

Anirban Basu & The Chamber of Data



Photo: Fandom

Toward the Post-Pandemic World

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Sage Policy Group, Inc.**

**On Behalf of
The Maryland Government Finance
Officers Association**

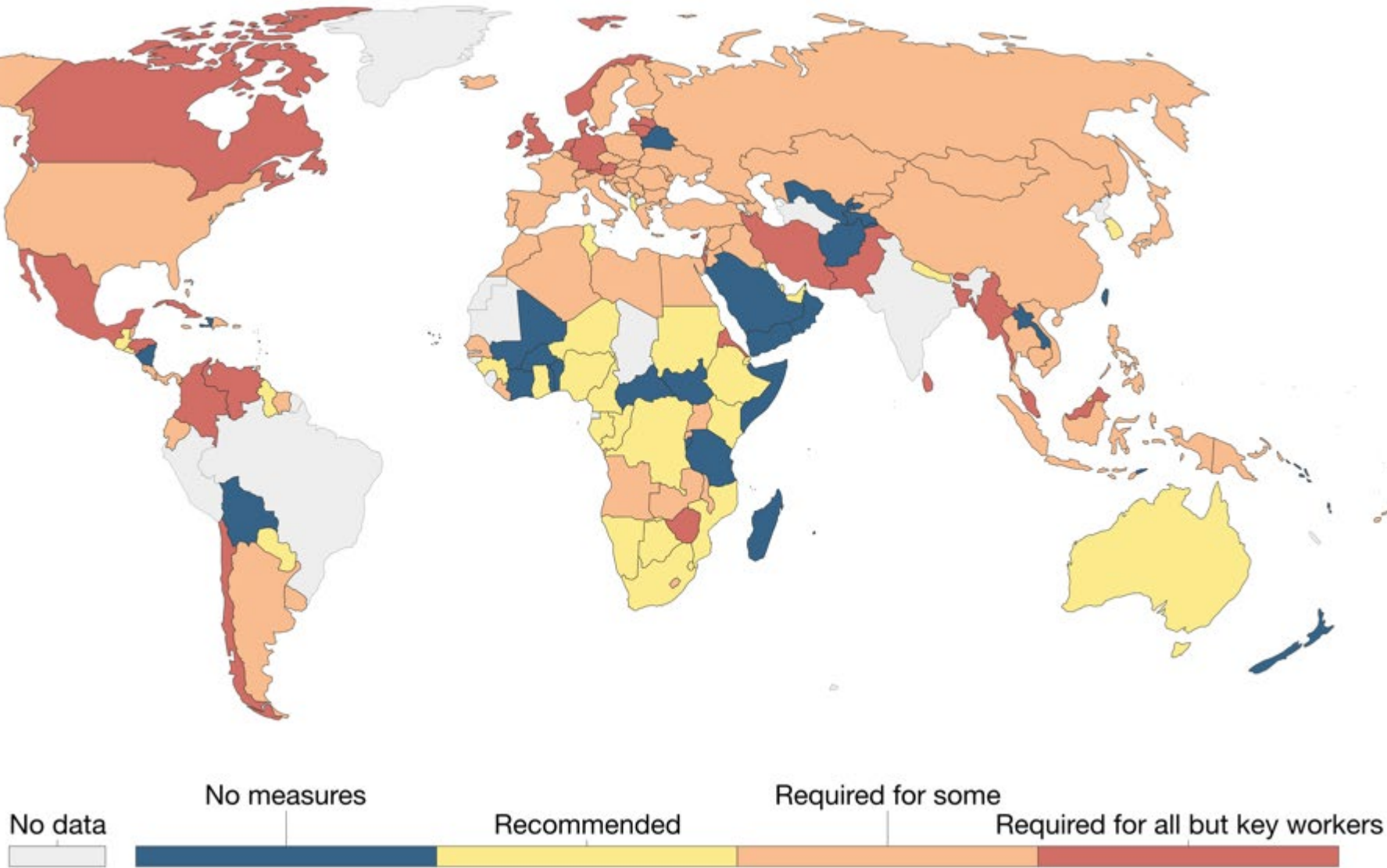
January 29th, 2021

The Prisoner of My-house- kaban



A Global Economy Transfigured - Lockdowns around the World

Workplace Closures During the COVID-19 Pandemic, 1/25/2021

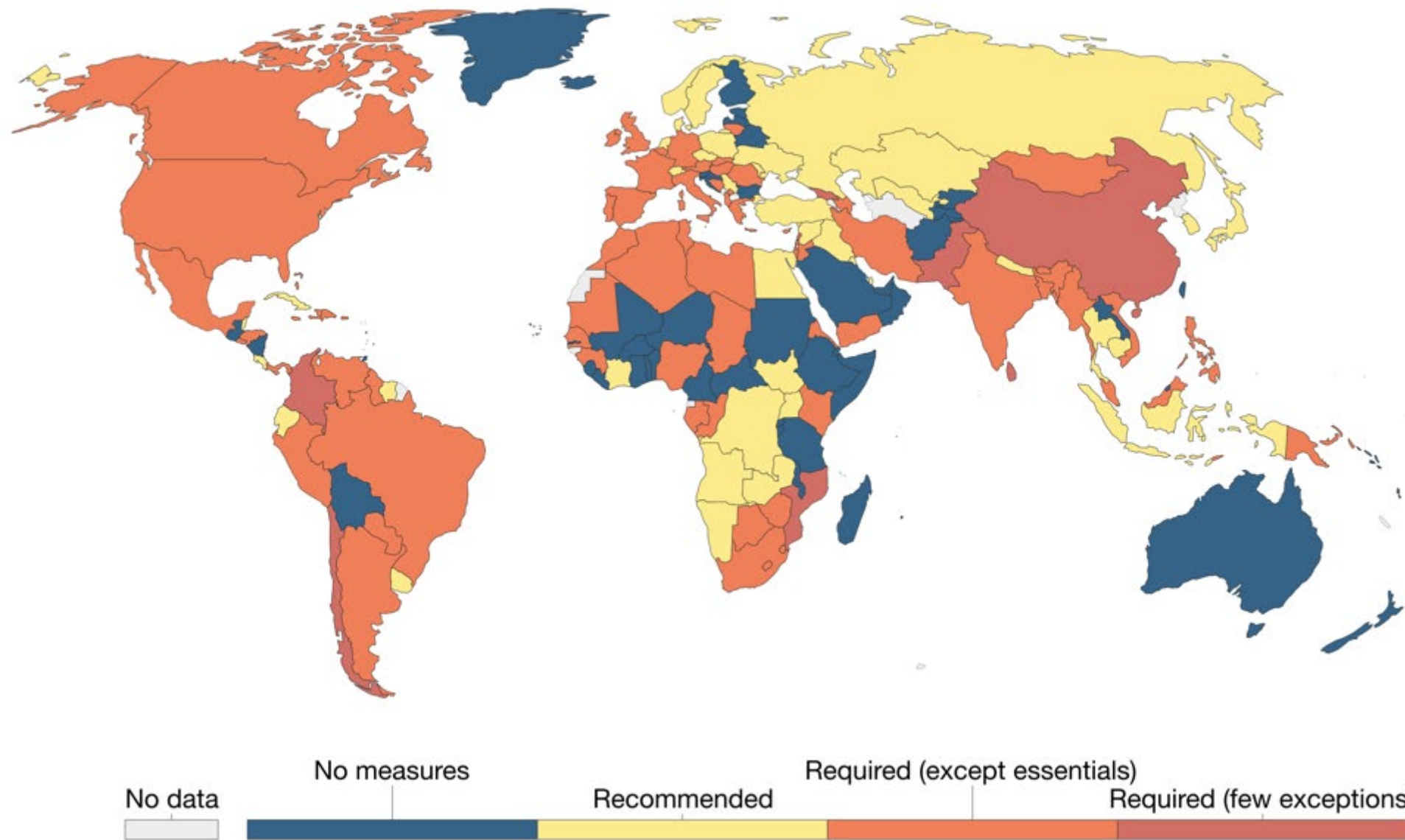


Note: There may be sub-national or regional differences in policies on workplace closures. The policy categories shown may not apply at all sub-national levels.

A country is coded as 'required closures' if at least some sub-national regions have required closures.

Curses! - Lockdowns around the World

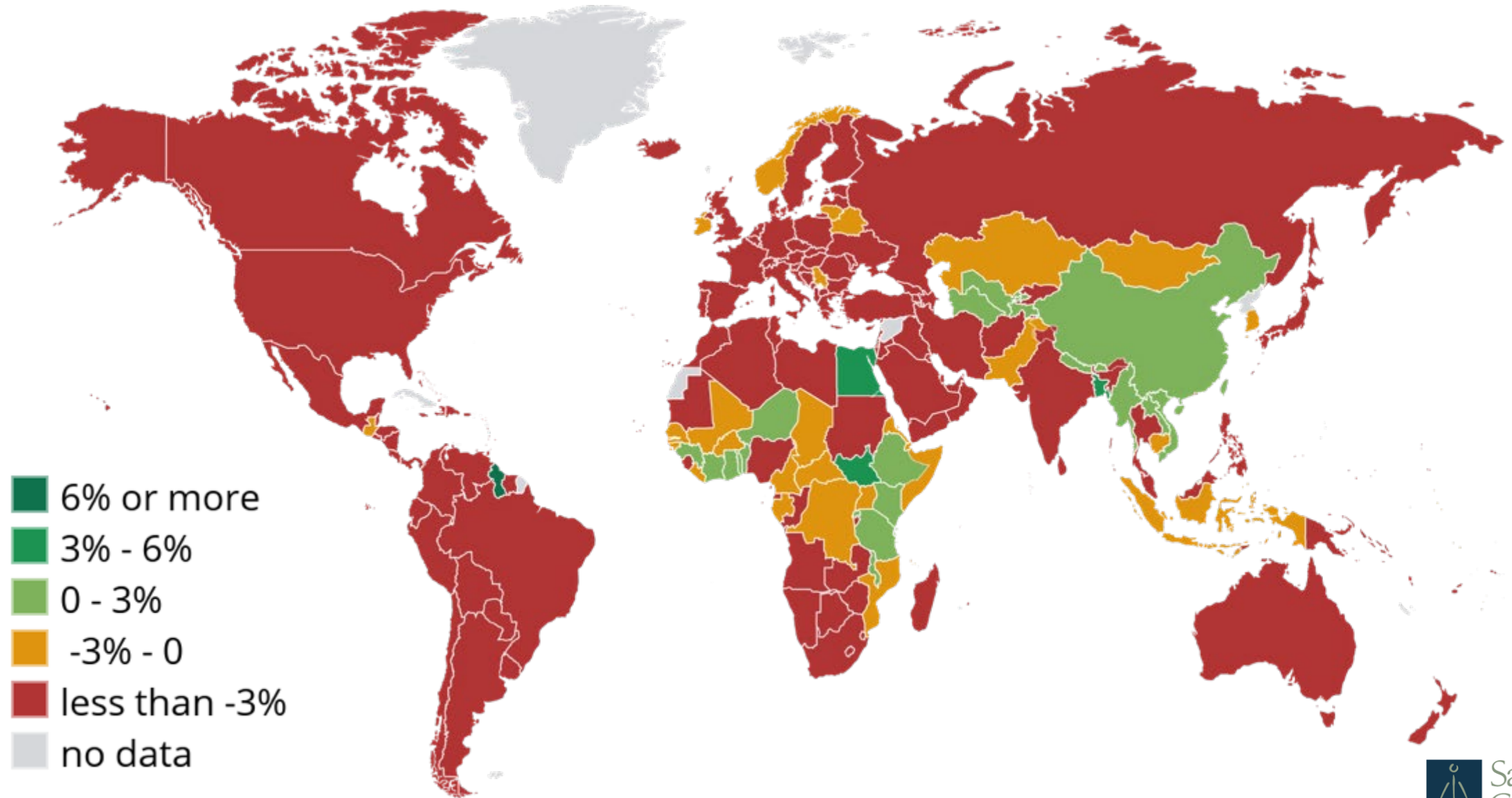
Stay-at-home Requirements During the COVID-19 Pandemic, 1/25/2021



Note: There may be sub-national or regional differences in restrictions. The policy categories shown may not apply at all sub-national levels.

