

The background of the slide features a large, faint, light blue seal of the State of Oregon. The seal is circular and contains an eagle with spread wings perched on a shield. Below the eagle is a banner with the text "THE UNION". At the bottom of the seal, the year "1859" is inscribed. The words "STATE OF OREGON" are written around the perimeter of the seal.

# Oregon Economic and Revenue Forecast

May 19<sup>th</sup>, 2023

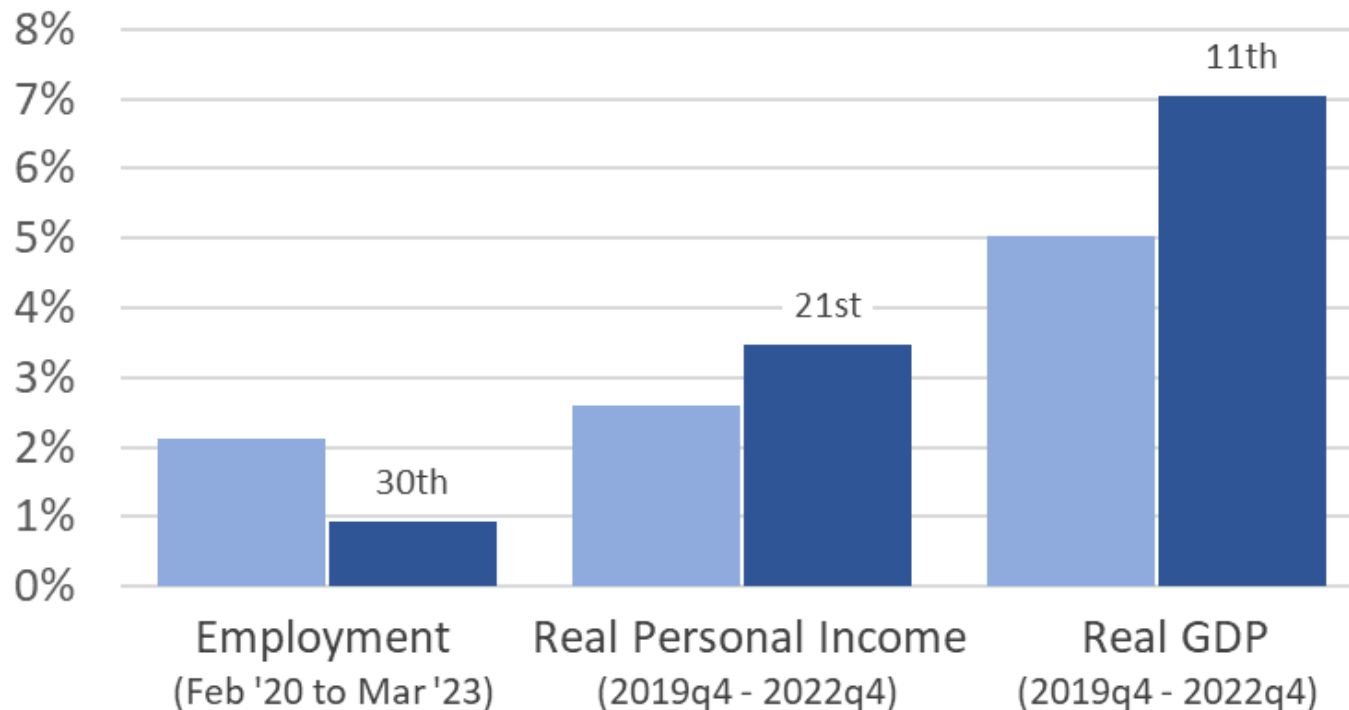
Oregon Office of Economic Analysis  
Josh Lehner



# How Oregon Stacks Up Today

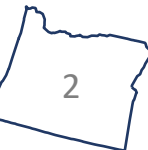
## Pandemic Economic Recovery

Percent change from pre-pandemic for **U.S.** and **Oregon**



- Business Cycle Dynamics
  - Historically Oregon's economy is more volatile than the typical state
  - This cycle Oregon is in the middle of the pack
- Composition of Growth
  - In the 1990s and 2000s, Oregon saw fast job and population gains while relative incomes lagged
  - Starting late 2010s and through the pandemic, relative incomes are outpacing the typical state, while jobs and population are slower

