



Date: Thursday, May 21, 2020

RE: “All 50 States Have Taken Steps to Reopen” (summary of third-party economic research and perspectives to foster communication with business and economic development stakeholders during the COVID-19 crisis.)

Key Takeaways

- **Global:** Long-Lasting Global Recession Likely Due to COVID-19, Says [World Economic Forum](#).
- **U.S.:** All 50 U.S. states have taken steps toward reopening in time for Memorial Day weekend. Workers filed an additional 2.4M unemployment claims last week, bringing the total since March to 38.6M.
- **Ohio:** 27 Ohio companies on Fortune 500 list in 2020, up from 24 in 2019. Gov. DeWine featured by the [The Wall Street Journal](#) discussing the state’s plans for lifting restrictions and reopening.

Global

[The World Bank](#) expects 60M people will be pushed into extreme poverty by the economic consequences of the pandemic and that current recovery efforts are not enough. It also anticipates global economic output to contract by as much as 5% in 2020, effectively erasing three years of progress in alleviating poverty in the world’s poorest countries. [The World Trade Organization released their updated Goods Trade Barometer](#), which provides real-time information on the trajectory of world trade, showing it well below trend with no signs of the trade slump bottoming out yet. WTO also put out a trade forecast decline in merchandise trade at 13-32%. The [US-Canada border](#) will remain closed to nonessential travel until at least June 21. [Brazil, India, Indonesia, Mexico, Russia](#) have begun to ease lockdowns despite rising coronavirus infection numbers, as pressure grows to reopen businesses and curb rising poverty.

[UK’s Rolls-Royce](#) will cut 9,000 jobs from its global workforce and \$1.6B in capital expenditure due to lack of demand from Boeing and Airbus for the company’s turbines. [Fiat Chrysler](#) may receive \$6.8B in state-backed financing after burning through \$5.5B in Q1 2020 with its North America plants closed and demand shuttered. [Auto sales in Europe fell 76.3% year-over-year](#) April after a 55% decline in March. Italy and Spain recorded the largest drops with 97.6%, and 96.5% respectively, but every one of the 27 EU markets recorded at least double-digit losses. U.S. auto plants feel constrained due to [a shortage of parts from suppliers in Mexico](#).

U.S.

[All 50 U.S. states have taken steps toward reopening](#) in time for Memorial Day weekend. Companies racing to get back to business are [creating roles](#) to keep employees and customers safe from a highly contagious virus. [New York State](#) extended its stay-at-home order through May 28 while allowing some meeting certain criteria to reopen. [Wisconsin](#) announced a \$75M grant program for small businesses. [A Kaiser Family Foundation](#) study warns of spike in the uninsured due to COVID-19, estimating more than 20M people will become eligible for subsidized coverage. An [analysis by the Cleveland Fed](#) estimates impacts of shutdowns on US state and local income and sales tax revenue with a decline of \$54B in FY20. Moody’s Analytics issued a report that lists the [10 U.S. cities best positioned to recover](#) from the pandemic.

The U.S. may have experienced the worst of its [coronavirus-related job losses](#) in mid-April, according to LinkedIn data. [Bureau of Labor Statistics estimates](#) that 2M people were permanently laid off while 18.1M were temporarily laid off in April. [The Congressional Budget Office](#) projects a 38% drop in GDP and an increase in the federal budget deficit of roughly \$2T. [Reshoring manufacturing](#) continues to [gain popularity and traction](#). [The White House](#) drafted an executive order requiring certain essential drugs to be made in the U.S. while [lawmakers craft proposals](#) for American companies to move operations or suppliers out of China.

[Detroit 3](#) restarted at least 51 plants in the nation as [new safety protocols](#) have been implemented. The return is expected to provide a boost to the economy after manufacturers produced just 4,850 cars in April down 1.4M from a year earlier. GM’s [Mexican suppliers](#) prepare to resume operations this week with new safety measures



in place. [Uber](#) is cutting 3,000 more jobs in addition to the 3,700 cut on May 6. Zoom, [now worth](#) more than the world's 7 biggest airlines, will [open R&D centers](#) in Phoenix and Pittsburgh.

