

GROWING GOTHAM

**Realities, Risks, and Remedies
to NYC's Population Loss**

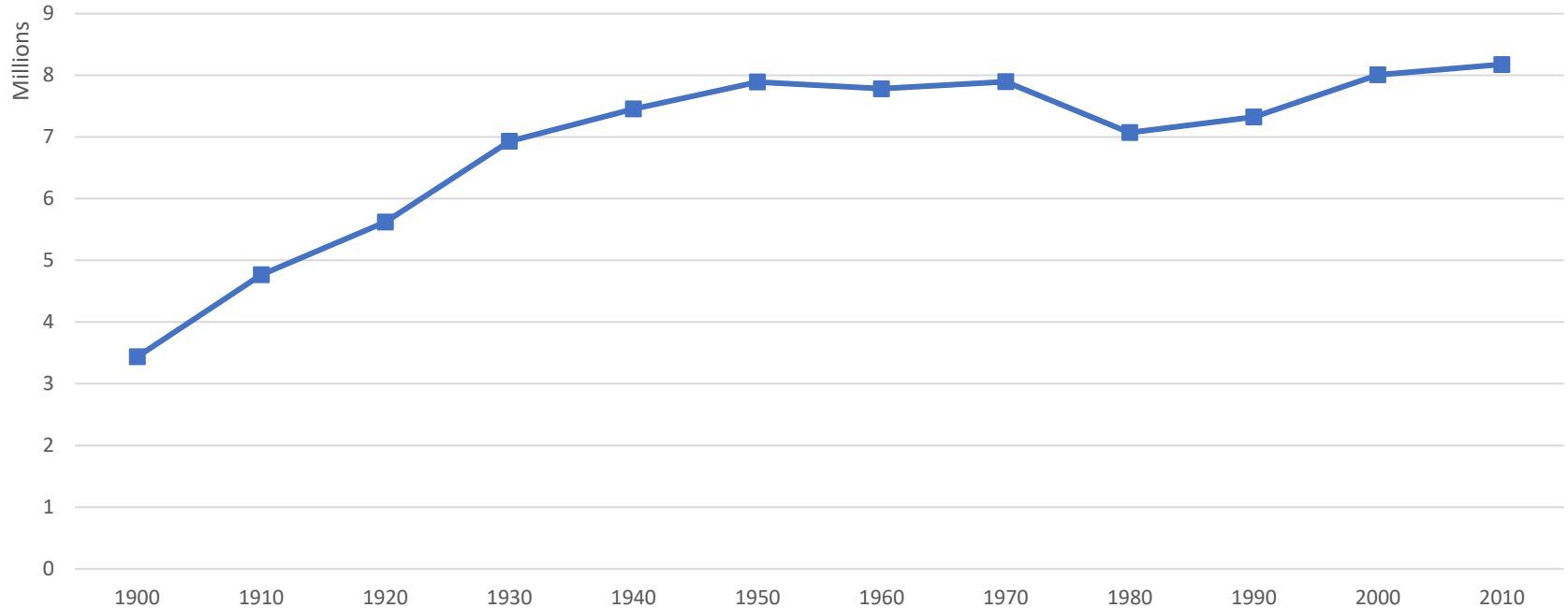
Andrew Rein, President, CBC
Don Boyd, Principal, Boyd Research

Realities of NYC Population Trends

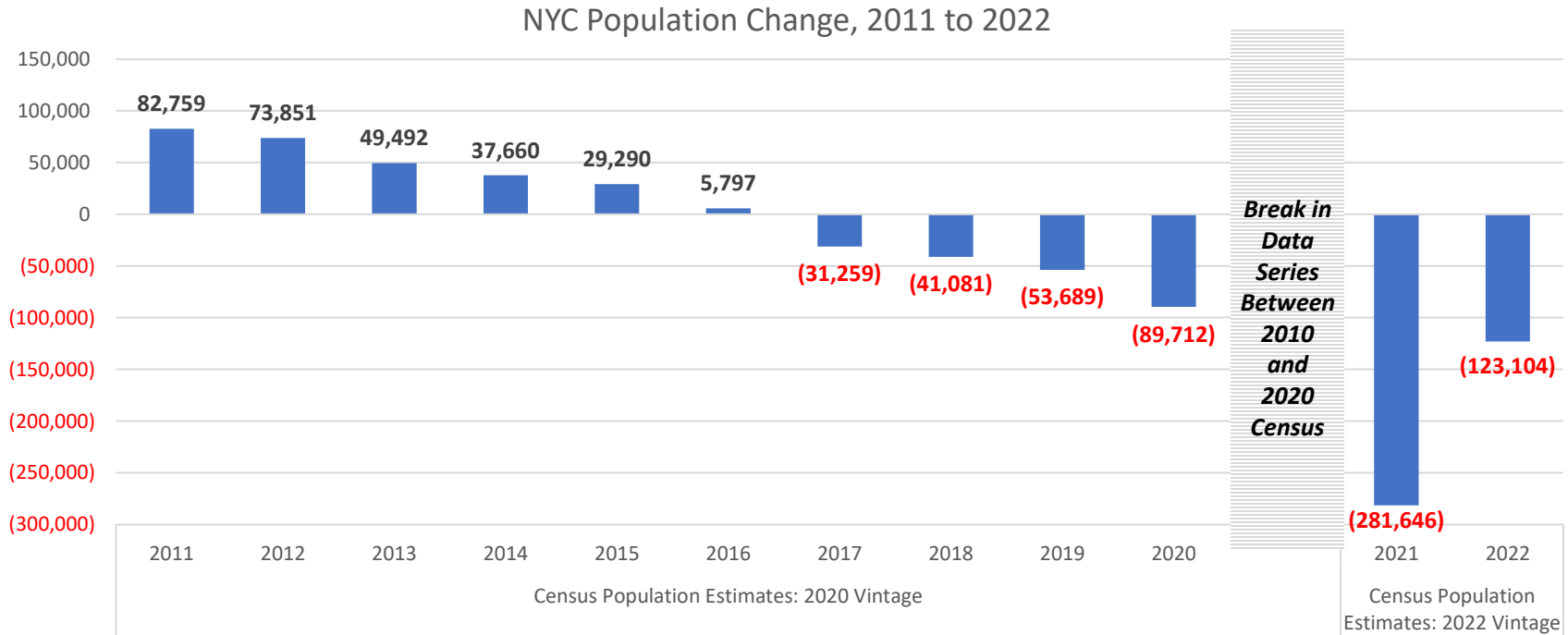
NYC Population: Increased, Declined, Recovered, Grew

In-Migration and Natural Growth Exceeded Out-Migration

NYC Decennial Census Population Estimate, 1900 to 2010
in millions



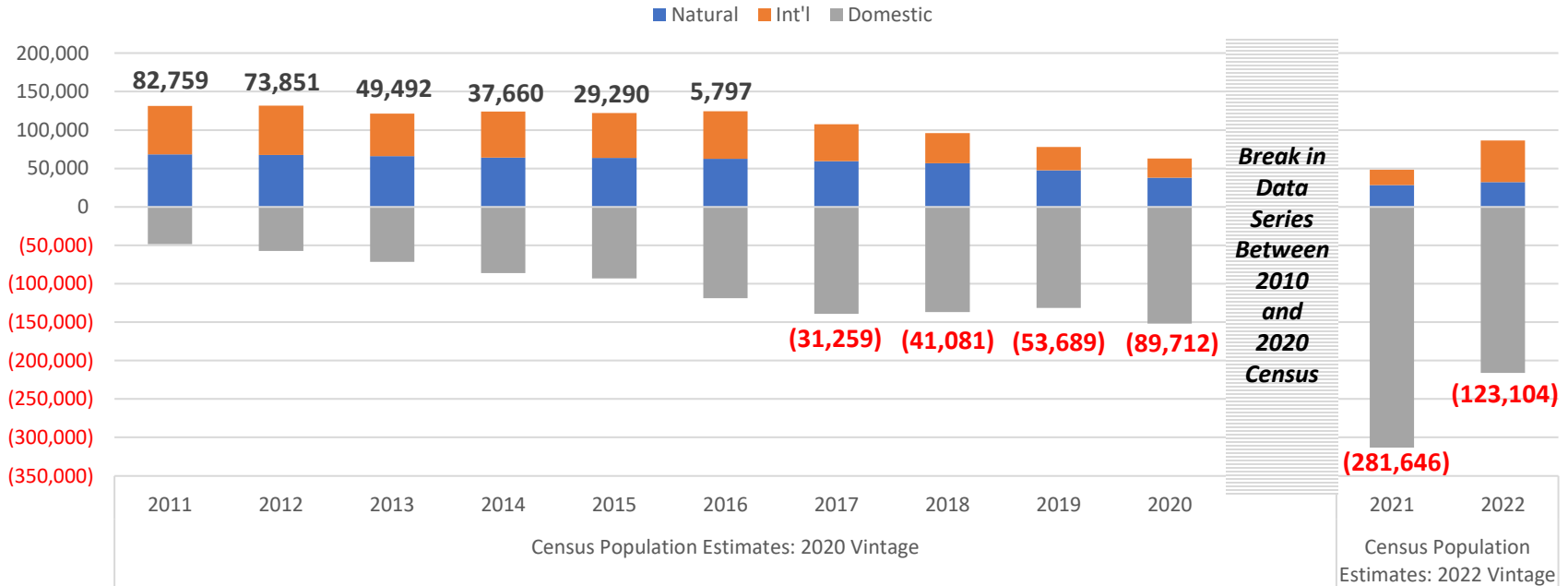
NYC's Population Growth Reversed in 2017 Decline Starts in 2017; Accelerates During Pandemic



Source: U.S. Department of Commerce, Census Bureau, *Annual Resident Population Estimates, Estimated Components of Resident Population Change, and Rates of the Components of Resident Population Change for States and Counties: April 1, 2020 to July 1, 2022 (CO-EST2022-alldata)*; and *Population, Population Change, and Estimated Components of Population Change: April 1, 2010 to July 1, 2020 (CO-EST2020-alldata)* (accessed October 31, 2023).

