

Oregon Regional Economic Indexes™



April 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

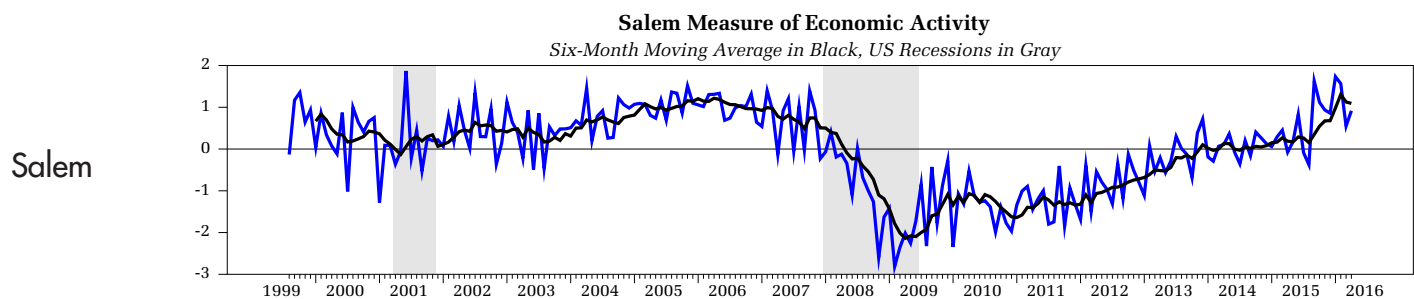
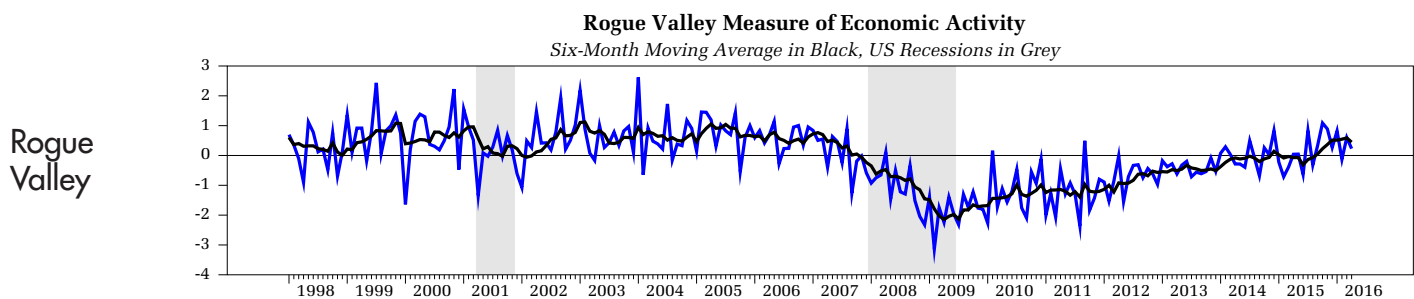
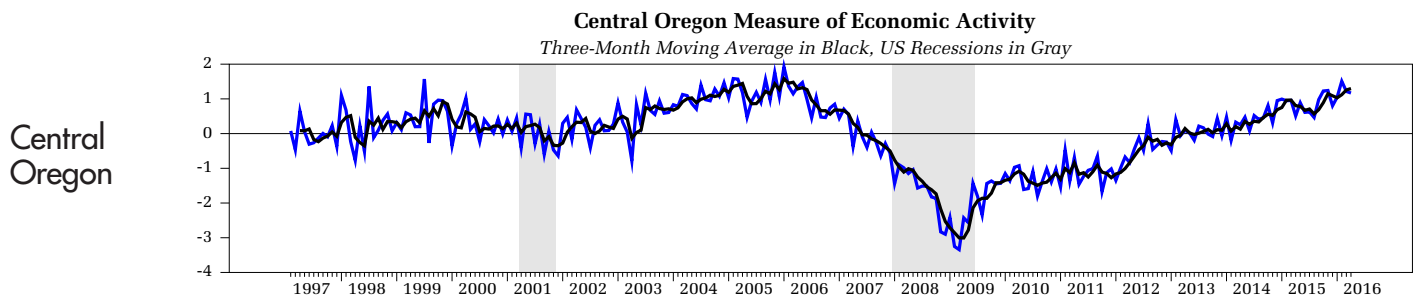
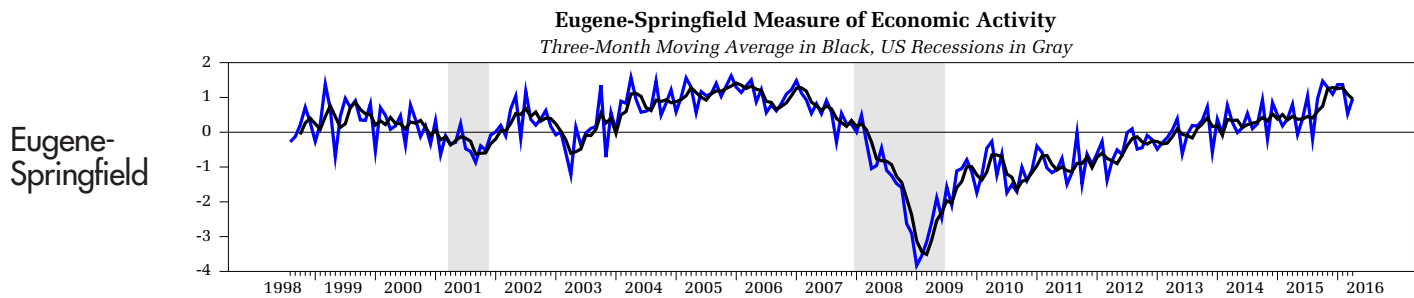
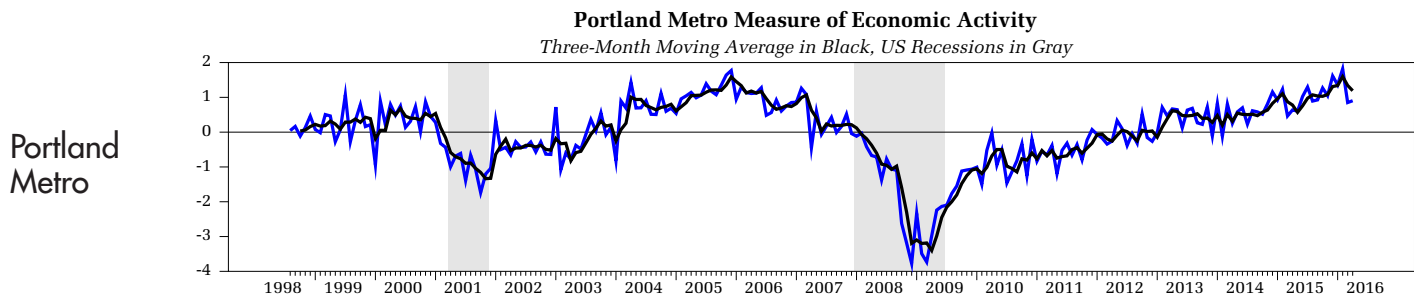
Regional economies maintained their momentum in April. The measures for all regions continue to indicate above average growth (both the “raw” April numbers and the moving average measures of activity, which smooth monthly volatility). Recall that “zero” for these measures indicates relative average growth; each region has its own underlying growth rate. New housing units permitted made a near-neutral contribution in all areas with the exception of Salem. New home construction in Salem continues to lag despite experiencing strong demand for housing seen in other areas of the state. Rising home prices in the Portland area remain a supportive component of that index. Employment components of the measures were generally near-neutral to positive. Broad measures of the labor market—unemployment, labor force, and initial unemployment claims—made positive contributions to the measures for almost all areas (the labor force made a near neutral contribution in the Rogue Valley). Growing populations and more economic activity continue to boost municipal waste measures while airport passenger activity is increasing at a normal rate, thus making a neutral contribution to the measures. Overall, the economic expansion continues to be felt across the state with the largest cities experiencing growth consistent with that of past expansions.

