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Oregon Economic and Revenue Forecast

March 2023

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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.

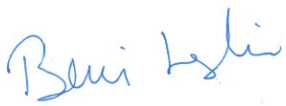
The report is issued four times a year; in March, June, September, and December.

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
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EXECUTIVE SUMMARY

March 2023

Either the economic storm clouds have parted, or we are in the eye of the hurricane. Any near-term recession fears are fading with each month of somewhat lower inflation and the continued economic boom. However, the Federal Reserve must still navigate the choppy waters of a tight labor market, fast wage growth, easing financial conditions, and strong household finances and consumer spending. All of these are likely to keep the underlying trend in inflation above the Fed's target for the foreseeable future.

Last quarter our office made a late 2023 mild recession the most likely outcome for the Oregon economy, primarily due to the fact there had been zero slowdown in inflation at that time. Today, there have been a few months of somewhat lower inflation. Even as the underlying trend in inflation remains twice as fast as the Federal Reserve's target, this is a noticeable slowing from much of last year. The Fed is also starting to ease off the brakes and wait for the impact of past interest rate increases to cool the economy in the months ahead.

What this means for the forecast is that the potential recession dynamics, while still very real, are likely pushed further out. The current baseline forecast no longer calls for a recession this year, but for the economic soft landing and continued expansion. While every month of slower inflation increases the probability of a true soft landing, it is likely that the Fed has more work to do. Additional interest rates increases, and holding them higher for longer are likely need to cool demand and inflation. However, the clear near-term strength in the economy in terms of jobs, income and spending, along with the uncertainty of the exact timing of any potential recession makes forecasting one so far in advance challenging, if not impossible. As Oregon heads into the upcoming 2023-25 biennium, the inflationary economic boom continues.

Personal and corporate tax collections continue to outstrip expectations. When combined with an improved economic outlook, policymakers are expected to have additional General Fund revenues during the current legislative session as they craft the 2023-25 budget.

Although the recent news has been good, there remains a significant amount of uncertainty as the biennium winds down. The 2023 tax filing season has yet to truly begin. Much more will be known when the May 2023 forecast is produced, which will determine the Close of Session forecast and be used to set the thresholds for the balanced budget and any potential kicker calculations.

Along with uncertainty surrounding the tax season, there is also the heightened risk of recession next biennium. Given the currently elevated levels of taxable business and investment forms of income, an economic downturn would result in large losses of General Fund revenues. While Oregon's General Fund is volatile over the business cycle, the state's overall revenue system has become less so in recent years. The increases in consumption-based taxes should help reduce overall volatility in Oregon's tax system as consumer spending is more stable during downturns than is taxable income.

The unexpected revenue growth in the current biennium has left Oregon with unprecedented balances, followed by a record kicker in 2023-25. The projected personal kicker is $3.9 billion, which will be credited to taxpayers when they file their returns in 2024. The projected corporate kicker is $1.5 billion, which will be retained in the General Fund for K-12 educational spending. Once the 2023-25 biennium is behind us, Oregon's major revenue sources are expected to bounce back quickly. However, growth over the extended horizon will continue to be constrained by demographics, with the baby-boom population cohort earning and spending less.

ECONOMIC OUTLOOK

Either the economic storm clouds have parted, or we are in the eye of the hurricane. Any near-term recession fears of forecasters are fading with each month of somewhat lower inflation and the continued economic boom. However, the Federal Reserve must still navigate the choppy waters of a tight labor market, fast wage growth, easing financial conditions, and strong household finances and consumer spending. All of these are likely to keep the underlying trend in inflation above the Fed's two percent target for the foreseeable future.

Last quarter our office made a mild recession starting in the second half of 2023 as the most likely outcome for the Oregon economy. At the time our office developed that forecast there had been no slowing in inflation at all, and the Federal Reserve was actively communicating they were willing to risk a recession to bring inflation down. Today, there have now been a few months of relatively slower inflation. Nationally, the Consumer Price Index is running in the 4-5 percent range on an annualized basis in recent months. To be sure this is still about twice as fast as the Fed's target. The Fed has more work to do.

However, inflation in recent months is considerably slower than the pace throughout much of last year. The Fed is also now taking more of a wait and see approach. Primarily they are waiting for the lagged impacts of past interest rate hikes to cool the economy, and inflation in the months ahead. What this means for the forecast is that the potential recessionary dynamics are likely pushed further out.

Our office is now moving the recession out of the baseline and back to an alternative scenario, see page 11 for more details on this scenario. As of today, the baseline forecast is for the soft landing and continued economic expansion. That said, the economy is still in rough waters. The sailing will be far from smooth. Ultimately it remains an uncomfortably high likelihood that the needed future interest rate increases to truly cool inflation will capsize the economy at some future date. But the combination of the clear near-term strength in the economy, and the uncertainty surrounding the exact timing of a potential recession makes doing so this far in advance challenging, if not impossible.

Keep in mind that the role our office's forecast serves is as a budgetary planning tool. Until a recession is much more likely than not, it is best for the forecast to reflect an expanding economy, even while highlighting the growing risks. Our office does not take it lightly putting a recession in the outlook nor taking it away. As we wrote last quarter it was not the fundamental economy that had changed but the relative assessment of the risks. Today one can make the case that the economy is fundamentally on stronger ground both from a growth perspective and somewhat lower, yet clearly still elevated inflation. This change in the economy itself changes the timing and risk assessments of the outlook.

Reasons for Economic Optimism

Inflation has Slowed in Recent Months

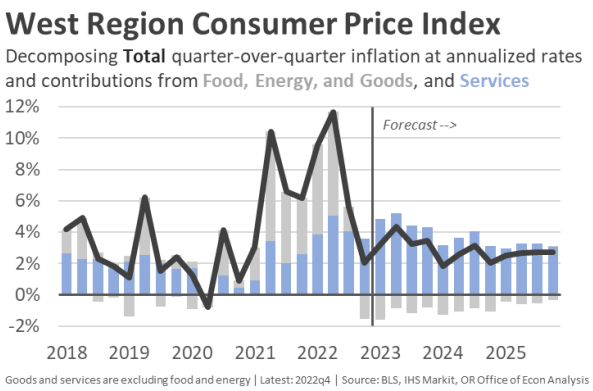
There is no question that inflation, and how the Federal Reserve responds, remains the key macroeconomic issue to watch. At the time our office developed the previous forecast there had been no slowdown in inflation. Since then, there have now been four months of relatively slower inflation in a row. This slowing began with the October Consumer Price Index data, which was released less than a week prior to our previous forecast's release date and was therefore too new to be factored in. This relatively slower inflation has now run through the just-released January 2023 CPI data.

The two main takeaways from the recent inflation data are that inflation remains both too high relative to the Fed's target and it has also slowed noticeably. While the former points toward the ongoing going need for future

interest rate increases that could drive future recessionary dynamics, it's the latter that helps improve the near-term economic outlook. A few months of slower inflation helps buy the economy time to continue to readjust to its post-pandemic life. Even if the future need for further rate increases ultimately outweighs the recent slowdown in terms of the macroeconomy, the timing of those potential impacts is delayed. And if the slowdown in inflation is more long-lasting and sustained, a true economic soft landing is increasingly likely. Neither a recession nor a soft landing scenario are a slam dunk today as both remain plausible.

Now, inflation was expected to slow from peak rates during the middle of last year. As consumer demand for goods cooled and alleviated some pressure on supply chains, and the oil shock from Russia's invasion of Ukraine faded, overall inflation would slow. To date these dynamics have come to pass but a bit faster than previous forecasts anticipated. In the fourth quarter of 2022 headline inflation slowed to a 2 percent annualized rate, even as core inflation which excludes food and energy remained closer to 4 percent on an annualized basis.

However, the sharp slowing in goods prices and drop in oil prices are more of a one-time event. Underlying inflation remains faster. As such the near-term outlook for inflation is for it to pick back up to a 4 percent annualized pace during the middle of this year, with 2022q4 to 2023q4 inflation ultimately coming in at 3.6 percent. After that time, higher interest rates and a slower growing economy will slow inflation further in 2024 and 2025. Even under the best of circumstances it was going to be a multiyear period to get inflation fundamentally back to the Fed's target.



Ultimately the Federal Reserve remains in a difficult position. It raised rates considerably in 2022, and is now taking more of a wait and see approach. The Fed expects to raise interest rates one or two more times, but these will just be following through on previously built expectations last year. Historically the impact of past interest rate increases takes time before it cools the economy. And so the Fed today is largely waiting for those lagged impacts to kick in and slow economic growth.

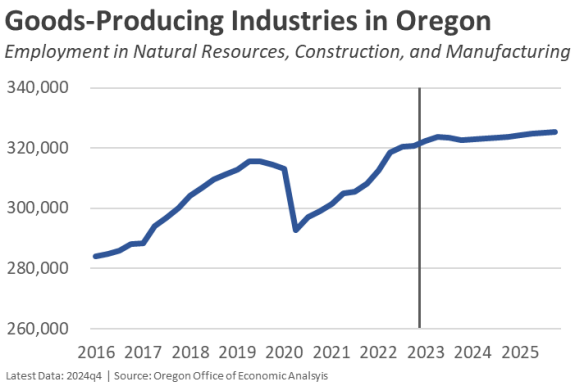
That said, the current underlying strength in the economy – in terms of jobs, income, and consumer spending – will likely keep upward pressure on inflation. There is no wage-price spiral, but this economic strength continues to point toward wage-price persistence, where inflation remains above target for the foreseeable future. That is the primary reason for the near-term inflation acceleration in the forecast. If this outlook comes to pass it means the Fed has more work to do once inflation firms well above target. As such, the Fed is likely to stick to the higher for longer script, which means interest rates increases above and beyond what they are currently projecting, and/or holding interest rates higher for a longer period of time. Should this forecast prove accurate it is an open question as to the timing of when the Fed will adjust its policy stance. Depending on the data, it could be as early as this spring or as late as this fall.

Even so, the recent relative slowing in inflation buys the economy some time to continue to readjust and find better balance. This likely pushes the potential recessionary risks further into the future, and increases the likelihood of a true soft landing, no recession scenario. The economy is still in for choppy waters and will need to adjust to higher interest rates. However the timing of these changes, and any potential recessionary dynamics appear further off than they did last quarter.

Economy has Survived the Goods Recession (So Far)

Higher interest rates work to slow the economy as consumers and businesses slow their spending on activities and items they typically finance. For consumers this means fewer purchases of big-ticket durable goods like appliances, cars, computers, and homes. For firms this means fewer expansions and less investment. And throughout much of 2022 these dynamics started to take place. Consumer spending on goods flatlined overall, and home sales and new single-family housing starts cratered. Supply chains eased and are no longer overloaded today. Indicators of manufacturing activity also weakened to end the year as well. These measures tend to be traditional leading indicators of the economy – our office uses housing permits, industrial production, and the manufacturing purchasing managers index in our Oregon Index of Leading Indicators. And yet the economy is not, or at least not yet in recession.

A key reason why the recessionary impacts are not being felt today is the lack of layoffs. The slowdown in consumer spending and even economic activity has yet to lead to declines in employment in goods-producing industries like natural resources, construction, and manufacturing. It is possible that these impacts are simply delayed, and layoffs are coming in the months or quarters ahead. However there are reasons for near-term optimism, or at least until interest rates rise even further later this year.



The main reason for the lack of layoffs to date is the backlog of orders firms are still working through. While new housing starts and new home sales declined considerably in 2022, due to the big increase in sales in 2021 and supply chain struggles, builders were still working through previous sales to complete homes. Historically speaking, there are many more housing units currently under construction yet not finished than there typically are. As such, there has been no slowdown in construction activity due to the backlog, even as new sales and new housing starts entering the pipeline have fallen.

A similar story can be told for manufacturing where the backlog has been large enough to keep production up even as sales slow. Normally this would simply be a timing issue where layoffs and production declines follow, but the rebound in consumer spending in early 2023 likely points toward the need for future production increases. The slowing in consumer spending in late 2022 appears to be temporary and not the start of further declines. Plus inventory to sales ratios for many retailers are normalizing, indicating firms will begin ordering more product in the near future, which supports continued manufacturing and production operations.

Ultimately, it is hard for the economy to fall into recession without sizable layoffs. Yes, a more technical type of recession is possible, but a moderate or larger sized recession is highly unlikely. There was a goods recession, and stagnation in goods spending by households in 2022, however these traditional economic leading indicators have yet to materialize in a full-blown economic recession. Time will tell whether the backlog of orders short-circuited this traditional process entirely, or simply delayed it.

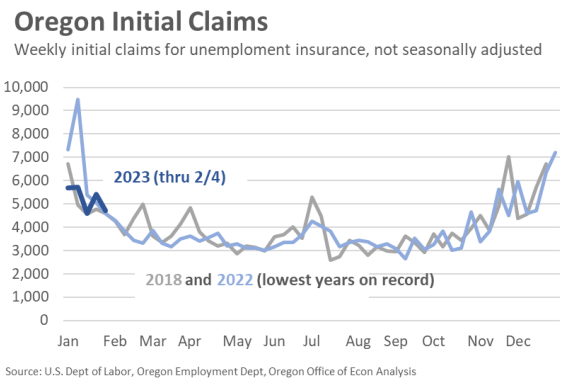
In terms of the near-term outlook, higher interest rates are expected to weigh on goods-producing industries. New housing starts are expected to remain subdued in the quarters ahead, especially as mortgage rates have creeped back closer to 7 percent in recent weeks. Consumer spending on durable goods is expected to stagnate more than grow. As such the strong employment growth in these industries is expected to slow noticeably. However, the baseline outlook does not call for layoffs. Even as residential construction remains under pressure from higher interest rates, nonresidential remains strong – outside of hotels and office buildings in urban cores –

and public infrastructure is starting to ramp up due to federal spending. And for manufacturing, the rebound in global economic growth and recent declines in the U.S. dollar make US-made products more attractive, providing another source of demand.

Labor Market Remains Strong

The labor market is not traditionally a leading indicator, but its ongoing strength points toward continued growth in the near-term. Or at least its ongoing strength should help alleviate any lingering 2022, or early 2023 recession fears.

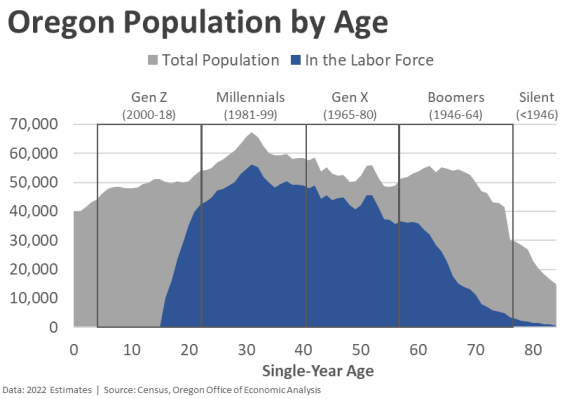
Now, there may be isolated pockets of weakness when it comes to large layoff announcements among software firms, or employment declines in mortgage banking due to higher interest rates. However, these are not indicative of the overall health of the economy and labor market. In fact, initial claims for unemployment insurance in Oregon are at or near record lows for this time of year. The same can be said for continuing claims, a measure of how quickly unemployed workers are able to find jobs once they lose their previous one.



The labor market remains tight for both cyclical and structural reasons. The cyclical reason is the economy is strong, and nearly everyone who wants a job, has a job. Employment rates for prime working-age Oregonians are higher today than they were pre-pandemic across different levels of educational attainment. The workers have fully returned. And in December there were 1.5 job openings in Oregon for every unemployed worker. Employers continue to hire as they chase market opportunities due to strong consumer spending. Overall this labor market strength is keeping upward pressure on wages which are rising as firms compete for workers.

Where the Labor Will Come From

The structural reason for the tight labor market is due to demographics. The large Baby Boomer generation continues to retire and will do so for the decade ahead. The inflows of new, younger workers in Oregon outpaces retirements. Oregon's labor force is expected to continue grow, but at a slower pace due to both the increase in retirements, and the slowdown in migration and smaller generations due to Oregon's low birth rate.



This leaves an open question about where the future labor supply in Oregon will come from. At a base level there are two sources: migration, and further increases in labor force participation among existing Oregonians.

Let's take the second one first. Our office's previous report on Oregon's Latent Labor Force[1] is important as it identifies that there are plenty of Oregonians today who are underutilized. Businesses have a wealth of potential

[1] https://oregoneconomicanalysis.com/2021/09/09/report-oregons-latent-labor-force/

employees, if they are able to or willing to hire from disadvantaged population that have traditionally been excluded from the economy to a greater degree.

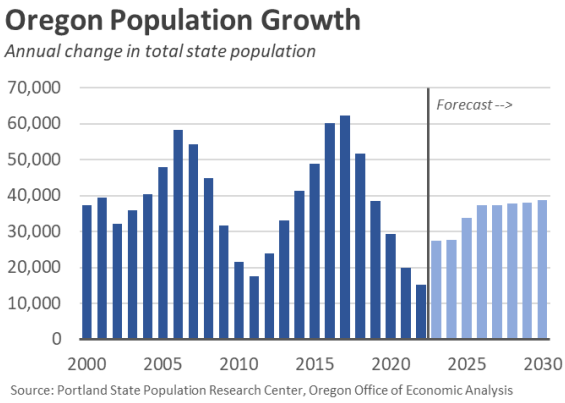
The report tries to quantify what Oregon's long-run labor supply would look like if three historical disparities were closed. First, if the state closed the educational attainment gap between white, non-Hispanic Oregonians and communities of color, this would boost labor supply by 21,000 or nearly 1 percent by 2031. Second, if employment rates across all cohorts based on sex, educational attainment, race and ethnicity, and age were at their historical maximum, it would boost labor supply by 86,000 or nearly 4 percent by 2031. Third, if women were hired at the same rate as men it would boost labor supply by 156,000 or nearly 7 percent by 2031.

The upshot of addressing these employment disparities in Oregon is that they have the potential to boost the labor supply much more than any realistic increase in migration every could. By hiring to a greater degree from Oregon's existing residents, firms would be able to tap into a much larger pool of labor in order to grow and expand.

For local businesses looking to hire and expand, the Latent Labor Force may become increasingly important due to the slowdown in population growth and migration in the state. Typically migration is a demographic and economic tailwind for Oregon. The reasons is primarily about who moves, which tend to disproportionately be 20- and 30-somethings in search of a job. However, during the pandemic population growth slowed, like it always does in recessions, but so far in expansion it has not picked up like it used to. Population estimates for 2022 from Portland State University show a small, positive increase while estimates from Census show a small population loss. Neither show any rebound.

Some of this lack of a rebound could still be pandemic-related, and more of a timing issue. After all, the number of surrendered driver licenses at Oregon DMVs remains high, there are a plethora of job opportunities available, and housing market indicators point toward very few unoccupied units. However, this lack of a rebound could also be due to other factors that have changed. One such factor could be quality of life concerns which could be anything from homelessness and crime to taxes and politics. Another such factor could be Oregon's high housing costs and terrible housing affordability. And another key factor that has changed in recent years could be the increase in working from home (see next section for more).

Looking forward, the only way Oregon's population will grow is through net migration. For the first time in record history, the number of deaths in Oregon now outnumber births, meaning the population is experiencing a natural decline. While the unfortunate increase in pandemic-related deaths is the immediate cause of this shift, it is the state's low birthrate that is the real driver of these trends.



The outlook still calls for a modest rebound in migration in the upcoming 2023-25 biennium. However, to the extent migration does not pick up, or does not pick up as much as expected, it represents downside risks to the economic and revenue outlook.

Working from Home's Impact on Migration

In 2021, working from home (WFH) was obviously considerably more common than it was pre-pandemic. The share of workers that WFH increased from around 6 percent nationwide in 2019 to 18 percent in 2021 according

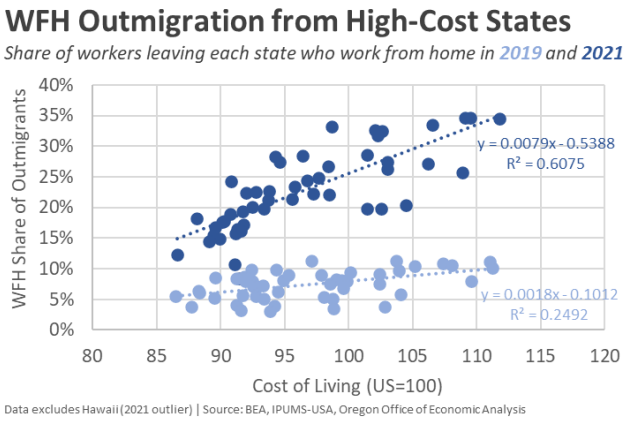
to the latest American Community Survey from Census. Here in Oregon the increase was a bit larger, going from 7 percent in 2019 to 23 percent in 2021. Oregon ranks 5th highest in WFH across all states.

However, the pandemic patterns of WFH, as of the newly released 2021 data, primarily look like big cities sheltering in place. The largest increases in WFH were in the primary cities of large metro areas, and in their urban cores and close-in neighborhoods in particular. The second largest increases were seen in the suburbs of big cities. At the metro level, Portland's increases from 2019 to 2021 ranked as the 11th largest nationwide among all metro areas.

As such, WFH in 2021 did not look to have unleashed a big wave of migration and household relocation decisions. While that is true at the top level, if you dig beneath the surface of the data, a clear impact does emerge which may, or may not, portend trends in 2022, 2023 and possibly beyond.

Pre-pandemic, workers who did not WFH moved at a higher rate than those who did WFH. In 2021 that pattern reversed. Migration among WFH types picked up, while those who did not WFH their migration rates slowed down. Of course it's not as simple as this given all that changed from a health, societal, and workplace practice standpoint, but this relationship in migration among those specifically working from home is part of the changes.

When thinking about the implications and the outlook, high-cost states and metros saw larger increases in the share of folks moving away that did WFH. Comparing worker migration patterns in 2019 and 2021, the relationship between WFH and outmigration from higher cost areas strengthened considerably. The coefficient on this relationship essentially quadrupled, and the goodness of fit essentially tripled during this time. Correlation is not causation, but these empirical patterns do make theoretical sense. With increased working from home opportunities for white collar workers, they can more easily move. And to the extent that a worker or household moves away due to quality of life or taxes or political type reasons, those relocation decisions could still be underpinned by the fact that WFH now allows more people to relocate for whatever reason.

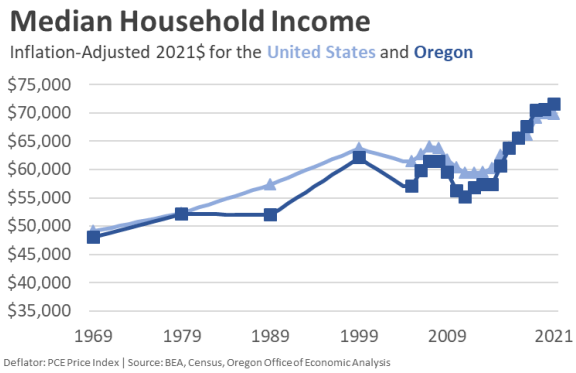


Looking forward, the real question is to what extent WFH impacts are more of a one-time adjustment, or a process that is just now getting underway. 2021 was still a year heavily impacted by the pandemic, and the WFH patterns seen in the data are almost exclusively about the urban-suburban-rural dynamic. In the weeks ahead Census will release 2022 population estimates for all counties nationwide. It will be important to see if those population growth numbers look more like 2021 and the impact of the pandemic and WFH on urban cores nationwide, or if new patterns emerge. Keep in mind that it was not just the largest counties in metro areas like Portland and Seattle that lost population in 2021, but also those in some Sun Belt metros like Atlanta, Dallas, Nashville, Orlando and the like. In the soon-to-be-released 2022 estimates do the urban cores in those other metros start to rebound, or is the weakness continuing? From a state level perspective, Census already estimated Oregon and Washington experienced net out-migration in 2022, so watching for the relative patterns elsewhere in the country is important.

Historical Income Disparities in Oregon

Good economic data comes out with a lag. It takes time to collect, compile, and publish the information. The Census Bureau's American Community Survey, which replaced the old long form Census, takes longer than most. The 2021 topline numbers were published last fall, and the underlying microdata this winter. While 2021 is a snapshot of a society and economy still struggling with and trying to recover from the pandemic, updating our look at Oregon through a socio-economic lens is always important. What follows is a detailed look at income in Oregon across the distribution, across geographies, and across different racial and ethnic groups.

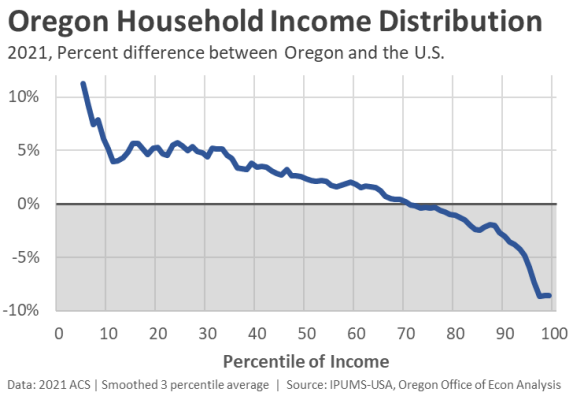
First, Oregon's income growth in the past decade has been stronger than nearly all other states. In recent years this growth now means Oregon's median household income now outpaces the national median for the first time since the mills closed in the 1980s. In 2021, Oregon's median household income stood 2.6 percent above the nation, marking the largest relative vantage point for the typical households in the state vis a vis the nation in at least three generations.



Encouragingly, as mentioned above and discussed below, these gains are more broadly shared than earlier in the 2000s.

Oregon's Income Distribution

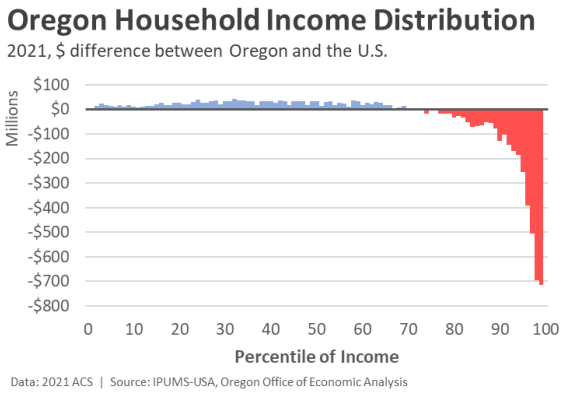
It's not just the typical household that outpaces their national counterparts. All Oregon households in the bottom 70 percent of the distribution have higher incomes than the U.S. This means households earning up to $106,000 per year out earn their national peers. As such the vast majority of local households are doing relatively better. Now, it does mean all of these households are doing well or not struggling to make ends meet. It just means they are doing comparatively better than their national peers. For Oregon households in the 70-89th percentile range, about $106,000 to $181,000 annually, Oregon incomes are lower than the nation by a percent or two. Where the gap really widens is in the Top 10% and really the Top 5% of households, where local incomes are 8-9% below the nation. The relative difference in Oregon's income distribution compared to the U.S. does mean our local income inequality, while high, is a lower than the nation's.



Even as Oregon's relative position is stronger today than it was back in 1980, even after adjusting for the higher cost of living, it does not mean the differences across the distribution do not matter. If one were to scale down the national figures to match Oregon's number of households, one can calculate a dollar difference instead of a percent difference. The chart on the next page is striking. What it really shows is how skewed income in this country is, and how large income inequality is as well.

While 70 percent of Oregon households out earn their national peers it's a bit hard to see in the chart as the blue bars look relatively small. However, as one goes up the income distribution one can see how Oregon's relatively lower income really add up in aggregate dollar terms.

In fact, incomes are so large near the top that they add up to such a degree that even as most Oregonians out earn the nation, the gap among the Top 5% more than offset that strength and drag *average* Oregon incomes below the nation. That is what is going on when it comes to the seemingly different stories about whether Oregon's incomes are higher or lower than the nation. For the vast majority of Oregonians, incomes are higher. However our comparatively lower incomes at the top make our averages fall below the U.S.



