

Oregon Regional Economic Indexes™



July 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

Oregon’s major metropolitan areas continued to benefit in July from the nation’s protracted economic expansion. For all regions covered by this report, both raw and moving average measures (which smooth monthly volatility) were above zero, indicating an above-trend pace of activity (trend activity differs across regions). Housing permits were on the soft side in July, generally neutral to negative. The exception was the central Oregon region; Deschutes County permits have been running in their pre-bubble range of 150–200 per month since the beginning of 2015. Employment components were generally neutral to positive across all regions. Steady economic activity and population growth continue to fuel municipal waste production, creating a positive contribution to the measures. Low unemployment rates and low initial unemployment claims continued to make large positive contributions to the measures; the latter suggest job growth is likely to continue in the months ahead. There is no indication in the data that the current expansion is likely to end anytime soon.

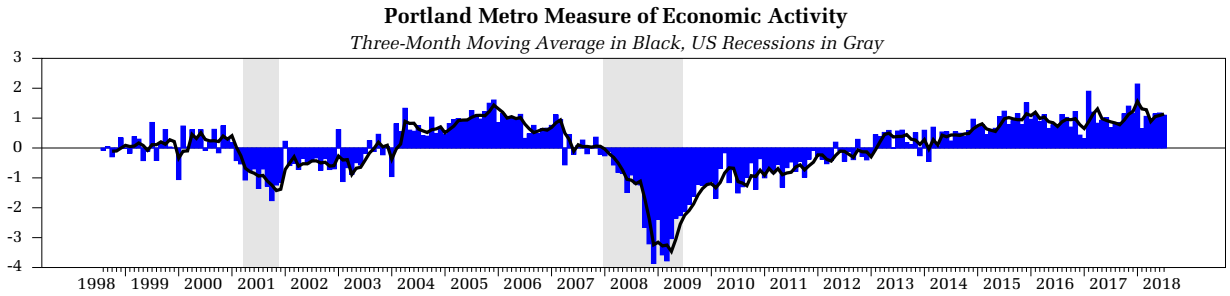
Contributions to Regional Indexes – July 2018

	Portland-Vancouver-Beaverton	Eugene-Springfield	Central Oregon	Rogue Valley	Salem
New Private Housing Units Authorized by Permits	0.02	-0.10	0.11	-0.16	-0.03
Educational and Health Services Employment	0.02	-0.12	-0.01	0.18	0.06
Financial Activities Employment	-0.19	-0.04	-0.04	-0.13	-0.03
Government Employment	0.00	0.00	0.00	-0.03	-0.11
Information Employment	0.06	0.04	-0.03	0.03	0.00
Leisure and Hospitality Employment	0.05	0.02	0.00	0.04	0.07
Manufacturing Employment	0.08	-0.04	0.04	0.05	0.12
Construction Employment	0.25	0.03	-0.01	0.10	0.00
Professional and Business Services Employment	-0.14	0.06	0.00	-0.04	0.19
Other Services Employment	-0.17	-0.03	-0.02	-0.11	-0.04
Trade, Transportation, and Utilities Employment	0.46	0.06	0.06	-0.18	0.03
Civilian Labor Force	-0.01	-0.01	0.00	-0.09	0.20
Unemployment Rate	0.17	0.32	0.28	0.44	0.46
Lodging Revenue, Inflation Adjusted	0.01	0.01	-0.04		0.00
Airport Passengers	0.00	0.01	0.00	0.03	
Initial Unemployment Claims	0.22	0.33	0.22		
Residential Units Sold	0.10	0.22	0.18		0.50
Municipal Waste	0.19	0.06	0.22		
Home Price Index	-0.02				
Total	1.10	0.81	0.97	0.12	1.43
Moving Average of Recent Observations	1.14	1.14	1.10	0.29	0.66

