

Oregon Regional Economic Indexes™



January 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

Regional economies rocketed into the New Year with solid growth in January. Moving average measures of activity—which smooth monthly volatility—indicate that all areas are growing near or above their average pace of activity. Recall that “zero” for these measures indicates relative average growth; each region has its own underlying growth rate. Residential building activity remains weak across most regions, although permits made neutral to positive contributions in Central Oregon and Salem. Note that although building permits remain below levels typically seen in expansions, they are generally up in most regions. Construction employment was positive across the state; the sector made a large contribution in Central Oregon, helping propel the measure to its highest level since 2006 (the moving average measure, however, indicates a more tempered pace of underlying growth). Employment indicators are generally supportive for the measures; initial unemployment claims suggest ongoing employment gains in the months ahead. Unemployment rates have fallen to the point that they make a solid positive contribution to all measures. The civilian labor force numbers provided less support than in recent months, although they are likely to grow faster assuming continued economic growth and increased population. This report includes revisions to the employment data.

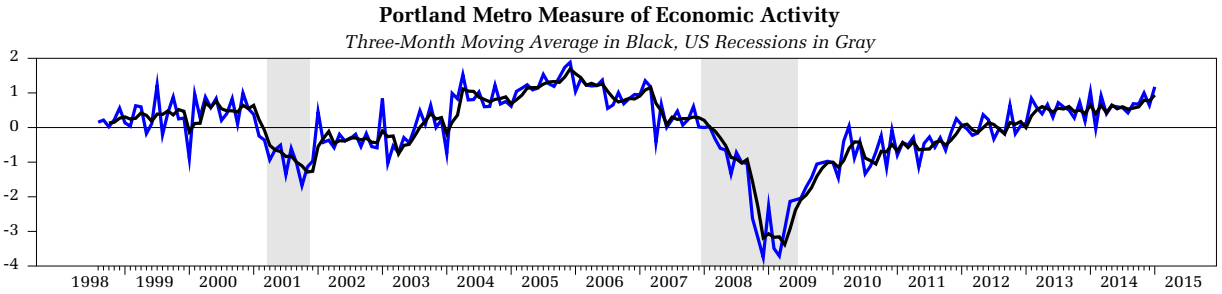
Contributions to Regional Indexes – January 2015

	Portland-Vancouver-Beaverton	Eugene-Springfield	Central Oregon	Rogue Valley	Salem
New Private Housing Units Authorized by Permits	-0.11	-0.13	-0.01	-0.30	0.04
Educational and Health Services Employment	0.11	0.01	-0.03	-0.05	0.00
Financial Activities Employment	0.11	0.17	0.02	-0.17	-0.02
Government Employment	0.00	0.00	0.00	-0.05	0.01
Information Employment	0.02	0.02	0.00	0.13	0.01
Leisure and Hospitality Employment	-0.09	-0.01	0.14	0.01	0.01
Manufacturing Employment	0.25	0.08	-0.14	0.05	0.03
Construction Employment	0.16	0.16	0.69	0.19	0.02
Professional and Business Services Employment	0.12	0.17	0.19	-0.07	0.04
Other Services Employment	-0.11	0.06	0.03	0.00	0.02
Trade, Transportation, and Utilities Employment	0.34	0.11	0.33	-0.05	-0.15
Civilian Labor Force	0.00	0.02	0.01	-0.14	-0.08
Unemployment Rate	0.06	0.12	0.12	0.13	0.19
Lodging Revenue, Inflation Adjusted	0.01	-0.02	0.08		0.00
Airport Passengers	0.00	0.03	0.07	0.03	
Initial Unemployment Claims	0.26	0.30	0.17		
Residential Units Sold	0.06	0.14	0.19		0.06
Municipal Waste	0.05	-0.21	0.08		
Home Price Index	-0.05				
Total	1.17	1.02	1.94	-0.29	0.18
Moving Average of Recent Observations	0.94	0.43	1.02	0.09	-0.01

