

# OREGON REGIONAL ECONOMIC INDEXES™



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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?

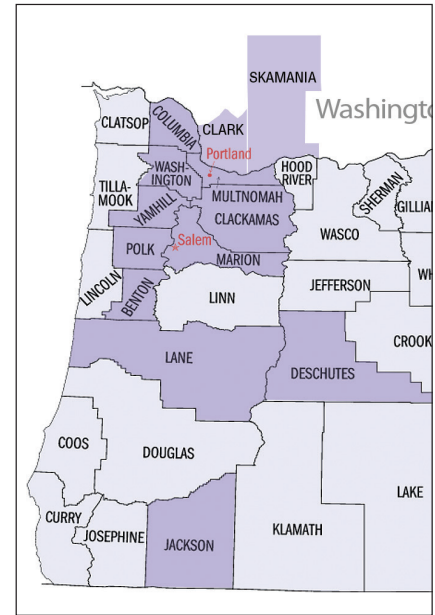
Yes, the Chicago Federal Reserve Bank uses the same basic approach to measure both national and regional economic activity.

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## Review

Measures of regional activity were mixed in October. The Portland area, which had been leading the recovery, has lost some momentum in recent months, dragging the three-month moving average down to -0.58 (zero represents average growth over the 1998–2012 period). Although recent weak employment data has tended to be revised up, even after these revisions the Portland area appears to be growing somewhat below trend. In contrast, although the Eugene-Springfield measure slipped from September, the average of recent data suggests the region is growing near its average rate. The Central Oregon region gained, with the figure boosted by leisure and hospitality employment. The Rogue Valley measure slipped; the area’s high unemployment rate continues to weigh on the numbers. The Salem area extended recent gains, although the significant improvement may prove short-lived. The area received a particular boost from trade, transportation, and utility employment, and such gains can be quickly reversed. Still, October fits with the general trend of improvement in recent months as the region heads toward something much closer to normal growth.



## Contributions to Regional Indexes – October 2012

	Portland-Vancouver-Beaverton	Eugene-Springfield	Central Oregon	Rogue Valley	Salem
New Private Housing Units Authorized by Permits	-0.04	-0.16	-0.09	-0.24	-0.05
Educational and Health Services Employment	-0.10	-0.01	0.12	-0.03	0.00
Financial Activities Employment	-0.15	0.07	0.00	-0.01	-0.01
Government Employment	-0.02	0.00	0.00	0.01	-0.01
Information Employment	-0.02	0.00	0.01	-0.03	0.00
Leisure and Hospitality Employment	-0.18	-0.16	0.19	-0.10	0.09
Manufacturing Employment	0.03	0.04	0.09	-0.06	0.17
Construction Employment	-0.03	-0.12	-0.01	0.12	0.05
Professional and Business Services Employment	-0.16	-0.04	0.06	-0.01	0.20
Other Services Employment	-0.02	0.00	-0.02	0.02	0.22
Trade, Transportation, and Utilities Employment	0.00	0.01	0.16	-0.03	0.41
Civilian Labor Force	-0.06	-0.03	0.03	-0.12	0.16
Unemployment Rate	-0.05	-0.08	-0.16	-0.33	-0.20
Lodging Revenue, Inflation Adjusted	0.00	0.01	-0.04		0.00
Airport Passengers	0.00	-0.01	-0.01	-0.01	
Initial Unemployment Claims	0.01	0.13	-0.04		
Residential Units Sold	0.05	-0.06	0.06		-0.08
Municipal Waste	-0.07	0.07	-0.04		
Home Price Index	-0.03				
<b>Total</b>	<b>-0.84</b>	<b>-0.34</b>	<b>0.32</b>	<b>-0.83</b>	<b>0.96</b>
<b>Moving Average of Recent Observations</b>	<b>-0.58</b>	<b>0.20</b>	<b>-0.14</b>	<b>-0.71</b>	<b>-0.54</b>



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