



Finance Bulletin

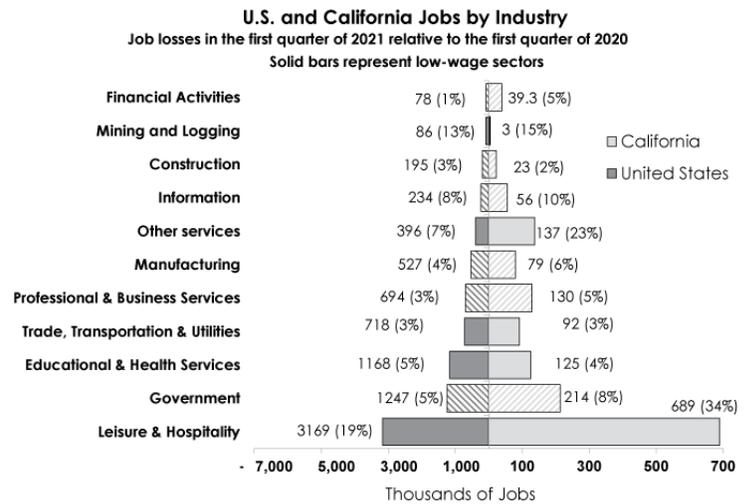
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Economic Update

California personal income increased by 6.9 percent in 2020, the largest annual increase since 2015, as income transfer payments tied to the COVID-19 recession increased by 44.4 percent. Excluding transfers, California personal income grew by 0.7 percent in 2020, following 5.2 percent in 2019. U.S. personal income increased by 6.1 percent in 2020 as transfer payments increased by 36.6 percent. U.S. personal income excluding transfers fell by 0.04 percent in 2020 after growing by 2.7 percent in 2019.

LABOR MARKET CONDITIONS

- The U.S. unemployment rate fell from 6.2 percent in February to 6.0 percent in March 2021, 2.5 percentage points higher than the pre-pandemic level in February 2020. U.S. civilian employment increased by 609,000 with 262,000 fewer unemployed and 347,000 people rejoining the labor force. There were nearly 7.9 million fewer employed and around 4 million fewer persons in the labor force in March 2021 than in February 2020.
- The U.S. added 916,000 nonfarm jobs in March 2021, with ten out of the eleven major sectors gaining jobs: leisure and hospitality (280,000), government (136,000), construction (110,000), educational and health services (101,000), trade, transportation and utilities (94,000), professional and business services (66,000), manufacturing (53,000), other services (42,000), mining and logging (20,000), and financial activities (16,000). Information shed 2,000 jobs in March. As of the first quarter of 2021, U.S. nonfarm jobs were 8.5 million or 5.6 percent lower than the pre-pandemic level of 158.9 million in the first quarter of 2020.
- California unemployment rate decreased from 8.5 percent in February to 8.3 percent in March 2021, compared to 4.3 percent in February 2020. Civilian unemployment decreased by 49,600 as 39,700 Californians left the labor force and 9,900 people gained employment. There were 1.2 million fewer employed and 530,000 fewer people in the labor force than in February 2020.
- California added 119,600 nonfarm jobs in March 2021, with ten sectors gaining jobs: leisure and hospitality (42,400), trade, transportation and utilities (32,200), professional and business services (22,000), other services (7,300), construction (6,000), information (5,400), government (2,200), manufacturing (1,400), educational and health services (1,200), and mining and logging (100). Financial activities lost 600 jobs. In the first quarter of 2021, California nonfarm jobs were 1.6 million or 9.0 percent below the pre-pandemic level of 17.6 million in the first quarter of 2020.



BUILDING ACTIVITY

- California housing units authorized by building permits totaled 116,000 on a seasonally adjusted annualized rate in February 2021, down from 136,000 in January 2021 but above the 2020 average of 105,000 units. Multi-family units fell from 71,000 in January to 41,000 in February while single-family units increased to 75,000 in February from 66,000 in January.

