

State of Oregon Economic Indicators™



November 2018

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How can I interpret the Oregon Measure of Economic Activity?

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. To reduce the noise, it is helpful to focus on the average of the most recent data.

Is this approach used elsewhere?

Yes, the Chicago Federal Reserve Bank uses the same basic approach to measure both national and regional economic activity.

What is the difference between the two measures?

The Oregon Measure of Economic Activity uses a methodology that allows for the incorporation of a larger number of variables. The University of Oregon Index of Economic Indicators focuses on a narrower set of variables using a different methodology used by the Conference Board to compute leading indicators for the United States. Using different indicators allows for a more complete picture of the Oregon economy.

Review

The Oregon Measure of Economic Activity fell to 0.50 in November from an upwardly revised October reading of 0.90. The moving average measure, which smooths out the volatility, was 0.76, well above average (“zero” indicates average growth over the 1990-present period). Only the service sector made a negative contribution to the measure; the contributions from the construction and manufacturing sectors were just slightly positive. The household sector made a large positive contribution, buoyed the broad labor market indicators of unemployment and initial claims as well as consumer confidence. Still, softer job growth weighed on the services sector component.

The University of Oregon Index of Economic Indicators was again flat in November as many indicators held fairly steady or moved in small but opposite directions. For example, employment services payrolls (mostly

temporary help jobs) climbed while initial unemployment claims also rose. The latter, however, remains at historically very low levels. Building permits firmed in October and November after disappointing earlier in the year. Capital goods orders edged down while the interest rate spread narrowed somewhat.

The decline in the UO Index in recent months is not sufficient to raise recession concerns. Together, these indicators still suggest ongoing growth in Oregon at an above average pace of activity.

The partial government shutdown delayed the release of data used in this report. This report will be updated as additional data is released.

