

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.

November 2023

Falling Gas Prices and Favorable Business Conditions

The Composite Index fell to 95.5 in October, down 2.3 percent from the previous month. The Composite Index is down 4.6 percent from this time last year. This month Hospitality and Electricity Indices rose.

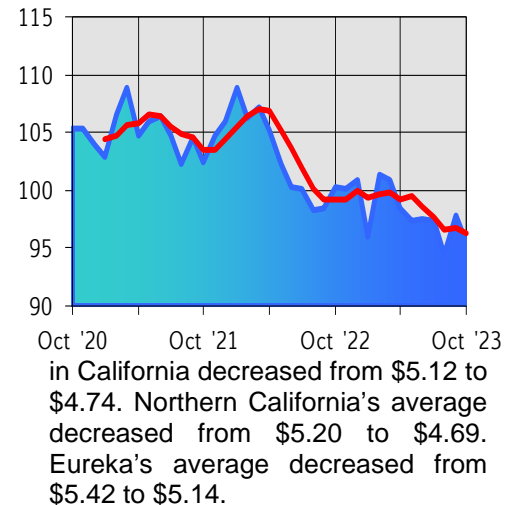
The Index of Home Sales fell to 92.1, down 8.9 percent from the previous month, and down 19.8 percent from this time last year. The median home price rose from \$420,000 to \$435,000.

Leading Indicators are all down in October. Unemployment Claims, Permit and Help Wanted indices are all down.

The seasonally adjusted unemployment rate in Humboldt County fell from 5.2 to 5.0 percent. The seasonally adjusted unemployment rate in California rose from 4.6 to 4.7 percent. The seasonally adjusted national unemployment rate remained at 3.9 percent.

The average price per gallon of gas

Composite Index



Composite & Sectors

		Percent change from			
Index	Value***	Last Month	One Year ago****	Five Years ago****	Ten Years ago****
Composite	95.5	-2.3	-4.6	-10.6	-5.0
Home Sales	92.1	-8.9	-19.8	-36.1	-22.4
Retail Sales	136.8	-9.4	-2.5	-6.6	-16.0
Hospitality	86.9	2.2	-10.8	-6.9	12.9
Electricity	94.0	7.4	-4.6	-18.1	-24.3
Employment	104.9	-1.1	-1.2	-6.4	5.8
Lumber*	26.3				
Manufacturing**	102.6				
* 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

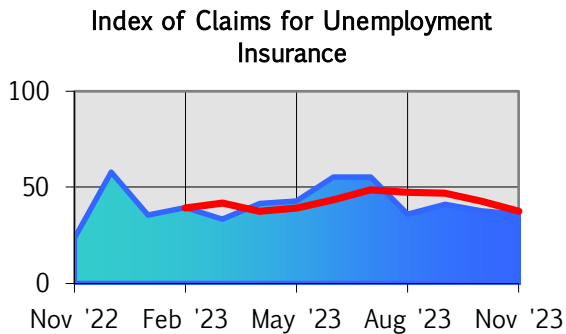
Leading Indicators

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	-4.3%	-9.1%	-29.0%
* Change from prior month. All values are seasonally adjusted.			

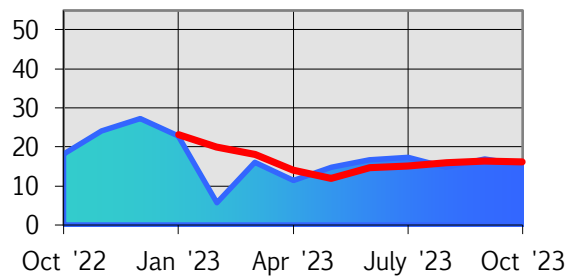
Key Statistics			
Median Home Price*	Monthly Rent**	Mortgage Rate†	Unemployment Rate‡
\$435,000	\$2,127	7.75%	5.0%
<p>* The Humboldt Association of Realtors provides home price data. MLS is not responsible for accuracy of information. The information published and disseminated by the Service is communicated 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 fell 4.3 percent to a new Index value of 35.8.



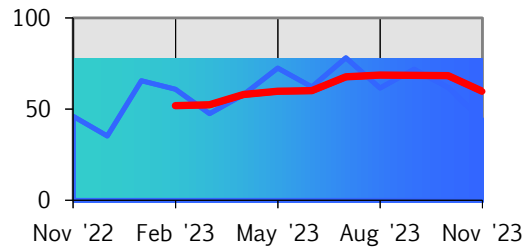
Building Permits fell 9.1 percent to a new Index value of 15.4. The current value is 15.4 percent lower than the value for this time last year.

Index of Building Permits Issued



Help Wanted Advertising fell 29 percent to a new Index value of 43.9.

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 October fell 8.9 percent to a new value of 92.1. The present Index value is 19.8 percent lower than the value for this time last year. The 4-month moving average fell by 0.7 percent to a new value of 95.9. The country's median home price increased from \$420,000 to \$435,000. The median home price this time last year was \$439,500.

