

Humboldt Economic Index

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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.

February 2025

Home Sales Decline Sharply and Gas Prices Spike

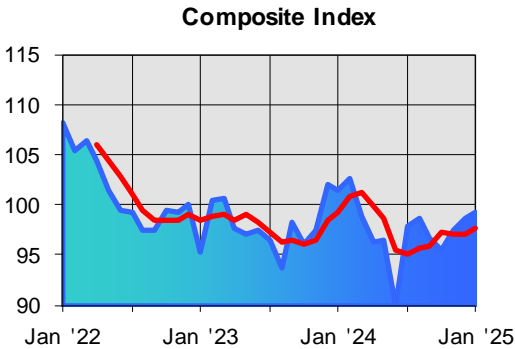
This month we say goodbye to Nick, who has been the Index Assistant Editor for three years. He did a great job writing, even while studying abroad! We wish Nick the best and know that he will do great things after graduation!

The Composite Index increased 0.6 percent from last month's value of 98.6 to the current value of 99.2. The Composite is also down 2.1 percent from this time last year. Retail, Hospitality, and Energy are all up this month, while Home Sales saw declines in January.

The Index of Home Sales fell 31.3 percent this month and is 8.9 percent lower than this time last year. Median home prices in Humboldt County have dropped from \$428,675 to \$402,500 over the past month. Mortgage rates fallen recently, with the average 30-year fixed rate mortgage at 6.76 percent and the average 15-year fixed rate mortgage at 5.94 percent.

Leading indicators are mixed. Unemployment Claims and Building Permits are down while Help Wanted Advertising are up.

The unemployment rates are constant across the board. Humboldt



County's rate remained unchanged at 5.0 percent, while California's rate remained unchanged at 5.5percent. The national seasonally adjusted unemployment rate also remained unchanged at 4.1 percent.

Average gas prices have significantly increased, seeing steep inclines in most regions. Eureka's average gas price saw a 58-cent rise to a new price of \$5.48.

Composite & Sectors					
		Percent change from			
Index	Value***	Last Month	One Year ago****	Five Years ago****	Ten Years ago****
Composite	99.2	0.6	-2.1	-7.8	-9.1
Home Sales	75.0	-31.3	-8.9	-44.0	-21.5
Retail Sales	157.8	8.5	-1.2	-10.3	-13.6
Hospitality	99.4	8.3	-6.8	22.8	1.7
Electricity	95.1	0.5	-6.0	-17.1	-25.4
Employment	106.5	0.0	1.0	-3.9	-2.6
Lumber*	19.6				
Manufacturing**	120.0				
* 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

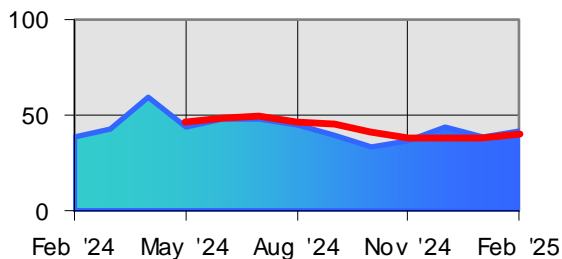
The Index tracks four leading indicators to get a sense of the direction that the county economy may take in the near future. The leading indexes are (1) number of initial claims for unemployment insurance, (2) building permits, and (3) help wanted advertising.

Leading Indicators		
Unemployment Claims	Building Permits	Help Wanted Advertising
8.3%	-47.4%	-1.6%
* Change from prior month. All values are seasonally adjusted.		

Key Statistics			
Median Home Price*	Monthly Rent**	Mortgage Rate†	Unemployment Rate‡
\$402,500	\$2,133	6.75%	5.0%
<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 Craigslist.</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 dropped 11.2 percent over the month for a new Index value of 38.9. At this time last year, unemployment claims were at an index value of 46.6, 16.5 percent higher than present day. The 4-month moving average fell 0.2 percent to 38.2.

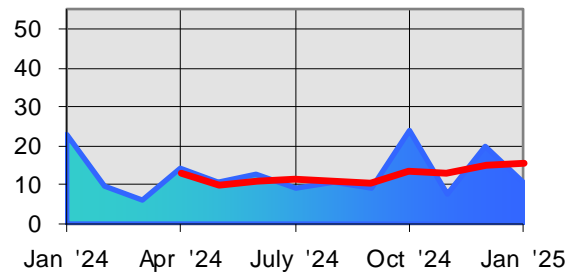
Index of Claims for Unemployment Insurance



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.

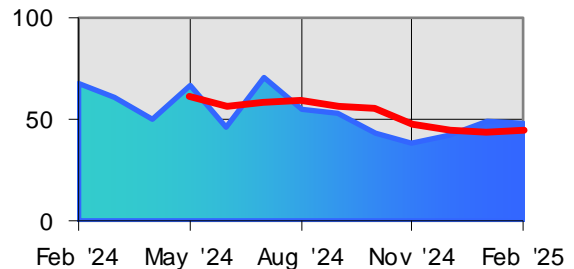
Building Permits declined 47.4 percent to an index value of 10.4, down from last month's value of 19.8. The 4-month moving average is now at 15.3, 0.3 percent above last month's value of 15.0.

