

**COMMUNITY DEVELOPMENT ASSESSMENT
FOR
THE STATE OF OREGON**

**A GUIDE TO OREGON'S
COMMUNITY DEVELOPMENT ENVIRONMENT**

COMMUNITY DEVELOPMENT DEPARTMENT
FEDERAL RESERVE BANK OF SAN FRANCISCO

FOREWORD

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The Community Affairs Department of the Federal Reserve Bank of San Francisco has developed a new series of reports for the nine states in the Twelfth District that both detail the demographic, economic, governmental, and institutional underpinnings of each state and provide an analysis of the various community development needs within each state. These reports, which we are calling “Environmental Assessments,” are meant to provide a framework for the array of community development activities that the department undertakes across the District. The hope is that the reports will not only provide a helpful compilation of existing community development needs and resources for each state, but will also allow us to target our time and resources to those areas that both show the greatest need and offer the opportunity for the most meaningful role.

We hope that you will find these Environmental Assessments useful and that the information presented will enhance your understanding of the state of community development in each location.

We look forward to your comments and suggestions.

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METHODOLOGY

In an attempt to provide a framework for performing our own community development work, the Community Affairs Department of the Federal Reserve Bank of San Francisco has produced separate reports entitled “environmental assessments” for each of the nine states which comprise the Federal Reserve’s Twelfth District: Alaska, Arizona, California, Hawaii, Idaho, Nevada, Oregon, Washington, and Utah. Each report is divided into two sections: one covering the overall “Community Development Environment” in the state, and the other covering the “Community Development Needs and Resources” in the state. These environmental assessments are intended to bring together available research and information in both of these areas.

Specifically, the chapters in the “Community Development Environment” section cover the demographic, economic, governmental, and institutional underpinnings in each state, providing detail such as each state’s industrial structure, economic outlook, banking system, nonprofit groups, and government departments involved in community development. In the second section, each report delves into four separate areas of “Community Development Needs and Resources:” affordable housing, small business, poverty and asset accumulation, and issues specific to native people and immigrants.

A key resource for both the data and the approach taken in this effort was the *2002 State Asset Development Report Card*, published by an influential research and advocacy organization, CFED (formerly known as the Corporation for Enterprise Development). CFED’s report analyzes a great deal of data on a range of factors affecting asset accumulation and poverty for each state in the nation. The CFED report divides its analysis into separate evaluations of “Asset Outcomes” and “Asset Policies” for each state, producing an overall grade (A, B, C, D, or F) for each. Not only do our reports reference virtually all of the individual rankings which feed into CFED’s two overall grades, but they also follow a somewhat similar approach in dividing each of the community development areas in each state (affordable housing, small business, poverty and asset accumulation, and native people and immigrant issues) between “needs” and “resources” in a manner similar to CFED’s “Asset Outcomes” and “Asset Policies.”

The reports then build on these CFED comparisons by drawing on the considerable resources already produced by a variety of national and local organizations in these subject areas for each state, pulling together their major data, analyses, and conclusions into one single report. The reports were designed by Scott Turner, who managed the project, with additional oversight and editing by Jack Richards. This Oregon Environmental Assessment was written by a second year student from the Goldman School of Public Policy at the University of California, Berkeley, Anne McDonough-Hughes. The Oregon Environmental Assessment was also supported by significant data and material gathering by a member of the Community Affairs Department’s field staff, Craig Nolte. Websites referenced in this report were accessed between September and December of 2004, and we have attempted to provide accurate links to content referenced, although content and/or location may change over time. We should note here

that while the Federal Reserve Bank of San Francisco sponsored these environmental assessments, they reflect only the views of the author.

We gratefully acknowledge the community development practitioners in each state who agreed to review drafts of these reports and provide helpful feedback. In addition, we have attempted to ensure there are no errors or omissions in this report, but encourage you to contact us if you believe important changes are warranted. Please contact us by the end of February 2005, and we will be pleased to make appropriate revisions and post an edited version of the reports on our website in March 2005.

CONCLUSIONS

COMMUNITY DEVELOPMENT ENVIRONMENT

1. Demographics

Oregon is the ninth largest state in the U.S. in total area¹ and the **27th largest in terms of population**, based on its 2003 population of approximately 3.6 million.² The state's **population increased faster than that of the U.S. overall from 1990 to 2000**, growing by 20.4%, but its growth slowed to an average pace between 2000 and 2003, when Oregon's population increased only slightly more than that of the U.S. as a whole.³ In terms of race and ethnicity, Oregon has much lower proportions of Black/African-American residents and residents of Hispanic/Latino origin than the U.S. overall, and a much higher proportion of White residents.⁴

2. Economy

Manufacturing plays a large role in Oregon's economy, and within the manufacturing sector, high technology manufacturing, food processing, primary metals and metal fabrication, and forest-product manufacturing are key subsectors.⁵ Oregon's employment rate was significantly affected by the recession of 2001-2002. **During 2002 and 2003, the state's unemployment rate was among the worst in the nation, ranking 49th in 2002 and 50th at times during 2003.**⁶ **Recently, however, Oregon's economy has been slowly improving**, exhibiting the 7th highest job growth nationally during spring 2004,⁷ although unemployment in the state still remains higher than the national average (7.2% in October 2004 versus 5.5% for the U.S. as a whole).⁸ **Oregon's economic growth** has been led by improvements in the manufacturing and construction industries,⁹ and is **expected to continue to increase in line with that of the U.S. as a whole, albeit more slowly.**¹⁰

3. Governmental and Financial Sectors

Oregon generally fares well on measures of fiscal soundness, receiving strong bond ratings from credit rating agencies for its general obligation bonds.¹¹ After suffering

¹ Netstate.com, *The Geography of Oregon*, http://www.netstate.com/states/geography/or_geography.htm.

² U.S. Census Bureau, *Statistical Abstract of the United States: 2003*, <http://www.census.gov/statab/www/ranks.html>.

³ U.S. Census Bureau, *Oregon QuickFacts*, <http://quickfacts.census.gov/qfd/>.

⁴ U.S. Census Bureau, Census 2000 Data, <http://www.census.gov/main/www/cen2000.html>.

⁵ Oregon Blue Book, *Oregon's Economy*, <http://bluebook.state.or.us/facts/economy/economy01.htm>.

⁶ Oregon Business Plan, *2004 Competitive Index*, table 45, <http://www.oregonbusinessplan.org/pdf/Competitive%20Index%20Online.pdf>.

⁷ FDIC, *Oregon State Profile*, Fall 2004.

⁸ Federal Reserve Bank of San Francisco, *Regional Economic Briefing*, December 2004, p. 4.

⁹ Economy.com, *Oregon State Profile*, August 2004.

¹⁰ Oregon Office of Economic Analysis, *Oregon Economic and Revenue Forecast*, September 2004, p. 2.

¹¹ California State Treasurer's Office, *Comparison of Other States' General Obligation Bond Ratings*, December 2004.

during the recession of 2001-2002, the state's financial picture looks to be improving. From 2002 through mid-2003, Oregon was faced with seven straight quarters of lower-than-expected tax revenues, but by year-end 2003, revenues appeared to have stabilized.¹² In the financial sector there are 55 separately chartered banks and thrifts in the state, though nearly half of the FDIC-insured deposits in Oregon are controlled by three of them.¹³ **There are also 102 credit unions, which together control one third of combined bank/credit union assets**, more than five times the national average.¹⁴ Oregon also has 11 certified Community Development Financial Institutions,¹⁵ which together had \$162 million in financing outstanding to more than 18,000 customers in the state at the end of FY 2002.¹⁶

COMMUNITY DEVELOPMENT NEEDS AND RESOURCES

1. Affordable Housing

Oregon's housing market has had difficulty keeping up with the state's changing economy and demographics. As of 2002, **Oregon had the ninth-lowest homeownership rate** in the country, with only 66% of households owning their own home. This situation does not seem likely to change in the near future, as **median home values have increased much faster than median income in the recent past**.¹⁷ Rental housing is not much more affordable for lower-income individuals and families, as **Oregon is ranked 48th on rental housing affordability, making it the third least affordable state for renters**.¹⁸ Despite efforts by the state to address its housing affordability problem, such as the adoption of a state housing trust fund, a variety of state tax credits, and a package of programs targeted towards first-time homebuyers,¹⁹ **Oregon appears to have made little progress toward solving its housing affordability challenges**.²⁰

2. Small Business

Small business is important to Oregon's economy, with **businesses with fewer than 10 employees accounting for 13% of the state's employment, among the highest shares in the country**. Oregon receives relatively positive reviews of its business climate and small business resources, **earning praise for its strong infrastructure resources, quality of life, and resource efficiency**,²¹ and **ranking 11th best on its transformation from a traditional economy to an economy based on ideas and innovation**.²² State government, the U.S. Small Business Administration, and private organizations provide a

¹² Oregon State Treasury, *2003 Annual Report*, p. 2.

¹³ FDIC, *Deposit Market Share Report: Oregon*, June 2004.

¹⁴ Oregon Credit Union League, *Credit Union Fact Sheet*, http://www.cuna.org/download/oregon_fs.pdf.

¹⁵ CDFI Fund, U.S. Department of the Treasury, *Certified CDFI's – Alphabetical by State and County*, November 2004.

¹⁶ CDFI Coalition, *CDFIs in Oregon: 2004 Fact Sheet*, <http://www.cdfi.org/states/Oregon2004.pdf>.

¹⁷ Oregon Housing and Community Services, *Setting the Standard: 2003-2005 Strategic Plan*, p. 12.

¹⁸ U.S. Census Bureau, 2003 American Community Survey Data, <http://www.census.gov/acs/www/>.

¹⁹ CFED, *State Asset Development Report Card (SADRC)*, 2002, p. 68.

²⁰ Oregon Progress Board, *2003 Benchmark Performance Report*, p. 51.

²¹ CFED, *2004 Development Report Card for the States*, <http://drc.cfed.org/grades/oregon.html>.

²² Robert Atkinson, Progressive Policy Institute, *The 2002 State New Economy Index*, June 2002, tables.

variety of educational and financial resources to Oregon's small businesses, but recent reports suggest that entrepreneurs in the state are concerned with the lack of small business financing available and would like to see more services tailored to their needs.²³

3. Poverty and Asset Accumulation

Overall, Oregon ranks relatively well on measures of poverty and asset accumulation. The state's **poverty rate is slightly lower than the nation's, and is the 21st highest of all the states.**²⁴ Oregon also **has the seventh-highest mean net worth** nationally, and the **12th-lowest percentage of households with zero or negative net worth.**²⁵ However, poverty rates in Oregon declined less than the U.S. average decline between 1990 and 1999, and vary widely between counties.²⁶ Oregon is credited with a number of supportive asset accumulation and preservation policies, particularly its efforts to increase homeownership and to ensure that more state residents have access to health insurance.²⁷

4. Native Americans and Immigrants

Oregon **has the 11th highest proportion in the nation of Native American residents in its population.** Despite active participation in the gaming industry by all nine of Oregon's federally-recognized tribes,²⁸ **Oregon's Native Americans continue to face higher-than-average poverty rates.** Oregon's state government is attempting to address tribal concerns by requiring each Cabinet-level department to enter into a contract that formally recognizes the interests of Native Americans and provides processes for ensuring tribal concerns are addressed.²⁹

Approximately **9% of Oregon's population is foreign born**, the 16th-highest proportion among the states. The largest group of foreign-born in Oregon hails from Latin America, although sizable proportions also come from Asia and Europe. Twenty percent of Oregon's immigrants live below the poverty level, nearly double the overall poverty rate for the state.³⁰ **Oregon does provide more generous TANF benefits to legal immigrants than many states, but additional resources are required** to meet the needs of this population.³¹

²³ The Governor's Small Business Council of Oregon, *Small Business and the Oregon Economy: The Biennial Report of the Governor's Small Business Council of Oregon*, October 2002; and Oregon Economic & Community Development Department, *Small Business Program Survey & Assessment II*, February 2004. pp. 61-63.

²⁴ U.S. Census Bureau, *Income, Poverty, and Health Insurance Coverage in the United States: 2003*, pp. 23, 68.

²⁵ CFED, *SADRC*, p. 68.

²⁶ Oregon Department of Housing and Community Services, *Report on Poverty 2004*, pp. 31, 52-53.

²⁷ CFED, *SADRC*, p. 68.

²⁸ Oregon Blue Book, *Indian Tribes in Oregon*, <http://bluebook.state.or.us/national/tribal/tribal.htm>.

²⁹ *Ibid.*

³⁰ U.S. Census Bureau, Census 2000 Data.

³¹ Oregon Center for Public Policy, *Improving the TANF Program for Legal Immigrants*, February 2002.

STATE OF OREGON
SELECTED COMMUNITY DEVELOPMENT INDICATORS

<i>Affordable Housing</i>	<i>Rate</i>	<i>State Rank</i>
Homeownership Rate ³²	66.2%	42 nd
Rental Affordability Rate ³³	--	48 th
Severely Cost-Burdened Renter Households ³⁴	26.3%	49 th
<i>Small Business</i>		
Small Business Employment Rate ³⁵	13.1%	11 th
Entrepreneurship Rate ³⁶	16.2%	7 th
Level of Private Loans to Small Businesses ³⁷	--	27 th
<i>Poverty and Asset Accumulation</i>		
Poverty Rate ³⁸	11.7%	30 th
Households with Zero Net Worth ³⁹	13.0%	12 th
Personal Bankruptcy Rate ⁴⁰	16.9	38 th
<i>Native Americans and Immigrants</i>		
Native American Population ⁴¹	1.3%	11 th
Native American Poverty Rate ⁴²	22.2%	--
Foreign-Born Population ⁴³	8.5%	16 th
Foreign-Born Poverty Rate ⁴⁴	19.9%	--

³² U.S. Census Bureau, *U.S. Statistical Abstract 2003*; represents the percentage of housing units that are occupied by owners, ranked from highest percentage (1st)

³³ NLIHC; rank is calculated based on a weighted average of the state's median gross rent, renter market affordability ratio, and percent of severely cost-burdened renters, ranked from most affordable (1st)

³⁴ NLIHC; *Up Against a Wall*, November 2004; represents the percentage of renter households in the state spending more than 50% of their income on rent in 2003, ranked from lowest percentage (1st)

³⁵ U.S. Census Bureau, *County Business Patterns 2001*; represents the share of total state employment attributable to firms with fewer than 10 employees, ranked from highest share (1st)

³⁶ CFED, *SADRC*; represents the percentage of the labor force that owns employer and non-employer firms as of 2000, ranked from highest percentage (1st)

³⁷ Ibid; represents the amount of private business loans under \$1 million per worker, ranked from highest amount (1st)

³⁸ U.S. Census Bureau, *Income, Poverty, and Health Insurance Coverage in the United States: 2003*; represents the average percent of people living below the federal poverty level during the period from 2001 to 2003, ranked from lowest percentage (1st)

³⁹ CFED, *SADRC*; represents the percentage of households with zero or negative net worth, ranked from lowest percentage (1st)

⁴⁰ American Bankruptcy Institute; represents personal bankruptcy filings in 2003 per thousand households in the state, ranked from fewest filings (1st)

⁴¹ U.S. Census Bureau, Census 2000; represents the percentage of the state's population composed of Native Americans and Alaska Natives (only), ranked from highest percentage (1st)

⁴² Ibid; represents the percentage of Native American/Alaska Native (only) individuals living below the federal poverty level at any time in 1999

⁴³ Ibid; represents the percentage of the state's population composed of foreign-born individuals, ranked from highest percentage (1st)

⁴⁴ Ibid; represents the percentage of foreign-born individuals living below the federal poverty level at any time in 1999

size to Oklahoma and Kentucky.⁴⁷ **Between 2000 and 2003, Oregon's population increased by 4.0%, only slightly higher than the rate of the U.S. as a whole (3.3%).** This population growth was not evenly distributed among the state's MSAs—Bend, the state's newest MSA, grew at 13%, the Portland-Vancouver-Beaverton MSA grew by 4.7%, the Medford MSA grew by 4.3%, and the Salem MSA grew by 3.7%, while the state's other two MSAs, Eugene-Springfield and Corvallis, had below-average growth rates of 2% and 3%, respectively.⁴⁸

Oregon's growth between 2000 and 2003 came on top of a **20.4% increase between 1990 and 2000**, a time period when Oregon's population was increasing faster than that of the U.S. as a whole (which increased by only 13.1%).⁴⁹ As the table below suggests, population growth during this time period was also not evenly distributed in the state. Growth was led by Deschutes County (54% increase) and Crook County (36% increase), although all counties experienced positive growth.⁵⁰

Oregon 1990 and 2000 Population by County

<i>County</i>	<i>1990 Population</i>	<i>2000 Population</i>	<i>% Change</i>
Oregon	2,842,321	3,421,399	20%
Baker	15,317	16,741	9%
Benton	70,811	78,153	10%
Clackamas	278,850	338,391	21%
Clatsop	33,301	35,630	7%
Columbia	37,557	43,560	16%
Coos	60,273	62,779	4%
Crook	14,111	19,182	36%
Curry	19,327	21,137	9%
Deschutes	74,958	115,367	54%
Douglas	94,649	100,399	6%
Gilliam	1,717	1,915	12%
Grant	7,853	7,935	1%
Harney	7,060	7,609	8%
Hood River	16,903	20,411	21%
Jackson	146,389	181,269	24%
Jefferson	13,676	19,009	39%
Josephine	62,649	75,726	21%
Klamath	57,702	63,775	11%
Lake	7,186	7,422	3%
Lane	282,912	322,959	14%
Lincoln	38,889	44,479	14%
Linn	91,227	103,069	13%
Malheur	26,038	31,615	21%
Marion	228,483	284,834	25%

⁴⁷ U.S. Census Bureau, *Statistical Abstract of the United States: 2003*, <http://www.census.gov/statab/www/ranks.html>.

