

Humboldt Economic Index

September 2024

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Professor Erick Eschker, Director

Nick Salgado-Stanley, Assistant Editor

Isaiah Oliver, Assistant Analyst

Composite Factors Dip as Summer Closes

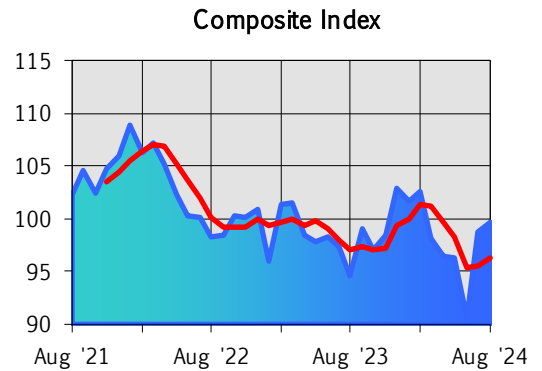
The Composite Index rose to 99.6, up 0.9 points from the previous month. The Composite Index is up 5.4 points from this time last year. This month Home Sales, Energy and Hospitality Index all fell.

The Index of Home Sales fell 1.7 index points to a new value of 110.7 This is 21.7 points higher than this time last year. At the same time, the median cost of homes fell to \$429,950.

Leading Indicators are mixed in August. Unemployment Claims are down and Building Permits are up, but Help Wanted is down.

The seasonally adjusted unemployment rate in Humboldt County increased from 5.4 percent to 6.0 percent. The seasonally adjusted unemployment rate in California rose from 5.2 to 4.3 percent. The national unemployment rate decreased from 4.3 to 4.2 percent.

California's state gas prices remained at \$4.61. Northern



California's average rose from \$4.91 to \$5.07. Eureka's average gas price per gallon decreased from \$5.17 to \$5.39.

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.

Composite & Sectors					
Index	Value***	Percent change from			
		Last Month	One Year ago****	Five Years ago****	Ten Years ago****
Composite	99.6	0.9	5.4	-3.6	1.1
Home Sales	110.7	-1.7	21.7	-8.9	10.9
Retail Sales	170.0	13.0	20.0	12.1	7.8
Hospitality	87.7	-4.7	6.4	4.7	-5.8
Electricity	80.9	-7.5	-12.4	-23.9	-30.7
Employment	104.4	0.1	0.0	-5.9	5.5
Lumber*	26.3				
Manufacturing**	178.9			-	-

* 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

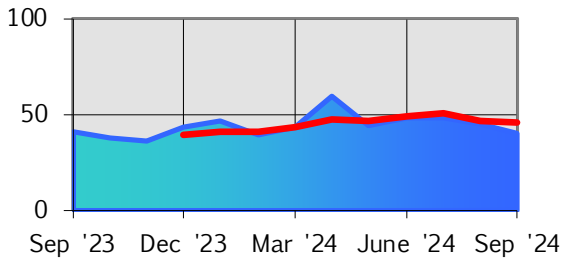
The Index tracks four leading indicators to get a sense of the direction that the county economy may take in the near future. The leading indexes are (1) unfilled orders for manufactured goods, (2) number of initial claims for unemployment insurance, (3) building permits, and (4) help wanted advertising.

Leading Indicators			
Manufacturing Orders	Unemployment Claims	Building Permits	Help Wanted Advertising
N/A	-11.3%	15.2%	-2.9%
* Change from prior month. All values are seasonally adjusted.			

Key Statistics			
Median Home Price*	Monthly Rent**	Mortgage Rate†	Unemployment Rate‡
\$429,950	\$2,124	6.75%	6.0%
<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>			

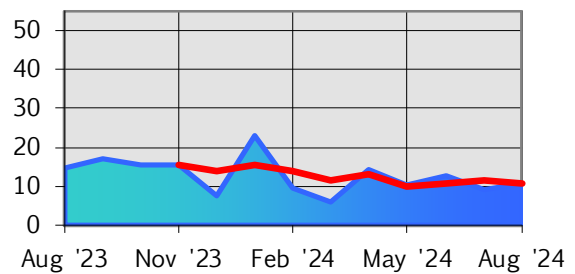
Unemployment Claims decreased 11.3 points to a new Index value of 44.9. The Unemployment Claims Index was 40.9 in September 2023, 2.7 points lower than the present value. The 4-month moving average fell 2.5 points to 45.4.

