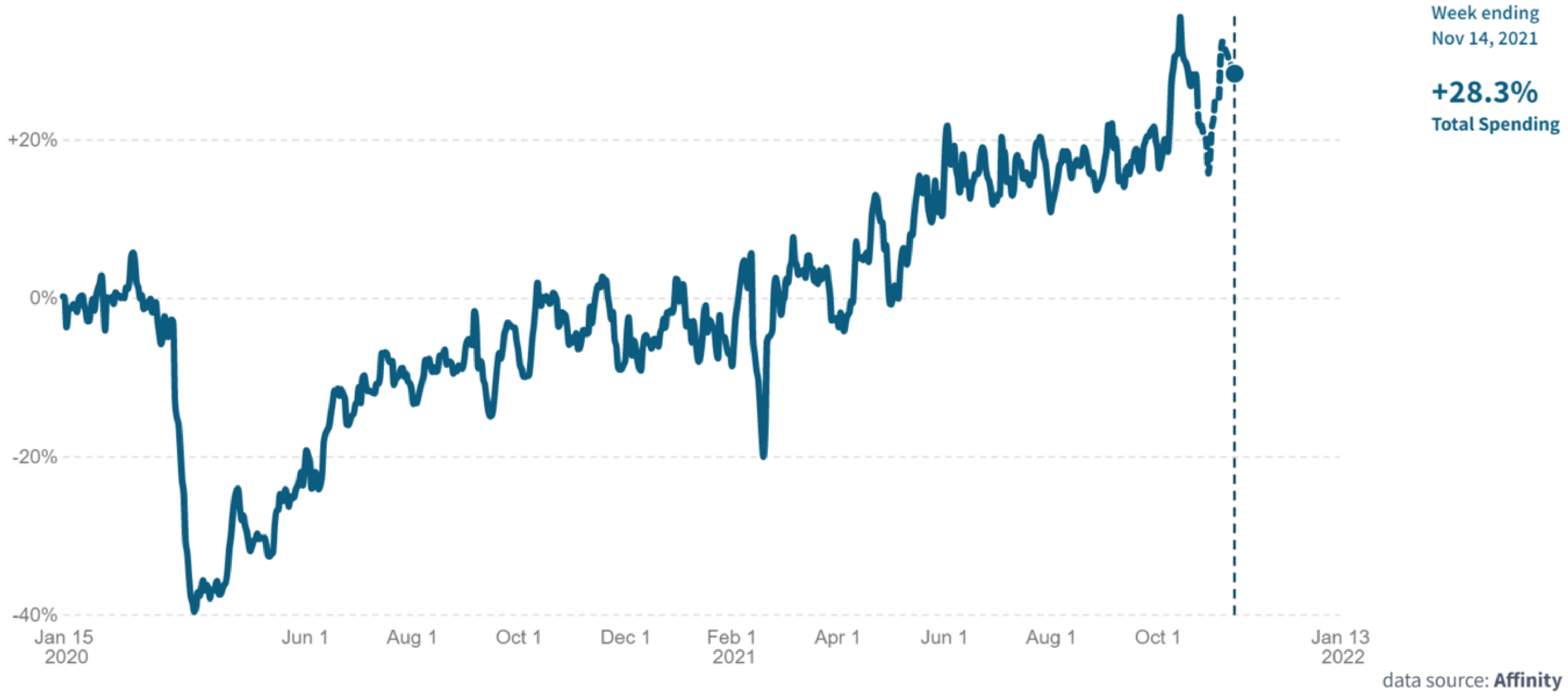
Economic Update

January 27, 2022

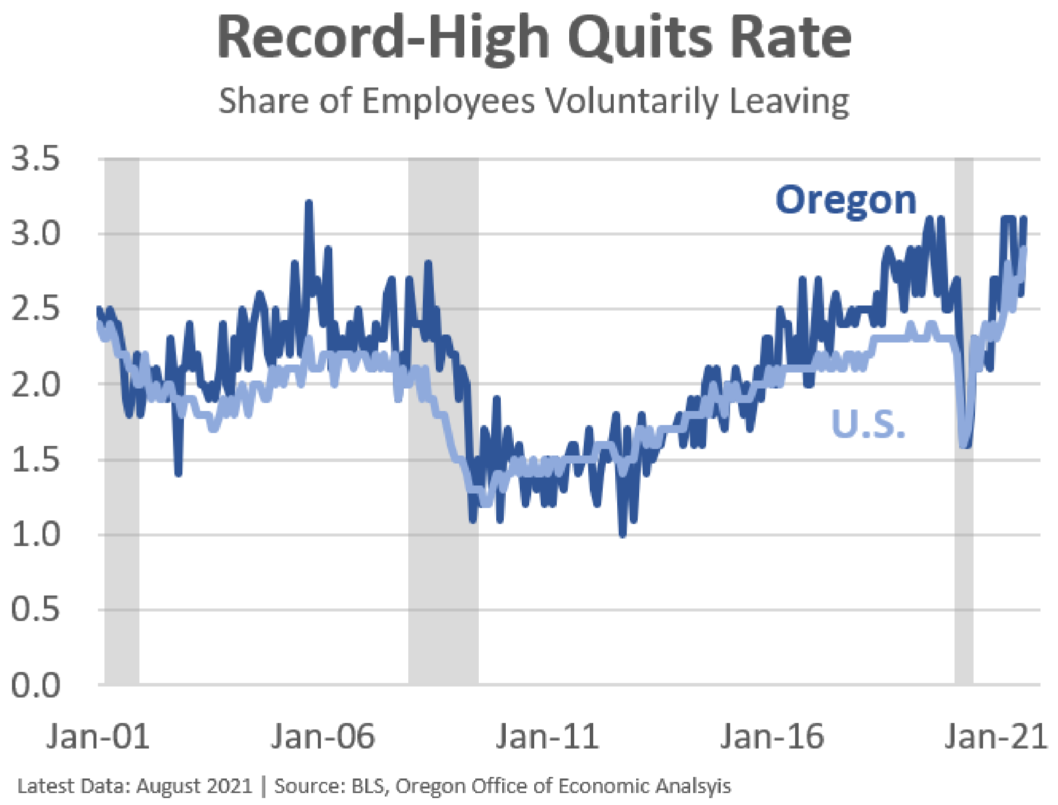
Consumer Spending Up in the Metro

Spending May be Up—But Money Might Not Be Staying Here



Source: [Economic Tracker (tracktherecovery.org)](https://tracktherecovery.org)

