

After the Fall

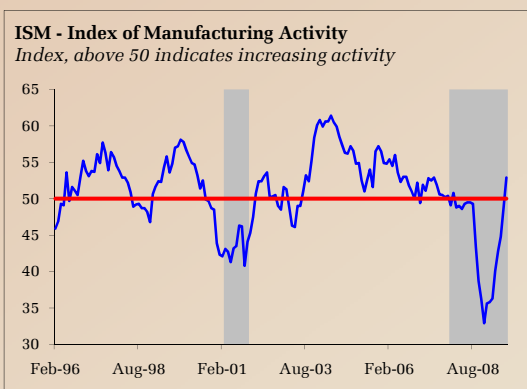
...economic review and preview.

Oregon Economic Forum
October 22, 2009

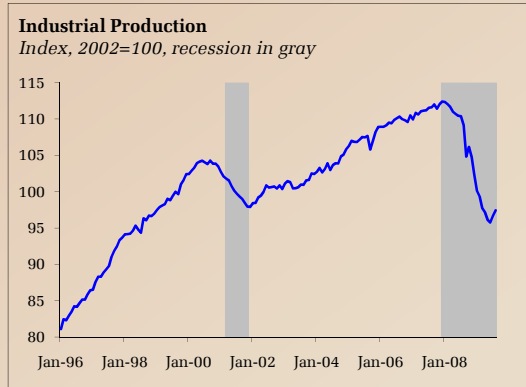
Timothy A. Duy
Director, Oregon Economic Forum
Department of Economics
University of Oregon



Cyclical Factors Reversing

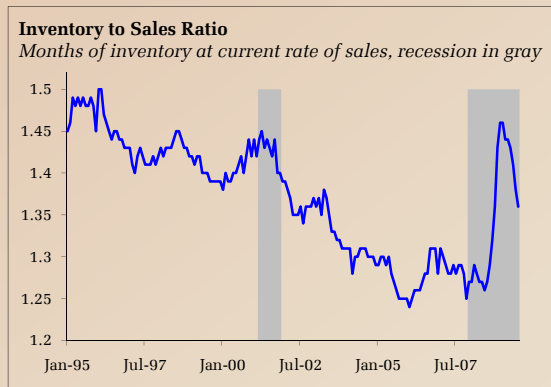


Cyclical Factors Reversing



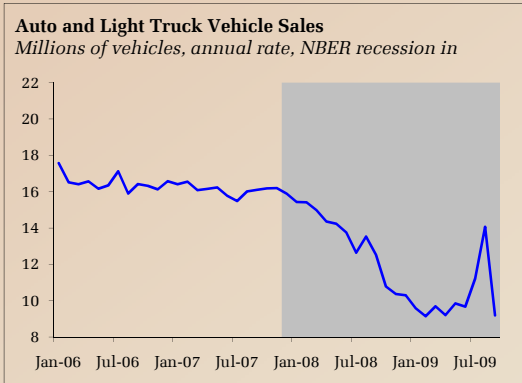
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Cyclical Factors Reversing

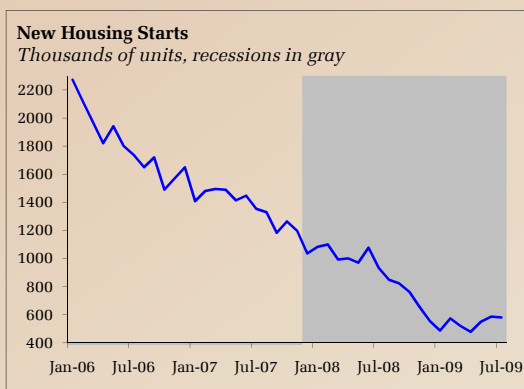


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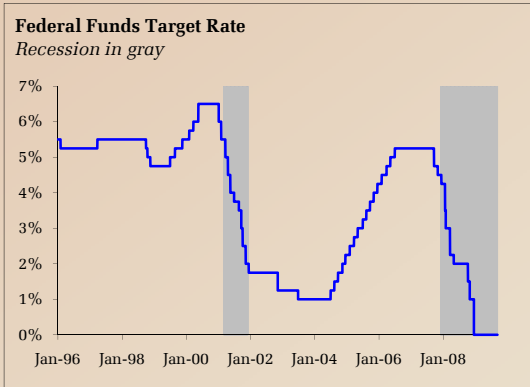
Stimulus No Small Part



