

Oregon Regional Economic Indexes™



August 2020

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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.

Review

Regional indexes were nearly neutral to positive, cooling a bit as expected after the initial rebound from this year’s business shutdowns. Moving average measures, which smooth monthly volatility, remained in a similar pattern to last month with the Salem and Rogue Valley moving average measures still negative because they require a longer lag to smooth the monthly volatility. Reflecting a shift from the initial wave of re-hiring when restrictions on activity were eased, employment component contributions were generally muted relative to recent months. The positive impact of falling unemployment rates were evident in the less negative or even neutral contributions although initial unemployment claims remain elevated and a drag on the measures. Housing permits made near neutral contributions in all regions. In response to lower mortgage rates and demographic trends, demand for homes accelerated during the pandemic. If builders do not match the demand with an increased pace of building, we will continue to experience upward pressure on prices. This pressure may be intensified in regions affected by wildfires. Stronger lodging revenue and airport traffic helped support the Central Oregon measure. Overall, the pace of the recovery is slowing as anticipated and will likely remain muted until people feel comfortable returning to pre-pandemic patterns of consumption.

Contributions to Regional Indexes – August 2020

	Portland-Vancouver-Beaverton	Eugene-Springfield	Central Oregon	Rogue Valley	Salem
New Private Housing Units Authorized by Permits	-0.01	0.04	0.03	-0.04	0.03
Educational and Health Services Employment	-0.09	-0.06	0.16	-0.36	-0.22
Financial Activities Employment	0.09	-0.06	-0.12	0.01	0.03
Government Employment	0.07	0.25	0.36	0.04	0.04
Information Employment	-0.01	-0.02	-0.01	0.01	0.00
Leisure and Hospitality Employment	0.02	0.05	-0.07	0.11	-0.01
Manufacturing Employment	0.08	0.00	0.00	0.04	-0.02
Construction Employment	0.19	0.02	-0.06	0.09	-0.05
Professional and Business Services Employment	-0.22	0.13	-0.07	0.06	-0.18
Other Services Employment	0.07	0.00	0.05	0.21	0.11
Trade, Transportation, and Utilities Employment	-0.01	-0.24	0.00	0.04	0.38
Civilian Labor Force	-0.01	-0.01	-0.06	0.00	0.01
Unemployment Rate	-0.05	-0.01	-0.11	0.01	0.01
Lodging Revenue, Inflation Adjusted	0.00	0.06	0.12		0.10
Airport Passengers	0.00	0.03	0.23	0.08	
Initial Unemployment Claims	-0.23	-0.31	-0.23		
Residential Units Sold	0.04	0.04	0.13		0.05
Municipal Waste	0.02	0.03	0.06		
Home Price Index	0.02				
Total	-0.03	-0.1	0.40	0.30	0.28
Moving Average of Recent Observations	0.73	1.57	1.54	-1.29	-1.60

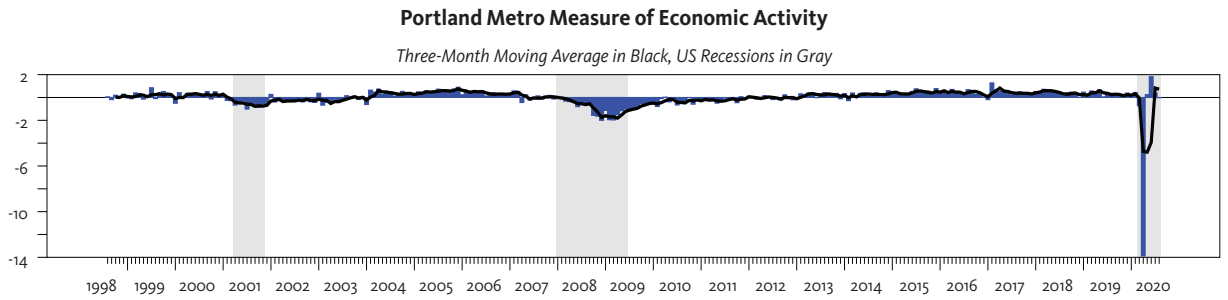
Contact

Timothy A. Duy
 Director, Oregon Economic Forum
 Department of Economics
 University of Oregon
 541-346-4660 • duy@uoregon.edu
econforum.uoregon.edu

