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Metropolitan Briefing Book, 1999

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*Metropolitan
Briefing
Book*

1999

PRESENTED BY
THE INSTITUTE OF
PORTLAND METROPOLITAN STUDIES

COLLEGE OF
URBAN AND PUBLIC AFFAIRS

PORTLAND STATE
UNIVERSITY

Greetings,

The Institute of Portland Metropolitan Studies (IMS) was created to better connect the University to the issues and needs of communities in the six-county metropolitan region (Clackamas, Clark, Columbia, Multnomah, Washington, Yamhill). IMS is committed both to provide service and to serve as a catalyst, bringing together people and information to address the most critical issues of our time. We have included the IMS mission statement, brief program descriptions, and a roster of IMS Board members in this publication.

The Metropolitan Briefing Book was developed to provide elected and appointed leaders in the six counties with information about issues and trends common to all corners of the region. Our purpose is not to create an agenda or reshape historic patterns of governance. Rather, IMS provides this information as a means for stimulating debate, discussion, and collaborative action. The Institute stands ready to assist you with making connections and finding new partners, putting the information we have provided to work on behalf of your community and the broader metropolitan area.

This issue of Metropolitan Briefing Book begins with results from the IMS 1998 Critical Issues Surveys. Then we offer two articles describing the region's demographic and economic context and future. Finally, Metropolitan Briefing Book presents three essays offering views of the important issues facing the region and proposals for shaping the discussions for addressing them. In the first, Terry Moore, Vice President of ECONorthwest, tackles issues surrounding the coming decisions on growth. Ethan Seltzer, Director of IMS, examines the "new old questions" facing the region in the next century, and former Oregon Governor Neil Goldschmidt offers "ten points" for addressing the challenge of building "a region that works."

Please call us directly if something here catches your eye. We would be happy to share whatever information we have with you and to help put that information to work through forums and other avenues. We sponsor an annual leadership symposium and have a regular series of quarterly publications. We also want to hear how we can make this publication better in the future. Finally, our thanks to our contributors and to Clarence Hein and Doug Swanson for editing and production guidance.

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I. Introduction

Each biennium, the Institute of Portland Metropolitan Studies conducts a two-pronged survey regarding critical metropolitan issues. This dual approach provides a revealing window on the perspectives of both the general public and those who occupy regional leadership roles through elective office, positions in government agencies and non-governmental organizations, or citizen activism. It offers a unique angle of vision on the points of congruence and of divergence in the perceptions of these two groups, perhaps allowing us to more accurately gauge how effectively we as a citizenry are communicating with our leaders about what we wish the region's agenda to be and how well they are listening and responding.

The discussion in Section VI of this

report offers a comparison and contrast between the opinions of these two groups as well as comparisons with the 1996 results which used the same survey questions.

This year's study was conducted for IMS

by Davis & Hibbitts, Inc. (DHI), thanks to the support of a generous grant from Northwest Natural.

The survey was completed by telephone during October 1998 to assess what residents in the six-county Portland metropolitan area feel are the most important issues facing their communities and the region. The sample included 401 randomly selected registered voters in Multnomah, Washington, Clackamas, Yamhill,

and Columbia counties in Oregon, and Clark County in Washington. The opinion leader survey was conducted by mail to leadership in the same counties.

*Overview:
The 1998
Critical
Issues List*

BY CRAIG WOLLNER
RESEARCH FELLOW, IMS

*Research funded by a grant from
Northwest Natural, Inc.,
to Identity Clark County*

II. The 1998 Metropolitan Critical Issues List According to the General Public, Compared to 1996 (in priority order):

1998	1996
1. Quality education	1. Quality education
2. Reduce crime	2. Reduce crime
3. Protect environmental quality	3. Fair state and local taxes
4. Manage regional growth	4. Protect environmental quality
5. Fair state and local taxes	5. Manage regional growth
6. Productive economy for jobs	6. Productive economy for jobs
7. Maintenance of infrastructure	7. Range of social services
8. Efficient transportation system	8. Maintenance of infrastructure
9. Range of social services	9. Adequate & affordable housing
10. Adequate & affordable housing	10. Efficient transportation system

The 1998 and 1996 Critical Issues List According to Opinion Leaders:

1998	1996
1. Quality Education	1. Quality Education
2. Productive economy for jobs	2. Manage regional growth
3. Protect environmental quality	3. Protect environmental quality
4. Manage regional growth	4. Productive economy for jobs
5. Efficient transportation system	5. Efficient transportation system
6. Maintenance of infrastructure	6. Maintenance of infrastructure
7. Fair state and local taxes	7. Range of social services
8. Adequate & affordable housing	8. Adequate & affordable housing
9. Range of social services	9. Fair state and local taxes
10. Reduce crime	10. Reduce crime

III. Quality of Life in the DHI Survey

Respondents on the survey of the general public were asked to rate their overall quality of life on a scale of 1 (low) to 10 (high), and reported a mean response of 8.10. There were three significant interactions, two related to economic level and one to family status.

1. Respondents earning \$15,000 or less rated their quality of life lowest among six income subgroups (6.88, 8.26, 7.94, 7.99, 8.23, 8.73 in ascending income);

2. Respondents looking for work (6.50) rated their quality of life as being lower than all others (8.16 working, 8.07 not seeking employment, 8.23 retired); and,

3. Married respondents rated their life quality higher than single respondents (8.29 to 7.54). Note that even the lowest ratings above were on the positive side of the scale.

IV. Critical Issues Comparison in the DHI Survey: 1998 versus 1996

Respondents in the public survey also were asked, open-ended, what they thought was the one most critical issue facing the six county region. Below are the responses:

1998	1996
19% transportation	21% education
16% education	21% growth
16% growth	14% transportation
13% crime	12% crime

Considering the margin of error inherent in survey research, the most valid conclusion is that there is no one dominant issue on people's minds. If we combine the categories of transportation and growth, we find 35% rating the combination the most critical issue in 1998 and 1996. Attitudes about crime have not changed, but fewer people may consider education to be the single most critical issue.

Respondents then were read a list of 10 issues and were asked to rate each one on a scale of 1=not important to 10=very important. The table below compares 1998 and 1996 means. Please see the questionnaire for complete wording.

Rank	Issue	Means		Score of 10	
		1998	1996	1998	1996
1.	Quality education	8.68	8.79	207	226
2.	Reduce crime	8.13*	8.35	159	172
3.	Protect environmental quality	7.90	8.02	141	143
4.	Manage regional growth	7.86	8.02	140	143
5.	Fair state and local taxes	7.85*	8.26	132	156
6.	Productive economy for jobs	7.67*	8.02	106	126
7.	Maintenance of infrastructure	7.55	7.74	96	97
8.	Efficient transportation system	7.28*	6.91	98	69
9.	Range of social services	7.16*	7.55	94	120
10.	Adequate & affordable housing	6.75*	7.11	67	77

*Indicates significant change between 1998 and 1996.

V. Some Observations on the Meaning of the 1998 Critical Issues List Results in the DHI Survey

The 1998 mean scores were somewhat lower for each item except, importantly, “Efficient transportation system,” which went from 6.91 in 1996 to 7.28 this year. Despite the overall decline, it can confidently be said that metropolitan residents retain a high level of concern for each issue. At the same time, looking at rankings rather than means, only three issues moved more than one rank from 1996 to 1998. “Fair state and local taxes,” a controversial item in 1996, moved downward from 3rd to 5th this year. Likewise, “Productive Economy for jobs,” moved down from 4th to 6th. These differences may indicate a sense of satisfaction with the current economy.

Another important finding of the research is that little variation was observed in the outlook of residents county-by-county. The lack of significant geographic variations among respondents indicates that citizens have much the same outlook about issues wherever they live.

Below are the most noteworthy demographic factors that emerged in the survey.

Gender—Seven issues (education, crime, growth, taxes, transportation, social services, and housing) were significant by gender, and in all cases, females assigned more importance than did males.

Age—Respondents aged 18-34 gave more importance than did all other ages to creating a productive economy that provides family-wage jobs and for an efficient transportation system, and they placed

more importance on social services than did those aged 35-54.

Income—Respondents earning \$35,000 to \$50,000 placed less importance on social services than did respondents earning under \$35,000.

Education—College graduates placed less importance than all others on reducing crime and on creating a productive economy that provides family-wage jobs. Respondents with some college placed more importance on an efficient transportation system than did respondents with no college education, and respondents with some college placed more importance on affordable housing than did college graduates.

County—Washington County residents placed more emphasis on maintenance of infrastructure than did Multnomah County residents.

Marital status—Married respondents placed less importance than did all others on environmental protection and on an efficient transportation system. Married respondents placed more importance on social services than did single individuals.

Hispanic status—With only 4% Hispanic, it is surprising to find a statistically significant interaction where Hispanics placed more importance on an efficient transportation system and on affordable housing than did non-Hispanics.

Ethnicity—Non-Caucasians placed more importance on environmental quality, a productive economy, social services, and affordable housing than did Caucasians.

Critical issue ranks—After rating each issue, respondents were asked if one of the issues should be more important than it is currently, and 30% mentioned the educational system, 10% mentioned the environment, 9% mentioned managing growth, 9% mentioned crime, 7% said state and local taxes, and 6% mentioned transportation.

VI. A Discussion of Comparative Results: The General Public and the Opinion Leaders

If there is one clear message in the 1998 survey results for both the public at large and their leaders, it is that metropolitan area residents continue to care deeply about the quality of education, just as they did in 1996. In the two most hotly contested political races in the metropolitan area of November 1998—the one between David Wu and Molly Bordanaro for the First District congressional seat vacated by Elizabeth Furse, and the Clark County House race between Brain Baird and Don Benton for Linda Smith's seat—education was a leading issue. The enduring strength of this concern is further revealed by the fact that the opinion leaders surveyed also returned education to the number one position as their most immediate concern, giving it a mean score of 8.04.

It may not be surprising that education should be such a strong focus across the board and for so long. It was also a national political theme as well in 1998, yet it seems fair to say that neither the Congress nor the Oregon state legislature has thus far addressed the problems of education—either in terms of curriculum or funding—to an extent that has pleased partisans on any side of the debate. In that light, it is obvious why this vexed question remains at the top of the agenda of many metropolitan residents.

Similarly, the high priority given crime by the general public in both the 1996 and 1998 lists is evidence that although the crime rate in the metropolitan region had begun two years ago to drift steadily downward, and a measure (#11) to build more prisons in the state was passed in the election of 1996, citizens remain uneasy about the possibilities of wrongdoing touching their lives.

By the same token, the disdain the opinion leaders felt for crime as a compelling issue in 1996 was repeated in 1998. It ranked tenth among their responses (6.01), actually one place lower than in 1996. The enduring dissonance between opinion leaders and the public on crime may be connected to the leadership's sensitivity to the linkages between lawbreaking and lack of education, underfunded social services, inadequate housing, and the like, which perhaps makes them assign a higher priority to these other issues. They may reason that taking care of those problems will reduce crime. Indeed, one respondent to the mail-back poll may have summed up the opinion leaders' general attitude toward the crime

issue with these remarks, ostensibly on the subject of education: "education is the key—keeps people from low paying jobs, crime, homelessness . . . people and problems will come here or leave here depending on educational opportunities."

