

Anirban Basu & The Chamber of Data



Photo: Fandom

By: Anirban Basu
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On Behalf of
The Maryland Government Finance Officers Association
Fall Conference
October 29th, 2021

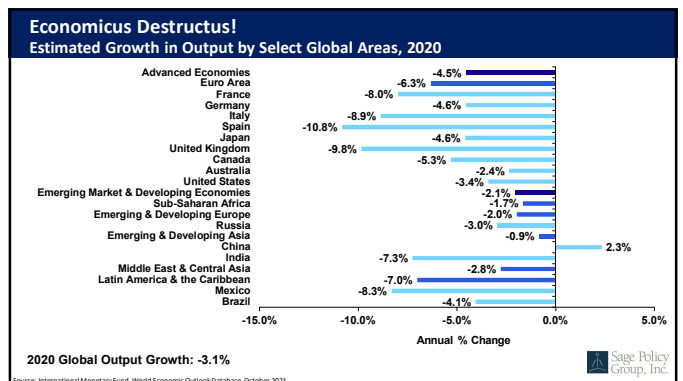
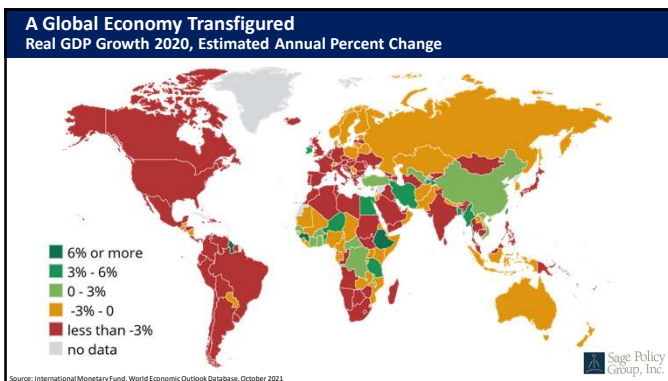
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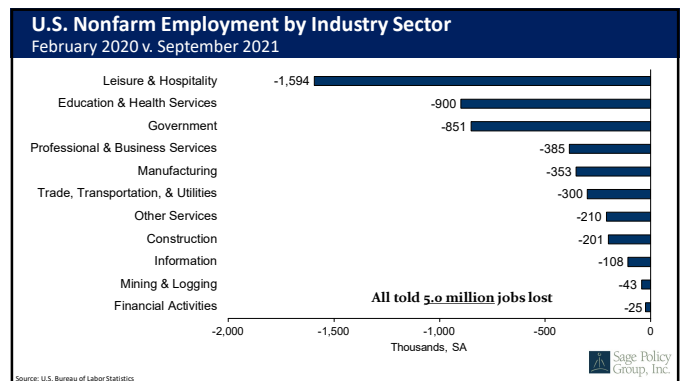
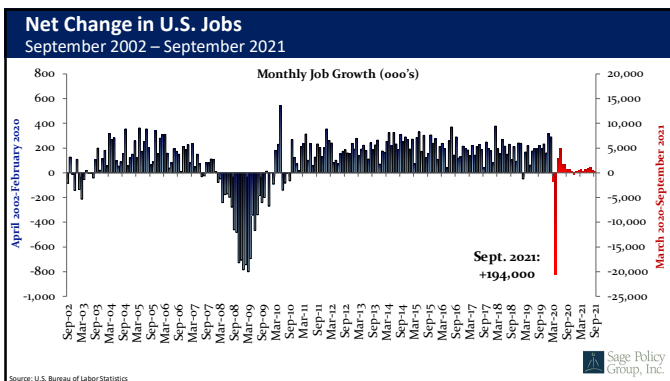
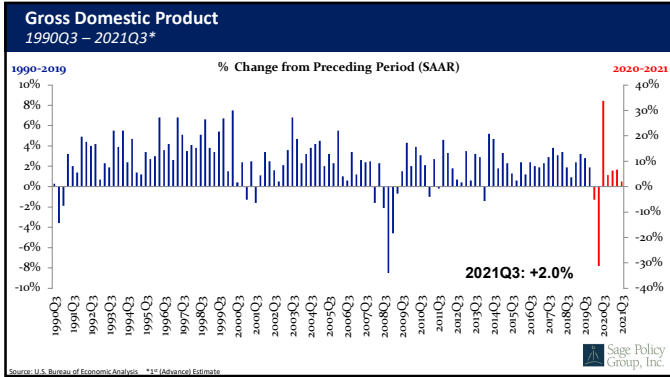
Toward the Post-Pandemic World

