



21ST CENTURY ALLIANCE

*Better Schools
More Homes
Smarter Government*

Rainy Day Fund Policy
Brian Brennan
6 August 2024

Figure 22

U.S. Business Cycle Recessions and Expansions, 1945-2019

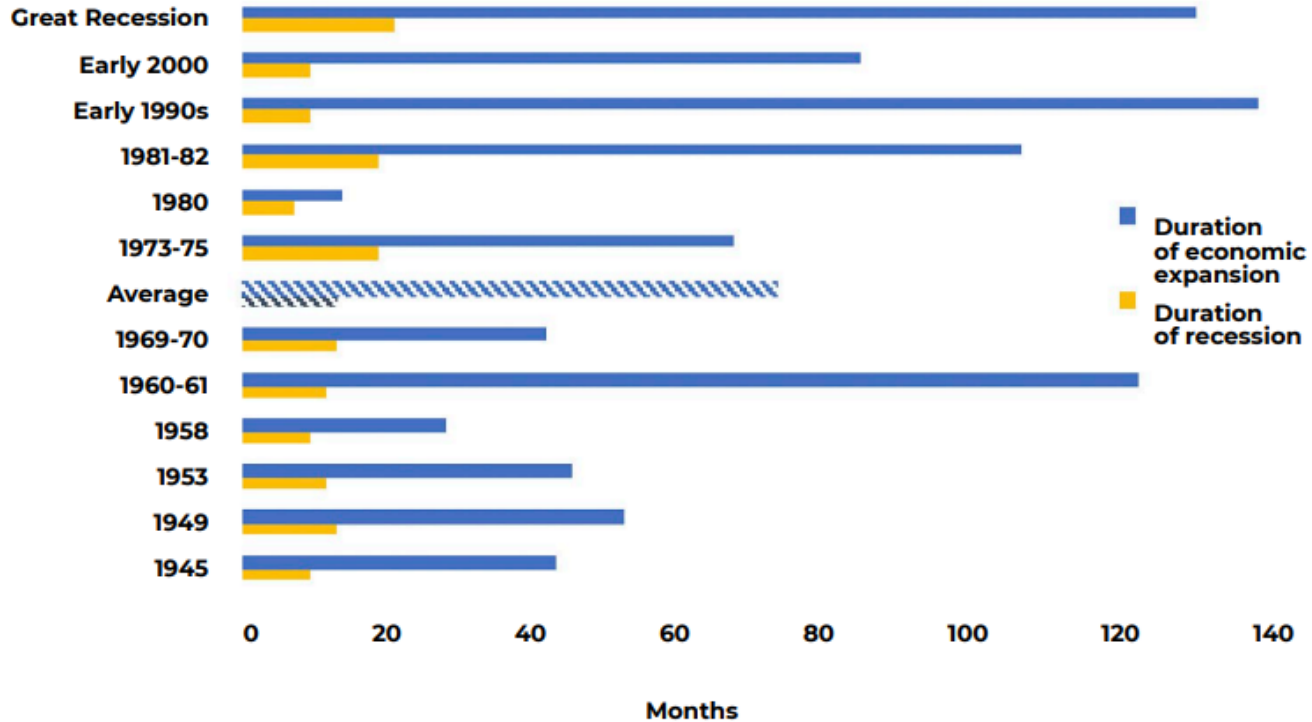


Table 8**Impact of Recessions on California State Revenue
Relative to the Baseline**

