

The background of the cover is a scenic landscape of Oregon, featuring rolling hills, dense forests, and a bright sunburst effect in the upper right corner. The text is overlaid on this image.

OREGON
BUSINESS PLAN

SHARED PROSPERITY

**OREGON BUSINESS PLAN
STRATEGY FOR THE 2020s**

SHARED PROSPERITY

Oregon Business Plan Strategy for the 2020s

The Context

Since our launch in 2002 the Oregon Business Plan has focused on improving the conditions and policies needed to produce a strong economy and well-paying jobs. In our vision this would enable Oregonians to thrive and also generate the revenues needed for public services and amenities that buoy economic health, good jobs, and quality of life. So, the goals that fueled our policy recommendations were to create good jobs and raise incomes.

The news is good on that front. Over the past 20 years Oregon has created some 300,000 jobs. And our incomes have increased. We are a more diversified economy – and we have many strong companies here.

Yet along the way, it's been increasingly evident that too many Oregonians are struggling economically, and we concluded that those two goals alone were not enough. In 2010, we added a goal to reduce the percentage of Oregonians living in poverty. We recommended policies aimed at those results. Over the following years Oregon's poverty rate has declined substantially.

The Decade Before Us

As we ended the 2010s and looked out to the decade ahead, issues like the pandemic, inequities born of systemic racism, stresses of wildfire and drought on our natural systems, and the changing demands of work prompted us to revisit our goals in light of Oregon's circumstances and emerging challenges. The data made clear that the economic playing field is not equal for everyone in our nation and in our state. Discriminatory policies long present in employment, housing, criminal justice, and education have prevented wealth accumulation in many BIPOC communities. Those growing up in poverty have far less chance of living prosperous lives. Too many children of color grow up with limited economic mobility compared to their white peers. There are also substantial differences in wealth among Oregonians. At the family level too many lack the resources to navigate even a \$400 emergency.

The Refreshed Business Plan: *Shared Prosperity*

Considering these findings, in 2020 we began framing a decade-long Business Plan strategy to achieve not just prosperity, but *Shared Prosperity*. This holds that all Oregonians should be able to prosper, regardless of race, region, or economic circumstances. It implies clearly that we must intentionally remove institutional barriers holding people back while affording them support and equitable access to the resources and opportunities needed to thrive.

The new framework for Shared Prosperity in this decade is illustrated at the top of the following page. It lays out four goals, three policy imperatives to accomplish those goals, and particular policy priorities that address needs ripe for action in 2022.

Refreshed Oregon Business Plan For the 2020s

- The Context for *Shared Prosperity*
- Four New Goals
- Three Policy Imperatives
- Setting and Acting on Priorities
- Priorities for 2022
- Other Candidates for Policy Development and Action
- Assessing Progress

OREGON BUSINESS PLAN FRAMEWORK FOR SHARED PROSPERITY

Four Goals

- **GROW WAGES** to raise the well-being of Oregonians
- **INCREASE THE SHARE OF PEOPLE WORKING** to bring more Oregonians into the economic mainstream
- **GROW HOUSEHOLD WEALTH** to increase family security and intergenerational well-being
- **INCREASE ECONOMIC MOBILITY** regardless of race or place

Three Imperatives

ECONOMY

Grow, Create, and Attract Good Jobs

EDUCATION

Prepare Oregonians for the Jobs of Today and Tomorrow

OPPORTUNITY

Provide Supports That Empower More Oregonians and Ensure That Zip Code Is Not Destiny

Priorities for 2022

- **MANUFACTURING RESET:** Boost opportunities in manufacturing
- **WORKFORCE INVESTMENT:** Focus on adults displaced in the pandemic
- **BROADBAND:** Increase access, affordability, and use
- **HOUSING:** Accelerate expansion of supply
- **I-5 BRIDGE & MORE:** Support key projects for federal funding
- **EITC UPTAKE:** Help Oregonians obtain critical tax credits

OREGON
BUSINESS PLAN

Four Goals

Four new goals represent the *Shared Prosperity* vision and serve to measure progress over the decade ahead.

