

Humboldt Economic Index

Our Sponsors:



Professor Erick Eschker, Director

Nick Salgado-Stanley, Assistant Editor

Elizabeth Redfern, Assistant Analyst

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.

December 2023

Gas Prices Fall and Consumers' Expectations Rise

The Composite Index rose to 97.9 in November, up 1.0 percent from the previous month. The Composite Index is down 2.2 percent from this time last year. This month the Home and Hospitality Indices both fell.

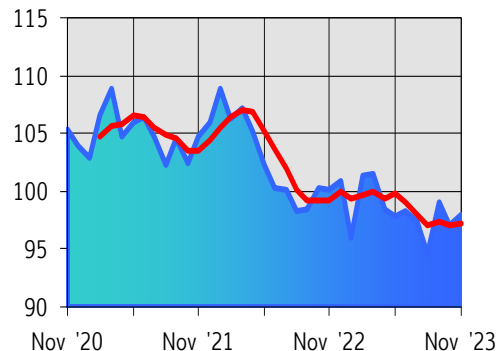
The Index of Home Sales fell to 88.4, down 4.6 percent from the previous month, and down 7.4 percent from this time last year. The median home price rose from \$435,000 to \$440,000.

Leading Indicators are mostly up in November. Unemployment Claims and Help Wanted indices are both up.

The seasonally adjusted unemployment rate in Humboldt County fell from 5.0 to 4.9 percent. The seasonally adjusted unemployment rate in California remained at 4.8 percent. The seasonally adjusted national unemployment rate remained at 3.9 percent.

The average price per gallon of gas

Composite Index



in California decreased from \$4.74 to \$4.68. Northern California's average was unavailable. Eureka's average decreased from \$5.14 to \$5.11.

Composite & Sectors

		Percent change from			
Index	Value***	Last Month	One Year ago****	Five Years ago****	Ten Years ago****
Composite	97.9	1.0	-2.2	-8.3	-1.6
Home Sales	88.4	-4.6	-7.4	-22.7	1.4
Retail Sales	143.6	5.0	-2.1	-9.2	-11.9
Hospitality	96.1	-1.1	-1.3	-7.1	0.8
Electricity	96.2	2.4	-6.1	-6.8	-14.7
Employment	105.2	0.3	-0.7	-6.6	5.1
Lumber*	26.3				
Manufacturing**	N/A				

* 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

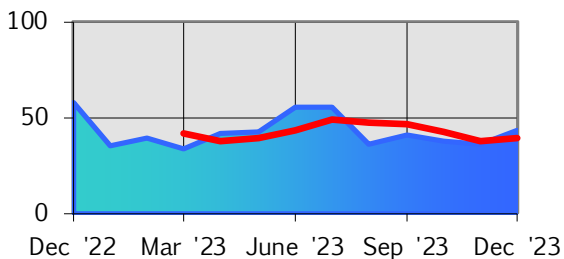
The Index tracks four leading indicators to get a sense of the direction that the county economy may take in the near future. The leading indexes are (1) unfilled orders for manufactured goods, (2) number of initial claims for unemployment insurance, (3) building permits, and (4) help wanted advertising.

Leading Indicators			
Manufacturing Orders	Unemployment Claims	Building Permits	Help Wanted Advertising
N/A	20.3%	0.0%	23.5%
* Change from prior month. All values are seasonally adjusted.			

Key Statistics			
Median Home Price*	Monthly Rent**	Mortgage Rate†	Unemployment Rate‡
\$440,000	#REF!	6.50%	4.9%
<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>			

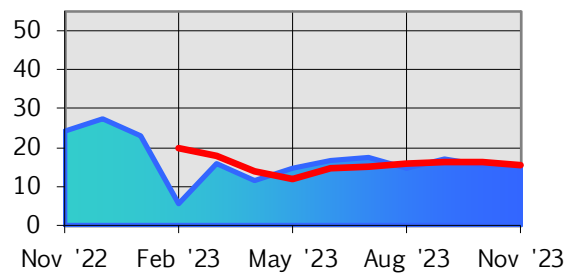
Unemployment Claims rose 20.3 percent to a new Index value of 43.1. The current value is 25.7 percent lower than the value for this time last year. The 4-month moving average rose 4.8 percent to a new average of 39.3.

