

# Anirban Basu & The Chamber of Data



Photo: Fandom

**Toward the Post-Pandemic World**

**By: Anirban Basu**

MPP, MA, JD, PhD

**Sage Policy Group, Inc.**

**On Behalf of  
The National Insulation Association**

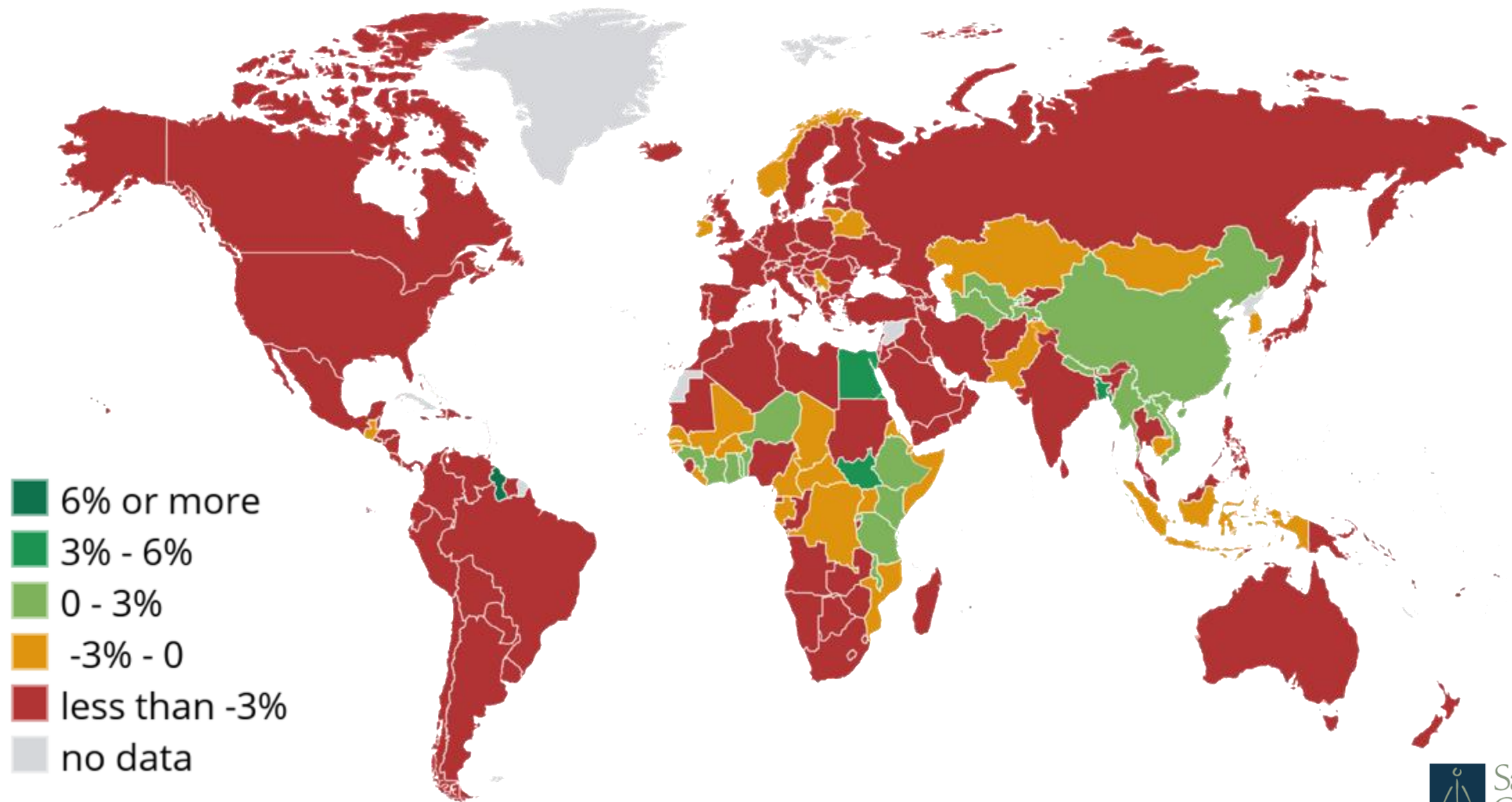
**March 16, 2021**

# The Prisoner of My-house- kaban



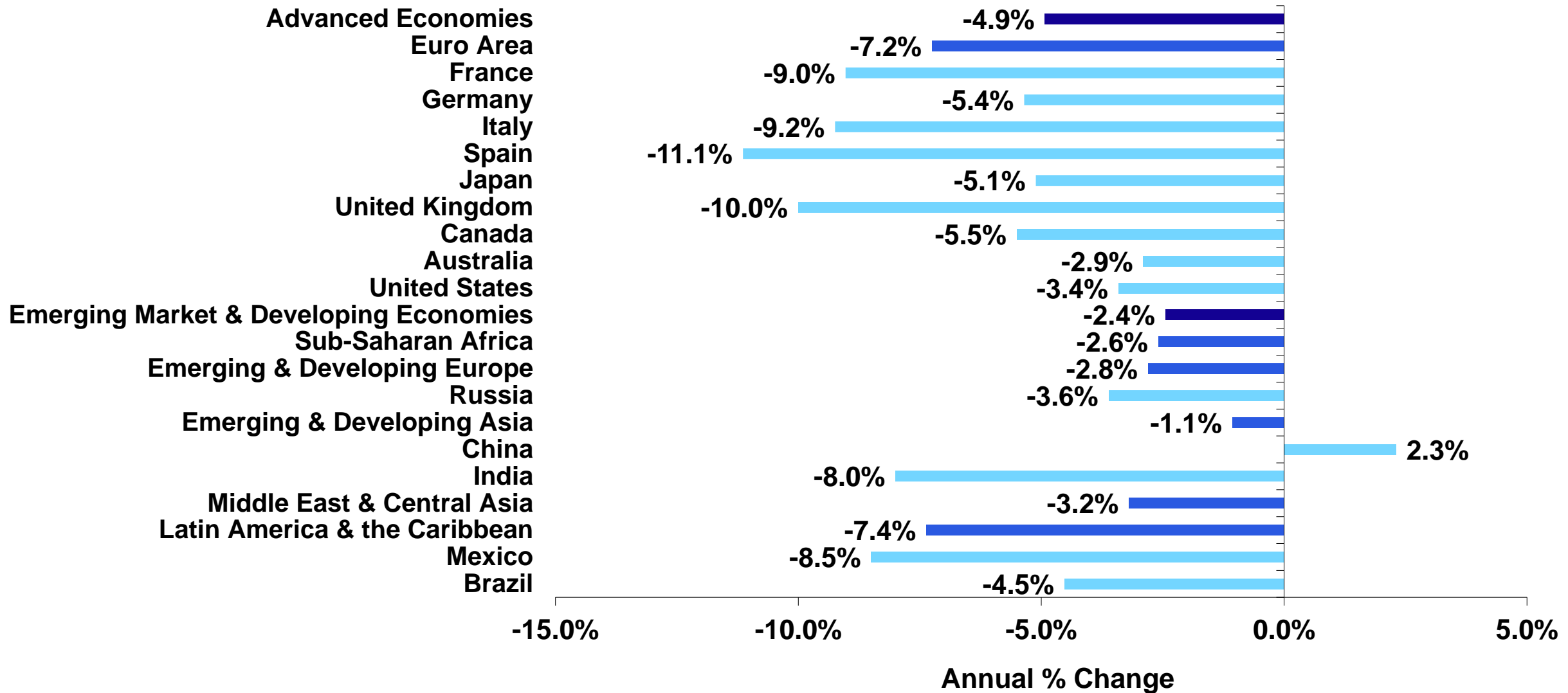
# A Global Economy Transfigured

## 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%**

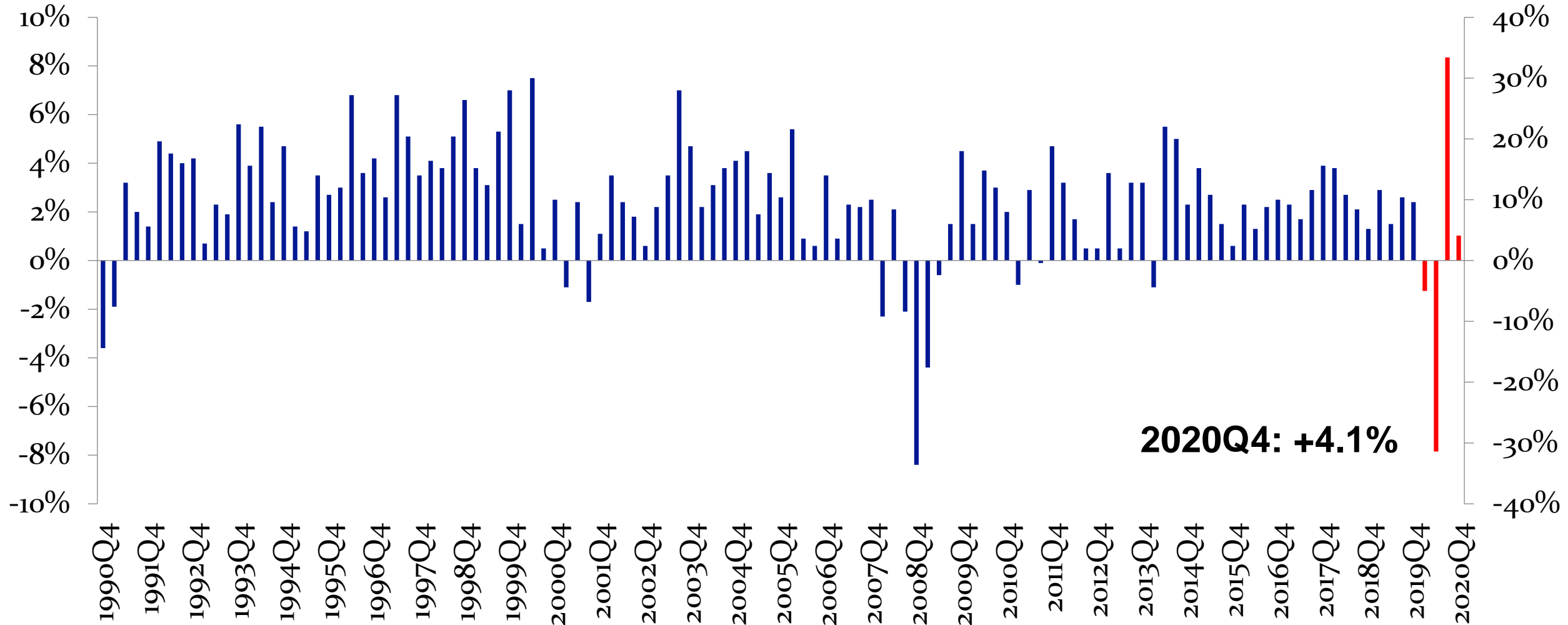
# Gross Domestic Product

1990Q4 – 2020Q4\*

1990-2019

% Change from Preceding Period (SAAR)