1. **Grow Wages.** This reflects a desire to continuously raise the economic well-being of Oregonians. Typically wages increase when businesses are more productive and individuals are more highly skilled.
2. **Increase the Share of People Working.** We want to create an environment where everyone has the opportunity to succeed. In particular, we want to find ways to bring displaced workers back into the economic mainstream.
3. **Grow Household Wealth.** Greater personal wealth for Oregonians, especially at lower and middle income levels, increases family security and intergenerational well-being.
4. **Increase Economic Mobility.** We want new generations of Oregonians, regardless of race or place, to thrive economically.

Three Policy Imperatives

To achieve its four goals, the Oregon Business Plan identifies three interrelated, mutually reinforcing imperatives that must be pursued together through state policies and investments. They are:

JOBS: Grow, Create, and Attract Good Jobs. This involves creating the business conditions that lead to an increase in quality employment opportunities.

EDUCATION: Prepare Oregonians for the Jobs of Today and Tomorrow. We must make sure Oregonians have access to the education, training, and the support they need to prepare for and secure well-paying jobs.

OPPORTUNITY: Provide Supports that Empower More Oregonians and Ensure That Zip Code Is Not Destiny. Family and education supports for Oregonians with fewer means will help them achieve greater agency, financial stability, and personal and family wealth.

Policy Priorities for 2022

With these imperatives in mind, the Business Plan has identified a select few priorities that address needs and opportunities appropriate to tackle in 2022. These include overhauling Oregon's manufacturing strategy, investing in workforce education, expanding broadband access and use, accelerating housing supply, and several other initiatives.

The Framework in Greater Detail

The balance of this paper fleshes out the imperatives and priorities of the Shared Prosperity strategy, along with metrics to assess progress at all levels of the strategy.

Imperative # 1

ECONOMY: Grow, Create, and Attract Good Jobs

Why This Is Important

A healthy, productive economy is essential to achieve our goals for shared prosperity. It creates good jobs that enhance financial security, intergenerational wealth, and wider opportunity for individuals and families. It funds essential public services that enrich civic life and benefit citizens personally in the form of everything from education to roads to green spaces.

What It Will Take

Nurture the traded sector. The key to building a strong economy and economic opportunity is nurturing the creation and growth of “traded sector” businesses that sell their products and services beyond their own locality, and typically outside of Oregon.

Ironically, traded sector enterprises don't comprise the bulk of jobs in Oregon. Those are in local service enterprises such as restaurants, grocery stores, hospitals, banks, and utilities. However, traded sector businesses, both small startups and large-scale enterprises, drive the Oregon economy and its prospects. That's because their sales bring in fresh dollars. Some of those dollars pay for business purchases from local suppliers. Most of them sustain well-paying jobs and payrolls that then circulate in the local and state economy, providing revenues for local service enterprises as well as tax revenues that fund public services.

An important part of nurturing the traded sector is creating the conditions that enable traded sector businesses to start up, grow, and compete regionally, nationally, and globally. Conditions that sector leaders consistently cite include:

- A talented workforce and quality education system
- Stable and competitive taxes and regulations
- Quality of life and housing affordability that enables talent recruitment and retention
- Quality built infrastructure, from roads and bridges to broadband
- Access to capital for startup costs and growth
- Available land for business expansion and attraction
- Technical assistance and other small business support services
- An entrepreneurial and innovation ecosystem.

The key to building economic opportunity is nurturing the creation and growth of “traded sector” businesses that sell their products and services outside of Oregon.

Finding the right mix of these conditions to support different clusters of traded sector businesses (like clean tech, wood products, software, or athletic and outdoor gear) is an important task for community and policy leaders working to create opportunity.

Key Trends, Opportunities, and Challenges

The covid pandemic over 18 months has upended our economy enormously, often accentuating and accelerating other challenges already foreseen. For example:

- Losses of jobs in the leisure, hospitality and retail sectors, coupled with innovation in the way those services are provided, have displaced many Oregon employees.
- New questions arise about the future of central cities as people have learned to work successfully at home.
- Automation, use of artificial intelligence, and digitization have accelerated.
- The pandemic has intensified bottlenecks in the supply chain, shortages of skilled workers, and changes in business operations and personnel structures.
- Accelerated reshoring of supply chains in response to ongoing and future threats of disruption to globally dispersed supply chains is creating significant opportunities to grow our manufacturing base. Most notably, Oregon could position itself to participate in massive expansion/investment in domestic semiconductor manufacturing.