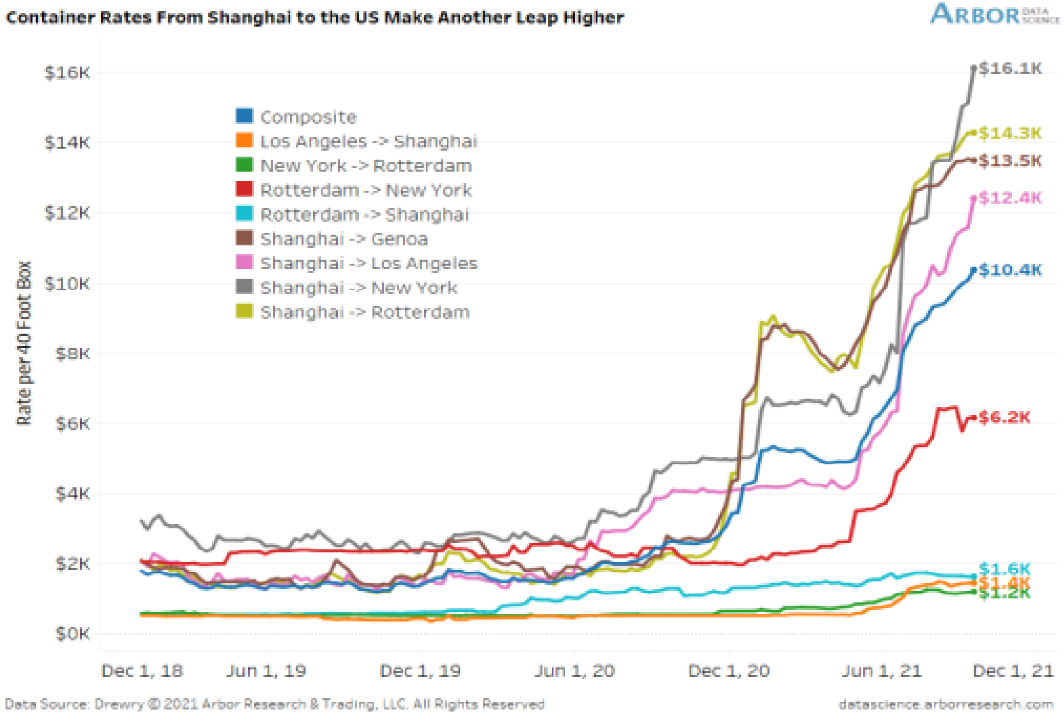
Weirdness in the Labor Market



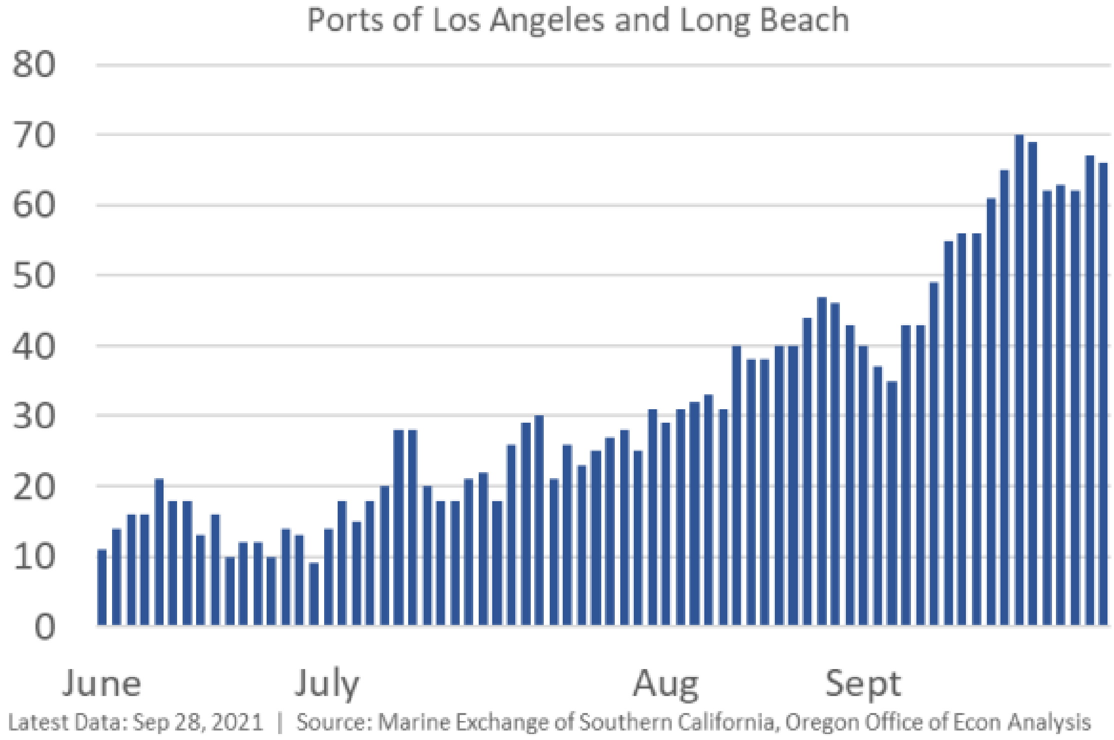
Source: Oregon Office of Economic Analysis

