

FESAC June 11, 2021

SESSION ON DATA GAPS

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Evercore ISI

I. Some Preliminaries

II. Supply Side Issues

- How much of economy was closed/operating at reduced rates.
- Bankruptcies
- School closures
- Unemployment Claims
- EVRISI Framework Guestimates
- EVRISI company surveys: At Low vs Now
- Filings for EINs

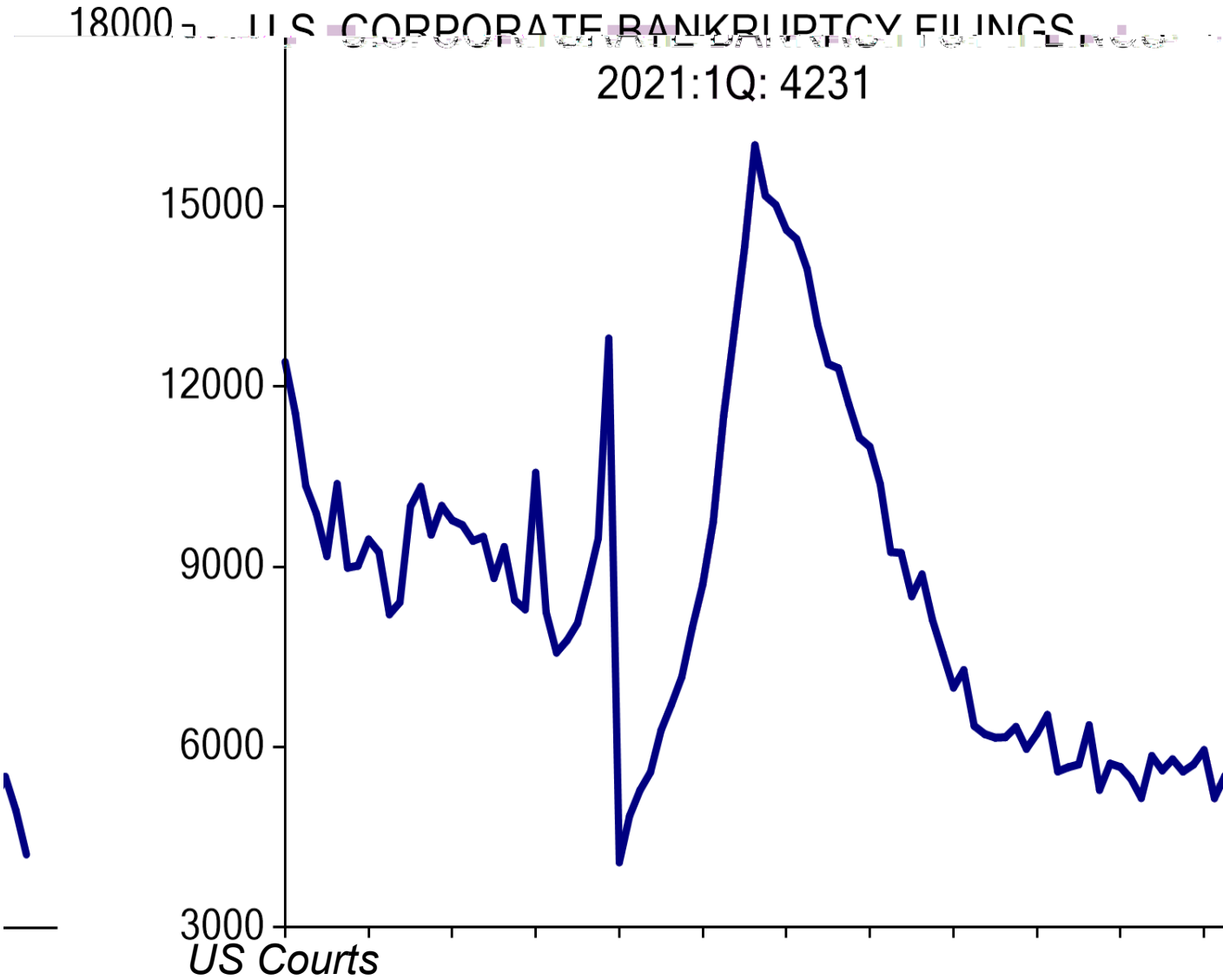
III. Demand Side Issues

- Income data by useful breakdowns
- Spending data by useful breakdowns
- Overall saving data
- Saving by income quintile
- Loan delinquencies
- Extra unemployment payments

IV. Price Statistics

- Shifting weights during COVID

BANKRUPTCY FILINGS



22 states have closed school statewide because of the coronavirus

Some 50,000 schools are closed and more than 26 million students are missing classes in an effort to stop the spread of the virus.

