



Revenue and Economics Forecast Update

Fiscal 2022 Executive Plan Fact Sheet

FY22 Size of Budget

\$98.6 Billion

\$6.3 Billion more than
Fiscal 2022 Preliminary Budget

FY22 Tax Revenue (OMB)

\$62.4 Billion

\$164 Million more than
Fiscal 2022 Preliminary Budget

City Economy

Real GCP

2020: -6%

2021: +6%

IHS Markit

Private Employment

2021: +322,000 jobs

Q4 2020 to Q4 2021

NYCC Finance Division

Current Economic Situation

National Economy

Real GDP increased 6.4% (annual rate) in Q1 of 2021, following a 4.3% increase in Q4 2020.

Consumer spending soared 10.7% in Q1, compared to 2.3% in Q4.

Employment growth slowed to 266,000 in April following strong growth of 770,000 in March.

Unemployment rate down to 6.1% - still 2.6 percentage points higher than its pre-pandemic level (3.5%).

Inflation - measured by PCE price index - rose 3.5% (annual rate) in Q1 - up from 1.5% in Q4.

City Economy

Net job loss of 10.8% between February 2020 and April 2021 (seas. adj.). That's two times higher than U.S. losses of 5.4%.

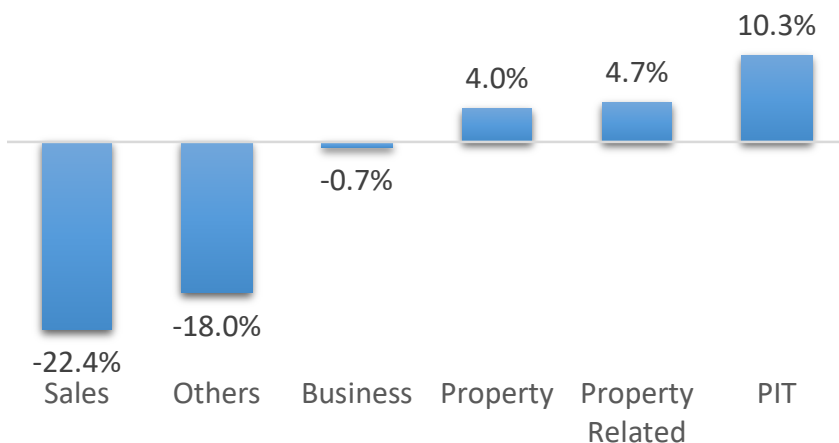
Unemployment rate was 11.4% for April 2021; compared to only 6.1% for U.S.

63% of job losses in low-paying industries (average wages under \$73K) that entail person-to-person contact.

Bright side: Large job gains in Feb. March & April of 36K, 51K & 69K, respectively.

