



Economic insights: COVID-19

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Macroeconomic Summary

Labor Market

PMI and NMI Indexes

Economic Growth

Unemployment

2020 projected unemployment: **10.1%**

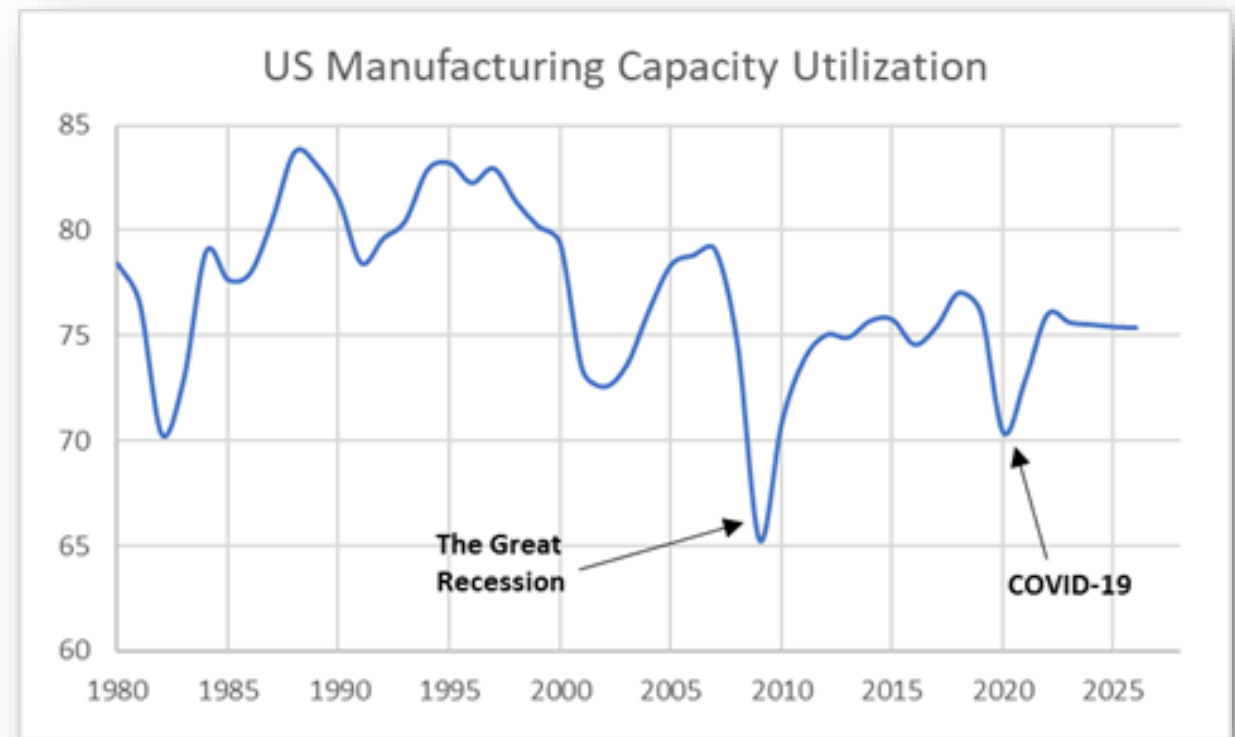
- Unemployment rate fell to 11.1% in June
- New applications for jobless benefits declined
- Gains in employment driven by leisure and hospitality sector
- Decline in average hourly wage



PMI Index

PMI Index in June: **52.6**

- Non-manufacturing Index (NMI) reported 57.1 in June
- Readings of 50 or above indicate economic expansion
- PMI increases driven by growth in consumer demand
- Manufacturing sector continues to experience supplier delivery issues



Economic Growth

2020 GDP growth: **-6.8%**

- US officially entered a recession in February 2020
- Signs that GDP has already reached a trough (lowest point)
- Overall output will remain below pre-pandemic levels despite potential upward momentum
- Delayed or rolled-back phased re-openings in July threaten growth



