

OREGON REGIONAL ECONOMIC INDEXES™



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

NOVEMBER 2011

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?

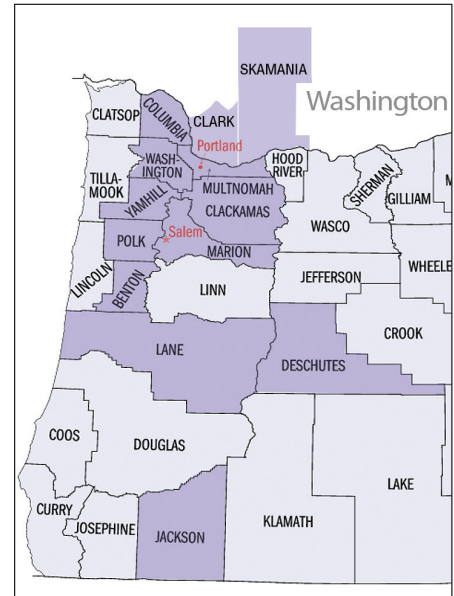
Yes, the Chicago Federal Reserve Bank uses the same basic approach to measure both national and regional economic activity.

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, while improved from the lows of the recession, remained weak in November 2011. The exception is the ongoing improvement in the Portland region, where the three-month moving average of -0.38 is just below the “zero” level that marks average growth over the 1998–2011 period. The moving average values of remaining regions continue to hover near -1, with Central Oregon lagging as the aftereffects of the housing bubble continue to weigh heavily on that area. The Salem area measure retreated after spiking in October as residential home sales and construction employment dragged down the measure. The Rogue Valley region declined on the back of low levels of building permits coupled with relatively high unemployment. Weakness in the components of the Eugene-Springfield measure was not dramatic by individual indicators, but the breadth of weakness caused the index to remain well below -1.



Contributions to Regional Indexes – November 2011

	Portland-Vancouver-Beaverton	Eugene-Springfield	Central Oregon	Rogue Valley	Salem
New Private Housing Units Authorized by Permits	-0.02	-0.31	-0.35	-0.50	
Educational and Health Services Employment	-0.10	0.01	-0.19	-0.29	0.04
Financial Activities Employment	0.00	-0.02	-0.04	-0.31	-0.09
Government Employment	0.00	0.00	0.00	-0.01	-0.02
Information Employment	0.05	0.01	0.00	-0.01	0.00
Leisure and Hospitality Employment	-0.08	-0.18	-0.08	-0.11	-0.02
Manufacturing Employment	0.14	-0.15	-0.03	0.04	-0.09
Construction Employment	0.50	-0.16	0.04	0.02	-0.59
Professional and Business Services Employment	-0.12	-0.28	-0.03	-0.15	0.04
Other Services Employment	-0.23	0.00	-0.07	0.02	0.00
Trade, Transportation, and Utilities Employment	0.14	0.09	-0.20	-0.02	0.73
Civilian Labor Force	-0.06	-0.18	-0.02	-0.09	-0.08
Unemployment Rate	-0.08	-0.13	-0.22	-0.35	-0.26
Lodging Revenue, Inflation Adjusted	0.00	0.00	0.08		0.00
Airport Passengers	0.01	0.00	-0.01	0.00	
Initial Unemployment Claims	-0.02	0.13	-0.17		
Residential Units Sold	-0.15	-0.31	0.01		-0.53
Municipal Waste	-0.22		0.04		
Home Price Index	-0.03				
Total	-0.26	-1.48	-1.25	-1.77	-0.87
Moving Average of Recent Observations	-0.38	-1.03	-1.14	-0.90	-0.83



COLLEGE OF ARTS AND SCIENCES
 University of Oregon

OREGON REGIONAL ECONOMIC INDEXES™

NOVEMBER 2011