Index of Claims for Unemployment Insurance



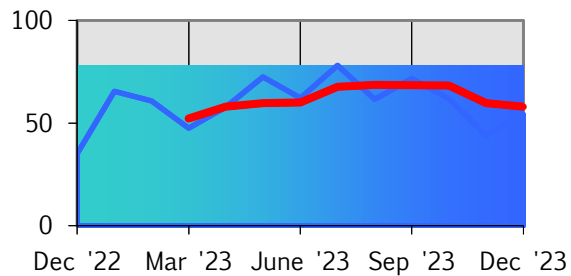
Building Permits remained at an index value of 15.4 in November. The current value is 36.4 percent lower than the value for this time last year.

Index of Building Permits Issued



Help Wanted Advertising rose 23.5 percent to a new Index value of 54.3. The current value is 53.8 percent higher than the value for this time last year. The 3-month moving average fell 9.9 percent to a new value of 53.3. In December there were 223 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 November Humboldt County Home Sales Index fell 4.6 percent to a new value of 88.4. The present Index value is 7.4 percent lower than the value for this time last year. The 4-month moving average fell by 3.0 percent to a new value of 93.0. The country's median home price increased from \$435,000 to \$440,000. In comparison, the median home price this time last year was \$444,000.

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 November compared to the previous month. The 10-City and 20-City Composites reported year-over-year increases of 5.7 and 4.9, respectively. The National Index reported a 4.8 percent annual gain over the same period. After seasonal adjustment, the U.S. National Index, the 10-City and 20-City Composites each posted month-over-month increases of 0.6%.

"U.S. home prices accelerated at their fastest annual rate of the year in October", says Brian D. Luke, Head of Commodities, Real & Digital assets at S&P DJI. Our National Composite rose by 0.2% in November, marking nine consecutive monthly gains and the strongest national growth rate since 2022."

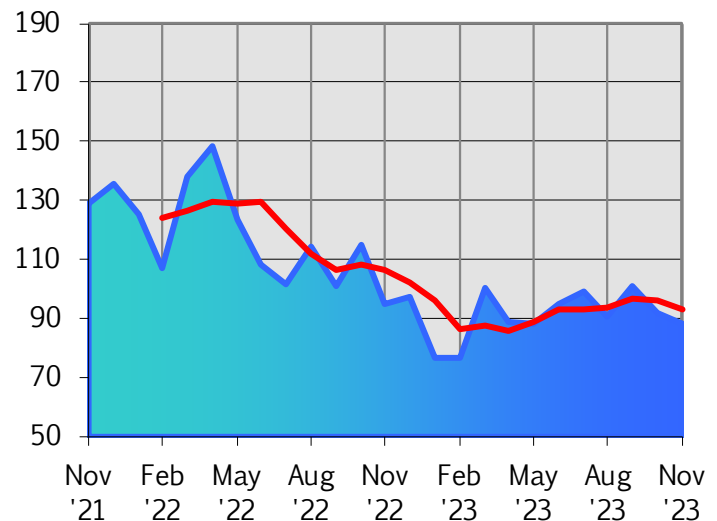
"Home prices leaned into the highest mortgage rates recorded in this market cycle and continued to push

higher. With mortgage rates easing and the Federal Reserve guiding toward a slightly more accommodative stance, homeowners may be poised to see more appreciation.

