

SNAPSHOT:

Key Findings From IBO's Latest Economic Forecast and Review of the Mayor's 2022 Preliminary Budget and Financial Plan

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NOTE: Unless otherwise indicated all years are fiscal years.

Key Findings



\$3.62 billion

IBO projects a fiscal year 2021 surplus of \$3.62 billion. We estimate there will be \$582 million in additional resources this year, offset by \$324 million in unspecified labor savings, leaving \$258 million more than the de Blasio Administration expects to be available to roll into 2022.



(1.9%)

Total tax revenue is expected to fall by 1.9 percent from 2020 to 2021, the first year-to-year drop since 2009. All of the city's major tax sources are expected to shrink this year with the exception of the unincorporated business tax (5.4 percent) and the property tax (4.2 percent). Tax revenue growth resumes in 2022 with a tepid gain of 2.7 percent, followed by stronger growth in 2023 of 4.3 percent before slowing to under 3.0 percent in 2024 and 2025.



557,000

At the end of calendar year 2020, New York City had 557,000 fewer jobs than at the end of 2019, a decline of 11.9 percent. Although we expect employment growth through 2025, at that point the number of jobs in the city will still be below the level at the end of 2019.



\$490 million

Although IBO projects additional resources of more than \$1 billion in 2022, the estimated surplus is \$490 million. For 2023 through 2025 IBO expects gaps of roughly \$4.0 billion each year. These estimates assume the de Blasio Administration's unspecified labor savings will not be achieved.

Key Findings



2.0% v. 1.6%

IBO's forecast of average annual growth in tax revenue (2.0 percent) exceeds growth in city-funded expenditures (1.6 percent), adjusted for prepayments and non-recurring expenses, in 2021 through 2025.



(3.3%)

Property tax revenue is expected to fall by \$1.0 billion (3.3 percent) from 2021 to 2022 brought on by major declines in assessments of commercial property, including large apartment buildings.



(0.3%)

While total city operating expenses are rising, expenses at city agencies are expected to fall by an average of 0.3 percent annually in 2021 through 2025. The growth in total expenses is driven by centrally managed functions such as fringe benefits (annual average growth of 3.6 percent), pensions (1.6 percent annually), and debt service (6.2 percent annually after adjusting for prepayments).

Downside Risks & Upside Potential



Federal Aid

The city's current financial plan does not assume any federal assistance beyond the funding already authorized by Congress. Yet hope remains: The Biden Administration's proposed \$1.9 trillion Covid-relief plan includes \$350 billion in aid for state and local governments in addition to billions of dollars of direct assistance for education and mass transit. The passage of this plan would likely provide the city and the state with hundreds of millions of dollars that could help mitigate the economic losses of the last 10 months. Nevertheless, passage of such a massive aid package is far from certain.



State Aid

Although the state's fiscal condition has benefited from greater than anticipated tax revenue collections this year and some unexpected good news on federal assistance in recent months, it still faces daunting budgetary challenges. Like this year's adopted state budget, the Governor's Executive Budget proposal for next year includes the possibility of mid-year cuts in state aid to localities and school districts if gaps persist. Such actions could leave the city facing a choice between reducing services or replacing lost state funding with city resources. The proposed state budget also includes a tax increase of up to 2 percentage points on high-income earners that would take effect if sufficient federal aid were not provided. The increase would disproportionately affect city residents who account for most of the highest earners in the state, and could affect the city's budget if the higher rates caused some of them to leave the state.

Downside Risks & Upside Potential



Covid-19

An economic rebound depends on staunching the pandemic. The Biden Administration's effort to increase the distribution of Covid-19 vaccinations has created optimism that the spread of the epidemic could wane by the summer. A successful vaccine program would eliminate the need for the restrictions that have devastated many sectors of the national and local economy. But even with increased distribution, there is no guarantee that a large enough share of the population will avail themselves of the vaccine to effectively establish herd immunity. Nor is it clear how long the vaccinations will work and how well they will protect against coronavirus mutations. If many people continue to work remotely and few tourists visit, retail, hospitality, and other sectors of the local economy will continue to struggle.



Labor Savings

The city's financial plan assumes \$1 billion in unspecified labor savings for each year from 2022 through 2025. The Mayor had previously stated that if the unions representing the city's workforce were not able to identify this level of recurring savings he would take the steps necessary to reduce the workforce by an estimated 22,000 positions. Union agreements to defer retroactive payments and payments to their welfare funds until next fiscal year postponed threatened layoffs, at least for this year. It is still uncertain how the planned savings will be achieved in the upcoming fiscal years and what impact such actions could have for the provision of city services.

Downside Risks & Upside Potential



MTA

While the Metropolitan Transportation Authority is not a city agency, the subway, bus, and rail service it provides is an integral part of the city's economic and social fabric. The transportation authority faced substantial budget pressure before the pandemic, struggles that intensified as fare, toll, and tax revenues plummeted. The MTA faces a \$500 million operating deficit this calendar year, and nearly \$8 billion in 2022 through 2024. With the city and state contending with their own budget difficulties, the MTA has sought federal aid. Without this aid to help close the MTA's shortfall, drastic cuts in service could be necessary. This would undermine the city's economic recovery and have reverberations throughout the city budget.



FEMA

Just hours before releasing the Preliminary Budget for 2022, the Mayor announced that the Biden Administration had authorized a 100 percent reimbursement of the city's costs for combatting the pandemic, as opposed to the typical 75 percent. This means the city will receive reimbursement for a total of \$4.6 billion in Covid-related costs eligible for reimbursement from the Federal Emergency Management Agency—nearly \$1.2 billion more than had been budgeted. So far, the Mayor has indicated he intends to use the newly available city funds to restore two cuts to the schools budget, leaving about \$900 million unallocated. The Mayor's next financial plan will show how he proposes to use these funds.

Downside Risks & Upside Potential



NYCHA

The New York City Housing Authority ended last year with a balanced budget due in part to federal pandemic-relief funding, but NYCHA's longer-term financial position poses a risk to both the city's budget and the stability of housing for 400,000 New Yorkers. This year's budget is nearly balanced, but NYCHA anticipates a \$300 million deficit for next calendar year—nearly 7 percent of its operating budget—and similar budget gaps in subsequent years. Although it is planning a reorganization, NYCHA's agreements with its federal monitor and labor unions restrict its ability to reduce costs, and the housing authority has limited options for raising revenue on its own. As in the past, the city may need to increase its already substantial contributions to NYCHA in future years, even as City Hall faces projected budget shortfalls.

Revenue and Expenditure Projections

Dollars in millions

IBO projects the fiscal year 2021 surplus will total \$3.62 billion, \$258 million more than expected by OMB.

	Actuals	Plan					Average Change
	2020	2021	2022	2023	2024	2025	2020-2025
Total Revenue	\$95,035	\$96,268	\$94,338	\$96,938	\$98,789	\$100,496	1.4%
Total Taxes	62,924	61,721	63,366	66,086	67,908	69,636	2.0%
Total Expenditures	\$95,030	95,686	93,106	99,842	101,743	103,574	1.7%
IBO Revenue Less Expenditures	n/a	\$582	\$1,232	(\$2,904)	(\$2,953)	(\$3,078)	
<i>Unallocated Planned Labor Savings</i>	n/a	(\$324)	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	
IBO Prepayment Adjustment 2021/2022	n/a	(258)	258	-	-	-	
IBO Surplus/(Gap) Projections		-	\$490	(\$3,904)	(\$3,953)	(\$4,078)	

NOTE: Negative adjustments add to totals. Numbers may not sum due to rounding.

IBO's Summary Table

Revenue and Expenditure Projections

Dollars in millions

IBO projects the fiscal year 2021 surplus will total \$3.62 billion, \$258 million more than expected by OMB.

	Actuals	Plan					Average Change
	2020	2021	2022	2023	2024	2025	2020-2025
Adjustments for Prepayments and Non-Recurring Expenses							
Net Prepayments	(\$402)	(\$461)	(\$3,358)	\$-	\$-	\$-	
Reserve Funds	-	50	100	1,250	1,250	1,250	
Retiree Health Benefits Trust	(1,000)	(1,600)	-	-	-	-	
Other Adjustments	-	(421)	(216)	(134)	(7)	112	
Total Expenditures (net of adjustments)	\$96,432	\$98,118	\$96,580	\$98,726	\$100,499	\$102,213	1.2%
City-Funded Expenditures (net of adjustments)	\$69,767	\$68,941	\$70,755	\$73,009	\$74,754	\$76,485	1.6%

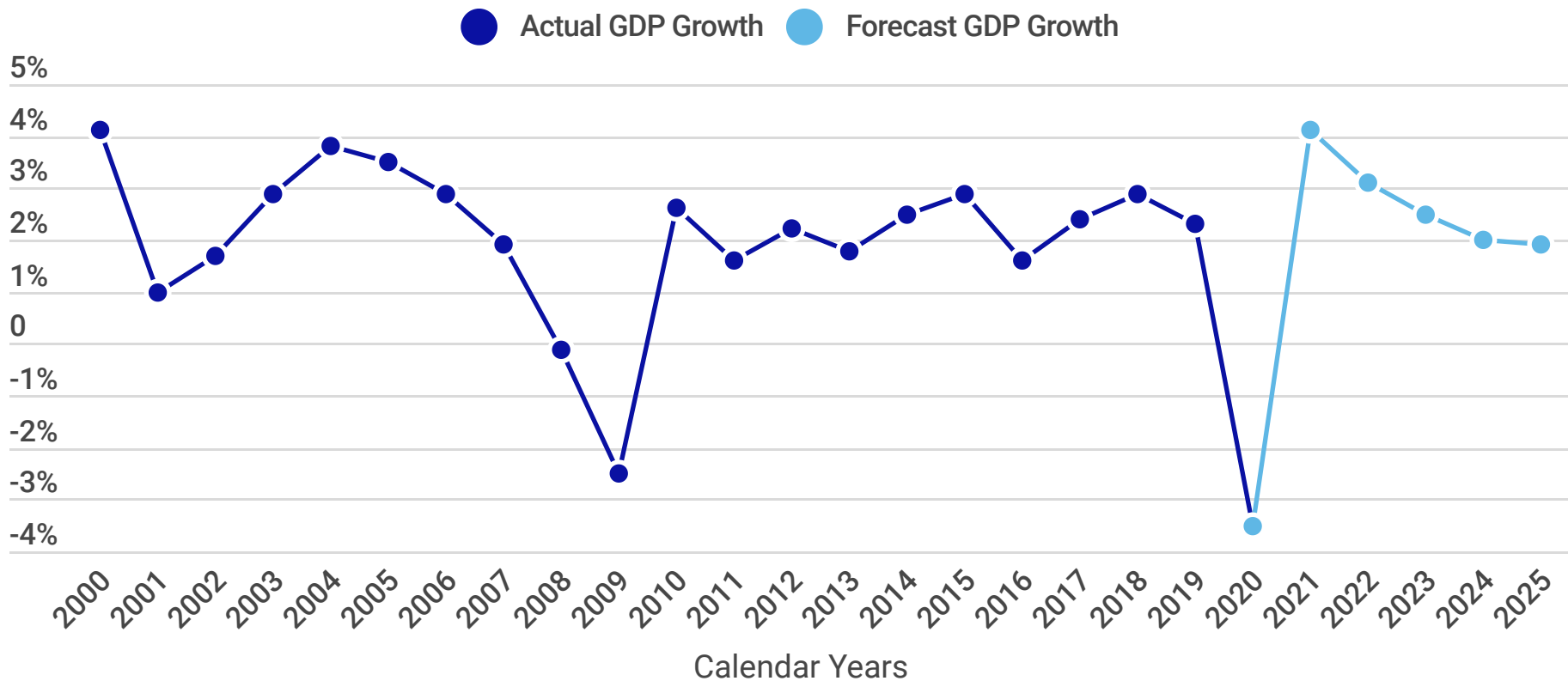
NOTE: Negative adjustments add to totals. Numbers may not sum due to rounding.

