

Oregon Regional Economic Indexes™



June 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

Oregon’s major metro regions continued to rebound in June from the 2020 pandemic recession. The moving averages, which track the underlying trend, are all above zero (zero represents the average pace of growth for each area). Underlying trends are like those seen in recent months. While initial unemployment claims are still high relative to historic norms and create a drag on the measures, unemployment rates have fallen low enough to make positive contributions. Overall, employment components made moderate to high contributions to the measures as strong labor demand drives job growth. Anecdotally, many firms report difficulty attracting enough job applicants. Air passenger traffic continues to strongly support the measures; the sector strongly rebounded this year as business and pleasure travel returned. The housing data tells a familiar story with strong demand illustrated by the large contributions made by residential sales but neutral to moderate contributions from new housing units permitted. The imbalance between supply and demand is pushing housing costs higher. Home pricing appreciation is supported by income gains and historically low mortgage rates. In contrast to the housing bubble of the mid-2000’s, high prices are not driven by deteriorating underwriting conditions associated with exotic mortgage products and are thus less likely to suffer a sharp reversal.

Contributions to Regional Indexes – June 2021

	Portland-Vancouver-Beaverton	Eugene-Springfield	Central Oregon	Rogue Valley	Salem
New Private Housing Units Authorized by Permits	0.01	0.06	0.05	0.00	-0.01
Educational and Health Services Employment	0.18	0.15	0.09	0.10	0.30
Financial Activities Employment	-0.04	0.09	-0.12	0.03	0.02
Government Employment	0.02	0.01	0.03	-0.01	-0.12
Information Employment	-0.10	-0.09	0.01	0.01	0.09
Leisure and Hospitality Employment	0.10	0.11	-0.08	0.02	0.36
Manufacturing Employment	0.13	0.13	0.08	0.11	0.02
Construction Employment	0.07	0.00	-0.01	0.14	0.03
Professional and Business Services Employment	0.06	-0.01	-0.02	0.08	-0.01
Other Services Employment	0.09	0.30	0.03	0.20	0.13
Trade, Transportation, and Utilities Employment	0.07	0.02	0.11	0.00	0.21
Civilian Labor Force	0.00	-0.01	-0.01	-0.08	0.02
Unemployment Rate	0.05	0.06	0.06	0.06	0.09
Lodging Revenue, Inflation Adjusted	0.00	0.15	-0.02		0.01
Airport Passengers	0.06	0.12	0.06	0.07	
Initial Unemployment Claims	-0.06	-0.08	-0.04		
Residential Units Sold	0.08	0.08	0.07		0.10
Municipal Waste	0.06	0.13	0.06		
Home Price Index	0.08				
Total	0.85	1.23	0.36	0.74	1.23
Moving Average of Recent Observations	1.16	1.00	0.16	0.70	0.93

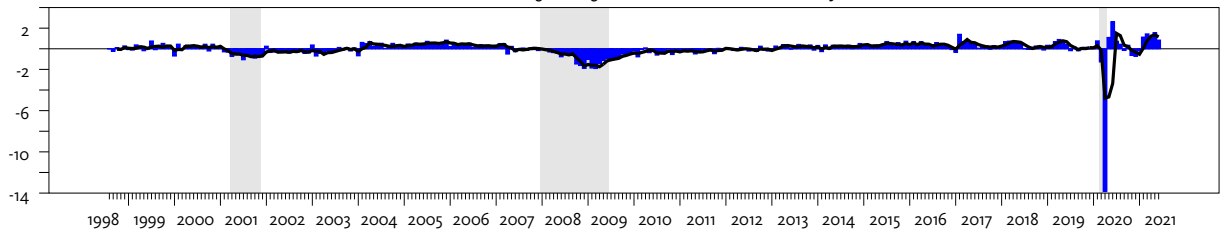
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Portland Metro

