

New Economy Observatory
Metropedia
Report No. 2001-1
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**Institute of Portland Metropolitan Studies
School of Urban Studies and Planning
Portland State University**

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Introduction

At the dawn of the 21st Century, Metropolitan Portland has emerged as one of the most innovative metropolitan regions in the United States. The region continues to witness ongoing economic change, and is part of a world-wide transition to an increasingly knowledge-based economy.

For the past several years the Institute has engaged in an analysis of the performance of the Portland-Vancouver metropolitan area economy, and the major industrial clusters within the 6 counties. Our work to date (<http://www.upa.pdx.edu/IMS/NEO/NEO.html>) has provided a unique and strategic overview of economic performance in and the traded sector industrial clusters in the economy of metropolitan Portland.

That work has revealed several clear messages for policy makers about the future of our economy:

- Intellectual capital is key to our present prosperity and future success. We succeed today because of the talents of our people, not simply the cost of our water, electricity, or land.
- The environment for creative accomplishment and entrepreneurship should be a critical public concern. High quality neighborhoods, great schools, environmental quality, the availability of venture capital, and building and sustaining the Portland “brand” are inter-related issues that need to be addressed with a coordinated strategy.
- The industries of the future will extend and modify current local strengths. The seeds of what we will become are already planted here.
- Our most important industries are not here by chance. Contrary to popular belief, they are not “footloose.” Place matters, and the relationships that make key firms successful here are not easily transported.

Nonetheless, our work also points out forcefully that this is a time of transition and unprecedented economic change. Our desires for a more diverse economy have been met, but the result is fast becoming a new economic mix that has implications for much more than simply the economic life of the city and its region. Rapidly changing technology and shifting markets make this an exciting and challenging time to achieve and maintain prosperity.

Although easily taken for granted, the region’s economic prosperity is no accident. Other metropolitan areas have waited for a downturn to catalyze serious interest in understanding the forces that shape their economic destinies. This metropolitan area, we think, is more inclined to make conscious choices

about how to shape its future.

In response to the dynamic nature of the economy in our region, and in light of our findings, the Institute of Portland Metropolitan Studies has created the “New Economy Observatory.” The mission of the New Economy Observatory (NEO) is to provide economic development professionals and local decisionmakers with strategic information regarding the:

- performance of the region’s economy, both in absolute terms and relative to other competitor metropolitan regions;
- nature and formation of new businesses, the cutting edge of change in the new economy;
- institutions, actors, and processes that support or impede the creation of new knowledge-based businesses in the region; and
- inter-relationships between the region’s quality of life and distinctive character, and the number and kind of new businesses being created.

We have consciously chosen the term “observatory” to name this initiative. By definition, an observatory is intended to provide both descriptive information and analysis useful for explaining the dynamics of the system under study. There is currently no central clearinghouse for monitoring and analyzing the emerging knowledge-based economy in this region. We believe that NEO is critically needed both to help inform local economic development efforts and to benchmark this region against others attempting to make the same kind of economic transition.

In this report, sponsored by and prepared for the City of Portland’s Portland Development Commission, we present *Metropedia*, our ongoing assessment of regional economic performance and competitiveness. Our intention is to update *Metropedia* annually, as a means for tracking performance over time.

This year *Metropedia* has three main sections:

1) Trends and Comparisons: NEO’s primary mission is to help the leaders and citizens of the region know how their economy is performing. The *Metropedia* is our collection of key indicators for assessing our performance, both over time and in comparison with other similar metropolitan areas.

Our analysis of trend data shows that the region’s blistering employment growth during the mid-1990s has slowed, and that for the past year, the region’s growth rate has been similar to the nation’s. Though the region’s growth rate has slowed, the relative income gains that the region recorded during the 1990s have persisted. Regional per capita income, which was below the national average in the late 1980s, continues to be almost 10 percent higher than the US average. Regional average wages, adjusted for inflation, have increased noticeably after nearly two decades of stagnation.

Key factors in the region's success have been a steady increase in the educational attainment of the region's residents, an increasingly knowledge-oriented economy (evidenced by rapidly rising patent activity) and the dominant role played by high technology in the region's exports. While population growth has attracted a considerable amount of concern, net migration to the region has been declining since about 1993, and housing price inflation has abated significantly in the past few years.

Comparisons with other similar metropolitan areas help us distinguish between those factors driven by national trends and those unique to Portland. Portland's overall growth was much faster than in competitor regions during much of the 1990s, but is now noticeably slower. Metro Portland ranks below many competitors in per capita income, but educational attainment is extremely high (perhaps fifth among large metros, according to the latest state estimates).

2) Tracking the Region's Businesses: Change in the regional economy is propelled by changes in the region's businesses. To better understand the dynamics of this change, NEO is using the Employment Department's employer payroll tax data to construct the Metro Business Database—a longitudinal database of employment in the region's firms. This database will enable a growth analysis that separates out the components of growth due to start-ups, firm expansions, layoffs and business closures.

Our preliminary analysis of these data shows that firm-level employment is in a state of constant flux. Employment Department data suggest that only about half of the firms that existed in the region in 1992 continued to have employment in 1999, and that businesses formed after 1992 accounted for more than a quarter million new jobs over that time period. As this database is refined and extended, it will enable NEO to develop a much more nuanced picture of the forces behind regional economic change.

3) Things Look Different Here: For more than a decade, Oregon's tourism slogan has been "Things look different here." More than a tribute to our state's natural beauty, the things that separate Oregon, and metro Portland from the rest of the nation may be an important source of economic advantage. Our analysis explores this hypothesis in three ways.

First, we examine national models of metropolitan growth to discern to what extent metro Portland's growth is explained by the underlying trends that seem to be driving growth elsewhere. Growth in Oregon metro's—Portland, Salem and Eugene—seems to be driven by very different processes.

Second, we surveyed a select group of the region's civic leaders and activists to ascertain what they find most different and distinctive about

Portland. Their opinions reflect some commonly mentioned beliefs—that the region has a special relationship to its environment, the importance of recreation and a vibrant downtown—and some less obvious attitudes, such as what places they’d live if they moved from Portland.

Third, we inventoried a variety of data sources, including studies ranking metropolitan areas, to quantify the ways in which metro Portland seemed to be different from other places in the attitudes and behaviors of its residents and how it was perceived by others.

Please note that the numbers and trends reported here are for the six-county Portland-Vancouver metropolitan statistical area. This territory, our metropolitan region, encompasses Clackamas, Columbia, Multnomah, Washington, and Yamhill counties in Oregon and Clark County in southwest Washington. This area is home to about 1.85 million people, and provides about 1 million jobs, with a gross regional product slightly larger than that of the Czech Republic. Due to the fact that this metropolitan area has no generally agreed on, simple, and elegant name, we will use “Portland” to refer to the metropolitan area, not just the City of Portland, unless we’ve explicitly stated otherwise.

Finally, we would like to acknowledge the fine work done by the New Economy Observatory team this year. Joe Cortright and Ethan Seltzer were the principle managers and designers of the New Economy Observatory effort. Joe Cortright, of Impresa Consulting, was the primary author of this document. Ethan Seltzer, Carlos Vilalta, Heike Mayer, John Provo, Lisa Selman, and Diane Sullivan all made contributions to the form and content. Ethan Seltzer and Emily Renfrow provided the final edit and format.

Robin Roberts, Economic Development Manager of the Portland Development Commission was the inspiration for this report and key contact between project staff at the Institute and others at the Portland Development Commission. This report would not have been possible without the support, financial and otherwise, of Robin, Abe Farkas, and other members of the Portland Development Commission staff and management.

Metropedia

Metropedia is NEO’s analysis of the recent performance of the Portland metropolitan economy and including an analysis of how our regional economy stacks up against comparable regions around the nation on a number of key indicators. As part of our Metropedia effort, we have also begun to analyze how the behavior and attitudes of regional residents differs from people in other metropolitan areas.

Part 1 deals with economic performance indicators. Economic performance indicators track the health of the key attributes of the regional economy over time. They show whether the regional economy is growing faster or more slowly.

Part 2 is the metro matrix—a systematic comparison of the Portland metropolitan area with other similar or competing metropolitan areas around the nation. The metro matrix provides a convenient framework for getting some perspective on how Portland’s economy is different from or similar to the economies of other metropolitan areas.

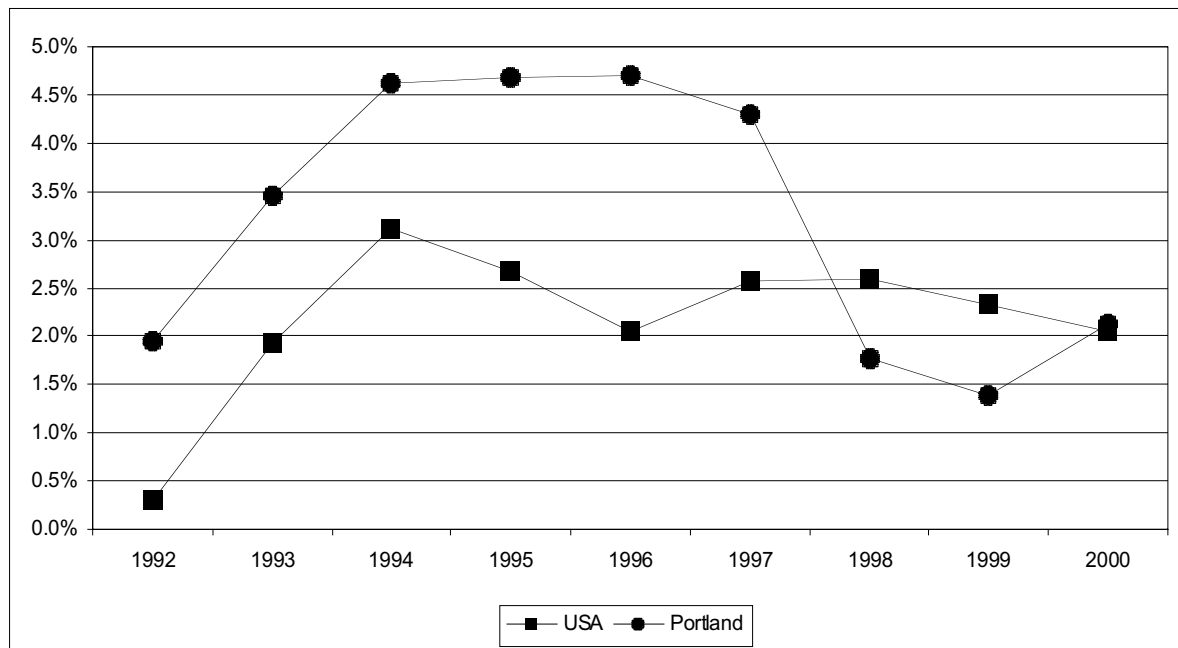
Part 3 presents our initial work on the development of a database of all firms in the region from 1992 to the present. This database will be very helpful in the years ahead as we seek a better understanding of what kinds of firms tend to thrive in this economy.

Part 4 is Things Look Different Here—our analysis of how this region differs from others from a broader, more cultural perspective. We report the results of our own survey of the Portland area residents’ self-descriptions of the key attributes and attitudes of the metro area.

Part 1: Economic Performance Indicators

For this first version of Metropedia, we’ve focused on growth and change in the region’s economy and population. As reflected in recent news stories, the pace of job growth has slowed significantly from the rates experienced in the early 1990’s (see Figure 1). In fact, the rate of growth in 2000 is less than half of what it was in the period 1994-1997. Nonetheless, job growth in 2000 was positive and slightly ahead of the rate experienced nationally, recovering after two years of rates of growth below the national average.

Figure 1. Job growth has slowed from the breakneck pace of the mid-90s*

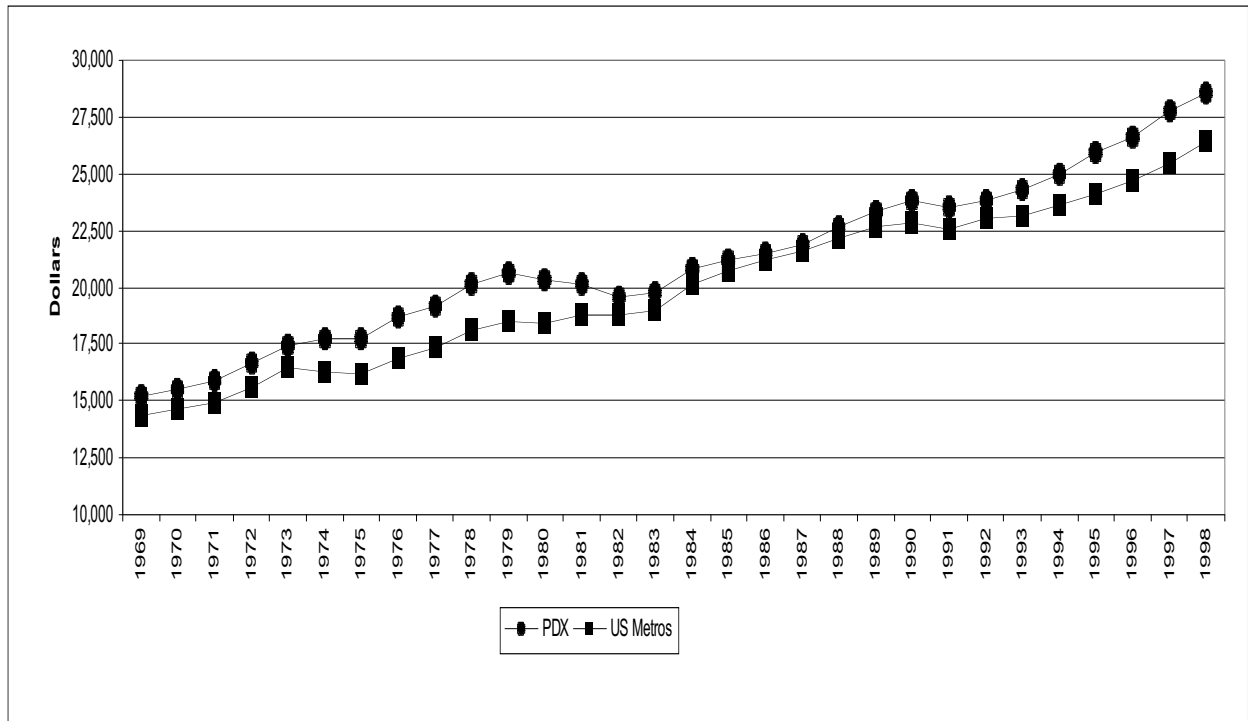


*Percent changes over previous year

Source: Bureau of Labor Statistics

Over the past three decades, regional per capita income, expressed in “chained” dollars, dollars adjusted for inflation and referenced to a base year, has continued to increase, except for declines during the 1979-82 recession, and briefly in 1990-91 (see Figure 2). Though the per capita income in this region has been consistently above the national average during this time, Oregon has also significantly outperformed the nation during the 1990’s.

Figure 2. Regional income has rebounded from 1980s slump*



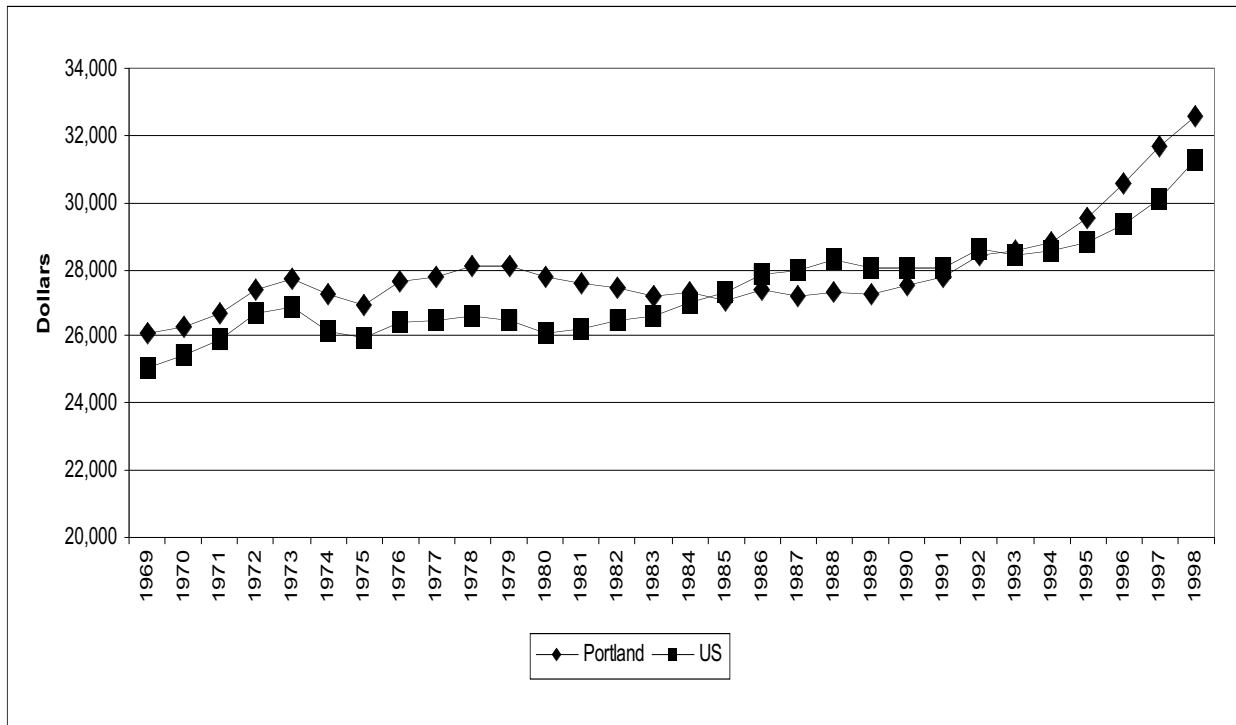
*Per capita income in 1998 chained dollars

Source: Bureau of Economic Analysis

Paralleling the increase in per capita income in recent years, now 8% higher than the national average, average wages have also increased in the 1990’s, and have also outpaced the nation (see Figure 3). However, despite per capita income and wages above national averages, poverty in Multnomah County, the only county for which updated poverty numbers are available, has closely tracked national rates of poverty and may, in fact, exceed the national average (see Figure 4).

The 2000 census results, not yet available, will provide the best indication of the true progress made by the lowest income households in the region during the decade of the 1990’s. The central paradox of the 1990’s is proving to be relatively booming economic growth and persistent poverty.