MAR 16, 2020

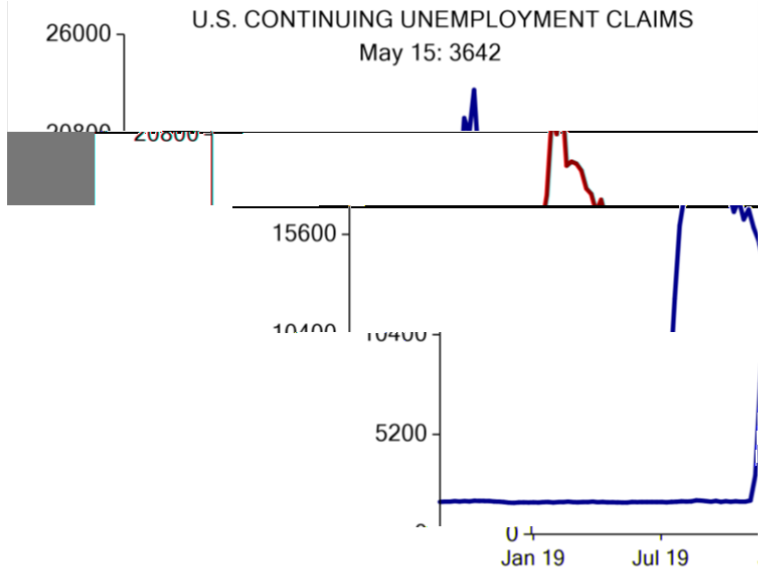
Twenty-two states and a number of large urban school districts [are shutting down all K-12 schools as part of an effort to contain the spread of the coronavirus.](#)

USA Today reports that Alabama, Alaska, Arizona, Arkansas, Delaware, Florida, Kentucky, Illinois, Iowa, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Montana, Nevada, New Hampshire, New Mexico, North Carolina, North Dakota, Ohio, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Utah, Vermont, Virginia, West Virginia, Washington and Wisconsin have made plans to close all schools.

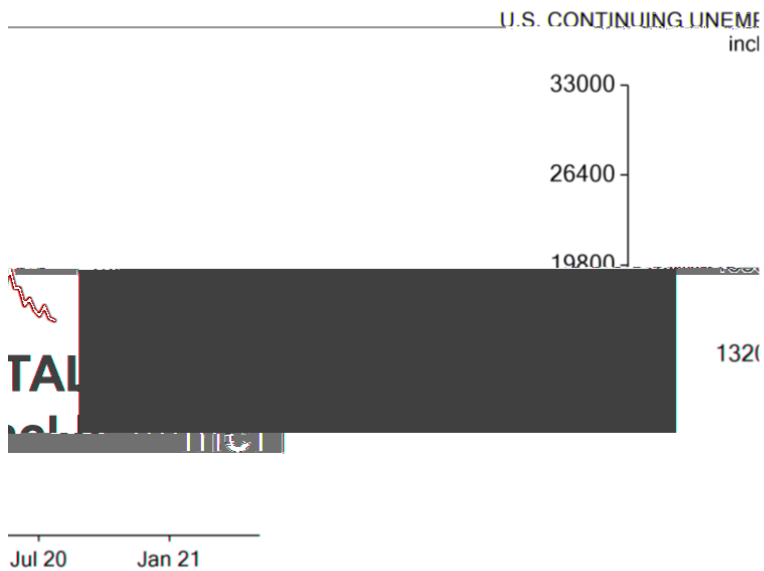
Other major metropolitan school systems such as Atlanta, Denver, San Francisco, San Diego, Washington, D.C. and Austin, Texas, also have shuttered. And a growing number of smaller districts around the nation also have chosen to close.

Numbers tracked by MCH Strategic Data, based in Sweet Springs, Mo., show that as of 1 p.m. Monday, [at least 50,682 out of a total of 124,090 schools \(41%\) in the United States are closed.](#) That amounts to 45.12% of the entire K-12 student population of 57.9 million—or 26.1 million students affected by closures.

Disadvantaged families who rely the most on schools for stable services, such as meals and access to learning materials, will be some of the most negatively affected.

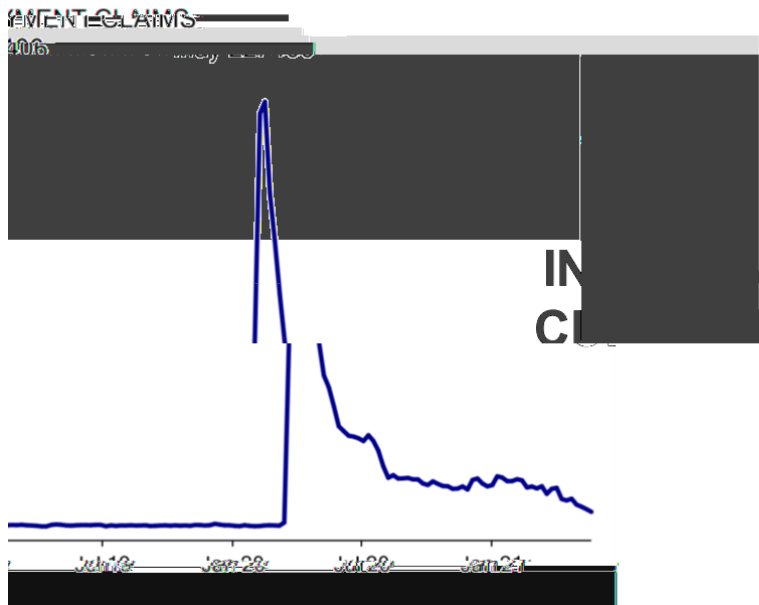


III AR STATES



TAL

EMIO-RELATED



INITIAL CLAIMS

Decline And Rebound Framework

Going into 2Q, it appeared that roughly 30% of the US economy was going to plunge -40%, eg, restaurants, air travel, sporting events, etc. Say a decline from 100 to 60 in the table below. If that happened, real GDP would probably decline at roughly a -40% q/q annual rate. This simple framework seems to have worked pretty well.

