

The Economic Impacts of Covid-19 in Montana

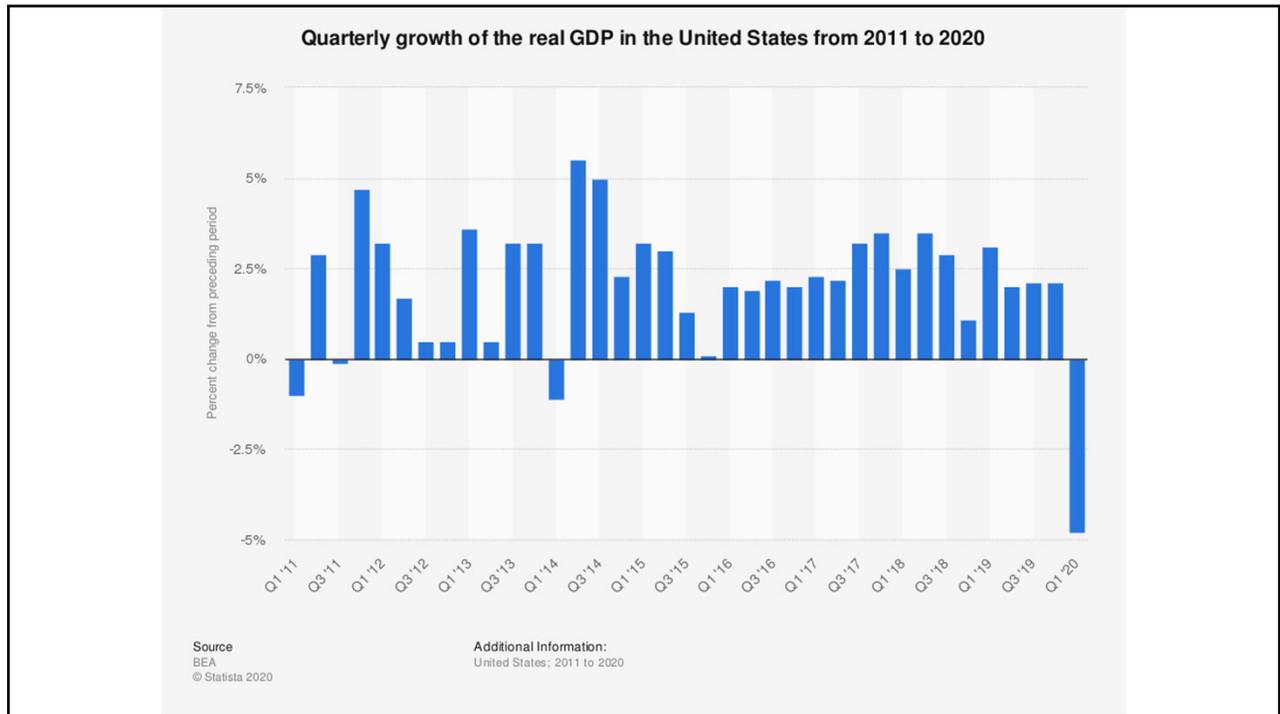
Bureau of Business and Economic Research
University of Montana



