



Date: Sunday, March 15

RE: “The Second Inning” (an update of third-party perspectives to foster communication with business and economic development stakeholders during this volatile, uncertain time.)

“As I have been saying, I think we are in the [second inning](#) of nine innings.” – Treasury Secretary Steven Mnuchin (Sunday, March 15, 2020)

So much has changed in less than a week. The cancellation or postponement of iconic national events (from the NBA on Wednesday, to the NCAA tournaments on Thursday, to The Masters on Friday) dominated many headlines. But what will be the economic cost (in terms of jobs, output, consumer spending) of the ongoing public health crisis on companies? While it is too early to definitively predict, below are the latest updates on global, national and state economic dynamics:

Global

Financial Times - “[Global recession already here, say top economists](#). The world economy has fallen into recession, suffering from a “wicked cocktail” of coronavirus and the dramatic action to limit its spread, according to four former IMF chief economists. As the virus has spread from China to the rest of the world, economists no longer feel they have to wait for data to confirm the world is in recession, even though official forecasts remain more optimistic. The IMF defines a global recession as being when growth — normally about 3.5 to 4% a year — falls below 2.5%. Not all of the IMF alumni believe this definition is sensible in the circumstances but all said the conditions for a global recession were met regardless of the precise definition.”

Today, The Bank of Canada, the Bank of England, the Bank of Japan, the European Central Bank, the [Federal Reserve](#), and the Swiss National Bank announced a coordinated action to enhance the provision of liquidity via the standing U.S. dollar liquidity swap line arrangements.

U.S.

Business confidence is plunging as business owners grapple with the effects of the novel coronavirus on their companies and the broader economy. In terms of federal fiscal stimulus, on Saturday the U.S. House of Representatives passed the “Families First Coronavirus Response Act.” In terms of monetary stimulus, today the [FOMC](#) released a statement saying, “The effects of the coronavirus will weigh on economic activity in the near term and pose risks to the economic outlook. In light of these developments, the Committee decided to lower the target range for the federal funds rate to 0 to 1/4 percent.”

With an increasing number of businesses disrupted and Americans facing limits on public life (negatively impacting consumer spending) for the remainder of the month, March 2020 is likely to be the worst month of U.S. economic performance since the 2008-09 global financial crisis.

Ohio

In terms of large companies, [Abercrombie & Fitch Co.](#) will temporarily close all stores across its brands outside of the APAC region until March 28. [Apple](#) is closing all retail stores outside of Greater China until March 27. The [Pro Football Hall of Fame](#) closing until March 27 due to coronavirus.

In terms of local business, the onslaught of cultural, sporting and event cancellations, coupled with bans on large gatherings and orders for workers to stay home, have left such businesses struggling. Anecdotally, the CEO of a childcare business in Ohio reported highly challenging conditions, saying “I feel like the PR director of the Houston Astros.”

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