



CHMURA

Tracking the Impact of COVID-19 on Businesses

C2ER Webinar

June 4, 2020

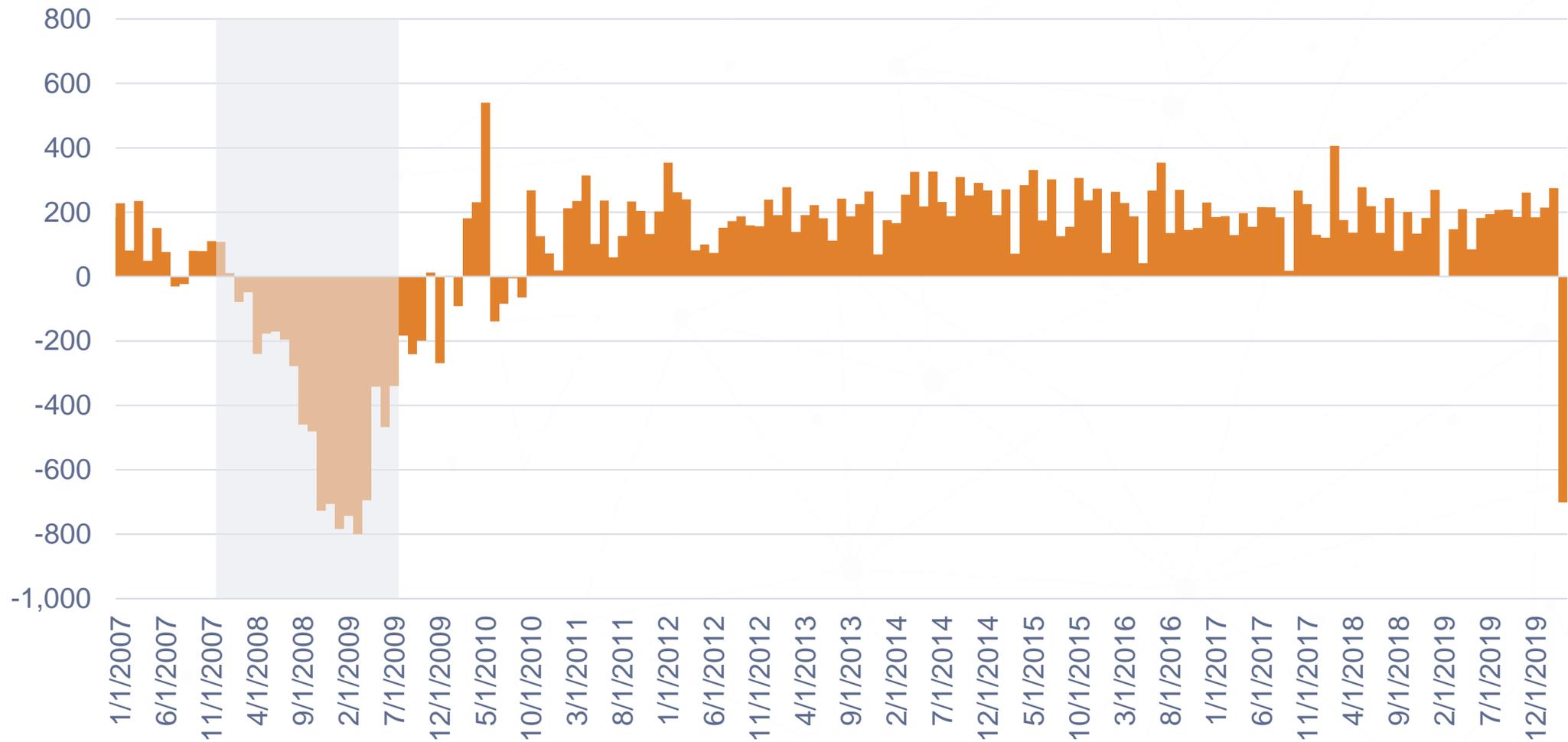
Overview

- National Economy
 - Stage 1: Supply shock
 - Stage 2: Demand shock
 - Regional Impact
 - Industry Impact
-

Stage 1: Supply Shock

- Challenges of COVID-19
 - People are infectious before symptoms show up
 - Exponential spread of virus
- Stage 1: Supply shock
 - Nonessential businesses close
 - Citizens asked to stay at home
 - Lasts 3 months through May

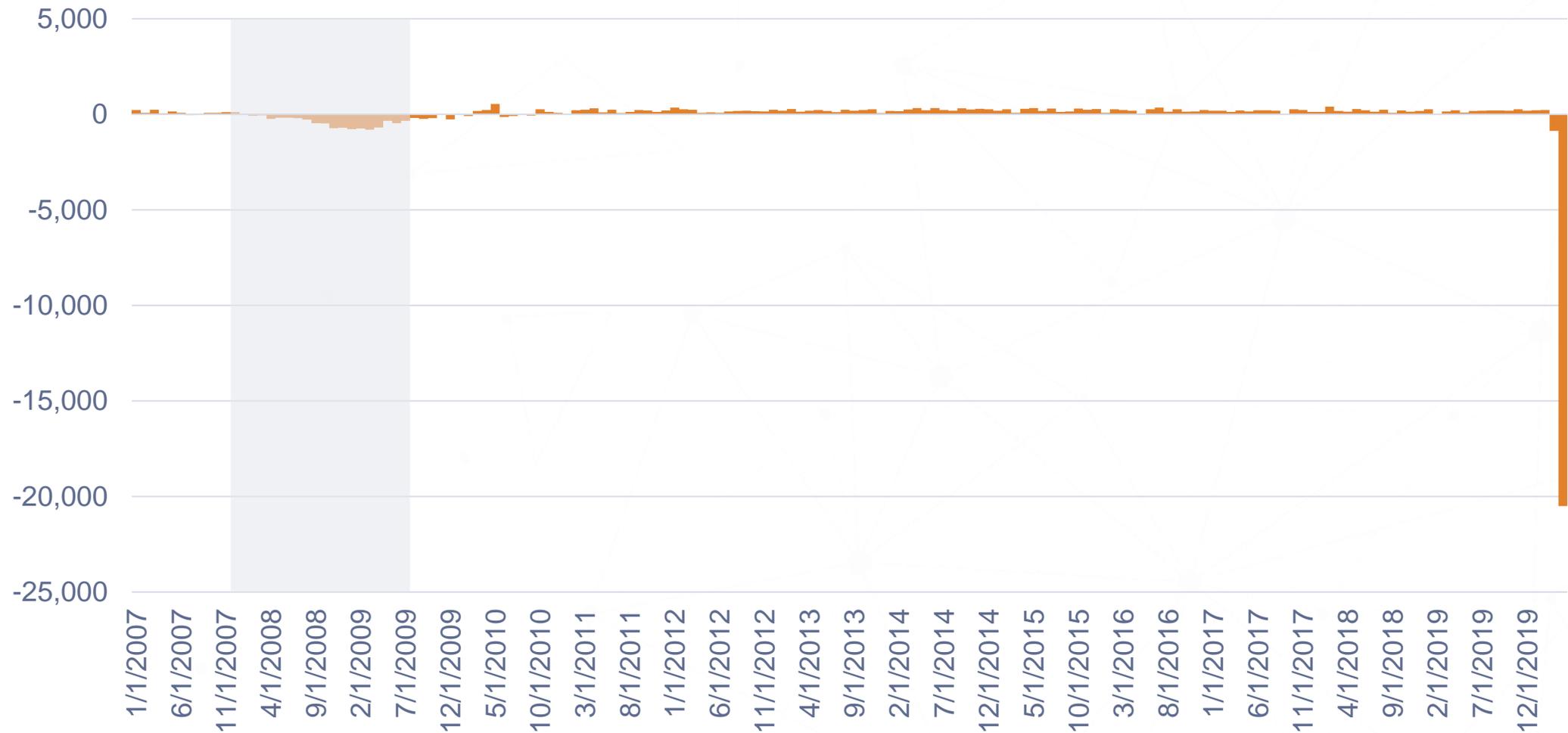
Employment Growth (Monthly Change in Thousands) Through March 2020



