

# Oregon Regional Economic Indexes™



April 2018

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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

Measures of economic activity eased in most of Oregon’s major metropolitan areas in April due to softer employment numbers. Still, for all regions covered by this report, both raw and moving average measures (which smooth monthly volatility) were solidly above zero, indicating an above-trend pace of activity (trend activity differs across regions). Among the employment components, the Trade, Transportation, and Utilities Employment component was particularly weak, but this appears to be a reversion of some unusually strong numbers earlier this year. The story in housing remains familiar, with a solid pace of sales in across the state, yet mostly neutral to negative contributions from home permitting in most areas. The strongest permits contribution was in the Portland measure. Weak labor force growth was again a negative factor, and this indicator bears watching as slower growth in the available numbers of workers could limit the ability of firms to expand. Low unemployment rates and low initial unemployment claims supported large positive contributions to the measures and indicate that labor markets are strong and likely to remain strong in the months ahead.

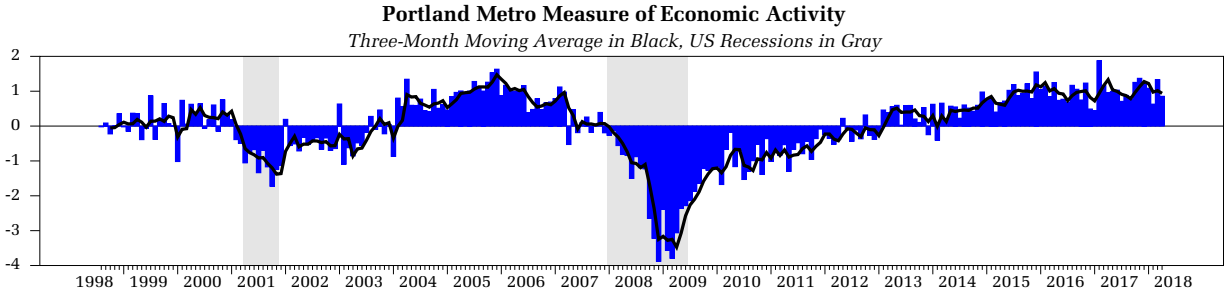
## Contributions to Regional Indexes – April 2018

	Portland-Vancouver-Beaverton	Eugene-Springfield	Central Oregon	Rogue Valley	Salem
New Private Housing Units Authorized by Permits	0.14	-0.10	0.05	-0.28	0.03
Educational and Health Services Employment	-0.04	-0.13	-0.06	0.16	-0.06
Financial Activities Employment	0.15	0.05	-0.07	-0.07	-0.01
Government Employment	0.00	0.00	0.00	-0.01	-0.02
Information Employment	0.02	-0.01	0.00	0.08	0.00
Leisure and Hospitality Employment	-0.01	0.02	-0.03	-0.01	0.00
Manufacturing Employment	0.18	0.07	-0.01	0.07	0.03
Construction Employment	-0.06	-0.05	0.00	0.07	0.20
Professional and Business Services Employment	-0.09	0.03	-0.06	0.00	-0.04
Other Services Employment	-0.05	0.01	-0.03	-0.01	-0.04
Trade, Transportation, and Utilities Employment	0.03	-0.18	-0.42	-0.10	-0.09
Civilian Labor Force	-0.05	-0.16	-0.04	-0.20	-0.29
Unemployment Rate	0.15	0.71	0.24	0.41	0.37
Lodging Revenue, Inflation Adjusted	0.00	0.02	0.02		0.00
Airport Passengers	0.00	0.08	0.00	0.05	
Initial Unemployment Claims	0.22	0.26	0.21		
Residential Units Sold	0.12	0.30	0.19		0.28
Municipal Waste	0.19	0.11	0.19		
Home Price Index	-0.03				
<b>Total</b>	<b>0.85</b>	<b>1.04</b>	<b>0.18</b>	<b>0.16</b>	<b>0.36</b>
<b>Moving Average of Recent Observations</b>	<b>0.94</b>	<b>1.02</b>	<b>0.89</b>	<b>0.66</b>	<b>1.08</b>

