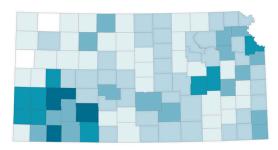
The Economic Recovery: What's in Store for Douglas County

Donna K. Ginther Roy A. Roberts Distinguished Professor of Economics Director, Institute for Policy & Social Research, University of Kansas Research Associate, National Bureau of Economic Research

September 16, 2020



2020 Kansas Economic Policy Conference—October 22nd



2020 Kansas Economic Policy Conference

What is the Role of Government in a Crisis?

October 22, 2020 Virtual Conference

- The 2020 Kansas Economic Policy Conference will be virtual. Thanks to support from the U.S. Economic Development Administration registration is free but is required.
- Program includes Dr. Lee Norman, Lt. Governor Lynn Rogers (invited)
- https://ipsr.ku.edu/conferen/kepc2020/registration.shtml



IPSR Goals for COVID-19 Crisis

- Synthesize the data on the Coronavirus in Kansas
 - Report economic indicators
 - Inform the public and policymakers on these issues on a monthly basis.
 - Data and briefings available at <u>http://ipsr.ku.edu/covid19/</u>
 - Thanks to Xan Wedel, Thomas Becker & Lindsay Jorgenson who helped with the data, visualizations & slides.

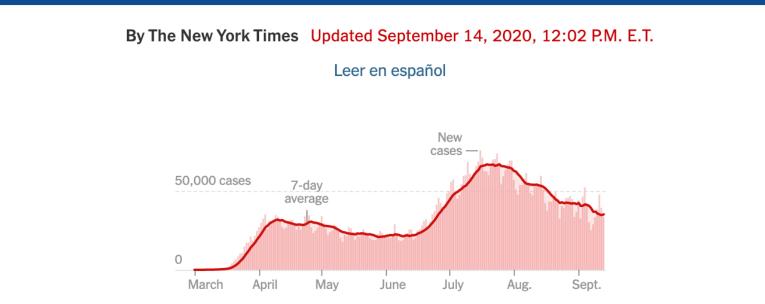


Overview

- Update on the Coronavirus in Kansas and how that affects the recovery
 - US Economic Trends
 - Kansas Economic Trends
 - What do we know about the Douglas County economy?
 - What does this recession mean for the future?
 - What can we expect from the recovery?



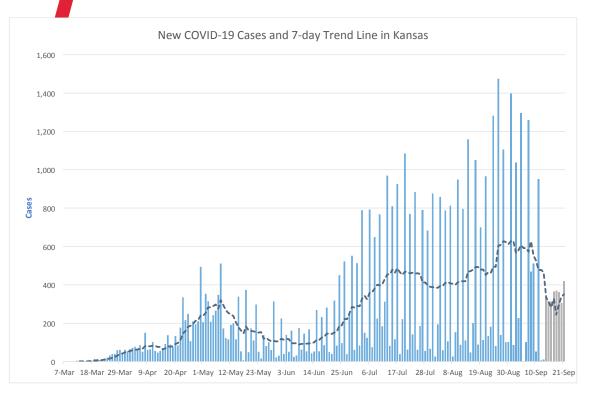
We have Exceeded 6 Million Cases & 194,000 Deaths



• The past week we've averaged 36,731 cases per day.



Troubling News: Kansas Daily Cases are Increasing



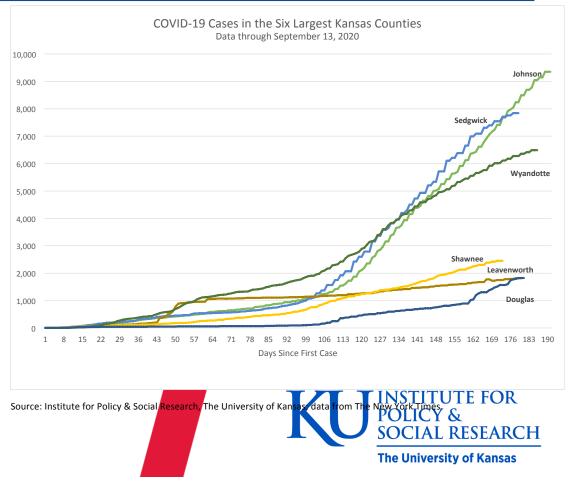
Source: Institute for Policy & Social Research, The University of Kansas; cases (blue) from the New York Times and projected cases (grey) from The University of Kansas Medical Center.

- Data through September
 13th
- The 7-day moving average of new cases has slowed down at a high plateau.
- Cases are predicted to decrease:
 - According to KU Medical Center forecasts, cases may decelerate in coming weeks.



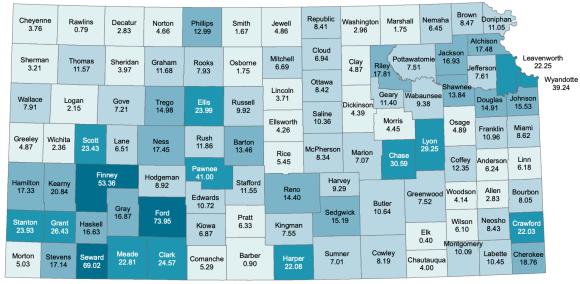
Growth in COVID-19 Cases Has Varied by County

- In the six largest counties, growth rates have varied significantly.
 - All curves except Leavenworth are increasing.
 - Douglas county cases are over 27 times higher than on June 2nd.
 - Sedgwick, Johnson & Wyandotte Counties are Accelerating.



Case Rates by County

COVID-19 Cases per 1,000 People in Kansas, by County as of September 13, 2020



Source: Institute for Policy & Social Research, The University of Kansas; data from The New York Times and U.S. Census Bureau.

Cases per 1,000 people 0.40 - 6.33 6.34 - 12.35 12.36 - 20.84 20.85 - 41.00 41.01 - 73.95 No official cases Darker colors indicate that these counties have higher case rates:

 Ford, Seward, and Finney Counties have case rates that are > 53 per 1,000

 Douglas, Sedgwick & Johnson Counties 15 per 1,000

 Leavenworth & Wyandotte Counties have case rates 22-39 per 1,000

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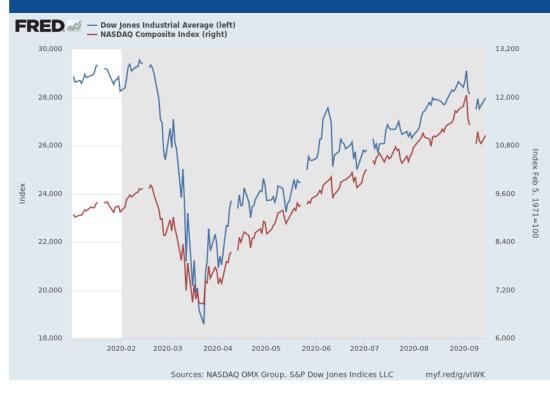
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COVID-19 and the US & Kansas Economies

Unemployment & Uncertainty



The Stock Market: January 1 – September 14th

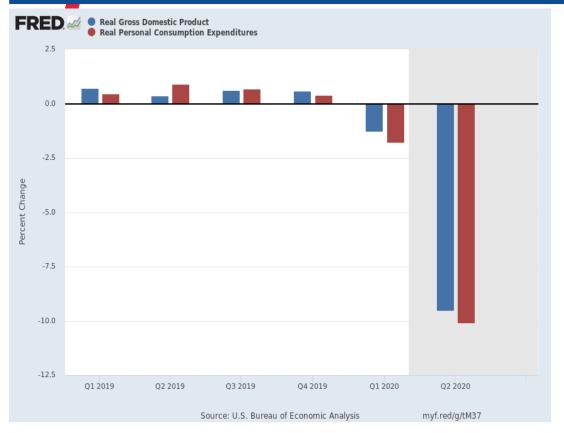


Source: FRED https://fred.stlouisfed.org/series/DJIA

- The Dow Jones Industrial Average peaked at 29,348 on February 12th.
 - It bottomed out on March 23rd, and has recovered to 28,100 on September 14th
 - Down about 4% since the peak
- Nasdaq has is up 23% for the year.
- Market continues to be volatile.

