

State of Oregon Economic Indicators™



April 2021

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How can I interpret the Oregon Measure of Economic Activity?

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. To reduce the noise, it is helpful to focus on the average of the most recent data.

Is this approach used elsewhere?

Yes, the Chicago Federal Reserve Bank uses the same basic approach to measure both national and regional economic activity.

What is the difference between the two measures?

The Oregon Measure of Economic Activity uses a methodology that allows for the incorporation of a larger number of variables. The University of Oregon Index of Economic Indicators focuses on a narrower set of variables using a different methodology used by the Conference Board to compute leading indicators for the United States. Using different indicators allows for a more complete picture of the Oregon economy.

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Review

The Oregon Measure of Economic Activity fell to -0.10 in April from 0.58 in March. The moving average measure, which smooths out the monthly volatility, was 0.30 where 0.0 is the average pace of growth since 1990; currently, Oregon’s economy is growing at an above average pace. Only the household sector made a positive contribution to the measure of activity; weak or negative employment growth, particularly in the manufacturing component, weighed down the other sectors. The slow pace of job growth likely reflects supply side constraints rather than demand side weakness. Labor supply appears to be constrained by a variety of factors, including enhanced unemployment benefits and childcare issues. These constraints should ease somewhat later this year.

The University of Oregon Index of Economic Indicators rose again in April, the fifth consecutive solid gain. Most components improved during the month. Initial unemployment claims edged up and

still remain high relative to the pre-pandemic period; claims should fall in the months ahead. Employment services payrolls, mostly temporary help, made a strong gain as employers scramble for labor. Housing units permitted (smoothed), the weight distance tax (a measure of trucking activity), and the new orders for core-capital goods all rose substantially and indicate a strong cyclical rebound. Manufacturing hours worked, however, fell modestly. This indicator was weak prior to the pandemic; the weakness may be attributable to structural change in the manufacturing sector that makes comparisons to the past difficult. Consumer confidence edged higher.

