

What We Know (or think we know) About The Economic Impact of COVID-19

Mike Carnathan
Atlanta Regional Commission
mcarnathan@atlantaregional.org

Highlights

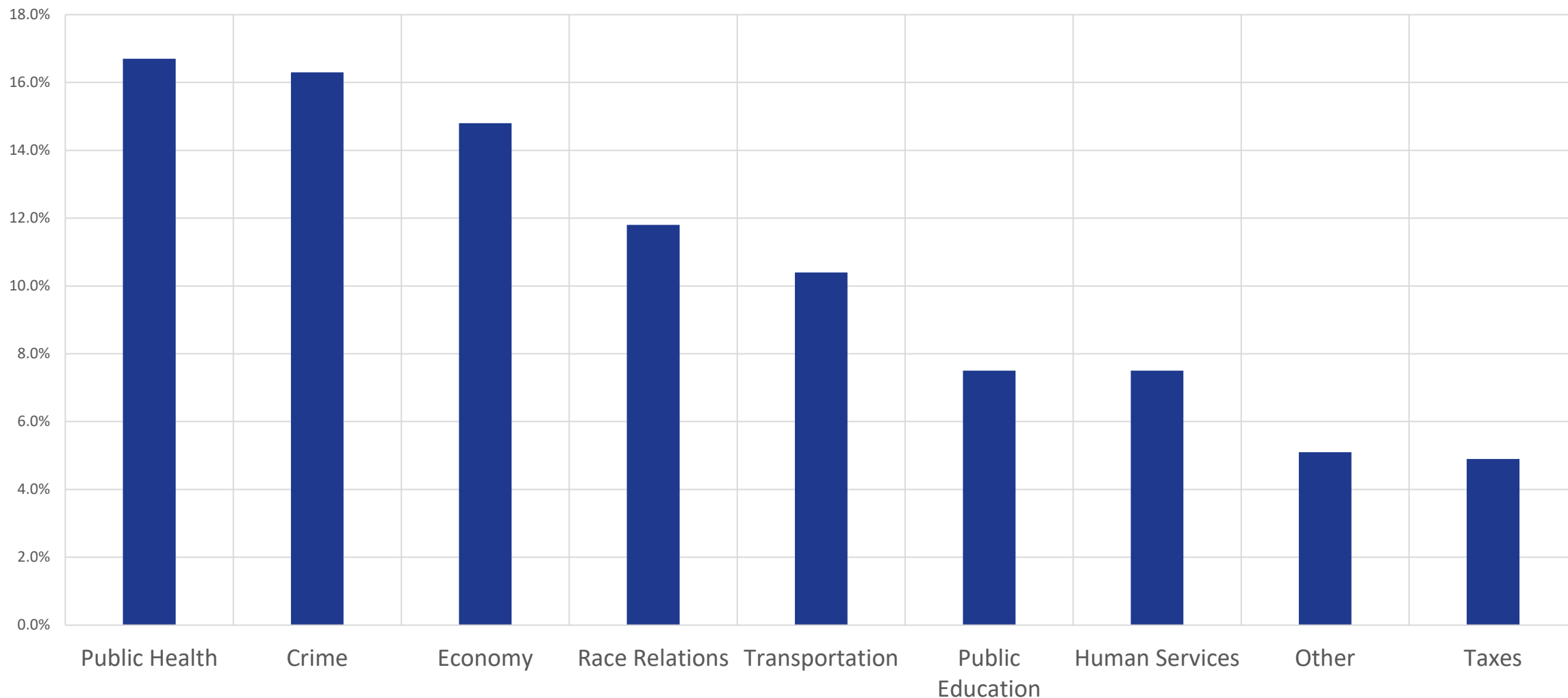
- The virus is still dictating the pace of the economic recovery - 140,000 jobs LOST in December nationally.
- Employment levels in almost all sectors are still well below their pre-pandemic levels. The only exception is the “Trade, Transportation and Utilities” Super-Sector
- Labor force participation is creeping back up, but still significantly lower than normal
- Small businesses are still reporting struggles in this economy, with only about 10% indicating a return to normal
- Most economists have been revising their forecasts to show a quicker immediate recovery, but a longer slog
- There is a lot of household money sitting on the sidelines, suggesting that late 2021 could see an economic resurgence.
- Perhaps the biggest lesson to be gleaned thus far is the twin public health and economic crises have exposed structural weaknesses that see persons of color experiencing the greatest negative impacts

Before We Talk Economy, Let's Take Quick Look at the Public Health Side of Things!



What We Think Locally...

Biggest Problem Facing the Region...

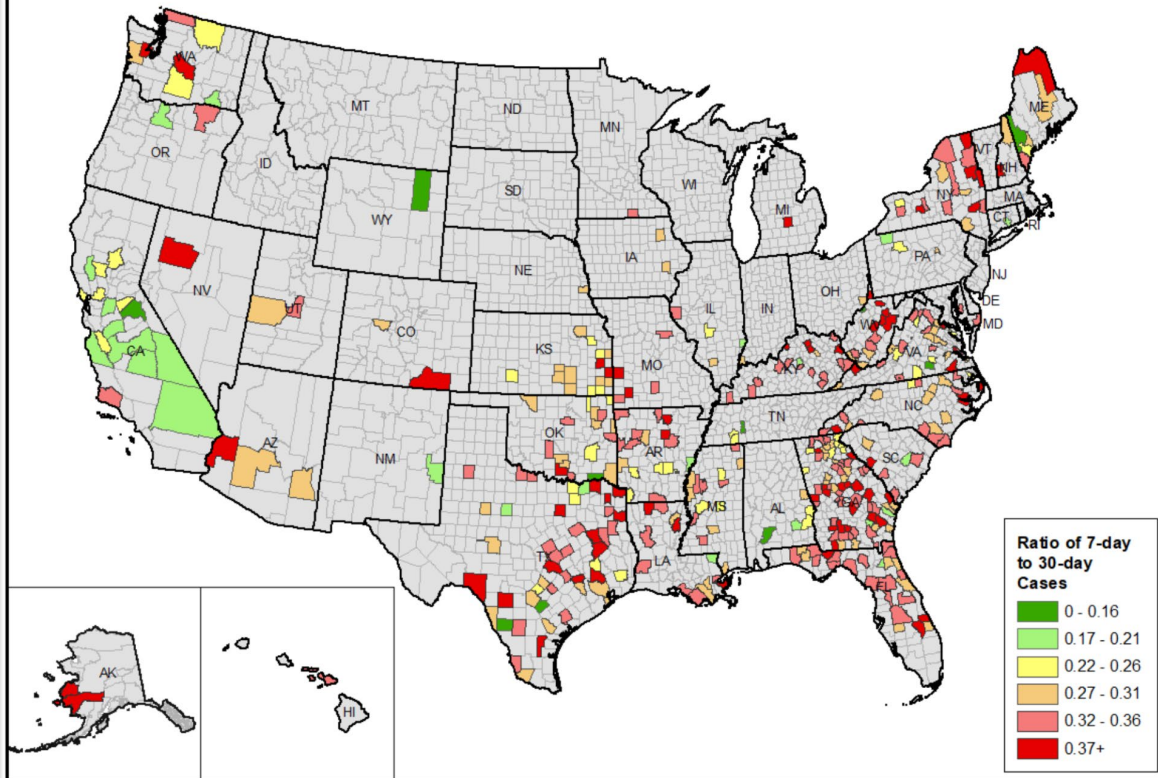


Source: 2020 Metro Atlanta Speaks

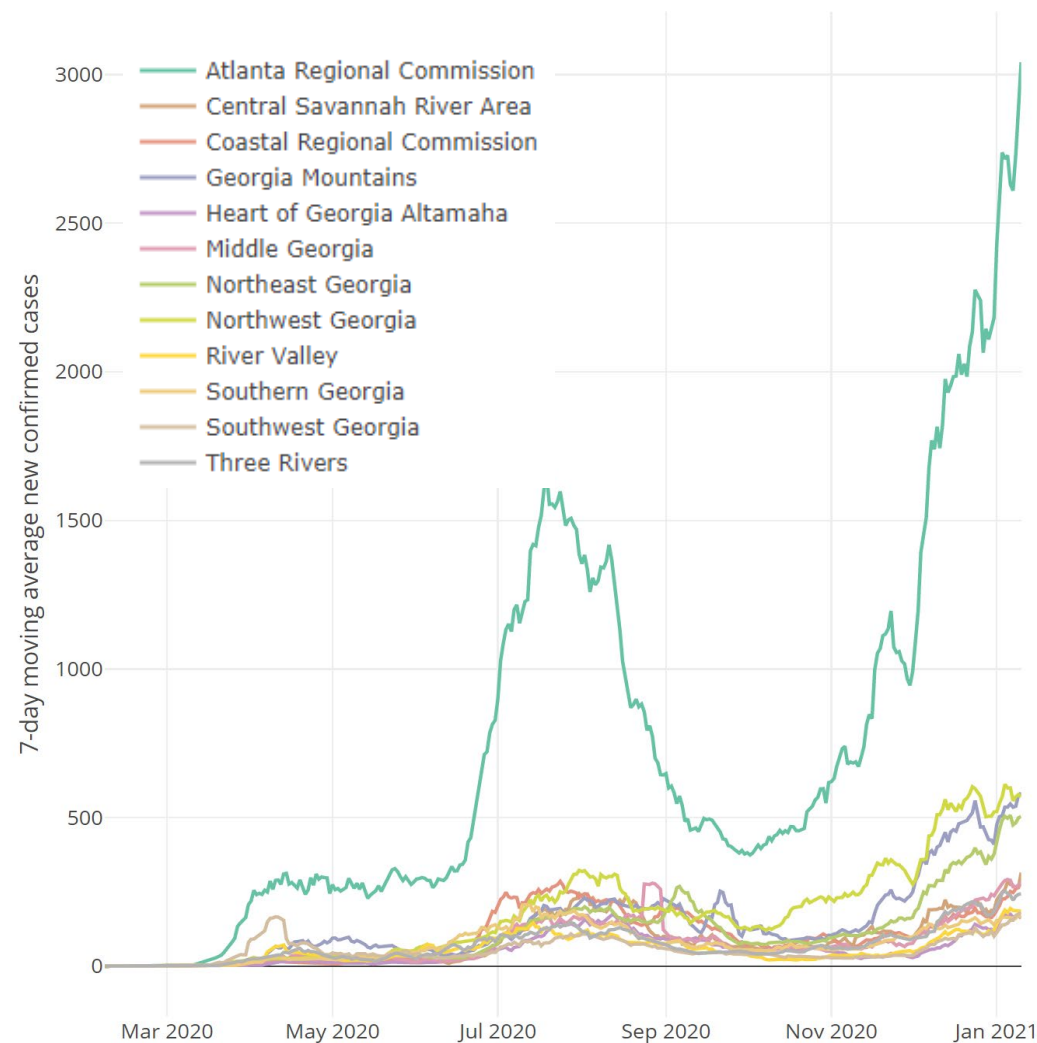
Oh Yeah... COVID! Cases Trending Back Up...

