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The New Strain of Inequality—the Economic Impact of Covid-19 in NYC

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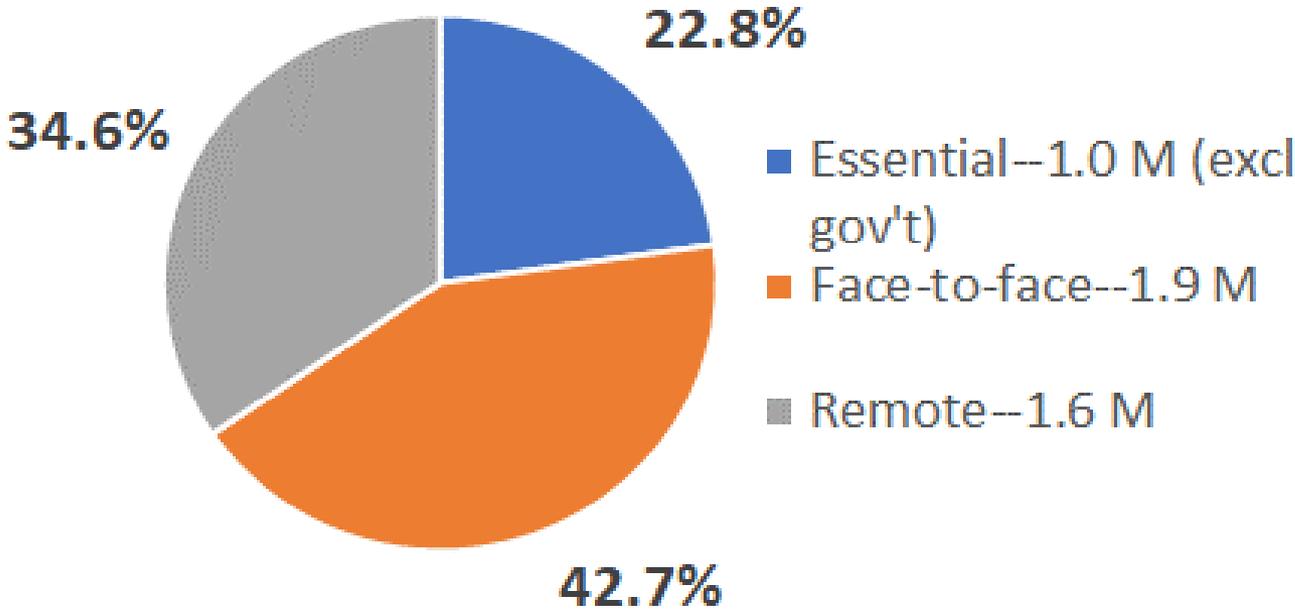
More precarious NYC economy than any time since the 1970s economic/fiscal crisis

- No precedent for the type of economic impact now taking place—much different than a recession
- Abrupt, massive (but not across-the-board)
- Gov't mandated shutdowns/closures—for valid public health reasons
- No roadmap for how you emerge from this

