



York - COVID Impact Data



York County
Economic
Alliance



Key Findings are listed on pages 19 and 20 of this report.

- The York County Economic Alliance commissioned the following analysis of COVID's economic impact. The analysis was completed the week of April 27.
- Fourth Economy is a widely-respected economic consulting firm under contract with YCEA to complete the county's 10-year economic action plan.
- We welcome additional feedback and comments on these findings.

Please contact Silas Chamberlin, VP, Economic Development, York County Economic Alliance with questions or feedback: schamberlin@yceapa.org.

PA Business Closure Order

"Non-life-sustaining" business mandated to close. Organized by 4-digit NAICS codes.

How many businesses and employees are affected?

York County



3,960

Private businesses operate in sectors that will be forced to close physical operations.

These businesses employ **56,200 people.**



620

Private businesses operate in sectors that have limitations on their operations. (Most of these are restaurants.)

These businesses employ **12,000 people.**



4,200

Private businesses operate in sectors that will continue physical operations.

These businesses employ **76,400 people.**

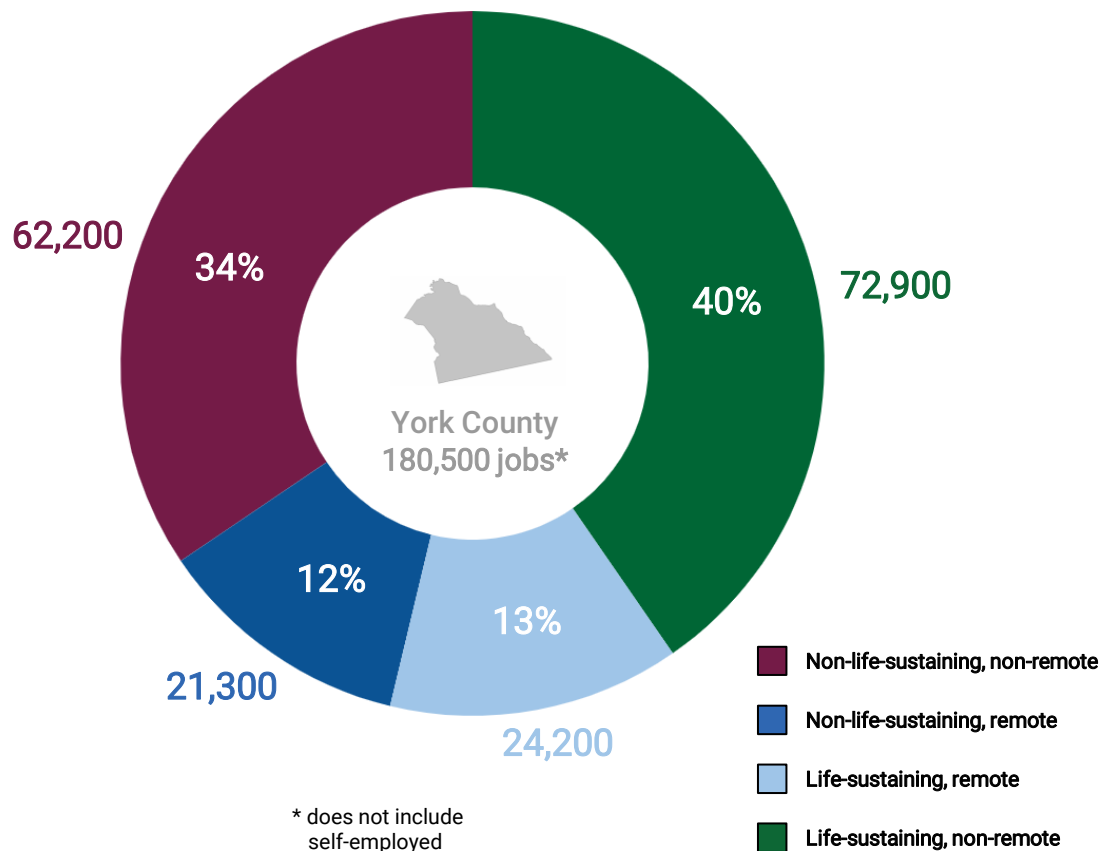
Estimates based on 2018 Bureau of Labor Statistics Quarterly Census of Employment Wages (QCEW) data.

How do closures affect industries and workers?

