

# Oregon Regional Economic Indexes™



May 2017

SPONSORED BY



## 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.

## 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

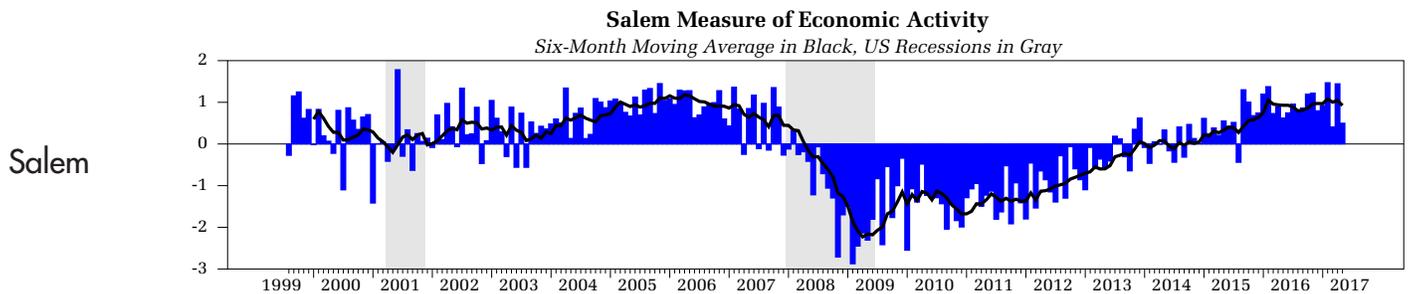
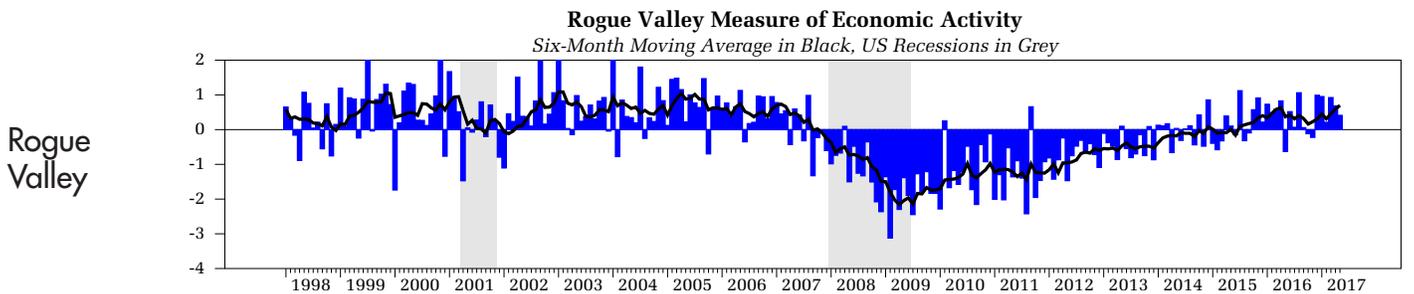
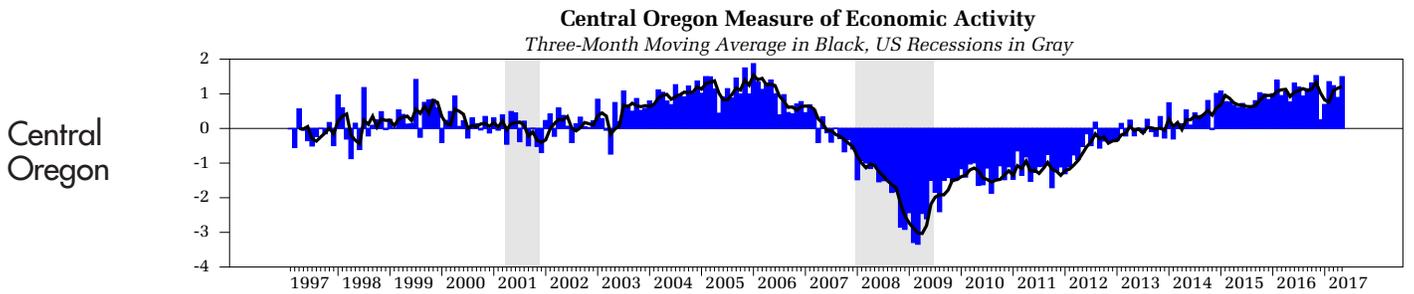
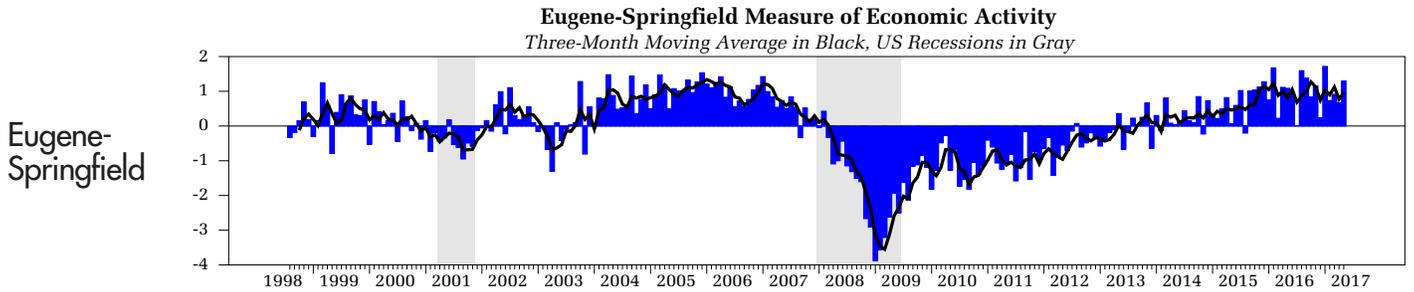
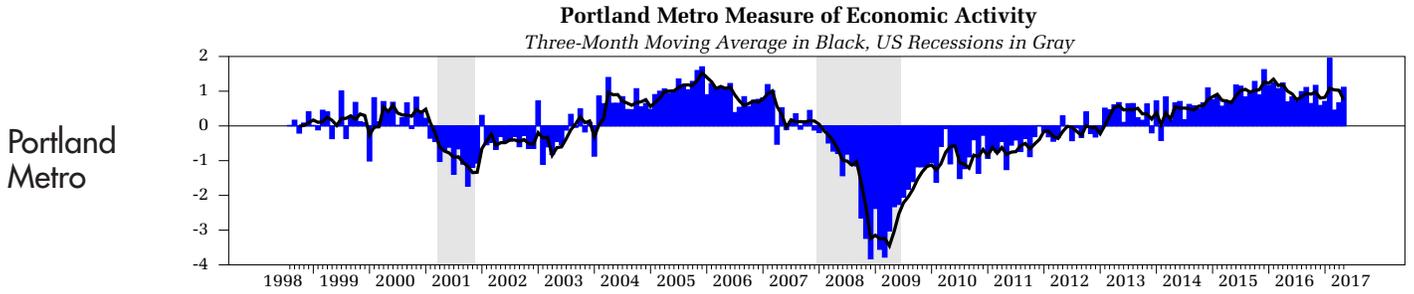
Measures of activity indicate that most regions continue to grow at a fairly rapid pace. For all regions, moving average measures (which smooth monthly volatility) remain above zero, indicating above trend activity. Recall that these figures measure relative average growth; each region has its own underlying growth rate. Portland area growth appears to have moderated somewhat from the very rapid pace of 2015, but remains in a range consistent with past expansions. Other regions remain at a higher pace even as the expansion matures. New housing activity as measured by permits generally remains a weak spot with the exception of Portland and Central Oregon. Note that in neither place is the pace of construction sufficient to prevent rising home prices. Labor market indicators made positive contributions to all regions. Employment components were generally positive in May. Record low unemployment rates statewide (note the particularly strong contributions in Salem and the Rogue Valley) indicate that labor force growth, though solid, is not keeping up with job growth. Historically low levels of initial unemployment claims suggests job growth is likely to continue for the foreseeable future. The solid pace of economic activity is being reflected in the large positive contributions to the municipal waste components.

