

## CALIFORNIA CORONAVIRUS WEEKLY RECAP

*A weekly digest to keep you up to speed on  
the Californiacoronavirus outbreak.*

Oct. 6, 2021

Welcome to the 82nd issue of the California Coronavirus Weekly Recap newsletter.

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**The Economy & Your Finances: Jobless claims rise; some local eviction moratoria in California continue**

Initial jobless claims across the U.S. rose again last week, to [362,000, a seven-week high](#), despite predictions that they would decline. Continuing claims rose slightly to 2.84 million, and the total of all active claims receded to [11.25 million](#). By comparison, one year ago there were 26.6 million people receiving unemployment benefits due to massive pandemic-related layoffs. California saw another increase in initial jobless claims to [24,221](#).

Although California's statewide eviction moratorium ended on Oct. 1, some local restrictions remain in place. For example, Los Angeles County's eviction moratorium [extends to January 2022](#), and the city of [Los Angeles's eviction moratorium](#) continues until October 2022. About [724,000 Californian households](#) are still \$2.5 billion behind in rent. Current law shields tenants from eviction if they've paid at least 25% of their rent between Sept. 1, 2020, and Sept. 30, 2021, as long as they've given their landlords signed declarations of COVID-19 related financial distress. Tenants who signed the declaration cannot be evicted over any rent owed between March 1, 2020, and Aug. 31, 2020. Landlords and tenants can both apply for rental relief funds for those whose ability to pay has been affected by the COVID-19 pandemic by going to the [Housing is Key program](#).

Today (Oct. 6) is the last day to apply to Employment Development Department (EDD) for COVID-related Pandemic Unemployment Assistance (PUA) for weeks of unemployment through Sept. 4. Keep in mind that federal law does not allow PUA benefits to be paid for weeks of unemployment after Sept. 4 even if your UI Online page shows there's a balance remaining on your PUA claim.

Sources: *ABC, Bloomberg, CNBC, CalMatters, EDD, California Department of Housing, Los Angeles County Consumer and Business Affairs*

## **The Market & Industry: Mortgage rates rise; supply chain issues and anticipated inflation cool forecast for Q3 2021**

Mortgage rates rose across all loan types last week. The average 30-year fixed-rate mortgage passed 3 percent for the first time in three months, as investors were

concerned about inflation. Rates are likely to rise slightly for the rest of the year, as the third and fourth quarters show economic growth. The average 30-year fixed-rate mortgage rose to [3.16 percent](#) (from 2.88 percent), while the average 15-year fixed-rate mortgage rose to 2.42 percent. The 5/1 adjustable-rate mortgage rose to 2.80 percent.

Inflation and COVID-19 concerns continued to put pressure on confidence among Americans, as the [consumer confidence index fell](#) to 109.3 in September from 115.2 in August. The present situation index, which reflects consumers' assessment of current business and labor market conditions, dropped to 114.3, while the expectation index declined to 86.6. Cautious consumers will likely result in curtailed spending and slower economic growth going forward. Despite the overall indicator dropping to the lowest level in seven months, improvements could be seen in coming months as the COVID situation continues to show signs of progress, while [inflation appears to be easing](#).

The impact of supply chain disruptions, along with the spread of Delta variant, prompted economists to lower their expectations on economic growth. The September 2021 forecast released by [UCLA Anderson Forecast](#) downgraded the Q3 2021 GDP growth rate to 3.3 percent from 7.8 percent in June. The widespread Delta variant, the dip in consumer enthusiasm, and the disruption in global supply chain all contributed to the reduction in expectation in the economy. Meanwhile, Merrill Lynch also lowered its Q3 2021 GDP growth rate to [4.1 percent last week](#) from 4.5 percent in the prior week (9/24/21), while Goldman Sachs' forecast remained unchanged at 4.25 percent as of October 1.

Sources: *Forbes*, *C.A.R. Market Minute*, *Wall Street Journal*, *UCLA Anderson Forecast*, *Merrill Lynch*

## **Around the State: Eligible California students mandated to receive vaccine for in-person schooling; California National Guard called to assist beleaguered hospitals in Northern California and Central Valley**

Friday night, Gov. Gavin Newsom issued a mandate requiring that all eligible [public and private school students](#) in California be vaccinated against COVID-19, after the vaccine is

fully approved for particular age ranges. This means that for students aged 12-16, the mandate will go into effect once the FDA formally approves it (versus the emergency authorization currently in place). For younger children, ages 5-11, even emergency authorization might come around Thanksgiving, and the mandate might not go into effect until January 2023 for that age range. Students who have medical exemptions would not be required to get the vaccine to attend class, and families could cite personal beliefs and submit waivers if they decide not to have their children vaccinated and still attend class on campus. Students whose families do not submit evidence of vaccination nor waivers would have the option of attending school fully online, attending an independent-study program offered by their district, or being home-schooled.