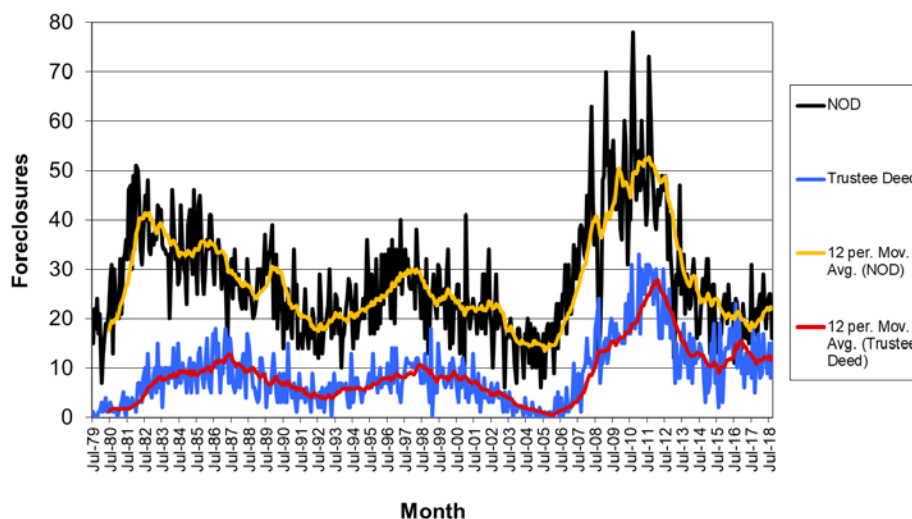
"This month's report reflects trendline growth compared to historical returns and little disparity among cities and regions."

According to Freddie Mac, the average 30-year fixed-rate mortgage, as of November 30th, was 7.22 percent, down from 7.76 on November 2nd. The average 15-year fixed-rate mortgage was 6.56 percent at the end of November, down from 7.03 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 5.0 to 4.9 percent. The seasonally adjusted unemployment rate in California remained at 4.8 percent. The seasonally adjusted national unemployment rate remained at 3.9 percent.

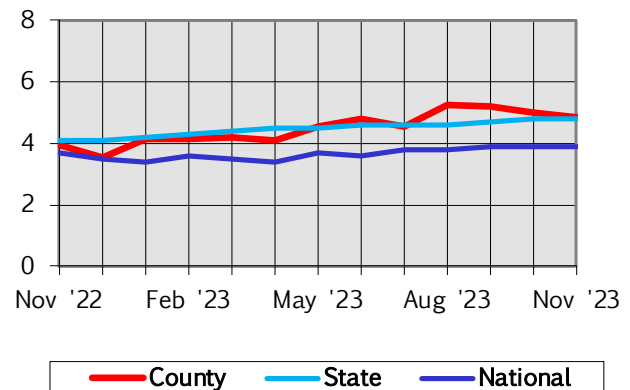
The Employment Development Department of California indicated that in November Humboldt County's preliminary estimate of total employment remained at 58,200 individuals for the second month. Humboldt County's total unemployment increased to 2,800 individuals.

In the Labor Department's November report, total nonfarm payroll employment rose by 199,000.

In November, health care added 77,000 jobs; government employment increased by 49,000; employment in leisure and hospitality rose by 40,000;

employment in manufacturing gained 28,000, and social assistance added 22,000 positions. Employment showed little change over the month in other major industries, including mining, quarrying, and oil and gas extraction; construction; wholesale trade; financial activities; professional and business services; and other services.

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 fell 1.1 percent to an index of 96.1 in November. This month's Index value is 1.3 percent lower than the value for this time last year. The 4-month moving average rose 1.9 percent to a current value of 92.4.

Gasoline Prices

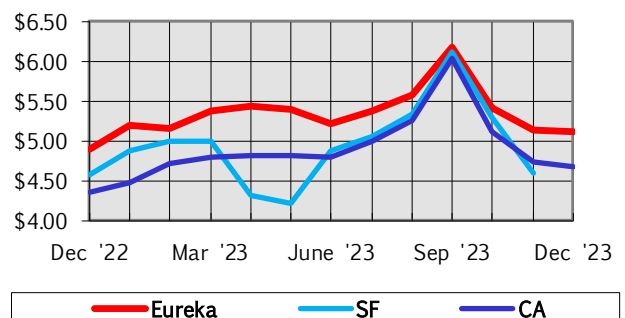
The average price per gallon of gas in California increased from \$4.74 to \$4.68. Northern California's average was not available. Eureka's average decreased from \$5.14 to \$5.11.