Index of Building Permits Issued



Help Wanted Advertising rose to a value of 49.4, an increase of 16.8 percent from last month's value. Year-to-year, the index has risen 19.4 percent. The 4-month moving average also rose – up 1.4 percent from last month's value of 43.4 – to a value of 44.7s.

Index of Help Wanted Advertising



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 January decreased 34.1 percent to a value of 75.0, which is also 8.9 percent lower than this time last year. The county's median home price for the past month has fallen to a value of \$402,500, \$26,175 lower than last month's median. The county's median home price at this time last year was \$395,000.

The S&P Case-Shiller Home Price Indices note a "4.1 annual gain in January 2025" in their most recent report. The 10-City Composite saw an annual increase of 5.3%, up from a 5.2% annual increase in the previous month. The 20-City Composite posted a year-over-year increase of 4.7%, up from a 4.5% increase in the previous month. After seasonal adjustment, the 20-City and 10-City Composite Indices posted month-over-month increases of 0.5%. The U.S National posted a month-over-month increase of 0.6%.

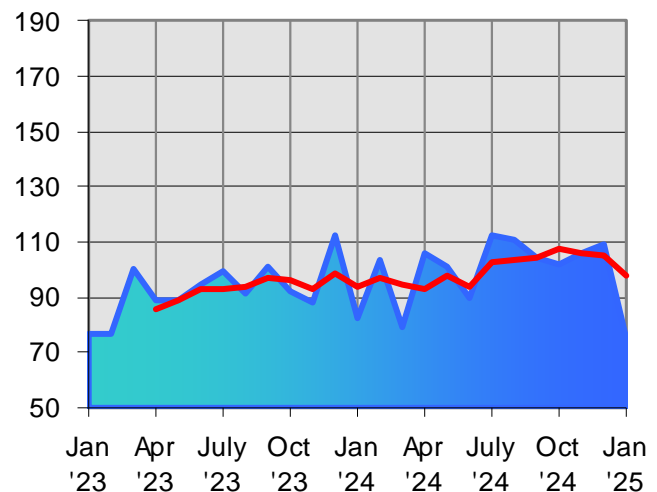
Nicholas Godec, CFA, CAIA, CIPM, Head of Fixed Income Tradables & Commodities at S&P Dow Jones Indices, notes, "Home price growth continued to moderate in January, reflecting a clear two-part story across the past year, the National Composite Index posted a 4.1% annual gain, with the bulk of appreciation—4.8%—occurring in the first half

of the year. Prices declined 0.7% in the second half, as high mortgage rates and affordability constraints weighed on buyer demand and market activity."

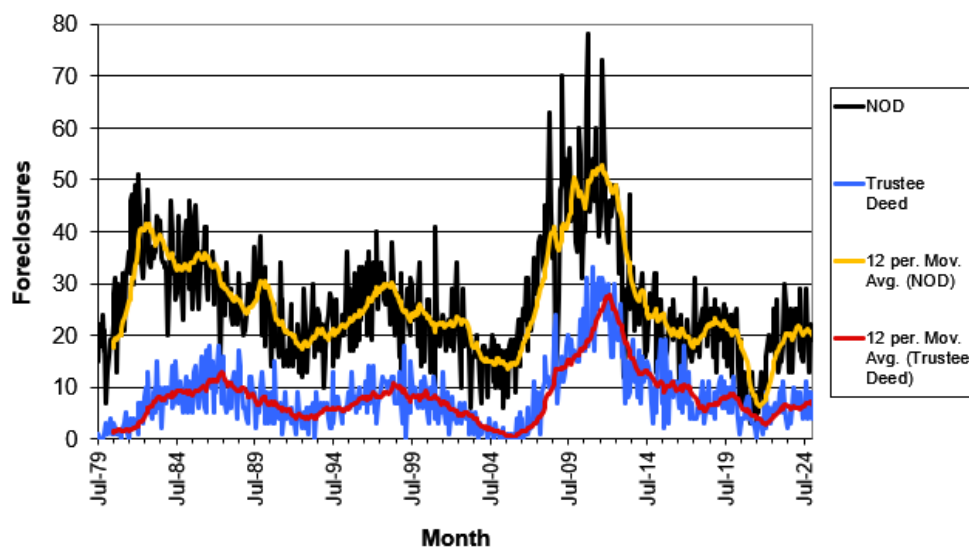
"Despite near-term softness, the S&P CoreLogic Case-Shiller Index remains historically elevated, and long-term homeowners have continued to build equity," Godec concluded. "The current cycle reinforces the value of real estate as a long-duration asset, but also highlights how sensitive home prices are to changes in financing conditions and buyer affordability."

The Freddie Mac index indicated that, as of January 30, 2025, the 30-year fixed-rate mortgage rose to 6.95 from 6.91 at the beginning of the month. The 15-year fixed mortgage fell to 6.12 from 6.13.

