers, and homebuyers in the years ahead, and also fewer births as well. These trends compound over the years leaving a noticeably different demography than in the baseline. This shift in the composition of the state would have significant implications for the relative importance of various types of public services provided for by state and local governments. Additionally, it would shift the mix of consumer spending in terms of the private sector goods and services Oregonians would purchase.

Examining a few of the key demographic cohorts that impact public sector budgets and services reveals a few things. On one hand, the Zero Migration scenario results in some outcomes similar to the baseline. Specifically, given Oregon's low birthrate, the state's K-12 school-age population is expected to decline in the decade ahead. In the Zero Migration scenario those declines are larger (-16% compared to -9% in the baseline). Similarly, Oregon's older adult population is expected to increase significantly in the years to come as the large Baby Boomer generation begins to reach their long-term care needs ages. In the baseline, Oregon's population 85 years and older increases 63%, while even in

the Zero Migration scenario it increases 57%. This is largely due to low migration rates among older adults, and the fact Americans tend to age in place.



On the other hand, the Zero Migration scenario not only slows but outright reverses some demographic trends compared with the baseline. With a growing young adult population, the number of births in Oregon is expected to increase in the years ahead in the baseline forecast, however this reverses in the Zero Migration scenario and births continue to decline. Similarly, the higher education key demographic of 18-24 year olds is expected to grow slightly in the years ahead, but declines in the Zero Migration scenario. Finally, as discussed in greater detail in a following section, Oregon's working-age population would decline in the Zero Migration scenario, making it even more challenging to find workers for local businesses looking to hire or expand.

One last consideration would be to the extent that the socio-economic characteristics of in-migrants to Oregon differ from the out-migrants leaving the state. For now in the Zero Migration scenario, the characteristics are similar. However, as discussed in the next section, some other states' recent experience suggest that should the out-migration be among lower-income and/or non-working age populations, the state's overall economic and tax revenue growth may be less affected than the overall population numbers suggest. That does not mean there are no impacts. And out-migration among any residents should be acknowledged as the end result of some set of local issues that likely need to be addressed. However, the state's economic and revenue forecast is not driven by topline population alone. It is the underlying demographics and socio-economic characteristics of the state that matter more.

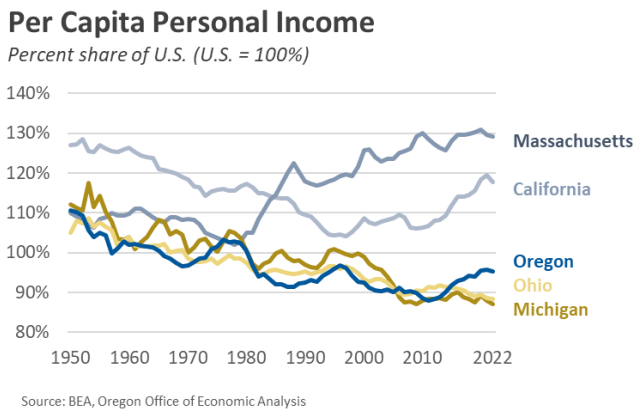
A Quick Note on Other States' Experiences

Should the Zero Migration scenario come to pass, Oregon would not be the first state to experience population stagnation or declines. There are states across the U.S. who have experienced this in recent decades. Examining some of these experiences can help shed light on the potential changes in Oregon's economy.

Painting with a very broad brush there are at least two main causes and outcomes when it comes to population stagnation in the U.S. On one hand some states and regional economies experience a negative economic shock that leads to population loss or stagnation as the jobs are gone, which also leads to slower local income growth as well. This pattern is generally seen in Rust Belt states like Michigan and Ohio, and is what Oregon experienced in the 1980s as well.

On the other hand, some states like California and Massachusetts have seen population stagnation not due to underperforming economies, but more likely due to bad housing affordability and a high cost of

living. This means that, generally speaking, lower-income households cannot afford to live there, or can make ends meet better elsewhere and therefore either move away, or do not move to such locations in the first place. However, the economies in such states still experience good growth, and their local incomes increase at a faster pace than the U.S. Keep in mind that economic displacement can look a lot like economic progress in many standard metrics. Whatever the reasons, faster income growth among existing residents does partially offset the potential economic losses from a declining or stagnant population.



These two experiences show that there are different potential paths Oregon's economy could take in the Zero Migration scenario. The 2022 population losses for the state are not due to an economic shock. Jobs are at an all-time high, and there are more job openings in the state than unemployed workers. However, given that Oregon is estimated to have lost population among low-, middle-, and high-income households, it may also not just be the state's terrible housing affordability pushing away those who can least afford to live here. Moving is a very personal decision. 2022 trends were likely impacted by a variety of issues, including affordability, the pandemic, taxes, politics, social issues, and any other number of factors. Ultimately what is the underlying cause, or causes of migration trends in the Zero Migration scenario will be important to learn should it come to pass moving forward.

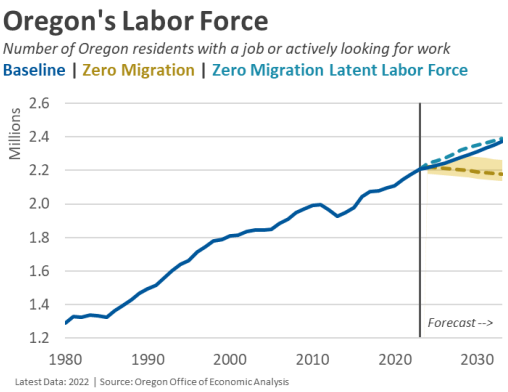
Economic Impacts – Labor Force

The combination of a stagnant population and the demographics of migrants means that Oregon's labor force in 2033 is expected to be smaller than it is today. Using our office's demographically-adjusted potential labor force estimates finds that in 2033, Oregon's labor force will be 1.4 percent smaller than it is in 2023. This point estimate is for a decline of 30,000 Oregonians looking for work. While not a sizable outright decline, this would be 8.3 percent below the baseline a decade from now, or 196,000 fewer potential workers than expected. Such trends would continue to put significant pressure on local businesses looking to hire or expand.

That said, there are economic and policy considerations that may result in Oregon's labor force continuing to grow even in the Zero Migration scenario. For instance, the long-term impacts of zero migration are not realized immediately, and many Oregonians including our office, may not realize we are on that path initially either. As such, local businesses will continue to hire and expand at their usual rate. However, with a stagnant population, this hiring will need to come from existing Oregonians as businesses can no longer rely on the influx of young, working-age migrants like the state has become accustomed to. The ultimate result here is somewhat higher labor force participation and employment rates for each age or demographic cohort.

In particular, the composition of Oregon's labor force today sees higher participation rates among older adults (60 years and older) than has historically been the case, while simultaneously seeing lower participation rates among teenagers and early 20-somethings. If Oregon could maintain these higher participation rates among older adults, while regaining those historically higher rates among young adults, then the state's labor force will grow in-line with the baseline outlook over the next handful of years, even in the Zero Migration scenario. However, eventually the impact of smaller cohorts entering into the workforce and not being supplemented by positive migration will weigh on the size of Oregon's labor force in the decade ahead.

Furthermore, updating and applying our office's Latent Labor Force[4] methodology to the Zero Migration scenario finds that if Oregon were to address and close some of the historical disparities based on age, educational attainment, race and ethnicity, and sex or gender, that the state's labor force will grow not just in-line with, but actually higher than the baseline outlook in the decade ahead.



Ultimately, a smaller population will have clear impacts on some industries within the state. Fewer children translates into a smaller demand for child care workers and teachers. Additionally fewer residents means less demand for retailers, bars and restaurants and the like. These locally-provided services will adjust to local demand. The more difficult industry assessment is for traded sector firms. Such companies rely on the local workforce, but sell their goods and services into markets outside of Oregon. Fundamentally, traded sector revenues may not be significantly impacted under the Zero Migration scenario, however their ability to hire and expand locally would be. As such, some businesses by cease or curtail their local operations as a result. Conversely, local firms may increase their capital investments to drive productivity gains higher, offsetting the lack of available labor.

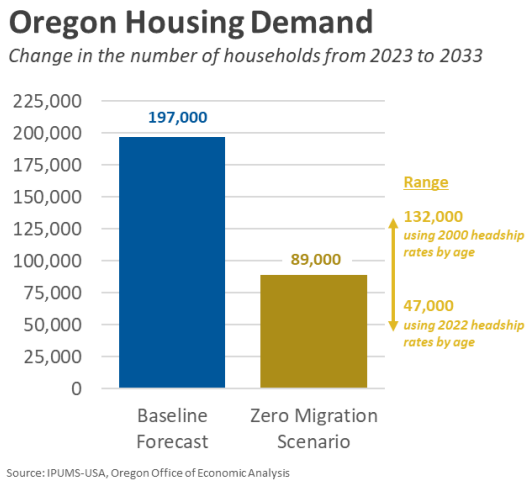
Economic Impacts - Housing

Even in a Zero Migration scenario, housing demand continues to increase. This is primarily due to the underlying demographics of existing Oregonians. In particular the demand is due to the Millennials who will continue to age into their higher household formation and homebuying years. That said, household formation in the decade ahead in the Zero Migration scenario will be slower than in the baseline.

The extent to which household formation will be slower depends upon what happens with headship rates. In recent decades, headship rates in Oregon, particularly among younger cohorts, have declined. This is one manifestation of the housing crisis. Fewer people, generally younger adults and/or those with less income, can afford to live on their own or form their own households. The result is an increase in those living with roommates, or living at home longer. During the pandemic when Oregon experienced a stagnant population but continued to build an average amount of new construction, these headship rates began to increase for the first time in decades[5].

[4] https://oregoneconomicanalysis.com/2021/09/09/report-oregons-latent-labor-force/
[5] https://oregoneconomicanalysis.com/2023/10/26/household-formation-in-oregon/

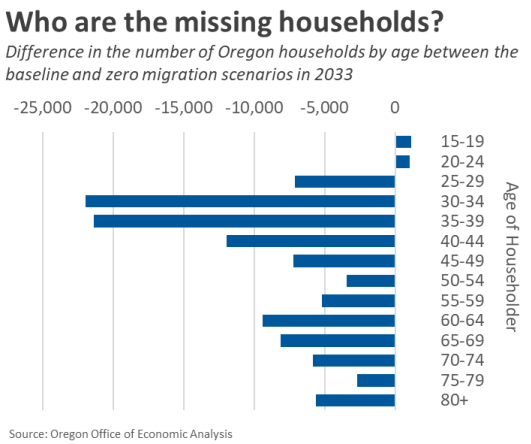
Looking forward, should headship rates by age continue to increase and regain their rates from 2000, then the number of new households formed in Oregon is expected to total 132,000 in the decade ahead. In the baseline, our office expects 197,000 new households in the decade ahead. However, if headship rates by age remain at their current readings, new household formation in the next 10 years may be just 47,000. Our office is using the mid-point of this range as the most likely outcome in the Zero Migration scenario, with an increase of 89,000 new households in the coming decade.



Changes in household formation rates are driven by both social factors like educational attainment, marriage, having children and so on, in addition to economic factors like affordability. If Oregon were to build an adequate amount of housing in the years ahead – regardless of the year-to-year population trends – then affordability would improve, which would increase headship rates as people could more easily make ends meet financially and live how they actually want to. This increase in headship rates would not only fill the newly construction housing units, but would also lead to increased economic activity due to the higher levels of construction. Plus, given Oregon's historical underproduction of housing, even in a Zero Migration scenario, there is still a large outstanding need to increase housing starts above recent trends. As such, state needs to see more housing production, regardless of the underlying population trends.

However, if new construction in Oregon declines significantly alongside the Zero Migration population compared to the baseline, then not only is that an economic loss, but it would more likely maintain the state's bad housing affordability.

Finally, the age composition of household formation factors into the implications for the housing market in the years ahead. Given migration rates are highest among 20- and 30-somethings, the near-term housing impacts are largely in the rental market. However, as the years progress, renters tend to become owners as they age. As such, the net change on housing tenure is approximately 50 percent ownership and 50 percent renter in 2033 compared to the baseline.

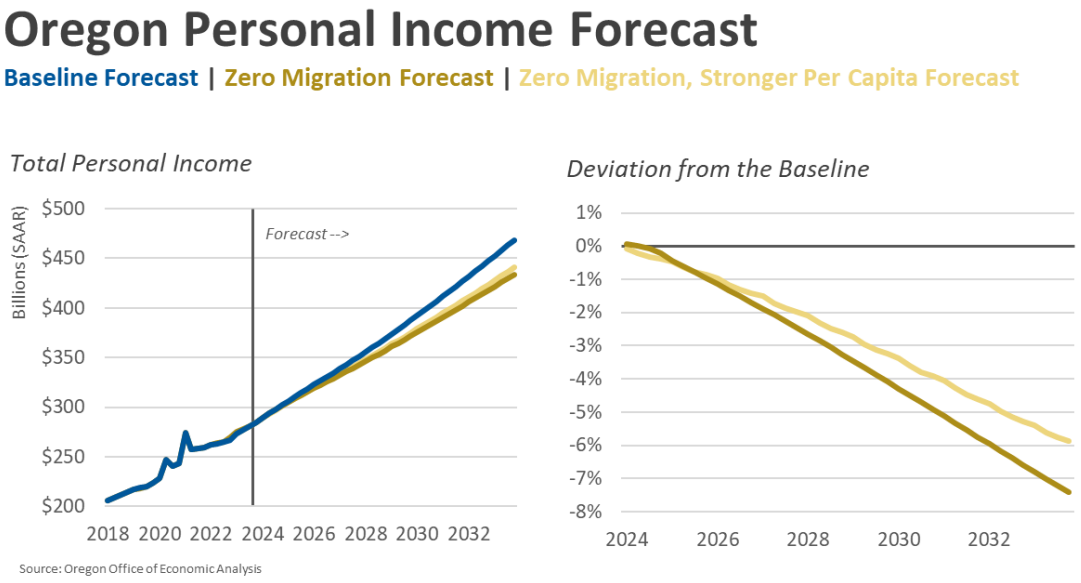


Economic Impacts - Personal Income

Modeling the personal income impacts of the demographic and economic changes is some ways is straightforward, however given the experiences seen in states like California and Massachusetts there is the possibility of variation depending upon the nature of economic growth moving forward. As such our office has modeled two different personal income scenarios.

The first income scenario is a straightforward translation of demographically adjusted components of income based on the Zero Migration scenario. This means total wage income in Oregon tracks the employment forecast, compared to the baseline. For non-wage forms of income, these are adjusted based upon the differences in the age composition of the state in the Zero Migration and baseline outlooks. For instance, Social Security and retirement income more broadly on a per capita basis among the population 65 years and older is held constant but given there will be fewer residents in the years ahead, the outlook for such income sources is lower than in the baseline. Other forms of income like dividends, interest, and rent, and nonfarm proprietor's income is adjusted based upon the share of each income source earned by Oregonians of different ages. As the age structure of the state, and the total number of residents changes, so too will the outlook for these forms of income. All told, total personal income in Oregon under this scenario is 7.4 percent below the baseline in 2033. This is a relatively smaller adjustment compared with the 8.1 percent below baseline figures for the total population.

The second income scenario is not a component by component outlook but rather a macroeconomic adjustment that follows more of the California or Massachusetts path. Here, Oregon's per capita personal income is expected to grow faster than the U.S. overall. Now, Oregon is neither as large of a state or economy as those states, and our industrial structure is different as well. As such, this scenario does assume as strong of per capita personal income growth as California and Massachusetts have experienced in recent decades. Ultimately the faster per capita personal income scenario results in total personal income in the state in 2033 being 5.9 percent below the baseline.



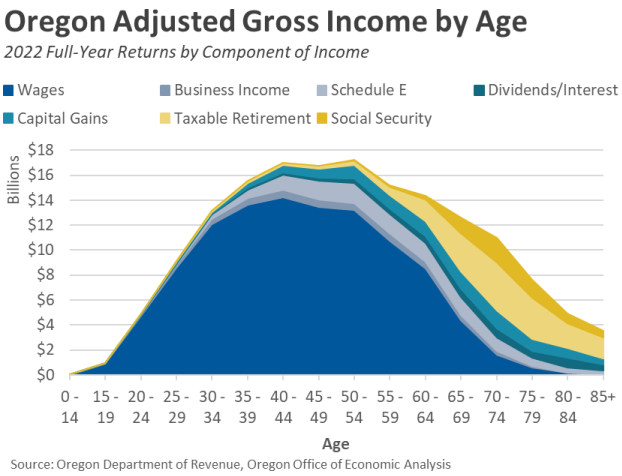
In terms of the overall impact of the Zero Migration scenario it is important to keep in mind that Oregon's economy will not crater. Rather the state would experience slower increases than in the baseline. For example, total personal income in the decade ahead would increase closer to four and a half percent per year in the Zero Migration scenario compared with annual gains of just over five percent in the baseline. The reason there are no outright declines in personal income or consumer

spending is due to the impact of inflation, rising wages, rising asset values and the like. These are expected to continue in both the baseline and Zero Migration scenario outlooks. The difference, of course, is that the number of Oregonians earning income will be smaller, even if household incomes for those living in the state continues to rise.

Revenue Impacts

Translating the underlying demographic and economic changes into state revenues requires additional steps and assumptions.

At its base, a similar age-adjusted component of income analysis is applied to the state's personal income tax forecast. The age composition of the state matters not just for the amount of income earned, but also the types of income. The mix of the different components of income also has implications for the average tax rate.

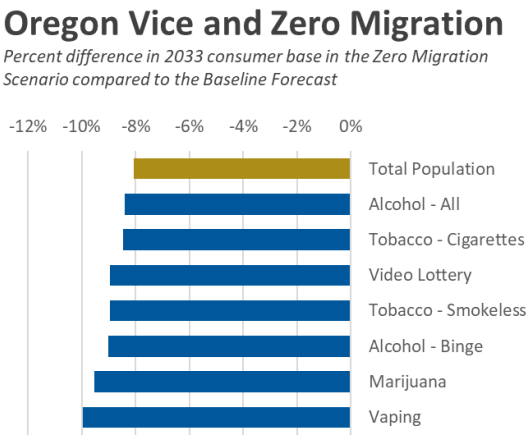


Source: Oregon Department of Revenue, Oregon Office of Economic Analysis

Broadly speaking, younger Oregonians primarily earn wages. Middle-age Oregonians account for the largest share of total income but as we age the type of income shifts more into business and investment types. Older Oregonians have less current income and it also shifts further into non-taxable forms of income like Social Security.

The overall personal income tax revenue impacts in the Zero Migration scenario are not terribly severe. Revenue losses are limited by the fact that the baseline outlook for migration is already weak and that most migrants are young and will not hit their peak earning years until the end of the 10-year outlook. Younger workers also tend to pay below-average tax rates given their dependence on labor income. Out-migration of wealthy residents presents a risk to capital gains and estate tax collections, however these losses are limited in the Zero Migration scenario due to the relative lack of mobility among older households.

Corporate excise taxes are adjusted in part based on a local vs traded sector view of the tax base. Those that provide local goods and services are likely to be more impacted by a smaller local population. Less than half of Oregon's C-Corporations primarily serve consumer demand.



Source: Oregon Office of Economic Analysis

Other state revenues are closely tied to both changes in overall personal income and consumer spending, in addition to the demographic composition of users or customers and how those are expected to evolve in a Zero

Migration scenario. Given migration rates are highest among young adults, this will have a somewhat larger impact on Oregon's vice revenues due to many of them seeing their highest usage rates among 20- and 30-somethings.

Similar to the economic impacts, the revenue implications of the Zero Migration scenario are for slower growth in the years ahead, and not for any outright declines. However these seemingly small differences in any given biennium do accumulate over time. Over the decade ahead, the five biennia running from the current 2023-25 through 2031-33, cumulative state revenues are expected to be $8.6 billion (-4%) below the baseline. Such an impact is certainly large, noticeable, and will require future budgetary adjustments. However it is not insurmountable when considering a smaller population will also have fewer demand on certain public services.

Zero Migration Alternative Scenario

	$ Millions from Baseline					
	23-25	25-27	27-29	29-31	31-33	Cumulative
General Fund Total	**-120**	**-604**	**-1,267**	**-2,149**	**-3,243**	**-7,382**

Other Revenues	$ Millions from Baseline					
	23-25	25-27	27-29	29-31	31-33	Cumulative
Lottery	-5	-31	-68	-113	-164	-380
Corporate Activity Tax	-19	-61	-124	-204	-302	-710
Marijuana Tax	-1	-6	-14	-25	-38	-85
Total	**-25**	**-97**	**-207**	**-343**	**-503**	**-1,175**

	Difference from Baseline					
	23-25	25-27	27-29	29-31	31-33	Cumulative
Total Revenue ($ millions)	**-145**	**-702**	**-1,473**	**-2,491**	**-3,747**	**-8,558**
Total Revenue (%)	**0%**	**-2%**	**-3%**	**-5%**	**-7%**	**-4%**

Bottom Line Summary

Historically migration has been the primary reason Oregon's economy has outpaced the typical state over time. However the bottom line impacts of the Zero Migration scenario are smaller than our office first anticipated. There are at least three main reasons why this appears to be the case.

The first reason is simply that the baseline population forecast is already weak from an historical perspective. Removing the modest population gains of less than one percent per year has less of an impact than if the baseline had population growth of two or three percent, like Oregon experienced in decades past.

The second reason is due to inflation and rising incomes and asset values for existing residents. While the state's overall population may decline slowly, total incomes and taxes paid will increase. However, those aggregate increases will be slightly slower given the lack of any underlying population gains, even as incomes per worker or per household will increase in the years ahead.

The third reason is one of timing, and focusing on the first decade of no net migration. Given the age demographics of migration to Oregon, and the fact that middle-aged Oregonians, and in particular late middle-aged Oregonians have the largest incomes, of which many are taxed at the highest rate, the economic and revenue impacts are likely to be greater in the second or third decade than in the first.

As such, seemingly small differences in any given year have little long-run implications for the trajectory of Oregon's economy or state revenues. However, like a snowball just starting to roll down a mountain,

as these small annual changes accumulate, so too do the long-run differences between the baseline outlook and the world in which migration does not return to the state.

Alternative Scenario

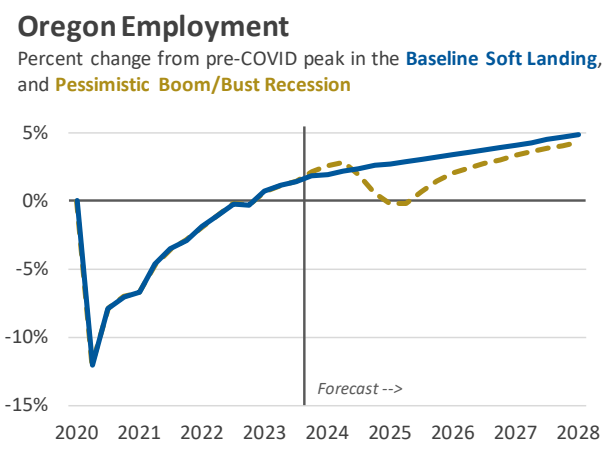
The baseline outlook is our forecast for the most likely path for the Oregon economy. As with any forecast, however, many other scenarios are possible. Inflation is likely to remain above the Federal Reserve's target for the foreseeable future. As such, it is possible the Fed will need to raise interest rates further to cool the economy. The combination of high inflation, rising interest rates, and slowing economic growth is problematic. The risk of a recession in the future remains very real. The alternative scenario below is not the lower bound of all outcomes, but rather one plausible scenario modeled on realistic assumptions. For the revenue implications, see page 33.

Boom/Bust Scenario: Moderate Recession

Given the recession concerns and risks in the past year or so, the thinking was that if a recession did come, it would be mild. Inflation expectations remain well anchored, businesses are likely to hoard labor given how hard it is to find workers, and households continue to have strong balance sheets.

All of those dynamics are still true today, however the longer the cycle lasts, the more things can change. And today, the ongoing strength in the economy, and slower inflation likely push any potential recession further into the future. One possibility is that today's strong household savings could be spent down in the quarters ahead, leaving somewhat weaker consumers when a recession does come, which would lead to larger layoffs and the so on. As such, the boom/bust alternative scenario this forecast is for a moderate sized recession beginning in the second half of 2024.

Alternative Scenario **Dec 2023**



	2022	2023	2024	2025	2026	2027
Employment						
Base: Soft Landing	3.7%	2.2%	1.0%	0.7%	0.7%	0.7%
Pes: Boom/Bust	3.7%	2.2%	0.6%	-1.5%	2.1%	1.1%
Unemployment Rate						
Base: Soft Landing	4.1%	3.8%	3.9%	4.1%	4.1%	4.1%
Pes: Boom/Bust	4.1%	3.8%	5.3%	6.4%	5.2%	4.5%
Personal Income						
Base: Soft Landing	0.7%	5.6%	6.1%	5.6%	5.1%	5.0%
Pes: Boom/Bust	0.7%	5.9%	5.7%	2.4%	6.2%	5.4%

The nature of the moderate recession is based on the impacts of higher interest rates, which will impact goods-producing industries to a greater degree than service-providing industries. And the severity of the cycle is close to the average recession Oregon has experienced since World War II, excluding the severe cycles in the early 1980s, the Great Recession, and the COVID recession. Looking

specifically at the recessions beginning in 1957, 1960, 1969, 1973, 1990, and 2001, Oregon's average employment change has been a decline lasting three quarters and totaling 2.7 percent, followed by a four quarter recovery period to regain the lost jobs.

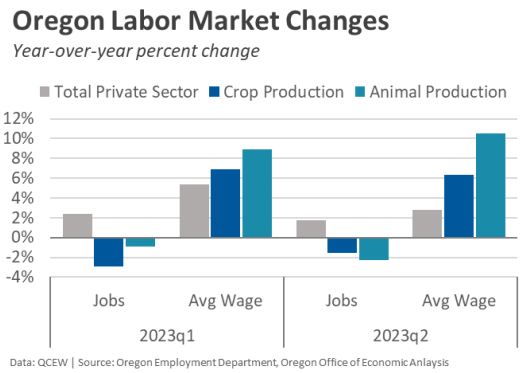
The 2024 moderate recession scenario is for a three quarter decline in employment totaling 3.0 percent, followed by a six quarter recovery period, more in line with the so-called jobless recoveries following the 1990 and 2001 cycles, compared to the faster recoveries in the 1950s, 1960s, and 1970s. The three percent decline in employment is a loss of 60,000 jobs. No industry is spared, but goods-producing ones see relatively larger losses at 4.5 percent, while services see slightly fewer losses at 2.8 percent, and the somewhat more stable public sectors experiences job losses of 2.3 percent. The unemployment rate increases to nearly 7 percent by early 2025. Nominal income does not fall outright but growth slows considerably. Next biennium, in 2024-27, total personal income in Oregon is 2.4 percent below the baseline.

Oregon's Agricultural Economy

Last year, the Oregon Legislature passed HB 4002 (2022) which establishes maximum hour and overtime compensation requirements for agricultural workers. The law went into effect starting at the beginning of 2023. Moving forward, our office will analyze and monitor the economic and labor market data to assess any impacts from the law. Our office will work to incorporate these changes, if any, in the broader context of the state's agricultural economy. It will take some time before data is available to assess any impacts.

Even so, our office has been highlighting the importance of agriculture to the state's economy in recent quarters. We have dug into farm employment, income, and sales at the state and county level, in addition to international exports. Additionally we discussed how ag fits in with the broader food economy in the state and nation, and also the outlook for consumer spending on food and price forecasts related to revenues and costs.

In recent quarters we have highlighted QCEW data, the nearly real-time data coming from businesses submitting records for unemployment insurance purposes. Agricultural data is very seasonal given harvests, so getting a clear handle on trends is a bit more challenging. However, our office will report the latest information as it become available. As of this forecast, there are now two quarters of 2023 Oregon data and one quarter of US (all states) data. The Bureau of Labor Statistics is set to release second quarter data for all states next week.

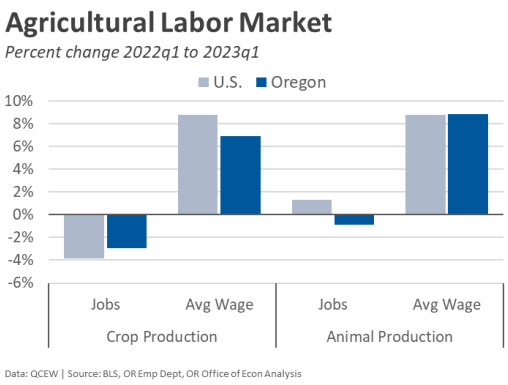


For now, our office will focus on high level changes in terms of employment and wages on a year-over-year basis. Here in Oregon, employment trends within agriculture are weaker than the broader economy so far in 2023. Both crop production and animal production employment has declined, while the private sector overall is growing. In terms of wage gains, Oregon wages are rising in a tight labor market, but

average wages in both crop and animal production are far outstripping the statewide increases. At first blush, this pattern of weaker employment and strong wage gains likely fits the expected patterns of what the impact of the new law would be.

