

# OREGON REGIONAL ECONOMIC INDEXES™



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

SEPTEMBER 2011

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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?

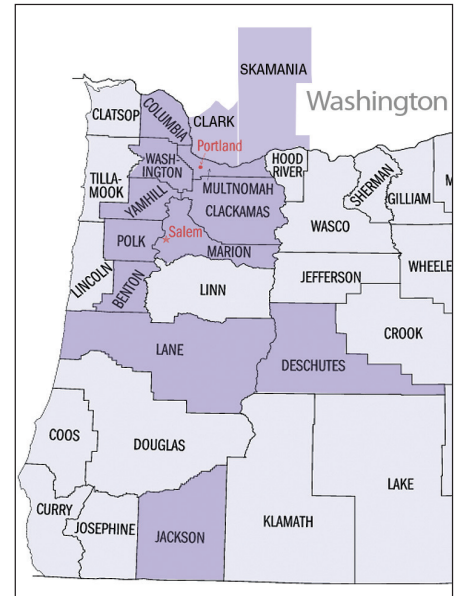
The monthly measures can be very volatile, and volatility will increase for smaller regions or those with less data included in the estimation process. To reduce the noise, it is helpful to focus on the average of the most recent data. For the larger areas, Portland, Eugene–Springfield, and Bend, a three-month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

Measures of regional economic activity were mixed in September. The Portland region continued to outperform, and is nearing its average growth rate (note that the period covered by this measure, 1997 to present, contained two recessions, driving down average growth rates over this span of time). Both Eugene–Springfield and Rogue Valley improved during the month, but the averages of recent observations continue to indicate overall below-average growth. The Salem index deteriorated further, with the index dropping to -2.30 for the month, pulling the six-month average to -1.48. Central Oregon is slowly improving, although growth remains well below trend.



## Contributions to Regional Indexes - September 2011

	Portland-Vancouver-Beaverton	Eugene-Springfield	Central Oregon	Rogue Valley	Salem
New Private Housing Units Authorized by Permits	0.03	0.23	-0.29	-0.64	
Educational and Health Services Employment	-0.02	0.04	0.05	0.18	-0.01
Financial Activities Employment	-0.18	0.00	-0.06	0.37	0.04
Government Employment	-0.01	-0.02	0.00	-0.06	-0.28
Information Employment	0.08	-0.08	-0.01	0.08	0.00
Leisure and Hospitality Employment	0.30	0.02	0.05	0.18	-0.13
Manufacturing Employment	-0.02	0.03	-0.01	-0.07	-0.33
Construction Employment	0.49	0.04	-0.14	-0.08	-0.19
Professional and Business Services Employment	-0.05	0.12	0.02	0.01	-0.15
Other Services Employment	0.18	0.02	0.01	0.13	0.03
Trade, Transportation, and Utilities Employment	-0.19	-0.29	-0.07	0.06	-0.19
Civilian Labor Force	0.00	-0.03	0.00	0.10	-0.38
Unemployment Rate	-0.10	-0.18	-0.28	-0.47	-0.40
Lodging Revenue, Inflation Adjusted	0.01	0.00	0.02		0.00
Airport Passengers	0.09	0.00	0.01	0.00	
Initial Unemployment Claims	-0.07	-0.01	-0.22		
Residential Units Sold	-0.16	-0.26	0.03		-0.31
Municipal Waste	-0.20		-0.04		
Home Price Index	-0.03				
<b>Total</b>	<b>0.16</b>	<b>-0.38</b>	<b>-0.91</b>	<b>-0.20</b>	<b>-2.30</b>
<b>Moving Average of Recent Observations</b>	<b>-0.32</b>	<b>-1.12</b>	<b>-0.80</b>	<b>-0.91</b>	<b>-1.48</b>

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