Source: BEA, BLS, Oregon Office of Economic Analysis





# Oregon is at or near full employment

## Oregon's Labor Force Participation

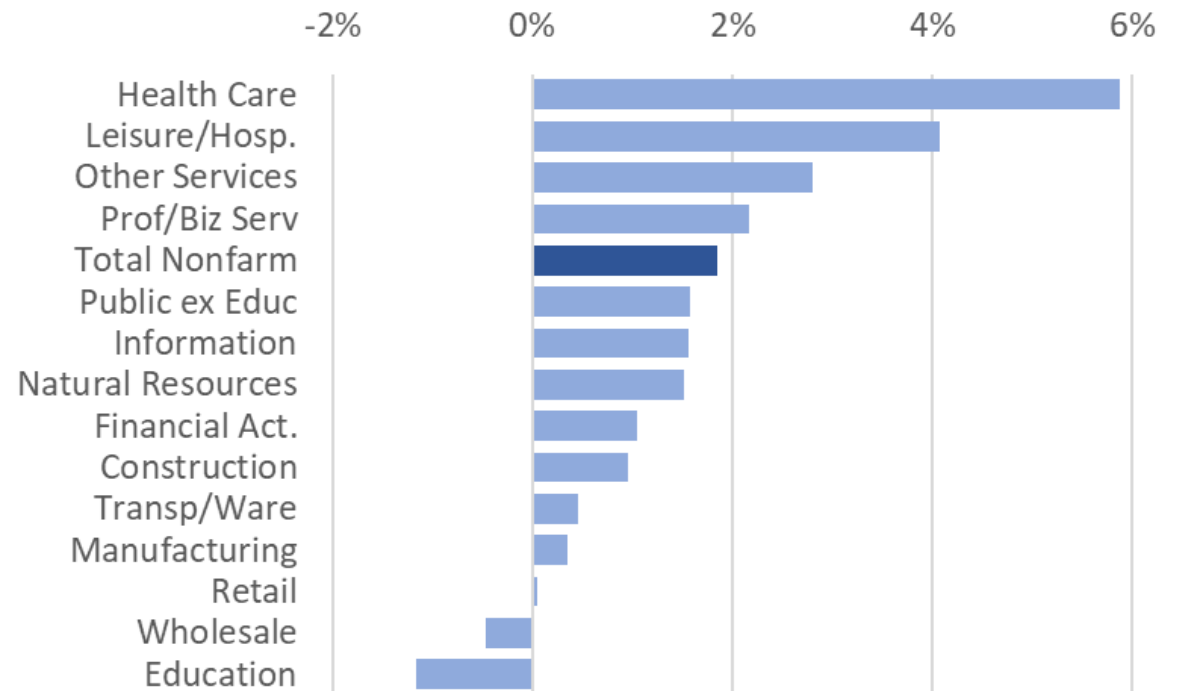
Share of all Oregonians 16 years and older with a job or looking for work



Latest Actual: March 2023 | Source: BLS, Census, Oregon Office of Economic Analysis