Source: Bureau of Labor Statistics

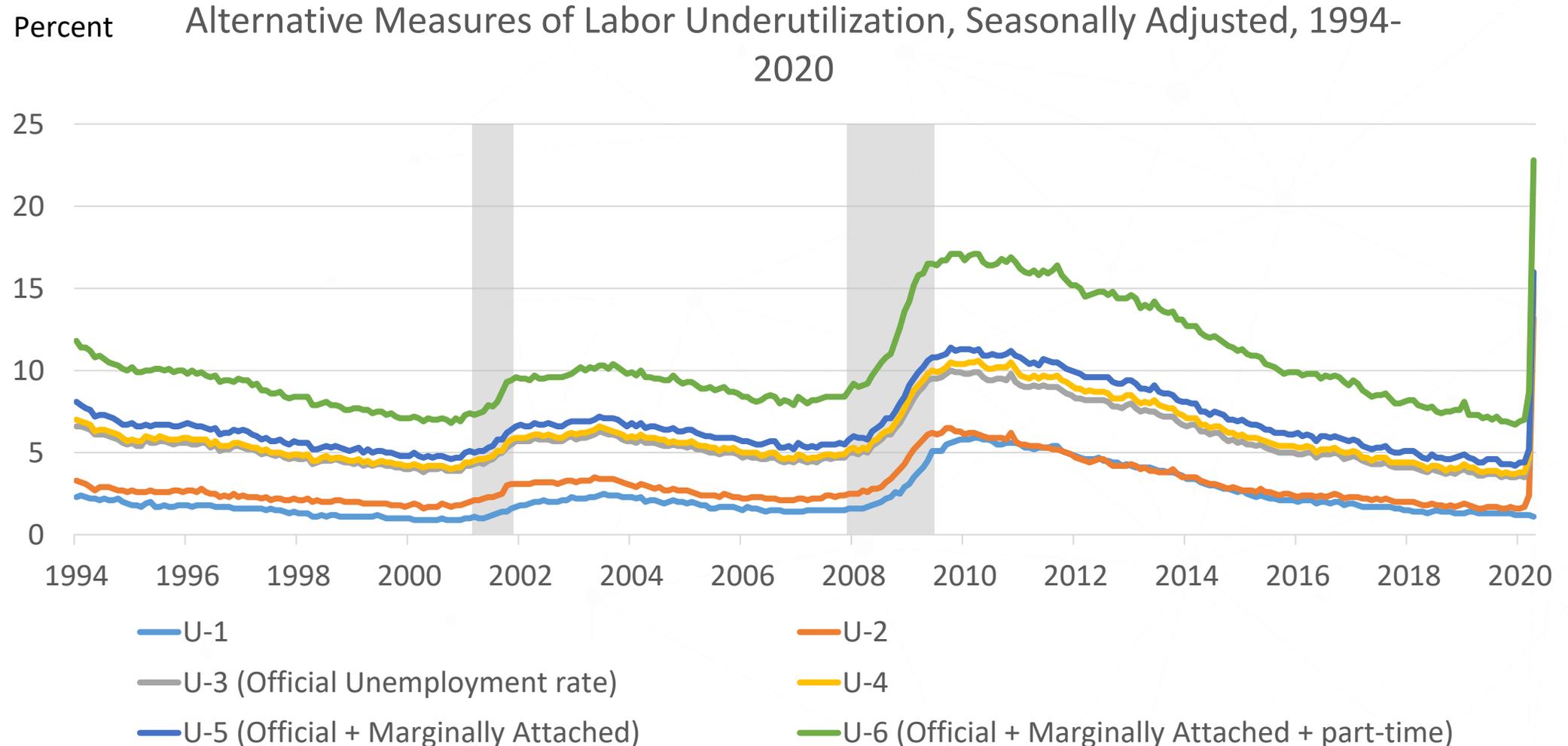
■ Employment (Monthly Change) ■ Recession

