



Date: Thursday, March 19

RE: Economic Fallout Now Estimated in Trillions (summary of third-party economic research and perspectives to foster communication with business and economic development stakeholders during the COVID19 crisis.)

Key Takeaways

- Global: slowdown in global economy likely to cost at least \$1 trillion.
- U.S.: U.S. economy could shrink 14% next quarter, per a JPMorgan economist.
- Ohio: Ohio unemployment claims from last four days total over 111,000, up from just 3,800 last week.

Global

The number of confirmed coronavirus infections topped 200,000, more than doubling in two weeks, as countries escalated their response to the spread with travel restrictions, home quarantines and other limits on movement. The UN’s trade and development agency says the slowdown in the global economy caused by the coronavirus outbreak is likely to cost at least [\\$1 trillion](#). “We envisage a slowdown in the global economy to under two per cent for this year, and that will probably cost in the order of \$1 trillion, compared with what people were forecasting back in September,” said Richard Kozul-Wright, Director, Division on Globalization and Development Strategies at UNCTAD. One “Doomsday scenario” in which the world economy grew at only 0.5 per cent, would involve “a \$2 trillion hit” to gross domestic product.

U.S.

Conference Board Leading Economic Index (LEI) for the U.S. [Increased Slightly in February](#), Improvement in Index Will Not Continue into March. “Declines in stock prices, consumers’ outlook on economic conditions, manufacturing new orders, average workweek in manufacturing, and rising unemployment claims will begin to negatively impact the economy.”

The U.S. economy could shrink 14% next quarter, a [JPMorgan economist](#) said on Wednesday, one of the most dire calls yet on the potential hit to the U.S. from the coronavirus epidemic. A drop of that size would be steeper than in the fourth quarter of 2008 - the worst of the Great Recession - when the economy shrank 8.4%.

Overall, the coronavirus pandemic may negatively affect the credit quality of up to 45% of companies in North America in an economic scenario where infection cases continue to surge, resulting in extensive travel restrictions and quarantines and a prolonged decline in commodity prices, Moody’s reported. Investor Ray Dalio estimates the corporate losses in the U.S. from coronavirus will top [\\$4 trillion](#).

Ohio

Ohio unemployment claims from the last four days total over [111,000](#). The [Wall Street Journal](#) wrote an article discussing the trends, “some states see unprecedented application volumes—Ohio gets 78,000 claims in three days, up from about 3,000 in prior-week period; states shift staff to handle surge.” With respect to the automotive sector, roughly 20,000 employees, not including suppliers, will be directly affected by recently announced shutdowns. JobsOhio’s resource portal remains available at: <https://www.jobsohio.com/covid-19-resources/>

<i>Positive Company-Specific Impacts (since 3/17)</i>	<i>Negative Company-Specific Impacts (since 3/17)</i>
<ul style="list-style-type: none"> - Kroger CEO Rodney McMullen reported company will hire 10,000+ associates to cope with rise in demand. - Amazon adding 4,600 new jobs in Ohio. - General Mills announced improved outlook has been raised given the demand for food at home is rising. - Huntington Bank and WesBanco announced a series of measures it’s taking to help alleviate economic issues. 	<ul style="list-style-type: none"> - Honda, General Motors, and FCA suspending automotive production. - JPMorgan closing 20% of branches to reduce spread of coronavirus