Urban-Rural Divide

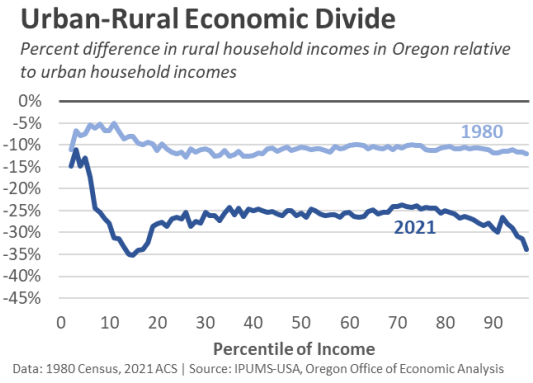
The impact of the pandemic and economic recovery to date on regional economies within Oregon is the exact opposite of the fallout from the Great Recession and expansion last decade. Back then it was the nation's largest metro areas, with their more diversified economies that lead growth. The Portland region in particular was a standout, being among the fastest growing large metros when it came to high-wage job growth, median household income gains, and increases in educational attainment. The state, and nation's smaller metro areas and rural economies tended to lag the recovery until mid-decade when they began to regain lost ground.

Today, it is those smaller metro areas and rural economies that are leading growth. Large metro areas nationwide are lagging. The impact of working from home and loss of business travel during the pandemic is disproportionately impacting big cities, and their urban cores. Population has followed as workers are now able to live farther afield.

Even as the recent relative patterns of growth point toward the urban-rural divide not widening during the pandemic, there are clear, longer-running trends that point toward these differences when it comes to demographics, educational attainment, incomes, industrial structure, and poverty, among others.

In recent decades, income growth in Oregon's urban areas has outpaced gains in rural areas considerably. Back in 1980, the typical rural household in Oregon's income was about 10 percent lower than the typical urban household in the state. Today, that difference is 25 percent.

There are myriad factors impacting economic growth, including both the number of local workers and how productive each worker is. The use of capital – be it financial, human, natural, physical, or social – is a key consideration when identifying a region's strengths and future opportunities.

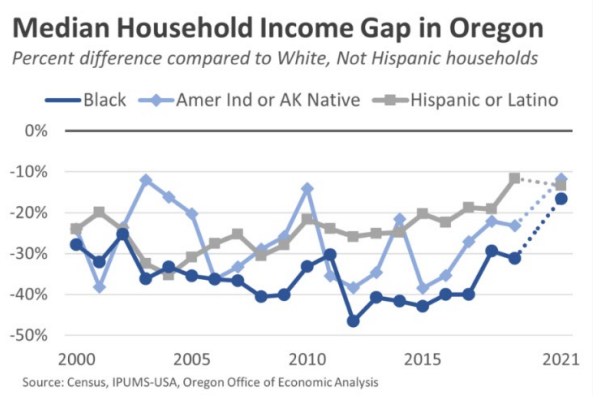


Economic Outcomes by Race and Ethnicity

In the past decade the racial poverty gap has been narrowing. It is tremendous news that fewer of our friends, family, and neighbors are living below the federal poverty threshold. But for much of the past decade this decline in poverty rates did not necessarily translate into stronger income gains further up the distribution for many Black, Indigenous, and People of Color in Oregon. It was as if the relative improvements were more about more Oregonians moving from just below the poverty line to just above the poverty line. An improvement is still

an improvement, but it meant many of our neighbors, and our BIPOC neighbors in particular, were and are struggling.

The newly released 2021 American Community Survey data shows is that the income gaps across different races and ethnicities in Oregon now appears to be narrowing as well. Median incomes for the typical Black, Indigenous, and Hispanic household in the state still lag behind their white, and Asian neighbors, but the gap has narrowed in recent years. What used to be differences of 20-40 percent now appear to be more like 10-20 percent. Sizable, yes. But also smaller than anything in the past 20 years.



Now, while we see some upward trends in recent years, the relative strength is mostly seen in the 2021 data. Keep in mind that Census did not publish official 2020 ACS data due to the pandemic and low survey response rate. And we know 2021 was still heavily impacted by the pandemic. There is a possibility that the improvements seen in the chart above is related in some way to this issue. The 2022 ACS data will be released in late 2023 and will be a good benchmark to see to what extent these relative improvements hold, get better, or potentially move back toward the historical range. Ongoing strength in the economy indicates the improvements should hold, but time will tell.

Finally, explaining why these differences exist can be difficult, or uncomfortable to discuss. Research finds that differences in individuals' work experience, the occupations they enter in to, and their level of educational attainment all drive some of the topline differences in employment, poverty, and income. However these factors never explain all of the differences. The portions unexplained by the standard data in the models is generally considered to be due to harder to measure things like broader societal factors, or outright discrimination. And of course these broader societal problems also drive some of the differences in employment, occupations, and income which are then used to explain the patterns seen to begin with.

Regional Impacts of Social Security's 2023 Increase

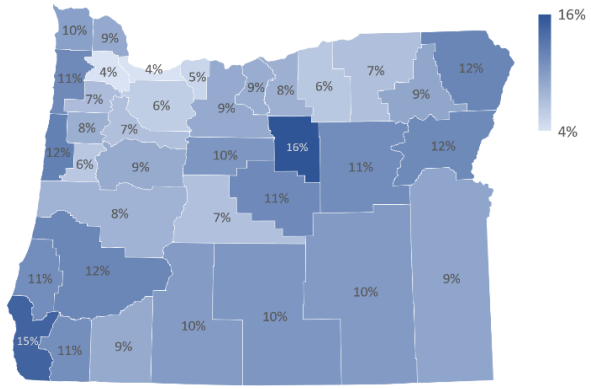
This year Social Security benefits increased by 8.7 percent, the largest cost-of-living-adjustment in the past 40 years. Of course the large COLA is a direct result of the high inflation we have experienced last year. Many seniors are on fixed incomes. 3 in 10 Oregon seniors essentially rely entirely on Social Security for all of their income, and for nearly 6 in 10, Social Security makes up more than half of their income. As such, this hot inflation has really impacted their budgets and hurt their ability to keep pace with the cost of living.

The good news is inflation is slowing some, and the COLA is accelerating. The net impact is a macroeconomic tailwind this year. In recent years, Social Security account for about 5.5 percent of total U.S. personal income, and 6.6 percent here in Oregon. Those figures are based on calculations that exclude the pandemic era recovery rebates. What this means overall, however, is this year's 8.7 percent COLA will boost total U.S. income by 0.5 percent, and Oregon's total income by 0.6 percent. While half a percent may seem like a small number, it's actually a significant increase. In terms of income and consumer spending, that is equivalent to adding 1.4 million jobs nationally paying the average wage, or 22,000 jobs here in Oregon. That's more than half a year of strong job gains, or even a full year of job gains at full employment to help put it in perspective.

In terms of the income impacts, the biggest dollar increases will be in the locations with larger retirement-age populations. This means Portland (Multnomah) is Oregon, and California nationally will see the largest increases in overall income because that's where the largest number of people live. However, the relative impacts, or where the local increase will be largest in percentage terms has a different pattern. Communities where the retirement population accounts for a larger share, or where per capita economic activity is generally lower, and transfer payments account for a larger share of income will see the biggest percentage increases. Broadly speaking, these local economies tend to be more rural than urban.

Social Security Share of Total Personal Income

2017-2021 average



Source: BEA, Oregon Office of Economic Analysis

Looking across Oregon, Social Security accounts for more than 1 in 10 dollars households earn in many coastal, southern, and eastern counties. The state's urban areas along the I-5 corridor and across the mountains in Bend (Deschutes) generally have a lower share of total income derived from Social Security. As such, this year's COLA will boost aggregate incomes in Curry County on the South Coast by 1.3 percent compared to a 0.4 percent increase in Multnomah.

Even if these COLAs are playing catch-up to reality in terms of inflation, they are a real macro boost this year that will disproportionately support households and spending in our rural economies.

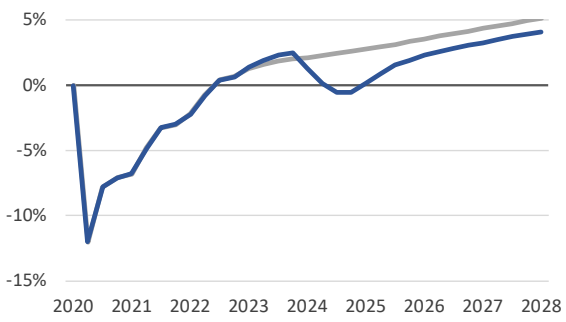
Alternative Scenario

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. A revival in inflation appears likely, or at least inflation is likely to remain above the Federal Reserve's target for the foreseeable future. As such, the Fed likely 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 24.

Alternative Scenario **Mar 2023**

Oregon Employment

Percent change from pre-COVID peak in the **Baseline Soft Landing**, and **Pessimistic Boom/Bust Recession**



	2021	2022	2023	2024	2025	2026
Employment						
Base: Soft Landing	2.4%	4.2%	2.1%	0.7%	0.7%	0.8%
Pes: Boom/Bust	2.4%	4.2%	2.5%	-1.9%	1.1%	1.5%
Unemployment Rate						
Base: Soft Landing	5.2%	3.9%	4.1%	4.2%	4.2%	4.2%
Pes: Boom/Bust	5.2%	3.8%	4.0%	5.9%	6.5%	5.3%
Personal Income						
Base: Soft Landing	8.2%	2.0%	6.2%	5.4%	5.0%	5.1%
Pes: Boom/Bust	8.2%	2.0%	5.3%	3.6%	5.1%	5.5%

Boom/Bust Scenario: Moderate Recession

Should the economy fall into recession in the near-term, it would likely be a mild recession due to inflation expectations remain well anchored, businesses looking to hoard labor, and strong household finances keeping spending relatively strong. However, the longer the cycle lasts, the more things can change. And with the current underlying strength in the economy and somewhat slower inflation, it likely pushes any potential recessionary dynamics further out. As such, it is possible that today's household savings could be spent down in the months ahead, leaving weaker consumers when a recession does come, leading to larger layoffs than expected. As such, the boom/bust alternative scenario this forecast is for a moderate sized recession beginning in early 2024.

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 inline with the so-called jobless recoveries following the 1990 and 2001 cycles, compared to the faster recoveries in the 1950s, 1960s, and 1970s.

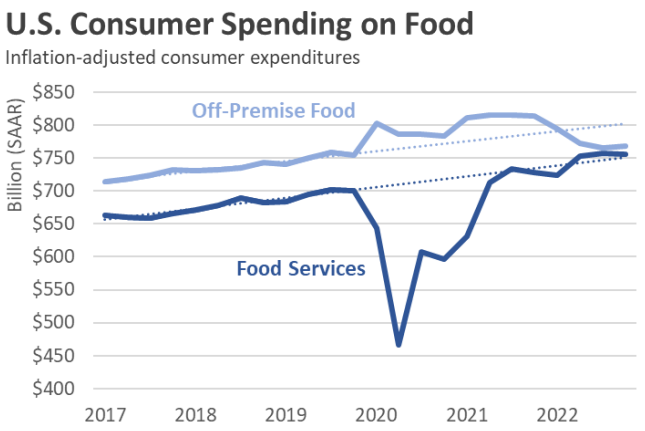
The 3 percent decline in employment is a loss of 60,000 jobs. No industry is spared, but goods-producing ones see relatively larger losses at 4.5 percent, while services see slightly fewer losses at 2.8 percent, and the somewhat more stable public sectors experiences job losses of 2.3 percent. The unemployment rate increases to nearly 7 percent by early 2025. Nominal income does not fall outright but growth slows considerably. Income in Oregon is about 2 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 goes into effect starting this year, in 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, in addition to international exports. Last quarter we discussed how ag fits in with the broader food economy in the state and how Oregon compares nationally.

This quarter we will revisit Oregon's food economy but with an eye toward 2023 revenues and costs. In January the U.S. Department of Agriculture released their food price forecasts for this year. The forecasts include both final consumer prices by broad product type and producer prices, both in-line with the CPI and PPI data as published monthly by BLS. What the forecasts show is an expected return to normalcy in some regards. During the pandemic, commodity prices increased considerably, which then lead to wholesale price increases, followed by consumer price increases. While the exact timing and strength of the linkages across the supply chain is not always the same, there is a clear pattern of these changes.

First, it's important to keep in mind that U.S. households shifted their food consumption patterns during the pandemic. The chart shows consumer spending adjusted for inflation for both off-premise food consumption (essentially grocery stores) and food services (on-premise consumption at bars and restaurants). Early in the pandemic households stopped going out to eat as much, and bought more at the grocery stores. However these patterns have normalized in the past year or two which food services now back on the pre-pandemic trend. Off-premise food sales have fallen below trend, likely a reflection of going out to eat more but also high food costs slowing the amount of groceries Americans buy.



When looking at the USDA forecast the outlook calls for somewhat of a mixed bag, especially when thinking about the primary agricultural products of Oregon.

First, consumer food prices are expected to increase by 8 percent in 2023. This goes for on- and off-premise consumption. These large increases, more than triple the average food inflation of the past two decades, is in part a reflection of higher production costs earlier in the pandemic feeding through into consumer prices. Regardless, households face high food costs.

When it comes to agricultural producers and processors there are expected mixed price changes in the year ahead. When it comes to prominent ag commodities in Oregon, like beef, dairy, and wheat, prices are expected to moderate or even decline this year. This means many Oregon farmers and ranchers are unlikely to see big increases in revenues in 2023.

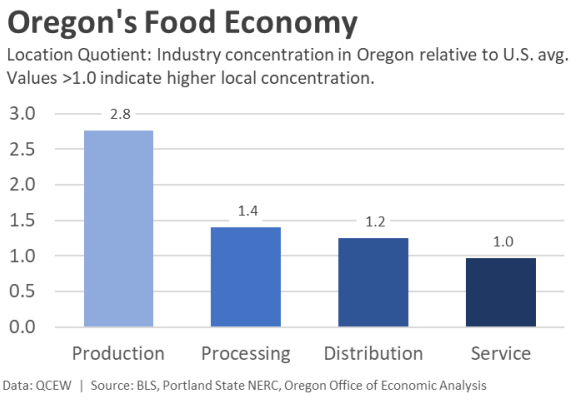
U.S. Food Price Outlook

	20 Year Average	2023 Forecast
Consumer Prices		
Food way from home	3.1%	8.2%
Food at home	2.5%	8.0%
Producer Prices		
Farm-level cattle	4.4%	5.2%
Wholesale beef	4.5%	-2.5%
Farm-level milk	5.8%	-8.0%
Wholesale dairy	3.3%	0.5%
Farm-level fruits	3.6%	1.6%
Farm-level vegetables	5.6%	12.1%
Farm-level wheat	7.7%	-11.5%
Wholesale wheat flour	4.5%	0.2%

Source: USDA, Oregon Office of Economic Analysis

Fruits largely follow a similar expected trajectory while vegetables are expected to see large price increases this year. It will be important to see to what extent these higher vegetable prices raise farmer revenues, and/or reach further up the supply chain and into Oregon's large food processing manufacturing industry as well.

Afterall, where Oregon's food economy really stands out from other states is on production and processing. Oregon's location quotient for food production in 2021 was 2.8, meaning the concentration of agricultural jobs is nearly three times what it is nationwide. This is primarily driven by crops (grains, fruits, vegetables, etc) and fishing. Over the past decade, the state's growth in food production is being driven not just by overall economic growth, but also a regional shift, or increase in regional competitiveness. Using a shift-share analysis, the growth in food production in Oregon is 60% regional competitive effect.



Additionally, Oregon's location quotient for food processing is 1.4, meaning the local concentration 40% larger than in the average state. Here the drivers of growth are a bit more balance looking through a shift-share lens but still important to note and highlight local successes. 41 percent of the growth in the past decade is due to overall economic growth, 26 percent due to a change in industry mix, and 33 percent due to the regional competitive effect.

As the agricultural worker overtime law comes into effect this year, 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 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[2]. 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 is an ongoing war in Europe, and the risk of war in Southeast Asia has been uncomfortably high in recent years. Longer-term concerns regarding commodity price spikes in 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.

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

- 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.

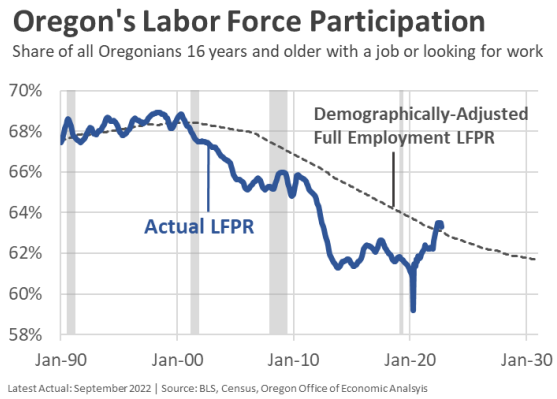
Extended Outlook

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 IHS Markit is, but our office overall agrees with the relative patterns nationwide. From 2023 to 2028, IHS expects Oregon's real GDP growth to rank 21st fastest among all states, while employment growth ranks 20th 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 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.

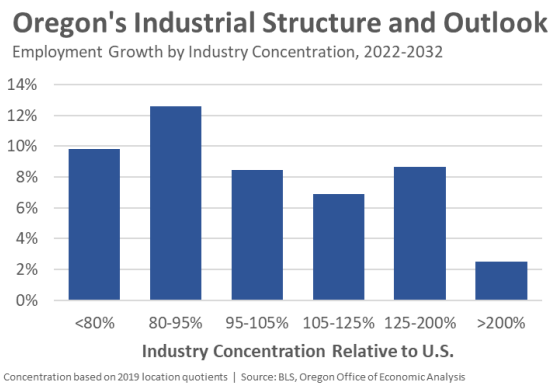
The good news today is that Oregon's labor force has never been larger, and the labor force participation rate is now higher than it was before the pandemic began. Even in this sometimes noisy, and unrevised data, the strength of Oregon's labor market is clear.



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).



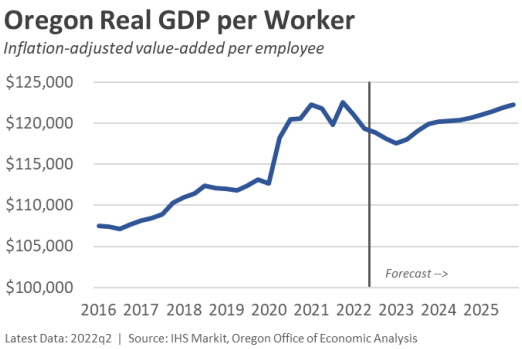
However, industries like timber and high-tech, which have been Oregon's strength in both the recent past and historically, are now expected to grow the slowest moving forward. Productivity and output from the state's technology producers is expected to continue growing quickly, however employment is not likely to follow suit. 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.

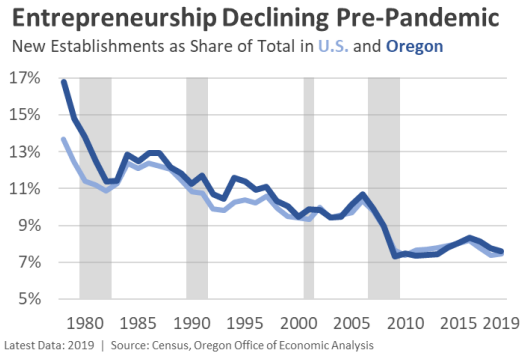
The state's real challenges and opportunities will come in industries in which Oregon does not have a relatively large concentration. These industries, like consulting, computer system design, financial investment, and scientific R&D, are expected to grow quickly in the decade ahead. To the extent that 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.



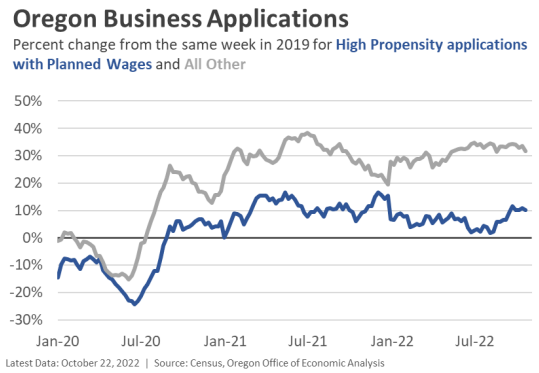
Today, the economy desparately needs better productivity, which has been sluggish this century. Early in the pandemic, productivity perked up as firms had to make due with reduced workforces at the same time consumer demand remained strong. However, as employment has rebounded, these productivity increases not only have not held, but have eroded. The current outlook for producivity is more or less back to the pre-pandemic trend, if not slightly below it. Increasing the stock and use of Oregon's capital would boost the economy overall.

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 was declining. New businesses as a share of all businesses were at or near record lows in 2019. Employment at start-ups follow a similar pattern.



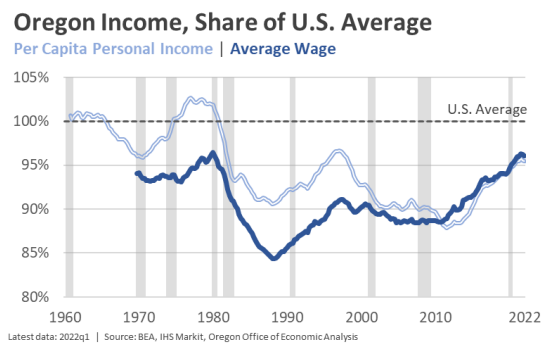
To the extent the low levels of entrepreneurship continue, and R&D more broadly is not being undertaken, slower productivity gains and overall economic growth is to be expected. However, to the extent that larger firms that have won out in today's marketplace are investing in R&D and making those investments 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 applications during the pandemic actually accelerated, stopping the long-run decline. Applications from what Census calls high-propensity business with planned wages, which are the most likely to eventually turn into real firms that employ workers, have been higher in 2021 and so far in 2022 than back in 2019. New business applications of all other types, including self-employment, are up even further.

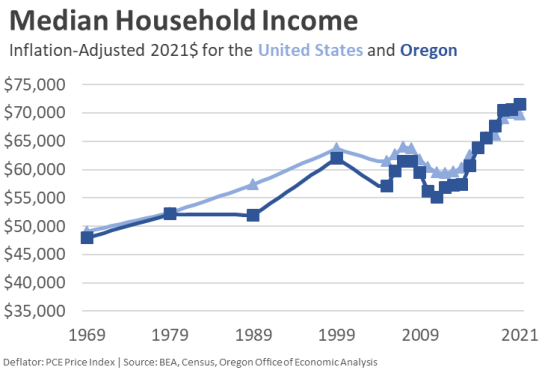


These gains provide some hope for future economic growth should some of these new firms bring new ideas, products, and efficiencies to market. Even if the per firm probability of success remains the same, having more ping pong balls in the lottery increases the overall probability that a few will survive 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 2.6 percent higher than the U.S. overall as of 2021. 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. The microdata for the 2021 American Community Survey was just released. In the coming months our office will dig deeper into these income trends across regions, ages, and races and ethnicities. The next round of good income data will come from the 2022 American Community Survey which will be released in mid-September 2023.



REVENUE OUTLOOK

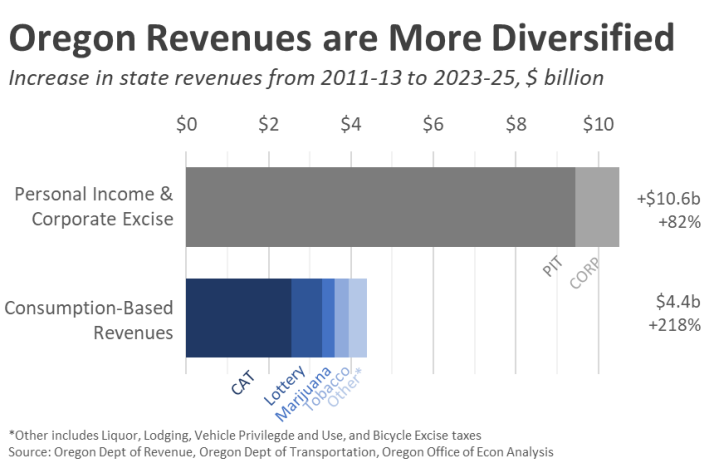
Revenue Summary

Over the three months since the December 2022 revenue forecast was released, the economic outlook has improved, and personal and corporate tax collections have continued to outstrip expectations. As a result, additional General Fund revenues are expected to be available to policymakers during the current legislative session as they craft the 2023-25 budget.

Although the recent news has been good, there remains a significant amount of uncertainty in the revenue outlook as the current biennium winds down. The 2023 tax filing season has yet to truly begin, with only the first trickle of refund checks having been processed to date. Much more will be known when the crucial May 2023 quarterly forecast is produced. That forecast round will determine the Close of Session forecast, which is used to set the thresholds for the balanced budget and kicker calculation.

Of course, along with the uncertainty surrounding the tax season, there remains a heightened risk of a recession occurring at some point during the upcoming biennium. Given the currently elevated levels of taxable business income and investment forms of income, an economic downturn would result in large losses of General Fund revenues. Given its dependence on personal and corporate income taxes, Oregon's General Fund has proven to be volatile. However, it has also posted significantly above-average rates of revenue growth relative to other states over time.

Although the General Fund remains volatile, Oregon's overall revenue system has become much less so in recent years. Oregon has enacted and expanded a wide range of consumption-based taxes and fees over the past decade, which are expected to total $6.4 billion over the next biennium. The list is long: Corporate Activity Taxes, Lottery sales, lodging taxes, vehicle privilege and use taxes, marijuana taxes, tobacco taxes, liquor taxes, bicycle taxes, cell phone taxes and more. Given that consumer spending is much more stable during economic downturns than is taxable income, these consumption-based taxes can be expected to reduce the overall volatility of Oregon's tax system.



The unexpected revenue growth seen in the current biennium has left us with unprecedented balances, followed by a record kicker in 2023-25. The projected personal kicker is $3.9 billion, which will be credited to taxpayers when they file their returns in 2024. The projected corporate kicker is $1.5 billion, which will be retained in the General Fund for K-12 educational spending. Once the 2023-25 biennium is behind us, Oregon's major revenue sources are expected to bounce back quickly. However, growth over the extended horizon will continue to be constrained by demographics, with the baby-boom population cohort earning less and spending less.

2021-23 General Fund Revenues

Gross General Fund revenues for the 2021-23 biennium are expected to reach $28,795 million. This represents an increase of $497 million from the December 2022 forecast, and an increase of $5,470 million relative to the Close of Session forecast. Personal and corporate income tax collections continued to outstrip expectations through the end of calendar year 2022. However, the first few weeks of 2023 have brought with them some early signs of weakness, suggesting that the anticipated revenue slowdown might soon be upon us.

Table R.1

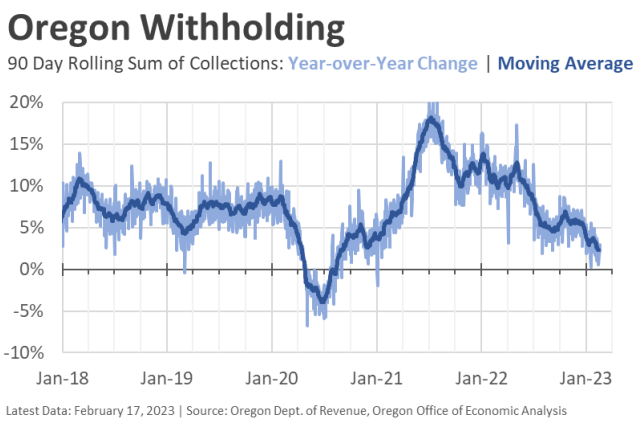
2021-23 General Fund Forecast Summary

(Millions)	2021 COS Forecast	December 2022 Forecast	March 2023 Forecast	Change from Prior Forecast	Change from COS Forecast
Structural Revenues					
Personal Income Tax	$20,628.1	$23,945.5	$24,185.4	$240.0	$3,557.4
Corporate Income Tax	$1,344.0	$2,648.0	$2,889.4	$241.5	$1,545.5
All Other Revenues	$1,353.5	$1,704.7	$1,720.2	$15.5	$366.7
Gross GF Revenues	$23,325.5	$28,298.1	$28,795.0	$496.9	$5,469.5
Offsets, Transfers, and Actions[1]	-$417.6	-$468.0	-$477.8	-$9.8	-$60.3
Beginning Balance	$3,025.6	$4,082.5	$4,082.5	$0.0	$1,056.9
Net Available Resources	**$26,008.4**	**$32,001.6**	**$32,488.7**	**$487.1**	**$6,480.3**
Appropriations	$25,446.0	$27,861.0	$27,861.0	$0.0	$2,415.0
Ending Balance	**$562.4**	**$4,140.6**	**$4,627.6**	**$487.1**	**$4,065.2**
Confidence Intervals					
67% Confidence	**+/- 2.4%**		**$695.4**	**$28.10B to $29.49B**	
95% Confidence	**+/- 4.8%**		**$1,390.8**	**$27.40B to $30.19B**	

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

Personal Income Tax

The first potential sign of weakness in General Fund revenue growth is a slowdown in withholdings of personal income taxes. Growth in withholdings has slowed in recent weeks to an annual rate of around 3%, far slower than 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, slower growth could be welcome news, given that the labor market needs to cool down. However, other broad measures of wage growth have yet to show this degree of weakness to date.