We need to keep six additional trends in mind that will shape the future of our economy.

- *Climate change.* The impact of climate change requires Oregon to rethink policies for forest management and water resources to ensure resiliency and supply. National and state efforts to reduce carbon emissions create both opportunities and challenges for business.
- *Demographics.* Oregon's population is growing more diverse, and for the first time, Oregon's natural growth rate (births versus deaths) is flat and even declining in some communities. This could create long-term labor shortages, highlighting the need to ensure that everyone has the opportunity to contribute to Oregon's economic prosperity.
- *Deglobalization.* Trade as a percentage of world GDP may have peaked and businesses are reconsidering their vulnerabilities to shocks in international supply chains.
- *Housing supply and affordability.* For over a decade, housing supply has not kept up with population growth and demand. Prices have increased, often beyond the means of families and individuals, creating financial stress and homelessness. While hurting individual Oregonians, it also inhibits our ability to site enterprises and to attract and retain critical talent for businesses.
- *Childcare.* Lack of affordable childcare is an enormous challenge for individual families, and also a business issue, because it precludes many qualified Oregonians from taking or returning to employment.
- *Transportation and other infrastructure.* Our aging and congested transportation infrastructure inhibits freight movement vital for our economy. With the potential for a major infusion of federal dollars, Oregon needs to be prepared for expansion of its roads, bridges, water systems, broadband, and more.
- *Industry 4.0 and the digitalization of everything.* Many believe the world is in the midst of a fourth industrial revolution. This revolution will be characterized by the linking of previously disparate digital technologies like robotics, AI, sensors and IOT, 3D printing, and others to reshape how products are designed, assembled, and shipped to end users. This revolution promises huge advances in productivity that will entirely reshape manufacturing. Oregon needs to be ready for this tidal wave.

Imperative # 2

EDUCATION: Prepare Oregonians for Jobs of Today and Tomorrow

Why This Is Important

More than ever before, education and training determine an individual's success in life, the vitality of our communities, and our economic strength and prosperity. Education and training are key to closing opportunity gaps and preparing Oregonians for meaningful careers.

The Oregon Business Plan envisions that all Oregonians – especially those historically underserved and marginalized – will have more equitable access to all types of education and training that prepare them for the future and put them on the pathway to opportunity.

We must create a workforce development system that is centered on the users and designed with their culturally specific perspectives and needs in mind.

What It Will Take

Build a more equitable, student-centered education system.

Our current education system, still dominated by seat time and one-size-fits-all learning, was built for an earlier era and is failing many students. Deep, persistent systemic inequities have impacted historically underserved students and kept them from opportunity. We must rebuild an education system for the 21st Century that is student-centered, personalized, resilient, and equitable for all students. It begins with a seamless education system from cradle to career that fosters lifelong learning and prepares learners with the knowledge and skills to navigate the complex challenges of a changing and uncertain future. Learning is personalized and students advance at their own pace based on demonstrated mastery. They learn in a variety of ways and places and apply that knowledge to the real world. Their progress is measured by meaningful assessments that are an ongoing part of the learning experience. Schools address the social, emotional, and culturally specific needs of all learners so they can thrive, develop their talents, and meet their aspirations.

Strengthen career readiness. The ever-changing demands of the global economy require all learners to be career ready. We must create a continuum of experiences and pathways that equip learners with the knowledge and essential skills necessary to thrive in the workplace.

Build more equitable postsecondary access and outcomes. Postsecondary education and training – including certificates, apprenticeships, and community college and university degrees – confer powerful economic benefits to individuals. Yet, in Oregon those benefits are inequitably distributed. We must ensure all Oregonians have affordable access to postsecondary education and training and the support they need to reach their education goals.