## Oregon's Industry Outlook

Percent change 2023q1 to 2025q1

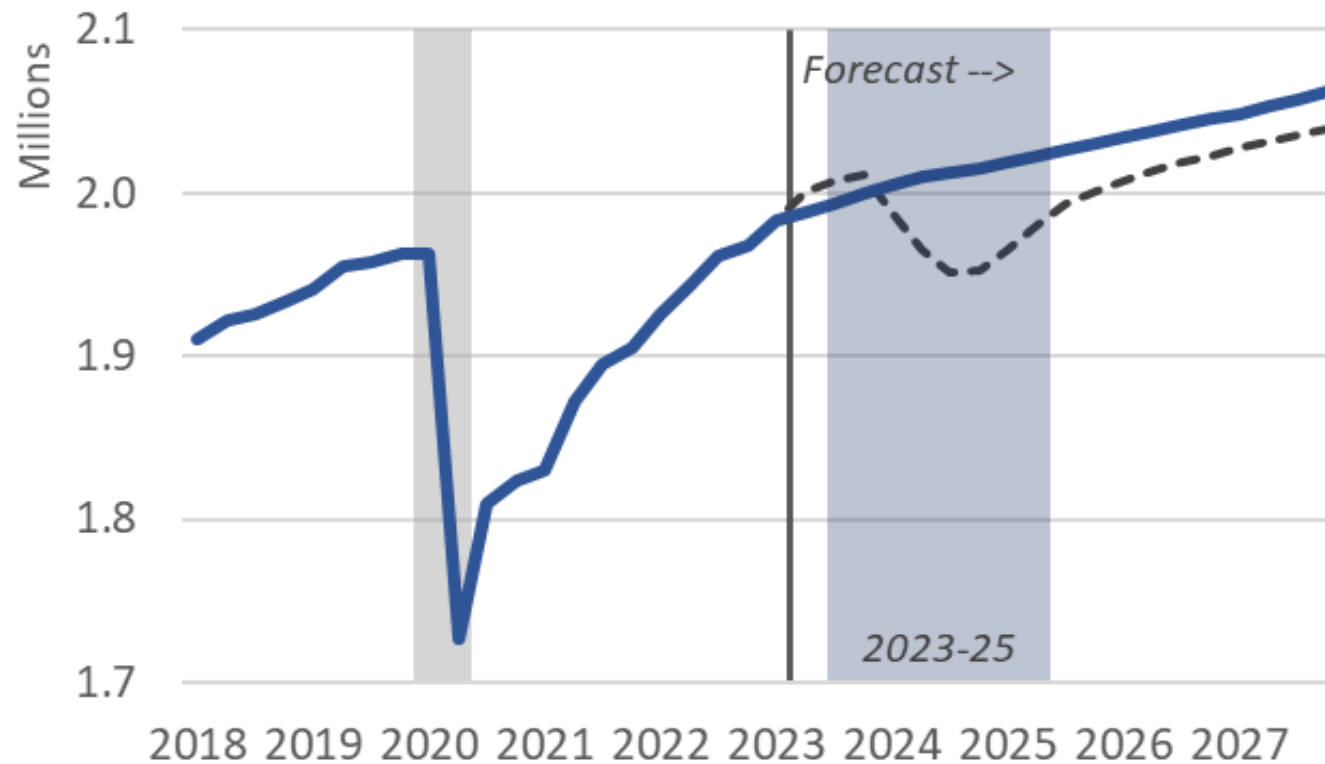




# Baseline outlook is the soft landing, but recession risks remain real

## Oregon Employment

Baseline Soft Landing and Boom/Bust Alternative Scenario



Latest Data: 2023q1 | Source: Oregon Office of Economic Analysis

### • Bad News

- Inflation remains too high, economy suffered a goods recession last year and banking turmoil this year, full force of interest rate increases yet to impact economy

### • Good News

- Inflation is slowing some, Fed is looking to pause rate hikes, housing and manufacturing are stabilizing, consumers on solid footing

