

Oregon Regional Economic Indexes™



February 2019

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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

Regional measures of economic activity were mixed in February but mostly softer compared to previous months. For all regions covered by this report, moving average measures (which smooth monthly volatility) were above zero, indicating an above-trend pace of activity (trend activity differs across regions). The Portland metro region experienced a rare negative outcome in February; the decline was largely attributable to weaker employment numbers. In addition, a slower housing market creates a smaller contribution; slower home price appreciation in fact caused a slight negative contribution while the contribution from home sales remains positive. Weak employment components weighed on other regions as well. Although employment growth in Oregon has slowed, unemployment rates remain low and contribute positively to measures of activity. We may be seeing greater supply side constraints in the labor market; after nearly ten years of economic expansion, the available labor pool may have shrunk sufficiently to impede hiring. Airport passengers made a negative contribution to the Eugene-Springfield measure, but this is likely attributable to the region’s February snowstorm.

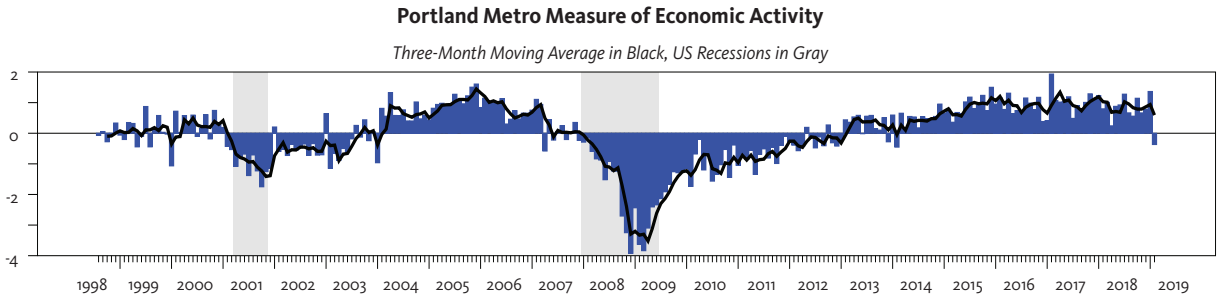
Contributions to Regional Indexes – February 2019

	Portland-Vancouver-Beaverton	Eugene-Springfield	Central Oregon	Rogue Valley	Salem
New Private Housing Units Authorized by Permits	0.15	0.08	-0.04	-0.16	0.10
Educational and Health Services Employment	-0.13	-0.07	-0.03	-0.17	-0.03
Financial Activities Employment	0.11	0.06	0.05	0.31	0.06
Government Employment	0.00	-0.02	0.00	0.00	0.00
Information Employment	-0.08	0.01	0.00	0.00	0.01
Leisure and Hospitality Employment	-0.13	-0.06	0.02	-0.08	-0.02
Manufacturing Employment	-0.02	0.04	0.16	0.29	-0.02
Construction Employment	-0.06	-0.16	0.01	-0.20	-0.07
Professional and Business Services Employment	-0.06	0.00	-0.02	0.02	-0.03
Other Services Employment	-0.22	-0.01	-0.02	0.00	0.17
Trade, Transportation, and Utilities Employment	-0.38	-0.10	-0.10	0.10	-0.06
Civilian Labor Force	0.00	-0.03	0.00	0.02	0.13
Unemployment Rate	0.14	0.23	0.21	0.33	0.34
Lodging Revenue, Inflation Adjusted	-0.05	0.00	-0.03		0.01
Airport Passengers	0.00	-0.06	0.00	-0.02	
Initial Unemployment Claims	0.22	0.23	-0.02		
Residential Units Sold	0.12	0.33	0.14		0.29
Municipal Waste	0.06	-0.01	0.04		
Home Price Index	-0.02				
Total	-0.37	0.45	0.37	0.45	0.86
Moving Average of Recent Observations	0.59	0.89	0.92	0.50	0.94