Supply Chain Problems

Record Shipping Costs



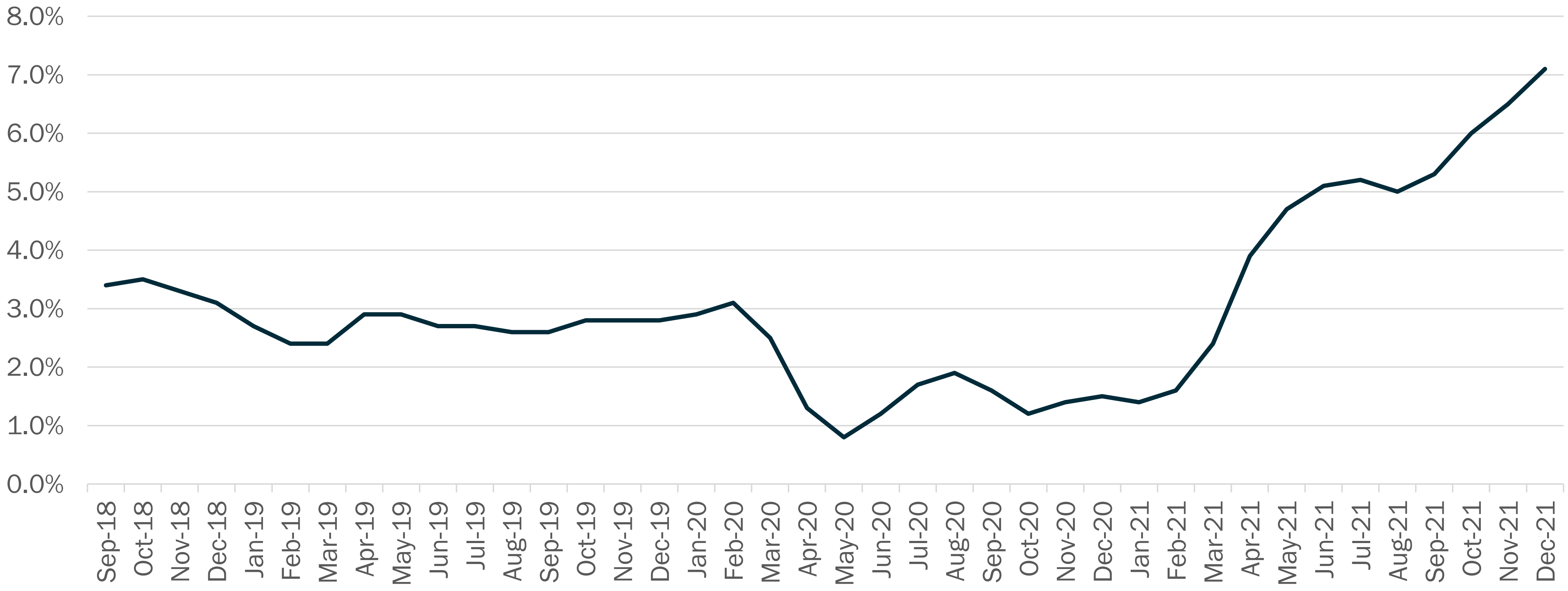
Container Ships Anchored Offshore



Source: Oregon Office of Economic Analysis

Inflation is Becoming a Concern

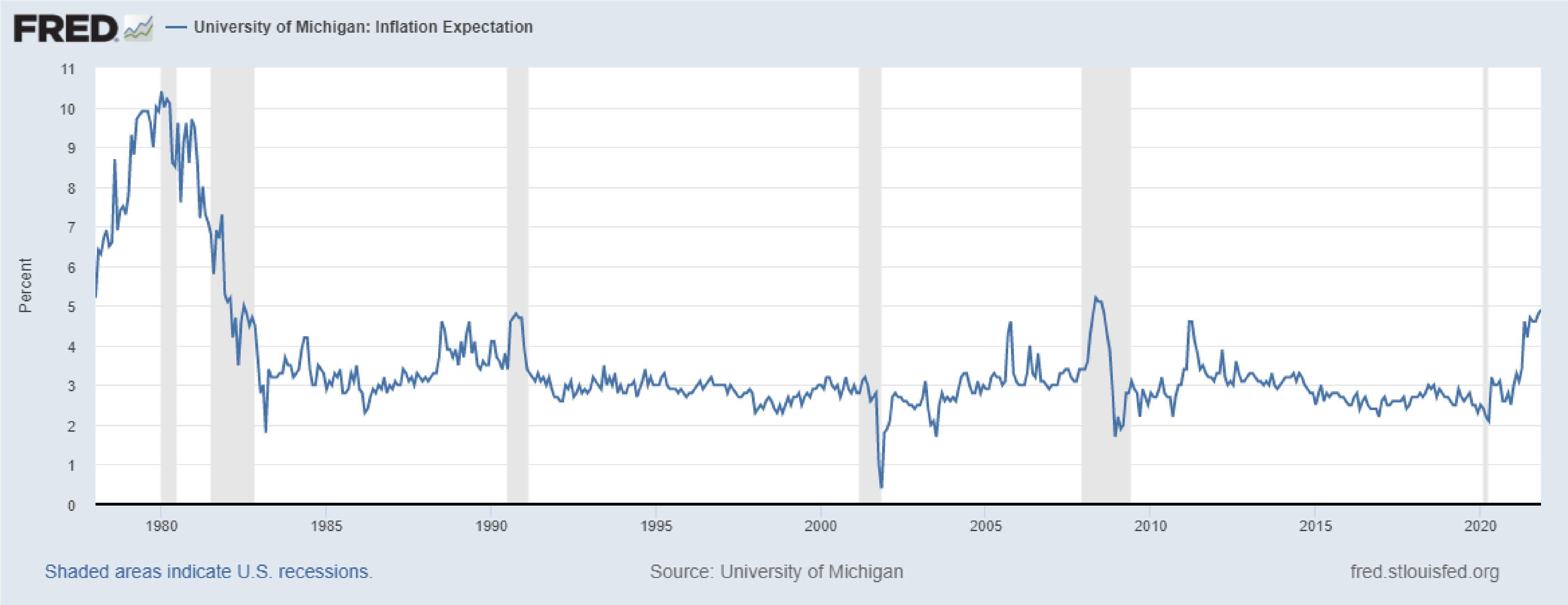
