

Analysis of Covid- 19's Economic Impact

US, Minnesota, and the MSP Metro

November 6, 2020



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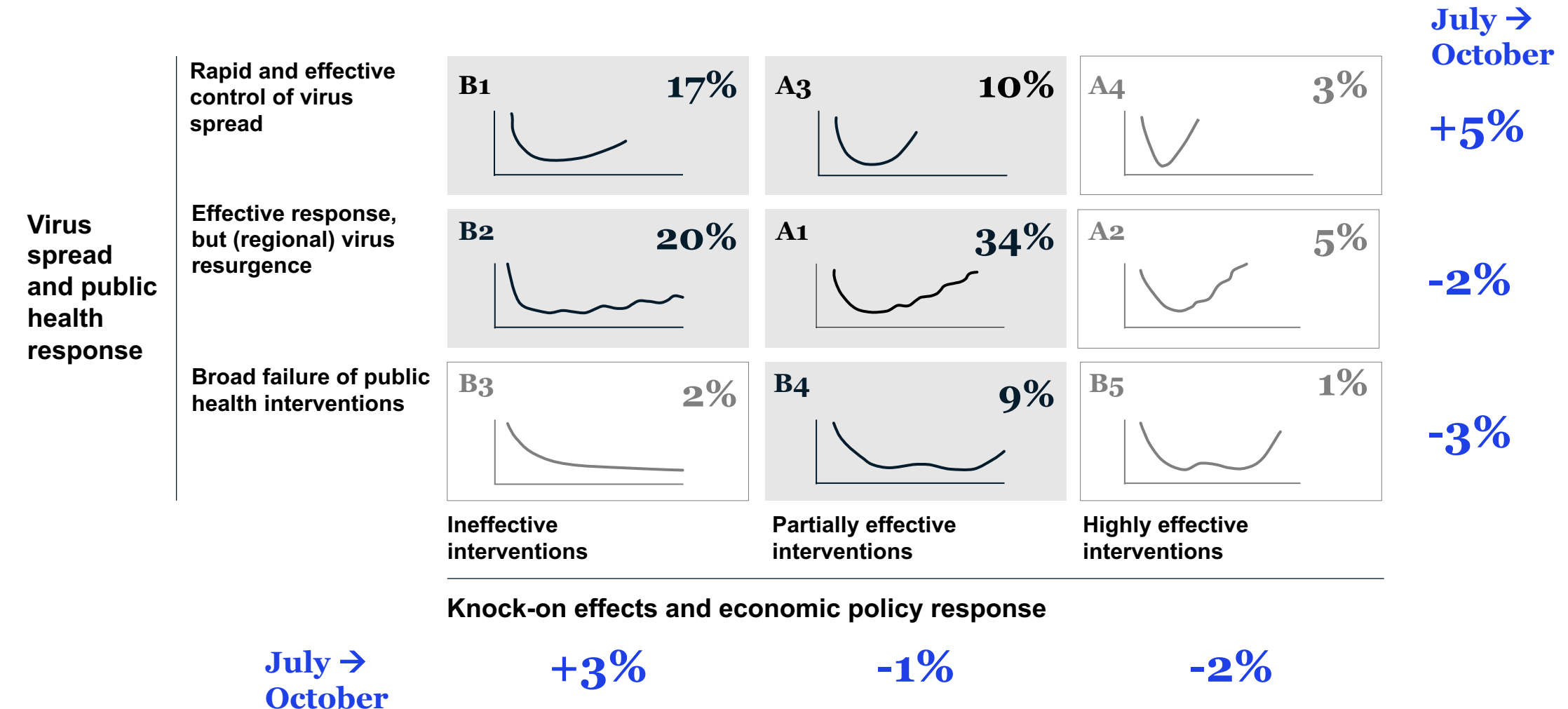
The information included in this report will not contain, nor are they for the purpose of constituting, policy advice.

