

The logo for PCA (Portland Cement Association) features the letters 'PCA' in a bold, white, sans-serif font. A white swoosh underline starts under the 'A' and extends to the right, ending in a registered trademark symbol (®).

PCA®

Since 1916

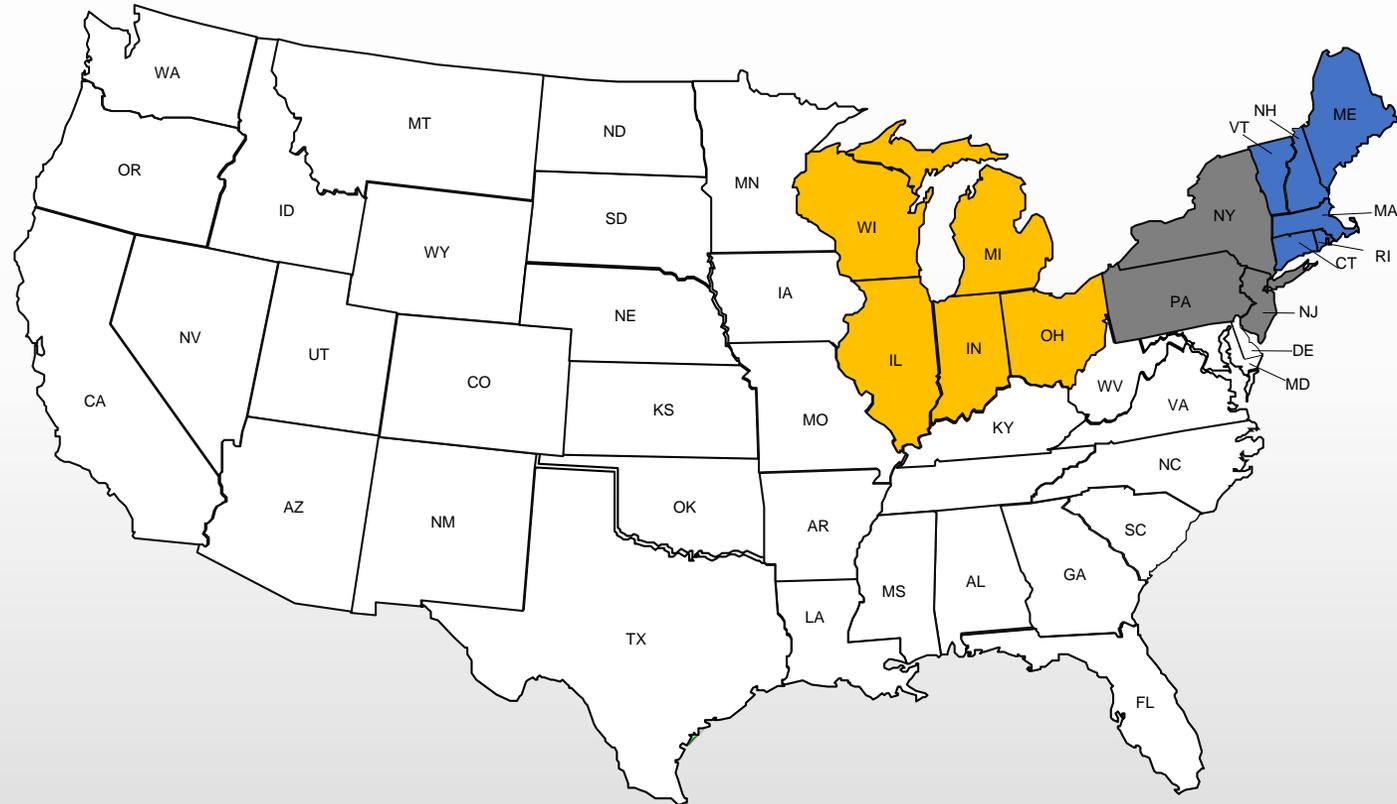
America's Cement Manufacturers™

Coronavirus Regional Briefing: Northeastern U.S.

