Estimating the Economic Impact of the COVID-19 Economic Crisis in East Central Florida

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ECONOMIC DEVELOPMENT DISTRICT

Economic Impact Analysis

- Evaluate One-Time Events/Policies
- Economic Ripple Effect
  - Direct
  - Indirect
  - Induced (Consumption)
Data Sources and Literature Review

- US BLS Employment Data
- JobsEQ Data Base
- GOA Traffic Reports
- Orange County Tourism Development Tax Collections
- Data Available until May 2020
Major Findings

• Steep Economic Deceleration in March

• Drastic Reductions of Economic Activity in May/June
  • Air Transportation: 85-90%
  • Accommodations: 95%
  • Arts and Recreation: 90%

• State Closure Also Affected these Industries Directly
  • Restaurants and Drinking Places
  • Retail Trade
Simulation Assumptions

- Loss of Capacity/Jobs
  Directly Translates to Sales Loss
- Some Industries Not Affected by Economic Shutdown
- Slow Recovery for Other Industries
Simulation Methodology

• Divided REMI Annual Industry Sales Forecast into 12 Months

• Reduced Monthly Sales by Industry Based on:
  • Sector Closures
  • State’s Reopening Plan
Simulation Results

- 391K Job Loss
- Most Affected Industries
  - Accommodation and Food Services (78,886)
  - Arts and Entertainment (48,008)
  - Retail Trade (47,313)
Simulation Results

- Loss of $47.9 Billion in Sales
  - $23.9B Direct
  - $24B Indirect/Induced
- Loss of $17.6 Billion in Personal Income
- Highest Losses by Sector
  - Accommodation
  - Retail Trade
Simulation Results

- The Region’s Gross Domestic Product will be Reduced by $27.8 Billion
- Mostly due to a Reduction in Personal Consumption Expenditures
Conclusions and Caveats

- We are in a Very Unique Time in History
- These Results Should Be Considered a Worst Case Scenario
- Assumed Rate of Recovery Could Be Faster
- Economy can Shutdown Again Because of Rise in COVID Cases
Questions/Comments

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