

Humboldt Economic Index

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Belonging Never Felt Better



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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 2024

Gas Continues to Rise As Does Housing Market

The Composite Index rose 0.9 points since February to a new value 102.5. The Composite Index is up 1.2 percent from this time last year. This month the Retail Sales, Employment, and Home Indices all rose.

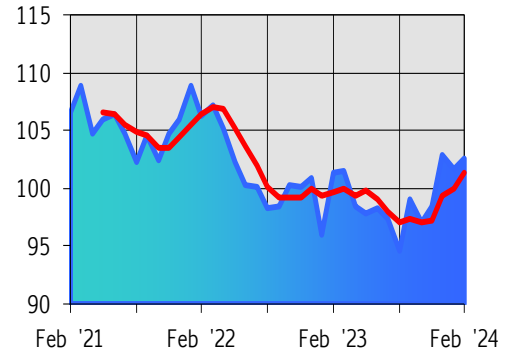
The Home Sales Index rose 25.9 percent to 103.6, up 34.7 percent from last year. The median home price rose from \$395,000 to \$412,500.

Leading Indicators are down in February except for unemployment.

The seasonally adjusted unemployment rate in Humboldt County rose from 5.1 to 5.2 percent. The seasonally adjusted unemployment rate in California rose from 5.2 to 5.3 percent. The seasonally adjusted national unemployment rate rose from 3.7 to 3.8 percent.

The average price per gallon of gas in California increased from \$4.82 to \$5.02. Northern California's average increased from \$5.02 to \$5.23.

Composite Index



Eureka's average increased from \$5.29 to \$5.51.

Composite & Sectors

Index	Value***	Percent change from			
		Last Month	One Year ago****	Five Years ago****	Ten Years ago****
Composite	102.5	0.9	1.2	-4.6	2.2
Home Sales	103.6	25.9	34.7	-15.4	17.9
Retail Sales	163.2	2.1	-1.4	-2.7	-5.6
Hospitality	96.8	-6.1	-2.0	15.6	15.8
Electricity	94.3	-6.8	-2.2	-12.7	-21.1
Employment	106.9	1.4	0.5	-6.8	8.7
Lumber*	26.3				
Manufacturing**					-

* 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

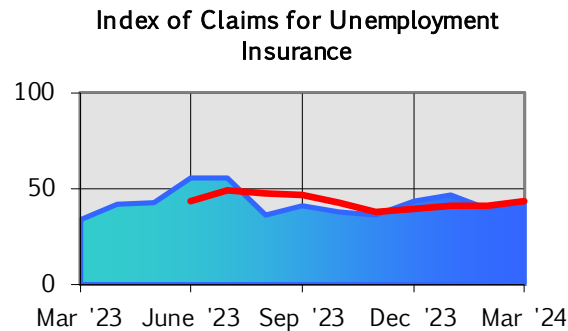
Leading Indicators

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	11.9%	-58.7%	-11.0%
* Change from prior month. All values are seasonally adjusted.			

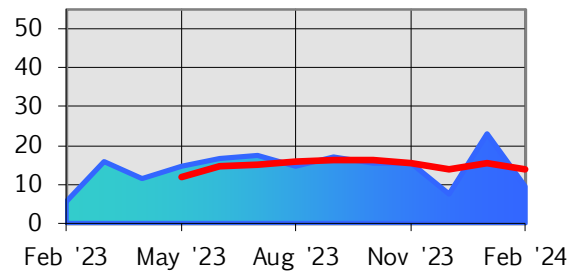
Key Statistics			
Median Home Price*	Monthly Rent**	Mortgage Rate†	Unemployment Rate‡
\$412,500	\$1,968	6.75%	5.2%
* The Humboldt Association of Realtors provides home price data. MLS is not responsible for accuracy of information. The information published and disseminated by the Service is communicated 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.			

Unemployment Claims rose 11.9 percent to a new Index value of 43.6. The current value is 29.9 percent higher than the value for this time last year. The 4-month moving average rose 4.7 percent to a new average of 43.0.



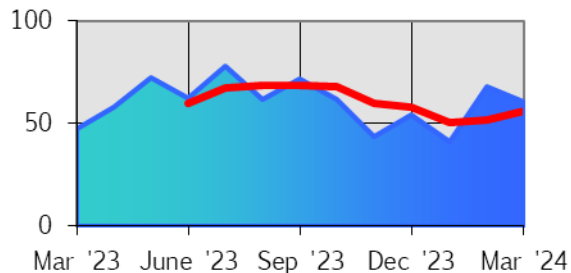
Building Permits fell 58.7 percent to a new Index value of 9.5. The current value is 66.7 percent higher than the value for this time last year.

Index of Building Permits Issued



Help Wanted Advertising fell 58.7 percent to a new Index value of 9.5. The current value is 66.7 percent higher than the value for this time last year. The 3-month moving average fell 12.9 percent to a new average of 13.3.

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 25.9 percent to a new value of 103.6. The present Index value is 34.7 percent higher than the value for this time last year. The 4-month moving average rose by 3.6 percent to a new value of 96.6. The country's median home price increased from \$395,000 to \$412,500. In comparison, the median home price this time last year was \$419,000.

