

Wisconsin's Economy After a Year of COVID-19

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New January report:

The COVID Economy

- ▶ Unprecedented
 - ▶ GDP decline
 - ▶ Unemployment claims
 - ▶ Federal stimulus
- ▶ Partial recovery
- ▶ Low-income households hit hardest
- ▶ 2021???



THE COVID
ECONOMY

THE ECONOMIC IMPACTS OF
COVID-19 IN WISCONSIN

DALE KNAPP, DIRECTOR

Initial Shock

GDP

1st half of
2020,
GDP down
11.4%

Jobs

Feb. to
April, jobs
drop 15%

Unemployment

Mid-
March
through
May,
440,000
initial
unemploy-
ment
claims

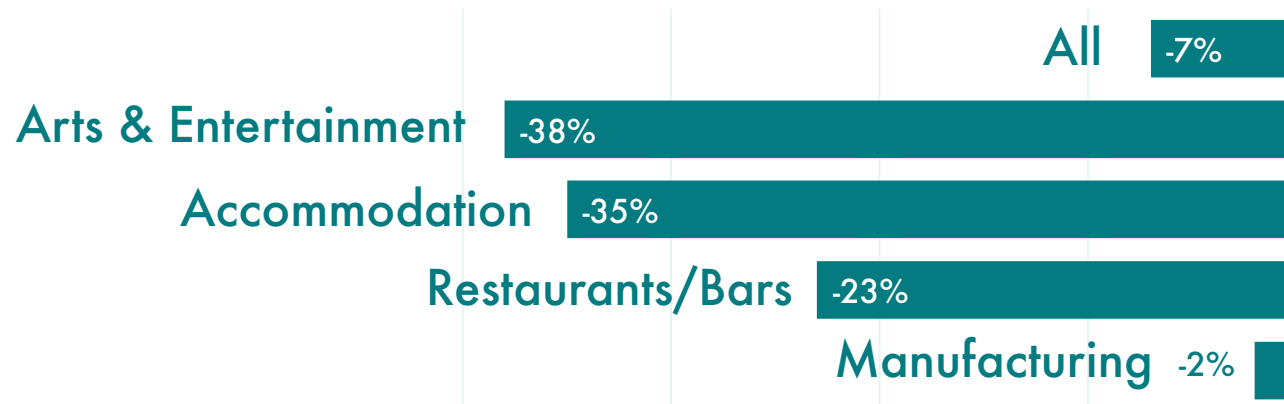


An \$18 Billion Cushion

- ▶ \$9.9 billion in PPP loans
- ▶ \$5.1 billion in economic impact payments
- ▶ \$2.7 billion in additional unemployment benefits
- ▶ Rather than personal income falling like GDP, it rose 8% in second quarter

Rebound...then stagnation

- ▶ GDP rose 8.8% in Q3, but remained 3.6% below pre-pandemic levels
- ▶ Jobs rose in summer then stalled after September (declined slightly in October and November)
- ▶ December jobs relative to February