Stimulus No Small Part

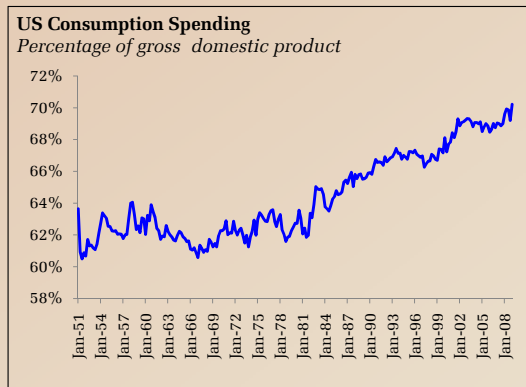


Stimulus No Small Part



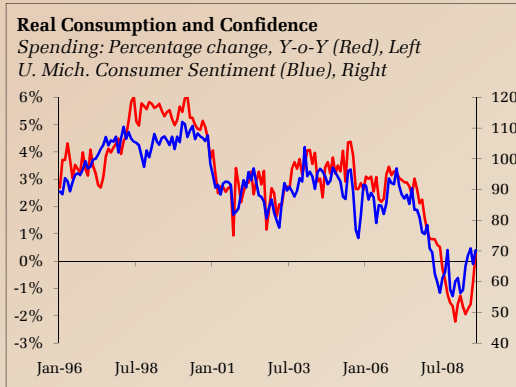
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Can Consumer Sustain?



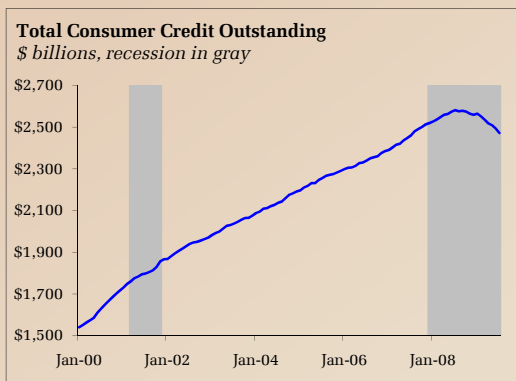
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Can Consumer Sustain?



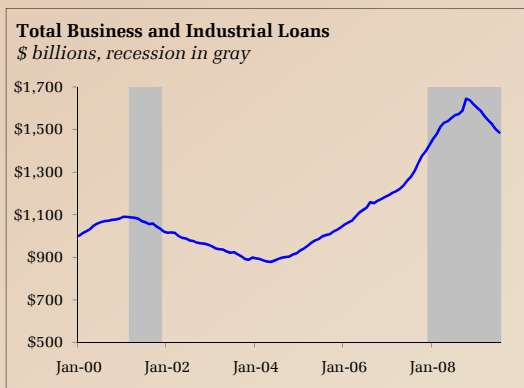
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Can Consumer Sustain?



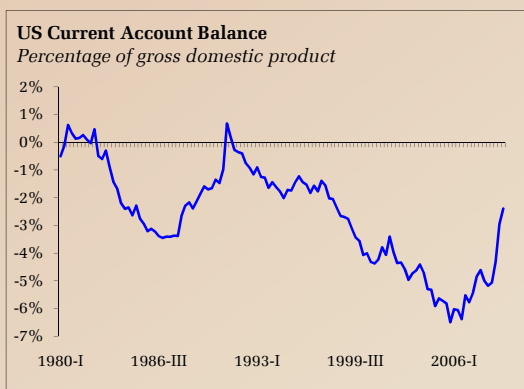
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Credit Markets Still Impaired



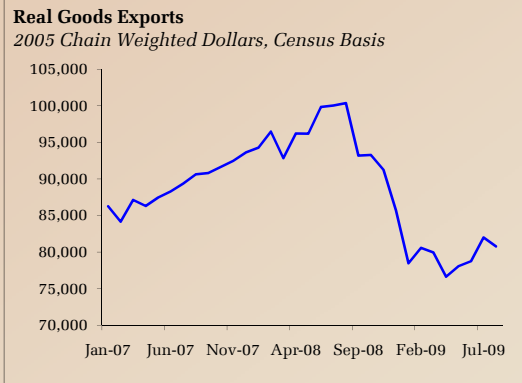
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Not Just Cyclical

