

Oregon Regional Economic Indexes™



June 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

Regional indexes were all positive in June as employment continued to rebound while economies gradually reopened. Moving average measures, which smooths monthly volatility, remained negative (the moving average measures still include the very weak month of April). Leisure and hospitality employment made a particularly strong contribution across regions; the sector had been one of the hardest hit by the initial shutdowns. Even after two months of job growth, the sector is a long way from recovery; statewide through July, leisure and hospitality has only recovered half the jobs lost in March and April. Overall, the labor market remains distressed as revealed by high unemployment rates and high levels of initial unemployment claims, both of which contributed negatively to the measures. Similar to the employment data, rising airport passenger traffic is making substantial contributions to these measures even though the overall level remains subdued compared to before the pandemic. Interestingly, housing activity remains very resilient. New permits made nearly neutral contributions in most regions; the Bend area had a solid positive contribution. Residential sales are also holding strong. I believe regional economies are still adjusting from the push-pull of the shutdown and reopening and have yet to establish a new post-pandemic base.

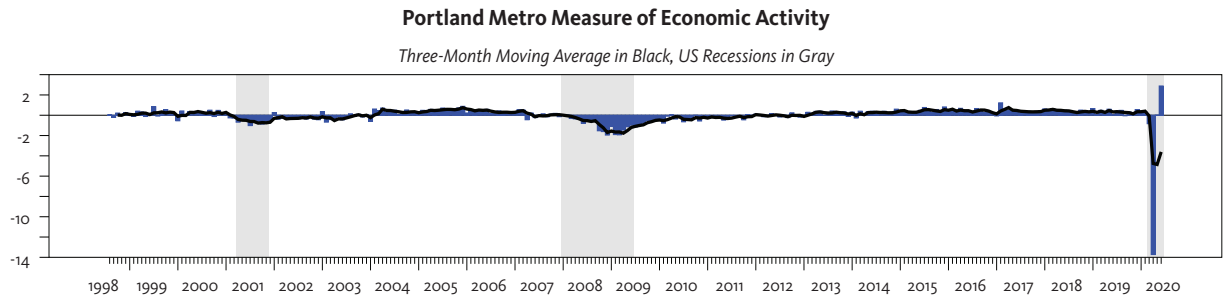
Contributions to Regional Indexes – June 2020

	Portland-Vancouver-Beaverton	Eugene-Springfield	Central Oregon	Rogue Valley	Salem
New Private Housing Units Authorized by Permits	0.02	-0.05	0.09	-0.04	0.01
Educational and Health Services Employment	0.51	0.85	0.27	0.40	0.21
Financial Activities Employment	0.11	0.11	0.01	0.03	0.38
Government Employment	-0.01	-0.06	0.02	-0.02	-0.19
Information Employment	0.30	-0.02	0.02	0.02	0.11
Leisure and Hospitality Employment	0.59	0.99	0.84	1.65	0.77
Manufacturing Employment	0.32	0.12	0.04	0.10	0.04
Construction Employment	0.12	0.00	-0.06	0.01	0.08
Professional and Business Services Employment	0.16	-0.04	-0.04	-0.04	-0.17
Other Services Employment	0.52	0.33	0.30	0.77	0.30
Trade, Transportation, and Utilities Employment	0.26	0.54	-0.07	0.01	0.46
Civilian Labor Force	0.04	0.45	0.00	0.13	-0.02
Unemployment Rate	-0.12	-0.14	-0.16	-0.13	-0.10
Lodging Revenue, Inflation Adjusted	0.00	0.15	-0.98		-0.04
Airport Passengers	0.46	0.08	0.52	0.41	
Initial Unemployment Claims	-0.42	-0.50	-0.56		
Residential Units Sold	0.01	0.01	0.06		0.04
Municipal Waste	0.05	0.02	0.06		
Home Price Index	-0.02				
Total	2.88	2.82	0.35	3.29	1.87
Moving Average of Recent Observations	-3.61	-2.43	-3.63	-1.64	-1.47

