

CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS

Policy Session Worksheet

Presentation Date: April 8, 2025

Approx. Start Time: 1:30 pm

Approx. Length: 45 minutes

Presentation Title: Portland Metro Chamber: 2025 State of the Economy Report

Department: Transportation and Development - Office of Economic Development

Presenters: Dan Johnson, Director; Laura Edmonds, Office of Economic Development:

Andrew Hoan, Portland Metro Chamber President & CEO

Brittany Bagent, Project Director, ECONorthwest

WHAT ACTION ARE YOU REQUESTING FROM THE BOARD?

Informational Only

EXECUTIVE SUMMARY:

On February 20, 2025, the Portland Metro Chamber released the 2025 State of the Economy Report and will present the findings directly to the Clackamas County Board of Commissioners. This briefing will offer an opportunity for commissioners to engage with the report's data, ask questions, and discuss the implications for local policy and economic strategy moving forward.

FINANCIAL IMPLICATIONS (current year and ongoing):

Is this item in your current budget? YES NO

What is the cost? N/A

What is the funding source? N/A

STRATEGIC PLAN ALIGNMENT:

- How does this item align with the County's Performance Clackamas goals?
 1. "Grow a Vibrant Economy"

LEGAL/POLICY REQUIREMENTS:

N/A

PUBLIC/GOVERNMENTAL PARTICIPATION:

N/A

OPTIONS:

None.

RECOMMENDATION:

Informational only

ATTACHMENTS:

Attachment A: Portland Metro Chamber 2025 State of the Economy

Attachment B: Board Presentation Slides

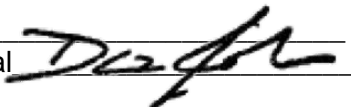
Attachment C: Full Slides for Reference

SUBMITTED BY:

Division Director/Head Approval _____

Department Director/Head Approval _____

County Administrator Approval _____





2025

Value of Jobs

STATE OF THE ECONOMY

Report at a Glance

Portland made significant strides last year, with local and state governments working together with the business community to deliver results on livability issues through the Governor's Portland Central City Task Force. As conditions stabilized in 2024, attention began to shift from crisis management to the long-term economic outlook of our region—where major challenges remain.

The region lost jobs last year while the national labor market grew substantially—a rarity for Portland during an economic expansion—and the losses were concentrated in high-paying sectors like information, manufacturing, professional services, and financial services. Population loss has continued, as small natural increases (more births than deaths) were offset by out-migration. The housing crisis persisted, with production remaining sluggish, and outside investors viewed the region unfavorably.

Despite the region's stunning natural amenities, people have been "voting with their feet" against the Portland area. High housing costs are a primary factor, but the contrasting growth patterns between Oregon and Washington strongly suggest that taxes and public services are also playing an outsized role. Through the task force's work, civic leaders proved they could identify problems and deliver results. Now, a new set of challenges awaits their focus.

This Value of Jobs report is presented to you by:



View the full report with interactive charts at: PortlandMetroChamber.com



This annual update on the state of our economy is led by the Portland Metro Chamber and the Value of Jobs Coalition, with support from Bank of America.

-4,820

net population loss in Multnomah County in 2023.

-9,600

jobs lost combined in the Information, Financial Services, Manufacturing, and Professional Service sectors in 2024.

\$105,800

average income of individuals moving to Clark County, versus \$73,540 for those moving to Multnomah County in 2022.

80th

Portland ranked second to last in national real estate attractiveness rating.



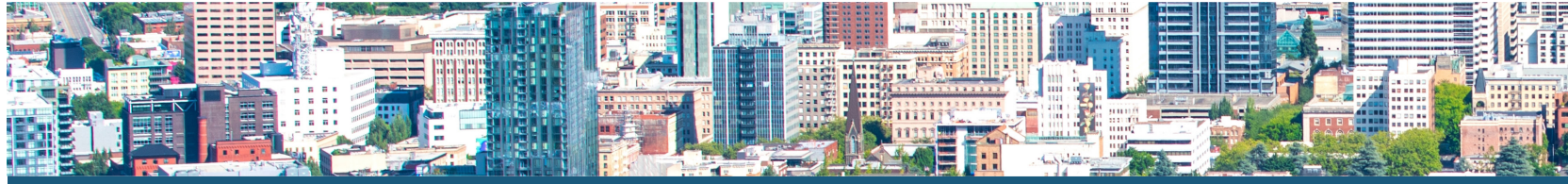
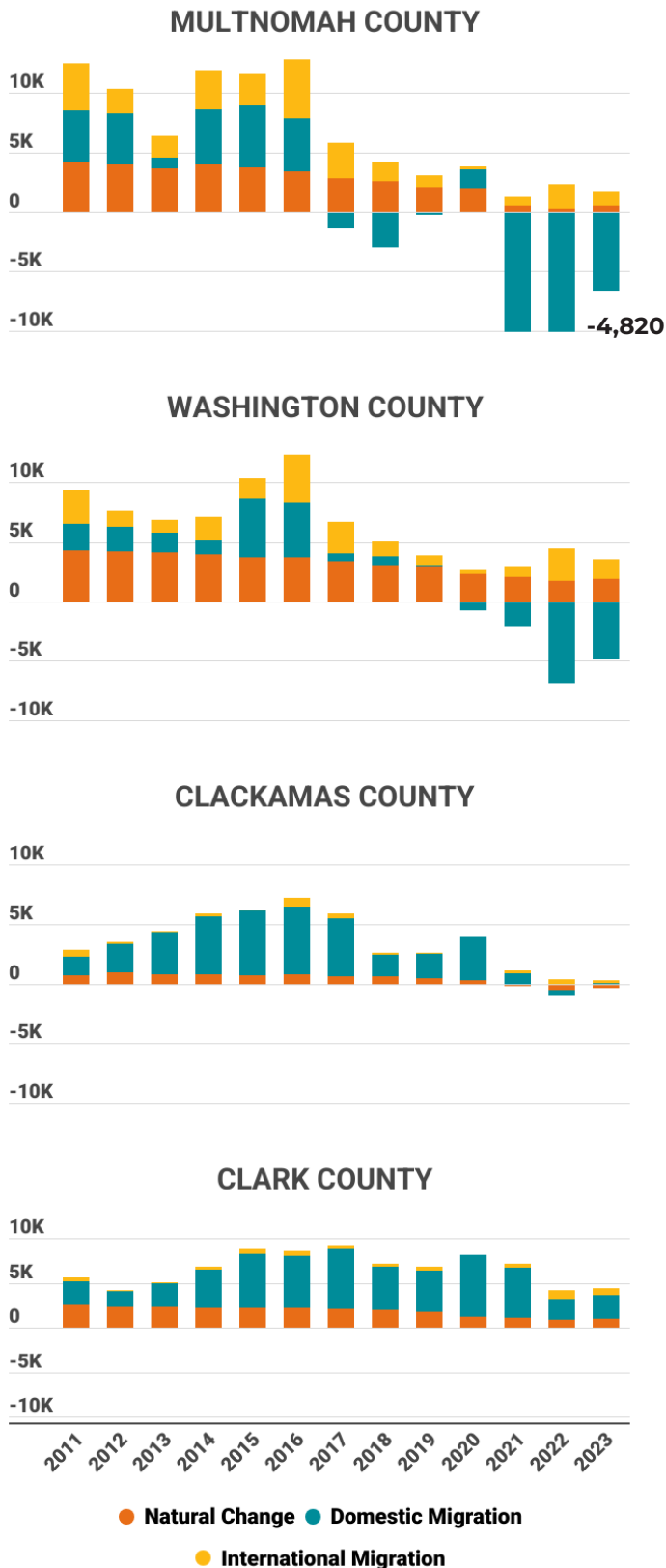


Figure 1: Annual population change in Portland metro by county



Multnomah County population declines, offset by growth in Clark County

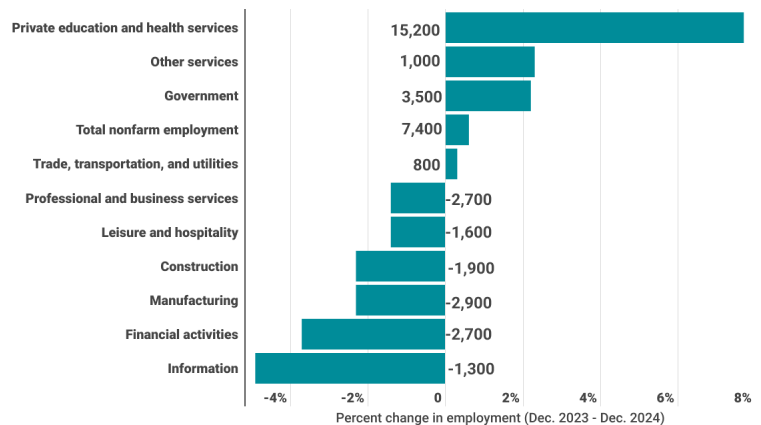
Outmigration remains concerning, though it has slowed in Multnomah and Washington counties. Among the four metro-area counties, Washington County is the only one with a noteworthy natural population increase. Clackamas County has experienced almost no growth in recent years, while Clark County continues to lead the region in population migration. Multnomah County relies heavily on international migration, indicating that its near-term population growth depends on attracting people from abroad. See Figure 1.

Metro is adding jobs but losing traded sector employment

Over the past year, local sector employment grew while traded sector employment declined—a critical shift with economic implications. Traded sector jobs, which sell goods and services outside the region, bring in new money, while local sector jobs, typically lower-paying, recirculate money within the local economy.

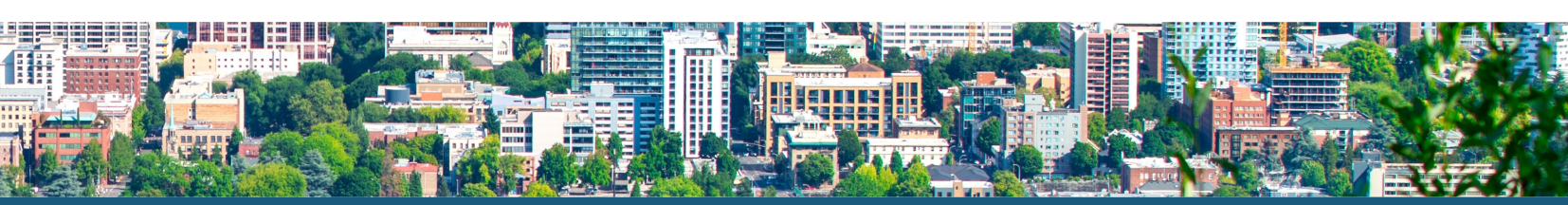
The information sector and financial activities sector saw the steepest declines in 2024, dropping 4.9% and 3.7% respectively between December 2023 and December 2024. This contrasts with the modest 0.1% decline in the financial services sector from the previous year. Private education and health services led job growth, adding 15,200 positions—a 7.7% increase that surpassed the 4.9% growth seen from 2022 to 2023. Most of these gains came from health services. Government employment, which had grown by 5.1% in the 2022–2023 period, slowed to a modest 2.2% increase in 2024. See Figure 5.

Figure 5: Portland metro employment change by industry



Source: Oregon Employment Department QualityInfo.org, "Total nonfarm employment (not seasonally adjusted) - Official Oregon Series," Current Employment Estimates (CES) Monthly Data Sheet.

Source: U.S. Census Bureau, "Metropolitan and Micropolitan Statistical Areas Totals," Population Estimates Program.



Multnomah County is losing high-wage earners, while Clackamas and Clark counties gain

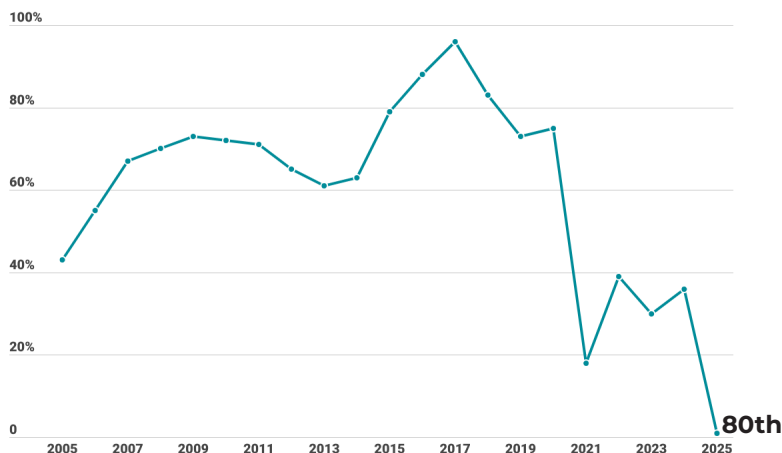
The flow of people in and out of communities reveals shifts in income dynamics and buying power. In Multnomah County, higher-income individuals are either staying or leaving, while lower-income individuals are moving in. Washington County shows a similar pattern, though less pronounced.

In contrast, Clackamas and Clark counties are attracting higher-income residents. These individuals are either staying or moving into these areas, bringing their buying power with them. While Multnomah and Washington counties face a net loss of higher-income residents, Clackamas and Clark counties are gaining both people and purchasing power. This trend became more pronounced in Multnomah County starting in 2018 and accelerated further during the pandemic. See Figure 6.

Investment attractiveness and perception bias hits all-time low

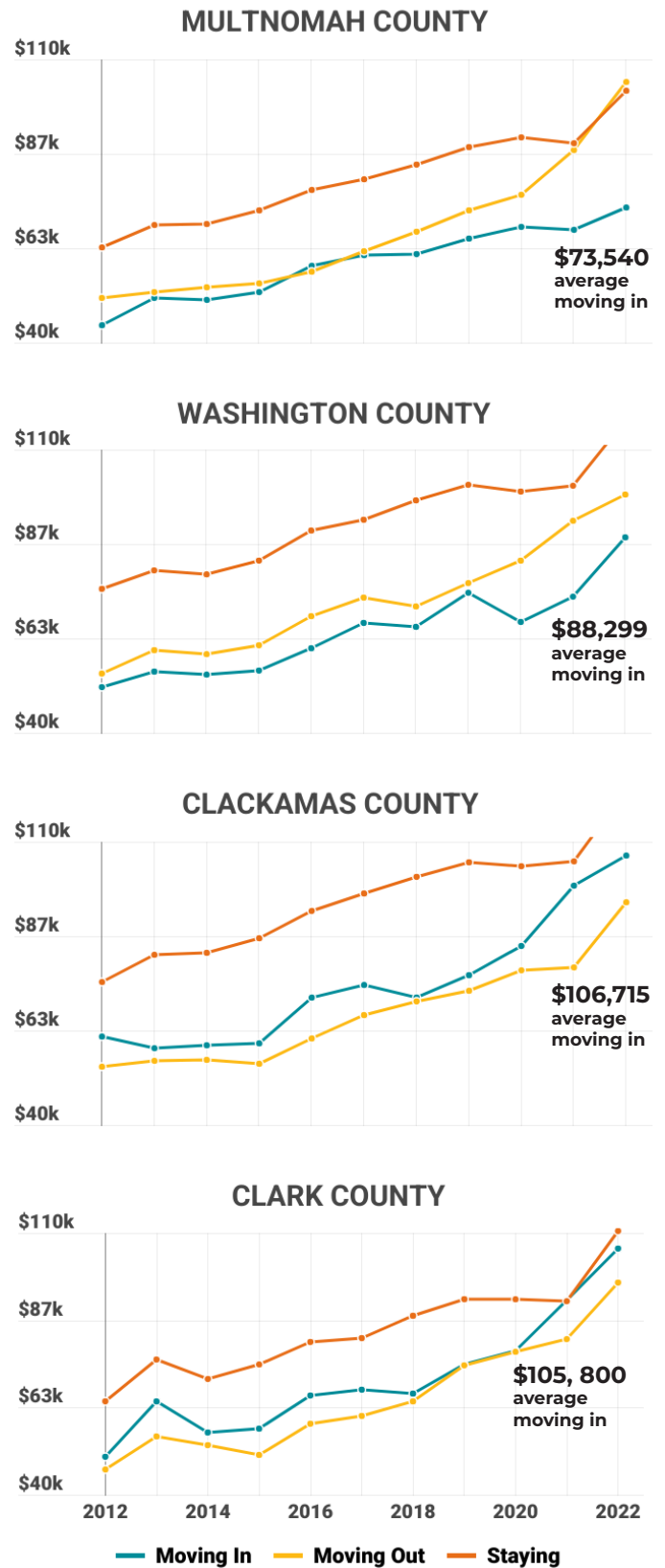
Portland's appeal in the national real estate market hit a two-decade low, ranking 80 out of 81 in the Urban Land Institute's latest survey. This survey asks real estate sector leaders to measure the attractiveness of a city for outside investment. Despite some improvement in 2024, this is the city's worst performance since the rankings began, with only Hartford, Connecticut, scoring lower. However, a silver lining emerges: local respondents rank Portland higher, suggesting a more optimistic outlook among the region's industry leaders. See Figure 8.

Figure 8: Attractiveness of Portland's real estate market (percentile)



Source: Urban Land Institute (ranking in Emerging Trends in Real Estate), Oregon Office of Economic Analysis. Note: No data for 2006, 2008, 2010. Imputed values used.

Figure 6: Average income of people moving in of out of metro counties



Source: U.S. Internal Revenue Service, "Migration Data," Statistics of Income Division.



Why this **MATTERS**

The U.S. has entered an era of slow population growth that places Portland into stiffer competition for households and talent than in the past. A high cost of living is a population repellent and, until the region can implement policies and programs that bring costs down, the Portland region should expect to underperform its economic performance of more dynamic decades (e.g., 1990s, 2010s) when Portland was a magnet for talent.

Furthermore, seven in ten voters feel their taxes are too high, according to DHM Research. People are voting with their feet and choosing to live in communities with lower costs and more abundant job opportunities. None of Portland's regional peers are fully meeting their economic goals (see online report for a full peer analysis). Four regions, including Portland, have yet to regain their pre-pandemic job levels. All are experiencing flat or declining domestic migration.

The takeaway: Portland and its peer cities are grappling with both the short-term disruptions of the pandemic and the longer-term challenges of an aging, low-fertility society. The Portland region's leaders must consider their attitude on growth because the path to a thriving economy must be driven by an intentional growth strategy to attract talent and jobs for a more stable revenue base.

Civic leaders have proven they can identify problems and deliver results. They have tackled an ambitious list of challenges over the last year and made measurable progress. Now, a new set of challenges awaits their focus. Our region's leaders must turn their attention to make our economy competitive or face the daunting realities that other region has faced before - an urban doom loop.

Value of Jobs Coalition:



With gratitude to ECONorthwest, our State of the Economy partner since 2010.