Starting 2017: Increased Domestic Out-Migration Exceeded Decreasing International In-Migration and Natural Change

Components of Change in NYC Population, 2011 to 2022

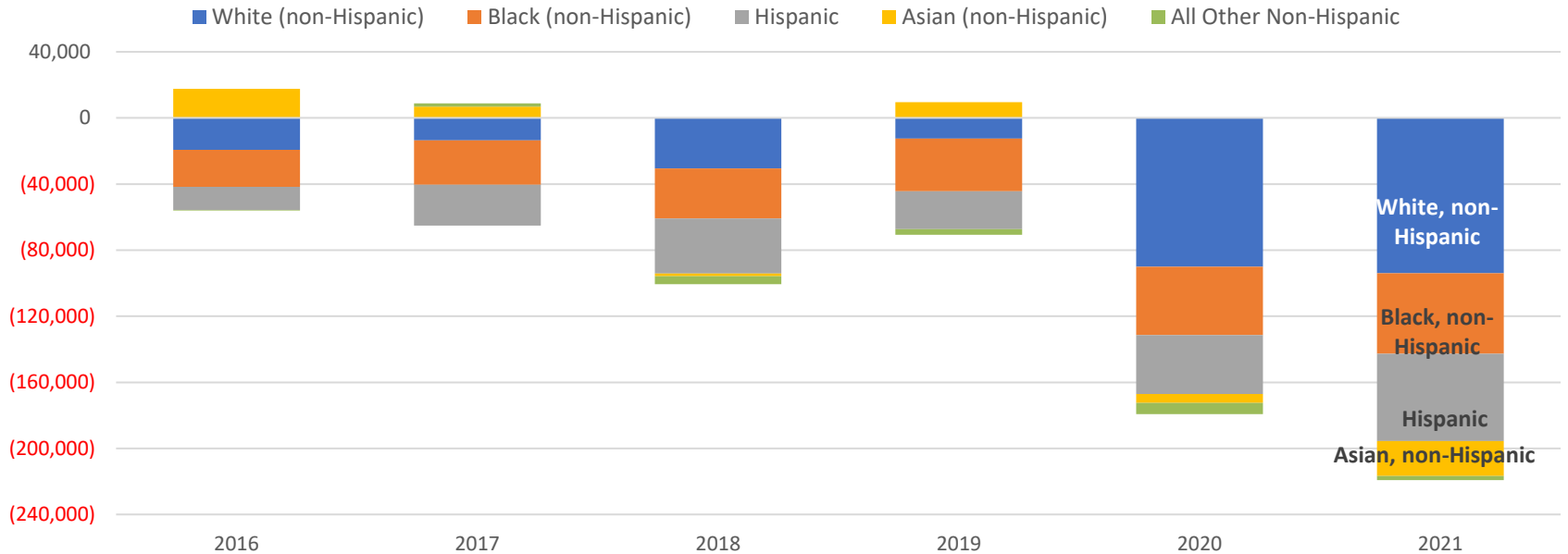


Note: Excludes residuals.

Source: U.S. Department of Commerce, Census Bureau, *Annual Resident Population Estimates, Estimated Components of Resident Population Change, and Rates of the Components of Resident Population Change for States and Counties: April 1, 2020 to July 1, 2022 (CO-EST2022-alldata)*; and *Population, Population Change, and Estimated Components of Population Change: April 1, 2010 to July 1, 2020 (CO-EST2020-alldata)* (accessed October 31, 2023).

Net Out-Migration Increased Across Races, Accelerated Among White and Asian Non-Hispanic

Net NYC moving by race, 2016-2021

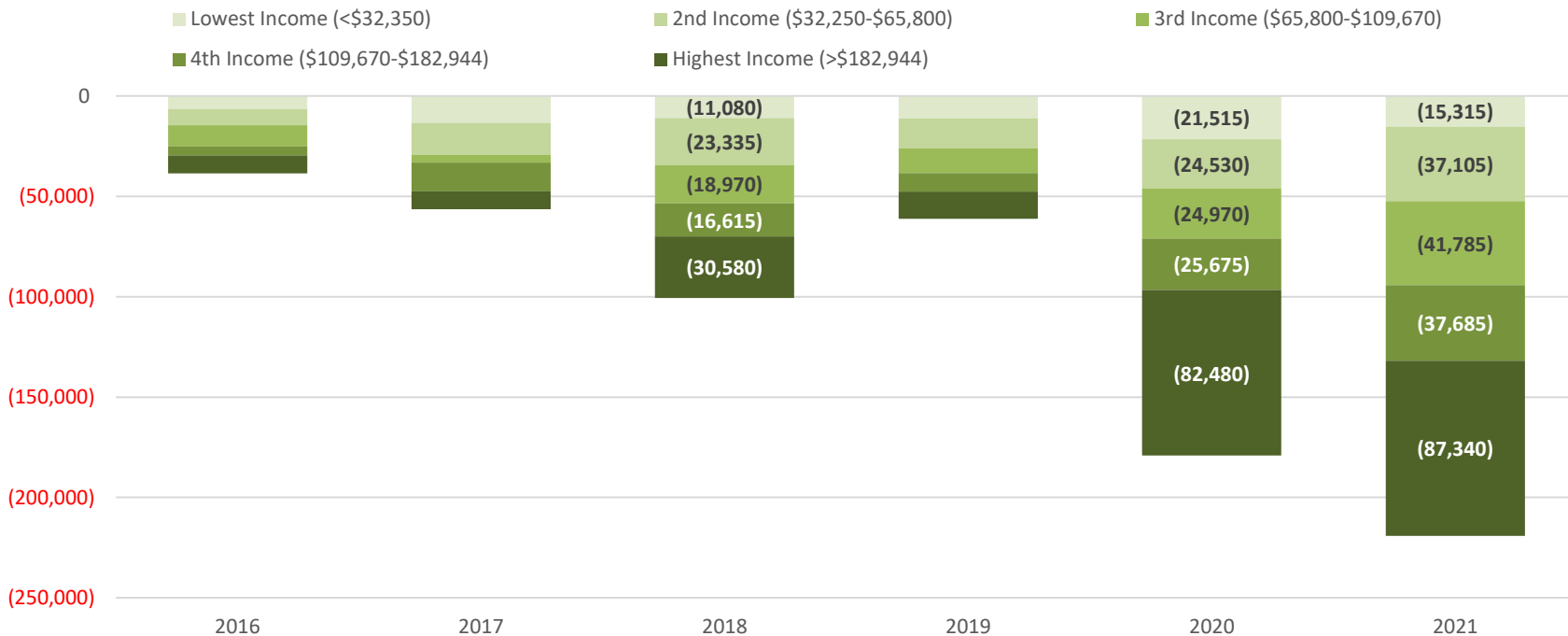


Note: White non-Hispanic is one race only, Black non-Hispanic and Asian non-Hispanic are one or more races.

Source: Analysis by John Mollenkopf, American Community Survey Public Use Microdata, All States, ACS Combined Files 2016-2021 by Year, includes all New York City in-movers and out-movers from previous year.

Net Out-Migration Accelerated Among All Incomes, But More for Higher Income Households

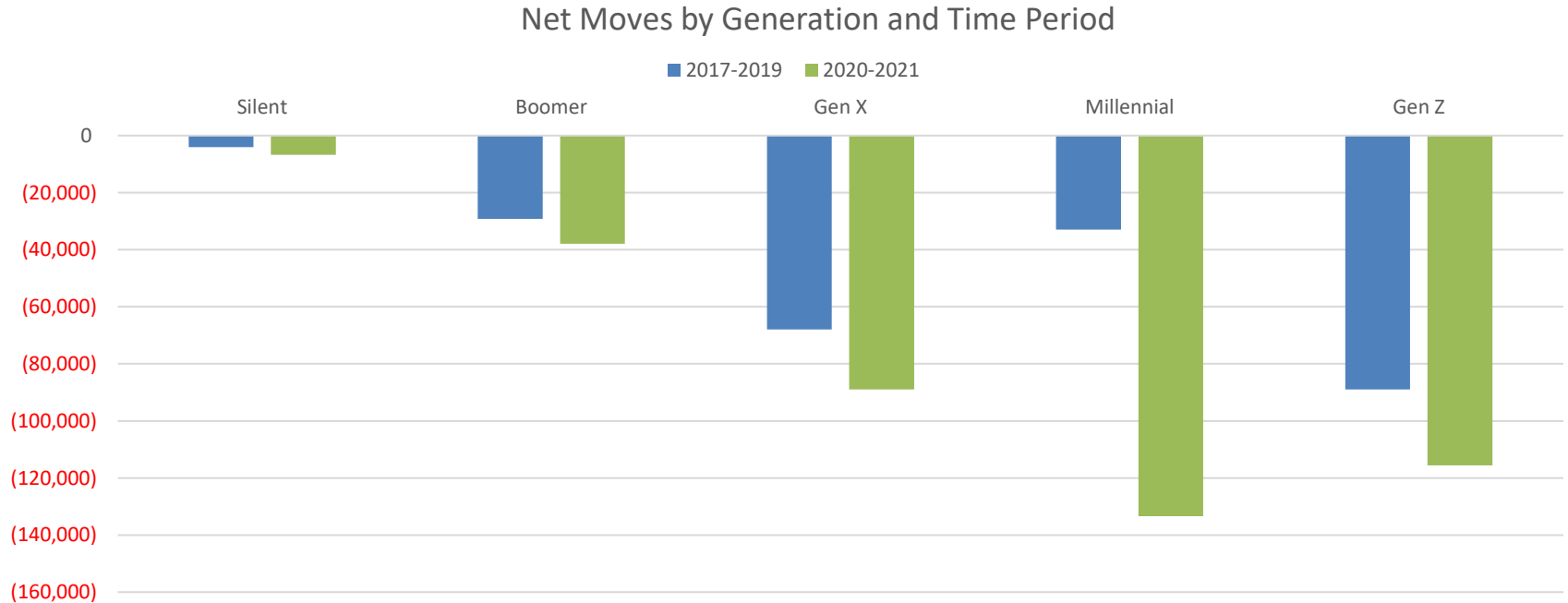
Net Migration By Household Income Quintiles, 2007 - 2021



Note: Income quintiles based on real dollars.