Employment Growth (Monthly Change in Thousands) Through April 2020



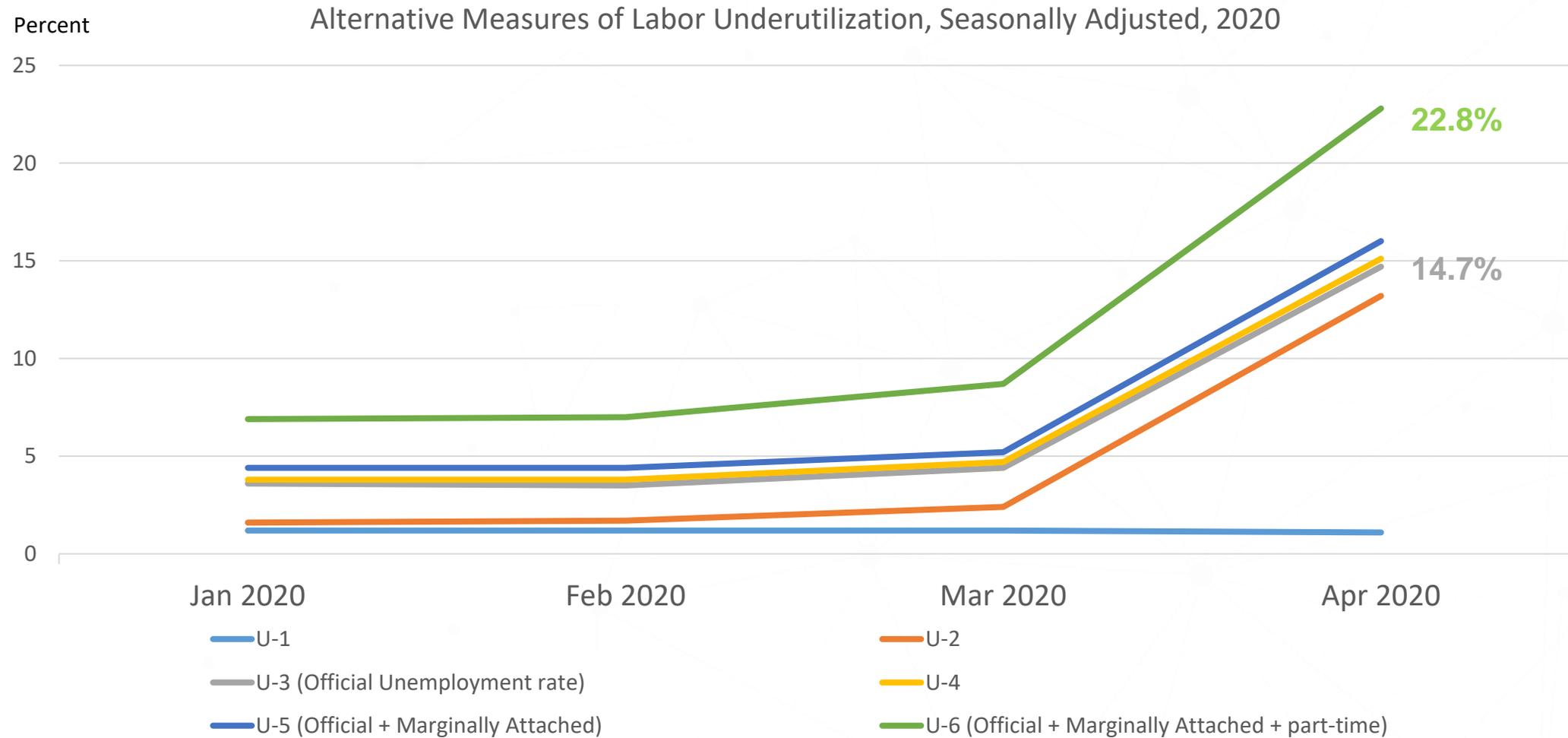
Source: Bureau of Labor Statistics

Alternative Measures of Labor Utilization Can Be More Inclusive Marginally Attached & Part-time



