

# Lockdown Revisited

## CALIFORNIA ECONOMIC OUTLOOK

**Jerry Nickelsburg**  
Director

**UCLA Anderson Forecast**  
**Adjunct Professor of Economics**  
**UCLA Anderson School of**  
**Management**

**Twitter: @jnickelsburg**

**June 2021**



## CA-33 Topatopa Mountains



**THE FORECAST**



**THE ECONOMIC  
CONSEQUENCES  
OF STRINGENT  
NPIS**



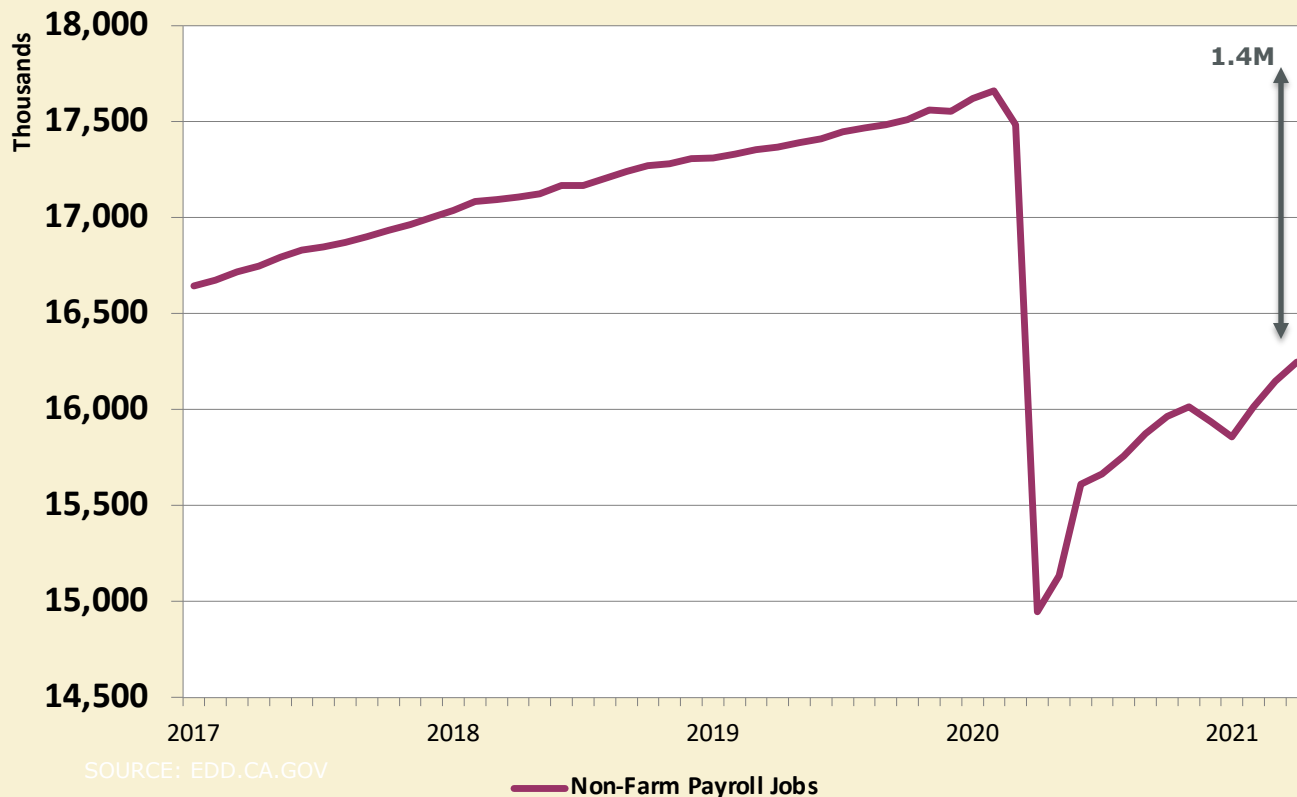
**SECTORAL  
PROSPECTS**



**EMPLOYMENT**

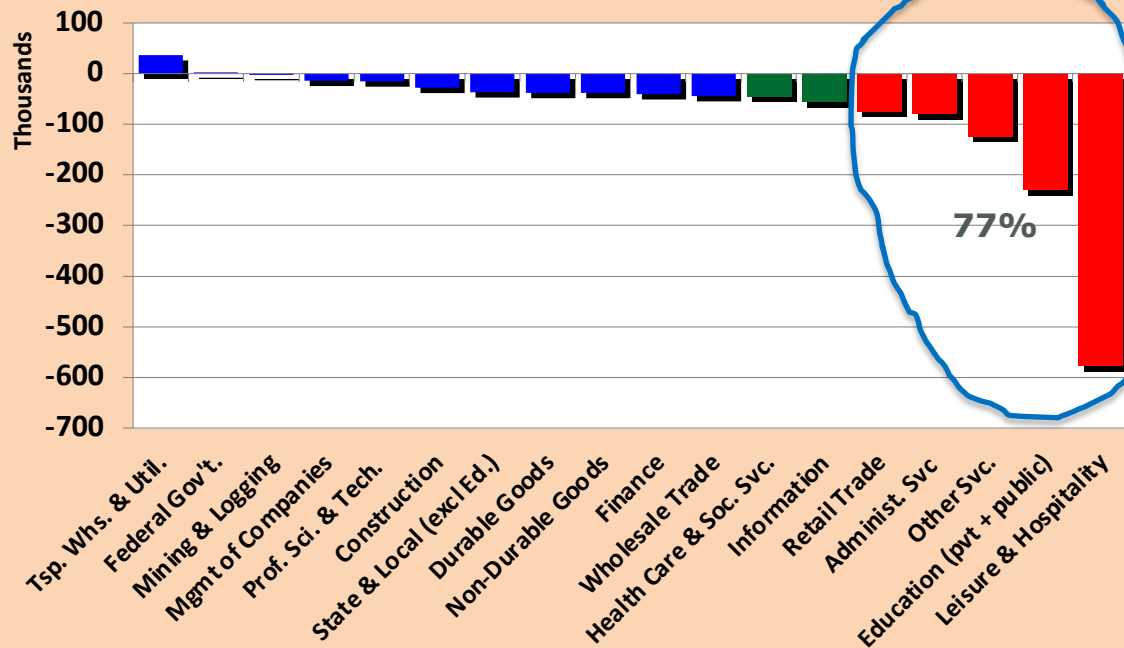
