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**IBO's Fiscal Outlook Webinar:**

**Key Findings From Our Latest Economic  
Forecast & Review of the  
November Financial Plan**

**January 20, 2022**



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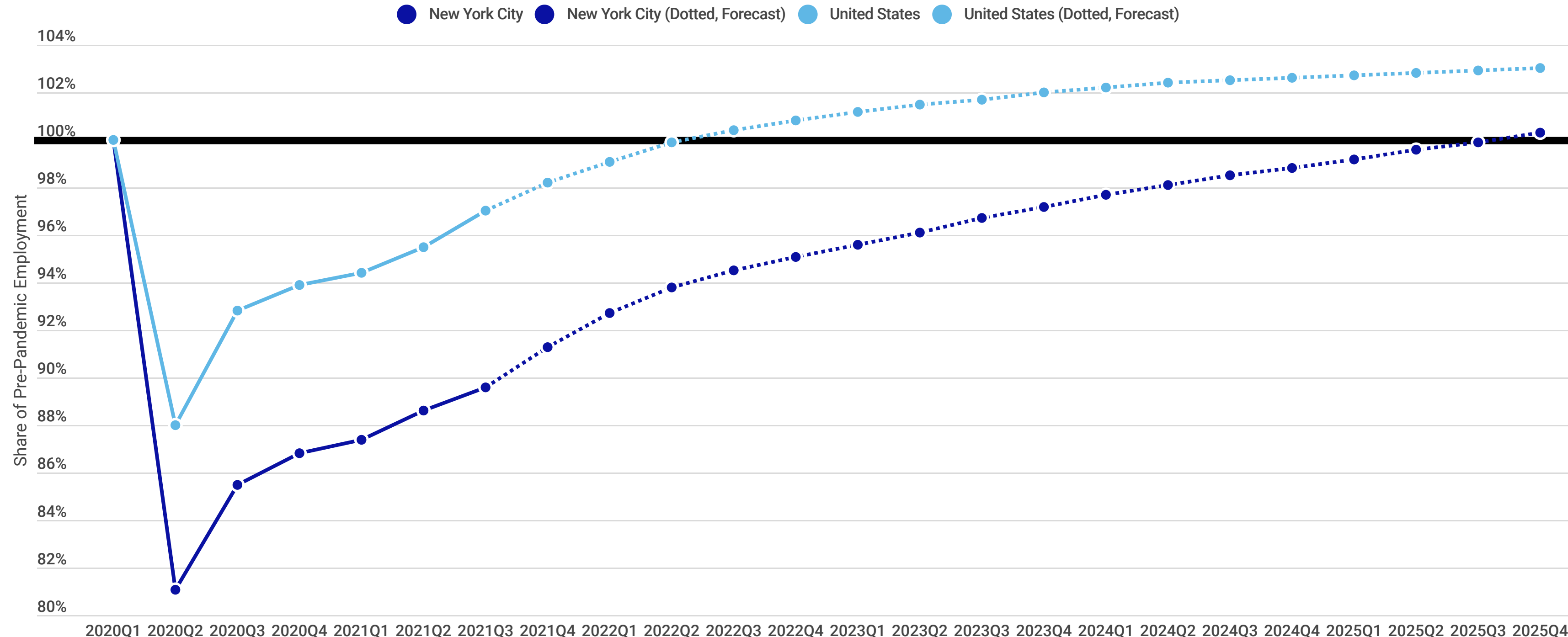