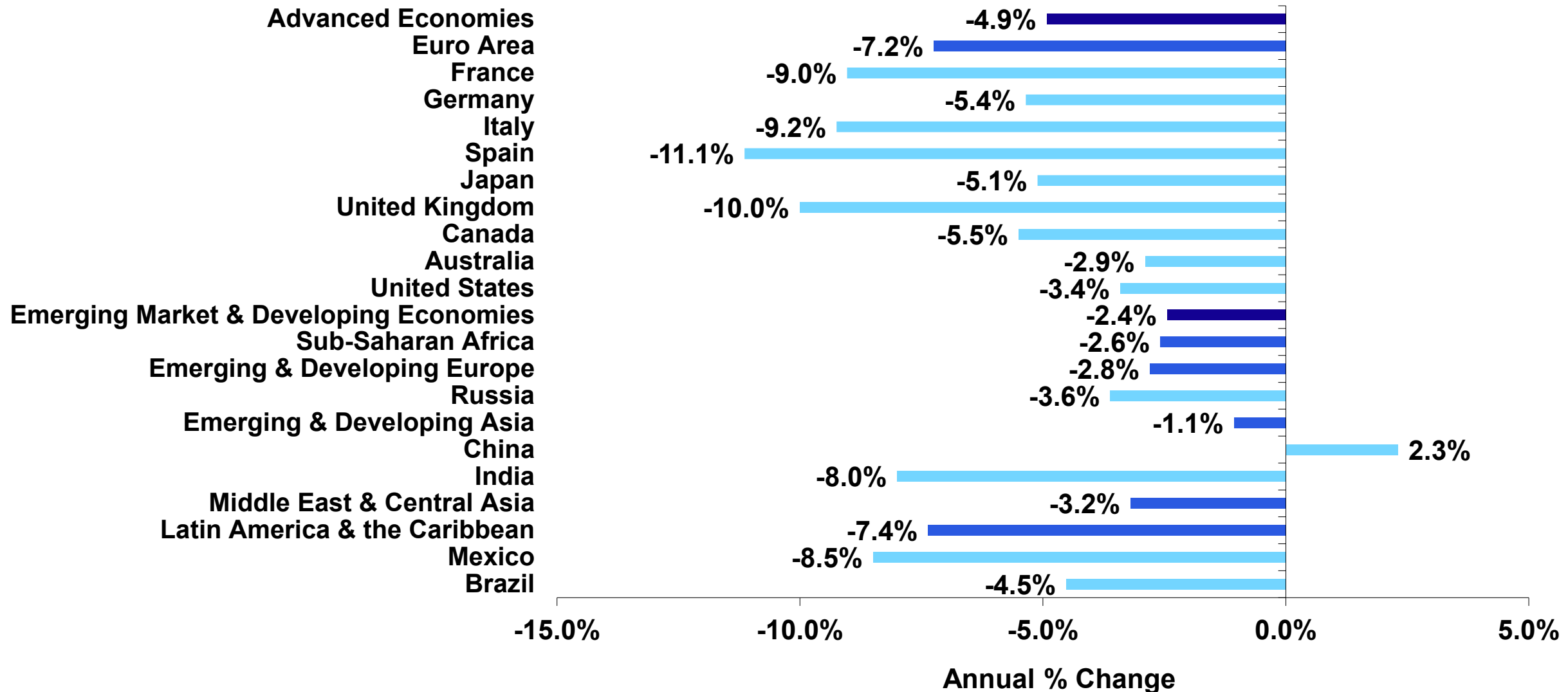
A country is coded as having these restrictions if at least some sub-national regions have implemented them.

