

# 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**

**CFMA New England  
Regional Construction Conference**

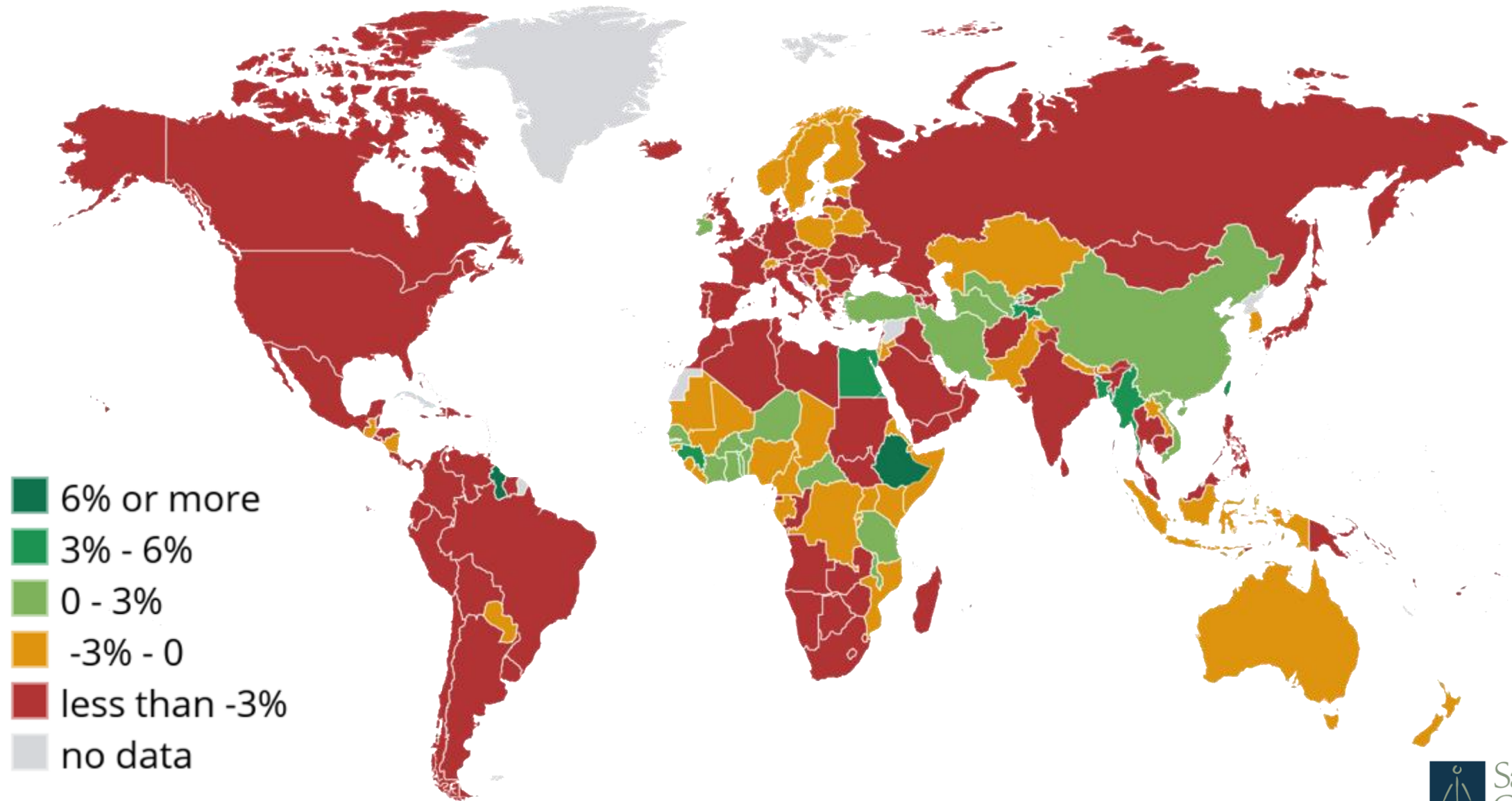
**September 8<sup>th</sup>, 2021**

# The Prisoner of My-house- kaban



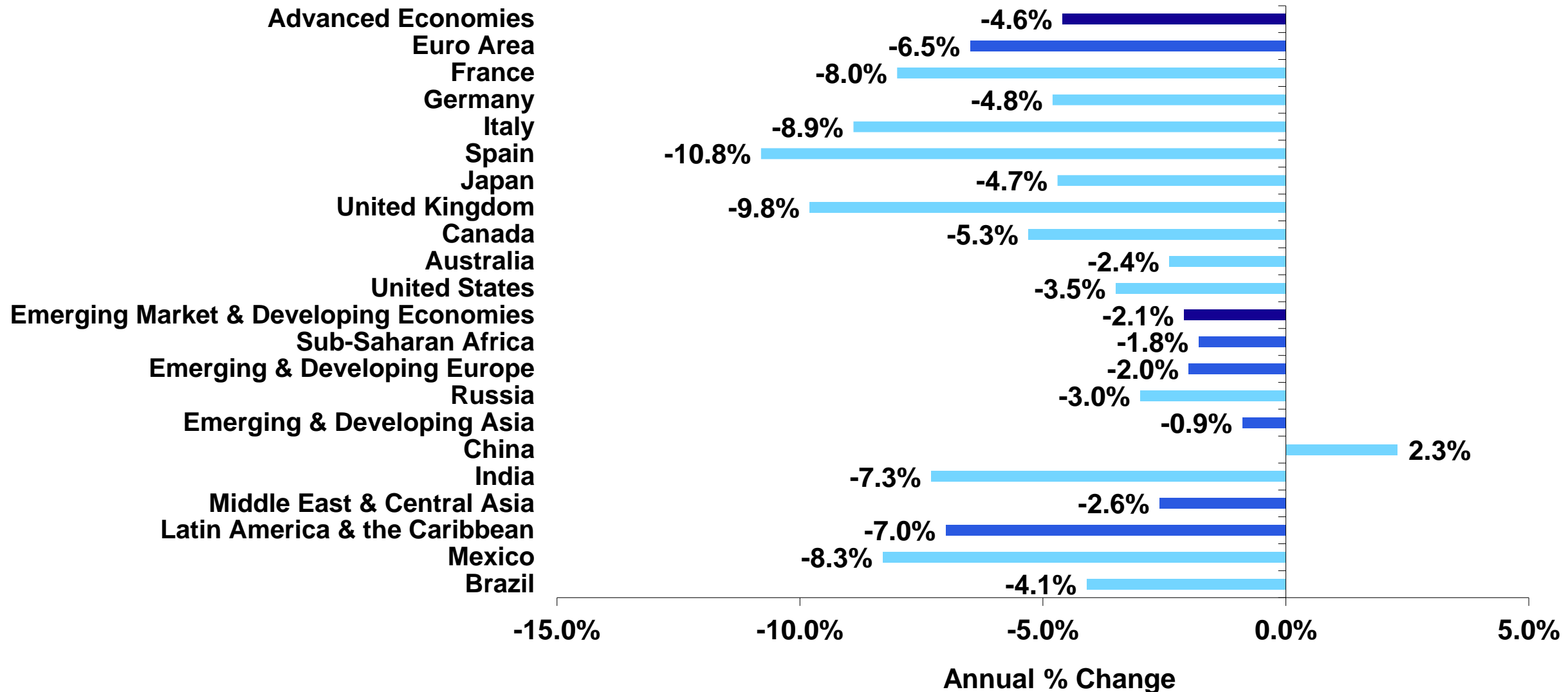
# A Global Economy Transfigured

## Real GDP Growth 2020, Estimated Annual Percent Change



# Economicus Destructus!

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



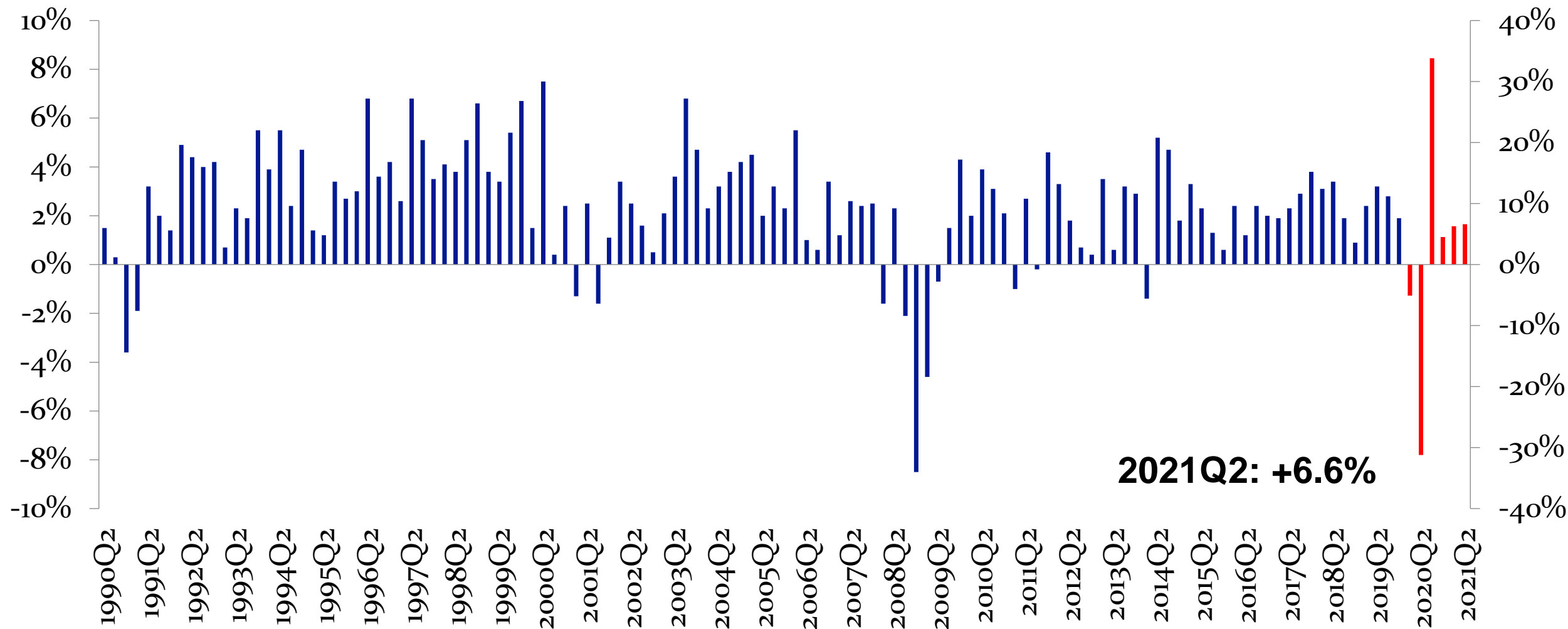
**2020 Global Output Growth: -3.2%**

# Gross Domestic Product

1990Q2 – 2021Q2\*

% Change from Preceding Period (SAAR)

