

Humboldt Economic Index

November 2024

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The Humboldt Economic Index is produced by the Economics Department at Cal Poly Humboldt 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.

National Gas Prices Continues Slow Fall- Markets Follow

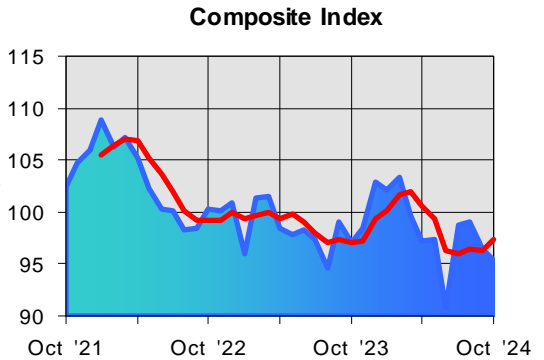
The Composite Index decreased 1.1 points from last month's value of 96.4 to the current value of 95.3. The Composite is also down 1.7 points from this time last year. Hospitality, Retail, Home and Employment Indices have all fallen this month, while Energy increased in October.

The Index of Home Sales fell 2.4 points this month and is 10.6 points higher than this time last year, though median home prices in Humboldt County rose from \$426,000 to \$435,000 over the past month. Mortgage rates climbed recently; the average 30-year fixed-rate mortgage is now 6.72 percent and the average 15-year fixed-rate mortgage is 5.99 percent.

Leading indicators are mixed with building permits up and help wanted down.

Humboldt County's unemployment rate dropped 0.1 points to 5.4 percent, while California's rate climbed 0.1 points to 5.4 percent. The national seasonally adjusted unemployment rate remained at 4.1 percent for the second month.

Average gas prices continue their recent slide, seeing noticeable declines in most regions. Eureka's average gas



price is falling 5 cents to a new price of \$5.04. Northern California saw a 21 cent decline in average gas prices and now stands at \$4.69, while the state average dropped 15 cents to \$4.37.

Composite & Sectors

Index	Value***	Percent change from			
		Last Month	One Year ago****	Five Years ago****	Ten Years ago****
Composite	95.3	-1.1	-1.7	-7.7	-7.6
Home Sales	101.9	-2.4	10.6	-21.7	-15.3
Retail Sales	140.8	-3.7	2.9	-6.0	-11.2
Hospitality	84.6	-1.1	-12.9	-1.5	-16.7
Electricity	82.2	2.2	-12.5	-15.2	-29.8
Employment	105.9	2.7	-0.2	-6.6	7.3
Lumber*	26.3				
Manufacturing**	146.4				

* 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

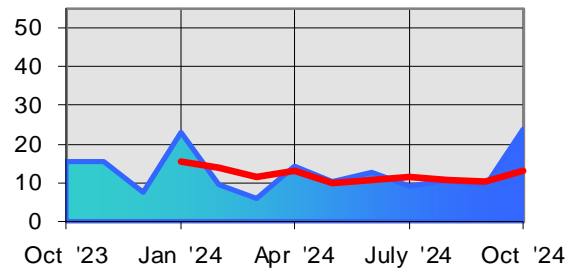
The Index tracks four leading indicators to get a sense of the direction that the county economy may take in the near future. The leading indexes are (1) unfilled orders for manufactured goods, (2) number of initial claims for unemployment insurance, (3) building permits, and (4) help wanted advertising.

Leading Indicators		
Unemployment Claims	Building Permits	Help Wanted Advertising
N/A	157.5%	-11.3%
* Change from prior month. All values are seasonally adjusted.		

Key Statistics			
Median Home Price*	Monthly Rent**	Mortgage Rate†	Unemployment Rate‡
\$435,000	\$2,203	7.00%	5.4%
<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 increased 157.5 points to an index value of 23.7, up from last month's value of 9.2. The 4-month moving average is now at 10.4, 26.9 points above last month's value of 13.2.

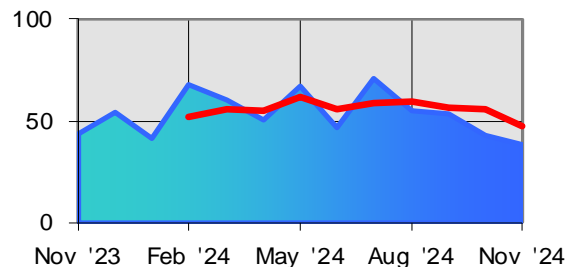
Index of Building Permits Issued



Unemployment Claims are not available this month.

Help Wanted Advertising lowered to a value of 38.4, a decrease of 11.3 points from last month's value. Year-to-year, the index has fallen 12.6 points. The 4-month moving average also fell – down 8.3 points from last month's value of 45.4 – to a value of 41.7.

Index of Help Wanted Advertising



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.