# Employment retrospective

## California Employment Trends



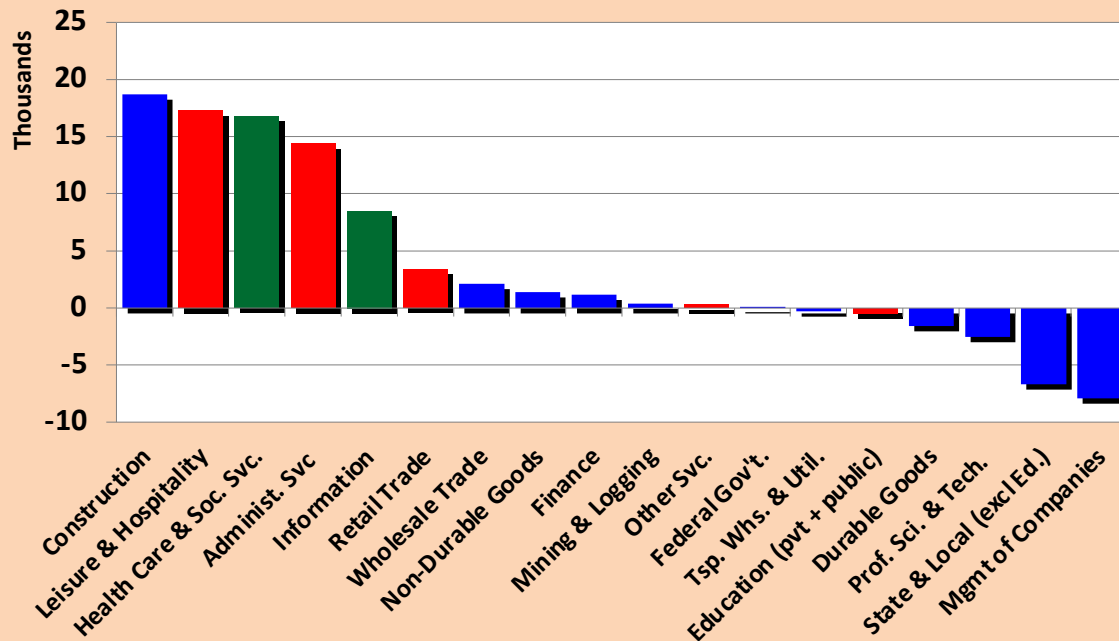
# Non-Farm Payroll Job Loss By Sector

## CHANGE IN NO. OF JOBS BY SECTOR (February 2020 to April 2021)



# Non-Farm Payroll Job Gain/Loss By Sector

## CHANGE IN NO. OF JOBS BY SECTOR January to April 2021



SOURCE: EDD.CA.GOV

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# TOURISM RECOVERY DEPENDS ON DOMESTIC TRAVEL

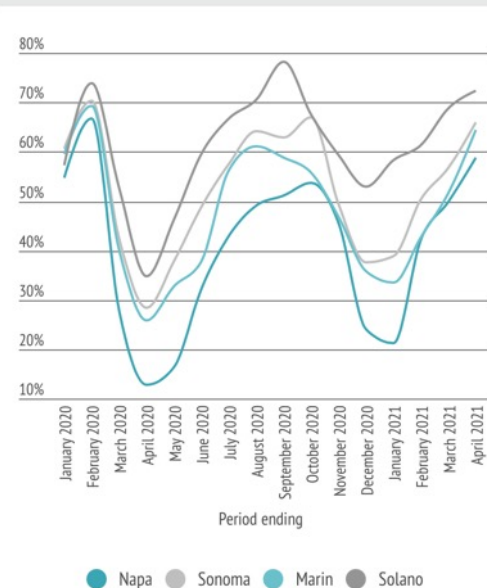
a unique approach. critical answers. **Accurate.**