2020-2021



2021Q2: +6.6%



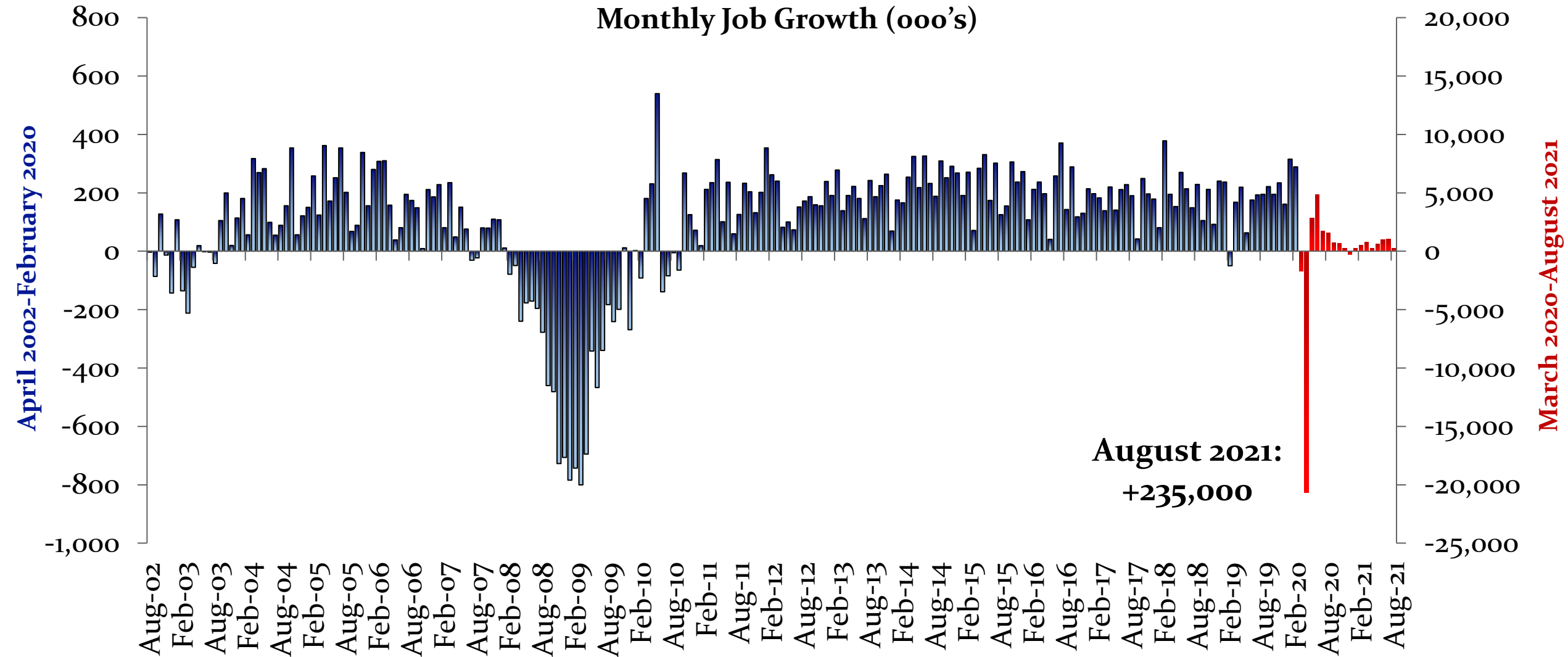
# The Goblet of Lost Jobs



Photo: Harrypotterfanzone.com

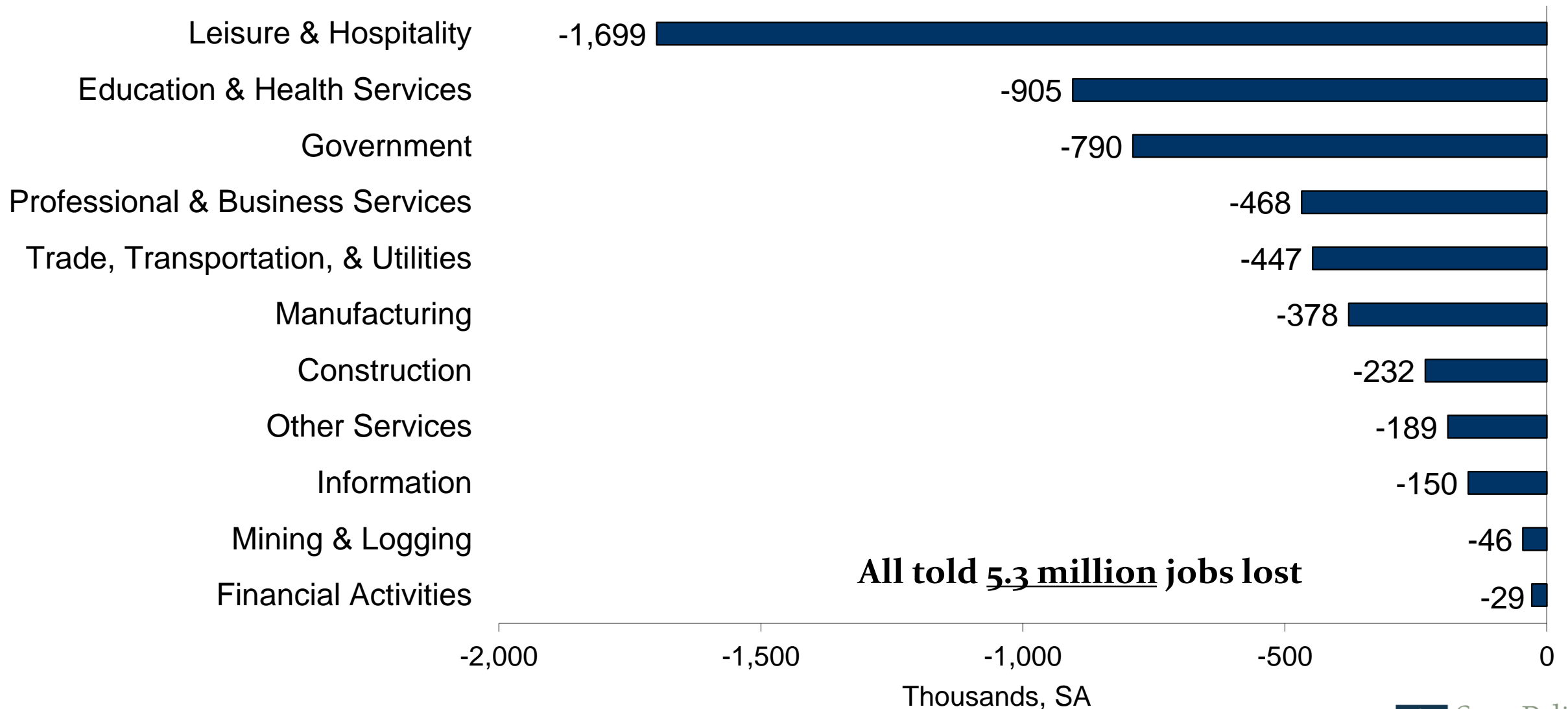
# Net Change in U.S. Jobs

August 2002 – August 2021



# U.S. Nonfarm Employment by Industry Sector

February 2020 v. August 2021

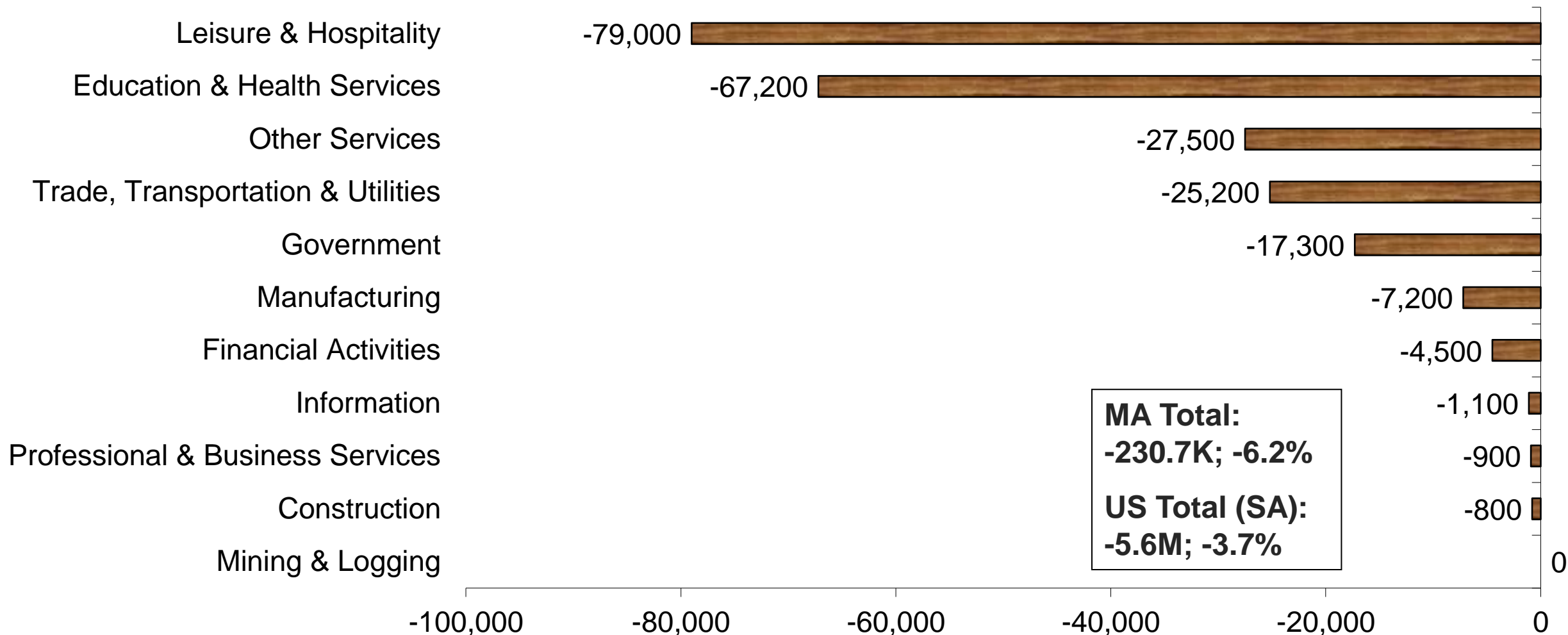




# Massachusetts Nonfarm Employment

by Industry Sector Groups (SA)

February 2020 v. July 2021 Absolute Change



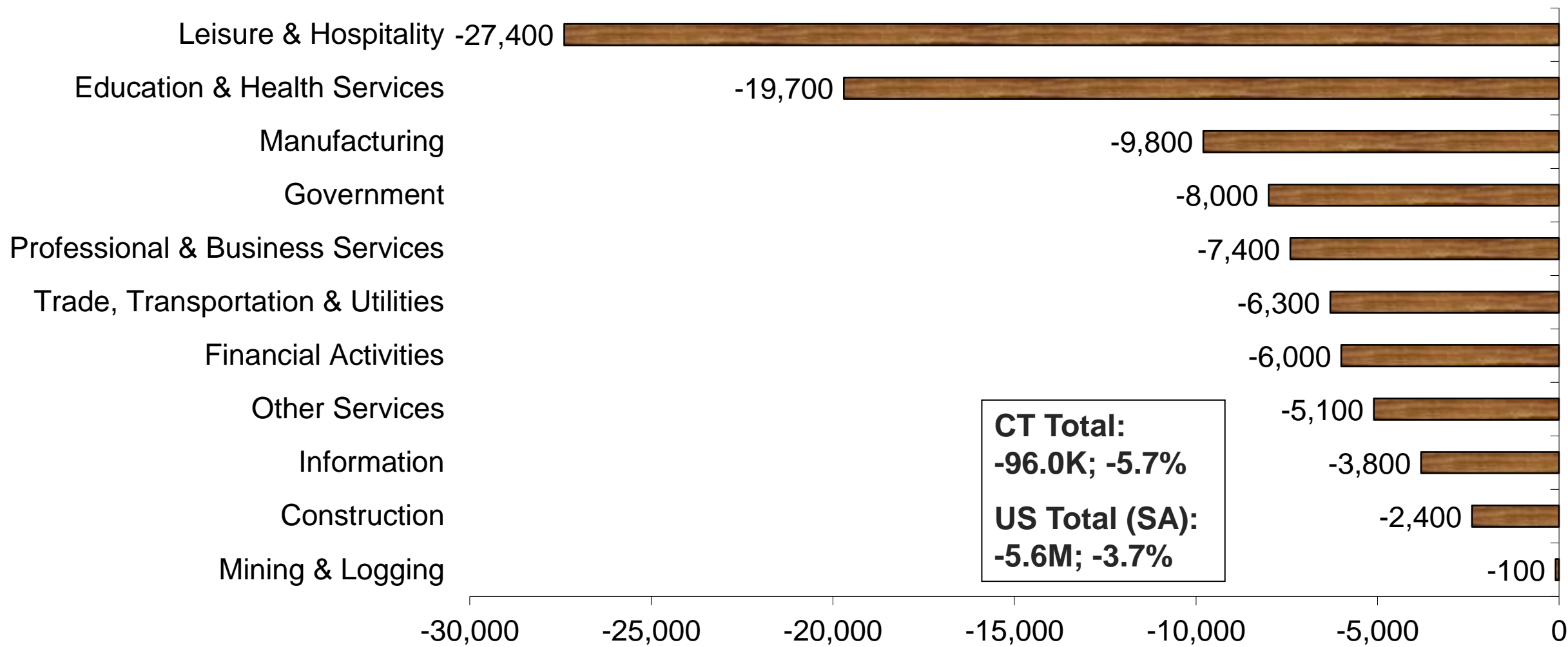
\*According to the Local Area Unemployment Statistics (LAUS) program MA lost 121,448 jobs between February 2020 and July 2021.

