

The Business Cycle Paradox

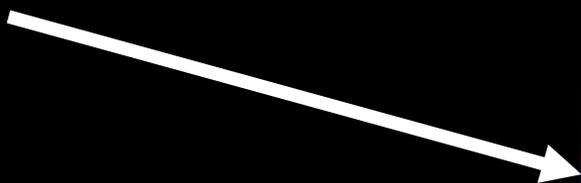
A story about fit and timing



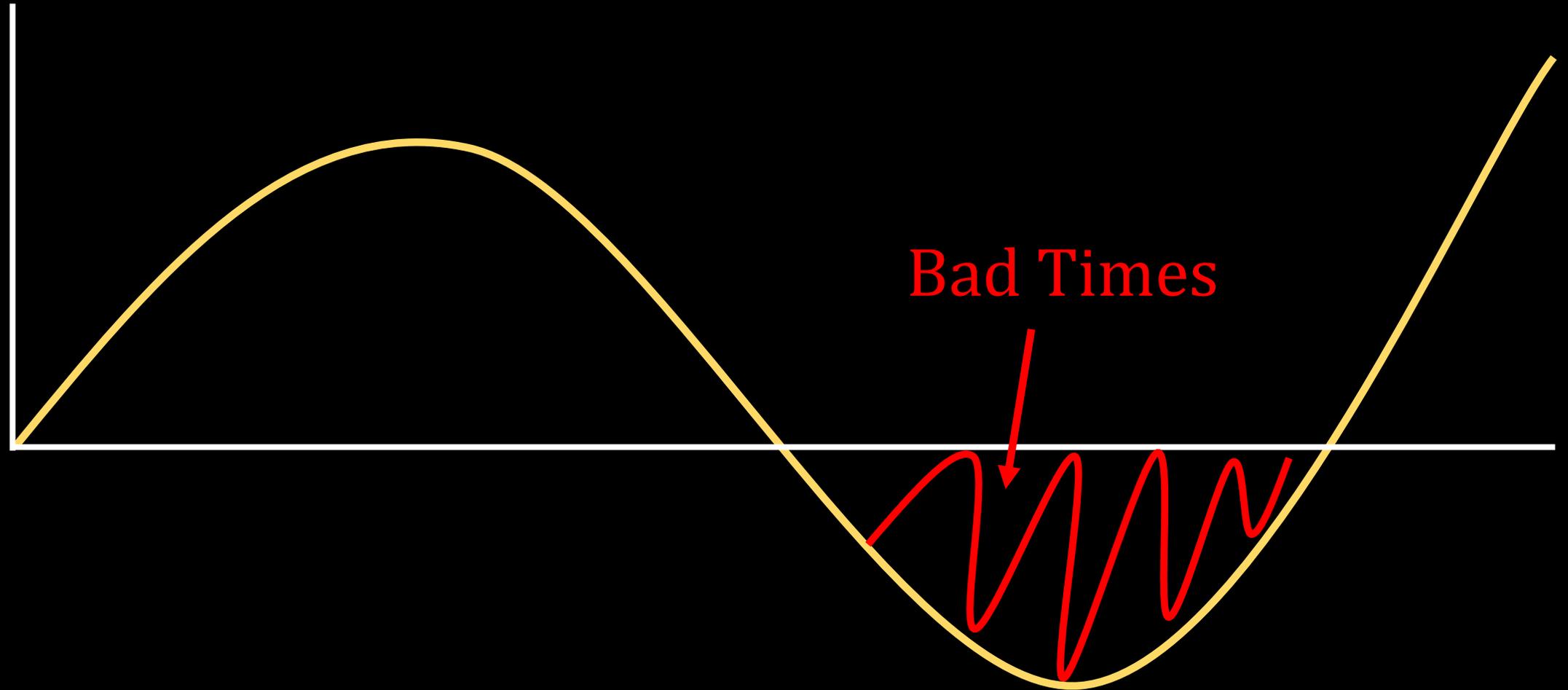