Protection of the environment at number 3 remains a concern in the area among the public with little variation in intensity over the last two years. Although, judging by mean scores, the issue is less compelling than it had been, the traditional sensitivity of Oregonians and Washingtonians to their physical surroundings continues to play a large role in the region's life, a fact also reflected in the relatively unchanged mean score and positioning of #4, regional growth.

Interestingly, among opinion leaders, the environment remained in the third position also (7.17) in the 1998 survey. The linkage between concerns for the environment and for regional growth (also unchanged in its ranking among opinion leaders from 1996 at #4 [6.82] is obvious in the responses of both groups. Among opinion leaders, there was a sense of urgency about the environmental and growth issues. One noted that, "the public's attitude toward growth and land use is changing...our aggressive land use legacy is in jeopardy." Accepting the changing attitude, another called for "moving away from the growth/no-growth debate to address how growth can be accommodated while preserving environmental and farm land values."

An arresting variation between 1998 and the earlier householder survey is the sizable decline in the mean scores on the fifth ranked

item, “fair state and local taxes,” and the sixth, “productive economy for jobs.” The declines suggest a widespread prosperity, relatively full employment, and thus a certain region-wide contentment with the tax structure and the economy. As the DHI researchers indicate, this attitude could change rapidly in the face of economic decline, but for the present, the good economic news and high employment is mellowing the formerly suspicious attitude toward taxes.

The public’s relative equanimity about the economic situation is not matched by the attitude of the opinion leaders. On the contrary, although their 1996 outlook held taxes to be a low ranking concern (#9 in 1996), this year it jumped to #7 with a mean score of 6.70. This change suggests that, although the regional economy was still percolating vigorously at the time of the polling, leaders were somewhat nervous about the future, perhaps because of recent announcements of falling tax revenues at the state level, the Asian economic crisis, which has had an impact on Oregon business, or nervousness about the economy’s chronic high wire act. They may reason that it cannot be sustained indefinitely.

Part of their less serene outlook may relate to the jobs issue. It clearly grew in importance for the opinion leaders by jumping in rank from #4 in 1996 to #2 in 1998. Although the regional unemployment rate has been good — 4.5 percent in November 1998, well below the statewide figure — in November it moved above the national rate for the first time in the nineties. Moreover, the concern of leaders

for jobs may also reflect their growing uneasiness about the slowing of the economy that seems to have been postponed but is looming inevitably nonetheless. One respondent, for example, called for a strategy of “fostering an economy with higher percentages of very high quality jobs which will provide tax funds to deal with most of the other issues.” Another asserted that a “fair system of taxation is needed to correct the shift in the burden from business to residents.” This person commented further that this change “is linked to education, infrastructure, and social productivity.” Yet a third demanded “a fair system of state and local taxes—without this, nothing else is possible.”

While the variation between mean scores on #7, “maintenance of infrastructure,” holds almost constant over the two-year period, a marked upward trend can be seen on this year’s #8 among householders, “efficient transportation system,” compared to the mean for the same item in 1996. But although more respondents ranked this need more highly than in 1998, they evidently did not connect their personal views of transportation with efforts to pass a levy in support of South-North Light Rail on the Oregon side of the Columbia. Of course, there are a host of variables associated with that vote, not all of which can be described by this survey.

For the opinion leaders, transportation in 1998 was, as at #5 (6.72) and infrastructure at #6 (6.71). These were also their ranks in 1996. Their unchanged positions in the range of concerns probably reflect the incompleteness of the light rail system and the slow but

notable deterioration of surface roads in many parts of the region that may nag at people who are aware how critical good transportation and good roads can be to regional life. "Maintaining our infrastructure," one person said, should be more important than it currently is. That respondent ended with the warning stated directly or implicit in most of the commentary written about this issue: "we're already far behind."

The ninth ranked item, "range of social services," on the other hand, showed a significant decline in the mean from 1996. The importance placed on this issue by younger and married persons, as opposed to older and single persons, may confirm what has long been known, on the one hand, and something else that has been suspected, on the other. Social scientists and economists have theorized that there is a growing income gap for younger persons, and that those with families are struggling to keep up, hence their concern for social service programming. At the same time, their elders continue to do well, the social services delivery system having been built to accommodate their needs since the Great Society of the late sixties.

Meanwhile, opinion leaders put social services at #9 (6.47) also, the same decline as in the householder survey. The less than pressing concern and congruence among opinion leaders and the public about this issue suggests that most of us see the welfare reform measures taken over the last several years as well as health care provision as adequate to our current needs, although one opinion leader saw a pressing issue in the need for "social ser-

vices for the survivors of domestic and sexual violence," and another identified "appropriate care for every newborn child" as an urgent consideration.

The tenth item for householders was "adequate and affordable housing." As in 1996, this issue remains a matter of importance, but one on the periphery of deepest public concerns, owing in part, no doubt, to the current low mortgage interest rates and the general prosperity.

The opinion leaders differed somewhat with the public on this matter. They ranked affordable housing their eighth priority (6.62). Despite its low position, a number of opinion leader respondents rated affordable housing as an issue that should assume more importance. "There are NO homes available for lower income families," one respondent stated flatly.

Taken together the current surveys of the two groups show a general congruence in the level of contentment with the state of affairs in the region that is striking. As noted elsewhere in this report, the closeness of the means for all items in the homeowners survey suggests that no issues stand out in the minds of residents as of immediate moment. The greater spread in the means among the opinion leaders (from 8.04 for education to 6.01 for crime) suggests, perhaps, not less contentment with life in the region, but greater intimacy with the issues, a sense among those who deal with the region's problems on a daily basis that some are currently more consequential than is generally realized or may potentially be of real concern. Still, the sense of well being shared by the citizens of the

region and their leaders indicated in these suggests a moment in time that we will no doubt use as a benchmark for efforts to make the region work for some time to come.

VII. Notes on Survey Methodology for the DHI Survey

The 1998 householder survey was a follow-up study similar to research conducted in July, 1996. Comparison numbers were taken from a report titled "Critical Issues List 1996, 1996 Metropolitan Briefing Book."

The major characteristics of the sample were as follows:

- (a) The sample was 50% female and 50% male.
- (b) Age was grouped into three categories. Twenty-nine percent (29%) fell in the 18-34 range, 42% were ages 35-54, and 29% were age 55 and over.
- (c) Income was grouped into six categories, and 9% reported incomes under \$15,000, 14% fell in the \$15,000-\$25,000 range, 14% fell in the \$25,000-\$35,000 range, 25% earned between \$35,000 and \$50,000, 20% fell in the \$50,000-\$75,000 range, and 17% earned \$75,000 or more.
- (d) By education, 27% had completed high school or less, 36% had some college, and 37% had completed college and/or graduate school.
- (e) By county, the numbers were 36% Multnomah, 21% Washington, 18% Clackamas, 4% Yamhill, 2% Columbia, and 18% Clark. The 1996 study did not include Clark County.
- (f) By employment status, 64% were working, 4% were looking for work, 12% were not seeking employment (e.g., students, home makers, disabled), and 20% were retired.
- (g) For marital status, 24% were single, 61% were married, and 15% were "other" (widowed, separated, divorced).
- (h) There were 4% who said they were Hispanic, leaving 96% non-Hispanic.
- (i) Eighty-seven percent (87%) were Caucasian, and 13% were "other" (including 1.7% Native American, 3.5% Asian or Pacific Islander, 2.2% African American, and 5.0% other).

Questionnaire. The substantive areas of questioning included overall quality of life, and critical issues facing the six county metropolitan region. Numerical results were analyzed by frequency of response for categorical-format data and by comparing means for scaled-format data. Beyond this, only subgroup variations which appeared useful for planning and policy-making purposes are discussed.

Statement of Limitations. In gathering the responses, DHI employed quality control measures which included questionnaire pretesting, call back, and verification. Any sampling of opinions or attitudes is subject to a margin of error, which represents the difference between a sample of a given population and the total population (in this case, the six county metro region). For a sample size of 401, if the respondents answered a particular question in the proportion of 90% one way and 10% the other, the margin of error would be +/- 2.94%.

If they answered 50% each way, the margin would be +/- 4.89%. The reason for the difference lies in the fact that when response categories are relatively even in size, each is numerically smaller and thus slightly less able—on a statistical basis—to approximate the larger population.

These plus-minus error margins represent differences between the sample and total population at a confidence interval, or probability, calculated to be 95%. This means that there is a 95% probability that the sample taken for this study would fall within the stated margins of error if compared with the results achieved from surveying the entire target population.

While many people both inside and outside Oregon retain the image of the state as a place of picturesque coastal bluffs, Mt. Hood and other mountain peaks, and large forests, the state's population is primarily urban and has been for many decades. In 1998, an estimated 66 percent of Oregon's 3.3 million residents lived in towns and cities. And more than 45 percent of Oregon's population lived in the metropolitan Portland area.

The metropolitan Portland-Vancouver area includes five of Oregon's 36 counties—Clackamas, Columbia, Multnomah, Washington, and Yamhill—and Clark County in the state of Washington.

Figure 1 shows a map of the metropolitan area, including its six constituent counties. This paper presents data for both the total metropolitan area, including the Oregon and Washington portions, and for the Oregon portion only. We refer to the metropolitan

Portland area when limiting discussion to the five Oregon counties.

This paper offers an overview of metropolitan Portland's population: current trends for population growth in its counties; the effect of births, deaths, and migration

on population growth; how the age, sex, and ethnic composition are changing; and where residents live within the metropolitan area. Finally, the paper summarizes likely growth prospects and their implications.

Background to Population Growth

Population growth in metropolitan Portland-Vancouver historically has exceeded growth for the United States, but

the differential in growth rates has declined over time. Between 1990 and 1997, the United States grew by about 7 percent and metropolitan Portland-Vancouver increased by 17 percent. The ratio of population growth for metropolitan Portland-

Demographic Challenges Ahead for the Portland-Vancouver Metropolitan Area

BY BARRY EDMONSTON AND CARLOS VILALTA
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Figure 1. The Portland-Vancouver Metropolitan Area includes four counties in Oregon and Clark County in Washington.

Vancouver compared to the United States in the 1990s was 2.4, meaning that the metropolitan areas have been growing at considerably more than twice the national average.

Recent Growth

The metropolitan Portland-Vancouver has steadily increased its population since 1990, growing from 1.5 million in 1990 to 1.8 million in 1997, and increase of 260,000 people or 17 percent. About 1.5 million or 82 percent of the total metropolitan Portland-Vancouver population resided in Oregon in 1997.