Keep in mind that this is still preliminary data. It is far from enough information to make any real assessments of how the law is impacting the state economy. It is also at a high level, using a simple year-over-year comparison. Further analysis looking at the number of hours worked per employee is needed to better gauge the impacts.

Additionally, these same general patterns are seen nationally as they are locally, at least for the first quarter of the year. Across all state, agricultural employment is lagging the broader economy while wages are rising faster. As such, without further, detailed analysis, it is hard to say whether Oregon's experiences are due to the new law, or more a reflection of broader industry trends given commodity prices and the like.



Moving forward, our office will work with other state agencies to gather and analyze the available data. Future quarterly forecasts will include updates to the underlying ag economy, when available, and any such analysis of the impacts of the new law.

Longer-Term Forecast Risks

The economic and revenue forecast is never certain. Our office will continue to monitor and recognize the potential impacts of risk factors on the Oregon economy. Although far from comprehensive, we have identified several major risks now facing the Oregon economy in the list below:

- U.S. Economy. While Oregon is usually more volatile than the nation overall, the state has never missed a U.S. recession or a U.S. expansion. In fact, Oregon's business cycle is perfectly aligned with the nation's when measuring peak and trough dates for total nonfarm employment.
- Housing Affordability. New housing supply has not kept pace with demand in either the ownership or rental markets. Oregon has underbuilt housing by 140,000 units in recent decades[6]. Our office will update the state's projected housing need in the year ahead. However, to the extent home prices and rents rise significantly faster than incomes, it is a clear risk to the outlook. Worse housing affordability hurts Oregonians as they need to devote a larger share of their household budget to the basic necessities. Furthermore, while not the baseline outlook, worse affordability may dampen future growth as fewer people can afford to live here, lowering net in-migration, and the size of the labor force in the years ahead.
- Global Spillovers. The international list of risks seems to change by the day. Right now there are ongoing wars in Europe and the Middle East, and the risk of war in Southeast Asia has been uncomfortably high in recent years. Longer-term concerns regarding commodity price spikes in

[6] https://www.oregon.gov/ohcs/about-us/Documents/RHNA/RHNA-Technical-Report.pdf

Emerging Markets, or the strength of the Chinese economy – the top destination for Oregon exports – are top of mind.

- Federal Fiscal Policy. Changes in national spending impact regional economies. In terms of federal revenues, spending, and employment Oregon is generally in the middle of the pack across states. Oregon does see larger impacts related to land management and forest policies, including direct federal employment. Oregon ranks below average in terms of military-dependent industries and lacks a substantial military presence within the state.
- Climate and Natural Disasters. While the severity, duration, and timing of catastrophic events like earthquakes, wildfires, and droughts are difficult to predict, we know they impact regional economies. Fires damage forests with long-term impacts, and short-term disrupt tourism. Droughts impact our agricultural sector and rural economies to a greater degree. Whenever Cascadia, the big earthquake, hits, we know our economy and infrastructure will be crippled. Some economic modeling suggests that Cascadia's impact on Oregon will be similar to Hurricane Katrina's on New Orleans. Longer-term issues like the potential impact of climate change on migration patterns are hard to predict and generally thought to be outside our office's forecast horizon. Even so, it is a reasonable expectation that migration flows remain strong as the rest of the country becomes less habitable over time. The fact that private insurance markets in places like Florida (hurricanes and flooding) and California (wildfires) are now pricing in climate risks, means that climate migration could occur sooner than previously expected.
- Initiatives, Referendums, and Referrals. Generally, the ballot box and legislative changes bring a number of unknowns that could have sweeping impacts on the Oregon economic and revenue picture.

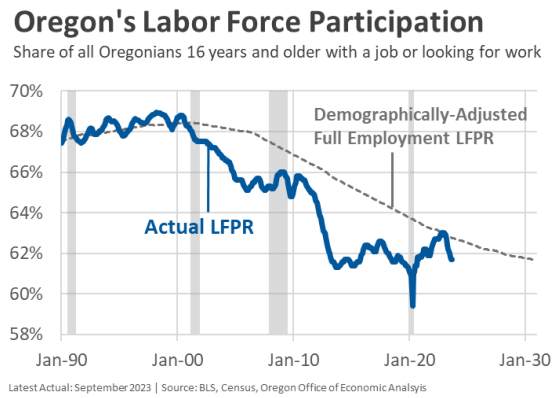
Extended Outlook

Oregon typically outperforms most states over the entire economic cycle. This time is no different, however the expectations are that the relative growth advantage may be a bit smaller than it has been historically. The primary reason being slower population, and labor force growth than in decades past. Our office is a bit more bullish on Oregon's economic and population growth than S&P Global is, but our office overall agrees with the relative patterns nationwide. From 2023 to 2028, S&P expects Oregon's real GDP growth to rank 13th fastest among all states, while employment growth ranks 25th fastest, and population gains are the 16th fastest.

Over the extended forecast horizon our office has identified four main avenues of growth that are important to continue to monitor: the state's dynamic labor supply, the state's industrial structure, productivity, and the current number of start-ups, or new businesses formed.

Labor Supply. Oregon has typically benefited from an influx of households from other states, including an ample supply of skilled workers. Households at least used to continue to move to Oregon even when local jobs are scarce, as long as the economy is equally bad elsewhere, particularly in California. Relative housing prices also contribute to migration flows in and out of the state. For Oregon's recent history – data available from 1976 – the labor force in the state has both grown faster than the nation overall and the labor force participation rate has typically been higher.

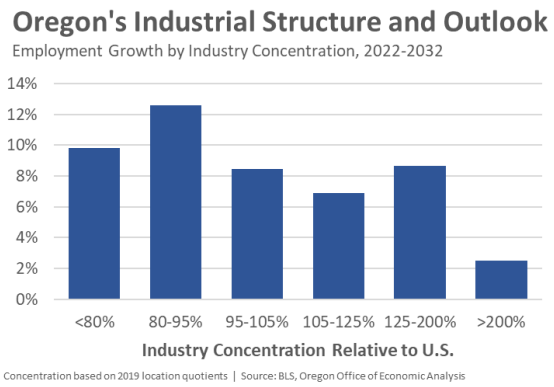
The good news today is that Oregon's labor force has never been larger, and the labor force participation rate has been higher that it was before the pandemic began, at least until the last couple months of data. Even in this sometimes noisy, and unrevised data, the strength of Oregon's labor market is clear.



Moving forward, overall labor force participation rates will decline, simply due to the aging of the population. As more Baby Boomers enter into their retirement years, the share of all adults working or looking for work will fall as a result. As such, comparing Oregon's participation rates against a demographically-adjusted measure is important. Here, too, the current strength of the Oregon's labor market is evident, and encouraging.

The challenge moving forward is twofold. First, is overall population growth and whether that rebounds as expected in the years ahead. Second, whenever the next recession (or two) does come, maintaining a high participation rate and not seeing larger numbers of discouraged workers drop out of the labor force like they did following both the dotcom and housing busts. It was only once the economy became strong again in the late 2010s and early 2020s have some of those losses begun to be regained.

Industrial Structure. Oregon's industrial structure is very similar to the U.S. overall. However, Oregon's manufacturing industry is relatively larger, and weighted more toward semiconductors and wood products, compared to the nation which is more concentrated in transportation equipment (aerospace, and automobiles). However, industries like timber and high-tech, which have been Oregon's strength in both the recent past and historically, are now expected to grow the slowest moving forward. Productivity and output from the state's technology producers is expected to continue growing quickly, however while employment will increase with expansions and the CHIPS Act, it will not increase as much as investment and sector productivity. Similarly, the timber industry remains under pressure from both market based conditions and federal regulations. Barring major changes to either, the slow growth to downward trajectory of the industry in Oregon is likely to continue.

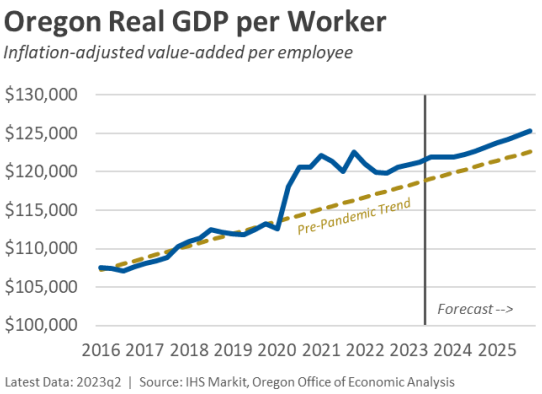


With that being said, certainly not all hope is lost. Those top industries in which Oregon has a local concentration at least twice the national average comprise approximately 4 percent of all statewide employment. Slower growth moving forward is not a weight, but rather more of a lack of a boost.

Many industries in which Oregon has a larger concentration that then typical state are expected to perform quite well over the coming decade. These industries include management of companies, food and beverage manufacturing, published software along with some health care related firms.

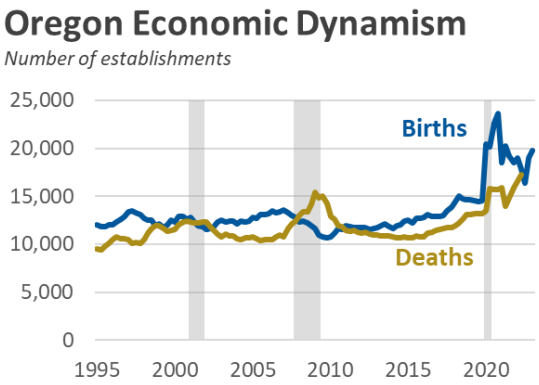
The state's real challenges and opportunities will come in industries in which Oregon does not have a relatively large concentration. These industries, like consulting, computer system design, financial investment, and scientific R&D, are expected to grow quickly in the decade ahead. To the extent that Oregon is behind the curve, then the state may not fully realize these gains if they rely more on clusters and concentrations of similar firms that may already exist elsewhere around the country.

Capital and Productivity. Ultimately, the economy's industrial structure combined with capital will result in increasing productivity. Higher productivity allows firms to produce and sell more products, and pay higher wages to its workers. Capital can come in many different forms including financial, natural, phsyical, human, and social. All can help raise firm productivity, benefiting the economy more broadly.



Today, the economy desparately needs better productivity, which has been sluggish this century. Early in the pandemic, productivity perked up as firms had to make due with reduced workforces at the same time consumer demand remained strong. However, as employment has rebounded, these productivity increases not entirely hold and eroded somewhat. The current outlook for producivity is more or less back to the pre-pandemic trend growth, although slightly above it. Increasing the stock and use of Oregon's capital would boost the economy overall. Increases in start-up activity, upcoming federal investment, and the potential of generative AI all point toward better productivty gains later this decade.

New Business Formation. New businesses are generally considered the primary source of innovation. New ideas, products, and services help propel future economic growth. Unfortunately in the decades leading up to the pandemic, start-up activity, while steady in level terms, was declining as a share of a growing economy. New businesses as a share of all businesses were at or near record lows in 2019. Employment at start-ups follow a similar pattern.

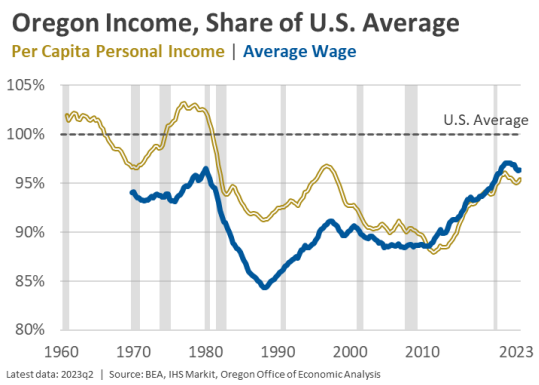


To the extent the lower levels of entrepreneurship were to continue in a post-pandemic world, and R&D more broadly is not being undertaken, slower productivity gains and overall economic growth is to be expected. However, to the extent that larger firms that have won out in today's marketplace are investing in R&D and making those investments themselves, then the worries about the number of start-ups today is overstated. It can be hard to say which is the correct view. That said, actual, realized productivity in the economy has been sluggish in recent decades.

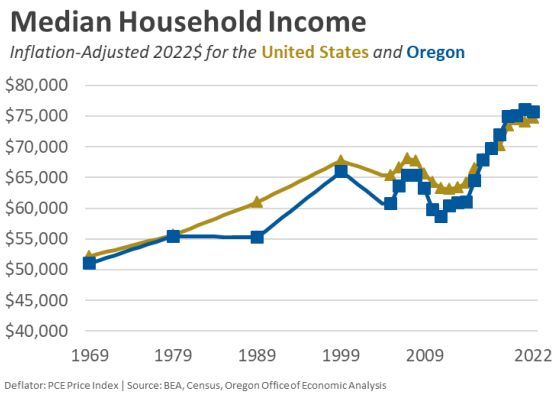
Encouragingly, new business formation during the pandemic actually accelerated, stopping the long-run decline. New establishments continue to run at a higher level than in the year leading up to the pandemic. However, given the increased overall number of establishments, deaths or closures are now increasing as well simply due to the raw numbers, even if the death rate remains tame.

Looking forward, these gains provide some hope for future economic growth should some of these new firms bring new ideas, products, and efficiencies to market. Even if the per firm probability of success remains the same, having more ping pong balls in the lottery increases the overall probability that a few will survive and succeed tremendously.

Oregon Income Relative to U.S. One long-standing concern for some policymakers and analysts had been Oregon's relatively low income and wage compared to the rest of the nation. Encouragingly, the strong economic growth last decade did translate into meaningful increases in Oregon's per capita income and average wage. Today Oregon's per capita income relative to the U.S. is at its highest point since the dotcom bust two decades ago, and the state's average wage is at its highest relative point since the timber industry restructured and the mills started closing in the early 1980s.



Oregon's median household income in recent years has reach historic highs, even after adjusting for inflation. More importantly, it now stands 1.2 percent higher than the U.S. overall as of 2022. In recent years, this marks the first time in more than 50 years that Oregonian incomes for the typical household or family are higher than the nation. The fact that the strong regional growth translated into more money in the pockets of Oregonians, and regained the ground lost decades ago is one of the most important economic trends in recent generations.



Revenue Outlook

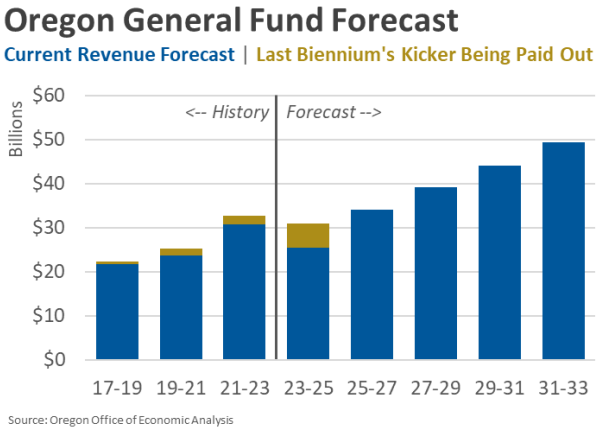
*** This forecast was reissued and corrected on November 20th, 2023. The previous forecast overstated Insurance Taxes in the General Fund. All other revenues remain unchanged from the original release. ***

Revenue Summary

Oregon's state revenue outlook appears to have stabilized. Aside from persistently strong corporate income taxes, collections in recent months have tracked closely with the September forecast. In particular, personal income tax collections have finally started to weaken.

General Fund revenue collections are expected to decline significantly in the months ahead as corporate profits and business income return to trend, and a record personal income tax kicker credit is issued. Although the revenue outlook appears on track for now, Oregon has yet to go through its first personal income tax filing season of the biennium, so considerable uncertainty remains.

Even excluding the payment of the kicker credit, General Fund revenues were expected to be relatively unchanged when compared to the 2023-25 budget period. The revenue boom seen during tax year 2021 is unlikely to be repeated, with collections expected to revert back to their long-term trends. Traditional gains in General Fund collections are expected to resume in the 2025-27 biennium and beyond.



One major factor supporting the strong tax collections to date has been the current inflationary environment and related wage pressures. The vast majority of Oregon's taxes are not adjusted to inflation and rise along with prices. With demand outstripping supply, businesses and consumers have been paying premiums for their needs. This has translated into a wide range of taxable business and labor income, which has moved many filers into higher tax brackets. The new Corporate Activity Tax, Vehicle Privilege Tax, alcohol, and tobacco taxes have risen with inflation as well. With inflation now cooling, revenue gains will face additional downward pressure.

The primary downside risk facing the near-term revenue forecast is the uncertain future of the nationwide economic expansion. Should high interest rates, federal policy woes or economic weakness among our trading partners derail the U.S. economy, the expected growth in Oregon's tax collections will not come to pass.

Longer term, revenue growth in Oregon and other states will face considerable downward pressure over the 10-year extended forecast horizon. As the baby boom population cohort works less and spends less, traditional state tax instruments such as personal income taxes and general sales taxes will become less effective, and revenue growth will fail to match the pace seen in the past.

2023-25 General Fund Revenues

Gross General Fund revenues for the 2023-25 biennium are expected to reach $25,819 million. This represents an increase of $156 million from the September 2023 forecast, and an increase of $559 million relative to the Close of Session forecast. Most of the increase can be attributed to collections of corporate income taxes, which continue to outstrip underlying profit earnings. Total available resources in the current 2023-25 biennium are increased $218 million after accounting for the removal of a previously expected estate tax transfer to the PERS unfunded liability.

Table R.1

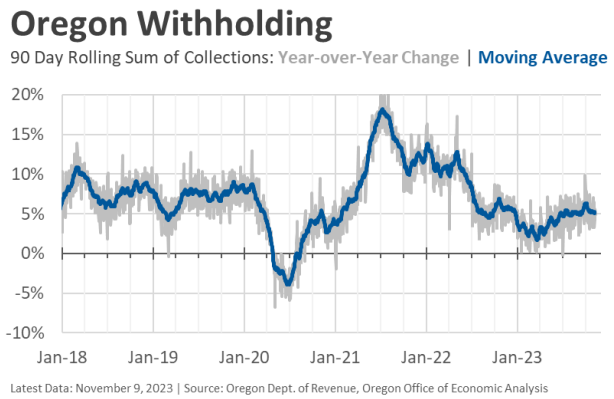
2023-25 General Fund Forecast Summary

(Millions)	2023 COS Forecast	September 2023 Forecast	December 2023 Forecast	Change from Prior Forecast	Change from COS Forecast
Structural Revenues					
Personal Income Tax	$21,019.7	$21,063.6	$21,164.6	$101.0	$144.9
Corporate Income Tax	$2,228.9	$2,549.9	$2,647.2	$97.3	$418.3
All Other Revenues	$2,011.3	$2,049.5	$2,007.3	-$42.2	-$4.0
Gross GF Revenues	$25,259.9	$25,663.0	$25,819.1	$156.1	$559.2
Offsets, Transfers, and Actions[1]	-$437.0	-$545.6	-$483.9	$61.6	-$46.9
Beginning Balance	$7,493.5	$7,636.2	$7,636.2	$0.0	$142.8
Net Available Resources	**$32,316.4**	**$32,753.7**	**$32,971.4**	**$217.8**	**$655.0**
Appropriations	$31,873.6	NA	$31,873.6	NA	$0.0
Ending Balance	**$442.8**	**NA**	**$1,097.8**	**NA**	**$655.0**
Confidence Intervals					
67% Confidence	**+/- 7.5%**		**$1,947.7**	**$23.87B to $27.77B**	
95% Confidence	**+/- 15.1%**		**$3,895.5**	**$21.92B to $29.71B**	

1 Reflects personal and corporate tax transfers, cost of cashflow management actions (TANS), and Rainy Day Fund tranfer

Personal Income Tax

Personal income tax collections have slowed as expected in recent months, but remain healthy due to continued gains in withholdings. Withholdings are growing at an annual rate of around 5%, in range with what is typically seen when Oregon's economy is expanding. Although there are other factors involved (e.g. retirement income, bonuses, and stock options), withholdings are mostly driven by wages and salaries. As such, Oregon's healthy labor market continues to support tax collections.



As always, the most difficult components of personal income taxes to predict are nonwage forms of income such as capital gains. Unlike labor income, taxpayers have flexibility over when they realize investment and business income for tax purposes. After setting records during 2022, these sources of income have returned to trend. In particular, realized capital gains declined by nearly 50% this tax season, closely matching expectations. These declines have an outsized impact on tax collections given that most are claimed by high-income households. The drag on revenues will persist in going forward due to smaller estimated tax payments as well as losses carried forward into future tax years.

Personal income tax collections will fall further as we head into the 2024 tax season due to the record kicker credit being issued. Given that taxpayers are aware of the significant size of the credit, estimated personal income tax payments will be very small at the end of the year and into the first quarter of 2024. In the first months of 2024 large refunds will be issued, followed by relatively small year-end payments as April 15 approaches. After the extension filing season in the fall, the kicker will be largely paid out, and personal income taxes are expected to revert to trend.

Corporate Excise Tax

Oregon's traditional corporate income and excise tax collections have continued to outstrip expectations, and are growing faster than underlying corporate profits. The current inflationary environment is one factor supporting recent corporate tax collections. With underlying demand so strong, businesses have largely been able to pass cost increases along to their customers. Profits and earnings have skyrocketed. Even so, growth in corporate tax payments has been far faster than has growth in underlying business income. Tax collections remain inflated across a broad range of industires.

Corporate profits have been expected to slow for some time, but have yet to do so. Recent months have shown further unexpected gains. As demand cools, firms are expected to lose their pricing power. When combined with higher labor costs, margins are likely to narrow significantly. Sharp declines in business taxes collected by some of Oregon's local governments suggest that weaker collections at the state level may finally arrive soon.

Other Sources of Revenue

Non-personal and non-corporate revenues in the General Fund usually account for approximately six or seven percent of the total. In the newly started 2023-25 biennium they account for nearly eight percent (largely driven by the record personal income tax kicker being paid out which reduces overall General Fund revenues.) The largest such source are estate taxes, followed by interest earnings, liquor revenues, judicial revenues, and insurance taxes.

*** Correction on November 20th, 2023 ***

Relative to the previous forecast, these other revenue sources are lowered a corrected $42.2 million (-2.1%) compared with the previous publication of an increase $75.5 million (+3.7%). This correction is based on an update to Insurance Taxes at the Department of Consumer and Business Services (DCBS).

In the previous publication, DCBS believed their increases in refunds would lead to an increase in retaliatory taxes. However in doing further analysis, DCBS corrected the forecast as the refunds would lead to a *decrease* in taxes. In updating the forecast for this change our office found an additional issue on our end. Back in the 2019 legislative session, there was legislation passed that impacted Insurance Taxes. These revenue impacts were being accounted for separately in the forecast. However, as those impacts are now showing up in the actual tax collections, they no longer need to be accounted for separately. As DCBS folded these impacts directly into their forecast for the first time this forecast round, our office did not also remove these separate adjustments in our tracking file. The bottom line is the previous forecast overstated Insurance Taxes by $117.7 million compared with this corrected version. And comparing the September 2023 forecast to this corrected December 2023 forecast sees Insurance Taxes reduced $50.7 million.

These changes are reflected in Table B.1 for current 2023-25 General Fund revenues, Table B.2 for General Fund Revenues by Fiscal Year, and have minor impacts on reserve funds as discussed on page 36, and shown in Table B.10.

*** End correction ****

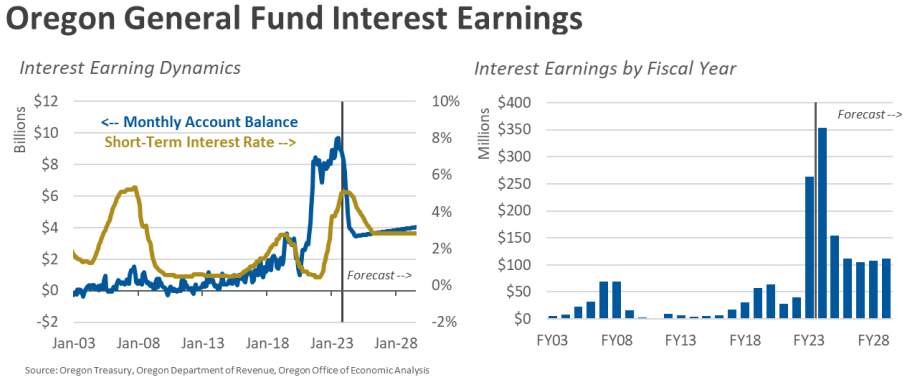
Estate tax collections have tracked slightly above forecast in recent months and the outlook for the current biennium is raised $2 million. Note that the previously expected estate tax transfer to PERS has been removed from the forecast. This does not impact current tax collections or any potential kicker calculation, but does increase available resources by $60.5 million.

Overall, tobacco taxes are lowered in the current biennium. Cigarette revenues have tracked slightly lower so far this biennium, resulting in a $0.4 million reduction to the General Fund forecast, but an additional $1.7 million reduction to other programs outside the General Fund that receive cigarette funds. For now, the longer-term cigarette sales forecast remains unchanged. Other Tobacco Products on the other hand are lowered both in the current biennium and in the long-term outlook as sales are trending downward in recent years faster than previously assumed. The General Fund outlook is lowered $1.4 million in the current 2023-25, and then by increases sequentially up to $4.4 million in FY2033. OTP revenues for non-General Fund programs are lowered by similar amounts. Finally, while outside of the General Fund, inhalant delivery taxes have come in noticeably above forecast in recent months (+$1.8 million), but the long-term outlook remains unchanged given it is too soon to tell whether this represents a fundamental increase in the sales outlook, or more of a one-time occurrence given the forecast was expecting current sales to more closely track sales trends in the past year.

The outlook for interest earnings is raised $8.2 million in the current 2023-25 biennium compared to the previous forecast, followed by upward revisions of $4.4 million in 2025-27 and then slight reductions of around $2.5 million in the outer biennia.

The combination of high fund balances today – the result of the inflationary economic boom outpacing forecast expectations – and high interest rates, means public sector interest earnings are now substantial. In the just completed Fiscal Year 2023, Oregon saw $262.5 million in interest earnings, which is more than the state received in the previous 10 years combined. The forecast for interest earnings in the current Fiscal Year 2024 are expected to total $352.8 million.

The outlook for interest earnings is uncertain given potential timing issues. Today, fund balances are more than $6 billion higher than back in 2019. Next spring the record kicker will be returned to taxpayers, which is expected to reduce the balances from today's



high-water mark. To the extent the timing of the kicker credits being paid out differ from expectations, or that short-term interest rates shift with broader changes in the financial markets of Fed policy, then the state's interest earnings will differ from this forecast.

Extended General Fund Outlook

Table R.2 exhibits the long-run forecast for General Fund revenues through the 2031-33 biennium. Users should note that the potential for error in the forecast increases substantially the further ahead we look.

Revenue growth in Oregon and other states will face considerable downward pressure over the 10-year extended forecast horizon. As the baby boom population cohort works less and spends less, traditional state tax instruments such as personal income taxes and general sales taxes will become less effective, and revenue growth will fail to match the pace seen in the past.

Table R.2

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

Revenue Source	Forecast 2023-25 Biennium	% Chg	Forecast 2025-27 Biennium	% Chg	Forecast 2027-29 Biennium	% Chg	Forecast 2029-31 Biennium	% Chg	Forecast 2031-33 Biennium	% Chg
Personal Income Taxes	21,164.6	-17.6%	29,929.3	41.4%	34,231.7	14.4%	39,066.9	14.1%	44,103.2	12.9%
Corporate Income Taxes	2,647.2	-16.1%	2,860.8	8.1%	3,115.5	8.9%	3,340.7	7.2%	3,663.2	9.7%
All Others	2,007.3	3.5%	1,762.9	-12.2%	1,843.3	4.6%	1,961.8	6.4%	2,097.9	6.9%
Gross General Fund	25,819.1	-16.1%	34,553.0	33.8%	39,190.5	13.4%	44,369.5	13.2%	49,864.2	12.4%
Offsets and Transfers	*(212.6)*		*(223.7)*		*(241.4)*		*(221.0)*		*(55.0)*	
Net Revenue	25,606.5	-16.3%	34,329.4	34.1%	38,949.1	13.5%	44,148.5	13.3%	49,809.2	12.8%

Tax Law Assumptions

The revenue forecast is based on existing law, including measures and actions signed into law during the 2023 Oregon Legislative Session. OEA makes routine adjustments to the forecast to account for legislative and other actions not factored into the personal and corporate income tax models. These adjustments can include expected kicker refunds, when applicable, as well as any tax law changes not yet present in the historical data. A summary of actions taken during the 2023 Legislative Session can be found in Appendix B Table B.3. For a detailed treatment of the components of the 2023 Legislatively Enacted Budget, see:

Legislative Fiscal Office's 2023-25 Budget Summary[7]

[7] https://www.oregonlegislature.gov/lfo/Documents/2023-25%20Legislatively%20Adopted%20Budget%20-%20General%20Fund%20and%20Lottery%20Funds%20Summary.pdf

Although based on current law, many of the tax policies that impact the revenue forecast are not set in stone. In particular, sunset dates for many large tax credits have been scheduled. As credits are allowed to disappear, considerable support is lent to the revenue outlook in the outer years of the forecast. To the extent that tax credits are extended and not allowed to expire when their sunset dates arrive, the outlook for revenue growth will be reduced. The current forecast relies on estimates taken from the Oregon Department of Revenue's 2023-25 Tax Expenditure Report[8] together with more timely updates produced by the Legislative Revenue Office.

