

Hibbs Brief

Hibbs Institute for Business & Economic Research

Tyler MSA Loses \$220.5 Million, Longview MSA Loses \$168.6 Million to Stay-at-Home Orders

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In this special issue of the **Hibbs Brief**, the impacts of limits on economic activity as a part of the effort to slow the spread of COVID-19 are calculated. Both Tyler Metropolitan Statistical Area and Longview MSA suffered nine-figure losses over roughly a one-month period.

As previously discussed, intensified mandatory social distance and a two-week stay-at-home measures were taken by Smith County officials by the end of March.¹ Later, on April 7, County Judge Nathaniel Moran extended the stay-at-home order for all Smith County residents until April 30.² The mandatory stay-at-home order requires all individuals anywhere in Smith County to stay at their houses, except people who conduct certain essential activities, services and work. Similar orders were issued in Gregg County by County Judge Bill Stoudt on March 25.³ Those orders also lasted until April 30.⁴

Given that Smith County officials extended the stay-at-home order to practically include one month since late March to April 30, the **Hibbs Institute** updated their previous estimates to include the new time frame. Gregg County stay-at-home orders covered a similar time frame. These estimates comprise the negative economic impacts of a one-month reduction or cease of nonessential businesses included in the following sectors: *Retail Trade; Food Services; Art, Entertainment and Recreation; and Personal Care Services*.⁵ The economic loss in dollar value for Tyler and Longview MSAs were estimated based on the annual output of each one of the mentioned business sectors and calculated for the mandatory stay-at-home order. These estimates add up to **\$220.5 million** in the Tyler MSA and **\$168.6 million** in the Longview MSA in one month.⁶ Differences between Tyler and Longview impacts are attributable to their share of the examined sectors; a larger economic loss suggests a sector with greater economic activity. The economic impacts by business sector for the two MSAs are detailed in **Table 1**.

Table 1. Economic Impact of One-Month Shutdown for Selected Industries in the Tyler and Longview MSAs

| Industry Sector Categories | Tyler MSA | Longview MSA |
|---|-------------------------|-------------------------|
| Retail (Furniture, Electronics, Clothing, Sporting Goods, etc.) | \$ (147,261,153) | \$ (100,610,332) |
| Recreation and Entertainment (Museums, Zoos, Fitness Centers, Bowling, etc.) | \$ (16,691,326) | \$ (9,942,185) |
| Food Services* (Restaurants, Catering Services, and Bars) | \$ (49,404,181) | \$ (52,135,311) |
| Personal Care Services (Hair Stylist Shops, Beauty Shops, Beauty Salons, Nail Salons, Day Spas, etc.) | \$ (7,167,631) | \$ (5,910,229) |
| Total Estimated | \$ (220,524,291) | \$ (168,598,057) |

Note: * Due to the food delivery and take-out programs established by several local restaurants, the Food Services category estimates assume a reduction of 75% of business activity for the full-service dine-in restaurants, while a reduction of 50% of business activity was assumed for limited-service restaurants (fast food, drive-thru, take out).

Source: Hibbs Institute estimates using IMPLAN-Pro V.3.

¹ Roy Reagan. (March 27, 2020) Smith County issues stay-at-home order amid coronavirus outbreak; confirmed cases jump to 27. CBS 19.

<https://www.cbs19.tv/article/news/local/smith-county-issues-stay-at-home-order-amid-coronavirus-outbreak/501-3c4aa99e-be4b-478c-9d91-fb7b5510bc7c>

² Matthew Copeland. (April 7, 2020) Smith County extends stay-at-home order. CBS 19.

<https://www.cbs19.tv/article/news/health/coronavirus/smith-county-extends-stay-at-home-order/501-c57349e4-8639-459c-a5f0-843a0f4c946d>

³ Richard Brack. (March 25, 2020) Gregg County issues mandatory shelter-at-home order as confirmed cases increase to three. Longview News-Journal.

https://www.news-journal.com/news/coronavirus/gregg-county-issues-mandatory-shelter-at-home-order-as-confirmed-cases-increase-to-three/article_2e8a3fd6-6ed1-11ea-ba7b-13f7e221ec6f.html

⁴ Frank Jefferson. (April 8, 2020) Longview officials talk about restrictions put in place due to rise of COVID-19 cases. KETK—East Texas Matters.com.

<https://www.easttexasmatters.com/news/local-news/longview-officials-talk-about-restrictions-put-in-place-due-to-rise-of-covid-19-cases/>

⁵ Due to the food delivery and take-out programs established by several local restaurants, the Food Services category estimates assume a reduction of 75% of business activity for the full-service dine-in restaurants, while a reduction of 50% of business activity was assumed for limited-service restaurants (fast food, drive-thru, take out).

⁶ The Tyler MSA is defined by the U.S. Office of Management Budget as Smith County. The Longview MSA is defined by the U.S. Office of Management Budget as Harrison, Gregg, Rusk and Upshur counties.