SOURCES: LAWA, SFO, UCLA ANDERSON FORECAST

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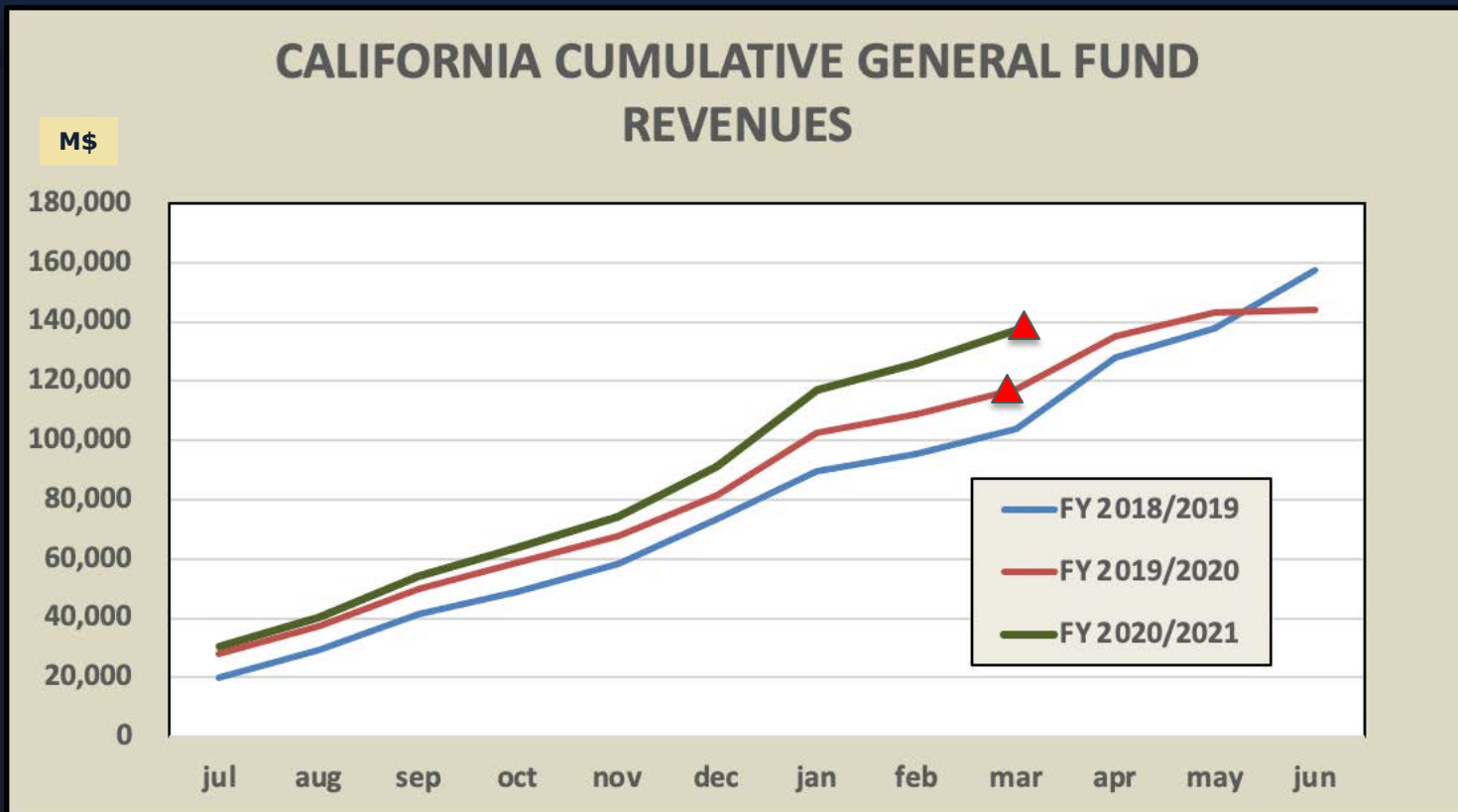
## North Bay hotel occupancy during coronavirus pandemic