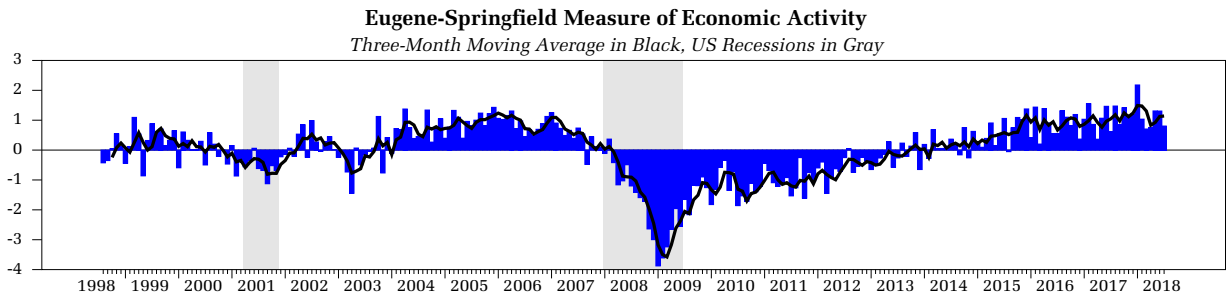
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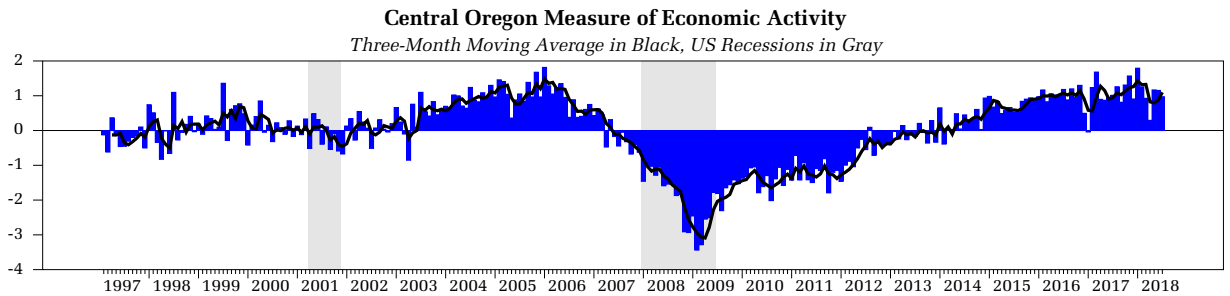
Portland Metro



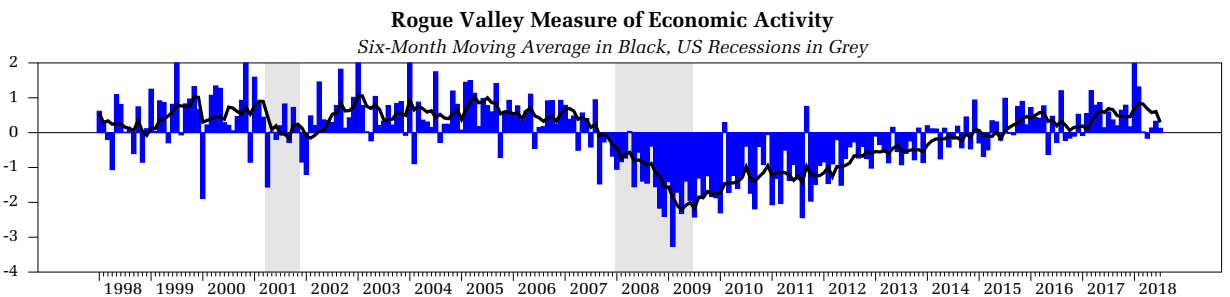
Eugene-Springfield



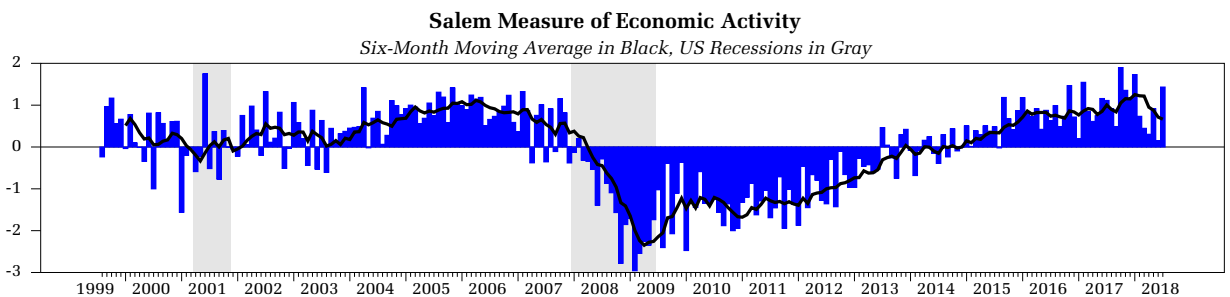
Central Oregon



Rogue Valley



Salem



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