2020 Population  
Per Sq. Mile:  
661.2

# Connecticut Nonfarm Employment

by Industry Sector Groups (SA)

February 2020 v. July 2021 Absolute Change



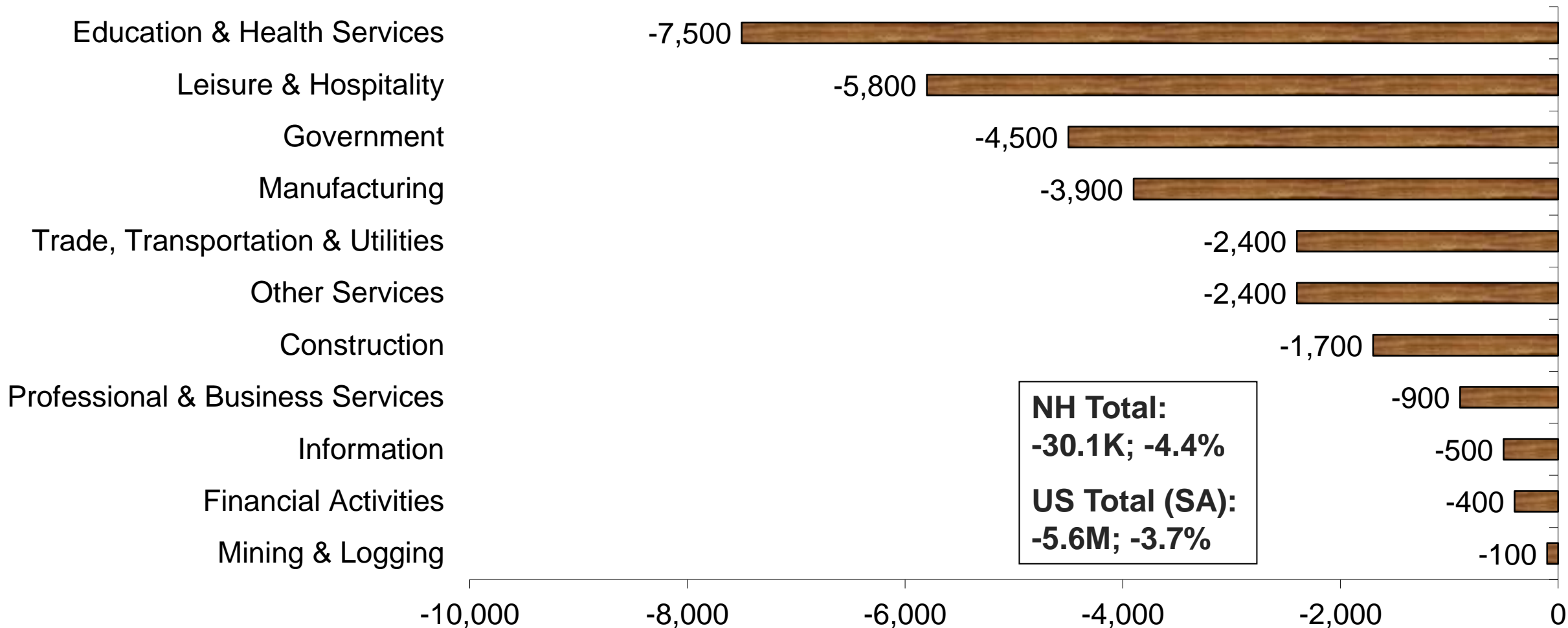
\*According to the Local Area Unemployment Statistics (LAUS) program CT lost 169,102 jobs between February 2020 and July 2021.

2020 Population  
Per Sq. Mile:  
744.7

# New Hampshire Nonfarm Employment

by Industry Sector Groups (SA)

February 2020 v. July 2021 Absolute Change

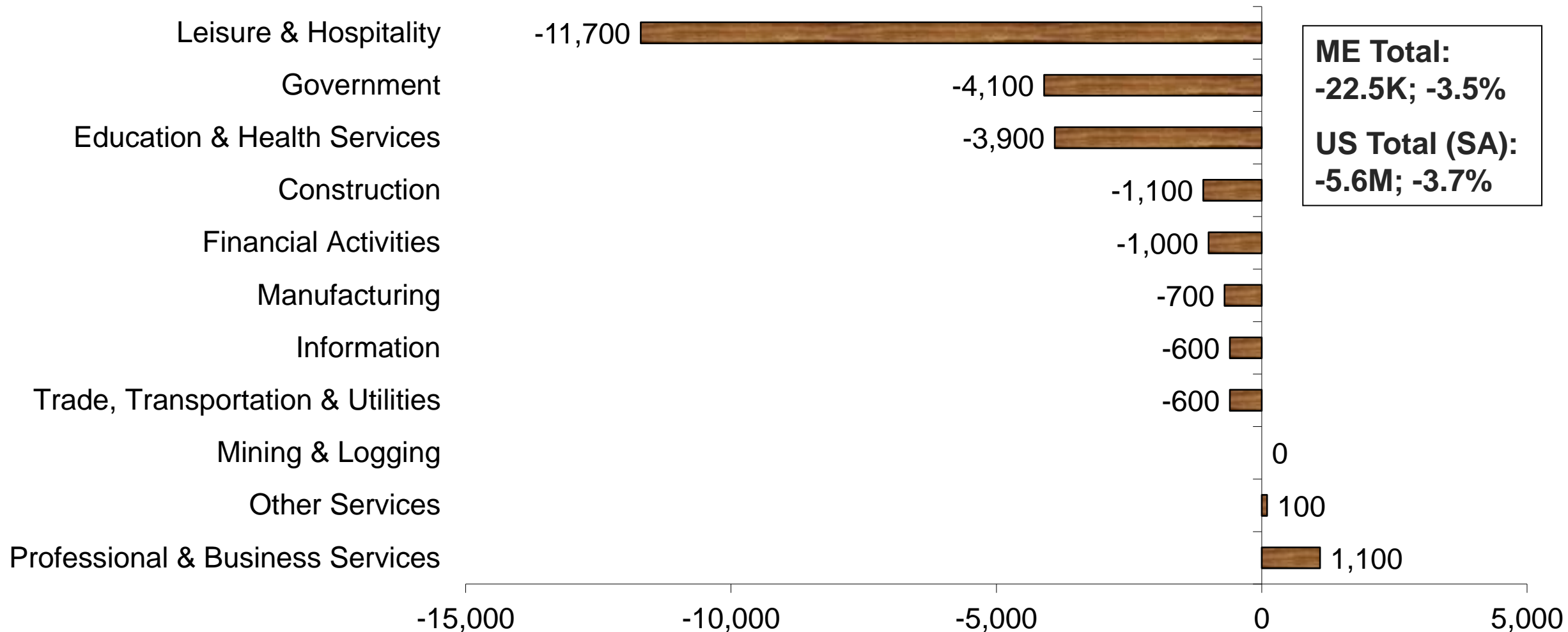


\*According to the Local Area Unemployment Statistics (LAUS) program NH lost 21,316 jobs between February 2020 and July 2021.

# Maine Nonfarm Employment

by Industry Sector Groups (SA)

February 2020 v. July 2021 Absolute Change



\*According to the Local Area Unemployment Statistics (LAUS) program ME lost 32,408 jobs between February 2020 and July 2021.

2020 Population  
Per Sq. Mile: 44.2

# Employment Growth, 25 Largest Metros (NSA)

*February 2020 v. July 2021 Percent Change*

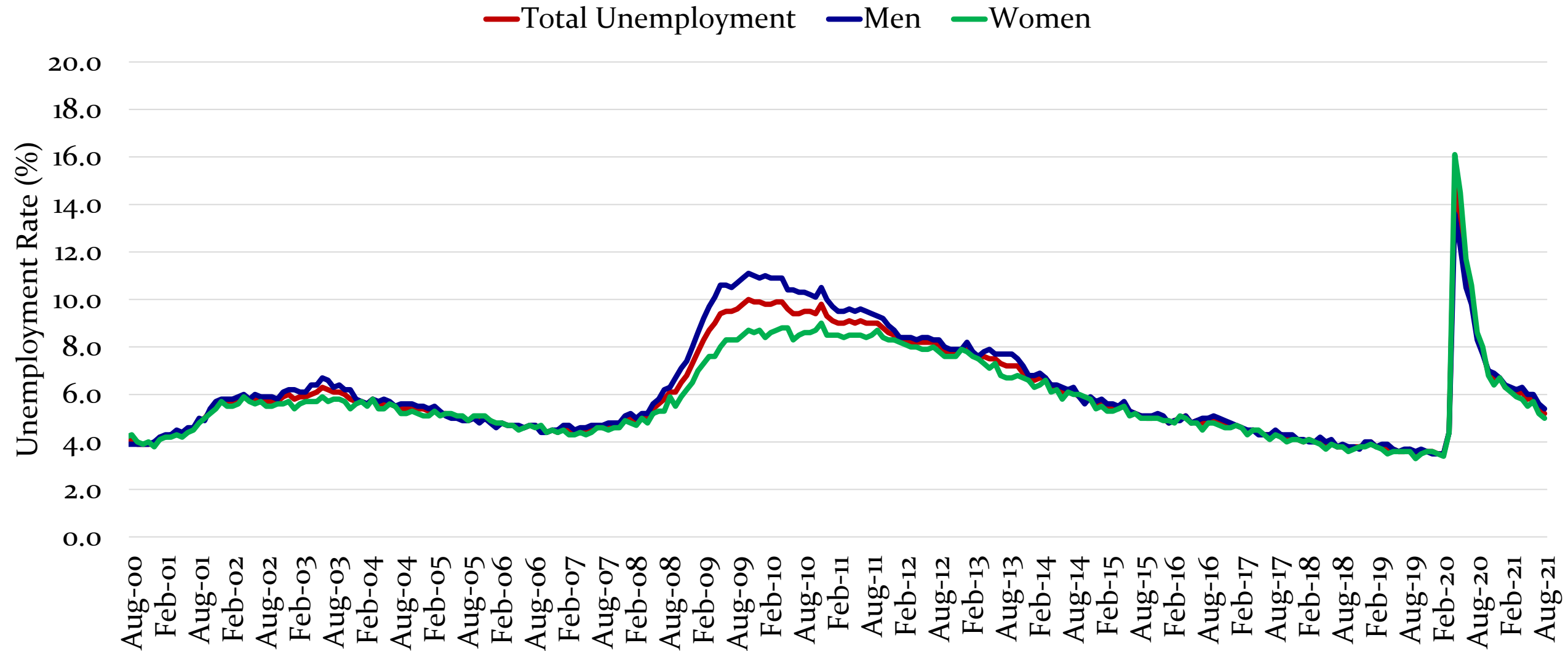
Rank	MSA	%	Rank	MSA	%
1	Denver-Aurora-Lakewood, CO	-0.9%	<b>14</b>	<b>Boston-Cambridge-Nashua, MA-NH</b>	<b>-4.3%</b>
2	Dallas-Fort Worth-Arlington, TX	-1.2%	15	Riverside-San Bernardino-Ontario, CA	-4.4%
3	San Antonio-New Braunfels, TX	-1.3%	16	Portland-Vancouver-Hillsboro, OR-WA	-4.6%
4	Tampa-St. Petersburg-Clearwater, FL	-2.1%	17	Houston-The Woodlands-Sugar Land, TX	-4.8%
5	Phoenix-Mesa-Scottsdale, AZ	-2.2%	18	Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	-5.1%
6	Charlotte-Concord-Gastonia, NC-SC	-2.5%			
7	Atlanta-Sandy Springs-Roswell, GA	-2.6%	19	Detroit-Warren-Dearborn, MI	-5.7%
8	Seattle-Tacoma-Bellevue, WA	-2.7%	20	Miami-Fort Lauderdale-West Palm Beach, FL	-6.8%
9	Baltimore-Columbia-Towson, MD	-3.2%	21	San Diego-Carlsbad, CA	-7.6%
10	Minneapolis-St. Paul-Bloomington, MN-WI	-3.8%	22	New York-Newark-Jersey City, NY-NJ-PA	-8.1%
10	St. Louis, MO-IL	-3.8%	23	San Francisco-Oakland-Hayward, CA	-8.2%
12	Chicago-Naperville-Elgin, IL-IN-WI	-4.1%	24	Los Angeles-Long Beach-Anaheim, CA	-8.4%
13	Washington-Arlington-Alexandria, DC-VA-MD-WV	-4.2%	25	Orlando-Kissimmee-Sanford, FL	-9.6%