Falling petroleum demand resulted in a fall in crude oil prices and triggered a reduction in [active crude oil and natural gas rigs to the lowest point on record](#), according to the EIA. The Permian basin had the largest drop at 57% fewer operating rigs. [Top coal mines in the Central Appalachia region produced 22.1%](#) less coal than a year ago. [Retail sales](#), a measure of purchases at stores, at restaurants and online, fell in April by a seasonally adjusted 16.4% from a month earlier. [Clothing and accessories](#) stores registered the largest decline at 78.8% in sales for April from the previous month, followed by electronics and appliances at 60.6%, and furniture at 58.7%. [51% of the 15.8M travel-related jobs](#) in the U.S. disappeared since the outbreak of the pandemic.

Ohio

Fortune announced its [2020 Fortune 500 list](#), including 27 Ohio companies, up from 24 in 2019. As the state has started the process of allowing re-opening its economy, [some small businesses decided to close permanently](#). The stay-at-home order is revised as an advisory, titled [Stay Safe Ohio](#), as Ohio plans to hire 1,000 more workers to handle contact tracing. [Daycare centers](#) are permitted to reopen on May 31 with heightened restrictions.

[Several Ohio Universities and Colleges are taking](#) steps to return to in-person classes in the Fall, while others, including Ohio State and Kent State, still weighing options. [University of Cincinnati](#) will begin a phased return to campus on June 1 for staff and researchers with a full employee base returning August in anticipation of an eventual student return. Other colleges are grappling with cuts and layoffs, with [University of Toledo](#) halving merit scholarships, [Ohio Wesleyan](#) announcing \$10M in cuts, and [Bowling Green](#) seeing budget cuts and layoffs.

Positive Company-Specific News	Negative Company-Specific News
<ul style="list-style-type: none"> - Apache Industrial Services of Canton is manufacturing 300 high intensity UV-C light lamps per week. The UV-C light breaks down the cell walls and DNA to “zap” viruses. It also has a product to take the temperature of 5,000 people in 30 minutes. - Farmers National Bank wins third consecutive Raymond James Community Bankers Cup. - Domino's is looking to hire 100 in the Youngstown area. - The Davey Expert Co. is expanding its Kent HQ and adding approximately 70 jobs in the coming years. The company notes that the expansion to their HQ should open in 2021. - Rural King is expanding its distribution and manufacturing center operations in Waverly, with 75 new jobs to be created. - The Cleveland Clinic, Clorox, and United Airlines are teaming up to created United CleanPlus which will inform and guide United's new cleaning, safety, and social distancing protocols. - After ending its “Hero” pay hourly bonus Kroger announced it will be giving out \$130M in “Thank You” one-time bonuses. - Cincinnati Bell and the City of Wyoming, Ohio announced a partnership to realize a “Smart City” vision and bring free public WiFi to ignite economic growth. - Progressive had its net income attributable jump to \$953M in April from \$488M the year prior. 	<ul style="list-style-type: none"> - J.C. Penney will enter bankruptcy and close nearly 30% of its remaining 846 stores. The company currently employs roughly 5,000 in Ohio. - Ohio-based REITs Site Centers Corp. and Washington Prime collected only 50% and 30%, respectively, of their April rents as retail-heavy REITS struggled amid COVID-19 and stay-at-home orders. - S&P downgraded Honda Motor's credit rating to A- citing the damage the coronavirus has inflicted on its auto sales outlook. - Newark-based Park National Bank will close 21 branches in Ohio, expecting savings of \$6.5M in annual operating expenses. - Delta Air Lines is closing its Cincinnati 737 crew base of local pilots, impacting about 150 people in Cincinnati and Northern Kentucky. - Dole Fresh Vegetables in Clark County has had 20 cases of COVID-19 identified even after the company implemented precautions at its plant. - WARN notices and count impacted: LAZ Parking Midwest – 216; The Michaels Company – 146.

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/>