

# Anirban Basu & The Chamber of Data



Photo: Fandom

## Toward the Post-Pandemic World

**By: Anirban Basu  
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Sage Policy Group, Inc.**

**On Behalf of  
The NWCCC Economic & Legislative Outlook  
for Construction**

**February 11<sup>th</sup>, 2021**

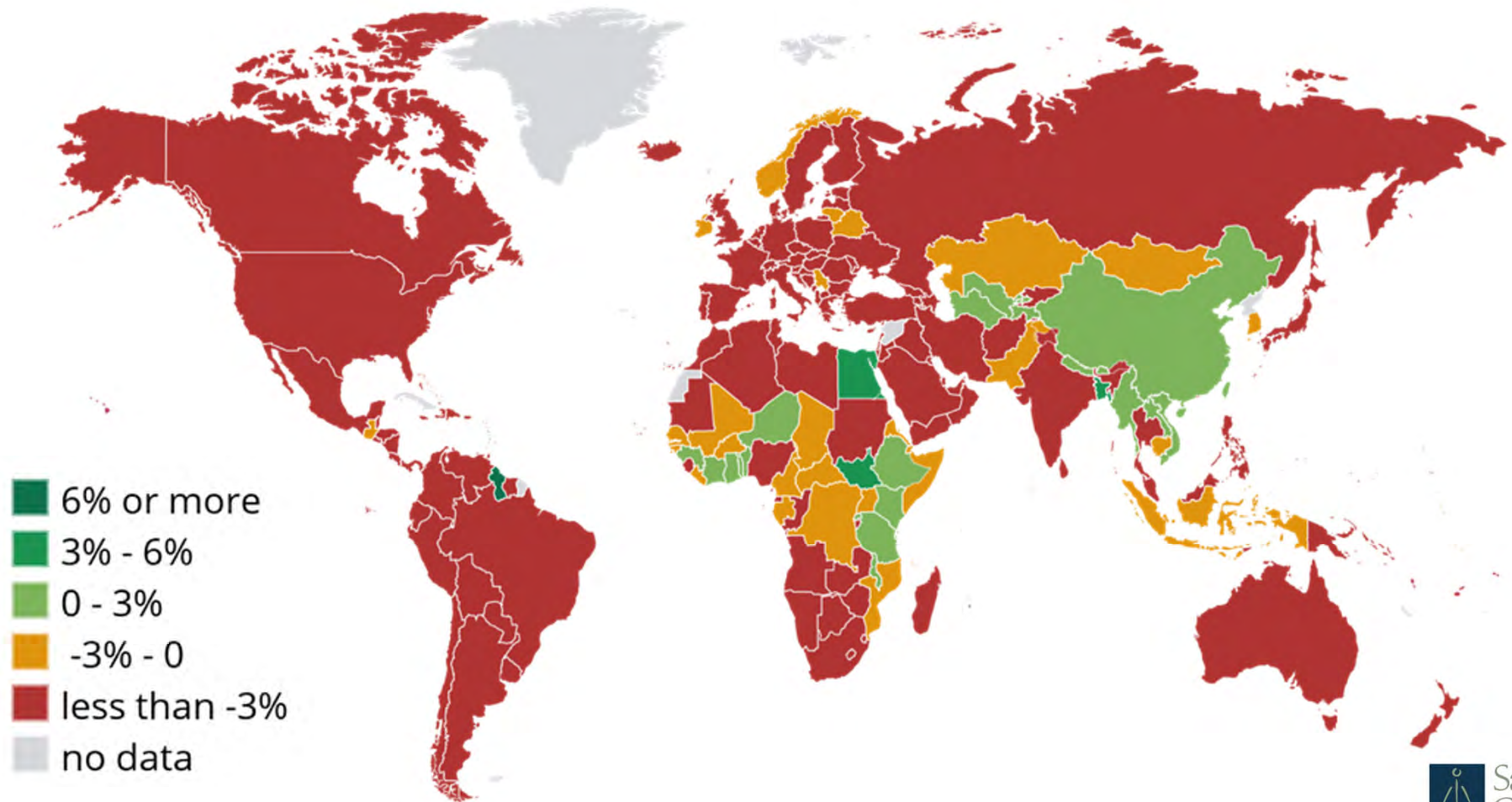
# The Prisoner of My-house-kaban



Photo: Adobe Stock

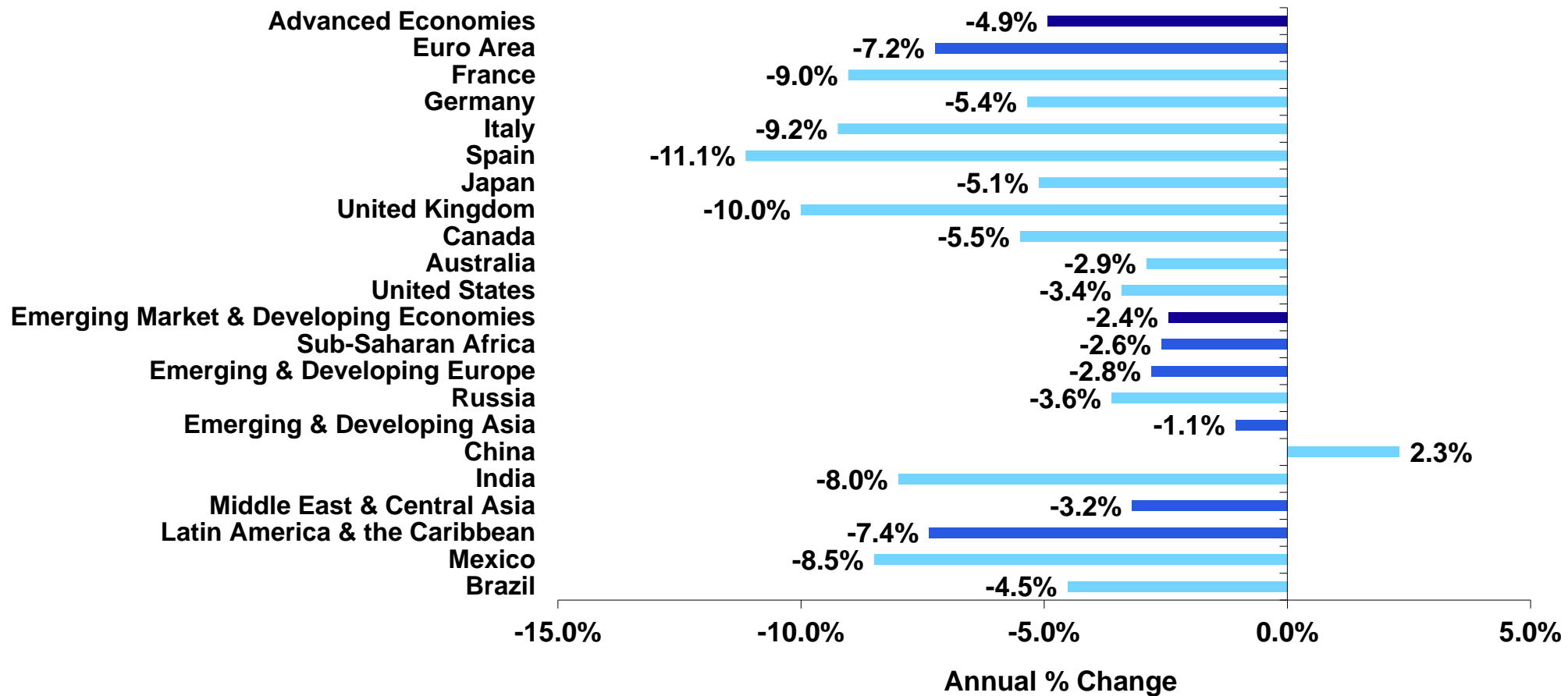
# A Global Economy Transfigured

## Real GDP Growth 2020, Estimated Annual Percent Change



# Economicus Destructus!

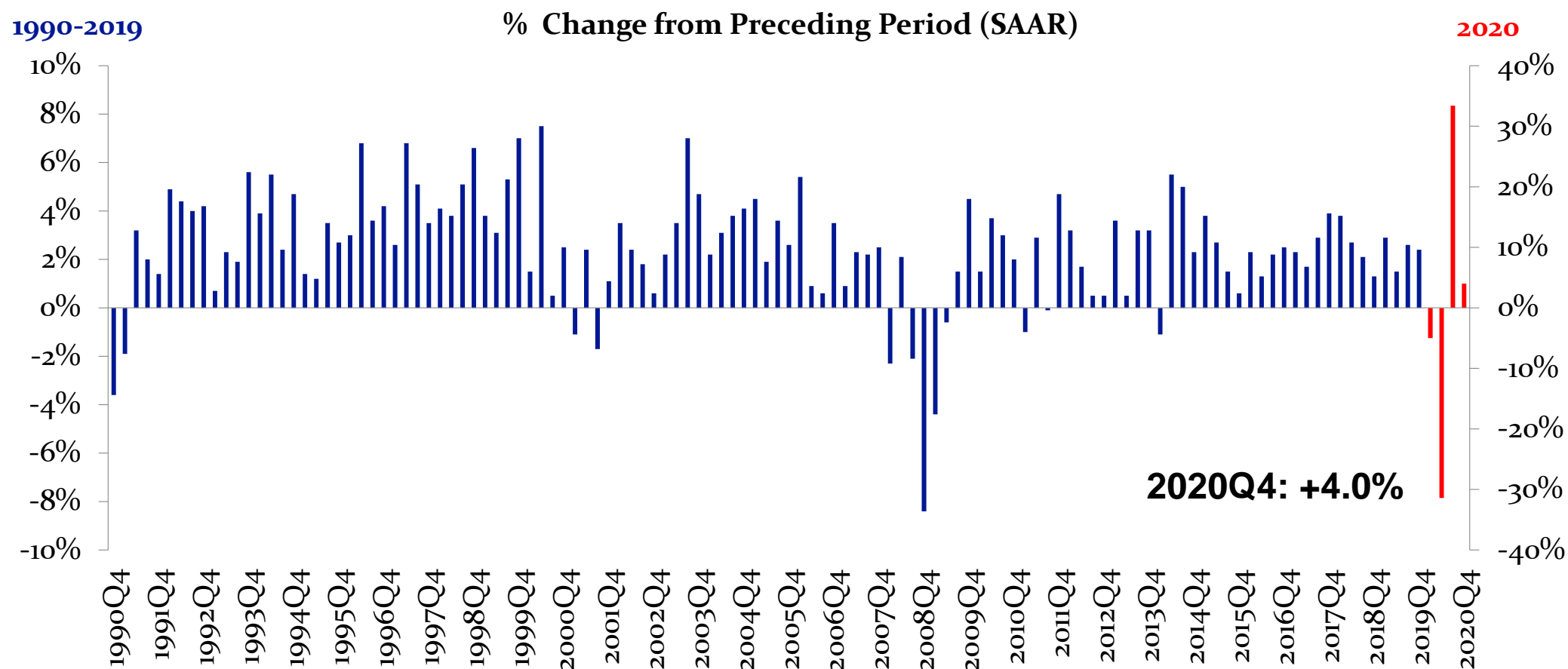
## Estimated Growth in Output by Select Global Areas, 2020



