



Finance Bulletin

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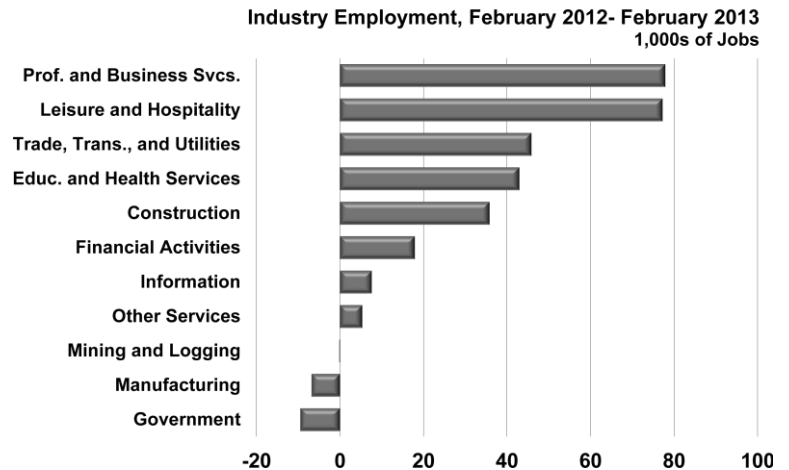
Economic Update

In February, California created industry jobs for the 20th consecutive month. Recent employment growth has been driven largely by professional and business services, and leisure and hospitality services.

LABOR MARKET CONDITIONS

- California gained 41,200 nonfarm jobs in February 2013. Private sector employment expanded 30,000 in February—also its 20th consecutive month-over-month gain.
- Six major industry sectors added jobs in February. Leisure and hospitality added 15,700 jobs; information, 11,800; government, 11,200; professional and business services, 9,400; construction, 5,700; and financial activities, 3,900.
- Four major sectors lost jobs. Trade, transportation, and utilities lost 7,000 jobs; educational and health services, 3,400; manufacturing, 3,300; and other services, 2,800. Employment in mining and logging was unchanged in February.
- On a year-over-year basis, nonfarm payroll employment grew by 293,800, or 2.1 percent; over the same period, national nonfarm payrolls grew 1.5 percent.
- Over the year, employment rose 77,800 in professional and business services; 77,200 in leisure and hospitality; 45,800 in trade, transportation, and utilities; 42,900 in educational and health services; 35,800 in construction; 17,900 in financial activities; 7,600 in information; and 5,300 in other services.
- Over the year, employment fell by 9,500 in government; 6,800 in manufacturing; and 200 in mining and logging.
- Thus far, the state has regained 556,500 of the industry jobs lost during the recession.
- The state's unemployment rate fell to 9.6 percent in February—its lowest level in over four years. The improved unemployment rate was the result of a 73,600 increase in household employment and 25,600 fewer unemployed persons.
- The number of people unemployed in February was 1,792,330—down 10.4 percent from a year earlier. After peaking at 2,275,000 in September and October 2010, this was the first unemployment estimate below 1,800,000 since January 2009.

Prof. & Business Svcs. and Leisure Drive Job Gains



REAL ESTATE

- California's median home price rose for the 12th consecutive month in February, as measured by year-over-year growth rates, based on increased sales of higher-priced homes and limited numbers of homes available for sale.
- The median price of existing single-family homes sold in February was \$333,880 according to the California Association of Realtors, up over 24 percent over the year.
- The pace of home sales slowed for the second consecutive month in February. Sales of existing, single-family detached homes totaled 416,670 units at a seasonally adjusted annualized rate in February—down nearly 6 percent from a year earlier.
- In February, the inventory of homes for sale was essentially unchanged from January, but was down substantially from a year earlier. The unsold inventory index was 3.6 months compared to 5.4 months in February 2012.
- The median number of days needed to sell a home in February 2013 slid to 34.2 days, a drop of more than 40 percent from 12 months earlier.

MONTHLY CASH REPORT

Preliminary General Fund agency cash for March was \$254 million above the 2013-14 Governor's Budget forecast of \$5.731 billion. Year-to-date revenues are \$5.032 billion above the forecast of \$59.645 billion.

- Personal income tax revenues to the General Fund were \$184 million above the month's forecast of \$2.208 billion. Withholding receipts were \$637 million above the estimate of \$3.606 billion and other receipts were \$48 million lower than the projected level of \$700 million. Refunds issued in March were \$398 million above the anticipated \$2.058 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 \$6 million higher than the estimate of \$40 million. Year-to-date General Fund income tax revenues are \$4.682 billion above estimate.
- Sales and use tax receipts were \$131 million below the month's forecast of \$1.594 billion. March cash includes the second prepayment for first quarter sales and use tax liabilities. Year-to-date, sales tax revenues are \$162 million below forecast.
- Corporation tax revenues were \$90 million above the month's estimate of \$1.419 billion. Prepayments were \$56 million above the forecast of \$466 million and other payments, which include the final payments for 2012 calendar year corporations, were \$9 million higher than the \$1.079 billion that was anticipated. The month's refunds were \$26 million below the projected level of \$127 million. Year-to-date revenues are \$189 million above estimate.
- Insurance tax revenues were \$108 million above the \$341 million estimated for March. Year-to-date revenues are \$156 million above the forecasted \$1.408 billion. Revenues from the estate, alcoholic beverage, tobacco taxes, the vehicle license fee, and pooled money interest came in \$1 million above the \$33 million that was expected. "Other" revenues were \$2 million above the month's estimate of \$136 million.

2012-13 Comparison of Actual and Forecast Agency General Fund Revenues

(Dollars in Millions)

Revenue Source	MARCH 2013				2012-13 YEAR-TO-DATE			
	Forecast	Actual	Change	Percent Change	Forecast	Actual	Change	Percent Change
Personal Income	\$2,208	\$2,392	\$184	8.3%	\$38,049	\$42,731	\$4,682	12.3%
Sales & Use	1,594	1,463	-131	-8.2%	14,987	14,825	-162	-1.1%
Corporation	1,419	1,509	90	6.3%	3,596	3,785	189	5.3%
Insurance	341	449	108	31.7%	1,408	1,564	156	11.1%
Estate	0	0	0	0.0%	1	2	1	100.0%
Pooled Money Interest	3	2	-1	-33.3%	21	18	-3	-14.3%
Alcoholic Beverages	23	24	1	4.3%	236	241	5	2.1%
Tobacco	7	7	0	0.0%	70	69	-1	-1.4%
Vehicle License Fees	0	1	1	n/a	5	6	1	20.0%
Other	136	138	2	1.5%	1,272	1,436	164	12.9%
Total	\$5,731	\$5,985	\$254	4.4%	\$59,645	\$64,677	\$5,032	8.4%

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 2013-14 Governor's Budget.