Real GDP Growth 2020, Estimated Annual Percent Change



Estimated Growth in Output by Select Global Areas

2020 Estimated



2020 Proj. Global Output Growth: -3.5%

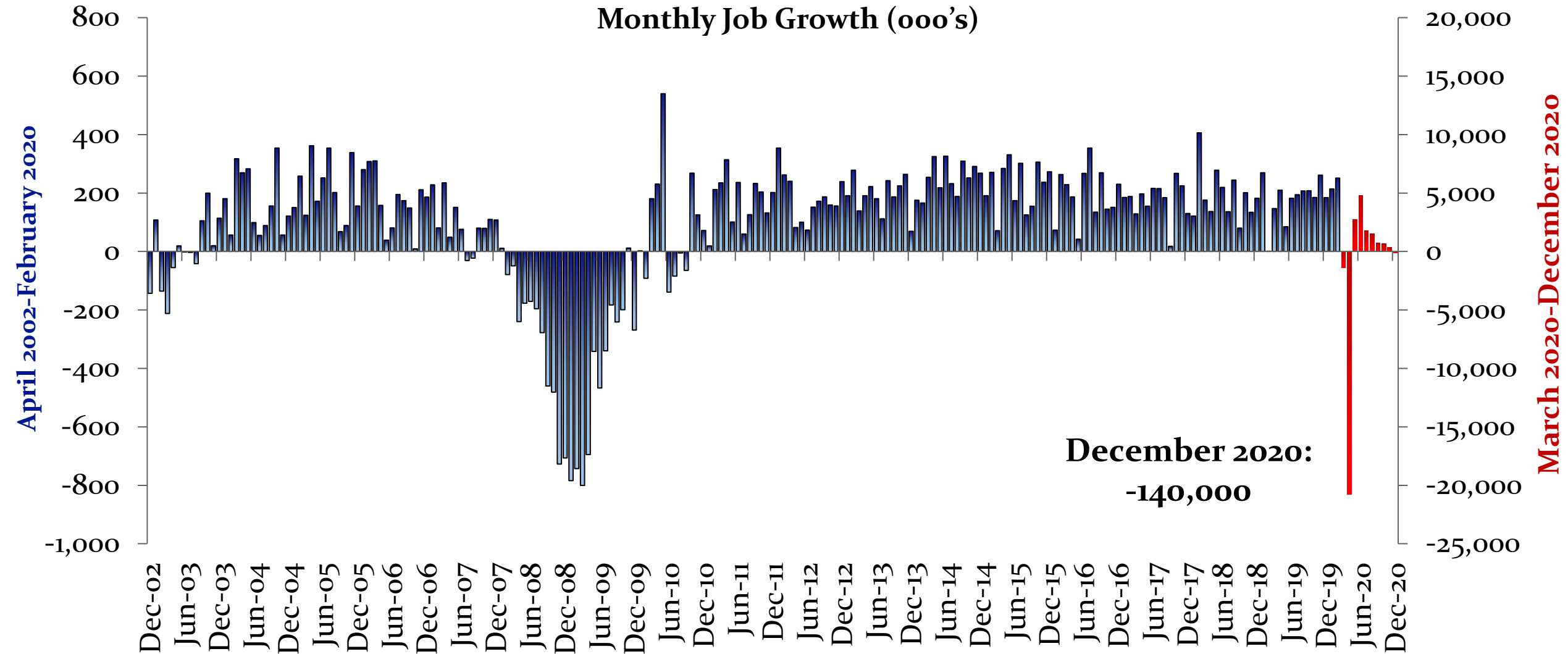
The Goblet of Lost Jobs



Photo: Harrypotterfanzone.com

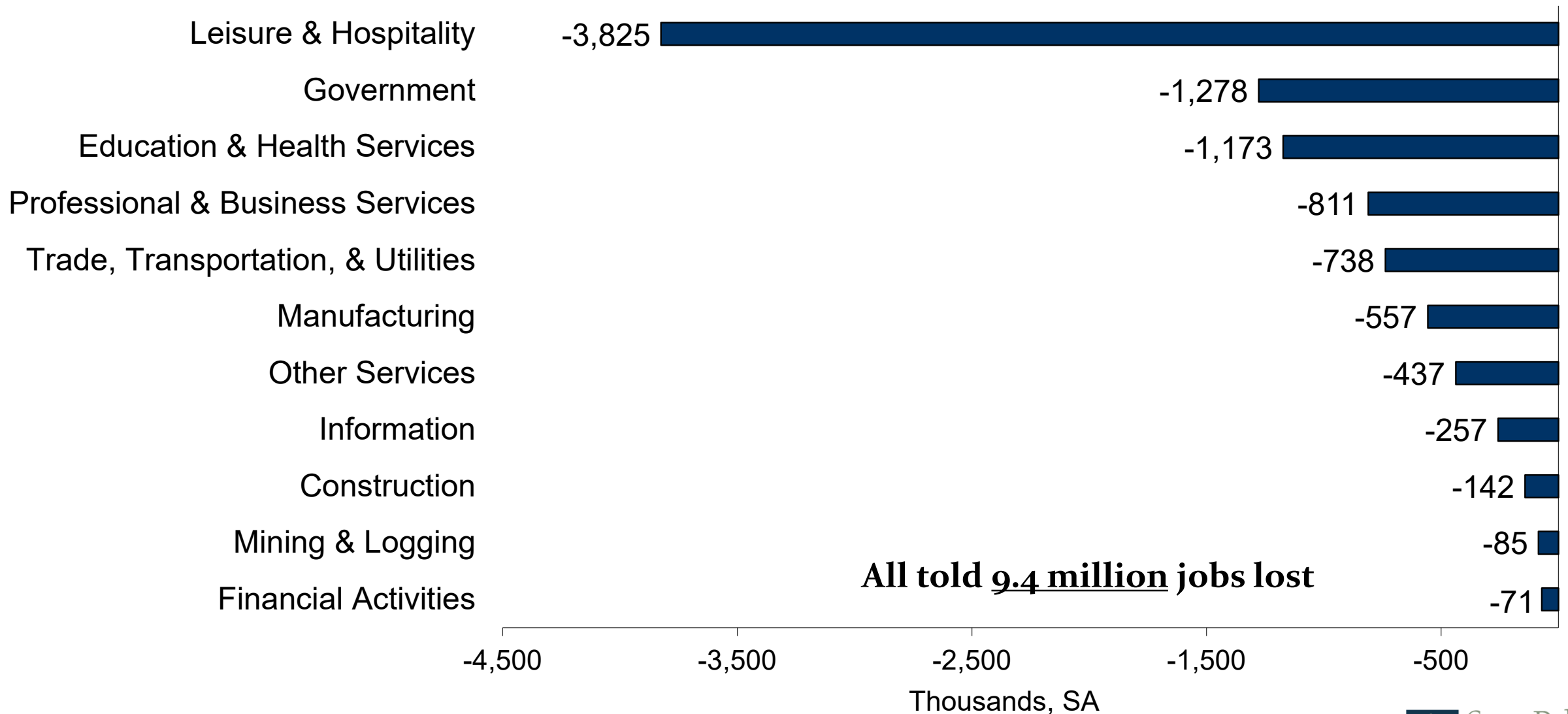
Net Change in U.S. Jobs

December 2002 – December 2020



National Nonfarm Employment

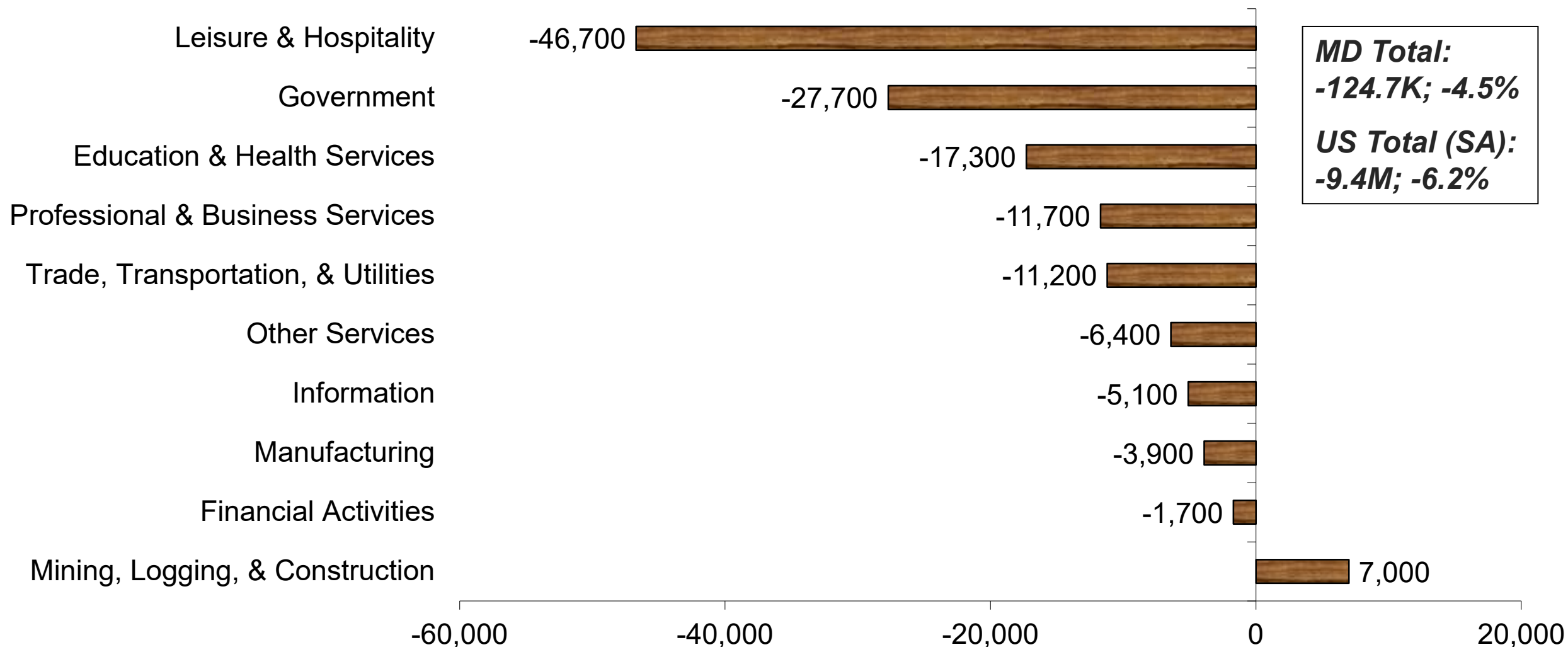
by Industry Sector, December 2019 v. December 2020



Maryland Nonfarm Employment

by Industry Sector Groups (SA)

December 2019 v. December 2020 Absolute Change

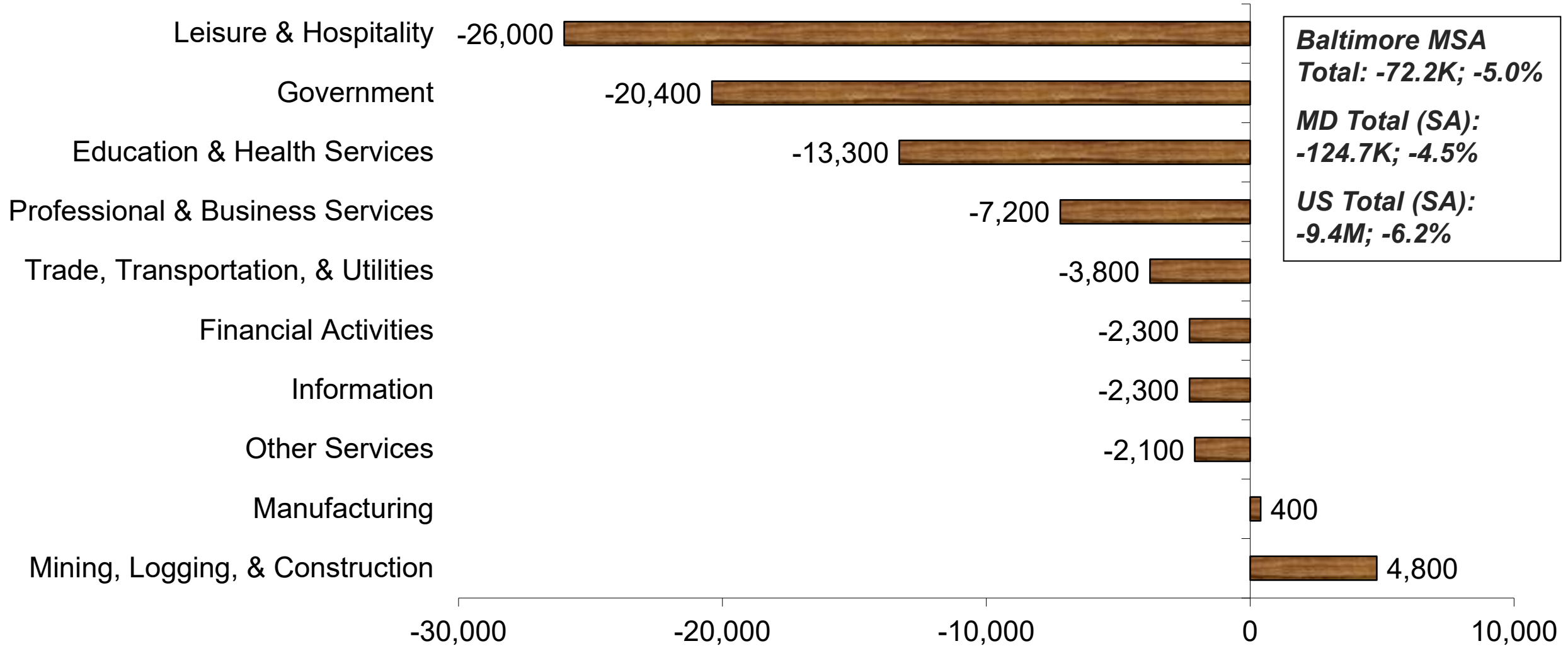


*According to the Local Area Unemployment Statistics (LAUS) program
MD lost 220,066 jobs between December 2019 and December 2020.

Baltimore-Columbia-Towson MSA Nonfarm Employment

by Industry Sector Groups (NSA)

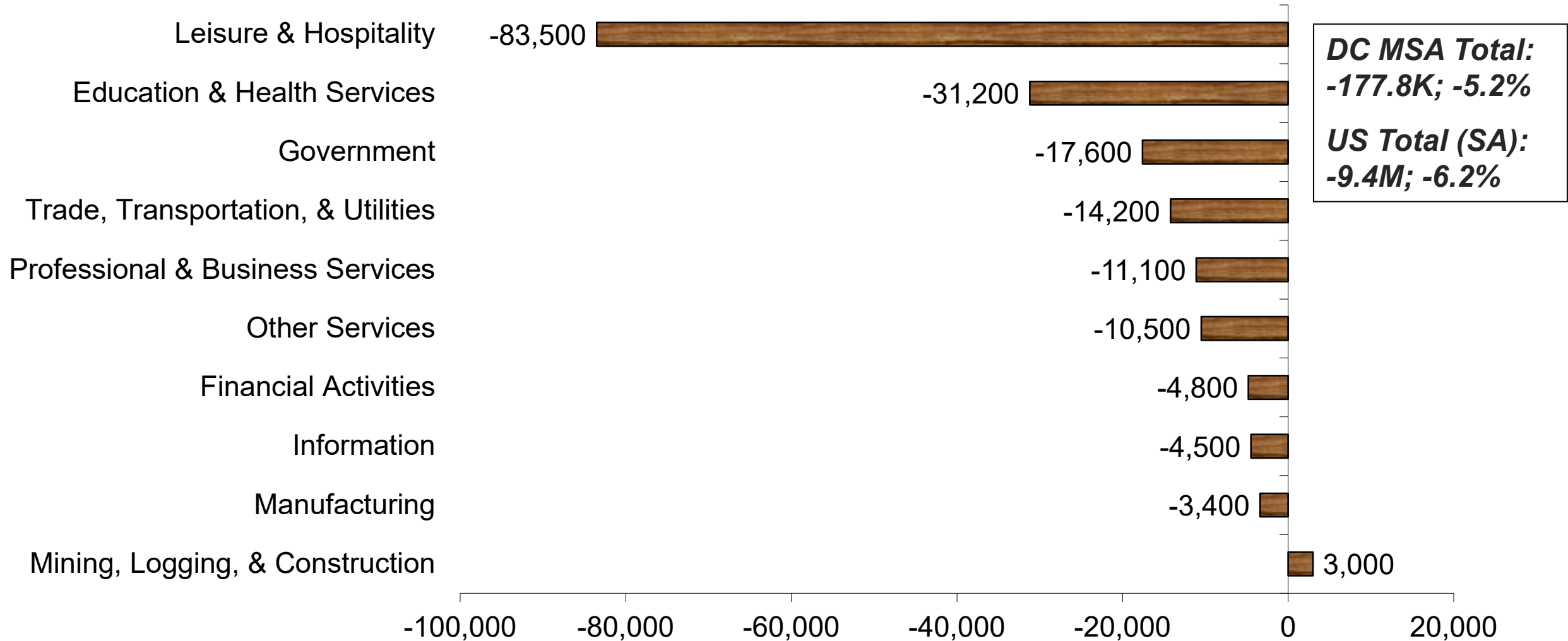
December 2019 v. December 2020 Absolute Change



Washington, DC-Arlington-Alexandria MSA Nonfarm Employment

by Industry Sector Groups (NSA)

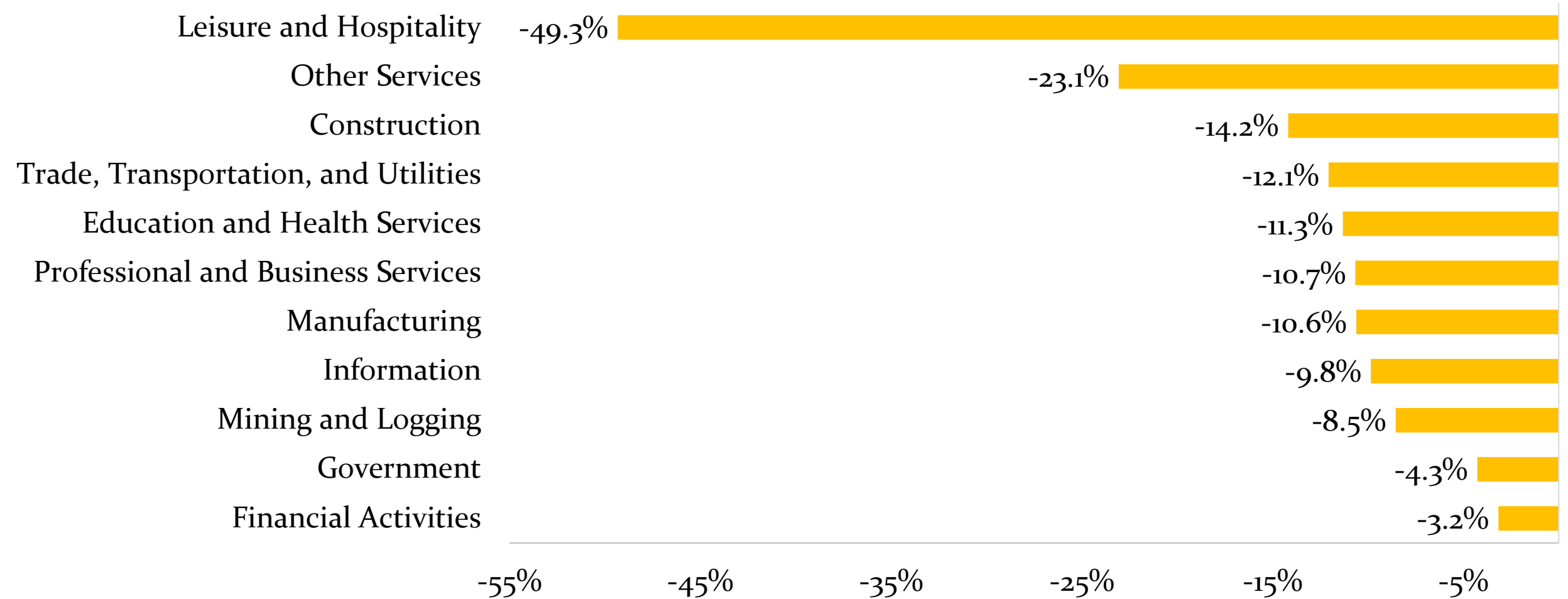
December 2019 v. December 2020 Absolute Change