Date: 1/5/2021
Source: CDC Aggregate
County Data

Counties with Rapid Rise in Cases in the Last 14 Days

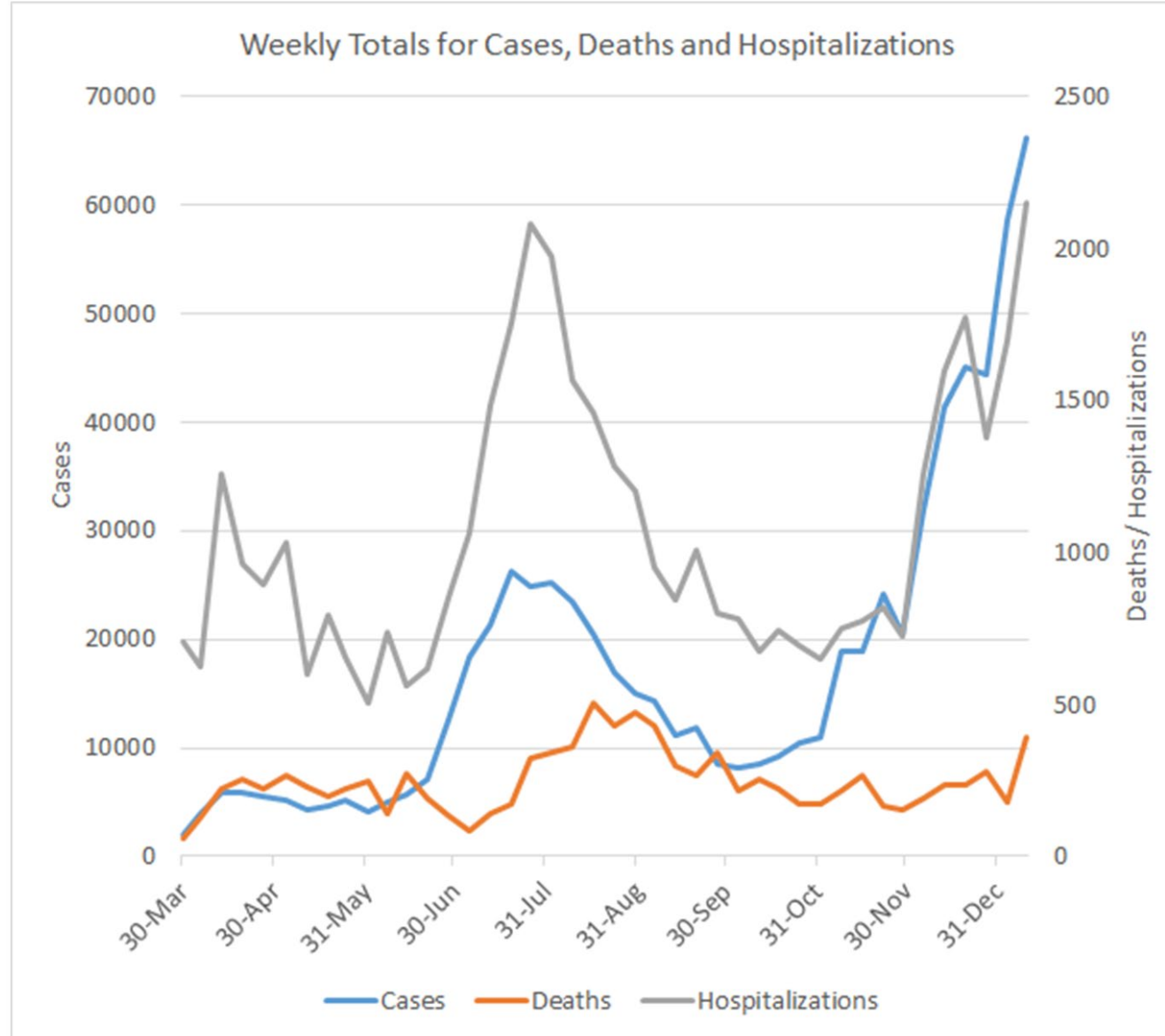


Daily New Confirmed Cases, 7-Day Moving Average



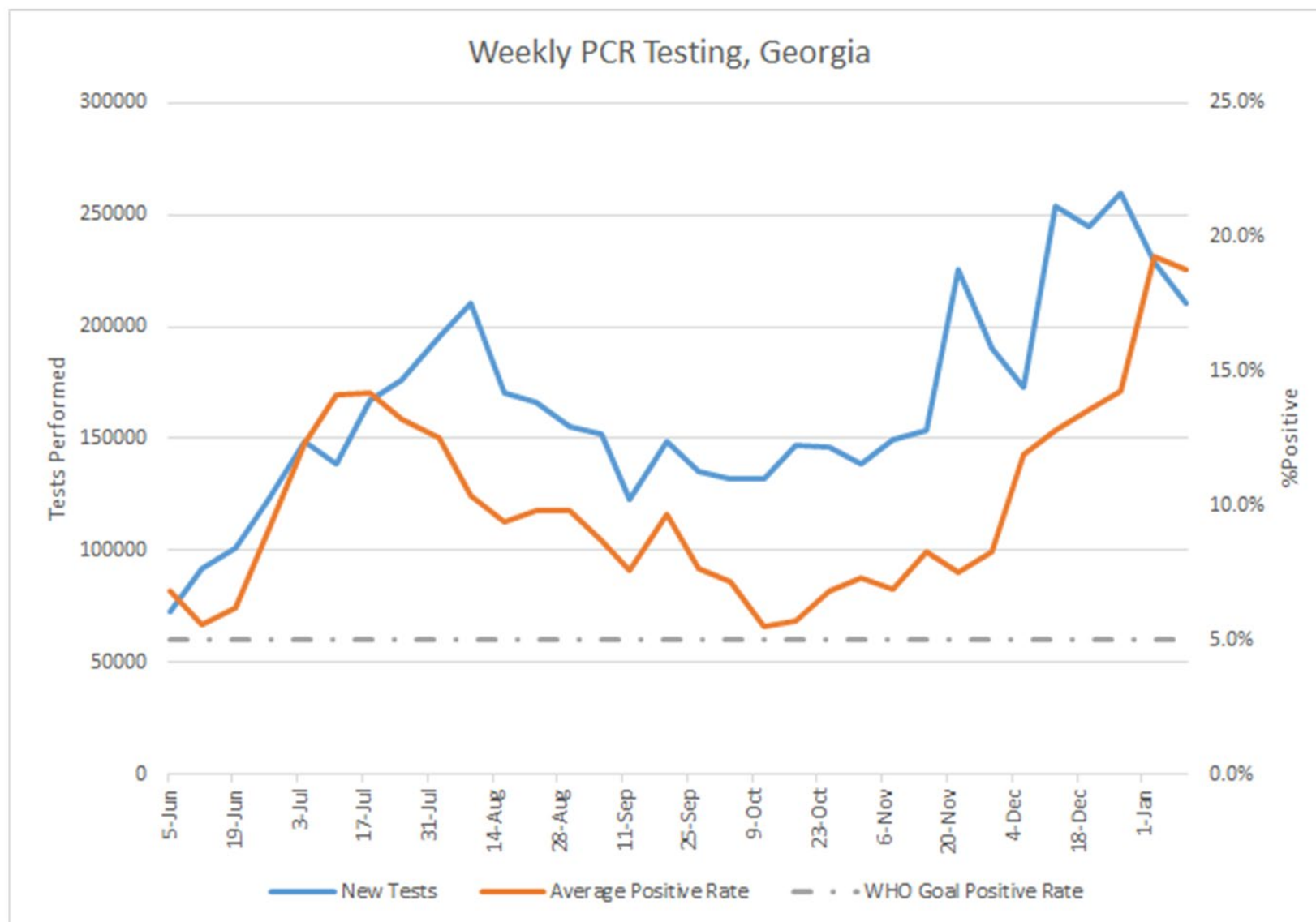
<https://atlantaregional.shinyapps.io/COVID19/>

Hospitalizations And Deaths Are Also Going Back Up...



<https://amberschmidtkephd.substack.com/>

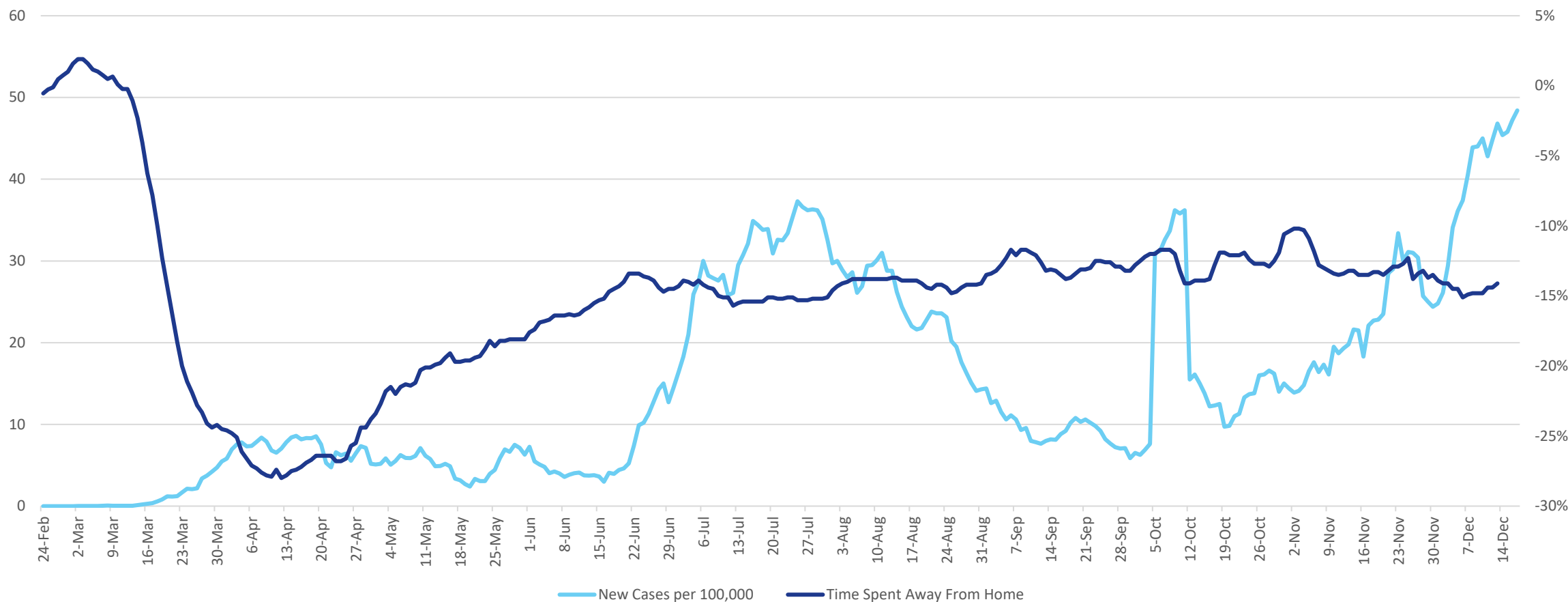
...As Is Our Positivity Rate



How Are We Behaving & Thinking?