### • Alternative Boom/Bust Scenario

- Moderate sized recession starting in 2024

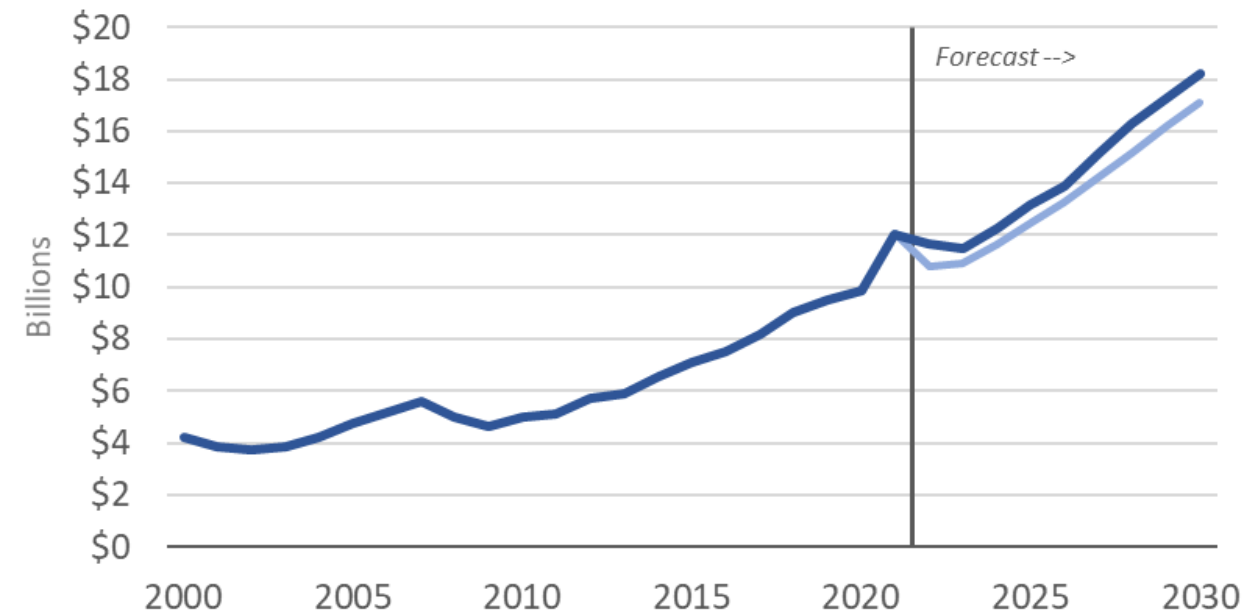




# State Revenue Forecast Changes

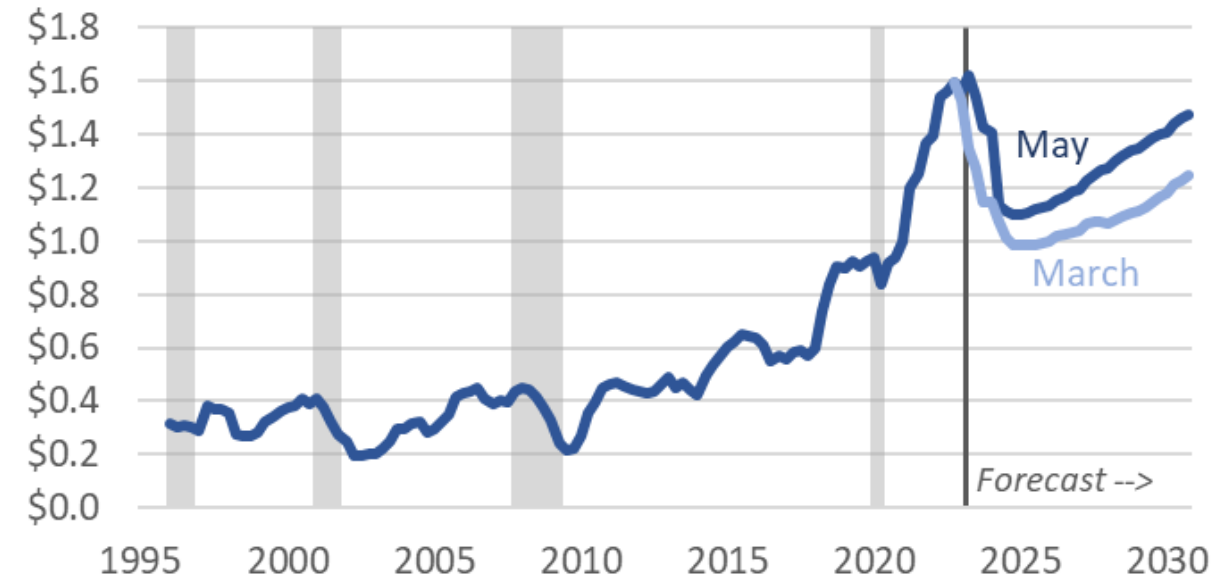
## Oregon Personal Income Tax Liability

March Forecast vs May Forecast



## Oregon Corporate Excise Tax

4-QTR sum, \$ billions



Source: OR Dept of Revenue, Oregon Office of Economic Analysis