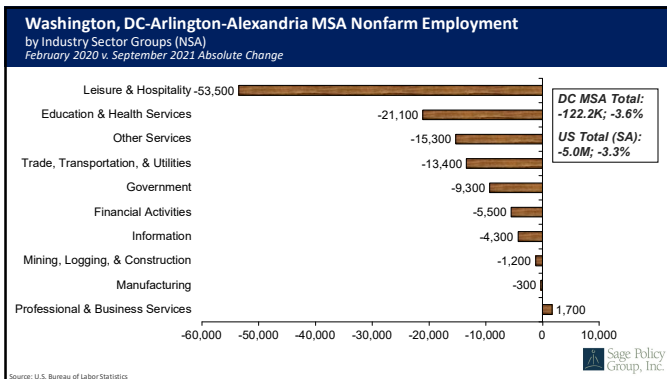
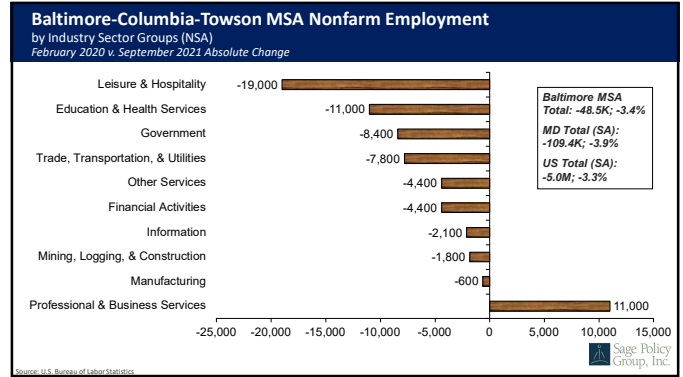
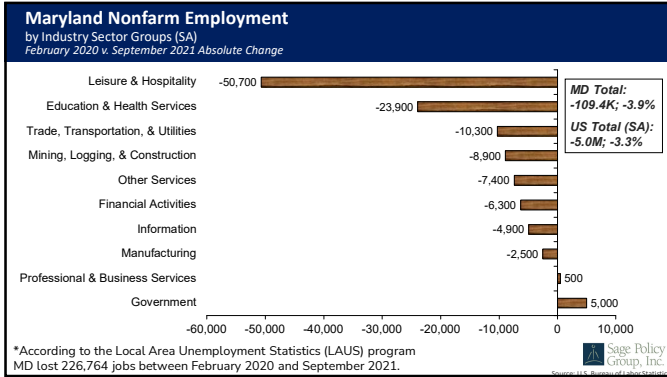
The Prisoner of My-house-kaban



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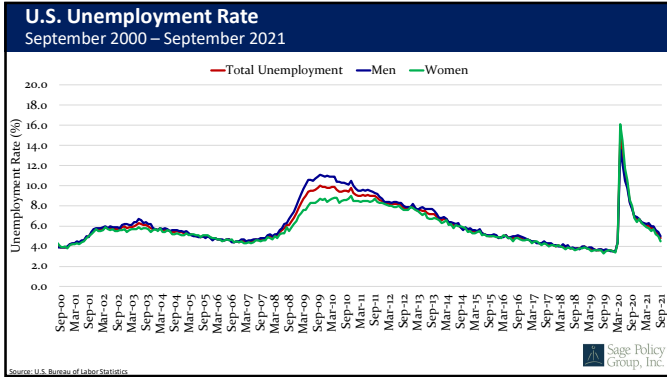
Employment Growth, 25 Largest Metros (NSA)