**U.S. Percent Change**  
**2/2020 v. 7/2021: -3.7%**



# U.S. Unemployment Rate

August 2000 – August 2021



# Unemployment Rates, 25 Largest Metros (NSA)

July 2021

Rank	MSA	%	Rank	MSA	%
1	Atlanta-Sandy Springs-Roswell, GA	3.2	13	Baltimore-Columbia-Towson, MD	5.4
2	Minneapolis-St. Paul-Bloomington, MN-WI	3.5	13	San Antonio-New Braunfels, TX	5.4
3	Charlotte-Concord-Gastonia, NC-SC	4.4	15	Miami-Fort Lauderdale-West Palm Beach, FL	5.6
3	St. Louis, MO-IL	4.4	16	Phoenix-Mesa-Scottsdale, AZ	5.8
5	Detroit-Warren-Dearborn, MI	4.5	16	San Francisco-Oakland-Hayward, CA	5.8
6	Portland-Vancouver-Hillsboro, OR-WA	4.6	18	Denver-Aurora-Lakewood, CO	6.0
7	Tampa-St. Petersburg-Clearwater, FL	4.7	19	Houston-The Woodlands-Sugar Land, TX	6.8
8	Washington-Arlington-Alexandria, DC-VA-MD-WV	5.1	20	Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	6.9
			20	San Diego-Carlsbad, CA	6.9
9	Seattle-Tacoma-Bellevue, WA	5.2	22	Chicago-Naperville-Elgin, IL-IN-WI	7.5
<b>10</b>	<b>Boston-Cambridge-Nashua, MA-NH</b>	<b>5.3</b>	23	Riverside-San Bernardino-Ontario, CA	7.9
10	Dallas-Fort Worth-Arlington, TX	5.3	24	New York-Newark-Jersey City, NY-NJ-PA	8.0
10	Orlando-Kissimmee-Sanford, FL	5.3	25	Los Angeles-Long Beach-Anaheim, CA	9.3

**U.S. Unemployment Rate**  
**July: 5.4%    August: 5.2%**

# The Ministry Speaks



# COVID-19 Stimulus Packages I

- **Coronavirus Aid, Relief, and Economic Security (CARES) Act (3/27/2020)**
  - More than \$2T total
  - Direct payments to Americans: \$1,200
  - Extended/enhanced unemployment insurance program: \$600/week enhanced federal benefit
  - Loans and grants for small businesses: \$377B
  - Loans and grants for large businesses: \$510B
  - Direct aid to state/local governments: \$150B
  - Health care system: more than \$150B
- **Paycheck Protection Program and Health Care Enhancement Act (4/24/2020): \$483B**
- **Consolidated Appropriations Act, 2021 (12/27/2020)**
  - More than \$900B for coronavirus assistance
  - Direct payments to Americans: \$600
  - Extended/enhanced unemployment insurance program: \$300/week enhanced federal benefit
  - Rental assistance: \$25B and eviction moratorium extension
  - Loans and grants for small businesses: Approx. \$285B for Paycheck Protection Program; \$15B in grants for theaters and other live venues
  - Aid for schools and childcare: \$82B for K-12 schools and colleges; \$10B for childcare providers
  - SNAP: raises benefits by 15% for 6 months
  - Vaccine funding: \$28B for purchase and distribution of vaccine; \$20B 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

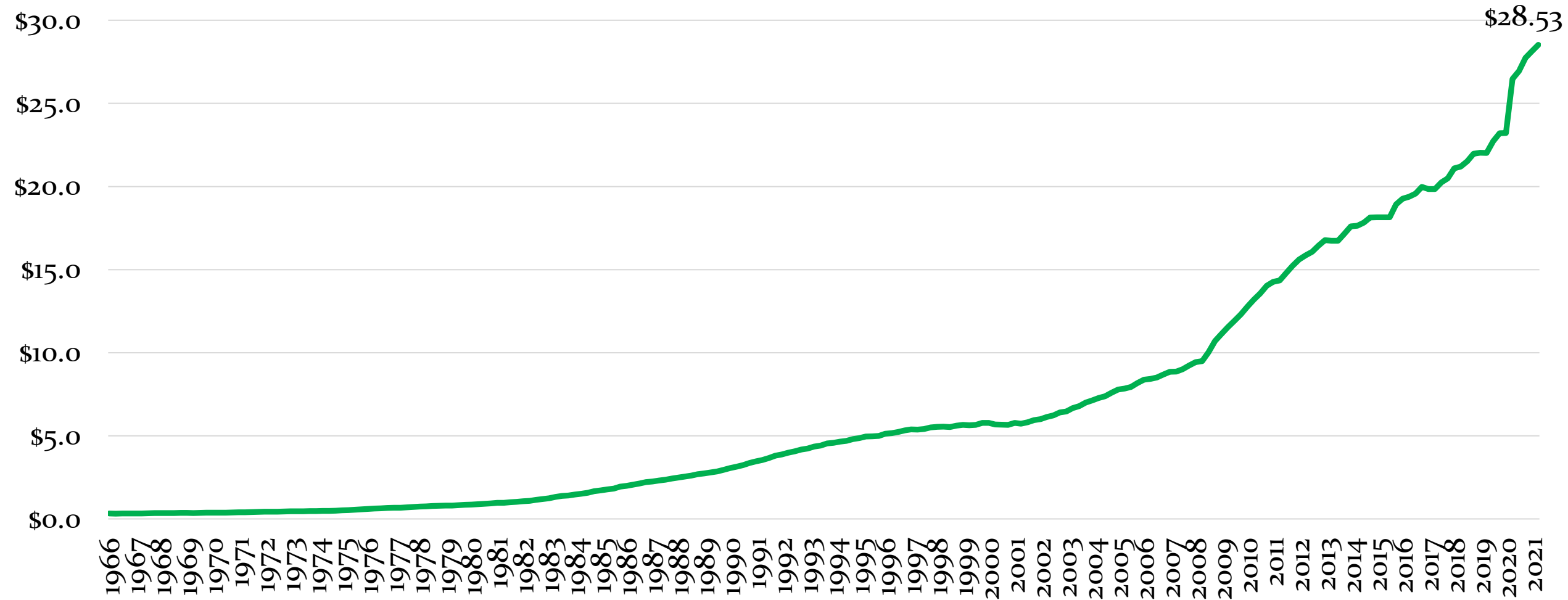
- Signed into law on 3/11/2021
- Total of **\$1.9 trillion**
- Direct payments to Americans: \$1,400
- Extended federal unemployment assistance: \$300/week
- Direct aid to state and local governments:  $\approx$  \$350B
- Education:  $\approx$  \$170B for K-12 schools and higher ed
- Small businesses:  $\approx$  \$49B in loans/grants for several programs for small businesses, restaurants/bars, and venue operators
- Public health:  $\approx$  \$92B 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
- More: 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 – 2021*

Federal Debt: Total Public Debt (\$ Trillions)



# COVID's Commercial Curse



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

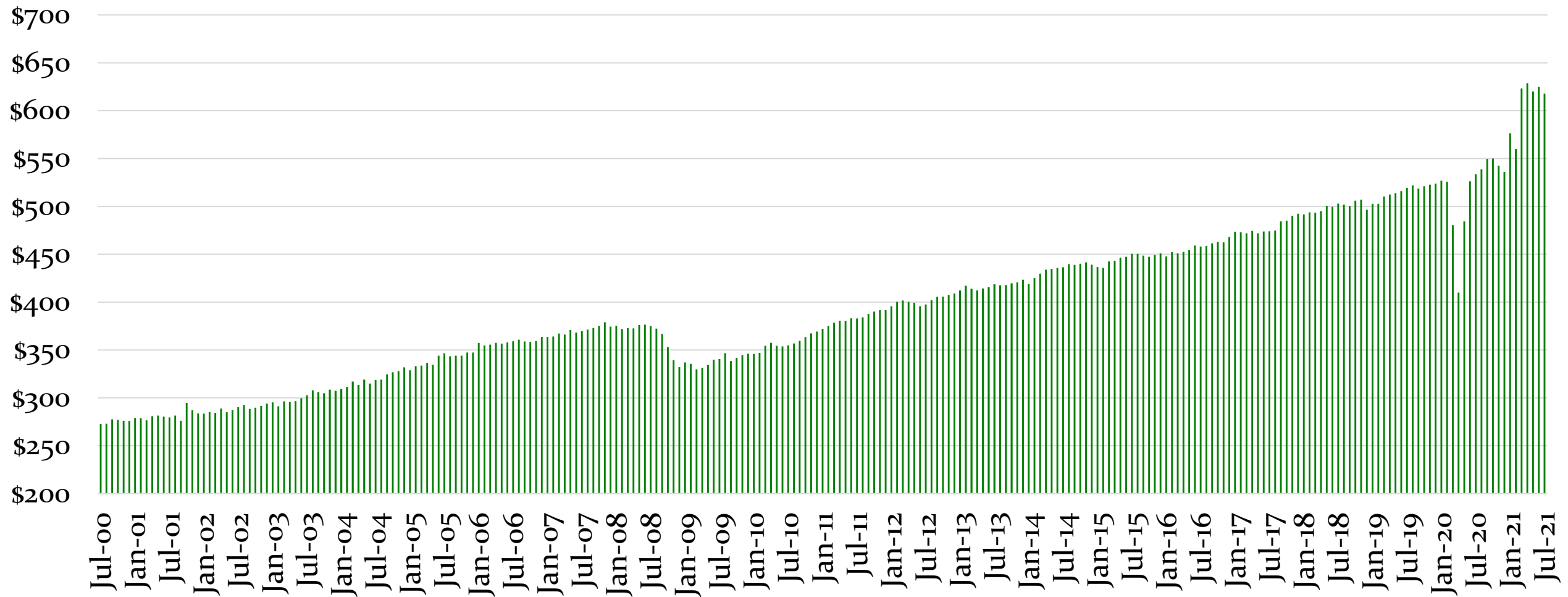
Retailer/Company	Date	Retailer/Company	Date	Retailer/Company	Date
Francesca's	12/3/20	<b>Brooks Brothers</b>	<b>7/8/20</b>	Rubie's Costume Co.	4/30/20
Guitar Center	11/21/20	Lucky Brand	7/3/20	Roots USA	4/29/20
Furla	11/6/20	Old Time Pottery	6/28/20	N B L Textiles	4/24/20
Furniture Factory Outlet	11/5/20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

