

# City Fiscal Conditions 2020

35<sup>TH</sup> ANNIVERSARY OF  
CITY FISCAL CONDITIONS REPORT

# INTRODUCTION



Clarence Anthony

**CEO AND EXECUTIVE DIRECTOR**  
NATIONAL LEAGUE OF CITIES

# OVERVIEW

- Welcome remarks
- Presentation of report findings
- Keynote presentation, Dr. Mark Zandi, Moody's Analytics
- Fireside chat
- Q/A – for this section, please use the chat box

# INTRODUCTION



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**RESEARCH DIRECTOR**  
NATIONAL LEAGUE OF CITIES



Michael A. Pagano

**DEAN OF THE COLLEGE OF URBAN PLANNING AND  
PUBLIC AFFAIRS AND DIRECTOR OF THE GOVERNMENT  
OF FINANCE RESEARCH CENTER**  
UNIVERSITY OF ILLINOIS AT CHICAGO



“

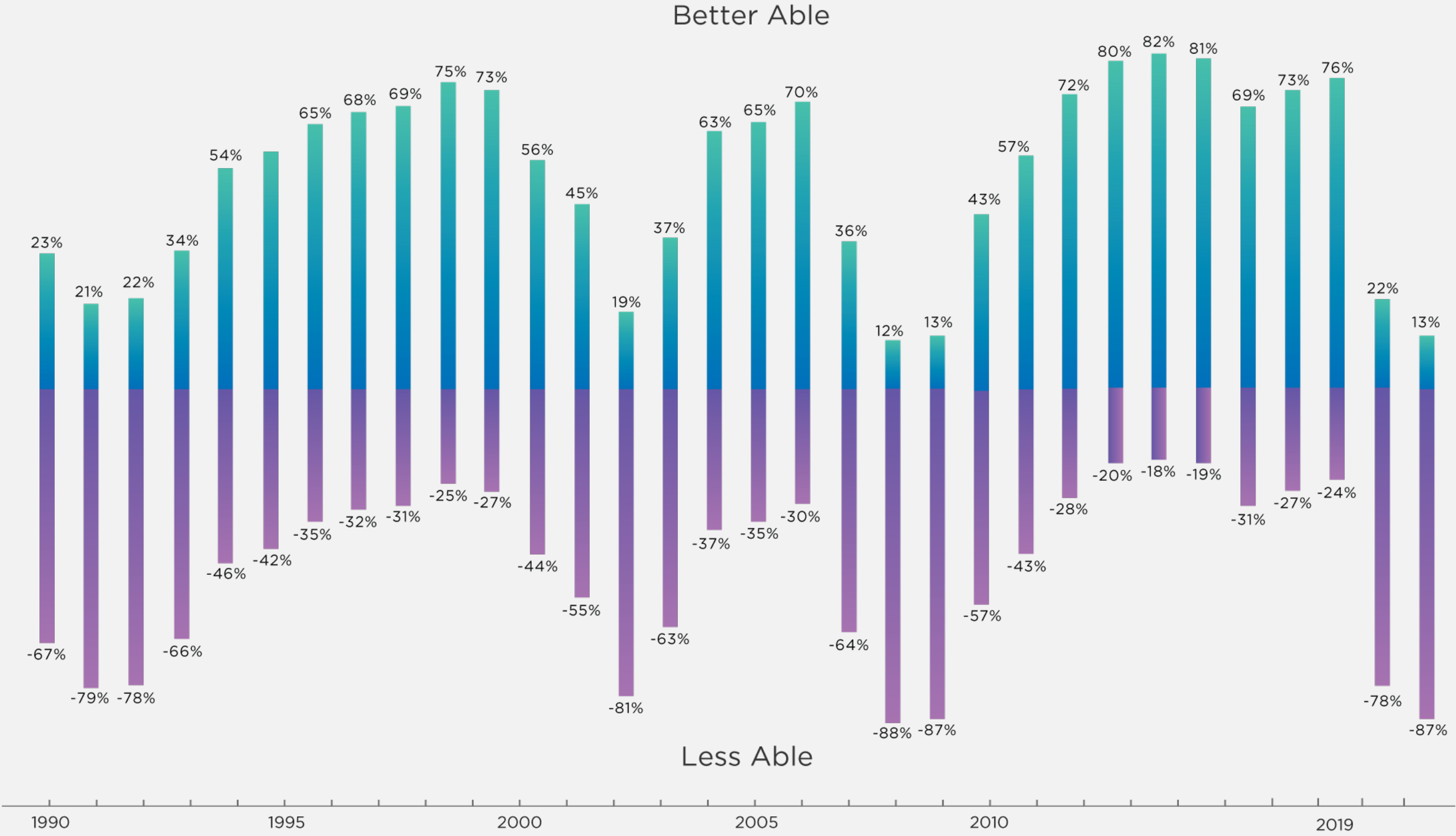
There's no way Cincinnati or Columbus or any city can survive or thrive if local governments suffer the catastrophic loss of revenue that we are projecting right now.”