Now going into 3Q, it appears that that 30% of the US economy may rebound from 60 to 74. If it did, real GDP will probably rebound at roughly a +20% q/q annual rate.

This is an unconventional framework, but this is an unprecedented situation. And our clients may want to insert their own assumptions. For example, if it's assumed that this 30% of the economy rebounds to 80 in 3Q from 60 in 2Q, then real GDP will probably rebound at roughly a +30% annual rate.

	30% of economy	70% of economy	Total	Q/Q % A.R.
2020 1Q	100.0 ✓	100.0	100.0	
2Q	60.0 ✓	100.0	88.0	-40% ✓
3Q	74.0 ✓	100.0	92.2	+20% ✓
4Q	88.0	100.0	96.4	+20%
2021 1Q	89.5	101.0	97.6	+5%

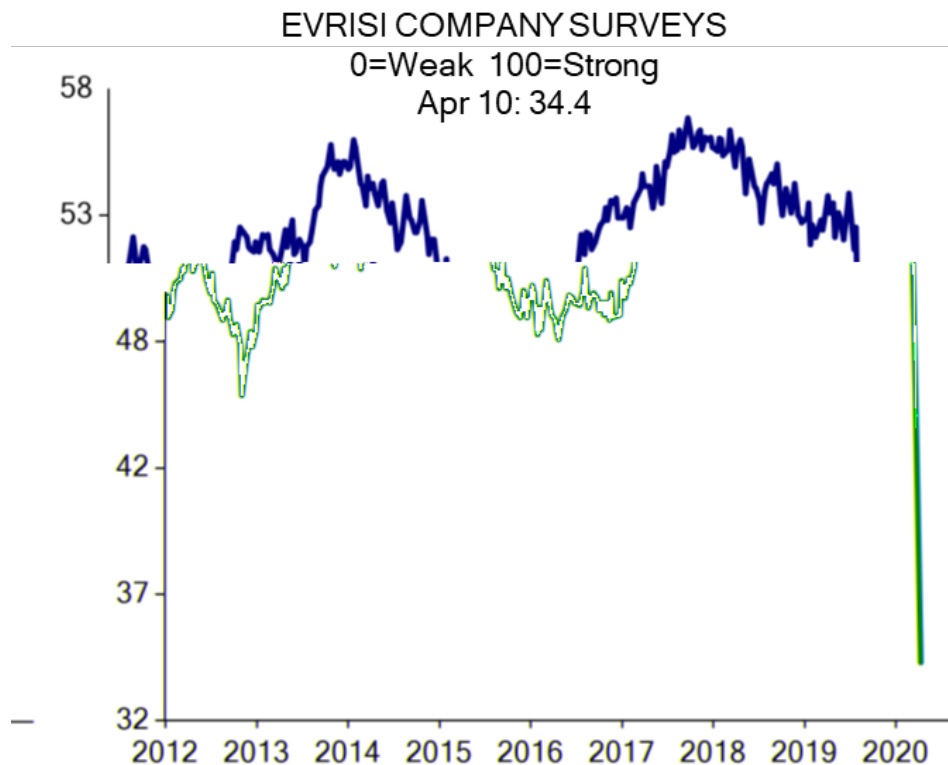
BOTTOM -- Apr 10, 2020

Evercore ISI Company Surveys

0=Weak 100=Strong

	<u>Apr 10</u>	<u>W/W Ch</u>	<u>Y/Y Ch</u>
Credit Card Cos	53.8	0.0	-0.5
Retailers*	24.1	-3.1	-29.3
Cap Goods Cos	24.4	0.0	-35.7
Shopping Guide Cos	44.7	-0.2	-9.2
Bank Loans	40.8	-0.9	-10.2
Tech Cos	51.1	-1.4	-1.7
Trucking Cos	36.1	-1.7	-19.7
Auto Dealers	23.4	-5.1	-29.8
Homebuilders	33.8	-5.6	-21.9
Airlines	13.8	-6.2	-39.6
Mfg Cos	42.7	-11.2	-9.0
AVERAGE	34.4	-3.2	-19.7

* Double Weighted



RECENT -- May 28, 2021

Evercore ISI Company Surveys

0=Weak 100=Strong

	May 28	W/W Ch	Y/Y Ch
Retailers*	68.6	+3.4	+28.5
Airlines	28.8	+2.5	+16.3
Auto Dealers	57.8	+2.0	+15.1
Homebuilders	80.2	+1.7	+39.5
Cap Goods Cos	77.3	+1.0	+51.5
Trucking Cos	77.0	+0.6	+43.0
Restaurants**	50.6	+0.2	+21.0
Shopping Guide Cos	49.2	+0.1	+4.2
Mfg Cos	58.5	0.0	+19.0
Bank Loans	45.4	0.0	+3.7
Tech Cos	56.4	0.0	+13.9
AVERAGE	59.9	+1.3	+21.7

