

Oregon's Economic and Revenue Forecast



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November 2025

Economic Outlook



US Macro Forecast: Economic inflection point approaching



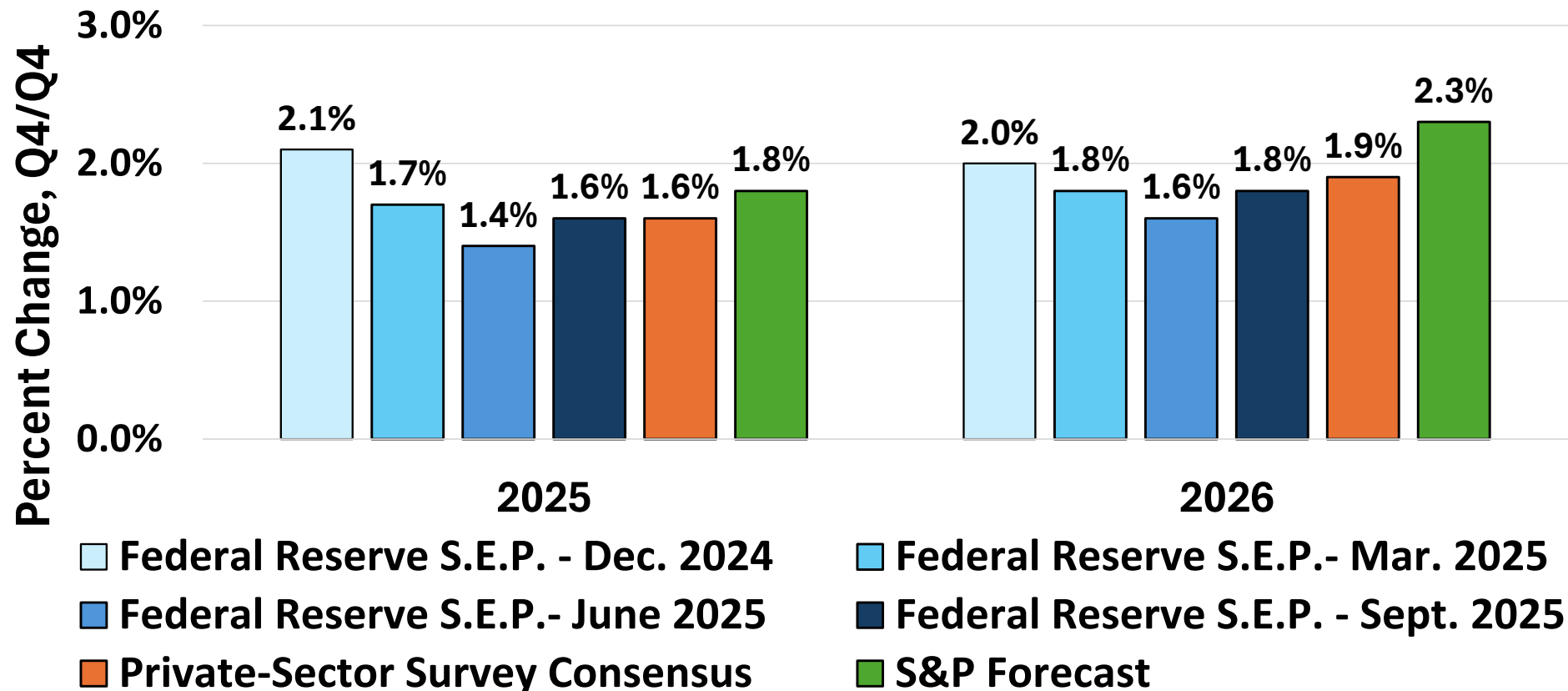
Recession risk is decreasing as growth forecasts rebound

- **GDP** slowing to 1.6% Q4/Q4 in 2025, firming to 1.9% in 2026
- **Inflation** pickup looking less severe at 3.0% (vs. 3.5% prior)
- **Unemployment** little changed (4.4% year-end)
- OEA recession estimate (25%)
- Tariff ruling from SCOTUS could provide sizeable economic impulse

Growth forecasts rebound as peak uncertainty passes



GDP Growth Forecasts



**Consensus Risk
of Recession**
Dec. 2024: 25%
Mar. 2025: 40%
Aug. 2025: 35%
Oct. 2025: 30%

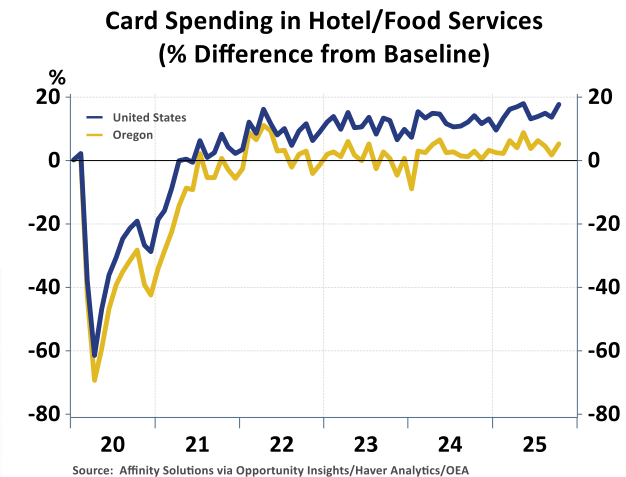
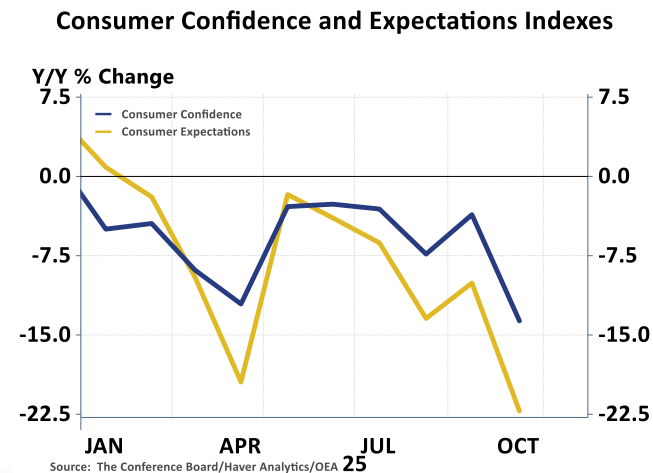
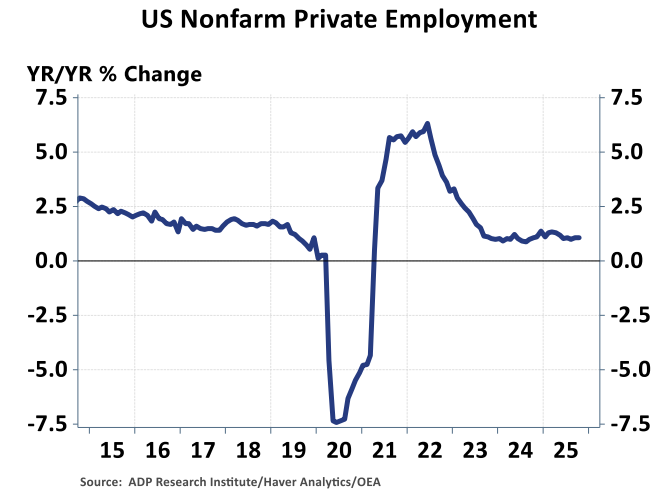
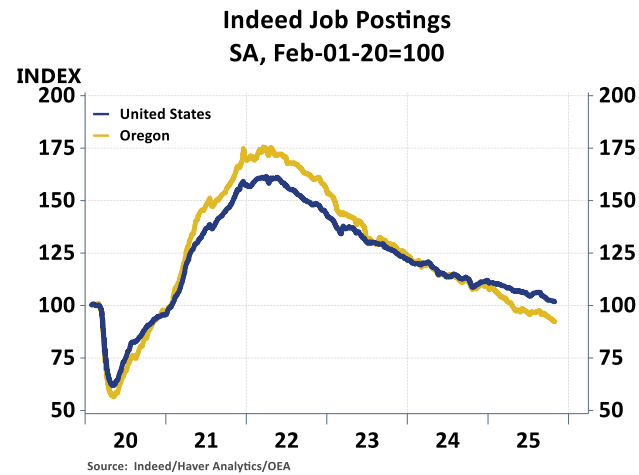
Delays in vital statistics due to federal government shutdown



Report	Source	Original Release Date
Construction Spending (Aug. and Sept.)	Census	10/1
Initial Jobless Claims (Wks ending 9/27 through 11/8)	Labor	Weekly
Factory Orders (Aug. and Sept.)	Census	10/2 & 11/4
Nonfarm Payrolls (Sept. and Oct.)	BLS	10/3 & 11/7
Trade Balance (Aug. and Sept.)	BEA	10/7 & 11/4
Wholesale Inventories (Aug. and Sept.)	Census	10/9 & 11/6
Retail Sales (Sept.)	Census	10/16
Producer Price Index (Sept.)	BLS	10/16
Business Inventories (Aug.)	Census	10/16
Housing Starts/Building Permits (Sept.)	Census	10/17
Import/Export Prices (Sept.)	BLS	10/17
Industrial Production (Sept.)	Federal Reserve	10/17
Leading Indicators (Sept.)	Conference Board	10/20
Chicago Fed NAI (Sept.)	Chicago Fed	10/23
Building Permits Revision (Sept.)	Census	10/24
New Home Sales (Sept.)	Census	10/24
Durable Goods Orders (Sept.)	Census	10/27
Advance Trade and Inventories (Sept.)	Census	10/29
GDP (Q3 Advance)	BEA	10/30
Personal Income/Core PCE (Sept.)	BEA	10/31
Employment Cost Index (Q3)	BLS	10/31
JOLTS (Sept.)	BLS	11/4
Productivity/Unit Labor Costs (Q3)	BLS	11/6
Monthly Treasury Statement	Treasury	11/12
Consumer Price Index (Oct.)	BLS	11/13



