

# Oregon Regional Economic Indexes™



August 2014

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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

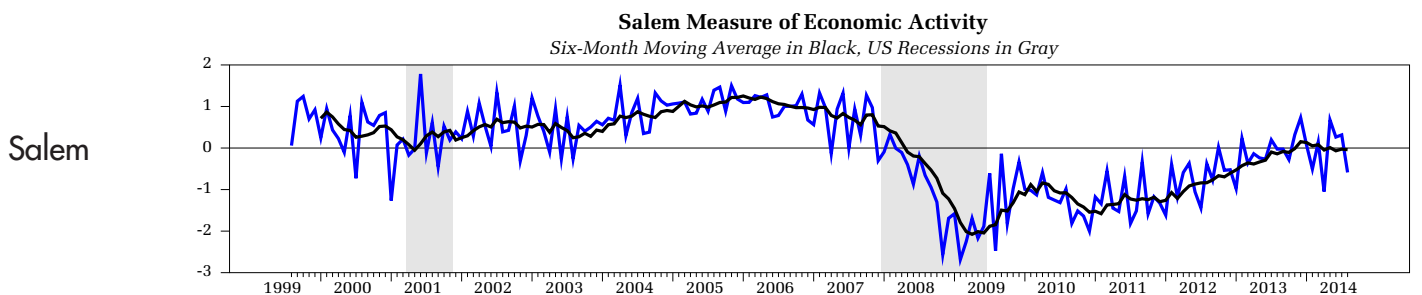
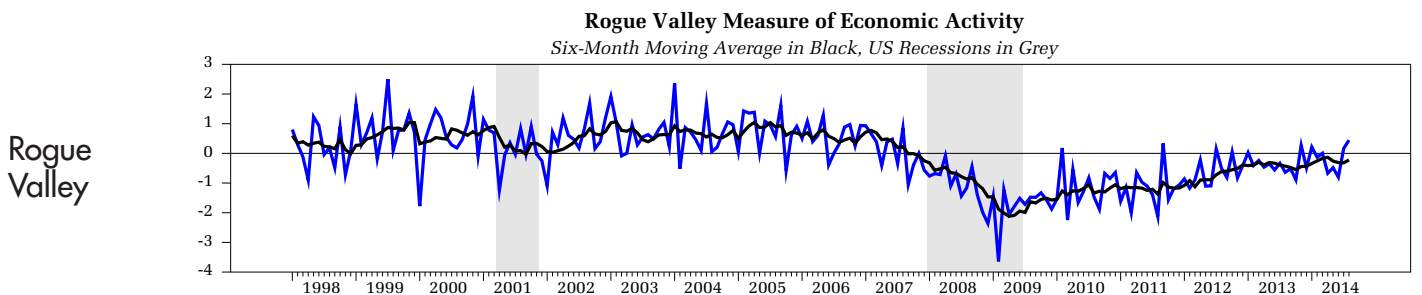
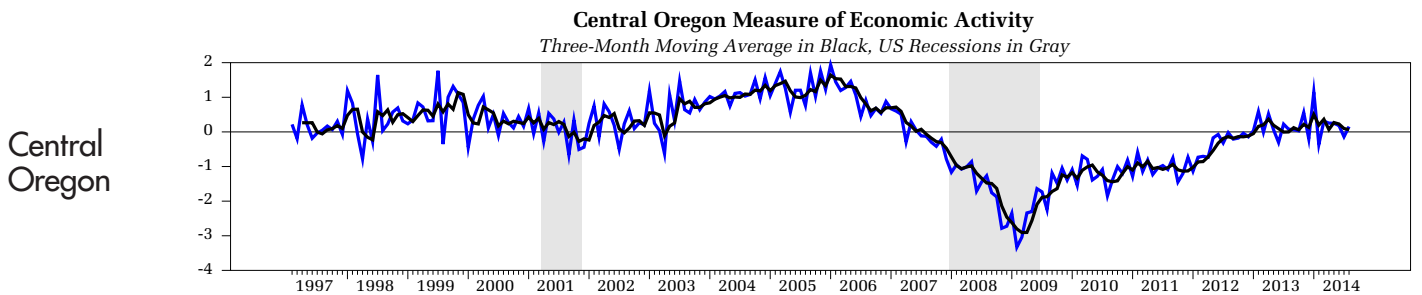
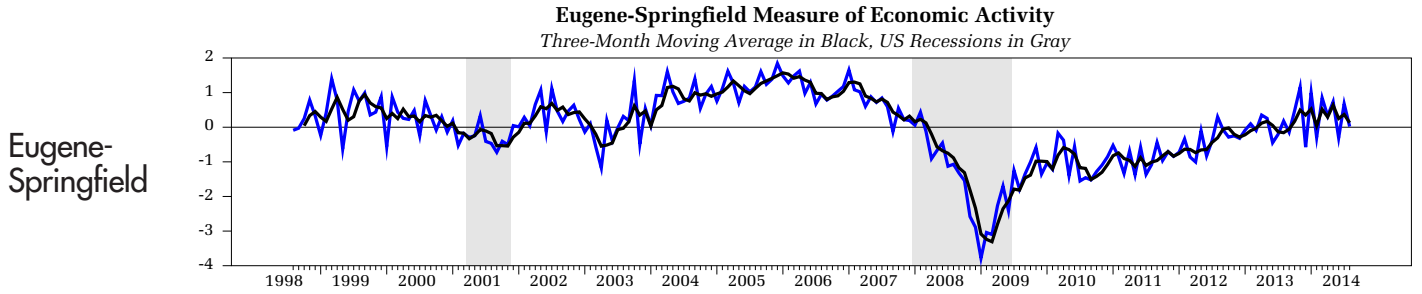
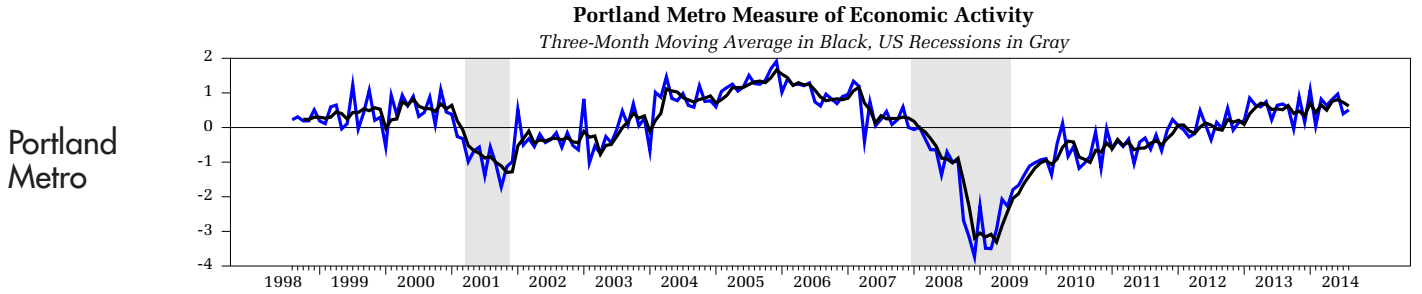
August once again saw mixed economic activity across different regions in Oregon. The Rogue Valley measure jumped to its highest level since 2007 on the back of a significant contribution from the civilian labor force component. The region’s labor force has grown during the past two months, breaking a long downtrend and possibly signaling that growth momentum is accelerating. Note that the labor force component contributed positively to all regions. Weak building permit data weighed down both the Salem and Eugene-Springfield measures. Per usual, one should take a cautious read on sharp changes in the individual components and look toward the moving average measures to see the underlying trend. Activity in the Central Oregon region was generally positive as the healing from the aftereffects of the housing bubble continues. Low levels of initial unemployment claims continue to signal ongoing job growth while falling unemployment rates are contributing positively to almost all regional measures. Moving average measures of activity—which smooth monthly volatility—reveal that most regions in Oregon are growing near or above their average paces of activity, with the Rogue Valley remaining an exception with somewhat below normal growth. Still, the Rogue Valley measures show sustained improvement over the past year. Note that “zero” for these measures indicates relative average growth; each region has its own underlying growth rate.