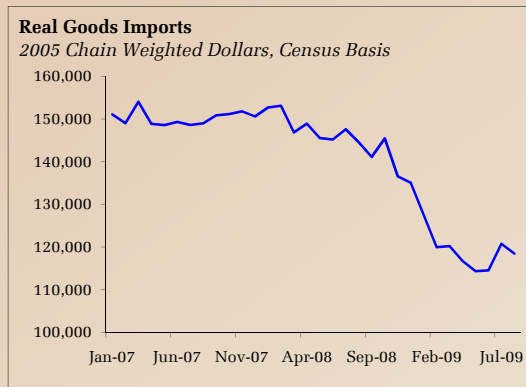


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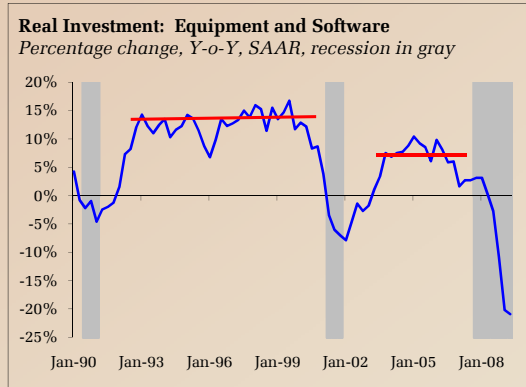
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External

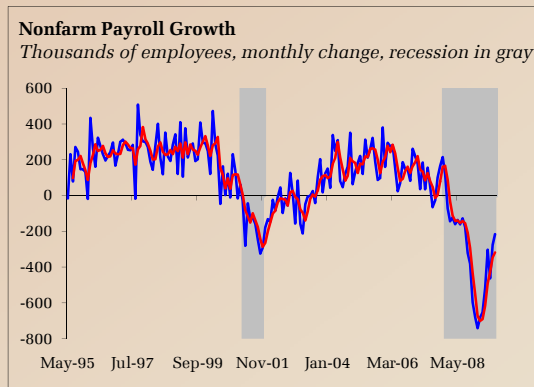


Challenges



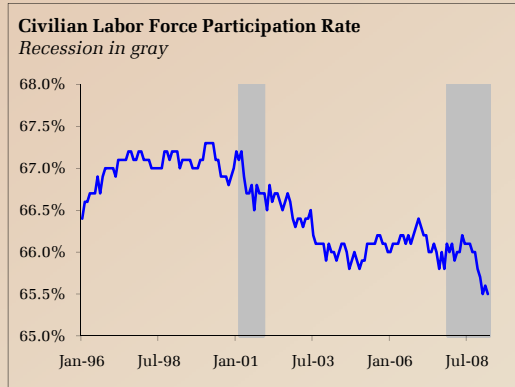
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Jobless Recovery?



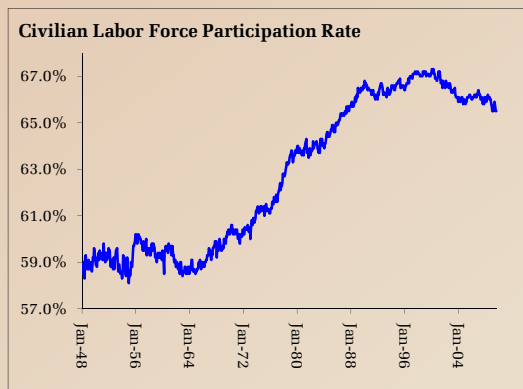
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Challenges



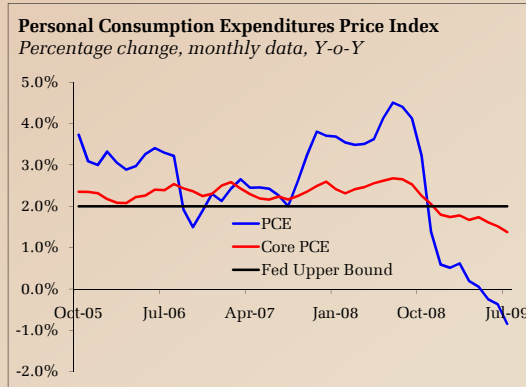
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Challenges



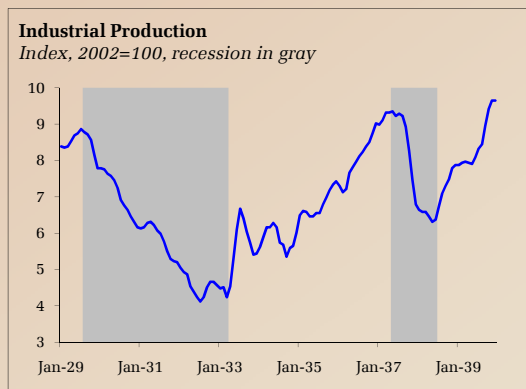
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Inflation Missing



