

Statement from Mayor Byron Brown

Aug. 18, 2020

The City of Buffalo is vulnerable to the type of downturn we are facing because of our reliance on sectors of the economy that have been very hard hit by the COVID-19 pandemic: healthcare, education and cultural tourism. The 18.5% unemployment rate, combined with the withholding of state aid and declining revenues (which make up a significant portion of our operating budget) indicate an economic recession that will extend beyond the immediate public health crisis. We have taken action to mitigate these impacts, including maintainIng our workforce and services, assisting businesses and restaurants in re-opening, using federal funds to curb homelessness and ensuring that development projects like Seneca One continue moving forward, but without significant federal disaster relief funding these steps will fall far short.

This is different than the Great Recession of 2008 for Buffalo, which was the result of a burst housing bubble that initiated a more general financial sector crisis. While Buffalo's unemployment rate grew--and employment came back at a slower pace than the national average--the worst of the housing crisis bypassed us because we were never part of the housing market boom. This insulated some sectors of the economy, and when combined with significant State investment, allowed us to rebuild.

Now, we are not insulated from the fallout and the likelihood of additional State investment is weakened by the severe impact of this crisis on a global scale. If federal action is not forthcoming in the near future, jobs, services and new investments will have to be reduced and eliminated.