CPI-U, West Region, All-Items, Year-over-year Growth



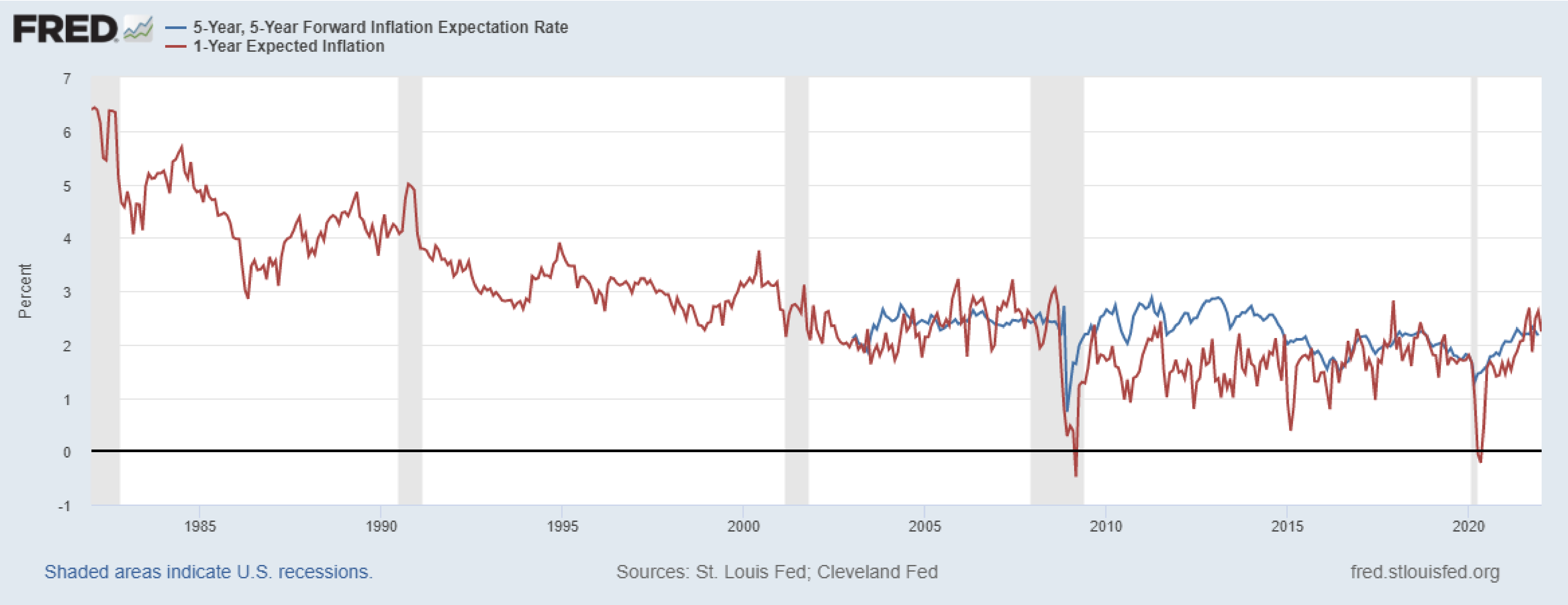
Source: Consumer Price Index, West Region — September 2021 : Western Information Office : U.S. Bureau of Labor Statistics (bls.gov)