REAL ESTATE

- Sales of existing single-family homes in California totaled 446,000 units on a seasonally adjusted annualized rate in March 2021, down 3.5 percent from February and up 19.7 percent from March 2020. The statewide median price of existing single-family homes reached a new record high of \$758,990 in March 2021, this was 5.7 percent above December 2020's previous record of \$717,930 and up 23.9 percent from March 2020.

MONTHLY CASH REPORT

Preliminary General Fund agency cash receipts for the first nine months of the fiscal year were \$16.686 billion above the 2021-22 Governor's Budget forecast of \$120.493 billion. Cash receipts for the month of March were \$2.338 billion above the 2021-22 Governor's Budget forecast of \$8.976 billion. A significant amount of receipts above the January forecast is due to lower refunds caused by a later-than-expected enactment date for the Golden State Stimulus, as well as a delayed opening date of the tax filing season by the Internal Revenue Service.

- Personal income tax cash receipts to the General Fund for the first nine months of the fiscal year were \$14.386 billion above forecast. Cash receipts for March were \$1.602 billion above the month's forecast of \$4.716 billion. Withholding receipts were \$1.523 billion above the forecast of \$6.927 billion. Other cash receipts were \$291 million above the forecast of \$1.551 billion. Refunds issued in March were \$183 million above the expected \$3.676 billion. Proposition 63 requires that 1.76 percent of total monthly personal income tax collections be transferred to the Mental Health Services Fund (MHSF). The amount transferred to the MHSF in March was \$18 million higher than the forecast of \$85 million.
- Sales and use tax cash receipts for the first nine months of the fiscal year were \$943 million above forecast. Cash receipts for March were \$184 million above the month's forecast of \$1.847 billion. March cash includes the second prepayment for first quarter sales and use tax liabilities.
- Corporation tax cash receipts for the first nine months of the fiscal year were \$1.376 billion above forecast. Cash receipts for March were \$655 million above the month's forecast of \$1.607 billion. Estimated payments were \$215 million above the forecast of \$894 million, and other payments were \$412 million above the \$863 million forecast. Total refunds for the month were \$29 million lower than the forecast of \$150 million.
- Insurance tax cash receipts for the first nine months of the fiscal year were \$64 million below forecast. Insurance tax cash receipts for March were \$161 million below the forecast of \$709 million. Cash receipts from the alcoholic beverage, tobacco taxes, and pooled money interest for the first nine months of the fiscal year were \$24 million above forecast, and were \$14 million above the forecast of \$36 million for March. "Other" cash receipts for the first nine months of the fiscal year were \$20 million above forecast, and were \$44 million above the forecast of \$60 million for the month.

2021-22 Comparison of Actual and Forecast Agency General Fund Revenues

(Dollars in Millions)

Revenue Source	MARCH 2021				Percent Change	2020-21 YEAR-TO-DATE			
	Forecast	Actual	Change	Percent Change		Forecast	Actual	Change	Percent Change
Personal Income	\$4,716	\$6,318	\$1,602	34.0%	\$83,491	\$97,877	\$14,386	17.2%	
Sales & Use	1,847	2,031	184	9.9%	19,911	20,854	943	4.7%	
Corporation	1,607	2,262	655	40.8%	13,288	14,665	1,376	10.4%	
Insurance	709	548	-161	-22.7%	2,279	2,215	-64	-2.8%	
Estate	0	0	0	0.0%	0	0	0	n/a	
Pooled Money Interest	6	19	12	194.5%	130	150	20	15.3%	
Alcoholic Beverages	27	28	1	4.5%	303	304	2	0.6%	
Tobacco	3	4	1	21.3%	42	44	3	6.1%	
Other	60	104	44	72.5%	1,049	1,070	20	2.0%	
Total	\$8,976	\$11,314	\$2,338	26.1%	\$120,493	\$137,179	\$16,686	13.8%	

This is an agency cash report and the data may differ from the Controller's report to the extent that cash received by agencies has not yet been reported to the Controller.

Totals may not add due to rounding. The forecast is from the 2021-22 Governor's Budget.