



State Population Profile

The tenth in a new series by NPG.

OREGON'S POPULATION IS FALLING. STATE POLITICIANS ARE ALARMED; LONG-TIME RESIDENTS ARE DELIGHTED.

An NPG Commentary
by Edwin S. Rubenstein

It's been decades since Oregon had to sell itself as a destination. Who wouldn't want to live in a state known for its pristine forests and mountains, and famous for its craft beers and laid-back culture?

Turns out – thousands of now-former Oregonians.

New Census Bureau figures show more people left the state in 2022 than moved in. That hasn't happened since the early 1980s, when the nation was engulfed in a recession.

Back then the state economy was dependent on timber, and it took the better part of a decade to regain the jobs lost. Today the population decline stems mainly from COVID-19, which forced many businesses to create work-from-home opportunities for the first time.¹

Portland was among the urban centers that saw unusually large outflows during that time. While cities like Seattle and Fort Worth saw reversals in population losses after the first full year of the pandemic, Portland continued to shed residents.

In fact, the city lost 8,308 people from July 1, 2021, to July 1, 2022 – the sixth largest decline among U.S. cities that year.² State population dropped by over 16,000 residents that year, a 0.4% drop from the previous year.

“There's not a single silver lining in the numbers...’ said Josh Lehner, an economist with the Oregon Office of Economic Analysis. ‘I'm much more pessimistic right now than I've been in the last two-and-a-half years, from a demographic and population perspective.’”³

A year's decline in population does not spell doom. (In fact, as we describe below, it's an opportunity.) But, the census data clearly show that more and more people have decided Oregon is no longer where their future lies.⁴

Lehner flags two pieces of data that shed light on future population trends:

“First, deaths in Oregon continue to outnumber births. Births are declining, while deaths are reverting toward their pre-pandemic

trend. ...[I]t is looking like this natural change in the population will be slightly less negative than we anticipated, although only slightly so. **Overall, our office expects deaths to outnumber births in the decades ahead, primarily a result of the state's low birth rate (5th lowest nationwide in recent years).**”⁵

“Second, with a natural population decline, Oregon is fully reliant upon migration [from other states] for any population growth.”⁶

Oregon's massive housing shortage may be the biggest factor driving population loss – a problem that will take years to rectify.

Reality check: We at NPG do not view population loss as a “problem.” As we see it, a smaller population is an opportunity for a state that was once the envy of environmentalists across the nation. Unfortunately, Oregon's political elites – from Governor Tina Kotek on down – have made **housing and population growth** one of their biggest priorities. While funding hundreds of millions of dollars of housing-related investments, the Governor has instructed her Housing Production Advisory Council to “**remove barriers to more construction, including recognizing that some values such as public process (AKA, transparency) and sustainability may need to take a backseat to the imperative to build.**”⁷

A few generations ago, the state of Oregon was the leader of what would eventually be known as the “**environmentalist movement.**” The next section describes how that came about.

The moment Oregonians realized that population growth was a problem

On November 21, 1962, Portland's KGW-TV aired a one-hour documentary “**Pollution in Paradise.**”

First order of business: introduce viewers to an issue few had ever thought of:

“**No part of America still retains more of nature's original work than the state of Oregon, a paradise for those who treasure the unspoiled in sight, in smell, in sound.**”⁸

Political reporter Tom McCall goes on to call out industrial polluters by name. He then spotlights local sewage officials who were unable to keep up with growth. Multnomah County was forced to curtail building permits in the 1950s because of leaky septic tanks. In a sanitary district in Washington County, one in every five homes **“was discharging raw sewage in a manner that threatened an outbreak of polio, typhoid and hepatitis,”** McCall said.⁹

And it wasn't just about bad water:

“For 50 to 60 days every year,” McCall told viewers, **“... Inversions hold all Portland's pollutants close to the ground and give Portlanders more than an inkling of what smog-invested Los Angeles has to endure.”**¹⁰

Pollution in Paradise was a sensation. Oregonians were both scared and surprised to hear that the prosperity and modern amenities they took for granted were threatened by things as basic as clean air and water.