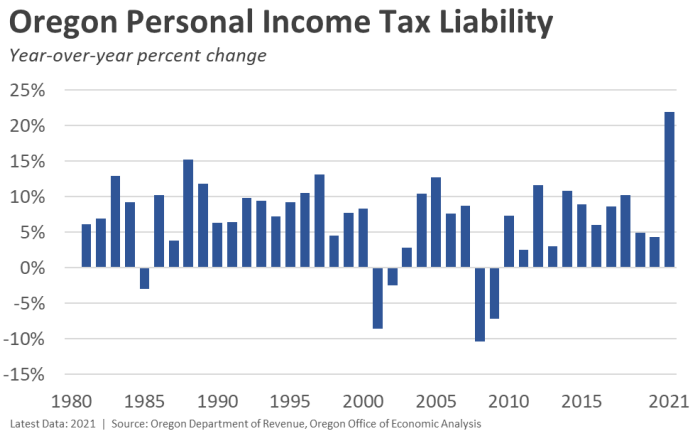


Also, recent strength in personal income tax collections may partly be an illusion. Most of the unexpected growth in personal income tax collections that was seen at the end of 2022 can be traced to a surge in estimated tax payments. There is growing evidence that some taxpayers paid more than they were required to, and will reconcile this via smaller payments or larger refunds during the filing season. Oregon recently enacted a Pass Through Entity Elective Tax. Under this program, some filers who receive income from pass through businesses can elect to pay state income taxes at the entity level, and receive credit for the payment on individual returns. Although their overall state tax burden does not change, these filers are no longer subject to a cap on the deduction for state taxes that they can claim on their federal returns.

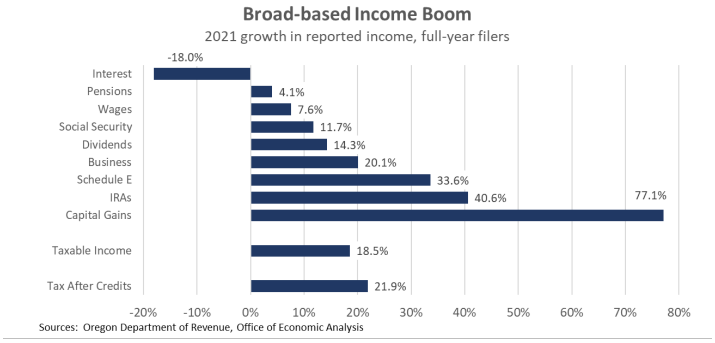
Participation in this new program has been robust. Evidence is mounting that many filers who have paid the elective tax have not reduced their estimated personal tax payments to the same degree. To the extent that this is true, it will put downward pressure on collections going forward.

Even if the economic expansion persists, income tax revenues are due for a hangover in 2023-25. Recent gains in reported taxable income have been driven by taxpayer behavior as well as by underlying economic growth. Investment and business income are not always realized for tax purposes at the same time as they are earned in the market. Last year was a great time to cash in assets, with equity prices and business valuations high, and potential federal tax increases on the horizon. Corporations and other businesses also had a strong incentive to recognize as much income and as few costs as they could last year.

Given that a significant amount of revenue growth has been driven by nonwage sources of income, most of the recent surge in payments will likely prove to be temporary. After so much income was pulled into tax years 2020 and 2021, less will be realized in the near term. While no year rivals 2021, it is not surprising that the next three largest years of income tax liability growth corresponded with periods when taxpayers were shifting their payments across time due to tax policy changes (after Reagan tax cuts 1983 & 1988, and prior to Bush tax cuts expiring in 2005).



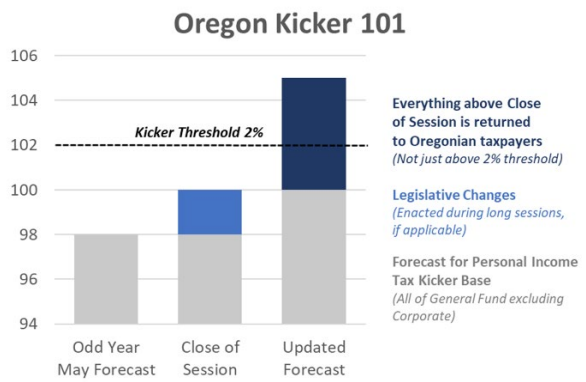
Although growth in taxable labor income has been very strong, much of the 2022 flood of personal income tax collections can be traced to nonwage forms of income. With almost all returns now processed, the extent of this income growth has become clear. Gains in nonwage taxable income have been very broad based. Passthrough business and rental income, dividends, capital gains and IRA withdrawals have all seen rapid growth.



Many of these nonwage sources of income are predominantly reported by high-income filers. This concentration puts Oregon's revenues at risk of the sharp declines experienced after asset market corrections in 2001 and 2007. With recession on the horizon, profits and gains could soon turn into losses, and a smaller share of filers could be subject to the top rate. In 2021, a record 5.9% of filers were subject to the top rate ($125K single/$250K joint), accounting for a record 43.5% of tax liability.

According to the September forecast, the outlook for the personal income tax kicker base is now significantly (17.9%) higher than the Close of Session forecast. If the current outlook holds, a kicker of $3.9 billion would be paid out when taxes are filed in 2024.

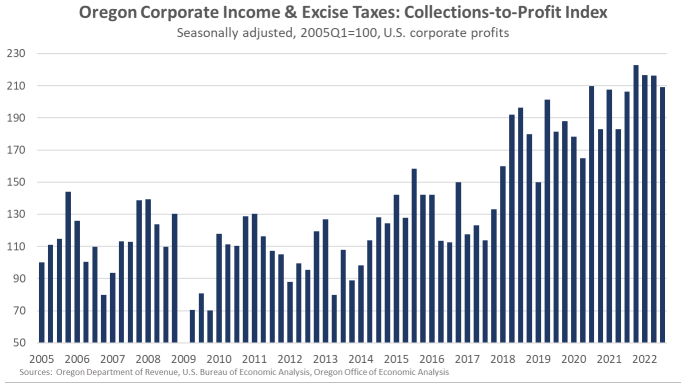
As a reminder, the threshold for the kicker calculation is if revenues over the entire biennium are more than 2 percent above the Close of Session forecast made prior to the start of the biennium. If they are, the entire amount of revenues above the Close of Session – including the first 2 percent – are returned to taxpayers the following year.



Corporate Excise Tax

Oregon's traditional corporate income and excise tax collections have continued to outstrip expectations, growing at a double-digit rate during the fourth quarter of 2022. The strong performance of corporate taxes is particularly surprising given that they were expected to come back down to earth even without an economic downturn. Over the past four years, collections have grown at a 25% annual pace.

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.



While some of this increase likely reflects a permanent increase in the tax base, a significant amount of the growth is expected to be temporary. As with business and investment income on personal tax returns, corporate taxpayers pulled some income forward in 2020 and 2021 in advance of possible federal tax legislation. The forecast calls for corporate taxes to soon return to their pre-pandemic levels. Collections have fallen sharply during the first few weeks of 2023, but it is too early to tell if the slowdown is upon us.

Although there is a very long way to go, a $1.5 billion kicker is currently estimated for the next biennium. According to statute, this would be retained in the General Fund for additional funding for K-12 education during the 2023-25 budget period.

Other Sources of Revenue

Non-personal and non-corporate revenues in the General Fund usually account for approximately 6 or 7 percent of the total. The largest such source are estate taxes, followed by liquor revenues, and judicial revenues.

Relative to the previous forecast, the current outlook for these revenues in 2021-23 is raised by $15.5 million (0.9%). This net figure masks many changes under the surface for different sources of revenue. On the positive side, there are sizable upward revisions to Insurance Taxes (+$12.1 million) and Interest Earnings (+$10.0 million), along with modest changes to Securities Fees (+$1.8 million), Secretary of State fees (+$1.1 million) and Misc Revenues (+$1.0 million). There remains considerable risk to the Interest Earnings outlook, both in the current biennium and moving forward due to the record high balances today. Should these fund balances not decline as anticipated, as revenues are spent by programs, interest earnings are likely to continue to outstrip expectations, however should fund balances be drawn down more quickly, then interest earnings will decline more than anticipated.

Those increases in revenues are largely offset by declines in judicial revenues (-$5.1 million), estate tax collections (-$4.9 million), and tobacco revenues (-$0.7 million).

Looking forward, these other sources of revenue in the General Fund are raised considerably in the 2023-25 biennium. The combined change is an increase of $52.4 million (3.2%) relative to the previous forecast. The primary reason for the change is the OLCC recently approved a continuation of the bottle surcharge for next biennium, resulting in a $30.6 million increase in General Fund liquor revenues. OLCC only approves the surcharge one biennium at a time, and the longer-run outlook remains otherwise unchanged. Interest earnings are also revised higher by $14 million due to the fund balances and expectations of higher interest rates. Insurance Taxes are revised higher by $10.6 million. All other sources are lowered by $2.7 million on net, a combination of a slight increase in estate taxes and lower expected judicial revenues.

Extended General Fund Outlook

Table R.2 exhibits the long-run forecast for General Fund revenues through the 2029-31 biennium. Users should note that the potential for error in the forecast increases substantially the further ahead we look.

Table R.2

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

Revenue Source	Forecast 2021-23 Biennium	% Chg	Forecast 2023-25 Biennium	% Chg	Forecast 2025-27 Biennium	% Chg	Forecast 2027-29 Biennium	% Chg	Forecast 2029-31 Biennium	% Chg
Personal Income Taxes	24,185.4	20.9%	21,569.5	-10.8%	28,537.5	32.3%	32,786.1	14.9%	37,132.5	13.3%
Corporate Income Taxes	2,889.4	41.5%	2,058.6	-28.8%	2,080.4	1.1%	2,205.7	6.0%	2,497.4	13.2%
All Others	1,809.2	7.6%	1,702.2	-5.9%	1,608.2	-5.5%	1,703.5	5.9%	1,804.9	5.9%
Gross General Fund	28,884.0	21.7%	25,330.2	-12.3%	32,226.1	27.2%	36,695.3	13.9%	41,434.7	12.9%
Offsets and Transfers	*(257.1)*		*(132.4)*		*(102.3)*		*(89.8)*		*(101.7)*	
Net Revenue	28,626.9	21.2%	25,197.8	-12.0%	32,123.8	27.5%	36,605.5	14.0%	41,333.0	12.9%

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.

Tax Law Assumptions

The revenue forecast is based on existing law, including measures and actions signed into law during the 2021 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 2021 Legislative Session can be found in Appendix B Table B.3. For a detailed treatment of the components of the 2021 Legislatively Enacted Budget, see:

Legislative Fiscal Office's 2021-23 Budget Summary[3]

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 2021-23 Tax Expenditure Report[4] 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 is rising but the odds of a recession in the upcoming 2023-25 biennium remain uncomfortably high. See page 11 for more on the economic alternative boom/bust recession scenario.

Recession Forecast Changes

	$ Millions from Baseline			
	21-23	23-25	25-27	27-29
General Fund Total	**0**	**-2,359**	**-1,071**	**-612**

Other Revenues	$ Millions from Baseline			
	21-23	23-25	25-27	27-29
Lottery	0	-39	-42	-45
Corporate Activity Tax	0	-362	-147	-101
Marijuana Tax	0	-6	-7	-9
Total	**0**	**-408**	**-196**	**-155**

	$ Millions from Baseline			
	21-23	23-25	25-27	27-29
Total Sum	**0**	**-2,767**	**-1,267**	**-767**

Looking at the upcoming 2023-25 biennium, in the pessimistic scenario, General Fund revenues in Oregon would be $2.4 billion lower than in the baseline. Revenues in 2025-27 would be recovery but still $1.1 billion below the current baseline outlook.

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, the state's Corporate Activity Tax next biennium would be $362 million lower in the boom/bust scenario. Lottery resources would be $39 million lower, and marijuana revenues would be $6 million lower in the pessimistic scenario.

Corporate Activity Tax

The 2019 Legislature enacted the corporate activity tax (CAT)[5], 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. Thus a complete picture of the 2021 tax year will not be available until near the end of the 2023 calendar year. For the March 2023 forecast, the estimate for 2021 tax liability has been reduced significantly due to higher-than-anticipated refunds at the end of 2022. Conversely, estimated payments for the fourth quarter of tax year 2022 were much stronger than expected. The net effect is that the forecast for collections for the current biennium is little changed from the previous forecast at $2.453.3 million. On the other hand, the change in the economic outlook from recession to

[3] https://www.oregonlegislature.gov/lfo/Documents/2021-1 LAB Summary 2021-23.pdf
[4] https://www.oregon.gov/DOR/programs/gov-research/Pages/research-tax-expenditure.aspx
[5] https://www.oregonlegislature.gov/bills_laws/lawsstatutes/2019orlaw0122.pdf

a soft landing scenario increases the liability forecast for tax years 2023 and beyond. Total resources for the 2023-25 biennium are projected to rise $35.4 million from the prior forecast.

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.

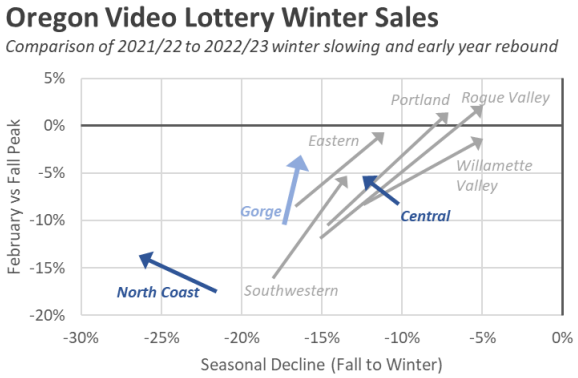
Lottery Earnings

The upshot is lottery revenues are raised relative to the previous forecast. The current 2021-23 biennium is raised $16.4 million (0.9%) due to record setting jackpot games in recent months, while video lottery sales temporarily slowed more than expected during the holiday season. Future biennia are essentially raised 2.0-2.5 percent due to a stronger economic outlook and updated analysis of player demographics.

Video Lottery Tracking

Video lottery sales have a fairly predictable seasonal pattern over the year. Typically sales taper during the holiday season likely due to some combination of the rainy season keeping us home a bit more, and the types of leisure/travel/entertainment we do may be more friends and family focused and less going out to bars and restaurants. In this regard, 2022's seasonal declines were similar to years past. However, sales were below forecast because the forecast was trying to bridge the gap between the pandemic reopening highs of recent years and the future state where sales are more aligned with current income.

It is an open question to what extent the normal, seasonal pattern this winter is an indicator that sales are now once again aligned with current incomes, and the draw down of excess household savings, or is more due to the impact on high inflation crimping household's discretionary spending. Even as the former makes intuitive sense, two data points support the latter.



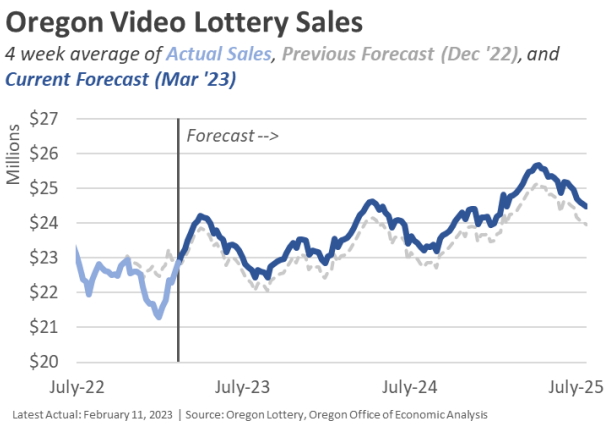
First, the seasonal swings were significantly more pronounced in Oregon's destination-based regions like the North Coast, Central Oregon, and to a lesser extent in the

Gorge. All other regions of the state were actually steadier than usual. Additionally, lodging tax revenues in Bend, the largest city and main hub of activity in Central Oregon, were negative on a year-over-year basis in November and December according to media articles. Anecdotal reports in Oregon and nationwide also indicated some bars and restaurants experienced weakness, even as the holiday shopping season overall was decent to good. All of this is an indication that households may have temporarily cut back on discretionary spending (going out to eat, gaming, or on vacation) and focused on the essentials, be they literal like food, gas, and housing, and figuratively, like holiday gifts for friends and family.

Second, the very strong rebound in video lottery sales to start the year, along with the January U.S. retail sales data which was driven by food services, point toward a temporary slowdown late last year and not ongoing weakness. Note how all of the regional arrows in the chart point up, that means sales today relative to last fall are in stronger positions than the previous winter. As such, sales in recent weeks have tracked the forecast closely. The same regions of the state that saw a larger slowdown during the holidays have now seen stronger rebounds as well to start the year.

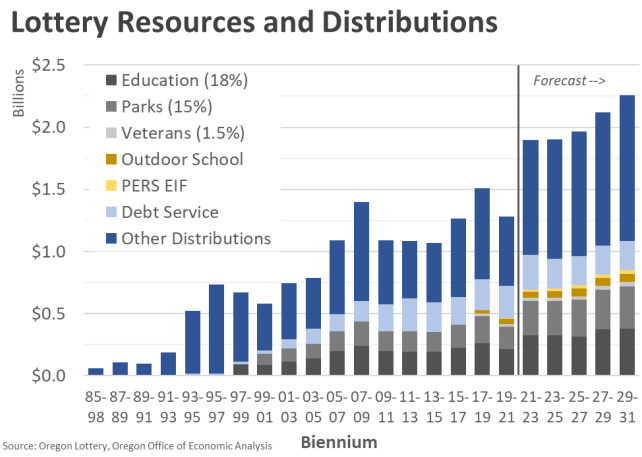
Lottery Forecast

The video lottery forecast has been raised moving forward due to the improve economic outlook with the baseline being the soft landing, no recession, the strong rebound in sales recently, and due to an updated look at video player demographics. Traditional lottery sales have also been raised in the forecast due to stronger underlying sales, even after excluding the record-setting jackpots. Sports betting is coming in above forecast, but the longer-term outlook remains unchanged.



Total available lottery resources in the upcoming 2023-25 biennium are essentially unchanged from the current 2021-23 biennium. This is a relative improvement compared to the previous forecast where biennium over biennium revenues were expected to decline slightly.

Part of the relatively unchanged revenue picture is an overall forecasted decline in traditional lottery products as the forecast does not assume new, record-setting jackpot cycles that drove sales in the past year. The forecast assumes average jackpots. Another part of the stability is video lottery sales coming off their pandemic reopening highs. Already 2022 sales were below 2021 sales, and moving forward expectations are for growth in 2023 and 2024, but the impacts on comparing biennium to biennium are for minimal net changes over the four years combined.



While holding on to the pandemic sales strength and growing along with the economy in the years ahead is encouraging from a sales and revenue perspective, a relatively unchanged resource picture in the upcoming biennium can create budgetary pressure on agencies and programs who receive lottery funds.

Video Lottery Player Base

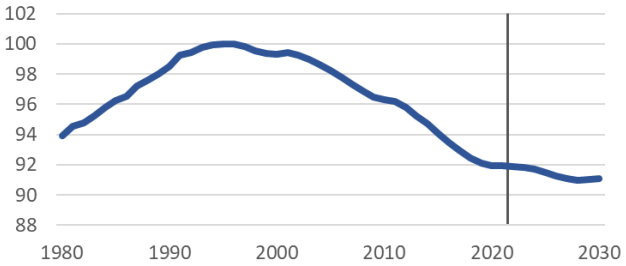
One of the lottery forecasts long-standing risks has been about the possibility that different generations may have different gaming behavior and choose to spend their entertainment dollars on other options to a greater degree. In particular, as the Baby Boomers age, are they being replaced in the player base by the younger generations?

What the nearby chart shows is the impact of the underlying demographics in Oregon on the video lottery player base. It takes the age profile of current video players, as of 2022, and fixes their playing rate behavior based on those results. Currently about 14.6 percent of adult Oregonians have played video lottery in the past year. However, video playing rates are highest among those in their 30s, 40s, and 50s where 20-30 percent of Oregonians have played video lottery in the past year. Oregonians in their 20s and 60s and 70s have played video lottery at relatively lower rates in the past year. These relative patterns across ages are broadly consistent across player surveys in the past decade.

If one takes the 2022 age profile of current video lottery players and runs it backwards and forwards based on the changes in the state's demographics it estimates what the player base could have looked like before, and what it could like in the future. This analysis isolates the age impact and changes in the state population.

Oregon Video Lottery Players

Change in the estimated share of adult Oregonians who would play video based on the 2022 age profile of players. Projections take current age profile and estimate historical and future playing rates given state demographics. Index, 100 = 1995 (maximum estimated value)



Source: Oregon Lottery, Oregon Office of Economic Analysis

Of course there are many other economic and social factors that can, and will change over time. However, what stands out about this analysis is that the impact of aging is largely in the rearview mirror from a video lotter playing perspective. Older adults who game tend to be more destination-based, it seems. For instance, 65 and older adults account for 27 percent of casino gamblers in Las Vegas, according to the Las Vegas Visitors Association. For Oregon video lottery, 65 and older adults who game account for just 13 percent of the current player base. As Baby Boomers are predominantly in their 60s and increasingly their 70s, the impact of this demographic change really impacted video lottery last decade.

Additionally, the equally large Millennial generation is now in their late 20s through early 40s, or at the leading edge of their peak video lottery playing years. As such, the overall shifts in Oregon's population by age is for a relatively steady player base. The big, demographic changes of recent decades appear to be over. The upshot is this should support stronger sales moving forward, and help alleviate some concerns about potential shifts in consumer and player behavior from a structural, demographic perspective.

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 remains robust and sales may continue to outstrip expectations. Conversely,

should inflation begin to take a toll on households, discretionary purchases may be cut back, similar to what appears to have happened during the recent holiday season.

Over the medium term, in particular the upcoming 2023-25 biennium, 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, even as the structural impact of aging is minimal. 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 has reversed in the past couple of years. 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 ongoing strength in video sales likely points 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

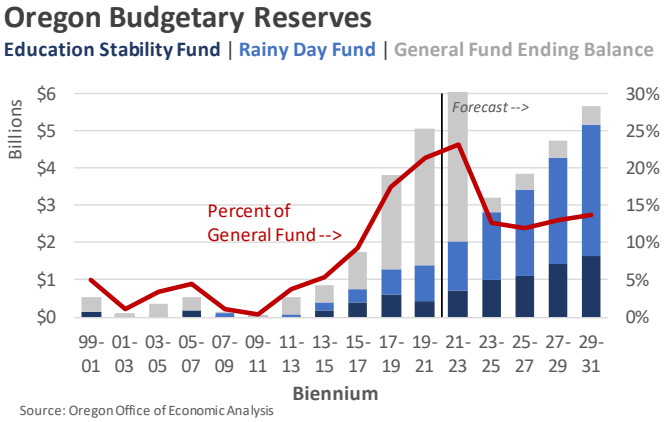
The state currently administers two general reserve accounts, the Oregon Rainy Day Fund[6] (ORDF) and the Education Stability Fund[7] (ESF). This section updates balances and recalculates the outlook for these funds based on the December revenue forecast.

As of this forecast the two reserve funds currently total a combined $1.8 billion. At the end of the current 2021-23 biennium, they will total $2.1 billion, which is equal to 7.2% of current revenues. Including the currently

[6] 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. 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.

[7] 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.

projected $4.6 billion ending balance in the General Fund, the total effective reserves at the end of the current 2021-23 biennium are projected to be $6.5 billion, or 22.6% of current revenues.



Effective Reserves ($ millions)

	Current Jan-23	*End of 2021-23*
ESF	$637	$708
RDF	$1,202	$1,343
Reserves	$1,839	$2,051
Ending Balance	$4,628	$4,628
Total	**$6,466**	**$6,679**
% of GF	22.4%	23.1%

The forecast for the ORDF includes two deposits for this biennium relating to the General Fund ending balance from the previous biennium (2019-21). A deposit of $220.7 million was made in early 2022 after the accountants closed the books on last biennium. Additionally a $117.7 million deposit relating to the increased corporate taxes from Measure 67 is expected at the end of the biennium in June 2023. This exact transfer amount is subject to some revision as corporate filings are processed, however the transfer itself will occur. At the end of 2021-23 the ORDF will total $1.3 billion.

Looking ahead to the 2023-25 biennium, the ORDF is expected to receive two transfers as well. This includes a projected $278.6 million related to the General Fund ending balance from 2021-23, and $83.8 million related to the increase in corporate taxes. The ORDF is projected to hit its cap of 7.5% of revenues at the very end of FY2026. At that time, should the forecast prove accurate, the increase in corporate revenues from M67 would be retained in the General Fund and not transferred to the ORDF.

The ESF will receive an expected $294.1 million in deposits in the current 2021-23 biennium based on the current lottery forecast. At the end of current 2021-23 biennium the ESF will stand at $708.4 million. The ESF is not projected to hit its cap of 5% of revenues until the end of FY2026, when the deposits will then accrue to the Capital Matching Account.

Together, the ORDF and ESF are projected to have a combined balance of $2.1 billion at the close of the 2021-23 biennium, or 7.2 percent of current revenues. At the close of 2023-25 the combined balance will be $2.8 billion, or 11.2 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 in the upcoming 2023-25 biennium, the state is expected to meet the trigger for withdrawals should the recession come and should policymakers choose to. 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 next 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.

Additionally, in the Governor's Recommended Budget for 2023-25, the proposal was to suspend or divert the upcoming distributions to both the ORDF and ESF. Should the Legislature choose to follow this proposal, the

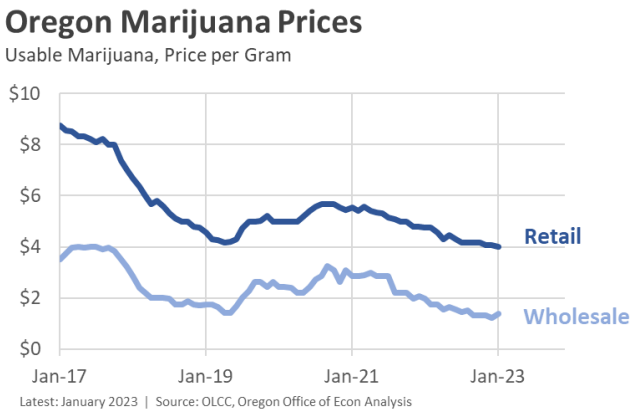
impact on the reserve funds would be the following. The diversion of the transfers into the ORDF next biennium, along with the interest earnings would total $479 million. This would mean the ORDF does not hit its cap until FY2030. For the ESF, diverting the transfers would amount to $294 million not going into the fund, pushing the date when it hits its cap to FY2031. The end result is $773 million would be suspended or diverted based on the current forecast and the expected combined reserve fund balances at the end of 2023-25 would be $2.1 billion instead of $2.8 billion, or 8.1 percent of revenues instead of the 11.2 percent currently expected.

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 Tax Collections

The recreational marijuana forecast is lowered substantially relative to the previous forecast. The combination of an oversupply of production and saturated retailer market continues to drive prices lower. Given Oregon taxes marijuana based on the price, the trend is for lower tax collections even as the underlying volume of sales remains steadier. None of this is new.



However, these ongoing issues have really come to a head in the past 6 months where actual tax collections are considerably below expectations based on actual sales as firms struggle with profitability in the market, leading to rising tax delinquencies. It's a complicated picture of businesses struggling with market conditions, and being unable to pay all their bills. The cascading impact is for those lower on the priority list, be they growers on consignment or the taxing authority to see the biggest impacts. Oregon's Department of Revenue is working with firms who are behind on their taxes, and through increased enforcement activity expect some revenues to be regained. However, given the tough current market conditions, our office's forecast is taking more of a wait and see approach. Declines in delinquencies represent an upside risk to the forecast in the quarters ahead.

The bottom line is the outlook over the entire forecast horizon is revised lower as these dynamics, while expected to improve some in the years ahead, remain and consumer demand in a mature market will increase at a slower pace. Specifically, resources in the current 2021-23 biennium are lowered by another $9.7 million (-3.1%). Over the past two quarterly forecasts, resources in the 2021-23 biennium have been lowered by $25 million. More than half of this reduction is due to lower-than-expected tax payments relative to actual sales. Now, sales themselves have been and are expected to be a few percent lower than previously forecasted, but even after taking this reduction in the outlook, recent tax collections are even weaker than that.