IBO's Summary Table

U.S. Real Gross Domestic Product Growth

IBO forecasts that real gross domestic product will increase by 4.1 percent in calendar year 2021, following a 3.5 percent plunge in 2020.

Annual Real Gross Domestic Product Growth, With IBO Forecast

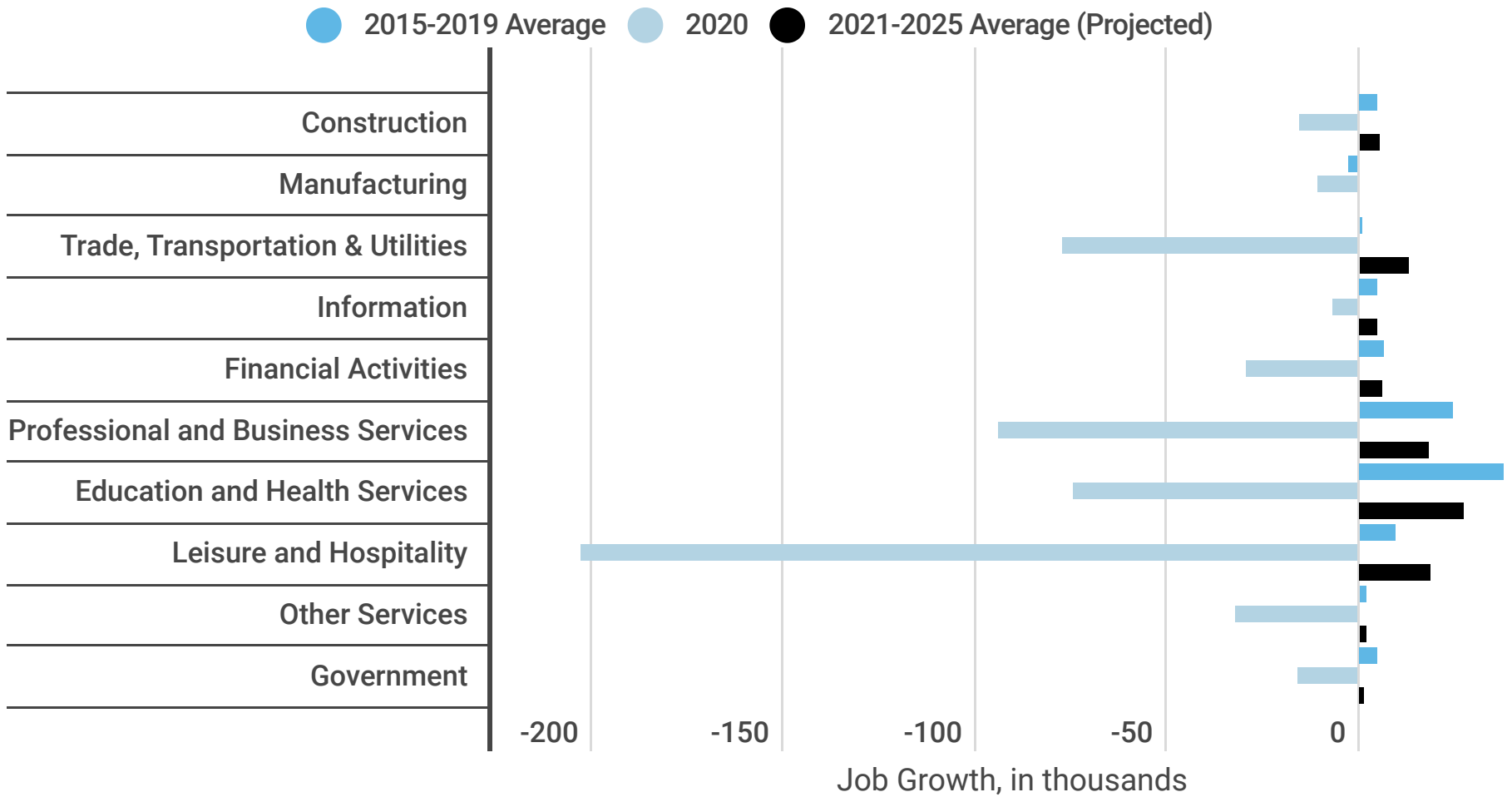


Comparison of IBO and OMB Forecasts of Real Gross Domestic Product Growth

	2020 (Actual)	2021	2022	2023	2024	2025
IBO	(3.5%)	4.1%	3.1%	2.5%	2.0%	1.9%
OMB	(3.5%)	4.3%	3.6%	2.6%	2.6%	2.6%

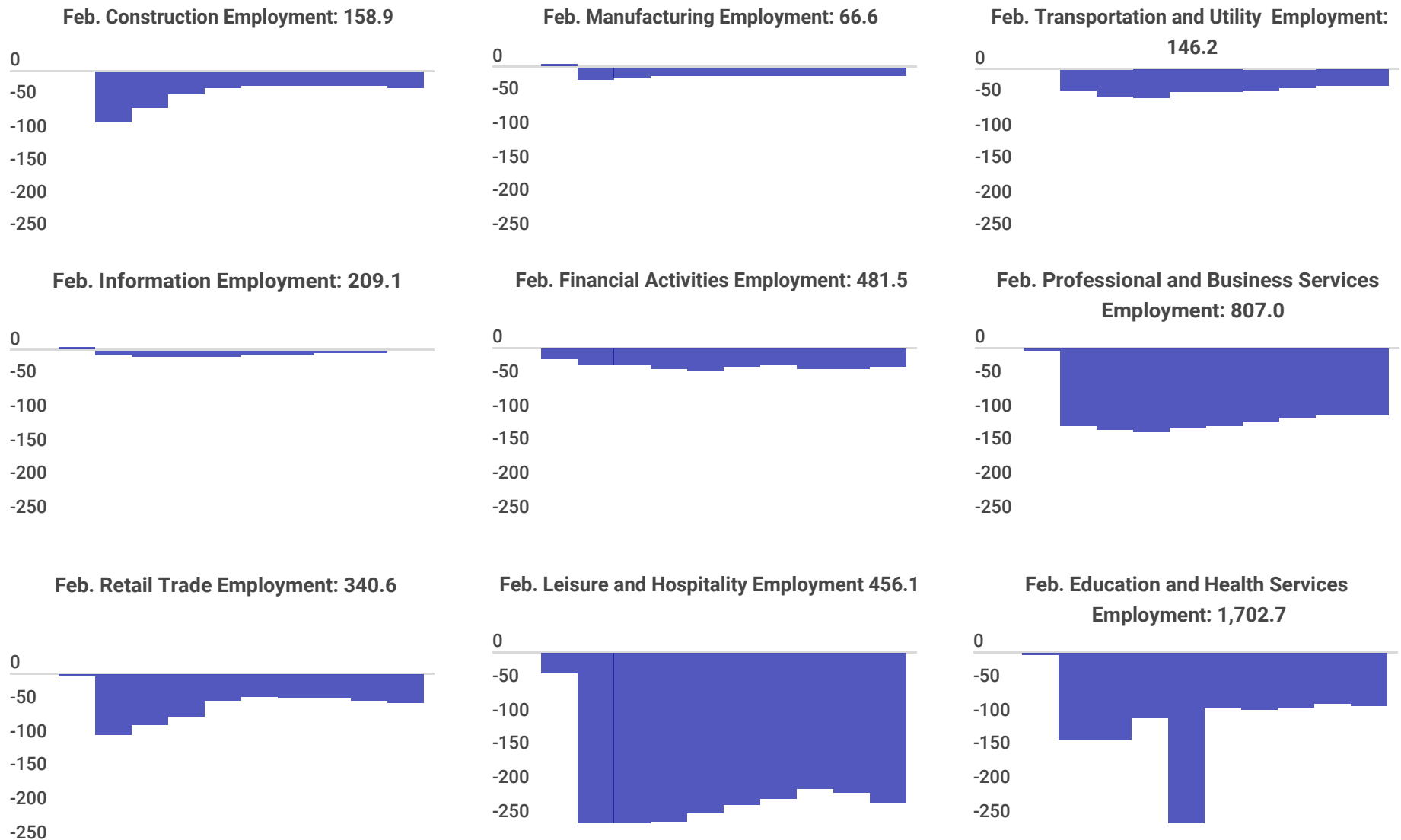
Annual Change in New York City Employment by Industry, Q4 to Q4

From calendar years 2015 through 2019, total employment increased by an average of 93,300 jobs each year. In 2020, the city lost 557,000 jobs, including 201,800 jobs in leisure and hospitality. In 2021 through 2025, IBO projects increases of 102,700 jobs per year on average, leaving city employment 43,000 jobs shy of its pre-pandemic peak.



NOTE: IBO seasonal adjustment of Bureau of Labor Statistics data.

Cumulative Employment Losses per Month by Selected Industry, March-December 2020, in thousands

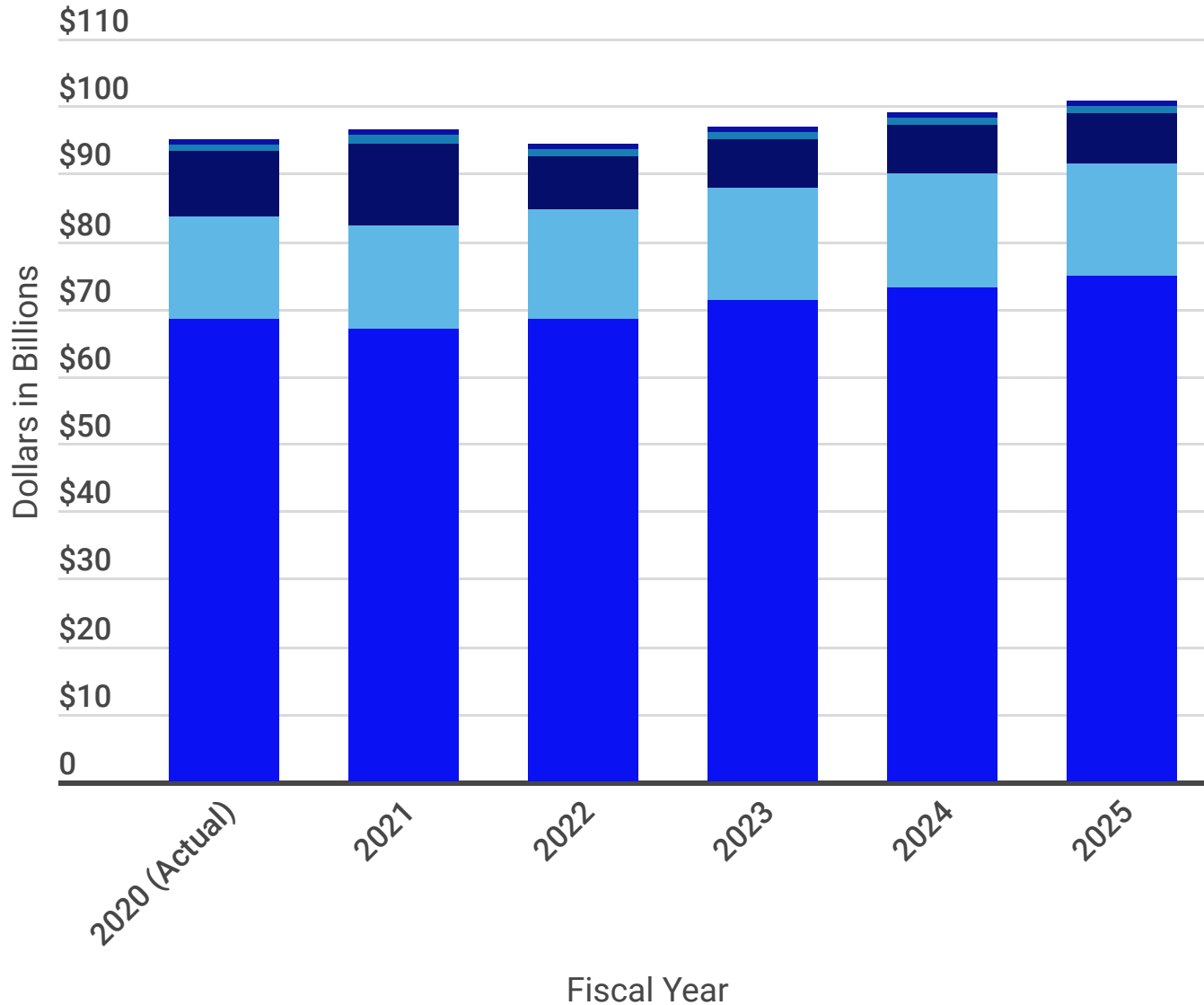


NOTE: IBO seasonal adjustment of Bureau of Labor Statistics data.

