

ECONOMIC IMPACTS OF COVID-19 IN VIRGINIA

The University of Virginia Weldon Cooper Center for Public Service has created a "first-look" report on the potential economic and fiscal impacts of COVID-19 at the state and local level. To estimate the economic impact of COVID-19 on the Commonwealth, we used two recession scenarios which are based on a range of economic forecasts that have taken into account the effects of the COVID-19 pandemic. In one scenario, termed "severe," the GDP declines by 6% and in the other scenario, termed "moderate," the GDP declines by 2%. The table to the right includes both scenarios for Virginia and its localities.



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Note: The scenarios represent the range of national forecasts available during the final week of March. Economic forecasts have generally deteriorated since that time. Thus, it will be necessary to periodically re-evaluate assumptions used and recalibrate forecasts as more information about COVID-19 economic effects become known.

	SEVERE SCENARIO <i>(-6% growth in 2020)</i>	MODERATE SCENARIO <i>(-2% growth in 2020)</i>
STATE LEVEL		
JOBS LOST	2020: 500,000+ 2025: 168,000	2020: 300,000 2024: Positive growth (<i>above baseline values</i>)
GDP LOSS	2020: \$40.7 billion 2025: \$8.7 billion	2020: \$18 billion 2024: Positive growth (<i>above baseline values</i>)
REVENUE LOSS	Over \$1 billion (FY2020), growing to \$1.8 billion (FY2021), then declining and stabilizing at levels above \$1 billion (FY2025)	Nearly \$600 million (FY2020), growing to \$900 million (FY2021) and gradually declining to less than \$200 million (FY2025)
LOCALITY LEVEL		
REVENUE LOSS <i>(total for all localities)</i>	Almost \$1 billion (FY2020-21)	Over \$620 million (FY2020-21)

Numbers in table are relative to baseline levels

**The estimates were made using a state model for the Virginia economy (REMI PI+). REMI PI+ is a dynamic, multi-sector regional economic simulation model used for economic forecasting and measuring the impact of public policies on economic activity, area demographics and government fiscal conditions.*

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