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Gross Domestic Product Fell at Historic Rate

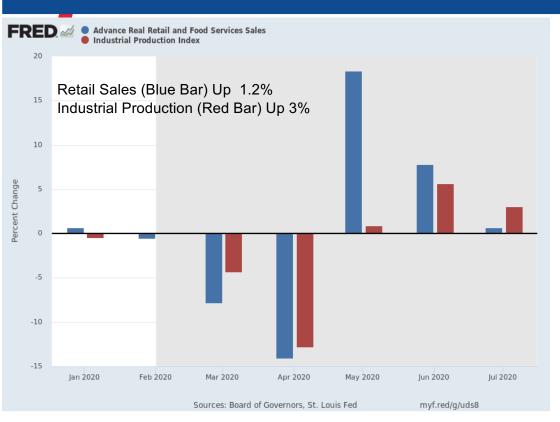


Source: Lewis, FRED, Federal Reserve Bank of St. Louis;

- Gross Domestic product fell by 9.5% compared to the previous quarter.
- At an annualized rate, this is -33%
- Consumption (2/3rds of GDP) fell by 10%
- This makes the Great Recession look like a mere blip.



Industrial Production & Retail Sales--July

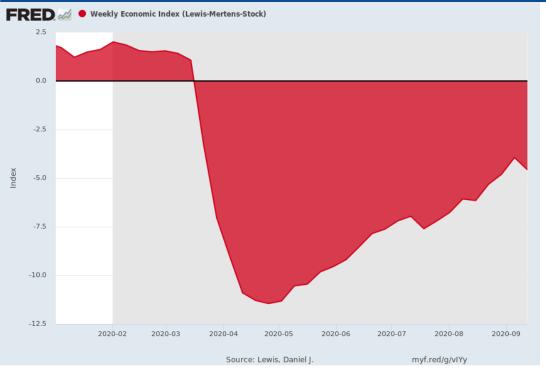


Source: https://fred.stlouisfed.org

- Retail sectors up:
 - Clothing 5.7%
 - Furniture 0%
 - Restaurants/Bars 5%
 - Motor Vehicles -1.2%
 - Electronics 22.9%
 - Miscellaneous 6.2%
- Retail sales were up 2.7% compared to a year ago.

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Weekly Economic Activity Index



- Lewis, Mertens & Stock have developed a Weekly Economic Activity Index that is scaled to 4th Quarter 2019 GDP growth.
 - The index has risen to -4.57%
 - This indicates that GDP for this quarter is forecast to be 4.57% lower for Q3.

Source: Lewis, Daniel J., Mertens, Karel and Stock, James H., Weekly Economic Index (Lewis-Mertens-Stock) [WEI], retrieved from FRED, Federal Reserve Bank of St. Louis; https://fred.stlouisfed.org/series/WEI, May 17, 2020.

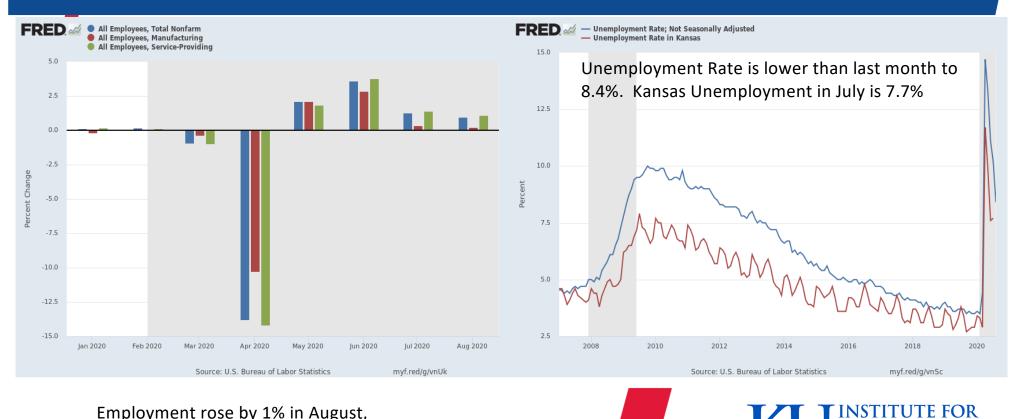


Unemployment Rate Facts

- The monthly jobs report is based on two surveys:
 - Establishment Survey that reports total employment
 - Household Survey that reports total unemployment
- The Unemployment Rate is defined as the share of people looking for work divided by the labor force (employed + unemployed) (U-3 rate).
- The Unemployment rate does not count people who are discouraged workers and working part-time for economic reasons (U-6 rate).
 - Total unemployed, plus all persons marginally attached to the labor force, plus total employed part time for economic reasons, as a percent of the civilian labor force plus all persons marginally attached to the labor force.



Employment & Unemployment August, 2020



POLICY &

SOCIAL RESEARCH

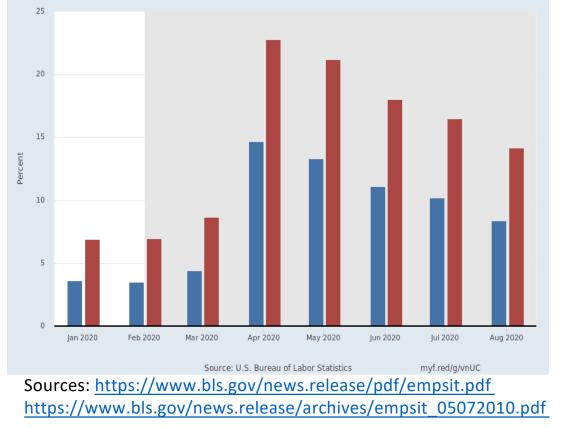
The University of Kansas

Employment rose by 1% in August, Service Employment rose by 1.1%

U-3 and U-6 Show Continued Slack in Labor Market



Total Unemployed, Plus All Persons Marginally Attached to the Labor Force, Plus Total Employed Part Time for Economic Reasons, as a Percent of the Civilian Labor Force Plus All Persons Marginally Attached to the Labor Force (U-6)



- U-6 rate is a broader measure of unemployment
 - 14.2% in August, 16.5% in July and 18% in June.
- U-6 indicates that a large share of the workforce is experiencing hardship.



A Tale of Two Downturns: This Time is Different

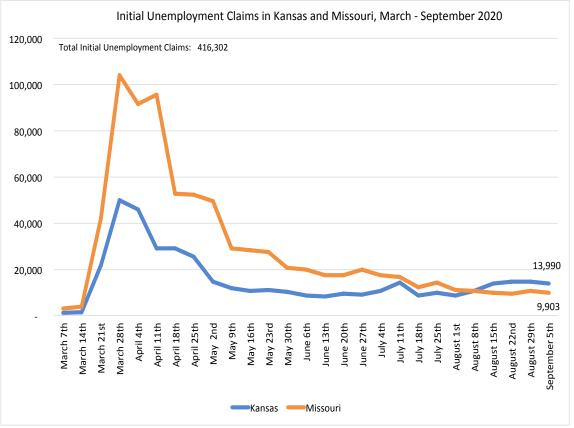
Unemployment by Characteristic	August, 2010	August, 2020
Total	9.6%	8.4%
Men, Age 20+	9.8%	8%
Women, Age 20+	8%	8.4%
Age 25+		
Less than High School	14%	12.6%
High School	10.3%	9.8%
Some College	8.7%	10%
Bachelor's Degree +	4.6%	8%
Temporary Layoff	9.2%	45.5%
U-6	16.4%	14.2%

Sources: <u>https://www.bls.gov/news.release/pdf/empsit.pdf</u> https://www.bls.gov/news.release/archives/empsit_05072010.pdf

