COVID and the Humboldt County Economy through Spring‘22

Erick Eschker, Director

Humboldt Economic Index

Southwest Eureka Rotary Club Presentation
April 22, 2022
econindex.humboldt.edu
Outline

• Intro to Index
• COVID timeline
• Humboldt County Economic Indicators and California and US comparisons
• Questions?
What is the Index?

• Started in 1996
• Four sponsors
• Tracks employment, housing, retail, energy, hotels, niche manufacturing

• Two student assistants at any time
• Over twenty have interned
• Gone on to graduate school, work, and started own business

econindex.humboldt.edu
# Feb 2022 Edition of the Index

## Composite & Sectors

<table>
<thead>
<tr>
<th>Index</th>
<th>Value***</th>
<th>Last Month</th>
<th>One Year ago****</th>
<th>Five Years ago****</th>
<th>Ten Years ago****</th>
</tr>
</thead>
<tbody>
<tr>
<td>Composite</td>
<td>1 0 3 . 5</td>
<td>-3.8</td>
<td>-0.4</td>
<td>1.6</td>
<td>1.9</td>
</tr>
<tr>
<td>Home Sales</td>
<td>106.8</td>
<td>-14.6</td>
<td>-18.1</td>
<td>0.0</td>
<td>-8.1</td>
</tr>
<tr>
<td>Retail Sales</td>
<td>142.0</td>
<td>-1.9</td>
<td>-6.3</td>
<td>-3.7</td>
<td>-2.1</td>
</tr>
<tr>
<td>Hospitality</td>
<td>119.8</td>
<td>-0.9</td>
<td>14.3</td>
<td>48.2</td>
<td>39.1</td>
</tr>
<tr>
<td>Electricity</td>
<td>103.0</td>
<td>-10.4</td>
<td>-4.1</td>
<td>-6.8</td>
<td>-20.3</td>
</tr>
<tr>
<td>Employment</td>
<td>106.0</td>
<td>-1.7</td>
<td>2.5</td>
<td>-4.7</td>
<td>5.6</td>
</tr>
<tr>
<td>Lumber*</td>
<td>26.3</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>-18.7</td>
</tr>
<tr>
<td>Manufacturing**</td>
<td>100.7</td>
<td>10.7</td>
<td>5.7</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

---

* 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.

[Adapted from econindex.humboldt.edu]
COVID Timeline

• Humboldt County was Covid ground zero

• It had its first confirmed Covid case by Feb 20, 2020, when there were only 7 confirmed cases in the entire US! (https://krcrtv.com/north-coast-news/eureka-local-news/first-case-of-novel-coronavirus-confirmed-in-humboldt-county; https://covidtracking.com/data/national)

• The real economic effects from Covid have far less to do with the disease than the government response (Shelter in place orders and restricting businesses)

• We expect to see the BIGGEST IMPACT of Covid at end of March through beginning of May, 2020 (centered in the month of April)
Humboldt County overall economic activity has almost rebounded
Shelter in place impacts on employment similar
Unemployment rates are almost back to pre-Covid levels
Initial claims for unemployment insurance are back to normal.
Only one month when Help Wanted Ads fell, and they are finally back to normal
Retail Employment is slowly recovering
But Retail Sales recovered quicker
For the first time ever, Humboldt gas prices below SF for an entire year
Home Sales hit historic highs but are falling
California and US Home Sales also surged for a while.
Home Prices rose

[Graph showing median home prices over time with two lines, one for Humboldt and one for CA, with the price values ranging from 300,000 to 900,000.]

econindex.humboldt.edu
Home Prices are rising above trend just since last Spring

Humboldt County Median Price of Houses Sold

Source: Humboldt Economic Index
But the Price to rent ratio stays low

Humboldt County Housing Price to Rent Ratio, 1989-2021
(medium home price/mean rent, adjusted for expenses)

Source: Humboldt Economic Index

econindex.humboldt.edu
Where is the economy headed?

• What will the Federal and State Government do?
  • Will the Fed raise short term interest rates more quickly to combat rising inflation?
  • Will shelter in place return and Covid mandates return/continue?
We need more data providers!

• Please contact me if you know of a local business (manufacturing, retail, hospitality) willing to share monthly data!