



48th Annual
Pacific Northwest Regional Economic Conference

Managing Risk and Building for the Future
in an Era of Uncertainty

Marriott Downtown Waterfront
Portland, Oregon

Wednesday May 7, Thursday May 8th and Friday May 9th, 2014

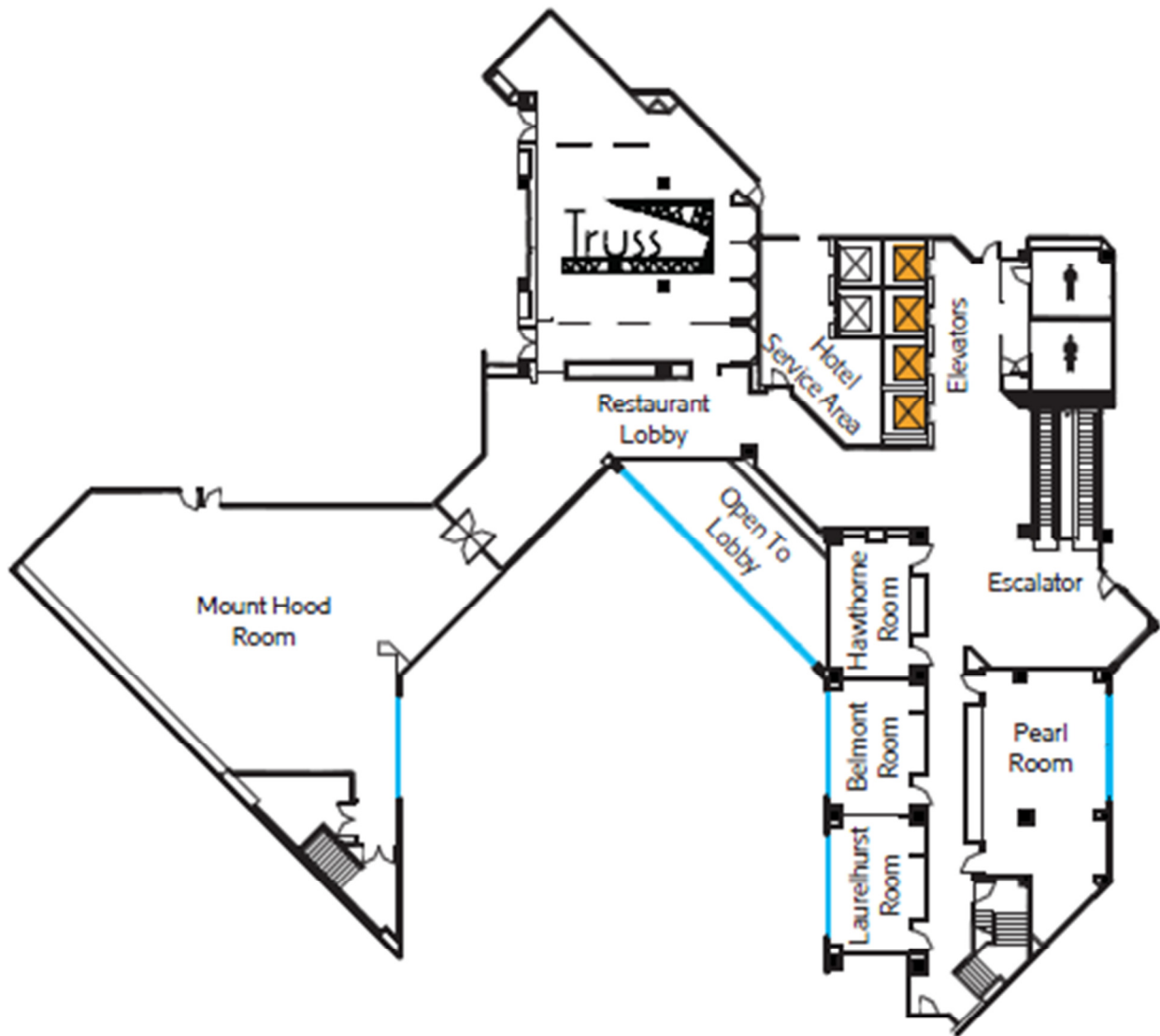
PACIFIC NORTHWEST REGIONAL ECONOMIC CONFERENCE 2014

portland marriott downtown waterfront
hotel floor plans

Marriott
PORTLAND DOWNTOWN
WATERFRONT

1401 SW Naito Parkway - Portland, Oregon 97201
Hotel (503) 226-7600
Sales Facsimile (503) 226-1209
portlandmarriott.com

2nd Floor



GENERAL INFORMATION

Name Tag: This is your admission ticket to all conference sessions, social events, coffee breaks and food. Please wear it at all times.

Electronic Devices: In consideration of speakers and other delegates, please silence your beepers and ringers.

CONCURRENT SESSIONS

<u>Session</u>	<u>Title</u>	<u>Room</u>
<u>May 8 10:30-12:00</u>		
1	North America and European Clusters: Aerospace and Other Considerations	Pearl
2	Measuring Genuine Progress in the Pacific Northwest	Laurelhurst
3	Trade and Freight Mobility	Belmont
4	Student Careers in Economics Session	Hawthorne
<u>May 8, 1:30-3:00</u>		
5	Federal Reserve Bank San Francisco University Symposium / Student FOMC Meeting Simulation	Pearl
6	Cluster Concepts: Industry and Cultural Heritage	Laurelhurst
7	Energy Security, Carbon, and the Environment	Belmont
8	Self-Employment and Proprietors Income: Dimensions of Regional Distribution, Growth and Change Across the Pacific Northwest	Hawthorne
<u>May 8, 3:30-5:00</u>		
9	Federal Reserve Bank San Francisco University Symposium / Student FOMC Meeting Simulation	Pearl