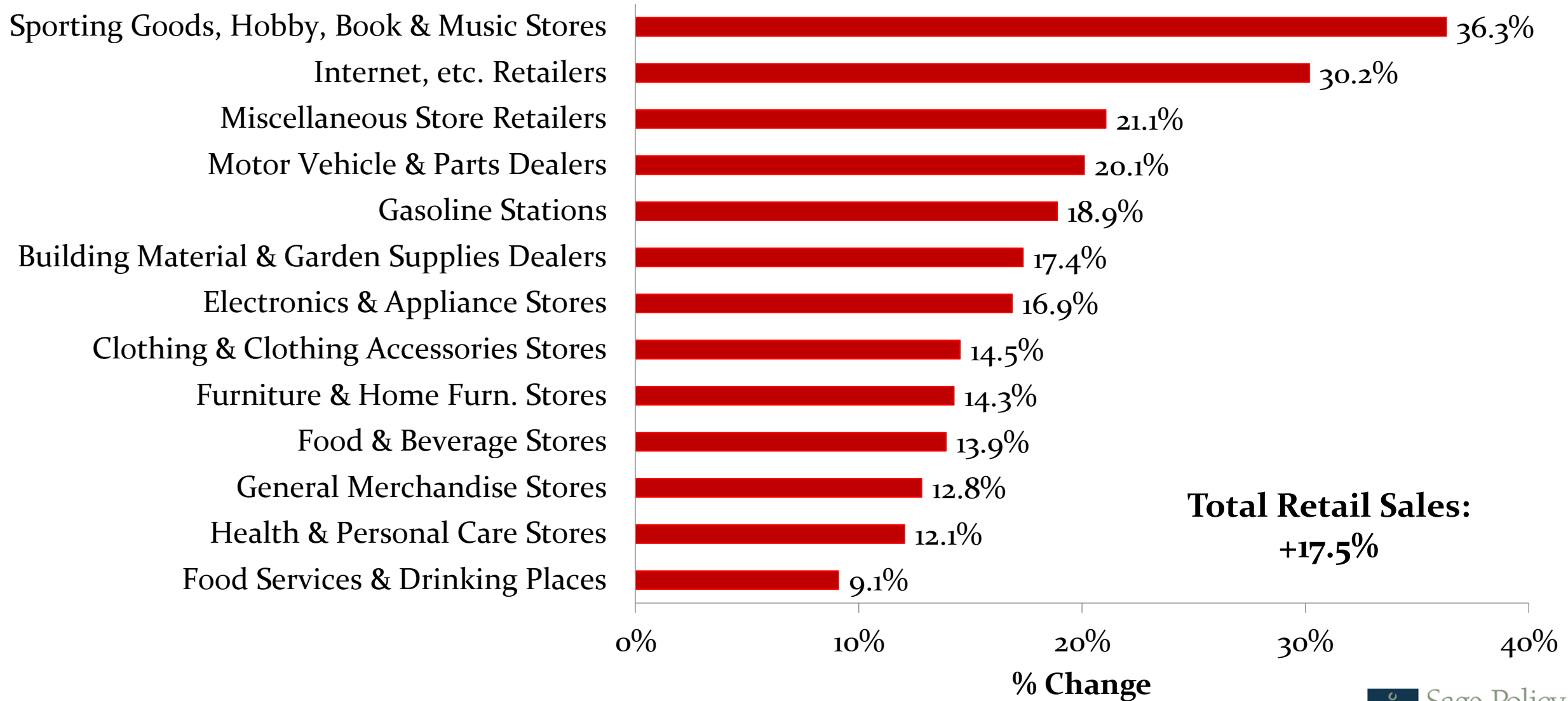
July 2000 – July 2021

Retail Sales (\$Billions)



# U.S. Retail Sales by Type of Business

*February 2020 v. July 2021 % Change*

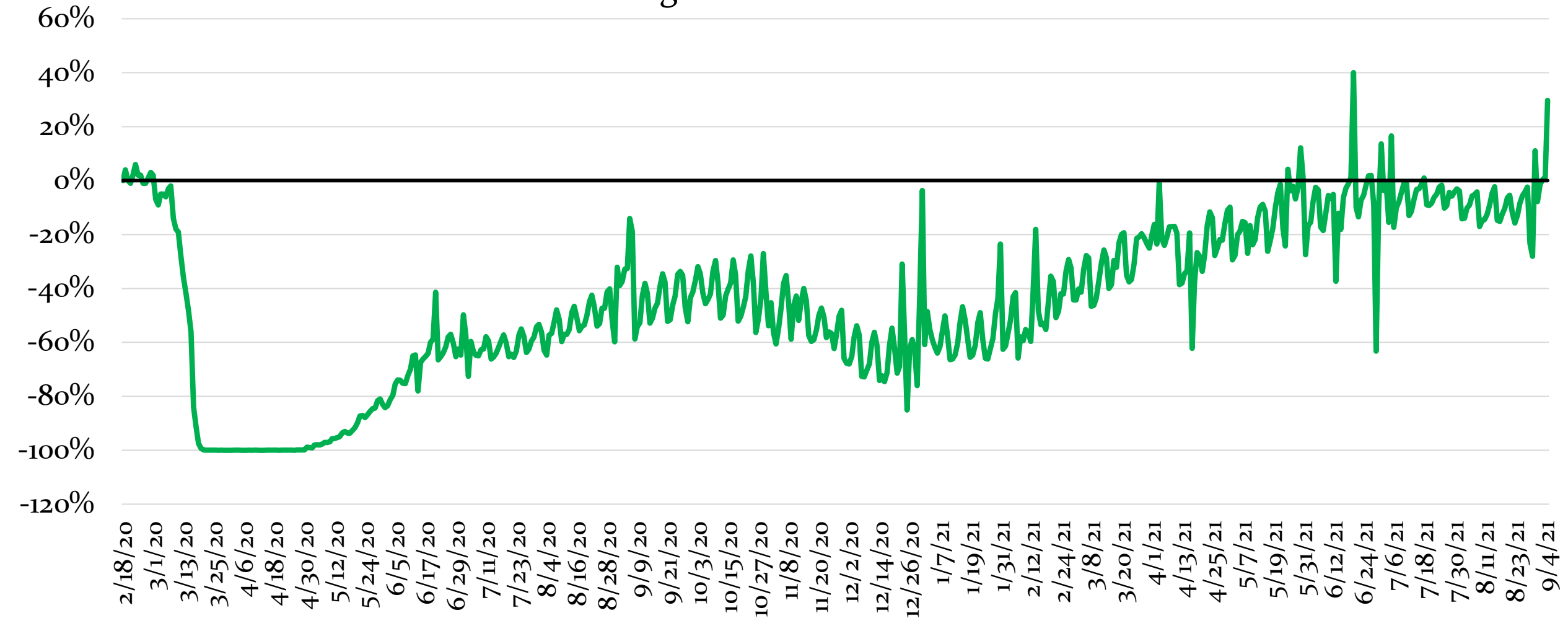




# U.S. Restaurant Reservations (Seated Diners)

*% Change Compared to 2019*

% Change in Seated Reservations



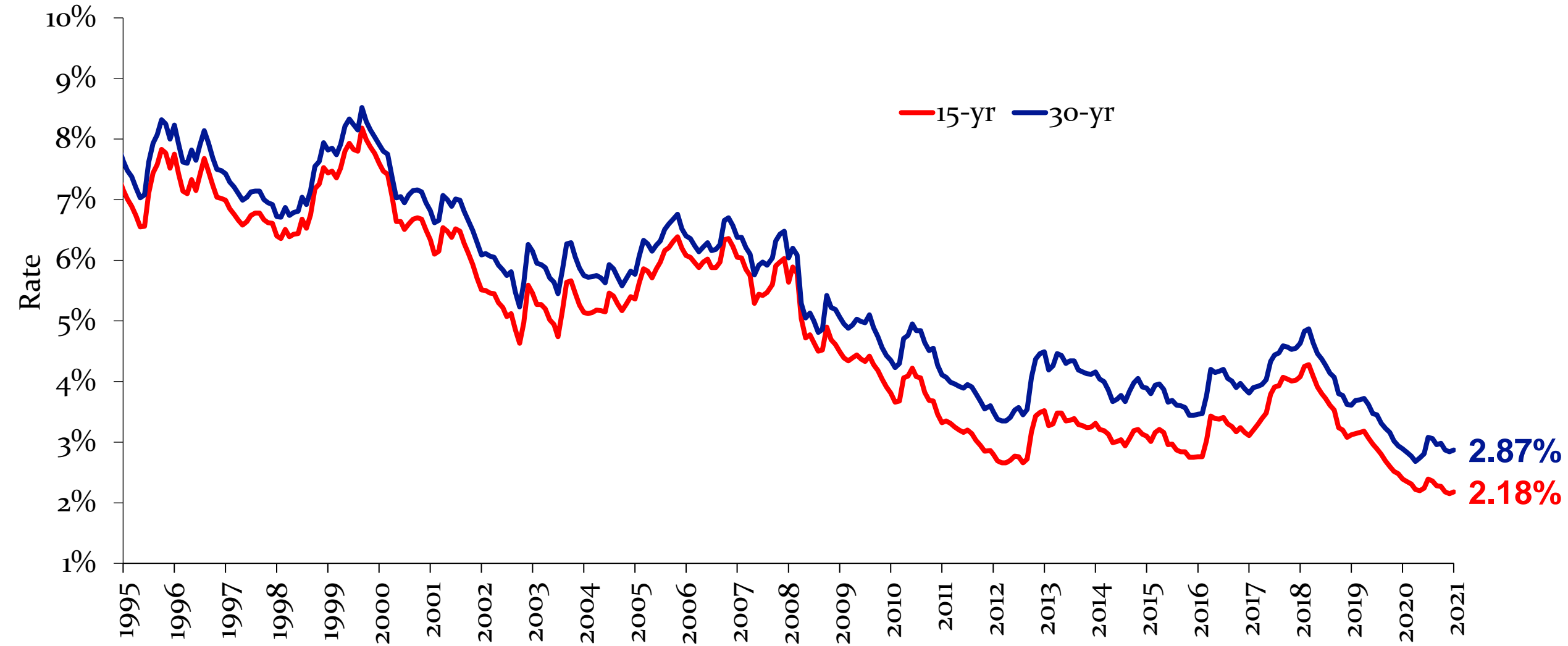
I'm in  
Ravenclaw  
House!



Sage Policy  
Group, Inc.