Contributions to Oregon Measure of Economic Activity—November 2018

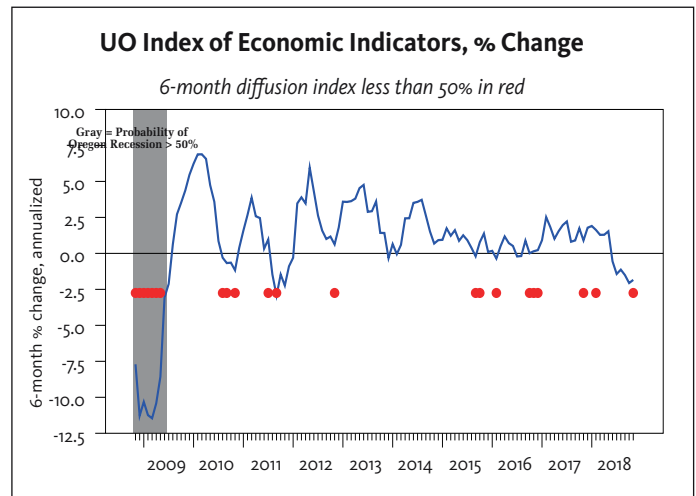
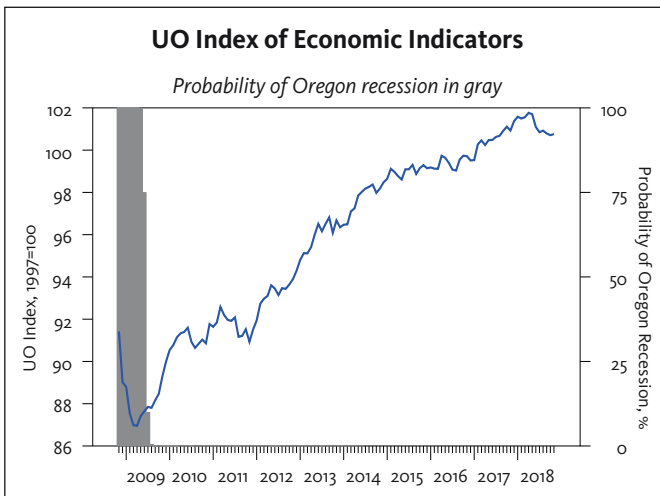
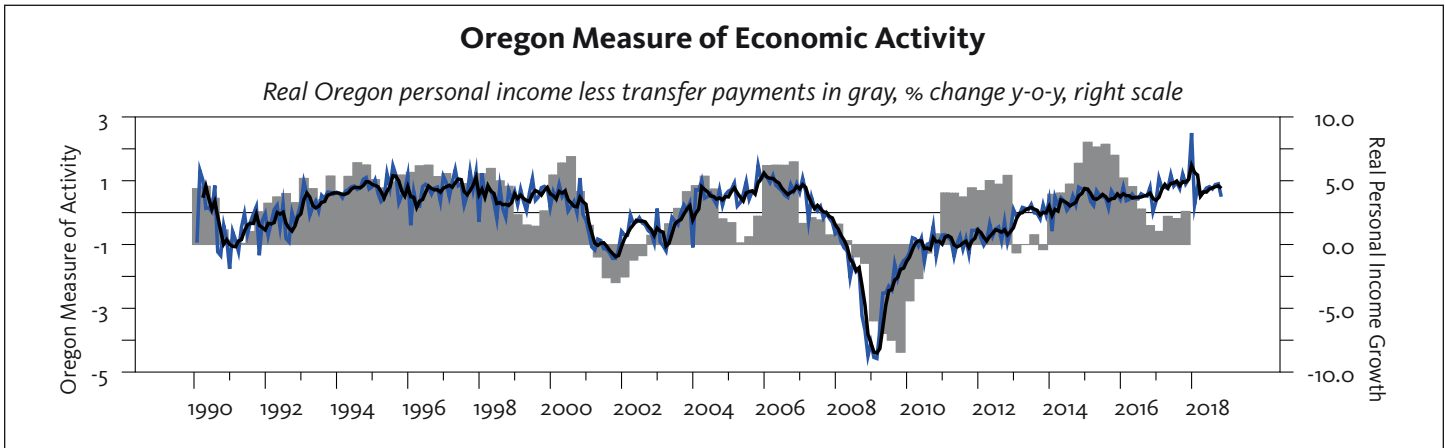
	Manufacturing	Construction	Households	Services
ISM Manufacturing: Imports Index	0.04			
ISM Manufacturing: Supplier Deliveries Index	0.12			
Manufacturing Employment, Oregon	0.00			
Hours, Manufacturing Production Workers, Oregon	-0.11			
Manufacturing Exports, Oregon	-0.01			
New Private Housing Units Authorized by Building Permit, Oregon		0.04		
Construction Employment in Oregon		0.01		
Natural Resources and Mining Employment, Oregon		0.01		
Employment Services Employment, Oregon			0.07	
Initial Unemployment Claims, Oregon			0.29	
Civilian Labor Force, Oregon			0.00	
Unemployment Rate, Oregon			0.19	
Interest Rate Spread			0.04	
S & P 500 Stock Index			-0.03	
Consumer Sentiment, University of Michigan—Reuters			0.11	
Educational and Health Services Employment, Oregon				-0.02
Financial Activities Employment, Oregon				0.02
Government Employment, Oregon				0.00
Leisure and Hospitality Employment, Oregon				-0.03
Professional and Business Services Employment, Oregon				0.10
Other Services Employment, Oregon				-0.13
Trade, Transportation and Utilities Employment, Oregon				-0.20
Total by Sector	0.04	0.06	0.66	-0.26
	Sep '18	Oct '18	Nov '18	
Oregon Measure of Economic Activity	0.88	0.90	0.50	
Three-Month Moving Average	0.81	0.84	0.76	

