

# Oregon Regional Economic Indexes™



August 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.

### **Contact**

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## **Review**

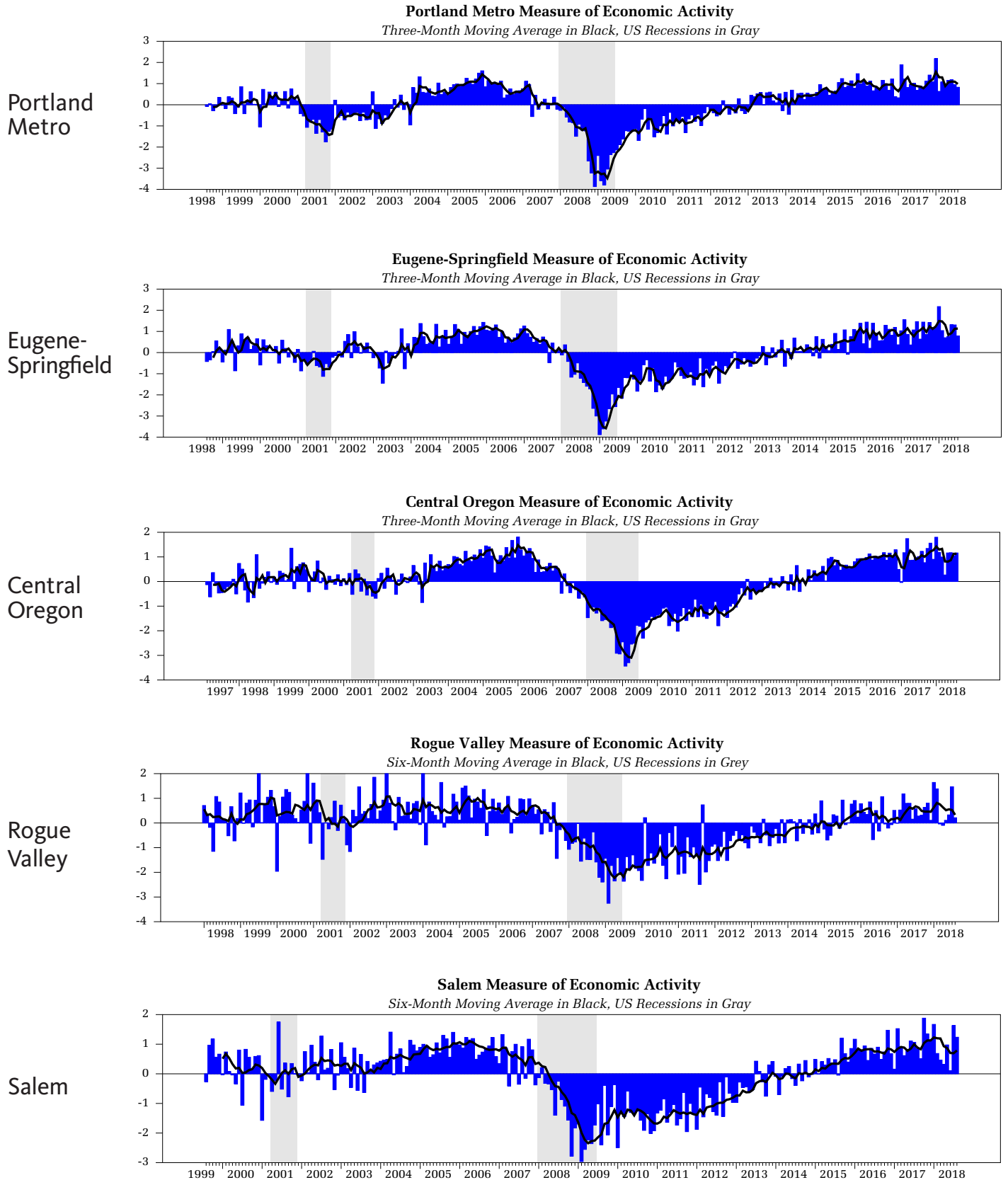
The expansion continues for Oregon’s major metropolitan areas. For all regions covered by this report, in August both raw and moving average measures (which smooth monthly volatility) were above zero, indicating an above-trend pace of activity (trend activity differs across regions). With the exception of the Portland and Bend areas, housing permits were again on the soft side in August. Employment components were generally neutral to positive across all regions. The contribution from labor force growth turned generally neutral to negative this year; firms may increasingly struggle to hire new employees if this trend continues. The Rogue Valley experienced a rare negative contribution in airport activity. This was due to smoke-induced flight cancellations and not reflective of a shift in underlying economic activity. Low unemployment rates, low levels of initial jobless claims, and solid housing markets supported the measures in August. Waste data also indicates growing regional economies.

### **Contributions to Regional Indexes – August 2018**

	Portland-Vancouver-Beaverton	Eugene-Springfield	Central Oregon	Rogue Valley	Salem
New Private Housing Units Authorized by Permits	0.06	-0.10	0.08	-0.23	-0.10
Educational and Health Services Employment	-0.01	-0.12	0.03	0.26	0.08
Financial Activities Employment	0.20	-0.04	0.00	-0.07	0.06
Government Employment	0.00	0.00	0.00	-0.04	0.09
Information Employment	0.00	0.04	-0.01	-0.02	0.00
Leisure and Hospitality Employment	-0.16	0.02	0.02	-0.02	0.00
Manufacturing Employment	-0.01	0.02	0.02	0.05	0.01
Construction Employment	0.13	-0.07	0.08	0.07	0.08
Professional and Business Services Employment	0.02	0.06	0.00	0.01	0.05
Other Services Employment	0.05	-0.03	0.02	0.00	0.01
Trade, Transportation, and Utilities Employment	-0.09	0.06	-0.13	0.09	0.04
Civilian Labor Force	-0.04	0.01	-0.01	-0.23	0.00
Unemployment Rate	0.17	0.32	0.28	0.44	0.46
Lodging Revenue, Inflation Adjusted	-0.01	0.01	0.02		0.00
Airport Passengers	-0.01	0.01	0.00	-0.11	
Initial Unemployment Claims	0.22	0.33	0.25		
Residential Units Sold	0.12	0.22	0.23		0.45
Municipal Waste	0.20	0.06	0.30		
Home Price Index	-0.02				
<b>Total</b>	<b>0.83</b>	<b>0.78</b>	<b>1.16</b>	<b>0.21</b>	<b>1.24</b>
<b>Moving Average of Recent Observations</b>	<b>0.98</b>	<b>1.13</b>	<b>1.13</b>	<b>0.33</b>	<b>0.79</b>

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