# 15-Year & 30-Year Fixed Mortgage Rates

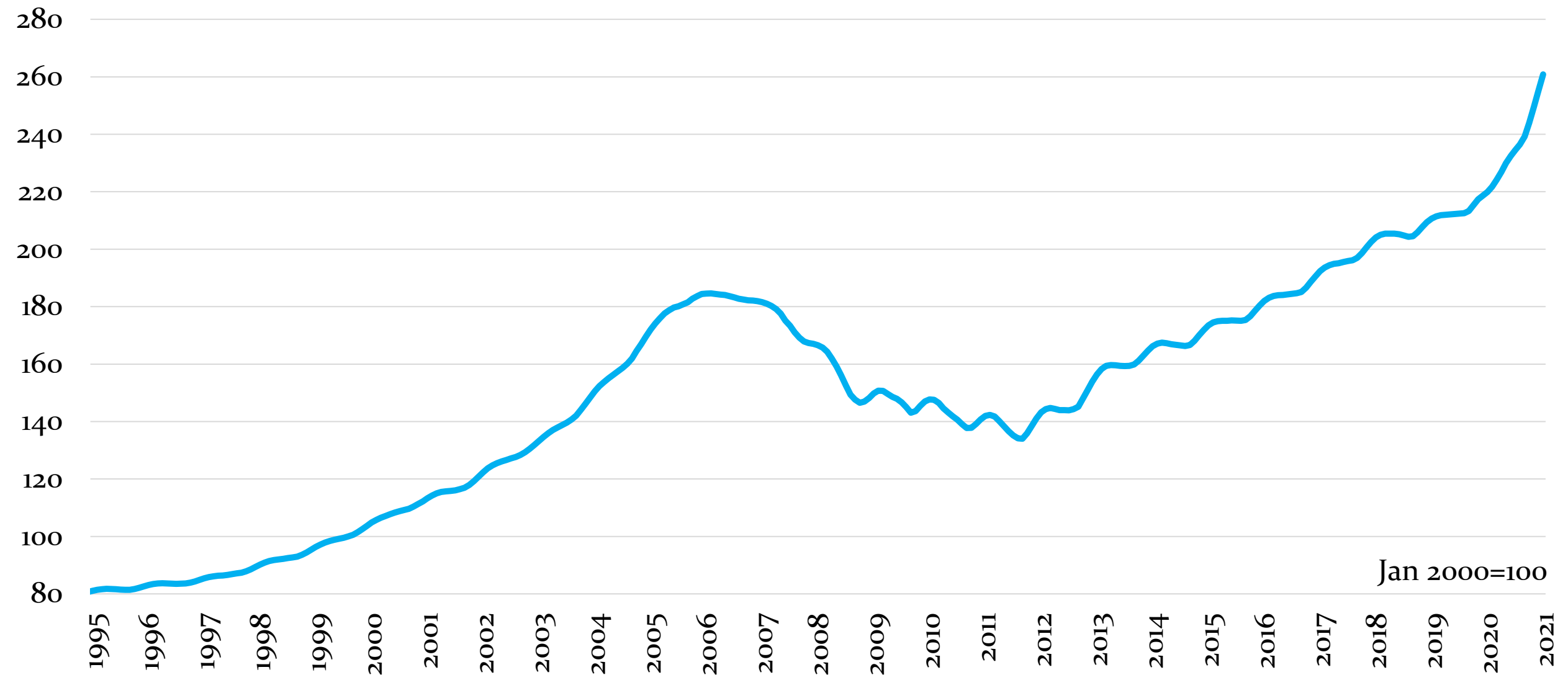
*September 1995 – September 2021\**



\*Week ending 9/2/2021

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

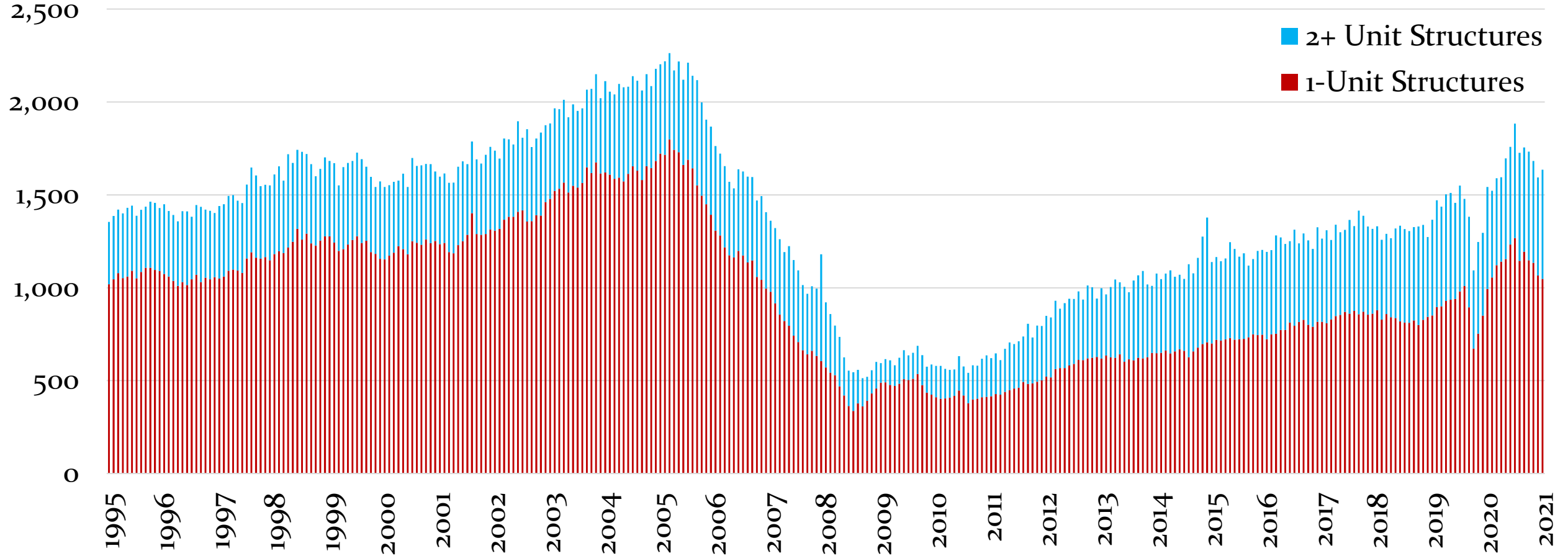
*June 1995 – June 2021*



# U.S. Residential Building Permits

July 1995 – July 2021

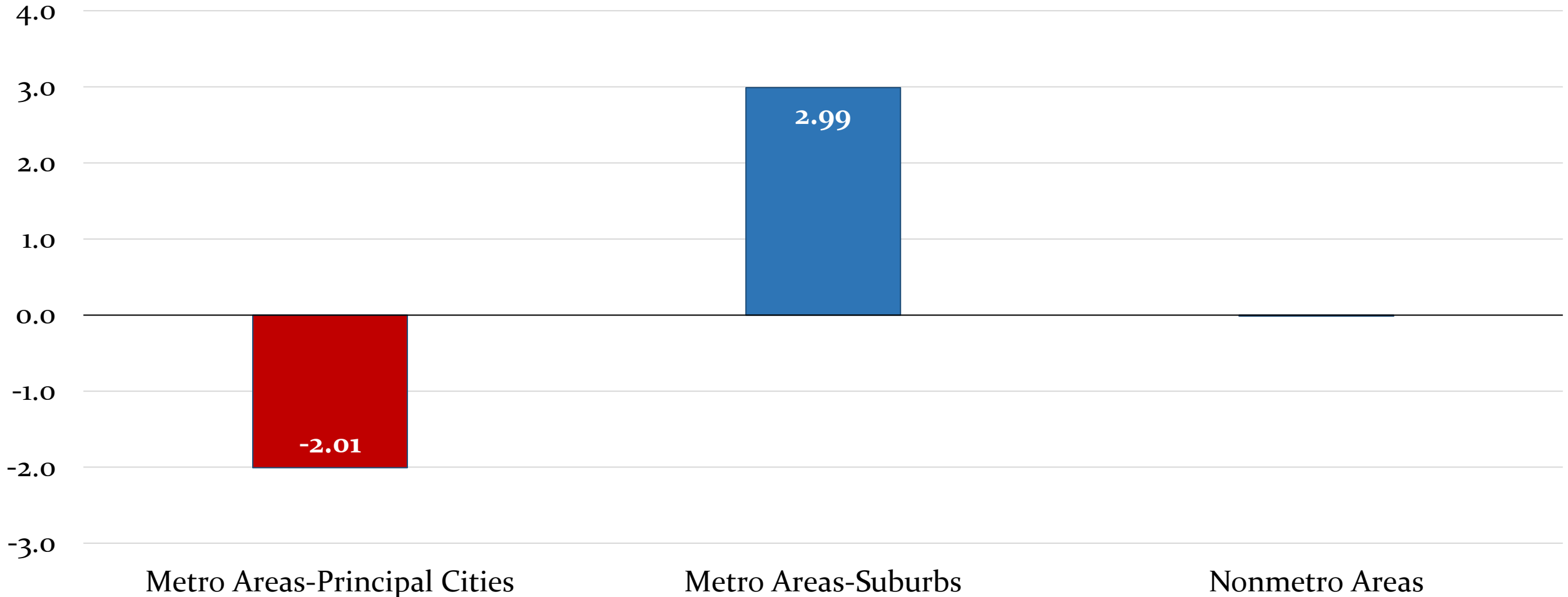
Building Permits (ooo's of Units)





# 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*

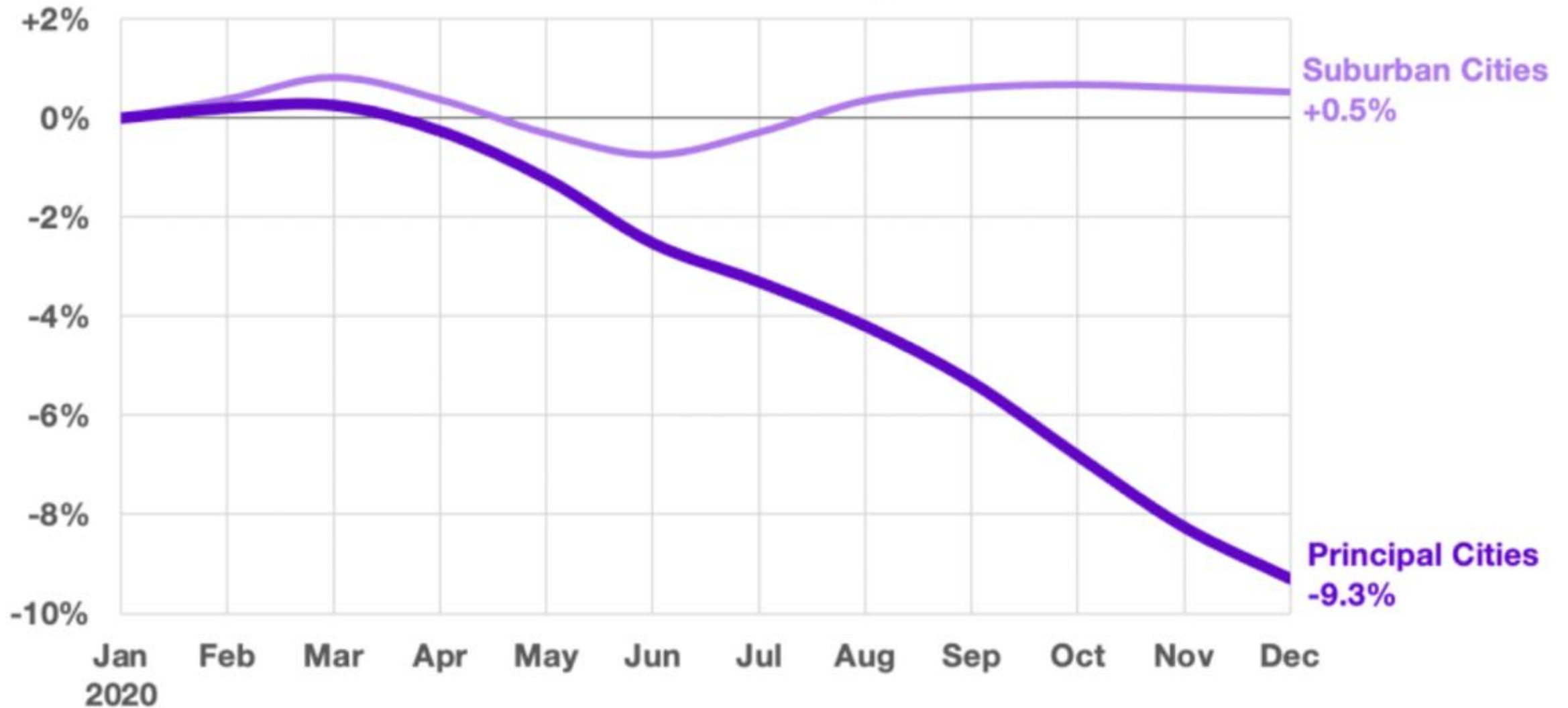
## Largest Rent Declines/Increases among 50 largest U.S. cities by population

