



# Revenue and Economic Overview

## Fiscal 2021 Executive Budget Fact Sheet

### Tax Revenue

**Fiscal 2021**  
**\$60.2 billion**

**-8.3%**

From OMB's Fiscal 2021  
Preliminary Financial Plan

### Budget and Revenue Size

**Fiscal 2021**  
**\$89.3 billion**

**-6.3%**

From OMB's Fiscal 2021  
Preliminary Financial Plan

### City Economy

**Real GCP**  
**Calendar 2020**

**-6.0%**

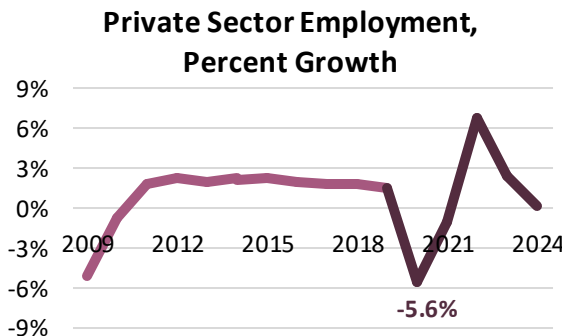
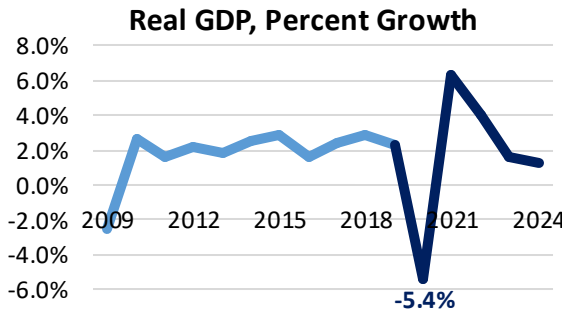
NYCC Finance Division

**Private Sector  
Employment**  
**Calendar 2020**

**-15.7%**

NYCC Finance Division

### National Economy

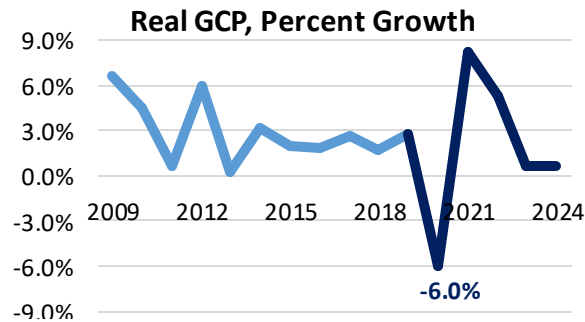


Source: IHS Markit

- Advanced estimate from the Bureau of Economic Analysis shows a drop of 4.8 percent in GDP in the first quarter of 2020
- Real GDP and employment will contract sharply in the 2020 but are forecasted to begin recovering by 2021.
- Over 30 million people have filed for unemployment – wiping away all jobs created since the Great Recession.

### City Economy

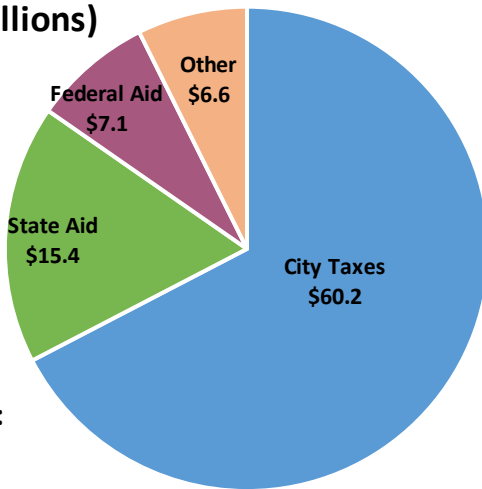
- New York City's economy expanded at a solid pace in 2019.
- Real GCP and private sector employment are expected to drop sharply in 2020 but are expected to recover in 2021.
- While all industries are facing disruptions from COVID-19, the hardest hit sectors include transportation, food services, accommodation, arts & entertainment and retail.



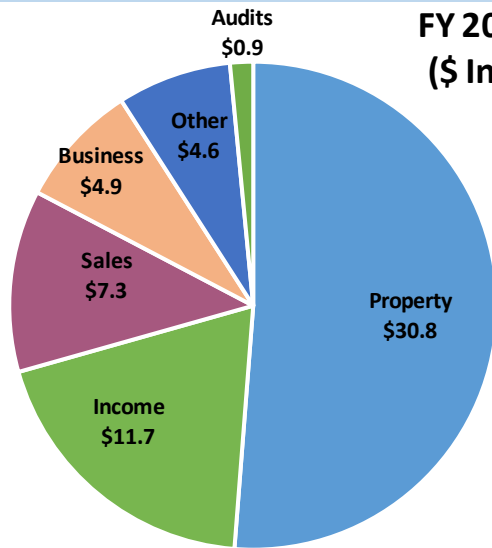
Source: IHS Markit and NYCC Finance Division

# Taxes and Total Revenue

## FY 2021 REVENUES (\$ In billions)



## FY 2021 TAXES (\$ In billions)

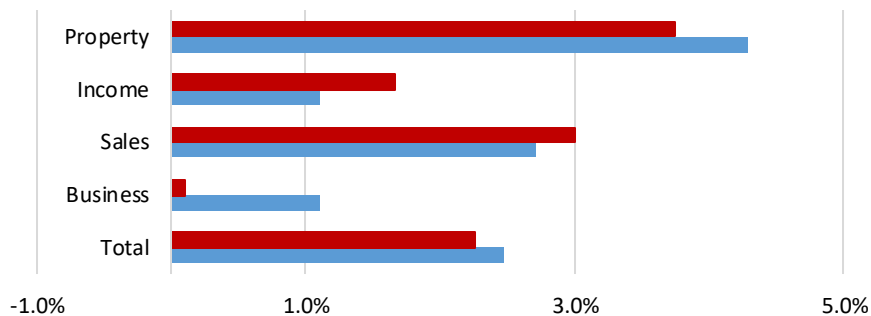


Source: OMB Fiscal 2021 Executive Financial Plan

## Taxes Forecast

- Council Finance forecast of tax revenues are \$296 million over OMB in Fiscal 2020, and \$367 million over OMB in Fiscal 2021.
- Council Finance forecasts a 3.0 percent contraction in tax collections in Fiscal 2021.
- Business taxes will suffer the most during the recovery period and collections for Fiscal 2021 are expected to drop by 17.1 percent.

## FY 20-24, Average Revenue Growth Forecast, OMB and NYCC Finance



## Revenue Risks

- COVID-19 remains the single greatest risk to our revenues given we do not fully understand it.
- Risk of a global economy contraction due to COVID-19.
- Non-financial firms have undertaken extensive borrowing. Servicing this debt under current conditions will be difficult for some firms.
- The financial condition of state and local government may weaken the economy as they face unprecedented challenges in balancing their budgets.
- Risk stem from the Federal economic response to COVID-19 as some aspects are not sufficiently funded and more resources are needed.
- Growing risk of deflation.
- Tensions with China and fears of contagion will further disrupt trade, which would be a drag on the economy.

Sources: IHS Markit, NYS Department of Labor, Bureau of Economic Analysis, Quarterly Census of Employment and Wages (QCEW), Fiscal 2021 Executive Financial Plan and Fiscal 2021 Preliminary Financial Plan from OMB. Forecasts by OMB and Council Finance.