⁴⁸ Portland State University Population Research Center, *2003 Oregon Population Report*, <http://www.upa.pdx.edu/CPRC/publications/annualorpopulation/Population%20Report%202003.pdf>.

⁴⁹ U.S. Census Bureau, *Oregon QuickFacts*.

⁵⁰ U.S. Census Bureau, Census 2000 Data, <http://www.census.gov/main/www/cen2000.html>.

Morrow	7,625	10,995	44%
Multnomah	583,887	660,486	13%
Polk	49,541	62,380	26%
Sherman	1,918	1,934	1%
Tillamook	21,570	24,262	12%
Umatilla	59,249	70,548	19%
Union	23,598	24,530	4%
Wallowa	6,911	7,226	5%
Wasco	21,683	23,791	10%
Washington	311,554	445,342	43%
Wheeler	1,396	1,547	11%
Yamhill	65,551	84,992	30%

Source: U.S. Census Bureau, Census 2000 and 1990 Data

The population of Oregon is slightly older than that of the U.S. as a whole, with a median age of 36.3, compared to 35.3 for the U.S. Children under 18 years of age account for 24.7% of Oregon's population, as compared to 25.7% of the U.S. overall. However, the proportion of Oregon's population that is 65 and over (12.8%) is only slightly higher than that of the U.S. as a whole (12.4%).⁵¹

3. Metropolitan Statistical Areas

Based on the federal guidelines published by the White House Office of Management and Budget (OMB), **Oregon has six metropolitan statistical areas (MSAs)**. By definition, MSAs are areas that are made up of one or more whole counties and have at least one urbanized area of 50,000 or more population. Oregon has one MSA that is shared with another state, the Portland-Vancouver-Beaverton MSA, which includes portions of both Oregon and Washington.⁵² The table below lists the state's current MSAs and their 2003 populations.

Oregon's Metropolitan Statistical Areas

<i>MSA</i>	<i>Counties Included</i>	<i>2003 Population</i>
Portland-Vancouver-Beaverton (OR-WA)	Clackamas, Columbia, Multnomah, Washington, Yamhill	1,649,000 (Oregon only)
Salem	Marion & Polk	363,000
Eugene-Springfield	Lane	331,000
Medford	Jackson	190,000
Bend	Deschutes	129,000
Corvallis	Benton	79,000

Source: U.S. Census Bureau, *Statistical Abstract of the United States: 2004-2005*.

⁵¹ U.S. Census Bureau, *Oregon QuickFacts*.

⁵² U.S. Census Bureau, *Statistical Abstract of the United States: 2004-2005*, <http://www.census.gov/prod/www/statistical-abstract-04.html>.

4. Race and Ethnicity

When it comes to the racial and ethnic composition of its population, Oregon varies substantially from the U.S. as a whole. The percentage of Oregon's population that identifies as White is 86.6%, more than 10 percentage points higher than the percentage nationwide (75.1%). Oregon also has much lower proportions of Black/African American residents and residents of Hispanic/Latino origins than the U.S., as shown in the table below. Nine percent of Oregon residents are foreign born, compared to 11% of U.S. residents, and only 12.1% speak a language other than English at home, compared to 17.9% in the U.S. as a whole.⁵³

Oregon Population by Race

<i>Race</i>	<i>Number in Oregon Population</i>	<i>% of Oregon Population</i>	<i>% of U.S. Population</i>
White (only)	2,961,623	86.6%	75.1%
Black/African American (only)	55,662	1.6%	12.3%
Asian (only)	101,350	3.0%	3.6%
American Indian/Native Alaskan (only)	45,211	1.3%	0.9%
Native Hawaiian/ Pacific Islander (only)	7,976	0.2%	0.1%
Some other race (only)	144,832	4.2%	5.5%
Two or more races	104,745	3.1%	2.4%
Persons of Hispanic or Latino Origin*	275,314	8.0%	12.5%

Source: U.S. Census Bureau, Census 2000 Data.

*Persons of Hispanic or Latino Origin may be of any race

5. Educational Attainment

Educational attainment for adults in Oregon is mixed in relation to the U.S. as a whole; 87.7% of state residents aged 25 and over have completed high school and 26.4% have a bachelor's degree or higher, compared to 83.6% and 26.5%, respectively, for the U.S. as a whole. **Oregon ranks 18th in the country in the percentage of adults who have completed high school and 19th in the percentage of adults with a bachelor's degree or higher** (with 1st being the highest).⁵⁴

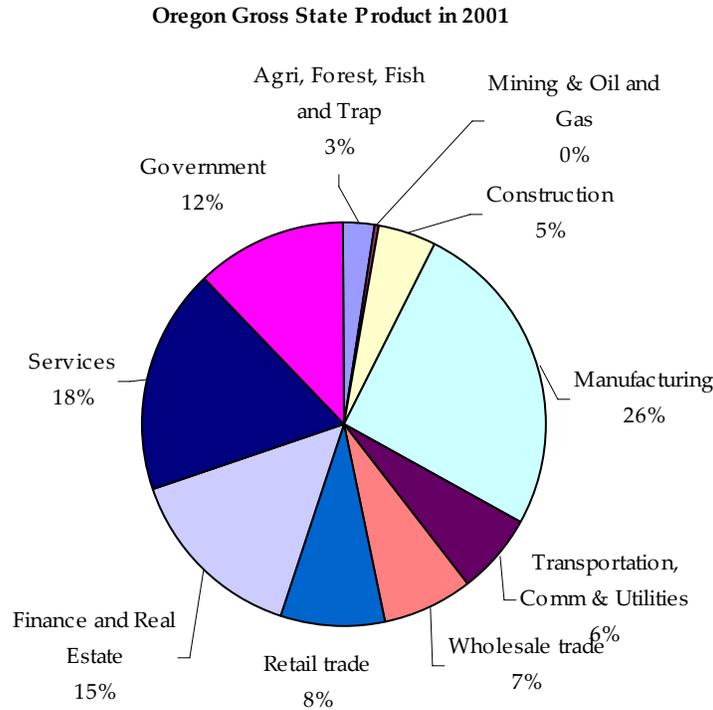
⁵³ U.S. Census Bureau, Census 2000 Data.

⁵⁴ U.S. Census Bureau, 2003 American Community Survey Data, <http://www.census.gov/acs/www/>.

II. ECONOMY

A. ECONOMIC STRUCTURE

Gross state product (GSP) is one of the most-frequently used comprehensive measures of an economy. It is defined as the value added in production by the labor and property located in a state, and is derived as the sum of the GSP originating in all industries in the state. The Bureau of Economic Analysis (BEA) reports GSP estimates approximately 18 months after the end of each year. **Oregon's GSP for 2003, the most recent data available, was \$120.3 billion, ranking the state 28th highest in the nation.** The state's per capita GSP for the same year was \$33,793, less than the U.S. average of \$36,376, ranking the state only 33rd highest in the U.S. on that measure.⁵⁵ The chart below shows the breakdown of Oregon's 2001 GSP by sector.



Source: Bureau of Economic Analysis

Leading sectors in Oregon's economy include timber and wood products, high technology manufacturing, agriculture and food processing, primary metals and metal fabrication, and tourism and recreation, each of which is explained in more detail in the following pages.

⁵⁵ Bureau of Economic Analysis, *2003 and 2001 Gross State Product*, <http://www.bea.doc.gov/bea/regional/data.htm>.

1. Major Industries

a. Timber and Wood Products

Oregon ranks first in the U.S. in the production of forest products, and its primary and secondary wood-processing industries account for an annual \$10 billion in sales. Sales of forest products also generate 75,000 direct jobs, with additional indirect jobs created by businesses supplying forest product companies and by businesses that cater to forest-products workers and their families.⁵⁶ Forest product manufacturing accounts for 21% of all manufacturing employment in Oregon, and in 12 of Oregon's 36 counties, it accounts for more than half of manufacturing employment.⁵⁷

Oregon's timber harvest has declined substantially over the past several decades, from nine billion board feet of timber harvested from Oregon in 1971 to only 3.4 billion board feet harvested in 2001. Because federal lands account for more than half of all forest area in Oregon, much of the decline has resulted from federal regulations that led to a decrease in timber harvesting from federal lands. However, **despite the dramatic decline in Oregon's timber harvest, Oregon's wood-processing industries have not declined quite as much**, having been helped by changes that partially offset the decline in the timber harvest, including the growth in secondary wood products manufacturing, declines in log exports, imports of logs from other states and Canada, and the use of smaller timber that requires more labor to harvest and process. At the same time, employment in forest-related industries has also been helped by the growth in recreational usage of Oregon's forestland and in the state's non-timber forest products industries.⁵⁸

b. High-Technology Manufacturing

As of 2001, high-technology manufacturing employed nearly one third of Oregon's manufacturing workforce. Nearly four fifths of these employees were located in the Portland area, but several other areas of the state, including parts of southern Oregon, Bend, and the Interstate 5 corridor from Portland to Corvallis and Eugene are also home to high-tech manufacturing enterprises. **This sector is a significant provider of well-paying jobs within the manufacturing sector**, as the average annual wages per worker in 2001 were \$69,300, compared to \$44,060 for all manufacturing industries. Although companies involved in many specialties in the high-tech industry are located in Oregon, the state's most recent high-tech expansions have been concentrated within the semiconductor industry.⁵⁹

⁵⁶ Oregon Blue Book, *Forestry*, <http://bluebook.state.or.us/facts/economy/economy06.htm>.

⁵⁷ Oregon Blue Book, *Manufacturing*, <http://bluebook.state.or.us/facts/economy/economy09.htm>

⁵⁸ Oregon Blue Book, *Forestry*.

⁵⁹ Oregon Blue Book, *Manufacturing*, <http://bluebook.state.or.us/facts/economy/economy09.htm>.

c. **Agriculture and Food Processing**

Agriculture has traditionally been one of Oregon's strongest industries, and it remains important in the state's economy today. Between agricultural inputs, food processing, transportation, marketing, warehousing and storage, and related services, **almost 10% of Oregon's economy, and one in 12 jobs in the state, is related to agriculture.** Nearly 80% of Oregon's crops are sold out of state, and half of that amount is sold overseas. Oregon is the nation's leading source for several crops, including Christmas trees, grass seed, hazelnuts, peppermint, and several types of berries, and is also a significant producer of many other crops. Overall, the state's farmers grow more than 200 types of commodities.⁶⁰

Food processing is also an important manufacturing sector in the state. Food processors within the state currently produce a wide variety of products but have been moving towards specialty and niche markets in order to maintain their profit margins.⁶¹ Multnomah and Marion Counties have the heaviest concentration of food-processing jobs in the state—food processing in these areas alone provides more than 9,000 jobs and \$270 million in payroll.⁶²

Agriculture in Oregon has undergone several changes in recent years that have affected the lives and livelihoods of those involved in the sector, including the consolidation of businesses in the wholesale and retail food sector that have traditionally purchased Oregon's agricultural products, the increasing competition for water needed for irrigation, and the loss of agriculture land for urban uses. The state's Department of Agriculture and other state agencies are actively involved in attempting to resolve these issues to maintain the vibrancy of Oregon's agricultural sector into the future.⁶³

d. **Primary Metals and Metal Fabrication**

Oregon's metals industry plays a disproportionately large role in the state's manufacturing sector as compared to its role in neighboring states. **The main reason for the large presence of metal companies is Oregon's development of a low-cost hydroelectric-based power system,** which is crucial for metals companies that require large amounts of electric power during the manufacturing process. The two subsectors of the metals industry that figure heavily in Oregon's economy are primary metals, which includes aluminum smelters, steel mills, and companies that make metal casts and extrusions, and fabricated metals, which include companies that make tools, hardware, and other metal items, and companies that apply metal coatings to these items.⁶⁴

⁶⁰ Oregon Blue Book, *Agriculture*, <http://bluebook.state.or.us/facts/economy/economy03.htm>.

⁶¹ Oregon Blue Book, *Manufacturing*.

⁶² Oregon Blue Book, *Agriculture*.

⁶³ Ibid.

⁶⁴ Oregon Blue Book, *Manufacturing*.

e. **Tourism and Recreation**

Oregon's natural environment and increasing number of manmade tourist attractions have made **tourism one of the state's top five industries, bringing in \$6.1 billion annually to the state.** Tourism spending in the state has increased an average of 5.7% per year since 1991 in current dollars and has been particularly important to rural economies that have been hurt by restrictions on timber harvesting and a weakening agricultural market. Rural areas have taken advantage of the increasing tourism market to promote agri-tourism and nature-based tourism businesses. In 2001, the direct and secondary impacts of tourism generated 135,200 jobs with earnings of \$2.1 billion. These jobs were an important source of employment for entry-level workers and for women and minorities entering the job market. Many of Oregon's visitors come from relatively close by, which helped the state maintain its share of tourist dollars in the post-September 11th air travel slowdown. The state estimates that nearly half of its overnight visitors travel from within a 300 mile range, and another 36% travel from between 300 and 1,000 miles away.⁶⁵

2. **Labor Force and Employment**

As of 2000, Oregon had more than 1.7 million workers in its labor force, equating to 65.2% of the population aged 16 and over. Men outnumber women in Oregon's labor force, accounting for 54% of workers.⁶⁶ In 2003, median household income in the state was estimated to be approximately \$40,319, and per capita income was \$21,986, both somewhat below the national average.⁶⁷

Employment patterns by industry in Oregon track very closely with those of the United States. **No single industry dominates employment in Oregon.** As of 2003, the industry with the largest percent of total employment was government (17.2%), followed by manufacturing (12.5%), education and health services (12.0%), retail trade (11.8%), and professional and business services (10.9%). Oregon's largest employers include the Kroger Company, Providence Health Systems, Intel Corporation, Oregon Health Sciences University, and Oregon State University.⁶⁸ The table on the next page provides comparative employment data for Oregon and the U.S.

⁶⁵ Oregon Blue Book, *Tourism/Recreation*, <http://bluebook.state.or.us/facts/economy/economy10.htm>.

⁶⁶ U.S. Census Bureau, Census 2000 Data.

⁶⁷ U.S. Census Bureau, 2003 American Community Survey Data.

⁶⁸ Economy.com, *Oregon State Profile*, August 2004.