Inflation Expectations—Consumers

Median Expected Price Change, Next 12 Months

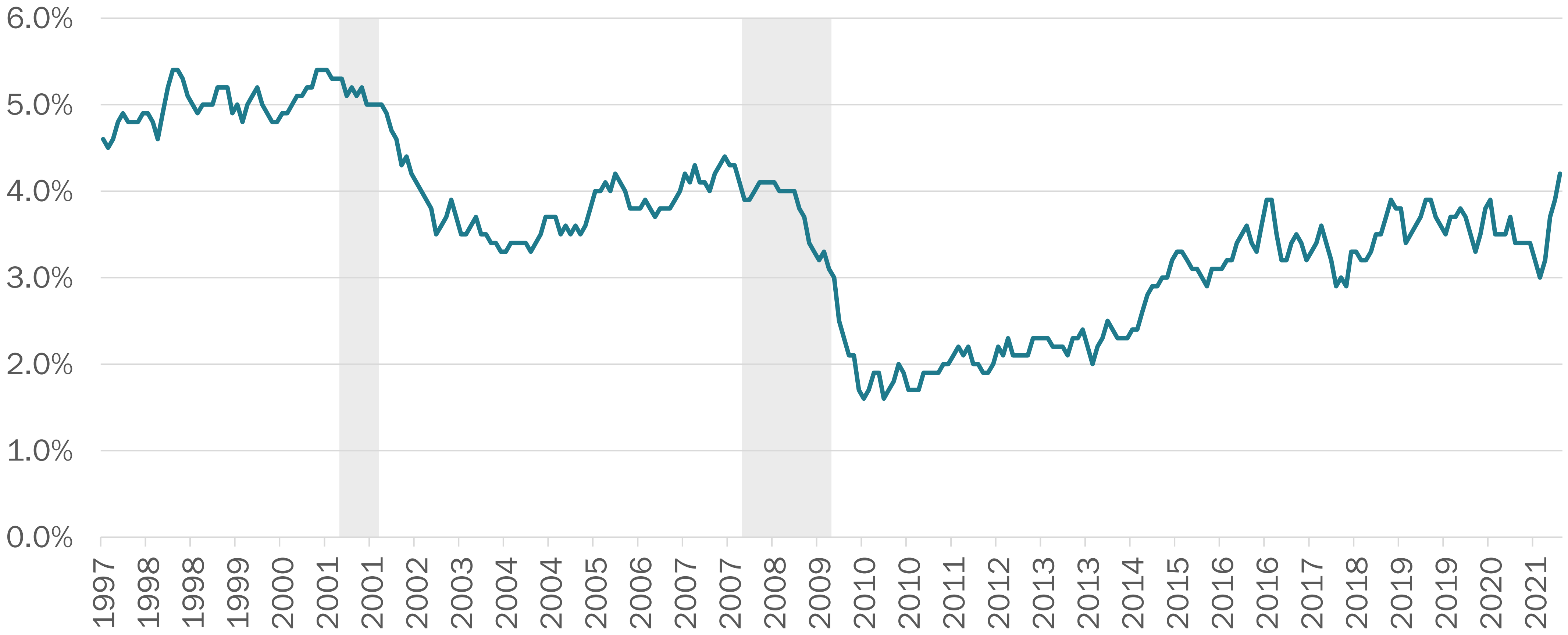


Inflation Expectations—Investors



Wage Growth has Picked up Nationally

