



Date: Friday, July 17, 2020

RE: “Ohio’s unemployment rate was 10.9% in June 2020” (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:** With soaring debt-to-GDP ratios, governments [facing difficult decisions](#) on recovery.
- **U.S.:** Labor-market recovery losing momentum as a surge in cases triggers uncertainty and caution.
- **Ohio:** Ohio’s unemployment rate was 10.9% in June 2020, down from a revised 13.9% in May.

Global

The [U.S. Department of Homeland Security](#) will extend restrictions on non-essential travel at U.S. land borders with Canada and Mexico through August 20. This came just days after [Mexico asked the U.S. government to extend the order](#) as the country faced its own spike in COVID-19 cases. As of July 12, the [cumulative COVID-19 mortality rate](#) of the United States is 413 deaths per million people; more than triple that of Germany and but only half of those of Italy, Spain, and U.K. The [President of the European Central Bank](#) kept its monetary policy on hold and warned a number of potential threats to the recovery in the coming months. [China reported a robust rebound in the second quarter](#), putting the world’s second-largest economy back on a growth trajectory.

A comprehensive study of the COVID-19 pandemic released by the [Global Multi-Region Input–Output \(MRIO\) Lab](#) shows consumption losses amount to more than \$3.8T which triggered full-time equivalent job losses of 147M and the largest drop ever in greenhouse gas emissions. The study focused on ‘live’ data through May 22 rather than scenario analyses or projections. The overall losses accounted for a global GDP loss the size of Germany’s combined output and a total income loss of \$2.1T. The U.K., U.S. and Canadian governments said [Russian intelligence](#) is hacking international research centers that are racing to develop a COVID-19 vaccine.

U.S.

[Initial jobless claims](#) posted the smallest decline since March at 1.3M in the week ended July 11, down 10,000 from the prior period. Nearly 12M adults live in households that missed their last [rent payment](#), and 23M have little or no confidence in their ability to make the next one, according to weekly Census Bureau data. [U.S. retail sales](#) rose 7.5% in June compared to a 5.2% expected increase after an 18.2% jump in May – the largest gain since the government began tracking the series in 1992. The BLS also released their [updated CPI](#) showing food-at-home index prices increased 5.6%. According to [Federal Reserve’s Beige Book](#), economic activity increased in almost all Districts, but remained well below where it was prior to the COVID-19 pandemic.

[Three of the largest US banks](#) set aside \$28B for loan losses, believing that much of the economic pain of the coronavirus is still to come. [Bank of America’s](#) profits fell 52% in Q2 after the bank set aside billions of dollars to prepare for soured loans. The [30-year mortgage rate](#) reached its lowest level in 50 years of record keeping at 2.98%. Updated forecasts from the [U.S. Energy Information Administration](#) show that lower demand and prices for energy products will result in across-the-board lower production. [Chipotle](#) continues to accelerate growth with new drive-thru digital order pick-up lane openings and 10,000 new jobs.

Passenger travel recovery has seen mixed results in the U.S. with commercial air traffic still down 89% in May compared to the previous year according to the [Bureau of Transportation Statistics](#). Despite the large fall, airlines still carried 2x as many passengers compared to April 2020. Road traffic demand in the U.S. has all but returned to pre-COVID levels [according to INRIX](#), showing the 7-day rolling average reached 100% pre-COVID levels for the first time on June 25. [U.S. auto sales declined 33.3%](#) in Q2 2020 from a year earlier. Despite this, automakers are more optimistic with one executive at Fiat Chrysler stating sales have rebounded amid steady gas prices and ready access to low-interest loans. [Automobile manufacturers](#) are struggling to keep workers on



the job with cases surging - GM’s Wentzville, MO plant cut its third shift due to staffing challenges, while Ford has seen an increase in absences among 12,500 hourly workers split across assembly plants in Louisville, KY.

Ohio

Ohio’s unemployment rate was [10.9% in June 2020](#), down from a revised 13.9% in May. From June 2019 to June 2020, nonagricultural wage and salary employment decreased 554,600.

[Governor DeWine](#) urged all Ohioans wear face coverings and referenced a [Goldman Sachs study](#) that views wearing face masks as an alternative to further lockdowns. Cleveland, Cincinnati and Columbus made [top 10](#) on LinkedIn News’ top 15 cities to launch your career. Lt. Governor Jon Husted joined a virtual conversation organized by the [Business Council for International Understanding](#) with JobsOhio and U.S. Under Secretary of State Keith Krach on trade and supply chain lessons learned from the COVID-19 pandemic, as well as the resulting investment opportunities from reshoring firms.

The [Ohio Development Services Agency](#) announced a \$10M revolving loan fund to help women and minority-owned businesses recover from the pandemic, and the Ohio Department of Job and Family Services announced receipt of a [\\$9.4M grant to expand apprenticeship opportunities](#). Ohio ranks second in the nation for the number of registered apprentices, with more than 19,000 enrolled. The [Ohio National Guard](#), in addition to its support to local food bank warehouses and local pantries, has members helping the Mid-Ohio Foodbank create build an urban farm which will provide the food bank with quick access to fresh, local produce.

<i>Positive Company-Specific News</i>	<i>Negative Company-Specific News</i>
<ul style="list-style-type: none"> - Progressive Corp. posted a surprised q2 earnings report with their bottom line increasing 10.2% over a year-ago quarter and having net premiums increase 11% over the same period. - Meridian Bioscience announced the launch of a high-sensitivity antigen assay for the rapid detection of active COVID-19 infections. Their EVP commented: “Although a negative result does not rule out an infection, antigen tests can be a first-line screen to help determine if people are infectious, allowing much faster response to potential outbreaks.” - JP Morgan Chase saw revenues climb in Q2 even as it set aside \$8.9B in credit reserves amid economic uncertainty. Trading revenues boomed 79% from a year-ago to \$9.7bn and banking revenue also jumped 46%. - Procter and Gamble is donating basic hygiene essentials to more than 50,000 South Texas residents hard hit by the COVID-19 pandemic. The donation will be organized through Hispanic Star. The company also announced a new commitment to become carbon neutral by 2030 with plans to spend \$100M over 10 years to protect, improve and restore nature. - Cincinnati-based Kroger Co. announced it will require masks within its stores starting July 22. 	<ul style="list-style-type: none"> - PTTGCA Moves Forward on Ohio Petrochemical Project as Daelim Withdraws - PNC Financial released Q2 earnings reporting a 3% decline in revenue year-over-year as net charge offs increased 66% and their asset management segment registered a 65% plunge. - Cincinnati Financial says consolidated second-quarter results are expected to include pretax catastrophic losses of \$231m stemming from exposure to severe storms and civil unrest. - JSW Steel will lay off 160 employees, connected to unforeseeable business circumstances due to COVID-19. - Cedar Point confirmed three employees have tested positive for COVID-19 less than a week after the theme park reopened - Retailer JCPenney announced it will cut an additional 1,000 jobs and close 152 stores.

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/>
- Learn more about open, secure supply chains in Ohio at: <https://www.jobsohio.com/why-ohio/location-infrastructure/ohio-supply-chain/>