



Revenue and Economic Overview

Fiscal 2021 Preliminary Budget Fact Sheet

Tax Revenue Fiscal 2021

\$65.6 billion

+ \$593 million

From June 2019 Financial Plan

Size of Budget Fiscal 2021

\$95.3 billion

+ \$878 million

From June 2019 Financial Plan

City Economy

Real GCP

\$863 billion

+ 2.5%

From Calendar 2018 to 2019

Private Sector Employment

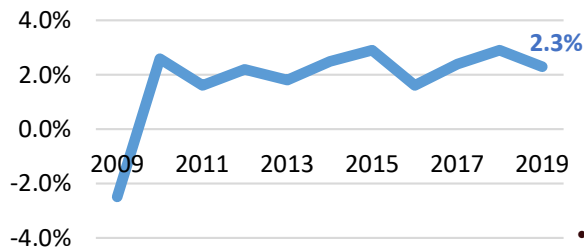
4.6 million

+ 2.0%

From Calendar 2018 to 2019

National Economy

Real GDP, Percent Growth



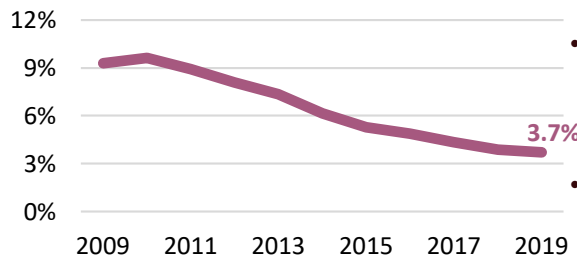
- After two years of above-trend GDP growth due to the stimulus from the 2017 Tax Cuts and Jobs Act (TCJA) and the federal Bipartisan Budget Acts of 2018 and 2019, national growth is returning to average levels.

- An average 1.8 percent growth in Real GDP is expected between 2020 and 2024.

- The national unemployment rate in 2019, at 3.7% is the lowest since 1969.

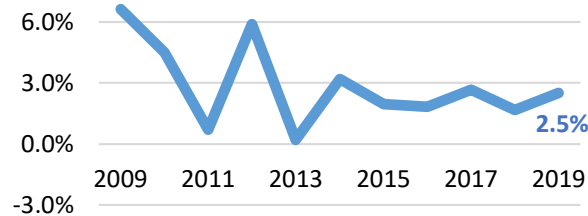
- Consumer confidence has hit two-year highs and this has helped drive spending.

Unemployment Rate



City Economy

Real GCP, Percent Growth

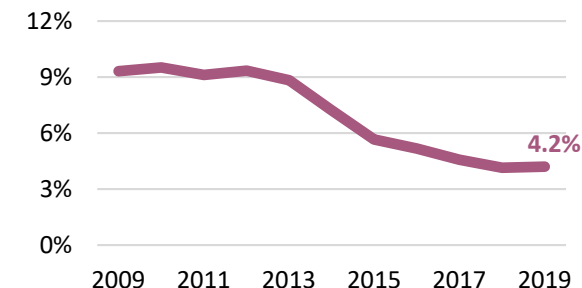


- As in the rest of the country, City growth is slowing as the labor market tightens.
- Council Finance forecasts Real GCP to grow 1.4 percent, on average, between 2020 and 2024.

- About 58 percent of jobs added in 2019 came from very low paying industries, while the other 42 percent of jobs came from medium paying industries.

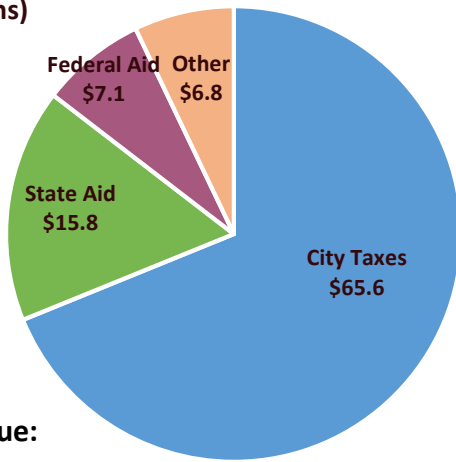
- Citywide wage growth, excluding the securities industry, was 3.6 percent in 2019.

Unemployment Rate

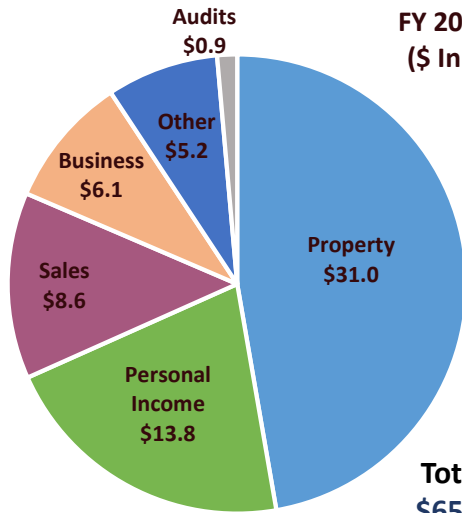


Taxes and Total Revenue

FY 2021 REVENUES
(\$ In billions)



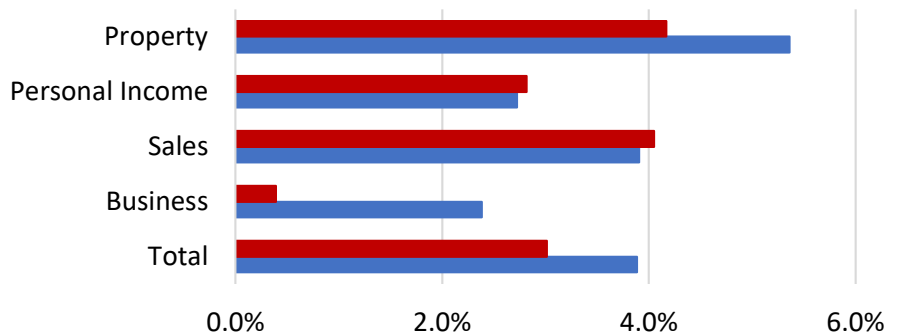
FY 2021 TAXES
(\$ In billions)



Revenue Forecast

- Across Fiscal 2020 and Fiscal 2021 Council Finance forecasts \$1.64 billion in revenues over OMB's forecast.
- Council Finance forecasts a 3.9 percent increase in tax collections.
- The biggest drivers of growth are the Property Tax, the sales tax and the Business Corporation Tax.

FY 20-24, Average Revenue Growth Forecast,
OMB and **Council Finance**



Revenue Risks

- Much of the risk to the revenue forecast stems directly from an economy slowing more precipitously than expected.
- Uncertainty regarding ongoing trade frictions and weak global growth remains high, hurting export-related sectors such as manufacturing.
- Currently, the economy is being driven by consumer spending and a loss of consumer confidence could slow down the economy.
- The emergence of the COVID-19 poses a threat not only to the global economy but also to the national and the city's economy.
- The State Budget also poses risks to the City. The State has a \$6 billion budget gap, the biggest gap this administration has ever seen.