Damon Runberg

Economist

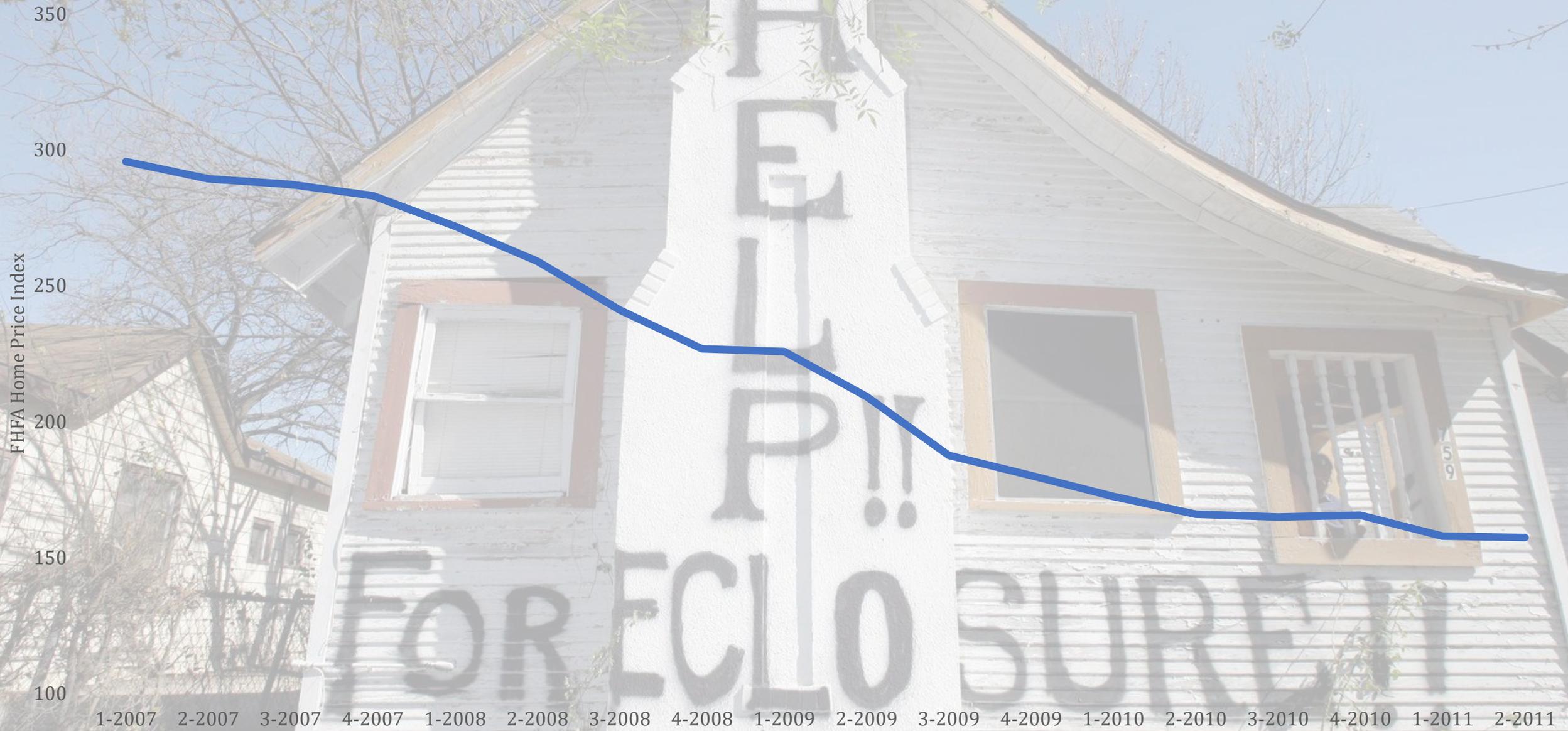
Oregon Employment Department



The Business Cycle...



