

COVID and the Humboldt County Economy through Fall '21

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Humboldt Economic Index

Covid Economic Recovery Consortium
Presentation

September 29, 2021

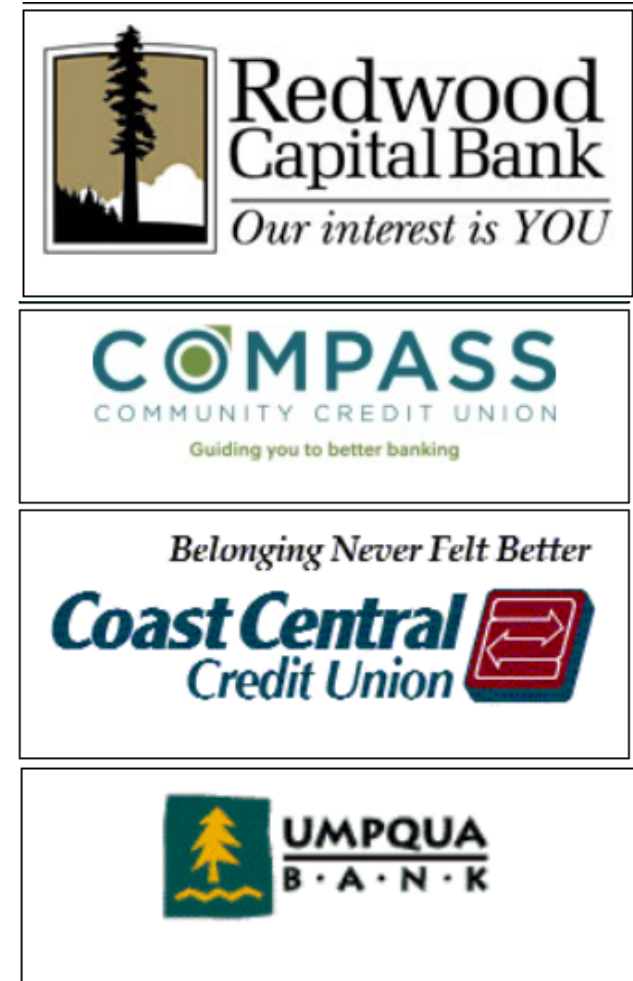
econindex.humboldt.edu

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



July 2021 Edition of the Index

Composite & Sectors					
		Percent change from			
Index	Value ^{***}	Last Month	One Year ago ^{****}	Five Years ago ^{****}	Ten Years ago ^{****}
Composite	103.5	-0.4	9.4	-2.6	3.0
Home Sales	157.7	13.9	37.8	28.6	71.9
Retail Sales	140.9	-1.6	-4.6	-11.9	-5.1
Hospitality	102.0	0.0	39.4	11.0	21.7
Electricity	107.2	-2.5	4.6	-10.7	-20.9
Employment	102.6	-0.2	5.8	-5.1	4.1
Lumber*	26.3	0.0	0.0	0.0	-28.1
Manufacturing**	100.0	4.6	-10.1	-	-

* 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.

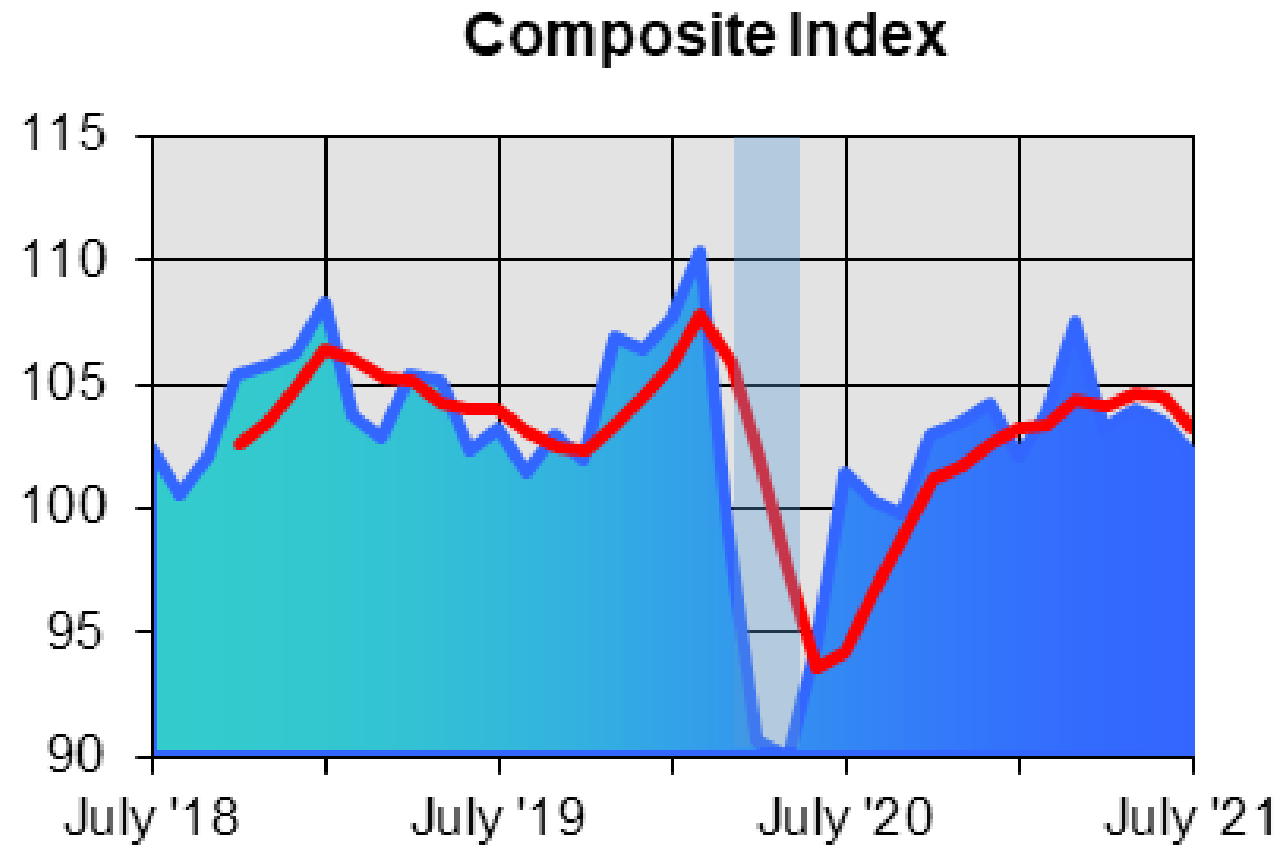
COVID Timeline

- 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)