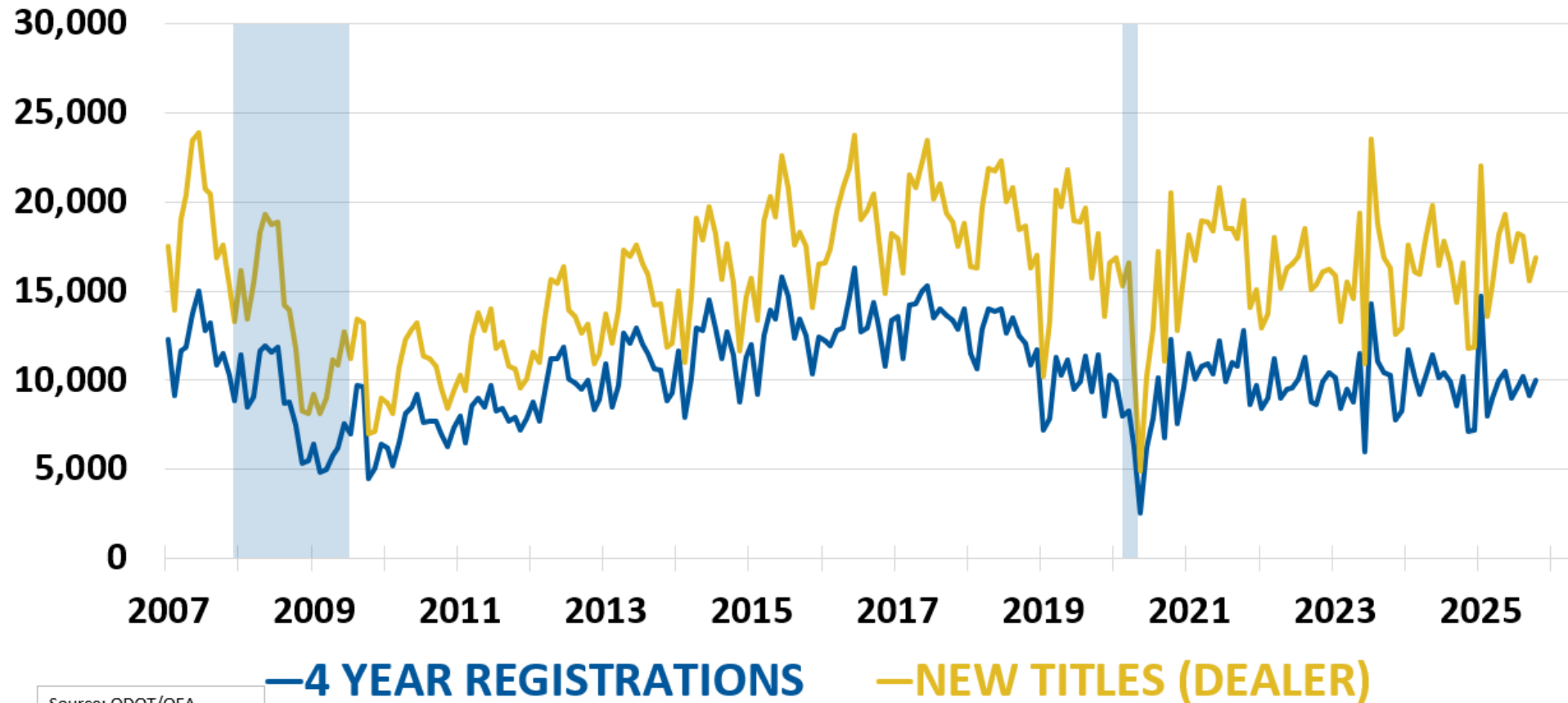
Alternative data sources



New vehicle purchases at odds with souring sentiment



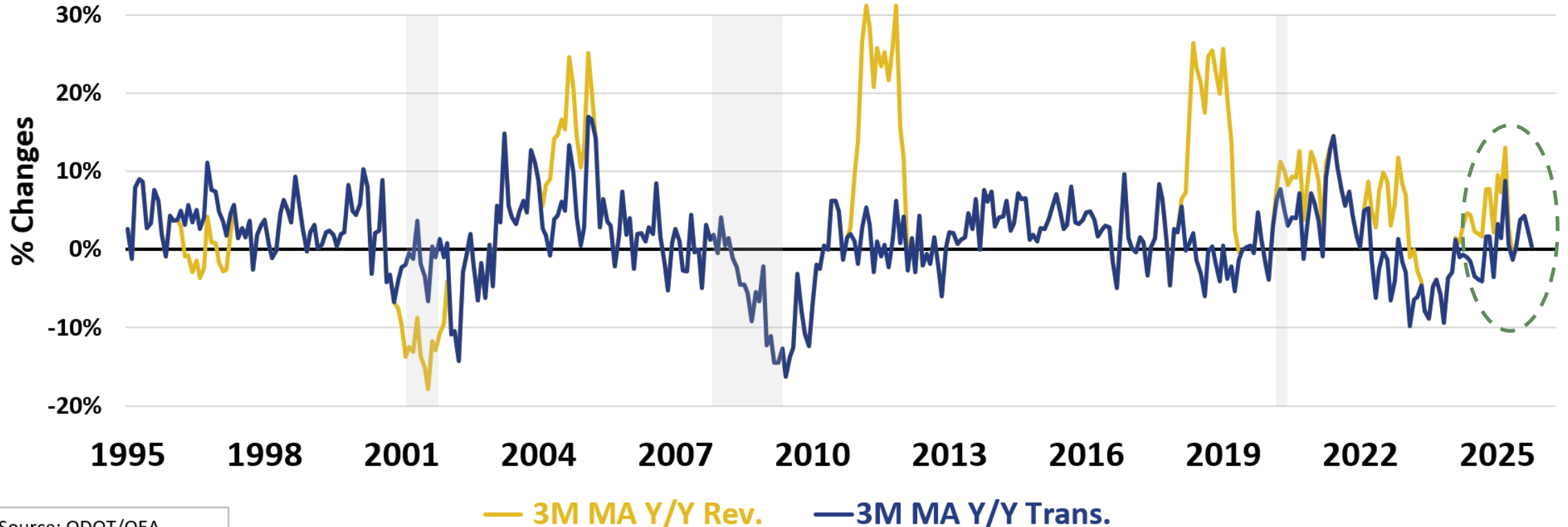
Oregon 4-Year Vehicle Registrations and New Titles



