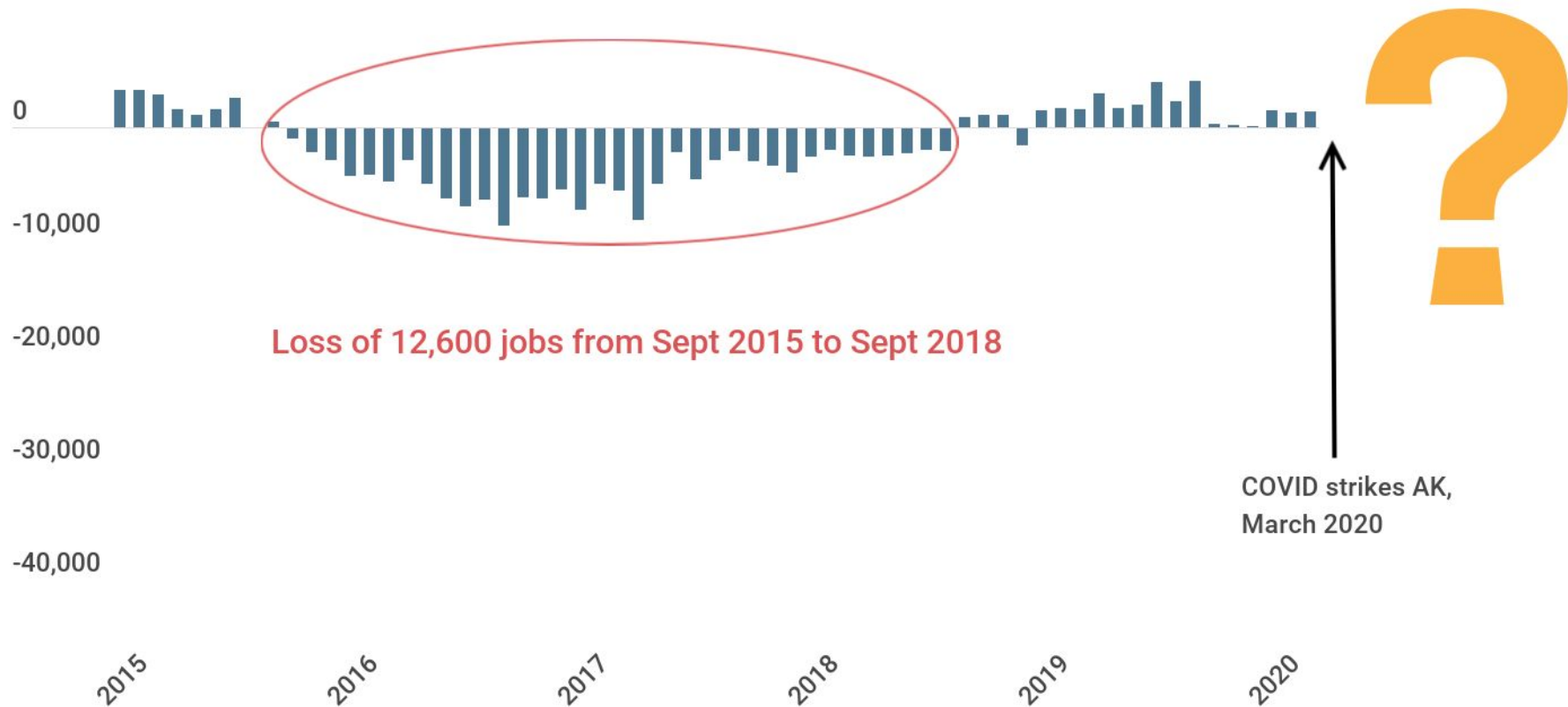


The Economy and COVID-19
Nolan Klouda
September 22, 2020

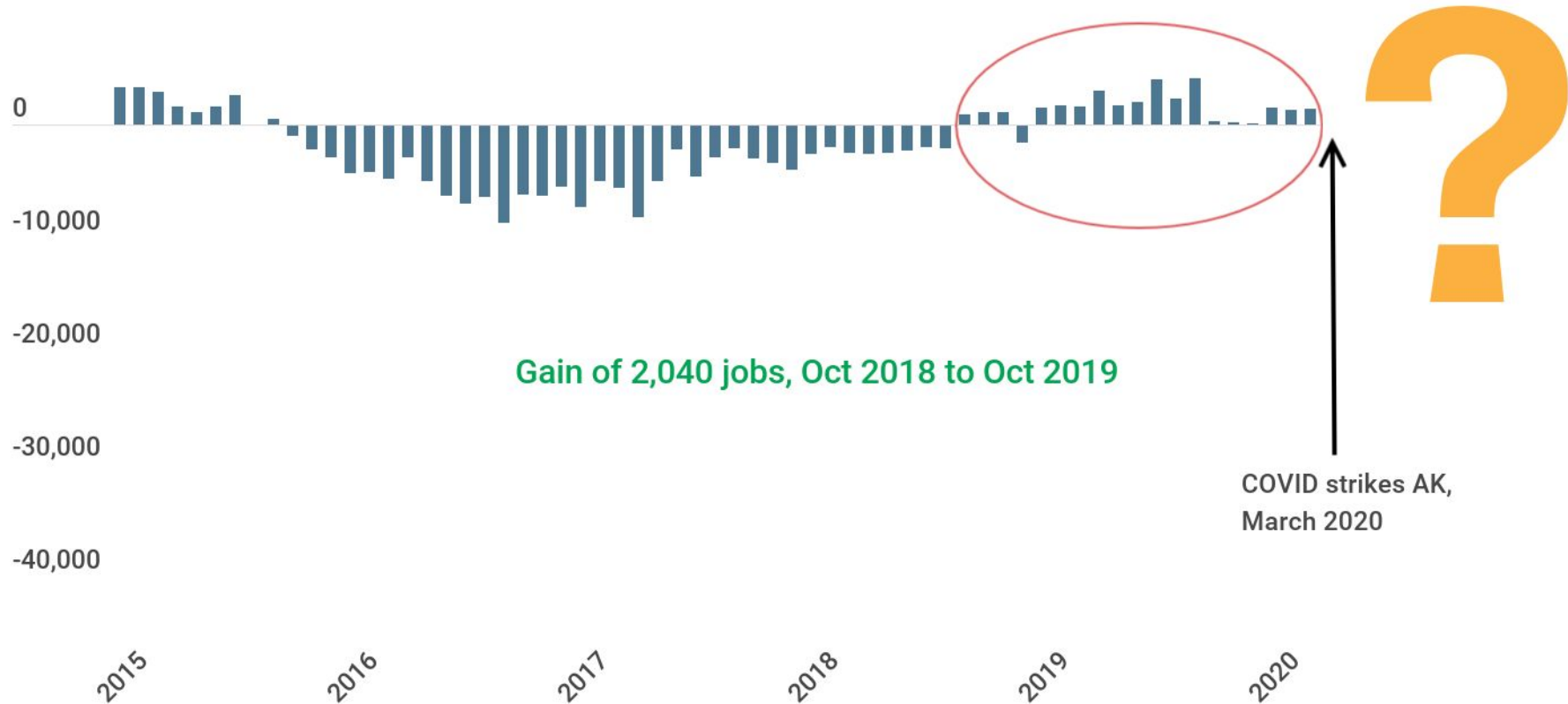
A slow, grinding recession from '15 to '18

Year-over-year employment change for Alaska



A recovery(ish)