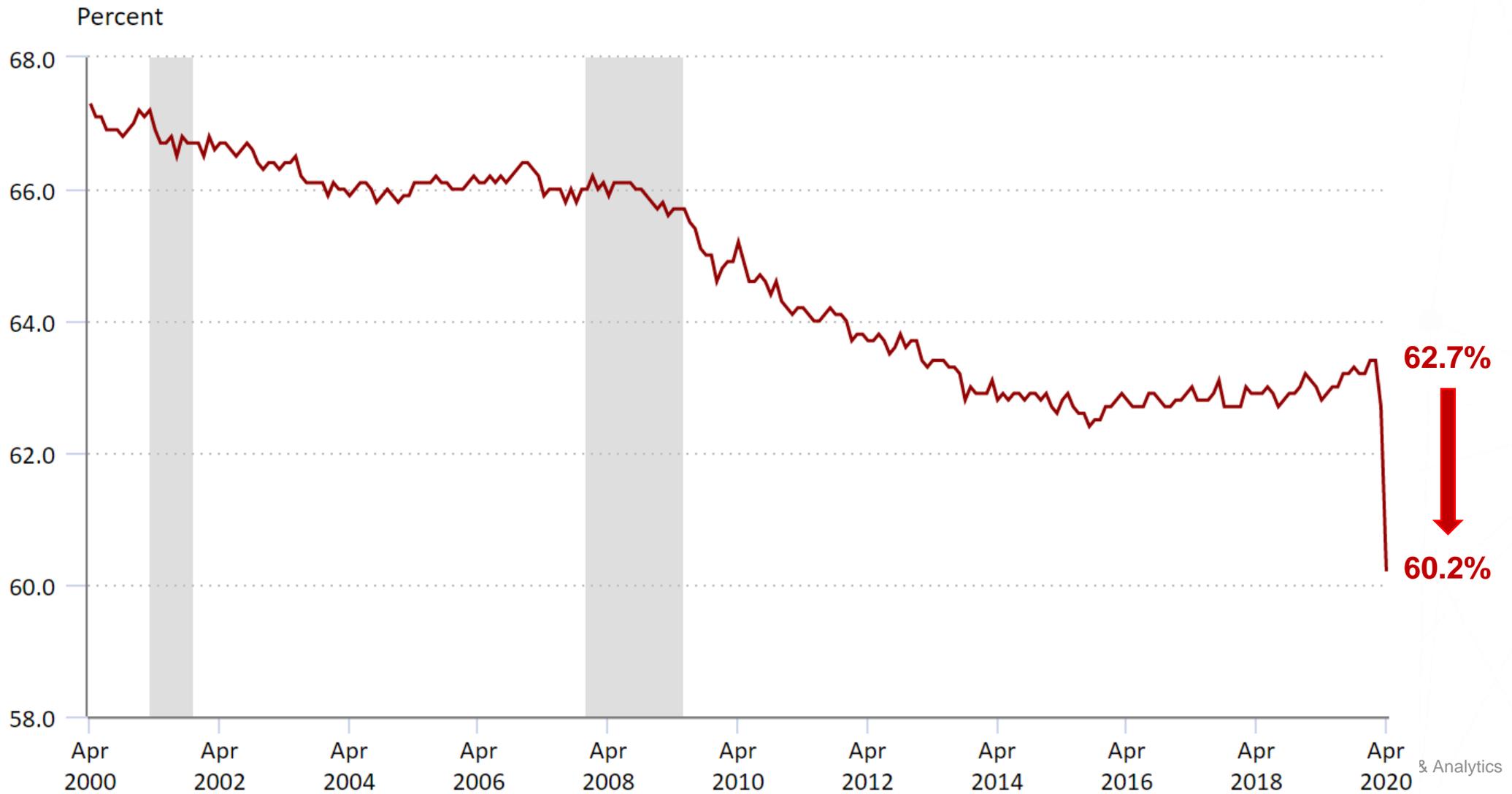
Source: BLS

Steeper Rise in U6

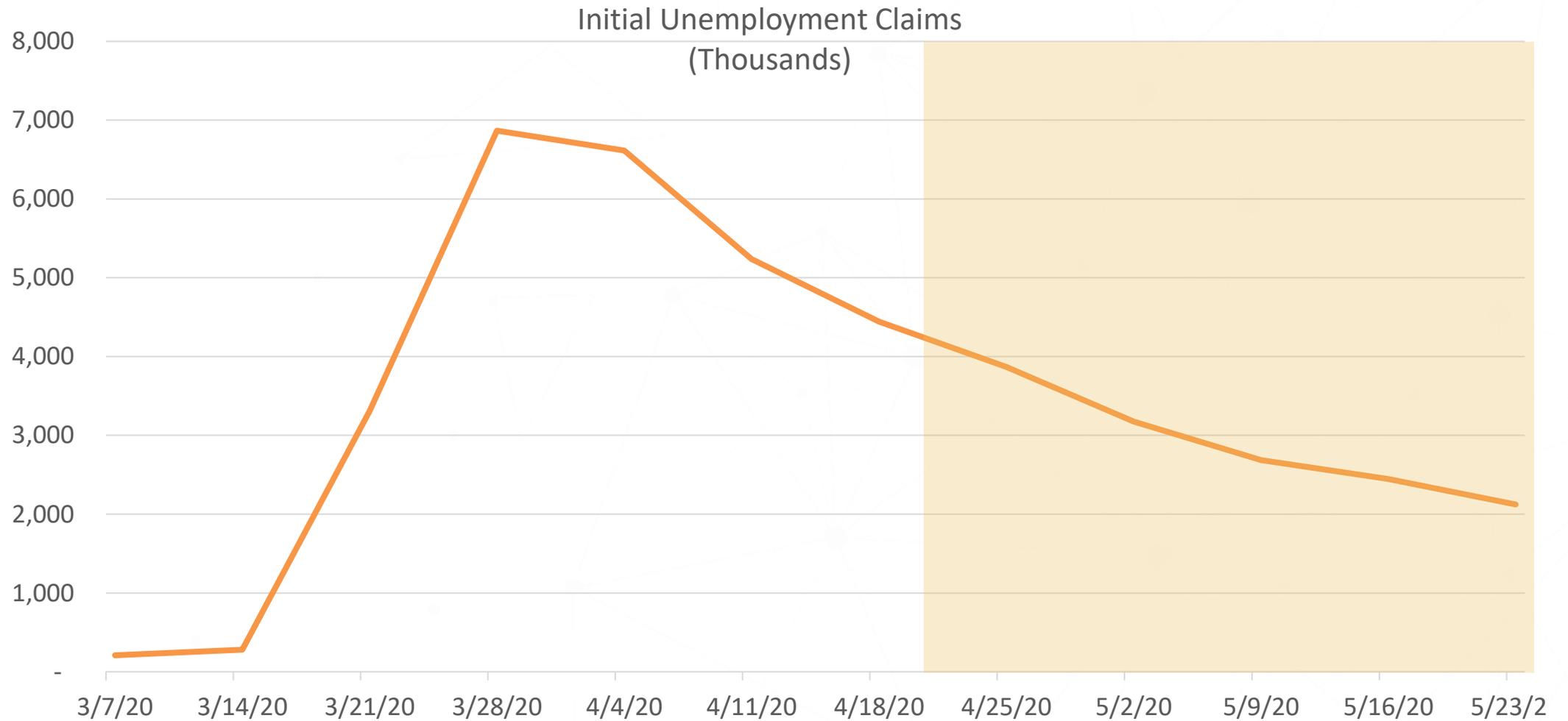


Source: BLS

Labor Force Participation Rate Decline



Layoffs Continue But at a Slower Rate



Stage 2

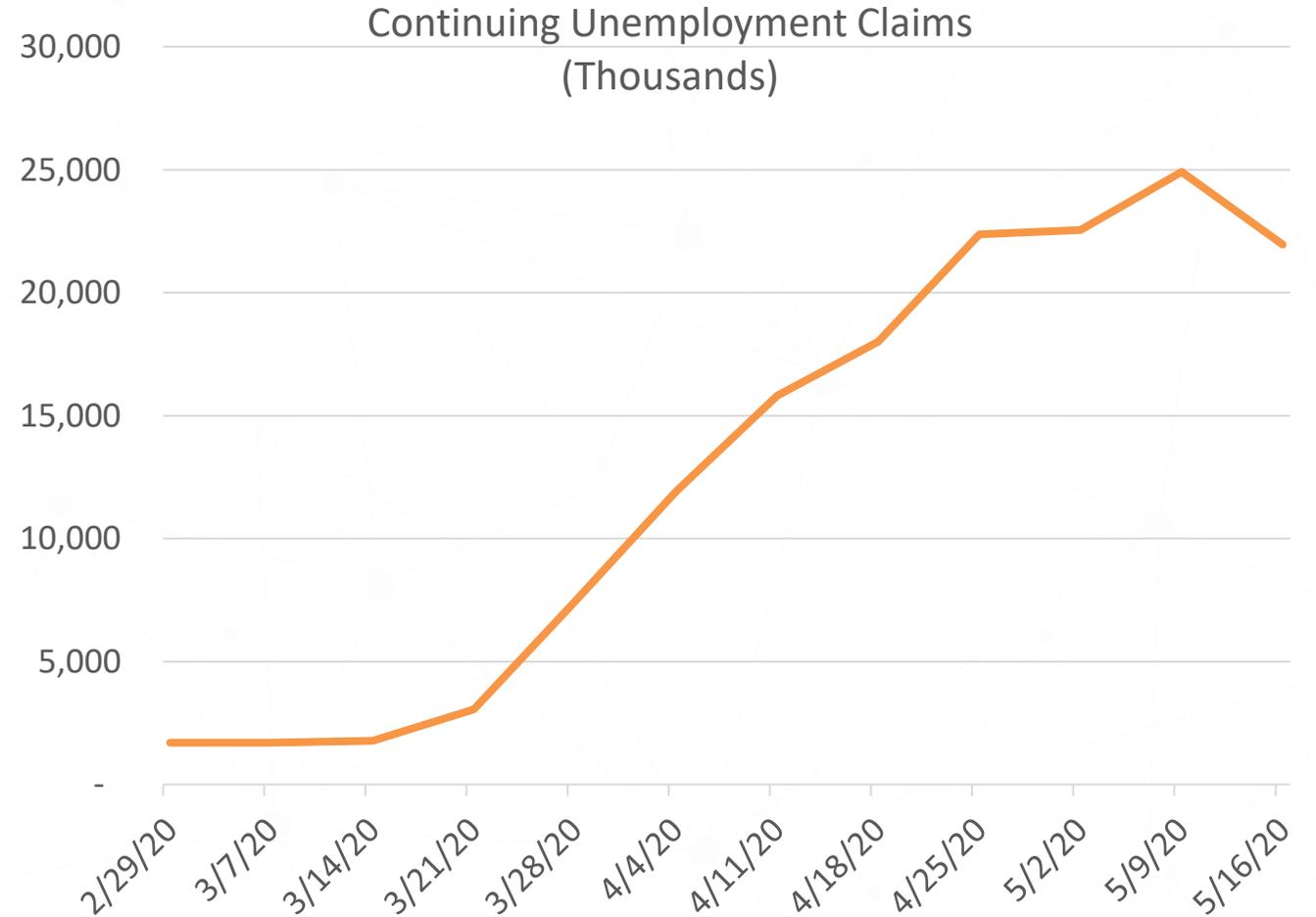
- Demand shock
 - States lift restrictions
 - Not all industries fully operational
 - Vaccine
 - Regional Issues Vary Depending on
 - Spread of COVID-19
 - Type of industries in the region
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Employment Recovery Varies by Industry

