

Humboldt Economic Index

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The Humboldt Economic Index is produced by the Economics Department at Humboldt State University. It measures changes in the local economy using data from local businesses and organizations. The data are compiled into a seasonally adjusted Index that shows changes relative to the base month (January 1994). The composite Index is a weighted combination of six individual sectors of the local economy. The current Index is based on the most recently available data, which is generally data from the previous month.

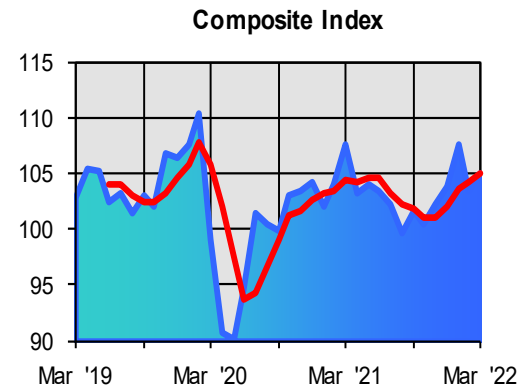
Seasonally Adjusted Unemployment Rate Below Pre-Covid Level

This month we say goodbye to our two long-serving student assistants. Aowyn joined the Index in April, 2019 and was our assistant editor for longer than just about anyone else. She worked on the Index while studying abroad and during Covid, both of which presented challenges.

Monica was our assistant analyst since April 2020. She completed her training just as the campus closed, and she continued to work with data providers to collect data during very difficult times.

Index readers recall that we did not publish the Index from spring 2020 to fall 2020. However, we were able to go back and collect data and write up past Index editions. Both Aowyn and Monica worked hard to make sure that our archives of monthly reports are complete. We thank them for their unwavering commitment to the Index and we wish them well after graduation!

The Composite Index rose to 105.1 in March, up 1.6 percent from the previous month. The Composite Index



is down 2.2 percent from this time last year. This month the Employment, Home Sales and Energy Indices all rose.

The seasonally adjusted unemployment rate in Humboldt County decreased from 3.7 percent to 3.3 percent, which is lower than the 3.4 percent seen in February, 2020 which was immediately before the Covid shelter in place orders began.

Composite & Sectors

Index	Value***	Percent change from			
		Last Month	One Year ago****	Five Years ago****	Ten Years ago****
Composite	105.1	1.6	-2.2	0.4	5.8
Home Sales	138.1	29.3	-1.7	14.0	48.1
Retail Sales	136.0	-4.2	-10.4	-4.0	-3.5
Hospitality	117.5	-2.0	0.1	37.0	46.0
Electricity	104.9	1.8	-9.4	-18.3	-22.0
Employment	107.1	1.0	3.4	-3.5	6.4
Lumber*	26.3	0.0	0.0	0.0	-20.8
Manufacturing**	93.3	-7.4	-11.3	-	-

* Formerly "manufacturing"

** Niche, non-lumber manufacturing. Not a component of the overall composite.

*** These values are adjusted to remove seasonal fluctuation. The base month is January 1994 (January 2013 for manufacturing) with an Index value of 100.

**** The percent change from the same month one, five and ten years ago.

The Index – Leading Indicators

Leading Indicators

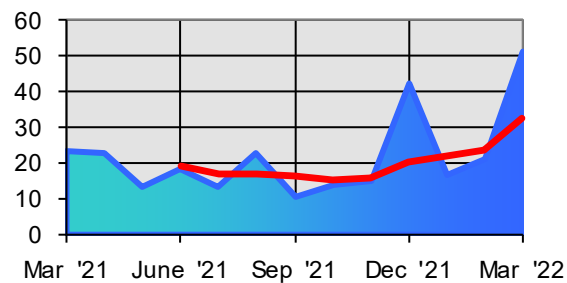
The Index tracks four leading indicators to get a sense of the direction that the county economy may take in the near future. The leading indexes are (1) unfilled orders for manufactured goods, (2) number of initial claims for unemployment insurance, (3) building permits, and (4) help wanted advertising.

Leading Indicators			
Manufacturing Orders	Unemployment Claims	Building Permits	Help Wanted Advertising
0.0%	-18.2%	25.0%	-8.8%
* Change from prior month. All values are seasonally adjusted.			

