

# Oregon Regional Economic Indexes™



September 2015

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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.

## Contact

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## Review

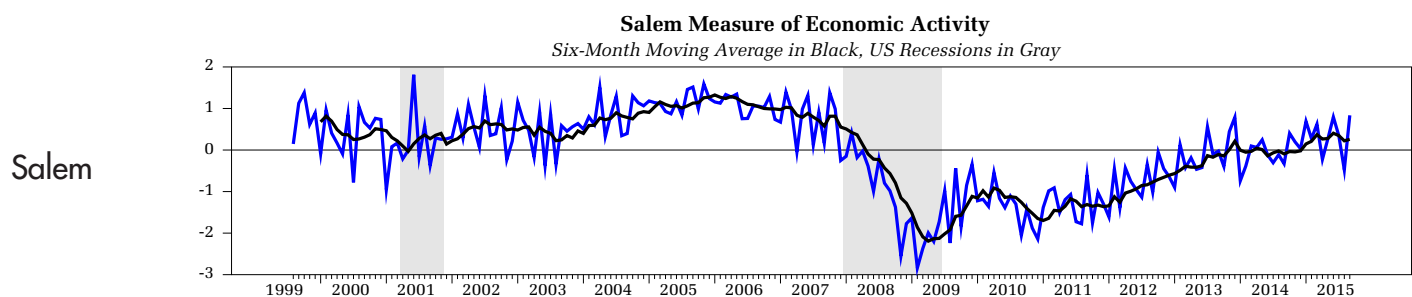
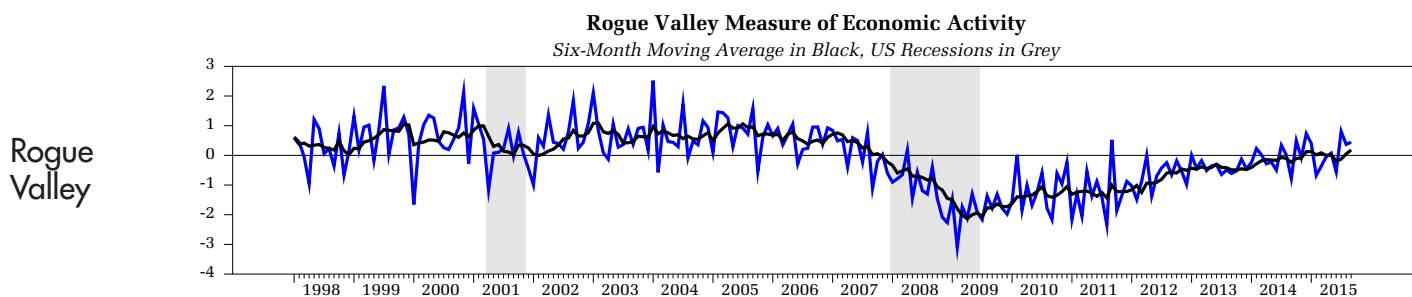
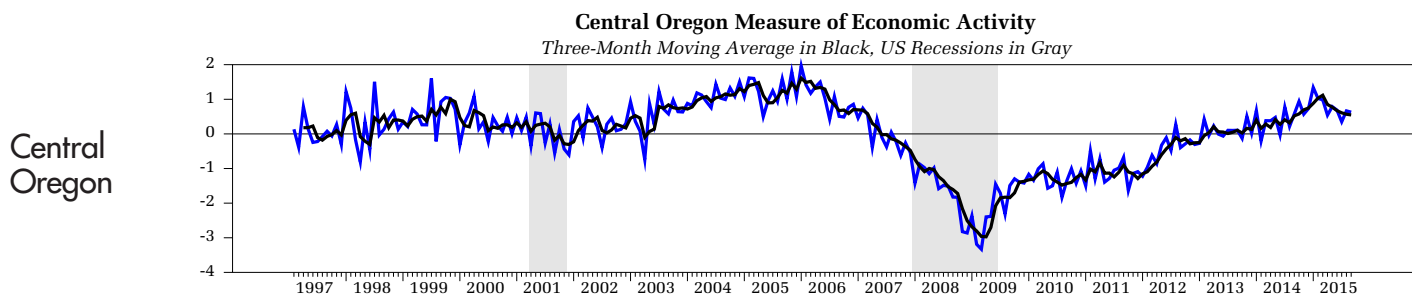
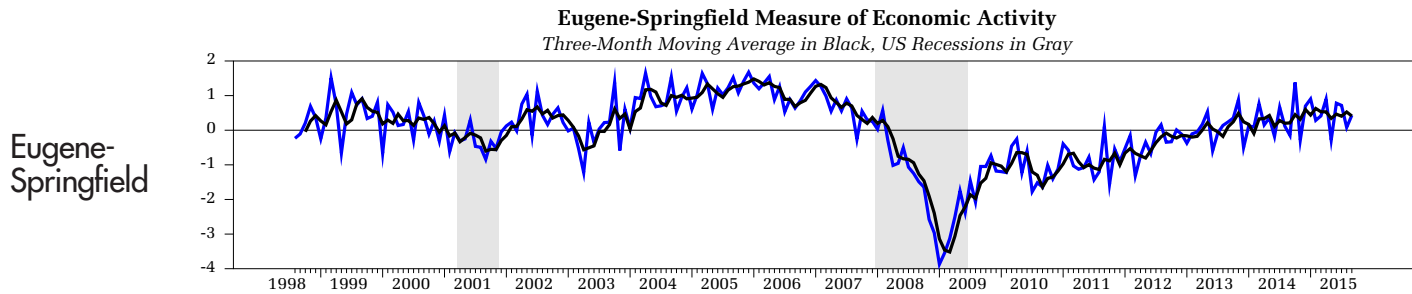
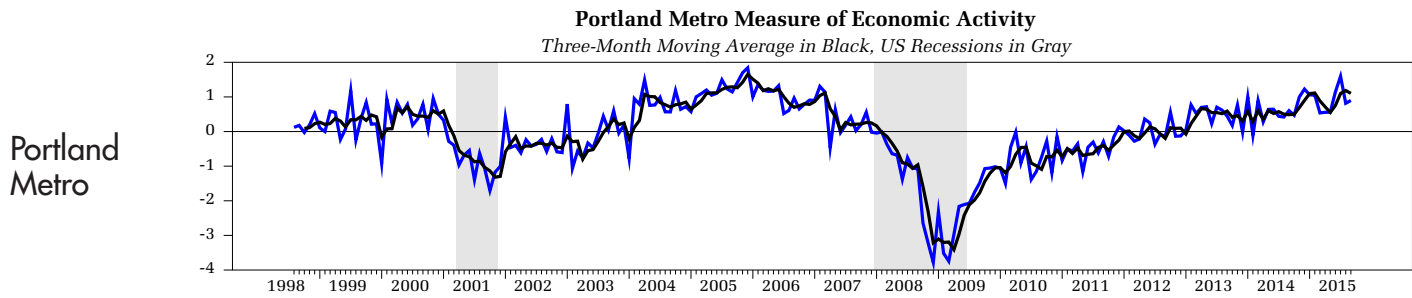
Regional economic activity was above average across Oregon’s largest metro areas in September. Recall that “zero” for these measures indicates relative average growth; each region has its own underlying growth rate. Broad labor market components—unemployment rate, civilian labor force, and initial unemployment claims—mostly contributed positively across all regions. Low levels of initial claims indicate that job growth is likely to continue in all regions. New housing units permitted were a negative factor in only the Eugene–Springfield and Rogue Valley regions; a jump in permits pulled the component’s Salem contribution into positive territory. The Salem measure received a substantial boost from residential housing sales (strong across the state), helping to more than reverse the previous month’s decline. The Portland metro region continues its rapid pace of activity; solid contributions from a wide array of indicators held the region’s measure at a level consistent with past expansions. Housing permits made a strong positive contribution to the Central Oregon measure: steady in-migration is helping regional housing construction activity recover from the steep declines of the Great Recession. The Rogue Valley continues to enjoy steady growth despite a soft rebound in new housing activity. Growth in the Salem and Eugene–Springfield regions continues to track sideways at an above-average pace similar to that experienced in late 1990s.

