

Oregon Regional Economic Indexes™



February 2021

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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

Growth accelerated in Oregon’s largest metro regions as the Covid-19 pandemic eased in February. All regional measures of economic activity improved during the month. Employment components were generally supportive with particularly large contributions from the leisure and hospitality sector. This sector was disproportionately negatively impacted by the pandemic and will experience strong growth as the pandemic loosens its hold on the economy. Improving air passenger traffic resulted in substantial positive contributions to all the smaller regional airports. Tourism and travel activity have picked up strongly in Central Oregon leading to a large contribution from the lodging revenue component. Housing markets remain solid with strong contributions from sales but only neutral contributions from new housing permits in most regions. Housing demand should remain strong as the Millennial generation ages into its homebuying years. On net this suggests upward pressure on pricing although the recent rise in mortgage rates will likely help temper price growth. Municipal waste measures generally continue to make modestly above-neutral contributions; this recession has been unusual in that purchases of goods rose which likely increased the waste stream. Also, unlike the last recession, construction activity, another contributor to waste, did not collapse.

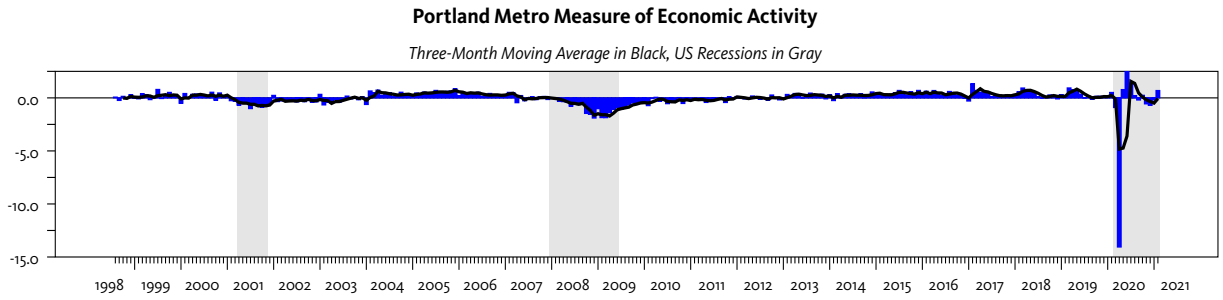
Contributions to Regional Indexes – February 2021

	Portland-Vancouver-Beaverton	Eugene-Springfield	Central Oregon	Rogue Valley	Salem
New Private Housing Units Authorized by Permits	0.01	0.00	0.07	0.02	0.05
Educational and Health Services Employment	0.01	-0.07	-0.04	0.06	0.03
Financial Activities Employment	0.04	0.04	0.03	0.01	0.04
Government Employment	0.06	-0.04	0.01	0.00	0.11
Information Employment	0.00	0.05	-0.01	0.20	0.04
Leisure and Hospitality Employment	0.18	0.20	0.16	0.08	-0.03
Manufacturing Employment	0.08	0.10	0.05	0.05	-0.06
Construction Employment	0.01	0.13	-0.12	0.05	-0.05
Professional and Business Services Employment	0.00	-0.03	-0.01	0.00	0.05
Other Services Employment	0.11	0.13	0.16	0.06	0.10
Trade, Transportation, and Utilities Employment	0.12	0.09	-0.07	0.11	0.57
Civilian Labor Force	0.00	-0.02	-0.01	-0.03	-0.01
Unemployment Rate	0.00	0.01	0.03	0.03	0.03
Lodging Revenue, Inflation Adjusted	0.00	0.02	0.11		-0.01
Airport Passengers	0.02	0.14	0.11	0.21	
Initial Unemployment Claims	-0.08	-0.09	0.06		
Residential Units Sold	0.06	0.04	0.08		0.07
Municipal Waste	0.03	0.03	0.05		
Home Price Index	0.04				
Total	0.70	0.72	0.66	0.85	0.93
Moving Average of Recent Observations	-0.07	-0.02	0.31	0.08	0.24