Closure/Remote Status Overall

Within York County, jobs are split between three categories:

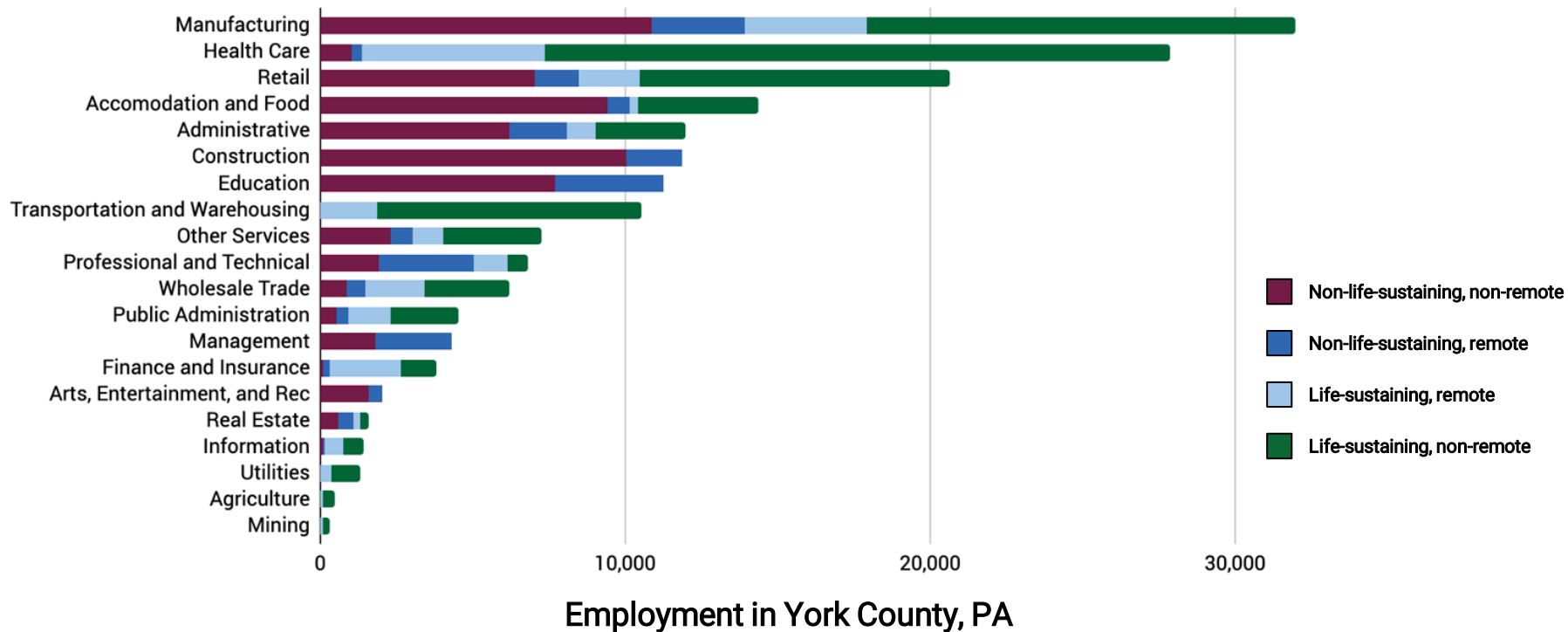
- Those at life-sustaining businesses that *can't* work remotely (green)
- Those at non-life-sustaining businesses that *can't* work remotely (maroon)
- Those that *can* work remotely (blues)