General Fund Alternative Scenarios

The latest revenue forecast for the current biennium represents the most probable outcome given available information. Our office feels that it is important that anyone using this forecast for decision-making purposes recognize the potential for actual revenues to depart significantly from this projection.

The near-term outlook is particularly uncertain right now. The probability of the soft landing, no recession baseline scenario is rising but the odds of a recession in coming years remains uncomfortably high. Our office's economic alternative scenario (see page 21) is a Boom/Bust cycle with a recession beginning in the second half of 2024. This does mean the revenue impact will be felt in both the current 2023-25 biennium and the next 2025-27 biennium.

Looking at the current 2023-25 biennium, in the pessimistic scenario, General Fund revenues in Oregon would be $1.3 billion lower than in the baseline. Revenues in 2025-27 would be recovering, and growing sequentially, but still $1.9 billion below the current baseline outlook.

Boom/Bust Alternative Scenario

	$ Millions from Baseline				
	23-25	25-27	27-29	29-31	31-33
General Fund Total	**-1,297**	**-1,894**	**-784**	**-222**	**-125**

Other Revenues	$ Millions from Baseline				
	23-25	25-27	27-29	29-31	31-33
Lottery	-24	-59	-49	-34	-19
Corporate Activity Tax	-80	-162	-157	-180	-209
Marijuana Tax	-4	-11	-9	-7	-4
Total	**-108**	**-232**	**-215**	**-221**	**-232**

	$ Millions from Baseline				
	23-25	25-27	27-29	29-31	31-33
Total Sum	**-1,405**	**-2,125**	**-999**	**-443**	**-357**

Changes would also be seen outside of the General Fund among Oregon's consumption-based revenues as well. Such taxes are generally less volatile than income taxes and help to stabilize Oregon's overall revenue base.

Specifically in 2023-25, the Corporate Activity Tax would be $80 million lower than the baseline, while Lottery is expected to be $24 million lower, and Marijuana revenues $4 million lower.

In 2025-27, the Corporate Activity Tax would be $162 million lower than the baseline, while Lottery would be $59 million, and Marijuana $11 million. Over time the economy and state revenues would make up the recessionary lost ground and nearly converge with the baseline outlook. However, recessions tend to leave scars, and the Boom/Bust scenario never fully regains all of the lost ground economically or in terms of state revenues.

[8] https://www.oregon.gov/DOR/programs/gov-research/Pages/research-tax-expenditure.aspx

Corporate Activity Tax

The 2019 Legislature enacted the corporate activity tax (CAT)9, a new tax on gross receipts that went into effect January 2020. While taxpayers were required to file on a calendar year basis for tax year 2020, a law change allowed taxpayers to switch to a fiscal year basis beginning with tax year 2021. A full snapshot of 2021 tax returns is due to be available by the end of the year. Estimated payments for the 2023 tax year are coming in below expectations. This has resulted in a modest decline in the forecast throughout the forecast horizon. Available resources for the current biennium are down $11.3 million, while the projected ending balance in the Fund for Student Success had dropped by $23.4 million due to a revision in the distribution to the State School Fund.

These revenues are dedicated to spending on education. The legislation also included personal income tax rate reductions, reducing General Fund revenues. The net impact of HB 3427 was designed to generate approximately $1 billion per year in new state resources, or $2 billion per biennium.

In terms the macroeconomic effects of a major new tax, the Office of Economic Analysis starts with the Legislative Revenue Office's (LRO) impact statement and any Oregon Tax Incidence Model (OTIM) results LRO found. At the top line, OTIM results find minimal macroeconomic impacts across Oregon due to the new tax. Personal income, employment, population, investment and the like are less than one-tenth of a percent different under the new tax relative to the baseline. The model results also show that price levels (inflation) will increase above the baseline as some of the CAT is pushed forward onto consumers. Of course, these top line, statewide numbers mask the varying experiences that individual firms and different industries will experience. There are likely to be some businesses or sectors that experience large impacts from the CAT, or where pyramiding increases prices to a larger degree, while other businesses or sectors see relatively few impacts.

Table B.12 in Appendix B summarizes the 10-year forecast and the allocation of resources, while Table B.13 presents a more detailed quarterly breakdown of the forecast. The personal income tax reductions are built into the General Fund forecasts shown in Tables B.1 and B.2.

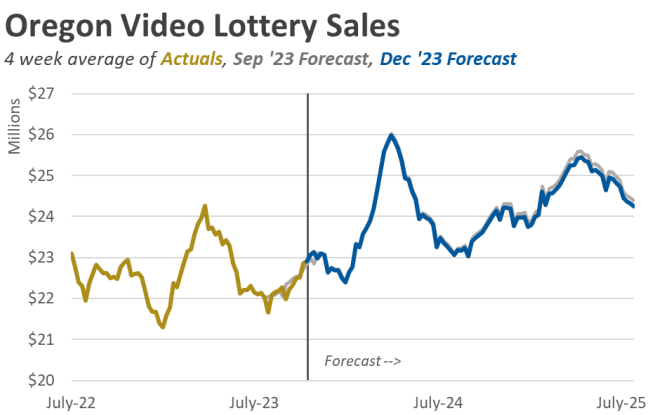
Lottery Forecast

Overall, lottery resources are up $8.1 million (+0.4%) in the current 2023-25 biennium, while being downwardly revised in the outer biennia by 0.3 or 0.4 percent (-$5 to -$10 million) relative to the previous forecast. The downward revision still incorporates underlying growth in Lottery sales, albeit slower than previously forecasted, in keeping with the modest downward revision to the personal income and consumer spending outlook.

In the current 2023-25 biennium, available Lottery resources now projected to be $17.6 million (+1.0%) above the Close of Session forecast, on which the legislatively adopted budget was built. The current outlook is a mix on continued strength in traditional lottery products, due in large part to ongoing large

[9] 0122 (oregonlegislature.gov)

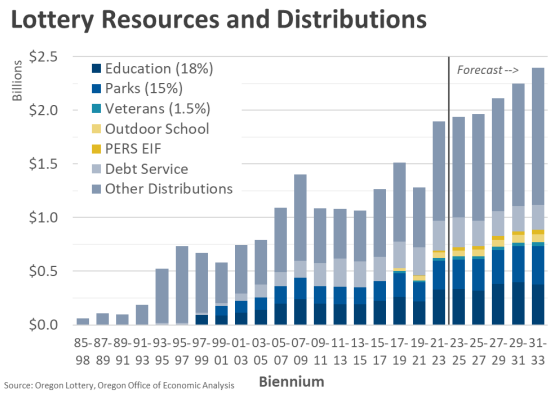
multistate jackpot games, in addition to sports betting a bit above forecast, while video lottery sales are slightly below forecast in recent months.



Looking forward, the Lottery outlook calls for record video lottery sales in the coming months in part due to the ongoing strength in the economy, and in addition to the record $5.6 billion Oregon personal income tax kicker being paid out next tax filing season. Oregonians will spend some portion of the kicker on discretionary purchases be they going out to eat, on exercise equipment, on vacations, on gaming, or any other number of possibilities. The forecast continues to assume the normal share of personal income is spent on video lottery. As such, the historically large kicker presents both upside and downside risks to the near-term forecast. Should Oregonians choose to spend more of their disposable income gains on gaming, Lottery sales are likely to be above the baseline outlook, on the other hand should inflation take its toll on household budgets, or should Oregonians choose to disproportionately spend their kicker credits on other items, then sales may be below the baseline.

Risks to the Outlook

Risks to the outlook abound and vary depending upon the timeframe. In the very near-term, risks lie primarily to the upside. Consumer spending overall remains robust and sales could outstrip the expectations of an economic soft landing. Conversely, should inflation begin to take a toll on households, discretionary purchases may be cut back, similar to what appears to have happened in recent months.



Over the medium term, risks are balanced. Sales may outpace expectations, or the economy may fall into a recession. Looking back historically, Lottery held up well in both the 1990 and 2001 recessions. However Oregon also did not have line games back then, which makes comparing historical periods more challenging to today. To the extent that player behavior for line games differs than overall consumer spending, discretionary spending, or even gaming in a broad sense, sales could under- or overperform as a result.

Over the long term a few sets of risks stand out. Our office expects increased competition for household entertainment dollars, increased competition within the gaming industry, and potentially shifts in generational preferences and tastes when it comes to gaming.

As discussed in depth in the March 2023 forecast, the structural impact of aging has been fully absorbed and has minimal impact moving forward as the Millennials are now entering their peak lottery

years. As such, our outlook for video lottery sales is continued growth, however at a rate that is slightly slower than overall personal income growth. Lottery sales will continue to increase as Oregon's population and economy grows, however video lottery sales will likely be a slightly smaller slice of the overall pie. This outlook has been revised up some, so the relative decline is smaller than in previous forecasts due to the updated player demographic work.

However, longer run upside risks remain as well. While it is true that spending on video lottery grew slightly slower than income and spending last decade, that had reversed earlier in the pandemic. Some of the strong sales since reopening are due to pent-up demand, strong household finances, and the fact that other entertainment options were either not available initially (concerts, spectator sports) or possibly less desirable due to the virus (long distance travel, movie theaters). Even so, the relative strength in video sales could point toward some more permanent and not just pandemic or temporary changes in player behavior.

The full extended outlook for lottery earnings can be found in Table B.9 in Appendix B.

Budgetary Reserves

The state currently administers two general reserve accounts, the Oregon Rainy Day Fund[10] (ORDF) and the Education Stability Fund[11] (ESF). This section updates balances and recalculates the outlook for these funds based on the December revenue forecast.

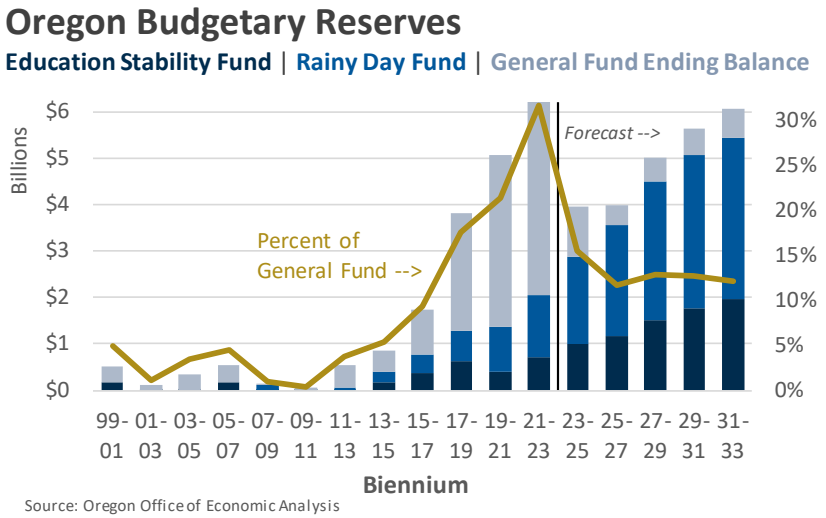
As of this forecast the two reserve funds currently total a combined $2.1 billion. At the end of the current 2023-25 biennium, they will total $2.9 billion, which is equal to 11.1 percent of current revenues. Including the corrected $1.1 billion ending balance in the General Fund, the total effective reserves at the end of the current 2023-25 biennium are projected to be $4.0 billion, or 15.9 percent of current revenues.

The forecast for the ORDF includes two deposits for this biennium relating to the General Fund ending balance from the previous biennium (2021-23). A deposit of $271.3 million will be made in early 2024 after the accountants closed the books on last biennium. Additionally, a $91.6 million deposit relating to the increased corporate taxes from Measure 67 is expected at the end of the biennium in June 2025. This exact transfer amount is subject to some revision as corporate filings are processed, however the transfer itself will occur. At the end of 2023-25 the ORDF will total $1.9 billion.

[10] The ORDF is funded from ending balances each biennium, up to one percent of appropriations. The Legislature can deposit additional funds, as it did in first populating the ORDF with surplus corporate income tax revenues from the 2005-07 biennium. The ORDF also retains interest earnings. Withdrawals from the ORDF require one of three triggers, including a decline in employment, a projected budgetary shortfall, or declaration of a state of emergency, plus a three-fifths vote of the Legislature. Withdrawals are capped at two-thirds of the balance as of the beginning of the biennium in question. Fund balances are capped at 7.5 percent of General Fund revenues in the prior biennium.

[11] [11] The ESF gained its current reserve structure and mechanics via constitutional amendment in 2002. The ESF receives 18 percent of lottery earnings, deposited on a quarterly basis – 10% of which are deposited in the Oregon Growth sub-account. The ESF does not retain interest earnings. The ESF has similar triggers as the ORDF, but does not have the two-thirds cap on withdrawals. The ESF balance is capped at five percent of General Fund revenues collected in the prior biennium.

Looking ahead to the 2025-27 biennium, the ORDF is no longer projected to hit its cap of 7.5 percent of revenues early in calendar year 2026. This is a change from recent quarterly forecasts where the cap was expected to be reached prior to the ending balance transfer occurring. In the current forecast the ORDF will be at 7.37 percent of the previous biennium's revenue at the time of the expected transfer. That leaves a $34 million difference between 7.37 and 7.5 percent. As the forecast and actual revenues and interest earnings change over the next couple of years, the ORDF may or may not reach that cap. Our office will adjust the outlook accordingly. Should the cap be reached, then the ending balance transfer would not occur, and those revenues would be retained in the General Fund to be appropriated by policymakers. Today, the ORDF is not expected to reach its cap and not make the ending balance transfer until FY2030, and then again in FY2032.



Effective Reserves ($ millions)

	Current Oct-23	*End of 2023-25*
ESF	$750	$1,008
RDF	$1,368	$1,856
Reserves	$2,118	$2,864
Ending Balance	$1,098	$1,098
Total	**$3,216**	**$3,962**
% of GF	12.6%	15.5%

The ESF will receive an expected $299.8 million in deposits in the current 2023-25 biennium based on the current lottery forecast. At the end of current 2023-25 biennium the ESF will stand at $1.0 billion. The ESF is projected to hit its cap of 5 percent of revenues early in calendar year 2026, when the deposits will then accrue to the Capital Matching Account.

Together, the ORDF and ESF are projected to have a combined balance of $2.9 billion at the close of the 2023-25 biennium, or 11.1 percent of current revenues. At the close of 2025-27 the combined balance will be $3.6 billion, or 10.4 percent of revenues. Such levels of reserve balances are larger than Oregon has been able to accumulate in past cycles, and should help stabilize the budget when the next recession hits.

With a potential recession this biennium, the state would expected to meet the trigger for withdrawals should the recession come and should policymakers choose to access reserves. In particular the reserve fund trigger of two consecutive quarters of employment declines would be expected to be met based on our office's alternative scenario of a moderate recession. The other triggers may or may not be met. If revenues come in below forecast this biennium, that could trigger a potential withdrawal. And for the ESF only, not the ORDF, a Governor's declaration of emergency could also trigger a potential withdrawal.

Finally, these are the technical considerations for using the reserve funds in the upcoming 2023-25 biennium. Ultimately policymakers will decide whether to use the funds or not. Regardless of the trigger(s) met, the Legislature would need a three-fifths vote in each chamber to approve an ESF reserve fund withdrawal and a simple majority vote in each chamber to approve an ORDF withdrawal.

B.10 in Appendix B provides more details for Oregon's budgetary reserves.

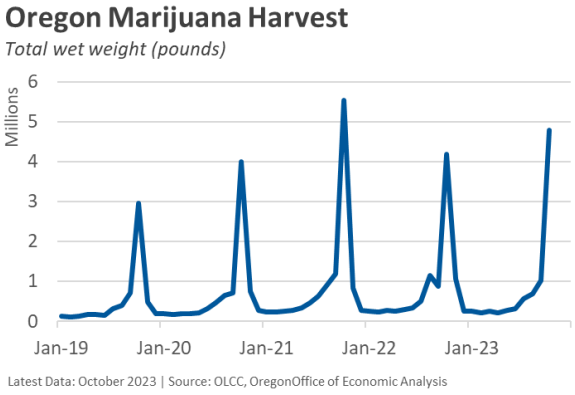
Recreational Marijuana Forecast

Available resources in the current 2023-25 biennium are raised $4.0 million (+1.3%) relative to the previous forecast. Recent months of sales and tax collections have closely tracked forecast, however the upward revision is due to the most recent quarterly transfer coming in larger than forecast. These quarterly transfers are made after tax returns are processed. This increase could be in part more timely tax filings by businesses, potentially faster processing, or some reconciliation in terms of firms catching up on delinquent taxes owed. This is the first quarter in more than a year where the actual quarterly transfer came in above forecast. As sales are matched forecast more closely, the fact transfers were below expectations was largely due to increased delinquencies. Our office will continue to work with the Department of Revenue to learn more about the nature of recent collections, delinquencies, and transfers.

Over the forecast horizon, the marijuana forecast is lowered approximately 0.5 percent in keeping with the slightly downward personal income and consumer spending outlook.

Current Market Conditions

Through the first nine months of the year, the marijuana harvest was nine percent lower than a year ago, and 15 percent lower than the record crop back in 2021. As the market appeared to be adjusting, prices were stabilizing. That changed with the large October outdoor harvest which is 15 percent larger than last October. That is enough to bring the entire year to date harvest in 2023 higher than last year through October. As such, oversupply will continue to be the major near-term driving force in the market.



Given these market conditions of oversupply, firm saturation, and stable consumer demand, low prices make it difficult for businesses to be profitable. Additionally, they impact tax collections as well given Oregon levies its recreational marijuana tax based on the price of the products, plus the potential for delinquent taxes owed.

Looking forward, the low-hanging fruit for consumer demand growth is behind us. Marijuana usage rates are steady in recent years, after increase considerably in the past decade. Note that the latest

annual usage data will be released prior to the next forecast. Our office will include the new numbers at that time. Additionally, many former black market consumers have converted to the legal market, and those that remain may be harder to switch. And underlying population growth has slowed during the pandemic, with only a modest rebound expected in the outlook.

In a Zero Migration scenario, Oregon's marijuana user base would be 9.5 percent lower than the baseline in 2033. Such a relative decline is larger than the overall population losses given that 20- and 30-somethings not only move at higher rates, but also have higher marijuana usage rates.

See Table B.11 in Appendix B for a full breakdown of revenues and associated distributions to recipient programs.

Psilocybin Forecast

Ballot Measure 109 which voters passed in 2020 and legalized psilocybin, tasked our office with the revenue forecasting responsibilities. The current forecast remains unchanged from last quarter. The first quarterly tax returns were recently due. As more returns and data become available in the quarters ahead, our office will adjust the outlook accordingly.

After speaking with other state agencies and private businesses entering the psilocybin industry there are a few important items to note up front.

First, the overall cost of a session to a customer is expected to be in the hundreds, and even thousands of dollar range. Second, the state's 15 percent retail sales tax which was part of BM109 only applies to the product itself and not the overall cost of the session. Third, by all accounts the cost of the product is relatively small compared to the overall cost of a session, where the vast majority of the revenue will go to cover the operational costs of the service center and facilitator.

This newly legal industry is just getting started. The Oregon Health Authority has recently issued some of the first licenses in the state. Once the industry is up and running, OHA will gather data, including the number of sessions, product prices and the like. Unfortunately for now there is no data and our office's initial forecasts are based entirely on assumptions. Those assumptions are as follows.

OHA estimates they will license 28 service centers in the first year. Assuming 20 customers per day, the equivalent of one large class, all year long results in 204,000 individual customers or session over the course of the first year. Some service center centers will accommodate many more customers while others may focus on smaller, more in-depth sessions. Anecdotal information to date indicates the first couple of service centers are serving just a handful of customers per week currently.

As uncertain as those projections are, the average product price assumption is even more so. Service centers may charge customers whatever price they want to for the actual product. There are two main ways to think through these possibilities, and for now our office is taking a middle ground approach.

On one hand, service centers may charge customers the traditional retail price that includes a markup over wholesale cost which largely relates to production, testing, and distribution costs. Whether the sales tax piece would be an additional charge on top of the session costs overall, or already factored that price is unknown. Tax revenues are estimated to be $1-2 million per year under these scenarios.

On the other hand, service center may charge customers a minimal product cost of $1 or $10, even if that is below their wholesale or acquisition costs. The benefit to doing so would be to increase revenues and profits for service centers and facilitators as less of the overall session price would be sent to pay taxes. This is more likely to be the case if the sales tax is folded into the total session price initially and not an add-on fee when the customer pays. Tax revenues are estimated to be tens of thousands or hundreds of thousands of dollars a year under these scenarios.

Oregon Psilocybin Retail Sales Tax Revenue

Average Product Price	Biennial Revenue (millions) 2023-25	2025-27	2027-29	2029-31
$1	$0.062	$0.064	$0.067	$0.068
$10	$0.618	$0.643	$0.666	$0.679
$25	$1.545	$1.608	$1.664	$1.698
$50	$3.091	$3.215	$3.329	$3.396

For now, given the uncertainty of a newly legal industry our office is taking a middle ground approach and assuming a $10 average product price per session. The state is likely to receive a bit more than $600,000 in the current 2023-25 biennium based on the assumptions discussed above. We know that business practices will vary and time will tell what ultimately becomes the industry standard. Our office will continue to update these estimates as we learn more. Expectations are by this fall there will be useful data to help guide these estimates and they will not be made entirely upon assumptions.

Population and Demographic Outlook

Population and Demographic Summary

Oregon's resident population count on April 1, 2020 was 4,237,256. This is from the newly released decennial census data administered by the U.S. Census Bureau. During the past decade, Oregon gained 406,182 residents or 10.6 percent. The gain was substantial enough that yielded one additional congressional seat for the state. Oregon now has a total of six members in the House of Representatives. We have been predicting this rare gain for a long time. This is rare because it took 40 years for Oregon to gain this seat and only five states gained one additional seat each and Texas gained two seats following the 2020 Census.

In Historical context, Oregon's population growth rate between the 2010 and 2020 censuses was the second lowest since the first census count in Oregon in 1860 after gaining statehood. The lowest growth rate was recorded between the 1980 and 1990 censuses, a decade characterized by a major recession. Oregon's population increased by 441 percent in the last century spanning 1920-2020. The gain of 406,182 persons in the last decade alone was nearly the same as the total population count of Oregon in the year 1900 when state's population was 413,536. Oregon's population growth of 10.6 percent in the last decade was 11th highest in the nation, excluding Washington D.C. Still, our growth rate for the decade lagged all our neighboring states, except California. During the prior decade between 2000 and 2010, Oregon's population growth rate ranked 18th highest in the nation when Oregon was hit hard by the double recessions during the decade. As a result of such economic downturn during the Great Recession and sluggish recovery that followed, Oregon's population increased at a slow pace between 2000 and 2010 decade. However, Oregon's population was showing moderately strong growth since then because of state's strong economic recovery. The recent COVID-19 pandemic has caused dire economic and employment situations and has caused slow population growth. The population growth is expected to rebound after the year 2023. However, current economic turmoil is likely to slow the pace of expected growth. The average population growth between 2021 and 2023 was lowest since 1985-86. Oregon's population is expected to reach 4.575 million in the year 2032 with an annual rate of growth of 0.66 percent between 2022 and 2032. The projected population of 2030 is 141,500 less than our March 2020 forecast released just before the COVID hit. The lower projection is due to the lingering COVID-19 effect resulting in higher deaths, lower births, and fewer net-migration, and 2020 Census count coming lower than expected.

Oregon's economic condition heavily influences the state's population growth. Its economy determines the ability to retain existing work force as well as attract job seekers from national and international labor market. As Oregon's total fertility rate remains well below the replacement level and number of deaths continue to rise due to aging population, long-term growth comes from net in-migration. The COVID-19 pandemic has left noticeable impact on demographic processes. Due to the declining births and rising deaths, past forecasts projected natural increase (births minus deaths) to turn negative after the year 2025. However, Oregon's natural increase has already turned negative because of the COVID

effect. Even during this pandemic, Oregon has gained people through net-migration as the workers are able to work from home in many sectors. Working-age adults come to Oregon as long as we have favorable economic conditions and offers better quality of life. During the 1980s, which included a major recession and a net loss of population during the early years, net migration contributed to 22 percent of the population change. On the other extreme of the economic cycle, net migration accounted for 73 percent of the population change during the booming economy of early 1990s. This share of migration to population change declined to 25 percent in 2010-11 as a result of the economic recession, lowest since early 1980s when we had negative net migration for several years. As a sign of slow to modest economic gain and declining natural increase (excess of deaths over births), the ratio of net migration-to-population change has registered at 90 percent in 2020. As a result of sudden rise in the number of deaths and drop in the number of births coinciding with the COVID-19 pandemic, the natural increase turned negative starting in the year 2020 and will continue through 2032 and beyond. So, in the future, all of Oregon's population growth and more will come from the net migration due to the combination of continued positive net migration, well below replacement level fertility, and the rise in the number of deaths associated with the increase in the elderly population. Thus, migration will be solely responsible for Oregon's future population growth. Without the gain due to migration, Oregon's population will start to decline. Oregon's negative natural increase caused by excess of deaths over births is expected to continue. However, under a few scenarios this trend may reverse itself. Such reversal can happen if the women start to have more children due to behavioral or motivational factors, or mortality and life expectancy improve suddenly resulting in fewer deaths or large number of women in childbearing age move into Oregon. Since all the states in the country are already experiencing below replacement level fertility (2.1 children per woman), the natural increase will eventually turn negative nationwide even if the trend is mitigated for the short term because of the large number of women in childbearing age.

Age structure and its change affect employment, state revenue, and expenditure as the demand for services varies by age groups. Demographics are the major budget drivers, which are modified by policy choices on service coverage and delivery. Births, deaths, and migration history of decades past do impact the current age-sex structure. Growth in many age groups will show the effects of the baby-boom and their echo generations during the forecast period of 2022-2032. It will also reflect demographics impacted by the depression era smaller birth cohort combined with changing migration of working age population and elderly retirees through history. After a period of relatively slow growth during the 1990s and early 2000s, the elderly population (65+) has picked up a faster pace of growth since 2005. This population group will maintain the high growth as the tail end of the baby-boom generation continue to enter this age group combined with the attrition of small depression era birth cohort due to death. This age cohort, however, has hit the plateau of high growth rates exceeding 4 percent annually between 2011 and 2019. The group will experience continued high but diminishing rate of growth. The average annual growth of the elderly population will be 1.8 percent during the 2022-2032 forecast period. Different age groups among the elderly population show quite varied and fascinating growth trends. The youngest elderly (aged 65-74), which was growing at an extremely fast

pace in the recent past averaging 5.1 percent annually between 2010 and 2020 due to the direct impact of the baby-boom generation entering and smaller pre-baby boom cohort exiting this 65-74 age group. This fast-paced growth rate will taper off to negative growth by the end of the forecast period of 2022-2032 as a sign of the end of the baby-boom generation transitioning to elderly age group. This high growth transitioning into a net loss of this youngest elderly population resulting in -0.3 percent annual average loss in the coming ten years. The next older generation of population aged 75-84 has seen several years of slow growth and a period of shrinking until a decade ago. The elderly aged 75-84 started to show growth as the effect of depression era birth-cohort matured out of this age group. An unprecedented fast pace of growth of population in this age group has already started as the baby-boom generation is maturing from the youngest elderly into this 75-84 age group. Annual growth rate during the forecast period of 2022-2032 is expected to be unusually high 4.4 percent. However, for most of the forecast period, the annual growth rate will exceed 4 percent per year. After a period of slow growth, the oldest elderly (aged 85+) will resume growth at a strong rate steadily gaining momentum due to the combination of cohort change, continued positive net migration, and improving longevity. The average annual rate of growth for this oldest elderly over the forecast horizon will be 4.2 percent. An unprecedented growth in oldest elderly will commence near the end of the forecast horizon as the fast growing 75-84 age group population transition into this oldest elderly age cohort. As a sign of massive demographic structural change of Oregon's population, starting in 2023 the number of elderly will exceed the number of children under the age of 18. To illustrate the contrast, in 2000 elderly population numbered a little over half of the number of children in Oregon, now the elderly outnumber the children.

