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Dire States

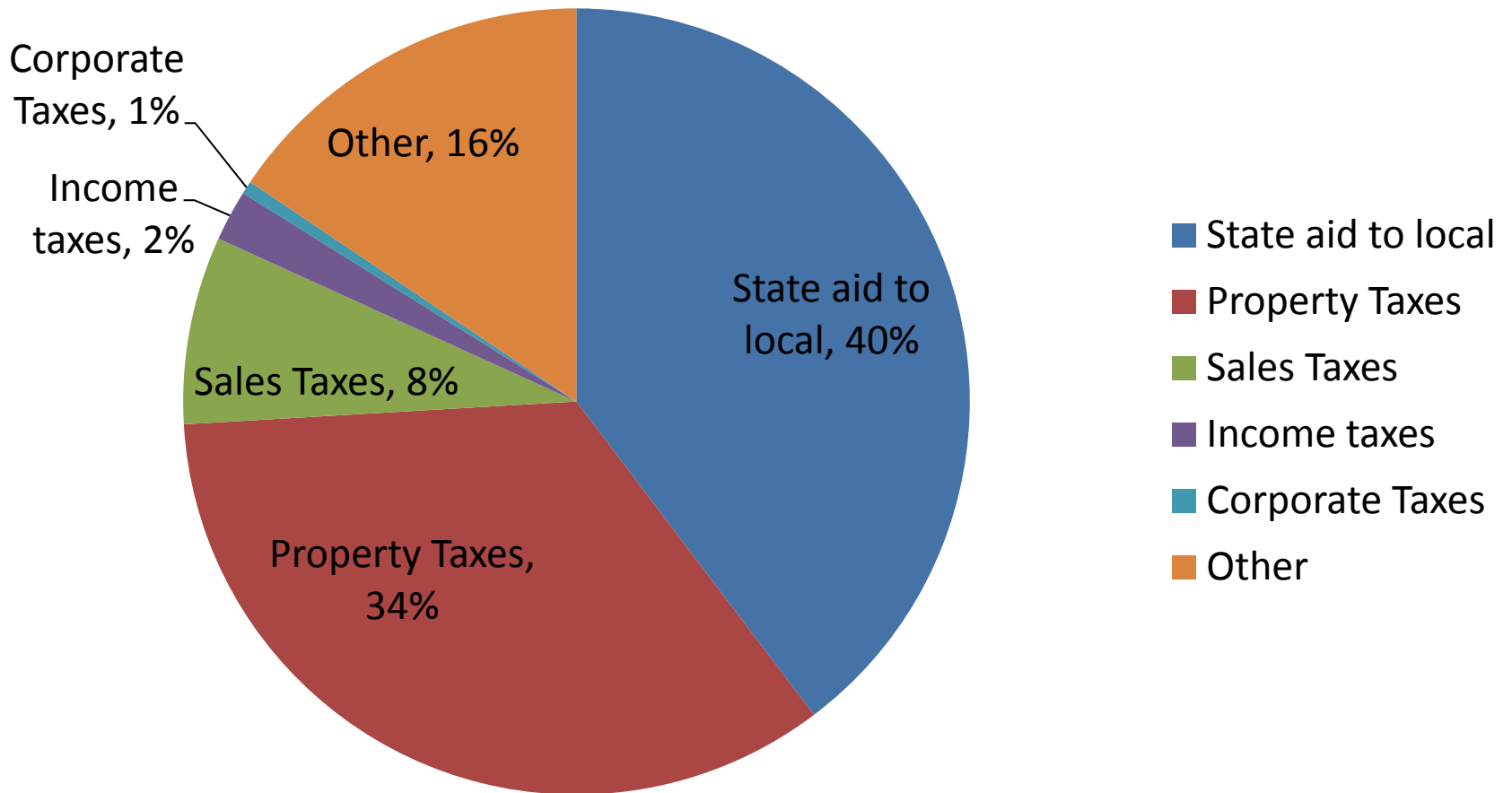
State and Local Budget Relief Needed to Prevent Job Losses
and Ensure a Robust Recovery