Year-over-year employment change for Alaska



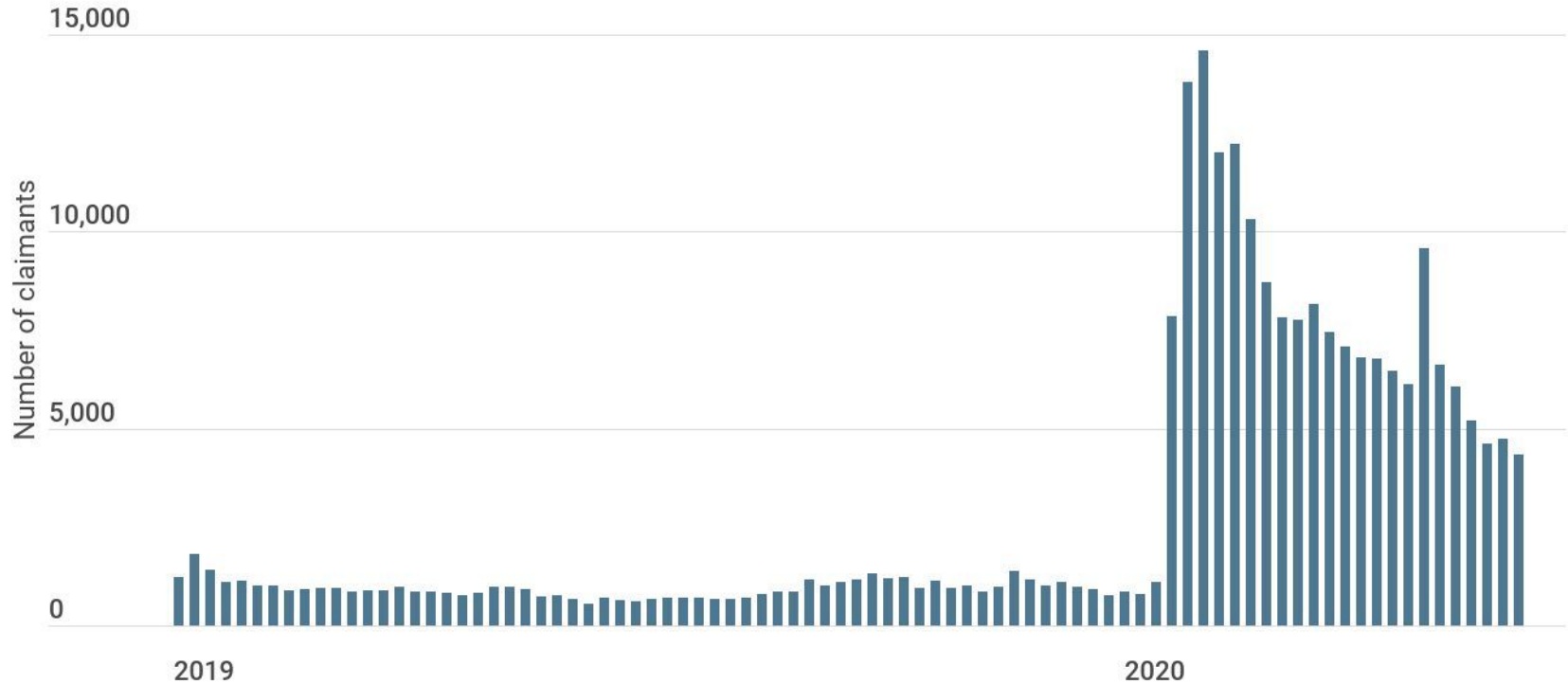
All bets are off

Year-over-year employment change for Alaska



The unemployment explosion

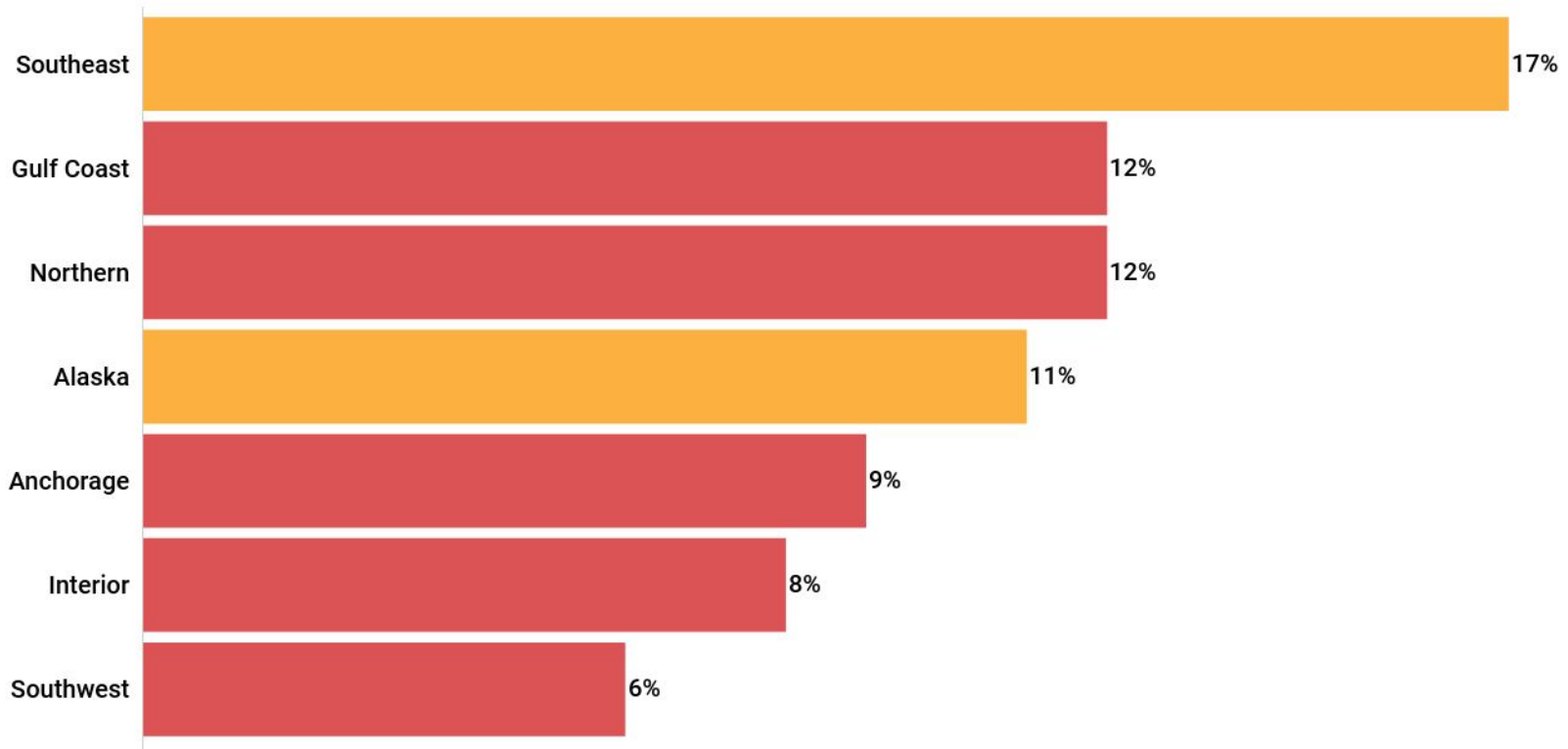
Initial unemployment claims in Alaska



