

# Oregon Regional Economic Indexes™



June 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.

## Contact

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## Review

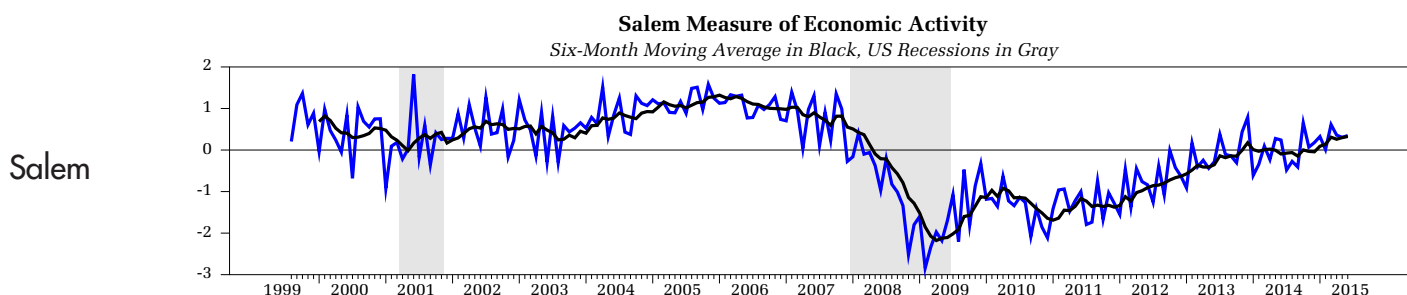
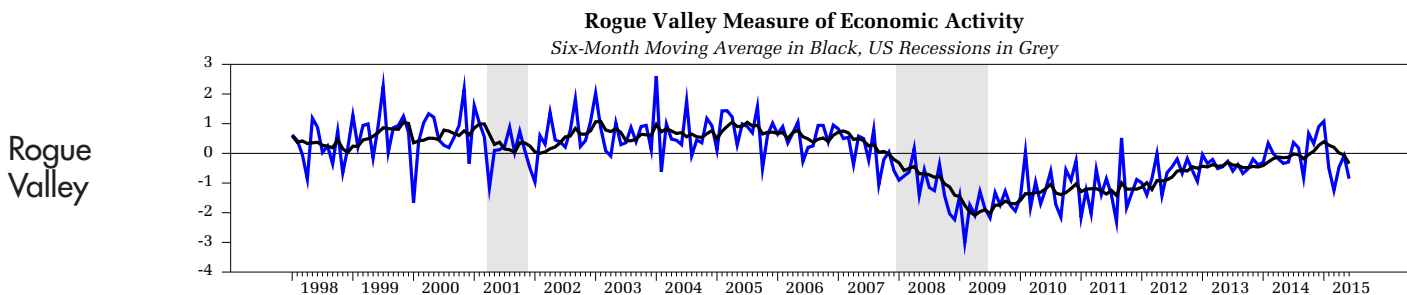
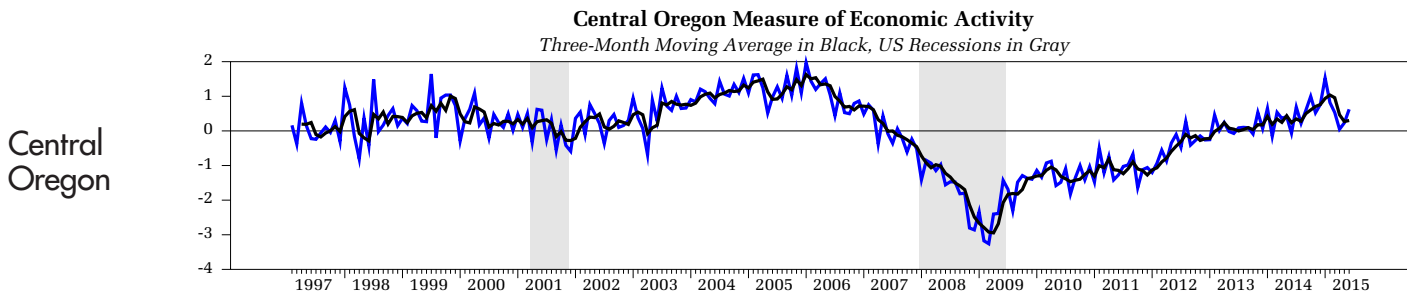
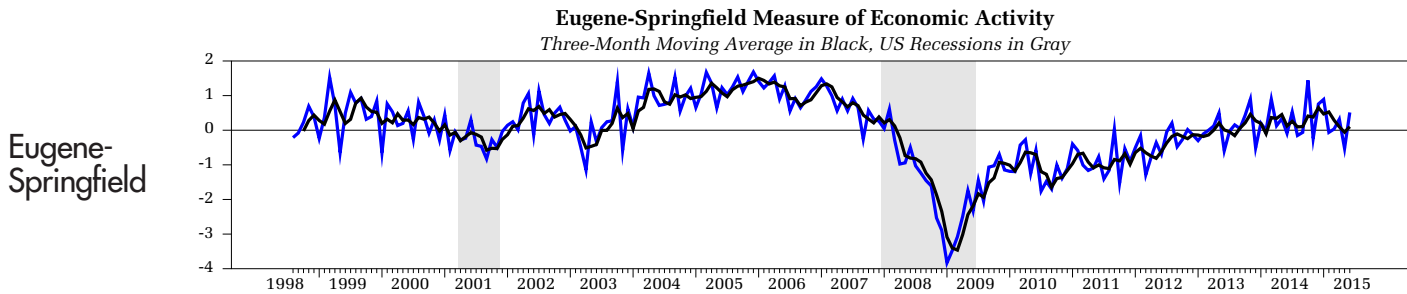
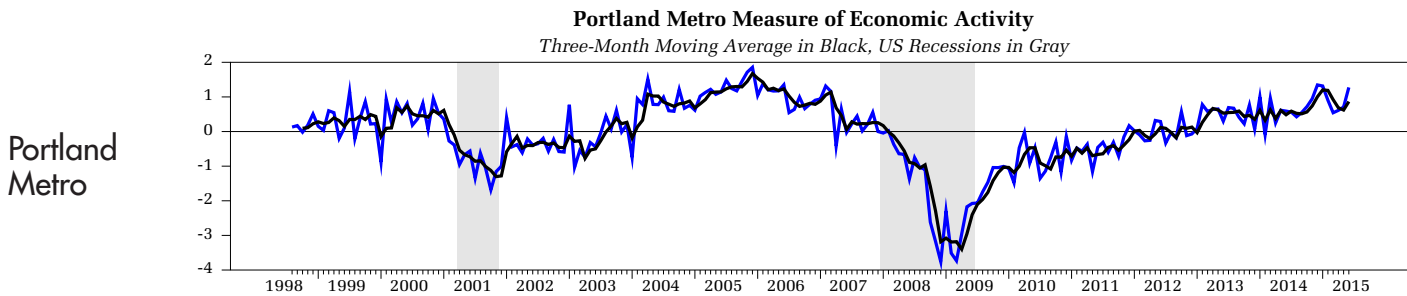
Measures of activity strengthened in June across almost all of Oregon’s major metro areas. Most regions in Oregon are growing at or above their average pace of activity; the Rogue Valley is an exception, although that appears to be attributable to unusual data behavior. Recall that “zero” for these measures indicates relative average growth; each region has its own underlying growth rate. Housing permits contributed positively in the Portland measure while having a neutral impact on the Central Oregon measure. Permits were a negative factor in remaining areas despite very strong performance in residential home sales. Although residential construction is generally stronger, in many regions it remains below normal levels. Portland’s measure jumped to well above average, supported by a large gain in the trade, transportation, and utilities employment component. Moderating job growth has been a primary factor in the decline of the Central Oregon measure. The Eugene-Springfield measure rebounded; the moving average measure, which smooths monthly variability, signaled slightly above-average growth. Unusual labor force weakness dragged down the Rogue Valley measure, likely leading to an understatement of underlying activity in the region. Watch for revisions or upward correction in the measure. The Salem measure indicates the region continues its steady acceleration.