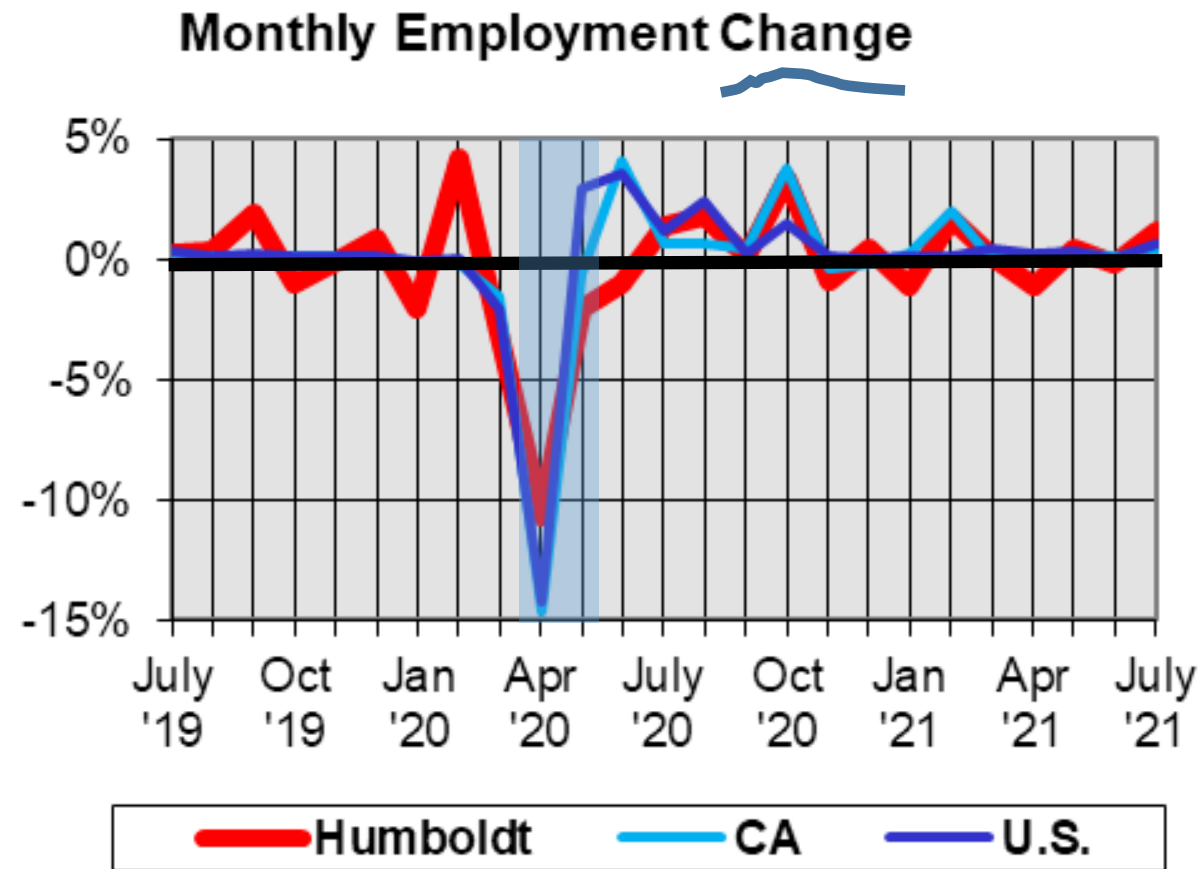
COVID Timeline

- March 19, 2020 State -Wide Shelter-in -Place order issued by the Governor
 - Only essential businesses are allowed to remain open
- May 8th Some businesses in Humboldt County begin to reopen
- ***We expect to see the BIGGEST IMPACT of Covid at end of March through beginning of May, 2020 (centered in the month of April)***
- May 28th - June 4th, 2020 More businesses open
- Restrictions on the size of gatherings (especially indoor) continue today