- Mayor John Cranley  
CITY OF CINCINNATI, OH

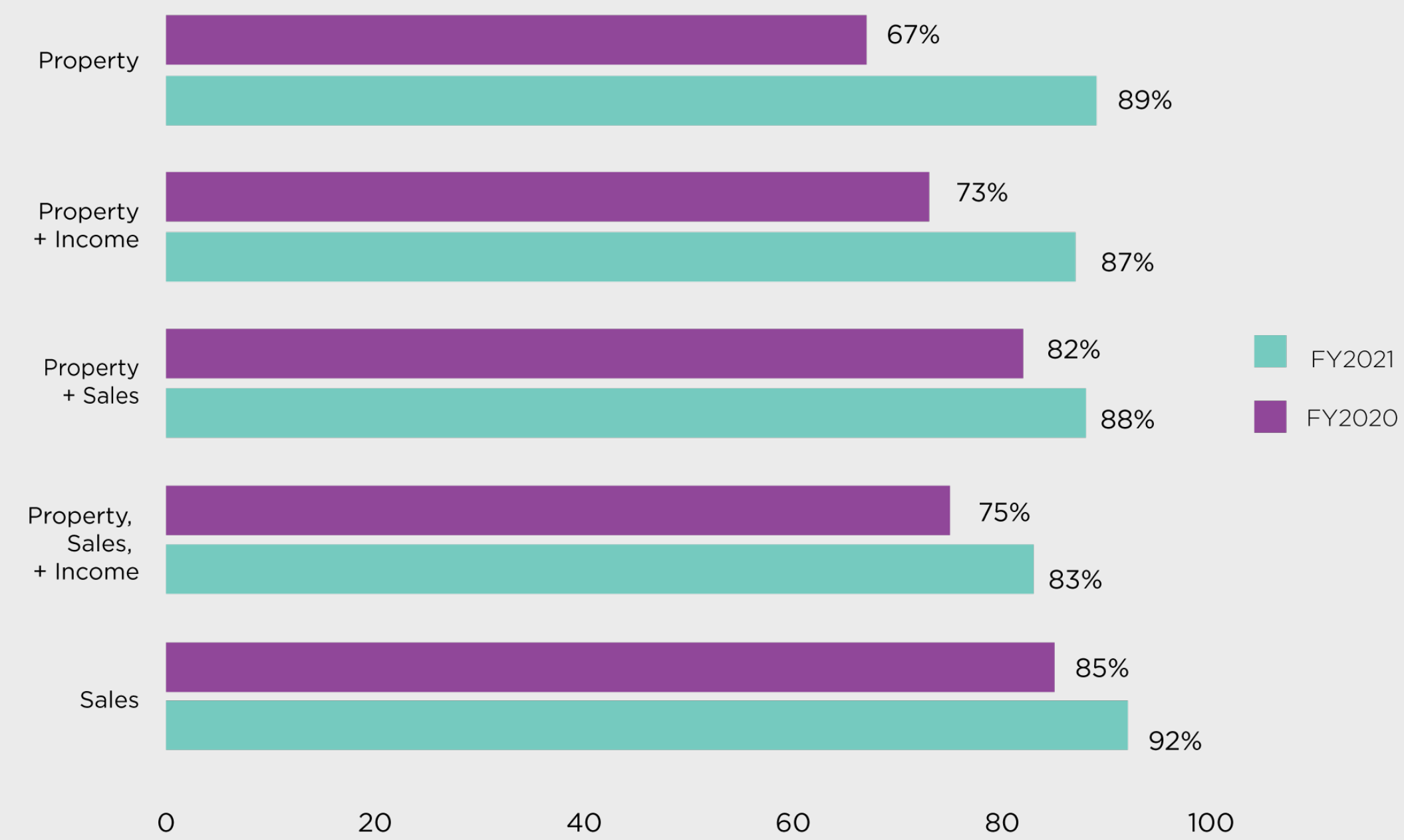
## Fiscal Year **Start