NYC Year-to-Date (YTD) Tax Collection

FY21 YTD Collection, Year-Over-Year Change

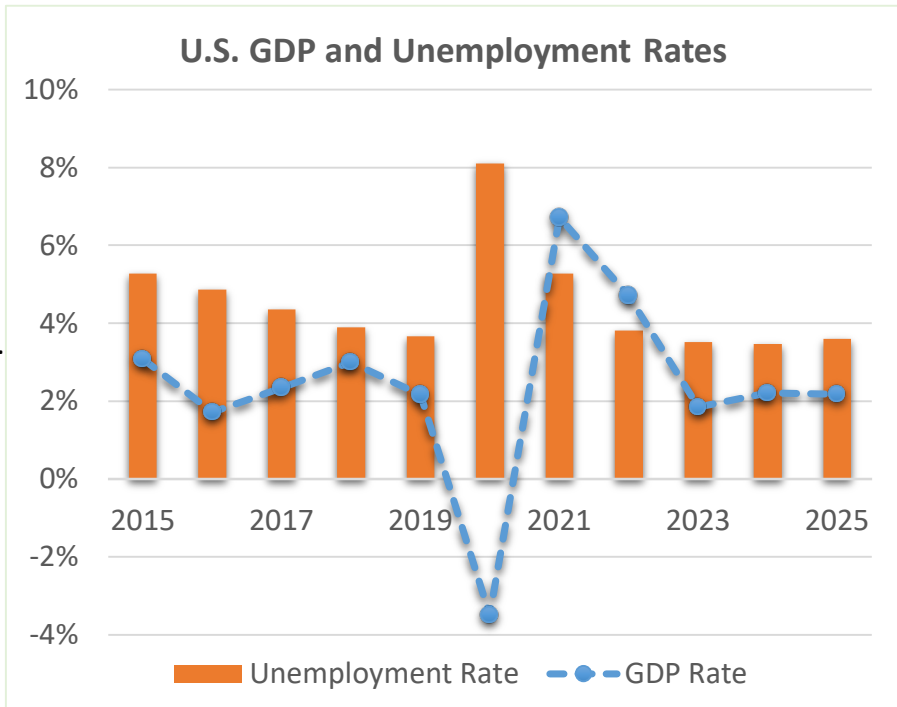


- YTD collections for Fiscal 2021 are up \$200 million or 0.4%, compared to the same period in Fiscal 2020.
- PIT and business taxes have seen significant boost in collections; sales and hotel taxes continue to suffer from the damaging effects of the pandemic.
- YTD collections are about \$780 million over OMB's Preliminary Plan.

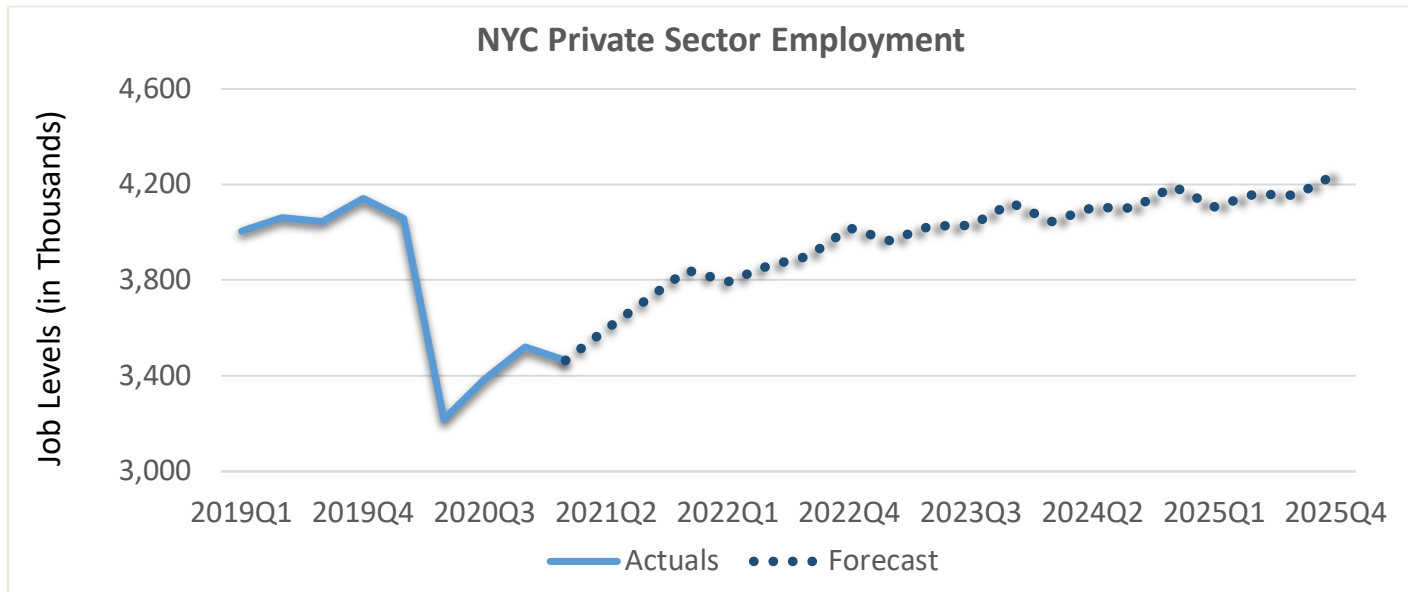
* PIT collection is through April; all others are through March

National Economy Forecast

- Real GDP growth is expected to sharply rebound in 2021 before decelerating to pre-pandemic trend.
- Monthly output is expected to surpass pre-pandemic peak in May 2021, but remain shy of pre-Covid trend in the near term.
- The unemployment rate is expected to drop to 5.3% in 2021.
- It is projected to continue to decline, reaching pre-pandemic level (3.6%) by Q4 of 2022.