- Women are more likely to be unemployed than men.
 - Since 1980 we've had "Mancessions"
- Only Bachelor's degree or higher have lower rates.
- Temporary Layoffs are higher.
 - Temporary Layoffs have dropped between May (73%) and August (45.5%)



Unemployment Claims in Kansas and Missouri

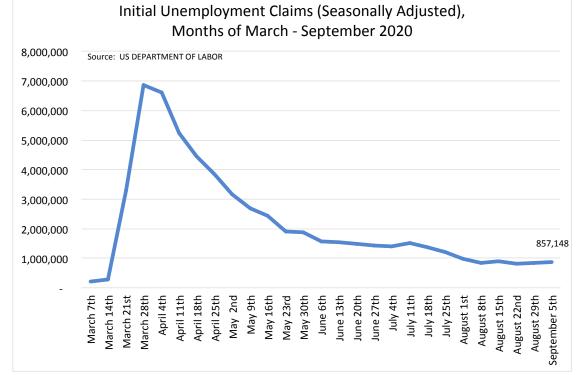


Source: Calculations using KS and MO Department of Labor Data

- 13,990 people filed an initial claim in Kansas the week of September 5th
- Since March 14th a total of 416,302 workers have filed initial unemployment claims in Kansas.
- Initial claims remain stubbornly high.
 - Data from March 14th September 5th



Initial Unemployment Claims Continue to Grow

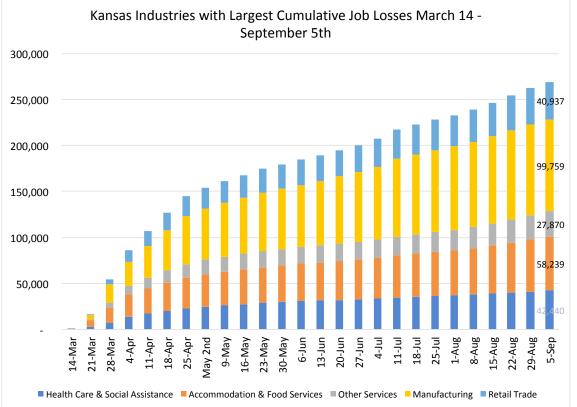


Source: https://www.dol.gov/ui/data.pdf

- US Initial Unemployment
 Claims are still at historic highs
 - Almost another million people filed initial unemployment claims
 - Almost 56 million unemployed since March.
 - Over 16 million people remain unemployed in the US.
 - Enhanced unemployment benefits have ended.



Cumulative Initial Unemployment Claims by Industry



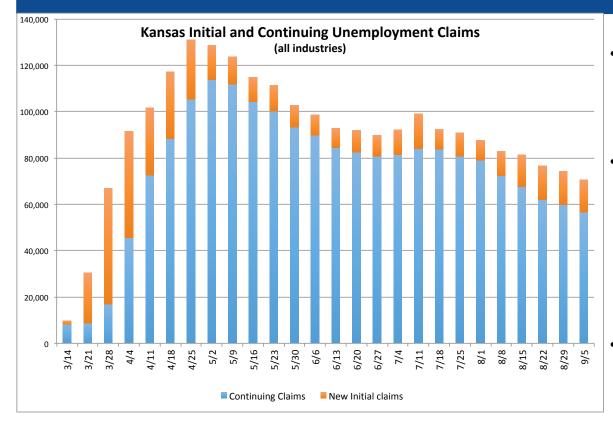
Source: Calculations using KS and MO Department of Labor Data

• Industries hardest hit include:

- Manufacturing: 99,759
- Accommodation & Food Services: 58,239
- Health care & Social assistance: 42,440
- Retail Trade: 40,937
- Other Services: 27,870
- These five industries account for 66% of people who have lost their jobs.



Unemployment in Kansas Remains High

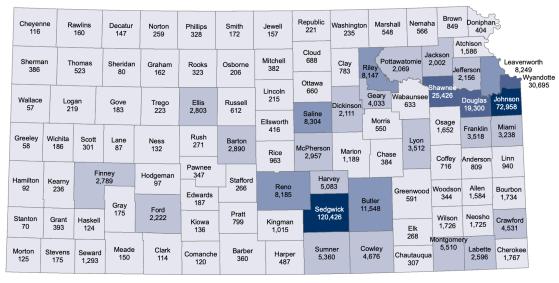


- Kansas continuing + initial unemployment claims remain high
 - There are 67,595 continuing claims and 13,730 new initial claims as of the week ending September 5th.

State Unemployment ~6%

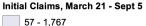


Cumulative Unemployment Claims by County



Initial Jobless Claims in Kansas, by County March 21 - September 5, 2020

Source: Institute for Policy & Social Research, The University of Kansas; data from Kansas Department of Labor, Labor Market Information Services.



57 - 1,767 1,768 - 5,510 5,511 - 11,548 11,549 - 30,695 30,696 - 120,426

Source: IPSR calculations using Kansas Department of Labor Data

- Top 5 Counties by Cumulative Initial Claims:
 - Sedgwick 120,426
 - Johnson 72,958
 - Wyandotte 30,695
 - Shawnee 25,426
 - Douglas 19,300
 - Data calculated March 21st September 5th



July Official Unemployment

Brown Republic Cheyenne 2.7 Doniph Rawlins Washington Marshall Nemaha Decatur 51 Norton Phillips Smith Jewell . 4.8 3.5 3.4 4.7 3.0 3.6 3.2 32 4.7 3.9 Atchison 8.6 Cloud Jackson Mitchell 5.7 Sherman Clay 6.2 Pottawatomi 6.0 Leavenworth Thomas Sheridan Graham Rooks Osborne Riley 7.8 4.2 3.7 6.3 Jefferson 7.3 37 3.4 6.2 5.3 3.5 5.8 Wyandotte Ottawa 10.5 6.2 Lincoln Geary Wabaunsee 3.9 Wallace Logan Douglas hnsc 6.6 Gove Trego 4.0 Ellis Russell 5.6 9.4 5.2 Dickins 2.5 3.0 3.6 82 4.2 Saline 6.9 5.7 Ellsworth Morris Osage 6.1 Miami Franklin 6.9 49 4.2 6.3 Rush Greelev Wichita Scott Lane Barton 5.7 Lyon 5.8 Ness 5.1 2.3 2.3 32 43 42 McPherson Marion Rice 6.0 Chase 4.4 Coffey 6.7 Linn 5.8 Anderson 5.6 4.9 8.6 Pawnee Finney Hodgeman 3.4 4.8 Harvey 7.1 Stafford 5.2 Hamilton Kearny 4.3 Reno 7.0 2.1 Allen Bourbor 6.9 3.4 Noodson Edwards 8.2 8.3 Butler 4.3 Gray 8.3 Sedgwick 11.5 Ford 2.9 Pratt 4.3 Wilson Neosho Stanton Grant Haskell Kiowa 4.8 Kingman 7.0 9.3 2.5 5.9 96 6.9 3.4 Elk Cowley 8.2 9.0 Meade Clark Sumner 11.5 Morton Stevens Barber Sewar Harper 6.2 Comanche Chautauqua 3.4 2.8 70 4.4 4.5 3.9 5.6 4.7

Unemployment Rate in Kansas, by County July 2020

Source: Institute for Policy & Social Research, The University of Kansas; data from Kansas Department of Labor.