Humboldt County overall economic activity has almost rebounded

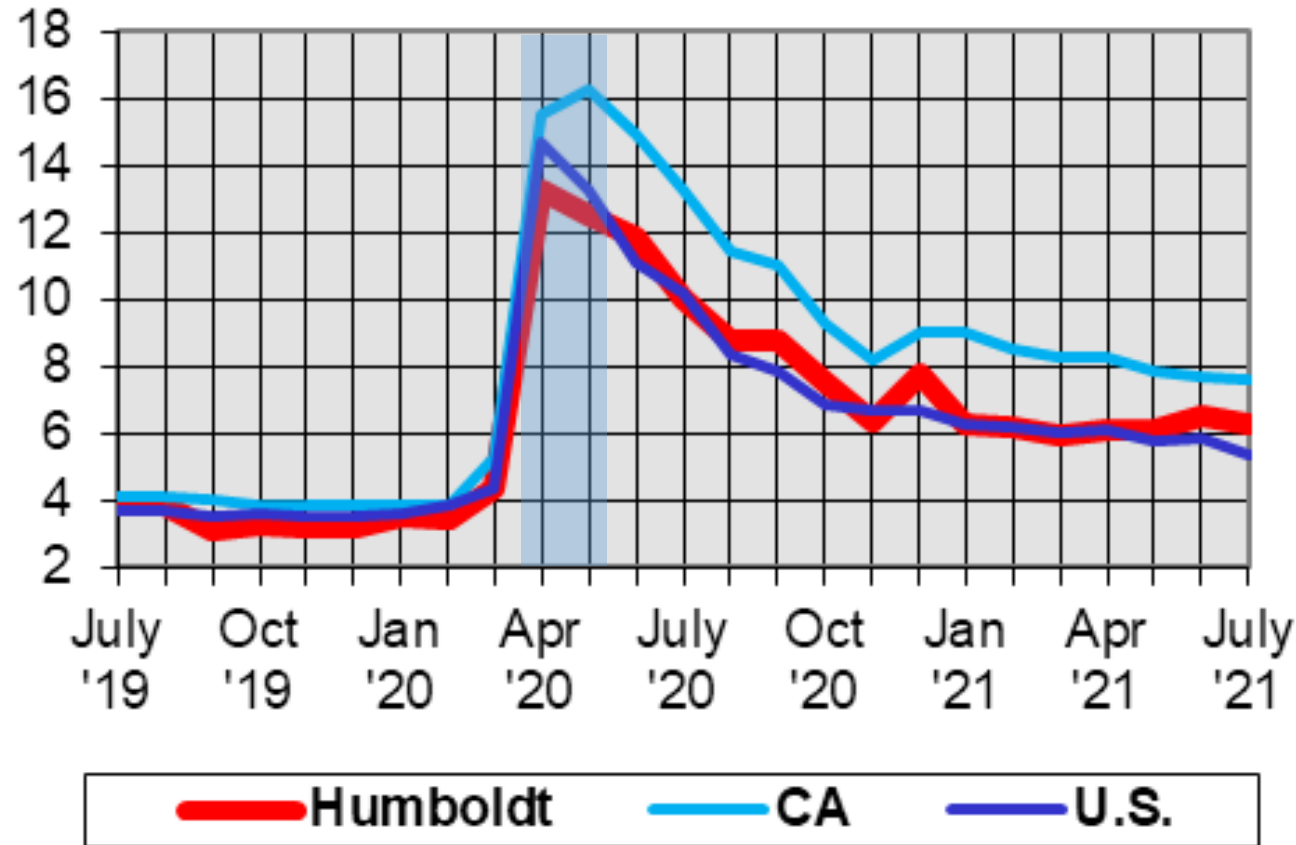


Shelter in place impacts on employment similar



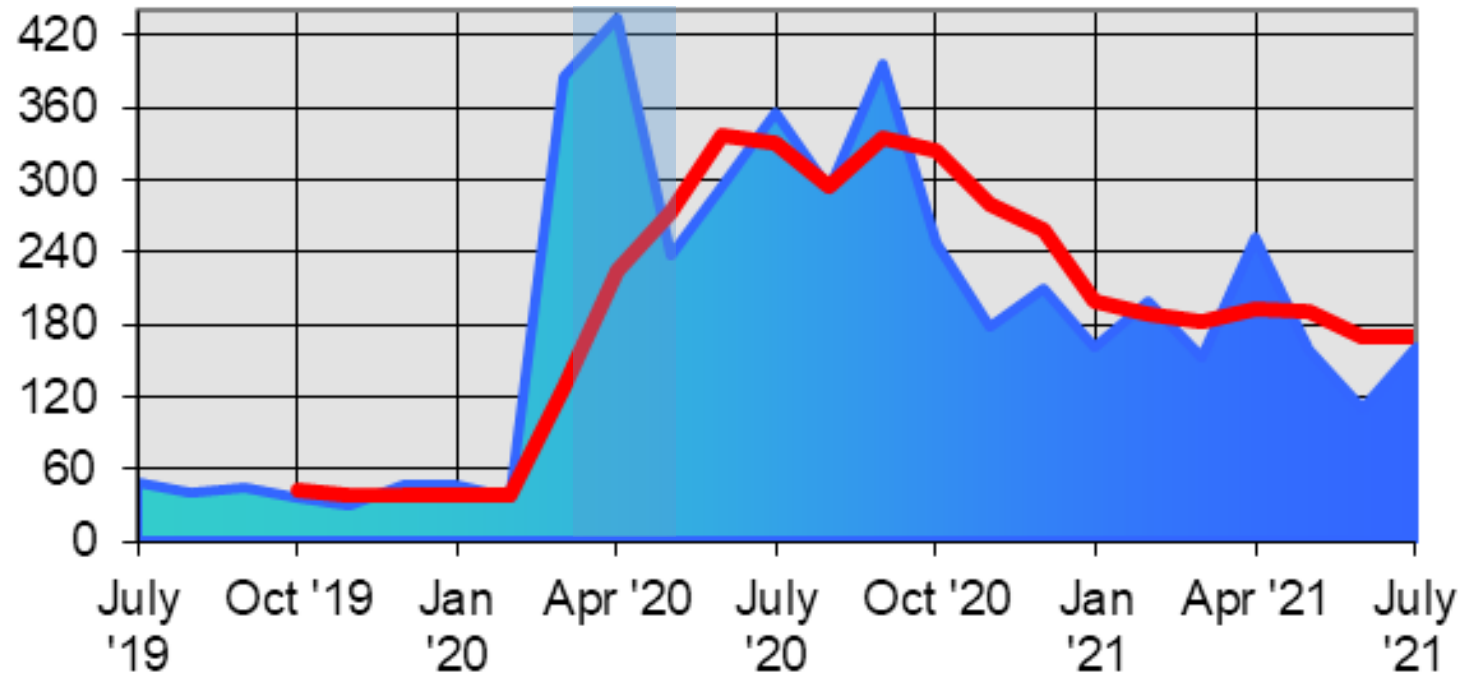
Unemployment rate fell quickly, but has persisted
3 points above pre-Covid levels

Unemployment Percentage Rates



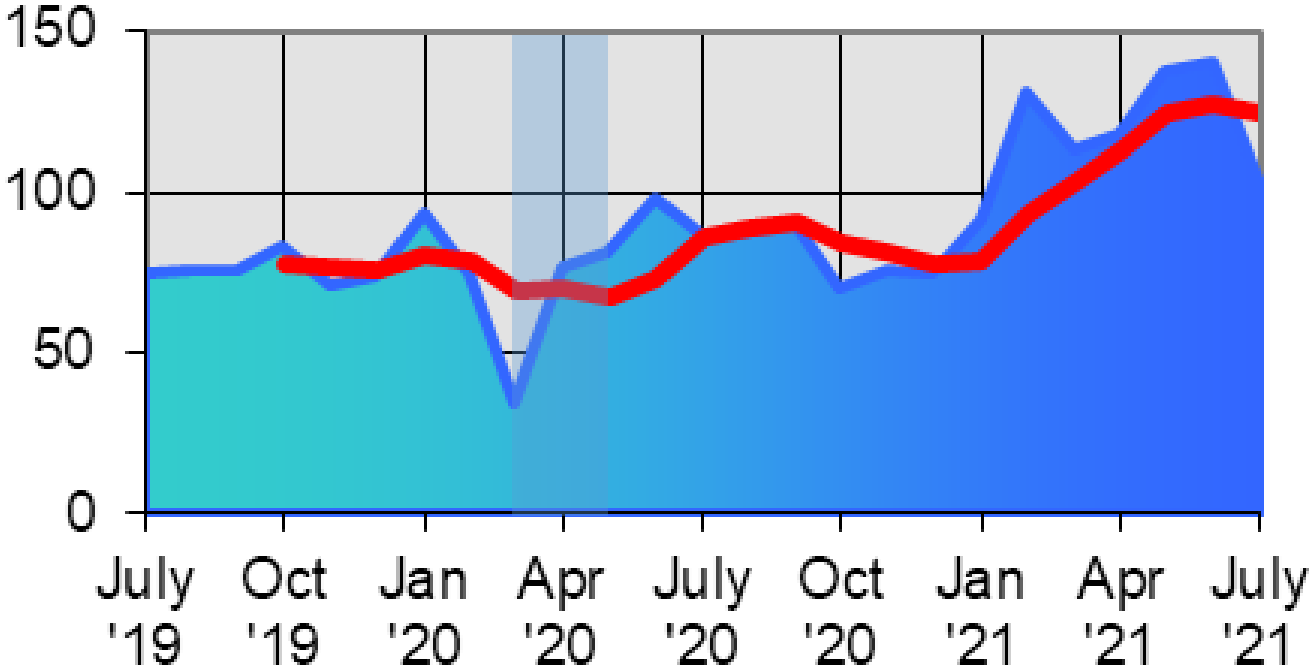
Initial claims for unemployment insurance remain high