Total City Revenue

To see specific revenue categories, click the categories you do not want to see in the legend.

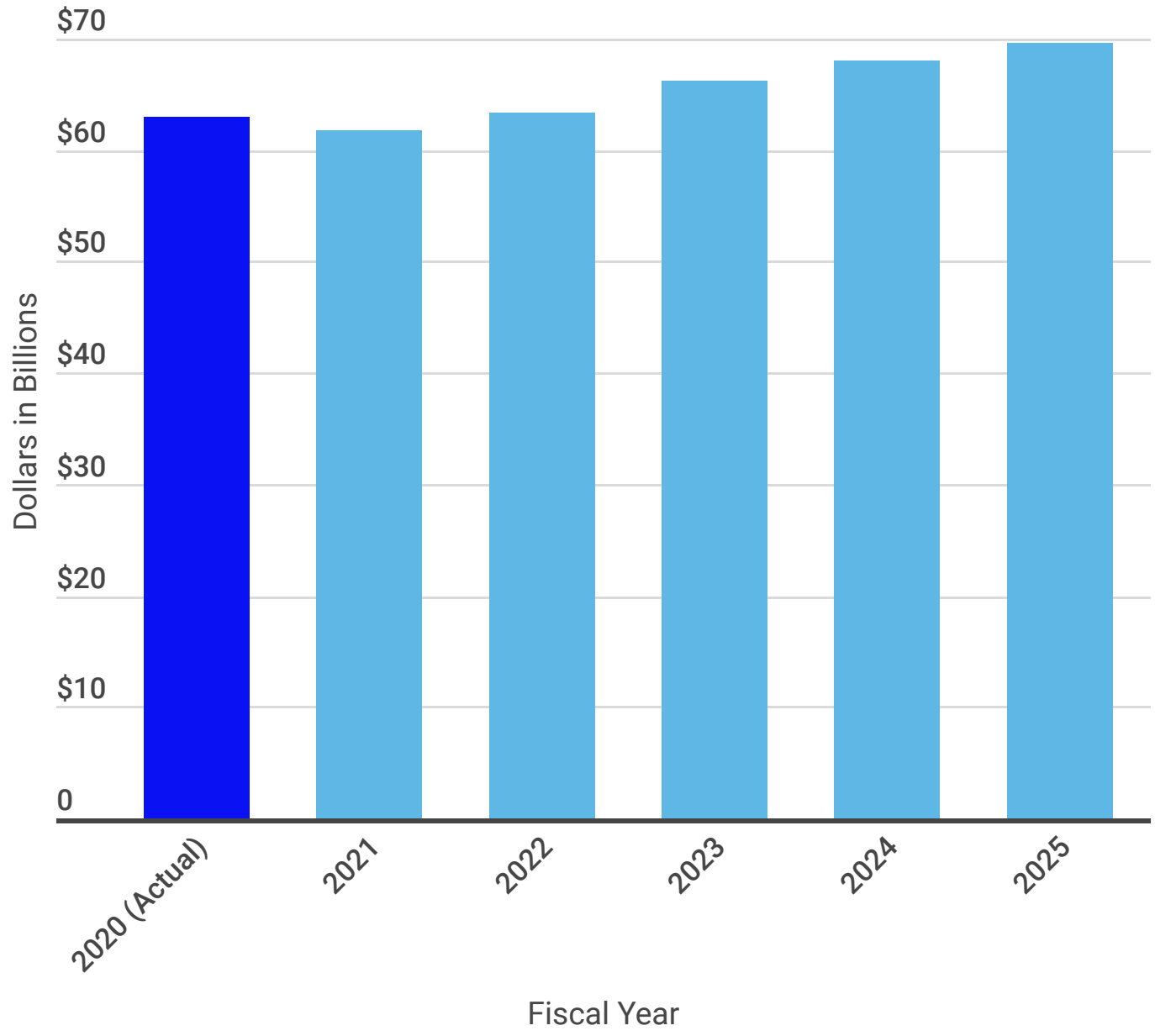
- City-Funded Revenue
- State Categorical Grants
- Federal Categorical Grants
- Other Categorical Aid
- Interfund Revenue



Year-Over-Year Growth

- ↑
2020-2021
1.5%
- ↓
2021-2022
(2.0%)
- ↑
2022-2023
2.8%
- ↑
2023-2024
1.9%
- ↑
2024-2025
1.7%

City Tax Revenue



Year-Over-Year Growth

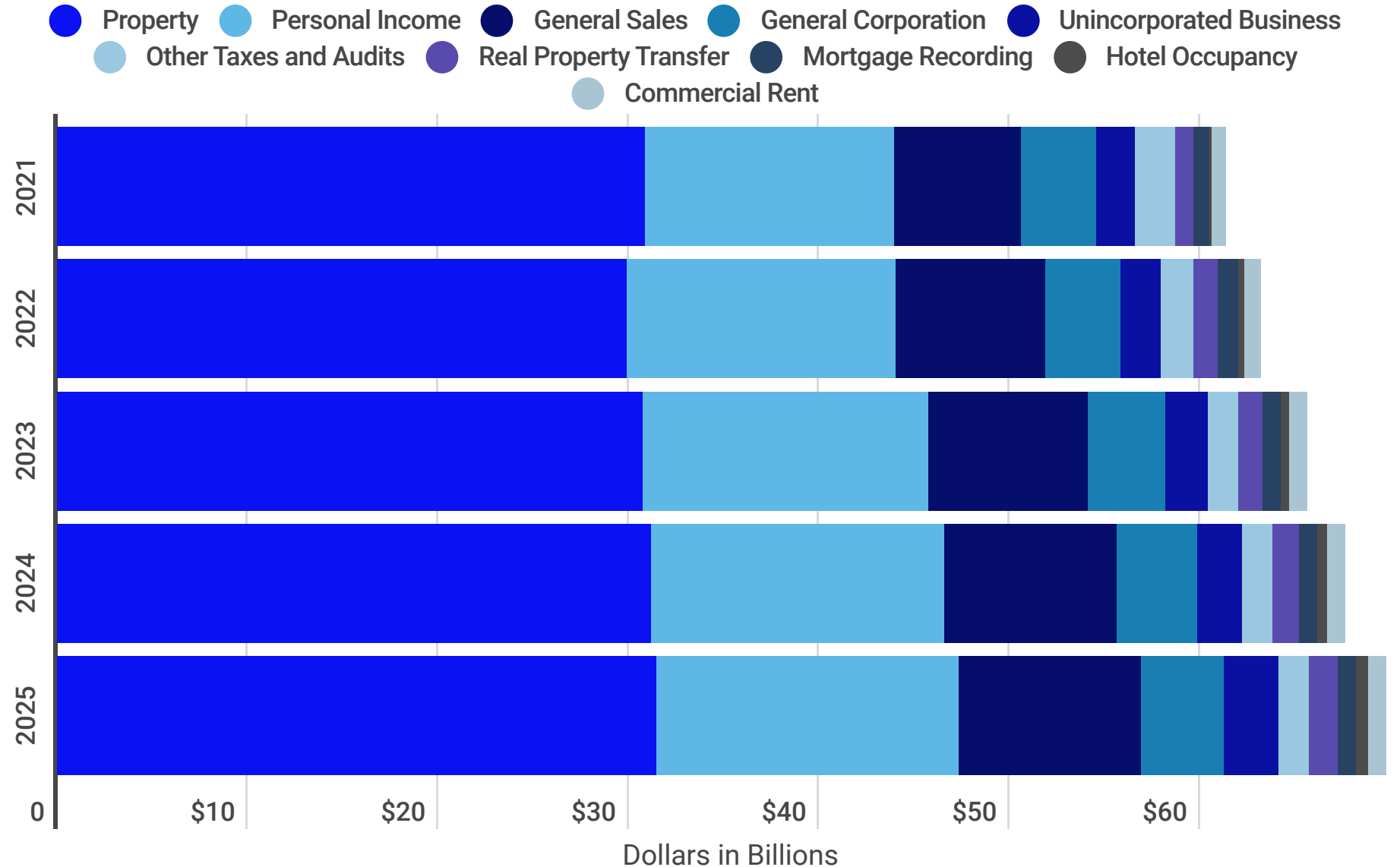
-  2020-2021
(1.9%)
-  2021-2022
2.7%
-  2022-2023
4.3%
-  2023-2024
2.8%
-  2024-2025
2.5%

IBO's Revenue Forecast

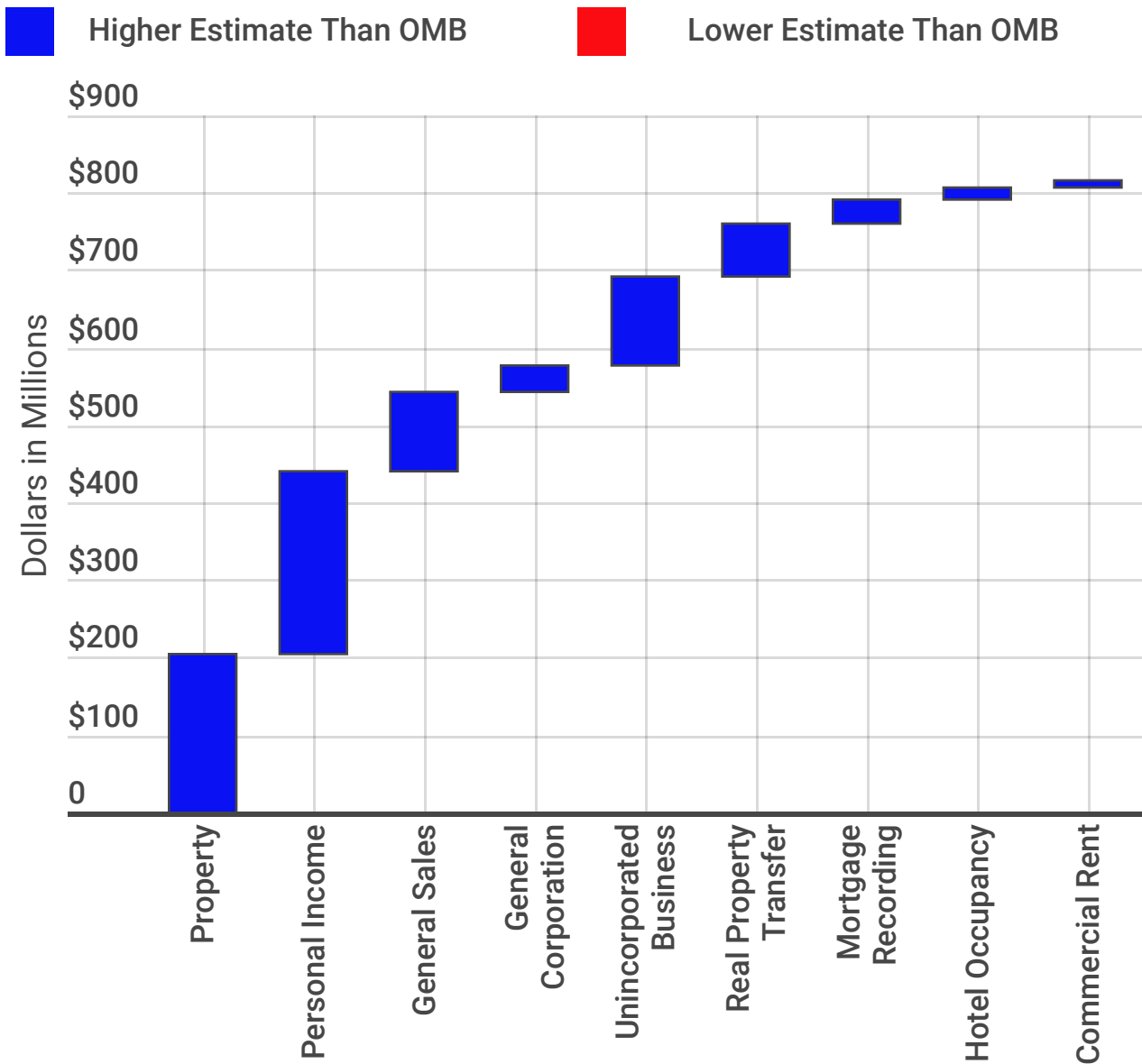
Projected Revenue by Tax

To see specific taxes, click the categories you do not want to see in the legend.