Source: Analysis by John Mollenkopf, American Community Survey Public Use Microdata, All States, ACS Combined Files 2016-2021 by Year, includes all New York City in-movers and out-movers from previous year.

Net Out-Migration Increased Across All Ages, But Accelerated Most for Millennials During COVID

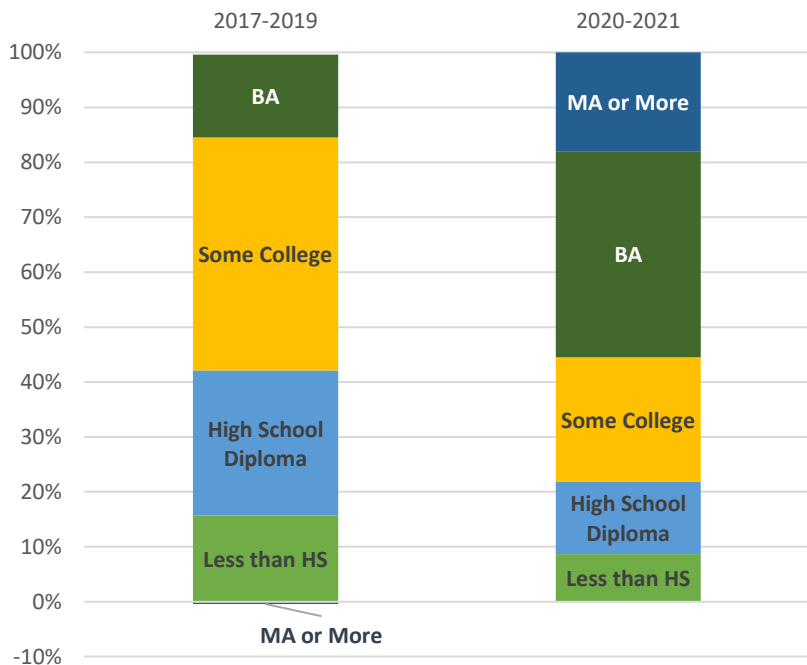


Note: Silent generation is born between 1928 and 1945, Boomers between 1946 and 1964, Gen X between 1965 and 1980, Millennials between 1981 and 1994, and Gen Z between 1997 and 2012.

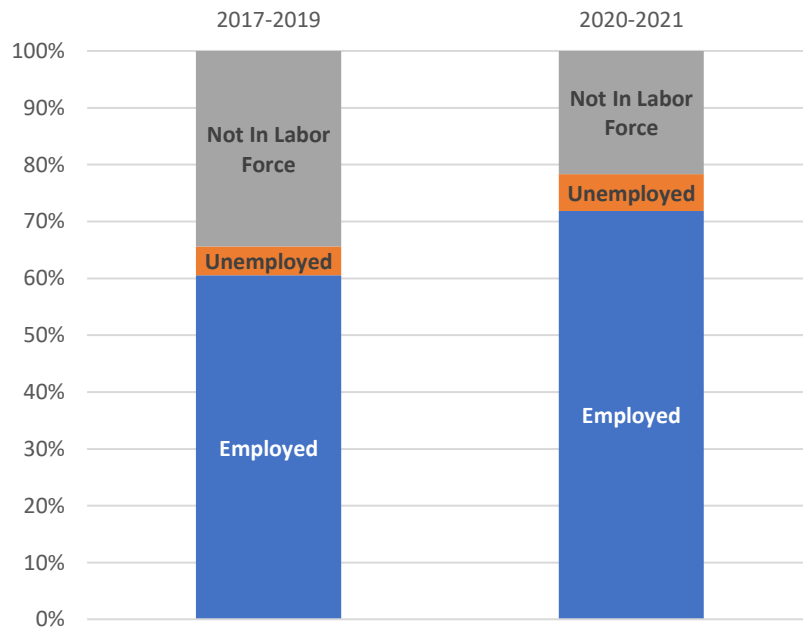
Source: Analysis by John Mollenkopf, American Community Survey Public Use Microdata, All States, ACS Combined Files 2016-2021 by Year, includes all New York City in-movers and out-movers from previous year.

Net Out-Movers During COVID More Likely to be More Highly Educated and Employed

Net Movers by Educational Attainment



Net Movers by Employment Status



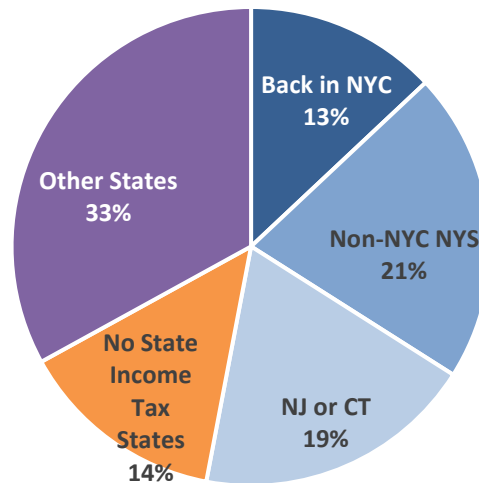
Source: Analysis by John Mollenkopf, American Community Survey Public Use Microdata, All States, ACS Combined Files 2016-2021 by Year, includes all New York City in-movers and out-movers from previous year.

Only 13% of Pandemic Leavers Have Returned to NYC

40% Still in Region, 47% in Other States

- Based on credit report data for adults with credit scores
- As of October 2023,
 - 13% have returned to NYC
 - 40% are in the region
 - 47% are in other states

NYC Pandemic Leavers Location in October 2023, Based on Credit Report Data



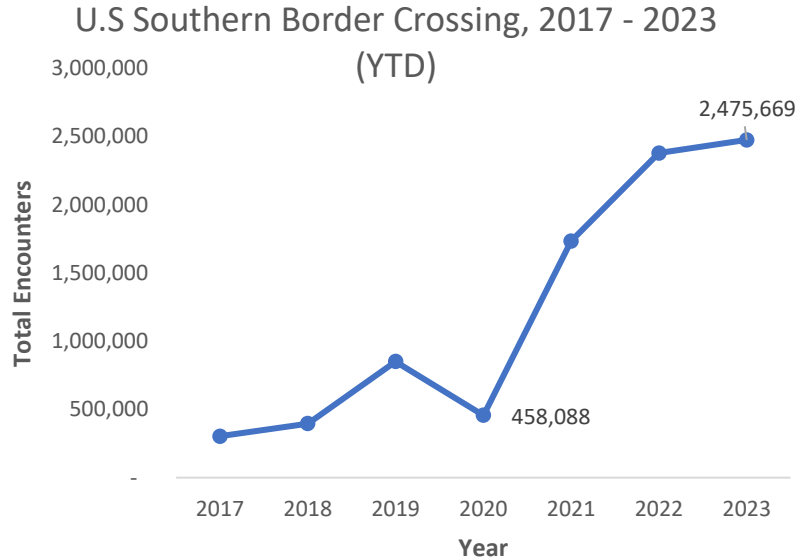
No State Income Tax States: AK, FL, NV, NH, SD, TN, TX, WA, WY

Note: According to credit report data, 155,400 resident adults with a credit score had moved out of NYC between March 2020 and December 2020, representing 2.7% of resident adults with credit scores.

Source: Joelle Scally and Andrew Haugwout, Analysis of New York Fed Consumer Credit Panel / Equifax.

Recent and Continuing Influx of Migrants and Asylum Seekers Will Affect Trends

Over 130,000 Asylum Seekers and Migrants Have Come to NYC So Far



Encounters: Includes Title 8 Apprehensions, Title 42 Expulsions, and Title 8 Inadmissibles. Data for 2023 is through September.

- 130,600 migrants and asylum seekers have arrived in NYC since April 2022
 - 65,400 in City shelters
 - 67,585 may be elsewhere in NYC
- Over 21,000 in NYC public schools this year

Source: U.S. Customs and Border Protection, Nationwide Encounters; Testimony of Molly Schaefer, Interim Director of the NYC Office of Asylum Seeker Operations to the New York City Council Committees on General Welfare, Finance, and Oversight & Investigations, *Oversight Hearing: Asylum Seeker Response Efforts – Costs and Projections* (October 23, 2023); Kevin Sheehan, Georgett Roberts, and Isabel Keane, “Some NYC schools forced to turn away kids on first day of school as influx of migrants joins classrooms,” *NY Post* (September 7, 2023).