Unemployment Rate 2.1 - 3.7

- 3.8 5.1 5.2 - 6.3 6.4 - 7.8
- 7.9 11.5

Source: IPSR calculations using Kansas Department of Labor Data

- Sedgwick County 11.5%
- Douglas 8.2%
- Johnson 6.5%
- Wyandotte 10.5%
- Shawnee 7.3 %
- State Unemployment
 7.2%



Initial + Continued Claims as a Share of Labor Force

Browi 3.2 Cheyenne 1.6 Republic Nemaha Doniphan Rawlins Washington Marshall Decatur Norton 3.1 Phillips Smith Jewell 2.0 1.9 2.1 1.5 1.0 2.1 22 1.4 12 Atchis 48 Cloud Riley Pottawatom Mitchell 3.1 Sherman Leavenworth Thomas Sheridan Graham 4.0 Rooks 2.6 Osborne Clay 1.8 2.4 efferson 4.1 1.9 1.0 2.1 3.5 Wyandotte Ottawa 75 Lincoln 2.6 Geary Wallace Douglas Logan 1.9 Gove Trego Ellis Russell 7.0 1.1 2.1 24 Saline 4.9 3.5 Morris Ellsworth Osage 3.7 Franklin 5.1 Miami 2.6 3.2 Greeley Rush 3.2 Wichita Scott Lane Ness 2.8 Lyon 3.3 Barton 4.3 0.8 3.1 1.8 2.4 McPherson Marion Rice 3.2 Chase 2.7 3.4 Coffey 2.7 44 Pawnee 2.7 Finney Hodgeman 1.5 2.3 Stafford Harve 4.6 Hamilton Kearny 0.9 3.0 Reno 4.8 22 Edwards 39 Butler 6.2 3.0 Gray Ford 2.5 Sedawick 12 Pratt 9.1 Grant 2.9 Stanton Haskell Kingman 5.6 Kiowa 2.3 1.2 1.0 2.1 Elk Meade Sumner Cowley 5.2 Clark Cheroke Morton Barber Stevens Sewar Harper 4.5 Comanche Chautauqua 8.6 1.5 3.0 3.0 1.8 2.4 1.8 3.1

Projected Unemployment Rate in Kansas, by County September 5, 2020

- Projected Unemployment Rate

 0.8 1.6

 1.7 2.6

 2.7 3.8

 3.9 5.7

 5.8 9.1
- Source: IPSR calculations using Kansas Department of Labor Data

Source: Institute for Policy & Social Research, The University of Kansas;

preliminary, not seasonally adjusted, civilian labor force for July 2020.

data from Kansas Department of Labor, Labor Market Information Services.

Projected unemployment rate derived using initial and continued jobless claims as of September 5th and

- Top 5 counties by unemployment rate:
 - Sedgwick 9.1%
 - Sumner 8.6%
 - Wyandotte 7.5%
 - Geary 7%
 - Wilson 6.9%
- This likely understates true unemployment because of people's failure to file for continued claims.



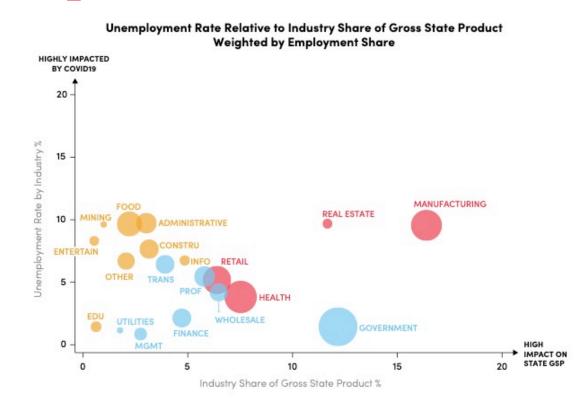
Kansas Initial Unemployment Claims by Industry as a Share of Total Employment—Data as of August 1st

Industry	Unemployment Within Industry
Government	6.9%
Health	23%
Manufacturing	<mark>59.3%</mark>
Retail	29.3%
Food	53.4%
Professional	23%
Administrative	38.3%
Construction	35.9%
Finance	8.4%
Transportation	25.5%
Wholesale	16.4%
Other	54.1%
Management	3%
Education	6.9%
Information	26%
Real Estate	47.6%
Entertainment	63.5%
Mining	35.6%
Utilities	4.3%

- I calculated the share of initial unemployment claims for all of March – September 5th over total employment by industry in March, 2020.
 - Industries are ranked by share of total employment.
 - Government, health care, manufacturing and retail trade are 53% of total employment in the state.



Unemployment Claims Relative to Gross State Product



Source: Author's calculations.

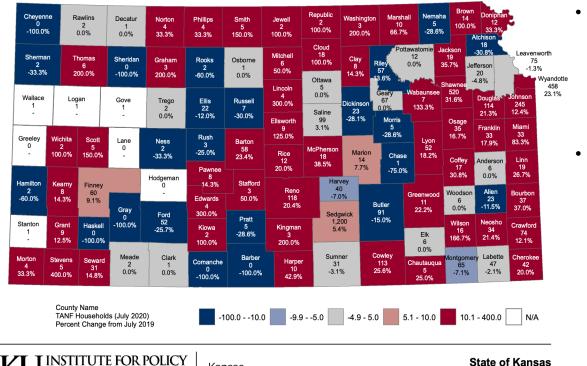
- Sectors that contribute most to Kansas growth with above average unemployment:
 - Manufacturing 9.5% UE & 16% of GSP
 - Health Services 4% UE & 7.5% of GSP
 - Health has improved a lot.
 - Retail 5% UE & 6.4% of GSP



Demand for Social Assistance has Increased

Department for Children and Families

Percent Change in Households Receiving Temporary Assistance for Needy Families (TANF) in Kansas, by County July 2019 - July 2020



Kansas

State Data Center

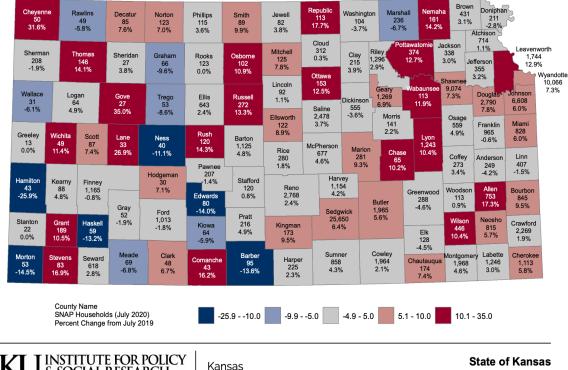
& SOCIAL RESEARCH

- Percent change in households receiving TANF by county, July 2019 – July 2020
 - Dark red counties indicate an increase of 10% or more
 - Caseloads have increased by
 - 21% in Douglas County, 31% in Shawnee County & 12% in Johnson County



Demand for SNAP Benefits have also increased

Percent Change in Households Receiving Supplemental Nutrition Assistance Program (SNAP) in Kansas, by County July 2019 - July 2020



Percent change in households receiving SNAP benefits by county, July 2019 – July 2020

Dark red counties indicate an increase of 10% or more

Douglas County increased • 7.8%

Expect these numbers to increase.

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State Data Center

Department for Children and Families

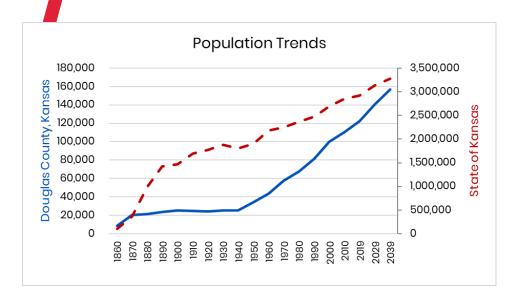


Douglas County

Challenges to a Healthy Recovery



Douglas County Population

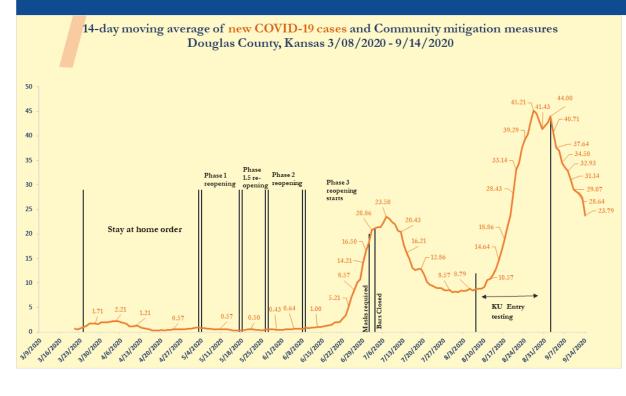


Population by Race & Ethnicity		
White	98,478	
Bla c k	5,047	
American Indian and Alaskan Native	2,935	
Asia n	6,229	
Native Hawaiian and Other Pacific Islander	27	
Som e Other Race	1,3 3 7	
Two or More Races	5,266	
Hispanic or Latino	7,356	
White a lone, not Hispanic	93,868	
Percent Diversity	2 1.3 3 %	

 Douglas County—since 1940 is growing at a faster rate than the State. It has become increasingly diverse.



