

# Oregon Regional Economic Indexes™



March 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 again mixed in March as job growth slowed in most metro areas. Still, for all regions covered by this report, raw and moving average measures (which smooth monthly volatility) were above zero, indicating an above-trend pace of activity (trend activity differs across regions). The February decline in the Portland area measure was revised upward into positive territory. The region, however, is exhibiting signs of slower growth in the form of softer jobs numbers, housing sales, and home prices. New home construction activity has picked up. Similar factors are weighing on the Eugene and Central Oregon measures. The latter region has experienced an uptick in initial unemployment claims in recent months; note that national claims data has been volatile lately as well, although this bears watching to see if develops into a broader trend. The Salem area measure remains solid while the Rogue Valley has firmed in recent months. All regions experience negative or neutral contributions from the labor force component; growth in the available workforce has slowed in recent months.

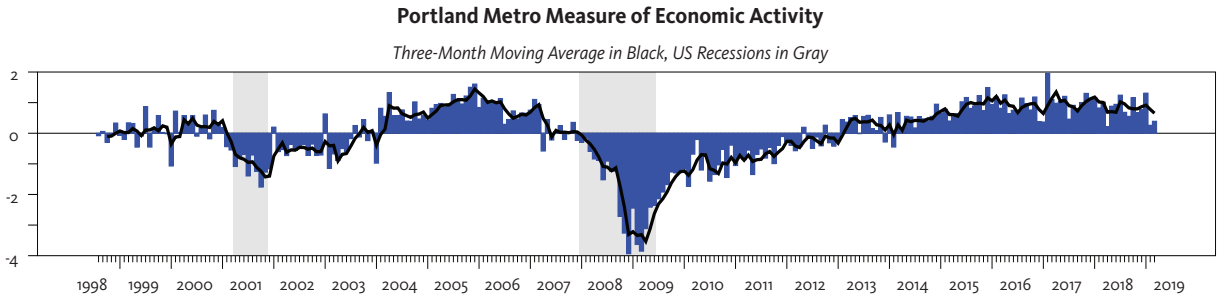
### **Contributions to Regional Indexes – March 2019**

	Portland-Vancouver-Beaverton	Eugene-Springfield	Central Oregon	Rogue Valley	Salem
New Private Housing Units Authorized by Permits	0.14	0.03	-0.01	-0.05	0.10
Educational and Health Services Employment	0.03	0.02	0.00	-0.03	0.00
Financial Activities Employment	-0.29	-0.06	-0.01	-0.01	0.01
Government Employment	0.00	-0.01	0.08	-0.01	0.00
Information Employment	-0.02	0.00	0.02	-0.02	0.01
Leisure and Hospitality Employment	-0.02	0.02	-0.01	0.03	0.03
Manufacturing Employment	0.01	0.02	-0.08	-0.16	0.01
Construction Employment	-0.01	0.05	0.05	0.10	-0.04
Professional and Business Services Employment	0.03	-0.07	-0.10	0.04	0.20
Other Services Employment	0.01	0.01	0.00	0.01	0.06
Trade, Transportation, and Utilities Employment	0.07	-0.02	0.03	0.14	0.26
Civilian Labor Force	-0.02	-0.03	0.00	-0.05	-0.02
Unemployment Rate	0.14	0.23	0.19	0.33	0.34
Lodging Revenue, Inflation Adjusted	0.05	0.00	0.02		-0.01
Airport Passengers	0.00	0.06	0.00	0.04	
Initial Unemployment Claims	0.16	0.07	-0.07		
Residential Units Sold	0.04	0.08	0.12		0.21
Municipal Waste	0.13	0.22	0.14		
Home Price Index	-0.04				
<b>Total</b>	<b>0.39</b>	<b>0.61</b>	<b>0.38</b>	<b>0.37</b>	<b>1.16</b>
<b>Moving Average of Recent Observations</b>	<b>0.65</b>	<b>1.37</b>	<b>0.65</b>	<b>0.50</b>	<b>0.97</b>