Special Topics

Payment Protection
Program

Reopening Activity

Services & Entertainment

Economic Recovery

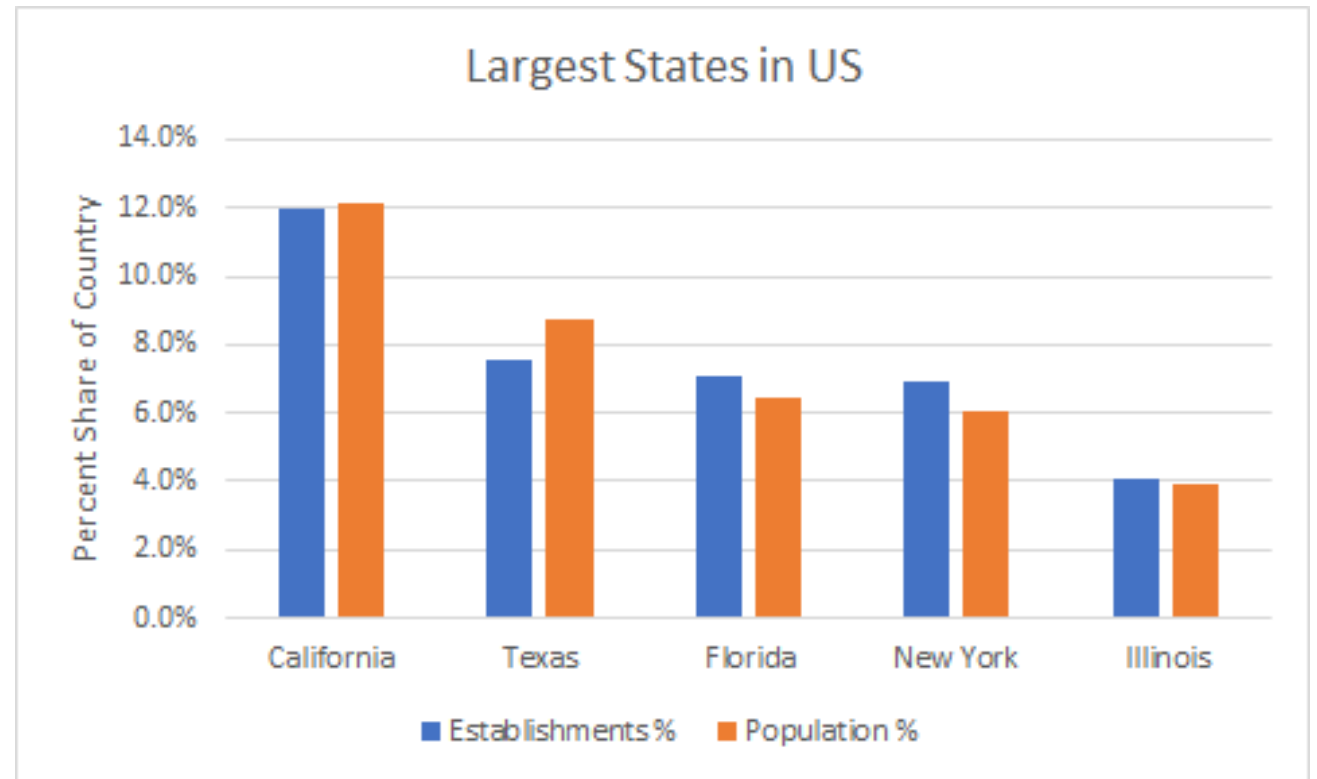
SBA Payment Protection Program

- New data from Small Business Administration (SBA) shows breakdown of Payment Protection Program (PPP) funding by sector and state
- Health Care and Social Assistance leads the way with \$67.4 billion in loans
- California has the highest approval amount (\$68.2 Billion)
- PPP helped retain 51.1 million jobs for small businesses

