

CITIES ARE ESSENTIAL

Our national economic recovery is at risk.

Cities are experiencing cuts that drastically impact not only the people who live and work in these communities, but also the infrastructure and essential services that are critical to our national economic recovery.

CITIES ARE PROJECTED TO FACE A



\$360 billion
revenue loss over the next
three years



**24
states**

have yet to announce if they plan to distribute Federal Coronavirus Relief Funds to local governments*

A new survey of 1,100 municipalities from across America shows that the nation's economic recovery is at risk of stalling if Congress fails to provide direct federal aid to cities, towns, and villages.

NEARLY

70%

of cities **have not received funding** through the CARES Act

74%

of municipalities in the United States have already been **forced to make unavoidable cuts** and adjustments



20%
cuts are happening
across the board



54%
targeted cuts

For other cities, towns and villages, it is simply too soon to know what spending adjustments will be needed because budgets are still being assessed.

The Economic Ripple Effect

At a time when streets and public spaces have become essential tools for practicing physical distancing, **65% of cities are being forced to delay or cancel capital expenditures and infrastructure projects.**

Without congressional action now, the forced delay or cancellation of infrastructure projects will create an economic ripple effect throughout the nation not felt in decades.

61% of cities are delaying or canceling equipment purchases, which will stunt local commercial activity among businesses that supply equipment for municipal projects.

24% of cities are making significant cuts to community and economic development programs, which further hinders local businesses from bouncing back from the current recession.

13% are making necessary cuts to code inspection, planning, and permitting, delaying reopening and the growth of local businesses.

American Workers Will Be Impacted

The potential devastating economic impact of infrastructure project delays and cancellations comes as

32% of cities indicate they will have to furlough or lay off employees, adding to the already staggering **1.5 million job losses** in the public sector since March.

These workers are more than just a number – **they keep your community running.** They're the lifeguard and the sanitation worker, your neighbors and friends.

41% of cities have already or will institute a hiring freeze to respond to these fiscal pressures – making it even harder for these workers to get their jobs back.

It is Not Over

The coronavirus pandemic is not over and cities, towns and villages across the country must continue to pay the price to keep their residents safe and healthy.

As many states begin to see a resurgence in coronavirus cases, **70% of cities say their most significant unexpected expenditure has been personal protective equipment and contracting disinfecting services** as public buildings begin to re-open.

These unanticipated expenditures will only continue to rise as municipalities work to address new spikes in coronavirus cases across the nation.

If Congress does not deliver critical aid to ensure municipalities can support their local economies, keep their residents safe and their essential workers on the job, our national economic recovery has the potential to completely halt.

Methodology: This survey was conducted between June 8-June 16, 2020. A total of 1,117 cities, towns and villages from all 50 states, the District of Columbia and Puerto Rico provided information to NLC.

Learn more www.nlc.org/CitiesAreEssential