10	Spatial Models	Laurelhurst
11	Labor Markets	Belmont
12	Economic and Social Impacts of Legal Restrictions on Behavior	Hawthorne
<u>May 9, 10:30-12:00</u>		
13	Finance Panel	Pearl
14	Energy Storage and Diffusion of Efficiency	Laurelhurst
15	Health and Inequality	Belmont
16	Navigating the Oregon Economy: REAP Analytics and Tools for Understanding Our State and Local Economies	Hawthorne
<u>May 9, 1:30-3:00</u>		
17	Local and Regional Analysis	Pearl
18	Transportation Models, Road Pricing, and Seismic Events	Laurelhurst

19 Education and Unions

Belmont

20 Electricity Demand

Hawthorne

**MANAGING RISK AND BUILDING FOR THE FUTURE IN AN ERA OF
UNCERTAINTY**

WEDNESDAY MAY 7, 2014

- 4:00 pm - 6:00 pm Board Meeting: Columbia Room.
- 5:00 pm Registration Opens: Foyer.
- 6:00 pm - 8:00 pm Welcome reception (Appetizers and a drink ticket. No Host Bar): Mount Hood Room.

THURSDAY MAY 8, 2014

- 7:00 am - 5:00 pm Registration: Foyer
- 7:30 am - 8:30 am **CONTINENTAL BREAKFAST:** Mount Hood. Supported by the Consulate General of Canada in Seattle.
- 8:30 am - 10:00 am Honorable Mayor Charlie Hales, City of Portland, Welcome to Conference Attendees.
PLENARY 1 (Opening): WELCOME: Tom Potiowsky, Chair, Economics, and Northwest Economic Research Center, Portland State University.
INTRODUCTION: Terry Morlan, Retired Manager Northwest Power and Conservation Council.
PLENARY SESSION: Renegotiation of the Columbia River Treaty: Panelists: Kathy Eichenberger, British Columbia Government, Tom Karier, Northwest Power and Conservation Council, and Jim Heffernan, CRITFC.
- 10:00 am - 10:30 am Networking Break.
-

