Economic Impacts of COVID-19 and State Responses

*Panel Discussion*

Dr. Jessica Santos, Moderator

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COVID-19, the Economy, and Impacts on Vulnerable Populations

Presented by Phil Sletten, Senior Policy Analyst
New Hampshire Fiscal Policy Institute

Team Up, Take Action Conference
Dartmouth-Hitchcock, the New Hampshire Public Health Association, and the Vermont Public Health Association

November 17, 2020
Initial Economic Impact: Widespread Income Loss

- Chair of the U.S. Federal Reserve Jerome Powell, May 13, 2020: “Among people who were working in February, almost 40 percent of those in households making less than $40,000 a year had lost a job in March.”

- Loss of income severe enough to affect food security; 22 percent of respondents nationally ran out of food and did not have enough money to buy more in 30 days in April and early May (NORC at the University of Chicago, May 4-10, 2020 survey)
Adults Reporting Difficulty Paying for Usual Household Expenses

**New Hampshire**
*October 14 to October 26, 2020*
Source: U.S. Census Bureau, Household Pulse Survey, Phase II

- **Difficulty Paying for Usual Household Expenses in the Last Seven Days, 25%**
- **Other Adults, 75%**

**Vermont**
*October 14 to October 26, 2020*
Source: U.S. Census Bureau, Household Pulse Survey, Phase II

- **Difficulty Paying for Usual Household Expenses in the Last Seven Days, 23%**
- **Other Adults, 77%**

New Hampshire Fiscal Policy Institute
Initial Unemployment Insurance Claims by Industry
In New Hampshire, From March 15 to August 22, 2020

**Industry**

Opportunity Insights Economic Tracker: New Hampshire

Wages Based on Prior Year

Notes: Change in employment rates (not seasonally adjusted) indexed to January 4-31, 2020. This series is based on payroll data from Paychex and Intuit, worker-level data on employment and earnings from Earnin, and timesheet data from Kronos.

Source: tracktherecovery.org, a project of Harvard University, Brown University, and The Bill and Melinda Gates Foundation.
Opportunity Insights Economic Tracker: Vermont

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Source: tracktherecovery.org, a project of Harvard University, Brown University, and The Bill and Melinda Gates Foundation.
Total Medicaid Enrollment in New Hampshire

Total Number of People Enrolled

Source: New Hampshire Department of Health and Human Services, Monthly Caseload Reports
Temporary Policy Measures

**Federal Policies**
- Additional unemployment benefit compensation, $600 per week through near the end of July
- Extended 13 weeks of unemployment compensation benefits, expanded eligibility
- Permitted all Supplemental Nutrition Assistance Program benefits to be maximum
- Economic Impact Payments: one-time grant of up to $1,200 per individual
- Moratorium on evictions for certain individuals, Sept. 4 to Dec. 31, 2020
- State-deployable Coronavirus Relief Funds ($1.25 billion), must be spent by Dec. 30, 2020

**New Hampshire Policies**
- Moratorium on most evictions, March 17 to July 1, 2020
- Housing assistance grants
- Support for unemployment compensation
- Public higher and local education grants, child care stabilization
- Food bank grant
New Hampshire's Economic Growth Since the Great Recession

Changes in Inflation-Adjusted Gross Domestic Product
New Hampshire, the Rest of New England, and the United States

Index Value of Real GDP, 2006=100

- New Hampshire
- United States
- New England (remainder)

Year

2005
2007
2009
2011
2013
2015
2017
2019

Note: Certain detailed 2018 and 2019 data pending. Inflation adjustment is 2012 chained dollars.
Source: U.S. Bureau of Economic Analysis

New Hampshire
Real Gross State Product Change from Prior Year

- 2.5%
- 0.4%
- 1.0%
- 0.9%
- 3.1%
- 0.6%
- 1.3%
- 1.6%
- 1.1%
- 2.8%
- 1.8%
- 2.3%
- 2.7%
Median Household Income in New Hampshire

