

# Oregon Regional Economic Indexes™



May 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 economies gained some momentum in May on the back of generally solid employment measures. 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 housing story remains mixed with the Portland and Salem areas posting positive contributions from new permits and Central Oregon a neutral contribution while other regions saw negative contributions. Residential sales of housing generally made positive contributions across all areas. While home sales have firmed in recent months, housing price growth has slowed in the Portland area enough to cause that component to make a small negative contribution. Labor force growth has slowed in most areas but made a positive contribution to the Rogue Valley measure; generally softer labor force growth, if sustained, will leave firms scrambling to attract and keep employees. Low levels of initial claims supports a positive contribution and indicates that the number of jobs will continue to grow in the metro areas. Municipal waste measures have picked up as regional economic growth strengthened relative to earlier in the year.

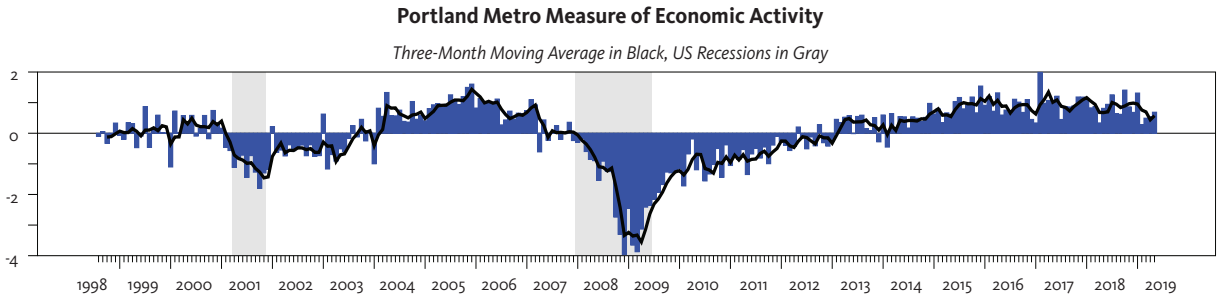
### **Contributions to Regional Indexes – May 2019**

	Portland-Vancouver-Beaverton	Eugene-Springfield	Central Oregon	Rogue Valley	Salem
New Private Housing Units Authorized by Permits	0.13	-0.08	0.02	-0.21	0.14
Educational and Health Services Employment	-0.02	-0.07	-0.01	-0.04	-0.01
Financial Activities Employment	-0.07	-0.07	-0.03	-0.06	-0.04
Government Employment	0.00	0.00	0.00	0.02	-0.02
Information Employment	0.05	0.01	-0.01	-0.03	-0.01
Leisure and Hospitality Employment	0.00	-0.03	-0.02	0.06	0.02
Manufacturing Employment	-0.05	0.03	-0.02	0.02	0.02
Construction Employment	0.07	0.05	0.10	0.41	0.03
Professional and Business Services Employment	0.00	-0.01	-0.04	0.00	0.05
Other Services Employment	0.01	-0.01	-0.01	-0.05	0.00
Trade, Transportation, and Utilities Employment	-0.01	0.08	0.03	0.08	-0.16
Civilian Labor Force	-0.04	-0.03	-0.01	0.10	0.02
Unemployment Rate	0.16	0.31	0.26	0.41	0.44
Lodging Revenue, Inflation Adjusted	0.00	0.01	0.00		0.00
Airport Passengers	0.01	-0.01	0.00	-0.08	
Initial Unemployment Claims	0.19	0.25	0.14		
Residential Units Sold	0.13	0.33	0.22		0.44
Municipal Waste	0.16	0.27	0.23		
Home Price Index	-0.03				
<b>Total</b>	<b>0.69</b>	<b>1.01</b>	<b>0.86</b>	<b>0.63</b>	<b>0.94</b>
<b>Moving Average of Recent Observations</b>	<b>0.57</b>	<b>1.01</b>	<b>0.59</b>	<b>0.49</b>	<b>0.95</b>

