



COVID-19 SCENARIOS: REBOOTING AN ECONOMY IN FREE FALL

Insights for What's Ahead

Some economic projections are starting to emerge regarding COVID-19. A non-profit business research group, The Conference Board published an analysis of 3 potential scenarios explaining when the country's economy might recover, depending on when new coronavirus cases in the U.S. peak.

1: The "May Reboot"

U.S. coronavirus cases peak by mid-April, enabling economic activity to resume in May.

- The economic side of the crisis would last 6 weeks, leaving many industries unscathed (Entertainment, Recreation & Transportation would take the largest hits)
- Unemployment would rise to 8% by Q3
- Consumer spending would decline 2.5% YOY
- Strong declines in investments expected until Q3 & Q4

2: The "Summertime V-Shape"

U.S. coronavirus cases peak in May, leading to an economic restart by July.

- Retail trade, wholesale trade, and manufacturing would join the hardest-hit list
- The economy would contract by a massive 35.6% during Q2
- Unemployment rate of 15% Q3
- Recovery would be sharper, thanks to increased summer activity

3: The "Fall Recovery"

U.S. coronavirus cases are controlled and the curve is flattened, easing the strain on health care. A reboot wouldn't be feasible until September.

- Finance/insurance & professional/business services would join the hardest-hit list
- Consumer spending would drop by 38% in Q2, recovering to just 18.5% in Q4
- The economy would contract by 6% YOY, the largest such decline since 1946

In all projections, the economic activity across the country will be down this year, but it is better to know than to not know what may be coming.

Sources: The Conference Board