Looking forward, resources are lowered $35.9 million (-10.8%) in the upcoming 2023-25 biennium. As some pricing power returns to a better-balanced market in the years ahead, the outlook improves some, but future biennia are all lowered by 5-9 percent.

Market Conditions

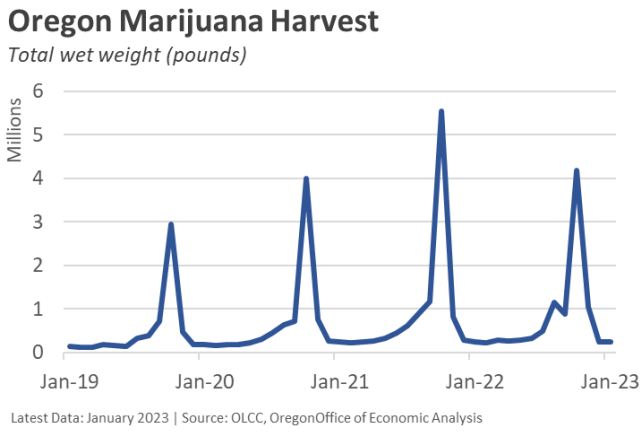
As former Oregon state economist Tom Potiowsky said during the dark days of the Great Recession, the good news is when you're flat on your back, everywhere you look is up. For recreational marijuana, even though it feels that way, it's hard to know if the industry is truly flat on its back yet, or if more weakness is to come first. But eventually a bottom will be reached as demand strengthens with a growing population and economy, and supply stabilizes.

The crux of the issue today are the record low prices. The underlying reason for the low prices is an oversaturated market where production (harvest and inventory) outpaces consumer demand, and there are more retailers per capita than in most other states, leading to increased competition.

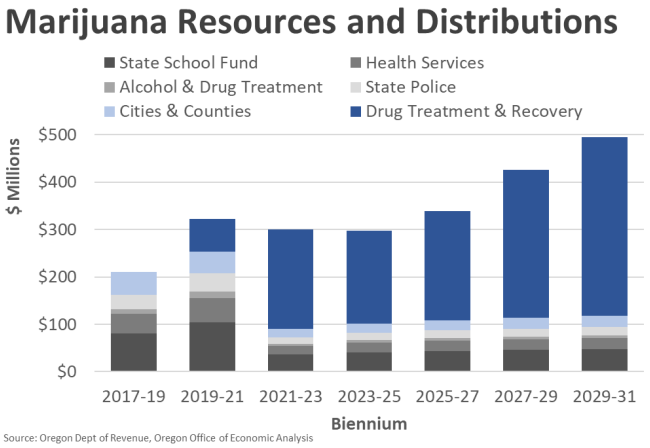
These dynamics are great news for consumers who can enjoy widely available products at low prices. However, one key item to note is that today's lower prices do not appear to have resulted in an increase in quantities sold. Now, OLCC estimates that the total amount of THC sold increased in 2022 compared to 2021 but at the product level the number of pounds of usable marijuana, or number of edibles and the like is more steady. Consumers appear to have stable consumption patterns and have pocketed the savings or had to spend it on other items in their budget due to high inflation.

Typically in a mature market, sales would more closely track incomes and inflation or the cost of production. However in the current marijuana market this is not happening due to the ongoing price declines, a result of increased competition. These dynamics are bad news for firms trying to operate a profitable business.

Now, an initial supply response occurred this past year. Total harvest in 2022 declined 13 percent compared to 2021, with an even larger 19 percent decline during peak harvest season. That said, the market still is not in balance. Some of our advisors indicated another similar decline this year, bringing harvest closer to 2019 or 2020 amounts would likely bring the market into better balance.



The other source of balance could come from increased consumer demand. That said the low-hanging fruit for demand growth is behind us. Marijuana usage rates are steady in recent years, after increase considerably in the past decade. 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.



Overall, expectations are the market will stabilize in the not too distant future. Sales and tax collections will remain relatively steady this year and next. Overall revenue and resources will be unchanged from the

current 2021-23 to 2023-25 biennium. As supply and demand are expected to get into better balance, some pricing power and profitability will return to the market. Overall sales and taxes will increase with a growing population and economy in the decade ahead. Usage rates and consumption as share of income are expected to hold steady in the longer-run. Both upside and downside risks abound to this outlook.

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

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 only five states gained one additional seat each and Texas gained two seats.

In Historical context, Oregon's population growth between 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. 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 because of state's strong economic recovery. The current COVID-19 pandemic has caused dire economic and employment situations and has caused slow population growth. The population growth was expected to rebound starting from 2022. However, current economic turmoil is likely to slow the pace of expected growth. Based on the current forecast, Oregon's population is expected to reach 4.506 million in the year 2030 with an annual rate of growth of 0.65 percent between 2022 and 2030. The projected population of 2030 is 140,000 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 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 76 percent of the population change during the booming economy of early 1990s. This share of migration to population change declined to 32 percent in 2010 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 (births minus deaths), the ratio of net migration-to-population change has

registered at 89 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 will turn negative starting in the year 2020 and extending through 2030 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.

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 over 100 years 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 2022-2030. It will also reflect demographics impacted by the depression era 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 1.9 percent during the 2022-2030 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 5.0 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 2022-2030 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 0.1 percent annual average growth rate in the next eight years. The next older generation of population aged 75-84 has seen several years of slow growth and a period of shrinking years in the recent past. The elderly aged 75-84 started to show growth as the effect of depression era birth-cohort dissipated from this age group. An unprecedented fast pace of growth of population in this age group has 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 2022-2030 is expected to be unusually high 4.7 percent. After a period of slow growth, the oldest elderly (aged 85+) will continue to grow at a strong rate but steadily gaining growth 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 2.9 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.

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 0.5 percent annualized rate of change. 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 0.7 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 or stagnant 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 even decline in the school enrollments. On average for the forecast period, this school-age population will decline by -0.9 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 slight rebound the in 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. 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. However, due to the delay in releasing the population by single year of age and sex, we still basing the age-sex distribution on 2010 Census data. 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.

The U.S. Census Bureau just released apportionment and 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. Also, this 2020 census population is 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 2010 and 2020. Since the Bureau has released only the total population, OEA has estimated only 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 2020 in this forecast shown in Appendix C are different from prior *postcensal* numbers. Once the Bureau releases age-sex detail of the census population, OEA will produce readjusted intercensal estimates by age and sex for each of the years from 2011 through 2020. The numbers of births and deaths through 2021 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 2030 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 2010 and a new life table for 2020 will be developed when all necessary data becomes available. Male and female life expectancies for the 2010-2030 period are projected based on the past three decades of trends and national projected life expectancies. 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 77.4 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.

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 model uses Oregon's employment, unemployment rates, income/wage data from Oregon and neighboring states, and past trends. 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 and 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 decline in the 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 in the short run due to the effects of COVID-19 and economic slowdown. However, the migration is expected to recover after 2024. Between 2022 and 2030 net migration is expected to be in the range of 23,200 to 40,600, averaging 33,300 persons annually with net migration rate ranging between 5.4 to 9.0 per thousand population.

APPENDIX A: ECONOMIC FORECAST DETAIL

Table A.1 – Employment Forecast Tracking

Total Nonfarm Employment, 4th quarter 2022

(Employment in thousands, Annualized Percent Change)

	Preliminary Estimate		Forecast		Forecast Error		Y/Y Change
	level	% ch	level	% ch	level	%	% ch
Total Nonfarm	1,975.8	1.0	1,969.1	2.0	6.7	0.3	3.8
Total Private	1,677.2	1.1	1,671.2	2.5	6.0	0.4	3.6
Mining and Logging	6.3	(12.1)	6.3	1.6	(0.1)	(0.8)	(2.5)
Construction	118.1	4.6	115.2	0.3	2.9	2.6	5.5
Manufacturing	196.2	(1.9)	196.0	1.7	0.3	0.1	3.4
Durable Goods	135.8	(3.4)	135.8	0.9	0.0	0.0	3.6
Wood Product	23.6	0.4	23.3	0.4	0.3	1.1	2.9
Metals and Machinery	38.9	(3.5)	38.6	1.2	0.3	0.8	4.2
Computer and Electronic Product	40.3	(6.5)	40.6	0.2	(0.3)	(0.7)	3.6
Transportation Equipment	10.9	(2.8)	10.8	0.8	0.1	0.5	2.8
Other Durable Goods	22.2	(1.6)	22.5	2.1	(0.3)	(1.3)	3.4
Nondurable Goods	60.4	1.6	60.2	3.5	0.2	0.4	3.2
Food	29.1	(0.7)	29.1	4.7	(0.0)	(0.0)	1.7
Other Nondurable Goods	31.3	3.8	31.1	2.4	0.2	0.8	4.6
Trade, Transportation & Utilities	363.7	(0.8)	366.2	0.2	(2.5)	(0.7)	0.1
Retail Trade	208.6	(1.6)	209.5	0.1	(0.9)	(0.4)	(1.1)
Wholesale Trade	77.8	1.4	77.4	1.0	0.5	0.6	3.4
Transportation, Warehousing & Utilities	77.2	(0.9)	79.3	(0.4)	(2.1)	(2.6)	0.4
Information	35.4	(1.5)	36.2	1.6	(0.8)	(2.2)	(1.2)
Financial Activities	107.5	3.1	102.3	(4.5)	5.2	5.1	2.8
Professional & Business Services	265.8	2.8	263.0	2.3	2.8	1.1	4.2
Educational & Health Services	314.3	(0.6)	315.9	6.2	(1.6)	(0.5)	4.9
Educational Services	36.8	(24.4)	35.2	(8.3)	1.6	4.5	9.2
Health Services	277.5	3.2	280.7	8.2	(3.2)	(1.1)	4.4
Leisure and Hospitality	207.6	7.4	207.9	7.4	(0.3)	(0.1)	8.4
Other Services	62.4	(3.6)	62.2	1.4	0.1	0.2	3.1
Government	298.6	0.3	297.9	(0.2)	0.6	0.2	4.4
Federal	27.8	4.9	27.8	5.2	(0.0)	(0.0)	(0.9)
State	43.0	(0.3)	43.1	0.8	(0.1)	(0.2)	1.1
State Education	1.2	3.5	1.1	(5.3)	0.1	5.0	19.9
Local	227.8	(0.1)	227.0	(1.1)	0.7	0.3	5.8
Local Education	129.7	(1.8)	129.2	(2.5)	0.5	0.4	5.8

Table A.2 – Short-Term Oregon Economic Summary

Oregon Forecast Summary

	Quarterly					Annual					
	2022:4	2023:1	2023:2	2023:3	2023:4	2022	2023	2024	2025	2026	2027
Personal Income ($ billions)											
Nominal Personal Income	272.7	277.3	280.9	285.0	288.9	266.7	283.0	298.2	313.1	329.0	346.3
% change	7.8	6.9	5.4	6.0	5.6	2.0	6.1	5.4	5.0	5.1	5.3
Real Personal Income (base year=2012)	218.6	220.8	222.0	223.8	225.5	217.1	223.0	230.0	236.9	244.2	252.0
% change	4.5	4.0	2.2	3.3	3.0	(4.0)	2.7	3.1	3.0	3.1	3.2
Nominal Wages and Salaries	140.6	142.4	144.7	146.7	148.6	136.5	145.6	152.9	160.0	167.7	175.8
% change	9.8	5.2	6.6	5.8	5.2	8.1	6.6	5.0	4.7	4.8	4.8
Other Indicators											
Per Capita Income ($1,000)	63.3	64.3	65.0	65.9	66.7	62.1	65.5	68.6	71.4	74.4	77.7
% change	7.1	6.2	4.7	5.3	4.9	1.3	5.5	4.7	4.2	4.2	4.4
Average Wage rate ($1,000)	70.3	71.1	72.0	72.8	73.6	69.2	72.4	75.5	78.5	81.7	85.0
% change	7.0	4.6	5.0	5.0	4.6	3.7	4.5	4.3	4.0	4.0	4.0
Population (Millions)	4.3	4.3	4.3	4.3	4.3	4.29	4.32	4.35	4.38	4.42	4.46
% change	0.6	0.6	0.6	0.6	0.6	0.7	0.6	0.6	0.8	0.9	0.8
Housing Starts (Thousands)	19.0	18.1	18.3	18.4	18.6	20.0	18.4	19.6	21.1	21.4	21.7
% change	(20.0)	(17.7)	5.5	1.9	3.2	(1.4)	(8.1)	6.7	7.6	1.4	1.7
Unemployment Rate	4.3	4.1	4.0	4.0	4.1	3.9	4.1	4.2	4.2	4.2	4.2
Point Change	0.6	(0.2)	(0.1)	0.0	0.1	(1.4)	0.2	0.2	0.0	0.0	0.0
Employment (Thousands)											
Total Nonfarm	1,975.8	1,987.1	1,994.8	1,998.8	2,001.9	1,953.7	1,995.6	2,009.3	2,022.8	2,038.7	2,054.2
% change	1.0	2.3	1.6	0.8	0.6	4.2	2.1	0.7	0.7	0.8	0.8
Private Nonfarm	1,677.2	1,687.6	1,695.0	1,698.9	1,702.0	1,660.2	1,695.9	1,709.3	1,722.2	1,735.9	1,749.7
% change	1.1	2.5	1.8	0.9	0.7	4.4	2.1	0.8	0.8	0.8	0.8
Construction	118.1	118.9	119.7	119.3	119.0	116.3	119.2	119.2	120.8	122.0	122.5
% change	4.6	2.7	2.6	(1.0)	(1.1)	4.6	2.5	(0.0)	1.4	0.9	0.4
Manufacturing	196.2	197.2	197.7	197.7	197.4	195.4	197.5	197.7	197.6	197.6	197.1
% change	(1.9)	1.9	1.1	0.1	(0.7)	4.3	1.1	0.1	(0.1)	(0.0)	(0.2)
Durable Manufacturing	135.8	136.3	136.5	136.5	136.2	135.5	136.4	136.3	136.2	136.2	135.6
% change	(3.4)	1.3	0.8	0.0	(1.0)	4.9	0.6	(0.0)	(0.1)	0.0	(0.4)
Wood Product Manufacturing	23.6	23.7	23.6	23.5	23.4	23.4	23.6	23.5	23.7	24.0	24.1
% change	0.4	1.7	(0.4)	(2.0)	(1.8)	3.0	0.7	(0.2)	0.6	1.3	0.4
High Tech Manufacturing	40.3	40.1	40.1	40.0	40.0	40.6	40.0	40.0	40.2	40.2	40.1
% change	(6.5)	(2.1)	0.1	(0.3)	(0.9)	7.0	(1.5)	(0.0)	0.3	0.0	(0.1)
Transportation Equipment	10.9	11.1	11.2	11.2	11.2	10.8	11.2	11.4	11.8	12.0	11.7
% change	(2.8)	7.3	4.2	0.2	0.0	1.4	2.9	2.2	3.7	1.1	(1.9)
Nondurable Manufacturing	60.4	60.9	61.2	61.2	61.2	59.8	61.1	61.4	61.4	61.4	61.5
% change	1.6	3.1	1.8	0.1	(0.0)	3.0	2.1	0.5	0.1	(0.1)	0.2
Private nonmanufacturing	1,481.0	1,490.5	1,497.4	1,501.2	1,504.6	1,464.8	1,498.4	1,511.6	1,524.6	1,538.4	1,552.6
% change	1.5	2.6	1.9	1.0	0.9	4.4	2.3	0.9	0.9	0.9	0.9
Retail Trade	208.6	208.2	208.9	209.5	209.8	209.6	209.1	209.7	209.7	209.6	209.3
% change	(1.6)	(0.7)	1.3	1.1	0.5	0.0	(0.3)	0.3	(0.0)	(0.0)	(0.1)
Wholesale Trade	77.8	78.1	78.2	78.0	77.9	76.9	78.0	77.8	77.9	77.9	78.2
% change	1.4	1.3	0.5	(1.0)	(0.5)	2.9	1.4	(0.2)	0.1	0.1	0.3
Information	35.4	36.3	36.2	36.0	36.2	35.7	36.2	36.4	36.5	36.9	37.3
% change	(1.5)	10.7	(1.2)	(1.7)	1.9	1.6	1.4	0.5	0.4	1.0	1.0
Professional and Business Services	265.8	267.0	267.9	268.9	269.9	262.6	268.4	272.1	275.5	279.6	285.4
% change	2.8	1.9	1.3	1.5	1.5	4.6	2.2	1.3	1.3	1.5	2.1
Health Services	277.5	282.6	285.3	286.5	287.5	273.3	285.5	289.9	293.8	297.6	301.8
% change	3.2	7.7	3.8	1.7	1.4	2.2	4.4	1.6	1.4	1.3	1.4
Leisure and Hospitality	207.6	210.5	211.7	212.8	213.8	201.5	212.2	215.3	217.3	219.3	221.1
% change	7.4	5.7	2.4	2.1	1.9	15.3	5.3	1.5	0.9	0.9	0.9
Government	298.6	299.5	299.8	299.9	299.9	293.4	299.8	300.0	300.6	302.8	304.5
% change	0.3	1.2	0.4	0.1	0.0	2.9	2.2	0.1	0.2	0.7	0.6

Table A.3 – Oregon Economic Forecast Change

Oregon Forecast Change (Current vs. Last)

	Quarterly					Annual					
	2022:4	2023:1	2023:2	2023:3	2023:4	2022	2023	2024	2025	2026	2027
Personal Income ($ billions)											
Nominal Personal Income	272.7	277.3	280.9	285.0	288.9	266.7	283.0	298.2	313.1	329.0	346.3
% change	(0.4)	0.2	0.4	0.9	1.3	(0.4)	0.7	1.3	1.0	0.9	1.1
Real Personal Income (base year=2012)	218.6	220.8	222.0	223.8	225.5	217.1	223.0	230.0	236.9	244.2	252.0
% change	(0.1)	0.7	0.6	1.0	1.4	(0.3)	0.9	1.5	1.2	1.2	1.4
Nominal Wages and Salaries	140.6	142.4	144.7	146.7	148.6	136.5	145.6	152.9	160.0	167.7	175.8
% change	0.1	0.1	0.5	1.6	2.4	(0.3)	1.2	2.3	1.2	0.8	0.7
Other Indicators											
Per Capita Income ($1,000)	63.3	64.3	65.0	65.9	66.7	62.1	65.5	68.6	71.4	74.4	77.7
% change	(0.4)	0.2	0.4	0.9	1.3	(0.4)	0.7	1.3	1.0	0.9	1.1
Average Wage rate ($1,000)	70.3	71.1	72.0	72.8	73.6	69.2	72.4	75.5	78.5	81.7	85.0
% change	(0.8)	(0.8)	(0.6)	(0.4)	(0.3)	(0.9)	(0.5)	(0.2)	(0.2)	(0.2)	0.0
Population (Millions)	4.30	4.31	4.32	4.3	4.3	4.29	4.32	4.35	4.38	4.42	4.46
% 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)	19.0	18.1	18.3	18.4	18.6	20.0	18.4	19.6	21.1	21.4	21.7
% change	10.4	12.7	13.1	9.5	8.8	1.8	11.0	5.7	2.8	(0.9)	(1.3)
Unemployment Rate	4.3	4.1	4.0	4.0	4.1	3.9	4.1	4.2	4.2	4.2	4.2
Point Change	0.6	0.3	0.1	(0.6)	(1.1)	0.2	(0.3)	(1.1)	(0.5)	(0.1)	0.0
Employment (Thousands)											
Total Nonfarm	1,975.8	1,987.1	1,994.8	1,998.8	2,001.9	1,953.7	1,995.6	2,009.3	2,022.8	2,038.7	2,054.2
% change	0.3	0.7	1.0	1.9	2.5	0.3	1.5	2.3	1.2	0.7	0.5
Private Nonfarm	1,677.2	1,687.6	1,695.0	1,698.9	1,702.0	1,660.2	1,695.9	1,709.3	1,722.2	1,735.9	1,749.7
% change	0.4	0.7	1.1	2.1	2.8	0.3	1.7	2.7	1.6	0.9	0.7
Construction	118.1	118.9	119.7	119.3	119.0	116.3	119.2	119.2	120.8	122.0	122.5
% change	2.6	3.2	4.6	5.2	6.0	1.3	4.7	6.8	6.4	5.2	4.8
Manufacturing	196.2	197.2	197.7	197.7	197.4	195.4	197.5	197.7	197.6	197.6	197.1
% change	0.1	0.6	1.5	2.2	2.3	0.5	1.7	1.9	1.2	0.9	0.4
Durable Manufacturing	135.8	136.3	136.5	136.5	136.2	135.5	136.4	136.3	136.2	136.2	135.6
% change	0.0	0.5	1.6	2.7	2.7	0.6	1.9	2.0	1.1	0.9	0.4
Wood Product Manufacturing	23.6	23.7	23.6	23.5	23.4	23.4	23.6	23.5	23.7	24.0	24.1
% change	1.1	2.7	4.8	6.5	7.2	0.8	5.2	4.9	2.0	2.4	2.5
High Tech Manufacturing	40.3	40.1	40.1	40.0	40.0	40.6	40.0	40.0	40.2	40.2	40.1
% change	(0.7)	(1.3)	(0.9)	(0.6)	(0.8)	0.5	(0.9)	(0.4)	0.2	0.4	0.3
Transportation Equipment	10.9	11.1	11.2	11.2	11.2	10.8	11.2	11.4	11.8	12.0	11.7
% change	0.5	1.8	1.5	0.5	(0.5)	0.6	0.8	(0.7)	0.2	0.1	(1.3)
Nondurable Manufacturing	60.4	60.9	61.2	61.2	61.2	59.8	61.1	61.4	61.4	61.4	61.5
% change	0.4	0.8	1.3	1.3	1.5	0.2	1.2	1.7	1.4	0.8	0.5
Private nonmanufacturing	1,481.0	1,490.5	1,497.4	1,501.2	1,504.6	1,464.8	1,498.4	1,511.6	1,524.6	1,538.4	1,552.6
% change	0.4	0.7	1.0	2.1	2.9	0.3	1.7	2.8	1.6	1.0	0.7
Retail Trade	208.6	208.2	208.9	209.5	209.8	209.6	209.1	209.7	209.7	209.6	209.3
% change	(0.4)	(0.6)	(0.2)	1.8	2.7	(0.1)	0.9	2.6	1.2	0.2	(0.4)
Wholesale Trade	77.8	78.1	78.2	78.0	77.9	76.9	78.0	77.8	77.9	77.9	78.2
% change	0.6	1.0	1.4	2.5	2.6	0.3	1.9	1.9	1.4	1.2	1.4
Information	35.4	36.3	36.2	36.0	36.2	35.7	36.2	36.4	36.5	36.9	37.3
% change	(2.2)	(0.4)	(1.3)	(1.0)	0.2	(1.8)	(0.6)	0.6	(0.2)	0.1	0.5
Professional and Business Services	265.8	267.0	267.9	268.9	269.9	262.6	268.4	272.1	275.5	279.6	285.4
% change	1.1	0.8	0.6	2.1	2.7	0.5	1.5	3.4	1.9	0.4	0.3
Health Services	277.5	282.6	285.3	286.5	287.5	273.3	285.5	289.9	293.8	297.6	301.8
% change	(1.1)	(0.1)	0.5	1.5	2.4	(0.3)	1.1	1.7	0.2	(0.2)	(0.5)
Leisure and Hospitality	207.6	210.5	211.7	212.8	213.8	201.5	212.2	215.3	217.3	219.3	221.1
% change	(0.1)	0.9	1.2	2.1	2.9	(0.1)	1.8	3.6	2.5	1.7	1.4
Government	298.6	299.5	299.8	299.9	299.9	293.4	299.8	300.0	300.6	302.8	304.5
% change	0.2	0.5	0.3	0.3	0.7	0.1	0.5	0.3	(0.6)	(0.4)	(0.4)

Table A.4 – Annual Economic Forecast

Mar 2023 - Personal Income

(Billions of Current Dollars)

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Total Personal Income*												
Oregon	222.3	241.8	261.5	266.7	283.0	298.2	313.1	329.0	346.3	364.7	384.1	404.1
% Ch	5.1	8.8	8.2	2.0	6.1	5.4	5.0	5.1	5.3	5.3	5.3	5.2
U.S.	18,587.0	19,832.3	21,294.8	21,737.5	22,677.0	23,737.2	24,858.3	25,943.4	27,108.8	28,301.3	29,516.8	30,777.6
% Ch	5.1	6.7	7.4	2.1	4.3	4.7	4.7	4.4	4.5	4.4	4.3	4.3
Wage and Salary												
Oregon	112.9	115.8	126.3	136.5	145.6	152.9	160.0	167.7	175.8	184.2	192.8	202.0
% Ch	5.3	2.5	9.1	8.1	6.6	5.0	4.7	4.8	4.8	4.8	4.7	4.7
U.S.	9,324.6	9,457.4	10,290.1	11,161.6	11,705.1	12,207.6	12,781.4	13,336.1	13,890.7	14,451.9	15,019.3	15,615.6
% Ch	4.8	1.4	8.8	8.5	4.9	4.3	4.7	4.3	4.2	4.0	3.9	4.0
Other Labor Income												
Oregon	27.6	28.6	30.5	32.3	34.7	36.5	38.3	40.3	42.3	44.3	46.4	48.7
% Ch	5.3	3.5	6.6	6.1	7.2	5.3	5.0	5.0	4.9	4.8	4.8	4.9
U.S.	1,472.9	1,476.2	1,550.3	1,612.8	1,676.1	1,748.1	1,830.3	1,909.7	1,989.1	2,069.5	2,150.7	2,236.1
% Ch	2.8	0.2	5.0	4.0	3.9	4.3	4.7	4.3	4.2	4.0	3.9	4.0
Nonfarm Proprietor's Income												
Oregon	18.9	20.7	21.8	22.9	24.1	25.3	26.5	27.8	29.4	31.3	33.4	35.3
% Ch	1.4	9.8	5.3	5.2	4.9	5.3	4.7	4.9	5.7	6.3	6.7	5.9
U.S.	1,572.3	1,597.9	1,702.2	1,756.2	1,743.0	1,782.1	1,809.3	1,860.7	1,939.3	2,033.7	2,143.1	2,260.9
% Ch	2.1	1.6	6.5	3.2	(0.8)	2.2	1.5	2.8	4.2	4.9	5.4	5.5
Dividend, Interest and Rent												
Oregon	44.9	45.4	46.8	49.4	52.8	56.1	58.7	61.5	64.4	67.6	71.0	74.6
% Ch	5.2	1.2	3.1	5.5	7.0	6.2	4.7	4.7	4.8	4.9	5.1	5.0
U.S.	3,817.2	3,815.3	3,926.2	4,124.5	4,380.9	4,654.0	4,908.7	5,126.2	5,353.7	5,575.8	5,797.0	6,025.2
% Ch	7.8	(0.1)	2.9	5.0	6.2	6.2	5.5	4.4	4.4	4.1	4.0	3.9
Transfer Payments												
Oregon	42.7	56.8	63.4	54.9	57.5	60.7	64.3	68.2	72.7	77.4	82.4	87.5
% Ch	6.0	33.1	11.6	(13.5)	4.8	5.5	6.0	6.1	6.5	6.6	6.4	6.1
U.S.	3,089.7	4,187.1	4,546.4	3,830.2	3,964.0	4,172.7	4,396.5	4,619.6	4,877.6	5,152.2	5,429.8	5,705.9
% Ch	5.6	35.5	8.6	(15.8)	3.5	5.3	5.4	5.1	5.6	5.6	5.4	5.1
Contributions for Social Security												
Oregon	19.6	20.1	21.5	23.3	25.2	26.5	27.7	29.1	30.4	31.9	33.4	35.0
% Ch	5.3	2.7	6.8	8.6	8.1	5.2	4.6	4.7	4.7	4.8	4.8	4.8
U.S.	773.9	790.9	842.7	908.0	952.9	994.2	1,040.8	1,084.8	1,118.9	1,162.2	1,208.4	1,257.0
% Ch	5.0	2.2	6.6	7.7	4.9	4.3	4.7	4.2	3.1	3.9	4.0	4.0
Residence Adjustment												
Oregon	(5.5)	(5.7)	(6.0)	(6.4)	(6.8)	(7.2)	(7.5)	(7.9)	(8.2)	(8.6)	(9.0)	(9.4)
% Ch	6.8	4.4	4.7	7.4	6.0	5.1	4.7	4.6	4.6	4.5	4.5	4.5
Farm Proprietor's Income												
Oregon	0.3	0.3	0.2	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.5	0.5
% Ch	26.9	(15.0)	(36.1)	97.4	13.8	0.9	1.4	1.9	1.9	1.9	2.2	2.0
Per Capita Income (Thousands of $)												
Oregon	52.7	57.0	61.3	62.1	65.5	68.6	71.4	74.4	77.7	81.1	84.7	88.4
% Ch	4.1	8.0	7.6	1.3	5.5	4.7	4.2	4.2	4.4	4.4	4.4	4.3
U.S.	56.2	59.8	64.1	65.3	67.8	70.6	73.6	76.4	79.5	82.6	85.7	88.9
% Ch	4.6	6.3	7.2	1.8	3.9	4.2	4.2	3.9	4.0	3.9	3.8	3.8