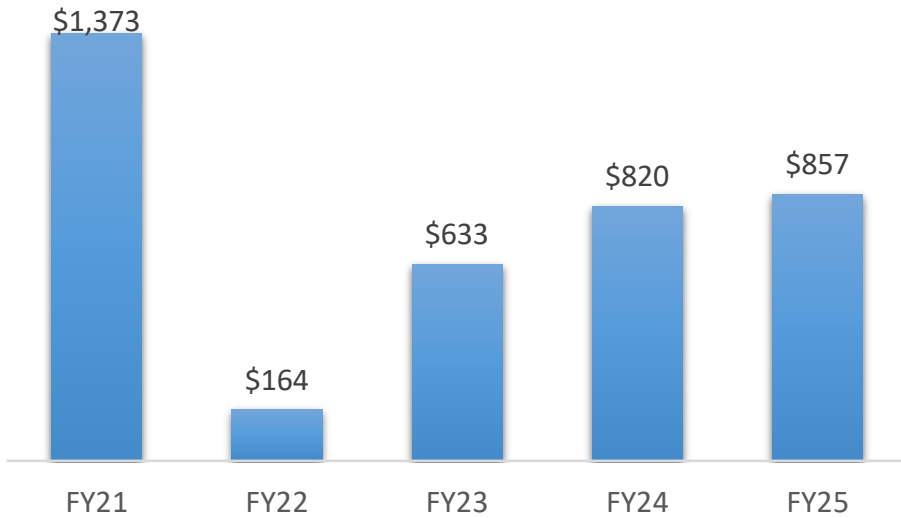


City Economy Forecast (NYCC Finance Division)



- NYC expected to recover 322,000 private sector jobs by the end of 2021 (Q4 2020 to Q4 2021) , as the economy is fueled by federal stimulus and aggressive vaccination campaign.
- Jobs level is expected to continue to rise steadily, but is not expected to return to pre-pandemic level until Q4 of 2023.
- OMB, on the other hand, forecasts 400,000 more jobs through 2021, and expects total employment to return to pre-pandemic levels earlier – between Q4 of 2022 and Q1 of 2023.

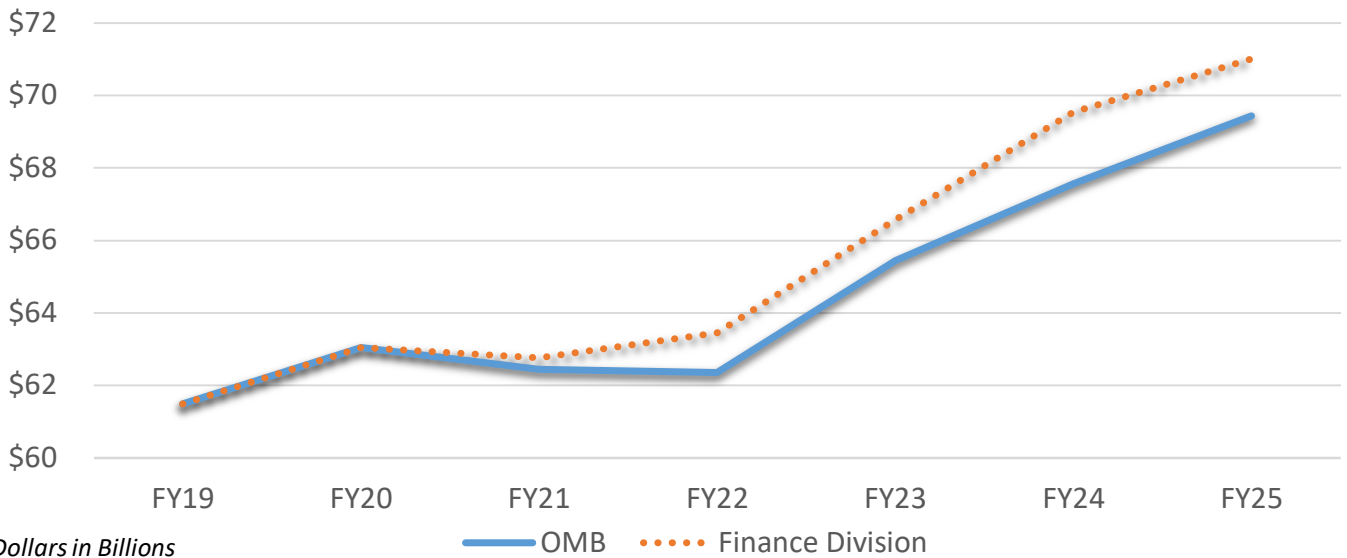
OMB Tax Revenue Changes Since Preliminary



- OMB has raised its tax revenue forecast for Fiscal 2021-2022 by \$1.5 billion compared to its Preliminary forecast.
- The upwards revision reflects a stronger economy, as PIT and business taxes have seen huge increases.

