Economic recovery at shore may be year away

By JACK FICHTER
Cape May Star and Wave

The nation and region are in recession, that’s not in doubt. But how much will the local economy contract and how long will it take to bounce back? Those are the questions everyone is asking today. 

Oliver Cooke, associate professor of economics at Rowan University, addressed a virtual Cape May County Chamber of Commerce luncheon July 19. He said the COVID-19 pandemic beginning in March ended the longest business expansion in history and that people should not expect a quick recovery.

Cooke said since the middle of 2009, the U.S. economy was in an expansion mode, recovering from the Great Recession. The economic expansion began with the March 2009 low and ended in April 2020. He used May economic figures since data is not available until later in the month. Job totals were down 27 percent from May 2019 in Cape County, representing a loss of 12,000 jobs. He said the majority of those jobs, nearly 17 percent, were in leisure and hospitality, which includes accommodations, restaurants, bars and entertainment. Retail showed a 11 percent job loss from May 2019 down 42 percent from May 2017, representing a loss of 4,010 jobs. In May, on a national basis, employment was off about 12 percent and leisure and hospitality accounted for 40 percent of job losses, Cooke said.

Unemployment in Ocean City in May rose to 26.4 percent while unemployment in Atlantic City reached 27.2 percent.

Cooke said there were a number of issues that make it difficult to pursue what one is going with, but the basic unemployment rate is for people that are unemployed and looking for the labor force.

"The official government definition of who is in the labor force and who is unemployed demands that someone be actively searching for work, but for obvious reasons, this is a poorly suited measure given lockdowns that are asking people to not leave their homes," Cooke said. The US unemployment rate is a broader alternative metric used in Labor Statistics and gives a sense of underutilization of labor in the economy, he said. The US in May showed a national unemployment rate of 13.3 percent.

Cape May County Chamber of Commerce President Jack Rahil uses old shutters he collects as material for the birdhouses he makes and sells.

By DAVID NAMAN
Cape May Star and Wave

Jack Rahil/CAPE MAY STAR AND WAVE

Cape May — O Canada, don’t look for any Canadian licenses plates on vehicles in our county for at least the next month.

Canadian tourists are a key part of Cape May tourism. That was changed until July 21 and now they are saying another 30 days because of the increase in positive cases on both sides of the border.

According to county Tourism Director Daisy Wylad, the number of Canadian visitors to Cape May County during the construction holiday that begins Friday, July 17, was down 27 percent from prior years. The Canadian economy has probably already found its footing within Canada. Countymend have no idea on how many Canadians were expected to have visited prior to Canada’s border closing until Aug. 21.

Wieland said. "When you look at the trends in the Canadian businesses and groundsw were reporting in prior years 90 to 95 percent of the visitors to the number of nights that they were reporting in the province of Quebec. "Canadians used to return year after year, she said. See Canadians, Page A3.