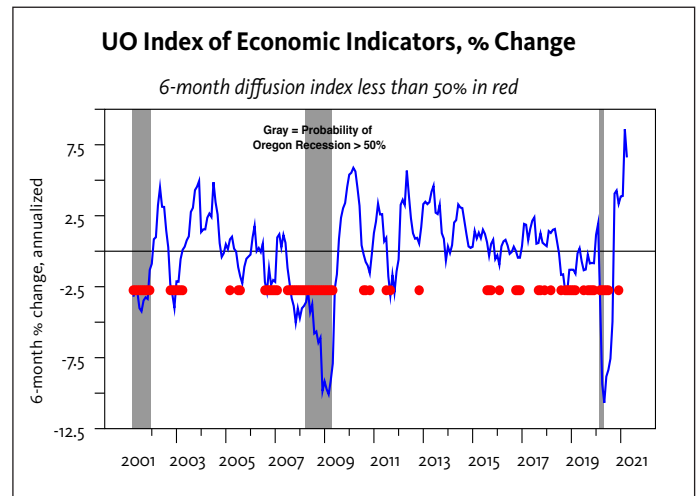
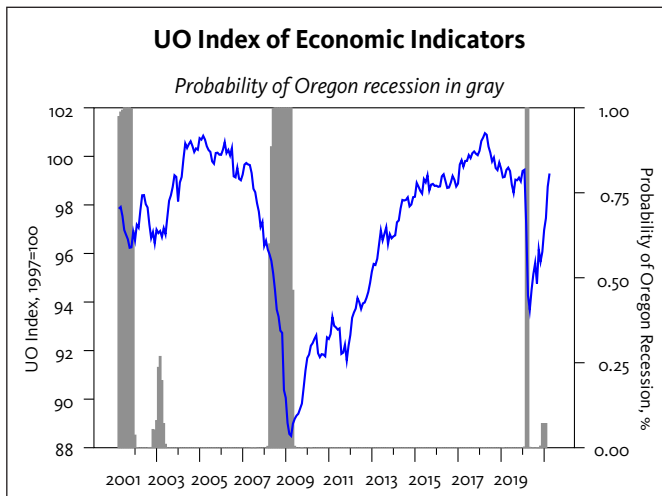
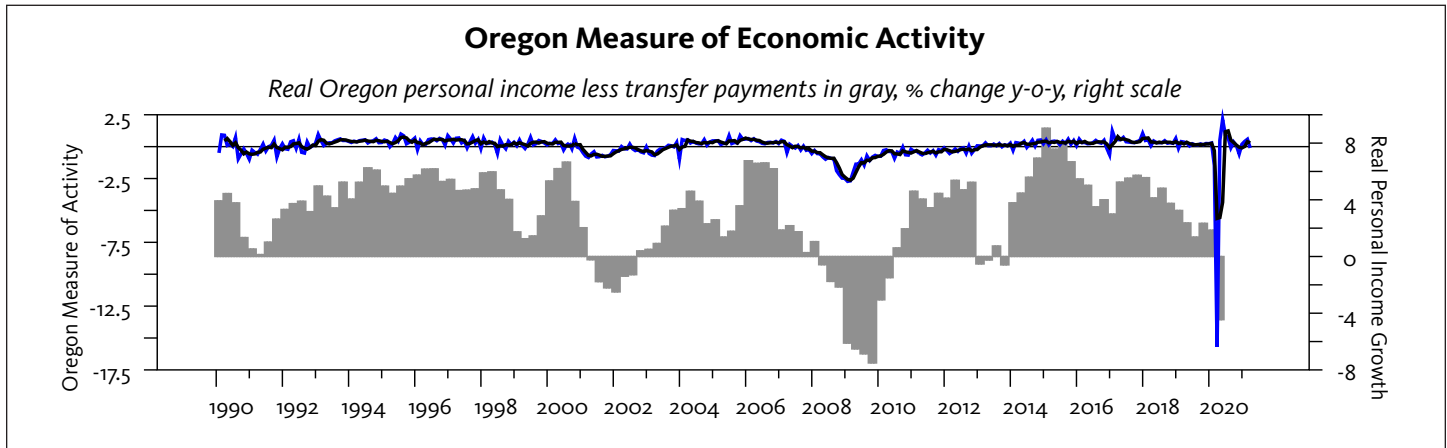
The economy is rebounding quickly from the pandemic recession. Progress should continue as the pandemic comes under greater control and more restrictions on activity lifted.

Contributions to Oregon Measure of Economic Activity—April 2021

	Manufacturing	Construction	Households	Services
ISM Manufacturing: Imports Index	0.00			
ISM Manufacturing: Supplier Deliveries Index	-0.01			
Manufacturing Employment, Oregon	-0.08			
Hours, Manufacturing Employees, Oregon	-0.08			
Manufacturing Exports, Oregon	-0.02			
New Private Housing Units Authorized by Building Permit, Oregon		0.02		
Construction Employment in Oregon		-0.03		
Natural Resources and Mining Employment, Oregon		-0.02		
Employment Services Employment, Oregon			0.09	
Initial Unemployment Claims, Oregon			-0.01	
Civilian Labor Force, Oregon			0.02	
Unemployment Rate, Oregon			0.01	
Interest Rate Spread			0.00	
S & P 500 Stock Index			0.02	
Consumer Sentiment, University of Michigan–Reuters			0.01	
Educational and Health Services Employment, Oregon				-0.03
Financial Activities Employment, Oregon				0.06
Government Employment, Oregon				0.06
Leisure and Hospitality Employment, Oregon				0.03
Professional and Business Services Employment, Oregon				-0.12
Other Services Employment, Oregon				0.07
Trade, Transportation and Utilities Employment, Oregon				-0.11
Total by Sector	-0.18	-0.03	0.15	-0.04
	Feb '21	Mar '21	Apr '21	
Oregon Measure of Economic Activity	0.41	0.58	-0.10	
Three-Month Moving Average	0.01	0.39	0.30	