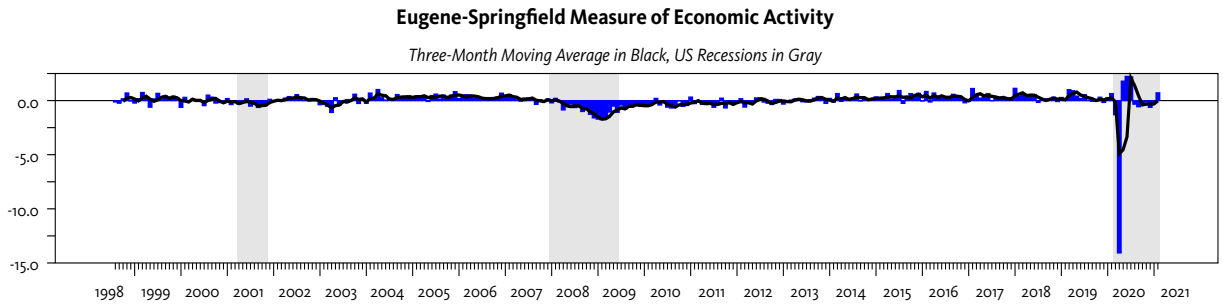
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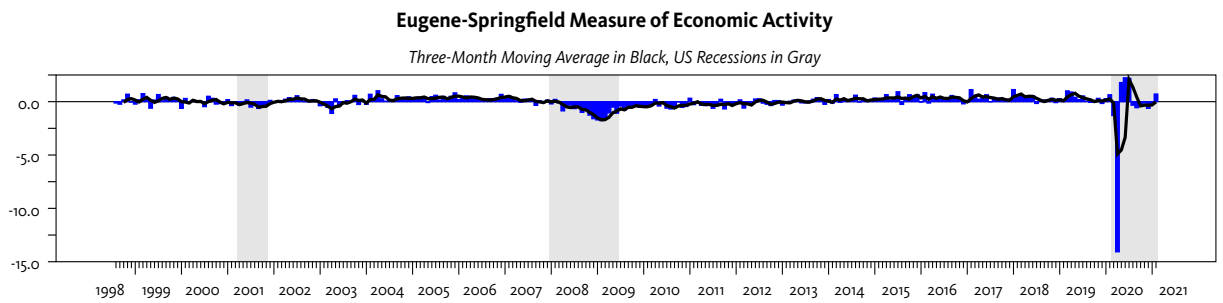
Portland Metro



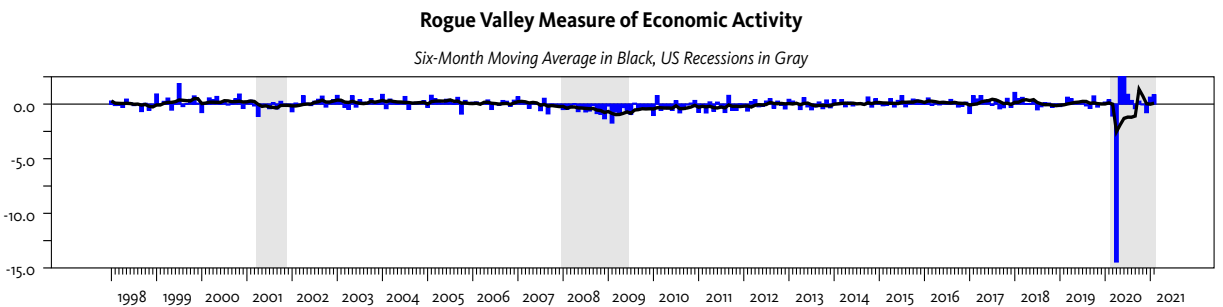
Eugene-Springfield



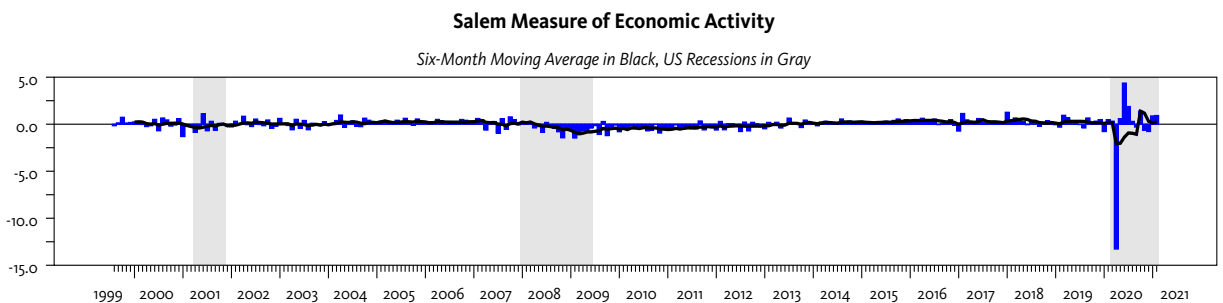
Central Oregon



Rogue Valley



Salem



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