U.S. Job Losses by Industry

February 2020 to April 2020 % Change

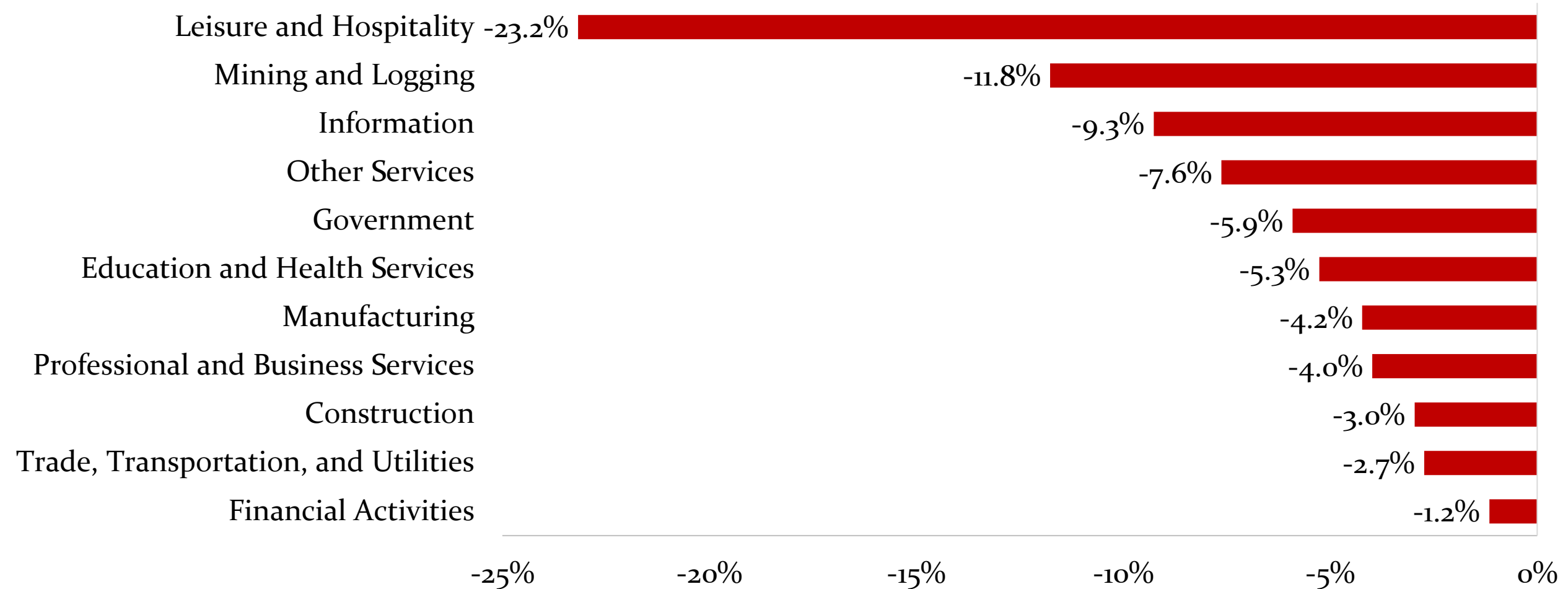
February 2020-April 2020 % Change



U.S. Job Losses by Industry

February 2020 to December 2020 % Change

February 2020-December 2020 % Change



Employment Growth, 25 Largest Metros (NSA)

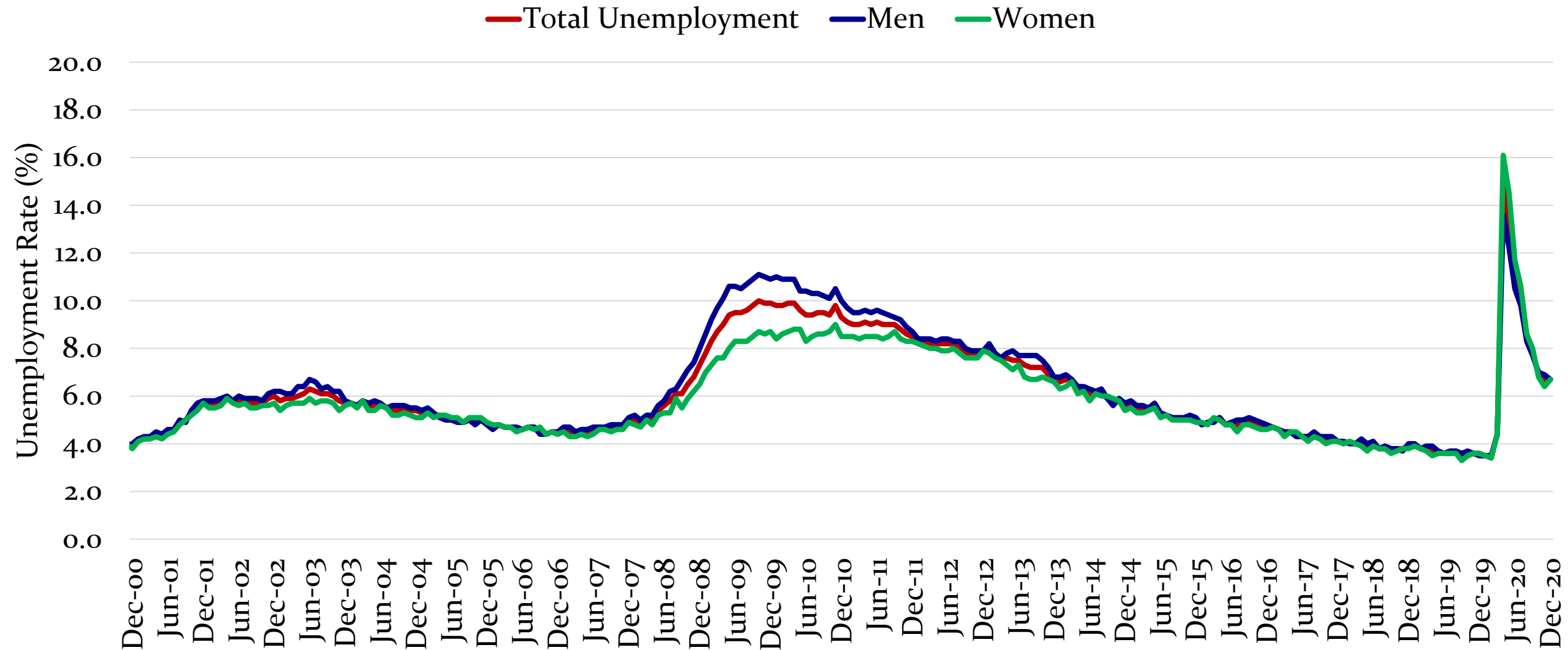
December 2019 v. December 2020 Percent Change

Rank	MSA	%	Rank	MSA	%
1	Dallas-Fort Worth-Arlington, TX	-2.1	13	San Diego-Carlsbad, CA	-6.9
2	Phoenix-Mesa-Scottsdale, AZ	-2.3	14	Riverside-San Bernardino-Ontario, CA	-7.1
3	Atlanta-Sandy Springs-Roswell, GA	-2.5	14	Seattle-Tacoma-Bellevue, WA	-7.1
4	San Antonio-New Braunfels, TX	-3.4	16	Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	-7.2
5	Tampa-St. Petersburg-Clearwater, FL	-3.6	17	Chicago-Naperville-Elgin, IL-IN-WI	-7.3
6	Denver-Aurora-Lakewood, CO	-4.4	18	Minneapolis-St. Paul-Bloomington, MN-WI	-8.0
6	Houston-The Woodlands-Sugar Land, TX	-4.4	19	Portland-Vancouver-Hillsboro, OR-WA	-8.5
8	St. Louis, MO-IL	-4.6	20	Boston-Cambridge-Nashua, MA-NH	-8.8
9	Baltimore-Columbia-Towson, MD	-5.0	20	Los Angeles-Long Beach-Anaheim, CA	-8.8
9	Charlotte-Concord-Gastonia, NC-SC	-5.0	22	Orlando-Kissimmee-Sanford, FL	-9.6
11	Washington-Arlington-Alexandria, DC-VA-MD-WV	-5.2	23	San Francisco-Oakland-Hayward, CA	-9.7
12	Miami-Fort Lauderdale-West Palm Beach, FL	-6.2	24	New York-Newark-Jersey City, NY-NJ-PA	-10.0
			25	Detroit-Warren-Dearborn, MI	-10.9

U.S. Year-over-year Percent Change: -6.2%

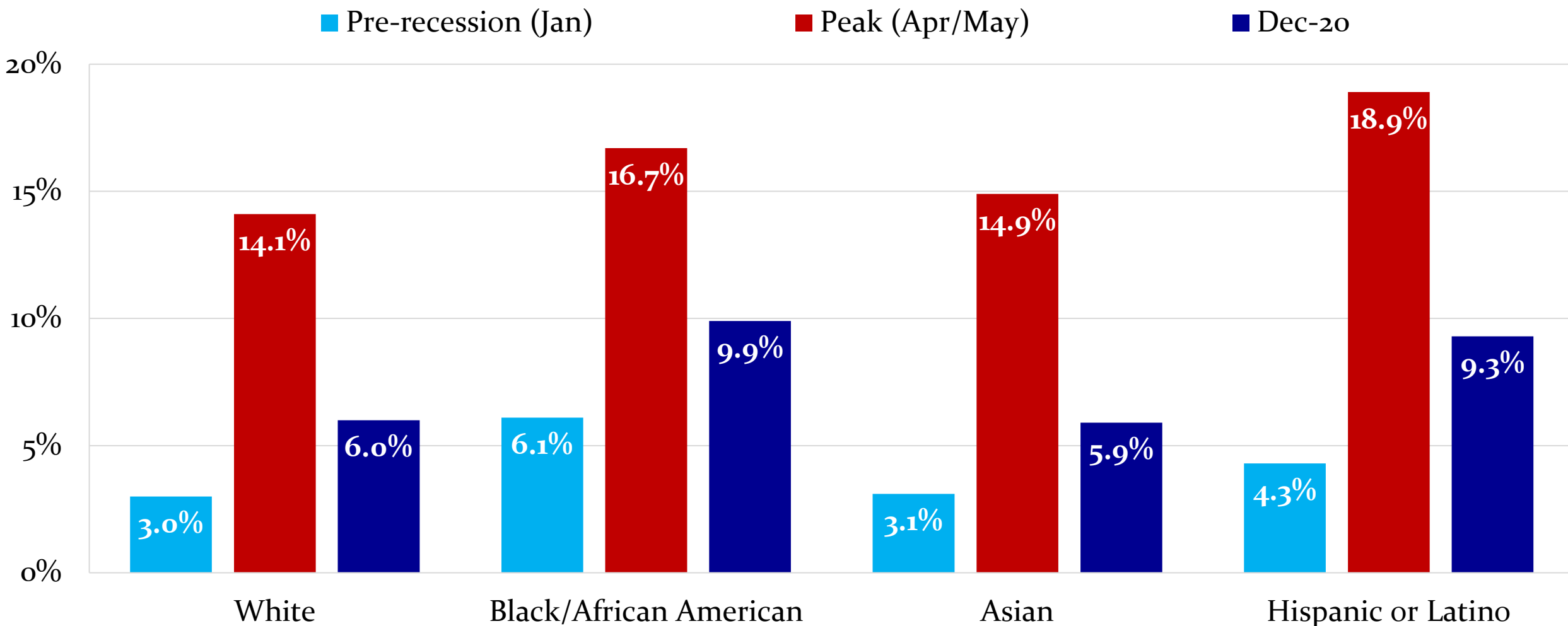
U.S. Unemployment Rate

December 2000 – December 2020



Slythering Out of a Job - Most Impacted Groups by Race/Ethnicity

2020 Monthly Unemployment Rates



Unemployment Rates, 25 Largest Metros (NSA)