2025 State of the Economy

Research conducted by



Key challenges

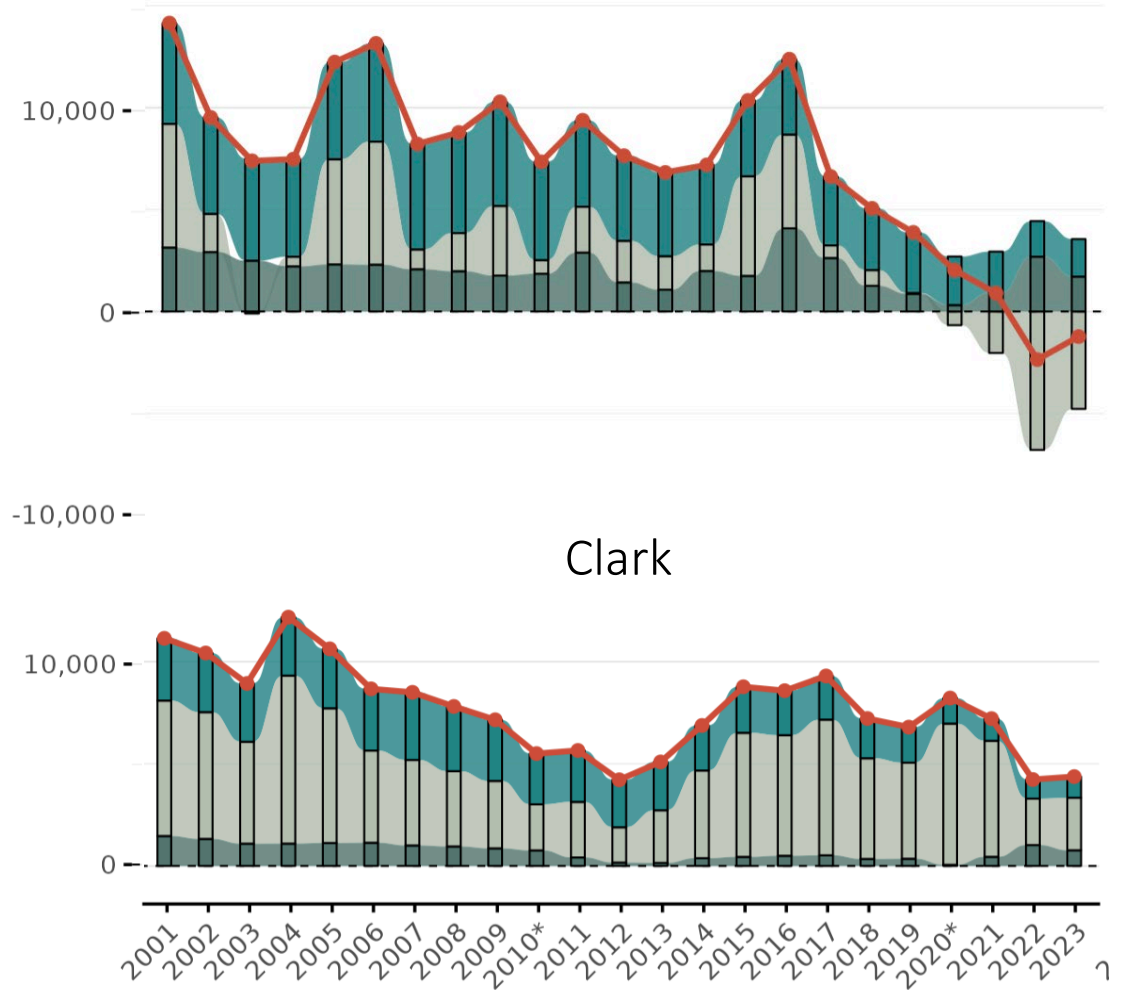
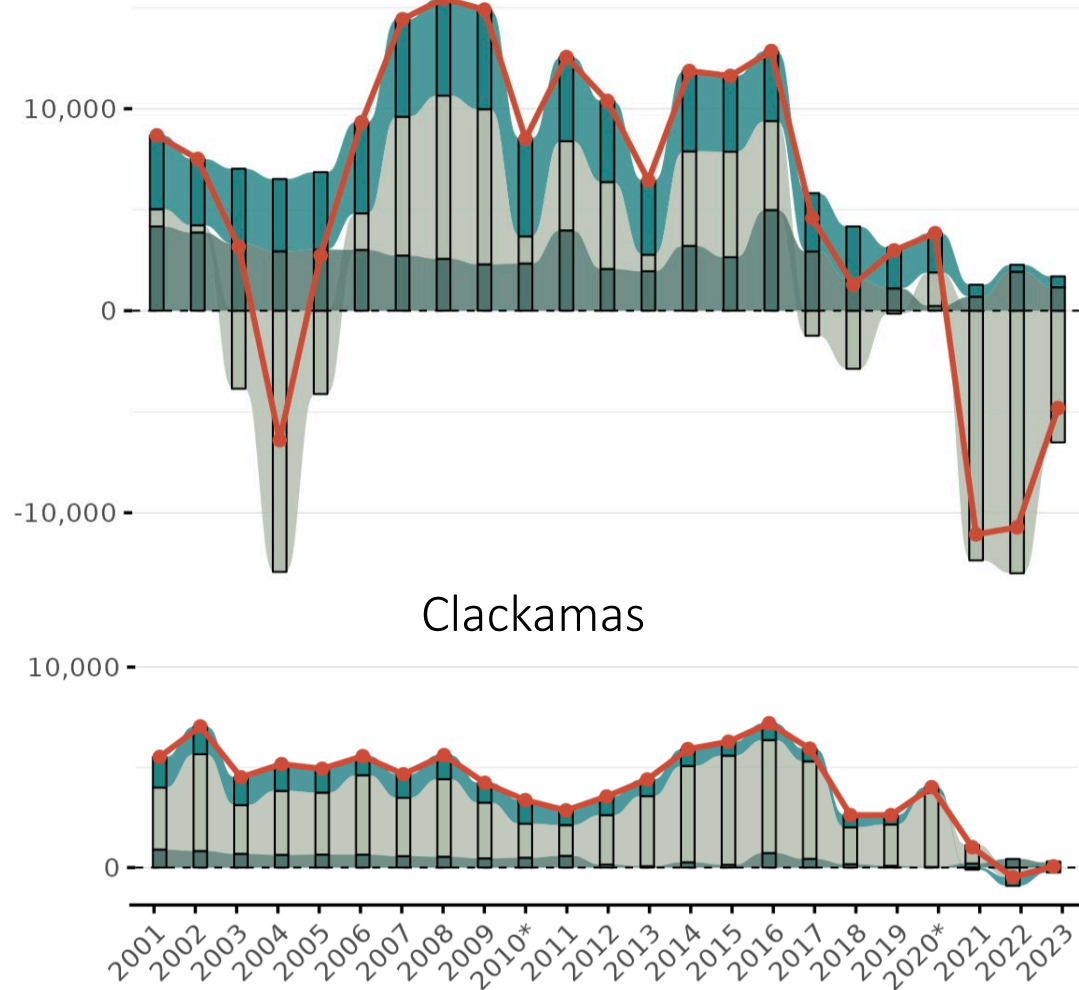
- 1. Population in decline.** The region has lost population for the last 3 years which is compounded by the decline in natural change. Soon, the region will be entirely reliant on migration for growth.
- 2. Near last in job growth.** The region is near the bottom of the 50 largest metros in terms of job growth in the last 12 months, losing jobs in most private sectors clusters.
- 3. Remote work changed the Central City.** Hybrid/remote work are the new normal leading to high office vacancies and a decrease in foot traffic. Feedback loops have broad regional implications.
- 4. Growth is not a given—compete or fall behind.** We are in a global competition for people, jobs, and investment. A passive approach is no longer an option.

TAKEAWAY: Align economic development priorities. Local and regional partners must move swiftly to align efforts and resources.

None of the Oregon counties are growing, components of change matter

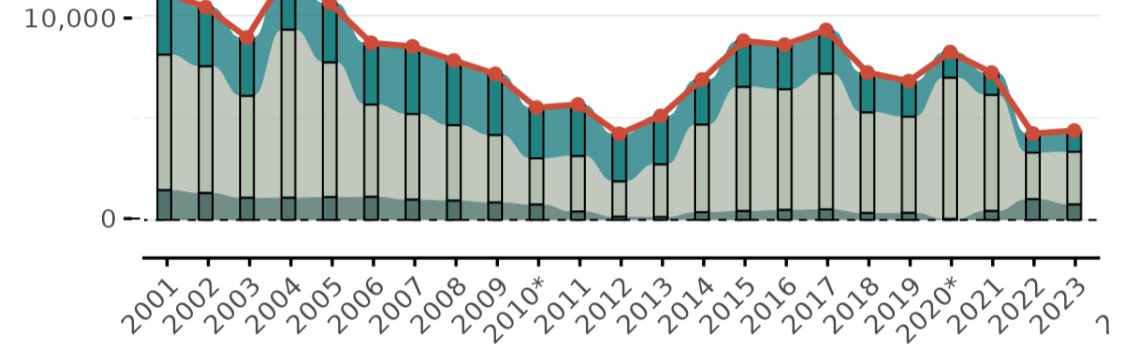
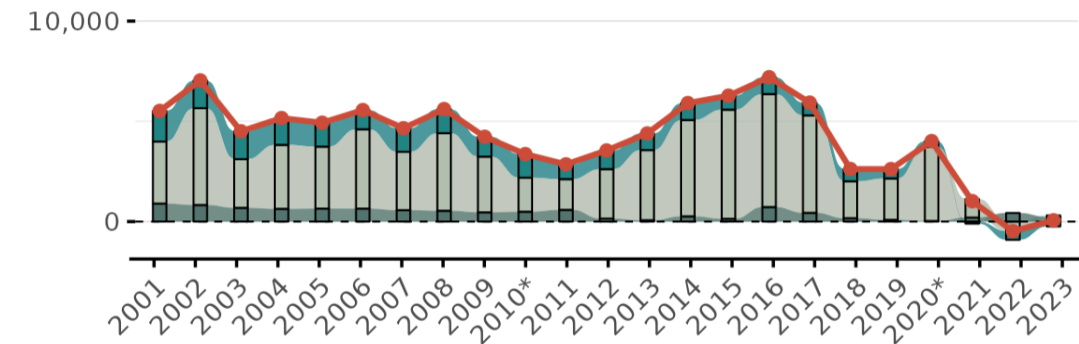
Multnomah

Washington



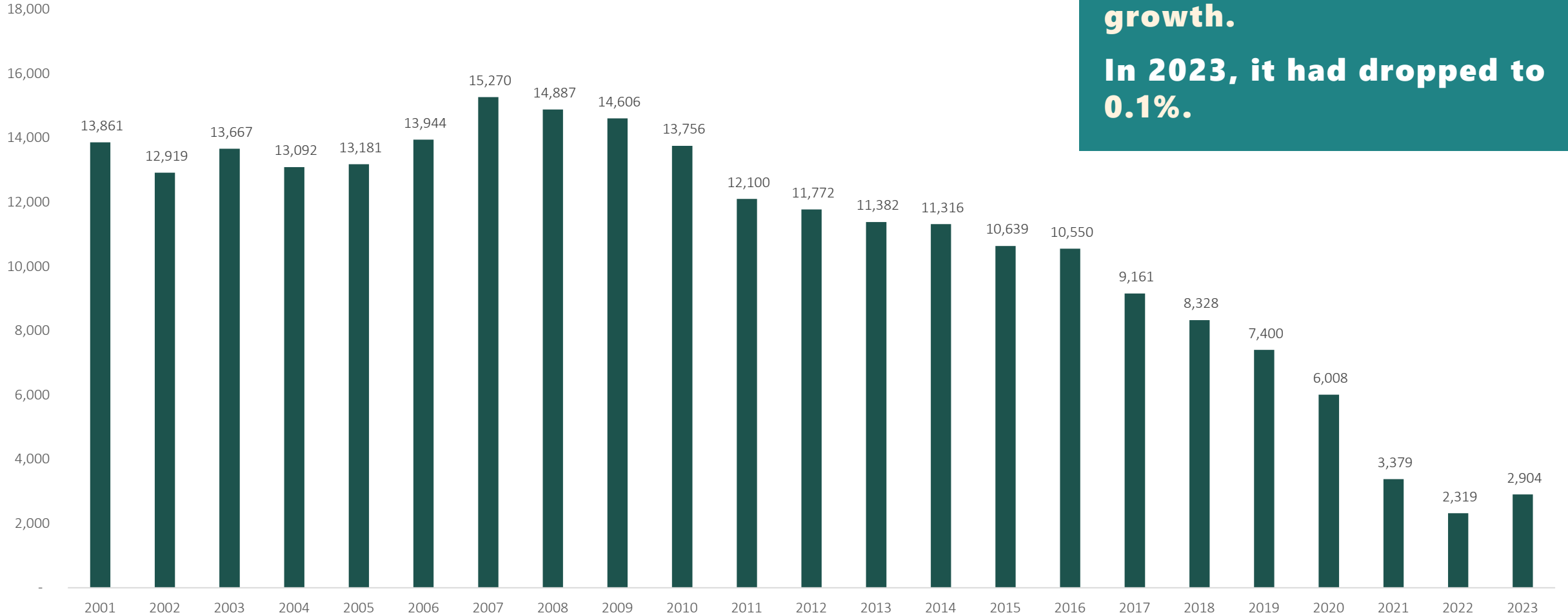
Clackamas

Clark



Regional natural population growth is steadily declining

Portland Metro Natural Population Annual Change

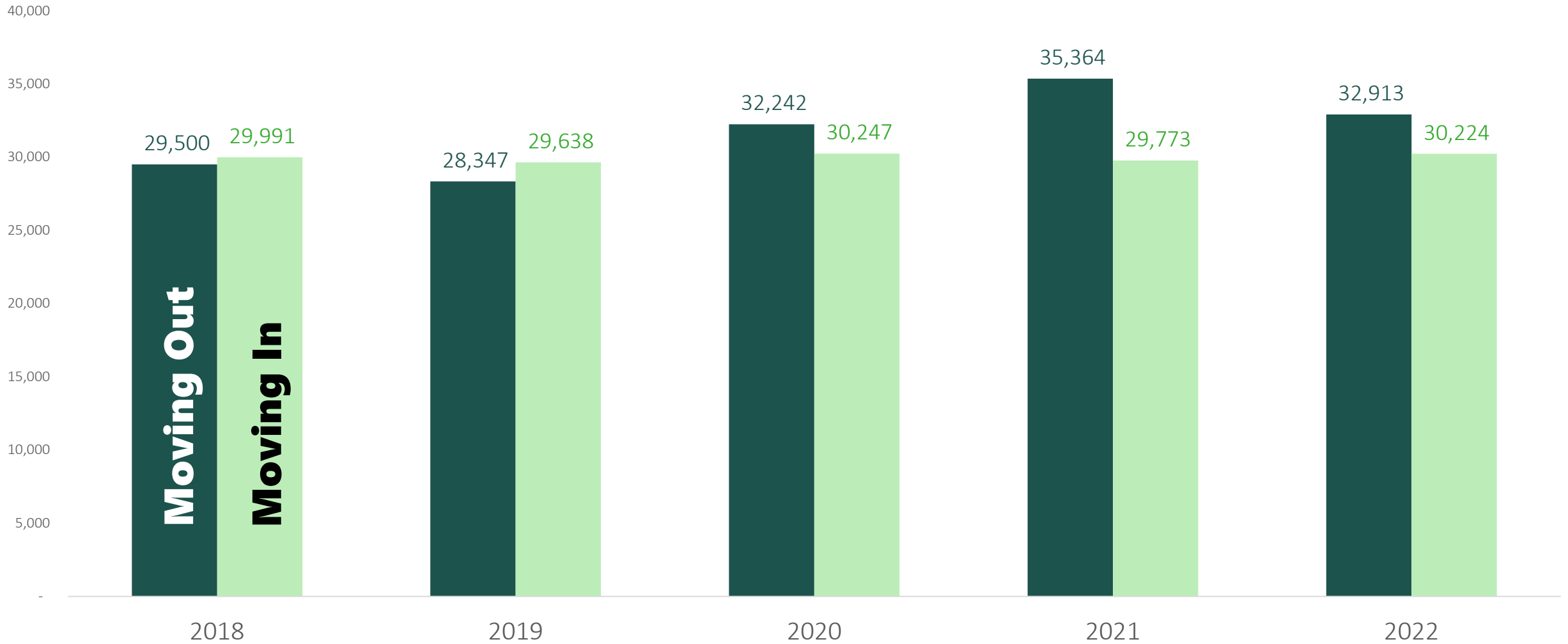


In 2000, natural change equated to 0.7% population growth.

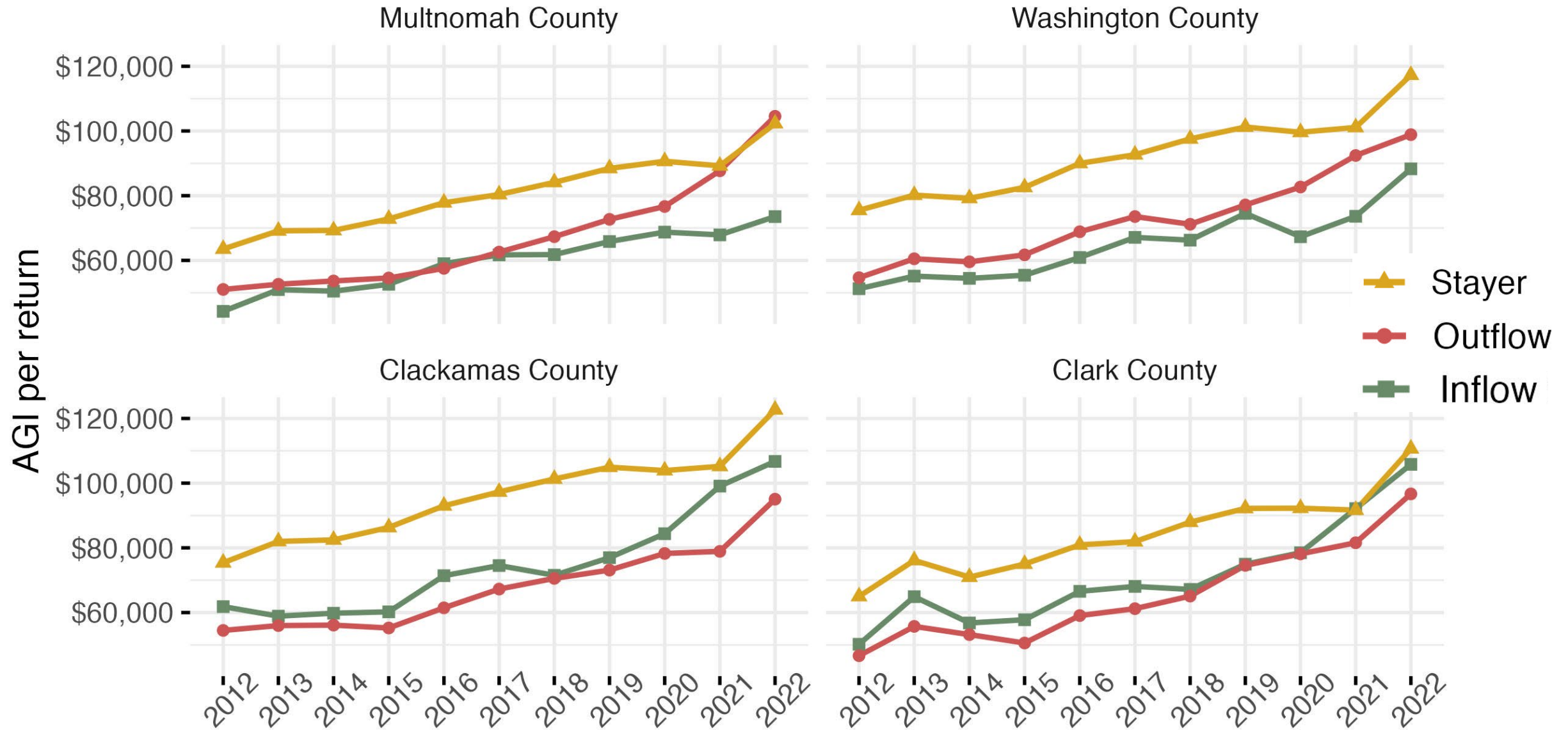
In 2023, it had dropped to 0.1%.

Retention of existing household is the problem in Multnomah Co, not recruitment

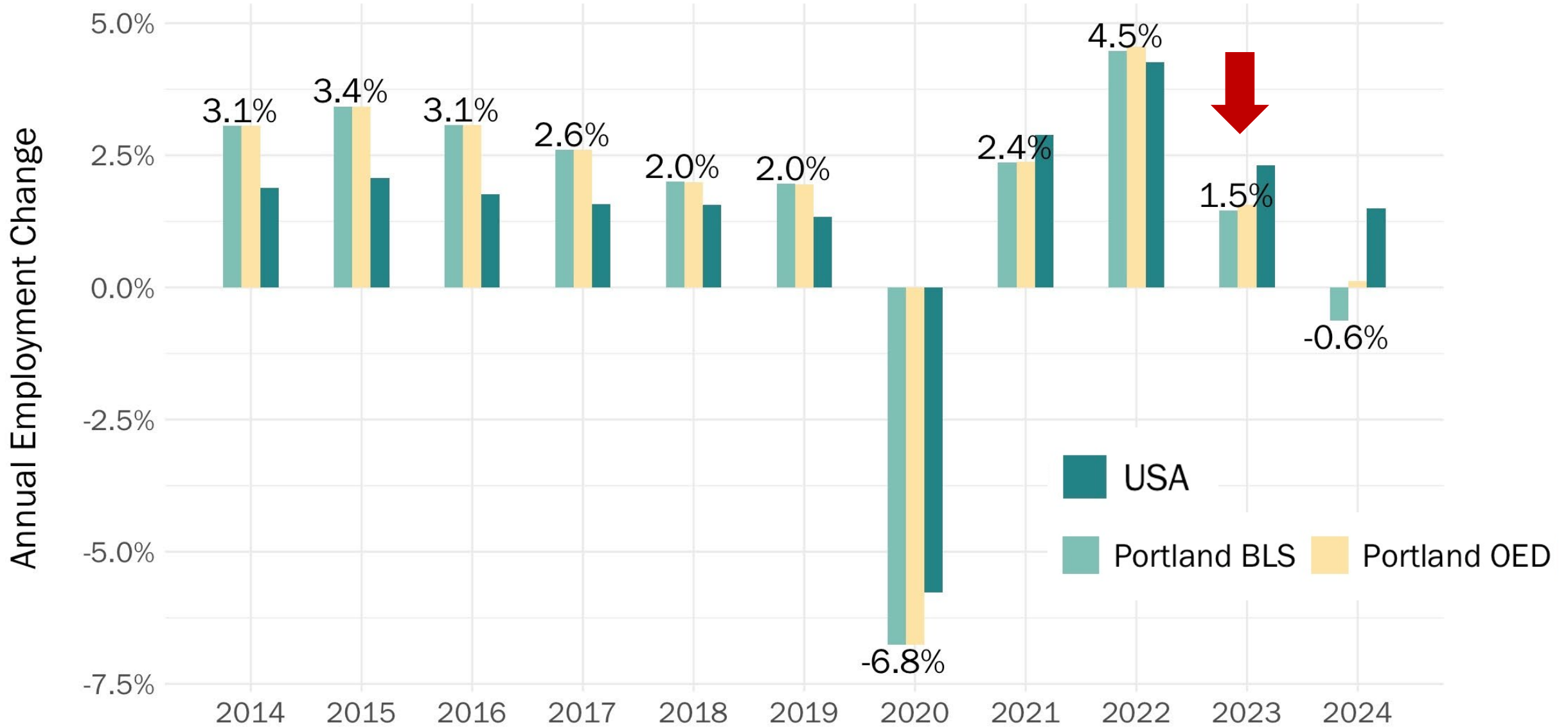
Number of Households Leaving vs. Coming to Multnomah County Annually



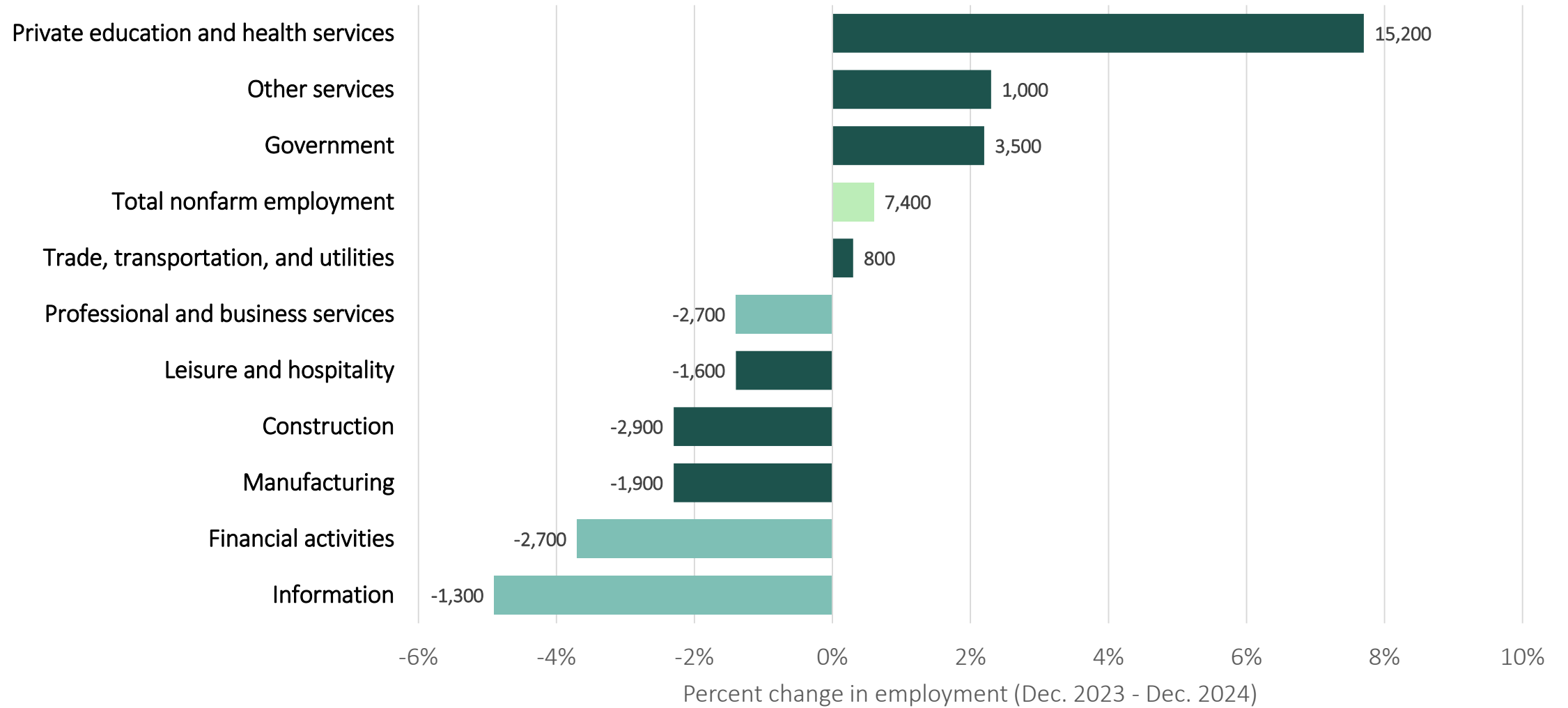
Over \$1 Billion in income loss each of last 2 years in Multnomah Co through migration



Last year we saw early warning sign of slower job growth than the U.S.

