

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.

March 2023

Composite Index Rises

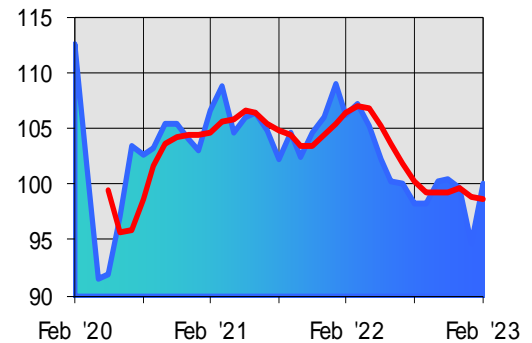
The Composite Index rose to 100.1 in March, up 5.6 percent from the previous month. The Composite Index is down 5.8 percent from this time last year. This month all sectors rose except for Electricity.

The Index of Home Sales rose to 76.9, up 0.6 percent from the previous month, and down 27.9 percent from this time last year. The median home price rose from \$392,500 to \$415,000.

Leading Indicators are mixed in March. Unemployment Claims are down but so are Help Wanted Ads and Permits.

The seasonally adjusted unemployment rate in Humboldt County increased to 4.2 percent. The seasonally adjusted unemployment rate in California increased to 4.3 percent. The seasonally adjusted national unemployment rate increased from 3.4 to 3.6 percent.

Composite Index



The average price per gallon of gas in California increased from \$4.72 to \$4.80. Northern California's average increased from \$4.99 to \$5.00. Eureka's average increased from \$5.15 to \$5.37.

Composite & Sectors

		Percent change from			
Index	Value***	Last Month	One Year ago****	Five Years ago****	Ten Years ago****
Composite	100.1	5.6	-5.8	-6.4	-2.8
Home Sales	76.9	0.6	-27.9	-38.0	-31.9
Retail Sales	165.4	1.6	-5.1	-2.1	-4.2
Hospitality	98.7	65.5	-5.9	18.6	12.3
Electricity	86.2	-7.9	-16.3	-18.4	-29.1
Employment	106.3	0.7	0.4	-6.4	5.9
Lumber*	26.3				
Manufacturing**	108.7	6.3	0.3	-	-

* 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

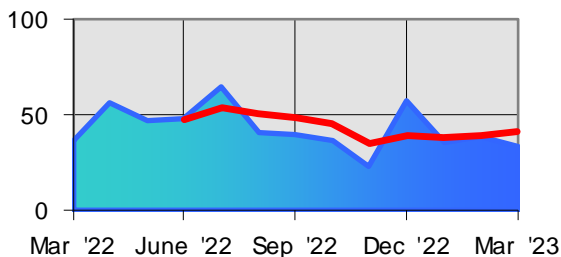
The Index tracks four leading indicators to get a sense of the direction that the county economy may take in the near future. The leading indexes are (1) unfilled orders for manufactured goods, (2) number of initial claims for unemployment insurance, (3) building permits, and (4) help wanted advertising.

Leading Indicators			
Manufacturing Orders	Unemployment Claims	Building Permits	Help Wanted Advertising
0.0%	-14.4%	-75.2%	-21.9%
* Change from prior month. All values are seasonally adjusted.			

Key Statistics			
Median Home Price*	Monthly Rent**	Mortgage Rate†	Unemployment Rate‡
\$419,000	\$2,131	6.27%	4.2%
<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>			

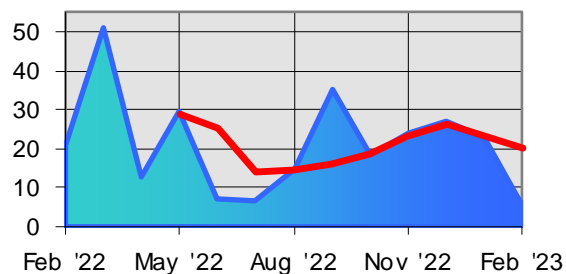
Unemployment Claims rose 10.5 percent to a new Index value of 39.2. The current value is 3.2 percent lower than the value for this time last year. The 4-month moving average rose 1.8 percent to a new average of 39.1.

Index of Claims for Unemployment Insurance



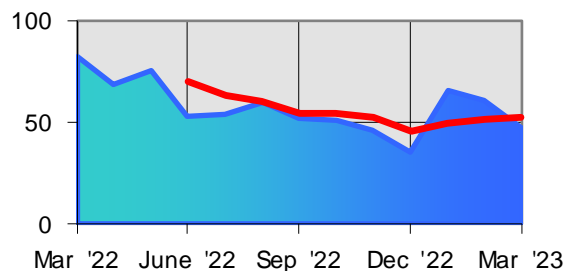
Building Permits fell 75.2 percent to a new Index value of 5.7. The current value is 72.7 percent lower than the value for this time last year.