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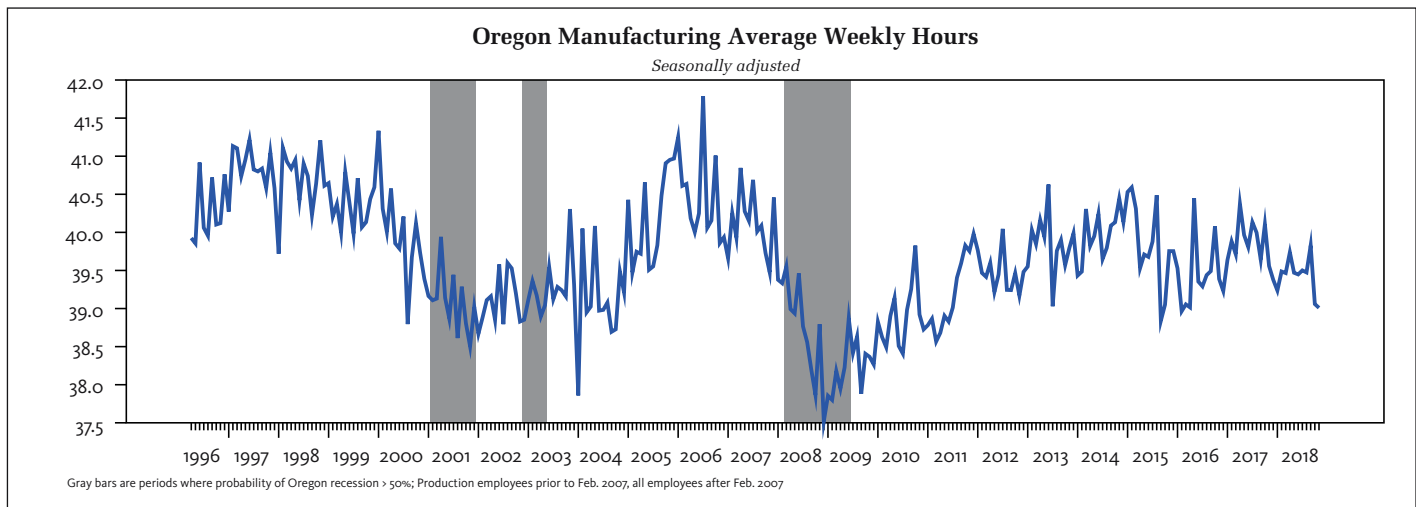
