

## Economic Impact of Coronavirus

As of 7/21/2020

**Economic Theory:** *There should be an inverse relationship.*

*Low Coronavirus Cases + Partial Re-Opening of the Economy = (Should equal)*

*Decrease in unemployment, an increase in businesses that are open, and an increase in business revenues.*

This trend was beginning to occur but has started to trend in the wrong direction in July.

### **Employment Trends**

Unemployment increased from 15.4% in May to 16.6% in June despite stay at home orders ending (June 9<sup>th</sup>) and partial re-openings occurring (June 15<sup>th</sup>).

5,000 people dropped out of NJ's Civilian Labor Force all together and the total number of unemployment workers increased by 55,600.

The increase in unemployment occurred despite nearly every industry bringing workers back when comparing June to May numbers.

- Financial Services & Government were the only two industries to experience a decline in employment from May to June.
- Trade, Transportation & Utilities (+41,800), Education & Health Services (+33,000), and Leisure and Hospitality (+35,300) experienced the largest increase in employment from May to June.
- Net change over the year (June 2019 compared to June 2020): Construction is the only industry to be employing more individuals now than this time last year (+100 jobs).
- Leisure and Hospitality has by far experienced largest loss in employment from June 2019 to June 2020 with a decline of 182,800 jobs.

### **Businesses that are open:**

As of July 11<sup>th</sup>, the number of small businesses open decreased by 17.9% compared to January 2020.

To put this into perspective, on July 4<sup>th</sup> the number of open businesses decreased to 11.7% compared to January 2020.

The 7 day % change is moving in the wrong direction. NJ businesses openings should be getting closer to 0% which is the state's pre-coronavirus breakeven point. Instead, there was an additional 6.2% decrease in the number of open businesses.

**Industry Type**

Education & Health  
Services  
Leisure & Hospitality  
Transportation & Trade

[% of Small Businesses Open Compared to January 2020 as of July 11th](#)

-17.40%  
-27%  
-13.60%

*(See excel doc for county impact)*

**Small Business Revenues**

As of July 11<sup>th</sup>, total small business revenue decreased by 21.8% compared to January 2020.

Again, to put this into perspective, on July 4<sup>th</sup>, the state’s small businesses revenue decreased by 5.9% compared to January 2020.

The 7 day % change again is moving in the wrong direction. Business revenue should be getting closer to 0% which is the state’s pre-coronavirus breakeven point. Instead, there was a 15.90% decrease in spending.

*(See excel doc for county impact)*

**Closed per NJ's COVID-19 Hub**

Indoor Dining  
Indoor Amusement Parks  
Indoor Water Parks  
Racetrack Grandstands  
Indoor Gym Spaces  
Indoor Movie Theaters  
Indoor Performing Arts Centers  
Indoor Concert Venues

**Open per NJ's COVID-19 Hub**

Retail; Portions of Indoor Shopping Malls (with 50% capacity reduction, other safeguards)  
Outdoor Dining  
Microbreweries & Pubs for home delivery; curbside; outdoor service  
Child Care Centers  
Golf Courses  
Recreational businesses  
Entertainment businesses  
Playgrounds  
Outdoor amusement parks  
Outdoor water parks  
Swimming pools  
Horse racetracks  
Construction  
Libraries  
Outdoor Gyms/fitness centers  
Personal Care (Salons, Hairstylists, etc.)

Sources:

<https://covid19.nj.gov/faqs/nj-information/reopening-guidance/what-businesses-are-open-what-rules-or-safety-guidelines-must-they-follow#direct-link>

<https://tracktherecovery.org/>

[https://www.nj.gov/labor/forms\\_pdfs/lwdhome/press/2020/20200716UITABLES.pdf](https://www.nj.gov/labor/forms_pdfs/lwdhome/press/2020/20200716UITABLES.pdf)