

# The Economic Impacts of COVID-19

## A Real-Time Tracker Based on Big Data

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and the Opportunity Insights Team

October 15, 2020



*What data and metrics are you using to monitor your community's recovery from the crisis?*



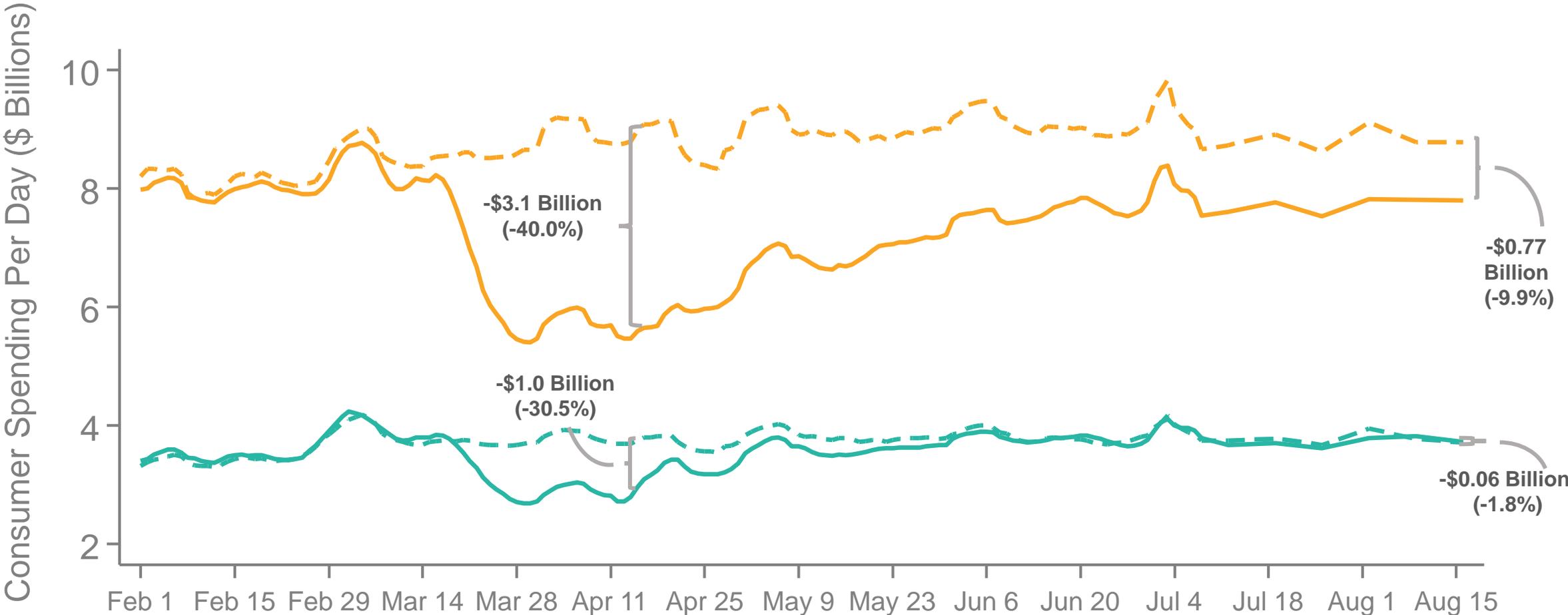
# Impacts of COVID-19

# Consumer Spending by Income Quartile



- 2019 Bottom Income Quartile
- 2019 Top Income Quartile
- 2020 Bottom Income Quartile
- 2020 Top Income Quartile

# Consumer Spending by Income Quartile



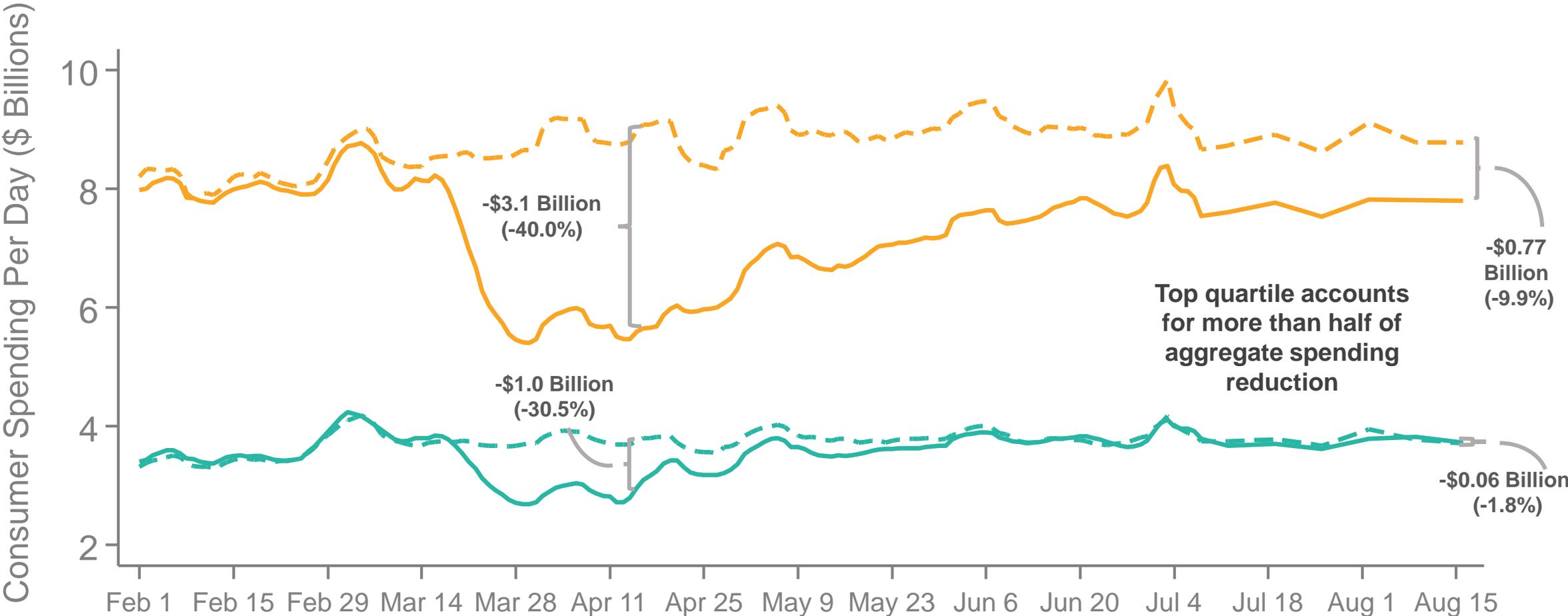
--- 2019 Bottom Income Quartile

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# Consumer Spending by Income Quartile