Industry Employment (% of total employment, 2003)

<i>Sector</i>	<i>% of OR Employment</i>	<i>% of U.S. Employment</i>
Construction	4.9%	5.2%
Manufacturing	12.5%	11.2%
Transport/Utilities	3.6%	3.7%
Wholesale Trade	4.8%	4.3%
Retail Trade	11.8%	11.5%
Information	2.2%	2.5%
Financial Activities	6.3%	6.1%
Professional & Business Services	10.9%	12.3%
Education & Health Services	12.0%	12.8%
Leisure & Hospitality Services	9.7%	9.3%
Other Services	3.6%	4.2%
Government	17.2%	16.6%

Source: Economy.com, *Oregon State Profile*, August 2004.

3. Economic Diversity

Oregon's economic success has traditionally been tied to its natural resources, and particularly to its timber-producing forests. For much of the 20th Century, the state's manufacturing industry and jobs were heavily concentrated in the forest products industry. However, **a decline in the demand for lumber and plywood for home construction in the 1980s and the federal restrictions that were placed on timber harvests from national forests in the 1990s forced the state to begin to diversify its economy.** Efforts by the state within the last decade to do so have allowed it to achieve an industry mix that is closer to the national average, and its manufacturing jobs are now spread over a variety of sectors, including high tech, agricultural goods and processed foods, forest products, metals, and transportation equipment.⁶⁹ However, **measures of industrial diversity suggest that the state can still improve in this area.** CFED ranked Oregon 17th worst in industrial diversity in its *2004 Development Report Card for the States*,⁷⁰ and Economy.com gives the state a score of .68 on its industrial diversity index, where a 0 is the least diverse and a 1.0 is the most diverse (reflecting the U.S. as a whole).⁷¹ Additionally, rural areas continue to depend disproportionately on natural resources for economic success, which magnified the effect of the recent economic downturn in non-urban areas of the state.⁷²

4. Trade

In 2003, Oregon exported \$10.3 billion worth of goods outside of the U.S., accounting for 1.43% of U.S. total exports. Oregon's top export was digital monolithic integrated circuits (accounting for 29.2% of the state's exports), followed in importance by wheat and meslin (9.1%) and road tractors for semi-trailers (3.7%).⁷³ The top country

⁶⁹ Oregon Blue Book, *Oregon's Economy*, <http://bluebook.state.or.us/facts/economy/economy01.htm>.

⁷⁰ CFED, *2004 Development Report Card for the States*, <http://drc.cfed.or/grades/oregon.html>.

⁷¹ Economy.com, *Oregon State Profile*, August 2004.

⁷² Oregon Blue Book, *Oregon's Economy*.

⁷³ U.S. Census Bureau, Foreign Trade Division, *Total U.S. Exports (Origin of Movement) via Oregon Top 25 Commodities Based on 2003 Dollar Value*, <http://www.census.gov/foreign-trade/statistics/state/hs/2003/or.pdf>.

Oregon exported to was Canada, which accounted for 15.1% of the state's exports. Rounding out the top five export countries for Oregon were South Korea (13.2%), Japan (12.3%), the Philippines (7.4%), and Taiwan (5.8%). Since 2001, South Korea's share of exports has grown from 9.3% to 13.2%, while Japan's share has dropped from 17.8% to 12.3%.⁷⁴

Exports in Oregon dropped sharply from 2000 to 2001, from \$11.4 million to \$8.9 million, but improved in both 2002 and 2003.⁷⁵ This improvement has been attributed to the weakening of the U.S. dollar, and has been the first improvement for Oregon's exporters since the beginning of the Asian financial crisis. Increases in shipments of wheat and mineral bulks have led the improvement.⁷⁶

B. ECONOMIC PERFORMANCE

1. Historic Economic Performance

From the beginning of its history, Oregon's economy was centered on its natural resources, particularly its forests, fisheries, and agricultural valleys. The state's first major changes to its economy came during World War II, when the nation's need for Oregon's timber and shipyard facilities increased personal income and employment in the state. Timber continued to figure heavily in Oregon's economy after the war, when the demand for homebuilding materials was strong. Other industries, including the metal and paper industries, also grew within the state due to its low-cost hydroelectric sources of energy. The state's economy was relatively stable until the 1980s, when housing demand slowed substantially, leading to layoffs in the state's forest products industry. These layoffs forced residents either to accept lower-paying jobs in other industries or to leave the state altogether. The past two decades have seen the state diversify its economy in response to this downturn and to changes in federal regulation that have decreased the state's ability to harvest as much timber as it did previously. The state's diversification efforts were successful in increasing employment, wages, and personal income in urban areas, but rural areas still lagged behind, as they do today.⁷⁷

Oregon's economy has been altered dramatically over the recent past as a result of transformations in the national and global economic landscape. Changes that have particularly impacted the state's economy include the increasing importance of the technology industry and of technology use across a wide variety of industries, the effect of federal forests policy on the timber industry, the increasing costs of energy, and the increasing globalization of the U.S. economy.⁷⁸

⁷⁴ U.S. Census Bureau, Foreign Trade Division, *Total U.S. Exports (Origin of Movement) via Oregon Top 25 Countries Based on 2003 Dollar Value*, <http://www.census.gov/foreign-trade/statistics/state/country/2003/or.pdf>.

⁷⁵ Ibid.

⁷⁶ Economy.com, *Oregon State Profile*, August 2004.

⁷⁷ Oregon Blue Book, *Oregon's Economy*.

⁷⁸ The Oregon Economic & Community Development Commission (OECD), *Strategic Plan*, December 2002, <http://www.econ.state.or.us/stratplan.htm>.

Oregon was particularly hard hit by the recession of 2001-2002. Between year-end 2000 and year-end 2001, the state lost nearly 36,000 jobs,⁷⁹ and during 2002 and 2003, the state's unemployment rate hovered near the very bottom of the nation, ranking 49th in 2002 and 50th at times during 2003.⁸⁰ Several factors combined to make the effects of the recession worse in Oregon, including: a) the state economy's reliance on high technology; b) the state's proximity to California and the fallout from that state's failed attempts to deregulate its energy industry; and c) drought conditions in the Pacific Northwest. The Portland area suffered disproportionately because of its concentration of high technology firms, and the state's rural areas were also hit hard due to the drought conditions, weakening agricultural trade, and restrictions on timber harvests.⁸¹

2. Recent Economic Performance

Recently, Oregon's economy has been slowly improving. While unemployment remains relatively high compared to the rest of the country, with the state's seasonally-adjusted unemployment rate at 7.1% in November 2004, **unemployment dropped six-tenths of a percentage point between November 2003 and November 2004.**⁸² And, job growth during the first three quarters of 2004 was strong, with Oregon adding jobs at a 2.1% annual growth rate in the second quarter and a 2.3% annual growth rate in the third quarter. Both rates were above average and ranked Oregon seventh among the states.⁸³ When final data is available for the year, **2004 is expected to be the first year of positive job growth for Oregon since 2000.**⁸⁴

Job growth has been largely driven by metro areas outside of the Portland MSA, particularly Medford. Portland reported no job growth in the second quarter of 2004, ranking it in the bottom half of all MSAs, but, notably, it was the first time in 12 quarters that the MSA did not lose jobs.⁸⁵ **Industries showing job growth included professional and business services and manufacturing.** Within manufacturing, the semiconductor industry has improved its jobs position, gaining 1,000 jobs in the year ended third quarter 2004, compared to a loss of 1,700 jobs in the previous year.⁸⁶

Growth in the number of businesses is also on the upswing in Oregon. The state ranked eighth in the country in 2003 in business growth, with the number of firms increasing 2.1%. At the same time, the number of business bankruptcies in Oregon has stabilized after peaking in 1999 at nearly 3000. Increases in commercial lending suggest that

⁷⁹ Oregon Blue Book, *Oregon's Economy*.

⁸⁰ Oregon Business Plan, *2004 Competitive Index*, Table 45, <http://www.oregonbusinessplan.org/pdf/Competitive%20Index%20Online.pdf>.

⁸¹ Oregon Blue Book, *Oregon's Economy*.

⁸² Oregon Employment Department, Oregon's Labor Market Information System, *Seasonally Adjusted Unemployment Rates*, <http://www.qualityinfo.org/olmisj/OlmisZine>.

⁸³ FDIC, Oregon State Profile, Fall 2004; and FDIC, *Oregon State Profile*, Winter 2004.

⁸⁴ State of Oregon Department of Administrative Services, Office of Economic Analysis, *Oregon Economic and Revenue Forecast – Summary*, December 2004, <http://www.oea.das.state.or.us/DAS/OEA/docs/economic/press1204-update.pdf>, p. 1.

⁸⁵ FDIC, *Oregon State Profile*, Fall 2004.

⁸⁶ FDIC, *Oregon State Profile*, Winter 2004.

business growth is likely to continue—the median annual commercial and industrial loan growth rate and the rate of small business lending both increased over the past year.⁸⁷

The economic growth in Oregon has been led by improvements in the international trade market and in the construction industry. The weakening U.S. dollar has improved market conditions for Oregon’s manufacturers who export their product overseas. This improvement has been reflected in rising export volumes throughout 2002 and 2003 and in an all-time record set by the Port of Portland in December 2003 for the number of containers processed.⁸⁸ The construction market has been fueled by increasing activity in homebuilding, public projects, and commercial construction, although the state’s office space market has not yet fully recovered from the recession.⁸⁹

3. Economic Outlook

Oregon’s recovery is expected to continue in line with that of the U.S. economy overall, albeit more slowly. Oregon’s Office of Economic Analysis’ December 2004 economic forecast for the state predicts that the state will reach its pre-recession job level by mid-2005 and will have positive job growth through 2006, with strong job growth in professional and business services, health services, and metal and machinery manufacturing.⁹⁰ High-technology manufacturing may also see job growth, as Intel and Sun Microsystems, among other high-tech companies, have indicated plans to hire new employees and/or shift existing staff to Oregon.⁹¹ The Office of Economic Analysis reports that there are several upside opportunities facing the Oregon economy as of December 2004, including a possible sharp reduction in oil prices once political and weather-related disruptions cease, recovering business and consumer confidence, and controlled growth of China and India. The realization of any of these opportunities would provide Oregon with a chance to strengthen its economic position.⁹²

In the long term, Oregon is expected to be able to utilize its energy and commodity resources, well-educated workforce, and positive migration trends to drive growth.⁹³ However, according to the Office of Economic Analysis, the state faces many possible risks that, if realized, could impede the continuing improvement of its economy, including: a) geopolitical risks; b) a falling U.S. dollar; c) a sharp and major stock market correction; d) a possible collapse of the housing market; e) rising regional energy prices; f) Oregon Public Employees Retirement System and possible state and local budget shortfalls; and/or g) a slower-than-expected recovery for semiconductors, software, and communications.⁹⁴ These risks are largely outside of Oregon’s control, but the state might need to develop plans to minimize the economic fallout from these risks should they occur.

⁸⁷ Ibid.

⁸⁸ Economy.com, *Oregon State Profile*, December 2003.

⁸⁹ Economy.com, *Oregon State Profile*, August 2004.

⁹⁰ Office of Economic Analysis, *Oregon Economic and Revenue Forecast – Summary*, pp. 1-2.

⁹¹ FDIC, *Oregon State Profile*, Fall 2004.

⁹² Office of Economic Analysis, *Oregon Economic and Revenue Forecast – Summary*, p. 4.

⁹³ Economy.com, *Oregon State Profile*, August 2004.

⁹⁴ Office of Economic Analysis, *Oregon Economic and Revenue Forecast – Summary*, p. 3.

III. STATE AND LOCAL GOVERNMENT

A. STRUCTURE

1. State and Local Governments

As of June 2002, Oregon had 1,439 active local governments, ranking it 22nd-highest among all states in the number of local governments.⁹⁵ However, Oregon ranks only 42nd highest in the nation for state and local government employment per capita, with 51.6 full-time employees per 1,000 residents, compared to 54.0 for the U.S. as a whole.⁹⁶

Oregon has 36 county governments, each of which has a governing body called the board of county commissioners or the county court. The state is also home to 240 municipal governments that provide direct services to city or town residents. To administer its public schools, Oregon established 236 school district governments, including common school districts, joint school districts, union high school districts, community college districts, and community college service districts. School district governments in the state are governed by an elected body and may levy local school taxes. Most school districts can also issue general obligation bonds with voter approval. In addition, there are 927 special district governments in Oregon, authorized by state statutes to fulfill a variety of needs. Among these special purpose governments are transportation authorities, health districts, utility districts, park and recreation districts, along with agencies fulfilling many other missions. Oregon also has numerous subordinate agencies and special areas that possess some governmental features but are not counted as separate government agencies, such as joint operating agencies for electric power, the Oregon Youth Authority, and county road districts.⁹⁷

In addition to the governments described above, Oregon also has 14 regional governments known as Councils of Governments (COGs). The COGs are voluntary associations of local governments cooperating on issues and problems which cross city, county, and in some cases state boundaries. In 1984, the Councils formed the Oregon Regional Councils Association to coordinate their efforts.⁹⁸

2. Educational System

Oregon's public primary and secondary educational system is divided into 198 school districts, which together serve 551,290 students. Oregon's Department of Education also runs the Oregon School for the Blind, Oregon School for the Deaf, and educational

⁹⁵ U.S. Census Bureau, 2002 Census of Governments, *Preliminary Profile of Oregon*, <http://ftp2.census.gov/govs/cog/gc0212or.pdf>.

⁹⁶ California Department of Finance, 2003 *California Statistical Abstract*, Table 27, http://www.dof.ca.gov/html/fs_data/stat-abs/Tables/P27.xls.

⁹⁷ U.S. Census Bureau, 2002 Census of Governments, *Preliminary Profile of Oregon*.

⁹⁸ Oregon Blue Book, *Regional Governments*, <http://bluebook.state.or.us/local/other/other01.htm>.

programs in correctional facilities.⁹⁹ Additionally, Oregon has 43 charter schools that enroll 2,107 students.¹⁰⁰

Oregon also has a wide range of post-secondary educational offerings. The state has 17 community colleges, which together serve approximately 377,000 students a year.¹⁰¹ Many students in the state attend community college for two years and then transfer to one of the seven universities within the Oregon University System (OUS). The OUS is comprised of seven universities under the control of the governor-appointed State Board of Higher Education: three statewide universities, four regional universities, and one satellite campus. The Oregon Health and Science University is also affiliated with the OUS system.¹⁰² Based on fall 2004 figures, the total enrollment of the Oregon State University system was 80,066, with the bulk of students attending either Portland State University (enrollment of 23,486), the University of Oregon (enrollment of 20,339), or Oregon State University at Corvallis (enrollment of 19,159).¹⁰³ Oregon also has numerous independent higher education institutions, including Lewis & Clark College, Reed College, and Willamette University, which enroll more than 30,000 students annually.¹⁰⁴

B. GOVERNMENT FINANCES

Revenues for Oregon's state and local governments derive primarily from taxes (45%), federal revenue (25%), and direct charges for services such as tuition and park fees (18%). An additional 12% of revenue is categorized as miscellaneous revenue, which includes both interest earnings and lottery revenue. As the table that follows indicates, **Oregon relies less heavily on taxes as a source of revenue than do other states.** This is largely due to the passage by voters of Measure 5 in the 1990 election, which set constitutional limits on Oregon's property taxes.¹⁰⁵ **Oregon is also one of only five states in the U.S. without a sales tax.** For these reasons, personal income tax is particularly important to Oregon. In FY 2000-2001, personal income tax accounted for 74.4% of state taxes collected, well ahead of other types of taxes, including selective sales (11.3%), corporate income tax (5.5%), and other taxes (8.8%). No other state is as dependent on any single source of tax revenue as Oregon is on personal income taxes.¹⁰⁶ Oregon ranks 34th nationally in terms of state and local tax burden (with 1st being the

⁹⁹ Oregon Blue Book, *Education: Introduction and Statistics*, <http://bluebook.state.or.us/education/educationintro.htm>.

¹⁰⁰ U.S. Charter Schools, *State by State Numbers*, <http://www.uscharterschools.org/cs/sp/query/q/1595>.

¹⁰¹ Oregon Blue Book, *Community Colleges*, <http://bluebook.state.or.us/education/commcolleges/commcolleges.htm>.

¹⁰² Oregon Blue Book, *Public Higher Education in Oregon*, <http://bluebook.state.or.us/education/highered/highered.htm>.