We emphasize that statements of expectation, forecasts and projections relate to future events and are based on assumptions that may not remain valid for the whole of the relevant period.

Consequently, they cannot be relied upon, and we express no opinion as to how closely the actual results achieved will correspond to any statements of expectation, forecasts or projections.

Global executives' sentiment about potential virus health impacts improved by early October

Results from survey of ~2,000 global executives about "most likely scenario"



1. Survey question: Thinking globally, please rank the following scenarios in order of how likely you think they are to occur over the course of the next year.(choice of 9 scenarios)

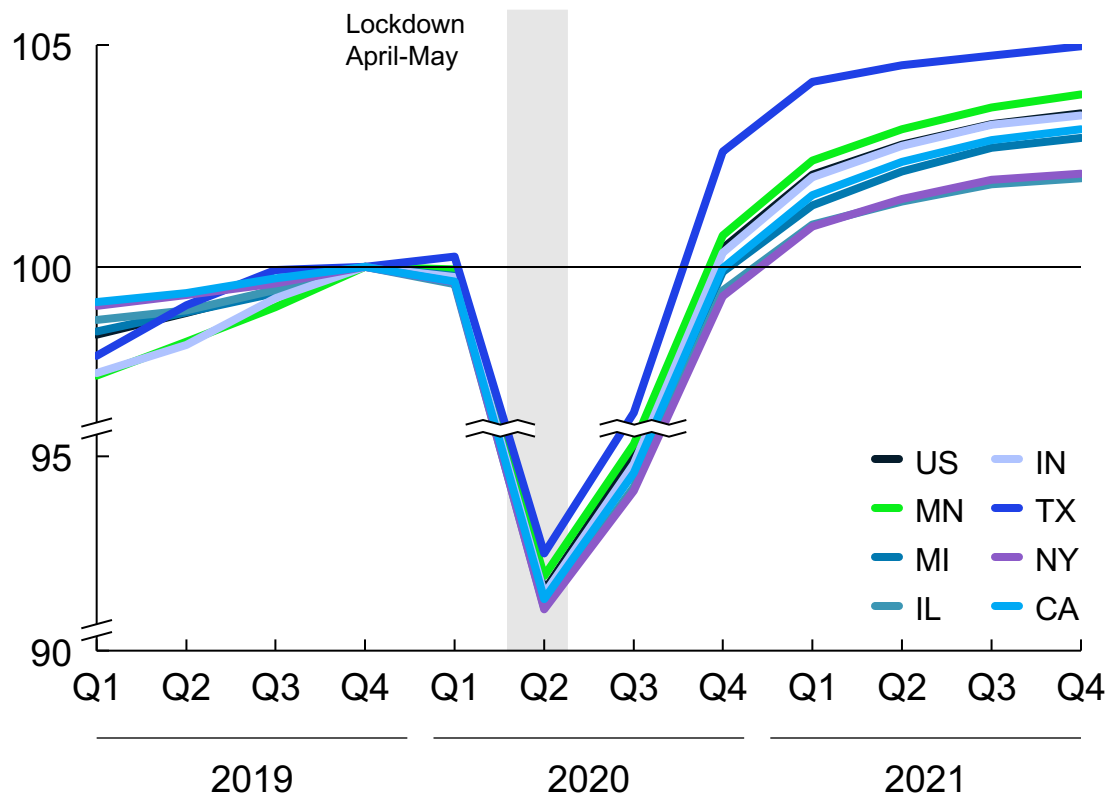
A3: If the virus is contained, MN's expected recovery is by Q4 2020