2020



2020Q4: +4.1%

# The Goblet of Lost Jobs

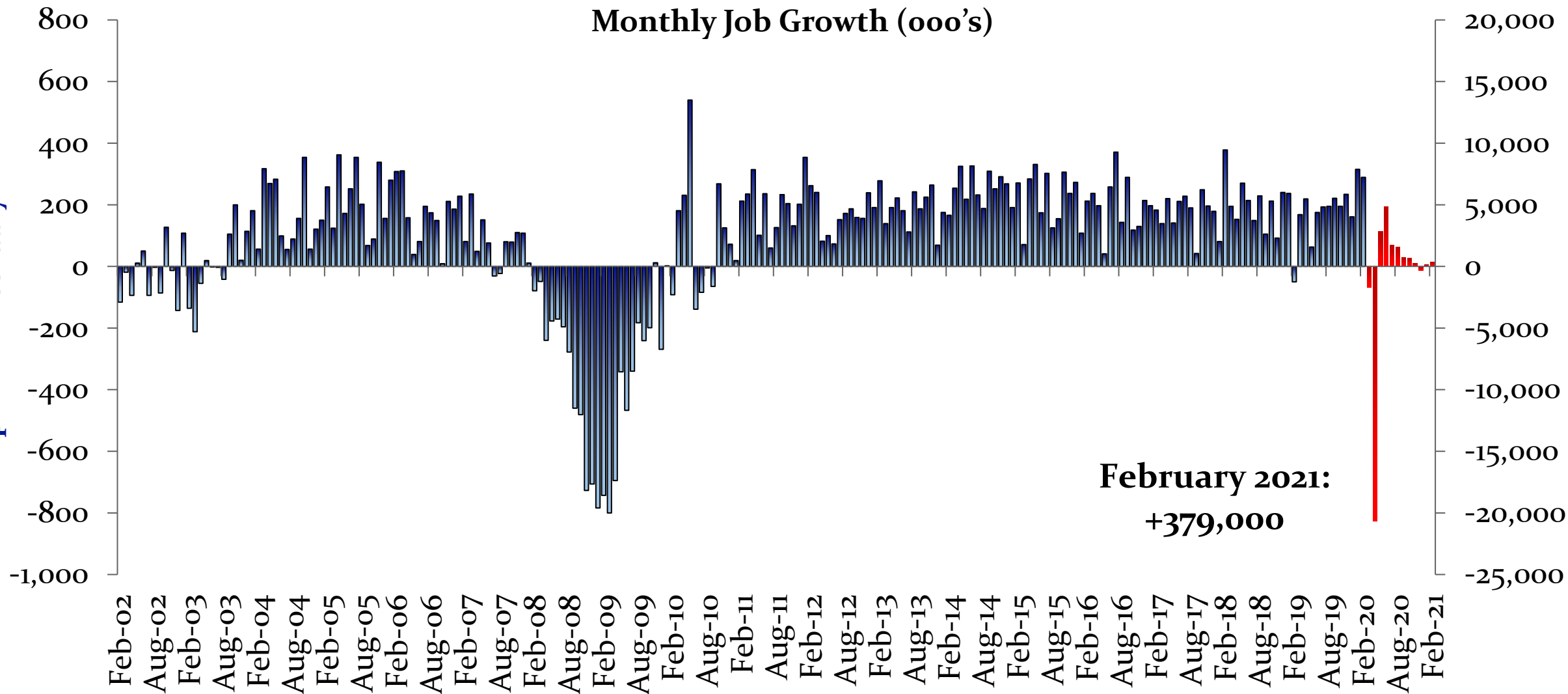


Photo: [Harrypotterfanzone.com](http://Harrypotterfanzone.com)

# Net Change in U.S. Jobs

## February 2002 – February 2021

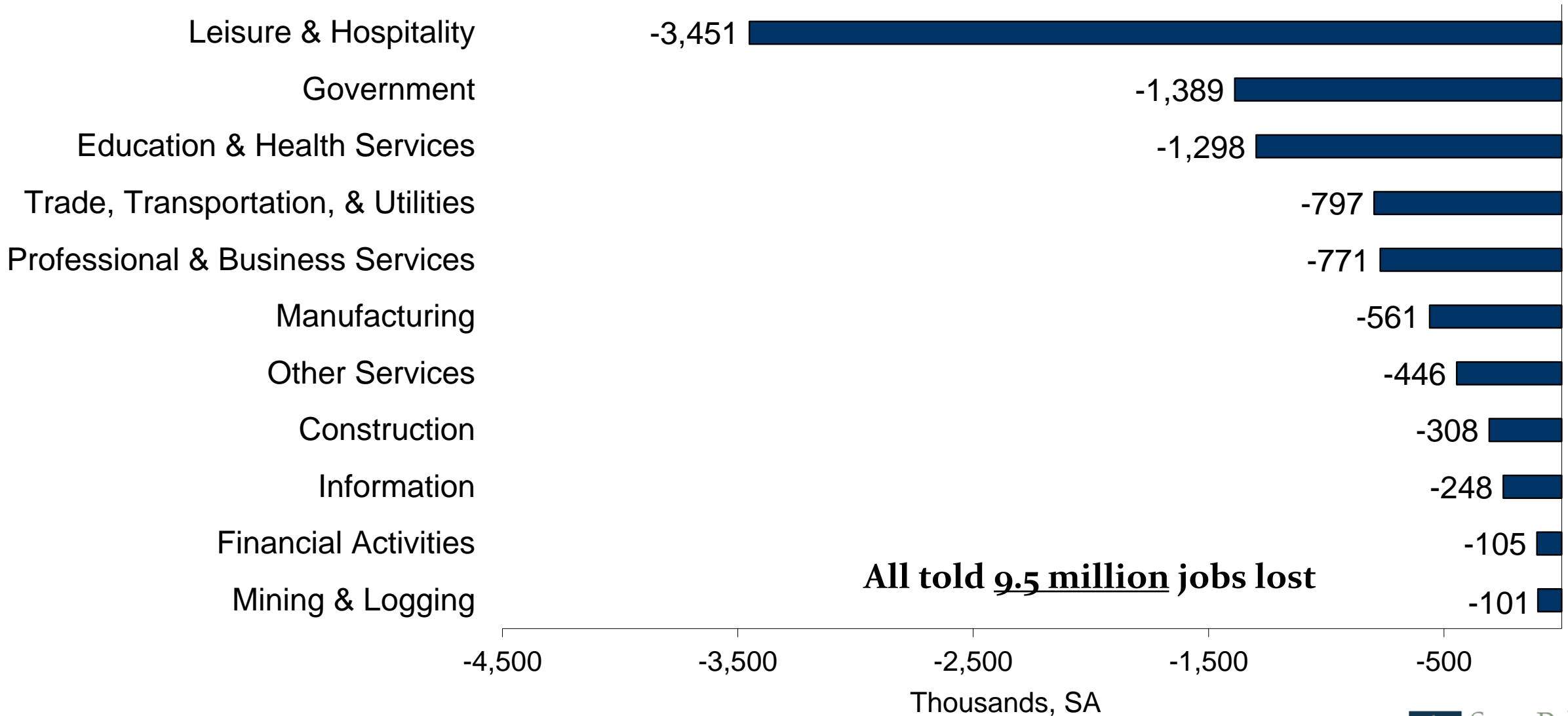
Monthly Job Growth (ooo's)



