

Oregon Regional Economic Indexes™



November 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

Oregon’s largest metropolitan regions continued to post economic gains in November although the pace of activity cooled a bit compared to October. For all regions covered by this report, both raw and moving average measures (which smooth monthly volatility) were above zero, indicating an above-trend pace of activity (trend activity differs across regions). A slowdown in the new home permitting was a drag on all regions except Salem. Salem saw a large positive contribution from permits attributable to a surge in the volatile multifamily segment of the housing market. Employment gains were muted across most regions and consequently many sectors made neutral to negative employment contributions. The trade, transportation, and utilities sector was a particular drag on the numbers. Still, there were notable exceptions. The leisure and hospitality sector was particularly strong in the Rogue Valley and Central Oregon measures, while the Portland area metro received a boost from solid construction employment numbers. Overall though incoming data paints a fairly positive economic picture for Oregon regional economies as this record breaking expansion continues.

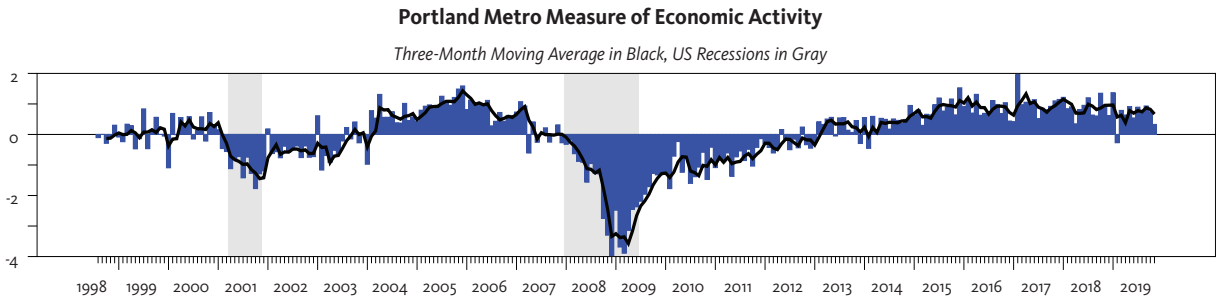
Contributions to Regional Indexes – November 2019

	Portland-Vancouver-Beaverton	Eugene-Springfield	Central Oregon	Rogue Valley	Salem
New Private Housing Units Authorized by Permits	-0.08	-0.04	-0.06	-0.31	0.39
Educational and Health Services Employment	0.03	0.01	-0.02	-0.01	-0.04
Financial Activities Employment	-0.08	0.05	0.01	-0.04	-0.01
Government Employment	0.00	0.00	0.00	-0.01	0.00
Information Employment	0.12	0.00	0.00	0.00	0.00
Leisure and Hospitality Employment	-0.18	-0.06	0.15	0.16	-0.05
Manufacturing Employment	0.08	0.08	0.01	0.00	0.03
Construction Employment	0.19	-0.09	-0.04	-0.18	-0.10
Professional and Business Services Employment	-0.07	0.01	-0.15	0.09	0.03
Other Services Employment	0.09	0.09	-0.01	-0.07	0.00
Trade, Transportation, and Utilities Employment	-0.38	-0.19	-0.19	-0.03	-0.34
Civilian Labor Force	-0.01	-0.03	-0.01	0.00	-0.16
Unemployment Rate	0.18	0.36	0.30	0.47	0.51
Lodging Revenue, Inflation Adjusted	-0.01	-0.02	0.00		0.03
Airport Passengers	-0.01	-0.03	0.00	0.01	
Initial Unemployment Claims	0.25	0.37	0.44		
Residential Units Sold	0.08	0.18	0.18		0.36
Municipal Waste	0.15	-0.05	0.24		
Home Price Index	-0.01				
Total	0.33	0.63	0.85	0.08	0.65
Moving Average of Recent Observations	0.67	0.82	1.12	0.14	0.79

