

Oregon Regional Economic Indexes™



January 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

Regional measures of economic activity were mixed in January. The Portland and Eugene-Springfield regions were both negative, indicating below normal growth. Remaining regions were all positive. The moving average measures of activity, which smooth out the monthly variation, indicate that as of January the Portland and Eugene-Springfield regions were lagging the recovery in other regions. There were a number of idiosyncratic components that drove individual regional measures this month. For instance, the labor force metric made a large negative contribution to the Eugene-Springfield measure but a large positive contribution to the Salem measure. Likewise, construction employment, which can be volatile, had an outsized negative impact on the Portland measure. A rebound in lodging revenue supported the Central Oregon measure. Still, there were some common threads. As the unemployment rate has fallen, this component now makes a nearly negative contribution to the measures. Residential home sales made a positive contribution across the measures, while new housing permits was nearly neutral (note that the strong pace of sales coupled with restricted supply helps put upward pressure on pricing).

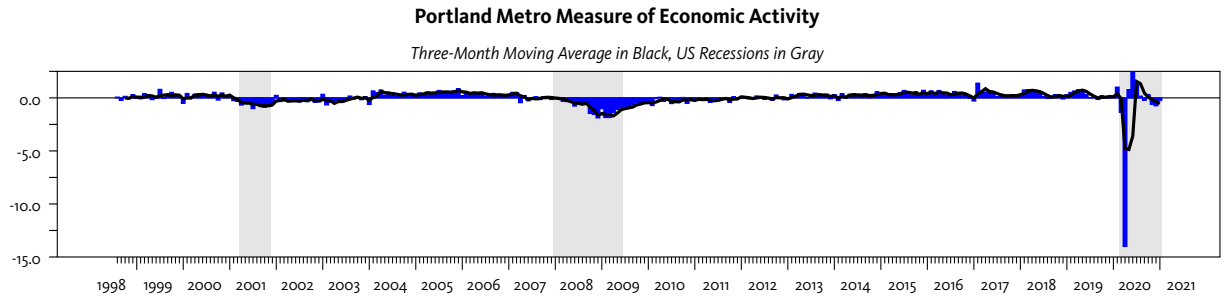
Contributions to Regional Indexes – January 2021

	Portland-Vancouver-Beaverton	Eugene-Springfield	Central Oregon	Rogue Valley	Salem
New Private Housing Units Authorized by Permits	0.00	-0.01	0.03	0.01	0.01
Educational and Health Services Employment	-0.08	-0.06	-0.06	-0.04	-0.14
Financial Activities Employment	-0.07	0.01	0.15	0.06	-0.02
Government Employment	-0.01	0.03	-0.01	-0.01	-0.01
Information Employment	0.10	0.10	-0.02	-0.01	0.11
Leisure and Hospitality Employment	0.02	-0.09	0.03	0.09	0.08
Manufacturing Employment	-0.04	-0.01	0.02	-0.01	0.07
Construction Employment	-0.19	0.00	0.02	0.02	0.02
Professional and Business Services Employment	-0.12	-0.01	-0.16	0.00	0.03
Other Services Employment	0.10	-0.09	-0.03	0.14	0.14
Trade, Transportation, and Utilities Employment	0.05	0.14	0.20	0.20	0.07
Civilian Labor Force	0.01	-0.27	0.03	0.10	0.30
Unemployment Rate	-0.01	-0.01	0.01	0.02	0.01
Lodging Revenue, Inflation Adjusted	0.00	0.01	0.12		0.00
Airport Passengers	-0.01	0.01	0.00	-0.02	
Initial Unemployment Claims	-0.09	-0.09	0.05		
Residential Units Sold	0.06	0.07	0.07		0.06
Municipal Waste	0.03	0.02	0.05		
Home Price Index	0.03				
Total	-0.23	-0.3	0.50	0.55	0.74
Moving Average of Recent Observations	-0.52	-0.4	-0.15	-0.03	0.11