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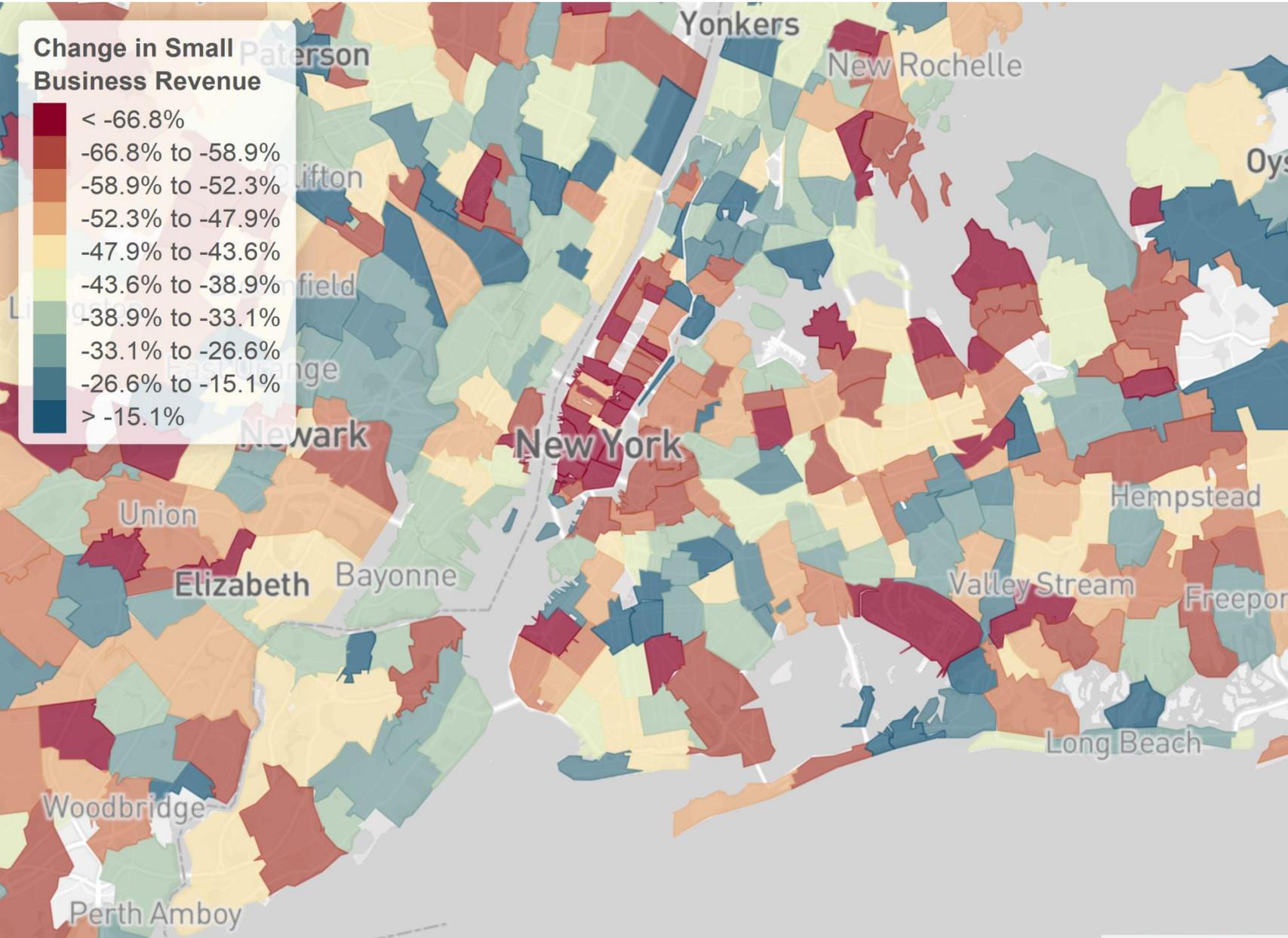
— 2020 Top Income Quartile