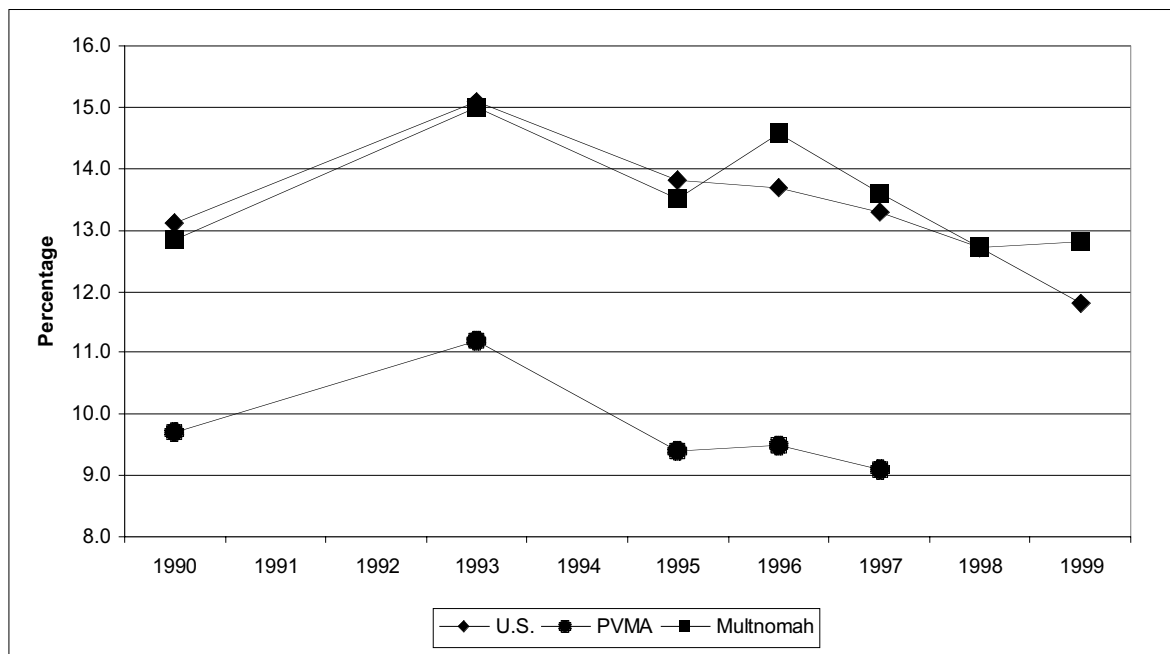
Figure 3: Average wages are up*



*1998 chained dollars

Source: Bureau of Economic Analysis, Regional Economic Information System

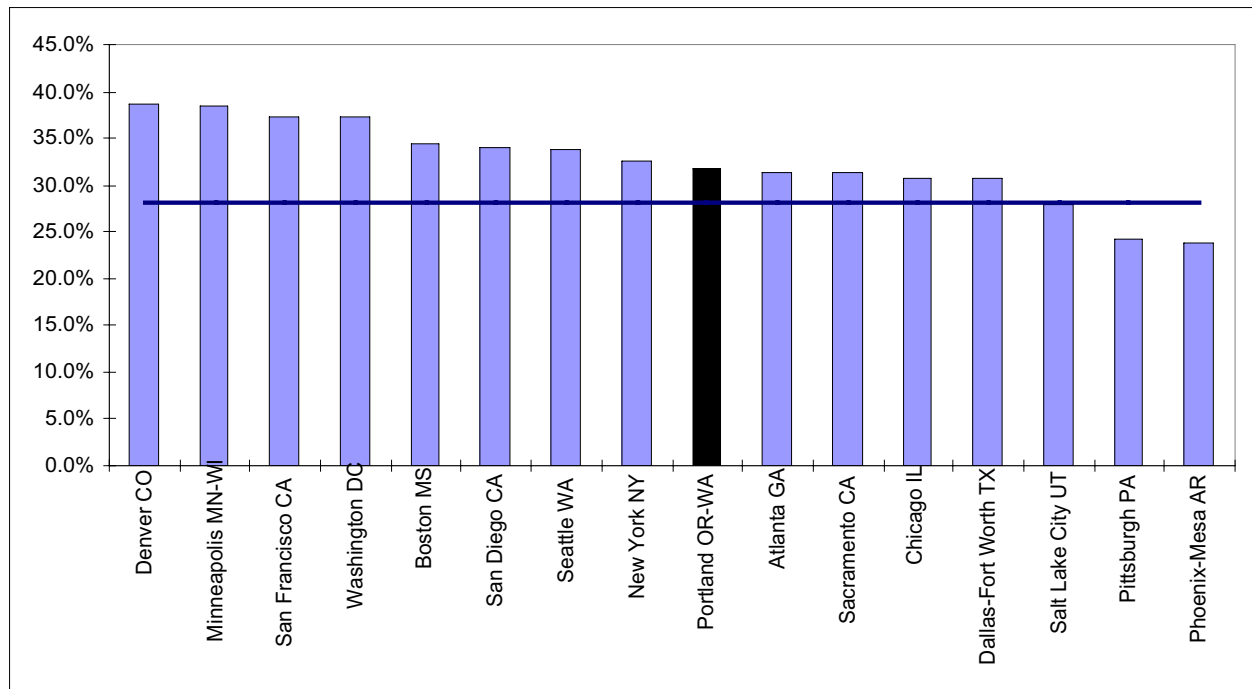
Figure 4: Poverty rates



Sources: (1) US Census Data, 1990; (2) American Community Survey Profile, 1996, 1997, 1998 and 1999; (3) Current Population Survey, Census Bureau, 1997 and 1999

Closely related to increasing incomes and wages is the fact that the Portland-Vancouver metropolitan area is becoming one of America's most highly educated metropolitan regions. Years of education have consistently proven to be an accurate gage of earning power. Today approximately 32% - 34% of the region's population possess a bachelor's degree or more, compared with an average 28% for all U.S. metropolitan areas.

Figure 5: Metro Portland is among best educated*

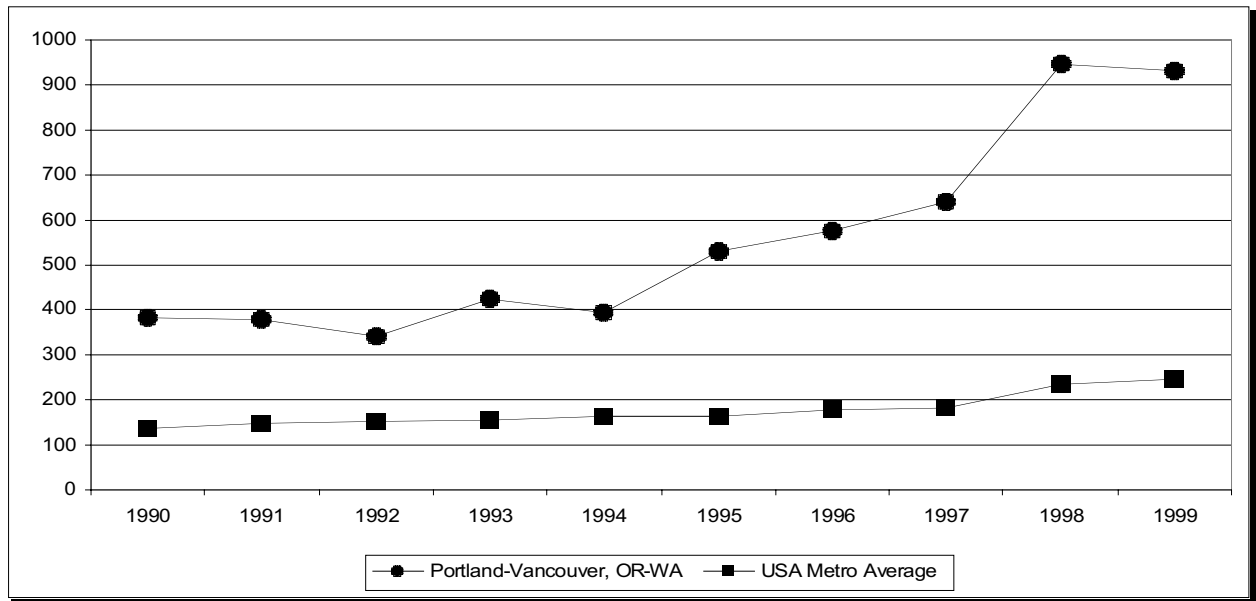


*Population 25 years and over with bachelors degree or more. The line represents the USA Metro Areas average (1999)

Source: Bureau of the Census, CPS

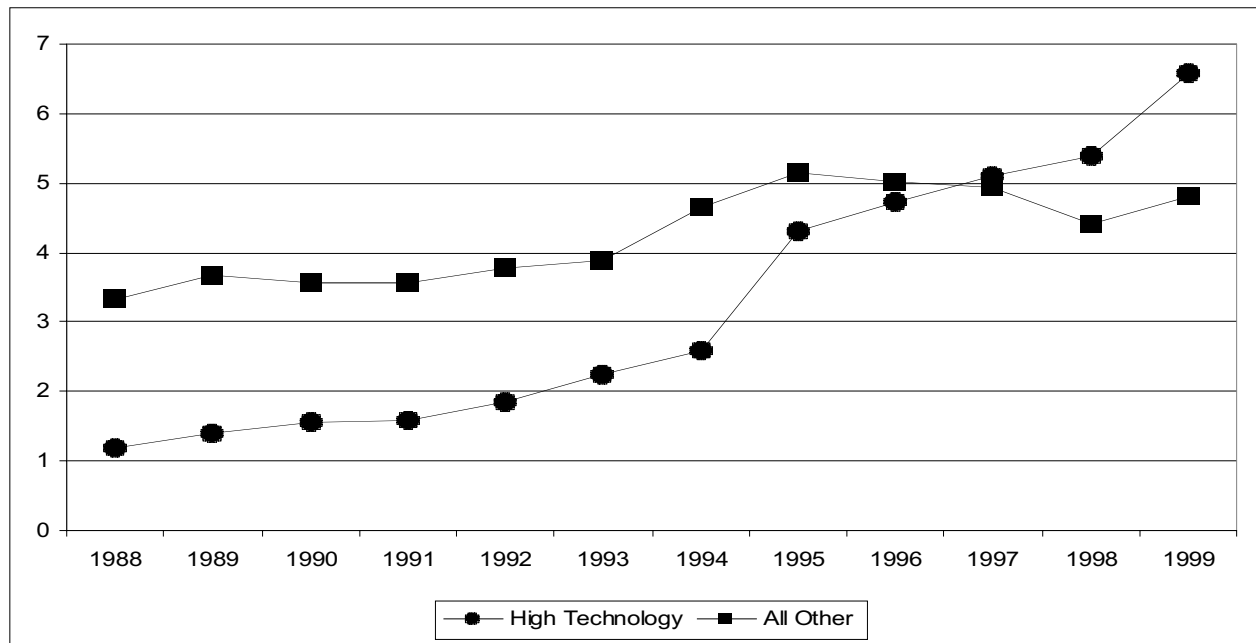
Closely related to this “brain gain” in the region is the dramatic increase in patenting activity (see figure 6). Higher incomes, a more educated population, and dramatic increases in patenting are all emblematic of our transition to a “knowledge” economy. The vast majority of this patenting activity is associated with high tech, particularly the semiconductor industry. The growing talent pool in the high tech cluster, combined with new creative achievement as reflected in patenting activity, is paying off in the form of high tech exports from the region (see Figure 7). High tech exports now drive the region's trade with the rest of the world.

Figure 6: Knowledge economy evidence*



*Number of patent grants
 Source: US Patent and Trademark Office

Figure 7: High tech exports drive the region's trade*

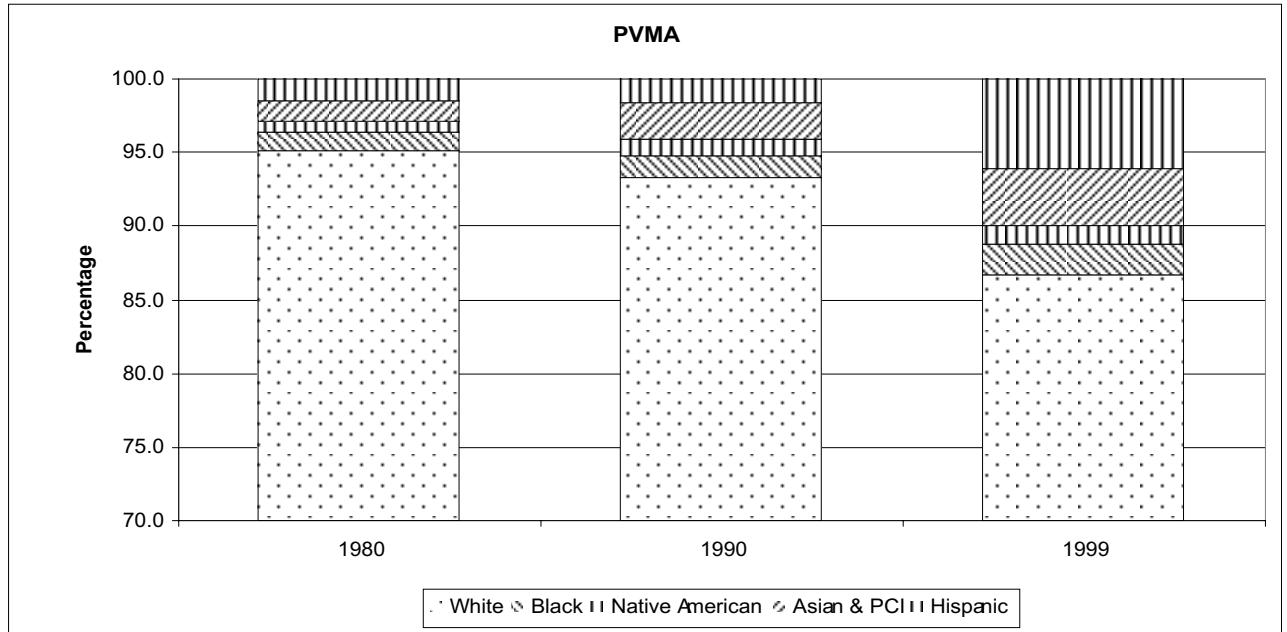


*Billions of dollars
 Source: Impresa

Meanwhile, the population of our metropolitan area is becoming more diverse (see Figure 8). Though this region is far less diverse than the nation as a whole, it is also witnessing an increase in diversity at a rate far greater than the nation. Paralleling the decline in the rate of job growth, we are also seeing a decrease in

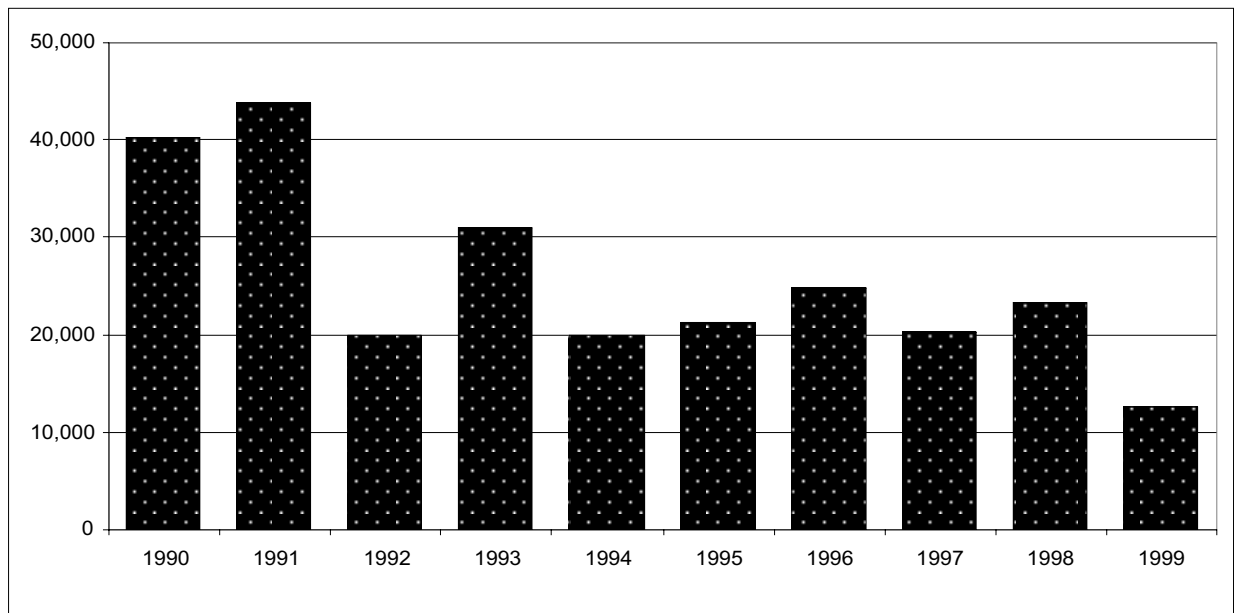
net migration to the metropolitan area (see Figure 9). The decline in net migration in the last year echoes the slowing employment growth noted in previous figures.

Figure 8: Our region is becoming more diverse



Source: US Bureau of the Census

Figure 9: Net migration has slowed

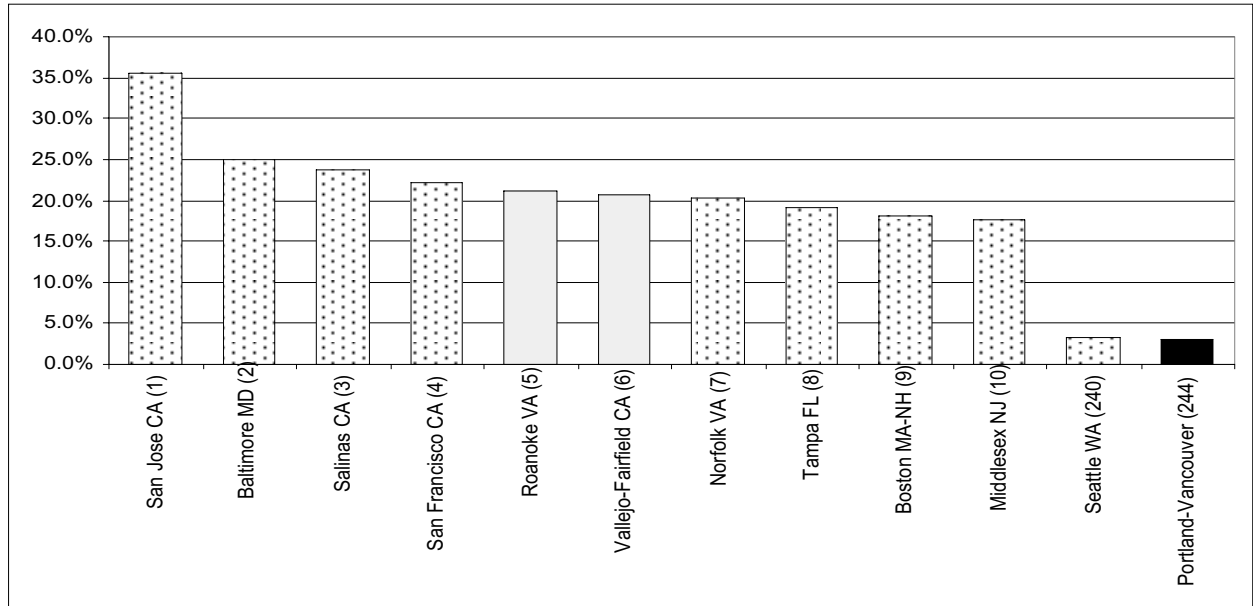


Source: Population Research Center, Portland State University

Finally, with the decline in the rates of in-migration and job growth, the region is also beginning to see a lessening housing price inflation. Figure 10 illustrates

annual housing price inflation for the Portland-Vancouver Metropolitan Area for the past two decades. Housing prices have been on a roller coaster—housing inflation was 20 percent per year in the late 1970s, prices actually declined in the early 1980s, and inflation rebounded to more than 15% in 1990. Housing price inflation has gradually ebbed in the late 1990s, and was less than 4 percent per annum in 1999 and 2000.