Our Reactions to the Virus

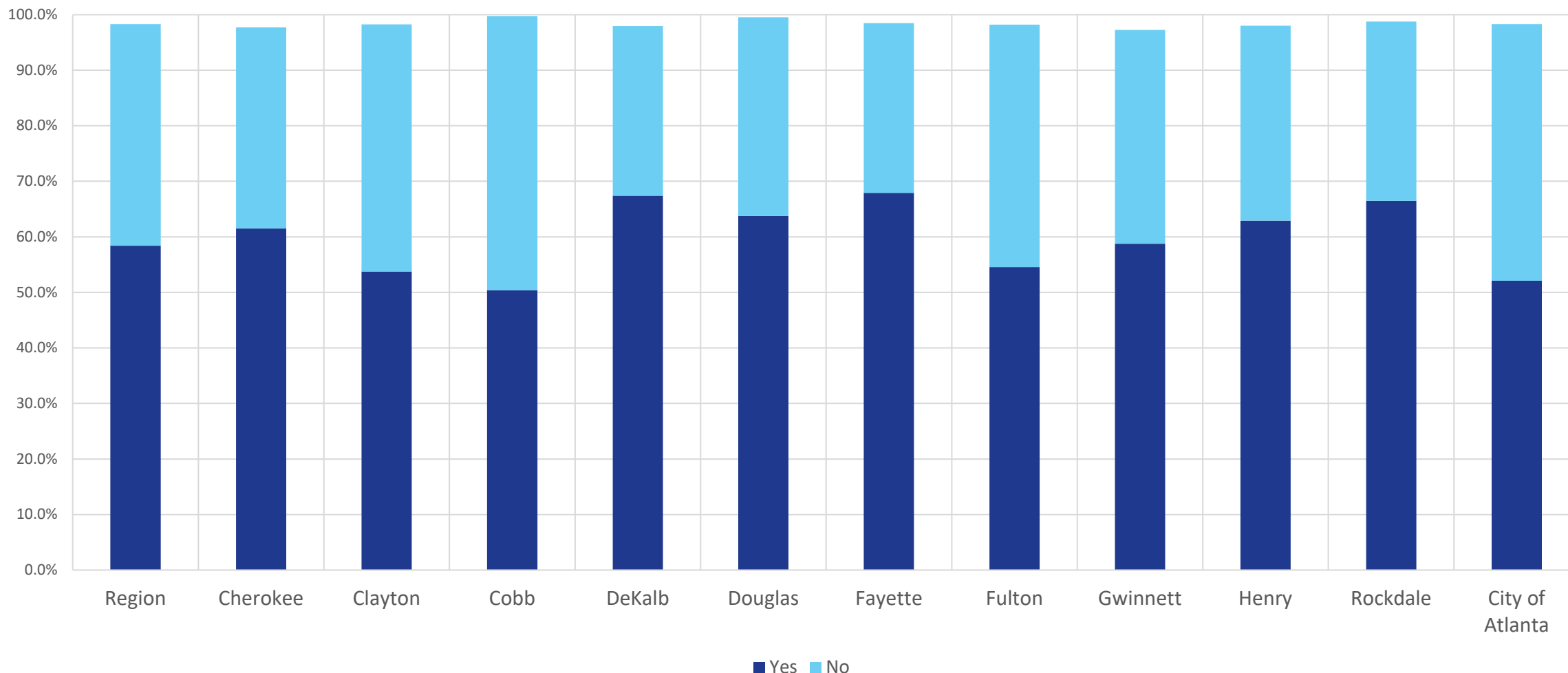
New COVID Cases Per 100,000 Population (LEFT Axis) & Percent Change in Time Spent Away From Home Compared to January (RIGHT Axis)



Source: Opportunity Insights (Google COVID Mobility Reports and New Daily COVID Cases)

What We Think Locally...

Do You know anyone who has been diagnosed with COVID-19?



Source: 2020 Metro Atlanta Speaks

What We Are Thinking and Doing

Percentage of Americans who...



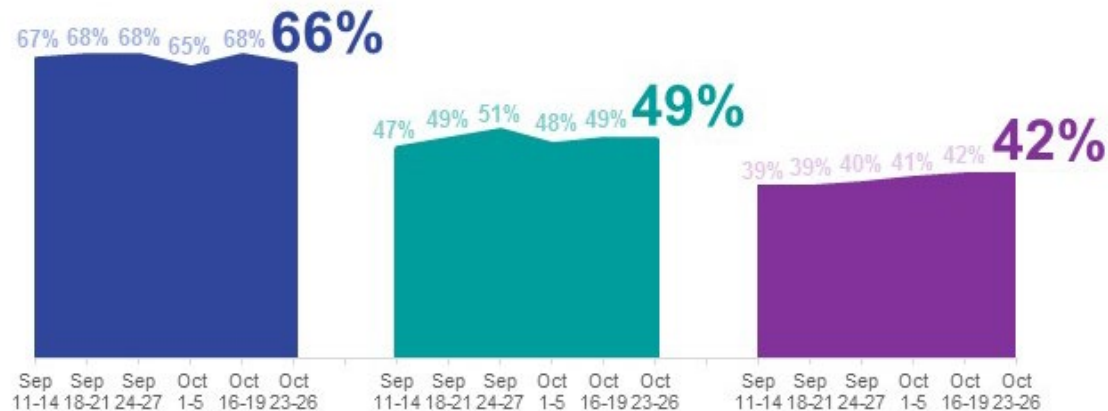
**Wear a mask
at all times when
leaving home**



**Visited friends or
relatives in the
last week**

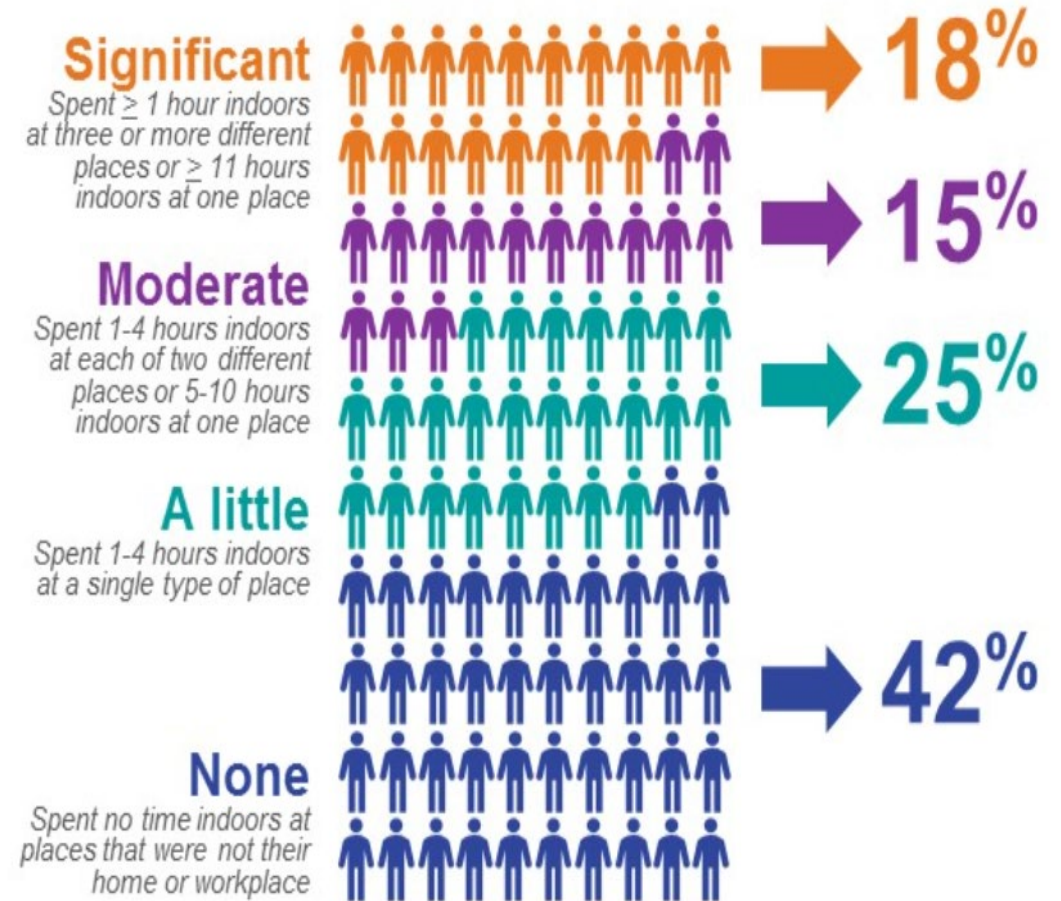


**Went out to eat
in the last week**



© 2020 Ipsos

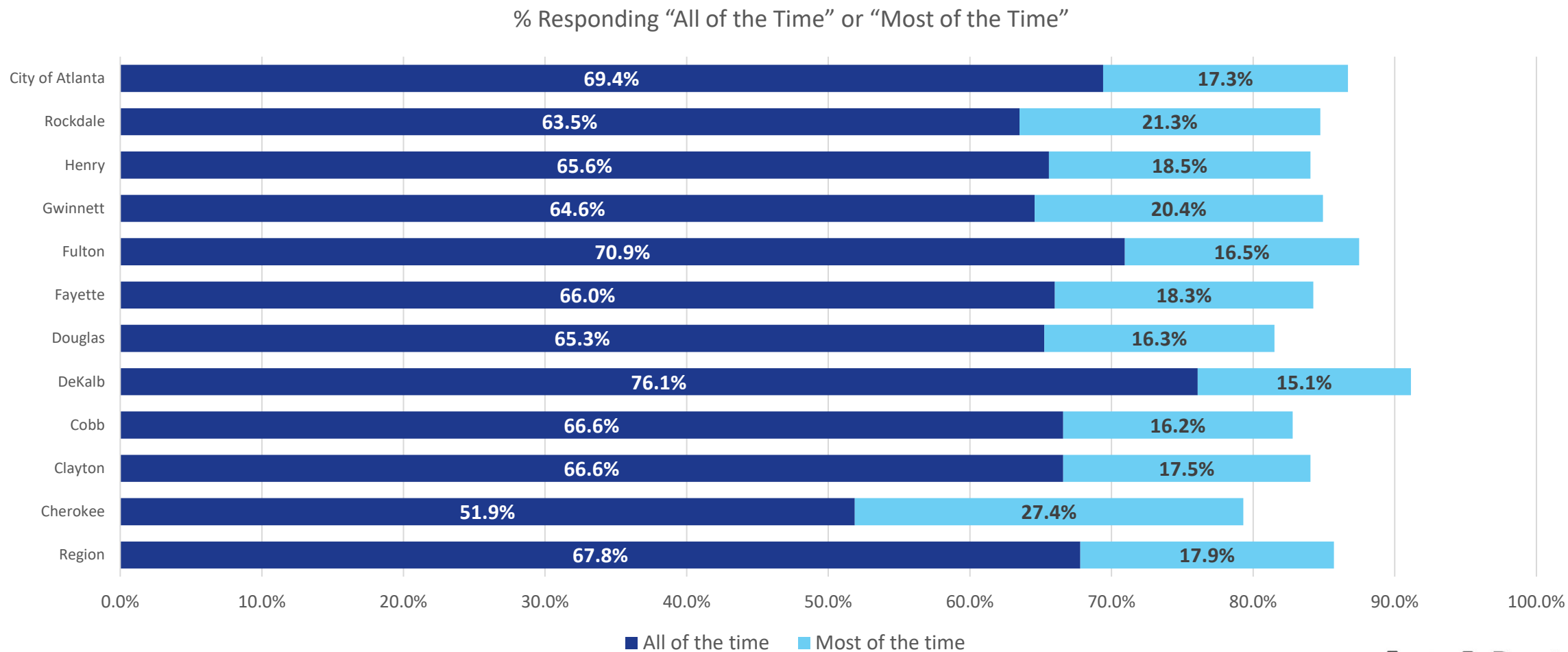
Amount of time spent in indoor locations outside of the home or the workplace in the past week



Source: Ipsos

What We Think Locally...