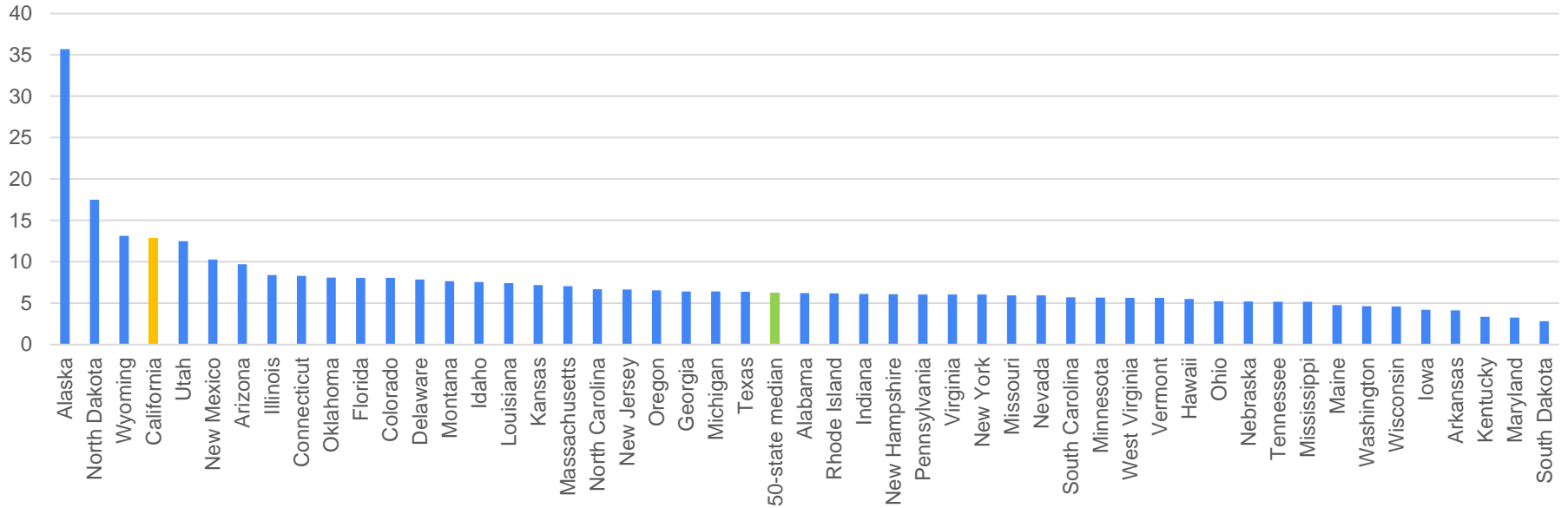
| | NBER Duration (mos.) | Fiscal years impact on CA Revenues | Estimated total revenue loss (Billions \$) | Lost revenue per year (Billions \$) | Lost revenue (per year) as a share of general fund (base year) |
|--------------------|----------------------------|--|---|---|---|
| Oil price shock II | 22 | 1980-83 | \$19-30 | \$5-8 | 9-15% |
| Early '90s slump | 8 | 1990-94 | \$37-58 | \$7-12 | 11-17% |
| Dot Com/9-11 | 8 | 2001-03 | \$13-26 | \$4-9 | 4-9% |
| Great Recession | 18 | 2008-12 | \$137-175 | \$27-35 | 23-29% |

SOURCE: Authors' calculations based upon California Department of Finance
[Summary schedules and historical charts.](#)

