

State of Oregon Economic Indicators™



June 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

Oregon’s economic expansion remained intact in June. The Oregon Measure of Economic Activity rose from 0.35 to 0.44 while the moving average measure, which smooths out the monthly volatility, was 0.28 (where 0.0 is the average pace of growth since 1990). The manufacturing and construction sector components made nearly neutral contributions. All components of the household sector made neutral to positive contributions while the employment components of the service sector were mixed but on net supportive of the overall measure. Oregon gained 7,500 jobs in June, a healthy pace of growth yet employment is still 104,000 jobs below the pre-pandemic level.

The University of Oregon Index of Economic Indicators edged higher in June, gaining 0.1% for the sixth consecutive gain. Initial unemployment claims fell to the lowest level since February of 2020; improving economic conditions have greatly reduced the pace of layoffs. Employment services payrolls, mostly

temporary help employment, rose to the highest level since the pandemic began and foreshadows additional overall employment gains in the months ahead. Housing units permitted and consumer sentiment rose while the weight distance tax (a measure of trucking activity) and the new orders for core-capital goods edged down after a series of solid gains. Manufacturing hours worked – which became a more volatile indicator before the pandemic – slipped.

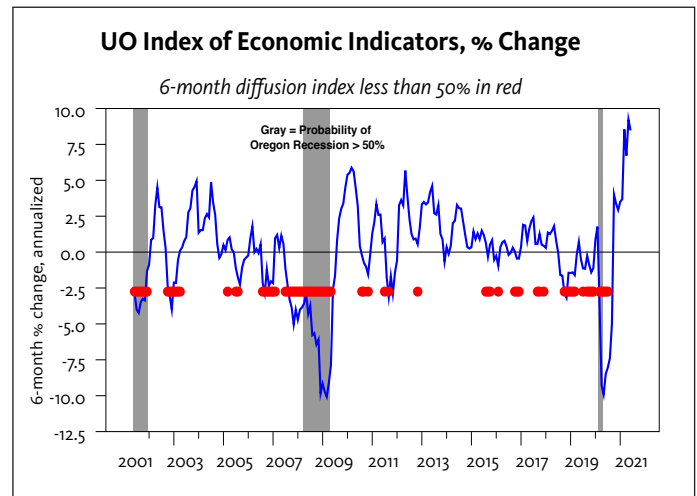
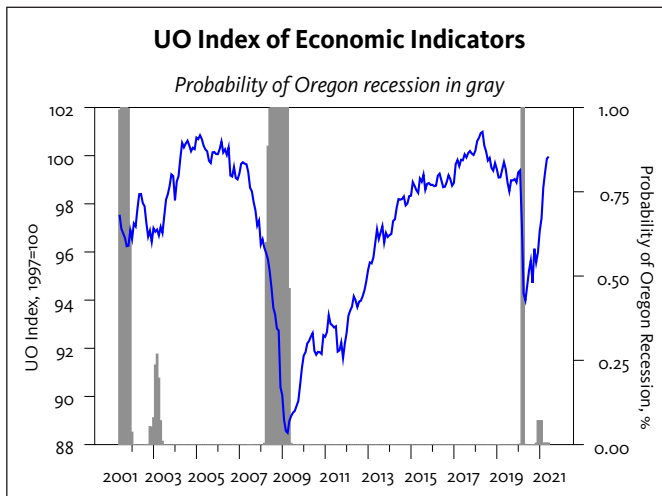
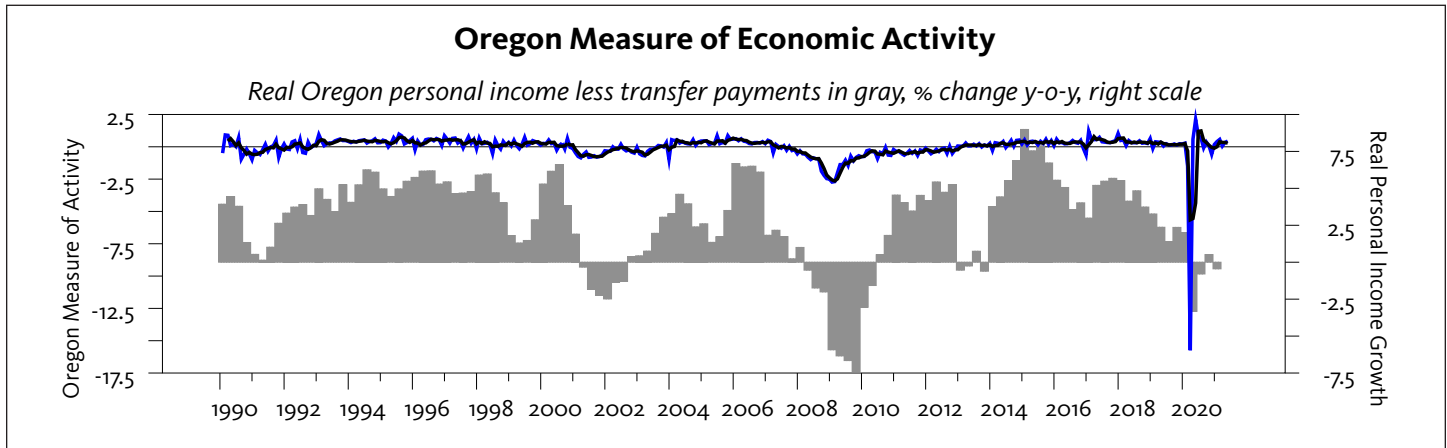
The economy has been making steady progress in recovering from the pandemic although there remains considerable ground still to cover particularly with respect to the level of employment. Improvement should continue in the months ahead. While the rising number of Covid cases poses a risk to the outlook, each new wave of the pandemic appears to have a smaller economic impact than the last wave as firms increasingly learn to live with the virus.