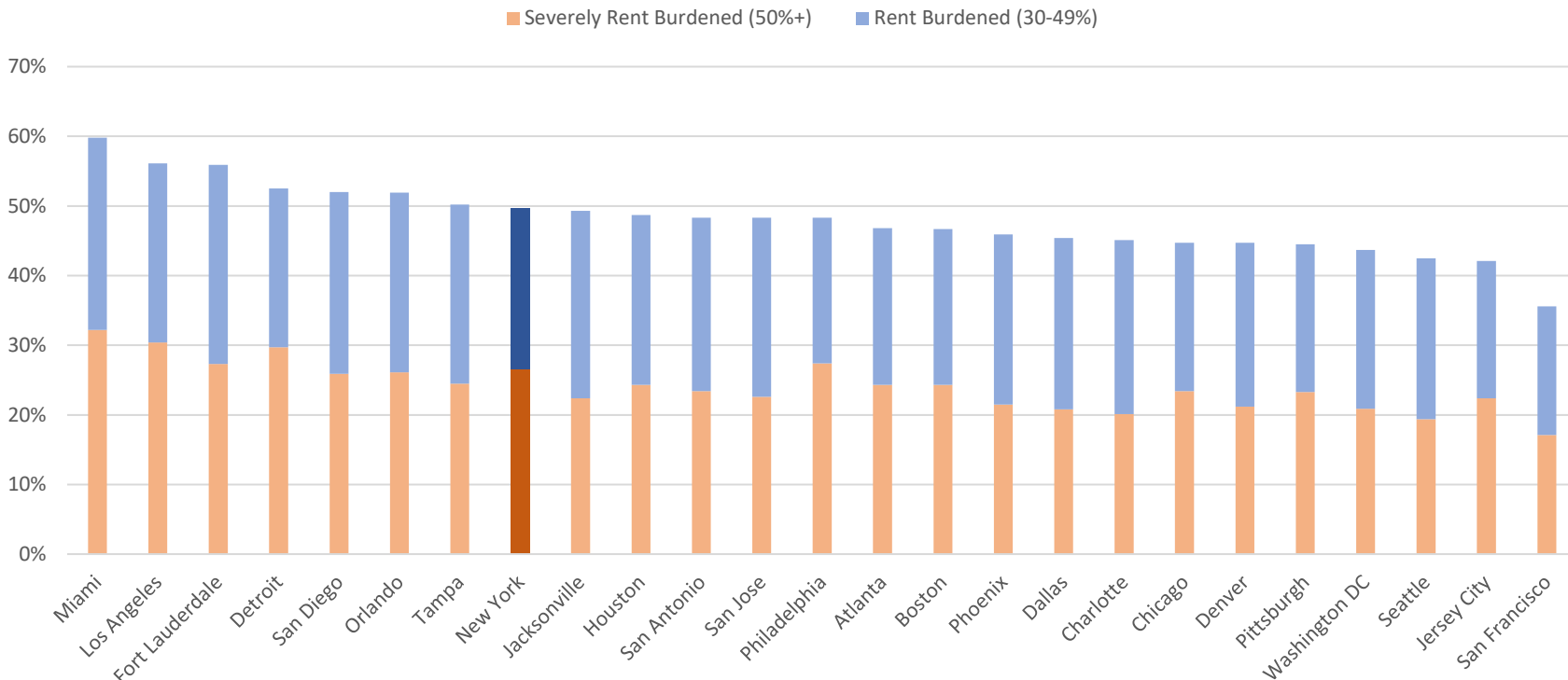
Reasons and Risks

Affordability and Attractiveness: NYC's Abundant Amenities May be Challenged

Housing Costs are High

50% NYC Households Rent Burdened; Higher Than Many Cities, But Not Outlier

Share of Renter Households That Are Rent Burdened, Selected Cities, 2021

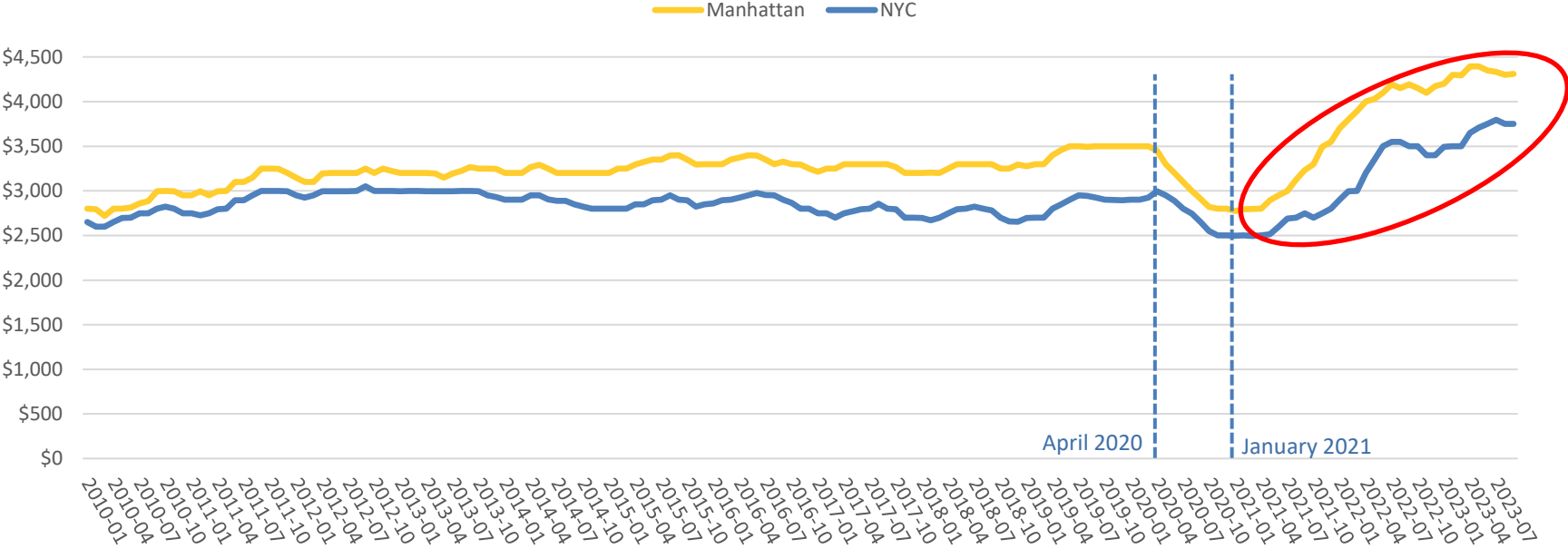


Note: Rent burdened is 30-49% of household income, severely rent burdened is 50% or more.

Source: U.S. Department of Commerce, Census Bureau, *American Community Survey 2021, 5-Year Estimates, SE:B18002*.

Asking Rents Have Increased Since Mid-2021

NYC Median Monthly Asking Rent,
2010 to 2023, by Quarter

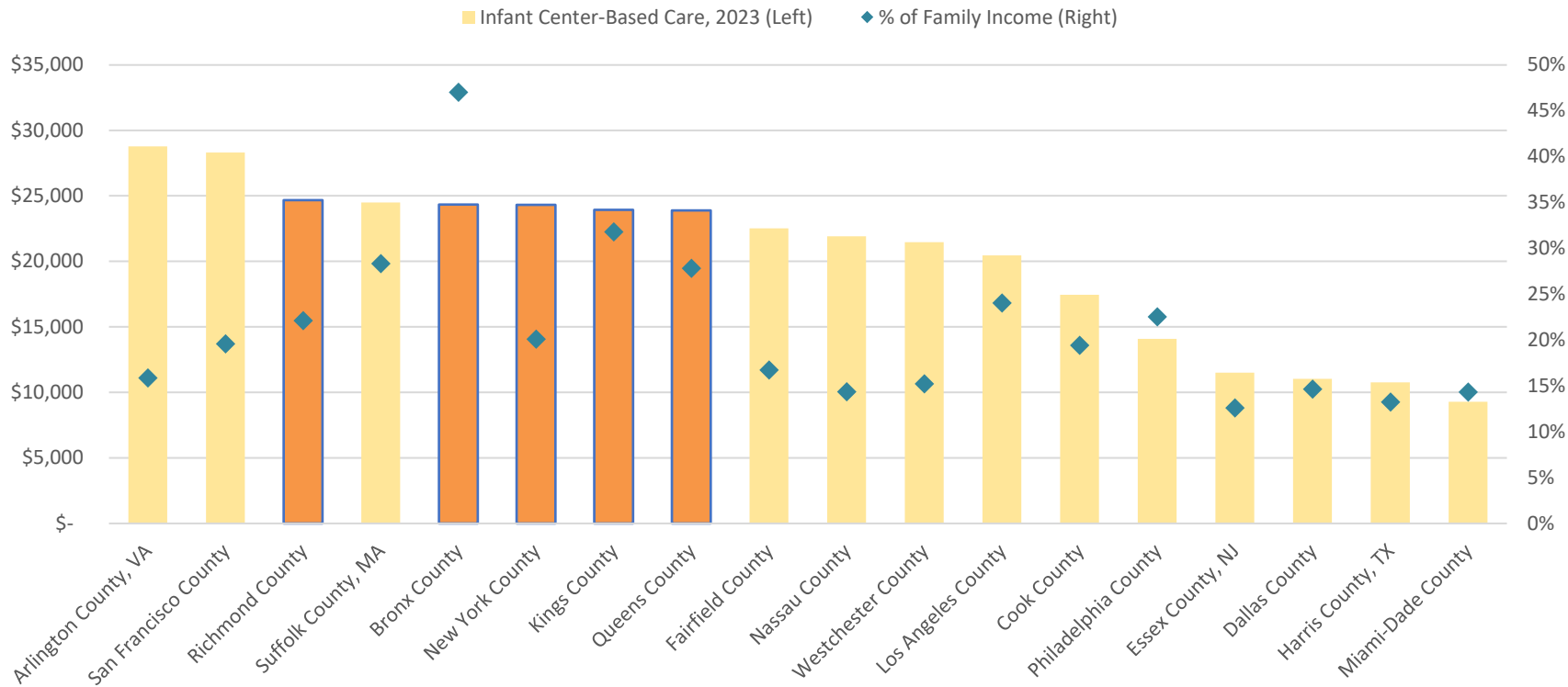


Source: StreetEasy Data Dashboard, Data Reports, "Median Asking Rent."