Analysts from GasBuddy and the US Energy Information Administration project lower gas prices as 2024 progresses. More US suppliers and the continued opening of fuel reserve by the Biden administration are aiding in this price reduction. Experts warn, however, that severe weather events as well as geopolitical events could reverse this downward trend. While the lowest prices could get as low as 2021 averages, experts also forecast that Memorial Day could bring 2024's biggest hike and the consequent summer season.

Gas Prices		
Prices as of 12/31/23	Average price*	Change from previous month
Eureka	\$5.11	-\$0.03
Northern California	N/A	N/A
California	\$4.68	-\$0.06

* Current average price per gallon of self-serve regular unleaded gasoline as reported by the American Automobile Association monthly gas survey (www.csaa.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 employment in November remained at 2,600 individuals for the tenth consecutive month, according to the Employment Development Department.

The Institute for Supply Management reports that in June economic activity in the manufacturing sector expanded, while the overall economy grew for the 10th 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 November remained at 46.4 percent.

Nationally, three manufacturing industries reported growth in November in the following order: Food, Beverage & Tobacco Products; Nonmetallic Mineral Products; and Transportation Equipment. The 14 industries reporting contraction in November — in the following order — are: Paper Products; Printing & Related Support Activities; Electrical Equipment, Appliances & Components; Computer & Electronic Products; Apparel, Leather & Allied Products; Textile Mills; Machinery; Primary Metals; Furniture & Related Products; Miscellaneous Manufacturing; Chemical Products; Fabricated Metal Products; Wood Products; and Plastics & Rubber Products.

The New Export Orders Index fell 3.4 percentage points to 46.0 percent. This is the 6th consecutive month of contraction 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.

The six industries reporting growth in new export orders in November — in the following order — are: Nonmetallic Mineral Products; Paper Products; Primary Metals; Food, Beverage & Tobacco Products; Miscellaneous Manufacturing; and Chemical Products. The six industries reporting a decrease in new export orders in November — in the following order — are: Wood Products; Fabricated Metal Products; Computer & Electronic Products; Transportation Equipment; Electrical Equipment, Appliances & Components; and Machinery.

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. 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 November, the Electricity Index rose 2.4 percent to a new value of 96.2. The current value is 6.1 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 rose 5.0 percent in November to a new value of 143.6, down 2.0 percent from the value for this time last year. The 4-month moving average fell 0.6 percent to a new value of 143.3.

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 November from 99.1 to 102.0. The Expectations Index increased from 72.7 from 77.8, and the Present Situation Index decreased slightly from 138.6 to 138.2.

“Consumer confidence increased in November, following three consecutive months of decline,” said Dana Peterson, Chief Economist at The Conference Board.

“This improvement reflected a recovery in the Expectations Index, while the Present Situation Index was largely unchanged. November's increase in consumer confidence was concentrated primarily among householders aged 55 and up; by contrast, confidence among householders aged 35-54 declined slightly. General improvements were seen across the spectrum of income groups surveyed in November. Nonetheless, write-in responses revealed consumers remain preoccupied with rising prices in general, followed by war/conflicts and higher interest rates.”

The percentage of consumers expecting business conditions to improve over the next six months rose from 15.5 to 17.3 while the percentage of consumers expecting business conditions to worsen fell from 20.9 to 19.5.

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*

Cited References:

Bureau of Labor Statistics - Case-Shiller Home Price Indices
The Conference Board - Employment Development Department (CA)
Freddie Mac - Humboldt Association of Realtors
Institute for Supply Management – Fox Weather

Layout & Design: Matt Hawk

Contact Info: Erick Eschker can be contacted at ee3@humboldt.edu

www.humboldt.edu/econindex

Copyright © 2024 Erick Eschker.