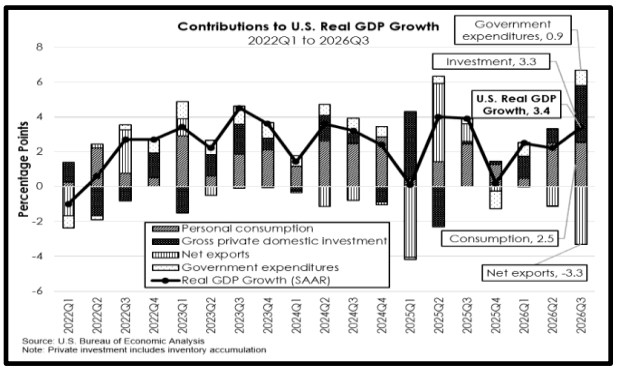
California Department of Finance

November 2026

Finance Bulletin

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Economic Update



U.S. real GDP grew by 3.4 percent on a seasonally-adjusted annualized rate (SAAR) in the third quarter of 2026, accelerating from 2.5 percent and 2.2 percent growth in the first and second quarters of 2026, respectively. The main drivers of growth were gross private domestic investment (contributing +3.3 percentage points), personal consumption (contributing +2.5 percentage points), and government purchases (contributing +0.9 percentage point), offset by net exports (contributing -3.3 percentage points).

U.S. headline consumer price index (CPI) inflation increased by 0.4 percent in October 2026, on a seasonally-adjusted month-over-month basis, bringing the average monthly increase from August through October to 0.5 percent, and significantly higher than the pre-war three-month average of 0.3 percent. This was driven largely by gasoline inflation, which averaged 4.7 percent in the last three months, compared to -0.9 percent in the three months preceding the war. Year-over-year CPI inflation is unavailable as October 2025 data was not collected due to the federal government shutdown late last year.

Labor Market Conditions

- In October 2026, the U.S. unemployment rate declined 0.1 percentage point to 4.1 percent. The U.S. labor force increased by 421,000 persons (0.2 percent) as the number of employed persons increased by 463,000 persons (0.3 percent) and the number of unemployed decreased by 41,000 persons (-0.6 percent). The U.S. added 165,000 nonfarm payroll jobs in October, with seven sectors adding jobs: professional and business services (+70,000 jobs), education and health services (+53,000 jobs), trade, transportation, and utilities (+22,000 jobs), manufacturing (+19,000 jobs), financial activities (+7,000 jobs), government (+6,000 jobs), and other services (+6,000 jobs). The remaining four sectors lost jobs: leisure and hospitality (-13,000 jobs), construction (-3,000 jobs), mining and logging (-1,000 jobs), and information (-1,000 jobs).
- The California unemployment rate fell 0.1 percentage point to 5 percent in October 2026. The state's labor force increased by 4,800 persons (+0.02 percent), with civilian employment increasing by 12,300 persons (+0.1 percent) and the number of unemployed decreasing by 7,500 persons (-0.8 percent). The state added 47,100 nonfarm payroll jobs in October. Eight sectors added jobs: private education and health services (+15,200 jobs), professional and business services (+11,600 jobs), leisure and hospitality (+8,100 jobs), government (+5,100 jobs), other services (+4,700 jobs), manufacturing (+3,400 jobs), information (+1,900 jobs), and trade, transportation, and utilities (+1,900 jobs). Construction lost jobs (-4,800 jobs) while jobs in financial activities and mining and logging remained unchanged.

Building Activity

- Year-to-date through September 2026, 114,000 total housing units (SAAR) were permitted in California, down 0.6 percent from the year-to-date through August 2026 but up 13.5 percent from the year-to-date through September 2025. The year-to-date through September 2026 consisted of 56,400 single-family units (up 0.6 percent from the year-to-date through August 2026 and down 1.2 percent from the year-to-date through September 2025) and 57,600 multi-family units (up 0.5 percent from the year-to-date through August 2026 and up 32.8 percent year-over-year from the year-to-date through September 2025).
- The statewide median sales price of existing single-family homes decreased to $886,760 in October 2026, down 1.4 percent from $899,720 in September 2026 and down 0.1 percent from $887,330 in October 2025. Sales volume of existing single-family homes in California decreased to 246,830 (SAAR) in October 2026, down 5.2 percent from 260,410 (SAAR) in September 2026 and down 12.7 percent from 282,760 (SAAR) in October 2025.