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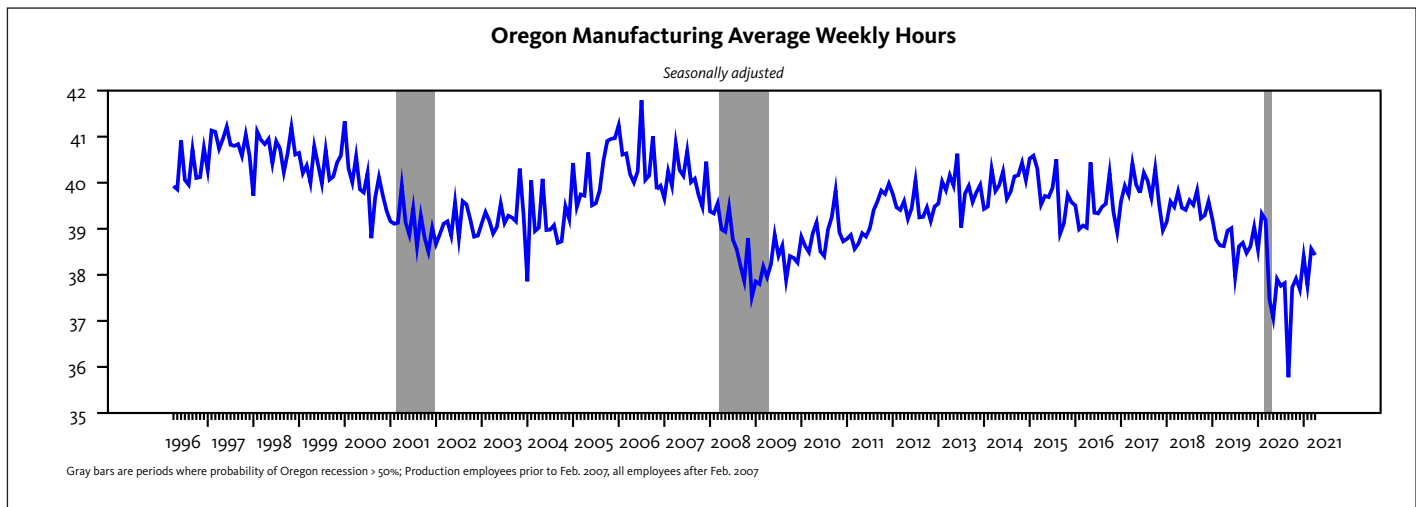