**2020 Global Output Growth: -3.5%**

# Gross Domestic Product

1990Q4 – 2020Q4\*





# The Goblet of Lost Jobs

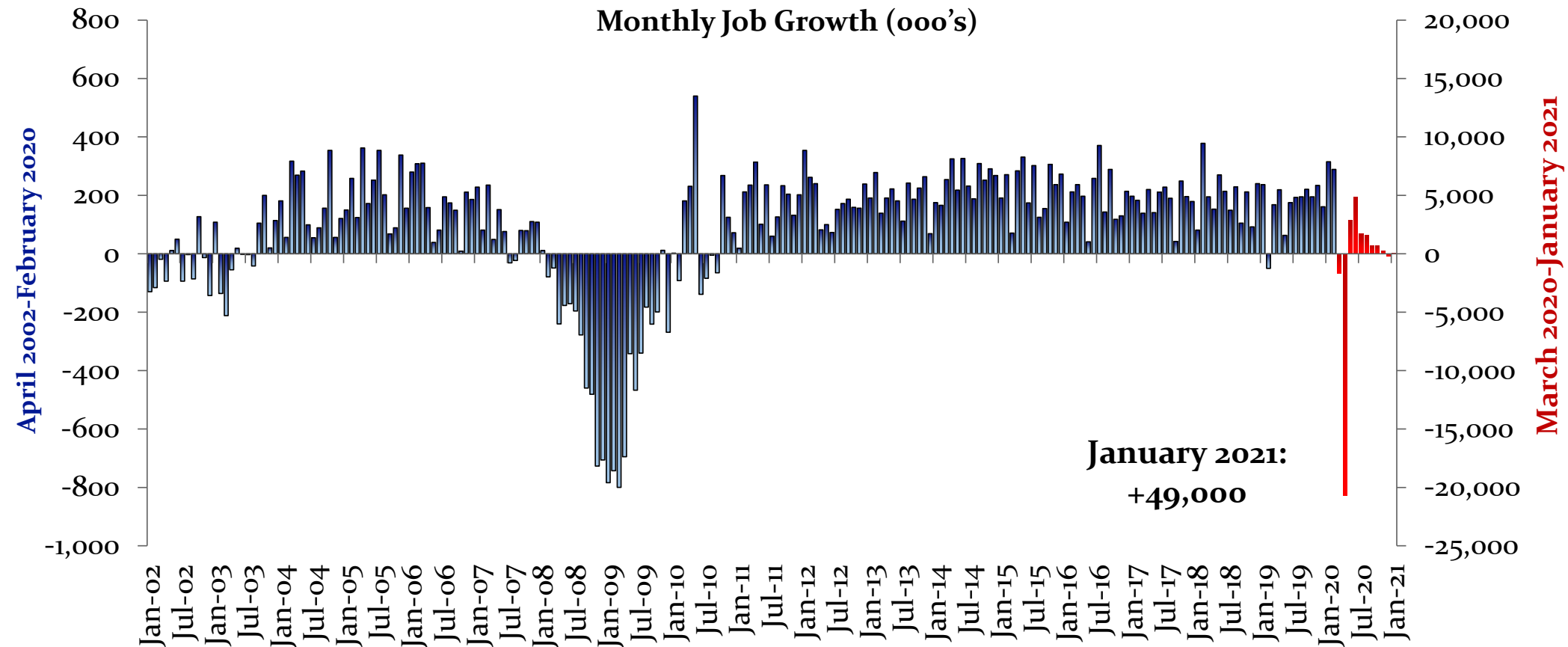


Khs#Qrw#  
Z dghg

Photo: [Harrypotterfanzone.com](http://Harrypotterfanzone.com)

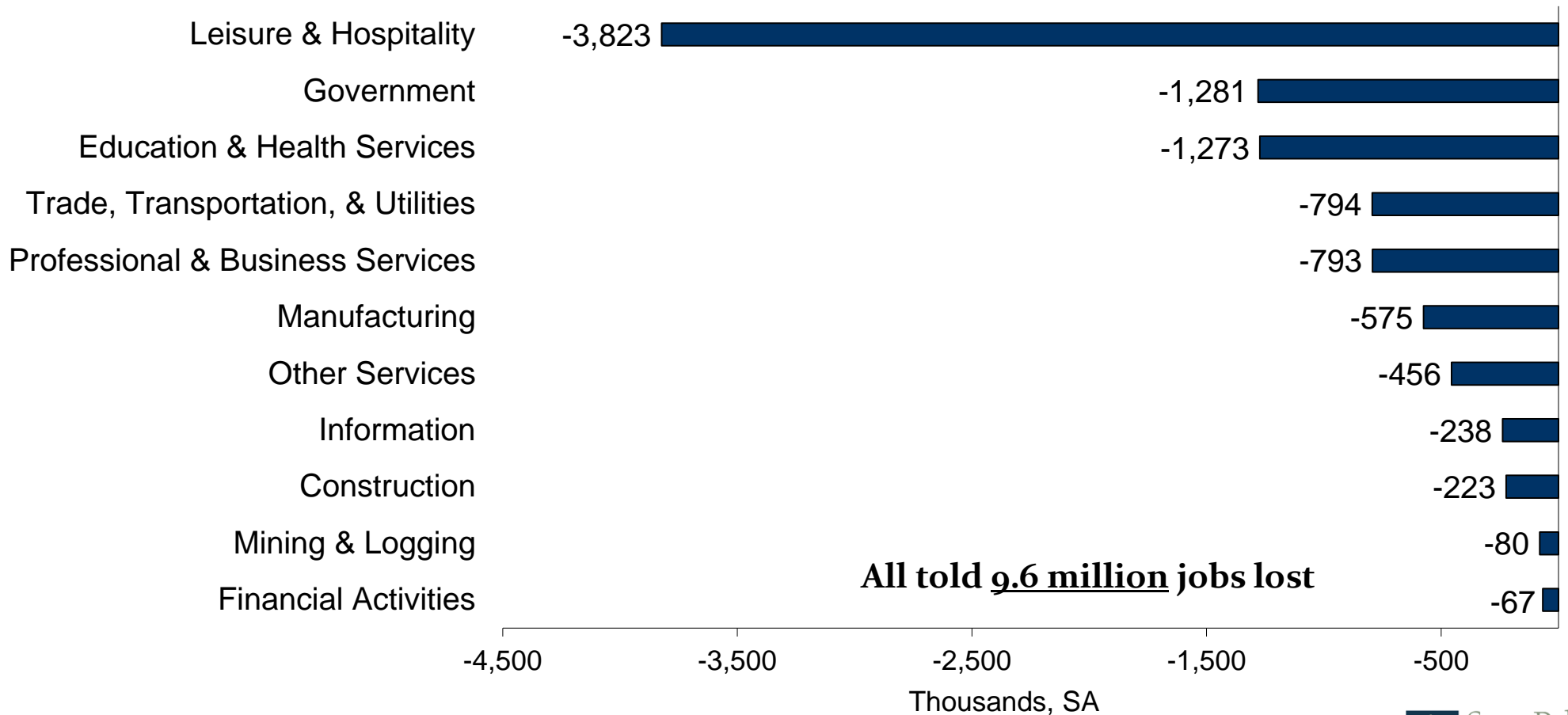
# Net Change in U.S. Jobs

## January 2002 – January 2021



# National Nonfarm Employment

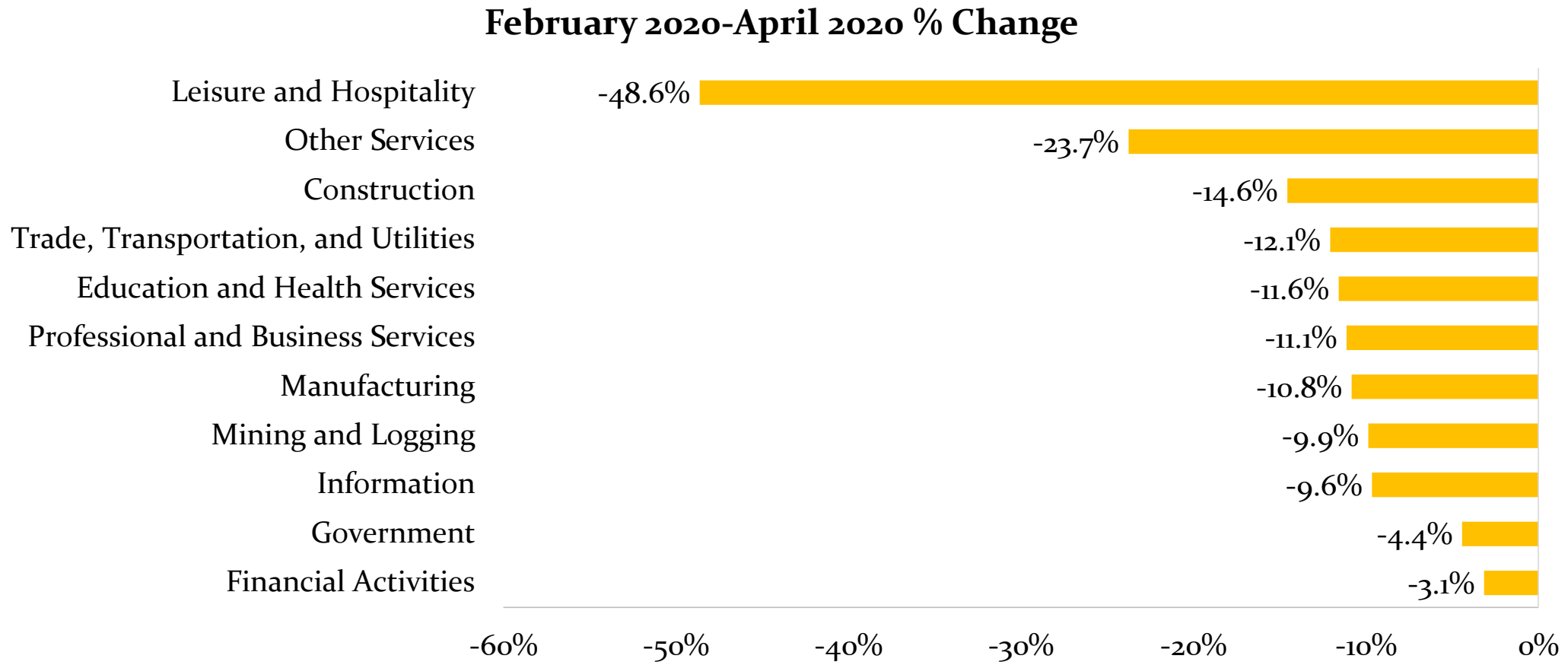
by Industry Sector, January 2020 v. January 2021