Design a workforce system that works for adults. An increasingly diverse population of dislocated and low-wage Oregonians needs good, well-paying jobs that would transform their lives. At the same time, many employers face an immediate challenge in filling jobs, and they anticipate increasing openings in jobs requiring new skills. The COVID-19 pandemic exacerbated pre-existing racial and economic disparities that have kept many from accessing opportunity. New strategic, intentional partnerships are needed between the traditional workforce system, postsecondary education, community-based organizations, apprenticeships, and employers to create greater and more equitable economic mobility. We must create a workforce development system that is centered on the users and designed with their culturally specific perspectives and needs in mind. The system must provide wraparound supports that enable students to focus more fully on learning. Employers must engage deeply as partners to identify and communicate the skills they need. We must build innovative education and training models that lead to stackable credentials and earn-and-learn opportunities.

Key Trends, Opportunities, and Challenges

Several key factors impact education and workforce systems change, including:

- The lingering effects of the covid pandemic and its disruption of learning and student progress. At the same time, the pandemic has pushed schools to innovate with distance learning and other new models of delivery, such as learning pods for youngsters. We have the opportunity to adopt and scale new approaches based on this experience.
- Evolving Oregon demographics that call for higher learning outcomes for every student, greater access to postsecondary education and training of all types, and schools that are more inclusive, welcoming, and culturally responsive
- The dislocation of tens of thousands of Oregonians with limited education and training, which creates a great need and opportunity for rethinking our adult education and training system, and for engaging employers more systemically in preparing students and displaced adults with 21st Century work skills
- The need to expand broadband and digital literacy to students and their families in all Oregon communities
- Student poverty rates ranging from 10 to nearly 30 percent in the majority of Oregon school districts, and homelessness affecting more than 21,000 school children statewide.

Mobility conditions vary from neighborhood to neighborhood in ways that are not fully understood but appear to improve with racial/income integration, good schools, and low rates of poverty.

Imperative # 3

OPPORTUNITY: Provide Supports that Empower and That Ensure Zip Code Is Not Destiny

Why This Is Important

The Oregon Business Plan has long advocated for quality jobs and excellent education and workforce training systems. The theory was that if Oregon created good jobs, and offered education and training to access them, families and businesses would flourish. While that approach has been beneficial, it hasn't been sufficient.

Path breaking research by Harvard economist Raj Chetty found that economic growth and economic mobility—the ability of individuals to move up the income ladder—are too often disconnected. Regions can attract new jobs that are inaccessible to the people who live there. And high-quality education systems may be difficult to enter, navigate, and afford. Chetty's research documented a severe inequality of opportunity across America and Oregon. Mobility conditions vary from neighborhood to neighborhood in ways that are not fully understood but appear to improve with racial/income integration, good schools, and low rates of poverty. The most jarring findings showed most low-income black and indigenous children were economically immobile—earning about the same as their low-income parents. They were locked out of opportunity.

The findings demand an expansion of economic strategy. Every Oregonian deserves the opportunity to achieve economic success and financial security regardless of background. Oregon should be known as the place where race, ethnicity, income class, region, and neighborhood don't predict economic outcomes.

What It Will Take

Multipronged efforts will be required to achieve equitable prosperity. While the planks for this imperative will emerge as we learn more about the barriers and opportunities, we can propose a broad set of principles to increase access to opportunity for those historically left behind.

Desegregate housing. Isolation is a major barrier to mobility. Too many low-income children in the U.S. and Oregon grow up in neighborhoods and schools with high poverty concentrations. Neighborhood and school segregation cuts off access to income-diverse networks, mentors, and jobs. That segregation is rooted in systemically racist lending, zoning, and education policies imposed for generations on BIPOC communities. Oregon has taken an important, first step to dismantle these policies, including the nation-leading HB 2001 that re-legalizes multi-family housing throughout larger cities and towns. The vision is a good one but will face sustained opposition as it moves to implementation. A mobility initiative starts with a robust housing agenda that unlocks residential opportunities in every neighborhood across the state.