### Contributions to Regional Indexes – August 2014

	Portland-Vancouver-Beaverton	Eugene-Springfield	Central Oregon	Rogue Valley	Salem
New Private Housing Units Authorized by Permits	0.04	-0.35	-0.08	-0.04	-0.66
Educational and Health Services Employment	0.02	0.06	0.04	0.03	0.04
Financial Activities Employment	-0.04	0.08	-0.01	-0.01	0.07
Government Employment	0.00	-0.01	0.00	-0.04	0.08
Information Employment	-0.02	0.02	-0.01	-0.10	0.04
Leisure and Hospitality Employment	-0.24	-0.03	0.03	-0.01	-0.03
Manufacturing Employment	0.09	-0.02	0.04	0.08	-0.02
Construction Employment	0.06	-0.01	-0.03	0.13	-0.05
Professional and Business Services Employment	0.08	0.02	0.01	0.12	-0.11
Other Services Employment	0.30	0.03	-0.14	0.01	0.00
Trade, Transportation, and Utilities Employment	-0.02	0.04	-0.10	-0.03	-0.23
Civilian Labor Force	0.04	0.16	0.01	0.40	0.20
Unemployment Rate	0.03	0.02	0.00	-0.10	0.01
Lodging Revenue, Inflation Adjusted	0.00	0.00	0.02		0.01
Airport Passengers	-0.01	-0.01	0.03	0.00	
Initial Unemployment Claims	0.17	0.35	0.20		
Residential Units Sold	0.05	-0.08	0.15		0.06
Municipal Waste	-0.03	-0.27	0.00		
Home Price Index	-0.04				
<b>Total</b>	<b>0.51</b>	<b>0.02</b>	<b>0.15</b>	<b>0.45</b>	<b>-0.59</b>
<b>Moving Average of Recent Observations</b>	<b>0.62</b>	<b>0.13</b>	<b>0.07</b>	<b>-0.22</b>	<b>-0.04</b>

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