



Date: Wednesday, April 22, 2020

RE: “Lives and livelihoods” (summary of third-party economic research and perspectives to foster communication with business and economic development stakeholders during the COVID19 crisis.)

Key Takeaways

- **Global:** Germany considers issuing certificates to those who are proven to be immune to coronavirus.
- **U.S.:** The [National Coronavirus Recovery Commission](#) held its second meeting this week, releasing 47 specific recommendations to reopen America.
- **Ohio:** [‘Big 6’ Ohio business groups](#) press on ‘urgent’ need to re-open economy with May 1 approaching.

Global

[Global cases](#) over 2.6M. The [UN’s World Food Program](#) Executive Director delivers predictions of “hunger pandemic” with an additional 130M anticipated to be on the brink of starvation. [Germany](#) considers issuing certificates to those who are proven to be immune to coronavirus, as it has [success in keeping infections low](#). [South Korea](#) boosts coronavirus crisis stimulus package to \$200B.

[Auto sales in Europe plunged 51.8%](#) as lockdown efforts took hold in March declining to 853 thousand units from 1.77M. [Other research](#) shows over 1.1M employees in Europe are affected by the pandemic and over 2M units of production have been lost. [Bridgestone Corp](#) has suspended 19 of 51 overseas tire factories and 11 of its Japanese domestic plants amid weaker demand. [Nippon Steel Corp.](#) will suspend operations at its No. 2 blast furnace through mid-May.

U.S.

The [CDC chief](#) believes there could be a second, possibly worse outbreak coming this winter. The Governors of [Vermont](#), [Georgia](#), [South Carolina](#), [Tennessee](#), and [Texas](#) outline some reopening plans. Elective outpatient treatment will resume in some [New York](#) counties. The [Justice Department](#) would consider legal action against governors who impose stringent rules that infringe on constitutional rights once the crisis subsides in their states. As coronavirus deaths mount in [African American communities](#), immunologist James Hildreth attributes patterns of living in intergenerational households, working more vulnerable jobs, and correlation factors of asthma, hypertension, and cardiovascular disease to this trend. [Social security costs](#) expected to exceed total income in 2021. [FDA authorizes](#) test that lets patients collect own samples at home.

[McKinsey](#) foresees the rise of a “contact-free” economy; more government intervention in the economy; more scrutiny for businesses; changing industry structures, consumer behavior, market positions, and sector attractiveness. [Manufacturing reshoring](#) is a growing concern to meet the needs of Americans. As [oil storage dwindles](#), producers are paying buyers to take the commodity off their hands - firms have even resorted to renting tankers to store surplus supply, forcing the price of US oil into negative territory. Change in [average daily help wanted online ads](#) shows in-demand occupations are: laborers and material movers, stock clerks and order fillers, emergency medical technicians and paramedics, loan interviewers and clerks, and pharmacists. The highest decrease in ads has been in office and clerical, health and education, sales, passenger transportation, lodging and travel, and food service.

[Thirty-six private unicorn companies](#) have laid off staff since the coronavirus outbreak, including Groupon, Eventbrite, and OpenDoor. [Coca-Cola](#) has experienced a global sales volume decline of approximately 25% with nearly all coming from away-from-home channels. [Charter](#) announced hiring in several cities and minimum hourly wage increases, while assuring its workforce that it will not have layoffs or furloughs in the next two months. [The UAW and GM, Ford, and FCA](#) are in negotiations on working conditions for reopening factories in early May, with chief concerns being allowing workers to self-quarantine without losing pay and having enough PPE for workers. [Tyson Foods](#) will reopen its pork plant in Columbus Junction, Iowa following a two-week closure with additional safety measures, while [suspending its largest pork plant](#) in Waterloo, Iowa which



accounts for nearly 4% of US pork processing. [Cargill](#) is idling its Alberta beef plant which represents about 36% of total Canadian processing capacity. [Lord & Taylor](#) is exploring bankruptcy options as its 38 U.S. department stores remain closed. Marcus Neiman Group and J.C. Penney are considering similar moves. [Several large U.S. banks](#) are being sued by small business owners claiming the lenders unfairly favored companies and prioritized applications that would make the banks the most money. [Fifth Third Bank's CEO](#) believe an additional \$300B for the PPP program is not going to adequately serve current demand. [Delta Airlines](#) posted a net loss of \$534M for Q1 2020 after burning through \$100M a day at the end of March. The CEO believes the recovery period for the company could take 2-3 years.

Ohio

Ohio [schools will conduct remote learning](#) for the remainder of the school year. Former Ohio Governors Celeste and Taft will head up an [Ohio Testing Strike Team](#). The [Ohio Bureau of Worker's Compensation](#) will send up to \$1.6B in dividends to Ohio employers. [Cleveland Clinic and SAS](#) created innovative models that help hospitals forecast patient volume, bed capacity, ventilator availability and more. [JobsOhio, Peoples Bank and First Federal/Home Savings Bank](#) partner to provide lending support for Ohio small businesses.

[The Cuyahoga County Public Library system](#) will lay off or furlough 300 seasonal and contract workers due to a projected budget shortfall from the coronavirus pandemic. [Beaumont Health](#) delayed its merger with Akron-based Summa Health due to COVID-19 as both health systems focus “first and foremost on caring for our patients, employees, physicians and communities.” [Urbana University](#), a branch campus of Franklin University will be closing its physical campus and cease enrollments at the end of the 2020 spring term.

<i>Positive Company-Specific News</i>	<i>Negative Company-Specific News</i>
<ul style="list-style-type: none"> - Kroger launches Blueprint for Businesses - insights on what does and doesn't work for them in terms of retail, manufacturing, and best practices in reaction to COVID. - J.M. Smucker lifted its FY20 sales forecast up 2% with increased demand across the U.S. and Canada due to consumer stockpiling. - PolyOne beat its Wall Street earnings estimates by 13.3%. Its CEO noted that the company is involved in fulfilling demand for COVID-19 test kits, and its materials are key components in the supply chain for several key items to be produced and shipped. - Truck manufacturer, Paccar, notes that despite COVID-19 challenges the company hopes to remain profitable in 2020 and that it has a strong balance sheet to withstand the current climate. - Triad Technologies announced it is in the early stages of a nearly \$5M expansion at its headquarters facility in Vandalia. 	<ul style="list-style-type: none"> - Fifth Third Bank's Q1 2020 net income available to common shareholders fell 96% year-over-year amid elevated expenses and negative provisions. - Cedar Fair announced a \$1B senior note offering in order to repay a portion of its term loan facility and the remainder for general corporate and working capital purposes. - Macy's is taking extreme measures to avoid dire outcomes related to the pandemic with using its inventory to raise \$3B in capital, and its real estate holdings to raise \$1-2B. - L Brand's buyer for Victoria's Secret is reportedly attempting to back out of the deal as it says L Brand's response to COVID-19 were in violation of their agreement.

Resources

- Ohio Department of Health's COVID-19 Website: www.coronavirus.ohio.gov
- JobsOhio's resource portal remains available at: <https://www.jobsohio.com/covid-19-resources/>

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