Invest early and in two generations. The evidence continues to mount on the importance of early childhood investments to economic mobility. Education achievement gaps—by race, ethnicity, or income—do not exist at birth. They gradually open during the first five years of a child’s life because of the differing abilities of high- and low-income parents to spend time and resources on their children. Public investments in wellness check-ins, nurse home visiting, childcare, and prekindergarten equalize opportunity and set children up for a life of learning. And importantly, the investments should also support parenting education and paid family leave. Oregon’s recently enacted Student Success Act provides \$200 million annually to expand early care and education programming for infants, toddlers, preschoolers, and their families. And the federal government appears poised to make a once-in-a-generation investment in children through expanded tax credits, universal prekindergarten, and childcare subsidies. Together, the state and federal investments will lead to higher achievement levels and graduation rates for the participating children and will make it economically feasible for more of their parents to work. Policymakers have found resources, and now the challenge turns to well-designed implementation.

Transform the social safety net into a prosperity escalator. In earlier work, the Oregon Business Plan highlighted how the crazy quilt of social support services is wildly confusing to navigate and often discourages work through the design of benefits. The pandemic has exposed the weakness of our system of supports. It’s time to take steps to improve it. One place to start is providing better access to well-designed, evidence-based programs that already exist, including the federal and state-funded Earned Income Tax Credit (EITC). Oregon has one of the lowest EITC participation rates in the country, which is increasingly concerning as the federal government expands its use of tax credits to deliver family supports. The business community will continue the multi-year effort to significantly boost take-up rates of the EITC and the recently expanded federal Child Tax Credit (CTC).

Adopt culturally specific responses. At the heart of this challenge is the need for culturally specific and appropriate responses to the needs of children and families. Oregon has an established ecosystem of community-based organizations that have trusted relationships in their communities. We need to support these organizations and include them as central to the strategy for improving economic mobility.

Assessment of Current Conditions

Current inequities underscore how much work we have to do to meet our vision for shared prosperity.

- Neighborhood segregation deprives many youth of access to networks and good jobs.
- Half of Oregon renters are cost-burdened and spend more than 30 percent of their income on housing. Almost two-thirds of black renters are cost-burdened.

- This is especially clear for people of color, where racism and cultural barriers accentuate the challenges.

Key Trends, Opportunities, and Challenges

- The murder of George Floyd and many similar incidents has raised much greater awareness of racial inequities that need to be addressed.
- The pandemic has exposed the weaknesses of public support services and the importance of community-based organization in providing supports for those in need.
- Housing affordability and homelessness cry out for solutions.
- Housing shortages adversely affect families and children through high cost of living and homelessness.
- Digital transformation of the workplace and life in general requires greater broadband capacity and savvy for all communities.

Priorities Ripe for Action

Selecting and Staging Policy Priorities

Early in the pandemic, it became clear that we would not come out of this crisis the way we went in. If we make the right choices, Oregon can be a stronger and more resilient place to live and work. As disruptive and painful as it is, this crisis brims with opportunity and the possibility of transforming policies and systems that otherwise would not be contemplated.

This moment has been made even more promising by the sudden expansion of resources for public investment. At the beginning of the pandemic, there were widespread expectations that the economic downturn would create a fiscal crisis for state and local governments, as happened in previous recessions. Yet, sustained economic growth in many sectors along with enormous infusions of federal dollars has led to budget surpluses and billions of one-time dollars. Even more federal funding is expected with recent passage of an historic infrastructure bill, and an even larger spending bill is pending in Congress.

Priorities to Initiate in 2022

In light of these circumstances, Oregon policy leaders should select and stage public investment priorities with great care. For 2022 they should initiate a manageable few that represent the highest needs and opportunities and that promise to yield the biggest impacts and long-term payoffs. These investments should be launched with the expectation that they will have to be nurtured and supported years into the decade. The priorities recommended by the Oregon Business Plan – in particular manufacturing and adult workforce development – are summarized immediately below and linked to more specific white papers.