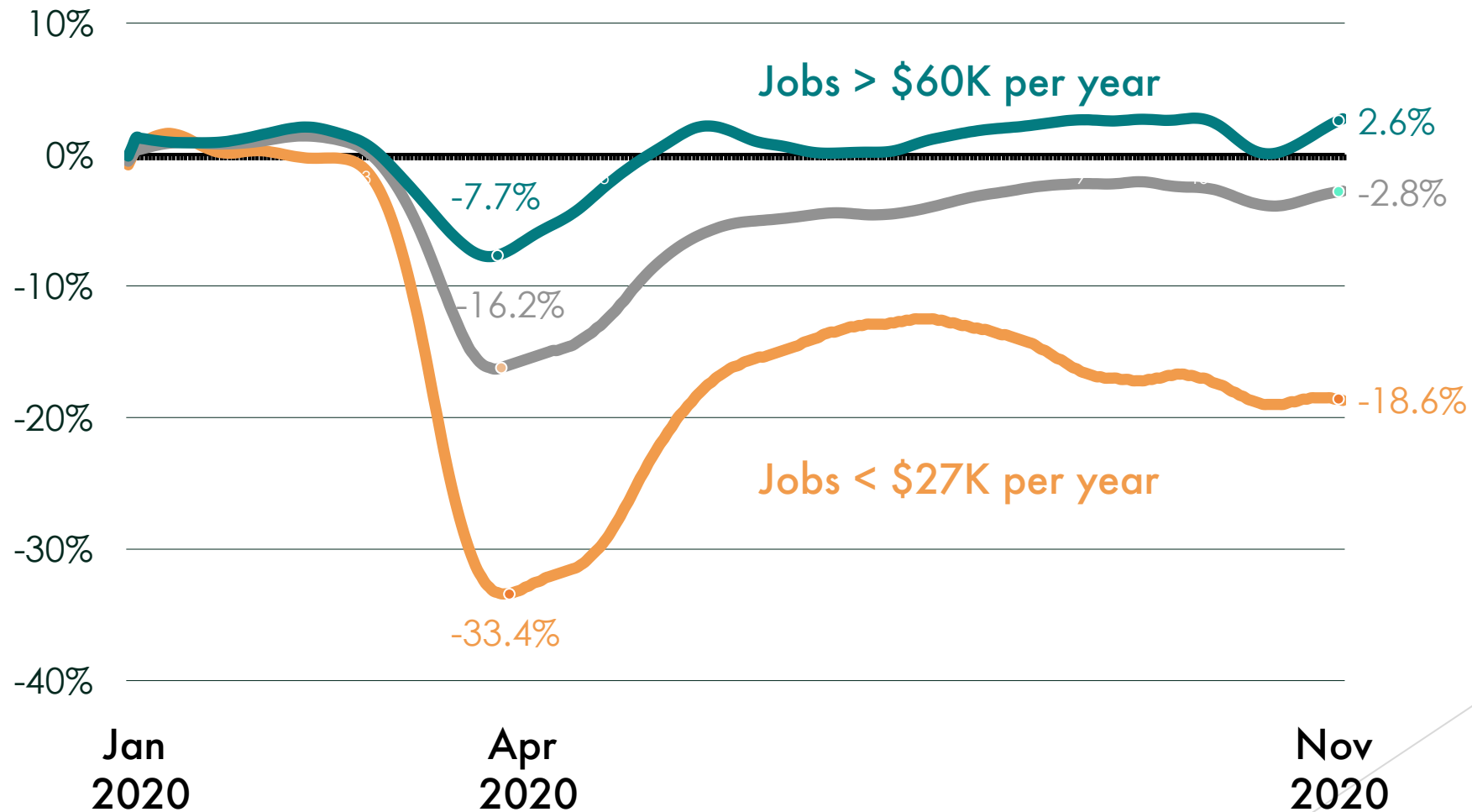




Small business hit hard

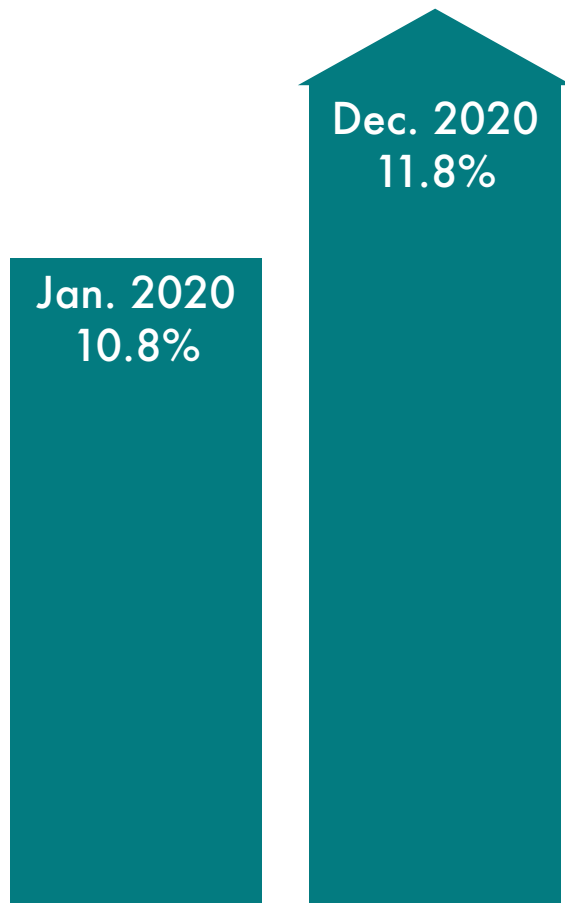
- ▶ As of Feb 4, # of small businesses open down 23% from January 2020
- ▶ November survey of restaurant owners - 37% likely out of business in 6 months without help