**Top quartile accounts for more than half of aggregate spending reduction**

# Business Revenues

# Changes in Small Business Revenues from January to April by ZIP Code

New York





Data

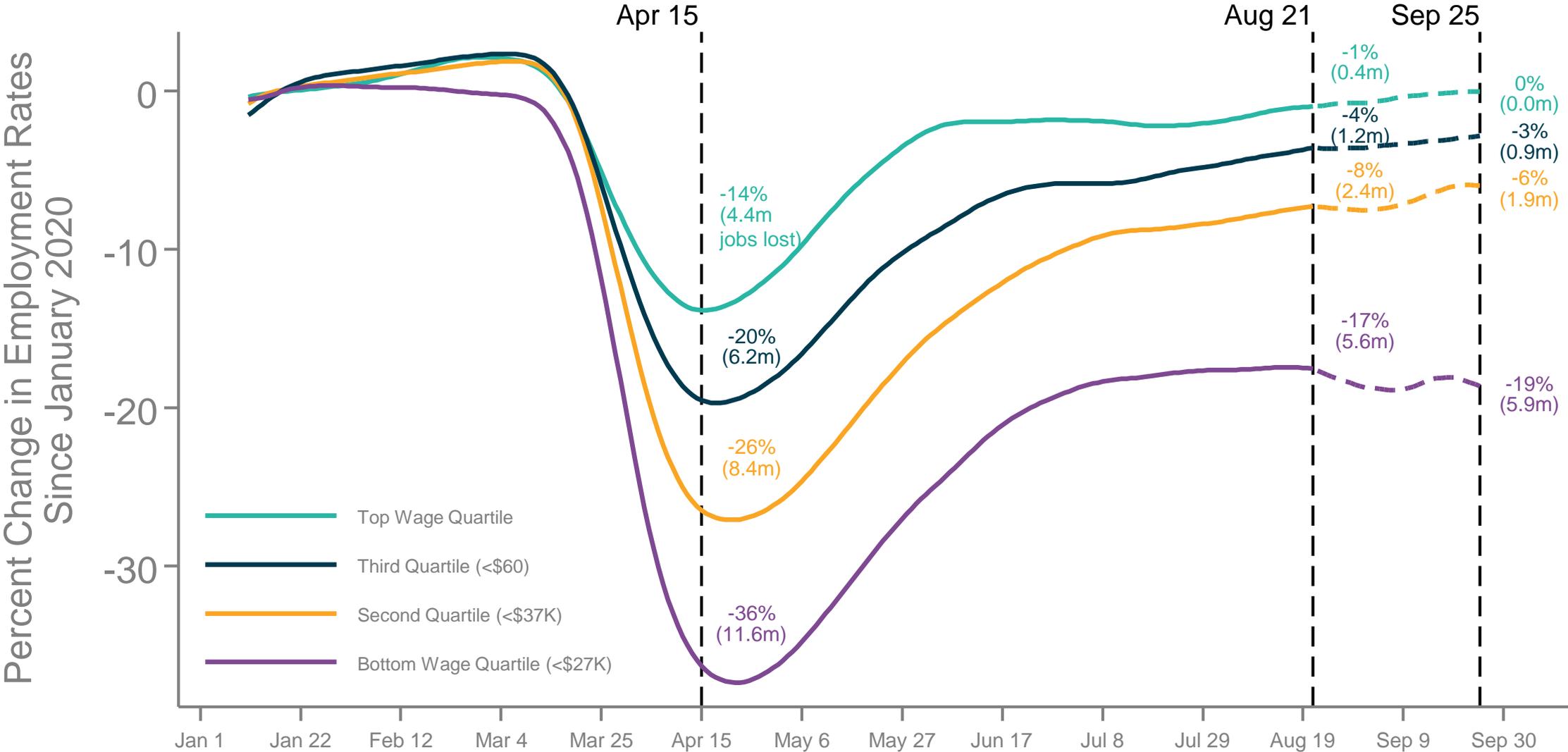
Impacts of  
COVID-19

Impacts of  
Stabilization  
Policies

Policy  
Implications

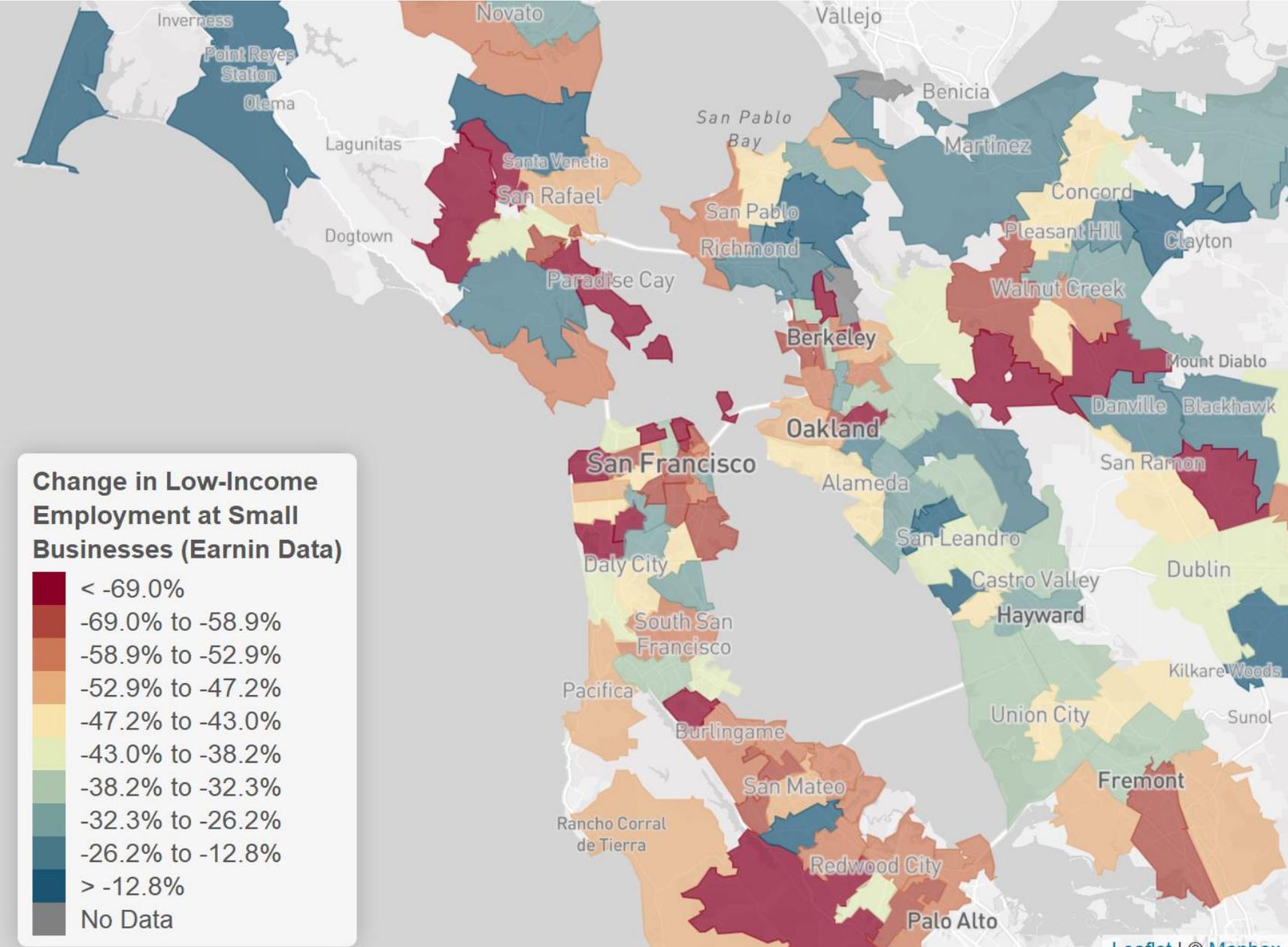
# Employment

# Employment Changes by Wage Quartile



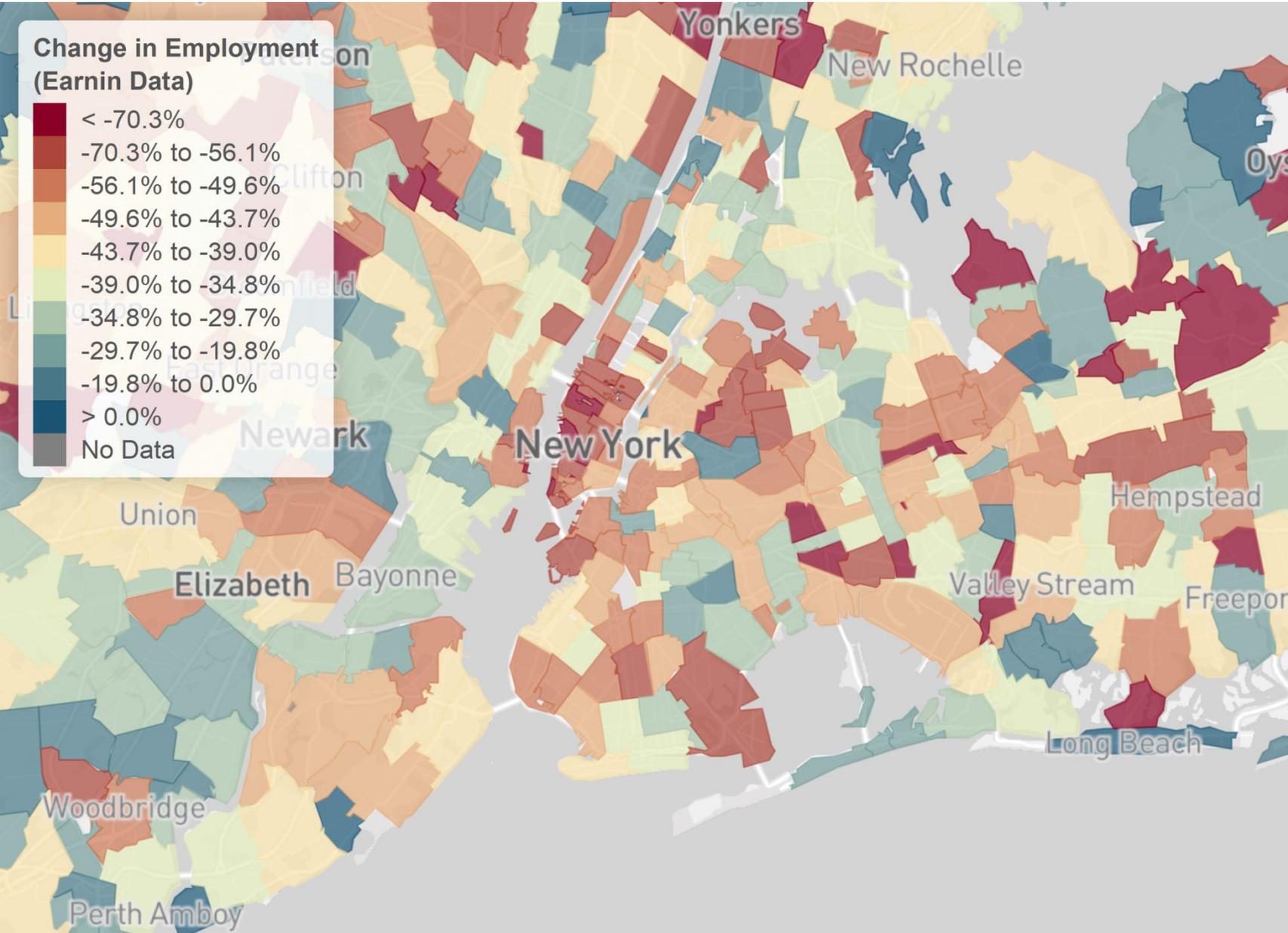
# Changes in Employment Rates by ZIP Code

San Francisco

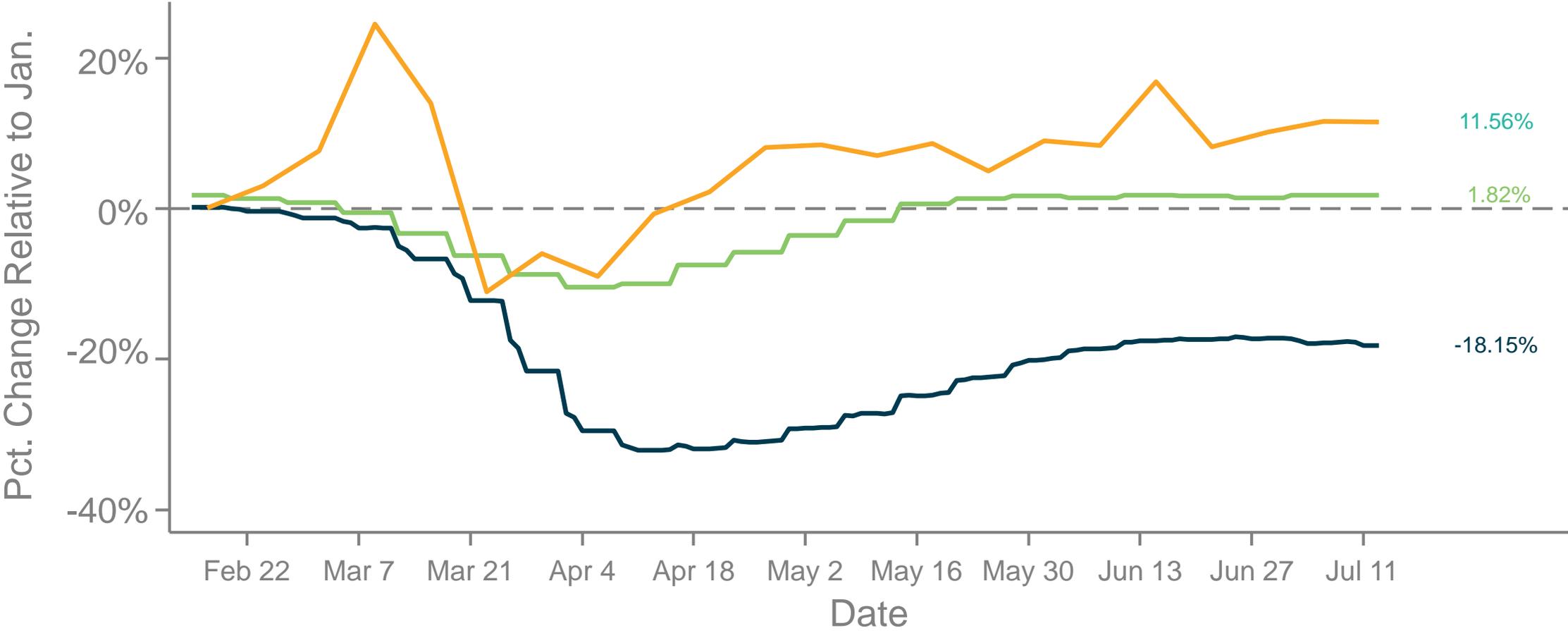


# Changes in Employment Rates by ZIP Code

New York



# Trends in Retail Spending and Employment Rates



— Employment: Bottom Wage Quartile      — Total Consumer Spending  
— Employment: Top Wage Quartile