Key Statistics			
Median Home Price*	Monthly Rent**	Mortgage Rate†	Unemployment Rate‡
\$430,500	\$2,263	5.000%	3.3%
* The Humboldt Association of Realtors provides home price data. MLS is not responsible for accuracy of information. The information published and disseminated by the Service is communicated verbatim, without change by the Service, as filed with the Service by the Participant. The Service does not verify such information provided and disclaims any responsibility for its accuracy. Each Participant agrees to hold the Service harmless against any liability arising from any inaccuracy or inadequacy of the information. ** Average rent on 2, 3 and 4 bedroom houses listed in the Times Standard. † 30-year owner occupied conforming conventional fixed rate provided by Umpqua Bank. ‡ Seasonally adjusted Humboldt County unemployment rate is based on non-seasonally adjusted preliminary EDD data.			

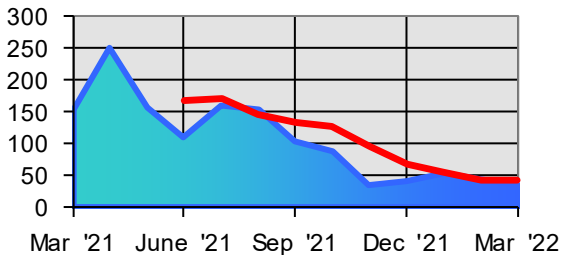
Building Permits rose 144.8 percent to a new Index value of 51.0. The current value is 118.8 percent higher than the value for this time last year.

Index of Building Permits Issued



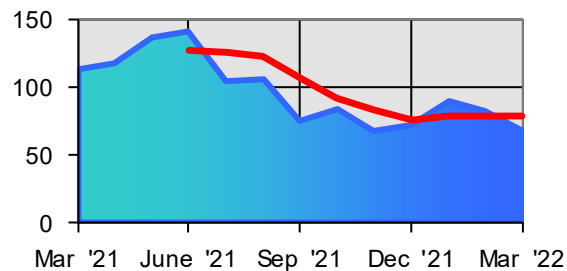
Unemployment Claims fell 18.7 percent to a new Index value of 37.1. The current value is 75.8 percent lower than the value for this time last year. The 4-month moving average rose 1.5 percent to a new average of 44.9.

Index of Claims for Unemployment Insurance



Help Wanted Advertising fell 16.2 percent to a new Index value of 68.6. The current value is 39.4 percent lower than the value for this time last year. The 3-month moving average fell 1.7 percent to a new value of 80.1. In March there were 391 unique job postings on Craigslist.

Index of Help Wanted Advertising



Manufacturing Orders are not available this month.

Graphs Explanation: The blue area represents the seasonally adjusted Index of Unemployment Claims above. The red line shows the four-month moving average which attempts to demonstrate the overall trend in the data with less monthly volatility.

The Index – Individual Sectors

Home Sales

The Index value of the home sales sector is based on the number of new and existing homes sold in Humboldt County each month as recorded by the Humboldt Association of Realtors.

The Humboldt County Home Sales Index for March rose 29.3 percent to a new value of 138.1. The present Index value is 1.7 percent lower than the value for this time last year. The 4-month moving average rose by 1.8 percent to a new value of 126.4. The country's median home price increased from \$452,500 to \$430,500. In comparison, the median home price this time last year was \$359,000.

The S&P Case-Shiller Home Price Indices, a national Index of housing prices, is calculated monthly using a 3-month moving average and published with a two month lag. Within the Case-Shiller Index are composites of 10 and 20 cities that the Index considers representative of the national housing market, as well as the National Index, which accounts for all 9 U.S. census divisions.

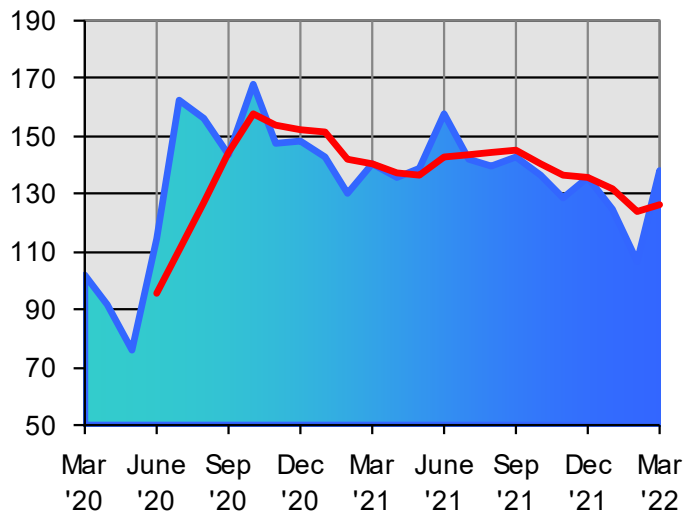
The S&P Case-Shiller Home Price Indices saw a higher year-over-year gain in March compared to the previous month. The 10-City and 20-City Composites reported year-over-year gains of 18.6 percent and 20.2 percent, respectively. The National Index reported a 19.8 percent annual gain over the same period. After seasonal adjustment, the 10-City and 20-City Composites reported month-over-month gains of 2.3 percent and 2.4 percent, respectively. The National Index reported a seasonally adjusted increase of 1.9 percent.

