



Finance Bulletin

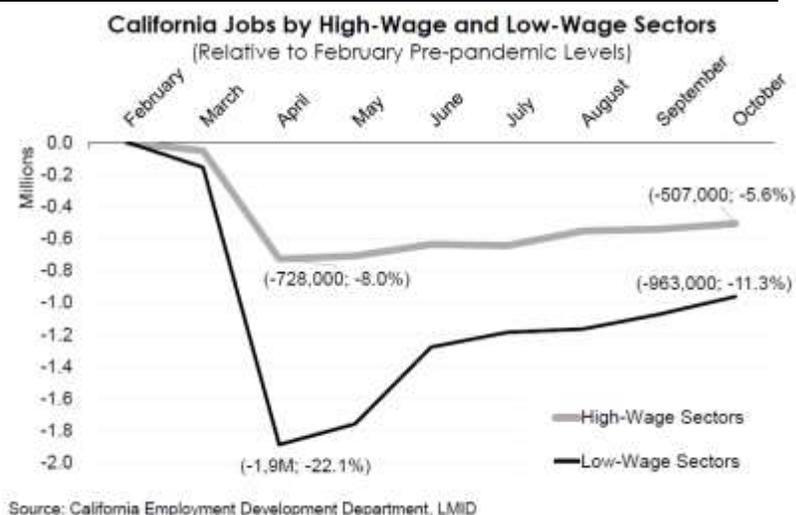
Keely Bosler, Director

Economic Update

The U.S. unemployment rate decreased by 0.2 percentage point to 6.7 percent in November, after falling by a full percentage point in October. The U.S. labor force decreased by 400,000 people to 160.5 million in November, with 74,000 fewer employed and 326,000 fewer unemployed compared to October. There were nine million fewer employed Americans in November than in February, with 4.1 million fewer people in the labor force. The U.S. labor force participation rate was 61.5 percent in November, down from 63.4 percent in February. The U.S. added 245,000 nonfarm jobs in November, following a 610,000-job gain in October. Since May, the U.S. has added 12.3 million jobs, or 55.6 percent of the 22.2 million jobs lost in March and April.

LABOR MARKET CONDITIONS

■ California's unemployment rate decreased by 1.8 percentage points to 9.3 percent in October, but still more than double its pre-pandemic rate of 3.9 percent in February. California's labor force increased to 19.3 million in October, as civilian employment increased by 889,000 and civilian unemployment decreased by 279,000. Despite these record gains, there were 1.3 million fewer employed Californians in October than in February, with 238,000 fewer people in the labor force and one million more unemployed civilians. California's labor force participation rate increased by 0.8 percentage point to 61.6 percent in October, down from February's rate of 62.6 percent.



■ California added 145,500 nonfarm jobs in October, bringing total job gains since May to 1.1 million, or 43.8 percent of the 2.6 million jobs lost in March and April. As of October, California nonfarm employment was 1.5 million or 8.4 percent below February's level of 17.6 million. All four lower-wage sectors added jobs in October: leisure and hospitality (66,000 jobs added), trade, transportation and utilities (22,700), other services (13,700) and education and health services (7,800). Five out of the seven higher-wage sectors added jobs: professional and business services (35,800), construction (26,300), financial activities (7,100), manufacturing (4,500), and information (2,900). Job losses were in government (- 41,400) and in mining and logging (-200).

INTERNATIONAL TRADE

■ Commodity exports through California averaged \$127.9 billion in the first ten months of 2020, down 12.0 percent from the same period last year and the lowest October year-to-date average since 2010. In comparison, U.S. commodity exports through October were down 14.5 percent compared to the same period in 2019. California imports of goods averaged \$322.5 billion through October, down 5.5 percent from the same period in 2019 and the lowest year-to-date average since 2013. In comparison, U.S. commodity imports were down 8.9 percent year-to-date.

REAL ESTATE

■ California's median home price decreased to \$711,300 in October, following September's record-high of \$712,430. Home sales volume decreased 1.0 percent on a month-over-month basis to 484,510 units, after hitting its highest volume since February 2009 in September (489,590 units) and were 19.9 percent above October 2019. Year-to-date, home prices were up 8.3 percent, while sales volume was down by 1.3 percent.

MONTHLY CASH REPORT

Preliminary General Fund agency cash receipts for the first five months of the fiscal year were \$13.772 billion above the 2020-21 Budget Act forecast of \$60.663 billion. Cash receipts for the month of November were \$2.429 billion above the 2020-21 Budget Act forecast of \$8.081 billion. Preliminary General Fund agency cash receipts for the entire 2019-20 fiscal year were \$1.135 billion above the 2020-21 Budget Act forecast of \$123.395 billion, or 0.9 percentage point above forecast. Total collections for March through November 2020 are up 0.4 percent from the same period in 2019. Since the 2009-10 fiscal year, total revenues have grown at an average annual growth rate of 5.7 percent.

- Personal income tax cash receipts to the General Fund for the first five months of the fiscal year were \$10.285 billion above forecast. Cash receipts for November were \$1.513 billion above the month's forecast of \$4.729 billion. Withholding cash receipts were \$1.199 billion above the forecast of \$4.751 billion. Other cash receipts were \$178 million above the forecast of \$660 million. Refunds issued in November were \$165 million below the expected \$598 million. 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 October was \$28 million higher than the forecast of \$84 million.
- Sales and use tax cash receipts for the first five months of the fiscal year were \$3.004 billion above forecast. Cash receipts for November were \$940 million above the month's forecast of \$2.313 billion. November included a portion of the final payment for third quarter taxable sales.
- Corporation tax cash receipts for the first five months of the fiscal year were \$714 million above the forecast of \$6.98 billion. Cash receipts for November were \$140 million above the month's forecast of \$165 million. Estimated payments were \$10 million above the forecast of \$164 million, and other payments were \$19 million lower than the \$218 million forecast. Total refunds for the month were \$149 million lower than the forecast of \$217 million.
- Insurance tax cash receipts for the first five months of the fiscal year were \$50 million above forecast. Insurance tax cash receipts for November were \$53 million below the forecast of \$628 million. Cash receipts from the alcoholic beverage, tobacco taxes, and pooled money interest for the first five months of the fiscal year were \$42 million below forecast, and were \$2 million below the forecast of \$55 million for November. "Other" Cash receipts for the first five months of the fiscal year were \$239 million below forecast, and were \$109 million below the forecast of \$191 million for November.

2019-20 Comparison of Actual and Forecast Agency General Fund Revenues

Revenue Source	NOVEMBER 2020				2020-21 YEAR-TO-DATE			
	Forecast	Actual	Change	Percent Change	Forecast	Actual	Change	Percent Change
Personal Income	\$4,729	\$6,243	\$1,513	32.0%	\$42,252	\$52,537	\$10,285	24.3%
Sales & Use	2,313	3,253	940	40.6%	8,717	11,721	3,004	34.5%
Corporation	165	305	140	-84.5%	6,980	7,694	714	10.2%
Insurance	628	575	-53	-8.5%	1,359	1,409	50	3.7%
Estate	0	0	0	0.0%	0	0	0	0.0%
Pooled Money Interest	16	13	-4	-23.1%	146	90	-56	-38.4%
Alcoholic Beverages	33	35	2	4.6%	168	181	13	7.6%
Tobacco	5	5	0	-5.1%	25	26	1	3.9%
Other	191	81	-109	-57.3%	986	747	-239	-24.2%
Total	\$8,081	\$10,510	\$2,429	30.1%	\$60,633	\$74,406	\$13,772	22.7%

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 2020-21 Budget Act.