



Regional Development Corporations of Vermont

COVID-19 House Commerce Testimony

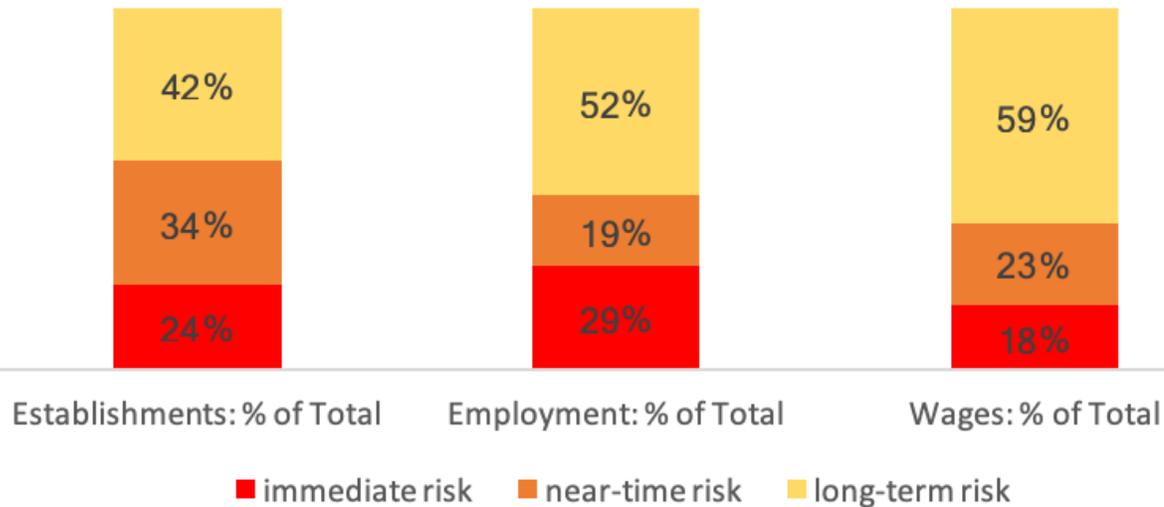
April 16, 2020

Adam Grinold, President RDCs of VT



BROOKINGS Institute: 3 timeframes for impact and sector-by-sector prognosis

**Windham County Private Sector Employment
By COVID-19 Economic Risk**



	# of SECTORS	TOTAL # of Establishments	TOTAL # of Employees	TOTAL WAGES
immediate risk	22	424	4916	\$123,624,472
near-time risk	18	612	3316	\$162,360,174
long-term risk	45	763	8870	\$419,564,871

Immediate Risk: Windham County

industry code	industry title	establishments	employment	total wage	average wage	RISK
488	Support activities for transportation		2(c)	(c)	(c)	immediate risk
721	Accommodation	51	1679	39,843,374	23,730	immediate risk
722	Food services and drinking places	138	1457	30,861,364	21,179	immediate risk
441	Motor vehicle and parts dealers	21	304	13,447,733	44,284	immediate risk
447	Gasoline stations	26	293	6,466,863	22,034	immediate risk
453	Miscellaneous store retailers	32	172	3,442,271	20,042	immediate risk
444	Building material and garden supply stores	16	165	6,325,802	38,357	immediate risk
713	Amusements, gambling, and recreation	20	162	2,367,941	14,655	immediate risk
448	Clothing and clothing accessories stores	18	145	3,800,177	26,163	immediate risk
446	Health and personal care stores	13	116	5,261,416	45,455	immediate risk
812	Personal and laundry services	25	115	2,760,380	24,091	immediate risk
485	Transit and ground passenger transportation	8	87	2,757,252	31,632	immediate risk
452	General merchandise stores	9	53	936,736	17,591	immediate risk
451	Sporting goods, hobby, musical instrument, and book stores	16	46	1,110,724	24,060	immediate risk
442	Furniture and home furnishings stores	7	38	1,298,183	34,013	immediate risk
712	Museums, historical sites, zoos, and parks	7	36	816,489	22,839	immediate risk
443	Electronics and appliance stores	6	35	1,394,178	39,646	immediate risk
711	Performing arts and spectator sports	9	13	733,589	58,687	immediate risk

