



**“I’d just encourage folks who are leaving to consider that this state, just six or seven months ago, was dominating in so many sectors. And those core tenets of this state remain unchanged, despite some of the challenges we face.”**

— Gov. Gavin Newsom, Oct 5, 2020, addressing concerns that California is heading in the wrong direction

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# California

Pop. (2020): 39,648,525

Median household income (2020): \$77,500

Credit Rating: AA-/Stable

Pop. growth 2020–2025: 0.55%

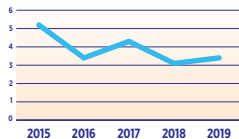
Median age (2020): 36

Right-to-work state: No

## GDP

**1<sup>st</sup>**

### GDP Growth Rate Trend



**2019 GDP**  
(in millions of current US\$)  
**\$3,132,801**

## Legislative Update

- With an infusion of \$4.5 billion, local school districts were the top recipients of \$5.7 billion in CARES Act funds covered by the 2020 Budget Act signed by Gov. Newsom in late June. In January 2020, the state was projecting a surplus of \$5.6 billion; by May, it faced a deficit of \$54.3 billion. California's total allotment under the CARES Act was \$9.5 billion.
- The 2020 budget provided an additional \$75 million for loan loss mitigation and reducing the cost of capital for small businesses to address gaps in federal assistance. The budget also expanded California's \$800 Minimum Franchise Tax exemption for first-year corporations to all businesses.
- Pandemic-related relief approved in October authorized a \$100 million hiring tax credit program that amounts to \$1,000 for each net increase in qualified employees up to \$100,000 for qualified small business employers.
- California voters approved Proposition 22, a ballot initiative supported by more than \$200 million from gig economy employers. Such companies now are exempt from a 2018 state law requiring them to treat workers as employees. In December, Uber and Lyft announced new benefits for drivers including guaranteed minimum earnings and supports of health care.



**49<sup>th</sup>**

Business Tax Climate Rank Change 2020–2021: 0



**1<sup>st</sup>**

Higher Ed. R&D Expenditure in \$000s: **9,779,608**



**29<sup>th</sup>**

Number of NCRCs: **17,904** | Percent Improvement 2019–2020: **17.26%**



**49<sup>th</sup>**

2020 Workers' Comp Index Rate: **2.87**



**48<sup>th</sup>**

Industrial power cost per kWh: **\$16.46**



**41<sup>st</sup>**

Total Revenue as Share of Total Expenses, FY 2004–2019: **100.7%**