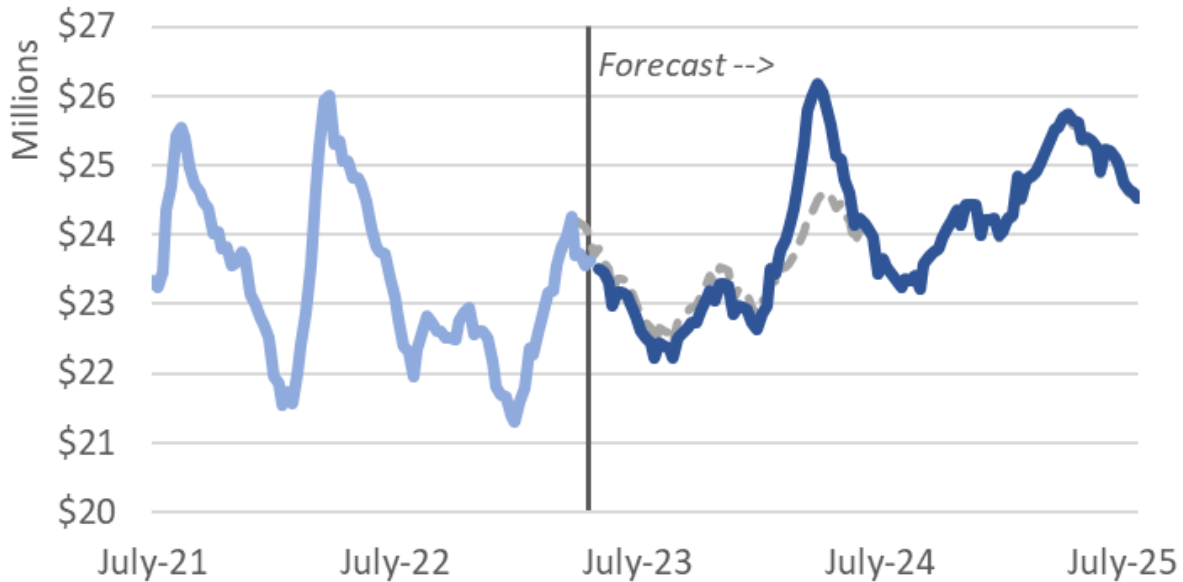
Latest Actual: 2021 | Full-year filers Source: Oregon DOR, Oregon Office of Economic Analysis



# Lottery Forecast Changes

## Oregon Video Lottery Sales

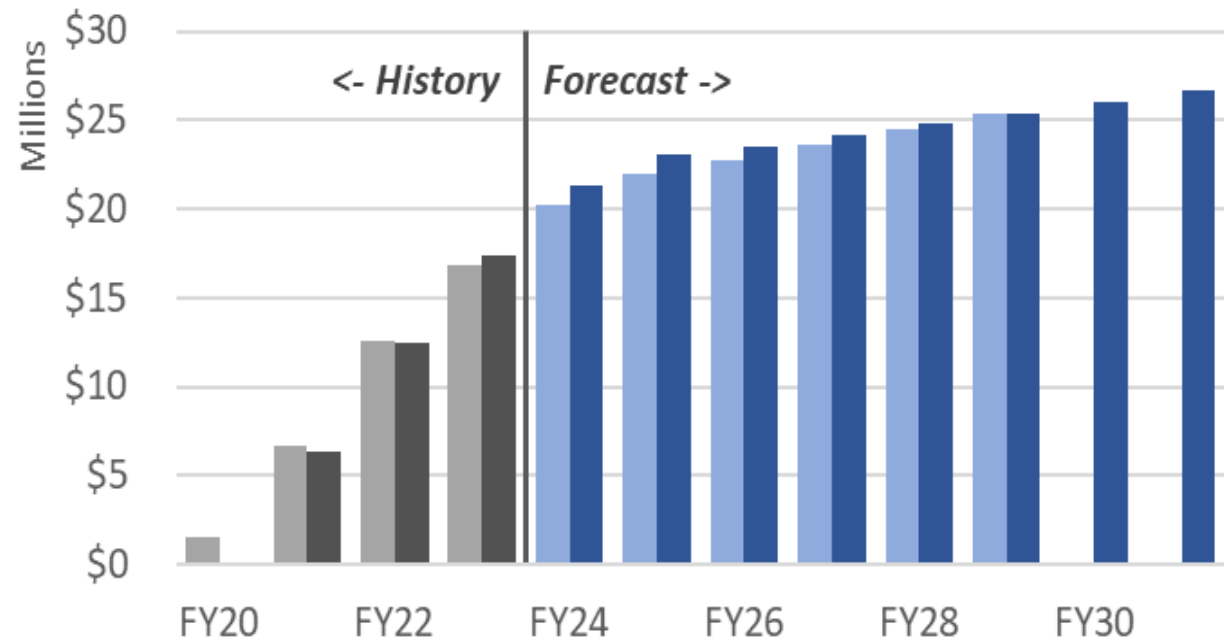
4 week average of *Actual Sales*, *Previous Forecast (Mar '23)*, and *Current Forecast (May '23)*