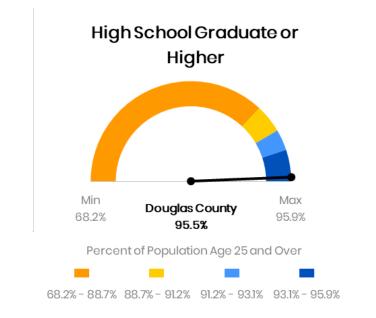
Douglas County Covid Cases

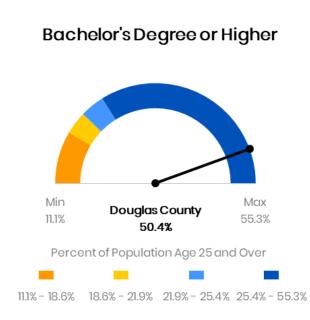


- Douglas County has had 1,895 cases as of September 14th
- Positivity rate is ~9%
- KU has reported 841 cases
 - September 7-12: 39 new cases at Watkins
 27% positivity rate

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Douglas County Education Compared to All Kansas Counties

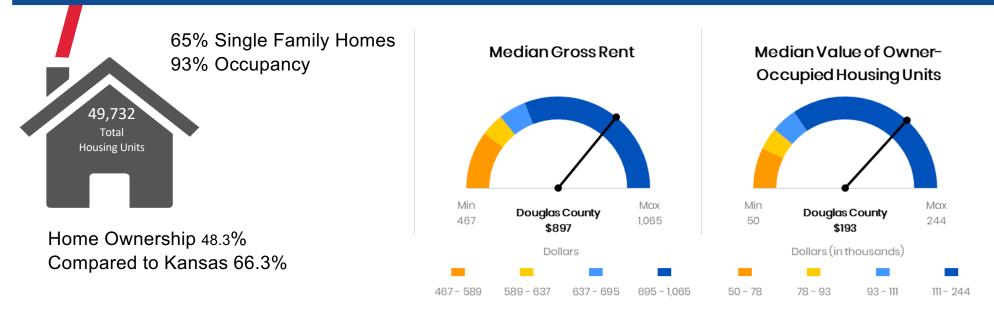




 Douglas County—has one of the highest levels of high school graduates and college graduates in the state of Kansas.



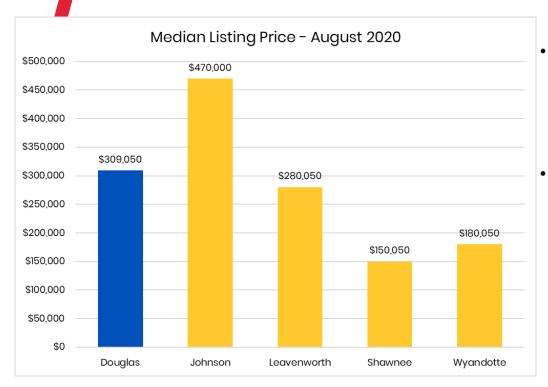
Douglas County Housing



- Douglas County has the some of the highest housing costs in the state. Median rents are \$897.
- Median value of owner occupied housing is \$193,000.



Median House Listing Price in the Region

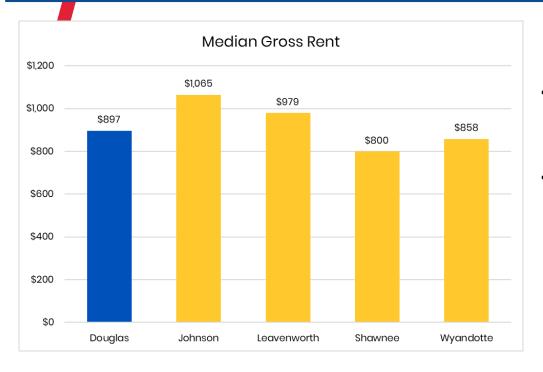


Source: St. Louis Federal Reserve, FRED, https://fred.stlouisfed.org/series/MEDLISPRI28140

Median House Listing Price is \$309,050 in Douglas County \$215,050 for State of Kansas



Median Gross Rent

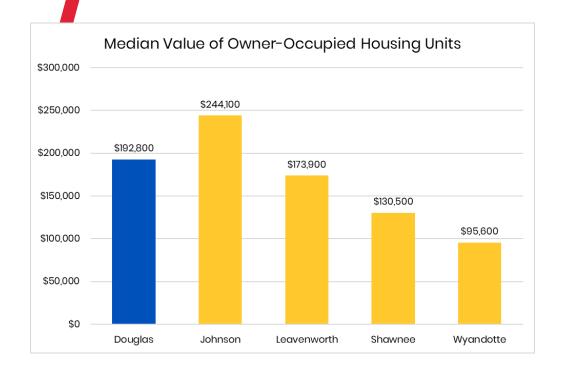


Source: U.S. Census Bureau, 2014-18 ACS.

- Median Gross Rent in Douglas County is \$897
- This puts Douglas in the highest quartile in the state.



Median Value of Owner Occupied Housing Units



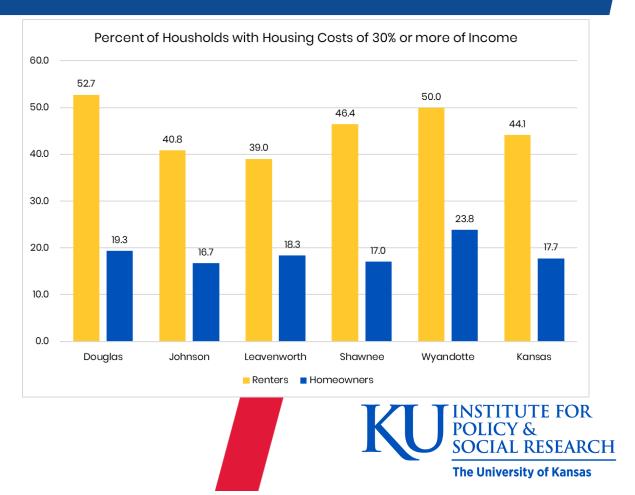
 The median value of owner-occupied housing units in Douglas County is \$192,800



Source: U.S. Census Bureau, 2014-18 ACS.

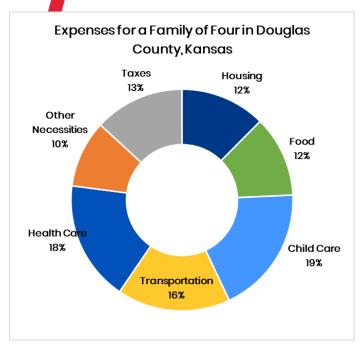
Douglas County Housing Costs as Share of Income

 53% of renters and 19% of homeowners have housing costs that exceed 30% or more of income.