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

Mar 2023 - Employment By Industry
(Oregon - Thousands, U.S. - Millions)

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Total Nonfarm												
Oregon	1,954.2	1,830.6	1,875.2	1,953.7	1,995.6	2,009.3	2,022.8	2,038.7	2,054.2	2,068.5	2,081.6	2,095.9
% Ch	1.6	(6.3)	2.4	4.2	2.1	0.7	0.7	0.8	0.8	0.7	0.6	0.7
U.S.	150.9	142.1	146.1	152.0	153.1	152.8	153.5	153.9	154.2	154.7	155.2	155.8
% Ch	1.3	(5.8)	2.8	4.1	0.7	(0.2)	0.5	0.3	0.2	0.3	0.3	0.4
Private Nonfarm												
Oregon	1,655.8	1,546.0	1,590.1	1,660.2	1,695.9	1,709.3	1,722.2	1,735.9	1,749.7	1,762.8	1,774.8	1,787.4
% Ch	1.7	(6.6)	2.9	4.4	2.1	0.8	0.8	0.8	0.8	0.7	0.7	0.7
U.S.	128.3	120.2	124.1	129.8	130.5	130.0	130.6	130.8	131.0	131.3	131.7	132.1
% Ch	1.5	(6.3)	3.3	4.6	0.5	(0.4)	0.5	0.2	0.1	0.2	0.3	0.3
Mining and Logging												
Oregon	6.9	6.6	6.6	6.4	6.3	6.3	6.5	6.6	6.7	6.7	6.7	6.8
% Ch	(4.4)	(4.8)	0.1	(2.4)	(1.9)	0.3	2.1	1.7	1.6	0.8	0.2	0.4
U.S.	0.7	0.6	0.6	0.6	0.7	0.7	0.7	0.7	0.7	0.8	0.8	0.7
% Ch	(0.1)	(17.6)	(5.6)	10.0	5.1	6.6	2.5	2.4	2.1	0.8	(0.3)	(1.4)
Construction												
Oregon	109.6	108.4	111.1	116.3	119.2	119.2	120.8	122.0	122.5	123.0	122.8	122.7
% Ch	3.9	(1.1)	2.5	4.6	2.5	(0.0)	1.4	0.9	0.4	0.4	(0.1)	(0.1)
U.S.	7.5	7.3	7.4	7.7	7.5	7.3	7.3	7.4	7.4	7.5	7.6	7.7
% Ch	2.8	(3.2)	2.2	3.5	(2.1)	(2.4)	(0.2)	0.9	0.9	1.2	1.1	1.0
Manufacturing												
Oregon	198.1	185.5	187.3	195.4	197.5	197.7	197.6	197.6	197.1	196.9	197.0	196.9
% Ch	1.5	(6.4)	0.9	4.3	1.1	0.1	(0.1)	(0.0)	(0.2)	(0.1)	0.1	(0.1)
U.S.	12.8	12.2	12.3	12.8	12.8	12.2	12.0	11.9	11.9	11.8	11.7	11.7
% Ch	1.0	(5.1)	1.5	3.7	(0.0)	(4.6)	(1.7)	(0.6)	(0.5)	(0.8)	(0.6)	(0.4)
Durable Manufacturing												
Oregon	137.1	128.4	129.2	135.5	136.4	136.3	136.2	136.2	135.6	135.0	134.7	134.3
% Ch	1.1	(6.3)	0.6	4.9	0.6	(0.0)	(0.1)	0.0	(0.4)	(0.5)	(0.2)	(0.3)
U.S.	8.0	7.6	7.7	8.0	8.0	7.5	7.4	7.3	7.3	7.2	7.2	7.1
% Ch	1.2	(5.8)	1.4	3.6	0.2	(5.6)	(2.1)	(0.6)	(0.5)	(1.0)	(0.7)	(0.4)
Wood Products												
Oregon	23.2	22.0	22.7	23.4	23.6	23.5	23.7	24.0	24.1	24.0	23.8	23.8
% Ch	(1.4)	(5.3)	3.5	3.0	0.7	(0.2)	0.6	1.3	0.4	(0.4)	(0.5)	(0.3)
U.S.	0.4	0.4	0.4	0.4	0.4	0.3	0.3	0.4	0.4	0.4	0.4	0.4
% Ch	0.7	(3.2)	3.6	4.7	(14.4)	(16.1)	9.0	10.7	6.4	1.7	1.6	1.6
Metal and Machinery												
Oregon	40.2	36.6	36.4	38.7	39.1	38.9	38.5	38.0	37.5	37.3	37.4	37.3
% Ch	2.2	(8.9)	(0.7)	6.4	1.2	(0.6)	(1.1)	(1.3)	(1.3)	(0.5)	0.1	(0.2)
U.S.	3.0	2.8	2.8	2.9	2.9	2.7	2.6	2.6	2.6	2.6	2.6	2.6
% Ch	1.1	(6.8)	(0.2)	3.8	0.3	(7.2)	(2.6)	(0.0)	(0.4)	(1.2)	(0.7)	(0.2)
Computer and Electronic Products												
Oregon	38.6	38.0	38.0	40.6	40.0	40.0	40.2	40.2	40.1	40.1	40.1	40.1
% Ch	1.8	(1.7)	(0.0)	7.0	(1.5)	(0.0)	0.3	0.0	(0.1)	(0.0)	(0.0)	(0.0)
U.S.	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
% Ch	2.0	(1.1)	(0.4)	2.4	1.1	0.2	0.7	(0.0)	(0.8)	(1.3)	(1.3)	(1.1)
Transportation Equipment												
Oregon	12.6	11.0	10.7	10.8	11.2	11.4	11.8	12.0	11.7	11.5	11.3	11.2
% Ch	3.8	(13.0)	(2.4)	1.4	2.9	2.2	3.7	1.1	(1.9)	(2.3)	(1.1)	(1.5)
U.S.	1.7	1.6	1.6	1.7	1.8	1.7	1.6	1.6	1.5	1.5	1.5	1.5
% Ch	1.6	(8.0)	3.0	4.0	3.6	(3.4)	(3.7)	(3.8)	(2.0)	(1.4)	(1.6)	(2.0)
Other Durables												
Oregon	22.4	20.9	21.4	22.0	22.5	22.5	22.0	22.1	22.2	22.1	22.1	22.0
% Ch	(0.7)	(6.7)	2.3	2.6	2.4	0.0	(2.0)	0.3	0.3	(0.4)	(0.1)	(0.2)
U.S.	2.2	2.1	2.2	2.3	2.2	2.0	2.0	2.0	2.0	2.0	2.0	2.0
% Ch	0.6	(4.9)	3.1	3.8	(3.1)	(8.2)	(1.5)	0.9	0.7	(0.1)	0.3	0.7
Nondurable Manufacturing												
Oregon	61.1	57.1	58.1	59.8	61.1	61.4	61.4	61.4	61.5	61.9	62.3	62.6
% Ch	2.4	(6.5)	1.7	3.0	2.1	0.5	0.1	(0.1)	0.2	0.7	0.7	0.4
U.S.	4.8	4.6	4.7	4.8	4.8	4.7	4.6	4.6	4.6	4.6	4.5	4.5
% Ch	0.8	(3.9)	1.7	3.7	(0.3)	(2.9)	(1.0)	(0.7)	(0.6)	(0.5)	(0.4)	(0.3)
Food Manufacturing												
Oregon	29.9	28.0	28.6	28.8	29.6	30.0	30.2	30.3	30.3	30.5	30.7	30.9
% Ch	0.0	(6.2)	1.8	1.0	2.6	1.3	0.7	0.3	0.2	0.5	0.8	0.6
U.S.	1.6	1.6	1.6	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.8	1.8
% Ch	1.5	(1.8)	1.4	3.6	0.7	(1.5)	0.5	0.8	0.9	0.9	0.9	1.1
Other Nondurable												
Oregon	31.2	29.1	29.5	31.0	31.5	31.4	31.3	31.1	31.2	31.4	31.6	31.7
% Ch	4.7	(6.8)	1.6	5.0	1.7	(0.3)	(0.5)	(0.5)	0.2	0.9	0.6	0.2
U.S.	3.1	3.0	3.0	3.1	3.1	3.0	2.9	2.9	2.9	2.8	2.8	2.8
% Ch	0.4	(4.9)	1.8	3.8	(0.9)	(3.7)	(1.9)	(1.5)	(1.5)	(1.3)	(1.2)	(1.1)
Trade, Transportation, and Utilities												
Oregon	357.2	349.6	361.4	364.0	364.7	365.4	365.9	366.6	367.2	367.6	367.7	367.8
% Ch	1.3	(2.1)	3.4	0.7	0.2	0.2	0.1	0.2	0.2	0.1	0.0	0.0
U.S.	27.7	26.7	27.7	28.7	28.6	28.3	28.1	27.9	27.8	27.6	27.3	27.2
% Ch	0.4	(3.7)	3.9	3.4	(0.2)	(1.0)	(0.9)	(0.5)	(0.4)	(0.8)	(0.9)	(0.6)

Mar 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	201.0	209.6	209.6	209.1	209.7	209.7	209.6	209.3	209.1	208.9	208.8
% Ch	(0.6)	(4.4)	4.3	0.0	(0.3)	0.3	(0.0)	(0.0)	(0.1)	(0.1)	(0.1)	(0.0)
U.S.	15.6	14.9	15.4	15.8	15.7	15.3	14.9	14.7	14.5	14.4	14.3	14.3
% Ch	(1.0)	(4.7)	3.6	2.4	(0.6)	(2.8)	(2.3)	(1.5)	(0.9)	(0.9)	(0.9)	(0.1)
Wholesale Trade												
Oregon	76.6	74.2	74.7	76.9	78.0	77.8	77.9	77.9	78.2	78.5	78.7	79.0
% Ch	1.2	(3.1)	0.7	2.9	1.4	(0.2)	0.1	0.1	0.3	0.4	0.4	0.4
U.S.	5.9	5.6	5.7	5.9	5.9	6.0	6.1	6.1	6.1	6.0	6.0	5.9
% Ch	0.8	(4.3)	0.8	3.2	0.6	1.7	0.9	0.5	0.2	(0.8)	(1.1)	(1.3)
Transportation and Warehousing, and Utilities												
Oregon	70.5	74.4	77.1	77.4	77.6	77.8	78.3	79.0	79.7	80.1	80.1	80.0
% Ch	7.4	5.5	3.6	0.4	0.2	0.3	0.6	0.9	0.9	0.4	0.0	(0.1)
U.S.	6.2	6.2	6.6	7.0	7.0	7.1	7.1	7.2	7.2	7.1	7.1	7.0
% Ch	3.9	(0.6)	7.3	5.8	(0.0)	0.7	0.8	0.8	(0.1)	(0.5)	(0.8)	(0.9)
Information												
Oregon	35.1	33.3	35.1	35.7	36.2	36.4	36.5	36.9	37.3	37.6	37.8	38.1
% Ch	2.2	(5.1)	5.4	1.6	1.4	0.5	0.4	1.0	1.0	0.9	0.7	0.6
U.S.	2.9	2.7	2.8	3.0	3.0	3.0	3.1	3.1	3.1	3.0	3.0	3.0
% Ch	0.9	(5.0)	4.0	6.0	0.9	0.2	1.8	(0.4)	(0.8)	(0.4)	0.1	0.0
Financial Activities												
Oregon	103.5	102.5	103.9	106.8	108.0	108.3	108.6	109.2	109.4	108.9	108.1	107.2
% Ch	1.3	(1.0)	1.3	2.8	1.1	0.3	0.2	0.6	0.1	(0.4)	(0.7)	(0.8)
U.S.	8.8	8.7	8.8	8.9	8.9	9.0	9.1	9.2	9.3	9.3	9.2	9.2
% Ch	1.9	(0.6)	0.8	2.0	(0.6)	1.2	1.5	1.0	0.8	(0.0)	(0.5)	(0.9)
Professional and Business Services												
Oregon	254.7	243.4	251.1	262.6	268.4	272.1	275.5	279.6	285.4	291.4	297.8	304.9
% Ch	2.0	(4.4)	3.2	4.6	2.2	1.3	1.3	1.5	2.1	2.1	2.2	2.4
U.S.	21.3	20.3	21.2	22.3	21.9	21.9	22.4	22.5	22.5	22.9	23.4	23.9
% Ch	1.6	(4.5)	4.6	4.8	(1.6)	(0.2)	2.5	0.4	0.1	1.7	2.1	2.2
Education and Health Services												
Oregon	312.0	296.8	299.6	309.9	321.2	325.9	329.8	333.6	337.6	341.2	344.3	347.4
% Ch	2.1	(4.9)	1.0	3.4	3.6	1.5	1.2	1.1	1.2	1.1	0.9	0.9
U.S.	24.2	23.3	23.7	24.4	25.2	25.6	25.6	25.6	25.7	25.9	26.0	26.0
% Ch	2.2	(3.7)	1.7	3.2	3.1	1.7	(0.0)	0.1	0.4	0.5	0.3	0.2
Educational Services												
Oregon	36.6	31.5	32.2	36.6	35.7	36.0	36.0	35.9	35.9	35.8	35.7	35.6
% Ch	0.3	(13.9)	2.2	13.6	(2.4)	0.7	0.0	(0.1)	(0.2)	(0.2)	(0.2)	(0.2)
U.S.	3.7	3.5	3.6	3.8	3.9	4.0	4.0	4.0	4.0	4.0	4.0	4.0
% Ch	0.7	(7.1)	3.1	6.2	2.5	1.8	(0.3)	0.1	0.6	0.7	0.2	(0.1)
Health Care and Social Assistance												
Oregon	275.4	265.3	267.4	273.3	285.5	289.9	293.8	297.6	301.8	305.4	308.6	311.7
% Ch	2.4	(3.7)	0.8	2.2	4.4	1.6	1.4	1.3	1.4	1.2	1.0	1.0
U.S.	20.4	19.8	20.1	20.6	21.3	21.7	21.7	21.7	21.8	21.9	21.9	22.0
% Ch	2.5	(3.1)	1.5	2.7	3.3	1.7	0.0	0.1	0.4	0.5	0.4	0.2
Leisure and Hospitality												
Oregon	213.9	162.2	174.8	201.5	212.2	215.3	217.3	219.3	221.1	223.4	225.9	228.6
% Ch	1.2	(24.2)	7.8	15.3	5.3	1.5	0.9	0.9	0.9	1.0	1.1	1.2
U.S.	16.6	13.1	14.1	15.7	16.1	16.0	16.2	16.3	16.3	16.2	16.3	16.3
% Ch	1.8	(20.8)	7.4	11.3	2.6	(0.8)	1.5	0.7	0.1	(0.4)	0.1	0.3
Other Services												
Oregon	64.8	57.8	59.2	61.6	62.2	62.8	63.8	64.7	65.5	66.1	66.6	67.1
% Ch	0.6	(10.8)	2.5	4.0	0.9	1.0	1.6	1.4	1.3	0.9	0.7	0.7
U.S.	5.9	5.3	5.5	5.7	5.8	5.9	6.0	6.1	6.2	6.3	6.4	6.4
% Ch	1.0	(9.6)	2.4	4.5	2.1	2.2	1.4	1.6	1.4	1.4	1.0	0.7
Government												
Oregon	298.4	284.7	285.1	293.4	299.8	300.0	300.6	302.8	304.5	305.7	306.8	308.5
% Ch	1.2	(4.6)	0.1	2.9	2.2	0.1	0.2	0.7	0.6	0.4	0.4	0.6
U.S.	22.6	22.0	22.0	22.3	22.6	22.8	22.9	23.1	23.2	23.3	23.5	23.6
% Ch	0.7	(2.8)	0.1	1.2	1.4	0.8	0.7	0.6	0.6	0.5	0.5	0.8
Federal Government												
Oregon	28.5	29.2	28.5	27.9	28.0	27.9	27.7	27.6	27.7	27.7	27.7	28.3
% Ch	1.3	2.5	(2.3)	(2.2)	0.4	(0.5)	(0.5)	(0.4)	0.2	(0.0)	(0.0)	2.4
U.S.	2.8	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9	3.0
% Ch	1.1	3.6	(1.6)	(0.6)	0.0	0.0	0.0	0.0	0.5	0.3	0.2	2.3
State Government, Oregon												
State Total	40.9	41.4	42.5	42.8	44.0	44.4	44.6	45.2	45.8	46.4	46.9	47.3
% Ch	3.6	1.1	2.7	0.7	2.8	0.9	0.5	1.1	1.4	1.4	1.0	0.9
State Education	0.9	0.9	1.0	1.1	1.2	1.2	1.2	1.1	1.1	1.1	1.1	1.1
% Ch	7.5	4.1	6.7	18.4	3.7	(0.3)	(0.9)	(1.8)	(1.4)	(1.4)	(1.0)	(1.3)
Local Government, Oregon												
Local Total	229.0	214.1	214.0	222.7	227.7	227.7	228.2	230.0	231.0	231.6	232.2	232.9
% Ch	0.8	(6.5)	(0.0)	4.1	2.2	(0.0)	0.2	0.8	0.4	0.3	0.3	0.3
Local Education	133.0	121.9	121.7	126.9	129.3	128.7	128.4	128.3	127.8	126.9	126.4	126.0
% Ch	0.3	(8.4)	(0.2)	4.2	1.9	(0.5)	(0.2)	(0.1)	(0.4)	(0.7)	(0.4)	(0.3)

Mar 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 $)	19,036.1	18,509.1	19,609.8	20,010.2	20,112.9	20,465.6	20,867.1	21,211.2	21,553.0	21,905.7	22,265.7	22,642.9
% Ch	2.3	(2.8)	5.9	2.0	0.5	1.8	2.0	1.6	1.6	1.6	1.6	1.7
Price and Wage Indicators												
GDP Implicit Price Deflator,												
Chain Weight U.S., 2012=100	112.3	113.8	118.9	127.2	131.9	134.8	137.6	140.6	143.8	147.0	150.3	153.7
% Ch	1.8	1.3	4.5	7.0	3.6	2.3	2.1	2.2	2.2	2.2	2.2	2.2
Personal Consumption Deflator,												
Chain Weight U.S., 2012=100	109.9	111.1	115.6	122.8	126.9	129.7	132.2	134.8	137.5	140.2	142.9	145.7
% Ch	1.5	1.1	4.0	6.2	3.3	2.2	1.9	2.0	2.0	2.0	1.9	1.9
CPI, Urban Consumers,												
1982-84=100												
West Region	270.3	275.1	287.5	310.5	323.0	332.0	340.6	350.1	359.5	369.2	379.0	389.0
% Ch	2.7	1.7	4.5	8.0	4.0	2.8	2.6	2.8	2.7	2.7	2.7	2.7
U.S.	255.6	258.8	271.0	292.6	303.9	310.5	316.7	323.5	330.6	337.5	344.5	351.6
% Ch	1.8	1.2	4.7	8.0	3.9	2.2	2.0	2.2	2.2	2.1	2.1	2.1
Oregon Average Wage												
Rate (Thous $)	57.4	62.9	66.8	69.2	72.4	75.5	78.5	81.7	85.0	88.4	92.0	95.8
% Ch	3.9	9.5	6.2	3.7	4.5	4.3	4.0	4.0	4.0	4.1	4.1	4.0
U.S. Average Wage												
Wage Rate (Thous $)	61.8	66.5	70.4	73.4	76.5	79.9	83.3	86.6	90.1	93.4	96.8	100.3
% Ch	3.4	7.7	5.9	4.2	4.2	4.5	4.2	4.1	4.0	3.7	3.6	3.6
Housing Indicators												
FHFA Oregon Housing Price Index												
1991 Q1=100	435.4	471.3	557.8	611.9	569.4	577.1	610.9	654.0	695.6	736.5	776.7	816.7
% Ch	4.8	8.2	18.4	9.7	(7.0)	1.4	5.9	7.1	6.4	5.9	5.5	5.1
FHFA National Housing Price Index												
1991 Q1=100	269.1	290.3	339.1	385.9	364.6	361.5	371.8	389.2	407.8	426.9	447.2	467.4
% Ch	5.1	7.9	16.8	13.8	(5.5)	(0.8)	2.8	4.7	4.8	4.7	4.8	4.5
Housing Starts												
Oregon (Thous)	20.7	18.1	20.2	20.0	18.4	19.6	21.1	21.4	21.7	22.2	22.4	22.5
% Ch	5.7	(12.7)	12.0	(1.4)	(8.1)	6.7	7.6	1.4	1.7	2.0	0.9	0.8
U.S. (Millions)	1.3	1.4	1.6	1.6	1.2	1.3	1.4	1.4	1.4	1.4	1.4	1.4
% Ch	3.5	8.1	15.1	(3.1)	(23.4)	5.4	9.7	1.2	(1.0)	(0.1)	(0.0)	(0.6)
Other Indicators												
Unemployment Rate (%)												
Oregon	3.7	7.6	5.2	3.9	4.1	4.2	4.2	4.2	4.2	4.2	4.2	4.2
Point Change	(0.3)	3.9	(2.4)	(1.4)	0.2	0.2	0.0	0.0	0.0	0.0	0.0	0.0
U.S.	3.7	8.1	5.4	3.7	4.6	4.8	4.5	4.4	4.4	4.4	4.3	4.3
Point Change	(0.2)	4.4	(2.7)	(1.7)	0.9	0.3	(0.4)	(0.1)	0.0	(0.0)	(0.0)	(0.0)
Industrial Production Index												
U.S, 2012 = 100	102.5	95.3	100.0	104.1	103.5	104.5	106.4	107.8	109.0	110.1	111.3	112.4
% Ch	(0.7)	(7.0)	4.9	4.1	(0.5)	1.0	1.8	1.3	1.1	1.0	1.0	1.0
Prime Rate (Percent)	5.3	3.5	3.3	4.9	7.9	7.5	6.1	5.8	5.7	5.7	5.7	5.7
% Ch	7.7	(32.9)	(8.3)	49.3	63.2	(5.8)	(18.3)	(5.6)	(0.0)	(0.1)	(0.0)	0.0
Population (Millions)												
Oregon	4.21	4.24	4.27	4.29	4.32	4.35	4.38	4.42	4.46	4.50	4.53	4.57
% Ch	0.9	0.7	0.5	0.7	0.6	0.6	0.8	0.9	0.8	0.8	0.8	0.9
U.S.	330.7	331.8	332.2	333.1	334.5	336.1	337.7	339.4	341.1	342.8	344.5	346.2
% Ch	0.5	0.3	0.1	0.3	0.4	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	3,614.1	3,592.6	3,628.0	3,679.0	3,732.4	3,733.3	3,722.6	3,714.7
% Ch	(12.9)	2.4	7.1	(5.9)	(1.0)	(0.6)	1.0	1.4	1.5	0.0	(0.3)	(0.2)

APPENDIX B: REVENUE FORECAST DETAIL

Table B.1a
General Fund Revenue Statement – 2021-23

		Forecasts Dated: 12/1/2022			Forecasts Dated: 3/1/2023			Difference	
	Estimate at COS 2021	2021-22	2022-23	Total 2021-23	2021-22	2022-23	Total 2021-23	03/1/2023 Less 12/1/2022	03/1/2023 Less COS
Taxes									
Personal Income Taxes	20,628,060,000	12,482,887,000	11,462,568,000	23,945,455,000	12,482,887,000	11,702,543,000	24,185,430,000	239,975,000	3,557,370,000
Film & Video, Gain Share, Industrial Lands	(40,583,000)	(24,823,000)	(25,631,000)	(50,454,000)	(24,823,000)	(25,631,000)	(50,454,000)	0	(9,871,000)
Corporate Income Taxes	1,343,966,000	1,539,051,000	1,108,908,000	2,647,959,000	1,539,051,000	1,350,367,000	2,889,418,000	241,459,000	1,545,452,000
Transfer to Rainy Day Fund (Minimum Tax)	(56,001,000)	0	(107,833,000)	(107,833,000)	0	(117,666,000)	(117,666,000)	(9,833,000)	(61,665,000)
Insurance Taxes	135,086,000	86,214,000	48,886,000	135,100,000	86,214,000	60,973,000	147,187,000	12,087,000	12,101,000
Estate Taxes	443,848,000	325,468,000	260,147,000	585,615,000	325,468,000	255,282,000	580,750,000	(4,865,000)	136,902,000
Transfer to PERS UAL	(74,916,000)	0	(89,003,000)	(89,003,000)	0	(89,003,000)	(89,003,000)	0	(14,087,000)
Cigarette Taxes	44,903,000	24,396,000	22,084,000	46,480,000	24,396,000	21,904,000	46,300,000	(180,000)	1,397,000
Other Tobacco Products Taxes	65,129,000	30,320,000	31,711,000	62,031,000	30,320,000	31,223,000	61,543,000	(488,000)	(3,586,000)
Other Taxes	1,786,000	1,007,000	893,000	1,900,000	1,007,000	893,000	1,900,000	0	114,000
Fines and Fees									
State Court Fees	136,147,000	52,488,000	59,540,000	112,028,000	52,488,000	55,159,000	107,647,000	(4,381,000)	(28,500,000)
Secretary of State Fees	82,185,000	42,949,000	41,899,000	84,848,000	42,949,000	42,999,000	85,948,000	1,100,000	3,763,000
Criminal Fines & Assessments	27,202,000	792,000	8,520,000	9,312,000	792,000	7,847,000	8,639,000	(673,000)	(18,563,000)
Securities Fees	26,538,000	15,575,000	12,680,000	28,255,000	15,575,000	14,548,000	30,123,000	1,868,000	3,585,000
Central Service Charges	12,746,000	6,373,000	6,373,000	12,746,000	6,373,000	6,373,000	12,746,000	0	0
Liquor Apportionment	347,137,000	193,470,000	164,101,000	357,571,000	193,470,000	164,101,000	357,571,000	0	10,434,000
Interest Earnings	35,000,000	39,984,000	150,000,000	189,984,000	39,984,000	160,000,000	199,984,000	10,000,000	164,984,000
Miscellaneous Revenues	12,000,000	8,490,000	6,000,000	14,490,000	8,490,000	7,000,000	15,490,000	1,000,000	3,490,000
One-time Transfers	58,677,000	94,681,000	58,677,000	153,358,000	94,681,000	58,677,000	153,358,000	0	94,681,000
Gross General Fund Revenues	23,400,410,000	14,944,145,000	13,442,987,000	28,387,132,000	14,944,145,000	13,939,889,000	28,884,034,000	496,902,000	5,483,624,000
Total Transfers	(171,500,000)	(24,823,000)	(222,467,000)	(247,290,000)	(24,823,000)	(232,300,000)	(257,123,000)	(9,833,000)	(71,536,000)
Net General Fund Revenues	23,228,910,000	14,919,322,000	13,220,520,000	28,139,842,000	14,919,322,000	13,707,589,000	28,626,911,000	487,069,000	5,398,001,000
Plus Beginning Balance	3,025,585,699			4,082,489,264			4,082,489,264	0	1,056,903,565
Less Anticipated Administrative Actions*	(21,472,000)			0			0	0	21,472,000
Less Legislatively Adopted Actions**	(224,612,788)			(220,722,881)			(220,722,881)	0	3,889,907
Available Resources	26,008,410,911			32,001,608,383			32,488,677,383	487,069,000	6,480,266,472
Appropriations	25,445,991,039			27,861,031,017			27,861,031,017	0	2,415,039,978
Estimated Ending Balance	562,419,872			4,140,577,366			4,627,646,366	487,069,000	4,065,226,494

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

	Forecasts Dated: 12/1/2022			Forecasts Dated: 3/1/2023			Difference
	2023-24	2024-25	Total 2023-25	2023-24	2024-25	Total 2023-25	03/1/2023 Less 12/1/2022
Taxes							
Personal Income Taxes (Before Kicker)	9,365,654,000	12,174,401,000	21,540,055,000	9,320,213,000	12,249,279,000	21,569,492,000	29,437,000
Film and Video and Transfer to Counties	(25,900,000)	(22,672,000)	(48,572,000)	(25,900,000)	(22,672,000)	(48,572,000)	0
Corporate Income Taxes (Before Kicker)	991,819,000	964,039,000	1,955,858,000	1,075,515,000	983,071,000	2,058,586,000	102,728,000
Transfer to Rainy Day Fund (Minimum Tax)	0	(79,648,000)	(79,648,000)	0	(83,832,000)	(83,832,000)	(4,184,000)
Insurance Taxes	67,078,000	68,000,000	135,078,000	72,135,000	73,508,000	145,643,000	10,565,000
Estate Taxes	263,673,000	270,966,000	534,639,000	263,673,000	272,366,000	536,039,000	1,400,000
Transfer to PERS UAL	0	0	0	0	0	0	0
Cigarette Taxes	21,870,000	21,208,000	43,078,000	21,896,000	21,361,000	43,257,000	179,000
Other Tobacco Products Taxes	31,859,000	31,839,000	63,698,000	31,859,000	31,839,000	63,698,000	0
Other Taxes	893,000	893,000	1,786,000	893,000	893,000	1,786,000	0
Fines and Fees							
State Court Fees	67,566,000	69,029,000	136,595,000	62,642,000	65,094,000	127,736,000	(8,859,000)
Secretary of State Fees	43,033,000	42,969,000	86,002,000	43,233,000	43,059,000	86,292,000	290,000
Criminal Fines & Assessments	10,677,000	10,677,000	21,354,000	10,724,000	10,724,000	21,448,000	94,000
Securities Fees	13,617,000	14,014,000	27,631,000	14,591,000	15,220,000	29,811,000	2,180,000
Central Service Charges	6,373,000	6,373,000	12,746,000	6,373,000	6,373,000	12,746,000	0
Liquor Apportionment	179,151,000	190,996,000	370,147,000	193,944,000	206,767,000	400,711,000	30,564,000
Interest Earnings	140,000,000	65,000,000	205,000,000	146,000,000	73,000,000	219,000,000	14,000,000
Miscellaneous Revenues	6,000,000	6,000,000	12,000,000	7,000,000	7,000,000	14,000,000	2,000,000
One-time Transfers	0	0	0	0	0	0	0
Gross General Fund Revenues	11,209,263,000	13,936,404,000	25,145,667,000	11,270,691,000	14,059,554,000	25,330,245,000	184,578,000
Total Personal and Corporate Transfers	(25,900,000)	(102,320,000)	(128,220,000)	(25,900,000)	(106,504,000)	(132,404,000)	(4,184,000)
Net General Fund Revenues	11,183,363,000	13,834,084,000	25,017,447,000	11,244,791,000	13,953,050,000	25,197,841,000	180,394,000

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.