Craig J. Lazzara, Managing Director at S&P Dow Jones Indices., notes the rise in home sales, “U.S. home prices continued to advance at a very rapid pace in February... The National Composite’s 19.8% year-over-year change for February was the third-highest reading in 35 years of history. That level of price growth suggests

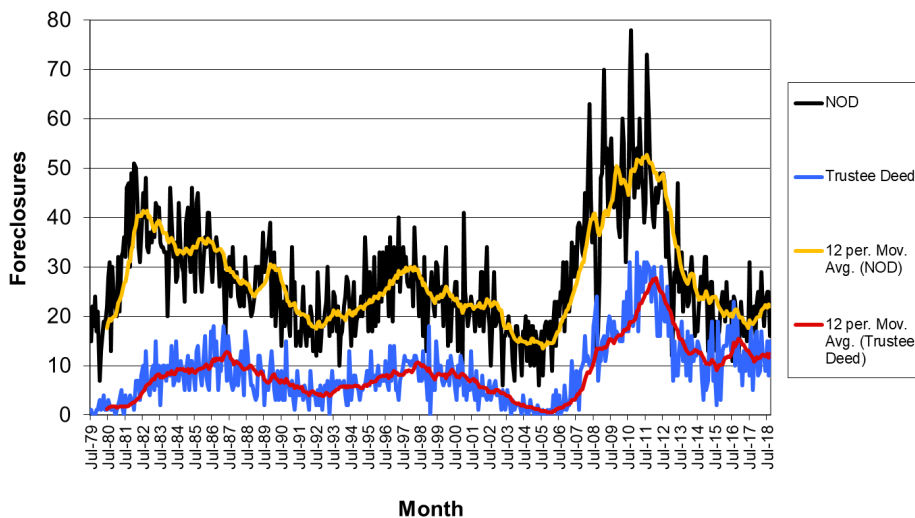
broad strength in the housing market, which is exactly what we continue to observe. All 20 cities saw double-digit price increases for the 12 months ended in February, and price growth in all 20 cities accelerated relative to January’s report. February’s price increase ranked in the top quartile of historical experience for every city, and in the top decile for 18 of them. The macroeconomic environment is evolving rapidly and may not support extraordinary home price growth for much longer.”

According to Freddie Mac, the average 30-year fixed-rate mortgage, as of March 31, was 4.67 percent, up from 3.76 on March 3. The average 15-year fixed-rate mortgage was 3.83 percent at the end of March, up from 3.01.

Home Sales Index, Humboldt County



Monthly Foreclosures, Humboldt County



Source: Humboldt Economic Index and Humboldt County Recorder

The Index – Individual Sectors

Total County Employment

The Index value of the employment sector is based on seasonally adjusted total employment as reported by the Employment Development Department.

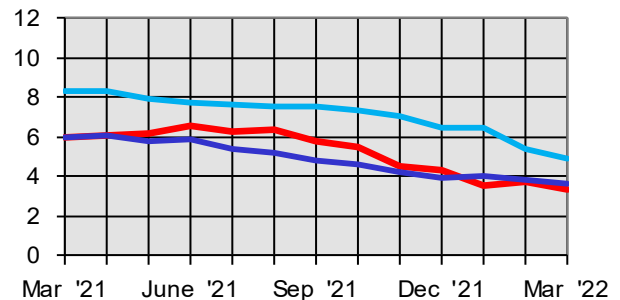
The seasonally adjusted unemployment rate in Humboldt County decreased from 3.7 percent to 3.3 percent. The seasonally adjusted unemployment rate in California decreased from 5.4 percent to 4.9 percent. The seasonally adjusted national unemployment rate decreased from 3.8 to 3.6 percent.