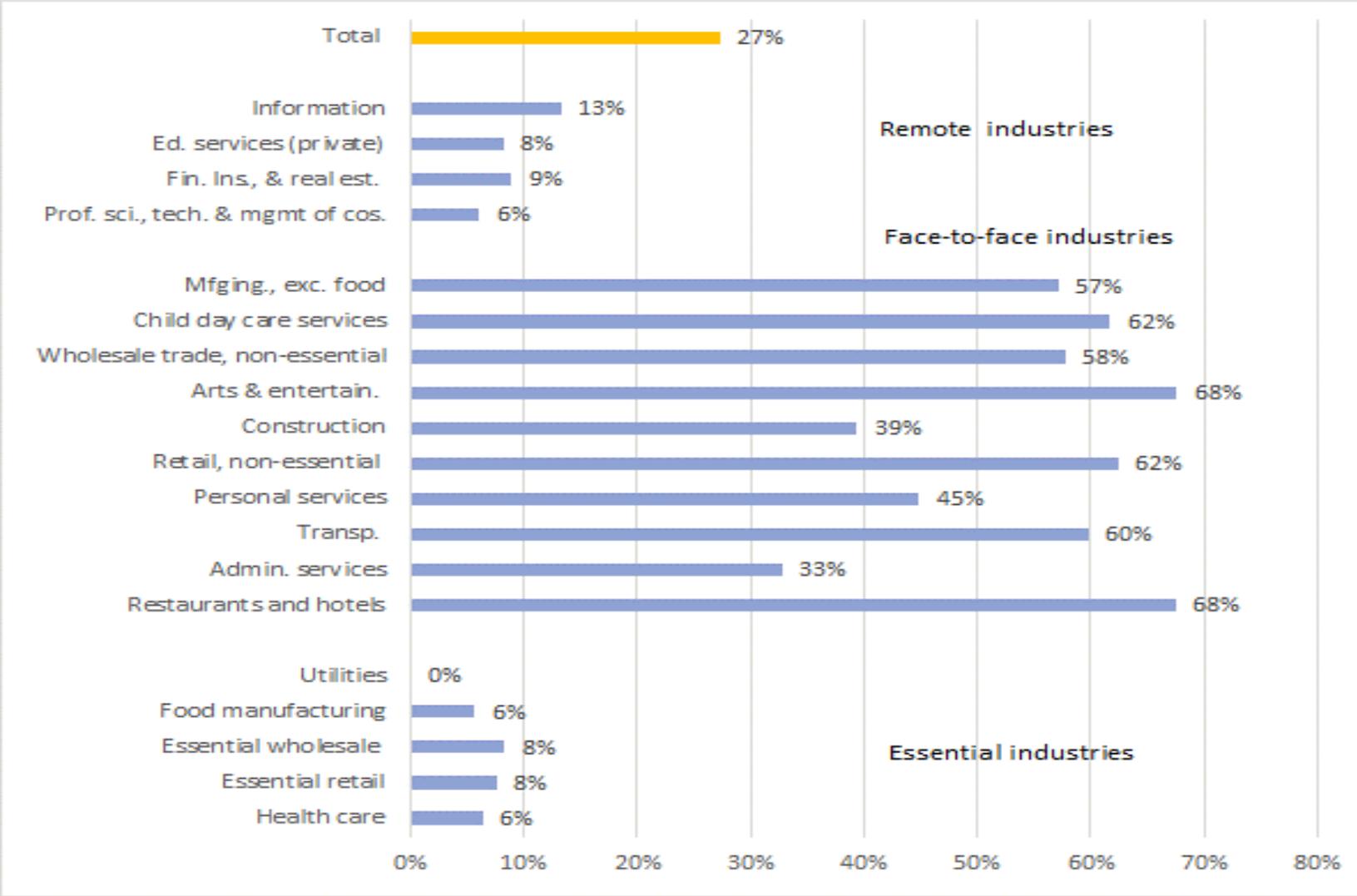
The Covid-19 crisis economy

- 3 groups of industries
 - **Essential:** health care, food, public safety and services
 - **Face-to-face:** restaurants, retail, arts, transportation, construction, local services
 - **Remote:** finance and real estate; profession services; higher education; information
- => A new strain of inequality

