

A scenic landscape of rolling hills in Botetourt County, Virginia, captured at sunset. The sky is filled with soft, colorful clouds in shades of orange, yellow, and blue. The foreground shows a grassy hillside with scattered trees, and the background features layers of blue-toned mountains. A large, dark blue diagonal shape is overlaid on the left side of the image.

RURAL VIRGINIA ACTION COMMITTEE

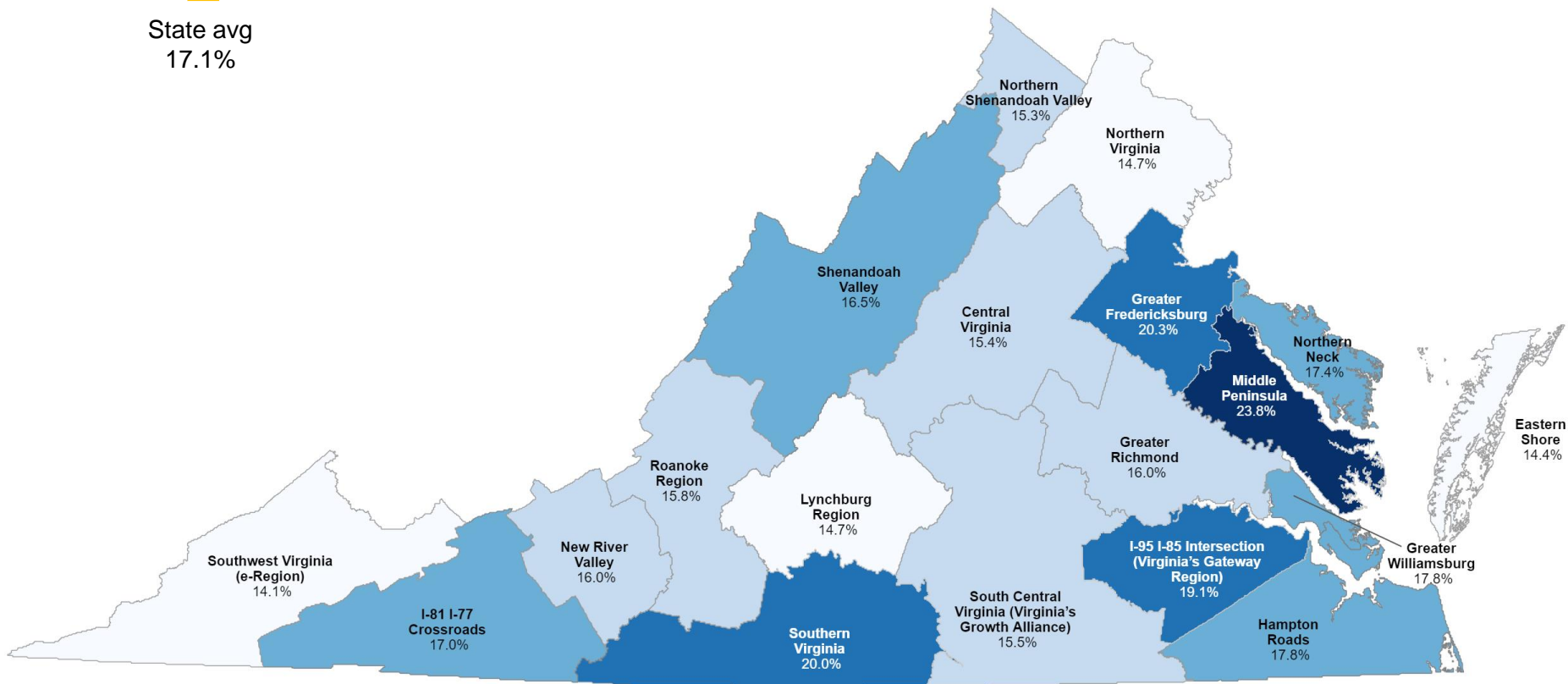
Botetourt County

June 17, 2020

VEDP | Virginia
Economic
Development
Partnership
VEDP.org

INITIAL UNEMPLOYMENT CLAIMS HAVE VARIED SIGNIFICANTLY ACROSS VIRGINIA REGIONS

UI initial claims and baseline unemployment as % of baseline jobs
 March 4 to May 30, 2020, NSA



Numbers do not add up to cumulative total on previous slides due to data availability issues (e.g. interstate claims)

For Virginia UI numbers, Pandemic Unemployment Assistance (PUA) claims are included in total claims reported



Source: U.S. Department of Labor; BLS Current Population Survey; Emsi 2020.1; VEDP analysis