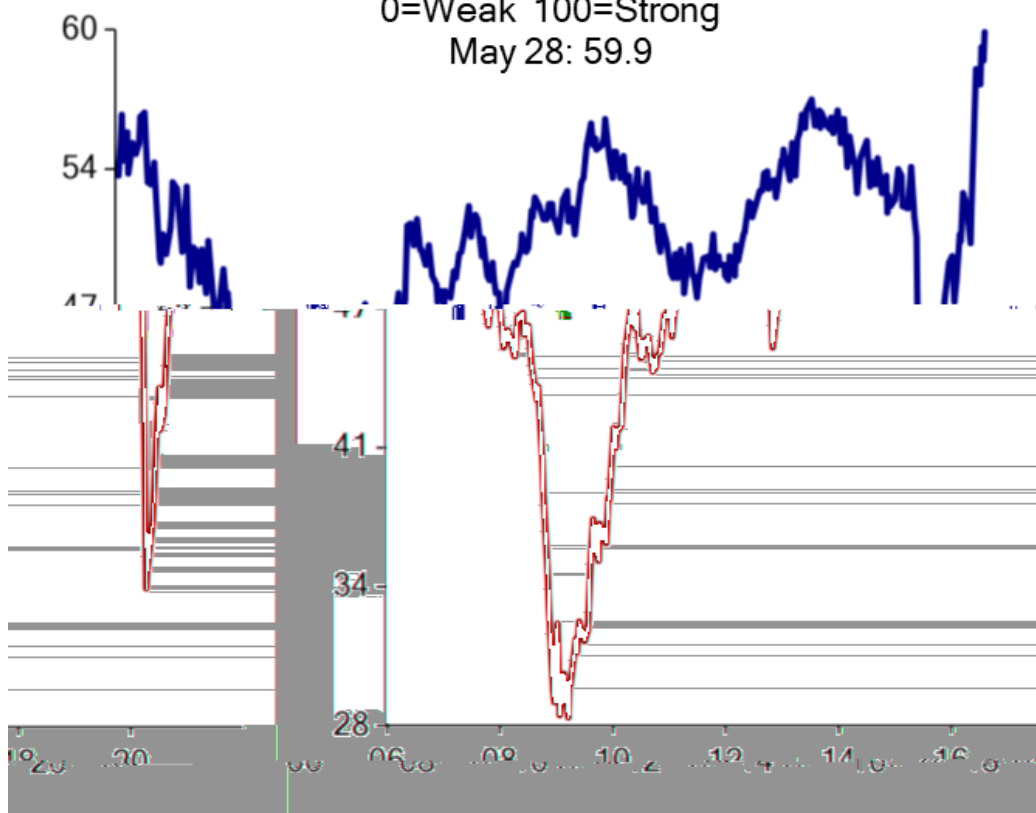
* Double Weighted

**Replacing Bank Loans, May 2021

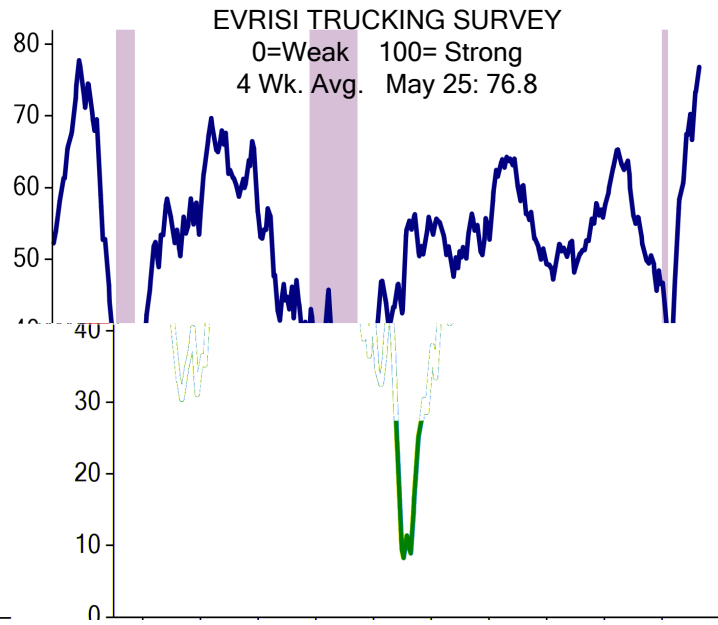