Due to a steep reduction in estimated property values by the finance department, IBO forecasts a \$1.0 billion (3.3 percent) decline in property tax revenue in 2022.



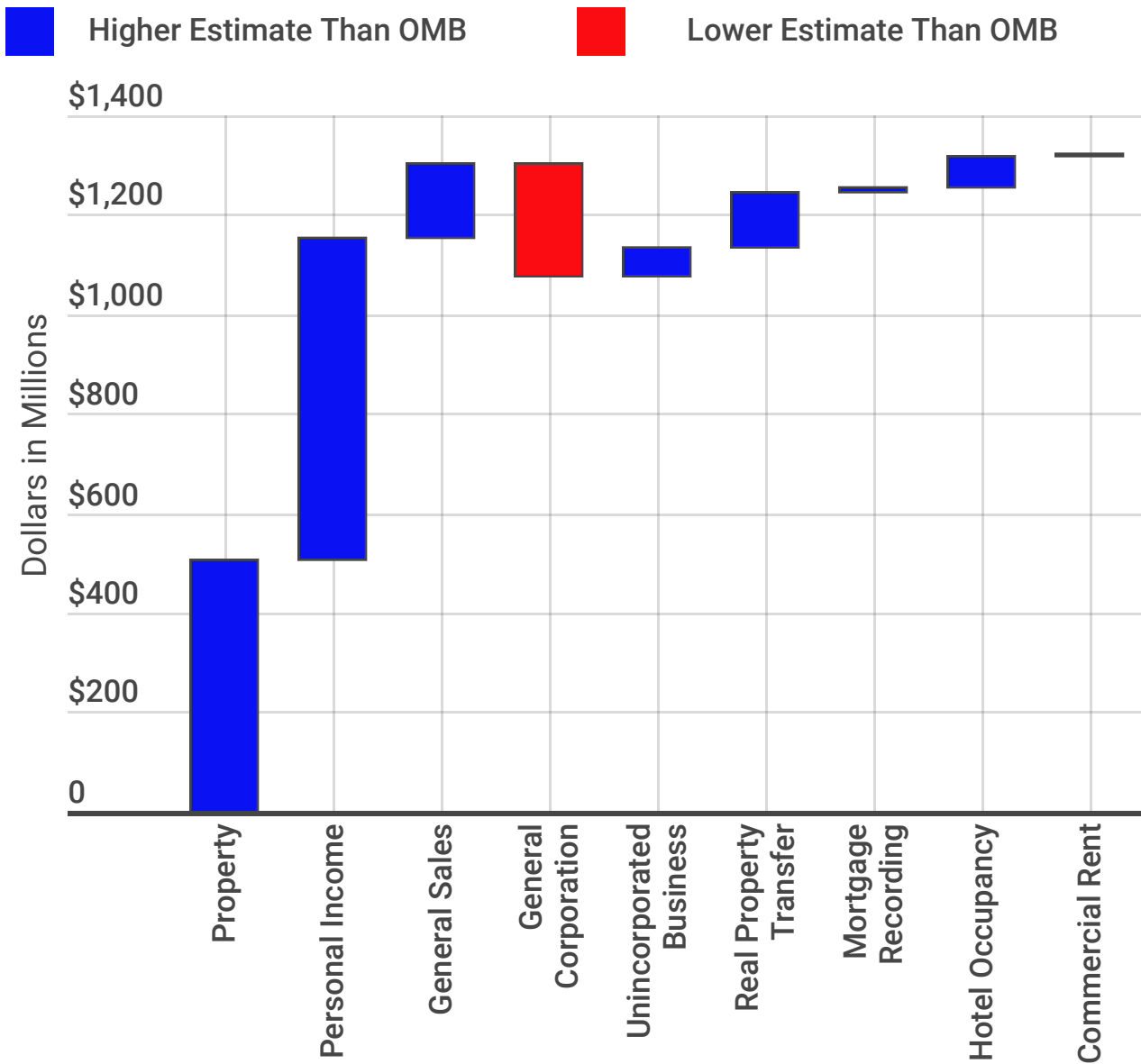
Difference in Tax Revenue Forecasts by Year and Tax, 2021



IBO's Total Tax Estimate Exceeds OMB's in Each Year

Fiscal Year	IBO Estimate of Additional Revenue, in millions
2021	\$815.9
2022	\$1,326.1
2023	\$1,431.4
2024	\$1,312.1
2025	\$1,203.9

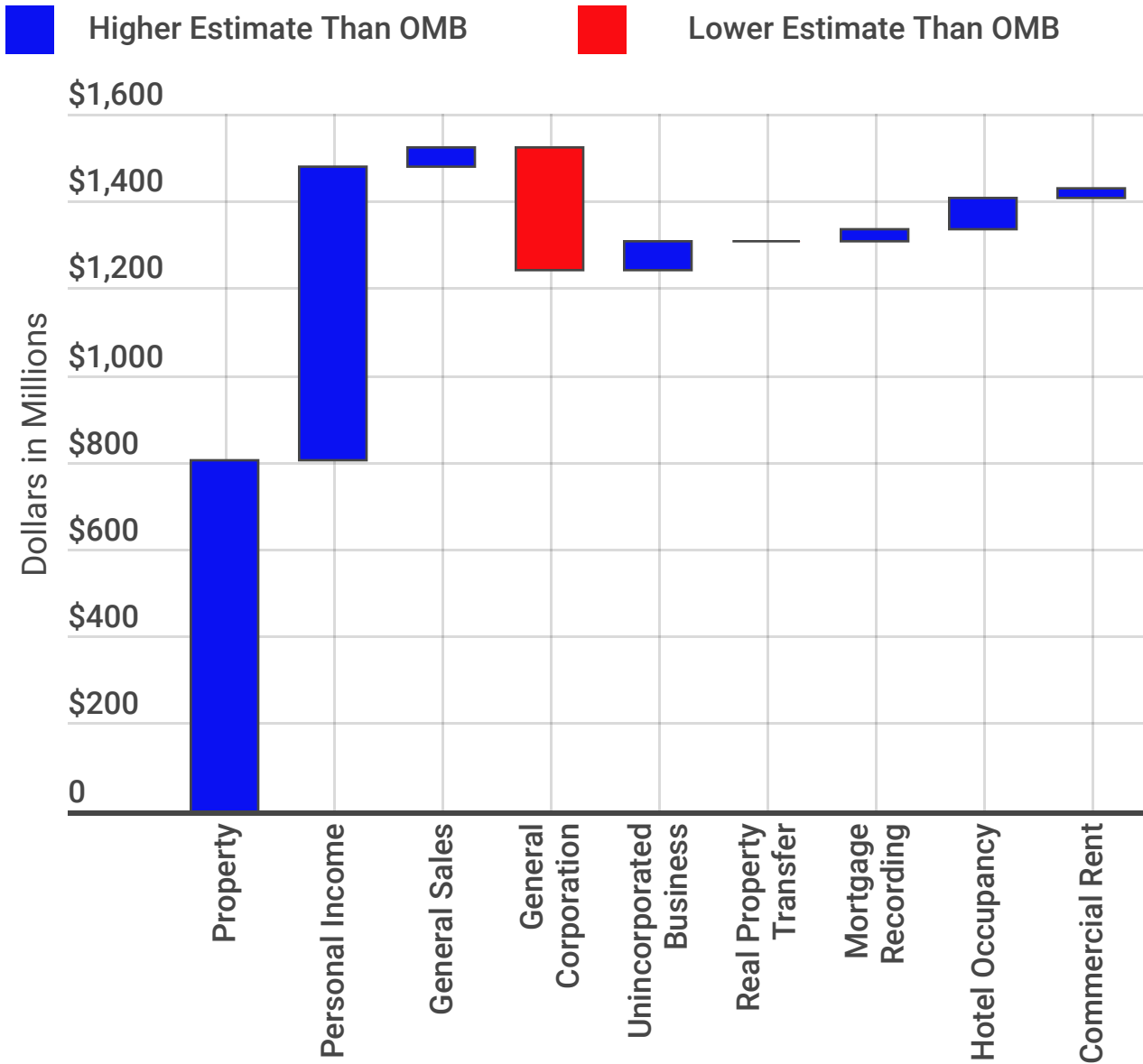
Difference in Tax Revenue Forecasts by Year and Tax, 2022



IBO's Total Tax Estimate Exceeds OMB's in Each Year

Fiscal Year	IBO Estimate of Additional Revenue, in millions
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2022	\$1,326.1
2023	\$1,431.4
2024	\$1,312.1
2025	\$1,203.9

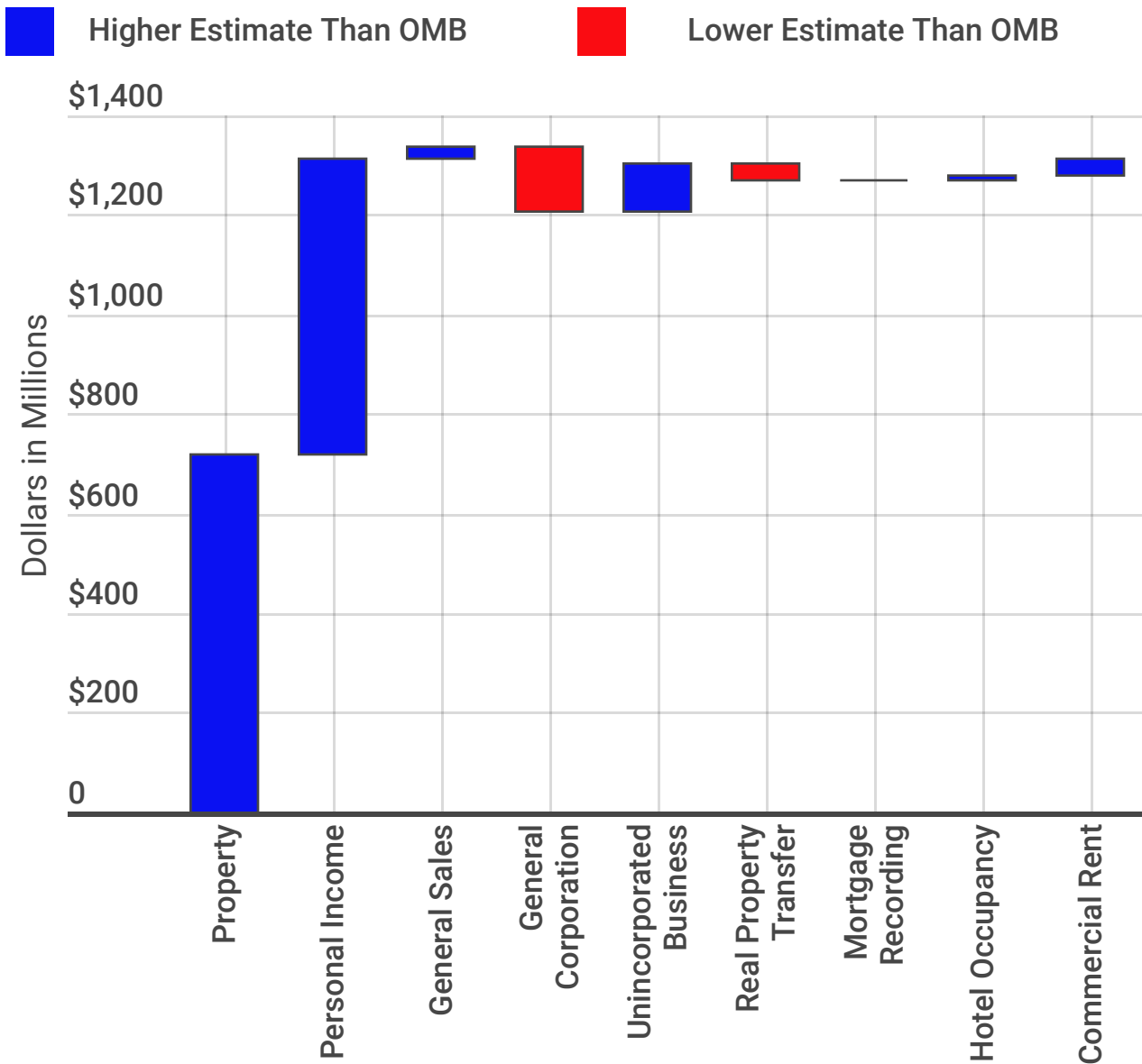
Difference in Tax Revenue Forecasts by Year and Tax, 2023