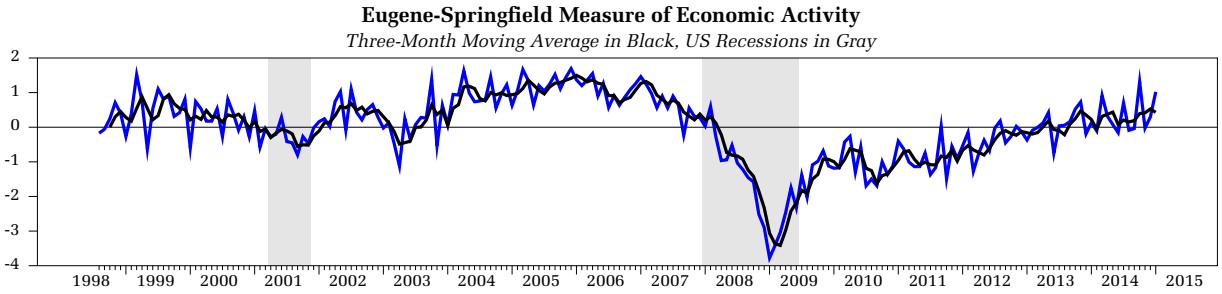
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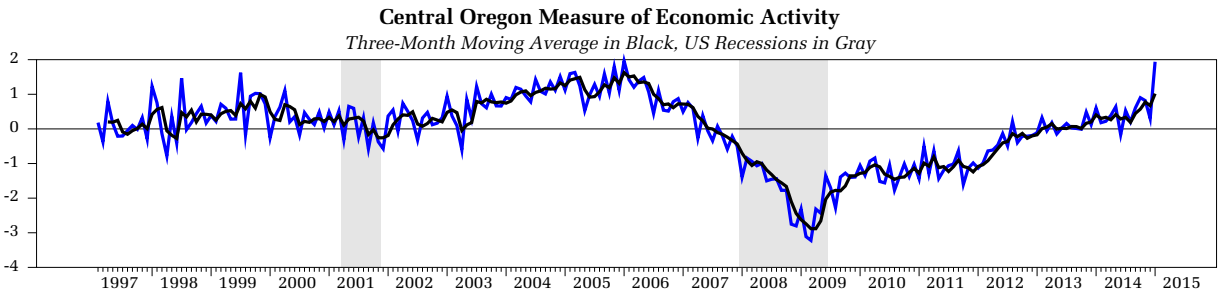
Portland Metro



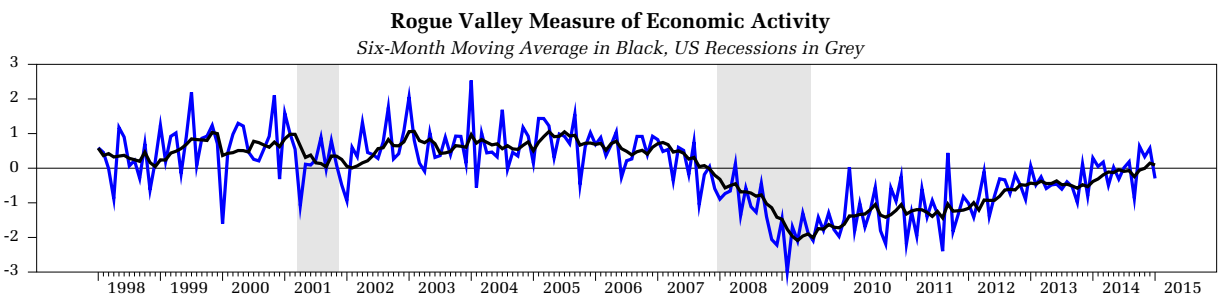
Eugene-Springfield



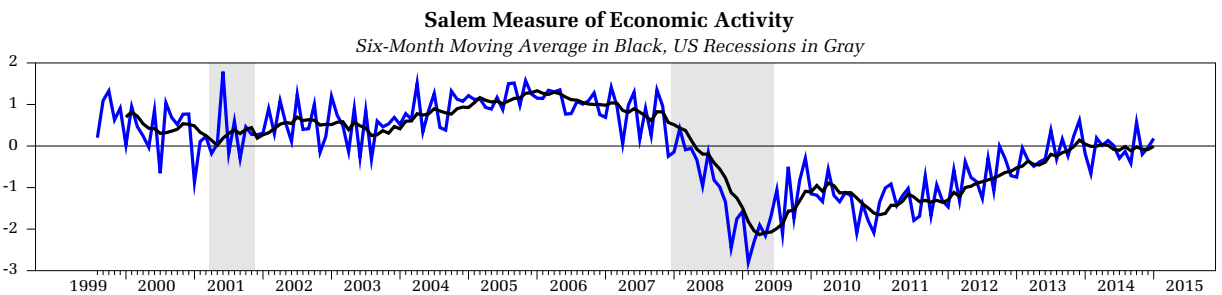
Central Oregon



Rogue Valley



Salem



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