November 2020

Rank	MSA	%	Rank	MSA	%
1	Minneapolis-St. Paul-Bloomington, MN-WI	3.9	13	San Diego-Carlsbad, CA	6.6
2	St. Louis, MO-IL	4.3	14	Chicago-Naperville-Elgin, IL-IN-WI	7.0
3	Seattle-Tacoma-Bellevue, WA	5.1	14	Miami-Fort Lauderdale-West Palm Beach, FL	7.0
4	Atlanta-Sandy Springs-Roswell, GA	5.6	16	Dallas-Fort Worth-Arlington, TX	7.1
5	Tampa-St. Petersburg-Clearwater, FL	5.7	16	Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	7.1
6	Washington-Arlington-Alexandria, DC-VA-MD-WV	5.8	18	Phoenix-Mesa-Scottsdale, AZ	7.2
7	Boston-Cambridge-Nashua, MA-NH	5.9	19	San Antonio-New Braunfels, TX	7.3
7	Charlotte-Concord-Gastonia, NC-SC	5.9	20	Orlando-Kissimmee-Sanford, FL	7.7
7	Portland-Vancouver-Hillsboro, OR-WA	5.9	21	Riverside-San Bernardino-Ontario, CA	7.9
10	Baltimore-Columbia-Towson, MD	6.1	22	Detroit-Warren-Dearborn, MI	8.9
10	San Francisco-Oakland-Hayward, CA	6.1	22	Houston-The Woodlands-Sugar Land, TX	8.9
12	Denver-Aurora-Lakewood, CO	6.4	24	New York-Newark-Jersey City, NY-NJ-PA	9.5
			25	Los Angeles-Long Beach-Anaheim, CA	9.6

U.S. Unemployment Rate: 6.7%

Maryland Unemployment Rates by County

November 2020

Rank	Jurisdiction	%	Rank	Jurisdiction	%
1	Carroll County	4.4	13	Washington County	5.8
2	St. Mary's County	4.6	14	Kent County	6.0
3	Queen Anne's County	4.7	15	Baltimore County	6.3
4	Calvert County	4.9	16	Charles County	6.5
4	Howard County	4.9	16	Montgomery County	6.5
6	Harford County	5.0	18	Allegany County	6.6
7	Caroline County	5.1	18	Dorchester County	6.6
8	Talbot County	5.2	20	Wicomico County	6.9
9	Anne Arundel County	5.3	21	Somerset County	7.9
10	Frederick County	5.4	22	Baltimore City	8.5
10	Garrett County	5.4	23	Prince George's County	9.0
12	Cecil County	5.5	24	Worcester County	9.7

Maryland: 6.8%

The Ministry Speaks



COVID-19 Stimulus Packages

- **Coronavirus Aid, Relief, and Economic Security (CARES) Act (3/27/2020)**
 - More than \$2 trillion total
 - Direct payments to Americans: \$1,200
 - Extended/enhanced unemployment insurance program: \$600/week enhanced federal benefit
 - Loans and grants for small businesses: \$377 billion
 - Loans and grants for large businesses: \$510 billion
 - Direct aid to state and local governments: \$150 billion
 - Health care system: more than \$150 billion
- **Paycheck Protection Program and Health Care Enhancement Act (4/24/2020): \$483 billion**
- **Consolidated Appropriations Act, 2021 (12/27)**
 - More than \$900 billion for coronavirus assistance
 - Direct payments to Americans: \$600
 - Extended/enhanced unemployment insurance program: \$300/week enhanced federal benefit
 - Rental assistance: \$25 billion and an eviction moratorium extension
 - Loans and grants for small businesses: Approx. \$285 billion for Paycheck Protection Program; grants for theaters and other live venues: \$15 billion
 - Aid for schools and childcare: \$82 billion for K-12 schools and colleges; \$10 billion for childcare providers
 - SNAP: raises benefits by 15 percent for 6 months
 - Vaccine funding: \$28 billion for purchase and distribution of vaccine; \$20 billion to states for testing/contact tracing
 - Direct aid to state and local governments: No

Policy Responses of the New Administration in Washington

Biden's Plan for Jobs and Economic Recovery I

- In the near-term, Biden's team plans to secure further immediate relief to working families, small businesses, and communities, including:
 - Providing **state, local, and tribal governments** with the aid they need so educators, firefighters, and other essential workers aren't being laid off.
 - Extending COVID crisis **unemployment insurance** to help those who are out of work.
 - Providing a comeback package for Main Street **businesses and entrepreneurs.**

Policy Responses of the New Administration in Washington

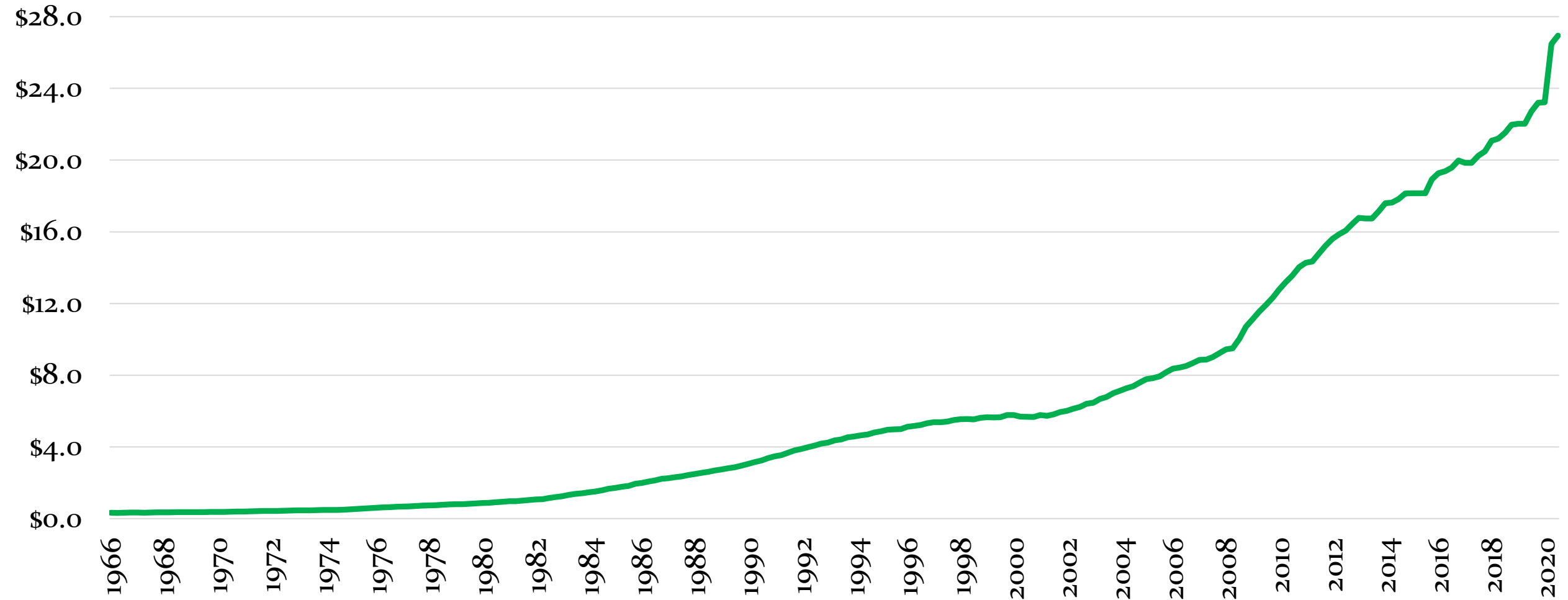
Biden's Plan for Jobs and Economic Recovery II

- In the longer-term, the Biden plan intends to “mobilize the American people in service of four bold, national efforts to address four great national challenges”:
 - Mobilize American **manufacturing** and innovation to ensure that the future is made in America, and in all of America.
 - Mobilize American ingenuity to **build a modern infrastructure** and an equitable, clean energy future.
 - Mobilize American talent and heart to build a 21st century **caregiving and education workforce** which will help ease the burden of care for working parents, especially women.
 - Mobilize across the board to advance **racial equity** in America.

Are We Being Dumbledore?

U.S. Federal Debt (Total Public Debt), 1966 – 2020

Federal Debt: Total Public Debt (\$ Trillions)



COVID's Commercial Curse



Large Retail Bankruptcies in the U.S. in 2020

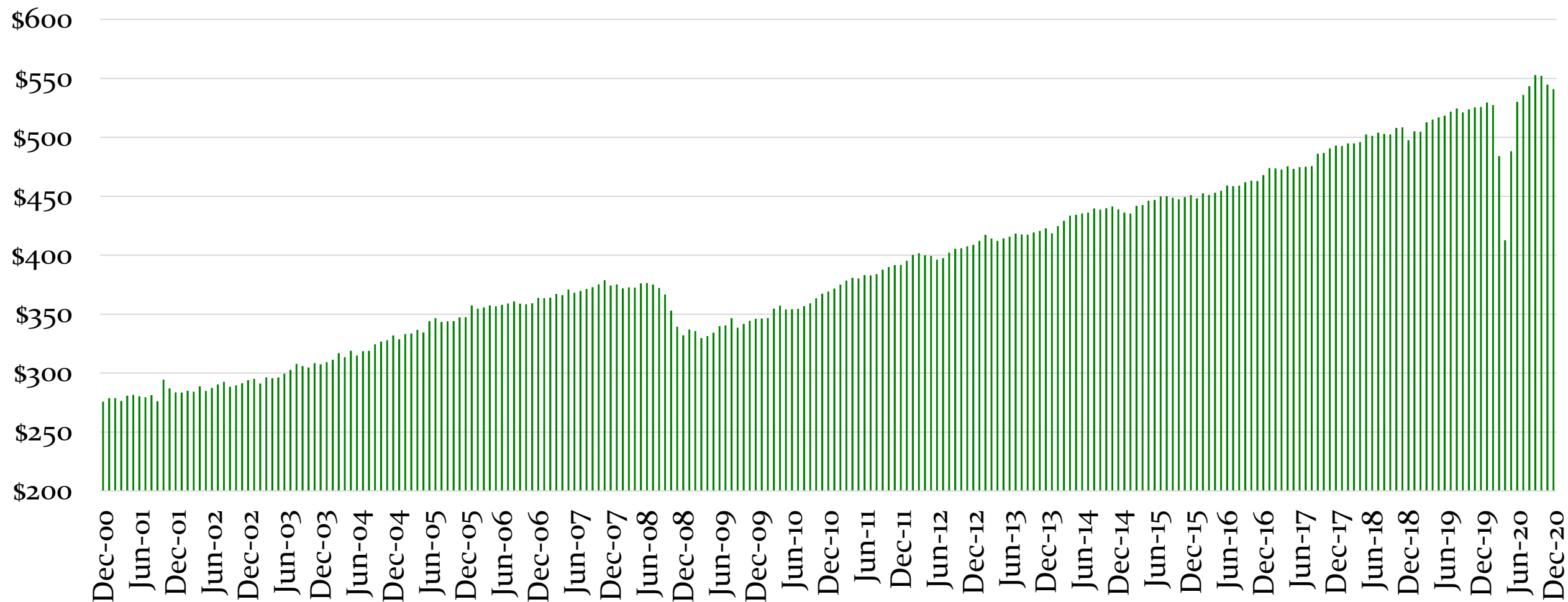
Retailer/Company	Date	Retailer/Company	Date	Retailer/Company	Date
Francesca's	12/3/20	Brooks Brothers	7/8/20	Rubie's Costume Co.	4/30/20
Guitar Center	11/21/20	Lucky Brand	7/3/20	Roots USA	4/29/20
Furla	11/6/20	Old Time Pottery	6/28/20	N B L Textiles	4/24/20
Furniture Factory Outlet	11/5/20	BHS Foodservice Solutions	6/26/20	True Religion	4/13/20
Emerald Health Bioceuticals	10/20/20	GNC	6/23/20	Castella Imports	4/13/20
Century 21	9/10/20	Fairn & Swanson	6/2/20	Donghia	3/30/20
Interstate Commodities	8/26/20	Liftopia	6/2/20	CHIEF Supply	3/20/20
Stein Mart	8/12/20	Libbey Glass	6/1/20	Paddle8	3/16/20
Lord & Taylor	8/2/20	Tuesday Morning	5/27/20	Generation Zero Group	3/13/20
Tailored Brands	8/2/20	Centric Brands	5/18/20	Modell's Sporting Goods	3/11/20
Ascena	7/23/20	J.C. Penney	5/15/20	Bluestem Brands	3/9/20
NTS W. USA	7/22/20	Stage Stores	5/10/20	Art Van Furniture	3/8/20
Occasion Brands	7/22/20	Neiman Marcus	5/7/20	Pier 1 Imports	2/17/20
The Paper Store	7/14/20	John Varvatos	5/6/20	The Worth Collection	2/14/20
RTW Retailwinds	7/13/20	CD II Fashions	5/4/20	Must Cure Obesity	1/31/20
Muji USA	7/10/20	J. Crew	5/4/20	Papyrus	1/23/20
Sur La Table	7/8/20	J. Hilburn	4/30/20	Armadio	1/15/20

Source: S&P Global Market Intelligence. Notes: 1. S&P Global Market Intelligence's bankruptcy coverage is limited to public companies or private companies with public debt where either assets or liabilities at the time of bankruptcy filing are greater than or equal to \$2 million, or private companies where either assets or liabilities at the time of bankruptcy filing are greater than or equal to \$10 million.

