

# Oregon Regional Economic Indexes™



April 2017

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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

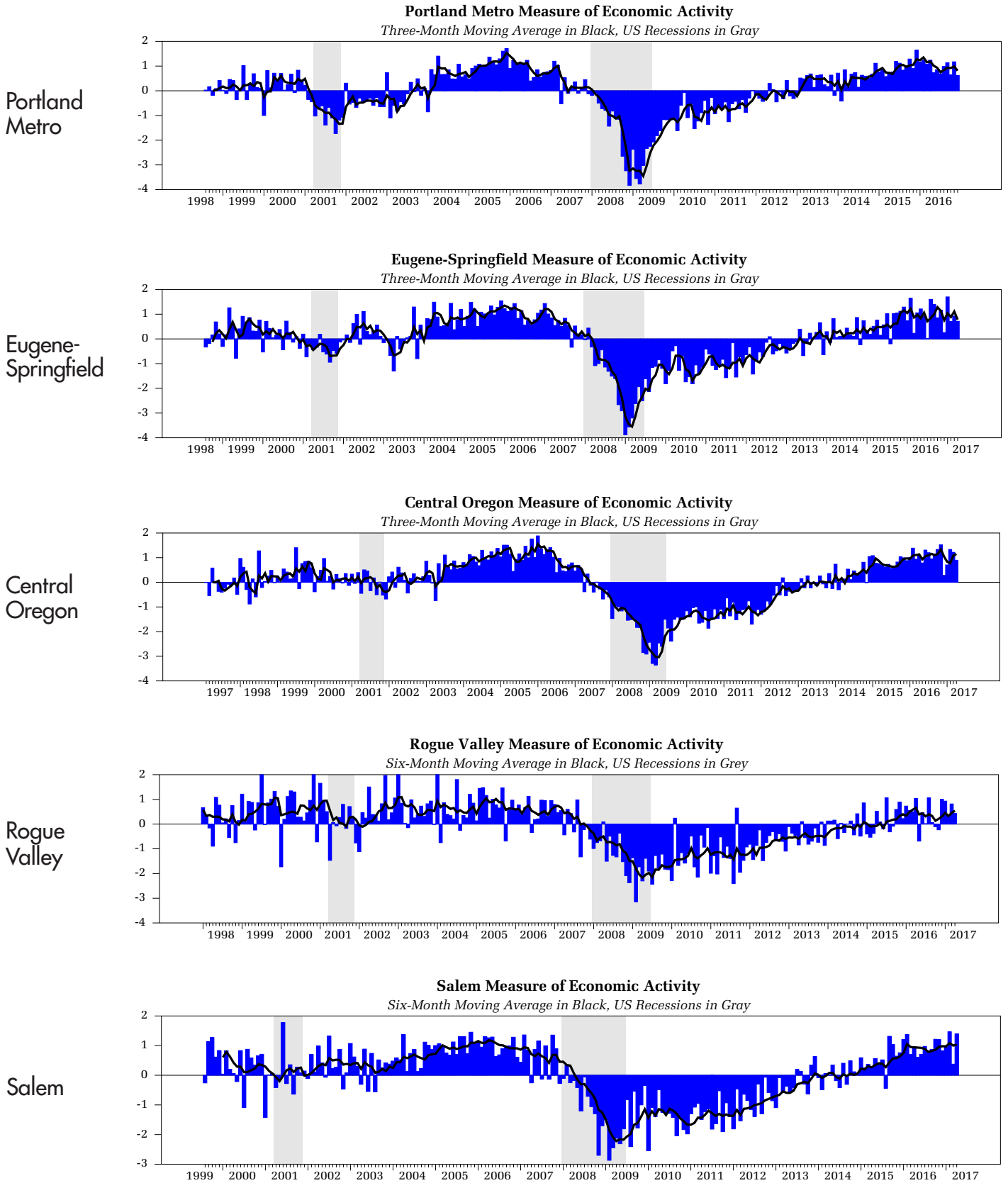
Local areas in Oregon continue to enjoy the benefits of sustained economic expansion. For all regions, moving average measures (which smooth monthly volatility) remain above zero, indicating above trend activity. Recall that these figures measure relative average growth; each region has its own underlying growth rate. Activity in the Portland metro region remains solid, although it has moderated somewhat since the latter part of 2015. New housing construction in the Eugene-Springfield region continues to contribute negatively to the measure despite a strong pace of home sales. Employment components were generally neutral in April but the broad labor indications point to a solid jobs market. Central Oregon saw only a neutral contribution from housing permits. Low unemployment, low initial claims, and municipal waste all made significant positive contributions. Both the Rogue Valley and Salem measures received large boosts from very low unemployment rates and rapid labor force growth. New home permits in Salem made a positive contribution due to a jump in multifamily housing permits; these are often reversed in the subsequent months as apartment permitting tends to be lumpy.

### Contributions to Regional Indexes – April 2017

	Portland-Vancouver-Beaverton	Eugene-Springfield	Central Oregon	Rogue Valley	Salem
New Private Housing Units Authorized by Permits	0.00	-0.22	-0.01	-0.10	0.06
Educational and Health Services Employment	-0.02	0.03	-0.03	0.07	-0.04
Financial Activities Employment	-0.16	-0.01	-0.05	-0.13	-0.02
Government Employment	-0.01	-0.01	0.00	-0.07	-0.01
Information Employment	-0.03	-0.01	0.00	-0.02	0.00
Leisure and Hospitality Employment	0.05	0.02	0.00	0.03	0.00
Manufacturing Employment	0.10	-0.03	0.17	0.01	-0.01
Construction Employment	0.05	-0.02	-0.02	-0.11	0.09
Professional and Business Services Employment	-0.13	0.00	0.05	-0.04	0.10
Other Services Employment	-0.09	-0.04	-0.02	-0.06	0.08
Trade, Transportation, and Utilities Employment	0.19	0.03	-0.11	-0.04	-0.02
Civilian Labor Force	0.08	0.19	0.02	0.37	0.29
Unemployment Rate	0.17	0.33	0.29	0.47	0.51
Lodging Revenue, Inflation Adjusted	0.01	0.00	-0.05		0.02
Airport Passengers	0.00	-0.02	0.00	0.06	
Initial Unemployment Claims	0.26	0.28	0.25		
Residential Units Sold	0.04	0.16	0.17		0.33
Municipal Waste	0.14	0.03	0.22		
Home Price Index	0.04				
<b>Total</b>	<b>0.62</b>	<b>0.71</b>	<b>0.90</b>	<b>0.43</b>	<b>1.39</b>
<b>Moving Average of Recent Observations</b>	<b>0.81</b>	<b>0.78</b>	<b>1.15</b>	<b>0.54</b>	<b>1.03</b>

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