Index of New Claims for Unemployment Insurance



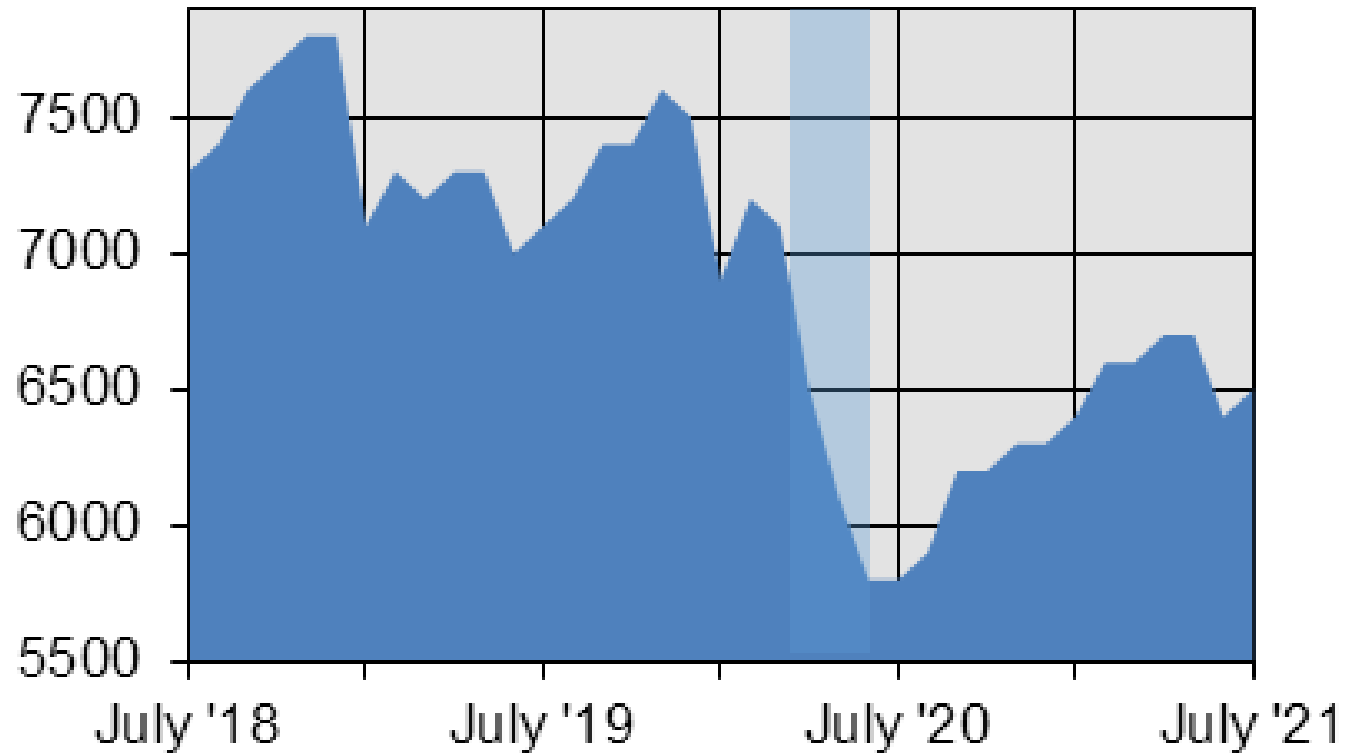
Only one month when Help Wanted Ads fell,
and they have grown since