Joe Chiappe, Regional Economist

July 2020

Regional Focus



East North Central



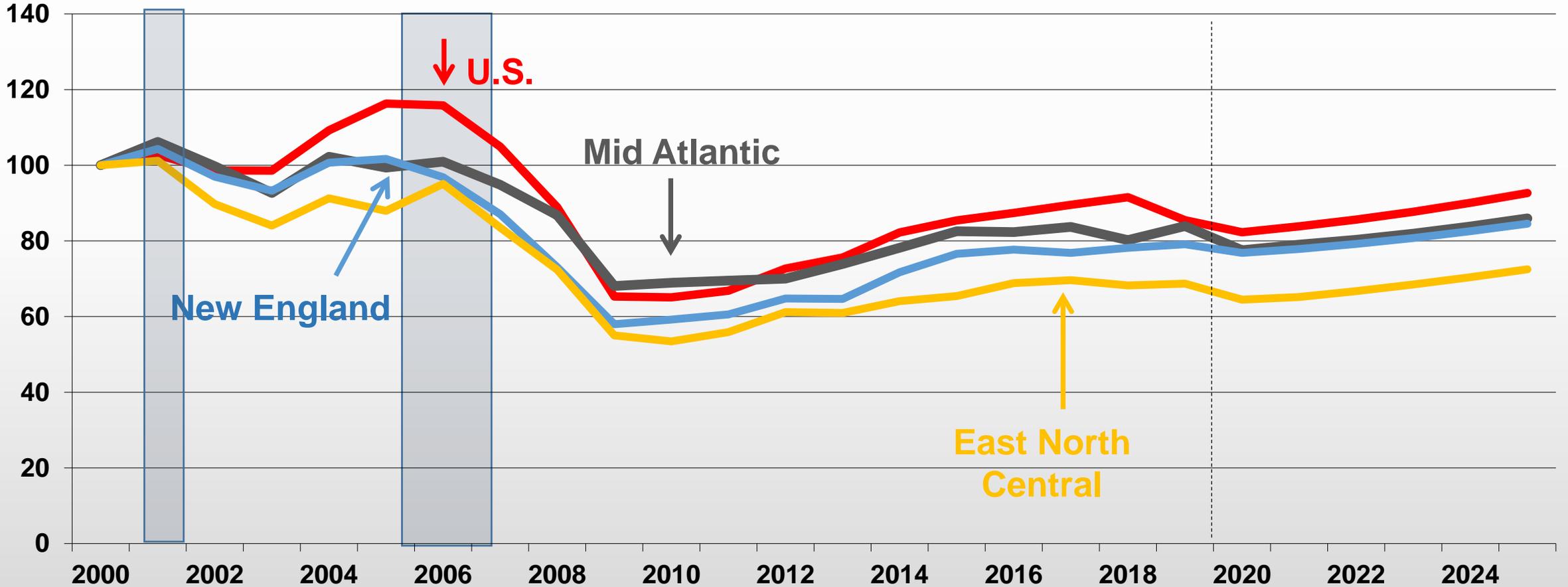
Middle Atlantic



New England

Total Cement Consumption

Index, 2000=100



Source: USGS, PCA

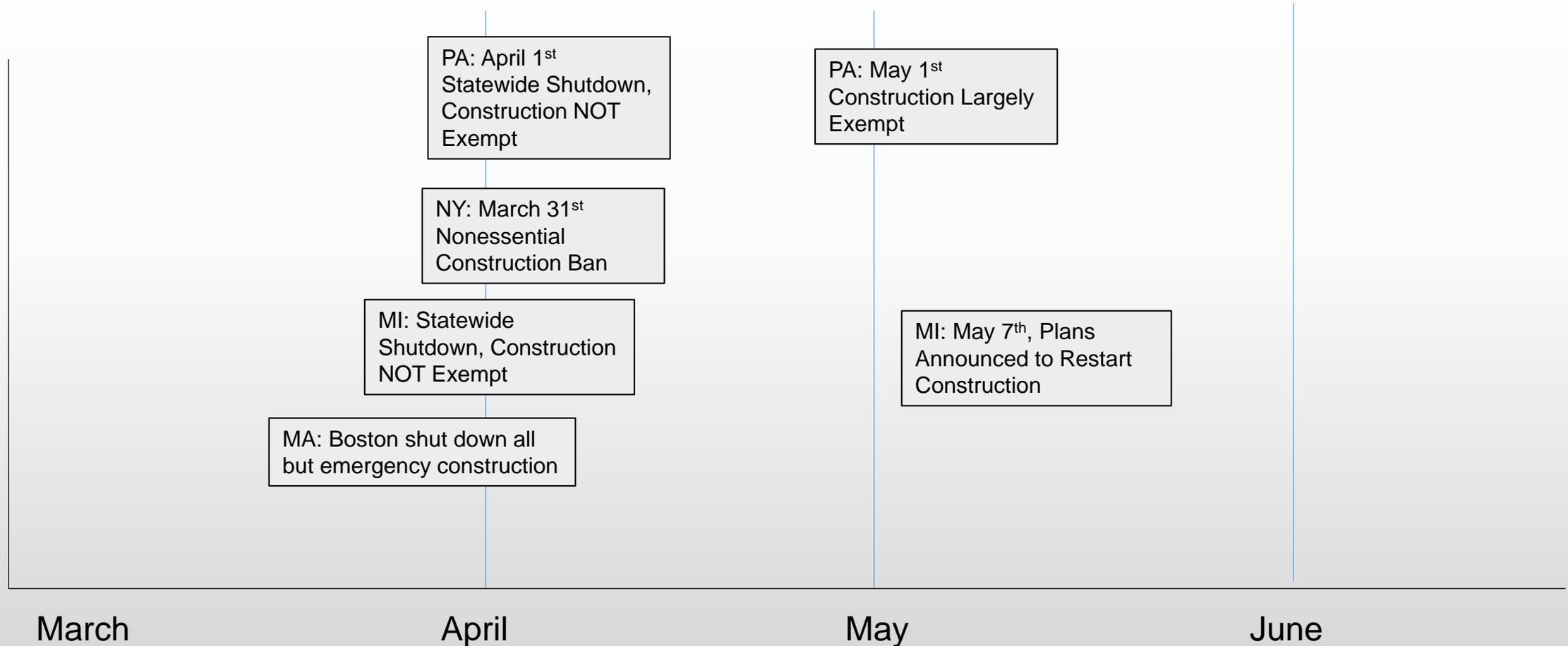
Timeline of COVID-19 Mitigation

Statewide Shelter in Place Orders through March 2020



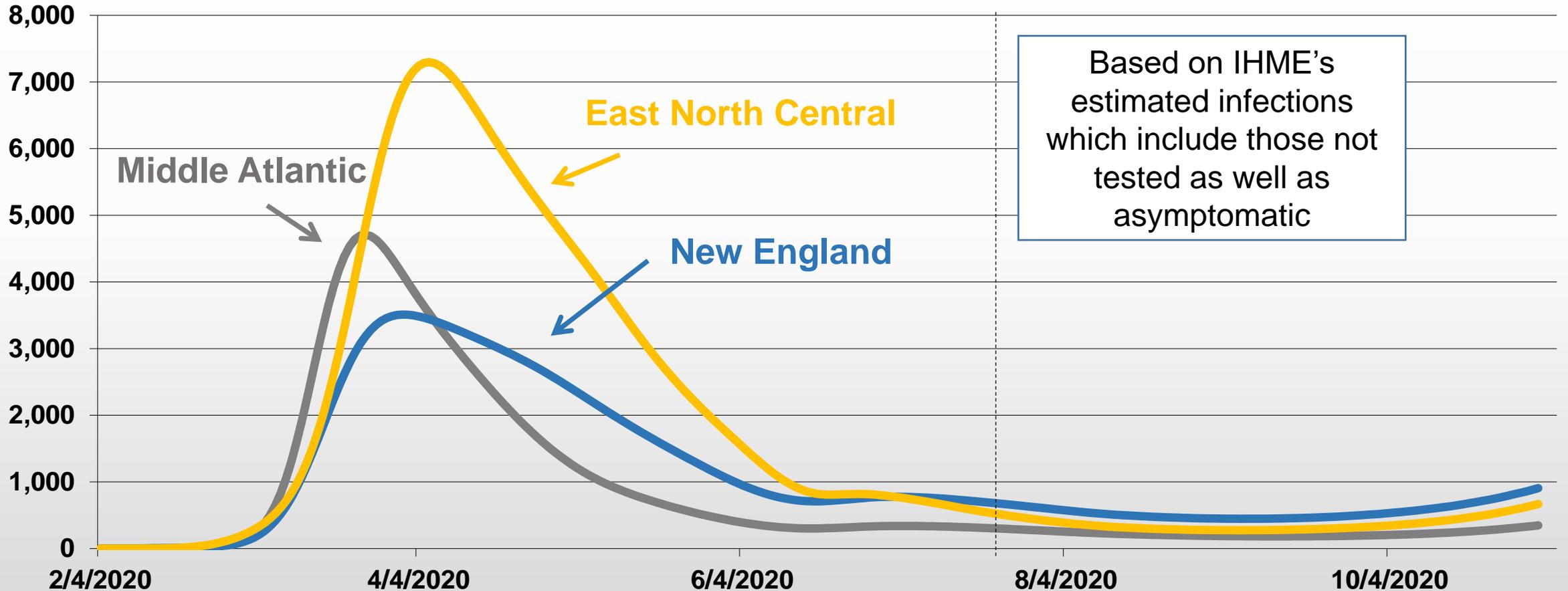
Timeline of COVID-19 Mitigation

Notable Shutdowns in the Northeast



IHME Projected Daily Infection Rates - Per Capita

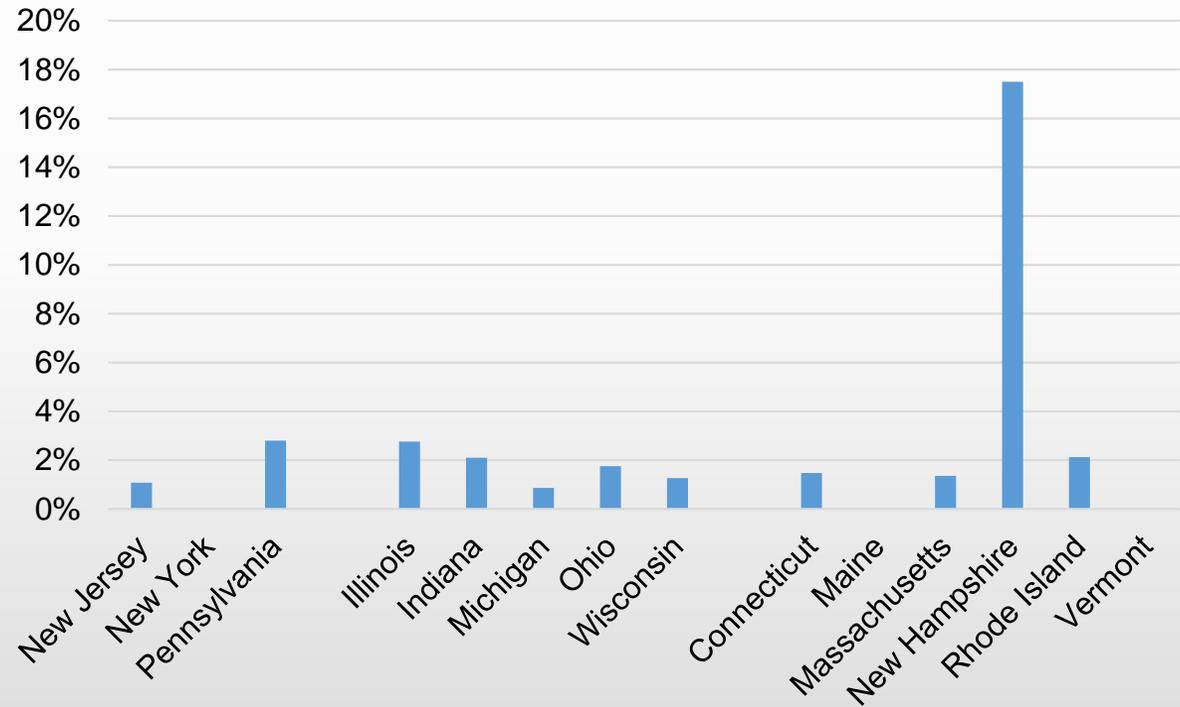
New Daily COVID-19 Infections per Million of Population (July 20, 2020 Update)



IHME Projected Beds Needed vs. Beds Available

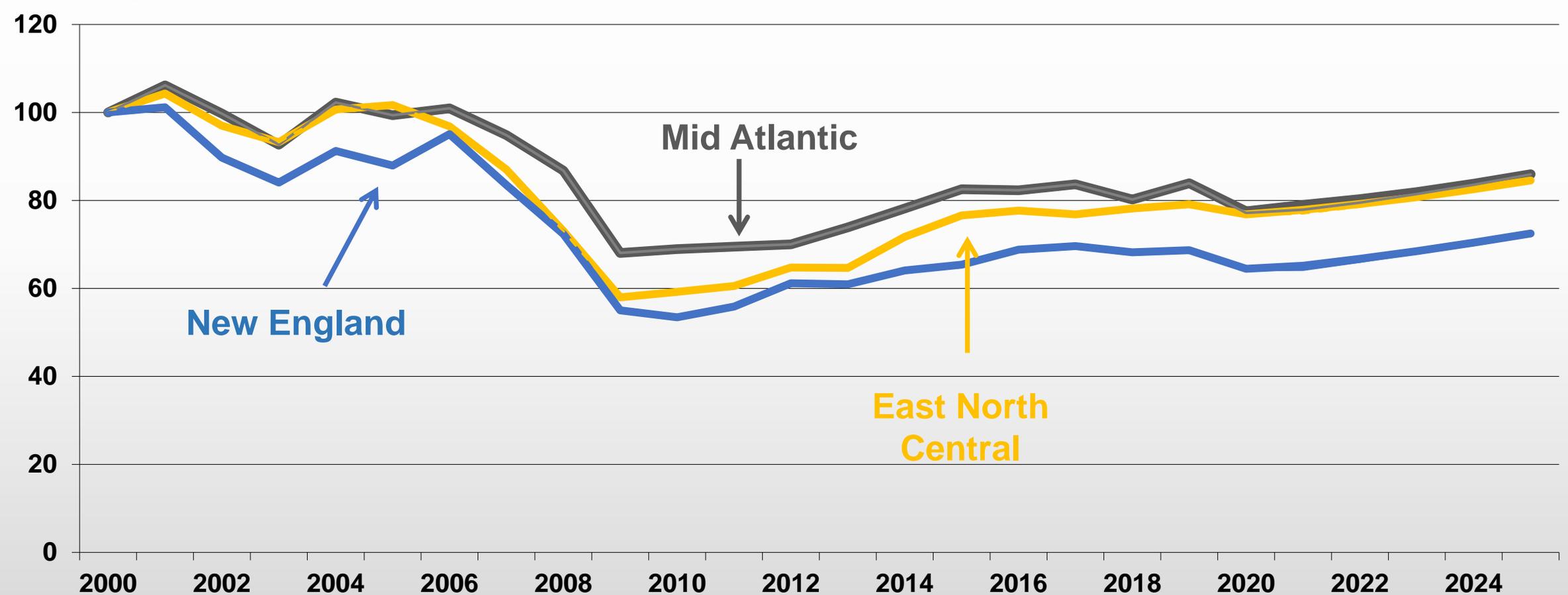
State	% Past Peak	Past Peak	Proj Peak	Avg Beds Need	Beds Avail
New Jersey	1%	3	0	84	7,815
New York	0%	928	2	-	13,000
Pennsylvania	11%	127	14	403	14,400
Illinois	9%	107	10	400	14,500
Indiana	15%	40	6	178	8,485
Michigan	1%	143	2	87	10,100
Ohio	14%	43	6	250	14,300
Wisconsin	18%	11	2	67	5,300
Connecticut	1%	99	1	25	1,700
Maine	0%	2	-	-	1,000
Massachusetts	3%	170	5	65	4,800
New Hampshire	33%	6	2	175	1,000
Rhode Island	7%	15	1	17	800
Vermont	0%	2	-	-	533

% Projected Beds Needed Vs Available



Total Cement Consumption – Northeastern U.S.

Index, 2000=100

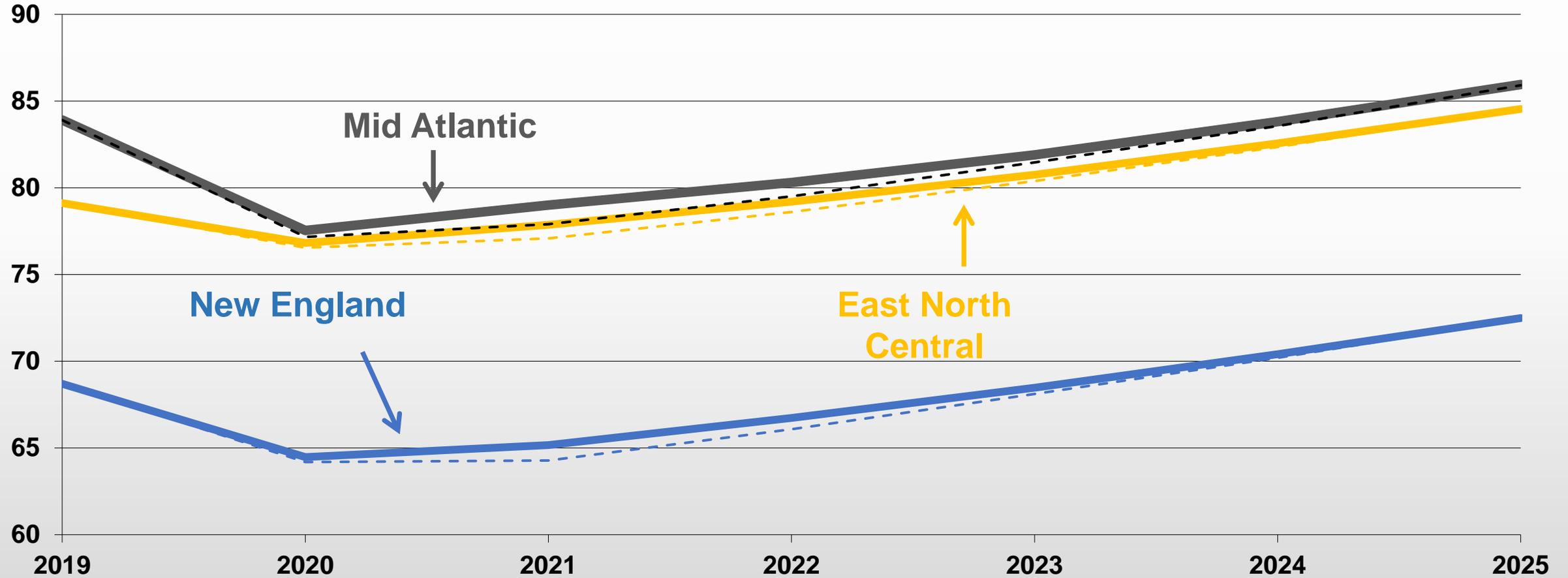


Source: USGS, PCA

Dashed Lines = "W" Shaped Recovery

Total Cement Consumption – Northeastern U.S.