Child-Care Costs are High

NYC Infant Center-Based Childcare Cost is High and a Significant Share of Family Income

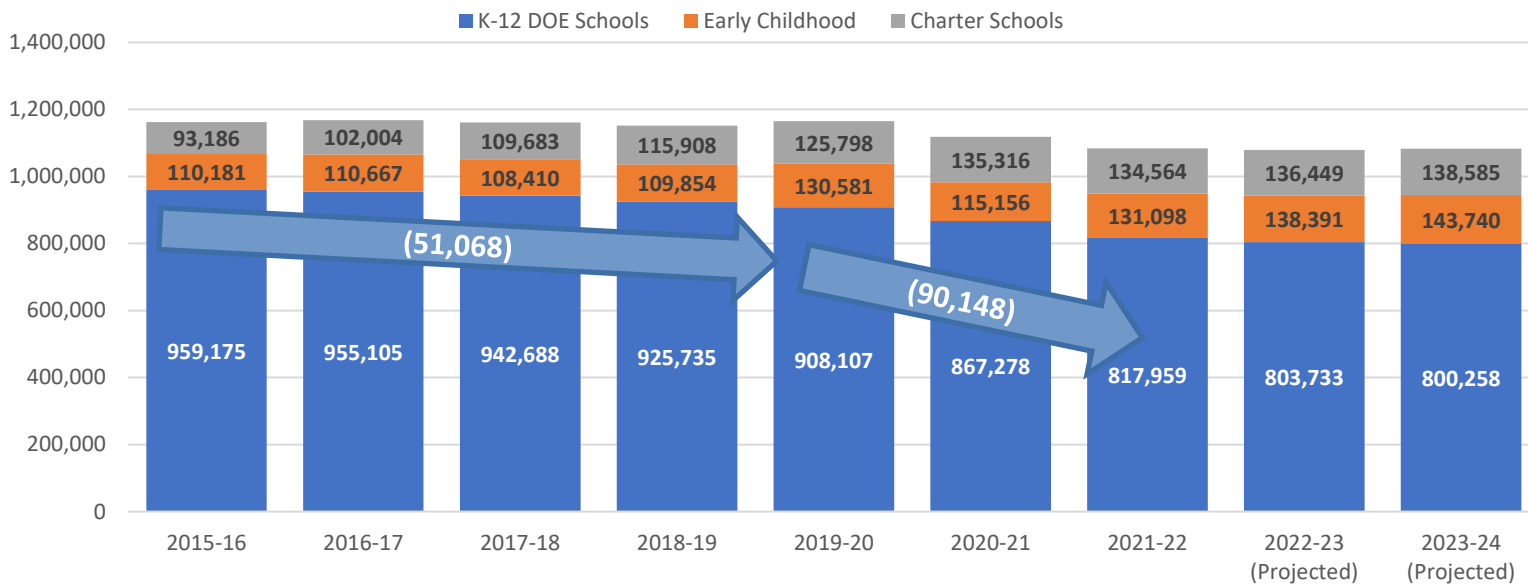
Cost of Child Care in NYC, in \$ and as % of Family Income



Source: U.S. Department of Labor, Women's Bureau, "National Database of Childcare Prices, 2016-2018" with CPI-U 2018 and 2023 estimates.

DOE K-12 School Enrollment Declined 90,000 During Pandemic

NYC Enrollment in Public Schools, By School Type, 2016 - 2024



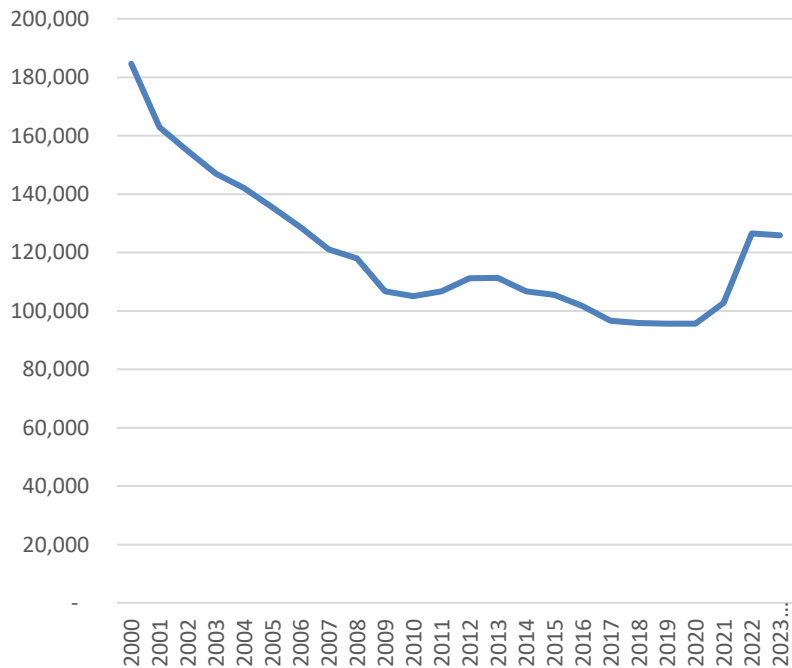
Note: Private school K-12 enrollment also declined by 17,709 (7.8%) between school years 2015-16 and 2021-22.

Sources: City of New York, Office of Management and Budget, *Fiscal Year 2024 Executive Budget: Message of the Mayor* (April 26, 2022), *Fiscal Year 2023 Executive Budget: Message of the Mayor* (April 26, 2022), *Fiscal Year 2020 Executive Budget: Message of the Mayor* (April 25, 2019); and New York State Education Department, "Information and Reporting Services: Nonpublic School Enrollment."