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

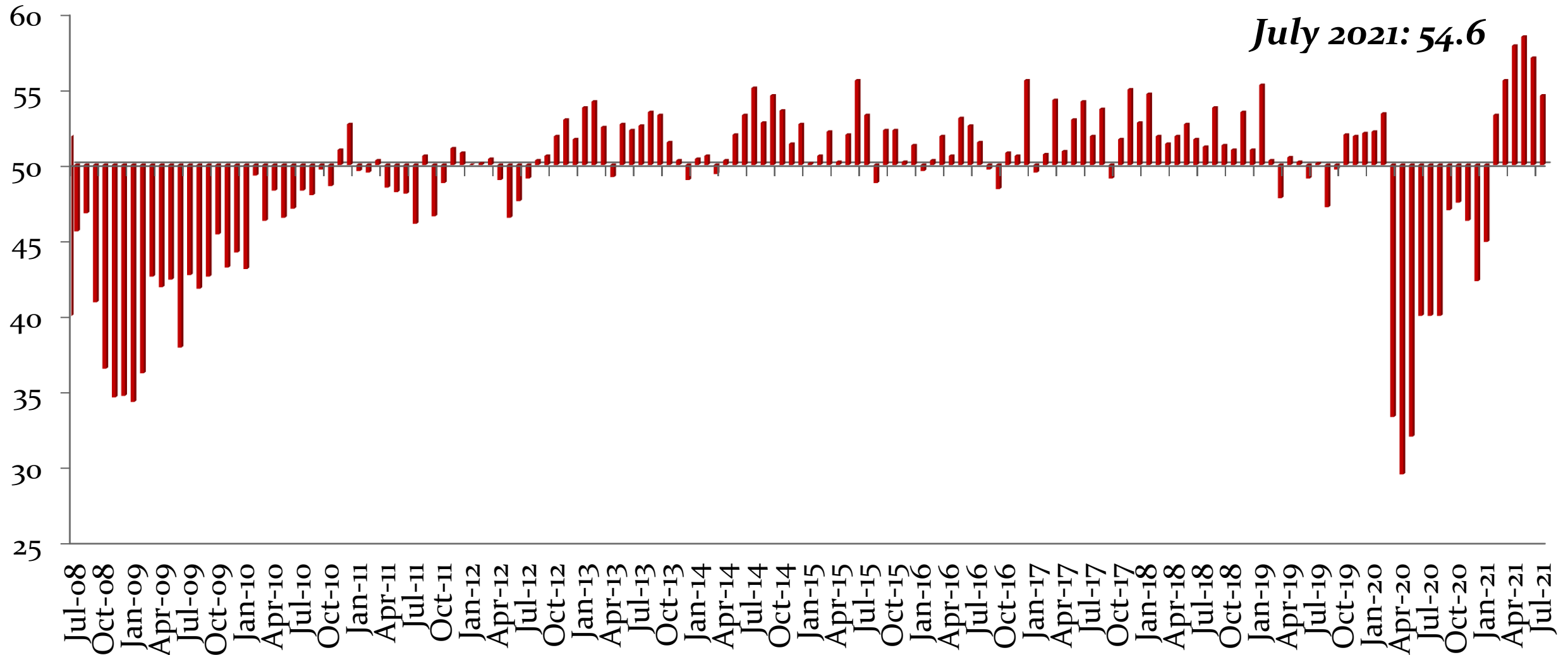
*Cumulative Rent Change in 2020*



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

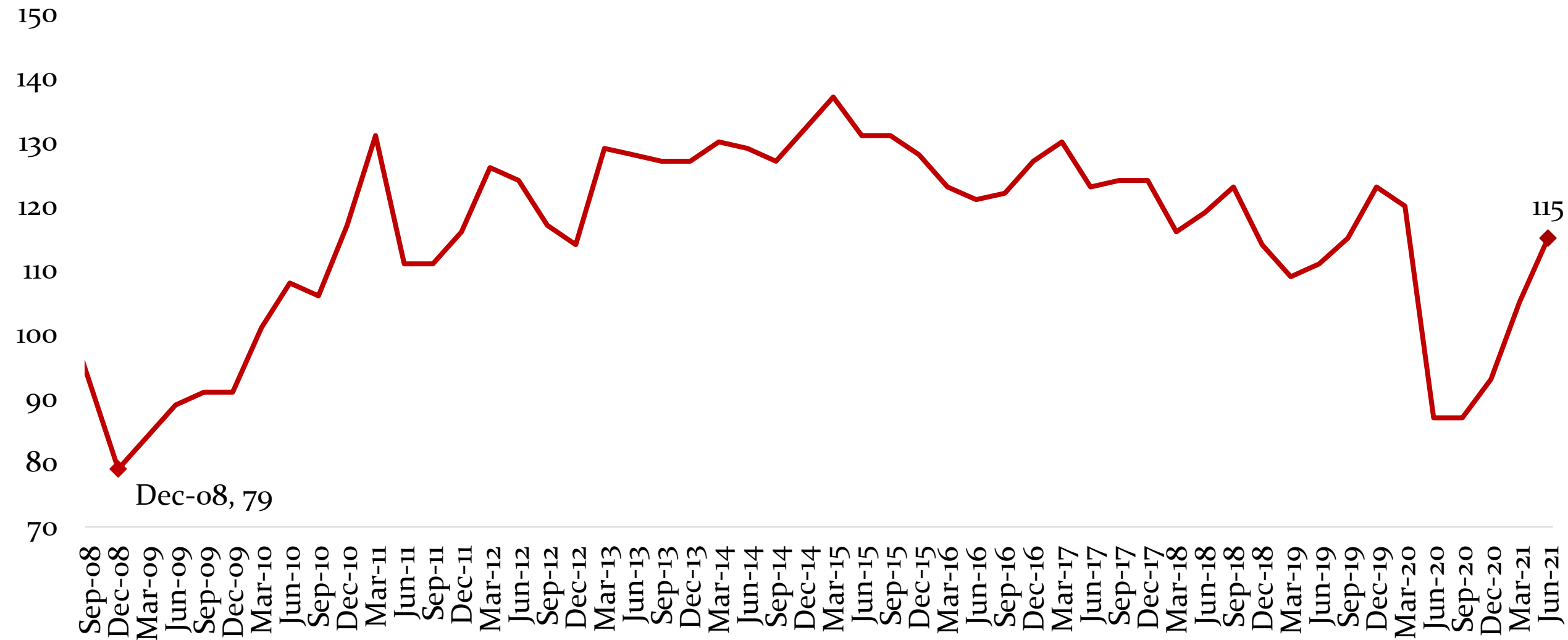
# Architecture Billings Index

July 2008 – July 2021



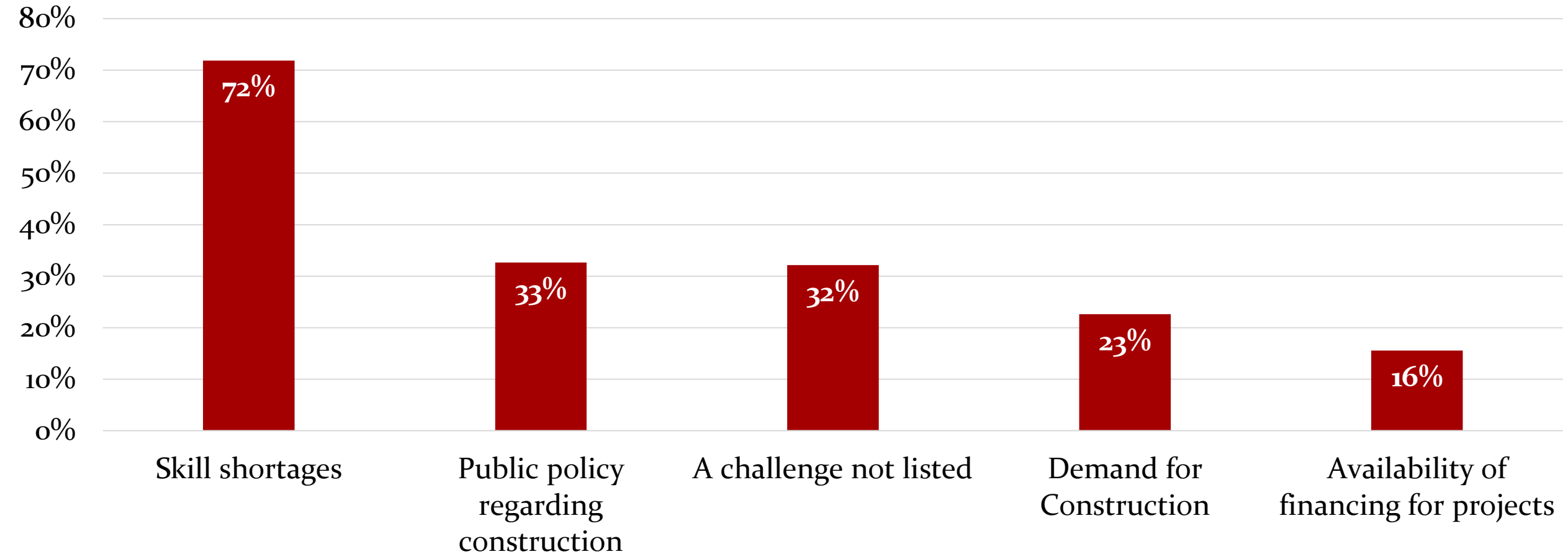
# CONFINDEX Overall Confidence Index Readings

## 2008 – June 2021



# CFMA CONFINDEX: Greatest Concerns, 2021Q2

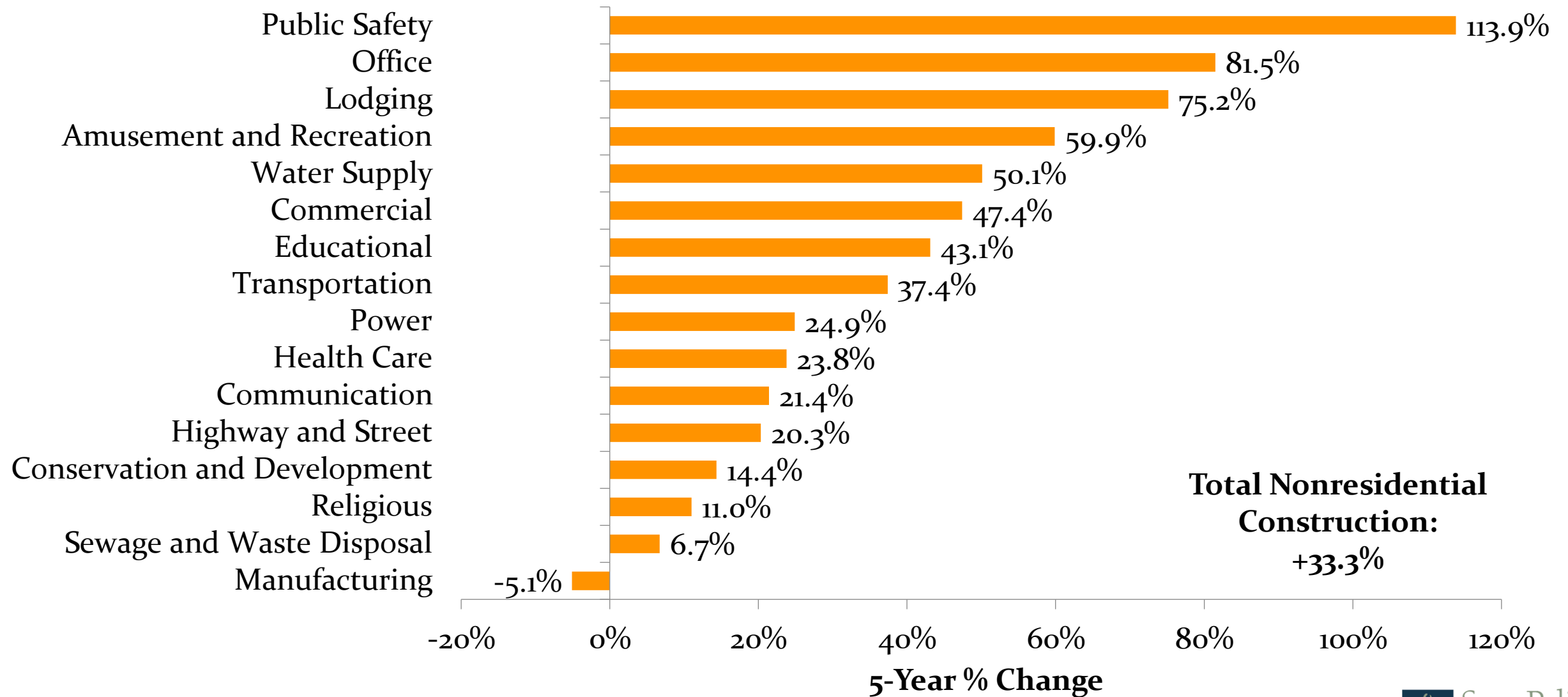
Combined Very or Highly Concerned  
% of Respondents





