

Updates on Impact of COVID-19 Pandemic – Economic Impacts and Legislative Action

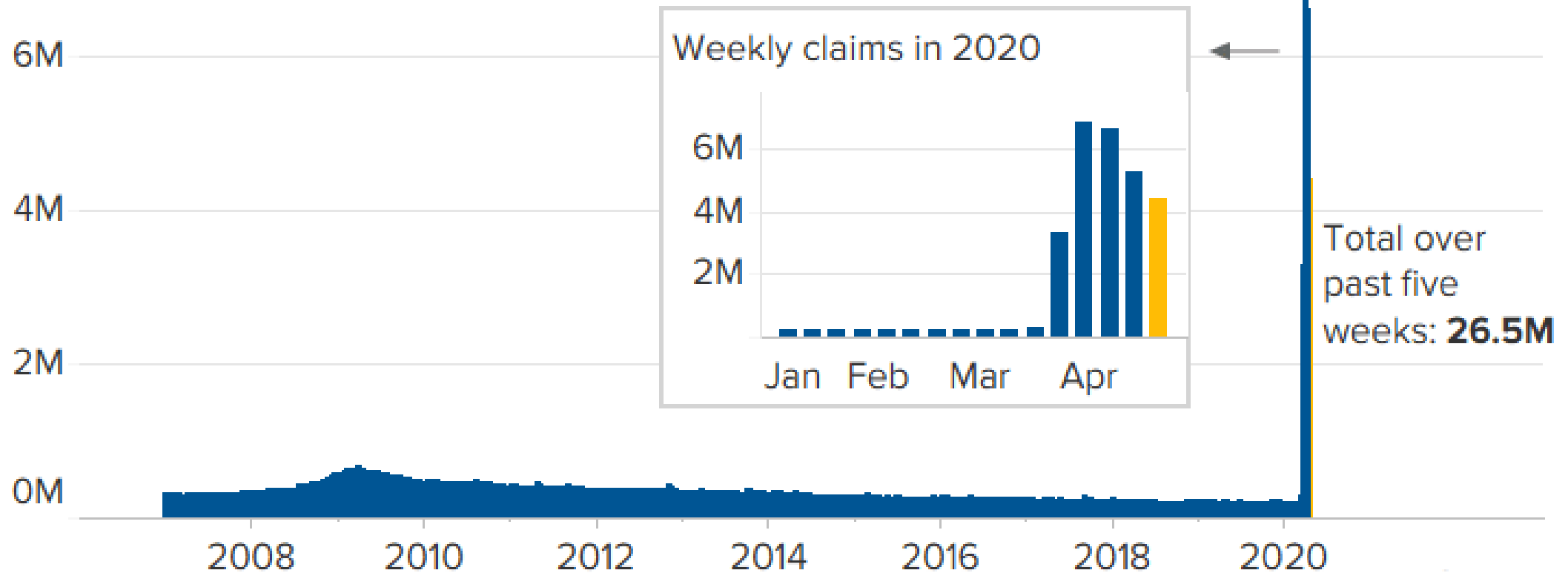
DISCUSSION WITH FINANCE COMMITTEE

APRIL 28, 2020



Surge in initial claims continues

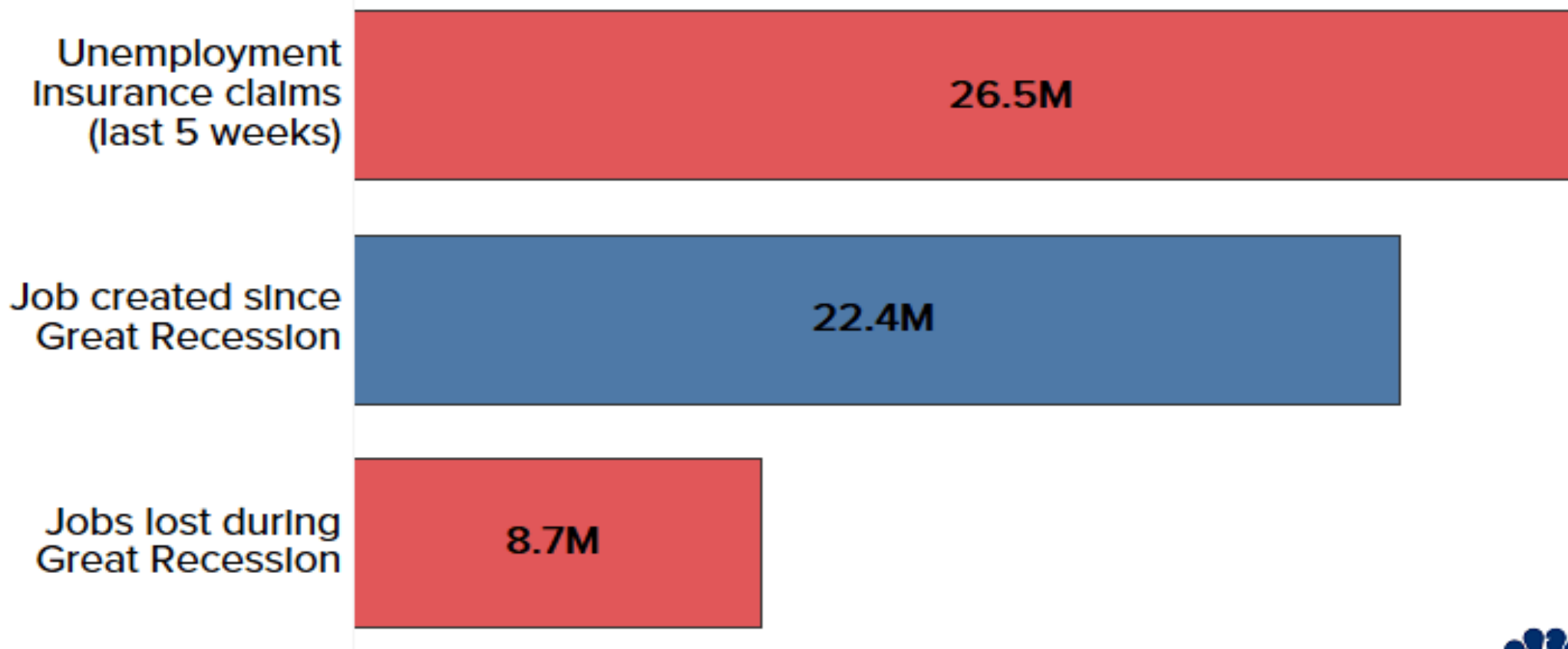
Weekly initial unemployment insurance claims



SOURCE: Department of Labor. Data is seasonally adjusted.



Coronavirus job losses surge



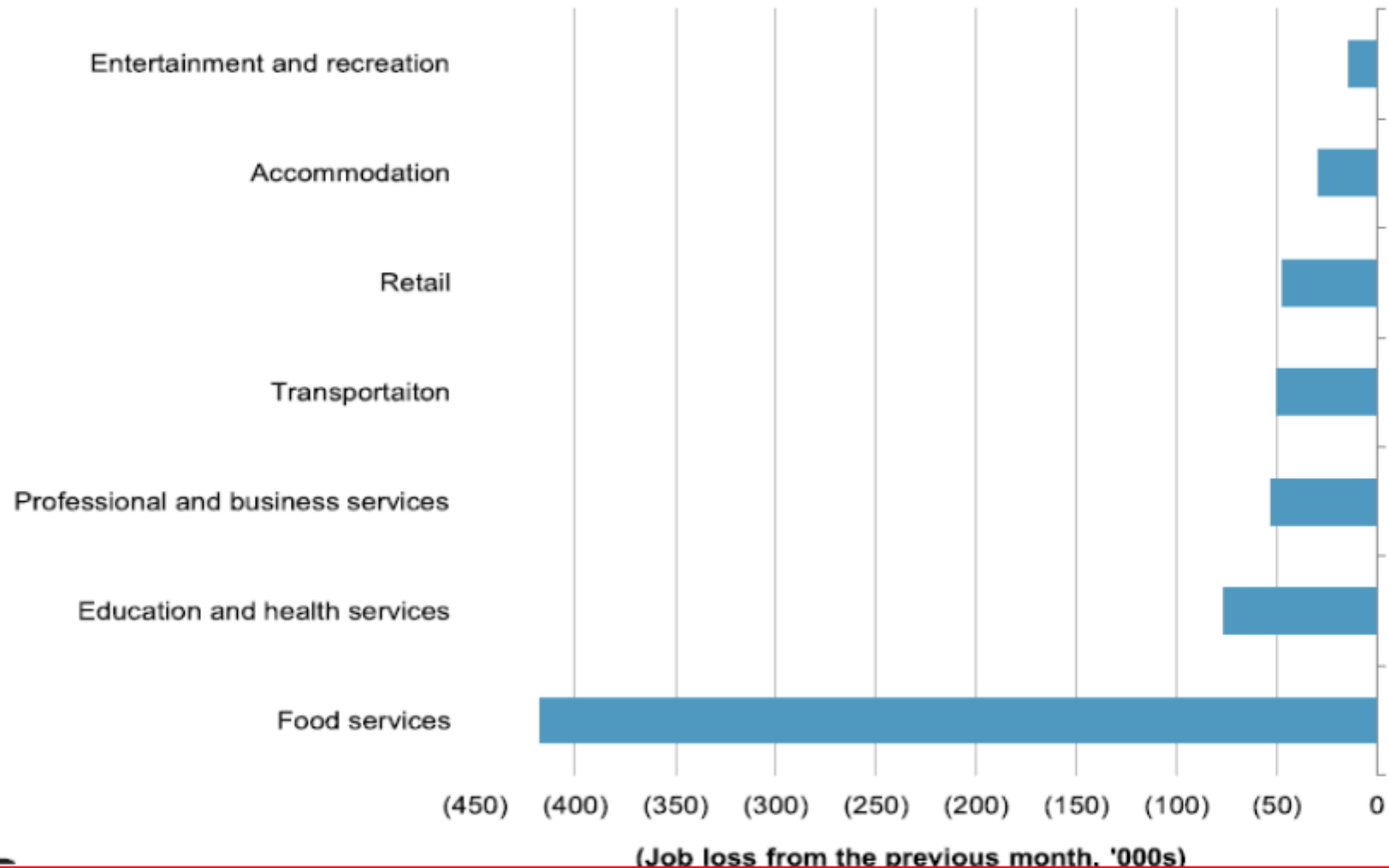
SOURCE: Dept. of Labor, Bureau of Labor Statistics



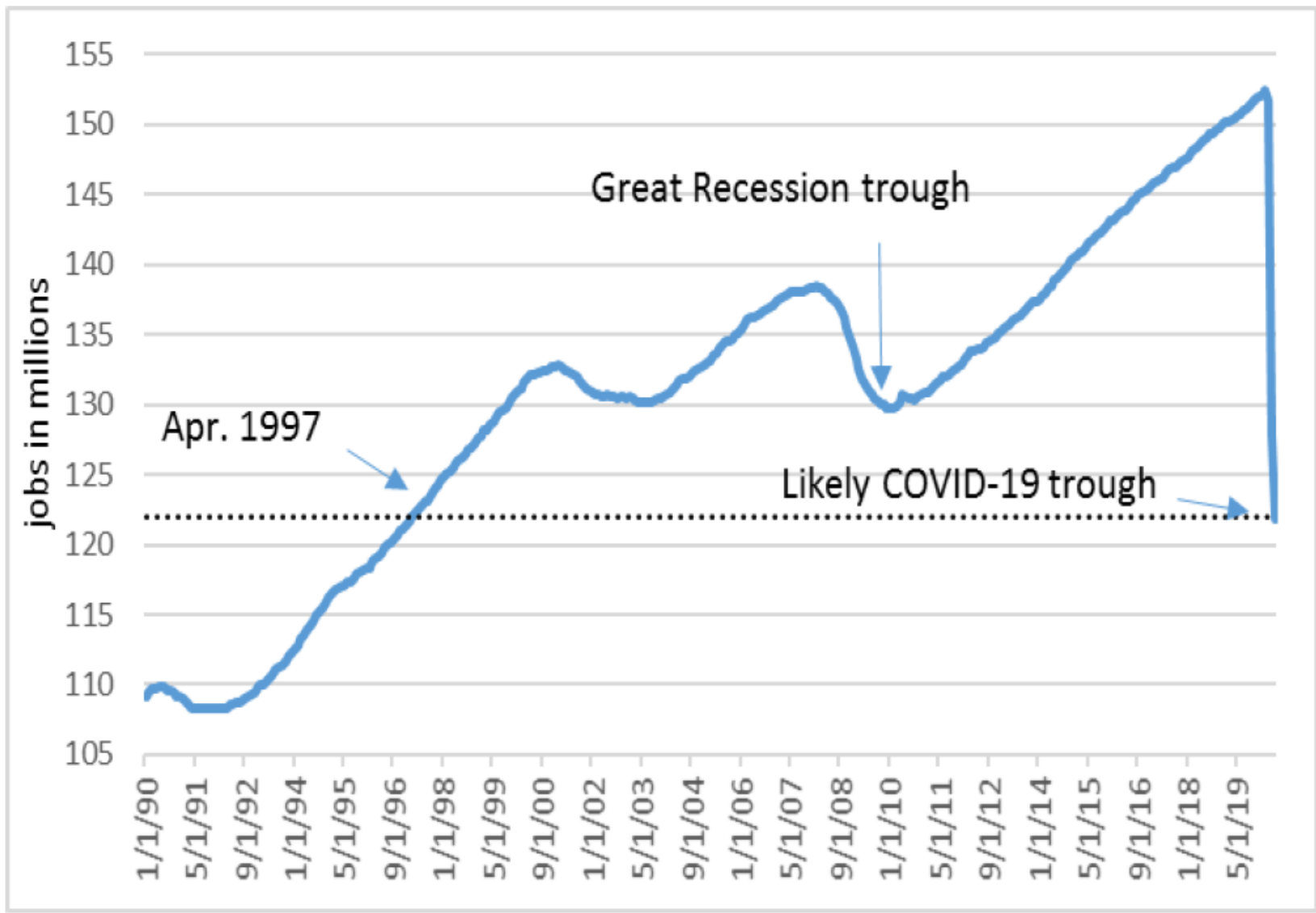
Historical lows now a regular theme for the U.S. jobs market.

Leading Industries Job Losses In March 2020

Food Services Constitutes Nearly 60% Of Total Job Loss In March



U.S. Jobs Projected To Fall To Lowest In Decades



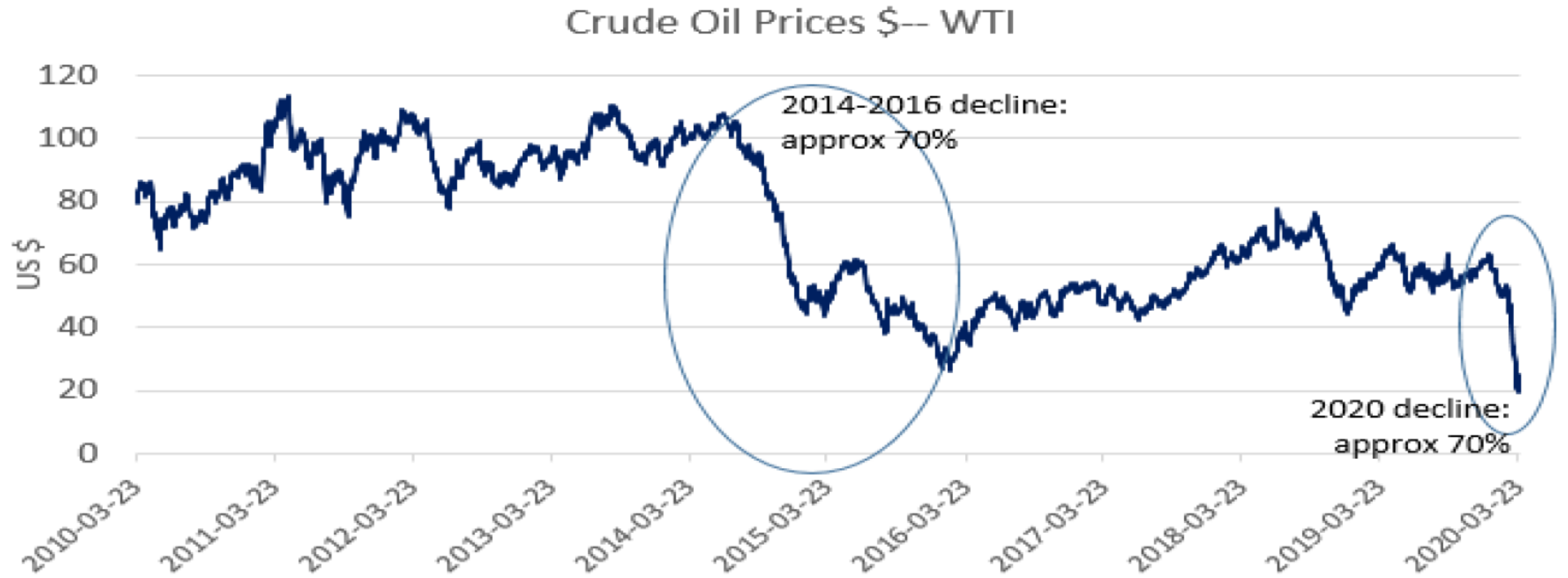
Will businesses be around when quarantine is lifted?