Source: AK DOL&WD

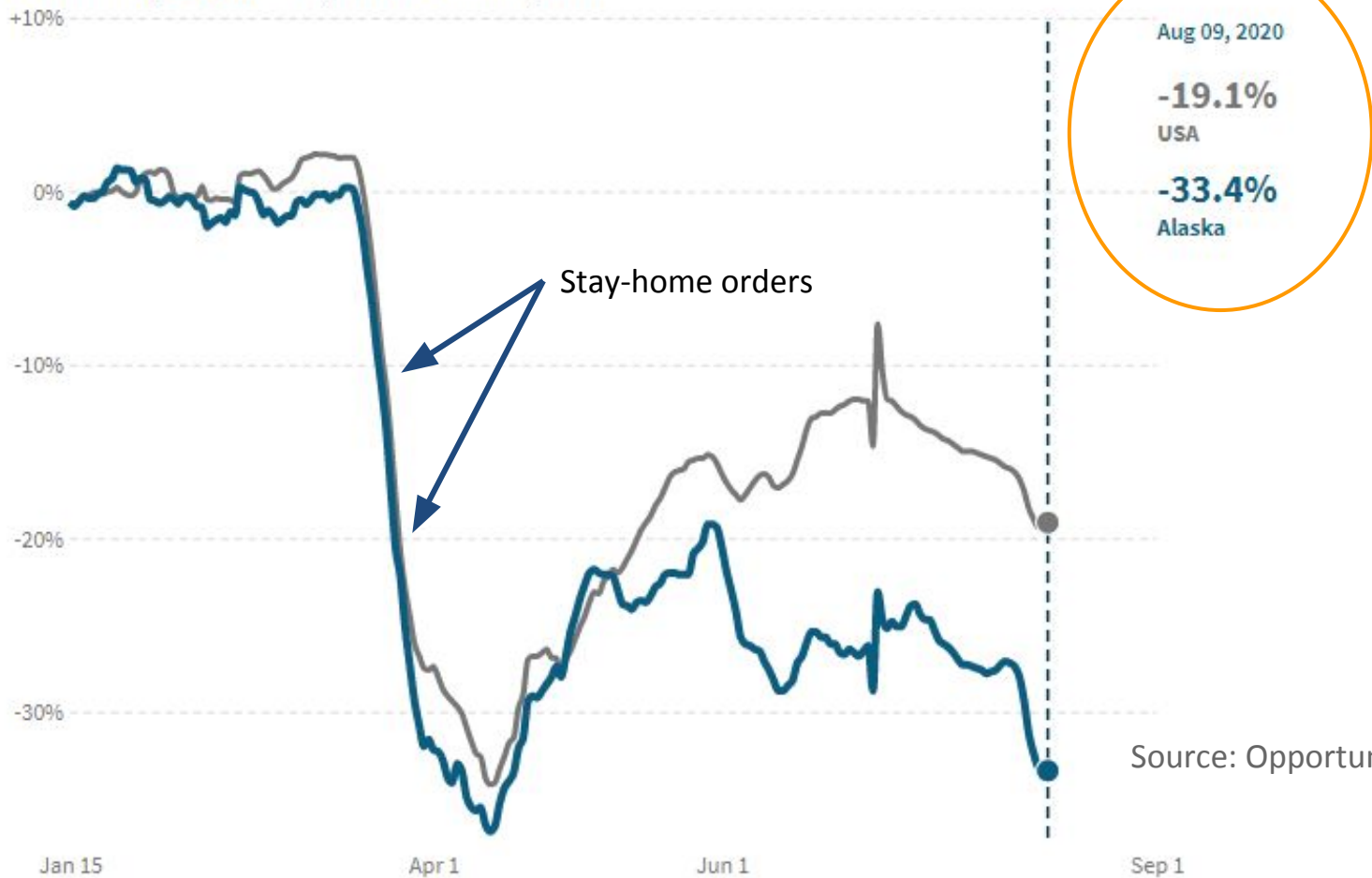
Southeast employment hit hardest of any region

Job losses by economic region between August 2019 and August 2020



Source: DOL&WD, CED

In **Alaska**, as of August 09 2020, the number of small businesses open decreased by **33.4%** compared to January 2020.



Source: Opportunity Insights

In **Alaska**, as of August 30 2020, **total spending by all consumers** decreased by **14.7%** compared to January 2020.