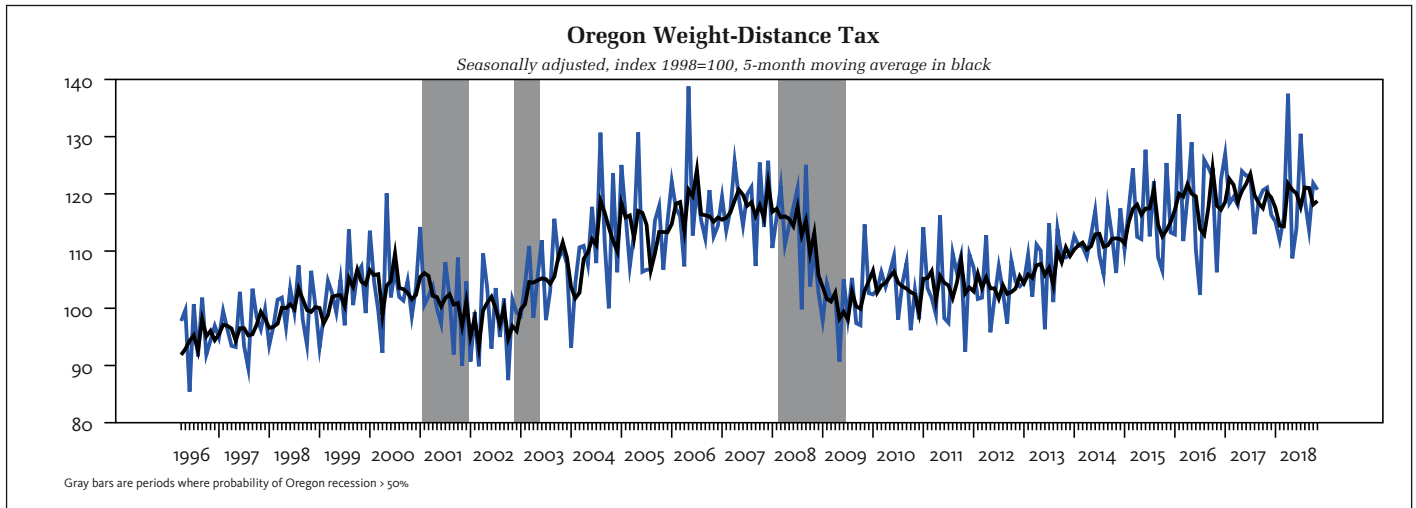
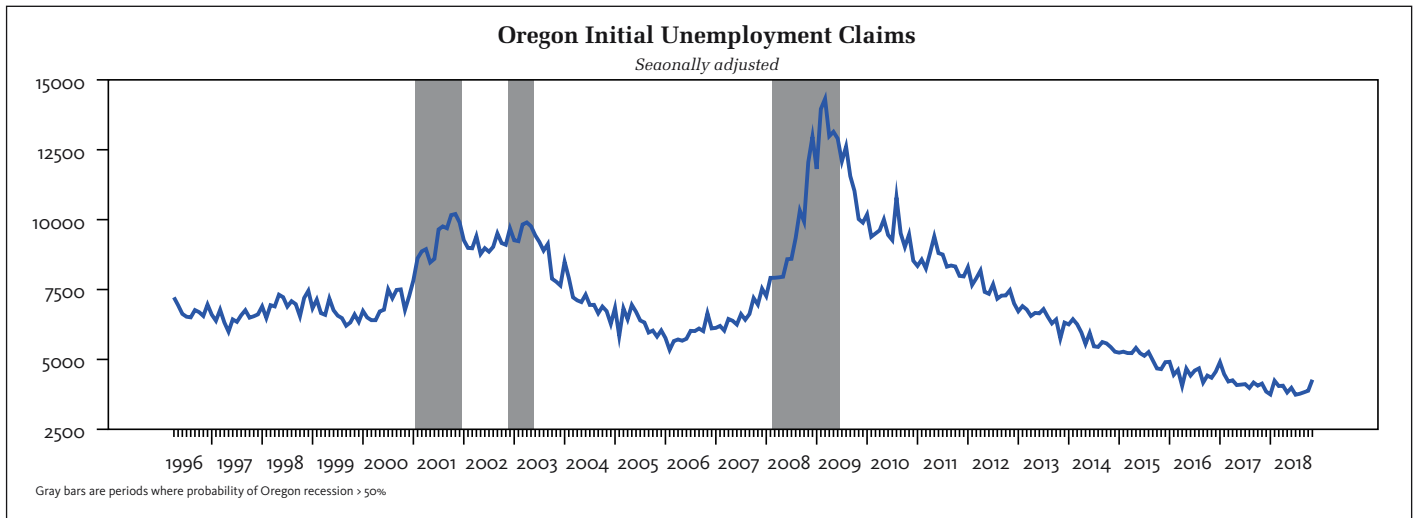


