

Oregon Regional Economic Indexes™



July 2015

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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

July was another solid month for regional economies in Oregon. Most regions in Oregon were growing above their average pace of activity during the month. Recall that “zero” for these measures indicates relative average growth; each region has its own underlying growth rate. Despite continued strong numbers in housing sales, which include existing housing, housing permits remain a negative factor in the Eugene–Springfield, Rogue Valley, and Salem regions, and only a roughly neutral factor in the Portland and Central Oregon areas. Residential construction activity, particularly single family housing, remains restrained. Portland’s measure remained well-above average bolstered by neutral to positive contributions from almost all components. Generally solid employment numbers boosted the non-Portland regions. Low unemployment rates contributed positively, while the labor force, which has been a negative force in recent months, was generally more supportive of measures. As expected, the Rogue Valley numbers bounced higher, more reflective of the underlying positive trends that were buried by the unusual—relative to past expansions—decline in the labor force. Growth in the Salem and Eugene–Springfield area remains solid although the measures are somewhat weaker than in past expansions.

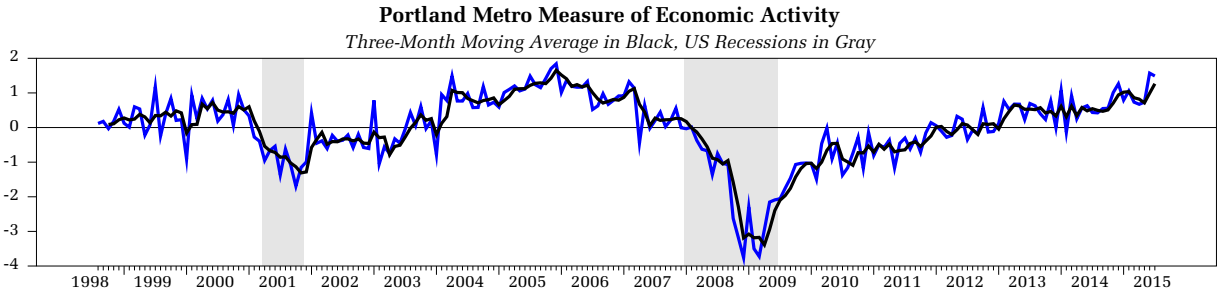
Contributions to Regional Indexes – July 2015

	Portland-Vancouver-Beaverton	Eugene-Springfield	Central Oregon	Rogue Valley	Salem
New Private Housing Units Authorized by Permits	0.04	-0.32	-0.03	-0.43	-0.41
Educational and Health Services Employment	0.05	0.02	0.06	-0.06	0.00
Financial Activities Employment	-0.14	-0.01	-0.04	-0.04	0.02
Government Employment	0.00	0.00	0.00	0.17	0.02
Information Employment	0.05	-0.01	0.01	0.01	0.00
Leisure and Hospitality Employment	0.12	0.08	-0.18	0.05	0.01
Manufacturing Employment	0.05	-0.04	0.03	-0.01	0.04
Construction Employment	0.14	0.03	-0.05	-0.02	-0.07
Professional and Business Services Employment	0.09	0.03	-0.03	0.22	-0.08
Other Services Employment	0.20	0.01	0.01	0.01	0.03
Trade, Transportation, and Utilities Employment	0.36	0.02	0.10	0.04	0.38
Civilian Labor Force	0.06	0.05	-0.01	0.28	-0.07
Unemployment Rate	0.06	0.09	0.11	0.10	0.15
Lodging Revenue, Inflation Adjusted	0.00	0.00	0.02		0.00
Airport Passengers	0.00	-0.01	0.00	0.00	
Initial Unemployment Claims	0.21	0.32	0.13		
Residential Units Sold	0.22	0.41	0.21		0.38
Municipal Waste	0.03	-0.06	0.08		
Home Price Index	-0.05				
Total	1.49	0.60	0.41	0.32	0.41
Moving Average of Recent Observations	1.26	0.27	0.44	-0.42	0.36

