

# Oregon Regional Economic Indexes™



October 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

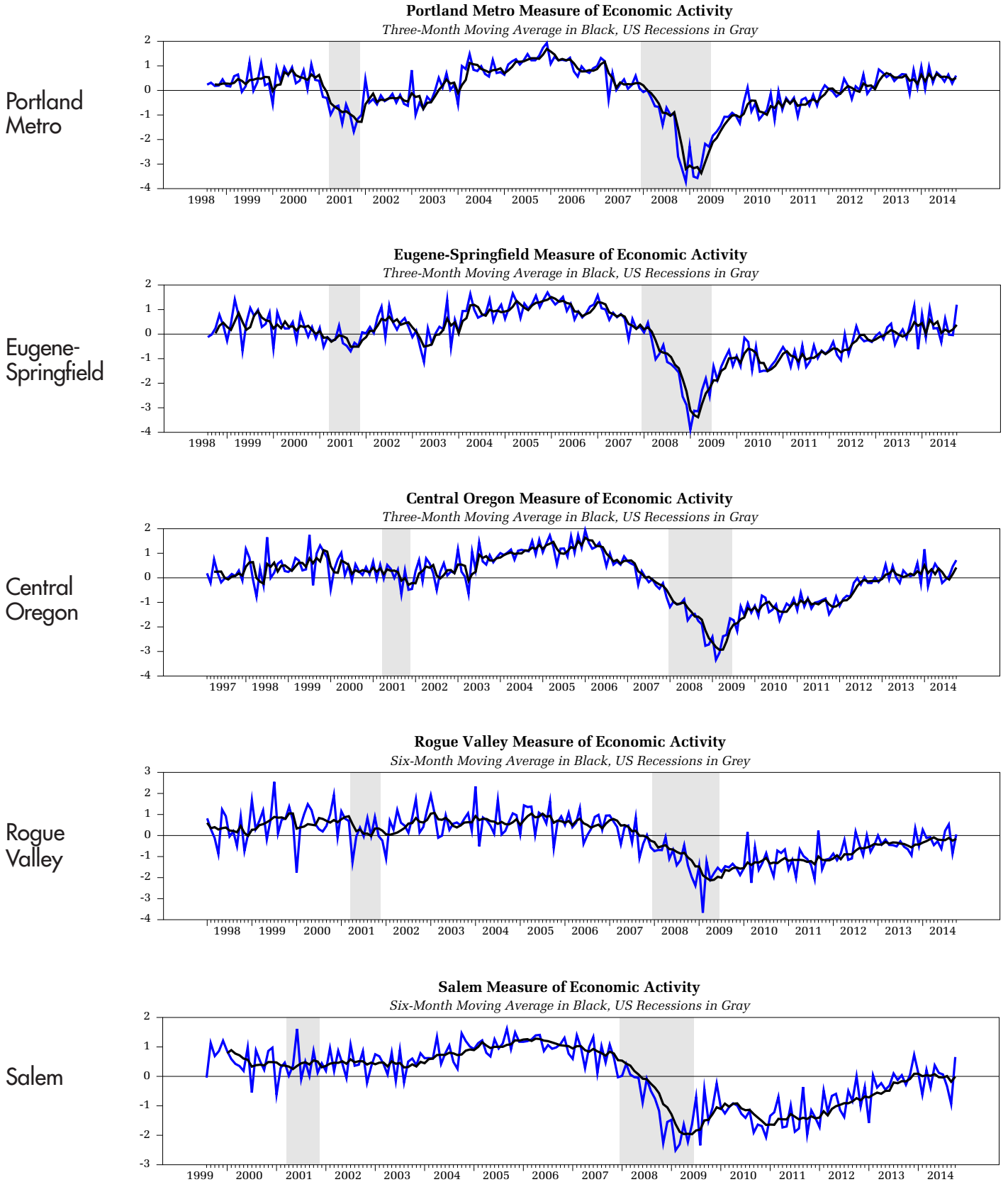
October measures of economic activity were generally solid across all regions in Oregon. Moving average measures of activity—which smooth monthly volatility—indicate that the Portland Metro, Eugene-Springfield, Salem, and Central Oregon regions are growing near or above their average paces of activity, while the Rogue Valley is just somewhat below normal growth. Residential housing sales were strong throughout the state in October, although that activity still is not translating into widespread gains in new residential construction. Residential permits contributed positively to the Portland metro figures, nearly neutral in Central Oregon, and sharply negatively in the Rogue Valley and Salem areas. The contribution from permits spiked in the Eugene-Springfield area due to a jump in the volatile multi-family permits component. Employment indicators were generally supportive with most sectors contributing positively. In addition, the unemployment rate and civilian labor force now yield a neutral to positive impact across all measures. Also note that low levels of unemployment claims are adding significant contributions to the measures and are indicative of continued strong job growth. In general, conditions across the state continue to improve as the recovery broadens and deepens throughout more sectors of the economy. Note that “zero” for these measures indicates relative average growth; each region has its own underlying growth rate.

### Contributions to Regional Indexes – October 2014

	Portland-Vancouver-Beaverton	Eugene-Springfield	Central Oregon	Rogue Valley	Salem
New Private Housing Units Authorized by Permits	0.09	0.55	0.02	-0.43	-0.33
Educational and Health Services Employment	0.00	-0.06	0.01	0.06	0.02
Financial Activities Employment	0.13	0.01	-0.01	-0.06	0.01
Government Employment	0.00	0.00	0.00	0.05	-0.01
Information Employment	-0.02	-0.05	-0.01	-0.02	0.00
Leisure and Hospitality Employment	0.04	-0.11	0.05	0.01	0.13
Manufacturing Employment	0.01	0.05	-0.02	0.13	-0.10
Construction Employment	-0.01	0.04	-0.01	-0.11	0.02
Professional and Business Services Employment	-0.10	0.01	0.02	0.11	0.27
Other Services Employment	0.08	-0.02	0.01	-0.03	0.09
Trade, Transportation, and Utilities Employment	0.04	0.12	0.14	0.08	-0.01
Civilian Labor Force	0.03	0.05	0.03	0.25	0.24
Unemployment Rate	0.03	0.07	0.05	-0.01	0.11
Lodging Revenue, Inflation Adjusted	0.00	0.00	0.07		0.01
Airport Passengers	0.00	0.01	0.05	0.02	
Initial Unemployment Claims	0.20	0.29	0.15		
Residential Units Sold	0.10	0.29	0.15		0.19
Municipal Waste	0.02	-0.05	0.04		
Home Price Index	-0.04				
<b>Total</b>	<b>0.60</b>	<b>1.20</b>	<b>0.72</b>	<b>0.05</b>	<b>0.66</b>
<b>Moving Average of Recent Observations</b>	<b>0.51</b>	<b>0.38</b>	<b>0.42</b>	<b>-0.16</b>	<b>-0.01</b>

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