Truck traffic points to economic resilience



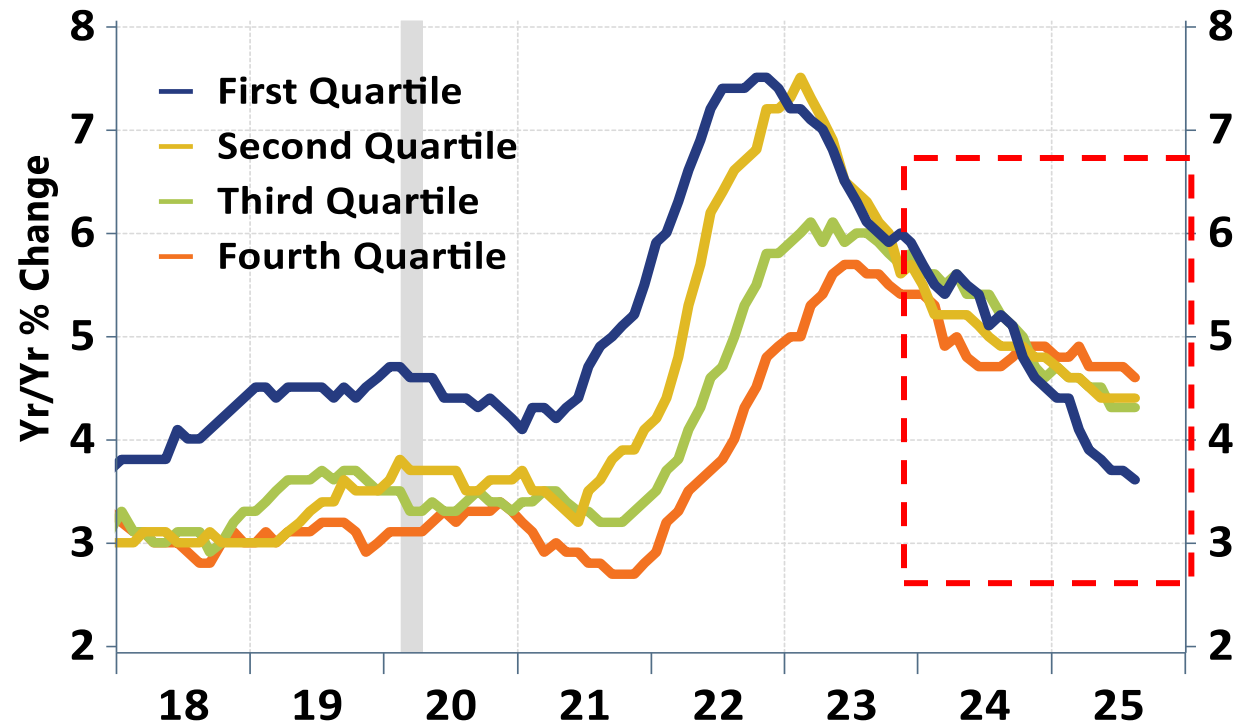
Weight Mile Revenue and Transactions



Divergent income trends lead to “K-Shaped” economy



**Wage Growth Tracker: Median Wage Growth
12 MMA (NSA)**

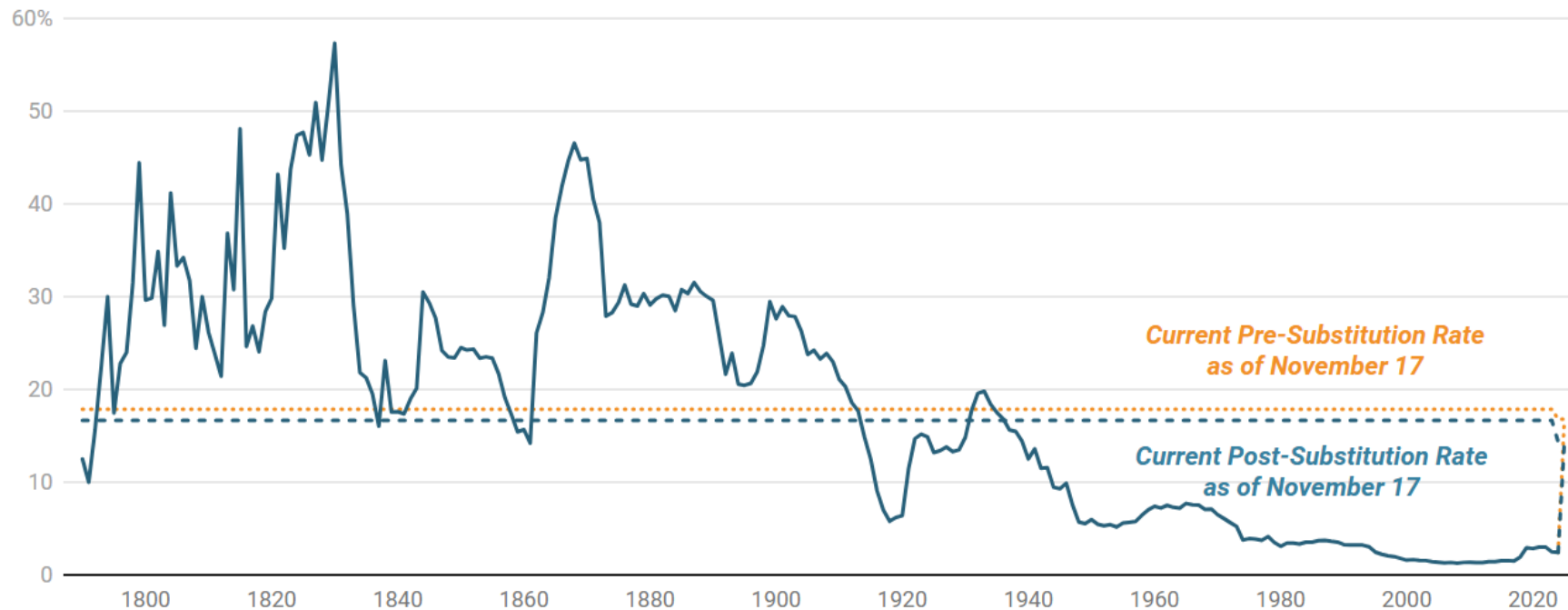


Source: Federal Reserve Bank of Atlanta/Haver Analytics/OEA

Potential tariff rate shock depends on SCOTUS ruling



Average Effective Tariff Rate Since 1790



Effective Tariff Rate

*11/17: 16.8%

5/5: 28.0%

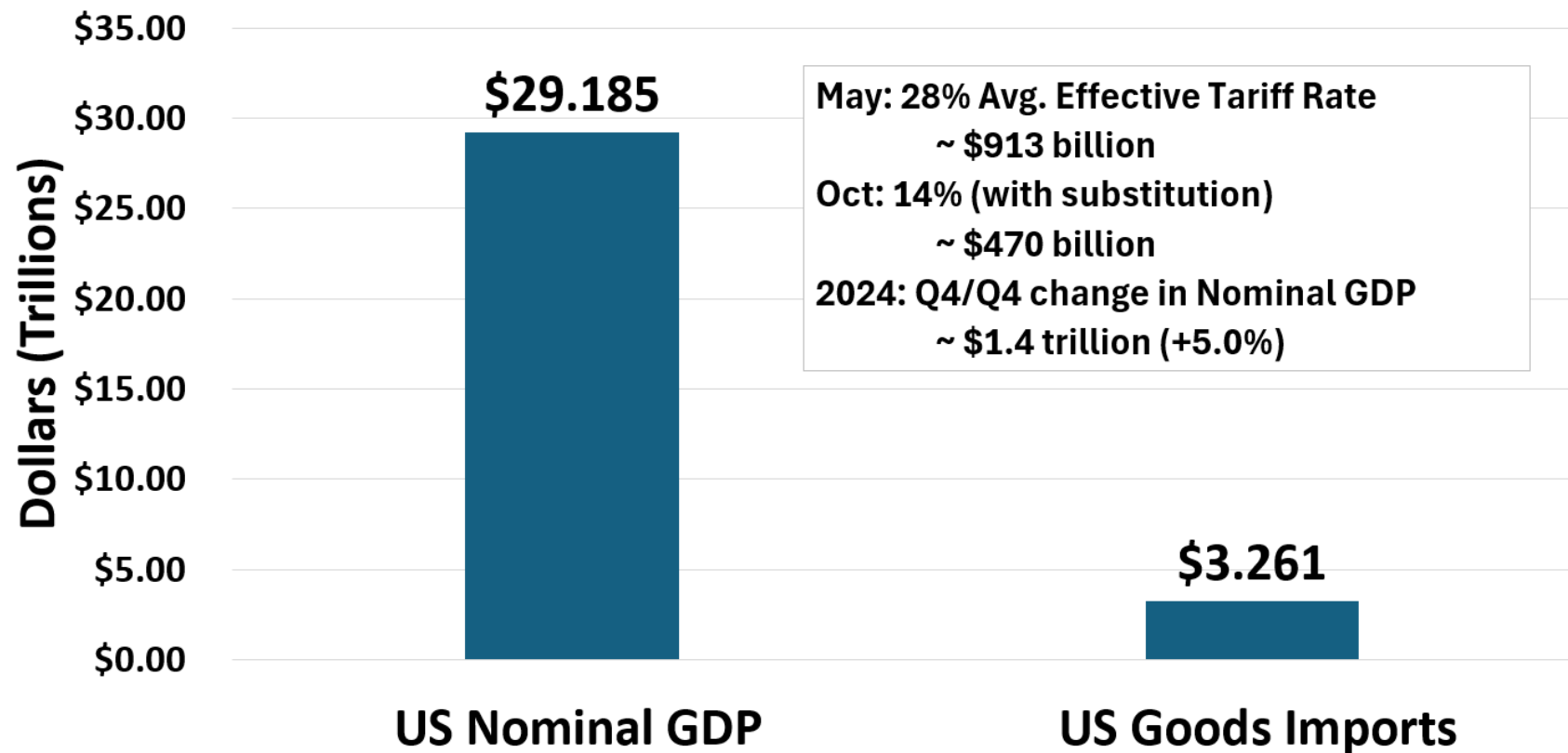
*(Ex-IEEPA: 9.3%)

Chart: The Budget Lab • Source: Historical Statistics of the United States Ea424-434, Monthly Treasury Statement, Bureau of Economic Analysis, The Budget Lab analysis. • Created with [Datawrapper](#)

The price tag of tariffs

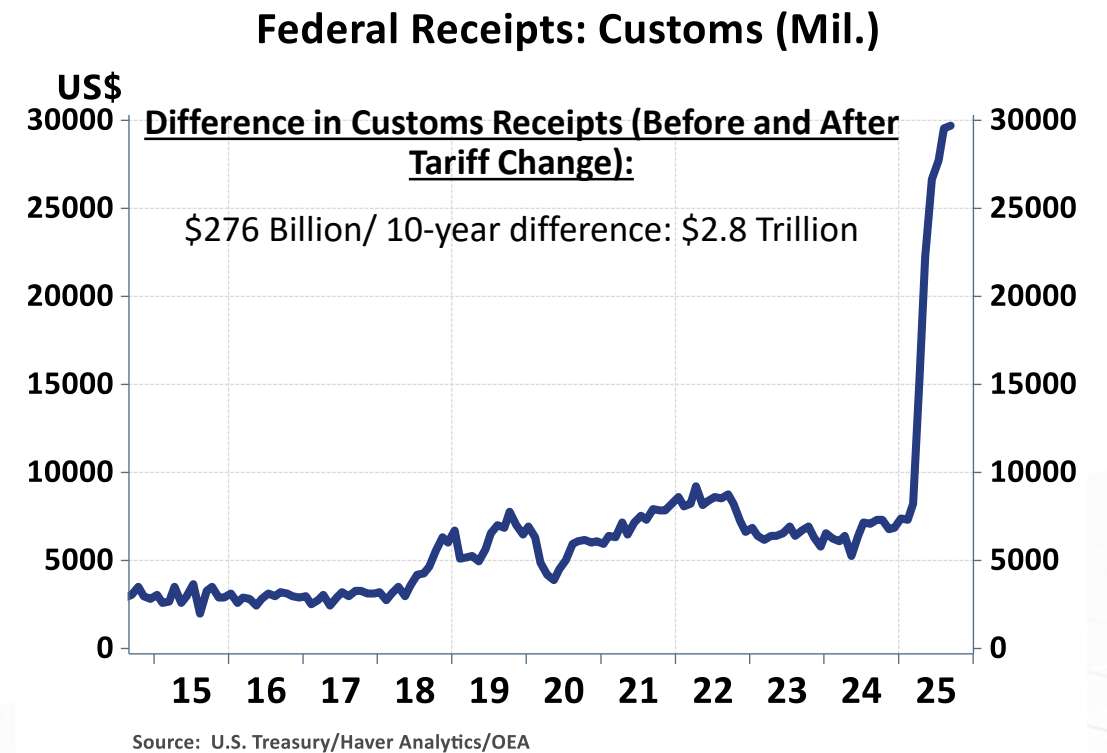
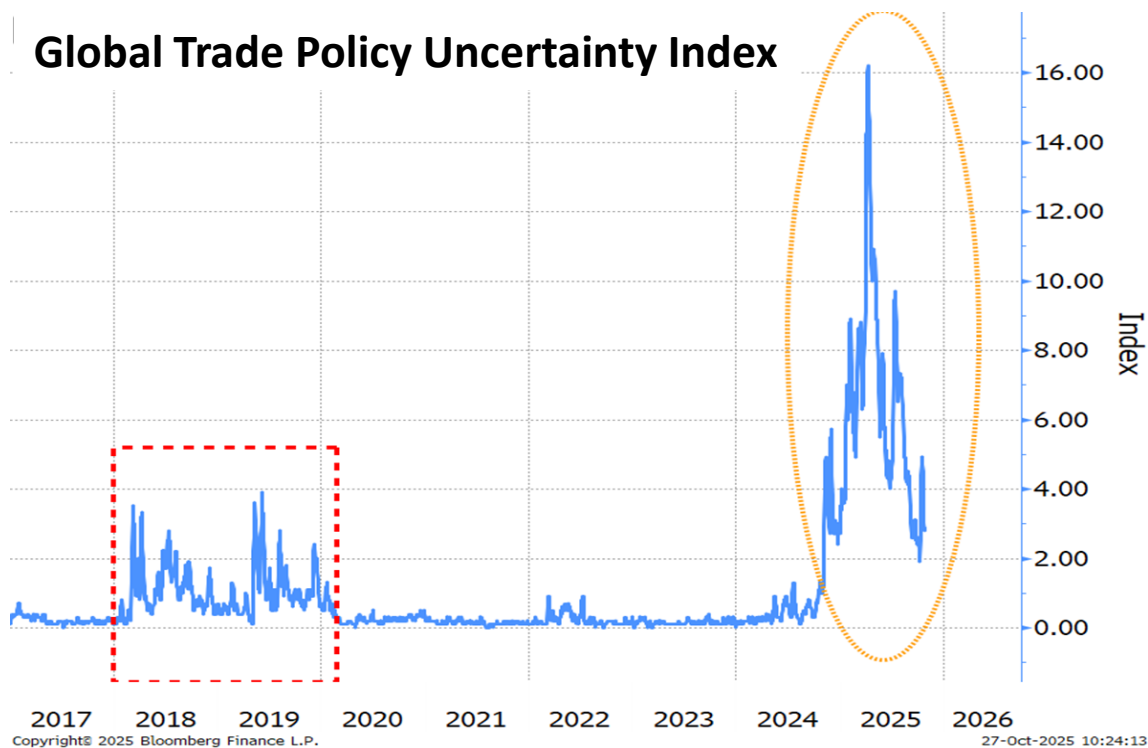