Contributions to Oregon Measure of Economic Activity–June 2021

	Manufacturing	Construction	Households	Services
ISM Manufacturing: Imports Index	0.10			
ISM Manufacturing: Supplier Deliveries Index	0.00			
Manufacturing Employment, Oregon	0.01			
Hours, Manufacturing Employees, Oregon	-0.12			
Manufacturing Exports, Oregon	-0.01			
New Private Housing Units Authorized by Building Permit, Oregon		0.02		
Construction Employment in Oregon		-0.10		
Natural Resources and Mining Employment, Oregon		0.07		
Employment Services Employment, Oregon			0.14	
Initial Unemployment Claims, Oregon			0.06	
Civilian Labor Force, Oregon			0.00	
Unemployment Rate, Oregon			0.03	
Interest Rate Spread			0.00	
S & P 500 Stock Index			0.02	
Consumer Sentiment, University of Michigan–Reuters			0.00	
Educational and Health Services Employment, Oregon				0.10
Financial Activities Employment, Oregon				-0.08
Government Employment, Oregon				0.01
Leisure and Hospitality Employment, Oregon				0.02
Professional and Business Services Employment, Oregon				-0.13
Other Services Employment, Oregon				0.21
Trade, Transportation and Utilities Employment, Oregon				0.11
Total by Sector	-0.02	-0.01	0.25	0.22
	Apr '21	May '21	Jun '21	
Oregon Measure of Economic Activity	0.06	0.35	0.44	
Three-Month Moving Average	0.35	0.33	0.28	