### Contributions to Regional Indexes – June 2015

	Portland-Vancouver-Beaverton	Eugene-Springfield	Central Oregon	Rogue Valley	Salem
New Private Housing Units Authorized by Permits	0.14	-0.13	0.03	-0.30	-0.27
Educational and Health Services Employment	0.01	-0.08	-0.06	-0.07	0.02
Financial Activities Employment	0.06	0.00	-0.06	0.02	0.01
Government Employment	0.00	0.01	0.00	0.02	0.06
Information Employment	0.02	0.10	0.00	0.00	0.00
Leisure and Hospitality Employment	0.05	0.01	0.18	-0.05	0.01
Manufacturing Employment	0.02	0.05	0.00	-0.14	-0.04
Construction Employment	0.08	-0.05	-0.07	-0.26	-0.18
Professional and Business Services Employment	0.08	-0.04	0.00	-0.04	-0.02
Other Services Employment	-0.10	-0.01	-0.01	0.00	-0.12
Trade, Transportation, and Utilities Employment	0.43	-0.04	-0.04	0.05	0.18
Civilian Labor Force	-0.02	-0.05	-0.01	-0.27	-0.07
Unemployment Rate	0.08	0.14	0.15	0.16	0.24
Lodging Revenue, Inflation Adjusted	0.00	-0.01	0.02		0.00
Airport Passengers	0.01	-0.02	0.00	0.02	
Initial Unemployment Claims	0.17	0.19	0.19		
Residential Units Sold	0.24	0.36	0.21		0.54
Municipal Waste	0.06	0.09	0.12		
Home Price Index	-0.05				
<b>Total</b>	<b>1.27</b>	<b>0.51</b>	<b>0.62</b>	<b>-0.85</b>	<b>0.35</b>
<b>Moving Average of Recent Observations</b>	<b>0.87</b>	<b>0.10</b>	<b>0.30</b>	<b>-0.35</b>	<b>0.33</b>

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