Month**



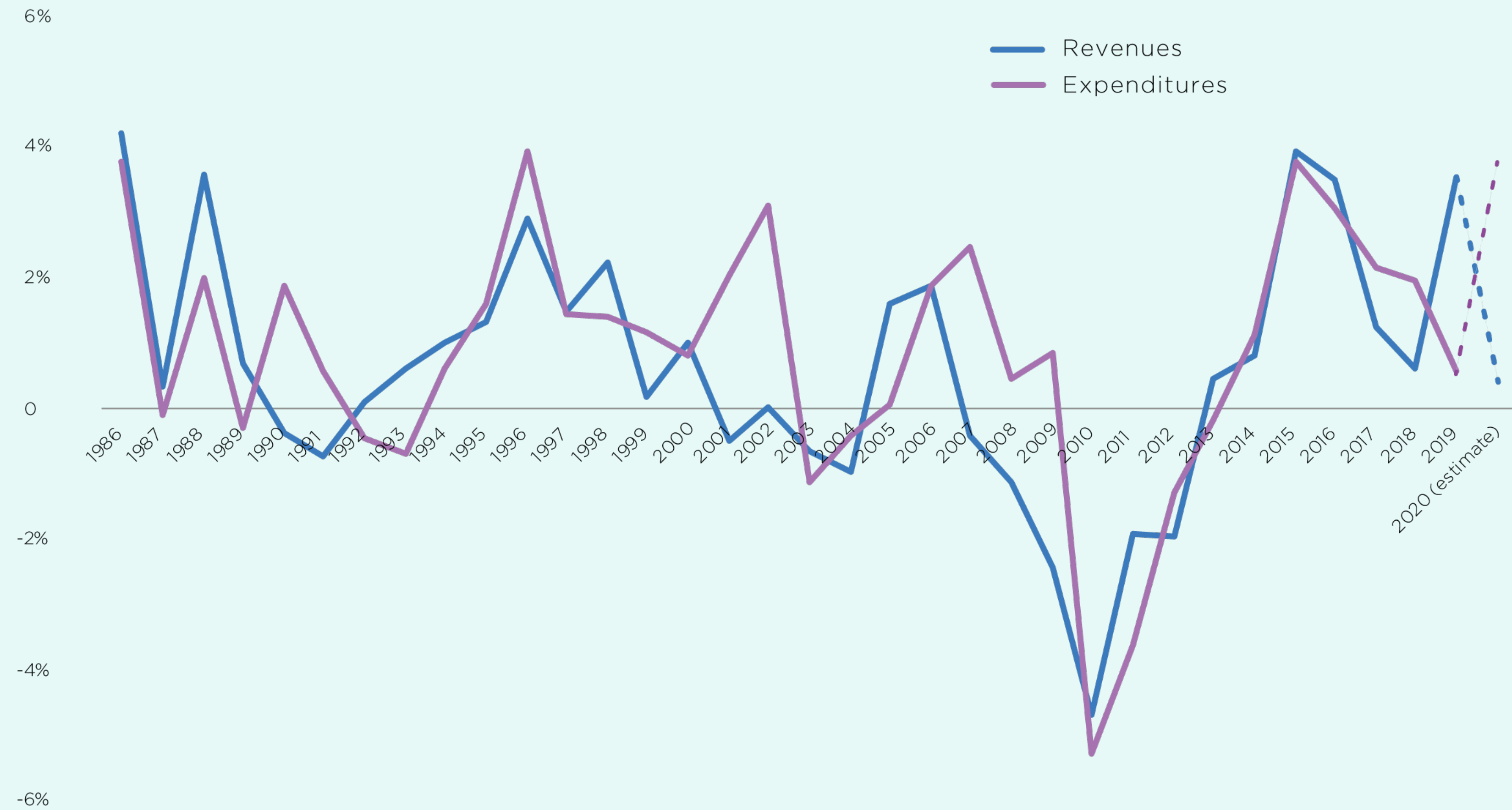
# Share of Cities **Better** / **Less Able** to Meet Fiscal Needs



