Prosperity not trickling down

AN OREGON ECONOMY FOR THE FEW...

From 1979 to 2005, the average real adjusted gross income of the top fifth of Oregon households grew 47%, but it stagnated or dropped for all other income groups.

Note: “Households” here refers to tax filers with positive adjusted gross incomes. Excludes negative returns from bottom fifth. Adjusted for inflation using 2005 dollars with CPI-U. Source: OCPP analysis of Oregon Dept. of Revenue data.
Eroding middle-class jobs

Employment Shares by Occupational Skill Level, 1986 and 2006

- Low-Skill
- Middle-Skill
- High-Skill

**2006**
- Low-Skill: 17.2%
- Middle-Skill: 47.9%
- High-Skill: 34.7%

**1986**
- Low-Skill: 16.4%
- Middle-Skill: 54.5%
- High-Skill: 29.2%

Harry J. Holzer and Robert I. Lerman

1. Economic equity trends since 1980
Lagging urban job growth

Portland-Vancouver PMSA and Multnomah County
Covered Employment Trends, 1976-2010

1. Economic equity trends since 1980
Living costs outpacing wages since 2000

Multnomah County Average Earnings Per Job, 1969 - 2008
Current vs. Constant 2005 Dollars (Thousands)

Retrieved from REAProject.com, February 3, 2011
### A middle-class city

City types based on their share of households by income level, 100 largest U.S. cities, 1999

#### Higher-End (8 cities)

<table>
<thead>
<tr>
<th>Low</th>
<th>Lower-Middle</th>
<th>Middle</th>
<th>Upper-Middle</th>
<th>High</th>
</tr>
</thead>
<tbody>
<tr>
<td>12.7</td>
<td>16.4</td>
<td>19.1</td>
<td>22.6</td>
<td>29.1</td>
</tr>
</tbody>
</table>

#### Balanced (13 cities)

<table>
<thead>
<tr>
<th>Low</th>
<th>Lower-Middle</th>
<th>Middle</th>
<th>Upper-Middle</th>
<th>High</th>
</tr>
</thead>
<tbody>
<tr>
<td>19.3</td>
<td>21.0</td>
<td>20.4</td>
<td>19.8</td>
<td>19.5</td>
</tr>
</tbody>
</table>

#### MiddleClass (29 cities)

<table>
<thead>
<tr>
<th>Low</th>
<th>Lower-Middle</th>
<th>Middle</th>
<th>Upper-Middle</th>
<th>High</th>
</tr>
</thead>
<tbody>
<tr>
<td>19.9</td>
<td>22.3</td>
<td>21.5</td>
<td>19.7</td>
<td>16.7</td>
</tr>
</tbody>
</table>

#### Divided (7 cities)

<table>
<thead>
<tr>
<th>Low</th>
<th>Lower-Middle</th>
<th>Middle</th>
<th>Upper-Middle</th>
<th>High</th>
</tr>
</thead>
<tbody>
<tr>
<td>26.8</td>
<td>20.9</td>
<td>17.4</td>
<td>15.8</td>
<td>19.0</td>
</tr>
</tbody>
</table>

#### Low-Moderate (29 cities)

<table>
<thead>
<tr>
<th>Low</th>
<th>Lower-Middle</th>
<th>Middle</th>
<th>Upper-Middle</th>
<th>High</th>
</tr>
</thead>
<tbody>
<tr>
<td>27.7</td>
<td>21.5</td>
<td>18.8</td>
<td>16.5</td>
<td>15.5</td>
</tr>
</tbody>
</table>

#### Stressed (14 cities)

<table>
<thead>
<tr>
<th>Low</th>
<th>Lower-Middle</th>
<th>Middle</th>
<th>Upper-Middle</th>
<th>High</th>
</tr>
</thead>
<tbody>
<tr>
<td>34.0</td>
<td>23.6</td>
<td>18.2</td>
<td>14.1</td>
<td>10.0</td>
</tr>
</tbody>
</table>

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**Examples / characteristics:**

- **San Jose, Charlotte / boom growth**
- **Portland, Minneapolis / families, young**
- **New York, Chicago / slow growth**
- **Seattle, Phoenix / sprawling**
- **San Francisco, Atlanta / disparities**
- **New Orleans, Detroit / transition**

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2. Economic equity conditions in Portland
Neighborhoods of concentrated poverty
Racial/ethnic pattern areas

2. Economic equity conditions in Portland
Occupational disparities by race/ethnicity

Occupational profile in Multnomah County, 2008


2. Economic equity conditions in Portland
Income disparities by race/ethnicity
(Median household income, 2010)

- Asian alone: $51,823
- White alone: $51,802
- Hispanic: $36,963
- Native American alone: $34,741
- Two or More Races: $34,466
- Other race alone: $33,693
- Pacific Islander alone: $33,013
- Black alone: $26,449

2. Economic equity conditions in Portland
Education attainment

Education level required by employers:

19% of Oregon jobs
81% of Oregon jobs
Local economy’s mix of sectors

Share of U.S. Sector Employment by Wage Level, May 2010

- Industrial
- Office
- Institutional
- Retail & related
- All Sectors

Quartile wage levels of all sectors combined

3. Economic equity factors and levers
Upward mobility barriers

What Accounts for Success?

Income Class, by Adherence to Social Norms, 2007

The Three Norms

- Complete high school
- Work full time
- Wait until age 21 and marry before children

0 Norms

- 7% Poor (<100% poverty level)
- 25% Middle class and above (>300% poverty level)

1-2 Norms

- 27% Poor (<100% poverty level)
- 25% Middle class and above (>300% poverty level)

3 Norms

- 2% Poor (<100% poverty level)
- 74% Middle class and above (>300% poverty level)

Ron Haskins and Isabel Sawhill
Brookings Institution
October 27, 2009

3. Economic equity factors and levers