

[skip navigation](#)



[Current Issue](#)

[Archive](#)

[Projects](#)

[Sponsors](#)

[Links](#)

[Home](#)

[Readers Comments](#)

[Frequently Asked Questions](#)

[Acknowledgements and Past Participation](#)

[HSU Economics Department](#)

Professor Steven Hackett, Director

September 1998

Key Statistics		Leading Indicators	
Humboldt County:		<i>Seasonally Adjusted</i>	% Change in August
Median Home Price (August)*	\$119,700	Help Wanted Advertising	-14.19
30 Yr. Mortgage Rate (09/25)	7.150%	Building Permits	-9.24
Prime Rate (09/25)	8.15%	Unemployment Claims	-3.93
Unemployment Rate (Aug.)	6.2%	Manufacturing Orders	1.88

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

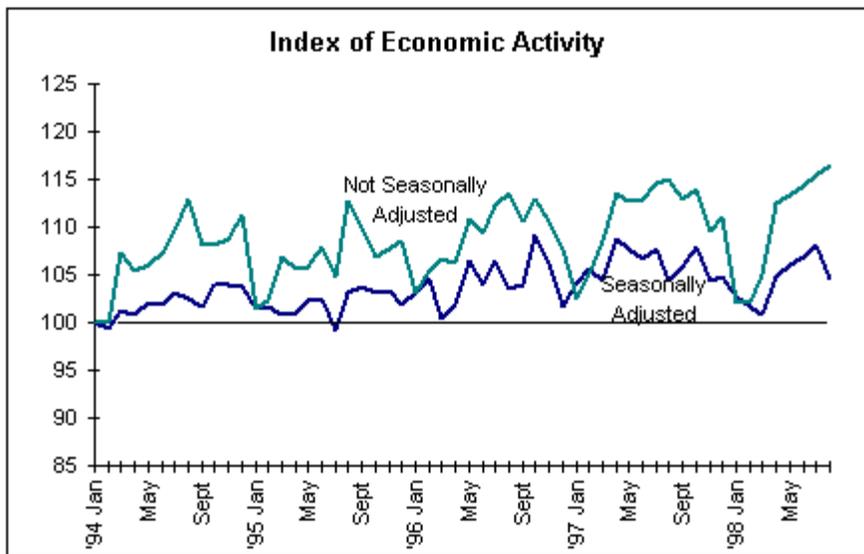
Monthly Change

The seasonally adjusted *Index of Economic Activity for Humboldt County* declined by 3.5 percent during the month of August, falling to a value of 104.7 (from 108.2 in July). In terms of month-on-month comparisons, the level and pattern of economic activity in August 1998 was similar to that of August 1996 and 1997.

Of the various sectors of the County economy that are tracked in the *Index*, the largest single contributor to the decline in seasonally-adjusted activity during August was a sharp dropoff in home sales, causing the seasonally adjusted home sales sector of the *Index* to fall by 29 percent from its peak in July 1998. Also contributing to the decline in economic activity was the 13 percent fall in seasonally adjusted retail sales during August. Finally, as is usually the case in late summer in Humboldt County, electricity consumption fell modestly during August. Both the employment and the manufacturing sectors of the *Index* remained largely unchanged during August. A rise in seasonally-adjusted hotel and motel occupancy rates during August contributed to hospitality being the only sector of *Index* showing an increase.

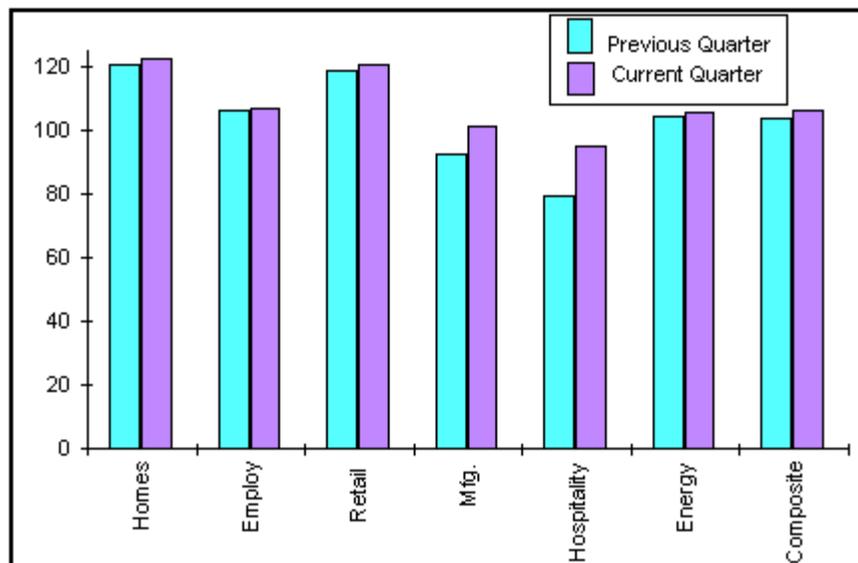
During August 1998 the raw or non-seasonally adjusted Index rose, while the seasonally adjusted Index declined. The reason for this seemingly odd state of affairs is that August is "normally" a month with a high level of economic activity in Humboldt County. Thus the decline in the seasonally adjusted Index occurred because the observed level of economic activity in the raw Index was less than would be expected in a "normal" August.

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 August 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 (June through August) is 106.6, up by 2.8 percent from the previous rolling quarter (March through May). From a seasonally adjusted perspective, the current rolling quarter experienced a modest growth in all sectors, the most prominent of which was in the hospitality sector, providing an indication that tourists found the North Coast summer of 1998 to be a drier and perhaps more appealing time to visit than the spring.



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, the leading indicators are mixed. As the table at the top of the page indicates, the negative indications are larger than the positive indications. Both help wanted advertising and building permits decreased substantially in August. In contrast, there was only a slight increase in manufacturing orders, and only a slight decrease in claims for unemployment insurance. Thus the leading economic indicators for Humboldt County suggest a dropoff rather than a rise in economic activity in the near future.

[Back to Main Index Page](#)

Copyright © 2003 [Erick Eschker](#). All Rights Reserved.