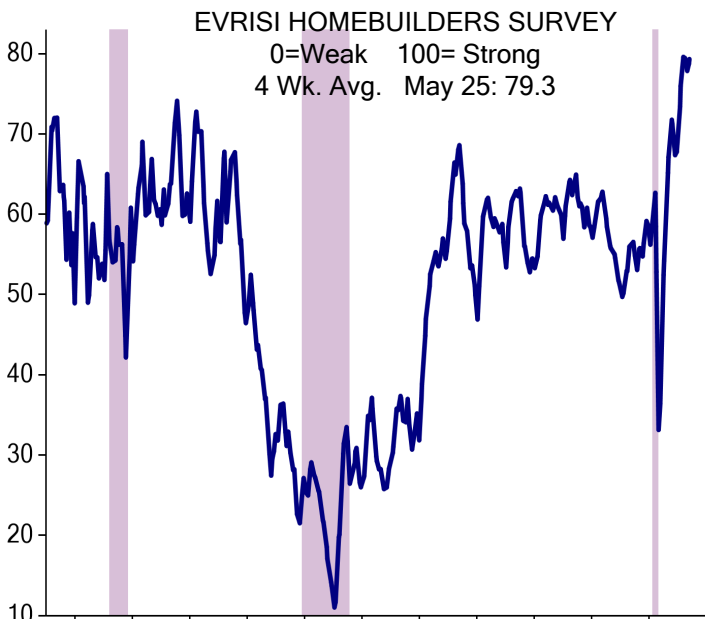
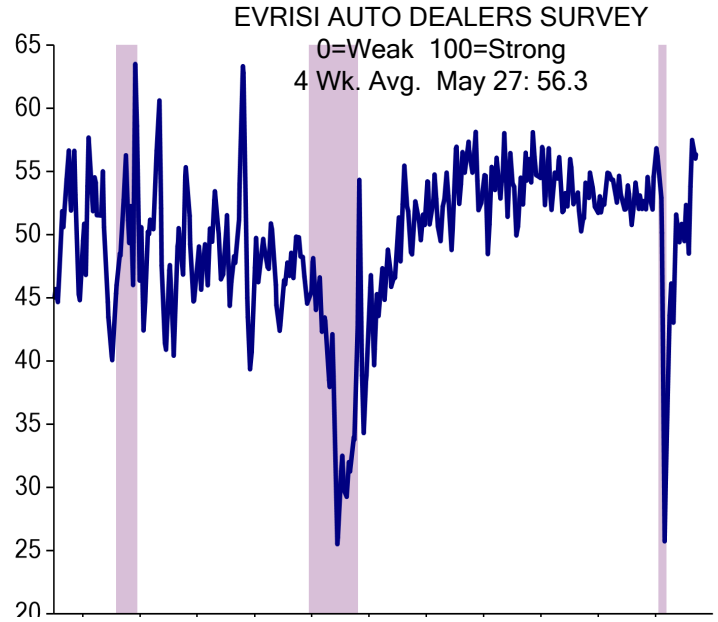
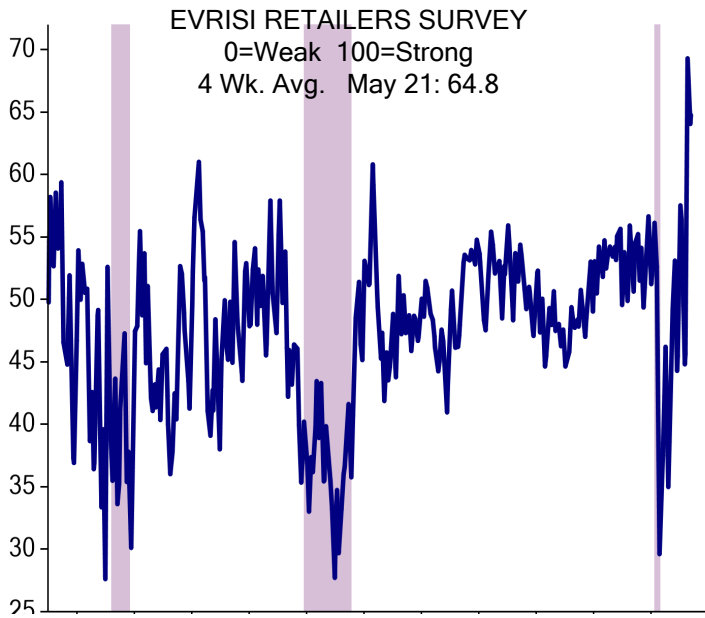
EVRISI COMPANY SURVEYS