NAICS Sector Description	Loan Count	Net Dollars	% of Amount
Health Care and Social Assistance	506,263	\$67,356,500,071	12.92%
Professional, Scientific, and Technical Services	638,221	\$66,430,801,754	12.74%
Construction	466,221	\$64,568,137,994	12.38%
Manufacturing	229,591	\$54,002,922,769	10.36%
Accommodation and Food Services	367,502	\$42,099,336,178	8.07%
Retail Trade	450,181	\$40,355,657,949	7.74%
Other Services (except Public Administration)	531,572	\$31,145,678,051	5.97%
Wholesale Trade	167,237	\$27,726,783,463	5.32%
Administrative and Support and Waste Management and Remediation Services	240,947	\$26,482,972,198	5.08%
Transportation and Warehousing	191,609	\$17,088,399,318	3.28%
Real Estate and Rental and Leasing	245,697	\$15,631,026,225	3.00%
Finance and Insurance	168,462	\$12,205,158,596	2.34%
Educational Services	81,387	\$11,998,270,955	2.30%
Unclassified Establishments	222,096	\$9,901,564,953	1.90%
Information	69,106	\$9,264,147,642	1.78%
Arts, Entertainment, and Recreation	118,332	\$7,996,562,961	1.53%
Agriculture, Forestry, Fishing and Hunting	139,150	\$7,908,693,255	1.52%
Mining	21,570	\$4,510,946,138	0.87%
Public Administration	13,423	\$1,733,982,305	0.33%
Management of Companies and Enterprises	8,893	\$1,581,110,997	0.30%
Utilities	7,928	\$1,495,163,987	0.29%

