

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.

May 2024

National Housing Market Rises, Gas Plateaus

The Composite Index fell 1.5 points since February to a new value 96.6. The Composite Index is down 1.9 percent from this time last year. This month the Retail Sales, Employment, and Energy Indices all fell.

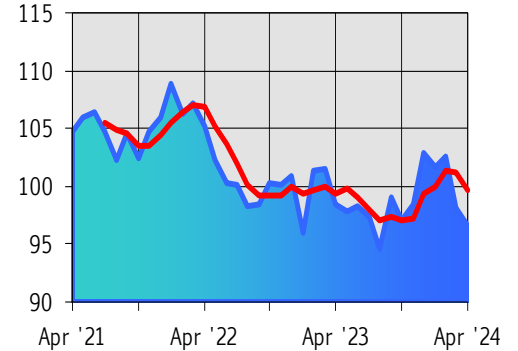
The Home Sales Index rose 34.9 percent to 106.2, up 19.7 percent from last year. The median home price rose from \$435,000 to \$400,000.

Leading Indicators are down in April except for unemployment.

The seasonally adjusted unemployment rate in Humboldt County fell from 4.8 to 4.7 percent. The seasonally adjusted unemployment rate in California remained at 5.3 percent. The seasonally adjusted national unemployment rate rose from 3.8 percent to 3.9 percent.

The average price per gallon of gas in California decreased from \$5.37 to \$5.03. Northern California's average decreased from \$5.65 to \$5.32.

Composite Index



Eureka's average decreased from \$5.82 to \$5.73.

Composite & Sectors

Index	Value***	Percent change from			
		Last Month	One Year ago****	Five Years ago****	Ten Years ago****
Composite	96.6	-1.5	-1.9	-9.0	-5.1
Home Sales	106.2	34.9	19.4	-24.6	-14.0
Retail Sales	138.1	-8.4	-8.4	-13.7	-17.3
Hospitality	89.8	0.2	-3.6	9.4	6.4
Electricity	87.5	-6.6	-8.1	-17.9	-29.1
Employment	105.5	-1.8	0.5	-5.9	8.1
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
	-25.5%	144.0%	32.5%
* Change from prior month. All values are seasonally adjusted.			

Key Statistics			
Median Home Price*	Monthly Rent**	Mortgage Rate†	Unemployment Rate‡
\$400,000	\$2,363	6.75%	4.7%
<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>			

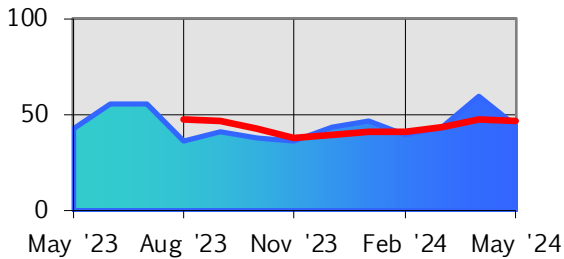
Building Permits rose 144 percent to a new Index value of 14.2. The current value is 25.0 percent higher than the value for this time last year.

Help Wanted Advertising rose 32.5 percent to a new Index value of 66.9. The current value is 7.6 percent lower than the value for this time last year. The 3-month moving average fell 0.5 percent to a new average of 59.3.

Manufacturing Orders are not available this month.

Unemployment Claims fell 25.5 percent to a new Index value of 44.4. The current value is 4.1 percent higher than the value for this time last year. The 4-month moving average fell 1.1 percent to a new average of 46.6.

Index of Claims for Unemployment Insurance



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 April rose 34.9 percent to a new value of 106.2. The present Index value is 19.4 percent lower than the value for this time last year. The 4-month moving average fell by 1.7 percent to a new value of 92.7. The county's median home price decreased from \$435,000 to \$400,000. In comparison, the median home price this time last year was \$437,000.

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 smaller year-over-year gain in April compared to the previous month. The 10-City and 20-City Composites reported year-over-year increases of 8.0 and 7.2, respectively. The National Index reported a 6.3 percent annual gain over the same period. After seasonal adjustment, the U.S. National Index, posted an increase of 0.3%. The 10-City and 20-City composites reported 0.5 and 0.4 percent increases during the same period.

Brian D. Luke, Head of Commodities, Real & Digital Assets at S&P Dow Jones Indices, said, "For the second consecutive month, we've seen our National Index jump at least 1% over its previous all-time high.

