

Oregon Regional Economic Indexes™



May 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 remained solid in Oregon’s largest metro regions in May. The moving average measures, which track the underlying trend, are all above zero (zero represents the average pace of growth for each area). Unemployment rates have fallen enough to add positively to growth measures. Initial unemployment claims, however, remain elevated and a drag on the measures. A rebound in airport activity created large positive contributions as travel and tourism began a strong rebound. Employment components were generally supportive although note that while gains are broad-based overall employment remains well below pre-pandemic peaks. Housing remains strong. Residential sales continue to make solid contributions compared to the more neutral to modest contributions from new housing permits. New housing supply has been constrained by several factors including higher material costs, labor shortages, and a limited number of buildable lots. The imbalance between supply and demand is helping to drive housing prices higher although low mortgage rates and income growth help offset the price growth. Municipal waste delivered to landfills again made a solid contribution to the measures; typically, the amount of waste is procyclical (increases along with the expansion) and maybe more so in this cycle considering the shift of spending from services to goods.

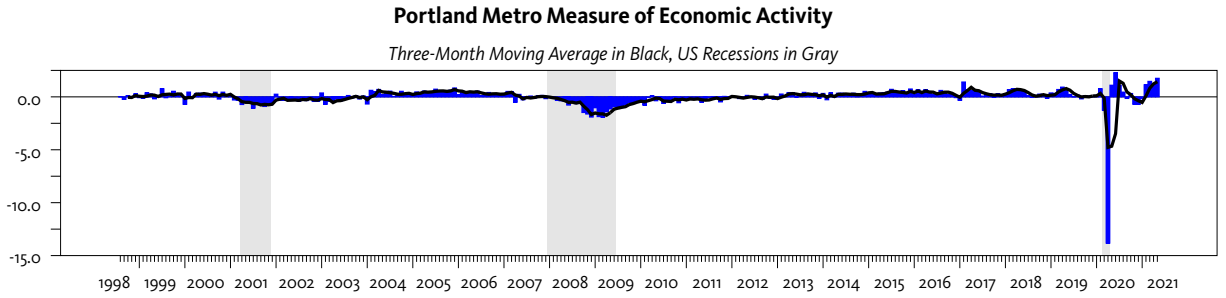
Contributions to Regional Indexes – May 2021

	Portland-Vancouver-Beaverton	Eugene-Springfield	Central Oregon	Rogue Valley	Salem
New Private Housing Units Authorized by Permits	0.03	0.03	0.06	0.00	-0.01
Educational and Health Services Employment	0.15	0.06	-0.04	0.03	0.06
Financial Activities Employment	0.12	0.00	0.09	0.01	0.01
Government Employment	0.00	0.01	-0.02	0.00	-0.02
Information Employment	0.17	0.12	0.01	0.02	-0.06
Leisure and Hospitality Employment	0.10	0.12	-0.03	0.28	0.14
Manufacturing Employment	0.11	-0.02	-0.02	0.08	-0.03
Construction Employment	0.32	-0.01	-0.04	-0.01	0.01
Professional and Business Services Employment	0.26	0.08	-0.03	0.01	0.08
Other Services Employment	0.07	0.04	0.04	0.03	0.23
Trade, Transportation, and Utilities Employment	0.02	0.02	-0.15	-0.01	0.02
Civilian Labor Force	0.09	0.04	-0.02	0.10	0.03
Unemployment Rate	0.02	0.03	0.04	0.04	0.05
Lodging Revenue, Inflation Adjusted	0.00	-0.03	-0.03		0.03
Airport Passengers	0.18	0.23	0.13	0.42	
Initial Unemployment Claims	-0.06	-0.09	-0.09		
Residential Units Sold	0.06	0.03	0.07		0.07
Municipal Waste	0.04	0.12	0.06		
Home Price Index	0.06				
Total	1.76	0.77	0.02	1.00	0.59
Moving Average of Recent Observations	1.43	0.96	0.50	0.53	0.59