The metropolitan Portland population—limiting attention to the five metropolitan counties in Oregon—grew from 1.3 million in

1990 to 1.5 million in 1997, an increase of 14 percent.¹ During the same period, Oregon's population increased at a slightly lower rate of 13 percent. Because metropolitan population expanded slightly more rapidly from 1990 than the Oregon population, an increasing proportion of the Oregon population resides in the metropolitan Portland area (see Figure 2). At the beginning of the decade, in 1990, 44.9 percent of Oregon's population lived in the five counties of metropolitan Portland; by 1997, this percentage increased slightly to 45.5 percent.

Population growth can be viewed in either absolute or relative terms. Washington County was Oregon's fastest growth county in metropolitan Portland—in both absolute and

Figure 2 here; no caption necessary

relative terms. (Clark County was the fastest growing—relatively and absolutely in the region.) Washington County contributed 73,000 new residents to the metropolitan area from 1990 to 1997, for an increase of 23 percent. Multnomah County added 55,000 residents during the same period, although its 9 percent growth was the smallest change in relative terms of metropolitan Portland counties.² Yamhill County was the second fastest growing county in relative terms, increasing 21 percent and adding 14,000 residents.

Natural Increase

Population growth is affected by three factors: birth, deaths, and migration. The difference between births and deaths is called natural increase. In most populations there are more births than deaths, and the population grows from natural increase. If out-migration is insufficient to counter-balance negative natural increase, the population declines.

Both mortality and fertility levels have remained fairly steady in the metropolitan Portland-Vancouver area for the past two decade. The crude death rate (the number of deaths per 1,000 population) has remained at about 8 per 1,000 since 1980. Life expectancy at birth in Oregon is 73.2 years for men and 77.9 years for women in 1990, higher than the U.S. national average.³ Life expectancy has increased from 67.1 years for men and 74.7 years for women in 1970.

The crude birth rate (the number of births per 1,000 population) has fluctuated within a narrow range of 14.5 to 16.5 since 1980: the crude birth rate decreased from 1981 to 1987, experienced an increase and decrease from 1987 to 1993, and has remained slightly over 14.5 since 1993 (see Figure 3).

At present fertility levels, the average couple in the metropolitan Portland-Vancouver area will have about two children by the end

Figure 3 here; no caption necessary

of their childbearing years. In order to replace exactly the population, couples need to have 2.1 children. Present fertility levels are slightly less than the replacement level. In the long run, the metropolitan population would decrease at a slow rate if they were no net in-migration.

Natural increase contributed about 31 percent of the metropolitan Portland-Vancouver area's growth during 1990 to 1997. The area's overall population growth of 264,000 was comprised of a natural increase of 84,000 and estimated net in-migration of 180,000.

The metropolitan Portland-Vancouver area population is relatively young, with a sufficient number of people in the childbearing years to produce a sizable number of births, offsetting fertility that are somewhat less than the long-term replacement level. In recent years, there have been about 25,000 births and 13,000 deaths annually in the metropoli-

tan area, yielding an added 12,000 people through natural increase.

Fertility and mortality levels do not vary greatly between the six Oregon and Washington counties of the metropolitan area. The annual number of births and deaths, however, are affected by modest differences in the age composition of the different counties. Overall, there are only slight differences in the rates of natural increase for the metropolitan counties.

Internal Migrants

Migration is the main factor affecting population growth in the metropolitan Portland-Vancouver area. Net migration into the metropolitan area has been positive since 1981, except for an estimated out-migration of about 9,000 people during the economic downturn in 1982. Economic conditions and employment opportunities have been relatively strong since about 1988 as evidenced by

Figure 4 here; no caption necessary

Figure 5 here; no caption necessary

Figure 6 here; no caption necessary

net migration levels at or above 20,000 for the past ten years (see Figure 4, which shows net migration for the Oregon portion of the metropolitan area and for the total Portland-Vancouver area). There were particularly high levels of in-migration to the metropolitan area during 1990 and 1991, with annual net migration remaining fairly stable at levels of about 10,000 for the Oregon and for the Washington portions of the metropolitan area.

Migration accounts for almost 70 percent of the area's population increase during 1990 to 1997, and provided more than half of the increase for each of the area's counties (see Figure 5). Clark County, Washington, experienced a net gain of about 62,000 from migration during 1990 to 1997, with migration accounting for about 79 percent of its overall growth. Three other counties—Clackamas, Columbia, and Yamhill—also derived more

than two-thirds of their growth in the 1990s from migration.

Migration was important for all counties in the metropolitan region. Although Multnomah experienced the slowest overall growth rate, increasing 9 percent from 1990 to 1997, it received 31,000 net migrants and migration accounted for well over half of its total population increase.

Migration into and out of the Portland metropolitan area affects both the age and racial composition. These effects are discussed below.

Immigration

International migrants to the metropolitan Portland area are distinctive. About two-thirds of immigrants in the 1990s have come from six countries: Russia and other countries of the former USSR (20 percent of all immigrants), Vietnam (18 percent), Mexico (11

percent), China (6 percent), Korea (4 percent), and the Philippines (4 percent). The most unique aspect about the metropolitan area's immigration is the relatively high proportion of immigrants from the former USSR—primarily from Russia. The proportion of Russians among Portland's immigrants is more than twice the national average.

Migration does more than change the age or ethnic mix of the population. The presence of migrants with different skills affects economic growth, adding new workers to the metropolitan labor force and, in some cases, providing needed skilled employees for local industries with job shortages.

Although foreign-born men are somewhat more likely to be in the high-education, high-paying jobs, they are far more commonly found to be working in low-education, low-paying jobs. Compared with native-born men, immigrants are found in some occupations requiring high levels of education, such as college teachers, as well as some occupations requiring little schooling, such as tailors, waiters, and housekeepers and butlers. The picture for immigrant women is similar. They are disproportionately employed in some high-education occupations, such as foreign-language teachers and physicians, but they also make up a large share of employment in many more occupations that require little schooling: dressmakers, graders and sorters of agricultural products, waitresses, and private household service workers.

Factors Affecting Metropolitan Population Growth

Unemployment rates decreased from their peak of almost 11 percent in 1982 and, except for an upswing in 1993 and 1994, have remained below 6 percent since 1987 (see Figure 6). Improved employment opportunities have attracted in-migrants as well as retarding out-migrants that might have departed the metropolitan areas in search of jobs, if attractive employment had not existed here.

There have been shifts in the major economic sectors for employment in the metropolitan area. The most noteworthy changes since 1980 have been (a) increases in the service sector, (b) substantial increases in high-tech, (c) reductions in government employment, and (d) decreases in lumber-related employment. Overall, the major sources of current employment in the metropolitan area are services, trade, government—which account for over three-fourth of employment.

Income in metropolitan Portland area has been increasing since 1982. In 1990 constant dollars, taking inflation into account, average per capita income in the metropolitan Portland area increased from 14,300 dollars in 1982 to over 16,500 dollars in 1990. Since 1990, per capita increases have been modest: reaching 16,700 dollars in 1993—the most recent year for which per capita income figures are available.

Factors Affecting Population Distribution

From a demographic perspective, family and individual residential location is influenced by location of employment, income, age or life cycle status, and ethnicity. Given the employment decentralization observed in the metropolitan area, population decentralization was certain to occur. The consequences of the other factors are more ambiguous.

Over the 1990 to 1997 period, per capital income increased more rapidly than median household income in the metropolitan area. The difference between the two is attributable to the composition of households. The mix of households in the metropolitan area has changed since 1990 as the number of single-parent, childless-couples, and single-adult households increased.⁴ By and large this change amounted to a shift toward household types that traditionally had lower incomes. This shift retarded growth in household median income at the same time that earnings growth, while not as strong as in the 1950s and 1960s, remained robust. As a result, increases in income may have contributed more to decentralization of population than the median income figures would suggest.

Decentralization tendencies created by income change and employment dispersion have been partially offset by an influx of migrants and changing household size. For the metropolitan area as a whole, over two-thirds of 1990 to 1997 population was attributable to net migration. Most of this migration is made up of people from elsewhere in the United States who are presumably attracted to the metropolitan Portland area by the

growing economy and job opportunities, the attractive environment, or both. About one-fourth percent of metropolitan Portland's migration is attributable to migration from abroad.

Age Composition

Fertility and mortality levels and the volume and composition of migration affect the age composition of the metropolitan population. If there were no migration, then the current population would become steadily older because fertility levels are relatively low. In the long run—again, assuming no migration—the median age of the metropolitan population would increase from its current level of about 32 years to about 38 years in 40 to 50 years. Migration into the metropolitan area has the short-run effect of making the population slightly older. In the long run, however, continued in-migration will increase the average age of the metropolitan population. This previous statement may seem counter-intuitive. But migrants eventually become older themselves. A steady stream of in-migrants, even if somewhat younger at the time of migration, will increase the number of people who age and will, eventually, increase the number and proportion of elderly in the metropolitan area.

Age Composition

Figure 7 displays Oregon's and metropolitan Portland's population pyramids. Compared to the United States, metropolitan Portland is slightly younger, reflecting the larger number of young adults who have arrived recently in the area.

Figure 7 here; no caption necessary

The age composition of the metropolitan population is important for a variety of reasons. The number and proportion of people by age affects schools, the labor force, health care, and the demand for recreation, entertainment, and stores. Figure 8 shows current trends in the age structure.

Slightly less than one-in-five metropolitan residents, or 18 percent, are in the school ages of 5 to 17 years. In 1997, there were 593,000 metropolitan residents in the school ages, an increase of 76,000 from 517,000 in 1990.

Young adults are the population aged 17 to 24 years. This is an important group. They are the primary age group for the college population, for getting married, and for entering the

labor force. The young adult population increased from 279,000 in 1990 to 306,000 in 1997, an increase of 27,000, but decreased as a proportion of the total population, from 10 to 9 percent.

The working ages of 25 to 64 years are the main age group in the labor force. This age group almost includes most parents in the metropolitan area. The population in the working ages grew from 1,449,000 to 1,651,000 during 1990 to 1997. It remained relatively constant as a proportion of the total population at 51 percent.

The elderly population includes people who are less active in the labor force and are an important user of health services.

Although the elderly increased by 39,000

Figure 8 here; no caption necessary

from 1990 to 1997, growing from 398,000 to 437,000, they remained steady at 14 percent of the total population.

Ethnic Composition

The metropolitan Portland population is a relatively homogeneous population compared to other major cities in the United States or in the Pacific region. Metropolitan Portland's minority population constituted 13 percent of the metropolitan population in 1997. For metropolitan areas with population greater than one million, the U.S. average in 1990 was 36 percent. Moreover, the metropolitan Portland population is considerably less diverse than such other metropolitan areas as Seattle, San Francisco, San Jose, Los Angeles, or San Diego.

The most significant trend in ethnic composition is the dramatic increase in the minority share of the metropolitan population. There were gains in the minority population for every county in the metropolitan area since 1990. The overall minority population—including Asian Americans, Hawaiians and Pacific Islanders, Hispanics, African Americans, and American Indians—increased from 139,890 in 1990 to 200,020 in 1997, an increase of 43 percent (faster than the overall metropolitan increase of 17 during the same period).

