

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.

April 2024

Cost of Living Rises, Especially in Northern California

This month we say goodbye to Beth Redfern, who has been the Index Assistant Analyst for the last year. We thank Beth for her great work on the Index and we wish her well in her next endeavors!

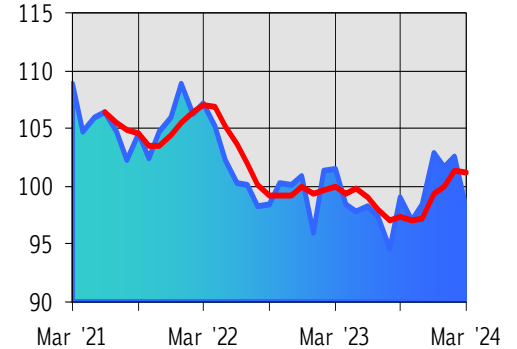
The Composite Index fell 4.4 points since February to a new value 98.0. The Composite Index is down 3.4 percent from this time last year. This month the Retail Sales, Hospitality, Electricity, and Home Indices all fell.

The Home Sales Index fell 24.0 percent to 78.7, down 21.7 percent from last year. The median home price rose from \$412,500 to \$435,000.

Leading Indicators are all pointing toward lower future economic activity.

The seasonally adjusted unemployment rate in Humboldt County fell from 5.2 to 4.8 percent. The seasonally adjusted unemployment rate in California remained at 5.3 percent. The seasonally adjusted national unemployment rate remained at 3.8

Composite Index



percent.

The average price per gallon of gas in California increased from \$5.02 to \$5.37. Northern California's average increased from \$5.23 to \$5.65. Eureka's average increased from \$5.51 to \$5.82.

Composite & Sectors

Index	Value***	Percent change from			
		Last Month	One Year ago****	Five Years ago****	Ten Years ago****
Composite	98.0	-4.4	-3.4	-8.6	-1.4
Home Sales	78.7	-24.0	-21.7	-43.5	-13.3
Retail Sales	150.8	-7.6	1.7	-7.0	-11.6
Hospitality	89.6	-7.4	-9.6	8.9	7.8
Electricity	93.6	-0.7	-10.2	-14.5	-21.1
Employment	107.4	0.5	0.7	-5.2	8.8
Lumber*	26.3				
Manufacturing**	212.9				-

* 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

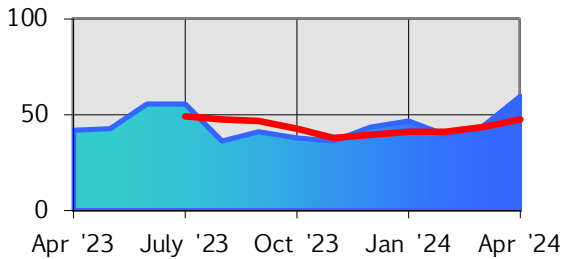
The Index tracks four leading indicators to get a sense of the direction that the county economy may take in the near future. The leading indexes are (1) unfilled orders for manufactured goods, (2) number of initial claims for unemployment insurance, (3) building permits, and (4) help wanted advertising.

Leading Indicators			
Manufacturing Orders	Unemployment Claims	Building Permits	Help Wanted Advertising
N/A	36.8%	-38.5%	-16.4%
* Change from prior month. All values are seasonally adjusted.			

Key Statistics			
Median Home Price*	Monthly Rent**	Mortgage Rate†	Unemployment Rate‡
\$435,000	\$2,260	7.00%	4.8%
<p>* 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.</p> <p>** Average rent on 2, 3 and 4 bedroom houses listed in the Times Standard.</p> <p>† 30-year owner occupied conforming conventional fixed rate provided by Umpqua Bank.</p> <p>‡ Seasonally adjusted Humboldt County unemployment rate is based on non-seasonally adjusted preliminary EDD data.</p>			

Unemployment Claims rose 36.8 percent to a new Index value of 59.6. The current value is 43.1 percent higher than the value for this time last year. The 4-month moving average rose 9.6 percent to a new average of 47.2.