# Share of Cities Less Able to Meet Fiscal Needs in FY 2020 and FY 2021, by Tax Structure



# Year-Over-Year Change in General Fund Revenues and Expenditures



# Year-Over-Year Change in Sales, Income and Property Tax Receipts



## FY 2020 - FY 2021 Revenue Loss Estimation by TAX STRUCTURE



# Comparative Revenue Trends During Recent Recessions



**The federal government, because it does not operate under a balanced-budget regulation as states and cities do, has the authority and ability to play a critical countercyclical role in the fiscal future of cities.**

# Introduction



## Councilmember Joe Buscaino

**COUNCIL PRESIDENT PRO TEMPORE,  
CITY OF LOS ANGELES, CALIFORNIA**

**PRESIDENT, NLC**

# INTRODUCTION



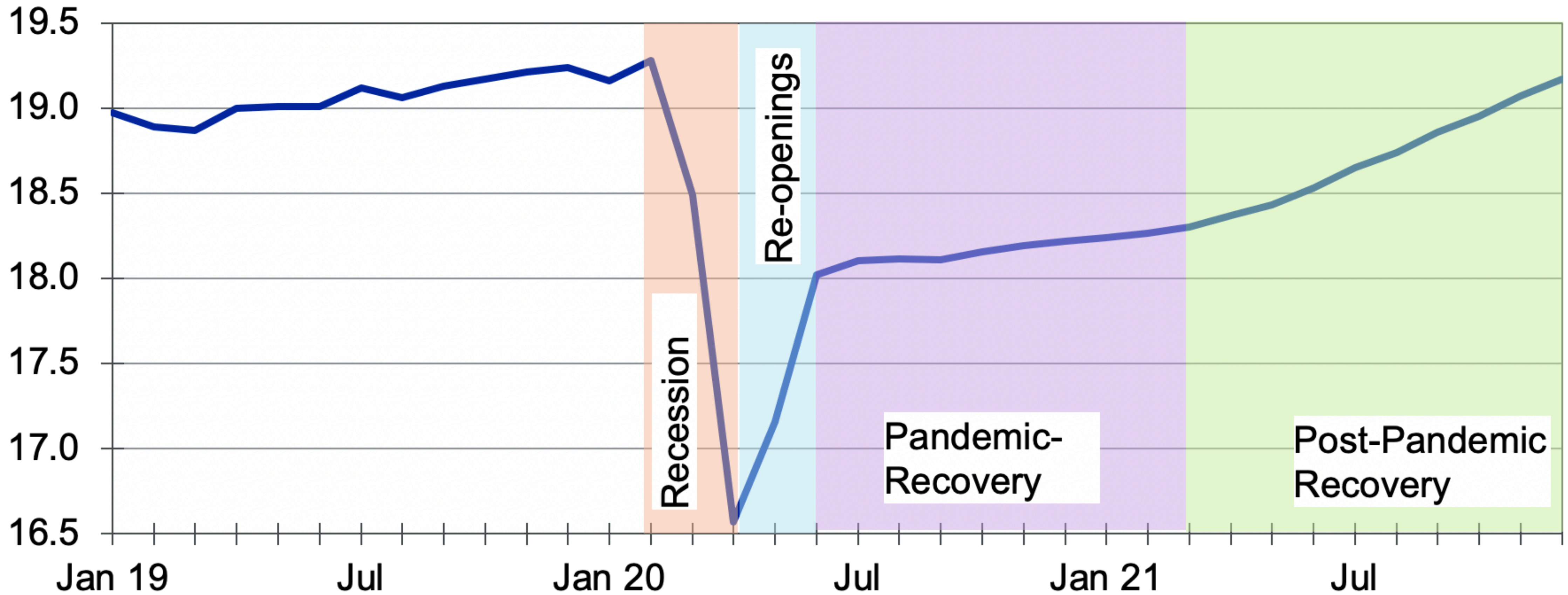