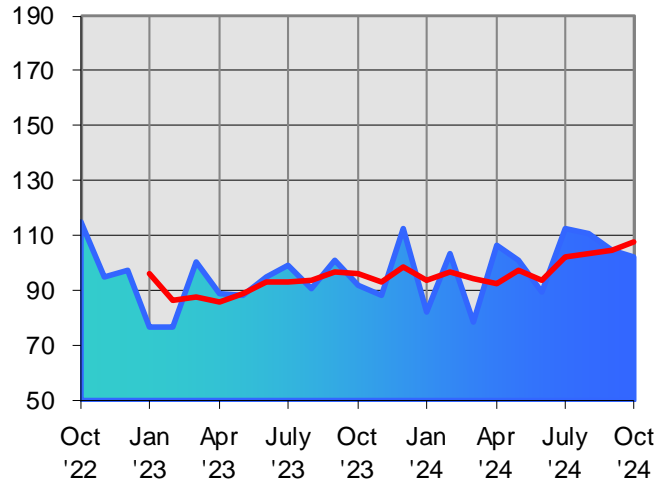
The Humboldt County Home Sales Index decreased 2.4 points to a value of 101.9, which is also 10.6 points higher than this time last year. However, the county’s median home price for the past month rose to a value of \$435,000, \$19,000 higher than last month’s median. The county’s median home price was the same this month last year.

The S&P Case-Shiller Home Price Indices note a “general decrease” in their most recent report. The 10-City and 20-City Composite reported growths of 5.2 and 4.6 percent, respectively, over the 12-month period, and the monthly National Index saw a 3.9 percent increase over the same period. Over the month of October, the National Index rose 0.3 percent, with the 10 and 20-city composites rising 0.2 and 0.1 percent that month, respectively. When measured against the June/July 2006 peaks, both Composites have seen an approximate peak-to-current decline of 16-17 percent.

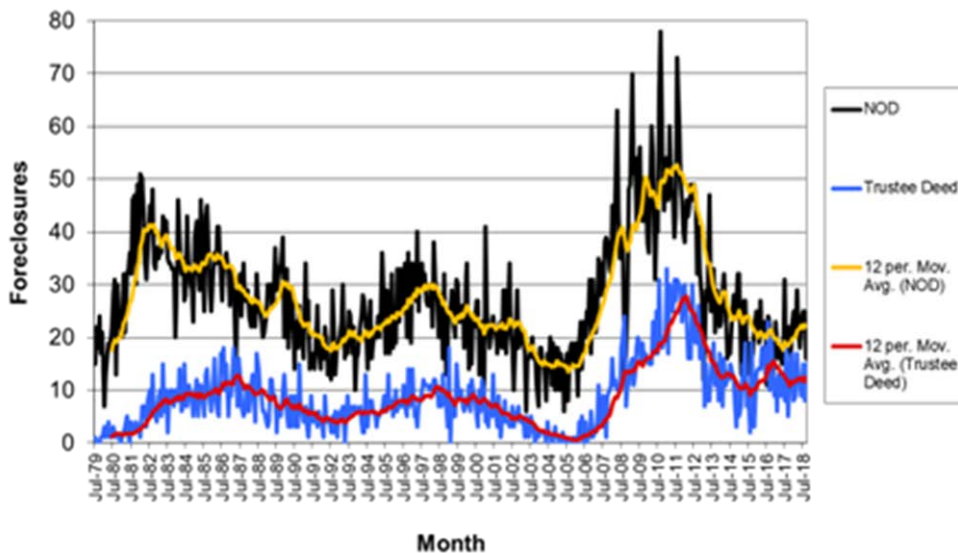
“Home price growth stalled in the third quarter, after a steady start to 2024,” says Brian D. Luke, CFA, Head of Commodities, Real & Digital Assets. “The slight downtick could be attributed to technical factors as the seasonally adjusted figures boasted a 16th consecutive all-time high.

Mortgage rates increased this month. According to Freddie Mac, the average 30-year fixed-rate mortgage is now 6.72 percent and the average 15-year fixed-rate mortgage is 5.99 percent for the week ending October 31. The rates for a 30-year and 15-year fixed mortgage last year at this time were 7.76 and 7.03 respectively.

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.

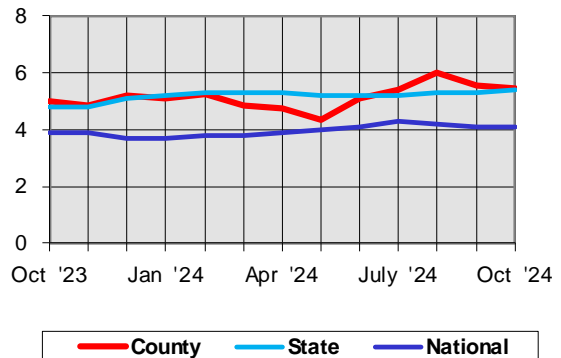
Humboldt County’s unemployment rate dropped 0.1 points to 5.4 percent, while California’s rate climbed 0.1 points to 5.4 percent. The national seasonally adjusted unemployment rate remained at 4.1 percent for the second month.

The Employment Development Department of California indicated in its October statistics that Humboldt County’s labor force increased by 200 individuals to a total of 61,400. Countywide, the seasonally adjusted employment totals increase by 200 to a total of 58,400 employed individuals, with the unemployment rate at a seasonally adjusted 4.8 percent.