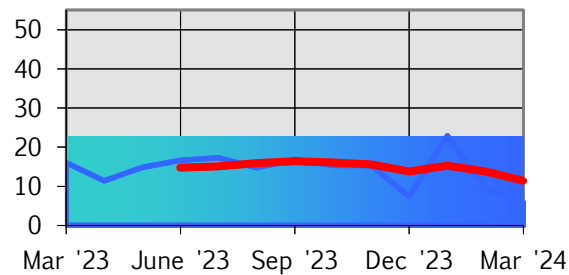
Index of Claims for Unemployment Insurance



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.

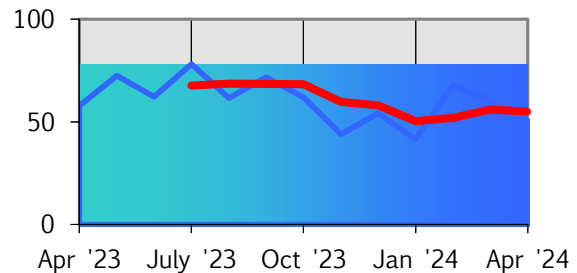
Building Permits fell 38.5 percent to a new Index value of 5.8. The current value is 63.6 percent higher than the value for this time last year.

Index of Building Permits Issued



Help Wanted Advertising fell 16.4 percent to a new Index value of 50.5. The current value is 12.7 percent lower than the value for this time last year. The 3-month moving average rose 5.4 percent to a new average of 59.6.

Index of Help Wanted Advertising



Manufacturing Orders are not available this month.

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 fell 24.0 percent to a new value of 78.7. The present Index value is 21.7 percent lower than the value for this time last year. The 4-month moving average fell by 2.4 percent to a new value of 94.3. The country's median home price increased from \$412,500 to \$435,000. In comparison, the median home price this time last year was \$450,000.

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 larger year-over-year gain in March compared to the previous month. The 10-City and 20-City Composites reported year-over-year increases of 8.0 and 7.3, respectively. The National Index reported a 6.4 percent annual gain over the same period. After seasonal adjustment, the U.S. National Index, the 20-City Composite and the 10-City Composite all posted month-over-month increases of 0.4% and 0.6%, respectively.

Brian D. Luke, Head of Commodities, Real & Digital Assets at S&P Dow Jones Indices, said, "Following last year's decline, U.S. home prices are at or near all-time highs.

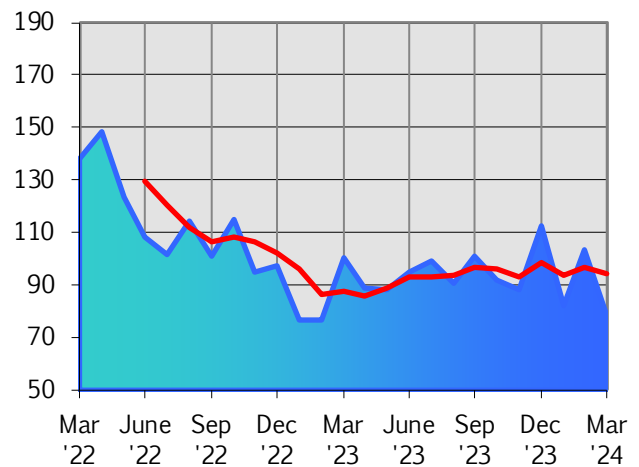
"Our National Composite rose by 6.4% in March, the fastest annual rate since November 2022. Our 10- and 20-City Composite indices are currently at all-time highs.

For the third consecutive month, all cities reported increases in annual prices, with four currently at all-time highs: San Diego, Los Angeles, Washington, D.C., and New York. On a seasonal adjusted basis, our National, 10- and 20- City Composite indices continue to break through previous all-time highs set last year."