Closure/Remote Status by Industry

Sorted by total employment

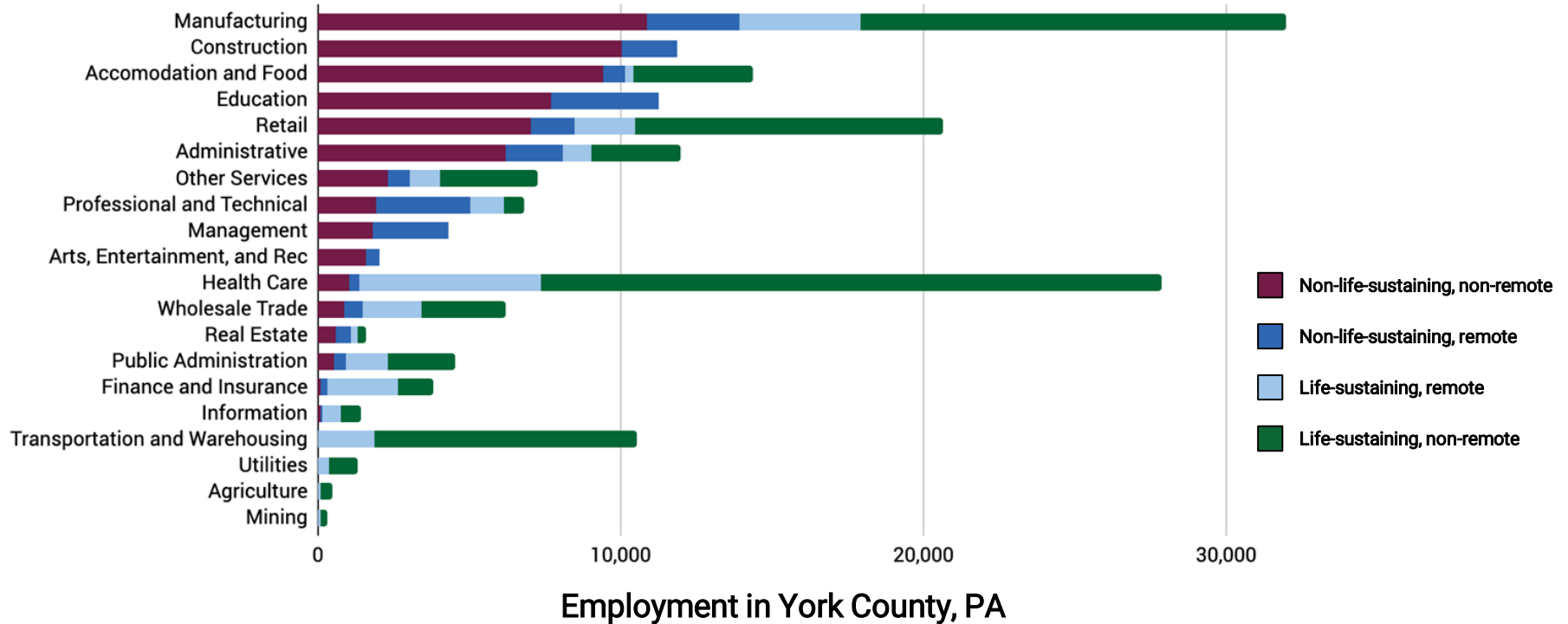


Closure status based on March 20th PA closure order data.
Estimates based on 2018 Quarterly Workforce Indicators (QWI) data.



Closure/Remote Status by Industry

Sorted by employment in non-life-sustaining, non-remote



Closure status based on March 20th PA closure order data.
Estimates based on 2018 Quarterly Workforce Indicators (QWI) data.

Top Sectors and Occupations

	City of York		County of York	
Number of Employed Residents	17,653		224,002	
Top Employment Sectors	1. Manufacturing	3,496	1. Manufacturing	34,633
	2. Health care	2,721	2. Health care	33,000
	3. Retail trade	1,935	3. Retail trade	23,927
	4. Accommodation/Food	1,512	4. Education	16,380
	5. Transport/Warehousing	1,228	5. Construction	15,642
Top Occupations	1. Material moving	2,221	1. Management, business, financial	30,525
	2. Production	2,190	2. Office and admin	27,719
	3. Office and admin	1,950	3. Sales	21,456
	4. Food preparation and serving	1,679	4. Education, legal, community service, arts, and media	19,983
	5. Sales	1,355	5. Production	19,753

How do closures affect
vulnerable businesses?

PA Business Closure Order

“Non-life-sustaining” business mandated to close. Organized by 4-digit NAICS codes.



4,700

Small businesses (less than 500 employees) in total, across all industries.

These businesses employ **86,000 people.**

Estimated based on 2018 BLS annual industry employment data.

How many small businesses and employees are affected?



1,860

Small businesses in Non-Life Sustaining Industries and No Ability to Work Remote.