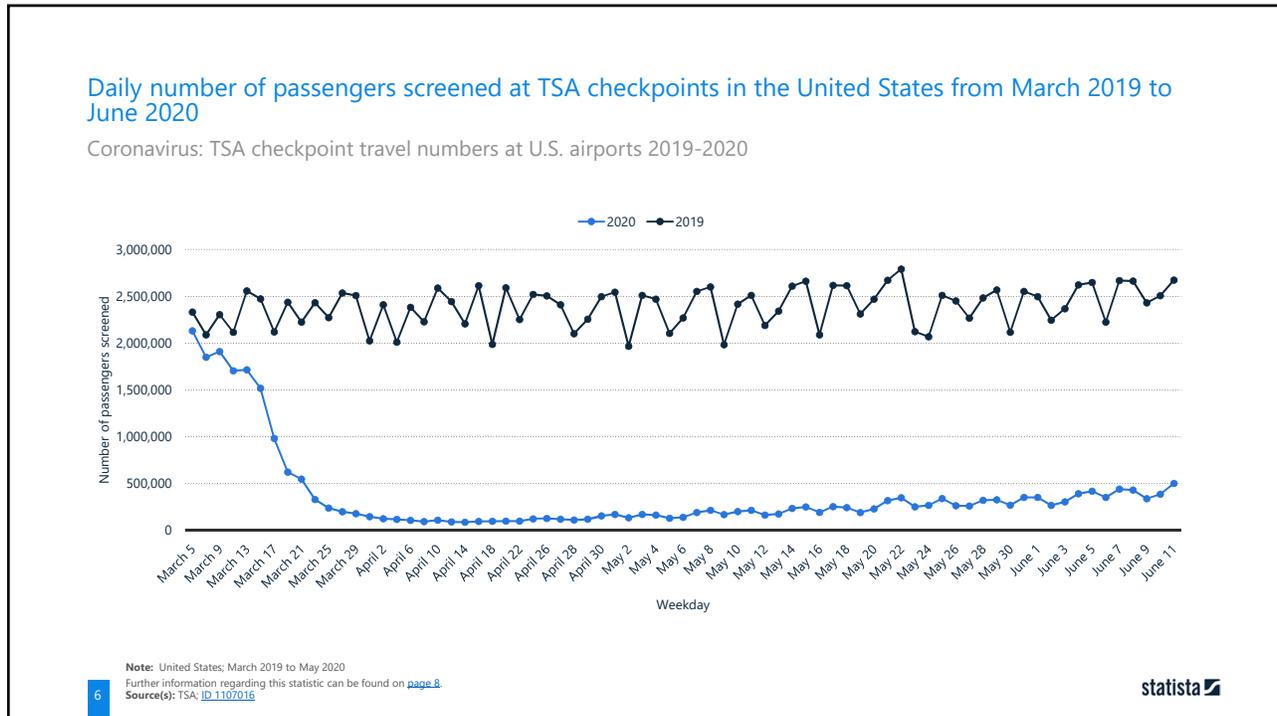
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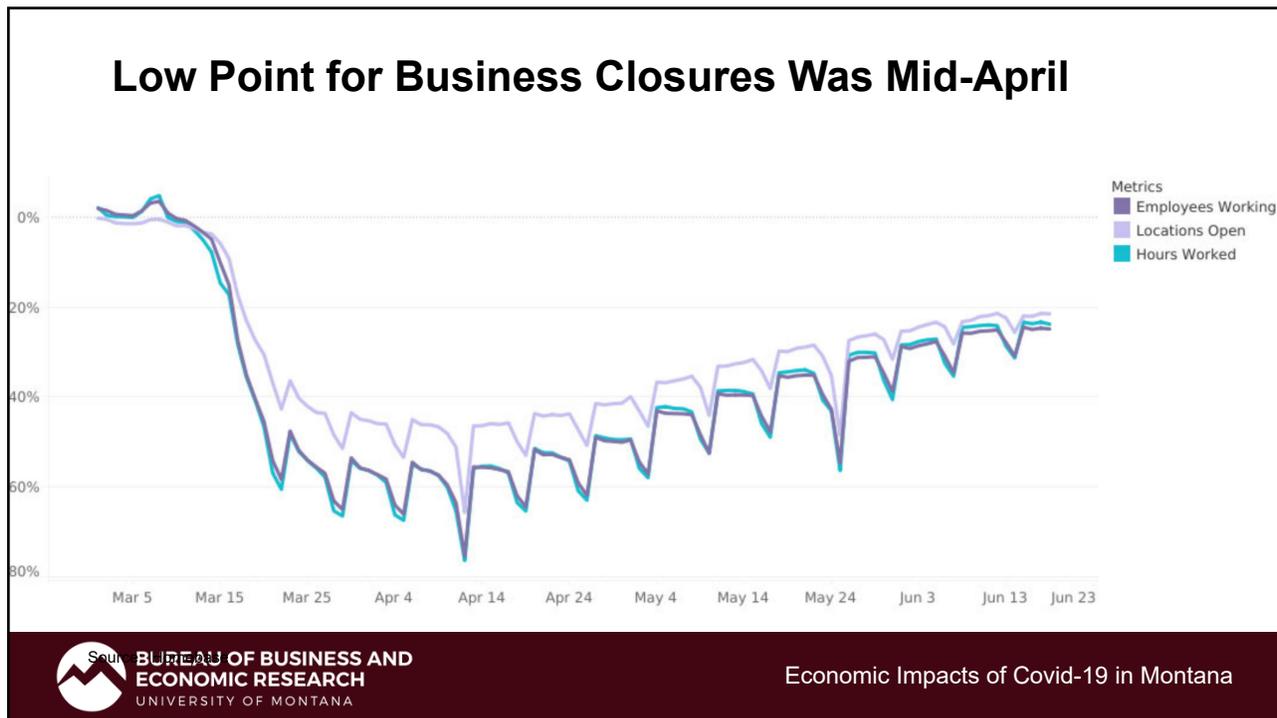
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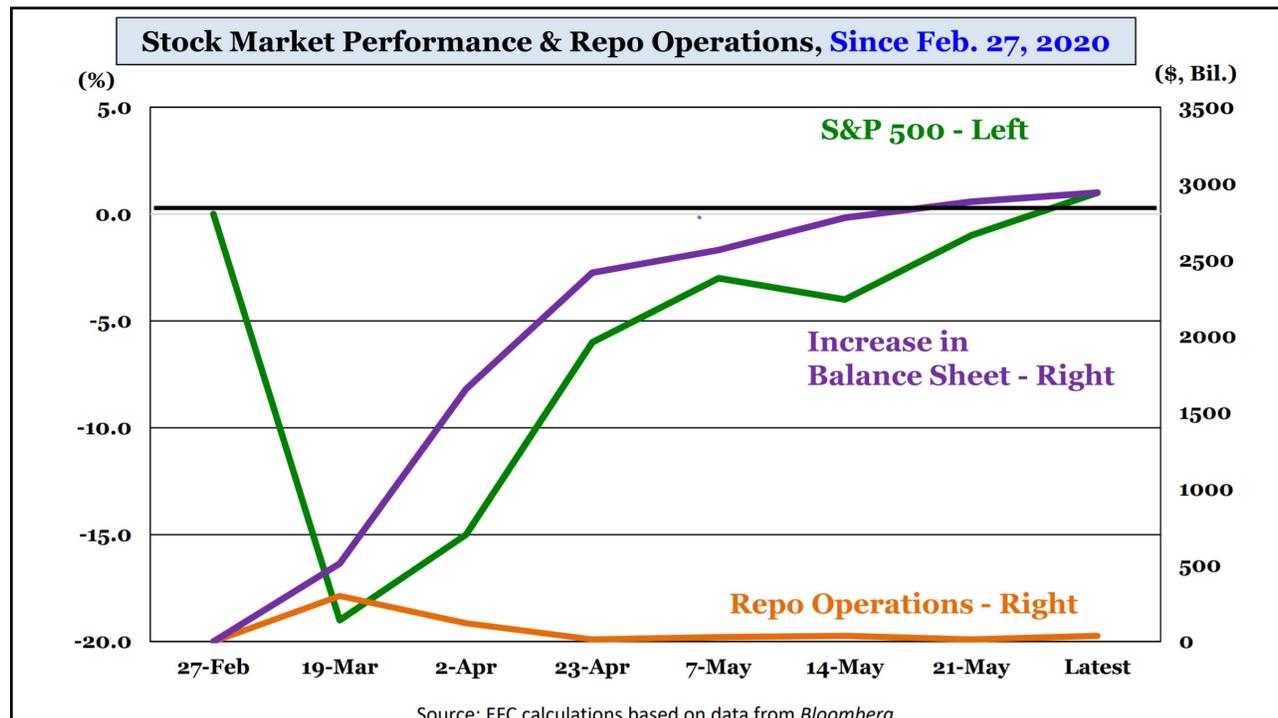