¹⁰³ Oregon University System, *2004 Enrollment Reports*, <http://www.ous.edu/irs/graybook04/>.

¹⁰⁴ Oregon Blue Book, *Independent Colleges and Universities*, <http://bluebook.state.or.us/education/indepcoll/indepcoll.htm>.

¹⁰⁵ State of Oregon Legislative Revenue Office, *2003 Oregon Public Finance: Basic Facts*, p. A1, http://www.leg.state.or.us/comm/lro/2003oregon_public_finance_basic_facts.pdf.

¹⁰⁶ *Ibid*, p. A2.

highest tax burden), with an average state and local tax amount of 9.5%, below the national average of 10.0%.¹⁰⁷

Oregon's General Revenue Sources

<i>Revenue Source</i>	<i>% of 1989-1990 Total</i>	<i>% of 1999-2000 Total</i>
Taxes	54%	45% (57%)*
Federal Revenue	20%	25% (19%)
Charges	13%	18% (14%)
Miscellaneous	13%	12% (10%)

Source: State of Oregon Legislative Revenue Office, *2003 Oregon Public Finance: Basic Facts*, p. A2.

*(1999-2000 U.S. average shown in parentheses)

After suffering during the recession of 2001-2002, the state's financial picture looks to be improving. From 2002 through mid-2003, Oregon was faced with seven straight quarters of lower-than-expected tax revenues, but by year-end 2003, revenues appeared to have stabilized.¹⁰⁸

Oregon generally fares well on measures of fiscal soundness. **The state receives strong bond ratings from credit rating agencies for its general obligation bonds**, including an A+ from Fitch Ratings, an Aa3 from Moody's Investors Service and an AA- from Standard & Poor's.¹⁰⁹ As of June 2002, Moody's Medians reported that the state had a net tax-supported debt per capita of \$437, or approximately 1.5% of personal income. Both of these statistics **put Oregon well below the national medians of \$537 for per capita debt and 2.3% for debt as a percent of personal income.**¹¹⁰ As of June 2002, Oregon had the following outstanding debt: \$2.3 billion in general obligation debt, \$2.1 billion in revenue debt, and more than \$855 million in outstanding certificates of participation.¹¹¹

C. MAJOR GOVERNMENT AGENCIES INVOLVED IN COMMUNITY DEVELOPMENT

Oregon's Economic and Community Development Department (OECDD) is the state's lead agency for economic and community development. OECDD provides communities, counties, ports, tribes, special districts, community colleges, and local economic development groups with economic development assistance, including planning for long-term goals and the facilitation of public and private partnerships. The department also provides communities with low-interest loans and/or grants for infrastructure development projects.

¹⁰⁷ The Tax Foundation, *Tax Burdens by State in 2004*, <http://www.taxfoundation.org/statelocal04.html>.

¹⁰⁸ Oregon State Treasury, *2003 Annual Report*, http://www.ost.state.or.us/about/annual_reports/2003%20Oregon%20State%20Treasury%20Annual%20Report.pdf, p. 2.

¹⁰⁹ California State Treasurer's Office, *Comparison of Other States' General Obligation Bond Ratings*, December 2004, <http://www.treasurer.ca.gov/ratings/current.htm>.

¹¹⁰ Oregon State Treasury, *State of Oregon Bonded Debt Profile*, July 2002, http://www.ost.state.or.us/divisions/dmd/bondeddebtprofile/ddebtprofile_01102003.pdf, p. 20.

¹¹¹ *Ibid*, p. 1.

OECD also takes the lead on providing assistance to small businesses in Oregon, primarily by providing funding to a variety of small-business resources throughout the state and by administering loan and loan guarantee programs. The **Governor's Small Business Council** also plays a role in small business matters in Oregon. Made up of 11 small business owners and managers, it works with the Governor, OECD, and other state agencies to develop recommendations on best practices for promoting the growth and economic vitality of Oregon's small business sector.

Oregon Housing and Community Service (OHCS) leads housing and poverty-related programs in Oregon. The organization resulted from a blending of the Oregon Housing Agency with State Community Services, which was done to create a single agency that could offer a continuum of programs to assist low-income individuals and families to become self-reliant. OHCS administers state and federal antipoverty, homeless, energy assistance, and community service programs. As Oregon's housing agency, it assists in the financing of single-family homes and the new construction or rehabilitation of multifamily affordable housing developments. Additionally, it offers grants and tax credits to promote affordable housing. Oregon's **Department of Human Services (DHS)** also plays an important role in antipoverty efforts, administering Oregon's state health plan, TANF, the state's welfare to work program (JOBS) program, and food stamps.

The Legislative Commission on Indian Services has the primary responsibility for issues related to Native Americans in Oregon. The Commission was created to provide a single point of contact for the consideration of Indian needs and concerns and to serve as a reference point for finding out about state programs and policies. The Commission is composed of one member from each of Oregon's federally-recognized Indian tribes, one state senator, and one state representative.

IV. NONPROFITS AND FINANCIAL INSTITUTIONS

A. NONPROFITS

As of 2001, there were 9,211 charitable organizations in Oregon, up 15.9% from 1997. Of these organizations, 7,291 received less than \$25,000 in annual contributions, leading them to be classified as “small.” **All together, the 9,211 charitable organizations had combined annual revenue of nearly \$10 billion in 2001, not far below the \$11.4 billion general fund in Oregon in 2003.**¹¹² Data analyzed by the Oregon Community Foundation indicates that charitable contributions in the state are concentrated on educational institutions and related activities, with the next largest amount of money going to arts, culture, and humanities.

Charitable giving in the state is dominated by individuals, who provided nearly 63% of the donations in 2002 to a group of “bellwether” nonprofits tracked by the Oregon Community Foundation, nearly three times the amount donated by foundations and four times the amount donated by businesses. Donations from individuals increased 5.1% between 2001 and 2002, while business donations dropped 0.9% and foundation donations dropped 8.9%. The Oregon Community Foundation attributes the drop in donations from foundations largely to the decline in foundation assets brought about by the economic downturn. While the number of foundations in the state increased from 661 in 1997 to 1,105 in 2003, the combined assets level of the foundations in May 2003 was actually below its January 2002 high.

Oregon ranks 15th-highest in the nation in the percent of personal income donated to charities, with the average percent of income given 2.3%. This percentage represents an increase over the past decade, as Oregonians donated only 1.8% of their incomes in 1992 and ranked only 19th in the country as of 1999.¹¹³

B. FINANCIAL INSTITUTIONS

CFED’s data on bank access reveals a relatively strong position for Oregon, particularly on access to checking accounts. Specifically, about half of the state’s households have a checking account and 70% of households have a savings account.¹¹⁴ These percentages yield national rankings on these measures of second and 19th, respectively.¹¹⁵

There are 55 separately-chartered banks and thrifts in the state, though half of the FDIC-insured deposits in Oregon are controlled by three of them: U.S. Bank (23%), Washington Mutual (14%), and Wells Fargo (13%).¹¹⁶ The number of banks in Oregon

¹¹² The Oregon Community Foundation’s Giving in Oregon Council, *2003 Report on Philanthropy*, http://www.ocfl.org/news_events/giving_in_oregon.htm.

¹¹³ Ibid.

¹¹⁴ Interest-bearing checking accounts were included in the savings accounts category.

¹¹⁵ CFED, *State Asset Development Report Card (SADRC)*, 2002, pp. 114-115.

¹¹⁶ FDIC, *Deposit Market Share Report: Oregon*, June 2004.

has decreased over the last several years.¹¹⁷ As of the third quarter 2004, the median quarterly return on assets (ROA) among established institutions headquartered in Oregon was 1.30%, down slightly from the prior year's 1.38%, but well above the 1.07% reported by established institutions nationwide.¹¹⁸ There are also **102 credit unions active in Oregon (79 federally chartered and 23 state chartered credit unions), which together control 33.2% of total credit union/bank assets in the state, more than five times the market share of all U.S. credit unions (6.5% of total assets).**¹¹⁹

C. CDFIs

Oregon has 12 organizations that have been certified by the Community Development Financial Institutions Fund as of November 2004. To achieve certification, an entity must have a primary mission of promoting community development, must principally serve and maintain accountability to an eligible target market, be a financing entity, provide development services, and not be either a government entity or controlled by a government entity.¹²⁰ CDFIs in Oregon serve primarily low-income and minority individuals, and provide much-needed funding to rural areas. At the end of FY 2002, CDFIs in Oregon had \$162 million in financing outstanding to more than 18,000 customers.¹²¹

The 12 certified CDFIs in Oregon are:¹²²

- Harney County Federal Credit Union
- O.U.R. Federal Credit Union
- SOWAC Microenterprise Development Center
- Community & Shelter Assistance Corporation dba CASA of Oregon
- Mercy Enterprise Corporation
- Albina Community Bancorp
- Albina Community Bank
- Hacienda Community Credit Union
- Homestead Community Financing, LLC
- Network for Oregon Affordable Housing
- Portland Housing Center
- Rural Community Assistance Corporation

¹¹⁷ U.S. Small Business Administration, *2003 State Small Business Profile: Oregon*, <http://www.sba.gov/advo/stats/profiles/03or.pdf>.

¹¹⁸ FDIC, *Oregon State Profile*, Winter 2004.

¹¹⁹ Oregon Credit Union League, *Credit Union Fact Sheet*, http://www.cuna.org/download/oregon_fs.pdf.

¹²⁰ CDFI Fund, U.S. Department of the Treasury, *CDFI Fund Overview*, <http://www.cdfifund.gov/overview/index.asp>.

¹²¹ CDFI Coalition, *CDFIs in Oregon: 2004 Fact Sheet*, <http://www.cdfi.org/states/Oregon2004.pdf>.

¹²² CDFI Fund, U.S. Department of the Treasury, *Certified CDFI's – Alphabetical by State and County*, November 2004.

In addition, certain CDFIs are headquartered in other states but also operate in Oregon, including Cascadia Revolving Loan Fund, headquartered in Washington, and Rural Community Assistance Corporation, headquartered in California.

Certification as a CDFI also enables entities to apply for various awards from the CDFI Fund. Recent awardees in Oregon include the following:¹²³

- The **Harney County Federal Credit Union**, which serves low-income residents of rural Harney County (Eastern Oregon), received a 2001 Core grant to expand its current services, upgrade its loan processing software, provide an ATM for its customers, and provide staff and board training.
- The **O.U.R. Federal Credit Union** has received three awards. Most recently, in 2001, the institution was awarded a \$270,000 Core grant that it planned to use to implement a debit card system and strengthen its capacity to provide more reasonably-priced loans and other services.
- The **Community & Shelter Assistance Corporation dba CASA of Oregon** received a Core award in 2002 that it planned to use to increase its ability to make predevelopment and land acquisition loans and to help develop its capacity as a CDFI through the acquisition of technology, training, and consulting services.
- **Albina Community Bank** has received five awards. Most recently, in 2003, the bank received an award through the BEA program to allow it to increase its financing activities in economically distressed areas of Oregon.
- **Mercy Enterprise Corporation** received a SECA grant in 2002 to support its efforts to capitalize its microloan fund and strengthen its operational capacity.
- **Portland Housing Center** received a 2001 Core award to enhance its ability to revolve its funds, which will allow it to better serve its target population of low-income customers.

¹²³ CDFI Fund, U.S. Department of the Treasury, *Awardee Profiles by State – Oregon*, <http://www.cdfifund.gov/awardees/pdf/states/oregon.pdf>.

V. AFFORDABLE HOUSING

Oregon's housing market has had difficulty keeping up with the state's changing economy and demographics. As of 2002, **Oregon had the ninth-lowest homeownership rate** in the country, with only 66% of households owning their own home. This situation does not seem likely to change in the near future, as **median home values have increased much faster than median income in the recent past.**¹²⁴ Rental housing is not much more affordable for lower-income individuals and families, as **Oregon is ranked 48th on rental housing affordability, making it the third-least affordable state for renters.**¹²⁵ Despite efforts by the state to address its housing affordability problem, such as the adoption of a state housing trust fund, a variety of state tax credits, and a package of programs targeted towards first-time homebuyers,¹²⁶ **Oregon appears to have made little progress toward solving its housing affordability challenges.**¹²⁷

A. AFFORDABLE HOUSING NEEDS

1. Overall Housing Market

Oregon has a total of 1.5 million housing units, of which 93%, or 1.4 million units, are occupied. Oregon's 2003 vacancy rate was lower than the national average of 10.3%. Of occupied housing units, 63% are occupied by owners and 37% are occupied by renters. The majority of Oregon's housing units (67%) are single-unit structures, although 24% are located in multi-unit structures and 9% are mobile homes. Approximately one quarter of Oregon's housing units have been built since 1990.¹²⁸

As of 2003, the median value of owner-occupied units in Oregon with a mortgage was \$171,039. The median monthly housing cost for mortgaged owners was \$1,216, nonmortgaged owners, \$321, and renters, \$657. **A substantial portion of Oregon residents, renters in particular, spend more than 30% of their monthly household income on housing** – as of 2003, 34% of owners with mortgages, 8% of owners without mortgages, and 51% of renters in the state fell into this category.¹²⁹

2. National Low Income Housing Coalition's Analyses of Rental Housing Affordability

The National Low Income Housing Coalition (NLIHC) has for several years produced a report entitled *Out of Reach* that analyzes the country's wage-rent disparity. Specifically, the NLIHC calculates the amount of money a household must earn in order to afford a rental unit in a range of sizes at the area's Fair Market Rent (FMR), based on the

¹²⁴ Oregon Housing and Community Services (OHCS), *Setting the Standard: 2003-2005 Strategic Plan*, <http://www.ohcs.oregon.gov/OHCS/DO/docs/03-05StrategicPlanWhole.pdf>, p. 12.

¹²⁵ U.S. Census Bureau, 2003 American Community Survey Data.

¹²⁶ CFED, *SADRC*, p. 68.

¹²⁷ Oregon Progress Board, *2003 Benchmark Performance Report*, <http://egov.oregon.gov/DAS/OPB/docs/2003report/Report/2003BPR.pdf>, p. 51.

¹²⁸ U.S. Census Bureau, 2003 American Community Survey Data.

¹²⁹ *Ibid.*

generally-accepted limit of paying no more than 30% of income for housing costs. The required income is then compared to the Area Median Income (AMI), the minimum wage, and the incomes of extremely low-income households (less than 30% of AMI). In addition, in 2004, the NLIHC released a report entitled *Up Against a Wall: Housing Affordability for Renters*, analyzing the rental-housing related data from the 2003 American Community Survey.

Taken together, the reports indicate that **Oregon suffers from a serious lack of affordable rental housing**. Using an index that takes into account the state's median gross rent, a ratio of rental costs to incomes, and the percentage of renter households in the state spending more than 50% of income on rent, **the NLIHC ranked Oregon as having the third-least affordable rental housing in the country**. Looking at the individual measures, Oregon's median gross rent in 2003 was \$657, ranking the state as only the 21st-most expensive state, but its renter affordability ratio rank was lower, at fifth-least affordable. And, more than one quarter of renters in the state spend more than 50% of their income on rent, ranking the state second worst on that measure.¹³⁰

In Oregon, the **“housing wage,”** which is **the amount a full-time** (40 hours per week) **worker must earn in order to afford a two-bedroom unit at the area's FMR, is \$12.89**. This wage is well above the state's minimum wage of \$7.05 per hour. Put differently, based on the FMR, a minimum-wage worker **must work 73 hours per week in order to afford the rent on the average two-bedroom unit** in Oregon.¹³¹

Comparing the FMR to the wages of renters in Oregon, an estimated **44% of renters were unable to afford the two-bedroom FMR as of 2003**. In the most expensive locations in the state, this figure rises even higher, coming in at 53% in the Corvallis MSA and Benton County, and at 51% in the Eugene-Springfield MSA and Lane County.¹³²

3. Homeownership Statistics

Oregon ranks somewhat below average in its rate of homeownership, but above average in the median value of homes in the state. As of 2002, 66.2% of Oregon households owned their own homes, up from 64.3% in 2000.¹³³ Oregon's current homeownership rate places it **42nd, or ninth lowest in the nation**.¹³⁴ And, trends in the state's housing market aren't making it easy for renters to become homeowners—**between 1990 and 2000, Oregon's median household income increased by 50.2% while the median value of owner-occupied homes increased by 126.7%**.¹³⁵ However, **Oregon ranks 13th-highest in the nation in median housing value** of specified owner-occupied housing units with a mortgage.¹³⁶

¹³⁰ NLIHC, *Up Against A Wall: Housing Affordability for Renters*, Ranking Tables, 2003 ACS Renter Affordability Measures, November 2004, <http://nlihc.org/pubs/uaw04/newrankingtables.pdf>.