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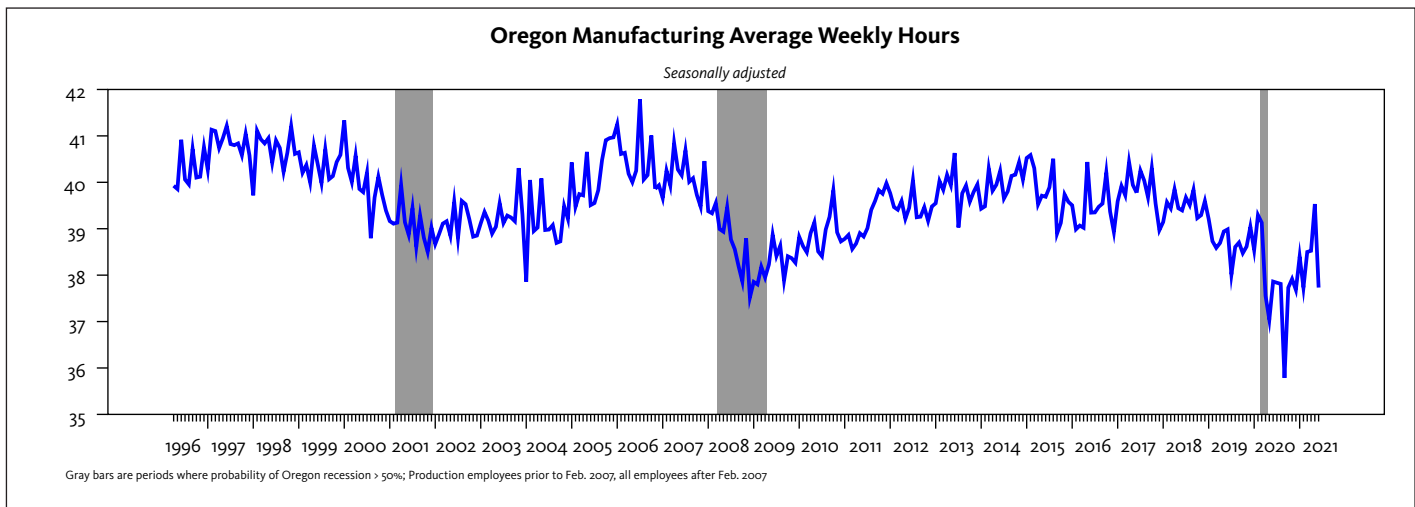