Douglas County Household Expenses

MONTHLY COSTS



2 adults <i>and</i> 2 children Douglas County, KS									
☆ HOUSING	\$843								
➡ F00D	\$804								
🙁 CHILD CARE	\$1,270								
TRANSPORTATION	\$1,119								
🗘 HEALTH CARE	\$1,190								
Ø OTHER NECESSITIES	\$665								
TAXES	\$891								
Monthly Total	\$6,783								
Annual Total	\$81,396								

The Economic Policy Institute estimates the cost of a family of four to live in Douglas County is \$81,396

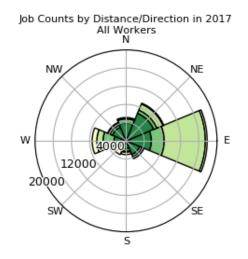
Median household income is \$55,832

Difference leaves a shortfall of \$25,564.

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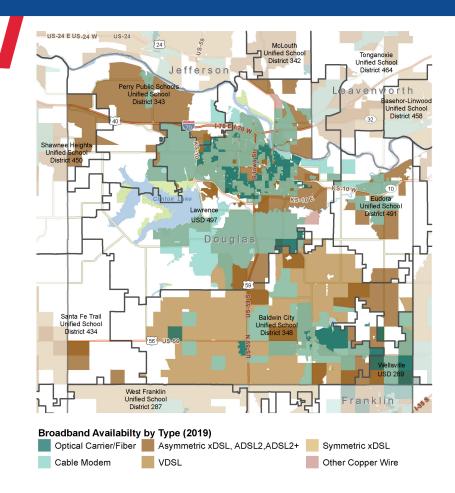
Douglas County Residents Commute for Work

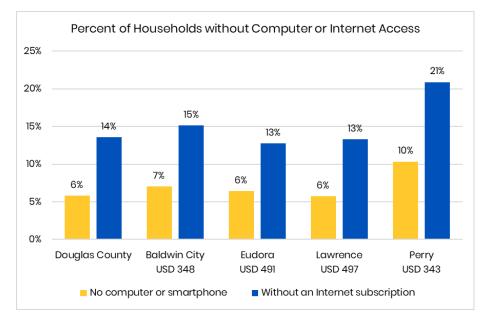
- 56% of Douglas County residents work in the county.
- 44% of residents commute to work. More workers commute to the East with 17% working in Johnson County





Douglas County Residents Lack Broadband Access

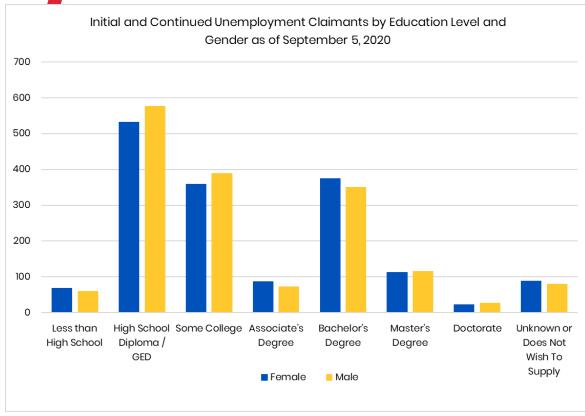




Between 13 - 21% of households within Douglas County School Districts have no Internet Subscription.



Douglas County Unemployment Claims

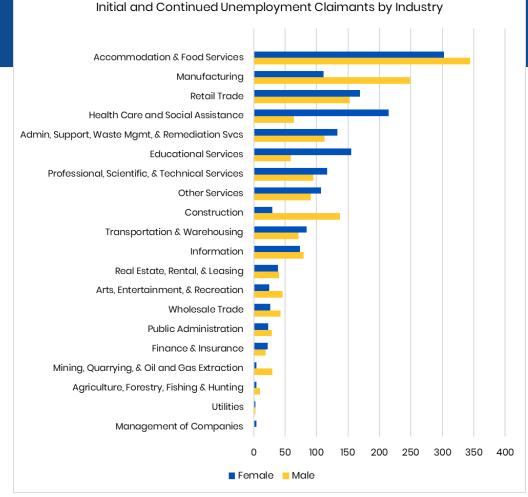


Source: Author's calculations.

- Male high school graduates are most likely to be unemployed.
- Female college graduates are more likely to be unemployed.

Overall, Douglas County unemployment claimants are split 50/50 by gender.





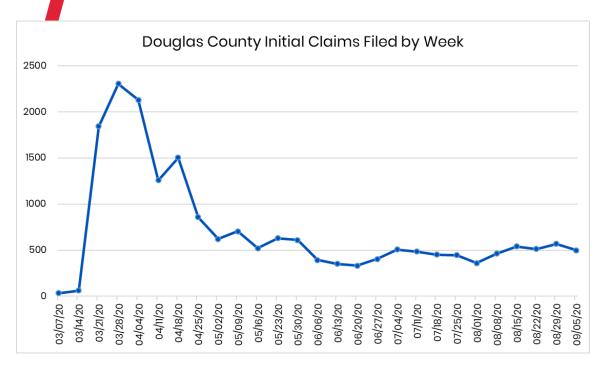
Source: Author's calculations.

Douglas County Unemployment Claims

- Male Unemployment:
 - Accommodation & Food Service
 - Manufacturing
 - Retail Trade
- Female Unemployment:
 - Accommodation & Food Service
 - Health Care
 - Retail Trade



Douglas County Initial Unemployment Claims



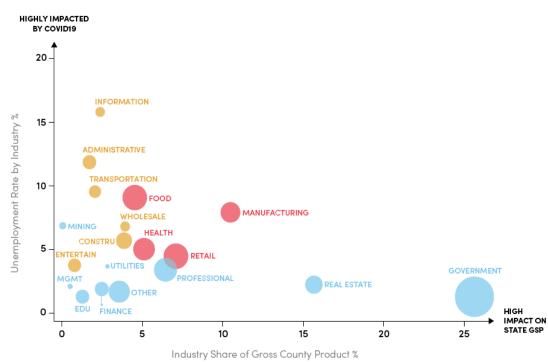
 Douglas County Initial Unemployment claims increase during August though showed slight downward tick at start of September.

Source: Kansas Department of Labor.



Unemployment Claims Relative to Gross Product— Douglas County

Unemployment Rate Relative to Industry Share of Gross County Product Weighted by Employment Share – Douglas County



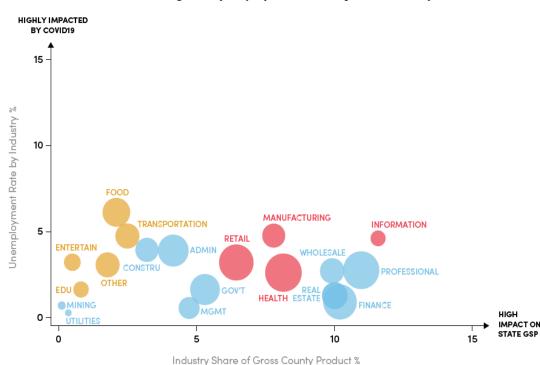
Source: Author's calculations.

- Sectors that contribute most to Douglas County growth:
 - Government 1% UE & 26% of GSP
 - Real Estate 3% UE & 16% of GSP
 - Manufacturing 7% UE & 10% of GSP
 - County UE Rate 8.2%



Unemployment Claims Relative to Gross Product— Johnson County

Unemployment Rate Relative to Industry Share of Gross County Product Weighted by Employment Share – Johnson County



Source: Author's calculations.

- Sectors that contribute most to Johnson County growth :
 - Manufacturing 5.3% UE & 7.8% of GSP
 - Health Services 3% UE & 8.1% of GSP
 - Retail 4% UE & 6.4% of GSP
 - County UE Rate 6.5%



Douglas County Small Businesses are Closing Again

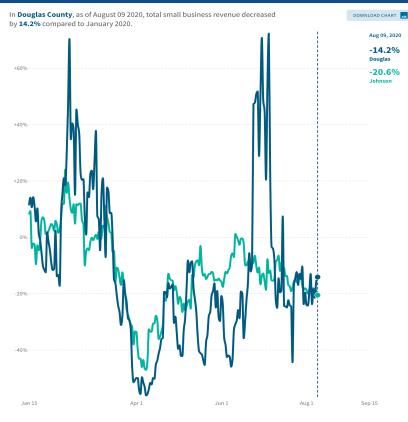


Source: Economic Tracker https://tracktherecovery.org/

- More small businesses have closed in the past week
 - Likely the result of additional COVID restrictions
- The number of small businesses open in Kansas has fallen by 12.2% since January.
 - In Johnson County there's been a drop of
 - -11.3% of small businesses that are open.
 - Sedgwick County is doing relatively better
 - Douglas County is doing significantly worse.