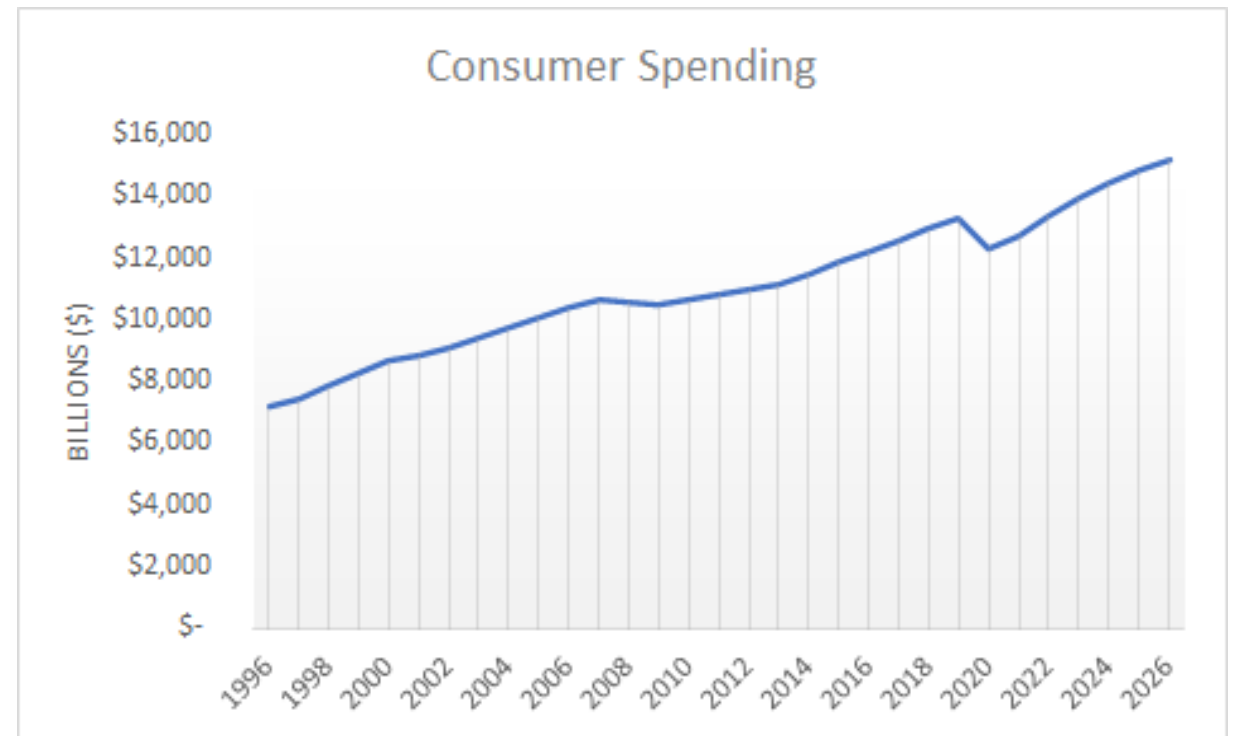
Reopening Activity

- Coronavirus cases have increased in many states, with California, Arizona, Colorado, Texas, Michigan and Florida reversing reopening plans
- These trends are especially concerning, with California, Texas and Florida representing the three largest states by share of establishments and population
- Retail stores are open across the country, while hair salons are open everywhere, except California



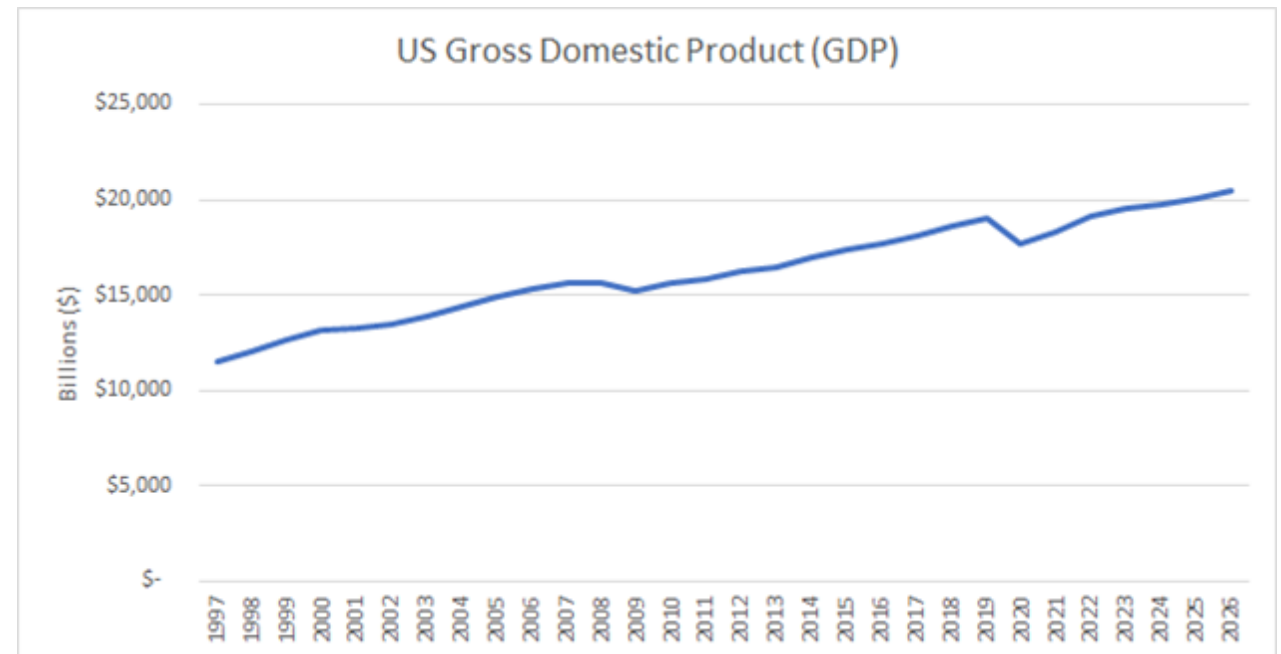
Services and Entertainment

- Retail stores, restaurants and hair salons are nearly open across the country, with a few exceptions
- With grocery stores seeing a surge in demand early, consumers are increasingly purchasing food from restaurants
- Amid rise in demand for delivery services, Uber has acquired Postmates for \$2.65 billion to boost its food delivery operations
- Reversing and stalling of state reopening plans is expected to be catastrophic for movie theater operators



Economic Recovery

- Consensus that economic recovery will likely take the shape of a "swoosh"
- Strong rebound in 2021 expected
- Economic recovery expected to take years to reach pre-coronavirus output levels



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