

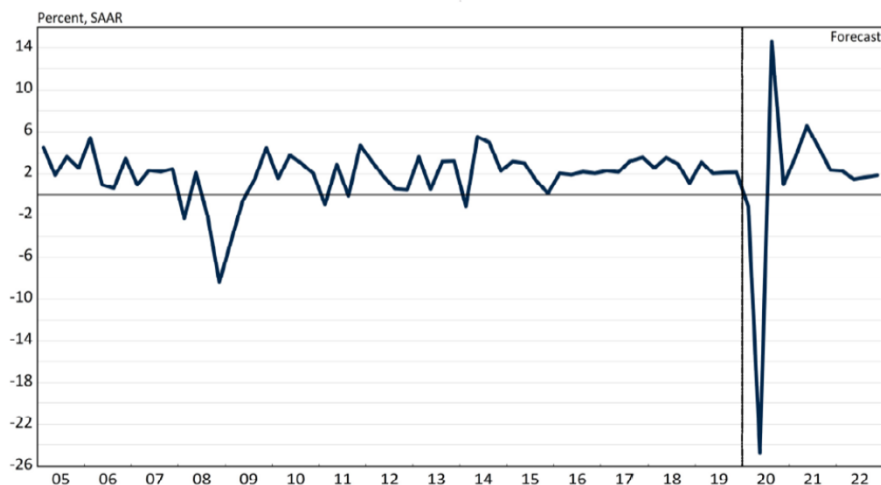
Regional Economic Effects of COVID-19 Shutdown REMI PI+ Model

- University of Michigan produced economic forecast of shutdown on April 9
- Regional Economic Models, Inc. (REMI) translated that forecast into the 85 variables needed to run their model



- U Michigan model shows a "V-shaped" recession followed by rapid recovery
- According to forecast, requires:
"a massive expansion of testing capacity; enhanced federal powers allowing health officials to trace contacts of new COVID-19 patients and quarantine them effectively; an expansion in the supply of available facemasks and personal protective equipment; and changes in social norms and requirements, such as wearing facemasks in public places."

Figure 1
Quarterly U.S. Real GDP Growth, 2005q1–2022q4



The COVID-19 Situation is Still Evolving

- There are already many different forecasts of the economic effects of the shutdown, with different assumptions and results
- NEFRC used REMI's detailed model of regional economy to focus on how economics effects will be different from the nation as a whole, regardless of specific numbers

Category	Result	Regional Change 2019 - 2020	National Change 2019 - 2020
Total Employment	-41,451	-4.2%	-4.1%
Gross Domestic Product (Billions)	-\$2.70	-3.1%	-2.7%
Population	30,193	1.7%	0.7%
Labor Force	4,408	0.5%	0.6%
Real Disposable Personal Income per Capita	-\$2,198	-5.2%	-4.6%

Initial Results

- The economic effect of even a "best case" projection are severe
- The economic effects will be somewhat worse for Northeast Florida than for the nation as a whole

Jobs losses may be concentrated in specific industries

Industries	Change 2019 - 2020	% Change 2019 - 2020	% of Total 2019	% of National Total 2019
Total	-41,451	-4.2%	100.0%	100.0%
Construction	-3,198	-5.3%	6.0%	5.3%
Manufacturing	-1,222	-3.3%	3.8%	6.6%
Wholesale trade	-1,524	-5.1%	3.0%	3.3%
Retail trade	-3,304	-3.1%	10.9%	9.9%
Transportation and warehousing	-2,085	-4.2%	5.1%	3.9%
Finance and insurance	-4,762	-6.1%	7.8%	5.2%
Real estate and rental and leasing	-2,357	-5.4%	4.4%	4.6%
Professional, scientific, and technical services	-1,823	-2.7%	7.1%	7.2%
Administrative, support, waste management, and	-2,972	-3.8%	8.1%	6.2%
Educational services; private	-912	-5.5%	1.7%	2.4%
Health care and social assistance	-7,899	-6.8%	11.5%	11.4%
Arts, entertainment, and recreation	-1,247	-5.6%	2.2%	2.3%
Accommodation and food services	-4,887	-5.6%	8.7%	7.6%
Other services (except public administration)	-3,566	-6.0%	6.0%	5.8%
State and Local Government	1,271	1.8%	7.4%	9.8%
Federal Civilian	-160	-0.8%	2.0%	1.5%
Federal Military	299	2.1%	1.6%	1.0%
Farm	-21	-0.7%	0.3%	1.3%

Next Steps

- Working with partners to review data and conclusions
- Working to develop complete report, including county-level breakouts of results
- Final report will be released to NEFRC Board, county economic development managers, and other partners