10:30 AM-12:00 PM CONCURRENT SESSIONS

Session 1: Pearl

North America and European Clusters: Aerospace and Other Considerations

Chair: Zbigniew Bochniarz, Evans School

Zbigniew Bochniarz, Evans School, *Social Capital and the Aerospace Cluster Effectiveness: The Case of the Aviation Valley in Poland.*

Barbara Sienko-Kolakowska and Grzegorz Pisarczyk, Rzeszow School of Business, *Assessing Membership Motivation Factors of the Aviation Valley Cluster in Poland.*

Spencer Cohen, Community Attributes, *Economic and Fiscal Impacts of Aerospace and Boeing Commercial in Washington State.*

Session 2: Laurelhurst

Measuring Genuine Progress in the Pacific Northwest

Chair: Sean McGuire, Oregon Department of Administrative Services

Sean McGuire, Oregon Department of Administrative Services.

Amber Siefer, Washington State Department of Commerce.

David Batker, Earth Economics.

Session 3: Belmont

Trade and Freight Mobility

Chair: Riley Moore, Saint Martin's University

Michael Meyers, Business Oregon, *KORUS at Two Years: Impacts on Oregon Exports.*

John Maxwell, Washington State University, *Freight Asset Management: Welfare Analysis of Freight Multimodal Facilities.*

Phillip Watson, University of Idaho and IMPLAN, *Using Shannon Index Measures of Base and Gross Output to Analyze the Optimal Relationship Between Export Expansion and Import Substitution Strategies.*

Session 4: Hawthorne
Student Careers in Economics Session
Chair: Brandon Dupont, Western Washington University

Josh Swanson, Financial Analyst for Gannett Company, and Adjunct Economics Instructor at ITT Technical Institute.

Joshua Bird, Western Washington University, discussing a legislative internship in Olympia on energy efficiency.

Josh Lehner, Oregon Office of Economic Analysis, Economist.

Robert Loffink, U.S. Bank, Deputy Director – Credit & Financial Risk Assessment.

12:00 pm - 1:30 pm LUNCH: Mount Hood

INTRODUCTION: Patrick Barkey, Bureau of Business and Economic Research, University of Montana.

Plenary 2 (Lunch): SPEAKER:David Wyss, “National Outlook”

1:30 PM-3:00 PM CONCURRENT SESSIONS

Session 5: Pearl
Federal Reserve Bank of San Francisco University Symposium / Student FOMC Meeting Simulation
Chairs: Nate Clayville, Idaho Division of Financial Management, and Gary Zimmerman, FRBSF

Eastern Washington – Kelley Cullen
Pacific Lutheran – Lynn Hunnicutt
Portland State University – Rossitza Wooster & Cesar Rodríguez
University of Washington –Michelle Turnovsky & Jacques Lawarree
Western Washington University – Brandon Dupont

Session 6: Laurelhurst
Cluster Concepts: Industry and Cultural Heritage
Chair: Zbigniew Bochniarz, Evans School

Anna Kierczyńska, Szczecin University, and Waldemar Ratajczak, Adam Mickiewicz University, *Cluster and Territorial Capital*.

Peter Nijkamp, VU University Amsterdam, *Are Industrial Valleys the Top of the Mountain?*

Karima Kourtit and Peter Nijkamp VU University Amsterdam, *Cultural Heritage Clusters: A Multi-Stakeholder Facebook Approach*.

Session 7: Belmont
Energy security, carbon, and the environment
Chair: Mark Buckley, ECONorthwest

Mark Buckley, ECONorthwest, *Opportunities and Constraints on Forest Management in the Pacific Northwest*.

Jeff Renfro, Portland State University, *Estimating the Economic and Emission Impacts of a Carbon Tax in Oregon*.

