

Economy sending mixed signals

Some say Oregon economy is entering boom-and-bust cycle

By SUZANNE ROIG
The Bulletin

BEND — The economy is sending mixed signals right now.

Inflation reached a four-decade high in May, 8.6%, but there's solid job growth.

Interest rates are rising, but doesn't appear to have affected consumer spending much, even though it was down slightly in May, the most current month data are available. And while it has remained a bright spot in the economy along with low unemployment, economists say it could change quickly and signal a recession.

Some see inflation as a sign a recession is looming toward the end of the year and into 2023. Others say we're entering a boom-and-bust cycle in Oregon, according to a forecast post by Josh Lehner, Oregon Office of Economic Analysis economist.

Inflation likely will drop to about 5% by the end of the year and interest rates will continue to rise as the Federal Reserve raises rates more aggressively, Lehner wrote in his forecast. Any recession will be mild or moderate, Lehner said. For Oregon, that could mean 100,000 jobs lost and an unemployment rate of 9%, according to the projection.

The economy will improve by early 2025, according to Lehner's projections.

"The future is hard to predict," said Jeffrey Reimer, Oregon State University professor in the Department of Applied Economics. "It is possible a recession could come this year or in 2023, but it would require a reversal of some current trends. A recession would mean a massive slowdown in consumer spending, declining consumer demand and prices and a reversal of the strong labor market."

A recession generally occurs when people keep their wallets shut and there is significant job loss for two consecutive quarters. Economists are keeping a keen eye on these indicators. The Federal Reserve has been working to slow spending by raising interest rates, which makes borrowing more expensive.

"The Federal Reserve has signaled strongly that it intends to quash inflation down to an acceptable level, generally about 2%," Reimer said. "The Federal Reserve is raising interest rates to make borrowing more expensive and that reduces consumer demand for goods and services, which should lower their prices."

But as long as there's job growth and not job cuts, there shouldn't be a recession, said Tim Duy, University of Oregon economics professor and senior director of the Oregon Economic Forum.

"The Fed's goal is to have a soft landing," Duy said. "The Fed hopes to do a slow down in growth by raising interest rates that doesn't have widespread job losses."

That would mean a gentle increase in job losses by moving the unemployment rate up slowly, Duy said. Even with the record inflation, consumers are still spending, but are just more selective on their spending, he said.

"The inflation is a factor. It's the fallout from the fast recovery we underwent from the pandemic recession," Lehner said. "Everyone is back to work and wages are going up and that's all driving inflation."

A unique choice

Forgoing technology, mules called on to make Wallowa County farm go

By ANN BLOOM • For the Wallowa County Chieftain

ENTERPRISE — The rich, black sod peeled away like chocolate curls as the mule teams pulled the sharp plows through the earth cutting straight lines, guided by the sure hand of their owners. The Lazy Mule Farm plowing bee, held on a recent weekend, despite the dark skies overhead and occasional rain, went on as planned.

There were two teams on hand to prepare the land for planting the garlic that would be sold in the fall by owners Jessica Bass and Adam McGrath. Salad greens also are planned, which will be sold to restaurants and stores. The "seed garlic" will be sold to nurseries and wholesalers. They also plan to have a farm stand offering produce.

The Lazy Mule Farm, named after resident mule, "Charlie," who would rather receive petting and lay in the sun sometimes than work, is located at the corner of Alder Slope and Reavis Lane. The couple's other mules in addition to Charlie, include Mae and Pete. There is also Belle, a Belgian draft horse.

"They (the mules) are our employees," said McGrath.

McGrath describes the relationship between the mules and the use of them, as opposed to mechanized farming, as being positive for the planet.

"It's an attractive application," he said, "horses have no off button. They have strengths and weaknesses," like any relationship, plus, "it's fun."

He said the size of their property is just right for the two of them and allows them to make ends meet while still

being able to pursue other interests and activities. McGrath said the operation allows them to, "select the things we like with the size we have and merge the things we're both passionate about."

The mules can work into their early 30s and the draft horses to their early 20s.

"Farming with mules is not tidy. I wouldn't farm if I couldn't farm with mules."

— Adam McGrath, co-owner of The Lazy Mule Farm

McGrath says it's important to keep them active, "chugging along, plowing and turning the sod — it's the single hardest draft task."

McGrath and Bass currently lease the land they are farming. They will plow five plots that are three-quarters of an acre, but will only grow one plot of garlic at a time. They will rotate the plot that contains garlic each year so the soil is not overused and would thus encourage pests and disease. The other four plots will be planted in a cover crop, mostly alfalfa.