Index, 2000=100



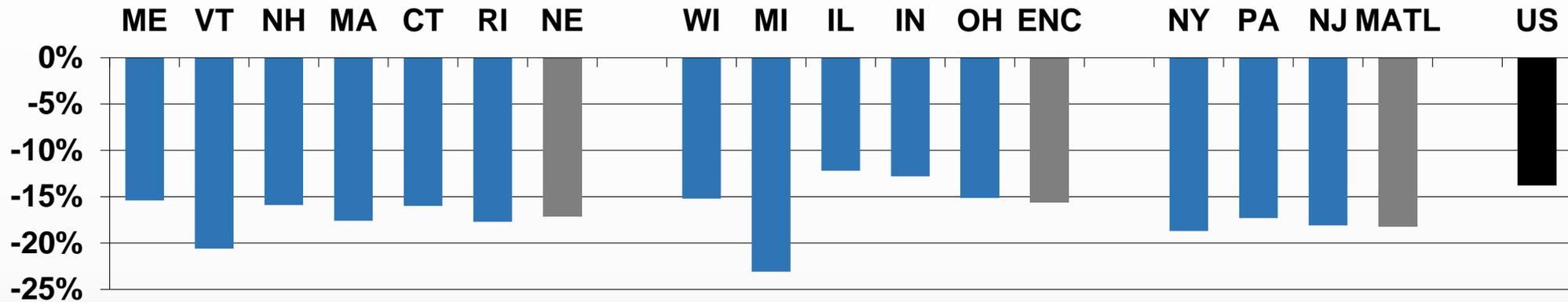
Source: USGS, PCA

Dashed Lines = "W" Shaped Recovery

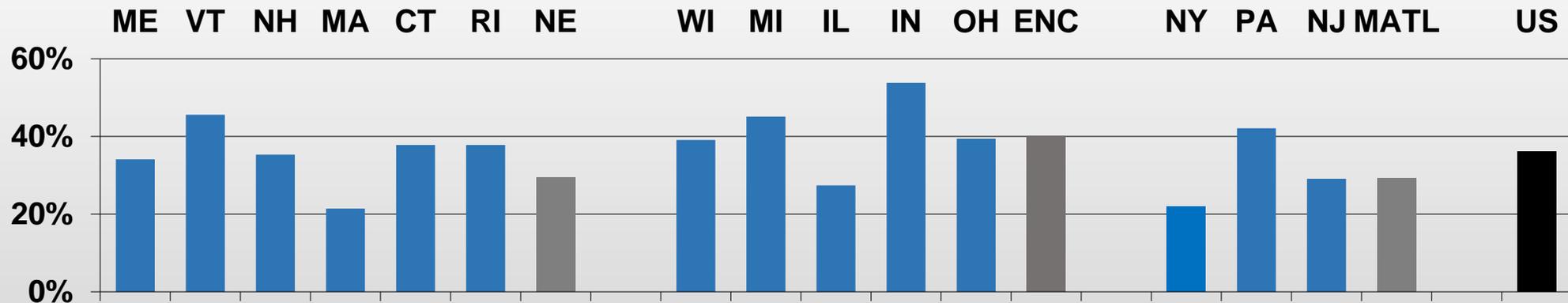
Economic Outlook

Employment Recovery

Percent Change in Employment (March through April)

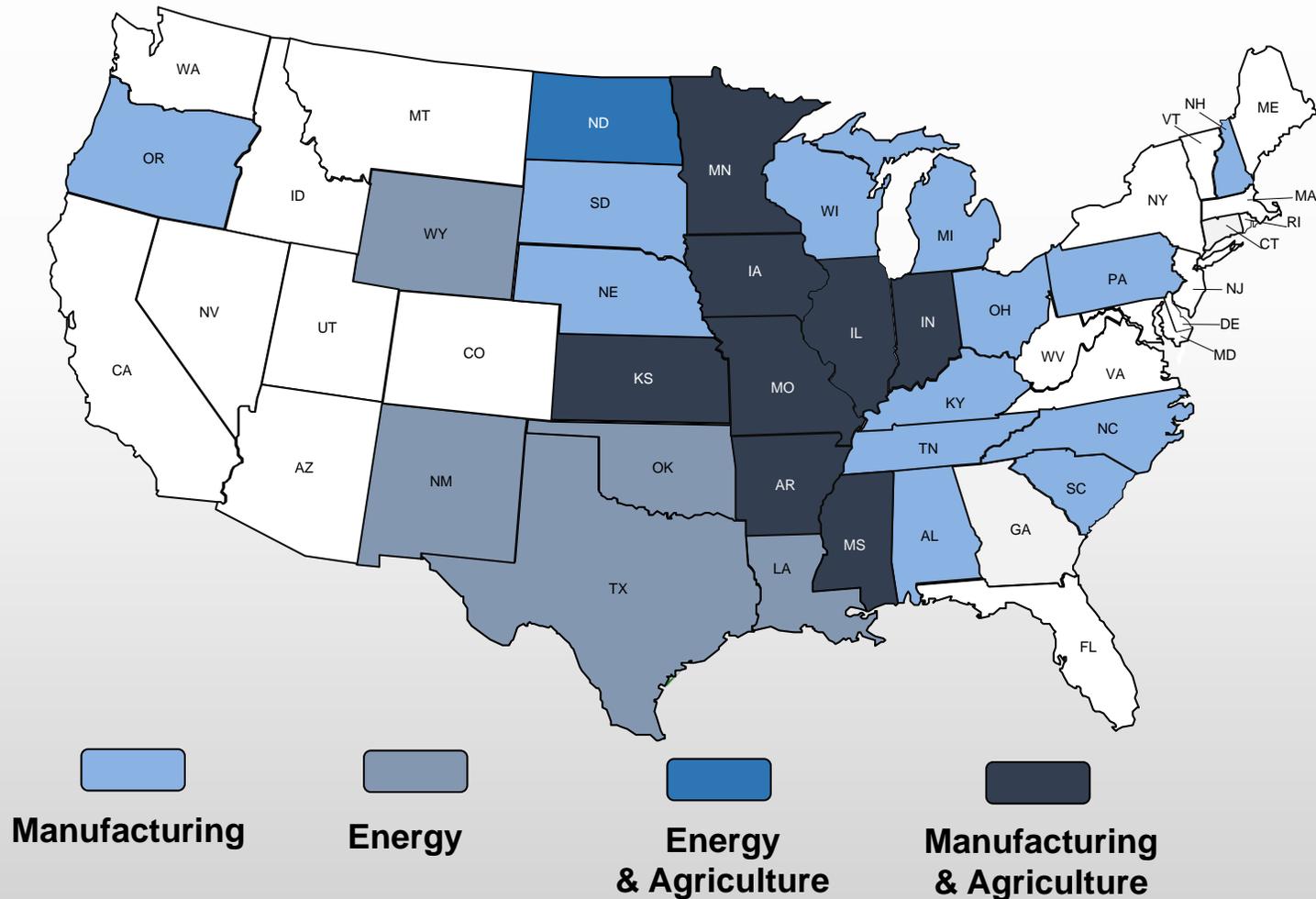


Percent of Employment Losses Recovered (March Low to June)



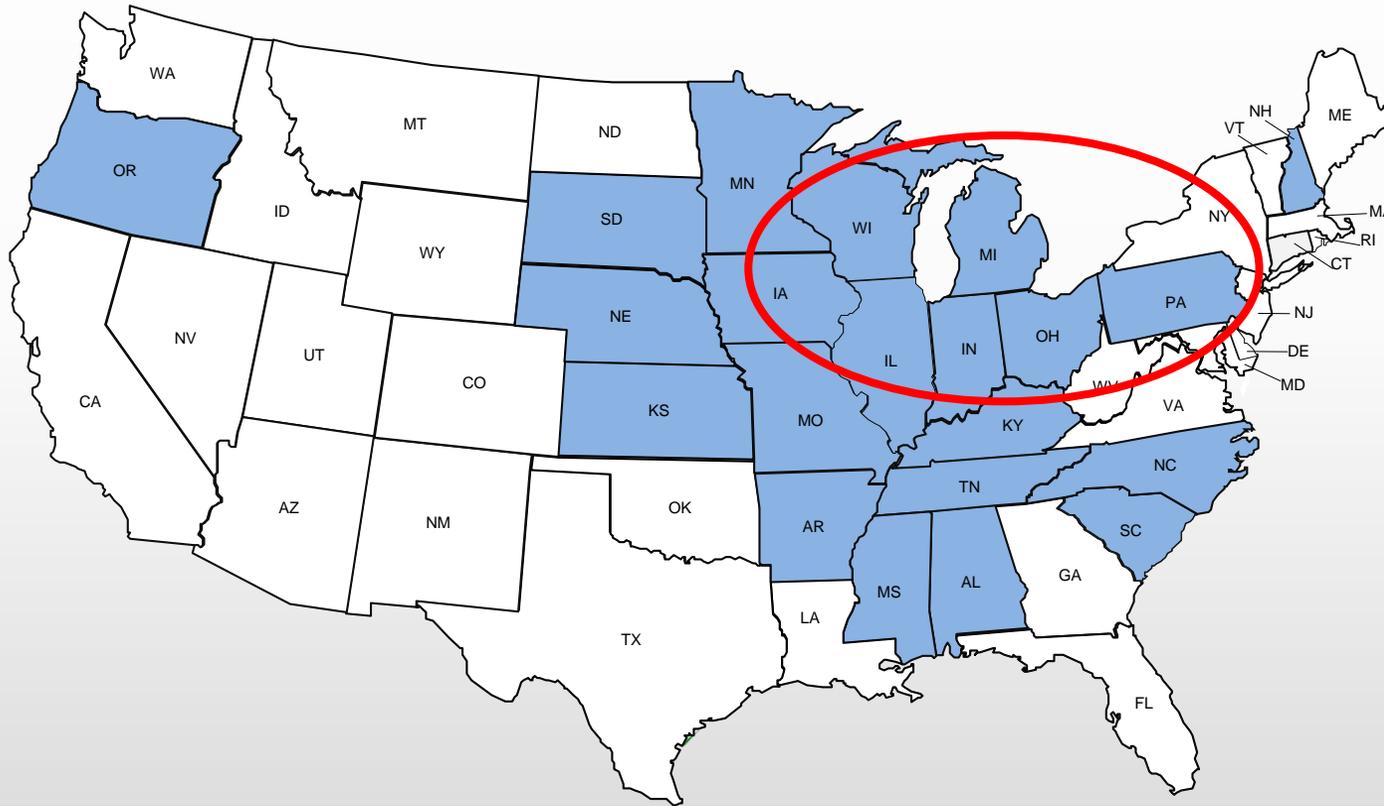
Note: Based on U.S. June report, 36.1% of jobs have been recovered