University of Oregon Index of Economic Indicators—Summary and Components

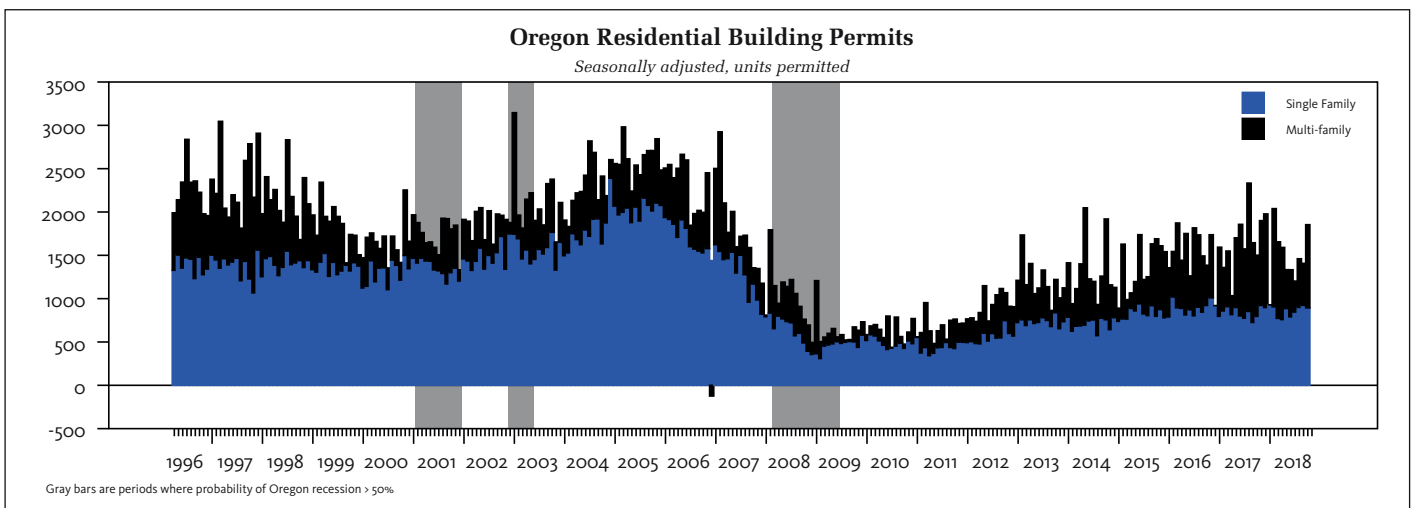
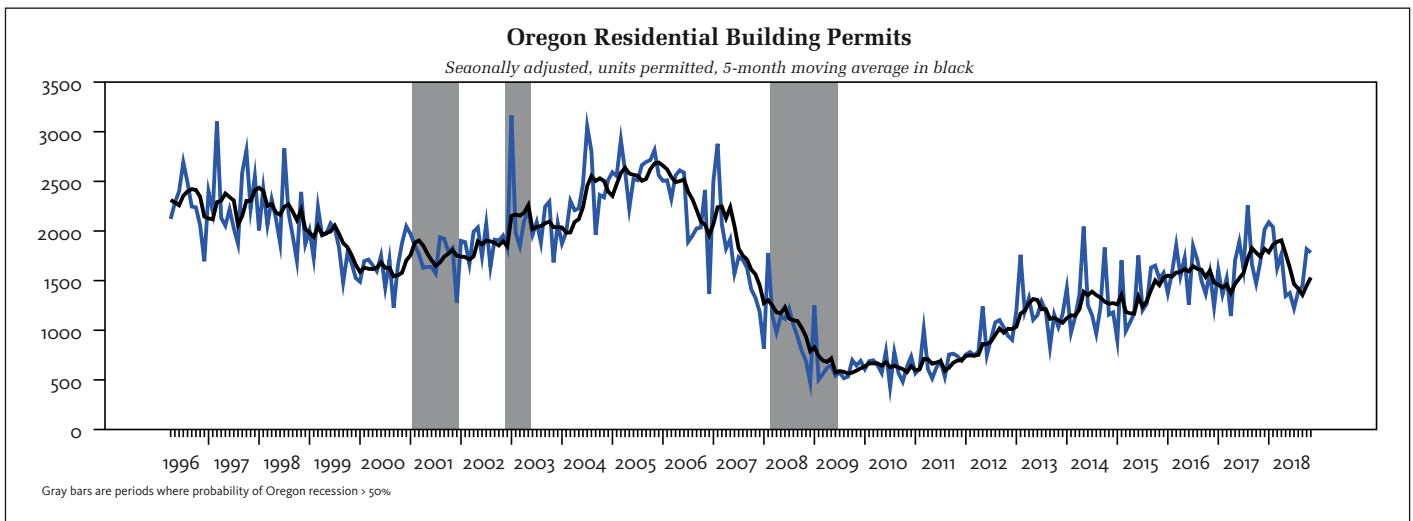
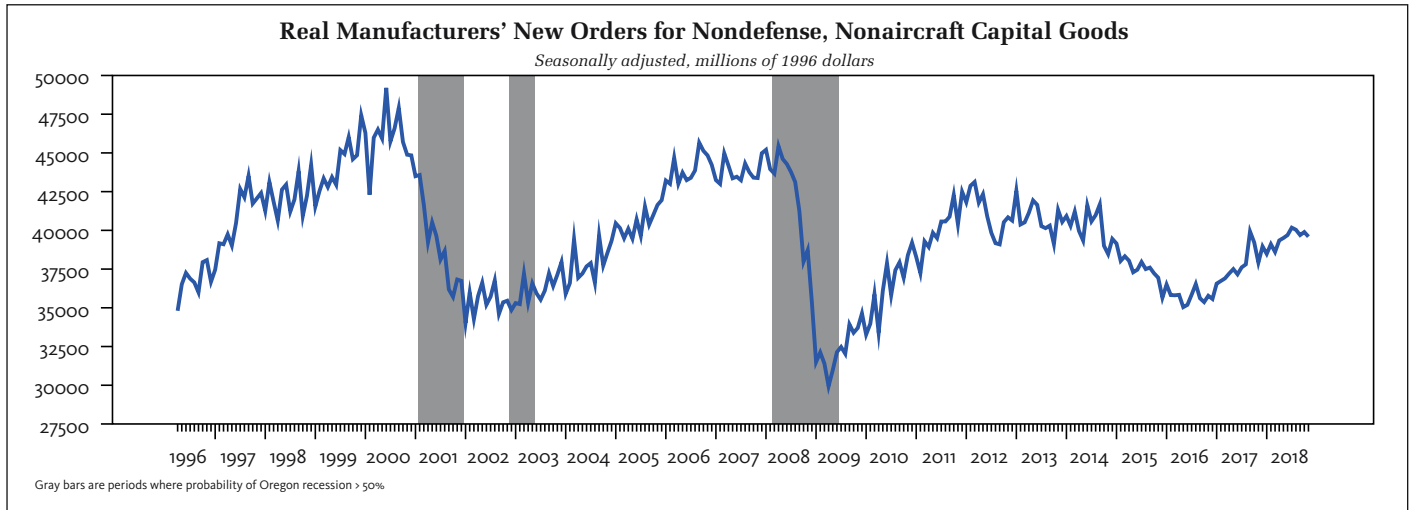
	Jun '18	Jul '18	Aug '18	Sep '18	Oct '18	Nov '18
UO Index of Economic Indicators™, 1997 = 100	101.1	100.8	100.9	100.8	100.7	100.8
Percentage Change	-0.6	-0.2	0.1	-0.1	-0.1	0.0
Oregon Initial Unemployment Claims, SA*	3,983	3,737	3,771	3,824	3,879	4,274
Oregon Employment Services Payrolls, SA	41,326	41,496	42,186	41,806	42,432	43,448
Oregon Residential Building Permits, SA, 5 MMA*	1,629	1,466	1,419	1,356	1,450	1,532
Oregon Weight-Distance Tax, SA, Index, 1998 = 100	120.06	117.73	121.11	121.03	118.14	118.75
Oregon Manufacturing Average Weekly Hours, SA	39.45	39.50	39.47	39.83	39.06	39.01
US Consumer Sentiment, SA, 5 MMA	99.2	98.9	97.8	98.1	98.2	98.1
Real Manufacturers' New Orders for Non-defense, Non-aircraft Capital Goods, \$ Millions, SA	39,696	40,174	40,038	39,694	39,892	39,593
Interest Rate Spread	1.09	0.98	0.98	1.05	0.96	0.92