**February 2021:**  
**+379,000**

# National Nonfarm Employment

*by Industry Sector, February 2020 v. February 2021*

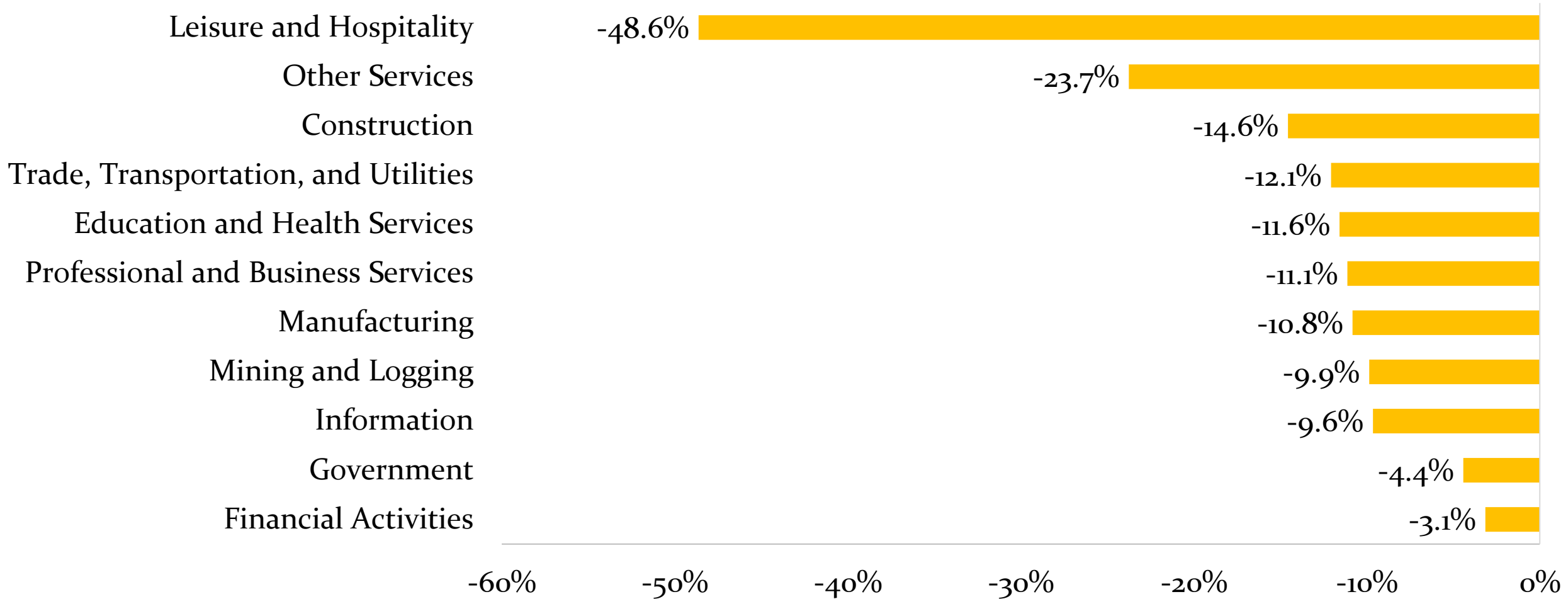




# U.S. Job Losses by Industry

## February 2020 to April 2020 % Change

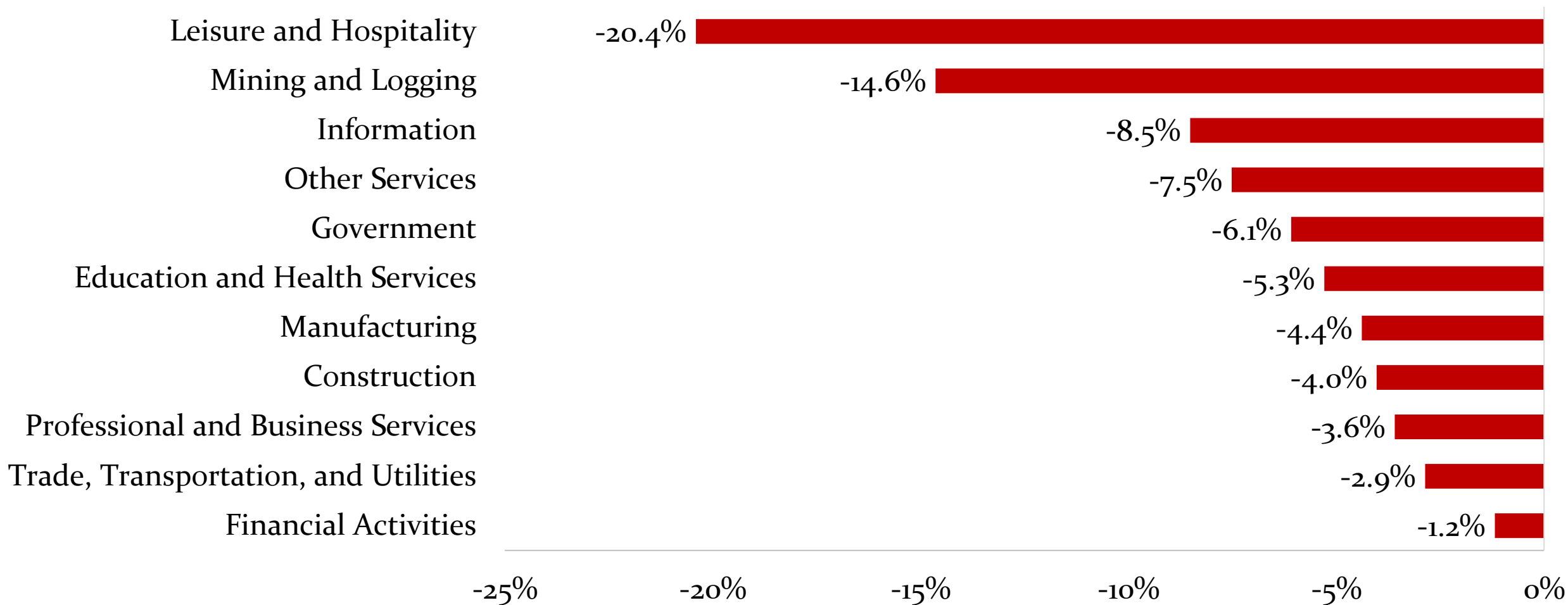
### February 2020-April 2020 % Change



# U.S. Job Losses by Industry

February 2020 to February 2021 % Change

## February 2020-February 2021 % Change



# Employment Growth, 25 Largest Metros (NSA)

*January 2020 v. January 2021 % Change*

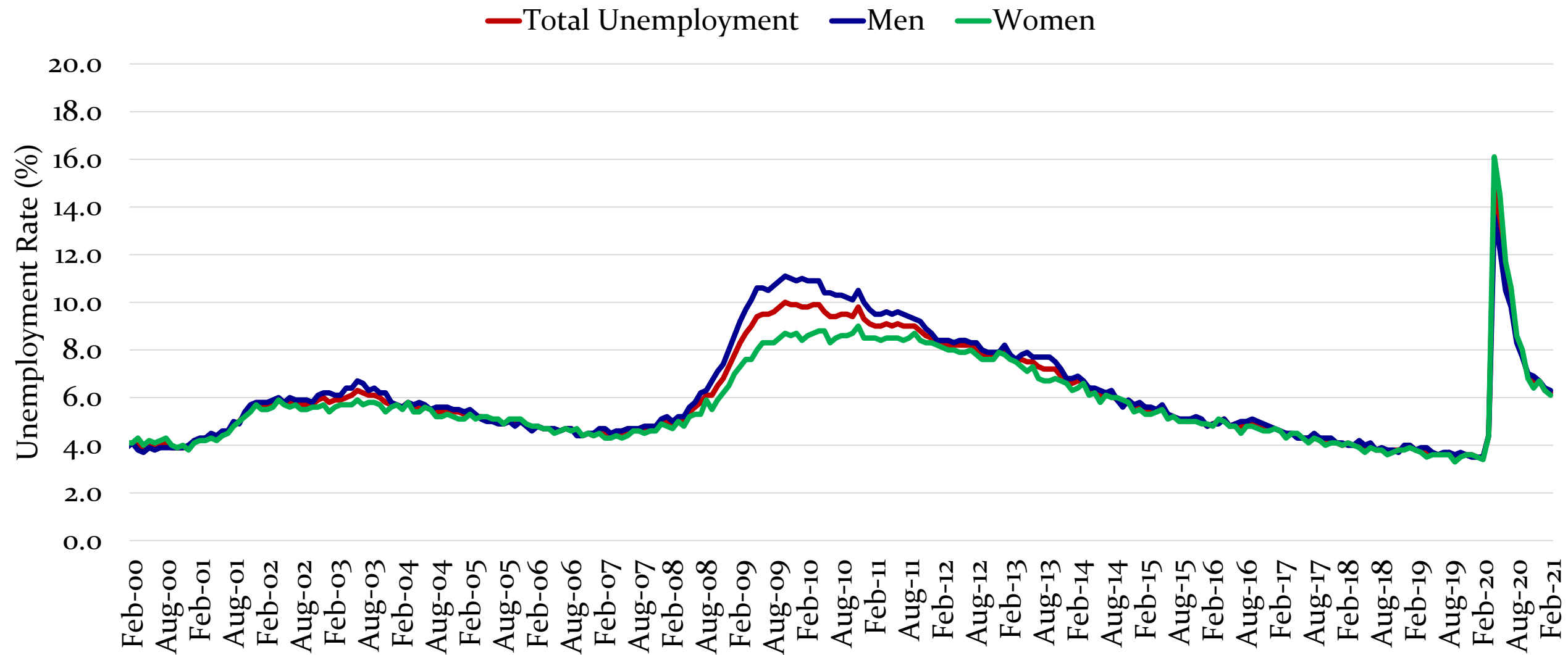
Rank	MSA	%	Rank	MSA	%
1	Dallas-Fort Worth-Arlington, TX	-3.0	13	Seattle-Tacoma-Bellevue, WA	-7.4
2	Tampa-St. Petersburg-Clearwater, FL	-3.3	14	Miami-Fort Lauderdale-West Palm Beach, FL	-7.5
3	San Antonio-New Braunfels, TX	-3.6	15	Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	-7.7
4	Phoenix-Mesa-Scottsdale, AZ	-3.8	16	Minneapolis-St. Paul-Bloomington, MN-WI	-8.6
5	Charlotte-Concord-Gastonia, NC-SC	-4.2	17	Chicago-Naperville-Elgin, IL-IN-WI	-8.7
6	Atlanta-Sandy Springs-Roswell, GA	-5.6	18	Portland-Vancouver-Hillsboro, OR-WA	-8.9
7	Denver-Aurora-Lakewood, CO	-5.7	19	Detroit-Warren-Dearborn, MI	-9.1
8	St. Louis, MO-IL	-5.8	20	Boston-Cambridge-Nashua, MA-NH	-9.4
9	Baltimore-Columbia-Towson, MD	-6.0	21	San Diego-Carlsbad, CA	-10.2
10	Riverside-San Bernardino-Ontario, CA	-6.7	22	New York-Newark-Jersey City, NY-NJ-PA	-11.2
10	Washington-Arlington-Alexandria, DC-VA-MD-WV	-6.7	23	San Francisco-Oakland-Hayward, CA	-11.4
12	Houston-The Woodlands-Sugar Land, TX	-6.8	24	Los Angeles-Long Beach-Anaheim, CA	-12.2
			25	Orlando-Kissimmee-Sanford, FL	-12.9

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

***Jan: -6.3% Feb: -6.2%***

# U.S. Unemployment Rate

February 2000 – February 2021



# The Ministry Speaks



# COVID-19 Stimulus Packages I

- **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

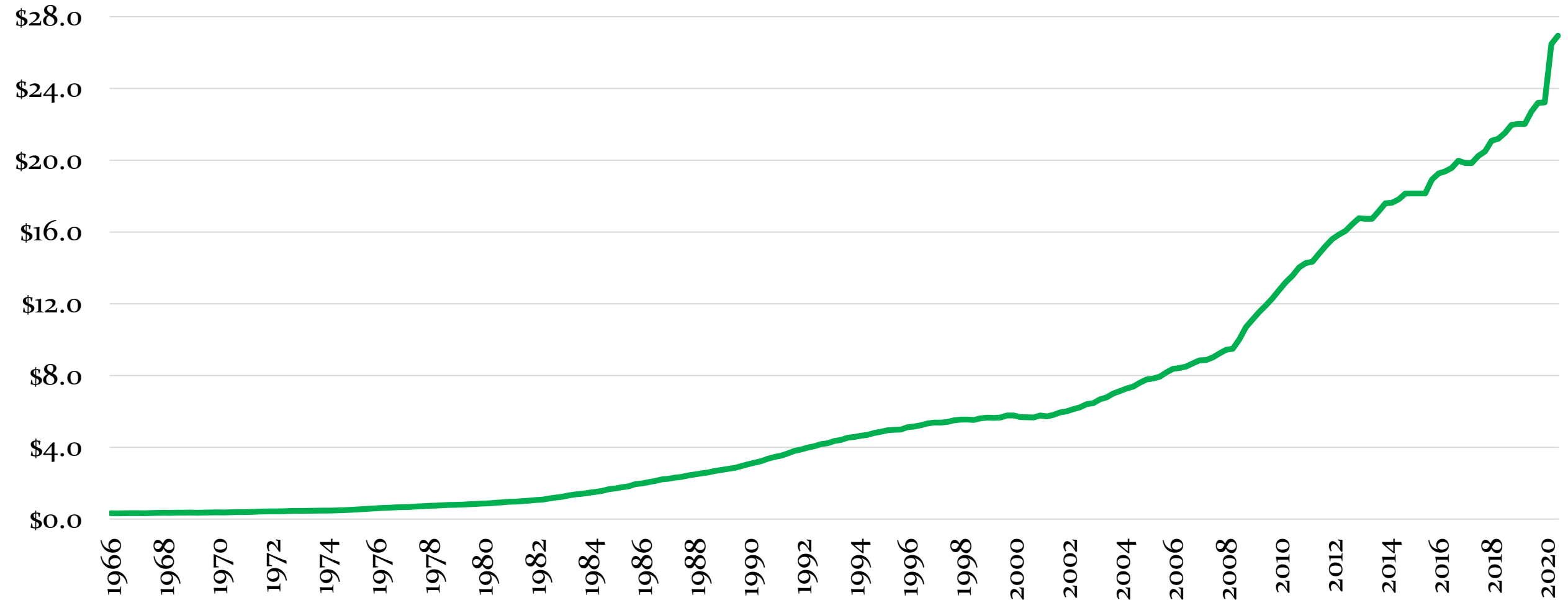
# COVID-19 Stimulus Packages II: American Rescue Plan Act of 2021