February 2020 v. September 2021 Percent Change

Rank	MSA	%	Rank	MSA	%
1	Tampa-St. Petersburg-Clearwater, FL	0.1%	14	Portland-Vancouver-Hillsboro, OR-WA	-3.7%
2	Dallas-Fort Worth-Arlington, TX	-0.1%	15	Minneapolis-St. Paul-Bloomington, MN-WI	-3.9%
2	Phoenix-Mesa-Scottsdale, AZ	-0.1%	16	Chicago-Naperville-Elgin, IL-IN-WI	-4.2%
4	San Antonio-New Braunfels, TX	-0.4%	16	Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	-4.2%
5	Denver-Aurora-Lakewood, CO	-1.0%	18	Boston-Cambridge-Nashua, MA-NH	-4.4%
6	Charlotte-Concord-Gastonia, NC-SC	-2.1%	19	Detroit-Warren-Dearborn, MI	-4.5%
6	Seattle-Tacoma-Bellevue, WA	-2.1%	20	Miami-Fort Lauderdale-West Palm Beach, FL	-5.5%
8	Atlanta-Sandy Springs-Roswell, GA	-2.5%	21	San Diego-Carlsbad, CA	-6.7%
9	Baltimore-Columbia-Towson, MD	-3.4%	22	Los Angeles-Long Beach-Anaheim, CA	-6.8%
10	Riverside-San Bernardino-Ontario, CA	-3.5%	23	Orlando-Kissimmee-Sanford, FL	-7.1%
10	St. Louis, MO-IL	-3.5%	24	San Francisco-Oakland-Hayward, CA	-7.5%
12	Houston-The Woodlands-Sugar Land, TX	-3.6%	25	New York-Newark-Jersey City, NY-NJ-PA	-7.9%
12	Washington-Arlington-Alexandria, DC-VA-MD-WV	-3.6%			

U.S. Percent Change: -3.3%

Source: U.S. Bureau of Labor Statistics, Current Employment Statistics (CES) Survey
Sage Policy Group, Inc.



Unemployment Rates, 25 Largest Metros (NSA) August 2021

Rank	MSA	%	Rank	MSA	%
1	Atlanta-Sandy Springs-Roswell, GA	3.1	12	Orlando-Kissimmee-Sanford, FL	5.0
2	Minneapolis-St. Paul-Bloomington, MN-WI	3.5	12	Seattle-Tacoma-Bellevue, WA	5.0
3	Detroit-Warren-Dearborn, MI	3.7	15	Baltimore-Columbia-Towson, MD	5.3
4	St. Louis, MO-IL	4.2	16	Denver-Aurora-Lakewood, CO	5.5
5	Charlotte-Concord-Gastonia, NC-SC	4.3	17	Miami-Fort Lauderdale-West Palm Beach, FL	5.6
6	Portland-Vancouver-Hillsboro, OR-WA	4.4	17	San Francisco-Oakland-Hayward, CA	5.6
7	Tampa-St. Petersburg-Clearwater, FL	4.5	19	Houston-The Woodlands-Sugar Land, TX	6.1
8	Dallas-Fort Worth-Arlington, TX	4.7	20	San Diego-Carlsbad, CA	6.6
9	Phoenix-Mesa-Scottsdale, AZ	4.8	21	Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	6.7
9	San Antonio-New Braunfels, TX	4.8	22	Chicago-Naperville-Elgin, IL-IN-WI	7.1
11	Washington-Arlington-Alexandria, DC-VA-MD-WV	4.9	23	New York-Newark-Jersey City, NY-NJ-PA	7.6
12	Boston-Cambridge-Nashua, MA-NH	5.0	23	Riverside-San Bernardino-Ontario, CA	7.6
			25	Los Angeles-Long Beach-Anaheim, CA	8.8

Source: U.S. Bureau of Labor Statistics, Current Employment Statistics (CES) by State

U.S. Unemployment Rate
August: 5.2% September: 4.8%

Maryland Unemployment Rates by County August 2021

Rank	Jurisdiction	%	Rank	Jurisdiction	%
1	Carroll County	4.3	13	Cecil County	5.2
1	Howard County	4.3	14	Baltimore County	5.4
1	Queen Anne's County	4.3	14	Washington County	5.4
4	Caroline County	4.6	16	Dorchester County	5.5
5	Anne Arundel County	4.7	16	Wicomico County	5.5
5	Talbot County	4.7	18	Montgomery County	5.6
7	Frederick County	4.8	19	Allegany County	6.1
7	Harford County	4.8	19	Charles County	6.1
7	St. Mary's County	4.8	21	Worcester County	6.2
10	Calvert County	4.9	22	Somerset County	7.1
10	Garrett County	4.9	22	Baltimore City	7.1
12	Kent County	5.1	24	Prince George's County	7.9