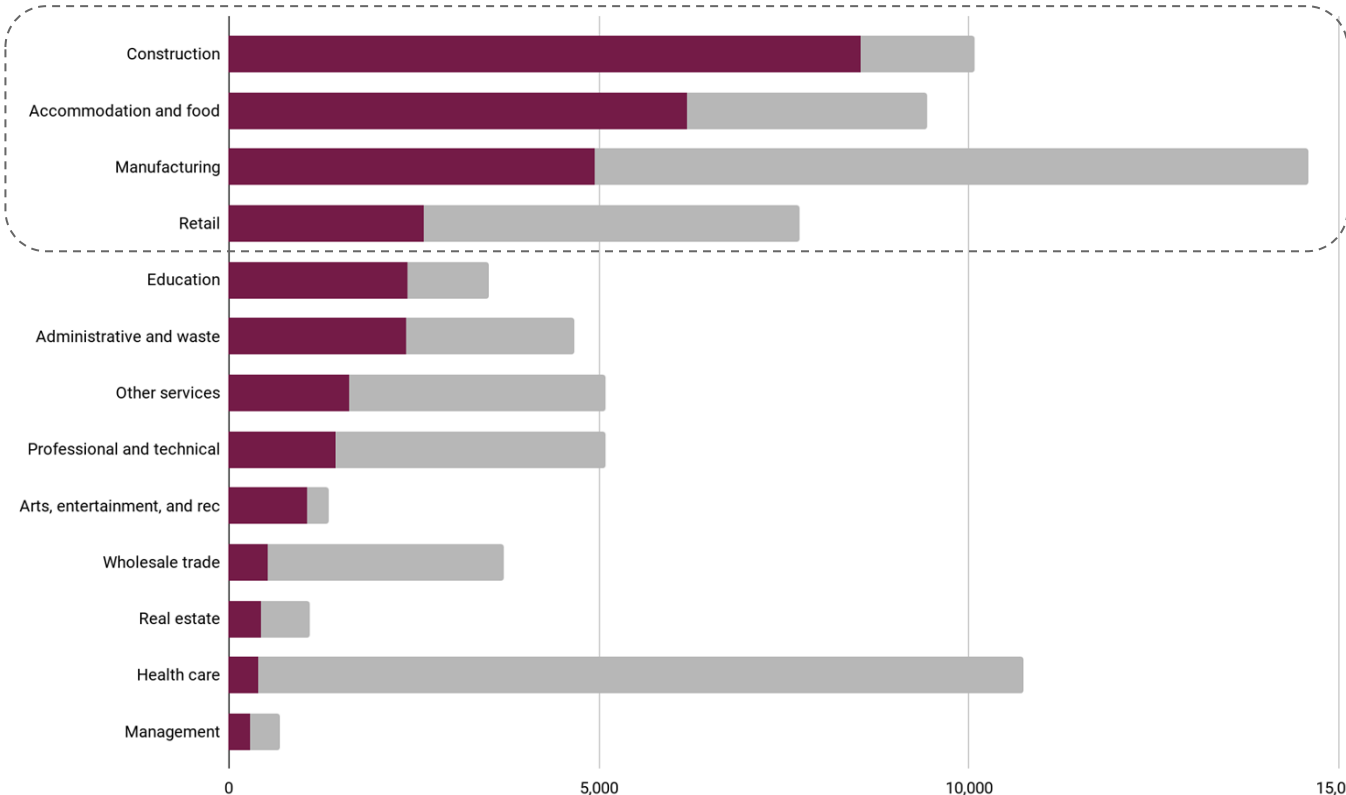
These businesses employ **33,200 people.**

39% of Small Businesses
39% of Small Business Employment

These small businesses are not generating revenue, yet they still have costs like utilities, rent, and payroll (assuming they aren't furloughing employees).

Small Business Closures by Industry

1,860 of 4,700 small businesses in York County are in non-life sustaining industries and no ability to work remote.



Many of the closure order impacts for small businesses are in main street industries like Retail and Accommodation and Food.

Closure order impacts also affect a number of small businesses within Construction and Manufacturing.