Near Term Risk: Windham County

industry code	industry title	establishments	employment	total wage	average wage	RISK
315	Apparel manufacturing	1	(c)	(c)	(c)	near-time risk
335	Electrical equipment and appliance manufacturing	2	(c)	(c)	(c)	near-time risk
336	Transportation equipment manufacturing	2	(c)	(c)	(c)	near-time risk
424	Merchant wholesalers, nondurable goods	37	788	41,568,320	52,718	near-time risk
561	Administrative and support services	154	695	29,602,390	42,593	near-time risk
238	Specialty trade contractors	136	590	27,903,369	47,321	near-time risk
236	Construction of buildings	72	291	13,005,640	44,654	near-time risk
484	Truck transportation	26	235	13,201,260	56,076	near-time risk
423	Merchant wholesalers, durable goods	47	189	11,325,146	59,816	near-time risk
531	Real estate	61	181	6,876,039	38,024	near-time risk
237	Heavy and civil engineering construction	13	94	6,865,577	72,715	near-time risk
532	Rental and leasing services	12	76	3,161,332	41,827	near-time risk
511	Publishing industries, except Internet	13	51	1,862,570	36,700	near-time risk
337	Furniture and related product manufacturing	7	34	1,488,346	44,428	near-time risk
493	Warehousing and storage	4	34	1,264,310	36,915	near-time risk
515	Broadcasting, except Internet	5	26	953,537	36,211	near-time risk
425	Electronic markets and agents and brokers	15	19	2,384,030	127,714	near-time risk
512	Motion picture and sound recording industries	5	13	898,308	69,545	near-time risk

Long Term Risk: Windham County

industry code	industry title	establishments	employment	total wage	average wage	RISK
113	Forestry and logging		8(c)		(c)	(c) long-term risk
212	Mining, except oil and gas		2(c)		(c)	(c) long-term risk
313	Textile mills manufacturing		2(c)		(c)	(c) long-term risk
322	Paper manufacturing		2(c)		(c)	(c) long-term risk
326	Plastics and rubber products manufacturing		1(c)		(c)	(c) long-term risk
492	Couriers and messengers		1(c)		(c)	(c) long-term risk
518	Data processing, hosting and related services		3(c)		(c)	(c) long-term risk
519	Other information services		4(c)		(c)	(c) long-term risk
541	Professional and technical services		214(c)		(c)	(c) long-term risk
551	Management of companies and enterprises		4(c)		(c)	(c) long-term risk
611	Educational services		65	1563	62,717,952	40,139 long-term risk
622	Hospitals		6	1551	92,303,773	59,522 long-term risk
445	Food and beverage stores		30	788	19,110,505	24,262 long-term risk
621	Ambulatory health care services		82	726	31,399,274	43,240 long-term risk
333	Machinery manufacturing		4	583	36,736,441	63,058 long-term risk
623	Nursing and residential care facilities		17	520	18,074,263	34,786 long-term risk
311	Food manufacturing		22	514	23,475,577	45,695 long-term risk
624	Social assistance		56	457	12,854,926	28,129 long-term risk
522	Credit intermediation and related activities		25	353	19,004,476	53,862 long-term risk
321	Wood product manufacturing		11	301	14,658,683	48,754 long-term risk
454	Nonstore retailers		21	300	14,352,719	47,776 long-term risk
811	Repair and maintenance		49	254	11,235,026	44,218 long-term risk
813	Membership associations and organizations		36	191	5,277,391	27,691 long-term risk
332	Fabricated metal product manufacturing		10	127	7,979,055	62,704 long-term risk
524	Insurance carriers and related activities		18	107	7,477,165	69,717 long-term risk
221	Utilities		5	99	18,687,615	189,240 long-term risk
115	Agriculture and forestry support activities		7	88	5,100,847	58,241 long-term risk
339	Miscellaneous manufacturing		6	75	2,919,528	39,057 long-term risk
562	Waste management and remediation services		10	75	3,976,354	53,195 long-term risk
327	Nonmetallic mineral product manufacturing		13	41	1,208,006	29,766 long-term risk
312	Beverage and tobacco product manufacturing		6	36	958,133	26,310 long-term risk
325	Chemical manufacturing		6	35	1,242,852	35,510 long-term risk
517	Telecommunications		6	34	3,757,686	110,251 long-term risk
523	Securities, commodity contracts, investments		8	33	4,346,869	132,059 long-term risk
323	Printing and related support activities manufacturing		3	19	709,755	38,194 long-term risk

