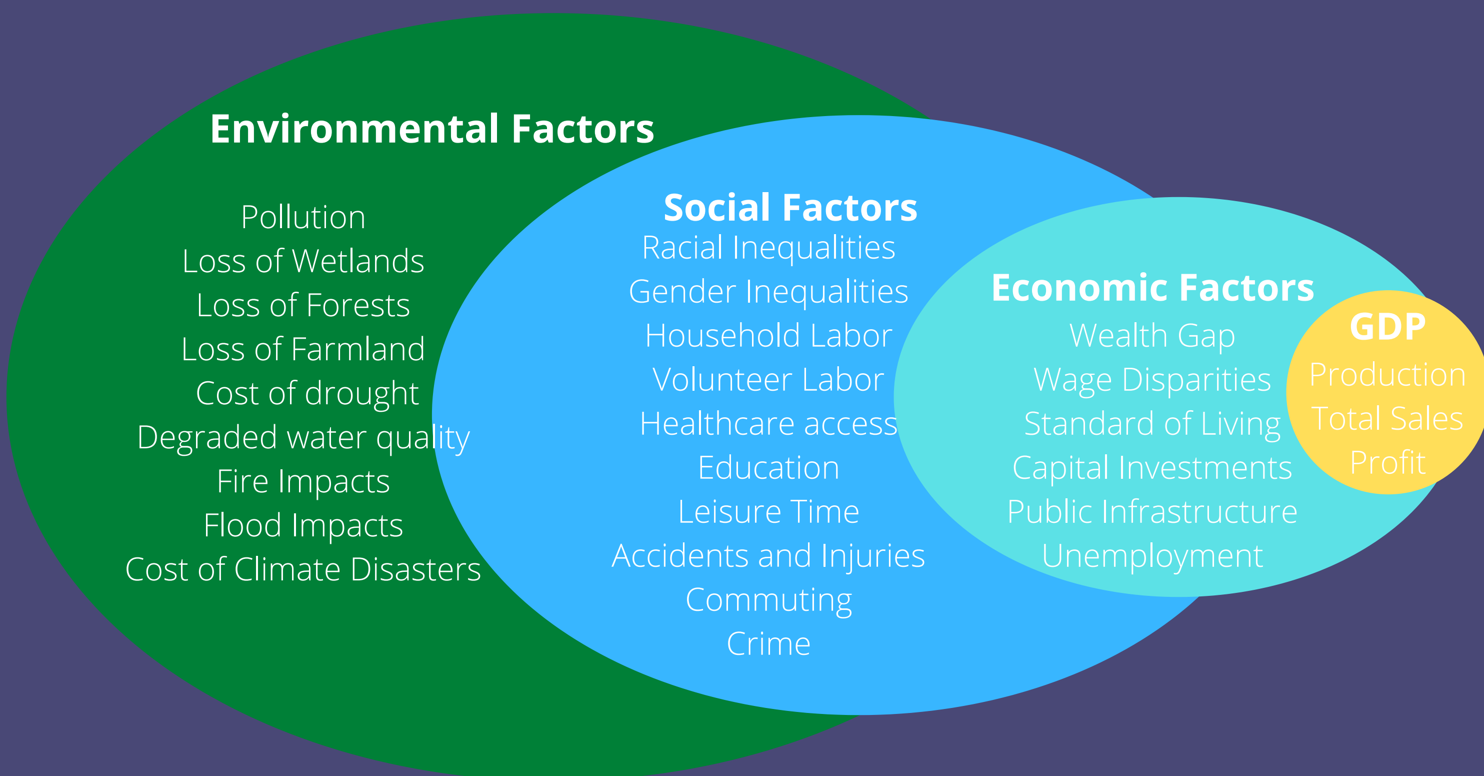
Oregon's Genuine Progress Indicator (LC 13)

- Oregon state agencies would be required to measure how our economy performs each year in producing economic, social, and environmental gains and losses
- Oregon Office of Economic Analysis would research and compile the report around Oregon's GPI on an annual basis

Problem: Standard economic metrics like the GDP (Gross Domestic Product) are used by the government as the primary measure of economic health, but these narrow metrics do not reflect the true environmental, social, and economic well-being of our state.



