

QUICK RECOVERY BOOSTS REDMOND ECONOMY

But inflation and housing prices remain concerns

BY TIM TRAINOR
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The economy shuddered and some businesses shuttered in 2020-2021, as the world fought off the COVID-19 pandemic.

But here in Redmond, and in Deschutes County as a whole, the fast dip toward recession was quickly halted. As the calendar turned to 2022, all pandemic-related job losses in the local economy had been recovered. In fact, there are currently 16,049 jobs in Redmond according to the latest data — nearly 1,000 more than existed at the start of the COVID crack-downs.

Still, we're not out of the woods yet. Run-away inflation, supply chain problems and lack of affordable housing can all still stunt economic growth in the Hub City, according to a slew of local experts.

But first the good news.

Damon Runberg, Bend-based regional economist for the Oregon Employment Department, said that Redmond has more workers currently earning wages than it did pre-pandemic.

"That's a full recovery and then some," he said.

There are currently as many open jobs as applicants, however, which causes a different kind of economic stress. A strong demand for workers requires employers to bump up wages and benefits in order to attract good candidates and keep their current employees.

Runberg's data suggests the labor crunch isn't due to workers sitting on the sidelines, despite ideas that a lack of child care or increased government support for the unemployed has kept people out of the labor market.

"None of our data suggest that," he said. "It's pretty simple — demand for workers is high, so a lot of workers are finding better jobs and bet-



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ABOVE: Homes under construction in October 2021 on NW Quincy Avenue in Bend. RIGHT: Damon Runberg, Central Oregon regional economist, in his home office.

ter wages and employers who can't (offer that) are finding it hard to attract."

The economic theory currently in play is called the "wage-price spiral," according to Runberg. The theory posits that a tight labor market causes wages and income to increase. More disposable income in turn causes demand for goods to rise. An increase in consumer demand naturally leads to an increase in prices. And when the cost of goods and services increase, it leads to workers to require still-higher wages in order to not lose ground. Those ever-increasing wages lead to higher production costs, which helps the spiral keep