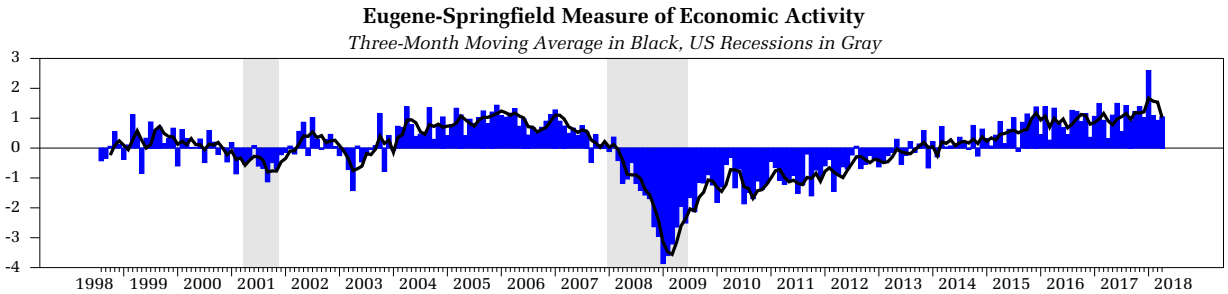
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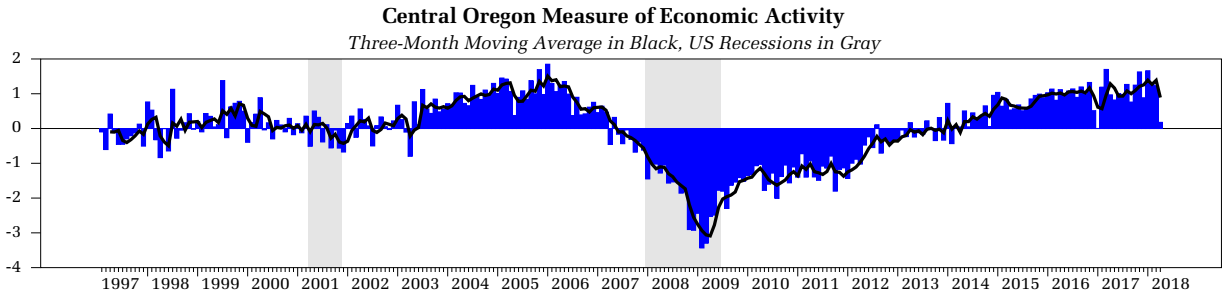
Portland Metro



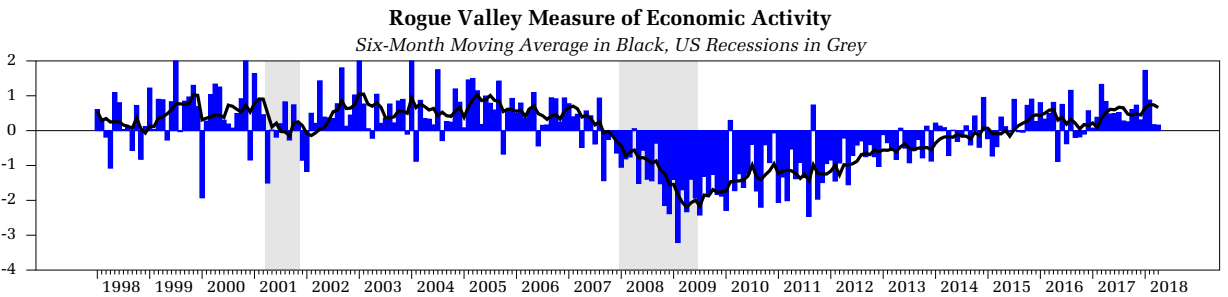
Eugene-Springfield



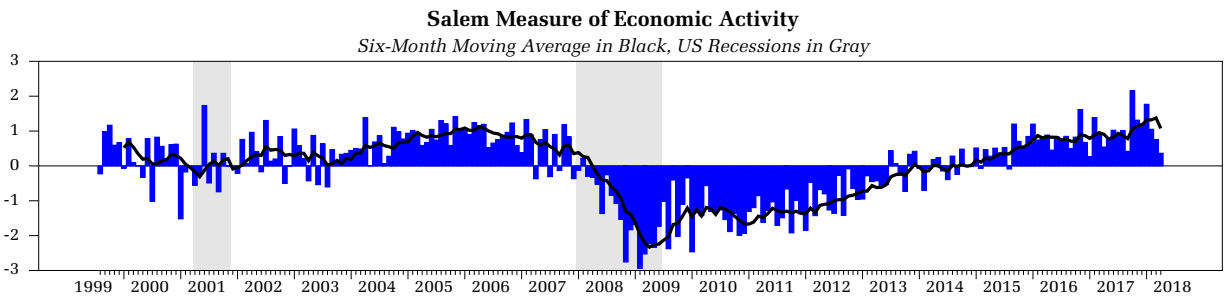
Central Oregon



Rogue Valley



Salem



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