

# State of Oregon Economic Indicators™



February 2019

SPONSORED BY



## How can I interpret the Oregon Measure of Economic Activity?

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. To reduce the noise, it is helpful to focus on the average of the most recent data.

## Is this approach used elsewhere?

Yes, the Chicago Federal Reserve Bank uses the same basic approach to measure both national and regional economic activity.

## What is the difference between the two measures?

The Oregon Measure of Economic Activity uses a methodology that allows for the incorporation of a larger number of variables. The University of Oregon Index of Economic Indicators focuses on a narrower set of variables using a different methodology used by the Conference Board to compute leading indicators for the United States. Using different indicators allows for a more complete picture of the Oregon economy.

## 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

The Oregon Measure of Economic Activity fell to 0.38 in February after spiking to 1.55 the previous month. The moving average measure, which smooths out the volatility, stood at 0.77, well above average (“zero” indicates average growth over the 1990-present period). Still, growth pulled back over the last year compared to 2017. Only the household sector made a substantial positive contribution in February. The household sector has been held up by still strong broad labor market indicators such as the unemployment rate; other components are generally just modestly positive. Weaker job growth (overall, employment fell 500 in February compared to a 12,800 gain in January) weighed on the service sector components.

The University of Oregon Index of Economic Indicators slipped 0.8 percent in February while January’s gain was revised to a small

decline. Rising initial unemployment claims was a primary culprit in the decline of the UO Index; claims were elevated nationally as well but look to be stabilizing in the most recent data. Other components changed only modestly. Building permits have rebound from a soft spot in the side of 2018. Manufacturing average weekly hours, consumer sentiment, and core capital goods orders are all modestly softer compared to six months ago. The interest rate spread fell a bit further.

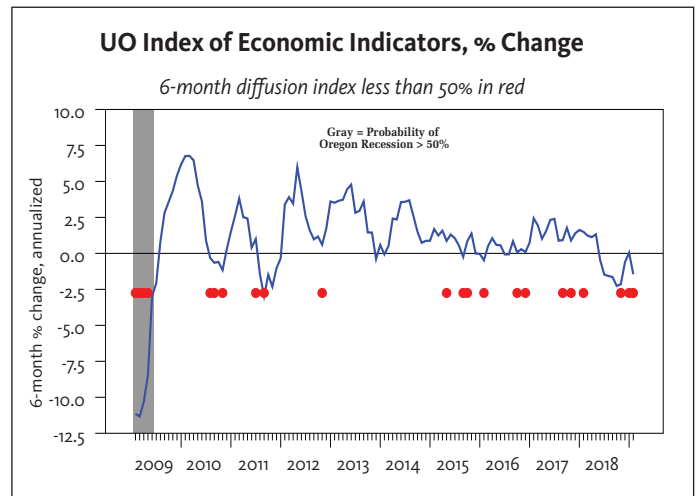
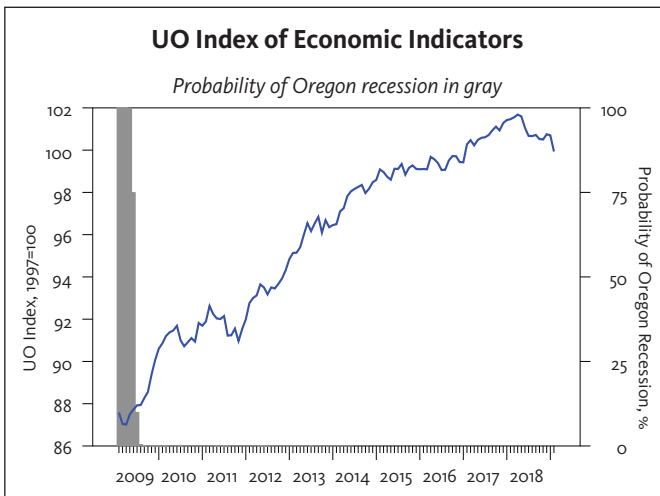
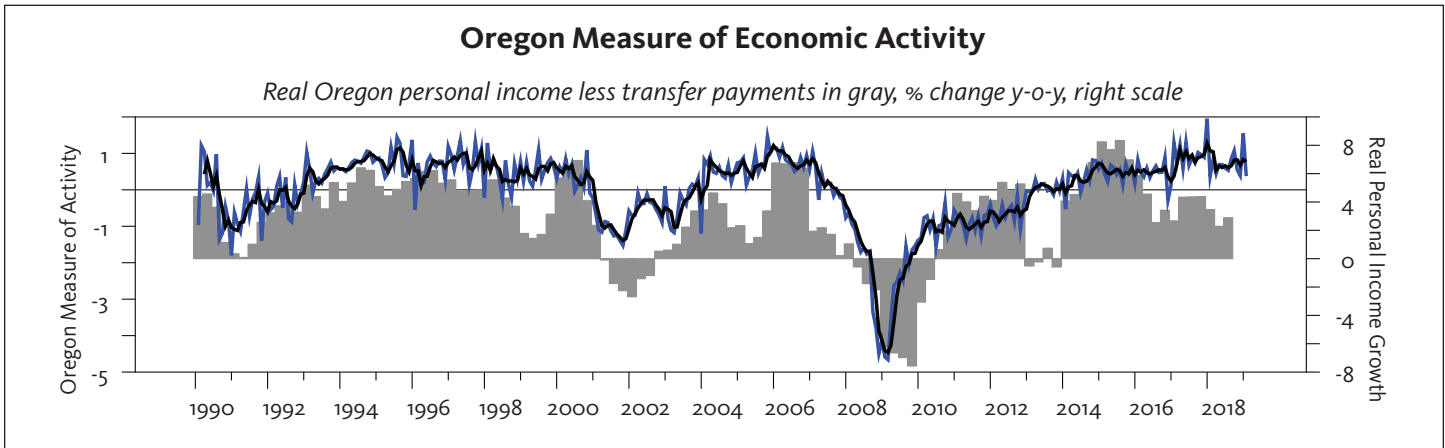
The recent decline of the UO Index remains insufficient to raise imminent recession concerns. It’s behavior instead is consistent with a mature business cycle in which growth is relatively slower compared to early in the expansion. Indicators overall still suggest the economy is poised for continued growth.