SOURCE: NORTH BAY BUSINESS JOURNAL

# FINANCIAL SUPPORT FOR SCHOOL OPENING

a unique approach. critical answers. **Accurate.**

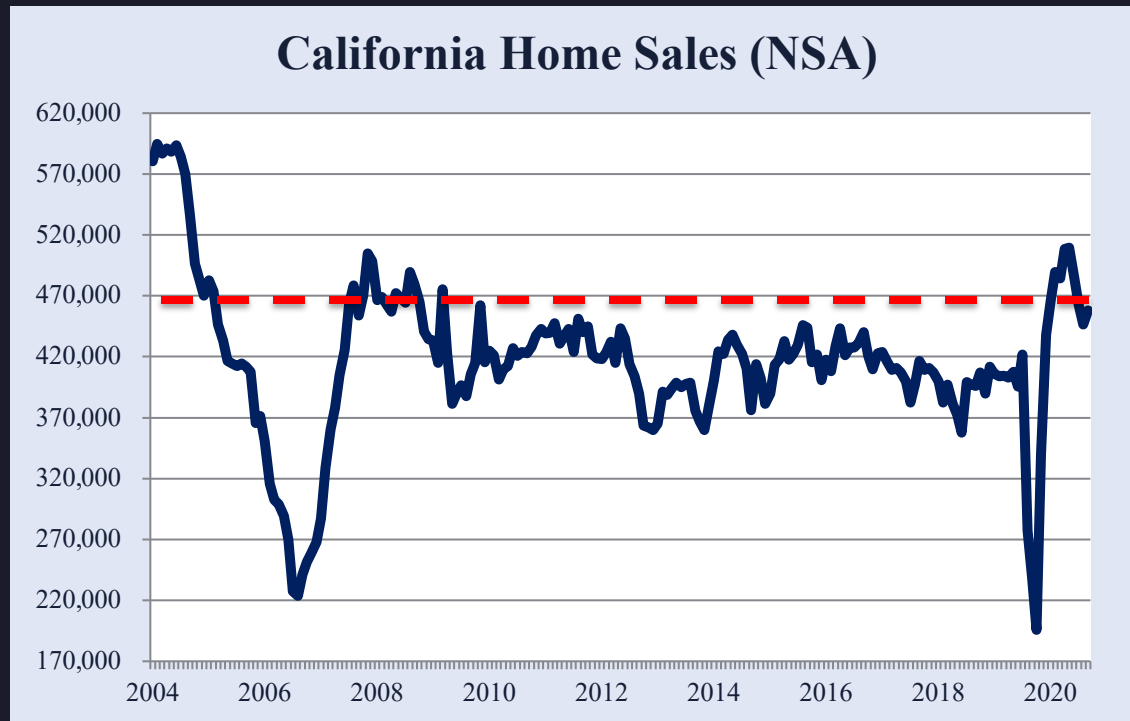


SOURCE: DOF.CA.GOV



# HOME SALES REMAIN STRONG

(existing single-family homes, Jan. 2004 to April 2021)



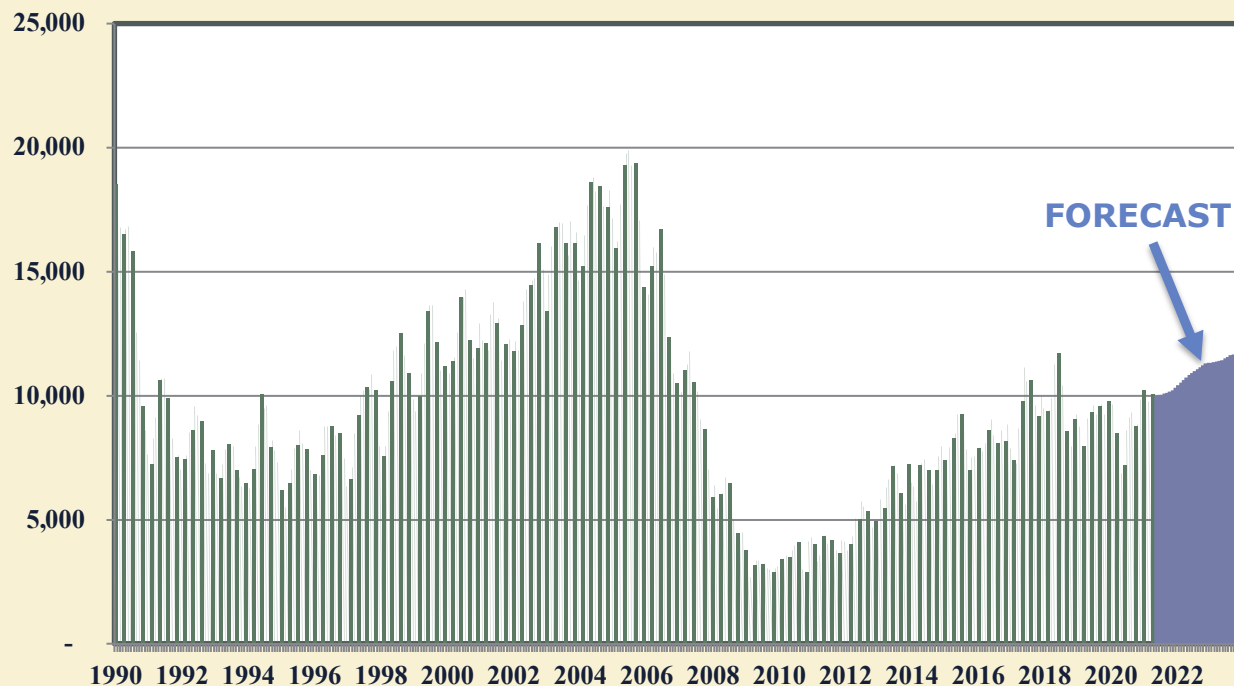
Source: California Association of Realtors