*Why is employment not recovering for lower-wage workers,  
even as spending rebounds?*



# Impacts of Economic Policies

Data

Impacts of  
COVID-19

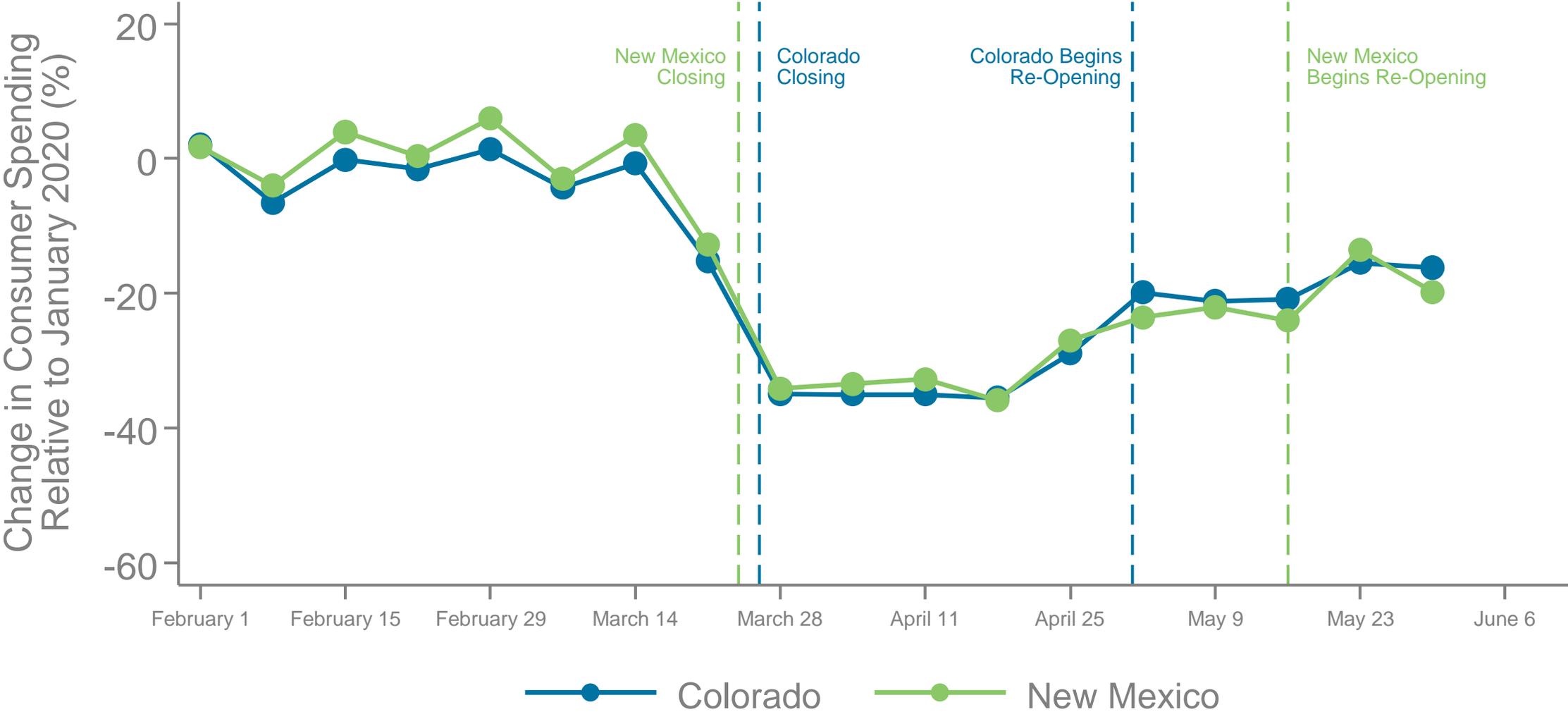
Impacts of  
Stabilization  
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Policy  
Implications

# State-Ordered Reopenings

# Effect of Re-Opening on Consumer Spending

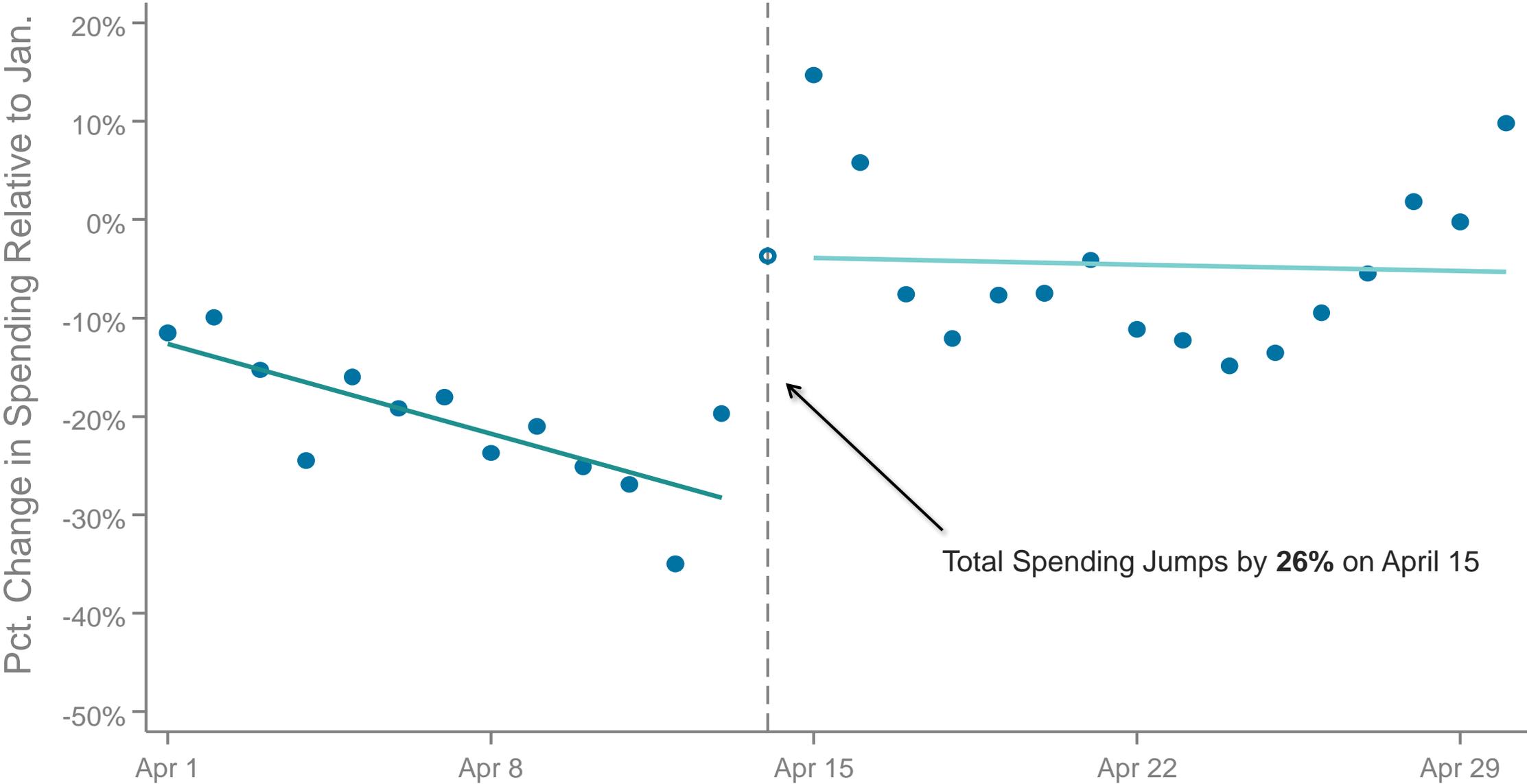
## Case Study of Colorado vs. New Mexico



