

Price increases negate wage hikes

Inflation taking a bigger bite of Oregonians' paychecks

By **MIKE ROGOWAY**
The Oregonian

SALEM — Oregonians' wages continue to soar — but inflation is rising even faster. "The average Oregonian's purchasing power is lower today than it was a year ago. Our standard of living is declining," Josh Lehner of the Oregon Office of Economic Analysis told lawmakers recently while delivering the state's quarterly revenue forecast.

Average wages in Oregon are up 17% since the start of the pandemic, according to federal and state data. But price increases have gobbled up most of those gains — and over the past year, inflation has risen so fast that most workers are effectively getting pay cuts.

Adjusting for inflation, Lehner said Oregonians' "real" wages are down 3% in the past year. He said four out of every five workers are losing ground to rising prices.

"Inflation hurts our low-income neighbors the most, and those on fixed income," Lehner said. "They're living paycheck to paycheck. They're spending every single dollar they earn, and sometimes more."

Rising prices are beginning to eat into consumer spending, threatening to throw the economy back into recession.

Earlier this month, for example, Dutch Bros warned that higher gas prices are leaving its customers with less discretionary income, reducing the frequency of their visits to the drive-thru chain. The news sent the Oregon company's stock tumbling.

Even so, state economists said the consensus among the Oregon businesses they consult with is that a recession isn't likely. And there are hopeful signs that inflation may be easing.

Used car prices, for example, rose 50% from the start of the pandemic through the end of 2021. But in recent months they've fallen modestly.

And while gas prices remain high, the rate of increase has slowed dramatically. That may not be much relief to drivers weary of paying \$4 a gallon — or even \$5 — but it suggests a new equilibrium.

With the Federal Reserve raising interest rates to tame inflation by cooling the economy — also raising the cost of borrowing money, such as for a home mortgage or ringing up a credit card balance — Lehner said there are hopeful signs the worst of the price increases may soon be in the rear-view mirror.

"There is an opportunity for this to play out in that soft-landing scenario," he said.



Dick Mason/The Observer

Johanna Pettey, the store manager of Umpqua Bank in La Grande, displays the Patriot Award she received from the Employer Support of the Guard and Reserve program on Wednesday, May 18, 2022. Pettey is shown with Jack Johnson, right, chair of Area Six of the Oregon Committee of Employer Support of the Guard and Reserve, and Capt. Troy Bagnall, a senior staff member of La Grande's 3rd Battalion, 116th Cavalry.

'A HUGE DEAL'

Umpqua Bank store manager saluted for her support of the National Guard

By **DICK MASON**
The Observer

ISLAND CITY — A civilian making sacrifices to boost La Grande's National Guard unit, the 3rd Battalion, 116th Cavalry, is being saluted by a Department of Defense agency.

Johanna Pettey, the store manager of Umpqua Bank in Island City, was presented with the Employer Support of the Guard and Reserve program's Patriot Award on Wednesday, May 18. The award recognizes employers and their managers whose help make it possible for people to be employed and serve in the National Guard or another reserve branch of the Armed Forces.

Pettey was nominated by Pfc. Eduardo Bedolla, a member of La Grande's National Guard unit. Bedolla, in his letter asking that Pettey, his supervisor, be given the ESGR Patriot Award, praised her for making it easier for him to take leave from his position at Umpqua Bank to fulfill his military commitments.

"Johanna has been an awesome boss. She really understands that my military obligations come first, and she tries her best to help with any question regarding my military leave from Umpqua Bank," he wrote.

Bedolla also said that at times he feels bad about leaving but that Pettey always reassures him that she understands and that his job will be there for him when he returns.

"Johanna has been great to work with and her support means so much," wrote Bedolla.

The Patriot Award was presented to Pettey by Jack Johnson, chair of Area Six of the Oregon Committee of Employer Support of the Guard and Reserve. Johnson said Bedolla is currently out on a military mission.

"I know that this places additional stress on his supervisor and the total workforce at Umpqua Bank," Johnson said.

The ESGR is an agency within the Department of Defense,

and Johnson is one of its 100 volunteers in Oregon.

Johnson was accompanied at the award presentation by Capt. Troy Bagnall, a senior staff member of La Grande's National Guard unit. Bagnall said the significance of help from employers like Umpqua Bank cannot be underestimated in terms of what it means to the National Guard.

"This is a huge deal," Bagnall said.



Dick Mason/The Observer

Johanna Pettey, the store manager of Umpqua Bank in La Grande, center, talks with Jack Johnson, right, of the Employer Support of the Guard and Reserve, and Capt. Troy Bagnall, a senior staff member of La Grande's 3rd Battalion, 116th Cavalry, on Wednesday, May 18, 2022. Pettey is holding the Patriot Award she just received from the ESGR program.

Funds to help protect Oregon farmland

State receives \$6.7 million to protect high-value farmland from development

By **SIERRA DAWN McCLAIN**
Capital Press

PORTLAND — USDA's Natural Resources Conservation Service has awarded Oregon a record \$6.7 million to help protect working farmlands from development or fragmentation.

"With this allocation, and hopefully future allocations, we'll be able to help protect (farmers') land, keep it in produc-

tion and pass it on to future generations at a much larger scale than at any time in Oregon's history," said Nellie McAdams, executive director of the Oregon Agricultural Trust.

The money will go toward helping Oregon farmers create nearly 15,000 acres of working land conservation easements, which the Coalition of Oregon Land Trusts defines as "voluntary legal agreements that remove development rights and help protect soil health and water quality while keeping land in farming and ranching."



McAdams



Sierra Dawn McClain/Capital Press

USDA's Natural Resources Conservation Service in 2022 awarded Oregon a record \$6.7 million to help protect working farmlands from development or fragmentation.