

Oregon bank deposits slow as pressures mount on consumers, businesses

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By **Mike Rogoway | The Oregonian/OregonLive**

Growth in Oregon bank deposits is at a five year low, according to federal data, as consumers draw down their savings to cope with rising inflation.

Stimulus payments to businesses and consumers provided a dramatic spike in savings early in the pandemic. Oregon bank deposits surged by nearly \$33 billion, according to federal data, nearly 40% above where they were before the pandemic.

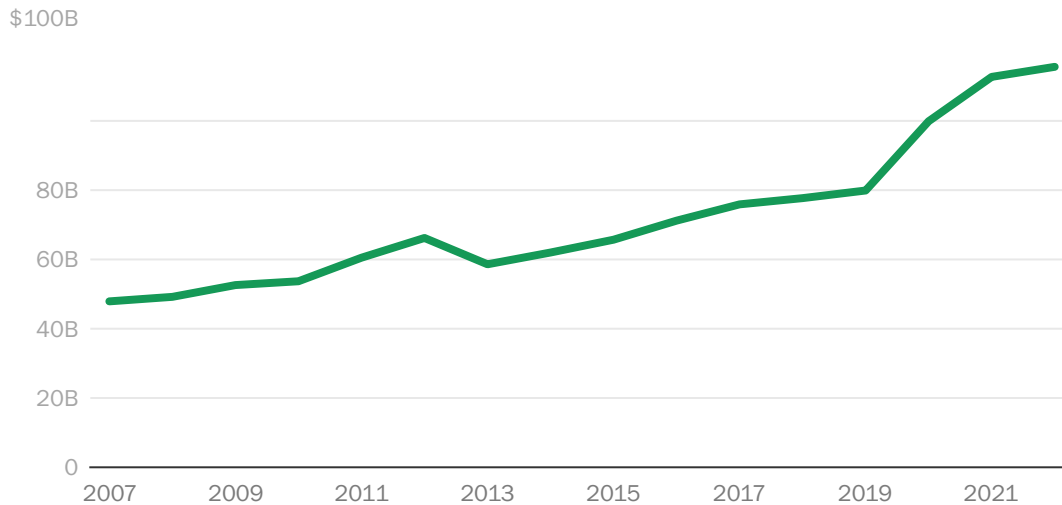
This year, though, growth slowed to 2.6%. Oregon bank deposits totaled \$115.6 billion at the end of June, according to the latest numbers.

“What we’re seeing now is the consumer is drawing down their savings,” said Steve Scranton, chief investment officer and economist with Washington Trust Bank, which operates in Washington, Oregon and Idaho. People are struggling to keep up with inflation and having to pull from their savings or borrow to keep pace.

“The consumer has been using their credit cards and savings accounts as bridge financing, hoping prices will come down,” Scranton said.

Total deposits at Oregon banks

Total deposits at banks with Oregon branches surged during the first two years of the pandemic. They continued to grow in 2022, but not nearly as quickly.



As of June 30 of each year.

Chart: Mike Rogoway/The Oregonian • Source: [Federal Deposit Insurance Corp.](#) • [Get the data](#)



He noted the national personal savings rate fell to 2.3% in October, measured as a percent of consumers’ disposable income. That’s its lowest point since 2005. Early in the pandemic, the personal savings rate was briefly above 20%.

Stubborn inflation has made that task more difficult because it suggests the Federal Reserve may have to raise interest rates higher, and keep them high for longer, to pull down spending and slow the price hikes. Many forecasters, including Oregon's state economists, now believe a recession is in the offing next year.

Most economists believe that recession is likely to be mild. Scranton said the savings businesses are accumulating now could help stabilize them through a downturn, staving off a financial catastrophe and the massive layoffs that accompanied the Great Recession.

And to this point, Scranton said the signals the Federal Reserve looks at are encouraging.

“So far everything they see is there's no crisis brewing,” he said. “We can never say never. We always have to be on the lookout.”

This is Oregon Insight, The Oregonian's weekly look at the numbers behind the state's economy. [View past installments here.](#)

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