What the Coronavirus Means for Jobs and Personal Finances

March 12, 2020 - The economic reaction to the Coronavirus has been swift and severe. The stock market has taken heavy losses and those are now starting to filter into the general economy. In short, the job losses due to the virus have begun. That's the bad news. The good news is that if the virus can be contained, and it burns out quickly, a quick turn-around is likely.

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The first job losses that we're seeing are really where you might expect them to be. In the travel and entertainment industries. Airlines have been cutting flights. Because of that, even senior airline personnel are seeing their work schedules disrupted. And newer employees are either being furloughed or let go entirely. Given the President's announcement yesterday that most travel to and from Europe would be stopped by Friday, that situation isn't likely to improve for several weeks.

Unfortunately, there is a very real trickle-down effect from this. Fewer flights mean fewer hotel stays and fewer travelers eating out or going to entertainment venues. Employees in these industries are also being impacted.

Just today, Disneyland announced that it was closing through the end of this month. The trickle down from that is pretty obvious. In Anaheim, CA - Where Disneyland is located - hotels and restaurants will feel the pinch almost immediately. Temporary layoffs will certainly be one of the results of that.
These are just a few examples.

On the brighter side though, the economy in the United States is in a better position to weather this storm than in any other country in the world right now. And both congress and the White House are working on plans to make sure that people who are directly impacted by the virus - either by getting sick or losing their income - are protected. The last thing that anyone wants to see here is people losing their homes or not seeking medical care due to an unforeseen illness of this scope. That would be an especially bad look for politicians in an election year, regardless of their party affiliation.

Anyone who finds themselves out of a job as a result of COVID-19 shouldn't just give up. It is likely to be a few days before legislation dealing with this issue is passed at a national level, but the federal government isn't the only game in town for relief. If you find yourself in this position, call your local city council office or the equivalent. Then call your state representatives. And finally, call your congressional representatives in both houses.

At the same time, keep an eye on the news. There are likely to be announcements coming out pretty regularly over the next week. Some of the proposals that are being considered include pushing back the filing date for income taxes, elimination of the payroll tax through the end of this year, extending unemployment benefits or other payments to gig workers and discounted loans to impacted business owners. On top of that, the administration announced yesterday that they had secured an agreement from insurance companies that the cost of all coronavirus testing would be covered by them without any co-payment obligations.

Just don't panic. All indications at this point are that this is going to be a short-lived event.
by Jim Malmberg
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