Source: U.S. Bureau of Labor Statistics

Maryland Unemployment Rate
August: 6.0% September: 5.9%

The Ministry Speaks

Source: Sage Policy Group, Inc.

Photo: Warner Bros. / Fandom

COVID-19 Stimulus Packages I

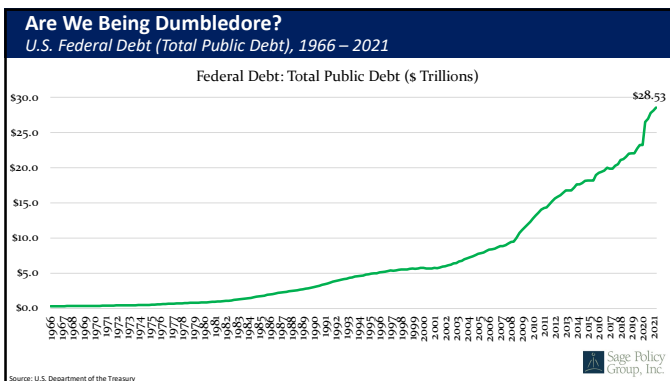
- Coronavirus Aid, Relief, and Economic Security (CARES) Act (3/27/2020)**
 - More than \$2T total
 - Direct payments to Americans: \$1,200
 - Extended/enhanced unemployment insurance program: \$600/week enhanced federal benefit
 - Loans and grants for small businesses: \$377B
 - Loans and grants for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

Source: Congress.gov, Committee for a Responsible Federal Budget, NPR News, CNN Politics

COVID-19 Stimulus Packages II: American Rescue Plan Act of 2021

- Signed into law on 3/11/2021
- Total of **\$1.9 trillion**
- Direct payments to Americans: \$1,400
- Extended federal unemployment assistance: \$300/week
- Direct aid to state and local governments: ≈ \$350B
- Education: ≈ \$170B for K-12 schools and higher ed
- Small businesses: ≈\$49B in loans/grants for several programs for small businesses, restaurants/bars, and venue operators
- Public health: ≈ \$92B for COVID-19 vaccine, testing, and workforce efforts
- Tax provisions: expands/increases Child Tax Credit, Earned Income Tax Credit (EITC), dependent care tax credit, employee retention credit, and paid leave credits
- More: Nutrition assistance; housing aid; health insurance subsidies; changes to Medicaid/Medicare policy funding; aviation/railway/transit funding

Source: NPR, NCSL, CNN



COVID's Commercial Curse

Photo: Warner Bros. Studio Tour/Google

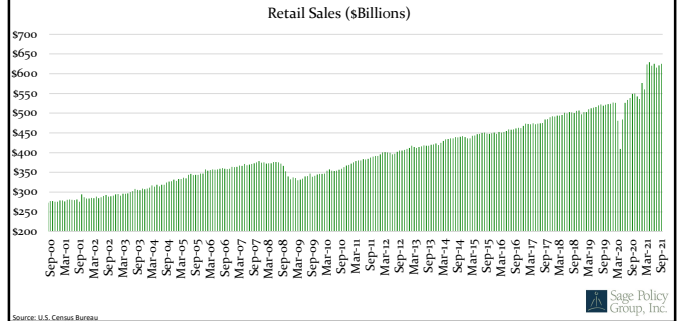
Large Retail Bankruptcies in the U.S. in 2020

