

Oregon Regional Economic Indexes™



November 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.

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Review

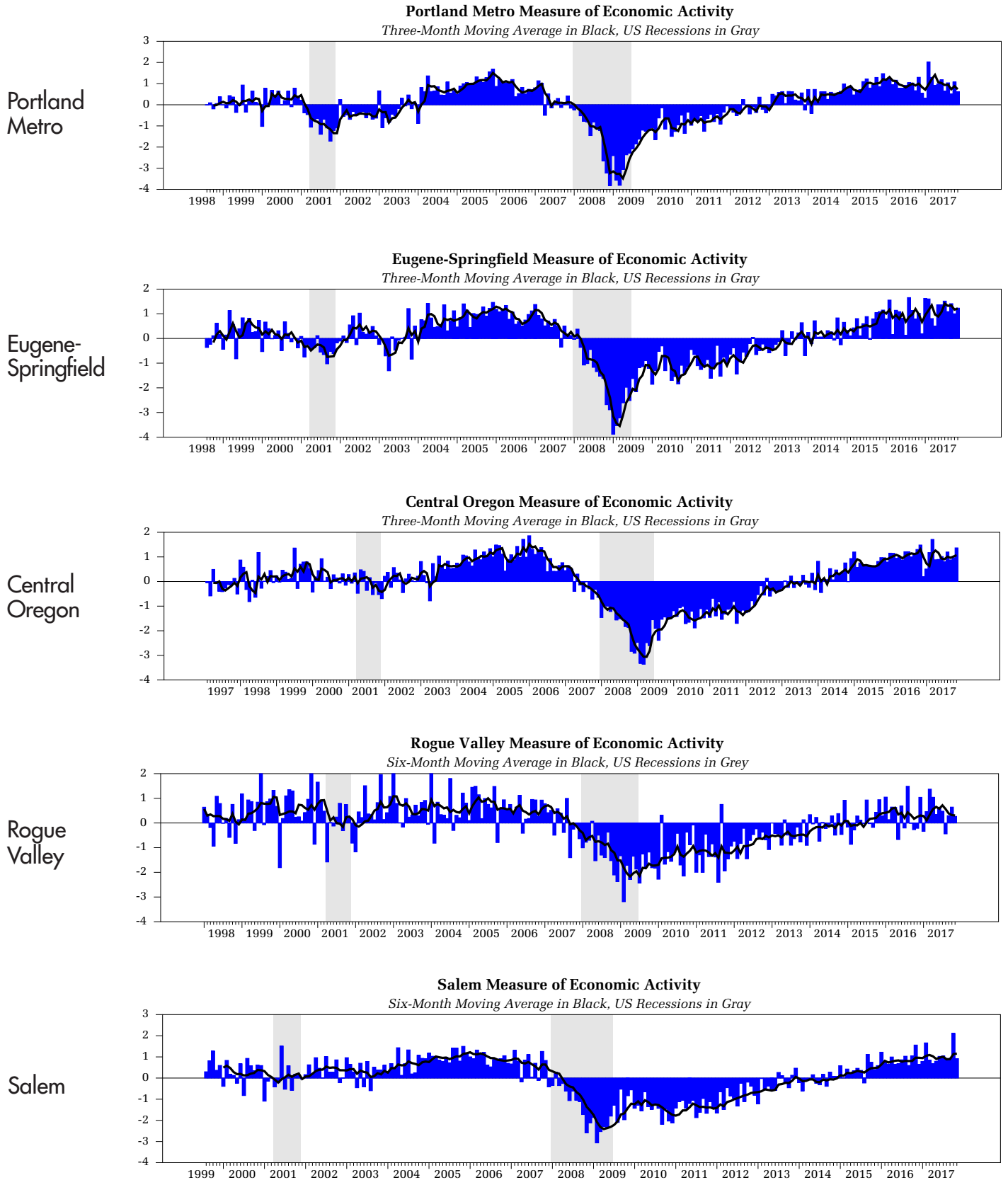
The economic outlook remains bright for Oregon’s major metropolitan areas. For all regions covered by this report, both raw and moving average measures (which smooth monthly volatility) remain above zero, indicating above trend pace of activity. The Portland metro area shows some signs of a moderating pace of growth, which is not surprising given the length of the recovery and the already low level of unemployment. Still, the low level of initial unemployment claims foreshadows continued job growth in the region, although the pace will likely be slower than earlier in the expansion. Indeed, slowing job growth is evident across all regions. The Eugene-Springfield measure remains buoyed by solid labor market metrics and housing sales; new housing construction remains weak compared to past cycles. The Central Oregon region maintains a solid overall pace of activity. The Rogue Valley continues to show steady growth with very low unemployment but persistently weak levels of new home construction. The Salem measures was supported by a rapid pace of home sales and low unemployment.

Contributions to Regional Indexes – November 2017

	Portland-Vancouver-Beaverton	Eugene-Springfield	Central Oregon	Rogue Valley	Salem
New Private Housing Units Authorized by Permits	0.15	-0.03	0.06	-0.23	0.04
Educational and Health Services Employment	0.02	-0.11	0.02	0.00	0.00
Financial Activities Employment	-0.12	0.04	-0.06	0.03	0.00
Government Employment	0.01	0.00	0.00	-0.06	0.02
Information Employment	-0.02	0.03	-0.01	0.16	0.00
Leisure and Hospitality Employment	-0.07	0.01	-0.08	-0.05	-0.01
Manufacturing Employment	-0.03	-0.02	0.00	0.05	0.14
Construction Employment	-0.04	0.05	0.02	0.10	0.14
Professional and Business Services Employment	-0.16	0.00	-0.01	-0.10	0.03
Other Services Employment	0.04	0.05	-0.05	-0.04	0.15
Trade, Transportation, and Utilities Employment	0.07	-0.02	-0.01	0.01	-0.53
Civilian Labor Force	0.00	0.01	0.00	-0.11	0.01
Unemployment Rate	0.17	0.31	0.25	0.44	0.51
Lodging Revenue, Inflation Adjusted	0.03	0.01	-0.10		-0.08
Airport Passengers	0.01	0.01	0.00	0.07	
Initial Unemployment Claims	0.21	0.28	0.29		
Residential Units Sold	0.16	0.43	0.16		0.51
Municipal Waste	0.18	0.19	0.24		
Home Price Index	0.01				
Total	0.61	1.23	1.37	0.27	0.92
Moving Average of Recent Observations	0.74	1.21	1.07	0.31	1.15

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