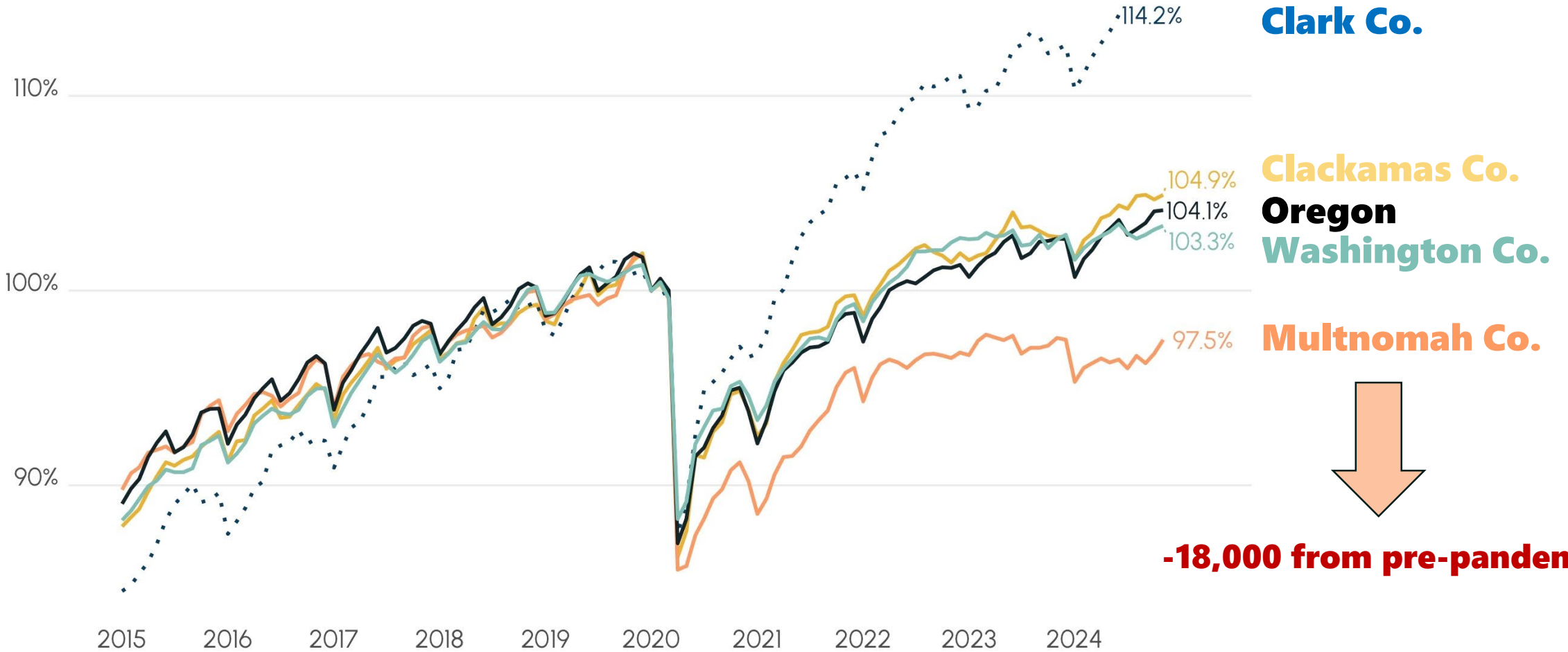


Metro is adding jobs, but losing traded sector employment



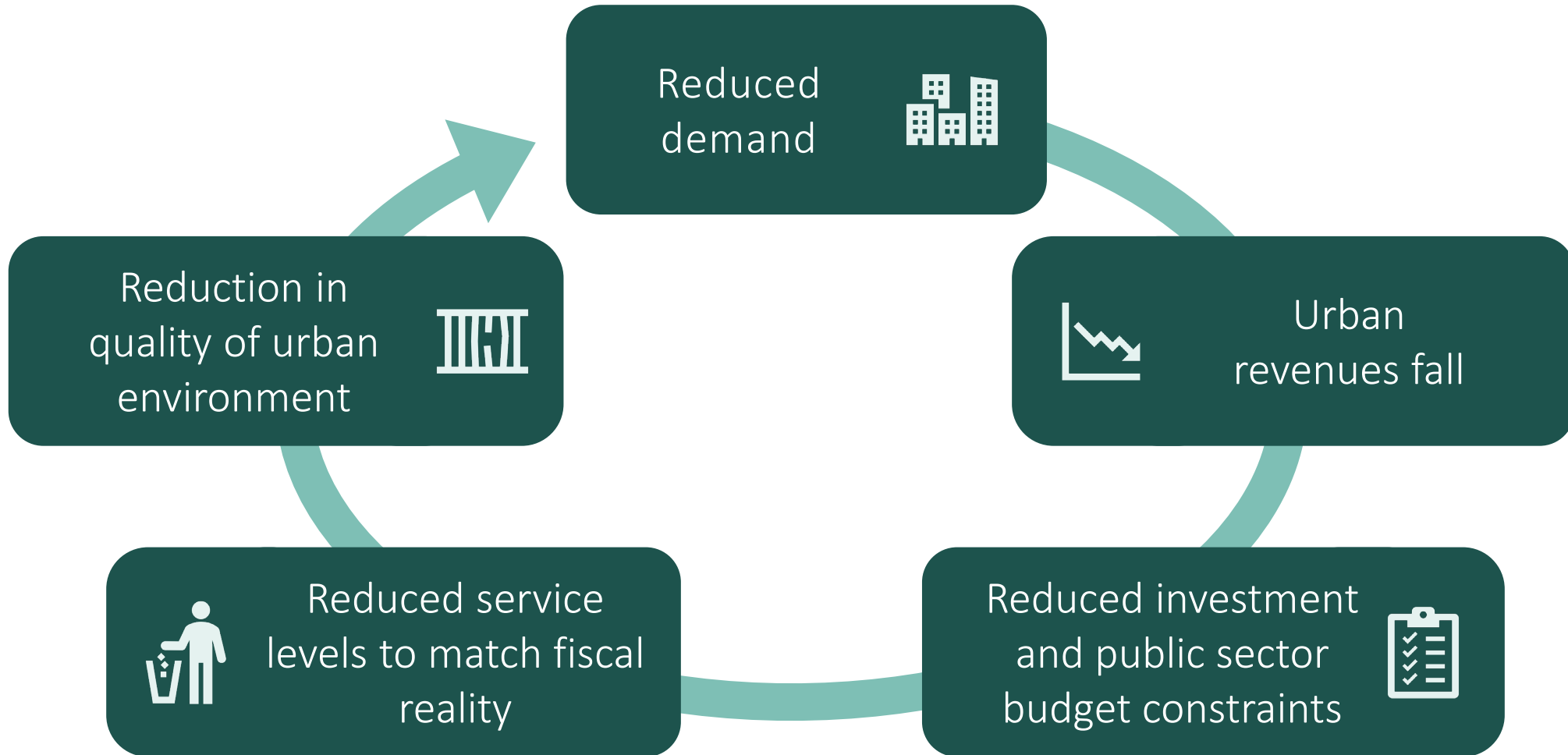
Multnomah County hasn't recovered jobs lost during pandemic

Percent of January 2020 employment
(seasonally-unadjusted)



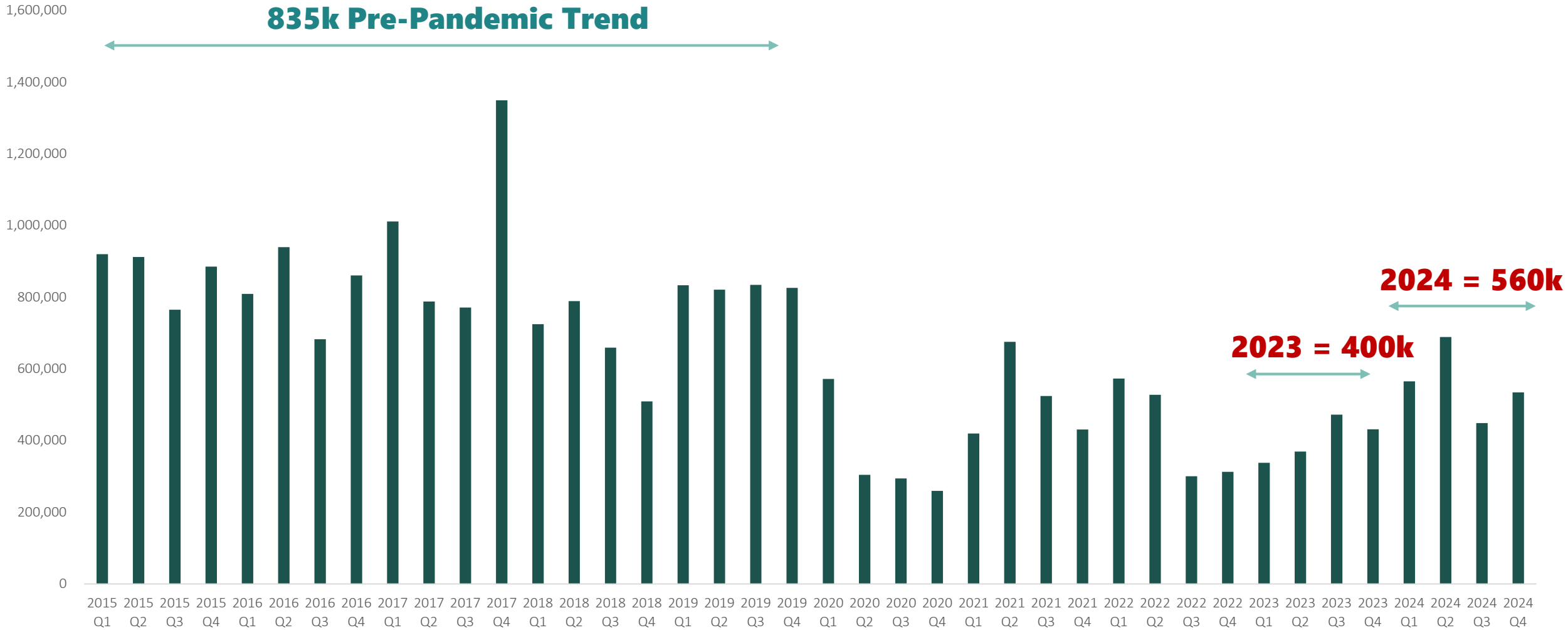
-18,000 from pre-pandemic

Act with urgency—consequences of urban doom loop difficult to reverse



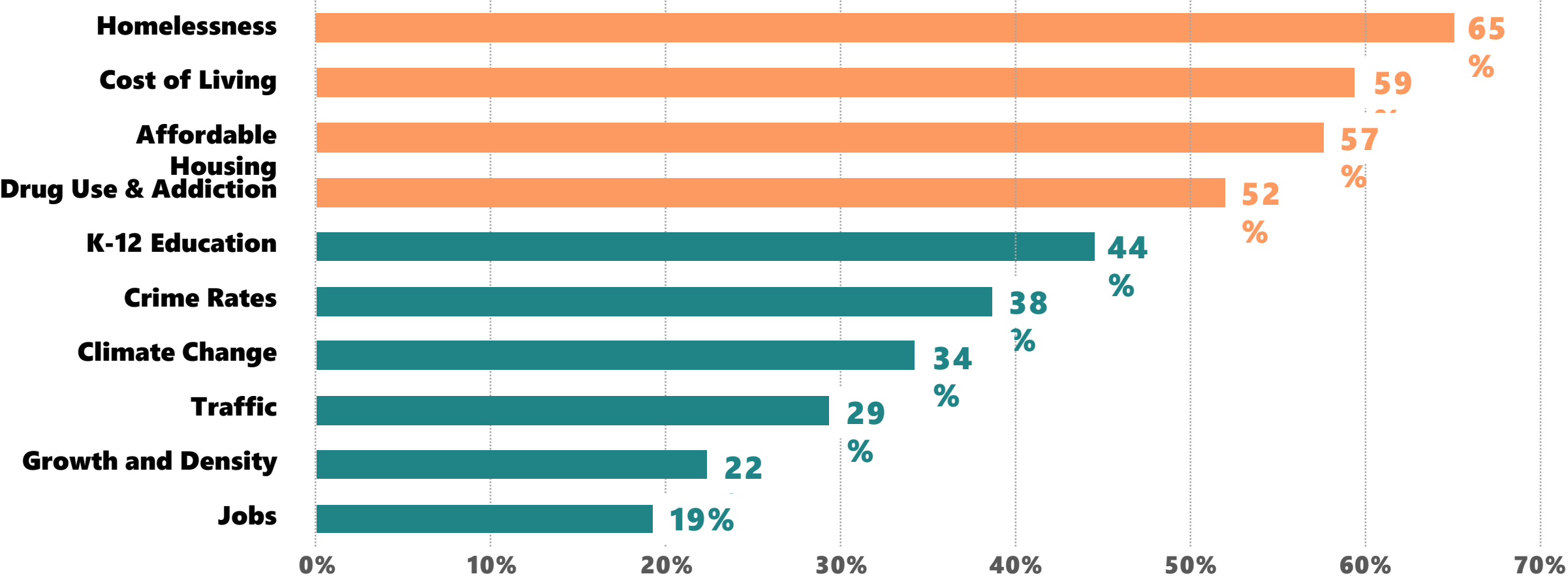
Leasing activity is the leading indicator to vacancy recovery, down 30%

Quarterly Office Leasing Activity in the City of Portland
(Non-Owner Occupied)



Same issues are top of mind

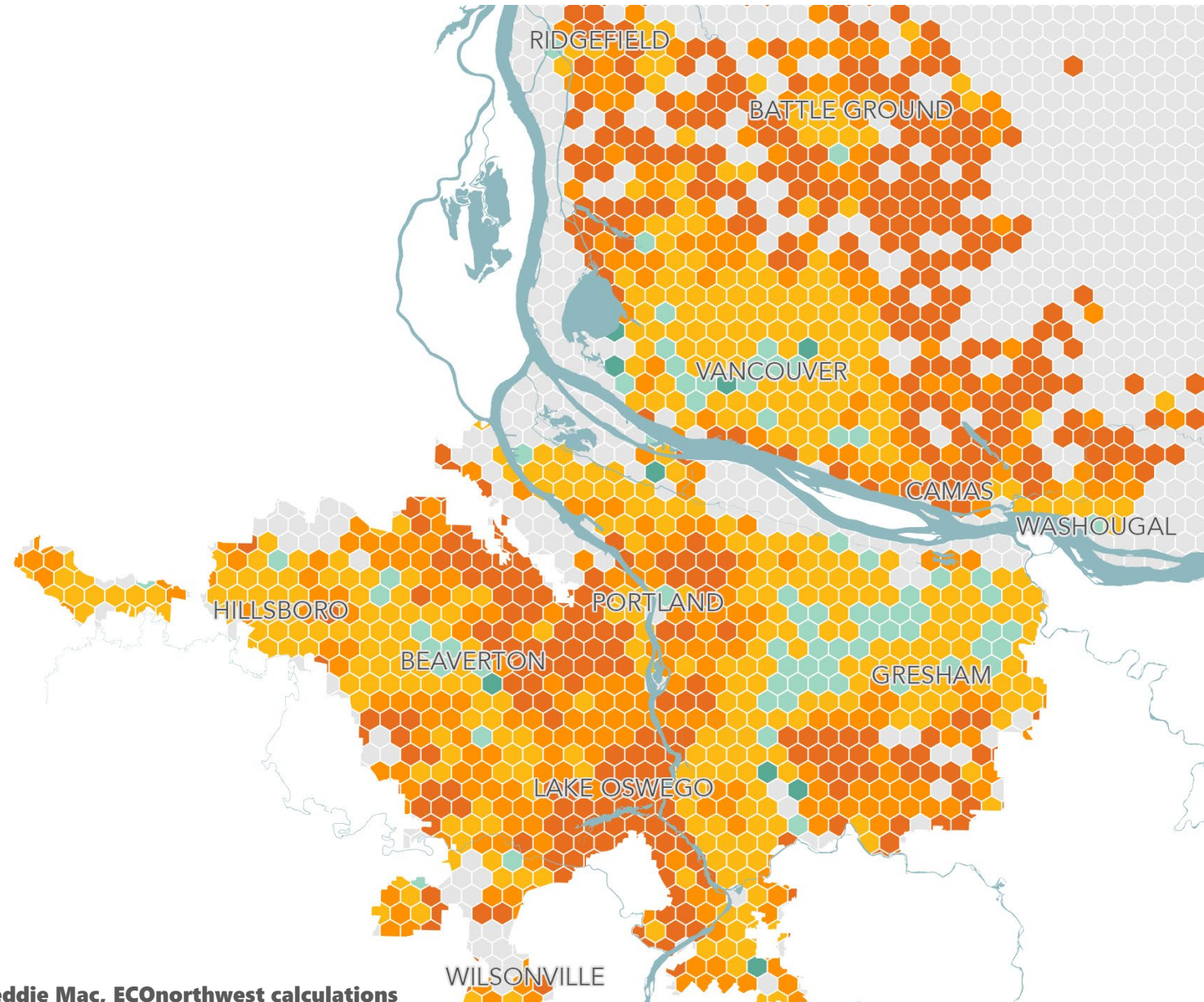
Voters' shared concerns echo what we have seen in the past: they are most concerned about homelessness, cost of living, affordable housing, and drug use.



Source: DHM Research | PMC Economy Survey | December 2024

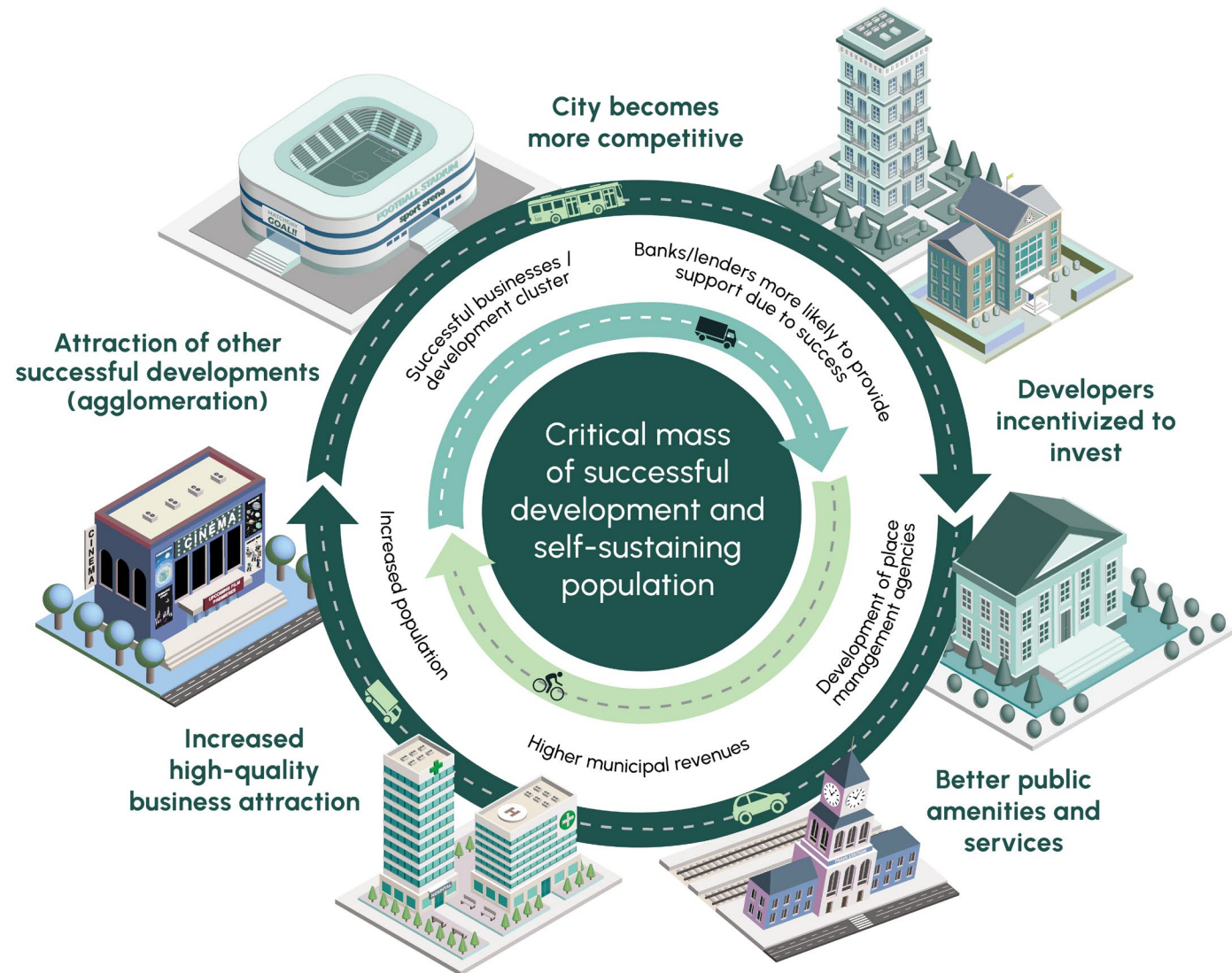
Housing unaffordable to purchase in most of the region

Assuming:
20% down payment
6.5% mortgage rates
Median Family Income of \$116,900



Why this matters

- **Preventing a doom loop requires bold actions.**
- **The race for households and talent is accelerating – Portland must stay competitive.**
- **Diversifying economy is critical to securing a pathway to equitable growth in the region.**
- **Leading indicators suggest action is needed, not an assumption that they will naturally resolve.**



Source: Places Platform, LLC; Cushman & Wakefield Research and ECONorthwest



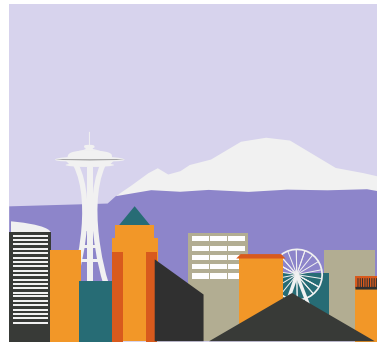
ECOnorthwest



Los Angeles



Portland



Seattle



Boise



2025 State of the Economy

Research conducted by



BANK OF AMERICA



**PORT
LAND**

**DOWN
TOWN**

**CLEAN
& SAFE**

Alaska[®]



GEORGE FOX
UNIVERSITY

Portland**Tribune**




2024 was a win for arts, culture, and reputation



PSU breaks ground on new Schnitzer School of Art, Art History and Design

by KATU Staff | Tue, September 17th 2024 at 5:24 PM
Updated Tue, September 17th 2024 at 10:15 PM

A photograph showing a group of people, including several men in suits and women in professional attire, participating in a groundbreaking ceremony. They are standing on a dirt mound, each holding a shovel. In the background, there are trees and a building. A banner in the foreground reads 'PORTLAND STATE UNIVERSITY'.

