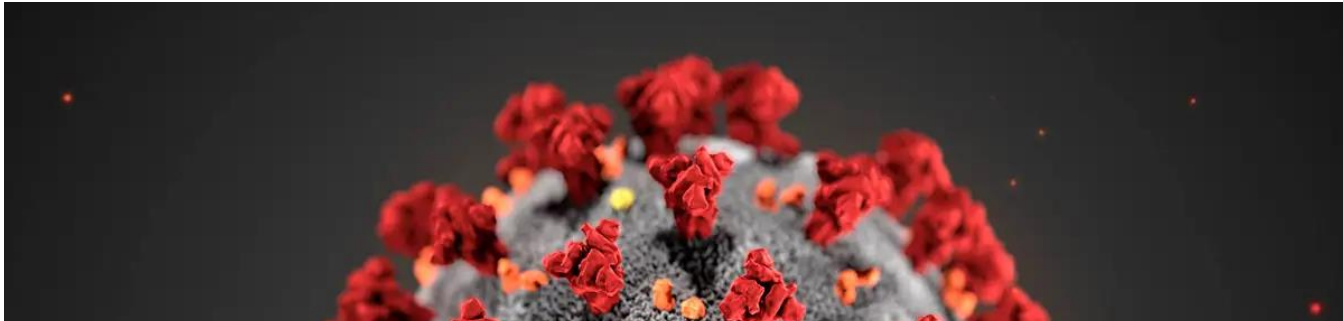
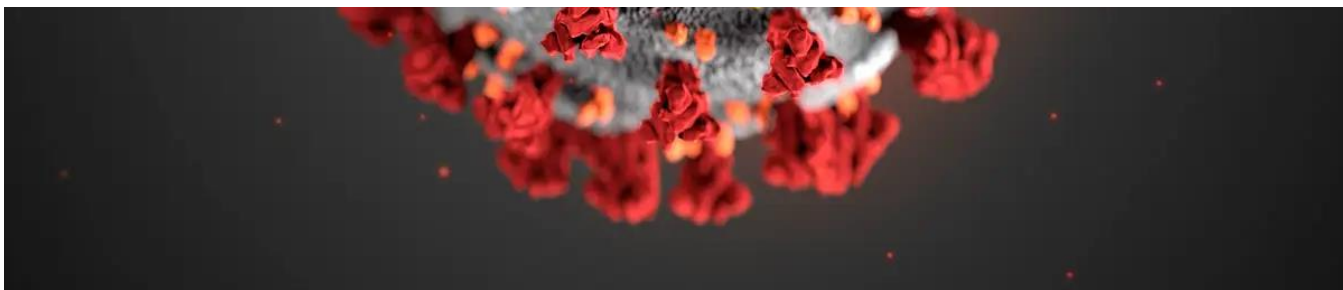


# ECONOMIC DEVELOPMENT DISTRICT



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

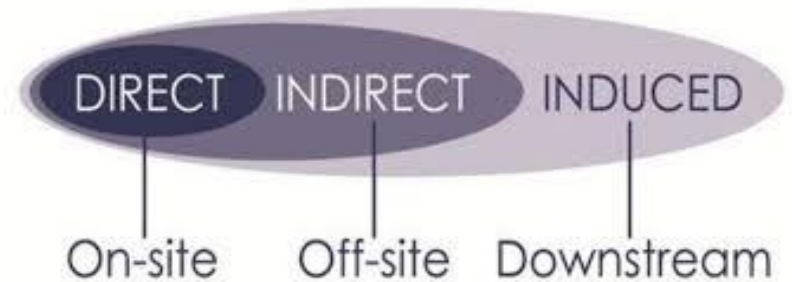


Luis Nieves-Ruiz, AICP  
Economic Development Manager  
July 15, 2020



## Economic Impact Analysis

- Evaluate One-Time Events/  
Policies
- Economic Ripple Effect
  - Direct
  - Indirect
  - Induced (Consumption)



# ECONOMIC DEVELOPMENT DISTRICT



## 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)



Employment

# ECONOMIC DEVELOPMENT DISTRICT



## 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



Output/Sales



Personal Income



# ECONOMIC DEVELOPMENT DISTRICT



## Simulation Results

- The Region's Gross Domestic Product will be Reduced by \$27.8 Billion
- Mostly due to a Reduction in Personal Consumption Expenditures



**Gross Regional Product (GRP)**

# ECONOMIC DEVELOPMENT DISTRICT



## 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



# EDD PROGRAM

Questions/Comments

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