

Oregon Regional Economic Indexes™



January 2019

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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

Strong employment gains boosted regional measures in the first month of 2019. For all regions covered by this report, the raw and moving average measures (which smooth monthly volatility) were above zero, indicating an above-trend pace of activity (trend activity differs across regions). The contribution from the housing market, while generally still positive in most areas, became less pronounced in the final months of 2018 and into 2019. Residential housing components jointly made a neutral contribution in the Portland region. In other regions, the contributions attributed to new building permits ranged from modestly negative in Eugene to modestly positive in Salem. Outside of Portland, housing sales, while slower, still contributed positively to the measures. Employment and broad labor market components indicate the jobs market remained solid. A jump in lodging revenue supported a substantial contribution to the Central Oregon measure, but this appears to largely reflect noise in the data; the series has been generally moving sideways since 2017.

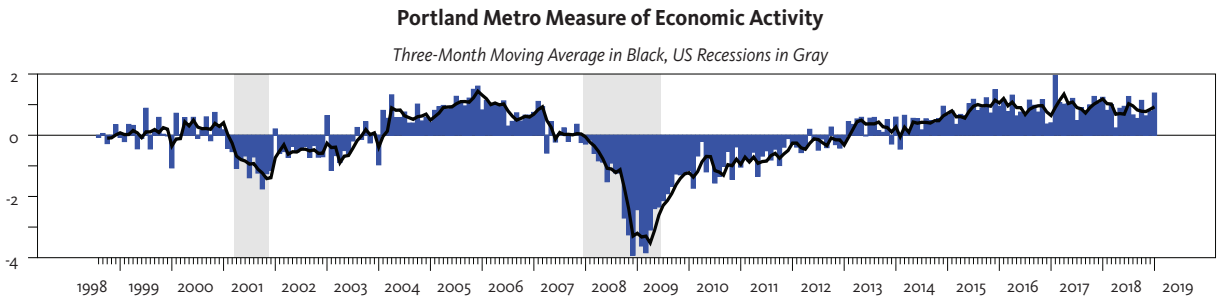
Contributions to Regional Indexes – January 2019

	Portland-Vancouver-Beaverton	Eugene-Springfield	Central Oregon	Rogue Valley	Salem
New Private Housing Units Authorized by Permits	0.01	-0.05	0.08	0.01	0.10
Educational and Health Services Employment	0.09	0.19	-0.02	0.12	0.04
Financial Activities Employment	0.18	-0.01	0.05	0.08	0.04
Government Employment	0.00	-0.01	0.00	0.06	0.05
Information Employment	-0.03	0.00	-0.01	-0.06	0.00
Leisure and Hospitality Employment	-0.06	0.03	-0.01	-0.03	0.01
Manufacturing Employment	0.21	0.01	0.08	0.03	-0.03
Construction Employment	0.04	0.18	0.36	0.38	0.33
Professional and Business Services Employment	0.07	0.09	0.01	0.17	0.06
Other Services Employment	0.09	0.04	0.01	0.06	0.02
Trade, Transportation, and Utilities Employment	0.24	0.29	0.05	0.16	0.19
Civilian Labor Force	0.01	-0.01	0.01	0.15	0.20
Unemployment Rate	0.13	0.21	0.18	0.26	0.32
Lodging Revenue, Inflation Adjusted	0.00	0.00	0.17		-0.02
Airport Passengers	0.01	-0.02	0.00	-0.01	
Initial Unemployment Claims	0.23	0.22	0.20		
Residential Units Sold	0.01	0.24	0.15		0.28
Municipal Waste	0.17	0.18	0.21		
Home Price Index	-0.02				
Total	1.38	1.59	1.51	1.41	1.60
Moving Average of Recent Observations	0.93	1.23	1.18	0.41	0.91