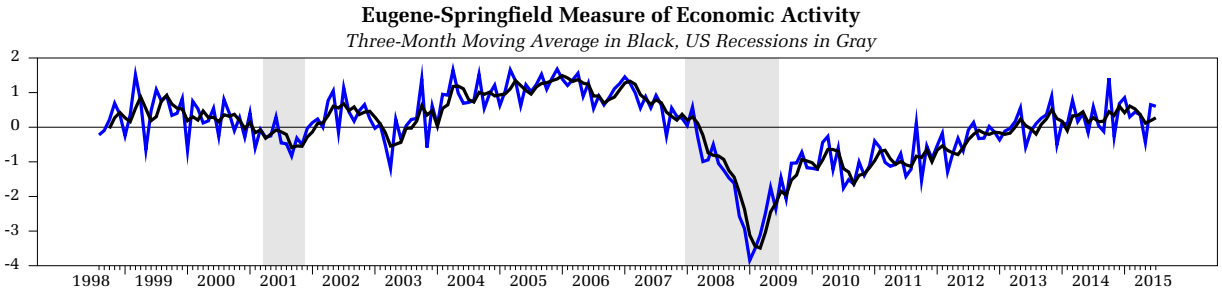
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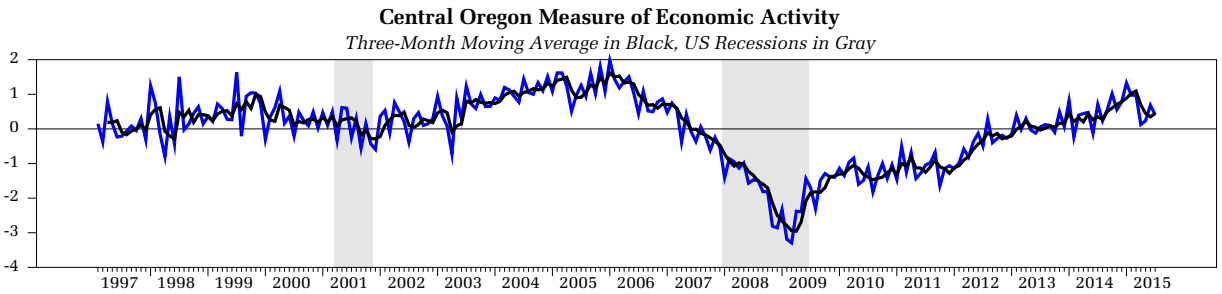
Portland Metro



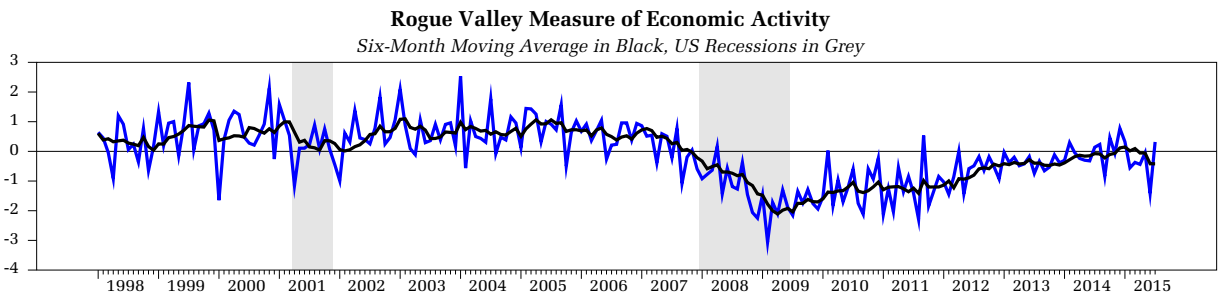
Eugene-Springfield



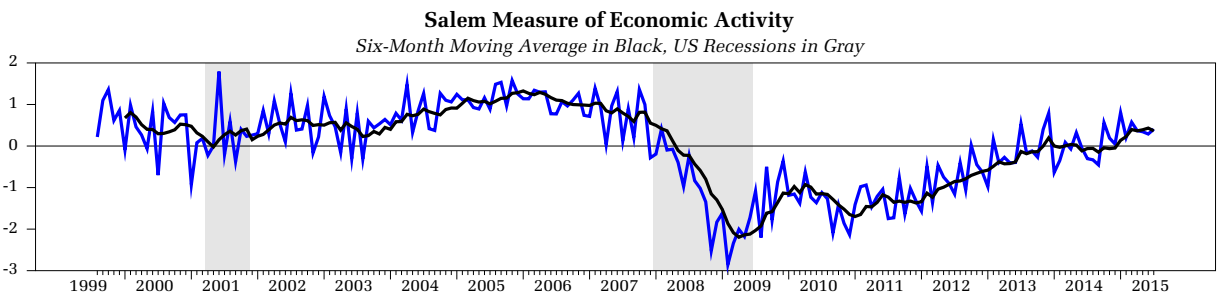
Central Oregon



Rogue Valley



Salem



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