Figure 10: Housing price inflation has abated*



*Median home price change over previous year (3rd quarter 2000). The figure in parenthesis shows the ranking.

Source: *The Dismal Scientist, Economy.com*

Part 2: Metro Matrix

Examining the changes over time in key economic variables gives us one perspective on the region's economic health. But economic events in Portland are often the product of national and even global trends in the economy. To get a broader perspective on the relative performance of the region and its economy, our Metro Matrix compares Metro Portland with other similar MSAs on key metrics of performance and structure. In this initial version of the metro matrix we have developed comparative indicators for Portland in four broad areas: income and wages, overall growth, the knowledge economy and quality of life/equality.

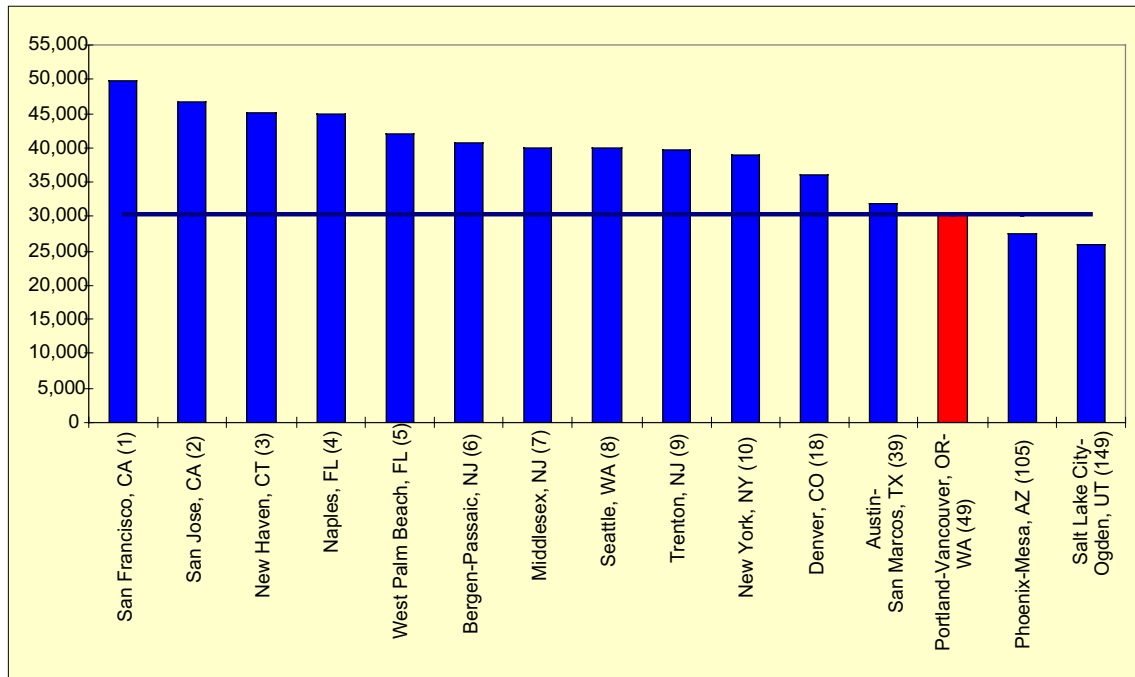
In the Metro Matrix, we have developed a standard process for comparing metropolitan Portland to the leading metro areas in the nation, and a select list of similarly sized metro areas with which we are frequently compared. For each indicator, we display data for the ten highest ranking metropolitan areas in the nation and for Portland, and for seven other metropolitan areas: Austin, Denver, Las Vegas, Phoenix, Salt Lake, San Jose and Seattle. In a few cases, comparable data was not available for all metro areas.

Income and Wages

Per Capita Income is one of the most commonly used measures of overall economic well being. Per capita income is computed by dividing the total income received by the residents of a metropolitan area by the total number of residents. The most recent data compiled by the Bureau of Economic Analysis for metropolitan areas reports per capita income for 1999.

Metropolitan Portland's per capita income in 1999 was \$30,672, about 1 percent higher than the metropolitan average of \$30,317. Portland ranked 49th among metropolitan areas in per capita income. San Francisco had the highest per capita income, with over \$45,000 per person.

Per Capita Income



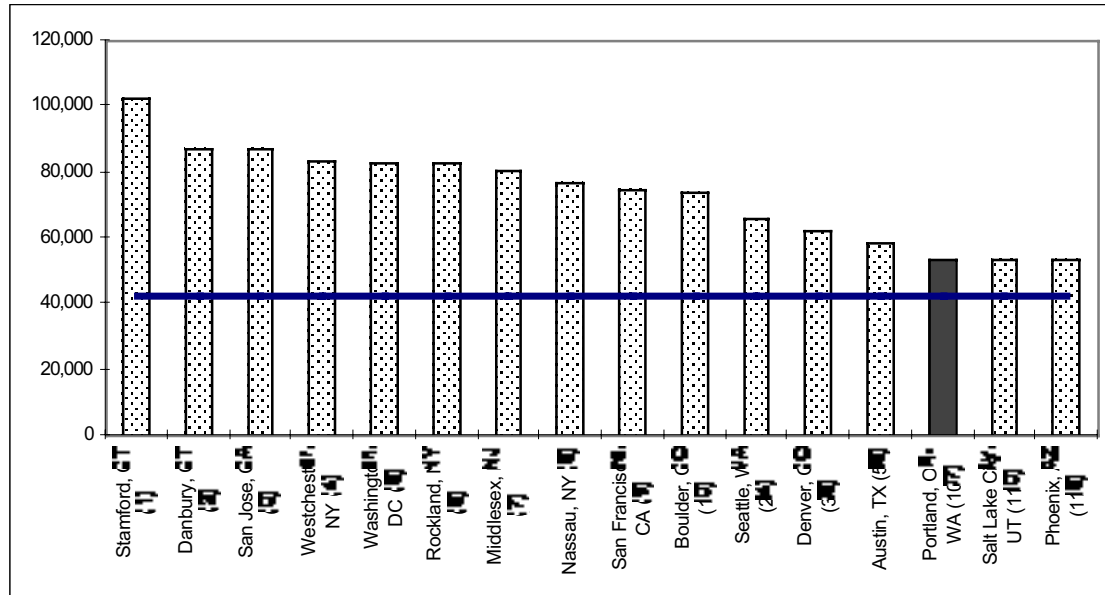
Source: Bureau of Labor Statistics, 1999

Median family income reflects the income of the household in the middle of the income distribution: half of families in each metro area earn less than the median and half earn more. Median family income data are estimated by the Department of Housing and Urban Development. The most recent data are for 2000. Median family income estimates from the 2000 Census are expected later this year.

Metropolitan Portland's median family income in 2000 was \$53,700, about 27 percent above the US metropolitan average of \$42,200. The metro area ranked 107th in median income among US metropolitan areas. Median Incomes were highest in the suburbs of New York (Stamford and Danbury Connecticut and Westchester New York) and in Silicon Valley. Among competitor regions,

median incomes in Portland were lower than Seattle, Denver and Austin, but higher than Salt Lake City and Phoenix.

Median Family Income

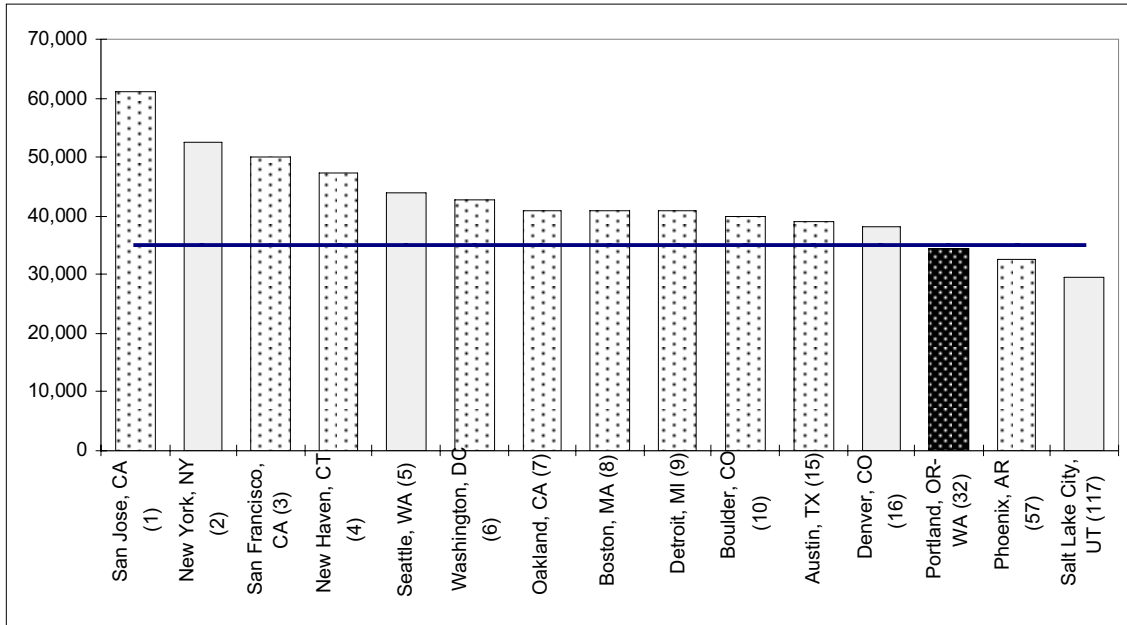


Source: Department of Housing & Urban Development, 2000

Average wages per worker show the overall average level of labor compensation in a metropolitan area. This figure is estimated by dividing total wage and salary earnings by the number of wage and salary workers. These data are compiled by the Bureau of Labor Statistics, the most recent data for metropolitan areas are available for 1999.

Metropolitan Portland's average wage per worker in 2000 was \$34,380, about 1 percent below the US metropolitan average of \$34,900. The metro area ranked 32nd in average worker wages among US metropolitan areas. Average wages were highest in San Jose, New York and San Francisco. Seattle ranked fifth in the nation in average wages. Among other competitor regions, average wages in Portland are above Phoenix and Salt Lake City but below Austin and Denver.

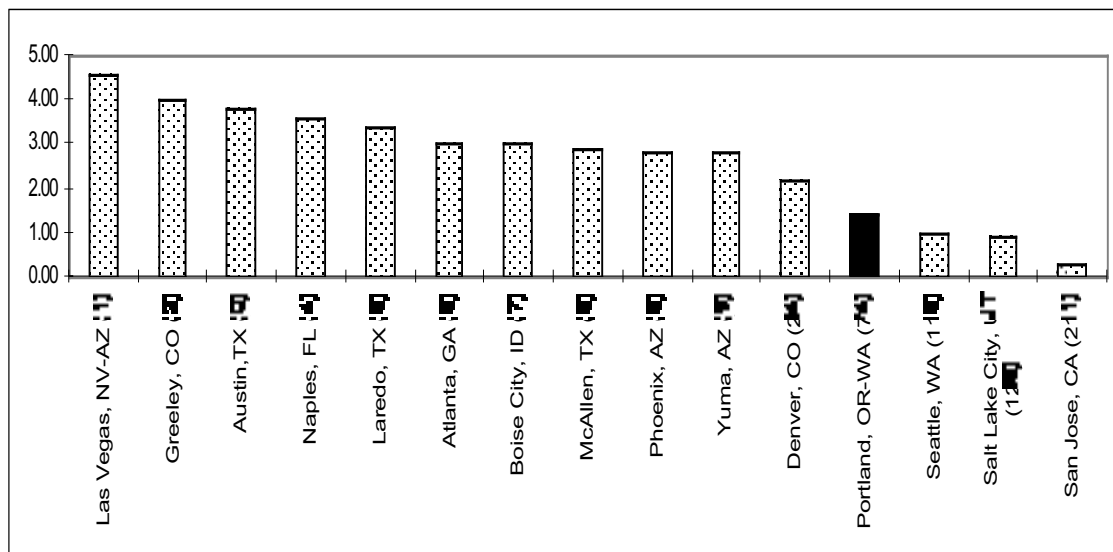
Average Wages



Source: Bureau of Labor Statistics, 1999

Change between 1998 and 1999. Portland is ranked 74th among the metropolitan areas, growing faster than Seattle. Population growth statistics are compiled by the US Census Bureau.

Population Growth, 1998-1999

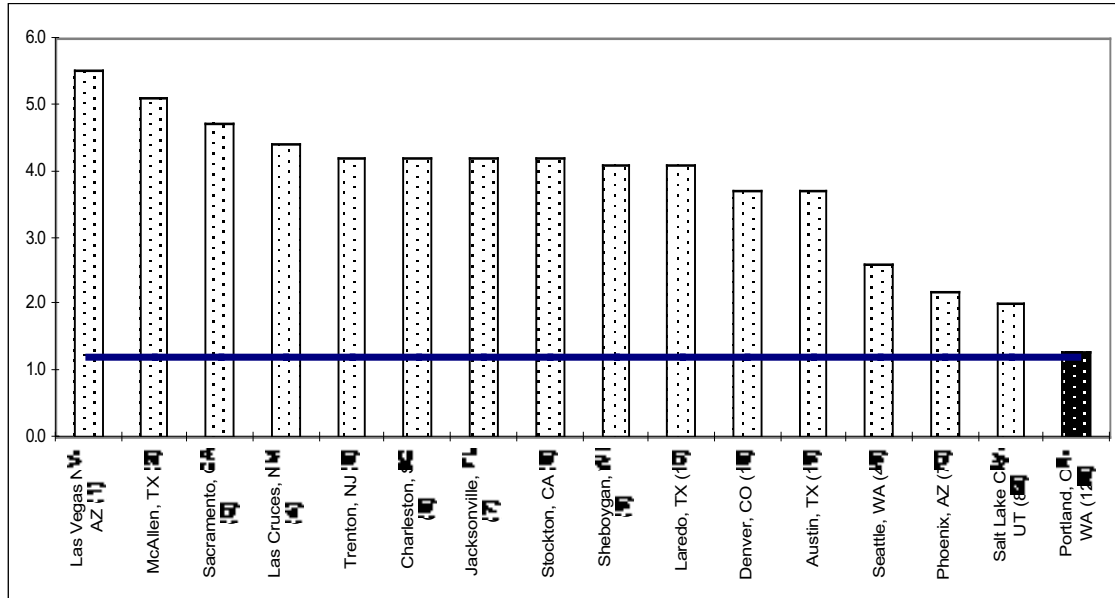


Source: Census Bureau, 2000

Employment growth in metropolitan Portland over the past year has been about 1.3 percent (April 2001 compared to April 2000), meaning the Portland area

ranked about 128th among metropolitan areas. Las Vegas remains one the fastest growing metropolitan economy in the United States, fueled in part by substantial in-migration from California. Over the past year, Portland has grown more slowly than nearly all of its competitor regions (including Seattle, Phoenix, Salt Lake City, Denver, Austin and San Jose).

Employment Growth

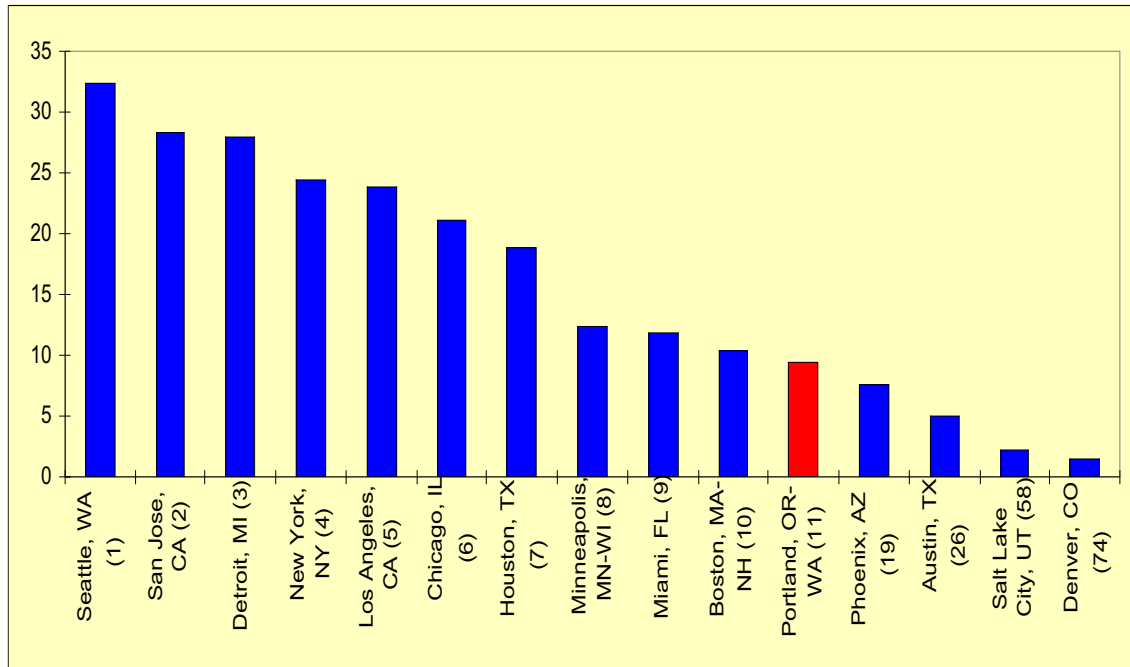


Source: Bureau of Labor Statistics, 2001

In an increasingly global economy, exports are one measure of how well connected a metropolitan economy is to international markets. The Commerce Department periodically tabulates shipper's export declarations to determine the volume of trade generated by metropolitan areas throughout the nation. The latest data are available for 1999.