The Employment Development Department of California indicated that in March Humboldt County's estimate of total employment rose by 800 individuals to a total of 57,800. Humboldt County's total unemployment decreased by 400 individuals to a total of 2,200.

In the Labor Department's October report, total nonfarm payroll employment rose by 431,000. National employment in leisure and hospitality with a

gain of 112,000, professional and business services added 102,000 jobs, retail increased by 49,000, manufacturing added 38,000 jobs, social assistance increased by 25,000, construction grew by 19,000 jobs and financial activities rose by 16,000 in March. Employment in healthcare, transportation and warehousing, mining, wholesale trade, information, other services, and government showed little month-over-month change.

Unemployment Percentage Rates



Hospitality

The Index value of the hospitality sector is based on seasonally adjusted average occupancy each month at a cross section of local hotels, motels and inns.

The Hospitality Index decreased 2.0 percent in March to a new value of 117.5. This month's Index value is 0.1 percent higher than the value for this time last year. The 4-month moving average rose 2.7 percent to a current value of 115.8.

Gasoline Prices

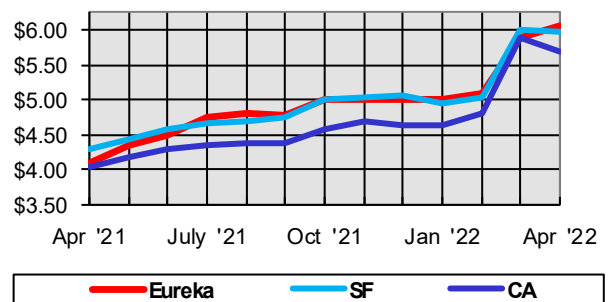
California's average gas price fell in April to \$5.70, an 18 cent decrease from the previous month. Northern California's average price decreased 2 cents to a new average of \$5.97, while Eureka's average gas price rose by 17 cents to a new average of \$6.07. When we adjust for inflation, the "real price" of gasoline in Eureka was \$2.05 per gallon in 1982-84 dollars.

April continued to set records for gasoline prices, with the national average reaching \$4.33 and becoming the highest ever without being adjusted for inflation. In addition to supply chain issues as a result of the pandemic, Russia's invasion of Ukraine and the President's subsequent blocking of Russian oil cost consumers even more at pumps nationwide. The last time the national average broke the \$4 mark was amidst the 2008 recession; in this period, "people decreased their monthly shopping trips by 20%, their monthly purchase volume by 14% and their monthly expenditures by 6%" according to Dinesh Gauri. One change since then has been an inclination towards purchasing electric vehicles; however, the cost is high for most consumers and the supply still low.

Gas Prices		
Prices as of 4/30/2022	Average price*	Change from previous month
Eureka	\$6.07	\$0.17
Northern California	\$5.97	-\$0.02
California	\$5.70	-\$0.18

* Current average price per gallon of self-serve regular unleaded gasoline as reported by the American Automobile Association monthly gas survey (www.caaa.com).

Gasoline Prices



The Index – Individual Sectors

Manufacturing

The Index value of this sector is based on a combination of production and employment for a variety of niche manufacturers and is adjusted to account for normal seasonal variations.

Manufacturing contracted in March to a seasonally adjusted Index value of 93.3, down 7.4 percent from the previous month's value of 100.7. Manufacturing employment remained at 2,500 individuals for the second consecutive month, according to the Employment Development Department.

The Institute for Supply Management reports that in March economic activity in the manufacturing sector expanded, while the overall economy grew for the 22nd consecutive month.

The PMI (Producing Managers Index) is based on the number of manufacturing supply managers who expect business conditions to improve in the near future. A PMI greater than 43.1 percent generally indicates an expansion of the overall economy. The PMI for March rose 3.9 percentage points to 64.7 percent.

Nationally, fifteen of the eighteen manufacturing industries reported growth in the following order: Apparel, Leather & Allied Products; Furniture & Related Products; Food, Beverage & Tobacco Products; Electrical Equipment, Appliances & Components; Miscellaneous Manufacturing; Machinery; Textile Mills; Transportation Equipment; Fabricated Metal Products; Paper Products; Chemical Products; Computer & Electronic Products; Nonmetallic Mineral Products; Primary Metals; and Plastics & Rubber Products. The two industries reporting a decrease in March compared to February are: Wood Products; and Petroleum & Coal Products.