Index of Claims for Unemployment Insurance



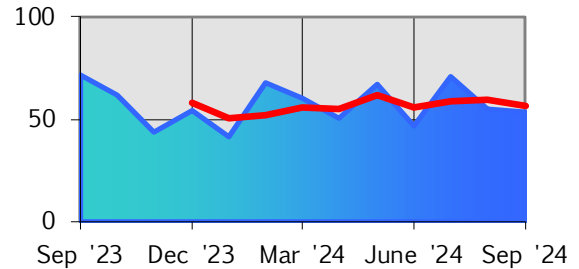
Building Permits rose 15.5 points to a new index value of 10.7. The current value is 27.3 points lower than the September 2023 value.

Index of Building Permits Issued



Help Wanted Advertising stands at an Index value of 53.5 down 2.9 points from last month. The three-month moving average rose 4.1 points to a new value of 59.8. In September there were 260 unique job postings on Craigslist.

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 August 2024 stands at an Index value of 110.7. The new median price at \$429,950.

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 slightly lower year-over-year gain in August compared to July. The 10-City and 20-City Composites report year-over-year gains of 6.0 percent and 5.2 percent, respectively. The National Index reported a 4.2 percent annual gain over the same period. After seasonal adjustment, the 10-City Composite and the 20-City Composite posted a 0.3 and 0.4 month-over-month percent change, respectively. The National Index reported a seasonally adjusted increase of 0.3 percent.

Brian D. Luke, CFA, Head of Commodities, Real & Digital Assets, notes, "Home price growth is beginning to show signs of strain, recording the slowest annual gain since mortgage rates peaked in 2023.

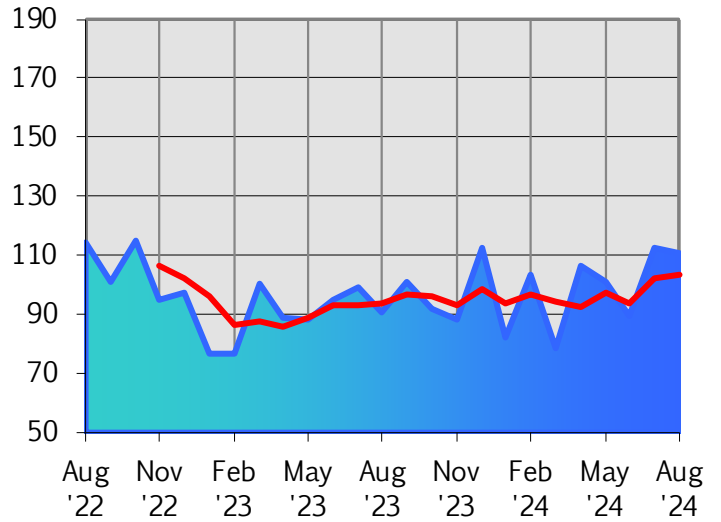
"As students went back to school, home price shoppers appeared less willing to push the index higher than in the summer months. Prices continue to decelerate for the past six months, pushing appreciation rates below their long-run average of 4.8%. After smoothing for seasonality in the data, home prices continued to reach all-time highs, for the 15th month in a

row.