New Portland Rising: How Entrepreneurs of Color Are Turning Crisis Into Opportunity

Portland, Oregon, is experiencing an economic rebirth led by BIPOC entrepreneurs.

By **Tony Perrottet** | Published on January 25, 2025

A photograph of the Portland skyline at sunset. The sun is low on the horizon, casting a warm glow over the city. The skyline features several modern skyscrapers and a bridge over the water in the foreground. A person is visible walking on a bridge in the distance.

[f](#) [X](#) [p](#) [✉](#)

BUSINESS

Portland expands \$25M business tax credit to revitalize central city

by: **Michaela Bourgeois**
Posted: Feb 29, 2024 / 12:19 PM PST
Updated: Feb 29, 2024 / 12:19 PM PST

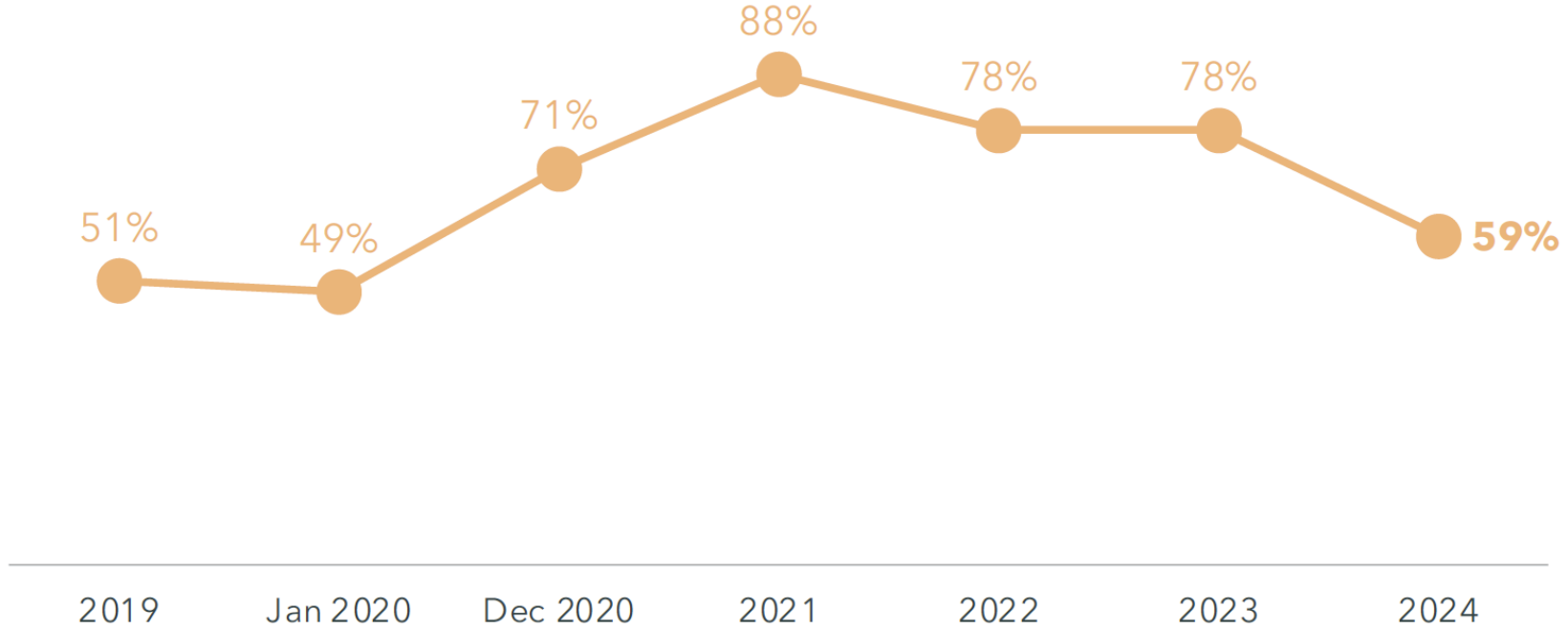


Sentiment on quality of life is improving. Almost back to pre-pandemic level

Pessimism about quality of life has abated.

Notably fewer voters say that quality of life is worsening compared to years past.

Negative perception of quality of life in the Tri-County area



Source: DHM Research, December 2024

Key challenges

- 1. Population in decline.** The region has lost population for the last 3 years which is compounded by the decline in natural change. Soon, the region will be entirely reliant on migration for growth.
- 2. Near last in job growth.** The region is near the bottom of the 50 largest metros in terms of job growth in the last 12 months, losing jobs in most private sectors clusters.
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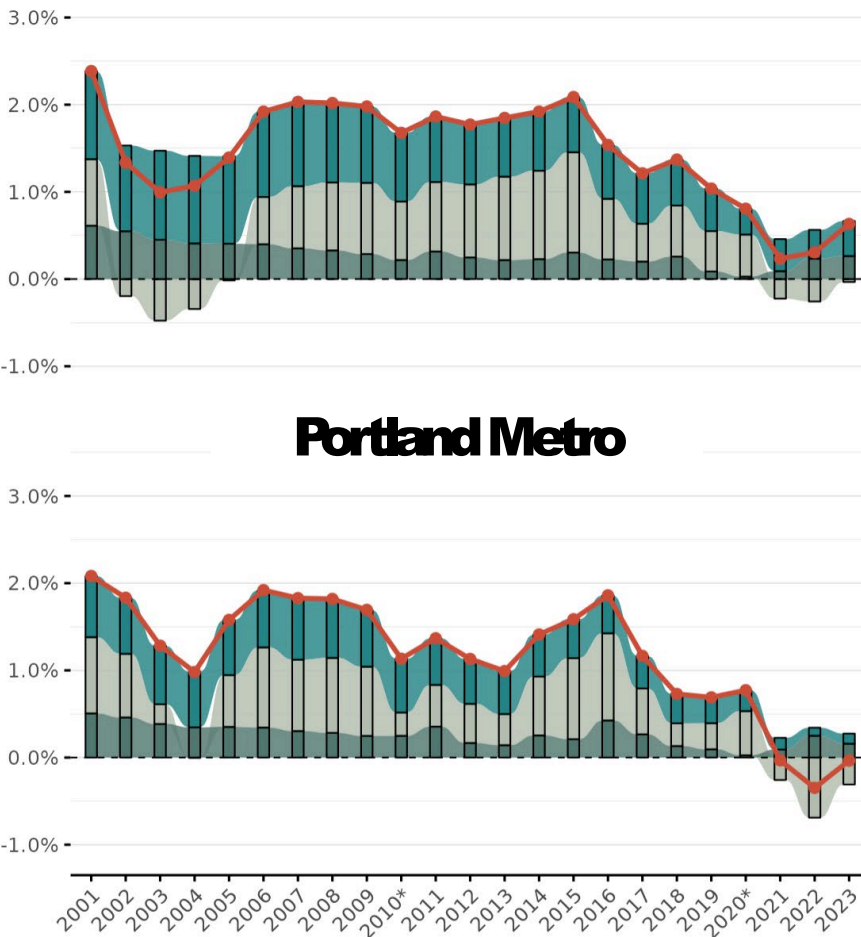
TAKEAWAY: Align economic development priorities. Local and regional partners must move swiftly to align efforts and resources.

CHALLENGE 1:

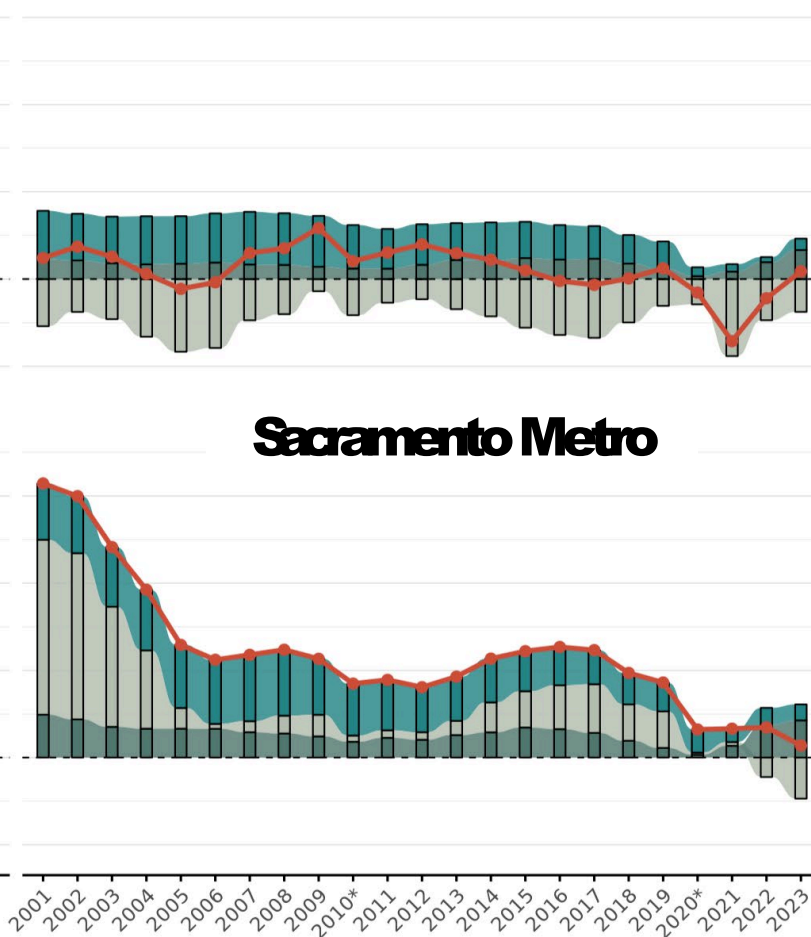
Portland region has lost population

Peer population decline reversed; all are losing population to domestic migration

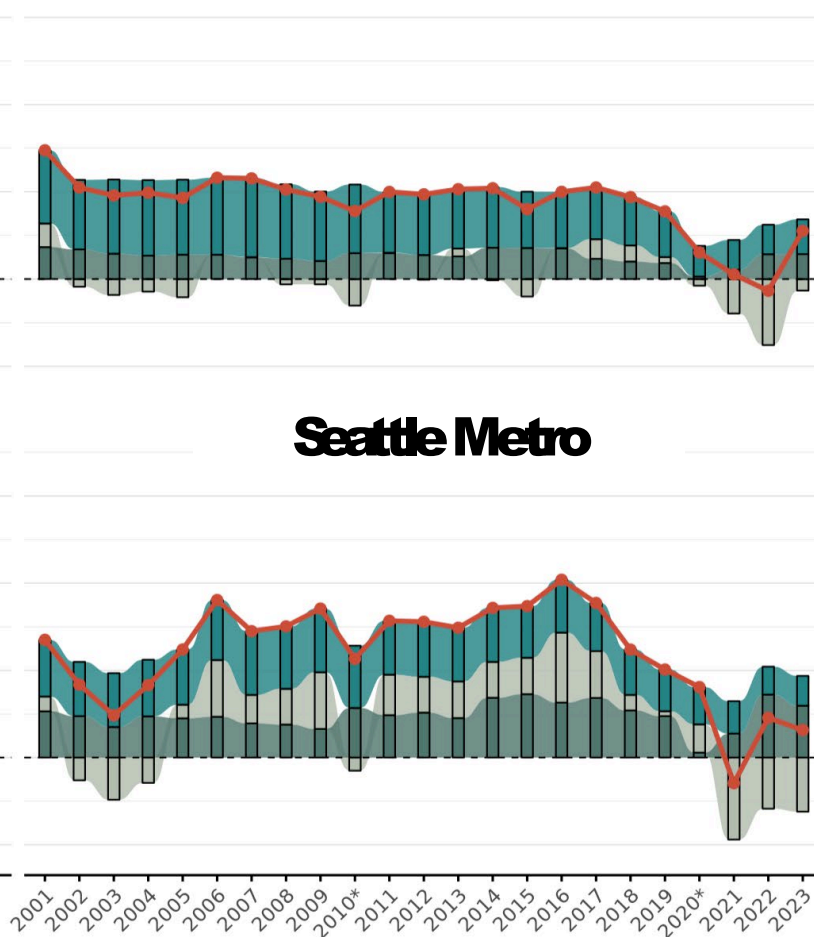
Denver Metro



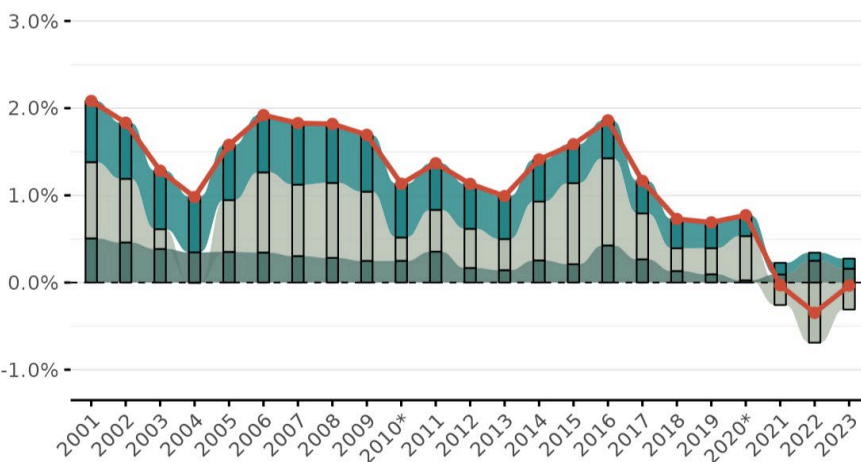
Milwaukee Metro



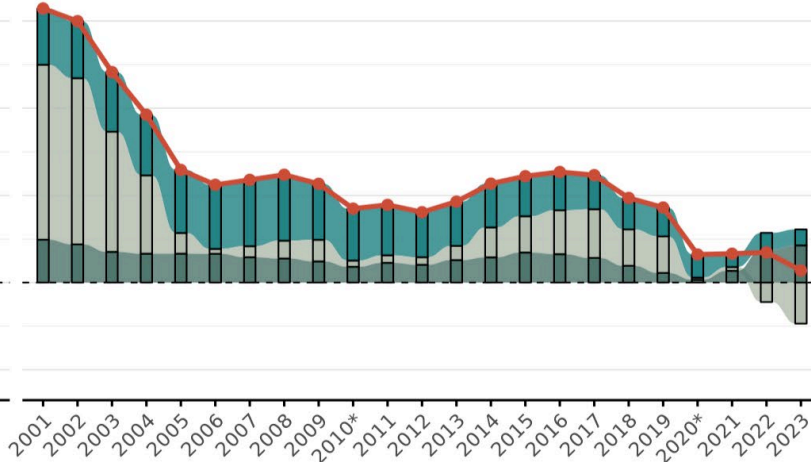
Minneapolis Metro



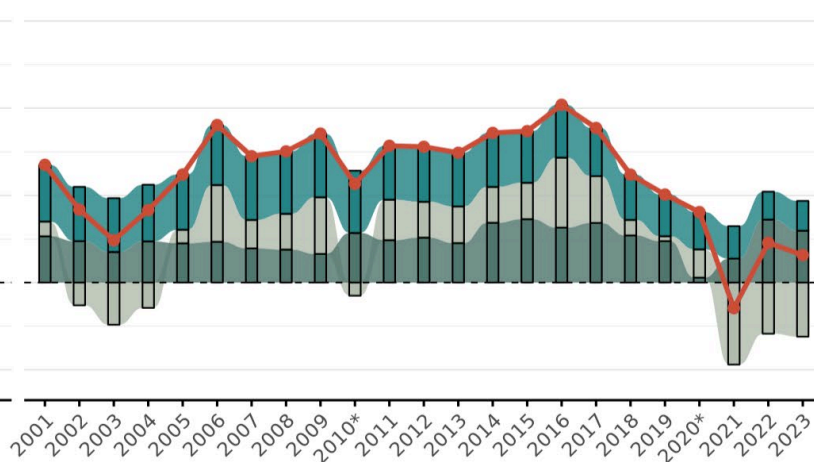
Portland Metro



Sacramento Metro



Seattle Metro



● **Total net change**
 ■ **Natural increase**
 ■ **Net domestic migration**
 ■ **Net international migration**

2024 data was released last week – It was a big change

Multnomah County grew for the first time in years — barely. Here's how other Oregon counties fared

Updated: Mar. 13, 2025, 6:35 p.m. | Published: Mar. 13, 2025, 6:00 a.m.



The U.S. Census Bureau estimates Multnomah County's population increased by 0.2%. Sean Meagher/The Oregonian

Census changed methodology resulted in revisions to previous estimates



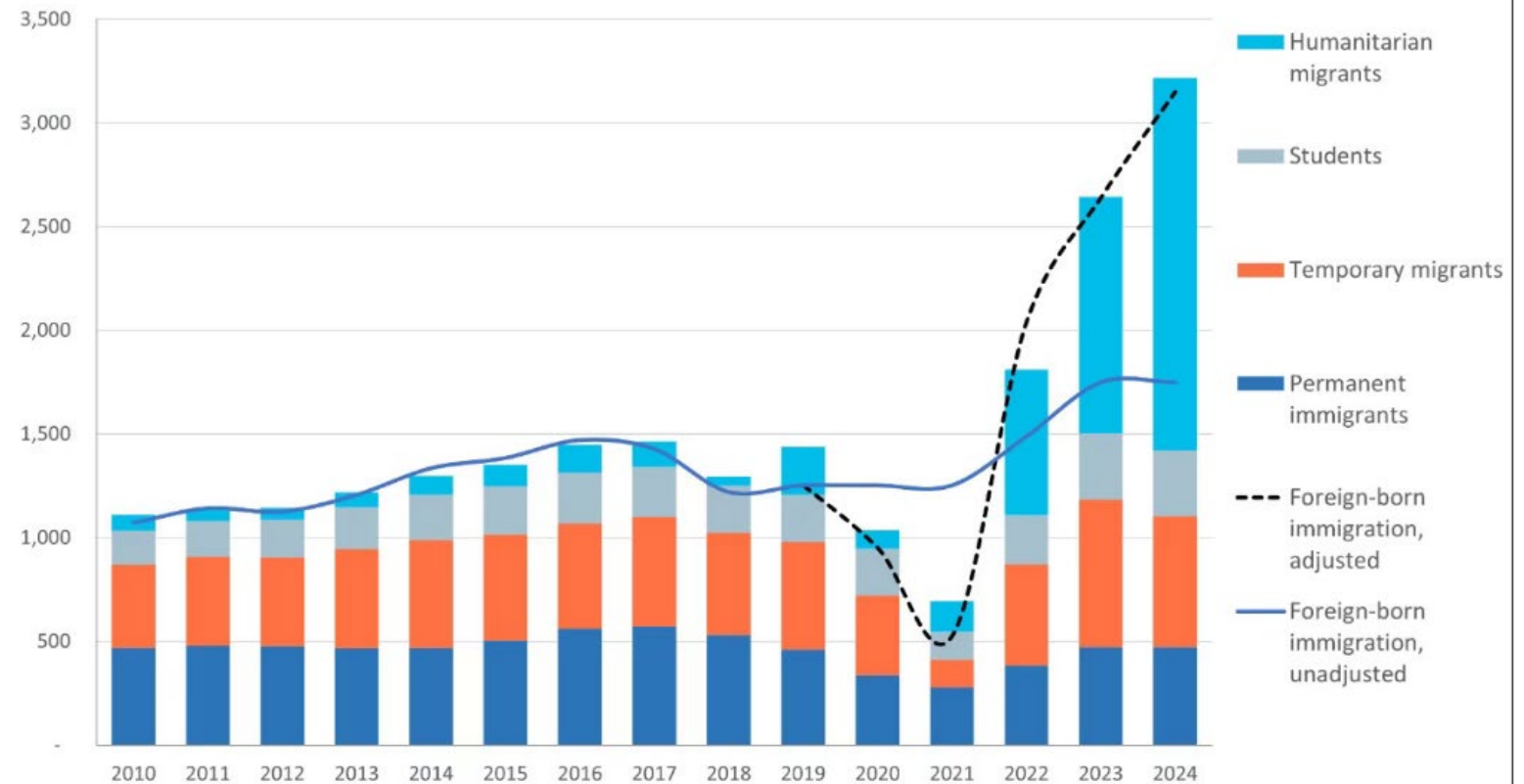
Census Bureau Improves Methodology to Better Estimate Increase in Net International Migration

