

OREGON REGIONAL ECONOMIC INDEXES™



A program of the College of Arts and Sciences and its Department of Economics

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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?

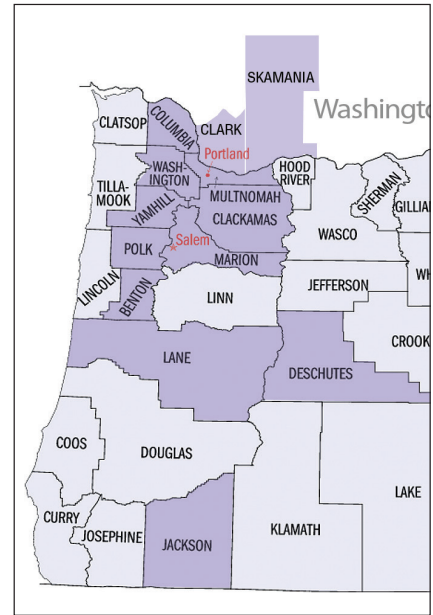
The monthly measures can be very volatile, and volatility will increase for smaller regions or those with less data included in the estimation process. To reduce the noise, it is helpful to focus on the average of the most recent data. For the larger areas, Portland, Eugene–Springfield, and Bend, a three-month 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.

Review

Regional divergence widened further in February, with Portland pulling ahead of the rest of the regional economies. The moving average measures of the regional areas—where zero represents a region’s average growth since 1998—are in a range of 0.31 for Portland Metro to -0.48 and -0.94 for the Salem and Rogue Valley regions, respectively. The Eugene-Springfield and Central Oregon regions are growing at close to their average pace. In a sign that labor market conditions have improved substantially since the recession ended, initial unemployment claims are now contributing positively to the Portland, Eugene-Springfield, and Central Oregon measures. Also note that in most regions, housing-related activity is hovering just around the zero mark and thus has a relatively neutral impact on regional measures. The exception is the Rogue Valley, where low levels of building permits combine with high unemployment to weigh on the measure of activity. While Salem’s measure continues to be below zero, the region has improved significantly over the past year; the -0.48 moving average measure this month compares to -0.95 a year ago.



Contributions to Regional Indexes – February 2013

	Portland-Vancouver-Beaverton	Eugene-Springfield	Central Oregon	Rogue Valley	Salem
New Private Housing Units Authorized by Permits	0.08	-0.01	-0.10	-0.33	-0.11
Educational and Health Services Employment	-0.08	-0.01	0.05	0.19	0.00
Financial Activities Employment	0.08	-0.09	0.05	-0.32	0.00
Government Employment	0.00	-0.01	0.00	-0.01	0.01
Information Employment	0.16	0.00	-0.02	0.00	0.00
Leisure and Hospitality Employment	0.11	-0.02	-0.03	-0.12	0.01
Manufacturing Employment	-0.02	0.05	0.03	0.00	0.00
Construction Employment	0.17	0.18	0.11	0.36	0.09
Professional and Business Services Employment	-0.10	0.01	0.01	-0.07	-0.18
Other Services Employment	0.15	-0.03	0.06	-0.02	-0.01
Trade, Transportation, and Utilities Employment	0.32	0.03	-0.08	0.02	0.06
Civilian Labor Force	-0.01	-0.09	0.00	-0.09	-0.05
Unemployment Rate	-0.05	-0.09	-0.15	-0.30	-0.19
Lodging Revenue, Inflation Adjusted	-0.01	0.00	-0.04		0.00
Airport Passengers	0.00	0.01	0.00	0.00	
Initial Unemployment Claims	0.12	0.28	0.02		
Residential Units Sold	-0.02	-0.03	0.04		-0.12
Municipal Waste	-0.06	-0.26	-0.05		
Home Price Index	-0.03				
Total	0.81	-0.07	-0.10	-0.69	-0.50
Moving Average of Recent Observations	0.31	-0.06	-0.18	-0.94	-0.48

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