IBO's Total Tax Estimate Exceeds OMB's in Each Year

Fiscal Year	IBO Estimate of Additional Revenue, in millions
2021	\$815.9
2022	\$1,326.1
2023	\$1,431.4
2024	\$1,312.1
2025	\$1,203.9

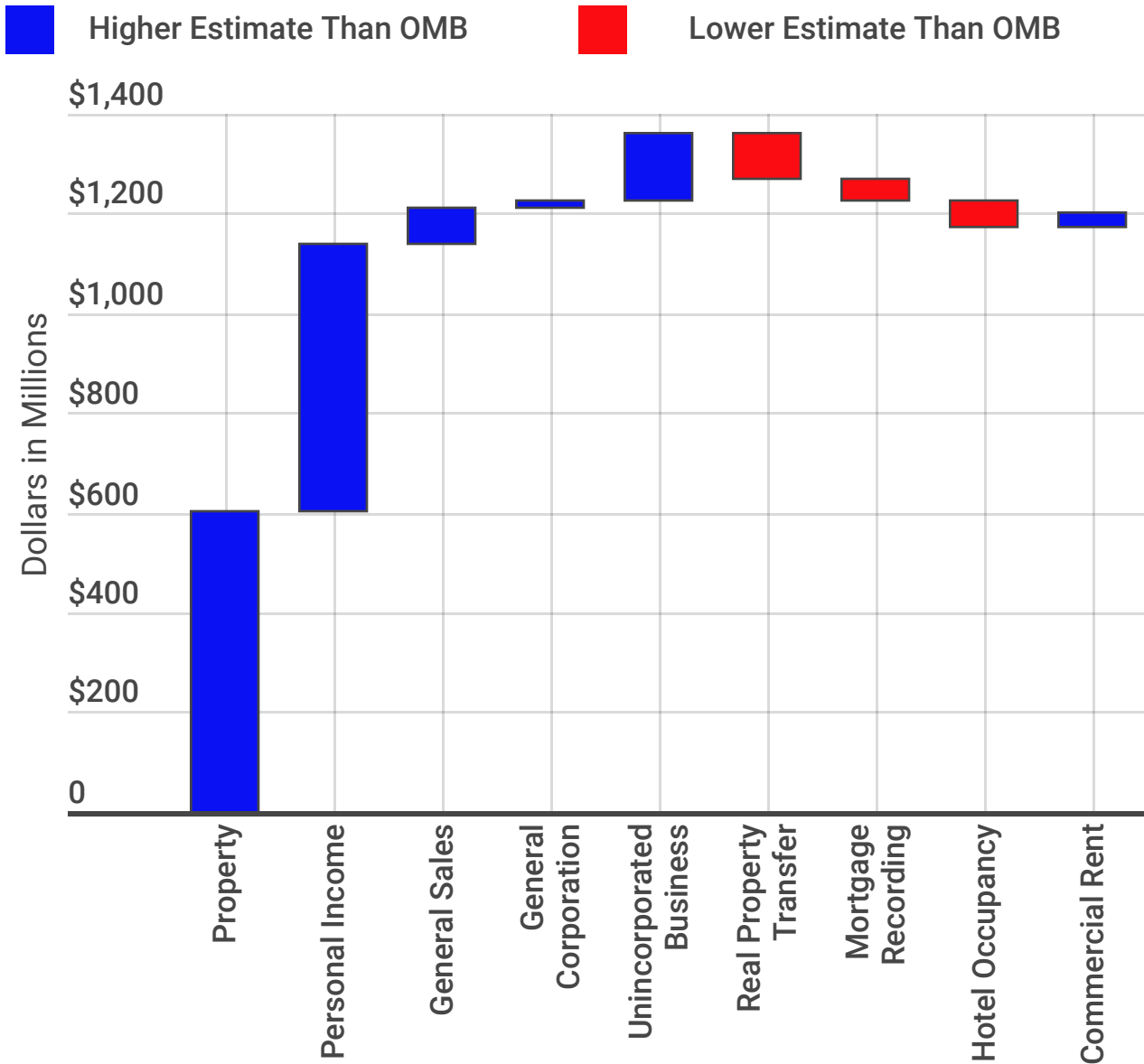
Difference in Tax Revenue Forecasts by Year and Tax, 2024



IBO's Total Tax Estimate Exceeds OMB's in Each Year

Fiscal Year	IBO Estimate of Additional Revenue, in millions
2021	\$815.9
2022	\$1,326.1
2023	\$1,431.4
2024	\$1,312.1
2025	\$1,203.9

Difference in Tax Revenue Forecasts by Year and Tax, 2025

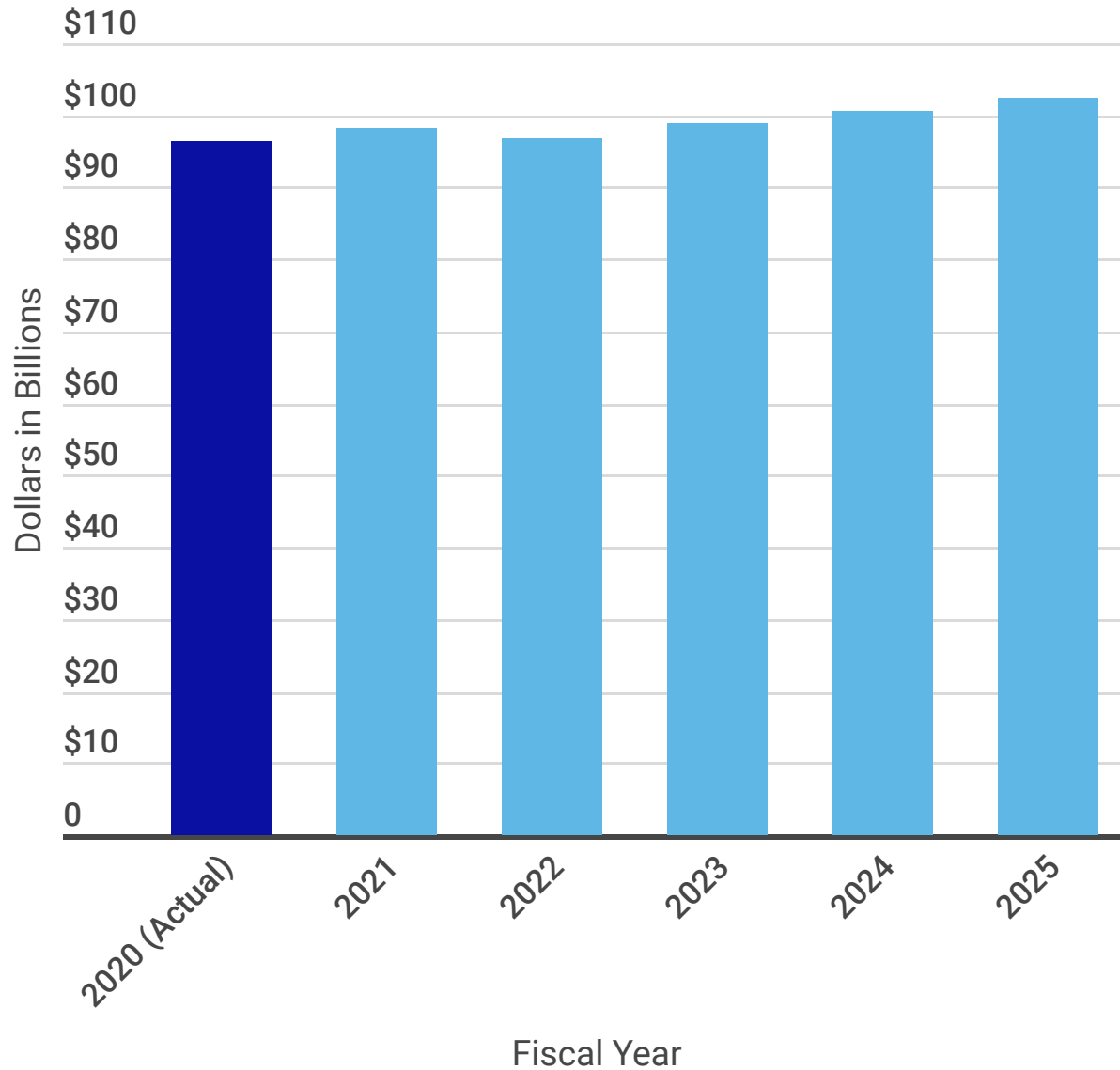


IBO's Total Tax Estimate Exceeds OMB's in Each Year

Fiscal Year	IBO Estimate of Additional Revenue, in millions
2021	\$815.9
2022	\$1,326.1
2023	\$1,431.4
2024	\$1,312.1
2025	\$1,203.9

Total City Expenditures

Adjusted for prepayments and nonrecurring expenses



Year-Over-Year Growth



2020-2021

1.7%



2021-2022

(1.6%)