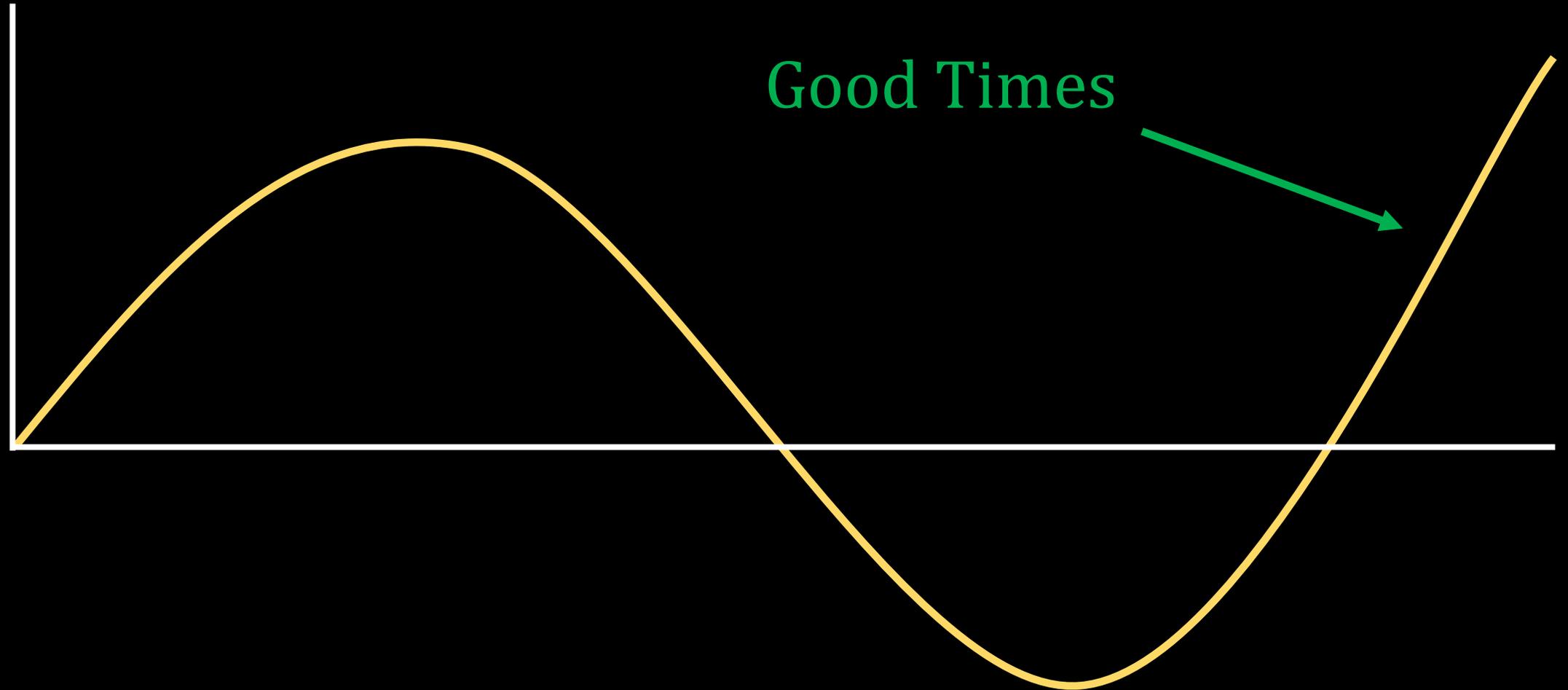
Home prices dropped by nearly 50 percent



Unemployed skyrocketed



The Business Cycle...