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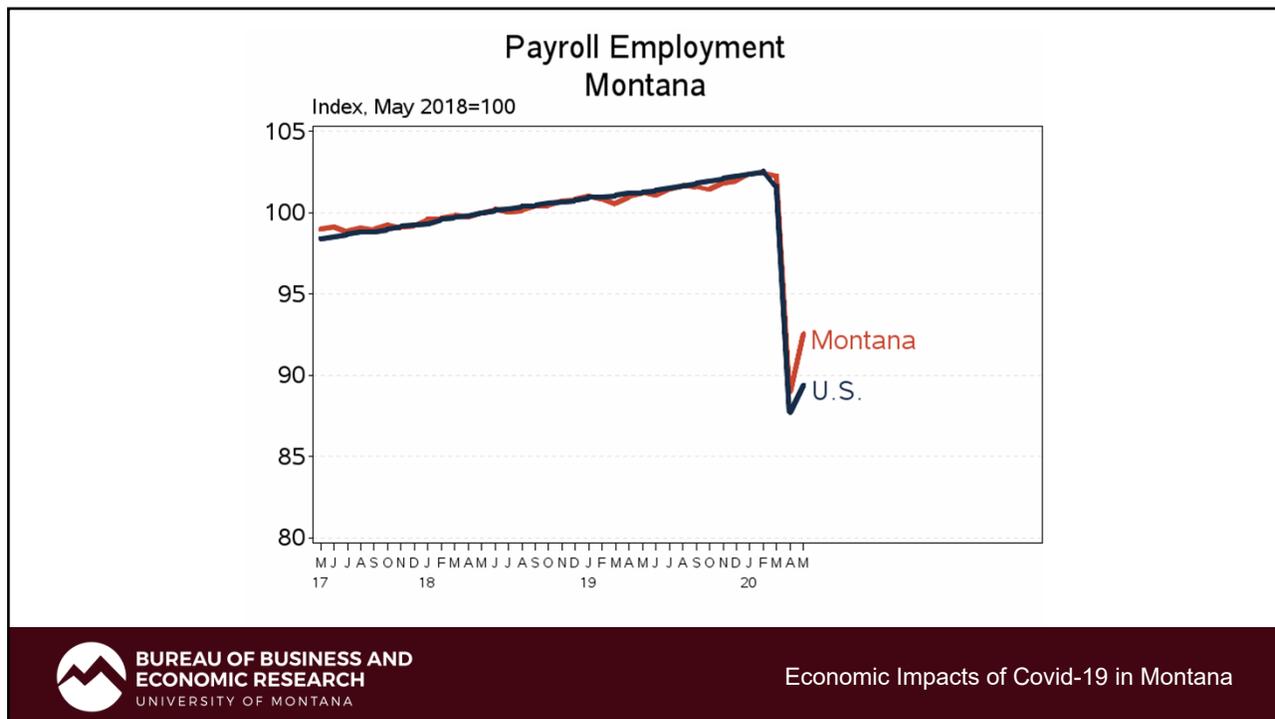
Fed Policy Support During COVID-19

Program/Facility	Targeted Sector	P, DL, or SPV *	Treasury Support (\$, Bil.)	Capacity (\$, Bil.)	Date(s)	Current Balance (\$, Bil.)
CPFF	Commercial Paper	SPV	\$10	NA	03/17	\$12
PDCF	Primary Dealers/Liquidity	DL	\$0	NA	03/17	\$7
MMLF	Money Market Mutual Funds	SPV	\$10	NA	03/18	\$33
TALF	Asset-Backed Securities	SPV	\$10	≤ \$100	03/23	-
PMCCF, SMCCF	Corporate Debt	SPV	\$75	≤ \$750	03/23	-
MSELF, MSNLF	Small & Mid-Sized Businesses	SPV	\$75	≤ \$600	03/23, 04/9	-
PPPLF	Small Business Bank Loan - PPP	DL	\$0	NA	04/6	\$49
MLF	Municipal Debt	SPV	\$35	≤ \$500	04/9	-
Discount Window	Banks	DL	\$0	NA	03/15	\$18
CB Swap Lines	Central Banks/Dollar Liquidity	DL	\$0	NA	03/15, 03/19	\$449
FIMA REPO Facility	Foreign Monet./Treasury Liquidity	DL	\$0	NA	03/31	-
Asset Purchases	Treasuries, Agency MBS	P	\$0	NA	Several	\$2,099
REPO Agreements	s/t Loans to Finance Intermediary	DL	\$0	NA	Several	\$181
TOTALS			\$215	>\$1,950		\$2,848

