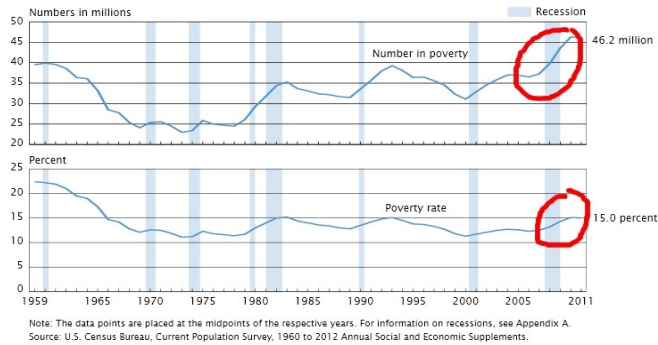


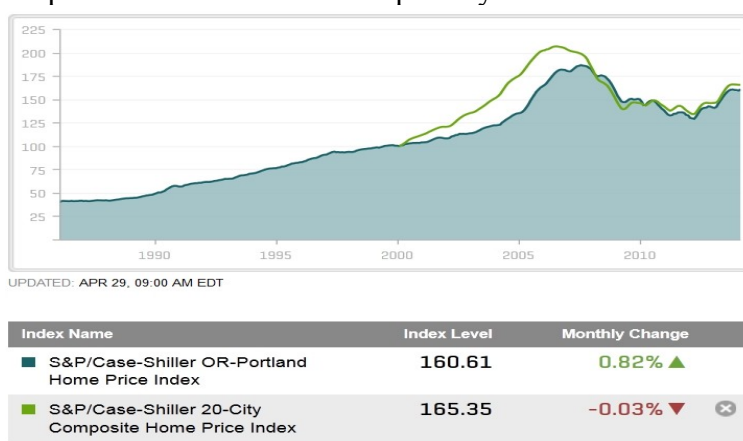
Despite all of the good news and freshly printed currency being pumped into the American economy, increases in the number and percentage of Americans in poverty undermines our future prosperity as a nation.

### Increasing poverty may be evidence that the economic recovery is unstable.

Figure 4.  
Number in Poverty and Poverty Rate: 1959 to 2011



The post recession step increase in home values in Portland and across the US is dubious in that it closely resembles the step increase in Americans in poverty.



The rate of increase of home values in the wake of the recession closely matches the rate of increase seen in the years leading up to the crash. Which begs the question: are we simply pumping up tomorrow's bubble?



The only two things that may be holding up our new house of cards are low interest rates and low available inventory of homes for sale:



**ACTIVE  
RESIDENTIAL  
LISTINGS**  
PORTLAND, OR

*This graph shows the active residential listings over the past three calendar years in the greater Portland, Oregon metropolitan area.*

Low inventory is a dubious indicator in that the record-low inventory may be exacerbated by real estate investors flipping houses. Dismal stock market performance, lack of return on savings accounts and other factors have led to a dearth of viable investments. This lack of investments may be artificially driving money back into the housing market.