

FOR IMMEDIATE RELEASE

Contact: David Eldred, LibertyBank, (541) 681-4805,
deldred@elibrarybank.com

Monica Shovlin, The Ulum Group, (541) 434-7028,
mshovlin@ulum.com

Likely End of U.S. Recession Will Benefit Oregon's Small Businesses

Eugene, Ore. — The LibertyBank Small Business Index (SBI) for Oregon rose slightly this month, climbing to 80.1 from a revised 79.5 in June 2009. The increase reflected the likely conclusion to the longest, deepest and most painful U.S. recession since the Great Depression, which would be of great benefit to Oregon's small business sector.

Despite the good news, the country's problems with housing, foreclosures, bankruptcies, and other issues are not over, says Jeff Thredgold, economic consultant to LibertyBank.

“The ‘Great Recession’ is no more,” Thredgold said. “Problems remain, of course, but a very likely return to positive U.S. economic growth this quarter and next quarter and throughout 2010 is a precondition to dealing with all of the very serious issues the country and the state of Oregon are facing.”

Total employment in Oregon fell by 98,600 jobs during the past 12 months. The state's unemployment rate declined slightly to 11.9 percent in July from a revised 12 percent in June, significantly higher than the 6.3 percent rate of a year ago. A higher Oregon jobless rate is a positive contributor to the index as it suggests

greater access to labor for small businesses.

The U.S. Department of Labor reported a net loss of 247,000 jobs in July 2009, the 19th monthly decline in a row, but less than the estimated loss of 325,000 jobs. Previously reported job losses during May and June were revised to show the net loss of 43,000 fewer jobs. The U.S. economy has now lost 6.7 million jobs since the “Great Recession” began in December 2007, with more than half of the losses during 2009’s first seven months.

“Such job losses are likely to lessen in coming months,” Thredgold said. “Most forecasters see the recession now concluding, with a consensus view that slightly positive GDP will be achieved in the current quarter.”

Thredgold said second quarter 2009 economic data released on July 31 by the U.S. Commerce Department contained many favorable tidbits. Although the American economy did contract again during 2009’s second quarter, the modest 1 percent real (after inflation) annual rate of decline was much better than the revised 6.4 percent real annual rate of decline during 2009’s first quarter, the worst quarter in 27 years. **See chart in attached report.**

The SBI measures business conditions from the viewpoint of the Oregon small business owner or manager. A higher number is associated with more favorable business conditions for Oregon’s small businesses. The index uses 100.0 for calendar year 1997 as its base year. The index also includes revisions to various historical and new forecast components as they become available.

LibertyBank provides financial services to clients throughout Oregon with 16 offices in Eugene, Springfield, Bend, Grants Pass, Medford, Redmond and Portland. LibertyBank specializes in loan, lease, free checking and deposit services for businesses;

commercial mortgage, construction and consumer loans; and a broad range of consumer deposit products.

Non-FDIC insured investments are available through LibertyInvestment and Insurance. Securities and related services are offered by PrimeVest Financial Services, Inc., an independent, registered broker/dealer and registered investment adviser. Member FINRA/SIPC. Investment products are: • Not FDIC insured • May lose value • Not bank guaranteed • Not a deposit • Not insured by any federal government agency.

For more information, visit www.eLibertyBank.com, or phone (541) 681-4800.

###