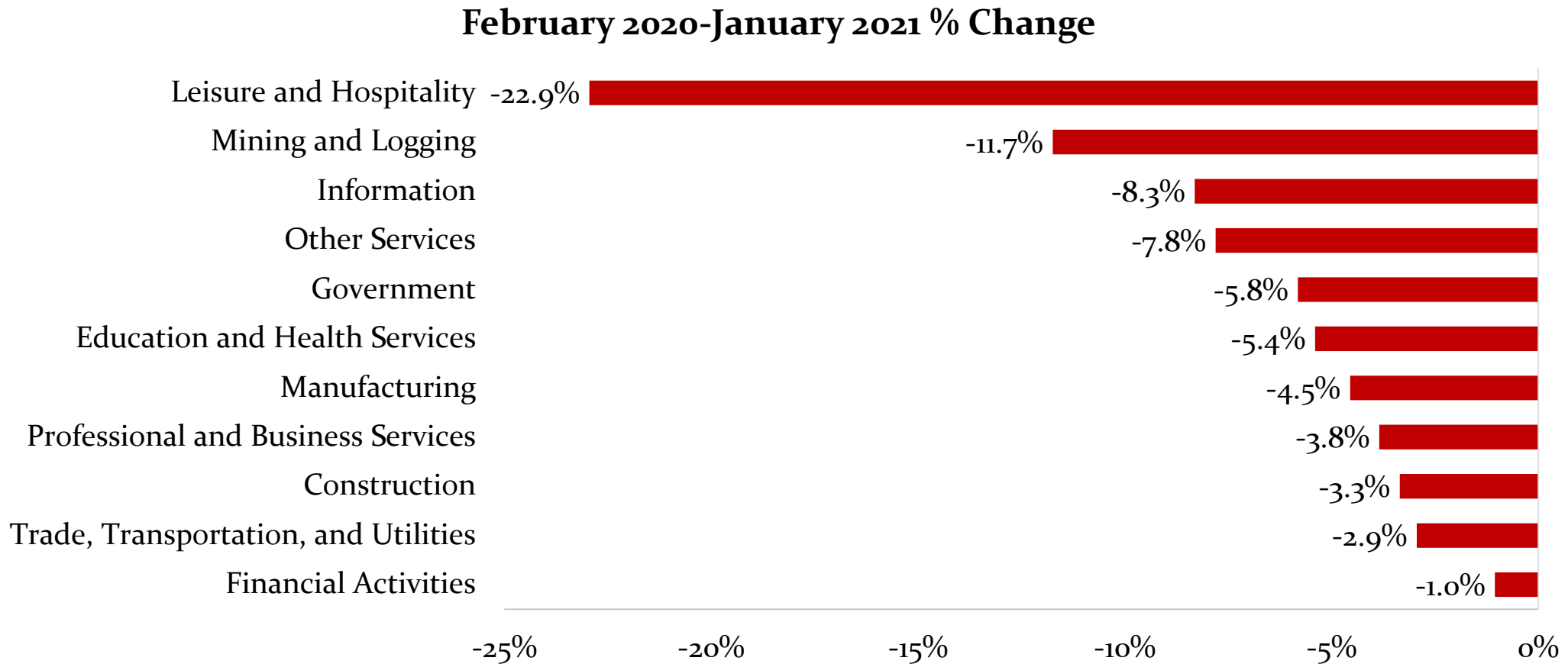
# U.S. Job Losses by Industry

## February 2020 to April 2020 % Change

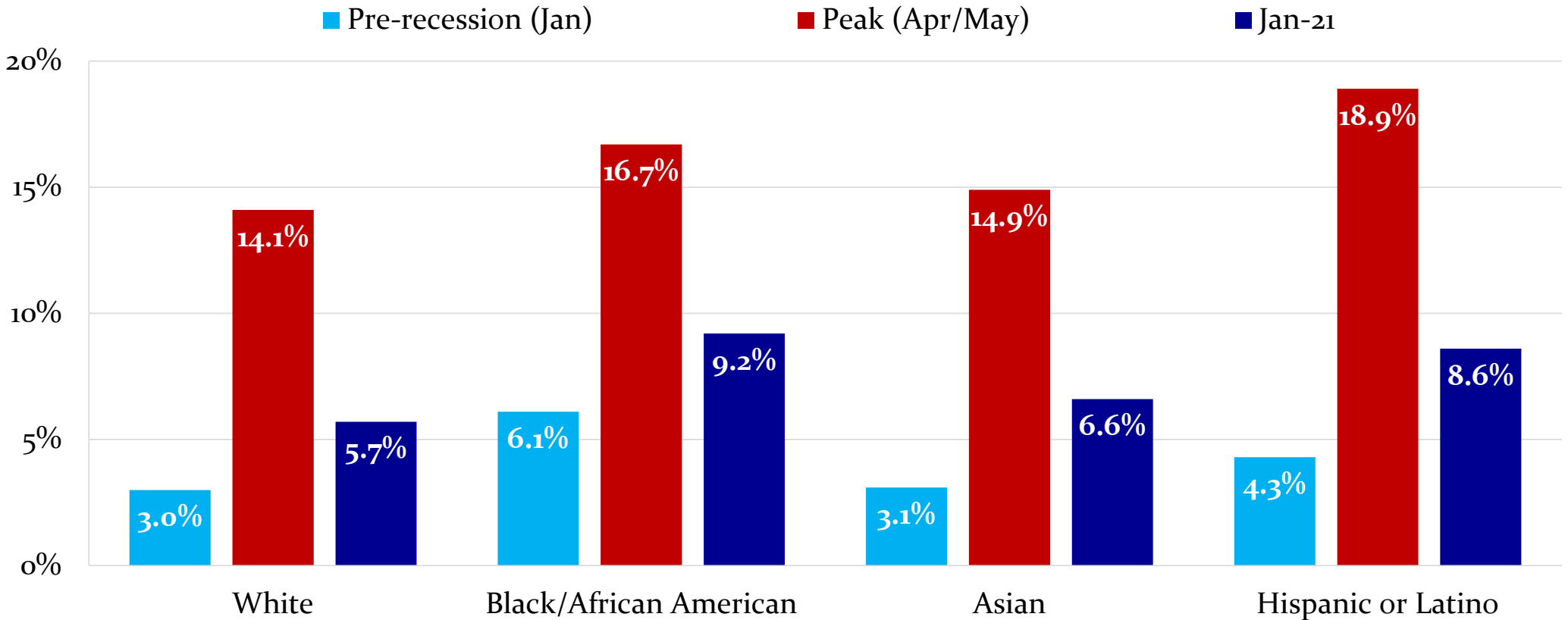


# U.S. Job Losses by Industry

February 2020 to January 2021 % Change



## Slythering Out of a Job - Most Impacted Groups by Race/Ethnicity 2020-2021 Monthly Unemployment Rates



# Employment Growth, 25 Largest Metros (NSA)

*December 2019 v. December 2020 Percent Change*

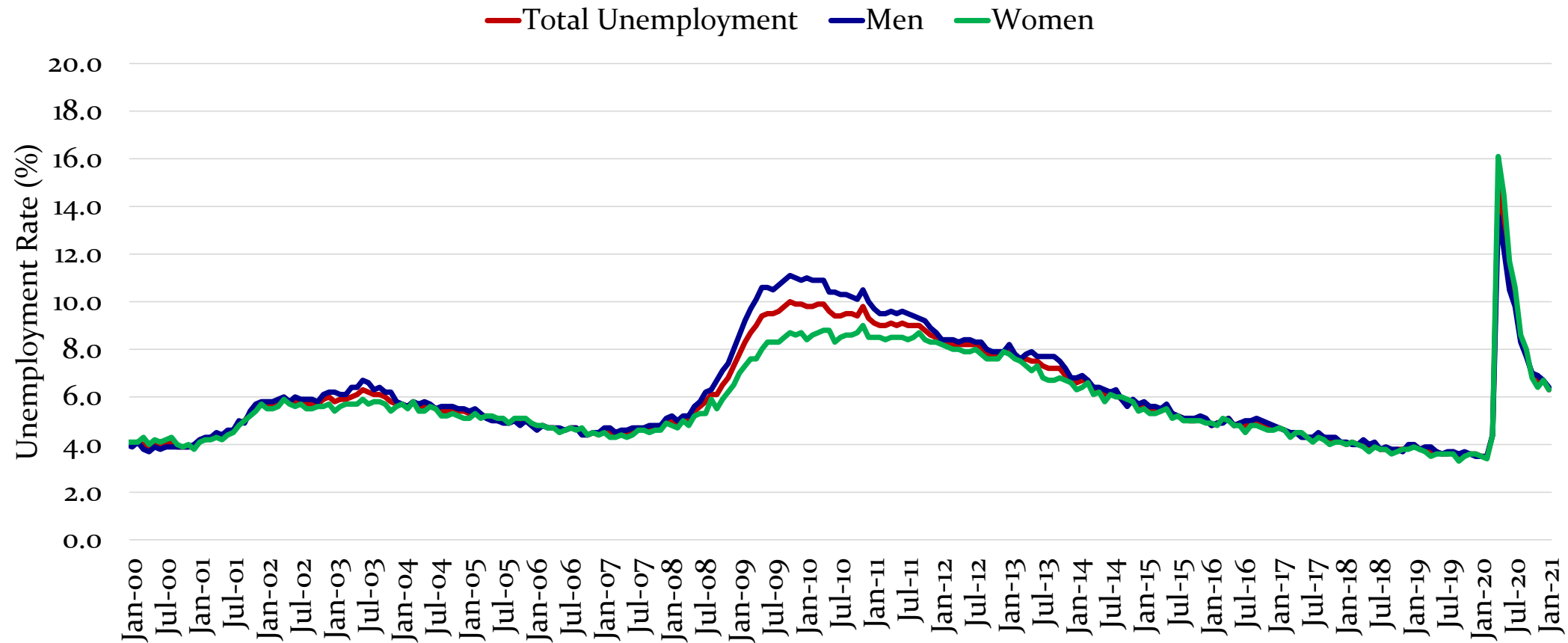
| Rank | MSA  | %    | Rank | MSA   | %     |
|------|--|------|------|---|-------|
| 1    | Dallas-Fort Worth-Arlington, TX              | -2.1 | 13   | San Diego-Carlsbad, CA                      | -6.9  |
| 2    | Phoenix-Mesa-Scottsdale, AZ                  | -2.3 | 14   | Riverside-San Bernardino-Ontario, CA        | -7.1  |
| 3    | Atlanta-Sandy Springs-Roswell, GA            | -2.5 | 14   | Seattle-Tacoma-Bellevue, WA                 | -7.1  |
| 4    | San Antonio-New Braunfels, TX                | -3.4 | 16   | Philadelphia-Camden-Wilmington, PA-NJ-DE-MD | -7.2  |
| 5    | Tampa-St. Petersburg-Clearwater, FL          | -3.6 | 17   | Chicago-Naperville-Elgin, IL-IN-WI          | -7.3  |
| 6    | Denver-Aurora-Lakewood, CO                   | -4.4 | 18   | Minneapolis-St. Paul-Bloomington, MN-WI     | -8.0  |
| 6    | Houston-The Woodlands-Sugar Land, TX         | -4.4 | 19   | Portland-Vancouver-Hillsboro, OR-WA         | -8.5  |
| 8    | St. Louis, MO-IL                             | -4.6 | 20   | Boston-Cambridge-Nashua, MA-NH              | -8.8  |
| 9    | Baltimore-Columbia-Towson, MD                | -5.0 | 20   | Los Angeles-Long Beach-Anaheim, CA          | -8.8  |
| 9    | Charlotte-Concord-Gastonia, NC-SC            | -5.0 | 22   | Orlando-Kissimmee-Sanford, FL               | -9.6  |
| 11   | Washington-Arlington-Alexandria, DC-VA-MD-WV | -5.2 | 23   | San Francisco-Oakland-Hayward, CA           | -9.7  |
|      |  |      | 24   | New York-Newark-Jersey City, NY-NJ-PA       | -10.0 |
| 12   | Miami-Fort Lauderdale-West Palm Beach, FL    | -6.2 | 25   | Detroit-Warren-Dearborn, MI                 | -10.9 |

***U.S. Year-over-year Percent Change***

***Dec: -6.1% Jan: -6.3%***

# U.S. Unemployment Rate

January 2000 – January 2021



# Unemployment Rates, 25 Largest Metros (NSA)

December 2020

| Rank | MSA  | %   | Rank | MSA                                       | %    |
|------|--|-----|------|---|------|
| 1    | Minneapolis-St. Paul-Bloomington, MN-WI      | 4.5 | 13   | Miami-Fort Lauderdale-West Palm Beach, FL | 6.7  |
| 2    | Tampa-St. Petersburg-Clearwater, FL          | 5.2 | 14   | Orlando-Kissimmee-Sanford, FL             | 6.9  |
| 3    | Atlanta-Sandy Springs-Roswell, GA            | 5.4 | 14   | Phoenix-Mesa-Scottsdale, AZ               | 6.9  |
| 4    | Baltimore-Columbia-Towson, MD                | 5.6 | 16   | San Francisco-Oakland-Hayward, CA         | 7.0  |
| 4    | Washington-Arlington-Alexandria, DC-VA-MD-WV | 5.6 | 17   | Seattle-Tacoma-Bellevue, WA               | 7.2  |
| 6    | Charlotte-Concord-Gastonia, NC-SC            | 5.8 | 18   | Houston-The Woodlands-Sugar Land, TX      | 8.0  |
| 7    | St. Louis, MO-IL                             | 5.9 | 18   | San Diego-Carlsbad, CA                    | 8.0  |
| 8    | Portland-Vancouver-Hillsboro, OR-WA          | 6.1 | 20   | Chicago-Naperville-Elgin, IL-IN-WI        | 8.1  |
| 9    | Dallas-Fort Worth-Arlington, TX              | 6.3 | 21   | New York-Newark-Jersey City, NY-NJ-PA     | 8.4  |
| 10   | San Antonio-New Braunfels, TX                | 6.4 | 22   | Denver-Aurora-Lakewood, CO                | 8.5  |
| 11   | Boston-Cambridge-Nashua, MA-NH               | 6.5 | 23   | Riverside-San Bernardino-Ontario, CA      | 9.1  |
| 11   | Philadelphia-Camden-Wilmington, PA-NJ-DE-MD  | 6.5 | 24   | Los Angeles-Long Beach-Anaheim, CA        | 9.9  |
|      |  |     | 25   | Detroit-Warren-Dearborn, MI               | 10.1 |

