

Oregon Regional Economic Indexes™



October 2018

SPONSORED BY



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

Timothy A. Duy
 Director, Oregon Economic Forum
 Department of Economics
 University of Oregon
 541-346-4660 • duy@uoregon.edu
econforum.uoregon.edu

Review

Major regional economies in Oregon continued to enjoy solid growth in the final months of 2018. For all regions covered by this report, the raw and moving average measures (which smooth monthly volatility) were above zero, indicating an above-trend pace of activity (trend activity differs across regions) in October. Housing permits in both the Eugene-Springfield and Rogue Valley areas made substantial positive contributions on the back of likely temporary spikes of multifamily permits; remaining regions saw neutral to slightly positive contributions. Residential housing sales firmed a bit in October. The Eugene-Springfield measure received a boost from a large contribution from the municipal waste component. This is a temporary gain associated with the clean-up of a fuel spill in late October and early November and is consequently not associated with a change in the underlying pace of economic activity in the region. Labor markets remain strong. Exceptionally low unemployment rates continued to support the regional indexes while low initial unemployment claims indicate that job growth is likely to continue in the coming months.

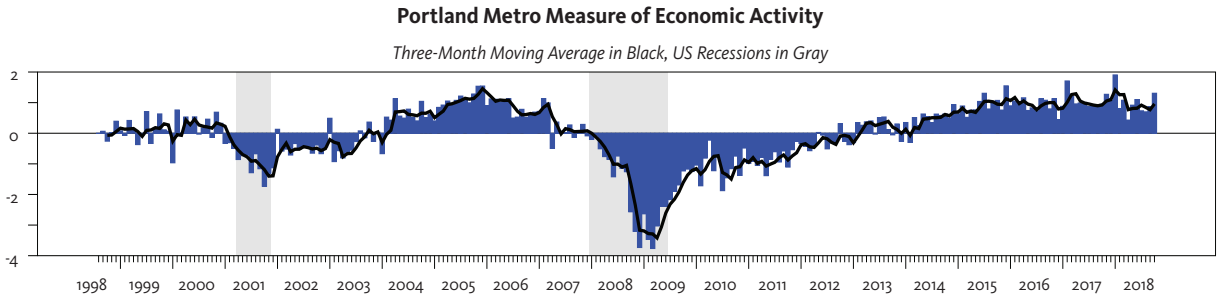
Contributions to Regional Indexes – October 2018

	Portland-Vancouver-Beaverton	Eugene-Springfield	Central Oregon	Rogue Valley	Salem
New Private Housing Units Authorized by Permits	0.06	0.23	0.06	0.31	0.02
Educational and Health Services Employment	-0.03	-0.06	0.00	-0.02	0.20
Financial Activities Employment	-0.25	-0.06	0.01	0.24	-0.10
Government Employment	0.00	0.00	0.00	-0.05	-0.02
Information Employment	0.11	0.01	-0.01	-0.01	-0.01
Leisure and Hospitality Employment	-0.04	-0.07	-0.10	0.17	0.01
Manufacturing Employment	0.07	0.09	-0.02	0.07	0.11
Construction Employment	0.01	0.22	0.00	-0.10	0.05
Professional and Business Services Employment	-0.01	-0.01	0.01	0.01	0.15
Other Services Employment	0.30	0.00	0.02	0.02	-0.03
Trade, Transportation, and Utilities Employment	0.27	-0.11	0.15	0.09	0.44
Civilian Labor Force	0.03	-0.07	0.00	-0.11	0.14
Unemployment Rate	0.18	0.27	0.25	0.37	0.39
Lodging Revenue, Inflation Adjusted	0.00	0.00	0.01		-0.01
Airport Passengers	0.00	0.00	0.00	0.02	
Initial Unemployment Claims	0.28	0.33	0.26		
Residential Units Sold	0.11	0.29	0.22		0.34
Municipal Waste	0.24	0.96	0.23		
Home Price Index	-0.02				
Total	1.31	2.00	1.09	1.01	1.69
Moving Average of Recent Observations	0.96	1.40	1.03	0.21	1.18