Douglas County Small Businesses Revenue is Down



Source: Economic Tracker https://tracktherecovery.org/

- Small Business revenue in Douglas County increased in July, but has since dropped. It's now down 14.2% compared to January.
 - In Johnson County there's been a drop of
 - -20.6% of small businesses revenue
 - In Kansas, small business revenue is down -12.5%



Douglas County Vulnerable Businesses

	Small Businesses									
Industry	Total	Businesses with fewer than 500 Employees	Self- Employed	Total Small Businesses						
Manufacturing	188	58	128	186						
Retail Trade	1,054	383	671	1,054						
Health Care and Social Assistance	898	319	578	621						
Accommodation and Food Services	407	318	89	151						
Other Services (except Public Admin)	1,177	260	917	1,235						

- Douglas County has 3,724 establishments in vulnerable industries
- 1,341 of these have employees
- 3,247 are small businesses

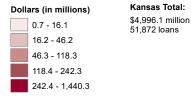


Payroll Protection Program Loans by County

				Lotinut			June 30			,	,				
Cheyer \$4.2		awlins \$4.7	Decatur \$3.8	Norton \$13.1	Phillips \$10.2	Smith \$5.2	Jewell \$2.5	Republic \$7.1	Washington \$9.7	Marsh \$18.		\$10.1		22°	
Sherma \$10.1		homas \$16.1	Sheridan \$6.0	Graham \$3.3	Rooks \$8.8	Osborne \$6.5	Mitchell \$15.9	Cloud \$11.9			awatomie \$25.8	ickson 510.5 Je	fferson		nworth 8.3
Wallace \$2.6	Log \$6		Gove \$5.8	Trego \$5.6	Ellis \$59.8	Russell \$8.8	Lincoln \$4.3	Ottawa \$6.1	Dickinson			Shawnee \$242.3	Douglas	Johnson \$1,440.3	Wyandotte \$224.1
Greeley	Wichita	Scott	Lane	Ness	Rush	Barton	Ellsworth \$9.0	Saline \$118.3	\$18.8	Morris \$9.1	Lyon	Osage \$6.2	Franklin \$22.4	Miami \$52.1	
\$4.4	\$3.6	\$18.6	\$2.9	\$7.8	\$6.0 Pawnee	\$51.4	Rice \$15.5	McPherson \$74.2	Marion \$15.2	Chas \$2.5	e \$41.6	Coffey \$11.0	Anderson \$7.3	Linn \$4.9	
Hamilton \$10.0	Kearny \$8.8		58.6	Hodgeman \$2.6	\$4.5 Edwards \$5.9	Stafford \$4.7	Reno \$98.9	Harv \$53	3.7	utler	Greenwood \$6.4	Woodson \$2.1	Allen \$16.0	Bourbon \$19.0	
Stanton \$8.2	Grant \$11.6	Haskell \$9.3	Gray \$13.6	Ford \$46.2	Kiowa \$3.8	Pratt \$19.5	Kingman \$11.1	Sedg \$1,0		71.2	Elk \$0.7	Wilson \$9.9	Neosho \$20.2	Crawford \$42.9	
Morton \$4.4	Stevens \$9.5	Seward \$25.0	Meade \$9.0	Clark \$4.8	Comanche \$2.4	Barber \$7.6	Harpe \$13.6	r \$18.		owley 28.3	\$0.7 Chautauqua \$2.4	Montgome \$31.9	Labette \$32.3	Cherokee \$17.2	2

Estimated Amount of PPP Loans in Kansas, by County,

Source: Institute for Policy & Social Research, The University of Kansas; data from U.S. Small Business Administration.



Johnson: \$1.4 billion

- Sedgwick: \$1 billion
- · Shawnee: \$242 million
- · Wyandotte: \$224 million
- Douglas: \$167 million



Jobs Retained with PPP Loans

Kansas: 34.8%

Percent

13.2 - 24.2

24.3 - 36.1 36.2 - 46.2

46.3 - 58.4

58.5 - 78.8

	Job	s Retai	ned wit	th PPP Lo	oans as a		ntage of June 30		Labor	Force i	n Kans	as, by	Count	у,	
Cheyen 40.1		Rawlins 40.4	Decatur 45.7	Norton 55.3	Phillips 49.4	Smith 47.8	Jewell 32.5	Republic 52.0	Washingto 48.8	n Marsha 41.3	II Nemah 78.8	35.7	Doniphar 13.3 tchison	ler.	
Sherma 46.2		homas 51.5	Sheridan 48.4	Graham 38.0	Rooks 50.3	Osborne 54.0	Mitchell 57.9	Cloud 43.8				ickson 18.5 Jet	30.4 fferson	-	2.3
Wallace 34.1		gan 2.4	Gove 55.6	Trego 68.4	Ellis 39.9	Russell 38.8	Lincoln 34.0	Ottawa 27.2 Saline	Dickinson 21.6	Geary V 21.0	/abaunsee 14.6	Shawnee	\sim	Johnson 38.4	Wyandotte 24.2
Greeley 58.4	Wichita 48.1	Scott 71.1	Lane	Ness	Rush 51.0	Barton	Ellsworth 40.5	38.2		Morris 39.7	Lyon	Osage 14.6	Franklin 18.8	Miami 23.2	
		Fir	51.9	65.7 Hodgeman	Pawnee 23.2	41.2	Rice 36.1	McPherson 53.6 Han	33.3	Chase 13.2	29.6	Coffey 33.5	Anderson 19.8	Linn 14.4	
Hamilton 74.5	Kearny 41.8	3	2.8 Gray	40.8	Edwards 47.1	Stafford 44.8	Reno 35.7	38	.0	Gutler 22.1	Greenwood 23.5	Woodson 17.7	Allen 28.7	Bourbon 32.6	
Stanton 72.9	Grant 31.1	Haskell 45.6	53.Í	Ford 32.8	Kiowa 49.9	Pratt 42.0	Kingman 45.0	Sedg 41			Elk 13.8	Wilson 29.9	Neosho 45.0	Crawford 29.0	
Morton 71.6	Stevens 41.1	Seward 32.9	Meade 53.5	Clark 67.1	Comanche 41.5	Barber 42.6	Harpe 49.8	r Sumr 20.3		Cowley 22.6	Chautauqua 20.6	Montgome 29.3	Labette 30.8	Cherokee 22.1	

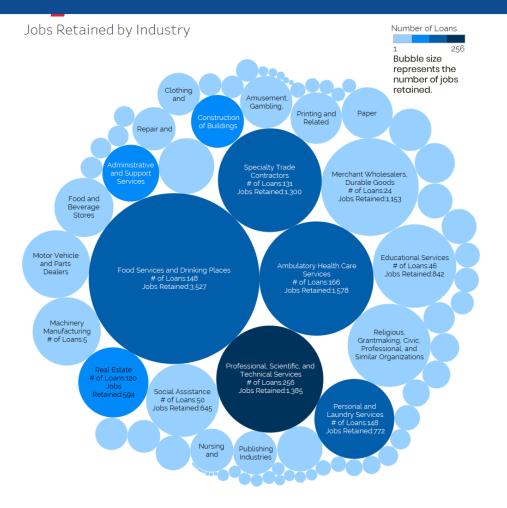
Source: Institute for Policy & Social Research, The University of Kansas; data from U.S. Small Business Administration and Bureau of Labor Statistics.