Latest Actual: April 22, 2023 | Source: Oregon Lottery, Oregon Office of Economic Analysis

## Sports Betting Annual Transfers

Initial Forecast | Current Forecast



Oregon Office of Economic Analysis



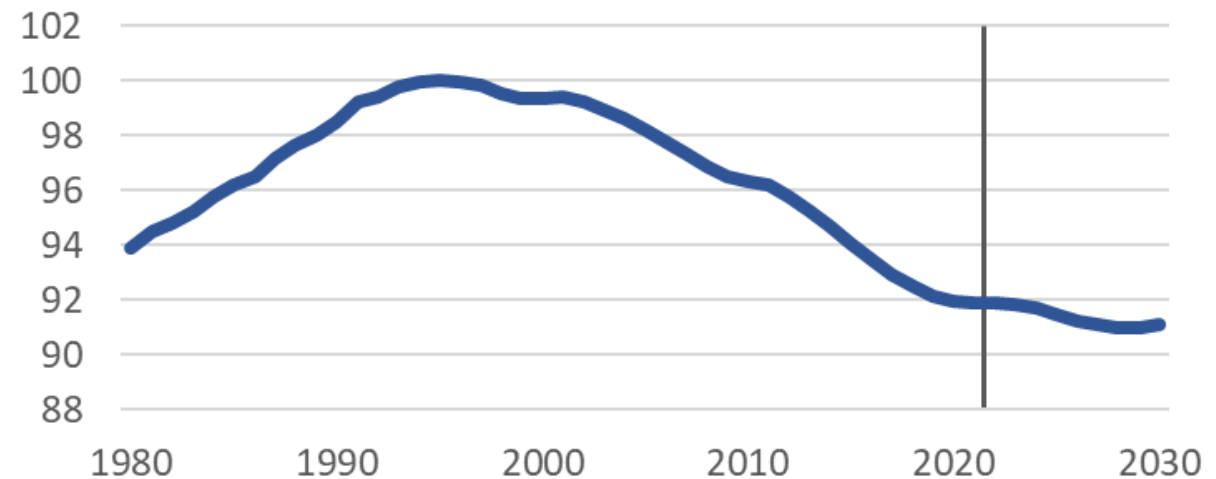


# Video Lottery Demographics

- Relative patterns across ages are broadly consistent across player surveys in the past decade
  - Video playing rates are highest among those in their 30s, 40s, and 50s where 20-30% 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
- The impact of aging is largely in the rearview mirror for Video Lottery playing, alleviating some concerns about potential shifts in consumer and player behavior from a structural, demographic perspective
  - While 65 and older adults account for 27% of casino gamblers in Las Vegas, for Oregon Video Lottery, that figure is just 13% of its player base
  - The equally large millennial generation is now in their late 20s through early 40s, at the leading edge of their peak video lottery playing years