Survival Time for Small Businesses

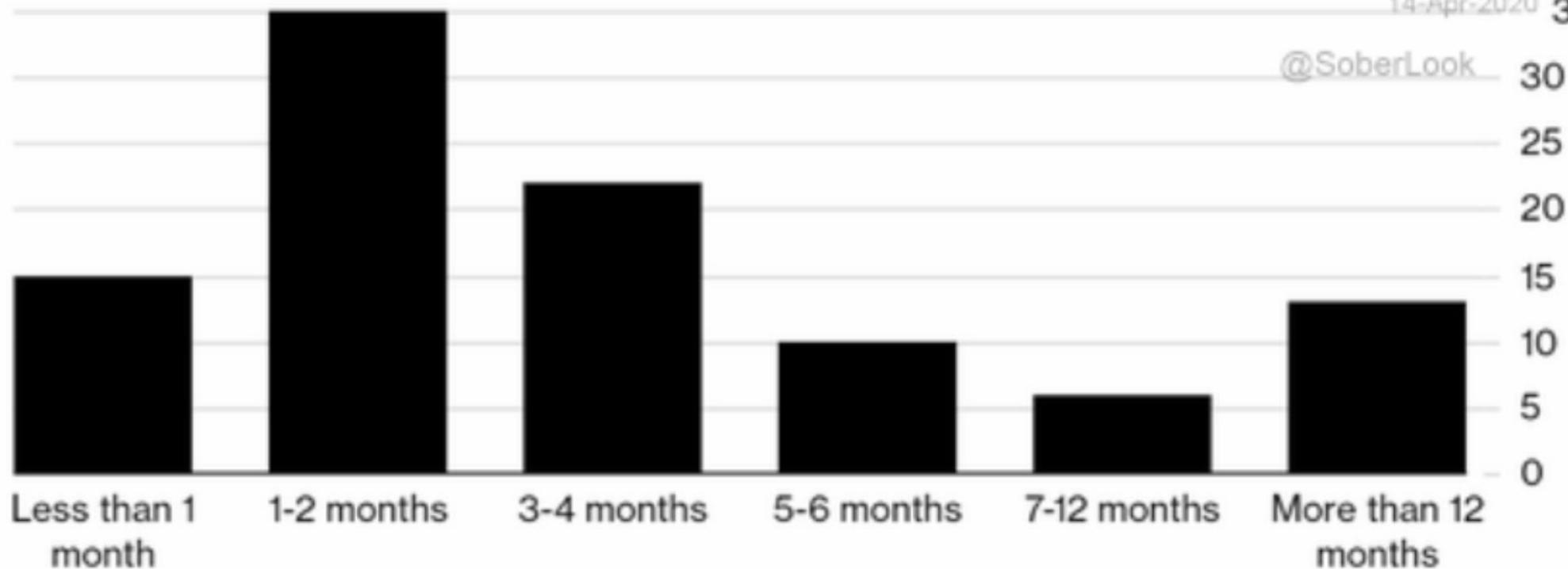
How long will you be able to operate under current economic conditions?

Posted on

WSJ: The Daily Shot

14-Apr-2020 35%

@SoberLook 30



NFIB March 30 survey

<https://www.nfib.com/> (found on twitter / WSJ)

Kauffman Foundation: Vermont's been great as a small business job creator, but...



STATE	RATE OF NEW EMPLOYER BUSINESS ACTUALIZATION*
Washington	17.36%
Maine	17.17%
Oregon	15.69%
California	15.62%
North Dakota	14.77%
South Dakota	14.69%
Nebraska	14.68%
Rhode Island	14.53%
Idaho	14.46%
Vermont	13.55%

“For every 100 new business applications for an Employer Identification Number (EIN), about 11 businesses became employers within eight quarters.”

***Rate of new employer business actualization:** The percentage of all new businesses that make a first payroll within eight quarters of business application.

A Generational Shift with more startups again?