Small Businesses

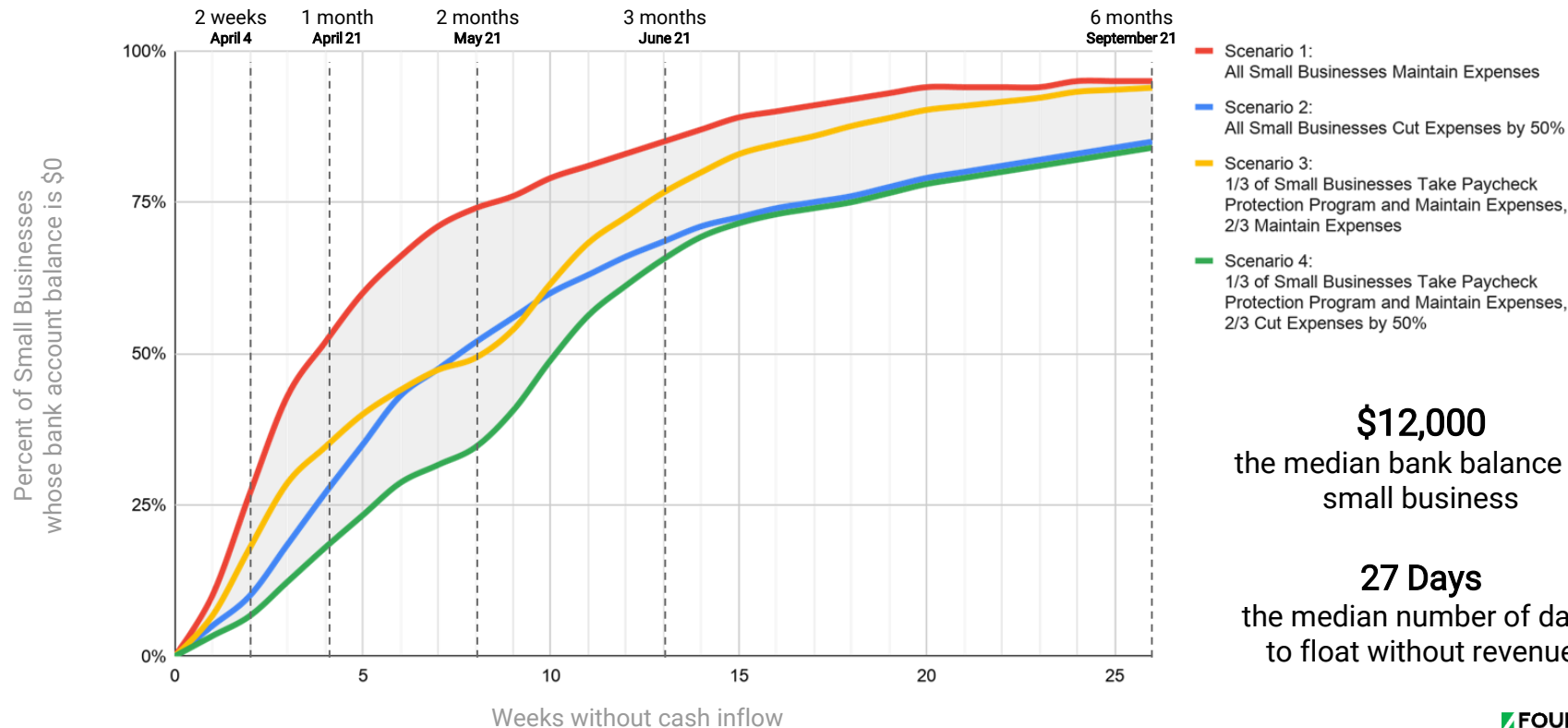
- Non-life-sustaining, non-remote
- All other small businesses

Employment in York County, PA

Closure status based on March 20th PA closure order data.
Estimates based on 2018 Quarterly Workforce Indicators (QWI) data.

Small Businesses Risk

1,860 of 4,700 small businesses in York County are in non-life sustaining industries and no ability to work remote.



\$12,000
the median bank balance for
small business

27 Days
the median number of days
to float without revenue

Range of Small Business Risks

1,860 of 4,700 small businesses in York County are in non-life sustaining industries and no ability to work remote.

		2 weeks April 4	1 month April 21	2 months May 21	3 months June 21	6 months September 21
Scenario 1: All Small Businesses Maintain Expenses	Businesses with No Cash (% of all small businesses)	700 14%	1,100 23%	1,500 31%	1,600 34%	1,800 38%
	Total Employees Impacted (% of all small businesses employment)	5,000 6%	9,000 11%	13,000 15%	15,000 17%	17,000 19%
	Cumulative Wages Lost	\$6 M	\$21 M	\$77 M	\$129 M	\$320 M
Scenario 4: 1/3 of Small Businesses Take Paycheck Protection Program and Maintain Expenses, 2/3 Cut Expenses by 50%	Businesses with No Cash (% of all small businesses)	200 4%	400 9%	900 19%	1,300 28%	1,600 34%
	Total Employees Impacted (% of all small businesses employment)	1,000 2%	4,000 4%	7,000 8%	12,000 14%	15,000 17%
	Cumulative Wages Lost	\$2 M	\$8 M	\$35 M	\$75 M	\$239 M

York County may not be a part of the first openings on May 8.

A range of closure order impacts could be expected based on the duration of closure and businesses' access to PPP and ability to mitigate expenses.

Who is ALICE?

Asset Limited, Income Constrained, Employed



ALICE Households

ALICE households earn more than the Federal Poverty Level, but less than the basic cost of living for the state. The “ALICE Threshold” is based on the “Household Survival Budget,” a measure that estimates the minimal cost of the six basic household necessities — housing, child care, food, transportation, health care, and a basic smartphone plan.



ALICE Workers

ALICE workers primarily hold jobs in occupations that build and repair our infrastructure and educate and care for the workforce — sometimes referred to as “maintainers.” This range of jobs is broader than the service sector, and these occupations ensure that the economy runs smoothly. Many ALICE workers hold low-wage jobs that do not meet the “Household Survival Budget.”

