

There's room in Oregon's economy for all to be secure



BY TYLER MAC INNIS
CONTRIBUTING COLUMNIST

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Ariel, a homecare worker without the means of fixing her car's transmission. Tai, an immigrant factory worker worried that rising rents may put his family out on the streets. Bertha, a nursery worker struggling to raise her school-aged daughter.

Ariel, Tai and Bertha's may have different stories, but they share the same anguish: how to make ends meet on meager wages.

They also have in common the fact that a few weeks ago they trekked to the state Capitol, where they joined workers from around the state in urging legislators to raise Oregon's minimum wage.

Their request is fully justified, especially when considering Oregon's fast-growing economy. For quite some time now, Oregon's economy has delivered some of the most robust growth in the nation, even as it has left many working Oregonians behind. It's long past due to let all workers share in the benefits of the growth they have helped produce.

Oregon's economy has been a top performer for years. Since 2001, Oregon ranks second among all states in terms of economic growth. Only North Dakota — thanks to an oil boom — enjoyed a faster economic expansion during that period. Accounting for changes in population over that period, Oregon's second-in-the-nation standing still holds.

Oregon's exceptional economic growth can be explained in part by how productive Oregon workers are. In 2014, the average Oregon worker produced \$88,200 in goods and services, more than 41 percent higher than in 2001. Oregon's productivity growth over that time was, again, second in the nation.

So, if Oregon's economy is doing so well, why do workers like Ariel, Tai and Bertha continue to live one paycheck away from financial disaster?

The reason boils down to the fact that Oregon's economic gains are bypassing too many of the workers who helped generate those gains. This is clear when one looks at the state of Oregon's working poor. In recent years, the share of Oregon families living in poverty despite the fact that at least one parent was working has been on the rise, even as the economy has rebounded from the Great Recession.

It's also clear when one pauses to look at income inequality. Since the end of the Great Recession, the average Oregonian in the top 1 percent of earners has seen his income rise by more than \$80,000. Meanwhile the typical Oregonian, the Oregonian in the middle, has seen their income decline in real terms.

The numbers paint a picture of a growing economy that is not working for Oregonians in the middle and bottom of the income ladder. In this respect, Oregon's economy is not different from other states.

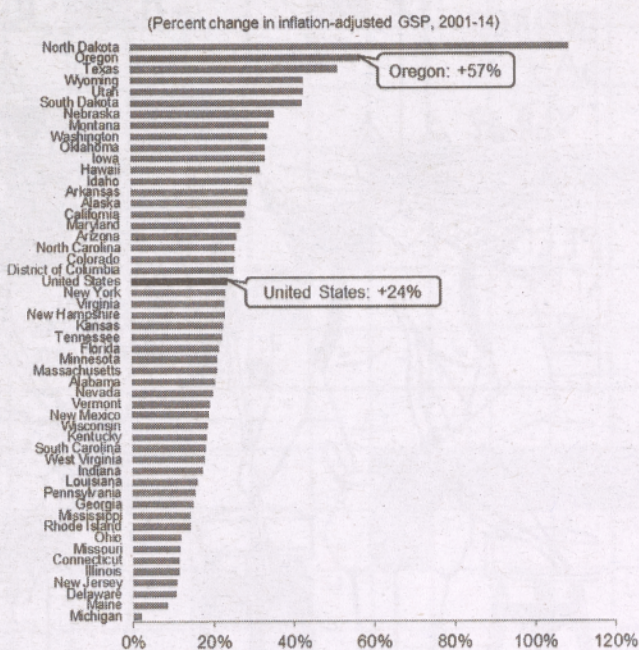
A new study from the Brookings Institute examined the economies of the 100 largest metro areas in the United States and found only a "weak" connection between economic growth and the economic well-being of those in the middle and bottom of the income ladder. In other words, economic growth doesn't simply trickle down as some politicians continue to promise.

This conclusion, of course, comes as no surprise to the many Oregonians for whom economic insecurity marks their daily existence. But it should chasten those who insist that more economic growth is all our state needs.

What Oregonians need most are policies that ensure that all workers share in the economic gains they've helped produce. There is much work to do to make Oregon's economy work for all workers, and there is no time to lose.

Right now, lawmakers have an opportunity to take a decisive step in that direction by significantly raising the state minimum wage. At the end of the day,

Oregon economic growth tops nearly all states



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poverty and economic insecurity boil down to families not having enough income. A significant minimum wage increase addresses that problem directly.

But a minimum wage increase means little if workers ultimately don't get paid the wages that they have earned. Wage theft is a widespread problem in our state. Wage theft occurs when employers pay workers less than the minimum wage, don't pay time-and-a-half for overtime hours, cheat on the number of hours worked, steal tips or don't pay workers at all. Enacting strong deterrents against wage theft is a key policy for ensuring that workers share in the benefits of the economy.

We live in one of the nation's fastest growing economies. There is more than enough room for all Oregon workers to enjoy economic security.

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