California's Volatility: 4th Highest in US

Total Budget Volatility Score, FY 2001-2021

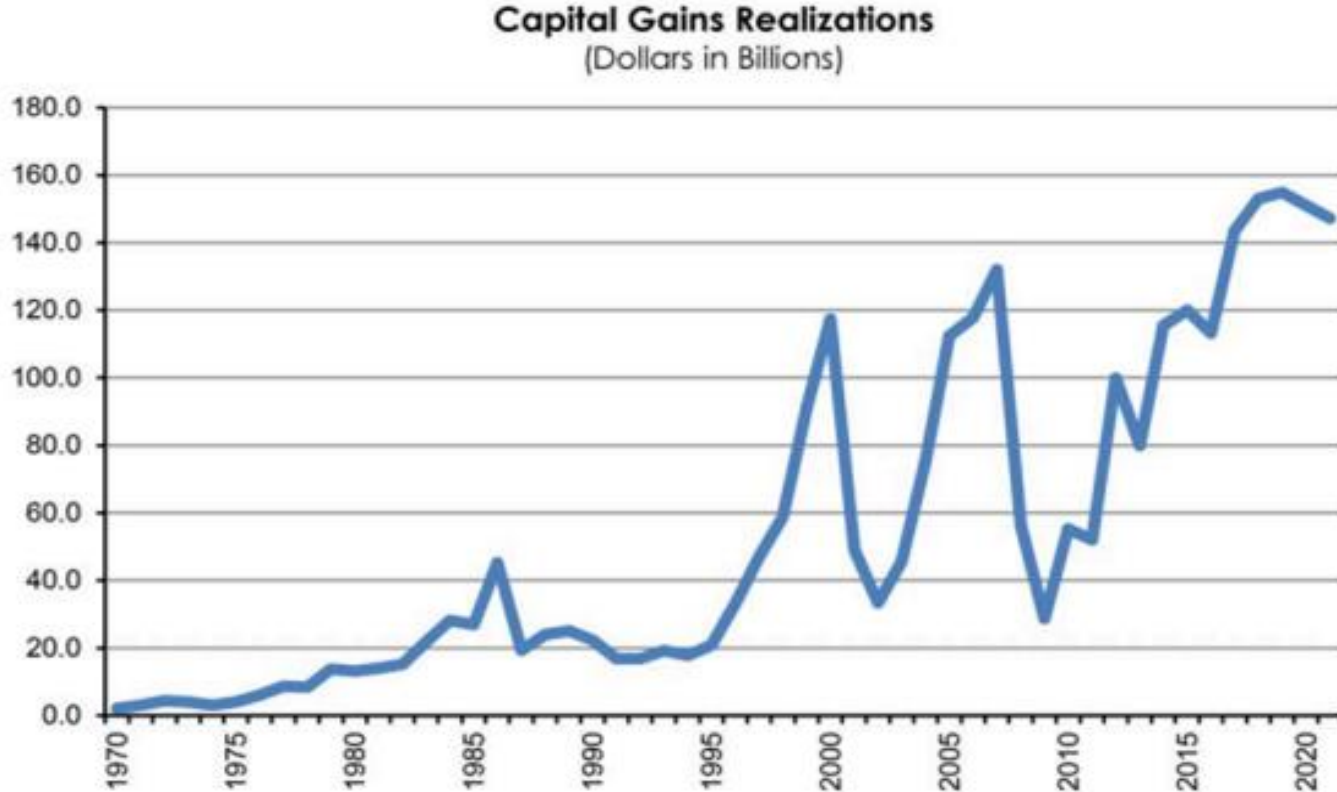
Source: Pew Research Center



50-State