## Contributions to Oregon Measure of Economic Activity—February 2019

	Manufacturing	Construction	Households	Services
ISM Manufacturing: Imports Index	0.07			
ISM Manufacturing: Supplier Deliveries Index	0.02			
Manufacturing Employment, Oregon	0.02			
Hours, Manufacturing Production Workers, Oregon	-0.15			
Manufacturing Exports, Oregon	-0.01			
New Private Housing Units Authorized by Building Permit, Oregon		0.04		
Construction Employment in Oregon		0.05		
Natural Resources and Mining Employment, Oregon		-0.03		
Employment Services Employment, Oregon			-0.03	
Initial Unemployment Claims, Oregon			0.21	
Civilian Labor Force, Oregon			0.02	
Unemployment Rate, Oregon			0.15	
Interest Rate Spread			0.07	
S & P 500 Stock Index			0.05	
Consumer Sentiment, University of Michigan—Reuters			0.07	
Educational and Health Services Employment, Oregon				-0.03
Financial Activities Employment, Oregon				0.16
Government Employment, Oregon				0.00
Leisure and Hospitality Employment, Oregon				-0.05
Professional and Business Services Employment, Oregon				-0.02
Other Services Employment, Oregon				-0.07
Trade, Transportation and Utilities Employment, Oregon				-0.18
<b>Total by Sector</b>	<b>-0.04</b>	<b>0.06</b>	<b>0.55</b>	<b>-0.19</b>
	Dec '18	Jan '19	Feb '19	
Oregon Measure of Economic Activity	0.39	1.55	0.38	
Three-Month Moving Average	0.67	0.83	0.77	