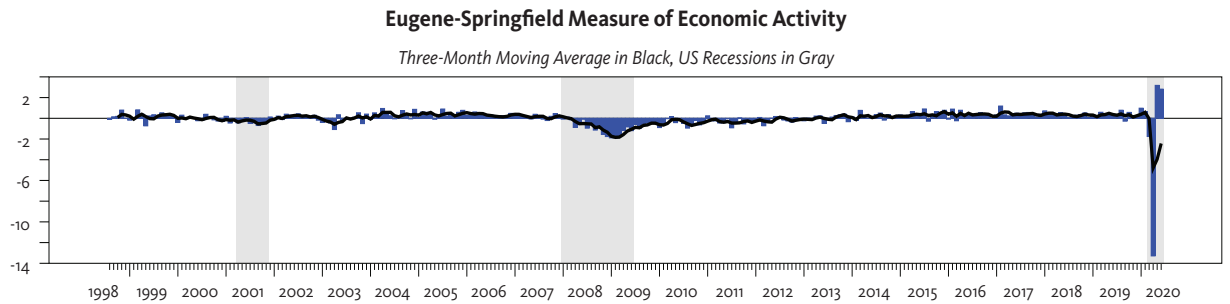
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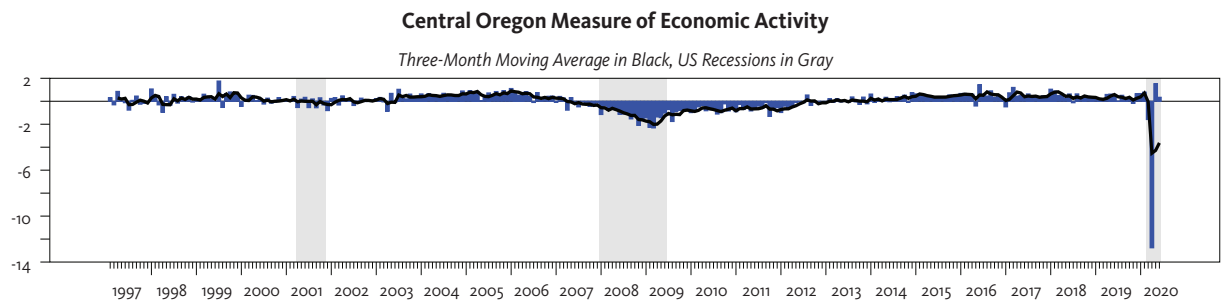
Portland Metro



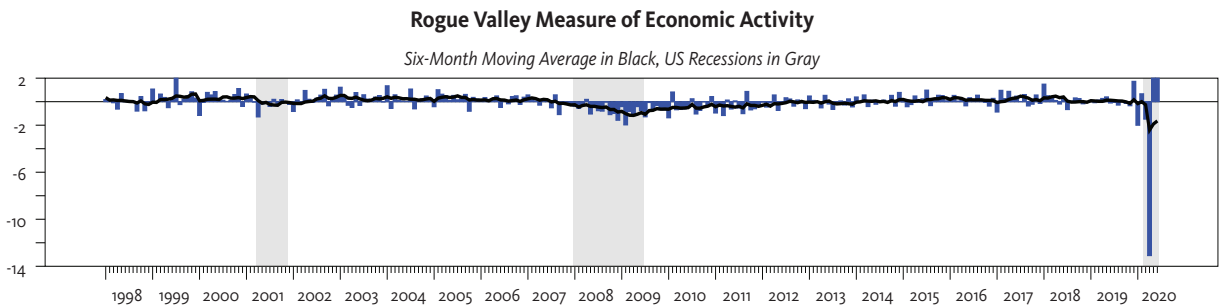
Eugene-Springfield



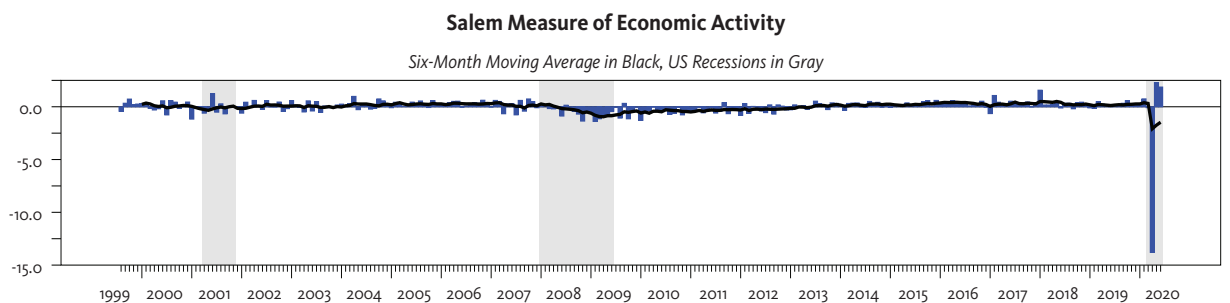
Central Oregon



Rogue Valley



Salem



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