



2020 Income and Affordability Study

NEW YORK CITY RENT GUIDELINES BOARD

April 30, 2020

SPECIAL NOTE REGARDING THE 2020 INCOME AND AFFORDABILITY STUDY

While published in April 2020, this report focuses on data from 2019. Due to the as-yet-unknown impact of the COVID-19 virus, it does not reflect the current economic condition of New York City and should not be interpreted as such. A supplement at the beginning of the written report provides some of the limited current data that is available from government bodies. Any data from this report that can be updated before the final vote of the 2020-2021 rent guidelines will be distributed to the Board via a memo before the vote. Future editions of this report will better reflect some of the hardships that our fellow New Yorkers are experiencing.

What is the I&A Study?

- Section 26-510(b) of the Rent Stabilization Law requires the Rent Guidelines Board to consider “relevant data from the current and projected cost of living indices” and permits consideration of other measures of housing affordability in its deliberations

What is the I&A Study?

- The *I&A Study* reports on housing affordability and tenant income by examining economic factors, rent levels, and public policies
- Factors include:
 - Economic factors such as inflation and job growth
 - Household income and housing costs
 - Eviction proceedings, homelessness, usage of emergency assistance and other indicators

Income & Affordability Overview (2019)

- City's economy grows by "real" 2.4%
- City gains 95,600 jobs
- Less rapid rise in inflation, 1.7%
- 0.4% increase in "real" wages
- Unemployment rate falls to 3.9%
- Non-payment filings fall 24.3% and calendared cases by 22.2%
- 15.1% decrease in evictions
- Homeless levels fall 0.9%
- 6.0% decrease in cash assistance recipients
- 5.0% decrease in SNAP recipients

Supplement to the 2020 I&A

Per the Federal Reserve Bank of New York:

- The Second District economy deteriorated sharply in the latest reporting period, amidst widespread shutdowns related to the coronavirus pandemic.
- The job market weakened substantially, and wages were flat to lower.
- Home sales and rentals, commercial leasing, and construction activity have all largely stopped.
- Finally, financial sector contacts noted deteriorating conditions, and banks reported widespread weakening in loan demand, tighter credit standards, and higher delinquency rates but have been more lenient on existing loans.

Source: “Summary of Commentary on Current Economic Conditions by Federal Reserve District,” April 15, 2020

Supplement to the 2020 I&A

- NYC labor market, Feb. 2020: 4,080,800 persons
- Initial Unemployment Claims (March 8-April 18, as compared to prior year):
 - **NYC: 624,277 (⬆ 1,893%)**
 - Bronx: ~99,807 (⬆ 1,472%)
 - Brooklyn: ~184,683 (⬆ 1,819%)
 - Manhattan: ~96,916 (⬆ 1,334%)
 - Queens: ~210,647 (⬆ 2,774%)
 - Staten Island: ~32,225 (⬆ 2,285%)
 - NYS: 1,418,119 (⬆ 1,737%)
 - U.S.: 24,630,759 (⬆ 2,000%)

Supplement to the 2020 I&A

- Industries most affected (NY State, based on net change in UI initial claims):
 - **Accommodation and Food Services** (⬆ 272,418)
 - NYC Average Wage: \$38,122
 - **Retail Trade** (⬆ 185,569)
 - NYC Average Wage: \$45,848
 - **Health Care and Social Assistance** (⬆ 148,797)
 - NYC Average Wage: \$51,705
 - **Construction/Utilities** (⬆ 117,914)
 - NYC Average Wage: \$87,543
 - **Admin and Support Services** (⬆ 111,254)
 - NYC Average Wage: \$67,737

