



Date: Tuesday, April 7, 2020

RE: “Epicenters Starting to Show Signs of Leveling Off” (summary of third-party economic research and perspectives to foster communication with business and economic development stakeholders during the COVID19 crisis.)

Key Takeaways

- Global: Italy, Spain, and New York City showed signs of leveling off, and may have seen or be seeing the worst of their case increases and daily death increases.
- U.S.: Treasury Department seeking additional \$250B for the small business loan program.
- Ohio: JobsOhio launches \$50M Innovation Fund & State establishes Office of Small Business Relief.

Global

Infections in [Italy](#) begin to level off as the death toll tops 15,000. [Spain](#) extends its lockdown to April 26th as daily deaths begin to decrease. The [U.K. Prime Minister](#) was taken to the hospital for coronavirus symptoms. [Britain's Queen Elizabeth II](#) urges subjects to show the “quiet good-humored resolve” that characterized previous generations, as deaths top 4,300. The [UN](#) urges protection of potential victims of domestic violence, as this has been considered the “[shadow pandemic](#)”.

[Japan](#) declares a state of emergency and unveils a [massive stimulus package](#) worth 20% of its GDP. [Mexico](#) does not plan to enact a large economic stimulus plan. [Singapore](#) announces a third stimulus package at \$3.6B. It is believed [India's unemployment](#) rate jumped from 8.8% to 23.4%. [The World Bank](#) believes a “third shock” in East Asia beyond the pandemic and trade war could push growth to 2.1% from 5.8% in 2019. US bilateral trade with China fell 28.8% year over year in February - most of this came from a 54.9% drop in vehicles and a 91.7% collapse in electric vehicle shipments. Carmakers in Europe and North America face \$100B in lost revenue through April. GM sold 43.3% fewer vehicles in China in Q1 compared to a year ago.

U.S.

The Treasury Department is seeking additional [\\$250 billion](#) to replenish a new small business coronavirus program that is being overwhelmed by surging demand. [Federal Reserve](#) will establish a facility to facilitate lending to small businesses to backstop Paycheck Protection Program loans. [Former FDA Commissioner](#) and [Harvard](#) issued similar guidance for conditions for restart of the U.S. economy.

[Former Federal Reserve Chair Yellen](#) estimates unemployment is at 13% and the economic contraction is at least 30%. [S&P Chief U.S. Economist](#) expects the loss of more than 20M jobs in May. With estimates that [3.5 million workers](#) likely lost their employer-provided health insurance in the past two weeks, [Medicaid enrollment](#) is anticipated to surge and stress the program, from [71 million participants to 82-94 million](#).

[The CDC](#) recommends that Americans wear non-surgical face masks in public. [USAID](#), the government’s main international relief agency issued an urgent request to aid groups that work with vulnerable populations requesting medical supplies for US use. [Hospitals report using PPE](#) much faster than expected and receive small shipments with damaged and expired supplies.

[Mattress Firm](#) will donate 10,000 pillows to healthcare professionals. Allstate refunds more than \$600M in insurance premiums to drivers who are on the road less. Ford’s Plymouth, MI factory completed its [1 millionth face shield](#) after 13 days in production. The pandemic is leading to “tsunami” of change in [how people buy food](#). Kraft Heinz expects net sales to have increased approximately 3% for Q1.

S&P 500 insurance index plunged 28.5% in Q1 and Moody's changed its outlook on the U.S. life insurance sector to negative. The [American Property Casualty Insurance Association](#) estimates closure losses for businesses with 100 or fewer employees at \$431B per month. Aircraft parts suppliers [Hexcel and Woodward](#) abandoned their planned \$6.4B all-stock merger. About half of [U.S. small businesses](#) haven’t paid their full rent



or mortgage yet this month. [Amazon](#) delays its Prime Day event and expects a potential \$100M hit from excess devices it might now sell at a discount. [Tyson Foods](#) will suspend operations at an Iowa plant due to coronavirus. [Nissan](#) will lay off about 10,000 workers at its idle American plants.

Ohio

JobsOhio launches the [JobsOhio Innovation Fund](#) totaling up to \$50M. It will support Ohio’s most promising and innovative companies. The State created an [Office of Small Business Relief](#). Families who did not receive the maximum monthly allotment under the Supplemental Nutrition Assistance Program (SNAP) program in March will be issued an additional payment beginning this week, according to ODJFS. Ohio Department of Health published a [report](#) showing Ohio is having better success at flattening the COVID infections curve than the U.S and other states. [Ohio's Medicaid Insurance](#) recipients could grow by 425K-953K with up to 264K going uninsured among the newly unemployed.

Publicly-traded Ohio companies received a mix bag in a recent report from S&P with several healthcare companies with Ohio presence noted as top performers including Abbott Labs, AmerisourceBergen, and Henry Schein.

[Kroger](#) partnered with Sysco and U.S. Foods, which normally supply the restaurant industry and large institutions, to share labor and keep shelves stocked. [Navistar](#) will extend its production stoppage in Springfield through April 27. [Honda's](#) extended production suspension puts 8,000 Ohio employees out of work. Safelite eliminated close to 1,000 roles and furloughed another 1,000 associates for 120 days. REIT Welltower withdrew its £2.5bn bid for British Barchester Healthcare.

| <i>Positive Company-Specific News (since 4/3)</i> | <i>Negative Company-Specific News (since 4/3)</i> |
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| <ul style="list-style-type: none"> - Purell of Gojo Industries gets a tariff exclusion: key inputs from China were previously subject to a 25% import tax. - Ohio-based manufacturer Nordson Corp. is seeking acquisitions as part of its long-term growth strategy amid the pandemic. - Fifth Third Bank is hiring nearly 1,000 positions across 10 states including a “significant” number at its HQ in Cincinnati. - Tractor Supply Co. will hire 5,000 full and part-time workers and extend its \$2 per hour bonus to all frontline hourly employees through May 9. - Charter Communications will be raising its minimum wage to \$20 for its hourly workers over the next two years. The company employs nearly 8,000 in Ohio. | <ul style="list-style-type: none"> - Abercrombie and Fitch will furlough staff throughout the world starting April 12th. Corporate staff pay will be reduced. The company received a credit downgrade from B+ to BB-. - Honda Motor has placed 10,000 workers, or more than half its U.S. staff on temporary leave as a response to the coronavirus epidemic. - Premier Health of Dayton announced employee furloughs and senior leadership pay-cuts as a result of anticipated financial impact of Ohio’s interim ban on nonessential surgeries. - Cooper Tire & Rubber announced its tire manufacturing in the U.S. and Mexico would remain closed for at least two more weeks. - WARN notices and layoff count: Rock and Roll Hall of Fame – 108; Midwest Tape LLC - 183 |

Resources

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