- Signed into law on 3/11/2021
- Total of **\$1.9 trillion**
- Direct payments to Americans: \$1,400
- Extended federal unemployment assistance: \$300/week
- Direct aid to state and local governments:  $\approx$  \$350 billion
- Education:  $\approx$  \$170 billion for K-12 schools and higher ed
- Small businesses:  $\approx$ \$49 billion in loans/grants for several programs for small businesses, restaurants/bars, and venue operators
- Public health:  $\approx$  \$92 billion for COVID-19 vaccine, testing, and workforce efforts
- Tax provisions: expands/increases Child Tax Credit, Earned Income Tax Credit (EITC), dependent care tax credit, employee retention credit, and paid leave credits
- Nutrition assistance; housing aid; health insurance subsidies; changes to Medicaid/Medicare policy funding; aviation/railway/transit funding

# 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

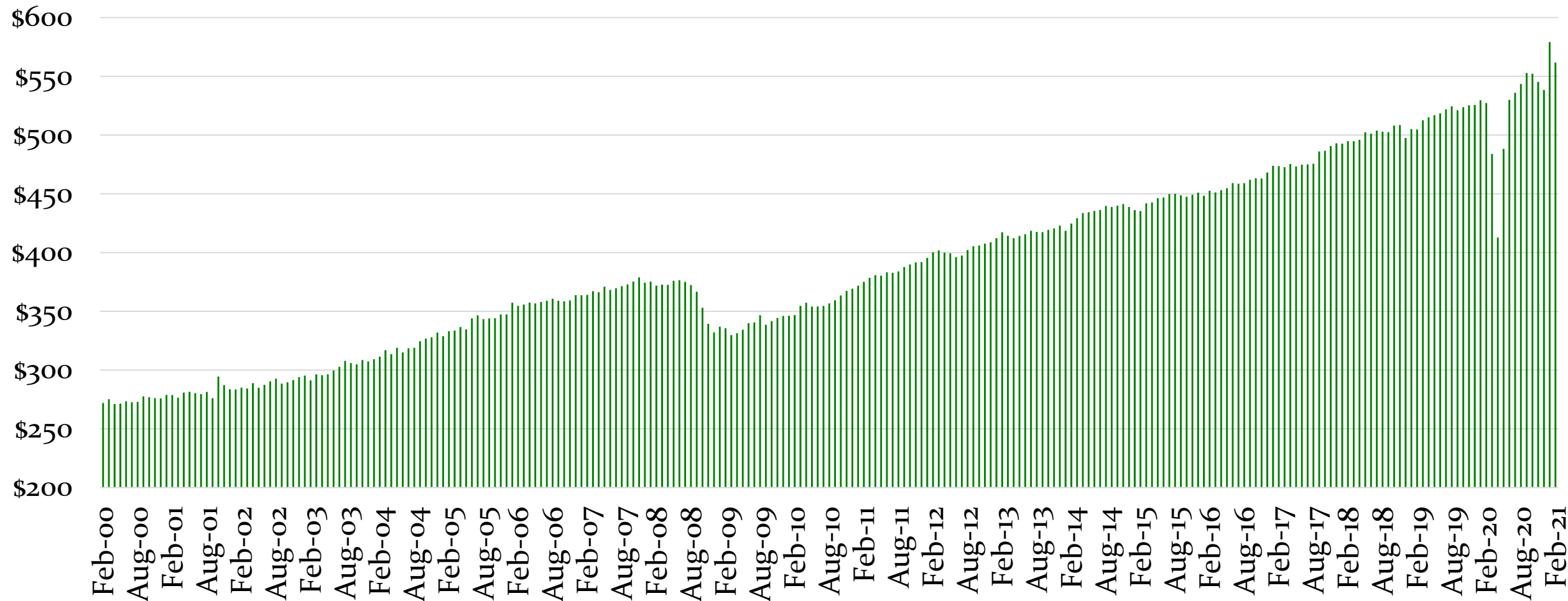
Retailer/Company	Date	Retailer/Company	Date	Retailer/Company	Date
Francesca's	12/3/20	<b>Brooks Brothers</b>	<b>7/8/20</b>	Rubie's Costume Co.	4/30/20
Guitar Center	11/21/20	Lucky Brand	7/3/20	Roots USA	4/29/20
Furla	11/6/20	Old Time Pottery	6/28/20	N B L Textiles	4/24/20
Furniture Factory Outlet	11/5/20	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

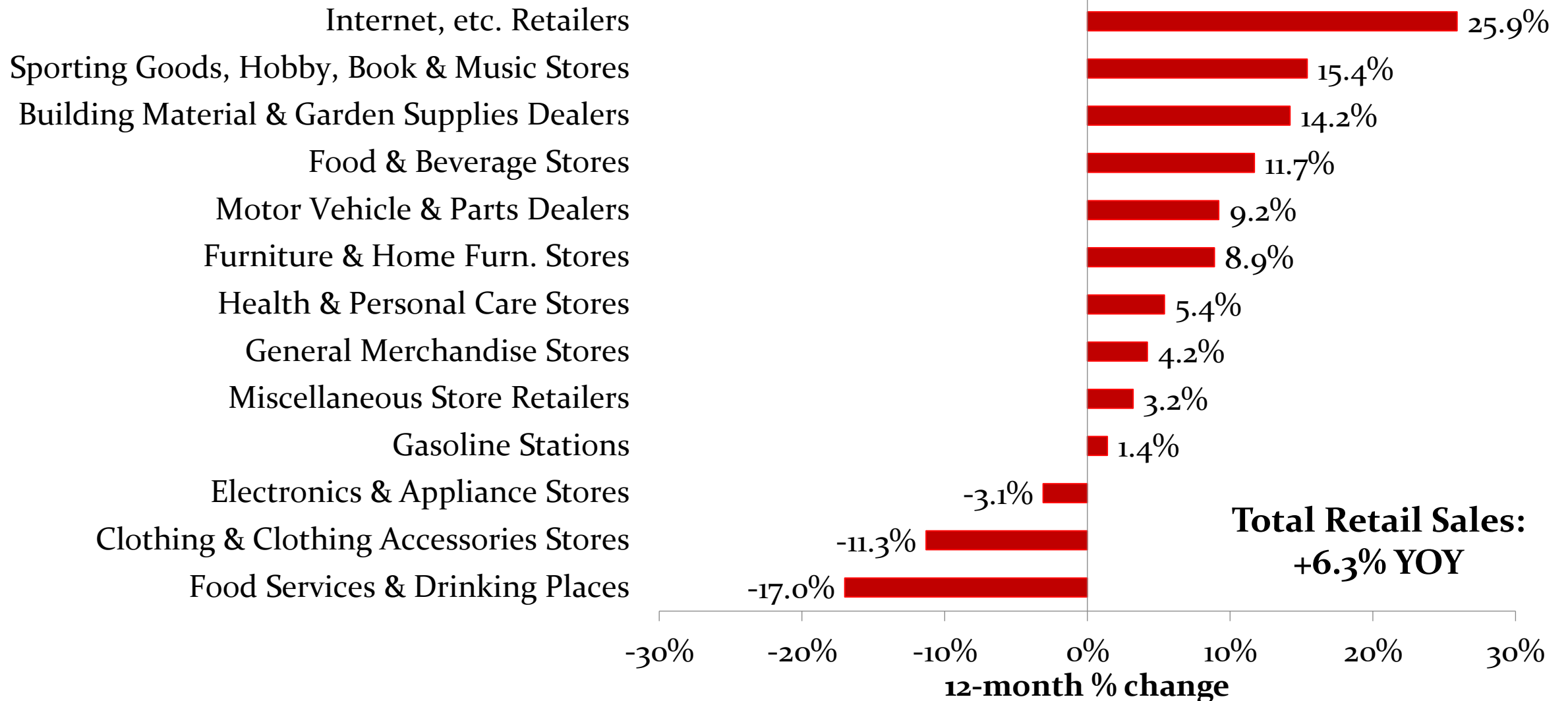
February 2000 – February 2021

Retail Sales (\$ Billions)



