2021 Economic Outlook: Is it a Light at the End of the Tunnel or a Train Heading Our Way?

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The Pandemic is Lingering as Countries Race to Vaccinate
Share of people who received at least one dose of COVID-19 vaccine

Share of the total population that received at least one vaccine dose. This may not equal the share that are fully vaccinated if the vaccine requires two doses.

Source: Official data collated by Our World in Data
WORLD ECONOMIC OUTLOOK APRIL 2021

GROWTH PROJECTIONS BY REGION
(PERCENT CHANGE)

World

-3.3  6.0  4.4
2020  2021  2022
Projections
(real GDP growth, percent change)

UNITED STATES

-3.5  6.4  3.5
2020  2021  2022
EURO AREA

-6.6  4.4  3.8
2020  2021  2022
MIDDLE EAST AND CENTRAL ASIA

-2.9  3.7  3.8
2020  2021  2022
EMERGING AND DEVELOPING ASIA

LATIN AMERICA AND THE CARIBBEAN

-7.0  4.6  3.1
2020  2021  2022

SUB-SAHARAN AFRICA

-1.9  3.4  4.0
2020  2021  2022

Source: IMF, World Economic Outlook, April 2021.
Note: Order of bars for each group indicates (left to right): 2020, 2021 projections, and 2022 projections.
The US Leading the Global Recovery in Large Part Because Fiscal and Monetary Support Has Been Early and Aggressive

Source: Bureau of Economic Analysis, MPP
The Recovery Has Favored Goods Spending, Services Stuck in Social Distancing Mud but Starting to Pick Up

Source: Bureau of Economic Analysis, MPP
We HaveRecovered 62% of the 22mn Jobs Lost in 2020 Through March, Still a Ways to Go
Social Activity Below Normal but Starting to Rise, Office & Business Activity Lagging

High Frequency Travel & Mobility Indicators

OpenTable Seated Diners (%Y/Y relative to 2019, 7-day Avg)

Source: TSA, Kastle, STR, Dallas Fed, MPP

Source: OpenTable, MacroPolicy Perspectives
TOP 50 CITIES THAT GAINED MOVERS DURING CORONAVIRUS, AND THE TOP 50 CITIES THAT LOST MOVERS

-31,347 Chicago, IL
-110,978 New York, NY
-43,006 Brooklyn, NY
-2,476 East Hampton, NY
-27,187 San Francisco, CA
-26,438 Los Angeles, CA
-3,000 Richmond, TX
2,337 Georgetown, TX
4,414 Katy, TX
2,604 Frisco, TX

Bubble sizes represent the number of movers that moved into or out of the city. The bigger the bubble, the larger the number of movers.

*Data pulled from total USPS change-of-address requests filed between February 1, 2020 and July 31, 2020. To calculate the data, we took the total number of moves to each city and subtracted the total number of moves from it.
Conclusions

• The recovery from the pandemic is underway with strong support from fiscal and monetary policy
• Spending should shift back toward services as we move through 2021 and social activity should continue to rise with business activity lagging
• How much structural change will be left in the wake of the COVID crisis: work from home, business travel, geographic preferences, consumer caution