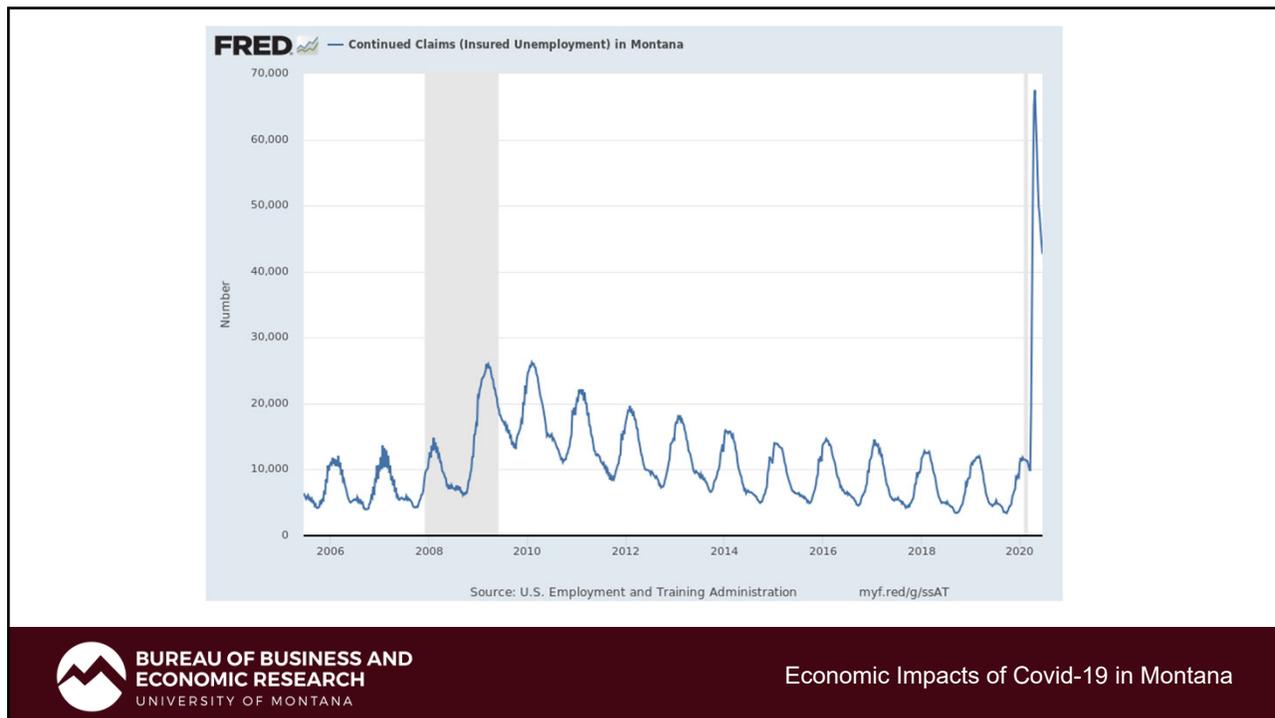
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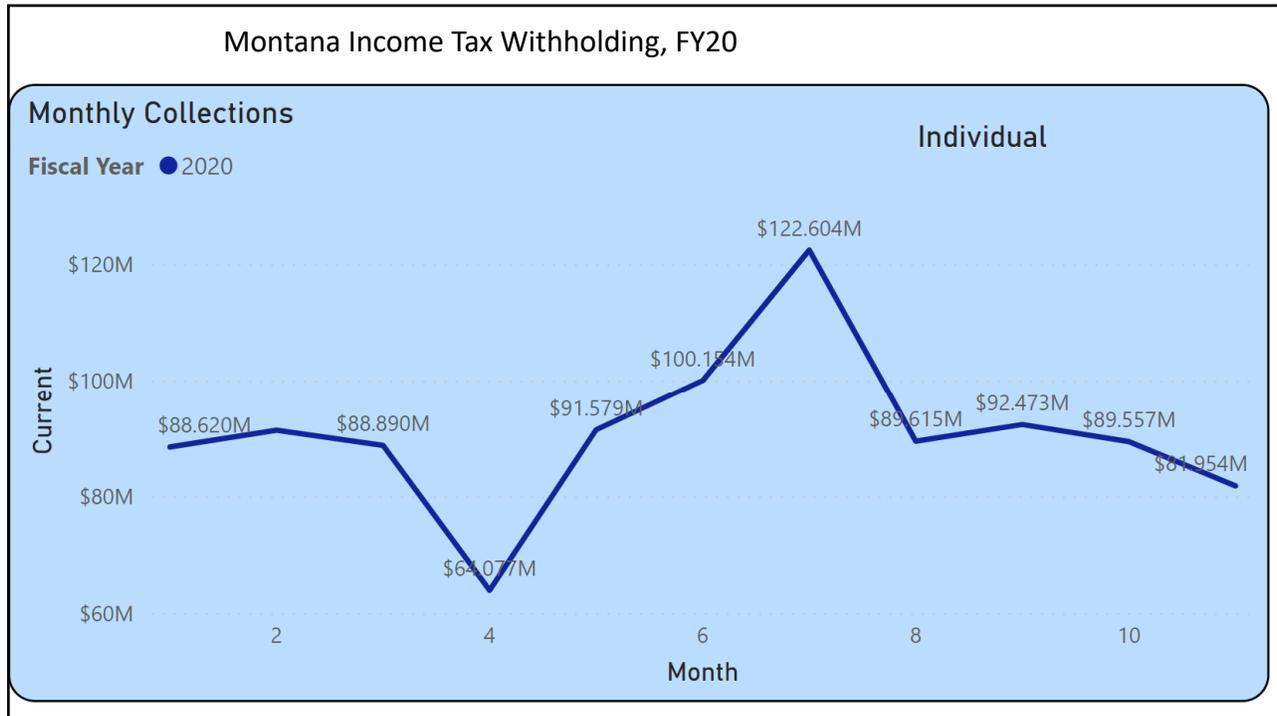
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Montana General Fund Revenues Surprisingly Stable