2024 US Nominal GDP and Import of Goods



Source: BEA, Yale Budget Lab, OEA

Tariff uncertainty settles as revenues surge, but court ruling could upend both



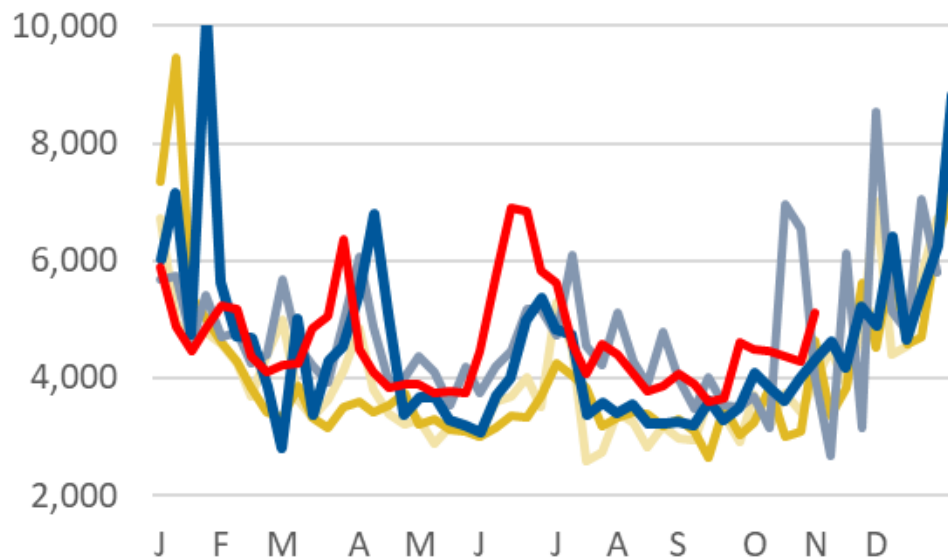
Oregon labor conditions cooling, not crashing



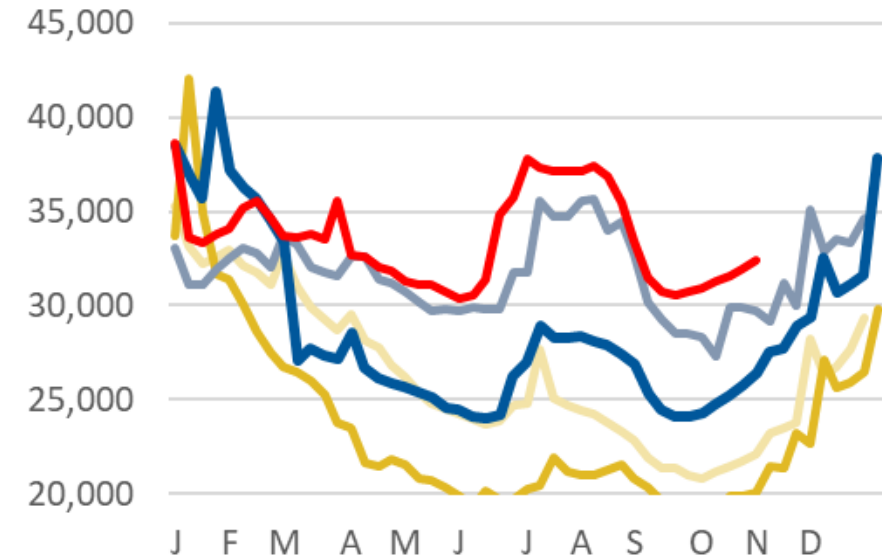
Oregon Claims

Unemployment insurance claims for 2018, 2022, 2023, 2024, 2025

Initial Claims

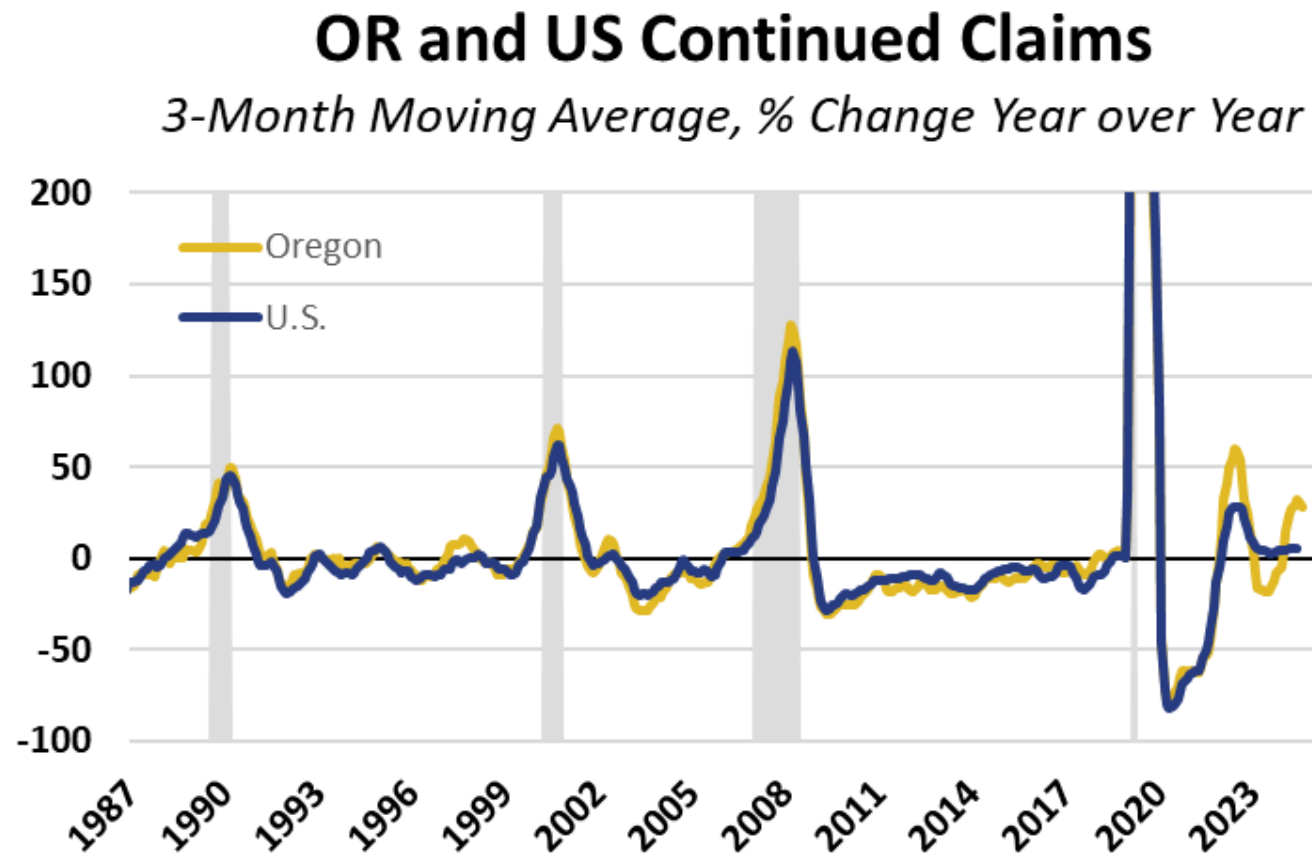


Continuing Claims



Data: Not seasonally adjusted | Latest: Nov 11, 2025 | Source: US Dept of Labor, Oregon Employment Department, Oregon Office of Economic Analysis