Table B.2 General Fund Revenue Forecast by Fiscal Year

General Fund Revenue Forecast

March 2023

($Millions)

Fiscal Years	2019-20 Fiscal Year	2020-21 Fiscal Year	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
Taxes												
Personal Income	7,212.2	12,792.8	12,482.9	11,702.5	9,320.2	12,249.3	13,823.4	14,714.1	15,887.0	16,899.2	18,057.1	19,075.4
Film & Video, Gain Share, Industrial Lands	(20.1)	(20.2)	(24.8)	(25.6)	(25.9)	(22.7)	(17.6)	0.0	0.0	0.0	0.0	0.0
Corporate Excise & Income	488.3	1,553.1	1,539.1	1,350.4	1,075.5	983.1	1,016.8	1,063.6	1,076.8	1,128.9	1,211.4	1,286.0
Transfer to RDF & PERS UAL	0.0	(74.5)	0.0	(117.7)	0.0	(83.8)	0.0	(84.7)	0.0	(89.8)	0.0	(101.7)
Insurance	75.3	83.9	86.2	61.0	72.1	73.5	75.5	77.6	84.4	85.9	88.5	91.7
Estate	113.8	410.3	325.5	255.3	263.7	272.4	278.8	285.8	294.5	302.2	312.3	320.9
Transfer to PERS UAL	0.0	0.0	0.0	(89.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cigarette	30.5	24.6	24.4	21.9	21.9	21.4	20.7	20.3	20.0	19.7	19.4	19.1
Other Tobacco Products	30.9	30.4	30.3	31.2	31.9	31.8	31.7	31.9	31.8	31.9	31.9	31.9
Other Taxes	0.4	0.6	1.0	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9
Other Revenues												
Licenses and Fees	135.3	114.1	111.8	120.6	131.2	134.1	134.5	135.3	136.0	136.6	137.1	137.7
Charges for Services	5.7	5.7	6.4	6.4	6.4	6.4	6.4	6.4	6.4	6.4	6.4	6.4
Liquor Apportionment	162.1	178.8	193.5	164.1	193.9	206.8	188.6	198.6	209.6	222.4	235.9	249.8
Interest Earnings	64.5	28.5	40.0	160.0	146.0	73.0	50.0	50.0	50.0	50.0	50.0	50.0
Others	20.4	165.4	103.2	65.7	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
Gross General Fund	8,339.4	15,388.1	14,944.1	13,939.9	11,270.7	14,059.6	15,634.6	16,591.6	17,804.4	18,891.0	20,157.9	21,276.8
Net General Fund	8,319.3	15,293.4	14,919.3	13,707.6	11,244.8	13,953.1	15,616.9	16,506.8	17,804.4	18,801.1	20,157.9	21,175.1

Biennial Totals	2019-21 BN	Change (%)	2021-23 BN	Change (%)	2023-25 BN	Change (%)	2025-27 BN	Change (%)	2027-29 BN	Change (%)	2029-31 BN	Change (%)
Taxes												
Personal Income	20,005.0	6.3%	24,185.4	20.9%	21,569.5	-10.8%	28,537.5	32.3%	32,786.1	14.9%	37,132.5	13.3%
Corporate Excise & Income	2,041.4	16.5%	2,889.4	41.5%	2,058.6	-28.8%	2,080.4	1.1%	2,205.7	6.0%	2,497.4	13.2%
Insurance	159.2	-0.7%	147.2	-7.5%	145.6	-1.0%	153.2	5.2%	170.3	11.2%	180.3	5.8%
Estate Taxes	524.1	37.5%	580.7	10.8%	536.0	-7.7%	564.7	5.3%	596.7	5.7%	633.3	6.1%
Cigarette	55.1	-16.0%	46.3	-16.0%	43.3	-6.6%	41.1	-5.0%	39.7	-3.4%	38.5	-3.1%
Other Tobacco Products	61.3	-3.6%	61.5	0.4%	63.7	3.5%	63.6	-0.1%	63.7	0.2%	63.8	0.1%
Other Taxes	1.0	-49.4%	1.9	90.2%	1.8	-6.0%	1.8	0.0%	1.8	0.0%	1.8	0.0%
Other Revenues												
Licenses and Fees	249.4	-3.7%	232.4	-6.8%	265.3	14.2%	269.9	1.7%	272.6	1.0%	274.8	0.8%
Charges for Services	11.5	5.5%	12.7	11.0%	12.7	0.0%	12.7	0.0%	12.7	0.0%	12.7	0.0%
Liquor Apportionment	340.9	15.8%	357.6	4.9%	400.7	12.1%	387.2	-3.4%	432.0	11.6%	485.7	12.4%
Interest Earnings	92.9	6.6%	200.0	115.2%	219.0	9.5%	100.0	-54.3%	100.0	0.0%	100.0	0.0%
Others	185.8	1121.7%	168.8	-9.1%	14.0	-91.7%	14.0	0.0%	14.0	0.0%	14.0	0.0%
Gross General Fund	23,727.5	8.3%	28,884.0	21.7%	25,330.2	-12.3%	32,226.1	27.2%	36,695.3	13.9%	41,434.7	12.9%
Net General Fund	23,612.7	8.4%	28,626.9	21.2%	25,197.8	-12.0%	32,123.8	27.5%	36,605.5	14.0%	41,333.0	12.9%

Table B.3 Summary of 2021 Legislative Session Adjustments

	21-23	23-25	25-27	Revenue Impact Statement
Personal Income Tax Impacts (millions)				
Tax Expenditure – HB 2433	-$68.5	-$149.5	-$165.1	HB 2433
EITC (Federal Reconnect) – HB 2457	-$13.0	-$0.4	-$0.4	HB 2457
Pass-Through Entity – SB 139	$41.7	$59.9	$64.2	SB 139
Personal Income Tax Total	**-$39.8**	**-$90.1**	**-$101.4**	
Corporate Income Tax Impacts (millions)				
Tax Expenditure – HB 2433	-$1.0	-$6.5	-$9.7	HB 2433
Broadcasters – SB 136	-$1.2	-$1.2	-$1.2	SB 136
Corporate Income Tax Total	**-$2.2**	**-$7.7**	**-$10.9**	
Other Tax/Revenue Impacts (millions)				
Criminal Fine Account, Traffic - HB 2137	-$0.8	-$0.3	$0.0	HB 2137
Criminal Fine Account, Photo Radar – HB 2530	$0.0	$4.8	$7.5	HB 2530
Criminal Fine Account, Filing Fee – SB 397	-$1.2	-$1.2	-$1.2	SB 397
Criminal Fine Account, Juvenile – SB 817	-$3.0	-$0.9	-$0.9	SB 817
Tax Court - HB 2178	-$0.2	-$0.2	-$0.2	HB 2178
Secretary of State Filing Fees – SB 25	$1.5	-$0.6	-$6.3	SB 25
OLCC, Retail Agents – HB 2740	-$7.6	-$8.0	-$8.4	HB 2740
OLCC, Retail Agents – SB 316	-$1.5	-$2.3	-$2.3	SB 316
Other Tax Total	**-$12.7**	**-$8.6**	**-$11.9**	

Table B.4 Oregon Personal Income Tax Revenue Forecast

TABLE B.4 **OREGON PERSONAL INCOME TAX REVENUE FORECAST - QUARTERLY COLLECTIONS**
Thousands of Dollars - Not Seasonally Adjusted **March 2023**

	2009:3	2009:4	2010:1	2010:2	FY 2010	2010:3	2010:4	2011:1	2011:2	FY 2011
WITHHOLDING	1,092,795	1,151,673	1,157,857	1,116,552	4,518,878	1,146,189	1,196,214	1,262,781	1,218,439	4,823,622
%CHYA	-6.0%	-2.6%	2.6%	2.5%	-1.0%	4.9%	3.9%	9.1%	9.1%	6.7%
EST. PAYMENTS	176,110	161,759	186,894	265,703	790,467	179,692	148,589	207,036	284,662	819,978
%CHYA	-33.4%	-7.5%	-14.0%	1.0%	-14.1%	2.0%	-8.1%	10.8%	7.1%	3.7%
FINAL PAYMENTS	63,363	77,013	105,745	515,262	761,383	62,259	81,728	114,877	607,592	866,456
%CHYA	-9.9%	-22.5%	1.6%	-2.8%	-5.3%	-1.7%	6.1%	8.6%	17.9%	13.8%
REFUNDS	96,477	188,704	459,550	380,459	1,125,190	92,291	151,515	432,478	340,652	1,016,937
%CHYA	4.8%	4.6%	2.6%	-5.9%	0.1%	-4.3%	-19.7%	-5.9%	-10.5%	-9.6%
OTHER	(138,521)	-	-	136,193	(2,328)	(136,193)	-	-	165,933	29,740
TOTAL	1,097,271	1,201,740	990,947	1,653,251	4,943,210	1,159,655	1,275,015	1,152,216	1,935,973	5,522,860
%CHYA	-10.2%	-5.9%	-1.2%	2.3%	-3.4%	5.7%	6.1%	16.3%	17.1%	11.7%

	2011:3	2011:4	2012:1	2012:2	FY 2012	2012:3	2012:4	2013:1	2013:2	FY 2013
WITHHOLDING	1,235,508	1,287,030	1,348,171	1,269,562	5,140,271	1,262,589	1,364,547	1,354,116	1,321,413	5,302,666
%CHYA	7.8%	7.6%	6.8%	4.2%	6.6%	2.2%	6.0%	0.4%	4.1%	3.2%
EST. PAYMENTS	194,674	185,239	199,238	299,646	878,797	205,533	159,104	278,341	321,896	964,874
%CHYA	8.3%	24.7%	-3.8%	5.3%	7.2%	5.6%	-14.1%	39.7%	7.4%	9.8%
FINAL PAYMENTS	85,889	87,233	117,628	627,762	918,512	72,224	91,338	123,456	785,542	1,072,560
%CHYA	38.0%	6.7%	2.4%	3.3%	6.0%	-15.9%	4.7%	5.0%	25.1%	16.8%
REFUNDS	64,687	156,272	530,800	360,618	1,112,377	52,211	109,503	536,506	383,176	1,081,397
%CHYA	-29.9%	3.1%	22.7%	5.9%	9.4%	-19.3%	-29.9%	1.1%	6.3%	-2.8%
OTHER	(165,933)	-	-	193,614	27,681	(193,614)	-	-	201,367	7,753
TOTAL	1,285,451	1,403,230	1,134,237	2,029,966	5,852,884	1,294,521	1,505,486	1,219,407	2,247,042	6,266,457
%CHYA	10.8%	10.1%	-1.6%	4.9%	6.0%	0.7%	7.3%	7.5%	10.7%	7.1%

	2013:3	2013:4	2014:1	2014:2	FY 2014	2014:3	2014:4	2015:1	2015:2	FY 2015
WITHHOLDING	1,333,946	1,435,630	1,442,755	1,420,313	5,632,644	1,455,822	1,523,453	1,576,188	1,505,337	6,060,801
%CHYA	5.7%	5.2%	6.5%	7.5%	6.2%	9.1%	6.1%	9.2%	6.0%	7.6%
EST. PAYMENTS	221,695	214,342	247,826	357,218	1,041,080	264,823	236,303	305,582	408,957	1,215,665
%CHYA	7.9%	34.7%	-11.0%	11.0%	7.9%	19.5%	10.2%	23.3%	14.5%	16.8%
FINAL PAYMENTS	83,096	112,495	139,923	730,795	1,066,309	92,647	144,239	156,188	847,330	1,240,403
%CHYA	15.1%	23.2%	13.3%	-7.0%	-0.6%	11.5%	28.2%	11.6%	15.9%	16.3%
REFUNDS	67,098	197,448	472,018	354,437	1,091,001	100,729	173,522	520,272	375,119	1,169,642
%CHYA	28.5%	80.3%	-12.0%	-7.5%	0.9%	50.1%	-12.1%	10.2%	5.8%	7.2%
OTHER	(201,367)	-	-	180,356	(21,011)	(180,356)	-	-	163,398	(16,959)
TOTAL	1,370,272	1,565,018	1,358,485	2,334,246	6,628,021	1,532,207	1,730,473	1,517,685	2,549,903	7,330,268
%CHYA	5.9%	4.0%	11.4%	3.9%	5.8%	11.8%	10.6%	11.7%	9.2%	10.6%

	2015:3	2015:4	2016:1	2016:2	FY 2016	2016:3	2016:4	2017:1	2017:2	FY 2017
WITHHOLDING	1,551,517	1,644,209	1,711,568	1,634,728	6,542,022	1,675,744	1,705,280	1,835,155	1,769,354	6,985,533
%CHYA	6.6%	7.9%	8.6%	8.6%	7.9%	8.0%	3.7%	7.2%	8.2%	6.8%
EST. PAYMENTS	309,470	141,009	327,008	423,839	1,201,325	300,866	319,225	382,445	450,241	1,452,777
%CHYA	16.9%	-40.3%	7.0%	5.7%	-0.5%	-2.8%	126.4%	17.0%	6.2%	20.9%
FINAL PAYMENTS[1]	99,618	321,345	141,818	813,132	1,375,913	103,631	144,248	175,235	919,186	1,342,301
%CHYA	7.5%	122.8%	-9.2%	-4.9%	10.2%	4.0%	-55.1%	23.6%	13.0%	-2.4%
REFUNDS	85,113	203,981	577,546	562,601	1,429,241	138,825	254,851	574,417	454,899	1,422,992
%CHYA	-15.5%	17.6%	11.0%	50.0%	22.2%	63.1%	24.9%	-0.5%	-19.1%	-0.4%
OTHER	(163,398)	-	-	236,108	72,710	(236,108)	-	-	192,251	(43,856)
TOTAL	1,712,094	1,902,583	1,602,848	2,545,205	7,762,729	1,705,308	1,913,902	1,818,419	2,876,134	8,313,763
%CHYA	11.7%	9.9%	5.6%	-0.2%	5.9%	-0.4%	0.6%	13.4%	13.0%	7.1%

	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[1]	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%

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 **March 2023**

	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[1]	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	2,620,960	2,515,588	10,287,751
%CHYA	12.5%	10.2%	12.5%	8.9%	11.0%	4.8%	4.6%	0.4%	1.9%	2.9%
EST. PAYMENTS	495,468	340,639	508,064	904,746	2,248,917	659,287	713,409	605,926	544,794	2,523,416
%CHYA	-0.4%	16.4%	17.4%	28.9%	16.8%	33.1%	109.4%	19.3%	-39.8%	12.2%
FINAL PAYMENTS[1]	153,160	208,665	255,615	2,115,965	2,733,405	162,621	255,669	217,660	927,256	1,563,205
%CHYA	-79.8%	46.7%	15.8%	41.0%	4.3%	6.2%	22.5%	-14.8%	-56.2%	-42.8%
REFUNDS	162,428	300,852	1,062,458	960,617	2,486,355	293,038	559,280	1,004,393	891,302	2,748,013
%CHYA	-62.5%	-16.6%	90.2%	42.9%	22.8%	80.4%	85.9%	-5.5%	-7.2%	10.5%
OTHER	(194,880)	-	-	183,017	(11,863)	(183,017)	-	-	259,202	76,185
TOTAL	2,685,315	2,774,318	2,312,417	4,710,837	12,482,887	2,855,581	3,051,273	2,440,153	3,355,537	11,702,543
%CHYA	-3.2%	17.3%	-4.3%	18.0%	8.1%	6.3%	10.0%	5.5%	-28.8%	-6.3%

	2023:3	2023:4	2024:1	2024:2	FY 2023	2024:3	2024:4	2025:1	2025:2	FY 2025
WITHHOLDING	2,610,294	2,762,753	2,840,933	2,693,293	10,907,273	2,761,681	2,922,964	2,998,219	2,841,353	11,524,217
%CHYA	4.0%	4.6%	8.4%	7.1%	6.0%	5.8%	5.8%	5.5%	5.5%	5.7%
EST. PAYMENTS	462,172	399,564	501,453	667,145	2,030,334	493,500	426,648	536,137	723,052	2,179,337
%CHYA	-29.9%	-44.0%	-17.2%	22.5%	-19.5%	6.8%	6.8%	6.9%	8.4%	7.3%
FINAL PAYMENTS[1]	128,906	186,530	110,259	165,772	591,467	73,311	99,546	195,660	1,300,317	1,668,834
%CHYA	-20.7%	-27.0%	-49.3%	-82.1%	-62.2%	-43.1%	-46.6%	77.5%	684.4%	182.2%
REFUNDS	192,564	425,227	2,030,562	1,602,241	4,250,594	332,632	759,602	1,148,964	871,603	3,112,802
%CHYA	-34.3%	-24.0%	102.2%	79.8%	54.7%	72.7%	78.6%	-43.4%	-45.6%	-26.8%
OTHER	(259,202)	-	-	350,934	41,732	(350,934)	-	-	340,626	(10,308)
TOTAL	2,749,606	2,923,620	1,422,084	2,274,903	9,320,213	2,644,926	2,689,556	2,581,053	4,333,744	12,249,279
%CHYA	-3.7%	-4.2%	-41.7%	-32.2%	-20.4%	-3.8%	-8.0%	81.5%	90.5%	31.4%

	2025:3	2025:4	2026:1	2026:2	FY 2026	2026:3	2026:4	2027:1	2027:2	FY 2027
WITHHOLDING	2,913,513	3,083,667	3,160,613	2,994,912	12,152,705	3,070,977	3,250,327	3,331,136	3,156,454	12,808,894
%CHYA	5.5%	5.5%	5.4%	5.4%	5.5%	5.4%	5.4%	5.4%	5.4%	5.4%
EST. PAYMENTS	534,855	462,401	579,883	765,419	2,342,558	566,194	489,495	614,686	822,984	2,493,360
%CHYA	8.4%	8.4%	8.2%	5.9%	7.5%	5.9%	5.9%	6.0%	7.5%	6.4%
FINAL PAYMENTS[1]	132,215	211,451	214,867	1,418,291	1,976,824	127,674	213,830	226,367	1,452,789	2,020,660
%CHYA	80.3%	112.4%	9.8%	9.1%	18.5%	-3.4%	1.1%	5.4%	2.4%	2.2%
REFUNDS	197,008	427,989	1,101,646	868,626	2,595,269	202,720	437,439	1,109,941	874,924	2,625,023
%CHYA	-40.8%	-43.7%	-4.1%	-0.3%	-16.6%	2.9%	2.2%	0.8%	0.7%	1.1%
OTHER	(340,626)	-	-	287,243	(53,383)	(287,243)	-	-	303,452	16,210
TOTAL	3,042,950	3,329,530	2,853,717	4,597,238	13,823,435	3,274,883	3,516,214	3,062,248	4,860,756	14,714,100
%CHYA	15.0%	23.8%	10.6%	6.1%	12.9%	7.6%	5.6%	7.3%	5.7%	6.4%

	2027:3	2027:4	2028:1	2028:2	FY 2028	2028:3	2028:4	2029:1	2029:2	FY 2029
WITHHOLDING	3,236,622	3,425,647	3,510,466	3,326,332	13,499,068	3,410,815	3,610,013	3,710,255	3,517,156	14,248,241
%CHYA	5.4%	5.4%	5.4%	5.4%	5.4%	5.4%	5.4%	5.7%	5.7%	5.5%
EST. PAYMENTS	608,777	526,309	660,429	877,384	2,672,899	649,017	561,098	704,046	934,806	2,848,968
%CHYA	7.5%	7.5%	7.4%	6.6%	7.2%	6.6%	6.6%	6.6%	6.5%	6.6%
FINAL PAYMENTS1	137,857	228,230	274,790	1,665,799	2,306,676	169,060	271,439	299,949	1,806,741	2,547,189
%CHYA	8.0%	6.7%	21.4%	14.7%	14.2%	22.6%	18.9%	9.2%	8.5%	10.4%
REFUNDS	203,990	440,414	1,140,206	899,339	2,683,948	209,539	452,676	1,168,276	921,356	2,751,848
%CHYA	0.6%	0.7%	2.7%	2.8%	2.2%	2.7%	2.8%	2.5%	2.4%	2.5%
OTHER	(303,452)	-	-	395,713	92,260	(395,713)	-	-	402,316	6,603
TOTAL	3,475,814	3,739,773	3,305,479	5,365,888	15,886,955	3,623,641	3,989,875	3,545,975	5,739,663	16,899,154
%CHYA	6.1%	6.4%	7.9%	10.4%	8.0%	4.3%	6.7%	7.3%	7.0%	6.4%

	2029:3	2029:4	2030:1	2030:2	FY 2030	2030:3	2030:4	2031:1	2031:2	FY 2030
WITHHOLDING	3,606,468	3,817,087	3,923,892	3,719,783	15,067,231	3,814,239	4,036,992	4,150,230	3,934,386	15,935,846
%CHYA	5.7%	5.7%	5.8%	5.8%	5.7%	5.8%	5.8%	5.8%	5.8%	5.8%
EST. PAYMENTS	691,493	597,821	749,722	989,795	3,028,831	732,170	632,987	794,104	1,052,342	3,211,604
%CHYA	6.5%	6.5%	6.5%	5.9%	6.3%	5.9%	5.9%	5.9%	6.3%	6.0%
FINAL PAYMENTS1	183,797	294,584	322,814	1,946,380	2,747,575	197,548	316,986	347,115	2,070,458	2,932,108
%CHYA	8.7%	8.5%	7.6%	7.7%	7.9%	7.5%	7.6%	7.5%	6.4%	6.7%
REFUNDS	214,545	463,636	1,212,365	956,461	2,847,007	222,316	481,028	1,280,482	1,010,660	2,994,486
%CHYA	2.4%	2.4%	3.8%	3.8%	3.5%	3.6%	3.8%	5.6%	5.7%	5.2%
OTHER	(402,316)	-	-	462,739	60,424	(462,739)	-	-	453,092	(9,648)
TOTAL	3,864,898	4,245,856	3,784,063	6,162,237	18,057,053	4,058,902	4,505,937	4,010,967	6,499,618	19,075,424
%CHYA	6.7%	6.4%	6.7%	7.4%	6.9%	5.0%	6.1%	6.0%	5.5%	5.6%

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 Oregon Corporate Income Tax Revenue Forecast

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

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

	2009:3	2009:4	2010:1	2010:2	FY 2010	2010:3	2010:4	2011:1	2011:2	FY 2011
ADVANCE PAYMENTS	79,579	163,877	66,451	147,313	457,220	115,286	175,561	76,405	165,354	532,606
%CHYA	-20.9%	12.8%	4.2%	51.3%	12.3%	44.9%	7.1%	15.0%	12.2%	16.5%
FINAL PAYMENTS	20,404	24,009	38,412	45,714	128,539	21,781	21,206	35,770	40,805	119,562
%CHYA	-13.2%	-10.2%	72.1%	109.5%	36.2%	6.8%	-11.7%	-6.9%	-10.7%	-7.0%
REFUNDS	29,072	137,244	40,080	25,774	232,170	23,130	89,877	39,065	31,489	183,562
%CHYA	3.3%	9.9%	-40.6%	-30.7%	-9.9%	-20.4%	-34.5%	-2.5%	22.2%	-20.9%
TOTAL	70,910	50,642	64,784	167,254	353,589	113,936	106,890	73,111	174,670	468,606
%CHYA	-26.1%	7.3%	247.5%	104.0%	45.1%	60.7%	111.1%	12.9%	4.4%	32.5%

	2011:3	2011:4	2012:1	2012:2	FY 2012	2012:3	2012:4	2013:1	2013:2	FY 2013
ADVANCE PAYMENTS	120,766	154,290	86,873	156,652	518,581	130,348	110,207	80,942	282,526	604,023
%CHYA	4.8%	-12.1%	13.7%	-5.3%	-2.6%	7.9%	-28.6%	-6.8%	80.4%	16.5%
FINAL PAYMENTS	19,117	26,841	32,512	33,322	111,792	16,387	21,377	36,660	34,009	108,433
%CHYA	-12.2%	26.6%	-9.1%	-18.3%	-6.5%	-14.3%	-20.4%	12.8%	2.1%	-3.0%
REFUNDS	34,927	91,252	55,051	18,153	199,384	33,212	17,832	25,595	182,929	259,568
%CHYA	51.0%	1.5%	40.9%	-42.4%	8.6%	-4.9%	-80.5%	-53.5%	907.7%	30.2%
TOTAL	104,955	89,878	64,335	171,820	430,989	113,524	113,751	92,007	133,606	452,888
%CHYA	-7.9%	-15.9%	-12.0%	-1.6%	-8.0%	8.2%	26.6%	43.0%	-22.2%	5.1%

	2013:3	2013:4	2014:1	2014:2	FY 2014	2014:3	2014:4	2015:1	2015:2	FY 2015
ADVANCE PAYMENTS	123,591	187,195	150,401	183,348	644,535	193,248	206,088	106,689	183,611	689,637
%CHYA	-5.2%	69.9%	85.8%	-35.1%	6.7%	56.4%	10.1%	-29.1%	0.1%	7.0%
FINAL PAYMENTS	27,794	18,162	32,218	52,283	130,456	28,815	73,552	57,268	71,415	231,051
%CHYA	69.6%	-15.0%	-12.1%	53.7%	20.3%	3.7%	305.0%	77.8%	36.6%	77.1%
REFUNDS	20,123	118,303	109,296	32,511	280,232	49,952	155,439	58,361	35,167	298,918
%CHYA	-39.4%	563.4%	327.0%	-82.2%	8.0%	148.2%	31.4%	-46.6%	8.2%	6.7%
TOTAL	131,262	87,054	73,323	203,120	494,759	172,111	124,202	105,597	219,860	621,770
%CHYA	15.6%	-23.5%	-20.3%	52.0%	9.2%	31.1%	42.7%	44.0%	8.2%	25.7%