2022-2023

2.2%



2023-2024

1.8%



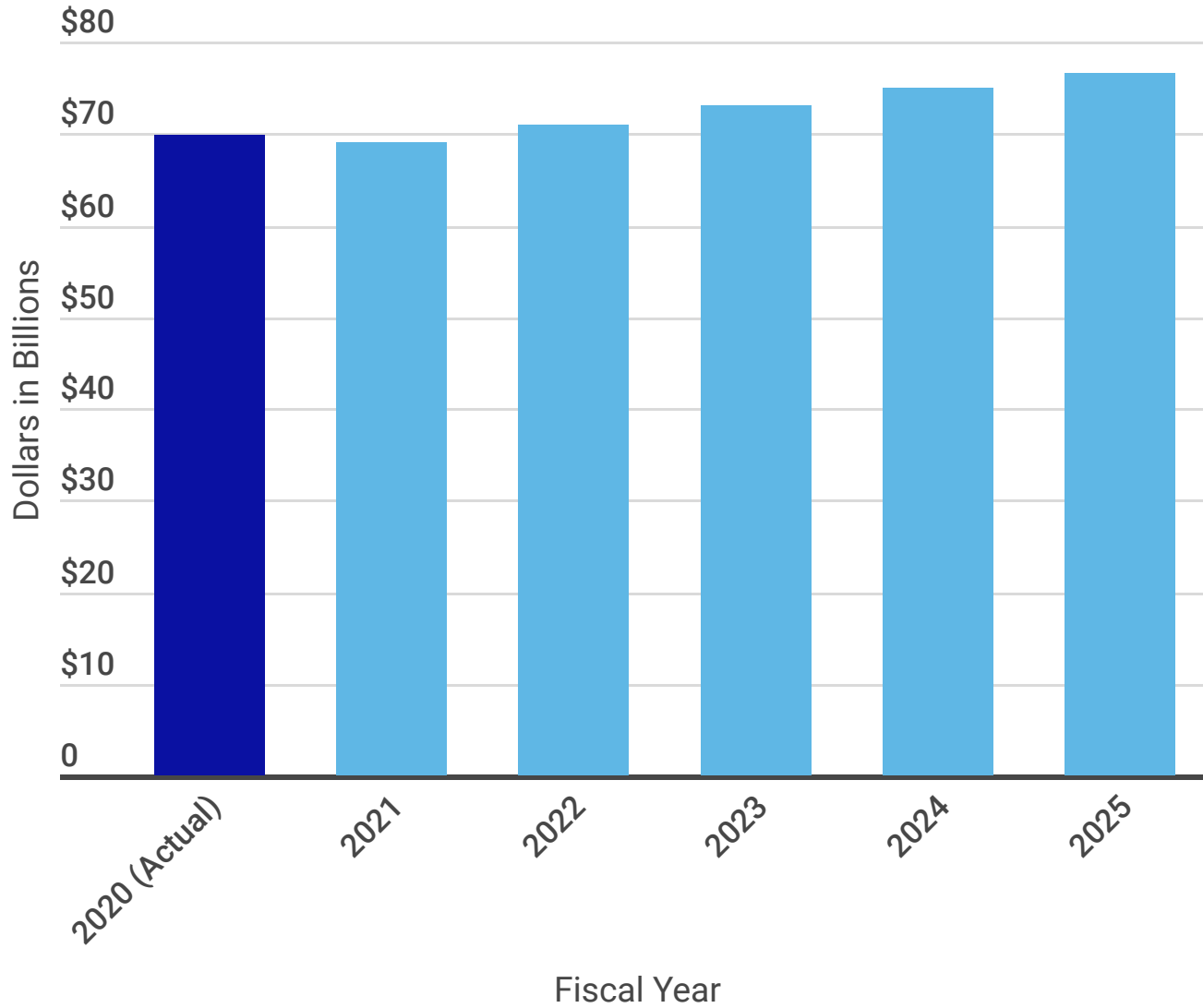
2024-2025

1.7%

IBO's Expenditure Forecast

City-Funded Expenditures

Adjusted for prepayments and nonrecurring expenses



Year-Over-Year Growth



2020-2021

(1.2%)



2021-2022

2.6%



2022-2023

3.2%



2023-2024

2.4%



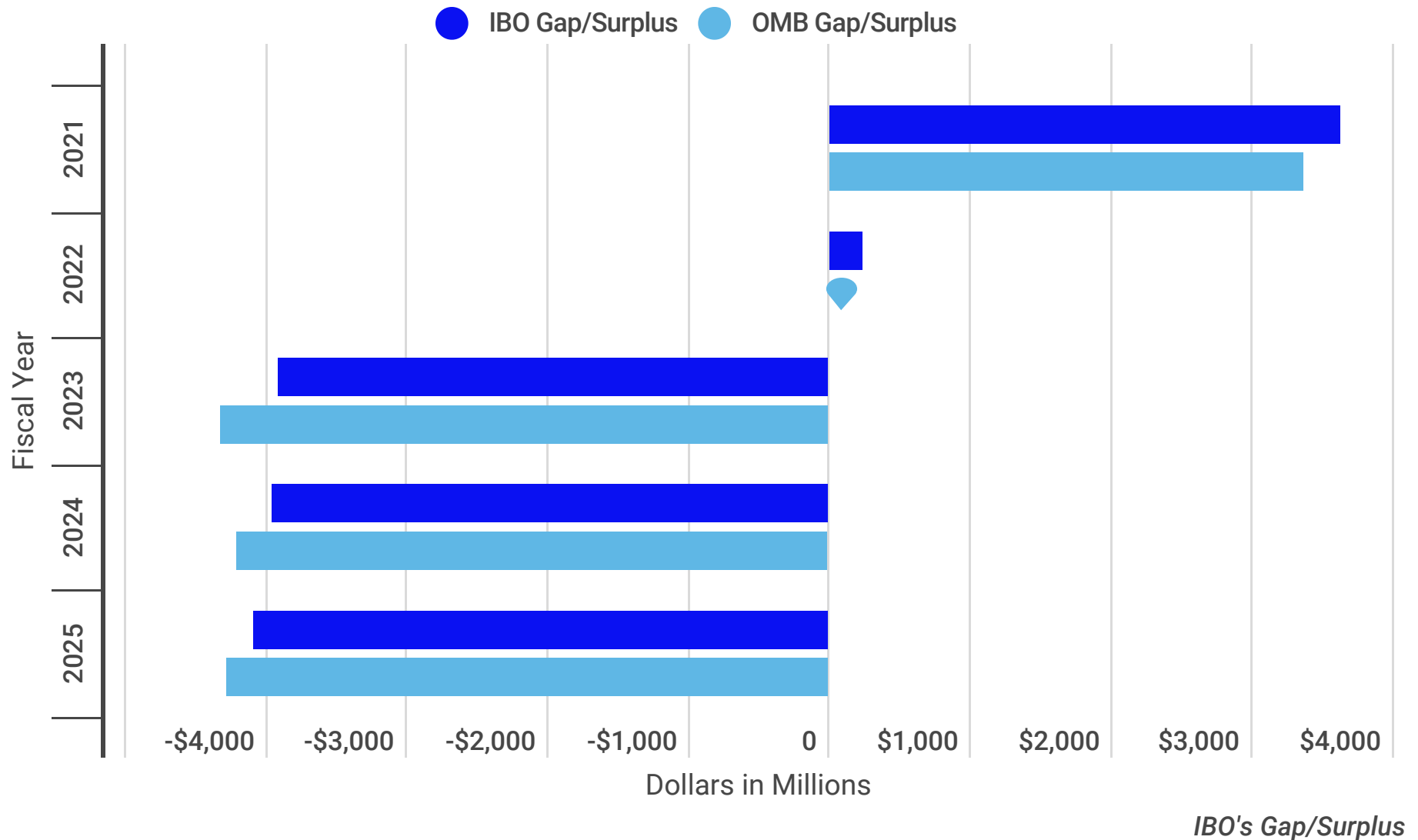
2024-2025

2.3%

IBO's Expenditure Forecast

Projected Budget Gaps and Surpluses: IBO and OMB

IBO estimates a \$3.9 billion gap in 2023, increasing to \$4.1 billion in 2025. These gaps could be partially closed through the use of existing reserve funds: \$1.25 billion of budgeted reserves each year and just under \$2.1 billion remaining in the Retiree Health Benefits Trust Fund.



City Budget Does Not Reflect Growing Public Assistance Caseload Costs

Pandemic-related job losses have led to an increase in the public-assistance caseload. IBO estimates the city will need to spend \$70 million more in 2021 and roughly \$41 million more annually in 2022 through 2025 than currently budgeted.

City Share of Grant Costs

< 2021 >



\$884.3

IBO Projected Costs



\$814.4

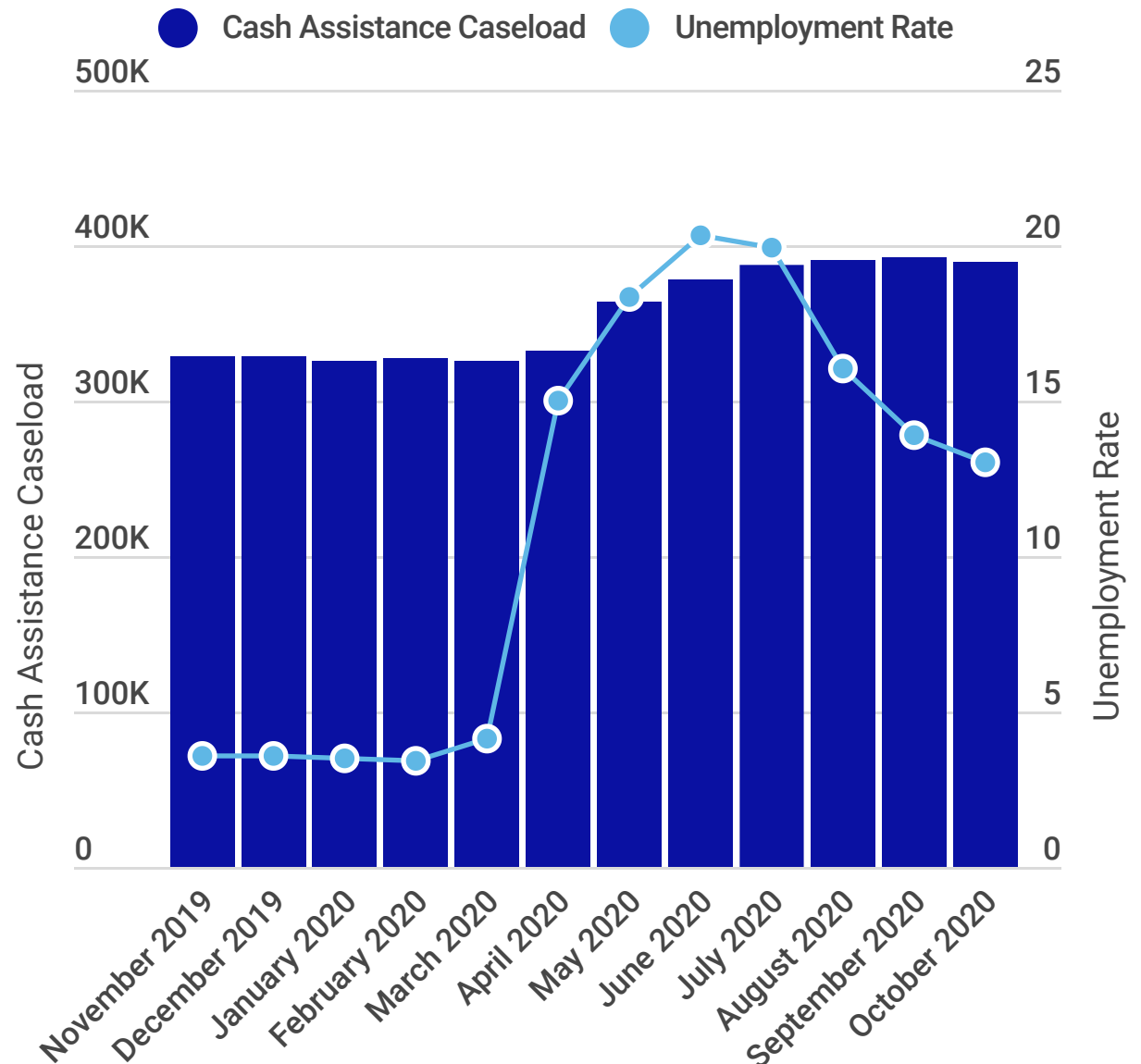
OMB Projected Costs



\$69.9

IBO Projects Higher Spending than OMB

City Share of Program Cost



IBO's Key Expenditure Reestimates

Projected Growth in Enrollment and Tuition Costs at Charter Schools

IBO projects that general education charter school tuition costs will rise 25 percent to reach \$2.5 billion in 2025—more than three times the growth OMB anticipates.