Supplement to the 2020 I&A

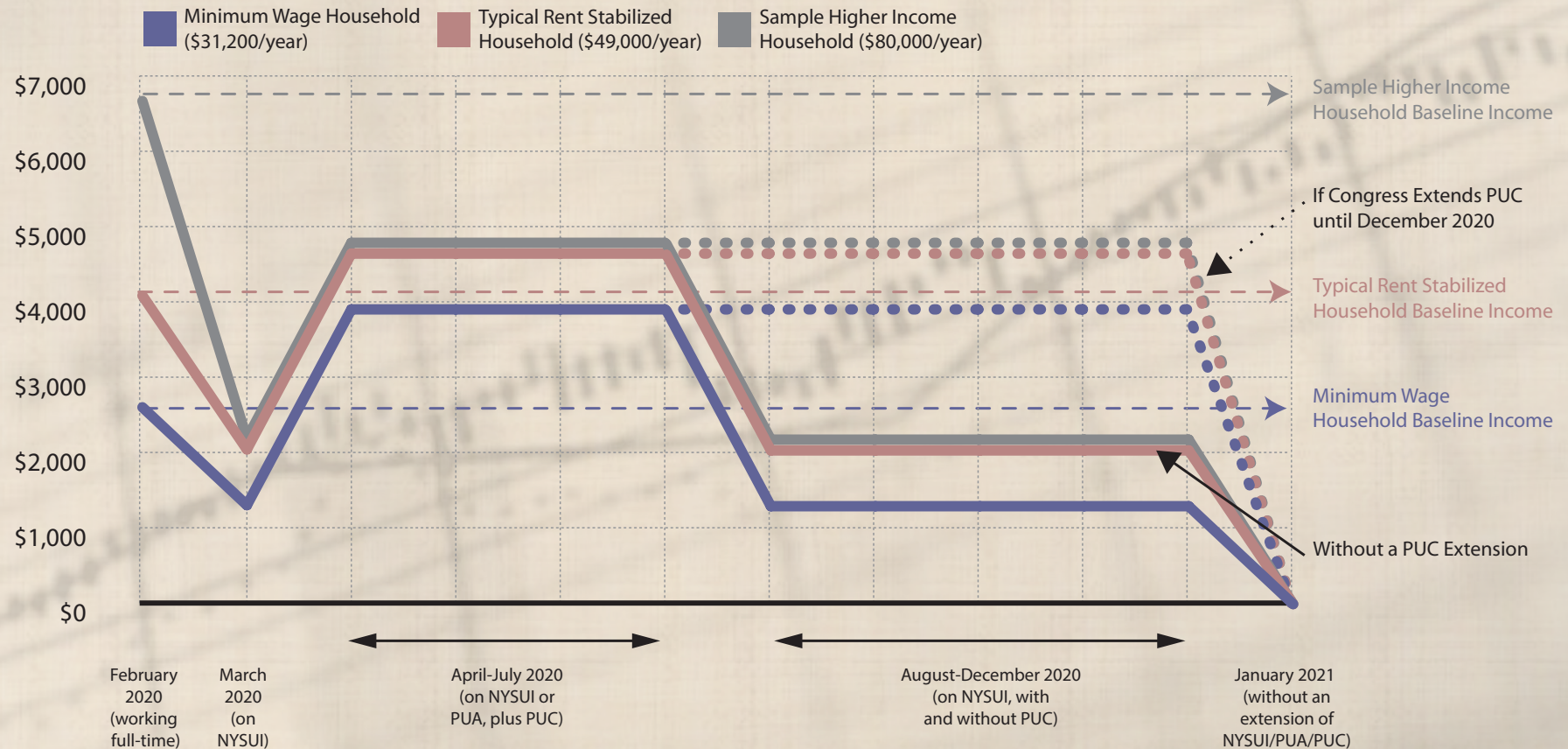
- ***Normal*** NYS Unemployment Compensation:
 - **Maximum compensation:** \$504 per week or \$2,184 per month, for those making \$52,416 (\$4,368 per month) or more
 - For those making \$40,000 (\$3,333 per month): \$384 per week or \$1,664 per month
 - For those making \$30,000 (\$2,500 per month): \$288 per week or \$1,248 per month
 - For those making \$20,000 (\$1,667 per month): \$192 per week or \$832 per month
 - Limit of **26 weeks of compensation**

Supplement to the 2020 I&A

- ***Covid-19*** NYS Unemployment Compensation:
 - Expanded eligibility
 - **Extra \$600 per week** provided by Federal Government until at least 7/31/20.
 - **Maximum compensation:** \$1,104 per week or \$4,784/month, for those making \$52,416 (\$4,368 per month) or more:
 - For those making \$40,000 (\$3,333 per month): \$984 per week or \$4,264 per month
 - For those making \$30,000 (\$2,500 per month): \$888 per week or \$3,848 per month
 - For those making \$20,000 (\$1,667 per month): \$792 per week or \$3,432 per month
 - **Extra 13 weeks of compensation**, total of 39 weeks

Supplement to the 2020 I&A

Monthly Income Examples for Three Sample Household Types



NYSUI = New York State Unemployment Insurance **PUA** = Pandemic Unemployment Assistance (federal)
PUC = Pandemic Unemployment Compensation (federal)

Source: NYS Department of Labor

Supplement to the 2020 I&A

Late Breaking Economic News

- 1st Quarter GDP: annualized rate of **-4.8%**
- March CPI, U.S.: **-0.4%**
- **NYS** Initial Unemployment Claims, week ending April 25: 218,912, **↑6.7%**
- **NYS** unemployment rate, week ending April 11, **14.4%**

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