

# Oregon Regional Economic Indexes™



January 2017

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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.

## Contact

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## Review

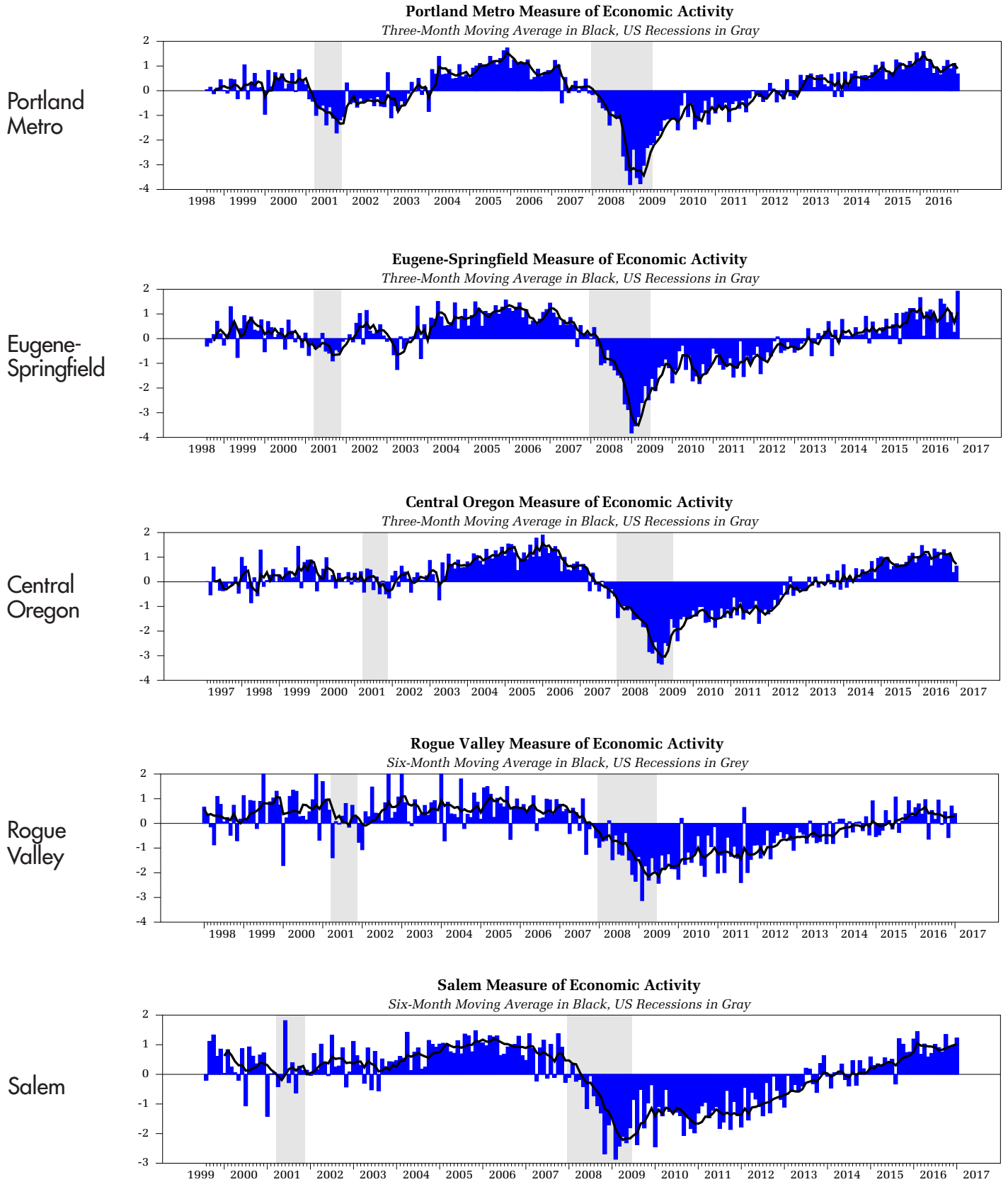
Regional economies enter 2017 on a solid note. For all regions, moving average measures (which smooth monthly volatility) remain above zero, indicating above trend activity. Recall that these figures measure relative average growth; each region has its own underlying growth rate. Strong sales numbers reveal that housing activity remains at an elevated pace across the state, but only the Portland metro area and Central Oregon regions are experiencing new construction at levels that would contribute positively to the regional measures. And even in those regions, new supply is insufficient to constrain housing prices. Labor markets are generally solid across most regions. Sector-level employment components remain mostly neutral to positive, reflecting the fairly broad-based nature of job growth. Unemployment rates remain low. Initial unemployment claims also hover near levels historically consistent with continued job growth. The Eugene-Springfield and Salem areas are posting numbers near cycle highs while other areas have seen a tempering in the pace of growth in recent months. Still, growth in those areas remains above average and generally consistent with past expansions.

### Contributions to Regional Indexes – January 2017

	Portland-Vancouver-Beaverton	Eugene-Springfield	Central Oregon	Rogue Valley	Salem
New Private Housing Units Authorized by Permits	0.11	-0.07	0.04	-0.16	-0.27
Educational and Health Services Employment	0.06	0.08	0.04	0.00	0.00
Financial Activities Employment	0.11	0.18	0.07	0.06	0.03
Government Employment	-0.01	0.01	0.00	0.04	0.02
Information Employment	0.08	0.05	0.01	-0.21	0.00
Leisure and Hospitality Employment	0.07	0.00	-0.07	-0.01	-0.01
Manufacturing Employment	-0.08	-0.09	-0.02	0.06	0.01
Construction Employment	-0.29	0.03	0.15	-0.09	0.18
Professional and Business Services Employment	-0.07	0.09	0.01	0.06	-0.10
Other Services Employment	-0.01	0.07	0.00	0.03	0.03
Trade, Transportation, and Utilities Employment	0.26	0.12	-0.20	0.09	0.51
Civilian Labor Force	-0.04	0.34	0.00	0.13	-0.29
Unemployment Rate	0.15	0.29	0.25	0.41	0.46
Lodging Revenue, Inflation Adjusted	0.00	0.05	-0.01		0.02
Airport Passengers	-0.01	0.01	-0.01	-0.01	
Initial Unemployment Claims	0.19	0.27	0.08		
Residential Units Sold	0.19	0.37	0.19		0.65
Municipal Waste	0.08	0.11	0.09		
Home Price Index	0.08				
<b>Total</b>	<b>0.68</b>	<b>1.93</b>	<b>0.64</b>	<b>0.40</b>	<b>1.23</b>
<b>Moving Average of Recent Observations</b>	<b>0.89</b>	<b>1.08</b>	<b>0.71</b>	<b>0.32</b>	<b>1.02</b>

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