## 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)*

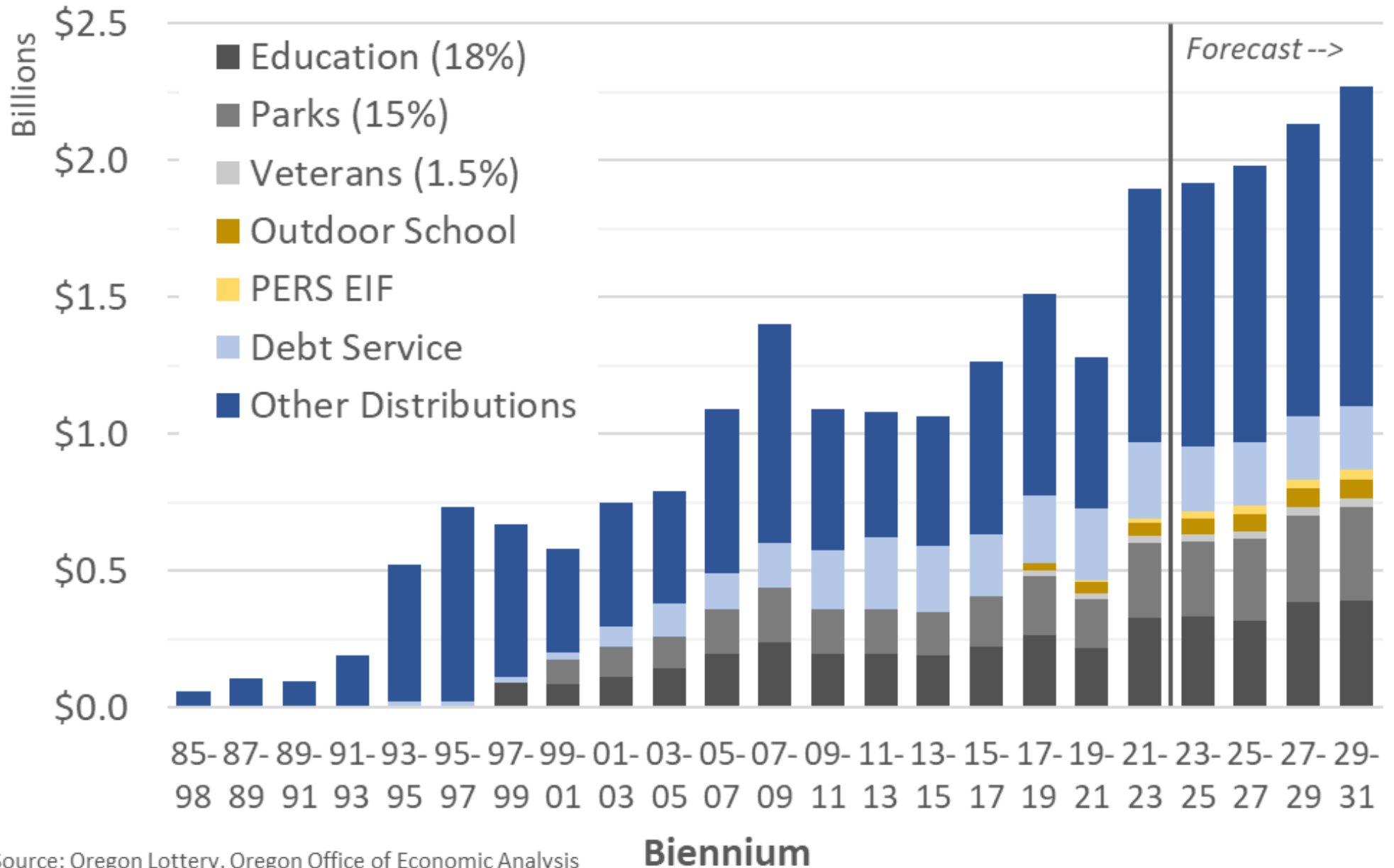


Source: Oregon Lottery, Oregon Office of Economic Analysis





# Lottery Resources and Distributions



Source: Oregon Lottery, Oregon Office of Economic Analysis



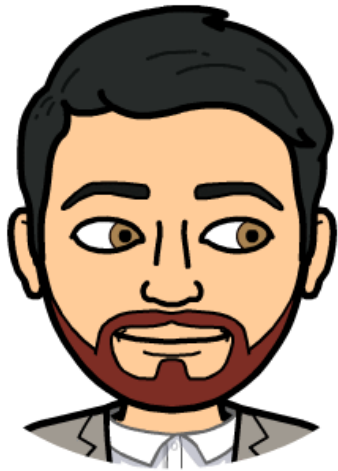
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