AN ADVANCED ECONOMY THAT WORKS FOR ALL

Implications for Greater Portland

@BrookingsMetro
@Amy_Liuw

Portland, OR • September 17, 2015
Shared prosperity requires a focus on growth, wealth, and inclusion

Portland’s advantages are many, but challenges remain

Greater Portland can be a leader in building an advanced economy that works for all
Leaders Should Pursue Three Goals to Achieve Prosperity
Leaders Should Pursue Three Goals to Achieve Prosperity

- **Growth**
- **Wealth**
- **Inclusion**
Better Growth: We Need More Jobs

Post-Recession U.S. Jobs Gap
Since start of recession

+4 million jobs
3.2 million missing jobs

Better Growth: We Need More Jobs and Better Jobs

Growth in Low and High Wage Jobs
2000-2014

- Low wage jobs: 7.4%
- High wage jobs: 1.8%

Source: Brookings Analysis of Moody’s Analytics estimates.
Better Incomes: We Need Rising Wealth for the Economy and for People

Change in Output Per Capita and Median Household Income
Since 1990

Output per capita: +$13,772
Median income: -$1,310

Better Incomes: We Need Rising Wealth for the Economy and for People

Share of Total Income Growth
2000-2013

82.1% Top 10 percent
17.9% Bottom 90 percent

Source: Brookings Analysis of Decennial Census and American Community Survey data.
Greater Inclusion: We Need to Extend Opportunity

**Unemployment Rate by Race**
2014Q4

- Total: 5.7%
- Black: 10.8%
- Hispanic: 6.6%
- White: 4.9%
- Asian: 4.7%

**Unemployment Rate by Age**
Recession through 2014Q4

- 16 to 19 years old:
  - 2007: 16%
  - 2014: 18%
- 20 to 24 years old:
  - 2007: 8%
  - 2014: 11%
- 25 and Older:
  - 2007: 4%
  - 2014: 5%

Economic Challenges Vary Among Metro Areas

Change in Output Per Capita
2000-2014

- Portland: +40.4%
- San Jose: +24.4%
- Minneapolis-Saint Paul: +7.8%
- Denver: +1%
- Pittsburgh: +23.6%
- Baltimore: +21.3%
- Orlando: -1.5%

Economic Challenges Vary Among Metro Areas

Change in Poverty Rate by Metro Area
2000-2013

Minneapolis-Saint Paul
+3.5% pts

Portland
+4% pts

Denver
+4.1% pts

San Jose
+2.9% pts

Pittsburgh
+2% pts

Baltimore
+1.4% pts

Orlando
+6.5% pts

Source: Brookings Analysis of Decennial Census and American Community Survey data.
Portland’s advantages are many, but challenges remain
Portland’s Economy Is Booming

Change in Employment
Since 2000

Growth in Low and High Wage Jobs

The Region’s Growth Has Increased Productivity and Wages

**Output Per Capita**
- In $1,000s, real
- Portland: $40, $50, $60
- US: $45, $55, $65

**Average Wage**
- In $1,000s, real
- Portland: $45, $50, $55
- US: $55, $60, $65

**Median Household Income**
- In $1,000s, real
- Portland: $40, $45, $50
- US: $50, $55, $60

### Growth Rates
- **Portland’s Annual Growth**
  - 2.5%
  - 0.7%

- **U.S. Annual Growth**
  - 0.7%
  - 0.9%

However, the Benefits of Growth Have Not Been Evenly Shared

Employment Ratio

- Portland's Overall Change: -8.7%
- US Overall Change: -5.8%

Poverty Rate

- Portland's Overall Change: 4.0%
- US Overall Change: 3.4%

Share of Total Wage Growth (2000 to 2013)

- Top 10 percent: 60.2%
- Bottom 90 percent: 39.8%

Meanwhile, Portland’s Population Is Diversifying

Population Growth By Race
2000 to 2013

<table>
<thead>
<tr>
<th>Race</th>
<th>2000-2013 Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>20.3%</td>
</tr>
<tr>
<td>White</td>
<td>10.8%</td>
</tr>
<tr>
<td>Hispanic</td>
<td>80.3%</td>
</tr>
<tr>
<td>Asian</td>
<td>67.9%</td>
</tr>
<tr>
<td>Black</td>
<td>30.9%</td>
</tr>
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</table>

Share of Population by Race
2013

<table>
<thead>
<tr>
<th>Race</th>
<th>Under 18</th>
<th>18 and above</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>78.4%</td>
<td>63.6%</td>
</tr>
<tr>
<td>White</td>
<td>63.6%</td>
<td>78.4%</td>
</tr>
<tr>
<td>Hispanic</td>
<td>19.3%</td>
<td></td>
</tr>
<tr>
<td>Asian</td>
<td>9.2%</td>
<td>19.3%</td>
</tr>
<tr>
<td>Black</td>
<td>3.4%</td>
<td>6.6%</td>
</tr>
<tr>
<td>Other</td>
<td>3.6%</td>
<td>5.9%</td>
</tr>
</tbody>
</table>