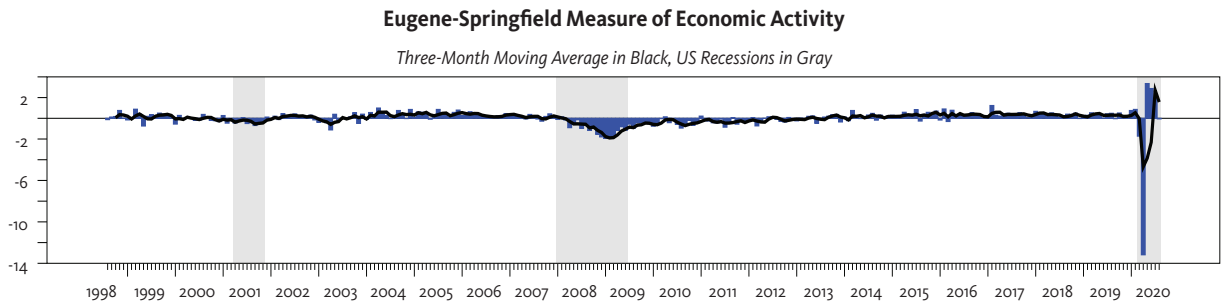
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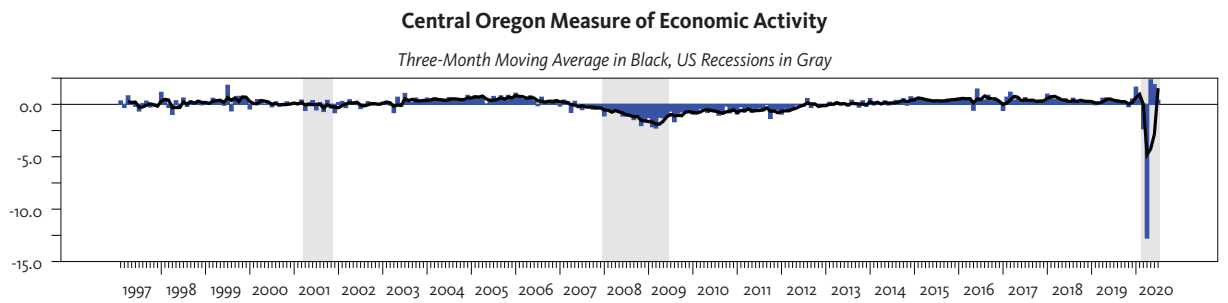
Portland Metro



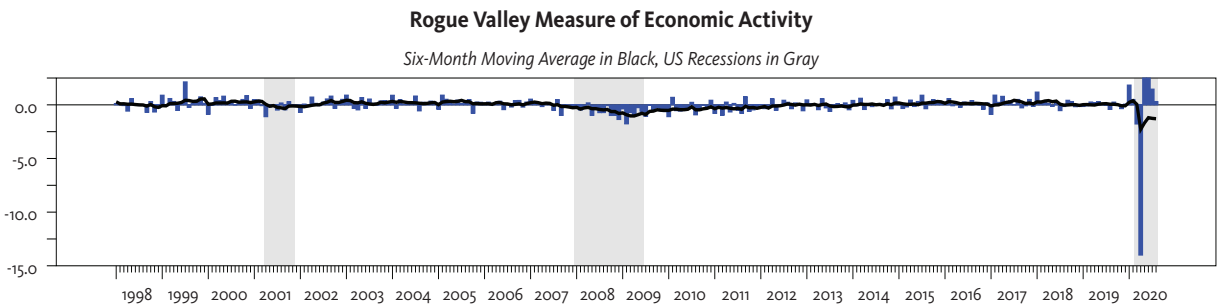
Eugene-Springfield



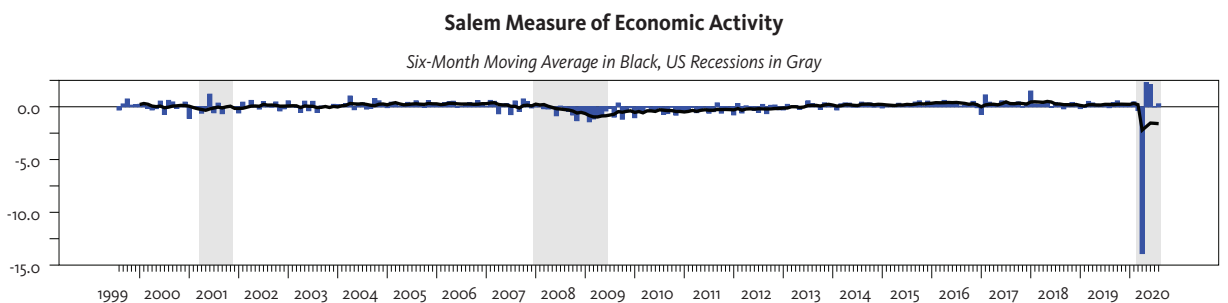
Central Oregon



Rogue Valley



Salem



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