

Oregon Regional Economic Indexes™



March 2020

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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

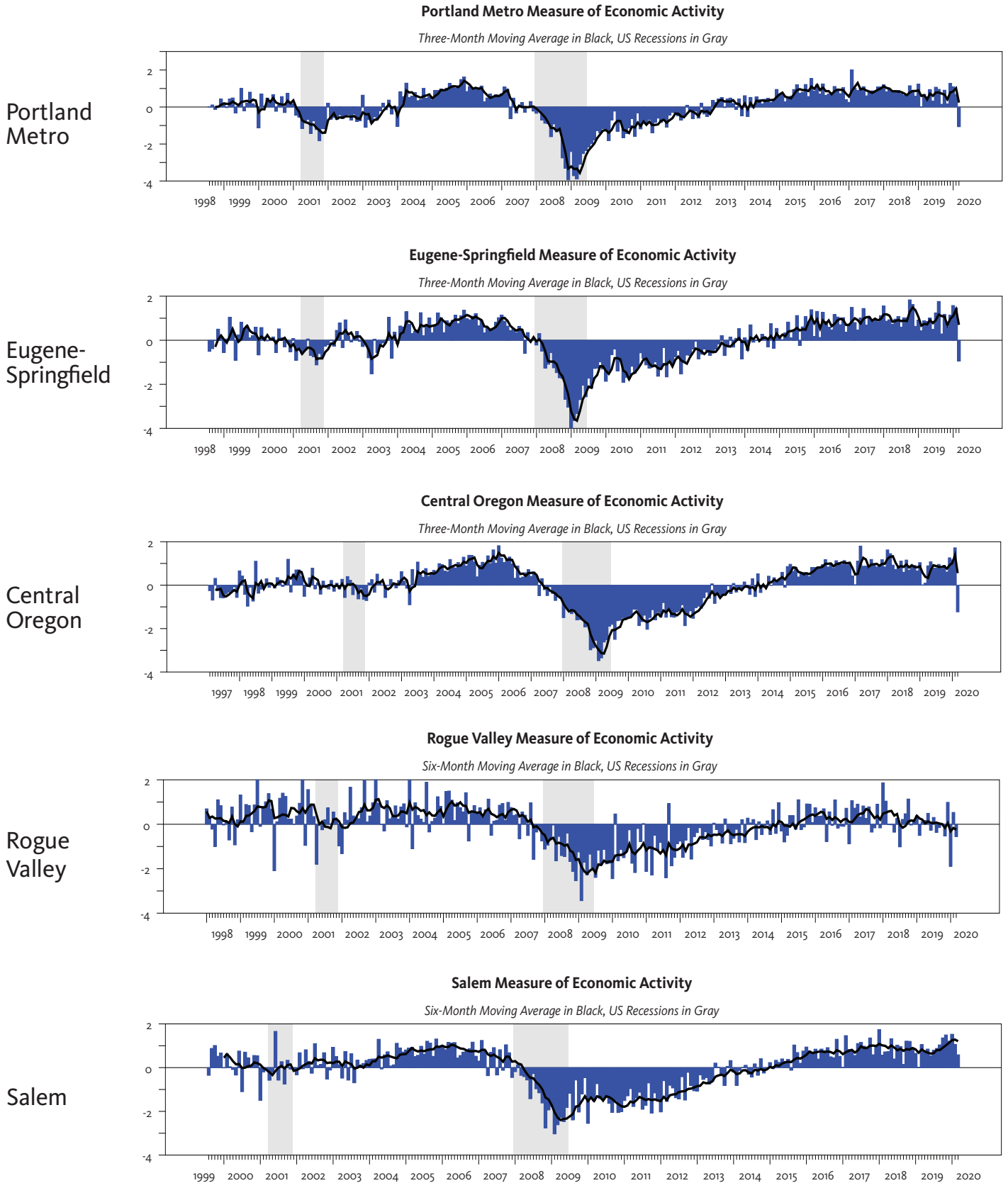
The impact of the Covid-19 pandemic and related business closures began appearing in the regional economic data in March. Measures for all regions declined in March as most areas reported below average growth. The data most negatively impacted in March were initial unemployment claims and air passenger traffic. Initial unemployment claims spiked due to widespread layoffs as firms shuttered their operations (claims data with sufficiently long history are only available in three regions). Air passenger traffic fell as travel declined sharply. The Central Oregon region experienced a particularly large decline in the lodging (room tax) revenue; the weakness in other regions was less pronounced in March. All of these indicators will worsen further in April. Employment components generally made negative contributions. Housing markets held up in March with positive or nearly neutral contributions from housing permits and a solid pace of sales. Sales will decline in April; the possible resiliency of the housing market in this situation may help accelerate the eventual recovery. The regional measures will worsen again in April but should find support later this year as social distancing restrictions ease.

Contributions to Regional Indexes – March 2020

	Portland-Vancouver-Beaverton	Eugene-Springfield	Central Oregon	Rogue Valley	Salem
New Private Housing Units Authorized by Permits	0.18	0.02	0.11	-0.25	-0.02
Educational and Health Services Employment	-0.08	-0.03	-0.02	-0.03	-0.03
Financial Activities Employment	0.02	-0.04	-0.04	0.00	-0.01
Government Employment	0.00	0.00	0.00	-0.02	0.01
Information Employment	0.00	-0.01	0.01	-0.01	0.03
Leisure and Hospitality Employment	-0.24	0.04	-0.05	-0.05	-0.01
Manufacturing Employment	-0.14	0.12	-0.05	-0.26	-0.05
Construction Employment	0.10	-0.26	0.33	-0.02	-0.07
Professional and Business Services Employment	-0.07	0.07	-0.01	0.00	-0.06
Other Services Employment	-0.04	0.01	0.00	-0.06	0.03
Trade, Transportation, and Utilities Employment	0.01	-0.04	-0.11	-0.01	-0.15
Civilian Labor Force	-0.03	0.08	0.00	-0.01	0.02
Unemployment Rate	0.18	0.33	0.29	0.38	0.48
Lodging Revenue, Inflation Adjusted	-0.02	0.03	-0.51		0.00
Airport Passengers	-0.27	-0.36	-0.13	-0.22	
Initial Unemployment Claims	-0.94	-1.15	-1.41		
Residential Units Sold	0.12	0.15	0.15		0.40
Municipal Waste	0.12	0.10	0.23		
Home Price Index	0.04				
Total	-1.06	-0.94	-1.23	-0.55	0.59
Moving Average of Recent Observations	0.24	0.70	0.55	-0.24	1.21

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