



Date: Friday, September 18, 2020

RE: “Ohio To Work Pilot Launched” (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:** OCED updated their global GDP growth forecasts to be -4.5% for 2020 and 5% for 2021.
- **U.S.:** The Federal Reserve expected to hold rates near zero for at least three more years.
- **Ohio:** A pilot initiative called Ohio To Work has been launched to help displaced workers reskill and restart their careers.

Global

The [Organization for Economic Co-operation and Development released](#) their updated COVID-19 pandemic global economic forecast with their outlook now showing a 4.5% global GDP fall before the economy recovers by 5% in 2021. [The updated forecasts](#) represent an outlook less grim than the previous update by the organization due to better-than-expected outcomes for China and the United States a response by governments on a massive scale. Globally, the number of [children living in poverty](#) soared to nearly 1.2 billion – a 15 percent increase since the pandemic began, according to the UN Children’s Fund (UNICEF) and the NGO Save the Children.

The [UK’s Office for National Statistics \(ONS\)](#) said that 62% of adults reported commuting to work last week compared with 36% in late May. [Global auto sales plunged dramatically in the first two quarters of the year](#) as COVID-19 kept potential buyers out of showrooms and off the road. Sales were down 25.3% in Q1 2020 and even lower for Q2. One notable bright spot were electric vehicle sales in Europe which registered a 45.6% year-over-year increase during the same period compared to a 55.9% drop in the region for internal combustion auto sales. The Office of the U.S. Trade Representative said the U.S. is ending the [10% tariffs on Canadian aluminum](#) a month after imposing them.

U.S.

The [Federal Reserve](#) set a higher bar to raise interest rates and signaled it expected to hold rates near zero to 2023. [Jobless claims](#) in regular state programs decreased by 33,000 to 860,000 in the week ended September 12. U.S. [consumer spending slowed in August](#) with a retail sales gauge unexpectedly declining. [The Chief U.S. economist at Oxford Economics](#) stated: “If Congress is unable to extend fiscal aid to households in the coming weeks, the economy will be particularly susceptible to a cutback in consumer spending, especially from the lowest-income families.” In the absence of further federal support, estimates of [revenue losses to U.S. states and cities](#) is in the \$600-900 billion range, with most facing statutory requirements for balanced budgets which has already resulted in unprecedented state and local government layoffs.

According to figures from two national moving companies, [Americans moved less](#) during the pandemic than they normally would have. [Data from Brivo](#), a company that provides access-control systems for workplaces, shows that “unlocks” at offices in late August were down 51% from the end of February. Visits to manufacturing and warehouse locations remained down by a third. [Stripe](#) is paying employees \$20,000 to relocate from expensive cities such as San Francisco, Seattle and New York, but comes with a 10% pay cut. The loss of [academic learning due to schools closing to COVID-19](#) could cost the U.S. economy between \$14 to \$28 trillion according to a new report from the economists at the OECD. The figures represent a potential loss of 1.5% in future GDP as a result of learning loss equivalent to one-third to two-thirds of a year, and economic losses are predicted to fall disproportionately on disadvantaged students.

U.S. [consumers’ economic expectations](#) reached a six-month high in September according to the Bloomberg Consumer Comfort monthly gauge. According to [National Restaurant Association](#), nearly 1 in 6 restaurants (representing nearly 100,000 restaurants) is closed either permanently or long-term; nearly 3 million employees



are still out of work; and the industry is on track to lose \$240 billion in sales by the end of the year. [Amazon](#) will open 1,000 delivery hubs in cities and suburbs all over the U.S. to bring products closer to customers, making shopping online as fast as a run to the store after the company couldn't fulfill its two-day delivery pledge earlier this year when shoppers in Covid-19 lockdown flooded the company with more orders than it could handle. [Amazon is also hiring](#) 100,00 full and part time employees in addition to the 33,000 corporate and technology employees announced last week.

Ohio

Ohio's unemployment rate in August was 8.9%, down from a revised 9.0% in July. Governor DeWine, Lt. Governor Husted, JobsOhio, and the Ohio Department of Job and Family Services (ODJFS), are launching a pilot initiative in Cuyahoga County called [Ohio to Work](#) to help employers find the workers they need and to ensure workers have the skills employers desire. The county had the [highest unemployment rate](#) in Ohio in July and 40% of the unemployment claims were made by African Americans. Ohio To Work will enhance existing resources, linking workers to jobs through talent evaluation tools and coaching, providing displaced workers with a mix of accelerated training and job exploration supported by innovative financing in collaboration with leading employers, training providers, and nonprofits.

<i>Positive Company-Specific News</i>	<i>Negative Company-Specific News</i>
<ul style="list-style-type: none"> - Amazon is hiring roughly 1,500 new workers for its Rolling Acres Mall robotics sortable facility in Akron. - Progressive Corp. announced its net premiums written for August were 18% higher than the same month in 2019. In addition, the companywide number of policies grew 11% over the same period. - CVS Health is investing \$13.7m to renovate low income housing in Ohio. The investment will also bring health and wellness screenings, COVID-19 testing, and maternal health programs. - 1-800-Flowers.com will hire 10,000 seasonal workers for the upcoming holiday season, including 2,500 in Ohio. - Toy Manufacturer Step2 is planning to hire up to 175 employees at its Decatur facility and another 100 employees in its Cleveland-area plants. - CBIZ, Inc., a leading provider of financial, insurance and advisory services, announces the launch of CBIZ Accelerated Recovery Solutions, a comprehensive suite of services designed to help growth-minded, small and mid-market businesses regain momentum following the COVID-19 pandemic. - Software maker Olive raised another \$106m to surge its growth. The company has recently grown to 360 employees including 67 new hires in August. - Consolidus of Akron expect to have end-of-year sales growth of 60% to 65% after a successful pivot to focusing on COVID-aid and PPE. - Malco Products is hiring workers for its Barberton facility after a \$1.5m investment in manufacturing equipment to produce and market disinfectant wipe products for consumers. 	<ul style="list-style-type: none"> - PNC Bank will close twice as many branches this year as it originally intended. It may be cutting up to 160 branches up from an estimated 80 to 90. Their CEO also stated that COVID-19's toll on the economy has not played out. - S&P Global ratings cut the credit and short-term ratings of Howmet Aerospace amid weak demand for engine and aircraft parts after the pandemic forced airlines to cancel or defer jet deliveries. - Navistar International reported a steep loss for its third fiscal quarter with a near 50% decline in truck sales. The company reported a net loss of \$37m for the quarter compared with \$156m in the same period a year ago. - Fifth Third Bank will vacate its downtown Cincinnati office as part of its plan to reduce its real estate footprint by 20%. The company will not be reducing headcount but rather relocating workers. - WARN Notices and workers impacted: Hyatt Regency Columbus – 192; Ascena Retail Group – 190; International Exposition Center, Cleveland – 75.

Resources

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

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