In 1999, businesses in metro Portland exported more than \$9.3 billion worth of goods and services, making the Portland area the 11th largest exporting metropolitan area in the nation. Seattle (aircraft) and San Jose (electronics) were the top two exporting metros, with about \$30 billion in exports apiece. Metro Portland ranked ahead of most competitor regions, including Austin, Denver, and Salt Lake City.

Exports



Source: US Department of Commerce, 2000

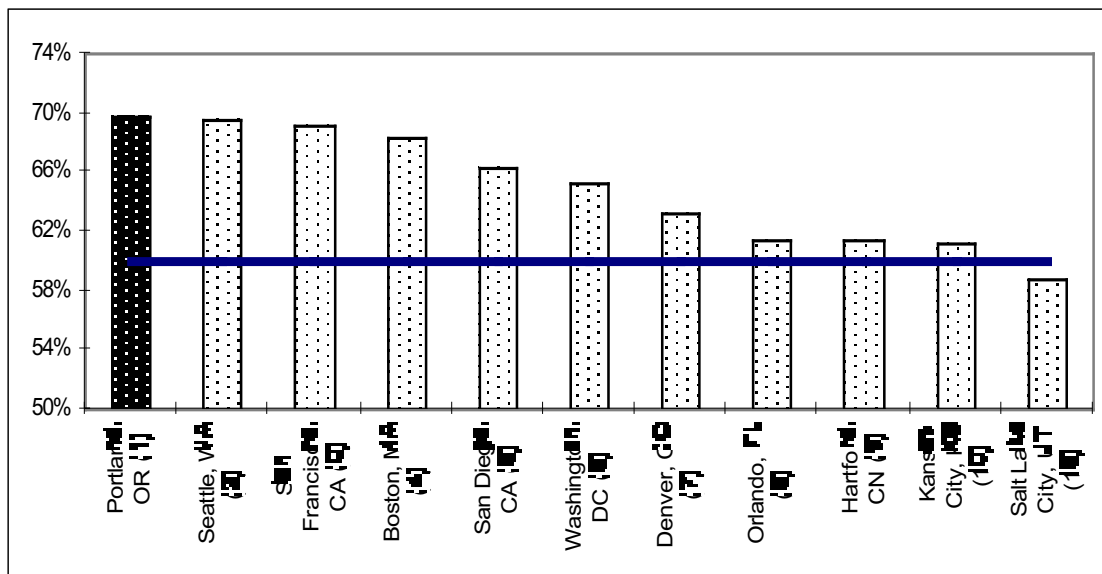
Knowledge Economy

Percent of Population with Internet Access

One of the hallmarks of the new economy is the emergence and rapid adoption of the Internet. A variety of private market research organizations regularly survey the population about their access to and use of the internet. Nielsen NetRankings annually estimates the fraction of households with Internet access in large US metropolitan areas.

In 2000, an estimated 70 percent of Portland area households had Internet access, making Portland the highest ranked metro area in the nation. (Adoption rates were nearly as high in Seattle, San Francisco and Boston.) Portland's rate of Internet access was substantially greater than the national average of approximately 60 percent. Rates of Internet access were lower in other competitor regions: 63 percent in Denver, 59 percent in Salt Lake City. (Phoenix, Austin and Las Vegas were not reported in the Nielsen Net Rankings report.)

Knowledge Economy: Internet Access



Source: Nielsen Net Rankings, 2001

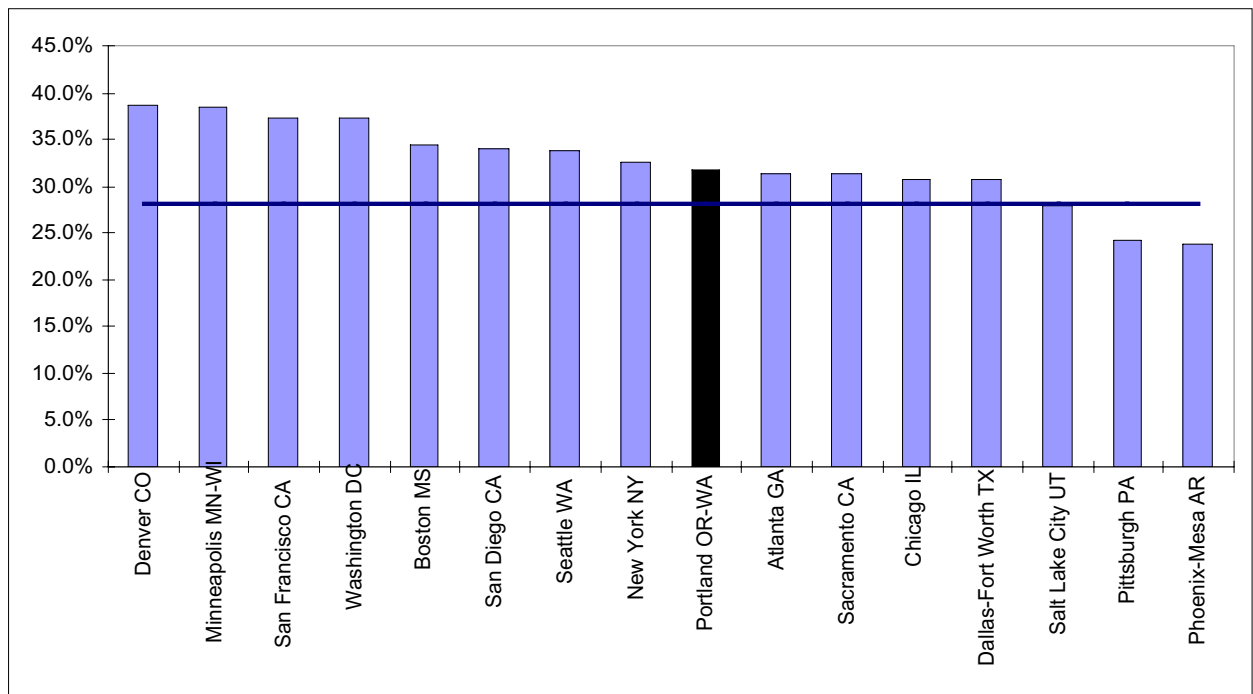
Educational Attainment

Over the past two decades, the returns to education have increased substantially. Real wages have stagnated or declined for workers with a high school diploma or less education and have risen for those with a 4-year or advanced degree. Metro areas with a highly educated population have seen their incomes grow faster than other metros. The fraction of the adult population (those aged 25 years old and older) is a good indicator of the relative presence of highly skilled knowledge workers. The Census Bureau periodically estimates the fraction of the population with various levels of educational attainment in larger metropolitan areas using data from the Current Population Survey. Their latest estimates are

for 1999—more precise estimates based on the 2000 Census will be available later this year.

About 32 percent of metropolitan Portland’s adults had a four-year degree or higher level of education in 2000, ranking Portland ninth among large US metro areas in educational attainment, according to the Census Bureau. Denver and Minneapolis ranked first and second among large metro areas with more than 38 percent of their adult population having a four year degree or more. Among other competitor regions, Portland ranked slightly behind Seattle and ahead of Phoenix and Salt Lake City. About 28 percent of the US adult population has at least a four year degree. The state’s own estimates suggest that educational attainment in metropolitan Portland is actually somewhat higher: about 34 percent having a four-year degree or more; if so, this would place the region on a par with Boston, in about fifth place among large metropolitan areas.

Education: Four-Year Degree or Higher



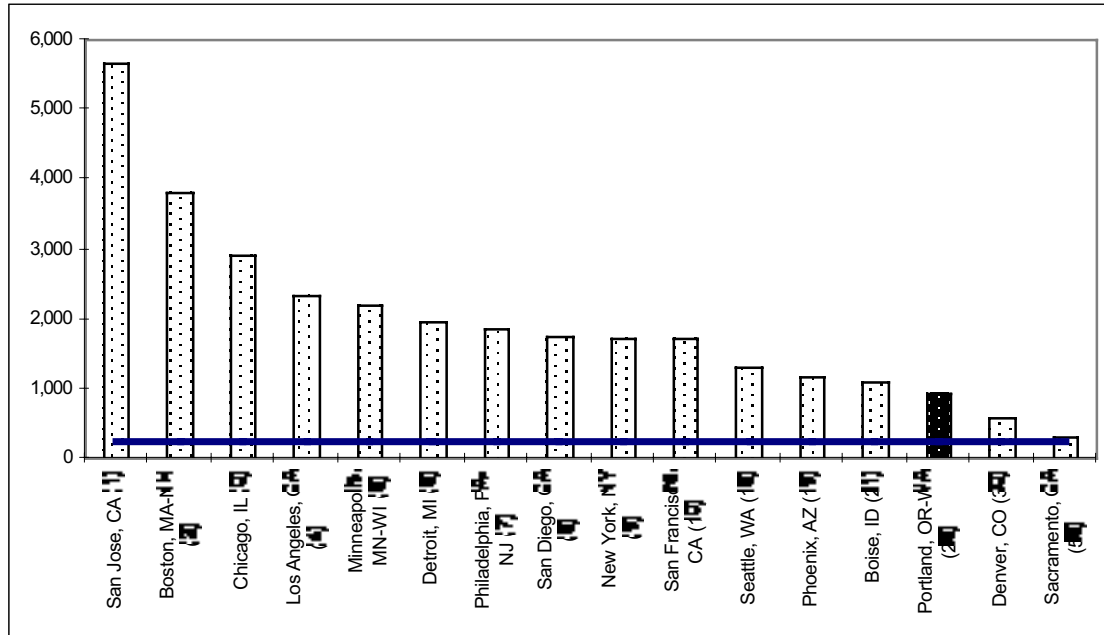
Source: Census Bureau, 2000

Patents

While we don’t have any direct measures of the varying levels of knowledge creation in different metropolitan areas, one good indirect measure is the level of patent activity. The U.S. Patent and Trademark Office issues patents to individuals and companies who develop novel ideas and technology. The Patent Office makes available a database reporting the location of the inventor awarded each patent. Tracking patents issued to inventors in metropolitan areas gives us a rough idea of the amount of knowledge creation happening in different places.

Portland inventors received 930 patents in 1999, ranking Portland 26th among metropolitan areas in the number of patents awarded. San Jose (with nearly 5,700 patents) and Boston (with more than 3,800) were the most prolific sources of innovation. Among competing metropolitan areas, Phoenix and Seattle ranked ahead of Portland and Denver and Salt Lake City ranked behind.

Patents



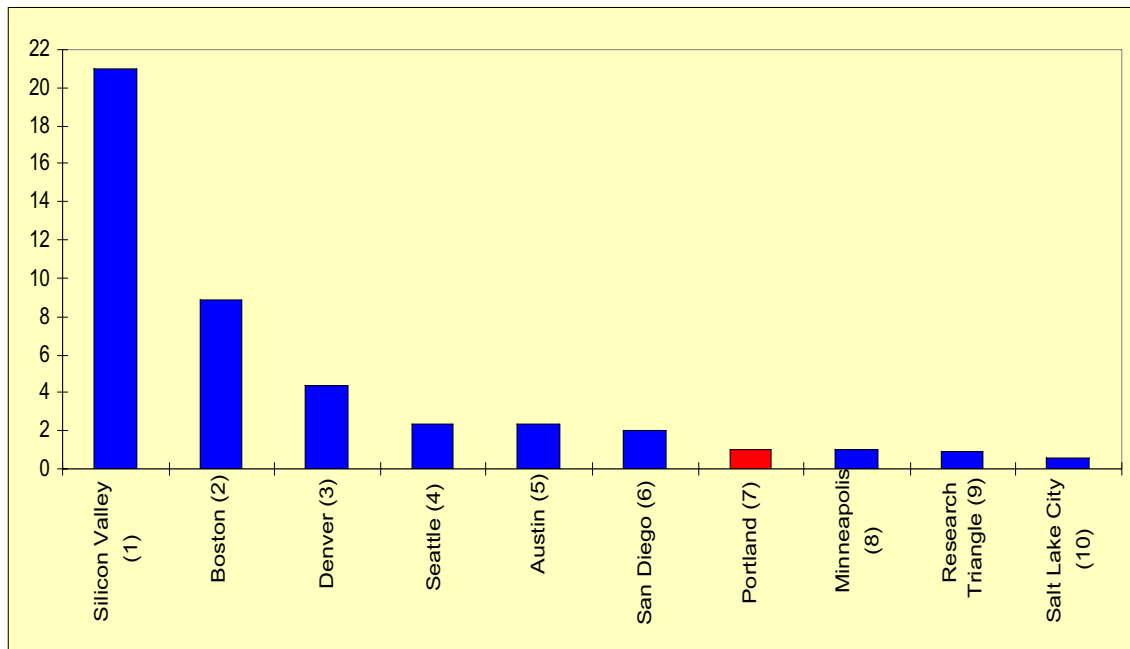
Source: US Patent & Trademark Office, 2000

Venture Capital Investment

Venture capital investment is frequently a vital component in helping develop new technology related businesses. Several private sector firms track the overall level of venture capital investment and report the number and dollar value of investments by metropolitan area. The accounting firm PriceWaterhouseCoopers operates its Moneytree website with quarterly estimates of investment.

In the year 2000, according to Moneytree, metropolitan Portland attracted more than \$1 billion in venture capital investments, ranking it seventh among US metro areas in venture capital investment. (Moneytree rankings report investments in the San Francisco Bay Area as a single grouping, combining San Francisco, Oakland and San Jose). Portland ranks behind Denver, Seattle and Austin, but ahead of other competitor regions such as Salt Lake and Phoenix.

Venture Capital Investment



Source: PriceWaterhouseCoopers, 2001

Quality of Life/Equality

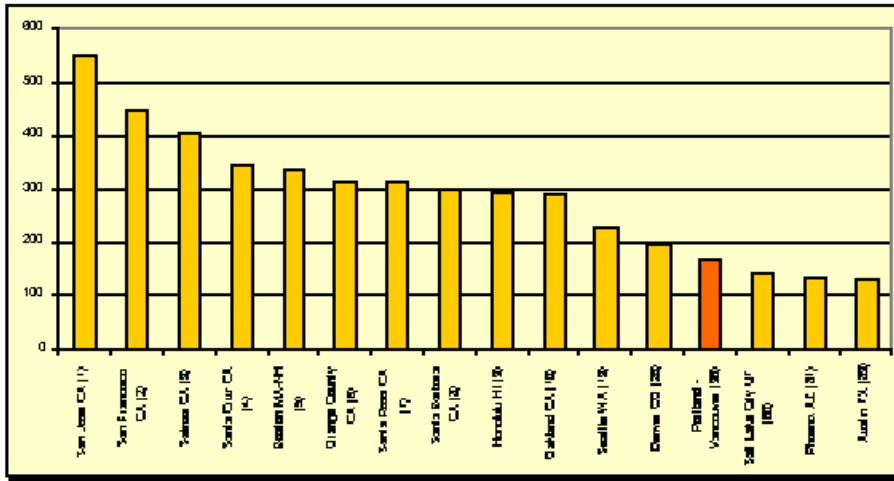
Average Housing Price/Housing Inflation

The largest source of the variation in living costs among different places in the US stems from differences in housing costs. A variety of public and private organizations measure typical housing prices and housing price inflation in different markets in the United States.

The median home price in Portland in 2000 was about \$180,000, ranking the region about 36th among US metro areas in housing costs. Housing prices were highest in San Jose (over \$500,000). Among competitor regions, housing prices

were higher in Seattle and Denver and lower in Phoenix, Salt Lake City and Austin.

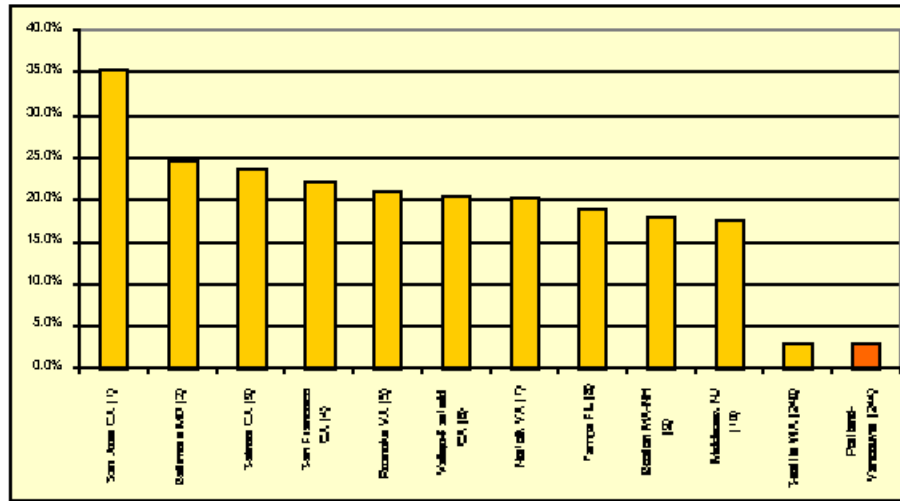
Median Home Price



*Median home price in thousands of dollars (3rd Quarter 2000). The figure in parenthesis shows the ranking.
Source: The Dismal Scientist, Economy.com

While Portland’s housing prices are higher than several competitor regions, housing price inflation in metro Portland is subdued compared to other metropolitan areas. In 2000, the latest year for which data are available, housing prices increased about 3 percent in metropolitan Portland. Housing prices jumped by more than a third in San Jose, and housing price inflation was generally much higher in competitor regions than in Portland.

Median home price change



* Median home price percent change over previous year (3rd Quarter 2000). The figure in parenthesis shows the ranking.
Source: The Dismal Scientist, Economy.com

Central City and Suburb Employment Growth Rates

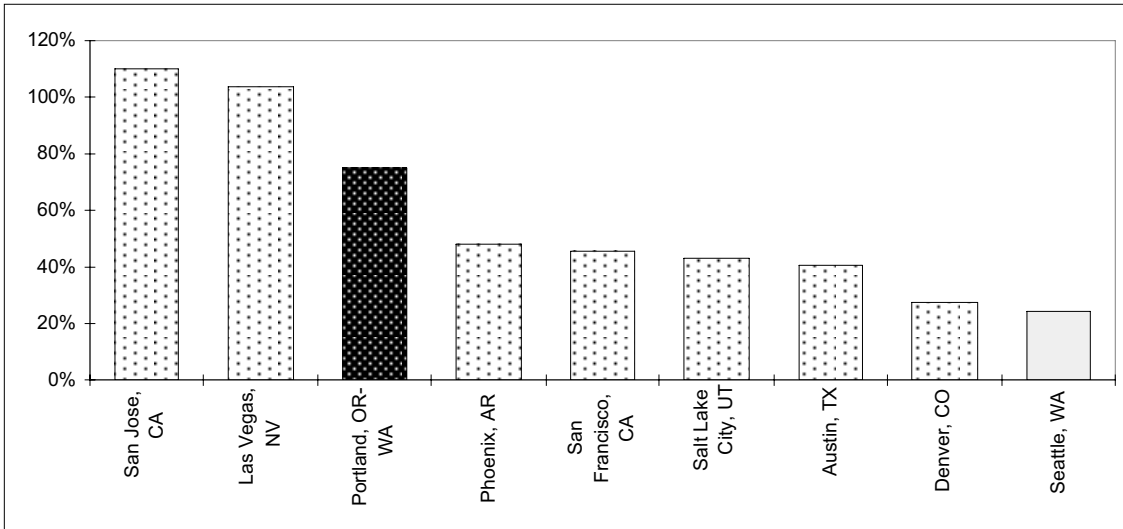
The relative economic health of a region's central cities and suburbs is an important indicator of the sustainability of economic prosperity. Some growing metropolitan areas have decayed, stagnant central city with most of their employment and population growth concentrated in the suburbs. The Department of Housing and Urban Development has prepared a number of special tabulations of population and employment growth data for the late 1990s that compare relative growth rates in central cities and suburbs. While these comparisons are not always perfect across metropolitan areas or among regions because of differences in the relative size of central cities to their regions and annexation policies, they provide a rough gauge of relative city/suburb growth.