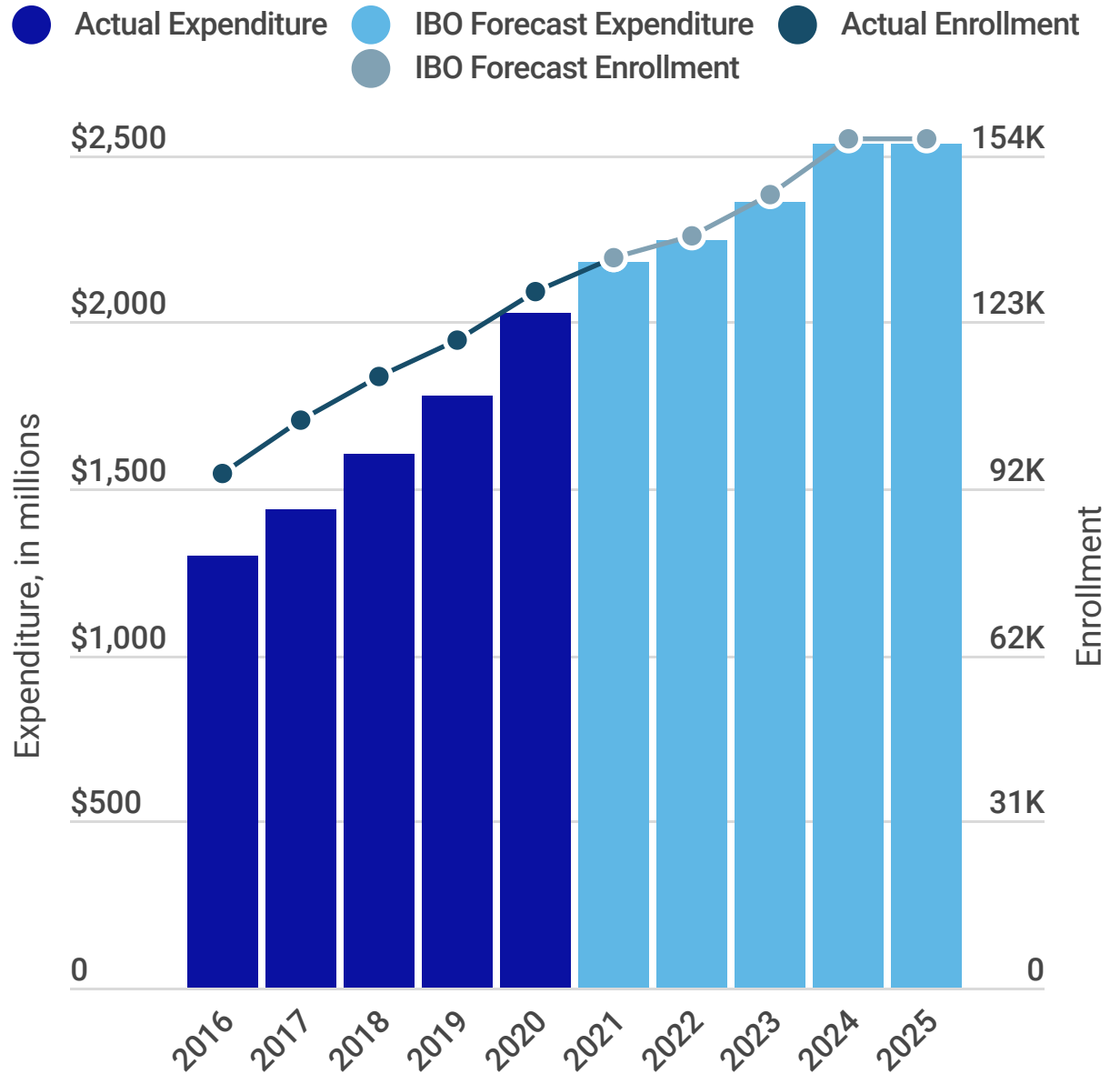
Program Costs, in millions

< 2021 >

\$ \$2,175.2
IBO Projected Costs

\$ \$2,085.5
OMB Projected Costs

▲ \$89.7
IBO Projects Higher Spending than OMB

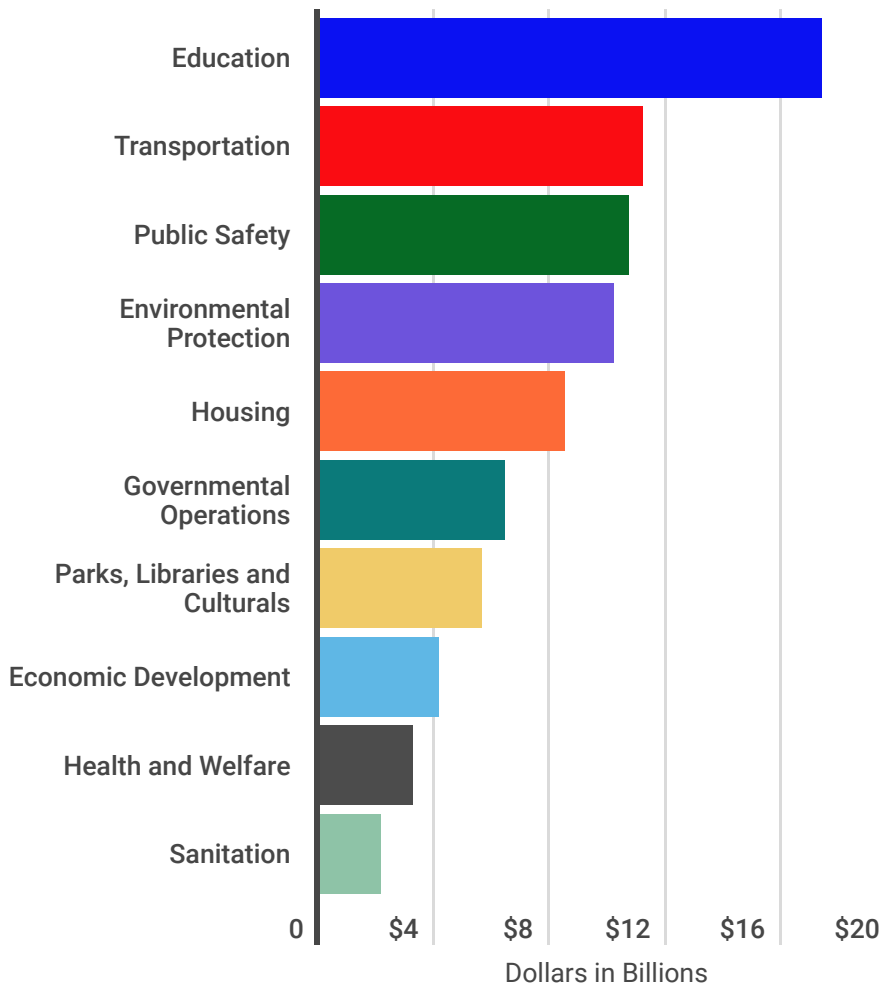


IBO's Key Expenditure Reestimates

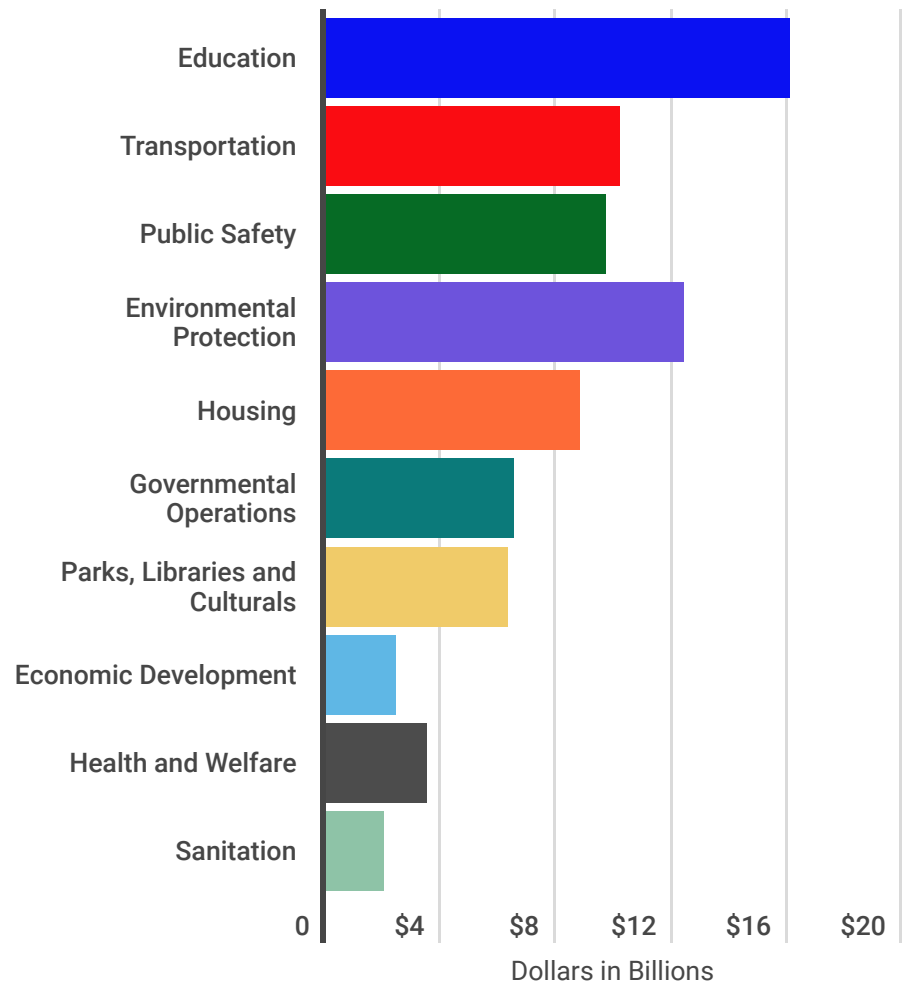
Comparing City Capital Plans

The current five-year capital commitment plan totals \$78.0 billion of city funds, \$1.4 billion less than a year ago. The decrease is driven by reductions in the plans for education, transportation, and public safety funding.

2020-2024 Capital Plan



2021-2025 Capital Plan



IBO Revenue Estimates

Dollars in millions

	Actual	Plan					Average Change
	2020	2021	2022	2023	2024	2025	2020-2025
TAX REVENUES							
Property	\$29,650	\$30,894	29,878	30,849	31,193	31,484	1.2%
Personal Income	13,551	12,982	14,152	14,928	15,369	15,870	3.2%
General Sales	7,372	6,653	7,799	8,458	9,015	9,522	5.3%
Corporate	4,509	3,965	4,005	4,117	4,252	4,426	-0.4%
Unincorporated Business	1,939	2,045	2,064	2,158	2,268	2,386	4.2%
Real Property Transfer	1,135	1,005	1,253	1,331	1,387	1,427	4.7%
Mortgage Recording	975	802	894	944	979	1,000	0.5%
Utility	356	359	374	377	384	393	2.0%
Hotel Occupancy	468	90	287	422	531	579	4.4%
Commercial Rent	864	841	883	925	955	975	2.5%
Cigarette	26	24	23	22	21	20	-4.7%
Other Taxes and Audits	2,080	2,062	1,754	1,554	1,554	1,554	-5.7%
Total Taxes	\$62,924	\$61,721	\$63,366	\$66,086	\$67,908	\$69,636	2.0%

IBO Revenue Estimates

Dollars in millions

	Actual	Plan					Average Change
	2020	2021	2022	2023	2024	2025	2020-2025
OTHER REVENUE	\$165	\$154	\$152	\$150	\$148	\$146	-2.5%
STaR Reimbursement	7,398	7,292	6,821	6,807	6,809	6,808	-1.6%
Miscellaneous Revenue	11	-	-	-	-	-	n/a
Unrestricted Intergovernmental Aid	(5)	(15)	(15)	(15)	(15)	(15)	n/a
Disallowances	\$7,569	\$7,431	\$6,958	\$6,942	\$6,942	\$6,939	-1.7%
Total Other Revenue	(\$2,129)	(\$2,061)	(\$1,811)	(\$1,807)	(\$1,806)	(\$1,806)	
Less: Intracity Revenue	\$68,365	\$67,091	\$68,513	\$71,221	\$73,044	\$74,768	1.9%
TOTAL CITY-FUNDED REVENUE	\$15,334	\$15,150	\$16,373	\$16,810	\$16,859	\$16,859	1.9%

