

# Oregon Regional Economic Indexes™



August 2017

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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.

## Contact

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## Review

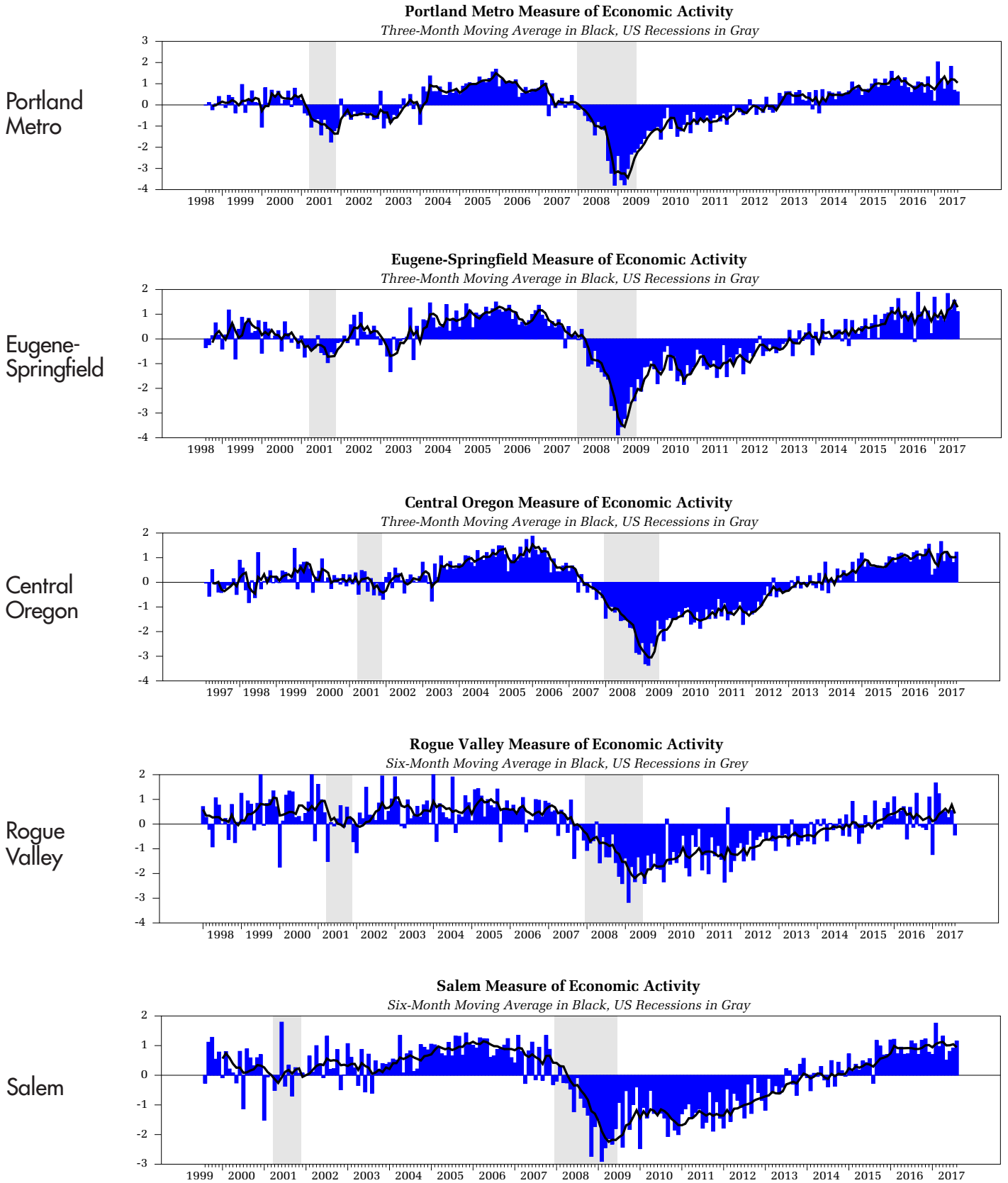
Weakness in labor components weighed on the regional measures of activity in August, but this was partially often offset with strength in other components. Overall, for all regions covered by this report, moving average measures (which smooth monthly volatility) remain above zero, indicating above trend activity. Some weakness in the local level numbers was expected given statewide job losses reported for August. Leisure and hospitality employment, for example, was neutral or negative for four of the five regions covered here. Note that employment data is often revised; we may see some earlier strength in the numbers revised down to smooth the series and reducing the reported acceleration in activity earlier in the year. Still, not all sectors experienced weak employment; construction employment contributed positively across all regions. Other indicators were generally supportive across the state. Overall, the combination of softening employment in the context of a still solid economy measured by other indicators such as low initial unemployment claims suggests that economic activity may be constrained by supply side factors, particularly a smaller pool of available workers.

## Contributions to Regional Indexes – August 2017

	Portland-Vancouver-Beaverton	Eugene-Springfield	Central Oregon	Rogue Valley	Salem
New Private Housing Units Authorized by Permits	0.19	-0.08	0.00	-0.16	0.09
Educational and Health Services Employment	0.08	-0.04	-0.14	-0.24	0.00
Financial Activities Employment	-0.08	-0.07	-0.04	-0.10	-0.03
Government Employment	-0.01	0.04	0.00	-0.02	0.05
Information Employment	-0.01	-0.02	-0.01	0.00	0.00
Leisure and Hospitality Employment	-0.14	0.08	-0.05	-0.15	0.00
Manufacturing Employment	0.01	-0.02	0.15	0.09	0.11
Construction Employment	0.03	0.12	0.22	0.05	0.19
Professional and Business Services Employment	0.04	-0.06	0.00	0.01	-0.05
Other Services Employment	-0.22	0.02	0.04	-0.02	0.04
Trade, Transportation, and Utilities Employment	0.14	0.06	0.05	-0.06	0.02
Civilian Labor Force	-0.08	-0.12	-0.01	-0.25	-0.07
Unemployment Rate	0.16	0.27	0.25	0.37	0.42
Lodging Revenue, Inflation Adjusted	-0.01	-0.02	0.04		-0.01
Airport Passengers	0.00	0.03	0.00	0.02	
Initial Unemployment Claims	0.23	0.40	0.25		
Residential Units Sold	0.14	0.27	0.21		0.39
Municipal Waste	0.18	0.23	0.25		
Home Price Index	-0.02				
<b>Total</b>	<b>0.61</b>	<b>1.10</b>	<b>1.23</b>	<b>-0.44</b>	<b>1.16</b>
<b>Moving Average of Recent Observations</b>	<b>1.04</b>	<b>1.28</b>	<b>1.03</b>	<b>0.43</b>	<b>0.95</b>

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