¹³¹ NLIHC, *Out of Reach 2004*, <http://nlihc.org/oor2004/>.

¹³² NLIHC, *Out of Reach 2003*, <http://nlihc.org/oor2003/>.

¹³³ U.S. Census Bureau, Census 2000 Data.

¹³⁴ U.S. Census Bureau, *Statistical Abstract of the United States: 2003*.

¹³⁵ OHCS, *Setting the Standard: 2003-2005 Strategic Plan*.

¹³⁶ U.S. Census Bureau, 2003 American Community Survey Data.

In contrast to its low ranking for homeownership overall, Oregon fares relatively well in rankings of disparity of homeownership rates among race, gender, and income. Specifically, Oregon has the **12th-smallest gap in homeownership rates between white-headed households and non-white-headed households**, and the **15th-smallest gap between genders**. However, **the state has not been as successful in terms of narrowing the gap between income levels**, ranking only 34th-best in the nation on the measure.¹³⁷

4. State Five-Year Plan

In 2000, OHCS and Oregon's Department of Land Conservation and Development (DLCD) developed a housing needs analysis methodology and model to allow them to forecast housing needs for counties throughout the state. Using this model, **the state estimated in its 2001-2005 Five Year Plan that it needed a total of 172,111 subsidized rental units, of which only 41,620 existed in 2001** throughout the state's counties. Counties with the lowest existing units as a percentage of total units needed include Sherman (0%), Lake (4.2%), and Benton (8.2%), while counties with the highest percentages include Jefferson (40.1%), Multnomah (37.9%), and Willowa (37.7%).¹³⁸

5. Oregon Progress Board Analysis

The Oregon Progress Board, an independent state planning and oversight agency, is responsible for monitoring the state's 20-year strategic vision, Oregon Shines. To do so, the Board publishes regular benchmark reports that grade the state's progress in key areas, including community development. The state's benchmarks for affordable housing are the percentage of renters and owners earning below median income spending more than 30% of their income on housing (including utilities). **In the Progress Board's 2001 report, it gave the state a grade of "F" for affordable housing for renters and a "C" for owners,¹³⁹ and in the Board's 2003 report, it reported little progress;** the percentage of low-income renters paying more than 30% of their income for housing was unchanged since 1990, and data on costs for owners indicated that owners at all income levels in the state were facing higher cost burdens.¹⁴⁰

6. Oregon Action Raise the Roof Study

In January 2003, Oregon Action, a community group focused on economic and social justice, released a study profiling the unmet housing need in Oregon and recommending strategies for communities within the state to address the affordable housing challenge. The group reported that despite a commitment from the Governor to address the affordable housing crisis in 1998, little progress had been made. HUD research cited in

¹³⁷ CFED, *SADRC*, pp. 95-97.

¹³⁸ OHCS, *State of Oregon Consolidated Plan 2001-2005*, <http://www.ohcs.oregon.gov/OHCS/HD/HRS/CONSPLAN/Section2.pdf>, p. 2-15.

¹³⁹ Oregon Progress Board, *2001 Benchmark Performance Report*, p. 58, <http://egov.oregon.gov/DAS/OPB/docs/2001report/CH7.pdf>.

¹⁴⁰ Oregon Progress Board, *2003 Benchmark Performance Report*, p. 51.

the report shows that **between 1950 and 2000, Oregon was last in the nation in homeownership growth and that during the 1990s, Oregon lagged 39% behind the national increase in homeownership rates.** And, despite the increased need for subsidized housing in Oregon, the study reports that the supply of subsidized housing remains inadequate to meet the demand. Households in the state who qualify for HUD's Section 8 rental assistance program often wait a year or longer to receive such assistance, and then have difficulty finding affordable, safe housing once they do receive their vouchers. The study also addresses Oregon's homelessness problem, reporting that OHCS estimates that **the homeless population in Oregon has increased by 49% since 1990 and that approximately 9,000 homeless individuals seek shelter each night in Oregon.**

In order to address these issues, the group recommends a combination of strategies, including the following:

- establishing housing trust funds with dedicated sources of revenue;
- establishing community land trusts;
- establishing local affordable housing commissions in more Oregon communities;
- re-establishing the practice of inclusionary zoning, which was banned by the state legislature in 1999; and
- adopting ordinances that protect mobile home residents in the event of a sale of a mobile home park.¹⁴¹

B. AFFORDABLE HOUSING RESOURCES

1. CFED's Affordable Homeownership Program Rankings

Oregon received recognition from CFED for its recent efforts to put in place homeownership assistance programs. The state has a **state housing trust fund**, which provides it with a dedicated source of funds for housing activities. It also has a **property-tax circuit breaker program** to provide property tax relief to elderly renters, and a **variety of first-time homebuyer assistance programs**, including: a) direct lending for homeownership; b) homeownership counseling; c) funds for second mortgages; and d) direct grants for down payments. Oregon also **ranks fairly high (17th) among the states on its percentage of state allocations of private activity bonds for mortgage revenue bonds.**¹⁴²

2. Public Housing Units

HUD's *Resident Characteristics Report* summarizes general information about households in the state that reside in Public Housing, Indian Housing, or who receive Section 8 assistance. According to the report, **Oregon has 5,636 public housing units,**

¹⁴¹ Carson Strege-Flora, Oregon Action & Northwest Federation of Community Organizations, *Raise the Roof: Empowering Oregon Communities for Affordable Housing*, January 2003, http://www.nwfco.org/01-13-03_OR_housing_cmyk.pdf.

¹⁴² CFED, *SADRC*, pp. 129-133.

of which 3,233 were occupied. The average annual income for residents in these units is \$11,186, with 61% of occupants qualifying as “extremely low income” (below 30% of median income). The vast majority of units are occupied by people who identify as White (96%), with the remainder of units occupied by individuals who identify as Asian or Black/African American.¹⁴³

3. State of Oregon Consolidated Five-Year Strategic Plan

OHCS acknowledges that Oregon has a challenge in providing decent and affordable housing, particularly in areas experiencing rapid growth, and uses its Five-Year Consolidated Plan for 2001-2005 to set out its strategies to address the challenge.

Specifically, these strategies are to:

- promote an adequate supply of quality, affordable, appropriate rental housing for very low-, low- and moderate-income individuals and families, including persons with special housing needs;
- maintain and preserve in good condition the existing supply of affordable homeowner units;
- promote independent housing options for Oregon’s special needs populations;
- support and facilitate an active and effective regional Continuum of Care planning and delivery system focusing on a comprehensive approach to housing and service delivery to people who are homeless and near homeless;
- identify and address the barriers to affordable rental housing, support services, and shelters;
- identify and address a strategy for reducing lead-based paint hazards in rural areas of the state; and
- identify and address a coordinated strategy of housing and non-housing community development programs targeted to combat the effects of poverty on vulnerable Oregon households.¹⁴⁴

By actual unit numbers, the state of Oregon indicates in its five-year plan that between FY 2001 and FY 2005, it will help 700 households annually with tenant-based rental assistance, assist with development of 400 affordable rental units annually, provide transitional housing units that allow 692 formerly homeless individuals to transition to permanent housing, and develop permanent state housing for 12 formerly homeless individuals.¹⁴⁵

4. Affordable Housing Programs Using Federal Funds

The state of Oregon applies for and receives federal grants to be distributed to non-entitlement areas in the state, generally serving rural areas. In addition to federal funds received by the state, there are also other entitlement areas in the state that receive HUD

¹⁴³ HUD, *Resident Characteristics Report for Oregon, as of December 31, 2004*, <http://www.hud.gov/offices/pih/systems/pic/50058/rcr/index.cfm>.

¹⁴⁴ OHCS, *State of Oregon Consolidated Plan 2001-2005*.

¹⁴⁵ Ibid.

funding directly, including Clackamas County, Washington County, Multnomah County, Salem/Keizer, City of Portland, Corvallis, and Eugene/Springfield.

As a whole, including entitlement and non-entitlement jurisdictions, **Oregon received \$332.7 million in grants and rental housing assistance from HUD in 2002**, the last year for which compiled data is available. HUD assistance included \$194.4 million for public housing programs, \$39.4 million in CDBG (Community Development Block Grant) funds, \$20.6 million in HOME funds, \$1.4 million in ESG (Emergency Shelter Grant) funds, and \$1.7 million in HOPWA (Housing Opportunities for Persons with AIDS) funds.¹⁴⁶

To better understand Oregon's allocation of federal funds in non-entitlement areas on an annual basis, it is useful to examine OHCS' Consolidated Action Plan for FY 2004. The Plan anticipated \$11.6 million in HOME funds, which were to be used for a variety of projects, including tenant-based assistance (25% of funds), acquisition of new land for construction of rental units (30% of funds), acquisition and/or rehabilitation of multi-unit rental housing and refinancing of existing project debt (15% of funds), and rental rehab and new construction of rental housing by CHDOs (15% of funds). The State also anticipated receiving \$859,000 in ESG funds for 2004 and planned to use them to provide funding to a number of homeless provider agencies in rural Oregon. Additionally, the state expected \$1.1 million in HOPWA funds in 2004, most of which were to be allocated to providing tenant-based rental assistance for persons with AIDS, funding a post-incarceration housing program for persons with AIDS, and continuing work to develop a continuum of housing and related supportive services opportunities for people living with HIV/AIDS and their families.¹⁴⁷

In addition to federal HOME, ESG, and HOPWA funds, Oregon utilizes a variety of other federal funds to address the need for affordable housing including **CDGB funds, Section 184 loans, Section 8 Vouchers, and Section 202/811 Capital grants**, among others. Oregon also benefits from **federal Low Income Housing Tax Credits** and was allocated approximately **\$6 million dollars** in credits for 2004, providing an important source of equity for affordable housing projects.¹⁴⁸ The **U.S. Department of Agriculture's (USDA) Rural Development Division** also offers a number of affordable housing programs in Oregon focused on rural areas including loans, grants, and loan guarantees.¹⁴⁹

¹⁴⁶ U.S. Department of Housing and Urban Development, *2002 Oregon HUD Funding Report*, <http://www.hud.gov/local/or/library/oregonv20030224.pdf>.

¹⁴⁷ OHCS, *2004 Annual Action Plan: Housing and Community Development Programs*, <http://www.ohcs.oregon.gov/OHCS/HD/HRS/CONSPLAN/AnnualActionPlan.doc>.

¹⁴⁸ Ibid.

¹⁴⁹ USDA Rural Development - Oregon, *Oregon*, <http://www.rurdev.usda.gov/or/>.

5. State-Funded Affordable Housing Programs

OHCS has developed several programs to address the low homeownership rates among low-income and minority households in the state. OHCS's package of services includes:

- **Oregon's Home Purchase Assistance Program (HPAP)**, through which OHCS, in partnership with the lending industry, provides grants for closing costs and downpayment assistance for low-income, first-time homebuyers;
- **Oregon's Residential Loan Program**, which provides below-market rate financing to qualified buyers. During 2003 through 2005, OHCS's goal is to increase the number of low-income households assisted under this plan to 75% or more of the total households assisted, and the percentage of minority and ethnically diverse households to 20% or more; and
- **the ABC's of Homebuying educational program** for first-time homebuyers, sponsored by OHCS and administered by the Homeowner Education Collaborative of Oregon, which provides lessons in the basics of homeownership and the homebuying process.¹⁵⁰

The state also offers several other non-federal programs and tax credits, including:¹⁵¹

- the **Housing Development Grant ("Trust Fund") Program**, which provides funds to construct or rehabilitate housing for low- and very low-income families and individuals. The program is funded through the Oregon General Fund, and estimated funding for 2004 was \$1,750,000;
- the **Farmworker Housing Tax Credit Program**, which provides a state income tax credit to investors who incur costs to construct, install, acquire, or rehabilitate farmworker housing. The amount of costs eligible for reimbursement was recently increased by the state legislature, and the legislature also removed the sunset provision from the establishing legislation;
- the **Oregon Affordable Housing Tax Credit Program**, which provides a state income tax credit for affordable housing loans on which a lender reduces the interest rate by up to four percent. Estimated annual funding for the program in 2004 was \$9 million;
- **Alcohol and Drug Free Housing Grants**, which provide funding to those constructing new housing units or acquiring and/or rehabilitating existing housing to be used to create drug and alcohol free housing. These grants are funded from the Oregon Human Services general fund, and funding was expected to be \$500,000 in 2004;
- the **Low Income Weatherization** program, supporting the weatherization of owner and rental units occupied by income-qualified persons; and

¹⁵⁰ OHCS, *Setting the Standard: 2003-2005 Strategic Plan*.

¹⁵¹ OHCS, *Fact Sheet: Housing Resources Section*,
http://www.ohcs.oregon.gov/OHCS/HRS_SectionFacts.shtml.

- **emergency assistance programs** such as the Emergency Housing Account, the State Homeless Assistance Program, and the Housing Stabilization Program, all of which provide emergency housing for Oregon's homeless.

6. Other Sources

The **Network for Oregon Affordable Housing (NOAH)** is a nonprofit multi-bank lending consortium founded in 1990 to respond to the statewide shortage of affordable housing. NOAH has provided over \$72 million in loans and commitments, representing nearly 3,300 units of affordable rental housing for low- and moderate-income Oregonians. NOAH offers permanent financing, a seamless loan product, and preservation financing for the acquisition and renovation of HUD expiring-use projects.¹⁵²

The **Federal Home Loan Bank of Seattle (FHLB)** also contributes to affordable housing in Oregon through several programs, including its **Challenge Fund, Community Investment Program (CIP), Affordable Housing Program (AHP), and Home\$tart Program**. The programs are described in more detail below, and information about recent grant awardees is available on the Seattle Bank's website at <http://www.fhlbsea.com/FHLBSEA/main/communityinvestment3/>.

The Challenge Fund is a recoverable grant program that provides seed money of up to \$20,000 per project. Through it, the FHLB encourages the creation of affordable housing in geographic areas where there is a lack of development capacity. FHLB awards grants to member financial institutions that typically combine them with their own financial or in-kind contributions before passing them to the sponsor developer.

Through the CIP, members can apply for advances (loans) to support affordable housing initiatives. This loan program is unique in that financial institution members can apply for advances that the Seattle Bank extends at 10 basis points below regular price, for terms from five to 30 years. Rate locks are also available for periods up to 24 months. These loans are especially effective when they support housing and commercial development in distressed or rural areas where financial resources are scarce.

The AHP offers grants to member financial institutions and their community sponsors to stimulate affordable rental and homeownership opportunities for low-income households. AHP grants have been used in a variety of ways, including to: lower the interest rate on a loan, reduce mortgage principal, fund rehabilitation and new construction, and cover down payment and closing costs. AHP is funded with 10% of the Federal Home Loan Bank of Seattle's net income each year. On average, the Seattle Bank supports about 60 projects each year and awards roughly \$7,000 for each unit developed.

The Home\$tart program provides first-time homebuyers with downpayment assistance and closing costs by matching their financial contributions with \$3 for every \$1 up to \$5,000. Households receiving public housing assistance qualify for a match of \$2 for

¹⁵² <http://www.noah-housing.org/>

every \$1 up to \$10,000. Funds for Home\$start are available on a first-come, first-served basis, starting April 1. Approximately \$5.5 million was available to support homebuyers in Federal Home Loan Bank of Seattle's region in 2004.¹⁵³

¹⁵³ The Federal Home Loan Bank of Seattle, *Community Investment*, <http://www.fhlbsea.com/FHLBSEA/main/communityinvestment3/>.