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

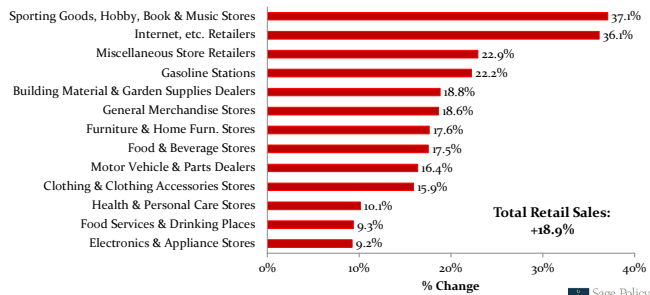
Source: S&P Global Market Intelligence. Note: 1. S&P Global Market Intelligence's bankruptcy coverage is limited to public companies or private companies with public debt where either assets or liabilities at the time of bankruptcy filing are greater than or equal to \$2 million, or private companies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



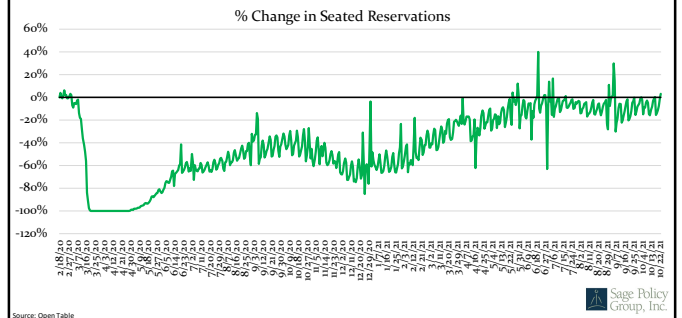
U.S. Retail Sales September 2000 – September 2021

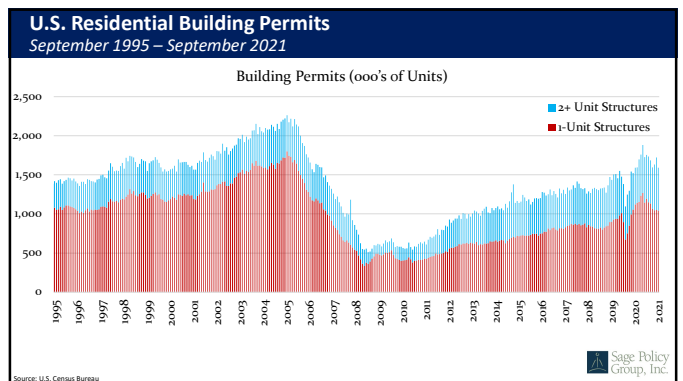
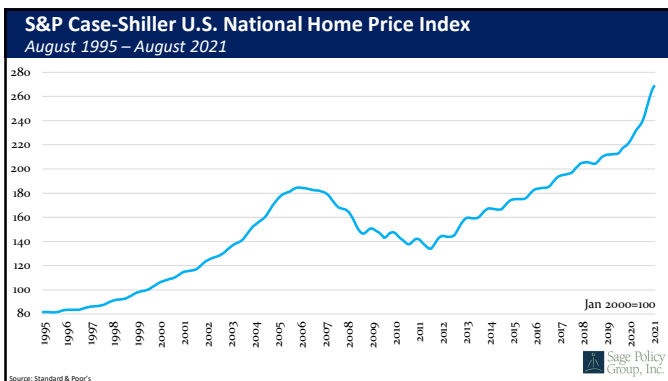
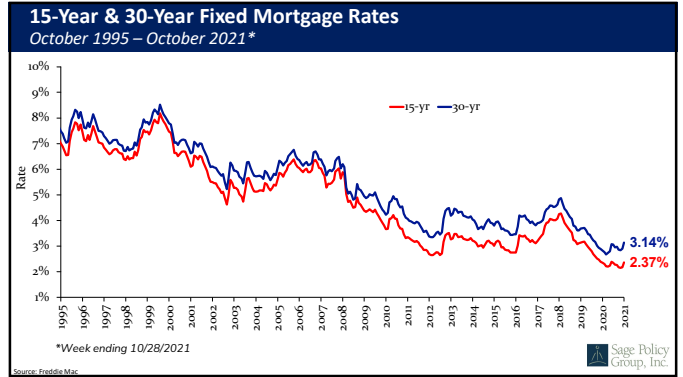