SA = Seasonally Adjusted, MMA = Months Moving Average

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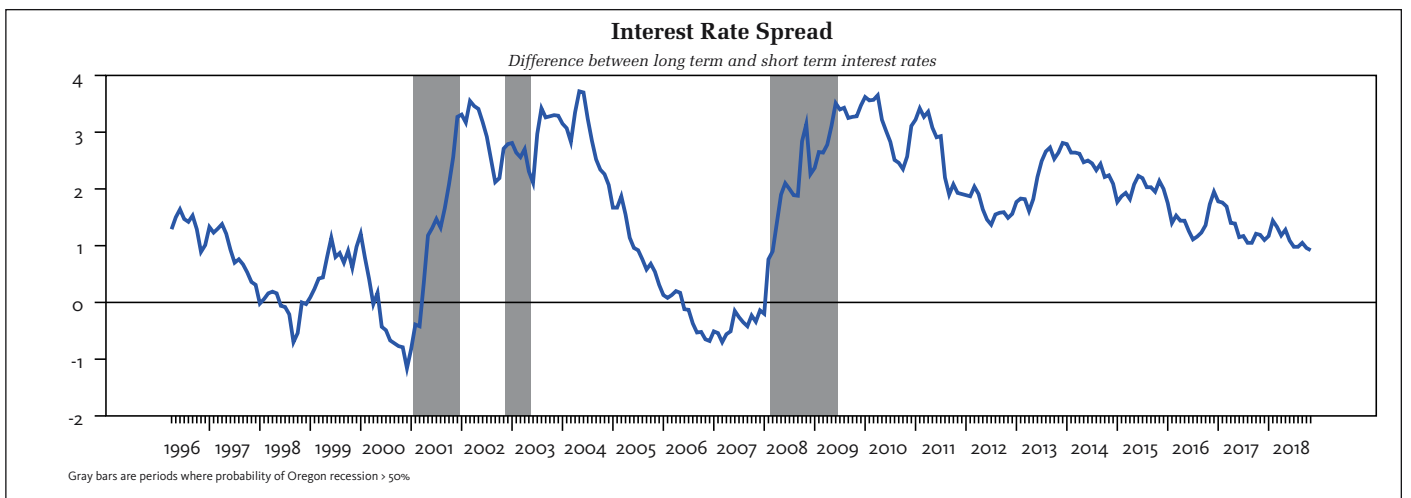