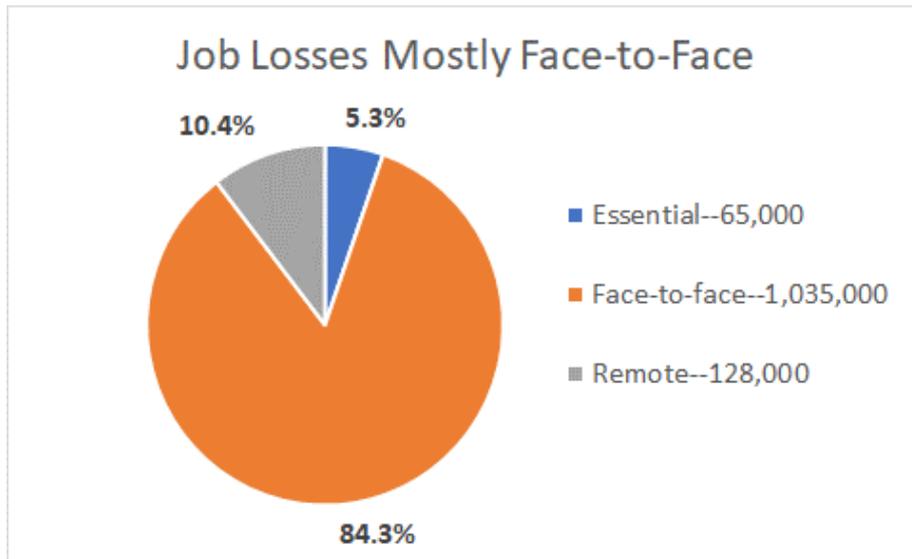
NYC employment shares



Projected job losses vs. Feb. 2020

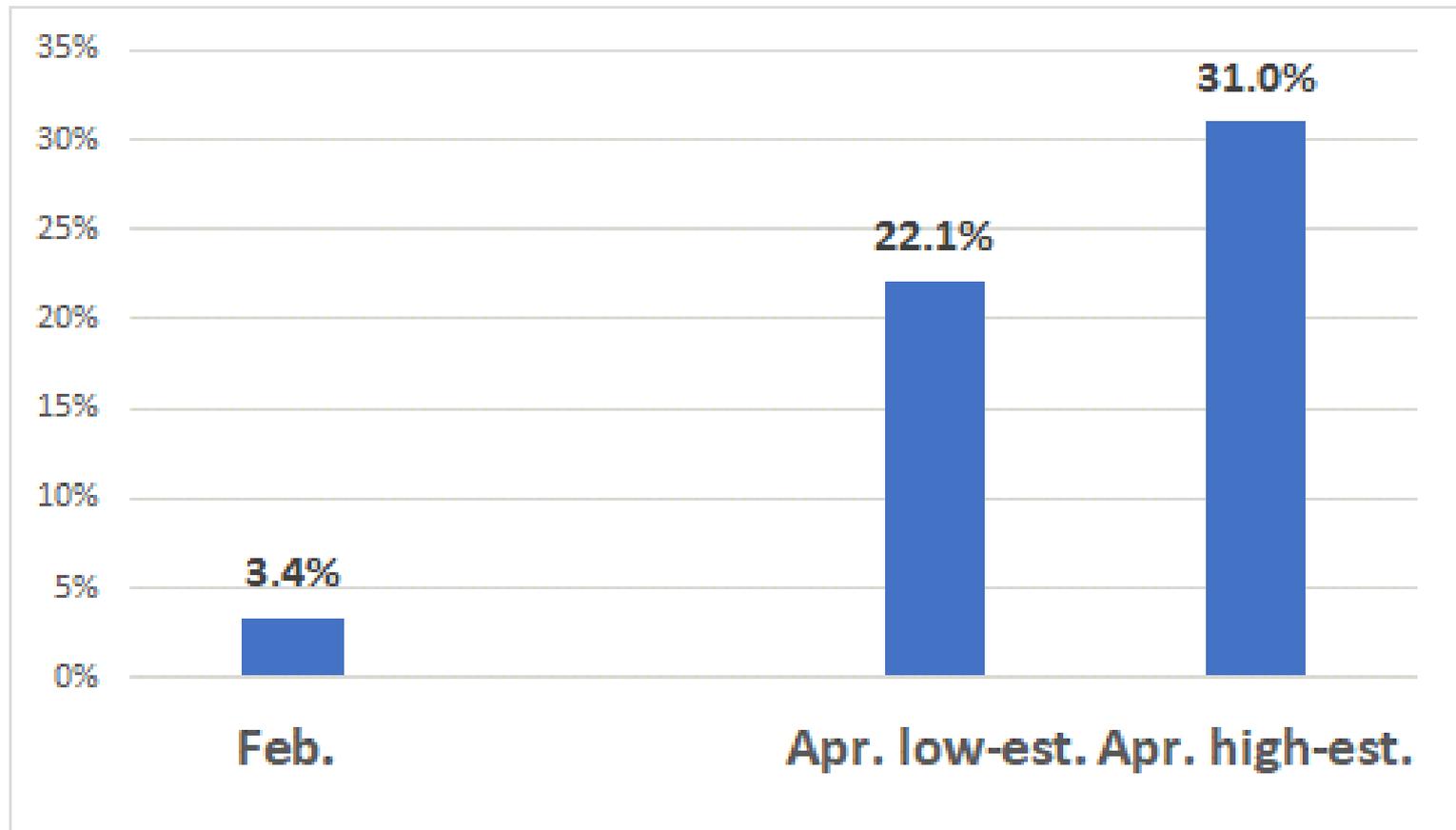


Job losses disproportionate

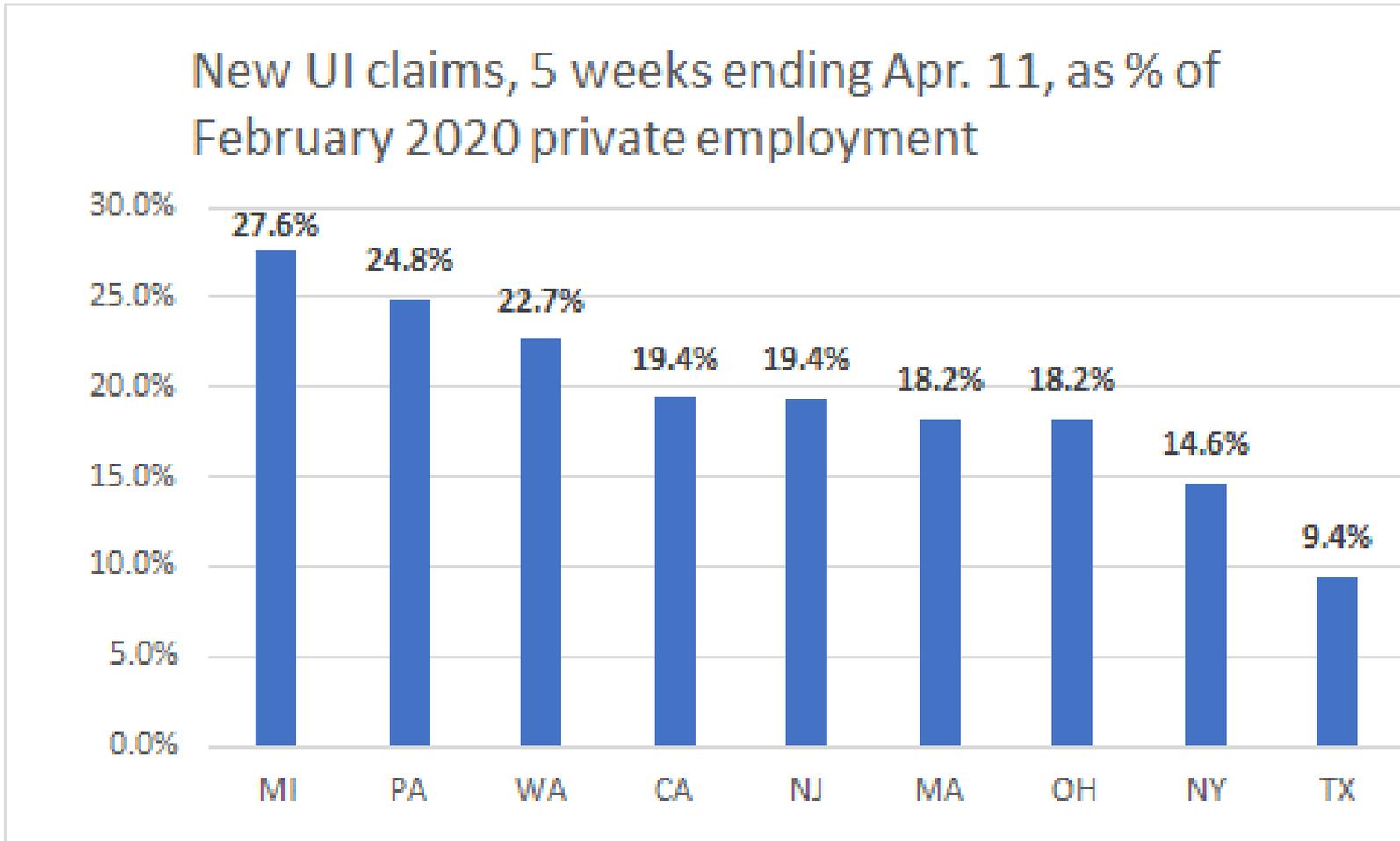


- 68% among persons of color
- 64% earn < \$40K
- Only 10% > \$100K
- 36% HS or less
- 20% 4-yr degree+
- 54% immig. (vs 49%)
- One-third of all 18-24 year-olds lost jobs

NYC unemployment rate could reach 20-30%;
but depends on how many drop out



Is the 27% job loss projection just nuts?



The road from here?

We don't know where we're headed ... but we do know 3 things:

- No alternative to massive federal economic support:
 - For workers and families
 - To keep small businesses alive
 - To maintain public services and re-build our health care system
- We will not return to where we were.
- NYC's density had been a great asset, but for now and the near-term, it's a liability.