# State of Oregon Economic Indicators™

February 2019

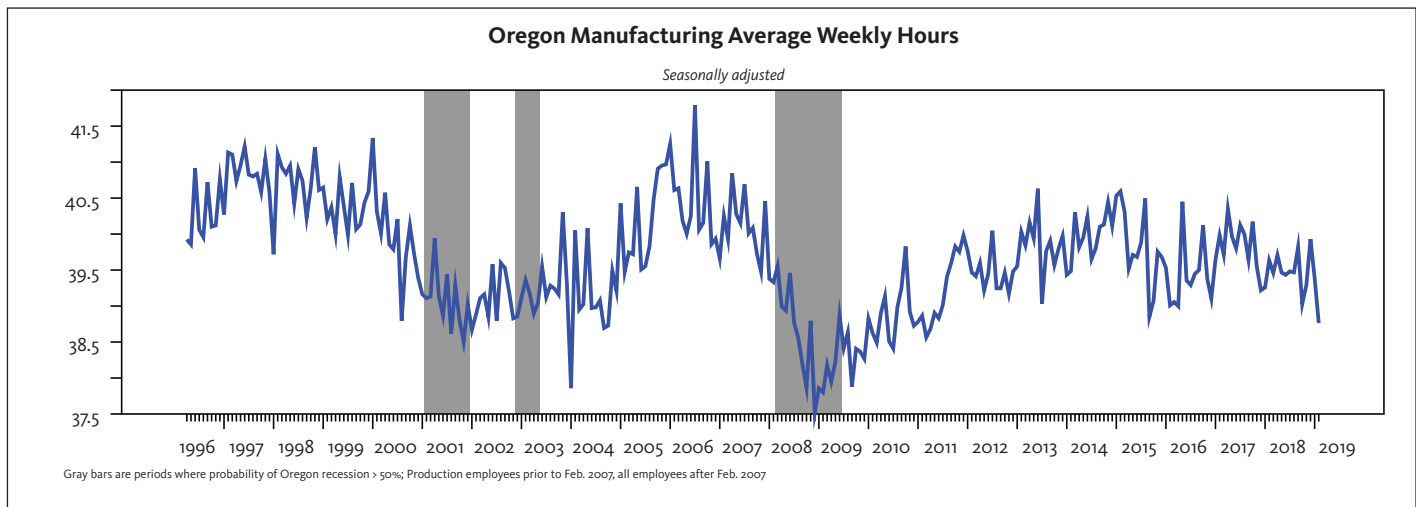
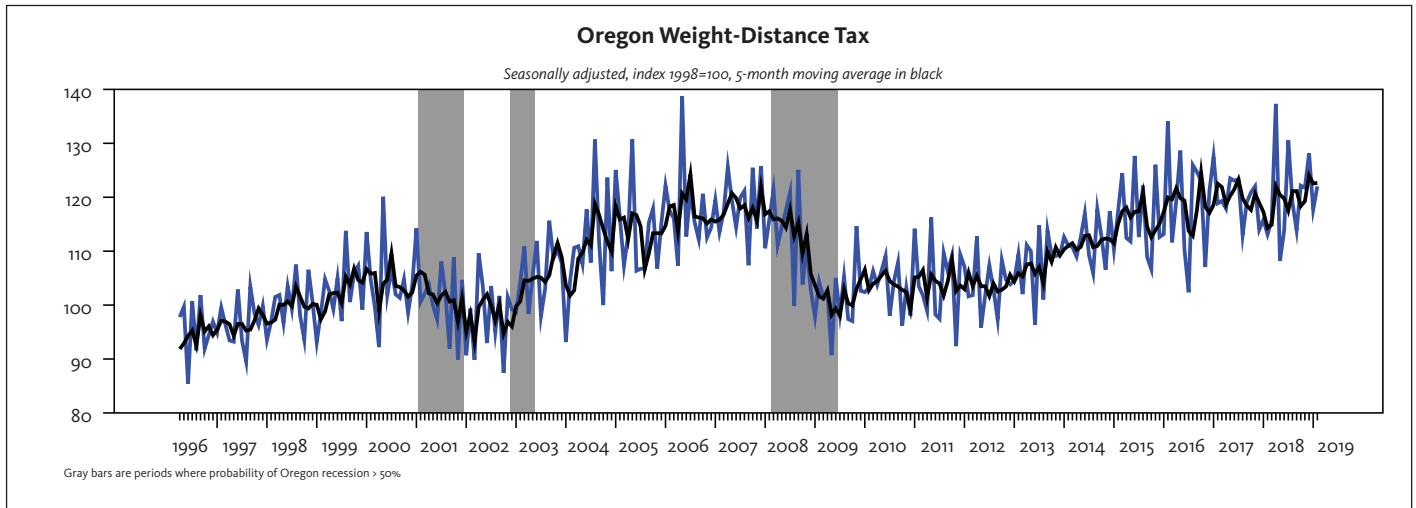