Manufacturing, Energy, and Agriculture Exposure

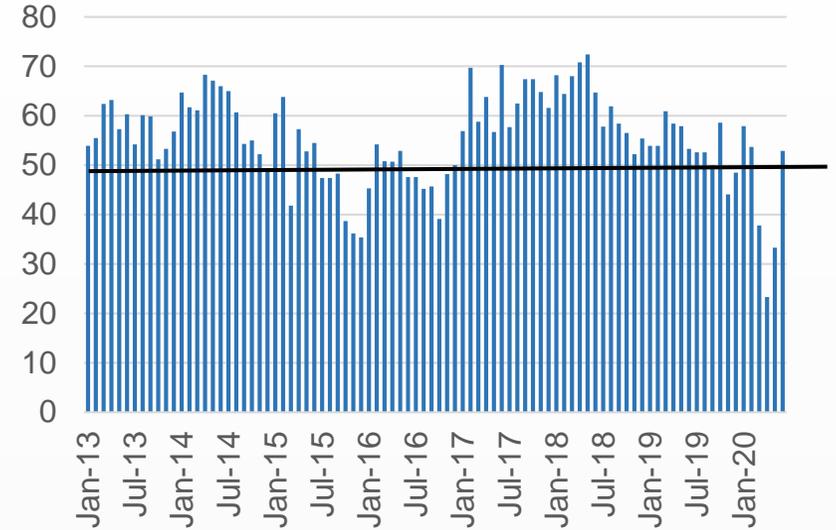


Manufacturing Exposure

10% or Greater Manufacturing Share of Total Employment



Mid American Production Index



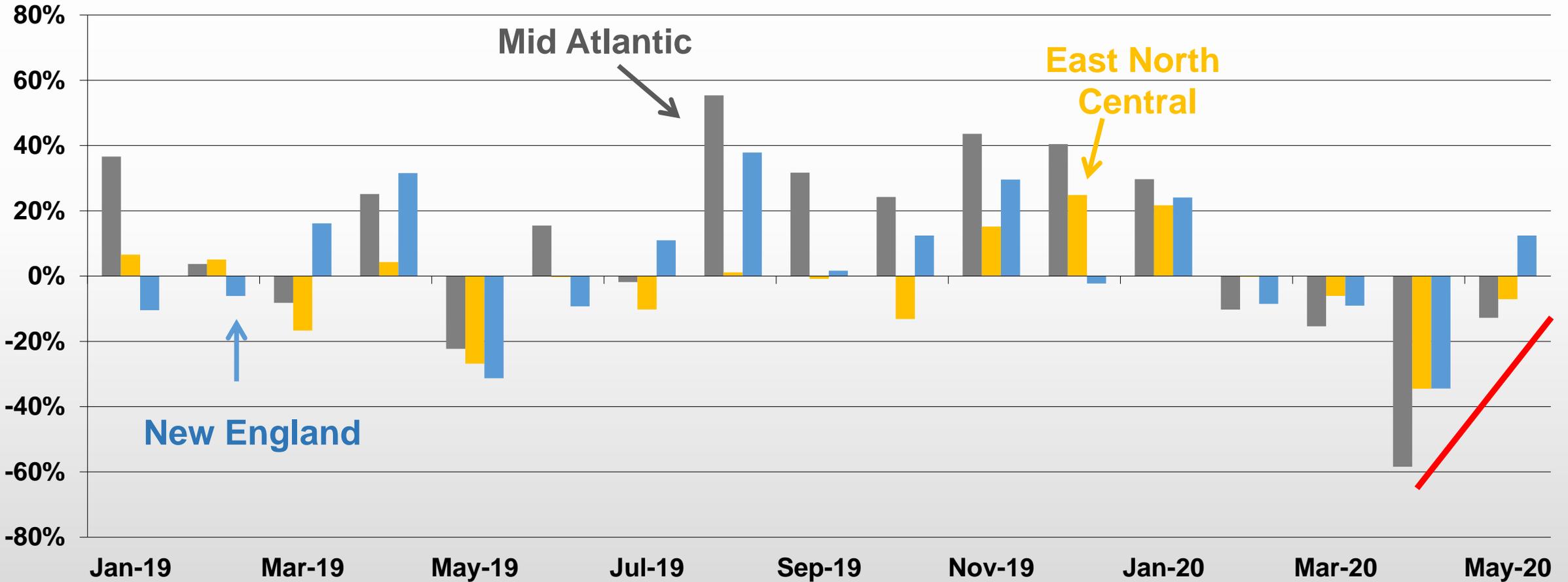
Manufacturing Employment (000s)



Residential Outlook

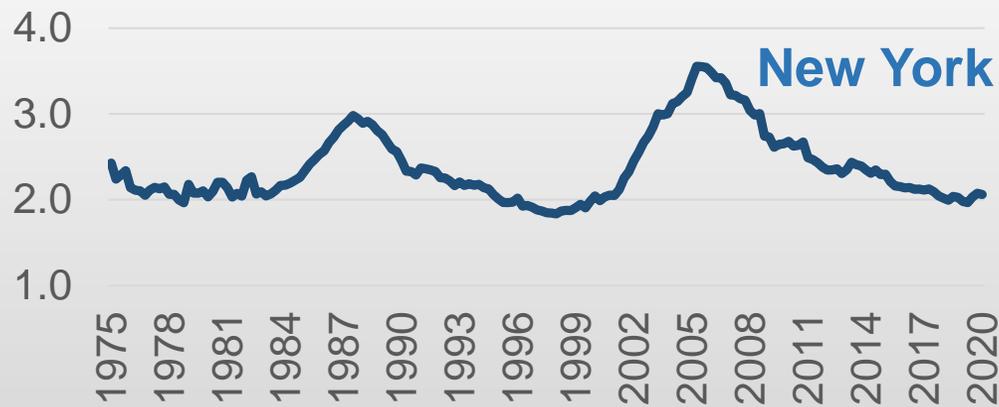
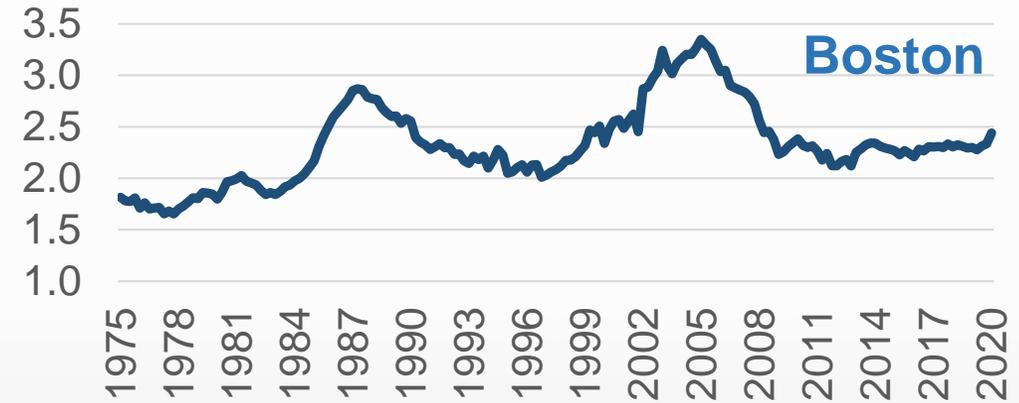
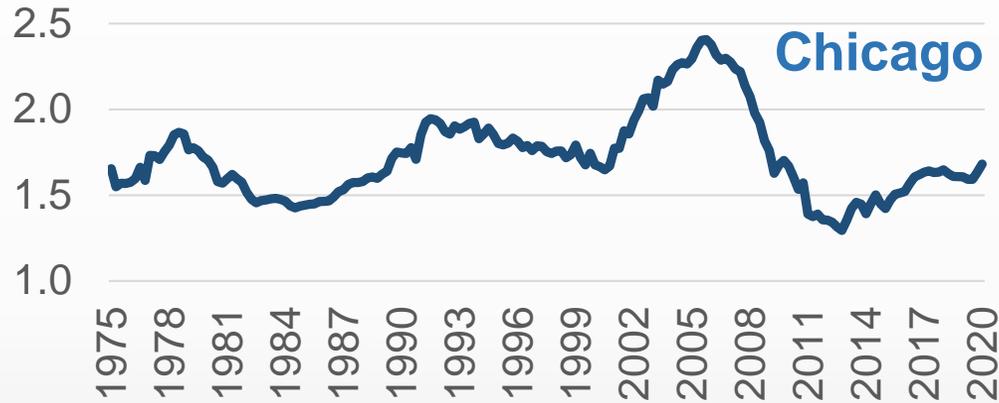
Housing Permits – Northeastern U.S.

Seasonally adjusted, year-over-year percent change.