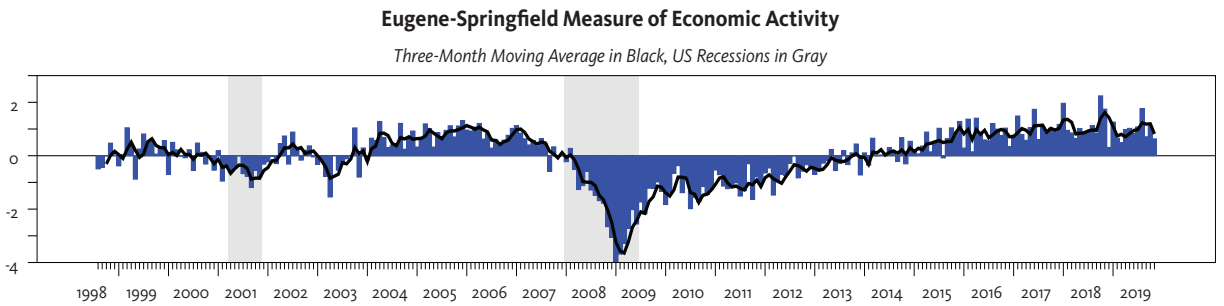
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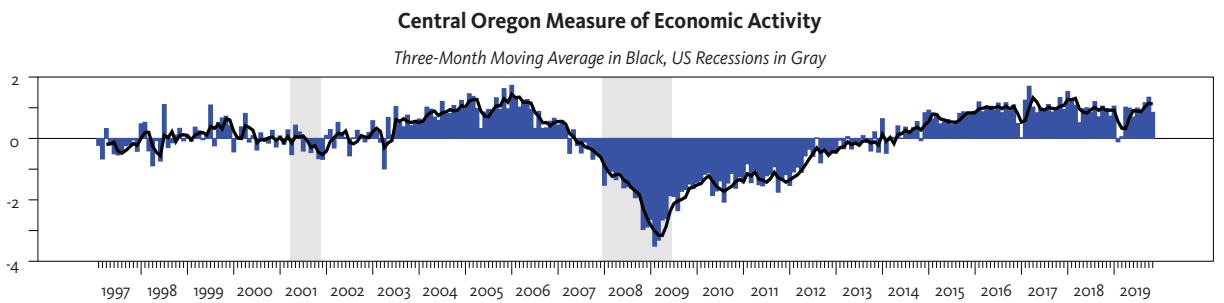
Portland Metro



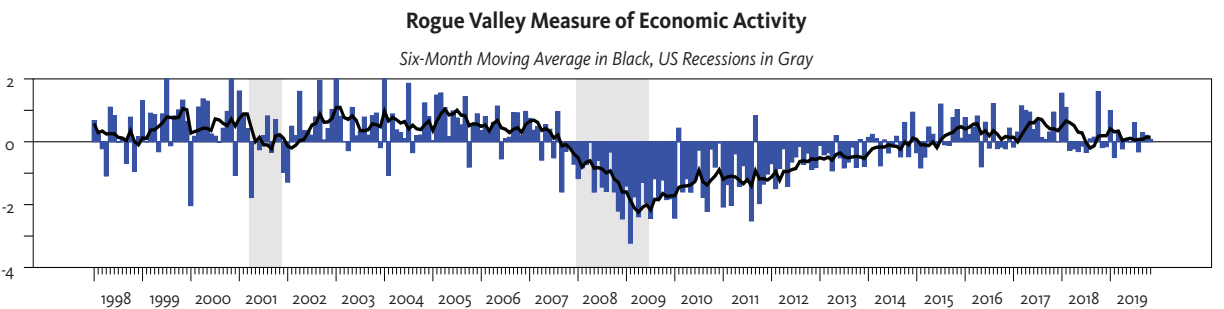
Eugene-Springfield



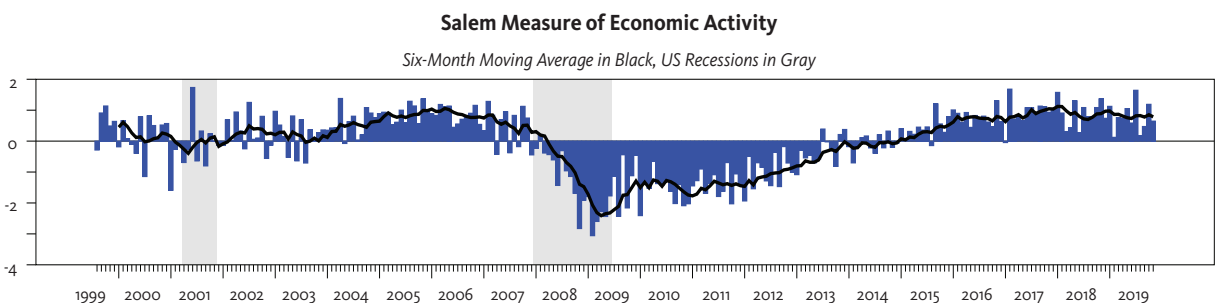
Central Oregon



Rogue Valley



Salem



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