0=Weak 100=Strong

May 28: 59.9

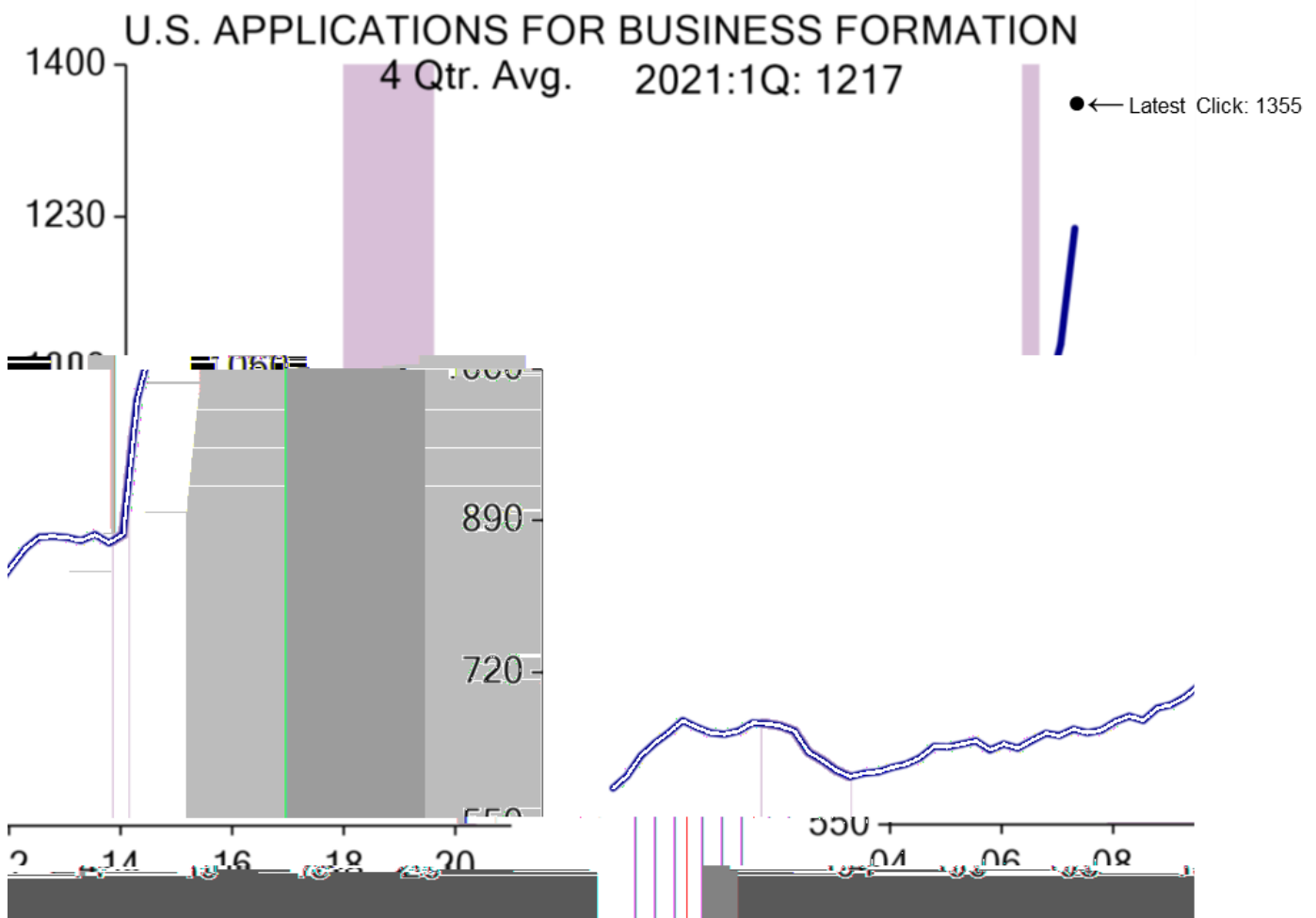


FOUR KEY COMPANY SURVEYS



Significant Positive

The Census Bureau reported today that applications for business formation continued their unprecedented surge in 1Q. Newly unemployed workers appear to be starting new businesses.



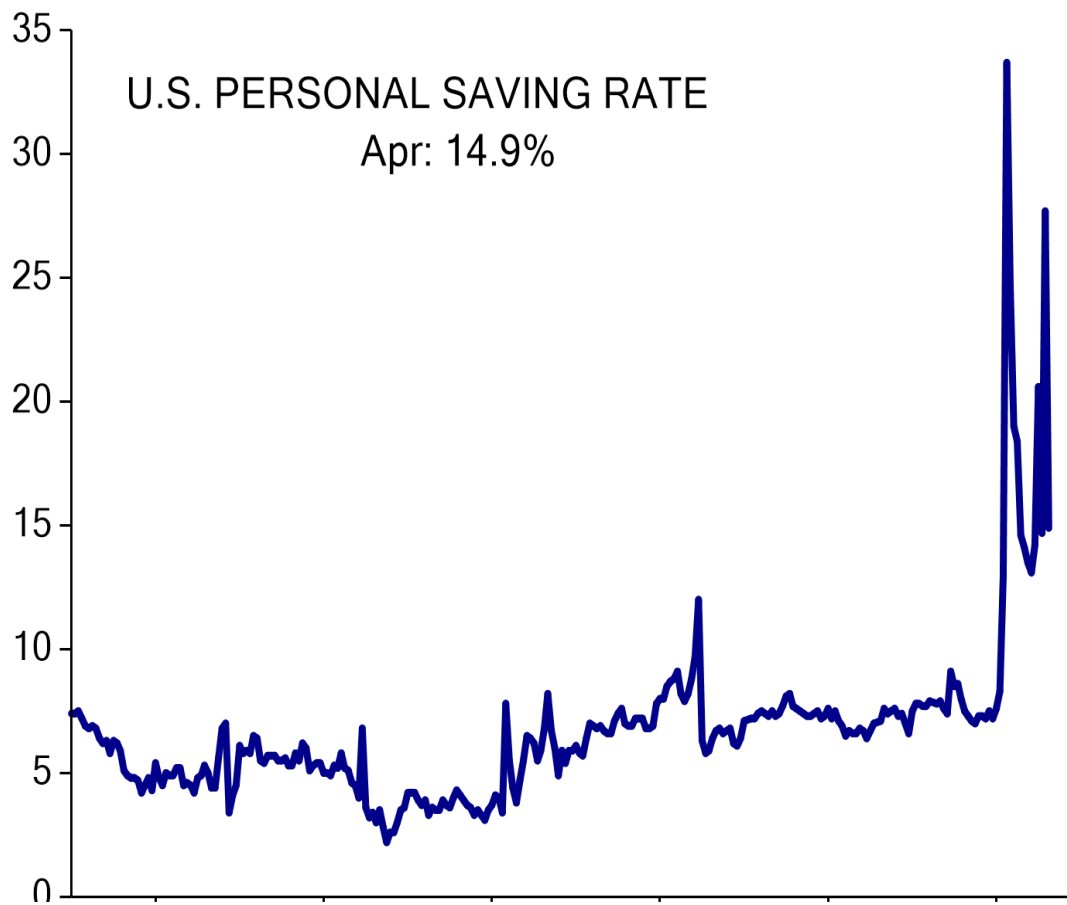
This series tracks the number of applications to obtain an Employer Identification Number -- a unique number assigned to employers, sole proprietors, corporations, partnerships, non-profits, etc. Businesses use their EIN to file tax returns.