### Contributions to Regional Indexes – May 2017

	Portland-Vancouver-Beaverton	Eugene-Springfield	Central Oregon	Rogue Valley	Salem
New Private Housing Units Authorized by Permits	0.13	-0.09	0.09	-0.21	-0.11
Educational and Health Services Employment	0.03	0.05	0.03	-0.02	-0.03
Financial Activities Employment	-0.14	-0.08	-0.01	0.10	-0.03
Government Employment	0.00	0.01	0.17	0.03	0.02
Information Employment	-0.06	-0.01	0.00	-0.02	0.03
Leisure and Hospitality Employment	0.07	0.04	0.02	-0.01	0.00
Manufacturing Employment	0.07	0.04	0.06	-0.08	-0.02
Construction Employment	0.12	0.07	0.15	-0.25	0.08
Professional and Business Services Employment	0.08	0.04	-0.01	0.15	-0.06
Other Services Employment	-0.07	-0.01	0.03	0.02	0.02
Trade, Transportation, and Utilities Employment	0.09	0.05	-0.11	0.05	-0.27
Civilian Labor Force	0.05	0.16	0.02	0.18	0.01
Unemployment Rate	0.18	0.34	0.31	0.51	0.54
Lodging Revenue, Inflation Adjusted	0.00	0.00	-0.01		-0.02
Airport Passengers	0.00	0.00	0.00	-0.04	
Initial Unemployment Claims	0.21	0.21	0.23		
Residential Units Sold	0.13	0.28	0.16		0.35
Municipal Waste	0.19	0.19	0.37		
Home Price Index	0.05				
<b>Total</b>	<b>1.11</b>	<b>1.30</b>	<b>1.50</b>	<b>0.41</b>	<b>0.50</b>
<b>Moving Average of Recent Observations</b>	<b>0.75</b>	<b>0.96</b>	<b>1.21</b>	<b>0.70</b>	<b>0.92</b>

# Oregon Regional Economic Indexes™

May 2017



COLLEGE OF ARTS + SCIENCES



oregon economic forum