In almost every large metropolitan area, population and employment grew faster in the suburbs than it did in the central city. (Only in San Jose, where the study compared the principal cities of Santa Clara County with their smaller suburbs, did the "central city" grow faster). In the late 1990s, job growth in metropolitan Portland's central city was roughly 70 percent as fast as in the suburbs (21% compared with 29% between 1992 and 1997); while population growth in the central city was about 75 percent as fast in the suburbs (15% compared with 20% between 1992 and 1998).

Among competitor regions, Portland's central city showed some of the fastest growth relative to its suburbs in both population and employment, showing

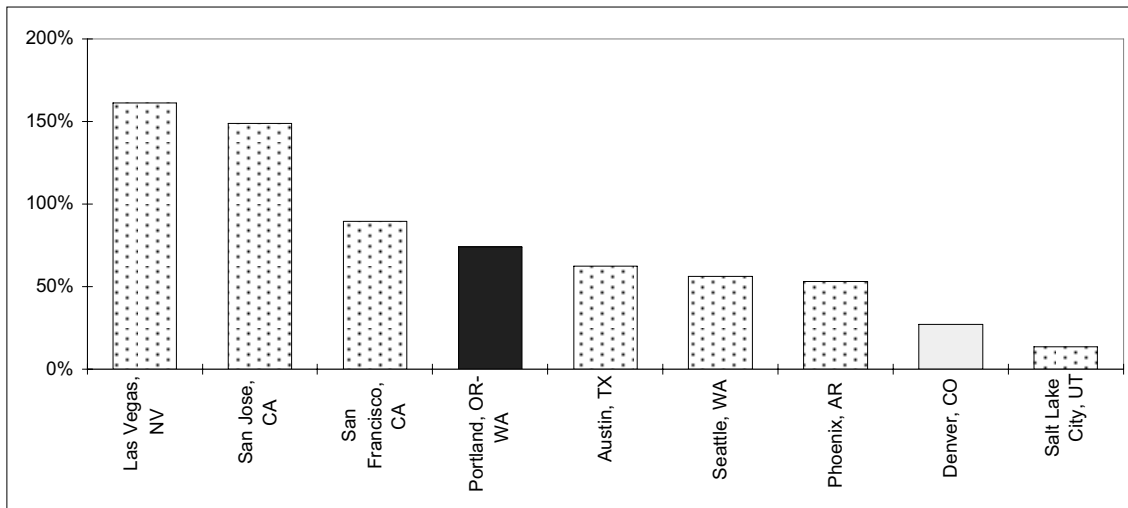
evidence of a more dynamic central city in comparison to other metropolitan areas. Denver shows the lowest ratios indicating the economic and demographic vibrant of the suburbs over the central city area.

Population Growth: Central city as a percentage of suburbs



Source: Department of Housing and Urban Development, 2000

Employment Growth: Central city as a percentage of suburbs



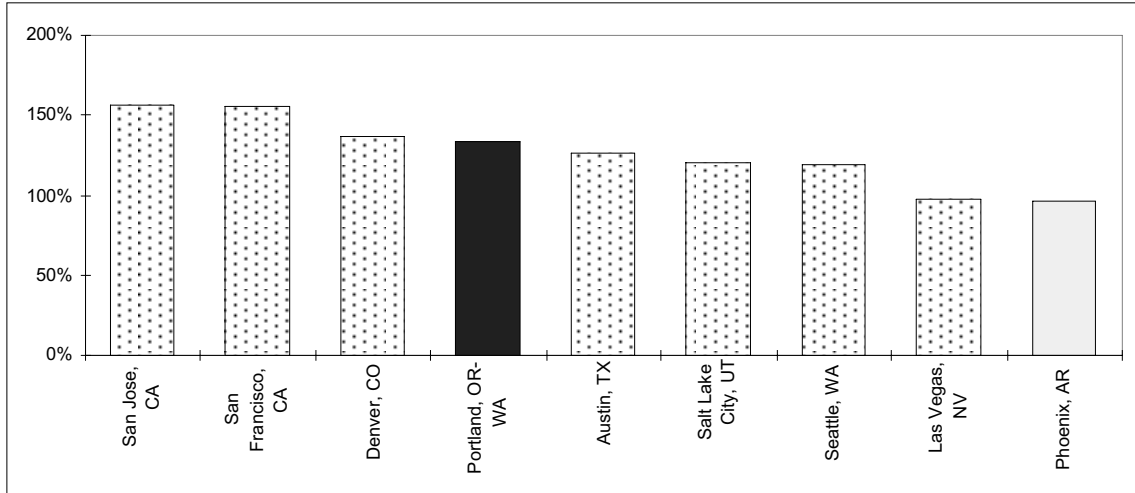
Source: Department of Housing and Urban Development, 2000

Central City and Suburb Unemployment Rates

In 1999, Portland's central city unemployment rate was 33% above the suburban rate (5.2% compared to 3.9% respectively). Among the competitors, Portland has one of the highest ratios although the rates are distributed somewhat evenly across the sample, indicating a somewhat similar urban dynamic. Overall,

unemployment rates were higher (if not the same) in the central city than in the suburbs.

Central City and Suburb Unemployment Rates



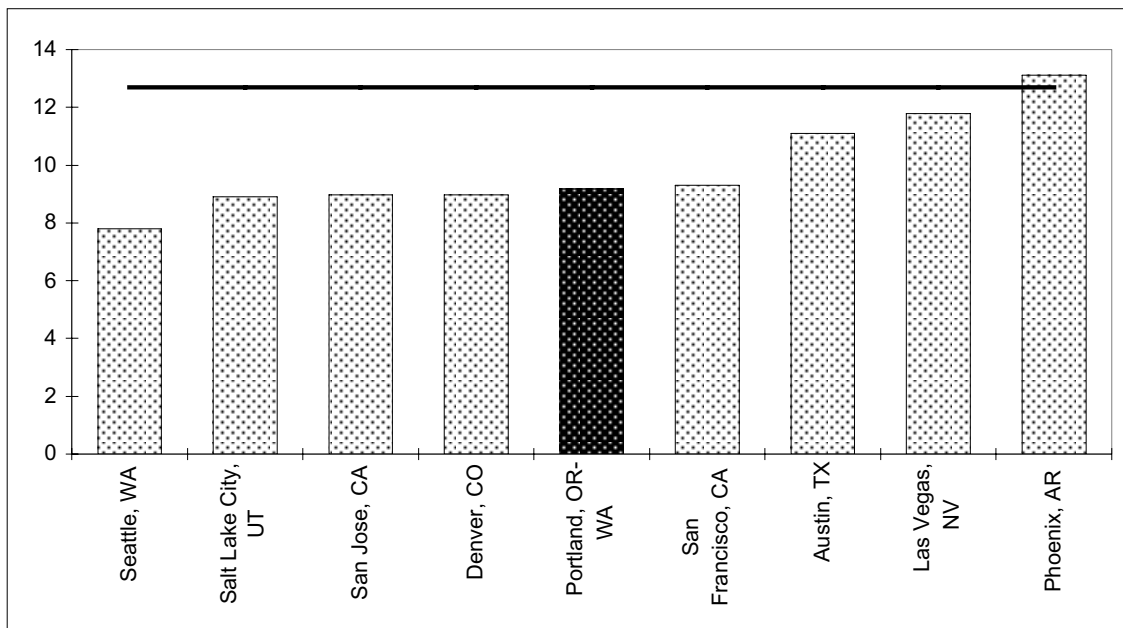
Source: Department of Housing and Urban Development, 2000

Poverty Rate

One measure of a successful economy is whether it helps out those at the bottom of the economic ladder. The poverty rate computed by the federal government provides a useful measure for estimating the number of persons facing economic distress. Using a combination of census data, surveys and administrative records, the Census Bureau periodically estimates the total number of persons living in poverty in metropolitan areas and other small geographic units. The latest of these data are available for 1997. (More precise estimates will be available when the results of the 2000 Census are fully reported, later this year).

In metropolitan Portland, approximately 9.2% of the population lived in poverty in 1997, significantly below the U.S. metropolitan average of 12.7% for the same year.

Poverty Rate



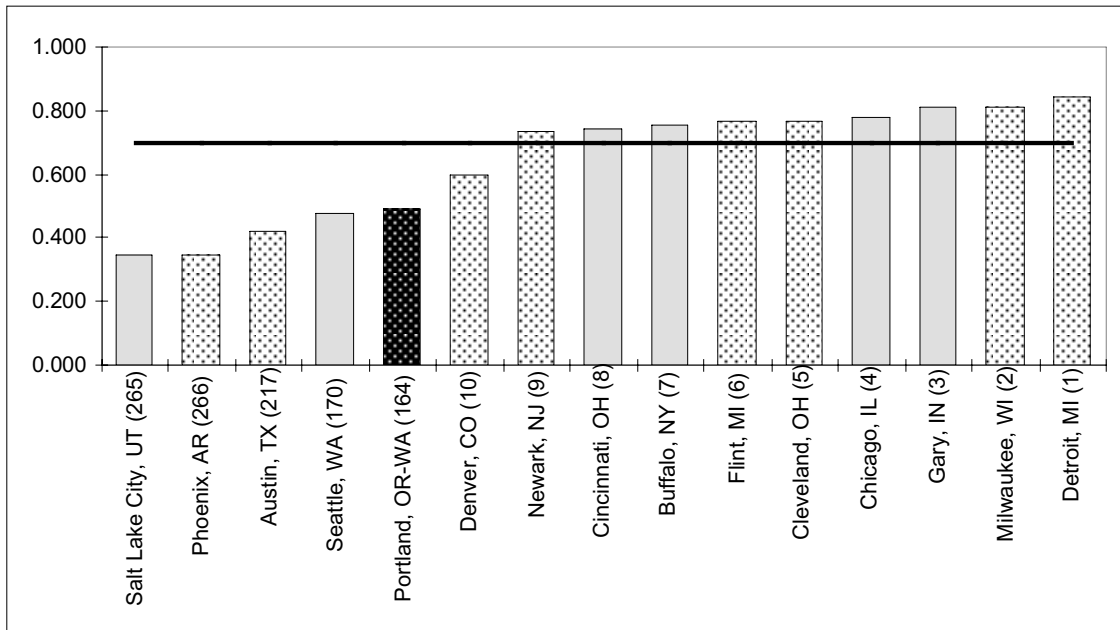
Source: US Census Bureau, 2000

Segregation

Racial and ethnic minorities have generally fared worse than the overall population on most economic measures. Part of the reason for this problem in many metropolitan areas is the historic isolation imposed on minority groups as a result of de jure and de facto segregation. While segregation has decreased markedly in nearly all US metro areas over the past forty years, the degree of racial and ethnic segregation varies substantially from place to place. Demographics use a statistical measure known as a dissimilarity index to measure the degree of segregation of different population groups. The dissimilarity index looks at the differences in the relative concentrations of different ethnic groups in different parts of the metropolitan area.

In 2000, metropolitan Portland's dissimilarity index was .493, well below the nation's average of .695, and ranked 164th among the U.S. metropolitan areas. However, it was behind other metropolitan areas such as Salt Lake City (.343), Phoenix (.343) and Austin (.421).

Segregation



Source: Brookings Institution, 2000

Part 3: The Metro Portland Business Database

One of the defining characteristics of the new economy is the critical role of change in business activity as a driving force in economic change. The creation of new businesses and the down-sizing and demise of older businesses are a regular occurrence. Sorting out the effects of new business formations, expansions and contractions, and business failures, is important to understanding how the regional economy is functioning.

In cooperation with the Oregon Employment Department and Washington Department of Employment Security, and with the assistance of Metro, NEO has developed a longitudinal database of the region's employers. This database allows NEO researchers to track the employment of individual businesses in the region over a period of years, and to more precisely analyze the causes for changes in regional economic performance.

Methodology for the Metro Portland Business Database

NEO's Metro Portland Business Database contains records for more than 98,000 establishments, and includes a complete eight year history of average annual employment and pay for each establishment. The database also includes information on the establishment's location and industry classification.

The conventional view of the Portland metropolitan economy is best described as a series of annual snapshots, each recording the way the economy looked at a particular time. Table 1 illustrates the view provided by these conventional statistics. Total wage and salary employment in the Oregon portion of the metropolitan area increased from about 631,000 in 1992 to nearly 813,000 in 1999, an increase of more than 180,000 jobs. Over the same period of time, the number of firms with a payroll increased from slightly less than 32,000 to slightly more than 38,000, an increase of more than 6,000 firms.

**Table 1: Firms and Employment, 1992 to 1999
Portland Metropolitan Area (5 Oregon Counties)**

Year	Firms	Employment
1992	31,889	631,137
1993	33,352	652,854
1994	34,673	681,062
1995	35,675	715,231
1996	36,847	748,335
1997	38,046	785,870
1998	38,080	808,560
1999	38,279	812,818

Source: Calculations from Employment Department Data

Preliminary Findings on Business Change

Although it is still in its developmental stage, the data in the Metro Portland Business Database illustrates the overall patterns of change in the regional economy. The casual impression conveyed by these statistics is of steady, continuous growth, the addition of about one thousand or so new businesses and an average of about 20,000 to 25,000 new jobs each year. But the actual path of economic change is much more erratic. Some businesses succeed and expand, others fail. A significant portion of economic expansion comes from new business formation. To sort out these effects, we have analyzed the different contributions of firms that existed in 1992 but which no longer had employment in 1999 (failures) and firms that existed in 1992 and also had employment in 1999 (survivors).

Table 2: Definitions

Term	Definition
Survivor	Firm with employment in 1992 and in 1999
Failure	Firm with employment in 1992 and no employment in 1999

Table 3 tracks the total employment of surviving and failing firms from 1992 in each subsequent year through 1999. By 1999, nearly half of the firms (about 48%) that had employment in 1992 no longer had any recorded employment. These 15,300 firms had employed nearly 180,000 workers, more than a quarter of the region's employment in 1992. Slightly more than half of the firms that existed in 1992 continued to have employment in 1999.

**Table 3: Employment at Surviving and Failing Firms, 1992 to 1999
Portland Metropolitan Area (5 Oregon Counties)**

Year	Survivors	Failures	Net
1992	452,159	178,978	631,137
1993	470,324	159,127	629,451
1994	489,312	133,623	622,935
1995	508,087	108,981	617,068
1996	529,588	76,189	605,777
1997	547,972	45,823	593,795
1998	555,043	27,309	582,352
1999	557,016	-	557,016
Firms (92)	16,581	15,308	31,889

Source: Calculations from Employment Department Data

Table 4 summarizes the total change in employment by firms that existed in 1992. Surviving firms increased employment by slightly more than 100,000 jobs (from 450,000 to more than 550,000), while failing firms lost about 180,000 jobs.

**Table 4: Total Employment, Surviving and Failing Firms, 1992 and 1999
Portland Metropolitan Area (5 Oregon Counties)**

Year	Survivors	Failures	Net
1992	452,159	178,978	631,137
1999	557,016	-	557,016
Change	104,857	(178,978)	(74,121)

Source: Calculations from Employment Department Data

**Table 5: Total Employment, Surviving and Failing Firms, 1992 and 1999
Portland Metropolitan Area (5 Oregon Counties)**

	1992 Firms			
	Total	Survivors	Failures	New Firms
1992	631,137	452,159	178,978	-
1993	652,854	470,324	159,127	23,403
1994	681,062	489,312	133,623	58,127
1995	715,231	508,087	108,981	98,163
1996	748,335	529,588	76,189	142,558
1997	785,870	547,972	45,823	192,075
1998	808,560	555,043	27,309	226,208
1999	812,818	557,016	-	255,802
Net Change	181,681	104,857	(178,978)	255,802
Number of Firms	38,279	16,581	15,308	21,698

Source: Calculations from Employment Department Data

In addition to showing the overall flows of firms in and out of existence, this detailed longitudinal datafile enables us to track the contribution to employment growth of businesses by firm size. Table 6 shows the distribution of firms and total employment by size of firms (number of employees in each firm) in 1992. These data show a fairly typical one-tailed population distribution of firms. About 85% of all firms have 20 or fewer employees. Firms with more than 100 employees account for a majority of all employment even though they account for only 6 percent of all firms. According to these data, Metro Portland had about 59 firms with more than 1,000 employees in 1992.

**Table 6: Firms and Employment by Firm Size, 1992
Portland Metropolitan Area (5 Oregon Counties)**

Firm Size (1992)	1992		Percent	
	Firms	Employees	Firms	Employees
>1000	59	146,751	0.2%	23.3%
500-999	76	49,882	0.2%	7.9%
250-499	179	60,476	0.6%	9.6%
100-249	613	92,815	1.9%	14.7%
50-99	989	67,978	3.1%	10.8%
20-49	2,826	85,656	8.9%	13.6%
10-19	3,932	53,015	12.3%	8.4%
9 or less	23,215	74,564	72.8%	11.8%
Grand Total	31,889	631,137	100.0%	100.0%

Source: Calculations from Employment Department Data

Firms of different sizes follow very different growth paths over time. Table 7 shows the number of employees at surviving firms in 1999, based on the size of each firm in 1992. Overall, larger firms tended to grow more slowly than smaller firms. Firms with more than one-thousand employees that survived to 1999 grew at an average rate of about 1.2% per year, while surviving firms with fewer than 10 employees in 1992 grew by an average of nearly 7% per year over the next seven years.