The New Export Orders Index fell 3.9 percentage points to 53.2 percent. This is the 21st consecutive month of growth for this Index. A New Orders Index above 52.3 percent, over time, is generally consistent with an increase in the Census Bureau's series on manufacturing orders.

Six industries reported growth in new export orders in the following order: Wood Products; Miscellaneous Manufacturing; Computer & Electronic Products; Transportation Equipment; Food, Beverage & Tobacco Products; and Fabricated Metal Products. The only industry reporting a decrease in new export orders is Machinery. Ten industries reported no change in exports.

This is the first new sector of the Index and was created after listening to local economic development agencies. For a detailed description please visit our [Special Projects page](#).

Since the manufacturing index is so new, and since we do not have much data to create precise seasonal indices, we do not include manufacturing in the overall composite Index. As the amount of data collected grows, we will feel more confident in our monthly seasonal estimates and add niche manufacturing. Lumber-based manufacturing, which was one of the original sectors of the Index, continues to be part of the overall composite Index.

Electricity Consumption

The Index value of this sector is based on seasonally adjusted kilowatt-hours of electricity consumed each month in Humboldt County. Electricity consumption is a somewhat mixed or ambiguous indicator that usually correlates with economic activity. However, increases in energy efficiency and conservation reduce the sector's index value, while not necessarily indicating a decline in economic activity.

In March, the Electricity Index rose 1.8 percent to a new value of 104.9. The current value is 9.4 percent lower than the value of this time last year.

Retail Sales

The Index value for the retail sales sector is based on the seasonally adjusted dollar value of sales each month from a cross section of local retail businesses.

The Retail Sales Index fell 4.2 percent in March to a new value of 136.0, down 10.4 percent from the value for this time last year. The 4-month moving average rose 0.1 percent to a new value of 139.6.

The Consumer Confidence Index is the average of The Present Situation and The Expectations Index and is a barometer of the health of the U.S. economy from the perspective of the consumer.

On the national scale, Consumer Confidence increased in March from 105.7 to 107.2. The Expectations Index decreased from 80.8 to 76.6, and the Present Situation Index increased from 143.0 to 153.0

"Consumer confidence was up slightly in March after declines in February and January," said Lynn Franco, Senior Director of Economic Indicators at The Conference Board. "The Present Situation Index rose substantially, suggesting economic growth continued into late Q1. Expectations, on the other hand, weakened further with consumers citing rising prices, especially at the gas pump, and the war in Ukraine as factors. Meanwhile, purchasing intentions for big-ticket items like automobiles have softened somewhat over the past few months as expectations for interest rates have risen. Nevertheless, consumer confidence continues to be supported by strong employment growth and thus has been holding up remarkably well despite geopolitical uncertainties and expectations for inflation over the next 12 months reaching 7.9 percent—an all-time high."

The percentage of consumers expecting business conditions to improve over the next six months fell from 21.3 percent to 18.7 percent, while the percentage of consumers expecting business conditions to worsen rose from 19.9 percent to 23.8 percent.

Lumber Manufacturing

Lumber Manufacturing is suspended from the Index until we can obtain a sufficient number of data providers. This sector is 12% of the overall Index, and the last reported amount was 29.2 in March 2015. The index value of this sector is based on a combination of major county lumber companies and is adjusted to account for normal seasonal variations.

The Index

Explanatory Note: We have been tracking economic activity since January 1994. The Composite Index at the beginning of this report is a weighted average of each of the six sectors described above. Each sectoral index, and the composite index, started at a value of 100 in 1994. Thus if the retail sectoral index value is currently 150, that means that (inflation-adjusted) retail sales among the firms that report data to us are 50 percent higher than in January 1994. We also seasonally adjust each sector, and the composite index, to correct for "normal" seasonal variation in the data, such as wet season vs. dry season, and so trends in the seasonally adjusted composite index provide a better indication of underlying growth and fundamental change in the economy. Each month's report reflects the most recent data available, which is usually from the previous month. For example, the "August 2006" report reflects mostly data from July 2006. As is common, our initial report is preliminary, and as we receive final data we revise our reports accordingly.

HUMBOLDT STATE UNIVERSITY

C O L L E G E O F P R O F E S S I O N A L S T U D I E S
■ ■ ■ *realize human potential*

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