Source: Opportunity Insights

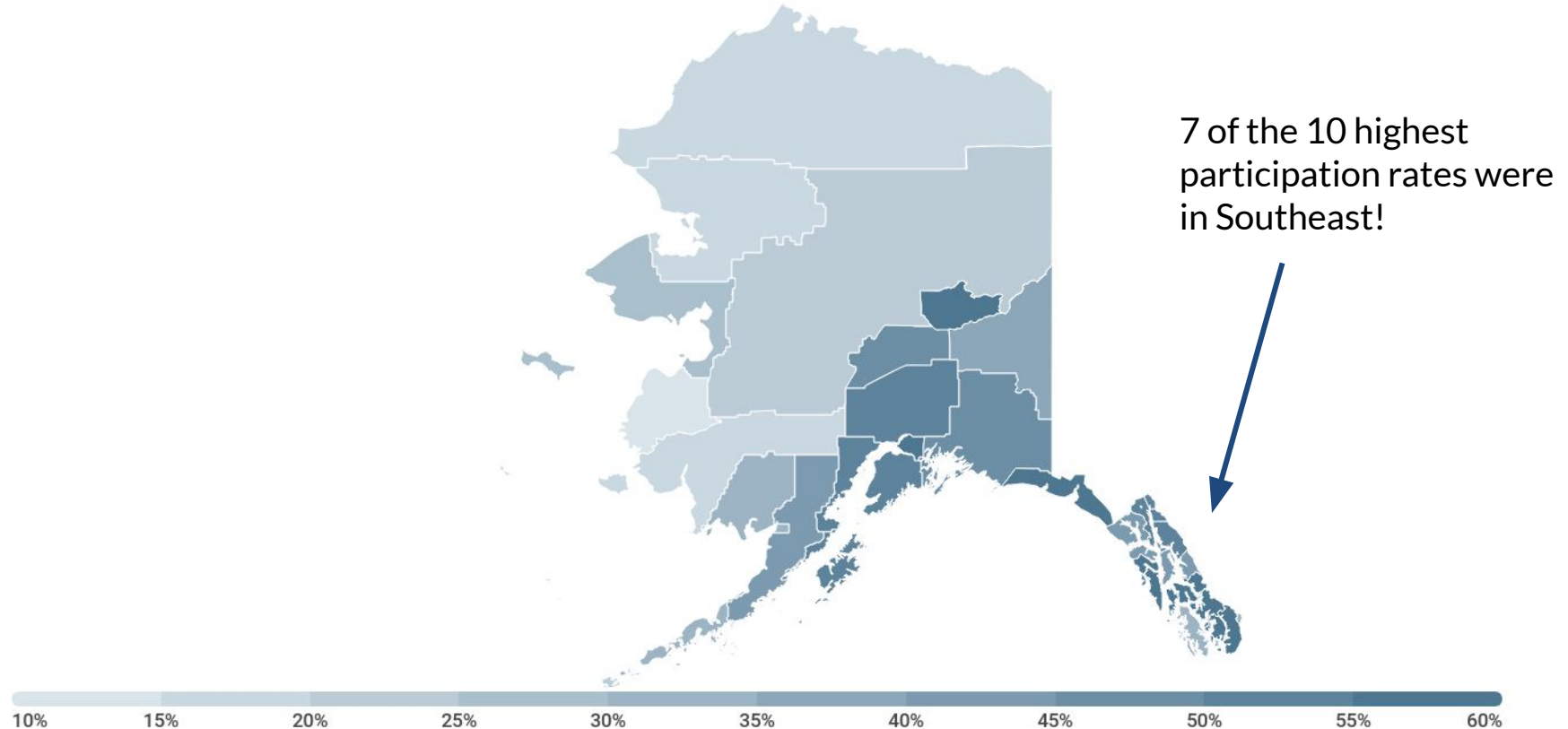
Did Alaska get its share of PPP loans?



Source: SBA, CED.

Few PPP loans for rural Alaska

Ratio of number of loans to number of small establishments (<500 employees)



Source: SBA, US Census, CED calculations.

Unemployment Benefits

“Our estimates suggest that, based on the latest data, eliminating the Federal Pandemic Unemployment Compensation (FPUC) supplement **would lead to a 44% decline in local spending.**”

Casado et al, 2020

“We find that that the workers who experienced larger increases in UI generosity **did not experience larger declines in employment** when the benefits expansion went into effect.”

Altonji et al, 2020

What else?

- Displaced workers are disproportionately young, lower wage earners
- People of color more likely to get COVID-19, more likely to experience loss of employment and income, more likely to own businesses that close
- Diverging paths, the “K” shaped recovery

When will it end?

- Economic recovery dependent heavily on external factors: tourism, oil prices, Congress
- When growth resumes, we have a huge employment deficit to overcome



Thank You!



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Many Traditions One Alaska