Median

California

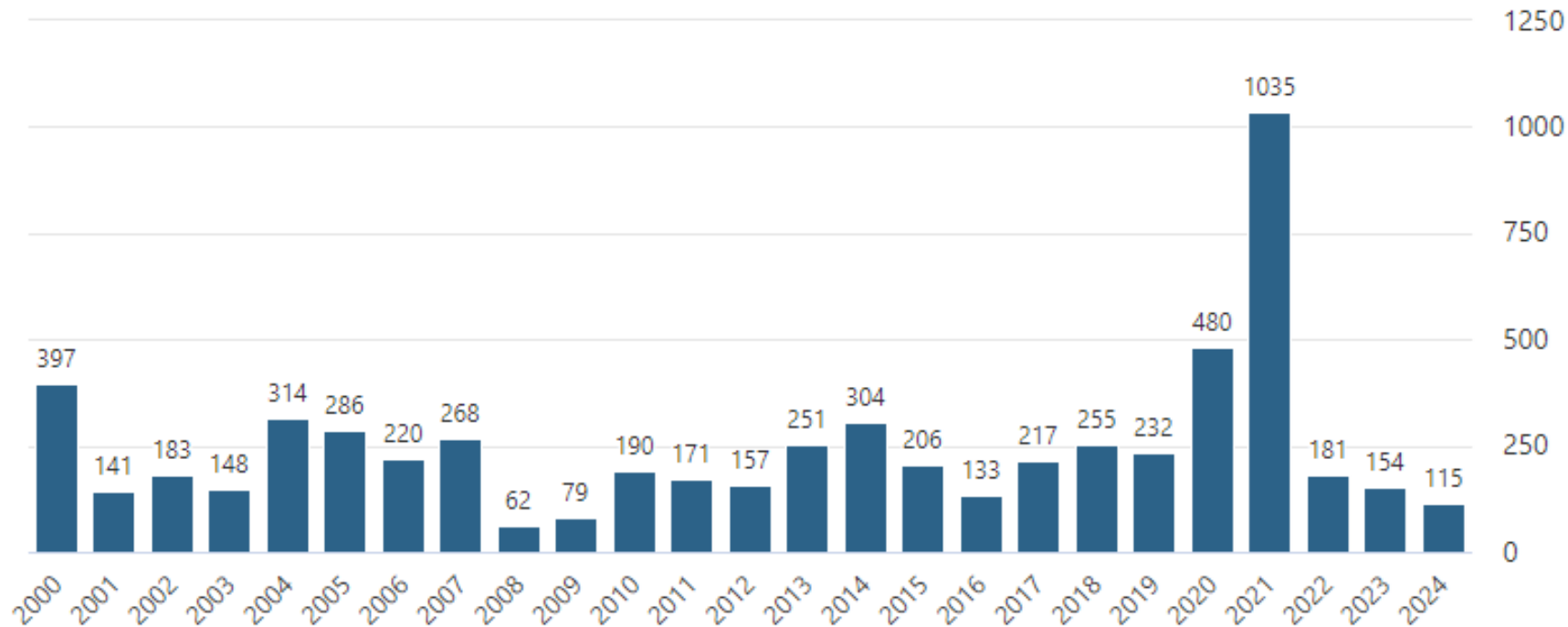
California's Volatility: Capital Gains



Source: Governor's Budget Summary 2020-1

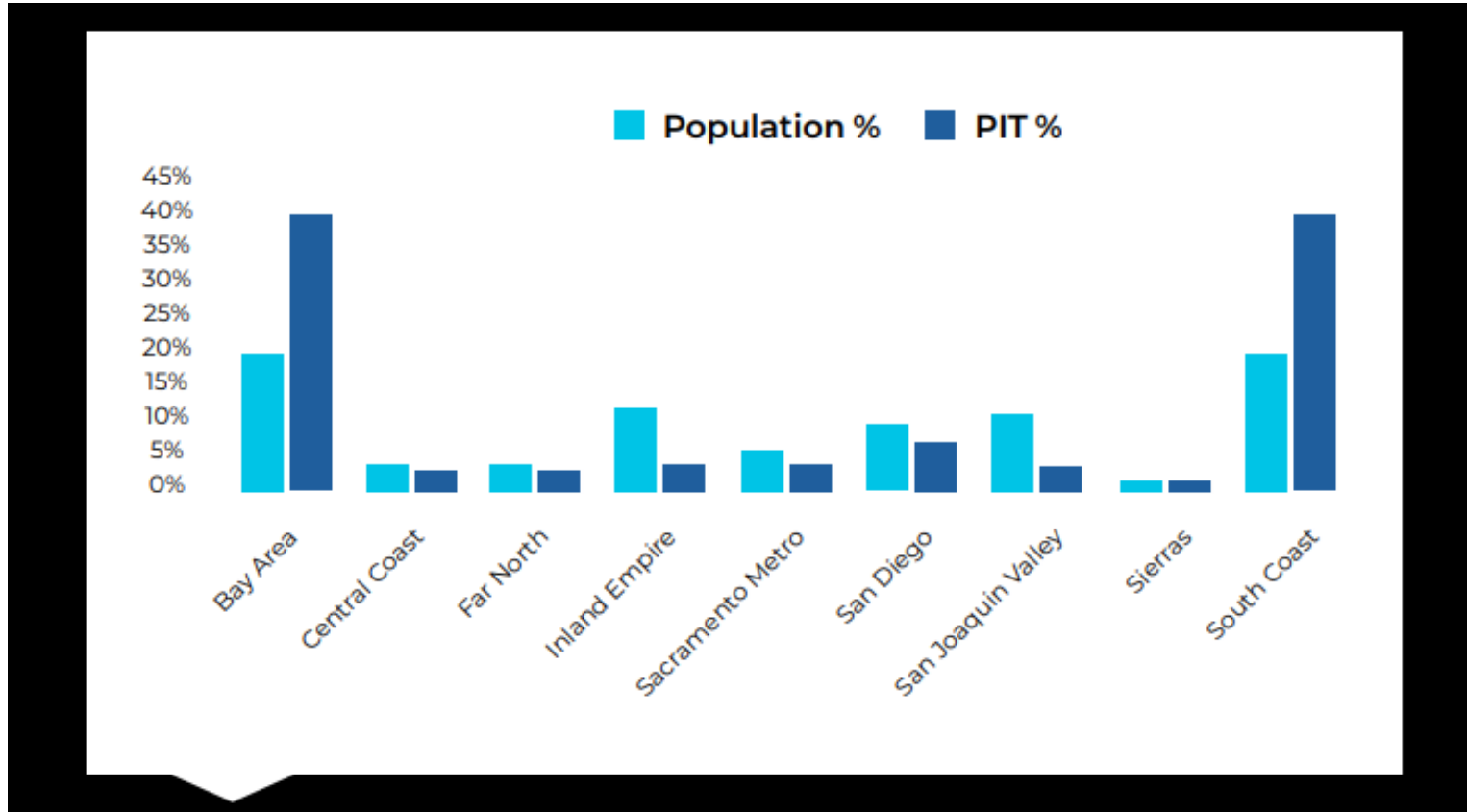
California's Volatility: IPOs

Annual IPOs, 2000-2024



Source: StockAnalysis.com (Note: Data are for US)

California's Volatility: Regional Concentration (2018)