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 and 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 October compared to the previous month. The 10-City and 20-City Composites reported year-over-year increases of 0.9 and 0.1, 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.

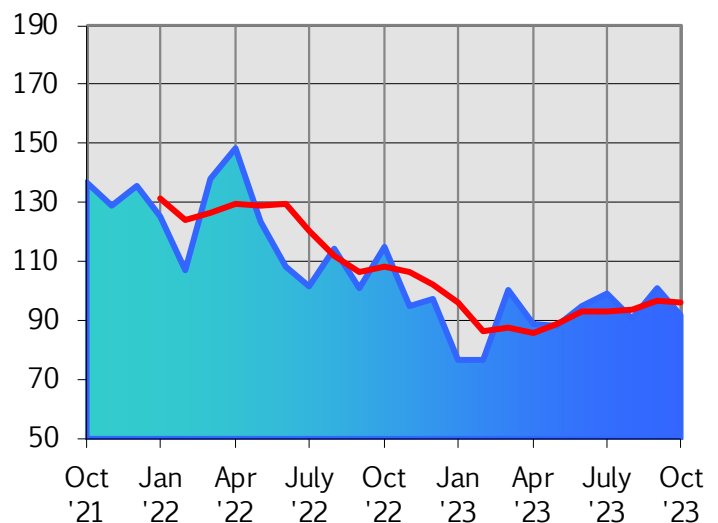
"Our National Composite rose by 0.2% in October, marking nine consecutive monthly gains and the strongest national growth rate since 2022. We are experiencing broad based home price appreciation across the country, with steady gains seen in nineteen of

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

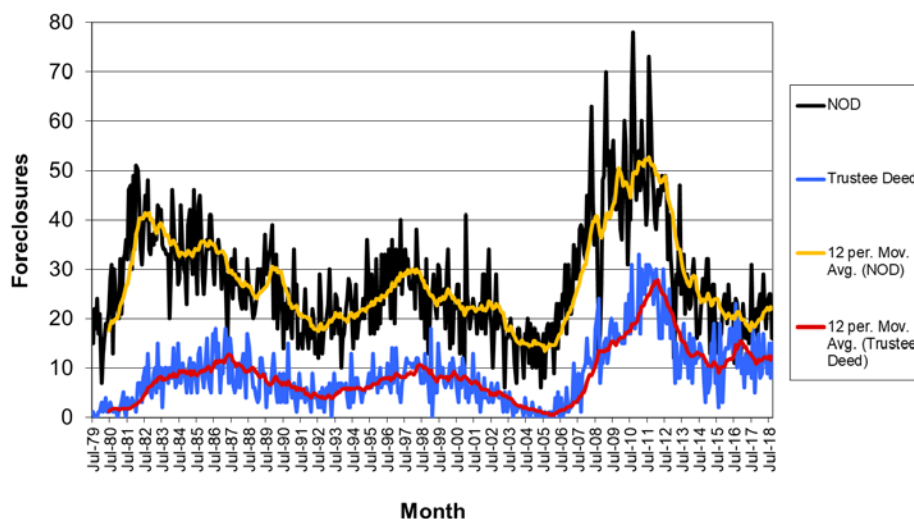
"Home prices leaned into the highest mortgage rates recorded in this market cycle and continued to push higher. With mortgage rates easing and the Federal Reserve guiding toward a slightly more accommodative stance, homeowners may be poised to see more appreciation."

According to Freddie Mac, the average 30-year fixed-rate mortgage, as of October 30th, was 6.81 percent, the same as its score October 6th. The average 15-year fixed-rate mortgage was 6.11 percent at the end of October, down from 6.24 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.

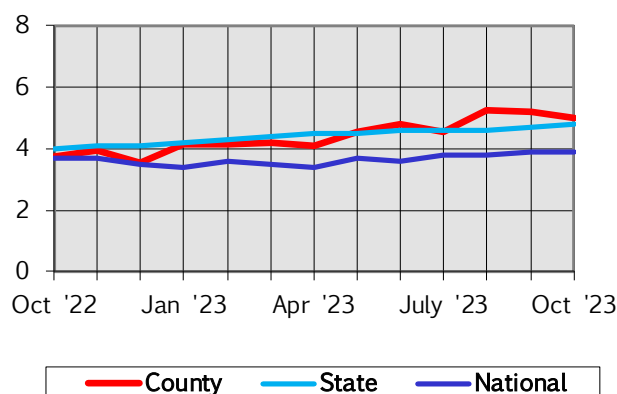
The seasonally adjusted unemployment rate in Humboldt County fell from 5.2 to 5.0 percent. The seasonally adjusted unemployment rate in California rose from 4.6 to 4.7 percent. The seasonally adjusted national unemployment rate remained at 3.9 percent.