Within Census Blogs

December 19, 2024

Written by: Mark Gross, Jacqueline Lamas, Yeris H. Mayol-Garcia and Eric Jensen

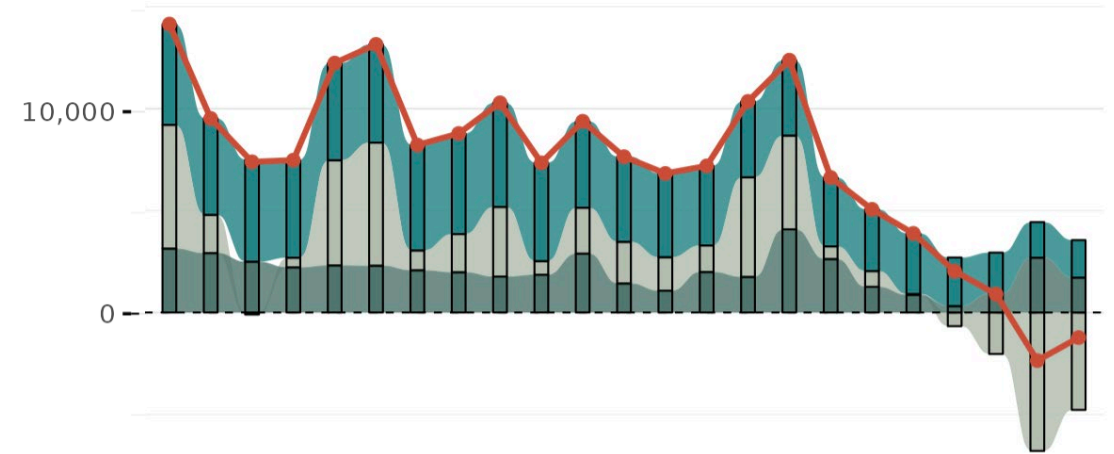
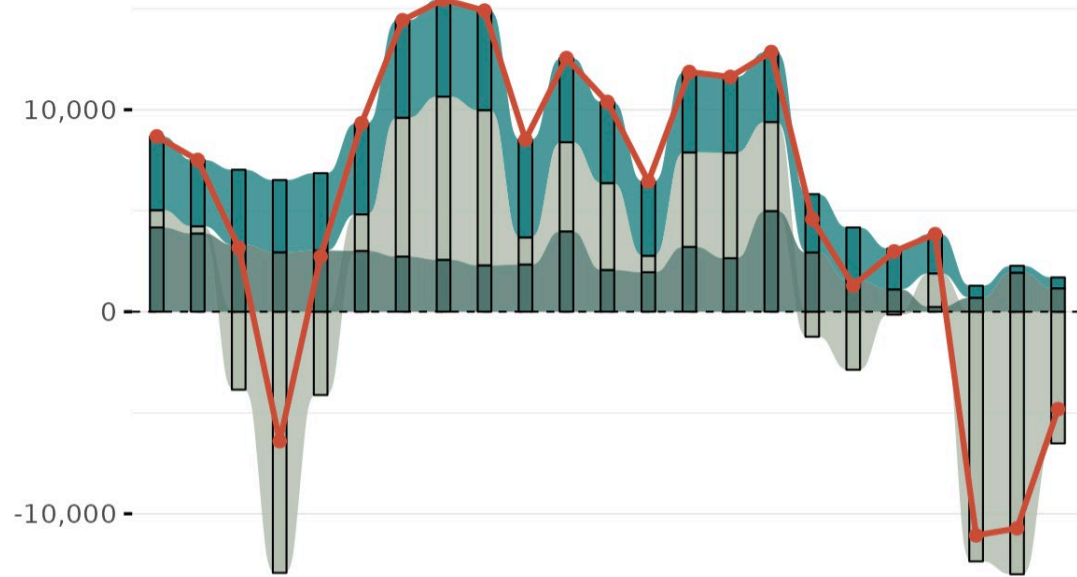
Figure 1.
Foreign-Born Immigration Estimates and Benchmark Data by Categories:
Estimate Years 2010-2024
(In thousands)



None of the Oregon counties are growing, components of change matter

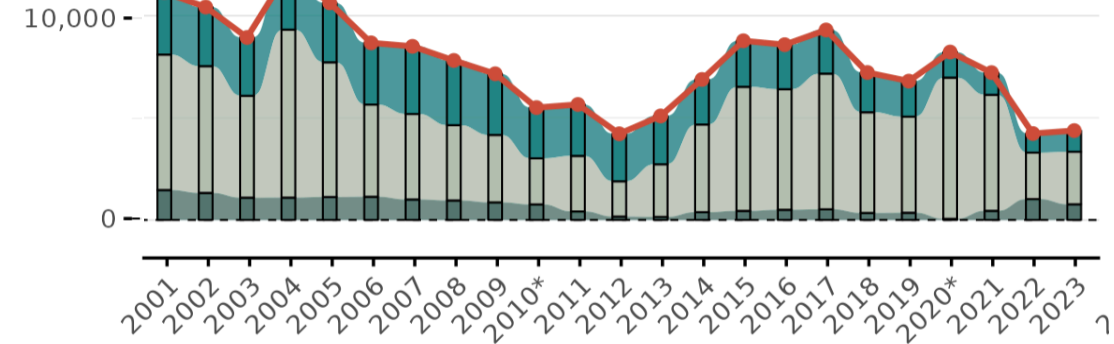
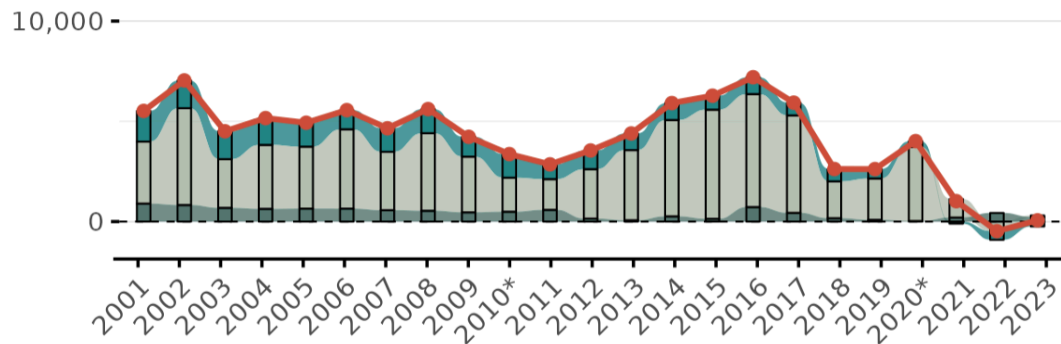
Multnomah

Washington



Clackamas

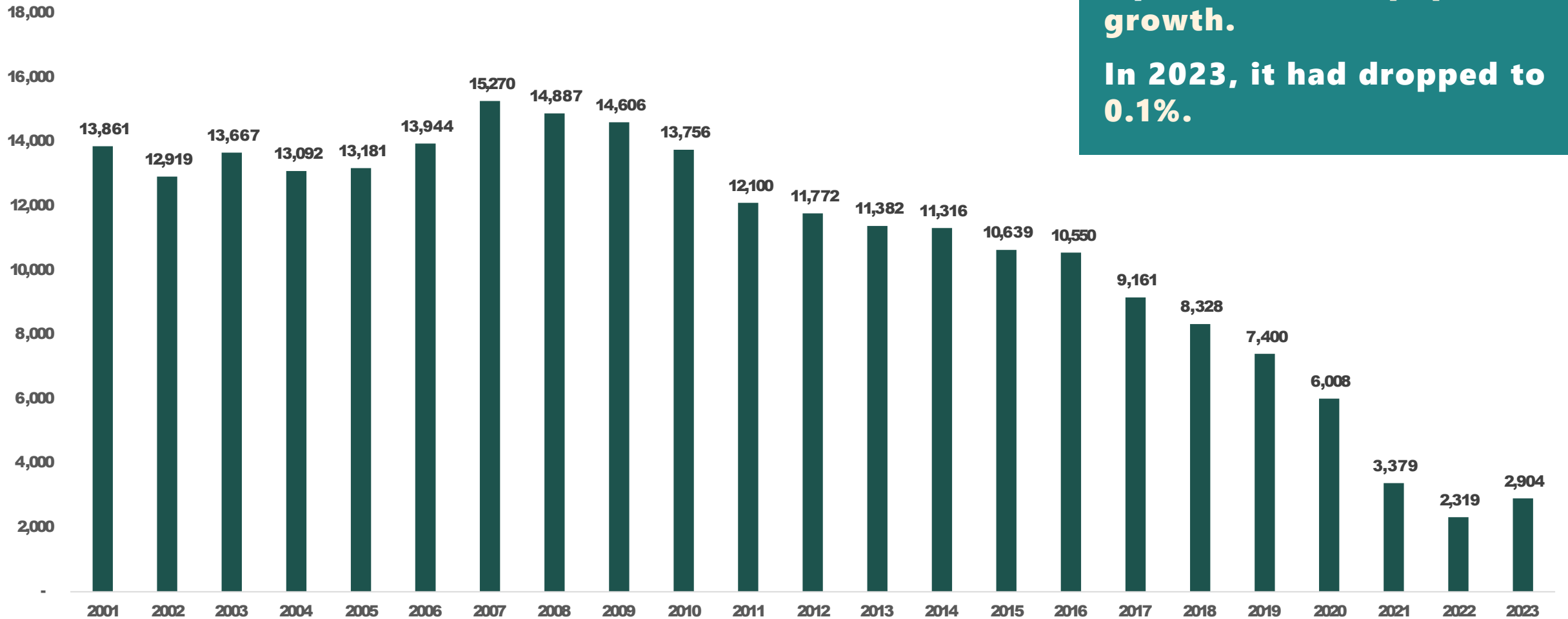
Clark



11 **Total net change** **Natural increase** **Net domestic migration** **Net international migration**

Regional natural population growth is steadily declining

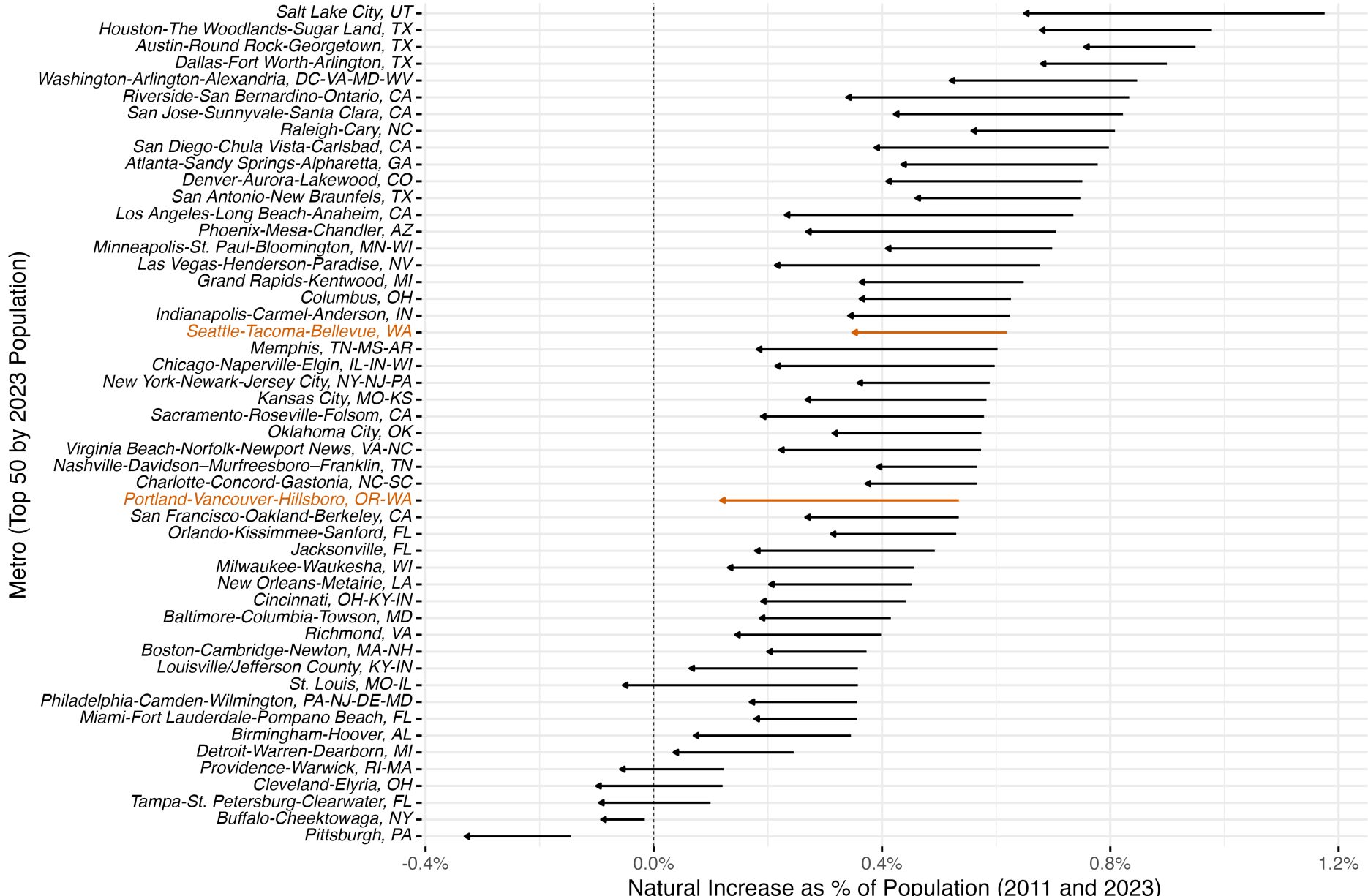
Portland Metro Natural Population Annual Change



In 2000, natural change equated to 0.7% population growth.

In 2023, it had dropped to 0.1%.

Natural change is contributing less to population growth everywhere

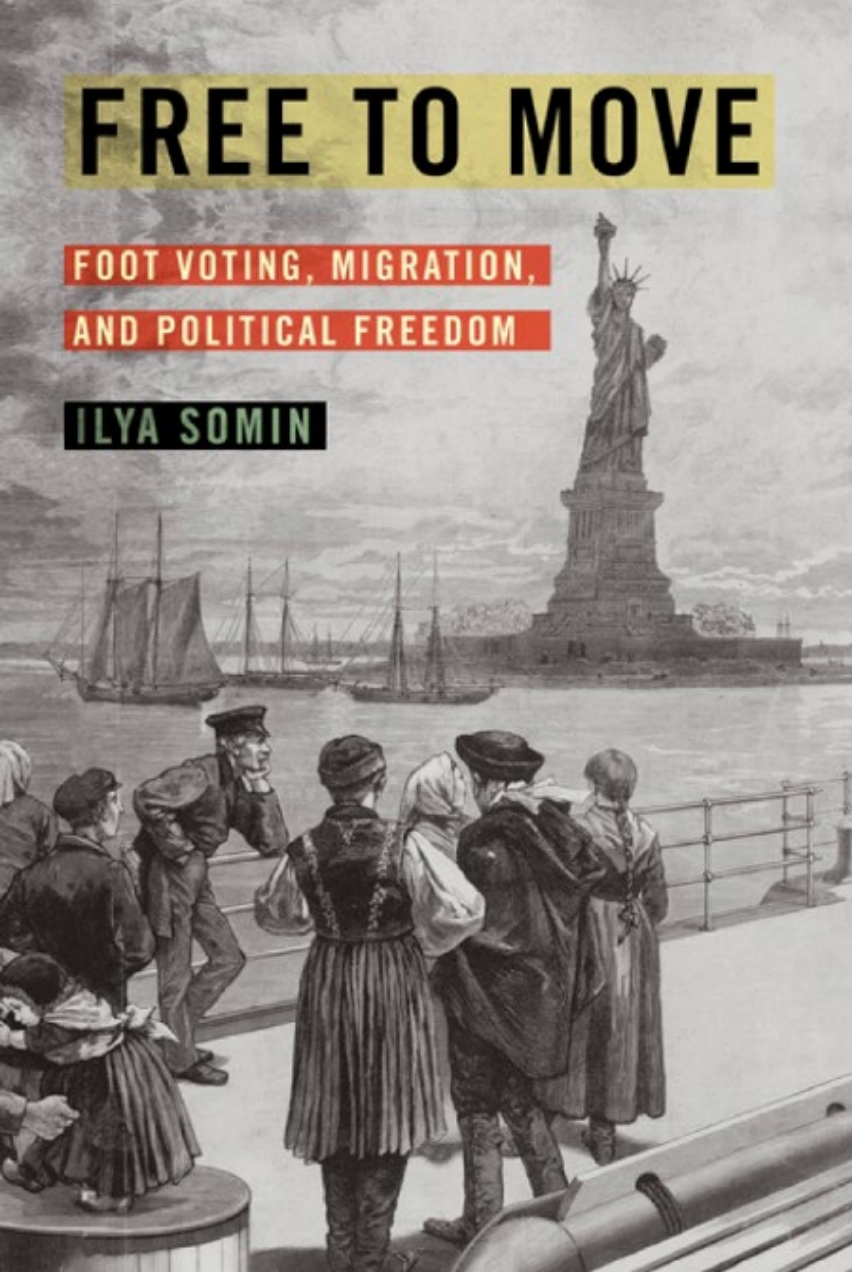


Evidence of people voting with their feet within region

FREE TO MOVE

FOOT VOTING, MIGRATION,
AND POLITICAL FREEDOM

ILYA SOMIN

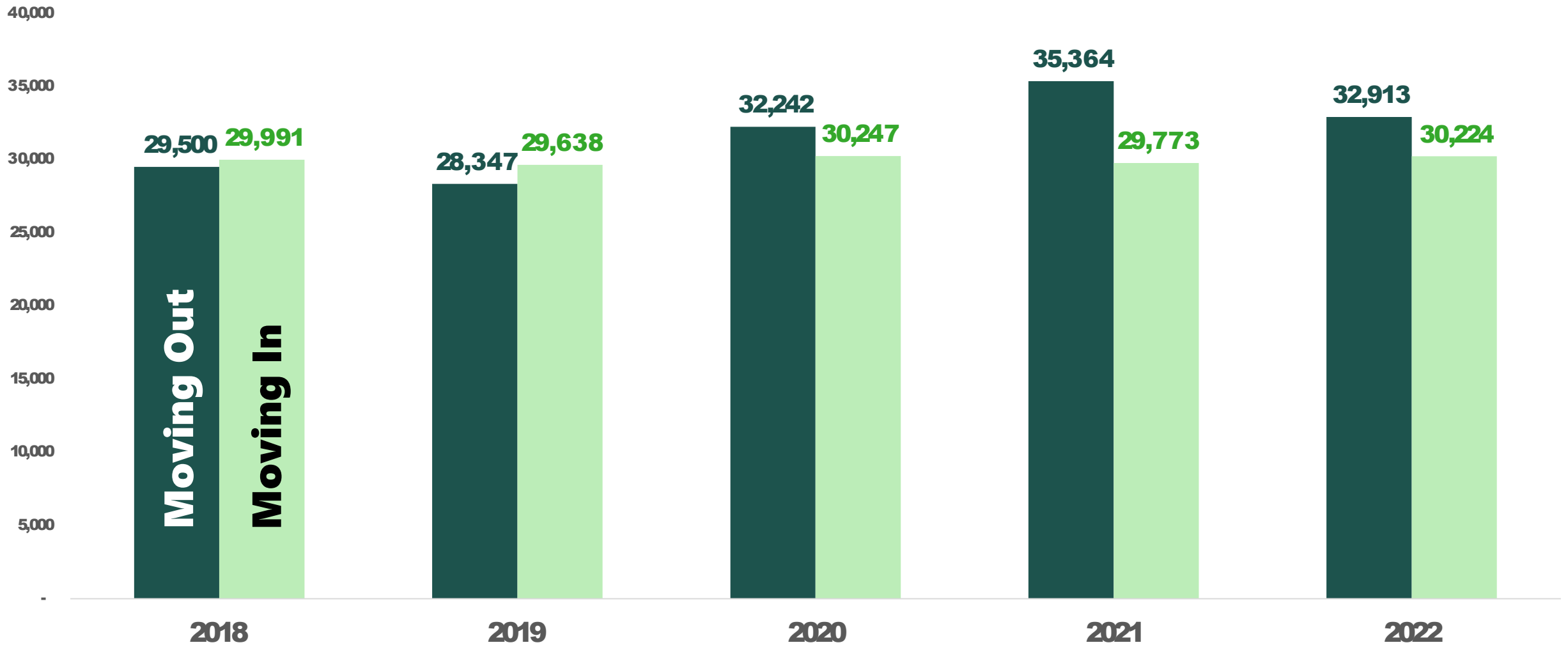


“You can vote with your feet by deciding to move to a different city or state because you prefer its government policies to those in force where you current reside. International migration is also often a form of foot voting. And, as we shall see, many people can vote with their feet in the private sector, as well.