# Stimulus Payments

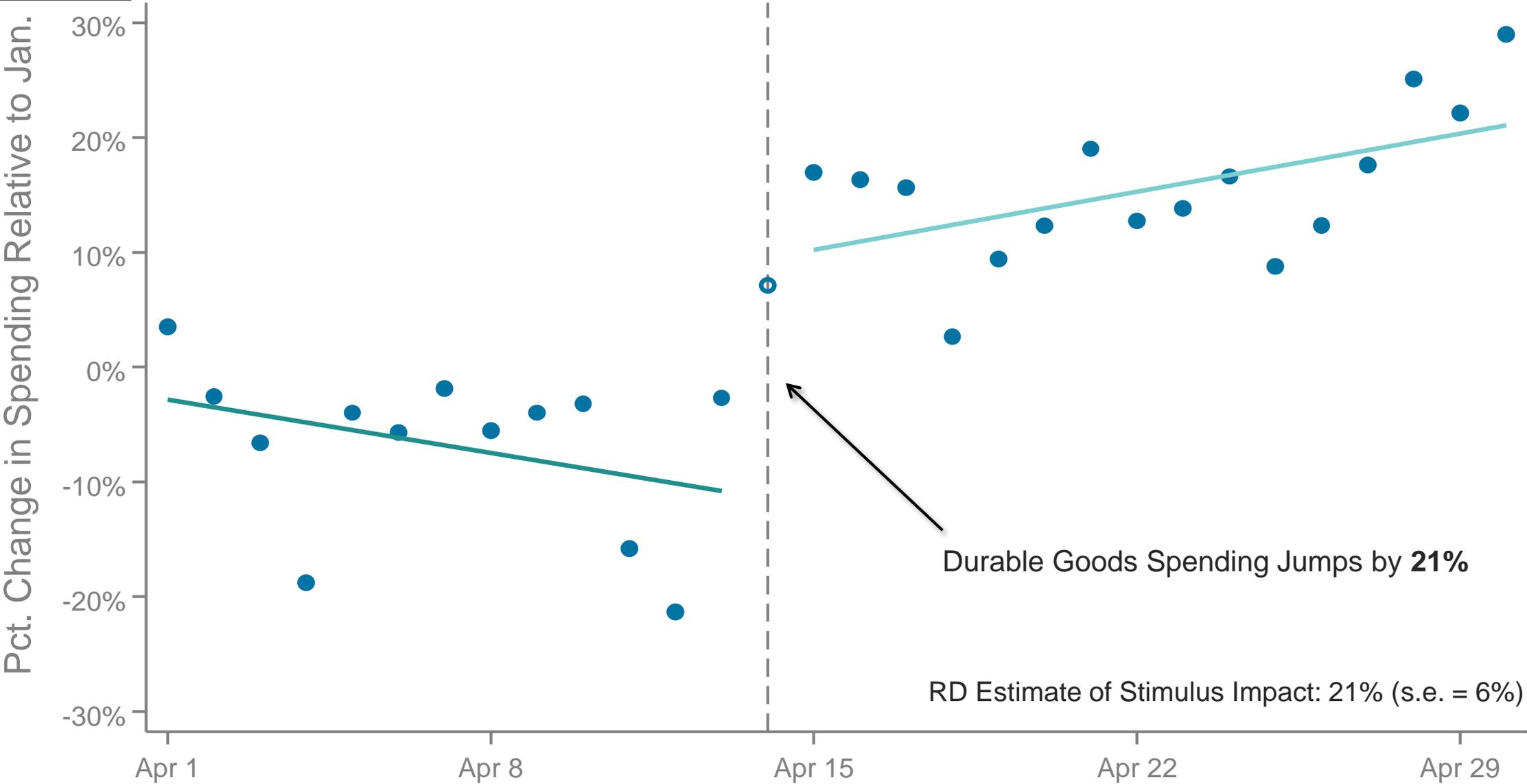
# Impact of Stimulus Payments on Consumer Spending

Bottom Income Quartile Households



# Impact of Stimulus Payments on Consumer Spending

## Durable Goods

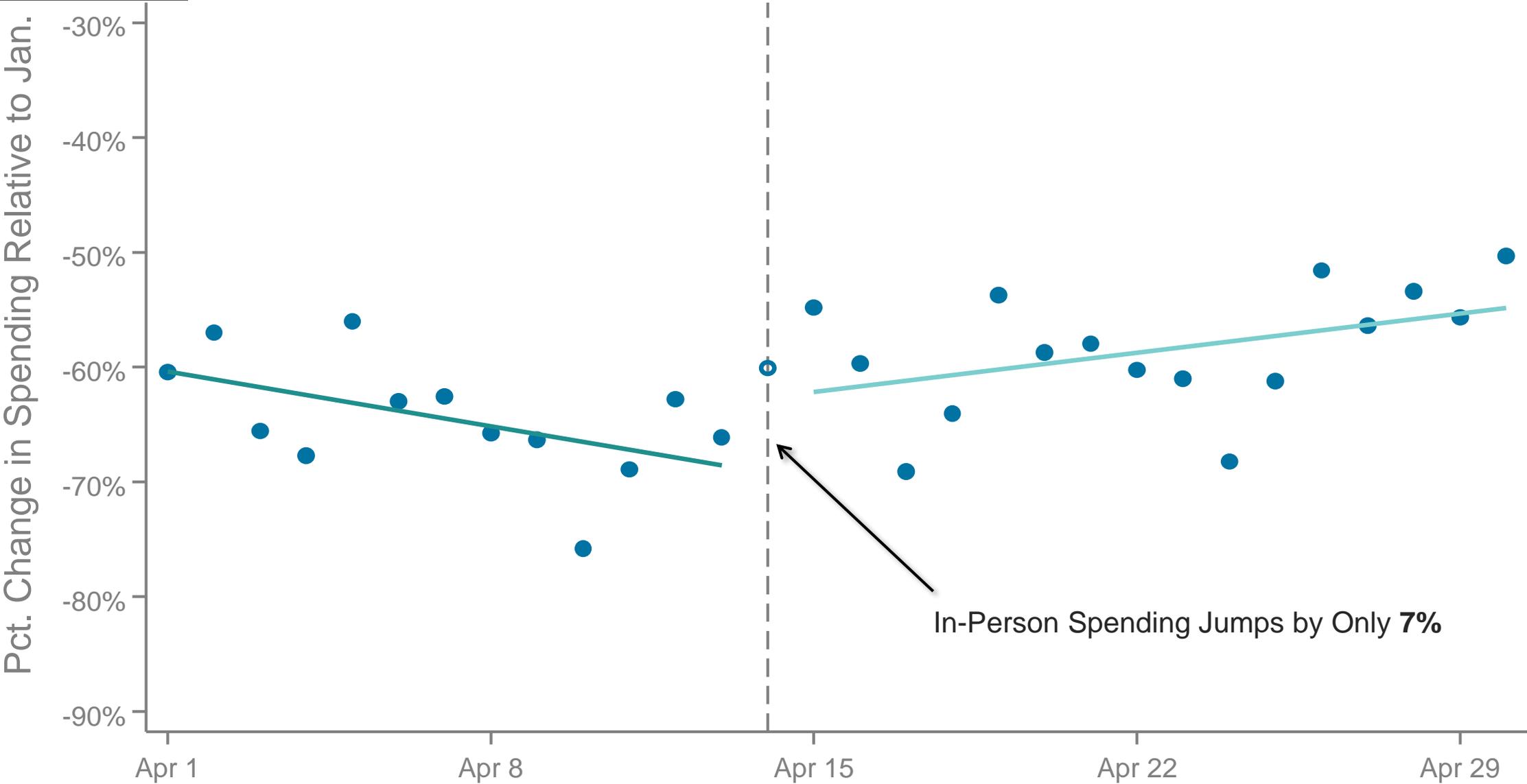


Durable Goods Spending Jumps by **21%**

RD Estimate of Stimulus Impact: 21% (s.e. = 6%)