How often did you wear mask or other type of face covering when going to stores or other business establishments? (In last 30 days)

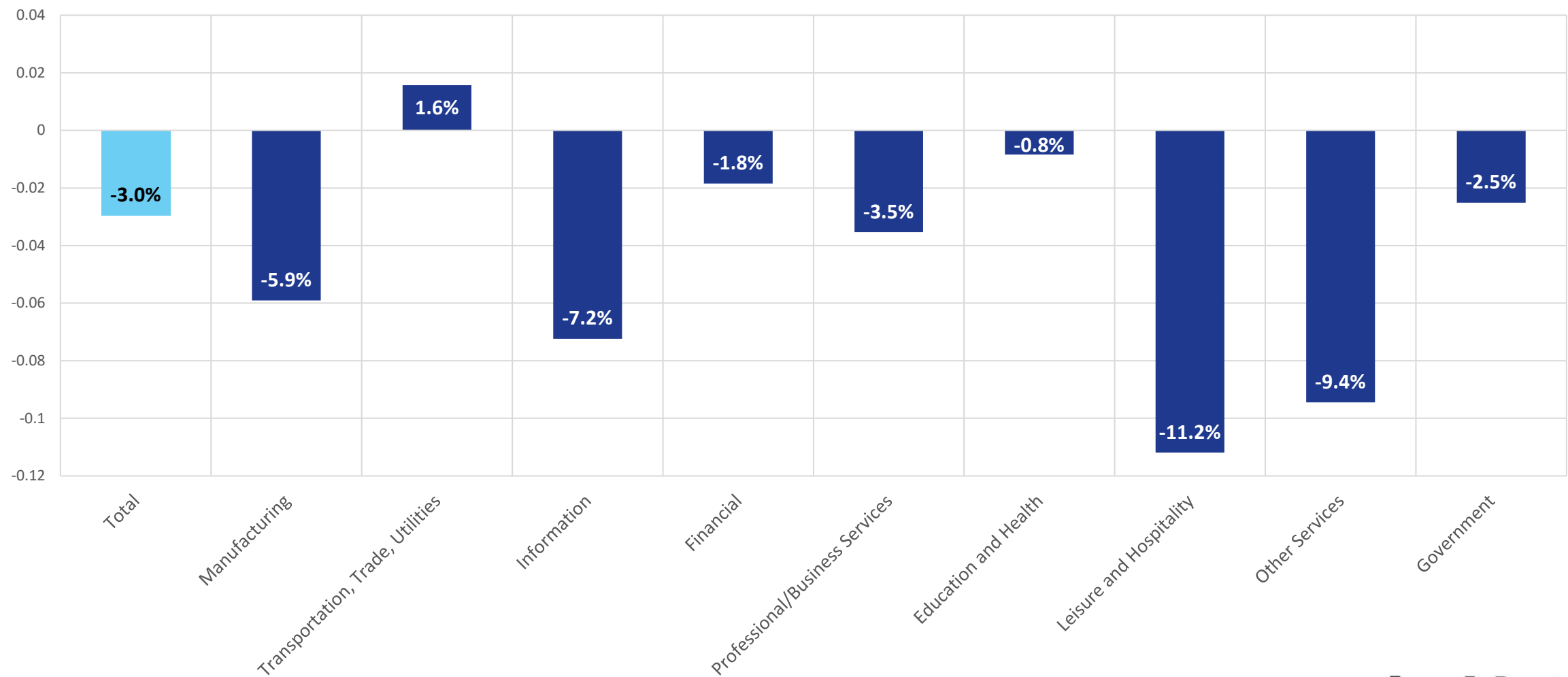


Source: 2020 Metro Atlanta Speaks

Employment

Still Have A Ways To Go

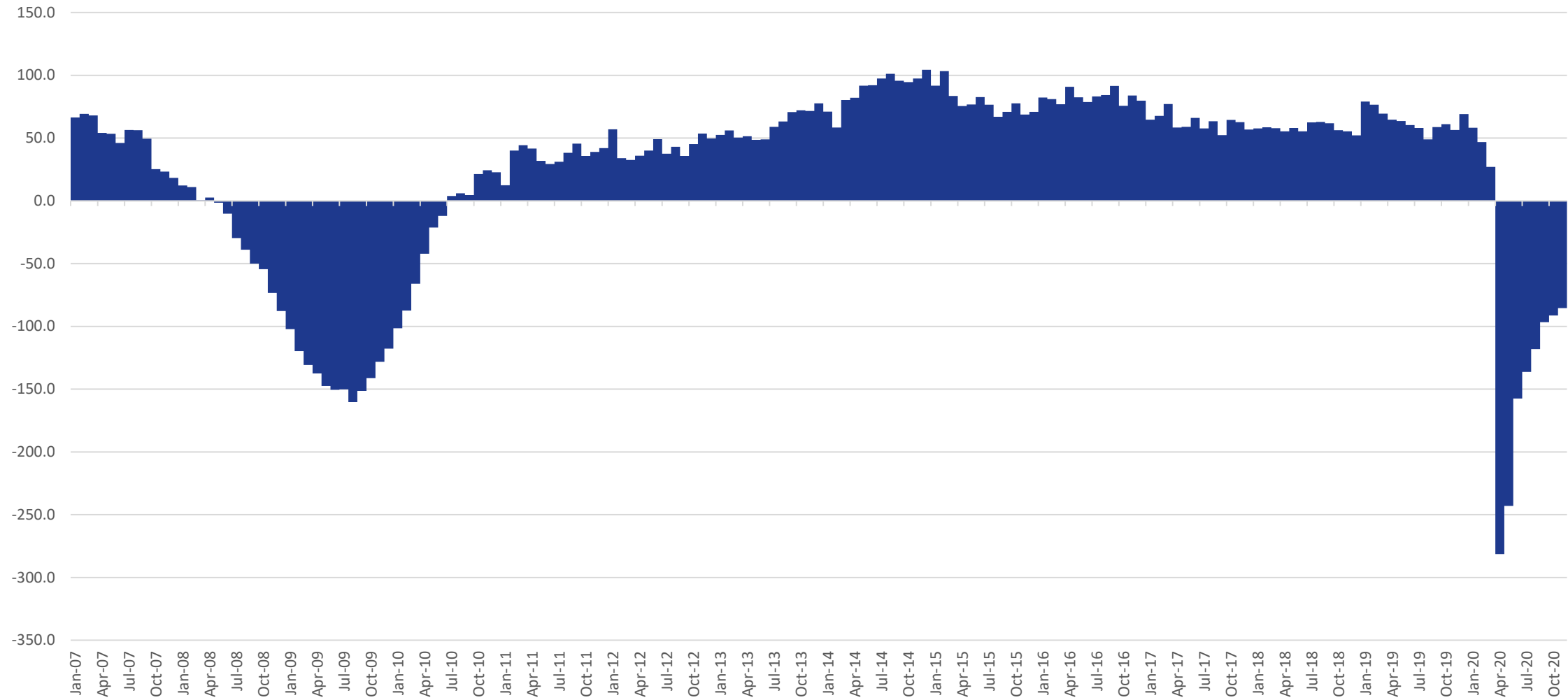
% of Last Year's Employment: November 2020 Compared to November 2019



Source: Bureau of Labor Statistics, via FRED

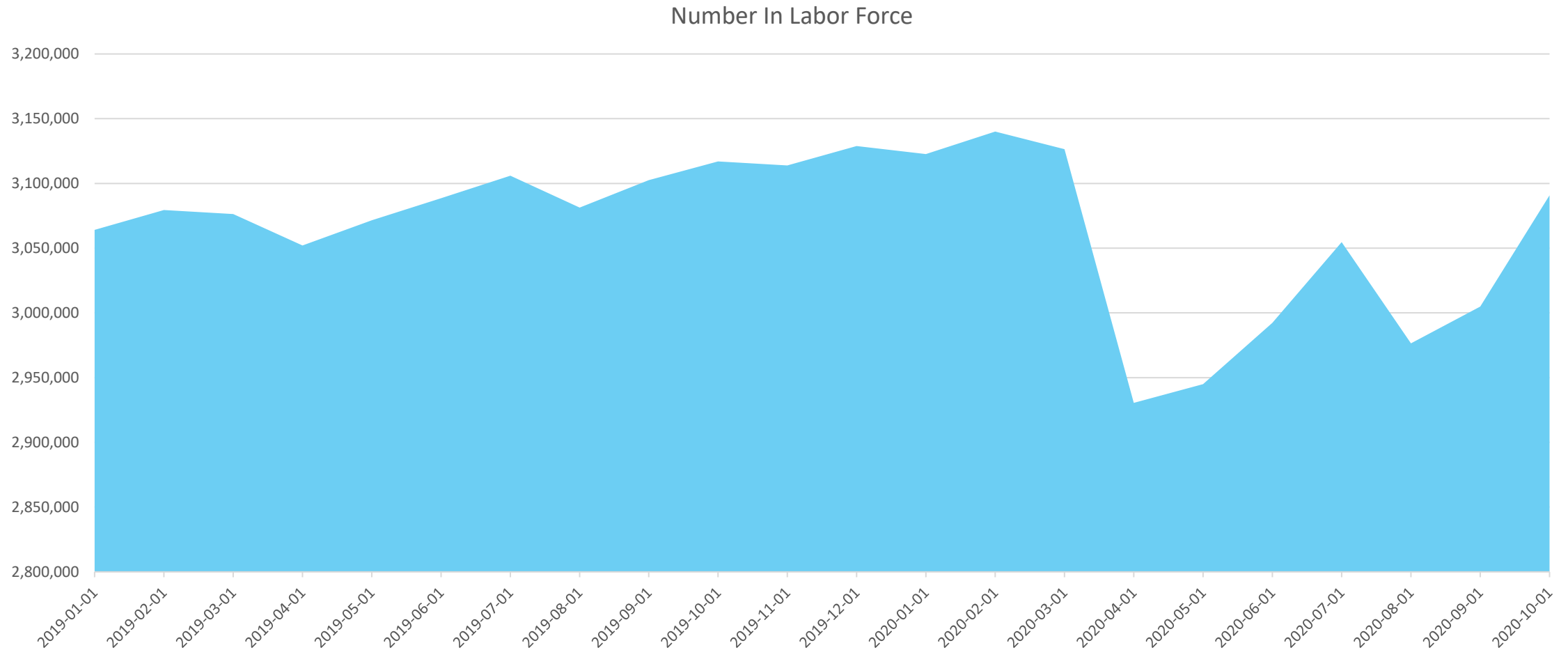
Still Down 85K Jobs Since Last November

12 Month Net Change



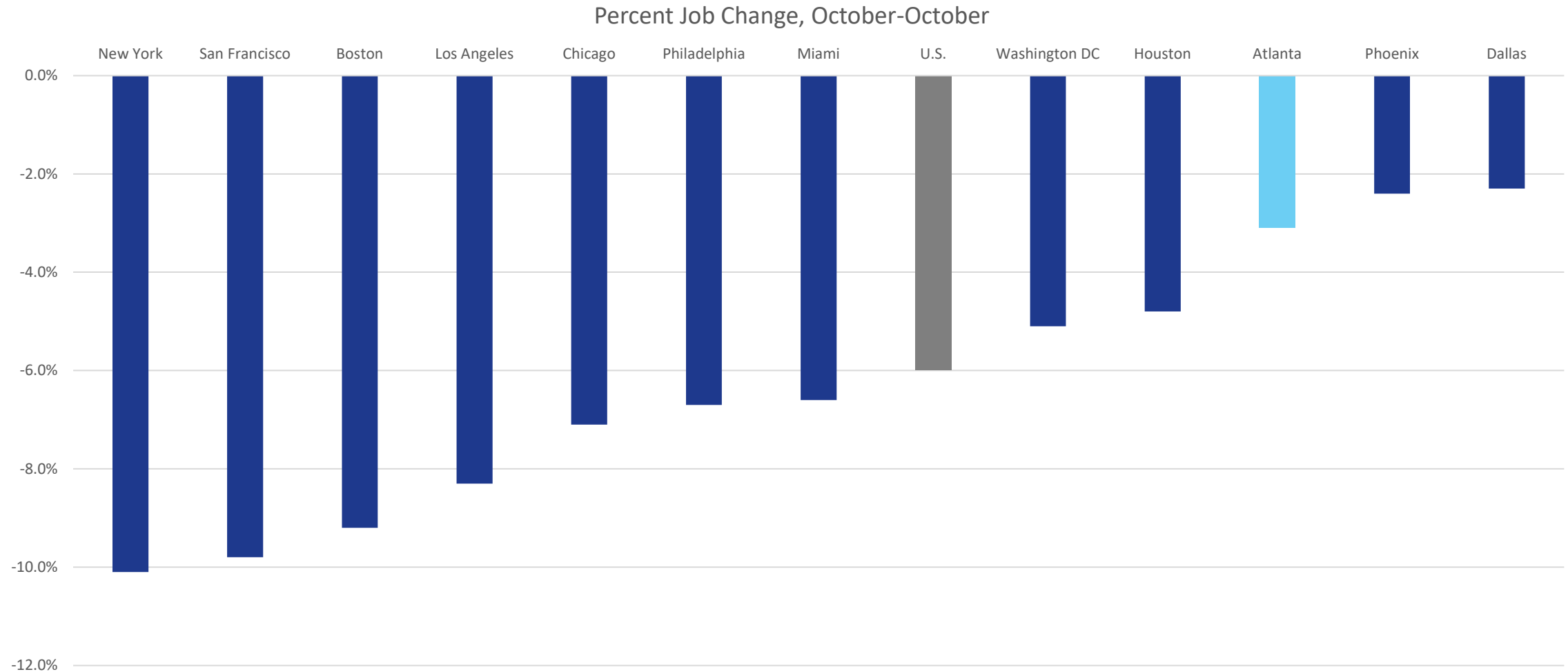
Source: Bureau of Labor Statistics, via FRED