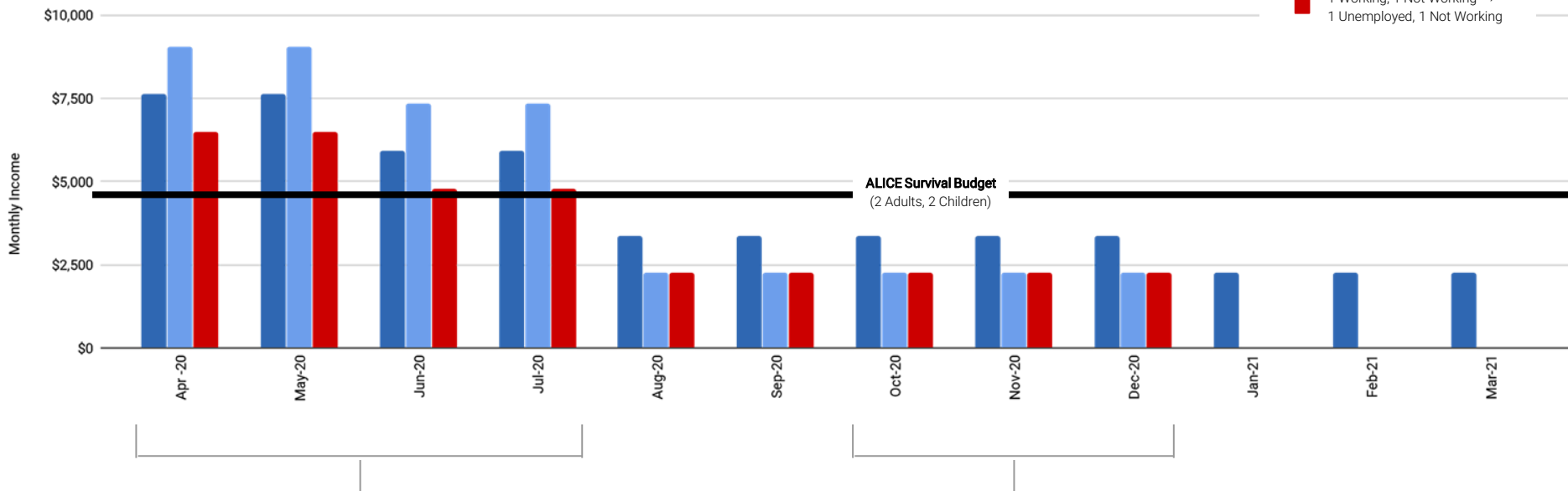
How are these vulnerable households impacted?

How are ALICE Households Impacted?

Scenarios for 2 Adult, 2 Child Households
with pre-impact income at ALICE Survival Budget

2 Adults

- 2 Working, 0 Unemployed → 1 Working, 1 Unemployed
- 2 Working, 0 Unemployed → 0 Working, 2 Unemployed
- 1 Working, 1 Not Working → 1 Unemployed, 1 Not Working



A majority of CARES Act benefits, like the one-time stimulus and additional weekly unemployment benefit, occur before July 31.

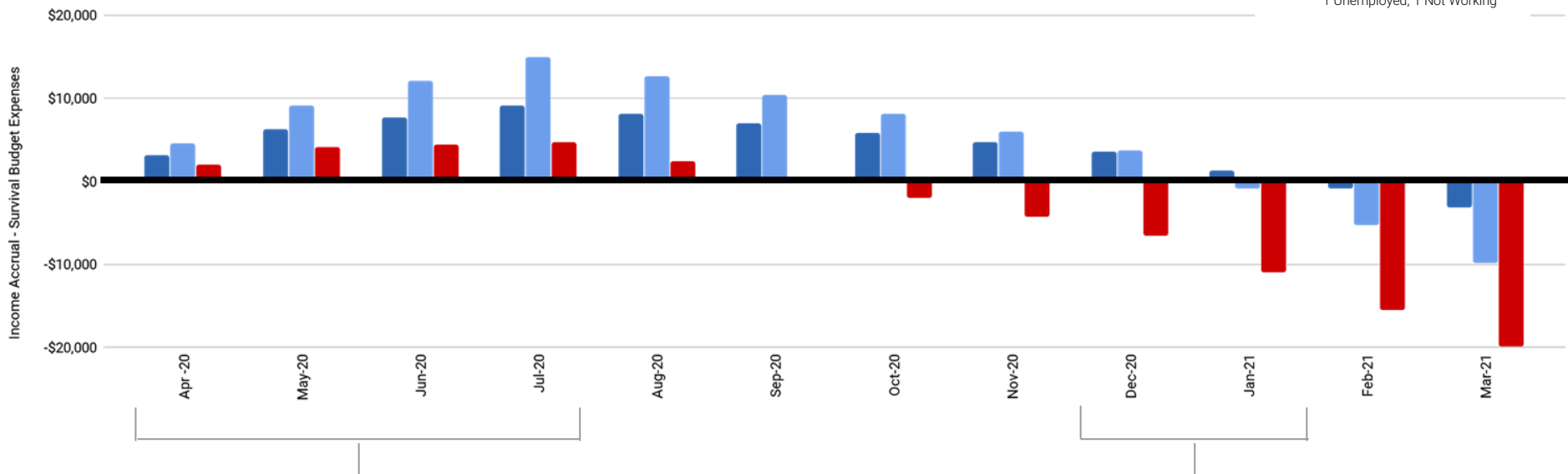
Unemployment compensation extends by an additional three months, for a total of nine months of coverage. Unemployment Benefits end December 31.