AS OF 28 APRIL 2020

Real GDP, Indexed

Real GDP Growth – COVID-19 Crisis

Indexed, 2019 Q4=100



1. Seasonally adjusted by Oxford Economics

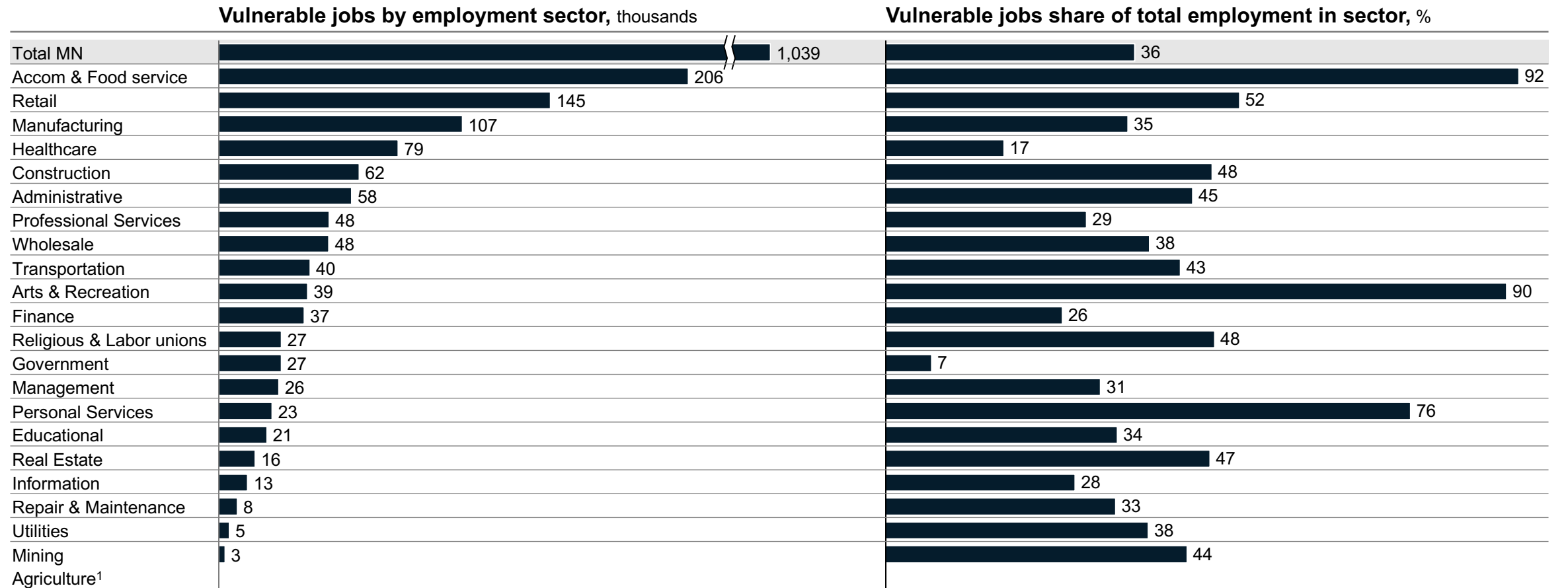
Source: McKinsey analysis, in partnership with Oxford Economics

	Real GDP Drop 2019Q4-2020Q2 % Change	2020 GDP Growth % Change	Time to Return to Pre-Crisis Quarter
USA	-8.0%	-2.4%	2020 Q4
Texas	-7.2%	-1.2%	2020 Q4
Minnesota	-7.7%	-1.7%	2020 Q4
Indiana	-8.1%	-2.1%	2020 Q4
Michigan	-8.1%	-2.7%	2021 Q1
California	-8.2%	-3.1%	2020 Q4
Illinois	-8.4%	-3.1%	2021 Q1
New York	-8.4%	-3.4%	2021 Q1

The sectors with highest share of jobs at risk are accommodation and food service, retail, and manufacturing