Labor Force Participation Creeping Back Up... But Still Lower than Pre-Pandemic



Source: Bureau of Labor Statistics, via FRED

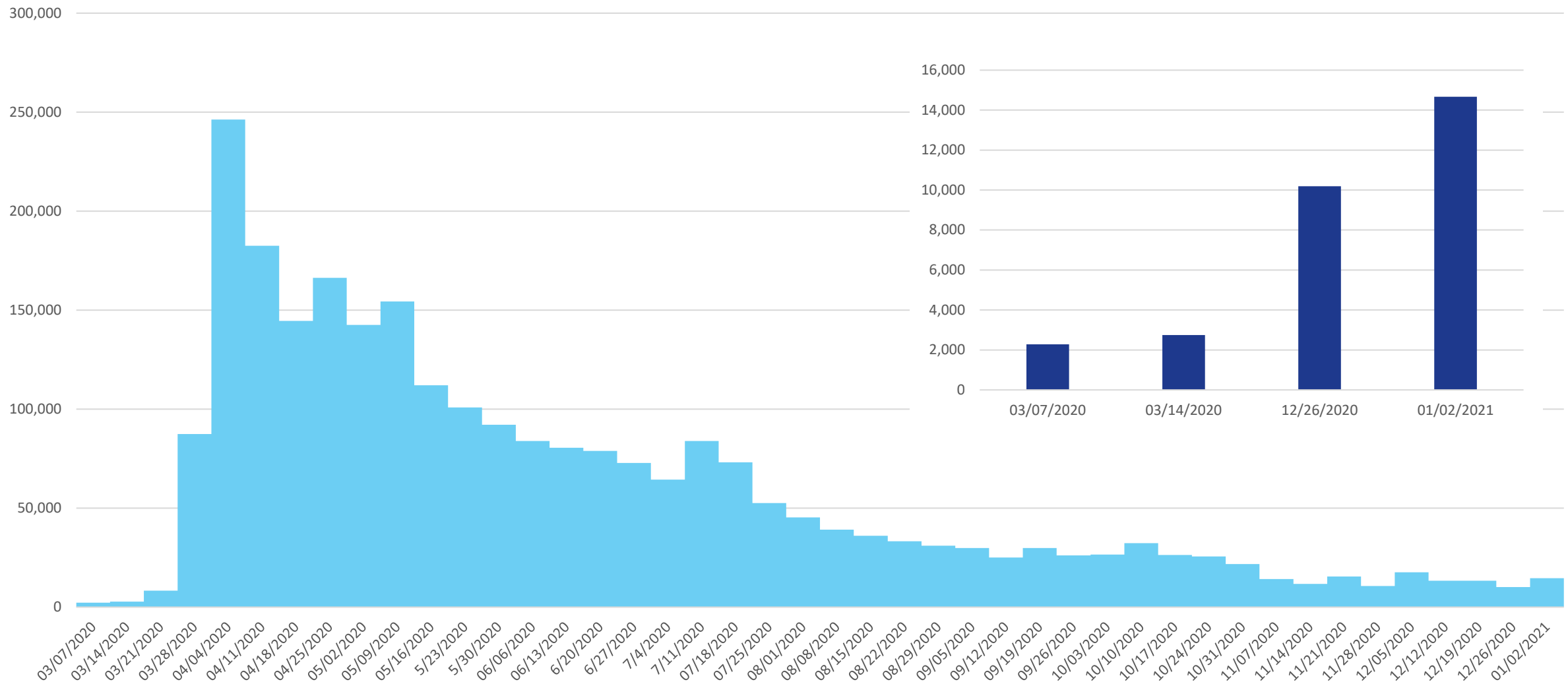
Metro Year-Over-Year Percent Job DECLINE October 2019-2020



https://www.bls.gov/regions/southeast/news-release/areaemployment_atlanta.htm

Jobless Claims Ticking Back Up

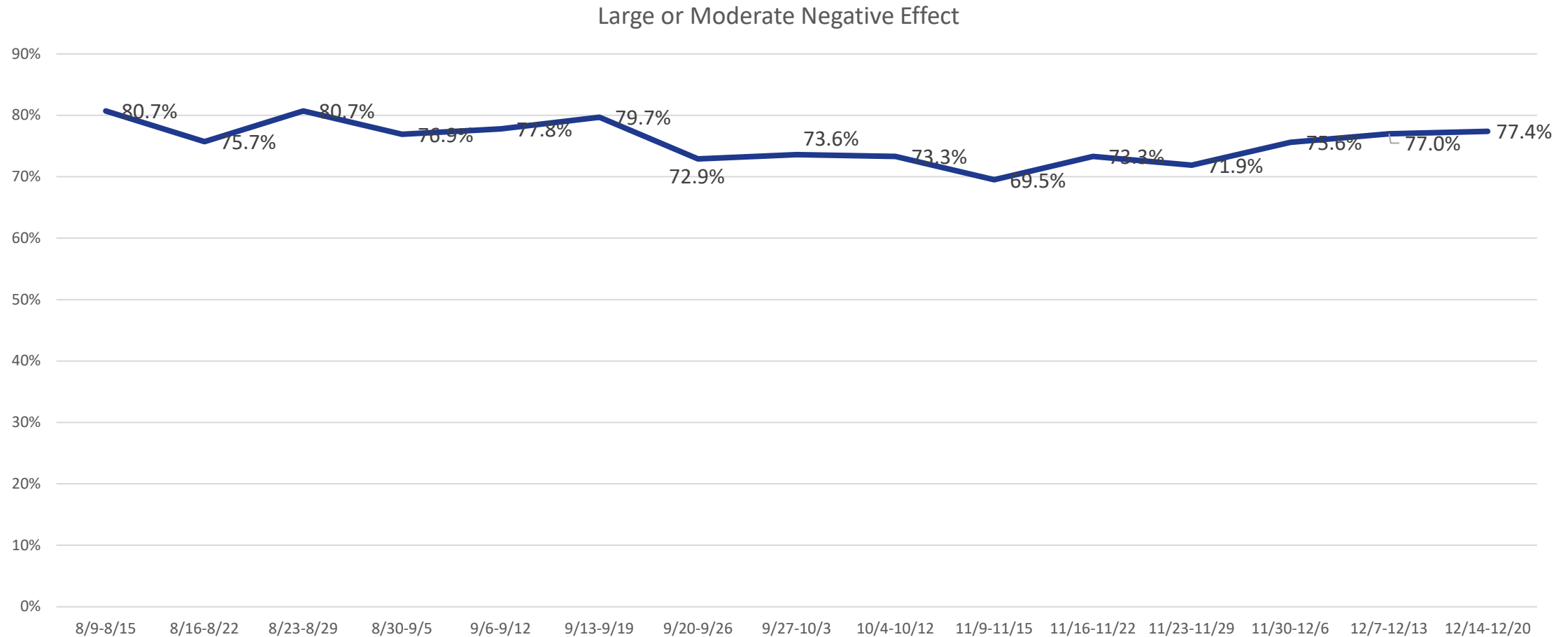
Initial Claims for Unemployment Insurance



Source: GA DOL

Vast Majority of Small Businesses Negatively Affected

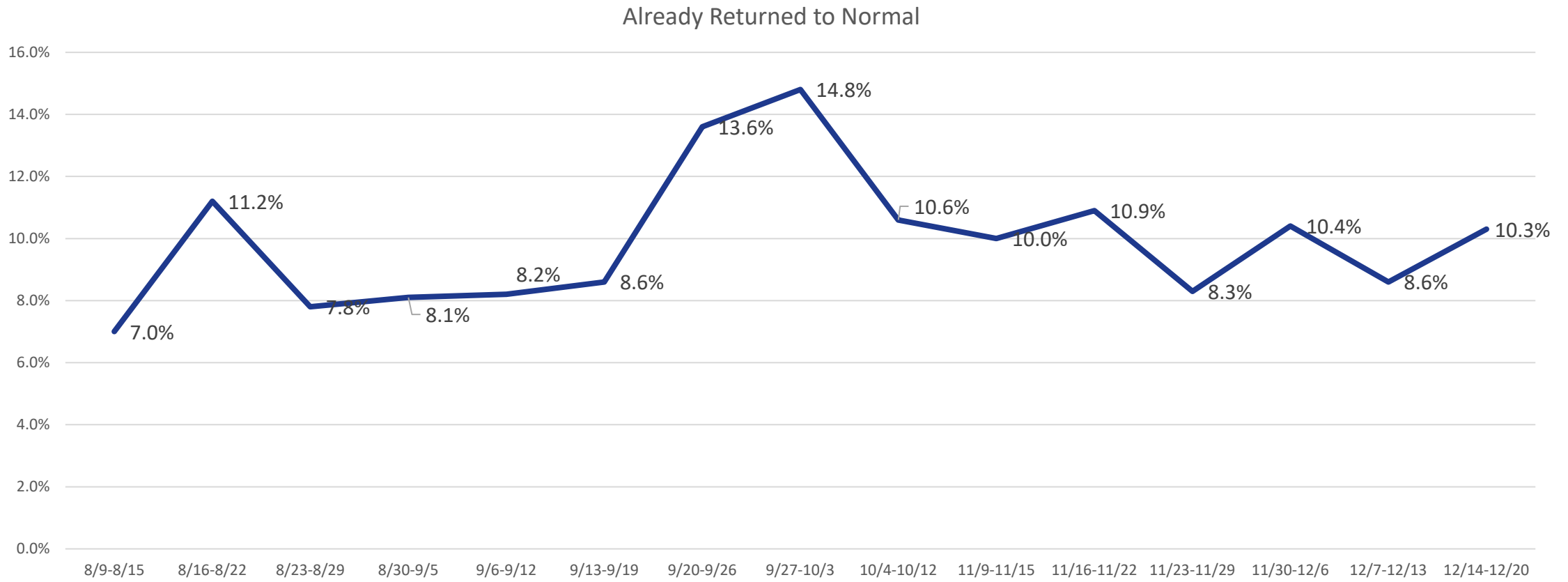
Overall, How Has This Business Been Affected by The Coronavirus Pandemic?