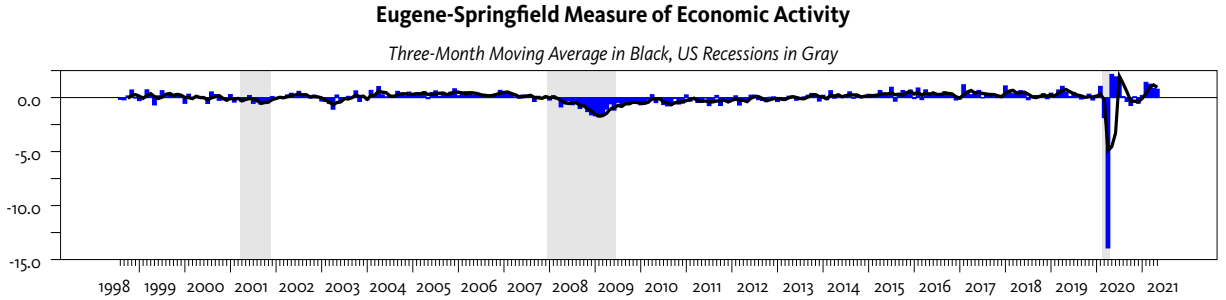
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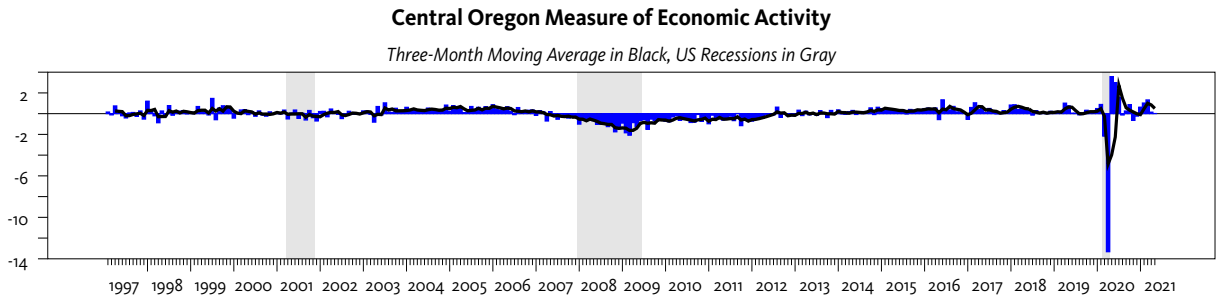
Portland Metro



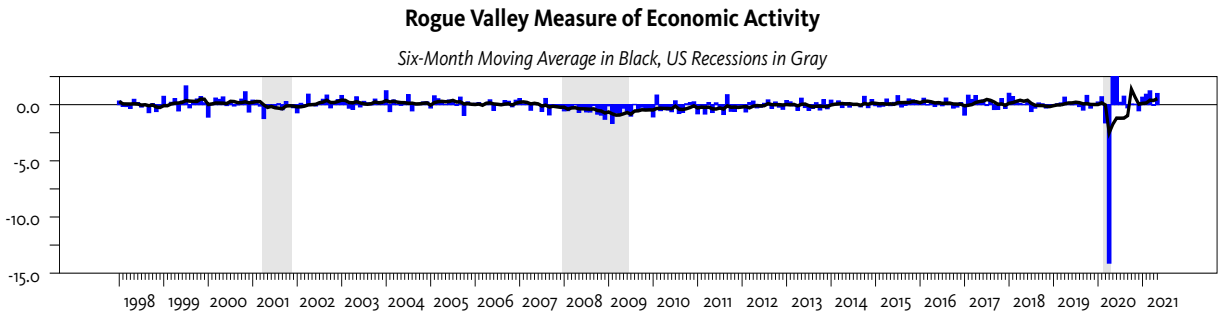
Eugene-Springfield



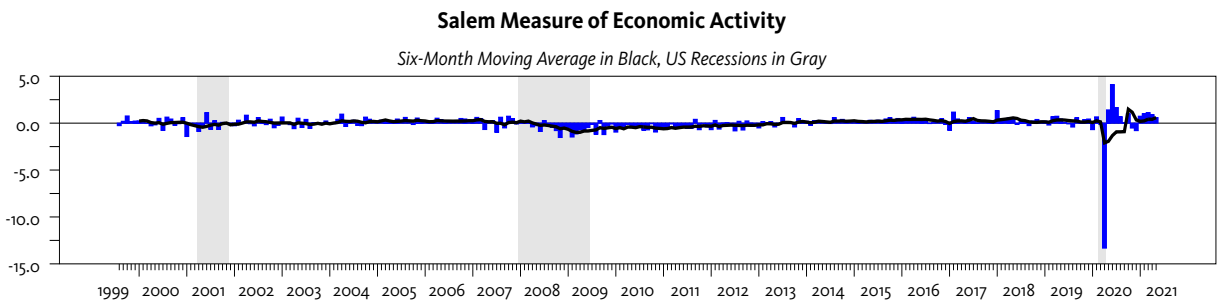
Central Oregon



Rogue Valley



Salem



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