GDP Does Not Measure Wellbeing

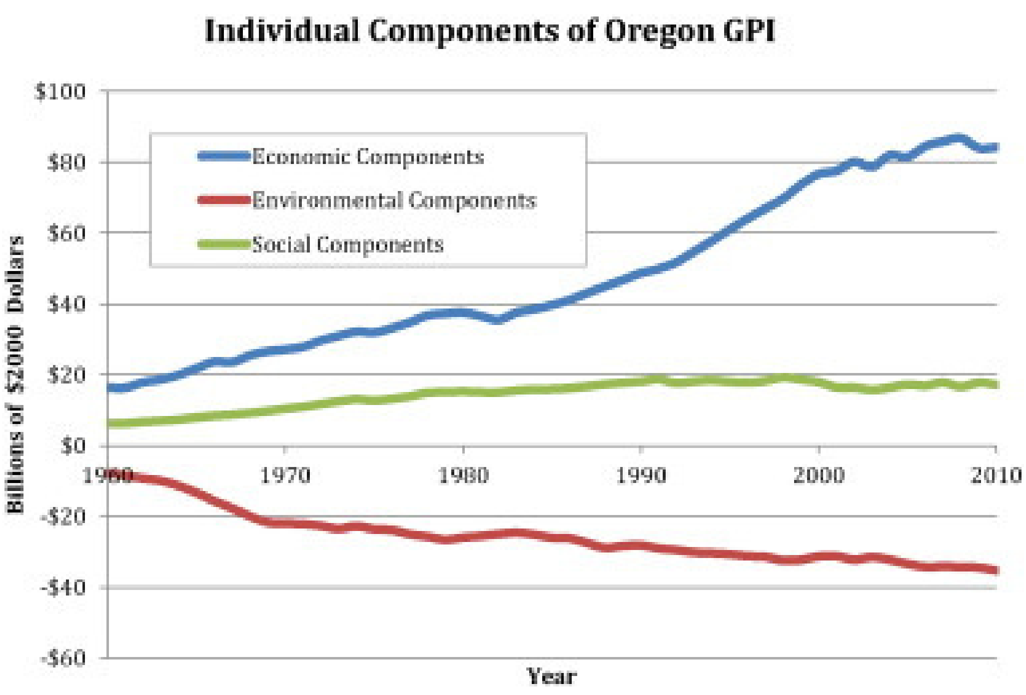
The Genuine Progress Indicator (GPI) provides better insight into how our environment, society, AND economy affect the well-being of people. The GPI is designed to help the government measure sustainable economic welfare rather than just pure economic activity.

CONTACT: rep.khanhpham@oregonlegislature.gov or 971-563-2564

What is included in GPI?

GPI uses 3 simple underlying principles for its methodology:

1. account for inequality based on race, income (class) and gender
2. include non-market benefits from the economy, environment, and society that are not included in GDP
3. identify and deduct costs such as environmental degradation, human health effects, and loss of time spent with family.



"Estimates of the Genuine Progress Indicator (GPI) for Oregon from 1960-2010" from Ecological Economics Volume 119, November 2015.

What difference does this make? When a government only measures profits, our GDP can be high but our communities can still be suffering. GPI accounts for that disparity by measuring the costs of human well-being and environmental health that have traditionally been sidelined as externalities or unfortunate costs to doing business.

Example Please! The pure economic activity stemming from the explosive growth of urban sprawl contributes greatly to the GDP. Yet, along with sprawl come non-economic costs such as increased commuting time, land use conversion, along with water and air pollution. In short, just because we are exchanging money within an economy does not necessarily mean that we are sustainable or prosperous.

CONTACT: rep.khanhpham@oregonlegislature.gov or 971-563-2564