Favorable Regional Home Affordability Could Provide Support

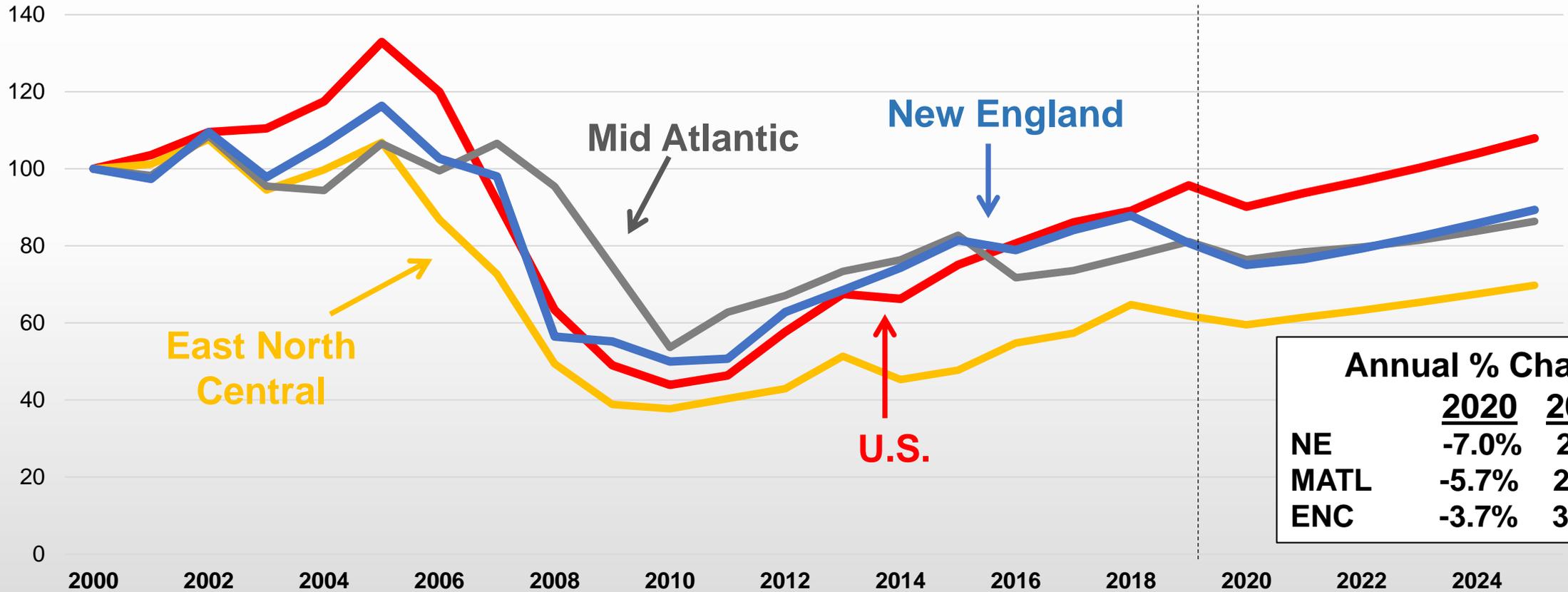
Home Price-to-Household Income, SA



Source: NAR, BEA, BOC, Moody's

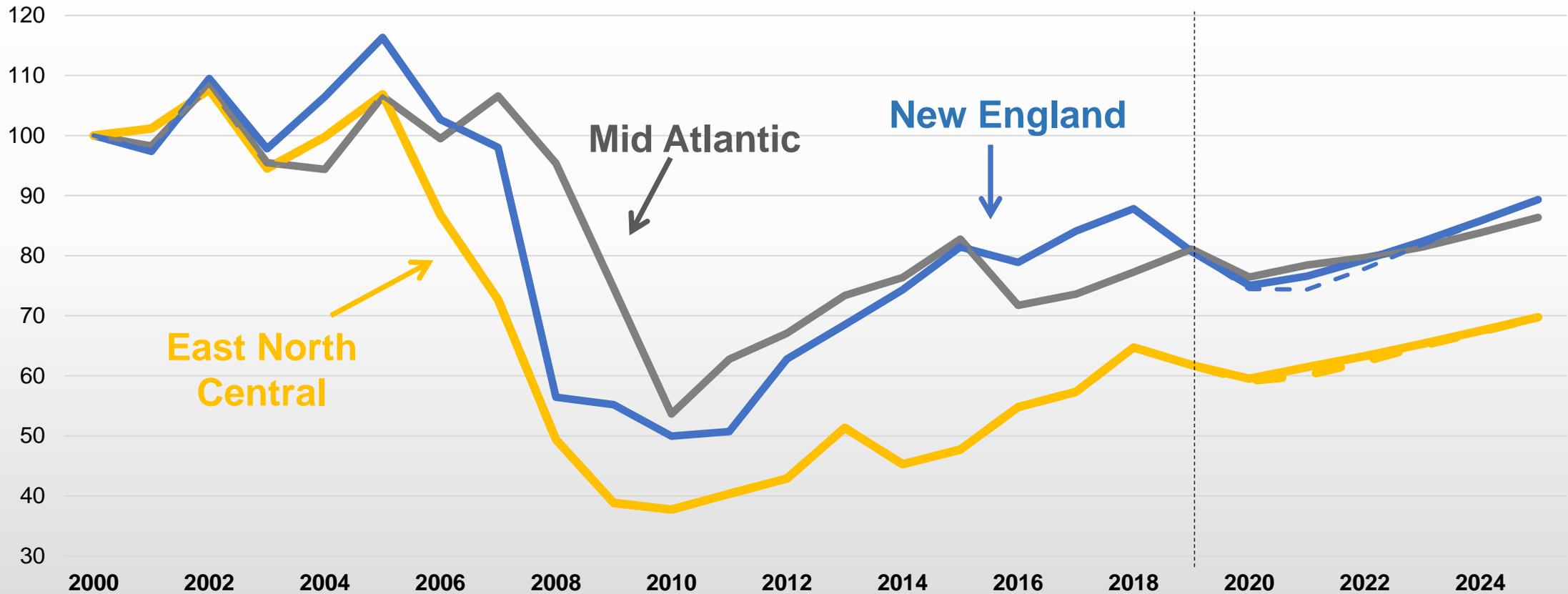
Residential Cement Consumption – Northeastern U.S.

Index, 2000=100



Residential Cement Consumption – Northeastern U.S.

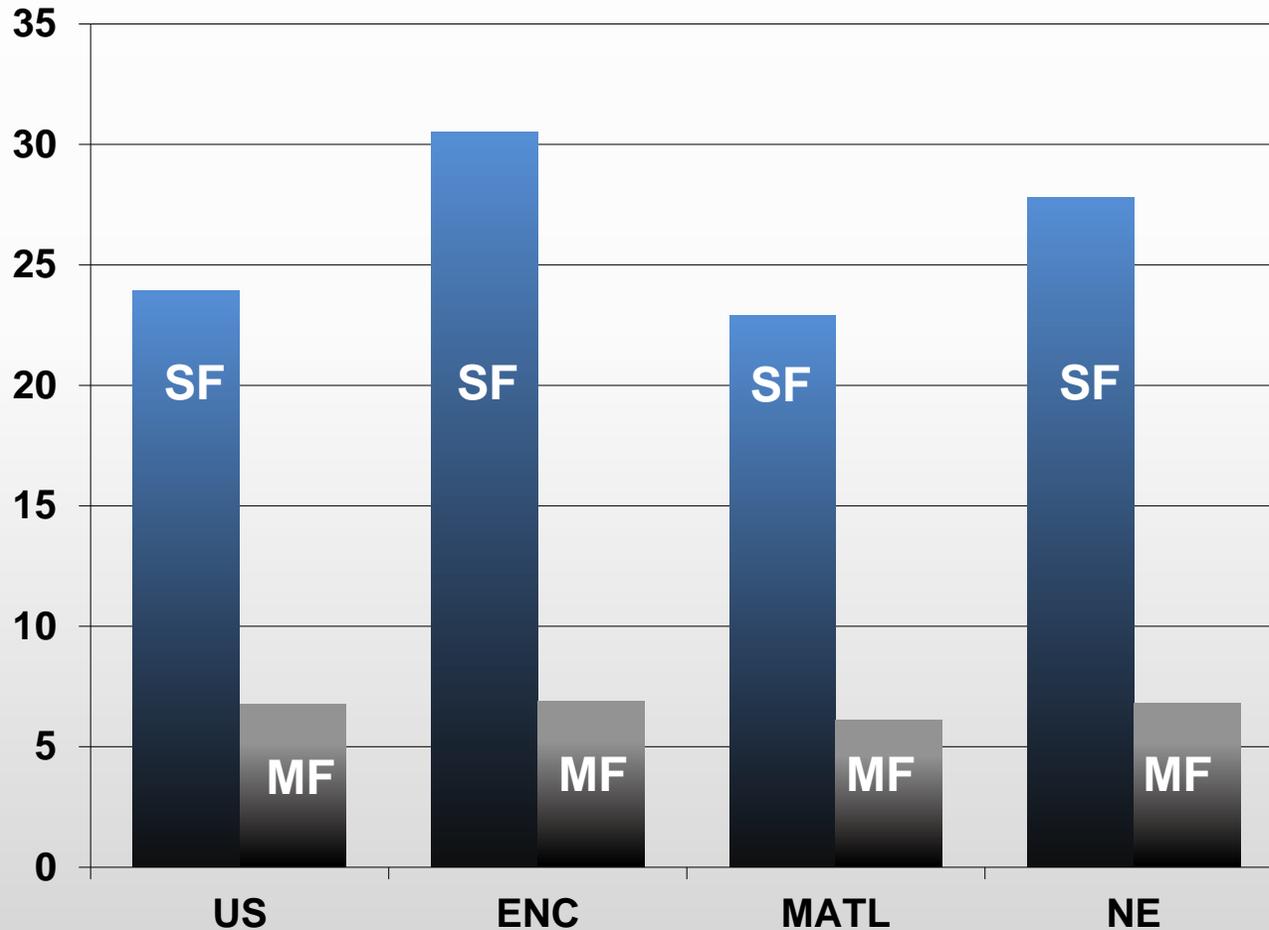
Index, 2000=100



Dashed Lines = "W" Shaped Recovery

Potential Shift in Homebuyer Preferences?