**U.S. Unemployment Rate**

**Dec: 6.7% Jan: 6.3%**



# The Ministry Speaks



# COVID-19 Stimulus Packages

- **Coronavirus Aid, Relief, and Economic Security (CARES) Act (3/27/2020)**
  - More than \$2 trillion total
  - Direct payments to Americans: \$1,200
  - Extended/enhanced unemployment insurance program: \$600/week enhanced federal benefit
  - Loans and grants for small businesses: \$377 billion
  - Loans and grants for large businesses: \$510 billion
  - Direct aid to state and local governments: \$150 billion
  - Health care system: more than \$150 billion
- **Paycheck Protection Program and Health Care Enhancement Act (4/24/2020): \$483 billion**
- **Consolidated Appropriations Act, 2021 (12/27)**
  - More than \$900 billion for coronavirus assistance
  - Direct payments to Americans: \$600
  - Extended/enhanced unemployment insurance program: \$300/week enhanced federal benefit
  - Rental assistance: \$25 billion and an eviction moratorium extension
  - Loans and grants for small businesses: Approx. \$285 billion for Paycheck Protection Program; grants for theaters and other live venues: \$15 billion
  - Aid for schools and childcare: \$82 billion for K-12 schools and colleges; \$10 billion for childcare providers
  - SNAP: raises benefits by 15 percent for 6 months
  - Vaccine funding: \$28 billion for purchase and distribution of vaccine; \$20 billion to states for testing/contact tracing
  - Direct aid to state and local governments: No

## Policy Responses of the New Administration in Washington

### Biden's Plan for Jobs and Economic Recovery I

- In the near-term, Biden's team plans to secure further immediate relief to working families, small businesses, and communities, including:
  - Providing **state, local, and tribal governments** with the aid they need so educators, firefighters, and other essential workers aren't being laid off.
  - Extending COVID crisis **unemployment insurance** to help those who are out of work.
  - Providing a comeback package for Main Street **businesses and entrepreneurs**.

## Policy Responses of the New Administration in Washington

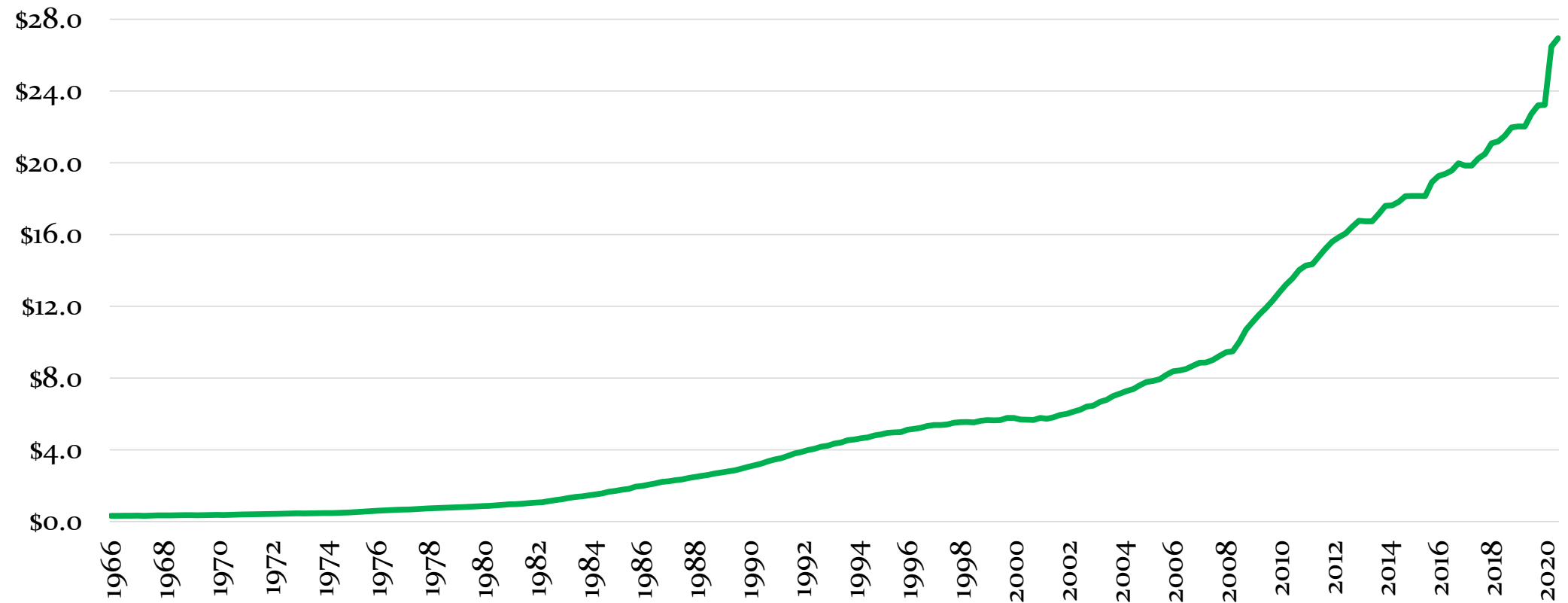
### Biden's Plan for Jobs and Economic Recovery II

- In the longer-term, the Biden plan intends to “mobilize the American people in service of four bold, national efforts to address four great national challenges”:
  - Mobilize American **manufacturing** and innovation to ensure that the future is made in America, and in all of America.
  - Mobilize American ingenuity to **build a modern infrastructure** and an equitable, clean energy future.
  - Mobilize American talent and heart to build a 21<sup>st</sup> century **caregiving and education workforce** which will help ease the burden of care for working parents, especially women.
  - Mobilize across the board to advance **racial equity** in America.

# Are We Being Dumbledore?

*U.S. Federal Debt (Total Public Debt), 1966 – 2020*

Federal Debt: Total Public Debt (\$ Trillions)





# COVID's Commercial Curse



Photo: Warner Bros. Studio Tour/Google



# Large Retail Bankruptcies in the U.S. in 2020

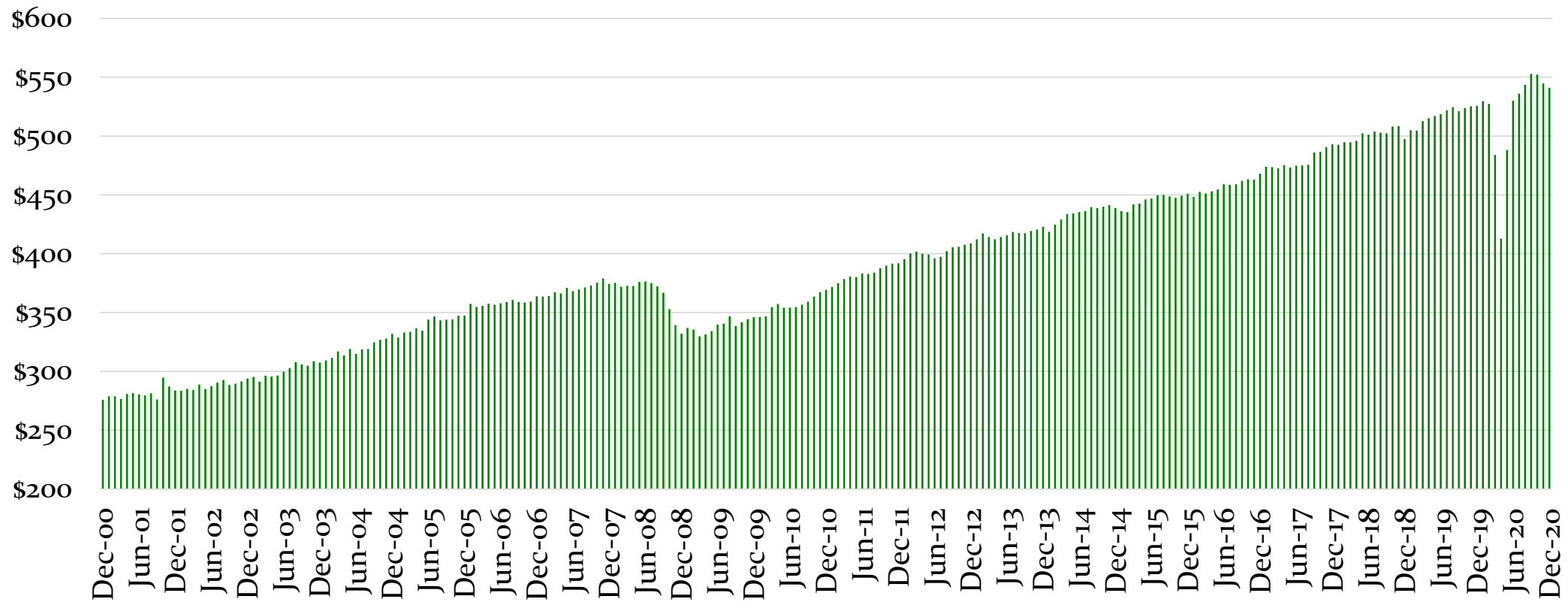
| Retailer/Company            | Date          | Retailer/Company          | Date           | Retailer/Company        | Date           |
|-----------------------------|---------------|---------------------------|----------------|-------------------------|----------------|
| Francesca's                 | 12/3/20       | <b>Brooks Brothers</b>    | <b>7/8/20</b>  | Rubie's Costume Co.     | 4/30/20        |
| Guitar Center               | 11/21/20      | Lucky Brand               | 7/3/20         | Roots USA               | 4/29/20        |
| Furla                       | 11/6/20       | Old Time Pottery          | 6/28/20        | N B L Textiles          | 4/24/20        |
| Furniture Factory Outlet    | 11/5/20       | BHS Foodservice Solutions | 6/26/20        | <b>True Religion</b>    | <b>4/13/20</b> |
| Emerald Health Bioceuticals | 10/20/20      | <b>GNC</b>                | <b>6/23/20</b> | Castella Imports        | 4/13/20        |
| Century 21                  | 9/10/20       | Fairn & Swanson           | 6/2/20         | Donghia                 | 3/30/20        |
| Interstate Commodities      | 8/26/20       | Liftoptia                 | 6/2/20         | CHIEF Supply            | 3/20/20        |
| Stein Mart                  | 8/12/20       | Libbey Glass              | 6/1/20         | Paddle8                 | 3/16/20        |
| <b>Lord &amp; Taylor</b>    | <b>8/2/20</b> | Tuesday Morning           | 5/27/20        | Generation Zero Group   | 3/13/20        |
| Tailored Brands             | 8/2/20        | Centric Brands            | 5/18/20        | Modell's Sporting Goods | 3/11/20        |
| Ascena                      | 7/23/20       | <b>J.C. Penney</b>        | <b>5/15/20</b> | Bluestem Brands         | 3/9/20         |
| NTS W. USA                  | 7/22/20       | Stage Stores              | 5/10/20        | Art Van Furniture       | 3/8/20         |
| Occasion Brands             | 7/22/20       | <b>Neiman Marcus</b>      | <b>5/7/20</b>  | <b>Pier 1 Imports</b>   | <b>2/17/20</b> |
| The Paper Store             | 7/14/20       | John Varvatos             | 5/6/20         | The Worth Collection    | 2/14/20        |
| RTW Retailwinds             | 7/13/20       | CD II Fashions            | 5/4/20         | Must Cure Obesity       | 1/31/20        |
| Muji USA                    | 7/10/20       | <b>J. Crew</b>            | <b>5/4/20</b>  | Papyrus                 | 1/23/20        |
| Sur La Table                | 7/8/20        | J. Hilburn                | 4/30/20        | Armadio                 | 1/15/20        |

Source: S&P Global Market Intelligence. Notes: 1. S&P Global Market Intelligence's bankruptcy coverage is limited to public companies or private companies with public debt where either assets or liabilities at the time of bankruptcy filing are greater than or equal to \$2 million, or private companies where either assets or liabilities at the time of bankruptcy filing are greater than or equal to \$10 million.