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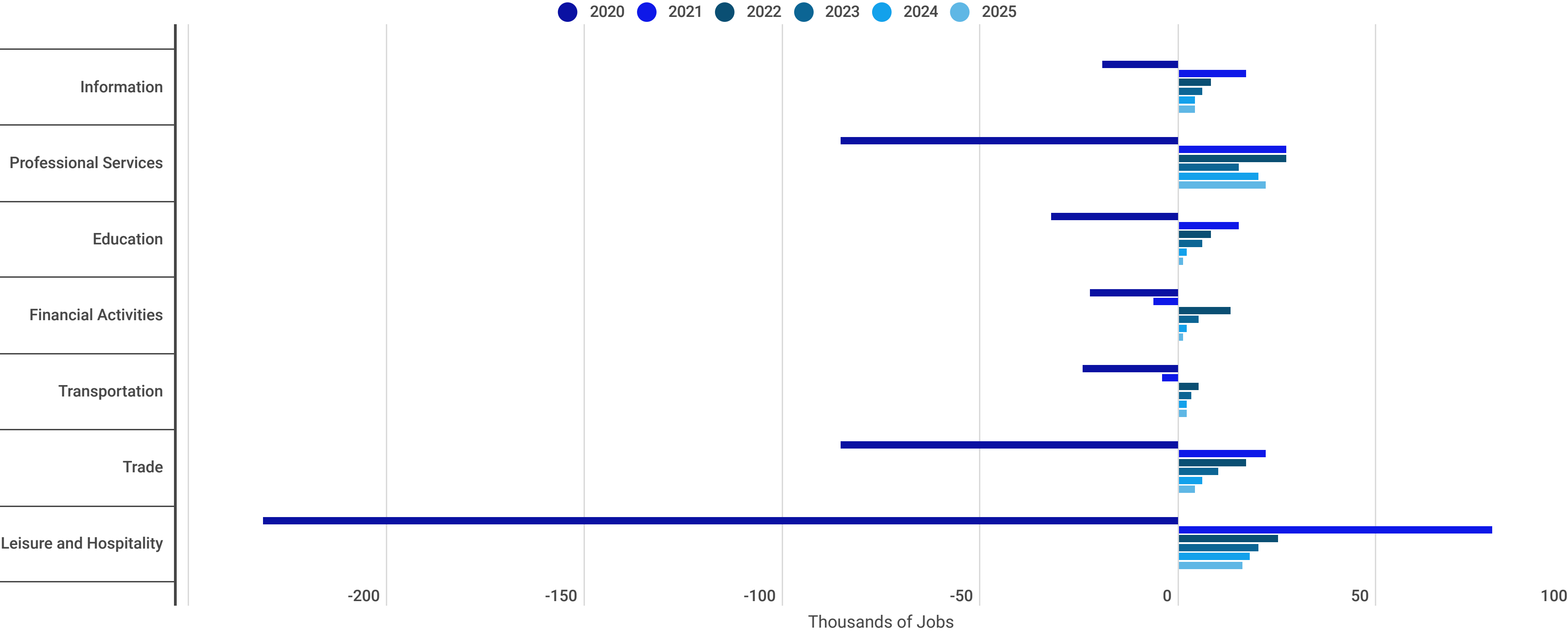
## Overview

- In addition to human losses, pandemic led to enormous economic shocks
- Nearly 2 years ago IBO anticipated a fiscal shock, too  
Projected large deficits requiring budget actions to address
- Better than expected tax revenue & \$13 billion in federal assistance have left city budget in much better shape
- IBO estimates budget surplus in 2022 and modest gaps in 2023-2025
- Fiscal foundation may be less solid than it looks
- Uncertainties abound