Metric Tons of Cement Per Housing Unit



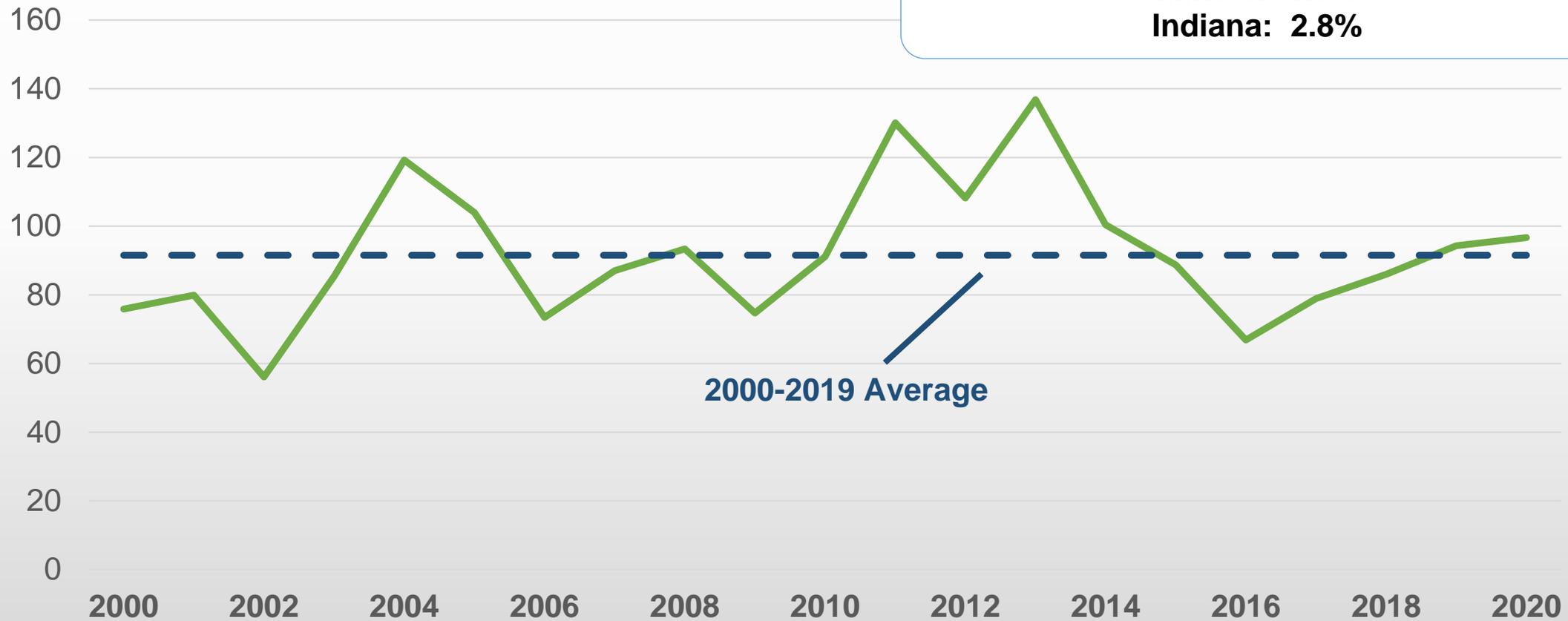
- 21% of agents reported buyers seeking the benefits of new homes, such as office space or backyards. (Source: NAR Research Group Survey)
- Potential for intrastate moves from urban to suburban/exurban locations.
- A 10% compositional shift from multi to single family would amount to roughly 70k MTs annually in NE, 150k in MATL, and 250k MTs in the ENC.

Nonresidential Outlook

U.S. Net Farm Income

Real 2019 \$s, billions

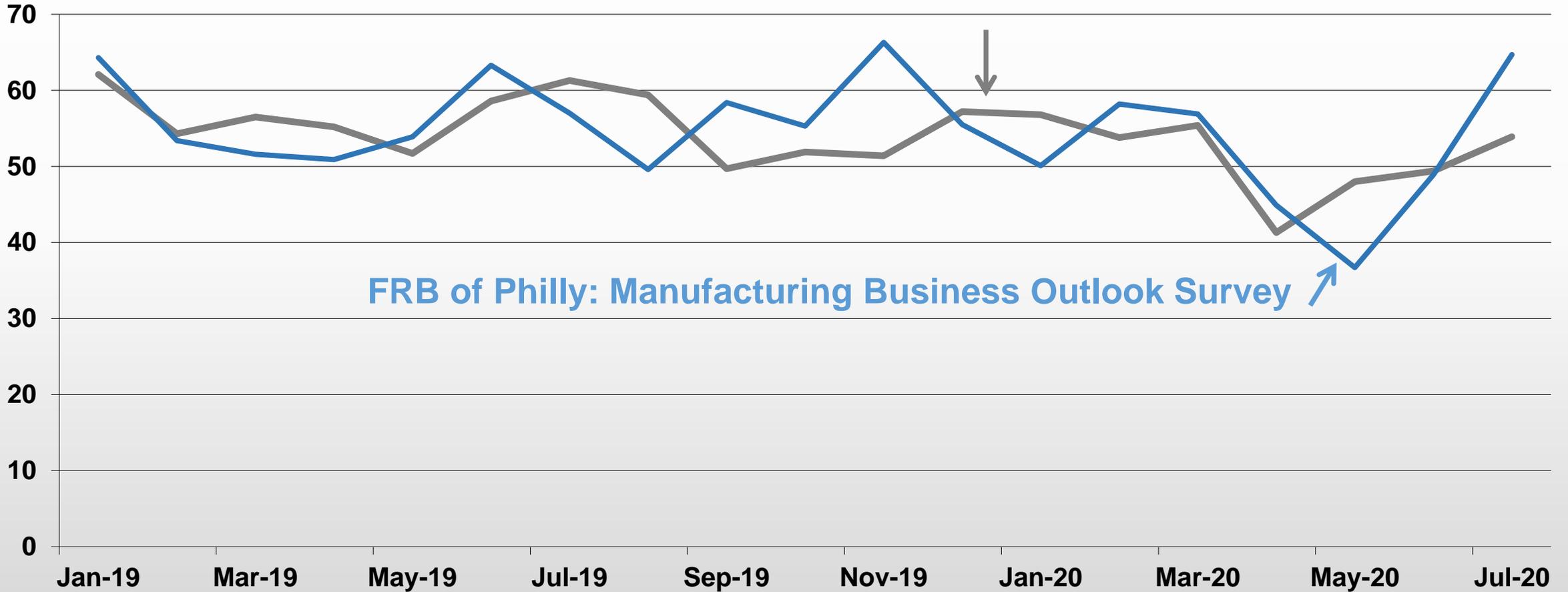
Share of U.S. Gross Farm Receipts
Illinois: 4.5%
Indiana: 2.8%



Manufacturing Sentiment

Empire State: % Change, NSA, Philly Fed: % Change SA

NY Empire State Manufacturing Survey



Industrial Production

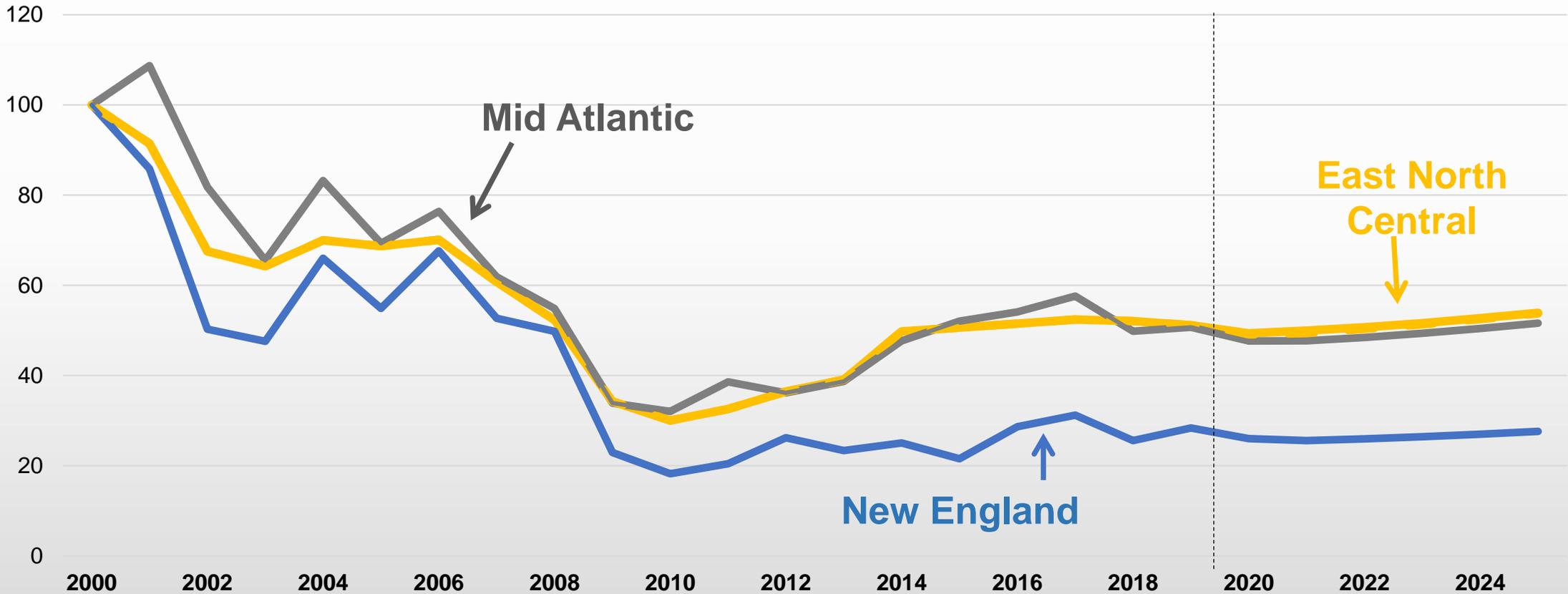
% Change

(% Change)	20-Jan	20-Feb	20-Mar	20-Apr	20-May	20-Jun
Total IP	-0.4	0.1	-4.4	-12.7	1.4	5.4
Manufacturing	-0.1	0	-5.1	-15.9	3.8	7.2
Durable goods	-0.6	0.2	-7.7	-21.9	6.8	11.6
Motor vehicle and parts	2.2	3.1	-29.4	-76.3	120	105
High-tech	-0.6	-1.4	0.2	-2.8	-0.4	1.8
Nondurable goods	0.3	-0.3	-2.3	-10	1.4	3.4
Mfg ex motor vehicle and parts	-0.3	-0.3	-3.2	-12.3	1.9	3.9
Business equipment	-2.8	-0.4	-7.9	-23.4	7.4	11.8
Capacity Utilization (%)	76.9	76.9	73.5	64.2	65.1	68.6
Manufacturing	75.2	75.2	71.3	60	62.3	66.9

- Many factories are weary of making long term plans
- IP is starting to pick up and eat away at the lost ground due to COVID-19
- Motor vehicle segment was hit especially hard, but has recovered strongly in recent months
 - This impacts IL, IN, OH, and MI the greatest

Non-Residential Cement Consumption – Northeastern U.S.

