



Date: Friday, July 24, 2020

RE: “JobsOhio and Partners Distribute 15K PPE Small Business Safety Toolkits” (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:** EU agreed on historic €750B recovery package.
- **U.S.:** New jobless claims increased for first time since late March. Office demand will be reduced by 15% once COVID-19 is contained.
- **Ohio:** JobsOhio and partners distributed 15,000 Small Business Safety Toolkits. JobsOhio Announced Partnership with [SixThirty](#), a venture fund specializing in scaling up enterprise technology startups.

Global

The [European Union](#) agreed on an historic €750B recovery package as well as a seven-year budget for the bloc of over €1T. The [EU’s chief Brexit negotiator](#) said on Thursday there had been no progress on two “essential topics” in trade talks with the UK. Latest spending data suggested the [economic recovery in the UK](#) has stalled and possibly even moved backwards in July. [Dyson announced to cut 900 jobs](#) around the world (6% of its global workforce of 14,000), citing customer habits shifted due to the coronavirus pandemic.

[South Korean epidemiologists](#) found that people were more likely to contract COVID-19 from members of their own households than from contacts outside the home. In the U.S. CDC found that less than 2% of patients’ non-household contacts had caught the virus, while nearly 12% of patient’s household contacts had contracted the disease. According to the [UN’s Food and Agriculture Organization](#), global hunger is rising after falling for decades. Report shows that there are almost 60M more undernourished people now than in 2014, and that COVID-19 could increase the total number of undernourished people globally by between 83-132M people.

U.S.

The level of [new jobless claims](#) unexpectedly rose last week, signaling a weakening trend in the labor market with another 1.4M Americans filing for first-time unemployment insurance benefits, up from just over 1.3M the prior week, to mark the first increase in new claims on a week over week basis since March. Republicans have drafted a proposal for the [next aid bill](#), that includes another round of stimulus payments to individuals, additional aid to small businesses and a partial extension of enhanced unemployment benefits.

Competition among pharmaceutical companies increased as the U.S. secured a deal with Pfizer for 100M doses of its [coronavirus vaccine candidate](#) pending FDA approval at 70% of the price of a seasonal flu vaccine. The U.S. in May pledged as much as \$1.2B to AstraZeneca to help make Oxford’s COVID-19 vaccine, and the government has backed projects underway at Johnson & Johnson, Moderna and other companies.

The COVID-19 work-from-home environment has begun to show its effects on the U.S. office leasing space. [An analysis by Reuters of quarterly earnings calls](#) over the past week found that more than 25 large companies plan to reduce their office space in the year ahead in a move designed to reduce the second-largest expense behind payrolls. Green Street Advisors expects that office demand will be reduced by up to 15%. In [their Q2 Office Marketbeat report](#) Cushman & Wakefield showed net absorption fell from 5.7M square feet in Q1 to -22.8 million square feet in Q2. [A third of New York City’s 230,000 small business may never reopen](#), according to a new report by a leading industry group.

Net interest income fell by \$5B, or 10%, at the [four biggest U.S. banks](#) in the second quarter from a year earlier. U.S. retail company bankruptcies have already surpassed both 2019 and 2018 figures. Retailers continue to struggle as Ascena, owner of the retailers [Ann Taylor and Lane Bryant](#) filed for bankruptcy, joining Brooks Brothers, Sur La Table, J.Crew, Neiman Marcus Group, JCPenney, Lucky Brand, Stage Stores and GNC. [Airlines](#) continue to falter as demand plateaued in June and July. The coal industry is especially hard hit with



slacking energy demand. S&P believes [only two U.S. coal companies are not expected to report a loss in Q2 2020](#). This comes as [U.S. coal exports through May 2020 plunged 29%](#) compared to the same period the year prior. [Coca-Cola's](#) revenue fell 28% to \$7.15B for the quarter ended June 26, down from \$10B a year earlier. [LinkedIn](#) will lay off roughly 6% of its workforce.

Ohio

[PTTGCA, Mountaineer NGL Storage](#) executed a precedent agreement for NGL storage and transportation. Mountaineer will develop the underground salt caverns for NGL storage on a 200-acre site in Ohio's Monroe County. The \$250M storage facility will be developed in two phases by creating multiple caverns in the existing underground salt formation. Each cavern will be capable of storing approximately 500,000 barrels of NGLs, including propane, butane, ethane and ethylene.

[JobsOhio and its regional partners distributed 15,000 Small Business Safety Toolkits](#) this week across the state. Each PPE toolkit include 100 3-ply masks, 10 KN-95 masks, and one bottle of hand sanitizer. A cohort of [Northeast Ohio hospitals and healthcare systems](#) released a joint letter asking residents of the region to follow 'basic, life-saving steps we all can take to prevent illness and protect ourselves, our families, and our community.'" The steps listed were recommending wearing masks, physical distancing, frequent handwashing, and monitoring your health and exposures.

[Governor DeWine](#) announced on Wednesday that the mandate on face masks in public will be extended statewide, beginning Thursday July 23 at 6PM. The order also included a travel advisory and 14-day quarantine for people arriving from several high-rate states.

<i>Positive Company-Specific News</i>	<i>Negative Company-Specific News</i>
<ul style="list-style-type: none"> - McKinsey & Co. profiled Cincinnati Children's CEO Michael Fisher as he leads through uncertainty. - GnomeDX filed for FDA emergency use authorization for a rapid turnaround COVID-19 test for patients, health care workers and other critical populations across central Ohio. - Fifth Third Bank released financials showing pre-provision revenue was up 4% over the prior quarter and up 10% from the year-ago quarter despite continued rate headwinds. They also originated \$5.5B in PPP loans to 38,000 small businesses. - QUICKmed Urgent Care and Youngstown City Schools partnering to provide COVID-19 testing to students, families and staff July 30-31. - Owens-Illinois will be selling its Australian and New Zealand manufacturing operations to Australian recycling company Visy for nearly \$1B. - Kroger providing at-home coronavirus tests for employees. - Heartland Health changes foreign dependency on PPE by manufacturing disposable masks in Southwest Ohio. 	<ul style="list-style-type: none"> - FirstEnergy Announced Q2 2020 Results, intends to cooperate fully with Department of Justice investigation. - Cintas fiscal 2020 fourth quarter financial results show COVID-19 impacted their bottom line with a 9.7% year-over-year decrease in revenue, a 34.5% decrease in EPS. - Alliance Data Q2 2020 financials show revenue fell 27%, net income fell 72%, and EPS fell 70%. Company noted several programs assisted their bottom line and several areas performed better-than-expected. - Chipotle, with a corporate office in Columbus, released financials showing revenue decreased 4.8% and comparable sales declined 9.8% even as digital sales grew 216% and the company opened 37 new restaurants. - PSA Airlines of Vandalia is laying off about 230 workers in the Dayton-region as COVID-19 continues to impact airlines bottom lines. The decision comes amid an 80% plunge in air traffic in the region. - PNC Bank will close 52 branches nationwide including several throughout Ohio. - Huntington's profit slipped 59% during the April-June quarter from a year ago, and revenue was flat during the same period.

Resources

- Ohio Department of Health's [COVID-19 Website](#)
- JobsOhio's [resource portal](#) and new information about [Open, Secure Supply Chains](#) in Ohio.