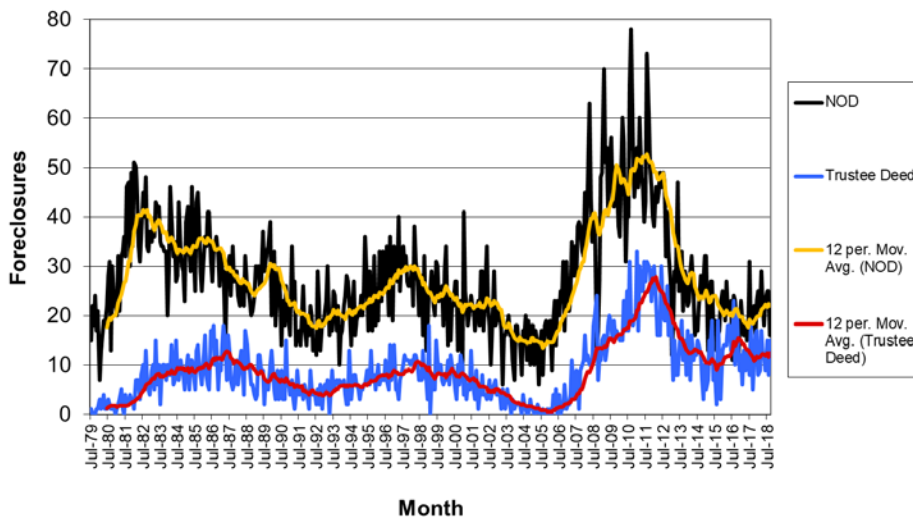
"Since the previous peak in prices in 2022, this marks the second time home prices have pushed higher in the face of economic uncertainty. The first decline followed the start of the Federal Reserve's hiking cycle. The second decline followed the peak in average mortgage rates last October."

According to Freddie Mac, the average 30-year fixed-rate mortgage, as of March 28, was 6.79 percent, higher than its score of 6.94 on February 29th. The average 15-year fixed-rate mortgage was 6.11 percent at the end of March, down from 6.29 percent.

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 fell from 5.2 to 4.8 percent. The seasonally adjusted unemployment rate in California remained at 5.3 percent. The seasonally adjusted national unemployment rate remained at 3.8 percent.

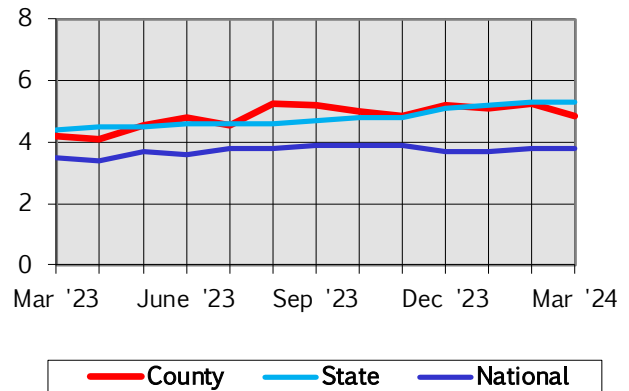
The Employment Development Department of California indicated that in February Humboldt County's preliminary estimate of total employment rose by 500 individuals to a total of 58,000. Humboldt County's total unemployment decreased to 3,600 individuals from 3,300.

In the Labor Department's March report, total nonfarm payroll employment rose by 303,000. Health care added 72,000 jobs, government employment rose by 71,000, construction added 39,000 jobs, leisure and hospitality employment grew by 49,000, and other

services employment grew by 16,000. Employment showed little or no change over the month in other major industries, including

mining, quarrying, and oil and gas extraction; manufacturing; wholesale trade; transportation and warehousing; information; financial activities; and professional and business services.