VI. SMALL BUSINESS

Small business is important to Oregon's economy, with **businesses with fewer than 10 employees accounting for 13% of the state's employment, among the highest shares in the country.** Oregon receives relatively positive reviews of its business climate and small business resources, **earning praise for its strong infrastructure resources, quality of life, and resource efficiency,**¹⁵⁴ and **ranking 11th best on its transformation from a traditional economy to an economy based on ideas and innovation.**¹⁵⁵ State government, the U.S. Small Business Administration, and private organizations provide a variety of educational and financial resources to Oregon's small businesses, but recent reports suggest that entrepreneurs in the state are concerned with the lack of small business financing available and would like to see more services tailored to their needs.¹⁵⁶

A. SMALL BUSINESS NEEDS

1. General Background

As of 2001, Oregon was estimated to be home to 65,079 firms that employed fewer than 10 workers, accounting for 76.5% of all firms in the state. This proportion is just slightly lower than the national average of 78.1%, but Oregon still has the **12th-highest proportion of small firms in the country. Businesses with fewer than 10 employees employed 13.1% of Oregon's workers in 2001,** above the national average for small firms, **ranking Oregon 11th-highest nationally on this measure.**¹⁵⁷ Additionally, non-employer businesses and self-employment account for a meaningful portion of wages in the state; as of 2003, Oregon had approximately 151,000 self-employed workers.¹⁵⁸

In 2003, Oregon had 13,842 births of new employer firms, up 5.2% from 2002. During the same time period, the state had 14,194 employer firm terminations, down 4.0% from 2002. Oregon also had 1,591 business bankruptcies in 2003, down 0.9% from 2002.¹⁵⁹

2. CFED's Entrepreneurship Data from their Asset Development Report Card

Oregon is particularly strong on entrepreneurship in comparison to the rest of the nation, **ranking seventh overall for its entrepreneurship rate. Sixteen percent of the labor force in Oregon owns employer and non-employer firms,** compared to only 9% in

¹⁵⁴ CFED, *2004 Development Report Card for the States*.

¹⁵⁵ Robert Atkinson, Progressive Policy Institute, *The 2002 State New Economy Index*, June 2002, <http://www.neweconomyindex.org/states/2002/index.html>.

¹⁵⁶ The Governor's Small Business Council of Oregon, *Small Business and the Oregon Economy: The Biennial Report of the Governor's Small Business Council of Oregon*, October 2002, <http://www.oregon-smallbiz.com/GSBCRpt.pdf>; and Oregon Economic & Community Development Department, *Small Business Program Survey & Assessment II*, February 2004, <http://www.econ.state.or.us/GSBCfinalrpt.pdf>, pp. 61-63.

¹⁵⁷ U.S. Census Bureau, *County Business Patterns 2001*, <http://censtats.census.gov/cbpnaic/cbpnaic.shtml>.

¹⁵⁸ SBA, *Small Business Economic Indicators for 2003*, August 2004, <http://www.sba.gov/advo/stats/sbei03.pdf>, p. 16.

¹⁵⁹ *Ibid*, pp. 18-20.

Nevada, the lowest-ranked state. When small business ownership data is cut by race and gender, the state **ranks near the top, at sixth, in its women’s entrepreneurship rate,** and also relatively high, at **14th, in its minority entrepreneurship rate.** However, **these women- and minority-owned businesses are not particularly large in terms of sales volume,** as the state ranks 28th and 22nd in the nation, respectively, in average sales for these businesses. Lastly, and perhaps surprisingly given its strong ranking in small business ownership, **Oregon ranks only 27th highest in the nation in private loans to small businesses.**¹⁶⁰

3. CFED’s Data from their Development Report Card for the States

CFED’s other report that ranks the 50 states, the *2004 Development Report Card for the States*, examines each state’s “Performance,” “Business Vitality,” and “Development Capacity.” While not explicitly focused on small business, this CFED report does provide insight into the health and vitality of the overall business sector in the state.

Oregon received above-average marks on the Report Card, earning “B”s in Performance and Business Vitality, and an “A” in Development Capacity. Notable in the 2004 rankings was **Oregon’s improvement from a “C” (which it received for the past four years) to a “B” in Performance.** This improvement resulted from strong grades in resource efficiency, quality of life, and equity. Oregon also received high marks on infrastructure resources, entrepreneurial energy, and amenity resources. However, **there are some signs, including the worst unemployment ranking across the year and high mass layoffs, that suggest that Oregon may be having more trouble than other states recovering from the recession of 2001-2002.** Oregon’s other weaknesses include a relatively high crime rate, low average annual pay growth, below-average high school completion among 18-24 years olds, and high involuntary part-time employment.¹⁶¹

4. Progressive Policy Institute’s 2002 State New Economy Index

Another report, *The 2002 State New Economy Index*, released by the Progressive Policy Institute, attempts to use a relatively new set of economic indicators to measure the transformation of a state from a traditional manufacturing economy to a newly emerging economy based on ideas, innovation, and technology. The index is composed of 17 economic indicators summarized under five primary categories: Knowledge Jobs, Globalization, Economic Dynamism and Competition, the Transformation to a Digital Economy, and Technological Innovation Capacity. In the Progressive Policy Institute’s index, **Oregon ranks 11th-best overall,** earning a score of 68.88, compared to a U.S. average score of 60.32. Among the specific rankings that contributed to Oregon’s high overall ranking were its ranks in the following categories: **managerial, professional, and tech jobs as a share of the total workforce (first), education level of the manufacturing workforce (second), and online agriculture (second).** Oregon ranks **sixth on the report’s aggregated Digital Economy measure** and also ranks in the top

¹⁶⁰ CFED, *SADRC*, pp. 107-112.

¹⁶¹ CFED, *2004 Development Report Card for the States*.

ten on other Internet-related submeasures, including the percentage of adults in the state with Internet access and the percentage of manufacturing establishments with Internet access. **Oregon's lowest score on an aggregated measure is on Globalization**, for which the state ranks only 28th best in the nation.¹⁶²

5. Small Business Council's Report on Challenges for Small Businesses

The Governor's Small Business Council releases a biennial report discussing the challenges to small business in Oregon and providing recommendations for improving the climate for small business growth in the state. In its most recent report, released in October 2002, **the Council identified three basic categories of challenges facing small businesses in the state: 1) access to small business services** that meet the specific needs of individual businesses; **2) the ability to remain competitive**, for example by recruiting and retaining a qualified workforce, finding suitable business partners, locating capital, and improving access to markets and trade; and **3) the ability to operate effectively within the confines of Oregon policy** (for example, the ability to effectively compete for government contracts, the ability to meet regulatory standards, and the ability to influence relevant public policy). The report stresses that the most serious challenges are government regulations, marketing, technology changes, and workforce and capital issues.

The Council also found that while there were many resources in existence to help small businesses in Oregon, businesses were not taking advantage of the services to the full extent either because they were unaware of the services or because the services were not tailored enough to meet their specific needs. The Council noted that **small businesses were generally turning to the private sector instead of to the public sector for assistance** because they felt that the private sector better understood their needs and was able to provide service in a more timely fashion than the public sector.¹⁶³

6. OECDD Small Business Program Survey

A 2004 program assessment conducted for the Oregon Economic & Community Development Department found that **there is little consensus about what small businesses perceive as the weakness of state-offered small business resources and what they would like to see the state provide**. A survey of those who had used small business services offered by OECDD or other providers in the state found that **the area with the greatest dissatisfaction was "loans and financing,"** mentioned by approximately 19% of respondents, followed by "taxes," "the fact that state and other service providers don't make their services known," "bureaucracy/red tape," and "a lack of qualified staff." When asked the most important thing OECDD could do to aid small businesses, the most frequently-mentioned responses were "make itself known" and

¹⁶² Robert Atkinson, Progressive Policy Institute, *The 2002 State New Economy Index*.

¹⁶³ The Governor's Small Business Council of Oregon, *Small Business and the Oregon Economy*.

“provide financial assistance,” followed by “provide classes/training/education” and “provide tax breaks/assistance.”¹⁶⁴

7. Small Business Survival Index

Each year, the Small Business & Entrepreneurship Council publishes its *Small Business Survival Index*, which ranks each state on its policy environment for entrepreneurship. In the most recent report, released in October 2004, **Oregon ranked 39th among the states, meaning it was judged to have the 12th-least friendly policy environment for entrepreneurship.** Oregon’s 2004 ranking was a slight improvement from its 2003 ranking of 42nd. On individual categories provided in the appendices to the report, Oregon’s rankings were as follows:¹⁶⁵

- Top personal income tax rate: 4th highest (worst)
- Top capital gains tax rate: 3rd highest (worst)
- Top corporate income tax rate: 21st lowest (best)
- Property tax as a share of personal income: 26th lowest (best)
- Sales, gross receipts, and excise tax: lowest (best)
- Adjusted unemployment tax rate: 6th highest (worst)
- Per capita health care spending: 8th lowest (best)
- Electric utility costs: 16th lowest (best)
- Workers compensation premiums: 17th lowest (best)
- Crime rate: 10th highest (worst)
- Number of state and local government employees: 12th lowest (best)
- State gas tax: 15th highest (worst)

B. SMALL BUSINESS RESOURCES

1. CFED’s Small Business Development Policy Rankings

On the policy side of small business development, Oregon received mixed ratings from CFED. CFED gives the state credit for having in place some key programs and policies to encourage the development of small businesses, including a capital access program, funding from the state general funds for microenterprise, and a self-employment option for unemployment insurance. Oregon also ranks in the top half (21st) in the amount of small business investment company (SBIC) financing provided to businesses. However, Oregon is criticized for not having in place a state CDFI program or an employee ownership policy.¹⁶⁶

2. OECD-Related Business Services

¹⁶⁴ Oregon Economic & Community Development Department (OECD), *Small Business Program Survey & Assessment II*, pp. 61-63.

¹⁶⁵ Small Business & Entrepreneurship Council, *Small Business Survival Index 2004*, http://www.sbse.org/Media/pdf/SBSI_2004.pdf.

¹⁶⁶ CFED, *SADRC*, pp. 143-149.

OECD takes the lead on providing assistance to small businesses in Oregon, primarily by funding a variety of small-business resources throughout the state and administering loan and loan guarantee programs. Small business resources funded or recommended by OECD include:¹⁶⁷

- **Business Retention Service:** utilizes private sector consultants to help private sector companies, by providing an independent strategic assessment for companies experiencing change or distress;
- **Housing Development Center:** works to develop the expertise and capacity of local emerging construction firms and to stimulate and strengthen economic development;
- **Lane MicroBusiness:** provides personal education, business tools, credit strategies, and marketing opportunities that empower micro-entrepreneurs and help them to succeed in their businesses;
- **Minority Business Opportunity Committee:** A partnership between federal, state, local, and regional governments in Oregon and southwest Washington that strives to enhance opportunities for small, women- and minority-owned businesses to earn contracts on public- and private-sector projects;
- **Oregon Association of Minority Entrepreneurs (OAME):** promotes and develops entrepreneurship and economic development for ethnic minorities in the state of Oregon and in southwest Washington;
- **Organization for Economic Initiatives, Inc. (OEI):** delivers procurement technical assistance to women-owned, minority-owned, rural- and distressed-area businesses throughout the state of Oregon;
- **Oregon Microenterprise Network (OMEN):** an enterprise development association that provides training and offers lending and marketing expertise to enhance members' personal effectiveness, economic literacy, and business skills;
- **Oregon Native American Business Network (ONABEN):** a nonprofit, public benefit organization created by northwest tribes to increase the success of private businesses owned by Native Americans. It offers training and support focused on developing entrepreneurship in Native American communities;
- **Opportunity Knocks (OK):** a peer-learning organization committed to “bringing small businesses together to solve problems.” A board of advisors made up of small business owners accomplishes this by providing organizational, administrative and facilitating expertise; and
- **Business Information Center:** a cooperative effort of six state agencies to provide information to the public about state registration and licensing requirements for businesses.

3. OECD-Related Business Financing

OECD also provides direct financial assistance and recommendations for other small business financing programs within the state. Financing and resources available from the state of Oregon include: a) **the Brownfields Redevelopment Fund**, which

¹⁶⁷ OECD, *Small Business Assistance*, <http://www.econ.state.or.us/Bismbus.htm>.

offers direct loan and grant program to conduct environmental actions on brownfields; b) the **Business Development Fund**, which works with banks to secure necessary funds; c) the **Capital Access Program**, which helps lenders make more commercial loans to small businesses; d) the **Credit Enhancement Fund**, a loan insurance tool that lenders can use to help businesses needing extra security to obtain financing; e) the **Entrepreneurial Development Loan Fund**, offering initial direct loans to help companies get started;

f) **Industrial Development Revenue Bonds**, which are tax-exempt bonds issued by the state that are intended to provide long-term financing for Oregon manufacturers for land, buildings, and equipment; and g) **Local Revolving Loan Funds**, which provide additional financial resources for small business financing.¹⁶⁸

4. **The Small Business Development Center (SBDC) Network**

The 20 Oregon BizCenters (Oregon Small Business Development Centers) provide free one-on-one counseling, as well as business plan assistance, market research, business directories, resource materials, workbooks, and training in essential business skills (e.g., business plan preparation, financial management, personnel management and marketing) to proposed, start-up, and existing businesses, including those that trade internationally. Oregon estimates that its BizCenters provide assistance to 6,000 small businesses, and that businesses started with its assistance have half the average failure rate.¹⁶⁹

5. **U.S. Small Business Administration**

Within Oregon, the SBA maintains a District office that provides services such as startup and operational assistance through small business training and counseling, financial assistance for startups and existing businesses, operational and disaster help, and business opportunities, such as government contracting, subcontracting, and procurement. Working through local financial institutions, **the SBA operates its usual loan guarantee programs in Oregon, including the 7(a) and 504 programs.** In FY 2003, **the SBA approved 1,162 small business loans in the Portland District Office Area for over \$260 million** in small business financing, making the SBA the premier small business financing source in Oregon.¹⁷⁰ The SBA also provides funding to SCORE chapters and the SBDC Network to reach entrepreneurs with counseling, training, and technical advisory services. In addition, SBA partners with SCORE to offer a state-of-the-art small business resource center and business resource library within the SBA offices.¹⁷¹

6. **SCORE**

The SCORE Association is a nonprofit organization dedicated to providing counseling to individuals interested in starting a small business. The organization partners with the SBA to provide its services. The Oregon SCORE district has volunteer counselors organized into five chapters in four cities around the state (Portland, Salem, Eugene, and Medford). Services provided include seminars and workshops on various business topics, as well as free one-on-one counseling with business professionals.¹⁷²

¹⁶⁸ OECD, *Business Financial Programs*, <http://www.econ.state.or.us/financeb.htm>.

¹⁶⁹ Oregon Small Business Development Centers, *Frequently Asked Questions*, <http://www.bizcenter.org/faqs.html>.

¹⁷⁰ Donald Matsuda, U.S. Small Business Administration – Portland District Office, information provided via email, December 2004.

¹⁷¹ U.S. Small Business Administration, *Homepage for the SBA Office in Portland, Oregon*, <http://www.sba.gov/or/aboutus.html>.

¹⁷² SBA Portland Office, *SCORE: Counselors to America's Small Business*, <http://www.sba.gov/or/orscore.html>.

VII. POVERTY AND ASSET ACCUMULATION

Overall, Oregon ranks relatively well on measures of poverty and asset accumulation. The state's **poverty rate is slightly lower than the nation's, and is the 21st highest of all the states.**¹⁷³ Oregon also **has the seventh-highest mean net worth** nationally, and the **12th-lowest percentage of households with zero or negative net worth.**¹⁷⁴ However, **poverty rates in Oregon declined less than the U.S. average decline between 1990 and 1999,** and vary widely between counties.¹⁷⁵ Oregon is credited with a number of supportive asset accumulation and preservation policies, particularly its efforts to increase homeownership and to ensure that more state residents have access to health insurance.¹⁷⁶

A. POVERTY AND ASSET ACCUMULATION NEEDS

1. Poverty Statistics

Between 2001 and 2003, approximately 11.7% of Oregon's population lived at or below the poverty level. This percentage is slightly lower than the U.S. average, 12.1%. Using a three year average for 2001-2003, **Oregon had the 21st-highest percentage of residents at or below the poverty level** in the U.S. Additionally, **between 2001 and 2003, an average of 14.8% of Oregon residents lacked health insurance,** compared to 15.1% of the U.S. population. Using a three year average for 2001-2003, **Oregon had the 19th-highest percentage of residents with no health insurance coverage.**¹⁷⁷

Poverty rates in Oregon vary widely between counties: six counties in the state have poverty rates of 15% or higher (Coos, Josephine, Klamath, Lake, Malheur, and Wheeler) and six counties have poverty rates of less than 10% (Clackamas, Columbia, Deshutes, Gilliam, Washington, and Yamhill).¹⁷⁸ Of the counties with the highest poverty rates, all but one is located near the southern or southwest edge of the state, and of the counties with the lowest poverty rates, all but one is located in the northern or northwest edge of the state. The table on the following page provides poverty rates by county as of 1999.

