

Oregon predicted to lead U.S. recovery

Oregon, Washington and three other states will lead the nation out of recession as Northwest jobs growth resumes toward the end of this year, Moody's Economy.com predicts.

Strong high-tech industries will help propel the Northwest, Idaho and Colorado out of the slump first, the research company says. Texas also will join the first wave of U.S. jobs growth, fueled by its energy industries, Moody's says.

"We're optimistic about Washington, Oregon and some of the high-tech areas such as Colorado," says economist Andrew Gledhill

of Moody's Economy.com. In the Northwest, he says, "We expect the first quarter of positive jobs growth to be in 2009, quarter four."

Gledhill predicts a second wave of jobs growth during the first quarter of 2010 in seven other states: Alabama, Georgia, Nebraska, New Mexico, North Carolina, North Dakota and South Dakota.

He predicts companies with pent-up demand for high-tech equipment will begin spending. He expects Northwest home sales to pick up because of lower prices and mortgage rates.

But the region's expanding labor force could continue driving high unemployment rates, Gledhill says. And lots could go wrong, he says, such as a drop in consumer spending as the boost from government stimulus weakens later this year.

— Richard Read