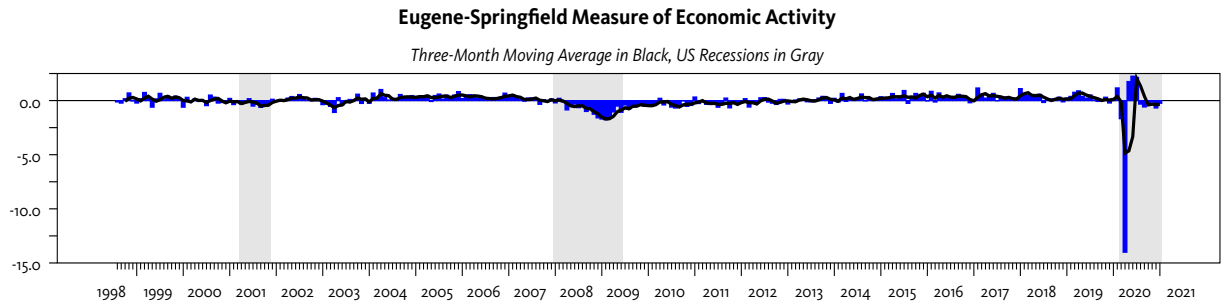
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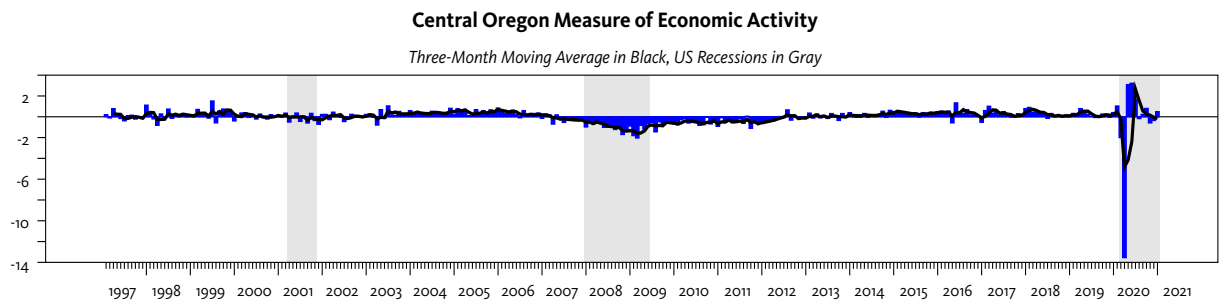
Portland
Metro



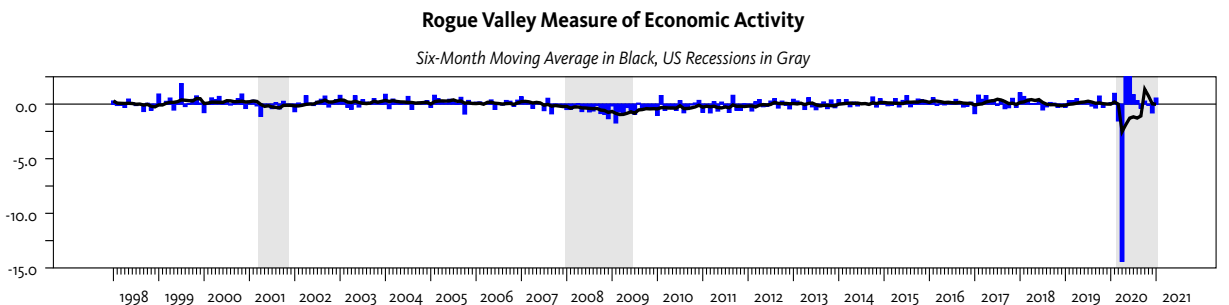
Eugene-
Springfield



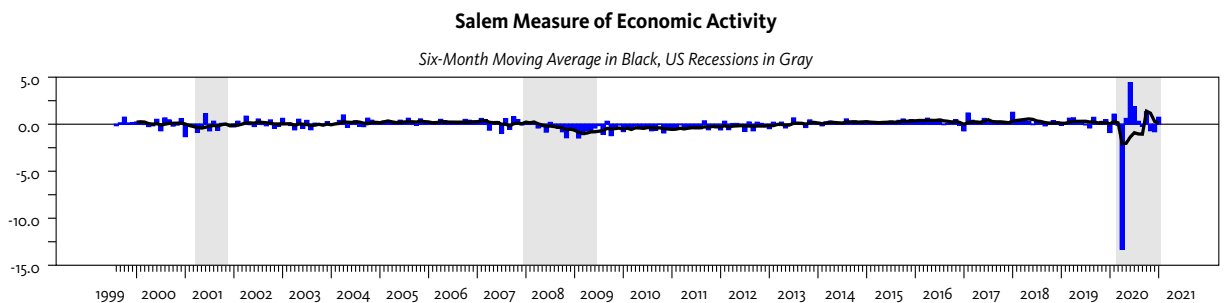
Central
Oregon



Rogue
Valley



Salem



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