



# Finance Bulletin

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## Economic Update

California continues to add jobs at roughly 3 percent on a year-over-year basis, while U.S. job growth has averaged around 2.1 percent in 2015. The second estimate of U.S. real GDP growth was revised up by 0.6 percentage point to 2.1 percent on an annualized basis in the third quarter.

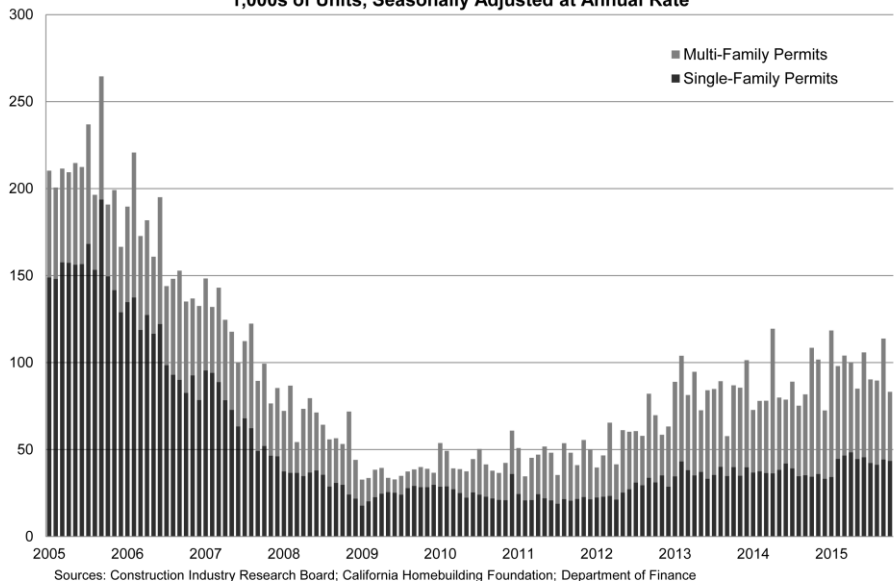
## LABOR MARKET CONDITIONS

- California's unemployment rate dropped to 5.8 percent in October, the lowest level since October 2007. The U.S. unemployment rate reached 5.0 percent in October and November, the lowest level since April 2008.
- Following a 21,100-job gain (revised upward) in September, California added 41,200 nonfarm jobs in October. October's gain is right around the 40,000 job gain pace for 2014 and 2015 so far. The nation added 298,000 nonfarm jobs in October before gaining 211,000 jobs in November. The 2015 year-to-date average of 210,000 jobs added nationally is slower than the 253,000 average gain for the same period last year.
- Seven of the 11 major industry sectors added jobs. Sectors gaining jobs were leisure and hospitality (18,400), professional and business services (15,900), construction (7,600), other services (3,600), financial services (1,600), trade, transportation and utilities (300), and mining and logging (300). Sectors losing jobs included educational and health services (3,800), information (1,900), government (700), and manufacturing (100).

## BUILDING ACTIVITY

- Despite the uneven activity in California residential permits in 2015, the year-to-date average of 99,000 units in October was 16.8 percent higher than the same period in 2014. Multi-family permits remained around half of all permits. Residential permit valuation rose by 8.6 percent while nonresidential permit valuation dropped by 5.7 percent from October.

California Residential Units Authorized by Building Permits  
1,000s of Units, Seasonally Adjusted at Annual Rate



## REAL ESTATE

- Compared with October 2014, the statewide median sales price for an existing single family home increased by 5.7 percent to \$475,990 and the sales volume increased 1.3 percent to 403,510 units on an annualized basis. The October median price was 92 percent higher than the low of \$247,590 in February 2009, and 20 percent below the pre-recession peak of \$594,530 in May 2007. Sales volume dropped by 5.1 percent from September, and the statewide median price in October was 1.3 percent lower than the median price in September.

## MONTHLY CASH REPORT

Preliminary General Fund agency cash for November was \$503 million below the 2015-16 Budget Act forecast of \$7.245 billion, due in large part to a \$300 million settlement payment that was received in August instead of November. Year-to-date revenues are \$664 million above the expected \$37.053 billion.

- Personal income tax revenues to the General Fund were \$103 million above the month's forecast of \$3.701 billion. Withholding receipts were \$12 million below the estimate of \$3.796 billion. Other receipts were \$3 million above the forecast of \$555 million. Refunds issued in November were \$115 million below the forecasted \$584 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 November was \$2 million above the forecast of \$66 million. Year-to-date General Fund income tax revenues are \$970 million above forecast.
- Sales and use tax receipts were \$267 million below the month's forecast of \$2.65 billion. November cash includes a portion of the final payment for third quarter sales, as well as the first prepayment for fourth quarter sales. Year-to-date sales tax revenues are \$53 million below forecast.
- Corporation tax revenues were \$55 million below the month's forecast of \$45 million. Prepayments were \$17 million above the forecast of \$101 million and other payments were \$24 million higher than the \$110 million forecast. Total refunds for the month were \$96 million higher than the forecast of \$166 million. Year-to-date revenues are \$264 million below forecast.
- Insurance tax revenues were \$5 million above the month's estimate of \$396 million. Year-to-date insurance tax revenues are \$22 million above the forecasted \$1.005 billion. Revenues from the estate, alcoholic beverage, tobacco taxes, pooled money interest, and vehicle license fee came in \$5 million above the \$39 million forecast.
- "Other" revenues were \$294 million below the month's forecast of \$413 million. As noted in the September bulletin, the state received in August an accelerated judgment payment of \$300 million from Pacific Gas & Electric for the San Bruno pipeline incident that occurred in 2008. This payment was projected to be received in November.

### 2015-16 Comparison of Actual and Forecast Agency General Fund Revenues

(Dollars in Millions)

Revenue Source	NOVEMBER 2015				2015-16 YEAR-TO-DATE			
	Forecast	Actual	Change	Percent Change	Forecast	Actual	Change	Percent Change
Personal Income	\$3,701	\$3,804	\$103	2.8%	\$23,222	\$24,192	\$970	4.2%
Sales & Use	2,650	2,383	-267	-10.1%	10,243	10,190	-53	-0.5%
Corporation	45	-10	-55	-122.4%	1,701	1,437	-264	-15.5%
Insurance	396	402	5	1.3%	1,005	1,027	22	2.2%
Estate	0	0	0	n/a	0	1	1	n/a
Pooled Money Interest	1	2	0	17.5%	11	8	-3	-26.2%
Alcoholic Beverages	31	35	5	14.9%	155	156	1	0.8%
Tobacco	7	8	0	6.4%	36	37	1	3.5%
Vehicle License Fees	0	0	0	0.0%	0	0	0	0.0%
Other	413	119	-294	-71.2%	681	669	-12	-1.7%
<b>Total</b>	<b>\$7,245</b>	<b>\$6,742</b>	<b>-\$503</b>	<b>-6.9%</b>	<b>\$37,053</b>	<b>\$37,717</b>	<b>\$664</b>	<b>1.8%</b>

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 2015 Budget Act.