# Impact of Stimulus Payments on Consumer Spending

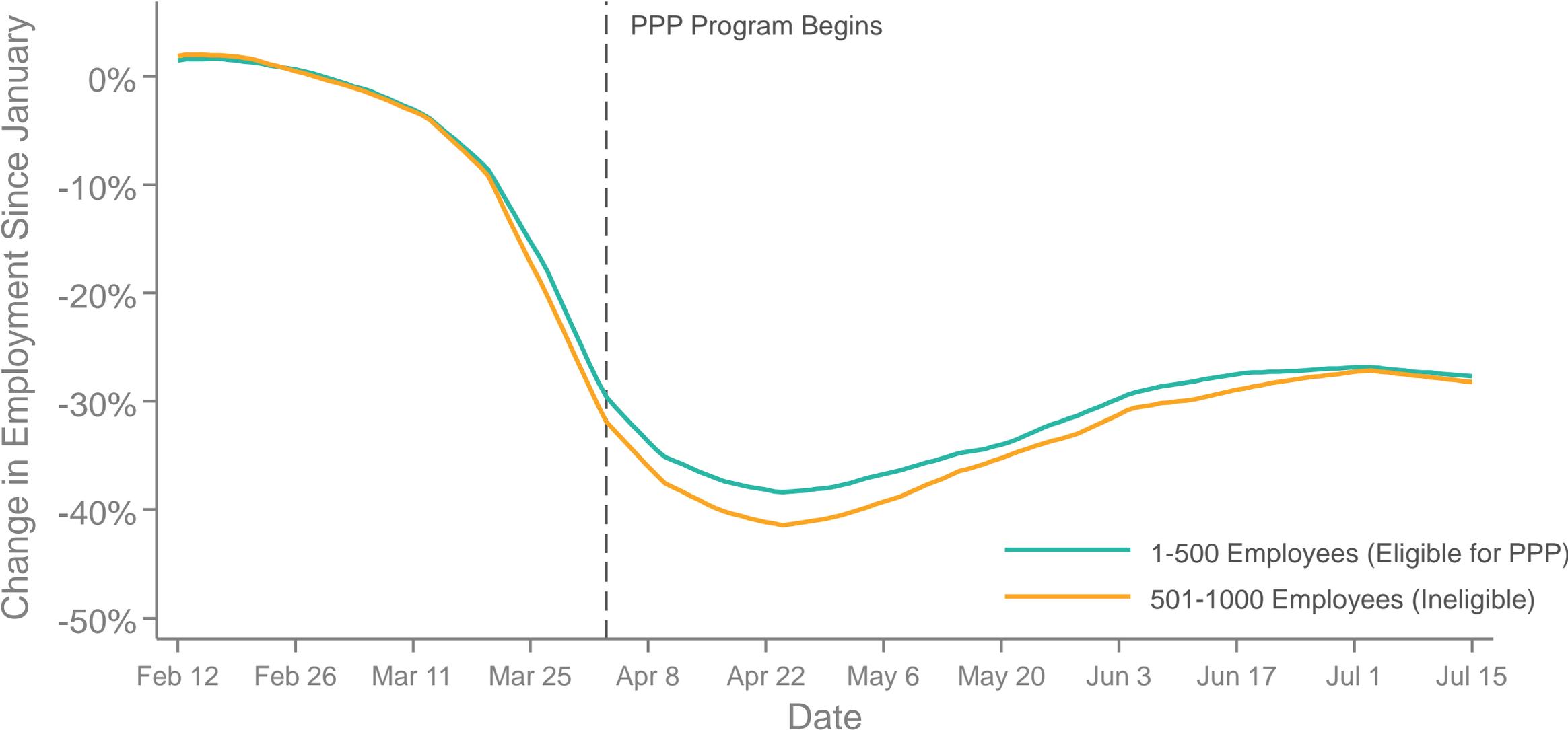
## In-Person Services



# Loans to Small Businesses

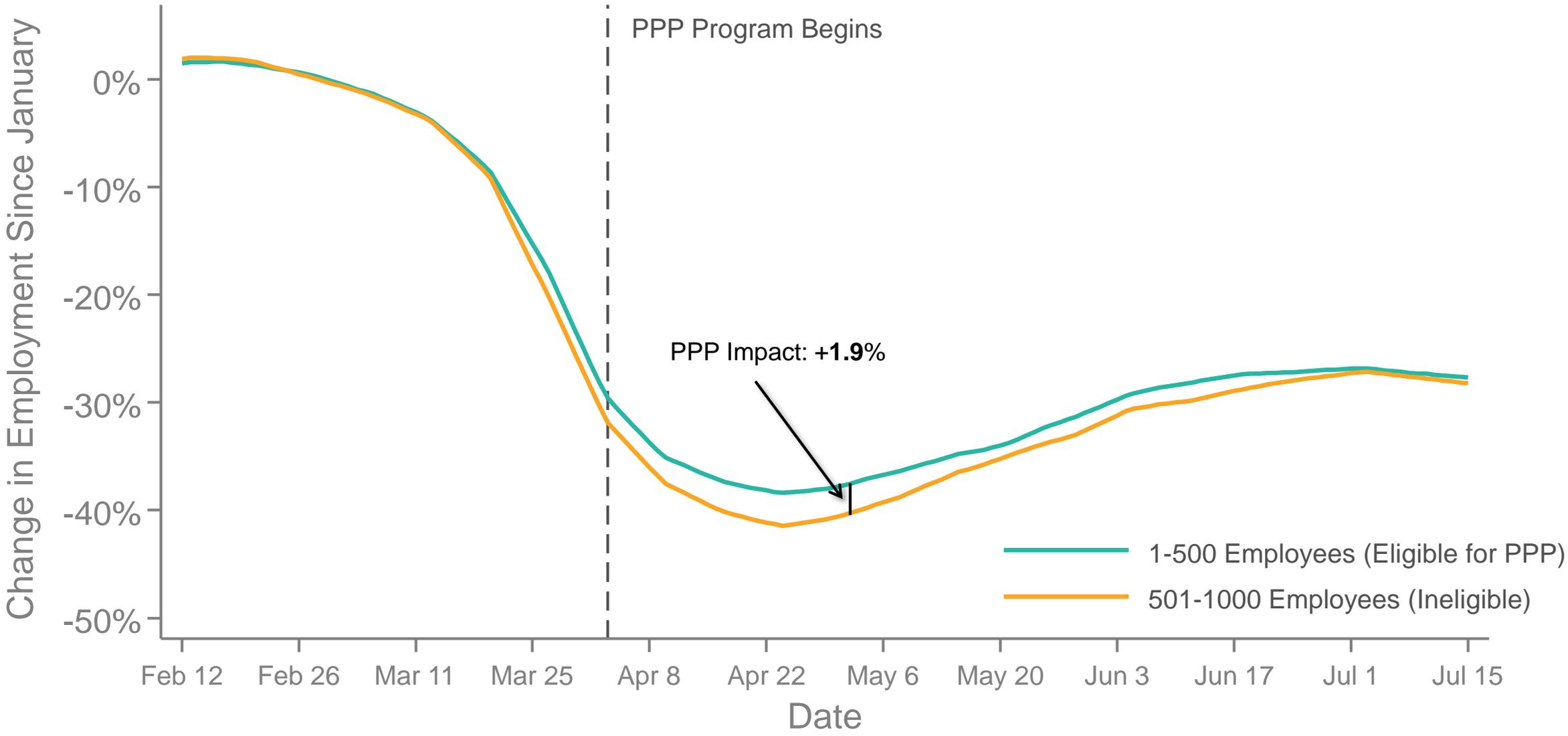
# Impact of Paycheck Protection Program on Low-Wage Employment

Change in Employment Rates by PPP Eligibility, Reweighted to Match Industries, Excl. Food Services