Source: Census Bureau Small Business Pulse Survey

Not Many Small Businesses Indicate a “Return to Normal”

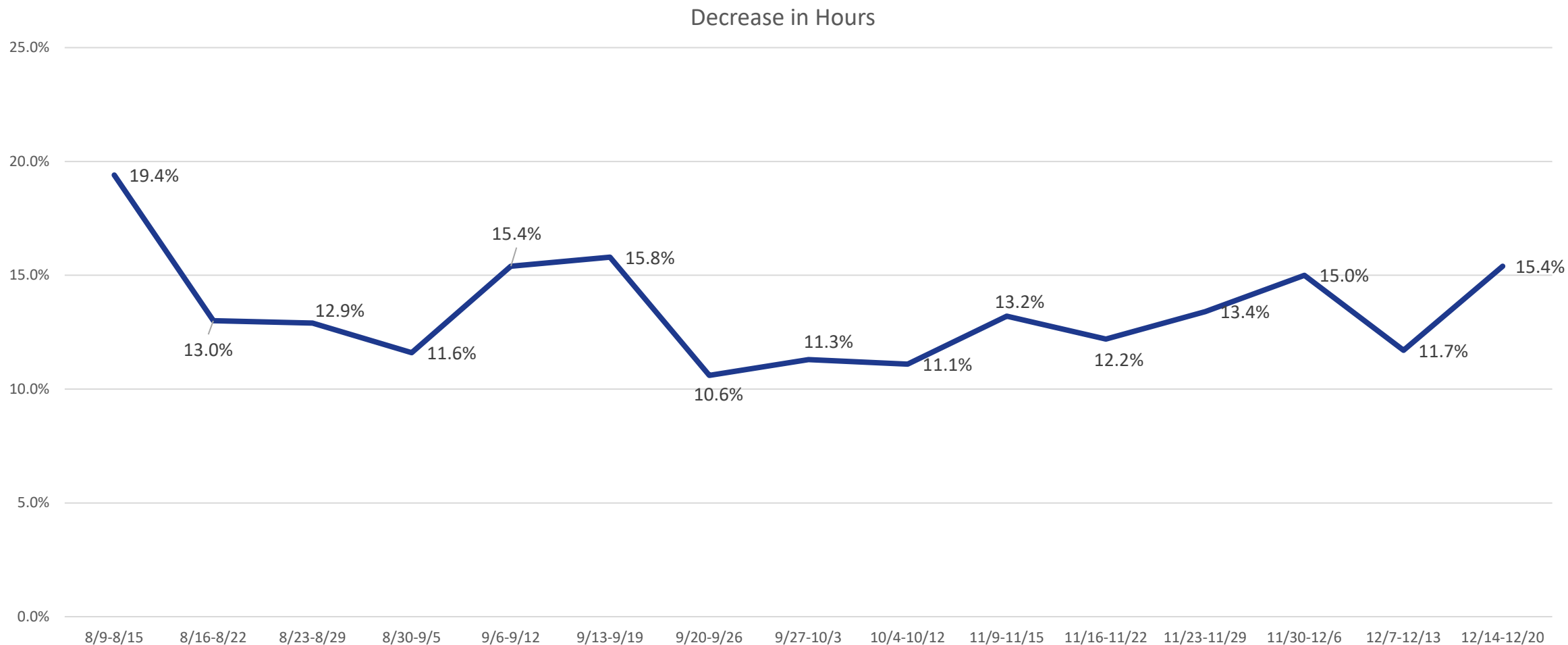
How Much Time Do You Think Will Pass Before This Business returns To Normal Business Operations Compared to One Year Ago



Source: Census Bureau Small Business Pulse Survey

Employers Are Still Decreasing Hours

In the Past Week, Did This Business Have A Change In The Number of Hours Worked by Paid Employees?



Source: Census Bureau Small Business Pulse Survey

Gazing Into The Near Future

From Moody's

- “U.S. consumer spending is ending 2020 only modestly below where it started the year, thanks to massive support to household income from the government”
- “Some long-running trends, like the shift to buying online, have advanced by years while others, like the shift from buying groceries to eating out, have been set back by decades”
- “The shift away from recreational services has been led by massive declines in spending on theaters, entertainment and other admissions, photo studios, parks, campgrounds and the like and other similar services”

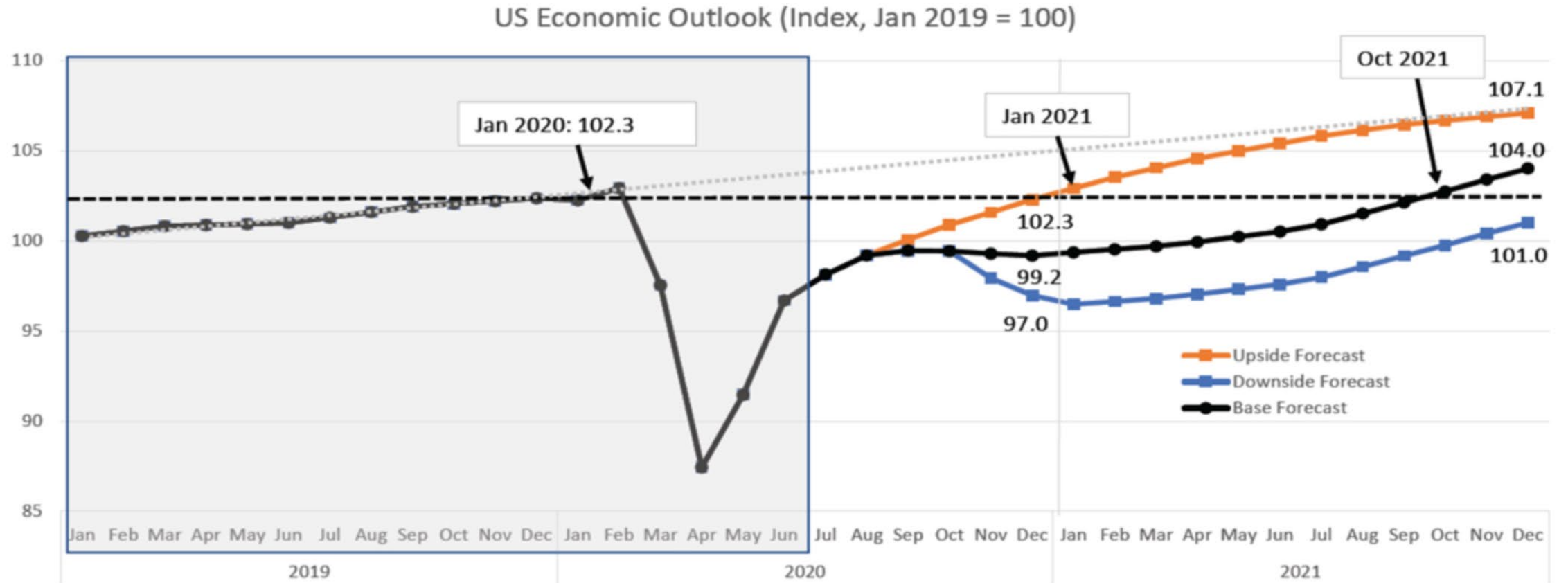
The FED's Latest Economic Assessment

Variable	Median ¹				
	2020	2021	2022	2023	Longer run
Change in real GDP	-2.4	4.2	3.2	2.4	1.8
September projection	-3.7	4.0	3.0	2.5	1.9
Unemployment rate	6.7	5.0	4.2	3.7	4.1
September projection	7.6	5.5	4.6	4.0	4.1
PCE inflation	1.2	1.8	1.9	2.0	2.0
September projection	1.2	1.7	1.8	2.0	2.0
Core PCE inflation ⁴	1.4	1.8	1.9	2.0	
September projection	1.5	1.7	1.8	2.0	
Memo: Projected appropriate policy path					
Federal funds rate	0.1	0.1	0.1	0.1	2.5
September projection	0.1	0.1	0.1	0.1	2.5

Source: <https://www.federalreserve.gov/monetarypolicy/fomcproptabl20201216.htm>

Latest Forecast Show Late 2021?

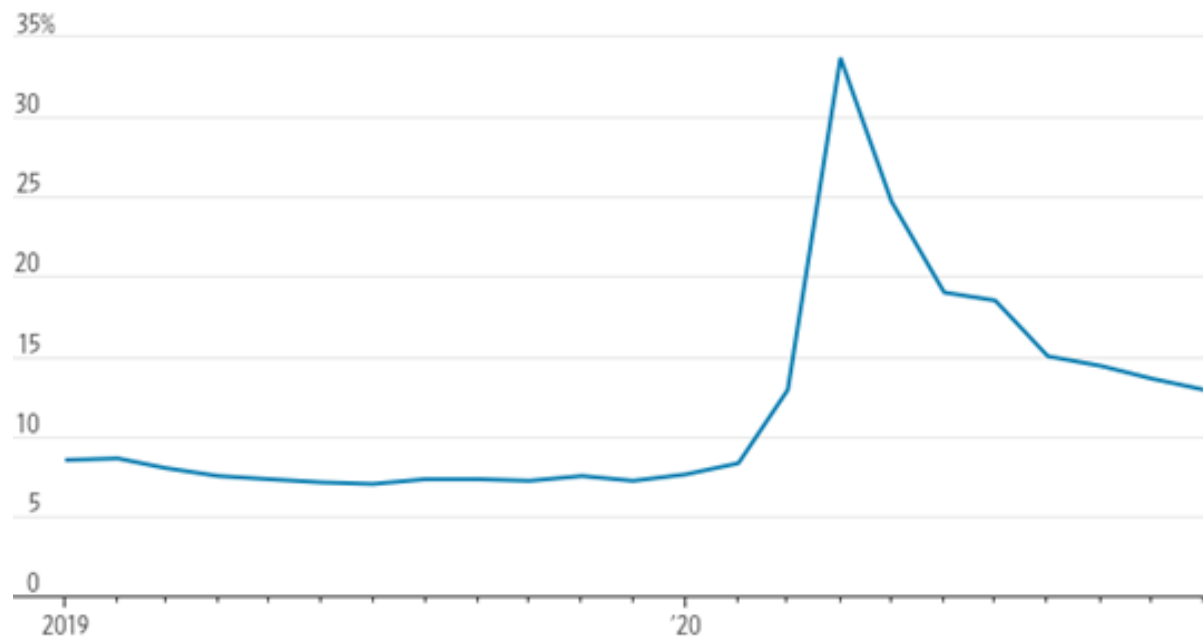
The U.S. Economic Forecast



Source: Conference Board

Reason for Optimism in 2021?

Saving as a share of personal disposable income, monthly



Note: Seasonally adjusted annual rate

Source: Commerce Department via the St. Louis Fed

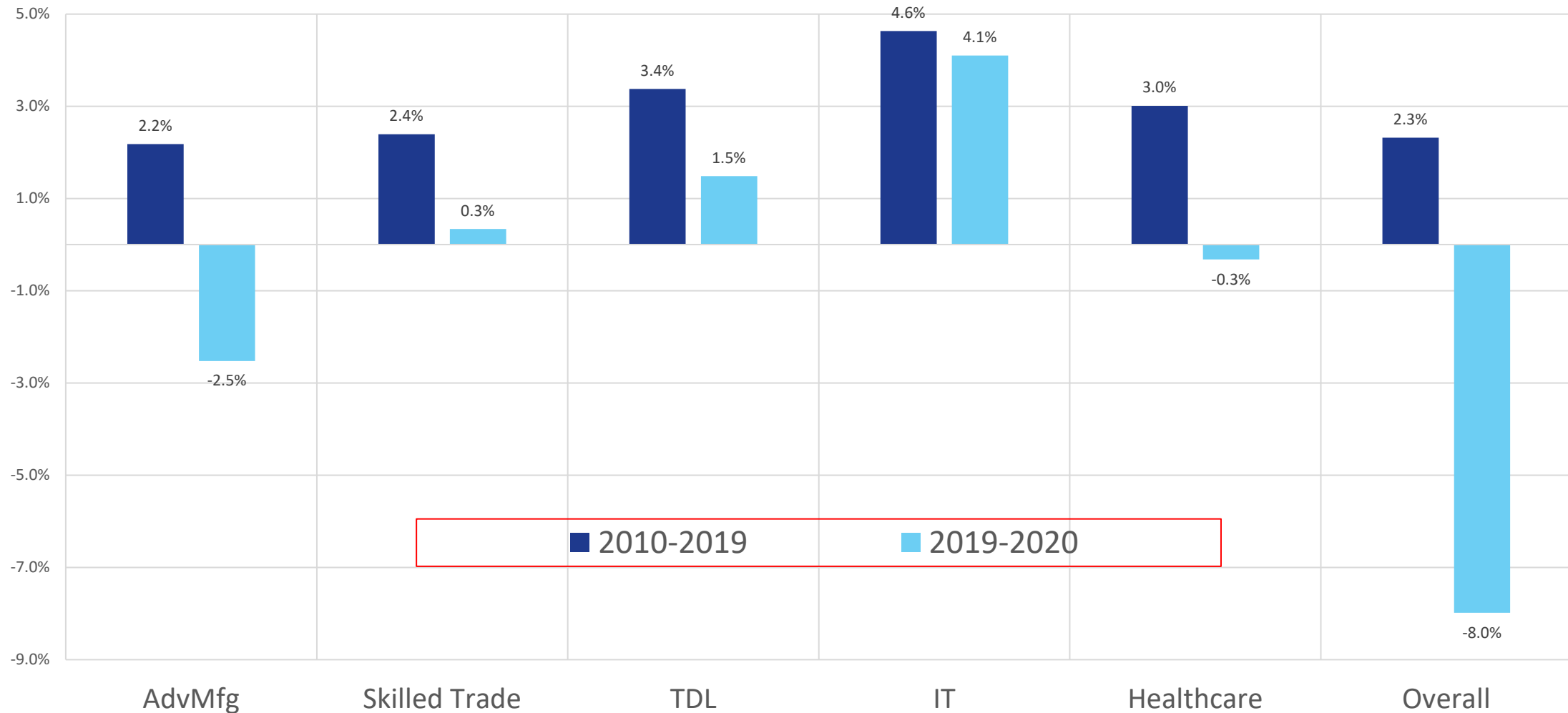
\$900B Pandemic Relief Package Passes!