The sources of the minority population differ. Almost all the African American and American Indian residents in metropolitan Portland are native-born. Many Asian American and Hispanic migrants, however, are foreign-born, although native-born children often accompany them.

Fueling by internal and international migration, as well as fertility levels above the Oregon state average, Hispanics are the fastest growing minority population in the metropolitan area. The Hispanic population increased from 44,733 in 1990 to 77,100 in 1997, an increase of 72 percent during the period. Hispanics are currently the largest of the various minority groups in the Portland metropolitan area.

Asian Americans have the second fastest rate of growth of minority groups, increasing from 46,644 in 1990 to 66,200 in 1997, an increase of 42 percent. Although Asian Americans have fertility levels similar to the Oregon state average, metropolitan Portland receives a large number of immigrants from Vietnam, Hong Kong, Taiwan, Korea, Philippines, and Japan as well as Asian Americans who move here from other states. Asian Americans are the second largest minority population in the metropolitan area.

African Americans are the third largest minority population in the metropolitan area, numbering an estimated 47,200 in 1997, and an increase of 22 percent from 1990. There is a net migration of African Americans into the metropolitan area, but at a considerably smaller level than for Hispanics or Asian Americans.

The metropolitan Portland area includes an estimated 9,600 American Indians in 1997. There is modest net migration of American Indians into the metropolitan area, from Oregon and nearby states, but the American Indian population remains relatively small.

New Ethnic Categories

The U.S. Office of Management and Budget has directed the Bureau of the Census and other federal agencies to begin the transition to a revised federal classification scheme for racial and ethnic data. The new scheme will affect 2000 census data and will gradually become common for other federal data collection and presentation. There are two major changes in the new scheme. First and foremost, the census, surveys, and federal data collection forms will ask respondents to report more than one race or ethnic group, if they wish. Second, native Hawaiians and other Pacific Islanders will report themselves separately from Asian Americans; data will be also be presented separately for Hawaiians and Pacific Islanders.

We lack current estimates for the number of Oregonians and metropolitan Oregonians who might report themselves as multiracial—that is, as identifying with more than one racial/ethnic group. Because most Portland and Oregon residents report themselves as white, the number who report themselves as multiracial in the 2000 census is probably small, perhaps 2 to 6 percent of the total population.

We do have estimates of the Hawaiian and Pacific Islander population from the 1990 census. Pacific Islanders are a very small population in Oregon, numbering only 5,000, of whom 2,300 lived in metropolitan Portland. Although there is a net movement from some Pacific Island areas, especially American Samoa and Guam, there is no evidence that

the Oregon population of Pacific Islanders grew substantially in the 1990s. Pacific Islanders are likely to remain the smallest of Oregon's and metropolitan Portland minority population for the foreseeable future.

Influence of Immigration

The size of the international migration influx to the United States in the 1990s rivaled the great waves of immigration experienced at the beginning of the century. Taking illegal immigration into account, the best available estimate is that the total inflow amounted to about 1.1 million annually since 1990. California received about 26 percent of these newcomers, and another 42 percent went to the other five major immigrant-receiving states of New York, Texas, Florida, New Jersey, and Illinois.

Oregon's share of total U.S. immigration has been relatively modest, with only about 5,000 immigrants arriving in the state each year since 1990. Over 80 percent of immigrants arriving in Oregon went to the metropolitan Portland area.

While the flow of immigrants into Oregon may not be large, other evidence suggests that many immigrants, especially those from Mexico, originally settled elsewhere before moving to Oregon. At the same time, economic conditions in Mexico and nearby Central American countries continue to produce a steady stream of migrants intent on relocating in the United States. A plausible assumption is that some of the new immigrants to the United States from Latin America may settle in Oregon, even if they

initially live in some other state. The large and growing Mexican-origin population in California guarantees a source of future migrants who find Oregon attractive if job opportunities exist.

The social, political, and economic consequences of the inflow of migrants, both native and foreign-born, are substantial. The major social consequence is that an area that has been ethnically heterogeneous is becoming so. While active political participation for some ethnic groups will take time, general minority participation in city, state, and congressional campaigns has increased in the 1990s. Economically, the influx of new residents has increased younger minority workers in the metropolitan labor force, adding low and semi-skilled workers as well as managerial and professional workers.

Implications for Future Growth

Assuming a continuation of current state and local area conditions and policies, population in metropolitan Portland is expected to grow from 1.797 million in 1998 to 1.853 million in 2000, 1.979 million in 2005, and 2.098 million in 2010 (see Figure 9). The Portland-Vancouver metropolitan area will increase by 17 percent over the next twelve years at an annual population growth rate of 1.3 percent.

The age composition of the metropolitan population will change under the impact of low fertility, increasing life expectancy, and continued net in-migration (see Figure 10). Although all population age groups will increase between 1998 and 2010, the percent-

Figure 9 here; no caption necessary

age distribution of the population by age will change. There will be a decrease in the proportion of the population less than 18 years of age, reflecting a continuation of current low fertility levels. The proportion of young adults, aged 18 to 24 years, will remain at 1998 levels until about 2005, and then decrease slightly. The proportion of the population in the working ages, 25 to 64 years of age, will increase modestly during the next 12 years, reflecting continued in-migration of younger persons. The proportion of persons 65 years of age and older, will decrease until about 2005 and then begin to increase. The population in Oregon who are currently between 55 and 64—and who entire the older age group during the next decade, were born from 1934 to 1943, a period of very low fertil-

ity during the Great Depression and World War II. Oregon's population, similar to the U.S. population, will not experience rapid increase in the older population until the larger birth cohorts of the Baby Boomer began to retire. The first large group of Baby Boom births occurred in 1946 and will become 65 years of age in 2011. After 2010, therefore, there will be sharp increases in Oregon's older population, steadily increasing the older population in relative and absolute numbers for the next twenty years, from about 2010 to 2030.

The accuracy of these forecasts depends upon a series of assumptions concerning national and regional events. The forecasts will be monitored and revised over the next years on a cooperative and coordinated basis

Figure 10 here; no caption necessary

with the Center for Population Research and Census, Office of Economic Analysis, and the Oregon State Employment Department.

The pace of population growth in the metropolitan Portland area has slackened appreciably in the past several years, following strong economic and population growth during 1989 to 1993. Prospects for future population increases are moderate, although an economic recession or shifts in international and national markets for Oregon's exports could adversely affect the metropolitan economy, resulting in decreased employment opportunities and population growth.

Compared with trends of previous decades, the forecasts for population growth in the next twelve years, 1998 to 2010, are moderate. It is difficult, however, to be overly pessimistic concerning the future of the metropolitan economy given its present strengths and the growing ties of the state economy with overseas markets. In the past, metropolitan Portland has thrived in good times and, except for dramatic shifts in the state economy in the 1980s, has survived fairly well in bad times. At the present time, there is little evidence that the metropolitan area has lost its favored status among West Coast cities for future continued moderate population growth.

1 Clark County, Washington, grew rapidly during the 1990 to 1997 period, increasing by 33 percent. The higher rate of growth in Clark County affected the total Portland-Vancouver growth rate. The total metropolitan growth rate of 17 percent includes the growth rate of 14 percent for the five Oregon counties and the 33 percent for Washington's Clark County.

2 Multnomah County increased at an average annual rate of 1.2 percent. This is a slightly higher rate than the U.S. national average of 1.1 percent.

3 In the United States in 1990, life expectancy at birth for men was 71.8 years and for women was 78.8 years.

4 Assuming that the metropolitan area resembles trends for Multnomah County for the 1990 to 1996 period. A large household survey for Multnomah County in 1996 offers data for analysis of trends since 1990. Similar data are not available for the other counties in the metropolitan Portland area.

Funded in part by a grant from the Regional Strategies Board of Multnomah and Washington Counties and the Oregon Economic Development Commission

This report provides a summary of the economic analysis of the metropolitan region undertaken as part of the Regional Connections Project. Regional Connections is a project of the Institute of Portland Metropolitan Studies at Portland State University and the Portland Development Commission, and has received generous funding from the Regional Strategies Board of Multnomah and Washington Counties. This summary is part of a larger technical report that provides specific details about the sources and methods used in the first phase of the project.

The technical report is divided into four major parts, each of which is described below. First, we describe the background and objectives of the regional connections project. Second, we assay the region's recent economic performance, exploring a variety of measures

of economic well-being. Third, we analyze the structure of the regional economy, identifying the main sources of regional economic growth. Fourth, we offer a preliminary identification and description of the region's key industrial clusters.

1. Project Background and Economic Setting

The economy of the Portland Metropolitan area has grown rapidly in the 1990's. Most area residents are aware that the region has a larger population, more businesses and more jobs than it did a few years ago. But the Portland economy of the late 1990's is not simply a larger version of the economy the region had twenty years ago, or even a decade ago. The purpose of the Regional Connections project is

to explain the nature and the extent of these changes.

To begin our research effort, we considered alternative definitions of the boundaries of the regional economy. Economic activity in the region spills across municipal, county, and even state boundaries. Based on our analysis of urbanization patterns and worker commut-

Regional Connections— The State of the Metropolitan Economy

BY JOE CORTRIGHT
KIM BURNETT

ing flows, we settled on the federally-designated six-county metropolitan statistical area including Columbia, Clackamas, Multnomah, Washington and Yamhill Counties in Oregon and Clark County Washington. As of 1997, the rough economic dimensions of this region were as follows:

- 1.7 million residents
- About 1 million workers
- About 50,000 businesses with a payroll

We estimate that the region's gross domestic product, the value of all the goods and services produced here is approximately \$60 billion annually, making the Portland Vancouver metro economy about the same size as that of the Czech Republic. Closer to home, these estimates show that the Portland region's economy (including Clark County, Washington) is larger, measured by employment, wages and income, than the 31 Oregon counties outside the metro area combined.

2. Measuring Our Performance

Anyone who has lived in the Portland area during the 1990's has some awareness of the ongoing growth that has unfolded in the region. An analysis of economic data shows just how rapid regional growth has been:

Since 1992, the average rate of job growth in the metropolitan area has been over 4 percent per year.

Over the past five years, the regional economy has added 180,000 new jobs, the equivalent of the entire economy of Lane County (the Eugene-Springfield Metropolitan Area).

In 1997, the last full calendar year for which data are available, Portland metro area employment growth of approximately 40,000 jobs was equal to 80% of all of the job growth recorded in the state of Oregon.

A key factor associated with this growth has been the expansion of exports. Measured by the volume of exports through the region, Portland is the tenth largest exporting metropolitan area in the United States, with total exports of \$9 billion per year. A leading factor in export growth has been high technology products, which have doubled to \$3 billion per year in the past three years.