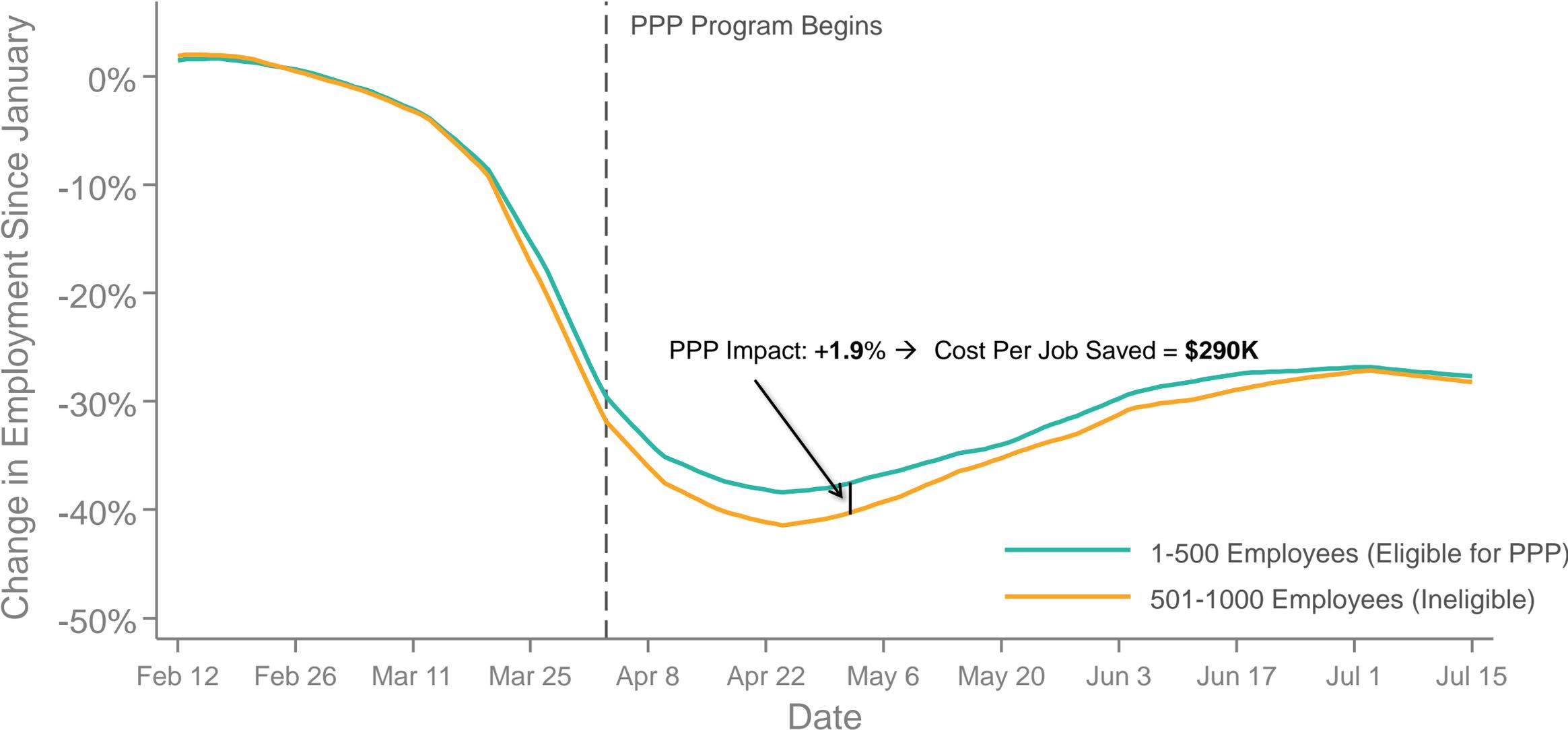
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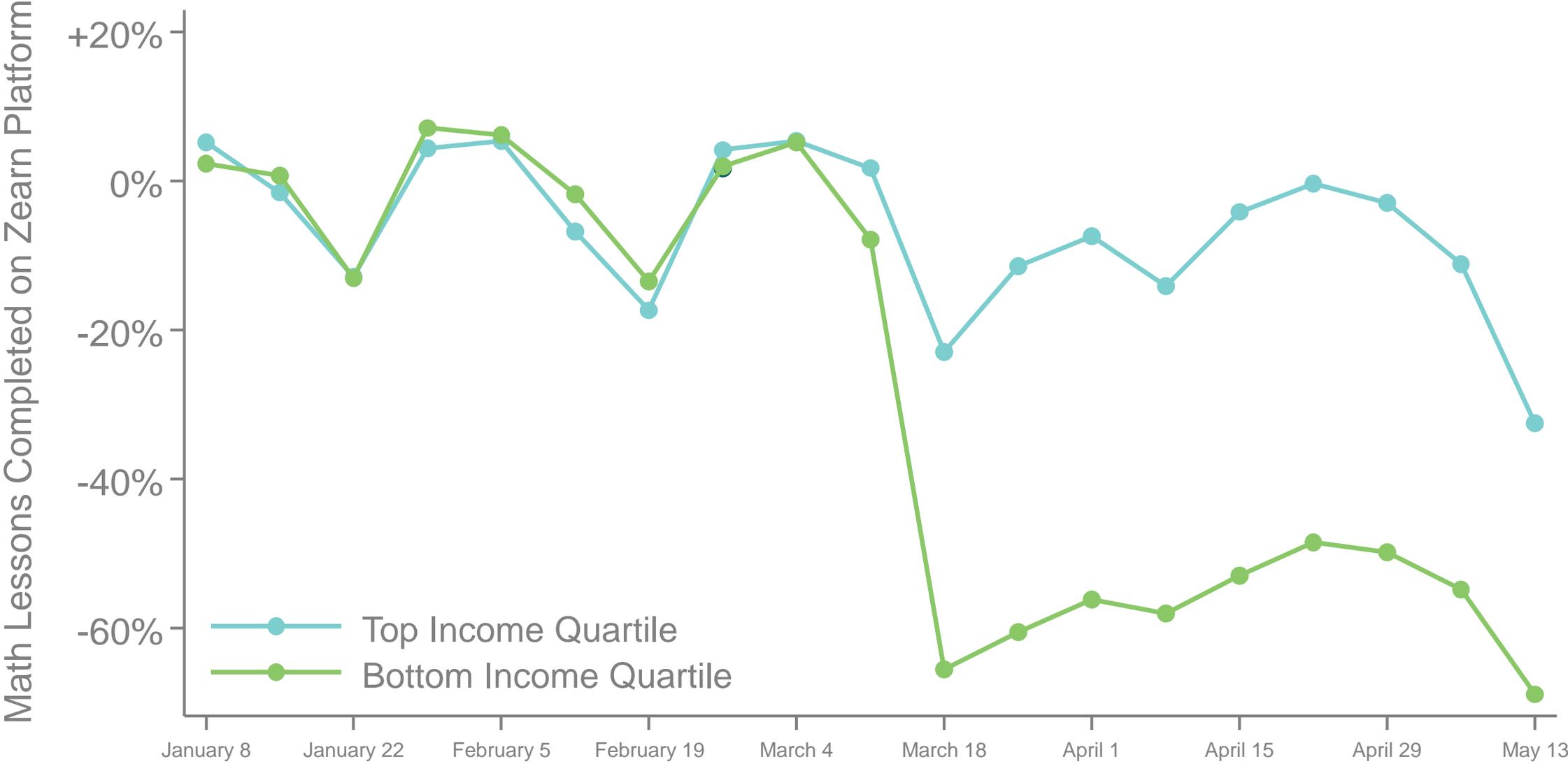
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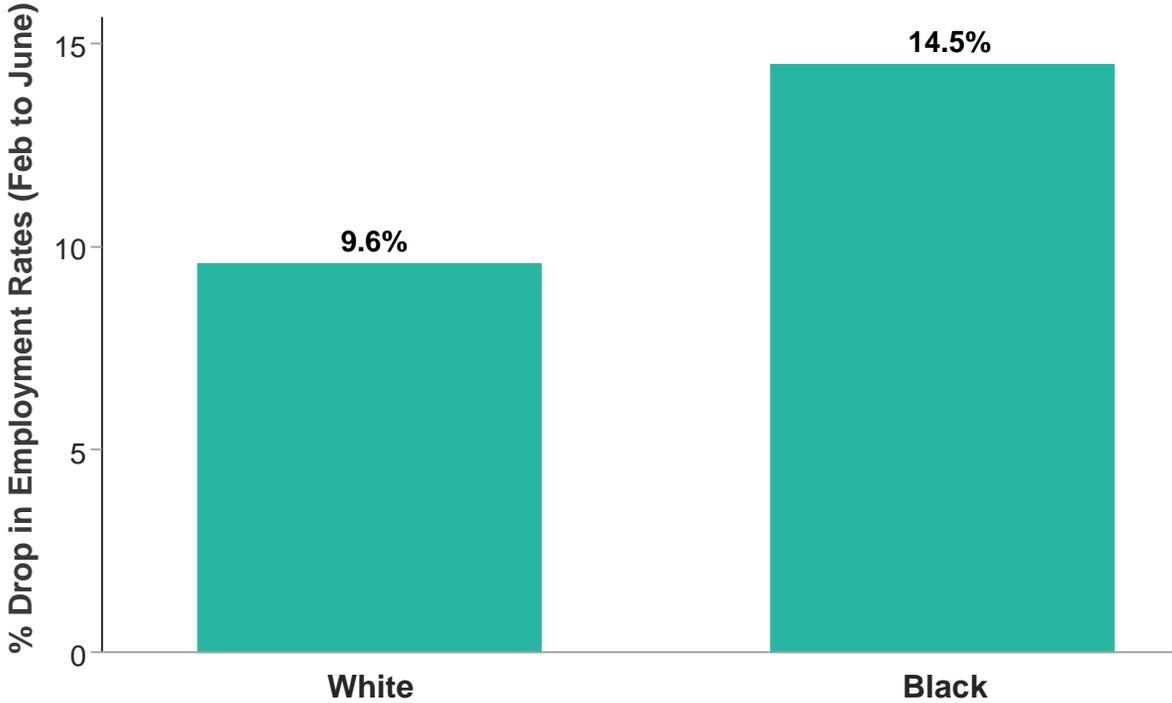
# Implications for Long-Term Economic Opportunity