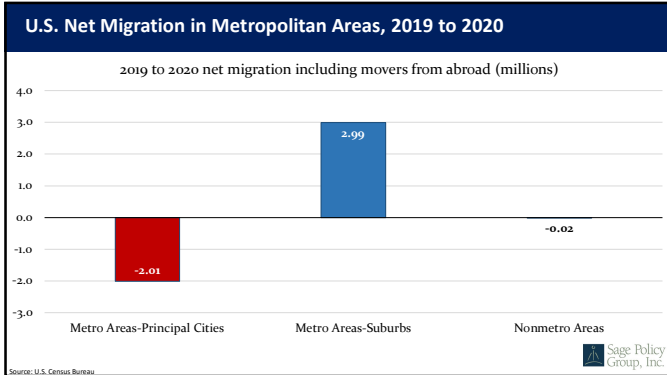
U.S. Retail Sales by Type of Business February 2020 v. September 2021 % Change



U.S. Restaurant Reservations (Seated Diners) % Change Compared to 2019







Observed Rent Declines in Major U.S. Cities

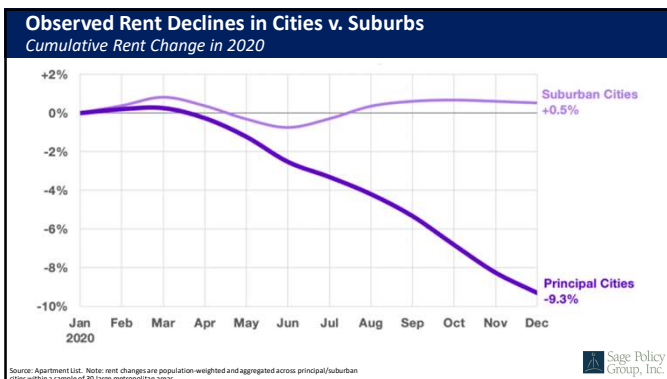
Rent Changes in Select U.S. Cities, March to December 2020

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...

Source: Apartment List. Sage Policy Group, Inc.



County General Fund Revenue Growth, FY2020-FY2021

Rank	County	%	Rank	County	%
1	Caroline	5.4%	12	Talbot	1.8%
2	Harford	4.7%	14	Worcester	1.5%
3	Frederick	4.5%	15	Prince George's	1.2%
4	Dorchester	4.3%	16	Carroll	0.9%
5	St. Mary's	4.2%	16	Washington	0.9%
6	Allegany	3.1%	18	Kent	0.7%
7	Cecil	2.4%	19	Garrett	0.2%
8	Charles	2.3%	20	Howard	0.0%
8	Wicomico	2.3%	21	Montgomery	-1.0%
10	Anne Arundel	2.2%	22	Baltimore City	-1.1%
11	Baltimore	2.0%	23	Queen Anne's	-2.1%
12	Calvert	1.8%	24	Somerset	-15.0%

Source: Maryland Department of Legislative Services (DLS). County Revenue Outlook Fiscal 2021. Sage Policy Group, Inc.

American Rescue Plan Act:

Direct Federal Funding to Local Governments in Maryland

County	County	Municipal	Total	County	County	Municipal	Total
Allegany	\$13.7	\$30.4	\$44.1	Harford	\$49.5	\$33.6	\$83.1
Anne Arundel	\$12.3	\$6.7	\$19.0	Howard	\$63.2	\$6.6	\$69.8
Baltimore City	\$670.3	\$0.0	\$670.3	Kent	\$3.8	\$6.5	\$10.3
Baltimore	\$160.5	\$0.0	\$160.5	Montgomery	\$203.8	\$100.1	\$303.9
Calvert	\$7.9	\$6.7	\$14.6	Prince George's	\$176.4	\$160.9	\$337.3
Caroline	\$6.5	\$10.2	\$16.7	Queen Anne's	\$9.8	\$6.0	\$15.8
Carrroll	\$32.7	\$43.9	\$76.6	St. Mary's	\$22.0	\$3.2	\$25.2
Cecil	\$20.0	\$24.0	\$44.0	Somerset	\$5.0	\$5.3	\$10.3
Charles	\$31.7	\$11.2	\$42.9	Talbot	\$7.2	\$16.4	\$23.6
Dorchester	\$6.2	\$13.2	\$19.4	Washington	\$29.3	\$31.2	\$60.5
Frederick	\$50.3	\$37.2	\$87.5	Wicomico	\$20.1	\$20.7	\$40.8
Garrett	\$5.6	\$5.6	\$11.2	Worcester	\$10.1	\$15.0	\$25.1


Local governments in Maryland are scheduled to receive **\$2.3 billion** in direct federal funding under the American Rescue Plan Act.

