The Economy and Cities: WHAT AMERICA’S LOCAL LEADERS ARE SEEING

Local leaders understand the needs of their residents and are best positioned to make emergency management decisions related to allocation of resources. The federal government MUST act to ensure every city, town and village impacted by this pandemic—regardless of size—has direct access to emergency funding.

UNDER THE CURRENT CARES ACT:

Only municipalities of more than 500,000 residents will receive direct funding through the Coronavirus Relief Fund

Only 36 of 19,000 American cities, towns and villages are 500,000+

That equals less than 0.5% of all municipalities

And only represents 14% of the country’s total population

MUNICIPALITIES OF ALL SIZES WILL FEEL THE ECONOMIC IMPACT OF COVID-19. Nearly 100% of cities with populations above 50,000 will see a revenue decline this year.

87% of municipalities <50,000 anticipate a revenue shortfall this year

98% of municipalities 50k-199,999 anticipate a revenue shortfall this year

100% of municipalities 200k-499,999 anticipate a revenue shortfall this year

100% of municipalities 500,000+ anticipate a revenue shortfall this year

LOCAL LEADERS ARE REPORTING AN IMMEDIATE ECONOMIC IMPACT FROM LOSS OF REVENUE SOURCES THEY DEPEND ON TO FUND ESSENTIAL SERVICES.

69% Permitting fees

68% Other service fees

63% Utility fees

61% Sales taxes

38% State intergovernmental aid

35% Property taxes

18% Income taxes

PUBLIC SERVICES WILL BE IMPACTED BY THE ECONOMIC STRAIN OF COVID-19.

50% of municipalities <50,000 are anticipating having to cut public services.

70% of municipalities 200k-499,999 are anticipating having to cut public services.

63% of municipalities 50k-199,999 are anticipating having to cut public services.

76% of municipalities 500,000+ are anticipating having to cut public services.

MORE THAN HALF OF ALL CITIES OF ALL SIZES REPORTED THAT POLICE WILL BE AFFECTED.

CORONAVIRUS WILL HAVE A STAGGERING IMPACT ON ALL MUNICIPAL EMPLOYMENT.

THERE WILL BE FURLOUGHS

26% of municipalities <50,000 will have to furlough their employees

55% of municipalities 50k-199,999 will have to furlough their employees

54% of municipalities 200k-499,999 will have to furlough their employees

59% of municipalities 500,000+ will have to furlough their employees

AND THERE WILL BE LAYOFFS

26% of municipalities <50,000 will have to lay off their employees

36% of municipalities 50k-199,999 will have to lay off their employees

39% of municipalities 200k-499,999 will have to lay off their employees

47% of municipalities 500,000+ will have to lay off their employees

Methodology: Data are drawn from a survey of 2,463 cities, towns and villages conducted by NLC and USCM from April 1 - April 7, 2020 on the immediate and longer term fiscal impacts of coronavirus. 2,191 of the responding cities are under 50,000 population; 181 are between 50,000 and 199,999; 56 are between 200,000 and 499,999; and 35 have a population of 500,000 and above — a group that includes 19 of the nation’s 20 largest cities. These cities represent 57% of the nation’s municipal finance sector and 10% of its municipal governments. Their population totals 93,015,252, which is 28% of the total U.S. population.