Joshua Bird, Western Washington University, *Reducing Carbon Emissions in Washington State*.

Casie Davidson, Pacific Northwest National Laboratory, *Unique Geology May Hold Unique Opportunities for Clean Energy in The Pacific Northwest*.

Session 8: Hawthorne
Self-Employment and Proprietors Income: Dimensions of Regional Distribution, Growth and Change Across the Pacific Northwest
Chair: Nick Beleiciks, State Employment Economist, Oregon Employment Department.

Thomas R. Harris, University of Nevada-Reno, *The Economic Impacts of Proprietor's Income on the Economy of the State of Nevada*.

William B. Beyers, University of Washington, *Is There Evidence that Wage and Salary Workers Turned to Self-Employment In The Great Recession?*

Gary W. Smith, PNREAP, *Web-Enabled Tool for Calibrating and Diagnosing the Growth and Changing Importance of Self Employment and Proprietors' Income Across the Counties of the Pacific Northwest*.

3:00 pm - 3:30 pm Networking Break.

3:30 PM - 5:00 PM CONCURRENT SESSIONS

Session 9: Pearl

Federal Reserve Bank of San Francisco University Symposium / Student FOMC Meeting Simulation

Chairs: Nate Clayville, Idaho Division of Financial Management, and Gary Zimmerman, FRBSF

Eastern Washington – Kelley Cullen

Pacific Lutheran – Lynn Hunnicutt

Portland State University – Rossitza Wooster & Cesar Rodriquez

University of Washington –Michelle Turnovsky & Jacques Lawarree

Western Washington – Brandon Dupont

Session 10: Laurelhurst

Spatial Models

Chair: Patrick Balducci, PNNL

Andrew Cassey, Washington State University, *Exporting Spatial Externalities*.

Roger Coupal, University of Wyoming, *A Spatially Determined Public Service Cost Function*.

Yuangaung Chen, Oregon State University, *Deriving Spatially-Explicit Industry Networks for an Improved Economic Impact Assessment*.

Session 11: Belmont

Labor Markets

Chair: Nick Beleiciks, Oregon Employment Department

Scott Bailey, Washington Employment Security Department, *The State of Washington Recovery: What Happened with Wages and What On The Map Tells Us About the QCEW*.

Martin Kraal, Oregon Employment Department, *Endangered: Youth in the Labor Force*.

Kevin Cahill, ECONorthwest, *The Impact of Hours Flexibility on Career Employment, Bridge Jobs, and the Timing of Retirement*.

Ajsa Suljic, Washington State Employment Security Department, *Aging population and workforce: unique challenges of rural communities*.

Session 12: Hawthorne
Economic and Social Impacts of Legal Restrictions on Behavior
Chair: Bob Whelan, ECONorthwest

Bob Whelan, ECONorthwest, *The Economics of Vice – What I Learned about Gamblers.*

Seth Crawford, Oregon State University, *Refracting Green: The Inequality Paradox of Marijuana Legalization.*

Gnel Gabrielyan, Washington State University, *Efficiency Analysis of Handheld Ban Policies in the U.S.*

Sam Bulow, Privateer Holdings, *Investment Choice in the Face of Legal Contradiction: A Cannabis Investor's Perspective.*

5:00pm Dinner on your own.

FRIDAY MAY 9 2014

7:30 am - 12:00 pm Registration: Foyer.

7:30 am to 8:30 am **CONTINENTAL BREAKFAST:** Mount Hood

7:45 am to 8:30 am PLENARY 3: INTRODUCTION: Sue Beatty, Dean, PSU College of Liberal Arts and Sciences; Michael L. Wilson, President and CEO, Federal Home Loan Bank of Seattle, *Housing Finance Reform: Where Is It Headed?*

8:30 am to 10:15 am PANEL: State and Provincial Forecasts: Mount Hood
Chair: Tom Potiowsky, Portland State University
Chris Lawless – British Columbia, Nathaniel Clayville – Idaho, Pat Barkey – Montana, Mark McMullen – Oregon, Roger Coupal – Wyoming, Steve Lerch – Washington, Caroline Schultz – Alaska, Bob Fox – Alberta, Derrick Hynes – Yukon Territory.

