

The Economic Impact of COVID-19 On the Iowa Economy Summer Update¹

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Executive Summary

As of July 18, 2020, the Centers for Disease Control and Prevention (CDC) calculated that COVID-19 had generated 128,035 U.S. deaths and 783 Iowa casualties. Per 1,000,000 in population, this represented 387 deaths for the nation, and a much lower 247 for Iowa. Despite Iowa's lower death rate, this study estimates that the impact of COVID-19 on the Iowa economy has been significant. For example, between June 2019 and June 2020, the percentage of Iowans receiving unemployment benefits expanded by 7.8%. This placed Iowa's economy 32nd among the 50 states and the District of Columbia. That is, 31 states experienced greater increases in insured unemployment rates over the year from COVID-19 than Iowa. Totaling direct and spillover impacts, this study concludes that COVID-19, through July 4, 2020, has generated a total loss of \$5.1 billion for the Iowa economy with job losses of 211,174, and a reduction in state and local taxes of \$352.1 million. Without an economic rebound, it is estimated that COVID-19 will shrink Iowa's economy by 9.1% over the period of March 2020 to March 2021.

[1] Estimates contained in this white paper will be updated as the number of Iowa COVID-19 deaths and positive tests are made public and monthly state employment data are released. Estimates do not consider any future impacts of federal support payments.



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