

Oregon Regional Economic Indexes™



July 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 eased a notch in many of Oregon’s major metro regions in July but the overall growth trajectory remains solid. The moving averages, which track the underlying trend, are all at or above zero (zero represents the average pace of growth for each area). Home construction activity as measured by residential building permits mostly continued to hover near neutral levels despite generally strong demand as measured by residential units sold; this dynamic generally puts upward pressure on housing prices. The improved economy has helped drive down unemployment rates to levels that now contribute positively to the measures. Likewise, in another sign of improving economic conditions, initial unemployment claims have fallen enough that they now make nearly neutral contributions. Municipal waste collections continue to make positive contributions; increasing economic activity generally creates additional waste flow. Employment components generally made neutral to positive contributions with a handful of exceptions such as substantial negative contributions from the education and health service sector in the Eugene areas and the trade, transportation, and utilities sector in Salem. These most likely reflect the impacts of typical variability of the data. Lodging revenue slipped in the Eugene and Bend regions and created negative contributions but the general uphill trend remains in place. Still, the Delta variant may put some additional downward pressure on lodging in August and September.

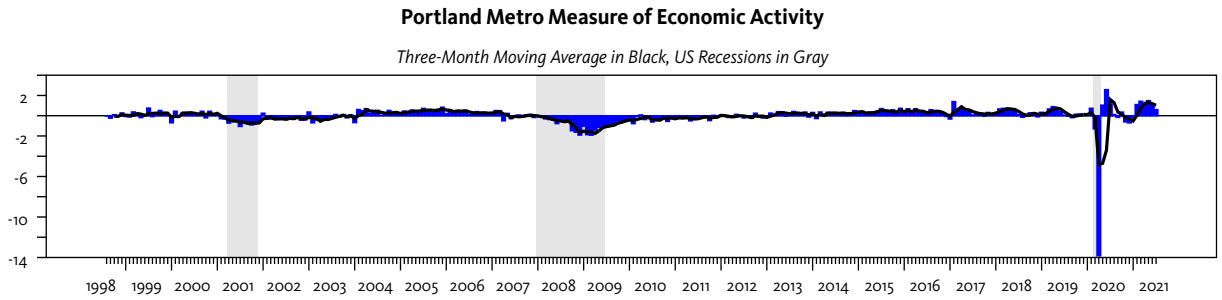
Contributions to Regional Indexes – July 2021

	Portland-Vancouver-Beaverton	Eugene-Springfield	Central Oregon	Rogue Valley	Salem
New Private Housing Units Authorized by Permits	0.04	-0.04	0.05	-0.02	-0.02
Educational and Health Services Employment	-0.02	-0.39	-0.13	-0.12	0.12
Financial Activities Employment	-0.03	0.21	-0.09	-0.09	0.02
Government Employment	0.15	0.13	0.02	0.20	0.33
Information Employment	0.15	0.02	-0.03	0.02	-0.09
Leisure and Hospitality Employment	0.00	0.10	-0.04	0.32	0.15
Manufacturing Employment	-0.07	0.00	0.02	-0.09	-0.03
Construction Employment	0.06	-0.01	-0.02	0.14	0.04
Professional and Business Services Employment	0.09	0.03	0.00	-0.07	0.14
Other Services Employment	-0.05	0.02	-0.01	-0.06	0.13
Trade, Transportation, and Utilities Employment	-0.03	-0.03	-0.21	0.05	-0.31
Civilian Labor Force	0.03	0.02	-0.01	0.30	0.04
Unemployment Rate	0.06	0.08	0.07	0.07	0.10
Lodging Revenue, Inflation Adjusted	0.00	-0.13	-0.12		0.00
Airport Passengers	0.03	0.02	-0.01	-0.01	
Initial Unemployment Claims	0.01	0.02	0.01		
Residential Units Sold	0.07	0.06	0.07		0.08
Municipal Waste	0.05	0.09	0.05		
Home Price Index	0.08				
Total	0.61	0.19	-0.38	0.64	0.72
Moving Average of Recent Observations	1.03	0.73	-0.08	0.68	0.90