The California National Guard [was called in](#) to assist four hospitals in Northern California and the Central Valley, which are swamped with a surge of COVID-19 cases and deaths and a shortage of available nurses and staff. The hospitals include Memorial Hospital, Mercy Hospital Southwest, and Adventist Health in Bakersfield, and Mercy Medical Center in Redding. Vaccination rates in these regions are far lower than the rest of the state, and local health officials have worked to dispel distrust of the vaccines and skepticism about the coronavirus.

As of 5:32 a.m. on Wednesday, there were [4,728,665](#) reported cases of COVID-19 in the state, for a daily average of 6,169. This is a decrease of 27.6 percent from two weeks prior. Hospitalizations continue tracking downward by 15 percent from the prior week, to [4,467](#). Statewide, [21.9 percent of ICU beds](#) are available. California has administered [49,110,052 doses](#) of the vaccine, and 67 percent of residents have received at least one dose. Among all Californians, 60.5 percent are fully vaccinated.

Sources: *Los Angeles Times*, *CDC*, *Mercury News*

## **Health Check-Up: COVID-19 cases slow nationwide; Merck applies for approval for antiviral medicine for COVID; Johnson & Johnson applies for approval for boosters**

The good news is that, nationwide, [new COVID-19 cases are waning](#). Since Sept. 1, the number of new daily cases has fallen 35 percent, to an average of 107,312 new cases

per day compared to more than 150,000 one month ago. Even better news is that pediatric cases are also declining even without an approved vaccine for children under the age of 12, although the number of new pediatric cases remain above [about 29,000 per day](#). The American Academy of Pediatrics reported Monday that infections among children remain “exceptionally high,” making up about 27 percent of all new cases in the U.S. The U.S. Food and Drug Administration (FDA) said that it would meet on Oct. 26 to [discuss data](#) from Pfizer’s COVID-19 vaccine trial among children aged 5 to 11. After that, FDA advisers will need to make a recommendation and then the FDA will need to vote on it. The next step would be for the CDC to sign off on it before the vaccine could be released for children aged 5 to 11, so it is likely to be November before children can start getting their first doses.

On Friday, Merck announced that its new antiviral medication, molnupiravir, [cuts in half the risk of severe disease](#) and death for people diagnosed with COVID-19. Merck will apply to the U.S. Food and Drug Administration (FDA) for emergency authorization for the drug. Meant for people who are sick but not yet in the hospital, molnupiravir does not prevent infections. Instead, it disrupts the coronavirus’s ability to replicate itself inside human cells. If a patient takes the medication early, within five days of symptoms appearing, the virus is still replicating very quickly inside the body and the immune system hasn’t yet mounted its full response. Basically, the drug [tricks the virus](#) into using the drug’s recipe for replicating more viruses (instead of the virus’s own instructions). Then the drug inserts a mechanism to create lots of errors in the genetic code. If the replicating virus has too many errors, or has errors in areas that are absolutely critical, then the virus can no longer replicate, and it dies.

Merck tested the drug in 775 adults newly diagnosed with COVID-19 who were thought to be at high risk for severe disease because of health conditions such as diabetes, heart or lung disease, or being over 60 years old. Patients took four pills twice a day for five days, for a total of 40 pills, though they did not know whether they got the experimental drug or the placebo. For those taking the drug, 7.3 percent experienced severe enough symptoms to be hospitalized. Among the placebo group, 14.1 percent of patients were hospitalized or died. That success rate of cutting the risk of severe disease in half is not as effective as monoclonal antibodies, which are a cocktail of antibodies given intravenously to high-risk patients with mild or moderate COVID-19. Monoclonal

antibodies can reduce hospitalizations and deaths by up to 85 percent among high-risk patients, but the treatment is expensive (about \$2,100, usually not covered by insurance because it is experimental), difficult to get, and must be delivered intravenously. By comparison, taking 40 pills over five days is far easier for most patients. However, neither treatment is as effective as getting vaccinated.

On Tuesday, Johnson & Johnson [asked the FDA](#) to authorize its vaccine booster shots. The FDA is meeting next week to discuss data from Johnson & Johnson and Moderna about booster shots.

Sources: *CNN, Webmd, Los Angeles Times, New York Times*



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