Cumulative Collections through May

Year Categories	2019 Change	Percent Change	2020 Change	Percent Change
Top Seven Sources	141,969,064	7.8%	-81,471,196	-4.2%
Corporation Tax	17,471,692	12.6%	3,843,232	2.5%
Individual Income Tax	107,145,357	8.4%	-86,735,277	-6.2%
510101 Withholding Tax	56,449,384	6.4%	55,907,544	5.9%
510102 Estimated Tax	-18,667,057	-7.0%	-3,660,880	-1.5%
510103 Current Year I/T	43,922,081	24.1%	-135,184,390	-59.8%
510104 Prior Years to Income Tax	918,127	23.8%	-1,627	-0.0%
510105 Income Tax - Audit Collections	2,913,638	11.8%	993,237	3.6%
510106 Income Tax Refunds	16,875,097	-12.9%	-8,867,353	7.8%
510109 Income Tax-Penalties & Interes	-487,871	-6.5%	432,200	6.1%
510110 Accrual Individual Inc Tax	0		0	
510111 Pass Thru Entity Tax	5,514,863	16.3%	2,141,226	5.5%
510482 Mineral Royalty WH Tax	-292,905	-3.7%	1,504,766	19.7%
Insurance Tax	1,154,842	1.9%	4,375,434	7.0%
Oil & Natural Gas Tax	3,270,465	13.0%	-4,740,948	-16.7%
Property Tax	11,272,673	6.8%	4,014,885	2.3%
Vehicle Fee	1,245,605	1.4%	-881,208	-1.0%
Video Gaming Tax	408,430	0.9%	-1,347,314	-2.9%
Other Sources	-21,450,554	-18.2%	-46,218,219	-47.9%
Natura Resource Sources	-443,235	-1.2%	-1,808,784	-5.1%
Interest Earnings Sources	9,512,676	42.5%	4,019,635	12.6%
Consumption Sources	1,637,620	2.9%	-1,889,383	-3.2%
Business Sources	1,462,463	3.0%	9,282,317	18.5%
Total	132,688,034	6.3%	-118,085,631	-5.3%

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US Forecast Summary, May 2020

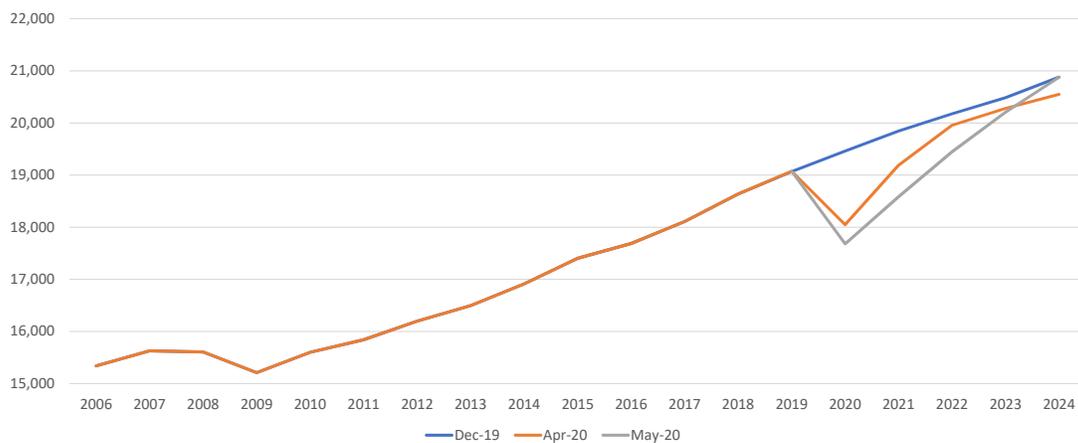
	Quarterly								Annual		
	Q2-20	Q3-20	Q4-20	Q1-21	Q2-21	Q3-21	Q4-21	Q1-22	2020	2021	2022
Real GDP (%)	-41.8	3.4	1.0	5.7	4.6	4.0	9.8	3.4	-9.5	0.4	6.1
Consumption (%)	-48.8	13.1	7.4	3.7	3.8	5.5	13.9	4.4	-10.7	1.6	7.0
Investment (%)	-33.1	-25.9	-3.8	-2.4	-1.7	-1.2	0.0	8.0	-13.1	-6.6	5.8
Auto Sales (mil.)	10.9	11.9	12.0	12.2	12.4	12.6	12.7	13.7	12.5	12.5	14.1
Housing Starts (mil.)	0.815	0.865	0.876	0.818	0.837	0.876	0.886	0.942	1.006	0.854	1.121
Job Gains ('000)	-28,900	-3,712	2,255	4,232	3,244	2,287	2,306	1,583	-21,828	994	8,588
Crude Oil (\$/bbl)	26.8	33.4	35.0	39.6	34.3	40.4	42.6	48.9	35.2	39.2	54.2
CPI	-3.3	2.3	2.2	1.9	2.1	1.9	2.0	3.0	0.9	1.7	2.8
Core - CPI	1.2	1.9	0.9	1.0	1.1	0.9	1.1	1.4	1.9	1.1	1.5
Real U.S. Dollar (%)	23.3	4.0	7.7	4.5	-7.3	-5.8	-7.7	-7.0	7.3	1.6	-6.6
10-year T-Bonds	0.7	0.7	0.9	1.2	1.4	1.7	1.8	2.1	0.9	1.5	2.2
Fiscal Deficit (bil. \$)/% of GDP	-4,110	-4,645	-3,434	-2,953	-2,823	-2,751	-2,528	-2,503	-17.3%	-13.9%	-11.1%