The oldest working age population aged 45-64 also has seen the dramatic demographic impact as the baby-boom generation matures out of the oldest working-age cohort which is replaced by smaller baby-bust cohort or Gen X. As the effect of this demographic transition combined with slowing net migration, the once fast-paced growth of population aged 45-64 has gradually tapered off to below zero percent rate of growth by 2012 and has remained and will remain at slow or below zero growth phase for a few more years. The size of this older working-age population will see about 0.8 percent annualized rate of change over the forecast horizon of next ten years. The younger working-age population of 25-44 age group has recovered from several years of declining and slow growing trend. The decline in the past was mainly due to the exiting baby-boom cohort. This age group has seen positive but slow growth starting in the year 2004 and has gained steam since 2013. This group will increase by 0.5 percent annual average rate during the forecast horizon mainly because of the exiting smaller birth (baby-bust) cohort being replaced by larger baby-boom-echo cohort. The young adult population (aged 18-24) will see only a small change over the forecast period due to the combination of negative and slow growth years. Although the slow growth of college-age population (age 18-24), in general, tend to ease the pressure on public spending on higher education, but college enrollment typically goes up during the time of very competitive job market, high unemployment, and scarcity of well-paying jobs when even the older people flock back to colleges to better position themselves in a tough job market. The growth in K-12 population (aged 5-17) has been very slow or negative in the

past and is expected to decline through the forecast years. This will translate into slow growth or decline in the school enrollments. On average for the forecast period, this school-age population will decline by -1.0 percent annually. The growth rate for children under the age of five has remained near or below zero percent in the recent past and will continue to decline in the near future due to the sharp decline in the number of births. We expect a rebound in the number of births in the forecast period due to a small increase in fertility rate and increase in the women in the child-bearing ages. During the forecast horizon, the children under the age of five will increase at the rate of 0.6 percent annually. Although the number of children under the age of five declined in the recent years, the demand for childcare services and pre-Kindergarten program will be additionally determined by the labor force participation and poverty rates of the parents.

Overall, elderly population over age 65 will increase rapidly whereas the number of children will decline over the forecast horizon. The number of working-age adults in general will show slow growth during the forecast horizon. Hence, based solely on demographics of Oregon, demand for public services geared towards children and young adults will likely decline or increase only at a slower pace, whereas demand for elderly care and services will increase rapidly.

Procedure and Assumptions

Population forecasts by age and sex are developed using the cohort-component projection procedure. The population by single year of age and sex is projected based on the specific assumptions of vital events and migrations. Oregon's estimated population of July 1, 2020 based on the most recent decennial census is the base for the forecast. To explain the cohort-component projection procedure very briefly, the forecasting model "survives" the initial population distribution by age and sex to the next age-sex category in the following year, and then applies age-sex-specific birth and migration rates to the mid-period population. Further iterations subject the in-and-out migrants to the same mortality and fertility rates. Hence, the age-sex group we start with become one year older the next year accounting for the deaths during the year, births to the women in childbearing ages, and add/subtract net migration for that age during the year.

The U.S. Census Bureau just released the age-sex details of the resident population count of April 1, 2020 for the states. This is the crucial information as the base for all future postcensal population estimates and projections. The 2020 census population total and age-sex detail are used to determine the error of closure, which is the difference between the actual census enumeration and the estimate based on the previous census of 2010. Again, the error of closure is used to correct and adjust all previous annual postcensal estimates for the time between 2011 and 2019. OEA has estimated the total intercensal population for Oregon based on 2010 and 2020 census counts and postcensal estimates of Population Research Center, Portland State University. Therefore, Oregon's *intercensal* population estimates for the years 2011 through 2029 in this forecast shown in Appendix C are different from prior *postcensal* numbers and PSU's original estimates. The Bureau released age-sex detail of the census population in June of this year. OEA has produce preliminary readjusted intercensal estimates by age and sex for each of the years from 2011 through 2019. The numbers of

births and deaths through 2022 are from Oregon's Center for Health Statistics. All other numbers and age-sex detail are generated by OEA.

Annual numbers of births are determined from the age-specific fertility rates projected based on Oregon's past trends and past and projected national trends. Oregon's total fertility rate is assumed to be 1.4 per woman in 2020 and this rate is projected to 1.5 children per woman by 2032 which is well below the replacement level fertility of 2.1 children per woman. Oregon's fertility level is tracking below the national level.

Life Table survival rates are developed for the year 2020. Male and female life expectancies for the 2020-2032 period are projected based on the past three decades of trends and national projected life expectancies. After a sudden decline during the COVID pandemic, gradual improvements in life expectancies are expected over the forecast period. At the same time, the difference between the male and female life expectancies will continue to shrink. The male life expectancy at births of 77.3 and the female life expectancy of 81.8 in 2010. Due to the effect of the COVID-19 pandemic, number of deaths suddenly increased and the actual life expectancies declined. The life expectancy at birth in 2020 was 76.9 and 81.7 years respectively for males and females. This is expected to improve to 79.5 years for women and 83.5 years for men by 2032.

Estimates and forecasts of the number of net migrations are based on the residuals from the difference between population change and natural increase (births minus deaths) in a forecast period. The migration forecasting take into account Oregon's employment, unemployment rates, income/wage data from Oregon and neighboring states, past trends and migration to population ratio. Distribution of migrants by age and sex is based on detailed data from the American Community Survey. In the recent past, slowdown in Oregon's economy resulted in smaller net migration and slow population growth. Estimated population growth and net migration rates in 2010-2011 were the lowest in over two decades. Migration is intrinsically related to economy and employment situation of the state. Still, high unemployment and job loss in the recent past have impacted net migration and population growth, but not to the extent in the early 1980s. Main reason for this is the fact that other states of potential destination for Oregon out-migrants were not faring any better either, limiting the potential destination choices. The role of net migration in Oregon's population growth will get more prominence as the natural increase has begun to turn negative. The increasing excess of deaths over births will continue due to the rapid increase in the number of deaths associated with the aging population and relatively fewer number of births largely due to the decline in fertility rate associated with life-style choices. Such a trend was expected, but the COVID-19 has hastened the process. The annual net migration is expected to be low due to the after-effect of COVID-19 and economic slowdown. However, the migration is expected to recover after 2024. Between 2022 and 2033 net migration is expected to be in the range of 19,280 to 40,740, averaging 33,860 persons annually with net migration rate ranging between 4.5 to 8.9 per thousand population.

Appendix A: Economic Forecast Detail

Table A.1 – Employment Forecast Tracking

Total Nonfarm Employment, 3rd quarter 2023

(Employment in thousands, Annualized Percent Change)

	Preliminary Estimate		Forecast		Forecast Error		Y/Y Change
	level	% ch	level	% ch	level	%	% ch
Total Nonfarm	1,990.9	1.1	1,992.1	2.4	(1.3)	(0.1)	1.6
Total Private	1,684.4	1.1	1,687.2	2.6	(2.8)	(0.2)	1.3
Mining and Logging	6.0	2.9	6.2	(1.3)	(0.2)	(3.2)	(3.6)
Construction	117.3	0.2	120.4	1.1	(3.0)	(2.5)	0.5
Manufacturing	192.6	(2.3)	193.9	2.4	(1.3)	(0.7)	(1.1)
Durable Goods	133.7	(3.0)	136.2	0.7	(2.4)	(1.8)	(2.2)
Wood Product	22.8	(0.3)	22.7	(0.3)	0.1	0.4	(2.7)
Metals and Machinery	37.7	(1.8)	38.5	0.9	(0.7)	(1.9)	(1.5)
Computer and Electronic Product	41.5	(1.9)	42.0	(0.3)	(0.5)	(1.3)	(0.9)
Transportation Equipment	11.2	0.6	11.0	10.0	0.2	1.8	1.5
Other Durable Goods	20.5	(12.0)	22.0	(0.9)	(1.4)	(6.6)	(7.4)
Nondurable Goods	58.9	(0.5)	57.8	6.3	1.1	2.0	1.6
Food	29.2	(1.4)	28.4	8.4	0.7	2.6	1.3
Other Nondurable Goods	29.7	0.5	29.3	4.4	0.4	1.3	1.9
Trade, Transportation & Utilities	361.8	(2.7)	366.5	2.2	(4.7)	(1.3)	(1.7)
Retail Trade	207.9	(1.7)	209.8	0.5	(1.9)	(0.9)	(1.4)
Wholesale Trade	77.1	1.2	77.5	7.2	(0.4)	(0.5)	(0.6)
Transportation, Warehousing & Utilit	76.8	(8.8)	79.3	1.8	(2.4)	(3.1)	(3.4)
Information	37.5	(3.4)	36.2	(4.0)	1.3	3.7	1.0
Financial Activities	105.8	2.0	105.4	2.9	0.4	0.4	0.2
Professional & Business Services	269.2	(0.0)	269.9	4.0	(0.7)	(0.3)	1.0
Educational & Health Services	318.0	5.3	316.8	3.4	1.1	0.4	4.3
Educational Services	34.7	(8.9)	35.2	2.4	(0.5)	(1.5)	(1.6)
Health Services	283.3	7.2	281.6	3.6	1.7	0.6	5.0
Leisure and Hospitality	209.7	7.0	206.6	3.6	3.1	1.5	4.9
Other Services	66.5	1.2	65.3	(0.3)	1.1	1.8	6.7
Government	306.4	1.5	304.9	1.4	1.5	0.5	3.1
Federal	28.4	3.9	28.1	2.3	0.3	1.1	3.4
State	44.9	2.2	45.6	8.5	(0.8)	(1.7)	3.9
State Education	1.4	18.7	1.4	0.9	0.1	4.5	16.4
Local	233.1	1.0	231.2	(0.1)	2.0	0.9	3.0
Local Education	130.5	(6.3)	133.4	(0.6)	(2.8)	(2.1)	0.7

Table A.2 – Short-Term Oregon Economic Summary

Oregon Forecast Summary

	Quarterly					Annual					
	2023:2	2023:3	2023:4	2024:1	2024:2	2022	2023	2024	2025	2026	2027
Personal Income ($ billions)											
Nominal Personal Income	277.2	280.9	284.6	289.5	294.0	264.2	279.1	296.0	312.4	328.5	345.0
% change	5.5	5.5	5.4	7.0	6.4	0.7	5.6	6.1	5.6	5.1	5.0
Real Personal Income (base year=2012)	230.9	232.4	234.1	237.0	239.3	227.7	231.7	240.1	248.3	256.0	263.5
% change	3.0	2.6	3.0	5.1	3.9	(5.4)	1.8	3.7	3.4	3.1	2.9
Nominal Wages and Salaries	143.0	145.8	147.9	149.5	151.5	135.2	144.4	152.3	159.7	167.2	175.1
% change	6.7	8.1	5.6	4.5	5.3	7.0	6.8	5.5	4.8	4.7	4.7
Other Indicators											
Per Capita Income ($1,000)	64.5	65.3	66.1	67.2	68.2	61.7	64.9	68.6	71.9	75.1	78.4
% change	5.1	5.1	4.9	6.6	5.9	0.3	5.3	5.6	4.9	4.4	4.3
Average Wage rate ($1,000)	71.6	72.5	73.4	74.2	75.0	69.0	72.1	75.4	78.5	81.6	84.9
% change	4.9	5.2	5.4	4.1	4.3	3.4	4.4	4.6	4.1	4.0	4.0
Population (Millions)	4.3	4.3	4.3	4.3	4.3	4.28	4.30	4.32	4.34	4.37	4.40
% change	0.4	0.4	0.4	0.4	0.5	0.4	0.3	0.5	0.6	0.7	0.7
Housing Starts (Thousands)	19.2	17.5	17.5	17.2	17.8	20.0	18.3	17.9	19.3	20.4	20.9
% change	2.6	(30.4)	(0.6)	(6.5)	13.6	(1.4)	(8.2)	(2.1)	7.8	5.3	2.6
Unemployment Rate	3.7	3.4	3.6	3.7	3.8	4.1	3.8	3.9	4.1	4.1	4.1
Point Change	(0.9)	(0.3)	0.2	0.1	0.1	(1.1)	(0.3)	0.0	0.2	0.0	0.0
Employment (Thousands)											
Total Nonfarm	1,985.3	1,990.9	1,999.3	2,001.5	2,006.0	1,946.1	1,988.0	2,007.9	2,021.2	2,035.1	2,049.5
% change	1.8	1.1	1.7	0.5	0.9	3.7	2.2	1.0	0.7	0.7	0.7
Private Nonfarm	1,680.0	1,684.4	1,692.0	1,694.3	1,699.1	1,651.9	1,682.8	1,701.1	1,715.4	1,729.1	1,743.2
% change	1.3	1.1	1.8	0.6	1.1	3.9	1.9	1.1	0.8	0.8	0.8
Construction	117.3	117.3	117.1	117.2	118.6	115.7	117.2	119.2	122.6	124.9	126.5
% change	(0.1)	0.2	(0.9)	0.6	4.8	4.0	1.3	1.7	2.9	1.8	1.3
Manufacturing	193.7	192.6	194.6	195.0	195.1	193.2	193.7	195.1	194.5	194.9	194.8
% change	(0.1)	(2.3)	4.1	1.0	0.0	3.5	0.2	0.7	(0.3)	0.2	(0.0)
Durable Manufacturing	134.8	133.7	135.1	135.5	135.5	135.4	134.8	135.6	135.3	135.8	135.6
% change	(2.4)	(3.0)	4.2	1.1	0.0	4.9	(0.4)	0.6	(0.2)	0.4	(0.1)
Wood Product Manufacturing	22.8	22.8	23.0	23.1	23.0	23.3	22.9	23.0	23.0	22.9	22.9
% change	(1.3)	(0.3)	3.6	0.5	(1.3)	2.5	(1.7)	0.4	(0.2)	(0.1)	(0.1)
High Tech Manufacturing	41.7	41.5	41.5	41.6	41.5	41.3	41.7	41.4	41.5	42.8	43.5
% change	(3.2)	(1.9)	0.2	0.4	(0.6)	8.7	1.0	(0.6)	0.1	3.2	1.7
Transportation Equipment	11.1	11.2	11.2	11.3	11.4	10.9	11.1	11.4	11.7	11.8	11.6
% change	6.3	0.6	1.7	3.8	2.9	1.8	2.1	2.7	2.5	1.0	(1.8)
Nondurable Manufacturing	59.0	58.9	59.5	59.6	59.6	57.9	58.9	59.5	59.2	59.0	59.2
% change	5.4	(0.5)	4.1	0.7	0.0	0.4	1.8	1.0	(0.5)	(0.3)	0.2
Private nonmanufacturing	1,486.2	1,491.8	1,497.4	1,499.3	1,504.0	1,458.6	1,489.1	1,506.0	1,520.9	1,534.3	1,548.4
% change	1.4	1.5	1.5	0.5	1.3	3.9	2.1	1.1	1.0	0.9	0.9
Retail Trade	208.8	207.9	207.6	207.0	207.3	210.6	208.7	207.3	207.6	207.8	208.1
% change	(3.1)	(1.7)	(0.5)	(1.0)	0.4	0.7	(0.9)	(0.7)	0.1	0.1	0.1
Wholesale Trade	76.9	77.1	77.2	77.1	77.1	77.0	77.2	77.2	77.1	77.0	77.2
% change	(3.6)	1.2	0.6	(0.5)	(0.1)	2.7	0.3	(0.1)	(0.1)	(0.1)	0.3
Information	37.8	37.5	37.8	37.9	37.8	36.8	37.6	37.7	37.8	37.6	37.6
% change	6.7	(3.4)	2.8	1.8	(1.7)	4.8	2.2	0.4	0.2	(0.5)	(0.1)
Professional and Business Services	269.3	269.2	270.8	271.6	273.0	263.7	268.9	273.3	275.8	278.7	284.0
% change	4.6	(0.0)	2.4	1.2	2.0	4.8	2.0	1.6	0.9	1.0	1.9
Health Services	278.4	283.3	285.8	285.9	287.3	269.5	281.5	287.8	292.7	297.4	301.9
% change	(0.2)	7.2	3.6	0.1	2.0	0.9	4.5	2.2	1.7	1.6	1.5
Leisure and Hospitality	206.1	209.7	210.8	211.7	212.4	198.4	207.9	212.8	215.6	217.9	219.5
% change	1.9	7.0	2.2	1.6	1.4	13.4	4.8	2.3	1.3	1.1	0.7
Government	305.3	306.4	307.3	307.2	306.9	294.3	305.2	306.8	305.8	306.0	306.3
% change	4.7	1.5	1.1	(0.1)	(0.4)	3.0	3.7	0.5	(0.3)	0.1	0.1

Table A.3 – Oregon Economic Forecast Change

Oregon Forecast Change (Current vs Previous)

	Quarterly					Annual					
	2023:2	2023:3	2023:4	2024:1	2024:2	2022	2023	2024	2025	2026	2027
Personal Income ($ billions)											
Nominal Personal Income	277.2	280.9	284.6	289.5	294.0	264.2	279.1	296.0	312.4	328.5	345.0
% change	(1.0)	(1.4)	(1.5)	(1.5)	(1.3)	(0.9)	(1.2)	(1.3)	(0.9)	(0.8)	(0.8)
Real Personal Income (base year=2012)	230.9	232.4	234.1	237.0	239.3	227.7	231.7	240.1	248.3	256.0	263.5
% change	4.8	4.3	4.5	4.6	4.8	4.9	4.6	4.8	5.4	5.6	5.6
Nominal Wages and Salaries	143.0	145.8	147.9	149.5	151.5	135.2	144.4	152.3	159.7	167.2	175.1
% change	0.6	0.4	0.5	0.4	0.4	(1.0)	0.5	0.4	0.3	0.2	0.2
Other Indicators											
Per Capita Income ($1,000)	64.5	65.3	66.1	67.2	68.2	61.7	64.9	68.6	71.9	75.1	78.4
% change	(1.0)	(1.4)	(1.5)	(1.5)	(1.3)	(0.9)	(1.2)	(1.3)	(0.9)	(0.8)	(0.8)
Average Wage rate ($1,000)	71.6	72.5	73.4	74.2	75.0	69.0	72.1	75.4	78.5	81.6	84.9
% change	0.3	0.3	0.6	0.6	0.6	(0.7)	0.4	0.6	0.5	0.4	0.4
Population (Millions)	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.4	4.4
% change	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Housing Starts (Thousands)	19.2	17.5	17.5	17.2	17.8	20.0	18.3	17.9	19.3	20.4	20.9
% change	(0.4)	(9.8)	(10.5)	(13.0)	(11.0)	0.0	(5.1)	(10.8)	(7.8)	(3.4)	(1.4)
Unemployment Rate	3.7	3.4	3.6	3.7	3.8	4.1	3.8	3.9	4.1	4.1	4.1
Point Change	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Employment (Thousands)											
Total Nonfarm	1,985.3	1,990.9	1,999.3	2,001.5	2,006.0	1,946.1	1,988.0	2,007.9	2,021.2	2,035.1	2,049.5
% change	0.3	(0.1)	(0.0)	(0.1)	(0.1)	(0.1)	0.1	(0.1)	(0.1)	(0.1)	(0.1)
Private Nonfarm	1,680.0	1,684.4	1,692.0	1,694.3	1,699.1	1,651.9	1,682.8	1,701.1	1,715.4	1,729.1	1,743.2
% change	0.2	(0.2)	(0.2)	(0.3)	(0.3)	(0.0)	0.0	(0.3)	(0.2)	(0.2)	(0.2)
Construction	117.3	117.3	117.1	117.2	118.6	115.7	117.2	119.2	122.6	124.9	126.5
% change	(2.3)	(2.5)	(2.6)	(2.5)	(2.0)	(0.0)	(2.3)	(1.8)	(0.5)	0.9	2.2
Manufacturing	193.7	192.6	194.6	195.0	195.1	193.2	193.7	195.1	194.5	194.9	194.8
% change	0.5	(0.7)	(0.1)	(0.1)	(0.3)	(0.0)	0.0	(0.3)	(0.6)	(0.8)	(0.8)
Durable Manufacturing	134.8	133.7	135.1	135.5	135.5	135.4	134.8	135.6	135.3	135.8	135.6
% change	(0.9)	(1.8)	(0.9)	(0.9)	(1.0)	(0.1)	(1.0)	(0.9)	(0.9)	(1.3)	(1.2)
Wood Product Manufacturing	22.8	22.8	23.0	23.1	23.0	23.3	22.9	23.0	23.0	22.9	22.9
% change	0.4	0.4	1.4	1.6	1.3	(0.0)	0.7	1.4	0.3	(1.2)	(0.8)
High Tech Manufacturing	41.7	41.5	41.5	41.6	41.5	41.3	41.7	41.4	41.5	42.8	43.5
% change	(0.9)	(1.3)	(1.0)	(1.1)	(1.2)	(0.1)	(1.0)	(1.2)	(1.2)	(1.1)	(1.2)
Transportation Equipment	11.1	11.2	11.2	11.3	11.4	10.9	11.1	11.4	11.7	11.8	11.6
% change	4.1	1.8	2.0	1.7	1.5	0.7	2.7	1.3	0.0	(0.2)	(0.1)
Nondurable Manufacturing	59.0	58.9	59.5	59.6	59.6	57.9	58.9	59.5	59.2	59.0	59.2
% change	3.7	2.0	1.7	1.8	1.4	0.0	2.4	1.1	0.3	0.3	0.3
Private nonmanufacturing	1,486.2	1,491.8	1,497.4	1,499.3	1,504.0	1,458.6	1,489.1	1,506.0	1,520.9	1,534.3	1,548.4
% change	0.2	(0.1)	(0.2)	(0.3)	(0.3)	(0.0)	0.0	(0.3)	(0.2)	(0.2)	(0.1)
Retail Trade	208.8	207.9	207.6	207.0	207.3	210.6	208.7	207.3	207.6	207.8	208.1
% change	(0.3)	(0.9)	(1.0)	(1.3)	(1.2)	(0.0)	(0.6)	(1.1)	(1.0)	(0.9)	(0.8)
Wholesale Trade	76.9	77.1	77.2	77.1	77.1	77.0	77.2	77.2	77.1	77.0	77.2
% change	1.0	(0.5)	(0.4)	(0.6)	(0.7)	(0.1)	0.2	(0.7)	(0.9)	(1.2)	(1.3)
Information	37.8	37.5	37.8	37.9	37.8	36.8	37.6	37.7	37.8	37.6	37.6
% change	3.5	3.7	2.4	2.8	2.9	0.2	3.3	3.0	2.4	1.7	1.4
Professional and Business Services	269.3	269.2	270.8	271.6	273.0	263.7	268.9	273.3	275.8	278.7	284.0
% change	0.7	(0.3)	(0.6)	(0.5)	(0.3)	(0.2)	0.0	(0.2)	(0.0)	(0.6)	(0.8)
Health Services	278.4	283.3	285.8	285.9	287.3	269.5	281.5	287.8	292.7	297.4	301.9
% change	(0.3)	0.6	0.9	0.5	0.3	(0.0)	0.4	0.3	0.0	(0.0)	(0.1)
Leisure and Hospitality	206.1	209.7	210.8	211.7	212.4	198.4	207.9	212.8	215.6	217.9	219.5
% change	0.7	1.5	1.5	1.2	1.0	0.1	1.0	1.0	1.1	1.4	1.4
Government	305.3	306.4	307.3	307.2	306.9	294.3	305.2	306.8	305.8	306.0	306.3
% change	0.5	0.5	0.9	1.0	1.0	(0.2)	0.4	1.0	0.9	0.7	0.5

Table A.4 – Annual Economic Forecast

Dec 2023 - Personal Income

(Billions of Current Dollars)

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Total Personal Income*												
Oregon	220.0	239.9	262.4	264.2	279.1	296.0	312.4	328.5	345.0	362.3	380.6	399.5
% Ch	4.7	9.0	9.4	0.7	5.6	6.1	5.6	5.1	5.0	5.0	5.0	5.0
U.S.	18,356.2	19,629.0	21,407.7	21,840.8	22,991.7	24,137.2	25,305.7	26,419.0	27,602.5	28,822.0	30,062.2	31,339.0
% Ch	4.7	6.9	9.1	2.0	5.3	5.0	4.8	4.4	4.5	4.4	4.3	4.2
Wage and Salary												
Oregon	113.0	115.8	126.3	135.2	144.4	152.3	159.7	167.2	175.1	183.4	192.0	200.9
% Ch	5.4	2.5	9.1	7.0	6.8	5.5	4.8	4.7	4.7	4.7	4.7	4.7
U.S.	9,325.0	9,464.6	10,312.6	11,116.0	11,828.5	12,400.9	12,876.2	13,375.2	13,949.1	14,549.1	15,156.4	15,784.3
% Ch	4.8	1.5	9.0	7.8	6.4	4.8	3.8	3.9	4.3	4.3	4.2	4.1
Other Labor Income												
Oregon	27.6	28.5	31.0	31.9	34.0	35.9	37.7	39.6	41.6	43.6	45.7	47.8
% Ch	5.3	3.3	8.6	2.9	6.5	5.6	5.2	5.0	4.9	4.8	4.8	4.7
U.S.	1,472.4	1,471.5	1,526.8	1,559.1	1,618.9	1,684.9	1,749.5	1,817.3	1,895.3	1,976.8	2,059.3	2,144.6
% Ch	2.8	(0.1)	3.8	2.1	3.8	4.1	3.8	3.9	4.3	4.3	4.2	4.1
Nonfarm Proprietor's Income												
Oregon	18.2	19.9	22.5	22.8	23.8	25.6	26.4	27.7	29.3	31.2	33.2	35.1
% Ch	3.7	9.0	13.0	1.3	4.7	7.5	3.2	4.8	5.9	6.2	6.4	5.9
U.S.	1,522.1	1,539.4	1,676.8	1,709.1	1,777.8	1,811.4	1,828.6	1,893.1	1,978.3	2,071.9	2,178.4	2,293.1
% Ch	4.0	1.1	8.9	1.9	4.0	1.9	0.9	3.5	4.5	4.7	5.1	5.3
Dividend, Interest and Rent												
Oregon	43.0	44.3	48.9	50.8	53.5	58.0	63.0	66.4	69.3	72.3	75.4	78.7
% Ch	2.4	3.1	10.2	4.0	5.2	8.4	8.6	5.4	4.4	4.3	4.3	4.3
U.S.	3,634.4	3,669.9	4,028.9	4,310.3	4,586.8	4,956.2	5,396.7	5,683.4	5,922.4	6,145.6	6,362.6	6,587.9
% Ch	5.0	1.0	9.8	7.0	6.4	8.1	8.9	5.3	4.2	3.8	3.5	3.5
Transfer Payments												
Oregon	42.8	57.0	62.8	55.1	57.0	59.3	62.2	65.6	69.4	73.5	77.9	82.4
% Ch	5.9	32.9	10.3	(12.3)	3.6	4.0	4.8	5.6	5.7	5.9	6.0	5.8
U.S.	3,088.5	4,182.7	4,554.1	3,903.0	4,003.7	4,129.8	4,313.9	4,543.6	4,784.7	5,044.8	5,311.6	5,577.9
% Ch	5.6	35.4	8.9	(14.3)	2.6	3.2	4.5	5.3	5.3	5.4	5.3	5.0
Contributions for Social Security												
Oregon	19.6	20.0	23.0	24.9	26.4	27.5	28.7	29.9	31.2	32.7	34.2	35.8
% Ch	5.3	2.2	14.6	8.5	5.9	4.4	4.3	4.1	4.5	4.7	4.7	4.7
U.S.	774.0	790.7	851.6	937.7	988.8	1,025.1	1,058.2	1,095.3	1,129.6	1,175.3	1,224.3	1,275.2
% Ch	5.0	2.2	7.7	10.1	5.5	3.7	3.2	3.5	3.1	4.0	4.2	4.2
Residence Adjustment												
Oregon	(5.5)	(6.0)	(6.4)	(7.2)	(7.7)	(8.0)	(8.3)	(8.7)	(9.0)	(9.4)	(9.8)	(10.2)
% Ch	6.9	9.5	6.0	12.9	6.9	5.1	3.8	3.8	3.9	4.0	4.1	4.2
Farm Proprietor's Income												
Oregon	0.3	0.3	0.2	0.5	0.4	0.4	0.5	0.5	0.5	0.5	0.5	0.5
% Ch	44.6	1.6	(29.1)	110.1	(18.1)	7.2	16.0	(3.0)	(2.2)	3.8	5.0	3.4
Per Capita Income (Thousands of $)												
Oregon	52.2	56.5	61.5	61.7	64.9	68.6	71.9	75.1	78.4	81.7	85.2	88.7
% Ch	3.8	8.3	8.9	0.3	5.3	5.6	4.9	4.4	4.3	4.3	4.2	4.1
U.S.	55.5	59.1	64.4	65.4	68.5	71.6	74.6	77.5	80.6	83.7	86.9	90.1
% Ch	4.2	6.5	8.9	1.6	4.7	4.4	4.3	3.9	3.9	3.9	3.8	3.7

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

Dec 2023 - Employment By Industry

(Oregon - Thousands, U.S. - Millions)