Includes funding for the following:

- \$600 in direct payments
- Extension of enhanced unemployment benefits - \$300 - until mid-March
- \$25B in rental assistance and extends eviction moratoria through end of month
- Additional SNAP assistance (\$13 billion)
- \$284B extension of PPP for small businesses, also lowered the employee cap from 500 to 300 (including \$15B for live entertainment venues and \$10B for child care center reopenings)
- \$45B for airlines, mass transit agencies, highways and Amtrak
- And a lot more, including funding to expand access to vaccines, broadband, K-12 reopening strategies, agriculture, surprise billing and tax deductible meals

There Are Occupations That Seem To Be “Pandemic Proof”

Target Clusters (Top Jobs) and Overall Job Growth (in Percent): Averages Q2 to Q2



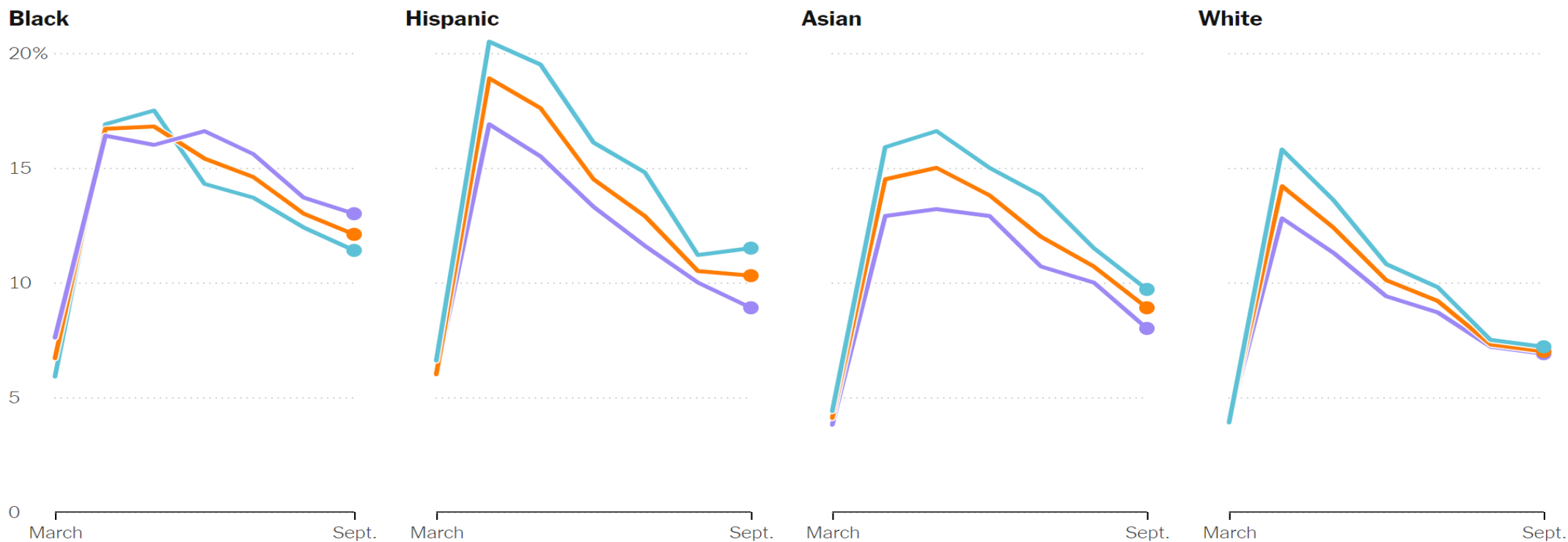
Source: Jobs EQ, 2020Q2

It's About People

Unemployment Rates Shows Inequities

Unemployment for women is worse than men's across most demographics

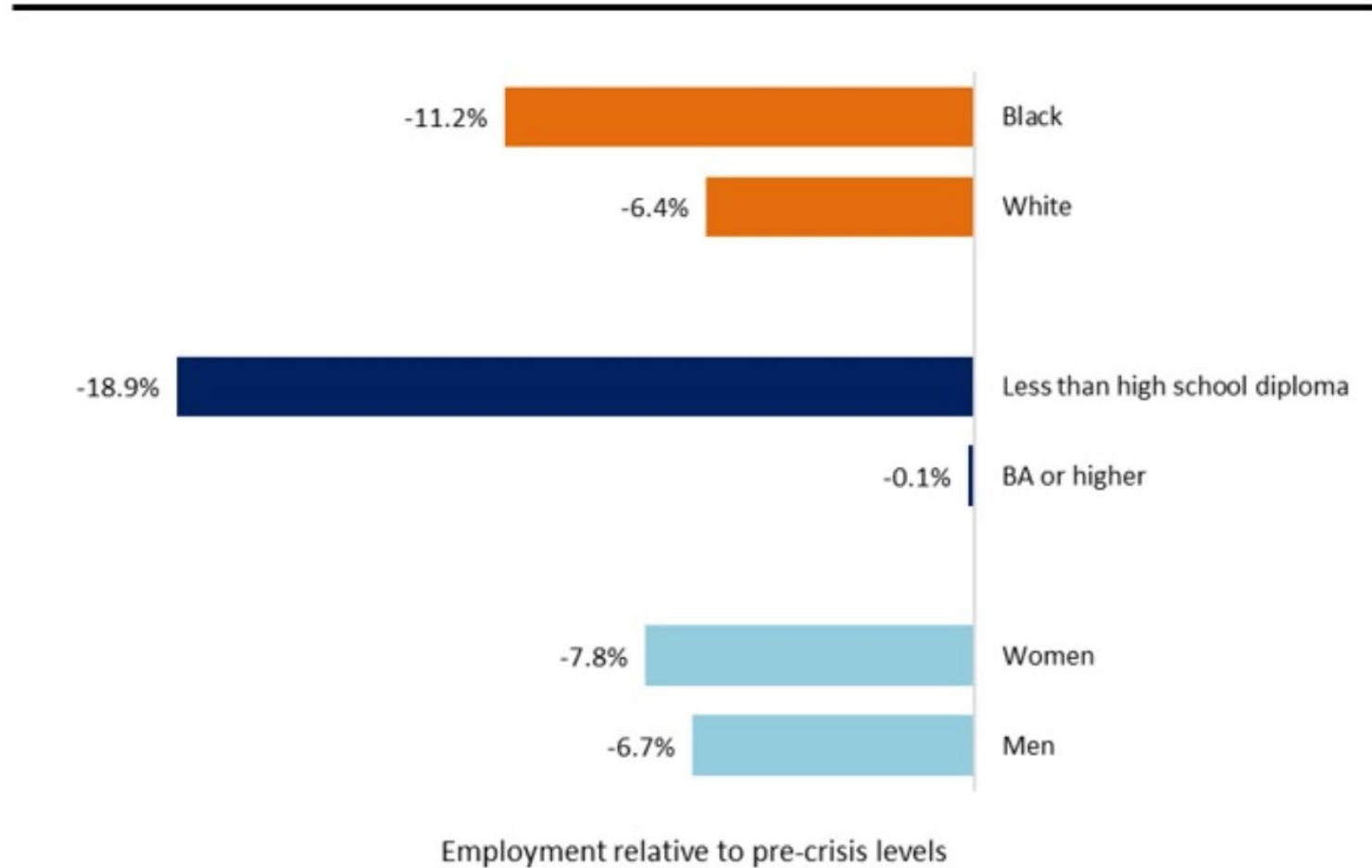
Unemployment rates by race for **men**, **women** and **over all**



By Ella Koeze · Rates are seasonally adjusted except those for Asian men and women. · Source: Bureau of Labor Statistics

Race, Gender, Education Disparities

Big Job Loss Disparities



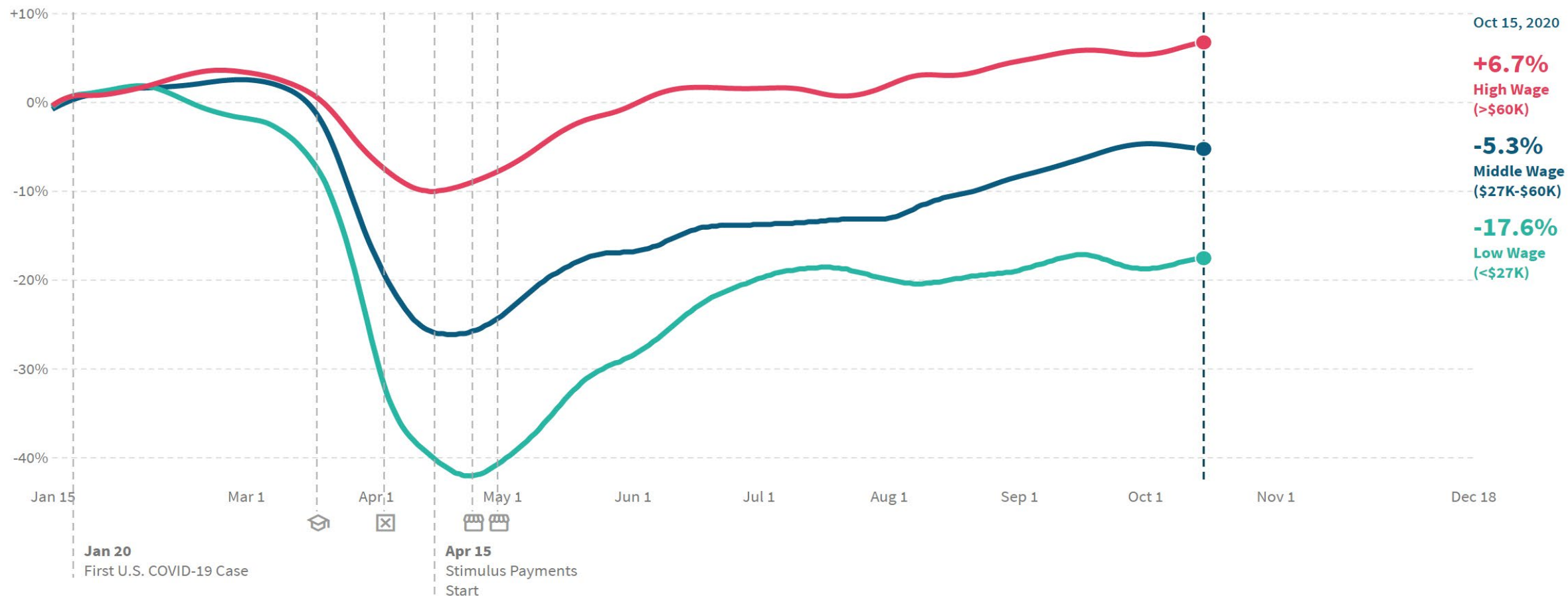
Note: August relative to February employment levels; maximum loss is April relative to February