# U.S. Retail Sales by Type of Business

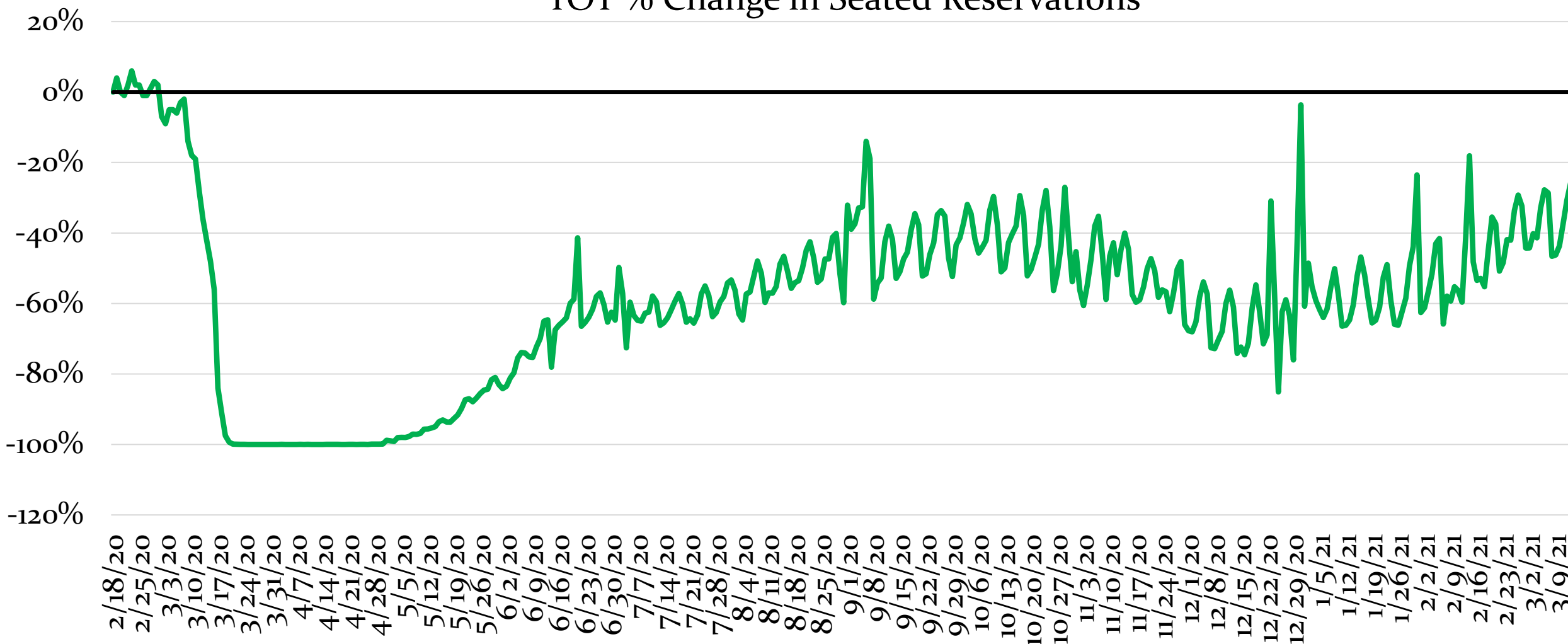
February 2020 v. February 2021 % Change



# U.S. Restaurant Reservations (Seated Diners)

YOY % Change, February 2020 – March 2021

## YOY % Change in Seated Reservations

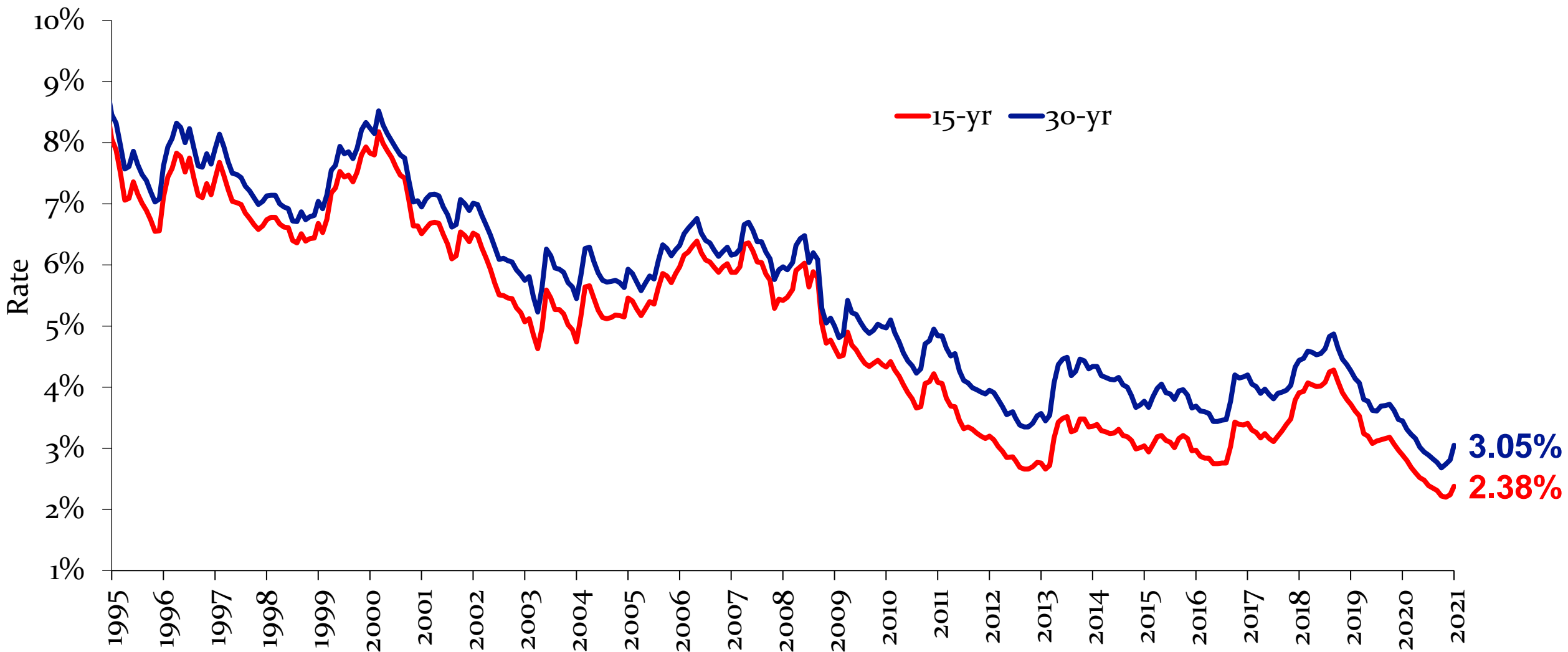


I'm in  
Ravenclaw  
House!