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Total Nonfarm												
Oregon	######	1,830.9	#####	#####	1,988.0	2,007.9	2,021.2	2,035.1	######	2,064.5	2,077.6	2,091.3
% Ch	1.6	(6.3)	2.5	3.7	2.2	1.0	0.7	0.7	0.7	0.7	0.6	0.7
U.S.	150.9	142.2	146.3	152.6	156.2	157.3	156.9	156.8	157.4	158.2	158.9	159.7
% Ch	1.3	(5.8)	2.9	4.3	2.4	0.7	(0.3)	(0.0)	0.4	0.5	0.5	0.5
Private Nonfarm												
Oregon	######	1,546.2	#####	#####	1,682.8	1,701.1	1,715.4	1,729.1	######	1,757.8	1,770.3	1,782.6
% Ch	1.7	(6.6)	2.8	3.9	1.9	1.1	0.8	0.8	0.8	0.8	0.7	0.7
U.S.	128.3	120.2	124.3	130.4	133.5	134.2	133.6	133.5	134.0	134.7	135.3	135.9
% Ch	1.5	(6.3)	3.4	4.9	2.4	0.5	(0.4)	(0.1)	0.4	0.5	0.5	0.4
Mining and Logging												
Oregon	6.9	6.6	6.6	6.3	6.0	6.0	6.2	6.4	6.5	6.5	6.5	6.5
% Ch	(4.4)	(4.8)	(0.1)	(4.8)	(3.6)	0.2	2.3	2.8	1.6	0.6	0.3	0.6
U.S.	0.7	0.6	0.6	0.6	0.6	0.6	0.7	0.7	0.7	0.7	0.7	0.7
% Ch	(0.0)	(17.5)	(6.5)	8.0	6.0	0.3	3.5	5.9	2.9	0.1	(1.4)	(2.2)
Construction												
Oregon	109.6	108.4	111.3	115.7	117.2	119.2	122.6	124.9	126.5	127.5	128.4	129.6
% Ch	3.9	(1.1)	2.6	4.0	1.3	1.7	2.9	1.8	1.3	0.8	0.7	0.9
U.S.	7.5	7.3	7.4	7.7	8.0	8.1	8.2	8.3	8.4	8.5	8.6	8.8
% Ch	2.8	(3.2)	2.5	4.2	2.8	2.1	0.8	1.3	1.1	1.5	1.5	1.3
Manufacturing												
Oregon	198.1	185.6	186.7	193.2	193.7	195.1	194.5	194.9	194.8	194.9	194.7	194.5
% Ch	1.5	(6.3)	0.6	3.5	0.2	0.7	(0.3)	0.2	(0.0)	0.0	(0.1)	(0.1)
U.S.	12.8	12.2	12.4	12.8	13.0	12.8	12.3	12.1	11.9	11.8	11.7	11.6
% Ch	1.0	(5.1)	1.6	3.8	1.3	(1.5)	(3.8)	(2.1)	(1.3)	(1.1)	(0.8)	(0.4)
Durable Manufacturing												
Oregon	137.1	128.4	129.1	135.4	134.8	135.6	135.3	135.8	135.6	135.1	134.3	133.6
% Ch	1.1	(6.3)	0.5	4.9	(0.4)	0.6	(0.2)	0.4	(0.1)	(0.4)	(0.5)	(0.5)
U.S.	8.0	7.6	7.7	8.0	8.1	8.0	7.7	7.5	7.4	7.3	7.2	7.1
% Ch	1.2	(5.8)	1.4	3.8	1.9	(1.3)	(4.0)	(2.6)	(1.7)	(1.7)	(1.3)	(0.6)
Wood Products												
Oregon	23.2	22.0	22.7	23.3	22.9	23.0	23.0	22.9	22.9	22.9	22.8	22.8
% Ch	(1.4)	(5.3)	3.5	2.5	(1.7)	0.4	(0.2)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
U.S.	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.5	0.5
% Ch	0.7	(3.1)	3.5	4.6	(0.9)	(5.9)	0.7	4.1	4.0	2.8	2.0	2.5
Metal and Machinery												
Oregon	40.2	36.6	36.3	38.0	37.9	38.1	37.9	37.2	36.7	36.3	36.0	35.7
% Ch	2.2	(8.9)	(0.8)	4.7	(0.3)	0.5	(0.5)	(1.9)	(1.4)	(1.0)	(0.9)	(0.9)
U.S.	3.0	2.8	2.8	2.9	3.0	2.9	2.8	2.8	2.7	2.7	2.6	2.6
% Ch	1.1	(6.8)	(0.2)	4.0	1.9	(0.9)	(3.4)	(1.9)	(1.7)	(1.9)	(1.4)	(0.7)
Computer and Electronic Products												
Oregon	38.6	38.0	37.9	41.3	41.7	41.4	41.5	42.8	43.5	43.8	43.8	43.7
% Ch	1.8	(1.7)	(0.1)	8.7	1.0	(0.6)	0.1	3.2	1.7	0.8	(0.2)	(0.2)
U.S.	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.0	1.0	1.0
% Ch	2.0	(1.2)	(0.3)	2.7	1.3	(0.8)	(0.8)	(0.6)	(1.2)	(1.6)	(1.5)	(1.2)
Transportation Equipment												
Oregon	12.6	11.0	10.7	10.9	11.1	11.4	11.7	11.8	11.6	11.3	11.2	11.1
% Ch	3.8	(13.0)	(2.4)	1.8	2.1	2.7	2.5	1.0	(1.8)	(2.2)	(1.2)	(1.3)
U.S.	1.7	1.6	1.6	1.7	1.8	1.8	1.7	1.6	1.5	1.5	1.4	1.4
% Ch	1.6	(8.0)	3.4	4.9	5.0	(0.1)	(7.6)	(6.4)	(3.6)	(3.4)	(2.5)	(1.8)
Other Durables												
Oregon	22.4	20.9	21.4	21.9	21.2	21.7	21.3	21.1	20.9	20.7	20.5	20.4
% Ch	(0.7)	(6.6)	2.2	2.5	(3.4)	2.3	(1.8)	(0.9)	(0.7)	(1.1)	(0.8)	(0.7)
U.S.	2.2	2.1	2.2	2.3	2.3	2.2	2.1	2.1	2.1	2.1	2.1	2.1
% Ch	0.6	(4.9)	2.9	3.5	(0.1)	(3.0)	(3.3)	(1.4)	(0.5)	(0.4)	(0.1)	0.6
Nondurable Manufacturing												
Oregon	61.1	57.1	57.6	57.9	58.9	59.5	59.2	59.0	59.2	59.8	60.4	60.8
% Ch	2.4	(6.5)	0.9	0.4	1.8	1.0	(0.5)	(0.3)	0.2	1.0	1.0	0.7
U.S.	4.8	4.6	4.7	4.9	4.9	4.8	4.6	4.5	4.5	4.5	4.5	4.5
% Ch	0.8	(3.9)	1.8	3.8	0.3	(1.9)	(3.5)	(1.4)	(0.6)	(0.2)	(0.0)	(0.0)
Food Manufacturing												
Oregon	29.9	28.1	28.5	28.8	29.2	29.4	29.6	29.7	29.7	29.9	30.3	30.5
% Ch	0.1	(6.2)	1.7	0.9	1.4	0.6	0.8	0.2	0.2	0.8	1.1	1.0
U.S.	1.6	1.6	1.6	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7
% Ch	1.5	(1.8)	1.4	3.6	1.5	(0.2)	(3.3)	(0.3)	0.9	1.3	1.4	1.4
Other Nondurable												
Oregon	31.2	29.1	29.1	29.1	29.7	30.1	29.6	29.4	29.5	29.9	30.1	30.3
% Ch	4.7	(6.8)	0.1	(0.1)	2.1	1.5	(1.7)	(0.7)	0.3	1.3	0.9	0.5
U.S.	3.1	3.0	3.0	3.2	3.1	3.1	2.9	2.9	2.8	2.8	2.8	2.8
% Ch	0.4	(5.0)	1.9	3.9	(0.4)	(2.8)	(3.6)	(2.1)	(1.4)	(1.0)	(0.9)	(0.9)
Trade, Transportation, and Utilities												
Oregon	357.2	349.6	361.5	366.8	363.5	361.3	361.8	362.3	363.3	364.1	364.9	365.2
% Ch	1.3	(2.1)	3.4	1.5	(0.9)	(0.6)	0.1	0.1	0.3	0.2	0.2	0.1
U.S.	27.7	26.6	27.7	28.7	28.9	28.5	27.9	27.7	27.6	27.5	27.3	27.2
% Ch	0.4	(3.7)	3.9	3.6	0.7	(1.2)	(2.2)	(0.7)	(0.2)	(0.5)	(0.5)	(0.3)

Dec 2023 - Employment By Industry

(Oregon - Thousands, U.S. - Millions)

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Retail Trade												
Oregon	210.1	200.9	209.2	210.6	208.7	207.3	207.6	207.8	208.1	208.3	208.7	208.9
% Ch	(0.7)	(4.4)	4.1	0.7	(0.9)	(0.7)	0.1	0.1	0.1	0.1	0.2	0.1
U.S.	15.6	14.8	15.3	15.5	15.5	15.1	14.4	14.2	14.1	14.0	14.0	14.0
% Ch	(1.1)	(4.7)	3.0	1.5	0.3	(2.7)	(4.4)	(1.6)	(0.6)	(0.6)	(0.3)	0.2
Wholesale Trade												
Oregon	76.6	74.3	75.0	77.0	77.2	77.2	77.1	77.0	77.2	77.5	77.7	77.8
% Ch	1.2	(3.0)	1.0	2.7	0.3	(0.1)	(0.1)	(0.1)	0.3	0.3	0.3	0.2
U.S.	5.9	5.6	5.7	6.0	6.1	6.1	6.2	6.2	6.2	6.1	6.1	6.0
% Ch	0.8	(4.3)	1.4	4.5	1.7	1.1	0.5	0.0	0.2	(0.6)	(0.9)	(1.1)
Transportation and Warehousing, and Utilities												
Oregon	70.6	74.5	77.3	79.2	77.6	76.9	77.2	77.5	78.0	78.4	78.5	78.5
% Ch	7.5	5.5	3.8	2.4	(2.0)	(0.9)	0.4	0.4	0.6	0.5	0.2	0.0
U.S.	6.2	6.2	6.7	7.2	7.3	7.3	7.3	7.3	7.3	7.3	7.2	7.2
% Ch	3.9	(0.6)	8.3	7.8	0.8	0.1	0.3	0.3	(0.0)	(0.4)	(0.6)	(0.8)
Information												
Oregon	35.1	33.3	35.1	36.8	37.6	37.7	37.8	37.6	37.6	37.8	37.9	38.0
% Ch	2.2	(5.1)	5.4	4.8	2.2	0.4	0.2	(0.5)	(0.1)	0.6	0.4	0.1
U.S.	2.9	2.7	2.9	3.1	3.1	3.1	3.2	3.1	3.1	3.1	3.1	3.1
% Ch	0.9	(5.0)	5.0	7.6	(0.0)	0.3	2.4	(1.3)	(1.4)	(0.1)	0.2	(0.1)
Financial Activities												
Oregon	103.5	102.5	104.2	105.1	105.3	106.4	106.6	106.8	106.4	106.2	105.9	105.5
% Ch	1.3	(1.0)	1.6	0.9	0.2	1.1	0.2	0.2	(0.4)	(0.2)	(0.3)	(0.4)
U.S.	8.8	8.7	8.8	9.0	9.1	9.2	9.3	9.4	9.4	9.4	9.4	9.3
% Ch	1.9	(0.6)	1.2	2.7	1.0	1.1	0.9	0.8	0.3	(0.1)	(0.3)	(0.7)
Professional and Business Services												
Oregon	254.7	243.6	251.6	263.7	268.9	273.3	275.8	278.7	284.0	290.4	296.3	302.3
% Ch	2.0	(4.3)	3.3	4.8	2.0	1.6	0.9	1.0	1.9	2.3	2.0	2.0
U.S.	21.3	20.4	21.4	22.6	23.0	23.1	23.1	22.9	23.2	23.8	24.4	24.9
% Ch	1.6	(4.5)	5.0	5.6	1.8	0.7	(0.1)	(0.7)	1.1	2.5	2.4	2.2
Education and Health Services												
Oregon	312.1	296.7	299.1	303.9	316.6	322.7	327.7	332.4	336.8	340.2	343.1	346.3
% Ch	2.1	(4.9)	0.8	1.6	4.2	1.9	1.5	1.4	1.3	1.0	0.9	0.9
U.S.	24.2	23.3	23.6	24.4	25.4	25.8	25.8	25.8	25.9	26.1	26.2	26.3
% Ch	2.2	(3.7)	1.6	3.0	4.2	1.8	0.0	(0.2)	0.5	0.6	0.4	0.4
Educational Services												
Oregon	36.6	31.5	32.1	34.5	35.1	34.9	34.9	35.0	34.9	34.9	34.8	34.8
% Ch	0.3	(13.9)	1.7	7.5	1.7	(0.5)	0.2	0.1	(0.1)	(0.1)	(0.2)	(0.2)
U.S.	3.7	3.5	3.6	3.8	3.9	3.9	3.9	3.9	3.9	4.0	4.0	4.0
% Ch	0.7	(7.1)	3.1	5.9	3.5	0.3	(0.6)	(0.1)	0.7	0.8	0.2	(0.3)
Health Care and Social Assistance												
Oregon	275.5	265.2	267.1	269.5	281.5	287.8	292.7	297.4	301.9	305.3	308.3	311.6
% Ch	2.3	(3.7)	0.7	0.9	4.5	2.2	1.7	1.6	1.5	1.1	1.0	1.1
U.S.	20.4	19.8	20.1	20.6	21.4	21.9	21.9	21.9	22.0	22.1	22.2	22.3
% Ch	2.5	(3.1)	1.4	2.4	4.3	2.1	0.1	(0.2)	0.5	0.6	0.4	0.5
Leisure and Hospitality												
Oregon	213.9	162.1	175.0	198.4	207.9	212.8	215.6	217.9	219.5	221.7	223.7	225.3
% Ch	1.2	(24.2)	7.9	13.4	4.8	2.3	1.3	1.1	0.7	1.0	0.9	0.7
U.S.	16.6	13.1	14.1	15.9	16.6	16.9	17.1	17.4	17.5	17.5	17.6	17.6
% Ch	1.8	(20.8)	7.7	12.0	4.9	1.7	1.3	1.6	0.6	(0.0)	0.3	(0.1)
Other Services												
Oregon	64.8	57.8	59.2	61.9	66.1	66.5	66.7	67.3	67.9	68.5	68.9	69.4
% Ch	0.6	(10.8)	2.5	4.5	6.8	0.7	0.3	0.8	0.9	0.8	0.6	0.6
U.S.	5.9	5.3	5.5	5.7	5.9	5.9	6.0	6.1	6.2	6.3	6.3	6.4
% Ch	1.0	(9.6)	2.4	4.6	2.7	1.0	1.3	1.4	1.5	1.6	1.1	0.7
Government												
Oregon	298.3	284.7	285.6	294.3	305.2	306.8	305.8	306.0	306.3	306.7	307.3	308.7
% Ch	1.2	(4.6)	0.3	3.0	3.7	0.5	(0.3)	0.1	0.1	0.1	0.2	0.5
U.S.	22.6	22.0	22.0	22.2	22.7	23.1	23.2	23.3	23.4	23.5	23.6	23.8
% Ch	0.7	(2.8)	(0.1)	0.9	2.4	1.6	0.6	0.5	0.4	0.4	0.4	0.7
Federal Government												
Oregon	28.5	29.2	28.5	27.8	28.3	28.4	28.3	28.2	28.1	28.0	27.9	28.6
% Ch	1.4	2.5	(2.3)	(2.3)	1.6	0.2	(0.4)	(0.3)	(0.3)	(0.3)	(0.2)	2.4
U.S.	2.8	2.9	2.9	2.9	2.9	3.0	3.0	3.0	3.0	3.0	3.0	3.0
% Ch	1.1	3.6	(1.6)	(0.6)	2.0	0.8	0.0	0.0	0.0	0.0	0.0	2.3
State Government, Oregon												
State Total	40.9	41.4	42.5	43.0	44.8	45.5	45.1	45.3	45.7	46.2	46.6	47.0
% Ch	3.6	1.1	2.8	1.2	4.2	1.4	(0.8)	0.4	0.9	1.2	0.9	0.8
State Education	0.9	0.9	1.0	1.2	1.4	1.4	1.4	1.3	1.3	1.3	1.2	1.2
% Ch	7.2	4.1	11.3	18.6	16.3	2.1	(2.8)	(3.0)	(2.6)	(2.3)	(2.0)	(2.1)
Local Government, Oregon												
Local Total	228.9	214.1	214.6	223.4	232.1	233.0	232.4	232.6	232.5	232.5	232.7	233.1
% Ch	0.8	(6.5)	0.2	4.1	3.9	0.4	(0.2)	0.0	(0.0)	(0.0)	0.1	0.2
Local Education	133.0	121.9	122.2	128.0	131.2	130.6	130.3	130.1	129.3	128.5	128.0	127.6
% Ch	0.3	(8.4)	0.2	4.8	2.5	(0.4)	(0.2)	(0.2)	(0.6)	(0.6)	(0.4)	(0.3)

Dec 2023 - Other Economic Indicators

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
GDP (Bil of 2012 $),												
Chain Weight (in billions of $)	20,692.1	20,234.1	21,407.7	21,822.0	22,364.2	22,724.2	23,006.5	23,379.7	23,799.8	24,221.7	24,641.0	25,063.5
% Ch	2.5	(2.2)	5.8	1.9	2.5	1.6	1.2	1.6	1.8	1.8	1.7	1.7
Price and Wage Indicators												
GDP Implicit Price Deflator,												
Chain Weight U.S., 2012=10(	104.0	105.4	110.2	118.0	122.2	125.1	128.0	130.8	133.7	136.7	139.8	142.9
% Ch	1.7	1.3	4.6	7.1	3.5	2.4	2.4	2.2	2.2	2.2	2.3	2.3
Personal Consumption Deflator,												
Chain Weight U.S., 2012=100	103.5	104.6	109.0	116.0	120.5	123.2	125.8	128.3	130.9	133.6	136.3	139.0
% Ch	1.4	1.1	4.2	6.5	3.8	2.3	2.1	2.0	2.0	2.0	2.0	2.0
CPI, Urban Consumers,												
1982-84=100												
West Region	270.3	275.1	287.5	310.5	324.2	334.0	342.9	351.1	359.1	367.4	375.9	384.7
% Ch	2.7	1.7	4.5	8.0	4.4	3.0	2.7	2.4	2.3	2.3	2.3	2.4
U.S.	255.7	258.9	271.0	292.6	304.6	311.9	318.9	325.8	332.9	340.4	347.8	355.4
% Ch	1.8	1.3	4.7	8.0	4.1	2.4	2.2	2.2	2.2	2.2	2.2	2.2
Oregon Average Wage												
Rate (Thous $)	57.4	62.8	66.8	69.0	72.1	75.4	78.5	81.6	84.9	88.3	91.8	95.5
% Ch	3.9	9.4	6.3	3.4	4.4	4.6	4.1	4.0	4.0	4.0	4.0	4.0
U.S. Average Wage												
Wage Rate (Thous $)	61.8	66.6	70.5	72.8	75.7	78.8	82.1	85.3	88.6	92.0	95.4	98.8
% Ch	3.4	7.7	5.9	3.3	4.0	4.1	4.1	3.9	3.9	3.8	3.7	3.7
Housing Indicators												
FHFA Oregon Housing Price Index												
1991 Q1=100	434.6	470.3	556.1	614.6	610.4	617.0	640.8	672.3	700.7	729.2	759.3	790.6
% Ch	4.7	8.2	18.2	10.5	(0.7)	1.1	3.9	4.9	4.2	4.1	4.1	4.1
FHFA National Housing Price Index												
1991 Q1=100	268.6	289.7	338.2	385.5	403.1	412.9	420.3	427.1	433.7	442.4	453.2	465.2
% Ch	5.0	7.9	16.7	14.0	4.6	2.4	1.8	1.6	1.6	2.0	2.4	2.6
Housing Starts												
Oregon (Thous)	20.7	18.1	20.2	20.0	18.3	17.9	19.3	20.4	20.9	21.3	21.3	21.5
% Ch	5.7	(12.7)	11.9	(1.4)	(8.2)	(2.1)	7.8	5.3	2.6	1.8	0.2	0.7
U.S. (Millions)	1.3	1.4	1.6	1.6	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4
% Ch	3.6	8.2	14.9	(3.4)	(9.7)	(1.1)	1.4	(0.5)	(1.0)	(0.2)	(0.1)	(0.6)
Other Indicators												
Unemployment Rate (%)												
Oregon	3.7	7.6	5.2	4.1	3.8	3.9	4.1	4.1	4.1	4.1	4.1	4.1
Point Change	(0.3)	3.9	(2.4)	(1.1)	(0.3)	0.0	0.2	0.0	0.0	0.0	0.0	0.0
U.S.	3.7	8.1	5.4	3.6	3.6	3.8	4.4	4.7	4.6	4.5	4.4	4.3
Point Change	(0.2)	4.4	(2.7)	(1.7)	(0.0)	0.2	0.5	0.3	(0.0)	(0.1)	(0.1)	(0.1)
Industrial Production Index												
U.S, 2012 = 100	102.4	95.1	99.2	102.6	102.7	101.3	101.6	102.6	103.8	105.1	106.5	107.8
% Ch	(0.7)	(7.2)	4.4	3.4	0.0	(1.3)	0.2	1.0	1.2	1.3	1.3	1.2
Prime Rate (Percent)	5.3	3.5	3.3	4.9	8.2	8.5	7.2	6.0	5.7	5.7	5.7	5.7
% Ch	7.7	(32.9)	(8.3)	49.3	68.9	3.8	(15.7)	(16.5)	(4.0)	0.0	(0.0)	(0.0)
Population (Millions)												
Oregon	4.21	4.24	4.26	4.28	4.30	4.32	4.34	4.37	4.40	4.43	4.47	4.50
% Ch	0.9	0.7	0.5	0.4	0.3	0.5	0.6	0.7	0.7	0.7	0.8	0.8
U.S.	330.5	331.9	332.5	333.8	335.5	337.3	339.0	340.7	342.5	344.2	346.0	347.7
% Ch	0.6	0.4	0.2	0.4	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Timber Harvest (Mil Bd Ft)												
Oregon	3,541.3	3,624.7	3,880.5	3,652.0	3,645.4	3,282.3	3,289.0	3,418.6	3,409.8	3,468.1	3,451.9	3,451.8
% Ch	(12.9)	2.4	7.1	(5.9)	(0.2)	(10.0)	0.2	3.9	(0.3)	1.7	(0.5)	(0.0)

Appendix B: Revenue Forecast Detail

Table B.1 – General Fund Revenues – 2023-25 **Corrected on November 20th, 2023 **

Table B.1
General Fund Revenue Statement -- 2023-25

		Forecasts Dated: 9/1/2023			Forecasts Dated: 12/1/2023			Difference	
	Estimate at COS 2023	2023-24	2024-25	Total 2023-25	2023-24	2024-25	Total 2023-25	12/1/2023 Less 9/1/2023	12/1/2023 Less COS
Taxes									
Personal Income Taxes	21,019,693,000	8,558,736,000	12,504,858,000	21,063,594,000	8,628,483,000	12,536,136,000	21,164,619,000	101,025,000	144,926,000
Transfers & Offsets	(37,030,000)	(33,251,000)	(70,340,000)	(103,591,000)	(33,251,000)	(70,783,000)	(104,034,000)	(443,000)	(67,004,000)
Corporate Income Taxes	2,228,945,000	1,204,234,000	1,345,657,000	2,549,891,000	1,313,304,000	1,333,900,000	2,647,204,000	97,313,000	418,259,000
Transfer to Rainy Day Fund (Minimum Tax)	(91,604,000)	0	(110,175,000)	(110,175,000)	0	(108,595,000)	(108,595,000)	1,580,000	(16,991,000)
Insurance Taxes	145,011,000	81,440,000	83,666,000	165,106,000	50,506,000	63,934,000	114,440,000	(50,666,000)	(30,571,000)
Estate Taxes	539,732,000	271,050,000	274,080,000	545,130,000	272,850,000	274,280,000	547,130,000	2,000,000	7,398,000
Transfer to PERS UAL	0	(60,503,000)	0	(60,503,000)	0	0	0	60,503,000	0
Cigarette Taxes	43,144,000	21,847,000	21,297,000	43,144,000	21,459,000	21,297,000	42,756,000	(388,000)	(388,000)
Other Tobacco Products Taxes	61,303,000	30,684,000	30,619,000	61,303,000	29,310,000	28,984,000	58,294,000	(3,009,000)	(3,009,000)
Other Taxes	1,796,000	898,000	898,000	1,796,000	898,000	898,000	1,796,000	0	0
Fines and Fees									
State Court Fees	123,317,000	60,398,000	62,919,000	123,317,000	60,398,000	62,919,000	123,317,000	0	0
Secretary of State Fees	101,804,000	51,642,000	50,162,000	101,804,000	51,642,000	50,162,000	101,804,000	0	0
Criminal Fines & Assessments	15,514,000	7,757,000	7,757,000	15,514,000	7,757,000	7,757,000	15,514,000	0	0
Securities Fees	31,595,000	14,930,000	15,536,000	30,466,000	14,972,000	15,301,000	30,273,000	(193,000)	(1,322,000)
Central Service Charges	16,100,000	8,050,000	8,050,000	16,100,000	8,050,000	8,050,000	16,100,000	0	0
Liquor Apportionment	401,822,000	194,482,000	207,340,000	401,822,000	194,482,000	207,340,000	401,822,000	0	0
Interest Earnings	473,325,000	346,668,000	140,513,000	487,181,000	352,844,000	142,513,000	495,357,000	8,176,000	22,032,000
Miscellaneous Revenues	16,000,000	8,000,000	8,000,000	16,000,000	8,000,000	8,000,000	16,000,000	0	0
One-time Transfers	40,834,635	220,000	40,615,000	40,835,000	2,085,000	40,615,000	42,700,000	1,865,000	1,865,365
Gross General Fund Revenues	25,259,935,635	10,861,036,000	14,801,967,000	25,663,003,000	11,017,040,000	14,802,086,000	25,819,126,000	156,123,000	559,190,365
Total Transfers	(128,634,000)	(93,754,000)	(180,515,000)	(274,269,000)	(33,251,000)	(179,378,000)	(212,629,000)	61,640,000	(83,995,000)
Net General Fund Revenues	25,131,301,635	10,767,282,000	14,621,452,000	25,388,734,000	10,983,789,000	14,622,708,000	25,606,497,000	217,763,000	475,195,365
Plus Beginning Balance	7,493,482,790			7,636,234,556			7,636,234,556	0	142,751,766
Less Anticipated Administrative Actions*	0			0			0	0	0
Less Statutory Transfers**	(308,375,734)			(271,306,279)			(271,306,279)	0	37,069,455
Available Resources	32,316,408,692			32,753,662,278			32,971,425,278	217,763,000	655,016,586
Appropriations	31,873,575,550			31,873,575,550			31,873,575,550	*0*	0
Estimated Ending Balance	442,833,142			880,086,728			1,097,849,728	217,763,000	655,016,586

Notes: 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. Cigarette, Other Tobacco, and Liquor are the General Fund portions only, see Table B.6 and B.7 for more.

* The "Anticipated Administrative Actions line includes items like Tax Anticipation Note borrowing costs. None of these costs are anticipated for the 2023-25 biennium.
** "Statutory Transfers" amounts to the Rainy Day Fund transfer. The BM 110 Transfer that was included for the Close of Session forecast is now included in the PIT "Transfers and Offsets" line. The amount of the BM 110 transfer is $2,157,766 in FY 2024 and $37,512,017 in FY 2025.

