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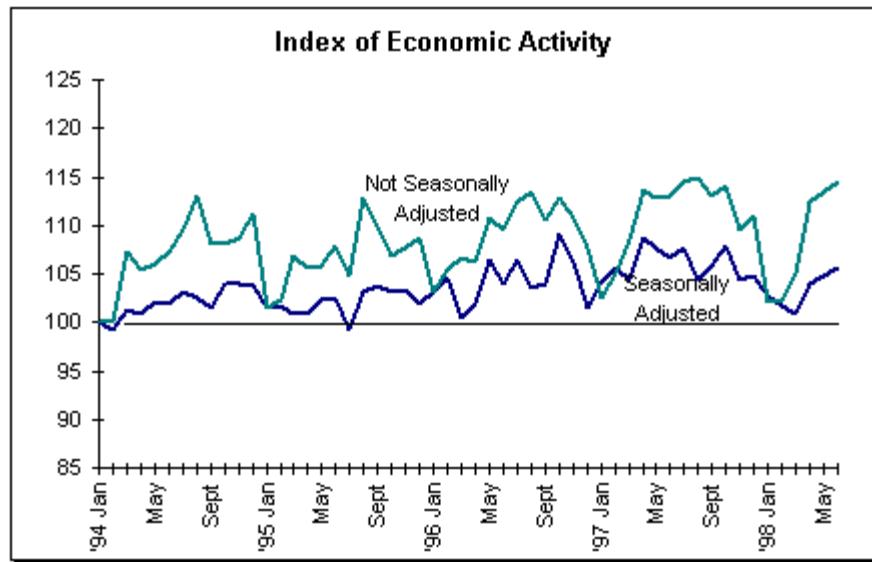
Key Statistics		Leading Indicators	
County:		<i>Seasonally Adjusted</i>	%Change in June
Median Home Price (June)*	\$116,750	Help Wanted Advertising	-2.49
30 Yr. Mortgage Rate (07/23)	7.250%	Building Permits	-11.44
Prime Rate (07/23)	8.35%	Unemployment Claims	5.71
Unemployment Rate (June)	6.7%	Manufacturing Orders	6.85

*Home price data are provided by the Humboldt County Board of Realtors.

Monthly Change

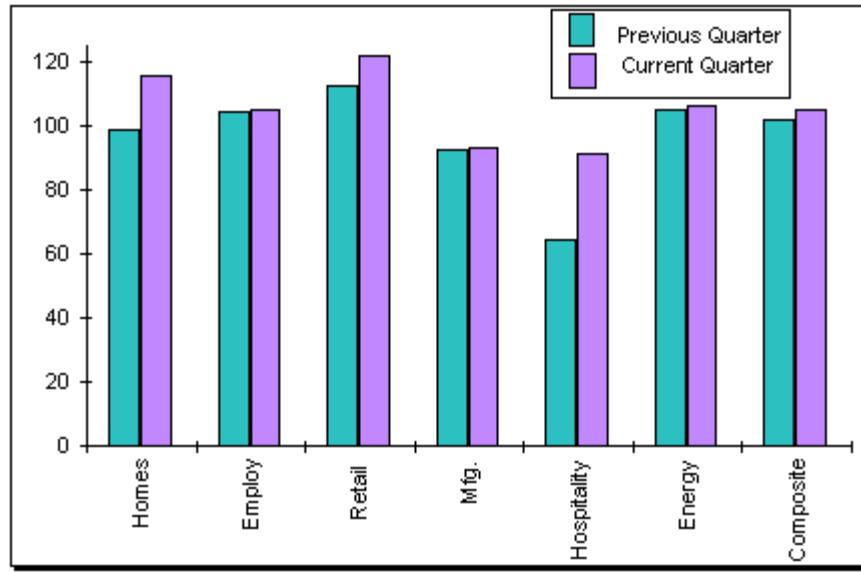
The seasonally adjusted Index of Economic Activity for Humboldt County stood at a value of 105.7 at the end of June, indicating a modest increase of 0.76 percent for the month. While the overall Index rose, the performance of the various sectors was mixed. While the manufacturing, hospitality (hotel/motel occupancy), energy consumption, and employment sectors all rose somewhat, the home-sales and retail sectors actually experienced a seasonally-adjusted 9.2 percent and 3 percent dropoff, respectively. The raw (non-seasonally adjusted) index rose 0.88 percent during June, from a value of 113.4 at the end of May to a value of 114.4 at the end of June. Comparing the raw and seasonally adjusted index values provides some insight into the normal fluctuations in the Humboldt county economy. As can be seen by looking at the diagram below, in which we plot Index values since January 1994, it is "normal" for economic activity in Humboldt County to hit a something of a plateau in late spring and summer following a sharp rise in early to mid-spring. Thus even the slight to modest increase in the raw Index during June was more than "normal," and resulted in a rise in the seasonally-adjusted Index.

For those of you who are new or less familiar with the Index, the chart below plots the seasonally adjusted and non-seasonally adjusted index values from January 1994 to June 1998. The seasonally adjusted series is weighted to correct for "normal" monthly variation in the data, and so trends in the seasonally-adjusted index provide a better indication of underlying growth and fundamental change in the economy.



Quarterly Change

We also look at the performance of the county economy over a longer period of time by comparing the current and previous rolling quarters of seasonally adjusted data. The quarterly index value for the current rolling quarter (April through June) stands at 104.8, up a modest 2 percent from the previous rolling quarter (January through March). From a seasonally adjusted perspective, the current rolling quarter experienced growth in all sectors, but particularly for the home-sales and the hospitality sectors.



Leading Indicators

We track four leading indicators to get a sense of the direction of change in the county economy in the near future. The four leading indicators are (i) number of help-wanted advertisements in the *Times Standard*, (ii) number of building permits issued, (iii) volume of manufacturing orders, and (iv) number of claims for unemployment insurance.

As is frequently the case in the County economy, at least during the period we have been tracking it, the leading indicators are mixed, though this month three of the four are in agreement. The 11.4 percent seasonally-adjusted dropoff in building permits filed in the County, the 5.7 percent rise in County filings for unemployment benefits, and the 2.5 percent decline in help-wanted advertisements, all point to a future slowdown in the County economy. The sole positive indicator was the roughly 7 percent rise in manufacturing orders.

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