# U.S. Retail Sales

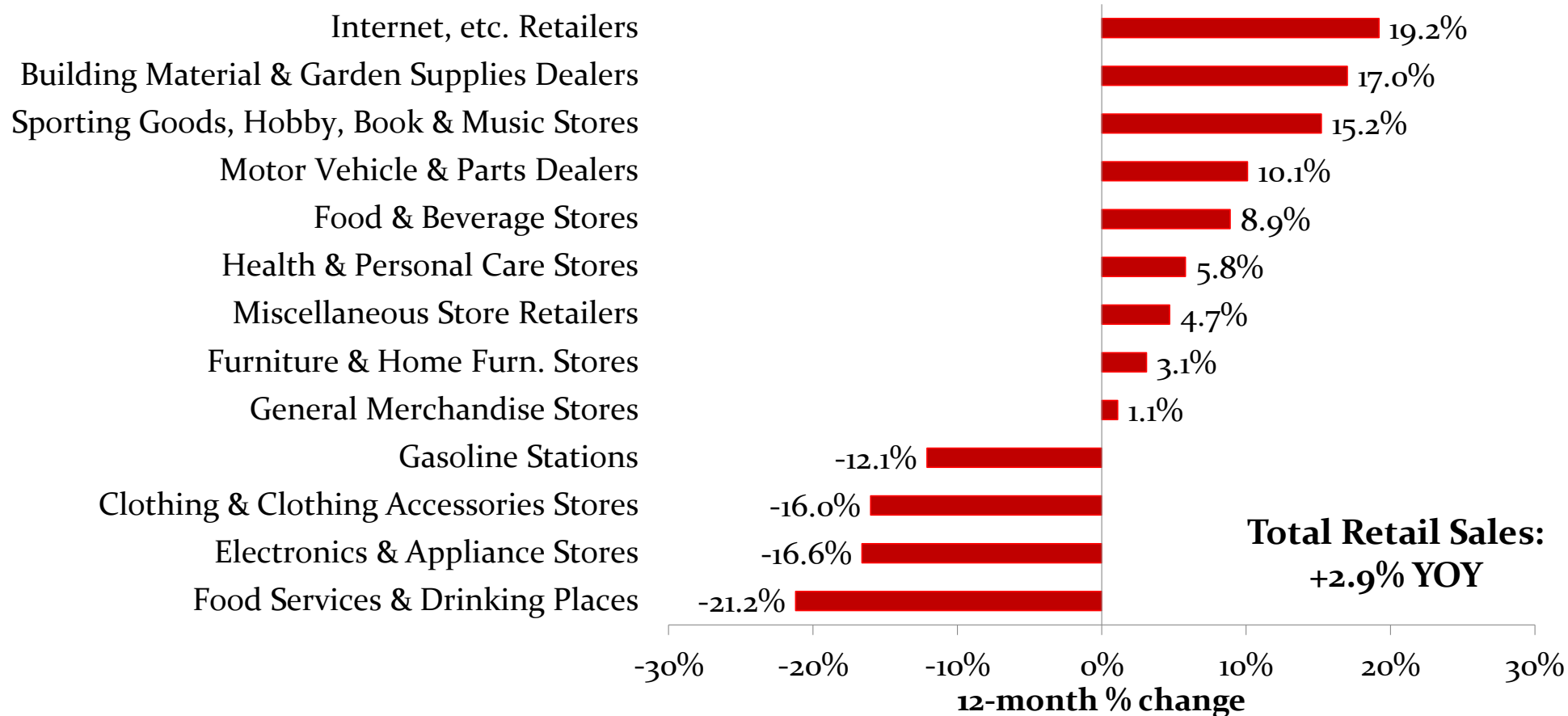
December 2000 – December 2020

Retail Sales (\$Billions)



# U.S. Retail Sales by Type of Business

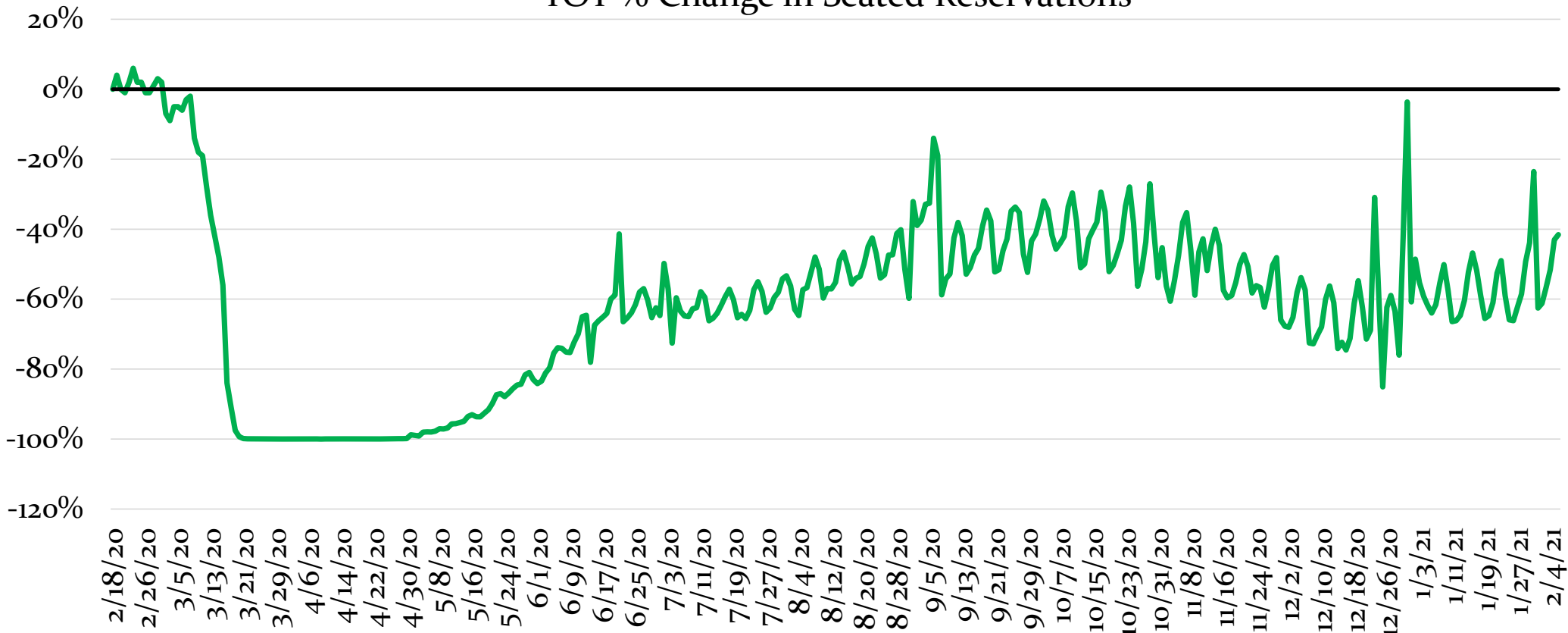
*December 2019 v. December 2020 % Change*



# U.S. Restaurant Reservations (Seated Diners)

YOY % Change, February 2020 – February 2021

YOY % Change in Seated Reservations



I'm in  
Ravenclaw  
House!



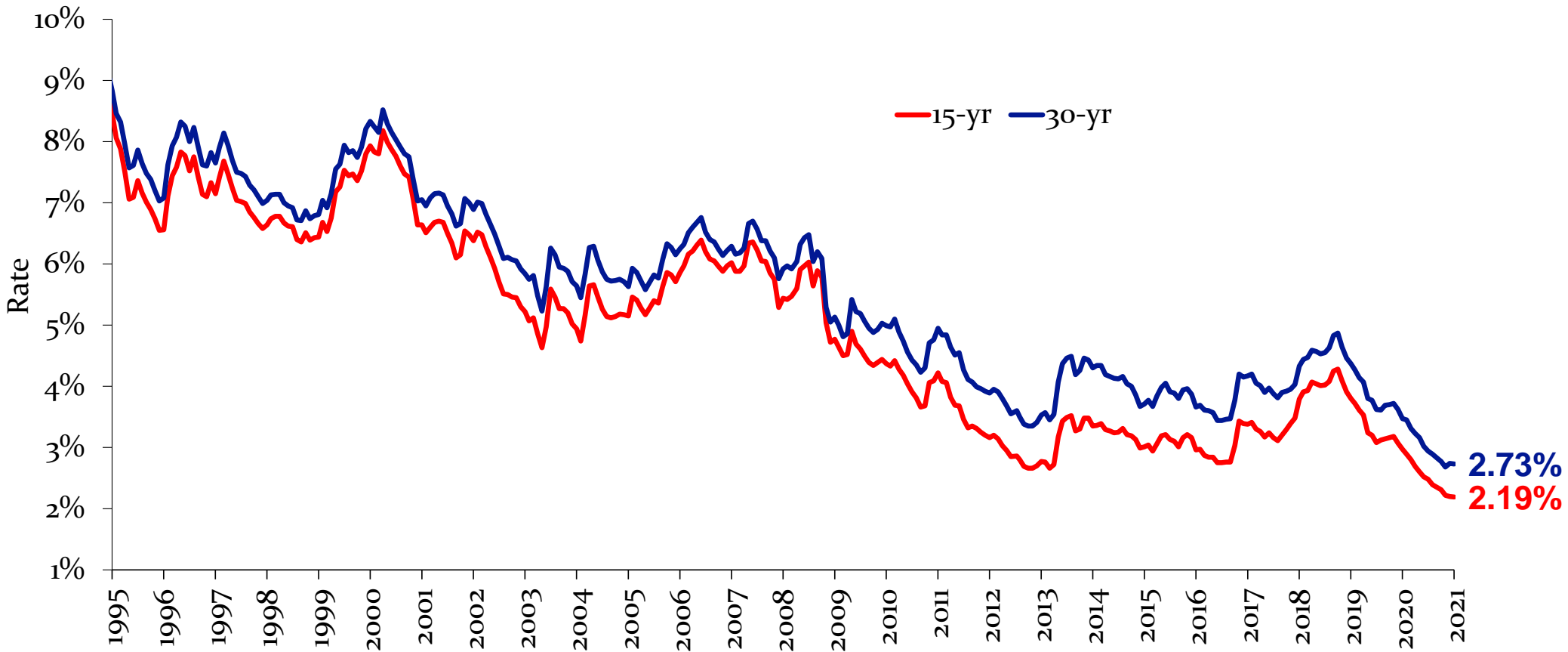
Photo: Clipartkey.com



Sage Policy  
Group, Inc.