AS OF 28 APRIL 2020

Total MN



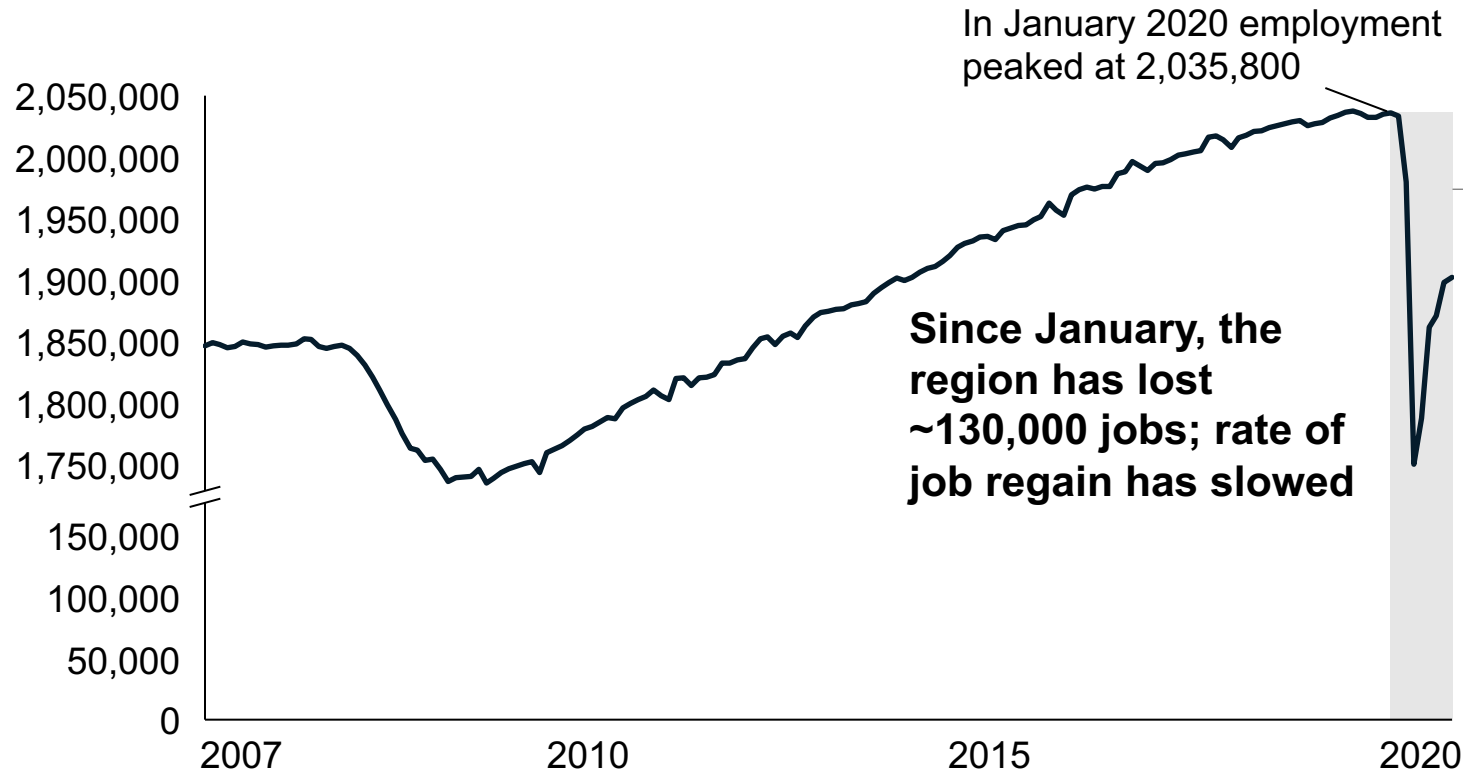
1. MGI data does not include on-farm jobs. As a result, agriculture in this analysis is not representative of all of the jobs in agriculture in MN.

Note: Analysis determines jobs at risk as related to social distancing policies and their immediate knock-on economic consequences – assumes maximum social distancing (defined by shelter-in-place policy)

The MSP region lost years of job growth in just a few months

Total non-farm employment in MSP region (MSA)

Employees



Includes September jobs data; Updated October 27th

Job loss by industry

Employees