## University of Oregon Index of Economic Indicators–Summary and Components

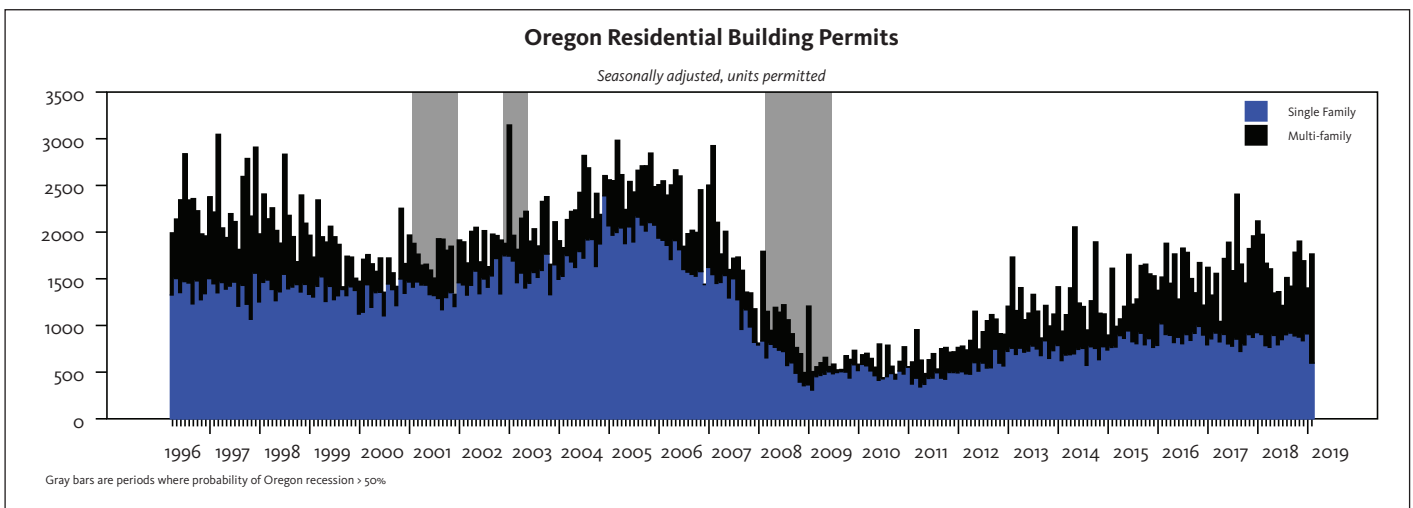
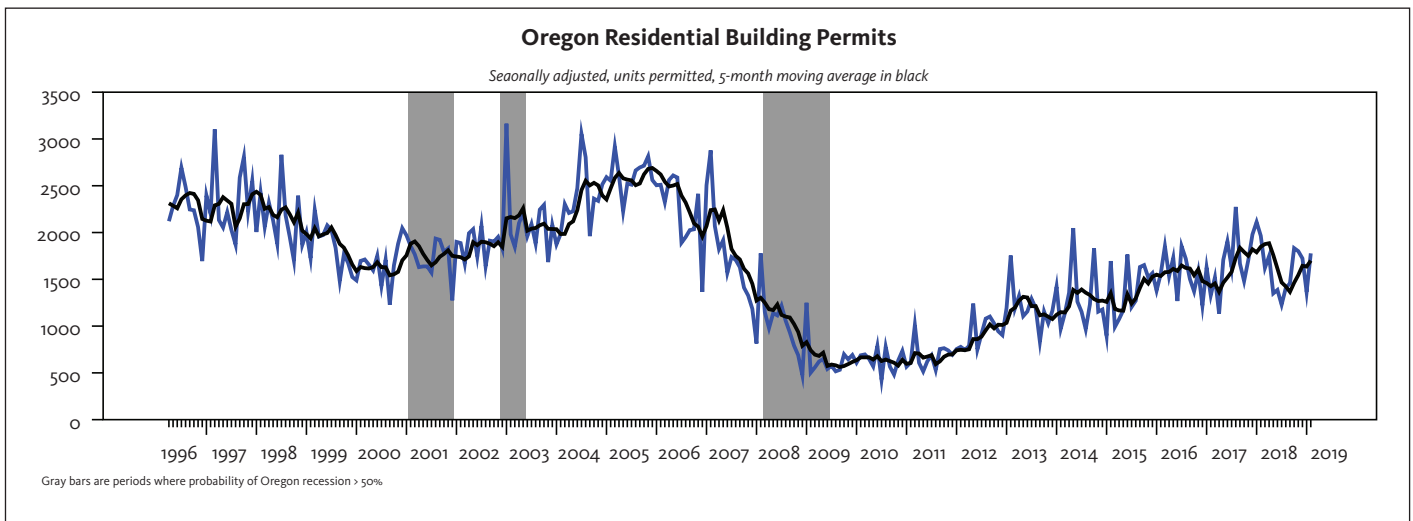
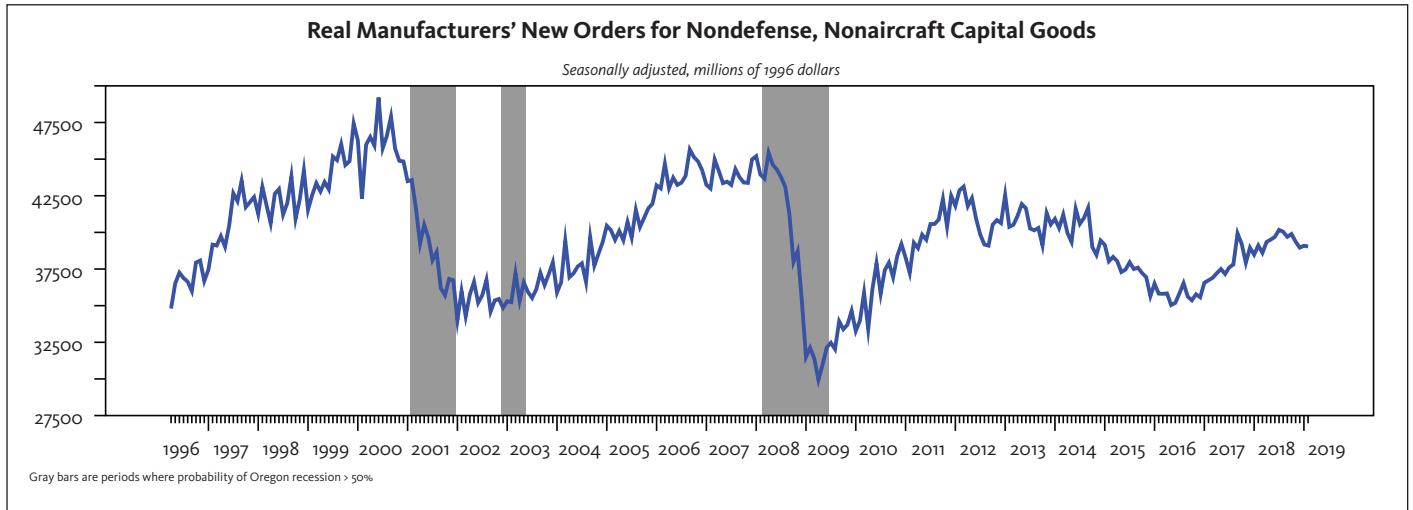
	Sep '18	Oct '18	Nov '18	Dec '18	Jan '19	Feb '19
UO Index of Economic Indicators™, 1997 = 100	100.7	100.5	100.5	100.8	100.7	99.9
Percentage Change	0.1	-0.2	0.0	0.2	-0.1	-0.8
Oregon Initial Unemployment Claims, SA*	3,840	3,895	4,276	3,967	3,820	4,735
Oregon Employment Services Payrolls, SA	41,577	41,625	41,849	40,505	41,967	41,878
Oregon Residential Building Permits, SA, 5 MMA*	1,366	1,463	1,545	1,644	1,636	1,700
Oregon Weight-Distance Tax, SA, Index, 1998 = 100	121.15	118.34	119.28	124.03	122.56	122.64
Oregon Manufacturing Average Weekly Hours, SA	39.82	39.03	39.29	39.93	39.39	38.76
US Consumer Sentiment, SA, 5 MMA	98.1	98.2	98.1	98.1	97.1	95.9
Real Manufacturers' New Orders for Non-defense, Non-aircraft Capital Goods, \$ Millions, SA	39,694	39,890	39,369	38,960	39,092	39,037
Interest Rate Spread	1.05	0.96	0.92	0.56	0.31	0.28