Tom McCall had dabbled – mainly unsuccessfully – on the fringes of Oregon politics prior to the documentary; now he was a major player. He was elected secretary of state in 1964 and won the governorship two years later.

McCall quickly made his top priority clear:

“The umbrella issue of the campaign and of the decade in Oregon is quality, quality of life in Oregon,” he proclaimed in his inaugural address.¹¹

The new governor first tested the Legislature's appetite for controlling land use in 1969. He sent legislators a dire message warning that sprawl is **“introducing little cancerous cells of unmentionable ugliness into our rural landscape, whose cumulative effect threaten to turn this state of scenic excitement into a land of aesthetic boredom.”**¹²

McCall's “touch of the poet” rhetoric, along with his anti-population policies, resonated with Oregonians. In 1970 voters gave him a second term.

But early in his new term McCall's rhetoric backfired. He told CBS News that he didn't intend to allow Oregon to become the next California – overrun with newcomers. His message to people contemplating such a move:

“Come visit us again and again. This is a state of excitement. But for heaven's sake, don't come here to live.”¹³

Nothing Tom McCall ever said or did attracted more attention than that statement. The business community saw a man determined to kill the golden goose of population growth. Today many liberal Republicans view the comment as nativist. After all, the state was about as lily-white as you can get back then.

For his part, McCall repeatedly insisted he didn't want to stop growth. He just wanted to make the point that Oregon didn't

have to sell its soul – its livability – to prosper.

A modern McCall, in spirit

Anyeley Hallova chairs the Oregon Land Conservation and Development Commission, which regulates the state's growth system. She's the panel's first Black member and she's passionate about providing housing – including for marginalized Oregonians.

“The deal is, the more supply we have, the more affordability. It frees up older buildings to essentially start reducing their pricing because they have more competition from new buildings.”¹⁴

It doesn't matter if it's a backyard or a weedy empty lot. Hallova wants to build more homes in existing neighborhoods – lots of them.

Climate change and extreme housing shortages weren't on the radar during McCall's time, but Hallova and McCall have similar goals when you look at the bigger picture.

Both had roots on the East Coast but came to love Oregon's beauty. And both focused on the state's physical surroundings as they responded to the crises of their time.

For McCall, it meant protecting Oregon's farmland and forest from urban sprawl.

For Hallova, it means making cities more compact – and affordable – via a focus on high-density development within city limits.

The end result – of both McCall's and Hallova's policies – are remarkably similar. The vast majority of the state's farm and forest lands have been protected from urban sprawl.

Since the 1990s, the Willamette Valley, where most Oregonians live, has added more than one million new residents. But more than three-quarters of the valley's farmland is still in production.¹⁵

Summary

Fifty years ago, state population was booming, and real estate and business interests were salivating over prospects of accelerating economic growth.

Oregon is a different state now: more diverse, more aware of the environmental downside of population growth.

There is a common denominator that unites all ethnic, age, and income groups: their affection and respect for the state's natural beauty.

Access to the mountains, access to the ocean, every Oregonian wants that.

That's what makes their state so special.

NOTES:

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3. April Ehrlich, *As Oregon's population declines for first time in 30 years, state economist warns of revenue loss*, opb.org, December 25, 2022.
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Edwin S. Rubenstein, president of ESR Research, is an experienced business researcher, financial analyst, and economics journalist. He has written extensively on federal tax policy, government waste, the Reagan legacy, and – most recently – on immigration. He is the author of two books: *The Right Data* (1994) and *From the Empire State to the Vampire State: New York in a Downward Transition* (with Herbert London, 1994). His essays on public policy have appeared in *The Wall Street Journal*, *The New York Times*, *Harvard Business Review*, *Investor's Business Daily*, *Newsday*, and *National Review*. His TV appearances include *Firing Line*, *Bill Moyers*, *McNeil-Lehr*, *CNBC*, and *Debates-Debates*. Mr. Rubenstein has a B.A. from Johns Hopkins and a graduate degree in economics from Columbia University.



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