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 February compared to the previous month. The 10-City and 20-City Composites reported year-over-year increases of 7.4 and 6.2, respectively. The National Index reported a 6.0 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%, 0.1%, and 0.2% respectively.

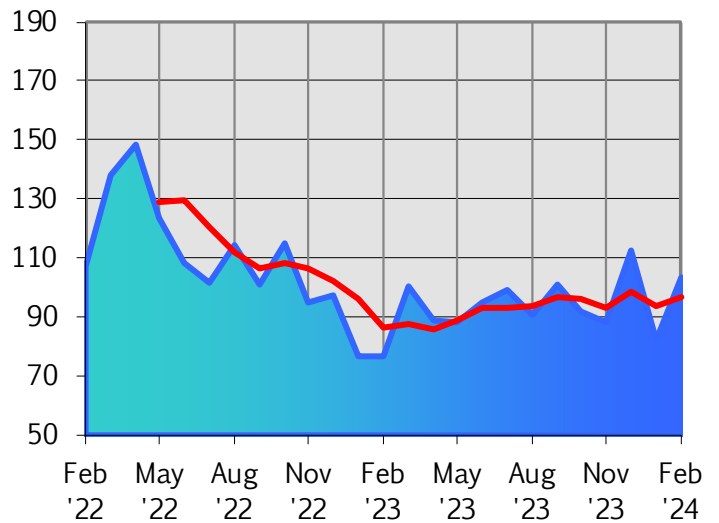
Brian D. Luke, Head of Commodities, Real & Digital Assets at S&P Dow Jones Indices, said, "We've commented on how consistent each market performed during 2023 and that continues to be the case.

"While there is a large disparity between leaders such as San Diego versus laggards such as with Portland, the

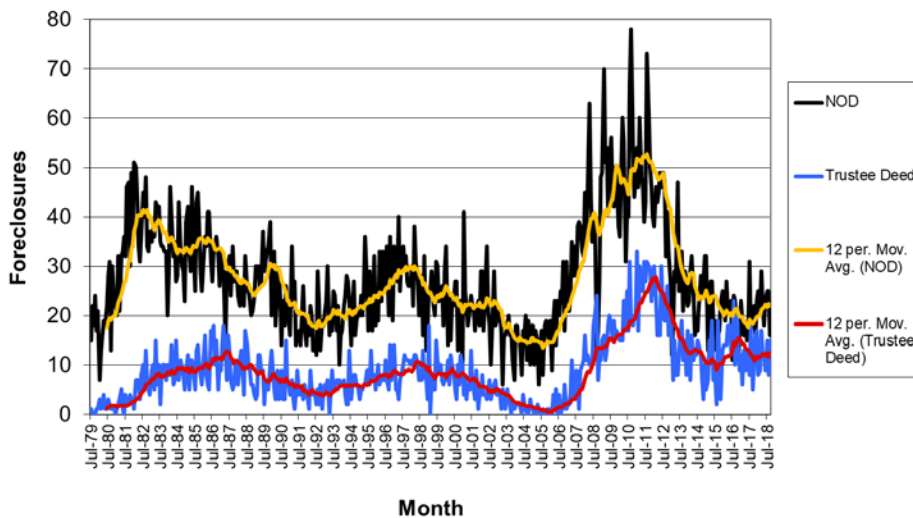
broad market performance is tightly bunched up. This is also true of high and low tiers. The average annual gains between high and low tiers across cities tracked by the indices is just 1.1%. Low price tiered indices have outperformed high priced indices for 17 months. Homeowners most likely saw healthy gains in the last year, no matter what city you were in, or if it was in an expensive or inexpensive neighborhood. No matter which way you slice it, the index performance closely resembled the broad market."

According to Freddie Mac, the average 30-year fixed-rate mortgage, as of February 29, was 6.94 percent, higher than its score of 6.62 on February 1st. The average 15-year fixed-rate mortgage was 6.26 percent at the end of February, up from 5.94 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.

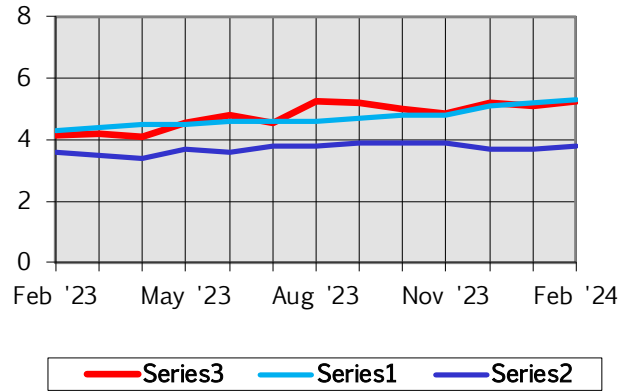
The seasonally adjusted unemployment rate in Humboldt County rose from 5.1 to 5.2 percent. The seasonally adjusted unemployment rate in California rose from 5.2 to 5.3 percent. The seasonally adjusted national unemployment rate rose from 3.7 to 3.8 percent.