**Table 7: Firms and Employment at Surviving Firms, 1992 and 1999
Portland Metropolitan Area (5 Oregon Counties)**

Firm Size (1992)	Firms	1992	1999	Change	Annual Growth
>1000	52	125,298	136,430	11,132	1.2%
500-999	61	40,488	47,224	6,736	2.2%
250-499	126	43,549	49,559	6,010	1.8%
100-249	431	65,261	82,872	17,611	3.4%
50-99	688	47,164	61,986	14,822	3.9%
20-49	1,872	56,845	71,168	14,323	3.2%
10-19	2,512	34,072	44,054	9,982	3.7%
9 or less	10,839	39,482	63,723	24,241	6.8%
Grand Total	16,581	452,159	557,016	104,857	3.0%

Source: Calculations from Employment Department Data

A firm size analysis of failing firms is presented in Table 8. Firms that were small in 1992 were far more likely to fail at some point over the next seven years than were larger firms. About 12 percent of firms with more than 1,000 employees went out of business by 1999. Among very small businesses, those with fewer than ten employees, a majority had disappeared by 1999.

**Table 8: Firms and Employment at Failing Firms, 1992
Portland Metropolitan Area (5 Oregon Counties)**

Firm Size (1992)	Number	Employees	Failure Rate
>1000	7	21,453	11.9%
500-999	15	9,394	19.7%
250-499	53	16,927	29.6%
100-249	182	27,554	29.7%
50-99	301	20,814	30.4%
20-49	954	28,811	33.8%
10-19	1,420	18,943	36.1%
9 or less	12,376	35,082	53.3%
Grand Total	15,308	178,978	48.0%

Next Steps

In the months ahead, the staff at NEO will work to further develop the Metro Portland Business Database. A number of adjustments and additions need to be made to the data in order to assure that the database accurately reflects economic trends in the metro area. In particular, the staff will focus on three major points.

- **Expand Geography.** NEO has reached an agreement with the Washington Department of Employment Security to add data on Clark County employers to the Metro Portland Business Database. These data will be combined with the Oregon records to provide a complete picture of the six-county metropolitan statistical area.
- **Adjust for Non-Economic Changes.** Employment Department records are recorded according to the legal ownership of companies. Often, mergers, acquisitions and divestitures result in the creation of a new legal entity (or the termination of an old one) that does not necessarily represent the establishment of a new economic entity. As a result, what Employment Department records reflect as the failure of one business and the start of a new one, may simply be the sale of an ongoing enterprise to a new legal owner. Adjusting for these non-economic changes requires a record by record review of the database and research into the circumstances of the business change.
- **Geocoding:** Employment Department records contain some data about the geographic location of reporting units, but in many cases, particularly in the case of multi-establishment employers (businesses with multiple locations) geocoding is imprecise. In addition, in many cases the mailing address of a firm for tax purposes is not the same as its operating location. To develop an accurate basis for sub-regional analysis, NEO staff will work with Metro to more accurately geocode individual records.

Concluding Observations

During this first year of activity the New Economy Observatory has established a foundation for assessing the economy of the metropolitan area and its prospects. As this is being written there is considerable uncertainty regarding the economic performance we can expect in the next 1-3 years. Nonetheless, there is a solid foundation for future economic growth and, through the work of this project and its predecessors, a new appreciation of the role that knowledge-creating industry clusters will play in our future prosperity.

The decade of the 1990's were a stunning time for the economy of Portland. In this region we witnessed the creation of 250,000 net new jobs, a 33% increase. The rate of employment growth and income growth outpaced the nation. Every income earning segment of our population saw real increases in income, though for some at the top the increases were substantially greater for many in the middle and at the bottom. It was a time of unparalleled investment in high tech and creativity. Patent applications shot through the roof as our companies made money by creating new knowledge.

However, as we look out at a new century, and a new decade, there is a quiet crisis in our community today when it comes to the economy. Certainly the bursting of the dot-com bubble is a cause for great concern, but that has hardly been a quiet event in our recent past. The "quiet crisis" that we refer to is one that comes more from complacency than a sense of urgency. In essence, we have become accustomed to an economy that simply delivers, and we are now in an era when that economy needs our attention.

Why must we care about the economy now? Simply put, it's a cornerstone of our livability, of critical importance to the lives of our people, and deeply effected by what we do:

-- Everyone has a Stake in the Economy – Whether you are the CEO of a privately held company or a teenager working for minimum wage, a healthy economy is a critical ingredient for livability and quality of life in this city. In the 1990's, households of every income saw real increases in wealth, though clearly top income earners saw much more of an increase than those at the other end of the scale. We need to do more to address the growing gap in income and wealth between our richest and poorest households, but the economic growth we experienced during the 1990's was of critical importance to all of us.

-- Public Policy Matters – What we do as a city, and the actions we take as a community have a huge impact on economic vitality. It may, for example, be an essential difference between this region and others. Similarly, environmental quality, public safety, transportation infrastructure, parks and recreation programs, the arts, and a host of other elements crucial to community quality of life and livability are directly shaped by public policy, and are direct contributors to making Portland competitive and a location of choice for employers.

This community won't get better just by getting bigger or older. In addition, we can't remain in the forefront of America's cities by hoping that change passes us by. New growth and ongoing city development is a tool, not a goal. Nonetheless, it's a tool that we should embrace and employ enthusiastically:

-- New Growth enables the City to Mature – In the past, cities were content to measure their quality by their size. The number of people, skyscrapers, jobs, docking ships, departing airplanes, and pro sports teams were advanced as the sole measures of what made a city wonderful. Today, “how big” is far less important than “how good” when it comes to competitiveness. Rather than the size of the place, we ask how well it works for kids and the elderly. Rather than how many kids enroll in our schools, we ask about graduation rates and the ability of graduates to land and hold a job. Rather than the number of cubic meters of water available we ask about the quality of that water. Consequently, rather than seeking growth to simply add to what’s here, we ask a different and more pressing question: how will new growth enable the region to mature, to become a better version of what it is? New growth is the most powerful tool we’ve got for making this region better than it is, and growth sought for that reason is of prime importance to realizing our aspirations for community quality of life.

-- New growth can expand the choices available to residents - One of the most important attributes of growth should be an expansion of the range of options available to the people of the region. One of the bedrock commitments we should make to each other is to expand the range of opportunities available to every member of the community. A growing economy enables us to do that in an effective and acceptable manner.

The fact of the matter is that growth and change aren't the same things. During the recession of the early 1980's, when we actually experienced a decline in the number of jobs, the change that we experienced was not positive or useful. Change occurs whether we grow or decline, or stay the same. We cannot successfully plan for no change. This region has excelled when it clarified its desires and acted on them. Waiting for the change we seek is a recipe for frustration. Our approach to growth and the economy should be no different. It's time to clarify what we want and to seek it purposefully rather than to plant our noses in our coffee cups and hope it all turns out just right.

What are we seeking? Like cities all over the globe, we're seeking to remain a location of choice for creative people who will invent the next economy. We are also seeking to become a great place for kids, the "indicator species" for the health of our community. Finally, we want to be known as a "just" community, one where residents are equipped with the tools to become successful, neighborhoods have the capacity to realize their dreams, and all citizens receive a fair and living return on their labor. All of these things can be advanced by a healthy economy backed up by an economic strategy that links public and private, east and west, and the cities within their region.

“Competitiveness” can provide a framework for thinking through what we need to do to act purposefully on behalf of our economy, and how we can employ new growth and development as a tool for making this city better, not just bigger. Keep in mind that competitiveness has two roots. On one hand it means doing things as well as the metropolitan regions and cities that we compete with nationally and globally. We must be attuned to what makes us more or less attractive than other places. Nonetheless, Portland will not get by simply by attempting to be a better Boise, more awesome Austin, or a super Seattle.

The second root of competitiveness involves making the most of what only this city can be, its unique attributes that set it apart and that other cities, competitor cities, can’t match. Our committed business community, access to nature, transit system, phenomenal downtown, citizen involvement, regional government, air quality, urban growth boundary, and other elements are valuable resources that we can draw on to set ourselves apart. Zero Population Growth has announced that we are the best city for kids. We should really think about that, and about what it will take not to lose that ranking in the years ahead. In any event, we need to serve both roots of competitiveness in our strategizing. One without the other is a blind alley.

Keep in mind nothing that we are proud of today just happened. True, the Columbia River Gorge just “happened” as the result of catastrophic floods at the end of an ancient ice age. However, catastrophic floods didn’t produce Waterfront Park, regulation didn’t give us a port system, and public safety didn’t just happen because we have a top-notch police force.

In all of these cases, the things we value most came about because we had the courage to decide what was right, and the commitment to follow through as a community to get it. All of the things about Portland that we value most are collective achievements, now and forever. It’s time to move our economy, and our collective thinking and caring about our economy, into the same pantheon of great civic achievements that have made and kept this one of America’s most remarkable regions.

In the coming year, the work of NEO will refine and expand the analysis presented in this report. Specifically, we will undertake four major endeavors:

- Continue to monitor the performance of the metropolitan economy over time and in comparison with other metro areas, particularly our competitor regions. As necessary, we will add new measures and new data to the Metropedia, and report to the region’s leaders and citizens about issues of economic performance. We will also continue to study the special characteristics of the region that make it measurably different from other places and assess the economic importance of these differences.
- Analyze in greater detail the geography of the region’s economy, to give the region and NEO partners a richer understanding of the different roles that different parts of the region play, and to identify development

opportunities for targeted areas, and to monitor the performance of ongoing economic development efforts

- Further develop the Metro Business Database, so that the region can track the components of economic change attributable to startups, expansions, layoffs and closures. We will improve database accuracy, correct records for merger activity and refine the geographic component of the database. We will also utilize the database to identify fast growing firms that may signify emerging industries.
- Complete our cluster studies of the wood products sector and our comparative analysis of metropolitan creative services and biotechnology industries. We will also evaluate the potential for cluster studies of other regionally important sectors, such as professional services.

Part 4: “Things Look Different Here”

One of the most important characteristics of the New Economy is the tendency of businesses to compete on product quality rather than cost, emphasizing the distinctive features of their product that distinguish it from competitors. Just as businesses compete on the distinctive features of their products, so too do places.

While there has been a considerable amount of anecdotal reference to the differences between Portland and other US metropolitan areas—drawing on specific accomplishments in planning, urban design, mass transit and a range of public policies—there are strong reasons to believe that Portland differs in important ways from other metropolitan areas. Further, these differences have a significant impact on the economy.

This analysis of Portland’s distinctive characteristics falls into three parts. First, we consider how well Portland’s experience fits into the pattern of national economic trends affecting US metropolitan areas. Second, we explore a variety of sources of data on how the behaviors of Portland residents differ from those in other US metro areas. Third, we report on our own survey which asked a select group of Portland residents to describe their perceptions of the metropolitan area and its unique attributes.

Is Portland’s Economy Different?

The growth of cities is shaped by a combination of national trends and distinctly local factors. At a national level, much of the variation of city growth rates can be explained by growing preferences for warmer and drier climates, the decline of manufacturing, and the impetus to grow provided by higher incomes and stronger human capital in some cities. In a recent analysis of Census data prepared for the Brookings Institution, Harvard economists Ed Glaeser and Jesse Shapiro constructed a model for explaining city growth rates during the decade of the nineties.

This model, called the Brookings City Growth Model, predicts city growth based on rainfall, mean July temperature, per household vehicle ownership, the fraction of the population with a college degree, and the share of population involved in manufacturing. For most cities, the model does an excellent job of predicting future growth. In fact, for 140 of 195 US cities with a 1990 population of 100,000 or more, the model predicts year 2000 population within 10 percent of its actual value. The authors report that the model explains slightly more than 43 percent of all the variation in city growth rates. As Glaeser concludes, the relatively few factors in this model—particularly weather and inter-city variations in human capital—explain a large share of differences in growth.

The report identifies 87 “high fliers”—cities whose population grew by more than 10 percent in the 1990s. The growth model is a good fit for these cities. The model correctly predicted that 79 of these 87 cities would grow by 10 percent or more. However, of the cities that ended up as “high fliers”, the model erroneously

predicted, based on the national trends in development, that four of these would have growth rates of less than five percent over this time period. These were cities that grew despite lacking the factors that consistently predicted growth in other cities. One of them was Hialeah, Florida. The other three were all in Oregon: Portland, Salem and Eugene.

Figure 1 reports the 1990 and 2000 Census population counts for these three cities, and shows the actual and predicted 1990 to 2000 population growth. The predicted values are from the Brookings City Growth Model. For example, the model predicted that population growth in Portland in the 1990s would be 2.5% based on the national trends in the importance of climate, human capital and other factors. The actual population increase in the City was 21 percent. (The table also computes the difference between the forecast and the actual growth rate (Actual – Predicted) and the ratio of the actual growth rate to the predicted growth rate (Actual / Predicted).

Figure 1: Actual and Predicted Growth, 1990-2000

City	1990	2000	Actual	Predicted	1980-90	Difference	Ratio
Portland	437,319	529,121	21.0%	2.5%	18.8%	18.5%	8.4
Salem	107,786	136,924	27.1%	3.8%	21.0%	23.3%	7.1
Eugene	112,669	137,893	22.4%	4.2%	6.6%	18.2%	5.3

Glaeser & Shapiro, 2001

The Brookings Model underestimated decadal growth in these three Oregon cities by between 18 and 23 percentage points. Actual growth was five times (Eugene) to eight times (Portland) faster than predicted by the model.

These data show that Oregon cities are what statisticians would term “outliers” in the model. It would not be particularly remarkable if the estimates for any one city deviated by such a large amount from predicted values. But the fact that all three Oregon cities are so far from the model’s predictions and that Oregon cities account for three of the four outliers among fast growth communities (Hialeah, Florida is the other), suggest that there is something different driving growth processes in Oregon than in other places.

Oregon cities are growing far faster than national trends would dictate. Each city’s growth was stronger than its climate, education levels and other factors would suggest. A logical inference to draw from this data is that there is something about the state or these three cities that cause them to grow much more rapidly.

There are many possible explanations. One is that for the 1990s for all three cities, there was some unusual factor (say annexations) that produced an aberrant jump in city population. The Census data used by Glaeser don’t discriminate between growth due to annexation of previously unincorporated areas and net new population growth. Variations in state-to-state annexation laws and the “land-locked” situation of some older cities (surrounded by other incorporated municipalities) undoubtedly accounts for some of the variations in city growth.

However, there is no evidence that Oregon annexation policies changed dramatically in the 1990s, or that they are more liberal than other states.

One possible explanation is that public policy has worked well to ensure that urban development does not leave older communities behind. Unlike in almost every other place in North America, Oregon cities are encompassed by urban growth boundaries, one function of which is to promote the efficient use of land set aside for urban purposes before committing new land to those same purposes. Consequently, one explanation for the dramatic departure of these Oregon cities from their predicted fate could be the presence of urban growth boundaries and the public commitment to the continued use and reuse of urban land.

Another possible explanation is that there is something particularly attractive about Oregon—its economy, its environmental amenities, or some other aspect of the state—that draws residents in spite of the kinds of characteristics that would generally retard population growth. A final possibility is that the people who move to Oregon are driven by a different calculus than those who seek other places. The state may, for example, draw rain-loving people.

Regardless of the explanation, however, the fact that all three Oregon cities are outliers from the national trend suggests that the conventional wisdom about what causes growth, at least to the extent that it is drawn from statistical models like the Brookings City Growth model, do not provide accurate guidance about what Oregon can or should do to shape its economic destiny. The answer to that riddle will have to be found by looking deeper, to understand how the special characteristics of Oregon influence our growth.

Key Differences in Behavior of Portland Residents

Oregonians have long claimed that “things look different here”. Adopting the tagline as a selling point to visitors in the late 1980’s, it has also served as a regional identifier for residents of The Beaver State. Portlanders have assumed a similar sentiment living in one of the state’s largest metropolitan areas. As Carl Abbott writes in *Greater Portland*, “Portlanders are pleased provincials, and Portland’s conceit is the satisfaction of self-sufficiency...Portland is satisfied with its place and pace—its position in both the economic and natural landscapes and the patterns of life its landscapes support” (201). Local residents are quick to point out its small town feel, great access to the outdoors, mild climate, livability, and strong commitment to planning.

Several years ago, the Institute engaged in an effort to assess the ways in which this region might differ from others. Our starting point was an investigation of values attributable to the metropolitan area population. Our values describe “what matters”, what we as both individuals and as members of communities use to guide our actions and order our choices. Values are aids to navigation, providing a context for making choices and linking means to ends. Our interest in values was twofold:

- First, unlike issues, values don't change as often or as much. Therefore, to the extent that values are widely held, they can serve as important catalysts for long-term community action.
- Second, since values help to create priorities, understanding how values work at a metropolitan level provides insights for understanding the sources for a distinctive community identity.

Therefore, if we could identify a list of core values, and assess whether our behavior actually reflects those values, then we can begin to describe the character of the region, and areas of distinctive competency and concern relative to other places.

One crucial source of information for exploring the notion of metropolitan core values is the Oregon Values and Beliefs Study, completed in 1993 by the Oregon Business Council and the Oregon Progress Board. Not surprisingly, the results for the metropolitan area mirrored those for the state as a whole. The four metropolitan area core values derived from this work were, in order of priority:

1) Participation in Family—family is important, and spending time with family is highly sought. Note that in this case “family” refers to both the household members and the extended family of the respondent. It's that home base that can be counted on, and which has expectations of and for its members. Given more time, Oregonians would spend more time with this group. Concern for the welfare of children and of parents and the elderly is associated with this value.

2) Independence of Self—being able to live a life of your own devising, and having the sense that you can make changes in your life is of great importance to Oregonians. Note that this is not about disengagement, but about engagement in a socio-political environment where individuals feel effective. Further, this is an expression of the expectation that our region is a place where individuals can make a difference, and small groups can come together to identify and solve community problems.

3) Career and Job Opportunity—the desire for “good work”, jobs that both put food on the table and offer some promise of satisfaction. Underlying this is a desire for access to opportunity, requiring both the ability to share in the economic prosperity coming to the region and having access to the tools for economic participation. A key finding here, however, is that Oregonians are not willing to embrace economic growth at any cost. There is a great desire to see economic growth occur in a manner that leverages things for other closely held values.

4) Concern for the Environment—this should be a clean, green, beautiful, uncrowded, and unhassled place. Air should be clean, water should be plentiful and swimmable, and wilderness should still be accessible in a reasonable amount of time. The number one quality that folks associate with

the state and region is its beauty, and their number one fear is that we become too crowded and just like other places, especially those places in states to the north and south.

