

# 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?

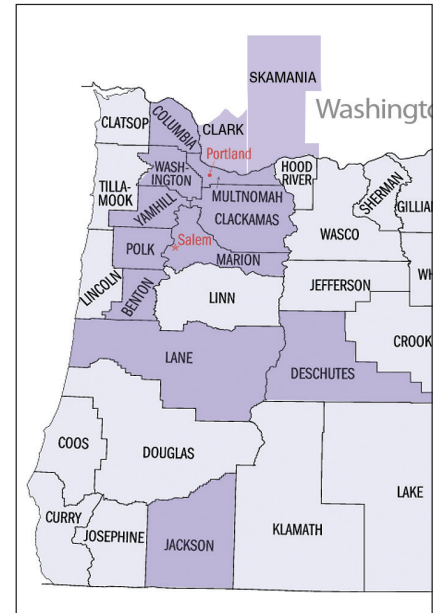
The monthly measures can be very volatile, and volatility will increase for smaller regions or those with less data included in the estimation process. To reduce the noise, it is helpful to focus on the average of the most recent data. For the larger areas, Portland, Eugene–Springfield, and Bend, a three-month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

The pace of recovery remains muted, as measures of regional activity in November continue to point toward growth at or somewhat below average in all regions of Oregon. The Portland area improved from an upwardly revised October number, although the moving average measure is at a below-average -0.40 (zero represents average growth over the 1998–2012 period). Manufacturing employment provided a boost to Portland’s November figure. The Eugene-Springfield measure slipped for a second month, dragging down the moving average to just below zero. Declining labor force growth in the region weighed on the measure. The Central Oregon region slipped back below zero after a bounce in October. Still, the improvement over the past year remains evident, with the moving average measure at -0.24, compared to -1.0 a year ago. The Rogue Valley measure rose, supported in part by an improvement in leisure and hospitality employment. Overall, the region continues its slow pace of gains. The Salem area slipped back below zero after a strong showing in October, highlighting the potential volatility of the measures. Still, like the Rogue Valley, the region’s economy slowly improved over the past year.



### Contributions to Regional Indexes – November 2012

	Portland-Vancouver-Beaverton	Eugene-Springfield	Central Oregon	Rogue Valley	Salem
New Private Housing Units Authorized by Permits	-0.08	-0.07	-0.12	-0.01	-0.28
Educational and Health Services Employment	0.03	-0.01	-0.20	0.01	0.00
Financial Activities Employment	-0.22	0.01	0.09	-0.01	-0.02
Government Employment	0.00	0.00	0.00	0.04	0.00
Information Employment	0.05	-0.03	0.02	0.00	0.00
Leisure and Hospitality Employment	-0.05	-0.13	-0.21	0.13	-0.03
Manufacturing Employment	0.18	0.06	0.01	0.05	-0.05
Construction Employment	-0.02	0.09	0.01	0.06	-0.14
Professional and Business Services Employment	0.00	-0.07	0.01	0.05	0.00
Other Services Employment	0.05	0.03	0.03	0.01	0.01
Trade, Transportation, and Utilities Employment	0.12	-0.11	-0.05	-0.02	0.40
Civilian Labor Force	-0.05	-0.14	-0.04	-0.07	-0.04
Unemployment Rate	-0.05	-0.08	-0.15	-0.31	-0.21
Lodging Revenue, Inflation Adjusted	0.00	0.00	0.00		0.01
Airport Passengers	0.01	0.02	-0.01	0.01	
Initial Unemployment Claims	0.00	0.24	-0.09		
Residential Units Sold	-0.04	-0.13	0.06		-0.15
Municipal Waste	-0.09	-0.14	-0.03		
Home Price Index	-0.04				
<b>Total</b>	<b>-0.19</b>	<b>-0.48</b>	<b>-0.66</b>	<b>-0.07</b>	<b>-0.50</b>
<b>Moving Average of Recent Observations</b>	<b>-0.40</b>	<b>-0.16</b>	<b>-0.24</b>	<b>-0.63</b>	<b>-0.52</b>

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