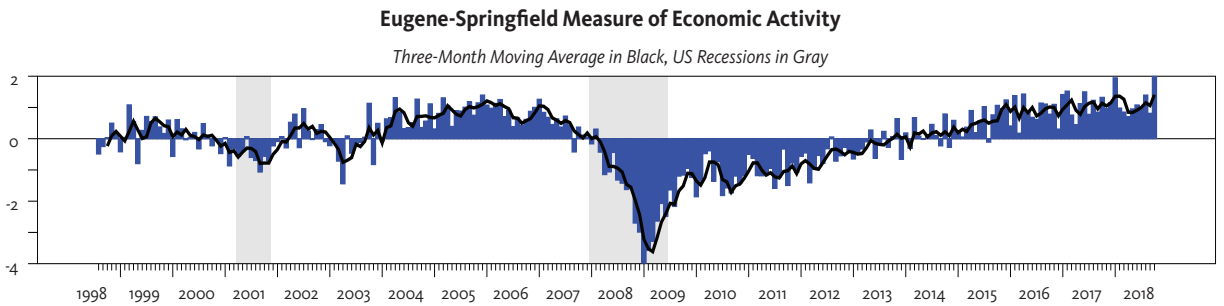
Oregon Regional Economic Indexes™

October 2018

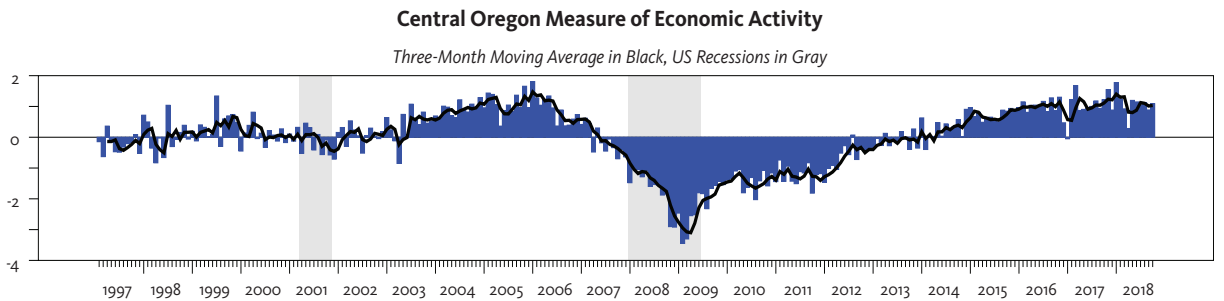
Portland Metro



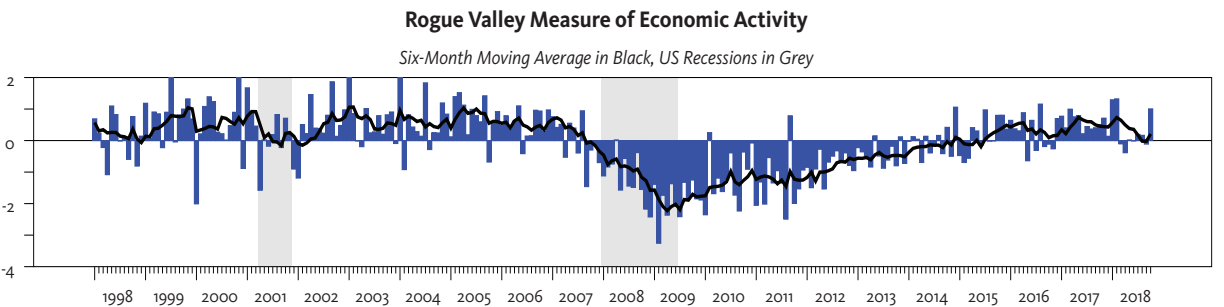
Eugene-Springfield



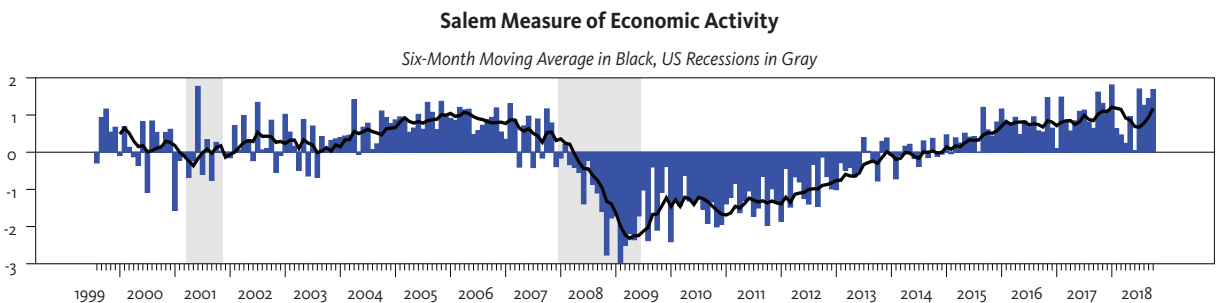
Central Oregon



Rogue Valley



Salem



COLLEGE OF ARTS + SCIENCES



oregon economic forum