# NYC Continues to Lag US Employment Recovery

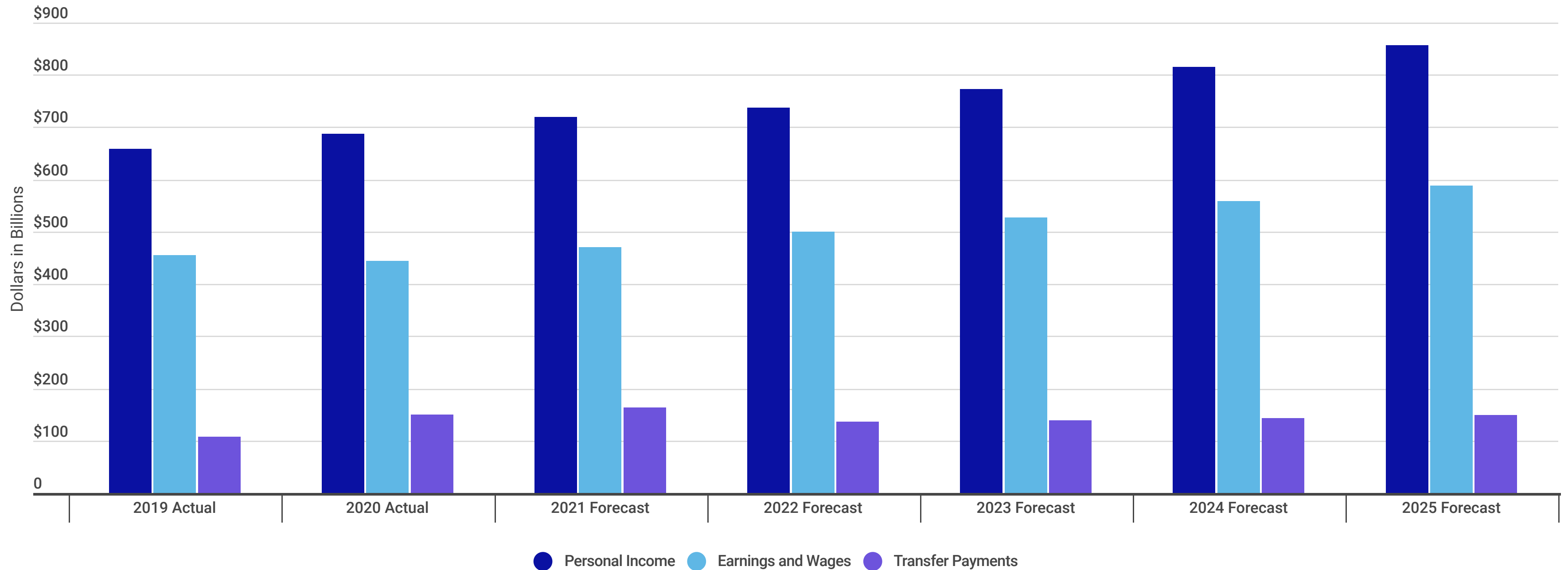


# Sectors Differ in Job Losses and Expected Recovery



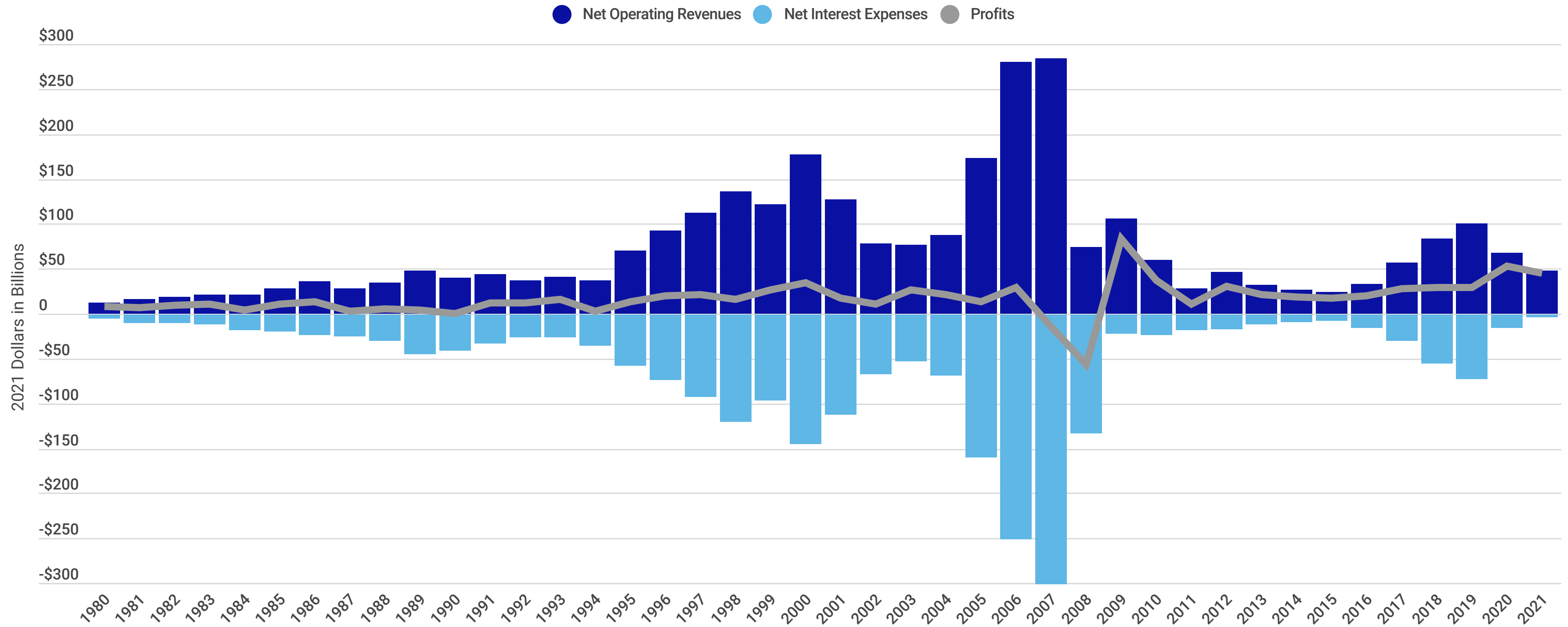
## Bright Spots:

# NYC Personal Income Grew During Pandemic Thanks to Transfer Payments

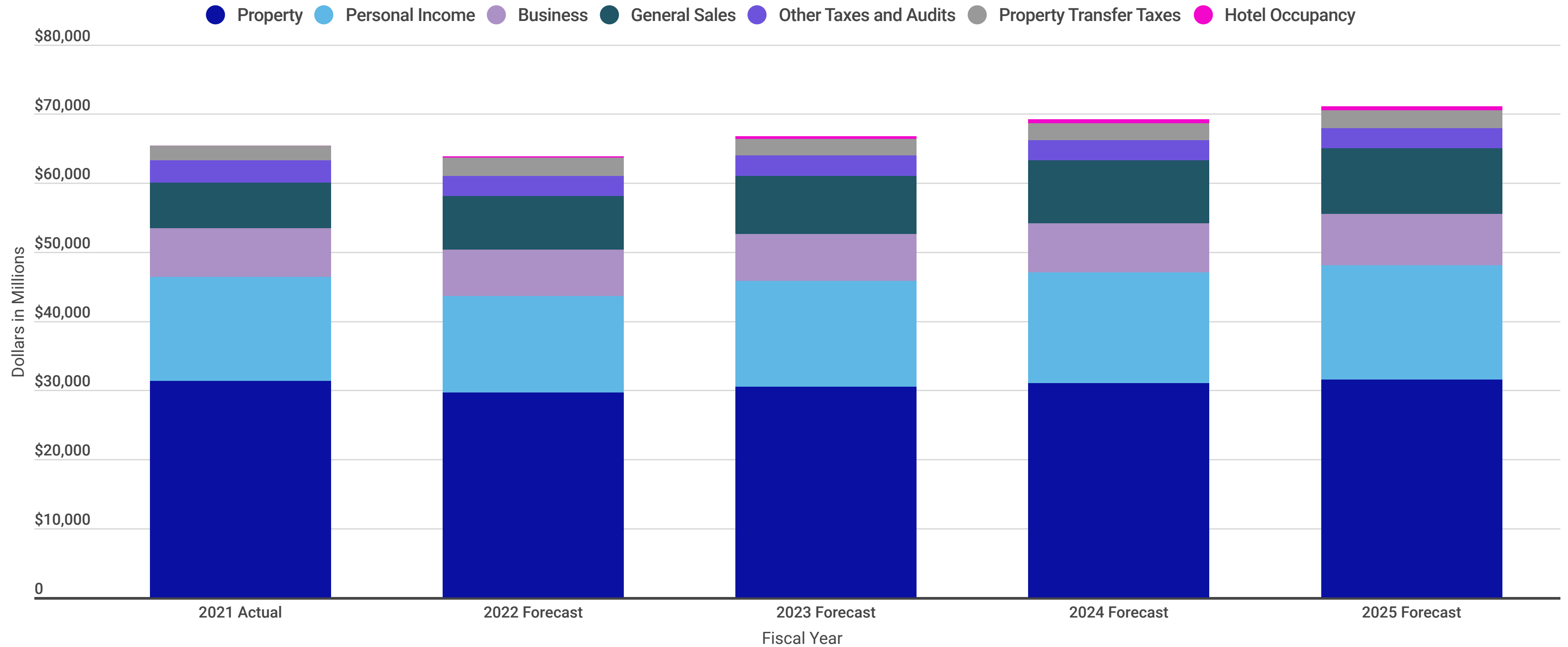


# Bright Spots: Another Good Year on Wall