Index, 2000=100

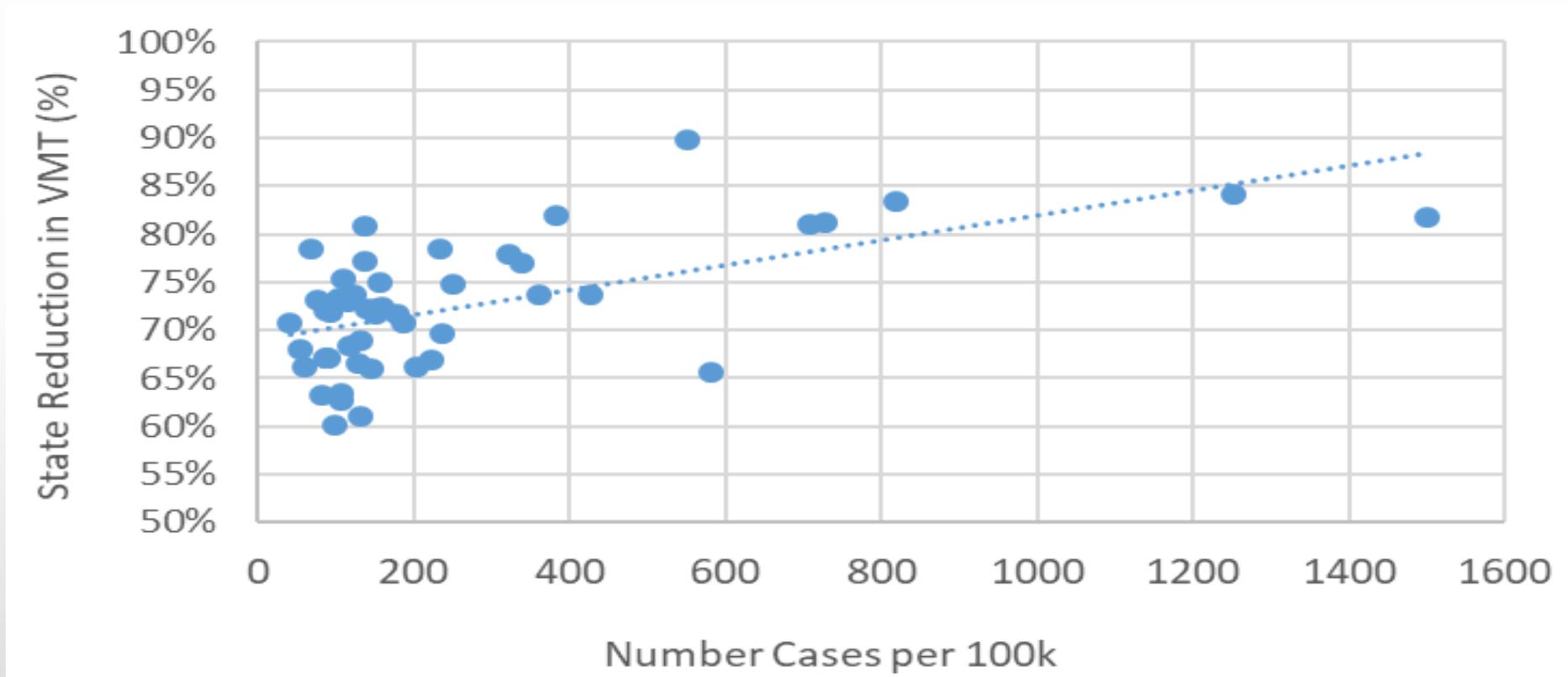


Dashed Lines = "W" Shaped Recovery

Public Outlook

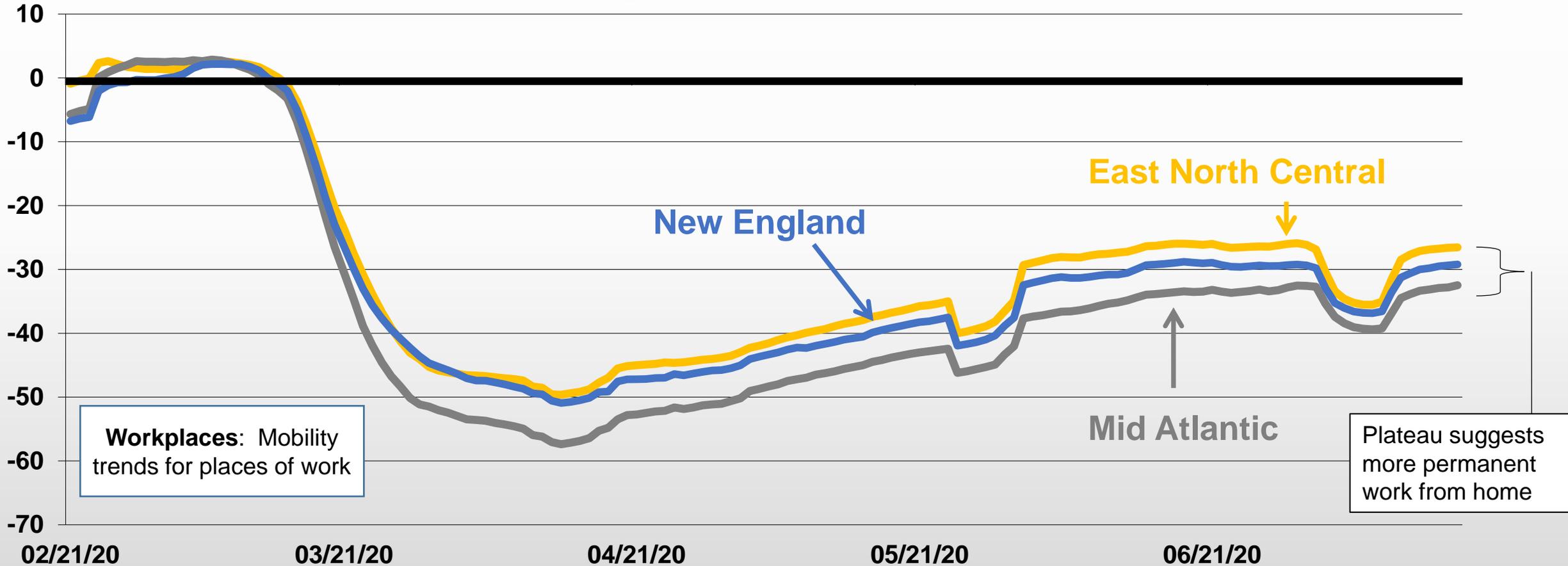
Reduction in Vehicle Miles Traveled Relative to COVID-19 Cases

Percent change in VMT the second week of April vs. first week of March



Employees returning to Work...