Unemployment claims fall short of recessionary thresholds

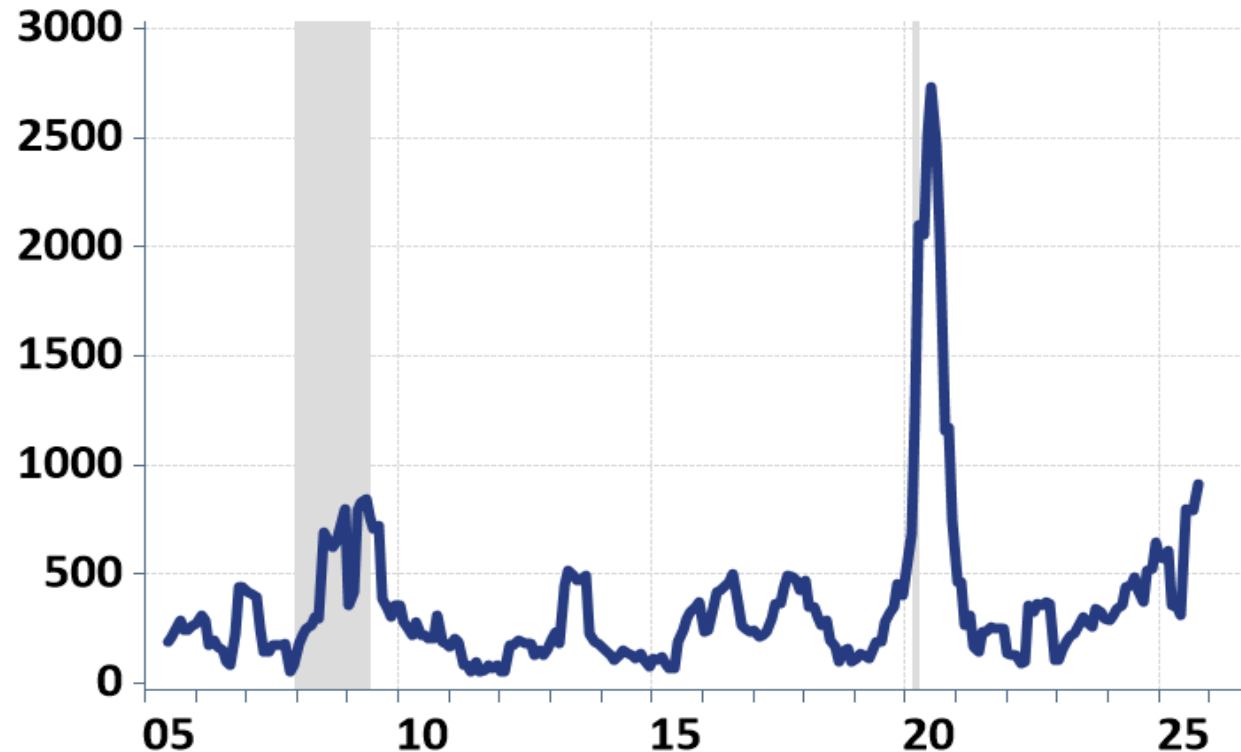


Source: U.S. Employment and Training Administration/OEA

Layoff notices point to challenging labor conditions ahead



WARN Layoffs: Oregon
6-Month Moving Average, NSA



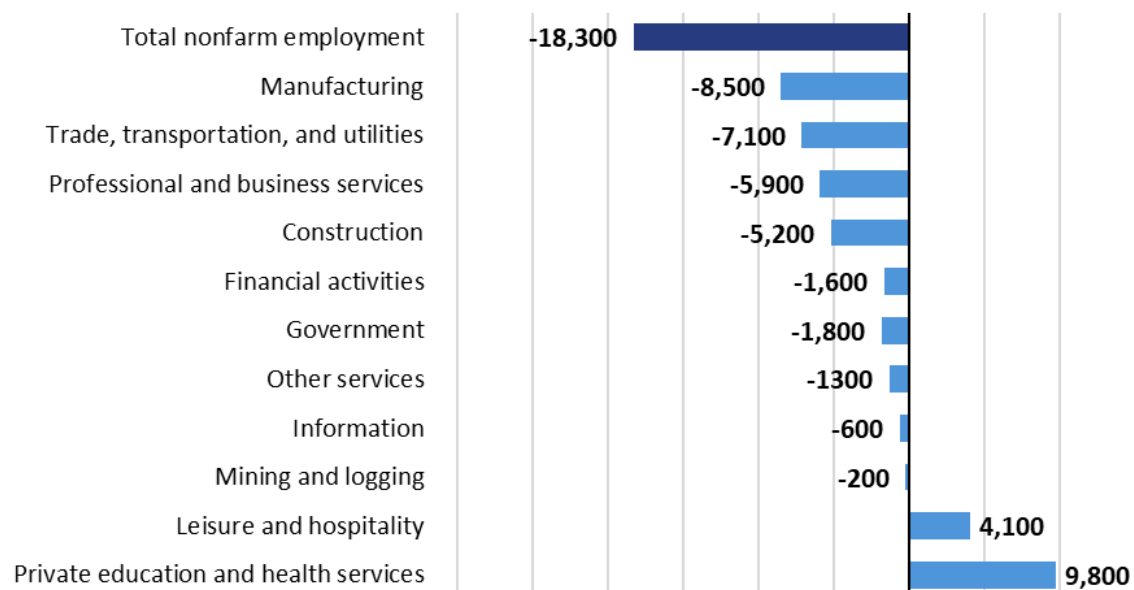
Source: Federal Reserve Bank of Cleveland/Haver Analytics/OEA

Waiting for more data to make sense of August jobs report



Oregon Net Employment Change by Industry

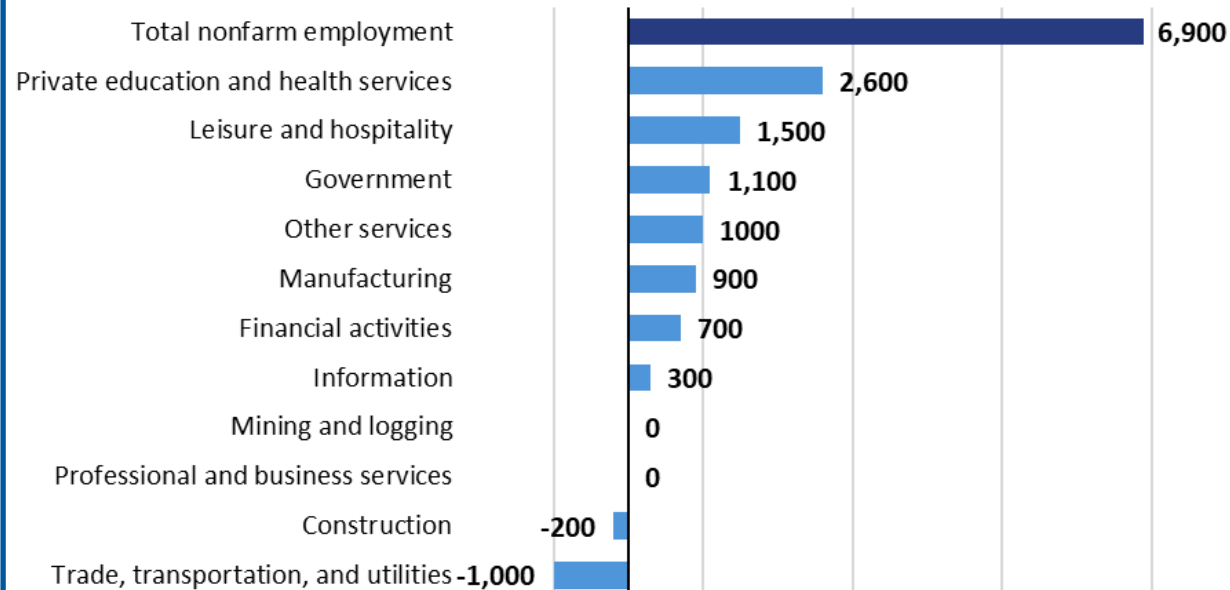
August 2024 to August 2025, Seasonally Adjusted



Source: Oregon Employment Department/OEA

Oregon Monthly Employment Change by Industry

August 2025 over July 2025, Seasonally Adjusted

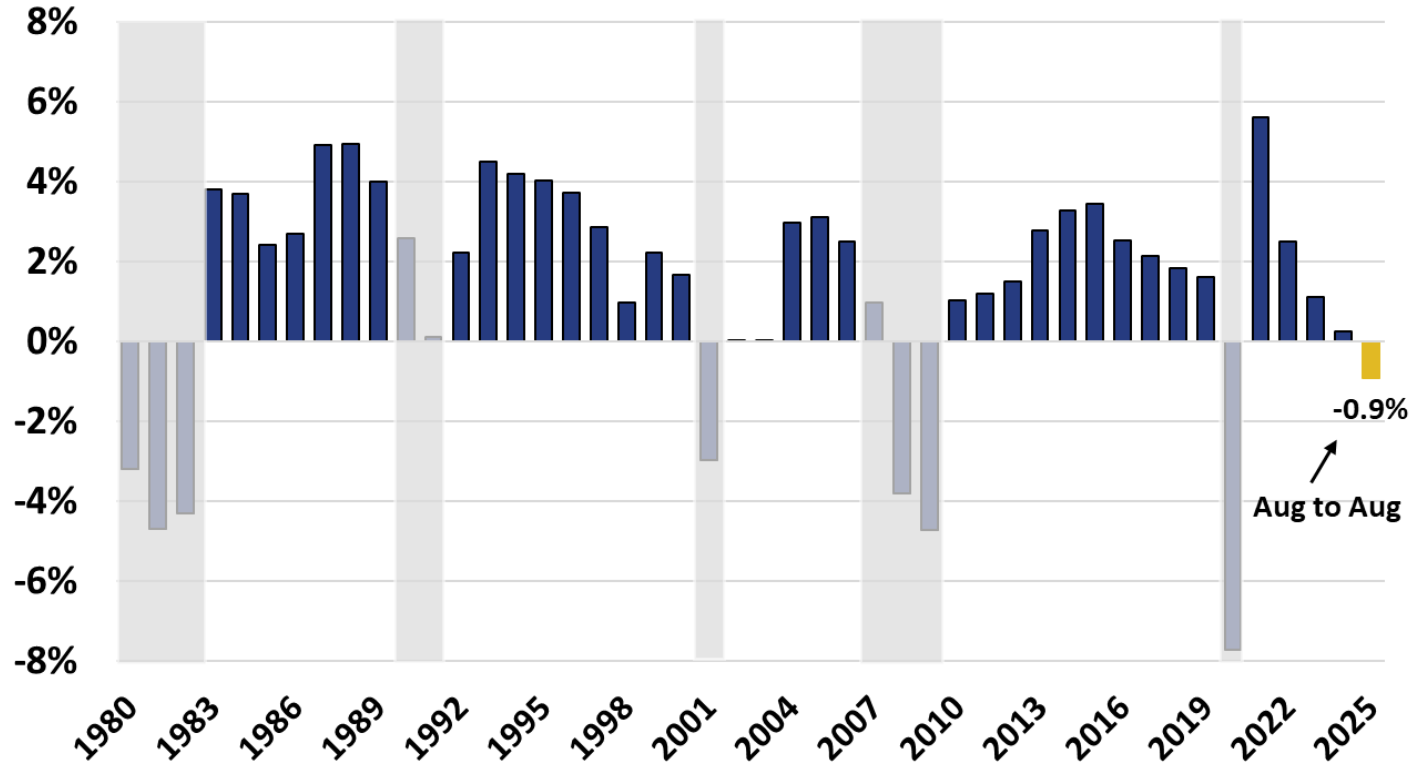


Unusual to see payroll declines outside of recession



Annual Total Nonfarm Job Growth in Oregon

December to December, Monthly data



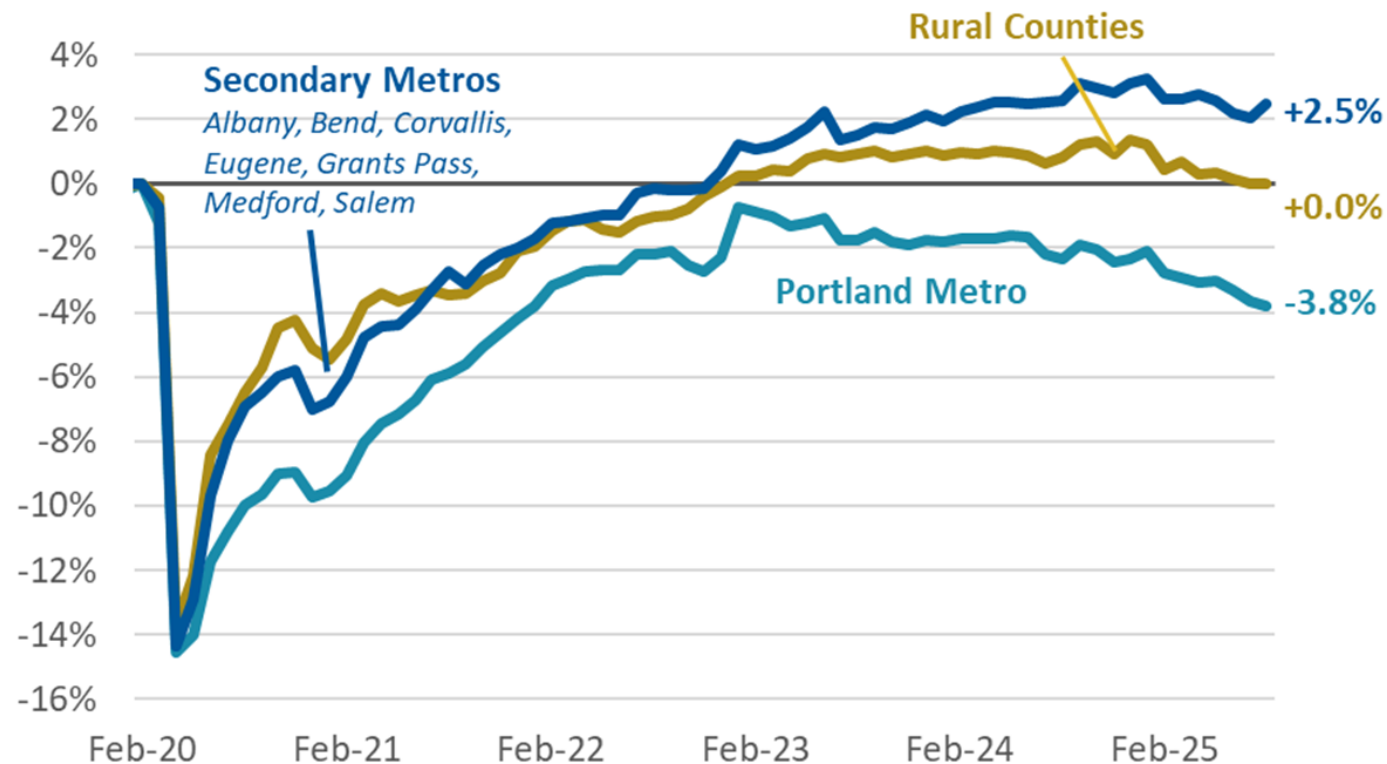
Sources: Oregon Employment Department, Current Employment Statistics



