

# Bureau of Business Research

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COVID-19: What does Your State's Rebound Look Like?

*Presented by*

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# Outline

- Nature and Severity of the COVID-19 Recession
- Nebraska's Experience



# The Nature of the Covid-19 Recession

- COVID-19 most severely impacted businesses where there is:
  - Significant face-to-face interaction between customers and workers
  - Assembly of large groups of customers
  - A link to travel



# Severity of the Covid-19 Recession

- Setting aside shut-down orders, the recession would be less severe in states (think Nebraska) where:
  - severely impacted industries are a smaller share of the economy
  - “essential” industries (necessities) are a larger share of the economy
  - there is more opportunity to work at home

# The Pace of Recovery

- The pace of recovery depends on both:
  - How quickly consumers and businesses are comfortable resuming past patterns (reluctance depends on attitude & the severity of the COVID spread)
  - Whether they want to resume past patterns (new approaches learned during the pandemic experience)

# The Pace of Recovery

- If new spending and operations patterns emerge, time will be needed
  - to develop new types of businesses
  - for workers to find new occupations
- The recovery will be slower in this case (i.e., structural as well as cyclical unemployment)



# An Unwelcome Learning Opportunity

- During the Pandemic, many businesses had to change their businesses operations
  - Re-design work spaces, “work at home,” travel less
- Many consumers changed the way they obtain goods and services
  - More provisioning on-line (shopping, tele-health), more self-provisioning (cooking at home, landscaping)

# The Pace of Recovery

- What if businesses and consumers decide it worked pretty well?
  - Work at home “works” / you learned some new recipes
  - More precisely, they decide it worked pretty well and there is potential to save money
- Spending and operations patterns will change, and the economy will need time to adjust (slower recovery)



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# Nebraska's Experience

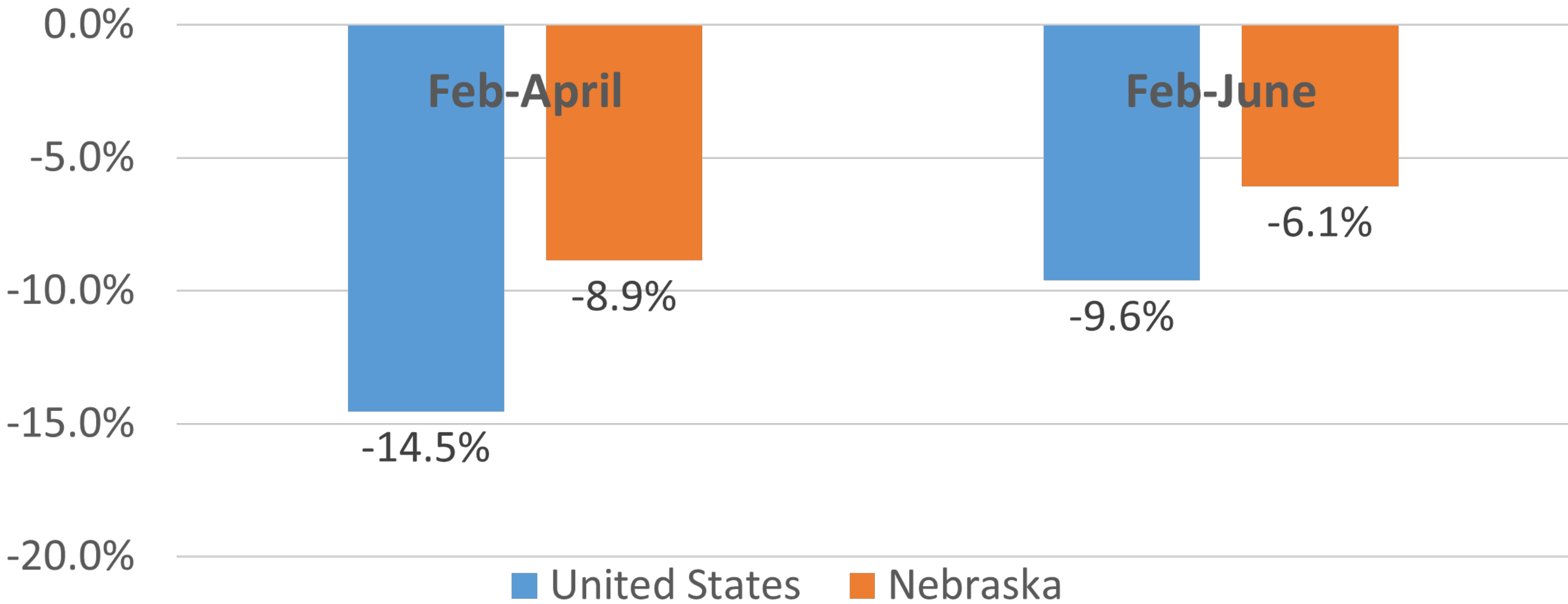


# Nebraska's Experience

- Relative to the United States
  - Nebraska had a less severe downturn (as expected)
  - A similar pace of recovery (would like to see the July data for Nebraska)
- The tax revenue situation is relatively strong



Change in Non-Farm Employment  
(Seasonally-Adjusted)





Net Sales and Use Tax Receipts  
(Compared to July 2019 Forecast)  
Percent Difference (Actual less Forecast)