Home prices finally recovered

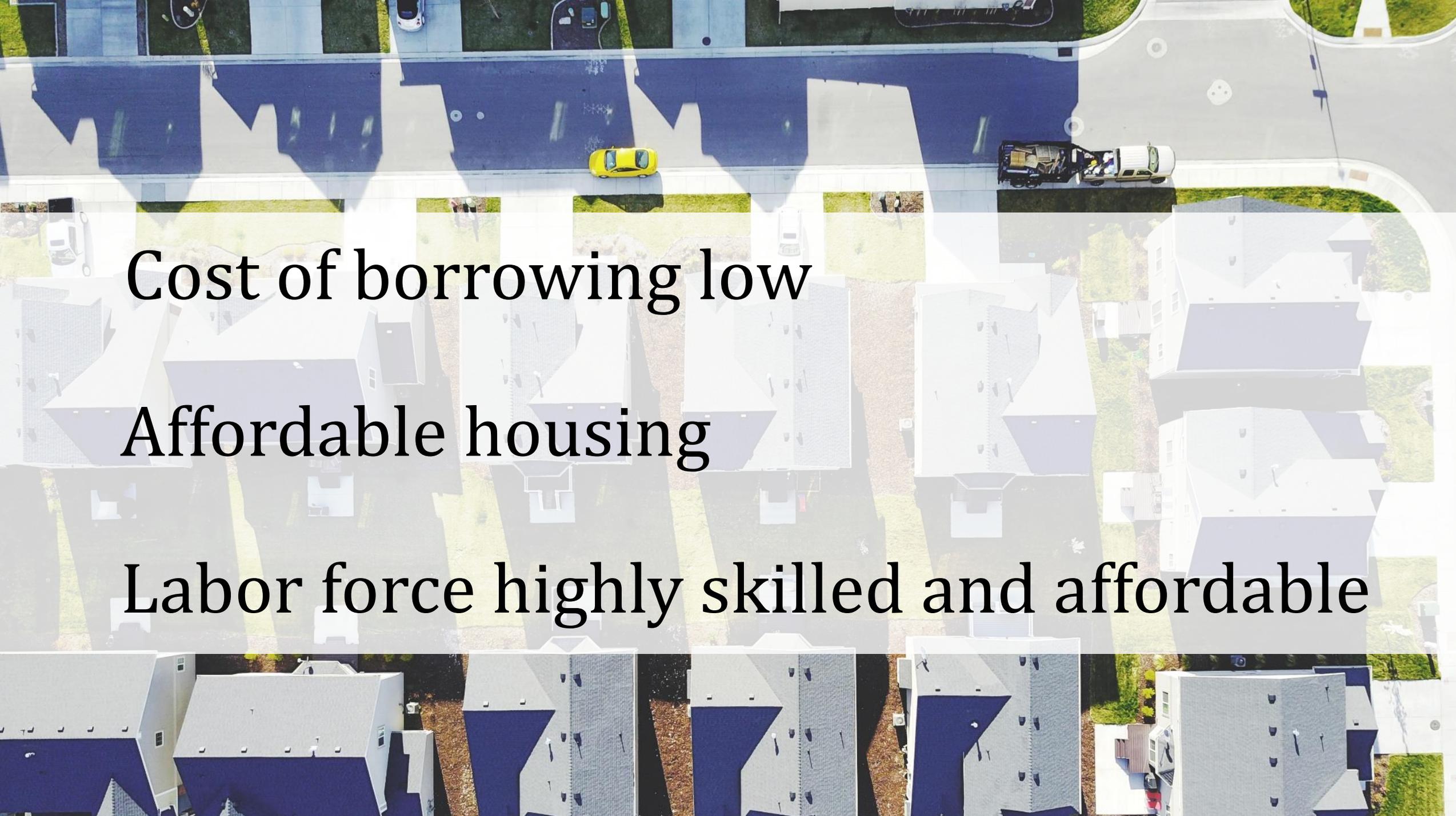


Employment outcomes as good as they get



But is it really all bad?...



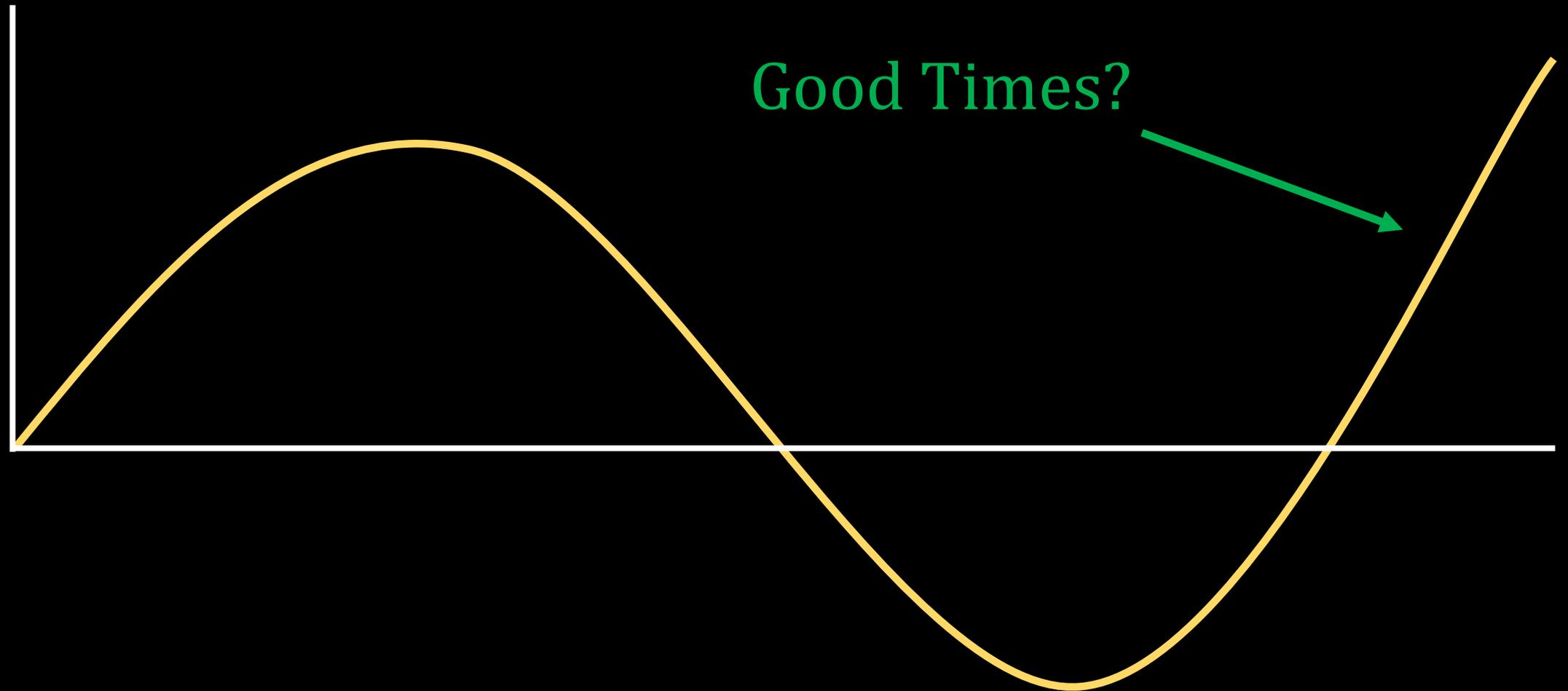
An aerial photograph of a residential street. The street is paved and has a yellow car driving. There are several houses with grey roofs and green lawns. A semi-truck is parked on the right side of the street. The text is overlaid on the image.