- **Manufacturing Reset; Semiconductor Expansion.** Oregon has an extraordinary opportunity to grow its manufacturing base across many sectors. Our policy recommendations highlight specific changes needed in land use (more land, more infrastructure), workforce (significant need for investment in training), regulatory environment, research, and more. The most urgent opportunity is semiconductor expansion.
- **Adult Workforce Investment.** Tens of thousands of Oregonians lost jobs during the pandemic. With ARPA dollars, we have the opportunity to retrain them for high-wage, high demand positions in manufacturing, health care, and construction. As we do so, we can reinvent the way we provide services to dislocated adults.
- **Broadband.** During the pandemic, broadband has become a critical resource for work, education, health care, and personnel connection, yet many Oregonians do not have access to it. Three

components of a broadband strategy include access, affordability, and adoption. Of the three, adoption is the most challenging. It will require provision of community-based technical assistance, equipment, and software, as well as promotion of internet benefits and literacy for those not now connected. Our strategy recommends redirecting dollars to this important component.

- **Housing.** Oregon is stuck in a housing affordability crisis that has extended more than a decade. Overpriced housing has enormous human and economic consequences – leaving thousands of Oregonians without shelter, stressing family incomes, and making the state a difficult place to live, work, and attract talent. The crisis has roots in markets that produce too few housing units relative to population and job growth. We need to support the accelerated housing production, 30,000 units per year, envisioned by the 2019 Legislature through HB 2003.
- **EITC and Child Care Tax Credit.** The tax code has become an important tool for providing supports and encouraging upward mobility for low-income Oregonians. Unfortunately, too few Oregonians take advantage of the opportunity. Investment in tax preparation services and outreach through community-based organizations could make a big difference. The Legislature should act to fund these services.
- **Interstate Bridge Replacement.** Replacement of the I-5 Columbia River bridge is back on the table. In 2014 replacement of the bridge was a top priority of the Oregon Business Plan. All of the reasons to replace the aging Columbia spans are still in place: transportation safety and efficiency, West Coast commerce, regional economic opportunity, and construction jobs. In 2022 the Interstate Bridge Replacement Program, a bi-state effort now gathering stakeholder input, intends to finalize design plans for a new bridge. With an infusion of federal dollars likely, Oregon and Washington stakeholders must rally to this effort. At the same time, Oregon must find a solution on the I-5 Rose Quarter Improvement Project, which seeks to alleviate congestion south of the Columbia crossing and redress historic disruptions to the Albina community.

Other Priorities for 2023 and the Beyond

While launching the highest priority investments in 2022, Oregon leaders should be laying the groundwork for other investment needs and transformational opportunities in 2023 and the balance of the decade. Following below are a number of initiatives that would complement those above and produce long range benefit for Oregonians. Our intention is to present these and other opportunities at future Leadership Summits throughout the decade.

- **Increase Access to Postsecondary Education.** We know that postsecondary apprenticeships, credentials and degrees are vital for securing equality of opportunity and a prosperous career. Yet currently, many Oregonians face barriers to pursue such a path. The Legislature is planning to investigate opportunities for more equitable access to post-secondary education next year. Oregon must ensure more affordable access and systems of support that lead to equitable postsecondary outcomes.
- **Strengthen BIPOC Businesses.** There have been many direct efforts to support BIPOC businesses in the face of the pandemic, through loans and grant programs and business-to-business connections. Yet gaps remain. Building on those efforts, Oregon should develop a comprehensive, sustained agenda for BIPOC business success and should directly address systemic barriers in and beyond the decade ahead.
- **Modernize Our Water Management Systems.** Oregon's water resources are an asset that could be better managed for the benefit of communities, the environment, and the economy if we were to modernize our water management systems. We need a management framework that accommodates the wide variety of water challenges across every region in Oregon, tailoring both new investments and management to meet those challenges. Just as importantly, we must

streamline processes for decision making and rely on data for clear measurement and accountability. Such improvements would build on legislative investments and a number of policy changes in 2021.

- **Restore Forest Health.** The specter of catastrophic wildfires in Oregon and throughout the West results from poor forest management exacerbated by a warming climate. To protect the health of our communities, our forests – especially federally owned forests – should be thinned at a minimum rate of 250,000 acres annually. We need to step up and figure out how to reach that goal.
- **Reinvigorate Our Economic Development Infrastructure.** Organizations involved with economic development at the state, regional and local levels are not well integrated, and vital connections with higher education, community colleges, and workforce boards are not as strong as they should be. The broader business community needs to be engaged as well. It is time to review our structures and develop a fresh framework for promoting business retention, recruitment, and expansion in Oregon.
- **Develop a Long-Term Fiscal Plan for the State.** Oregon should adopt fiscal planning that supports its aspirations. State government budgeting is largely focused on a two-year budget cycle. We need more detailed forecasts of revenues and expenditures to better analyze fiscal options and set a longer-term plan for spending and investment.