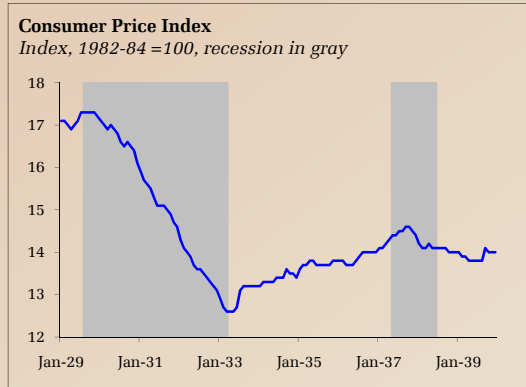
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Remember the 1930's



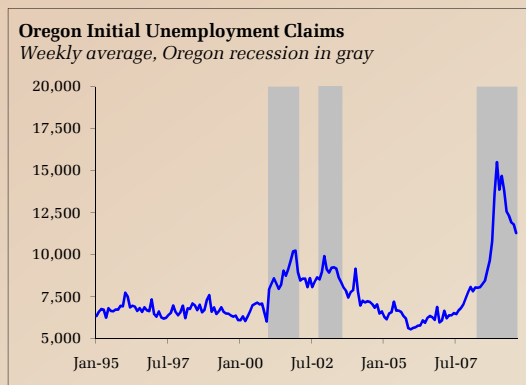
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Remember the 1930's



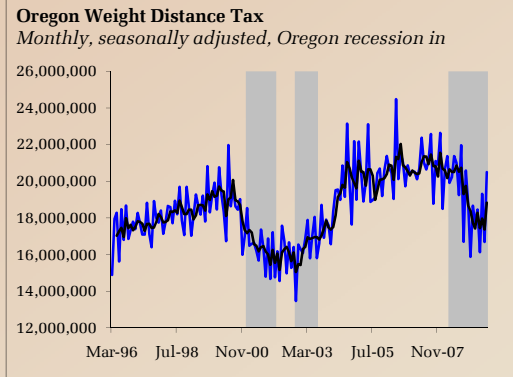
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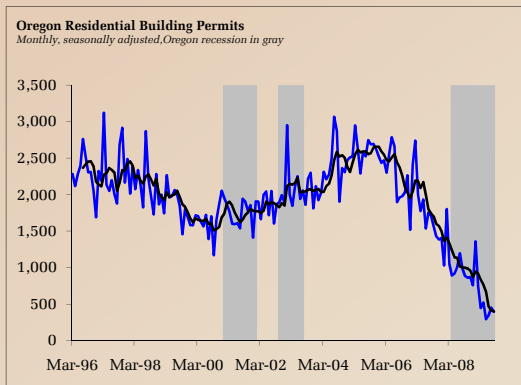
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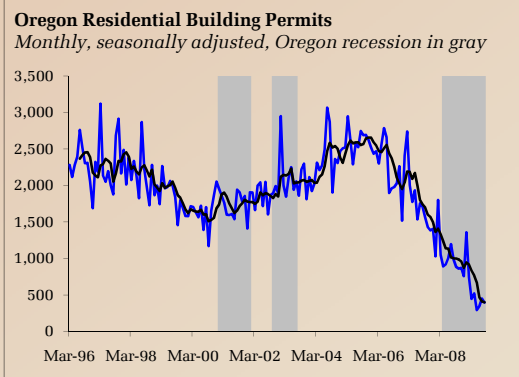
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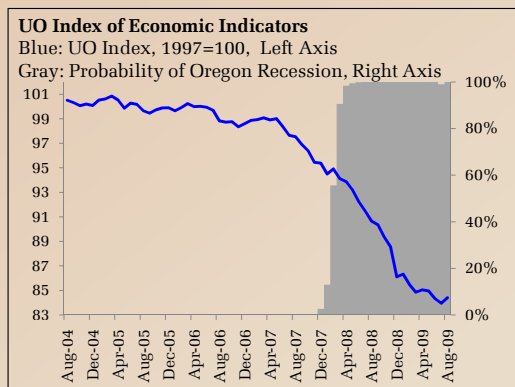