The growth of high tech and other manufactured exports has transformed Oregon's export base from that of a resource-extracting economy in the 1980's (66% of exports tied to lumber, grain and other natural resources) to a value added manufacturer in the 1990's (60% of exports from high tech and manufacturing).

At a time when manufacturing employment has been weak or declining nationally, it has been growing robustly in the Portland metropolitan area. The region now has more than 150,000 manufacturing workers, and ranks as the 20th largest industrial center in the United States, outstripping historic centers of industrial production like Pittsburgh, Baltimore, Cincinnati and Kansas City.

Human capital and worker skills are critical ingredients in today's economy. One of the most dramatic changes in the regional economy has been the huge increase in educational attainment. Data for 1996 show that more than one-third of Portland area adults have a four year college degree, up from only 26% in

1990. The rate of increase over these six years is roughly triple the national rate of improved educational attainment, ranking Oregon among the top five of the nation's fifty largest metro areas for educational attainment.

Coupled with the increase in jobs and the improving education of the workforce, the region's average wages have grown rapidly. Over the past decade, wages in Portland have risen by 9%, after adjusting for inflation, compared with only a 1.6% increase in the remainder of the nation's metropolitan areas. The average worker in the Portland metro area now earns nearly \$30,000 per year, about \$6,500 more than workers in Salem and Eugene, and about \$7,500 more than workers in other parts of the state.

While Portland area wages have always been higher than in the rest of Oregon, the gap between Portland wages and rural Oregon has widened from 13% in the late 1970's to 32% today. The region's rapid growth has helped push unemployment rates down to levels not seen since the late 1960's. Portland's 1997 unemployment rate was just 4.3%, well below the national and state averages.

Rising wages and low unemployment rates have engineered a significant rebound in the region's relative per capita income. During the long recession that struck Oregon in the early 1980's, state and metropolitan per capita incomes declined sharply relative to the nation. As recently as 1988, Portland's per capita income was slightly below the US average. Since then, income has risen rapidly, and the Portland region's per capita income is now 7% above the US average, and slightly above

the average for all U.S. metro areas.

The region's strong economy and income growth has played a critical role in helping to pay for the costs of state government services. While the region accounts for less than 40 percent of the exemptions claimed on income tax returns (a proxy for the taxpaying population), it pays more than 52% of all state income taxes. This contribution has been particularly important as Oregon has shifted from property taxes to income taxes to pay for K-12 education since the passage of Measure 5 in 1990.

3. Regional Economic Structure

A major objective of the Regional Connections project is to build the basis for a better understanding of the region's recent economic performance. Our research efforts focused on examining the region's economic base and beginning the process of identifying key industry clusters.

The project's underlying economic framework draws on economic base theory. Traded sectors of the regional economy—businesses that sell goods or services in markets for which there is national or international competition—draw income into the region, which in turn is respect in local sectors of the economy, fueling the region's economic growth. Over time, the growth (or stagnation) of traded sectors plays a key role in determined whether, and how fast the region's economy grows.

To begin to understand the breadth of change in the region's economic structure, we

analyzed the direct hiring impact of job changes in the region's fifty largest firms. We tracked the employment records of the region's fifty largest employers in 1986 for ten years. Over that decade, these fifty firms accounted for only about 2 percent of the region's employment growth.

A cursory examination of regional employment statistics classified by industry shows that a few industrial classifications account for the bulk of the region's traded sector employment. Among the region's largest traded industries are high technology (SIC 357, 36, 38 and 737), and metals, machinery and transportation equipment (SIC 33, 34, 35 and 37).

Our performance analysis showed that Portland's economy was growing faster than the nation as a whole. To determine which sectors were driving that growth, we examined patterns of employment and earnings growth by sector in the region and the nation. This analysis showed that Portland's growth outpaced national counterparts in six major sectors — electronics, air transportation, construction, transportation equipment, agricultural services and business services. Other segments lagged behind national growth patterns, including utilities, government and health care.

We also undertook a shift-share analysis of industrial sectors. Shift-share looks at how Portland's share of national earnings in any industry changes over time, and is roughly analogous to market share in a private sector context. Overall, Portland's share of national earnings declined slightly from 1975 to 1985

then increased sharply from 1985 to 1995. Declines in wood products, construction, and transportation equipment led the downturn from 1975 to 1985. A huge increase in electronics (Portland tripled its share in a decade) and smaller increases in construction, air transportation, and other sectors led the rebound in the latter period.

We developed location quotients for this region, a means for showing which industries are most concentrated in this area relative to the nation. An industry with a location quotient of 1 makes up the same share of a local economy as it does the national economy. Portland has high location quotients in several industries—footwear wholesaling, electronics, computers, nursery products, wood products and others.

We combined our analysis of employment levels, growth rates and location quotients into a strategic analysis of the contribution of various sectors to regional growth patterns. In general, electrical equipment, nursery products, software and machinery segments seem to be key drivers in growth, while some traditional sectors like primary metals, instruments and lumber and wood products are lagging.

4. Identifying Portland's Industry Clusters

The objective of the Regional Connections project is to go beyond simply cataloguing employment growth rates by industry to developing a clear understanding of the interconnections between different segments of the regional economy. Traded sectors of the

local economy contribute to local economic expansion, not only by wage payments to workers, but by purchases of inputs from local suppliers. In some cases, where there is a sufficient concentration of firms in a single industry and their suppliers, there may be an agglomeration or a cluster of businesses. Drawing on the work of Michael Porter at the Harvard Business School, we begin the process of identifying the region's key industry clusters.

Porter's analysis, summarized in *The Competitive Advantage of Nations*, argues that groups of similar and related firms concentrated in a small geographic area, often a particular city, can exhibit what he calls a diamond of competitive advantage. There are four aspects to this diamond: the structure of the industry and rivalries between firms; the presence of demanding local customers; the availability of world class suppliers; and access to specialized inputs, particularly labor. Where all of these elements are present, Porter finds, a cluster generates a dynamic process of ongoing improvement and innovation that can sustain the cluster's success for a prolonged period.

To identify Portland's clusters, we combined Porter's diamond model with our own analysis of the regional economy. We set out four criteria for what constitutes a cluster:

- The industry should export (outside the region) much of its output;
- It should consist of multiple firms;
- It should display some evidence of concentration in Portland compared to other locations; and

- It should demonstrate each of the aspects of a cluster in Porter's diamond.

Based on these criteria, we identified two groups of candidate industry clusters. The first is evident clusters, groups of firms that our currently available data show meet the cluster criteria. The second group is latent clusters, groups of businesses that meet some criteria, but will require further analysis to determine whether they are truly a cluster.

Our analysis shows that Portland has five evident clusters of economic activity:

Electronics and High Technology:

Embracing computers, electrical equipment, instruments and software, this cluster of firms directly employs nearly 60,000 in the region. Portland has high location quotients in many electronics subsectors and important concentrations of suppliers in business services, engineering, chemicals, plastics and fabricated metals.

Metals, Machinery and Transportation Equipment: The region has nearly 41,000 workers in these sectors, with significant concentrations in primary ferrous and non-ferrous metals, titanium, heavy trucks, railcars, shipbuilding and specialized machinery.

Lumber and Wood Products: Despite the restructuring of production in rural Oregon, Portland remains an important administrative, manufacturing and wholesaling center for the wood products industry. Wood products firms employ more than 23,000 in the region, and Portland has high location quotients for secondary wood products and wood products wholesaling.

Nursery Products: The fastest growing component of the state's agricultural sector, nursery products production—including greenhouse plants, ornamental trees and shrubs, and flowers and bulbs—is concentrated in the metropolitan area. This sector employs over 5,000 in nursery products, and nearly 3,600 more in related landscaping.

Specialty Food/Craft Beverages: Portland is an important center for a variety of specialty food products, including fresh and processed fruit, premium wines, craft beers and ales, and other niche products. Collectively firms in these segments employed nearly 3,500 workers.

Latent clusters requiring additional study include:

Creative and Professional Services: More than 40,000 regional residents work in legal, engineering, accounting, management, and creative services. Portland has a significant location quotient for engineering and architectural services, motion picture production, and advertising. Many of these, and other professional services are closely related to other clusters, and the boundaries and size of this cluster cannot be determined based solely on published data.

Transportation and Distribution: Nearly 100,000 of the region's workers are employed in transportation and wholesaling activities. The region has high location quotients in many aspects of the transportation and wholesale sectors. It is clear however, that important segments of the wholesale sector are part of other clusters-i.e. wood products wholesaling, electronics wholesaling, metal service

centers and scrap. Ascertaining the boundaries and role of this cluster will require further analysis.

Temporary Employment: Nearly 24,000 people work as temporary employees in the metro area. Temporary employment is one of the region's fastest growing categories, and the region has a high location quotient for this sector. It appears that many of these workers are employed in other clusters. Temporary employment is an important supplier of labor in the region; determining its role will be a future task.

Tourism: Slightly fewer than 10,000 people work in the region's hotels and motels. Location quotients for this sector suggest that Portland is relatively weak in this area. Important elements of demand for tourism are related to other clusters-business travel and conventions, for example. Again, connecting this sector to other clusters will be a future research task.

The Regional Connections project has now entered its second phase. We will be doing additional research on our evident and latent clusters to determine whether and to what extent the firms within them engage each other in a manner that can support future innovation. In addition, we will be creating maps of the clusters in order to better describe the economic geography of the metropolitan area. For additional information, please call the Institute of Portland Metropolitan Studies, 503-725-5170.

No growth, slow growth, pro growth, go growth: won't this debate ever reach a conclusion?

Don't count on it. The debate has been part of state and local planning at least since Governor McCall told the rest of the US to "visit but don't stay" 25 years ago. Growth and change—whether too much or too little—are never far from the debates about government policy. Growth touches everything we care about and want our public policies to protect: economic opportunity, environmental quality, urban and natural amenities, and public investment in infrastructure. More surprising than debate would be finding that over a million households agreed on a course of action that was simultaneously beneficial for each of them individually and all of them collectively.

When Governor Kitzhaber formed a Task Force to review growth issues in Oregon, his charge reflected this reality. The Task Force was to assemble and agree to facts about

growth: where and why it has occurred and is likely to occur; what kind of impacts it has had; and who benefits and who loses when growth occurs. When the Task Force chose to go beyond that charge to try to make policy recommendations as eventually Oregon must they found agreement difficult.

The findings of the Task Force leave room for interpretation. For some, the facts will support a call for new policies to slow growth. My work for the Task Force allowed me to review a lot of what has been written about it. My purpose here is to write something about what I think I've learned.

The views that follow are mine, and not necessarily those of the Task Force collectively or of any of its members.

For useful debate, growth needs a definition. At first glance, it may seem obvious that

the debate about growth in Oregon is not about biological or personal growth. Rather, it is about more people, the environment we build to accommodate them, and the impacts of the construction and operation of that built environment on things we care about.