How are ALICE Households Impacted?

Scenarios for 2 Adult, 2 Child Households
with pre-impact Income at ALICE Survival Budget

2 Adults

- 2 Working, 0 Unemployed → 1 Working, 1 Unemployed
- 2 Working, 0 Unemployed → 0 Working, 2 Unemployed
- 1 Working, 1 Not Working → 1 Unemployed, 1 Not Working



Benefits accrue in the first few months.
Household income accrual above survival wage
reaches its highest point in July.

December to January represents a benefits cliff,
when unemployment compensation ends. By
January, many households begin to see a net deficit.

More than 1 in 3 ALICE Households will be impacted

39,500

ALICE Households

ALICE households earn more than the Federal Poverty Level, but less than the basic cost of living for the state. The “ALICE Threshold” is based on the “Household Survival Budget,” a measure that estimates the minimal cost of the six basic household necessities — housing, child care, food, transportation, health care, and a basic smartphone plan.

13,400

Impacted Vulnerable Households

There are 39,500 economically vulnerable households living below the ALICE threshold in York County. An estimated 100,400 people live in these households.

Of the 39,500 vulnerable households,

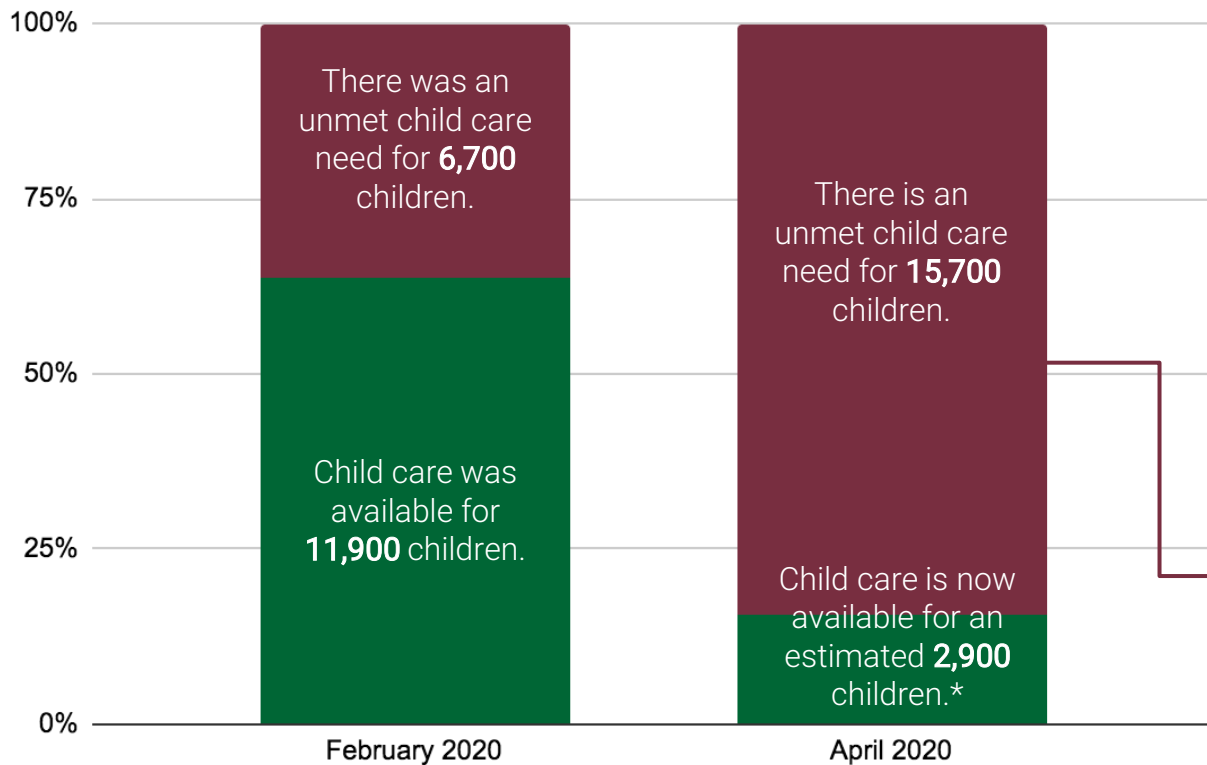
- 15,500 fall below the poverty threshold.
- 24,000 are above the poverty threshold, but make less than the ALICE survival budget.