MONTHLY CASH REPORT

Preliminary General Fund agency cash receipts were $1.6 billion, or 13.3 percent, above the 2026 Budget Act forecast in October. This overage was driven by higher corporation tax and personal income tax receipts, which were $960 million and $669 million above forecast, respectively. October included the deadline for personal income taxpayers and most corporation taxpayers to file their 2025 tax year return on extension. Cumulatively since April, preliminary General Fund cash receipts were $7.2 billion above projections. This includes an overage of $816 million attributed to cash collected during the 2025-26 fiscal year.

- Personal income tax cash receipts were $669 million, or 6.7 percent, above forecast in October and were $3.5 billion, or 3.8 percent, above forecast cumulatively since April. The October overage was due entirely to higher withholding of $1.1 billion, partially offset by lower final payments of $280 million, lower other payments of $62 million, and higher refunds of $67 million. The overage since April was due to higher withholding of $3.9 billion and higher estimated payments of $1.4 billion, partially offset by higher refunds of $868 million and lower other payments of $843 million.
- Corporation tax cash receipts were $960 million, or 2,184.1 percent, above forecast in October and were $3.7 billion, or 15 percent, above forecast cumulatively since April. The overage in October was driven primarily by higher estimated payments of $653 million and lower refunds of $217 million. The cumulative overage since April was due to higher estimated payments of $1.6 billion, lower refunds of $1 billion, higher Pass-Through-Entity Elective Tax (PTET) payments of $622 million, and higher other payments of $406 million.
- Preliminary sales and use tax receipts were $109 million, or 6 percent, below forecast in October and were $551 million, or 2.8 percent, above forecast cumulatively since April. October 31 fell on a weekend, shifting the final quarterly filing and payment due date for the third quarter to November 2.

2026-27 Comparison of Actual and Forecast Agency General Fund Revenue
(Dollars in Millions)

	October 2026				2026-27 YEAR TO DATE			
Revenue Source	**Forecast**	**Actual**	**Difference**	**Percent Difference**	**Forecast**	**Actual**	**Difference**	**Percent Difference**
Personal Income	**$10,004**	**$10,673**	**$669**	**6.7%**	**$40,708**	**$43,825**	**$3,117**	**7.7%**
Withholding	8,677	9,748	1,071	12.3%	34,407	37,027	2,620	7.6%
Estimated Payments	600	620	21	3.4%	5,181	6,412	1,232	23.8%
Final Payments	2,515	2,235	-280	-11.1%	3,672	3,323	-349	-9.5%
Other Payments	645	583	-62	-9.6%	2,354	2,133	-220	-9.4%
Refunds	-2,243	-2,310	-67	3.0%	-4,127	-4,236	-108	2.6%
BHSF Transfer	-179	-191	-12	6.7%	-729	-785	-56	7.7%
Corporation	**$44**	**$1,004**	**$960**	**2,184.1%**	**$4,020**	**$6,779**	**$2,759**	**68.6%**
Estimated Payments	299	953	653	218.2%	3,690	5,338	1,648	44.6%
PTET Payments	81	104	23	28.2%	918	993	76	8.2%
Other Payments	436	503	67	15.3%	1,934	2,226	291	15.1%
Refunds	-773	-555	217	-28.1%	-2,522	-1,778	745	-29.5%
Sales & Use	**$1,816**	**$1,707**	**-$109**	**-6.0%**	**$10,263**	**$10,417**	**$154**	**1.5%**
Insurance	**$72**	**$53**	**-$19**	**-25.8%**	**$1,189**	**$1,222**	**$33**	**2.8%**
Pooled Money Interest	**$342**	**$403**	**$61**	**17.8%**	**$1,082**	**$1,142**	**$61**	**5.6%**
Alcohol	**$37**	**$59**	**$22**	**59.7%**	**$146**	**$169**	**$24**	**16.2%**
Tobacco	**$3**	**$3**	**$0**	**1.6%**	**$12**	**$12**	**$0**	**-0.2%**
Other	**$41**	**$96**	**$55**	**134.1%**	**$326**	**$539**	**$213**	**65.3%**
Total	**$12,359**	**$13,999**	**$1,640**	**13.3%**	**$57,745**	**$64,105**	**$6,361**	**11.0%**

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. The personal income total includes Individual Shared Responsibility Penalty transfers. The forecast is from the 2026 Budget Act.