The Debate Over Growth

BY TERRY MOORE

But a deeper look reveals the connections that make a debate about growth larger than a debate about the right number of new people. Population growth may impinge on biological growth: if dams and logging are part of growth, then we care about biological growth when we care about salmon and species diversity. Population growth may impinge on personal growth: if Oregon were to return, whether by chance or conscious public policy, to the slow growth of the recessionary years of the early 1980s, the choices many households have about education, cultural events, travel, recreation, and any number of activities that contribute to personal growth could be reduced.

But if growth is everything, then it has little use for policy purposes: the instructions to policy makers would have to be, “think about everything and make the best choice.” How can growth be defined in a way that increases the odds that its discussion will lead to better public policy?

The middle ground is probably the most solid. When Oregonians argue against growth, they usually refer to more people (as residents and workers) and more businesses, requiring more buildings and more public services, and creating more congestion (both on the highways and in recreation areas) and impacts on the environment. When Oregonians argue for growth, they usually refer to the jobs and income that new and expanding businesses create, and to the beneficial impacts such economic growth can have on the cost and quality of public services.

In short, the fundamental starting point for the debate on growth is at, “more people and the new development they generate.”

Oregon has grown, and, absent a national economic collapse or policy changes of a magnitude without precedent, it will continue to grow. In this century, population has doubled every 30-35 years. Forecasts are for the rate of growth to slow a little, but the number of new people in the state each year will still increase. That growth will continue to concentrate in the Willamette Valley, which accounts for about 14% of Oregon’s land and 70% of Oregon’s population.

After an unprecedented decade of sustained economic growth in Oregon and the attendant growth in population and development it is not surprising that many communities are concerned about the negative impacts associated with growth: traffic, pollution, loss of farmland and open space, fiscal stress, and more. But, what the Task Force heard in many communities outside Portland and the Willamette Valley was a concern that they do not have enough growth. These communities are trying to find ways to get more in the hopes of diversifying their economies, creating jobs, and increasing wages.

Concerns go in cycles (e.g., there was less concern about the negative impacts of growth in the trough of the 1980s recession), but both types of concerns are always present, and at almost every level of geography. In other words, for any region or medium-sized city there is certainly not unanimity, and probably not a dominating majority opinion, about whether growth is, on net, good or bad.

The relationships among factors that cause positive and negative impacts of growth are complex. Most regional economists and planners acknowledge that regional growth results from the interplay of multiple forces. Like fractals, every relationship reveals another equally complex one when it is examined in more detail. Any description of these relationships will fail in both directions: if detailed, it will not hold anyone's attention (and still be criticized by some, justifiably, as not detailed enough); if simple, it may provide good sound bites at the expense of sound policy.

Historically, about 70% of population growth in Oregon has come from new people moving to the state. At the risk of oversimplifying, one can think of migration as a result of a few key forces. People move to a region if they see it to their advantage to do so. The calculation of that advantage depends on a comparison of what they have where they are, what they expect to get in the place they are headed, and what it will cost to move. The key components of the comparison are economics, quality of life, and cost of living. Each of those categories has multiple parts. Quality of life depends in part on natural and urban amenity, which in turn have many parts (e.g., natural amenity includes air and water quality; water quality includes consideration of both quantity and quality, and overlaps with considerations of pollution, recreation, salmon, and so on).

Here is a more specific example. A key part of the debate about the growth in Oregon is about the costs of growth. One of those costs is schools. Many people believe that growth

creates the demand for more schools; that growth should pay for those schools; and that charging a system development charge to each new housing unit would be a good way to make growth pay. An examination of the components of that simple relationship, however, show it to be less simple. Most new housing units are built for people who already live in Oregon: their impact on the school system does not change because they buy a new house. Many have paid property taxes for years in Oregon: taxes that go to school districts, in part, to build schools. Even if the charge hit exactly the right people, there is a more fundamental question about rights to education: do we really want a financing system for a public good like K-12 education that requires beneficiaries to pay in proportion to the costs they impose?

Because growth is complex, there is uncertainty and disagreement. Several newspaper accounts of the meetings of the Governor's Task Force on Growth had fun with the conclusion of the Task Force was growth was complicated, and that it needed more time to decide what it wanted to recommend to state and local governments. That uncertainty is real. No computer model is going to give an unambiguous answer to questions about the optimum type, amount, rate, or location of growth (which is not to say that some people do not strongly believe that they already know the answer, and that the answer is supportable by the facts).

Even if Oregonians can agree to some of the facts (e.g., Is air quality or traffic congestion better or worse now than it was ten years

ago?) they know that there are tradeoffs. That is one reason surveys over the last several years find Oregonians split on growth: some think it's bad, some think it's good, some think it's a wash, and most think its unavoidable at some level. On some big issues about growth we share values only to the extent that different regions of Oregon all have about the same amount of disagreement. People have different opinions because they are affected differently by growth, and they value differently various aspects of the economy and quality of life that growth impacts.

However, an acknowledgment of complexity and uncertainty is not a legitimate excuse for inaction. The growth Oregon gets is the result of complex interactions among national, state, and local market forces and public policies. Few people argue for eliminating all regulation on the assumption that consumer decisions and business response will get us the best possible future. Likewise, few argue that government should take over the provision of a significant part of the goods and services market mechanisms now provide. We are in a mixed economy; we are looking for the right level of regulation.

We should not expect that some compilation of facts will tell us exactly what that level of regulation should be. Facts feed the political debate, but ultimately someone in charge must decide on a course. There is more than one course that is preferable to the one most governments in Oregon are following today.

Imagine two ships a distance from each other on different courses. Four people stand

on the bridge of one, and calculate that if current conditions continue the ships will collide. One grabs the helm and pulls hard to port; his efforts are exactly offset by the efforts of another who pulls hard to starboard.

One pushes the throttle to all ahead full; her efforts are negated by an equally vigorous force pulling all aback. Any one of those actions, by itself, gets to a better future; all together, they use a lot of energy to do nothing as the ship proceeds, without change, to disaster. We need a plan for and agreement on which future we want to pursue.

Any perceptive person who has lived in Oregon during the past 25 years (a common measure of a single generation) has noticed that his or her economic gains, and the freedom they provide to do what one wants, have been at least partially offset by an increasing scarcity of some things once abundant in Oregon. The full costs of a glass of clean water have increased; the diameters of the logs we harvest have decreased; it takes us longer to find solitude in a park, on a beach, or in a forest; we have fewer salmon.

Oregon once had water in abundance. It still does, but wet as it may be, increased demands on that water from all kinds of users have resulted in situations where there is not enough water in the right place at the right time.

In 1900, when Oregon was covered with old growth forests, it made sense to trade off trees for trestles and trade goods. The scarcer those forests get, the higher their value, and the less willing Oregonians will be to trade them. Changes in prices, reflecting increasing

scarcity, help the transition from abundance to scarcity.

There are many futures in which most Oregonians can be better off. We need to chose one, and the policies that are consistent with it. That choice requires — is synonymous with — leadership. In the face of uncertainty we must screw up the courage to pick a course and pull together in that direction.

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The turn of the century is always a time for thinking big thoughts. Notions of making a “fresh start,” being at the “dawn of a new age,” and “taking the first step on a long journey” are invoked at the mere mention of the next century and the new millennium. Despite this region’s history, described by some as being much like a quiet summer day on the bank of a slow moving stream, Portland has been no stranger to thinking big.

For about the first 100 years of Anglo settlement, the objective here was not all that different than in other places. Simply put, we wanted to be big. Really big. Bigger than Seattle or San Francisco. For awhile, we succeeded. From the earliest days, we have had an export economy. Oregon became a state 30 years before Washington, and Portland was the trading hub for the entire Columbia Basin, much as it had been for the Native peoples before. At the turn of the last century, Portland wanted to be a city of three

or four million, quite a step from its 1900 population of about 90,000.

Some years later, that ambition for bigness did not go unnoticed. In 1938 Lewis Mumford visited our region at the invitation of the

Northwest Regional Council. Mumford was invited to critically review development trends in the region and to comment on the new urban and economic development predicted to accompany the surge in electric power soon to come from Bonneville dam. In his report to the Council, Mumford had this to say about Portland:

“...neither Portland nor Seattle show, from the standpoint of planning, more than metropolitan ambitions that have over-reached themselves. The melancholy plan to increase Portland’s population from 300,000 to three million succeeded in disordering and unfocussing its growth: but it did little to give it the benefit of modern city

planning practice; meanwhile, the apparent financial prospects of these port cities under-

*The
Portland-
Vancouver
Region in the
Next Century:
Addressing the
New Old
Questions*

BY ETHAN SELTZER
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mined the base of the sounder development that could well have been taking place in other parts of the region, on strictly modern lines.”

Mumford’s prescription for the application of electric power to this region was to create new towns. His often quoted speech to the City Club did, in fact, recognize the spectacular nature of the Oregon landscape. However, his comments in that speech about the Oregon country providing a “fine home for man” did not include our cities.

Today, we are in search of a new booster message, a message that will define our ambitions for 21st century metropolitan Portland. The old message—let’s be big—is running into reactions ranging from indifference to fierce opposition. The experience of being recession-bound in the early 1980s is long forgotten. The movement toward voting on annexation, the emergence of a “No growth” movement in Oregon, and opposition to both sprawl and density signal the need for a message able to address the concerns of our communities today.

We can’t know what the future will bring, but we can know what we want the future to provide. Achieving the future we want must be a partnership between the expectations of today tempered by a sense of humility and responsibility towards the future. The best that this community has accomplished recognized that fact. This has long been a place lauded for its quality of life. Perhaps our next booster message ought to be one of quality rather than sheer bigness.

Where should we start to craft this message

of quality? Consider the following five observations about this place and who we are:

1. We are living and working at a regional scale, and we’re not alone.

Metropolitan regionalism is experiencing a burst of new life. Not only are metropolitan economies becoming the fundamental unit for analysis, but there is mounting evidence that central cities and their surrounding suburbs and rural areas share a common fate.

Furthermore, few people live their lives within jurisdictions. Think about this region: our quality of life has as much to do with schools and neighborhoods as it does with the fact that we can put mountains, rivers, and the ocean into the same sentence with them. Draw a circle with a radius of 90 miles and Pioneer Square at its center. Encompassed by that line is an amazing collection of landscapes, experiences, and enterprises, a diversity that we all too often take for granted.

2. We are in the midst of two huge transitions.

First, we are making a transition in this metropolitan area from an economy rooted in the productive capacity of the working landscape, to one based on a knowledge economy rooted nowhere. The working landscape, our farms and forests, have played a central role in defining our economy and simply what “Oregon” calls to mind. Many of us thought it would never be otherwise. Today, high tech employment in Oregon offers more jobs than does lumber and wood products, and migration into the state is bringing us a large group of new residents whose livelihood doesn’t

have a direct connection to Oregon's forests and fields.

This has happened only rarely in our past, most notably during World War II when Henry Kaiser imported 100,000 workers to build ships. How will this transition affect us? It is too soon to tell, but unlike the wartime economy, this one is here for keeps. The real meaning of this economic transition for our sense of place, politics, and style of life will be profound, and in the short term will only widen the gap between the metropolitan area and the rest of the state.