One in four small businesses (24%) says it is two months or less from closing permanently amid the economic downturn caused by the coronavirus pandemic!

Source: (US Chamber/Met Life)

Oil Prices Have Fallen Below Break-Even For Many Producers

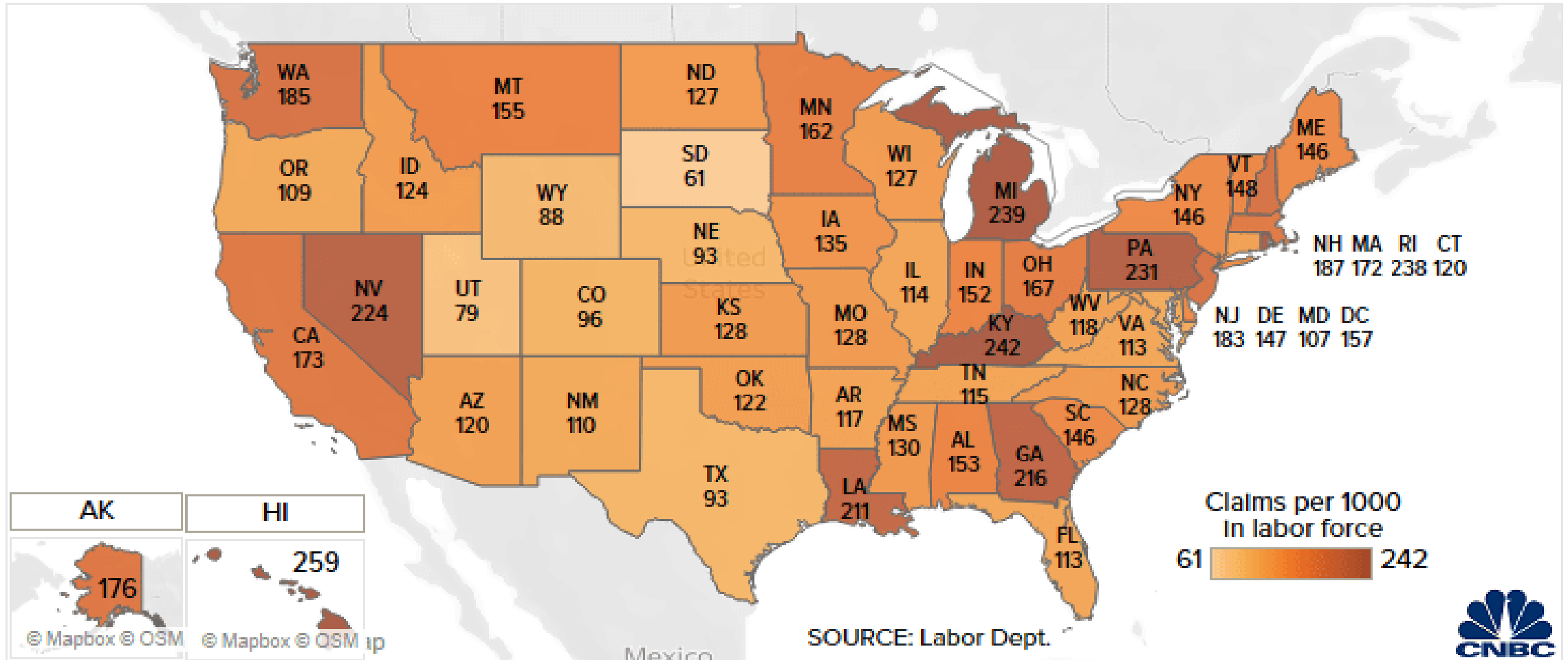
Another shoe to drop for U.S. Private Business Fixed Investment



Source: St.Louis FRED

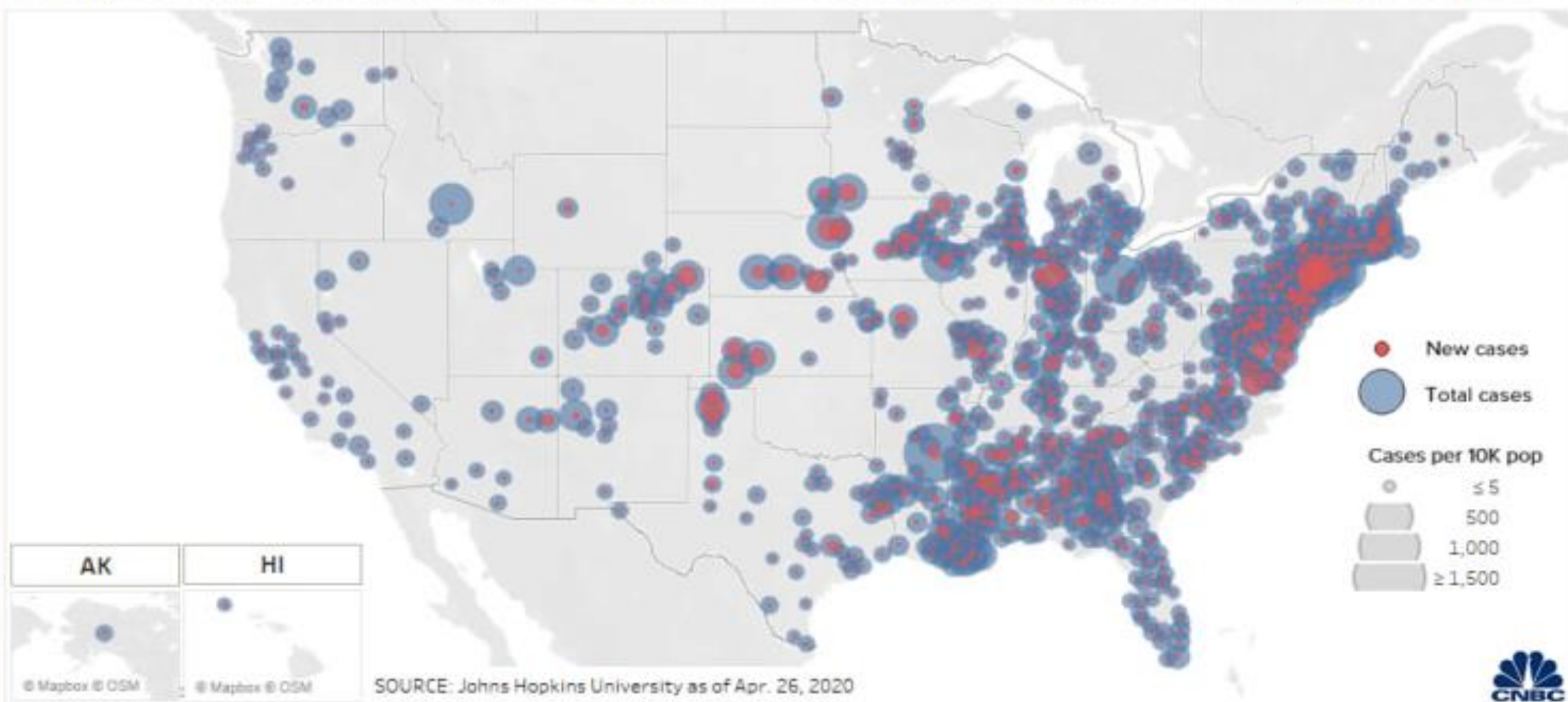
Coronavirus job losses

Here are the total initial jobless claims over the last five weeks, adjusted for the size of each state's labor force. (As of Apr 23, 2020, per 1,000 in state labor force as of Feb, 2020, not seasonally adjusted.)



Coronavirus hot spots

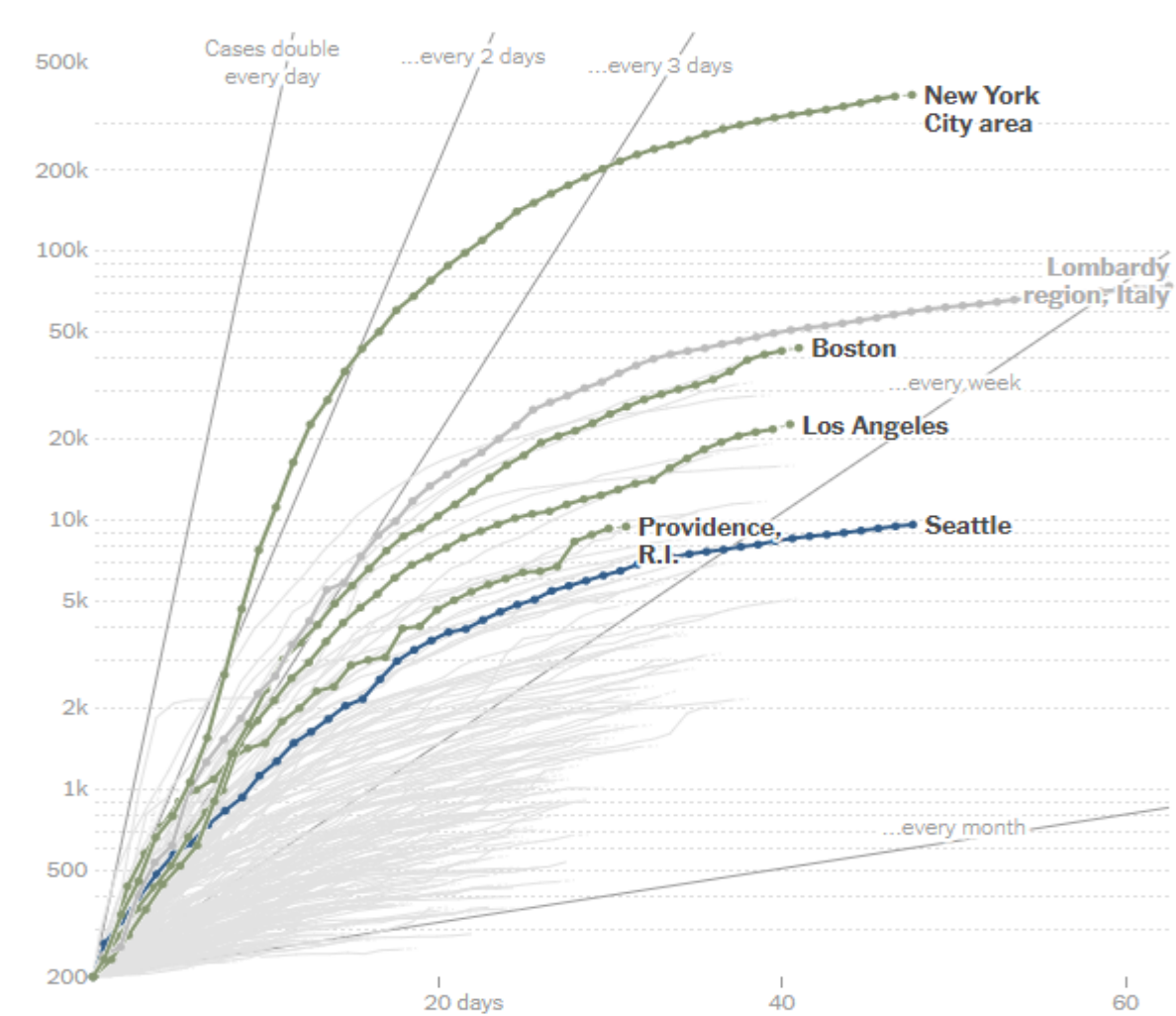
Coronavirus cases, per 10,000 population, in counties with five or more confirmed cases. (Total cases in blue, new cases in red.)



Confirmed cases by metro area

for places with at least 200 cases

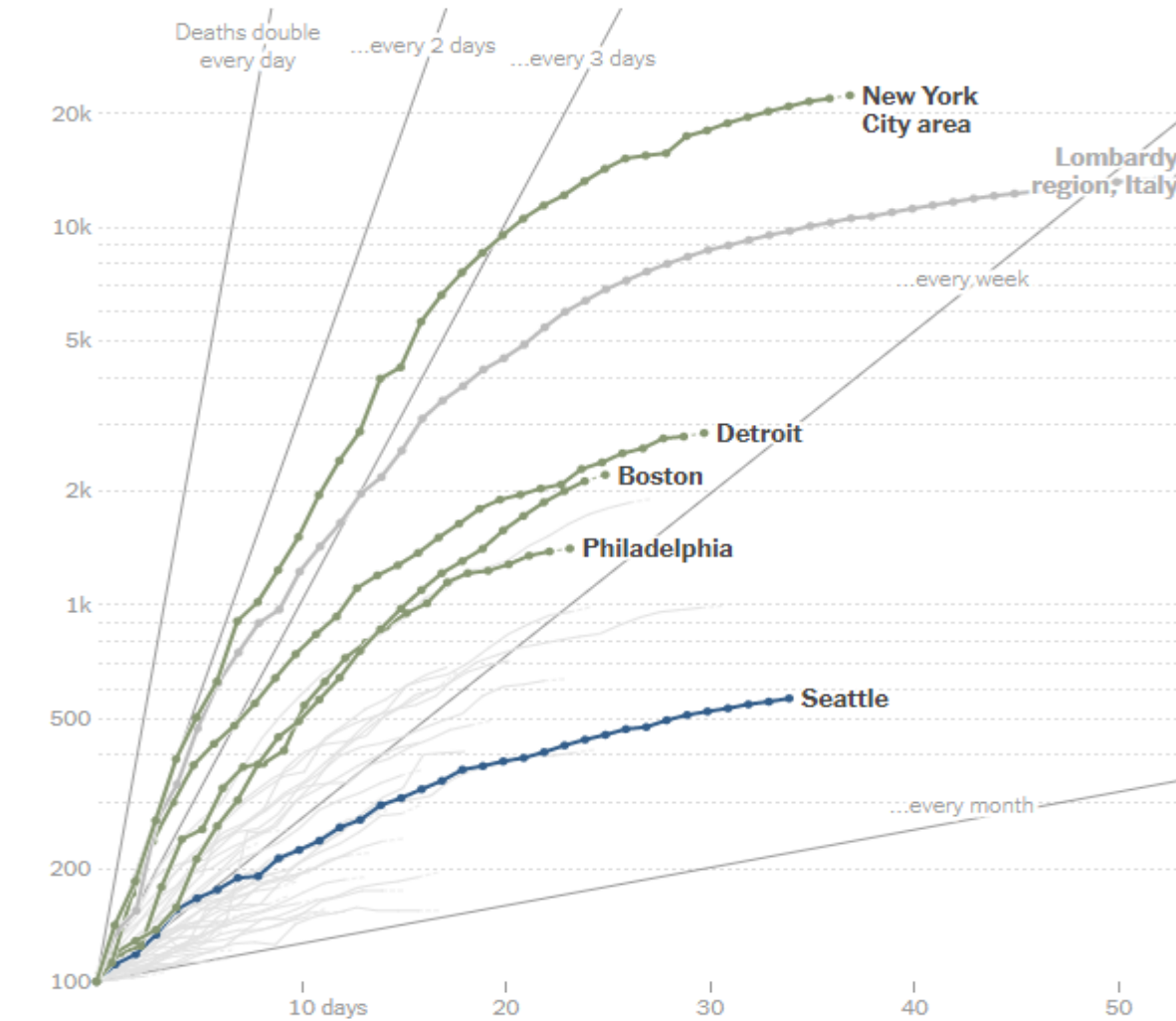
— Reported Partial (today)