Unemployment Percentage Rates



Hospitality

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

The Hospitality Index fell by 7.4 points to 89.6 in March. This month's Index value is 9.6 percent lower than the value for this time last year. The 4-month moving average fell 2.4 percent to a current value of 96.6

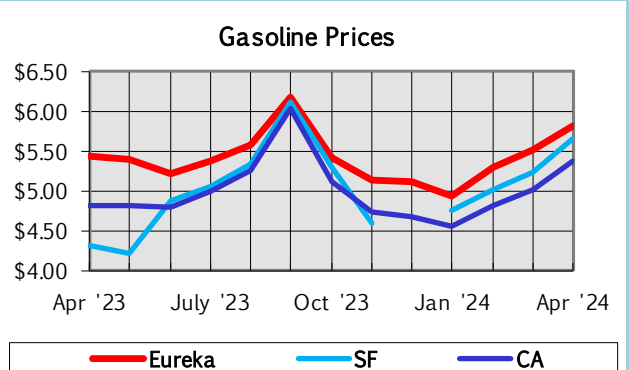
Gasoline Prices

The average price per gallon of gas in California increased from \$5.02 to \$5.37. Northern California's average increased from \$5.23 to \$5.65. Eureka's average increased from \$5.51 to \$5.82.

At the beginning of April, the US national average price per gallon of gas sits at \$3.57. This is 6 cents lower than April 2023 and continue the upward trend seen in 2024. This comes after a surprising stability in crude oil prices after OPEC released more in a surprised inventory drop this past month. This may come as a result of Chinese markets signalling more demand through macroeconomic factors. Whatever the case, markets in California and the East Coast have significantly tightened with averages surpassing \$5 statewide in California.

Gas Prices		
Prices as of Error! Not a valid link.	Average price*	Change from previous month
Eureka	\$5.82	+\$0.31
Northern California	\$5.65	+\$0.42
California	\$5.37	+\$0.35

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



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 rose in March to a seasonally adjusted Index value of 212.9, up 5.7 percent from the previous month's value of 201.5. Manufacturing employment remained at 2,600 individuals for the fourteenth consecutive month, according to the Employment Development Department.

The Institute for Supply Management reports that in March economic activity in the manufacturing sector contracted for the sixteenth 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 2.5 percentage points to 50.3 percent.

The nine manufacturing industries reporting growth in March — in order — are: Textile Mills; Nonmetallic Mineral Products; Paper Products; Petroleum & Coal Products; Primary Metals; Food, Beverage & Tobacco Products; Fabricated Metal Products; Chemical Products; and Transportation Equipment. The six industries reporting contraction in March — in the following order — are: Furniture & Related Products; Plastics & Rubber Products; Electrical Equipment, Appliances & Components; Machinery; Computer & Electronic Products; and Miscellaneous Manufacturing.

The New Export Orders Index remained at 51.6 percent. This is the second month of expansion after 8 months of contraction. 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.

The eight industries reporting growth in new export orders in March — in the following order — are: Wood Products; Miscellaneous Manufacturing; Plastics & Rubber Products; Transportation Equipment; Fabricated Metal Products; Chemical Products; Food, Beverage & Tobacco Products; and Machinery. The four industries reporting a decrease in new export orders in March are: Paper Products; Furniture & Related Products; Electrical Equipment, Appliances & Components; and Computer & Electronic Products.

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 fell 0.7 percent to a new value of 93.6. The current value is 10.2 percent lower than the value at 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 7.6 percent in March to a new value of 150.8, up 1.4 percent from the value for this time last year. The 4-month moving average rose 1.2 percent to a new value of 155.4.

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 decreased in March from 104.8 to 104.7. The Expectations Index decreased from 76.3 to 73.8, and the Present Situation Index increased from 147.6 to 151.0.

"Consumers' assessment of the present situation improved in March, but they also became more pessimistic about the future," said Dana Peterson, Chief Economist at The Conference Board.

"Confidence rose among consumers aged 55 and over but deteriorated for those under 55. Separately, consumers in the \$50,000-\$99,999 income group reported lower confidence in March, while confidence improved slightly in all other income groups. However, over the last six months, confidence has been moving sideways with no real trend to the upside or downside either by income or age group.

"Consumers remained concerned with elevated price levels, which predominated write-in responses. March's write-in responses showed an uptick in concerns about food and gas prices, but in general complaints about gas prices have been trending downward."

The percentage of consumers expecting business conditions to improve over the next six months rose from 14.0 to 14.3 while the percentage of consumers expecting business conditions to worsen rose from 16.9 to 17.6.

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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