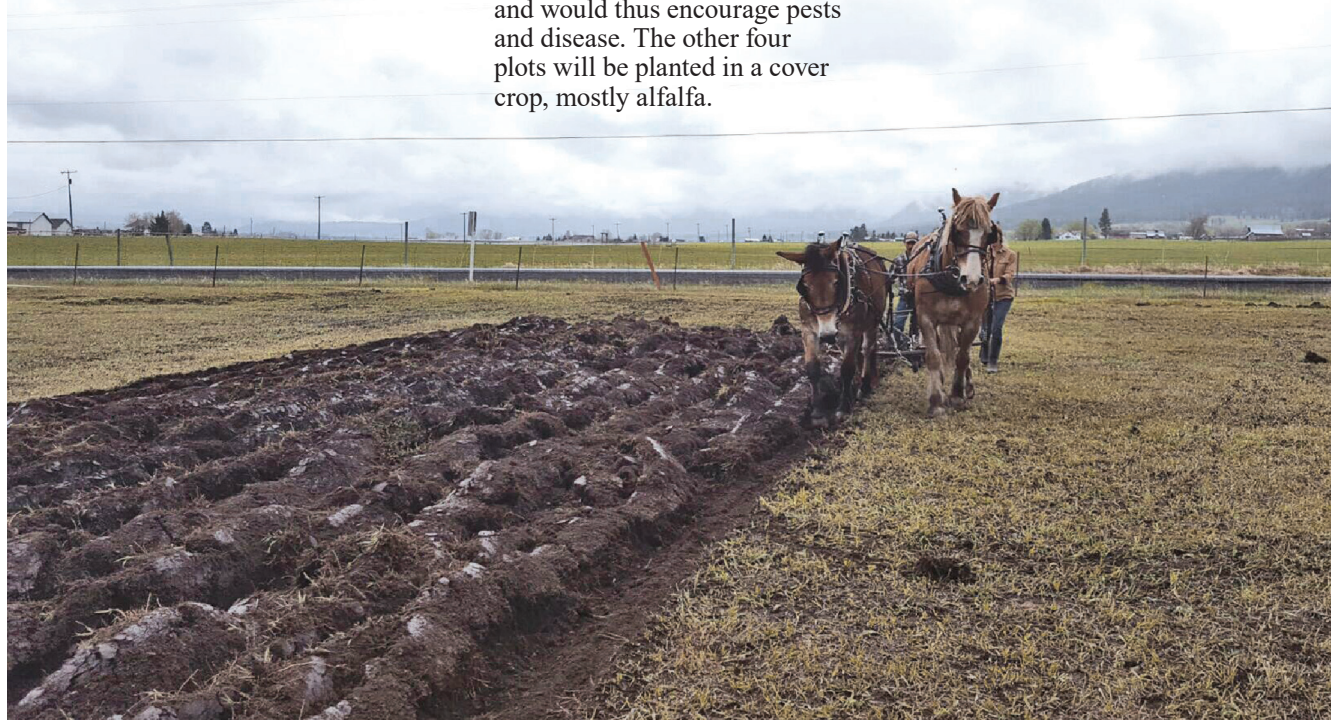
"This is the best crop (alfalfa) to follow garlic because it fixes nitrogen as well as accumulates other important nutrients in the soil," Bass said. "The second reason we chose alfalfa as a cover crop is because it can feed our stock. Alfalfa provides a source of protein for the mules and gives them a healthy boost as they age and continue to work."

McGrath explained that by doing a wholesale operation, and confining the size to what they have, it allows them to make a living and still leave time to pursue other activities.

They can also branch out to what McGrath calls "tertiary" venues; places which buy salad mixes may also buy flowers, which the couple will grow. They also plan to use the team to deliver produce to customers in Enterprise and offer wagon rides as an extra source of income.

McGrath said one of their biggest challenges has been that they did not come from a farming background. Also, finding farm ground to purchase continues to be a challenge. He said some people may have a romanticized perception about farming.

See, Mules/Page B6



Pete, the mule, and Belle, the draft horse, are driven by Jessica Bass and Adam McGrath.

Ann Bloom/Contributed Photo

Mother-daughter duo opening salon

Cheri Caldwell, Cassidy Crites-Hisgen returning to La Grande to open Studio Tru Salon

By TRISH YERGES
For The Observer

LA GRANDE — Studio Tru Salon will open for business on July 11 in Pat's Alley, offering a full line of hair care services for men, women and children.

The salon, situated at 1414 Adams Ave., is co-owned by film hair designer Cheri Caldwell and her daughter, Cassidy Crites-Hisgen, both from the Willamette Valley, returning to La Grande

after an eight-year absence. Caldwell will be opening the business alone initially, but Crites-Hisgen will join her in August after completing their salon lease in Eugene.

"I grew up in the Willamette Valley and then I lived in La Grande from 1997 to 2014, during which time I opened Studio Tru Salon in 2011," Caldwell said. "I've been gone for eight years, and I moved back in June."

Caldwell has completely renovated the salon space in Pat's Alley, formerly occupied by the late barber, Frank Tucori, of the Alley Barber Shop. Caldwell said that she has repainted, put in new flooring, lighting, installed two new hair stations, redecorated and brought in new furniture.

Caldwell's career in hair designing started 32 years ago, when she graduated from the Academy of Hair Design in Salem.

Since then she has done a lot with her career within the industry, she said. She has been an educator for a product line, worked in film hair designing and in a hair fashion film festival for a hair designer.

"I've prided myself at being good at everything," she said. "I've always wanted to stay relevant with every age group."

The services she offers at Studio Tru Salon will include cuts and styling for men, women and children, coloring, root touch ups, partial and full highlights, women's balayage, bleach and tones,

deep conditioning, Brazilian blow-outs, smoothing and facial waxing for men and women. After Crites-Hisgen joins the salon in August, she may be offering lash extensions as well. They will not be offering pedicures, manicures or full body waxing services.

Crites-Hisgen received her education in hair designing from the International Beauty School in Eugene, where she graduated in 2019.

"She worked at Moss Hair Studio in Eugene," Caldwell said, "and she apprenticed under me and a very well-known hair designer that I worked with as well."

After several months working there, the mother-daughter team opened Studio Tru Salon in 2019



Salon co-owners Cassidy Crites-Hisgen, left, and Cheri Caldwell are opening Studio Tru Salon on July 11 in Pat's Alley, La Grande.

and have been working together ever since.

"We're in a prime spot, and walk-ins are welcome as long as we have the time," Caldwell said.