

Oregon Regional Economic Indexes™



March 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

Measures of economic activity softened somewhat in March, but still indicate further gains in Oregon’s metro areas. Moving average measures of activity—which smooth monthly volatility—indicate that all areas are growing above their average pace of activity. Recall that “zero” for these measures indicates relative average growth; each region has its own underlying growth rate. Salem’s measure pulled solidly above zero on the back of a reduced drag from housing permits and generally stronger employment data. Housing permits and labor force numbers dealt a setback to the Rogue Valley, but the moving average measure indicates the underlying positive trend continues to hold. Central Oregon’s measure held strong as the region continues its impressive rebound from the recession. Generally solid numbers across a wide range of indicators support a solid underlying trend in the Portland metro region. The Eugene-Springfield region measure continues to track sideways at a level somewhat lower than that seen in past expansions. Note that slow to declining growth in the civilian labor force was a drag across all regions, offsetting somewhat the positive impact of low unemployment rates. The current pattern of flat to negative labor force numbers is not consistent with the experience of past expansions in Oregon; it is reasonable to expect that stronger economic activity and in-migration will reverse this trend. Overall, regional economies continue to experience the benefits of the ongoing expansion.

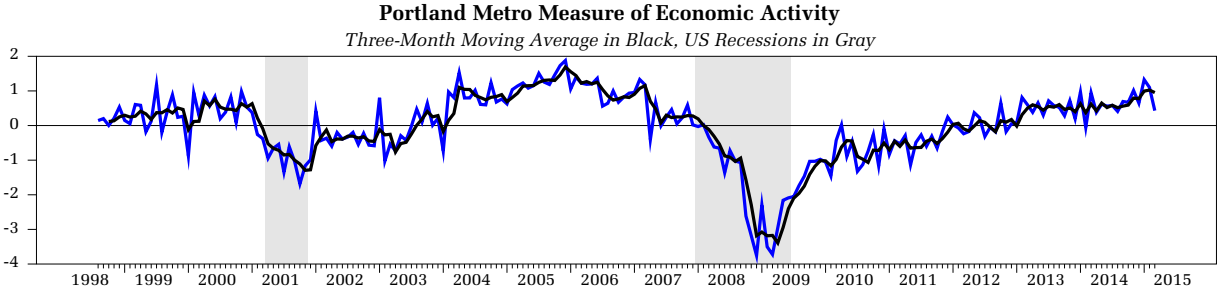
Contributions to Regional Indexes – March 2015

	Portland-Vancouver-Beaverton	Eugene-Springfield	Central Oregon	Rogue Valley	Salem
New Private Housing Units Authorized by Permits	0.01	-0.23	-0.08	-0.38	-0.04
Educational and Health Services Employment	0.06	-0.02	0.02	0.00	0.01
Financial Activities Employment	0.31	0.07	0.02	0.06	0.00
Government Employment	0.00	0.00	0.00	-0.02	0.02
Information Employment	-0.09	-0.07	-0.01	-0.02	0.00
Leisure and Hospitality Employment	-0.14	-0.03	-0.04	-0.03	-0.02
Manufacturing Employment	0.05	0.11	0.01	0.03	0.01
Construction Employment	-0.05	-0.08	-0.09	-0.19	-0.07
Professional and Business Services Employment	0.09	0.12	0.01	-0.05	0.08
Other Services Employment	-0.24	-0.05	0.02	0.02	0.00
Trade, Transportation, and Utilities Employment	-0.01	-0.07	0.09	-0.04	-0.03
Civilian Labor Force	-0.05	-0.04	-0.01	-0.28	-0.01
Unemployment Rate	0.10	0.18	0.17	0.18	0.28
Lodging Revenue, Inflation Adjusted	0.00	0.00	0.04		0.02
Airport Passengers	0.00	-0.01	0.01	0.01	
Initial Unemployment Claims	0.20	0.27	0.21		
Residential Units Sold	0.16	0.18	0.15		0.26
Municipal Waste	0.07	-0.05	0.10		
Home Price Index	-0.05				
Total	0.43	0.28	0.61	-0.72	0.52
Moving Average of Recent Observations	0.95	0.47	0.95	0.17	0.18