10:15 am to 10:30 am Networking Break.

10:30 AM -12:00 PM CONCURRENT SESSIONS

Session 13: Pearl Finance Panel

Chair: Chris Lawless, British Columbia Investment Management Corporation

Glen Simecek, Seattle Federal Home Loan Bank.

William Bernstein, Portland author and investment advisor.

Robert Zagunis, Jensen Investment Management.

Mike Wilkerson, ECONorthwest, *General discussion.*

Session 14: Laurelhurst Energy Storage and Diffusion of Efficiency Chair: Mike Scott, PNNL

Patrick Balducci, Pacific Northwest National Laboratory (PNNL), *Financial Feasibility Assessment of Energy Storage Alternatives in the Puget Sound Energy System.*

John Wallner, Pacific Northwest National Laboratory (PNNL), *Measuring Energy Savings from the Diffusion of Industrial Behavioral Programs.*

Olga Livingston, Pacific Northwest National Laboratory (PNNL), *Modelling Diffusion of Energy Efficient Technologies and Strategic Energy Management Practices: Pacific Northwest Diffusion Model.*

Session 15: Belmont Health and Inequality Chair: Hart Hodges, Western Washington University

Ehsan Latif, Thompson Rivers University, *Impact of Income Inequality on Health in Canada.*

Chian Jones Ritten, University of Wyoming, *WTP study for HPV Vaccination on CSU Campus.*

Dinkar Kuchibhotla, Washington State University, *Decomposition of Socio-Economic Inequality in Health Among an Elderly Cohort in India.*

Session 16: Hawthorne

Navigating the Oregon Economy: REAP Analytics and Tools for Understanding Our State and Local Economies

Chair: Gary Smith, PNREAP

Thomas R. Harris, University of Nevada-Reno, *Jobs Attracting People Versus People Attracting Jobs.*

Gary Smith, PNREAP, *Who's On First? A Web-Enabled Application of LSGI Analysis to Compare, Characterize and Classify the Composition and Pattern Employment Growth by Industry for Oregon and Oregon County Economies.*
Roger Coupal, University of Wyoming, *A Situational Homework Application of Shift-Share Using the REAP Analytics Tool.*

Bill Beyers, Emeritus Professs, University of Washington, *An Overview of the Newer REAP Mapping Analytics.*

12:00 pm - 1:30 pm **LUNCH:** Mount Hood

PLENARY 2 (Lunch): **SPEAKER:** Elliot Mainzer, CEO and Administrator, Bonneville Power Administration.

1:30 PM-3:00PM CONCURRENT SESSIONS

Session 17: Pearl

Local and Regional Analysis

Chair: James McCafferty, Western Washington University

John Maxwell, Washington State University, *Estimating Welfare Effects in a Regional General Equilibrium Framework.*

Ian Davidson, Oregon State University, *Food, Oil and Grease in the Portland Sewer System.*

Jenny H. Liu, Northwest Economic Research Center (NERC), *Oregon Property Tax Capitalization: Evidence from Portland.*

Josh Lehner, Oregon Office of Economic Analysis, *State Tax Systems, Arbitrage and Equity.*

Session 18: Laurelhurst
Transportation Models, Road Pricing, and Seismic Events
Chair: Carl Batten, ECONorthwest

Carl Batten, ECONorthwest, *The Potential for Road Pricing in the Pacific Northwest.*

Becky Knudson, Oregon Department of Transport, *Estimating the Economic Impacts of Reinforcing Highways to Withstand a Major Seismic Event: An Oregon Case Study.*

Logan Blair, Central Washington University, *Impacts of the 2001 Nisqually Earthquake on Western Washington Housing Values: A Hedonic Approach.*