Second, we are making a transition from competing on the basis of cost to competing on the basis of quality. We used to be really cheap...cheap housing, cheap land. Along with those cheap prices came low incomes. Economist Ed Whitelaw officially recognized them by noting that in Oregon we get two paychecks: our salary and access to the landscape. Being here was, in his words, our "second paycheck."

In the Willamette Valley, we are no longer cheap. We're not the most expensive place in the West but the days when we could simply offer ourselves up for pennies on the dollar are over. Today, in the Portland metropolitan area, our incomes are actually higher than the national average.

What does it mean to compete on the basis of quality? Again, it's too soon to tell, but it may be instructive to keep in mind that the basic underpinning for our competitiveness rests on two complementary ideas. First, we need to be as good or better than our competitor regions when it comes to quality of life

and business climate. Second, we need to be exceptional at those things that only we can be. Phoenix will never be much of a place for anadromous fish and hazelnuts. Austin will have a tough time offering snow-capped mountains and an ocean all within a days drive. Our task is not just to be a better Boise, but to be the best Portland that only we can be.

3. Urban design is not our biggest challenge.

We've gotten pretty good at arranging things in space. There is no question that we can do more. However, the cutting edge for planning in this region is people. What would it be like to develop a downtown that works not just for the very wealthy or the very poor, but for middle class families as well? What would our planning look like if we actively worked to give everyone access to the economy? What kind of dialogue would we have if we talked about the settlement pattern of this region in terms of its social or cultural implications? What are we going to do to keep the light shining on both saving the salmon and keeping kids out of poverty...one without the other will be a hollow victory and both are crucial.

4. Environment really matters here.

The core values of this region, reflected in both what we say we care about and what we actually do with our time and money, include a strong set of concerns about environmental quality and the spectacular beauty of the state. People say they are concerned about the environment here in numbers and frequency not found in most other metropolitan regions

of this size. We spend our time outside in numbers far greater than the national average, and we're much more likely to visit state parks rather than theme parks. The people of this region want and expect high quality natural resources, despite the fact that many of our residents come from somewhere else. This region without its natural resources and spectacular landscape resources would be much less of a place to us and to the world.

In fact, the places we get recognized for, that stand out as our biggest attractions, are the densest and the least densely settled parts of the landscape — downtown Portland and the high desert. It's an important reminder that in Oregon the two go together, and always should. Our city works for a lot of reasons, but the "built" without high quality "natural" is a fundamental departure from what made us successful.

5. This is an intentional place.

We have remade downtown Portland, consciously separated urban from rural, and pioneered the use of the initiative and referendum. We deliberate here, plan, form committees, and make decisions in a way that sets us apart from other places.

This is problem solving on a grand scale. It reflects a core value of independent thinking, of wanting to live in a place where people could affect the circumstances they found themselves in and make up their own minds. Today we are no less intentional than in the past, but the civic life of our community appears to be radically different. Our banks and many of our utilities are not locally owned. High tech executives have a very dif-

ferent interest in civic participation than their resource industry counterparts. Few remember the battles that put land use planning in place, much less the adoption of local comprehensive plans or even the shock of the recession in the early 1980s. Whether we retain the civic "style" that we've grown up with remains to be seen.

So ... what next? We can get to that booster message for the next century, one focused on quality rather than size, by taking the following steps:

First, we need to spend time asking a very different kind of question. For the past few years, we've been asking growth management questions. Growth management is the effort to manage the rate, location, or timing of growth. The promise has been that if we do it right, we'll keep the soul of the place intact. It is important to ask and answer questions about how big the pipes should be, how many lanes the roads need, and how many acres should be inside the UGB.

However, the current reaction to growth, including talk of moratoria and numerous initiatives to require voting on annexation, are a reaction to the fact that folks don't like the change they're seeing. In point of fact, we've oversold growth management and its ability to make the effects of new growth virtually disappear. Growth management can't make new growth disappear. More people mean a different experience, on the road, at the store, at the fishing hole.

Furthermore, we know that sprawl is not free, not by a longshot, *and* the alternatives to sprawl aren't free either. I've had the opportu-

nity to travel around a bit and I do believe that the regional planning we're doing here is necessary, successful, and largely unparalleled in America. But it is only one part of the story. Simply stated, it's good work but no silver bullet.

There is a new old question that remains before us as a fundamental challenge. Simply put, no matter how many people come and no matter when they get there, what should still be true about this region? This is really a question about basic values, about what we want to be known for:

- Do we still want to be able to take a daytrip to the wilderness?
- Are we committed to preserving the "grain" of Portland neighborhoods, where high and low incomes live in close proximity?
- Will salmon and steelhead, eagles and great blue herons still be residents of the city?
- Will this community be home to an American Dream that is about access to opportunity for all?

These are the questions that ought to spark our next round of 21st Century City building.

Second, we—all of us—need to take a stand. We have to start getting specific about what we care about. Environmental quality...where? Community building...who and where? Redevelopment...where? Quite simply, we need to get specific about what matters here not just as a community, but as inhabitants. As architect Greg Baldwin has said, Portland is the kind of place where

"small acts can be profound." That is, individuals can make a difference. Individual commitment is going to make the difference in the next century.

Third, we need to be committed to taking action. If we've learned anything from our planning and (re)development experiences here, it's that you can't regulate quality of life into existence. Quality of life is a collective achievement. It's the result of intentional action. Much has been done. We've preserved access to the beaches for all of us, we've rebuilt downtown and re-energized the city in the process, and agriculture and a working landscape are still features of this fast-growing metropolitan area. Good things take time, but they happen because people with passion get together and ultimately don't take "no" for an answer.

Finally, we need to shift our thinking and our planning from what we want to add to this landscape to how we'll grow old. Too often we simply state that we are a young place, a new city, a frontier. However, this region is one of the oldest continuously inhabited places in North America. People have been living here for literally thousands of years. We are pre-occupied with growth, with adding things, with viewing change as something stemming from new development, from newness. What would our planning look like if we challenged ourselves to focus instead on how our cities and communities will mature in this place? What makes a building last for 1000 years? Are there any buildings here now that should? Would it be good if there were more? How can growth and

change help to improve the fit between people and this place? We can wait to ask these questions until our city has been here for 1000 years, or we can start to ask them now. My vote is for now.

Creating our booster message for the next century is something that we have to do together. There is no silver bullet waiting to be discovered. Earlier in our history, “big” seemed sufficient. At various times we’ve tried other bromides, like “dams,” “rail,” “irrigation,” “dry dock,” and most recently “high tech.” Though important, none have been sufficient. On the cusp of a new century, it’s time to try some new combinations.

Editor's Note: Neil Goldschmidt, delivered the following remarks at the Institute of Portland Metropolitan Studies' fifth annual Leadership Symposium November 20, 1998.

My thoughts for today are in the form of ten points.

1. Let a thousand flowers bloom.

Mao said it; don't discount the source. Think about it. If a group of neighbors ever needed to open the doors and windows of their minds and hearts to new ideas, different approaches - to building new ways of accomplishing the futures they desire, the people in this room and those they represent are it.

If you are a stakeholder in things as they are now, know that you can succeed best when there are more people who take ownership of the opportunities and problems among us. A civil rights leader and mentor of mine in the 1960's taught his young civil rights field staff that "you can only have freedom by giving it away." It is true about influence as well. The powerful need to share their authority with more citizens. It will not reduce their sway or force; indeed, just as giving away free-

dom creates more of it, encouraging others to influence life around them will empower all of us.

2. Capital—not regulation—is the key to influencing investment behavior.

Our approach to building public confidence in our assessments and plans to amass and target public capital isn't working well enough. We need terribly for our governments to successfully influence private investment. If we are serious about succeeding, we need to find ways to incent private behavior to join our cause in behalf of a high quality of life for us and our children.

Falling back on regulation isn't the answer; changing the way we think about who owns the problems and opportunities is essential. By broadening our base of stakeholders and communicating effectively with our voters about the need for public capital, we can achieve our growth agenda much better than through more regulation.

3. If you don't like the current tax system in your home state, move across the river.

Our differing tax systems are an advantage. Both sides should stop complaining about it.

Building a Region that Works

BY NEIL GOLDSCHMIDT
FORMER SECRETARY OF TRANSPORTATION
IN THE CARTER ADMINISTRATION,
GOVERNOR OF OREGON
AND MAYOR OF PORTLAND

Oregonians like to complain about wealthy neighbors and business associates who have moved to Clark County to avoid Oregon's income tax. Washingtonians complain about how much tax is taken out of their Oregon-based paycheck and how little they get for it.

Yet, if wealthy Portland area Oregonians couldn't find an answer to the problem Oregon creates for them by not having a state capital gains tax by moving just across the Columbia river, might they not have moved to Nevada? If they had to move that far away to establish residency to protect their estates, wouldn't this deprive the region of their charitable support, their investment capital, and, above all, their leadership and creativity which can continue because they remain "at home." The flight by business and stock owning Oregonians to Clark County is Oregon's fault, not the fault of those who invested, nor certainly of our cross-river neighbors.

Clark County is the eighth highest county payer of income taxes to the Oregon state treasury. Clark County residents who pay income taxes in Oregon should be thanked, and Oregonians should expect them to care what is accomplished for the public good with their contributions. If Clark County continues to successfully develop its economy, Oregon residents working there will become major contributors to local and state tax coffers in Washington, as well. And they, too, will care how Washington governments spend their tax monies.

In the meanwhile, it profits no one for Clark County participants in the Oregon economy to pretend they get little or nothing for the taxes they pay. They are great support-

ers/users of specialty medical services, culture, aviation, and consumer services, among dozens of available Oregon-supported resources.

4. We are partners: God, geology and history have seen to it. Our communication skills just haven't implemented the partnership yet.

If we were in the same state, we'd be working on the same problems. In truth, is communication between Portland and rural Washington County better than Vancouver-Portland communication? Or between Oregon city and Milwaukie and their Clackamas County board? Communication is not only a cross-Columbia issue.

Before Metro, we worked together, across the Columbia, in CRAG — the Columbia Regional Association of Governments. Clark County has sent great representation to regional counsels for a long time. We old timers remember mayor Jim Gallagher and Commissioner Jim Granger who served with Portland City Commissioner Lloyd Anderson, Beaverton Mayor Bill Young, and Clackamas County Commissioner Bob Schumacher in the 1970s. We are still great partners and need to continue to be. Washingtonians are not second class regional citizens in the eyes of Oregonians — not now, not ever.

Ask yourselves this: if the four counties dependent on the swift movement of freight throughout the region were all in the same state, would we still be postponing improvements to Interstate 5?

We need to find ways to demonstrate to all of our citizens how true this is.

5. End cutthroat economic competition.

No one should subsidize businesses to win them to one or the other side of the Columbia River. There is a limited amount of industrial land; all of it will be fully developed. Let's focus on two things; helping our existing business grow and supporting quality new investments. A quality siting on either side of the Columbia is a win for the region.