Table B.2 – General Fund Revenues by Fiscal Year ** Corrected on November 20th, 2023 **

General Fund Revenue Forecast — **December 2023**

($Millions)

Fiscal Years	2021-22 Fiscal Year	2022-23 Fiscal Year	2023-24 Fiscal Year	2024-25 Fiscal Year	2025-26 Fiscal Year	2026-27 Fiscal Year	2027-28 Fiscal Year	2028-29 Fiscal Year	2029-30 Fiscal Year	2030-31 Fiscal Year	2031-32 Fiscal Year	2032-33 Fiscal Year
Taxes												
Personal Income	12,436.6	13,246.9	8,628.5	12,536.1	14,570.3	15,359.0	16,530.0	17,701.7	18,944.5	20,122.4	21,363.6	22,739.6
Film & Video, Gain Share, Industrial Lands	(26.2)	(27.4)	(33.3)	(70.8)	(32.8)	(73.5)	(35.6)	(78.1)	(30.6)	(53.4)	(8.2)	(46.9)
Corporate Excise & Income	1,538.5	1,618.5	1,313.3	1,333.9	1,388.0	1,472.8	1,533.4	1,582.1	1,636.6	1,704.1	1,784.4	1,878.7
Transfer to RDF & PERS UAL	0.0	(128.6)	0.0	(108.6)	0.0	(117.4)	0.0	(127.8)	0.0	(137.0)	0.0	0.0
Insurance	86.2	96.0	50.5	63.9	93.5	95.6	98.0	100.2	102.4	104.7	107.0	109.3
Estate	325.5	297.6	272.8	274.3	278.4	285.3	288.1	295.6	305.6	314.0	326.5	339.6
Transfer toPERS UAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cigarette	24.4	21.4	21.5	21.3	20.7	20.3	19.9	19.6	19.3	19.0	18.7	18.4
Other Tobacco Products	30.3	29.4	29.3	29.0	28.7	28.3	27.9	27.6	27.3	27.0	26.7	26.4
Other Taxes	1.0	0.8	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9
Other Revenues												
Licenses and Fees	111.8	113.3	134.8	136.1	138.0	137.3	139.3	138.5	140.4	139.5	141.9	141.0
Charges for Services	6.4	6.4	8.1	8.1	8.7	8.7	9.4	9.4	10.0	10.0	10.7	10.7
Liquor Apportionment	160.0	172.3	194.5	207.3	187.2	197.6	209.7	223.2	238.5	253.7	269.9	287.2
Interest Earnings	40.0	262.5	352.8	142.5	112.1	104.8	108.0	111.2	114.6	118.0	121.4	124.7
Others	103.2	50.1	10.1	48.6	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
Gross General Fund	14,863.9	15,915.2	11,017.0	14,802.1	16,834.4	17,718.6	18,972.5	20,218.0	21,548.1	22,821.4	24,179.7	25,684.6
Net General Fund	14,837.7	15,759.2	10,983.8	14,622.7	16,801.7	17,527.7	18,937.0	20,012.1	21,517.5	22,630.9	24,171.5	25,637.7

Biennial Totals	2021-23 BN	Change (%)	2023-25 BN	Change (%)	2025-27 BN	Change (%)	2027-29 BN	Change (%)	2029-31 BN	Change (%)	2031-33 BN	Change (%)
Taxes												
Personal Income	25,683.5	28.4%	21,164.6	-17.6%	29,929.3	41.4%	34,231.7	14.4%	39,066.9	14.1%	44,103.2	12.9%
Corporate Excise & Income	3,157.0	60.5%	2,647.2	-16.1%	2,860.8	8.1%	3,115.5	8.9%	3,340.7	7.2%	3,663.2	9.7%
Insurance	182.3	14.5%	114.4	-37.2%	189.1	65.2%	198.2	4.8%	207.1	4.5%	216.3	4.4%
Estate Taxes	623.0	18.9%	547.1	-12.2%	563.6	3.0%	583.8	3.6%	619.6	6.1%	666.1	7.5%
Cigarette	45.8	-17.0%	42.8	-6.6%	41.0	-4.2%	39.6	-3.4%	38.4	-3.1%	37.2	-3.1%
Other Tobacco Products	59.8	-2.5%	58.3	-2.5%	57.0	-2.3%	55.5	-2.5%	54.3	-2.2%	53.1	-2.2%
Other Taxes	1.9	85.4%	1.8	-3.0%	1.8	0.0%	1.8	0.0%	1.8	0.0%	1.8	0.0%
Other Revenues												
Licenses and Fees	225.1	-9.7%	270.9	20.4%	275.3	1.6%	277.7	0.9%	279.9	0.8%	282.8	1.0%
Charges for Services	12.7	11.1%	16.1	26.3%	17.4	8.1%	18.7	7.5%	20.0	7.0%	21.3	6.5%
Liquor Apportionment	332.4	-2.5%	401.8	20.9%	384.8	-4.2%	432.9	12.5%	492.2	13.7%	557.2	13.2%
Interest Earnings	302.5	225.5%	495.4	63.8%	216.9	-56.2%	219.2	1.1%	232.6	6.1%	246.1	5.8%
Others	153.3	-17.5%	58.7	-61.7%	16.0	-72.7%	16.0	0.0%	16.0	0.0%	16.0	0.0%
Gross General Fund	30,779.1	30.1%	25,819.1	-16.1%	34,553.0	33.8%	39,190.5	13.4%	44,369.5	13.2%	49,864.2	12.4%
Net General Fund	30,596.9	30.0%	25,606.5	-16.3%	34,329.4	34.1%	38,949.1	13.5%	44,148.5	13.3%	49,809.2	12.8%

Table B.3 – Summary of 2023 Legislative Session Adjustments

	23-25	25-27	27-29	Revenue Impact Statement
Personal Income Tax Impacts (millions)				
R&D Tax Credit – HB 2009	-$0.9	-$2.0	-$2.2	HB 2009
Gain Share (5 year extension)	$0.0	-$18.1	-$36.8	
Omnibus & Tax Credits – HB 2071	-$0.30	-$30.2	-$60.4	HB 2071
Child Tax Credit – HB 3235	-$71.5	-$74.1	-$77.5	HB 3235
Opportunity Grant Tax Credit – SB 129	$5.0	$0.1	$0.0	SB 129
Wildfire Deduction – HB 2812	-$0.6	-$0.2	$0.0	HB 2812
Film Tax Credit – HB 2093	Minimal			HB 2093
Reconnect – SB 141	Minimal			SB 141
SALT Workaround – HB 2083	Minimal			HB 2083
Personal Income Tax Total	**-$68.3**	**-$124.4**	**-$177.0**	
Corporate Income Tax Impacts (millions)				
R&D Tax Credit – HB 2009	-$24.0	-$53.6	-$61.3	HB 2009
Omnibus & Tax Credits – HB 2071	-$0.4	-$3.1	-$9.0	HB 2071
Opportunity Grant Tax Credit – SB 129	$8.7	$0.2	$0.0	SB 129
Film Tax Credit – HB 2093	Minimal			HB 2093
Reconnect – SB 141	Minimal			SB 141
Corporate Income Tax Total	**-$15.7**	**-$56.5**	**-$70.3**	
Other Tax/Revenue Impacts (millions)				
Estate Tax – SB 498	-$8.0	-$15.5	-$16.4	SB 498
Criminal Fine Account, Photo Radar – HB 2095	$5.2	$8.9	$8.5	HB 2095
OLCC, Alcohol Delivery – HB 3308	$3.9	$5.7	$6.0	HB 3308
Close Wildfire Account – HB 3215	$0.2	$0.0	$0.0	HB 3215
Program Change – SB 1049	$40.6	$0.0	$0.0	SB 1049
Forestland Tax Credit – HB 2161	Minimal			HB 2161
Other Tax Total	**$42.0**	**-$0.9**	**-$1.9**	

Table B.4 – Personal Income Tax Forecast

TABLE B.4 **OREGON PERSONAL INCOME TAX REVENUE FORECAST - QUARTERLY COLLECTIONS**

Thousands of Dollars - Not Seasonally Adjusted **December 2023**

	2017:3	2017:4	2018:1	2018:2	FY 2018	2018:3	2018:4	2019:1	2019:2	FY 2019
WITHHOLDING	1,748,844	1,836,249	2,011,564	1,851,177	7,447,834	1,925,880	2,039,120	2,079,900	1,999,015	8,043,914
%CHYA	4.4%	7.7%	9.6%	4.6%	6.6%	10.1%	11.0%	3.4%	8.0%	8.0%
EST. PAYMENTS	321,032	451,037	464,534	512,671	1,749,274	367,772	284,002	321,858	532,273	1,505,905
%CHYA	6.7%	41.3%	21.5%	13.9%	20.4%	14.6%	-37.0%	-30.7%	3.8%	-13.9%
FINAL PAYMENTS	92,364	169,785	174,096	878,587	1,314,832	104,644	156,592	225,515	1,385,562	1,872,312
%CHYA	-10.9%	17.7%	-0.6%	-4.4%	-2.0%	13.3%	-7.8%	29.5%	57.7%	42.4%
REFUNDS	133,143	266,467	686,100	610,486	1,696,196	140,701	335,635	546,225	445,573	1,468,133
%CHYA	-4.1%	4.6%	19.4%	34.2%	19.2%	5.7%	26.0%	-20.4%	-27.0%	-13.4%
OTHER	(192,251)	-	-	237,300	45,049	(237,300)	-	-	222,477	(14,823)
TOTAL	1,836,845	2,190,604	1,964,094	2,869,249	8,860,793	2,020,295	2,144,078	2,081,049	3,693,754	9,939,176
%CHYA	7.7%	14.5%	8.0%	-0.2%	6.6%	10.0%	-2.1%	6.0%	28.7%	12.2%

	2019:3	2019:4	2020:1	2020:2	FY 2020	2020:3	2020:4	2021:1	2021:2	FY 2021
WITHHOLDING	2,059,715	2,223,410	2,183,444	1,997,661	8,464,230	2,127,124	2,291,161	2,321,603	2,266,779	9,006,667
%CHYA	6.9%	9.0%	5.0%	-0.1%	5.2%	3.3%	3.0%	6.3%	13.5%	6.4%
EST. PAYMENTS	413,316	296,072	376,127	428,769	1,514,284	497,544	292,601	432,742	701,877	1,924,764
%CHYA	12.4%	4.3%	16.9%	-19.4%	0.6%	20.4%	-1.2%	15.1%	63.7%	27.1%
FINAL PAYMENTS	131,560	195,074	159,708	330,328	816,671	758,710	142,228	220,765	1,500,229	2,621,931
%CHYA	25.7%	24.6%	-29.2%	-76.2%	-56.4%	476.7%	-27.1%	38.2%	354.2%	221.1%
REFUNDS	144,251	289,464	1,120,326	735,922	2,289,962	432,836	360,529	558,588	672,421	2,024,375
%CHYA	2.5%	-13.8%	105.1%	65.2%	56.0%	200.1%	24.6%	-50.1%	-8.6%	-11.6%
OTHER	(222,477)	-	-	175,167	(47,310)	(175,167)	-	-	194,880	19,713
TOTAL	2,237,864	2,425,092	1,598,954	2,196,004	8,457,914	2,775,375	2,365,460	2,416,522	3,991,345	11,548,702
%CHYA	10.8%	13.1%	-23.2%	-40.5%	-14.9%	24.0%	-2.5%	51.1%	81.8%	36.5%

	2021:3	2021:4	2022:1	2022:2	FY 2022	2022:3	2022:4	2023:1	2023:2	FY 2023
WITHHOLDING	2,393,995	2,525,865	2,611,195	2,467,726	9,998,782	2,509,729	2,641,474	2,680,227	2,569,226	10,400,656
%CHYA	12.5%	10.2%	12.5%	8.9%	11.0%	4.8%	4.6%	2.6%	4.1%	4.0%
EST. PAYMENTS	495,468	340,639	508,064	904,746	2,248,917	659,287	713,409	575,127	789,444	2,737,267
%CHYA	-0.4%	16.4%	17.4%	28.9%	16.8%	33.1%	109.4%	13.2%	-12.7%	21.7%
FINAL PAYMENTS	153,160	208,665	255,615	2,115,965	2,733,405	162,621	255,669	349,752	1,658,281	2,426,323
%CHYA	-79.8%	46.7%	15.8%	41.0%	4.3%	6.2%	22.5%	36.8%	-21.6%	-11.2%
REFUNDS	162,428	300,852	1,062,458	960,617	2,486,355	293,038	559,280	822,472	720,282	2,395,072
%CHYA	-62.5%	-16.6%	90.2%	42.9%	22.8%	80.4%	85.9%	-22.6%	-25.0%	-3.7%
OTHER	(194,880)	-	-	183,017	(11,863)	(183,017)	-	-	284,139	101,122
TOTAL	2,685,315	2,774,318	2,312,417	4,710,837	12,482,887	2,855,581	3,051,273	2,782,635	4,580,808	13,270,296
%CHYA	-3.2%	17.3%	-4.3%	18.0%	8.1%	6.3%	10.0%	20.3%	-2.8%	6.3%

	2023:3	2023:4	2024:1	2024:2	FY 2024	2024:3	2024:4	2025:1	2025:2	FY 2025
WITHHOLDING	2,622,334	2,699,628	2,899,498	2,712,591	10,934,052	2,767,971	2,841,860	3,043,116	2,845,754	11,498,700
%CHYA	4.5%	2.2%	8.2%	5.6%	5.1%	5.6%	5.3%	5.0%	4.9%	5.2%
EST. PAYMENTS	577,023	312,836	290,387	672,050	1,852,296	489,722	426,044	520,356	759,892	2,196,014
%CHYA	-12.5%	-56.1%	-49.5%	-14.9%	-32.3%	-15.1%	36.2%	79.2%	13.1%	18.6%
FINAL PAYMENTS[1]	195,731	241,471	173,106	467,498	1,077,806	105,675	149,267	242,133	1,536,137	2,033,212
%CHYA	20.4%	-5.6%	-50.5%	-71.8%	-55.6%	-46.0%	-38.2%	39.9%	228.6%	88.6%
REFUNDS	339,947	352,552	2,543,506	2,011,182	5,247,186	406,029	940,313	1,071,019	788,943	3,206,304
%CHYA	16.0%	-37.0%	209.3%	179.2%	119.1%	19.4%	166.7%	-57.9%	-60.8%	-38.9%
OTHER	(284,139)	-	-	295,654	11,515	(295,654)	-	-	310,168	14,514
TOTAL	2,771,003	2,901,384	819,485	2,136,611	8,628,483	2,661,684	2,476,858	2,734,586	4,663,008	12,536,136
%CHYA	-3.0%	-4.9%	-70.6%	-53.4%	-35.0%	-3.9%	-14.6%	233.7%	118.2%	45.3%

Note: "Other" includes July withholding accrued to June.

Tax law impacts are reflected in the collections numbers to produce more meaningful projections.

TABLE B.4 **OREGON PERSONAL INCOME TAX REVENUE FORECAST - QUARTERLY COLLECTIONS**

Thousands of Dollars - Not Seasonally Adjusted **December 2023**

	2025:3	2025:4	2026:1	2026:2	FY 2026	2026:3	2026:4	2027:1	2027:2	FY 2027
WITHHOLDING	2,903,867	2,981,388	3,180,402	2,972,552	12,038,209	3,033,275	3,114,256	3,351,474	3,136,302	12,635,306
%CHYA	4.9%	4.9%	4.5%	4.5%	4.7%	4.5%	4.5%	5.4%	5.5%	5.0%
EST. PAYMENTS	553,732	481,731	586,667	832,693	2,454,823	606,782	527,884	641,894	897,235	2,673,795
%CHYA	13.1%	13.1%	12.7%	9.6%	11.8%	9.6%	9.6%	9.4%	7.8%	8.9%
FINAL PAYMENTS[1]	160,994	255,569	280,137	1,737,469	2,434,169	170,293	274,546	286,841	1,835,476	2,567,156
%CHYA	52.3%	71.2%	15.7%	13.1%	19.7%	5.8%	7.4%	2.4%	5.6%	5.5%
REFUNDS	176,770	381,795	1,012,745	799,369	2,370,678	186,185	402,078	1,087,788	859,059	2,535,110
%CHYA	-56.5%	-59.4%	-5.4%	1.3%	-26.1%	5.3%	5.3%	7.4%	7.5%	6.9%
OTHER	(310,168)	-	-	323,988	13,820	(323,988)	-	-	341,836	17,849
TOTAL	3,131,655	3,336,893	3,034,461	5,067,333	14,570,343	3,300,177	3,514,607	3,192,421	5,351,790	15,358,995
%CHYA	17.7%	34.7%	11.0%	8.7%	16.2%	5.4%	5.3%	5.2%	5.6%	5.4%

	2027:3	2027:4	2028:1	2028:2	FY 2028	2028:3	2028:4	2029:1	2029:2	FY 2029
WITHHOLDING	3,200,321	3,285,748	3,532,194	3,304,909	13,323,172	3,372,377	3,462,398	3,740,943	3,502,685	14,078,403
%CHYA	5.5%	5.5%	5.4%	5.4%	5.4%	5.4%	5.4%	5.9%	6.0%	5.7%
EST. PAYMENTS	653,814	568,800	691,281	961,073	2,874,967	700,332	609,269	740,553	1,030,815	3,080,969
%CHYA	7.8%	7.8%	7.7%	7.1%	7.5%	7.1%	7.1%	7.1%	7.3%	7.2%
FINAL PAYMENTS[1]	175,006	288,909	342,049	2,089,874	2,895,837	209,752	338,143	371,949	2,234,778	3,154,622
%CHYA	2.8%	5.2%	19.2%	13.9%	12.8%	19.9%	17.0%	8.7%	6.9%	8.9%
REFUNDS	199,243	431,486	1,091,507	860,114	2,582,350	200,076	432,209	1,119,020	882,548	2,633,853
%CHYA	7.0%	7.3%	0.3%	0.1%	1.9%	0.4%	0.2%	2.5%	2.6%	2.0%
OTHER	(341,836)	-	-	360,213	18,377	(360,213)	-	-	381,770	21,557
TOTAL	3,488,061	3,711,971	3,474,016	5,855,956	16,530,003	3,722,172	3,977,602	3,734,425	6,267,499	17,701,698
%CHYA	5.7%	5.6%	8.8%	9.4%	7.6%	6.7%	7.2%	7.5%	7.0%	7.1%

	2029:3	2029:4	2030:1	2030:2	FY2030	2030:3	2030:4	2031:1	2031:2	FY 2031
WITHHOLDING	3,574,159	3,669,558	3,960,850	3,708,071	14,912,638	3,783,743	3,884,738	4,193,068	3,925,465	15,787,013
%CHYA	6.0%	6.0%	5.9%	5.9%	5.9%	5.9%	5.9%	5.9%	5.9%	5.9%
EST. PAYMENTS	751,153	653,482	793,631	1,095,324	3,293,590	798,160	694,377	843,328	1,164,354	3,500,220
%CHYA	7.3%	7.3%	7.2%	6.3%	6.9%	6.3%	6.3%	6.3%	6.3%	6.3%
FINAL PAYMENTS[1]	227,679	364,807	403,377	2,434,544	3,430,407	247,055	396,333	434,494	2,594,348	3,672,230
%CHYA	8.5%	7.9%	8.4%	8.9%	8.7%	8.5%	8.6%	7.7%	6.6%	7.0%
REFUNDS	205,463	443,737	1,154,565	910,773	2,714,538	212,127	458,014	1,224,199	966,413	2,860,753
%CHYA	2.7%	2.7%	3.2%	3.2%	3.1%	3.2%	3.2%	6.0%	6.1%	5.4%
OTHER	(381,770)	-	-	404,156	22,386	(404,156)	-	-	427,850	23,695
TOTAL	3,965,758	4,244,109	4,003,293	6,731,322	18,944,482	4,212,676	4,517,434	4,246,690	7,145,605	20,122,405
%CHYA	6.5%	6.7%	7.2%	7.4%	7.0%	6.2%	6.4%	6.1%	6.2%	6.2%

	2031:3	2031:4	2032:1	2032:2	FY2032	2032:3	2032:4	2033:1	2033:2	FY 2033
WITHHOLDING	4,005,573	4,112,489	4,434,483	4,150,900	16,703,445	4,235,615	4,348,674	4,692,877	4,393,254	17,670,420
%CHYA	5.9%	5.9%	5.8%	5.7%	5.8%	5.7%	5.7%	5.8%	5.8%	5.8%
EST. PAYMENTS	848,463	738,139	896,542	1,238,750	3,721,895	902,675	785,302	954,180	1,323,412	3,965,570
%CHYA	6.3%	6.3%	6.3%	6.4%	6.3%	6.4%	6.4%	6.4%	6.8%	6.5%
FINAL PAYMENTS[1]	266,045	424,633	461,955	2,748,197	3,900,830	283,044	451,145	493,609	2,936,461	4,164,259
%CHYA	7.7%	7.1%	6.3%	5.9%	6.2%	6.4%	6.2%	6.9%	6.9%	6.8%
REFUNDS	224,186	485,401	1,273,175	1,004,395	2,987,158	233,083	504,443	1,313,518	1,036,013	3,087,058
%CHYA	5.7%	6.0%	4.0%	3.9%	4.4%	4.0%	3.9%	3.2%	3.1%	3.3%
OTHER	(427,850)	-	-	452,421	24,571	(452,421)	-	-	478,836	26,415
TOTAL	4,468,045	4,789,860	4,519,805	7,585,872	21,363,582	4,735,830	5,080,679	4,827,147	8,095,950	22,739,606
%CHYA	6.1%	6.0%	6.4%	6.2%	6.2%	6.0%	6.1%	6.8%	6.7%	6.4%

Note: "Other" includes July withholding accrued to June. Tax law impacts are reflected in the collections numbers to produce more meaningful projections.

Table B.5 – Corporate Income Tax Forecast

TABLE B.5 **OREGON CORPORATE INCOME TAX REVENUE FORECAST - QUARTERLY COLLECTIONS**

Thousands of Dollars - Not Seasonally Adjusted **December 2023**

	2017:3	2017:4	2018:1	2018:2	FY 2018	2018:3	2018:4	2019:1	2019:2	FY 2019
ADVANCE PAYMENTS	179,603	185,787	182,395	303,835	851,620	222,891	249,768	158,748	264,445	895,852
%CHYA	31.4%	-13.9%	77.7%	55.5%	30.9%	24.1%	34.4%	-13.0%	-13.0%	5.2%
FINAL PAYMENTS	42,600	66,460	46,270	108,539	263,869	74,735	102,942	68,818	174,861	421,356
%CHYA	-4.8%	-28.9%	-11.3%	32.6%	-3.1%	75.4%	54.9%	48.7%	61.1%	59.7%
REFUNDS	72,225	129,963	122,291	54,224	378,703	43,428	167,871	128,586	50,616	390,501
%CHYA	82.0%	-22.0%	67.4%	-6.1%	12.4%	-39.9%	29.2%	5.1%	-6.7%	3.1%
TOTAL	149,978	122,284	106,374	358,150	736,786	254,198	184,839	98,980	388,690	926,707
%CHYA	5.8%	-14.2%	30.1%	63.2%	25.8%	69.5%	51.2%	-7.0%	8.5%	25.8%

	2019:3	2019:4	2020:1	2020:2	FY 2020	2020:3	2020:4	2021:1	2021:2	FY 2021
ADVANCE PAYMENTS	236,341	346,651	137,782	263,138	983,912	260,668	378,192	249,855	381,413	1,270,128
%CHYA	6.0%	38.8%	-13.2%	-0.5%	9.8%	10.3%	9.1%	81.3%	44.9%	29.1%
FINAL PAYMENTS	67,657	105,446	66,346	111,149	350,598	114,684	98,371	78,356	263,524	554,935
%CHYA	-9.5%	2.4%	-3.6%	-36.4%	-16.8%	69.5%	-6.7%	18.1%	137.1%	58.3%
REFUNDS	73,866	247,403	91,312	86,858	499,439	62,538	254,020	154,026	153,392	623,976
%CHYA	70.1%	47.4%	-29.0%	71.6%	27.9%	-15.3%	2.7%	68.7%	76.6%	24.9%
TOTAL	230,132	204,694	112,816	287,429	835,071	312,814	222,543	174,185	491,545	1,201,087
%CHYA	-9.5%	10.7%	14.0%	-26.1%	-9.9%	35.9%	8.7%	54.4%	71.0%	43.8%

	2021:3	2021:4	2022:1	2022:2	FY 2022	2022:3	2022:4	2023:1	2023:2	FY 2023
ADVANCE PAYMENTS	356,491	494,937	288,546	416,777	1,556,751	428,034	568,160	406,675	468,642	1,871,511
%CHYA	36.8%	30.9%	15.5%	9.3%	22.6%	20.1%	14.8%	40.9%	12.4%	20.2%
FINAL PAYMENTS	56,491	96,179	115,111	261,579	529,360	72,368	50,907	83,324	304,427	511,026
%CHYA	-50.7%	-2.2%	46.9%	-0.7%	-4.6%	28.1%	-47.1%	-27.6%	16.4%	-3.5%
REFUNDS	49,631	255,602	197,775	44,052	547,060	116,377	247,875	320,324	92,796	777,372
%CHYA	-20.6%	0.6%	28.4%	-71.3%	-12.3%	134.5%	-3.0%	62.0%	110.7%	42.1%
TOTAL	363,352	335,513	205,882	634,304	1,539,051	384,025	371,192	169,675	680,273	1,605,165
%CHYA	16.2%	50.8%	18.2%	29.0%	28.1%	5.7%	10.6%	-17.6%	7.2%	4.3%

	2023:3	2023:4	2024:1	2024:2	FY 2024	2024:3	2024:4	2025:1	2025:2	FY 2025
ADVANCE PAYMENTS	378,791	523,996	287,937	386,228	1,576,952	350,761	457,612	292,007	393,236	1,493,615
%CHYA	-11.5%	-7.8%	-29.2%	-17.6%	-15.7%	-7.4%	-12.7%	1.4%	1.8%	-5.3%
FINAL PAYMENTS	106,469	80,756	126,678	284,574	598,476	105,224	226,438	212,862	287,227	831,751
%CHYA	47.1%	58.6%	52.0%	-6.5%	17.1%	-1.2%	180.4%	68.0%	0.9%	39.0%
REFUNDS	63,414	359,537	296,335	142,838	862,124	115,730	387,603	328,020	160,113	991,466
%CHYA	-45.5%	45.0%	-7.5%	53.9%	10.9%	82.5%	7.8%	10.7%	12.1%	15.0%
TOTAL	421,846	245,215	118,280	527,964	1,313,304	340,255	296,447	176,849	520,350	1,333,900
%CHYA	9.8%	-33.9%	-30.3%	-22.4%	-18.2%	-19.3%	20.9%	49.5%	-1.4%	1.6%

TABLE B.5 **OREGON CORPORATE INCOME TAX REVENUE FORECAST - QUARTERLY COLLECTIONS**

Thousands of Dollars - Not Seasonally Adjusted **December 2023**

	2025:3	2025:4	2026:1	2026:2	FY 2026	2026:3	2026:4	2027:1	2027:2	FY 2027
ADVANCE PAYMENTS	372,904	489,626	314,337	425,365	1,602,231	402,471	529,227	337,757	458,679	1,728,134
%CHYA	6.3%	7.0%	7.6%	8.2%	7.3%	7.9%	8.1%	7.5%	7.8%	7.9%
FINAL PAYMENTS	106,386	262,525	216,584	294,628	880,123	101,873	262,508	219,452	304,038	887,872
%CHYA	1.1%	15.9%	1.7%	2.6%	5.8%	-4.2%	0.0%	1.3%	3.2%	0.9%
REFUNDS	132,526	446,300	346,124	169,434	1,094,384	138,440	466,011	361,609	177,107	1,143,167
%CHYA	14.5%	15.1%	5.5%	5.8%	10.4%	4.5%	4.4%	4.5%	4.5%	4.5%
TOTAL	346,764	305,851	184,796	550,559	1,387,970	365,904	325,724	195,601	585,610	1,472,838
%CHYA	1.9%	3.2%	4.5%	5.8%	4.1%	5.5%	6.5%	5.8%	6.4%	6.1%

	2027:3	2027:4	2028:1	2028:2	FY 2028	2028:3	2028:4	2029:1	2029:2	FY 2029
ADVANCE PAYMENTS	430,155	566,789	355,672	483,753	1,836,369	454,485	600,336	371,809	506,944	1,933,573
%CHYA	6.9%	7.1%	5.3%	5.5%	6.3%	5.7%	5.9%	4.5%	4.8%	5.3%
FINAL PAYMENTS	98,323	263,380	219,390	304,526	885,619	92,541	260,485	220,803	304,987	878,815
%CHYA	-3.5%	0.3%	0.0%	0.2%	-0.3%	-5.9%	-1.1%	0.6%	0.2%	-0.8%
REFUNDS	144,801	487,623	373,135	183,011	1,188,570	149,874	505,774	385,337	189,340	1,230,326
%CHYA	4.6%	4.6%	3.2%	3.3%	4.0%	3.5%	3.7%	3.3%	3.5%	3.5%
TOTAL	383,677	342,546	201,927	605,268	1,533,418	397,151	355,047	207,274	622,591	1,582,063
%CHYA	4.9%	5.2%	3.2%	3.4%	4.1%	3.5%	3.6%	2.6%	2.9%	3.2%

	2029:3	2029:4	2030:1	2030:2	FY 2030	2030:3	2030:4	2031:1	2031:2	FY 2031
ADVANCE PAYMENTS	477,185	631,732	392,266	535,650	2,036,834	504,879	669,297	416,106	568,924	2,159,206
%CHYA	5.0%	5.2%	5.5%	5.7%	5.3%	5.8%	5.9%	6.1%	6.2%	6.0%
FINAL PAYMENTS	87,397	259,873	223,001	307,201	877,471	82,077	259,428	225,660	310,583	877,748
%CHYA	-5.6%	-0.2%	1.0%	0.7%	-0.2%	-6.1%	-0.2%	1.2%	1.1%	0.0%
REFUNDS	155,259	524,829	400,589	197,043	1,277,720	161,739	547,211	418,022	205,844	1,332,815
%CHYA	3.6%	3.8%	4.0%	4.1%	3.9%	4.2%	4.3%	4.4%	4.5%	4.3%
TOTAL	409,323	366,776	214,678	645,807	1,636,584	425,217	381,513	223,744	673,664	1,704,139
%CHYA	3.1%	3.3%	3.6%	3.7%	3.4%	3.9%	4.0%	4.2%	4.3%	4.1%