We don't know exactly how many vulnerable households will be impacted by lost wages related to COVID-19. We assume, conservatively, that it's at least **13,400 households** and **34,000 people** in the county.

Child Care Capacity + Child Care Need

18,600 Children Under 5 Need Child Care in York County

Percent of All Children Under 5 Needing Child Care



Before COVID-19, there were already gaps in child care in York County.

Now, the gap is even more extreme.

46%

of child care providers are currently closed, at a minimum.*

*Based on 4E estimates and PA Department of Human Services numbers of "open" facilities.
Sources: PA Partnerships for Children & PA Department of Human Services

Key Findings

- This is a crisis. The scale of impact is very widespread and lasting.
 - The projections suggest a small business failure rate of 19% - 31% due to COVID-19 related closures and restrictions on operations
- Vulnerable businesses and populations will suffer disproportionately, especially:
 - Main Street businesses (retail, restaurants, sole proprietors)
 - ALICE population
 - Construction and manufacturing are hard hit but recover faster and more quickly
- Duration of closure is key to business survival rates, so assisting with phased re-opening is incredibly important.
 - Businesses that survive will have very limited cash on hand to restart

Key Findings

- CARES Act and state programs mitigate impact for some but not most businesses—and only in short term
 - Best case of 20% businesses receiving PPP and 20+ businesses receiving CWCA loans in York County
 - After six weeks of PPP, most small businesses are at nearly zero cash on hand
- Federal and state unemployment help vulnerable individuals in the short term but not long term
 - \$600/week federal unemployment contribution ends August 1, after which most ALICE households fall under standard ALICE budget
- COVID has significantly disrupted child care capacity, which poses potentially severe obstacles to the returning workforce

YoCo STRONG RECOVERY TASK FORCE

- Multi-Faceted Recovery Task Force comprised of subject matter experts across seven core areas of focus.
- Task Force is charged by the County Commissioners to return an initial report by May 8 and final report by May 20.
- Seeking evaluation of the following over the six focus areas:
 - Continuous improvement of what has and has not worked
 - Mitigating future impact and resurgence
 - Activating all county assets to assist recovery
 - Community resilience
 - Public policy recommendations

YoCo STRONG RECOVERY TASK FORCE

Areas of Focus

- Emergency Management, Resources & Preparedness
- Healthcare Readiness & Resurgence Mitigation
- Vulnerable Populations
- Education & Childcare
- Non-Profit & Social Services
- Equitable & Inclusive Recovery *

** This area will be woven throughout all focus areas.*

YoCo STRONG RECOVERY TASK FORCE

- Economic Restart & Recovery
 - Pivoting our County's Economic Action Planning already underway
 - Inclusive of industry and individual recovery
 - Technological Capacity to recover

Opportunities to Mitigate Impact

Federal CARES Act

- Paycheck Protection Program Loans
- SBA Debt Relief Program
- EIDL & Emergency Economic Injury Grants

EDA Economic Adjustment Assistance Grants

- Seek to position the workforce for the future
- Broadband
 - Business incubators/accelerators

Pennsylvania

Loans from DCED - PIDA exhausted quickly

York County and City of York

CDBG funding to assist businesses

YoCo Strong Recovery Fund

- Revolving loan fund aimed at assisting businesses to restart or rescale to full operations.
- Seeded with York County's CDBG funds and matched with private philanthropic support and CRA funds from financial institutions
- Launched as a *restart* fund rather than an emergency fund

Thanks!

Any questions?

Contact Silas Chamberlin

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■ 717-848-4000



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