6. Suburban dwellers in all four counties need to end the delusion that the future of the region's towns is of no importance to them.

Our region needs downtown Vancouver, Beaverton, Oregon City, and Gresham to succeed. We need it for quality of life, diversity and efficiency. Cities and towns are places of beginnings and endings for our citizens, where they congregate for entertainment, work, medical services, professional services, and more. They are also places of "municipal overburden," places where the "people of the gaps" of our society congregate — the drug afflicted, the alcohol addicted, those in need of mental health services, those least able to pay, whether for housing, transportation, or food. They impact tremendously the cost of education to the district where they reside.

It is a tale well known in the region's largest school district, where nearly 50% of the children are eligible for free and reduced lunches because their parents, foster or real, cannot afford to pay for hot meals for them. But can this region truly believe that the collapse of this great school district will not affect the population and expense of providing education in their neighborhood? No. No

more than we can believe that the failure to successfully build downtown Vancouver won't be just as big a defeat for intelligent regional development as if it were on the Oregon side of the Columbia.

7. Announce a moratorium on tours for visiting dignitaries.

We haven't gotten it right here yet. And for every hour, for every day we spend talking with out-of-towners about an unfinished past, we are one hour, one day closer to a complete disconnect with our own citizens. They are voting to take control with new annexation policies and more. Pay attention: there will never be a trade-off big enough to buy back the time we are wasting, or justify the self-delusions that travel with our side shows and statistics.

Are you as worried as I am about the coming headlines in popular and professional publications about the Portland metro area, heralding "the failed experiment?" Then let's call a halt to bragging, self-congratulatory conferences, tours, interviews, and publications and get to work building a new language of trust.

8. Great regions have great higher education centers.

Every Oregon governor and private leader who has looked deeply at this issue has concluded neither the quantity nor quality of our offerings in the metro region is good enough. Oregonians should be grateful for the added higher education horsepower Washington State University is bringing to our region. All should applaud the improvements at OHSU,

born of its new public corporation, and at PSU from a new higher ed funding formula, both children of the Kitzhaber administration.

But to our region's definition of quality of life must attach a powerful quotient of personal independence. The foundation for such qualities, in large part, is built on education beyond K-12. The Oregon side has been unable to build a vision that fully captures the contributions of all our private and public post secondary colleges and universities. Something much larger than the sum of the institutional parts is needed.

9. Our children are the region's greatest legacy.

The true test of regionalism is not how effectively we implement our shared interest in land use and transportation. They are a foundation we need to build, on top of which we build a regional home for all. The ultimate shape of our home should be a design that shelters, nourishes, and fulfills our shared commitment to our children.

Suburban taxpayers may think this is a code for shifting their tax dollars to pay for black inner city children. City taxpayers are equally ignorant about the children in need in the unincorporated areas or smaller areas only minutes away. In truth our children are in jeopardy in all parts of the region and the juvenile crime statistics across the bistate area prove this.

The region needs a compact to make this a world-class place for children to live and grow. This means reaching out to our impacted children wherever they live. Just as we consider the salmon an indicator of the quali-

ty of the environment, our children are the indicator species for our region's lifeblood. If we lose our children in bureaucratic red tape, if we don't prevent our kids from making that last bad choice that converts them from a kid with a problem to a kid with a record, if we fail to provide a good education, or the tools to fight drug use and child abuse - if decent medical care isn't available, how secure can our future be?

So where do we go from here?

We return to square one; we remember why we care; we know time is not our friend; and, that we are the living proof of the old adage that no good deed goes unpunished. We are being overrun by a world that wants to live and work where the quality of life is the best.

Reportedly, Alfred Einstein once said that "the significant problems we face today cannot be solved at the same level of thinking when we created them."

These need to be our watchwords. And we can find anecdotal proof that some among us are already finding new ways to think, plan and act.

For example, the region's effort, led by Mike Thorne, Tom Walsh, and Mayor Katz, to build light rail into Portland international airport; Portland State University's accepting for in-state tuition purposes those Washington state residents who meet the minimum GPA requirements; and the efforts of our two port authorities to build closer working relationships and to assure a cooperative commitment to deepening the Columbia River channel and protecting the 78,000 jobs affected by river commerce.

We all know of other examples.

But while we are looking for good public behavior, our citizens continue to keep the important private reality in front of us; our lives are inextricably connected. As an example, consider the 2,000 symphony season ticket holders from Clark County who comprise an important 10% of the symphony's total season subscribers.

The approach of the 70's has run out of steam. We need new thinking and that means new people and participants. We cannot be defensive; our values and our objectives work best when sent out on the offensive. Falling back on a regulatory-only approach will fail us and the ideas we believe are right.

We know that we can sell this region as a great economic climate and that both sides of the river will have and share this success. We have been and continue to be partners. And now we are both losing the race to the mediocrity that occurs when growth runs over the quality we inherited and vowed to protect.

What do we do next?

My final item—No. 10—think big.

Half-dreams didn't get us the progress we cherish; it won't get us to any future that can matter to our children and grandchildren.

The components of thinking big are:

First, stop pretending that elected officials, and government staffs can fix the light rail problem, or the higher education problem, or the local schools funding, or the highway problem, or whatever else is on your list.

Second, for a moment, stop what you are planning. Stop all of our meetings. Stop and

think. Who and what will it take to re-fill our intellectual tanks, our political tanks - and re-energize a coalition for the next 20-25 years?

Third, the answer is our citizens. It is going to take time. They deserve the time. It means everyone starts at the beginning with facts, ideas, opinions. Is there risk that we will be taken some place we didn't plan to go? Or perhaps a few places we thought we would, but in ways we didn't anticipate? Yes.

Fourth, we need to stop the pell-mell and haste to the ballot. We need to ask for something scarcer and more valuable than more taxes our citizen leadership's time. We need to get our citizen leaders to give us two years of their thought, analysis, recommendations, and commitments to action.

It won't only be a roads and light rail agenda.

To magnetize people to a flag for the future, create an opportunity for everyone to sort through any and every thing that is critical to their economic and social future. The agenda must give voice to the deeply felt and intellectually compelling connections which adult experiences tell us can make a difference in the development of a strong society.

The new agenda will, I believe, find room for higher education, for planning for the children of our shared future, or for other cares and concerns that are the true personal passions of our neighbors and families.

Our history joins us across the Columbia. The remarkable story about John McLoughlin begins at Vancouver barracks and was completed in Oregon city. The story of Lewis and Clark's courageous journey touches both our

shores. We shared a war effort to build liberty ships which encouraged migration to both sides of the river by the men and women who came to build them. We were once all known as the Oregon territory; a destination; a dream; a place to make a difference.

And so today each one of us is called to dream again — to rebuild our momentum to a common destination, but even more, to loosen our hold on our authority long enough to encourage others to join us. We need to share so that together we can make a difference, or, perhaps, even turn over a tired but just cause to fresh legs, hearts and minds. I am reminded of an African proverb which says: “when spider webs unite they can tie up a lion.” When a region unites, it can save its children, its salmon, anything, including our futures.

We have seen glimmers of ways to build this web of our shared future. This conference and the activities it fostered starting last year have been, and can be, a continuing, important source of inspiration. My personal and heartfelt thanks to our two governors, Locke and Kitzhaber for encouraging and sustaining this initiative and to all who make it happen. Remember Hesiod’s words from 700 B.C. — almost three thousand years ago.

“The best is he who calls men to the best

And those who heed the call are likewise
blessed

But worthless who call not, but rest.”

There is no rest ahead. Thank you and
good luck.

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Mission

The Institute of Portland Metropolitan Studies is a service and research center located in the College of Urban and Public Affairs at Portland State University. The mission of the Institute is to serve the region and further the urban mission of Portland State University by:

- Providing new access to the resources of higher education for area communities;
- Helping to make an understanding of the metropolitan area of strategic value to citizens, faculty, students, elected officials, and civic leaders;
- Providing a neutral forum for the discussion of critical metropolitan policy issues;
- Creating partnerships linking faculty, students, and community groups to meet community and scholarly objectives; and
- Sponsoring public service research.

We serve both as a “new front door” for higher education and as an active participant in the civic life of the metropolitan area. We act as a broker, making new connections between the community and higher education, and new connections within the community between community interests from throughout the metropolitan area.

Board and Programs

The Institute is governed by a 23-member Board, appointed by the President of the University and drawn from throughout the six-county area. The Board is responsible for

establishing policy to guide the development of the Institute and its programs, and to assist the Institute with securing the resources necessary for fulfilling its mission.

Two primary initiatives form the core of the Institute’s activities:

I. *Creating University-community*

Partnerships—Annually the Institute seeks to develop one or more partnerships involving faculty, students, and community groups. To date, the following partnerships have been developed:

- *Gresham Urban Design Studio*—Partners include the Institute, Professor Rudy Barton of the PSU Architecture Department, and the City of Gresham, a fast-growing suburban city with many urban design questions.
- *Portland Today*—Partners include the Institute, the undergraduate Natural Science Inquiry program directed by Professor Bill Becker, and the City of Portland Energy Office. The result is an annual report on the state of the City’s natural environment.
- *Center for Community Research*—Partners include the Institute, Director Karry Gillespie, and the Urban League of Portland. The Center will seek to assist community-based groups by providing them with technical and, in some cases, research assistance to meet the expectations of funders and policymakers for documentation of community needs and program outcomes.

In addition, the Institute provides contacts for student-initiated projects, access to student interns for community groups, and seeks project “clients” for faculty and their classes.

II. Promoting Metropolitan Collaboration—

Many if not most community issues are common to a wide range of metropolitan area communities. To promote the creation of new collaborative partnerships to address truly regional issues, the Institute has developed several projects to help explain the common features of life in the metropolitan area:

- *Metropolitan Clearinghouse*—A searchable database containing current information on reports, plans, and other products developed by area jurisdictions, agencies, and organizations.
- *Metroscape*—An atlas and mirror of the metropolitan area, published twice a year for a general audience.
- *The Catalyst*—Our quarterly newsletter bringing you news of the Institute and the region.
- *Annual Leadership Symposium*—An annual event designed to provide civic and elected leadership with cutting-edge ideas about leaders and their communities.
- *Metropolitan Briefing Book*—The Institute’s biennial compilation of critical metropolitan issues, values, and emerging regional trends.

- *The Institute Web Page*—Designed to present the six-county metropolitan region. The Institute is a part, a small part, of this incredibly interesting and desirable place to live.
- *PSU@HOME*—A mobile storefront for the Institute and the University that provides access to and training for the use of geographic information systems in communities throughout the region.
- *Regional Connections*—An analysis of the major clusters that make up the region’s economy, including an assessment of the relationships within and among clusters and with the geography of the metropolitan area.

For more information about any of these projects, to be placed on the mailing list, and/or to receive a copy of our publications list, please contact:

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