

Oregon Regional Economic Indexes™



August 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 continue to post solid data consistent with ongoing economic growth. 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 Rogue Valley area experienced a negative reading for the month due to weak housing permits but the underlying story still holds (steady albeit subdued growth relative to the pre-recession period). All other regions experience neutral to positive contributions from housing components; the shakiness in regional (and national) housing markets experienced around the turn of the year appears to have largely dissipated. Low employment rates and low levels of initial unemployment claims both indicate healthy regional labor markets. Employment data, however, has been mixed. This data, however, is subject to potentially large revisions; job growth may be revised upwards in future releases. Slowing job growth, however, might also indicate the economy is increasingly running up against supply side constraints. If the expansion continues, firms may be in store for a protracted period of tight labor markets.

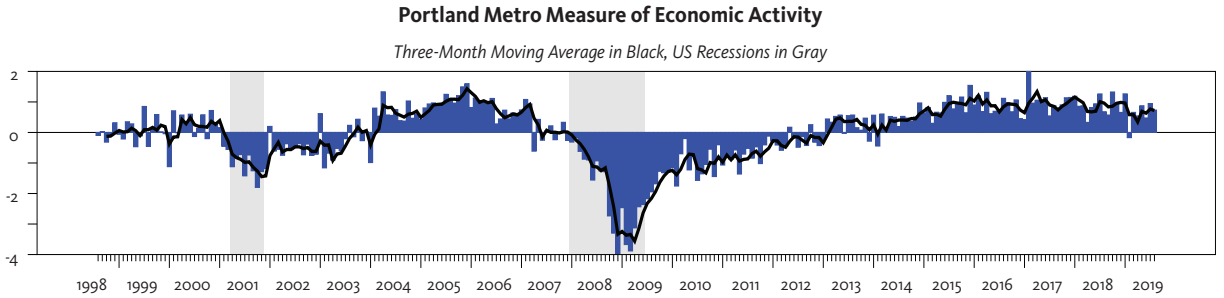
Contributions to Regional Indexes – August 2019

	Portland-Vancouver-Beaverton	Eugene-Springfield	Central Oregon	Rogue Valley	Salem
New Private Housing Units Authorized by Permits	0.09	0.00	0.07	-0.46	0.07
Educational and Health Services Employment	0.00	-0.02	0.00	-0.20	-0.01
Financial Activities Employment	0.14	-0.02	0.01	0.10	0.00
Government Employment	0.00	0.01	0.00	-0.01	0.03
Information Employment	-0.02	0.00	0.00	0.01	-0.01
Leisure and Hospitality Employment	-0.07	0.04	-0.01	-0.10	0.00
Manufacturing Employment	0.02	0.06	0.03	-0.12	-0.15
Construction Employment	-0.04	0.10	0.02	0.02	-0.05
Professional and Business Services Employment	0.13	0.07	-0.02	0.08	-0.10
Other Services Employment	-0.07	0.00	-0.03	0.01	-0.20
Trade, Transportation, and Utilities Employment	-0.10	0.02	0.03	-0.07	-0.11
Civilian Labor Force	0.04	0.13	0.01	0.01	0.01
Unemployment Rate	0.14	0.24	0.22	0.33	0.36
Lodging Revenue, Inflation Adjusted	0.00	0.02	-0.03		0.01
Airport Passengers	0.00	-0.01	0.00	-0.02	
Initial Unemployment Claims	0.23	0.36	0.16		
Residential Units Sold	0.09	0.26	0.20		0.43
Municipal Waste	0.16	0.49	0.23		
Home Price Index	-0.01				
Total	0.73	1.75	0.90	-0.42	0.28