Portland Metro Measure of Economic Activity

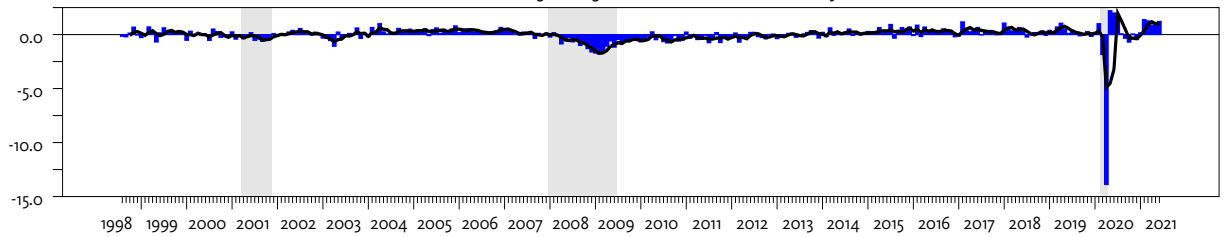
Three-Month Moving Average in Black, US Recessions in Gray



Eugene-Springfield

Eugene-Springfield Measure of Economic Activity

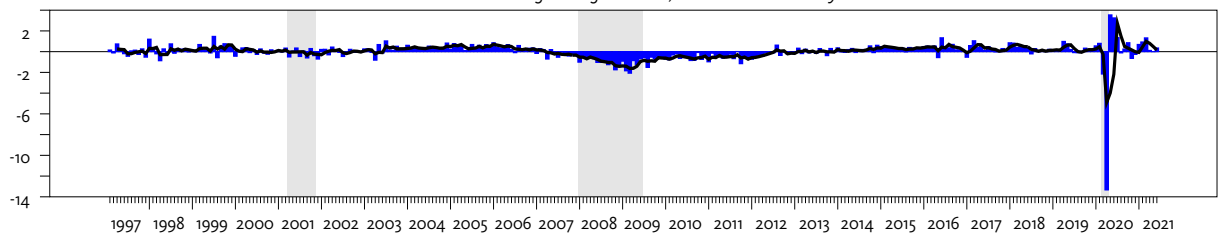
Three-Month Moving Average in Black, US Recessions in Gray



Central Oregon

Central Oregon Measure of Economic Activity

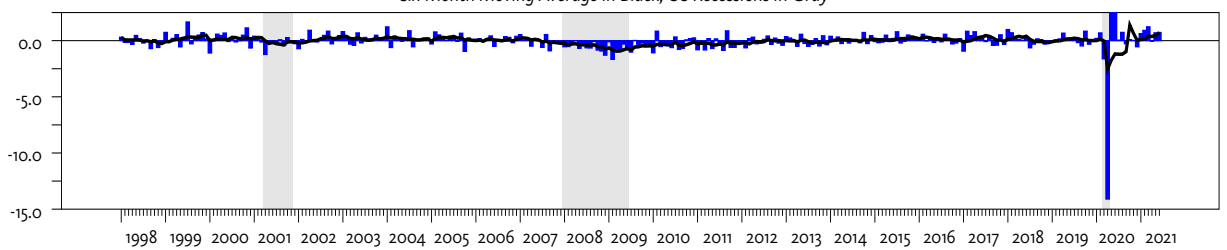
Three-Month Moving Average in Black, US Recessions in Gray



Rogue Valley

Rogue Valley Measure of Economic Activity

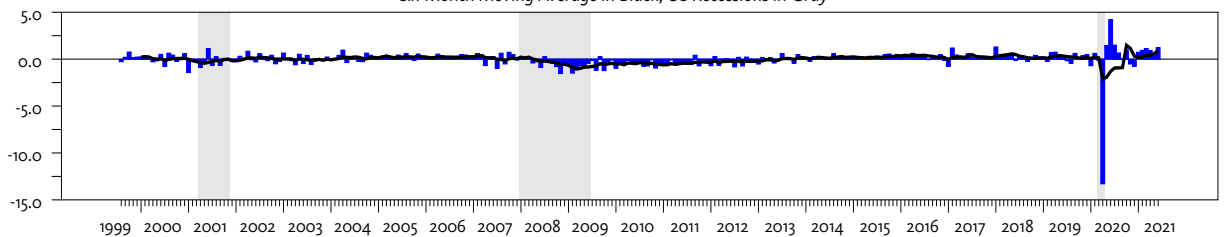
Six-Month Moving Average in Black, US Recessions in Gray



Salem

Salem Measure of Economic Activity

Six-Month Moving Average in Black, US Recessions in Gray



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