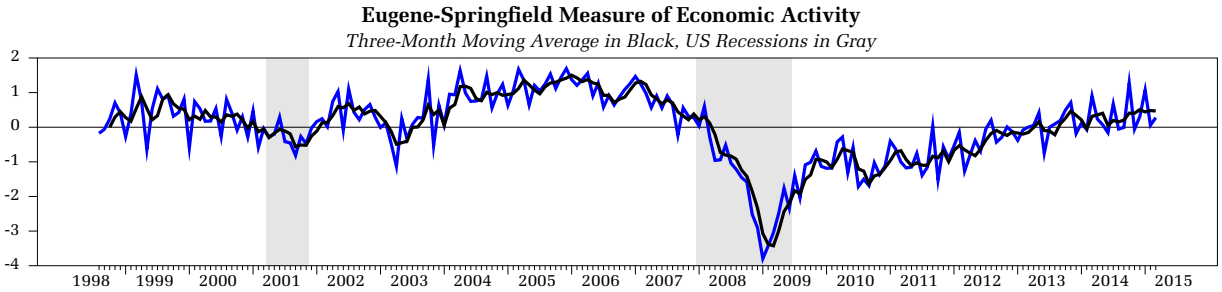
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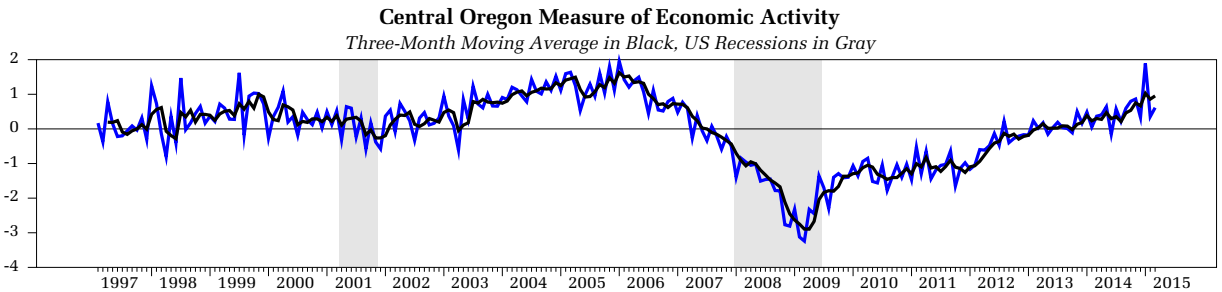
Portland Metro



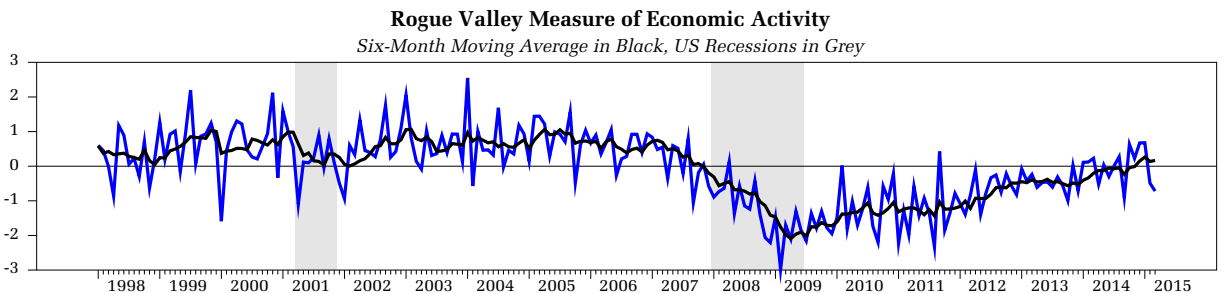
Eugene-Springfield



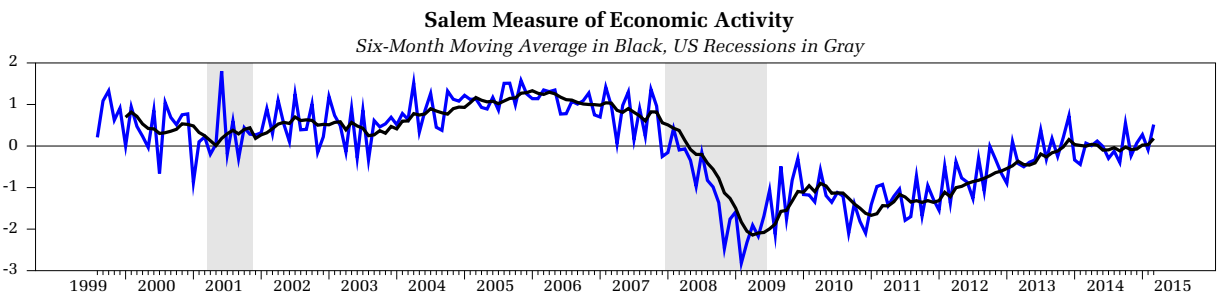
Central Oregon



Rogue Valley



Salem



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