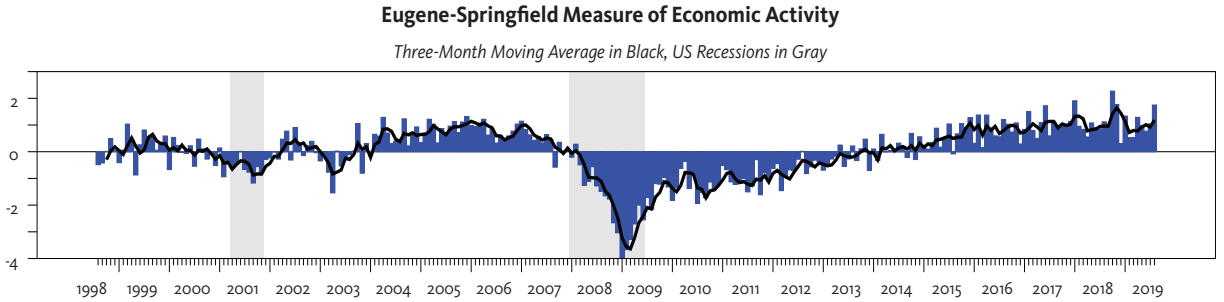
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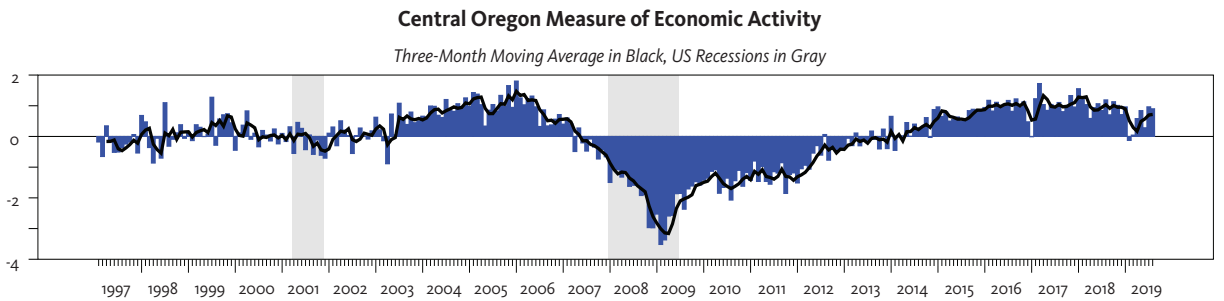
Portland Metro



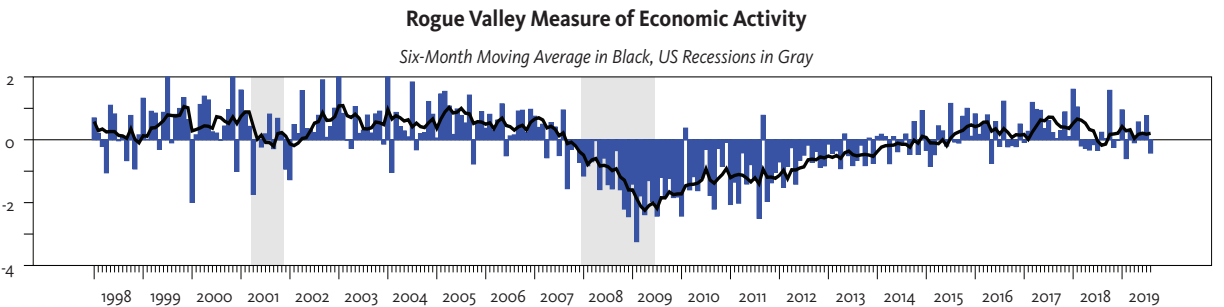
Eugene-Springfield



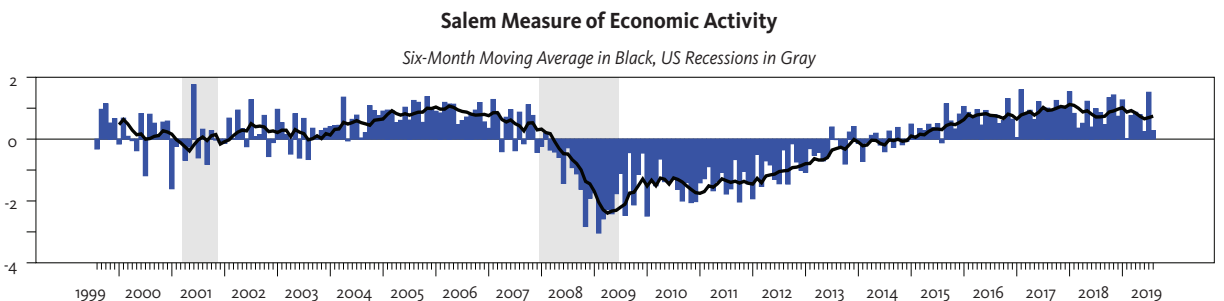
Central Oregon



Rogue Valley



Salem



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