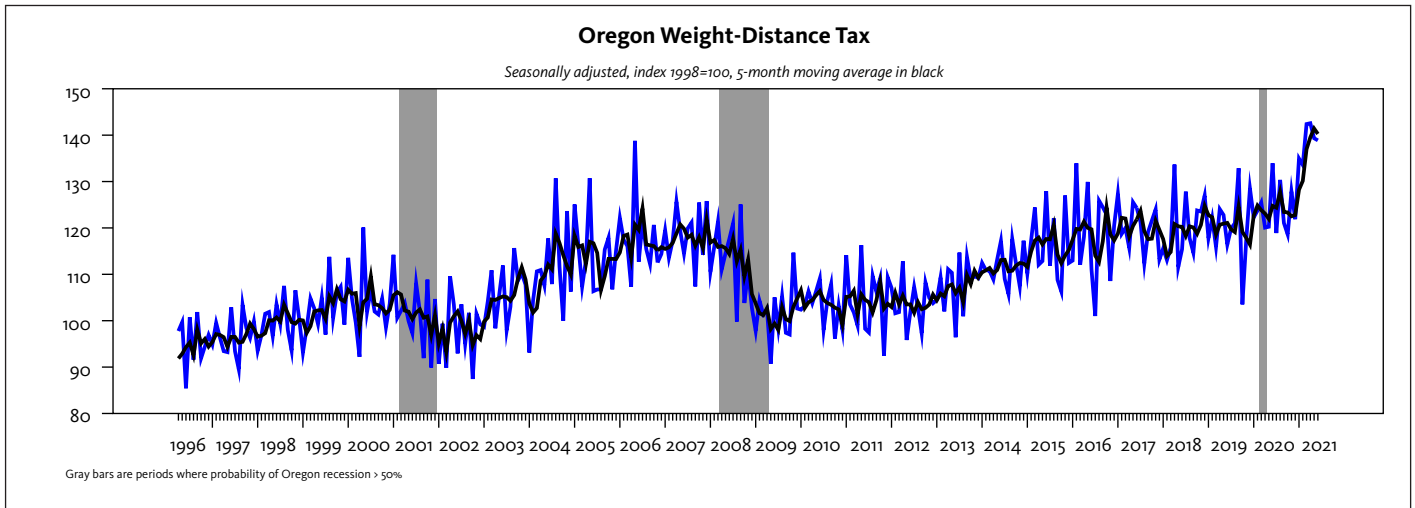
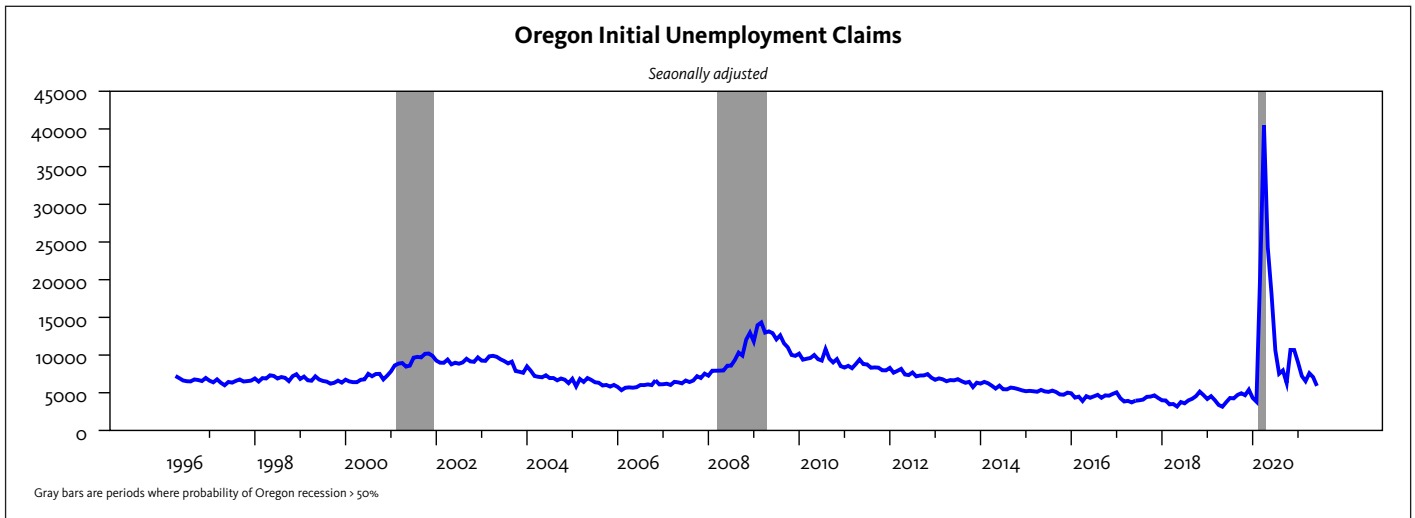