Cost of borrowing low

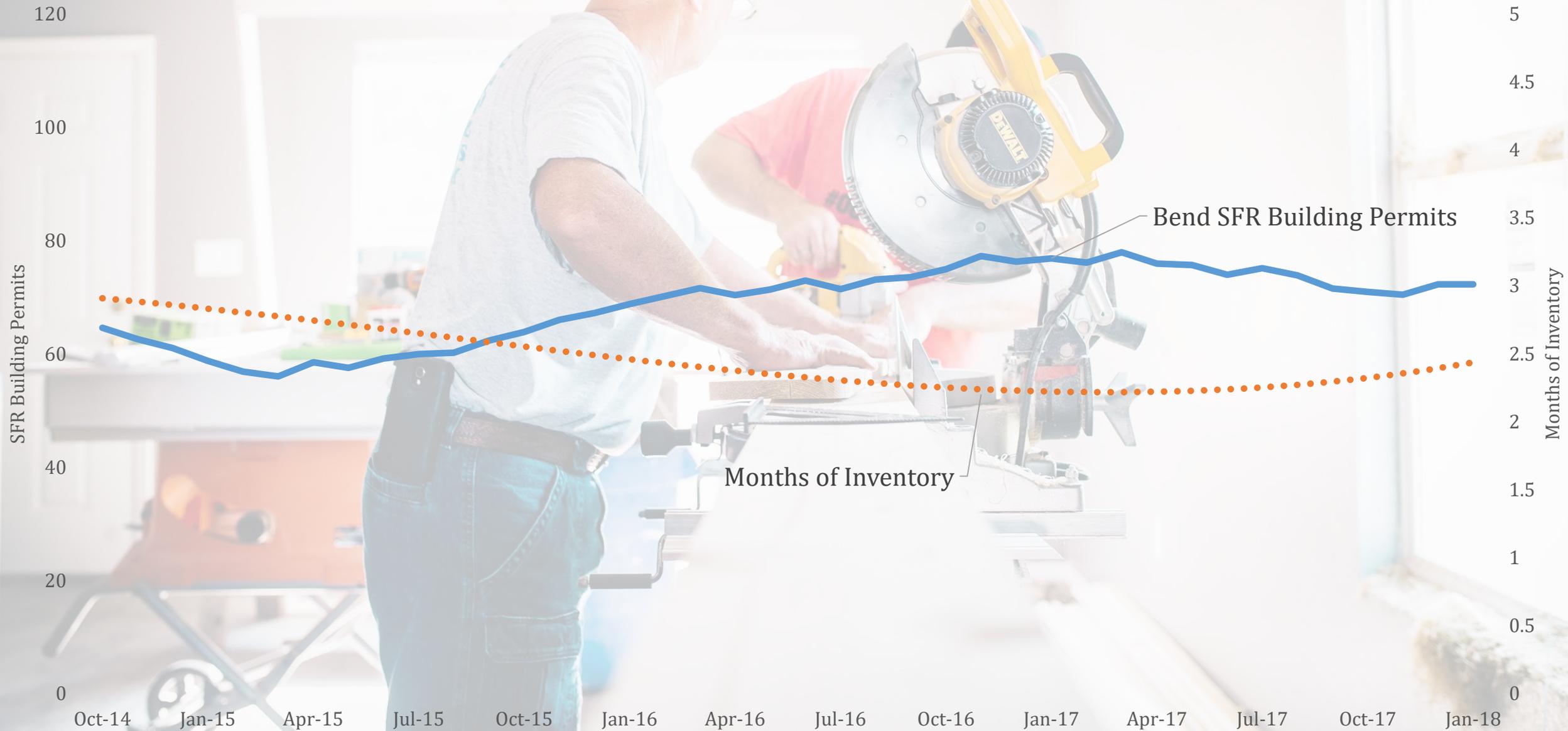
Affordable housing

Labor force highly skilled and affordable

Is it really all good?