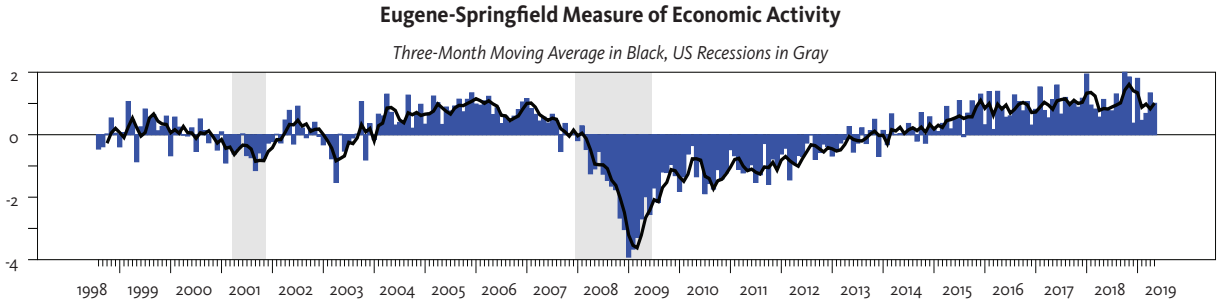
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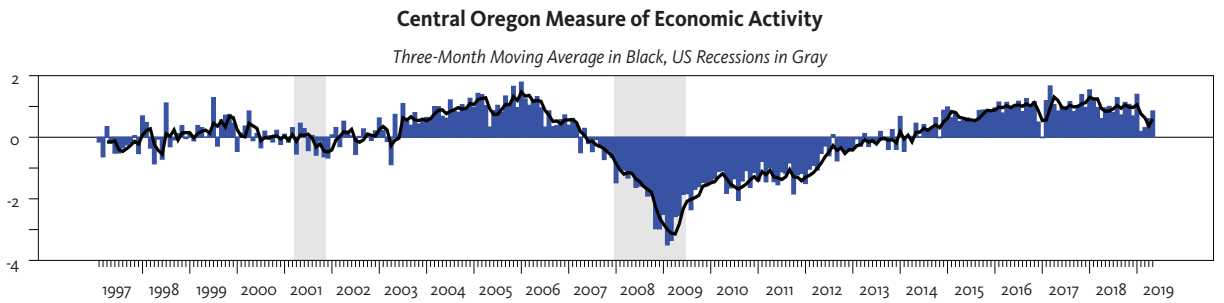
Portland Metro



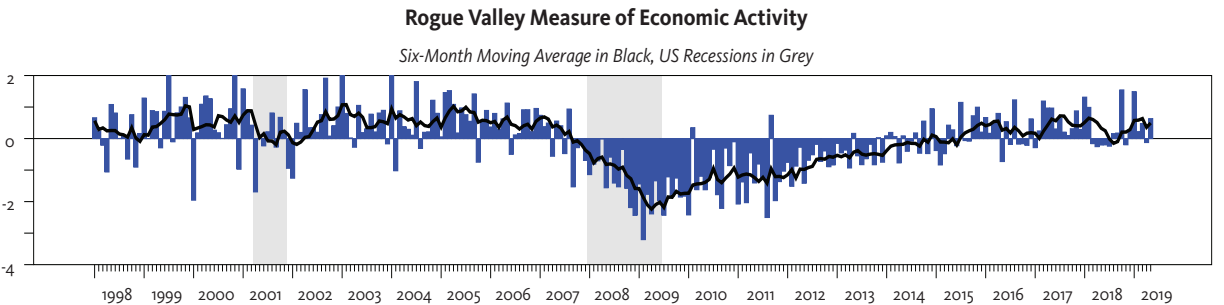
Eugene-Springfield



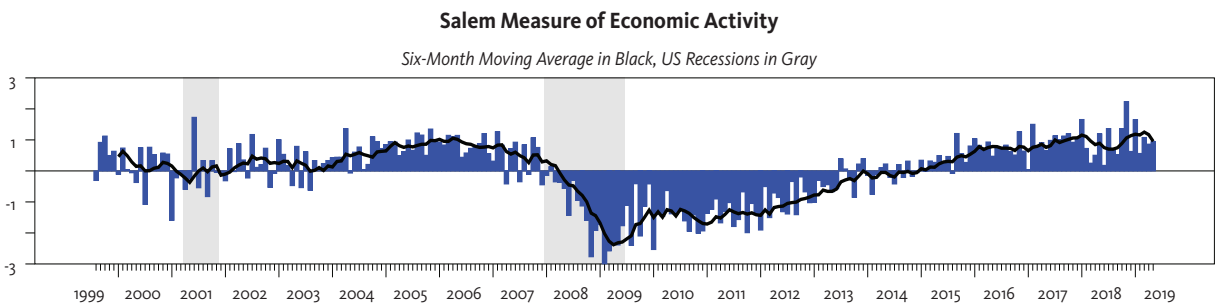
Central Oregon



Rogue Valley



Salem



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