Index of Building Permits Issued



Help Wanted Advertising fell 7.1 percent to a new Index value of 60.8. The current value is 32.2 percent lower than the value for this time last year. The 3-month moving average rose 10.9 percent to a new value of 53.9. In March there were 210 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 February rose 0.6 percent to a new value of 76.9. The present Index value is 27.9 percent lower than the value for this time last year. The 4-month moving average fell by 9.9 percent to a new value of 86.5. The country's median home price increased from \$392,500 to \$419,000. In comparison, the median home price this time last year was \$452,500.

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.

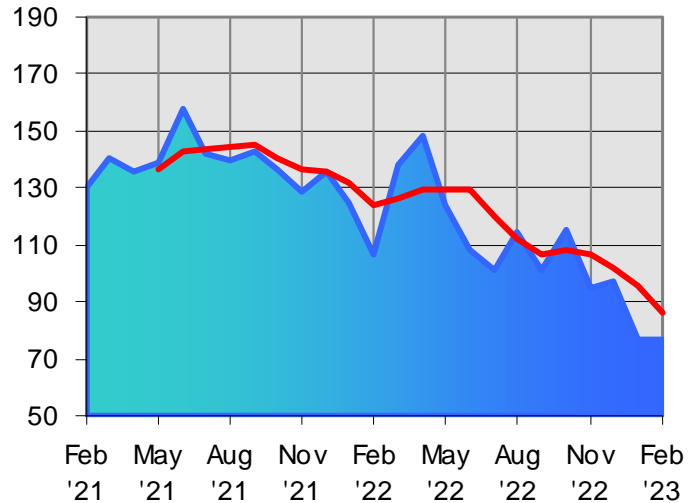
The S&P Case-Shiller Home Price Indices saw a smaller year-over-year gain in February compared to the previous month. The 10-City and 20-City Composites both reported year-over-year gains of 2.5 percent. The National Index reported a 3.8 percent annual gain over the same period. After seasonal adjustment, the 10-City and 20-City Composites reported month-over-month losses of 0.4. The National Index reported a seasonally adjusted decrease of 0.2 percent.

Craig J. Lazzara, Managing Director at S&P Dow Jones Indices, said, "2023 began as 2022 had ended, with U.S. home prices falling for the seventh consecutive month.

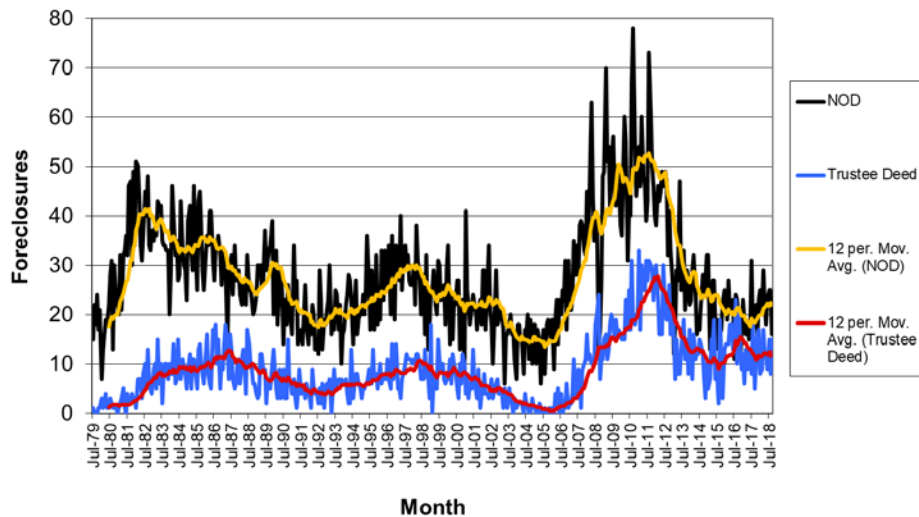
According to Freddie Mac, the average 30-year fixed-rate mortgage, as of March 1st, was 6.65 percent, up from 6.05 on February 1st. The average 15-year fixed-

rate mortgage was 5.89 percent at the end of February, up from 5.14 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.

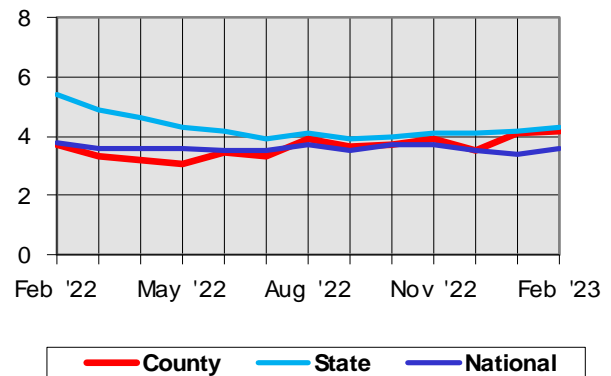
The seasonally adjusted unemployment rate in Humboldt County increased to 4.2 percent. The seasonally adjusted unemployment rate in California increased to 4.3 percent. The seasonally adjusted national unemployment rate increased from 3.4 to 3.6 percent.