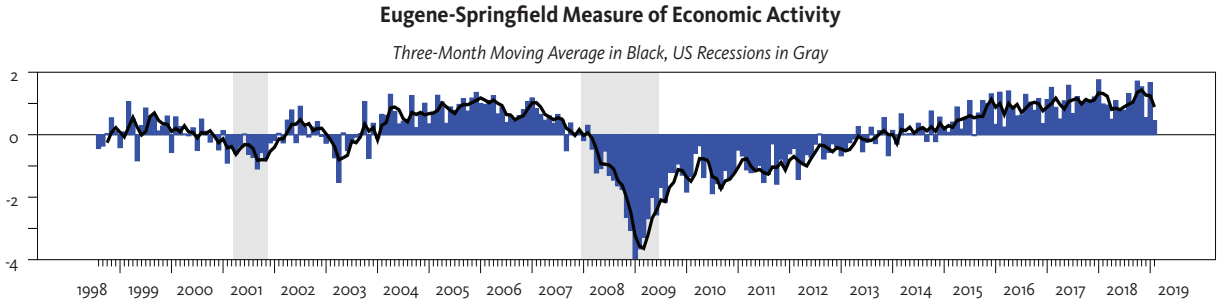
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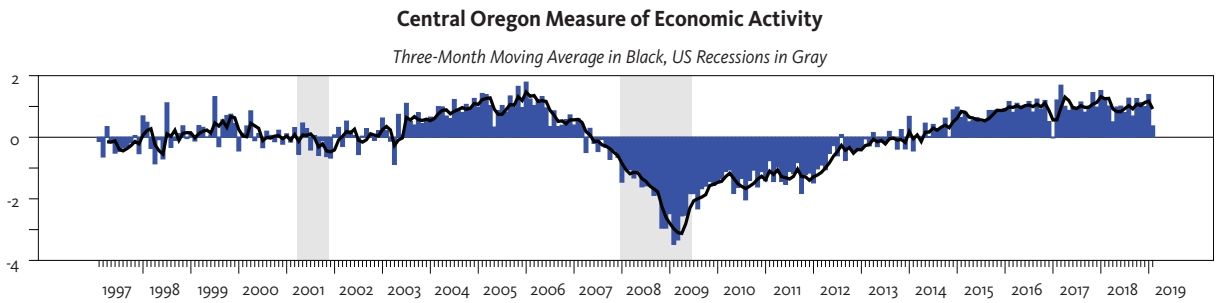
Portland Metro



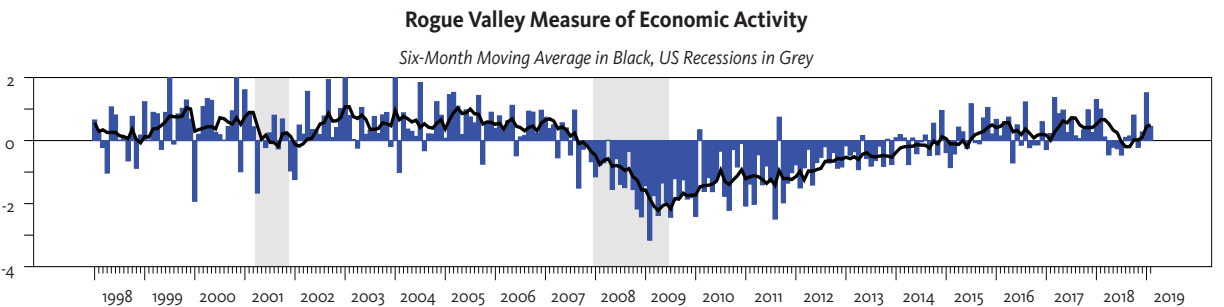
Eugene-Springfield



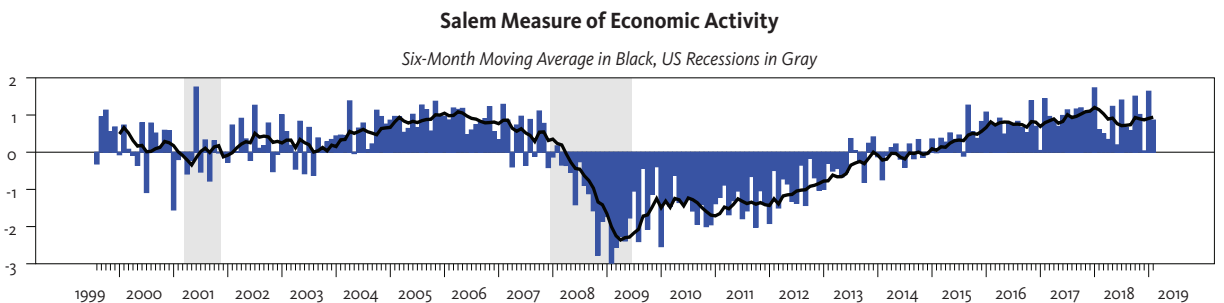
Central Oregon



Rogue Valley



Salem



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