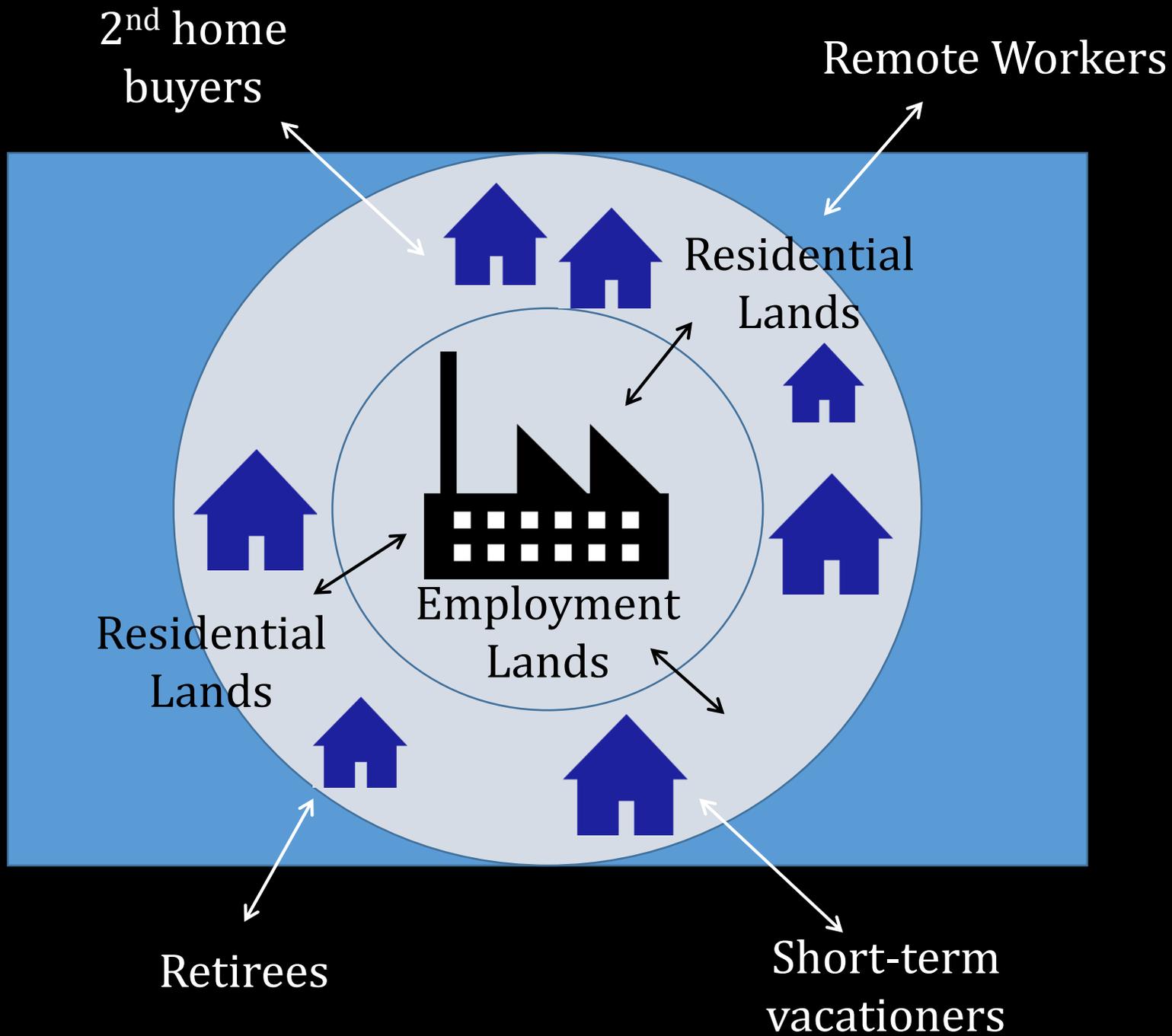


Housing poses a new challenge



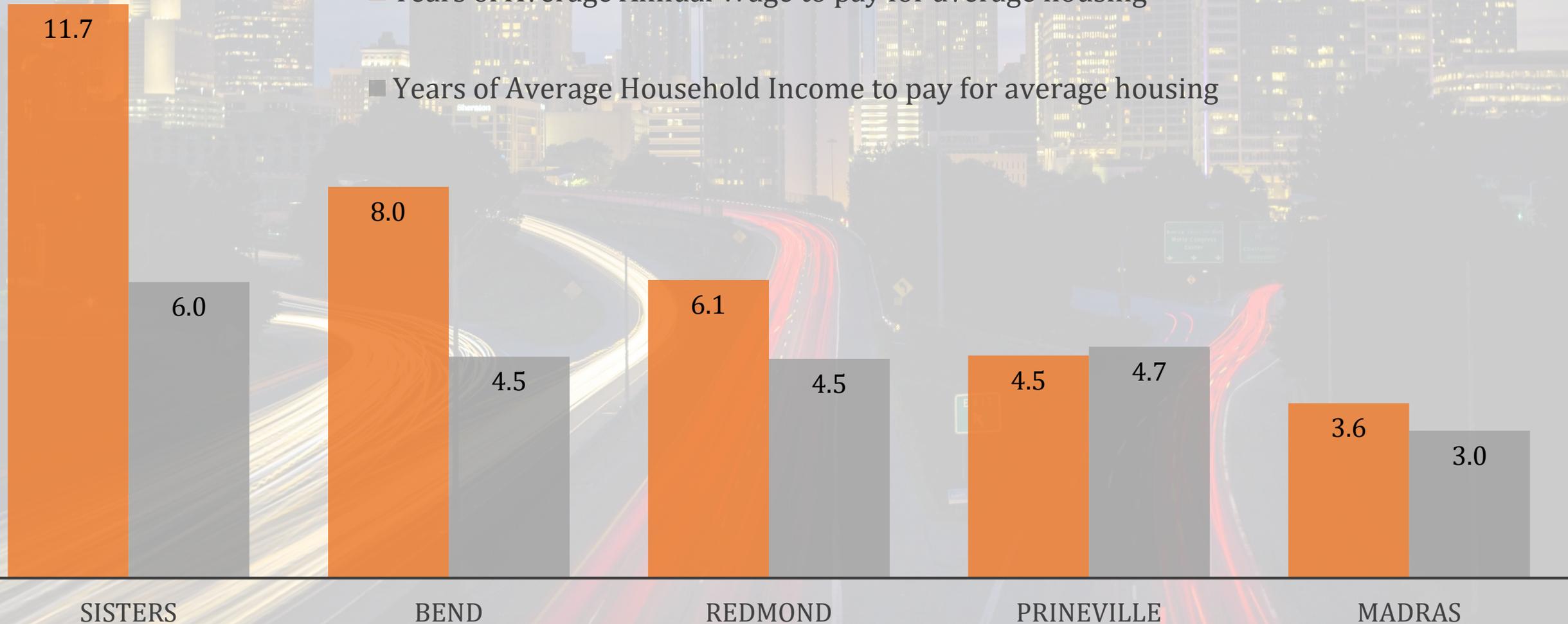
Housing poses a new challenge



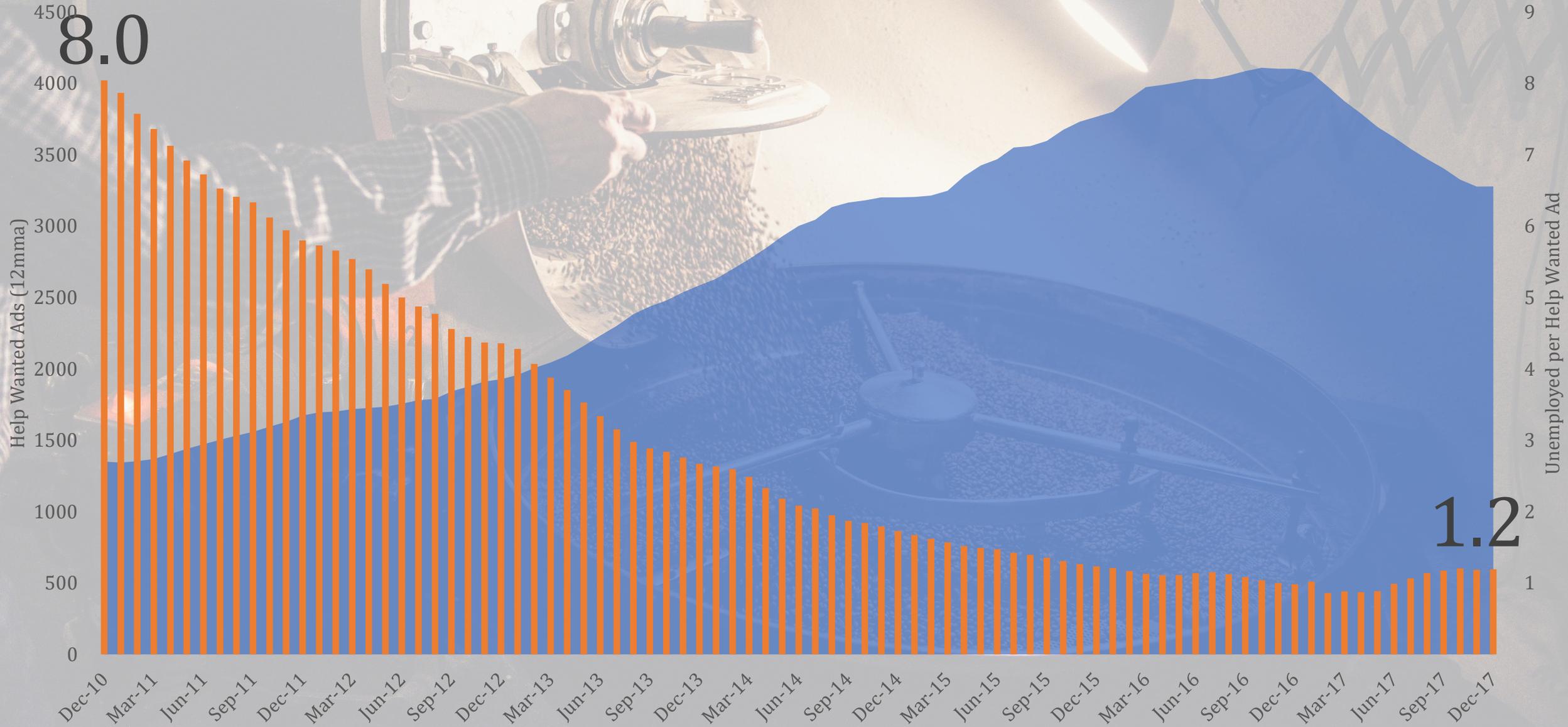


Geographic mobility plays a major role in affordability

- Years of Average Annual Wage to pay for average housing
- Years of Average Household Income to pay for average housing



Hiring the right person can be a struggle



If you find them you will have to pay up



And, jumping ship gets you paid in Oregon

13.3%