Street

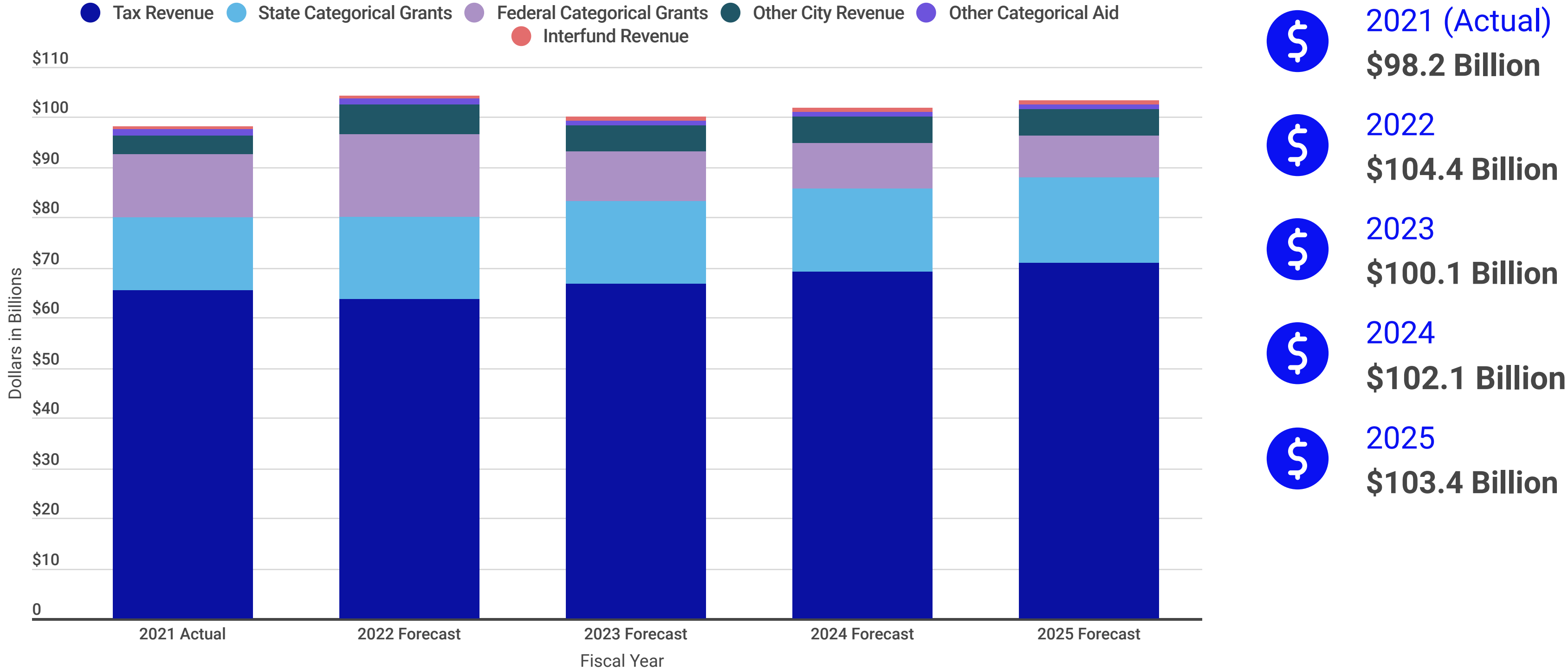
Quarterly Net Operating Revenues, Net Interest Expenses, and Profits of New York Stock Exchange Member Firms