The Labor Department’s October statistics state that national employment did not change in October and the unemployment rate fell to 4.1 percent. National employment in healthcare grew

by 52,000, manufacturing employment rose by 46,000, government added 40,000 jobs, and construction gained 8,000 positions. Employment showed little or no 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; leisure and hospitality; and other services.

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.

Hospitality fell 1.1 points this month to a current value of 84.6. October’s index value also represents a 12.9 point decrease over this time last year. The 4-month moving average is also up 1.2 points over last month with a current value of 97.3.

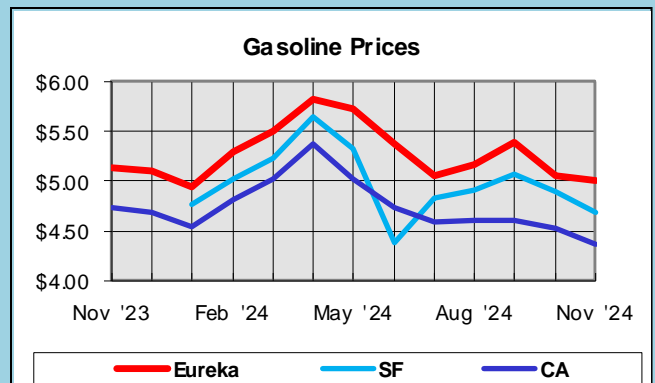
Gasoline Prices

California’s gas prices dropped another 15 cents to \$4.37 in October, the lowest price this year. Northern California prices fell 21 cents to \$4.69. Eureka gas prices fell 5 cents in October \$5.01.

As of December 5th, the national gas average is inching closer to the \$3 mark. This downward trend has been slow but steady, only changing a couple cents since September. Last week, the demand for gasoline increased marginally from 8.50 million barrels per day to 8.73. While gasoline production fell last week to an average of 9.5 million barrels per day, total domestic gasoline stocks increased marginally from 212.2 million barrels to 214.6. The national average price for a gallon of gas is \$3.03 today, which is 19 cents less than it was a year ago and seven cents less than it was a month ago.

Gas Prices		
Prices as of 12/ 1/ 2024	Average price*	Change from previous month
Eureka	\$5.01	-\$0.05
Northern California	\$4.69	-\$0.21
California	\$4.37	-\$0.15

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



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.

Overall manufacturing employment contracted for the seventh month according to the development department.

The Institute for Supply Management reported that October saw economic activity in the manufacturing sector contract for the seventh consecutive month. The PMI registered at 46.5 percent, a decrease of 0.7 percentage points from September's 47.2 percent. The five manufacturing industries reporting growth in October are: Apparel, Leather & Allied Products; Food, Beverage & Tobacco Products; Petroleum & Coal Products; Computer & Electronic Products; and Miscellaneous Manufacturing. The 11 industries reporting contraction in October — in the following order — are: Textile Mills; Printing & Related Support Activities; Transportation Equipment; Chemical Products; Electrical Equipment, Appliances & Components; Machinery; Primary Metals; Nonmetallic Mineral Products; Plastics & Rubber Products; Fabricated Metal Products; and Paper Products. New export orders were up 0.2 points in October, for a new index value of 45.5 percent and recorded the fifth consecutive month of contraction for exports. The only industry reporting growth in new export orders in October is Food, Beverage & Tobacco Products. The nine industries reporting a decrease in new export orders in October — in the following order — are: Paper Products; Plastics & Rubber Products; Electrical Equipment, Appliances & Components; Computer & Electronic Products; Primary Metals; Fabricated Metal Products; Chemical Products; Transportation Equipment; and Machinery. Seven industries reported no change in exports in October.

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 October, the Electricity Index rose 2.2 percent to a new value of 82.2. The current value is 12.5 percent lower than the value for 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 dropped 3.7 points to a current value of 140.8, a 2.9-point increase when compared to this time last year. The 4-month moving average for this index also rose 5.8 points to a current value of 151.8.

On the national scale, Consumer Confidence declined in October, up 10.5 points for a current index value of 109.7. The Expectations Index increased by 6.3 points to 89.1, while the Present Situation increased by 14.2 points to 138.0. "Consumer confidence recorded the strongest monthly gain since March 2021, but still did not break free of the narrow range that has prevailed over the past two years," said Dana M. Peterson, Chief Economist at The Conference Board. "In October's reading, all five components of the Index improved. Consumers' assessments of current business conditions turned positive. Views on the current availability of jobs rebounded after several months of weakness, potentially reflecting better labor market data."

Lumber Manufacturing

The Index value of this sector is based on a combination of payroll employment and board feet of lumber production at major county lumber companies and is adjusted to account for normal seasonal variations. Lumber-based manufacturing generates about 55 percent of total county manufacturing employment.

The lumber manufacturing index rose 0.6 points to a value of 38.1 in August. The index is also up 4.8 points from this time last year, and the 4-month moving average increased 0.3 points to a current value of 35.7.

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.

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The Conference Board - Employment Development Department (CA)
Freddie Mac - Humboldt Association of Realtors
Institute for Supply Management – AAA Fuel Prices

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<https://www.humboldt.edu/economic-index>

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