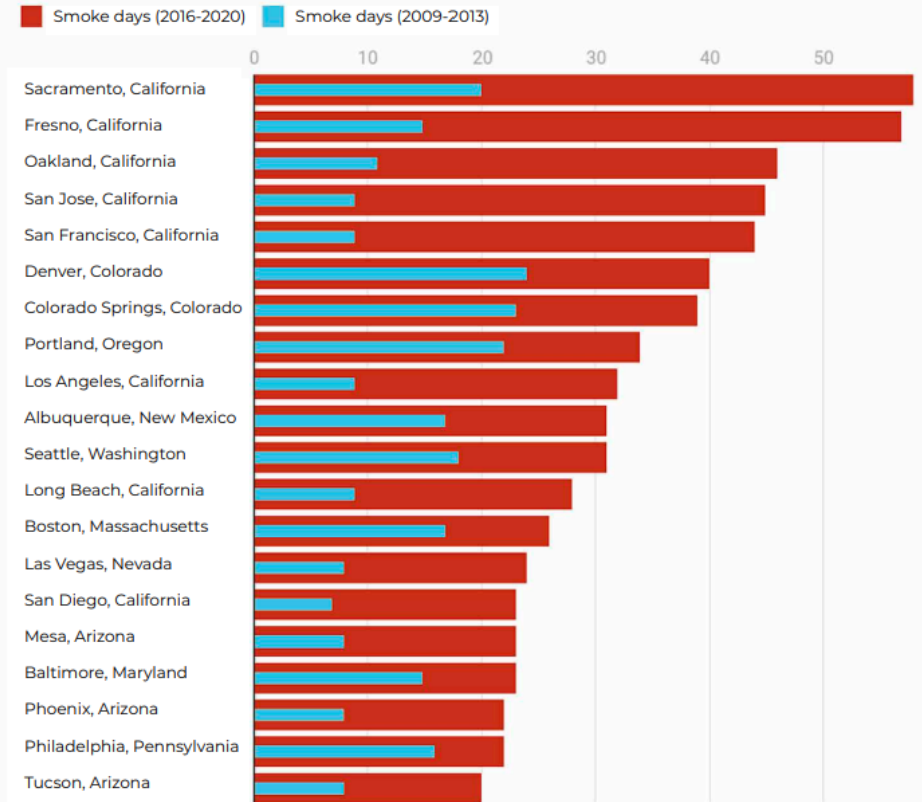


Other Vulnerabilities | Climate

Source: California 100

Figure 25

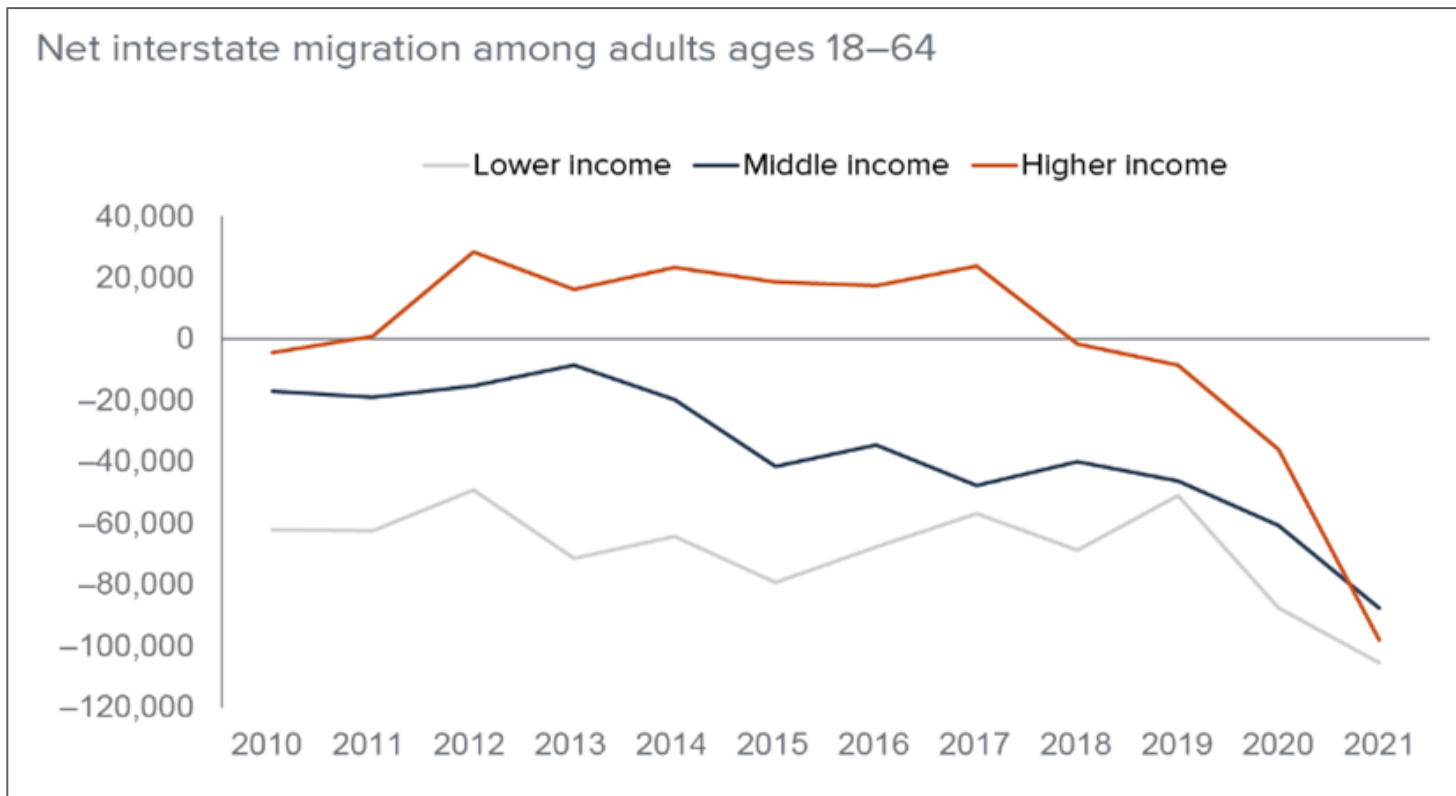
Major cities with significant increases in smoke days



SOURCE: Analysis of National Oceanic and Atmospheric Administration satellite imagery by NPR's California Newsroom and Stanford University's Environmental Change and Human Outcomes Lab.

