

Oregon Regional Economic Indexes™



February 2020

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How can I interpret the measures?

A reading of “zero” corresponds to the average growth rate for that particular region. In other words, the measures identify periods of fast or slow growth relative to trend.

What is the significance of the moving-average measures?

The monthly measures can be very volatile, and volatility will increase for smaller regions or those with less data included in the estimation process. To reduce the noise, it is helpful to focus on the average of the most recent data. For the larger areas, Portland, Eugene-Springfield, and Bend, a three-month moving average is sufficient to remove the noise. For Rogue Valley and Salem, a six-month moving average is required.

Is this approach used elsewhere?

Yes, the Chicago Federal Reserve Bank uses the same basic approach to measure both national and regional economic activity.

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Review

This is the last release of the regional indicators prior to the shutdown of activity necessitated by the Covid-19. Although the National Bureau of Economic Research has yet to officially determine that a recession began in March, the sharp downturn in activity makes such a declaration inevitable.

There were essentially no leading indicators to help forecast this recession. As of February, regional measures of economic activity continued to indicate above average economic growth across almost all of Oregon’s major metropolitan regions. The measures were supported by healthy labor market conditions of solid job growth, low unemployment rates, and low levels of initial jobless claims. These factors were radically reversed in recent weeks as large portions of the economy were shuttered. Upcoming data releases will reveal the extent of the economic damage triggered by this “Great Suppression” of activity to control the spread of the virus. Forecasting the timing of an economic recovery is challenged by the lack of historical precedent; ultimately, the economic outcomes will depend on the evolution of the pandemic.

Contributions to Regional Indexes – February 2020

	Portland-Vancouver-Beaverton	Eugene-Springfield	Central Oregon	Rogue Valley	Salem
New Private Housing Units Authorized by Permits	-0.01	0.12	0.09	-0.20	-0.05
Educational and Health Services Employment	-0.12	-0.03	-0.02	-0.11	-0.11
Financial Activities Employment	-0.04	0.05	0.00	0.02	0.02
Government Employment	0.00	-0.01	0.00	-0.01	0.01
Information Employment	-0.17	0.01	-0.01	-0.02	0.02
Leisure and Hospitality Employment	-0.04	-0.03	0.32	-0.05	-0.01
Manufacturing Employment	0.26	0.00	0.01	0.20	-0.03
Construction Employment	0.31	-0.01	-0.05	-0.02	-0.08
Professional and Business Services Employment	-0.13	-0.04	-0.08	0.20	0.11
Other Services Employment	0.21	0.00	0.00	0.04	0.00
Trade, Transportation, and Utilities Employment	-0.20	0.08	0.16	0.04	-0.03
Civilian Labor Force	0.00	-0.06	-0.01	0.20	-0.05
Unemployment Rate	0.19	0.34	0.28	0.40	0.49
Lodging Revenue, Inflation Adjusted	0.01	0.02	0.05		-0.02
Airport Passengers	0.00	0.00	0.00	0.02	
Initial Unemployment Claims	0.19	0.31	0.30		
Residential Units Sold	0.15	0.24	0.15		0.48
Municipal Waste	0.20	0.26	0.38		
Home Price Index	0.03				
Total	0.83	1.24	1.58	0.71	0.75
Moving Average of Recent Observations	1.06	1.35	1.34	-0.12	1.24

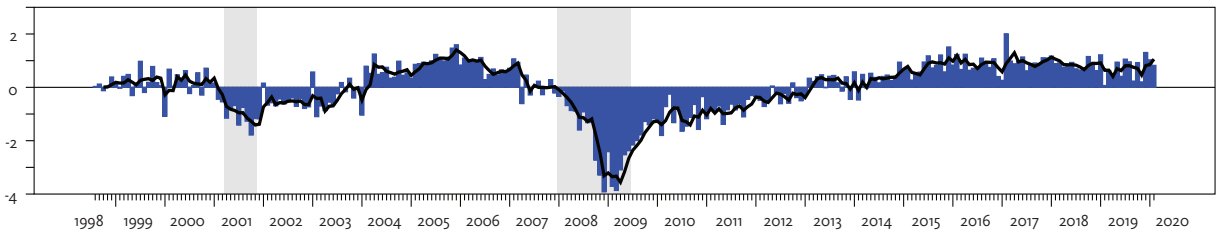
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Portland Metro