# 15-Year & 30-Year Fixed Mortgage Rates

February 1995 – February 2021\*

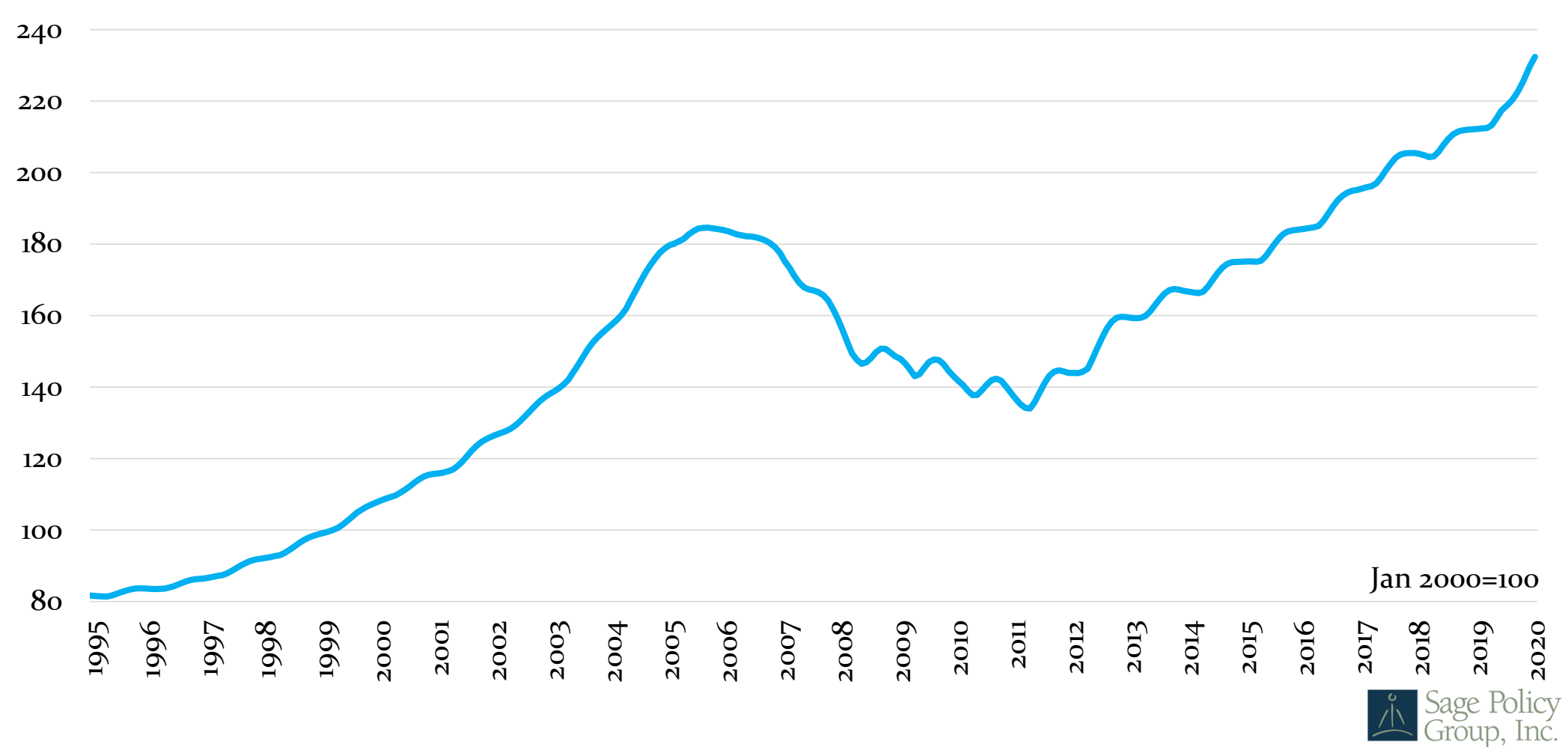


\*Week ending 2/11/2021



# S&P Case-Shiller U.S. National Home Price Index

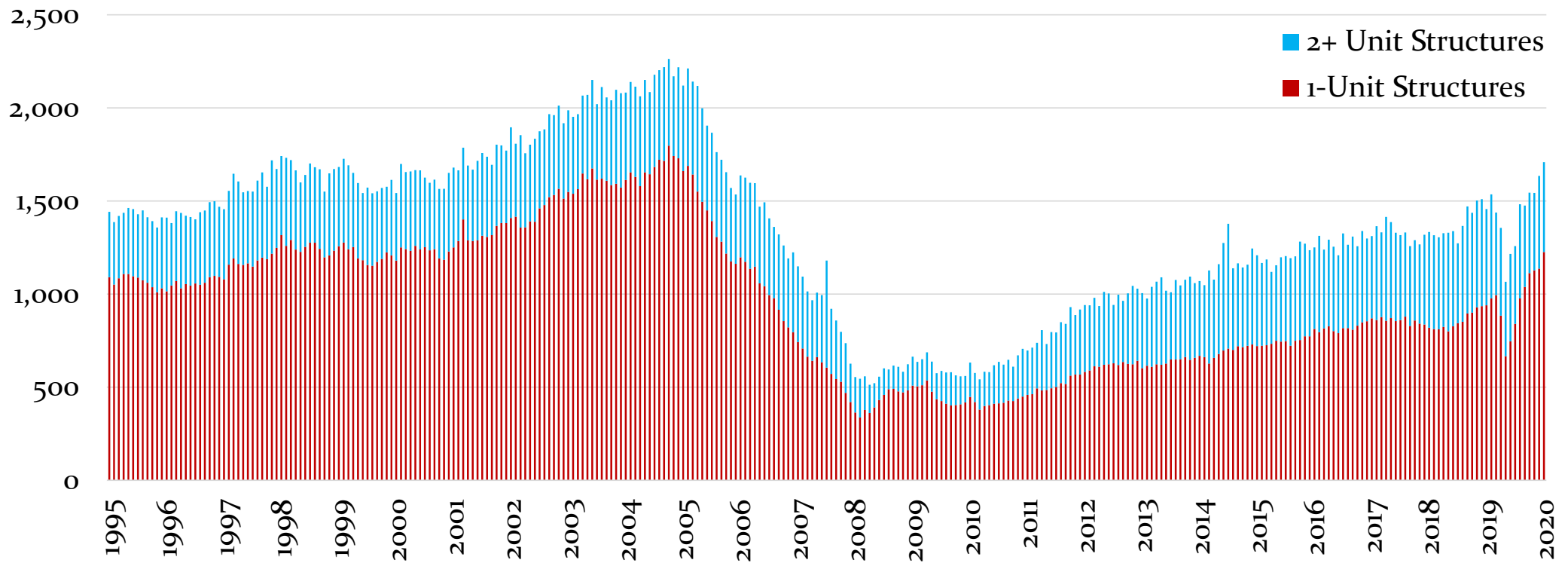
November 1995 – November 2020



# U.S. Residential Building Permits

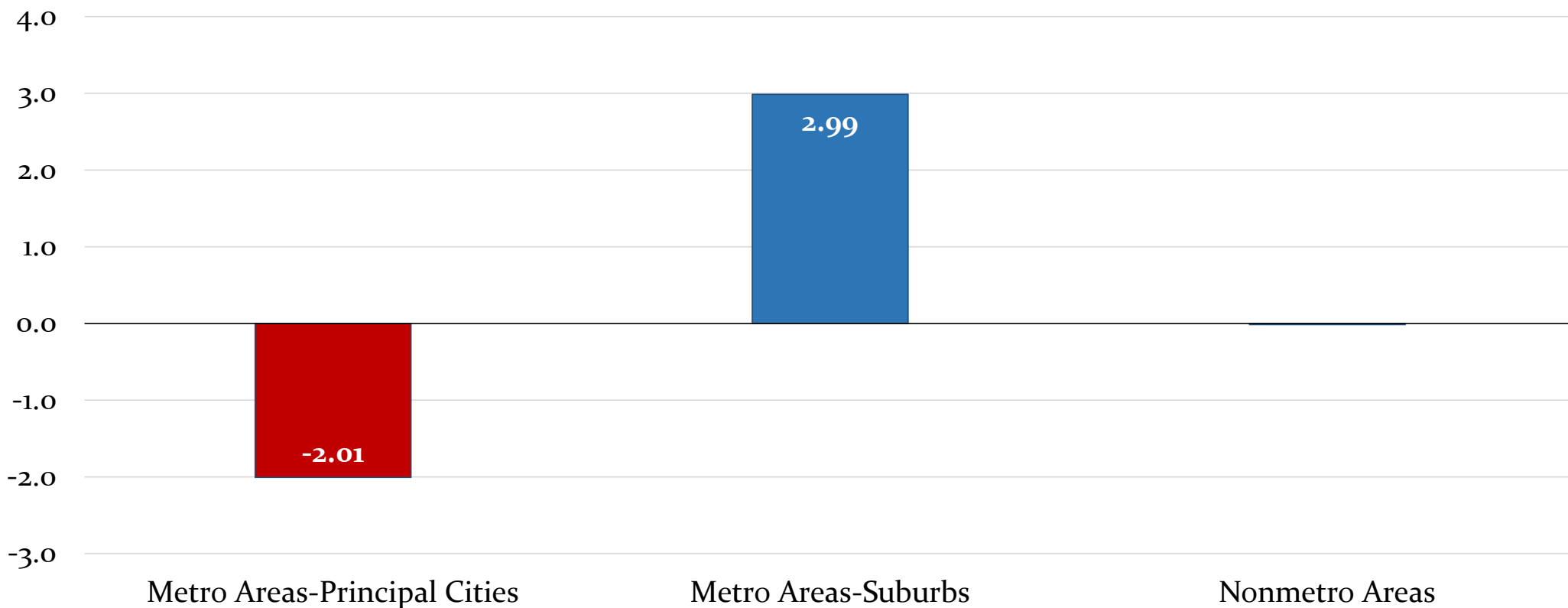
December 1995 – December 2020

Building Permits (ooo's of Units)



# U.S. Net Migration in Metropolitan Areas, 2019 to 2020

2019 to 2020 net migration including movers from abroad (millions)



# Observed Rent Declines in Major U.S. Cities

*Rent Changes in Select U.S. Cities, March to December 2020*

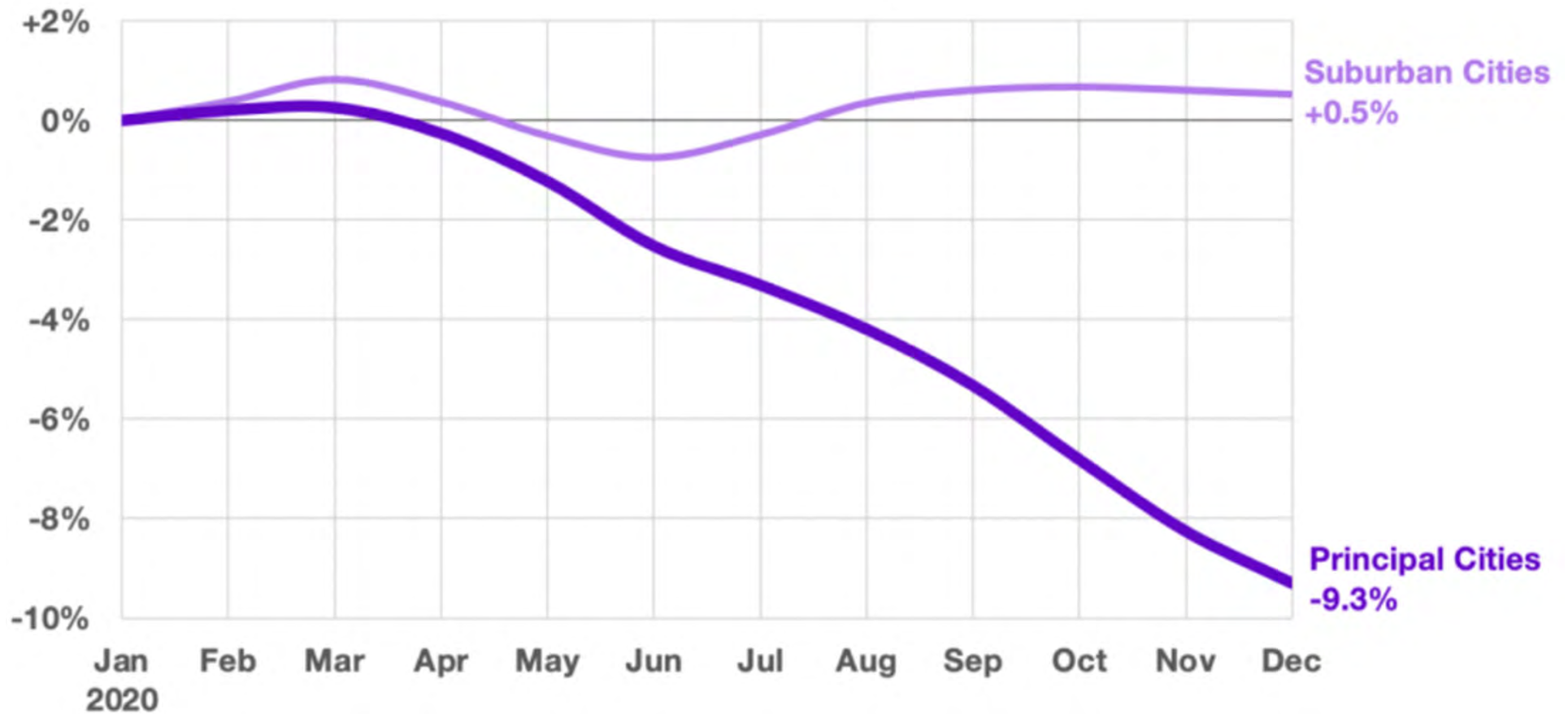
## Largest Rent Declines/Increases among 50 largest U.S. cities by population

| City              | Rent Growth Since March | City                 | Rent Growth Since March |
|-------------------|-------------------------|----------------------|-------------------------|
| San Francisco, CA | -26.7%                  | Fresno, CA           | 7.9%                    |
| Seattle, WA       | -22.0%                  | Albuquerque, NM      | 7.1%                    |
| Boston, MA        | -20.6%                  | Memphis, TN          | 6.7%                    |
| New York, NY      | -19.9%                  | Tucson, AZ           | 6.1%                    |
| Washington, DC    | -15.3%                  | Virginia Beach, VA   | 5.7%                    |
| San Jose, CA      | -15.2%                  | Las Vegas, NV        | 5.2%                    |
| Oakland, CA       | -14.2%                  | Arlington, TX        | 4.7%                    |
| Chicago, IL       | -13.2%                  | Colorado Springs, CO | 4.4%                    |
| Minneapolis, MN   | -12.8%                  | El Paso, TX          | 4.1%                    |
| Los Angeles, CA   | -7.9%                   | Tulsa, OK            | 4.0%                    |

Rent declines are concentrated in large, expensive markets, while in affordable midsize cities, rent growth accelerates...