These values were arrived at by surveying individuals and then aggregating the results. As part of our effort to assess values, we also consulted another source of information, reflecting community-wide rather than individually stated concerns, namely the goal and value statements adopted by area jurisdictions. As part of that earlier effort, goal, value, and/or vision statements were collected from all of the cities and counties in the six-county metropolitan region, and reviewed for common themes. The assumption was that the legislatively adopted statements of jurisdictions would reflect broader collective rather than individual concerns. The common themes that we discovered, in no particular order, were:

- a) Safety—people want to live in safe communities, one where they can live a life free from the fear of crime, or unreasonable concern for personal safety for themselves or loved ones.
- b) Community Identity/Sense of Place—communities want to have distinct identities. They do not want to simply blend in with their neighbors to the point where their boundaries become invisible and both residents and nonresidents have no clue as to when they've gone from one community to another.
- c) Vital Economy, Civic, and Social Life—communities want to be known as dynamic places, populated by involved people. These are places that are alive and characterized by effective relationships, mutual caring, and opportunity.
- d) A Life Close to Nature—communities seek to interweave the natural with the built, to maintain that traditional Pacific Northwest link to the landscape and its resources even in our most populated places.

Each of these community themes has a close correspondence to the individual values outlined above. Desires for safety and distinct community identities relates to the notion of independence of self. A life close to nature connects directly to concern for the environment. Safety and family go hand in hand. Community vitality relates both to the notion of career and job opportunity as well as to the kind of relationships accompanying strong family ties.

To review these findings a series of small group meetings were held throughout the metropolitan area during the fall of 1996. Most of the people we talked to were active in their communities, and agreed that these lists were, for the most part, representative of their aspirations. However, they pointed out a number of things that were missing. There is no explicit mention of community, a surprising result to active community members because of the fact that they struggle with a seeming “decline” of community life as an important issue. There is no real discussion of diversity, and the need to incorporate diverse points of

view, despite the fact that the world is becoming a more diverse place, both globally and locally.

There was tremendous concern about growth, and a great desire to slow the pace of change. To many of the people we met with, preserving quality of life is an immediate problem, not one to be left to a future outcome of a long-term planning process. With that came frequent descriptions of communities that no longer knew themselves as well as they used to. On the other hand, there was an almost universal sense among these activists that their problems weren't intractable, and that a few folks could get together and make a difference. This suggests that community is alive and well, but that the geography over which people feel effective is shrinking.

We next looked at how this metropolitan area expresses these values through its behavior. If this region wants to be known for these things, then our behavior or performance compared to other metropolitan areas should stand out for these attributes. Again, our primary interest here is what people do, rather than simply the current status for a number of indicators in our community. If, for example, we believe that career or job opportunity is important, then can we discover indices for behavior related to training, education, utilization of venture capital, or other activities related to this value that clearly demonstrates that we, as a people, act on this value more than residents of other metropolitan regions? In other words, can we find any evidence that this region stands out for the reasons that we want it to?

To try to answer these questions, we consulted a number of sources including the American Communities Survey, marketing data, magazine subscriptions, and authors concerned with regional differences in thought and action. We were able to find evidence to support the notion that this region stands apart for two reasons associated with our stated values: independence of thought and action, and concern for the environment:

- **Connected to the Environment:** Portlanders live a life that is close to nature. We are more likely by a wide margin than other Americans to camp, hike, ski and engage in almost every form of outdoor recreation. We are also twice as likely to be involved in environmental causes. We exercise our bodies, as well as our minds. Oregonians rank first in the nation in the proportion of the adult population that engages in regular aerobic exercise.
- **We make up our own mind:** We read more (and watch television less) than do other Americans. Portlanders spend 37% more of their income on reading materials than average Americans and the city has the nation's third highest concentration of used bookstores. We rank well above average in computer ownership and use and data suggest we have a disproportionate share of Internet activity. Portland and Oregon have an above average number of small businesses and a larger than average share of its population involved in owning or running these businesses.

Portlanders are more likely to vote than the average American and a large share of the region's population participates in public organizations and meetings.

Combining the work on values and community aspirations with what we discovered about how we behave, we concluded that residents of this metropolitan area are actively and somewhat consistently seeking three things:

- Good Work - employment that offers satisfaction, a way to put food on the table, and the potential for “advancement”;
- Good Communities - communities within which residents feel they can live a life of their own devising, and whose members feel effective and able to identify problems and work cooperatively to create solutions; and
- Good Landscapes - clean, green, accessible, and uncrowded.

Perhaps not coincidentally, many of the attributes that Portland residents cherish today have also won the city a number of accolades in books, magazines, newspaper articles, and various metropolitan rankings. Comparative factors that have brought Portland to the forefront include the economy, quality of life, urban planning, recreation, civic involvement, population growth, weather, and affordability.

Building upon the notion that things may be different here, this current study attempts to expand on the identification of key differences in the attitudes and behavior of Portland residents from people in other metropolitan areas uncovered in our previous work. To begin, the following section explores how Portland was rated in numerous surveys and “best of” lists in an effort to identify distinguishing characteristics of the city and its residents.

The next section analyzes expenditure and lifestyle habits of Portland residents as compared to other areas of the country. The third section compares personal attitudes and behaviors of Portlanders with residents of cities identified by Question No. 5 in the Index Variables Scan [see below]. The data used in this comparison was obtained from Robert Putnam’s Bowling Alone project on social capital. The last section provides conclusions of the study findings as well as recommendations for additional research.

Metropolitan Rankings

To help identify unique characteristics, an assessment of Portland’s ranking among U.S. metropolitan areas was conducted using a number of existing lists, indices, and other comparative studies. The rankings included surveys generated by both public and private institutions. The studies were based on quantitative and qualitative data depending on the purpose of the survey and intended audience.

Oftentimes more subjective than objective, many of the surveys are closely associated with popular culture such as *Money* magazine’s “Best Places to Live,” *Forbes*’ “Best Places,” and *Places Rated Almanac*. Some of the surveys were a bit

more obscure, including “Funky Towns USA” or “America’s Most Enlightened Towns,” whereas others set a more serious tone focusing on key economic factors, such as the “Metropolitan New Economy Index” and “Top 10 Growth Hot Spots.”

A total of 21 surveys were identified for this study. [See Table 1.] The surveys represent a combination of one-time and annual ranking systems. Key factors upon which cities were evaluated included weather, crime, education, housing, economy, health costs, personal habits, quality of life, transportation, affordability, local customs, culture, politics, environmental awareness, entertainment, and population growth or decline.

Table 1: Portland's Ranking Among Metropolitan Areas

Survey	Date	Sponsor	Source	Portland Ranking	Total Rankings	Factors
Best Places to Live	2000	Money Magazine	www.money.com	1	300+	Weather, Crime, Housing, Education, Economy, Health, Quality of Life, Transportation.
Metropolitan New Economy Index	4/19/01	The Progressive Policy Institute	http://www.neweconomyindex.org/metro/index.html www.ppionline.org	15	50	Knowledge jobs, globalization, Dynamism and Competition, digital transformation, innovation infrastructure.
Internet Penetration/ Most Wired	4/03/01	Nielsen/Net Rating Survey	1) Portland Tribune 2) http://www.nielsen-netratings.com	1	25	Households having access to the internet from a personal computer at home.
Fittest & Fattest Cities	01/01	Men's Fitness Magazine	USA Today, 12/7/99	6	50	Health habits: Obesity rates, TV watching habits, smoking rates, percentage of adult show exercise on given day, fitness friendly climate, number junk food joints listed in bigyellow.com
Best Place to Start Business	5/99	Outside Magazine	www.outsidemag.com	1	N/A	Business climate, cost of living, transit service, sales tax, business tax, housing, amenities, jobs, arts/leisure activities, chiropractors and naturopathic medicine
America's Most Enlightened Towns	June/July 1997	Utne Reader	www.utne.com	1	10	Access to alternative health care, lively media, cultural activity, spiritual opportunities, social capital, progressive politics, sense of local culture, and good urban design.
Best Cities For Women	02/01	Ladies home Journal	http://www.lhj.com	189	200	Crime, lifestyle, schools, jobs, health care, childcare, government.
Forbes Best Places	2000	Forbes Magazine	www.forbes.com	17	294	Wage & Salary growth, job growth, high-tech concentration, tech output growth, number of tech clusters.

Table 1: Portland's Ranking Among Metropolitan Areas

Survey	Date	Sponsor	Source	Portland Ranking	Total Rankings	Factors
Rational Livability Index	04/99	Howard Wall	Regional Economist	9	59	Rates of Migration
Places Rated Almanac	2000	Places Rated Partnership	Places Rated Almanac	26	354	Cost of Living, Transportation, Education, jobs, climate, crime, arts, health care, and recreation.
Funky Towns		Mark Cramer	Funky Towns USA	11	46	Unconventional Regional Customs, Bizarre Geographic or climatic variations, cross-cultural, public hangouts, non-mainstream recreation/entertainment, pedestrian friendly, mixed use zoning & layout, Upended facilities, independent politics, alternative economy, legal-positive expectation gambling, freedom in bedroom.
Best American City at Recycling	April 2001	Waste News	April 18, 2001, City of Portland Office of Sustainable Development Press Release	1	30	Recycling rates.
Work Class [Manufacturing] Communities	April 2001	Industry Week Magazine	http://www.industryweek.com	Top 12	N/A	Best at developing making, marketing, moving, and managing products
America's Hottest Cities for Business Relocation and Expansion	1/01	Expansion Management Magazine	http://www.expansionmanagement.com	25	50	Business climate, work force quality, operating costs, incentive programs, and ease of working with local officials.
Q-32 Quality of Life Ratings – Overall Rankings	2000	Business Development Outlook magazine	http://bdomag.com	31	32	Drive time, medical services, health care, education, total crime, culture, amusement, entertainment, restaurants.

Table 1: Portland's Ranking Among Metropolitan Areas

Survey	Date	Sponsor	Source	Portland Ranking	Total Rankings	Factors
America's 10 Fittest Cities for Women	March 2000	HEALTH Magazine	http://www.portlanddev.org/business/praises.html	Top 10	N/A	
Top 10 Growth Hot Spots	July 2000	The Milken Institute	WIRED July 2000, pp. 269	2	315	Value of goods (such as semiconductors, computers, and space vehicles) and services (telecommunications, research, testing) produced in each area.
Cities with the Best Park Systems	2000	ULI and the Trust for Public Land	<i>Inside City Parks, Report 2000</i>	N/A	25	Park and open space acreage, spending on parks.
Best Cities	December 2000	Inc. Magazine	http://www.inc.com	32	50	Number of significant start-ups and ability to support the growth of a high proportion of "young growers".
Best Places to Retire	2000	Money Magazine	http://www.money.com	351	474	Weather, Cost of Living, Housing, Quality of Life, Medical Care, Environment, Education, Crime, Transportation.
Best Places To Live and Work	April 2000	Employment Review magazine, April 2000	http://www.portlanddev.org/business/praises.html	10	300	Population, unemployment rates, cost of living, job opportunities

Observations:

- Portland achieved top honors in eleven of the studies, ranking within the top 10 percent of the total number surveyed. These studies included Best Places To Live, Most Wired, Best Place to Start a Business, Forbes Best Places, Places Rated Almanac, Best American City at Recycling, Working Class Communities, Top 10 Growth Spots, Best Places to Live and Work, America's Top 10 Fittest Cities for Women, and Cities with the Best Park Systems. Factors that raised Portland's rankings included a strong economy, high-tech employment concentration, high quality of life, weather, and access to open space.

- Portland rated within the top 11 percent to 50 percent of the total number surveyed in eight of the studies including the Metropolitan New Economy Index, Fittest & Fattest Cities, America's Most Enlightened Towns, Funky Towns, Rational Livability Index, America's Hottest Cities for Business Relocation and Expansion, Q-32 Quality of Life Ratings – Overall Rankings, and Best Cities. Important factors included the concentration of high tech industry, population growth, health habits, progressive politics, and strong sense of regional identity.

- Portland's ranking in two of the surveys, Best Cities for Women and Best Places To Retire, was less than ideal, falling within the bottom 50 percent of the total number surveyed. Factors that appear to have tipped Portland over the edge include cost of living, crime, environmental issues (water pollution and site contamination), and commute times.

Unique factors to Portland:

- More than a few times it was mentioned that Portland residents love their city and are happy to share their enthusiasm with others.
- Portlanders recycle at a rate of 53 percent, double the national average.
- Seventy percent of Portland households have access to the internet from a personal computer. This represented a 29% growth rate from 2000 to 2001.
- There are more naturopaths and chiropractors than in other metropolitan areas.
- Portlanders tend to frequent bookstores and coffee shops as noted in several of the studies.

As noted above and in the summary chart, similar factors were used in the various surveys. The weighting of factors appears to have a significant impact on how Portland ranks relative to other metropolitan areas. In determining the value of such studies, it is important to note the purpose and sponsor(s) of the survey. In a recent interview, Bert Sperling, demographer and founder of Fast Forward, Inc. who has conducted extensive research on more than 3,000 cities (compiling statistics for *Money*, *Ladies Home Journal*, and *Self* magazines, the *Wall Street Journal* and the *New York Times*) cautioned on the merit of the surveys, many of which are conducted for the sole purpose of selling magazines.

In addition to the differentiation of rankings for Portland in the surveys identified, it was also observed that Portland's ranking has changed from year to year in annual surveys by *Money*, *Forbes*, and *Employment Review* magazines, and *Places Rated Almanac*. While Portland was able to rise in the rankings to number one in *Money* magazine's "Best Places to Live" from 1999 to 2000, the city lost ground in *Forbes*' "Best Places," ranking No. 17 in 1999 and No. 32 in 2000. *Money* magazine editors did note that their focus in 2000 was not only on economically vibrant cities but on those that were also successful in managing growth and providing a high quality of life.

Despite the subjective nature of the majority of surveys, Portland did place relatively high in both quantitative and qualitative studies. What may be more important than the actual ranking is the fact that Portland *is* competitive with other metropolitan areas for employment and population growth. In addition to its ability to maintain and attract industry to the region, the city has also demonstrated a "funkiness" or "enlightenment" that makes it appealing for reasons that extend beyond purely economic conditions. This split personality may reflect a differentiation in the attitudes and behaviors of its residents.

Additionally, Portland was one of the only cities to make all of the lists selected for this study. Other metropolitan areas that were repeatedly included in the surveys but not as frequent as Portland were Raleigh-Durham, Salt Lake City, Austin, Seattle, San Francisco, Minneapolis, Denver, Atlanta, and San Diego.

EXPENDITURE AND LIFESTYLE HABITS

We also examined expenditure and lifestyle habits of Portland residents as compared to residents of other metropolitan areas as a means for determining whether community-to-community differences were reflected in individual behavior. Two key surveys used to conduct the analysis included "The Lifestyle Market Analyst"¹ and "Consumer Expenditure Survey"². Each of these surveys and results for Portland will be described in more detail below.

The Lifestyle Market Analyst provides a comprehensive overview of the demographics and lifestyle interests of the adult population/households in the 210 DMA markets that comprise the United States. According to the market profile for Portland, the city's resident rate of participation in several activities exceeded the corresponding rate of participation in the total United States by greater than 14 percent. Those activities included camping/hiking, snow skiing frequently, own a cat, use an Apple Macintosh, frequent flying, reading science fiction, hunting/shooting, foreign travel, and sewing. Portland also ranked high in avid book reading activities. Conversely, activities with low participation rates by Portlanders included dieting/weight control, watching sports on TV and participating in money-making opportunities.

¹ Standard Rate & Data Service, Lifestyle Market Analyst (2000), Des Plaines, IL.

² Bureau of Labor Statistics Consumer Expenditure Survey (1998-99), Washington, DC.

The Consumer Expenditure Survey provides information on annual household expenditures on items such as food, housing, transportation, health care, entertainment, personal care products, education, tobacco products, insurance, pensions, and other miscellaneous consumer products. For this survey, Portland household expenditures were compared to the four major regions of the country, West, Midwest, Northeast, and South, in addition to the average for all regions. The results appear in Table 2. Overall, Portland consumer behavior mirrored that of the four regions as well as the national average. Slightly higher expenditures were noted for personal insurance and pensions, but not to a significant degree.