# LEADING TO A STEADY RISE IN RESIDENTIAL CONSTRUCTION

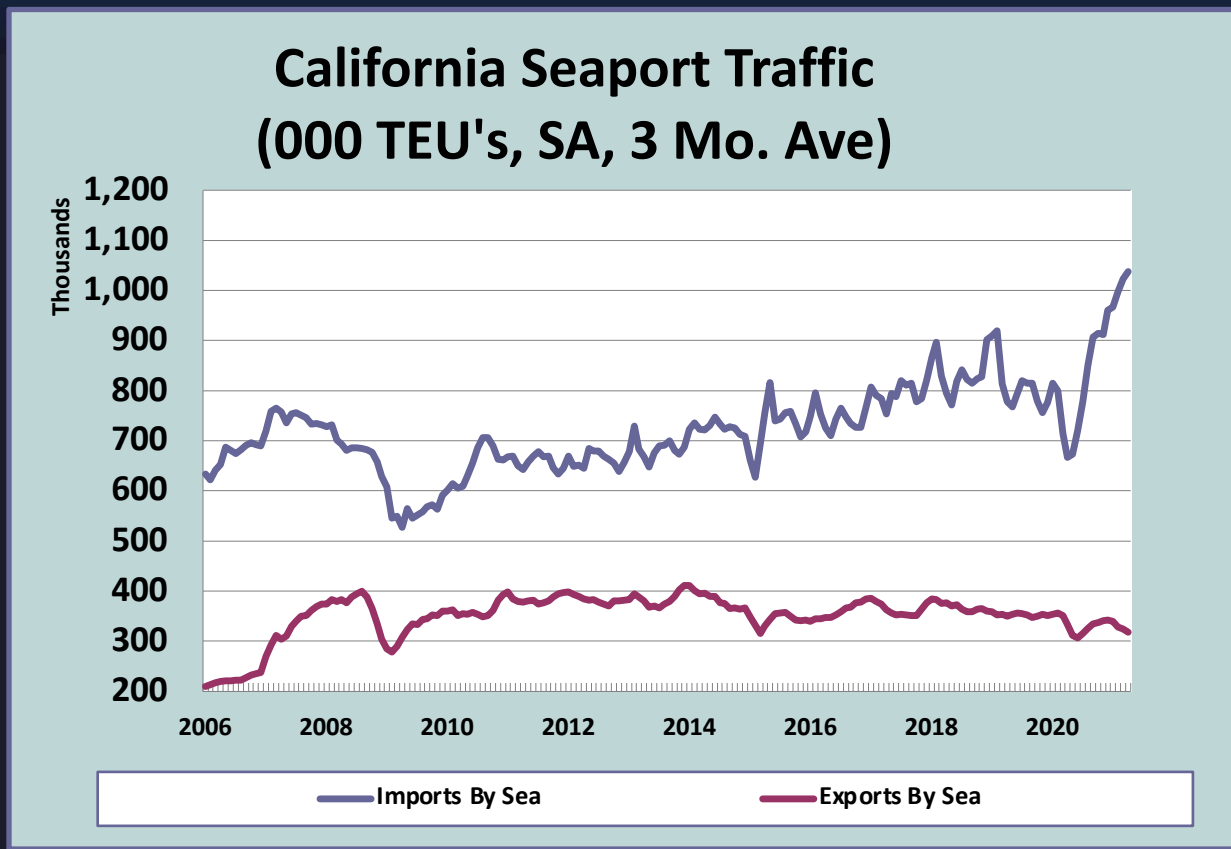
a unique approach. critical answers. **Accurate.**

**California New Residential Permits  
(3 Mo. Moving Average, No. of Units)**



SOURCES: US CENSUS, UCLA ANDERSON FORECAST

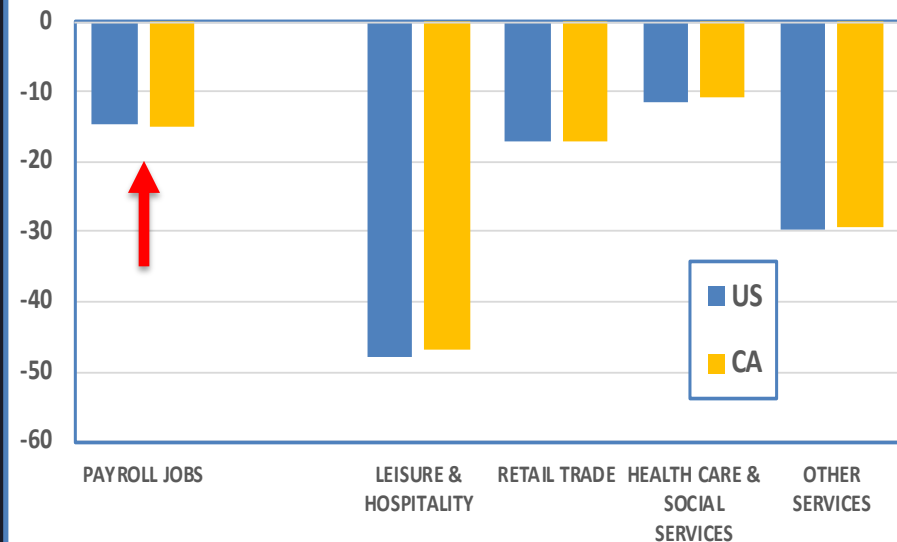
# Ports continue to support the logistics sector