Haizhong Wang, Oregon State University, *Potential Changes to Travel Behavior/Patterns in the Next 20-40 Years: A Cognitive Map Approach.*

Session 19: Belmont
Education and Unions
Chair: Scott Bailey, Washington Employment Security Department

Scott Benson, Idaho State University, *25 Years of Right to Work in Idaho: Perspective and Analysis.*

Michael Lang, EMSI Economic Modeling Specialists Intl., *Disaggregating the Mincer Function for Educational Programs.*

Jim Sylvester, University of Montana, *A Study of the Post Vocational Rehabilitation Earnings Attributable to the Montana Vocational Rehabilitation Program.*

Session 20: Hawthorne
Electricity Demand
Chair: Patrick Balducci, PNNL

Ehsan Latif, Thompson Rivers University, *Demand for Electricity in Canada.*

Massoud Jourabchi, NW Power and Conservation Council, *Impact of past and upcoming Federal Appliance Standards on NW Regional Demand for Electricity, Natural Gas, and Water.*

Mike Scott, PNNL, *Energy and Economic Benefits of Aggressive Building Standards in the Pacific Northwest: An Uncertainty Analysis.*



48th Annual
Pacific Northwest Regional Economic Conference
Managing Risk and Building for the Future in an Era of Uncertainty

- | | |
|-------------------|--|
| 3:00 pm - 3:30 pm | Networking Break. |
| 3:30 pm - 5:00 pm | Tiebout Lecture: Mount Hood
INTRODUCTION: William B. Beyers, Department of Geography, University of Washington.
Charles M. Tiebout Lecture in honor of PNREC's founder.
SPEAKER: Dick Conway, Conway and Associates: The Process of Regional Economic Growth: A Case Study of Washington State. |
| 5:00 pm | Conference close |
| 5:00 pm - 7:00 pm | Board Meeting: Eugene Room. |

**FEDERAL RESERVE BANK SAN FRANCISCO UNIVERSITY SYMPOSIUM
STUDENTS**

Jasmine Burns	Eastern Washington University
Lara Crow	Eastern Washington University
Siobhan Ebel	Eastern Washington University
Joni Gall	Eastern Washington University
Dan Goodman	Eastern Washington University
Ray Kilpatrick	Eastern Washington University
Marlene Knoerr	Eastern Washington University
Ryan Lindbom	Eastern Washington University
Jenia Rousseva	Eastern Washington University
Matthew Seeman	Eastern Washington University
Kyra Sims	Eastern Washington University
Sam Wolkenhauer	Eastern Washington University
Carl Wonderly	Eastern Washington University

Josh Olsen	Pacific Lutheran University
Dylan Bakka	Pacific Lutheran University
Emily Everson	Pacific Lutheran University
Elizabeth Maloney	Pacific Lutheran University
Igor Strupinskiy	Pacific Lutheran University
Ian Kinder-Pyle	Pacific Lutheran University

Joshua Alcantar	Portland State University
Elise Breshears	Portland State University
Maggie Lahet	Portland State University
Spenser Marshall	Portland State University
Anthony Miller	Portland State University
Eric Shierman	Portland State University

Nate Coleman	University of Washington
Matthew Hill	University of Washington
Walker Higgins	University of Washington
Mingyuan Hua	University of Washington

Nic Doherty	Western Washington University
Chara Lynch	Western Washington University
Kristine Farwell	Western Washington University
Robin Hill	Western Washington University

PNREC 2014 CONFERENCE COMMITTEE

Program Co-Chairs: Tom Potiowsky and Paul Storer

PNREC Website: Paul Storer

Executive Committee: Patrick Barkey, William B. Beyers, Chris Lawless, Terry Morlan

PNREC BOARD OF DIRECTORS

Dr. Patrick Barkey, PNREC President, Bureau of Business and Economic Research, University of Montana