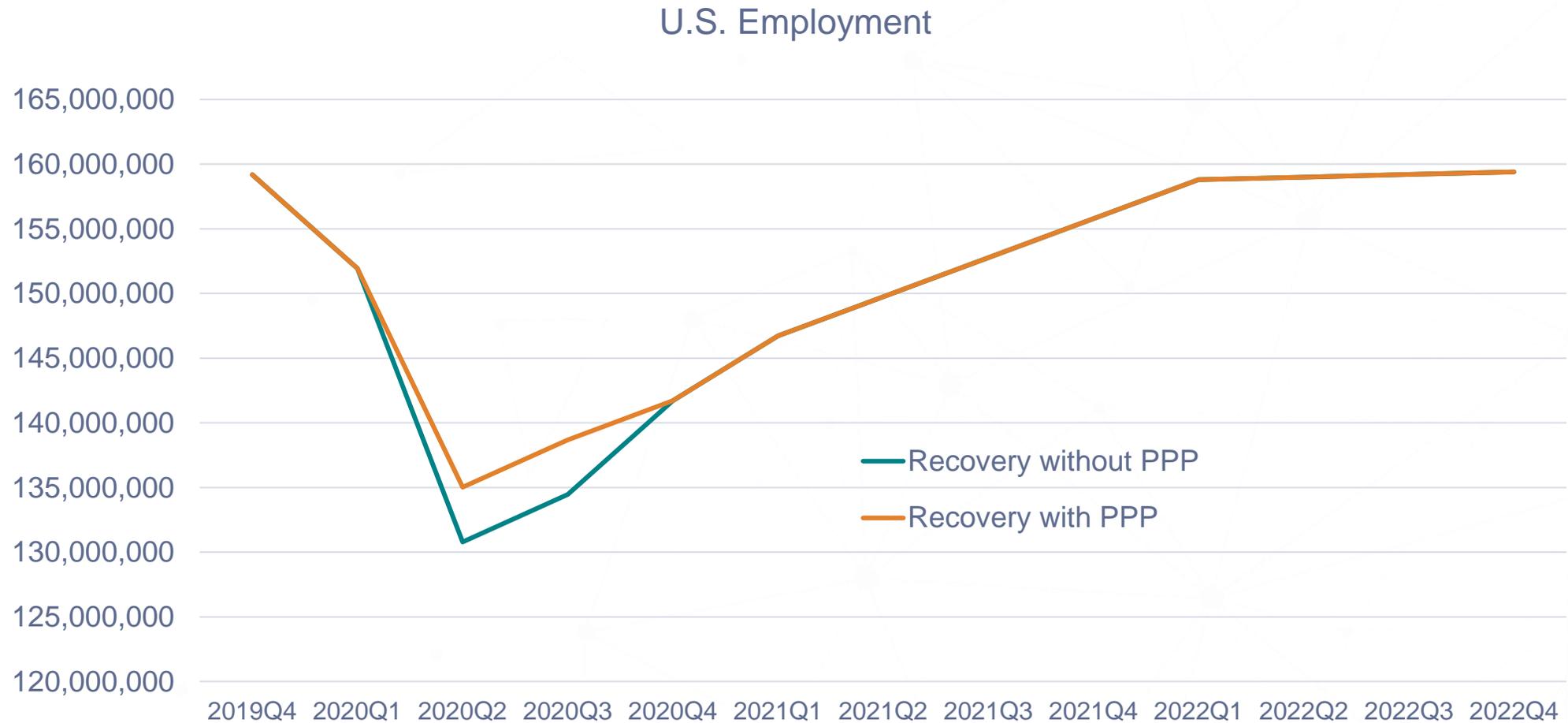
- Restaurants, Retail, Entertainment, Lodging
 - Slow recovery
 - Employment remains half pre-COVID throughout year
 - Utilities, Professional Services, Company HQ
 - Employment back to 90% pre-COVID by fourth quarter 2020
 - Economic shutdown to reduce virus spread already caused some bankruptcies
 - Reach pre-COVID employment levels in 3rd quarter of 2022
 - Payroll Protection Program playing important role in recovery
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Positive News