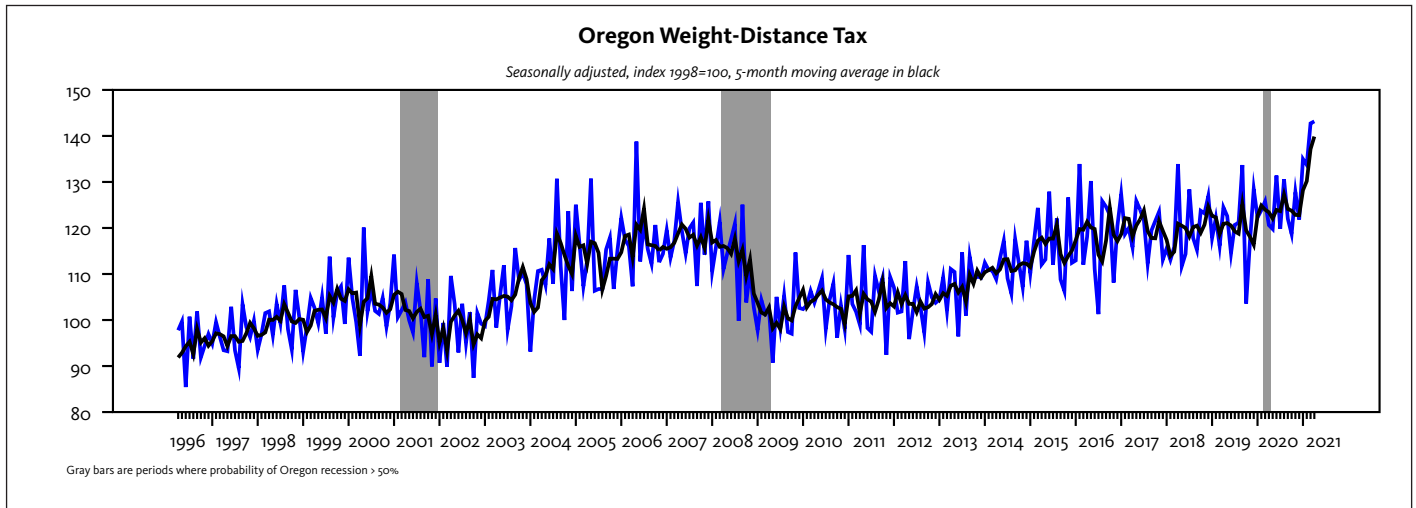
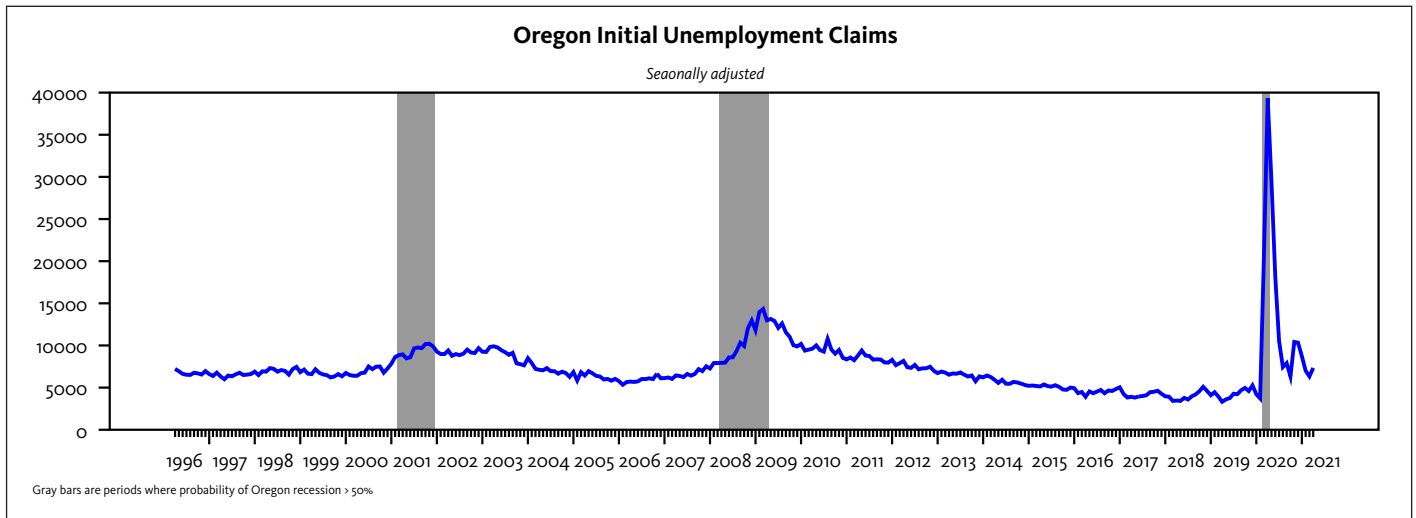