# 15-Year & 30-Year Fixed Mortgage Rates

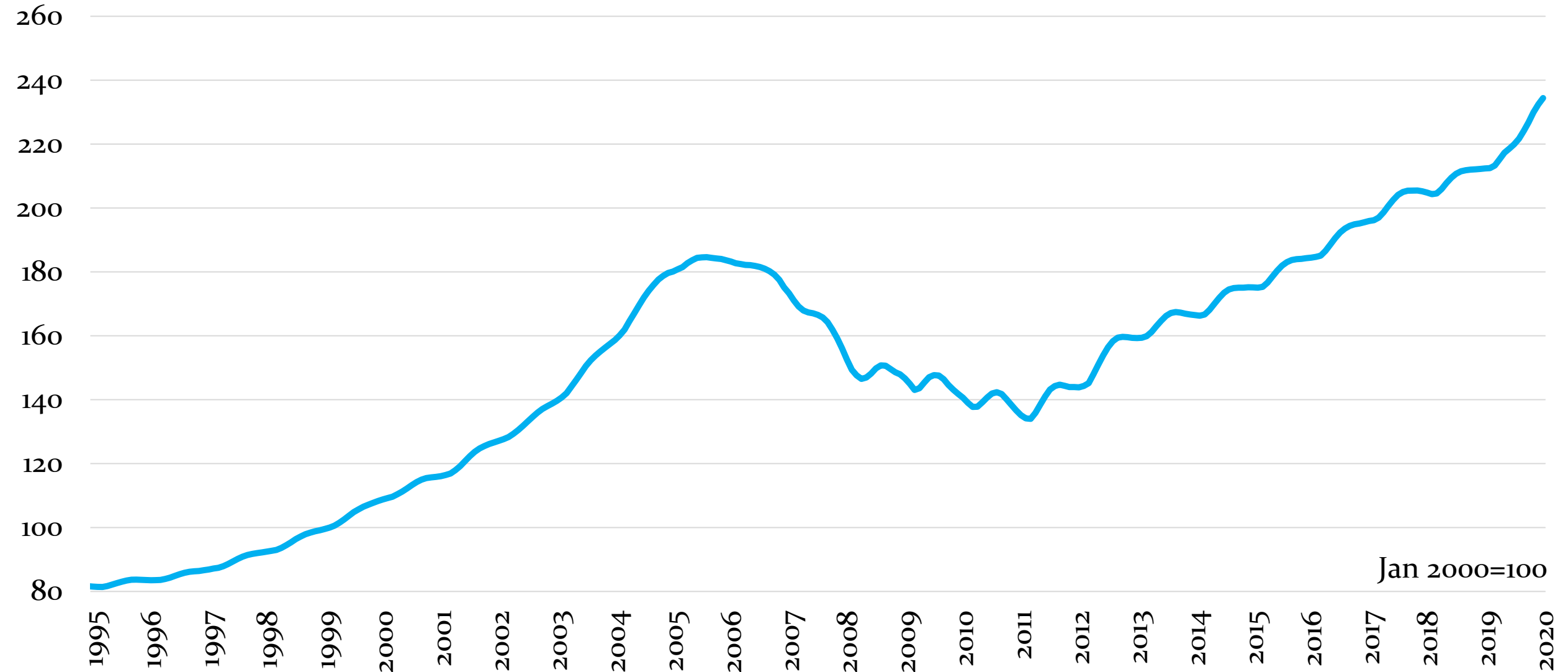
March 1995 – March 2021\*



\*Week ending 3/11/2021

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

December 1995 – December 2020

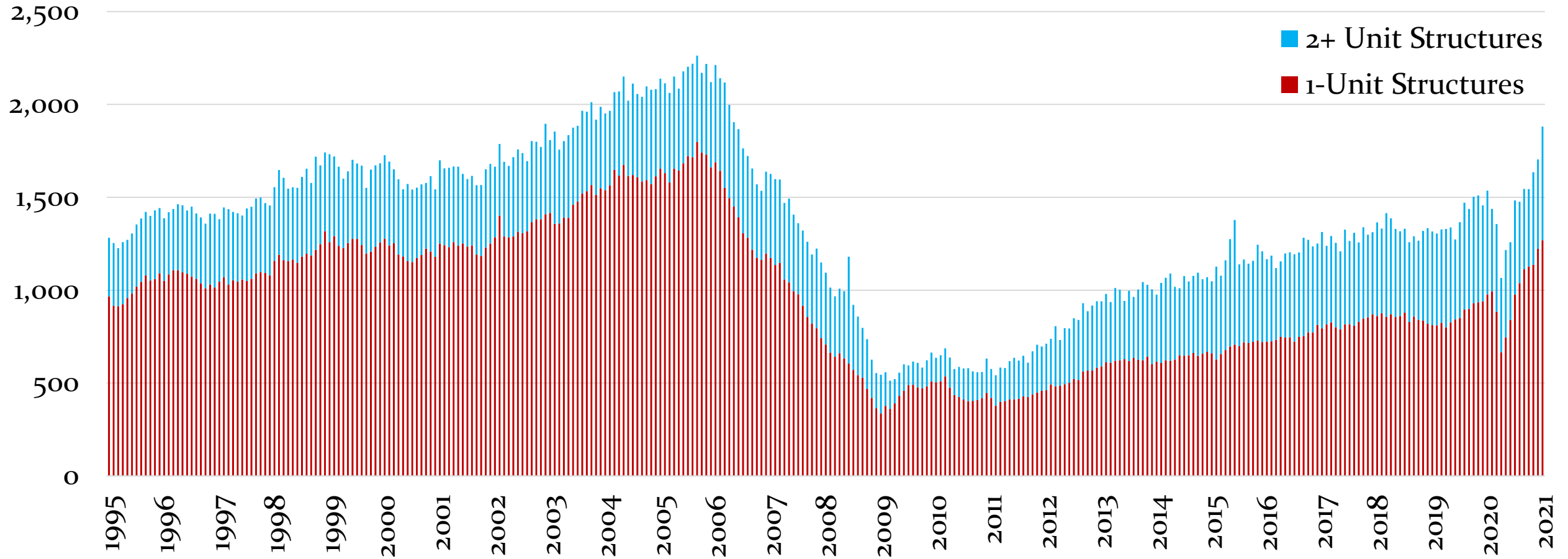




# U.S. Residential Building Permits

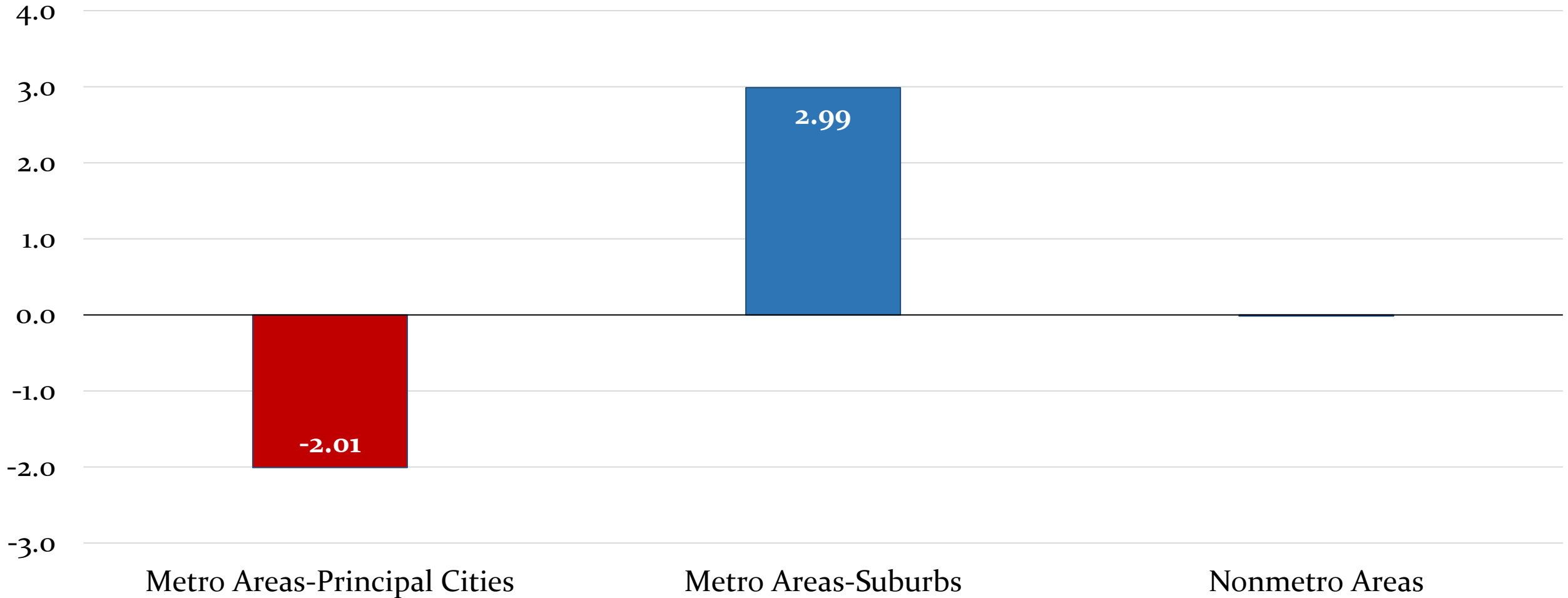
January 1995 – January 2021

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*

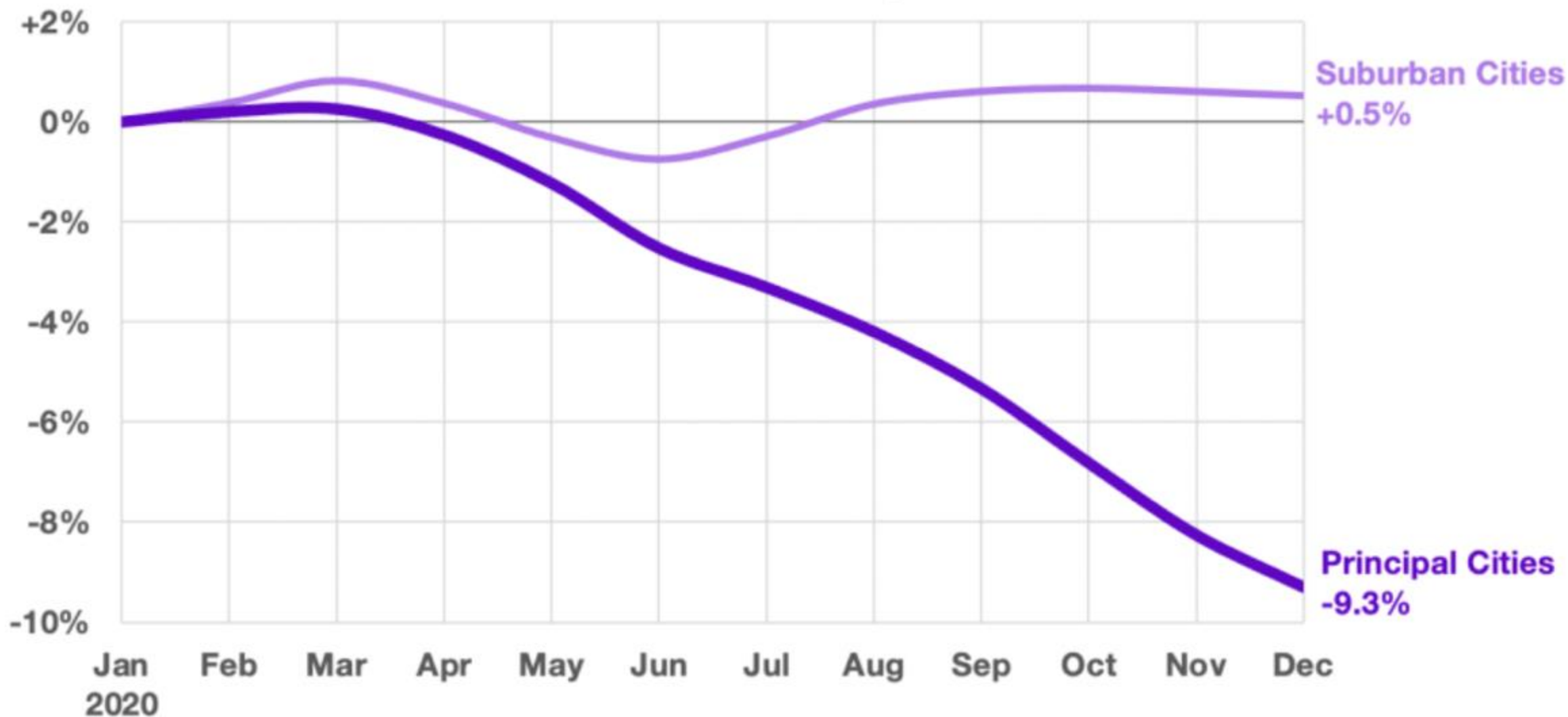
## Largest rent declines/Increases among 50 largest U.S. cities by population

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

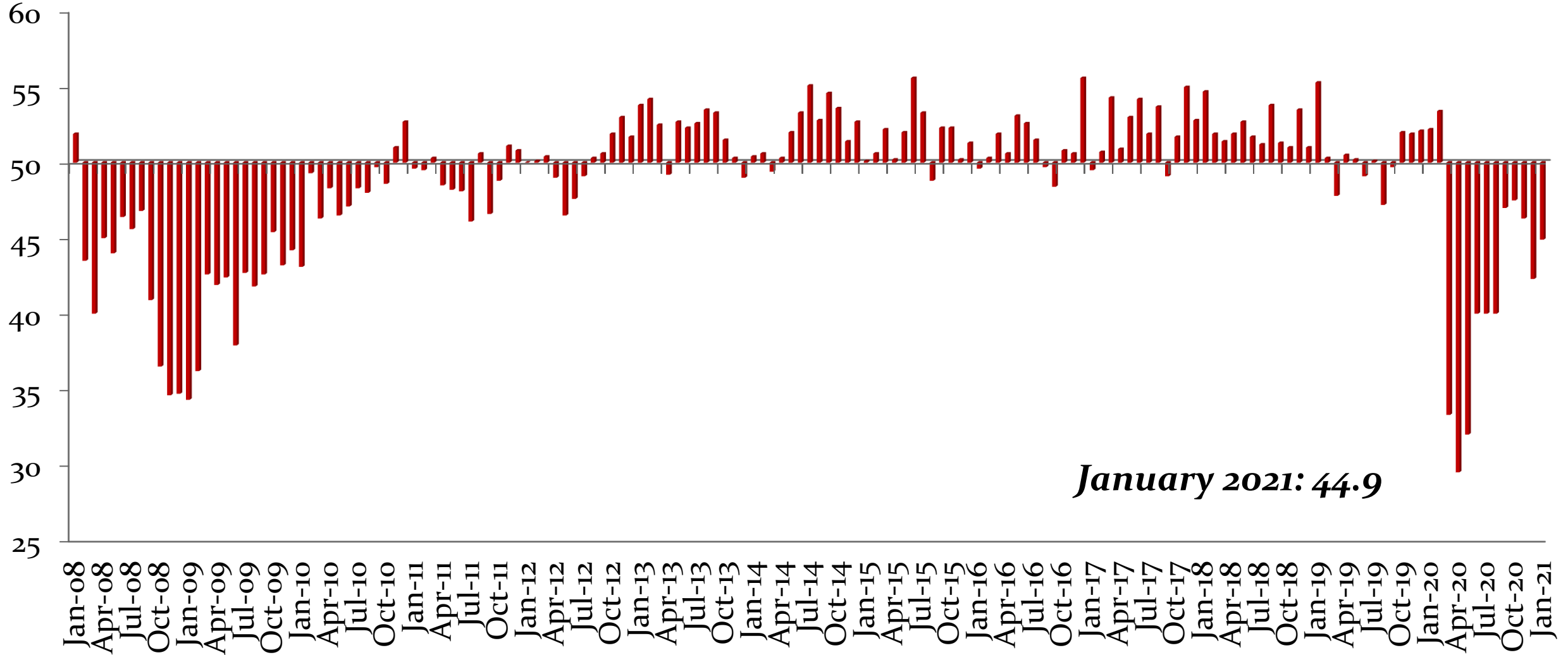
*Cumulative Rent Change in 2020*



Source: Apartment List. Note: rent changes are population-weighted and aggregated across principal/suburban cities within a sample of 30 large metropolitan areas.