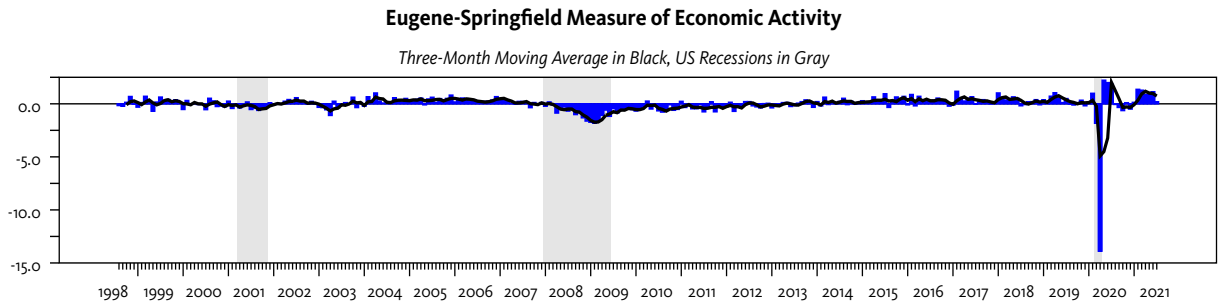
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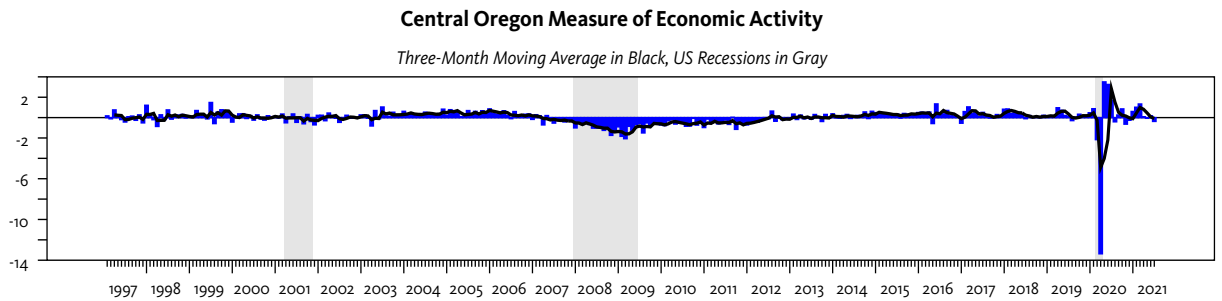
Portland Metro



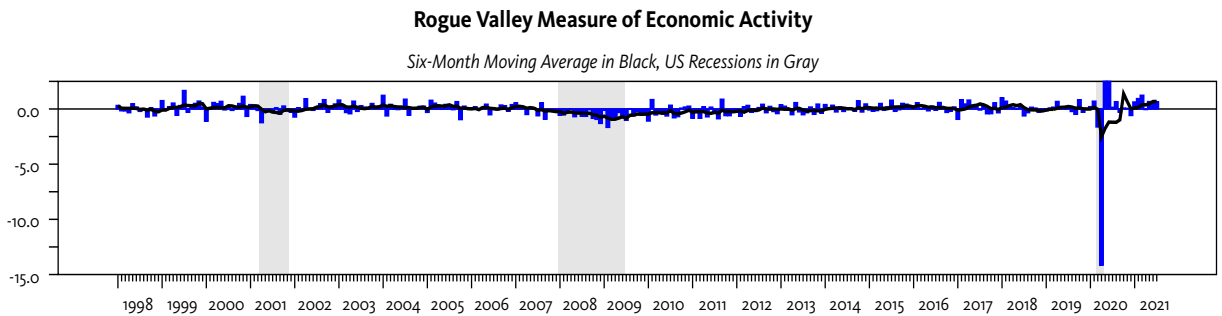
Eugene-Springfield



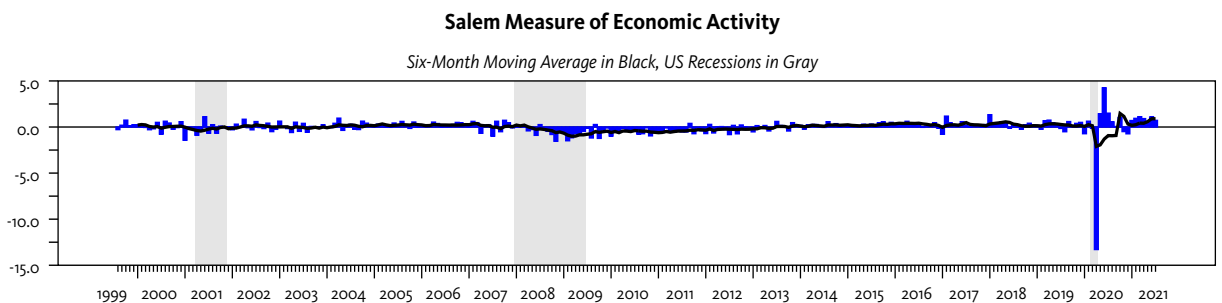
Central Oregon



Rogue Valley



Salem



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