Deaths by metro area

for places with at least 100 deaths

Current doubling time, in days
1 2 3 4 7 30

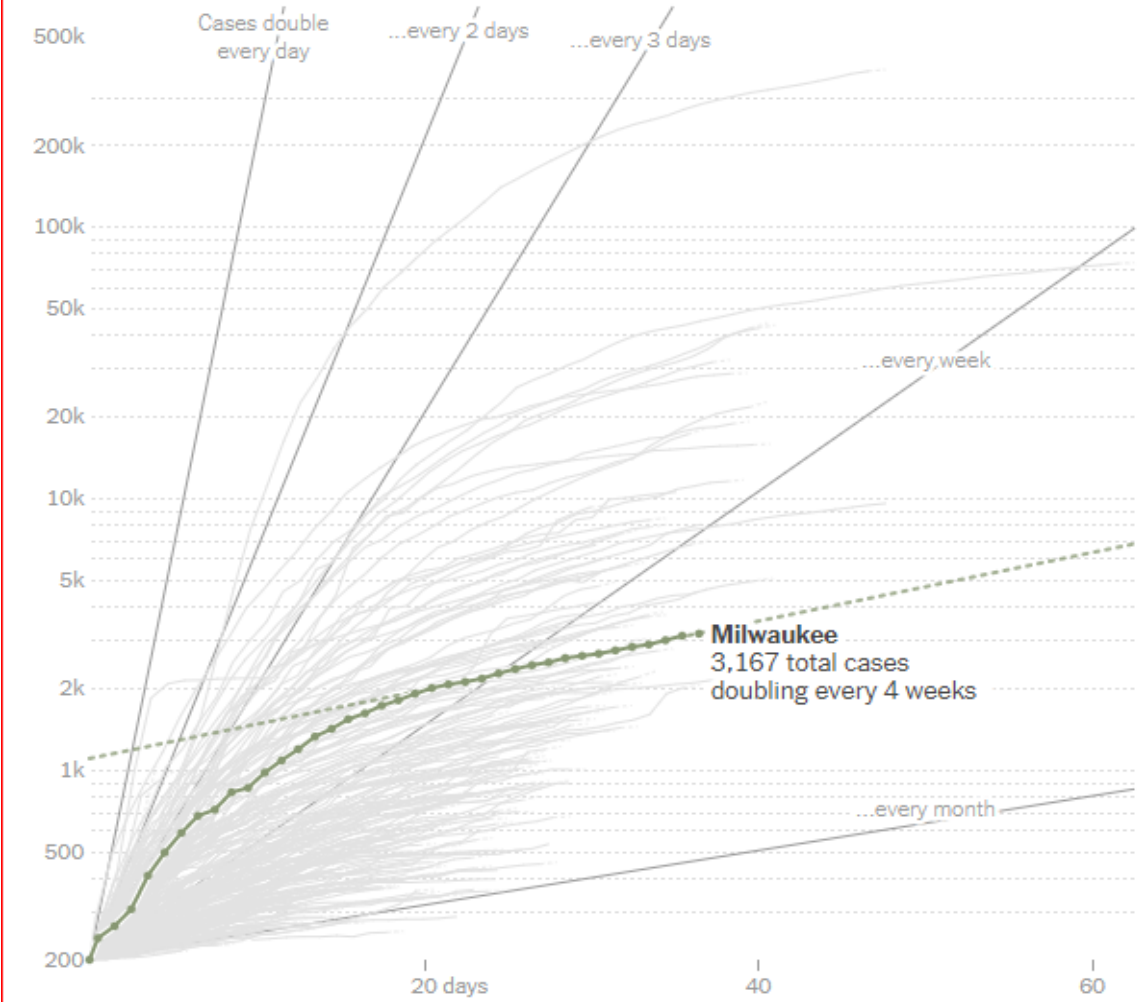


Notes: Cases and deaths are plotted on a log scale. Doubling times are based on growth rates averaged over the previous week. Some data points are interpolated to account for missing values.

Confirmed cases by metro area

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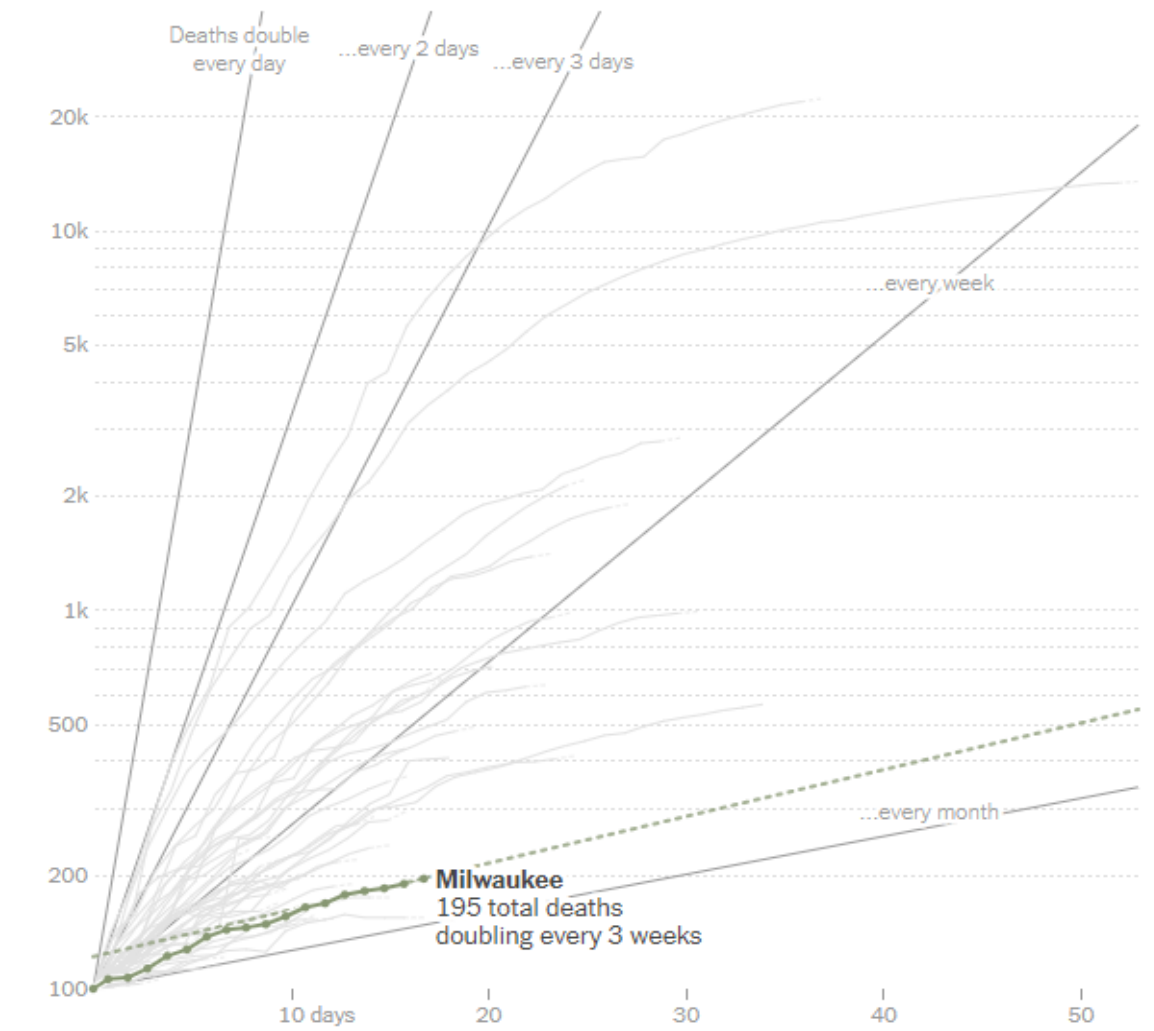
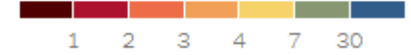
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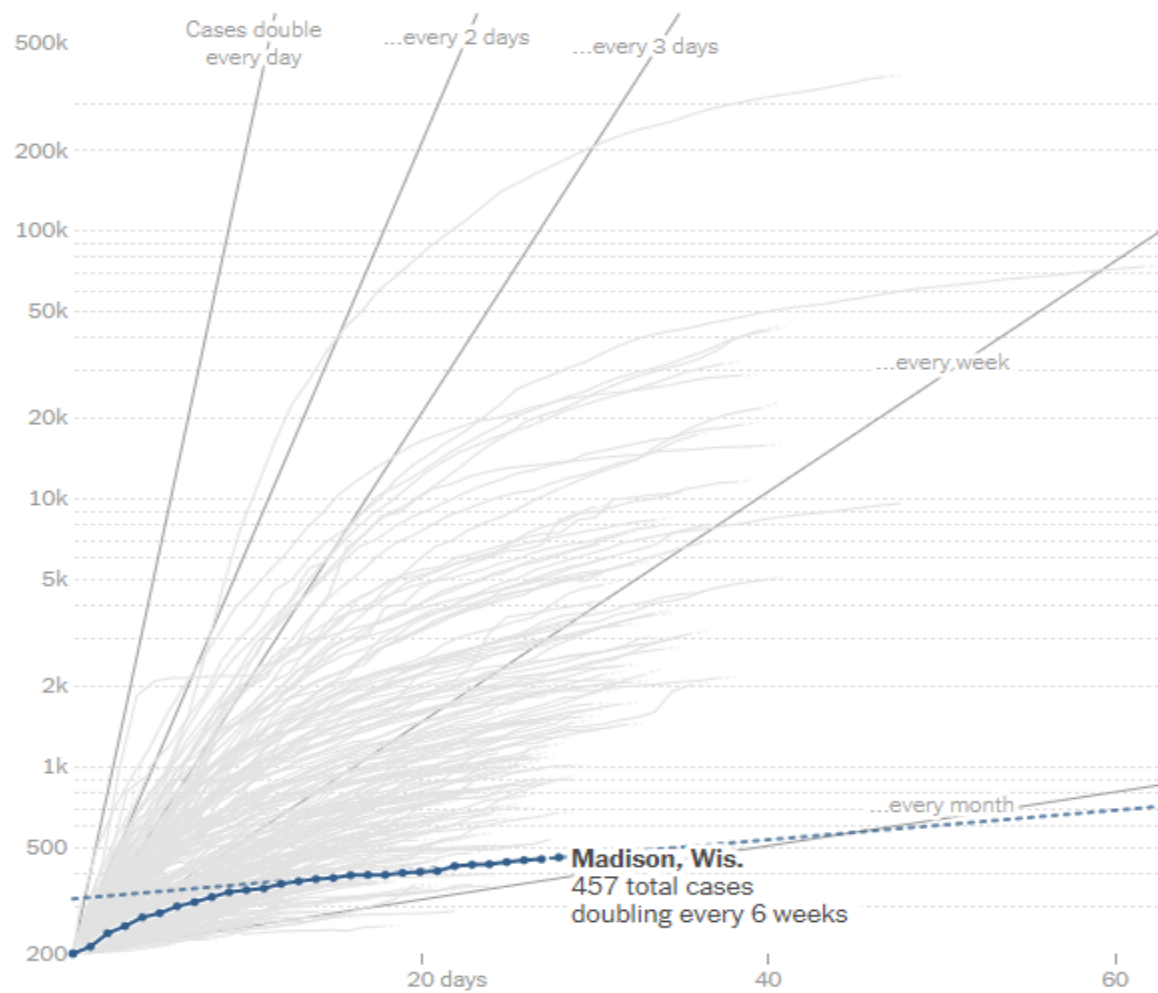


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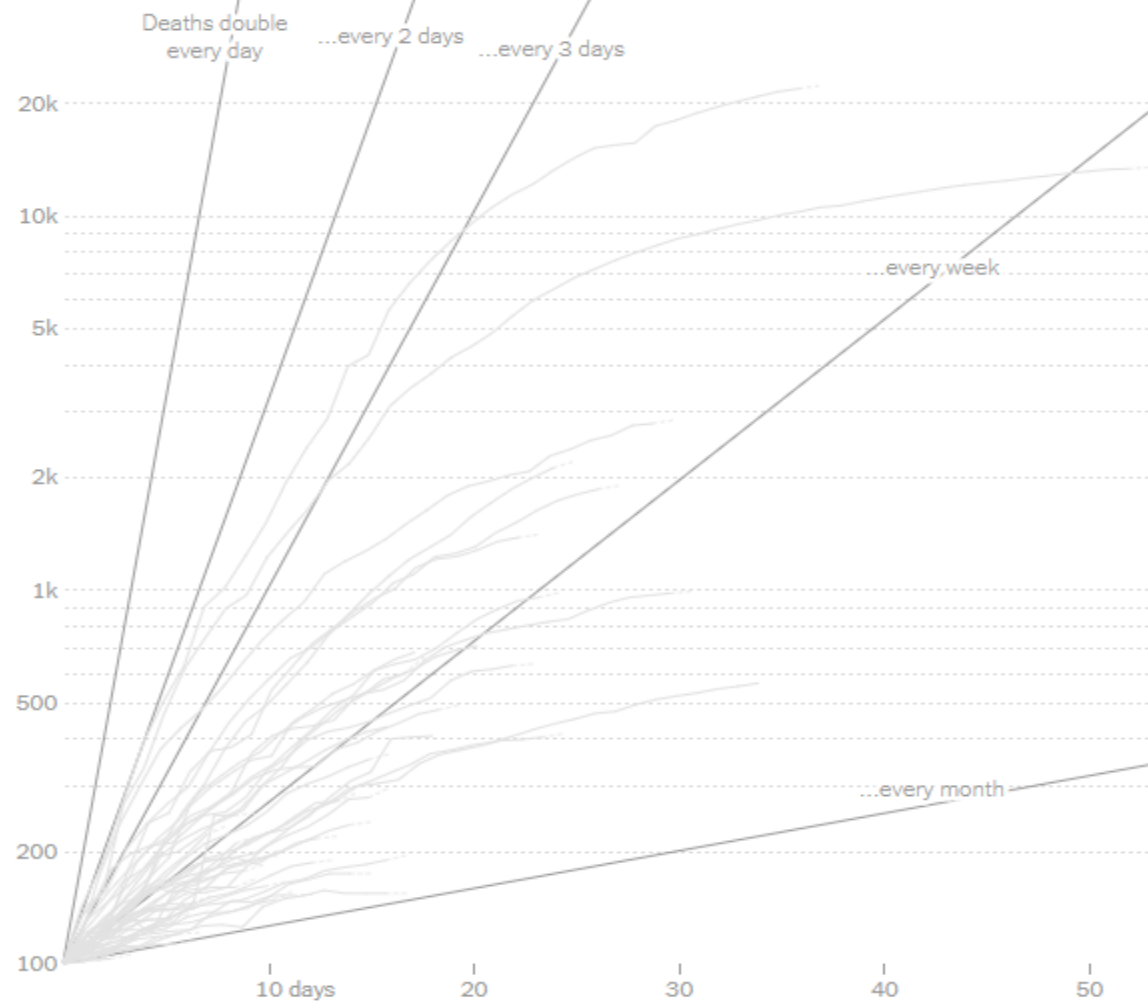
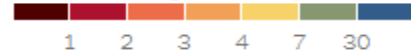
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Deaths by metro area

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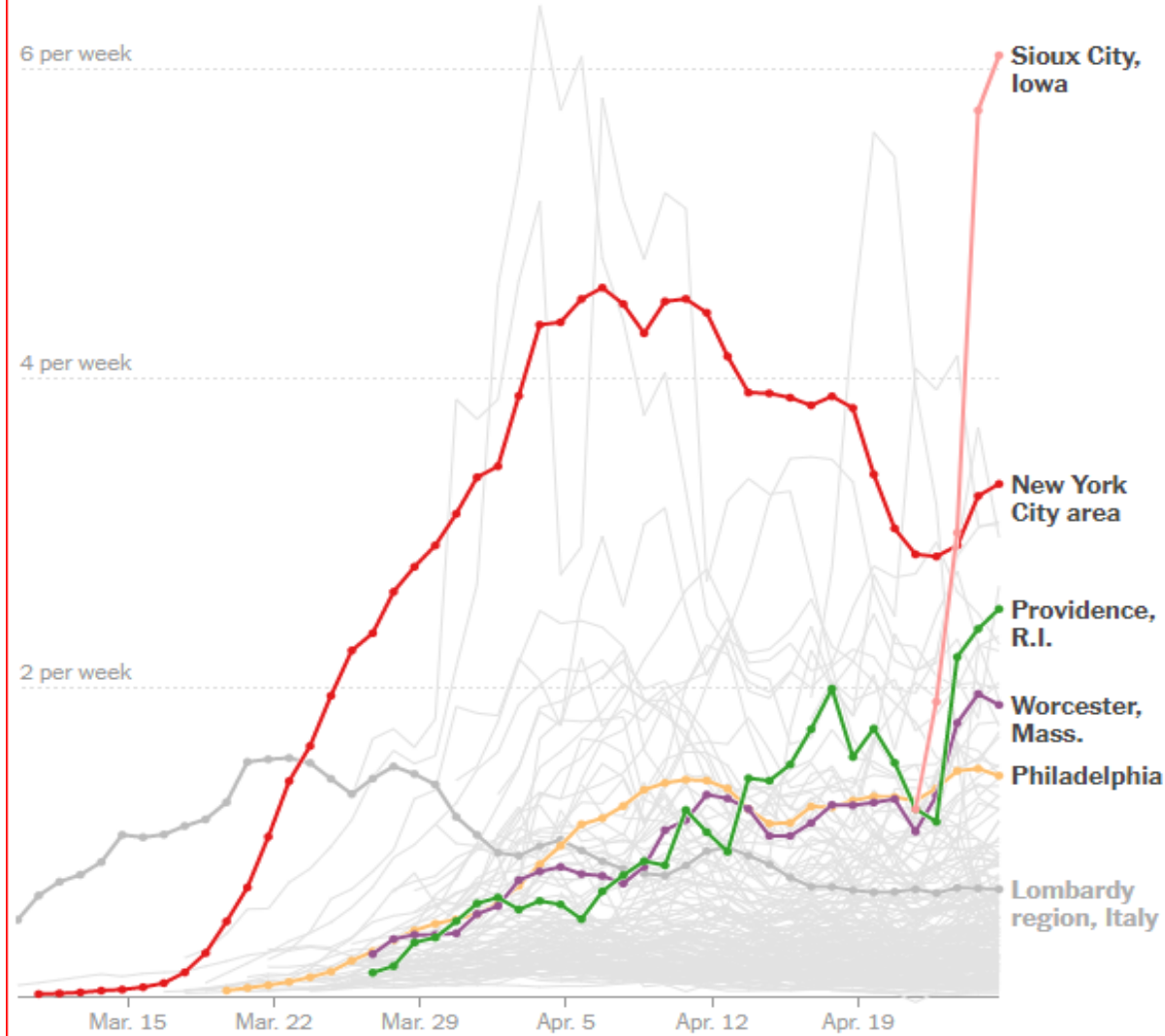
Current doubling time, in days