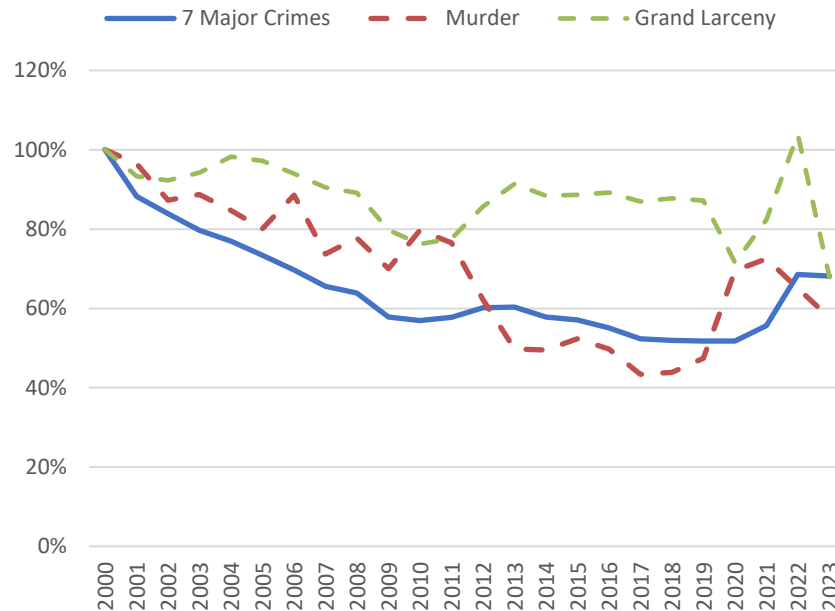
Public Safety Concerns

After Decades of Crime Decline, Pandemic Uptick, Now Flattened with Murders Down

Seven Major Crimes, 2000 - 2023



Selected Major Crimes, Indexed to 2000 Levels



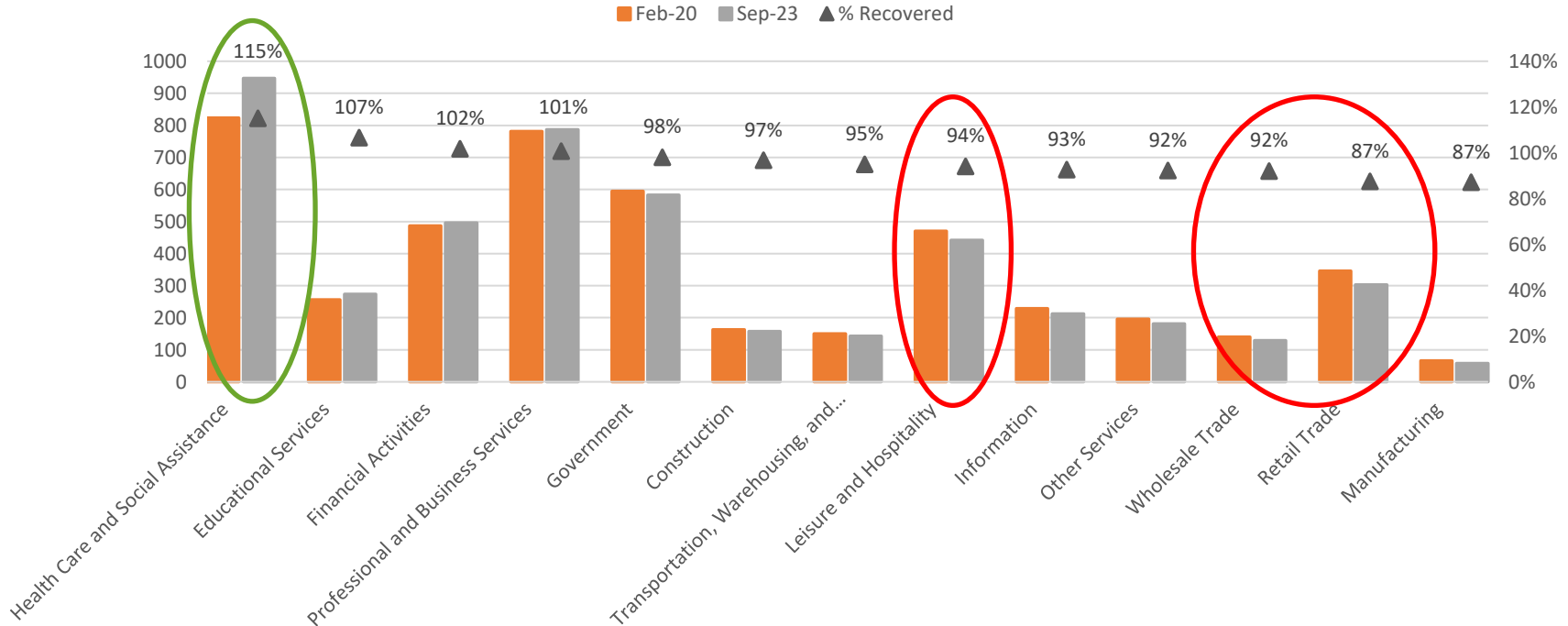
Note: 2023 figure extrapolated from year-to-date data based on 2022 crimes as of the same point in time, as a share of all 2022 crimes..

Source: City of New York, Police Department, "Citywide Crime Statistics" (accessed 10/31/2023), and "Historical New York City Crime Data" (accessed 10/23/2023).

Economic Restructuring

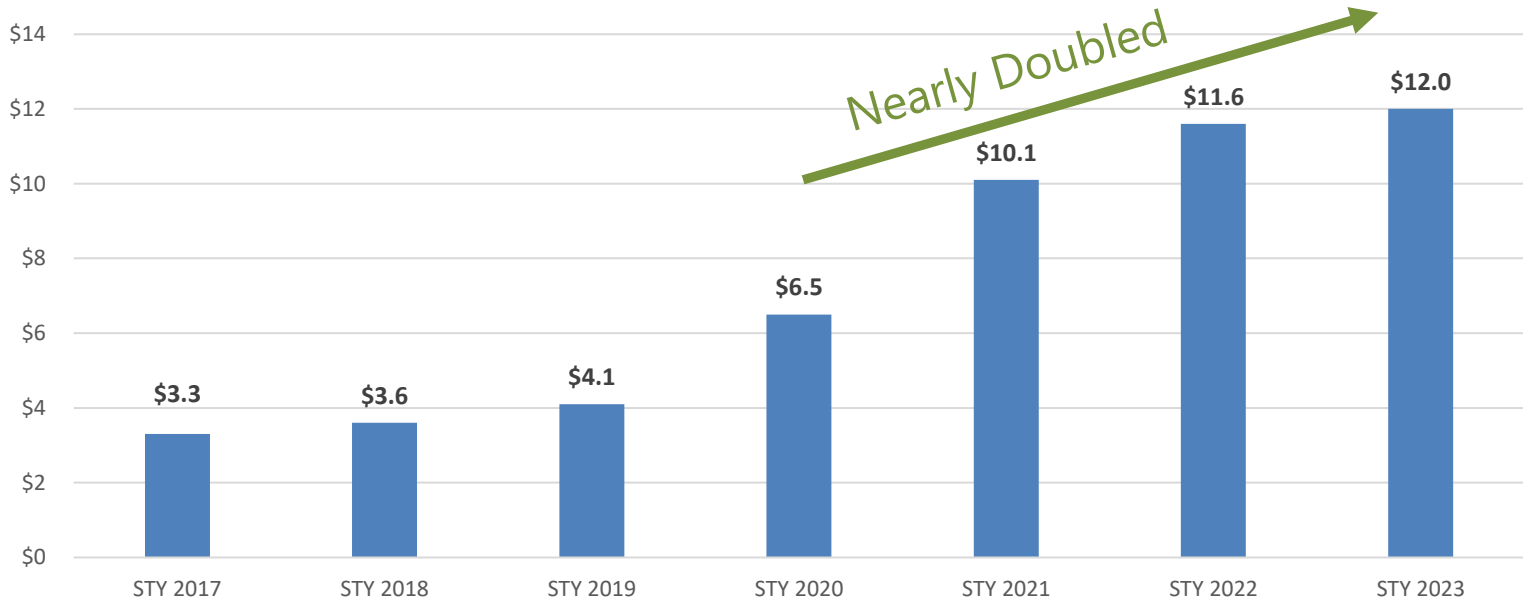
NYC Jobs Have Recovered Overall But Leisure, Hospitality, and Trade Still Short 82,000 Jobs

Job Losses and Gains During COVID, By Industry



E-Commerce Has Increased Dramatically

NYC Taxable Sales in Electronic Shopping and Mail Order
by State Tax Year (March – February), in billions



Source: New York State, Department of Taxation and Finance, "Taxable Sales and Purchases Data beginning March 2013" (updated October 20, 2023).

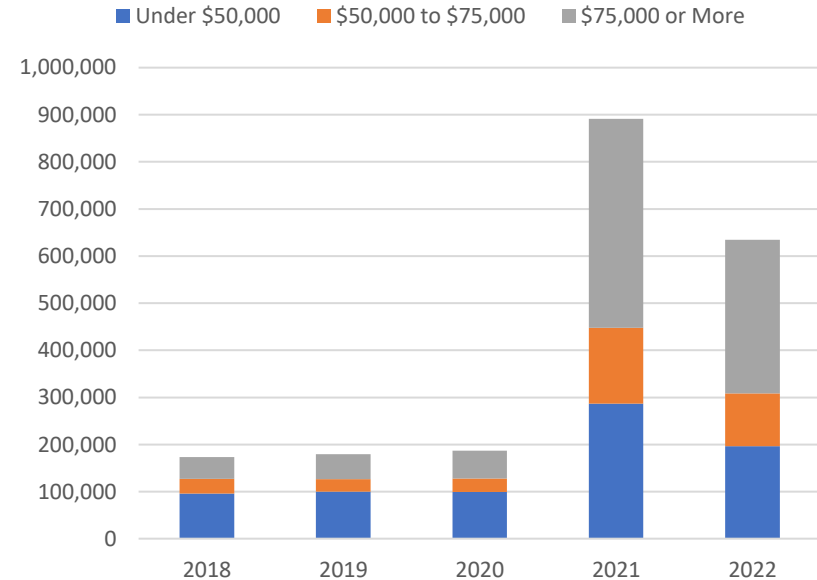
Hybrid/Remote Work Reduced Office Space Use

