

# Oregon Regional Economic Indexes™



December 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.

### **Contact**

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## **Review**

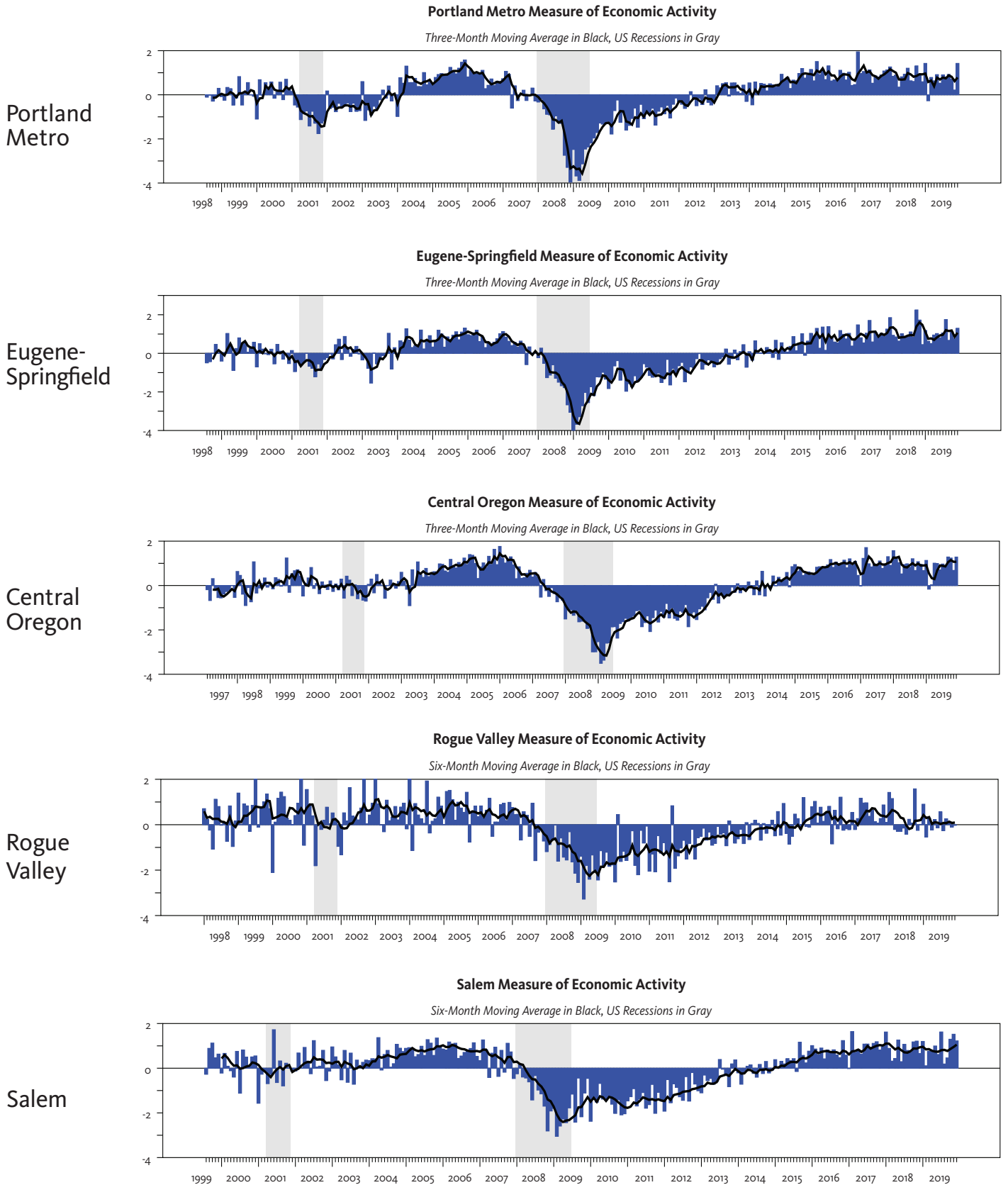
Oregon’s largest metropolitan regions finished out 2019 on a strong note. For all regions covered by this report, both raw and moving average measures (which smooth monthly volatility) were near or above zero, indicating an above-trend pace of activity (trend activity differs across regions) in most regions. A jump in volatile multi-family housing activity helped support strong contributions from housing permits in all regions except the Rogue Valley. Home sales remain solid in most regions; the Portland housing market has stabilized after hitting a soft-patch last year. In general, broad labor market indicators such as the unemployment rate continue to make substantial positive contributions to the measures. Employment components were stronger in December. Still, labor force growth has been weaker over the past year; a slower pace of gains in the labor force might limit the future ability of firms to grow. The municipal waste component, which tracks the business cycle, made substantial contributions to the Portland, Eugene-Springfield, and Central Oregon regions. In general, the ongoing national economic expansion continues to be felt positively both statewide and at the regional level.

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

	Portland-Vancouver-Beaverton	Eugene-Springfield	Central Oregon	Rogue Valley	Salem
New Private Housing Units Authorized by Permits	0.12	0.25	0.21	-0.21	0.27
Educational and Health Services Employment	0.00	-0.06	-0.03	-0.05	-0.03
Financial Activities Employment	0.15	-0.01	-0.01	0.01	0.01
Government Employment	0.00	-0.01	0.00	-0.01	0.00
Information Employment	0.01	0.00	-0.01	-0.08	0.00
Leisure and Hospitality Employment	0.29	0.07	0.06	0.09	0.02
Manufacturing Employment	0.06	0.11	0.04	0.02	-0.04
Construction Employment	0.09	-0.06	-0.05	-0.08	-0.20
Professional and Business Services Employment	-0.03	-0.02	0.02	-0.11	0.25
Other Services Employment	-0.11	-0.03	0.03	0.05	0.01
Trade, Transportation, and Utilities Employment	0.16	0.04	0.25	-0.08	0.03
Civilian Labor Force	0.02	0.01	0.01	-0.15	-0.01
Unemployment Rate	0.20	0.37	0.31	0.48	0.53
Lodging Revenue, Inflation Adjusted	0.01	0.02	-0.05		-0.02
Airport Passengers	0.04	0.05	0.00	0.10	
Initial Unemployment Claims	0.17	0.23	-0.04		
Residential Units Sold	0.07	0.16	0.27		0.41
Municipal Waste	0.15	0.19	0.28		
Home Price Index	0.02				
<b>Total</b>	<b>1.42</b>	<b>1.30</b>	<b>1.28</b>	<b>-0.03</b>	<b>1.22</b>
<b>Moving Average of Recent Observations</b>	<b>0.79</b>	<b>1.07</b>	<b>1.07</b>	<b>0.09</b>	<b>1.05</b>

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