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Economic Policy Institute
November 19, 2009

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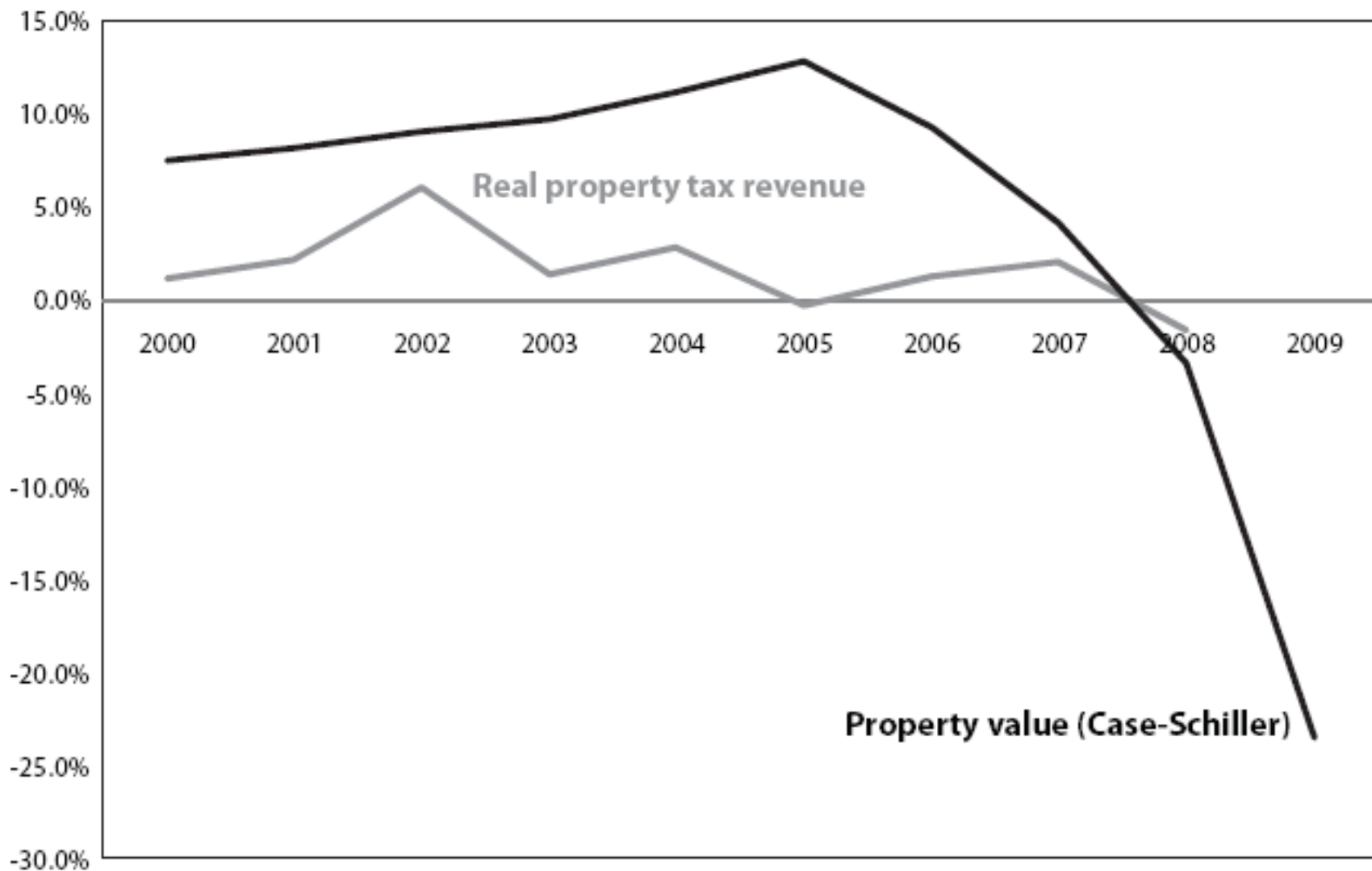
Sources of Local Receipts