The Employment Development Department of California indicated that in October Humboldt County's estimate of total employment fell by 100 individuals to a total of 58,200. Humboldt County's total unemployment increased by 100 to 2,700 individuals.

In the Labor Department's October report, total nonfarm payroll employment rose by 150,000. National healthcare employment increased by 58,000, government gained 51,000 positions, social assistance added 19,000 jobs, construction added 23,000 positions, and employment in leisure and hospitality rose by 19,000.

Employment showed little change over the month in other major industries, including professional and business services, transportation and warehousing, information, mining, quarrying, and oil and gas extraction; wholesale trade; retail 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 rose 2.2 percent to 86.9 in October. This month's Index value is 10.7 percent lower than the value for this time last year. The 4-month moving average fell 0.9 percent to a current value of 85.7.

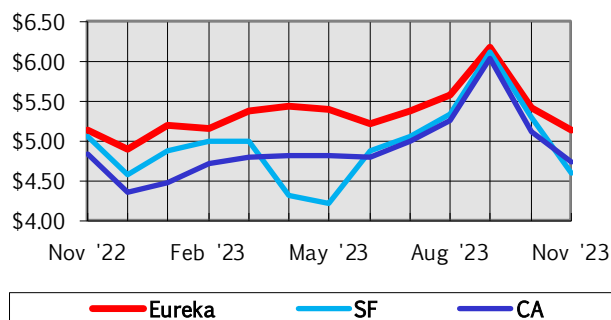
Gasoline Prices

The average price per gallon of gas in California decreased from \$5.12 to \$4.74. Northern California's average decreased from \$5.20 to \$4.69. Eureka's average decreased from \$5.42 to \$5.14.

Even as the summer season is long gone and gasoline demand has dropped considerably, the national average only dropped by 2 cents this past month. One likely culprit is the cost of crude oil rising to near-\$80-a-barrel. "The current streak of daily pump prices either falling or staying flat started on September 19," said Andrew Gross, AAA spokesperson. The Energy Information Administration reports small decreased in demand for gasoline contrasted with increasing gasoline stocks, though the former is attributed to the prices at the pumps.

Gas Prices		
Prices as of 11/31/23	Average price*	Change from previous month
Eureka	\$5.14	-\$0.28
Northern California	\$4.60	-\$0.69
California	\$4.74	-\$0.38
* 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 rose in October to a seasonally adjusted Index value of 102.6, up 1.1 percent from the previous month's value of 101.5. Manufacturing employment remained at 2,600 individuals for the twelfth consecutive month, according to the Employment Development Department.

The Institute for Supply Management reports that in July economic activity in the manufacturing sector expanded, while the overall economy grew for the 12th 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 October fell 2.3 percentage points to 46.7 percent.

Nationally, the two manufacturing industries that reported growth in October are: Food, Beverage & Tobacco Products; and Plastics & Rubber Products. The 13 industries reporting contraction in October — in the following order — are: Printing & Related Support Activities; Textile Mills; Electrical Equipment, Appliances & Components; Machinery; Fabricated Metal Products; Wood Products; Computer & Electronic Products; Furniture & Related Products; Paper Products; Miscellaneous Manufacturing; Primary Metals; Chemical Products; and Transportation Equipment.

The New Export Orders Index rose 2.0 percentage points to 49.4 percent. This is the 5th 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 October — in the following order — are: Nonmetallic Mineral Products; Paper Products; Primary Metals; Food, Beverage & Tobacco Products; Fabricated Metal Products; and Miscellaneous Manufacturing. The six industries reporting a decrease in new export orders in October — in the following order — are: Printing & Related Support Activities; Plastics & Rubber Products; Computer & Electronic Products; Machinery; Transportation Equipment; 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 October, the Electricity Index rose 7.4 percent to a new value of 94.0. The current value is 8.2 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 fell 9.4 percent in October to a new value of 136.8, down 6.8 percent from the value for this time last year. The 4-month moving average fell 2.5 percent to a new value of 144.1.

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 October from 104.3 to 102.6. The Expectations Index decreased from 76.4 to 75.6, and the Present Situation Index decreased from 146.2 to 143.1.

"Consumer confidence fell again in October 2023, marking three consecutive months of decline," said Dana Peterson, Chief Economist at The Conference Board.

"October's retreat reflected pullbacks in both the Present Situation and Expectations Index. Write-in responses showed that consumers continued to be preoccupied with rising prices in general, and for grocery and gasoline prices in particular. Consumers also expressed concerns about the political situation and higher interest rates. Worries around war/conflicts also rose, amid the recent turmoil in the Middle East. The decline in consumer confidence was evident across householders aged 35 and up, and not limited to any one income group.

The percentage of consumers expecting business conditions to improve over the next six months fell from 15.3 to 16.5 while the percentage of consumers expecting business conditions to worsen rose from 18.7 to 20.2.

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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