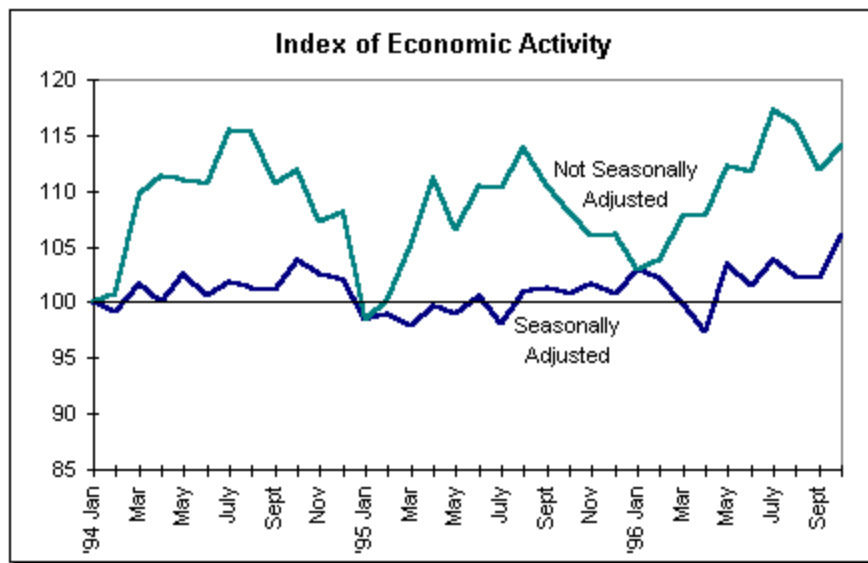


# INDEX OF ECONOMIC ACTIVITY FOR HUMBOLDT COUNTY

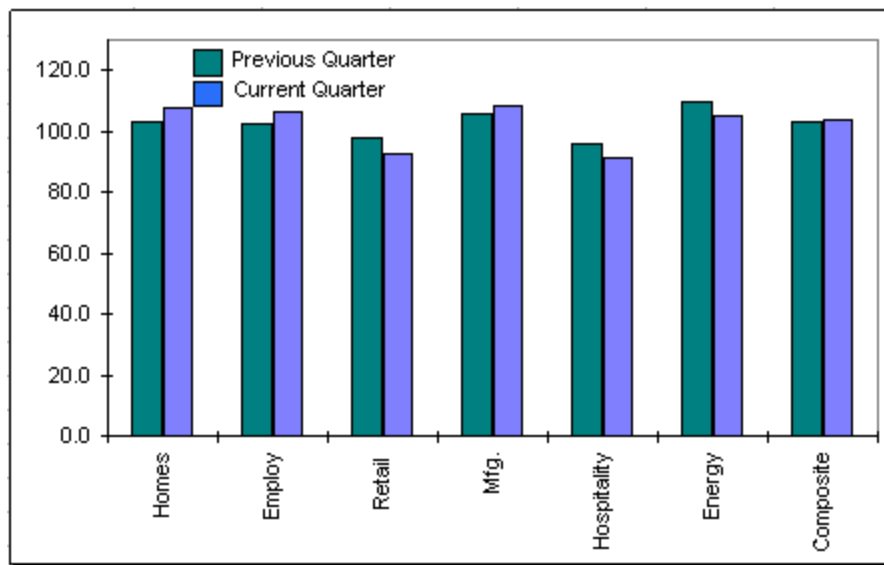
Professor Steven Hackett, Director

## November 1996

The economy of Humboldt County experienced strong growth in the month of October. The seasonally adjusted *index of economic activity for Humboldt County* increased from 102.3 in September to 106.1 in October, a 3.69 percent increase. Economic growth increased in every sector except hospitality. Retail sales rose from a value of 92.7 in September to 98.5 in October. This strong growth coincides with national reports that the Christmas shopping season is off to a fast start. The *non-seasonally adjusted index* increased from 111.8 in September to 114.1, an increase of 2.1 percent. The increase in this series reinforces the economy's strength. It is typical for economy's level of activity to peak in July or August and then fall from September until January when it bottoms out.



We also compare the economy's performance over a longer period of time by comparing the two previous "rolling" quarters. The economy in the current rolling quarter (August, September, and October) grew slightly as compared with the previous rolling quarter (May, June, and July). The composite index increased from 103 to 103.6 basis points, an increase of 0.58 percent. Home sales, employment, and manufacturing increased in the current quarter while retail sales, hospitality, and energy declined. The largest decrease was in retail sales.



To indicate economic activity in the coming month, we track four leading indicators. These are help-wanted advertising, building permits issued, manufacturing orders, and claims for unemployment insurance. Help-wanted advertising is up sharply, but manufacturing orders are down and claims for unemployment insurance are up. Building permits are essentially unchanged. Using our econometric forecast, we believe that *the index of economic activity* for Humboldt County will rise slightly in November suggesting that the economy will continue its strong fourth-quarter performance.



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