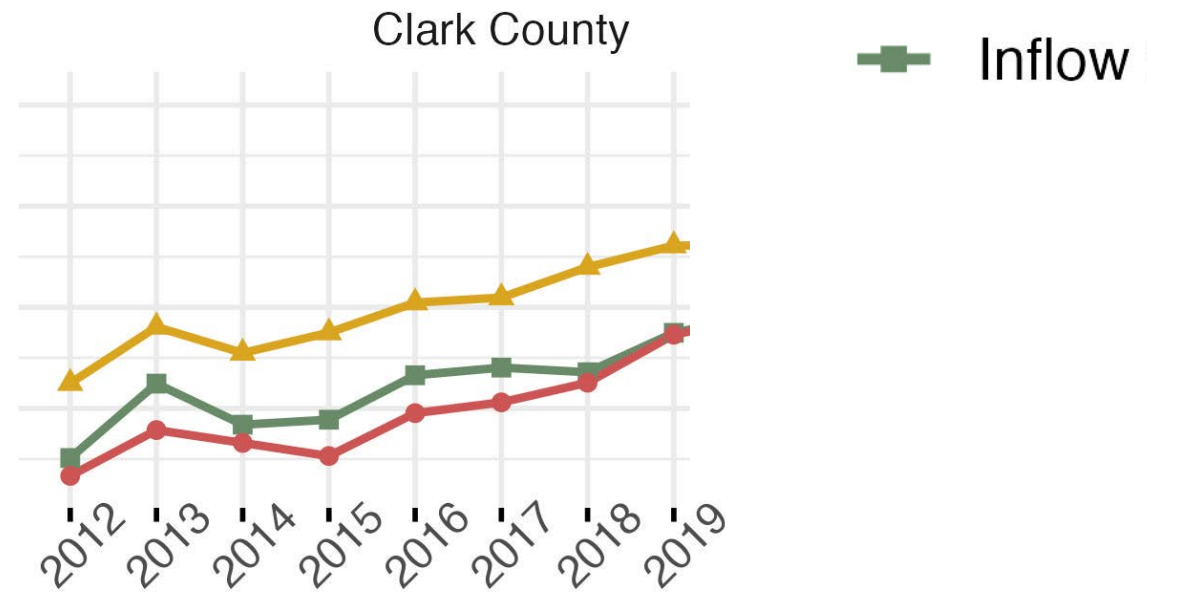
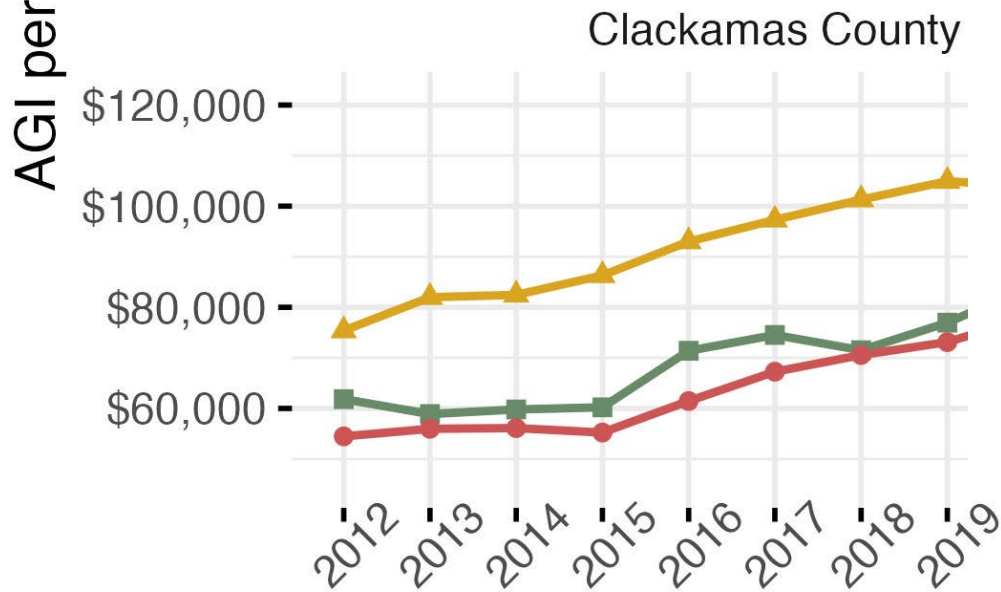
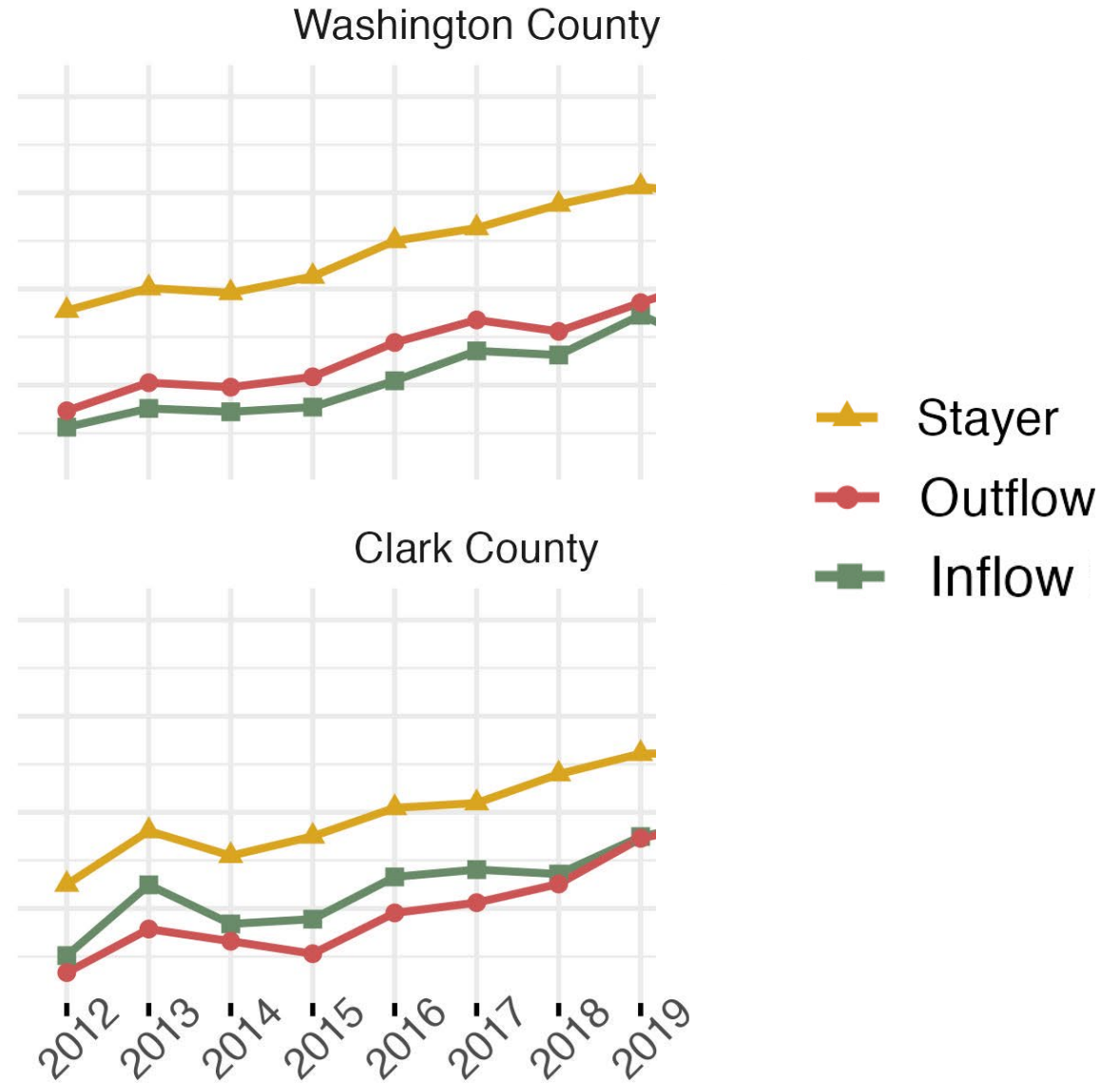
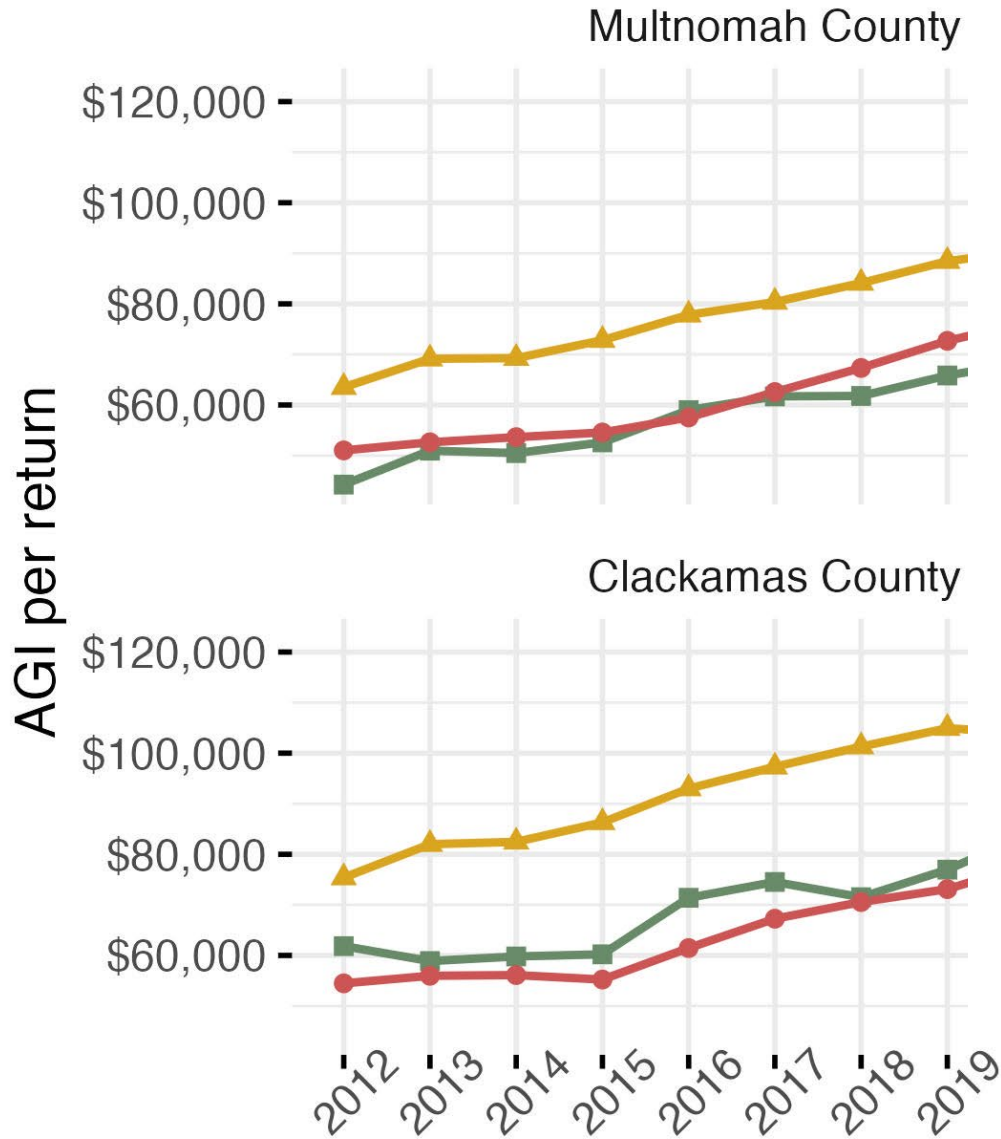
When Americans vote with their feet, they generally choose areas with cheaper housing, greater employment opportunities, and better-quality public services.”

Retention of existing household is the problem in Multnomah Co, not recruitment

Number of Households Leaving vs. Coming to Multnomah County Annually

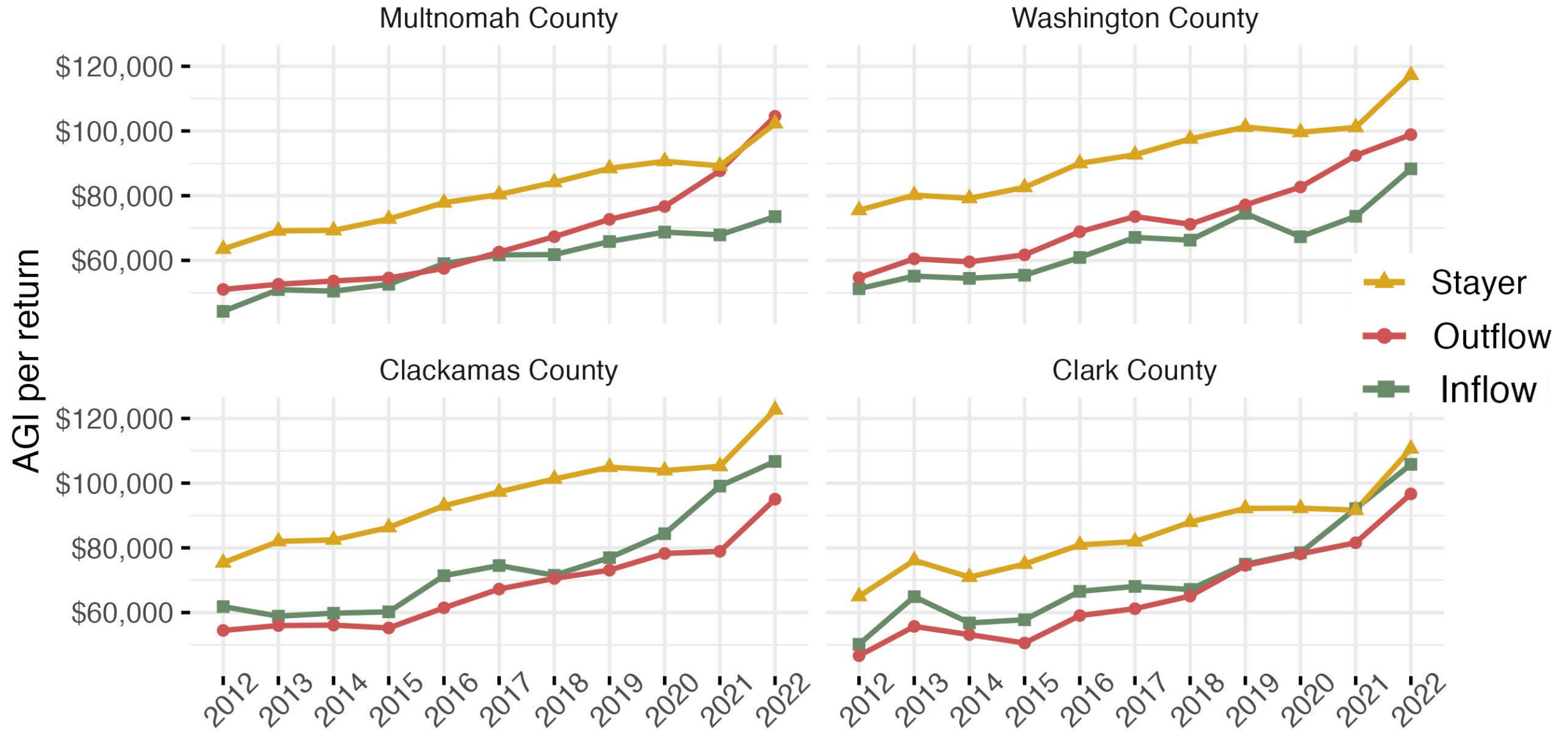


Over \$1 Billion in income loss each of last 2 years in Multnomah Co through migration



Source: U.S. Internal Revenue Service, "Migration Data"

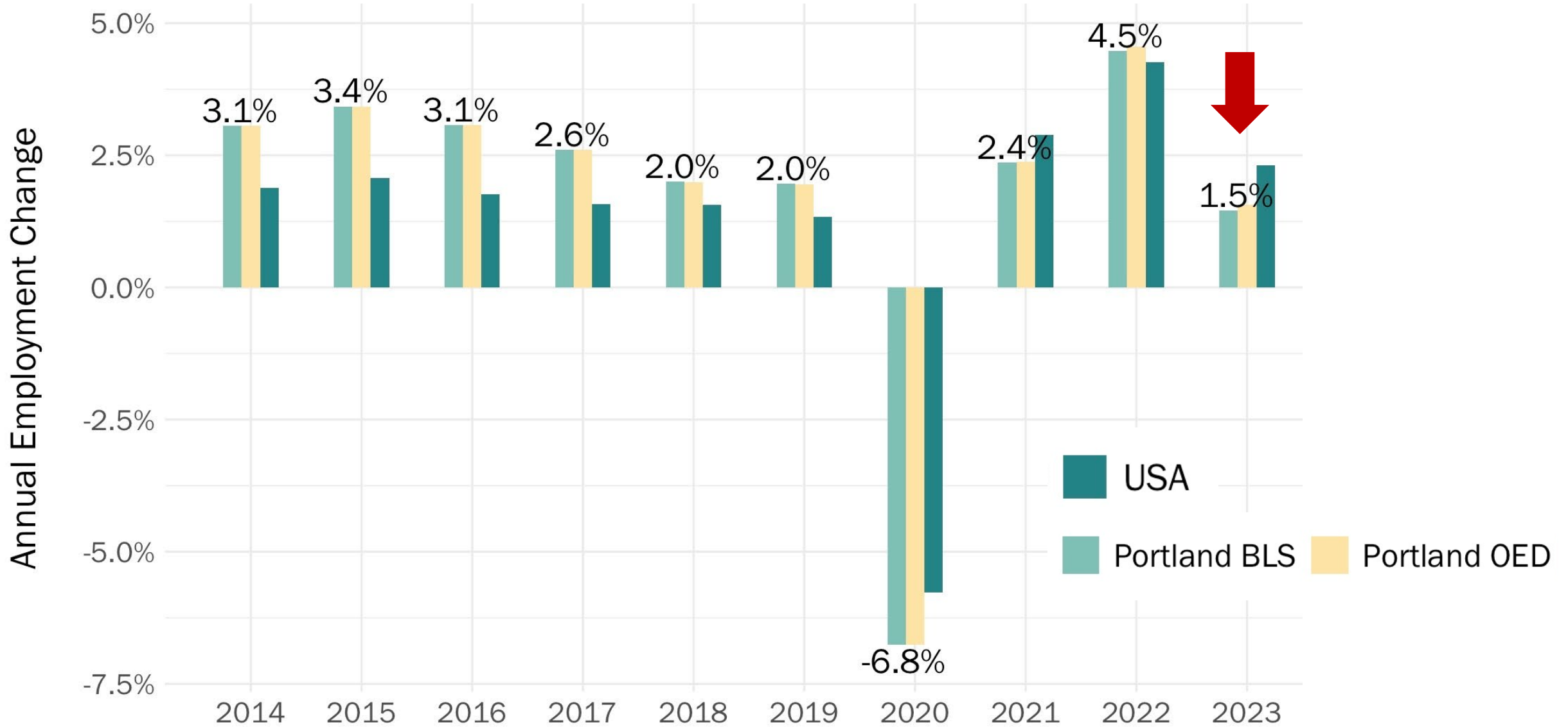
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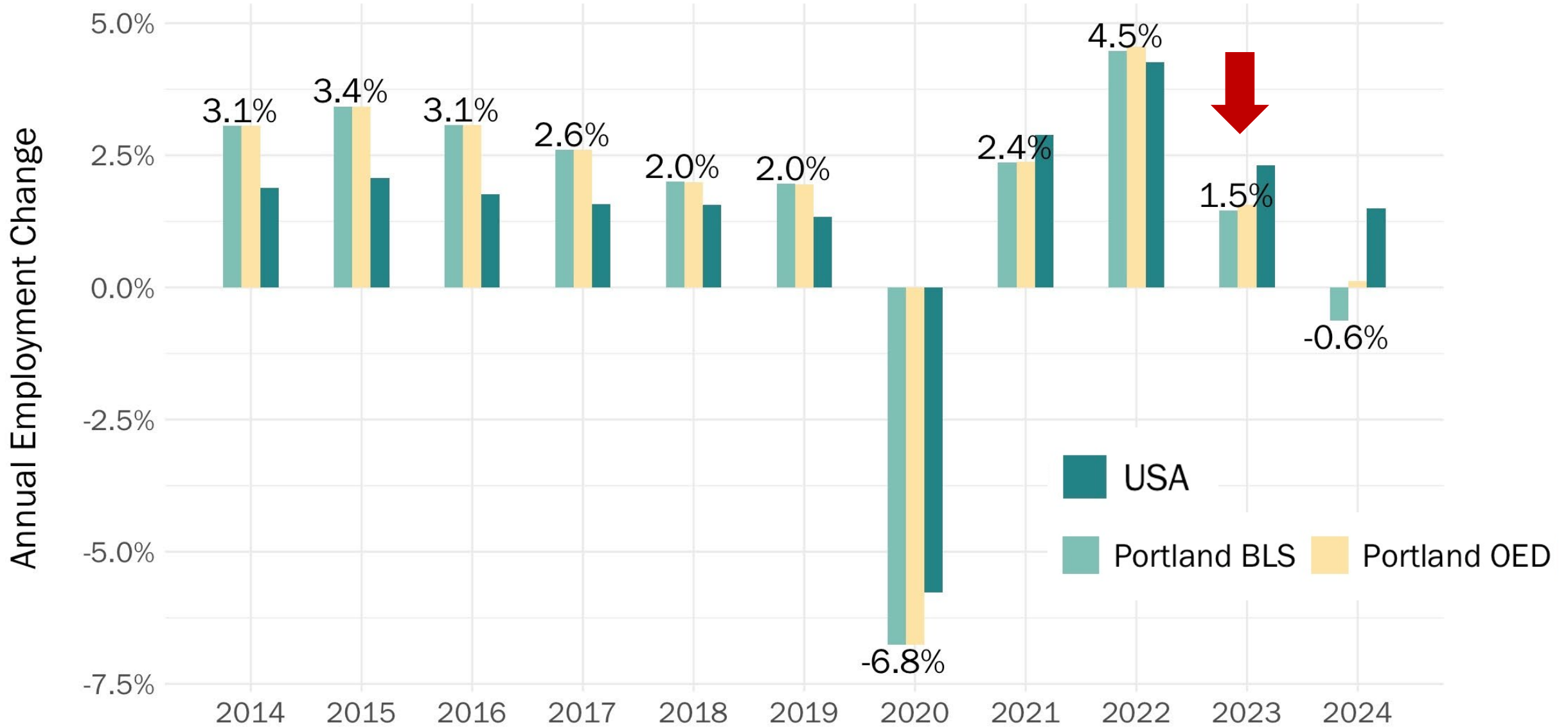
CHALLENGE 2:

Region ranks near bottom in job growth

Last year we saw early warning sign of slower job growth than the U.S.



