

# Oregon Regional Economic Indexes™



June 2018

SPONSORED BY



## 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

Timothy A. Duy  
 Director, Oregon Economic Forum  
 Department of Economics  
 University of Oregon  
 541-346-4660 • [duy@uoregon.edu](mailto:duy@uoregon.edu)  
[econforum.uoregon.edu](http://econforum.uoregon.edu)

## Review

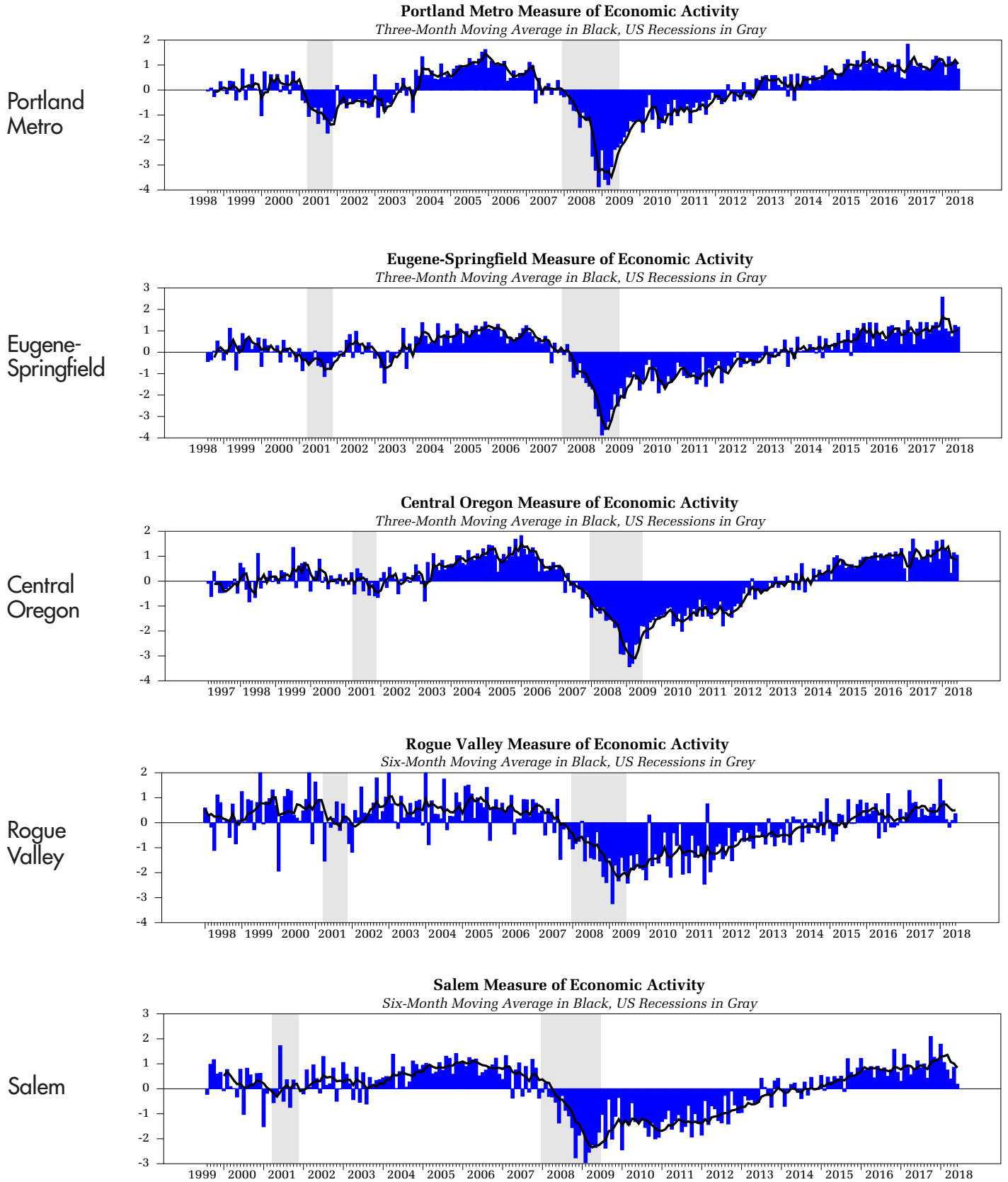
June was another month of solid expansion for all of Oregon’s major metropolitan areas. For all regions covered by this report, both raw and moving average measures (which smooth monthly volatility) were solidly above zero, indicating an above-trend pace of activity (trend activity differs across regions). Housing permits made a just-above neutral contribution to all measures with the exception of the Rogue Valley where housing construction remains soft in comparison to past trends. The housing markets in the Portland area has cooled from a super-heated pace of last year but remains strong overall. Labor force numbers continue to follow recent patterns of weakness. This could be the result of an economy that has reached full employment in which the excess slack in labor markets evident in the years since the Great Recession have finally been reduced to a very low level. It may also reflect a slowing of in-migration of job seekers into the state. While overall it remains too early to identify a cause of the slowing (or even that a slowing has conclusively occurred as data might be revised higher), the issue remains watching as it could indicate the economy is entering a new phase of the business cycle where labor availability become a greater constraint on growth.

## Contributions to Regional Indexes – June 2018

	Portland-Vancouver-Beaverton	Eugene-Springfield	Central Oregon	Rogue Valley	Salem
New Private Housing Units Authorized by Permits	0.04	0.06	0.04	-0.34	0.02
Educational and Health Services Employment	0.07	-0.03	-0.04	0.10	0.02
Financial Activities Employment	-0.31	0.05	-0.04	-0.04	0.00
Government Employment	0.00	0.02	0.00	0.02	0.00
Information Employment	-0.15	0.02	0.00	0.02	0.00
Leisure and Hospitality Employment	0.18	0.13	0.11	0.16	0.04
Manufacturing Employment	0.17	0.05	-0.04	0.00	-0.04
Construction Employment	0.11	0.18	0.10	0.09	-0.05
Professional and Business Services Employment	0.10	-0.03	0.00	0.13	-0.24
Other Services Employment	0.14	0.03	-0.04	0.00	0.00
Trade, Transportation, and Utilities Employment	-0.25	0.01	0.05	-0.03	-0.17
Civilian Labor Force	-0.02	-0.23	-0.02	-0.20	-0.23
Unemployment Rate	0.17	0.31	0.26	0.43	0.46
Lodging Revenue, Inflation Adjusted	0.00	0.00	-0.01		0.01
Airport Passengers	0.00	0.00	0.00	0.01	
Initial Unemployment Claims	0.33	0.38	0.26		
Residential Units Sold	0.08	0.18	0.19		0.37
Municipal Waste	0.17	0.07	0.22		
Home Price Index	0.00				
<b>Total</b>	<b>0.84</b>	<b>1.18</b>	<b>1.04</b>	<b>0.36</b>	<b>0.19</b>
<b>Moving Average of Recent Observations</b>	<b>1.04</b>	<b>1.05</b>	<b>0.84</b>	<b>0.50</b>	<b>0.84</b>

# Oregon Regional Economic Indexes™

June 2018



COLLEGE OF ARTS + SCIENCES



oregon economic forum