University of Oregon Index of Economic Indicators—Summary and Components

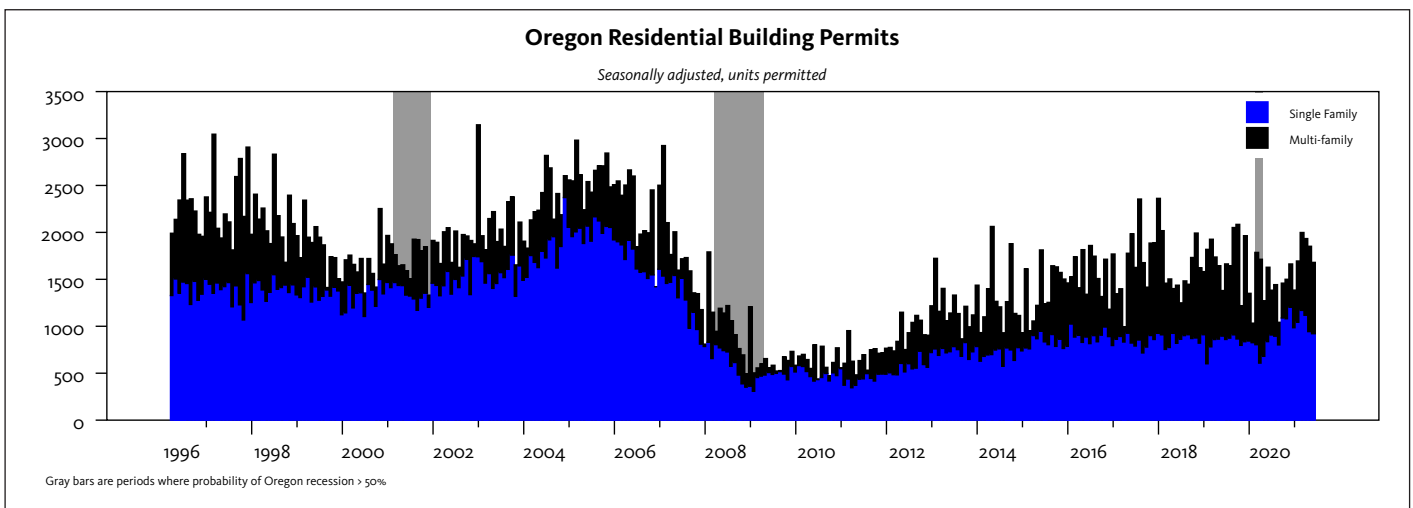
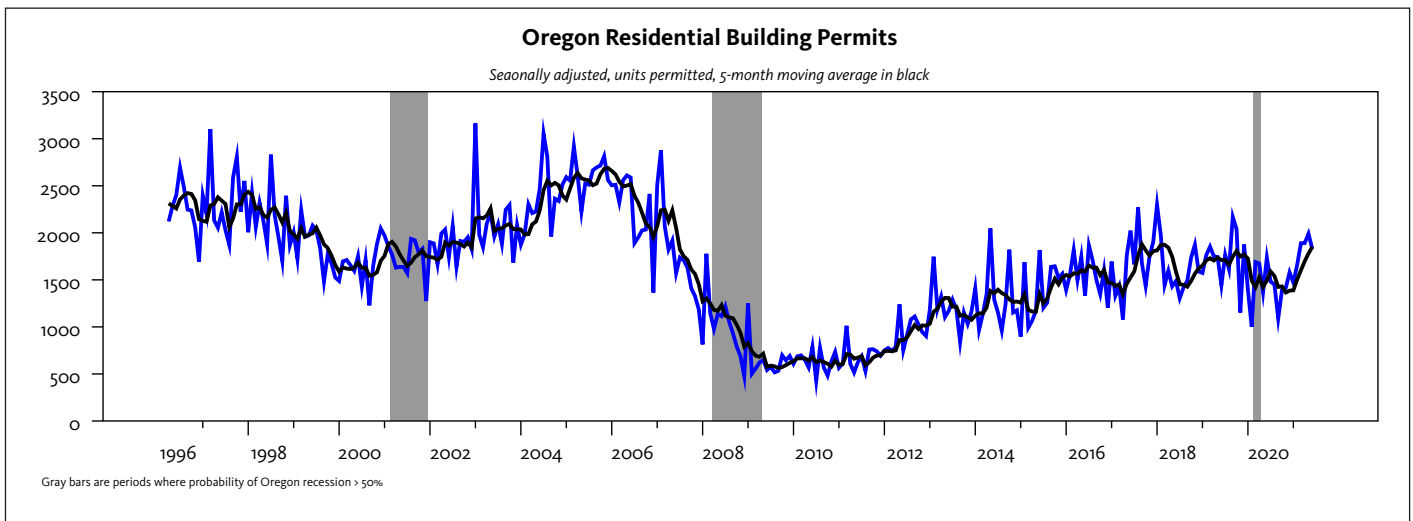
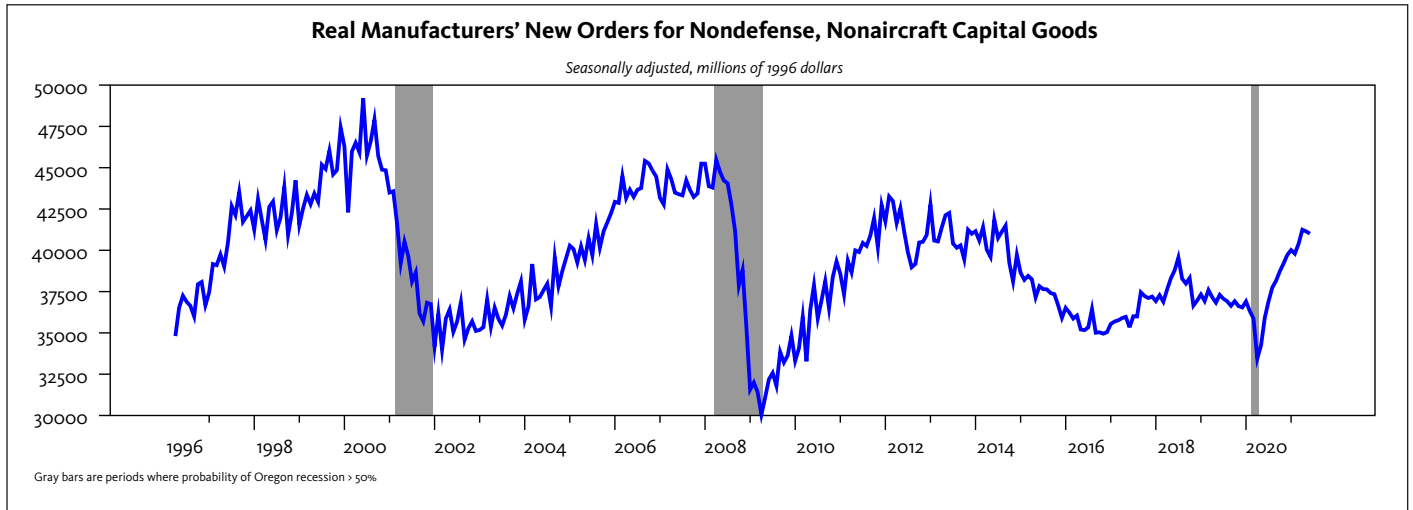
	Jan '21	Feb '21	Mar '21	Apr '21	May'21	Jun'21
UO Index of Economic Indicators _M , 1997 = 100	96.9	97.4	98.7	99.3	99.9	100.0
Percentage Change	0.9	0.5	1.3	0.6	0.6	0.1
Oregon Initial Unemployment Claims, SA*	9,033	7,232	6,537	7,593	7,071	5,911
Oregon Employment Services Payrolls, SA	36,616	37,191	38,012	39,133	38,914	40,354
Oregon Residential Building Permits, SA, 5 MMA*	1,389	1,503	1,602	1,698	1,780	1,851
Oregon Weight-Distance Tax, SA, Index, 1998 = 100	128.23	130.14	136.98	139.51	141.44	140.26
Oregon Manufacturing Average Weekly Hours, SA	38.40	37.73	38.50	38.53	39.53	37.73
US Consumer Sentiment, SA, 5 MMA	79.8	79.0	79.7	81.9	82.4	83.7
Real Manufacturers' New Orders for Non-defense, Non-aircraft Capital Goods, \$ Millions, SA	40,014	39,796	40,396	41,246	41,147	41,006
Interest Rate Spread	0.99	1.18	1.54	1.57	1.56	1.44