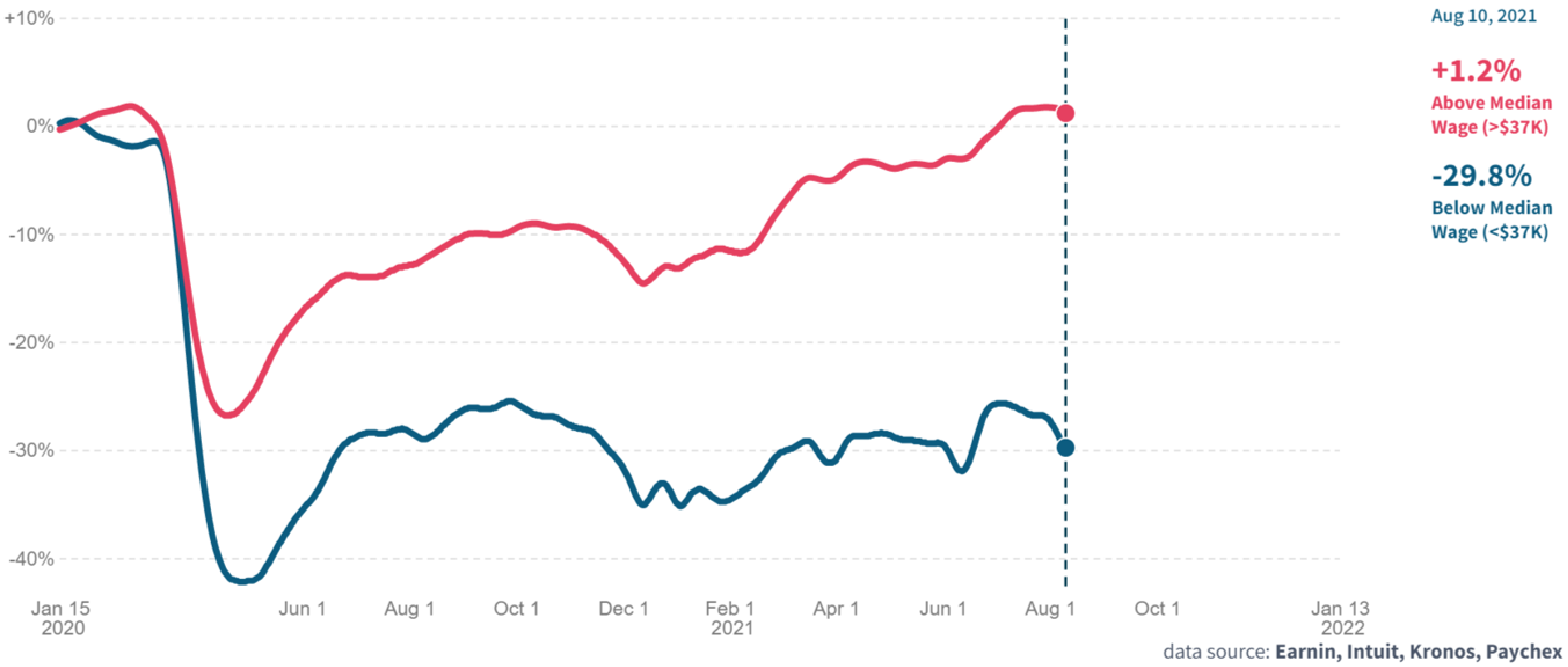
Atlanta Fed's Estimate of Wage Growth



Source: [Wage Growth Tracker - Federal Reserve Bank of Atlanta (atlantafed.org)]