Percentage change from baseline visits—Workplace

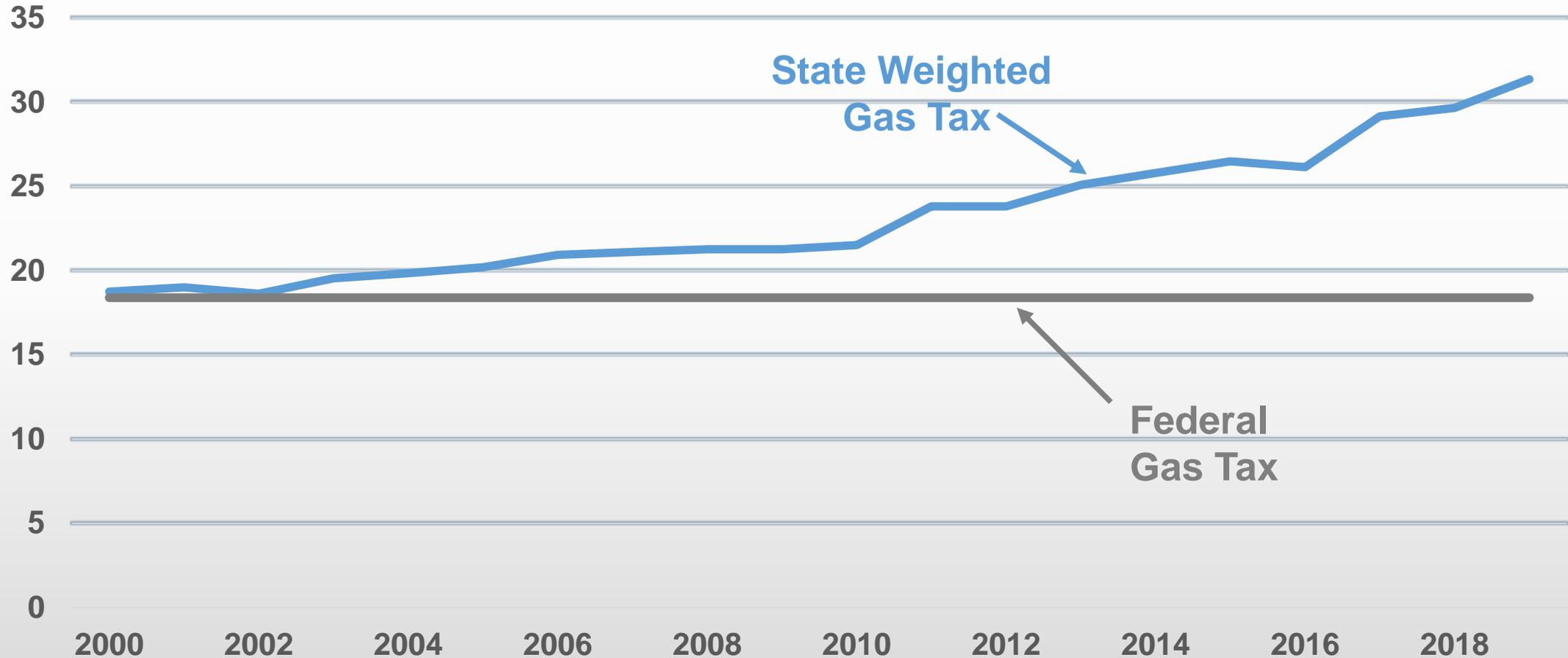


Workplaces: Mobility trends for places of work

Plateau suggests more permanent work from home

States Have Been Increasingly Less Reliant on Federal Funds

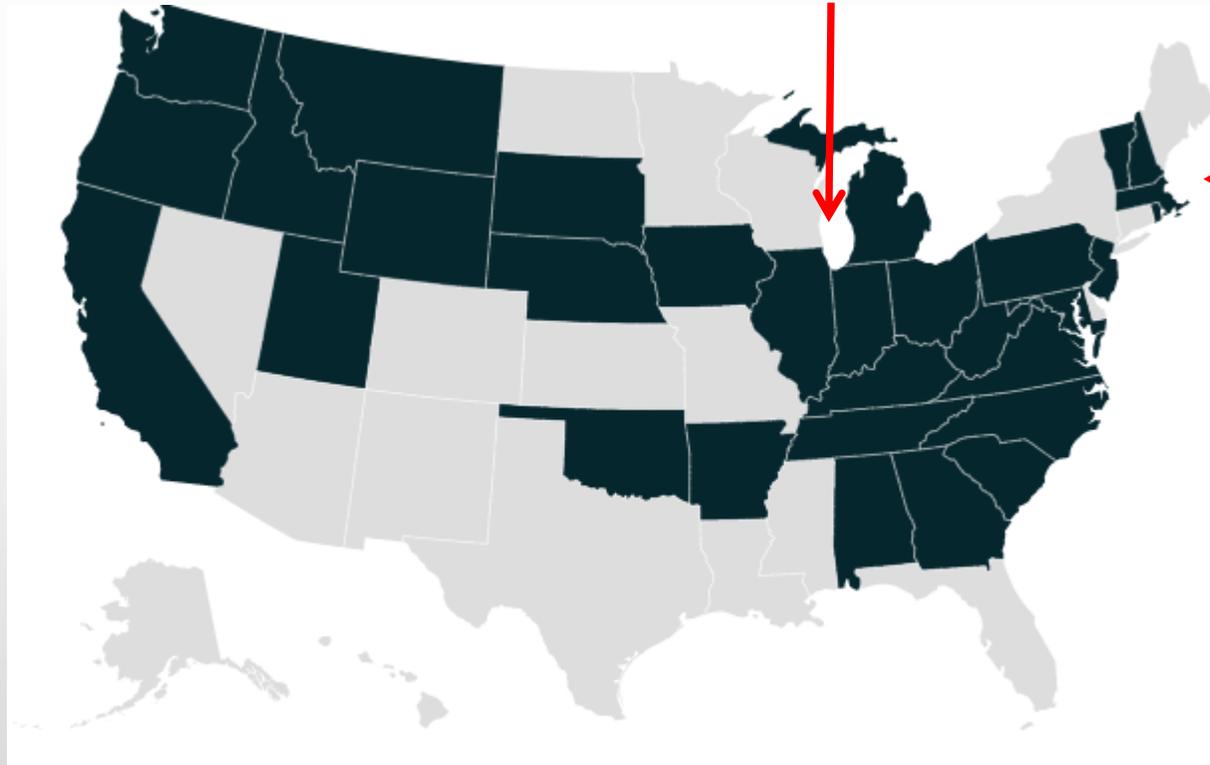
Cents Per Gallon



State Gas Tax Increased or Reforms

Laws enacted between 2013 and 2019

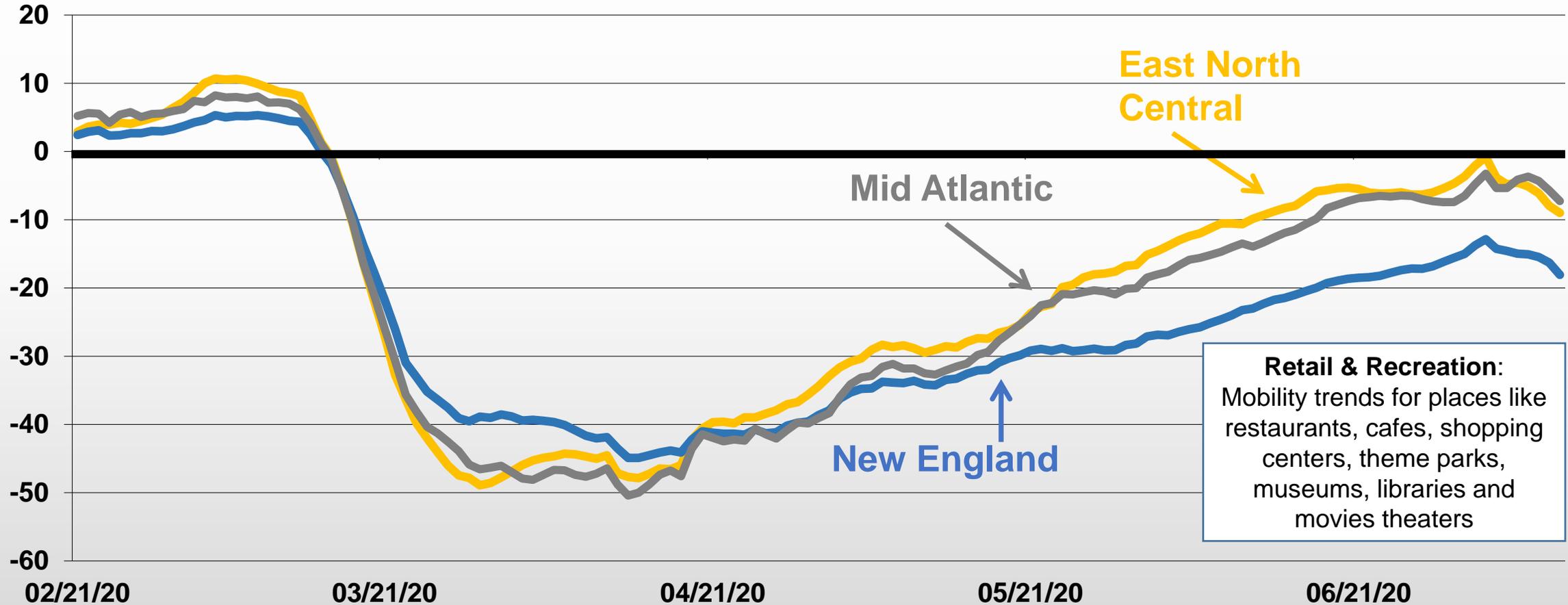
More Recent
Increases



Earlier Increases
Circa 2013-2014

Consumers Showing Recent Apprehension

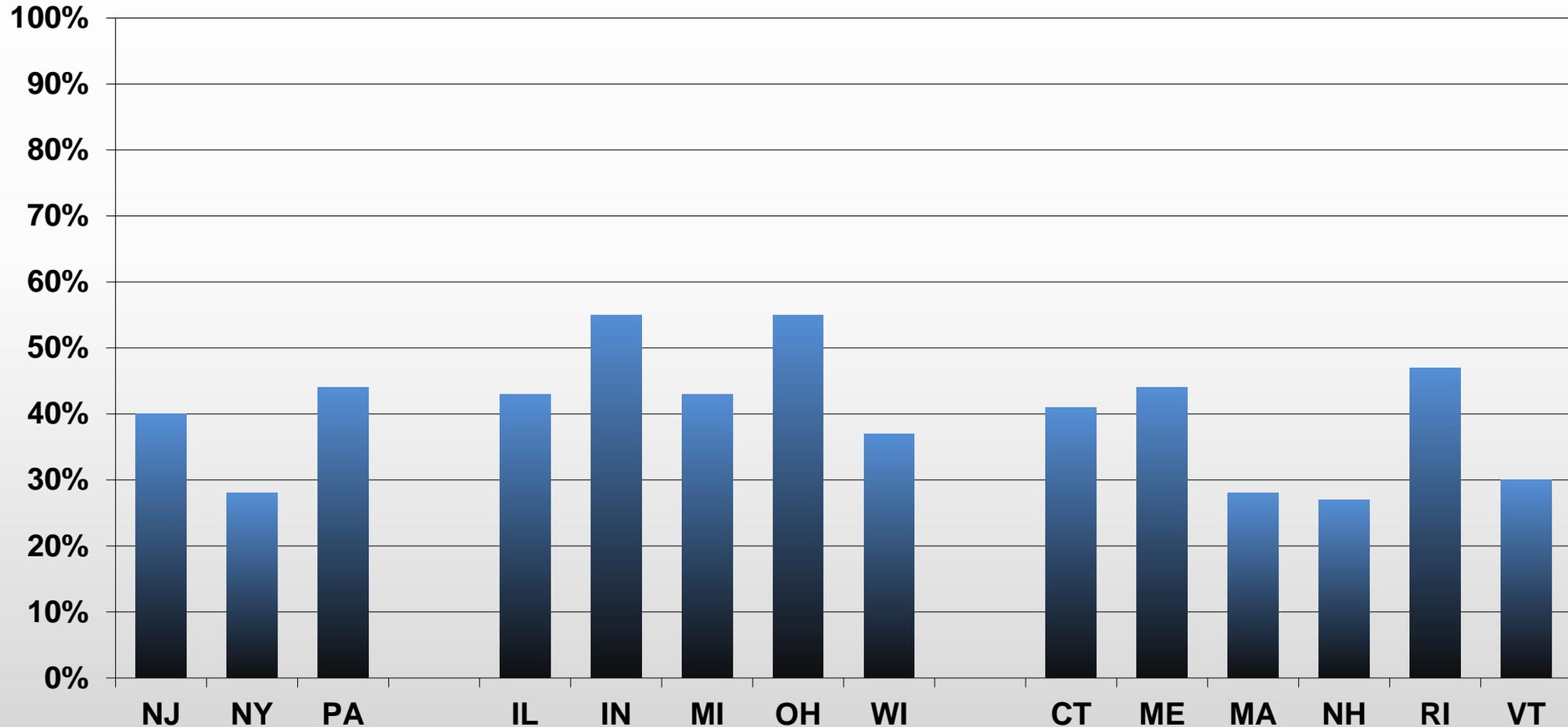
Percentage change from baseline visits—Retail & Recreation



Retail & Recreation:
Mobility trends for places like restaurants, cafes, shopping centers, theme parks, museums, libraries and movies theaters

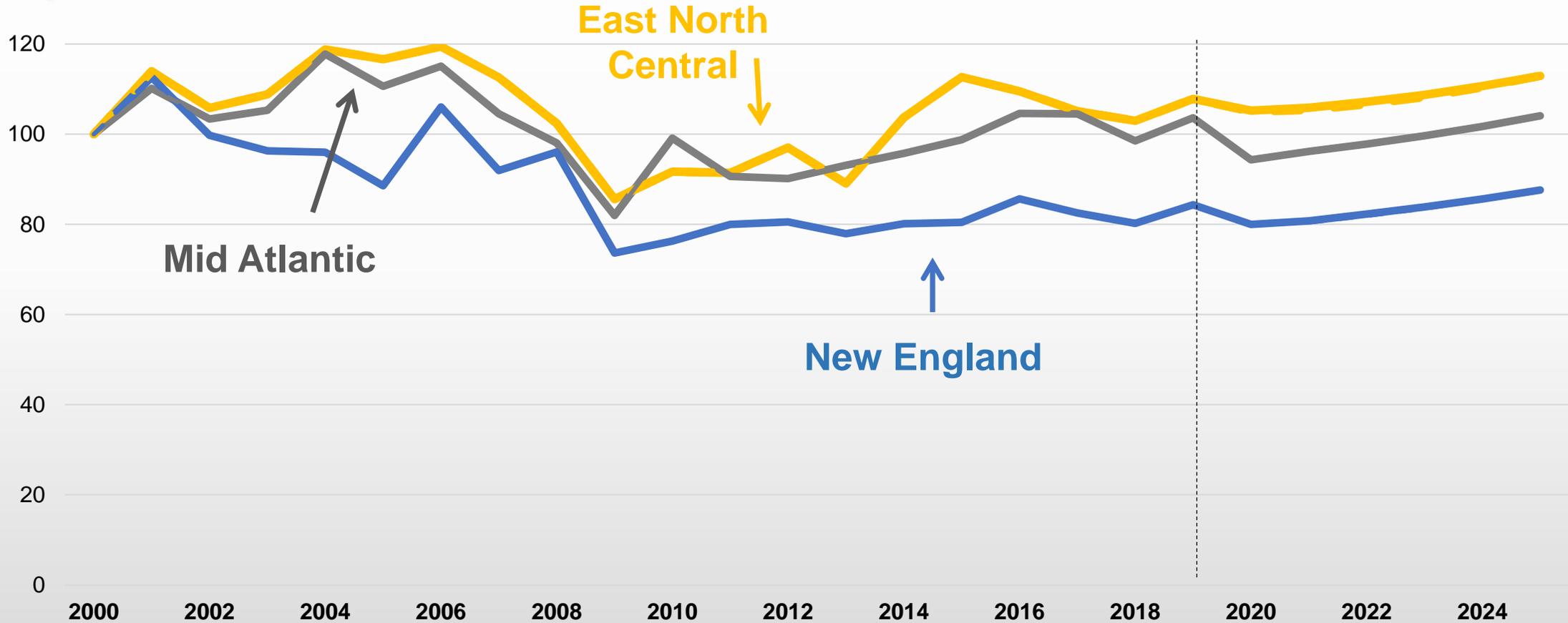
States with High Sales Tax Exposure at Risk

Sales tax as a share of total tax collections



Public Cement Consumption – Northeastern U.S.

Index, 2000=100



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