

Oregon Regional Economic Indexes™



September 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

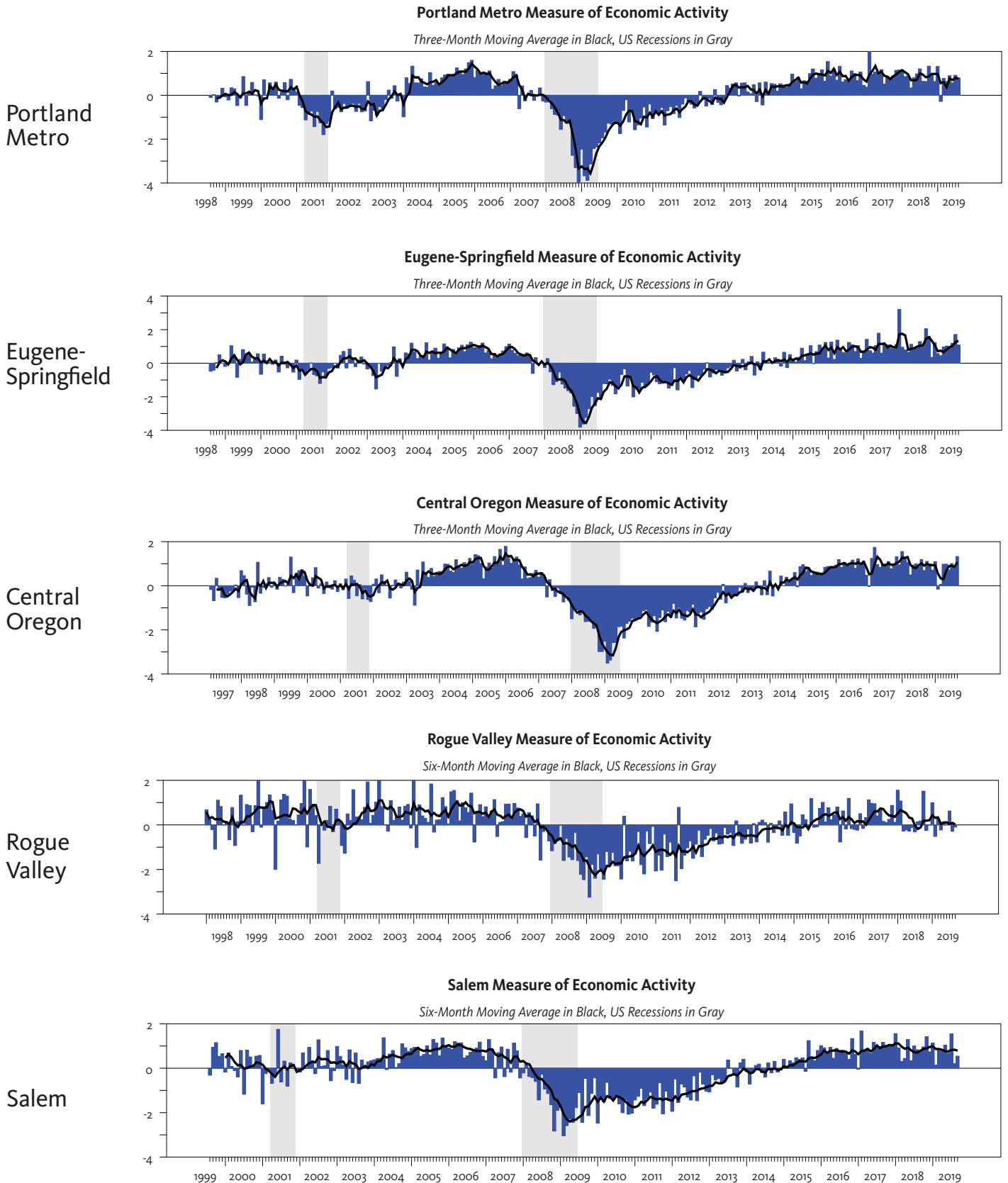
Regional economies in Oregon remained solid in September as the economic expansion that began more than ten years ago remains intact. For all regions covered by this report, moving average measures (which smooth monthly volatility) were above zero, indicating an above-trend pace of activity (trend activity differs across regions). The Rogue Valley area saw a slightly negative reading attributable to a dip in the labor force. This component can be volatile and one reading by itself is not necessarily meaningful; note though that labor force growth is generally slowing throughout much of the state and may contribute to tighter labor markets due to lack of available new employees. New housing construction added positively to almost all regions. Housing markets are generally solid (having largely recovered from some softness late last year and early this year) although price appreciation has slowed in some markets such as the Portland area. Low levels of initial unemployment claims strongly contributed to these measures and point to continuing job growth. In short, regional economies continue to move forward despite any concerns about recession that emerged earlier this year.

Contributions to Regional Indexes – September 2019

	Portland-Vancouver-Beaverton	Eugene-Springfield	Central Oregon	Rogue Valley	Salem
New Private Housing Units Authorized by Permits	0.09	-0.03	0.09	0.10	0.22
Educational and Health Services Employment	0.02	0.12	0.02	0.02	0.05
Financial Activities Employment	0.25	0.01	-0.01	0.00	0.04
Government Employment	0.00	0.02	0.01	0.02	-0.05
Information Employment	0.04	0.02	0.00	-0.05	0.00
Leisure and Hospitality Employment	-0.07	-0.09	0.12	-0.13	-0.07
Manufacturing Employment	0.02	0.05	0.02	-0.01	0.00
Construction Employment	-0.05	0.00	0.08	0.03	-0.03
Professional and Business Services Employment	0.01	-0.04	0.06	0.06	-0.12
Other Services Employment	-0.10	0.01	0.01	-0.01	-0.07
Trade, Transportation, and Utilities Employment	-0.03	-0.01	0.01	0.09	0.00
Civilian Labor Force	0.02	-0.10	0.01	-0.58	-0.23
Unemployment Rate	0.13	0.26	0.24	0.37	0.38
Lodging Revenue, Inflation Adjusted	0.00	-0.01	0.04		0.00
Airport Passengers	0.00	0.00	0.00	0.00	
Initial Unemployment Claims	0.22	0.25	0.21		
Residential Units Sold	0.09	0.23	0.19		0.42
Municipal Waste	0.16	0.38	0.24		
Home Price Index	-0.01				
Total	0.80	1.09	1.33	-0.10	0.54
Moving Average of Recent Observations	0.76	1.33	1.07	0.02	0.79

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Portland Metro

Portland Metro Measure of Economic Activity

Three-Month Moving Average in Black, US Recessions in Gray

Eugene-Springfield

Eugene-Springfield Measure of Economic Activity

Three-Month Moving Average in Black, US Recessions in Gray

Central Oregon

Central Oregon Measure of Economic Activity

Three-Month Moving Average in Black, US Recessions in Gray

Rogue Valley

Rogue Valley Measure of Economic Activity

Six-Month Moving Average in Black, US Recessions in Gray

Salem

Salem Measure of Economic Activity

Six-Month Moving Average in Black, US Recessions in Gray

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