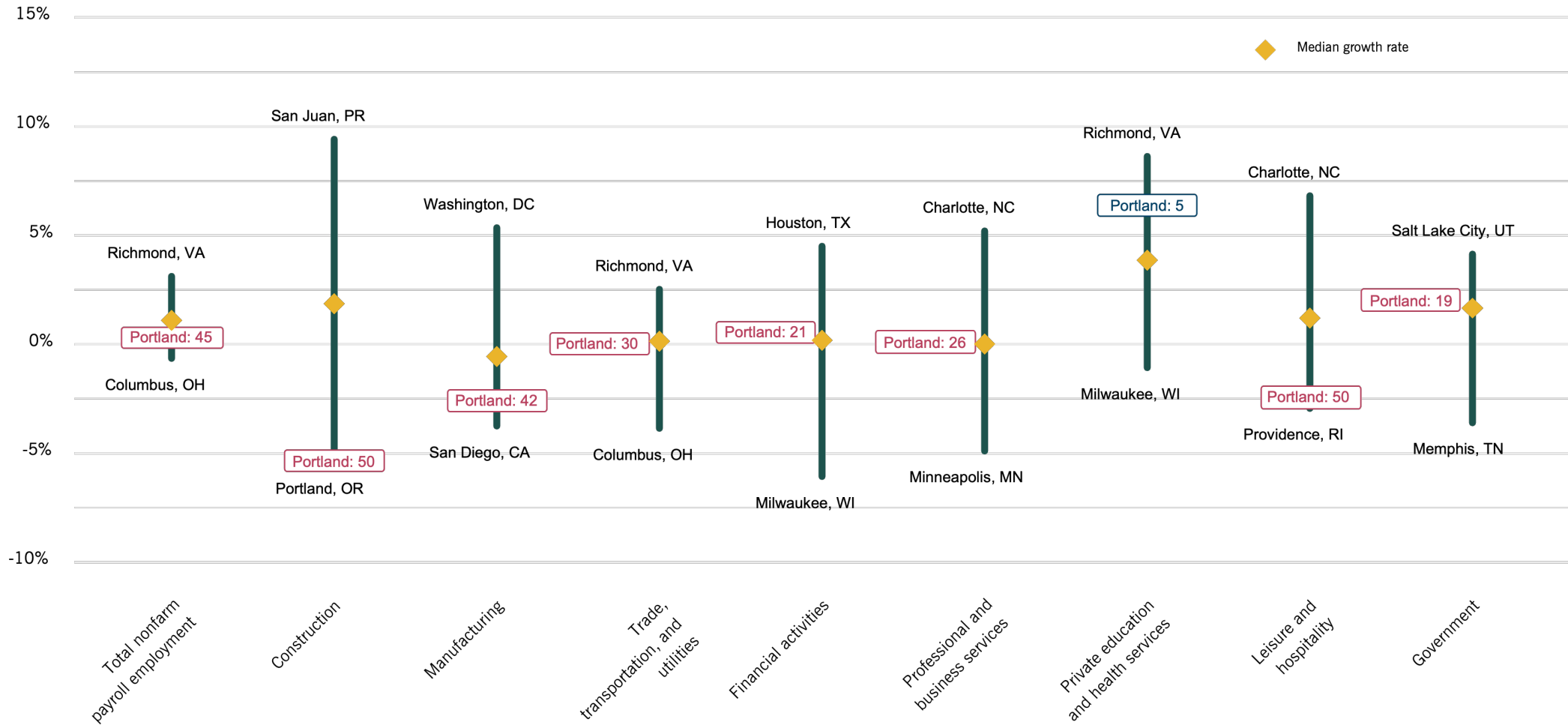
Last year we saw early warning sign of slower job growth than the U.S.



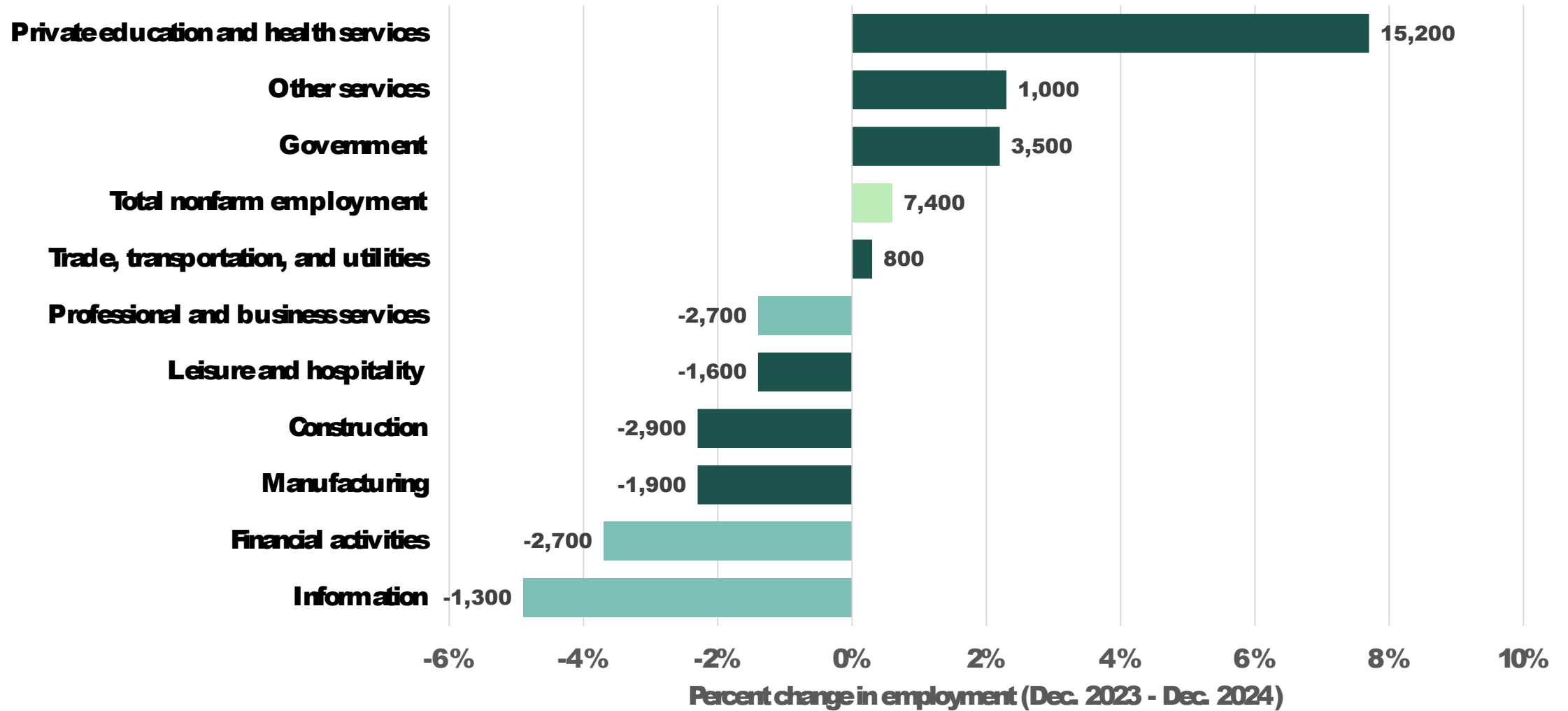
Portland Metro 45th of top 50 metros in job change the last year

Growth rates for all MSAs, by sector

Point-In-Time, December 2023-December 2024, Seasonally unadjusted

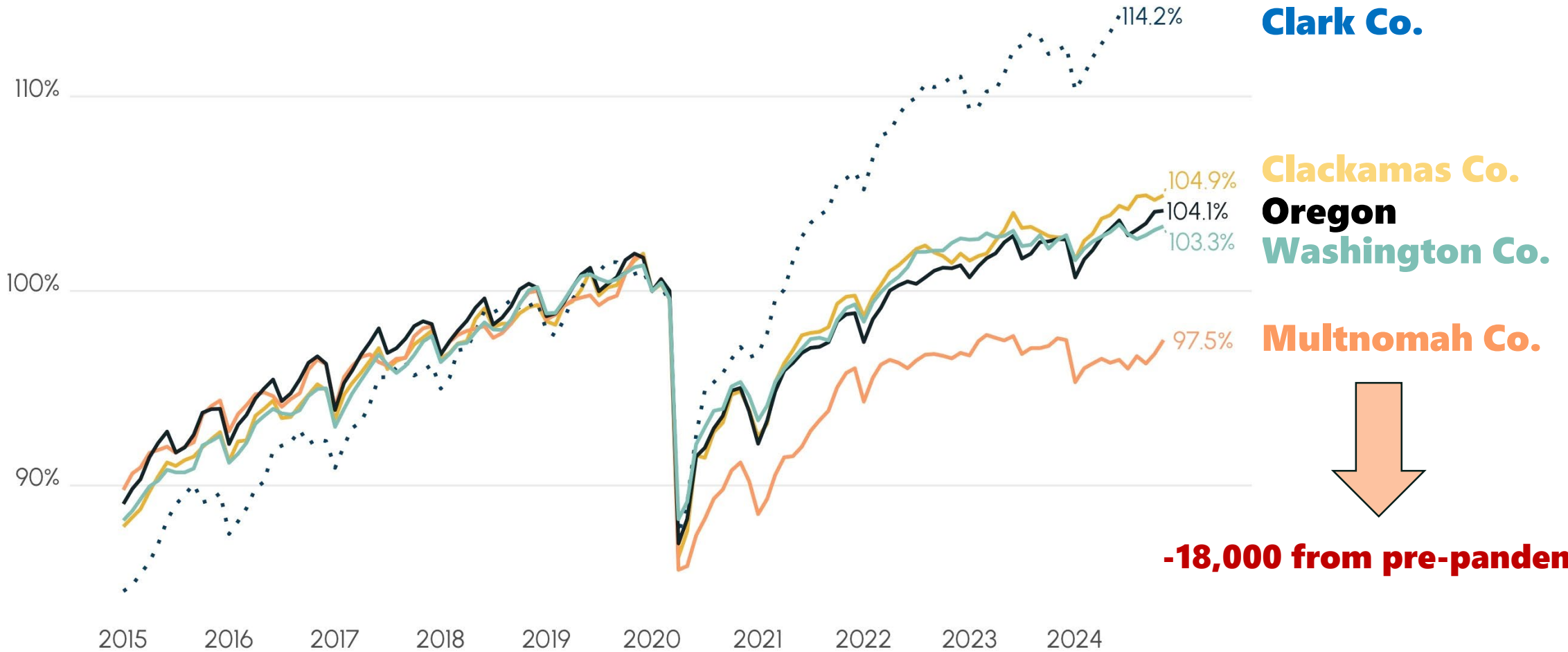


Metro is adding jobs, but losing traded sector employment



Multnomah County hasn't recovered jobs lost during pandemic

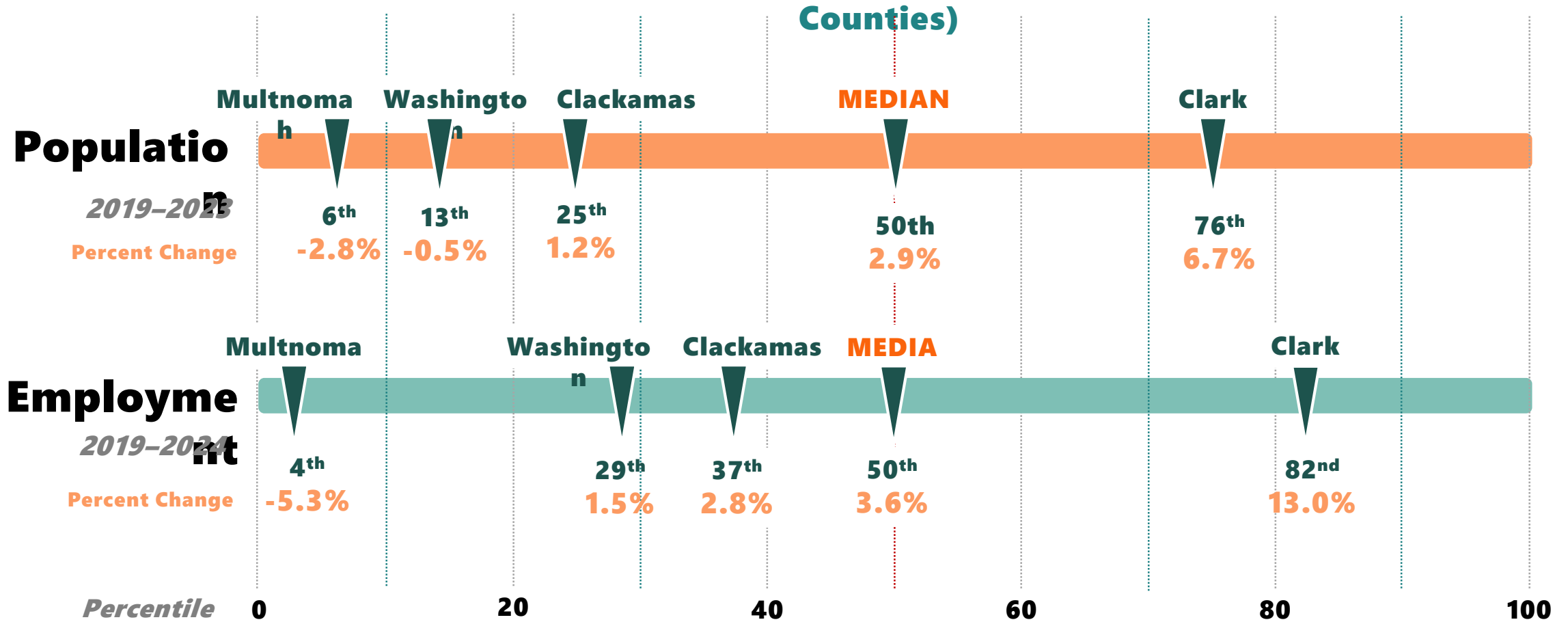
Percent of January 2020 employment
(seasonally-unadjusted)



-18,000 from pre-pandemic

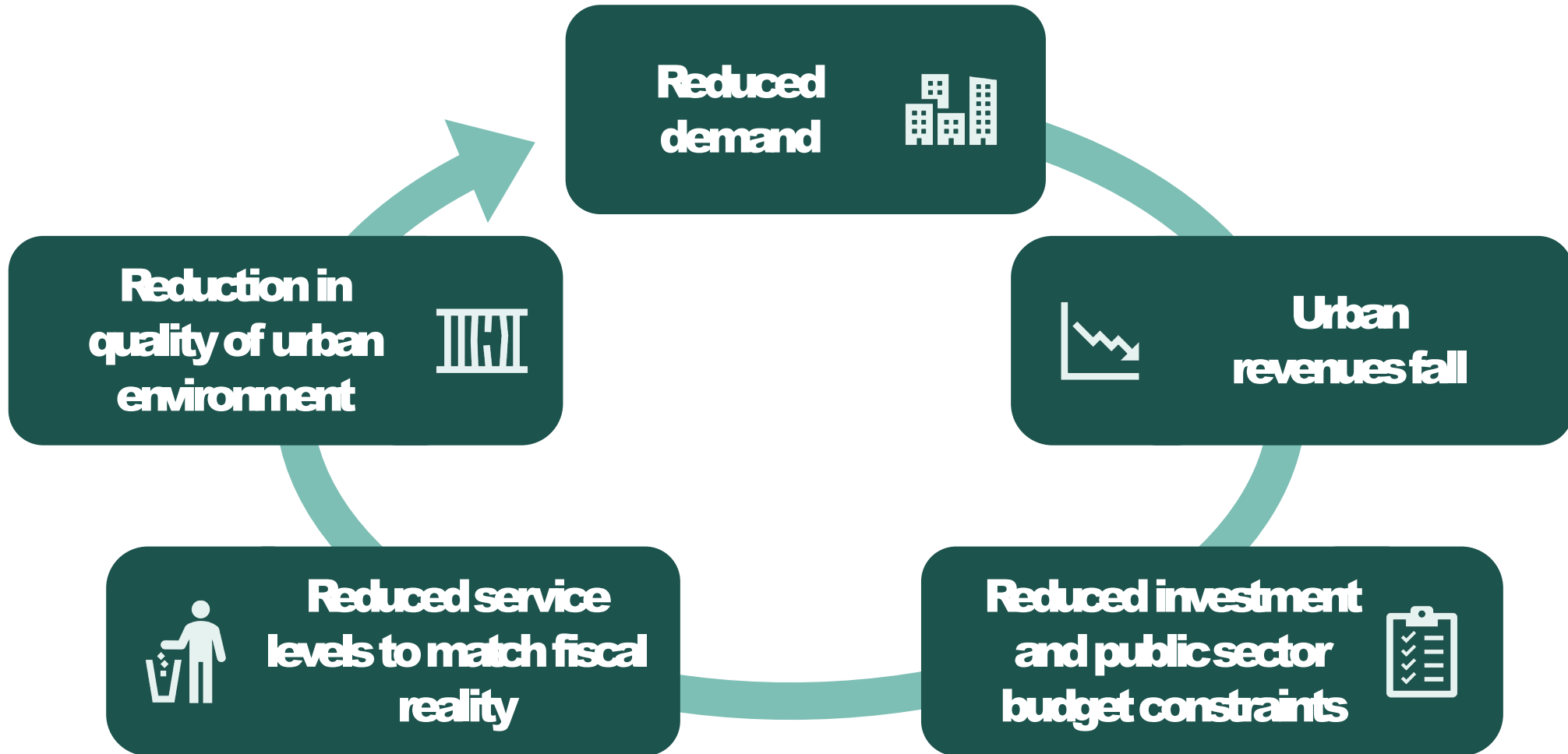
Disparity of within metro performance is among largest nationally

Rank of Portland Metro within all Counties in top 50 Metros (220



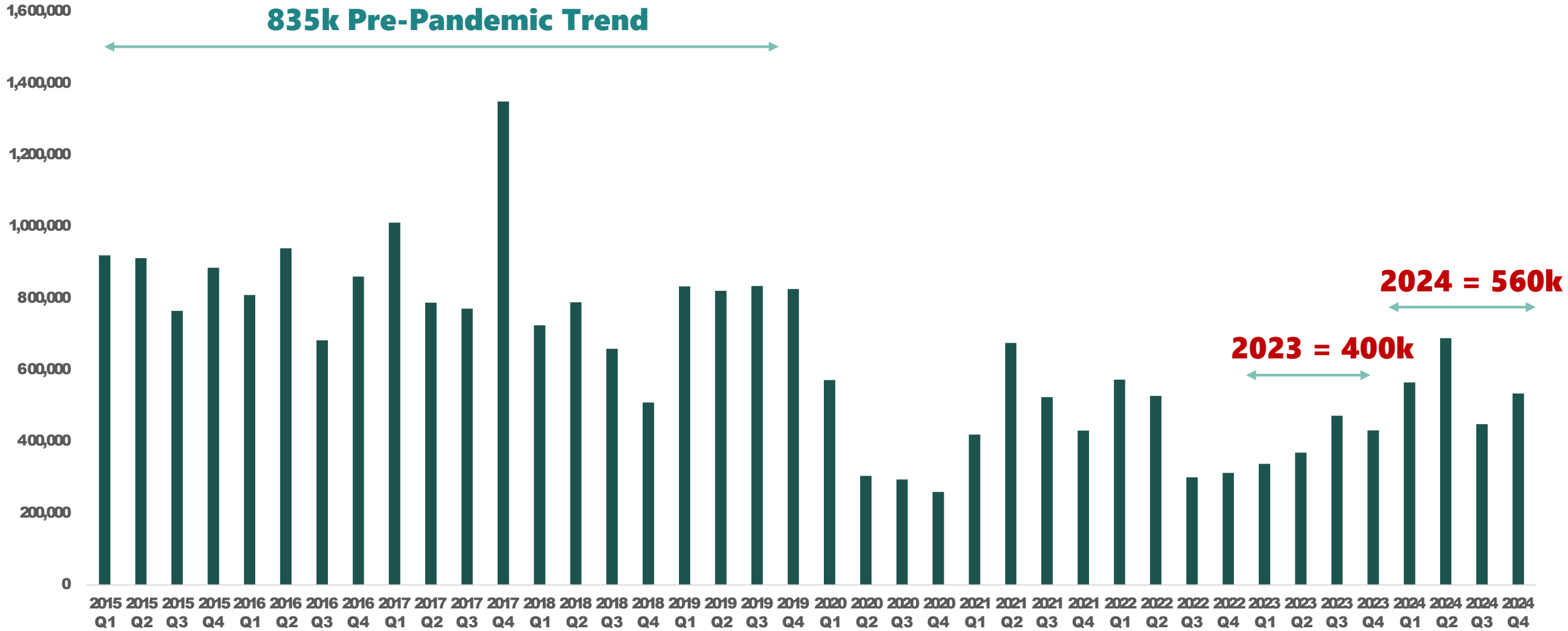
CHALLENGE 3: **A Changed Central City**

Act with urgency—consequences of urban doom loop difficult to reverse



Leasing activity is the leading indicator to vacancy recovery, down 30%

Quarterly Office Leasing Activity in the City of Portland
(Non-Owner Occupied)



Largest decrease in visitor foot traffic is from inner eastside

Mix of out-of-region visitors is the same as pre-pandemic (20%)