	2015:3	2015:4	2016:1	2016:2	FY 2016	2016:3	2016:4	2017:1	2017:2	FY 2017
ADVANCE PAYMENTS	173,329	220,326	118,673	202,813	715,141	136,698	215,677	102,663	195,412	650,449
%CHYA	-10.3%	6.9%	11.2%	10.5%	3.7%	-21.1%	-2.1%	-13.5%	-3.6%	-9.0%
FINAL PAYMENTS	67,305	59,752	63,509	70,433	260,998	44,746	93,441	52,164	81,824	272,175
%CHYA	133.6%	-18.8%	10.9%	-1.4%	13.0%	-33.5%	56.4%	-17.9%	16.2%	4.3%
REFUNDS	42,388	156,984	85,446	81,453	366,271	39,680	166,537	73,066	57,733	337,016
%CHYA	-15.1%	1.0%	46.4%	131.6%	22.5%	-6.4%	6.1%	-14.5%	-29.1%	-8.0%
TOTAL	198,245	123,094	96,736	191,793	609,868	141,764	142,581	81,761	219,503	585,608
%CHYA	15.2%	-0.9%	-8.4%	-12.8%	-1.9%	-28.5%	15.8%	-15.5%	14.4%	-4.0%

	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%

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

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

	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	274,788	349,226	1,620,207
%CHYA	36.8%	30.9%	15.5%	9.3%	22.6%	20.1%	14.8%	-4.8%	-16.2%	4.1%
FINAL PAYMENTS	56,491	96,179	115,111	261,579	529,360	72,368	50,907	86,462	252,222	461,959
%CHYA	-50.7%	-2.2%	46.9%	-0.7%	-4.6%	28.1%	-47.1%	-24.9%	-3.6%	-12.7%
REFUNDS	49,631	255,602	197,775	44,052	547,060	116,377	247,875	223,613	143,935	731,800
%CHYA	-20.6%	0.6%	28.4%	-71.3%	-12.3%	134.5%	-3.0%	13.1%	226.7%	33.8%
TOTAL	363,352	335,513	205,882	634,304	1,539,051	384,025	371,192	137,637	457,513	1,350,367
%CHYA	16.2%	50.8%	18.2%	29.0%	28.1%	5.7%	10.6%	-33.1%	-27.9%	-12.3%

	2023:3	2023:4	2024:1	2024:2	FY 2024	2024:3	2024:4	2025:1	2025:2	FY 2025
ADVANCE PAYMENTS	299,220	364,244	199,773	275,369	1,138,607	251,899	328,431	195,928	278,317	1,054,575
%CHYA	-30.1%	-35.9%	-27.3%	-21.1%	-29.7%	-15.8%	-9.8%	-1.9%	1.1%	-7.4%
FINAL PAYMENTS	113,294	218,772	170,426	266,938	769,430	113,386	274,708	200,288	283,497	871,879
%CHYA	56.6%	329.7%	97.1%	5.8%	66.6%	0.1%	25.6%	17.5%	6.2%	13.3%
REFUNDS	102,674	339,982	232,395	157,471	832,522	115,436	386,624	262,474	178,850	943,383
%CHYA	-11.8%	37.2%	3.9%	9.4%	13.8%	12.4%	13.7%	12.9%	13.6%	13.3%
TOTAL	309,839	243,034	137,805	384,836	1,075,515	249,850	216,515	133,741	382,965	983,071
%CHYA	-19.3%	-34.5%	0.1%	-15.9%	-20.4%	-19.4%	-10.9%	-2.9%	-0.5%	-8.6%

	2025:3	2025:4	2026:1	2026:2	FY 2026	2026:3	2026:4	2027:1	2027:2	FY 2027
ADVANCE PAYMENTS	260,620	344,796	207,444	296,374	1,109,234	276,880	366,277	221,129	317,314	1,181,601
%CHYA	3.5%	5.0%	5.9%	6.5%	5.2%	6.2%	6.2%	6.6%	7.1%	6.5%
FINAL PAYMENTS	123,717	318,305	206,461	289,494	937,977	123,262	325,328	211,905	300,055	960,551
%CHYA	9.1%	15.9%	3.1%	2.1%	7.6%	-0.4%	2.2%	2.6%	3.6%	2.4%
REFUNDS	130,774	439,114	273,974	186,522	1,030,383	137,057	459,046	286,864	195,624	1,078,591
%CHYA	13.3%	13.6%	4.4%	4.3%	9.2%	4.8%	4.5%	4.7%	4.9%	4.7%
TOTAL	253,563	223,987	139,931	399,346	1,016,827	263,085	232,560	146,171	421,745	1,063,561
%CHYA	1.5%	3.5%	4.6%	4.3%	3.4%	3.8%	3.8%	4.5%	5.6%	4.6%

	2027:3	2027:4	2028:1	2028:2	FY 2028	2028:3	2028:4	2029:1	2029:2	FY 2029
ADVANCE PAYMENTS	293,890	389,751	231,290	332,833	1,247,764	313,503	417,231	244,391	352,751	1,327,875
%CHYA	6.1%	6.4%	4.6%	4.9%	5.6%	6.7%	7.1%	5.7%	6.0%	6.4%
FINAL PAYMENTS	123,651	329,570	212,350	304,135	969,707	124,298	334,526	215,432	310,510	984,767
%CHYA	0.3%	1.3%	0.2%	1.4%	1.0%	0.5%	1.5%	1.5%	2.1%	1.6%
REFUNDS	145,660	488,409	301,046	205,530	1,140,645	151,169	507,817	311,583	213,180	1,183,749
%CHYA	6.3%	6.4%	4.9%	5.1%	5.8%	3.8%	4.0%	3.5%	3.7%	3.8%
TOTAL	271,881	230,913	142,594	431,438	1,076,826	286,632	243,939	148,240	450,081	1,128,892
%CHYA	3.3%	-0.7%	-2.4%	2.3%	1.2%	5.4%	5.6%	4.0%	4.3%	4.8%

	2029:3	2029:4	2030:1	2030:2	FY 2030	2030:3	2030:4	2031:1	2031:2	FY 2031
ADVANCE PAYMENTS	334,010	445,538	261,573	378,179	1,419,299	358,415	478,596	281,241	407,130	1,525,381
%CHYA	6.5%	6.8%	7.0%	7.2%	6.9%	7.3%	7.4%	7.5%	7.7%	7.5%
FINAL PAYMENTS	124,114	340,702	220,192	320,572	1,005,580	124,826	348,383	226,178	332,972	1,032,359
%CHYA	-0.1%	1.8%	2.2%	3.2%	2.1%	0.6%	2.3%	2.7%	3.9%	2.7%
REFUNDS	154,602	520,253	319,673	218,953	1,213,480	161,837	544,949	335,171	229,799	1,271,756
%CHYA	2.3%	2.4%	2.6%	2.7%	2.5%	4.7%	4.7%	4.8%	5.0%	4.8%
TOTAL	303,522	265,987	162,092	479,798	1,211,398	321,404	282,030	172,248	510,303	1,285,984
%CHYA	5.9%	9.0%	9.3%	6.6%	7.3%	5.9%	6.0%	6.3%	6.4%	6.2%

Table B.6 Cigarette and Tobacco Tax Distribution

TABLE B.6 **March 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															
2019-20	**187.2**	30.5	121.0	21.2	0.0	4.8	0.0	9.7	**57.7**	30.9	24.1	2.7	**0.0**	0.0	0.0
2020-21	**292.3**	24.6	107.1	18.7	118.9	4.3	10.1	8.5	**56.6**	30.4	23.6	2.6	**10.5**	9.5	1.1
2019-21 Biennium	**479.5**	55.1	228.1	39.9	118.9	9.1	10.1	18.2	**114.3**	61.3	47.7	5.3	**10.5**	9.5	1.1
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	**331.6**	21.9	85.4	14.9	179.3	3.4	19.9	6.8	**58.0**	31.2	24.1	2.7	**32.4**	29.2	3.2
2021-23 Biennium	**695.2**	46.3	178.4	31.2	376.4	7.1	41.6	14.2	**114.5**	61.5	47.6	5.3	**68.3**	61.5	6.8
2023-24	**331.4**	21.9	85.3	14.9	179.1	3.4	19.9	6.8	**59.2**	31.9	24.6	2.7	**30.9**	27.8	3.1
2024-25	**323.3**	21.4	83.2	14.6	174.8	3.3	19.4	6.6	**59.1**	31.8	24.6	2.7	**31.1**	28.0	3.1
2023-25 Biennium	**654.8**	43.3	168.6	29.5	353.9	6.7	39.3	13.4	**118.3**	63.7	49.1	5.5	**62.0**	55.8	6.2
2025-26	**314.0**	20.7	80.8	14.1	169.7	3.2	18.9	6.4	**59.0**	31.7	24.5	2.7	**31.4**	28.2	3.1
2026-27	**308.0**	20.3	79.3	13.9	166.5	3.2	18.5	6.3	**59.2**	31.9	24.6	2.7	**31.6**	28.5	3.2
2025-27 Biennium	**621.9**	41.1	160.1	28.0	336.2	6.4	37.4	12.8	**118.1**	63.6	49.1	5.5	**63.0**	56.7	6.3
2027-28	**302.7**	20.0	77.9	13.6	163.6	3.1	18.2	6.2	**59.2**	31.8	24.6	2.7	**31.9**	28.7	3.2
2028-29	**298.0**	19.7	76.7	13.4	161.1	3.1	17.9	6.1	**59.2**	31.9	24.6	2.7	**32.1**	28.9	3.2
2027-29 Biennium	**600.7**	39.7	154.7	27.1	324.7	6.2	36.1	12.3	**118.4**	63.7	49.2	5.5	**64.0**	57.6	6.4
2029-30	**293.4**	19.4	75.5	13.2	158.6	3.0	17.6	6.0	**59.3**	31.9	24.6	2.7	**32.4**	29.1	3.2
2030-31	**288.9**	19.1	74.4	13.0	156.2	3.0	17.4	5.9	**59.2**	31.9	24.6	2.7	**32.6**	29.4	3.3
2029-31 Biennium	**582.3**	38.5	149.9	26.2	314.8	6.0	35.0	12.0	**118.5**	63.8	49.2	5.5	**65.0**	58.5	6.5

[1] Includes the cigarette floor tax in FY21 of $27.7 million and FY22 of $1.6 million

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

TABLE B.7 **March 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]
2019-20	290.649	165.629	9.534	0.338	52.340	36.638	88.979	26.170	9.653
2020-21	314.695	179.692	8.690	0.330	57.265	40.086	97.351	28.633	8.546
2019-21 Biennium	605.344	345.321	18.224	0.668	109.605	76.724	186.329	54.803	18.199
2021-22	311.292	176.701	10.675	0.359	56.163	39.314	95.476	28.081	7.419
2022-23	317.711	180.870	9.622	0.386	57.651	40.356	98.007	28.826	6.810
2021-23 Biennium	629.004	357.571	20.297	0.745	113.814	79.670	193.484	56.907	14.229
2023-24	340.646	193.944	10.019	0.376	61.958	43.370	105.328	30.979	6.808
2024-25	363.168	206.767	10.681	0.401	66.054	46.238	112.292	33.027	6.641
2023-25 Biennium	703.814	400.711	20.700	0.777	128.012	89.608	217.620	64.006	13.449
2025-26	345.418	188.633	11.604	0.432	65.795	46.057	111.851	32.897	6.449
2026-27	362.881	198.594	11.884	0.445	69.072	48.350	117.422	34.536	6.326
2025-27 Biennium	708.299	387.227	23.489	0.877	134.867	94.407	229.273	67.433	12.775
2027-28	382.108	209.648	12.167	0.458	72.652	50.857	123.509	36.326	6.217
2028-29	403.927	222.361	12.471	0.472	76.647	53.653	130.301	38.323	6.121
2027-29 Biennium	786.036	432.008	24.638	0.931	149.299	104.510	253.809	74.649	12.339
2029-30	427.102	235.905	12.790	0.487	80.873	56.611	137.484	40.436	6.027
2030-31	450.932	249.819	13.125	0.503	85.220	59.654	144.875	42.610	5.934
2029-31 Biennium	878.034	485.724	25.915	0.990	166.093	116.265	282.358	83.046	11.961

[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 December 2022 Forecast

(Quarter ending December 31, 2022)

Personal Income Tax	Forecast Comparison			Year/Year Change	
(Millions of dollars)	Actual Revenues	Latest Forecast	Percent Difference	Prior Year	Percent Change
Withholding	$2,641.5	$2,658.0	-0.6%	$2,525.9	4.6%
Dollar difference		-$16.5			
Estimated Payments*	$713.4	$400.4	78.2%	$340.6	109.4%
Dollar difference		$313.1			
Final Payments*	$255.7	$270.2	-5.4%	$208.7	22.5%
Dollar difference		-$14.5			
Refunds	-$559.3	-$538.8	3.8%	-$300.9	85.9%
Dollar difference		-$20.5			
Total Personal Income Tax	**$3,051.3**	**$2,789.7**	**9.4%**	**$2,774.3**	**10.0%**
Dollar difference		$261.6			

Corporate Income Tax	Forecast Comparison			Year/Year Change	
(Millions of dollars)	Actual Revenues	Latest Forecast	Percent Difference	Prior Year	Percent Change
Advanced Payments	$568.2	$437.6	29.8%	$494.9	14.8%
Dollar difference		$130.6			
Final Payments	$50.9	$92.8	-45.1%	$96.2	-47.1%
Dollar difference		-$41.9			
Refunds	-$247.9	-$290.3	-14.6%	-$255.6	-3.0%
Dollar difference		$42.5			
Total Corporate Income Tax	**$371.2**	**$240.1**	**54.6%**	**$335.5**	**10.6%**
Dollar difference		$131.1			

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	**$3,422.5**	**$3,029.8**	**13.0%**	**$3,109.8**	**10.1%**
Dollar difference		$392.7		$312.6	

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

Table B.9 Summary of Lottery Resources

TABLE B.9 **Mar 2023 Forecast**

Summary of Lottery Resources

(in millions of dollars)	2021-23 Current Forecast	2021-23 Change from Dec-22	2021-23 Change from COS 2021	2023-25 Current Forecast	2023-25 Change from Dec-22	2025-2027 Current Forecast	2025-2027 Change from Dec-22	2027-29 Current Forecast	2027-29 Change from Dec-22	2029-31 Current Forecast	2029-31 Change from Dec-22
LOTTERY EARNINGS											
Traditional Lottery	188.725	*16.009*	*29.890*	161.992	*5.552*	159.822	5.256	159.984	5.802	159.982	5.815
Video Lottery	1,596.917	*(4.502)*	*123.628*	1,620.009	*30.775*	1,764.580	39.090	1,914.299	43.077	2,049.832	46.127
Sports Betting[1]	32.716	*4.896*	*13.379*	33.154	*0.000*	41.235	0.000	44.343	0.000	47.685	0.000
Administrative Actions	0.000	*0.000*	*0.000*	0.000	*0.000*	0.000	0.000	0.000	0.000	0.000	0.000
Total Available to Transfer	**1,818.358**	*16.419*	*166.897*	**1,815.155**	*36.327*	**1,965.637**	44.346	**2,118.626**	48.880	**2,257.499**	51.942
ECONOMIC DEVELOPMENT FUND											
Beginning Balance	72.370	*0.000*	*0.000*	84.538	*10.759*	0.000	0.000	0.000	0.000	0.000	0.000
Transfers from Lottery	1,818.358	*16.419*	*166.897*	1,815.155	*36.327*	1,965.637	44.346	2,118.626	48.880	2,257.499	51.942
Other Resources[2]	8.392	*0.000*	*6.392*	2.000	*0.000*	2.000	0.000	2.000	0.000	2.000	0.000
Total Available Resources	**1,899.119**	*16.419*	*173.289*	**1,901.693**	*47.086*	**1,967.637**	44.346	**2,120.626**	48.880	**2,259.499**	51.942
ALLOCATION OF RESOURCES											
Constitutional Distributions											
Education Stability Fund[3]	326.772	*2.951*	*29.509*	326.728	6.539	130.523	2.856	332.343	(40.232)	251.090	55.842
Oregon Capital Matching Fund[3]	0.000	*0.000*	*0.000*	0.000	0.000	186.076	4.272	40.859	40.859	129.143	(38.754)
Parks and Natural Resources Fund[4]	272.754	*2.463*	*25.035*	272.273	5.449	294.846	6.652	317.794	7.332	338.625	7.791
Veterans' Services Fund[5]	28.409	*0.246*	*3.637*	27.227	0.545	29.485	0.665	31.779	0.733	33.862	0.779
Other Distributions											
Outdoor School Education Fund[6]	49.419	*0.000*	*0.000*	56.265	(0.300)	59.734	(0.489)	63.416	(0.701)	67.326	(0.938)
County Economic Development	54.210	*0.000*	*0.000*	62.111	1.180	67.654	1.499	73.394	1.652	78.591	1.769
HECC Collegiate Athletic & Scholarships[7]	16.515	*0.000*	*0.000*	18.152	0.363	19.656	0.443	21.186	0.489	22.575	0.519
Gambling Addiction [7]	16.543	*0.000*	*0.028*	18.152	0.363	19.656	0.443	21.186	0.489	22.575	0.519
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]	1,030.798	*0.000*	*57.873*	234.300	0.000	234.300	0.000	234.300	0.000	234.300	0.000
Employer Incentive Fund (PERS)[1]	15.335	*0.000*	*2.669*	21.716	(0.000)	27.790	0.000	29.215	0.171	31.785	(0.180)
Total Distributions	**1,814.581**	*5.660*	*118.751*	**1,040.752**	14.139	**1,073.548**	16.341	**1,169.301**	10.791	**1,213.700**	27.348
Ending Balance/Discretionary Resources	**84.538**	*10.759*	*54.538*	**860.941**	32.947	**894.089**	28.004	**951.325**	38.089	**1,045.799**	24.595

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 and Outlook **Mar 2023**

Rainy Day Fund

(Millions)	2019-21	2021-23	2023-25	2025-27	2027-29
Beginning Balance	$666.6	$962.2	$1,342.6	$1,831.9	$2,322.6
Interest Earnings	$22.8	$42.0	$126.9	$114.1	$141.5
Deposits[1]	$272.8	$338.4	$362.4	$376.5	$407.8
Triggered Withdrawals	$0.0	$0.0	$0.0	$0.0	$0.0
Ending Balance[2]	**$962.2**	**$1,342.5**	**$1,831.9**	**$2,322.6**	**$2,871.9**

Education Stability Fund[3]

(Millions)	2019-21	2021-23	2023-25	2025-27	2027-29
Beginning Balance	$621.1	$414.6	$708.4	$1,002.5	$1,120.0
Interest Earnings[4]	$20.1	$24.1	$71.9	$62.7	$72.6
Deposits[5]	$194.7	$294.1	$294.1	$117.5	$299.1
Distributions	$419.9	$24.3	$71.9	$62.7	$72.6
Oregon Education Fund	$0.0	$0.0	$0.0	$0.0	$0.0
Oregon Opportunity Grant	$19.9	$24.3	$71.9	$62.7	$72.6
Withdrawals	$400.0	$0.0	$0.0	$0.0	$0.0
Ending Balance	**$414.6**	**$708.4**	**$1,002.5**	**$1,120.0**	**$1,419.1**

Total Reserves

(Millions)	2019-21	2021-23	2023-25	2025-27	2027-29
Ending Balances	**$1,376.8**	**$2,051.0**	**$2,834.4**	**$3,442.6**	**$4,291.0**
Percent of General Fund Revenues	5.8%	7.2%	11.2%	10.7%	11.7%

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

Table B.11 Recreational Marijuana Resources and Distributions

TABLE B.11 **Mar 2023**

Summary of Marijuana Resources

(in millions of dollars)	2021-23 Current Forecast	2021-23 Change from Dec-22	2021-23 Change from COS 2021	2023-25 Current Forecast	2023-25 Change from Dec-22	2025-27 Current Forecast	2025-27 Change from Dec-22	2027-29 Current Forecast	2027-29 Change from Dec-22	2029-31 Current Forecast	2029-31 Change from Dec-22
MARIJUANA EARNINGS											
+ Tax Revenue [1]	314.160	*(12.695)*	*(40.226)*	315.700	*(35.851)*	357.522	(36.510)	412.880	(30.661)	471.063	(24.427)
+ Medical Marijuana Tax Revenue [2]	0.000	*0.000*	*0.000*	0.000	*0.000*	0.000	0.000	31.896	0.000	44.041	0.000
- Administrative Costs [3]	14.193	*(3.000)*	*(0.833)*	18.374	*0.000*	18.746	0.000	19.144	0.000	19.571	0.000
Net Available to Transfer	**299.967**	*(9.695)*	*(39.393)*	**297.326**	*(35.851)*	**338.776**	*(36.510)*	**425.633**	*(30.661)*	**495.534**	*(24.427)*
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	299.967	*(9.695)*	*(39.393)*	297.326	*(35.851)*	338.776	(36.510)	425.633	(30.661)	495.534	(24.427)
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	**299.967**	*(9.695)*	*(39.393)*	**297.326**	*(35.851)*	**338.776**	*(36.510)*	**425.633**	*(30.661)*	**495.534**	*(24.427)*
ALLOCATION OF RESOURCES [4]											
Drug Treatment & Recovery	209.967	*(9.695)*	*(39.393)*	195.450	*(35.851)*	230.252	(36.510)	312.218	(30.661)	377.113	(24.427)
State School Fund	36.000	*0.000*	*0.000*	40.751	*0.000*	43.409	0.000	45.366	0.000	47.368	0.000
Mental Health, Alcoholism, & Drug Services	18.000	*0.000*	*0.000*	20.375	*0.000*	21.705	0.000	22.683	0.000	23.684	0.000
State Police	13.500	*0.000*	*0.000*	15.281	*0.000*	16.279	0.000	17.012	0.000	17.763	0.000
Cities	9.000	*0.000*	*0.000*	10.188	*0.000*	10.852	0.000	11.341	0.000	11.842	0.000
Counties	9.000	*0.000*	*0.000*	10.188	*0.000*	10.852	0.000	11.341	0.000	11.842	0.000
Alcohol & Drug Abuse Prevention, Intervention & Treatment	4.500	*0.000*	*0.000*	5.094	*0.000*	5.426	0.000	5.671	0.000	5.921	0.000
Total Distributions	**299.967**	*(9.695)*	*(39.393)*	**297.326**	*(35.851)*	**338.776**	*(36.510)*	**425.633**	*(30.661)*	**495.534**	*(24.427)*
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 **March 2023**

Summary of Corporate Activity Tax Resources

(in millions of dollars)	2021-23 Current Forecast	2021-23 Change from Dec-22	2021-23 Change from COS 2021	2023-25 Current Forecast	2023-25 Change from Dec-22	2025-27 Current Forecast	2025-27 Change from Dec-22	2027-29 Current Forecast	2027-29 Change from Dec-22	2029-31 Current Forecast	2029-31 Change from Dec-22
Corporate Activity Tax											
+ Tax Revenue	2,451.027	(4.712)	*82.731*	2,603.412	*26.307*	2,909.291	*49.769*	3,249.178	*54.170*	3,642.281	*70.452*
- Administrative Costs	19.200	0.000	*0.000*	21.312	*0.000*	23.656	*0.000*	26.259	*0.000*	28.689	*0.000*
Net Available to Transfer	**2,431.827**	(4.712)	**82.731**	**2,582.100**	26.307	**2,885.635**	49.769	**3,222.920**	54.170	**3,613.592**	70.452
Fund for Student Success											
Beginning Balance	200.557	0.000	*0.000*	189.899	*9.078*	0.000	*0.000*	0.000	*0.000*	0.000	*0.000*
Revenue Transfers	2,431.827	(4.712)	*82.731*	2,582.100	*26.307*	2,885.635	*49.769*	3,222.920	*54.170*	3,613.592	*70.452*
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	**2,632.384**	(4.712)	**82.731**	**2,771.999**	35.385	**2,885.635**	49.769	**3,222.920**	54.170	**3,613.592**	70.452
ALLOCATION OF RESOURCES											
State School Fund	715.058	(13.790)	*29.380*	687.864	*(51.263)*	777.355	*(29.853)*	880.063	*(4.756)*	988.276	*12.880*
Student Investment Account	892.277	0.000	*0.000*	1,042.067	*43.324*	1,054.140	*39.811*	1,171.428	*29.463*	1,312.658	*28.786*
Statewide Education Initiative Account	398.925	0.000	*26.024*	625.240	*25.994*	632.484	*23.887*	702.857	*17.678*	787.595	*17.271*
Early Learning Account	436.225	0.000	*0.118*	416.827	*17.330*	421.656	*15.924*	468.571	*11.785*	525.063	*11.514*
Total Distributions	**2,442.485**	(13.790)	**55.522**	**2,771.999**	35.385	**2,885.635**	49.769	**3,222.920**	54.170	**3,613.592**	70.452
Ending Balance	**189.899**	9.078	**27.208**	**0.000**	0.000	**0.000**	0.000	**0.000**	0.000	**0.000**	0.000

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 plus $40 million dedicated to the High Cost Disabilities Account. The 2021-23 distribution includes a $58.0 million reconciling adjustment for the prior biennium.

Some totals may not foot due to rounding.