# IMPACT OF NON-PHARMA INTERVENTIONS

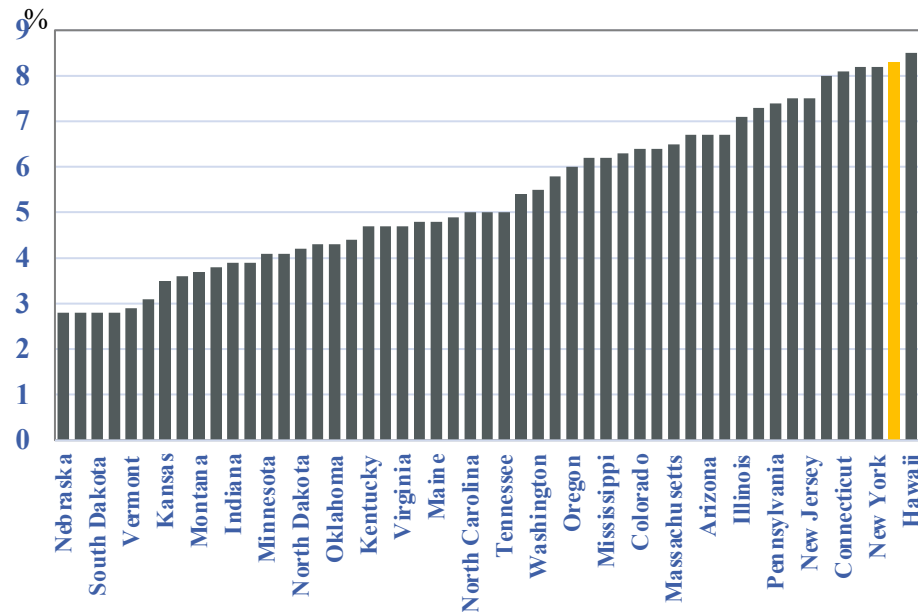
## Beginning of the Pandemic

### PERCENT PAYROLL JOB LOSS FEB.-APRIL 2020



## April 2021

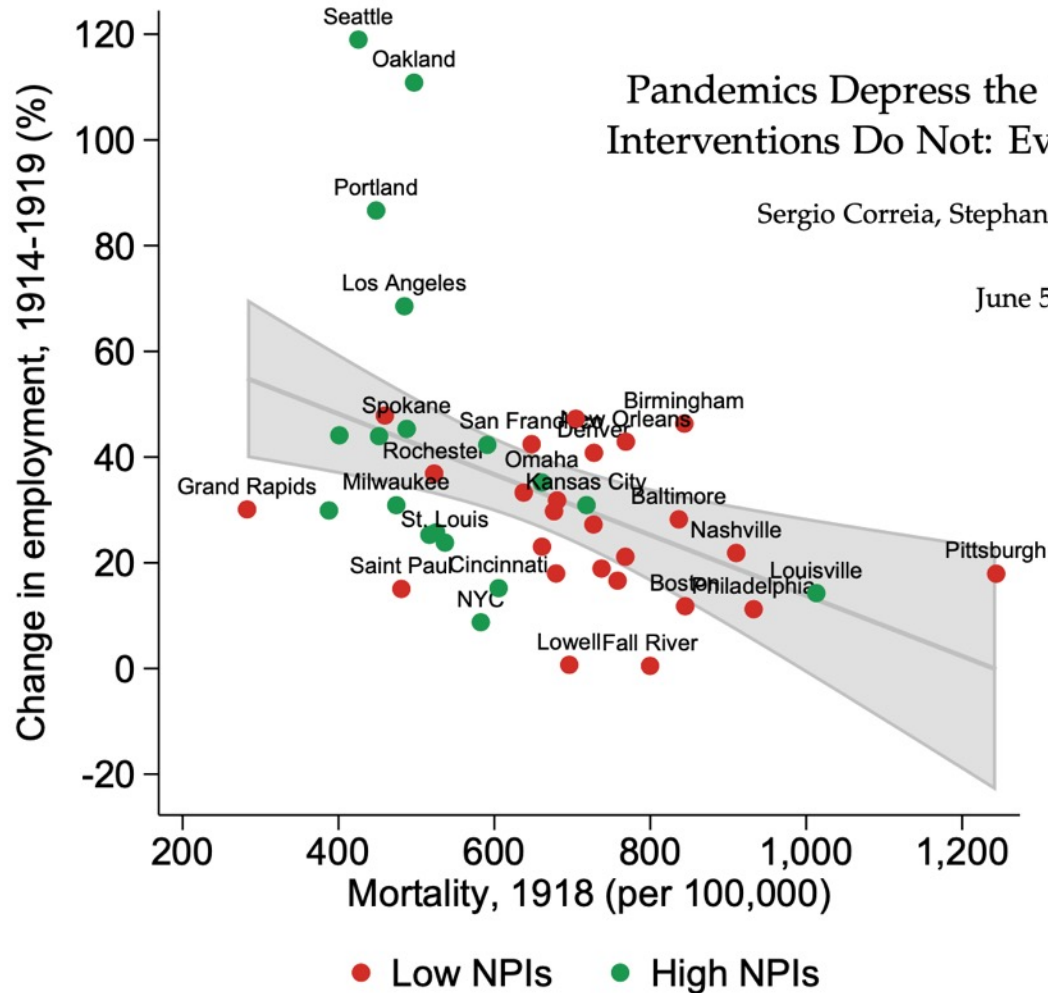
### Unemployment Rate by State (April 2021, percentage)



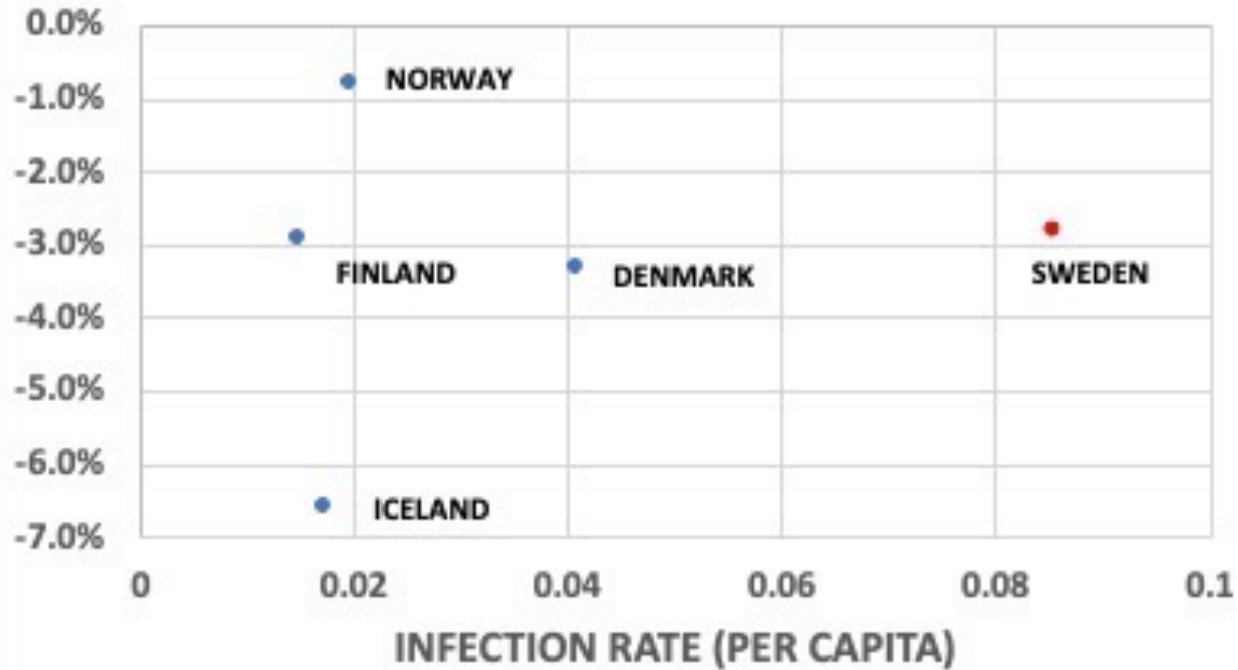
# Pandemics Depress the Economy, Public Health Interventions Do Not: Evidence from the 1918 Flu