The Employment Development Department of California indicated that in February Humboldt County's estimate of total employment rose by 700 individuals to a total of 57,200. Humboldt County's total unemployment fell by 100 individuals to 2,800.

In the Labor Department's February report, total nonfarm payroll employment rose by 311,000. National employment in leisure and hospitality gained 105,000 jobs, employment in retail added 50,000, government gained 46,000 jobs, professional and business services

added 45,000 positions, health care added 44,000 jobs, employment in construction grew by 24,000, and social assistance added 19,000 jobs. Employment showed little change over the month in other major industries, including mining, quarrying, oil and gas extraction, manufacturing, wholesale trade, financial activities, 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 increased 65.5 percent to a new value of 98.7. The reason for the large increase is a reopening of local motels after January storm damage.

Gasoline Prices

The average price per gallon of gas in in California increased from \$4.72 to \$4.80. Northern California's average increased from \$4.99 to \$5.00. Eureka's average increased from \$5.15 to \$5.37.

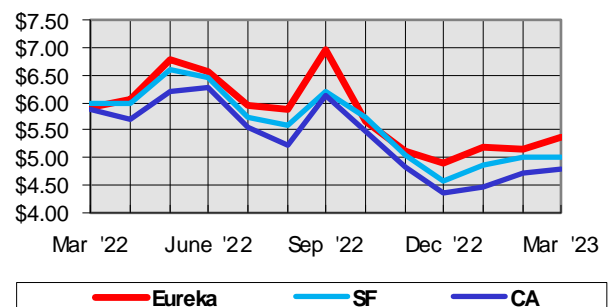
Crude oil markets spiked after Saudi Arabia and other OPEC suppliers announced they would not produce more outputs of crude oil. The US market, already rising due to the upcoming summer demand for gasoline, climbed higher following the change. Experts say drivers should expect an increase between five and fifteen cents over the next coming weeks. AAA spokesperson Andrew Grossman noted that if the price of barrels remains or rises past the \$80 per barrel range, "we could see the national average price move in the 8-to-12 cent range." This rise comes from the cost of crude oil making up more than half of the cost at the pumps, according to the Department of Energy. So far, 2023 has brought lower gas prices as the national oil reserves were used to compensate from the Ukrainian conflict's losses.

Gas Prices

Prices as of 3/ 31/ 2023	Average price*	Change from previous month
Eureka	\$5.37	\$0.22
Northern California	\$5.00	\$0.01
California	\$4.80	\$0.08

* 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 remained at 2,600 individuals for the fourth consecutive month, according to the Employment Development Department.

The Institute for Supply Management reports that in February economic activity in the manufacturing sector expanded, while the overall economy grew for the 19th 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 February rose 0.3 percentage points to 47.7 percent.

Nationally, Apparel, Leather & Allied Products; Furniture & Related Products; Electrical Equipment, Appliances & Components; Petroleum & Coal Products; Machinery; and Transportation Equipment. The four industries reporting a decrease in employment in February are: Computer & Electronic Products; Miscellaneous Manufacturing; Chemical Products; and Food, Beverage & Tobacco Products. Eight industries reported no change in employment in February compared to January.

The New Export Orders Index rose 0.5 percentage points to 49.9 percent. This is the 7th 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.

Four industries reported growth in new export orders in the following order: Nonmetallic Mineral Products; Food, Beverage & Tobacco Products; Transportation Equipment; and Miscellaneous Manufacturing. The 10 industries reporting a decrease in new export orders in February — in the following order — are: Wood Products; Textile Mills; Printing & Related Support Activities; Furniture & Related Products; Electrical Equipment, Appliances & Components; Plastics & Rubber Products; Fabricated Metal Products; Machinery; Computer & Electronic Products; and Chemical 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 February, the Electricity Index fell 7.9 percent to a new value of 86.2. The current value is 16.3 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 1.6 percent in February to a new value of 165.4, down 5.1 percent from the value for this time last year. The 4-month moving average rose 4.2 percent to a new value of 156.8.

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 February from 107.1 to 102.9. The Expectations Index decreased from 76.8 to 69.8, and the Present Situation Index increased from 151.1 to 152.8.

"Consumer confidence declined again in February. The decrease reflected large drops in confidence for households aged 35 to 54 and for households earning \$35,000 or more" said Ataman Ozyildirim, Senior Director, Economics at The Conference Board. "While consumers' view of current business conditions worsened in February, the Present Situation Index still ticked up slightly based on a more favorable view of the availability of jobs. In fact, the proportion of consumers saying jobs are 'plentiful' climbed to 52.0 percent—back to levels seen in the spring of last year. However, the outlook appears considerably more pessimistic when looking ahead. Expectations for where jobs, incomes, and business conditions are headed over the next six months all fell sharply in February."

The percentage of consumers expecting business conditions to improve over the next six months fell slightly from 18.6 to 14.9 while the percentage of consumers expecting business conditions to worsen fell from 22.6 to 21.9.

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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