Table B.13 Fund for Student Success Quarterly Revenues (Corporate Activity Tax)

Table B.13 **Corporate Activity Tax Collections By Quarter** **Mar-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	-$997.05	-$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	$235,490	$288,541	$1,207,495
Final Payments	$15,153	$41,892	$41,950	$168,644	$267,640	$59,490	$75,201	$50,547	$156,374	$341,611
Refunds	-$16,356	-$141,389	-$15,151	-$50,166	-$223,062	-$41,565	-$170,978	-$20,931	-$81,141	-$314,616
Total	$270,656	$290,314	$257,741	$397,828	$1,216,538	$310,249	$295,362	$265,106	$363,773	$1,234,489

	2023:3	2023:4	2024:1	2024:2	FY 2024	2024:3	2024:4	2025:1	2025:2	FY 2025
Estimated Payments	$300,161	$402,497	$253,398	$304,751	$1,260,808	$317,115	$426,426	$268,732	$322,225	$1,334,498
Final Payments	$59,662	$72,541	$51,421	$162,053	$345,677	$61,388	$76,139	$53,799	$169,324	$360,650
Refunds	-$61,493	-$176,043	-$24,173	-$82,886	-$344,594	-$62,785	-$179,429	-$25,180	-$86,233	-$353,626
Total	$298,331	$298,995	$280,646	$383,918	$1,261,890	$315,718	$323,136	$297,351	$405,316	$1,341,522

	2025:3	2025:4	2026:1	2026:2	FY 2026	2026:3	2026:4	2027:1	2027:2	FY 2027
Estimated Payments	$335,387	$450,797	$283,961	$339,742	$1,409,887	$353,807	$475,328	$299,580	$359,003	$1,487,719
Final Payments	$64,161	$79,515	$56,608	$178,715	$378,999	$67,674	$84,024	$59,705	$188,348	$399,751
Refunds	-$65,551	-$189,736	-$26,615	-$91,150	-$373,052	-$69,284	-$200,494	-$28,075	-$96,159	-$394,012
Total	$333,997	$340,575	$313,954	$427,307	$1,415,833	$352,198	$358,858	$331,210	$451,192	$1,493,458

	2027:3	2027:4	2028:1	2028:2	FY 2028	2028:3	2028:4	2029:1	2029:2	FY 2029
Estimated Payments	$373,557	$501,970	$316,504	$379,907	$1,571,937	$395,316	$531,314	$335,037	$402,114	$1,663,782
Final Payments	$71,334	$88,527	$63,003	$198,880	$421,744	$75,312	$93,500	$66,639	$210,482	$445,933
Refunds	-$73,071	-$211,240	-$29,623	-$101,452	-$415,385	-$77,111	-$223,106	-$31,329	-$107,288	-$438,833
Total	$371,820	$379,257	$349,884	$477,335	$1,578,296	$393,517	$401,709	$370,347	$505,309	$1,670,882

	2029:3	2029:4	2030:1	2030:2	FY 2030	2030:3	2030:4	2031:1	2031:2	FY 2031
Estimated Payments	$418,424	$562,365	$354,645	$425,844	$1,761,278	$443,118	$595,588	$375,616	$451,074	$1,865,396
Final Payments	$79,696	$98,976	$70,536	$222,785	$471,994	$84,354	$104,760	$74,689	$235,939	$499,742
Refunds	-$81,564	-$236,174	-$33,161	-$113,564	-$464,464	-$86,334	-$249,975	-$35,112	-$120,244	-$491,665
Total	$416,555	$425,168	$392,020	$535,065	$1,768,808	$441,138	$450,373	$415,192	$566,770	$1,873,473

APPENDIX C: POPULATION FORECASTS BY AGE AND SEX

Table C.1 Oregon's Population Forecasts and Component of Change 1990-2030

Year		Population Change		Births		Deaths		Natural	Net Migration	
(July 1)	Population	Number	Percent	Number	Rate/1000	Number	Rate/1000	Increase	Number	Rate/1000
1990	2,860,400	69,800	2.50	42,008	14.87	24,763	8.76	17,245	52,555	18.60
1991	2,928,500	68,100	2.38	42,682	14.75	24,944	8.62	17,738	50,362	17.40
1992	2,991,800	63,300	2.16	42,427	14.33	25,166	8.50	17,261	46,039	15.55
1993	3,060,400	68,600	2.29	41,442	13.69	26,543	8.77	14,899	53,701	17.75
1994	3,121,300	60,900	1.99	41,487	13.42	27,564	8.92	13,923	46,977	15.20
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**	
1996	3,247,100	62,700	1.97	43,196	13.43	28,768	8.95	14,428	48,272	15.01
1997	3,304,300	57,200	1.76	43,625	13.32	29,201	8.91	14,424	42,776	13.06
1998	3,352,400	48,100	1.46	44,696	13.43	28,705	8.62	15,991	32,109	9.65
1999	3,393,900	41,500	1.24	45,188	13.40	29,848	8.85	15,340	26,160	7.76
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**	
2001	3,470,400	39,300	1.15	45,536	13.20	29,934	8.67	15,602	23,698	6.87
2002	3,502,600	32,200	0.93	44,995	12.91	30,828	8.84	14,167	18,033	5.17
2003	3,538,600	36,000	1.03	45,686	12.98	30,604	8.69	15,082	20,918	5.94
2004	3,578,900	40,300	1.14	45,599	12.81	30,721	8.63	14,878	25,422	7.14
2005	3,626,900	48,000	1.34	45,892	12.74	30,717	8.53	15,175	32,825	9.11
2000-2005		**195,800**		**227,708**		**152,804**		**74,904**	**120,896**	
2006	3,685,200	58,300	1.61	46,946	12.84	30,771	8.42	16,175	42,125	11.52
2007	3,739,400	54,200	1.47	49,404	13.31	31,396	8.46	18,008	36,192	9.75
2008	3,784,200	44,800	1.20	49,659	13.20	32,008	8.51	17,651	27,149	7.22
2009	3,815,800	31,600	0.84	47,960	12.62	31,382	8.26	16,578	15,022	3.95
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**	
2011	3,857,625	20,325	0.53	45,381	11.80	32,437	8.43	12,944	7,381	1.92
2012	3,878,877	21,252	0.55	44,897	11.61	32,804	8.48	12,093	9,159	2.37
2013	3,911,943	33,066	0.85	44,969	11.54	33,168	8.51	11,801	21,265	5.46
2014	3,953,356	41,413	1.06	45,447	11.56	33,731	8.58	11,716	29,697	7.55
2015	4,002,145	48,789	1.23	45,660	11.48	35,318	8.88	10,342	38,447	9.67
2010-2015		**164,845**		**226,354**		**167,458**		**58,896**	**105,949**	
2016	4,062,203	60,058	1.50	45,647	11.32	35,339	8.76	10,308	49,750	12.34
2017	4,124,435	62,232	1.53	44,602	10.90	36,773	8.98	7,829	54,403	13.29
2018	4,176,095	51,660	1.25	42,906	10.34	36,268	8.74	6,638	45,022	10.85
2019	4,214,664	38,569	0.92	42,220	10.06	36,622	8.73	5,598	32,971	7.86
2020	4,243,791	29,127	0.69	40,920	9.68	37,821	8.94	3,099	26,028	6.15
2015-2020		**241,646**		**216,295**		**182,823**		**33,472**	**208,174**	
2021	4,263,827	20,036	0.47	39,654	9.32	41,893	9.85	-2,239	22,275	5.24
2022	4,278,910	15,083	0.35	40,454	9.47	46,224	10.82	-5,770	20,853	4.88
2023	4,296,300	17,390	0.41	40,886	9.54	46,757	10.91	-5,871	23,261	5.43
2024	4,315,800	19,500	0.45	41,260	9.58	46,437	10.78	-5,177	24,677	5.73
2025	4,342,400	26,600	0.62	41,650	9.62	46,422	10.72	-4,772	31,372	7.25
2020-2025		**98,609**		**203,904**		**227,734**		**-23,829**	**122,439**	
2026	4,371,700	29,300	0.67	42,133	9.67	46,751	10.73	-4,619	33,919	7.78
2027	4,403,000	31,300	0.72	42,659	9.72	47,246	10.77	-4,588	35,888	8.18
2028	4,435,800	32,800	0.74	43,210	9.78	47,883	10.83	-4,673	37,473	8.48
2029	4,470,400	34,600	0.78	43,798	9.84	48,496	10.89	-4,698	39,298	8.82
2030	4,506,400	36,000	0.81	44,414	9.90	48,933	10.90	-4,520	40,520	9.03
2025-2030		**164,000**		**216,214**		**239,310**		**-23,096**	**187,096**	
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		**406,491**		**442,649**		**350,281**		**92,368**	**314,123**	7.81
2020-2030		**262,609**		**420,118**		**467,044**		**-46,926**	**309,535**	7.10

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/PSUI; 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 Forecasts by Age and Sex: 2010-2030

	2010			2015			2020		
Age	Male	Female	Total	Male	Female	Total	Male	Female	Total
0-4	122,327	116,130	238,457	117,860	111,418	229,278	113,260	106,931	220,192
5- 9	121,539	116,369	237,908	125,142	118,090	243,232	123,931	115,417	239,348
10-14	124,508	118,732	243,241	122,812	118,117	240,928	128,201	121,882	250,083
15-19	131,126	124,540	255,667	127,444	120,458	247,903	127,439	121,122	248,561
20-24	128,787	124,903	253,689	136,686	131,964	268,650	137,175	131,545	268,720
25-29	134,019	131,816	265,835	136,997	135,808	272,805	153,302	153,797	307,100
30-34	131,489	128,325	259,814	140,637	137,861	278,499	151,909	150,900	302,809
35-39	128,070	123,596	251,665	134,041	129,570	263,611	148,252	142,226	290,478
40-44	125,969	122,843	248,811	129,724	125,081	254,805	138,502	132,987	271,489
45-49	130,825	132,538	263,363	126,762	123,353	250,116	133,124	127,339	260,462
50-54	135,129	141,565	276,693	129,738	133,279	263,017	128,077	126,009	254,086
55-59	133,011	140,802	273,812	132,989	141,912	274,901	129,398	136,078	265,475
60-64	115,236	121,045	236,281	130,018	139,366	269,383	133,067	143,221	276,288
65-69	81,854	87,917	169,771	109,644	117,322	226,966	126,505	137,205	263,710
70-74	56,925	62,949	119,874	74,718	82,405	157,123	102,222	111,379	213,602
75-79	40,932	50,101	91,034	48,565	56,028	104,593	64,567	74,042	138,609
80-84	30,391	42,734	73,126	31,632	40,772	72,405	38,526	46,079	84,605
85+	26,800	51,458	78,258	30,026	53,904	83,930	33,582	54,593	88,175
Total	1,898,938	1,938,362	3,837,300	1,985,437	2,016,709	4,002,145	2,111,039	2,132,752	4,243,791
Mdn. Age	37.2	39.4	38.3	38.1	40.2	39.1	39.0	40.8	39.9

	2021			2022			2023			2024			2025		
Age	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
0-4	109,547	103,569	213,116	106,947	101,248	208,195	105,737	100,156	205,893	105,216	99,668	204,885	105,809	100,147	205,957
5- 9	124,132	115,558	239,690	123,601	115,153	238,754	121,866	113,720	235,586	119,404	111,638	231,042	116,300	108,914	225,215
10-14	127,754	121,127	248,882	126,767	119,492	246,259	125,854	117,937	243,790	125,472	117,471	242,943	125,446	117,374	242,820
15-19	127,491	120,892	248,383	128,331	122,170	250,501	129,594	123,400	252,994	130,251	123,441	253,693	131,093	123,608	254,701
20-24	136,295	130,832	267,127	135,123	128,950	264,073	134,252	128,170	262,422	133,601	127,974	261,575	132,837	127,976	260,812
25-29	150,930	150,426	301,356	148,554	147,706	296,260	146,758	145,491	292,249	146,024	144,103	290,127	146,417	143,979	290,397
30-34	155,694	156,014	311,708	159,125	160,286	319,411	161,849	162,910	324,759	162,588	163,585	326,172	161,962	162,464	324,426
35-39	149,512	143,418	292,930	149,994	144,300	294,294	150,605	145,916	296,520	152,700	148,902	301,601	155,589	152,872	308,461
40-44	141,363	135,709	277,072	144,183	138,535	282,718	146,158	140,399	286,556	148,829	142,746	291,575	150,212	143,943	294,155
45-49	131,300	125,833	257,133	131,498	126,479	257,976	134,144	128,555	262,699	136,061	130,597	266,658	139,436	133,613	273,048
50-54	131,607	128,608	260,215	133,577	129,787	263,364	134,120	130,499	264,619	133,355	129,524	262,879	131,986	128,016	260,003
55-59	126,584	132,200	258,783	124,238	128,517	252,755	122,627	125,482	248,108	122,951	124,456	247,407	125,574	126,303	251,877
60-64	132,549	142,731	275,280	130,846	141,332	272,179	128,947	139,479	268,426	127,893	137,666	265,560	126,030	134,658	260,688
65-69	127,909	139,060	266,969	128,226	139,837	268,064	127,889	139,454	267,343	126,409	138,499	264,909	125,840	138,401	264,241
70-74	107,843	117,768	225,611	109,006	119,451	228,457	110,444	122,382	232,826	112,490	125,764	238,254	114,377	127,991	242,368
75-79	66,605	76,432	143,037	72,550	83,090	155,639	77,015	88,282	165,296	81,066	92,620	173,686	85,690	98,263	183,953
80-84	40,039	47,997	88,036	41,487	50,344	91,832	44,135	53,659	97,794	46,470	56,762	103,232	48,590	59,432	108,022
85+	34,037	54,462	88,499	33,969	54,210	88,180	34,100	54,318	88,418	34,711	54,893	89,604	35,635	55,622	91,257
Total	2,121,192	2,142,635	4,263,827	2,128,023	2,150,886	4,278,910	2,136,092	2,160,207	4,296,300	2,145,491	2,170,309	4,315,800	2,158,824	2,183,577	4,342,400
Mdn. Age	39.3	41.0	40.2	39.5	41.3	40.4	39.7	41.5	40.6	39.9	41.7	40.8	40.1	41.9	41.0

	2026			2027			2028			2029			2030		
Age	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
0-4	107,362	101,517	208,879	108,762	102,742	211,504	110,179	104,001	214,179	111,667	105,340	217,007	113,237	106,761	219,998
5- 9	112,749	105,670	218,420	110,466	103,532	213,999	109,597	102,629	212,226	109,465	102,351	211,816	110,308	102,958	213,266
10-14	125,770	117,703	243,473	125,408	117,541	242,949	123,813	116,308	240,121	121,499	114,411	235,910	118,427	111,740	230,166
15-19	130,993	123,023	254,016	130,348	121,545	251,893	129,713	120,107	249,819	129,590	119,783	249,374	129,721	119,739	249,460
20-24	133,511	128,523	262,034	135,116	130,718	265,834	137,103	132,767	269,871	138,443	133,508	271,952	139,732	134,177	273,909
25-29	146,529	144,521	291,051	146,573	144,118	290,691	146,825	144,802	291,627	147,279	146,132	293,411	147,150	147,111	294,261
30-34	160,342	159,645	319,987	159,074	157,959	317,033	158,346	156,752	315,098	158,808	156,528	315,336	159,983	157,114	317,097
35-39	159,865	158,232	318,097	164,020	162,860	326,879	167,431	165,806	333,236	168,873	166,845	335,718	168,583	165,859	334,442
40-44	151,859	145,422	297,281	152,835	146,643	299,478	153,906	148,580	302,486	156,492	151,896	308,388	159,727	156,110	315,837
45-49	142,626	136,536	279,161	145,934	139,643	285,576	148,378	141,773	290,151	151,542	144,421	295,962	153,237	145,794	299,031
50-54	130,408	126,799	257,207	130,984	127,826	258,809	133,988	130,279	264,267	136,264	132,701	268,965	139,895	136,000	275,895
55-59	129,306	129,246	258,553	131,654	130,886	262,540	132,581	132,036	264,617	132,192	131,483	263,674	131,079	130,239	261,318
60-64	123,657	131,094	254,751	121,970	127,851	249,821	120,962	125,239	246,202	121,837	124,657	246,495	124,839	126,826	251,665
65-69	125,636	138,201	263,838	124,609	137,261	261,870	123,365	135,867	259,232	122,881	134,496	257,377	121,466	131,841	253,308
70-74	115,781	129,845	245,626	116,597	130,870	247,467	116,830	130,854	247,684	115,956	130,305	246,261	115,817	130,494	246,312
75-79	90,349	103,897	194,245	91,796	105,718	197,514	93,485	108,688	202,173	95,609	112,013	207,621	97,545	114,292	211,837
80-84	50,176	61,368	111,545	55,268	67,101	122,369	59,305	71,674	130,979	62,891	75,493	138,384	66,821	80,357	147,179
85+	36,672	56,864	93,536	38,064	58,710	96,774	40,350	61,483	101,832	42,493	64,255	106,748	44,596	66,825	111,421
Total	2,173,593	2,198,107	4,371,700	2,189,475	2,213,524	4,403,000	2,206,155	2,229,645	4,435,800	2,223,781	2,246,619	4,470,400	2,242,164	2,264,236	4,506,400
Mdn. Age	40.3	42.0	41.2	40.5	42.2	41.3	40.7	42.4	41.5	40.8	42.5	41.7	41.0	42.7	41.8

Table C.3 Population of Oregon: 1990-2030

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	3,854,947	17,647	0.46%
2012	3,878,877	23,930	0.62%
2013	3,911,943	33,066	0.85%
2014	3,953,356	41,413	1.06%
2015	4,002,145	48,789	1.23%
2016	4,062,203	60,058	1.50%
2017	4,124,435	62,232	1.53%
2018	4,176,095	51,660	1.25%
2019	4,214,664	38,569	0.92%
2020	4,243,791	29,127	0.69%
2021	4,263,827	20,036	0.47%
2022	4,278,910	15,083	0.35%
2023	4,296,300	17,390	0.41%
2024	4,315,800	19,501	0.45%
2025	4,342,400	26,600	0.62%
2026	4,371,700	29,300	0.67%
2027	4,403,000	31,299	0.72%
2028	4,435,800	32,801	0.74%
2029	4,470,400	34,600	0.78%
2030	4,506,400	36,000	0.81%

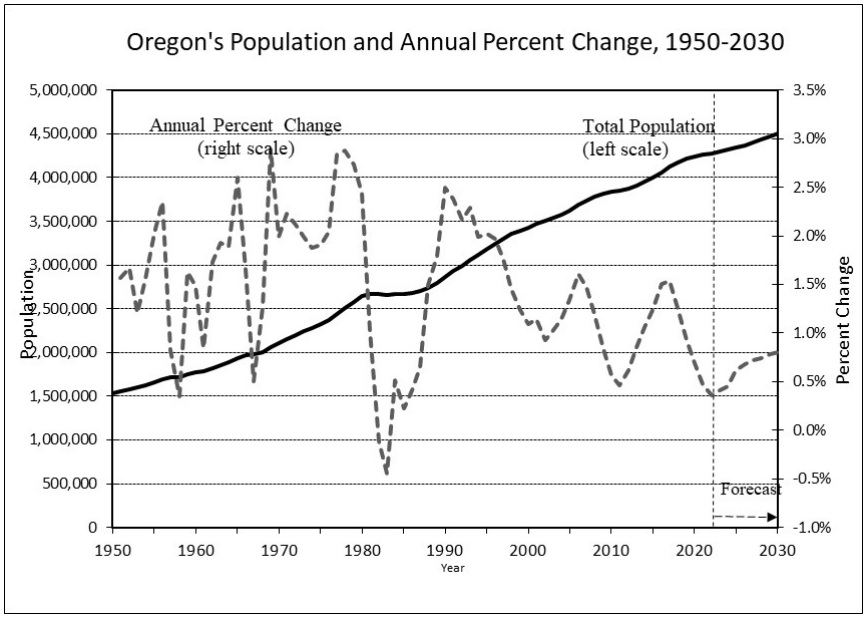


Table C.4 Children: Ages 0-4

Year (July 1)	Population	% Change from previous decade/yr. Number	Percent
1980	199,525	---	---
1990	209,638	10,113	5.07%
2000	223,207	13,569	6.47%
2001	224,645	1,438	0.64%
2002	225,084	439	0.20%
2003	226,652	1,568	0.70%
2004	228,353	1,701	0.75%
2005	230,008	1,655	0.72%
2006	231,882	1,874	0.81%
2007	236,160	4,278	1.85%
2008	239,340	3,180	1.35%
2009	239,929	589	0.25%
2010	238,457	-1,472	-0.61%
2011	236,033	-2,424	-1.02%
2012	232,641	-3,392	-1.44%
2013	229,849	-2,792	-1.20%
2014	229,040	-809	-0.35%
2015	229,278	238	0.10%
2016	230,910	1,632	0.71%
2017	231,892	982	0.43%
2018	229,977	-1,915	-0.83%
2019	226,022	-3,955	-1.72%
2020	220,192	-5,830	-2.58%
2021	213,116	-7,076	-3.21%
2022	208,195	-4,921	-2.31%
2023	205,893	-2,301	-1.11%
2024	204,885	-1,009	-0.49%
2025	205,957	1,072	0.52%
2026	208,879	2,922	1.42%
2027	211,504	2,625	1.26%
2028	214,179	2,675	1.26%
2029	217,007	2,828	1.32%
2030	219,998	2,991	1.38%

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

Year (July 1)	Population	% Change from previous decade/yr. Number	Percent
1980	524,446	---	---
1990	532,727	8,281	1.58%
2000	624,316	91,589	17.19%
2001	624,675	358	0.06%
2002	624,611	-64	-0.01%
2003	624,349	-262	-0.04%
2004	625,461	1,112	0.18%
2005	628,326	2,865	0.46%
2006	633,646	5,320	0.85%
2007	635,720	2,074	0.33%
2008	635,372	-348	-0.05%
2009	633,575	-1,797	-0.28%
2010	630,741	-2,835	-0.45%
2011	628,103	-2,638	-0.42%
2012	628,214	111	0.02%
2013	629,466	1,251	0.20%
2014	630,820	1,354	0.22%
2015	632,114	1,294	0.21%
2016	634,041	1,927	0.30%
2017	636,366	2,325	0.37%
2018	636,368	2	0.00%
2019	636,593	225	0.04%
2020	637,442	849	0.13%
2021	637,725	283	0.04%
2022	635,622	-2,102	-0.33%
2023	632,025	-3,597	-0.57%
2024	626,907	-5,119	-0.81%
2025	619,806	-7,101	-1.13%
2026	611,399	-8,406	-1.36%
2027	604,999	-6,401	-1.05%
2028	599,609	-5,390	-0.89%
2029	595,762	-3,846	-0.64%
2030	592,623	-3,139	-0.53%

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

Year (July 1)	Population	% Change from previous decade/yr. Number	Percent
1980	329,407	---	---
1990	268,134	-61,273	-18.60%
2000	330,328	62,194	23.20%
2001	336,660	6,333	1.92%
2002	340,778	4,118	1.22%
2003	345,266	4,487	1.32%
2004	349,138	3,873	1.12%
2005	351,076	1,938	0.55%
2006	354,328	3,252	0.93%
2007	356,311	1,983	0.56%
2008	358,967	2,656	0.75%
2009	360,134	1,166	0.32%
2010	359,764	-370	-0.10%
2011	360,180	416	0.12%
2012	361,748	1,568	0.44%
2013	364,800	3,053	0.84%
2014	367,153	2,353	0.64%
2015	368,599	1,446	0.39%
2016	369,160	561	0.15%
2017	371,218	2,058	0.56%
2018	372,896	1,678	0.45%
2019	372,182	-713	-0.19%
2020	369,271	-2,912	-0.78%
2021	366,356	-2,915	-0.79%
2022	363,965	-2,391	-0.65%
2023	362,766	-1,199	-0.33%
2024	362,346	-420	-0.12%
2025	363,742	1,396	0.39%
2026	366,544	2,801	0.77%
2027	369,676	3,133	0.85%
2028	372,428	2,752	0.74%
2029	373,289	861	0.23%
2030	374,179	889	0.24%

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

Year (July 1)	Population	% Change from previous decade/yr. Number	Percent
1980	561,931	---	---
1990	544,738	-17,193	-3.06%
2000	616,988	72,250	13.26%
2001	618,906	1,918	0.31%
2002	620,252	1,347	0.22%
2003	622,211	1,959	0.32%
2004	626,423	4,212	0.68%
2005	633,901	7,478	1.19%
2006	644,210	10,309	1.63%
2007	652,287	8,077	1.25%
2008	657,248	4,961	0.76%
2009	657,327	79	0.01%
2010	653,491	-3,836	-0.58%
2011	651,641	-1,850	-0.28%
2012	653,201	1,560	0.24%
2013	658,504	5,303	0.81%
2014	666,390	7,887	1.20%
2015	675,806	9,416	1.41%
2016	688,009	12,203	1.81%
2017	700,639	12,630	1.84%
2018	709,548	8,909	1.27%
2019	716,165	6,618	0.93%
2020	718,078	1,912	0.27%
2021	719,922	1,845	0.26%
2022	721,128	1,205	0.17%
2023	723,057	1,929	0.27%
2024	725,163	2,106	0.29%
2025	727,898	2,734	0.38%
2026	731,240	3,343	0.46%
2027	735,130	3,890	0.53%
2028	739,418	4,288	0.58%
2029	742,993	3,576	0.48%
2030	745,169	2,175	0.29%

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

Year (July 1)	Population	% Change from previous decade/yr. Number	Percent
1980	790,750	---	---
1990	926,326	135,576	17.15%
2000	996,500	70,174	7.58%
2001	994,587	-1,913	-0.19%
2002	989,996	-4,591	-0.46%
2003	987,755	-2,241	-0.23%
2004	988,932	1,177	0.12%
2005	994,575	5,644	0.57%
2006	1,004,110	9,535	0.96%
2007	1,014,565	10,455	1.04%
2008	1,022,060	7,495	0.74%
2009	1,024,971	2,911	0.28%
2010	1,026,126	1,155	0.11%
2011	1,029,393	3,268	0.32%
2012	1,035,159	5,765	0.56%
2013	1,044,330	9,171	0.89%
2014	1,055,947	11,618	1.11%
2015	1,069,720	13,772	1.30%
2016	1,090,595	20,875	1.95%
2017	1,116,186	25,591	2.35%
2018	1,139,887	23,701	2.12%
2019	1,158,692	18,805	1.65%
2020	1,171,876	13,183	1.14%
2021	1,183,066	11,190	0.95%
2022	1,192,683	9,617	0.81%
2023	1,200,085	7,402	0.62%
2024	1,209,476	9,390	0.78%
2025	1,217,439	7,963	0.66%
2026	1,226,415	8,976	0.74%
2027	1,234,081	7,666	0.63%
2028	1,242,447	8,366	0.68%
2029	1,252,853	10,406	0.84%
2030	1,261,636	8,783	0.70%

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

Year (July 1)	Population	% Change from previous decade/yr. Number	Percent
1980	491,249	---	---
1990	531,181	39,932	8.13%
2000	817,510	286,329	53.90%
2001	847,276	29,766	3.64%
2002	876,242	28,966	3.42%
2003	903,499	27,257	3.11%
2004	930,032	26,533	2.94%
2005	957,826	27,793	2.99%
2006	985,638	27,813	2.90%
2007	1,008,986	23,348	2.37%
2008	1,025,501	16,515	1.64%
2009	1,039,689	14,188	1.38%
2010	1,050,150	10,461	1.01%
2011	1,056,732	6,582	0.63%
2012	1,051,985	-4,747	-0.45%
2013	1,049,096	-2,889	-0.27%
2014	1,051,575	2,479	0.24%
2015	1,057,417	5,842	0.56%
2016	1,065,504	8,087	0.76%
2017	1,068,123	2,619	0.25%
2018	1,065,931	-2,192	-0.21%
2019	1,060,795	-5,137	-0.48%
2020	1,056,311	-4,484	-0.42%
2021	1,051,412	-4,899	-0.46%
2022	1,046,274	-5,139	-0.49%
2023	1,043,852	-2,422	-0.23%
2024	1,042,504	-1,348	-0.13%
2025	1,045,616	3,112	0.30%
2026	1,049,672	4,056	0.39%
2027	1,056,746	7,074	0.67%
2028	1,065,237	8,491	0.80%
2029	1,075,097	9,860	0.93%
2030	1,087,909	12,813	1.19%

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%
2001	442,558	0.76%	218,838	-0.07%	163,878	1.04%	59,843	3.08%
2002	445,890	0.75%	219,614	0.35%	165,109	0.75%	61,167	2.21%
2003	451,080	1.16%	222,361	1.25%	165,669	0.34%	63,050	3.08%
2004	456,984	1.31%	226,373	1.80%	165,842	0.10%	64,769	2.73%
2005	465,089	1.77%	231,926	2.45%	166,077	0.14%	67,087	3.58%
2006	475,596	2.26%	239,931	3.45%	165,787	-0.17%	69,877	4.16%
2007	487,657	2.54%	250,131	4.25%	165,148	-0.39%	72,379	3.58%
2008	502,959	3.14%	264,201	5.63%	164,354	-0.48%	74,403	2.80%
2009	517,502	2.89%	277,606	5.07%	163,513	-0.51%	76,383	2.66%
2010	532,062	2.81%	289,645	4.34%	164,159	0.40%	78,258	2.45%
2011	544,506	2.34%	300,288	3.67%	164,364	0.12%	79,855	2.04%
2012	569,131	4.52%	322,254	7.32%	165,642	0.78%	81,235	1.73%
2013	594,402	4.44%	343,741	6.67%	168,193	1.54%	82,467	1.52%
2014	618,820	4.11%	363,253	5.68%	172,253	2.41%	83,315	1.03%
2015	645,017	4.23%	384,089	5.74%	176,998	2.75%	83,930	0.74%
2016	671,994	4.18%	404,131	5.22%	182,863	3.31%	85,000	1.27%
2017	700,649	4.26%	424,450	5.03%	190,577	4.22%	85,622	0.73%
2018	731,036	4.34%	442,756	4.31%	201,884	5.93%	86,396	0.90%
2019	760,380	4.01%	460,136	3.93%	213,247	5.63%	86,997	0.70%
2020	788,700	3.72%	477,311	3.73%	223,214	4.67%	88,175	1.35%
2021	812,152	2.97%	492,580	3.20%	231,073	3.52%	88,499	0.37%
2022	832,171	2.46%	496,520	0.80%	247,471	7.10%	88,180	-0.36%
2023	851,679	2.34%	500,169	0.73%	263,091	6.31%	88,418	0.27%
2024	869,684	2.11%	503,162	0.60%	276,918	5.26%	89,604	1.34%
2025	889,841	2.32%	506,609	0.69%	291,975	5.44%	91,257	1.84%
2026	908,791	2.13%	509,464	0.56%	305,790	4.73%	93,536	2.50%
2027	925,993	1.89%	509,336	-0.03%	319,883	4.61%	96,774	3.46%
2028	941,900	1.72%	506,916	-0.48%	333,151	4.15%	101,832	5.23%
2029	956,392	1.54%	503,638	-0.65%	346,006	3.86%	106,748	4.83%
2030	970,055	1.43%	499,619	-0.80%	359,015	3.76%	111,421	4.38%