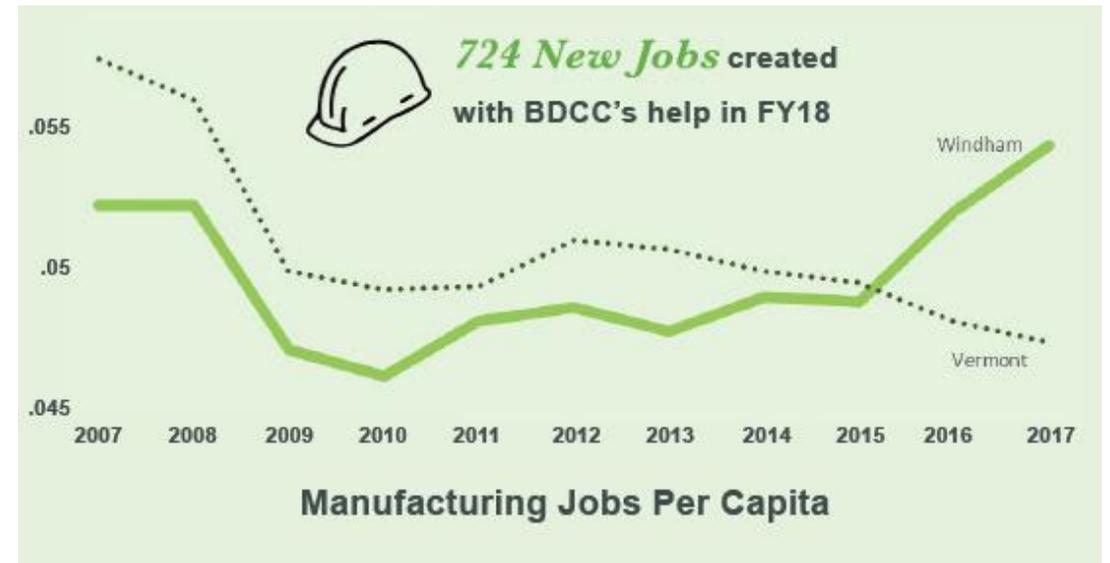
at 4.62% Vermont is 47th in the nation for EMPLOYER BUSINESS NEWNESS

