

CALIFORNIA CORONAVIRUS WEEKLY RECAP

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

Sept. 22, 2021

Welcome to the 80th issue of the California Coronavirus Weekly Recap newsletter.

In This Issue:

- [The Economy & Your Finances: U.S. jobless claims rose due to Hurricane Ida but California claims dropped; California labor market grows; Federal Child Tax Credits roll out; state small business relief grant applications are open](#)
- [The Market & Industry: Mortgage rates tick slightly up; sales slow but prices still high; forbearance ending soon](#)
- [Around the State: California has lowest transmission rate in the U.S.](#)
- [Health Check-Up: Boosters not approved for general population, approved for high-risk groups; Pfizer announces results showing safety for vaccine for children 5-11; majority in U.S. say public health restrictions worth the cost](#)

The Economy & Your Finances: U.S. jobless claims rose due to Hurricane Ida but California claims dropped; California labor market grows; Federal Child Tax Credits roll out; state small business relief grant applications are open

Initial U.S. jobless claims [rose by 20,000 last week to 332,000](#), spurred in part by a spike in claims in Louisiana, related to Hurricane Ida. Claims are expected to lower again this week. Employers have been reluctant to lay off workers due to a major shortage of labor, which has meant that jobless claims have generally kept falling even though the economy has slowed. For those who are looking for work, there are a record number of job openings available. In California, around [55,000 workers filed new jobless claims](#) for the week of Sept. 11, a drop of 2,500 from the week before.

California's labor market showed strong growth last month, [accounting for 44 percent](#) of the nation's 235,000 overall jobs gained in August. Despite a surge in new COVID cases last month, which has typically correlated with a reduction in jobs in high-contact industries, the California labor market continued its recovery with a second straight month with 104,300 new jobs created. Government employers added back nearly [46,900 jobs as public schools reopened](#) across the state, primarily attempting to fill teacher and substitute teacher shortages. Leisure and Hospitality, which is home to California's bars, restaurants, hotels, and entertainment venues, also battled back with over 33,000 new jobs. And, although the unemployment rate remained unchanged from July at 7.6%, it was because more workers re-entered the labor force, which prevented the headline rate from dropping despite nearly 60,000 workers moving from unemployed to employed status.

U.S. federal [child tax credit payments of \\$250](#) per child age 6-17 per month for taxpayers with qualified dependents went live in July and will continue through the end of 2021. For each qualifying child under age 6, the payments are \$300 per month. They are either being mailed as paper checks or being directly deposited into accounts of people who have electronically filed their taxes and provided bank account information. The current plan includes six monthly payments from July through December, and then a single end-of-year tax credit that the recipient can claim when they file their taxes for 2021. There are three more months of payments to come after the September payment that was released on Sept. 15. The program is proving [so popular](#) that legislators are discussing extending the program through next year. To check whether you qualify for the child tax credit, [go here](#).

Despite the end of federal eviction moratoria last month, California's own [statewide moratorium continues until next week, Oct. 1, 2021](#). This allows time for the various state and local rental relief programs to disburse rental assistance funds. To apply for rental relief funding, go to the state website for [CA COVID-19 Rent Relief](#).

California's [relief grant program for small businesses](#) affected by the COVID-19 pandemic is accepting new applications until September 30. The program provides micro grants ranging from \$5,000 to \$25,000 to eligible small businesses (including independent contractors and sole proprietors) impacted by COVID-19 and the related health and safety restrictions. The grant amount is based on the business's annual revenue as documented in its most recent tax return. Businesses that applied during previous rounds of the program but that did not receive a grant should not reapply, since their applications are automatically moved forward into this current round.

If you plan to apply for COVID-related unemployment, please remember to certify as promptly as possible for each benefit week through Sept. 4, as the Employment Development Department (EDD) will only continue to accept Pandemic Unemployment Assistance (PUA) applications through Oct. 6.

Sources: *MarketWatch, Mercury News, CalMatters, EDD, IRS, AS Diario, Los Angeles Times, Bloomberg, California Department of Housing, California Relief Grant Program*

The Market & Industry: Mortgage rate tick slightly up; sales slow but prices still high; forbearance ending soon

Mortgage rates [rose slightly today](#) with the 30-year fixed-mortgage rate rising three basis points to 3.05 percent compared to last week. The 15-year fixed-mortgage rate also increased by three basis points, to 2.34 percent. The 5/1 adjustable-rate mortgage also rose three basis points, to 3.06 percent. [Refinancing rates also climbed slightly](#), to 3.03 percent for a 30-year refinance (up four basis points from last week), 2.31 percent for a 15-year refinance (up two basis points), and 2.28 percent for a 10-year refinance (up one basis point).

August's [sales pace](#) was down 3.3 percent from July and down 10.9 percent from a year ago—to the lowest in 14 months. Despite the monthly and annual sales drop, California home sales remained strong by pre-pandemic standards, maintaining a solid year-to-date increase of 21.3 percent. California's median home price set a new record in August at \$827,940 — the fifth record set in six months. The August price was 2.1 percent higher than the \$811,170 recorded in July and 17.1 percent higher than the \$706,900 recorded last August.