# IBO Forecasts Tax Revenue to Decline in 2022, Rebound in 2023 Through 2025



# Total Revenues Grow Greatly in 2022 Thanks to Receipt of Federal Relief

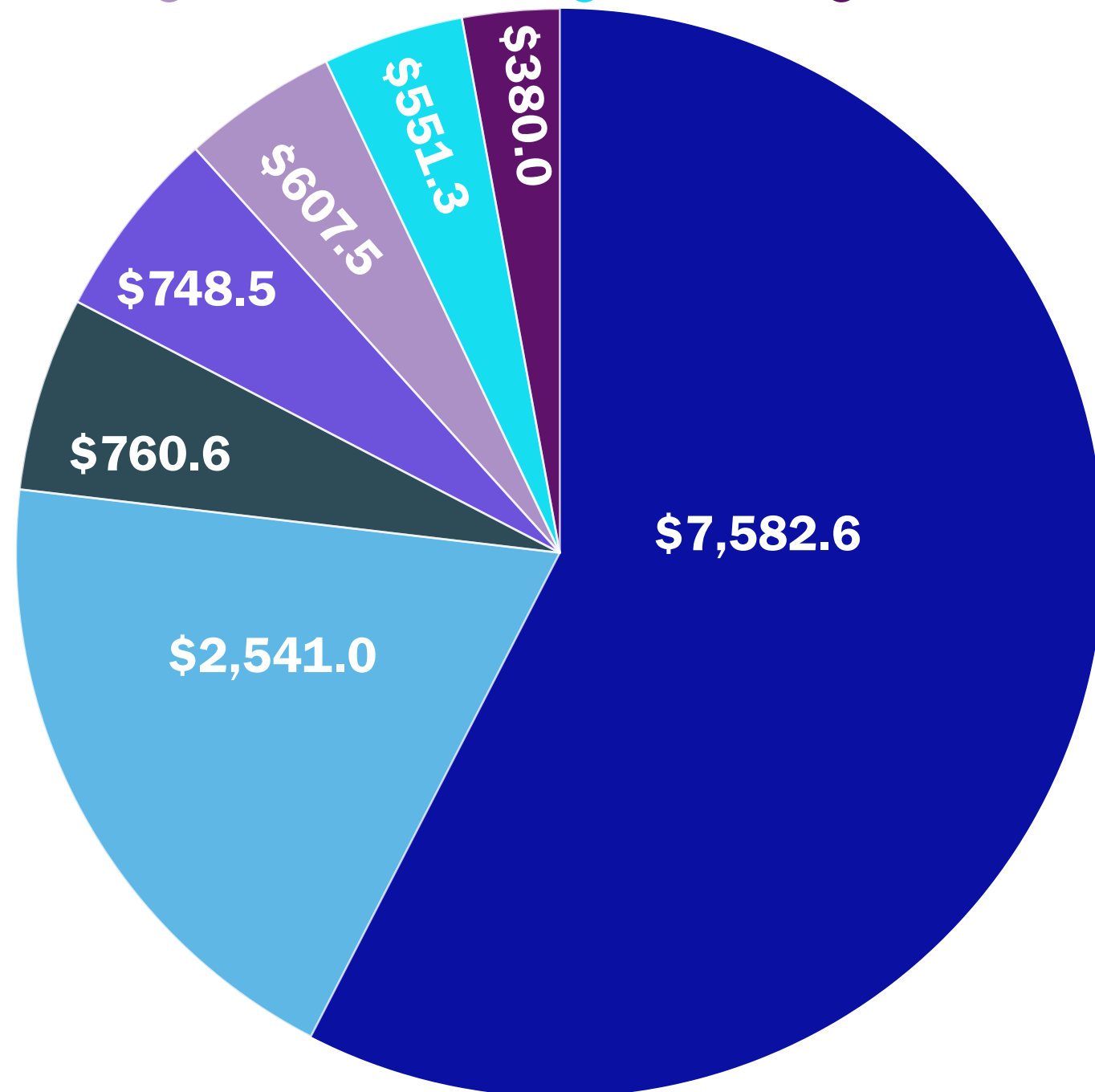




# Federal Relief Primarily Used for Education and Revenue Replacement

Dollars in millions

● Education / Higher Education ● Revenue Replacement ● Health ● Economic Development  
● Housing/Homeless Services ● Social Services ● Other



**\$2.4 Billion**

Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA) Education/Higher Education Funds