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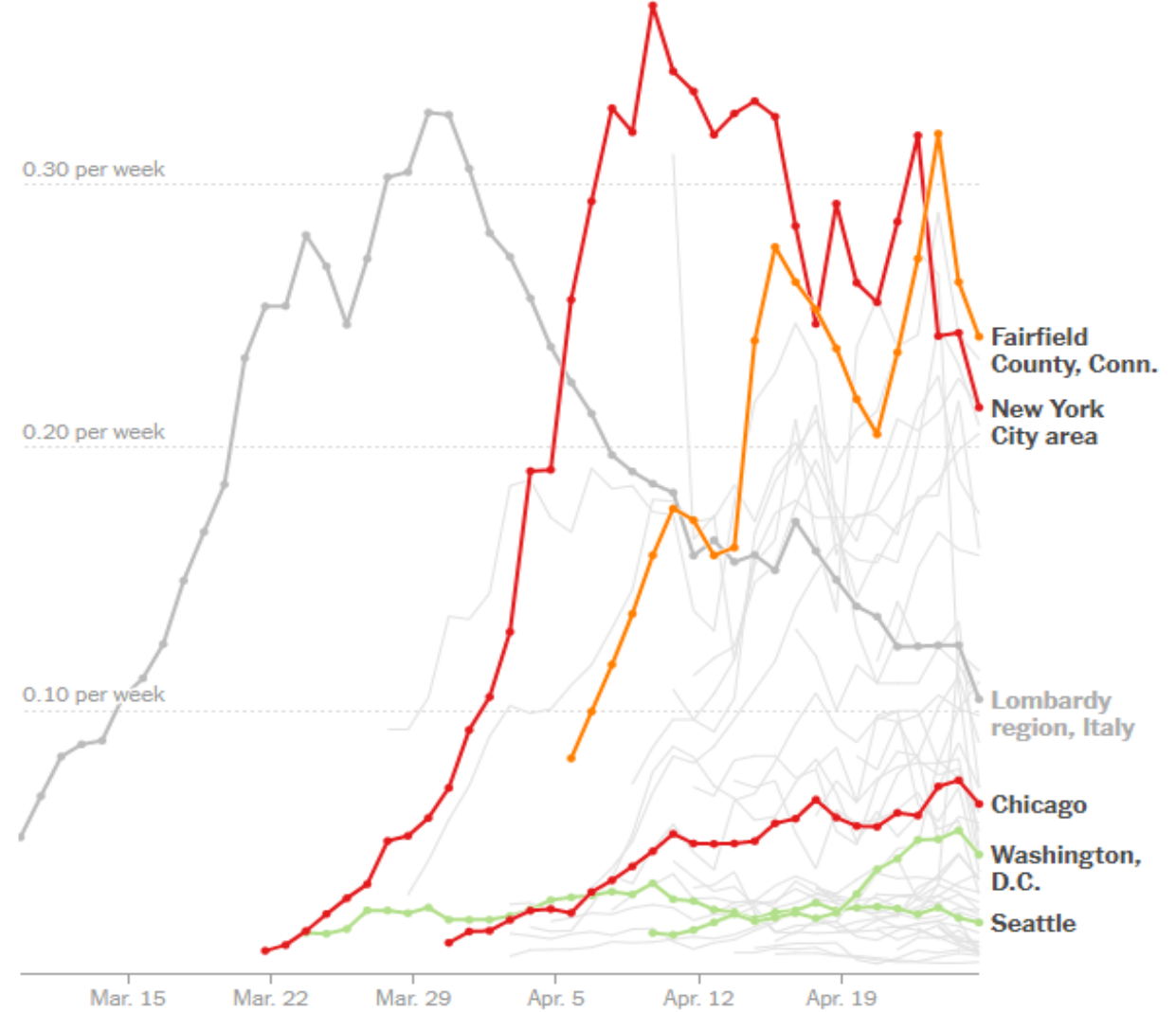
New confirmed cases

per 1,000 residents



New deaths

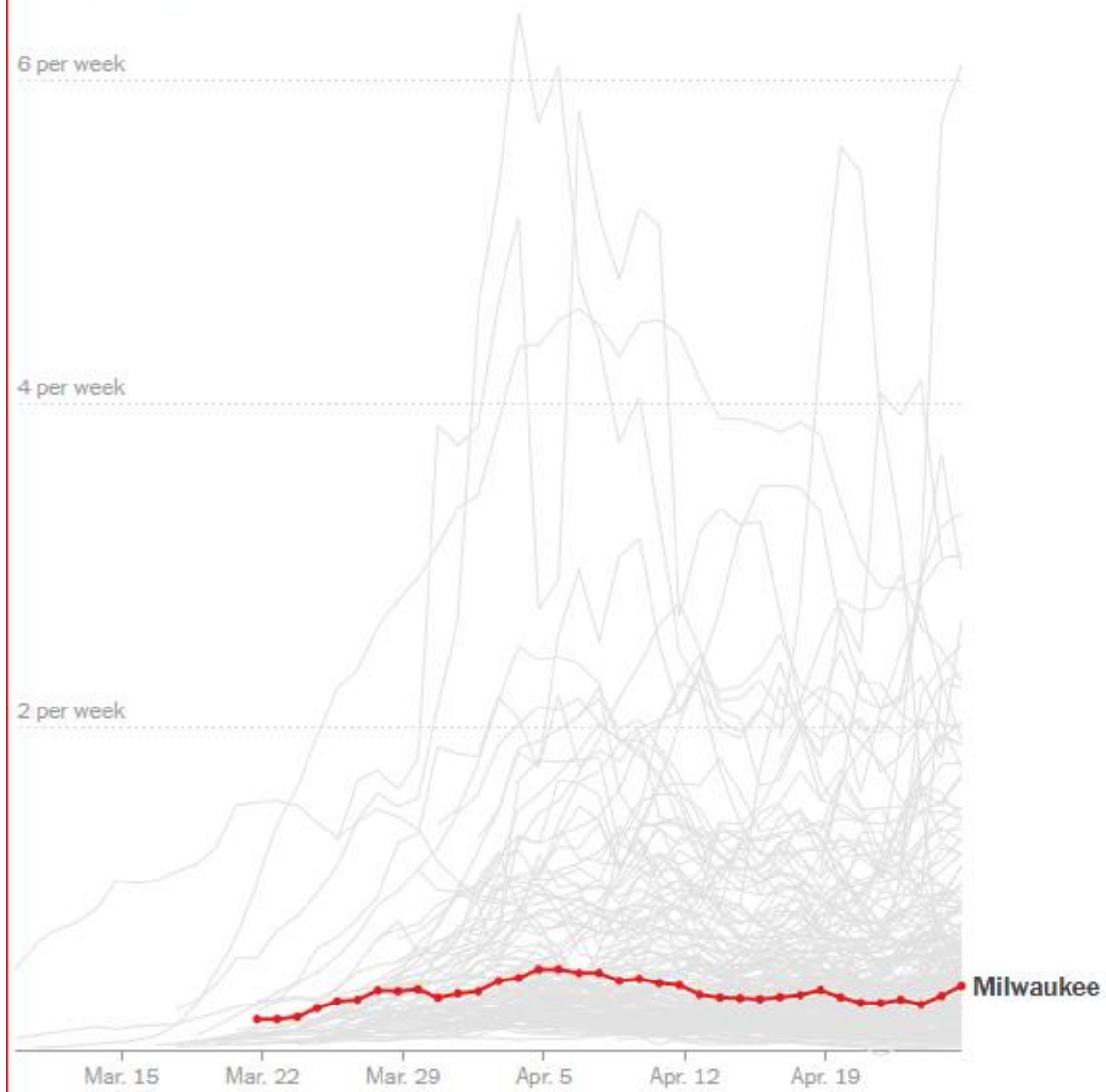
per 1,000 residents



Notes: New cases and deaths are 5-day rolling averages. Limited to areas with at least 100,000 residents.