Secondary Metros drive job creation

Oregon Employment: Urban and Rural

Percent change from February 2020



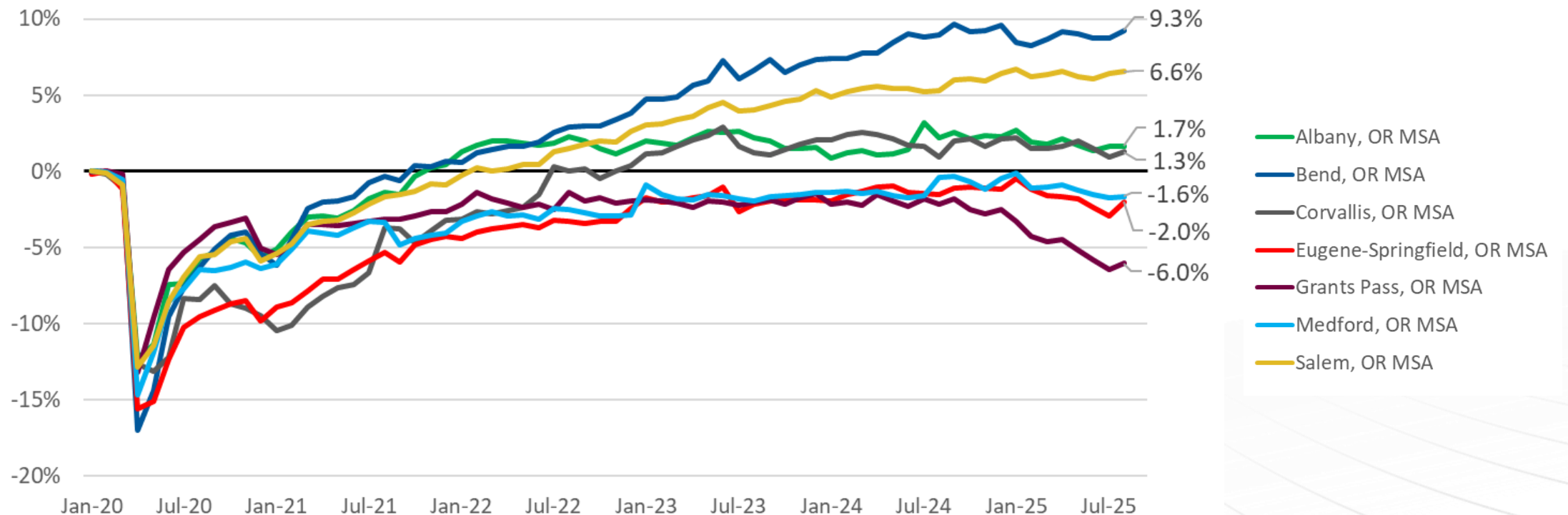
Latest Data: Aug 2025 | Source: Oregon Employment Dept, Oregon Office of Economic Analysis

Bend and Salem leading the pack



Oregon Employment: Secondary Metros

Percent change from February 2020



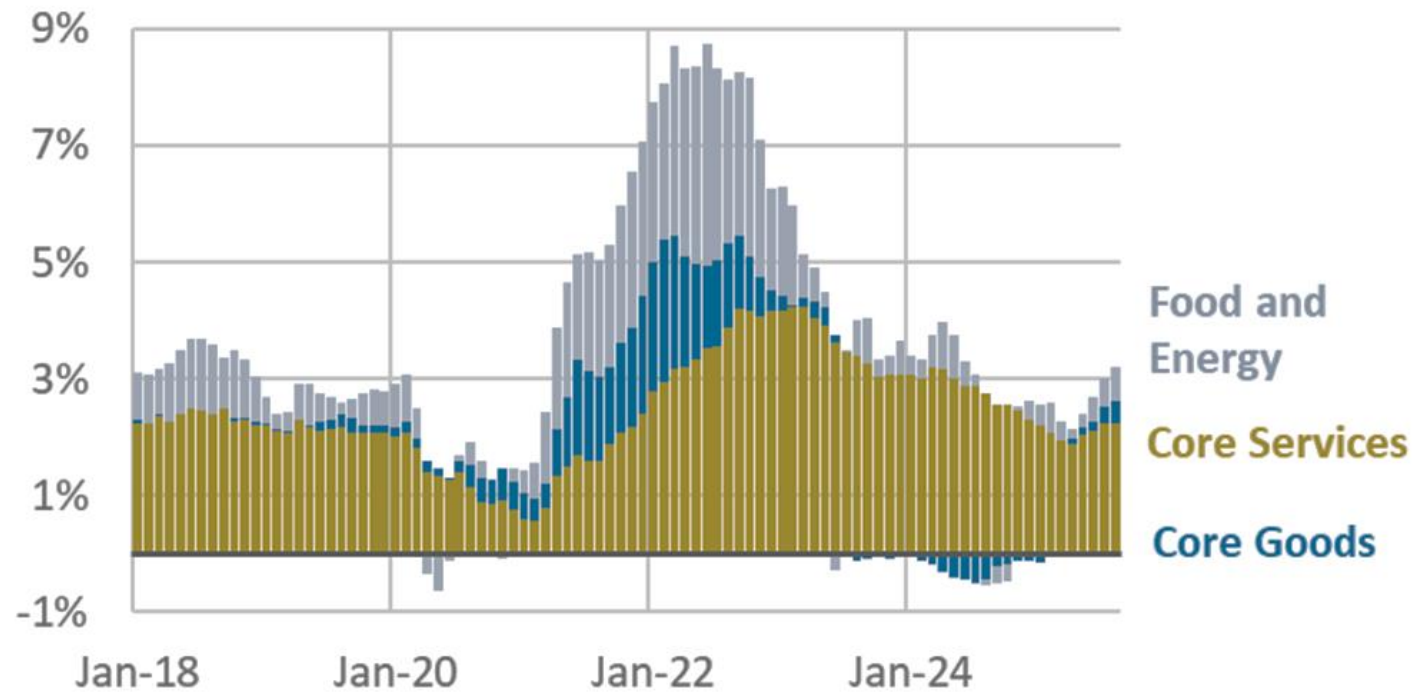
Source: Oregon Employment Department

Inflation deviating sharply from Fed's 2% target



Disinflation Progress Interrupted

Decomposing Year-over-Year Change in the West Region Consumer Price Index



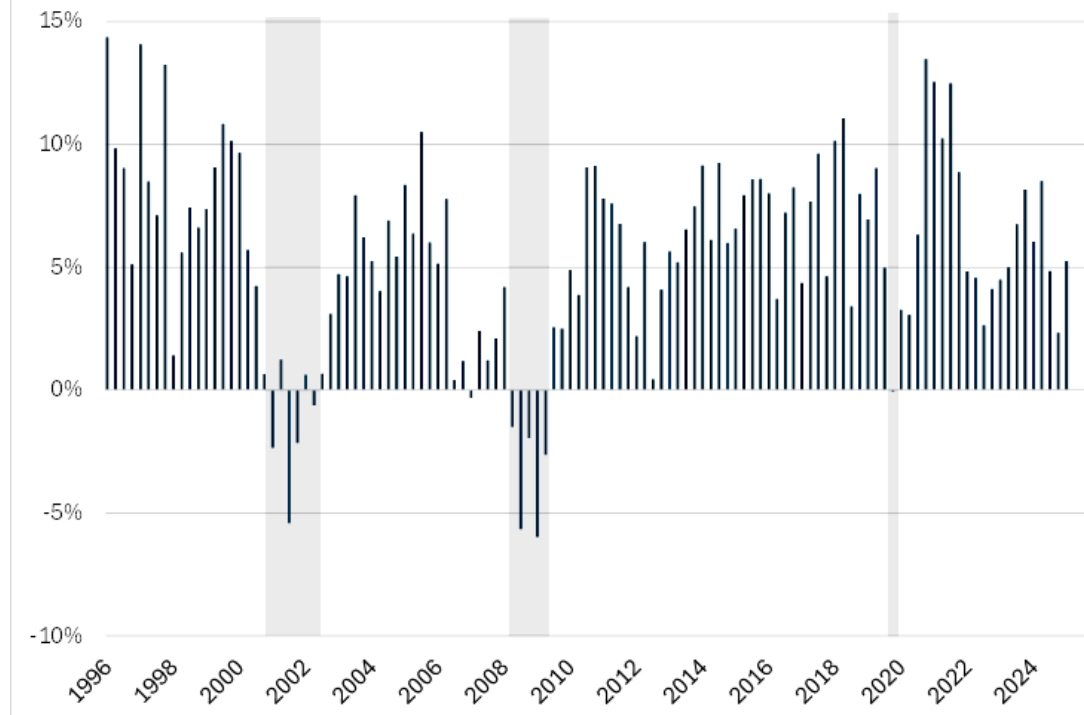
Latest Data: September 2025 | Source: BLS, Oregon Office of Economic Analysis

