

Oregon Regional Economic Indexes™



April 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

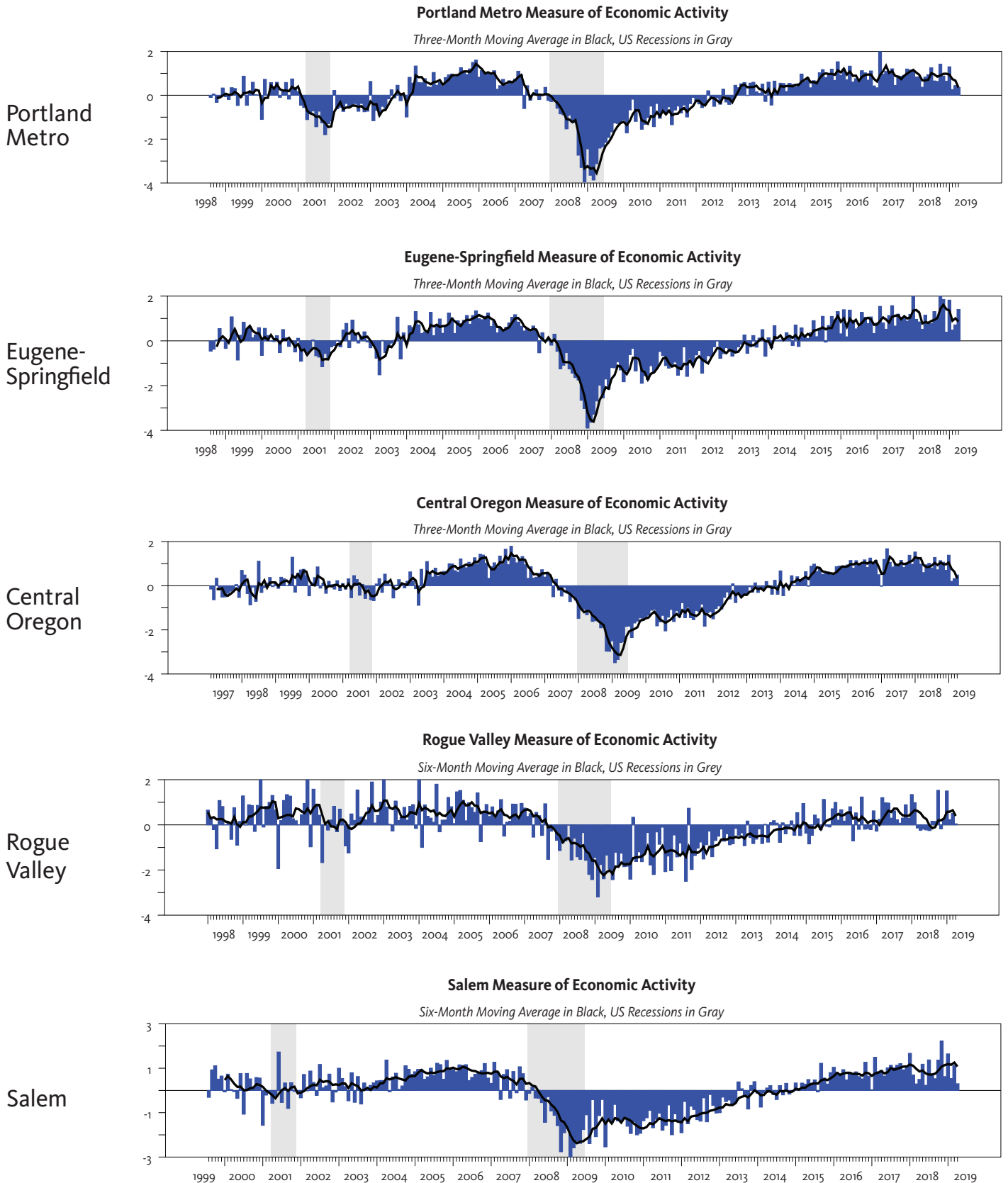
Regional measures of economic activity generally softened in April. Still, for all regions covered by this report, raw and moving average measures (which smooth monthly volatility) were above zero, indicating an above-trend pace of activity (trend activity differs across regions). A wide range of indicators contributed to the slowdown evident in the Portland and Central Oregon regions. In particular, slower job growth across major sectors yielded generally negative contributions from the employment components. While employment in other regions was more mixed and unemployment remains low, slower labor force growth weighs down most regional indicators. Home construction activity was generally softer. Housing permits made positive contributions in only the Portland area and Central Oregon; even those gains remain muted compared to past cycles. Low levels of initial unemployment claims suggested continued job growth is most likely for Portland and Eugene areas; an uptick in Central Oregon claims again resulted in an only small positive contribution from that component. Municipal waste activity picked up, suggesting firming in underlying activity that may become evident in the data more broadly later in the year.

Contributions to Regional Indexes – April 2019

	Portland-Vancouver-Beaverton	Eugene-Springfield	Central Oregon	Rogue Valley	Salem
New Private Housing Units Authorized by Permits	0.08	-0.06	0.10	-0.03	-0.03
Educational and Health Services Employment	0.00	0.06	-0.02	-0.01	-0.05
Financial Activities Employment	0.07	0.09	-0.02	-0.13	-0.04
Government Employment	0.00	0.00	0.00	0.03	0.01
Information Employment	0.01	-0.01	0.00	0.02	-0.01
Leisure and Hospitality Employment	-0.04	0.06	-0.04	-0.01	0.02
Manufacturing Employment	0.02	0.06	-0.02	0.05	0.00
Construction Employment	-0.04	0.01	-0.03	-0.08	0.16
Professional and Business Services Employment	-0.03	0.04	-0.08	-0.01	-0.02
Other Services Employment	-0.09	0.00	-0.01	0.00	-0.07
Trade, Transportation, and Utilities Employment	-0.12	0.07	-0.07	-0.02	-0.45
Civilian Labor Force	-0.02	0.05	-0.04	-0.08	-0.10
Unemployment Rate	0.14	0.24	0.23	0.34	0.37
Lodging Revenue, Inflation Adjusted	0.00	0.00	-0.02		0.01
Airport Passengers	-0.01	0.03	0.00	-0.02	
Initial Unemployment Claims	0.17	0.20	0.04		
Residential Units Sold	0.08	0.21	0.18		0.50
Municipal Waste	0.15	0.36	0.28		
Home Price Index	-0.03				
Total	0.35	1.40	0.49	0.05	0.30
Moving Average of Recent Observations	0.35	0.87	0.34	0.40	1.08

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