# Effects of COVID-19 on Educational Progress by Income Group

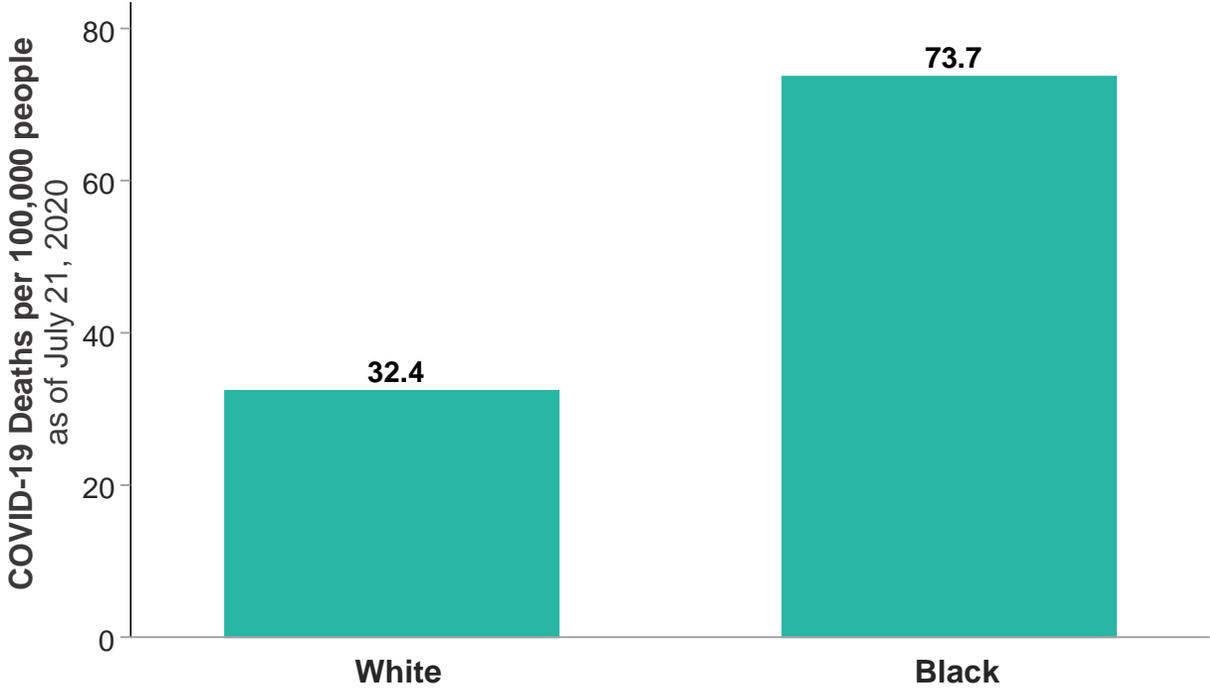


# Impacts of COVID-19 on Employment and Mortality by Race

## Employment Loss



## Mortality Rates



Data Source: APM Research Lab

*What policy implications  
are you taking from this analysis?*



# Policy Implications

- Limited capacity to restore consumer spending via traditional economic tools in the midst of the pandemic
- Impacts of stimulus and loans/payroll tax cuts to small businesses blunted when spending is constrained by health concerns
- Long-term solution lies in addressing virus itself and public health efforts to restore consumer confidence

# Short-Term Policy Implications

- In the meantime, may be most fruitful to use economic policy to limit hardship among low-income workers who have lost their jobs
  - Extending unemployment benefits and social safety net may be a more impactful use of scarce resources than stimulus checks to all households or loans to all businesses
  - May be a role for sectoral training programs and place-based policies targeting hardest hit areas (e.g., low-income workers in affluent counties)
  - Important to take potential long-term impacts on children into account, e.g. in decisions on when to re-open schools vs. businesses

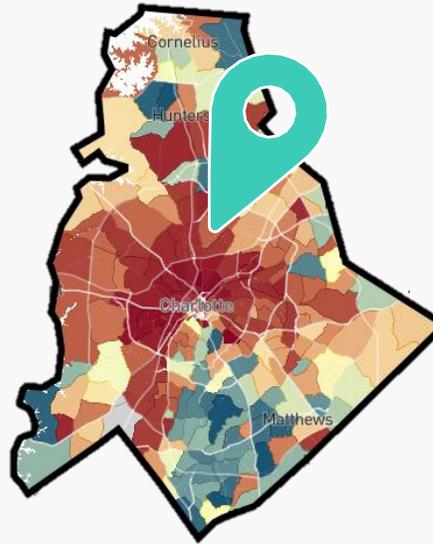
# Long Term Policy Implications: Addressing Structural Disparities

## Reducing Segregation



Help Low-Income Families Move to High-Opportunity Areas

## Place-Based Investments



Increase Upward Mobility in Low-Opportunity Areas

## Improving Higher Education



Amplify Impacts of Colleges on Mobility

# A New Approach to Economic Policy in the Age of Big Data

- You can see how these metrics are evolving in real-time yourself in your city at [www.tracktherecovery.org](http://www.tracktherecovery.org)
- Partnering with government statistical agencies and additional companies to build this into a new platform of “real time national accounts”
- Will support a new approach to public policy in the age of big data: precise feedback as you make policy decisions, permitting adjustments as you go

# Closing Questions for Local Leaders

What is your community doing at the local level to:

1. Decrease COVID case rates and restore consumer confidence in patronizing local businesses
2. Support workers that have lost jobs
3. Decrease educational inequity and address deeper structural barriers to opportunity



# OPPORTUNITY INSIGHTS



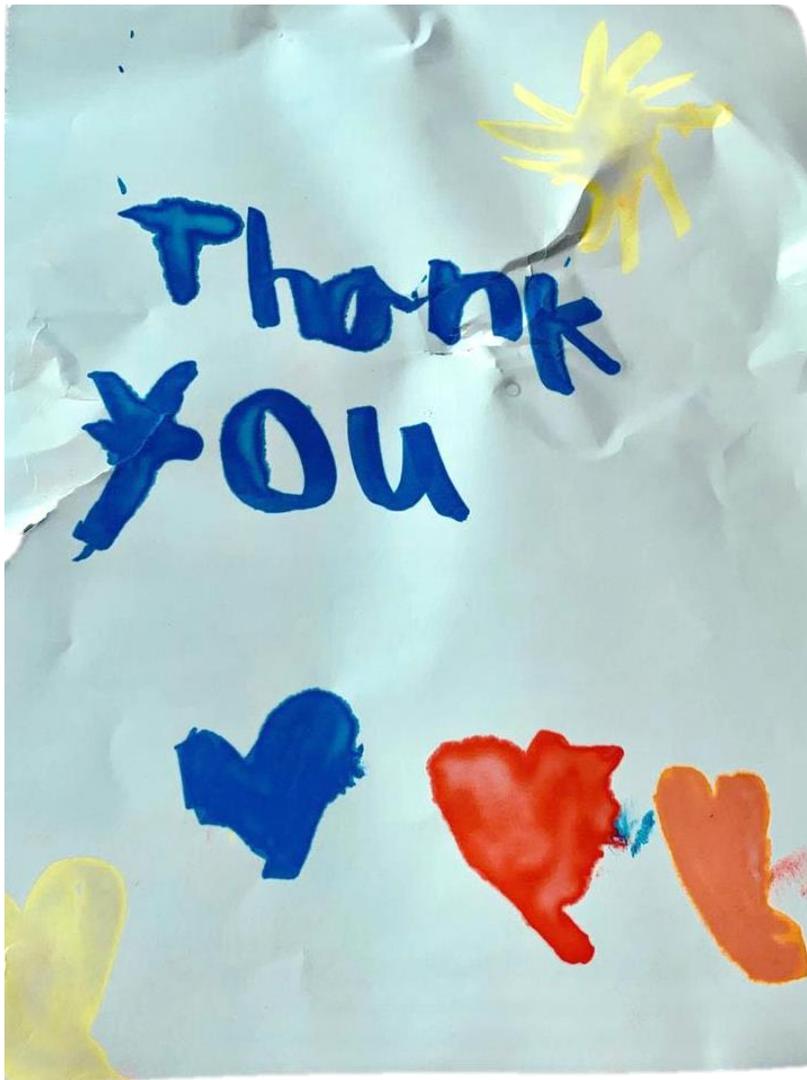
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*From Jasmine, 7 years old, whose family moved to a high-opportunity area in Seattle in the Creating Moves to Opportunity project*