Home Sales Index



Monthly Foreclosures, Humboldt County



Source: Humboldt Economic Index and Humboldt County Recorder

The Index – Individual Sectors

Total County Employment

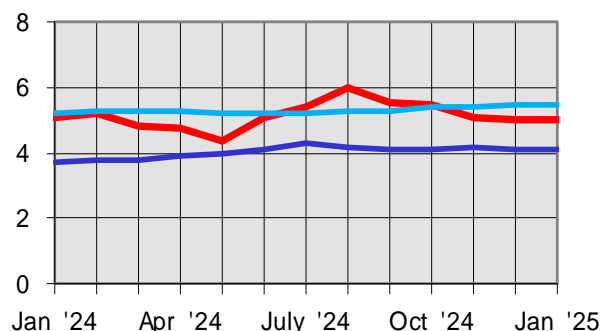
The Index value of the employment sector is based on seasonally adjusted total employment as reported by the Employment Development Department.

The Employment Development Department is benchmarking their series this month and data are not available. We estimate Total County Employment Index and unemployment rates to be unchanged from last month. We will update the data next month.

The Labor Department's January statistics state that national employment added 143,000 nonfarm payroll jobs, and the unemployment rate fell to 4.0 percent. National employment rose in health care, retail trade, and social assistance. Employment declined in the mining, quarrying, and oil and gas extraction industry. Health care added 44,000 jobs in January, retail trade added 34,000 jobs, Social assistance added 22,000 jobs, while government employment contributed 32,000 jobs in

January. Employment in mining, quarrying, and oil and gas extraction industry declined by 8,000. Employment showed little change over the month in other major industries, including construction, manufacturing, wholesale trade, transportation and warehousing, 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 occupancy each month at a cross section of local hotels, motels and inns.

Hospitality climbed 8.3 percent this month to a current value of 99.4. January's index value also represents a 6.8 percent decrease over this time last year. The 4-month moving average is also up 1.6 percent over last month with a current value of 94.2.

Gasoline Prices

California's gas prices continue to increase with a steep 30-cent rise to \$4.71 in February. Northern California's average increased to \$5.02. While Eureka's average gas price per gallon spikes to \$5.48.

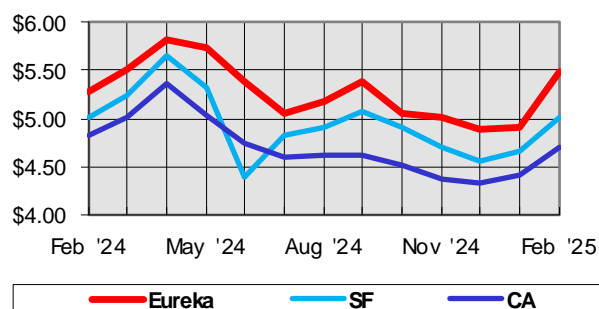
The San Jose Mercury News reports that gasoline prices jumped significantly higher in the Bay Area in the wake of an explosion and fire over the weekend that knocked an East Bay refinery offline. The incident at the Martinez Refining Co. plant in northern Contra Costa County halted operations at the refinery. "I think there is going to be a spike in gas prices, ... The Martinez refinery accounts for about 10% of the refining capacity in California" said Severin Borenstein, an economist and faculty director of the Energy Institute at UC Berkeley's Haas School of Business.

Gas Prices

Prices as of 3/ 1/ 2025	Average price*	Change from previous month
Eureka	\$5.48	\$0.58
Northern California	\$5.02	\$0.37
California	\$4.71	\$0.30

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

Gasoline Prices



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 Humboldt County manufacturing employment remained constant at 2,100 according to the Employment Development Department.

The Institute for Supply Management reported that economic activity in the manufacturing sector expanded in January after 26 consecutive months of contraction. The PMI registered at 50.9 percent, a increase of 1.7 percentage points from December's 49.2 percent. Four of the eighteen manufacturing industries are reporting growth in January including Chemical Products; Transportation Equipment; Miscellaneous Manufacturing; and Electrical Equipment, Appliances & Components. New export orders were up 2.4 percentage points in January, for a new index value of 52.4 percent, it still registered as the 6th consecutive month of contraction in new export orders. Seven industries reported growth in new export orders in January, including Textile Mills; Primary Metals; Transportation Equipment; Chemical Products; Computer & Electronic Products; Food, Beverage & Tobacco Products; and Machinery. The PMI (Producing Managers Index) is based on the number of manufacturing supply managers who expect business conditions to improve in the near future.

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 January, the Electricity Index rose 0.5 percent to a new value of 95.1. The current value is 6 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 rose 8.5 percent to a current value of 157.8, a 1.2 percent decline when compared to this time last year. The 4-month moving average for this index increased 2.9 percent to a current value of 146.9.

On the national scale, Consumer Confidence retreated in January, down 5.4 points for a current index value of 104.1. The Expectations Index fell 2.6 points to a value of 83.9, while the Present Situation Index fell 9.7 points to a current value of 134.3. Dana M. Peterson, Chief Economist at The Conference Board, says "Consumer confidence has been moving sideways in a relatively stable, narrow range since 2022. January was no exception. The Index weakened for a second straight month, but still remained in that range, even if in the lower part," 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.

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 Composite Index. The Lumber Index averaged 19.6 in 2014, the last full year of data. 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.

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

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