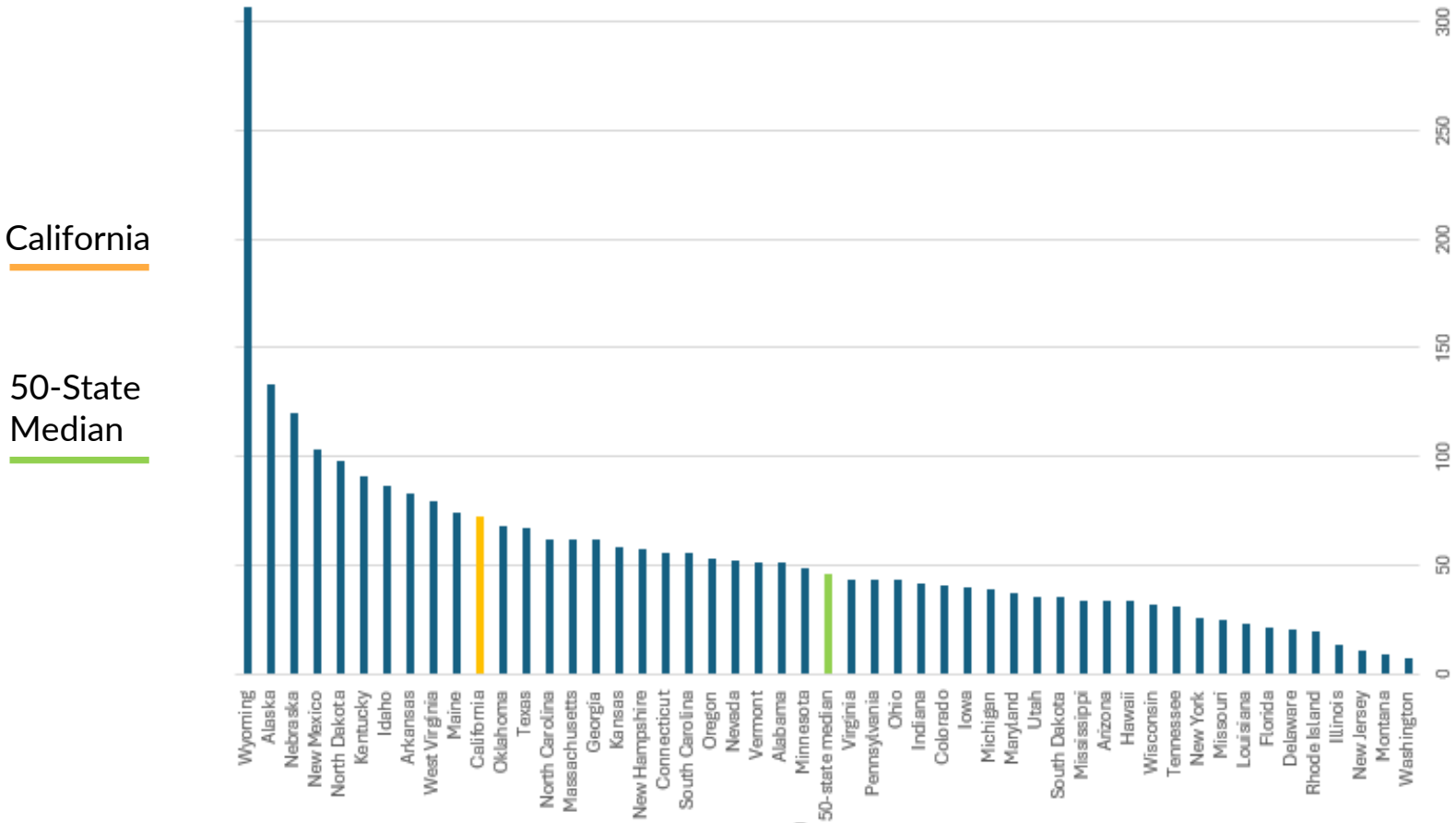
CHART: Alison Saldanha. Created with Datawrapper.