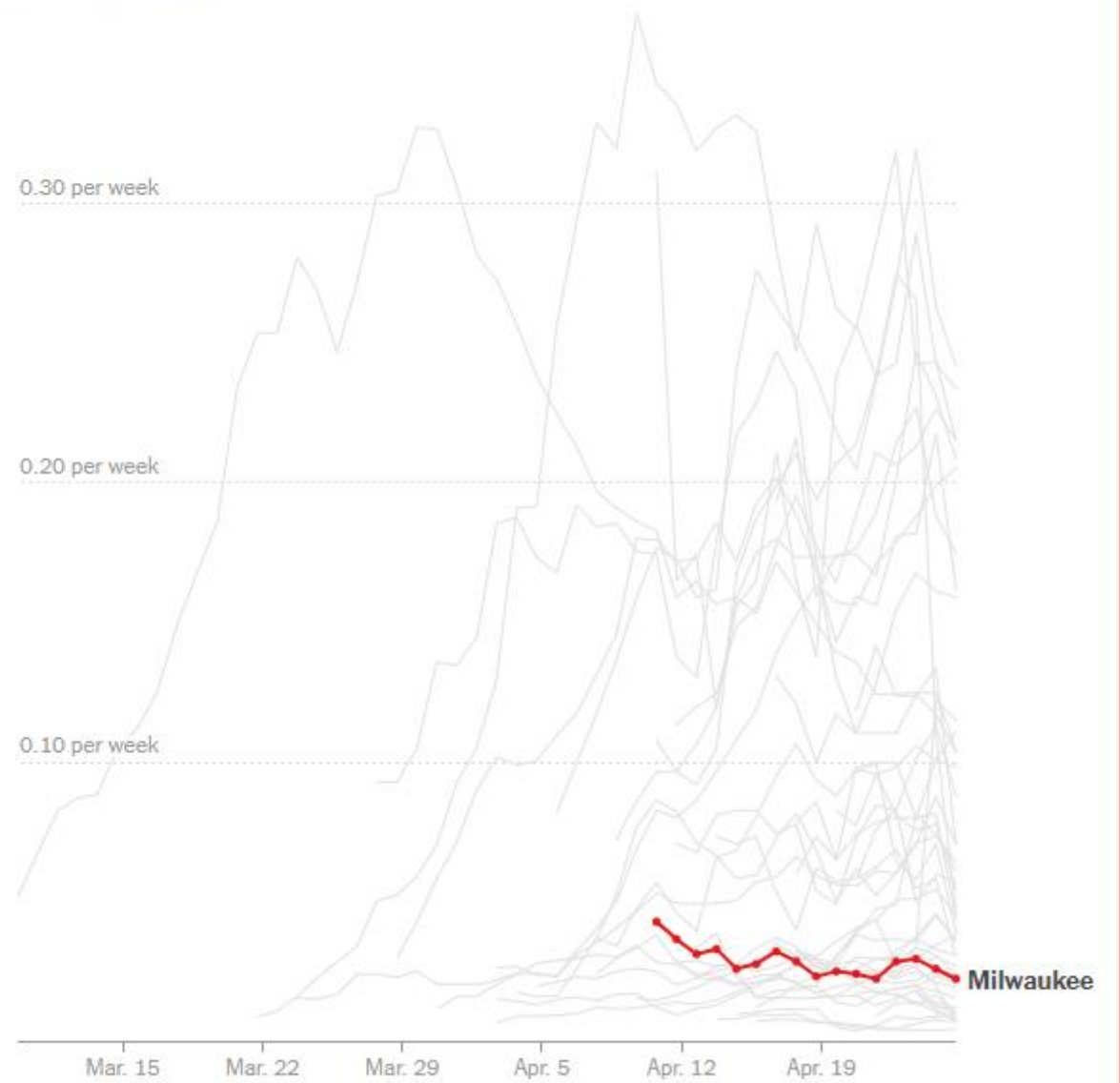
New confirmed cases

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New deaths

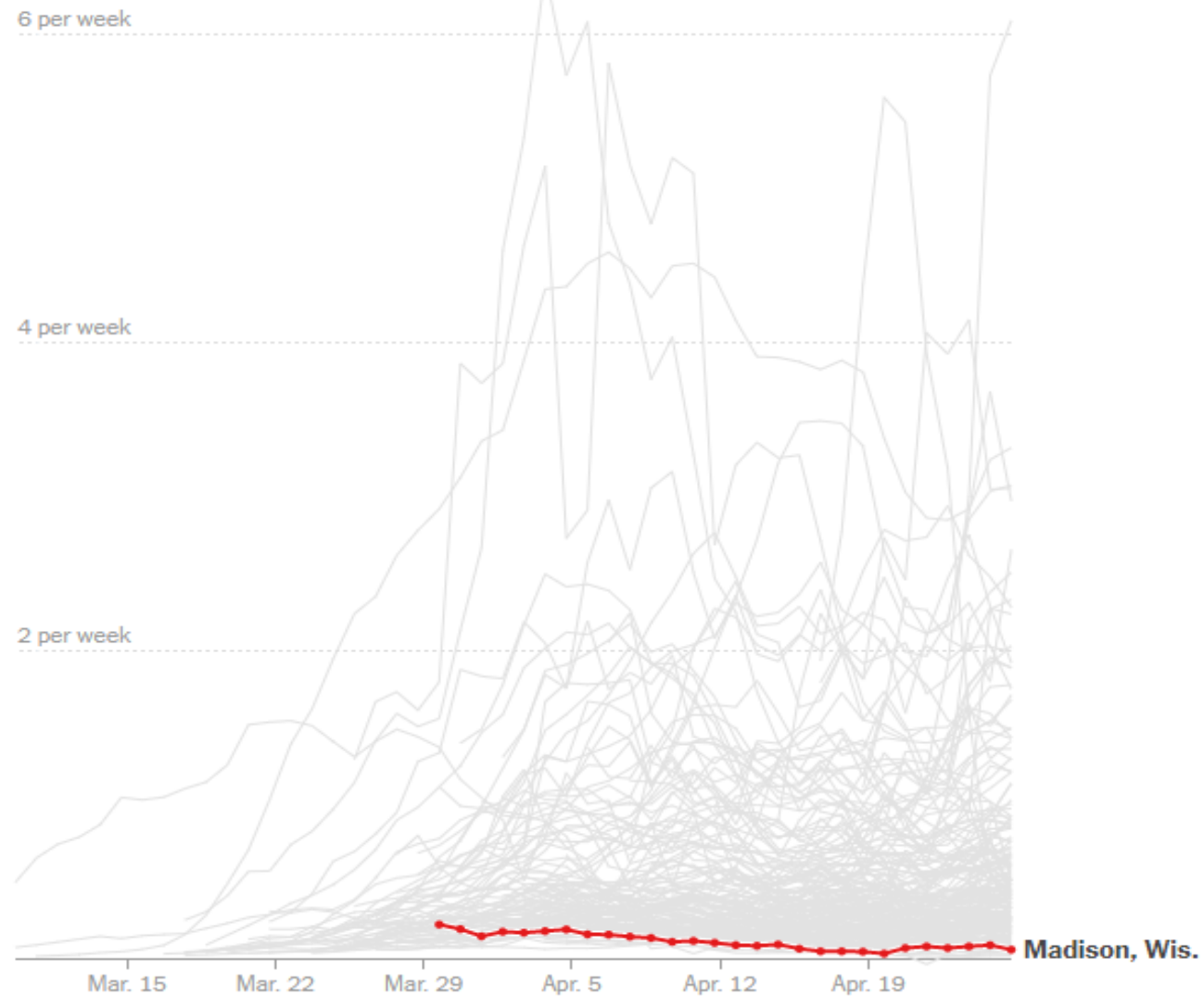
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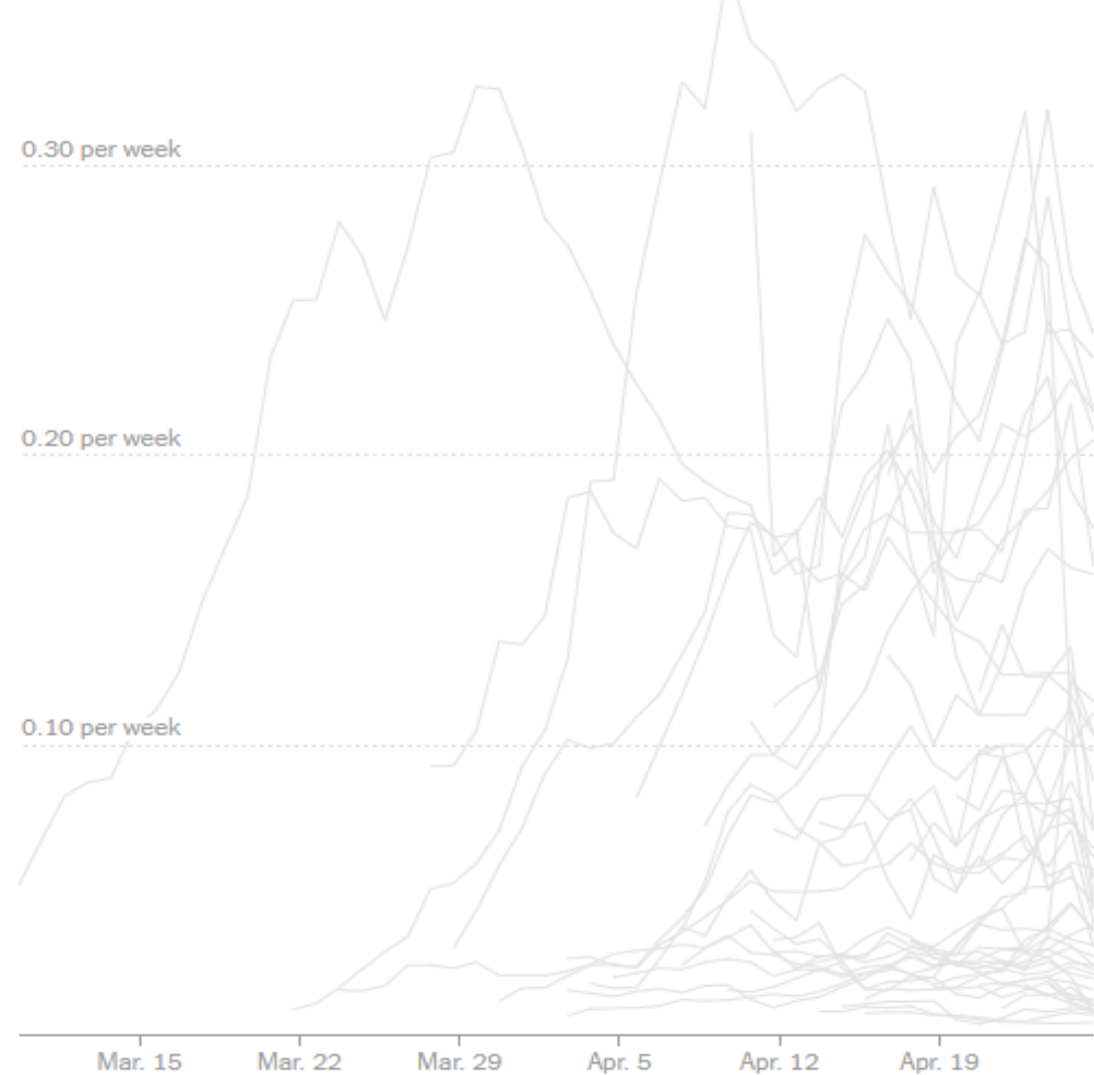
New confirmed cases

per 1,000 residents



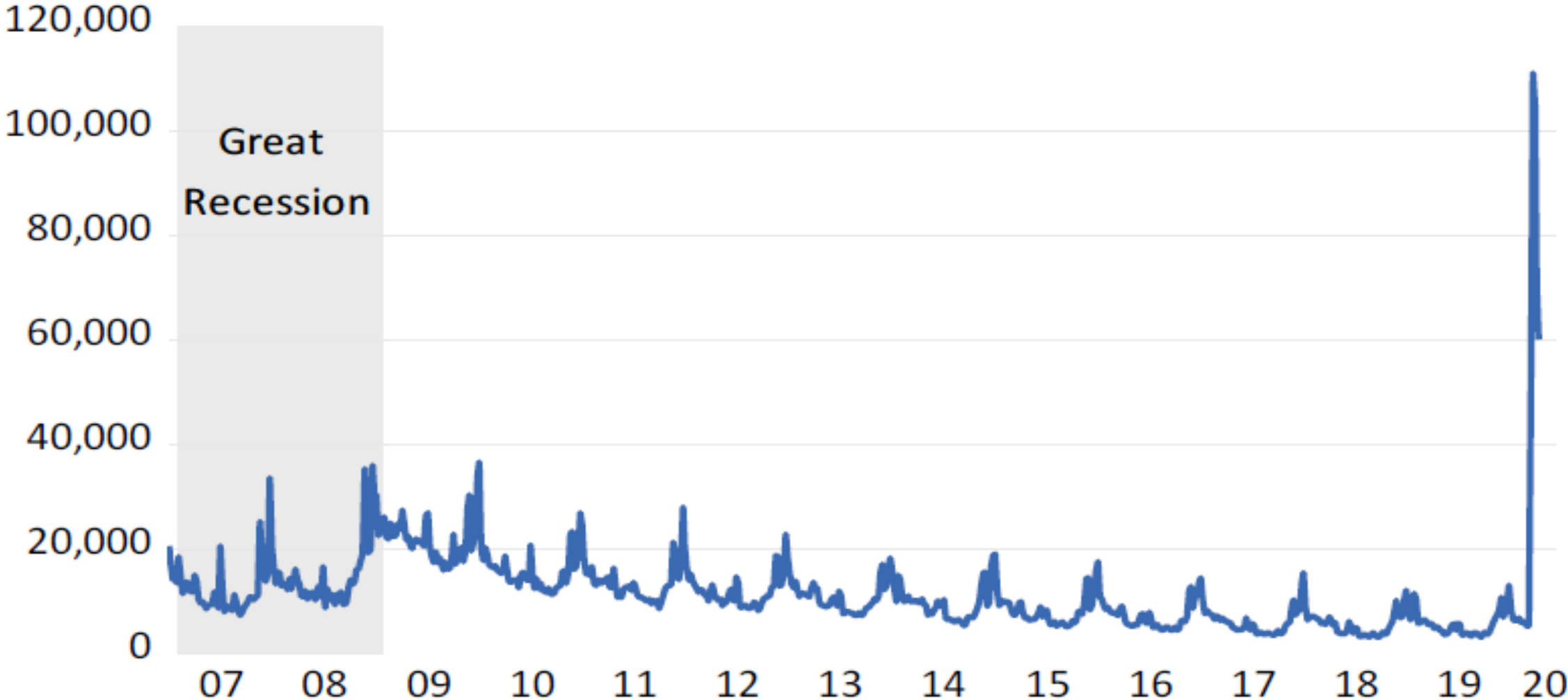
New deaths

per 1,000 residents

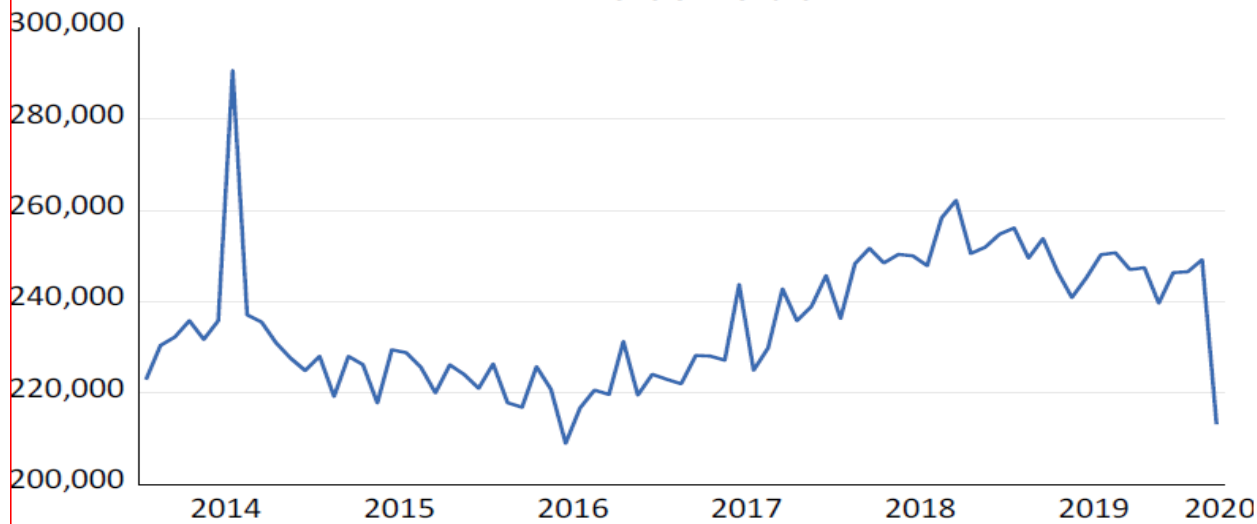


Notes: New cases and deaths are 5-day rolling averages. Limited to areas with at least 100,000 residents.

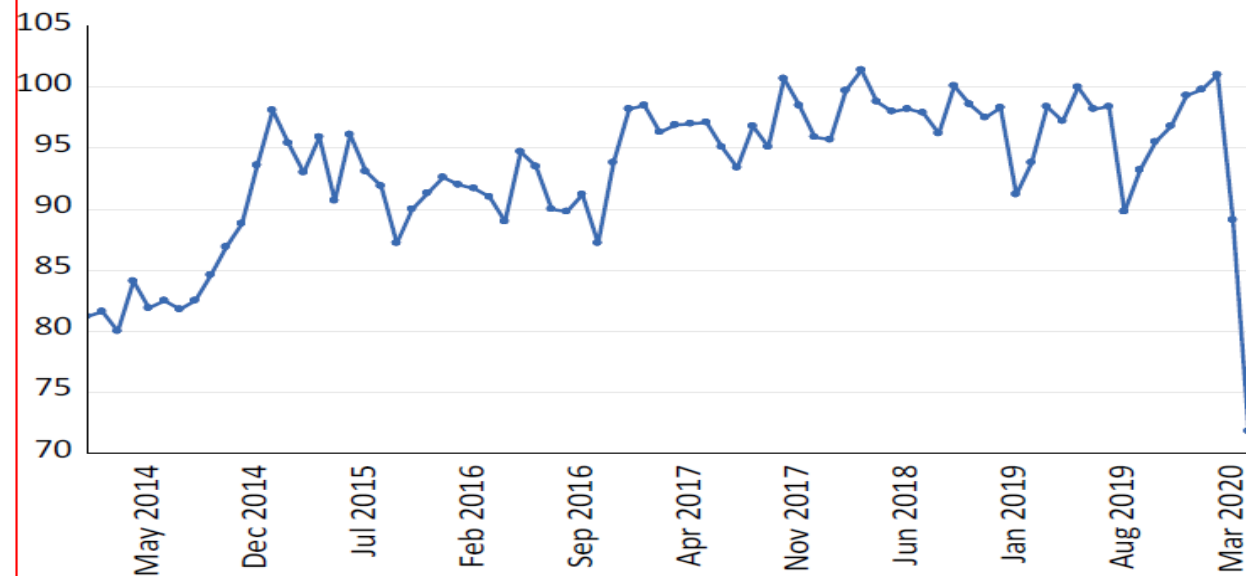
Initial Claims for Unemployment Insurance in Wisconsin



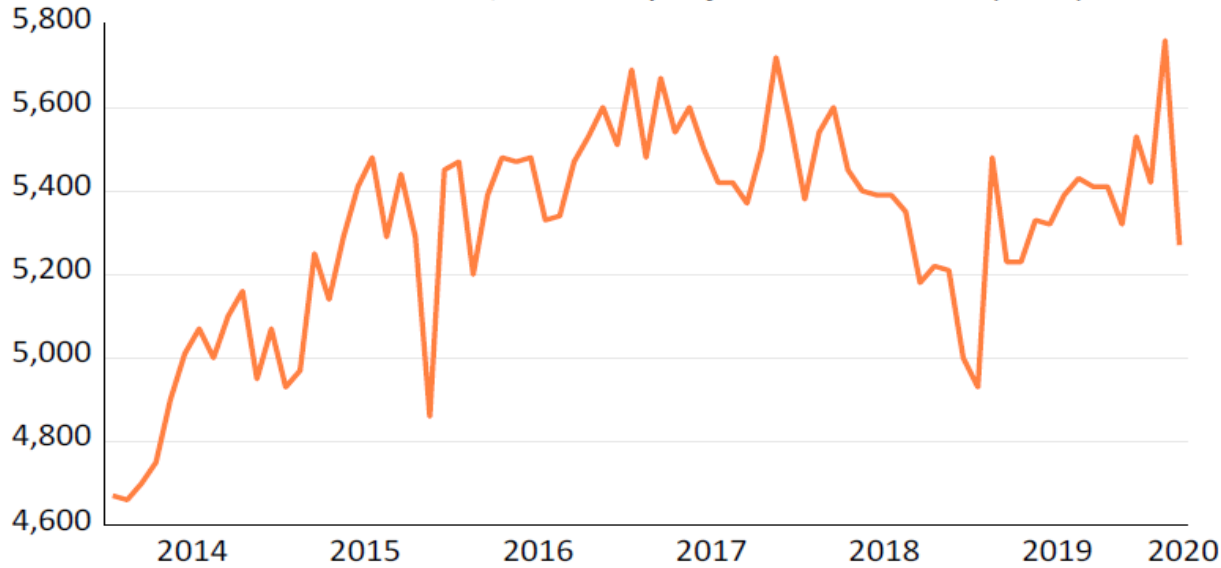
Manufacturers' New Orders: Durable Goods
Billions of Dollars