Allowable uses of funds include: "(1) responding to or mitigating the public health emergency with respect to the COVID-19 pandemic or its negative economic impacts; (2) providing government services to the extent of the reduction in revenue; (3) making necessary investments in water, sewer, or broadband infrastructure; and (4) responding to workers performing essential work during the COVID-19 pandemic by providing premium pay to eligible workers or by providing grants to eligible employers that have eligible workers who perform essential work."

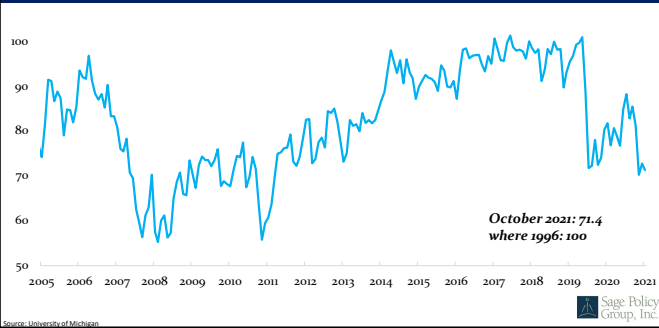


Source: U.S. Department of the Treasury, Maryland Department of Legislative Services (DLG)

The Crystal Ball

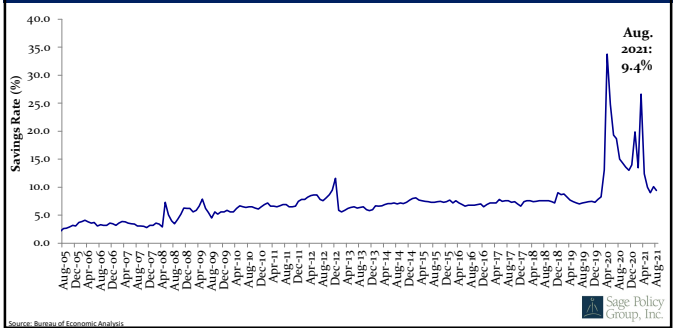


University of Michigan Index of Consumer Sentiment
2005 – 2021

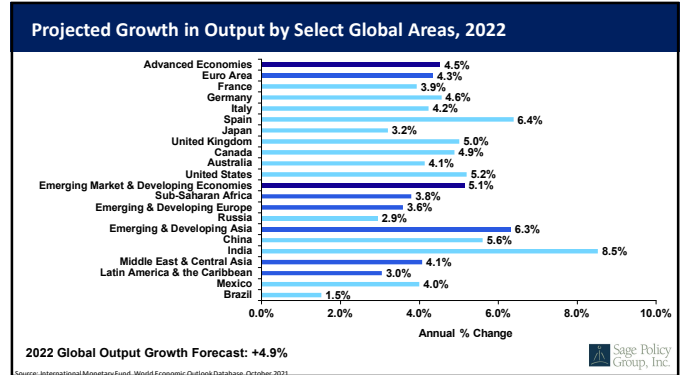


Source: University of Michigan

U.S. Saving Rate, August 2005 – August 2021
(Savings as Percentage of Personal Disposable Income)



Source: Bureau of Economic Analysis



The Sorcerer's Outlook

- For an economy to flourish, both demand and supply sides of economy must participate.
- With ongoing stimulus, demand gets a further boost, but supply will be constrained by numerous factors, and not just in America.
- The result is that the U.S. savings rate will remain elevated, spring loading the economy for rapid economic growth once vaccines become more broadly available.
- The back half of 2021 should have been spectacular for economic growth – now only Q4:2021 will be.
- And there will be a day of reckoning as deficit hawks come back into fashion, creating the possibility of greater austerity during the years ahead.

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Thank You

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