

Dayton Daily News

Local economic impact of coronavirus already in the millions

By Thomas Gnau (excerpt)
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The economic impact as a result of the coronavirus pandemic has been immediate, with billions lost because of cancelled events, a nosediving stock market and economic panic.

As for the future, economists and local business owners told the Dayton Daily News it's hard to predict, but several factors point to a possible recession. ...

... Two of the Dayton region's biggest events — the First Four and the Winterguard championships — were cancelled last week. Both events brought nearly \$25 million to the Dayton region in past years. That coincided with financial markets bleeding wealth last week in the billions of dollars.

And the coronavirus is posing a greater threat to the U.S. economy as the outbreak shifts from a short-term headache for travel and manufacturing companies into a broader crisis that's prompting many Americans to hunker down and limit their day-to-day activities.

That's extending the pandemic's reach into nearly every corner of commerce as many consumers avoid large gatherings of people in places such as movie theaters, malls, restaurants and sporting events. ...

Nationally, the news is grimmer. Travel and trade shows are being cancelled. Oil prices are dropping and investors are fleeing into bonds.

At the moment, travel, leisure and transportation are the sectors of the economy most likely to be impacted, said David Kudla, a Dayton native and founder and chief executive of Grand Blanc, Mich.'s Mainstay Capital Management.

At the Port of Los Angeles last week, 145 drivers were laid off and others were sent home without pay as ships from China stopped arriving, the

Stars and Stripes newspaper reported. Travel agencies in Atlanta and Los Angeles shed workers as bookings ceased, the newspaper reported.

An ongoing frustration as the situation unravels: Many of the efforts to keep people healthy are often the very measures that can dampen an economy, Kudla said.

"As coronavirus spreads across the country and around the globe, actions to prevent its impact will have deep ramifications for the global and our domestic economy," he said. "The actions to prevent the spread of coronavirus are essentially shutting down economies."

Added Kudla: "The threat of a U.S. and global recession is growing." ...

... Kudla said monetary stimulus from central banks like the Fed can help. But he believes the federal government should pursue immediate fiscal stimulus to avoid a recession.

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