SA = Seasonally Adjusted, MMA = Months Moving Average

February 2019

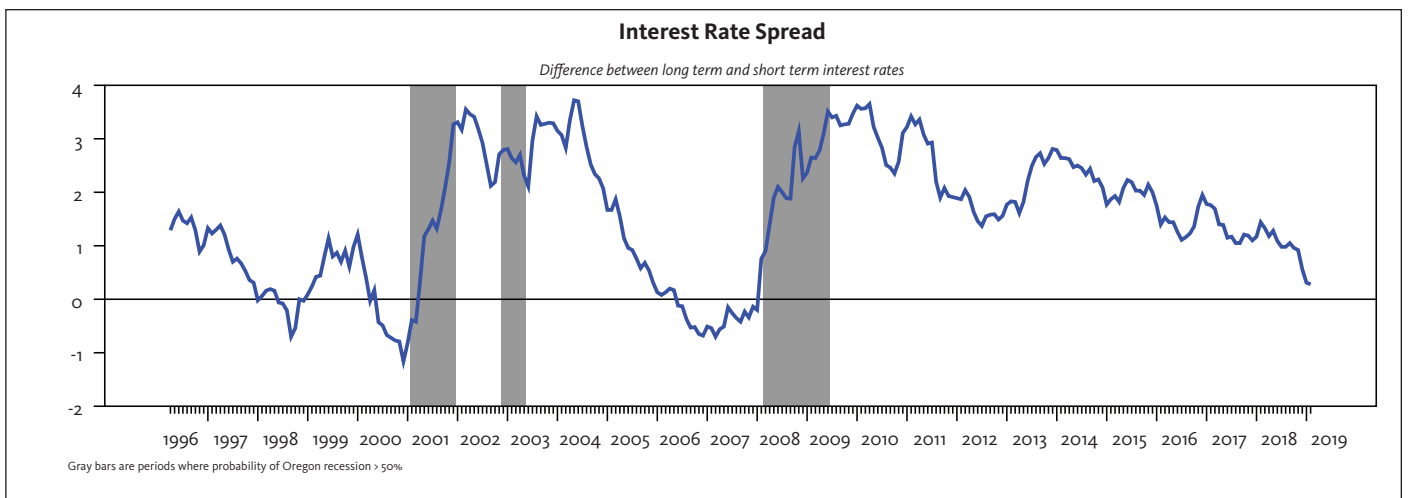
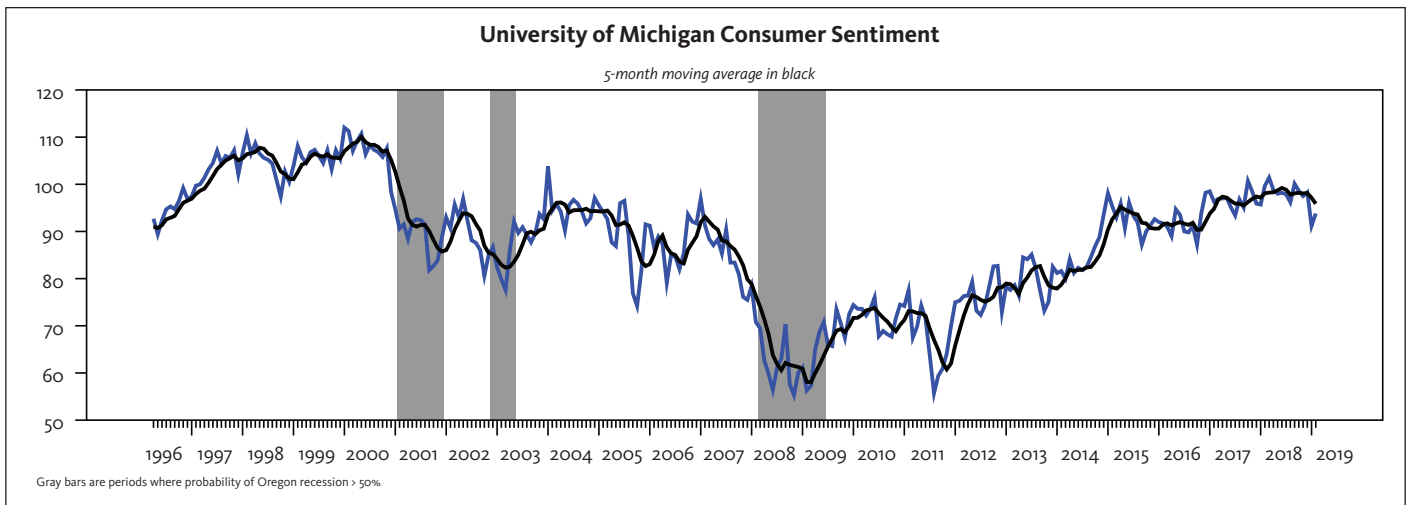