Low-wage workers hit hardest

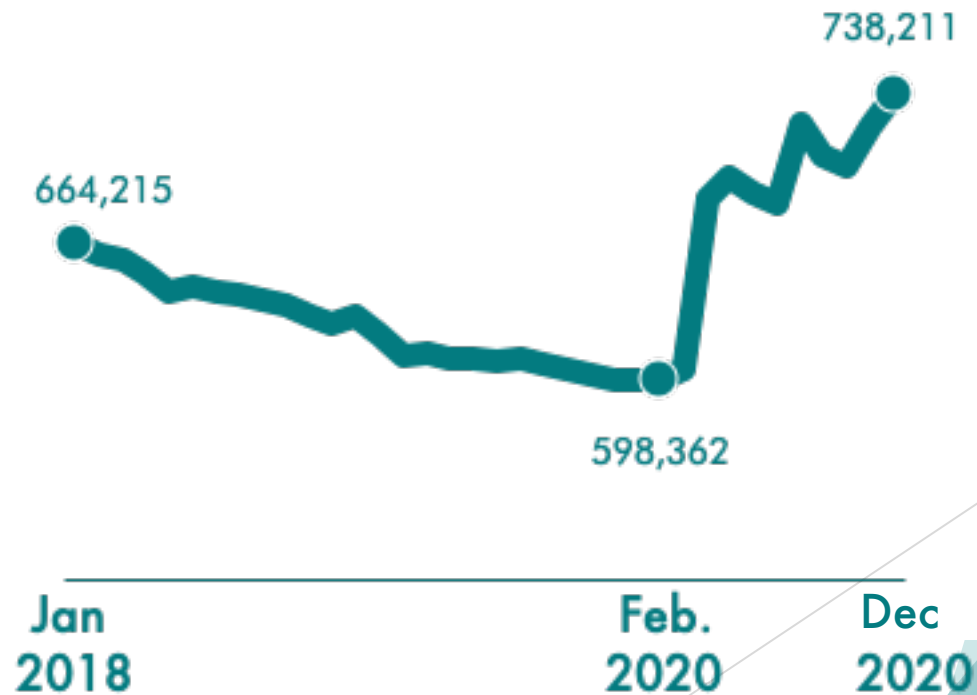


Poverty and FoodShare Climb

U.S. Poverty Rate

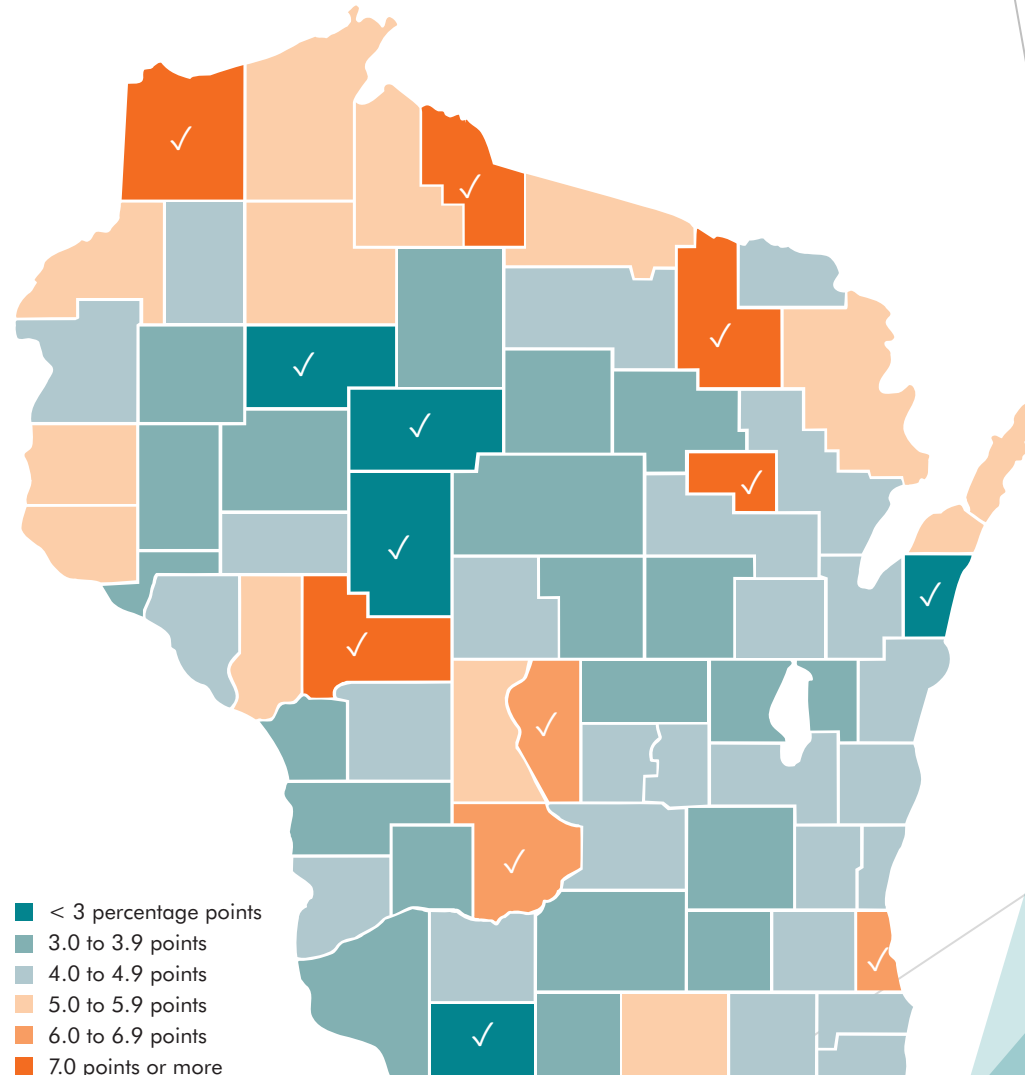


Wis. FoodShare Cases



Varied county impacts

Average unemployment rate, April through November, change versus 2019

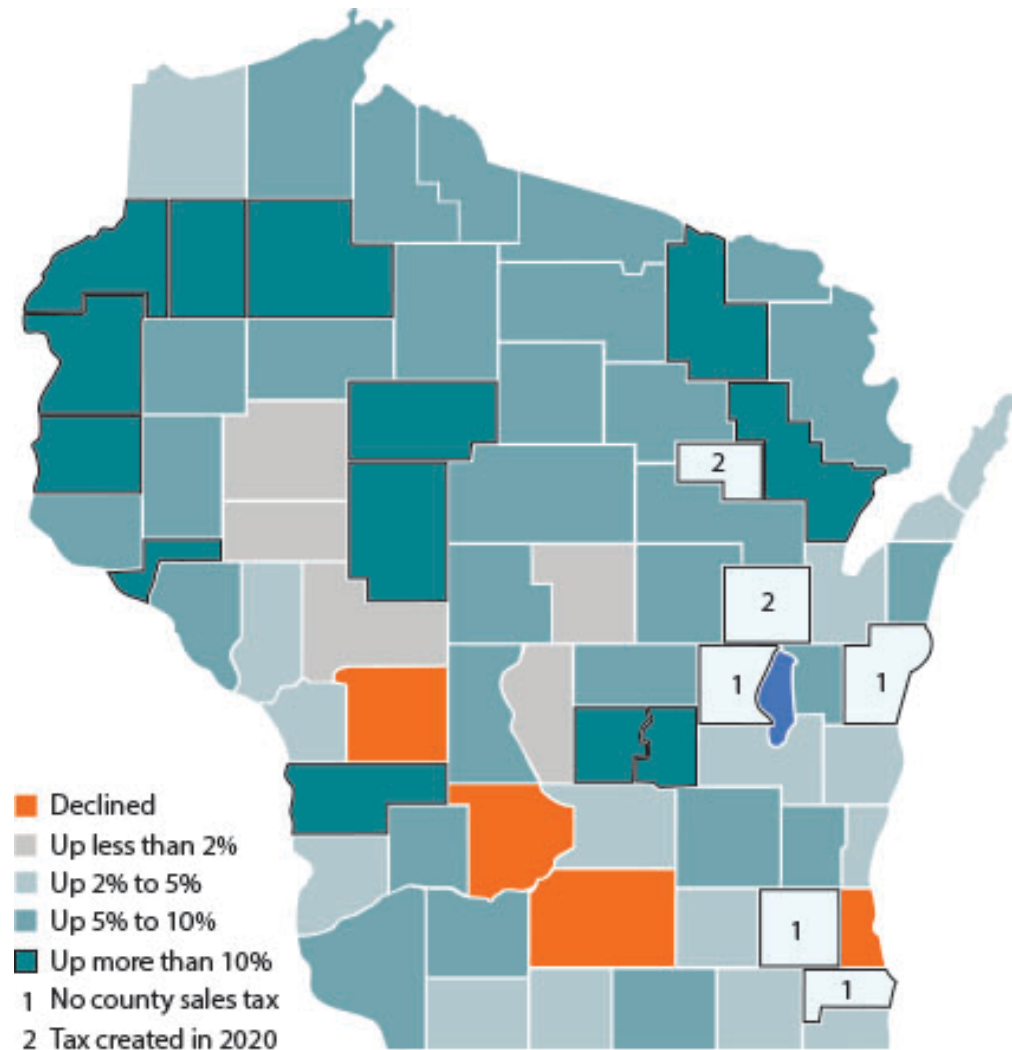


Spending shifts

- ▶ March-November activity down just 2.3% from 2019
- ▶ Online buying up 92%
- ▶ Building material/garden stores up 15%
- ▶ Shift to “buy local”
- ▶ Hotel/motel spending cut in half
- ▶ Arts/entertainment/recreation spending down 35%
- ▶ Restaurant/bar spending down 28%



Sales tax distributions surprise



Looking ahead

- ▶ Number of COVID-19 cases falling from end of November through mid-February
- ▶ Vaccine rollout has begun
- ▶ New COVID strains could delay recovery





Thank You