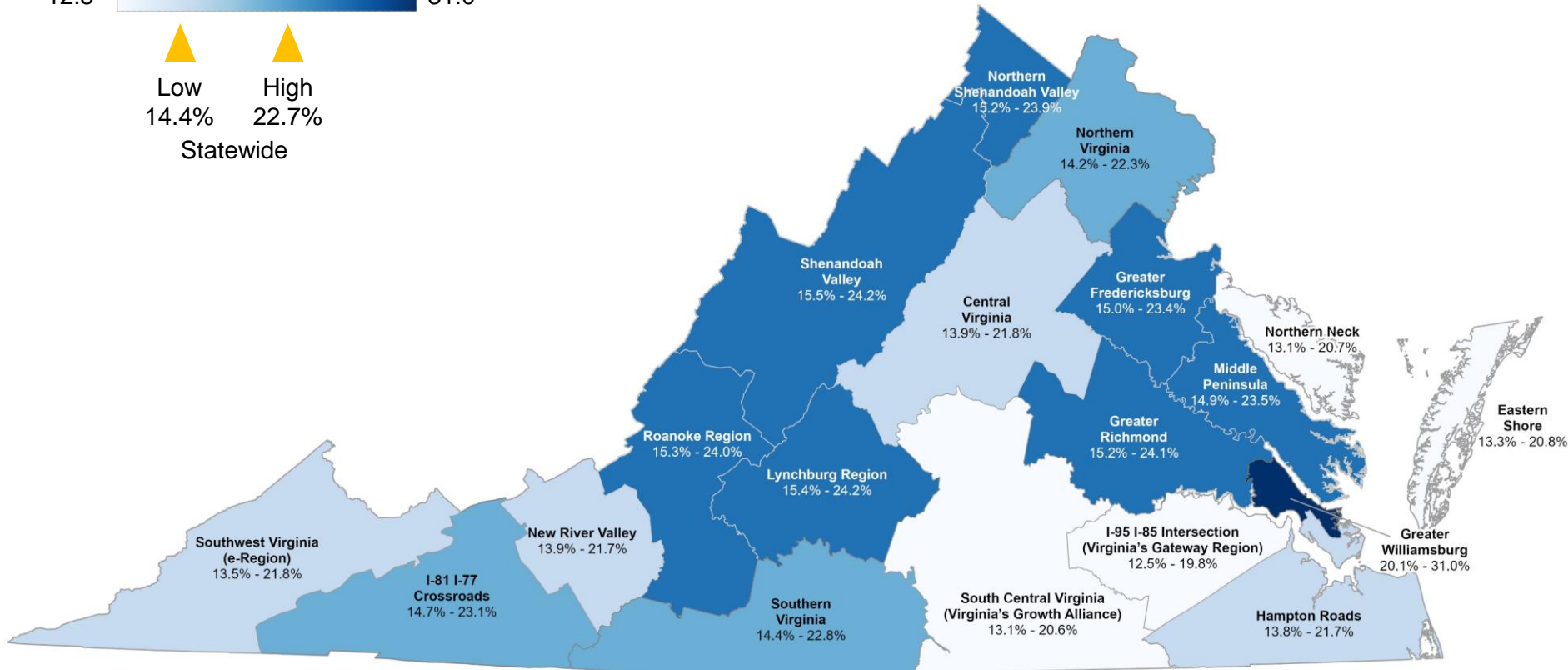
POTENTIAL JOB LOSSES VARY BY REGION, LARGELY DUE TO DIFFERENCES IN INDUSTRY MIX (E.G., % OF JOBS IN HOSPITALITY)

Estimated jobs lost/furloughed as % of baseline jobs

Range of estimated job losses, shading based on average of high and low scenarios

12.5  31.0

 **Low**
 14.4%
 **High**
 22.7%
 Statewide



FOLLOWING ECONOMIC RELIEF EFFORTS, WE ENVISION FOUR BIG STRATEGIC OPPORTUNITIES FOR ECONOMIC RESTORATION



1. Capture manufacturing reshoring and new supply chain opportunities

- Industry analysis and surveys indicate a significant share of manufacturers will likely bring production and sourcing back to the United States in response to the COVID-19 pandemic
- Additionally, as businesses around the world reconfigure their global supply chains and increase resiliency, many new opportunities will emerge for Virginia exporters
- Virginia can capture these job-creation opportunities by investing in targeted business investment, international trade, and related support activities



2. Accelerate Digital Virginia (cloud computing, software, data centers)

- The COVID-19 pandemic has accelerated the transition towards a digital economy for businesses and consumers around the world
- As an established U.S. tech leader, Virginia is well positioned to capitalize on these opportunities in software development, cloud computing, data centers, and other technologies
- Virginia can capture a larger share of this post-COVID tech wave by complementing existing efforts (e.g., TTIP) with targeted enhancements in our incentive programs, tax policy, and broadband infrastructure



3. Seize telework transition opportunities, with special focus on rural and small metro regions

- With the widespread shift to telework during the pandemic, industry experts and business leaders are signaling that telework will become the (permanent) new normal for a much larger share of workers
- Virginia can capture these talented professionals (and the tax revenue they generate) by deploying creative incentive and marketing approaches that focus on both businesses and individuals that telework



4. Retool and reskill Virginia's (unemployed) workforce for post-COVID career opportunities

- Low-skill workers, women, and racial minorities were disproportionately impacted by the economic shock resulting from COVID-19, and likely will make up a significant share of the long-term unemployed in the absence of targeted efforts
- In addition to new job creation opportunities for the Commonwealth, we have an opportunity to connect displaced workers with higher-wage employment opportunities through workforce initiatives such as “Get Skilled, Get a Job, Give Back” (G3), Virginia Talent Accelerator Program, Virginia Jobs Investment Program (VJIP), and other targeted investments