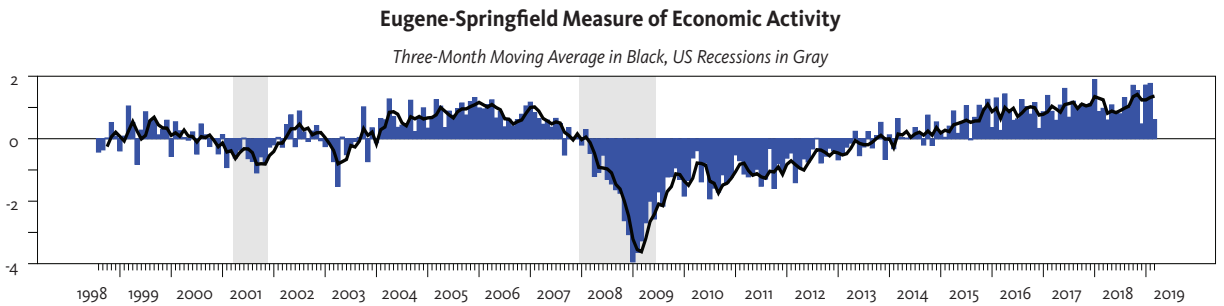
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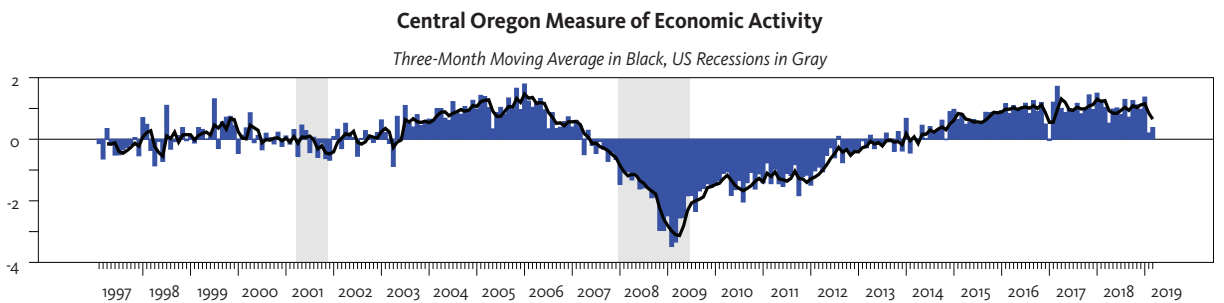
Portland Metro



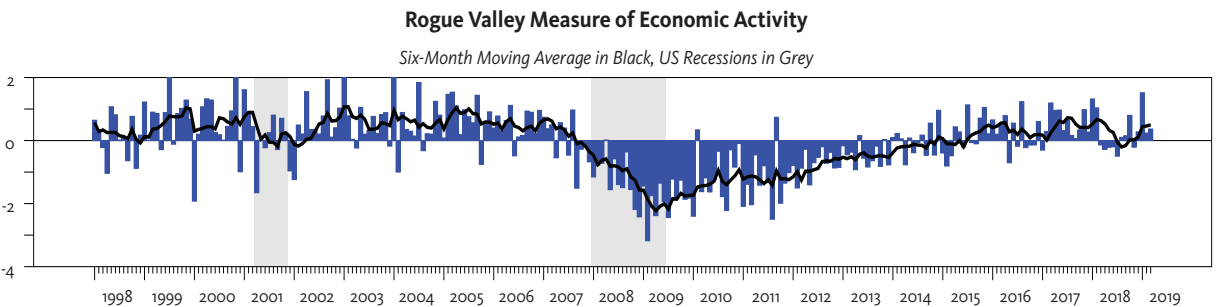
Eugene-Springfield



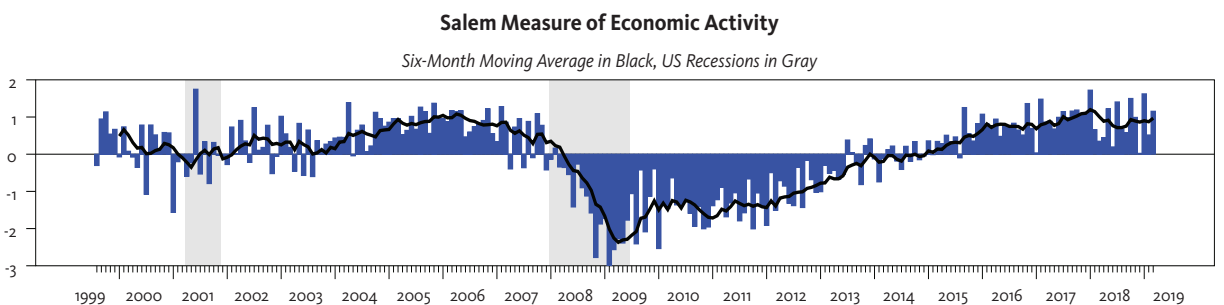
Central Oregon



Rogue Valley



Salem



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