Contributions to Regional Indexes – April 2016

	Portland-Vancouver-Beaverton	Eugene-Springfield	Central Oregon	Rogue Valley	Salem
New Private Housing Units Authorized by Permits	0.02	-0.05	0.07	0.08	-0.21
Educational and Health Services Employment	-0.01	-0.02	0.02	0.04	0.00
Financial Activities Employment	-0.30	-0.09	-0.11	-0.08	0.00
Government Employment	0.00	0.01	0.00	0.07	0.01
Information Employment	0.03	0.00	0.00	-0.03	0.00
Leisure and Hospitality Employment	0.01	0.12	0.00	-0.03	0.00
Manufacturing Employment	-0.15	-0.05	0.09	-0.01	-0.03
Construction Employment	0.08	0.00	0.06	-0.09	-0.03
Professional and Business Services Employment	0.03	-0.05	-0.02	-0.02	0.20
Other Services Employment	0.19	0.03	-0.03	0.01	0.11
Trade, Transportation, and Utilities Employment	0.15	-0.01	-0.04	-0.03	-0.11
Civilian Labor Force	0.04	0.06	0.03	-0.01	0.12
Unemployment Rate	0.12	0.26	0.24	0.33	0.39
Lodging Revenue, Inflation Adjusted	0.01	-0.01	0.04		-0.01
Airport Passengers	0.00	0.01	0.00	0.01	
Initial Unemployment Claims	0.31	0.45	0.45		
Residential Units Sold	0.15	0.28	0.21		0.45
Municipal Waste	0.14	0.01	0.15		
Home Price Index	0.09				
Total	0.90	0.97	1.17	0.23	0.92
Moving Average of Recent Observations	1.19	0.96	1.30	0.45	1.09

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