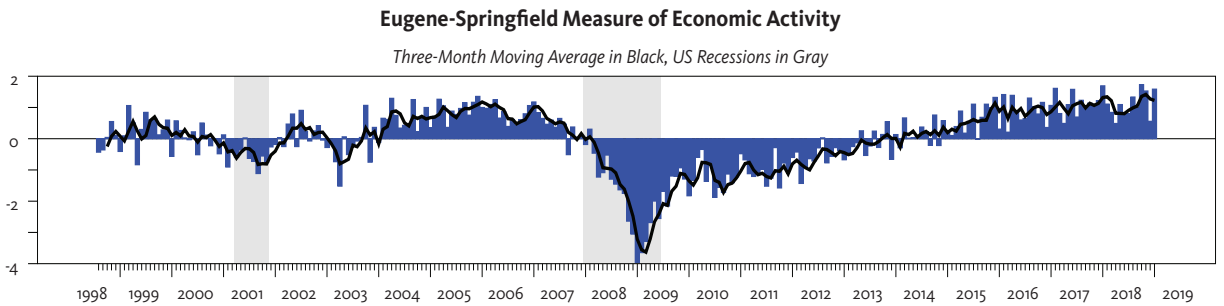
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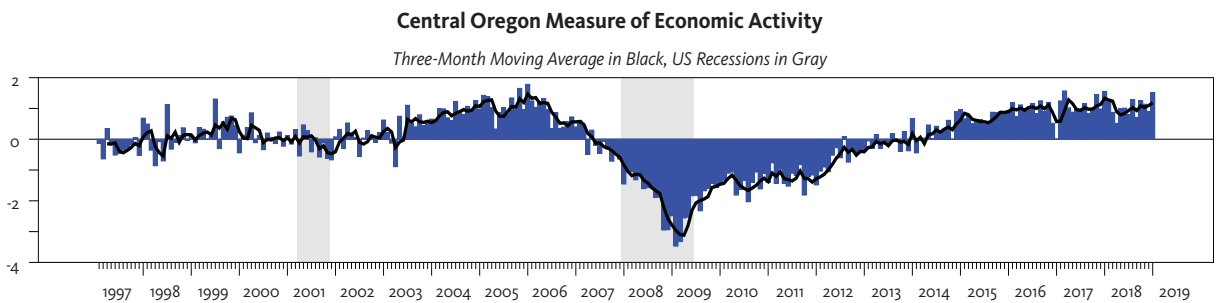
Portland Metro



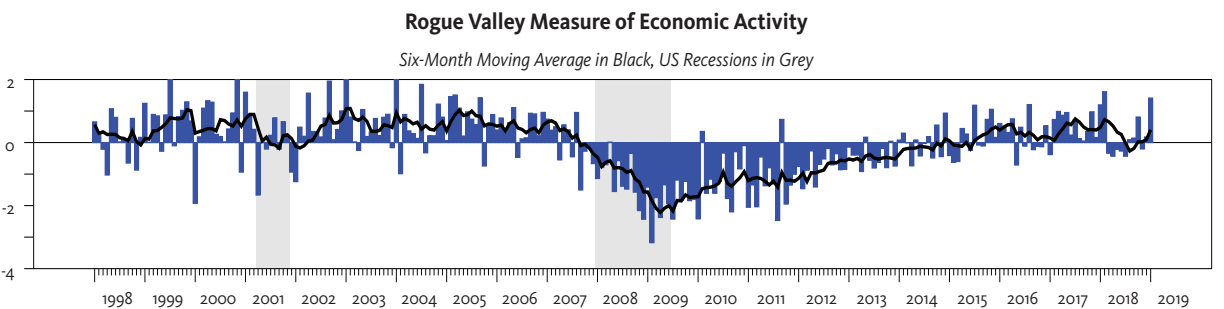
Eugene-Springfield



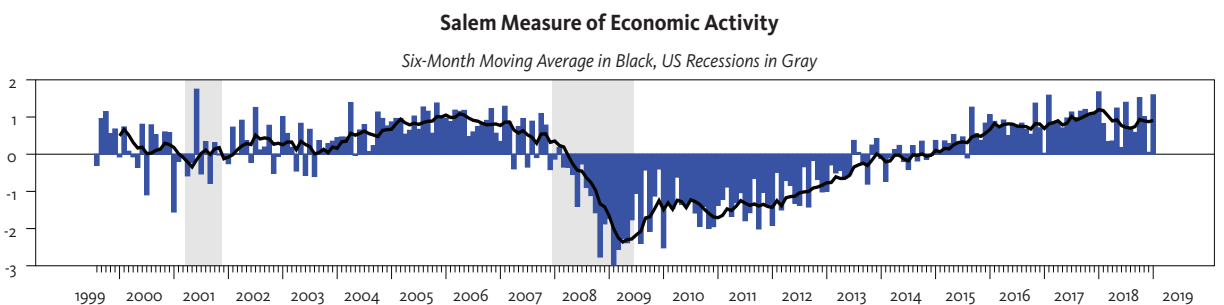
Central Oregon



Rogue Valley



Salem



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