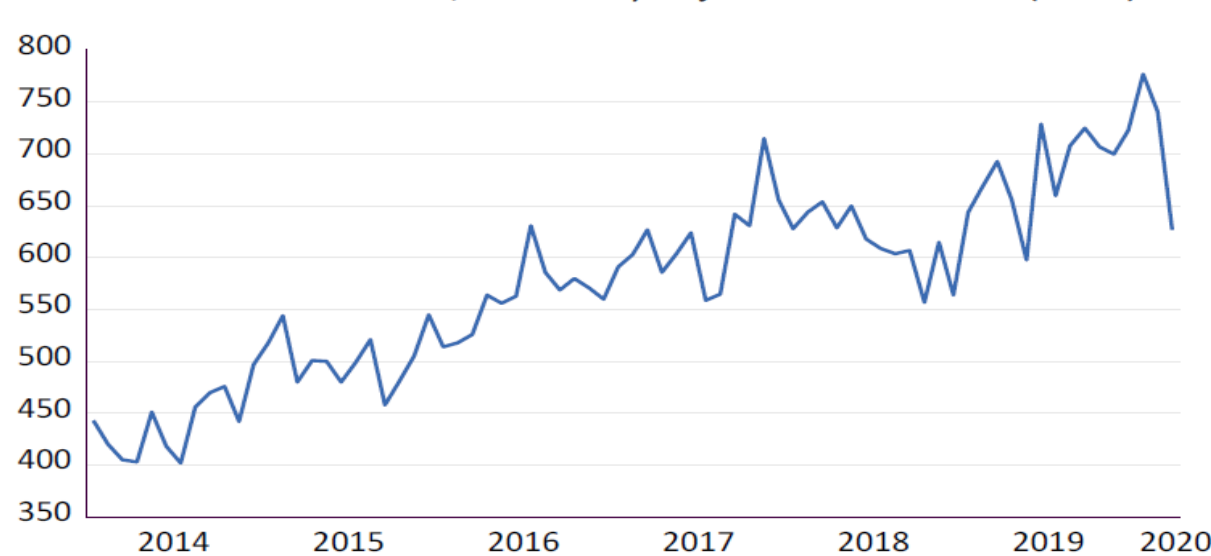
Consumer Sentiment - Michigan Survey

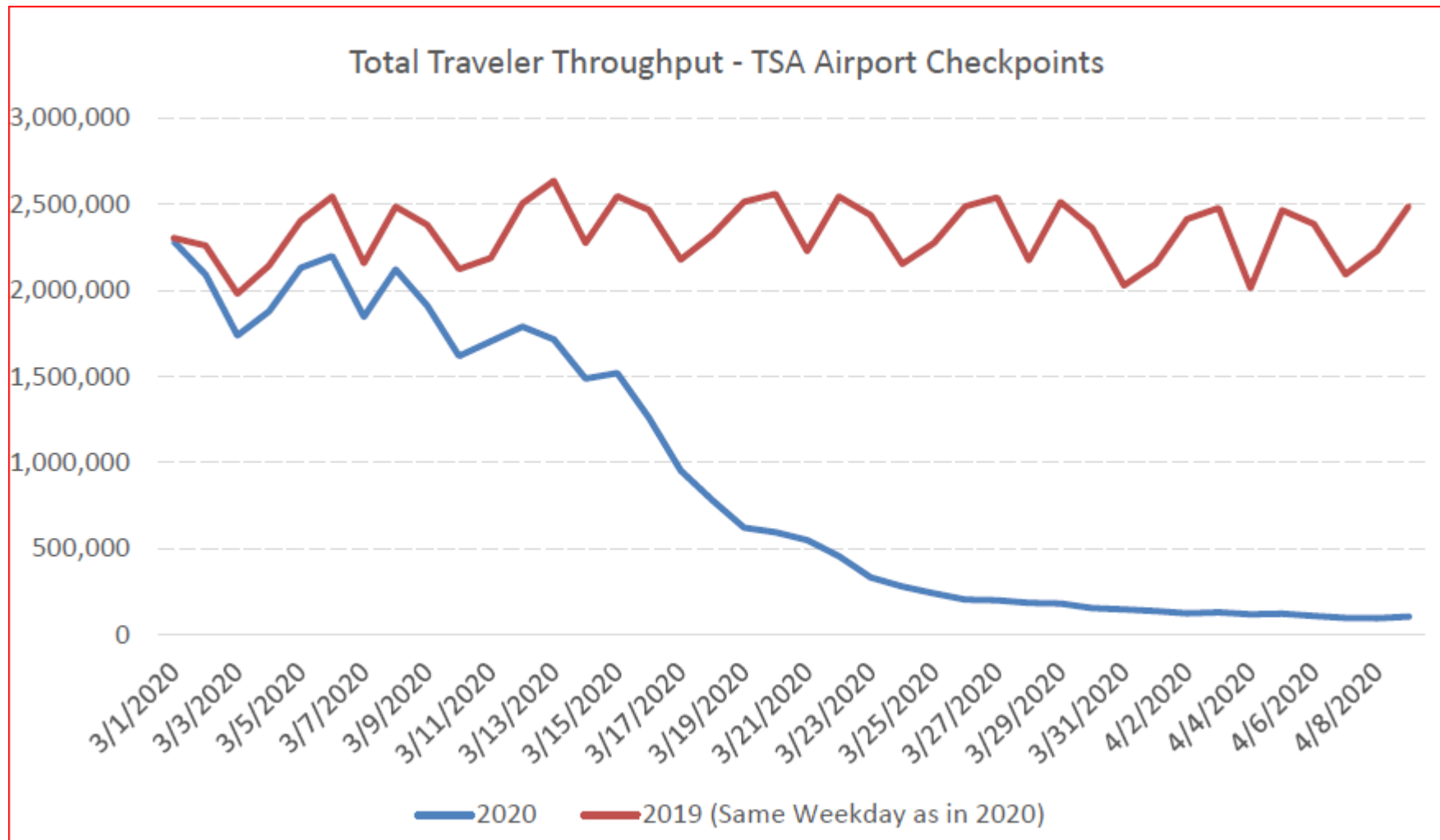


Existing Home Sales
Thousands of units, Seasonally Adjusted Annual Rate (SAAR)



New Home Sales
Thousands of Units, Seasonally Adjusted Annual Rate (SAAR)





Dane County Regional Airport – typical day – 2,000 passengers; recent – 60 passengers

Lodging Revenue Projections

Top 24 Markets

Best Case: Total Forecasted Revenues

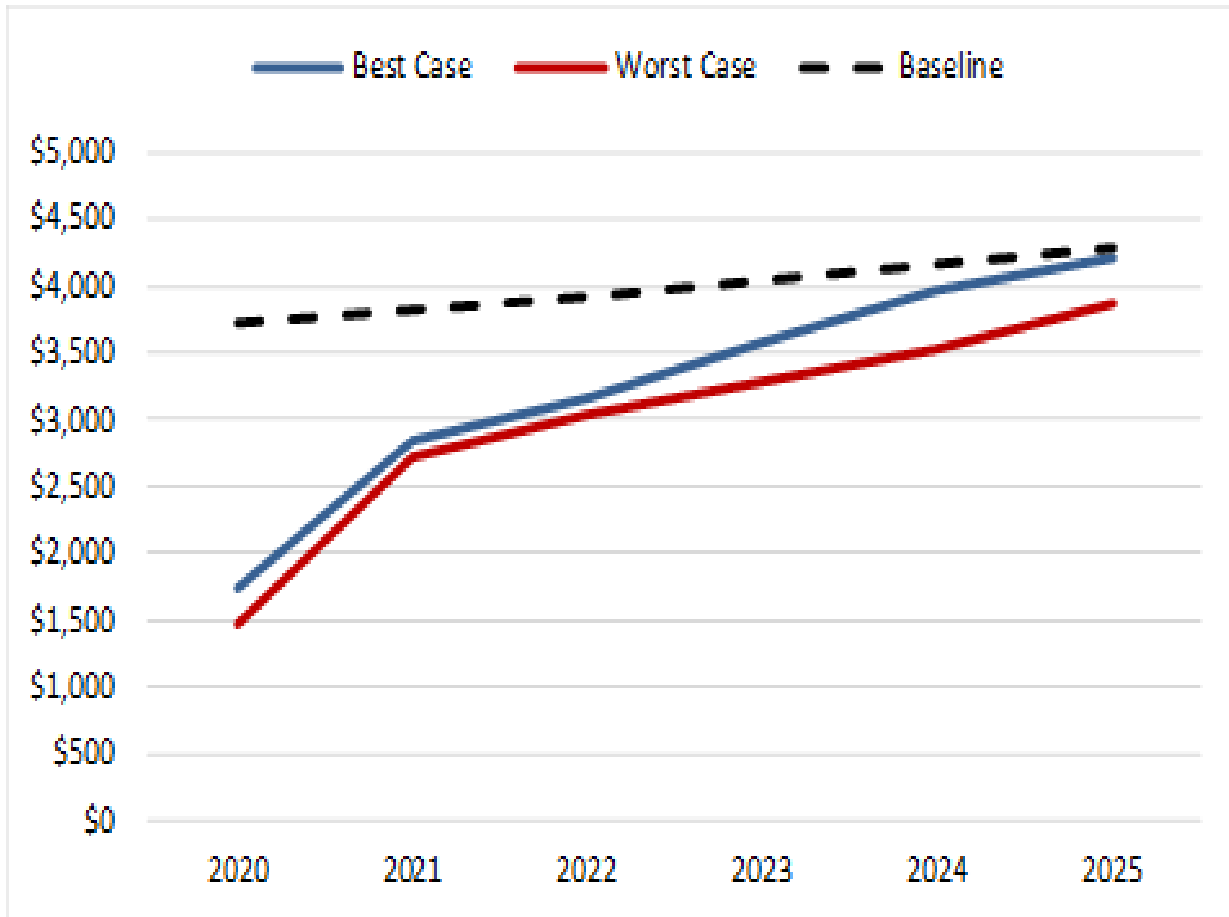
	Base Year	Best Case - Revenue Change (millions)					
	2019	2020	2021	2022	2023	2024	2025
Best Case Scenario	\$3,656	\$1,742	\$2,834	\$3,165	\$3,579	\$3,974	\$4,214
Baseline	3,656	3,725	3,811	3,925	4,043	4,164	4,289
Decline from Baseline		(\$1,983)	(\$977)	(\$760)	(\$463)	(\$190)	(\$75)
Percent Change (From Prior Year)		-52.35%	62.69%	11.68%	13.08%	11.04%	6.04%

Source: HVS

Worst Case: Total Forecasted Revenues

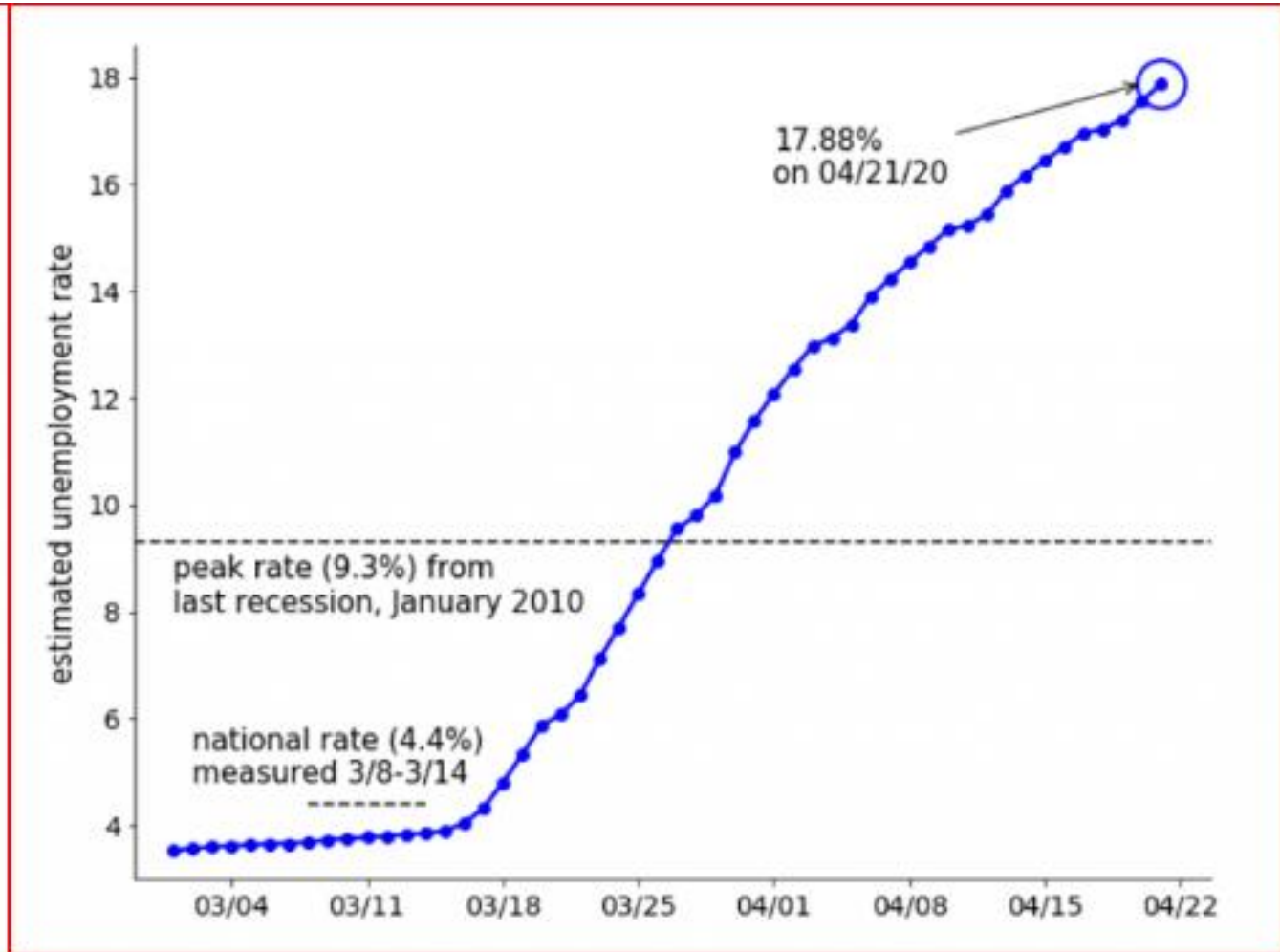
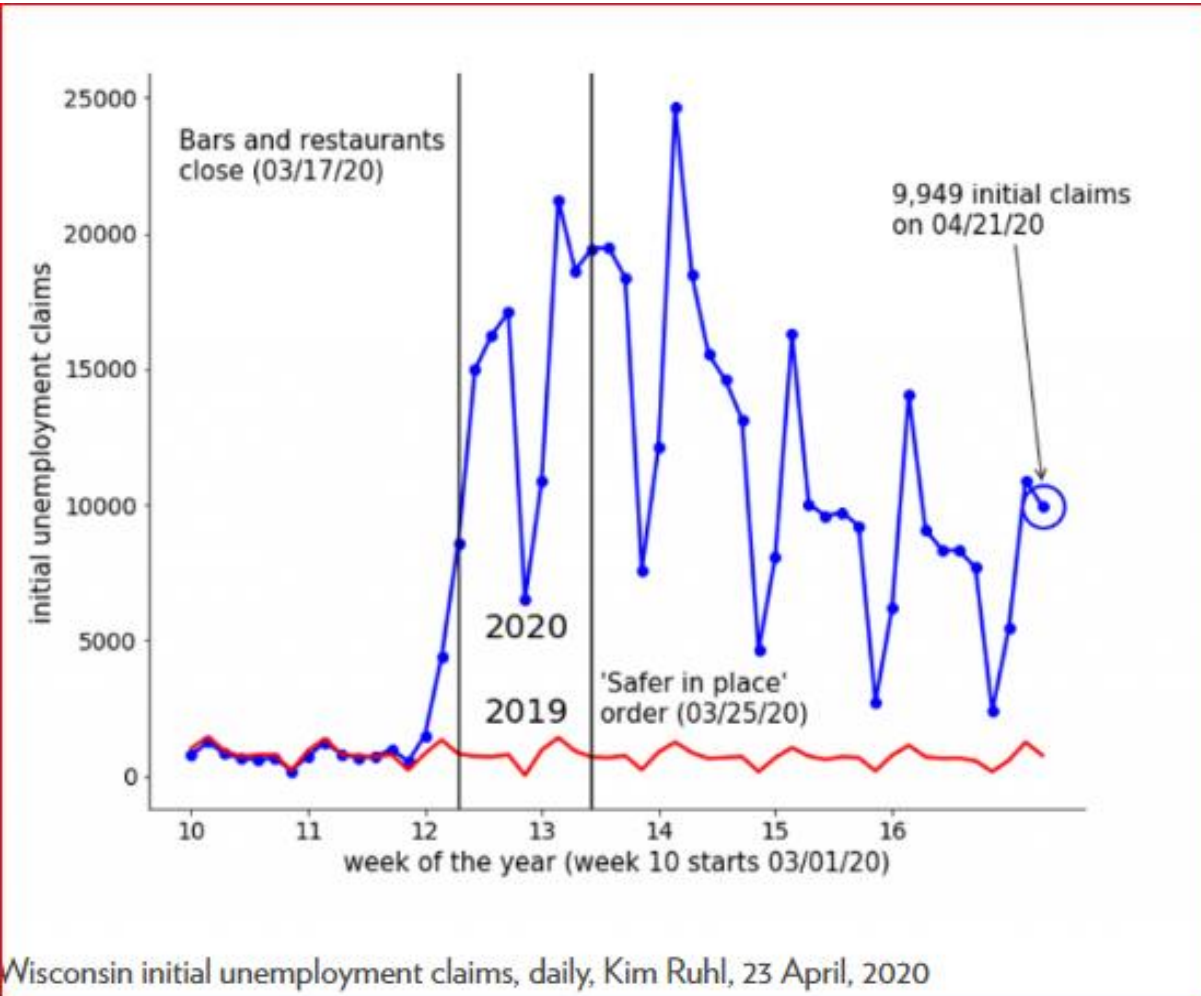
	Base Year	Worst Case - Revenue Change (millions)					
	2019	2020	2021	2022	2023	2024	2025
Worst Case Scenario	\$3,656	\$1,468	\$2,716	\$3,023	\$3,290	\$3,533	\$3,870
Baseline	3,656	3,725	3,811	3,925	4,043	4,164	4,289
Decline from Baseline		(\$2,257)	(\$1,095)	(\$902)	(\$753)	(\$631)	(\$419)
Percent Change (From Prior Year)		-59.85%	85.01%	11.30%	8.83%	7.39%	9.54%

Lodging Tax Revenues Forecast (\$ millions)