Recession Indicators



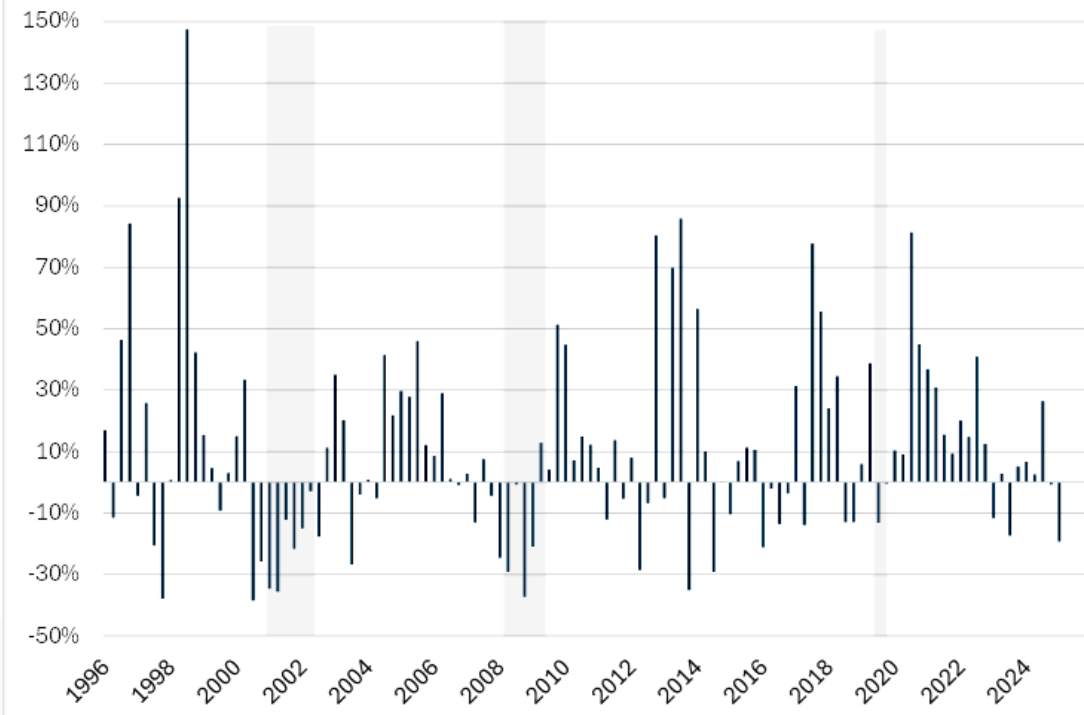
Withholding

(Quarterly Data, Year-over-year change)



Corporate Estimated Payments

(Quarterly Data, Year-over-year change)



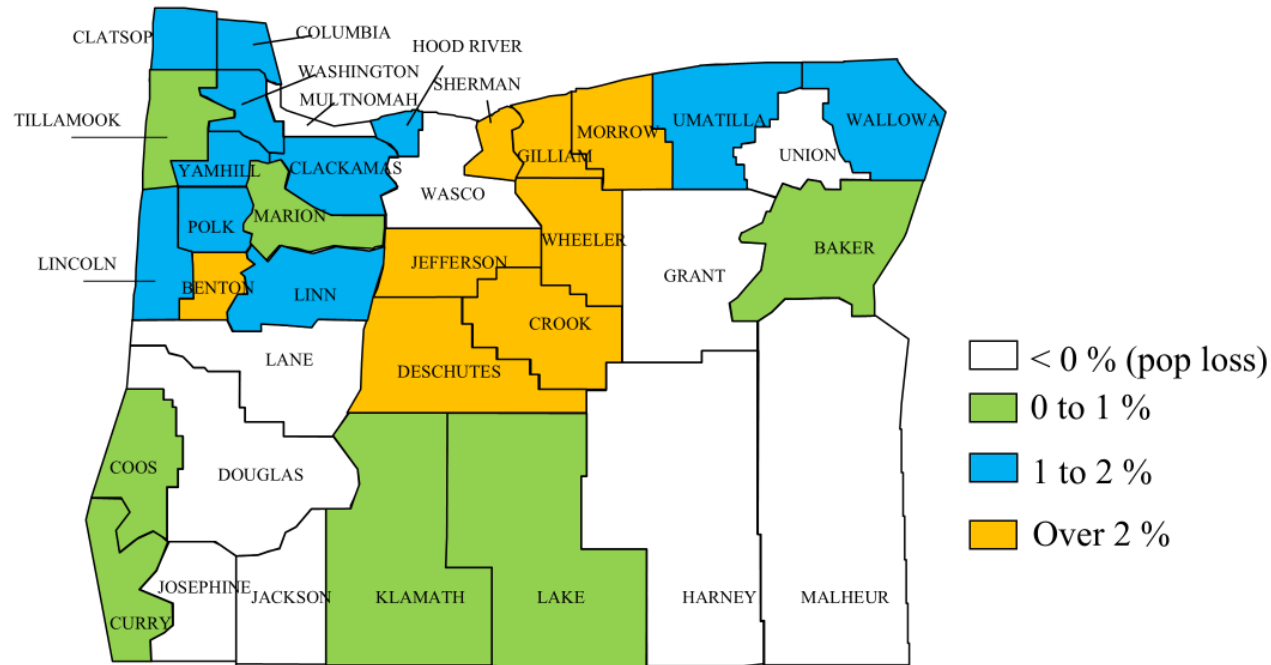
Oregon Population Change by County



Population Change in Percent, 2020-2024

(from April 1, 2020 to July 1, 2024)

Oregon: 0.7%



- High growth in the Central and mid-Columbia River counties.
- Slow or negative growth counties are concentrated in southern and southeast Oregon.
- 10 counties experienced population loss.

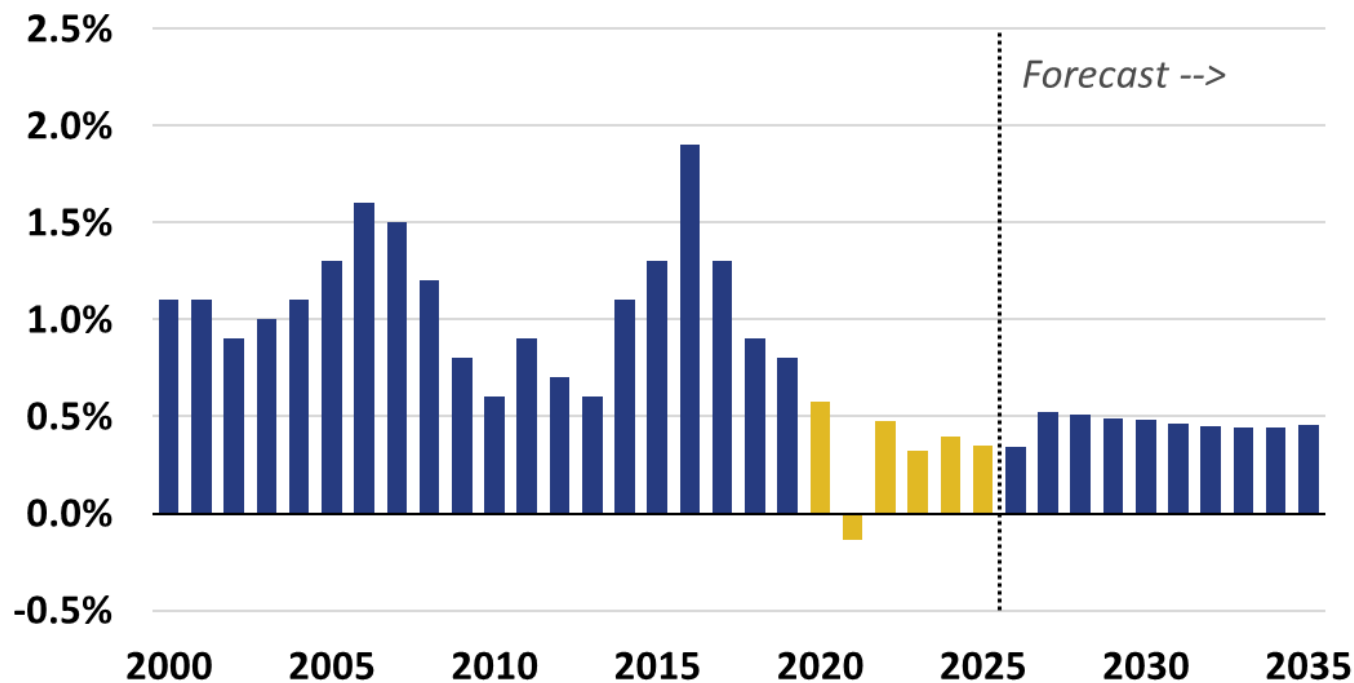
Longer-term outlook depends on demographic trend



Oregon Population Growth

Annual change in total state population

History/Forecast and **PSU Estimates**



Latest: 2025 | Source: U.S. Census Bureau, Portland State Research Center, Oregon Office of Economic Analysis

Oregon is growing slower than U.S.

- Total growth slower in part due to deaths outnumbering births.
- Oregon's entire population growth will come from net migration.
- Population expected to grow by average of 0.5% through 2035.

