

Oregon Regional Economic Indexes™



July 2019

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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

Regional areas generally experienced solid economic activity in July. Although many areas are off their peak growth rates experienced earlier in the cycle, there is no indication that they are decelerating at a worrisome pace. For all regions covered by this report, raw and moving average measures (which smooth monthly volatility) were above zero, indicating an above-trend pace of activity (trend activity differs across regions). Housing data revealed a familiar pattern that has become the norm in the post-recession period. Housing sales remain solid across regions; in most case sales have rebound from a period of weakness late last year and early this year. Still, only the Portland and Central Oregon regions regularly generate enough housing permits to support a positive contribution to the measures. In other areas, new housing activity remains below levels traditionally experienced in an expansion. Employment components have been mixed. Although job growth has slowed, unemployment rates remain very low and still make significant positive contributions to the measures. Waste collection (where available) also made positive contributions to regional indexes; rising waste typically increases with rising populations and greater economic activity.

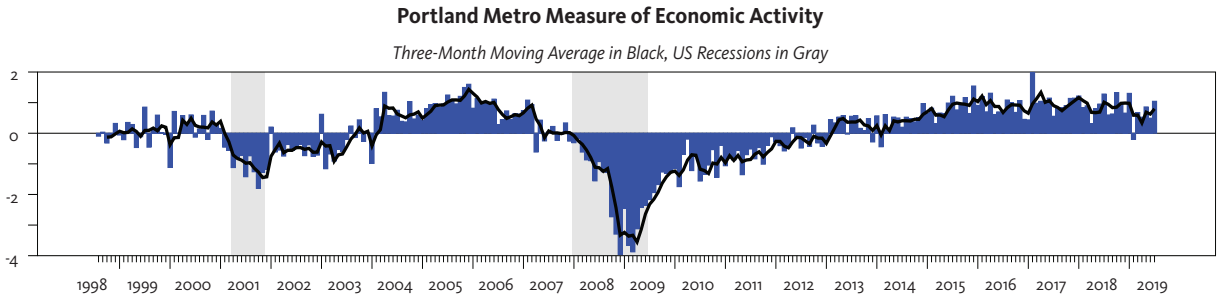
Contributions to Regional Indexes – July 2019

	Portland-Vancouver-Beaverton	Eugene-Springfield	Central Oregon	Rogue Valley	Salem
New Private Housing Units Authorized by Permits	0.08	-0.06	0.07	-0.14	-0.16
Educational and Health Services Employment	0.01	0.00	-0.01	0.25	-0.05
Financial Activities Employment	-0.10	0.03	-0.06	-0.06	0.02
Government Employment	0.00	0.00	0.00	-0.02	-0.02
Information Employment	0.03	-0.02	-0.01	0.02	0.01
Leisure and Hospitality Employment	0.16	0.08	-0.14	0.03	0.03
Manufacturing Employment	0.01	-0.01	-0.04	0.03	0.06
Construction Employment	0.08	0.01	-0.01	0.03	0.05
Professional and Business Services Employment	0.16	-0.16	0.00	-0.10	0.20
Other Services Employment	-0.10	0.02	0.00	0.01	-0.01
Trade, Transportation, and Utilities Employment	0.07	0.06	0.32	-0.06	0.06
Civilian Labor Force	0.03	0.00	0.01	0.11	0.00
Unemployment Rate	0.15	0.28	0.25	0.33	0.40
Lodging Revenue, Inflation Adjusted	0.01	-0.01	-0.03		0.00
Airport Passengers	0.00	0.03	0.00	0.01	
Initial Unemployment Claims	0.16	0.23	0.12		
Residential Units Sold	0.14	0.24	0.19		0.44
Municipal Waste	0.17	0.22	0.26		
Home Price Index	-0.03				
Total	1.04	0.94	0.92	0.46	1.01
Moving Average of Recent Observations	0.80	0.90	0.68	0.13	0.61