U.S. Retail Sales

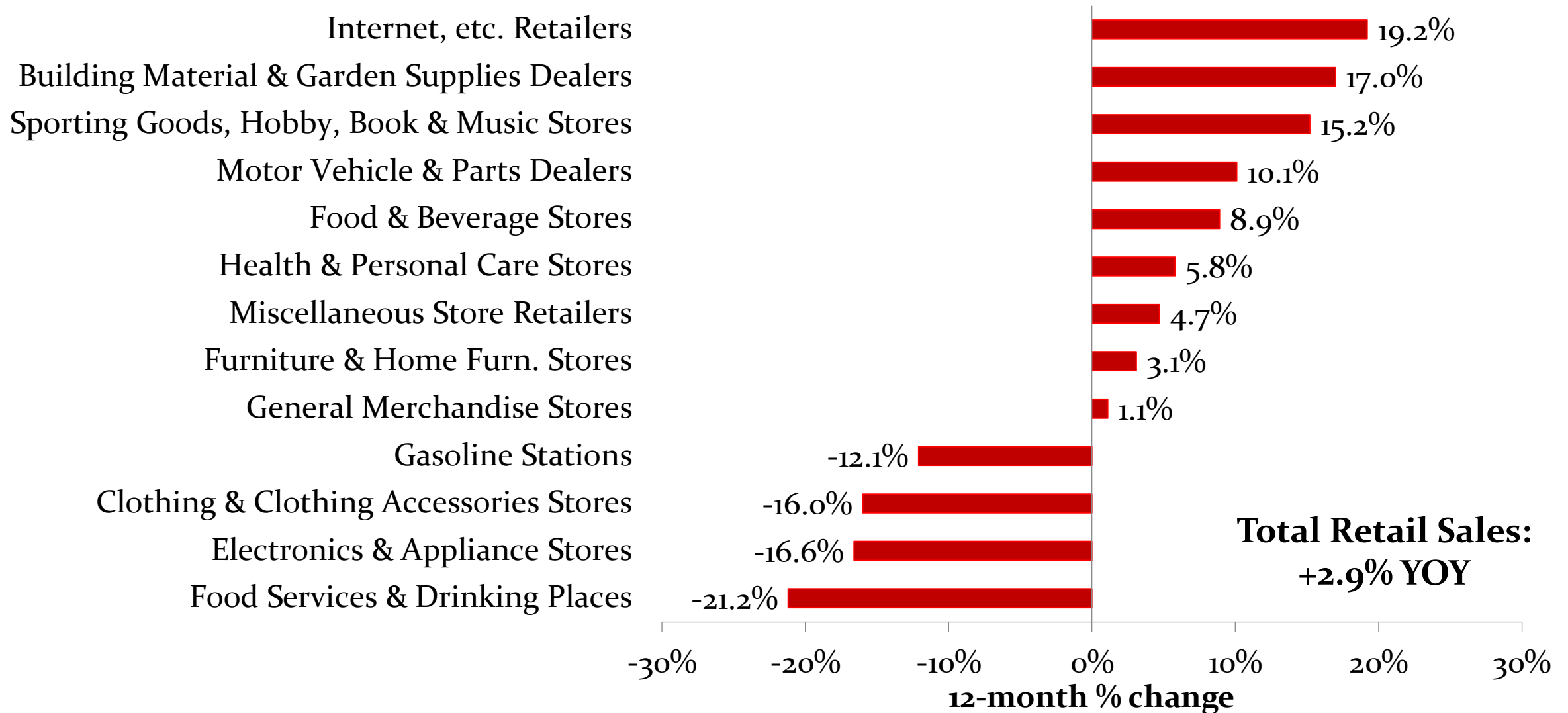
December 2000 – December 2020

Retail Sales (\$Billions)



U.S. Retail Sales by Type of Business

December 2019 v. December 2020 % Change



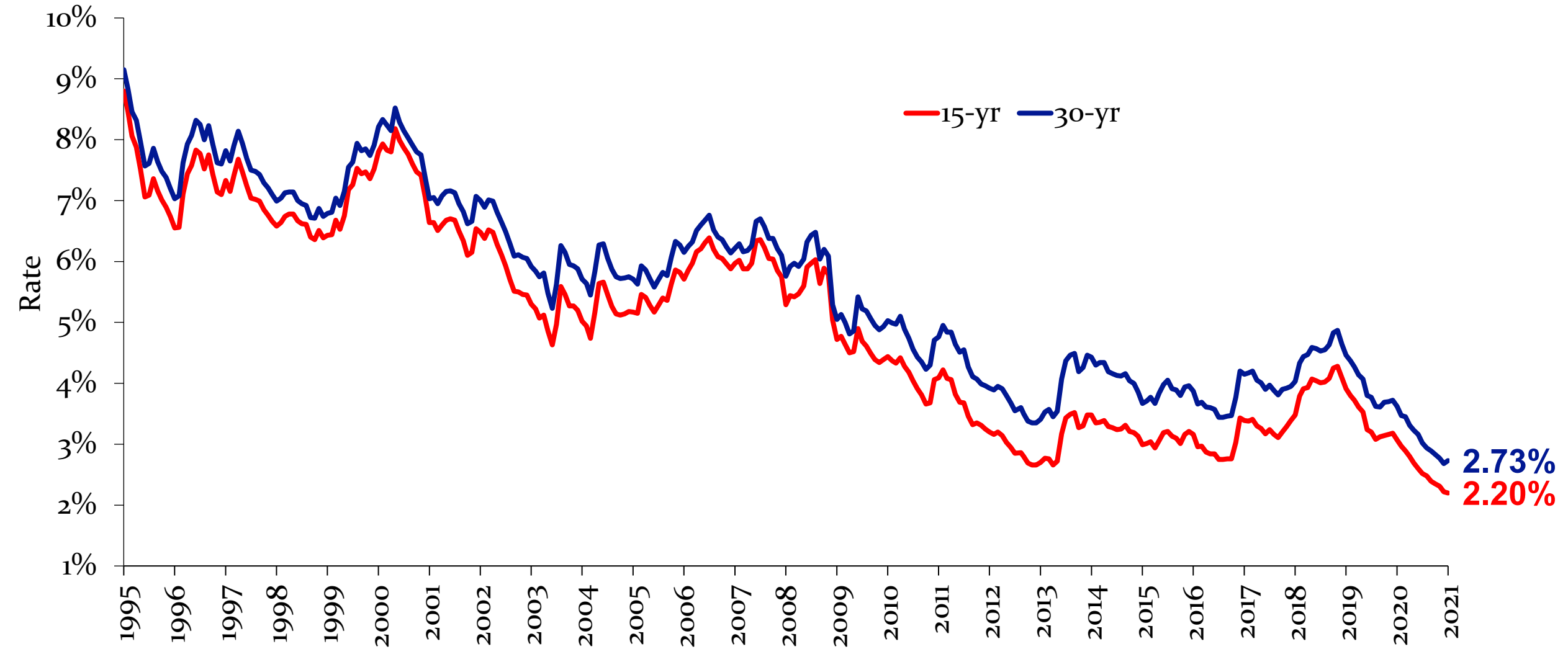
I'm in
Ravenclaw
House!



Sage Policy
Group, Inc.