Revenue Update



Income Tax Receipts improve balance



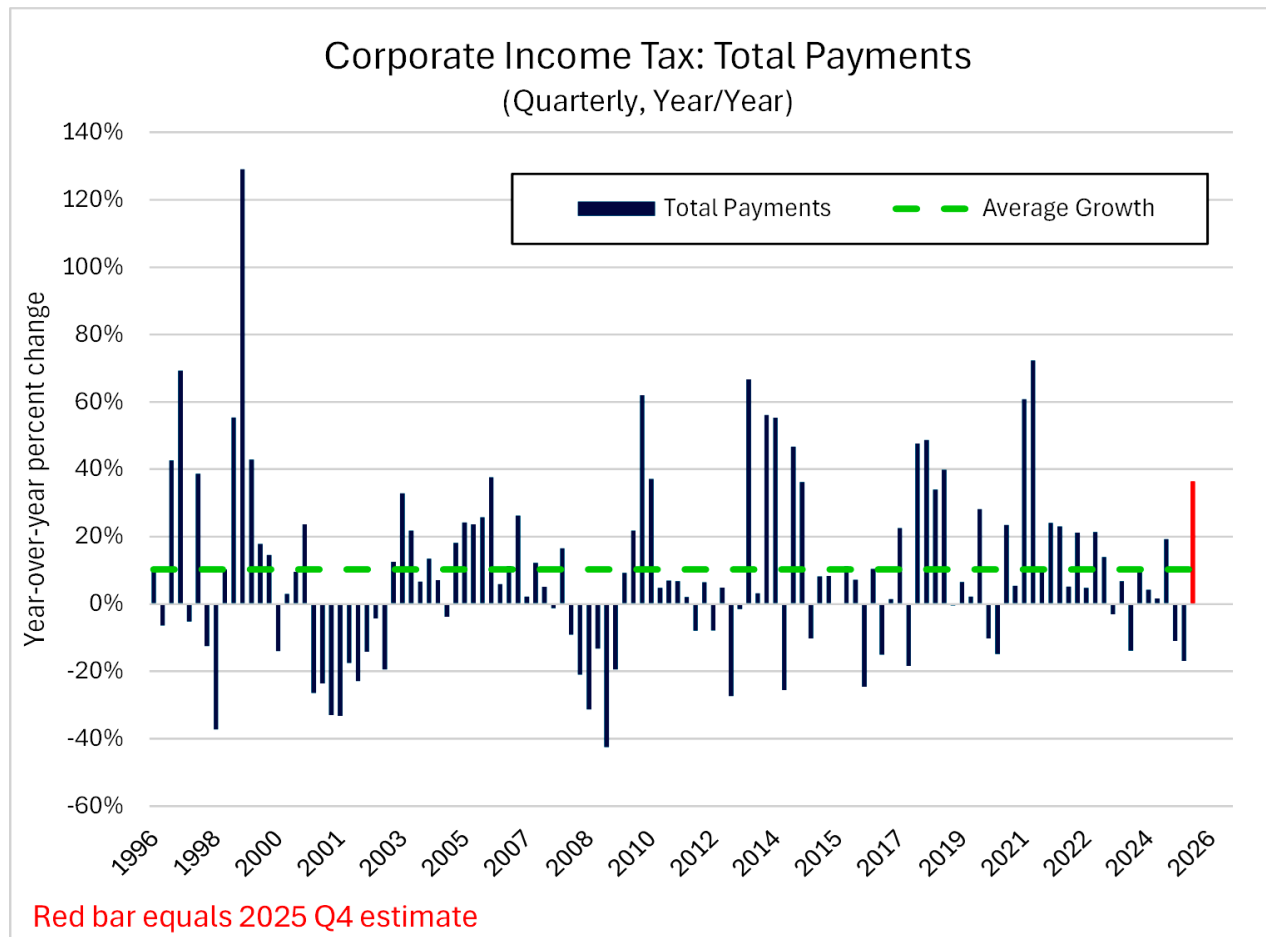
2025-27 General Fund Revenue Statement

	September 2025 Forecast	December 2025 Forecast	Change from Prior Forecast
Revenues (millions)			
Personal Income Tax*	\$29,892.5	\$29,941.0	\$48.5
Corporate Income Tax*	\$2,932.9	\$3,199.8	\$266.9
All Other Revenues	\$2,106.4	\$2,100.5	-\$5.8
Net General Fund	\$34,931.8	\$35,241.3	\$309.5
Beginning Balance	\$2,018.7	\$2,018.7	\$0.0
Appropriations	\$37,323.1	\$37,323.1	\$0.0
Projected Ending Balance*	-\$372.7	-\$63.1	\$309.5

* includes offsets and RDF transfers

- GF Revenues up \$309.5 million.
 - Recent Corporate receipts
 - Mild economic upgrade
- Projected Ending Balance up \$309.5 million to **-\$63.1 million**

Corporate Income Tax: historic volatility



- Corporate payments historically volatile.
- Liability concentrated among relatively small number of payers
- Q4 = estimated **36.4 percent**
- Related to prior tax years

H.R. 1 Adds to Uncertainty



H.R. 1 Adjustments: LRO Estimates Factored Into the September Revenue Forecast

Personal Tax Provisions	2025-27	2027-29	2029-31
Overtime Exclusion	-\$221.3	-\$157.4	\$0.0
Tips Exclusion	-\$77.7	-\$52.6	\$0.0
SALT Cap Increase	-\$83.7	-\$82.9	-\$27.2
Car Loan Interest	-\$68.0	-\$79.5	-\$6.7
Bonus Depreciation (Both)	-\$182.9	-\$100.1	-\$46.4
All Other Scored Provisions	\$47.1	\$117.3	\$104.0
TOTAL PIT Adjustments	-\$586.4	-\$355.3	\$23.7

Corporate Tax Provisions	2025-27	2027-29	2029-31
R&D Expensing	-\$141.8	-\$33.8	-\$9.2
Bonus Depreciation (Tangible)	-\$81.1	-\$17.8	-\$9.1
Bonus Depreciation (Real)	-\$48.2	-\$53.0	-\$23.7
All Other Scored Provisions	-\$30.6	-\$8.1	\$7.7
TOTAL PIT Adjustments	-\$301.8	-\$112.8	-\$34.3

Total GF Revenue Adjustments	-\$888.2	-\$468.1	-\$10.6
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- Timing and magnitude of impact a major issue for the forecast.
- Definitive information won't be available for a year or more.

Revenue Growth Regimes



General Fund Biennial Growth by Type; Since 1977-79

Growth Type	Character	Avg. Growth	Deviation	Count	Distribution
Boom	>21.5%	25.0%	11.6%	4	17.4%
Faster	17-21.5%	19.2%	5.9%	5	21.7%
Normal	11-15%	13.3%	0.0%	7	30.4%
Slower	2-9%	6.1%	-7.2%	3	13.0%
Recession	<1%	-2.1%	-15.4%	4	17.4%
Total		13.0%		23	100.0%



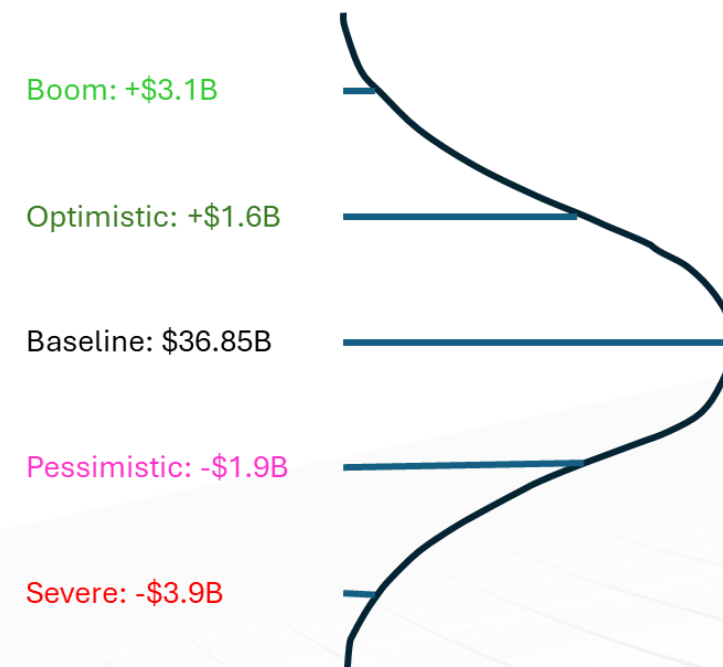
Multiple potential outcomes

General Fund Revenue* Scenarios

(millions)		2025-27	2027-29	2029-31	2031-33	2033-35
Boom (2%)	Revenues	\$39,983.7	\$44,262.0	\$49,839.0	\$55,919.3	\$62,909.2
	Growth	20.3%	10.7%	12.6%	12.2%	12.5%
Optimistic (13%)	Revenues	\$38,417.5	\$43,027.6	\$48,363.1	\$54,118.3	\$60,828.9
	Growth	15.6%	12.0%	12.4%	11.9%	12.4%
Baseline (60%)	Revenues	\$36,851.3	\$41,525.9	\$46,583.9	\$52,022.7	\$58,421.3
	Growth	10.9%	12.7%	12.2%	11.7%	12.3%
Pessimistic (23%)	Revenues	\$34,916.6	\$39,735.1	\$44,423.9	\$49,577.1	\$55,625.5
	Growth	2.8%	13.8%	11.8%	11.6%	12.2%
Severe (2%)	Revenues	\$32,982.0	\$37,269.6	\$43,419.1	\$48,629.4	\$54,513.5
	Growth	-0.7%	13.0%	16.5%	12.0%	12.1%

* Adjusted for kicker credits.

Potential Variation from Baseline Forecast December 2025 General Fund: 2025-27



Non-GF Revenues



2025-27 Non-GF Revenue Statement

Source of Revenue (millions)	December 2025 Forecast	Change from prior forecast
Lottery	\$1,785.3	\$9.2
Corp. Activity Tax	\$3,012.6	-\$31.1
Marijuana	\$289.1	-\$5.9
Total Other Revenues	\$5,087.0	-\$27.8

Lottery

- Jackpots augmenting sales in recent months
- Video Lottery slightly stronger than projected

CAT

- Recent weakness, albeit mild

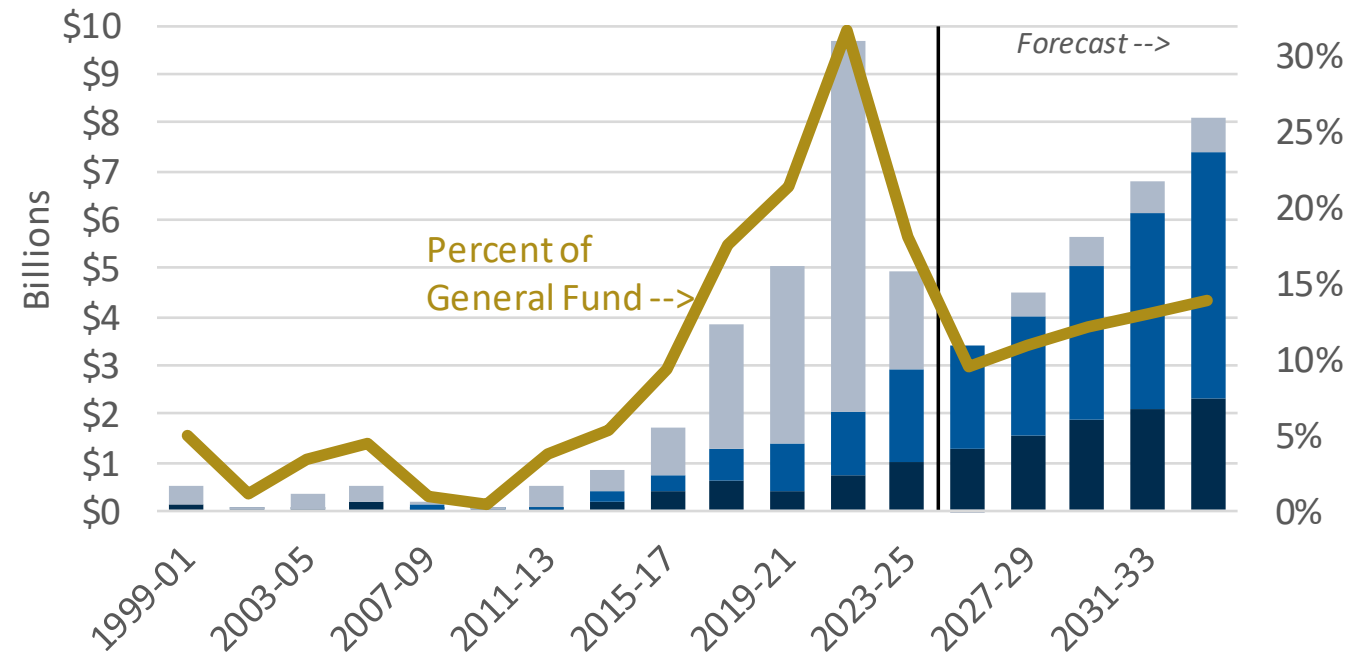
Marijuana continues to soften

Reserve situation healthy



Oregon Budgetary Reserves

Education Stability Fund | Rainy Day Fund | General Fund Ending Balance



Source: Oregon Office of Economic Analysis

Effective Reserves (\$mil)

	Estimated 2025-27
ESF	\$1,263
RDF	\$2,167
Reserves	\$3,429
% of GF	9.7%
Ending Balance	\$0
Total	\$3,429
% of GF	9.7%

Contact Information

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[DAS Office of Economic Analysis online](#)