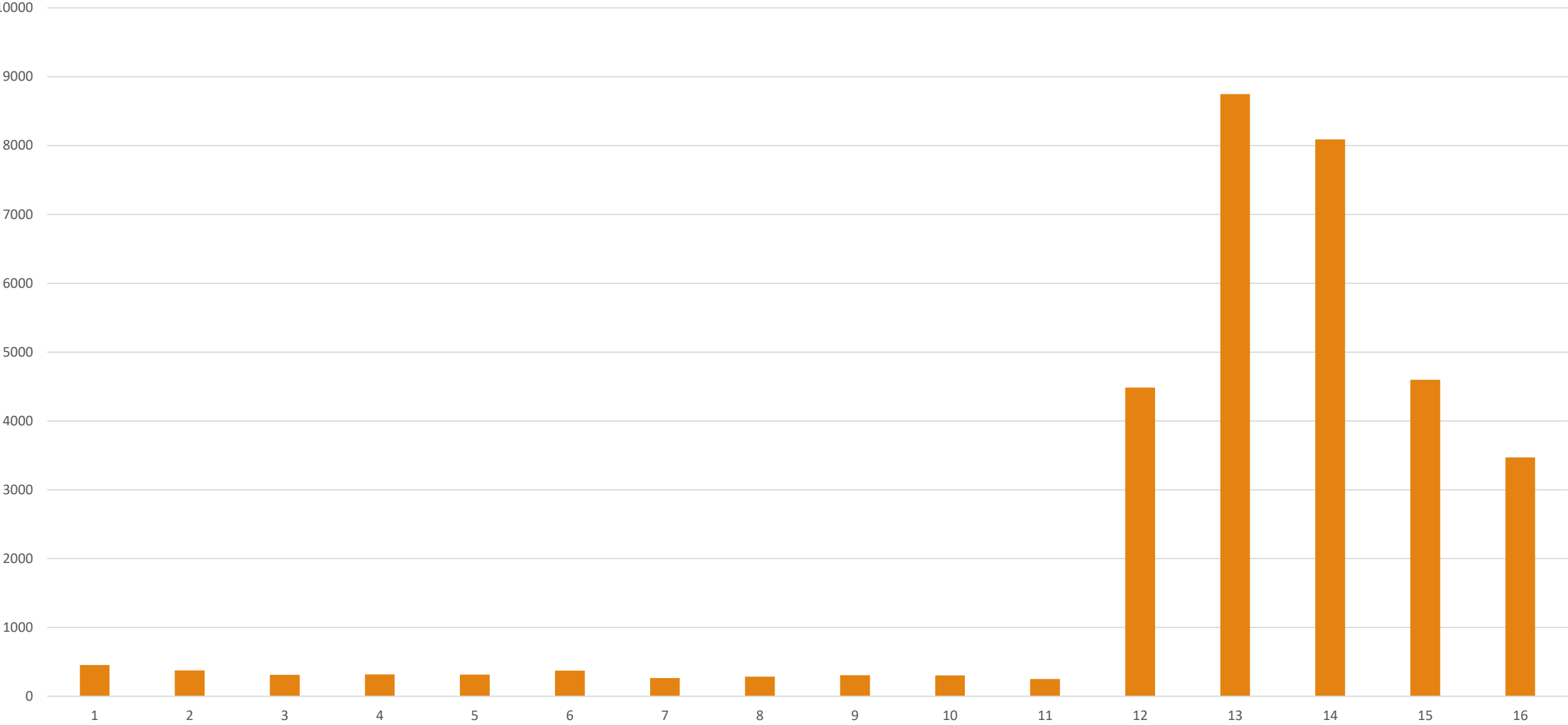


Source: HVS

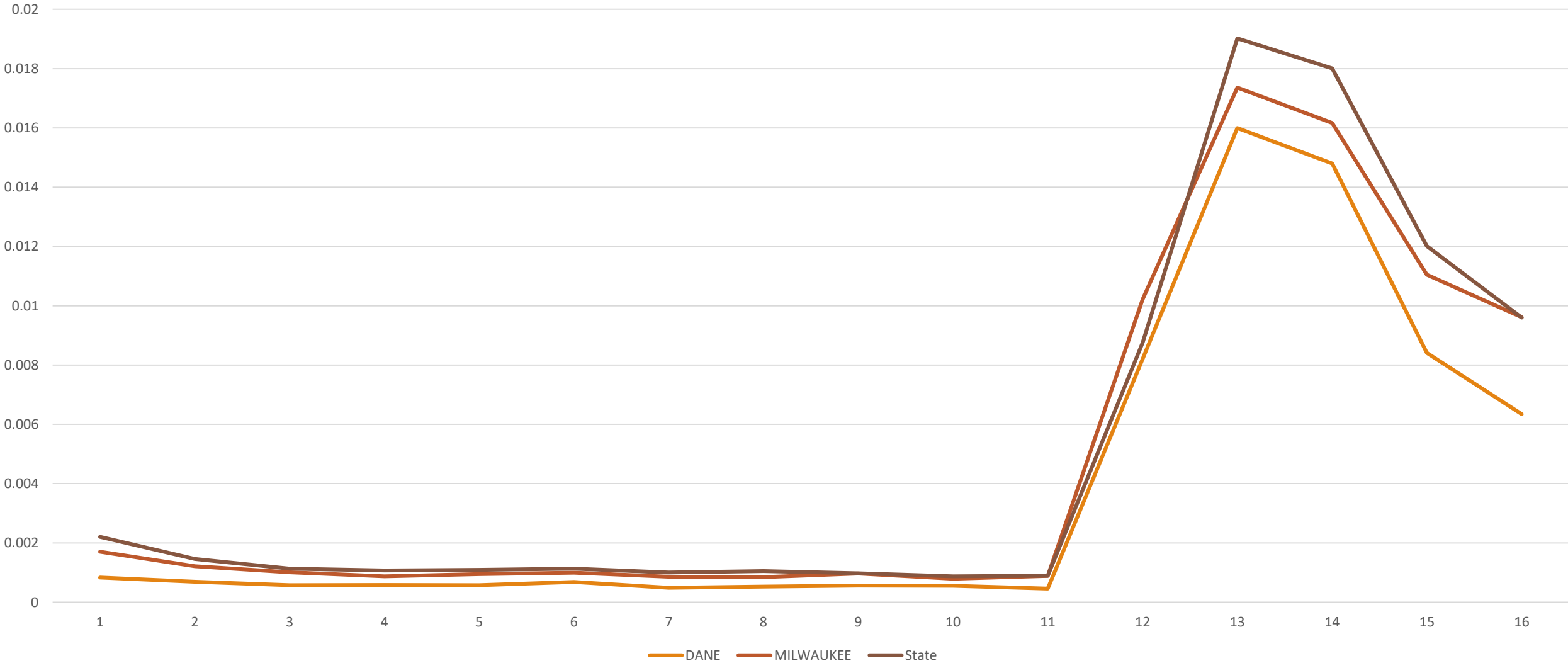
Wisconsin Unemployment rate could exceed 25%



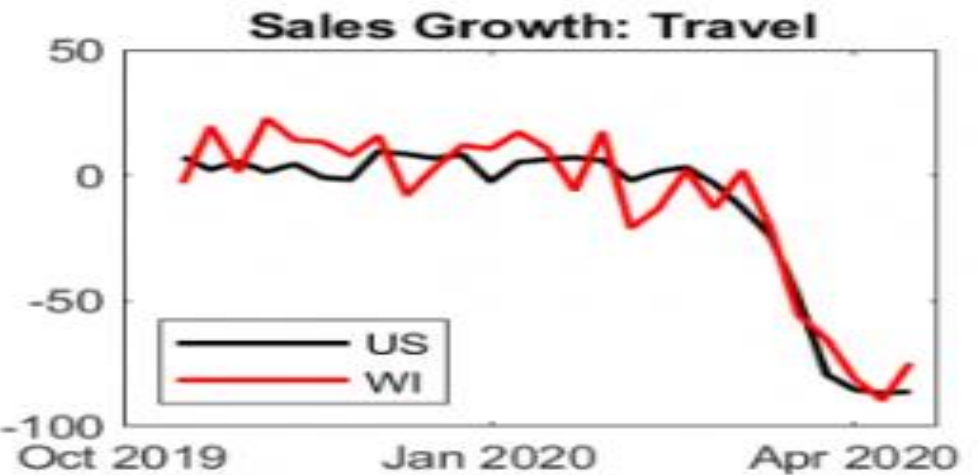
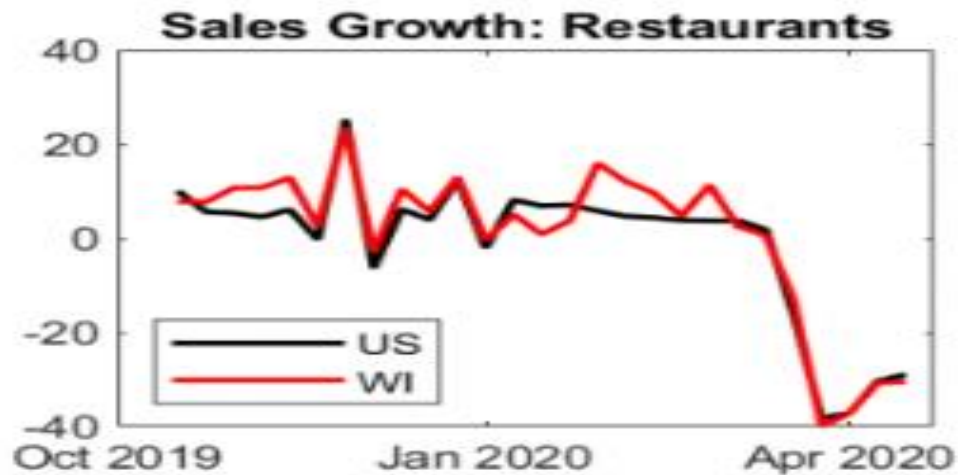
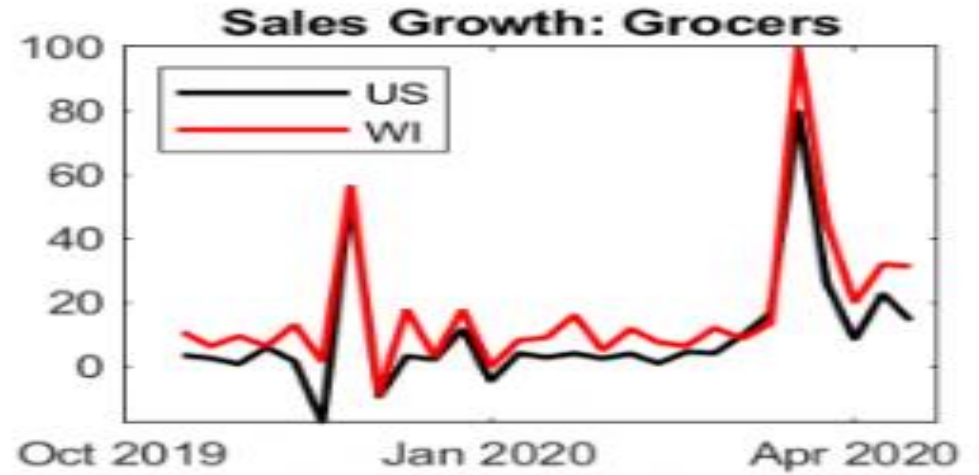
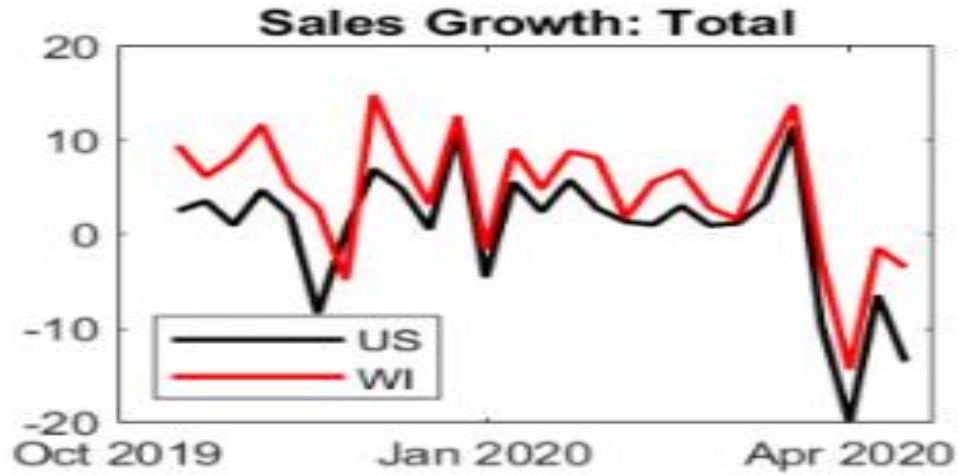
DANE COUNTY -- INITIAL UNEMPLOYMENT CLAIMS