Source: Bureau of Labor Statistics

Low Income Workers Faring the Worst

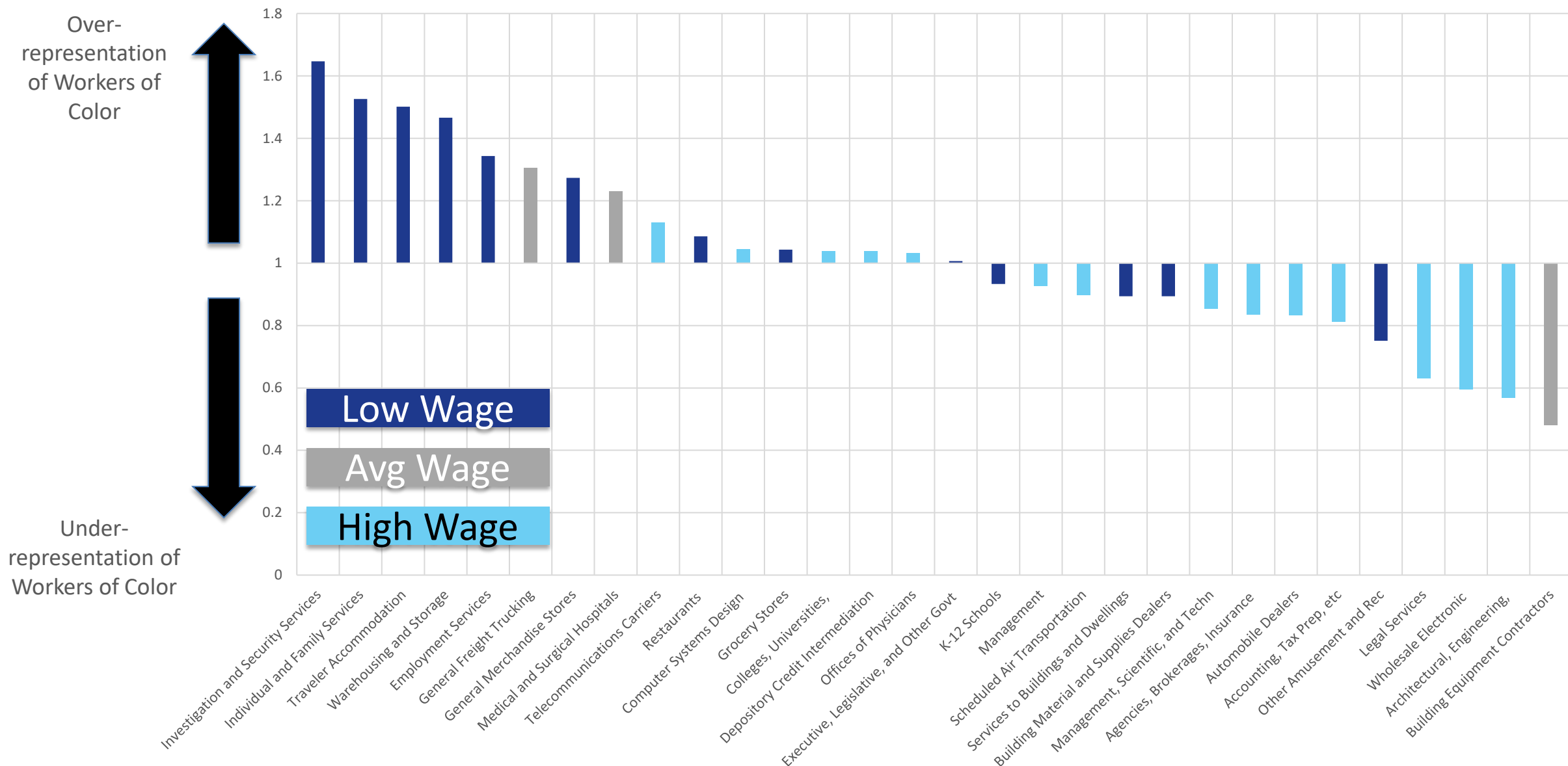
In **Atlanta**, as of October 15 2020, employment rates among workers in the middle wage quartiles decreased by **5.3%** compared to January 2020 (not seasonally adjusted).

DOWNLOAD CHART 



Source: Opportunity Insights

Racial Composition of Largest Sub-Sectors: Metro Atlanta



Source: QWI Data Explorer

Businesses Owned By Persons Of Color & Immigrants Disproportionately Suffering

Businesses lost by demographic group

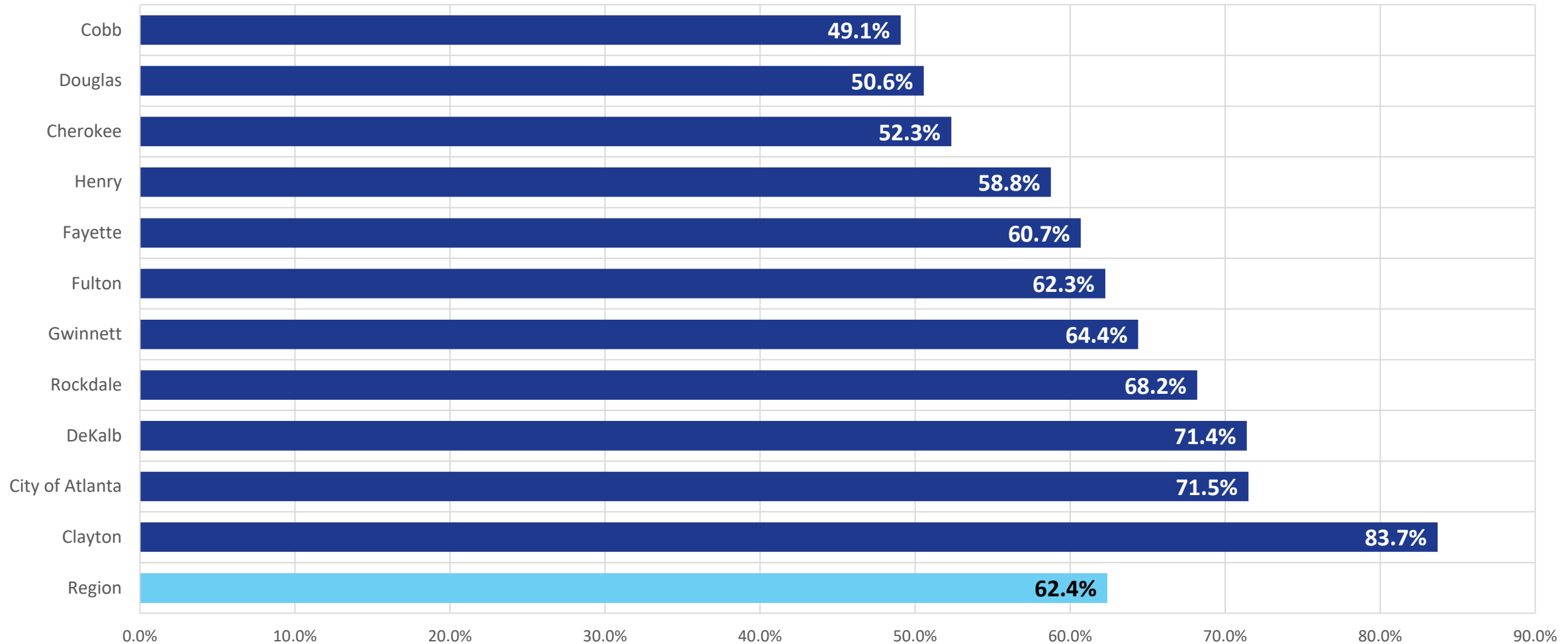
Losses from February to April 2020

	February	April	Losses	% decrease
Total	15 .0m	11 .7m	3 .3m	22%
Women	5 .4m	4 .0m	1 .3m	25
Men	9 .6m	7 .7m	2 .0m	20
Black	1 .1m	637 .8k	441 .3k	41
Latinx	2 .1m	1 .4m	658 .0k	32
Asian	888 .5k	657 .9k	230 .6k	26
White	10 .6m	8 .8m	1 .8m	17
Immigrant	3 .1m	2 .0m	1 .1m	36
Native born	11 .9m	9 .7m	2 .2m	18

Data: [National Bureau of Economic Research](#); Table: Axios Visuals

More than Half Of Region's Residents Experienced A Dramatic "Status" Change

% Laid Off, Furloughed, Reduced Hours or Reduced Pay



Source: 2020 Metro Atlanta Speaks


Summing Up

- Atlanta has now been thru two “peaks” of COVID cases. **And a new surge is happening right now.**
- The five high demand clusters identified by our partners in this region seem to be “**pandemic proof**”
- **Metro Atlanta: has suffered economically but not as much as some other large metros.** Remote work in Atlanta is helping cushion the economic fall, but the economic consequences is being borne by low income and minority workers.
- Approximately **70% of arts organizations** have had to either layoff, furlough, reduce hours and programming or instituted across-the-board pay cuts.
- Atlanta’s Office, Multi-Family and Industrial markets have weathered this storm well so far- **but forecasts suggest a long and potentially bumpy recovery as vacancy rates will remain high**
- **Evictions**, after the national moratorium ends, will be a challenge, with 80,000 renter households under severe distress.
- Around **27 percent of licensed child-centers and homes are closed.** A recent report from NAEYC suggests that around 50% of these closed centers may never reopen.
- Learn4Life research suggests that the switch to virtual learning at the end of the school year **contributed to a decline in reading and math proficiency** that equals roughly two years of learning loss.
- Let’s add in another letter to recovery scenarios - **K-Shaped**

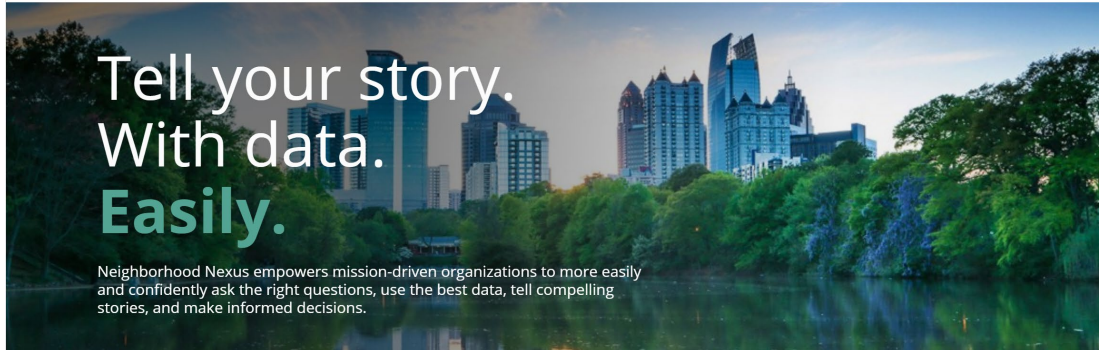
Explore For Yourself! And Questions....

<https://neighborhoodnexus.org/covid19/>

www.33n.atlantaregional.com



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COVID-19

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COVID-19 weekly reader: May 29, 2020



ARC COVID-19 Weekly Report
week ending May 29, 2020

The Atlanta Regional Commission's COVID-19 Weekly Report provides the latest data about the state of the novel coronavirus in the Atlanta area. Information comes from the Georgia Department of Public Health, Georgia Labor Market Explorer, and Google COVID-19 Mobility Reports, among others. The report focuses on ARC's member governments but also examines the broader metro area as appropriate.


Key Insights

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