

OREGON REGIONAL ECONOMIC INDEXES™



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APRIL 2012

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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 areas with more indicators available, 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?

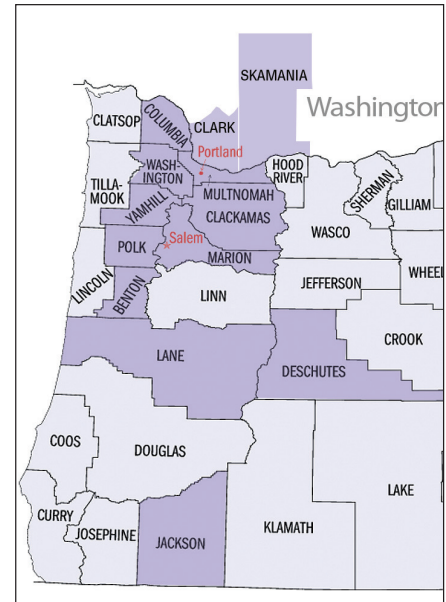
Yes, the Chicago Federal Reserve Bank uses the same basic approach to measure both national and regional economic activity.

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Review

Regional economies reverted to familiar trends in April, with only the Portland and Eugene-Springfield regions holding near trend growth for the month. The three-month moving averages for both areas remain just slightly negative, but note that these numbers may be revised somewhat higher when underlying employment data is revised. The Central Oregon index reversed its gains of recent months as employment data disappointed, suggesting that some of the positive movement of the first quarter was overstated. The recovery in Salem and the Rogue Valley remains muted. Relatively low levels of building permits remain a drag across all regions, particularly in the Rogue Valley. Low levels of residential home sales significantly weighed down both the Salem and Eugene-Springfield areas. The latter area was supported by a jump in construction employment; this may be reversed next month. Overall, outside of Portland and to a lesser extent Eugene-Springfield, the recovery remains disappointing.



Contributions to Regional Indexes – April 2012

	Portland-Vancouver-Beaverton	Eugene-Springfield	Central Oregon	Rogue Valley	Salem
New Private Housing Units Authorized by Permits	-0.12	-0.33	-0.27	-0.46	-0.23
Educational and Health Services Employment	-0.03	-0.05	-0.18	0.07	-0.04
Financial Activities Employment	-0.16	-0.12	-0.05	0.25	0.03
Government Employment	0.00	-0.01	0.00	-0.03	-0.02
Information Employment	-0.06	0.02	-0.02	-0.01	-0.04
Leisure and Hospitality Employment	-0.10	0.00	-0.04	0.09	-0.02
Manufacturing Employment	0.17	0.04	-0.10	0.08	0.02
Construction Employment	0.19	0.72	-0.10	0.13	-0.14
Professional and Business Services Employment	0.01	0.00	-0.06	0.04	0.01
Other Services Employment	-0.11	0.01	-0.07	-0.02	-0.09
Trade, Transportation, and Utilities Employment	-0.02	-0.14	-0.35	0.03	-0.08
Civilian Labor Force	-0.02	0.01	-0.03	0.06	-0.20
Unemployment Rate	-0.05	-0.07	-0.19	-0.31	-0.20
Lodging Revenue, Inflation Adjusted	0.00	0.00	0.01		0.00
Airport Passengers	0.01	0.02	0.00	0.00	
Initial Unemployment Claims	0.03	0.07	-0.13		
Residential Units Sold	-0.09	-0.22	0.12		-0.25
Municipal Waste	-0.21	-0.21	-0.07		
Home Price Index	-0.03				
Total	-0.58	-0.23	-1.54	-0.09	-1.01
Moving Average of Recent Observations	-0.33	-0.40	-0.82	-1.09	-1.03



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