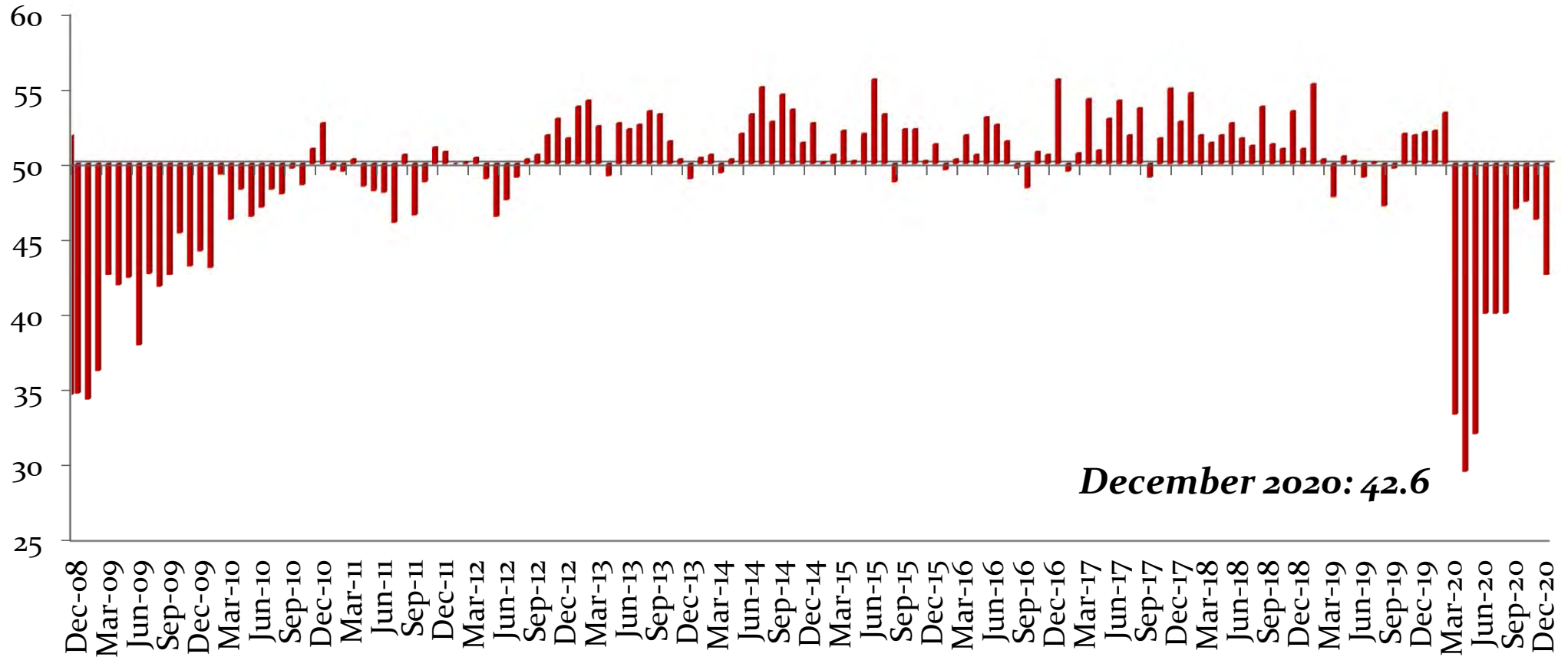
# Observed Rent Declines in Cities v. Suburbs

*Cumulative Rent Change in 2020*



# Architecture Billings Index

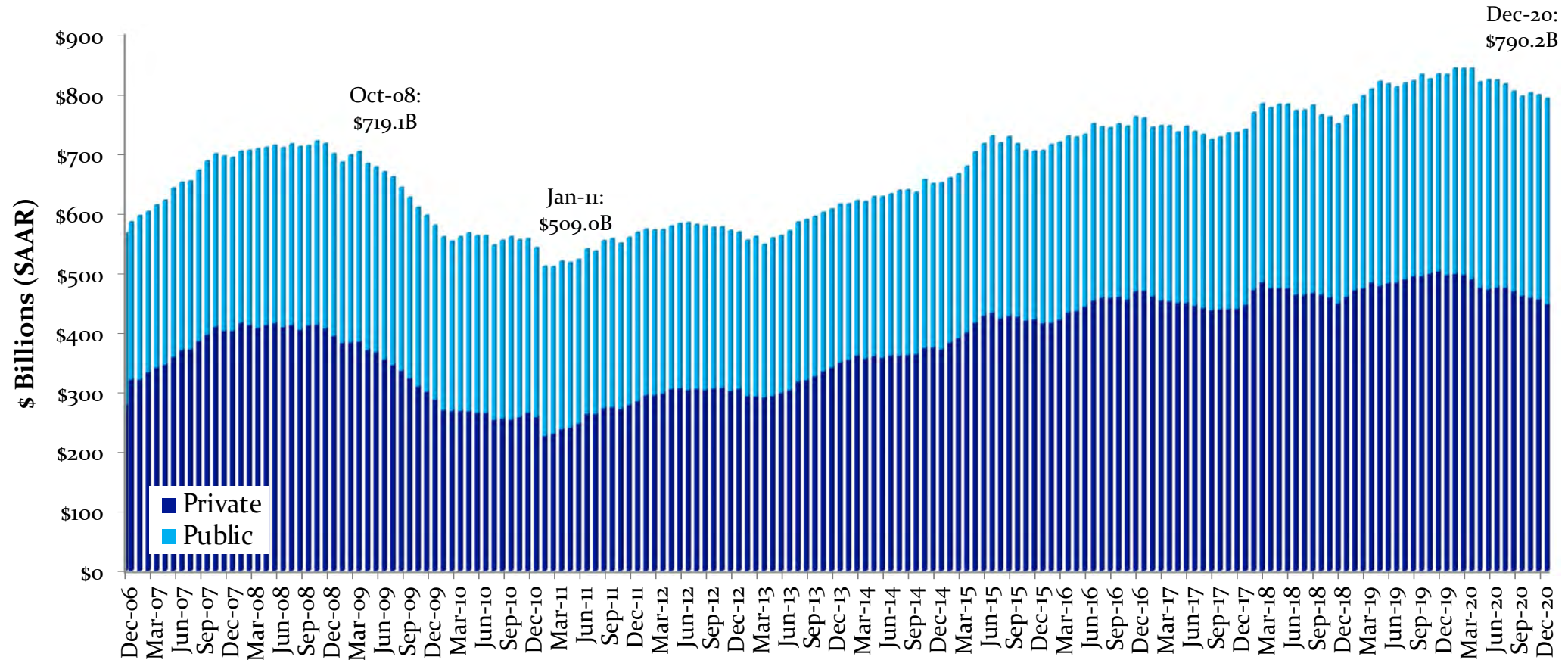
## December 2008 – December 2020





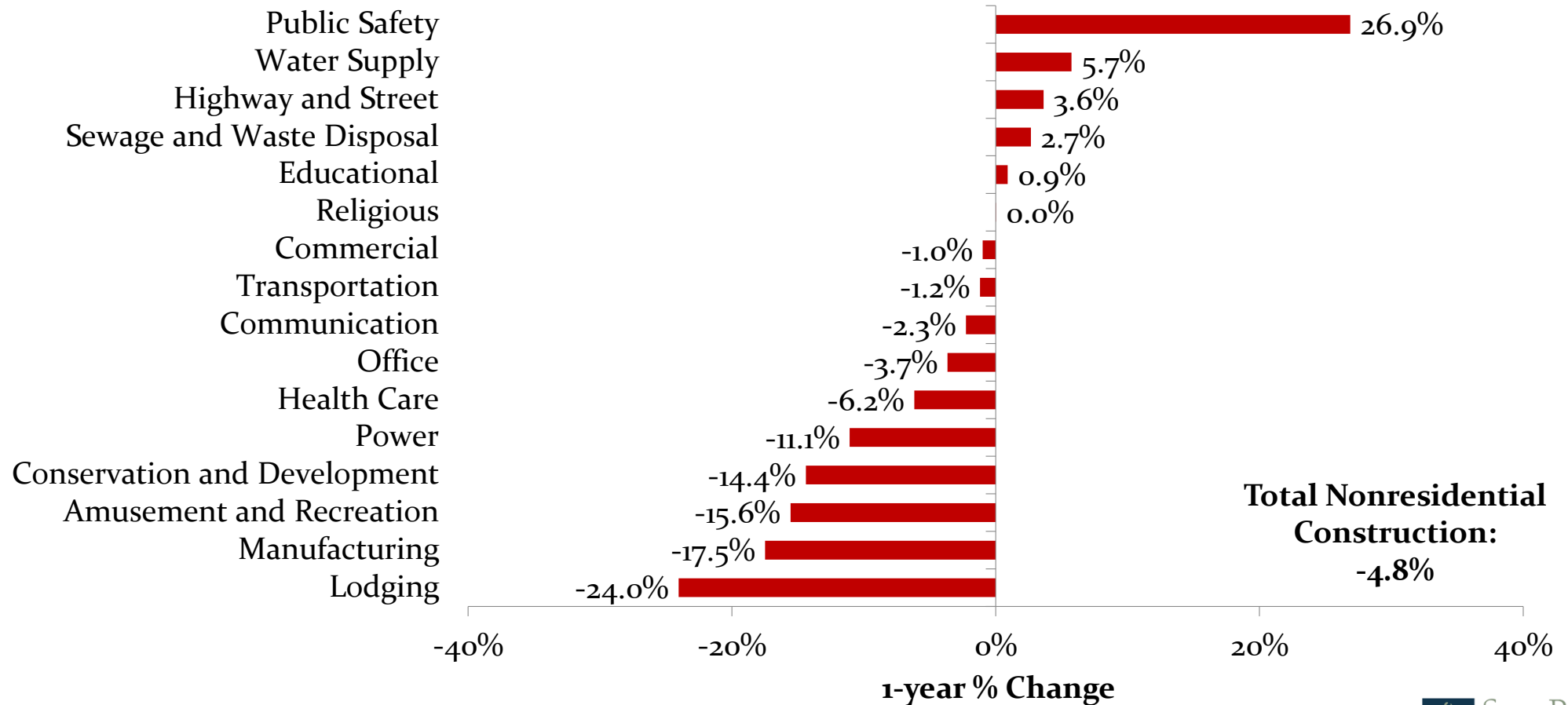
# Nonresidential Construction Put-in-Place