### Contributions to Regional Indexes – September 2015

	Portland-Vancouver-Beaverton	Eugene-Springfield	Central Oregon	Rogue Valley	Salem
New Private Housing Units Authorized by Permits	0.16	-0.22	0.10	-0.19	0.10
Educational and Health Services Employment	-0.08	-0.03	0.00	-0.03	0.01
Financial Activities Employment	-0.08	0.10	0.01	0.04	0.05
Government Employment	0.00	0.00	0.00	-0.09	0.09
Information Employment	-0.06	-0.01	-0.01	-0.02	-0.02
Leisure and Hospitality Employment	-0.03	0.01	-0.07	0.00	-0.02
Manufacturing Employment	-0.07	0.06	-0.03	0.08	0.03
Construction Employment	0.05	0.12	0.09	0.20	0.01
Professional and Business Services Employment	-0.02	-0.01	-0.01	0.05	-0.03
Other Services Employment	0.36	-0.01	0.00	0.05	0.21
Trade, Transportation, and Utilities Employment	-0.09	-0.18	-0.08	0.00	-0.39
Civilian Labor Force	0.04	0.02	0.00	0.23	0.20
Unemployment Rate	0.07	0.09	0.12	0.14	0.16
Lodging Revenue, Inflation Adjusted	0.00	-0.01	-0.01		-0.01
Airport Passengers	0.01	-0.01	0.00	0.00	
Initial Unemployment Claims	0.23	0.23	0.17		
Residential Units Sold	0.22	0.28	0.24		0.48
Municipal Waste	0.07	-0.01	0.08		
Home Price Index	0.11				
<b>Total</b>	<b>0.90</b>	<b>0.43</b>	<b>0.63</b>	<b>0.44</b>	<b>0.84</b>
<b>Moving Average of Recent Observations</b>	<b>1.10</b>	<b>0.41</b>	<b>0.55</b>	<b>0.18</b>	<b>0.26</b>

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