

OREGON REGIONAL ECONOMIC INDEXES™



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

JANUARY 2012

SPONSORED BY



Unlock your possibilities

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?

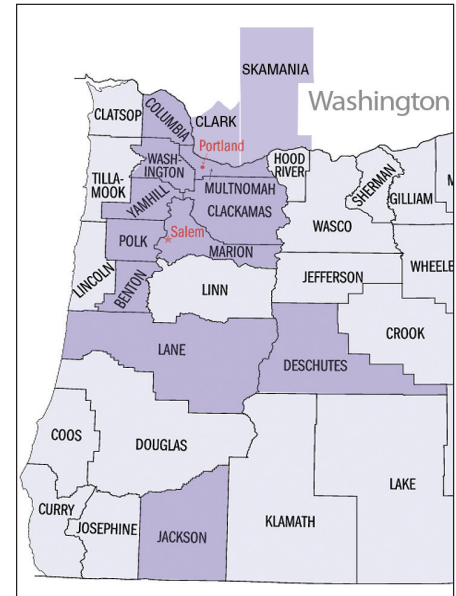
Yes, the Chicago Federal Reserve Bank uses the same basic approach to measure both national and regional economic activity.

Contact

Timothy A. Duy
 Director, Oregon Economic Forum
 Department of Economics, University of Oregon
 541-346-4660 • duy@uoregon.edu
 econforum.uoregon.edu

Review

Regional activity was generally stronger in January 2012. Notably, activity improved markedly in both the Eugene-Springfield and Central Oregon regions. In both cases gains in employment data lifted the index values well above the “zero” level that marks average growth over the 1998–2011 period. Some caution is warranted, however, given the potentially volatile nature of the underlying indicators. Hence, it is important to follow the moving average of recent observations, which remain below zero for both Eugene-Springfield and Central Oregon. The Portland region continued to improve, and now appears to be growing at or somewhat above the 1998–2011 trend. The Salem and Rogue Valley areas continue to experience below average growth, although the Salem area measure is slowly grinding upward. In both cases, the January measure was dragged down by declines in the labor force.



Contributions to Regional Indexes – January 2012

	Portland-Vancouver-Beaverton	Eugene-Springfield	Central Oregon	Rogue Valley	Salem
New Private Housing Units Authorized by Permits	-0.06	-0.37	-0.36	-0.63	
Educational and Health Services Employment	0.12	0.04	0.07	0.02	0.00
Financial Activities Employment	-0.14	0.17	0.26	0.14	0.09
Government Employment	0.00	0.00	0.00	-0.02	0.00
Information Employment	0.02	0.01	0.15	0.02	-0.03
Leisure and Hospitality Employment	0.13	0.01	0.13	-0.07	0.03
Manufacturing Employment	0.09	0.23	0.07	0.40	0.10
Construction Employment	0.04	-0.05	0.18	0.03	-0.15
Professional and Business Services Employment	-0.02	0.12	0.08	-0.15	0.13
Other Services Employment	0.00	-0.05	0.00	-0.08	-0.18
Trade, Transportation, and Utilities Employment	0.21	0.25	0.20	0.09	0.15
Civilian Labor Force	-0.02	-0.08	0.04	-0.43	-0.32
Unemployment Rate	-0.06	-0.10	-0.20	-0.36	-0.23
Lodging Revenue, Inflation Adjusted	0.00	0.00	-0.02		0.01
Airport Passengers	0.00	0.03	-0.01	0.00	
Initial Unemployment Claims	0.01	0.03	-0.12		
Residential Units Sold	-0.03	0.01	0.07		-0.25
Municipal Waste	-0.18		-0.02		
Home Price Index	-0.12				
Total	0.01	0.24	0.51	-1.03	-0.65
Moving Average of Recent Observations	-0.21	-0.53	-0.59	-1.31	-0.44



UNIVERSITY OF OREGON
 College of Arts and Sciences

© 2012 University of Oregon. All rights reserved.
 Released: April 9, 2012.

OREGON REGIONAL ECONOMIC INDEXES™

JANUARY 2012