December 2006 – December 2020



# National Nonresidential Construction Spending by Subsector

December 2019 v. December 2020

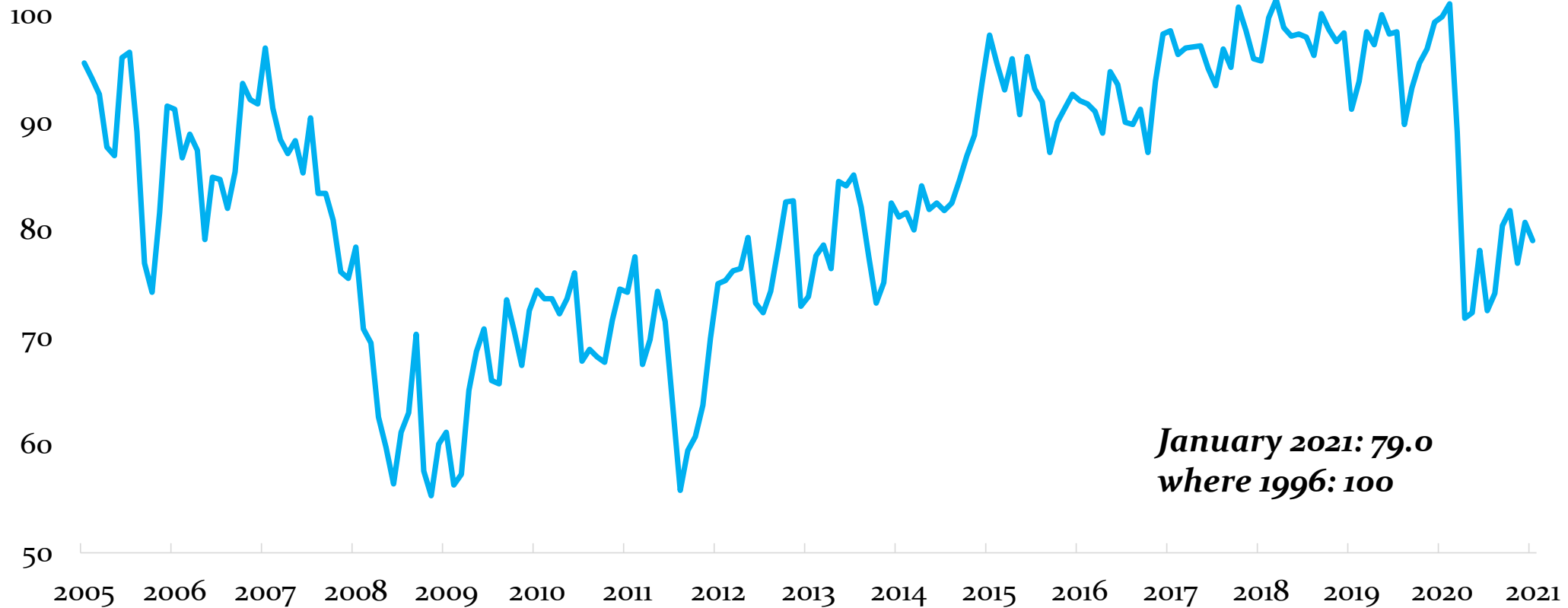


# The Crystal Ball



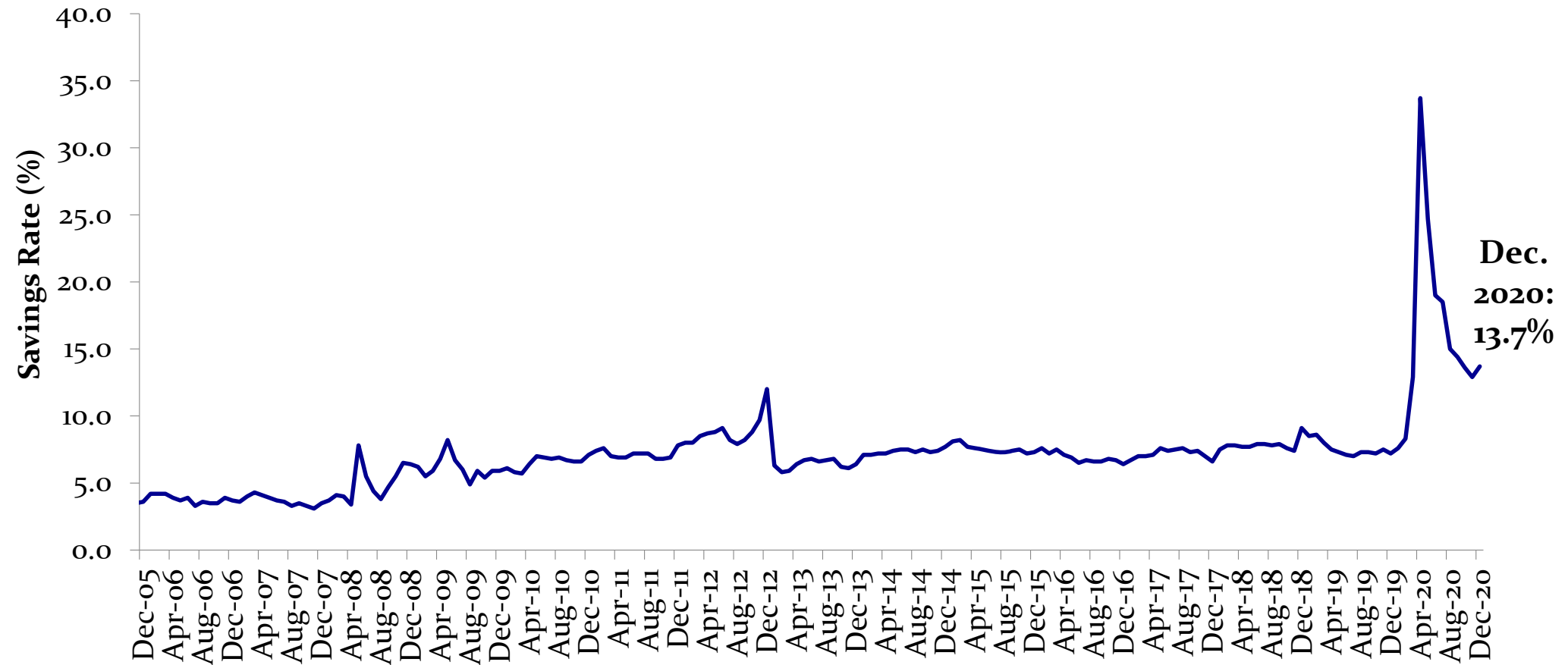
# University of Michigan Index of Consumer Sentiment

## 2005 – 2021



# U.S. Saving Rate, December 2005 – December 2020

*(Savings as Percentage of Personal Disposable Income)*

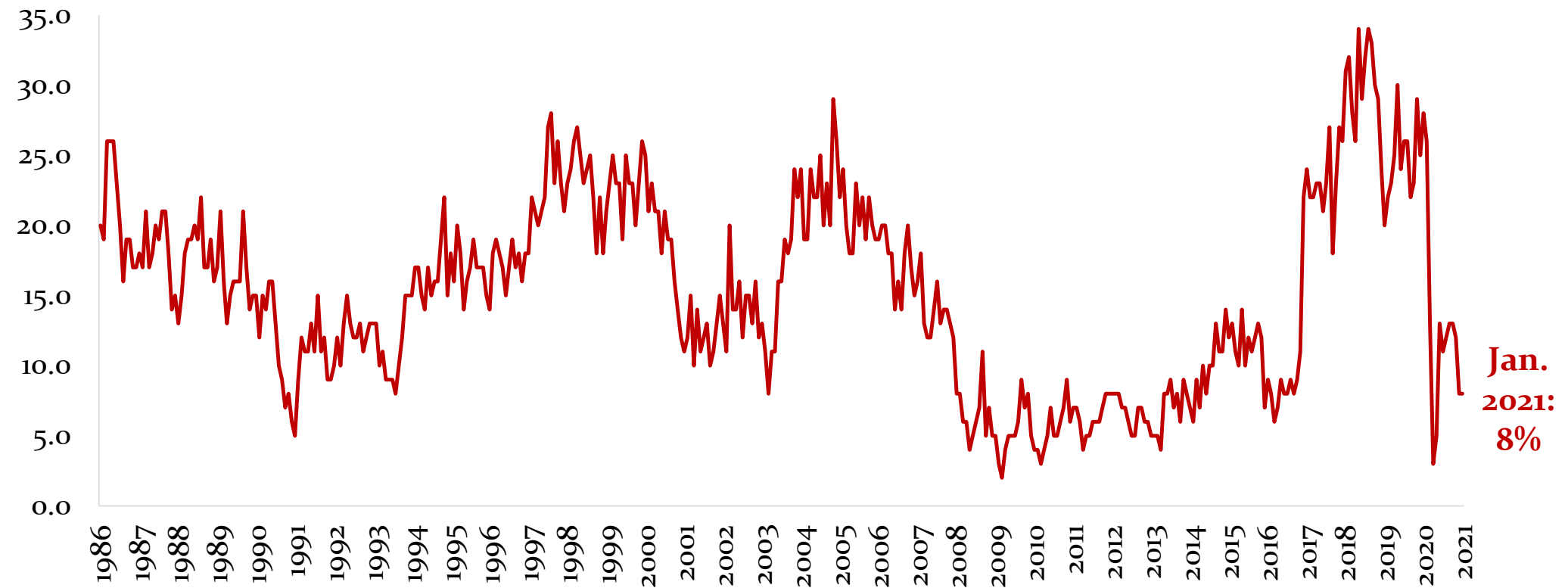


**Dec.  
2020:  
13.7%**

# NFIB Index of Small Business Optimism: Good Time to Expand

## 1986 – 2021

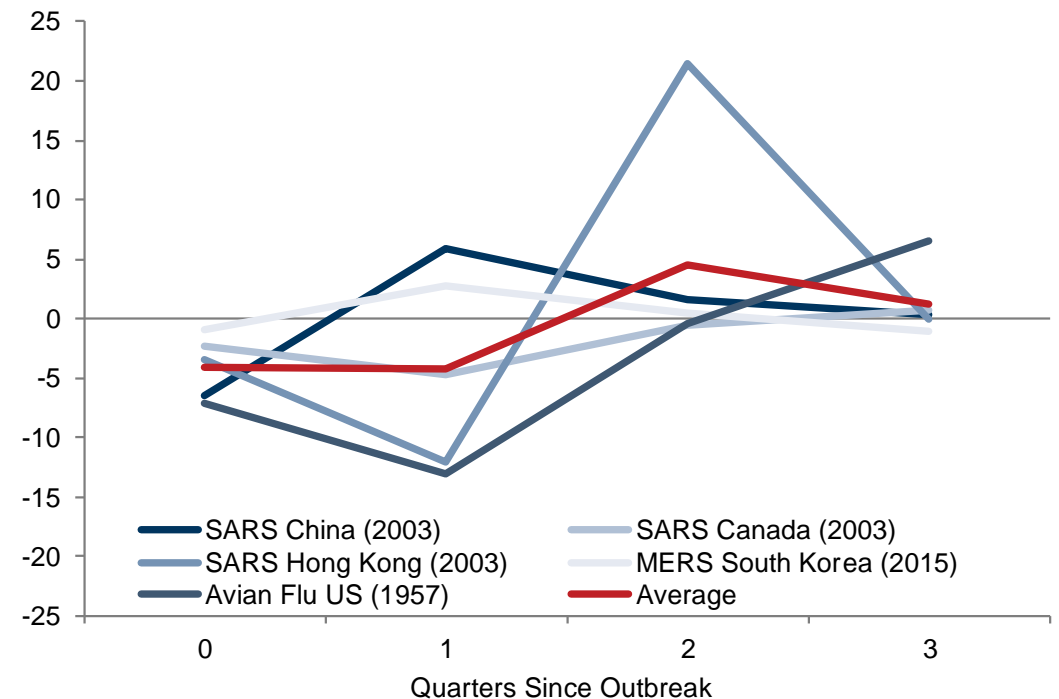
% of respondents who think the next 3 months will be a good time to for small business to expand



## Economic Impact of Past Pandemics – A Voldemort Curse

- Goldman Sachs analyzed GDP changes during other pandemics, including the 2003 SARS episodes in China, Hong Kong, and Canada, the 1957 Avian Flu in the U.S., and the 2015 MERS episode in South Korea.
- The average episode saw a GDP hit of 4-5% in the 1-2 quarters after the outbreak, though the variation was substantial.

Real GDP growth minus average growth over year before outbreak, pp



# The Sorcerer's Outlook

- For an economy to flourish, both demand and supply sides of economy must participate.
- With additional stimulus forthcoming, demand gets a boost, but supply will be constrained by additional lockdown measures, and not just in America.
- The result is that the U.S. savings rate will climb once again, spring loading the economy for rapid economic growth once vaccines become broadly available.
- The back half of 2021 should be spectacular for economic growth.
- However, there will be a day of reckoning as deficit hawks come back into fashion, creating the possibility of greater austerity during the years ahead.



# Thank You

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