Index of Help Wanted Advertising



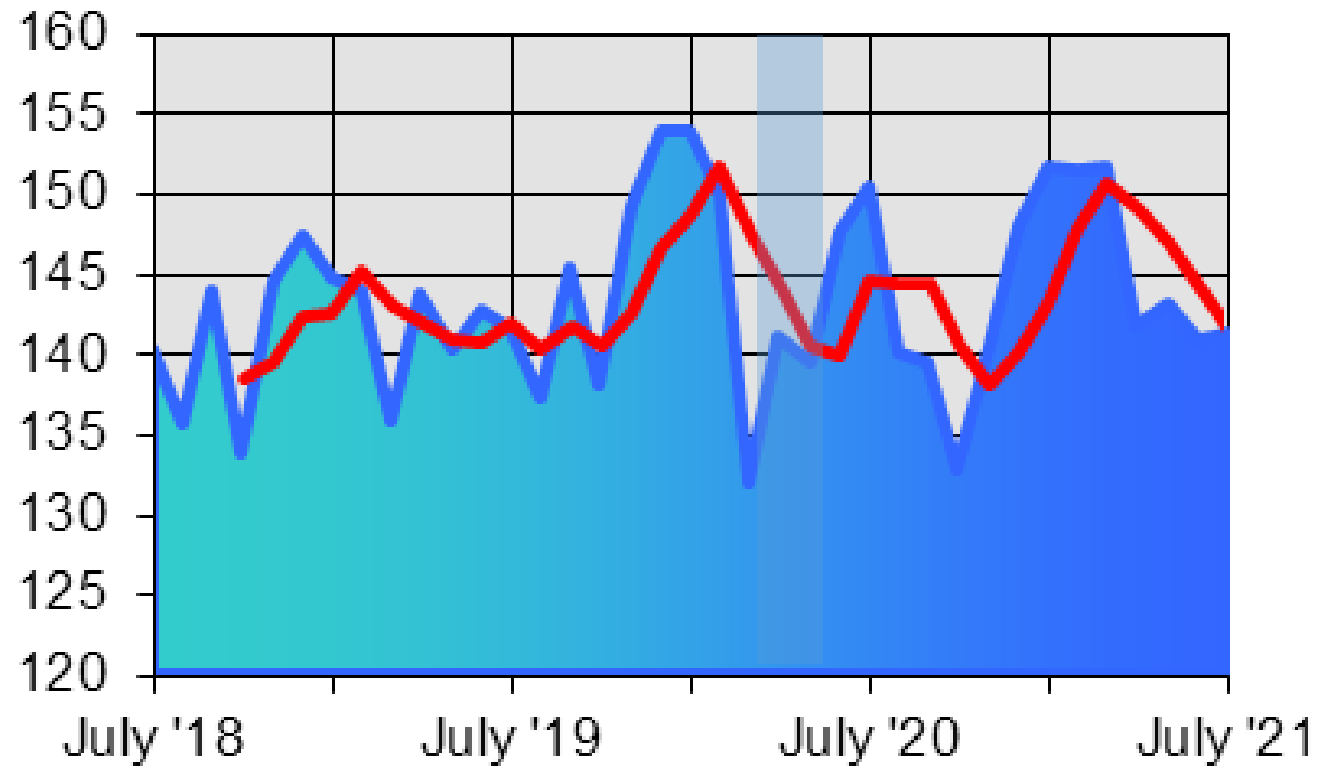
Retail Employment has not recovered

Retail Employment

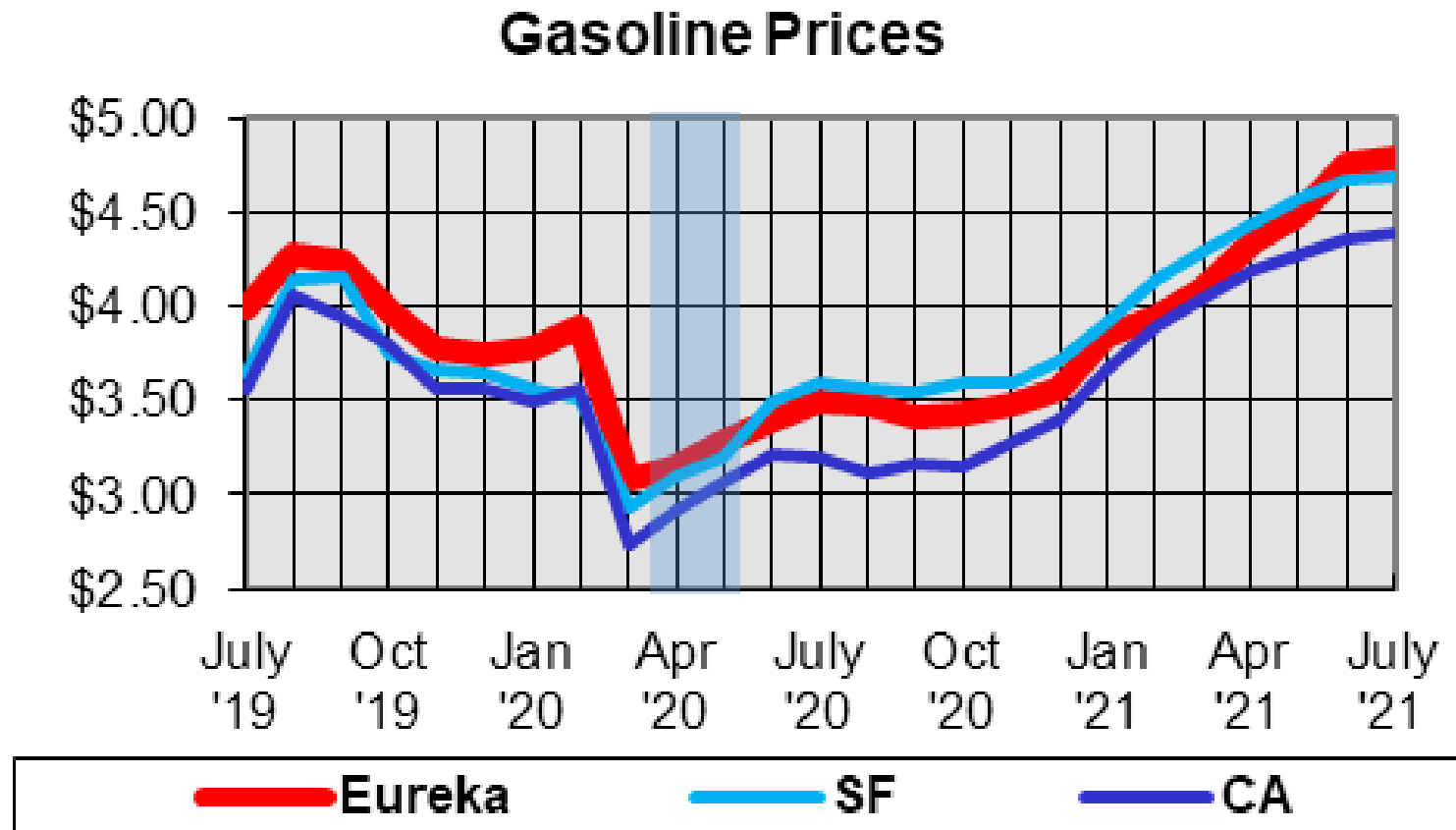