Economic Forecasting Center



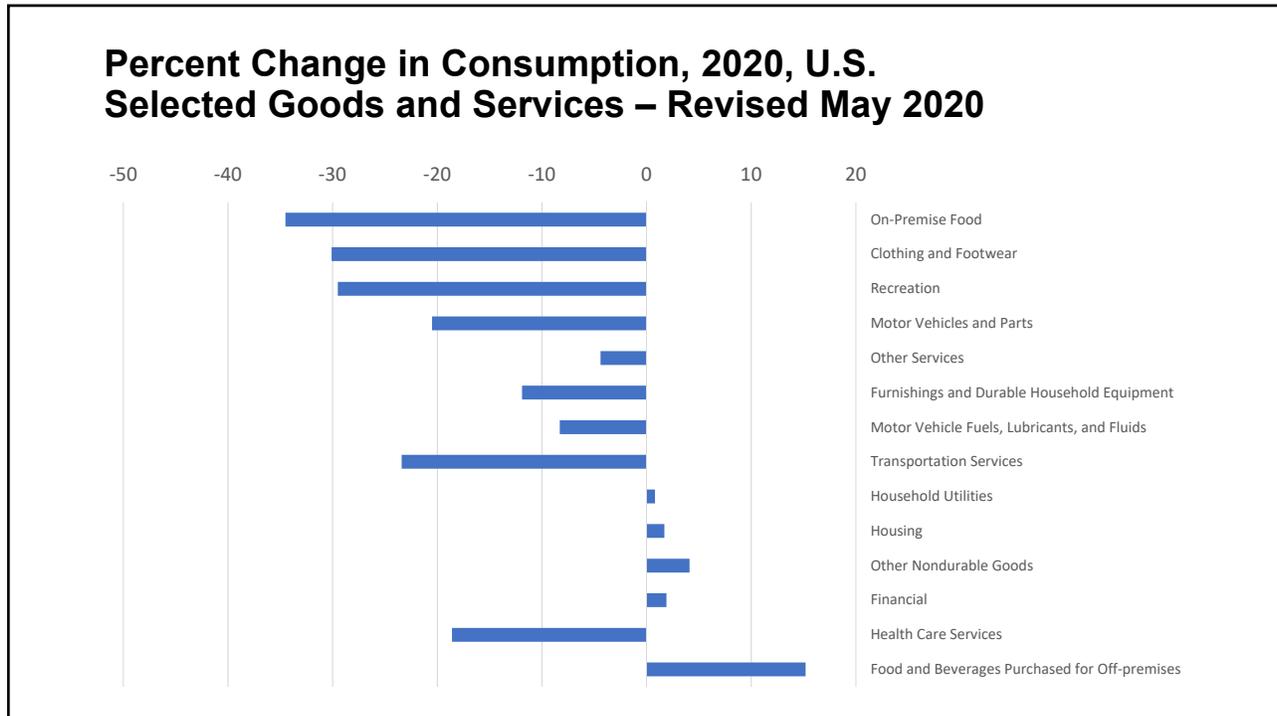
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Dec-2019 vs. Apr-2020 and May-2020 Forecast Comparisons Real GDP, U.S., Billions