# Architecture Billings Index

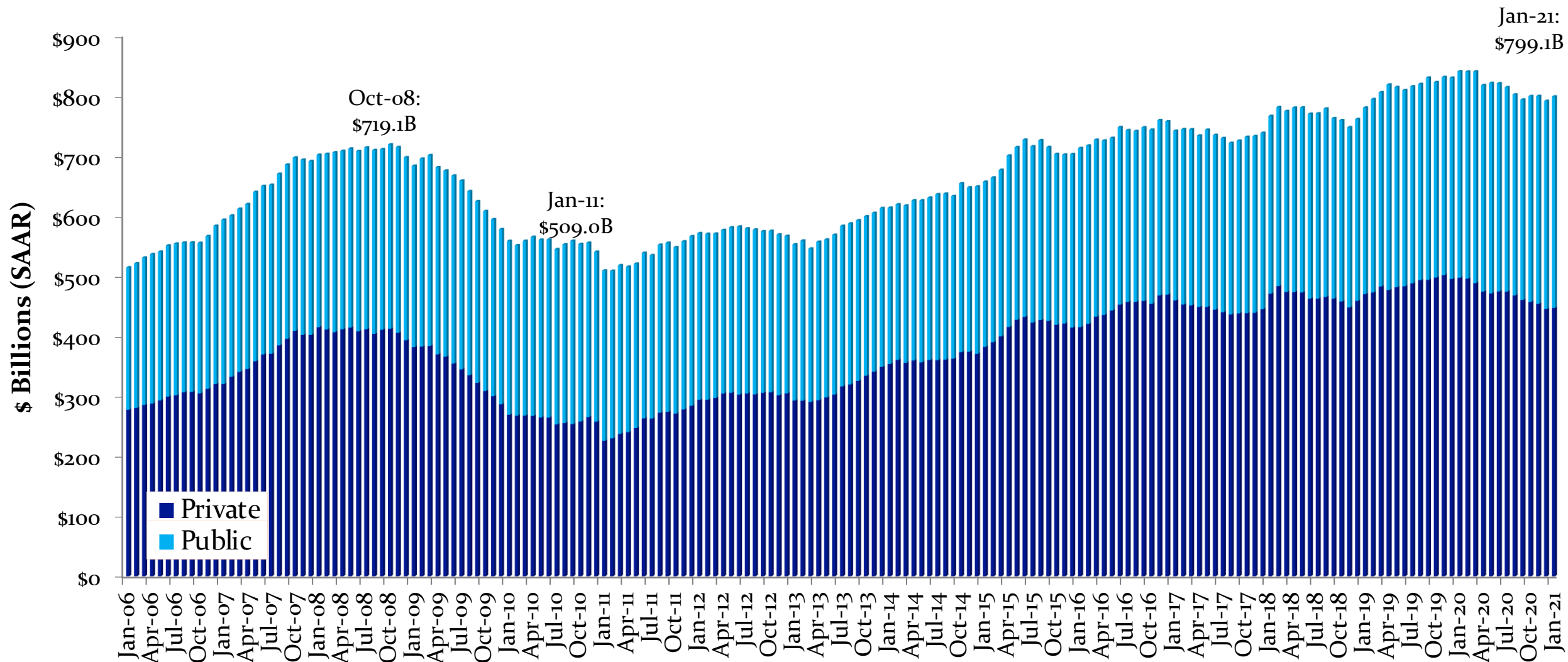
January 2008 – January 2021



**January 2021: 44.9**

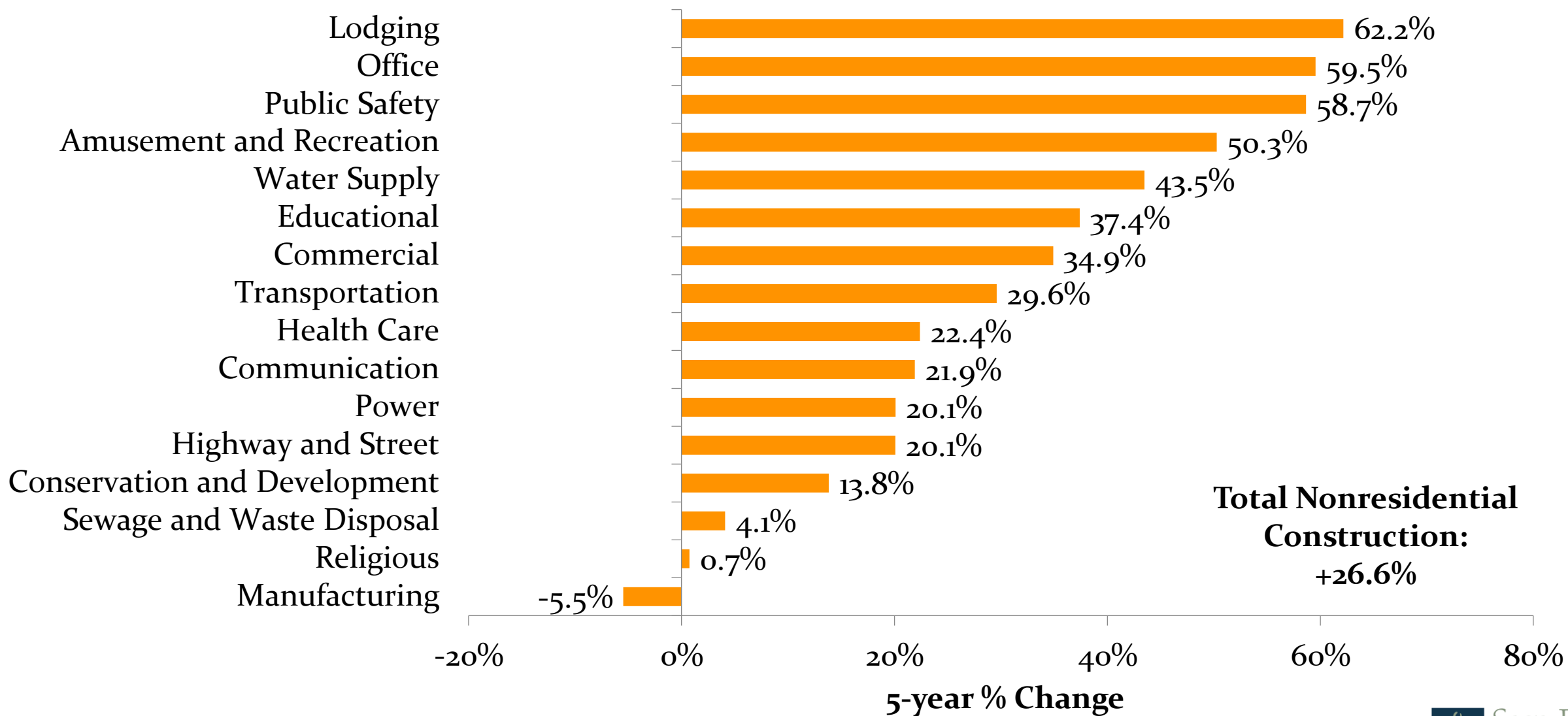
# Nonresidential Construction Put-in-Place

January 2006 – January 2021



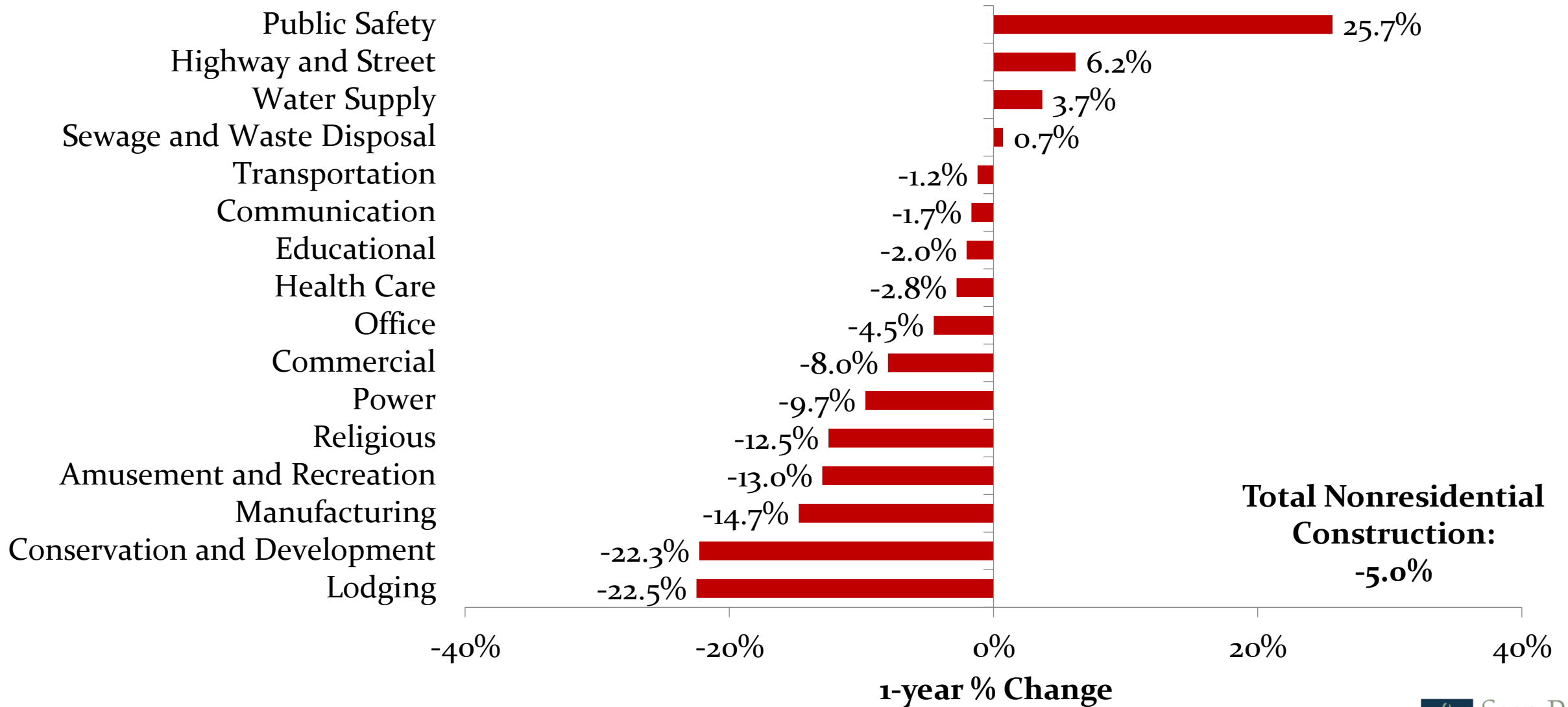
# National Nonresidential Construction Spending by Subsector