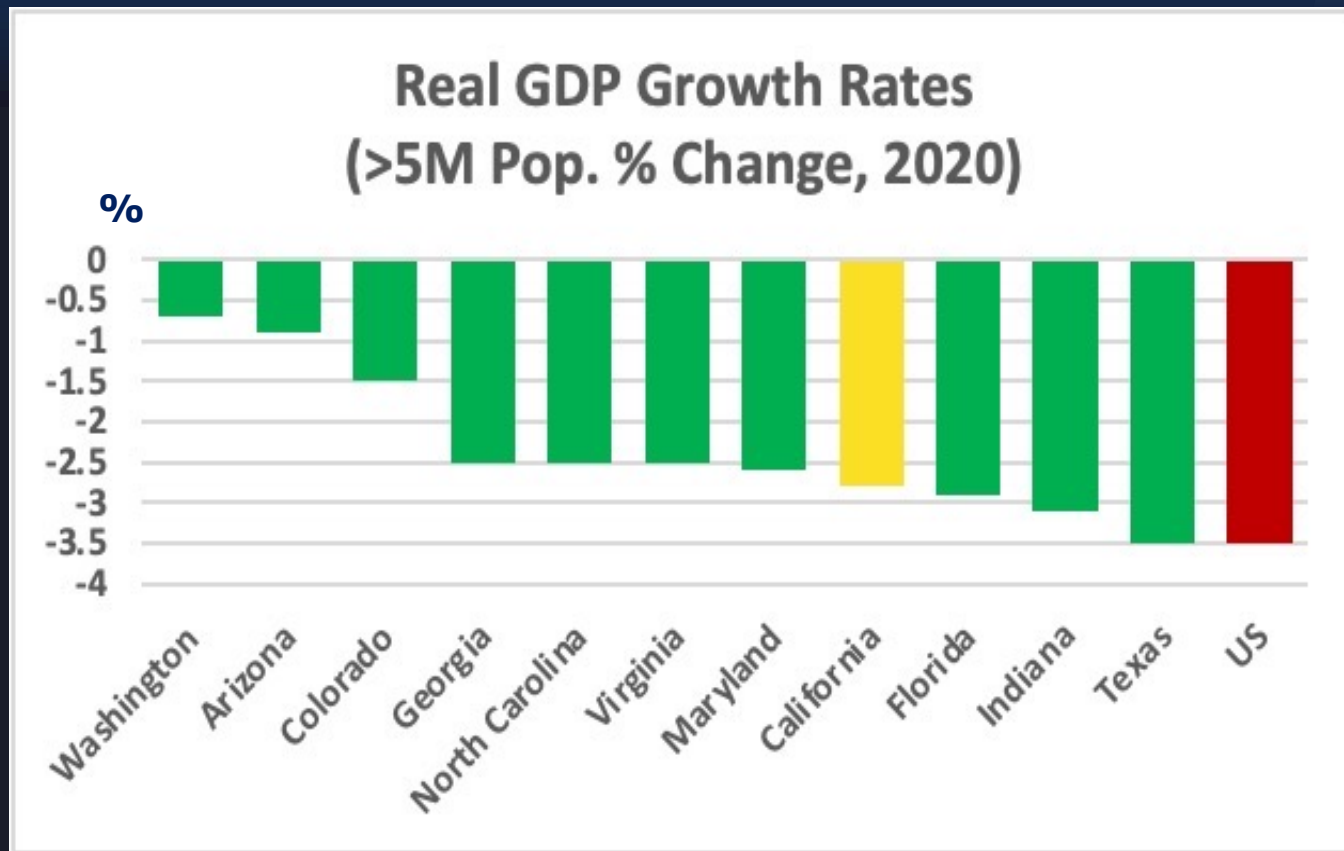
Sergio Correia, Stephan Luck, and Emil Verner\*

