

# CITIES AND TOWNS CAN HELP DRIVE ECONOMIC RECOVERY TOMORROW

## TO DO SO, THEY NEED HELP TODAY!

Cities and towns across North Carolina serve as economic engines of our state. Eighty percent of all jobs are found within municipal borders, and 75 percent of all retail sales take place within those borders. But right now, along with residents and businesses, cities and towns are hurting. The COVID-19 crisis has meant job losses, a pause in retail business and a decline in overall economic activity. One result: a corresponding drop in sales taxes and other revenue that help pay for city services and investments. Cities and towns need assistance from the state and federal government to fill those revenue holes so that they can keep making the investments that will push the state beyond this crisis.

## BY SUPPORTING REVENUE ASSISTANCE TO CITIES AND TOWNS, KNOW THAT:

- ❑ Cities and towns did not cause the situation that they now find themselves in and the resulting budget shortfalls; a global pandemic did.
- ❑ Local governments play a crucial role in the overall economy. Layoffs and canceled infrastructure contracts will extend an economic downturn.
- ❑ Cities are builders of infrastructure that private industry depends on. When cities are forced to cut spending, economic recovery of the state will be delayed. Future growth will be delayed.
- ❑ Roughly 30 percent of municipal general fund budgets in North Carolina go toward public safety. Without state and federal help backfilling revenue holes, cuts to these services and personnel are inevitable.
- ❑ Sales tax revenue, hotel occupancy tax revenue and water and sewer service payments are all being significantly and negatively affected by this crisis. Many cities will see disruptions in services critical to public health and public safety without state and federal help.