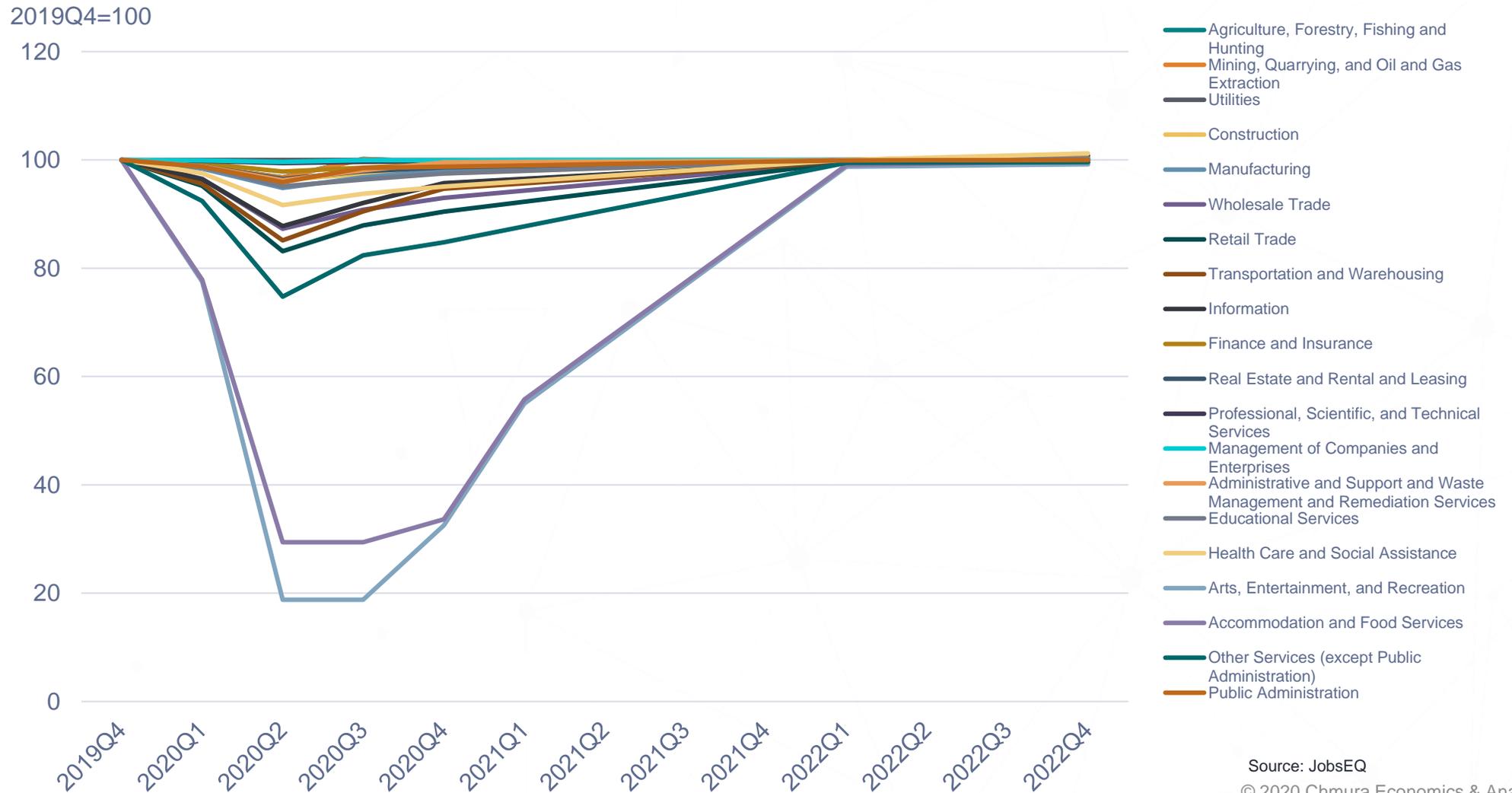
- Continuing claims are down
- 78% of unemployed Americans were classified as being “on temporary layoff” in April employment report