But Retail Sales have

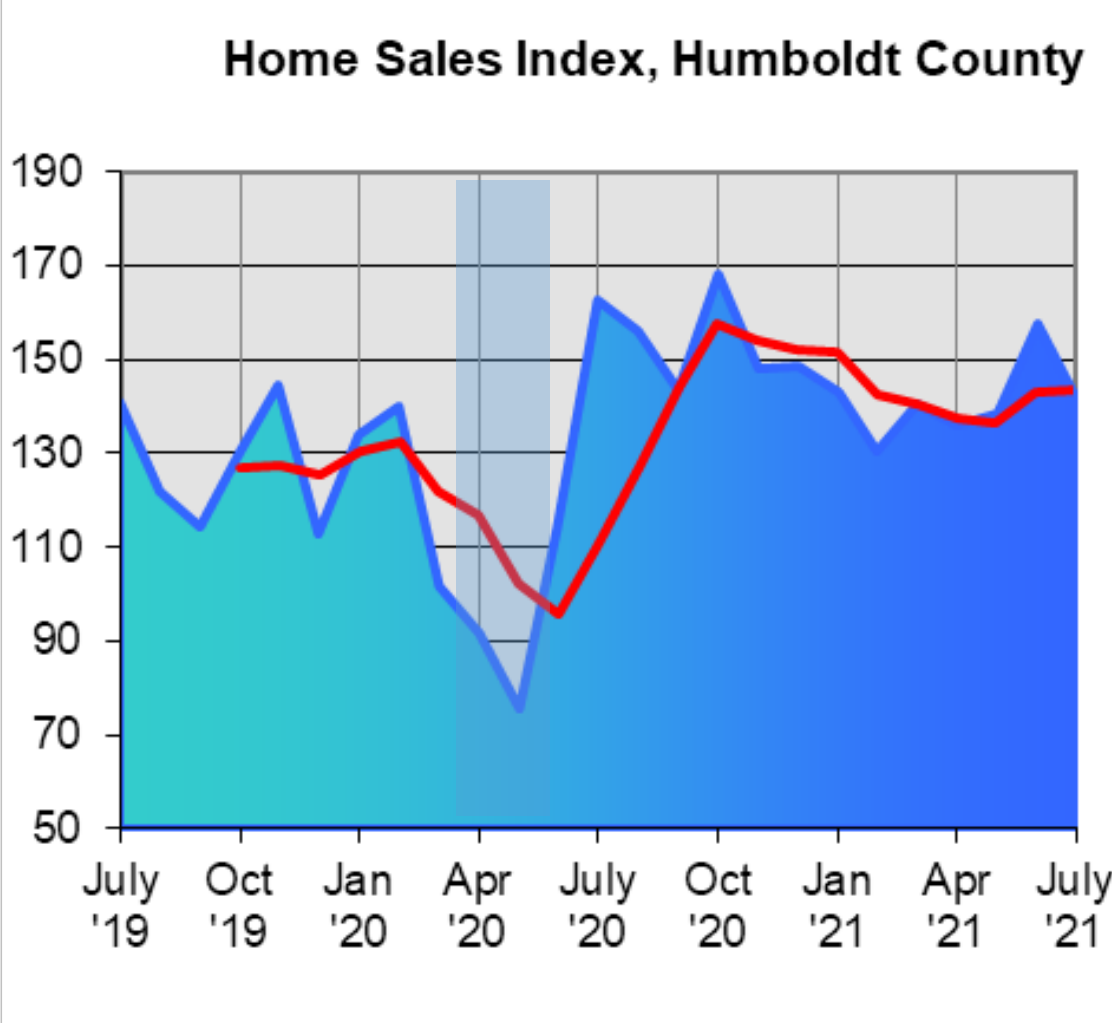
Retail Index



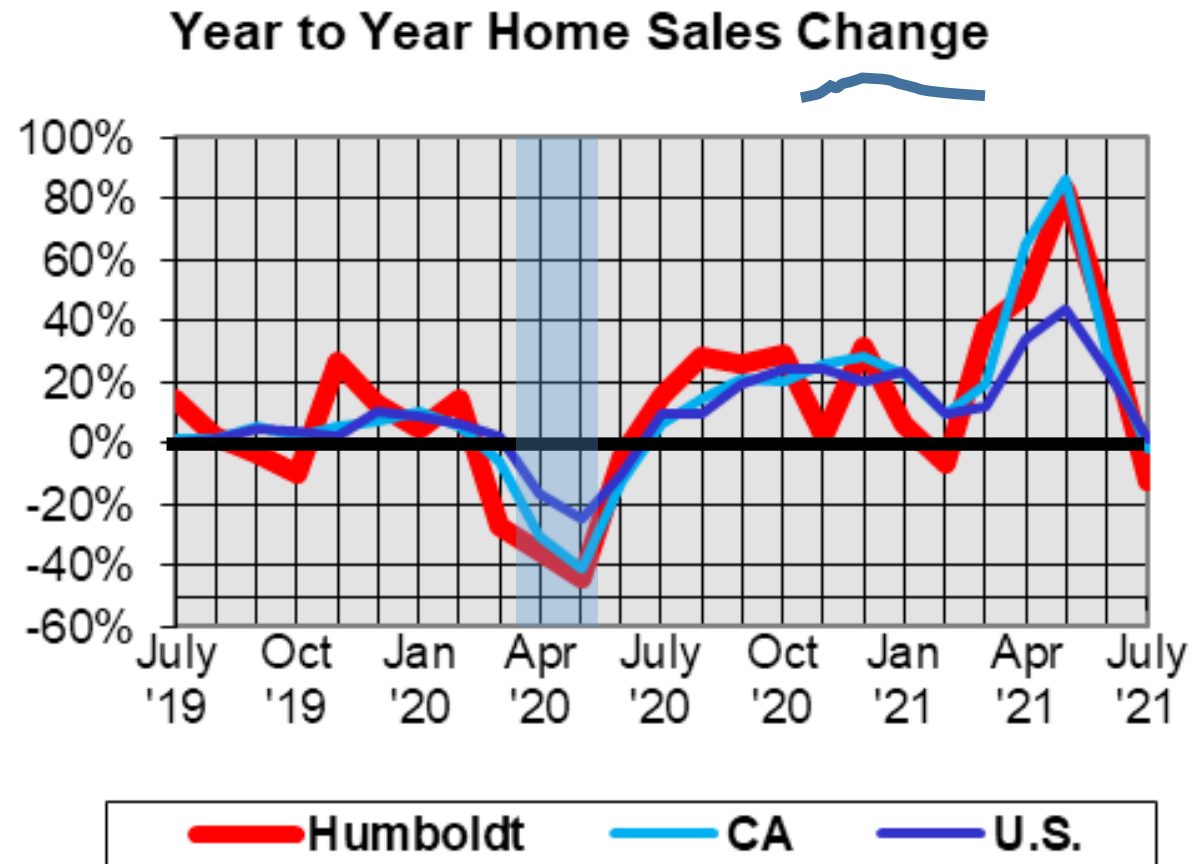
For the first time ever, Humboldt gas prices below SF for an entire year