Assessing Progress

To assess progress, we propose three levels of measures that we will follow over the remainder of the decade:

- **Top-line, plan-level.** These metrics broadly track the state’s progress toward four goals that define a vision of shared prosperity.
- **Strategic.** These report detailed conditions related to the three imperatives of the Plan – economy, education, and opportunity.
- **Specific initiative level.** These measure progress on the Business Plan’s priority initiatives in 2022.

Here is more detail about the goals and their metrics.

1. Top-Line, Plan-Level Measures of Four Goals for Shared Prosperity

Measuring progress on these four topline goals will require the collective effort of public- and private-sector leaders, as well as the communities they serve. Oregon will make progress on the vision of shared prosperity only if the sizable differences in outcomes across these measures narrow and eventually close. Decades, and in some cases centuries, of racist public policies built these gaps. The Business Plan is committed to shining light on these inequalities of outcome until they are fully eliminated.

Grow wages. From its outset, the Oregon Business Plan has advocated for policies that create quality jobs that pay living wages. Attention has centered on high paying jobs in the traded sector and that focus will continue. But going forward, the Plan will broaden its focus and aim to transform jobs with low wages and erratic hours into good ones. Automation will play a role in eliminating low-paid, routine work, and as those jobs disappear, Oregonians must be trained for more rewarding jobs. Oregon’s median annual wage for full-time workers stood at \$53,539 in 2020. Our goal calls for 1.5 percent annual growth during the decade—above the rate of inflation.

Increase share of people working. Shared prosperity requires a high share of working-age people to be engaged in meaningful, rewarding jobs. Good jobs help bring purpose and a sense of belonging. The pandemic, and policy responses to it, have inspired many to reflect on the role of work in their lives and increased expectations around job quality. That’s a good thing. We expect a future of better jobs and

even higher engagement. Oregon’s employment rate for 25-64-year-olds stood at 74 percent in 2020. Our goal calls for a three-percentage point increase by 2025 and thereafter.

Grow household wealth inclusively. The Oregon Business Plan recognizes that good incomes are a necessary but insufficient measure of shared prosperity. The vision of shared prosperity includes rising wealth and security for all Oregonians—and a shrinking wealth gap between BIPOC and White families. A long history of systemically racist policies in employment, housing, lending, criminal justice, and education has prevented wealth accumulation in many BIPOC communities. Existing metrics to measure progress—at the state level—will take some time to develop. The Business Plan commits to work with community partners and economists to measure, highlight, and report progress in the area.

Oregon Business Plan Top Line Goals, with Metrics, for the 2020s	
Grow Wages	
Goal	\$63,066 in 2030 (2019\$)
	Latest Estimate
All	\$53,539
BIPOC	\$44,450
White	\$58,594
Increase Share of People Working (25-64 year olds)	
Goal	78% by 2025
	Latest Estimate
All	75%
BIPOC	76%
White	75%
Grow Household Wealth Inclusively	
Goal	Goal to be developed with community partners
	Latest Estimate
All	
BIPOC	
White	
Increase Economic Mobility	
Reduce poverty rate	
Goal	< 8% by 2025
	Latest Estimate
All	12%
BIPOC	16%
White	10%
Increase college going among high school graduates (proxy for postsecondary studies)	
Goal	75% by 2030
	Latest Estimate
All	62%
Asian	79%
Black	61%
Latinx	55%
Native American/Alaska Nat.	49%
Native Hawaiian/Pac. Islander	51%
White	63%

Increase economic mobility. A consensus has emerged around a vision of equality of opportunity—that all Oregonians should be able to realize their full potential and ascend the economic ladder. Harvard economist Raj Chetty’s intergenerational earnings analyses are the gold-standard in economic mobility measurement, but his findings reflect on conditions that existed three decades ago. Chetty’s

collaborators have advanced metrics that can help states assess mobility progress in real time. The Business Plan will monitor many indicators but elevate two at the high level: the poverty rate and the share of high school graduates engaged in postsecondary studies. The Business Plan calls for a poverty rate below 8 percent—or down 3.5 percentage points from the 2019 level. The college-going metric is taken from the Higher Education Coordinating Commission’s approved Key Performance Measures (KPM). It stood at 61.2 percent in 2020. The Plan’s goal calls for a 75 percent college-going target.