Source: BEA



Property values and tax revenue, percent change from prior year



SOURCE: Bureau of Economic Analysis, Case-Schiller Home Price Index

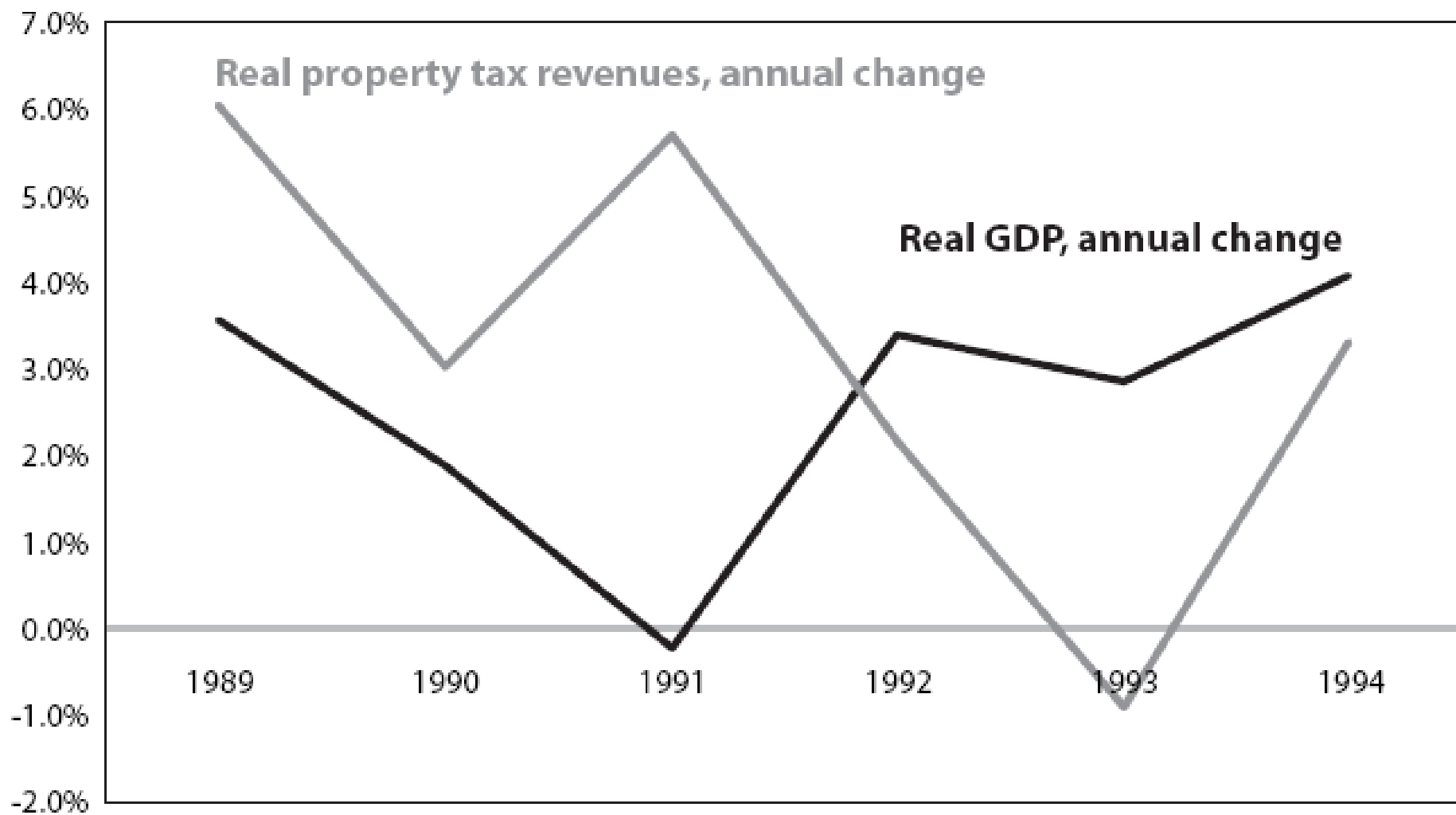
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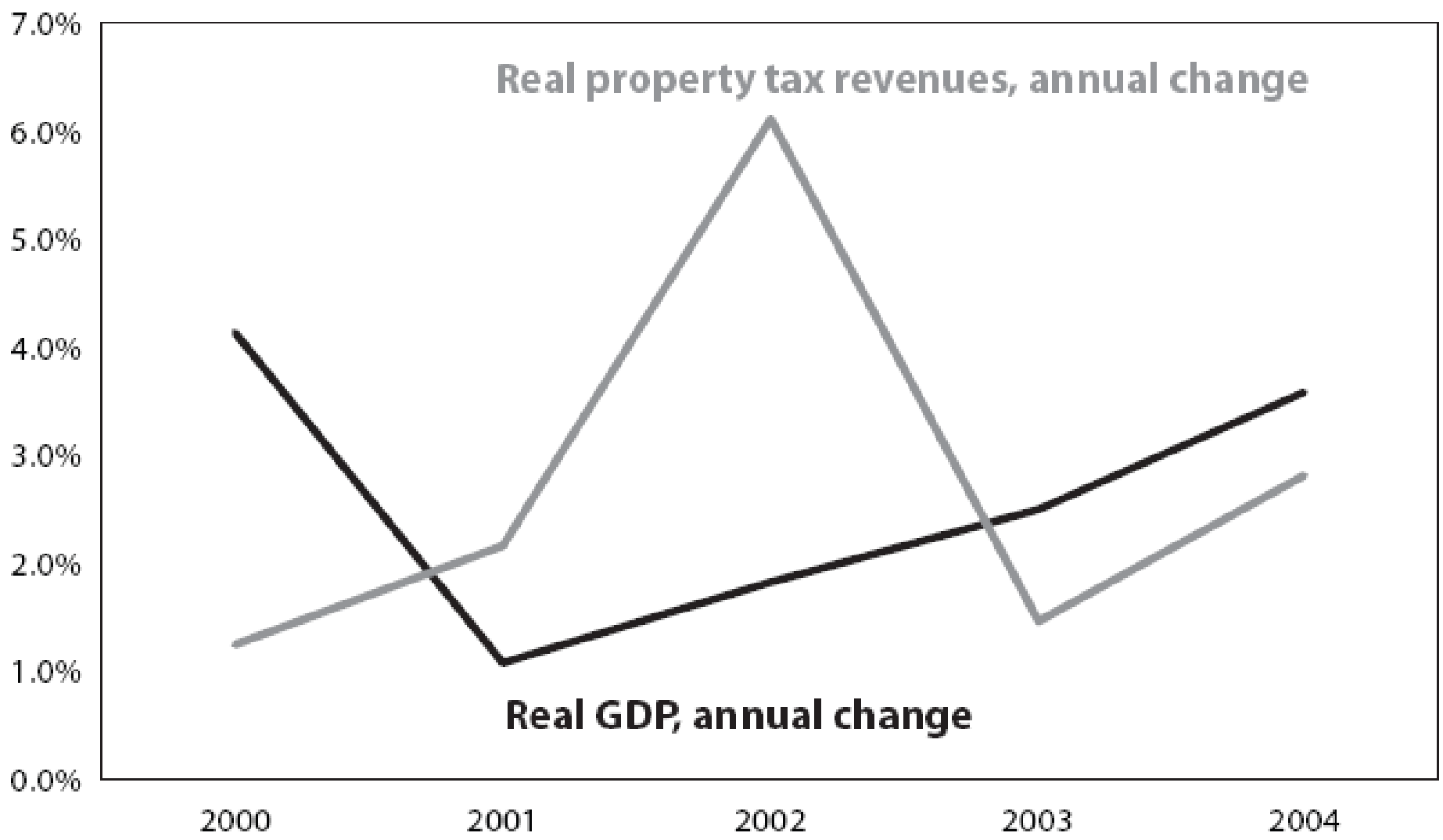
Delayed impact of declining GDP on property taxes