Dr. Mark Zandi

CHIEF ECONOMIST  
**MOODY'S ANALYTICS**

# Pandemic Economy

# Not a V-Shaped Recovery...

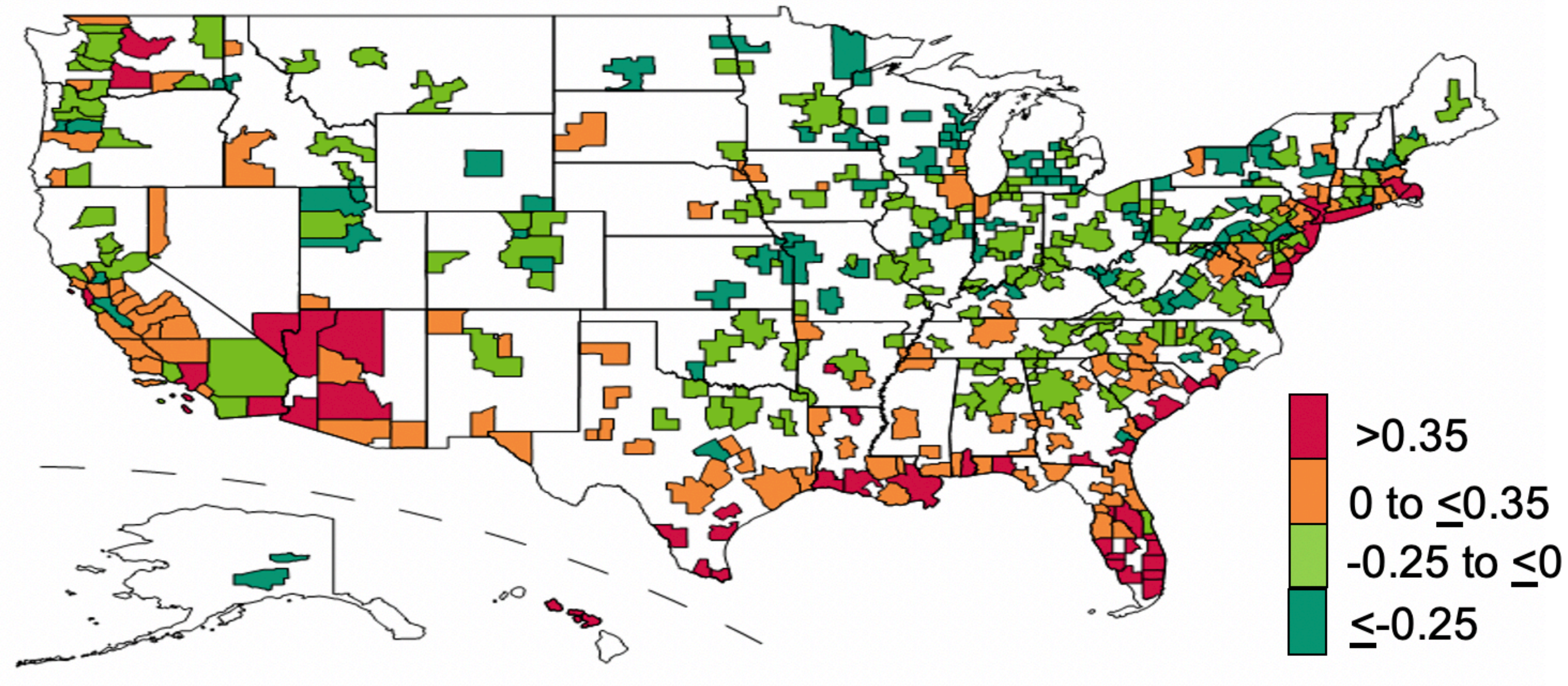
U.S. Real GDP, Trillions 2012 \$



Sources: BEA, Moody's Analytics

## ...For Most of the Country

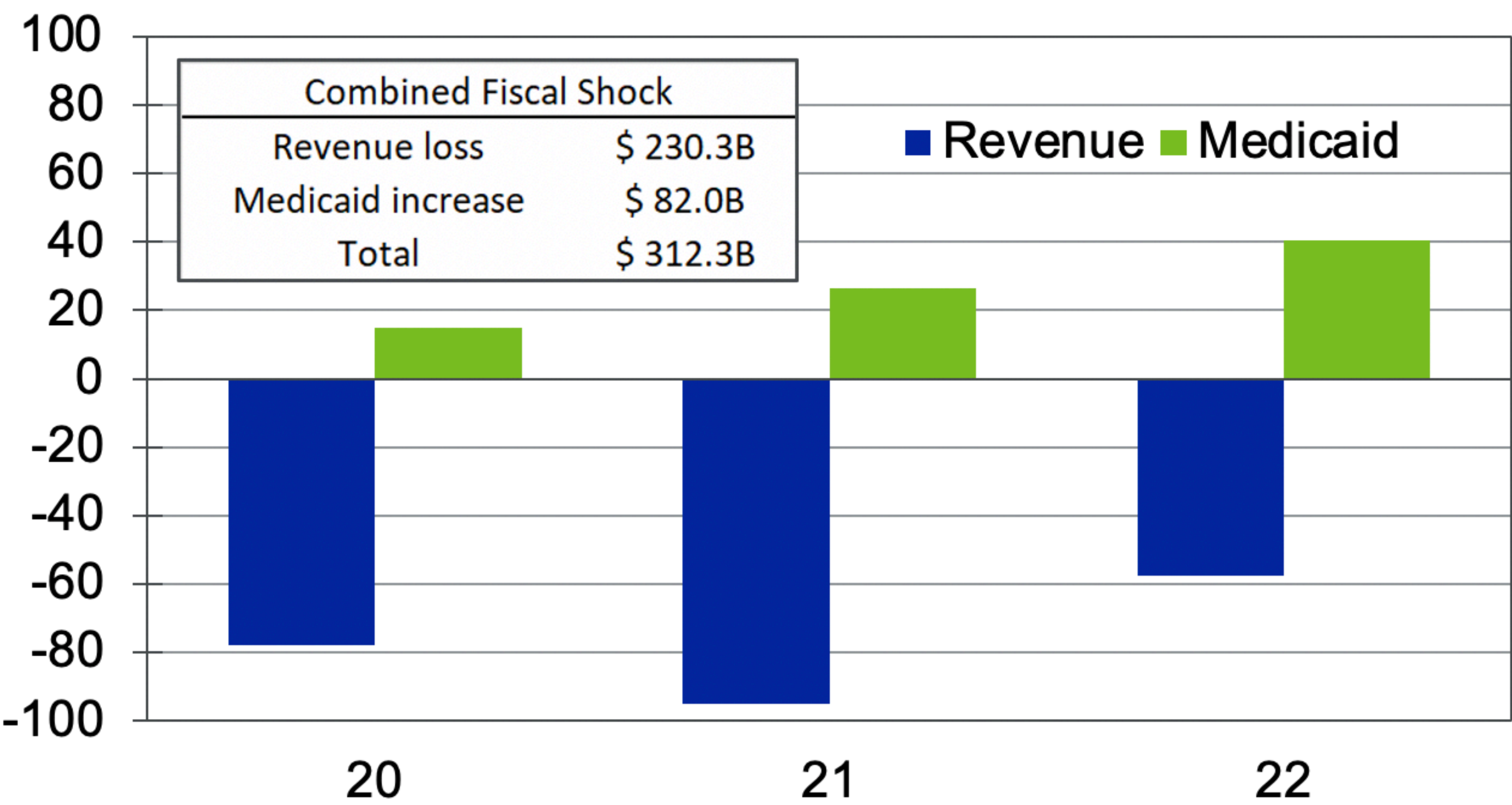
Average z-score across rankings, 0 = metro area average, Aug 20