Home Sales are at historic highs

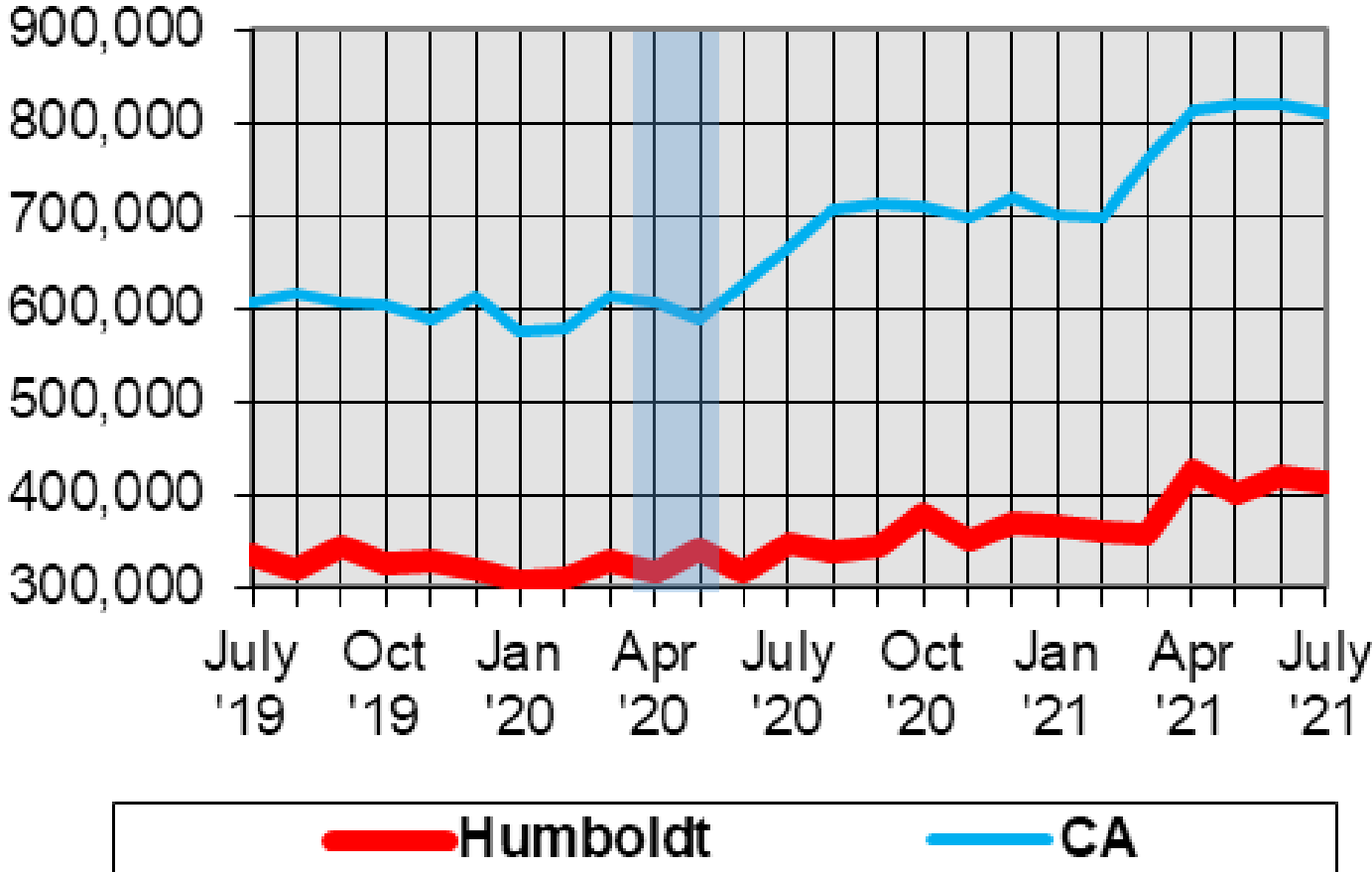


California and US Home Sales are also surging



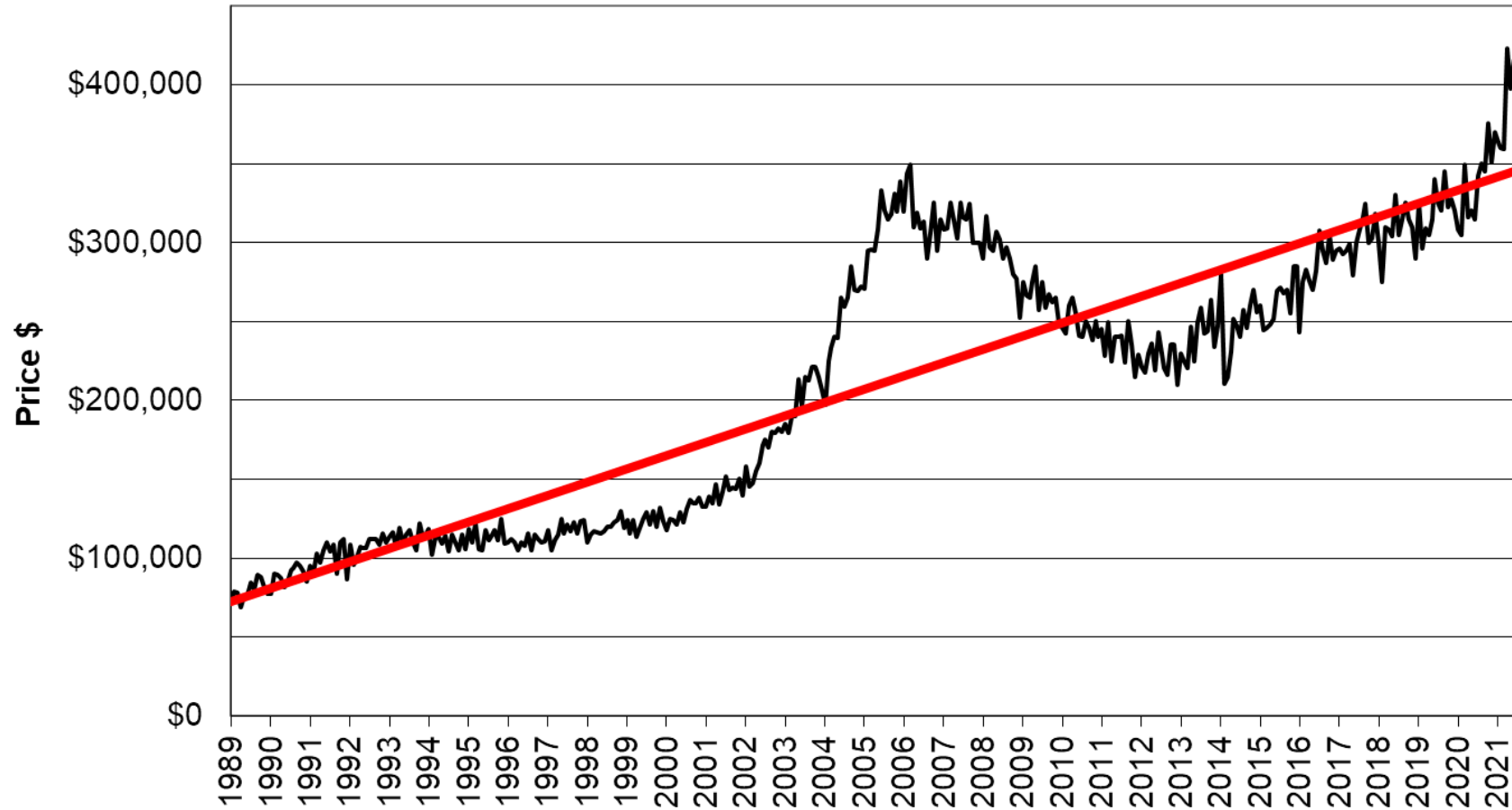
Home Prices are rising

Median Home Prices



Home Prices are rising above trend just since April

Humboldt County Median Price of Houses Sold

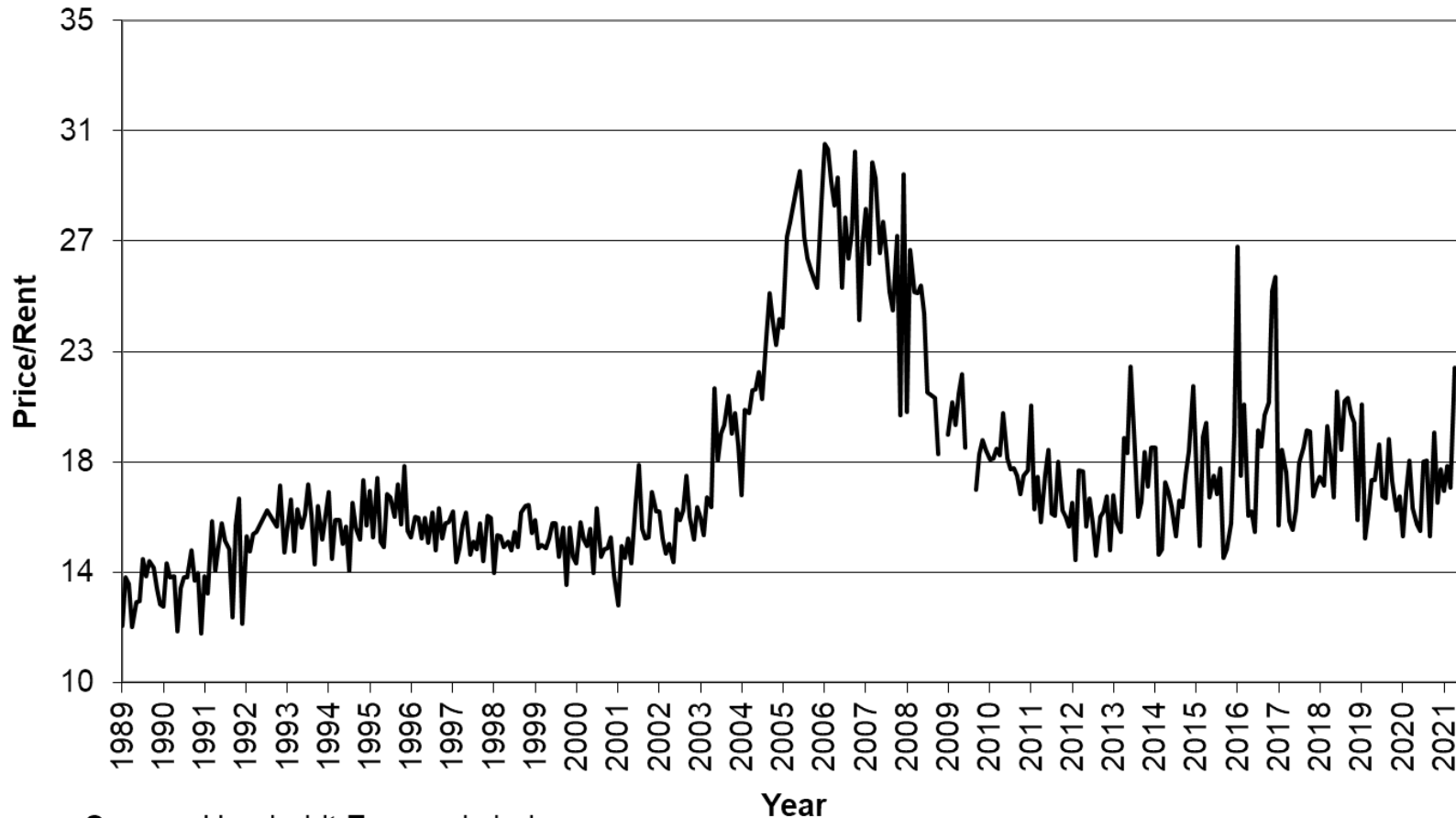


Source: Humboldt Economic Index

Year

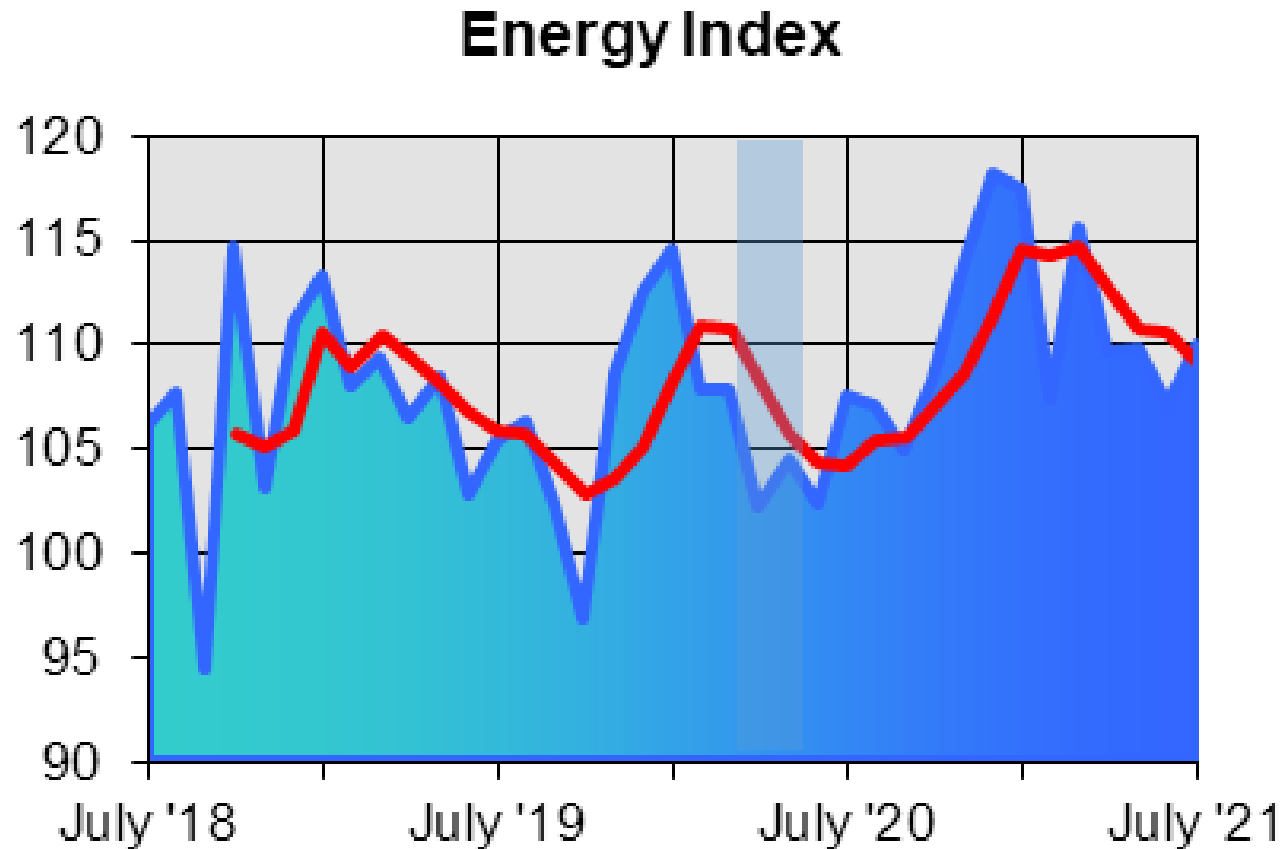
Price to rent ratio stays low

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

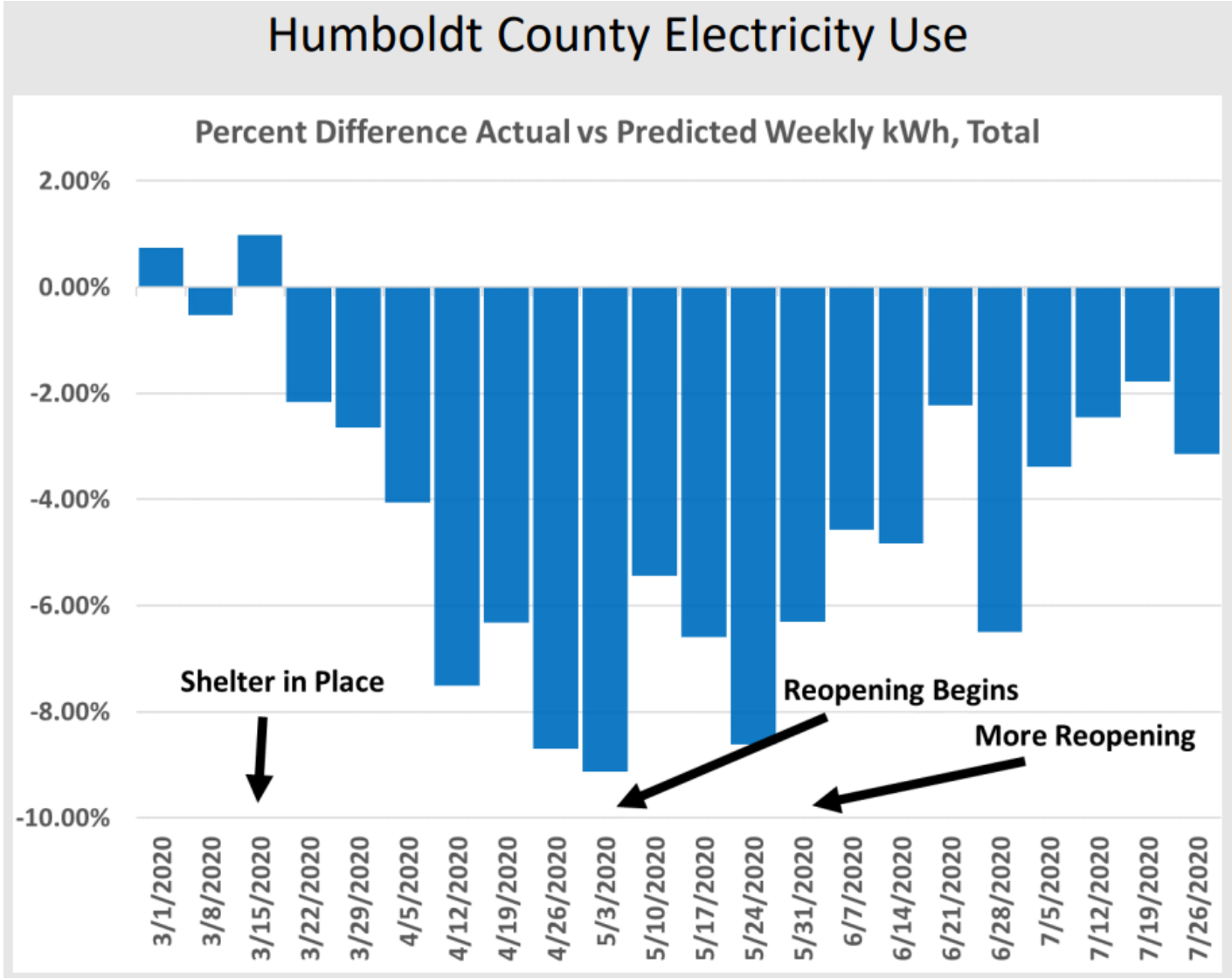


Source: Humboldt Economic Index

No lasting impact on electricity



If we take into account weather then we see a 9 percent drop in actual electricity use



Where is the economy headed?

- What will the Federal and State Government do?
 - Will the Fed keep short term interest rates low, and will inflation continue rising?
 - Will unemployment benefits return to normal and will people go back to work?
 - What will shelter in place and other Covid mandates look like?

We need more data providers!

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