University of Oregon Index of Economic Indicators—Summary and Components

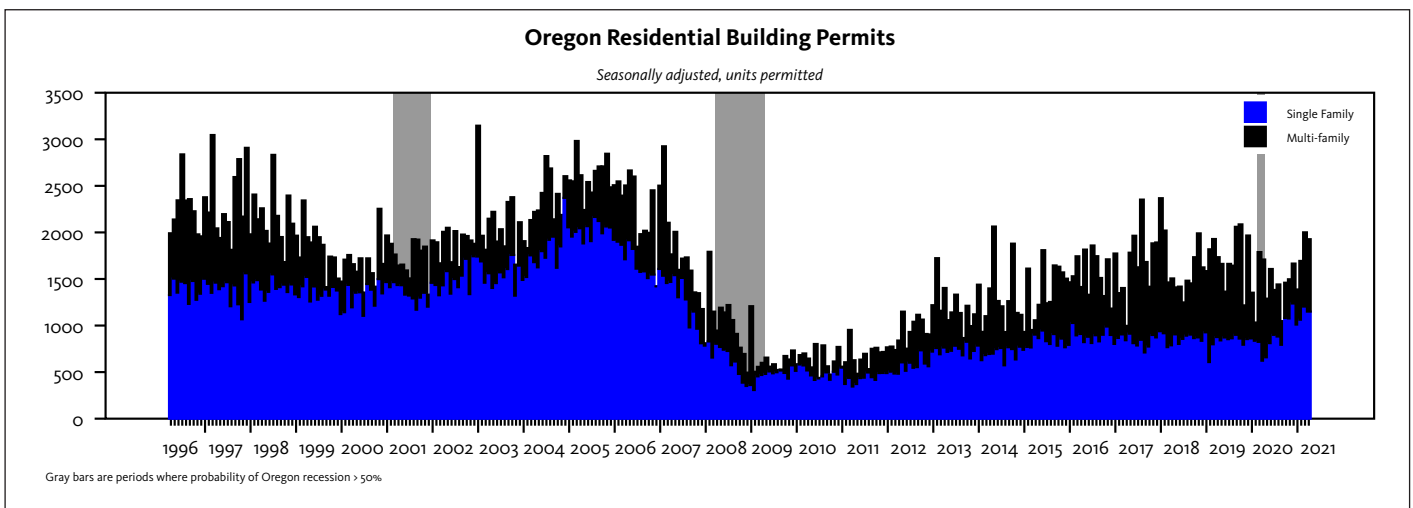
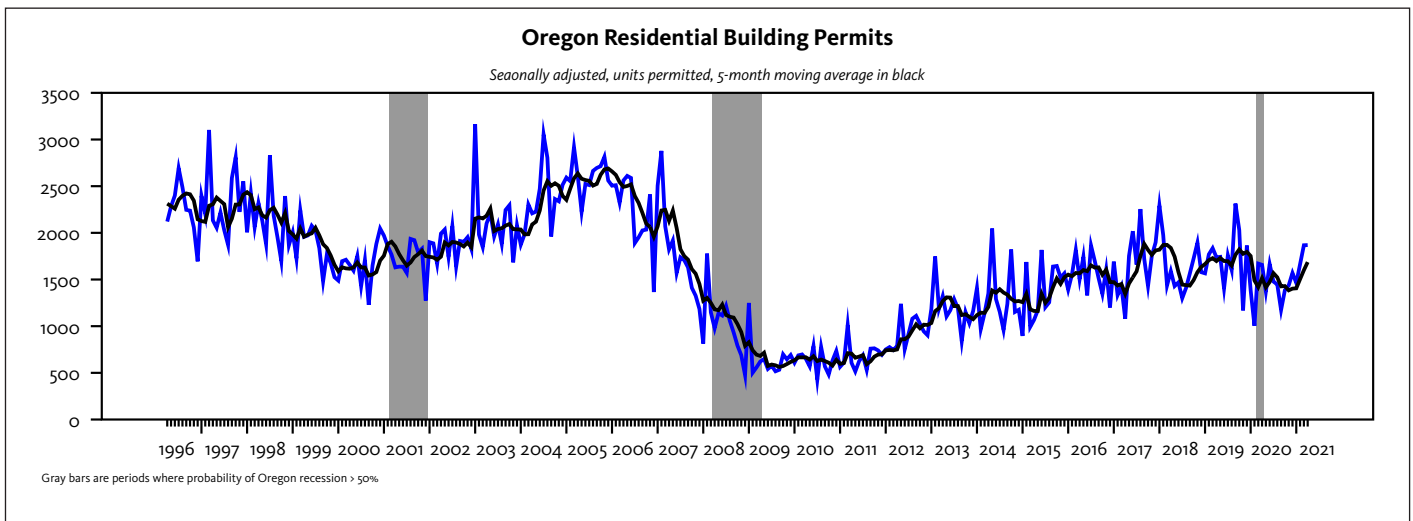
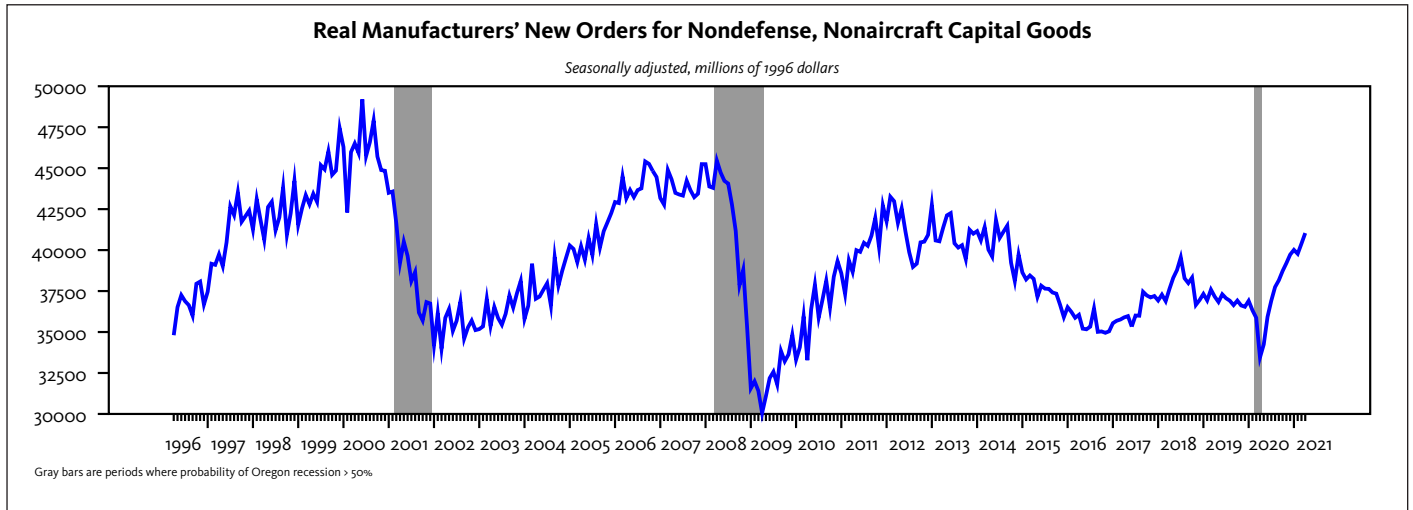
	Nov '20	Dec '20	Jan '21	Feb '21	Mar '21	Apr '21
UO Index of Economic Indicators _M , 1997 = 100	95.7	96.1	97.0	97.5	98.8	99.3
Percentage Change	-0.5	0.4	0.9	0.5	1.3	0.5
Oregon Initial Unemployment Claims, SA*	10,418	10,330	8,742	6,998	6,330	7,336
Oregon Employment Services Payrolls, SA	35,548	36,470	36,712	37,259	38,071	39,067
Oregon Residential Building Permits, SA, 5 MMA*	1,384	1,402	1,406	1,504	1,600	1,687
Oregon Weight-Distance Tax, SA, Index, 1998 = 100	122.84	122.78	128.20	130.17	137.14	139.86
Oregon Manufacturing Average Weekly Hours, SA	37.92	37.68	38.40	37.77	38.56	38.43
US Consumer Sentiment, SA, 5 MMA	77.1	78.8	79.8	79.0	79.7	81.9
Real Manufacturers' New Orders for Non-defense, Non-aircraft Capital Goods, \$ Millions, SA	39,202	39,722	40,014	39,774	40,396	41,039
Interest Rate Spread	0.78	0.84	0.99	1.18	1.54	1.57