	2031:3	2031:4	2032:1	2032:2	FY 2032	2032:3	2032:4	2033:1	2033:2	FY 2033
ADVANCE PAYMENTS	531,673	698,367	430,282	582,663	2,242,984	545,001	716,376	441,545	598,503	2,301,424
%CHYA	5.3%	4.3%	3.4%	2.4%	3.9%	2.5%	2.6%	2.6%	2.7%	2.6%
FINAL PAYMENTS	80,382	264,369	231,332	332,763	908,845	92,077	275,630	238,998	358,875	965,581
%CHYA	-2.1%	1.9%	2.5%	7.1%	3.5%	14.6%	4.3%	3.3%	7.8%	6.2%
REFUNDS	167,795	563,548	427,288	208,767	1,367,397	170,272	572,042	433,857	212,096	1,388,266
%CHYA	3.7%	3.0%	2.2%	1.4%	2.6%	1.5%	1.5%	1.5%	1.6%	1.5%
TOTAL	444,260	399,187	234,326	706,659	1,784,432	466,806	419,964	246,686	745,283	1,878,739
%CHYA	4.5%	4.6%	4.7%	4.9%	4.7%	5.1%	5.2%	5.3%	5.5%	5.3%

Table B.6 – Cigarette and Tobacco Tax Distribution

TABLE B.6 **December 2023**

Cigarette & Tobacco Tax Distribution (Millions of $)

	Cigarette Tax Distribution*								Other Tobacco Tax Distribution				Inhalent Delivery Distribution		
						Tobacco Use Reduction[2]									
	Total	General Fund	Health Plan	Mental Health	Health Authority[1]	Old	New	Cities, Counties & Public Transit	Total	General Fund	Health Plan	Tobacco Use Reduction	Total	Health Authority	Tobacco Use Reduction
Distribution Forecast															
2021-22	**363.6**	24.4	93.0	16.3	197.1	3.7	21.7	7.4	**56.5**	30.3	23.5	2.6	**35.9**	32.3	3.6
2022-23	**328.0**	21.4	84.5	14.8	177.5	3.4	19.7	6.7	**55.0**	29.4	23.0	2.6	**31.9**	28.7	3.2
2021-23 Biennium	**691.6**	45.8	177.5	31.1	374.6	7.1	41.4	14.2	**111.5**	59.8	46.6	5.2	**67.8**	61.0	6.8
2023-24	**324.8**	21.5	83.6	14.6	175.6	3.3	19.5	6.7	**54.4**	29.3	22.6	2.5	**31.7**	28.5	3.2
2024-25	**322.4**	21.3	83.0	14.5	174.2	3.3	19.4	6.6	**53.8**	29.0	22.4	2.5	**30.2**	27.1	3.0
2023-25 Biennium	**647.2**	42.8	166.6	29.2	349.8	6.6	38.9	13.3	**108.3**	58.3	45.0	5.0	**61.8**	55.7	6.2
2025-26	**313.0**	20.7	80.6	14.1	169.2	3.2	18.8	6.4	**53.2**	28.7	22.1	2.5	**30.4**	27.4	3.0
2026-27	**307.0**	20.3	79.1	13.8	166.0	3.2	18.4	6.3	**52.6**	28.3	21.8	2.4	**30.7**	27.6	3.1
2025-27 Biennium	**620.1**	41.0	159.7	27.9	335.2	6.4	37.2	12.7	**105.8**	57.0	43.9	4.9	**61.1**	55.0	6.1
2027-28	**301.8**	19.9	77.7	13.6	163.1	3.1	18.1	6.2	**51.9**	27.9	21.6	2.4	**30.9**	27.8	3.1
2028-29	**297.1**	19.6	76.5	13.4	160.6	3.1	17.8	6.1	**51.3**	27.6	21.3	2.4	**31.2**	28.0	3.1
2027-29 Biennium	**598.9**	39.6	154.2	27.0	323.7	6.2	36.0	12.3	**103.1**	55.5	42.8	4.8	**62.1**	55.9	6.2
2029-30	**292.5**	19.3	75.3	13.2	158.1	3.0	17.6	6.0	**50.7**	27.3	21.1	2.3	**31.4**	28.3	3.1
2030-31	**288.0**	19.0	74.2	13.0	155.7	3.0	17.3	5.9	**50.1**	27.0	20.8	2.3	**31.6**	28.5	3.2
2029-31 Biennium	**580.5**	38.4	149.5	26.2	313.8	6.0	34.9	11.9	**100.8**	54.3	41.9	4.7	**63.0**	56.7	6.3
2031-32	**283.6**	18.7	73.0	12.8	153.3	2.9	17.0	5.8	**49.6**	26.7	20.6	2.3	**31.9**	28.7	3.2
2032-33	**279.2**	18.4	71.9	12.6	150.9	2.9	16.8	5.7	**49.0**	26.4	20.4	2.3	**32.1**	28.9	3.2
2031-33 Biennium	**562.8**	37.2	144.9	25.3	304.2	5.8	33.8	11.6	**98.6**	53.1	41.0	4.6	**64.0**	57.6	6.4

[1] Includes the cigarette floor tax

[2] Old and New refere to pre- and post-Measure 108 (2020) taxes and programs

Table B.7 – Liquor Apportionment and Revenue Distribution to Local Government

TABLE B.7 **December 2023**

Liquor Apportionment and Revenue Distribution to Local Governments (Millions of $)

	Liquor Apportionment Distribution								
					City Revenue				
	Total Liquor Revenue Available	General Fund (56%)	Mental Health [1]	Oregon Wine Board	Revenue Sharing	Regular	Total	Counties	Cigarette Tax Distribution [2]
2021-22	311.292	176.701	10.675	0.359	56.163	39.314	95.476	28.081	7.419
2022-23	325.841	186.102	8.430	0.307	59.546	41.682	101.229	29.773	6.742
2021-23 Biennium	637.133	362.804	19.104	0.666	115.709	80.996	196.705	57.854	14.161
2023-24	341.572	194.482	10.019	0.376	62.134	43.494	105.628	31.067	6.672
2024-25	364.155	207.340	10.681	0.401	66.242	46.369	112.611	33.121	6.621
2023-25 Biennium	705.726	401.822	20.700	0.777	128.376	89.863	218.239	64.188	13.293
2025-26	342.792	187.199	11.516	0.429	65.295	45.706	111.001	32.647	6.430
2026-27	361.105	197.622	11.826	0.443	68.733	48.114	116.847	34.366	6.307
2025-27 Biennium	703.897	384.821	23.342	0.872	134.028	93.820	227.848	67.014	12.736
2027-28	382.134	209.662	12.168	0.458	72.657	50.860	123.517	36.328	6.199
2028-29	405.481	223.216	12.518	0.474	76.942	53.860	130.802	38.471	6.103
2027-29 Biennium	787.615	432.878	24.687	0.933	149.599	104.720	254.319	74.799	12.301
2029-30	431.759	238.477	12.930	0.493	81.754	57.228	138.983	40.877	6.009
2030-31	457.982	253.725	13.330	0.511	86.553	60.587	147.140	43.276	5.916
2029-31 Biennium	889.741	492.202	26.260	1.003	168.307	117.815	286.123	84.153	11.924

[1] Mental Health Alcoholism and Drug Services Account, per ORS 471.810

[2] For details on cigarette revenues see TABLE B.6 on previous page

Table B.8 Track Record for the September 2023 Forecast

(Quarter ending September 30, 2023)

Personal Income Tax	Forecast Comparison			Year/Year Change	
(Millions of dollars)	Actual Revenues	Latest Forecast	Percent Difference	Prior Year	Percent Change
Withholding	$2,622.3	$2,620.7	0.1%	$2,509.7	4.5%
Dollar difference		$1.6			
Estimated Payments*	$577.0	$498.7	15.7%	$659.3	-12.5%
Dollar difference		$78.3			
Final Payments*	$195.7	$170.3	14.9%	$162.6	20.4%
Dollar difference		$25.4			
Refunds	-$339.9	-$359.2	-5.4%	-$293.0	16.0%
Dollar difference		$19.3			
Total Personal Income Tax	**$3,055.1**	**$2,930.5**	**4.3%**	**$3,038.6**	**0.5%**
Dollar difference		$124.6			

Corporate Income Tax	Forecast Comparison			Year/Year Change	
(Millions of dollars)	Actual Revenues	Latest Forecast	Percent Difference	Prior Year	Percent Change
Advanced Payments	$378.8	$389.9	-2.9%	$428.0	-11.5%
Dollar difference		-$11.1			
Final Payments	$106.5	$99.6	6.9%	$72.4	47.1%
Dollar difference		$6.9			
Refunds	-$63.4	-$74.4	-14.7%	-$116.4	-45.5%
Dollar difference		$10.9			
Total Corporate Income Tax	**$421.8**	**$415.1**	**1.6%**	**$384.0**	**9.8%**
Dollar difference		$6.7			

Total Income Tax	Forecast Comparison			Year/Year Change	
(Millions of dollars)	Actual Revenues	Latest Forecast	Percent Difference	Prior Year	Percent Change
Corporate and Personal Tax	**$3,477.0**	**$3,345.6**	**3.9%**	**$3,422.6**	**1.6%**
Dollar difference		$131.4		$54.4	

* Data separating estimated and other personal income tax payments is no longer available. Tracking represents estimates based on banking data.

Table B.9 – Lottery Forecast

TABLE B.9 **Dec 2023 Forecast**

Summary of Lottery Resources

(in millions of dollars)	2023-25 Current Forecast	2023-25 Change from Sep-23	2023-25 Change from COS 2023	2025-2027 Current Forecast	2025-2027 Change from Sep-23	2027-29 Current Forecast	2027-29 Change from Sep-23	2029-31 Current Forecast	2029-31 Change from Sep-23	2031-33 Current Forecast	2031-33 Change from Sep-23
LOTTERY EARNINGS											
Traditional Lottery	187.029	*11.605*	*23.333*	165.452	*4.445*	165.199	4.472	165.170	4.450	165.189	4.430
Video Lottery	1,607.821	*(4.907)*	*(17.163)*	1,747.302	*(11.219)*	1,893.621	(13.073)	2,027.689	(13.999)	2,171.692	(14.993)
Sports Betting[1]	46.603	*1.382*	*2.289*	48.975	*1.332*	51.418	1.271	53.691	1.097	56.065	0.903
Administrative Actions	9.152	*0.000*	*9.152*	0.000	*0.000*	0.000	0.000	0.000	0.000	0.000	0.000
Total Available to Transfer	**1,850.605**	*8.080*	*17.611*	**1,961.729**	*(5.442)*	**2,110.238**	(7.330)	**2,246.550**	(8.452)	**2,392.946**	(9.660)
ECONOMIC DEVELOPMENT FUND											
Beginning Balance	84.396	*0.000*	*0.000*	0.000	*0.000*	0.000	0.000	0.000	0.000	0.000	0.000
Transfers from Lottery	1,850.605	*8.080*	*17.611*	1,961.729	*(5.442)*	2,110.238	(7.330)	2,246.550	(8.452)	2,392.946	(9.660)
Other Resources[2]	2.000	*0.000*	*0.000*	2.000	*0.000*	2.000	0.000	2.000	0.000	2.000	0.000
Total Available Resources	**1,937.001**	*8.080*	*17.611*	**1,963.729**	*(5.442)*	**2,112.238**	(7.330)	**2,248.550**	(8.452)	**2,394.946**	(9.660)
ALLOCATION OF RESOURCES											
Constitutional Distributions											
Education Stability Fund[3]	333.109	*1.454*	*3.170*	173.885	43.076	379.800	(1.329)	299.156	(54.527)	318.545	(58.128)
Oregon Capital Matching Fund[3]	0.000	*0.000*	*0.000*	149.355	(36.713)	0.000	0.000	87.494	44.129	0.000	0.000
Parks and Natural Resources Fund[4]	277.591	*1.212*	*2.642*	294.259	(0.816)	316.536	(1.099)	336.982	(1.268)	358.942	(1.449)
Veterans' Services Fund[5]	27.759	*0.121*	*0.264*	29.426	(0.082)	31.654	(0.110)	33.698	(0.127)	35.894	(0.145)
Other Distributions											
Outdoor School Education Fund[6]	56.406	*0.000*	*0.000*	60.120	(0.415)	62.945	(2.060)	65.904	(3.903)	69.001	(5.962)
County Economic Development	59.982	*0.000*	*0.000*	66.992	(0.430)	72.601	(0.501)	77.742	(0.537)	83.263	(0.575)
HECC Collegiate Athletic & Scholarships[7]	18.330	*0.000*	*0.000*	19.617	(0.054)	21.102	(0.073)	22.465	(0.085)	23.929	(0.097)
Gambling Addiction [7]	18.330	*0.000*	*0.000*	19.617	(0.054)	21.102	(0.073)	22.465	(0.085)	23.929	(0.097)
County Fairs	3.828	*0.000*	*0.000*	3.828	0.000	3.828	0.000	3.828	0.000	3.828	0.000
Other Legislatively Adopted Allocations[8]	1,061.945	*0.000*	*0.000*	234.300	0.000	234.300	0.000	234.300	0.000	234.300	0.000
Employer Incentive Fund (PERS)[1]	30.525	*0.905*	*2.339*	32.824	0.717	33.680	0.833	35.591	0.936	39.351	1.939
Total Distributions	**1,887.805**	*3.693*	*8.414*	**1,084.223**	5.228	**1,177.549**	(4.414)	**1,219.627**	(15.466)	**1,190.983**	(64.513)
Ending Balance/Discretionary Resources	**49.196**	*4.387*	*9.196*	**879.505**	(10.670)	**934.689**	(2.916)	**1,028.923**	7.014	**1,203.963**	54.853

Note: Some totals may not foot due to rounding.

1. Sports Betting revenues are transferred to Economic Development Fund making them subject to the constitutional distributions, after which the remainder is transferred to the Employer Incentive Fund
2. Includes reversions (unspent allocations from previous biennium) and interest earnings on Economic Development Fund.
3. Eighteen percent of proceeds accrue to the Ed. Stability Fund, until the balance equals 5% of GF Revenues. Thereafter, 15% of proceeds accrue to the School Capital Matching Fund.
4. The Parks and Natural Resources Fund Constitutional amendment requires 15% of net proceeds be transferred to this fund.
5. Per Ballot Measure 96 (2016), 1.5% of net lottery proceeds are dedicated to the Veterans' Services Fund
6. Per Ballot Measure 99 (2016), the lesser of 4% of Lottery transfers or $22 million per year is transferred to the Outdoor Education Account. Adjusted annually for inflation.
7. Approximately one percent of net lottery proceeds are dedicated to each program. Certain limits are imposed by the Legislature.
8. Includes Debt Service Allocations, Allocations to State School Fund and Other Agency Allocations

Table B.10 –Budgetary Reserve Summary ** Corrected on November 20th, 2023 **

Table B.10: Budgetary Reserve Summary and Outlook **Dec 2023**

Rainy Day Fund

(Millions)	2021-23	2023-25	2025-27	2027-29	2029-31	2031-33
Beginning Balance	$962.2	$1,353.5	$1,855.5	$2,396.2	$3,003.1	$3,295.3
Interest Earnings	$44.1	$139.2	$124.8	$150.8	$171.4	$188.1
Deposits[1]	$347.2	$362.9	$415.9	$456.2	$120.8	$0.0
Triggered Withdrawals	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Ending Balance[2]	**$1,353.4**	**$1,855.5**	**$2,396.2**	**$3,003.1**	**$3,295.3**	**$3,483.4**

Education Stability Fund[3]

(Millions)	2021-23	2023-25	2025-27	2027-29	2029-31	2031-33
Beginning Balance	$414.6	$710.8	$1,008.2	$1,164.7	$1,506.5	$1,775.7
Interest Earnings[4]	$21.9	$78.6	$66.8	$75.3	$94.4	$106.9
Deposits[5]	$294.0	$299.8	$156.5	$341.8	$269.2	$286.7
Distributions	$19.8	$81.0	$66.8	$75.3	$94.4	$213.3
Oregon Education Fund	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Oregon Opportunity Grant	$19.8	$81.0	$66.8	$75.3	$94.4	$213.3
Withdrawals	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Ending Balance	**$710.8**	**$1,008.2**	**$1,164.7**	**$1,506.5**	**$1,775.7**	**$1,956.0**

Total Reserves

(Millions)	2021-23	2023-25	2025-27	2027-29	2029-31	2031-33
Ending Balances	**$2,064.2**	**$2,863.7**	**$3,560.9**	**$4,509.6**	**$5,071.1**	**$5,439.4**
Percent of General Fund Revenues	6.7%	11.2%	10.4%	11.6%	11.5%	10.9%

Footnotes:

1. Includes transfer of ending General Fund balances up to 1% of budgeted appropriations as well as private donations. Assumes future appropriations equal to 98.75 percent of available resources. Includes forecast for corporate income taxes above rate of 6.6% for the biennium are deposited on or before Jun 30 of each odd-numbered year.
2. Available funds in a given biennium equal 2/3rds of the beginning balance under current law.
3. Excludes funds in the Oregon Growth and the Oregon Resource and Technology Development subaccounts.
4. Interest earnings are distributed to the Oregon Education Funds (75%) and the State Scholarship Fund (25%), provided there remains debt outstanding. In the event that debt is paid off, all interest earnings distributed to the State Scholarship Fund.
5. Contributions to the ESF are capped at 5% of the prior biennium's General Fund revenue total. Quarterly contributions are made until the balance exceeds the cap.

Table B.11 – Recreational Marijuana Forecast

TABLE B.11 **Dec 2023**

Summary of Marijuana Resources

(in millions of dollars)	2023-25 Current Forecast	2023-25 Change from Sep-23	2023-25 Change from COS 2023	2025-27 Current Forecast	2025-27 Change from Sep-23	2027-29 Current Forecast	2027-29 Change from Sep-23	2029-31 Current Forecast	2029-31 Change from Sep-23	20231-33 Current Forecast	20231-33 Change from Sep-23
MARIJUANA EARNINGS											
+ Tax Revenue [1]	318.071	*3.988*	*1.211*	355.999	*(1.523)*	410.853	(2.027)	467.821	(2.384)	517.538	(2.638)
+ Medical Marijuana Tax Revenue [2]	0.000	*0.000*	*0.000*	0.000	*0.000*	31.817	0.000	43.625	0.000	45.041	0.000
- Administrative Costs [3]	18.374	*0.000*	*0.000*	18.746	*0.000*	19.144	0.000	19.571	0.000	20.027	0.000
Net Available to Transfer	**299.697**	*3.988*	*1.211*	**337.253**	*(1.523)*	**391.709**	*(2.027)*	**491.876**	*(2.384)*	**542.552**	*(2.638)*
OREGON MARIJUANA ACCOUNT											
Beginning Balance	0.000	*0.000*	*0.000*	0.000	*0.000*	0.000	0.000	0.000	0.000	0.000	0.000
Revenue Transfers	299.697	*3.988*	*1.211*	337.253	*(1.523)*	423.526	(2.027)	491.876	(2.384)	542.552	(2.638)
Other Resources	0.000	*0.000*	*0.000*	0.000	*0.000*	0.000	0.000	0.000	0.000	0.000	0.000
Total Available Resources	**299.697**	*3.988*	*1.211*	**337.253**	*(1.523)*	**423.526**	*(2.027)*	**491.876**	*(2.384)*	**542.552**	*(2.638)*
ALLOCATION OF RESOURCES [4]											
Drug Treatment & Recovery	197.821	*3.988*	*1.211*	229.106	*(1.122)*	310.585	(1.187)	373.895	(1.546)	419.330	(2.056)
State School Fund	40.751	*0.000*	*0.000*	43.259	*(0.160)*	45.176	(0.336)	47.192	(0.335)	49.289	(0.233)
Mental Health, Alcoholism, & Drug Services	20.375	*0.000*	*0.000*	21.629	*(0.080)*	22.588	(0.168)	23.596	(0.168)	24.644	(0.116)
State Police	15.281	*0.000*	*0.000*	16.222	*(0.060)*	16.941	(0.126)	17.697	(0.126)	18.483	(0.087)
Cities	10.188	*0.000*	*0.000*	10.815	*(0.040)*	11.294	(0.084)	11.798	(0.084)	12.322	(0.058)
Counties	10.188	*0.000*	*0.000*	10.815	*(0.040)*	11.294	(0.084)	11.798	(0.084)	12.322	(0.058)
Alcohol & Drug Abuse Prevention, Intervention & Treatment	5.094	*0.000*	*0.000*	5.407	*(0.020)*	5.647	(0.042)	5.899	(0.042)	6.161	(0.029)
Total Distributions	**299.697**	*3.988*	*1.211*	**337.253**	*(1.523)*	**423.526**	*(2.027)*	**491.876**	*(2.384)*	**542.552**	*(2.638)*
Ending Balance	**0.000**	*0.000*	*0.000*	**0.000**	*0.000*	**0.000**	0.000	**0.000**	0.000	**0.000**	0.000

Note: Some totals may not foot due to rounding.

1. Retailers pay taxes monthly, however taxes are not available for distribution to recepient programs until the Department of Revenue receives and processes retailers' quarterly tax returns. As such, there is a one to two quarter lag between when the initial monthly payments are made and when monies be come available to distribute.

2. Medical marijuana being exempt from tax is an explicit tax expenditure per HB 2433 (2021). Tax expenditures sunset after 6 years, although they may be renewed at that time. Current law is that medical marijuana sales will be taxed beginning January 1, 2028.

3. Administrative Costs reflect monthly collection costs for the Department of Revenue in addition to distributions to the Criminal Justice Commission and OLCC per SB 1544 (2018)

4. The first $11.25 million per quarter ($45m per year) is distributed via forumula to the initial recipient programs. These distributions are adjusted for inflation. All additional revenues go to the Drug Treatment & Recovery Fund.

Table B.12 – Fund for Student Success (Corporate Activity Tax)

TABLE B.12 **December 2023**

Summary of Corporate Activity Tax Resources

(in millions of dollars)	2023-25 Current Forecast	2023-25 Change from Sep-23	2023-25 Change from COS 2023	2025-27 Current Forecast	2025-27 Change from Sep-23	2027-29 Current Forecast	2027-29 Change from Sep-23	2029-31 Current Forecast	2029-31 Change from Sep-23	2031-33 Current Forecast	2031-33 Change from Sep-23
Corporate Activity Tax											
+ Tax Revenue	2,771.178	(11.316)	*(7.920)*	3,108.653	(26.442)	3,477.480	*(11.460)*	3,878.540	*(6.232)*	4,322.354	*n/a*
- Administrative Costs	21.312	0.000	*0.000*	23.656	0.000	26.259	*0.000*	28.689	*0.000*	31.234	*n/a*
Net Available to Transfer	**2,749.866**	(11.316)	**(7.920)**	**3,084.996**	**(26.442)**	**3,451.222**	(11.460)	**3,849.851**	(6.232)	**4,291.121**	n/a
Fund for Student Success											
Beginning Balance	345.006	0.000	*26.478*	197.272	(23.446)	0.000	*0.000*	0.000	*0.000*	0.000	*n/a*
Revenue Transfers	2,749.866	(11.316)	*(7.920)*	3,084.996	(26.442)	3,451.222	*(11.460)*	3,849.851	*(6.232)*	4,291.121	*n/a*
Other Resources	0.000	0.000	*0.000*	0.000	0.000	0.000	*0.000*	0.000	*0.000*	0.000	*n/a*
Total Available Resources	**3,094.871**	(11.316)	**18.559**	**3,282.269**	**(49.887)**	**3,451.222**	(11.460)	**3,849.851**	(6.232)	**4,291.121**	n/a
ALLOCATION OF RESOURCES											
State School Fund	723.241	12.130	*21.286*	805.866	9.782	911.360	*(3.668)*	1,026.063	*0.279*	1,152.820	*n/a*
Student Investment Account	1,087.179	0.000	*0.000*	1,238.201	(29.835)	1,269.931	*(3.896)*	1,411.894	*(3.255)*	1,569.150	*n/a*
Statewide Education Initiative Account	557.396	0.000	*0.000*	742.921	(17.901)	761.959	*(2.338)*	847.136	*(1.953)*	941.490	*n/a*
Early Learning Account	529.783	0.000	*0.000*	495.280	(11.934)	507.972	*(1.558)*	564.758	*(1.302)*	627.660	*n/a*
Total Distributions	**2,897.599**	12.130	**21.286**	**3,282.269**	**(49.887)**	**3,451.222**	(11.460)	**3,849.851**	(6.232)	**4,291.121**	n/a
Ending Balance	**197.272**	(23.446)	**(2.728)**	**0.000**	**0.000**	**0.000**	0.000	**0.000**	0.000	**0.000**	n/a

Note: The State School Fund distribution equals an estimate of the lost General Fund due to the Personal and Corporate Income Tax changes enacted in HB 3427. In addition, each biennium includes an additional $40 million dedicated to the High Cost Disabilities Account. The 2021-23 distribution equals the Legislatively Adopted Budget Other Fund limitation. The 2023-25 distribution includes a $5.38 million reconciling adjustment for the prior biennium.

Some totals may not foot due to rounding.