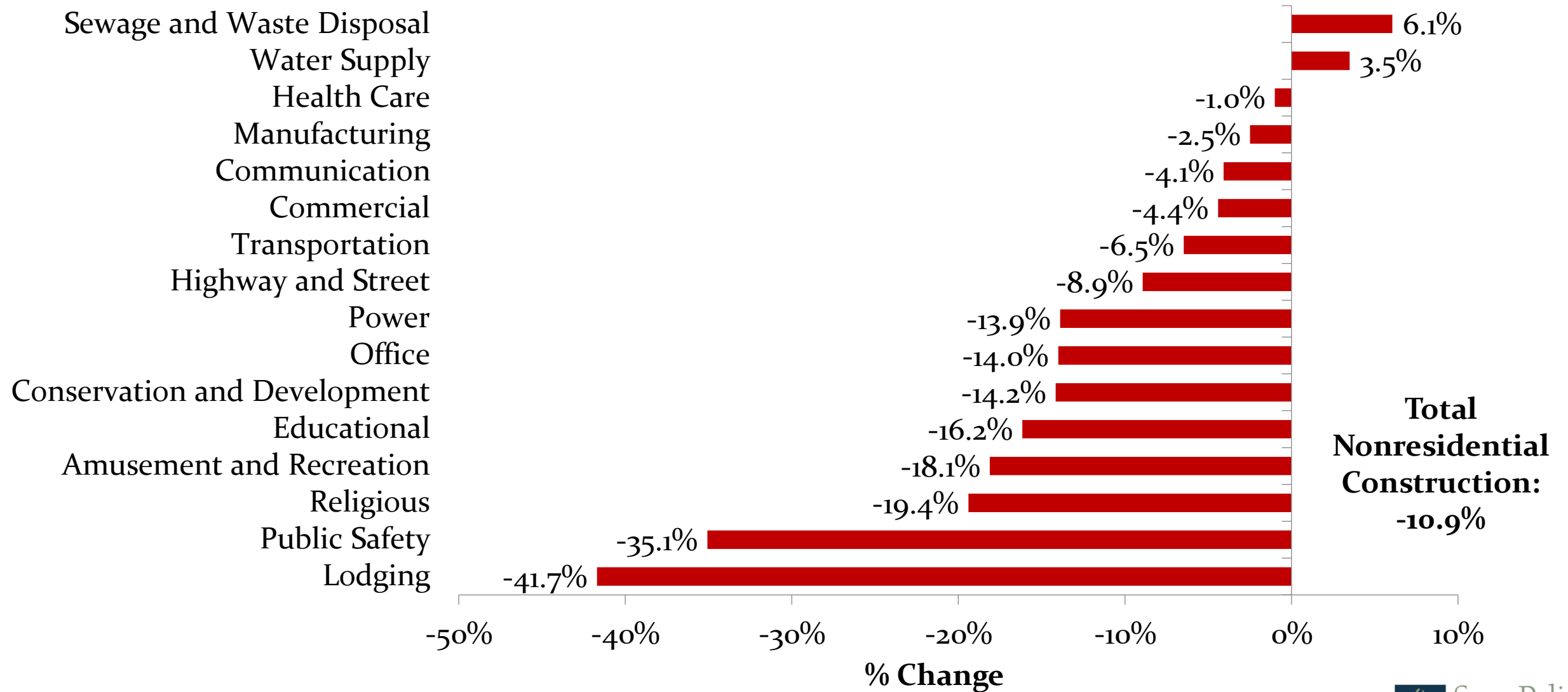
# National Nonresidential Construction Spending by Subsector

February 2015 v. February 2020



# National Nonresidential Construction Spending by Subsector

February 2020 v. July 2021

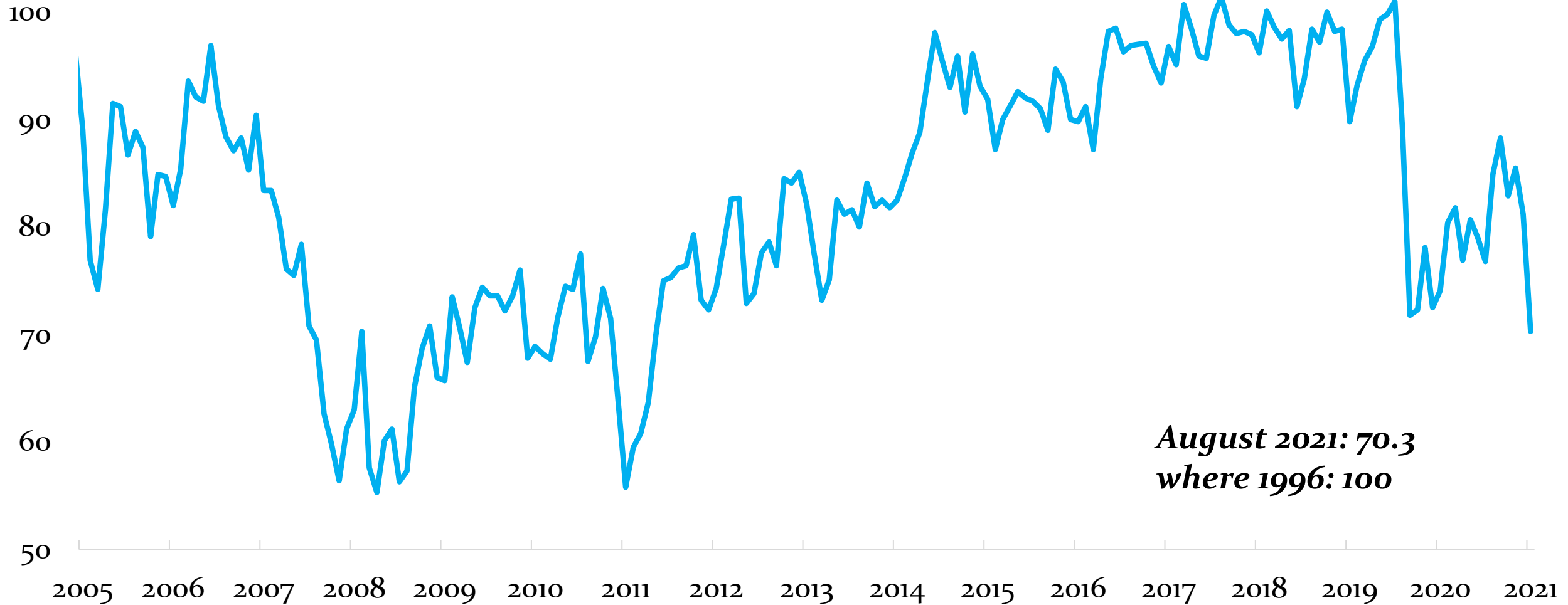


# The Crystal Ball



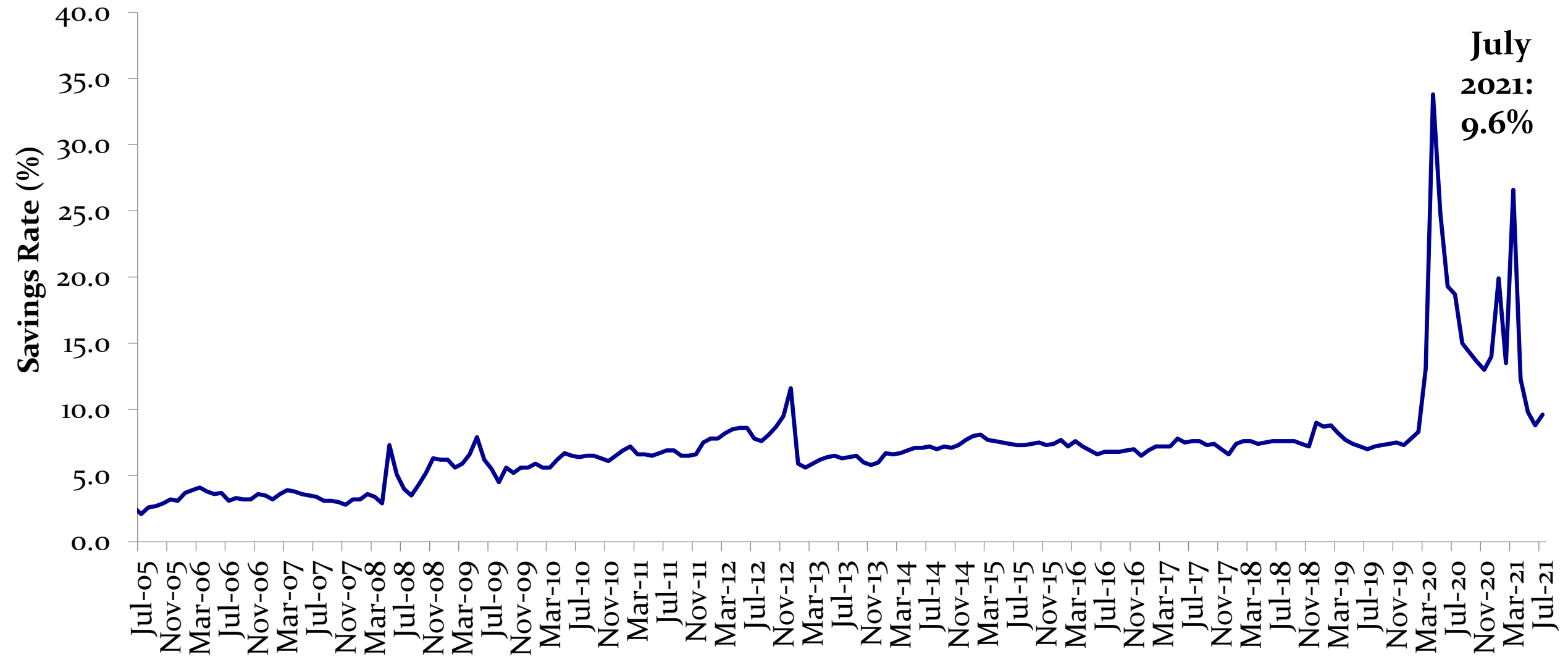
# University of Michigan Index of Consumer Sentiment

## 2005 – 2021



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

*(Savings as Percentage of Personal Disposable Income)*

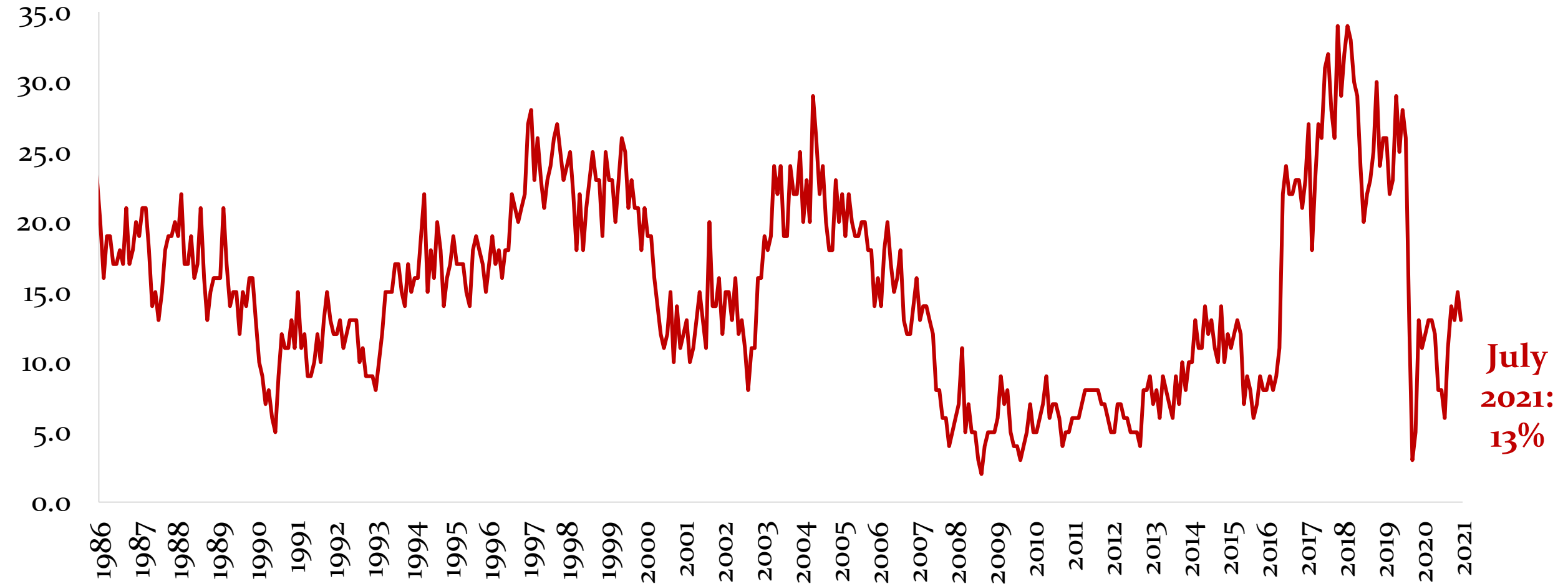


**July  
2021:  
9.6%**

# 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





# The Sorcerer's Outlook

- For an economy to flourish, both demand and supply sides of economy must participate.
- With ongoing stimulus, demand gets a further boost, but supply will be constrained by numerous factors, and not just in America.
- The result is that the U.S. savings rate will remain elevated, spring loading the economy for rapid economic growth once vaccines become more broadly available.
- The back half of 2021 should have been spectacular for economic growth – now only Q4:2021 will be.
- And 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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