**\$5.9 Billion**

American Rescue Plan Act (ARPA) State and Local Fiscal Recovery Funds

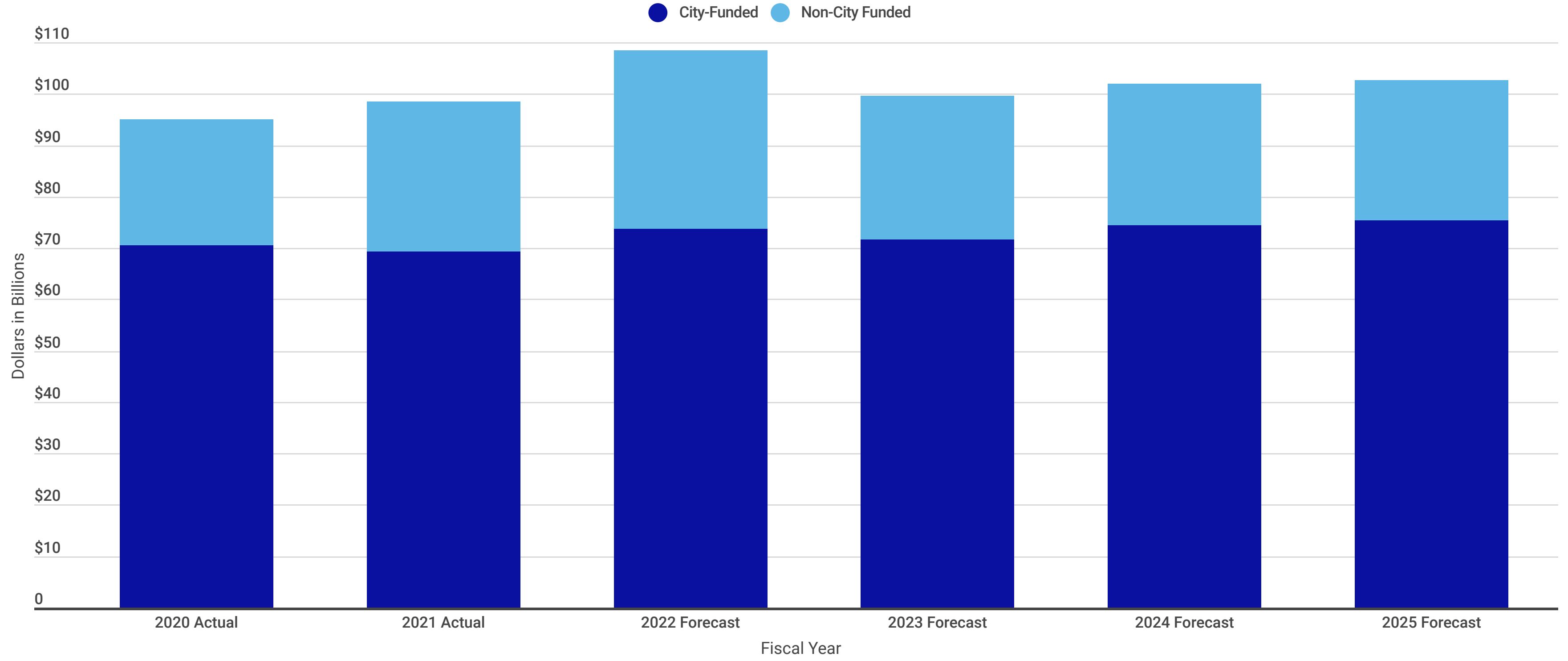


**\$4.8 Billion**

ARPA Education/Higher Education Funds



# Non-City Funded Expenditures Drive Growth in 2022



## Projected Budget Gaps and Surpluses: IBO and OMB

*Dollars in millions*

	2022	2023	2024	2025
OMB Gap Projections	-	(\$2,882)	(\$2,731)	(\$2,140)
Unallocated Planned Labor Savings	-	(500)	(500)	(500)
Reestimated OMB Gap	-	(\$3,382)	(\$3,231)	(2,640)
IBO Revenue Differences	\$1,539	\$1,541	\$1,812	\$1,761
IBO Expenditures Differences	(601)	(479)	(209)	(164)
Total IBO Pricing Differences	\$938	\$1,062	\$1,603	\$1,597
IBO Prepayment Adjustment	(938)	938	-	-
IBO Surplus/Gap Projections	-	(\$1,382)	(\$1,628)	(\$1,043)

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## Pressure Points

- Course of the Pandemic
- Demand for Office and Retail Space
- Replacing Federal Funds
- Municipal Labor Contracts

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## New York City Independent Budget Office Resources

- **A Forecast in Uncertain Times: Modest Budget Shortfalls Projected, But Risks To Outlook Increase as Infections Surge**
- **Understanding the Budget**
- **A Guide to the Capital Budget**
- **New York City Fiscal History**
- **Contact IBO: [iboenews@ibo.nyc.ny.us](mailto:iboenews@ibo.nyc.ny.us)**