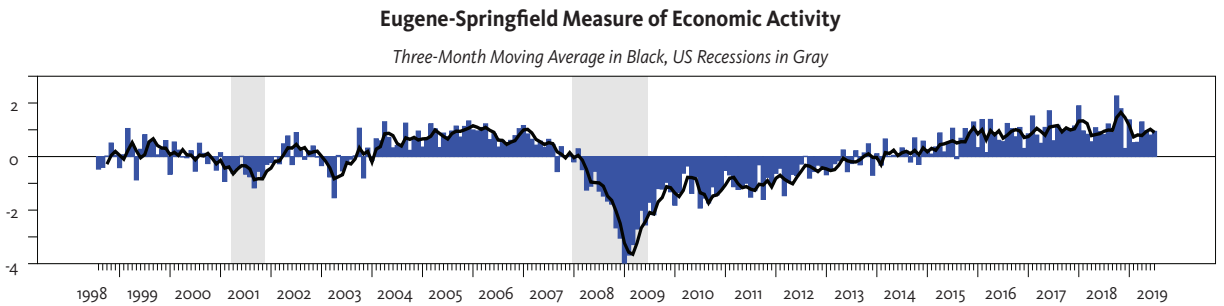
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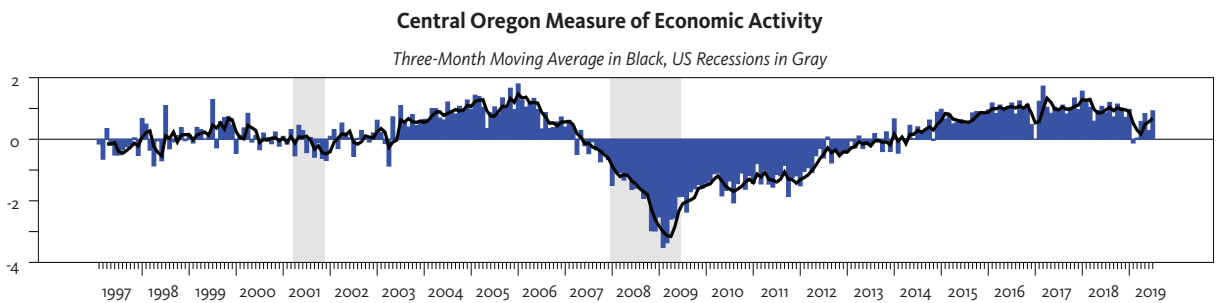
Portland Metro



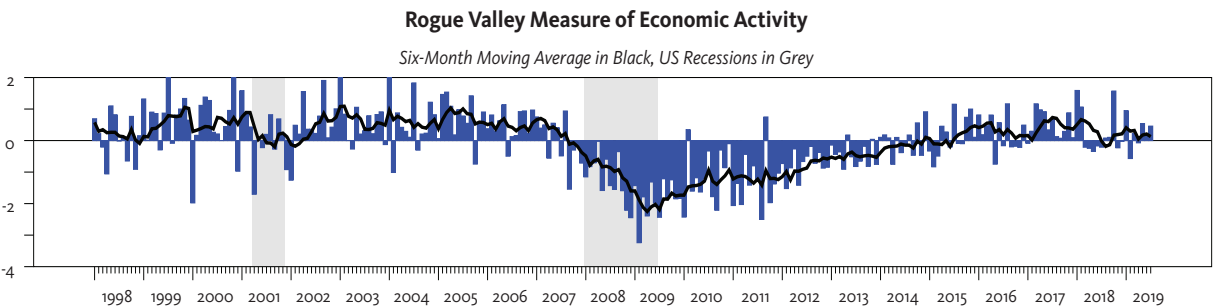
Eugene-Springfield



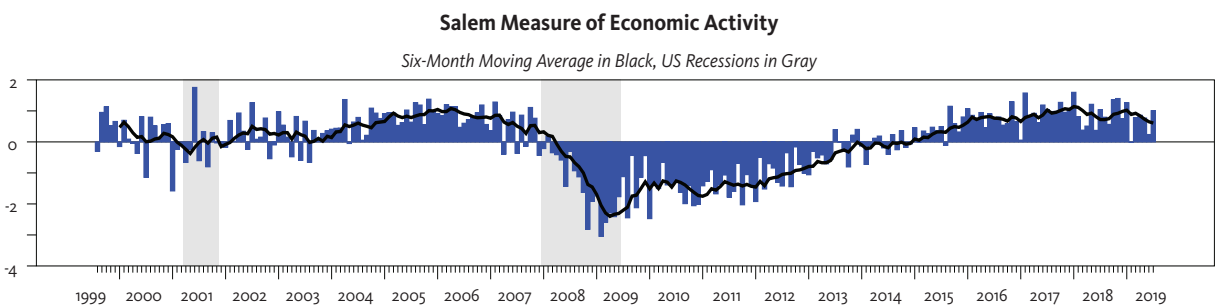
Central Oregon



Rogue Valley



Salem



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