If low-income individuals are defined as those living below 200% of the Federal Poverty Level (FPL), estimates by the Urban Institute and Kaiser Commission on Medicaid and the Uninsured suggest that 35% of Oregon's population would have qualified as low income during 2002-2003.¹⁷⁹

¹⁷³ U.S. Census Bureau, *Income, Poverty, and Health Insurance Coverage in the United States: 2003*, pp. 23, 68.

¹⁷⁴ CFED, *SADRC*, p. 68.

¹⁷⁵ OHCS, *Report on Poverty 2004*, http://egov.oregon.gov/OHCS/DO_PovertyReport.shtml, pp. 31, 52-53.

¹⁷⁶ CFED, *SADRC*, p. 68.

¹⁷⁷ U.S. Census Bureau, *Income, Poverty, and Health Insurance Coverage in the United States: 2003*, pp. 23, 25, 68-69.

¹⁷⁸ U.S. Census Bureau, Census 2000 Data.

¹⁷⁹ Henry J. Kaiser Family Foundation. *Distribution of Total Population by Federal Poverty Level, State Data 2002-2003, U.S. 2003*, <http://www.statehealthfacts.kff.org>.

Poverty Levels by County in Oregon During 1999

<i>County</i>	<i>% of Individuals</i>	<i>% of Families</i>
Baker County	14.7%	10.1%
Benton County	14.6%	6.8%
Clackamas County	6.6%	4.6%
Clatsop County	13.2%	9.1%
Columbia County	9.1%	6.7%
Coos County	15.0%	11.1%
Crook County	11.3%	8.1%
Curry County	12.2%	9.7%
Deschutes County	9.3%	6.3%
Douglas County	13.1%	9.6%
Gilliam County	9.1%	6.7%
Grant County	13.7%	11.2%
Harney County	11.8%	8.6%
Hood River County	14.2%	9.8%
Jackson County	12.5%	8.9%
Jefferson County	14.6%	10.4%
Josephine County	15.0%	11.3%
Klamath County	16.8%	12.0%
Lake County	16.1%	13.4%
Lane County	14.4%	9.0%
Lincoln County	13.9%	9.8%
Linn County	11.4%	8.9%
Malheur County	18.6%	14.6%
Marion County	13.5%	9.6%
Morrow County	14.8%	11.3%
Multnomah County	12.7%	8.2%
Polk County	11.5%	6.3%
Sherman County	14.6%	12.3%
Tillamook County	11.4%	8.1%
Umatilla County	12.7%	9.8%
Union County	13.8%	8.5%
Wallowa County	14.0%	9.8%
Wasco County	12.9%	10.3%
Washington County	7.4%	4.9%
Wheeler County	15.6%	12.7%
Yamhill County	9.2%	6.0%

Source: U.S. Census Bureau, Census 2000 Data.

2. Personal Bankruptcy Filings

On measures of personal bankruptcy, Oregon ranks worse than average nationally.

For the 12-month period ended March 31st 2004, the state's personal bankruptcy rate was 16.9 filings per thousand households, compared to a national average rate of 13.7 filings

per thousand households. During this time period, **Oregon had the 13th-highest rate of filings.**¹⁸⁰

3. **CFED Asset Outcome Ranking**

In CFED's *State Asset Development Report Card*, Oregon **ranked extremely high in asset outcomes, receiving a grade of "A" and a rank of third overall in the U.S.** While CFED looked at a variety of data in reaching its "A" grade for Oregon, including the homeownership and small business indicators detailed in the previous chapters, the state's high rank is primarily **driven by its strong performance on human capital development measures.** Solid performance on financial assets measures by the state also bolstered its asset outcome grade, as detailed below.¹⁸¹

a. **CFED's Net Worth and Asset Poverty Statistics**

Oregon generally ranks average to above average on measures of net worth and asset poverty. Oregon's **asset poverty level**—the percentage of the population without sufficient net worth to subsist at the poverty level for three months without other support, which in the state is 22%—gives it a **ranking of 24th best in the nation.** In contrast however, Oregon **ranks relatively well, at 12th best,** on the **proportion of households in the state with zero net worth.** Relative to most other states, this means that **Oregon has a somewhat lower share of vulnerable households.** Additionally, **Oregon ranks very high, at seventh, on the measure of mean net worth,** with a mean household net worth of \$139,706. Oregon also fares well when the gaps in asset poverty and asset inequality between male- and female-headed households are compared¹⁸²—the state has the **fourth-smallest asset poverty gap and the 10th-smallest asset inequality gap between male- and female-headed households.**¹⁸³

b. **CFED's Human Capital and Insurance-Related Statistics**

As mentioned above, Oregon's performance on human capital-related measures is generally strong. Oregon ranks **14th among the states on its college attainment rate,** with 27% of household heads in the state having attended at least four years of college. Oregon also **ranks 26th on attainment of associate's degrees,** with 7% of its population having received such degrees. Oregon **fares extremely well on measures of equality in college attainment by race, income, and gender.** The state is ranked **best in the nation in terms of the gap by race, fourth in terms of the gap by income, and 18th by gender.** However, Oregon ranks only 23rd best in the percentage of children in poverty that are served by a Head Start program.¹⁸⁴

¹⁸⁰ American Bankruptcy Institute, *Households Per Filing, Rank During the 12 Month Period Ended March 31, 2004*. <http://www.abiworld.org/statcharts/HouseRank.htm>.

¹⁸¹ CFED, *SADRC*, p. 68.

¹⁸² Data on asset poverty and asset inequality by race is not available for Oregon.

¹⁸³ CFED, *SADRC*, pp. 85, 88, 91.

¹⁸⁴ *Ibid*, pp. 99-105.

Oregon receives relatively average rankings on insurance-related comparatives.

The state is ranked 26th best in the percentage of non-elderly covered by employer-based health plans, 30th best in the percentage of low-income children without health insurance, and 17th best in the percentage of low-income parents without health insurance.¹⁸⁵

4. Oregon Housing and Community Services Report on Poverty 2004

In 2004, Oregon Housing and Community Services released its first biennial *Report on Poverty*, intended to provide a new source of local, state, and national data about the problem of poverty and to explore how policy changes, economic shifts, and social trends affect people living in poverty.

The study reports that, based on information released by the Census Bureau in August 2004, **median income in Oregon was actually lower in 2003 than it was in 1999**, consistent with trends observed by other sources, including the Oregon Employment Department, the Oregon Department of Revenue, and the Bureau of Economic Analysis, that income growth in Oregon was slowing. **At the same time, costs in Oregon were rising**, with Oregon families experiencing a minimum increase of 9% in food costs, 15% in transportation costs, and 9% in housing costs between 1999 and 2004.

As of 1999, poverty rates in Oregon were higher among families with children than among other types of households, particularly in households headed by single mothers with younger children, nearly 50% of which lived in poverty. By age group, **poverty rates were highest for children age five and younger, and lowest for people age 65 and older**, although the poverty rate among seniors increased between 1979 and 1999. By race, Blacks, American Indians, and people who indicated “some other race” on the Census and residents of Hispanic/Latino origin experienced disproportionately high rates of poverty, although **all racial groups in Oregon experienced improvements in poverty rates between 1989 and 1999**.¹⁸⁶

5. The Asset Development Institute’s Asset Index

In September 2002, the Asset Development Institute at Brandeis University published a report entitled *The Asset Index: Measuring The Progress Of States In Promoting Economic Security And Opportunity*. The report presents state-by-state data on individual outcomes for job-based and related income assets, human capital, and financial assets. These outcomes are the primary indicators of the economic security people have and the opportunity they enjoy. For each of these three categories, the report presents a cluster of indicators that point to important related asset-based outcomes and provides the numerical outcome for residents on each indicator as well as a national rank on each indicator (for all indicators, 1st is “best” and 50th is “worst”).

For Oregon, the research indicates that the **state ranks among the top 10 best states for four of the 39 measured indicators**, but **ranks among the worst 10 states on seven of**

¹⁸⁵ Ibid, pp. 117-119.

¹⁸⁶ OHCS, *Report on Poverty 2004*, pp. 77–81.

the indicators, representing nearly one fifth of indicators. **The state’s best rankings are in the areas of literacy and asset inequality, while its worst rankings are in the areas of involuntary part-time work, housing insecurity, and education (dropping out of high school).** The study’s authors conclude that “residents of Oregon, compared to those of other states, have had relatively much less success in gaining job-based and related income assets, mixed success in building human capital, and more in accumulating financial assets.”¹⁸⁷

B. POVERTY AND ASSET ACCUMULATION RESOURCES

1. State Income Support Programs

Low-income individuals and families in Oregon are served primarily by the **Temporary Assistance to Needy Families (TANF) program and the state’s welfare to work program, known as JOBS**. Over the past few years, **Oregon’s TANF caseload has not shown a clear upward or downward trend**. In December 2001, 17,838 families were receiving assistance. From that time, levels increased through December 2002, then decreased through December 2003, and rose again to 18,932 in August 2004. In total, between December 2001 and August 2004, the TANF caseload increased by approximately 6%.¹⁸⁸

One innovative aspect of Oregon’s TANF program is its requirement that employers of welfare-to-work clients in Oregon’s JOBS Plus program deposit \$1 for every hour worked into an Individual Education Account (IEA). These funds can be accessed by the participant or any immediate family member of the participant for educational expenses, including tuition, books, fees, and supplies, for up to five years after the JOBS Plus employment requirement has been completed.¹⁸⁹

2. Oregon Department of Human Services

The Oregon Department of Human Services (DHS) provides nearly 200 programs that address the causes or effects of poverty in Oregon. Services provided through DHS (in addition to the income support programs described above) include mental health and addiction services, food stamps, employment-related day care, a food stamp employment and training program, Job Opportunity and Basic Skills (JOBS), services

¹⁸⁷ The Asset Development Institute, *The Asset Index: Measuring The Progress Of States In Promoting Economic Security And Opportunity*, September 2002, <http://www.centeronhunger.org/pdf/ASSETINDEX.pdf>, pp. 90-91.

¹⁸⁸ U.S. Department of Health & Human Services, Administration for Children & Families, *Change in Numbers of TANF Families and Recipients from December 2002 to 2003*, http://www.acf.hhs.gov/TANF_data.htm; and *Total Number of Families and Recipients for 1st Quarter FY 2002*, <http://www.acf.dhhs.gov/news/stats/tanf.htm>; and National Conference of State Legislatures, *Welfare Caseload Watch*, October 2004, <http://www.ncsl.org/statefed/welfare/caseloadwatch1004.htm>.

¹⁸⁹ Welfare Information Network, *Resources for Welfare Decisions Newsletter*, April 2002, <http://www.financeprojectinfo.org/Publications/encouragingassetdevelopmentRN.htm>.

tailored to the needs of TANF clients, medical assistance, prevention services, and domestic violence-related services.¹⁹⁰

3. IDs in Oregon

As of **December 2004**, there were **eight programs in Oregon offering IDs**, of which one, Valley Individual Accounts, is a 15-member collaborative operated by CASA of Oregon.¹⁹¹ **Oregon's state IDA program has been praised as one of the more innovative in the country.** The program is available to all Oregonians whose income is less than 80% of the surrounding community median. Deposits are matched on a ratio between 1:1 and 5:1 (at the discretion of the funding organization), and matched monies cannot exceed more than \$2,000 each year or \$20,000 total. Unlike many other states, Oregon allows for emergency withdrawals that are unrelated to homes, education, or business ventures. The funds withdrawn for these other purposes, however, must be returned within 12 months.¹⁹²

4. CFED's Asset Policy Rankings

In concert with Oregon's "A" grade for asset outcomes, CFED also gives the state **an overall grade of "A" for asset policies, ranking it 10th in the U.S.** In assigning a top grade to Oregon's asset policies, CFED noted in particular the state's efforts to improve its homeownership rates and its strong performance on health insurance-related policy measures.¹⁹³

a. IDA Policy

CFED credits Oregon with providing **both a state IDA program and an IDA program within the state TANF plan.** However, Oregon's financial appropriations for IDs fall well short of the \$1 million mark that CFED uses as its third measure of a strong state IDA policy.¹⁹⁴

b. Other CFED Financial Asset Building Policy Rankings

In other financial asset building policies, Oregon receives credit for **having a state minimum wage higher than that mandated by the federal government.** In the area of **public assistance**, the state **receives mixed ratings.** Oregon is praised for excluding the value of all vehicles in determining the countable asset limit for food stamps and for having a countable asset limit for TANF recipients greater than or equal to \$10,000. However, the state is criticized for not excluding the value of at least one vehicle from

¹⁹⁰ OHCS, *Report on Poverty 2004*, pp. 64-66.

¹⁹¹ CFED, IDANetwork, *Oregon Institutions Supporting IDs*,

<http://idanetwork.cfed.org/index.php?section=state&page=financial.php&state=OR>.

¹⁹² New Democrats Online, *Individual Development Accounts: Model Initiatives*, April 2004,

http://www.ndol.org/ndol_ci.cfm?kaid=139&subid=277&contentid=3608.

¹⁹³ CFED, *SADRC*, p. 68.

¹⁹⁴ *Ibid*, p. 121.

the vehicle asset limit under TANF and for maintaining an asset test for Medicaid recipients.¹⁹⁵

c. CFED's Human Capital Development Policy Rankings

Oregon's rankings in the CFED report for its human capital development policies are mixed. Most positively, the state is ranked **15th in per-pupil expenditures for K-12 education**. Oregon also provides state funding for pre-kindergarten. However, it **ranks in the middle of the nation in school spending equalization** and in **need-based aid to undergraduates (28th in both)**, and **only 45th in funding for customized job training**. Oregon, along with 35 other states, does not provide supplemental funding for Head Start programs.¹⁹⁶

d. CFED's Wage Protection Policy Rankings

Oregon's wage protection policies are not particularly strong. The state ranks below average in workers' compensation-related areas, **ranking 31st in the nation in its workers' compensation coverage and 35th in its workers' compensation benefits**. On a slightly more positive note, Oregon is **ranked 19th in its unemployment insurance benefit level**, although it has made only one of three reforms made by other states to its unemployment insurance scheme (eliminating the restriction on part-time work). Finally, the state has enacted none of four family leave benefits provided in other states that CFED describes in its report.¹⁹⁷

e. CFED's Health Insurance Policy Rankings

CFED credits Oregon with having sound health insurance policies. The state ranks 15th best in its eligibility level for publicly provided health insurance. It has also expanded Medicaid for low-income adults without children, and has a state subsidy for small business health care coverage. The one measure on which CFED criticizes Oregon is the state's policy of only providing transitional medical assistance for 12 months.¹⁹⁸

f. CFED's Property Protection Policy

Within the property protection policy arena, CFED finds **absent in Oregon both of the policies it included as measures of state success in this area:** a) anti-predatory lending legislation; and b) a state disclosure requirement for property insurers to guard against redlining.¹⁹⁹

¹⁹⁵ Ibid, pp. 125-127.

¹⁹⁶ Ibid, pp. 135-140.

¹⁹⁷ Ibid, pp. 154-160.

¹⁹⁸ Ibid, pp. 162-165.

¹⁹⁹ Ibid, pp. 167, 169.