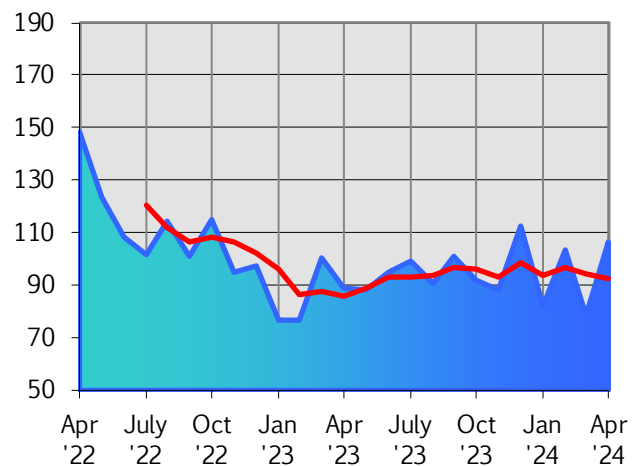
"2024 is closely tracking the strong start observed last year, where March and April posted the largest rise seen prior to a slowdown in the summer and fall. Heading

into summer, the market is at an all-time high, once again testing its resilience against the historically more active time of the year.

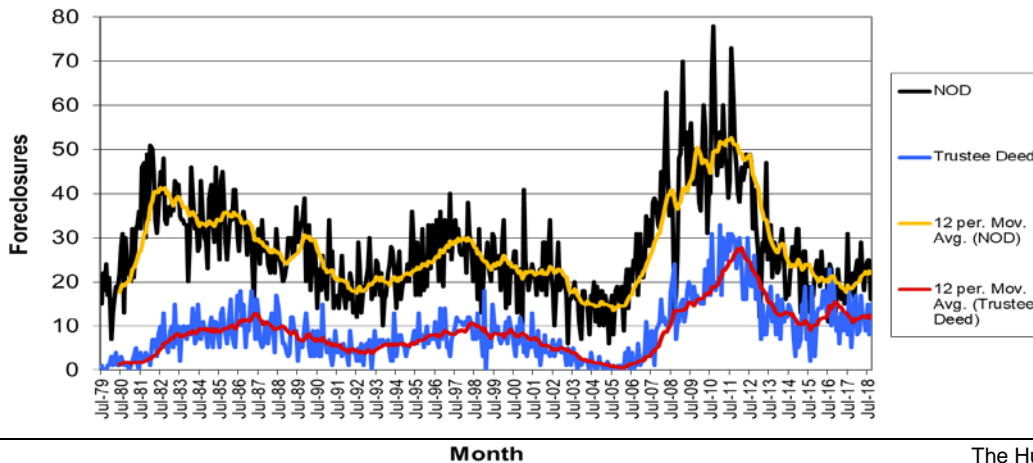
"Last month's all-time high came with all 20 markets accelerating price gains. This month, just over half of our markets are seeing prices accelerate on a monthly basis. At 6.3% annual gains, the index has decelerated from the start of the year, with only two markets rising on an annual basis."

According to Freddie Mac, the average 30-year fixed-rate mortgage, as of April 25, was 7.71 percent, higher than its score of 6.82 on April 4th. The average 15-year fixed-rate mortgage was 6.44 percent at the end of April, down from 6.06 percent.

Home Sales Index, Humboldt County



Monthly Foreclosures, Humboldt County



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.

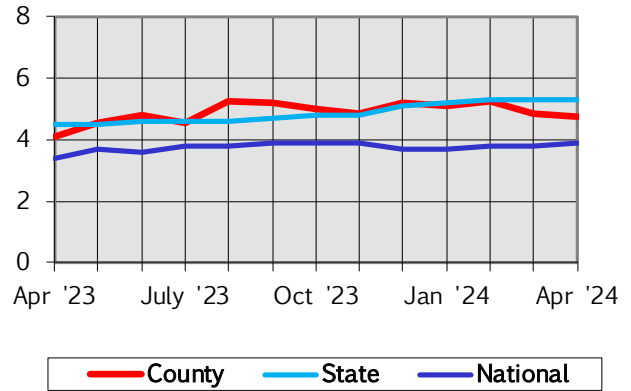
The seasonally adjusted unemployment rate in Humboldt County fell from 4.8 to 4.7 percent. The seasonally adjusted unemployment rate in California remained at 5.3 percent. The seasonally adjusted national unemployment rate rose from 3.8 percent to 3.9 percent.

The Employment Development Department of California indicated that in April Humboldt County's estimate of total employment fell by 800 individuals to a total of 57,200. Humboldt County's total unemployment decreased to 2,900 individuals from 3,300.

In the Labor Department's April report, total nonfarm payroll employment rose by 175,000. Health care added 56,000 jobs, social assistance employment rose by 31,000, transportation and warehousing added 22,000 positions, and retail employment grew by 20,000.

Employment was little changed 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; leisure and hospitality; 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 rose by 0.2 points to 89.8 in April. This month's Index value is 3.6 percent lower than the value for this time last year. The 4-month moving average fell 1.8 percent to a current value of 94.8.