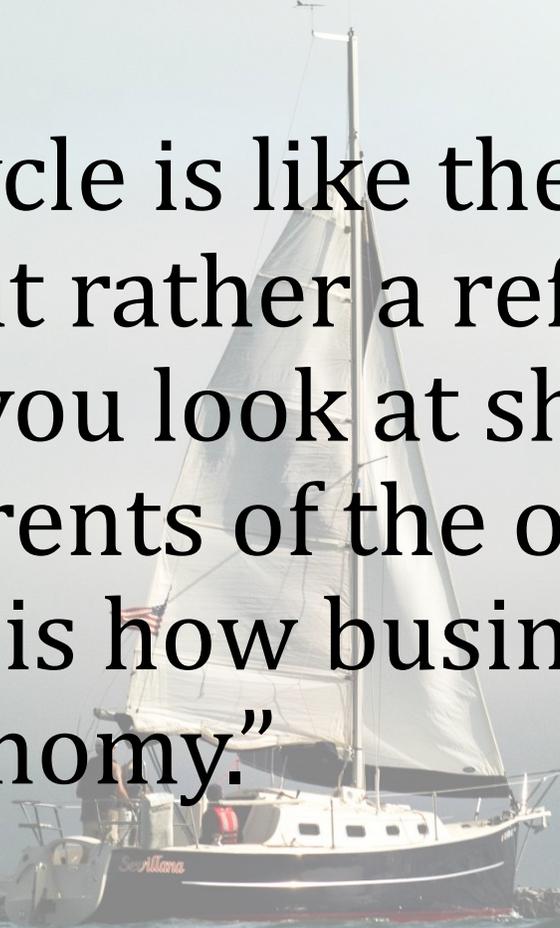
Continuously
Employed

But, changed
employer at
least once...

11.7%

Continuously
Employed

But, stayed with
same employer

A sailboat with a white hull and a dark blue stripe is sailing on a calm blue sea. The boat has a white sail and a mast. The name 'Allana' is visible on the side of the hull. The background shows a clear sky and a distant shoreline with some buildings.

“The business cycle is like the ocean, neither good nor bad, but rather a reflection of how you respond to it. If you look at ships and how they navigate the currents of the ocean you see constant adaptation. This is how businesses need to navigate the economy.”

Jay Price

Economic Historian, Wichita State University

What fits today's timing?

Fewer job openings

Ease the labor crunch

Wage pressure will continue

Slower population growth? (retirees excluded)

Housing supply increasing, particularly rental market

Rate of home price growth slowing

Questions?

Damon Runberg

(541) 706-0779

Damon.M.Runberg@Oregon.gov