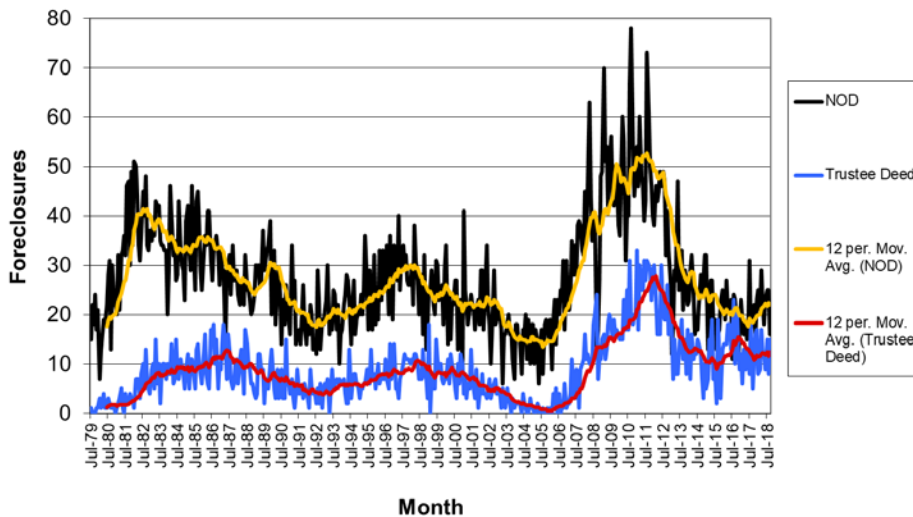
"Regionally, all markets continue to remain positive, barely."

According to Freddie Mac, the average 30-year fixed-rate mortgage, as of August 29, is 6.35 percent. This is a slight decrease from August 1st's last reported rate of 6.73 percent. The average 15-year fixed-rate mortgage is 5.51 percent, a decrease from 5.99 percent at the beginning of the month.

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.

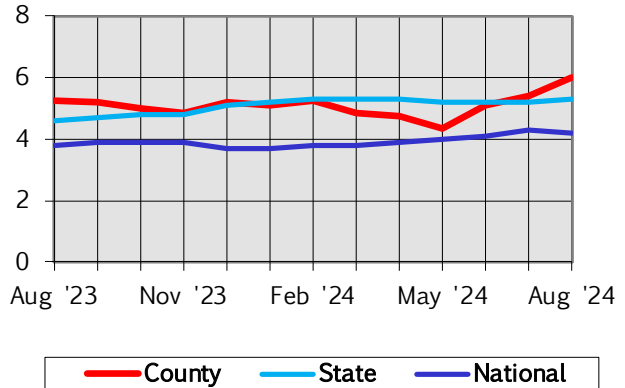
The seasonally adjusted unemployment rate in Humboldt County increased from 5.4 percent to 6.0 percent. The seasonally adjusted unemployment rate in California rose from 5.2 to 5.3 percent. The national unemployment rate decreased from 4.3 to 4.2 percent.

The Employment Development Department of California indicated that in August Humboldt County's estimate of total employment rose by 100 individuals to a total of 55,900. Humboldt County's total unemployment increased from 3,300 individuals in July to an estimated 3,400 individuals in August.

In the Labor Department's August report, total nonfarm payroll employment rose by 142,000. National employment in construction by 34,000, health care added 31,000 positions, social assistance employment by 13,000, and manufacturing employment dipped by 24,000.

Employment showed little change over the month in other major industries, including mining, quarrying, and oil and gas extraction; wholesale trade; retail trade; transportation and warehousing; information; financial activities; professional and business services; leisure and hospitality; other services; and government.

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 decreased in August to a new value of 87.7 from 92.0. This month's index value represents a 6.4-point increase from this time last year. The 4-month moving average fell 0.6 points to a current value of 91.9

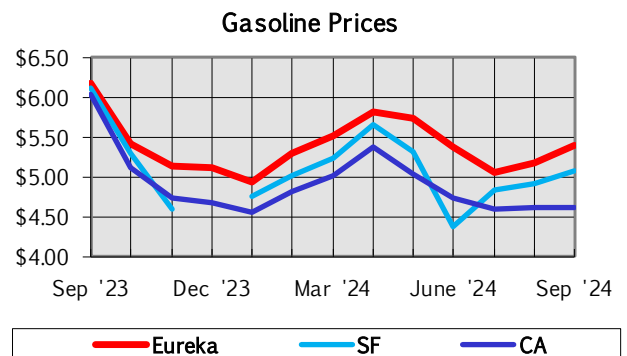
Gasoline Prices

California gas prices remained at \$4.61. Northern California's average rose from \$4.91 to \$5.07. Eureka's average gas price per gallon decreased from \$5.17 to \$5.39.