February 2015 v. February 2020



# National Nonresidential Construction Spending by Subsector

January 2020 v. January 2021



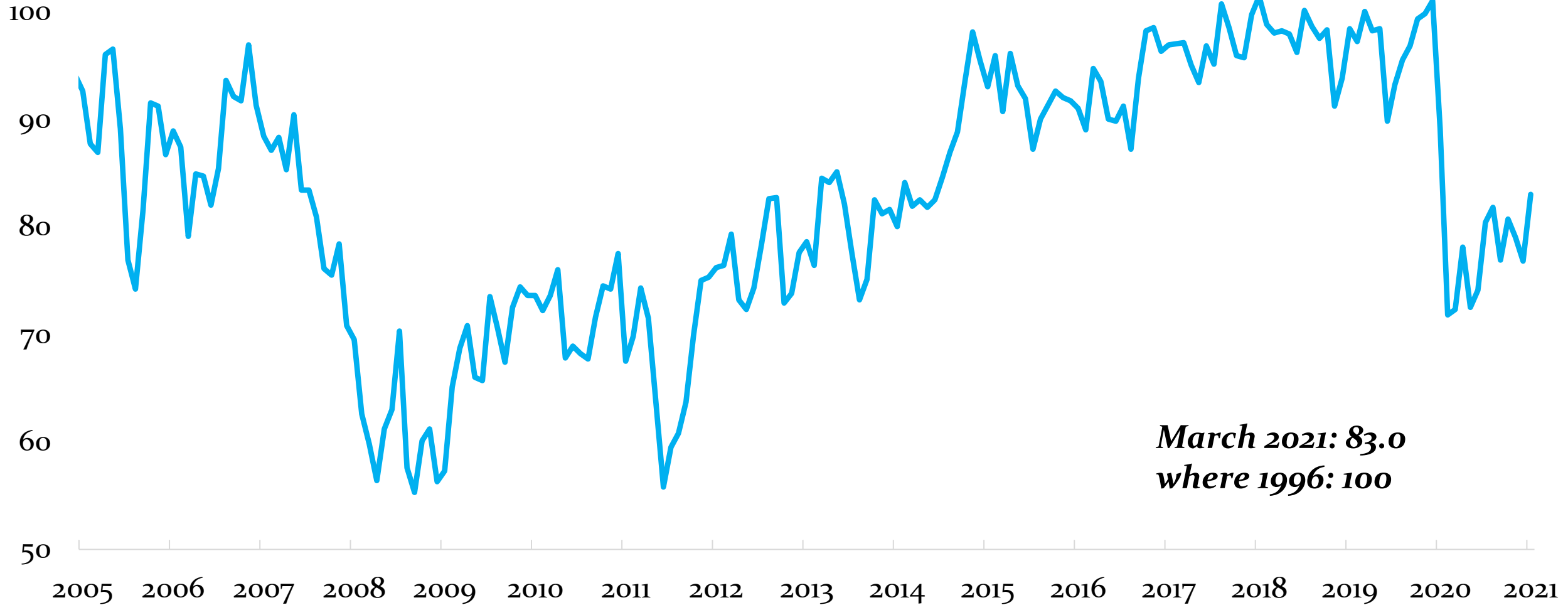


# The Crystal Ball



# University of Michigan Index of Consumer Sentiment

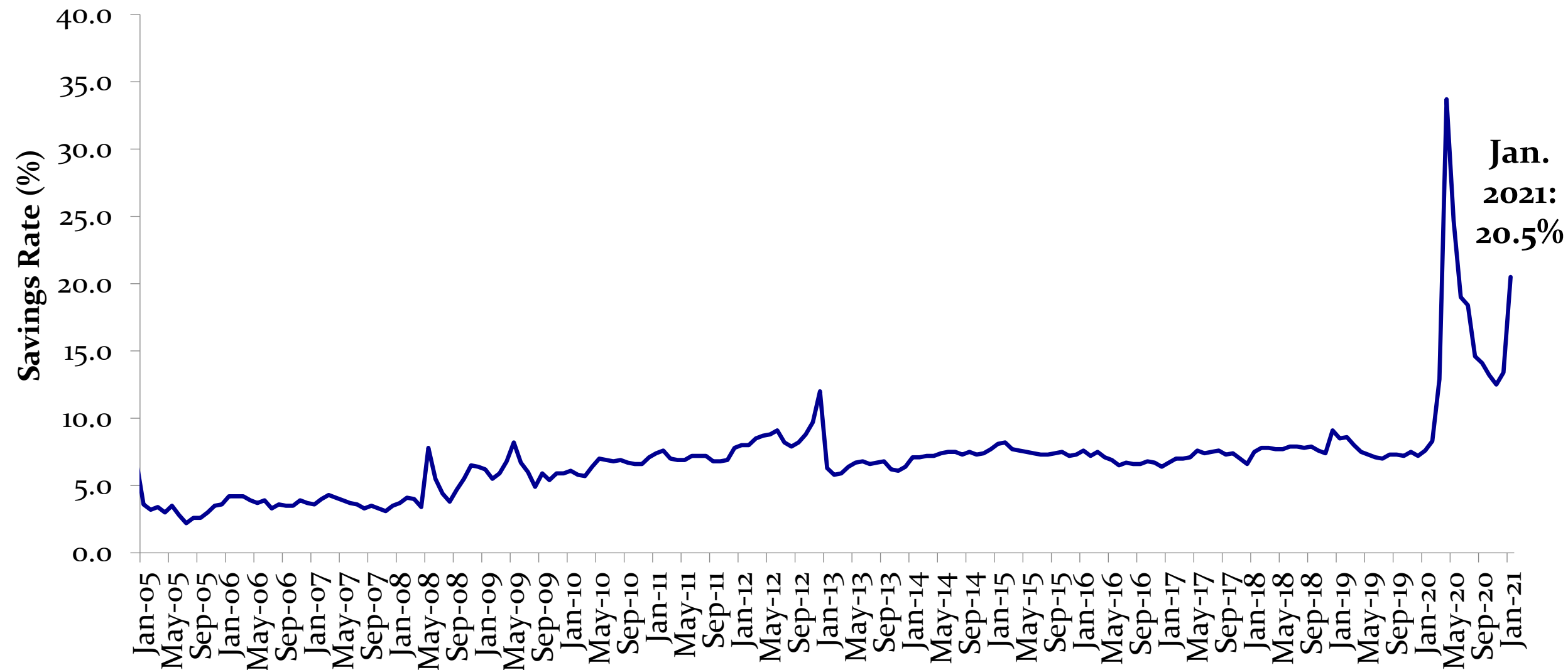
2005 – 2021



*March 2021: 83.0  
where 1996: 100*

# U.S. Saving Rate, January 2005 – January 2021

*(Savings as Percentage of Personal Disposable Income)*

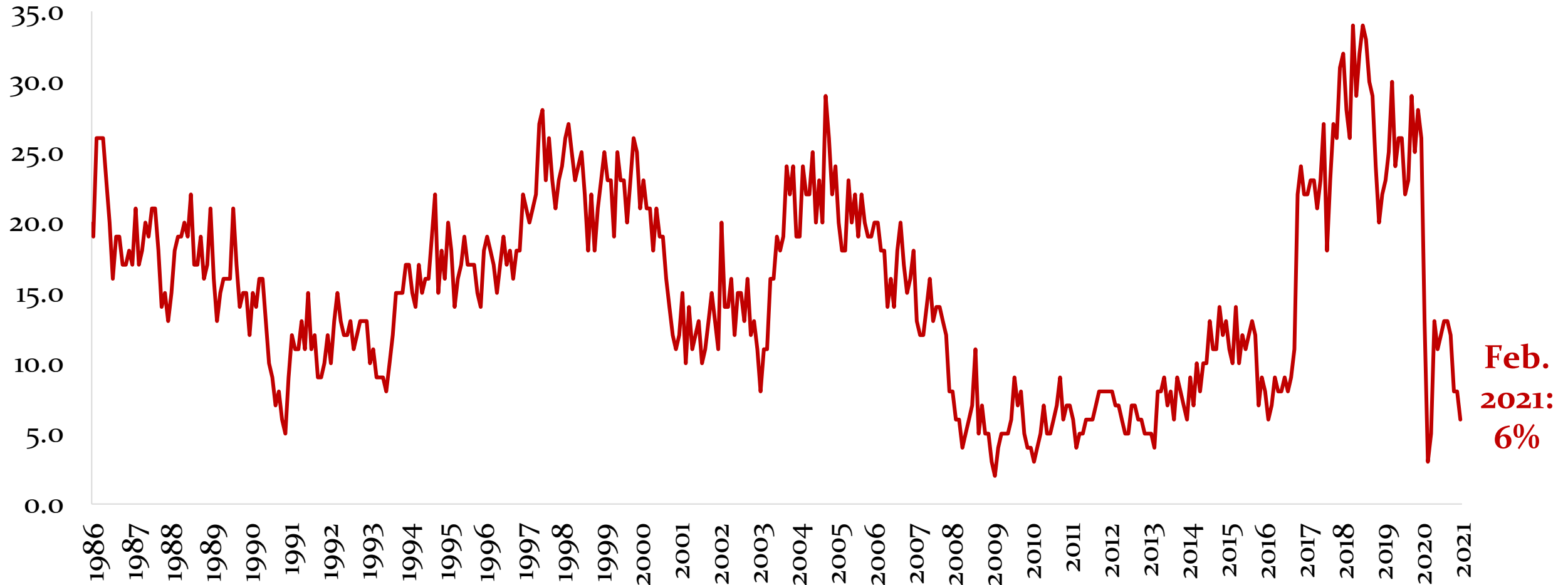


**Jan.  
2021:  
20.5%**

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

## 1986 – 2021

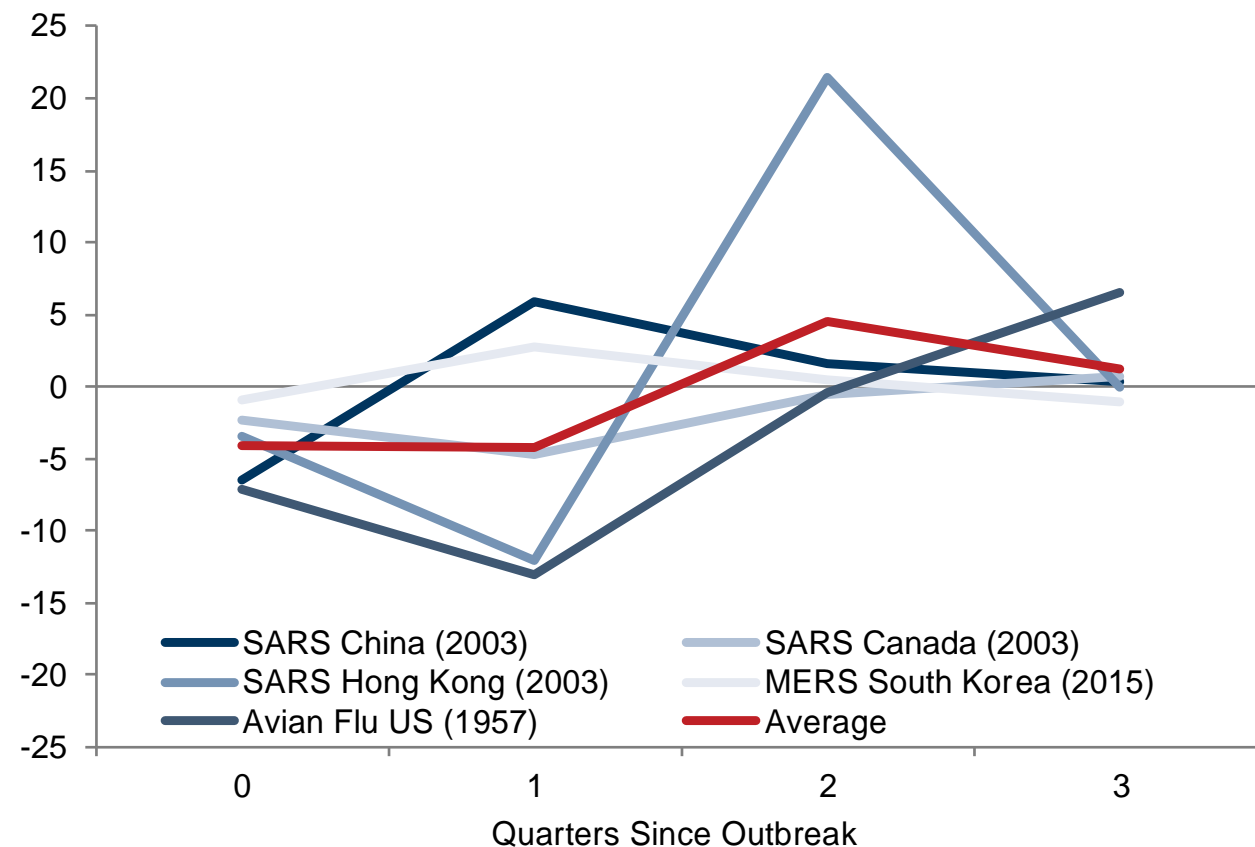
% of respondents who think the next 3 months will be a good time to for small business to expand



# 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 ongoing 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 more 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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