

OREGON REGIONAL ECONOMIC INDEXES™



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

MAY 2013

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.

Review

The pace of the recovery continues to vary across different regions in Oregon, with the Portland Metro and Rogue Valley areas at opposite ends of the growth spectrum. The Portland regional measure was at 1.20 in May, while the moving average measure (used to smooth monthly volatility) was 0.87, where zero represents a region’s average growth. The measure thus indicates that the Portland area is growing faster than average at a rate more consistent with the last expansion. In contrast, the Rogue Valley measure of -1.21 in May, with a -0.86 moving average, indicates slower than normal growth. Eugene-Springfield is growing at or slightly above its trend, while Central Oregon is at or slightly below trend. Note that the improving housing market has yet to translate into substantial improvement in the contribution of new permits in the Rogue Valley and Salem areas. The contribution of permits to the remaining regions is closer to neutral. Residential units sold provided a significant boost to the Central Oregon measure as that region’s housing market heated up this spring. High unemployment remains a weight on the Central Oregon, Rogue Valley, and Salem measures of activity. Low levels of unemployment claims are providing support to the Eugene-Springfield measure, suggesting that job growth in the region will accelerate in the months ahead.

Contributions to Regional Indexes – May 2013

	Portland-Vancouver-Beaverton	Eugene-Springfield	Central Oregon	Rogue Valley	Salem
New Private Housing Units Authorized by Permits	0.02	0.02	-0.08	-0.38	-0.24
Educational and Health Services Employment	0.07	-0.02	-0.06	-0.19	0.01
Financial Activities Employment	0.08	0.00	-0.06	-0.04	-0.04
Government Employment	0.00	-0.01	0.00	0.00	-0.04
Information Employment	0.21	0.02	-0.02	-0.01	0.00
Leisure and Hospitality Employment	0.03	0.01	-0.02	0.04	0.00
Manufacturing Employment	0.06	0.02	-0.03	0.09	0.01
Construction Employment	0.18	0.03	-0.18	-0.41	0.05
Professional and Business Services Employment	0.12	0.07	0.01	-0.07	0.06
Other Services Employment	0.05	0.00	-0.05	0.00	-0.02
Trade, Transportation, and Utilities Employment	0.28	-0.05	-0.09	0.06	-0.11
Civilian Labor Force	0.00	-0.06	-0.02	-0.11	0.00
Unemployment Rate	-0.01	-0.03	-0.10	-0.20	-0.11
Lodging Revenue, Inflation Adjusted	0.01	0.00	0.00		0.00
Airport Passengers	0.00	0.00	0.00	0.01	
Initial Unemployment Claims	0.13	0.29	-0.04		
Residential Units Sold	0.07	0.01	0.21		0.01
Municipal Waste	-0.04	-0.16	-0.03		
Home Price Index	-0.04				
Total	1.20	0.13	-0.57	-1.21	-0.42
Moving Average of Recent Observations	0.87	0.10	-0.36	-0.86	-0.57

Contact

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



UNIVERSITY OF OREGON
 College of Arts and Sciences

© 2013 University of Oregon. All rights reserved.
 Released: July 24, 2013.

OREGON REGIONAL ECONOMIC INDEXES™

MAY 2013