1990-91 recession





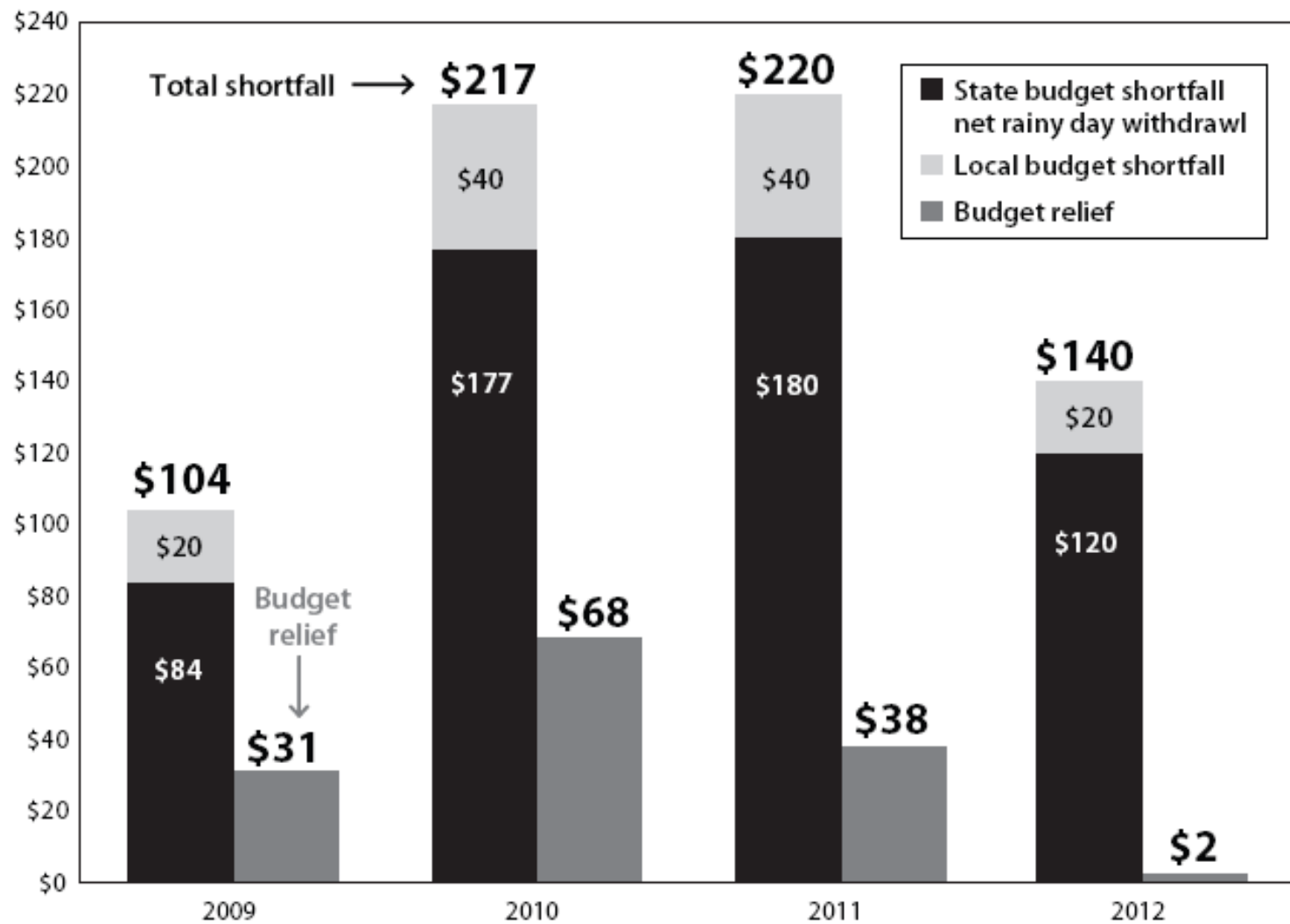
Delayed impact of declining GDP on property taxes 2001 recession



SOURCE: Bureau of Economic Analysis.