Other Vulnerabilities | Migration



Source: PPIC, [Who's Leaving California, and Who's Moving In](#) (Mar. 21, 2023).

Days of GF in Reserve (FY '23 est)

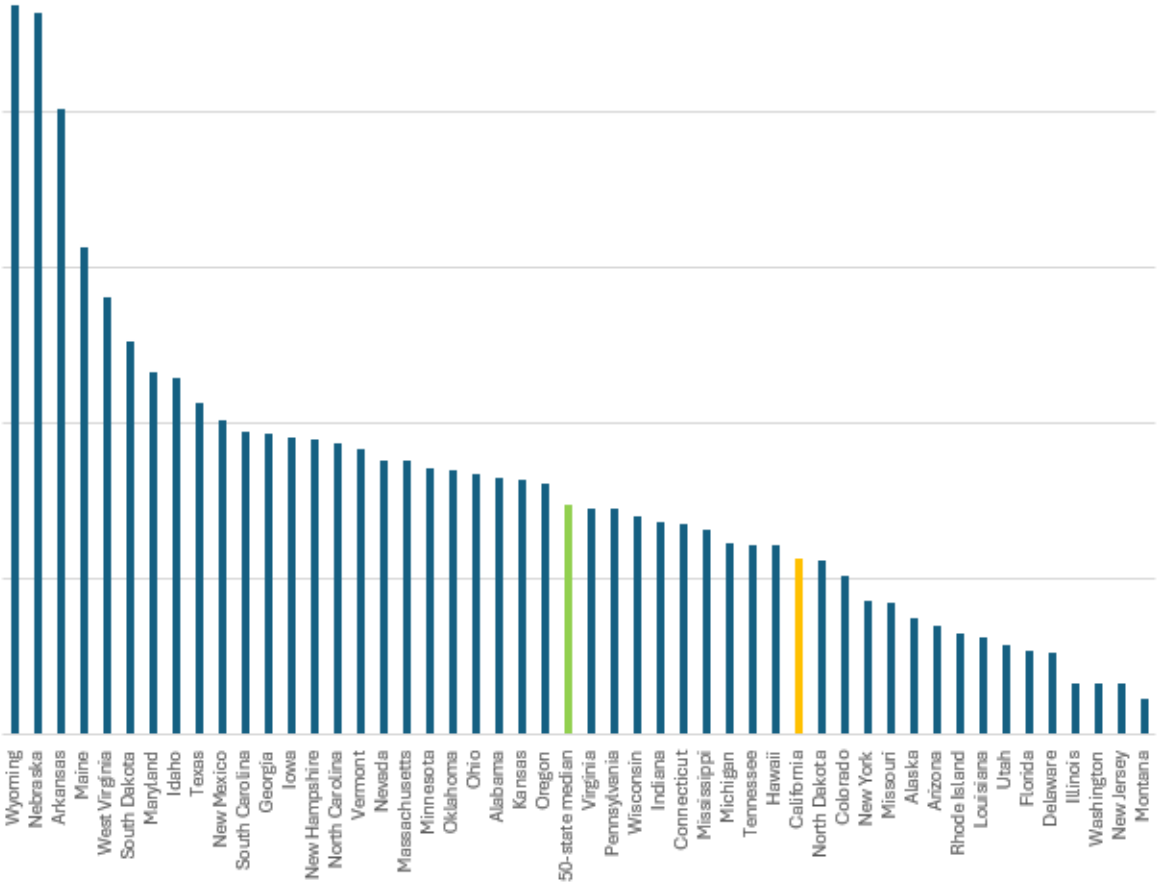


Reserve Resilience (Days of GF Spending/Volatility Score)

California



50-State
Median





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Thank You

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