Dr. William B. Beyers, PNREC Vice President and President-Elect, Department of Geography, University of Washington

Mr. Chris Lawless, PNREC Secretary, Chief Economist, BC Investment Management Corporation

Dr. Terry Morlan, PNREC Treasurer, Retired Manager, Economic Analysis, Northwest Power and Conservation Council

Mr. Scott Bailey, Washington Employment Security Department

Mr. Patrick Balducci, Pacific Northwest National Laboratory

Mr. Nick Beleiciks, State Employment Economist, Oregon Employment Department

Dr. C. Scott Benson, Department of Economics, Idaho State University

Mr. Nathaniel Clayville, Idaho Division of Financial Management

Dr. Roger Coupal, Department of Agricultural and Applied Economics, University of Wyoming

Dr. Kelley Cullen, Economics Department, Eastern Washington University

Mr. Bob Fox, Fox Consulting, Edmonton

Ms. Carol Frketich, Canada Mortgage and Housing Corporation

Dr. Hart Hodges, Center for Economic and Business Research, Western Washington University

Mr. Massoud Jourabchi, Northwest Power and Conservation Council

Dr. Riley Moore, School of Business, Saint Martins University

Dr. Tom Potiowsky, Chair, Department of Economics, Portland State University

Dr. Gary W. Smith, Director, Pacific Northwest Regional Economic Analysis Project, Central Washington University

Dr. Paul Storer, Economics Department, Western Washington University

Mr. Jim Sylvester, Bureau of Business and Economic Research, University of Montana

LORRIE BROWN AND PNREC



Lorrie Brown tragically passed away after a brief illness on January 8, 2014.

Lorrie was a PNREC board member from the early 1990s, chaired the 1998 conference in Olympia and co-chaired the 2012 conference in Seattle. Over her years on the board, Lorrie was a driving force. At numerous planning sessions over the years, Lorrie urged us to avoid complacency. PNREC probably would not exist today were it not for her efforts to convince the board of the need to think about the changing conference market and help us navigate a new era of ‘virtual’ substitutes for conferences – TED talks, the World Economic Forum/Davos on-line, etc. – as well as the swings in the economy and fiscal circumstances that materially affect PNREC attendance.

Aside from her significant organizational efforts, it’s hard to think of PNREC conferences over the years without recalling highlights that involved Lorrie. One memorable session involved Lorrie and Bill Gates, Sr. discussing wealth taxation at the 2004 PNREC in Tacoma. Lorrie worked for Mr. Gates, who headed an influential panel that studied Washington’s tax structure and proposed numerous reforms. Lorrie also made numerous presentations at PNREC over the years, most recently in Spokane in 2013, where she discussed Washington state’s income distribution. At her memorial service at St. Martin’s

48th Annual
Pacific Northwest Regional Economic Conference
Managing Risk and Building for the Future in an Era of Uncertainty

University, Lorrie's colleagues in government testified to her intellectual and technical capabilities and her commitment to public service.

Lorrie was also a person who loved life. She was an avid fan of opera, and a gifted musician. She loved to travel, and shared this passion with her children. She had a great wit and approached even the most complex tasks with humor and made difficult tasks "fun." She also enjoyed food and wine, often making business-meeting opportunities into gastronomic experiences, and certainly making events like PNREC into a chance to have a good party with friends.

PNREC will miss Lorrie's energy and commitment.



CONFERENCE SUPPORTERS

PNREC 2014 is fortunate to have support from:



Northwest **Power** and
Conservation Council



NW Natural[®]

We grew up here.

ECONorthwest

ECONOMICS • FINANCE • PLANNING



Consulate General of **Canada** / Seattle
Consulat Général du **Canada** / Seattle



Portland State
UNIVERSITY

To all our partners, speakers, paper presenters, chairs and volunteers:

Thank You!

SEE YOU IN MAY IN
BELLINGHAM FOR
PNREC 2015