Visitor Foot Traffic Change

25,000

10,000

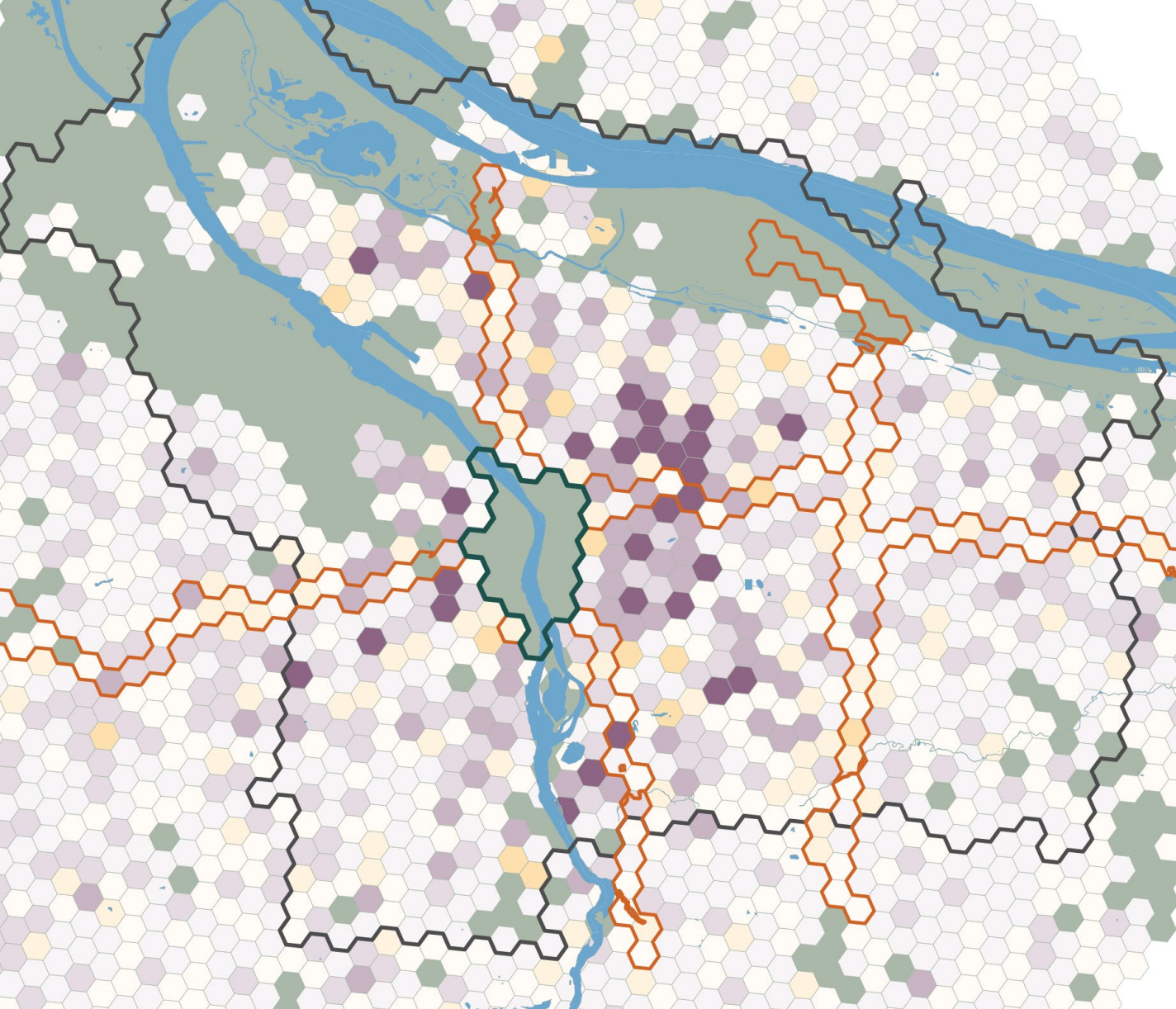
No change

- 10,000

- 25,000

- 50,000

MAX Service Area

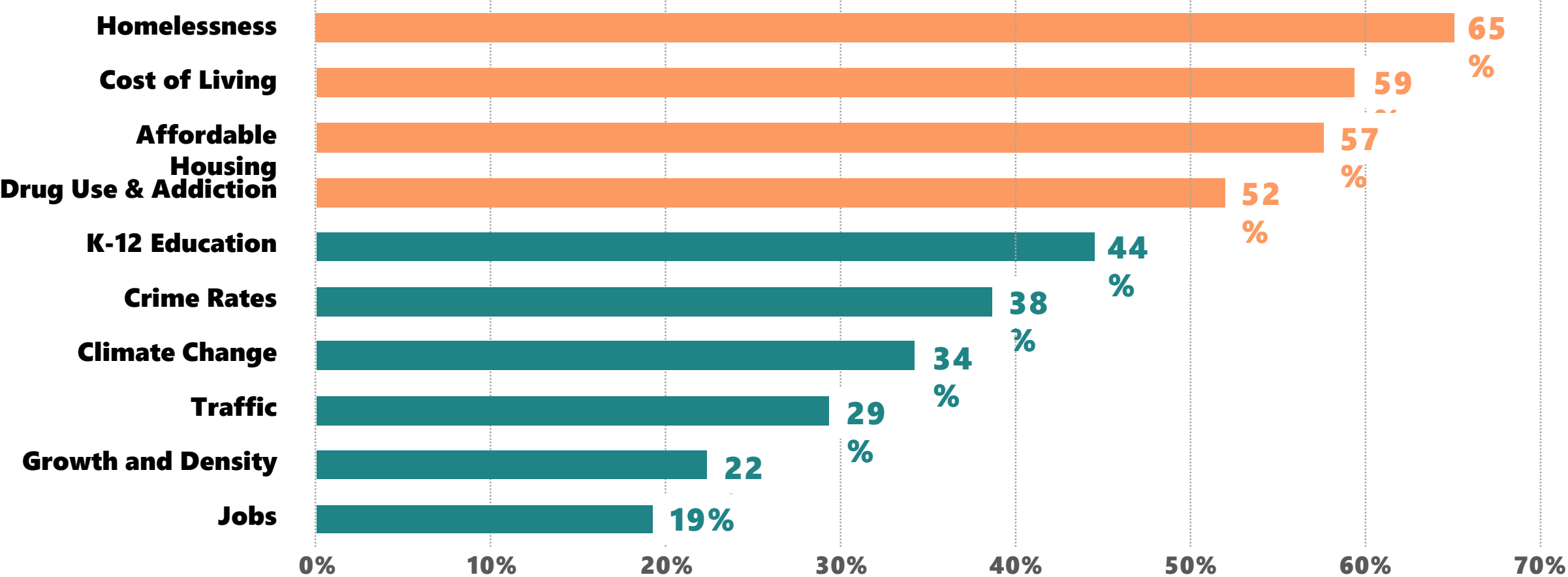


Source:
Placer.ai and
ECOnorthwest
calculations

CHALLENGE 4:
**Oregon and Portland stance
on growth and
competitiveness**

Same issues are top of mind

Voters' shared concerns echo what we have seen in the past: they are most concerned about homelessness, cost of living, affordable housing, and drug use.



Source: DHM Research | PMC Economy Survey | December 2024

The legacy of Governor McCall



We want you to visit our State of Excitement often. Come again and again. But for heaven's sake, don't move here to live. Or if you do have to move in to live, don't tell any of your neighbors where you are going.

— Tom McCall —

How likely is new construction? Perception bias hit all time low for the region

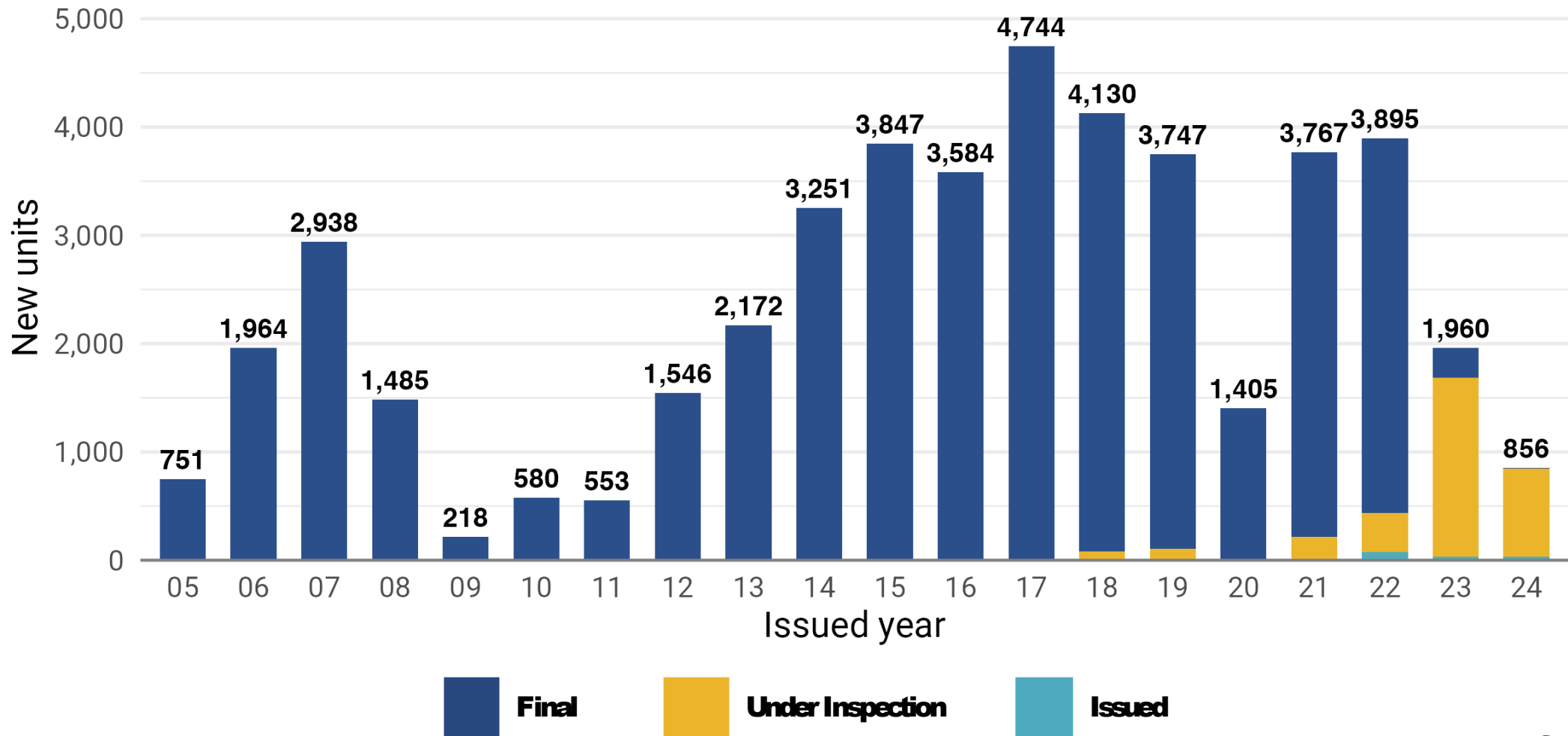
Portland's Rank in the ULI Development Opportunity Index



In the Urban Land Institute's *Development Opportunity Ranking*, Portland ranks 2nd to last—above only Hartford.

Multifamily permitting is at the lowest level in over a decade in City of Portland

New Multifamily Permits Issued City of Portland (through December 2024)



2019 Housing Affordability in Vancouver and Gresham

Assuming:

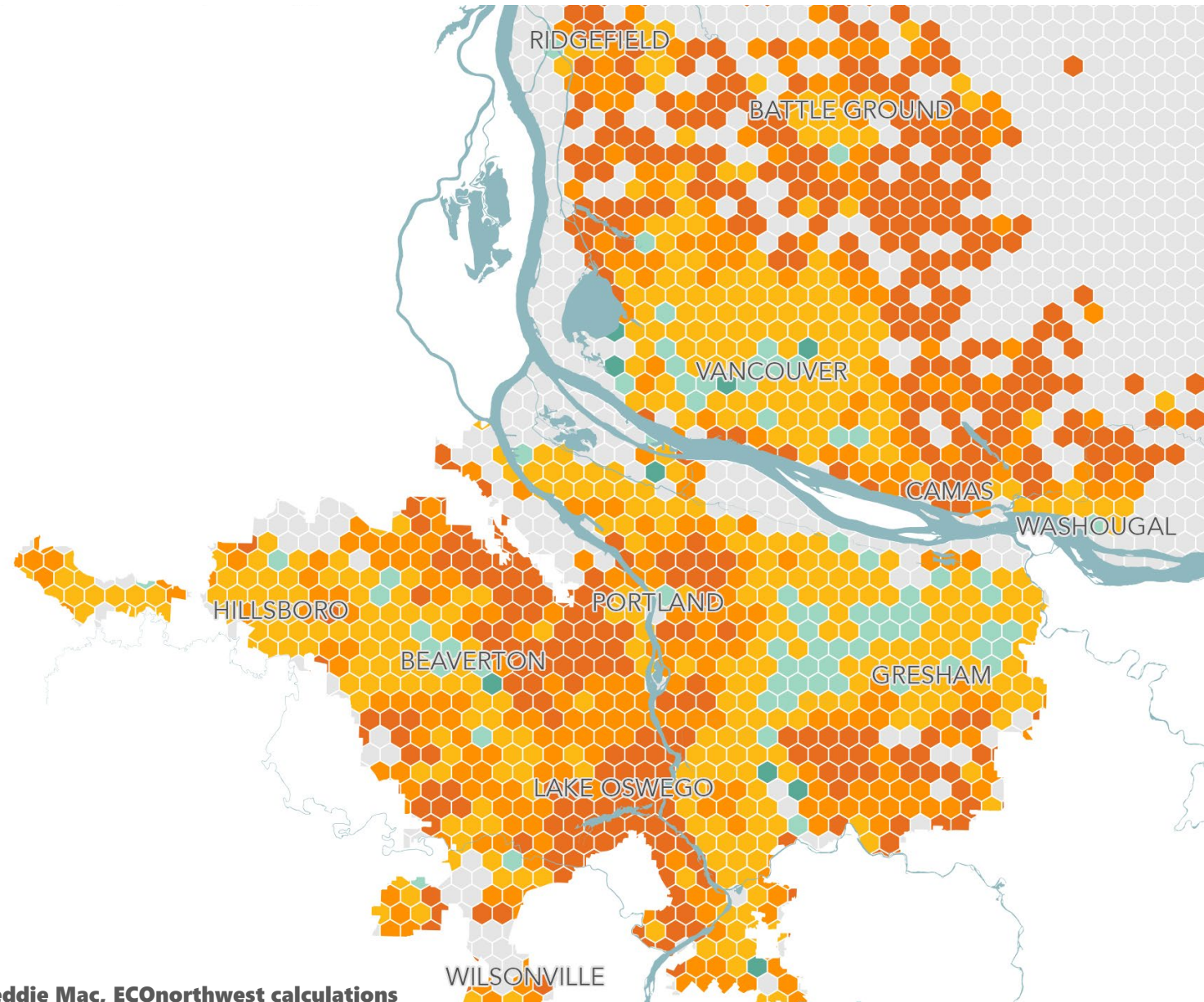
20% down payment

4% mortgage rates

Median Family Income of \$89,700

Housing unaffordable to purchase in most of the region

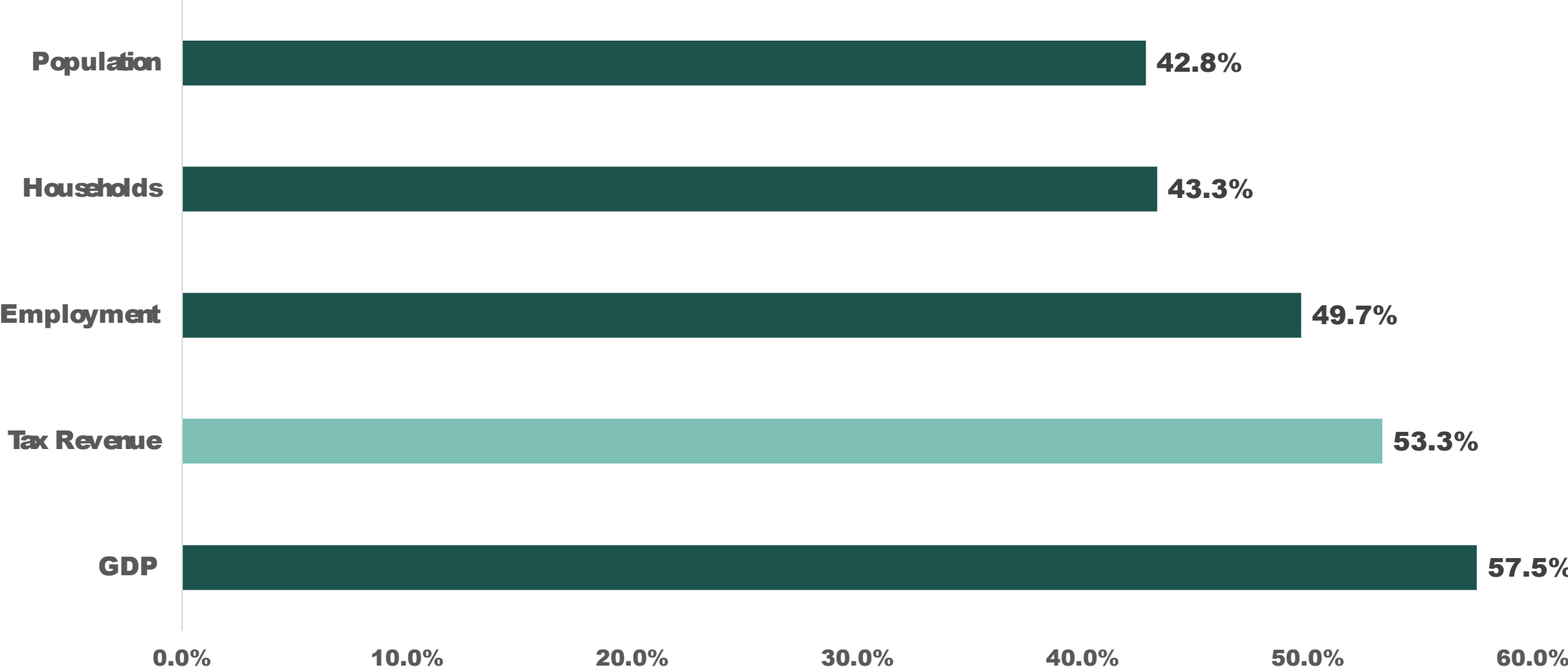
Assuming:
20% down payment
6.5% mortgage rates
Median Family Income of \$116,900



Takeaways

Portland Metro has an outsized contribution to the State Economy

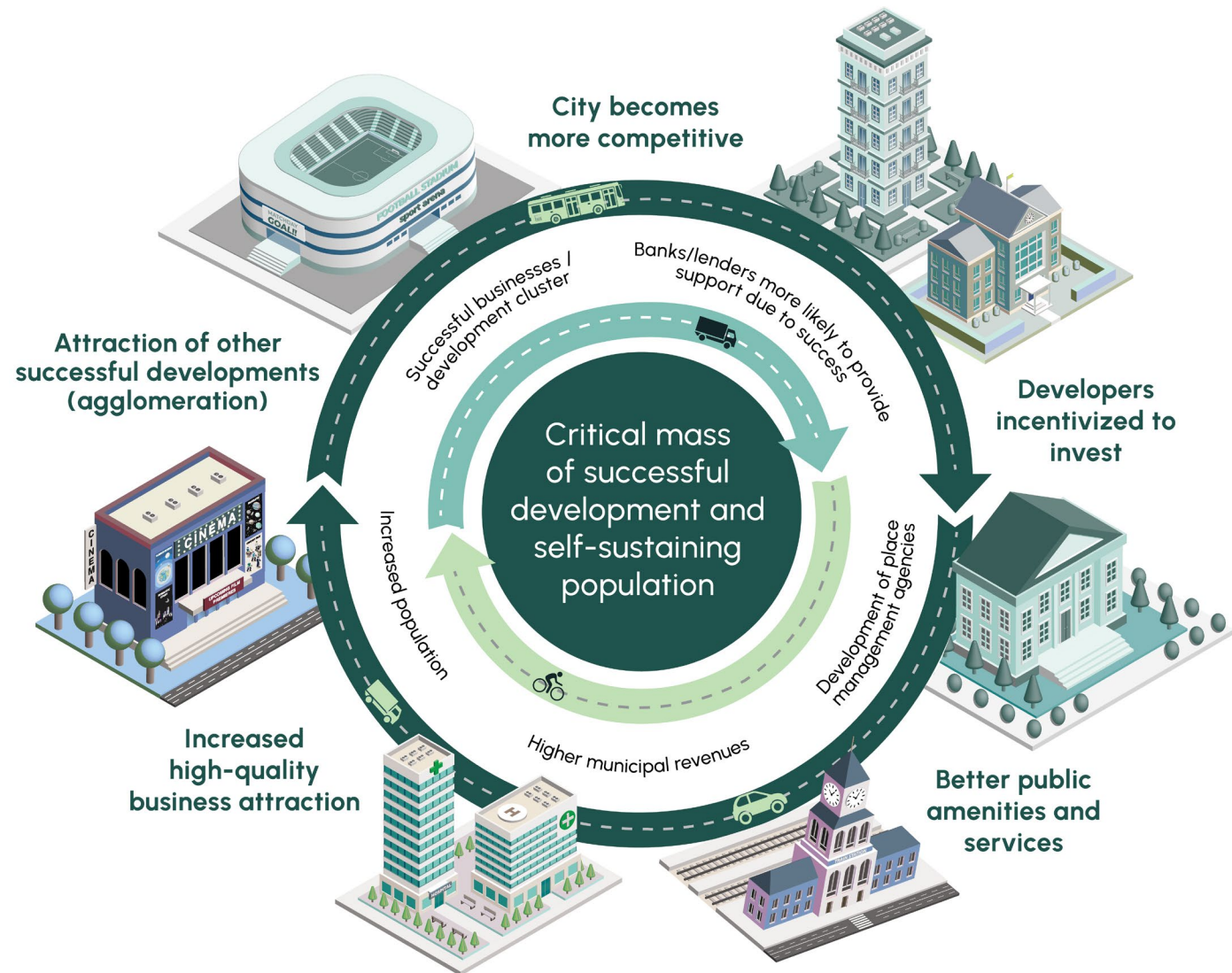
Metro Share of State Total



Source: PMC's "Portland Region's Impact on State Fiscal Health", 2023

Why this matters

- **Preventing a doom loop requires bold actions.**
- **The race for households and talent is accelerating – Portland must stay competitive.**
- **Diversifying economy is critical to securing a pathway to equitable growth in the region.**
- **Leading indicators suggest action is needed, not an assumption that they will naturally resolve.**



Source: Places Platform, LLC; Cushman & Wakefield Research and ECONorthwest

Virtuous Cycles are the key to prolonged equitable growth

Keys to success	City (year)	Example
Private sector leadership and place management	Pittsburgh (2024)	Coalition of private sector leaders and regional foundations pledged \$40M to support Pittsburgh's 10-year downtown revitalization plan
Urban universities as economic anchors	Cincinnati (2020-present)	The Cincinnati Innovation District, anchored by the University of Cincinnati and Cincinnati Children's Hospital, has generated \$100M+ in investment dollars supporting startups with advisory support from global business leaders and the Lt. Governor
Strong philanthropic foundations and private investors	Detroit (2012– 2022)	JPMorgan Chase invested \$200M over 10 years in Detroit which supported 13,000+ businesses, 72,000+ job placements, and 5,000+ affordable housing units created or preserved
Focus on the knowledge and experience economies	Arlington (2018)	Amazon HQ2 bid won with a focus on a new train station, converting a freeway to a boulevard, walking bridge to the National Airport and more, rather than cash incentives.
Quick and forward-looking government actions	Minneapolis (2018 and 2024)	After becoming the first major US city to eliminate single-family zoning, Minneapolis more recently launched a 10-year strategy focusing on downtown and transforming historic Nicollet Mall into a pedestrian-only zone.
Make the right thing easy	Seattle (2024)	To revitalize key areas of Seattle, Mayor Harrell relieved design review for residential, hotel-oriented, or research/development labs.



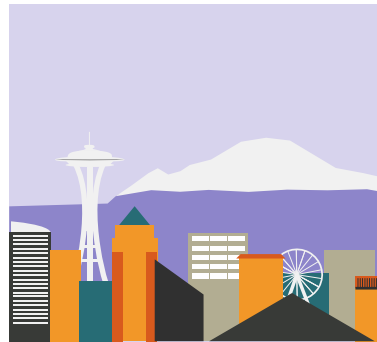
ECOnorthwest



Los Angeles



Portland



Seattle



Boise