the presence of new employers among all employer firms

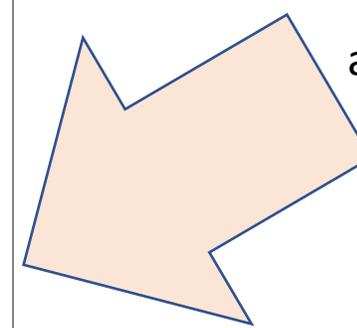
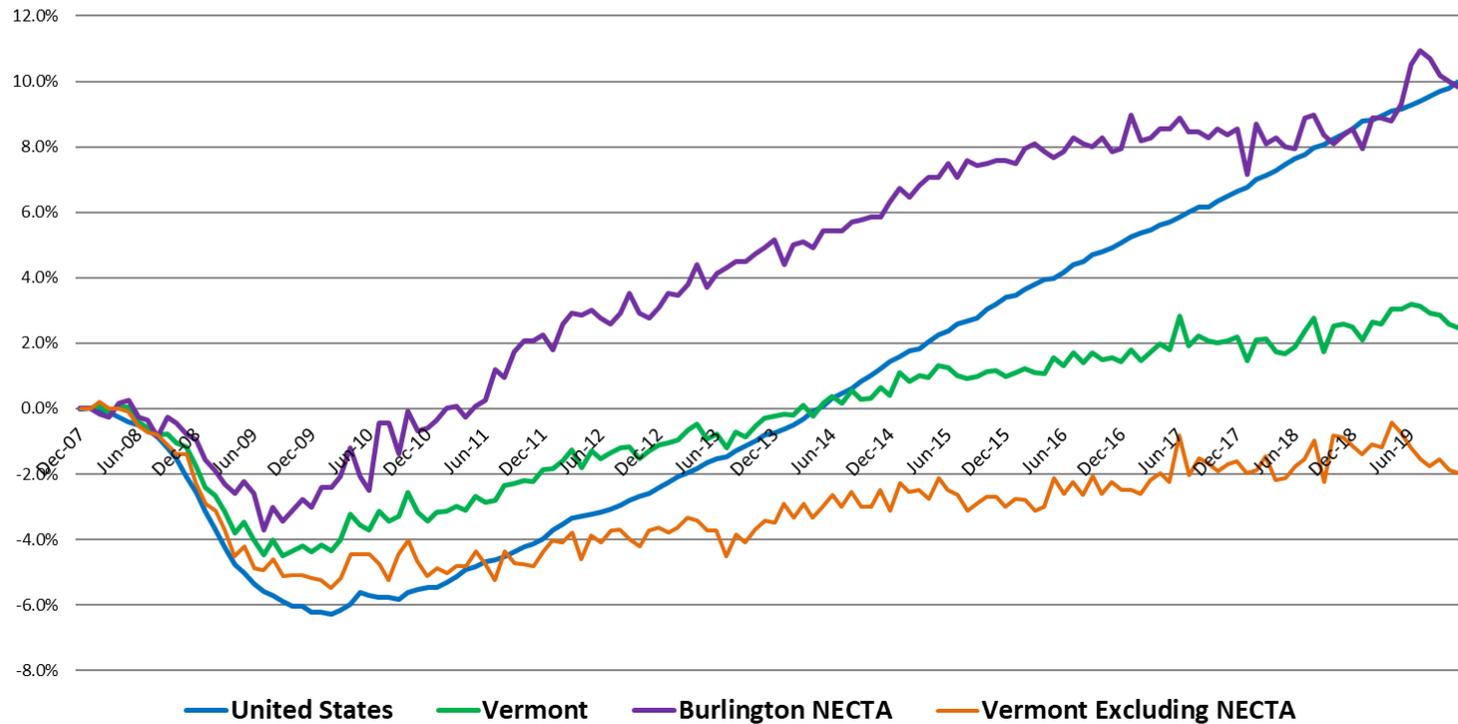
In 2016 employers were about 6.8% of all employer firms in the U.S. At the state level, employer business newness ranged from 4.44% in Washington, D.C., to 8.67% in Nevada, with a median of 5.99%.

<https://indicators.kauffman.org/wp-content/uploads/sites/2/2020/03/2018-New-Employer-Business-Report-March-2020.pdf>

A Sector Shift? Or more in the same emerging sectors?



2007 Recession
% Change in Jobs & Duration in Months since December 2007:
Total Nonfarm Jobs, seasonally adjusted



Our post recession job "recovery" as of about a year ago

Very small businesses are at greatest risk right now.
That's mostly what we have.

private industry establishments, employment and wages, first quarter 2018										
	Total	Size of establishment ¹								
		4 or fewer workers ²	5 to 9 workers	10 to 19 workers	20 to 49 workers	50 to 99 workers	100 to 249 workers	250 to 499 workers	500 to 999 workers	1,000 plus workers
Vermont Total Private										
Establishments .	23,943	14,889	3,883	2,737	1,628	495	231	46	21	13
Employment, March	253,960	22,071	25,740	36,694	48,479	33,989	33,458	15,717	15,032	22,780
Wages, quarterly (000))	2,953,447	295,740	250,744	347,334	503,927	386,547	428,093	245,947	201,869	293,246
% of private establishments	100.0	62.2	16.2	11.4	6.8	2.1	1.0	0.2	0.1	0.1
% of private employment	100.0	8.7	10.1	14.4	19.1	13.4	13.2	6.2	5.9	9.0
% of private wages	100.0	10.0	8.5	11.8	17.1	13.1	14.5	8.3	6.8	9.9
Windham Total Private										
Establishments	1,835	1,135	323	194	122	33	21	3	3	1
Employment, March	19,527	n	2,137	2,511	3,599	2,165	2,990	1,051	2,201	n
Wages, quarterly (000)	196,428	n	19,504	21,595	33,861	24,006	37,101	11,907	23,900	n
% of county establishments	100.0	61.9	17.6	10.6	6.6	1.8	1.1	0.2	0.2	0.1
% of county employment	100.0	n	10.9	12.9	18.4	11.1	15.3	5.4	11.3	n
% of county wages	100.0	n	9.9	11.0	17.2	12.2	18.9	6.1	12.2	n



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