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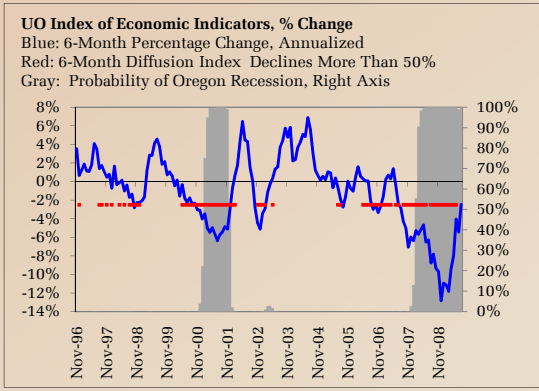
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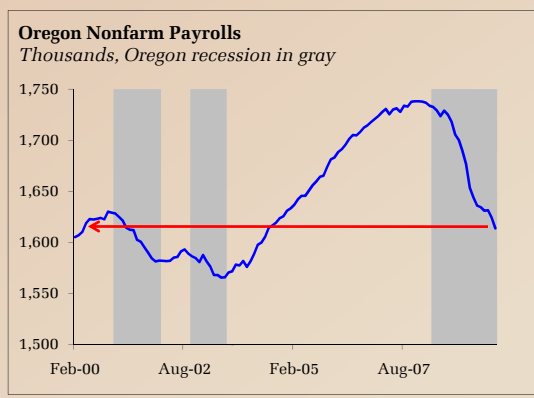
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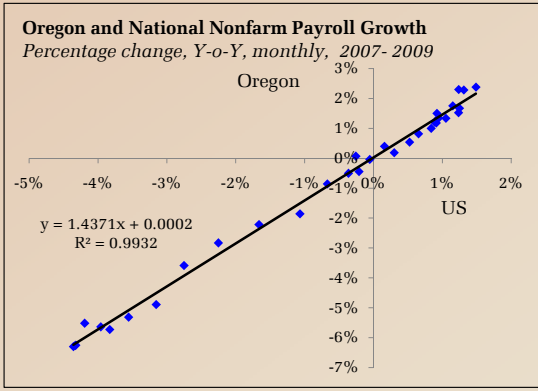
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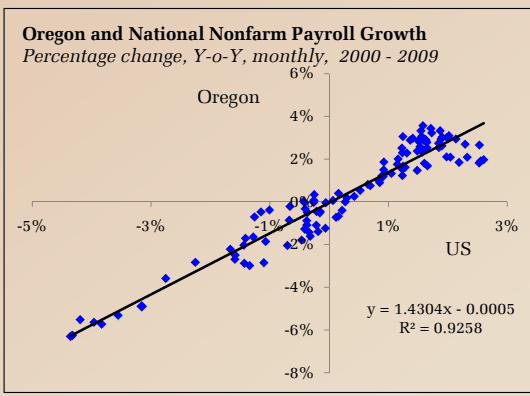
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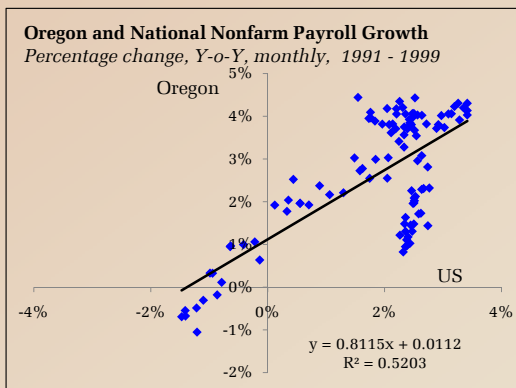
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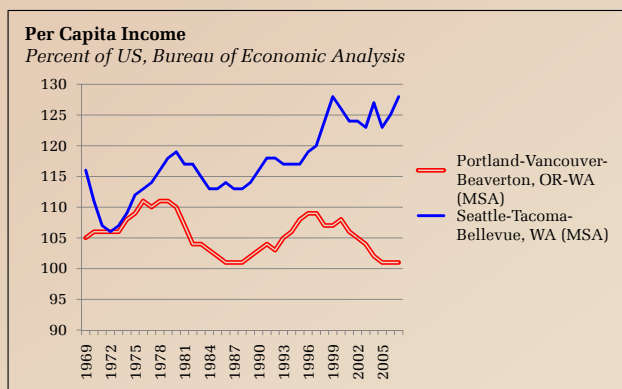
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Conclusions

Basis of cyclical recovery forming, but:

- That recovery is tenuous, supported by govt. stimulus.
- Strong headwinds remain.

Headwinds, structural change suggest:

- Extended period of weak average growth.
- Persistent labor market weakness.

Risk of a series of W-shaped recoveries.

- Do not underestimate the power of stimulus on the upswing.

Sustained monetary stimulus (low rates).

Oregon tied to national trends; threat of jobless recovery very high.