Return to Office Stagnating at 50%

NYC Return-to-Office Kastle Data



Number of NYC Jobs Worked From Home, by Income

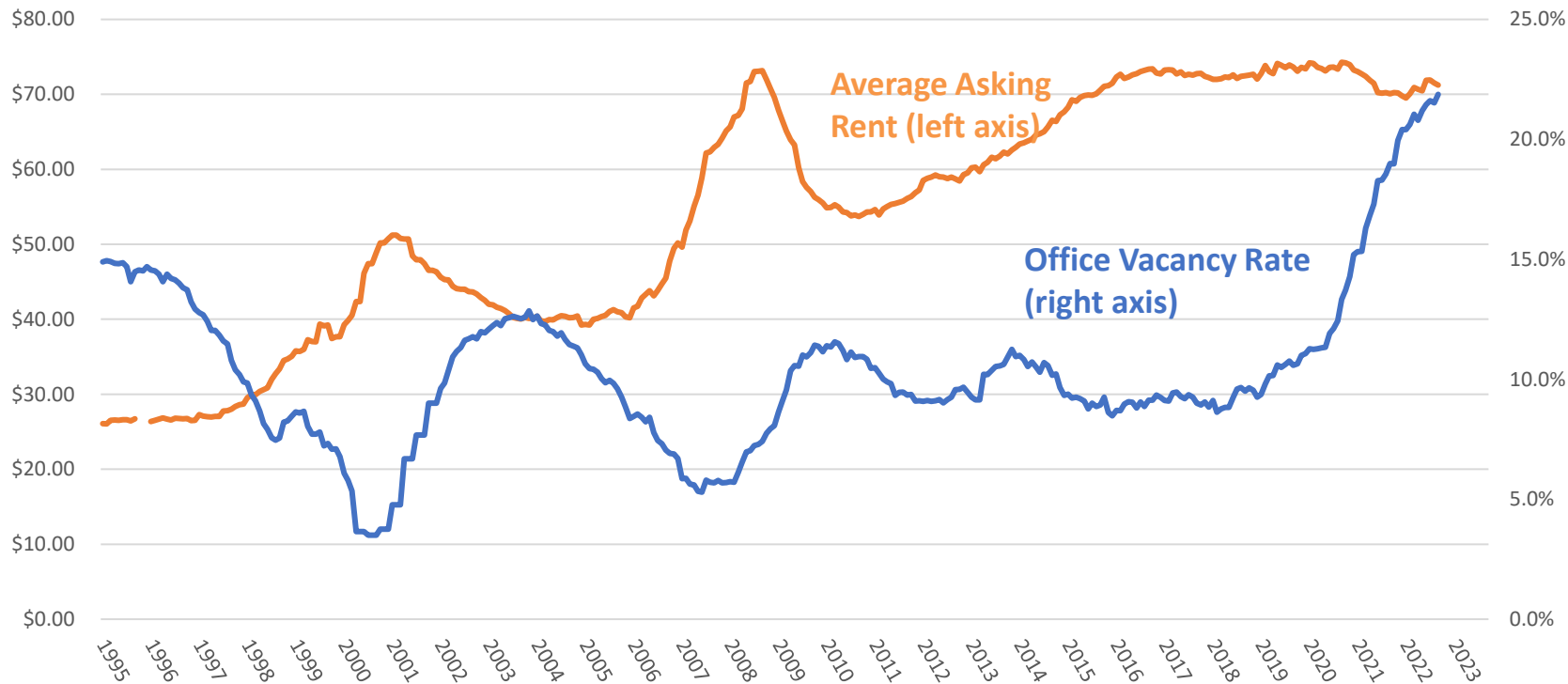


Note: Weekly average of security swipes into buildings compared to pre-pandemic data.

Source: Kastle Back to Work Barometer from Jack Grieve, "How New York's return-to-office rate compares to other U.S. cities" *Crains' New York Business* (October 27, 2023); and U.S. Department of Commerce, Census Bureau, *American Community Survey, One-Year Samples, B08519 Means of Transportation to Work by Workers' Earnings in the Past 12 Months for Workplace Geography*, accessed from data.census.gov.

Commercial Office Market is Stressed

Vacancy Rates More than Doubled; Asking Rents Flat

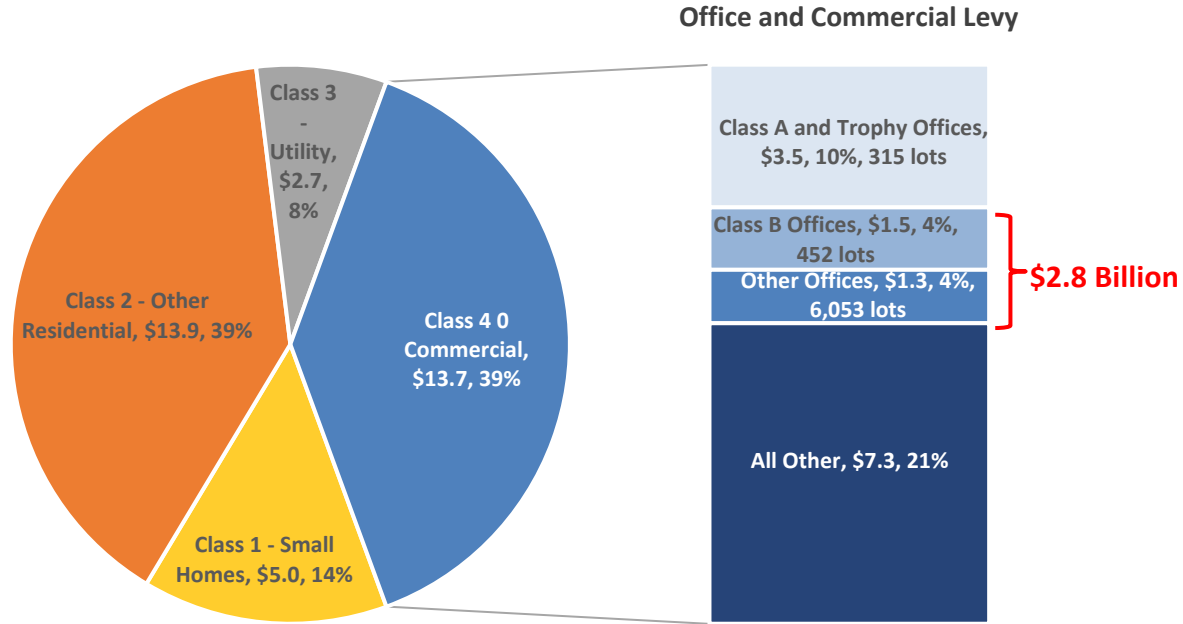


Note: Average asking rent is per square foot.

Source: Cushman & Wakefield; Hudson Yards Demand and Development Study; market reports.

Commercial Real Estate Revenue is At Risk

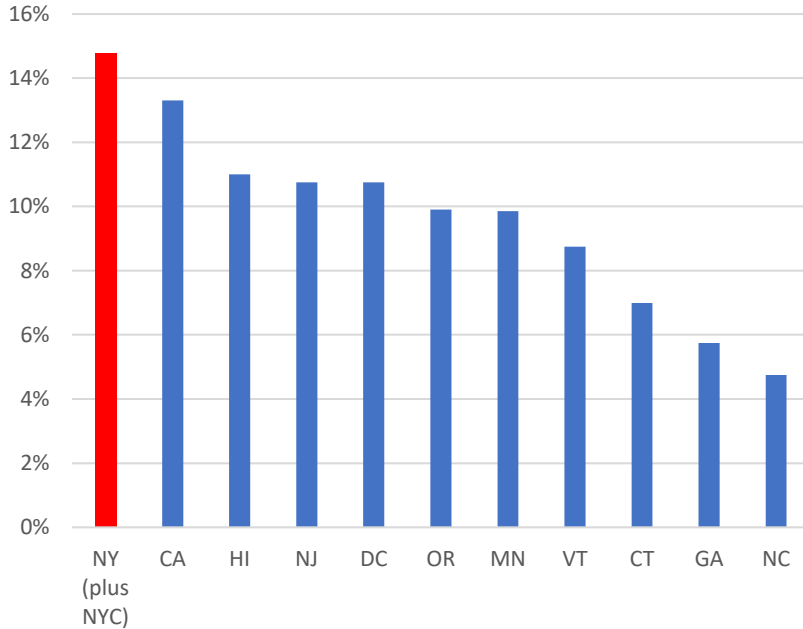
NYC FY 2024 Property Tax Levy, By Property Type
dollars in billions



High-Income Household Migration

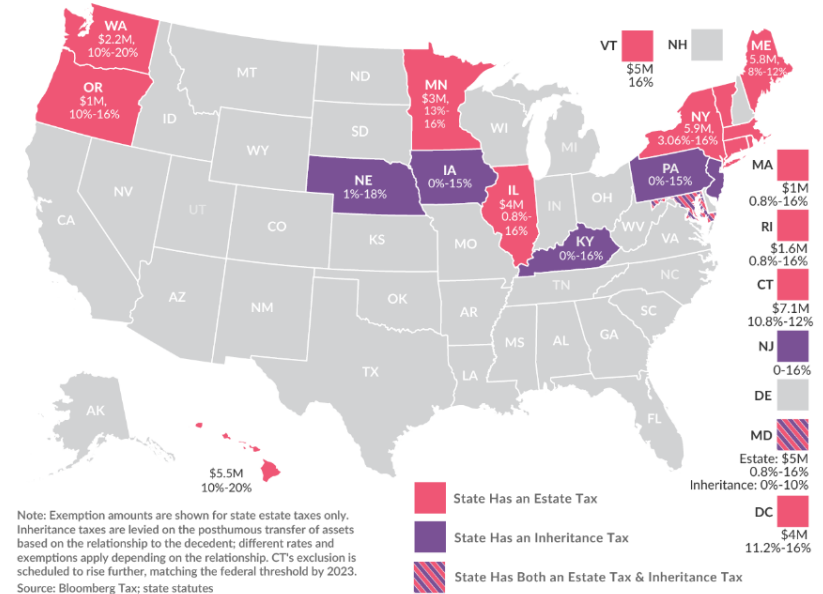
NYC Residents Pay the Nation's Highest Top Marginal Personal Income Tax Rates

Marginal PIT Tax Rates, Selected States



Does Your State Have an Estate or Inheritance Tax?