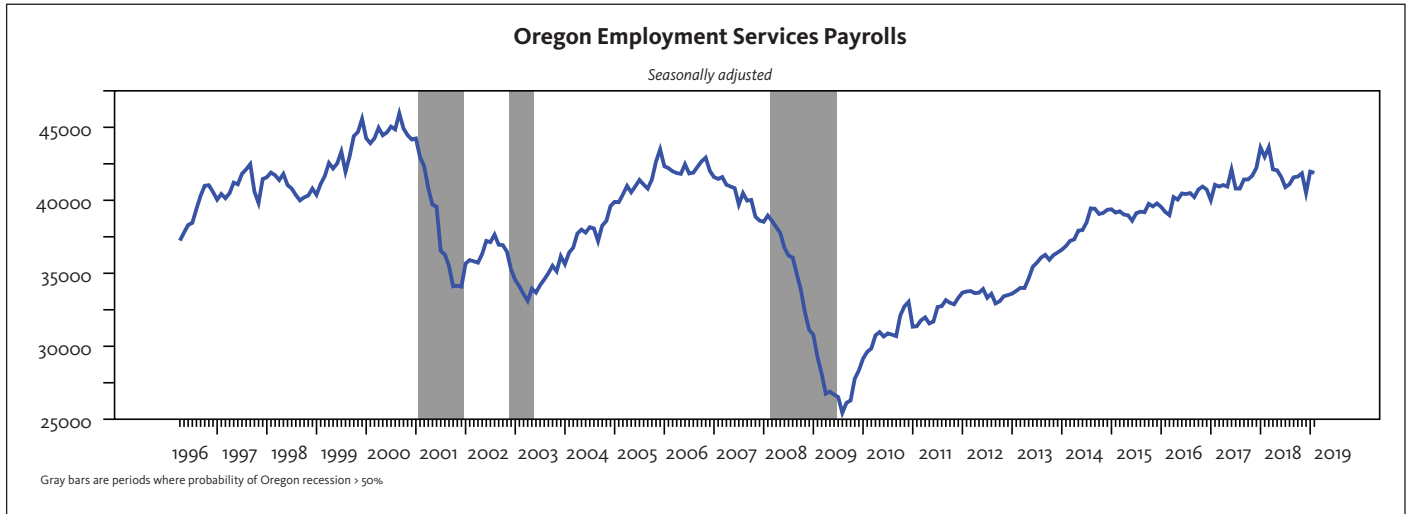


February 2019



# State of Oregon Economic Indicators™

February 2019



oregon  
economic  
forum