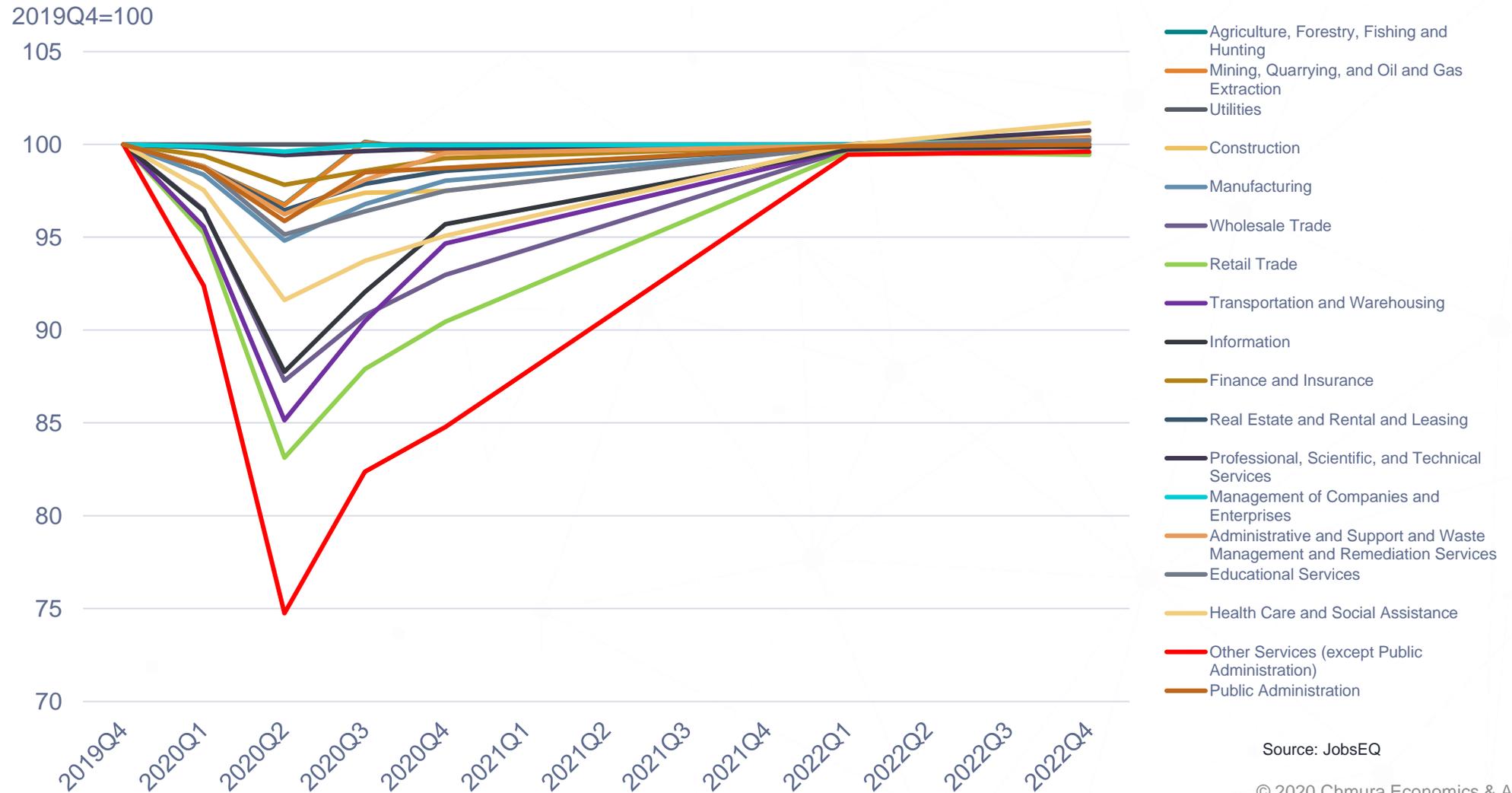
Impact of Payroll Protection Program



Indexed Employment Recovery Path By Industry

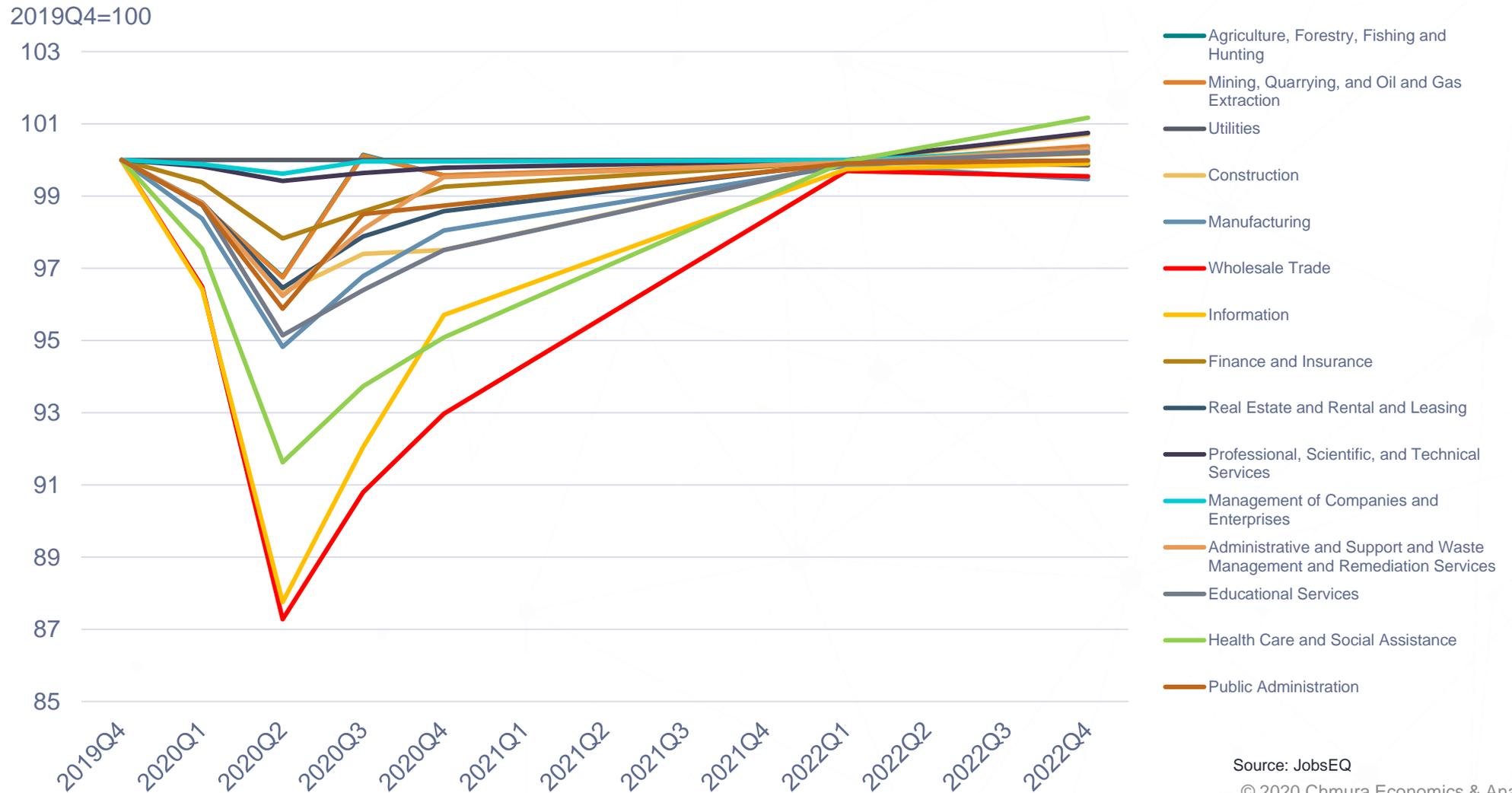


Indexed Employment Recovery Path By Industry



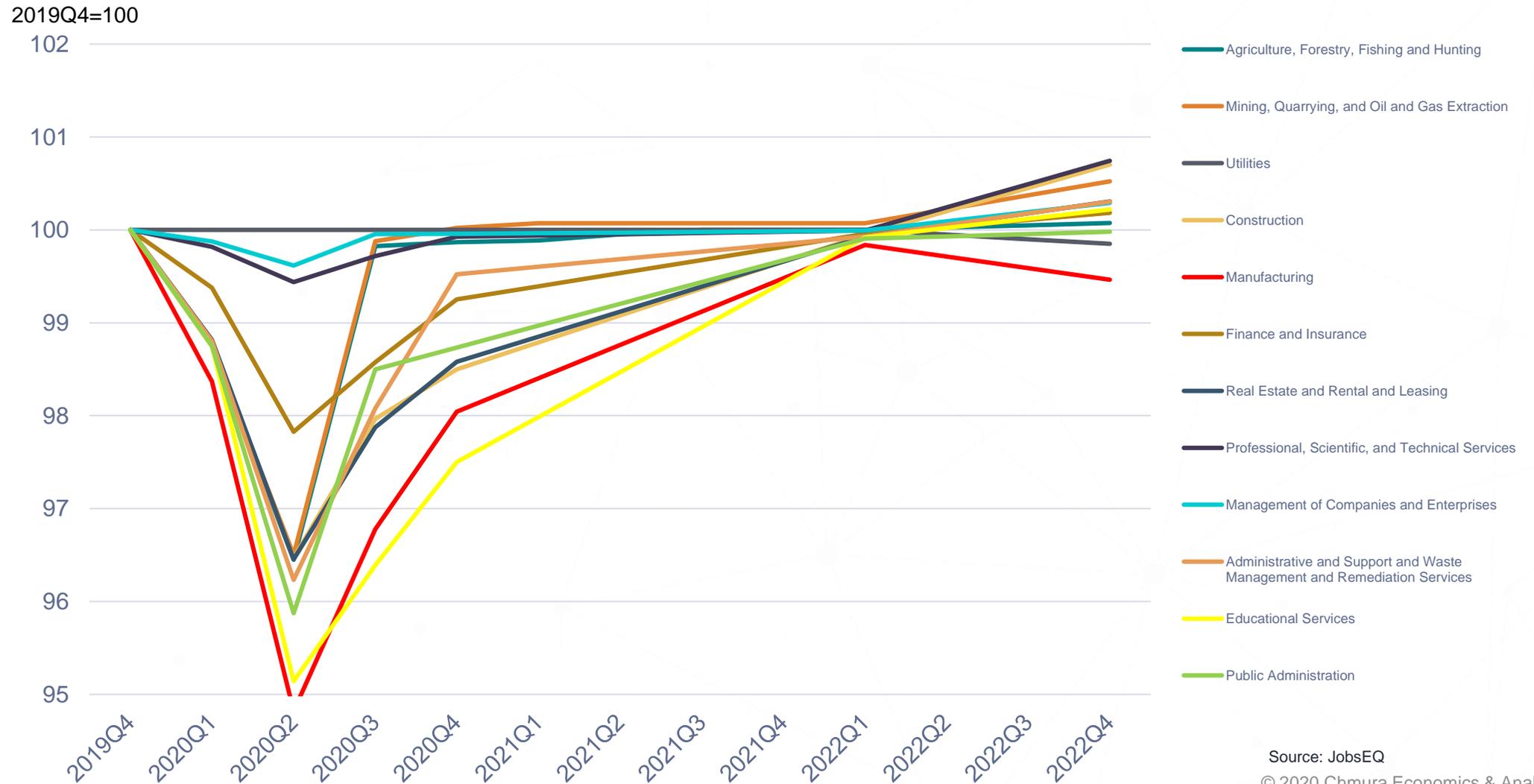
Source: JobsEQ

Indexed Employment Recovery Path By Industry



Source: JobsEQ

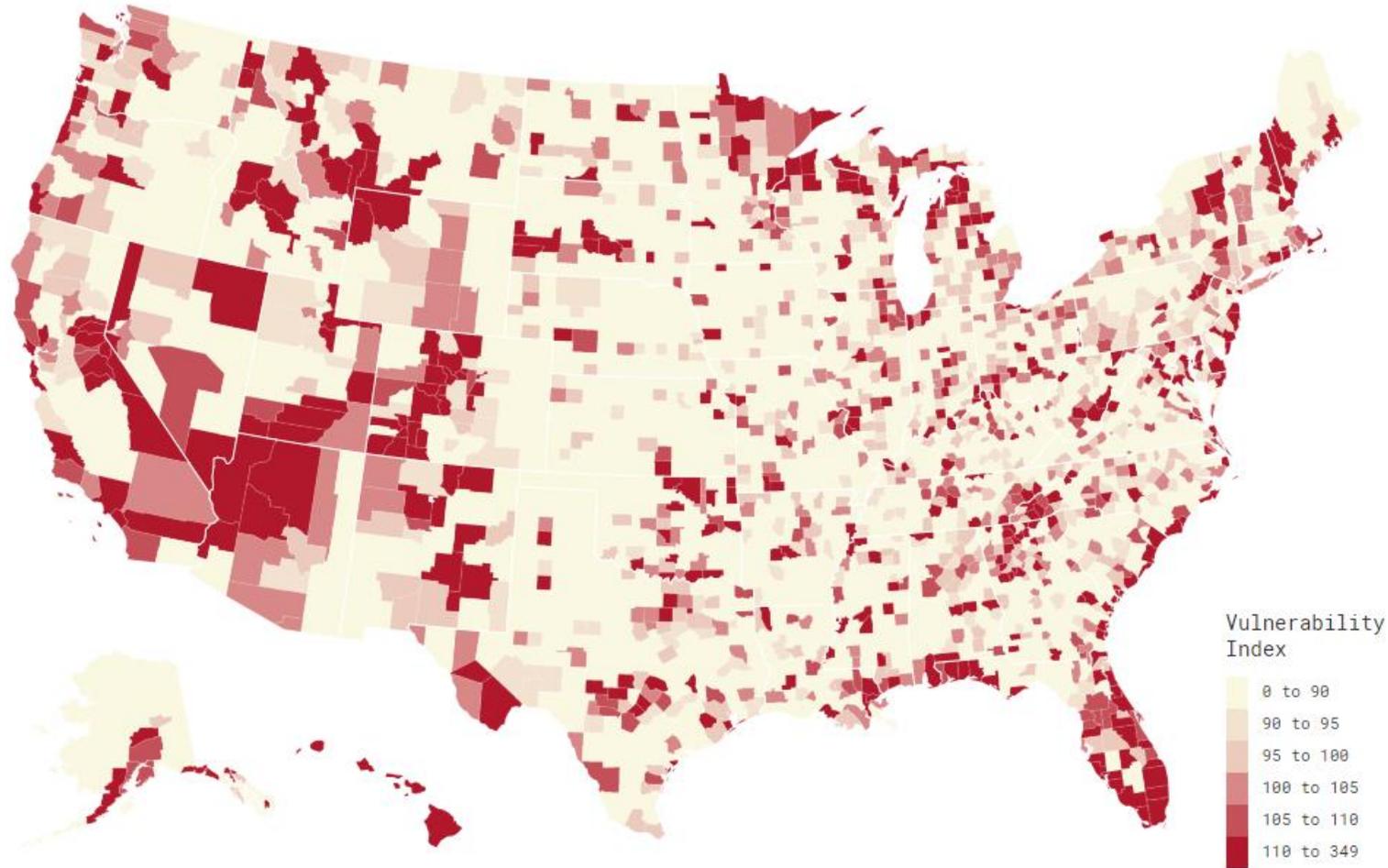
Indexed Employment Recovery Path By Industry





Great Variation by Region

How Vulnerable Is My Region to COVID-19?



Source: Chmura Economics & Analytics, JobsEQ

<http://chmuraecon.com/interactive/covid-19-economic-vulnerability-index/>

Impact of Coronavirus Average Projected Job Losses, United States	
Accommodation and Food Services	> 60%
Arts, Entertainment, and Recreation	> 60%
Other Services (except Public Administration)	10-25%
Transportation and Warehousing	10-25%
Retail Trade	10-25%
Wholesale Trade	10-25%
Information	10-25%
Manufacturing	5-10%
Construction	5-10%
Mining, Quarrying, and Oil and Gas Extraction	5-10%
Real Estate and Rental and Leasing	< 5%
Health Care and Social Assistance	< 5%
Finance and Insurance	< 5%
Educational Services	< 5%
Administrative and Support and Waste Management and Remediation Services	< 5%
Agriculture, Forestry, Fishing and Hunting	< 5%
Public Administration	< 5%
Professional, Scientific, and Technical Services	< 5%
Management of Companies and Enterprises	< 5%
Utilities	< 5%
Active Military	< 5%

Source: Chmura Economics & Analytics

The COVID-19 Crisis

- This Crisis Will End!
- National Economic Outlook
 - Sharp and short; not sustained
- Stage 1: Supply Shock
 - Nonessential businesses close
 - Citizens asked to stay at home
- Stage 2: Demand Shock
 - States lift restrictions
 - Not all industries fully operational
- Vaccine available mid-2021
 - Widely available in U.S. by 1st quarter 2022
 - Employment reaches pre-COVID levels in 3rd quarter 2022



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