

Oregon Regional Economic Indexes™



August 2016

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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

The ongoing economic expansion continues to propel Oregon’s regional economies. The measures for all regions indicate above average growth (both the “raw” June numbers and the moving average measures of activity, which smooth monthly volatility). Recall that “zero” for these measures indicates relative average growth; each region has its own underlying growth rate. Home permitting was neutral or supportive for most measures and only modestly negative for the Rogue Valley area. A jump in multifamily permits boosted the Salem measure. The ongoing strength in housing sales serves as a basis for further construction gains, which statewide are just now approaching average levels. Employment indicators generally supported the measures; the recovery has become increasingly broad-based over time with most sectors experiencing improvement. Employment in Salem was 6.1 percent higher than a year ago in August, surpassing that of even the Bend region rate of 5.1 percent. Broad labor market indicators such as labor force, the unemployment rate, and initial unemployment claims are almost universally supportive of the measures across regions. Municipal waste measures were widely supportive of measures as expected, given solid economic growth and ongoing in-migration.

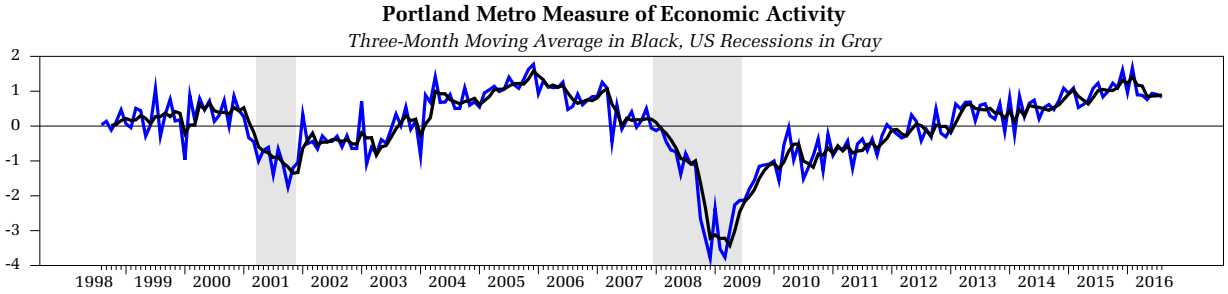
Contributions to Regional Indexes – August 2016

	Portland-Vancouver-Beaverton	Eugene-Springfield	Central Oregon	Rogue Valley	Salem
New Private Housing Units Authorized by Permits	0.09	-0.01	0.21	-0.10	0.23
Educational and Health Services Employment	0.11	0.06	0.11	-0.02	0.01
Financial Activities Employment	-0.17	0.07	-0.06	0.12	0.01
Government Employment	0.00	0.00	0.00	0.00	0.08
Information Employment	0.04	-0.19	0.00	-0.01	0.00
Leisure and Hospitality Employment	-0.08	0.22	-0.04	-0.02	0.06
Manufacturing Employment	0.17	0.15	-0.08	0.00	0.01
Construction Employment	0.24	-0.05	0.06	-0.06	0.04
Professional and Business Services Employment	-0.09	0.04	-0.03	0.14	0.32
Other Services Employment	0.06	0.03	-0.01	0.01	-0.05
Trade, Transportation, and Utilities Employment	-0.19	-0.06	-0.05	0.02	-0.20
Civilian Labor Force	0.01	0.12	0.00	0.40	0.30
Unemployment Rate	0.09	0.17	0.18	0.21	0.25
Lodging Revenue, Inflation Adjusted	0.00	0.06	-0.02		-0.02
Airport Passengers	0.00	0.00	0.00	0.01	
Initial Unemployment Claims	0.18	0.28	0.20		
Residential Units Sold	0.13	0.46	0.23		0.45
Municipal Waste	0.19	0.13	0.16		
Home Price Index	0.04				
Total	0.83	1.48	0.87	0.70	1.49
Moving Average of Recent Observations	0.89	1.04	0.95	0.46	1.17