15-Year & 30-Year Fixed Mortgage Rates

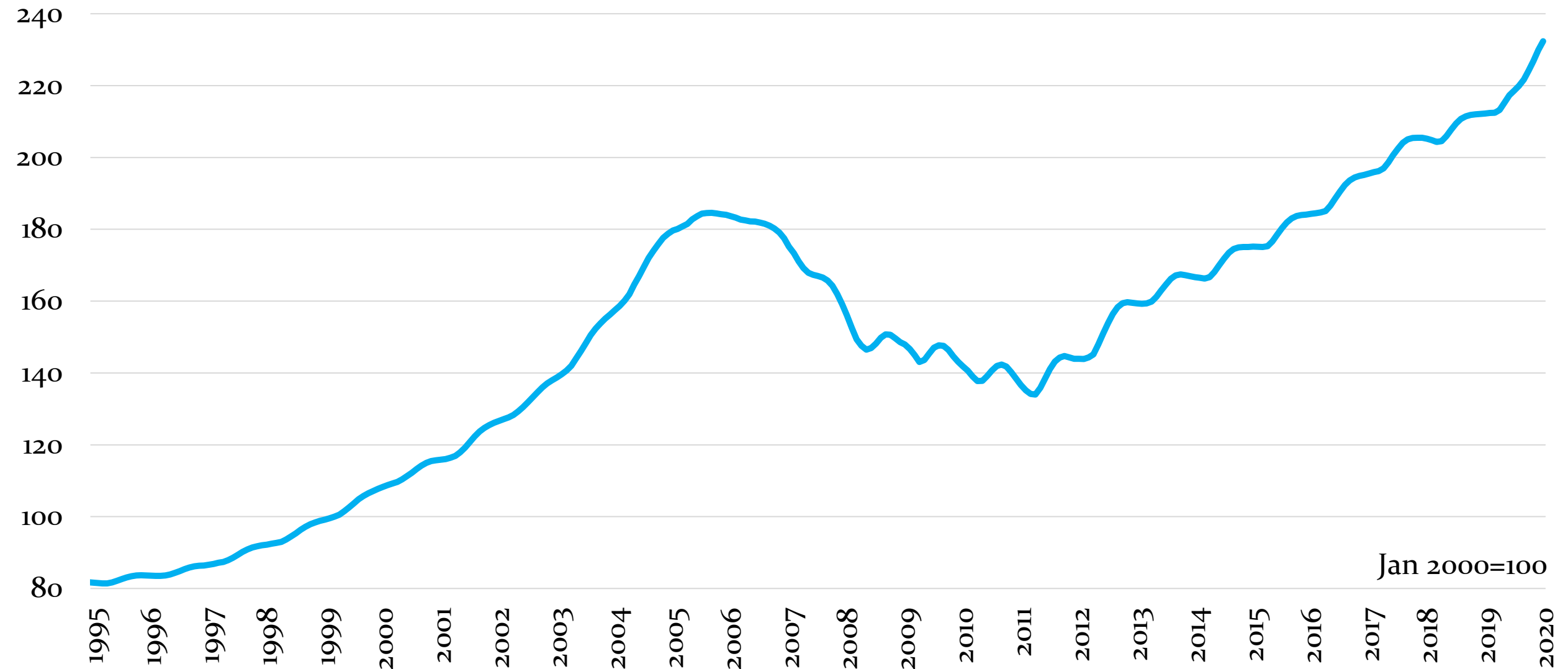
January 1995 – January 2021*



*Week ending 1/28/2021

S&P Case-Shiller U.S. National Home Price Index

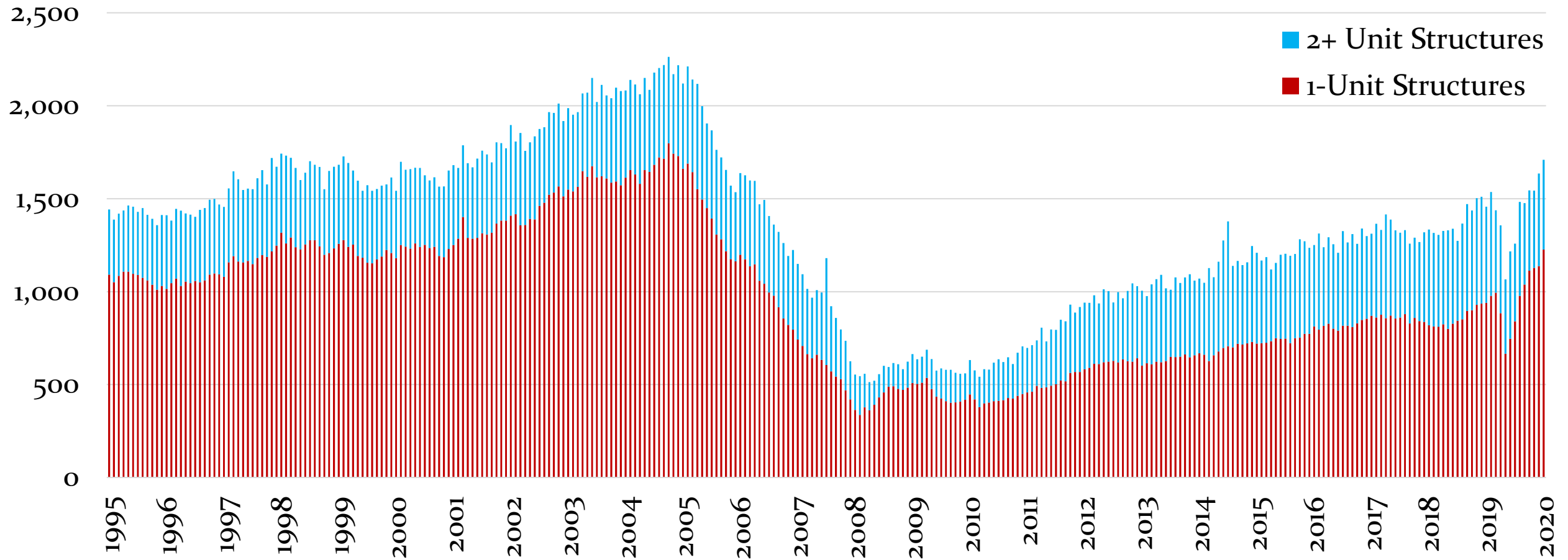
November 1995 – November 2020



U.S. Residential Building Permits

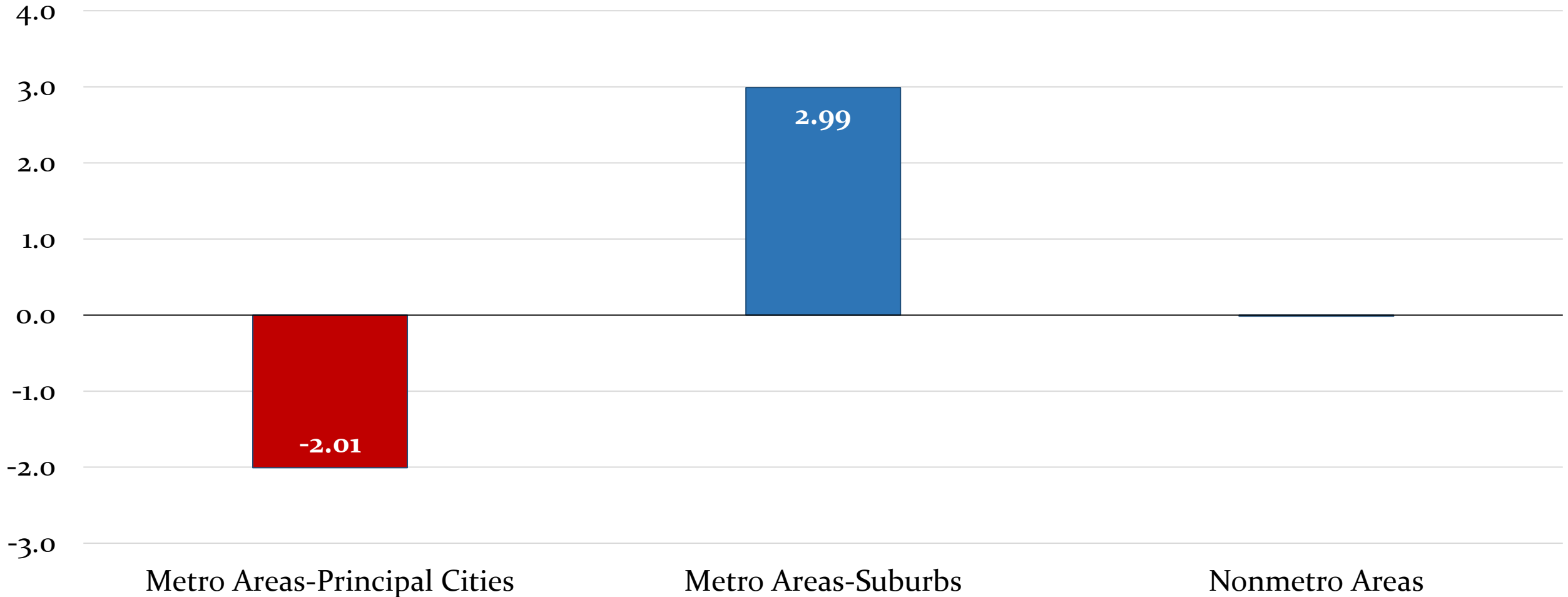
December 1995 – December 2020

Building Permits (ooo's of Units)



U.S. Net Migration in Metropolitan Areas, 2019 to 2020

2019 to 2020 net migration including movers from abroad (millions)



Observed Rent Declines in Major U.S. Cities

Rent Changes in Select U.S. Cities, March to December 2020

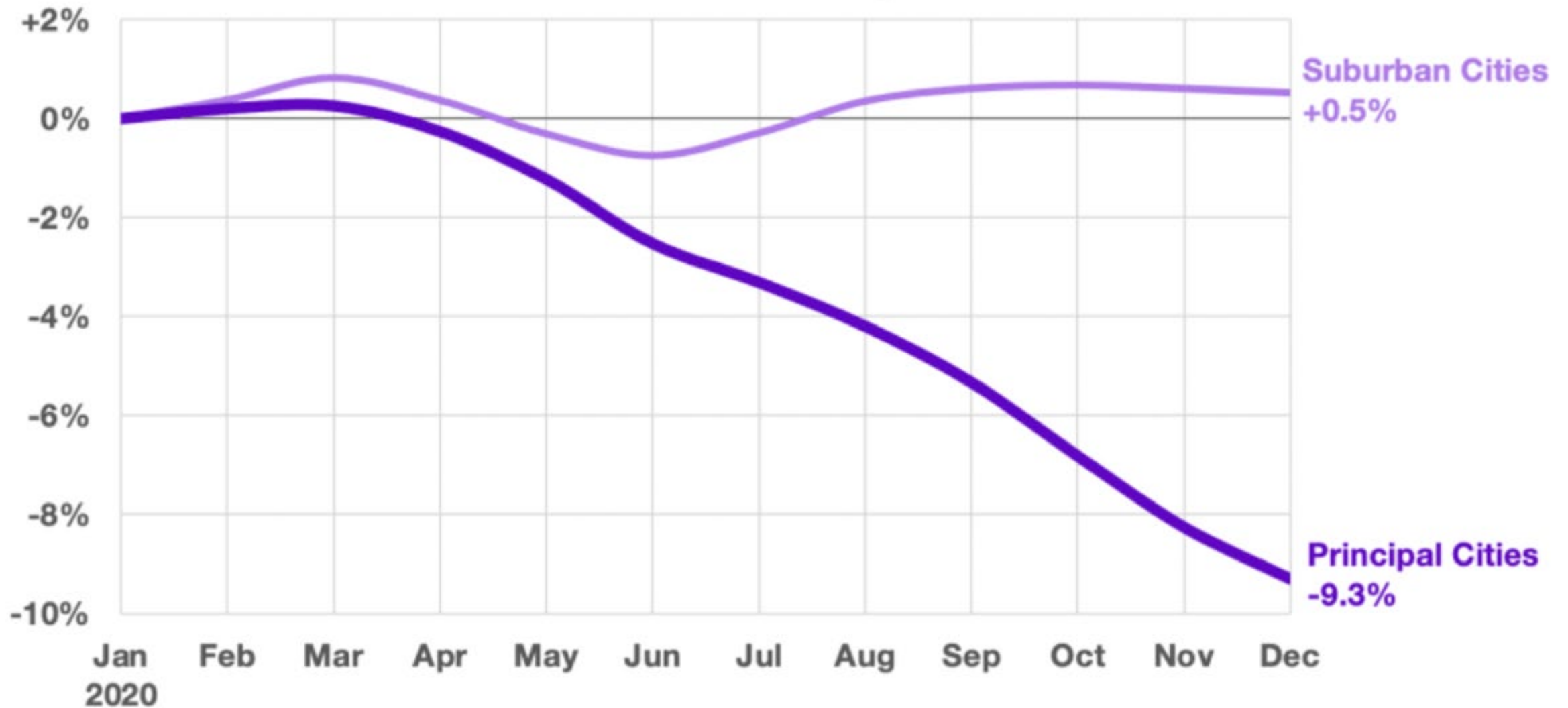
Largest Rent Declines/Increases among 50 largest U.S. cities by population

City	Rent Growth Since March	City	Rent Growth Since March
San Francisco, CA	-26.7%	Fresno, CA	7.9%
Seattle, WA	-22.0%	Albuquerque, NM	7.1%
Boston, MA	-20.6%	Memphis, TN	6.7%
New York, NY	-19.9%	Tucson, AZ	6.1%
Washington, DC	-15.3%	Virginia Beach, VA	5.7%
San Jose, CA	-15.2%	Las Vegas, NV	5.2%
Oakland, CA	-14.2%	Arlington, TX	4.7%
Chicago, IL	-13.2%	Colorado Springs, CO	4.4%
Minneapolis, MN	-12.8%	El Paso, TX	4.1%
Los Angeles, CA	-7.9%	Tulsa, OK	4.0%

Rent declines are concentrated in large, expensive markets, while in affordable midsize cities, rent growth accelerates...

Observed Rent Declines in Cities v. Suburbs

Cumulative Rent Change in 2020



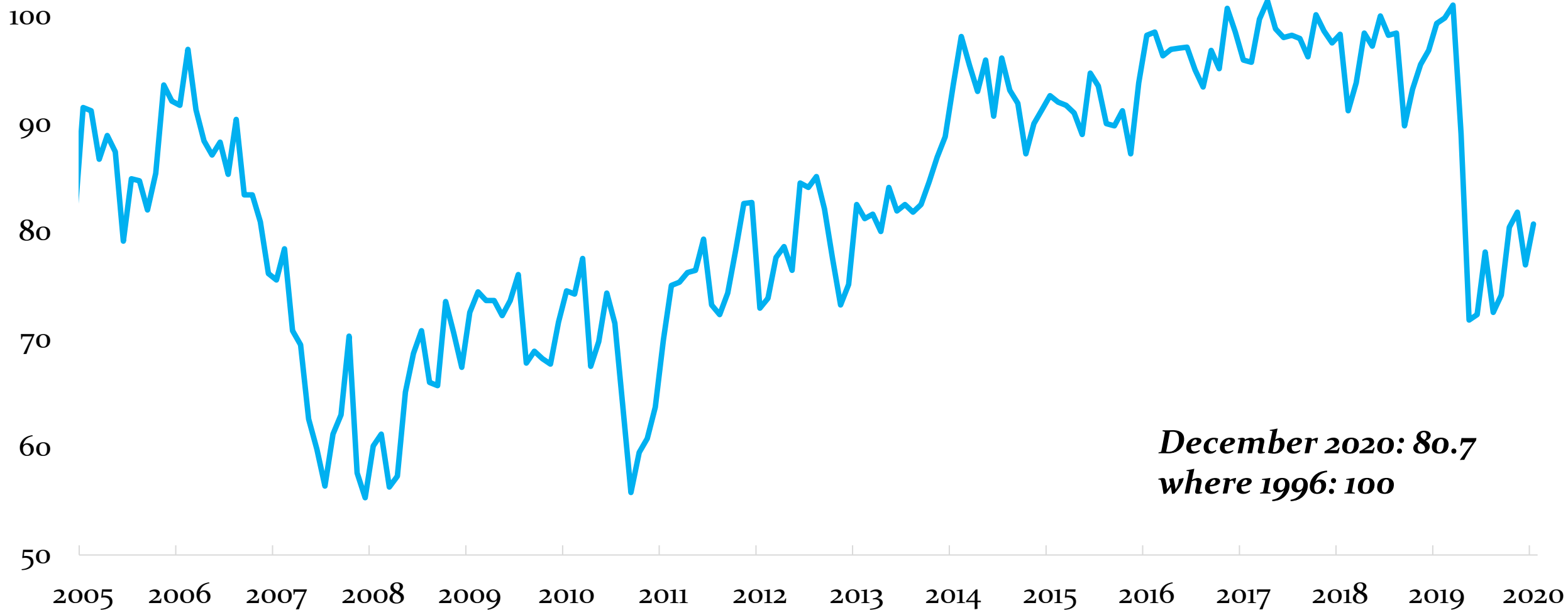
Source: Apartment List. Note: rent changes are population-weighted and aggregated across principal/suburban cities within a sample of 30 large metropolitan areas.