Source: Moody's Analytics

# S&L Governments Are Under Severe Fiscal Stress

Fiscal impact of pandemic across all 50 states, Bil \$



Revenue losses and Medicaid surge are expected to extend across at least three fiscal years.

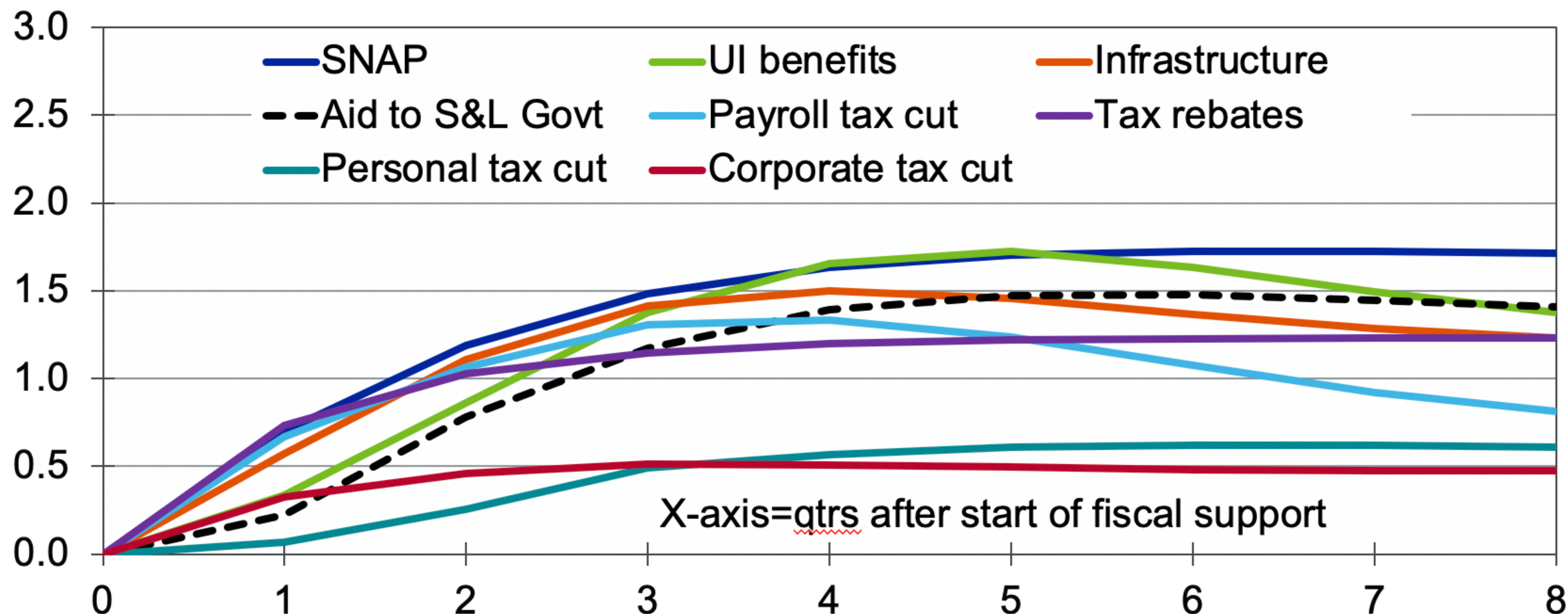
Majority of the financial stress will still be concentrated on the revenue side of the ledger.

Including local governments, total fiscal need will be as high as \$500 billion.

Sources: Moody's Analytics

# Helping S&L Govt Provides Big Bang For the Buck

Federal fiscal multipliers in recessions



Sources: BEA, Moody's Analytics

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