SA = Seasonally Adjusted, MMA = Months Moving Average

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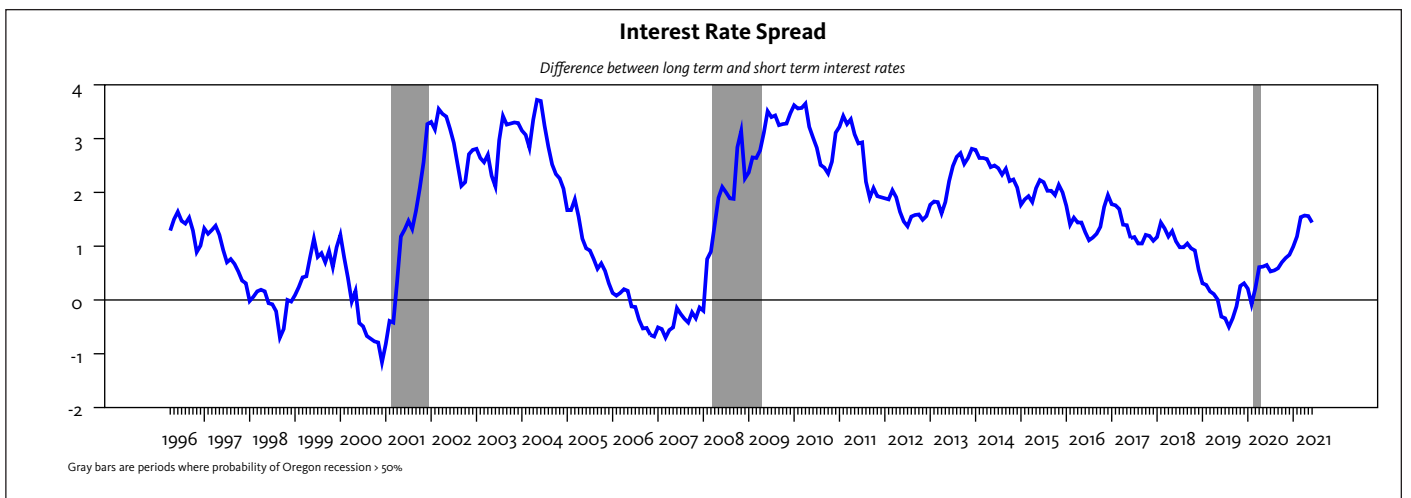
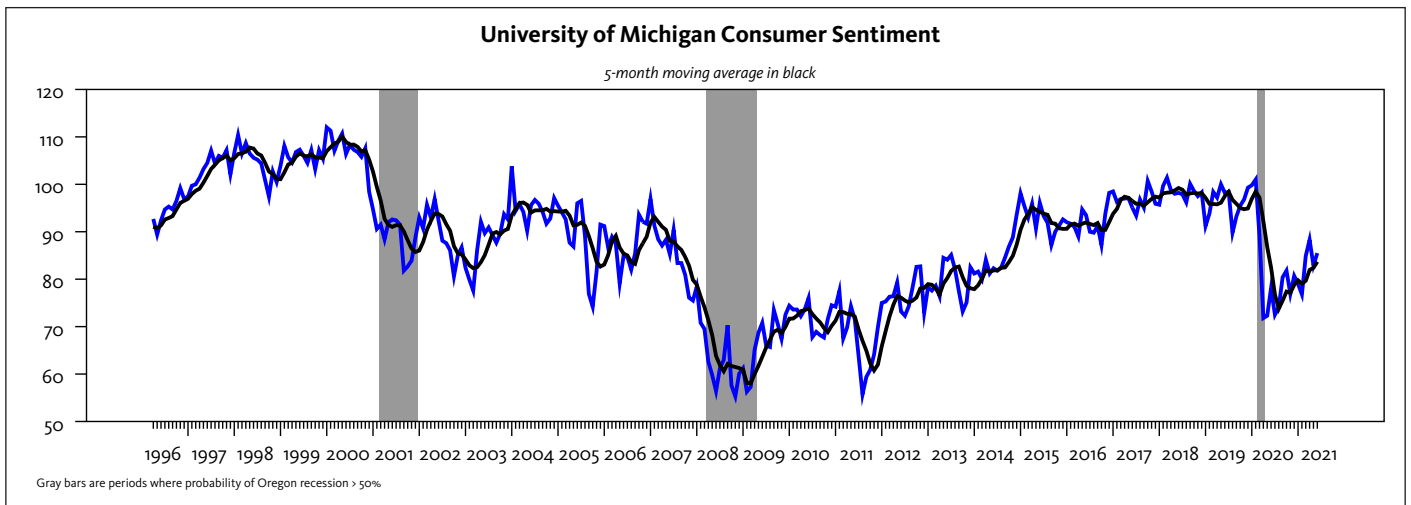


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