U.S. Census Bureau American Community Survey Estimates

Year of Data Collection

Changes in Inflation-Adjusted New Hampshire Wages

Change from 2004-2006 Averages to 2017-2019 Averages
By Wage Decile of All Workers Age 16 and Older, Includes All Income from Work

Relative Wage Percentiles and Corresponding 2017-2019 Hourly Wage Estimates

Note: Inflation adjustment using Consumer Price Index-Urban-Research Series (current methods). Includes workers aged 16 years and older.
New Hampshire Inflation-Adjusted Wages by Relative Income

Selected Income Deciles, Indexed to 2005, Includes All Income from Work, All Workers Age 16 and Up

Indexed Wages, 2005 = 100

Year

Note: Inflation adjustment using Consumer Price Index-Urban-Research Series (current methods). Includes workers aged 16 years and older.

New Hampshire Poverty Rates by Group

Hispanic Origin Included in Non-White Races, Census-Defined Disability Used, 2014-2018 Estimates

Estimated Poverty Rate

Under Age 18 Years, Age 65 Years and Older, Individuals with a Disability, White, non-Hispanic or Latino, Hispanic or Latino origin, of Any Race, Asian, Black or African-American, Two or More Races, Foreign Born

Overall Rate

Margin of Error

Note: Margins of Error represent 90 percent confidence intervals
Source: U.S. Census Bureau, American Community Survey Five-Year Estimates, 2014-2018
New Hampshire Poverty Rates by Family or Living Situation

New Hampshire, American Community Survey Estimates, 2014-2018

Estimated Poverty Rate

- All Families
- Single Female Householder
- Single Female Householder, Related Children Under 5
- Among Individuals In Non-Family Households (Other Living Arrangements)

**Families or Individuals**

Note: Margins of Error represent 90 percent confidence intervals

Source: U.S. Census Bureau, American Community Survey Five-Year Estimates, 2014-2018
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Economic Impacts of COVID19 in Vermont

- Service sector hard hit. Tourism represents the second largest contribution of out-of-state money to Vermont’s economy.

- Virtually all industries saw a reduction in unemployment in the spring

- Continuing challenges for restricted industries but also others

- Winter is likely to be tough
What Did It Look Like?
What did Vermont do in response?

People

• $30 million in housing assistance to those affected by COVID-19
• $25 million in rental assistance
• $5 million in mortgage assistance for low income homeowners
• Temporarily suspended all non-emergency eviction hearings until 30 days after the end of the Governor’s Emergency Order
What did Vermont do in response?

People

Hazard pay grants: $50.5 million
Employers in qualified sectors, whose employees were engaged in activities substantially dedicated to mitigating or responding to the COVID-19 public health emergency or were providing essential services to Vermonters may be eligible to apply for $1,200 or $2,000 per employee who meet grant criteria.
What did Vermont do in response?

Businesses:
- $200+ million Economic Recovery Grants
- Technical assistance
- Additional grants to specific industries/businesses
- Halted collection and penalties on certain trust taxes
Vermont Aid So Far

- Received $1.25 Billion in CRF Funding
  - $238M for Businesses and Not for Profits
  - $30M for Farmers
  - $100M for Schools
  - $300M for Health Care Stabilization
  - $85M for Housing
  - $50M for childcare

- Initial deployment of dollars was difficult due to restrictions on CARES dollars

- VT businesses also received $1.2 billion in PPP loans
What’s it all mean for Vermont?

- 2020 is the year of uncertainty, and there is a whole lot to be uncertain about over the next few months
- Winter is likely to be tough
- Hospitality, Retail, the Arts and others are likely to continue to struggle
There’s hope for the future:

- Burlington declares racism a public health emergency
- If we can survive, we might thrive
- Using CRF funds for long term
- Buy Local!
In closing

Thank you for joining us today!

Please complete your evaluation using the program evaluation icon to the left of the screen

Stay well and be kind!