2. Metrics for Our Three Strategic Imperatives: Economy, Education, and Opportunity

Metrics for the three imperatives described earlier in this paper take a more detailed look at progress. Where data allow, future reports will disaggregate these measures by race, ethnicity, and geography.

Economy. These metrics focus on broad measures of economic output, productivity, and the health of the traded sector. Current conditions show a smaller economy, on a per person basis, than the national average driven, in part, by a lower share of traded sector jobs and, within the traded sector, lower average wages. On the plus side, Oregon has above average R&D, export, and patent activity.

Education. Metrics re-introduce important school-to-work measures that have been missing from the public discussion for much of the last five years. Conventional K12 achievement and attainment outcomes are middling or subpar and deserve attention. Oregon postsecondary completion rates – like the nation’s – have considerable room for improvement. STEM degree production is a bright spot, and the result of two decades of focused policy attention.

Imperative #1: Economy		
Indicator	OR	US
GDP per capita	57,474	63,285
Personal income per capita	56,944	59,503
Share of jobs in traded sector	33%	36%
Manufacturing share of all jobs	8.2%	6.7%
Average traded sector wage	70,538	76,326
Exports as a share of GDP	10.6%	8.4%
Utility Patents Per 10k Employees	18.0	11.3
Total R&D as a % of GDP	3.8%	2.8%
Venture Capital Investment Per Million GDP	3,313	6,072
Infrastructure Quality (Roads, Bridges, Rail, Water, Energy, Ports)	C-	C-

Opportunity. The measures are drawn from Raj Chetty’s collaborators and serve as leading indicators of intergenerational mobility. Low school enrollment rates for 3- to 5-year-olds mean many children are missing out on an investment that strengthens graduation rates and earnings. Oregon’s high housing costs—only half of renters spending 30% of income or less on rent—makes household budgets unworkable for too many.

Imperative #2: Education		
Indicator	OR	US
4th Grade Math Proficiency	37%	40%
4th Grade Reading Proficiency	34%	34%
8th Grade Math Proficiency	31%	33%
8th Grade Reading Proficiency	34%	32%
Public High School Graduation Rates	80%	86%
Percent of 18-24 Year Olds in School or Work	88%	89%
6-year Completion Rate for Entrants of Public 2-year Schools	36%	40%
6-year Completion Rate for Entrants of Public 4-year Schools	69%	67%
Science and Engineering Degrees as a % of all Degrees	38%	33%
25-64-year-olds with a Postsecondary Credential	51%	52%

3. Metrics for Priority Initiatives

This final set of measures assesses progress on our 2022 priority initiatives. If Oregon leaders and stakeholder communities join together in the effort, these initiatives should be successful in the time frames noted.

Metrics for Oregon Business Plan 2022 Priority Initiatives			
Priority	Goal/Metrics		
Manufacturing Reset	20,000 Jobs Above OEA Forecast by 2030		
Workforce Investment	25,000 Credentials Earned Through 2021-24 ARPA Investments		
Broadband Coverage and Adoption	From 74% of Homes Now to 90% by 2025		
Housing Production	30,000 Units Per Year		
EITC Uptake	From 73% Now to 82.5% by 2025		
I-5 Bridge	Construction Starts by 2025		
Household Income at 20th Percentile		25,400	24,500
Renters Spending <30% of Income on Housing		50%	51%
Home Ownership Rate		62%	64%
Percent of Households in Neighborhoods with < 30% Poverty Rate		96%	91%
Percent of Students in Schools with < 50% Rate Free/Reduced Lunch		51%	48%
Share of Children Living Outside Poverty		86%	83%

The Oregon Business Plan intends to report progress annually on all of the measures above.