Table 1101. Quintiles of income before taxes: Annual expenditure means, shares, standard errors, and coefficients of variation, Consumer Expenditure Surveys, 3rd quarter 2019 through 2nd quarter 2020

Item	All consumer units	Lowest 20 percent	Second 20 percent	Third 20 percent	Fourth 20 percent	Highest 20 percent
Number of consumer units (in thousands).....	131,370	26,174	26,350	26,285	26,366	26,195
Lower limit.....	n.a.	n.a.	\$23,750	\$44,894	\$74,895	\$123,747
Consumer unit characteristics:						
Income before taxes						
Mean.....	\$83,886	\$12,968	\$34,245	\$58,648	\$96,311	\$217,501
SE.....	1,288.61	209.58	363.31	461.71	566.10	4,098.19
CV(%).....	1.54	1.62	1.06	.79	.59	1.88
Income after taxes						
Mean.....	74,166	14,592	35,833	56,688	88,627	175,237
SE.....	904.12	234.44	380.15	511.10	565.76	3,068.04
CV(%).....	1.22	1.61	1.06	.90	.64	1.75
Age of reference person.....	52.1	58.1	55.1	50.4	47.7	49.2
Average number in consumer unit:						
People.....	2.5	1.6	2.2	2.5	2.9	3.2
Children under 18.....	.6	.3	.5	.6	.7	.8
Adults 65 and older.....	.4	.5	.6	.4	.3	.2
Eamers.....	1.3	.4	.9	1.3	1.8	2.1
Vehicles.....	1.9	1.0	1.6	1.9	2.3	2.7
Percent distribution:						
Reference person:						
Men.....	47	35	42	49	52	57
Women.....	53	65	58	51	48	43
Housing tenure:						
Homeowner.....	65	46	57	64	74	86
With mortgage.....	39	14	23	36	54	66
Without mortgage.....	27	32	34	28	20	20
Renter.....	35	54	43	36	26	14
Race of reference person:						
Black or African-American.....	13	19	15	13	11	7
White, Asian, and all other races.....	87	81	85	87	89	93
Hispanic or Latino origin of reference person:						
Hispanic or Latino.....	14	14	17	16	14	9
Not Hispanic or Latino.....	86	86	83	84	86	91
Education of reference person:						
Elementary (1-8).....	2	4	3	2	2	1
High school (9-12).....	29	47	38	29	21	11
College.....	68	49	58	68	77	89
Never attended and other.....	(¹)	(¹)	(¹)	(¹)	(¹)	(¹)
At least one vehicle owned or leased.....	90	70	90	94	96	98
Average annual expenditures						
Mean.....	\$61,749	\$28,141	\$40,191	\$51,902	\$71,777	\$116,784
SE.....	578.32	749.42	600.46	693.84	850.54	1,661.25
CV(%).....	.94	2.66	1.49	1.34	1.18	1.42

Table 1110. Deciles of income before taxes: Annual expenditure means, shares, standard errors, and coefficients of variation, Consumer Expenditure Surveys, 3rd quarter 2019 through 2nd quarter 2020