Source: American Community Survey and the Decennial Census.
The Share of Greater Portland’s Population with Jobs Has Declined for Most Groups

Employment Ratio by Race
2000 and 2013

- **White**: 65.4% (2000) to 59.9% (2013)
- **Hispanic**: 65.0% (2000) to 69.8% (2013)
- **Asian**: 64.2% (2000) to 61.3% (2013)
- **Black**: 57.4% (2000) to 50.8% (2013)

**Source**: American Community Survey and the Decennial Census.
Employment Trends Have Contributed to Uneven Income Gains

Median Annual Income by Race
2000 and 2013

<table>
<thead>
<tr>
<th>Race</th>
<th>2000</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>White</td>
<td>$50K</td>
<td>$50K</td>
</tr>
<tr>
<td>Hispanic</td>
<td>$30K</td>
<td>$27K</td>
</tr>
<tr>
<td>Asian</td>
<td>$43K</td>
<td>$42K</td>
</tr>
<tr>
<td>Black</td>
<td>$50K</td>
<td>$42K</td>
</tr>
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</table>

Growth in Median Annual Income by Race
2000 to 2013

<table>
<thead>
<tr>
<th>Race</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>White</td>
<td>15.8%</td>
</tr>
<tr>
<td>Hispanic</td>
<td>-10.3%</td>
</tr>
<tr>
<td>Asian</td>
<td>0.1%</td>
</tr>
<tr>
<td>Black</td>
<td>0.9%</td>
</tr>
</tbody>
</table>

Source: American Community Survey and the Decennial Census.
Young People Are Earning Less than Before

Median Annual Income by Age
2000 and 2013

Growth in Median Annual Income by Age
2000 to 2013

Source: American Community Survey and the Decennial Census.
Poverty and Jobs Have Grown Faster in the Suburbs than in the Urban Core

Number of Poor
2000 to 2013

<table>
<thead>
<tr>
<th></th>
<th>Central City</th>
<th>Suburbs</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>84,710</td>
<td>139,935</td>
</tr>
<tr>
<td>2013</td>
<td>95,099</td>
<td>168,203</td>
</tr>
</tbody>
</table>

Number of Jobs
2000 to 2013

<table>
<thead>
<tr>
<th></th>
<th>Central City</th>
<th>Suburbs</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>404,308</td>
<td>408,661</td>
</tr>
<tr>
<td>2013</td>
<td>444,648</td>
<td>496,670</td>
</tr>
</tbody>
</table>

Source: American Community Survey and Decennial Census.
Greater Portland can be a leader in building an advanced economy that works for all
“Economic development is about positioning the economy on a higher growth trajectory.”

— Maryann Feldman
Professor of Public Policy, University of North Carolina at Chapel Hill
People

Communities

Businesses
These Market Drivers Create the Ecosystem for Growth and Prosperity

Infrastructure

Governance

Innovation

Trade

Prosperity

Talent

Continued Prosperity Is Never Assured Given Macro Forces

**Technology**

Share of U.S. Jobs at Risk of Automation

2013 – 2033

47%

**Globalization**

Share of Global Growth Occurring Outside the U.S.

2013 – 2020

81%

**Demography**

Share of U.S. Workforce that will be People of Color

By 2030

54%


Source: International Monetary Fund, World Economic Outlook Database, April 2015.

More and More Metros Are Advancing Key Elements of Inclusive Economic Strategies

- Portland
- Minneapolis-Saint Paul
- Northeast Ohio
- Chicago
- Louisville-Lexington
- Suburban Washington

Thursday, September 17, 15
2. Grow from Within: Louisville-Lexington
3. Boost Trade: Greater Portland

WE BUILD GREEN CITIES

GREATER PORTLAND INC

PDC PORTLAND DEVELOPMENT COMMISSION

METRO

City of Portland Mayor’s Office

PORTLAND BUSINESS ALLIANCE

PORT OF PORTLAND
4. Prioritize People: Chicago

i.c.stars | *
we put talent to work

IBM
UNITED
CHICAGO PUBLIC SCHOOLS
CPS
Groupon
CITADEL
SIEMENS
5. Connect Place: Northeast Ohio

To grow the Northeast Ohio economy through:

- JOB CREATION
- JOB PREPARATION
- JOB ACCESS

December 2014
5. Connect Place: Montgomery County, MD

Thursday, September 17, 15
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