June 5, 2020



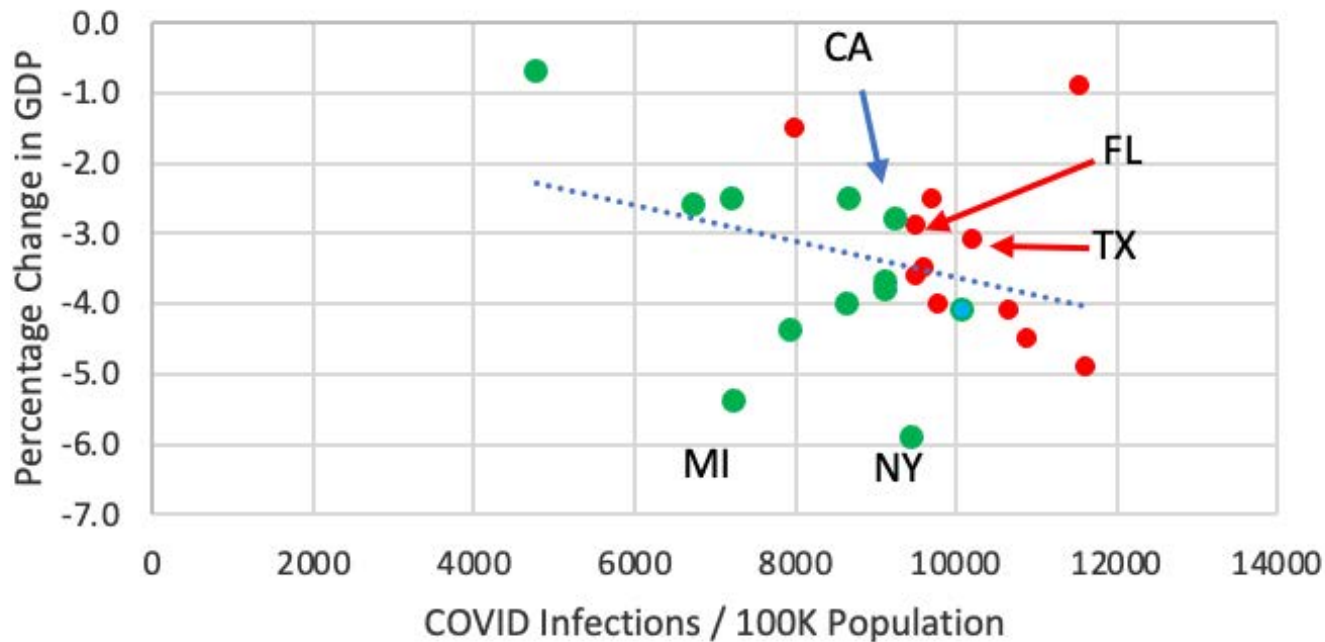
## Scandinavia 2020 Real GDP Growth vs Infection Rates





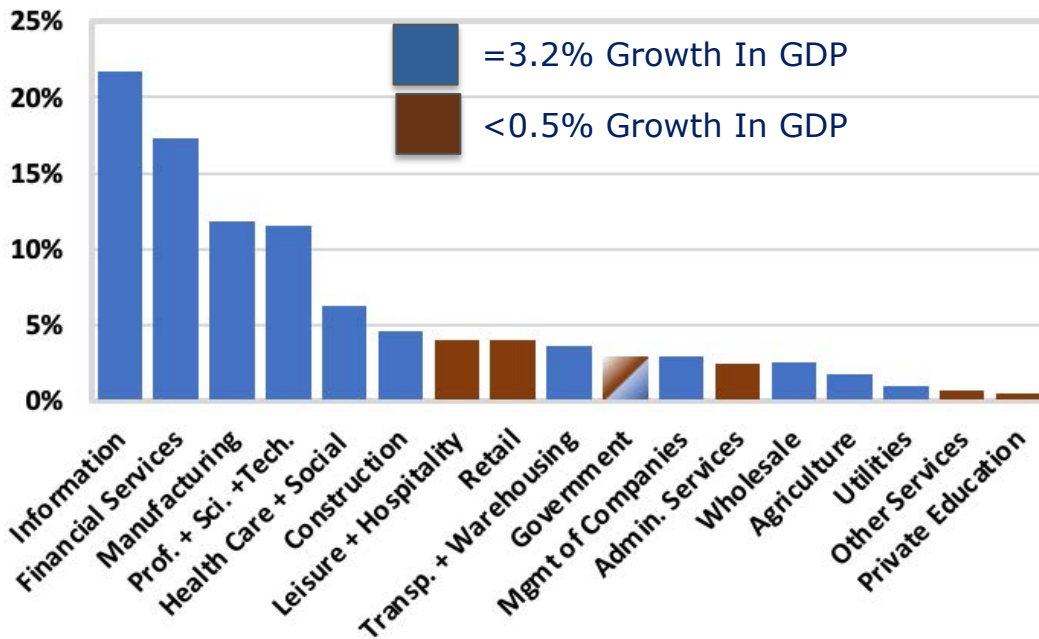


## Large US States (>5M Population) Infection Rate/100K vs GDP 2020 Growth Rate



# The U-Rate is relatively High, Why is GDP doing relatively better?

**Contribution to California GDP Growth  
(2012-2019, Percent)**



# CALIFORNIA SUMMARY

- Job loss remains concentrated in human contact sectors
  - Partially due to public health restrictions
  - And COVID risk aversion by consumers
  - These lo- income sectors will recover last
- But Tech, Logistics and Housing, State Gov. will continue to drive CA GDP growth at faster than US rates

# CALIFORNIA FORECAST

## KEY INDICATORS



	2021	2022	2023
Employment	5.3%	4.0%	2.2%
Unemployment	7.1%	5.2%	4.2%
Housing (units)	120	131	138