The Employment Development Department of California indicated that in February Humboldt County's estimate of total employment rose by 1,000 individuals to a total of 57,500. Humboldt County's total unemployment increased to 3,500 individuals from 3,600.

In the Labor Department's February report, total nonfarm payroll employment rose by 275,000. Health care added 67,000 jobs, government employment rose by 52,000, food and drink services raised employment by 40,000 positions, transportation and warehousing added 20,000 jobs, and employment in social assistance rose

by 24,000. Employment showed little change over the month in other major industries, including mining, quarrying, and oil and gas extraction; manufacturing; wholesale trade; information; 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 monthly occupancy at a cross-section of local hotels, motels, and inns.

The Hospitality Index fell by 6.1 points to 96.8 in February. This month's Index value is 2.0 percent lower than the value for this time last year. The 4-month moving average fell 0.1 percent to a current value of 98.9.

Gasoline Prices

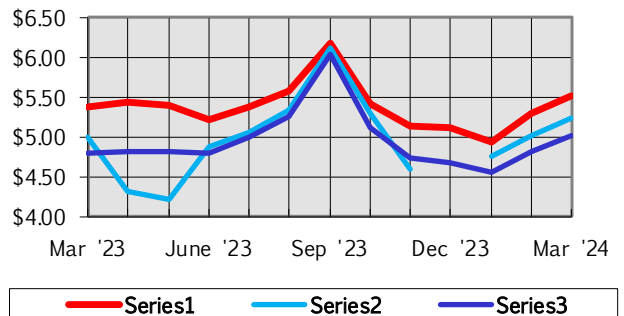
The average price per gallon of gas in California increased from \$4.82 to \$5.02. Northern California's average increased from \$5.02 to \$5.23. Eureka's average increased from \$5.29 to \$5.51. There was no lag reported at this time.

While the national average crept up 4 cents at the end of March, the California average rose almost 30 cents in the same period. AAA and other petroleum experts wonder if an oil refinery closure in San Francisco could be behind this: a Bay Area refinery closed their gasoline refinery process in favor of renewable diesel this past month. Near the refinery's location, the demand for gasoline has been inflated to a price of \$60 more than the national average for crude oil. This recent change has made some writers reminiscent of California's passing of the Gas Price Gouging and Transparency Law, aimed at keeping a lid on refinery margins. While this has not been enforced, recent events have led residents to call for more specific details.

Gas Prices		
Prices as of 4/1/24	Average price*	Change from previous month
Eureka	\$5.51	+\$0.22
Northern California	\$5.23	+\$0.21
California	\$5.02	+\$0.20

* 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 thirteenth consecutive month, according to the Employment Development Department.

The Institute for Supply Management reports that in January 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 February fell 1.3 percentage points to 47.8 percent.

The eight manufacturing industries reporting growth in February — in order — are: Apparel, Leather & Allied Products; Nonmetallic Mineral Products; Primary Metals; Plastics & Rubber Products; Fabricated Metal Products; Chemical Products; Miscellaneous Manufacturing; and Transportation Equipment. The seven industries reporting contraction in February — in the following order — are: Furniture & Related Products; Machinery; Wood Products; Computer & Electronic Products; Food, Beverage & Tobacco Products; Paper Products; and Electrical Equipment, Appliances & Components.

The New Export Orders Index rose 6.4 percentage points to 51.6 percent. This is the first 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 six industries reporting growth in new export orders in February — in the following order — are: Wood Products; Nonmetallic Mineral Products; Fabricated Metal Products; Transportation Equipment; Food, Beverage & Tobacco Products; and Machinery. The six industries reporting a decrease in new export orders in February — in the following order — are: Textile Mills; Paper Products; Plastics & Rubber Products; Miscellaneous Manufacturing; Electrical Equipment, Appliances & Components; 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 6.8 percent to a new value of 94.3. The current value is 2.2 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 rose 2.1 percent in January to a new value of 163.2, down 1.4 percent from the value for this time last year. The 4-month moving average rose 4.5 percent to a new value of 153.6.

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 decreased in February from 110.2 to 106.7. The Expectations Index decreased from 81.5 to 79.8, and the Present Situation Index decreased from 154.9 to 147.2.

"The decline in consumer confidence in February interrupted a three-month rise, reflecting persistent uncertainty about the US economy," said Dana Peterson, Chief Economist at The Conference Board.

"February's write-in responses revealed that while overall inflation remained the main preoccupation of consumers, they are now a bit less concerned about food and gas prices, which have eased in recent months. But they are more concerned about the labor market situation and the US political environment.

"The drop in confidence was broad-based, affecting all income groups except households earning less than \$15,000 and those earning more than \$125,000. Confidence deteriorated for consumers under the age of 35 and those 55 and over, whereas it improved slightly for those aged 35 to 54."

The percentage of consumers expecting business conditions to improve over the next six months fell from 16.7 to 14.8 while the percentage of consumers expecting business conditions to worsen fell from 16.0 to 15.5.

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*

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