High Wage Jobs Recover, Low Wage Jobs Stagnate

Employment Change by Wage Bucket in The Portland Metro

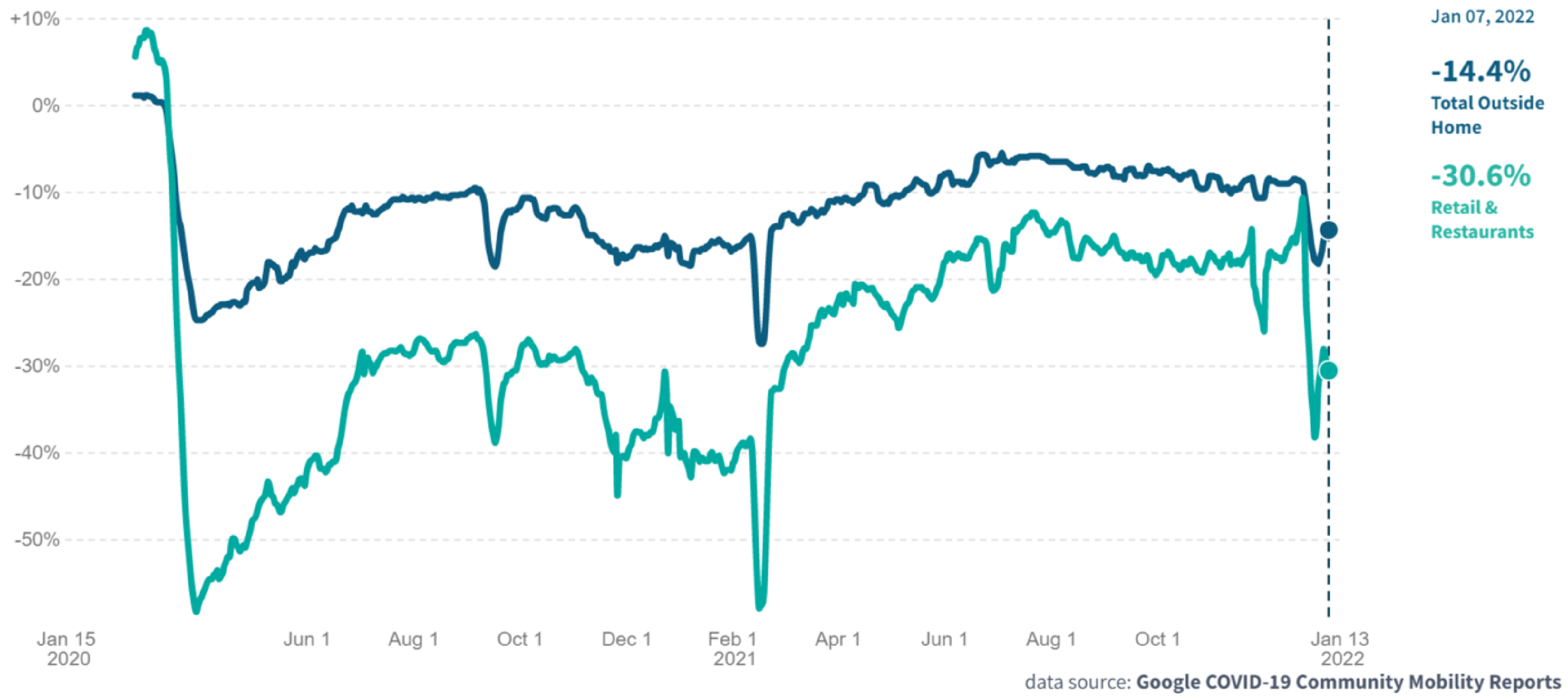


[Brookings Report on Low Wage Workforce]

[Opportunity Insights Academic Paper]

Less Time at Work, Shopping, and at Restaurants

Time Outside Home in the Portland Metro



Source: Economic Tracker (tracktherecovery.org)

Glancing Ahead

- WSJ Survey of Economists Expectations by December 2022
  - Year over Year CPI: 2.64%
  - Unemployment Rate: 3.91%
  - Full year GDP: 3.59%
- State Forecast
  - Add ~80,000 jobs and be roughly back to pre-pandemic employment levels
- Long-term effects from the pandemic?
  - Work-from-home and commercial real-estate
  - Structural shifts in the labor market?
  - Consumer preference changes? (Movement from urban->rural, travel, etc.)

Sources: WSJ October 2021 Survey of Economists,
Oregon Office of Economic Analysis (OEA)