State Estate & Inheritance Tax Rates & Exemptions in 2021



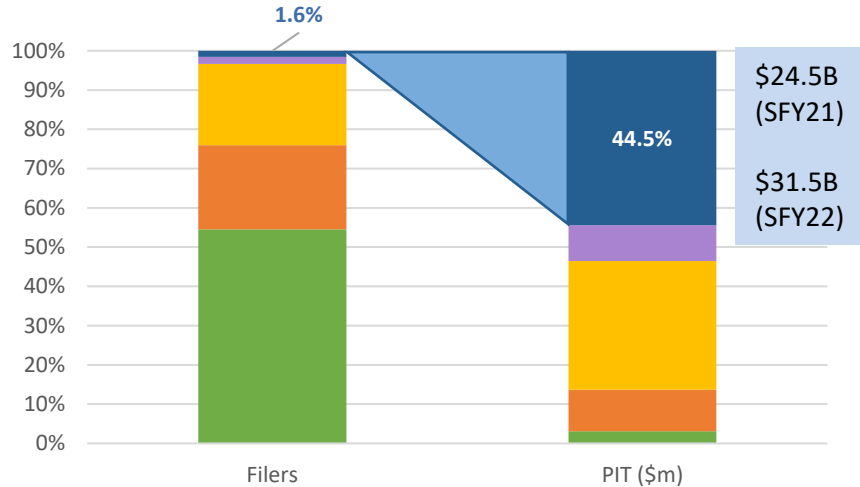
Sources: Timothy Vernmeer, "State Individual Income Tax Rates and Brackets for 2023" *Tax Foundation*, (February 21, 2023); and Janelle Fritts, "Does Your State Have an Estate or Inheritance Tax?" *Tax Foundation* (June 21, 2022).

Millionaire Filers Pay Over 40% of NYC and NYS Personal Income Taxes

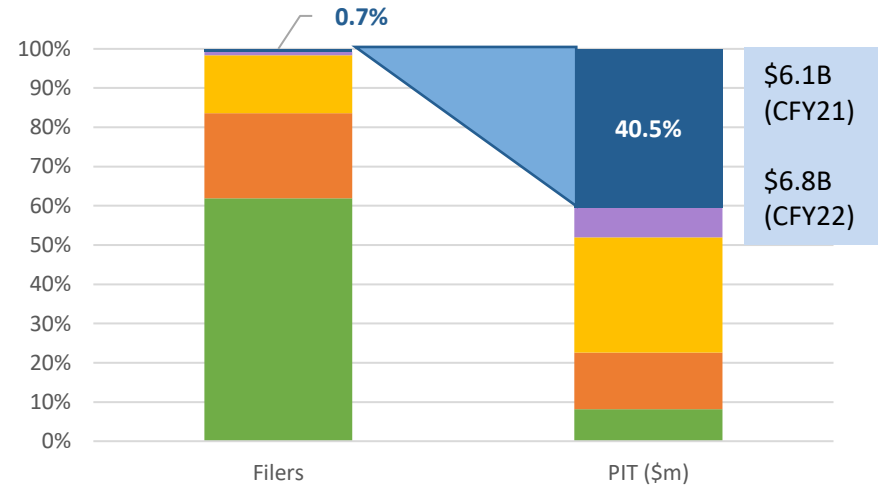
Filer and Personal Income Tax Shares by Adjusted Gross Income

■ Less than \$50,000
 ■ \$50,000 to \$99,999
 ■ \$100,000 to \$499,999
 ■ \$500,000 to \$1m
 ■ \$1 million plus

NYS – Tax Year 2021

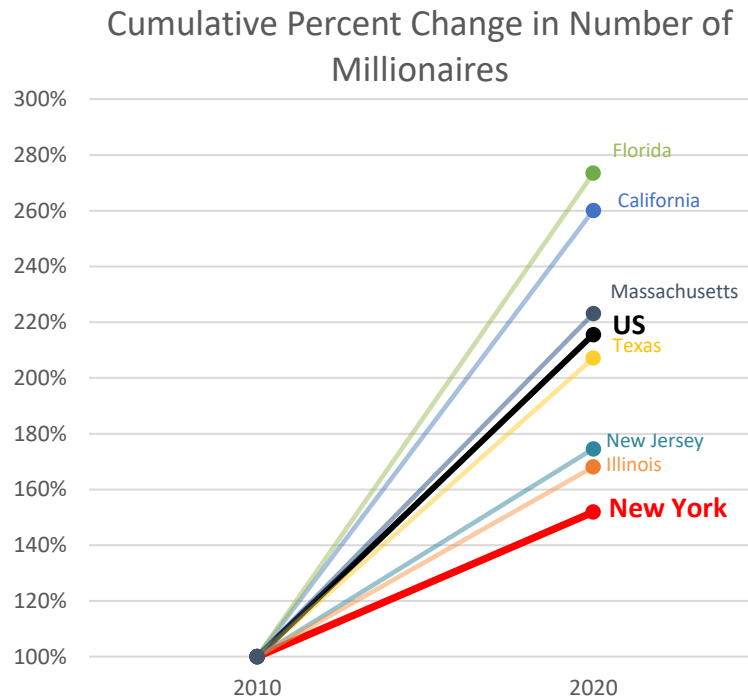
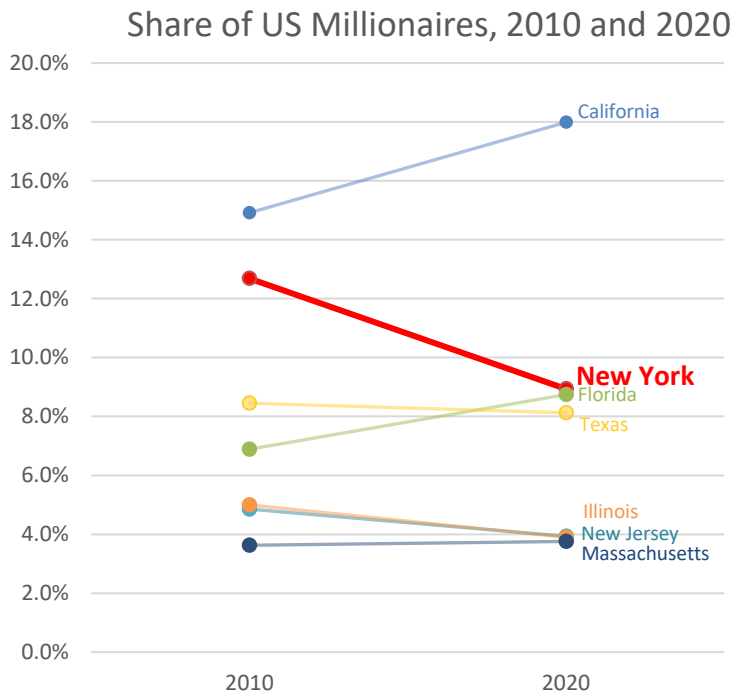


NYC – Tax Year 2020



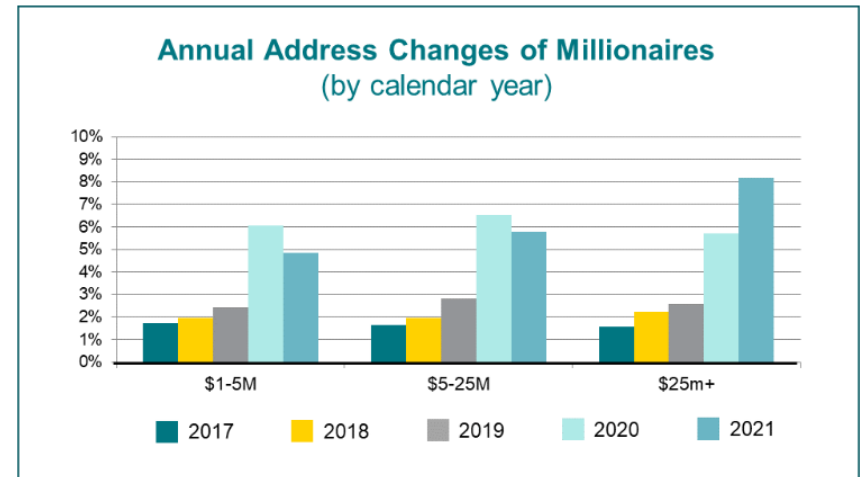
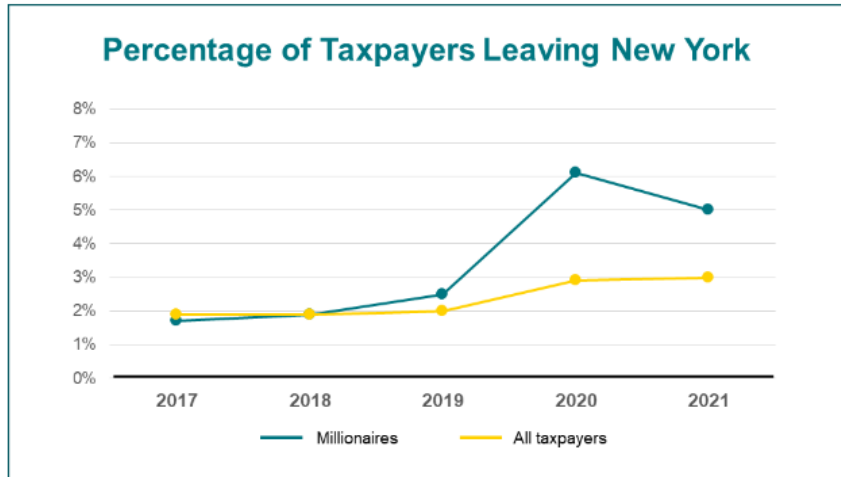
Source: State of New York, Department of Taxation and Finance, *Personal Income Tax Files, Summary Dataset 3* (updated August 14, 2023); and NYC Independent Budget Office, *New York City Residents' Income and Tax Liability: Tax Year 2020* (December 2022).

NYS Share of Nation's Millionaires has Declined, Growth in Millionaires Lags Other States



Source: U.S. Internal Revenue Service, "SOI Tax Stats – Historic Table 2," Tax Years 2010 and 2020.

High-Income Household Migration



Source: New York State, Department of Taxation and Finance, "Tax Facts: Migration."