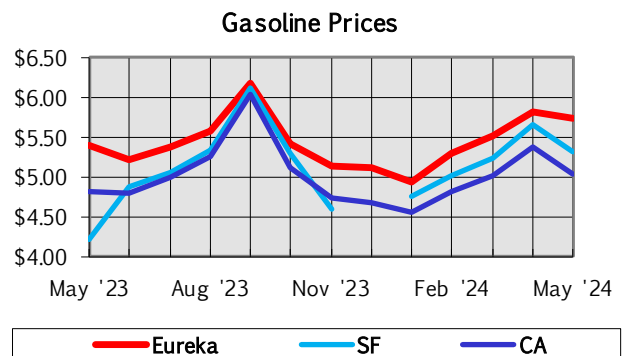
Gasoline Prices

The average price per gallon of gas in California decreased from \$5.37 to \$5.03. Northern California's average decreased from \$5.65 to \$5.32. Eureka's average decreased from \$5.82 to \$5.73.

The national average for a gallon of gas wavered for some time before reaching \$3.67 at the end of May. AAA spokesperson Andrew Gross points to a lull in prices not being attributed to falling oil prices or demand changing, but instead a "pre-Memorial Day funk." He continues "the cost of a barrel of oil is nearly \$10 less than two weeks ago, as oil prices have fallen into the upper \$70s. This may keep pump prices somewhat flat for the immediate future." This national average is 14 cents higher than this time last month and 8 cents more than this time last year. According to statistics from AAA, there is an increase in oil supply as compared to last year and smaller demand, making for what should be a favorable market for drivers in the coming months.

Gas Prices		
Prices as of 6/1/24	Average price*	Change from previous month
Eureka	\$5.73	-\$0.09
Northern California	\$5.32	-\$0.33
California	\$5.03	-\$0.34

* Current average price per gallon of self-serve regular unleaded gasoline as reported by the American Automobile Association monthly gas survey (www.csaa.com).



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 fell in April to a seasonally adjusted Index value of 194.3, down 9.1 percent from the previous month's value of 212.9. Manufacturing employment remained at 2,600 individuals for the fifteenth consecutive month, according to the Employment Development Department.

The Institute for Supply Management reports that in April economic activity contracted after one month of expansion following 16 consecutive months of contraction

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 April fell 1.1 percentage points to 49.2 percent.

The nine manufacturing industries reporting growth in April — in order — are: Nonmetallic Mineral Products; Printing & Related Support Activities; Primary Metals; Textile Mills; Electrical Equipment, Appliances & Components; Petroleum & Coal Products; Transportation Equipment; Chemical Products; and Plastics & Rubber Products. The seven industries reporting contraction in April — in the following order — are: Miscellaneous Manufacturing; Machinery; Furniture & Related Products; Wood Products; Food, Beverage & Tobacco Products; Fabricated Metal Products; and Paper Products.

The New Export Orders Index remained at 48.7 percent. This is the first month of contraction after 2 months of expansion. 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 five industries reporting growth in new export orders in April are: Wood Products; Plastics & Rubber Products; Miscellaneous Manufacturing; Food, Beverage & Tobacco Products; and Electrical Equipment, Appliances & Components. The six industries reporting a decrease in new export orders in April — in the following order — are: Furniture & Related Products; Primary Metals; Computer & Electronic Products; Transportation Equipment; Machinery; and Chemical Products. Six industries reported no change in exports in April.

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 April, the Electricity Index fell 6.6 percent to a new value of 87.5. The current value is 8.1 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 fell 7.6 percent in April to a new value of 138.1, down 8.4 percent from the value for this time last year. The 4-month moving average fell 1.6 percent to a new value of 152.9

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 April from 103.1 to 97.0. The Expectations Index decreased from 76.0 to 66.4, and the Present Situation Index decreased from 146.8 to 142.9

"Confidence retreated further in April, reaching its lowest level since July 2022 as consumers became less positive about the current labor market situation, and more concerned about future business conditions, job availability, and income," said Dana Peterson, Chief Economist at The Conference Board.

"In the month, confidence declined among consumers of all age groups and almost all income groups except for the \$25,000 to \$49,999 bracket. Nonetheless, consumers under 35 continued to express greater confidence than those over 35. In April, households with incomes below \$25,000 and those with incomes above \$75,000 reported the largest deteriorations in confidence. However, over a six-month basis, confidence for consumers earning less than \$50,000 has been stable, but confidence among consumers earning more has weakened.

"According to April's write-in responses, elevated price levels, especially for food and gas, dominated consumer's concerns, with politics and global conflicts as distant runners-up."

The percentage of consumers expecting business conditions to improve over the next six months fell from 14.3 to 12.8 while the percentage of consumers expecting business conditions to worsen rose from 18.5 to 19.9.

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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