VIII. NATIVE AMERICANS AND IMMIGRANTS

Oregon has the **11th highest proportion in the nation of Native American residents in its population.** Despite active participation in the gaming industry by all nine of Oregon's federally-recognized tribes,²⁰⁰ **the state's Native Americans continue to face higher-than-average poverty rates.** Oregon's state government is attempting to address tribal concerns by requiring each Cabinet-level department to enter into a contract that formally recognizes the interests of Native Americans and provides processes for ensuring tribal concerns are addressed.²⁰¹

Approximately **9% of Oregon's population is foreign born**, the 16th-highest proportion among the states. The largest group of foreign-born in Oregon hails from Latin America, although sizable proportions also come from Asia and Europe. Twenty percent of Oregon's immigrants live below the poverty level, nearly double the overall poverty rate for the state.²⁰² **Oregon does provide more generous TANF benefits to legal immigrants than many states, but additional resources are required** to meet the needs of this population.²⁰³

A. NATIVE AMERICAN NEEDS

1. Statistics on Native Americans

Oregon's Native American population numbered 45,211 as of 2000, ranking the state **16th-largest overall by size of Native American population.**²⁰⁴ Native Americans comprise 1.3% of Oregon's total population, the **11th-highest proportion of Native Americans** in the U.S.²⁰⁵ The state has **nine federally-recognized tribes:** the Burns Paiute Tribe, the Confederated Tribes of Coos, Lower Umpqua and Siuslaw Indians, the Confederated Tribes of Grand Ronde, the Confederated Tribes of Siletz, the Confederated Tribes of Warm Springs, the Confederated Tribes of Umatilla Indian Reservation, the Cow Creek Band of Umpqua Indians, the Klamath Tribe, and the Coquille Tribe. However, many Native Americans in Oregon are members of tribes located in other states, so the total enrolled membership in Oregon's tribes was only 22,441 as of July 2004. A growing number of Oregon's Native American population lives in urban areas, while the remainder lives in non-metropolitan areas, either on or off tribal reservations.²⁰⁶ As the table on the following page shows, **Native Americans are geographically dispersed throughout the state.**

²⁰⁰ Oregon Blue Book, *Indian Tribes in Oregon*, <http://bluebook.state.or.us/national/tribal/tribal.htm>.

²⁰¹ Ibid.

²⁰² U.S. Census Bureau, Census 2000 Data.

²⁰³ Oregon Center for Public Policy, *Improving the TANF Program for Legal Immigrants – Executive Summary*, February 2002, <http://www.ocpp.org/2002/rpt020213.pdf>.

²⁰⁴ U.S. Census Bureau, Census 2000 Data.

²⁰⁵ Ibid.

²⁰⁶ Oregon Blue Book, *Indian Tribes in Oregon*.

Geographic Distribution of Oregon's Native American Population

<i>County</i>	<i>Native American (only) % of Population</i>	<i>Approximate Native American Population</i>
Baker County	1.1%	184
Benton County	0.8%	625
Clackamas County	0.7%	2369
Clatsop County	1.0%	356
Columbia County	1.3%	566
Coos County	2.4%	1,507
Crook County	1.3%	249
Curry County	2.1%	444
Deschutes County	0.8%	923
Douglas County	1.5%	1,506
Gilliam County	0.8%	15
Grant County	1.6%	127
Harney County	4.0%	304
Hood River County	1.1%	225
Jackson County	1.1%	1,994
Jefferson County	15.7%	2,984
Josephine County	1.3%	984
Klamath County	4.2%	2,679
Lake County	2.4%	178
Lane County	1.1%	3,553
Lincoln County	3.1%	1,379
Linn County	1.3%	1,340
Malheur County	1.0%	316
Marion County	1.4%	3,988
Morrow County	1.4%	154
Multnomah County	1.0%	6,605
Polk County	1.8%	1,123
Sherman County	1.4%	27
Tillamook County	1.2%	291
Umatilla County	3.4%	2,399
Union County	0.8%	196
Wallowa County	0.7%	51
Wasco County	3.8%	904
Washington County	0.7%	3,117
Wheeler County	0.8%	12
Yamhill County	1.5%	1,275

Source: U.S. Census Bureau, Census 2000 Data.

2. Poverty and Economic Opportunities for Tribes

Tribes throughout Oregon are involved in a variety of economic activities, including gaming and tourism. **All nine federally-recognized tribes in Oregon currently have gaming facilities** that provide them with employment opportunities and revenues for health clinics, education scholarships, housing, and other services.²⁰⁷

²⁰⁷ Ibid.

However, poverty statistics for Native Americans in Oregon indicate that these activities have not been enough to adequately support most tribes. **Native Americans in the state exhibit higher-than-average poverty levels**—the median household income for Native Americans was \$30,735 in 1999, with 17.7% of families and 22.2% of individuals below the poverty level. In comparison, the median household income for all households in Oregon was \$40,916, and 7.9% of families and 11.6% of individuals in the state were below the poverty level in 1999.²⁰⁸ **Native Americans are also more likely to live in substandard housing**—8.8% of Native American households are overcrowded and 5.2% have no phone, compared to 4.8% and 1.6%, respectively, of all Oregon households.

B. NATIVE AMERICAN RESOURCES

1. Legislative Commission on Indian Services

The **Legislative Commission on Indian Services** has the primary responsibility for issues related to Native Americans in Oregon. The Commission was created to provide a single point of contact for the consideration of Indian needs and concerns and to serve as a reference point for finding out about state programs and policies. The Commission is composed of a member from each of Oregon's federally-recognized Indian tribes, one state senator, and one state representative. On a semi-regular basis, the Commission publishes the Oregon Directory of American Indian Resources, a resource guide that provides information about and for Oregon's Indian population.²⁰⁹

2. Affiliated Tribes of Northwest Indians

Most Oregon tribes are members of the Affiliated Tribes of Northwest Indians (ATNI), an **organization focused on providing regional leadership and advocacy for Northwest Tribal interests**. The membership of the organization consists of delegates from 52 tribes within the Northwest region who meet in several working sessions each year to set priorities for the group on policy-related issues. ATNI provides a forum for setting policy goals, research and data for member tribes, and public relations and education for non-Indian communities in its region, among other services.²¹⁰ ATNI also has an economic development subsidiary, the ATNI Economic Development Corporation, which aims to provide opportunities for investing Tribal and corporate resources in profitable and sustainable future projects. Its current priorities are the development of a Revolving Loan Fund, Tribal administrative capacity building, telecommunications and information technology, and Tribal energy and utility development.²¹¹

²⁰⁸ U.S. Census Bureau, Census 2000 Data.

²⁰⁹ Legislative Commission on Indian Services, *About the Commission*, <http://www.leg.state.or.us/cis/>.

²¹⁰ Affiliated Tribes of Northwest Indians, *Introduction*, <http://www.atnitribes.org/about.html>.

²¹¹ Affiliated Tribes of Northwest Indians-Economic Development Corporation, *Programs*, <http://www.atniedc.com/programs/index.htm>.

3. ONABEN

In 1993, the Oregon Native American Business and Entrepreneurial Network (ONABEN) was formed as a nonprofit, public benefit (501(c)3) corporation. ONABEN was conceived when four tribes located within the State of Oregon acknowledged that tribal governments needed to become actively engaged in encouraging individual enterprise if a private sector was going to flourish within Indian Country. Since the establishment of ONABEN, tribes in Washington, Idaho, and Northern California have joined in a regional partnership to provide ONABEN programs in their area.

The core of the ONABEN program is the development and distribution of business training curriculum that is culturally congruent and tailored to the local situation.

ONABEN has adapted the best practices of the small business development industry, formed partnerships with local, state, federal, and private institutions, and delivered quality business development programs in rural and urban areas across the Northwest. Services provided by ONABEN include business technical training classes, a Women's Business Center (officially sponsored by the SBA), an intensive training program for artists, counseling, business management classes, assisted access to capital, and access to markets through a Business Directory, website, and through tribal-sponsored Business Service Centers.²¹²

During FY 2002 and 2003, ONABEN served approximately 1,600 individuals through a variety of trainings, technical assistance counseling, networking activities, and computer lab resources and served 700 individuals with classroom trainings. During the same time period, ONABEN centers and contractors provided 1800 hours of business counseling and technical assistance, which resulted in ONABEN clients creating 94 business plans. Of those 94 plans, 47 produced a business start. In addition, in partnership with the Union Bank of California, ONABEN provided \$45,000 in capital access to nine business owners.²¹³

4. HUD's Section 184 Indian Housing Loan Guarantee Program

Several Oregon tribes are active participants in HUD's Section 184 Indian Housing Loan Guarantee program, which provides loan guarantees for home ownership, property rehabilitation, and new construction opportunities for eligible tribes and members seeking to own a home on their native lands. The program primarily serves higher-income families, and allows for private finance mortgages. In order to participate in the mortgage process, tribes must adopt codes and ordinances that incorporate foreclosure, land lease agreements, and eviction through tribal courts. **HUD lists five Oregon tribes as eligible participants and 11 participating lenders in Oregon** as of

²¹² ONABEN, *Program Overview*, <http://www.onaben.org/modules.php?name=Content&pa=showpage&pid=6>.

²¹³ ONABEN, *Biennial Report 2002-2003*, <http://www.onaben.org/images/BiennialReport2002-2003.pdf>, p. 21.

November 2004. As of December 2004, Oregon had the sixth highest number of Section 184 loans, 72, with a total dollar value of \$5.3 million.²¹⁴

C. IMMIGRANT NEEDS

1. Immigrant Totals

According to Census 2000 data, **8.5% of Oregon's population is foreign born**, which translates into 289,702 foreign-born residents. This population **represents a 108% increase over the 1990 foreign-born population** of 139,307. Oregon ranks **20th-highest nationally in the number of foreign-born residents and 16th-highest nationally in the proportion of foreign-born residents** in its population. Fifty percent of Oregon's foreign-born residents entered the U.S. between 1990 and 2000, and 33.6% are naturalized citizens, compared to 40.3% of the total foreign-born population in the U.S.²¹⁵

INS also estimates that **Oregon had 90,000 illegal immigrants within state borders as of 2000**, more than three times the number INS estimated were in the state in 1990.²¹⁶ Oregon also accepts the 11th-largest number of refugees in the U.S. annually, totaling approximately 1,700 new refugees each year.²¹⁷

2. Origin of Immigrants

The largest proportion of foreign-born residents was born in Latin America (44.6%), with the next largest groups coming from Asia (27.3%) and Europe (18.8%).²¹⁸ By country, **39% percent of foreign born were born in Mexico**, with the next largest groups born in Canada (5.9%) and Vietnam (5.7%).

Oregon's foreign born reported their race on the 2000 Census as follows: 41.4% white, 1.5% Black or African American, 0.5% American Indian/Alaska Native, 23.1% Asian, 0.8% Native Hawaiian/Other Pacific Islander, 27.6% some other race, and 5.0% two or more races. Hispanic or Latino origin was reported by 43.6% of Oregon's foreign born, compared to 45.5% of foreign-born residents nationally.

Eighty percent of Oregon's foreign born residents report speaking a language other than English at home and of this 80%, 38.2% report speaking English "not well" or "not at all." The most popular languages spoken in homes that speak another language are

²¹⁴ HUD Office of Native American Programs, *Section 184 Loans Across the Nation*, http://www.codetalk.fed.us/OLG_184_stats.htm.

²¹⁵ U.S. Census Bureau, Census 2000 Data.

²¹⁶ U.S. Immigration and Naturalization Service, Office of Policy Planning, *Estimates of the Unauthorized Immigrant Population Residing in the United States: 1990-2000*, January 2003, http://uscis.gov/graphics/shared/aboutus/statistics/III_Report_1211.pdf, p. 8.

²¹⁷ Immigrant and Refugee Community Organization, *Facts and FAQs*, <http://www.irco.org/IRCO/IRCOFAQs.asp#IFQ5>.

²¹⁸ U.S. Census Bureau, Census 2000 Data.

Spanish (41.5%), other Indo-European languages (16.3%), and Asian and Pacific Island languages (20.0%).²¹⁹

3. **Poverty Levels Among Immigrants**

According to Census 2000 figures, **19.9% of Oregon's foreign-born population has incomes that put them below the poverty level, above (worse than) the national average.** Among non-citizens, this figure rises to 24.9% (compared to only 10.1% of foreign-born citizens in Oregon).²²⁰ In addition, an analysis by the Oregon Center for Public Policy found that 20% of immigrant-headed households have trouble providing enough food for their families and that approximately 18% of Oregon children who live under 150% of poverty either are not citizens themselves or live with relatives who are non-citizens.²²¹

D. IMMIGRANT RESOURCES

1. **TANF Program**

After the passage of the 1996 welfare reforms that denied legal immigrants access to most forms of public assistance, **Oregon became one of 21 states using state money to provide benefits to all recent legal immigrants under a waiver to federal laws.** While the state does not track the citizenship status of individuals receiving public assistance, it does track the number of persons receiving benefits that require service in another language. **State estimates show that approximately 9% of Oregon's TANF caseload in August 2001 (1,440 cases), required service in another language.** Immigrant TANF recipients in the state are also eligible to receive English-language training and other job-search related services, although these services are not uniformly available in all areas of the state.

While Oregon does provide more assistance to legal immigrants than many states, a 2002 paper by the Oregon Center for Public Policy recommended that the state institute additional measures to be sure that it is helping the intended population. These measures include revising rules related to job search requirements in order to enable immigrants to improve their English proficiency before accepting a job, establishing a statewide policy on English training, and collecting more data on TANF recipients lacking fluency in English.²²²

2. **The Refugee Program and Refugee Case Services Program**

Through the **Refugee Program, DHS provides social services, including cash assistance, case services, medical services, and employment services, to refugees who**

²¹⁹ Ibid.

²²⁰ Ibid.

²²¹ Oregon Center for Public Policy, *Improving the TANF Program for Legal Immigrants – Executive Summary*.

²²² Ibid.

do not qualify for other DHS programs during their first eight months of residence in Oregon. The program also provides up to sixty months of employment and employment-related services to refugees who continue to experience difficulties getting acculturated to Oregon. The Refugee Program is funded by the federal Office of Refugee Resettlement (ORR).

The other refugee services program sponsored by DHS is the **Refugee Case Services Program (RCSP), which provides cash assistance to most refugees arriving in the Portland Metro area.** English language and vocational training and job placement services are provided by the New Arrival Employment Service project at the Immigrant and Refugee Community Organization (discussed below). The cash assistance portion of the program is administered through voluntary agencies in the Portland area, and eligible refugees participating in RCSP receive food stamps and refugee medical services from a special Community Health Service refugee unit located in the Northeast Portland branch.²²³

3. Immigrant and Refugee Community Organization (IRCO)

IRCO provides resettlement services and assistance to refugees and immigrants in Oregon and Southwest Washington. Services available through IRCO include the Asian Family Center, the International Language Bank, youth and family services, employment programs, community education, health and environmental outreach services, and the arts for new immigrants program.²²⁴

4. Sponsors Organized to Assist Refugees (SOAR)

SOAR is sponsored by the Ecumenical Ministries of Oregon and assists newly arrived refugees in Oregon by providing resettlement services, case management, advocacy, immigration and asylum counseling, and legal services. In 1998, the organization resettled 969 refugees in Oregon.²²⁵

5. CASA of Oregon

Community and Shelter Assistance Corporation (CASA) is a statewide nonprofit organization that constructs, rehabilitates, and manages housing and related facilities for farmworkers and their families throughout Oregon. CASA provides a full range of development services for migrant, seasonal, and year-round rental housing and homeownership opportunities. CASA also provides construction management services to organizations that serve farmworkers such as clinics, community organizations, and community action programs.²²⁶

²²³ Oregon Department of Human Services, *Refugee Program Intent and Overview*, January 2004, <http://dhsmanuals.hr.state.or.us/EligManual/05RF-A.htm>.

²²⁴ Immigrant and Refugee Community Organization, *About Us*, <http://www.irco.org/IRCO/AboutUs.asp>.

²²⁵ Ecumenical Ministries of Oregon, *Sponsors Organized to Assist Refugees (SOAR)*, <http://www.emoregon.org/SOAR.htm>.

²²⁶ Community and Shelter Assistance Corporation of Oregon, *Who We Are*, <http://casaoforegon.org/who.html>.