Although sales continue to dip from 15-year highs, prices continue to set new records and the market remains incredibly competitive—just slightly less than it was a few months ago. In August, the percentage of homes [sold above asking price](#) fell for the second time in a row to 67 percent. That's still extremely elevated relative to historical norms, but it is an improvement from June when more than 71 percent of homes closed above list price.

The Federal forbearance program is coming to an end in the next few weeks and the numbers remain encouraging that the market will avoid another major foreclosure crisis. The percentage of mortgages in forbearance continues to shrink—dipping to 3.08 percent from 3.23 percent the previous week. In addition, the exit data shows that banks have been much more amenable to [working with homeowners](#) facing challenges as more than 40 percent of borrowers getting out of forbearance have had their loan modified, had missed payments amortized into their loan over a period of time, or added onto the end of their loans. Another 42 percent of forbearances got off of the program because they never missed any payments, missed payments but already paid them back, or have since paid off their loans in full.

Sources: *CNET, Forbes, C.A.R. Market Minute*

Around the State: California has lowest transmission rate in the U.S.

Despite having the largest population in the United States, California now has officially the [lowest transmission rate of COVID-19](#) in the U.S. as daily new cases continue to

decline, according to the U.S. Centers for Disease Control and Prevention (CDC). Over the last seven days, new cases have numbered just 95.3 cases per 100,000 people. The state's seven-day positivity rate is just 3 percent of the population, according the California Department of Public Health. No other state has a rate below 100 cases per 100,000 people. The state with highest transmission rate at the moment is West Virginia, with 715.8 cases per 100,000 people, a rate of 10 to 15 percent positive results for COVID tests.

As of 3:27 p.m. on [Tuesday](#), there were 4,628,212 reported cases of COVID-19 in the state, for a daily average of 7,925. This is a decrease of 39 percent from two weeks prior. Hospitalizations numbered [6,009](#), down 11.8 percent from the prior week. Statewide, [20.8 percent of ICU beds](#) are available. California has administered [47,823,611 doses](#) of the vaccine, and 66 percent of residents have received at least one dose. Among all Californians, 52.9 percent are fully vaccinated.

Sources: *KTLA, Los Angeles Times, CDC*

Health Check-Up: Boosters not approved for general population, but recommended for high-risk groups; Pfizer announces results showing vaccine safe for 5-11-year-olds; majority in U.S. say public health restrictions worth the cost

Despite reports earlier this month that booster shots for the COVID-19 vaccine would be recommended, an [outcry among researchers](#) and epidemiologists led the U.S. Food and Drug Administration (FDA) [not to recommend](#) that all people ages 16 and older receive a third shot. Booster shots are still recommended for people with suppressed immune systems and at higher risk for infection. The main [reasoning against recommending boosters](#) for everyone is two-fold. First, there is not enough data to show that the vaccines that have already been given are declining in efficacy, so current vaccines still seem to grant 95 percent effectiveness. Second, there are not enough doses worldwide to get everyone vaccinated, and ensuring that people in all nations have the first and second doses of the vaccine is very likely to reduce the development of aggressive viral variants. If the United States kept those doses instead of distributing them worldwide, the nation would have a portion of its population well-protected for now, but deadlier and

more contagious variants could appear anywhere in the world at any time. Increasing vaccination rates worldwide is more likely to tamp down worse forms of the virus that could eventually overwhelm current vaccines.

On Monday, Pfizer announced that its studies have shown its COVID-19 vaccination to be safe and [highly effective among 5- to 11-year-olds](#). The children's dose contains 10 micrograms of the vaccine, which is one-third the amount in an adult's dose. The lower dose seems to cause fewer side-effects such as fever and chills than the higher dose did for 16- to 25-year-olds in an earlier study. Pfizer plans to apply for emergency authorization usage by the end of the month, and if it is granted, some children might be able to get the first dose by Halloween. For children younger than 5, trials are underway using just 3 micrograms, or one tenth of the dose for an adult. Making vaccines available for children younger than 12 will be crucial to keeping the population healthy, as in-person school has resumed across the nation and there were 225,978 cases of COVID-19 among children for the week of Sept. 16.

The Pew Research Center recently released published the [results of a survey](#) showing that the majority of adults in the U.S. (62 percent) feel that the huge restrictions on public activity enacted to slow the spread of COVID-19 have been worth the costs. While overwhelming majorities recognize that the restrictions have done a lot to hurt businesses and the economy (69 percent) as well as keeping people from living the way they want (58 percent), still when asked to judge whether the costs were worth the health benefits of the restrictions, most Americans agreed that they were.

Sources: *U.S. News and World Report, the Lancet, San Francisco Chronicle, NBC News, Pew Research Center*



This message was sent to ericksonr@car.org. Visit your [subscription management page](#) to unsubscribe or modify your email communication preferences. To update the email address to which this newsletter is sent, please contact your local association.