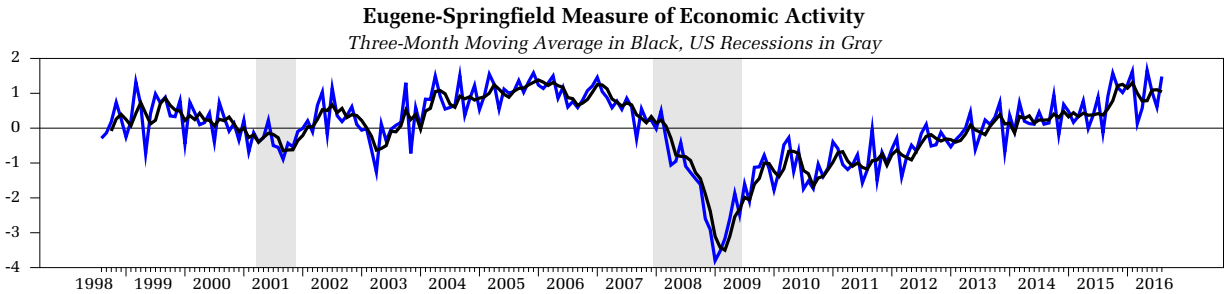
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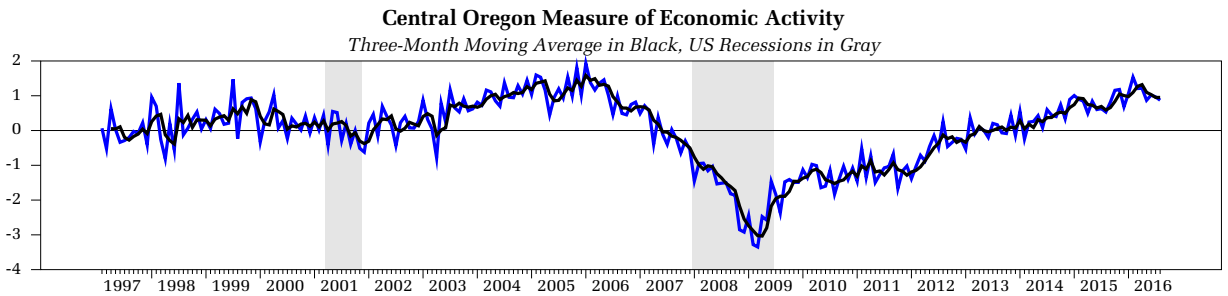
Portland Metro



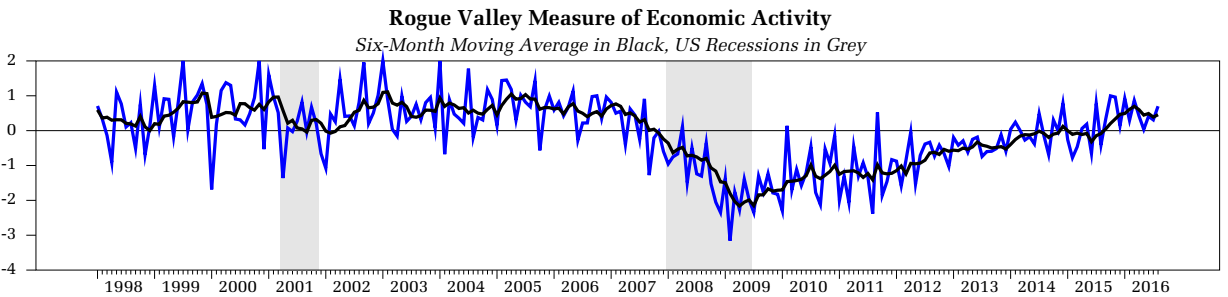
Eugene-Springfield



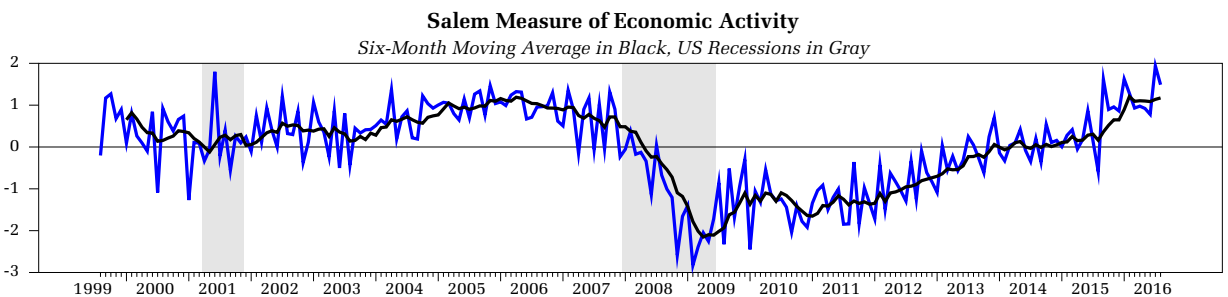
Central Oregon



Rogue Valley



Salem



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