Table 2: Consumer Expenditure Survey Comparison

	Portland	%	West	%	Midwest	%	Northeast	%	South	%	All	%
Number of Consumer Units	21,053		23,758		25,556		20,933		37,577		26,956	
Consumer Unit Characteristics												
Income Before Taxes	47,414		45,736		41,447		46,809		39,371		43,341	
Age of Reference Person	47		47		48		49		48		48	
Average Number in Consumer Unit												
Persons	3		3		3		3		3		3	
Children under 18	1		1		1		1		1		1	
Persons 65 and over	0		0		0		0		0		0	
Earners	1		1		1		1		1		1	
Vehicles	2		2		2		2		2		2	
Percent Homeowner	59		59		69		62		67		64	
Average Annual Expenditures	43,331		40,662		35,369		37,971		33,147		36,787	
Food	5,855	14%	5,312	13%	4,802	14%	5,314	14%	4,533	14%	4,990	14%
Food At Home	3,557	8%	3,132	8%	2,733	8%	3,001	8%	2,660		2,882	8%
Cereals and bakery products	539	1%	466	1%	430	1%	474	1%	401	1%	443	1%
Meats, poultry, fish and eggs	770	2%	761	2%	671	2%	808	2%	725	2%	741	2%
Dairy products	397	1%	341	1%	304	1%	342	1%	282	1%	317	1%
Fruits and vegetables	670	2%	562	1%	442	1%	539	1%	438	1%	495	1%
Other food at home	1,182	3%	1,001	2%	887	3%	838	2%	815	2%	885	2%
Food Away from Home	2,298	5%	2,180	5%	2,069	6%	2,313	6%	1,873	6%	2,109	6%
Alcoholic Beverages	430	1%	372	1%	304	1%	368	1%	253	1%	324	1%
Housing	13,847	32%	13,757	34%	11,196	32%	13,229	35%	10,303	31%	12,121	33%
Shelter	8,708	20%	8,516	21%	6,270	18%	8,149	21%	5,467	16%	7,101	19%
Owned dwellings	5,568	13%	5,231	13%	4,282	12%	5,209	14%	3,465	10%	4,547	12%
Rented dwellings	2,601	6%	2,709	7%	1,558	4%	2,390	6%	1,641	5%	2,075	6%
Other lodging	539	1%	575	1%	430	1%	550	1%	361	1%	479	1%
Utilities, fuels, and public services	2,160	5%	2,179	5%	2,401	7%	2,457	6%	2,482	7%	2,380	6%

	Portland	%	West	%	Midwest	%	Northeast	%	South	%	All	%
Household operations	675	2%	781	2%	542	2%	581	2%	553	2%	614	2%
HH supplies	506	1%	513	1%	508	1%	474	1%	473	1%	492	1%
HH furnishings and equipment	1,799	4%	1,768	4%	1,475	4%	1,567	4%	1,328	4%	1,535	4%
Apparel and services	1,687	4%	1,863	5%	1,607	5%	1,831	5%	1,610	5%	1,728	5%
Transportation	8,117	19%	7,423	18%	6,617	19%	6,503	17%	6,738	20%	6,820	19%
Vehicle purchases	4,123	10%	3,180	8%	3,081	9%	2,761	7%	3,354	10%	3,094	8%
Gasoline and motor oil	1,103	3%	1,129	3%	1,036	3%	901	2%	1,052	3%	1,030	3%
Other vehicle expenses	2,373	5%	2,585	6%	2,159	6%	2,266	6%	2,033	6%	2,261	6%
Public transportation	519	1%	530	1%	341	1%	575	2%	298	1%	436	1%
Health Care	1,837	4%	1,869	5%	2,048	6%	1,788	5%	1,971	6%	1,919	5%
Entertainment	2,282	5%	2,139	5%	1,984	6%	1,821	5%	1,574	5%	1,880	5%
Personal care products and services	424	1%	449	1%	385	1%	399	1%	393	1%	407	1%
Reading	198	0%	181	0%	168	0%	198	1%	121	0%	167	0%
Education	728	2%	676	2%	583	2%	877	2%	431	1%	642	2%
Tobacco products and smoking supplies	256	1%	217	1%	331	1%	309	1%	288	1%	286	1%
Cash Contributions	2,036	5%	1,344	3%	1,126	3%	1,001	3%	1,127	3%	1,150	3%
Personal Insurance and Pensions	4,807	11%	3,990	10%	3,355	9%	3,461	9%	3,048	9%	3,464	9%
Life and other Personal Insurance	462		355		387		424		414		395	
Pensions and Social Security	4,345		3,636		2,968		3,037		2,635		3,069	

SOCIAL CAPITAL

Using data obtained from Robert Putnam's Bowling Alone project on social capital, a comparison was made between Portland residents' responses and those of "alternative" cities identified in the Index Variable Scan [see below] including Seattle, San Francisco, New York, Boise, Denver, and Boston. Responses were also analyzed for all metropolitan areas and by three major city categories based on population: 1) Cities of 50,000 - 500,000, 2) Cities of 500,000 - 2M and 3) Cities of greater than 2M. With over 300 variables included in the Bowling Alone questionnaire, a sampling of sixteen variables was selected for this analysis. The variables and corresponding responses reviewed were as follows:

- 1) Rode A Bike
- 2) Bought a Book
- 3) Went Camping
- 4) Entertained People in My Home
- 5) Contributed to an Environmental or Conservation Organization
- 6) Went Hiking
- 7) Play a Home Video Game
- 8) Went to a Library
- 9) Contacted a Public Official
- 10) Rented a Video Cassette Tape
- 11) I would be Content to live in the same town the rest of my life
- 12) How many dogs do you own
- 13) I am influential in my neighborhood
- 14) I am an avid Sports Fan
- 15) Do you really Enjoy your Job
- 16) I guess I'm what you Call a Couch Potato

A summary of the responses are presented in Table 3. Of the 16 variables analyzed, six of the variables were eliminated due to a high percentage of missing responses (greater than 75 percent). Those variables include questions No. 2, 5, 9, 14, 15, and 16 from the list above. The remaining questions will be explored in more detail below. For the purposes of this analysis, a 5 percent variance was used to assess differences between the responses.

- In response to the question "Rode a Bike", Portland had more responses to "none" than the national average and less than New York. Additionally, Boise reported greater numbers for "1-4 times" and "greater than 52 times" than Portland.

- In response to the question “Went Camping”, Portland had one of the lowest responses to “none” than all of the other categories with the exception of Boise. The city also reported a higher number of response to “greater than 1-4 times” than the national average, cities of 50-500K, cities of 500K-2M, and cities of greater than 2M, New York and Boston as well as a higher number of responses to “5-9 times” in comparison to cities of greater size than 2M, New York and Boston.
- Responding to the question “Entertained people in my home”, Portlanders responded less frequently to “5-8 times” and “12-24 times” than Boise respondents.
- Portland’s response to “Went Hiking” in the “none” category was less than the national average, all city sizes, New York and Boston. Portland also had a higher number of response to “1-4 times” than New York and a lower number of responses to “9-11 times” than Boise.
- In response to the question “Played a home video game”, Portland responses were higher to “none” than the national average and less than Boise responses. There was also a noted difference in the responses between Portland and Denver in “1-4 times” with Portland responding less frequently.
- In response to the question “Went to a library”, Portlanders responded less frequently to “none” than the national average.

For the majority of questions however, Portland’s responses were similar to the responses reported in the other categories including the national average (All), cities of 50-500K, cities of 500K-2M, cities of greater than 2M, Seattle, San Francisco, New York, Boise, Denver, and Boston. Subsequently, there does not appear to be a significant difference between Portland and other metropolitan areas in the ten variables observed. However, it may be worthwhile to analyze additional variables to better assess whether Portland responded differently to other key questions that are relevant to establishing the level of civic involvement.

Table 3: Social Capital Comparison

Variable	All	City 50-500K	City 500K-2M	City >2M	Portland	Seattle	SF	NY	Boise	Denver	Boston
Rode A Bike											
none	44.8	45.6	48.9	49.6	50	52.8	49.5	55.2	31.3	47.5	54.8
1-4 times	17.9	18.2	17.3	16.5	19.1	20	19.9	18.5	20.3	17.6	20
5-8 times	7	7.1	6.9	5.5	6.4	8.5	7.5	6.3	10.9	7.8	6.5
9-11 times	4.1	4.3	4.2	3.3	6.1	3.7	4.7	4	4.7	5.3	3.8
12-24 times	5.4	5.5	4.8	3.9	4.2	5.2	6.1	4.7	9.4	7.6	3.9
25-51 times	3.7	3.8	3.3	3.3	4.7	2.5	2.5	2.6	4.7	4.5	3.5
52+ times	3.5	3.4	3.3	2.7	3.3	1.9	3.5	2.8	14.1	3.1	2
Missing	13.6	12.1	11.3	15.1	6.1	5.2	6.4	5.9	4.7	6.6	5.5
Bought a Book											
none	4.5	1.5	1.5	1.6	1.4	1.5	1.7	2.1	1.6	1.6	2.6
1-4 times	2.2	2.5	2.3	2.8	2	2.2	2.7	3.4	7.8	2.9	3.8
5-8 times	1.2	1.5	1.7	1.5	1.6	2.2	2.3	2.2	4.7	2.5	2.5
9-11 times	0.8	0.9	1.2	0.9	0.9	1.2	1.5	1.1	1.6	1.8	1.6
12-24 times	0.6	0.9	1	0.8	0.6	1	1.2	1.1	1.6	1.8	0.9
25-51 times	0.3	0.4	0.5	0.5	0.2	0.6	0.6	0.6	0	1	0.4
52+ times	0.1	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0	0.2	0.2
Missing	93.3	92.1	91.6	91.6	92.9	90.9	89.5	89.3	82.8	88.3	88.1
Went Camping											
none	66.1	70	72.7	78.8	52.2	53.4	62.9	83.6	50	57	77.5
1-4 times	19.4	17.3	16.3	12.6	27.3	24.6	24.2	10.3	26.6	23	13.2
5-8 times	6.1	5.3	4.5	3.6	9.6	11.3	5.8	2.3	9.4	8.4	3.3
9-11 times	3.3	2.7	2.4	1.7	5.2	4.9	2.2	1.4	6.3	4.5	1.9
12-24 times	2.6	2.2	1.9	1.3	2.8	3.1	2.2	0.9	1.6	3.7	1.8
25-51 times	0.9	0.9	0.7	0.5	1.4	0.6	1	0.4	1.6	1.4	0.7
52+ times	0.6	0.4	0.4	0.3	0.5	0.7	0.5	0.1	3.1	0.6	0.5
Missing	1.1	1	1	1.3	1.1	1.2	1.2	1	1.6	1.4	1.1

Variable	All	City 50-500K	City 500K-2M	City >2M	Portland	Seattle	SF	NY	Boise	Denver	Boston
Entertained People in My Home											
none	10.2	8.9	10.1	10.6	6.9	6	7.9	7.5	7.8	7.2	8
1-4 times	21.1	20.9	22.7	21.9	20.5	22.4	20.4	19.2	18.8	24	20.9
5-8 times	21	21.9	22.2	22.2	21	23.3	21.8	22.9	37.5	23	23.8
9-11 times	16	16.8	15.5	16.3	17.6	16.4	17.5	18.3	14.1	16	15.6
12-24 times	17.6	18.1	17	16.7	19.1	16.7	18.7	18.6	10.9	19.1	18.3
25-51 times	8.5	8.3	7.5	7.5	8.9	9	8.8	8.5	6.3	6.8	8.6
52+ times	4.1	3.6	3.5	3	4.7	4.8	3.2	3.4	3.1	2.3	3.5
Missing	1.6	1.5	1.6	1.7	1.3	1.5	1.7	1.6	1.6	1.4	1.3
Contributed to an environmental or conservation organization											
none	2.2	2.4	2.5	2.5	2.7	1.8	2.9	2.5	0	3.1	2.8
1-4 times	0.9	1.2	1.3	1.3	1.4	1.6	2.3	2.2	6.3	2	2.3
5-8 times	0.1	0.2	0.2	0.2	0.2	0	0.2	0.3	1.6	0.2	0.1
9-11 times	0	0.1	0.1	0.1	0.2	0	0.2	0.1	0	0	0.2
12-24 times	0	0	0	0	0	0	0.1	0.1	0	0	0.1
25-51 times	0	0	0	0	0	0	0.1	5.1	0	0	0.1
52+ times	0	0	0	0	0	0	0	0	0	0	0
Missing	96.7	96.1	95.8	95.9	95.6	96.6	94.2	94.9	92.2	94.7	94.4

CONCLUSIONS

Unlike in the earlier work focused on values, the assessments of patterns of activity and consumption reported here do not readily provide an explanation for the differences between our economic performance in the 1990's and that predicted for us by the Brookings model. Simply stated, things look different here, but not for any single predominant reason that we've identified. In that patterns of consumption do not distinguish us readily from the pack, it may be that the differences are due largely to more external aspects of life in this region, namely public policy and the landscape within which we live. In any event, this is a topic in need and worthy of future research.

Index Variables Scan

One perspective on the differences between Portland and other US metropolitan areas can be gleaned from the outside, using statistical comparisons with other metro areas, such as those discussed above, drawn from rankings in consumer and specialty magazines. Often times, however, such rankings are heavily shaped by the nature of the questions asked by the compilers, and the data they've chosen to consult.

An alternative view comes from within the region. What do Portland area residents think is different or distinctive about the area in which they live? To begin to frame an answer to this question, we developed an exploratory survey to provide an index of what this community thinks about itself, and how it would like to be compared to others.

The Institute mailed 347 surveys to a group of individuals selected from the Institute's mailing list of metropolitan residents. Many of these individuals are planners, mayors, city councilors, city employees, executives, civic leaders, and researchers. The survey asked respondents to answer five questions. The five questions attempted to illuminate what this community thinks about itself, and how it would like to be compared to others.

A total of 77 individuals returned the survey, resulting in a 22% response rate. The survey did not ask for the individuals' names, so we were unable to draw any conclusions about the survey participants and their corresponding answers. The answers to the five questions were tabulated and are summarized below according to question. The summaries below are generalizations, as the survey distributed was qualitative in nature.

RESULTS

Question #1

The first question asked individuals what three or four characteristics they would use if they were to describe this metropolitan area to someone far away. An overwhelming number of respondents described the Portland Metropolitan Region as a place with great access to the outdoors (such as the mountains,

desert, and beaches). In fact, of the 77 people who returned the survey, 27 of them included this as a characteristic (35%). 21 of the respondents also described this area as very green, with lots of parks and trees. The third most often cited characteristic was that the area is picturesque.

Other characteristics that were mentioned by at least 9 respondents included: the metropolitan area has a small town feel but with big city amenities; it has a good, mild climate; people are environmentally conscious, friendly, and engaged in civic affairs; and Portland has a good downtown. Characteristics that were cited more than a few times (approximately 5-7) included attention to planning, less street crime, good neighborhoods and public transportation, being a compact city, having a diverse economy, having a prospering economy, being rapidly growing and livable. Interestingly, none of the respondents characterized the area negatively.

Question #2

The second question asked individuals what regional characteristics set this area apart from other metropolitan areas. Over one third of the respondents (27) claimed that good planning distinguished this area from other metropolitan areas. The second most often cited characteristic was, again, that the region offered multiple recreational opportunities and a diverse landscape. Other characteristics that people often felt set this metropolitan area apart include a more pro-environment attitude, a regional government and good regional collaboration, a citizenry involved in public policy discussions, the urban growth boundary, and a vital downtown where people live, work and play.

A few other characteristics were mentioned, including: good bookstores and coffee; people read a lot; people are independent thinkers; and good transportation alternatives. It should be noted that the question included examples such as “we read more” and “better planning”. It is impossible to say whether people were influenced by these examples when responding. However, good planning was the characteristic that was mentioned most often.

Question #3

The third question asked respondents what strikes them as being “not Portland” or different when they travel to other cities. Based on respondent’s answers, three characteristics stand apart from the rest. “Bare downtowns”, or “8-5 downtowns” was mentioned 27 times as being “not Portland”. The other two comments included “lack of natural environment in the city” and “lots of sprawl”. This question garnered a variety of answers because people were comparing Portland to many different places.

Sometimes respondents would compare Portland to larger cities, such as New York, and then comment that greater architectural variety and a greater ethnic mix struck them as being unlike Portland. Other times people compared Portland to smaller cities and commented that having no beautiful buildings downtown struck them as being unlike Portland. Thus, the answers really depended on the comparison the respondent was drawing. Many of the other

answers mirrored the answers in questions 1 and 2. People often said that other places were not bike- and pedestrian-friendly, were more diverse, dirtier, had worse public transportation and more blight close to downtown. The residents of other places were often described as less friendly and less environmentally conscious.

Question #4

The fourth question asked respondents to identify the top one to three qualities of this metropolitan area that they'd like everyone to know. Unlike the first 3 questions, there were many different answers instead of five or six that really stood out. The abundance of recreational opportunities was listed the greatest number of times, followed by "beautiful scenery / mountain backdrop", "friendly ambiance", "acceptance of land use planning" and "urban growth boundary commitment". If the last two comments were pulled together into a broader category of "commitment to planning", this would have overwhelmingly been the number one quality that respondents wanted to convey to everyone else.

Other qualities that were mentioned by a handful of respondents were similar to comments from other questions. These included: pleasant climate, green area with lots of trees, clean city, small town atmosphere and big city amenities, community involvement and transportation planning. A few negative qualities were cited by individuals, which included "inability to deal with social problems" and "deliberate policy to reduce housing affordability".

Question #5

The final question asked respondents if Mt. Hood erupted tomorrow and they had to move to a different metropolitan area, which one would they move to and why. For different reasons, the most popular choice was Seattle, followed by Eugene, San Francisco, New York, Boise, and Vancouver BC. 43 other places were also mentioned, including 10 cities outside of the United States. After tabulating where people would move if Portland disappeared, the results were compiled in a matrix according to their reason for moving to a particular place. 15.6% of respondents did not give a reason for the places they chose.

Most people chose a place because they felt that it exhibited the same lifestyle and attitude as Portland. It is interesting to note that just as many people chose a place for the same reason, in addition to it being larger in size. Another popular reason for choosing one of these cities was that they offer greater diversity and cultural life. The number of people who opted to move to San Francisco, New York, Vancouver and Seattle was significantly greater than those who wanted to move to smaller places.

Thus, it appears the respondents represent people who enjoy big city life. Given the occupations of the respondents chosen for this survey, this does not seem unusual. Other people often chose a place because it was still in Oregon (which exhibited the same qualities as Portland) or because it was where family lived.

It is unlikely that this study's sample is representative of the entire Portland Metropolitan Area. However, the overwhelming number of respondents who cited Portland as a recreational playground situated in a green and picturesque setting may be indicative of the feeling of many of the metropolitan area's residents.

The survey results also indicate that people living in the Portland metropolitan area are proud of its planning efforts and believe that good planning produces positive results. It is interesting that despite the health of Portland's economy, respondents rarely mentioned economic strength and diversity of this area. This may indicate that people move to Portland for reasons other than work, though the deepening economic crisis begs for another round of this kind of surveying.

This survey gives us an initial sense of the kinds of values prized most by a relatively select group of regional civic leaders and activists. While these findings are indicative of some possible widely-shared attitudes, further work would be needed to make conclusive statements in this area. Logical next steps for our analysis would be:

- Broaden the scope of this survey to include a wider cross section of the region's population, perhaps by taking a random telephone survey of residents, and testing agreement and disagreement with particular statements about the region, drawn from this survey.
- Record key demographic characteristics of survey respondents, to ascertain whether there are significant variations among population sub-groups about the attitudes they hold. The most useful demographic variables are likely to be age, educational attainment, and length of time in the region. Income, occupation, zip code, and places of birth and/or previous residence might also be useful.
- Undertake an analysis of Internal Revenue Service tax return data to find out which places people move to when they leave Oregon. Most studies of migrants survey persons who have moved to Oregon, apparently none have surveyed who left.

In conclusion, the Portland region compares favorably with others in the nation and particularly with those often held up as being among our key competitors. Clearly there are many ways to compare places. The critical questions for Portland are:

- ◆ Are we investigating our performance in terms of what we, as a community, have determined should be our priorities? Does high performance in these categories relative to other metropolitan areas make this a better place for more of us?
- ◆ For those factors where we are performing well, can we say with any certainty that we'll be performing equally well or better one year from now?

We believe that the best way to view these comparative statistics is as a call to make discussion of the economy both a more inclusive one as well as one in need of ongoing reflection and revision. Can we compete? Certainly. Can we succeed? These numbers, alone, are not definitive.

Portland-Vancouver Index Project Index Variables Scan

1) If you were to describe this metropolitan area to someone far away, what three or four characteristics would you use? (For example: rains all the time, we're a small business state, gateway to the Pacific rim, etc. NOTE: if you use the term "quality of life", please describe what it refers to.)

2) What regional characteristics set us apart from other metropolitan areas? (For example: we read more, low level of participation in mainstream religions, relatively cheap electricity and water, better planning, etc.)

3) When you travel to other cities, what strikes you as being "not Portland" or different than what you would experience here? (For example: lack of street life, no good restaurants, impressive cultural facilities, etc.)

4) What are the top one to three things about how this metropolitan area compares to others that you'd like everyone to know?

5) If Mt. Hood erupted tomorrow, the region became uninhabitable, and you had to move to a different metropolitan area, which one would you move to? Why?