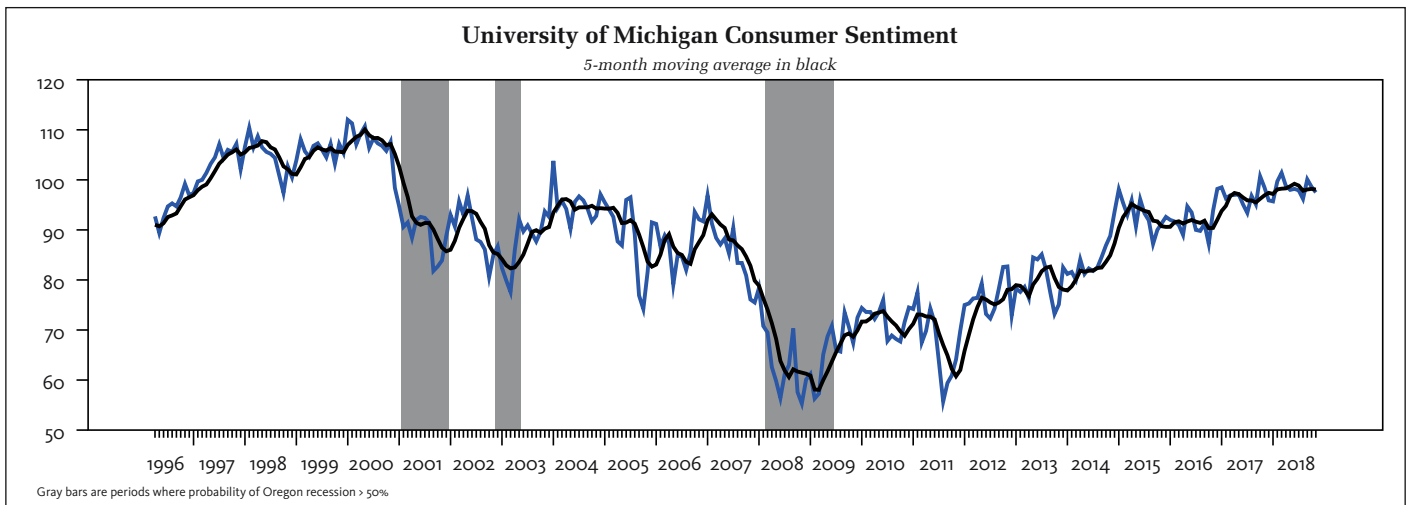
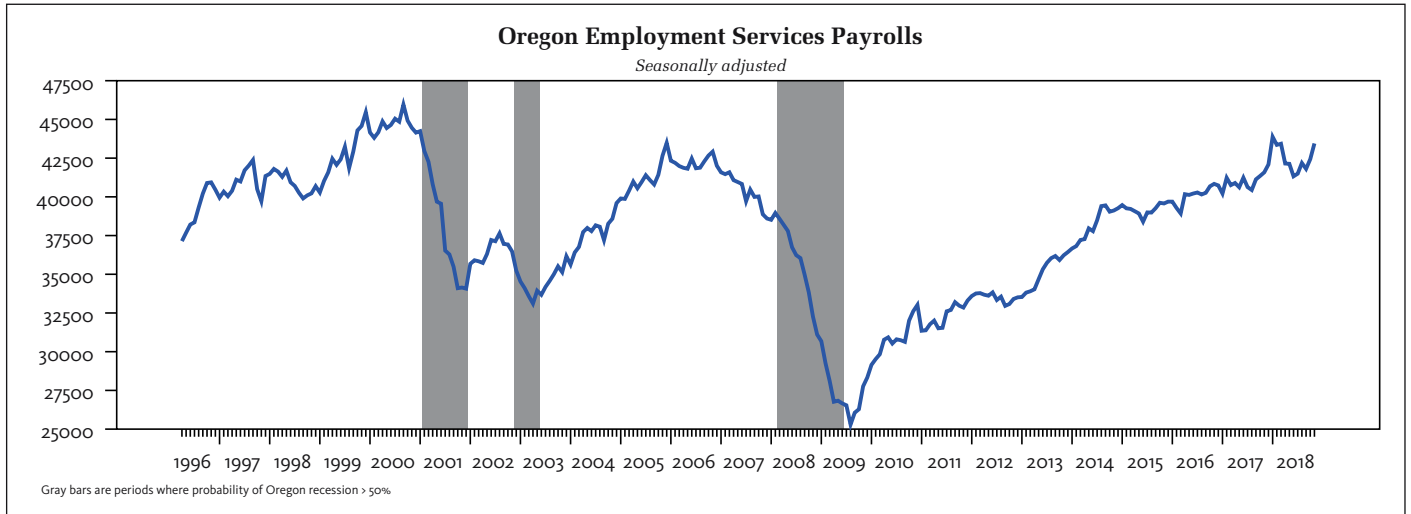


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