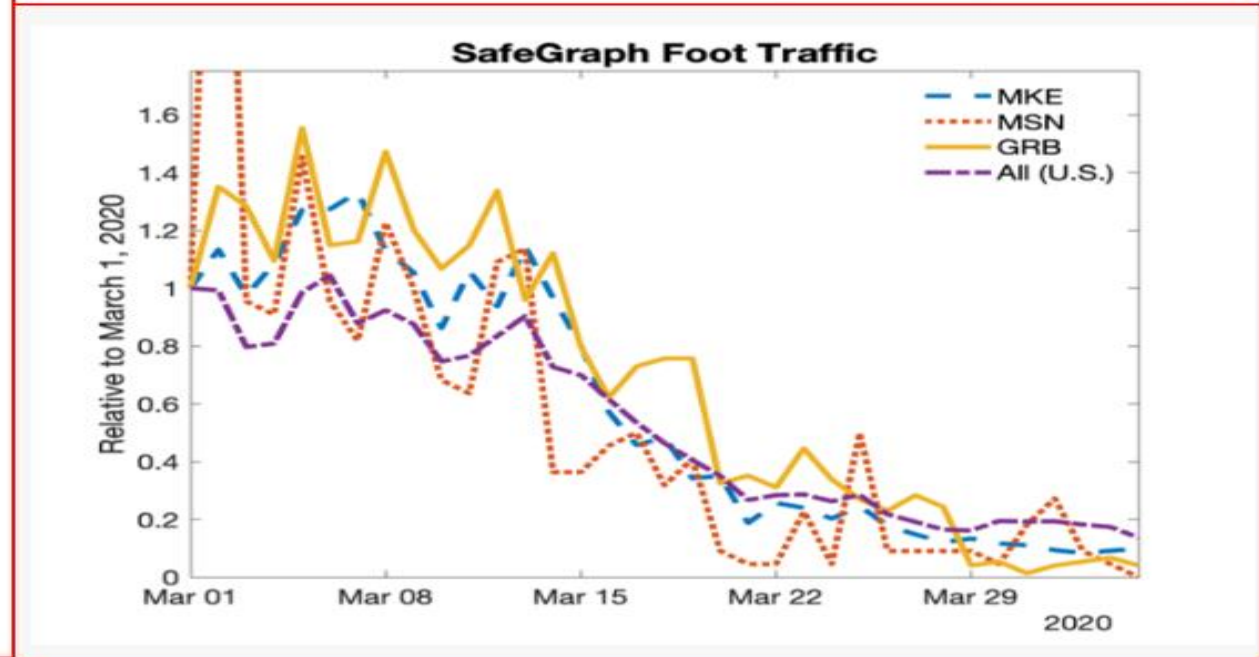
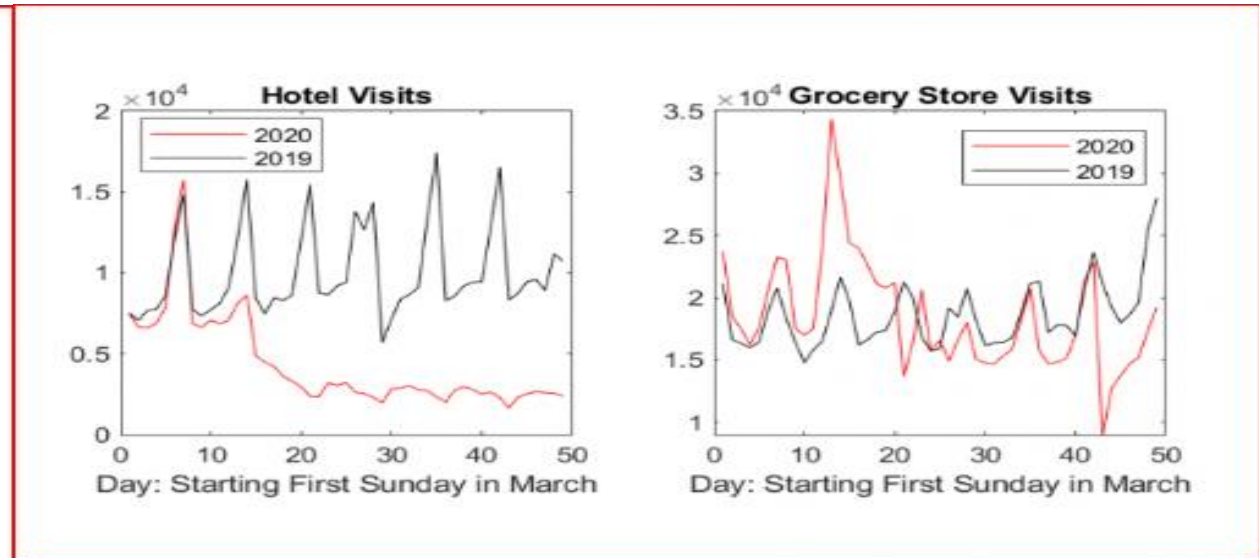
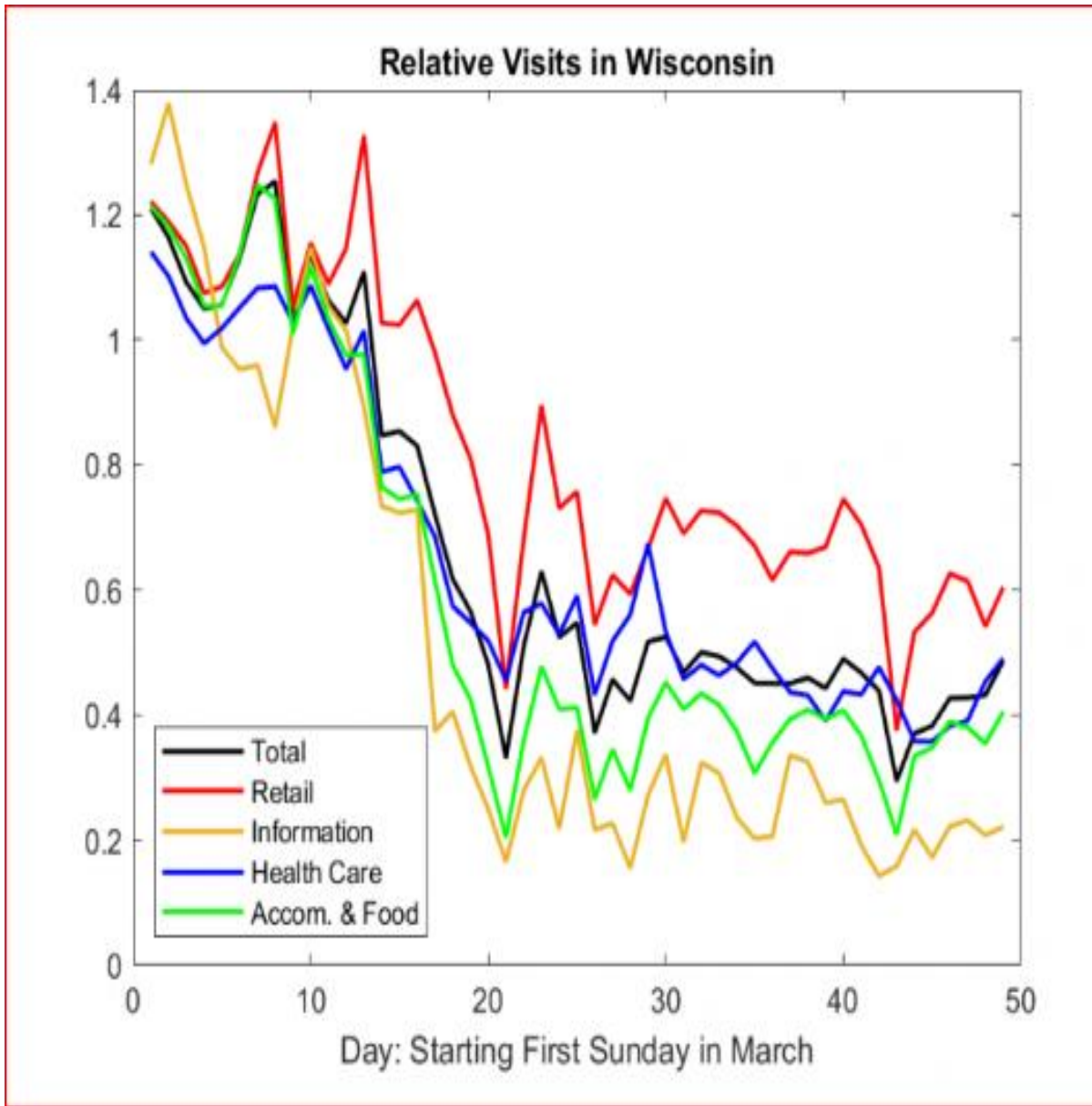


Wisconsin Initial Unemployment Claims -- Share of Population State, Dane County, Milwaukee County



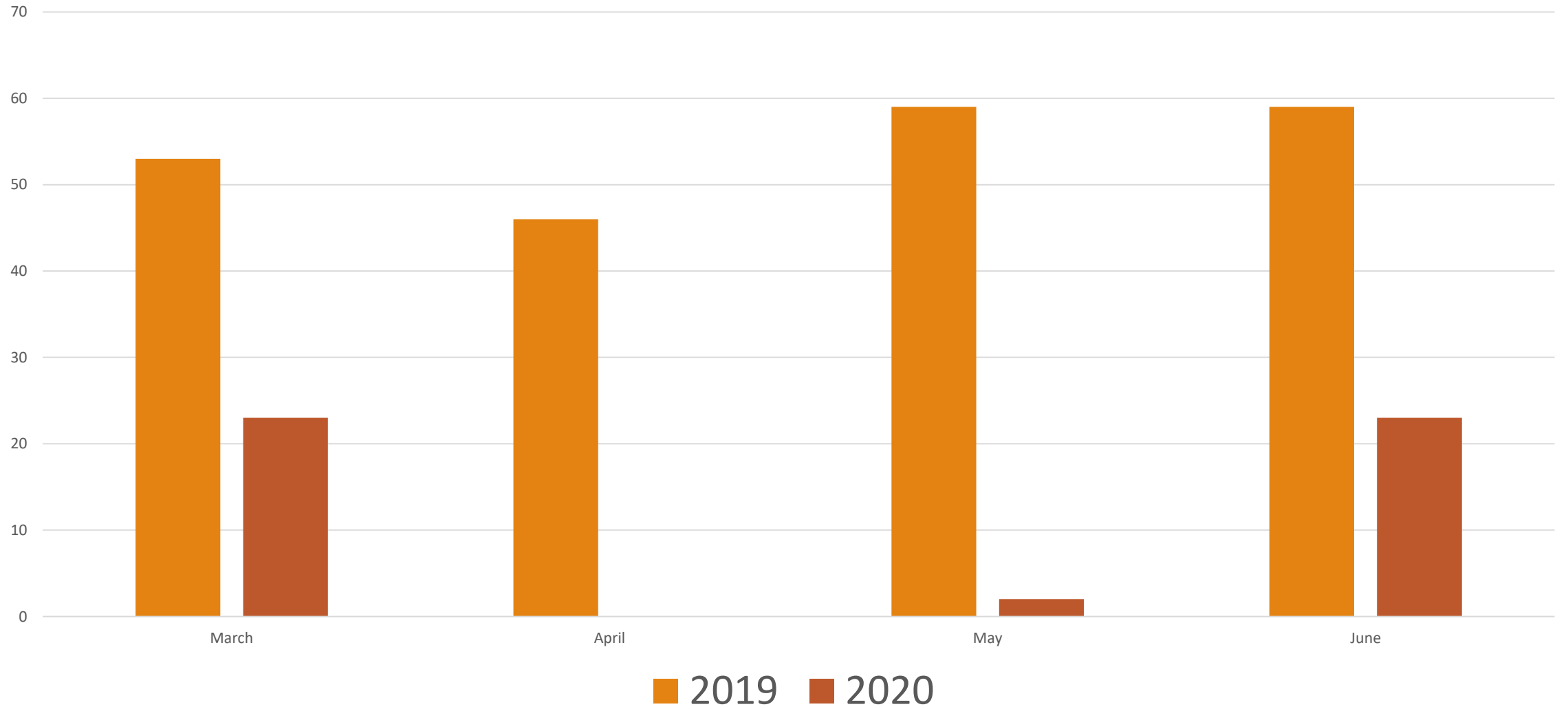
MadREP / UW-Oshkosh / WEDC Survey – More than one-third of Wisconsin businesses will close permanently if “safer at home” lasts for more than three months (1.3% business response rate)





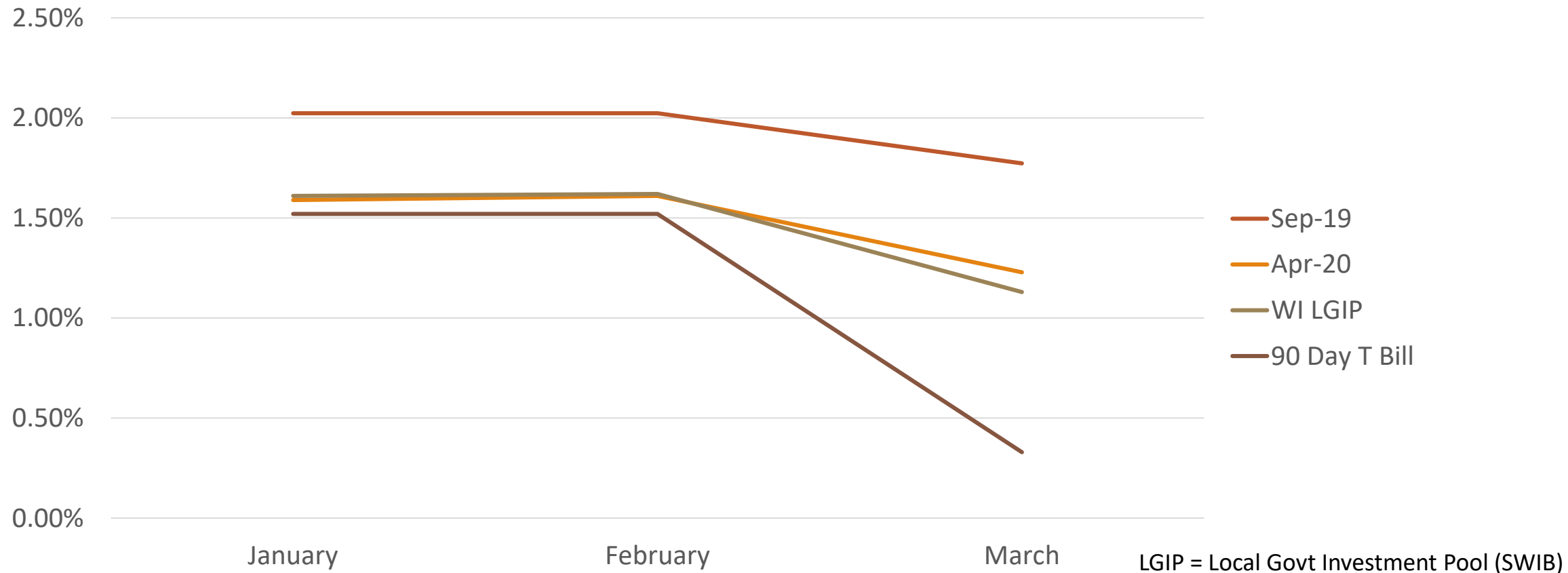
Graphs on this and previous two slides from Kim Ruhl and Noah Williams – UW Center for Research on Wisconsin Economy

Monona Terrace Events



City Investment Earnings Yield

January-March 2020



Congressional Budget Office – April 24

Gross Domestic Product – 12 percent decline in Q2 2020; annualized rate of 40 percent; -5.6% for 2020; 2.8% growth in 2021.

Unemployment Rate – 14 percent in Q2 2020; 11.4 percent for 2020 and 10 percent in 2021

- Social distancing continues for next three months (until July 2020)
- Later outbreaks of virus occur; social distancing declines by only 75 percent during second half of 2020.

Interest rates on 10 year Treasury notes expected to be 0.6% during Q2 2020

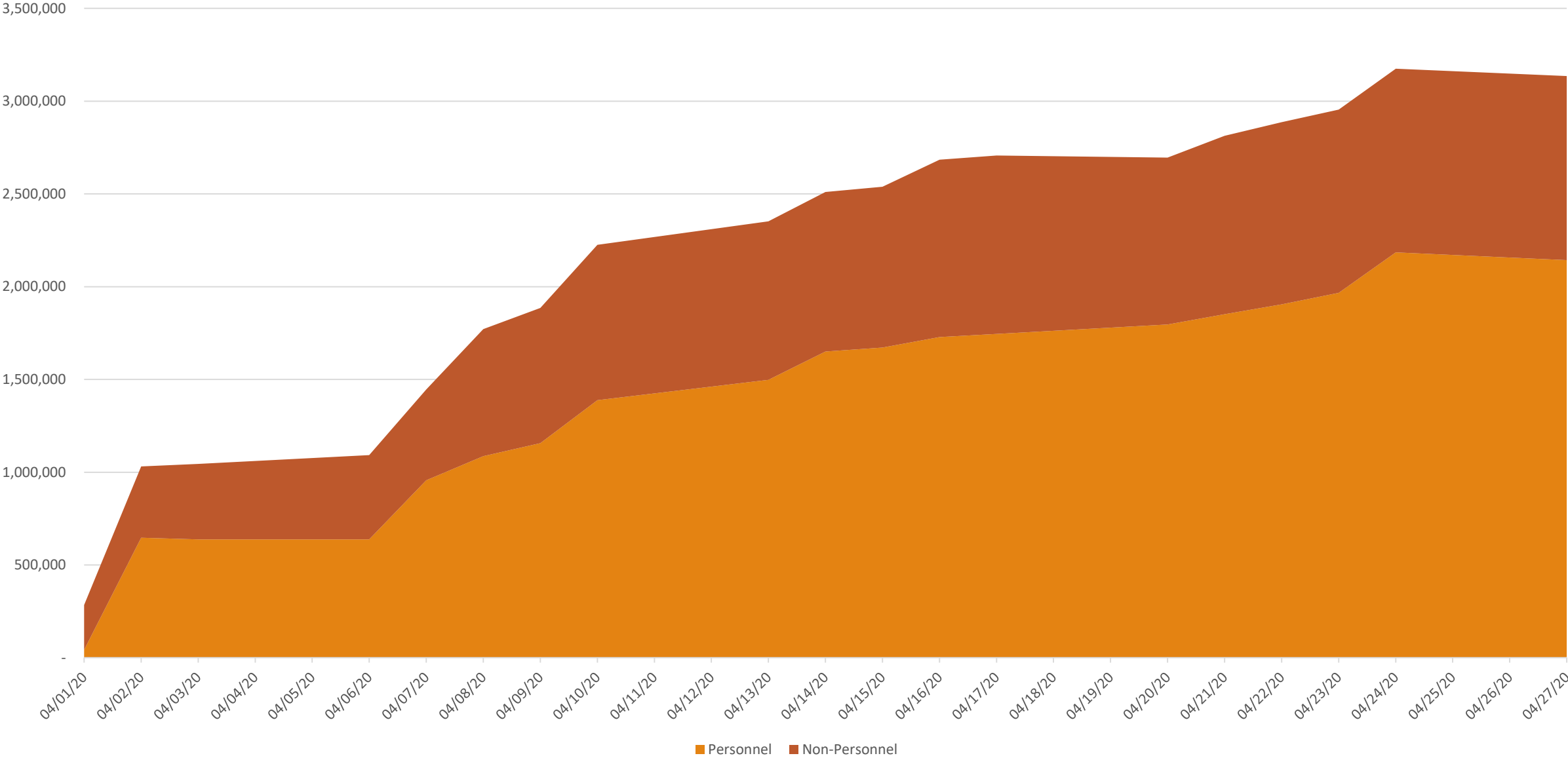
Federal and State Updates

Federal stimulus funding approaching \$4 trillion

- \$484 billion recently approved to continue funding for small business loans; added funding for testing and health care.
- 4th bill expected in May – state/local government budget stabilization possible although debate about “bailouts” has arisen.
- Over \$4 billion impact in Wisconsin from CRF and formula programs; unknown impact from \$2.3 trillion of transportation, workforce development, tax relief, aid to individuals and businesses, and other programs.

State legislation (2019 Wisconsin Act 185) authorizes waiver of interest and penalties on late property tax installments. County and city action expected soon.

City of Madison COVID Response Expenditures



Personnel Non-Personnel