Dollars in Billions

Tax Revenue Forecast



Dollars in Billions

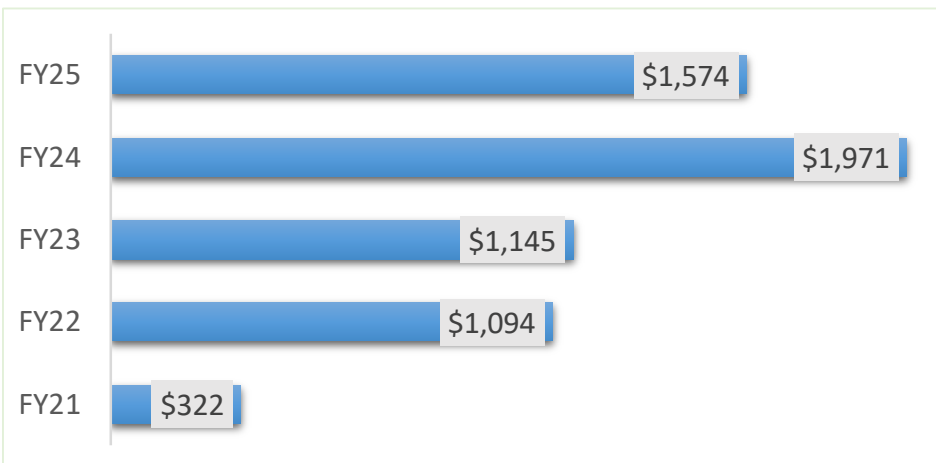
— OMB Finance Division

- The Finance Division expects total tax revenues to decline slightly in Fiscal 2021, reflecting the continued impact of Covid-19 on the City.
- The expected decline, however, represents an upward adjustment from the Division's January forecast of 1.8% decline.
- Similar to OMB's, the Finance Division's forecast is driven by the recent surge in income taxes.

	FY20	FY21	FY22	FY23	FY24	FY25
Finance Division	2.5%	-0.5%	1.1%	4.9%	4.4%	2.1%
OMB	2.5%	-1.0%	-0.1%	4.9%	3.3%	2.8%

- Going forward, collections are projected to rebound in Fiscal 2022 and accelerate in 2023.
- All taxes are expected to grow in Fiscal 2022. Sales, hotel and transaction taxes are to see the highest year-over-year increases, as businesses and tourism reopen fully.

Differences from OMB's Fiscal 2022 Executive Plan



- The Finance Division's forecast is nearly \$1.4 billion higher than OMB's Executive Plan for Fiscal 2021 and 2022.
- The difference is mostly attributable to differences in sales, property, and income taxes.

Dollars in Millions

Finance Division Tax Forecast Levels

Type of Tax	FY20	FY21	FY22	FY23	FY24	FY25
Real Property	\$29,650	\$31,154	\$29,461	\$30,424	\$31,789	\$32,051
Personal Income	13,551	13,368	14,078	14,971	15,336	15,803
Business Corporate	4,509	4,405	4,541	4,637	4,713	4,845
Unincorporated	1,939	1,976	2,051	2,143	2,202	2,208
Sales	7,372	6,518	7,769	8,380	9,147	9,492
Commercial Rent	864	837	887	918	954	996
Real Property Transfer	1,135	990	1,287	1,399	1,479	1,538
Mortgage Recording	974	833	968	1,041	1,093	1,131
Utility	356	365	389	396	405	412
Hotels	468	83	204	370	518	640
All Others	1,231	1,054	914	1,001	998	995
Audits	999	1,171	900	900	900	900
Total Taxes	\$63,048	\$62,754	\$63,450	\$66,582	\$69,535	\$71,009

Dollars in Millions

Risks to the Forecast

The following factors heighten the level of uncertainty around the Finance Division's forecast.

- New strains of the virus, and a surge in global infections, as in India
- Pace of vaccinations in U.S.
- Slow economic growth in global economy
- Inflation
- Financial Market Volatility
- Federal Policy
- Reopening of City
- Pace of Return to Manhattan Offices
- Return of Tourists