The Crystal Ball



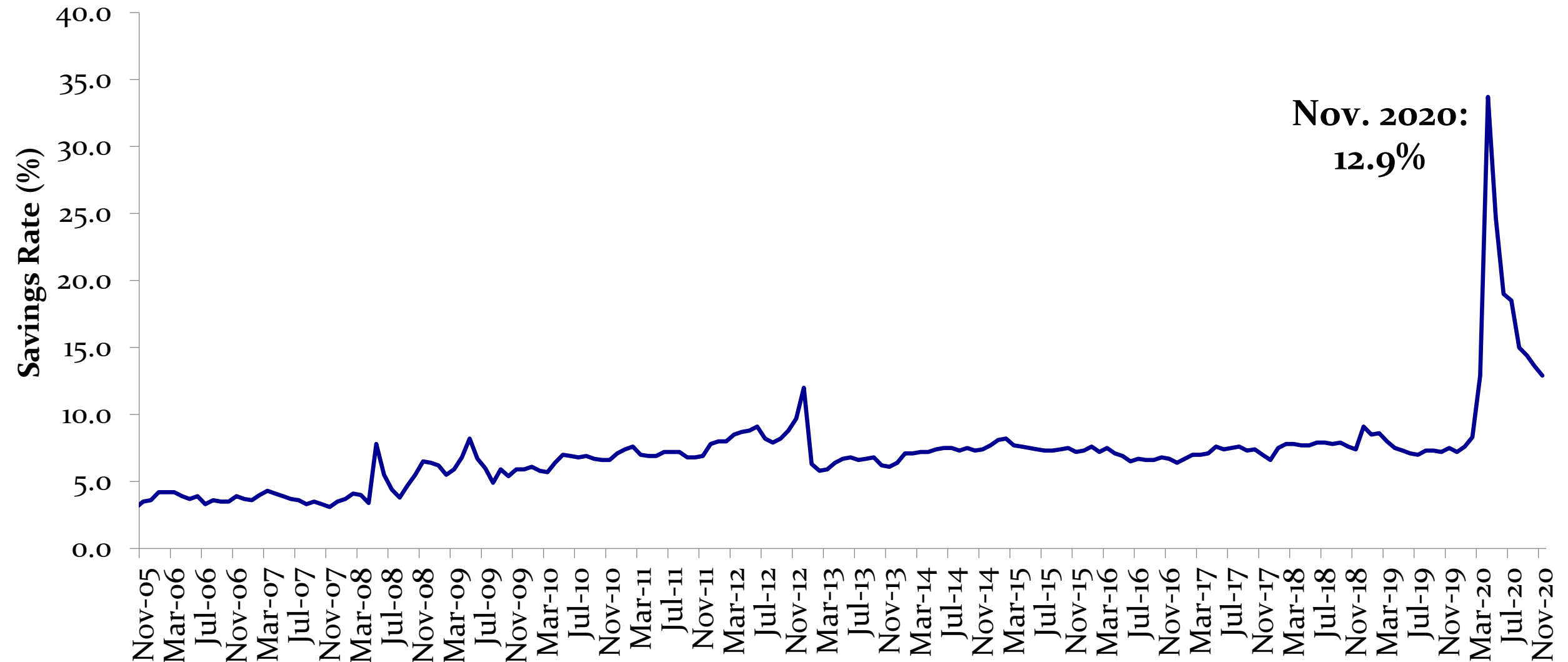
University of Michigan Index of Consumer Sentiment

2005 – 2020



U.S. Saving Rate, November 2005 – November 2020

(Savings as Percentage of Personal Disposable Income)

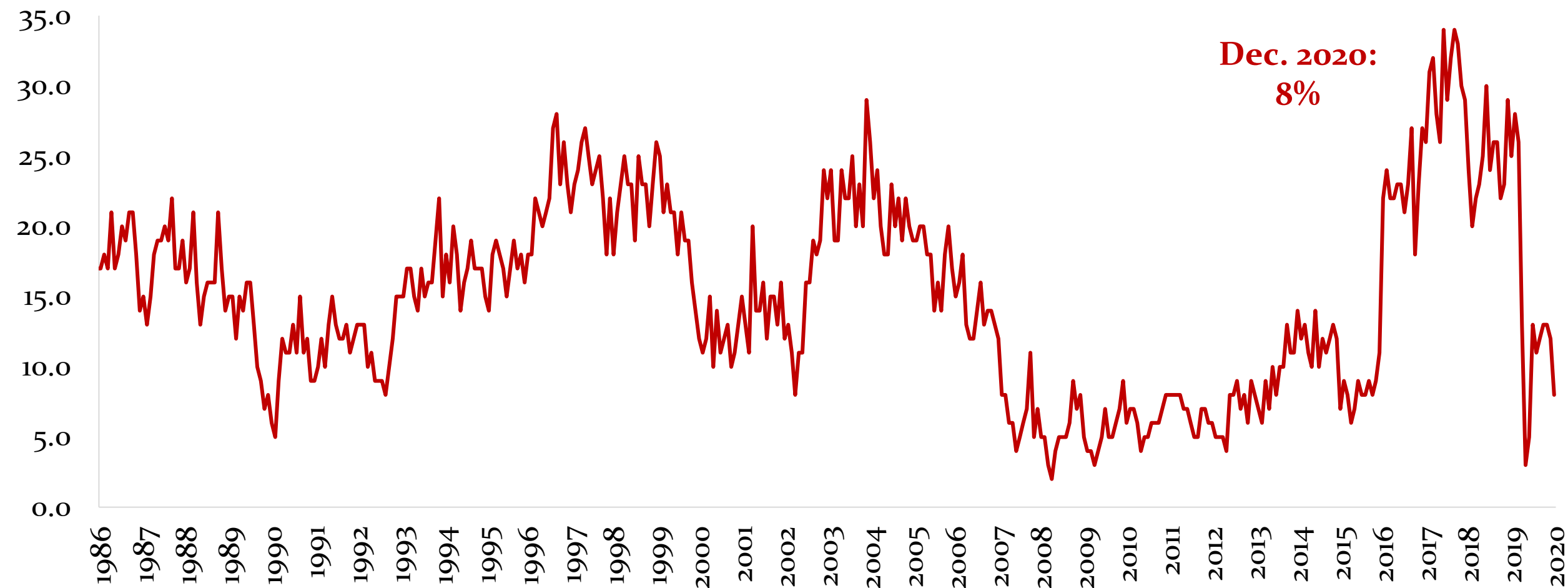


Nov. 2020:
12.9%

NFIB Index of Small Business Optimism: Good Time to Expand

1986 – 2020

% of respondents who think the next 3 months will be a good time to for small business to expand

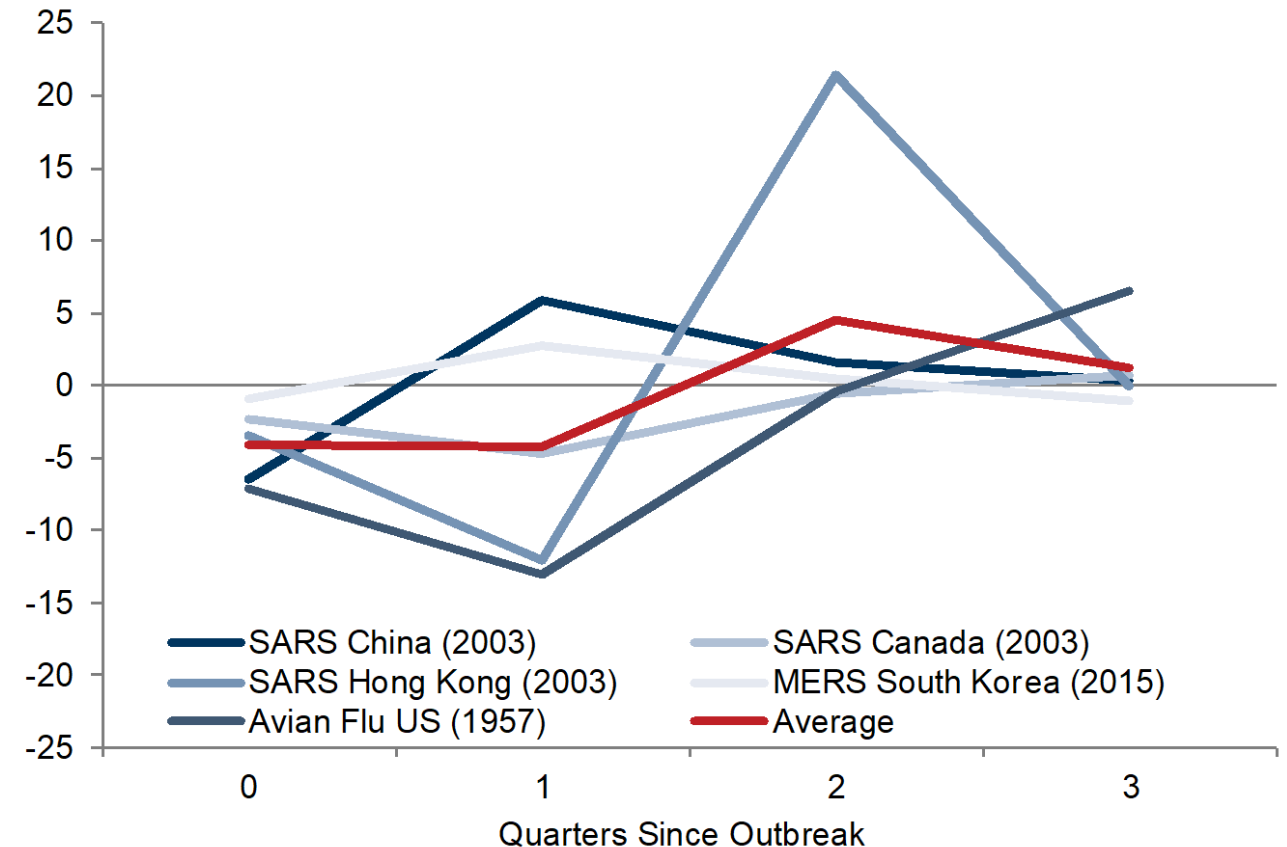


Dec. 2020:
8%

Economic Impact of Past Pandemics – A Voldemort Curse

- Goldman Sachs analyzed GDP changes during other pandemics, including the 2003 SARS episodes in China, Hong Kong, and Canada, the 1957 Avian Flu in the U.S., and the 2015 MERS episode in South Korea.
- The average episode saw a GDP hit of 4-5% in the 1-2 quarters after the outbreak, though the variation was substantial.

Real GDP growth minus average growth over year before outbreak, pp



The Sorcerer's Outlook

- For an economy to flourish, both demand and supply sides of economy must participate.
- With additional stimulus forthcoming, demand gets a boost, but supply will be constrained by additional lockdown measures, and not just in America.
- The result is that the U.S. savings rate will climb once again, spring loading the economy for rapid economic growth once vaccines become broadly available.
- The back half of 2021 should be spectacular for economic growth.
- However, there will be a day of reckoning as deficit hawks come back into fashion, creating the possibility of greater austerity during the years ahead.

Thank You

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