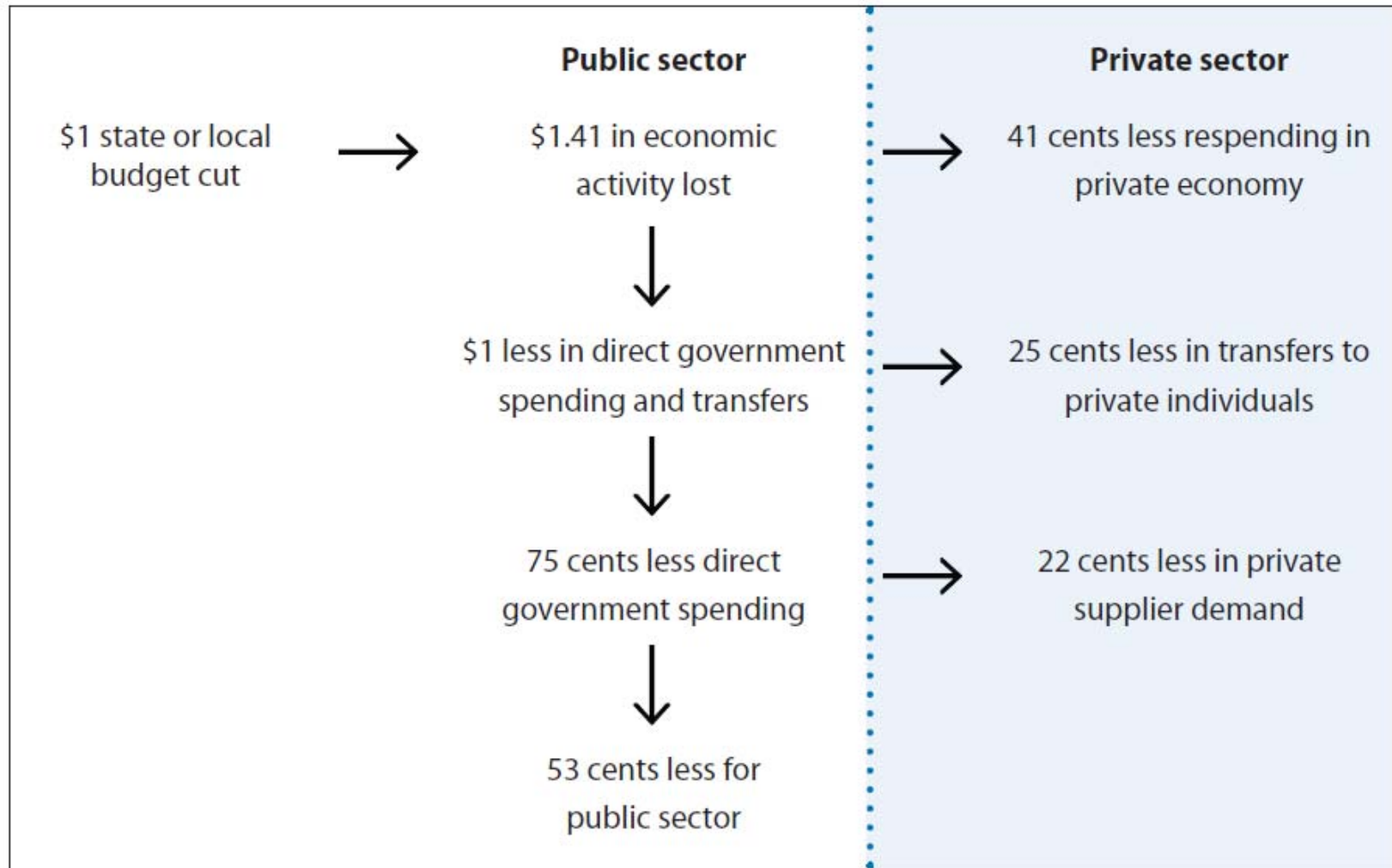
State/local budget shortfalls and recovery act relief (\$billions)



SOURCE: Center on Budget and Policy Priorities (state shortfall and budget relief), National Association of State Budget Officers (rainy day funds), and author's analysis and National League of Cities (local shortfalls).



Ripple effect of \$1 in state and local budget cuts



SOURCE: Author's analysis.