Table B.13 – Fund for Student Success Quarterly Revenues

Table B.13 **Corporate Activity Tax Collections By Quarter** **Dec-23**

(thousands)	2019:3	2019:4	2020:1	2020:2	FY 2020	2020:3	2020:4	2021:1	2021:2	FY 2021
Estimated Payments	0	0	4,023	222,495	226,518	224,973	254,387	223,550	270,784	973,693
Final Payments	0	0	0	0	0	0	0	26,911	163,436	190,348
Refunds	0	0	0	0	0	0	0	-997	-14,657	-15,654
Total	0	0	4,023	222,495	226,518	224,973	254,387	249,464	419,563	1,148,387

	2021:3	2021:4	2022:1	2022:2	FY 2022	2022:3	2022:4	2023:1	2023:2	FY 2023
Estimated Payments	271,858	389,810	230,942	279,349	1,171,959	292,325	391,140	251,283	285,645	1,220,391
Final Payments	15,153	41,892	41,950	168,644	267,640	59,490	75,201	65,187	173,094	372,971
Refunds	-16,356	-141,389	-15,151	-50,166	-223,062	-41,565	-170,978	-21,976	-20,314	-254,833
Total	270,656	290,314	257,741	397,828	1,216,538	310,249	295,362	294,493	438,425	1,338,529

	2023:3	2023:4	2024:1	2024:2	FY 2024	2024:3	2024:4	2025:1	2025:2	FY 2025
Estimated Payments	288,689	380,536	247,581	297,671	1,214,477	304,575	397,474	259,872	315,834	1,277,755
Final Payments	41,981	59,037	57,691	179,084	337,793	40,736	62,511	60,336	185,672	349,256
Refunds	-29,313	-129,680	-19,018	-23,097	-201,108	-28,182	-134,928	-19,800	-24,085	-206,994
Total	301,356	309,894	286,254	453,658	1,351,162	317,130	325,057	300,408	477,421	1,420,016

	2025:3	2025:4	2026:1	2026:2	FY 2026	2026:3	2026:4	2027:1	2027:2	FY 2027
Estimated Payments	323,637	422,715	276,520	335,045	1,357,917	343,428	448,353	293,261	354,690	1,439,732
Final Payments	42,308	64,702	63,398	197,173	367,580	44,834	68,850	67,309	209,004	389,997
Refunds	-29,397	-140,876	-20,747	-25,451	-216,470	-31,125	-149,907	-22,059	-27,011	-230,103
Total	336,548	346,541	319,171	506,766	1,509,027	357,137	367,296	338,511	536,682	1,599,626

	2027:3	2027:4	2028:1	2028:2	FY 2028	2028:3	2028:4	2029:1	2029:2	FY 2029
Estimated Payments	363,184	474,082	310,026	374,792	1,522,083	383,764	500,924	327,547	395,794	1,608,029
Final Payments	47,539	72,959	71,238	221,011	412,747	50,279	77,137	75,291	233,525	436,233
Refunds	-33,019	-158,854	-23,366	-28,582	-243,821	-34,931	-167,952	-24,701	-30,206	-257,790
Total	377,705	388,187	357,897	567,220	1,691,009	399,112	410,109	378,136	599,113	1,786,471

	2029:3	2029:4	2030:1	2030:2	FY 2030	2030:3	2030:4	2031:1	2031:2	FY 2031
Estimated Payments	405,252	528,950	345,861	417,916	1,697,980	427,964	558,574	365,268	441,470	1,793,276
Final Payments	53,129	81,501	79,523	246,592	460,745	56,104	86,058	83,967	260,372	486,501
Refunds	-36,913	-177,454	-26,096	-31,902	-272,365	-38,983	-187,374	-27,554	-33,685	-287,597
Total	421,468	432,998	399,288	632,606	1,886,360	445,085	457,258	421,681	668,156	1,992,180

	2031:3	2031:4	2032:1	2032:2	FY 2032	2032:3	2032:4	2033:1	2033:2	FY 2033
Estimated Payments	452,028	589,995	385,772	465,837	1,893,632	476,939	622,461	406,896	490,721	1,997,017
Final Payments	59,240	90,866	88,677	275,017	513,800	62,570	95,980	93,604	290,157	542,310
Refunds	-41,162	-197,845	-29,096	-35,576	-303,679	-43,474	-208,978	-30,726	-37,548	-320,727
Total	470,105	483,017	445,353	705,278	2,103,754	496,035	509,463	469,773	743,330	2,218,601

Appendix C: Population Forecast Detail

Table C.1 – Oregon's Population Forecast and Components of Change

Year (July 1)	Population	Population Change Number	Population Change Percent	Births Number	Births Rate/1000	Deaths Number	Deaths Rate/1000	Natural Increase	Net Migration Number	Net Migration Rate/1000
1989-1990	2,860,400	69,800	2.50	42,008	14.87	24,763	8.76	17,245	52,555	18.60
1985-1990		**187,800**		**199,810**		**121,318**		**78,492**	**109,308**	
1990-1991	2,928,500	68,100	2.38	42,682	14.75	24,944	8.62	17,738	50,362	17.40
1991-1992	2,991,800	63,300	2.16	42,427	14.33	25,166	8.50	17,261	46,039	15.55
1992-1993	3,060,400	68,600	2.29	41,442	13.69	26,543	8.77	14,899	53,701	17.75
1993-1994	3,121,300	60,900	1.99	41,487	13.42	27,564	8.92	13,923	46,977	15.20
1994-1995	3,184,400	63,100	2.02	42,426	13.46	27,552	8.74	14,874	48,226	15.30
1990-1995		**324,000**		**210,464**		**131,769**		**78,695**	**245,305**	
1995-1996	3,247,100	62,700	1.97	43,196	13.43	28,768	8.95	14,428	48,272	15.01
1996-1997	3,304,300	57,200	1.76	43,625	13.32	29,201	8.91	14,424	42,776	13.06
1997-1998	3,352,400	48,100	1.46	44,696	13.43	28,705	8.62	15,991	32,109	9.65
1998-1999	3,393,900	41,500	1.24	45,188	13.40	29,848	8.85	15,340	26,160	7.76
1999-2000	3,431,100	37,200	1.10	45,534	13.34	28,909	8.47	16,625	20,575	6.03
1995-2000		**246,700**		**222,239**		**145,431**		**76,808**	**169,892**	
2000-2001	3,470,400	39,300	1.15	45,536	13.20	29,934	8.67	15,602	23,698	6.87
2001-2002	3,502,600	32,200	0.93	44,995	12.91	30,828	8.84	14,167	18,033	5.17
2002-2003	3,538,600	36,000	1.03	45,686	12.98	30,604	8.69	15,082	20,918	5.94
2003-2004	3,578,900	40,300	1.14	45,599	12.81	30,721	8.63	14,878	25,422	7.14
2004-2005	3,626,900	48,000	1.34	45,892	12.74	30,717	8.53	15,175	32,825	9.11
1995-2000		**195,800**		**227,708**		**152,804**		**74,904**	**120,896**	
2005-2006	3,685,200	58,300	1.61	46,946	12.84	30,771	8.42	16,175	42,125	11.52
2006-2007	3,739,400	54,200	1.47	49,404	13.31	31,396	8.46	18,008	36,192	9.75
2007-2008	3,784,200	44,800	1.20	49,659	13.20	32,008	8.51	17,651	27,149	7.22
2008-2009	3,815,800	31,600	0.84	47,960	12.62	31,382	8.26	16,578	15,022	3.95
2009-2010	3,837,300	21,500	0.56	46,256	12.09	31,689	8.28	14,567	6,933	1.81
2005-2010		**210,400**		**240,225**		**157,246**		**82,979**	**127,421**	
2010-2011	3,854,500	17,200	0.45	45,381	11.80	32,437	8.43	12,944	4,256	1.11
2011-2012	3,878,200	23,700	0.61	44,897	11.61	32,804	8.48	12,093	11,607	3.00
2012-2013	3,910,900	32,700	0.84	44,969	11.55	33,168	8.52	11,801	20,899	5.37
2013-2014	3,952,000	41,100	1.05	45,447	11.56	33,731	8.58	11,716	29,384	7.47
2014-2015	4,000,400	48,400	1.22	45,660	11.48	35,318	8.88	10,342	38,058	9.57
2010-2015		**163,100**		**226,354**		**167,458**		**58,896**	**104,204**	
2015-2016	4,060,100	59,700	1.49	45,647	11.33	35,339	8.77	10,308	49,392	12.26
2016-2017	4,122,000	61,900	1.52	44,602	10.90	36,773	8.99	7,829	54,071	13.22
2017-2018	4,173,200	51,200	1.24	42,906	10.34	36,268	8.74	6,638	44,562	10.74
2018-2019	4,211,400	38,200	0.92	42,220	10.07	36,622	8.74	5,598	32,602	7.78
2019-2020	4,243,959	32,559	0.77	40,920	9.68	37,821	8.95	3,099	29,460	6.97
2015-2020		**243,559**		**216,295**		**182,823**		**33,472**	**210,087**	
2020-2021	4,263,581	19,622	0.46	39,654	9.32	41,893	9.85	-2,239	21,861	5.14
2021-2022	4,281,851	18,270	0.43	40,446	9.47	46,304	10.84	-5,858	24,128	5.65
2022-2023	4,296,800	14,949	0.35	40,510	9.44	44,841	10.45	-4,331	19,280	4.49
2023-2024	4,316,700	19,900	0.46	40,962	9.51	45,124	10.48	-4,162	24,062	5.59
2024-2025	4,342,800	26,100	0.60	41,325	9.54	45,534	10.52	-4,209	30,309	7.00
2020-2025		**98,841**		**202,897**		**223,696**		**-20,799**	**119,640**	
2025-2026	4,371,800	29,000	0.67	41,786	9.59	46,059	10.57	-4,273	33,273	7.64
2026-2027	4,402,700	30,900	0.71	42,262	9.63	46,697	10.64	-4,434	35,334	8.05
2027-2028	4,434,800	32,100	0.73	42,786	9.68	47,423	10.73	-4,638	36,738	8.31
2028-2029	4,468,800	34,000	0.77	43,335	9.73	48,114	10.81	-4,779	38,778	8.71
2029-2030	4,503,900	35,100	0.79	43,947	9.80	48,672	10.85	-4,725	39,825	8.88
2025-2030		**161,100**		**214,116**		**236,965**		**-22,849**	**183,948**	
2030-2031	4,539,200	35,300	0.78	44,274	9.79	49,248	10.89	-4,974	40,274	8.91
2031-2032	4,574,600	35,400	0.78	44,637	9.80	49,976	10.97	-5,339	40,739	8.94
2030-2033		**70,700**		**88,911**		**99,224**		**-10,312**	**81,012**	
1990-2000		**570,700**		**432,703**		**277,200**		**155,503**	**415,197**	13.10
2000-2010		**406,200**		**467,933**		**310,050**		**157,883**	**248,317**	6.83
2010-2020		**406,659**		**442,649**		**350,281**		**92,368**	**314,291**	7.81
2020-2030		**259,941**		**417,013**		**460,661**		**-43,648**	**303,589**	6.97
2030-2032		**70,700**		**88,911**		**99,224**		**-10,312**	**81,012**	1.78

Sources: 1990-1999 population - U.S. Census Bureau; 2000-2019 intercensal population estimates by Office of Economic Analysis based on postcensal estimates by Population Research Center, PSU; 2020-2022 population by PRC/PSU; births and deaths 1990-2022: Oregon Center for Health Statistics. Forecaasts of population, births, deaths, and net migration are by the Oregon Office of Economic Analysis.

Table C.2 – Population Forecast by Age and Sex

	2010			2020			2021			2022			2023		
Age	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
0-4	122,302	116,141	238,443	112,011	106,985	218,996	108,666	103,520	212,186	106,579	101,393	207,973	104,997	99,903	204,900
5- 9	121,563	116,455	238,018	124,747	118,498	243,245	123,837	117,750	241,587	122,364	116,360	238,724	120,326	114,362	234,688
10-14	124,611	118,821	243,432	132,309	125,225	257,534	132,412	125,104	257,515	131,719	124,013	255,733	130,372	122,407	252,779
15-19	131,215	124,664	255,879	130,658	125,672	256,330	130,753	124,261	255,015	132,444	125,261	257,704	134,302	126,950	261,253
20-24	128,737	124,919	253,656	135,238	132,221	267,459	135,835	133,971	269,806	136,171	134,637	270,808	135,981	133,963	269,945
25-29	133,819	131,522	265,341	145,729	142,132	287,860	142,728	139,065	281,793	140,395	136,457	276,852	138,956	134,908	273,864
30-34	131,483	128,253	259,736	152,805	149,031	301,836	155,224	150,855	306,079	157,324	152,299	309,623	157,761	152,269	310,030
35-39	128,103	123,715	251,818	150,399	148,210	298,609	151,617	148,909	300,526	152,625	149,506	302,131	153,770	150,205	303,975
40-44	125,961	122,930	248,891	138,274	136,608	274,883	141,917	140,797	282,714	144,994	144,474	289,468	147,255	147,443	294,698
45-49	130,755	132,549	263,304	130,153	127,426	257,579	128,938	126,672	255,610	129,368	127,773	257,142	131,519	130,311	261,830
50-54	135,069	141,566	276,635	125,650	125,882	251,533	128,315	127,999	256,314	130,101	129,398	259,499	130,564	129,667	260,231
55-59	132,995	140,775	273,769	128,444	134,806	263,250	125,645	131,315	256,960	122,890	127,880	250,770	120,887	125,154	246,042
60-64	115,186	121,047	236,233	130,455	143,111	273,566	129,404	142,001	271,406	127,989	140,487	268,476	126,501	138,490	264,991
65-69	81,837	87,957	169,794	125,244	139,324	264,568	126,016	141,153	267,169	125,867	141,776	267,643	124,898	141,296	266,194
70-74	56,945	63,006	119,950	103,012	114,579	217,592	107,556	120,135	227,690	109,758	123,446	233,204	111,183	126,097	237,280
75-79	40,954	50,138	91,091	65,368	75,617	140,985	68,876	79,838	148,713	73,719	85,459	159,178	78,787	91,449	170,236
80-84	30,391	42,761	73,152	38,064	46,702	84,766	39,844	48,938	88,782	41,928	51,719	93,647	44,690	55,211	99,901
85+	26,767	51,389	78,156	31,812	51,557	83,370	32,310	51,405	83,715	32,388	50,887	83,275	32,889	51,074	83,962
Total	1,898,693	1,938,607	3,837,300	2,100,373	2,143,586	4,243,959	2,109,892	2,153,689	4,263,581	2,118,623	2,163,228	4,281,851	2,125,639	2,171,161	4,296,800
Mdn. Age	37.2	39.4	38.3	38.9	40.8	39.8	39.1	41.1	40.1	39.3	41.4	40.4	39.6	41.7	40.6

	2024			2025			2026			2027			2028		
Age	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
0-4	104,290	99,102	203,392	104,569	99,418	203,987	105,820	100,579	206,399	106,910	101,584	208,494	108,209	102,794	211,002
5- 9	117,977	112,034	230,010	115,089	108,859	223,948	111,968	105,508	217,476	110,115	103,514	213,629	108,876	102,255	211,131
10-14	129,259	121,229	250,487	128,666	120,659	249,325	128,093	120,114	248,207	126,930	118,899	245,829	125,385	117,155	242,540
15-19	135,762	128,160	263,922	136,982	129,113	266,095	137,608	129,430	267,038	137,383	128,719	266,102	136,644	127,566	264,209
20-24	135,643	132,801	268,444	135,225	130,973	266,198	135,810	130,031	265,842	138,074	131,620	269,695	140,857	134,229	275,087
25-29	139,011	135,235	274,247	139,942	137,157	277,099	141,170	139,484	280,654	142,124	140,671	282,795	142,727	140,747	283,474
30-34	156,938	151,129	308,068	155,041	149,050	304,091	152,915	146,550	299,464	151,512	144,532	296,044	151,439	143,933	295,371
35-39	155,582	151,537	307,119	158,215	153,511	311,726	161,251	155,845	317,096	163,933	157,765	321,697	165,555	158,570	324,125
40-44	149,274	149,770	299,043	151,174	151,388	302,562	152,664	152,518	305,182	153,938	153,555	307,493	155,501	154,911	310,412
45-49	134,673	133,872	268,545	138,434	138,329	276,763	142,325	142,843	285,168	145,698	146,862	292,561	148,411	150,399	298,810
50-54	129,971	129,046	259,017	128,779	127,925	256,703	127,789	127,420	255,209	128,466	128,797	257,263	130,934	131,726	262,660
55-59	120,716	124,430	245,146	122,782	126,044	248,827	125,637	128,503	254,140	127,696	130,290	257,987	128,528	131,064	259,592
60-64	125,109	136,306	261,415	123,215	133,662	256,877	120,777	130,556	251,332	118,485	127,556	246,041	116,977	125,403	242,380
65-69	123,586	140,341	263,928	122,645	139,545	262,190	121,949	138,817	260,765	121,064	137,798	258,862	120,146	136,443	256,589
70-74	112,867	129,092	241,959	114,375	131,827	246,202	115,335	133,788	249,122	115,670	134,765	250,435	115,312	134,820	250,132
75-79	83,324	96,989	180,313	88,060	102,825	190,885	92,066	107,941	200,007	94,393	111,314	205,707	96,094	114,147	210,241
80-84	47,438	58,827	106,265	49,749	62,024	111,773	52,558	65,625	118,183	56,732	70,715	127,447	61,088	76,142	137,231
85+	33,757	51,623	85,380	34,944	52,605	87,549	36,355	54,160	90,516	38,169	56,452	94,621	40,455	59,361	99,816
Total	2,135,176	2,181,524	4,316,700	2,147,885	2,194,916	4,342,800	2,162,090	2,209,711	4,371,800	2,177,292	2,225,408	4,402,700	2,193,137	2,241,663	4,434,800
Mdn. Age	39.8	42.0	40.9	40.0	42.3	41.1	40.2	42.5	41.4	40.4	42.8	41.6	40.5	43.0	41.8

	2029			2030			2031			2032		
Age	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
0-4	109,537	104,036	213,573	110,970	105,382	216,352	112,312	106,646	218,958	113,583	107,845	221,428
5- 9	108,463	101,650	210,113	108,957	102,109	211,066	110,407	103,396	213,803	111,647	104,498	216,145
10-14	123,400	115,013	238,414	120,659	111,902	232,560	117,576	108,554	226,130	115,768	106,568	222,336
15-19	136,024	126,753	262,777	135,743	126,420	262,163	135,379	126,031	261,410	134,325	124,896	259,221
20-24	143,094	136,202	279,296	144,812	137,651	282,463	145,778	138,293	284,070	145,766	137,753	283,519
25-29	143,031	140,180	283,211	142,987	138,643	281,630	143,869	137,905	281,774	146,467	139,783	286,250
30-34	152,699	145,133	297,832	154,493	147,744	302,238	156,423	150,655	307,078	157,916	152,238	310,154
35-39	165,680	158,086	323,766	164,325	156,345	320,671	162,556	154,029	316,585	161,416	152,136	313,552
40-44	157,693	156,822	314,515	160,596	159,211	319,807	163,844	161,882	325,726	166,697	164,064	330,761
45-49	150,823	153,219	304,042	153,007	155,168	308,175	154,715	156,538	311,253	156,156	157,761	313,917
50-54	134,368	135,649	270,017	138,335	140,385	278,721	142,391	145,135	287,525	145,902	149,354	295,256
55-59	128,277	130,859	259,136	127,355	130,007	257,363	126,586	129,709	256,295	127,432	131,281	258,713
60-64	117,195	125,166	242,361	119,501	127,136	246,637	122,522	129,879	252,402	124,725	131,886	256,610
65-69	119,251	134,801	254,053	117,770	132,538	250,308	115,711	129,732	245,442	113,752	126,977	240,729
70-74	114,576	134,366	248,942	114,086	133,953	248,039	113,774	133,545	247,320	113,247	132,817	246,064
75-79	97,987	117,259	215,246	99,667	120,072	219,739	100,839	122,148	222,987	101,457	123,321	224,778
80-84	64,986	81,140	146,126	68,963	86,292	155,255	72,376	90,841	163,217	74,575	94,038	168,613
85+	42,907	62,474	105,380	45,232	65,482	110,715	48,047	69,177	117,225	52,068	74,487	126,555
Total	2,209,991	2,258,809	4,468,800	2,227,460	2,276,440	4,503,900	2,245,105	2,294,095	4,539,200	2,262,898	2,311,702	4,574,600
Mdn. Age	40.7	43.3	42.0	40.9	43.5	42.2	41.1	43.7	42.4	41.3	43.9	42.6

Table C.3 Population of Oregon

Year (July 1)	Total Population	Change from previous year Number	Percent
1990	2,860,400	-	-
1991	2,928,500	68,100	2.38%
1992	2,991,800	63,300	2.16%
1993	3,060,400	68,600	2.29%
1994	3,121,300	60,900	1.99%
1995	3,184,400	63,100	2.02%
1996	3,247,100	62,700	1.97%
1997	3,304,300	57,200	1.76%
1998	3,352,400	48,100	1.46%
1999	3,393,900	41,500	1.24%
2000	3,431,100	37,200	1.10%
2001	3,470,400	39,300	1.15%
2002	3,502,600	32,200	0.93%
2003	3,538,600	36,000	1.03%
2004	3,578,900	40,300	1.14%
2005	3,626,900	48,000	1.34%
2006	3,685,200	58,300	1.61%
2007	3,739,400	54,200	1.47%
2008	3,784,200	44,800	1.20%
2009	3,815,800	31,600	0.84%
2010	3,837,300	21,500	0.56%
2011	3,854,500	17,200	0.45%
2012	3,878,200	23,700	0.61%
2013	3,910,900	32,700	0.84%
2014	3,952,000	41,100	1.05%
2015	4,000,400	48,400	1.22%
2016	4,060,100	59,700	1.49%
2017	4,122,000	61,900	1.52%
2018	4,173,200	51,200	1.24%
2019	4,211,400	38,200	0.92%
2020	4,243,959	32,559	0.77%
2021	4,263,581	19,622	0.46%
2022	4,281,851	18,270	0.43%
2023	4,296,800	14,949	0.35%
2024	4,316,700	19,900	0.46%
2025	4,342,800	26,100	0.60%
2026	4,371,800	29,000	0.67%
2027	4,402,700	30,900	0.71%
2028	4,434,800	32,100	0.73%
2029	4,468,800	34,000	0.77%
2030	4,503,900	35,100	0.79%
2031	4,539,200	35,300	0.78%
2032	4,574,600	35,400	0.78%

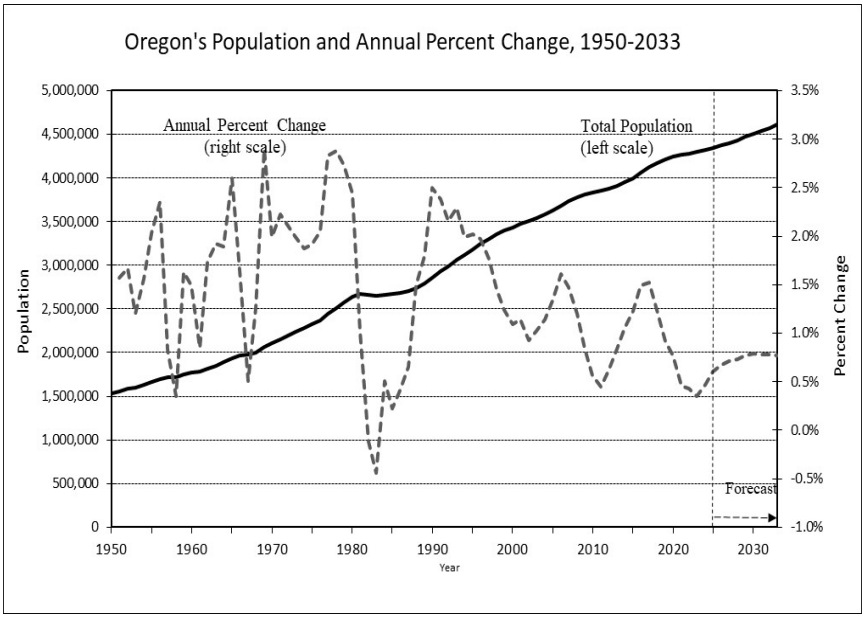


Table C.4 Children: Ages 0-4

Table C.5 School Age Population: Ages 5-17

Table C.6 Young Adult Population: Ages 18-24

Year (July 1)	Population	% Change from previous decade/yr. Number	Percent	Population	% Change from previous decade/yr. Number	Percent	Population	% Change from previous decade/yr. Number	Percent
1980	199,525	---	---	524,446	---	---	329,407	---	---
1990	209,638	10,113	5.07%	532,727	8,281	1.58%	268,134	-61,273	-18.60%
2000	223,207	13,569	6.47%	624,316	91,589	17.19%	330,328	62,194	23.20%
2010	238,443	15,236	6.83%	631,132	6,815	1.09%	359,854	29,526	8.94%
2011	235,911	-2,532	-1.06%	629,794	-1,337	-0.21%	360,835	982	0.27%
2012	232,406	-3,506	-1.49%	631,284	1,489	0.24%	362,832	1,997	0.55%
2013	229,470	-2,936	-1.26%	633,903	2,619	0.41%	366,162	3,330	0.92%
2014	228,491	-979	-0.43%	636,663	2,760	0.44%	368,698	2,535	0.69%
2015	228,530	38	0.02%	639,405	2,741	0.43%	370,335	1,638	0.44%
2016	229,939	1,409	0.62%	642,777	3,373	0.53%	371,121	786	0.21%
2017	230,713	774	0.34%	646,608	3,831	0.60%	373,452	2,331	0.63%
2018	228,576	-2,137	-0.93%	647,996	1,387	0.21%	375,357	1,905	0.51%
2019	224,371	-4,206	-1.84%	649,539	1,543	0.24%	374,840	-517	-0.14%
2020	218,996	-5,374	-2.40%	651,951	2,412	0.37%	372,617	-2,222	-0.59%
2021	212,186	-6,810	-3.11%	652,057	106	0.02%	371,866	-751	-0.20%
2022	207,973	-4,214	-1.99%	649,895	-2,162	-0.33%	373,075	1,209	0.33%
2023	204,900	-3,073	-1.48%	645,416	-4,478	-0.69%	373,248	173	0.05%
2024	203,392	-1,508	-0.74%	640,050	-5,367	-0.83%	372,813	-435	-0.12%
2025	203,987	595	0.29%	632,545	-7,505	-1.17%	373,021	208	0.06%
2026	206,399	2,412	1.18%	623,414	-9,131	-1.44%	375,148	2,127	0.57%
2027	208,494	2,095	1.02%	615,695	-7,719	-1.24%	379,560	4,412	1.18%
2028	211,002	2,508	1.20%	608,826	-6,869	-1.12%	384,140	4,580	1.21%
2029	213,573	2,571	1.22%	603,315	-5,511	-0.91%	387,284	3,144	0.82%
2030	216,352	2,779	1.30%	598,619	-4,697	-0.78%	389,634	2,350	0.61%
2031	218,958	2,607	1.20%	594,584	-4,035	-0.67%	390,829	1,196	0.31%
2032	221,428	2,469	1.13%	590,977	-3,607	-0.61%	390,243	-586	-0.15%

Table C.7 Criminally At Risk Population (males): Ages 15-39

Table C.8 Prime Wage Earners: Ages 25-44

Table C.9 Older Wage Earners: Ages 45-64

Year (July 1)	Population	% Change from previous decade/yr. Number	Percent	Population	% Change from previous decade/yr. Number	Percent	Population	% Change from previous decade/yr. Number	Percent
1980	561,931	---	---	790,750	---	---	491,249	---	---
1990	544,738	-17,193	-3.06%	926,326	135,576	17.15%	531,181	39,932	8.13%
2000	616,988	72,250	13.26%	996,500	70,174	7.58%	817,510	286,329	53.90%
2010	653,357	36,370	5.89%	1,025,787	29,287	2.94%	1,049,941	232,431	28.43%
2011	651,180	-2,178	-0.33%	1,027,906	2,120	0.21%	1,055,385	5,444	0.52%
2012	652,390	1,211	0.19%	1,032,603	4,697	0.46%	1,049,595	-5,790	-0.55%
2013	657,293	4,903	0.75%	1,040,709	8,106	0.78%	1,045,648	-3,947	-0.38%
2014	664,759	7,466	1.14%	1,051,331	10,622	1.02%	1,047,081	1,433	0.14%
2015	673,701	8,941	1.35%	1,063,996	12,664	1.20%	1,051,826	4,745	0.45%
2016	685,321	11,621	1.72%	1,083,602	19,607	1.84%	1,058,830	7,003	0.67%
2017	697,303	11,981	1.75%	1,107,682	24,080	2.22%	1,060,299	1,469	0.14%
2018	705,507	8,204	1.18%	1,129,825	22,143	2.00%	1,056,891	-3,407	-0.32%
2019	711,574	6,068	0.86%	1,147,437	17,612	1.56%	1,050,482	-6,409	-0.61%
2020	714,828	3,253	0.46%	1,163,188	15,750	1.37%	1,045,927	-4,555	-0.43%
2021	716,157	1,330	0.19%	1,171,112	7,924	0.68%	1,040,290	-5,637	-0.54%
2022	718,958	2,800	0.39%	1,178,073	6,961	0.59%	1,035,887	-4,402	-0.42%
2023	720,771	1,813	0.25%	1,182,567	4,494	0.38%	1,033,094	-2,793	-0.27%
2024	722,937	2,166	0.30%	1,188,477	5,909	0.50%	1,034,123	1,029	0.10%
2025	725,404	2,467	0.34%	1,195,479	7,002	0.59%	1,039,169	5,047	0.49%
2026	728,755	3,351	0.46%	1,202,397	6,918	0.58%	1,045,849	6,680	0.64%
2027	733,025	4,270	0.59%	1,208,029	5,632	0.47%	1,053,851	8,002	0.77%
2028	737,222	4,197	0.57%	1,213,382	5,354	0.44%	1,063,441	9,590	0.91%
2029	740,528	3,306	0.45%	1,219,324	5,942	0.49%	1,075,556	12,115	1.14%
2030	742,361	1,833	0.25%	1,224,345	5,021	0.41%	1,090,895	15,339	1.43%
2031	744,005	1,644	0.22%	1,231,163	6,818	0.56%	1,107,476	16,580	1.52%
2032	745,890	1,885	0.25%	1,240,717	9,554	0.78%	1,124,496	17,020	1.54%

Table C.10 Elderly Population by Age Group

Year (July 1)	Ages 65+	%Change from previous decade/yr.	Ages 65-74	%Change from previous decade/yr.	Ages 75-84	%Change from previous decade/yr.	Ages 85+	%Change from previous decade/yr.
1980	305,841	---	185,863	---	91,137	---	28,841	---
1990	392,369	28.29%	224,772	20.93%	128,813	41.34%	38,784	34.48%
2000	439,239	11.95%	218,997	-2.57%	162,187	25.91%	58,055	49.69%
2010	532,145	21.15%	289,744	32.31%	164,244	1.27%	78,156	34.62%
2011	544,668	2.35%	300,679	3.77%	164,699	0.28%	79,290	1.45%
2012	569,480	4.56%	323,020	7.43%	166,250	0.94%	80,210	1.16%
2013	595,007	4.48%	344,941	6.79%	169,092	1.71%	80,974	0.95%
2014	619,735	4.16%	364,915	5.79%	173,464	2.59%	81,356	0.47%
2015	646,309	4.29%	386,254	5.85%	178,545	2.93%	81,510	0.19%
2016	673,830	4.26%	406,961	5.36%	184,772	3.49%	82,098	0.72%
2017	703,246	4.37%	428,081	5.19%	192,909	4.40%	82,256	0.19%
2018	734,554	4.45%	447,292	4.49%	204,711	6.12%	82,552	0.36%
2019	764,731	4.11%	465,467	4.06%	216,593	5.80%	82,671	0.14%
2020	791,279	3.47%	482,160	3.59%	225,750	4.23%	83,370	0.84%
2021	816,070	3.13%	494,859	2.63%	237,495	5.20%	83,715	0.41%
2022	836,947	2.56%	500,847	1.21%	252,825	6.45%	83,275	-0.53%
2023	857,574	2.46%	503,474	0.52%	270,137	6.85%	83,962	0.83%
2024	877,845	2.36%	505,887	0.48%	286,578	6.09%	85,380	1.69%
2025	898,599	2.36%	508,392	0.50%	302,658	5.61%	87,549	2.54%
2026	918,593	2.23%	509,888	0.29%	318,190	5.13%	90,516	3.39%
2027	937,072	2.01%	509,297	-0.12%	333,154	4.70%	94,621	4.54%
2028	954,009	1.81%	506,721	-0.51%	347,471	4.30%	99,816	5.49%
2029	969,747	1.65%	502,995	-0.74%	361,372	4.00%	105,380	5.57%
2030	984,056	1.48%	498,347	-0.92%	374,994	3.77%	110,715	5.06%
2031	996,190	1.23%	492,762	-1.12%	386,204	2.99%	117,225	5.88%
2032	1,006,739	1.06%	486,793	-1.21%	393,391	1.86%	126,555	7.96%