Civilian labor force estimates from June 2020.

- Kansas: 34.8% of workforce
- Douglas 30%
- Johnson 38%
- Shawnee 28%
- Morton 71.6%
- Scott 71.1%



PPP Program in Douglas County as of 6/30/2020

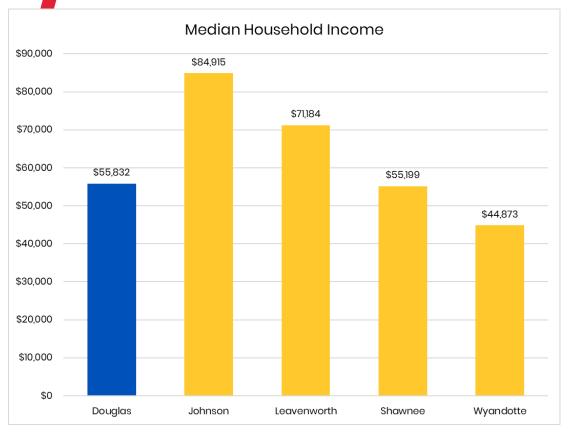


- Douglas County 1,914
 businesses received PPP
 loans for a total amount ~\$167
 million. These loans preserved
 20,164 jobs
 - Professional, scientific, and technical services 256 loans & 1,385
 - Food services and drinking places 148 loans & 3,527 jobs



Median Household Income

•

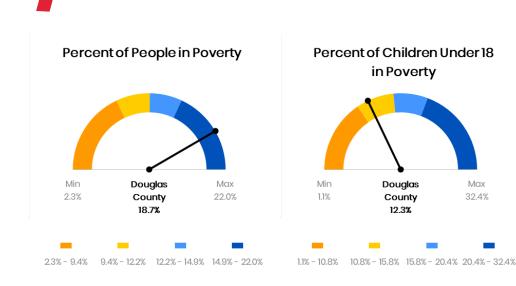


Source: U.S. Census Bureau, 2014-18 ACS.

- Median Household income in Douglas County is \$55,832
 - The statewide median is \$57,422.



Percent of People in Poverty in Douglas County



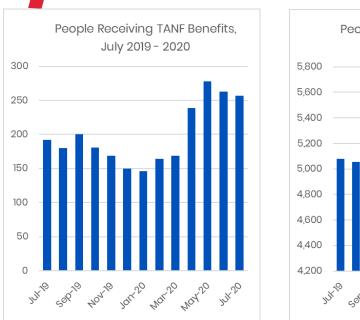
Source: U.S. Census Bureau, 2014-18 ACS.

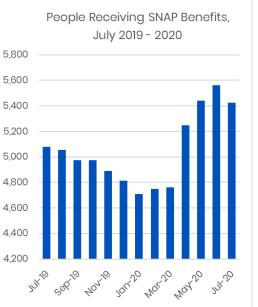
53 Donna K. Ginther, PhD

- The overall portion of Douglas County residents living in poverty is 18.7%
- 12.3% of children under 18 in Douglas County live in poverty
- Douglas County falls into the upper quartile for Kansas counties for people in poverty

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Douglas County SNAP and TANF Participation





Participation in the Supplemental Nutrition Assistance Program (SNAP) and Temporary Assistance for Needy Families (TANF), have increased.

- 7% increase in SNAP program participants
- 34% increase in people receiving TANF benefits .



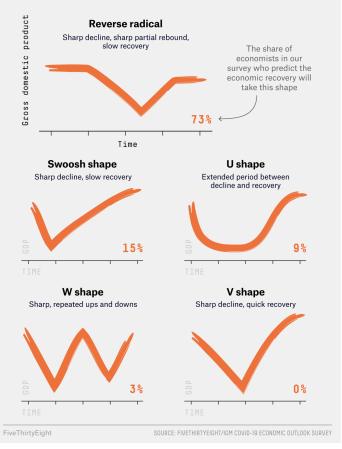
What's the Latest Letter for the Economic Recovery? K is not OK



Shape of the Recovery—Reverse Radical?

Economists in our survey expect an uneven recovery

Expert predictions for the shape of the U.S. economic recovery



- In June, Fivethirtyeight.com interviewed top macroeconomists about the recovery.
- 73% of economists expect a reverse radical recovery:
 - Sharp-partial recovery with prolonged lower level.
- Now economists are talking about Kshaped recovery

Source: <u>https://fivethirtyeight.com/features/what-economists-fear-most-during-this-recovery/</u>



Is this a K-shaped Recovery?

The Washington Post

Economy

The recession is over for the rich, but the working class is far from recovered

The stock market and home values are back at record levels, while jobs remain scarce for those earning less than \$20 an hour

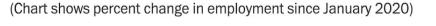
August 13, 2020

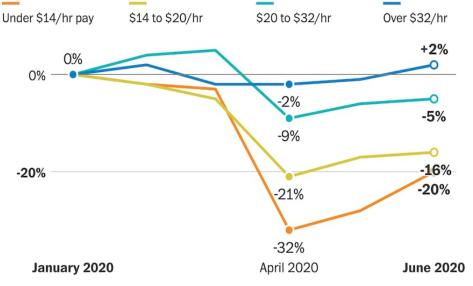
Source: https://www.washingtonpost.com/business/2020/08/13/recession-is-over-rich-working-class-is-far-recovered/?utm_campaign=wp_post_most&utm_medium=email&utm_source=newsletter&wpisrc=nl_most



Is this a K-shaped Recovery?

Jobs have rebounded for the top, but not for the bottom





Source: Opportunity Insights analysis of Current Population Survey data

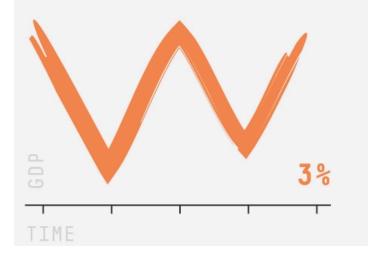
TOM PETERSON/THE WASHINGTON POST

- Jobs for those earning > \$32 per hour have recovered.
 - Jobs for those earning between \$20-\$32 per hour down 5%
 - Jobs for those earning between \$14-\$20 per hour down 16%
 - Jobs for those earning between
 \$14 per hour down 20%
- The rich have recovered.
- The rest have not.



Could the K turn into a W?

W shape Sharp, repeated ups and downs



State and Local Budget Pain Looms Over Economy's Future

Providing more aid to struggling governments has become one of the biggest issues tangling up the debate over another pandemic rescue package.

• The Fed chair, Jerome H. Powell, has repeatedly warned that state job cuts could drag down an economic recovery: "It will hold back the economic recovery if they continue to lay people off and if they continue to cut essential services."

Source: August 14, 2020 New York Times. https://www.nytimes.com/2020/08/14/business/economy/ state-local-budget-pain.html?searchResultPosition=1

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State Government Budgets are in Trouble

HOUSE COMMITTEE ON FINANCIAL SERVICES Image: Committee on Financial Services Image: Committee on Financial Services Image: Committee on Financial Add to America's States and Perritories During the Pandemic: Supporting First Responders, Assisting Schools in Their Efforts Image: Schools in Their Efforts

Source: <u>https://www.hutchnews.com/news/20200910/kelly-warns-budget-crunch-will-return-</u>to-kansas-without-lsquosignificantly-morersquo-federal-aid

Governor Laura Kelly, testified before the House Committee on Financial Services on September 10th: "We need a coherent, top-down strategy that will reassure businesses and Americans that our government has a plan to keep our economy stable until we have a vaccine in place."

"Severe budget cuts do not create small government, they create failed government,"

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Economic Impacts of COVID-19

- We will be posting weekly updates on data.
- We are moving to update these briefings every month.
- Data and briefings are featured on the IPSR website: <u>http://ipsr.ku.edu/covid19/</u>
- We will also monitor the policy responses.
- I hope that you all stay healthy!



Thank You!