SA = Seasonally Adjusted, MMA = Months Moving Average

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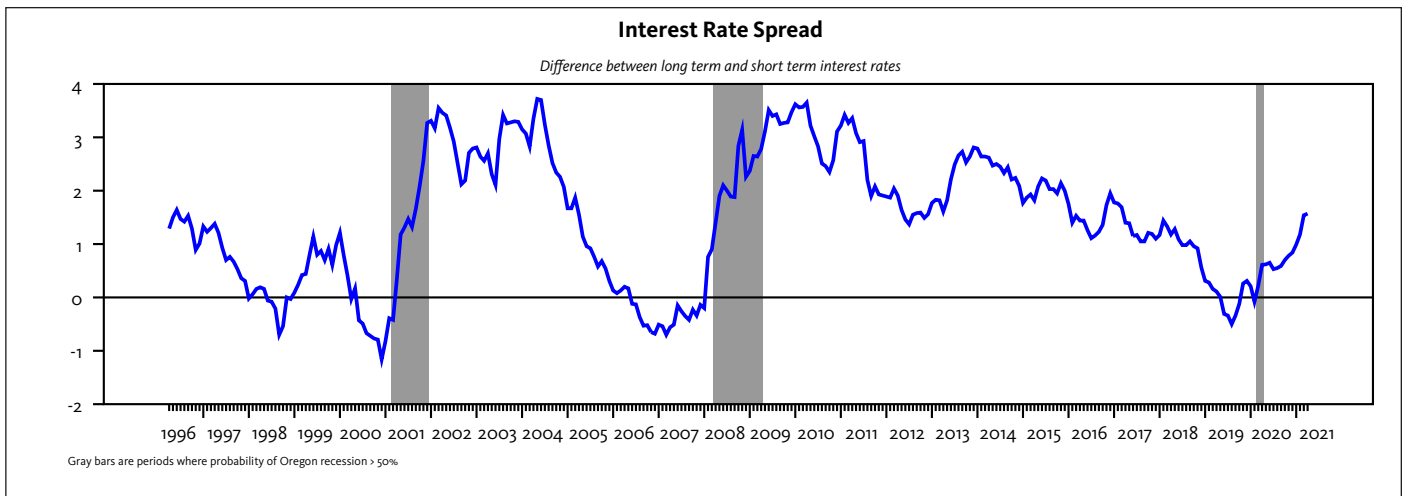
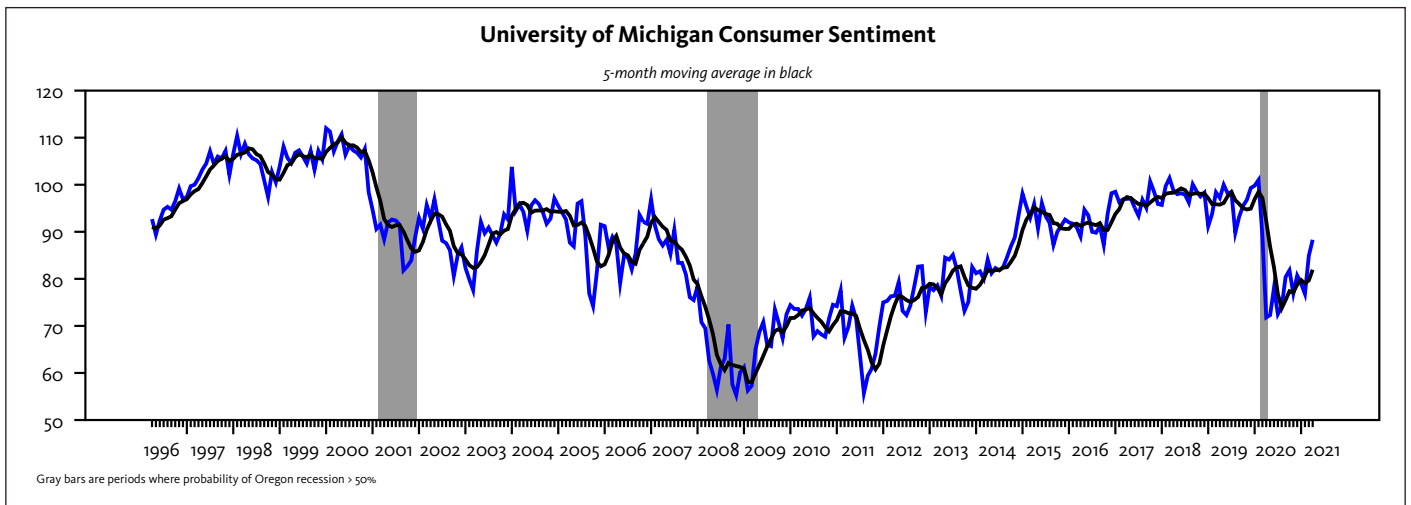


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