Many events have shaped global crude oil prices, namely US natural disasters and international conflicts involving Middle Eastern states. American oil prices climbed 3% after confirmed attacks from Iran; experts predict a 10-15 cent surge in pump prices to follow in the near future. Despite an American embargo on Iranian oil, the nation still controls tanker passage through the Strait of Hormuz, seriously impacting the supply flow entering the United States. Experts are considering what another US-surge in oil manufacturing, similar to that seen in 2022, would do for supply shocks as conflicts progress in the East.

Gas Prices		
Prices as of 9/1/2024	Average price*	Change from previous month
Eureka	\$5.39	+\$0.22
Northern California	\$5.07	+\$0.16
California	\$4.61	+\$0.00

* 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 employment remained at 2,100 individuals for the 18th month, according to the Employment Development Department.

The Institute for Supply Management reports that in September economic activity in the manufacturing sector expanded, while the overall economy grew for the 100th 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 August is 47.2, unchanging from July.

The five manufacturing industries reporting growth are: Petroleum & Coal Products; Food, Beverage & Tobacco Products; Textile Mills; Furniture & Related Products; and Miscellaneous Manufacturing. The 13 industries reporting contraction in September — in the following order — are: Printing & Related Support Activities; Plastics & Rubber Products; Wood Products; Apparel, Leather & Allied Products; Primary Metals; Transportation Equipment; Nonmetallic Mineral Products; Electrical Equipment, Appliances & Components; Paper Products; Machinery; Chemical Products; Fabricated Metal Products; and Computer & Electronic Products.

The New Export Orders Index for August is 48.6 percent, indicating a decrease over July's index. This is the 4th 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 two industries reporting growth in new export orders are: Fabricated Metal Products; and Food, Beverage & Tobacco Products. The nine industries reporting a decrease in new export orders in September — in the following order — are: Wood Products; Printing & Related Support Activities; Paper Products; Plastics & Rubber Products; Transportation Equipment; Primary Metals; Miscellaneous Manufacturing; Machinery; and Electrical Equipment, Appliances & Components.

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, 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 August, the energy index fell to a seasonally adjusted value of 80.9, 7.5 points lower than the previous month's value. This value is 12.4 points less than the index 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 is reporting at a value of 170.0 for August, an increase of 13.0 points from the value of 154.4 in July. The most recent value is 12.3 points lower than August 2023. The 4-month moving average is down by 1.9 points with a new value of 83.8.

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 increased in August by 1.4 points to a current index value of 103.3. The Expectations Index increased 1.4 points to a new value of 82.5, and the Present Situation Index increased from 133.1 to 134.4.

Dana M. Peterson, Chief Economist at The Conference Board, says that "Overall consumer confidence rose in August but remained within the narrow range that has prevailed over the past two years. Consumers continued to express mixed feelings in August. Compared to July, they were more positive about business conditions, both current and future, but also more concerned about the labor market. Consumers' assessments of the current labor situation, while still positive, continued to weaken, and assessments of the labor market going forward were more pessimistic. This likely reflects the recent increase in unemployment. Consumers were also a bit less positive about future income.

"Consumers were likely rattled by the financial market turmoil in early August, as they were less upbeat about the stock market."

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

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■ ■ ■ *realize human potential*

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Layout & Design: Matt Hawk

Contact Info: Erick Eschker can be contacted at ee3@humboldt.edu

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