IBO Expenditure Estimates

Dollars in millions

	Actual	Plan					Average Change
	2020	2021	2022	2023	2024	2025	2020-2025
Operational Expenditures							
Agency Expenditures	\$70,000	\$71,233	\$66,369	\$67,019	\$67,382	\$67,494	-0.7%
Labor Reserve	-	815	1,311	955	1,142	1,519	n/a
Total Operational Expenditures	\$70,000	\$72,048	\$67,680	\$67,974	\$68,523	\$69,013	-0.3%
Other Expenditures							
Fringe Benefits	\$11,112	\$11,152	\$11,407	\$11,849	\$12,526	\$13,239	3.6%
Debt Service	6,554	5,963	3,940	8,483	8,822	9,379	7.4%*
Pensions	9,784	9,503	10,263	10,468	10,660	10,597	1.6%
Judgments and Claims	709	727	742	758	775	791	2.2%
Subtotal Recurring Expenses	\$98,158	\$99,394	\$94,033	\$99,533	\$101,306	\$103,019	1.0%
General Reserve	-	\$50	\$100	\$1,000	\$1,000	\$1,000	n/a
Capital Stabilization Reserve	-	-	-	250	250	250	n/a
Retiree Health Benefits Trust	(1,000)	(1,600)	-	-	-	-	n/a

NOTES: Other non-recurring adjustments include reserve funds, energy, lease, and non-labor inflation adjustments. Debt service growth is unadjusted for prepayments of current year expenses with resources from the prior year. Adjusting for prepayments, annual average change in debt service costs is 6.2%. Fringe benefits include the cost of health benefits covered by the Retiree Health Benefits Trust. Figures may not add due to rounding.

IBO Expenditure Estimates

Dollars in millions

	Actual	Plan					Average Change
	2020	2021	2022	2023	2024	2025	2020-2025
Unallocated Labor Savings	-	324	1,000	1,000	1,000	1,000	n/a
Other Adjustments	-	(421)	(216)	(134)	(7)	112	n/a
Subtotal Non-Recurring Expenses	(\$1,000)	(\$1,647)	\$884	\$2,116	\$2,243	\$2,362	
Less: Intra-City Expenditures	(\$2,129)	(\$2,061)	(\$1,811)	(\$1,807)	(\$1,806)	(\$1,806)	n/a
TOTAL EXPENDITURES	\$95,030	\$95,686	\$93,106	\$99,842	\$101,743	\$103,574	1.7%

NOTES: Other non-recurring adjustments include reserve funds, energy, lease, and non-labor inflation adjustments. Debt service growth is unadjusted for prepayments of current year expenses with resources from the prior year. Adjusting for prepayments, annual average change in debt service costs is 6.2%. Fringe benefits include the cost of health benefits covered by the Retiree Health Benefits Trust. Figures may not add due to rounding.

Pricing Differences Between IBO and the de Blasio Administration Items That Affect the Gap

Dollars in millions

	2021	2022	2023	2024	2025
Gaps as Estimated by the Mayor	-	-	(\$4,311)	(\$4,193)	(\$4,278)
<i>Unallocated Planned Labor Savings</i>	(324)	(1,000)	(1,000)	(1,000)	(1,000)
Reestimated Gap	(\$324)	(\$1,000)	(\$5,311)	(\$5,193)	(\$5,278)
Revenue					
Taxes					
Property	\$203	\$507	\$806	\$721	\$602
Personal Income	238	646	671	593	537
General Sales	102	151	44	23	71
General Corporation	35	(230)	(280)	(131)	16
Unincorporated Business	113	59	68	98	133
Real Property Transfer	69	112	(1)	(34)	(89)
Mortgage Recording	32	9	27	-	(45)
Utility	-	-	-	-	-
Hotel Occupancy	15	62	72	11	(51)
Commercial Rent	10	9	23	30	29
Cigarette	-	-	-	-	-
Other Taxes and Audits	-	-	-	-	-
Total Taxes	\$816	\$1,326	\$1,431	\$1,312	\$1,204

Appendix

Pricing Differences Between IBO and the de Blasio Administration Items That Affect the Gap

Dollars in millions

	2021	2022	2023	2024	2025
STaR Reimbursement	-	-	-	-	-
Misc. Revenue	27	31	31	32	32
TOTAL REVENUE	\$843	\$1,357	\$1,463	\$1,344	\$1,236
Expenditures					
Debt Service	\$33	\$60	\$-	\$-	\$-
Fringe Benefits:					
Health Insurance-Education	9	66	152	202	231
Health Insurance-City University	0	3	6	8	9
Health Insurance-All Other Agencies	13	104	235	308	341
Public Assistance	(70)	(41)	(41)	(41)	(41)
Education	(110)	(153)	(196)	(368)	(368)
Fire	(25)	(25)	(25)	(25)	(25)
Police	(100)	(25)	(50)	(50)	(50)
Homeless Services	46	(15)	(74)	(74)	(74)
Correction	(30)	(15)	-	-	-
Board of Elections	(20)	(20)	(20)	(20)	(20)
Parks and Rec.	(8)	(12)	(12)	(12)	(12)
Small Business Services	-	(42)	(1)	(1)	(1)

Appendix

Pricing Differences Between IBO and the de Blasio Administration Items That Affect the Gap

Dollars in millions

	2021	2022	2023	2024	2025
Sanitation	-	(9)	(26)	(30)	(25)
Campaign Finance Board	-	-	(3)	(2)	-
TOTAL EXPENDITURES	(\$261)	(\$125)	(\$55)	(\$105)	(\$36)
TOTAL IBO PRICING DIFFERENCES	\$582	\$1,232	\$1,407	\$1,239	\$1,200
IBO Prepayment Adjustment 2021/2022	(258)	258	-	-	-
IBO SURPLUS/(GAP) PROJECTIONS	-	\$490	(\$3,904)	(\$3,904)	(\$4,078)

IBO Analysis of the Mayor's Citywide Savings Program

Dollars in thousands

IBO estimates that nearly half of the Mayor's \$2.2 billion Citywide Savings Plan for fiscal years 2021 and 2022 is the result of reduced debt service costs and the recognition of additional non-tax revenue. Fifty-seven million dollars of the savings in the first two years of the plan is the product of Covid-related service reductions.

	2021	2022	2023	2024	2025
Accruals	(\$25,598)	(\$15,563)	\$-	\$-	\$-
Additional Revenue	(453,815)	(98,750)	(28,415)	(28,415)	(28,415)
Debt Service	(215,309)	(326,410)	(14,377)	(4,075)	(34,063)
Efficiency	(66,048)	(327,802)	(367,145)	(373,497)	(379,957)
Funding Swap	(12,834)	(9,728)	-	-	-
Service Reduction	(28,617)	(176,467)	(2,017)	(2,102)	(2,288)
Reestimates	(66,962)	(411,544)	(196,698)	(196,690)	(179,614)
TOTAL	(\$869,182)	(\$1,366,263)	(\$579,898)	(\$604,778)	(\$624,336)

IBO Versus Mayor's Office of Management and Budget Economic Forecasts

	2020	2021	2022	2023	2024	2025
National Economy						
Real GDP Growth						
IBO	(3.5)	4.1	3.1	2.5	2.0	1.9
OMB	(3.4)	4.3	3.6	2.6	2.6	2.6
Inflation Rate						
IBO	1.2	1.9	2.1	2.0	2.0	1.9
OMB	1.2	2.1	2.5	2.0	2.0	2.1
Personal Income Growth						
IBO	6.5	4.9	(1.1)	4.4	4.3	4.3
OMB	6.2	0.4	3.3	4.2	4.6	4.8
Unemployment Rate						
IBO	8.1	6.3	5.1	4.5	4.3	4.2
OMB	8.1	5.9	4.6	4.4	4.1	3.9

SOURCES: IBO; Mayor's Office of Management and Budget

NOTES: Rates reflect year-over-year percentage changes except for unemployment, 10-Year Treasury Note Rate, Federal Funds Rate, and Manhattan Office Rents. The local price index for urban consumers (CPI-U-NY) covers the New York/Northern New Jersey region. Personal income is nominal.

IBO Versus Mayor's Office of Management and Budget Economic Forecasts

	2020	2021	2022	2023	2024	2025
National Economy						
Real GDP Growth						
IBO	(3.5)	4.1	3.1	2.5	2.0	1.9
OMB	(3.4)	4.3	3.6	2.6	2.6	2.6
Inflation Rate						
IBO	1.2	1.9	2.1	2.0	2.0	1.9
OMB	1.2	2.1	2.5	2.0	2.0	2.1
Personal Income Growth						
IBO	6.5	4.9	(1.1)	4.4	4.3	4.3
OMB	6.2	0.4	3.3	4.2	4.6	4.8
Unemployment Rate						
IBO	8.1	6.3	5.1	4.5	4.3	4.2
OMB	8.1	5.9	4.6	4.4	4.1	3.9

SOURCES: IBO; Mayor's Office of Management and Budget

NOTES: Rates reflect year-over-year percentage changes except for unemployment, 10-Year Treasury Note Rate, Federal Funds Rate, and Manhattan Office Rents. The local price index for urban consumers (CPI-U-NY) covers the New York/Northern New Jersey region. Personal income is nominal.

IBO Versus Mayor's Office of Management and Budget Economic Forecasts

	2020	2021	2022	2023	2024	2025
Federal Funds Rate						
IBO	0.4	0.1	0.2	0.4	0.8	1.4
OMB	0.4	0.1	0.1	0.1	0.1	0.1
New York City Economy						
Nonfarm New Jobs (thousands)						
IBO (Q4 to Q4)	(557.0)	151.8	148.3	106.9	61.1	45.5
IBO (annual average)	(510.5)	59.2	167.2	121.7	76.8	49.7
OMB (annual average)	(510.9)	191.2	252.8	99.2	56.6	64.9
Nonfarm Employment Growth						
IBO (Q4 to Q4)	(11.9)	3.7	3.5	2.4	1.3	1.0
IBO (annual average)	(11.0)	1.4	4.0	2.8	1.7	2.5
OMB (annual average)	(11.0)	4.6	5.8	2.2	1.2	1.4
Inflation Rate (CPI-U-NY)						
IBO	1.7	1.5	2.9	2.9	2.7	2.5
OMB	1.8	2.0	2.4	2.1	2.1	2.1

SOURCES: IBO; Mayor's Office of Management and Budget

NOTES: Years refer to calendar years. Rates reflect year-over-year percentage changes except for unemployment, 10-Year Treasury Note Rate, Federal Funds Rate, and Manhattan Office Rents. The local price index for urban consumers (CPI-U-NY) covers the New York/Northern New Jersey region. Personal income is nominal.

IBO Versus Mayor's Office of Management and Budget Economic Forecasts

		2020	2021	2022	2023	2024	2025
Personal Income (\$ billions)							
	IBO	701.8	708.9	719.7	753.4	787.9	821.5
	OMB	690.7	701.9	728	759.5	790.6	822.9
Personal Income Growth							
	IBO	2.9	1.0	1.5	4.7	4.6	4.3
	OMB	3.1	1.6	3.7	4.3	4.1	4.1
Manhattan Office Rents (\$/sq.ft)							
	IBO	73.5	71.3	72.9	76.5	78.2	80.8
	OMB	70.6	70.1	70.1	72.4	73.8	75.8

SOURCES: IBO; Mayor's Office of Management and Budget

NOTES: Rates reflect year-over-year percentage changes except for unemployment, 10-Year Treasury Note Rate, Federal Funds Rate, and Manhattan Office Rents. The local price index for urban consumers (CPI-U-NY) covers the New York/Northern New Jersey region. Personal income is nominal.