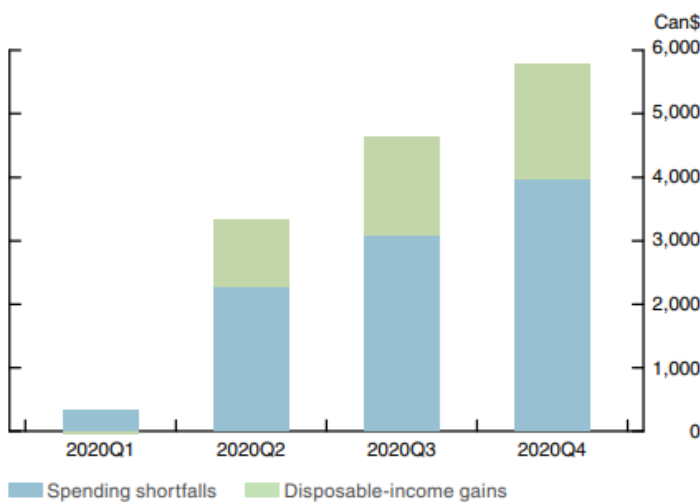
Item	All consumer units	Lowest 10 percent	Second 10 percent	Third 10 percent	Fourth 10 percent	Fifth 10 percent	Sixth 10 percent	Seventh 10 percent	Eighth 10 percent	Ninth 10 percent	Highest 10 percent
Number of consumer units (in thousands)	131,370	12,982	13,192	13,202	13,148	13,212	13,073	13,202	13,164	13,125	13,070
Lower limit	n.a.	n.a.	\$13,977	\$23,749	\$34,146	\$44,894	\$58,104	\$74,894	\$95,243	\$123,747	\$175,028
Consumer unit characteristics:											
Income before taxes											
Mean	\$83,886	\$7,008	\$18,835	\$29,090	\$39,420	\$51,123	\$66,254	\$84,547	\$108,108	\$145,330	\$289,975
SE	1,288.61	227.97	186.34	346.13	438.58	673.36	533.83	593.88	739.40	1,138.91	6,621.74
CV(%)	1.54	3.25	.99	1.19	1.11	1.32	.81	.70	.68	.78	2.28
Income after taxes											
Mean	74,166	8,337	20,748	31,222	40,463	50,410	63,032	78,669	98,614	127,178	223,499
SE	904.12	233.16	246.92	358.37	471.12	703.33	594.35	642.42	757.12	1,122.96	5,623.38
CV(%)	1.22	2.80	1.19	1.15	1.16	1.40	.94	.82	.77	.88	2.52
Age of reference person	52.1	53.8	62.3	57.2	53.0	51.7	49.2	48.0	47.3	48.8	49.6
Average number in consumer unit:											
People	2.5	1.6	1.7	2.1	2.3	2.4	2.6	2.8	2.9	3.1	3.2
Children under 18 .....	.6	.3	.3	.4	.5	.6	.6	.7	.7	.8	.8
Adults 65 and older .....	.4	.4	.6	.6	.6	.5	.4	.3	.3	.2	.2
Earners	1.3	.4	.5	.8	1.0	1.2	1.4	1.7	1.9	2.1	2.1
Vehicles	1.9	.9	1.1	1.5	1.7	1.8	2.0	2.2	2.4	2.7	2.8
Percent distribution:											
Reference person:											
Men	47	36	34	39	45	49	49	53	52	56	59
Women	53	64	66	61	55	51	51	47	48	44	41
Housing tenure:											
Homeowner	65	38	53	59	56	62	66	72	76	83	90
With mortgage	39	13	15	22	24	33	40	51	57	64	69
Without mortgage	27	25	38	37	31	29	27	21	20	19	21
Renter	35	62	47	41	44	38	34	28	24	17	10
Race of reference person:											
Black or African-American	13	24	14	16	14	13	13	12	10	9	5
White, Asian, and all other races	87	76	86	84	86	87	87	88	90	91	95
Hispanic or Latino origin of reference person:											
Hispanic or Latino	14	14	14	17	16	17	14	14	13	11	7
Not Hispanic or Latino	86	86	86	83	84	83	86	86	87	89	93
Education of reference person:											
Elementary (1-8)	2	4	4	3	4	3	2	1	2	1	(¹)
High school (9-12)	29	46	47	41	36	30	28	23	19	13	8
College	68	49	48	56	60	66	70	76	79	86	91
Never attended and other	(¹)	(¹)	1	(¹)	(¹)	(¹)	(¹)	(¹)	(¹)	(¹)	(¹)
At least one vehicle owned or leased	90	63	77	88	91	93	96	96	97	97	98
Average annual expenditures											
Mean	\$61,749	\$25,842	\$30,410	\$38,003	\$42,387	\$47,882	\$55,957	\$65,747	\$77,814	\$93,164	\$140,480
SE	578.32	1,001.16	818.16	955.11	690.26	936.13	985.49	947.42	1,327.56	1,540.07	2,838.29
CV(%) .....	.94	3.87	2.69	2.51	1.63	1.96	1.76	1.44	1.71	1.65	2.02



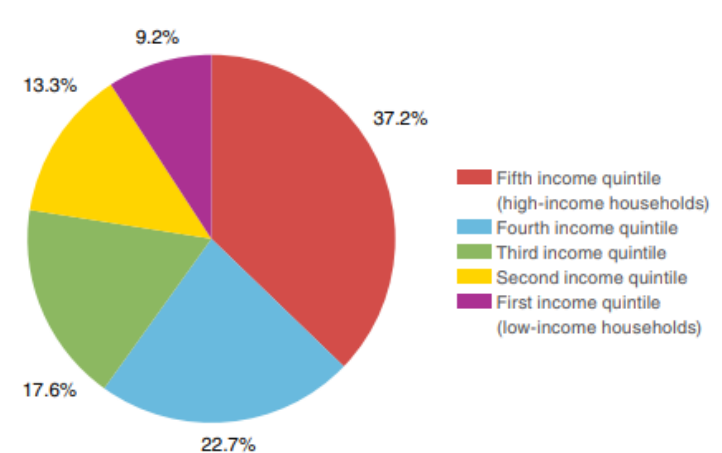
Canada: Extra Savings By Income Quintile

Chart 10: Canadians accumulated on average \$5,800 in extra savings in 2020

a. Extra savings per capita, seasonally adjusted*



b. Share of accumulated savings over 2020 by income quintile†



* Spending shortfalls and disposable-income gains are deviations from linear trends calculated from 2016 to 2019. The chart shows the accumulation of savings over 2020 for each quarter. The bar for the fourth quarter shows the total for 2020.

† Extra savings by income quintile are calculated using model simulations. Further details can be found in J. MacGee, T. M. Pugh and K. See, "[The Heterogeneous Effects of COVID-19 on Canadian Household Consumption, Debt and Savings](#)," Bank of Canada Staff Working Paper No. 2020-51 (November 2020).

Sources: Statistics Canada and Bank of Canada calculations

Last observation: extra savings per capita, 2020Q4

HOUSEHOLD LOAN DELINQUENCIES