Portland Metro Measure of Economic Activity

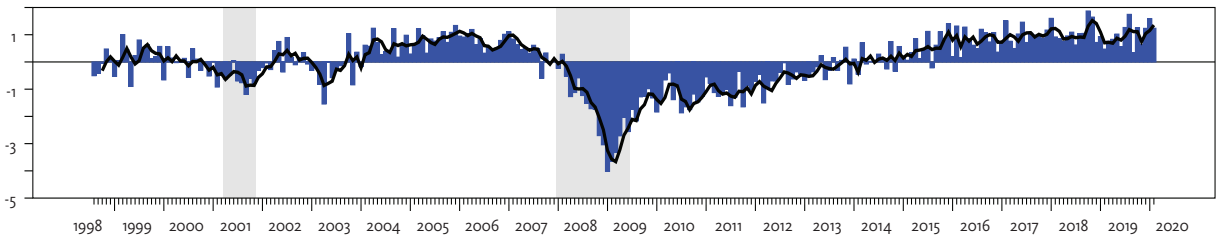
Three-Month Moving Average in Black, US Recessions in Gray



Eugene-Springfield

Eugene-Springfield Measure of Economic Activity

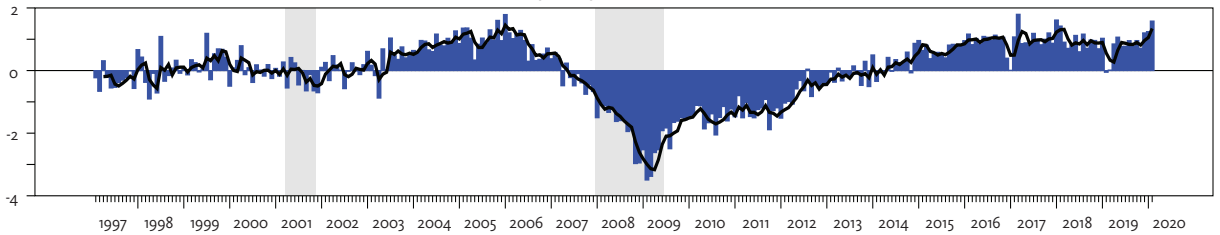
Three-Month Moving Average in Black, US Recessions in Gray



Central Oregon

Central Oregon Measure of Economic Activity

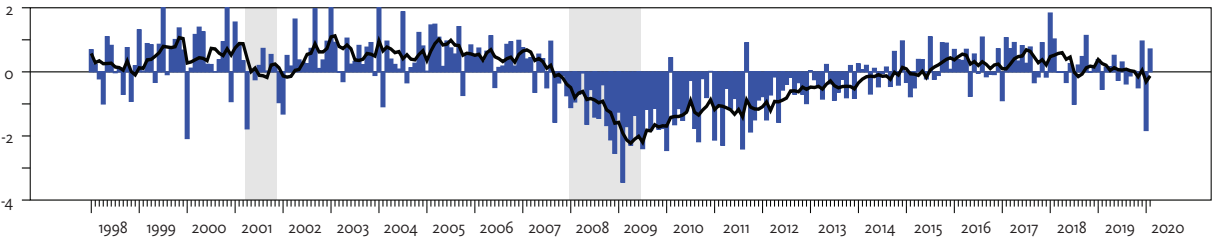
Three-Month Moving Average in Black, US Recessions in Gray



Rogue Valley

Rogue Valley Measure of Economic Activity

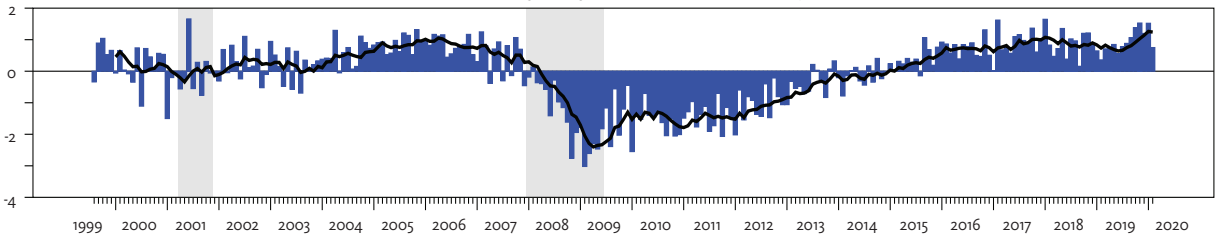
Six-Month Moving Average in Black, US Recessions in Gray



Salem

Salem Measure of Economic Activity

Six-Month Moving Average in Black, US Recessions in Gray



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