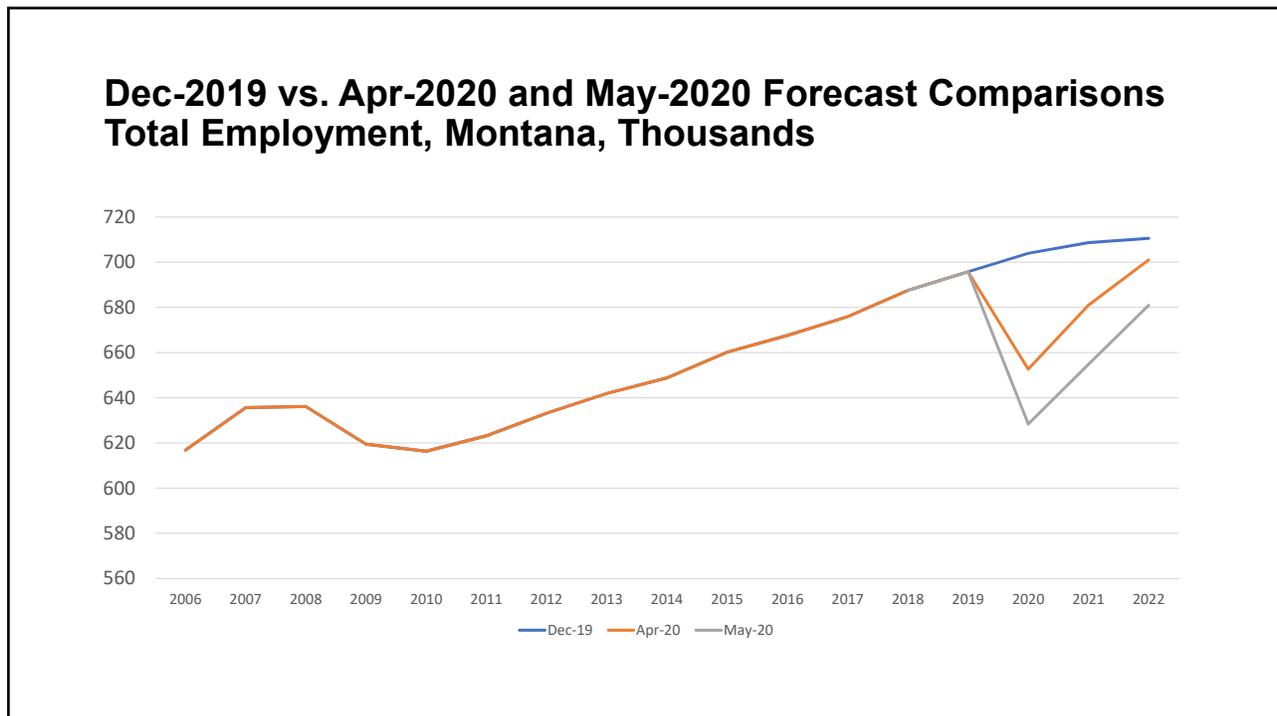


Source: IHS Markit

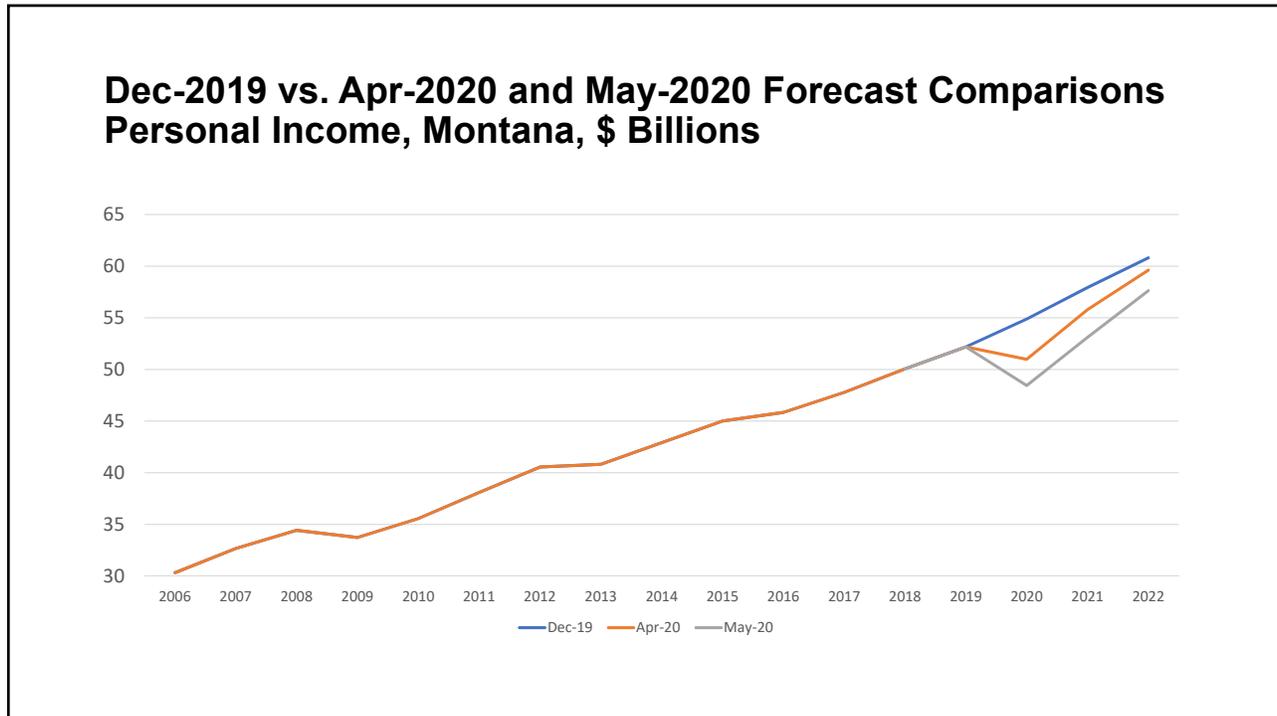
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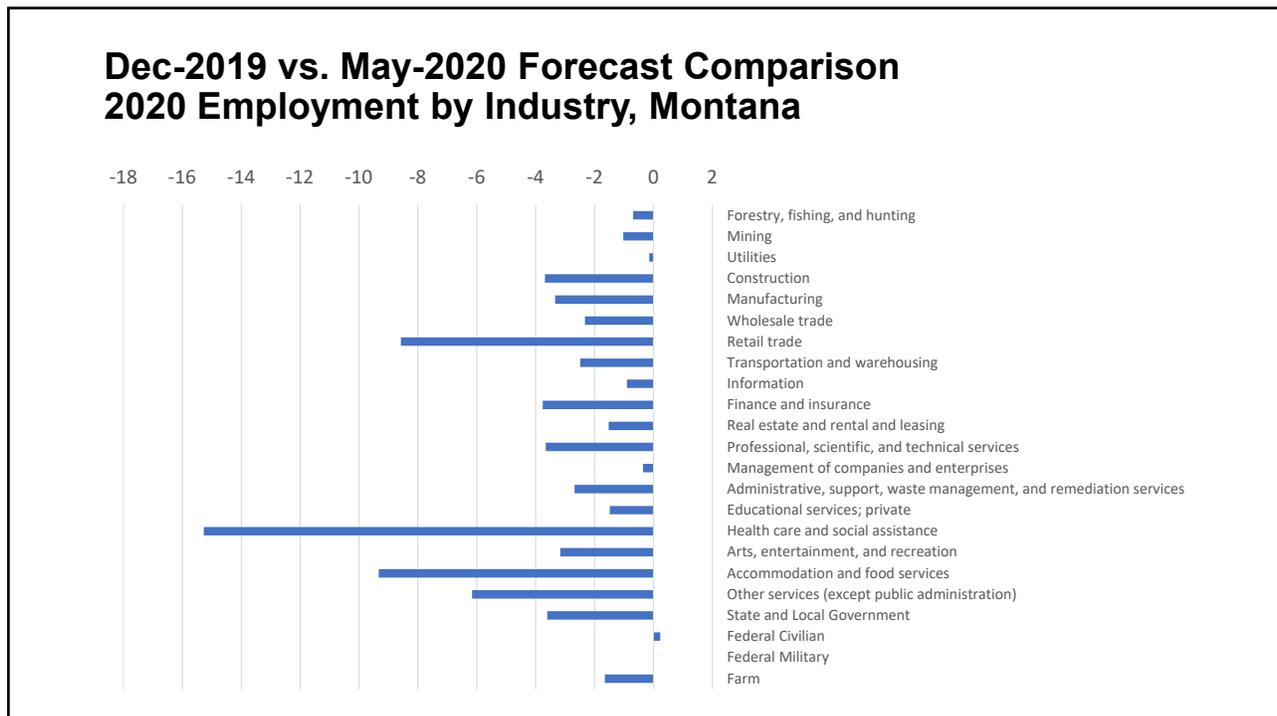
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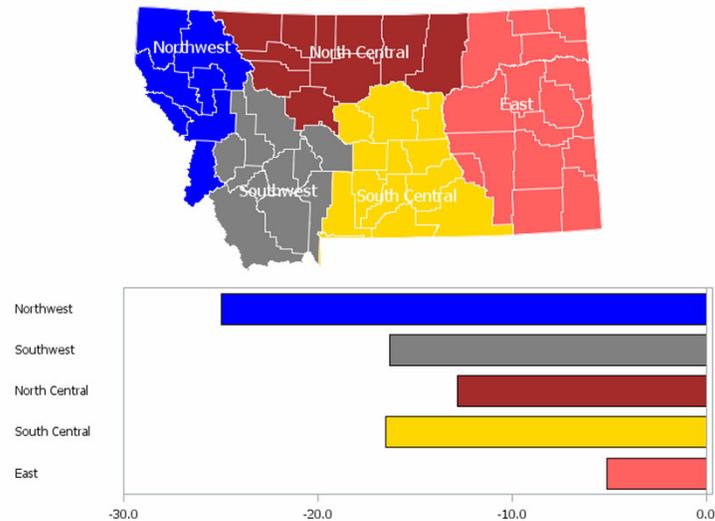


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Dec-2019 vs. May-2020 Forecast Comparison 2020 Employment Difference by Region, Thousands



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Assessing Montana's Recovery Prospects (in progress)

Scoring Vulnerability
by Industry

Links with risky or discretionary activities (travel, tourism, entertainment, large gatherings, person to person contact)

Financial buffers (free cash flow relative to earnings, coverage of interest and debt expenses)

Constraints from high leverage (e.g., financial leverage, operating leverage)

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U.S. Based Analysis of Industry Vulnerability Has Some Surprising Outcomes

Most Vulnerable

- Educational services
- Real estate
- Truck transportation
- Motion pictures
- Pipeline transportation
- Water transportation
- Utilities
- Cruises & travel services

Least Vulnerable

- Construction
- Computer systems
- Petroleum refineries
- Furniture manufacturing
- Fabricated metal
- Textiles and mills
- Wholesale trade
- Wood products

Source: Oxford Economics

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www.bber.umt.edu/pubs/econ/CovidStudy.pdf

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