

The Counterintuitive Economic Outcomes of the COVID Pandemic

- A Transformative Pandemic
- A Transformative Recession
- A Transformative Change to the Economy
- A Transformative Change in Bankruptcy Filings



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Business Takeaways

1. The economy recovered but is subject to new threats (inflation, interest rates, supply chain, federal debt, war, etc.).
2. Businesses are recovering and restructuring (outside of bankruptcy) to a new business paradigm.
3. Bankruptcies will increase if interest rates go up sharply.
4. Bankruptcies will increase when cash has been spent.
5. When bankruptcies begin to increase, it may be a cascade.

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Consumer Takeaways

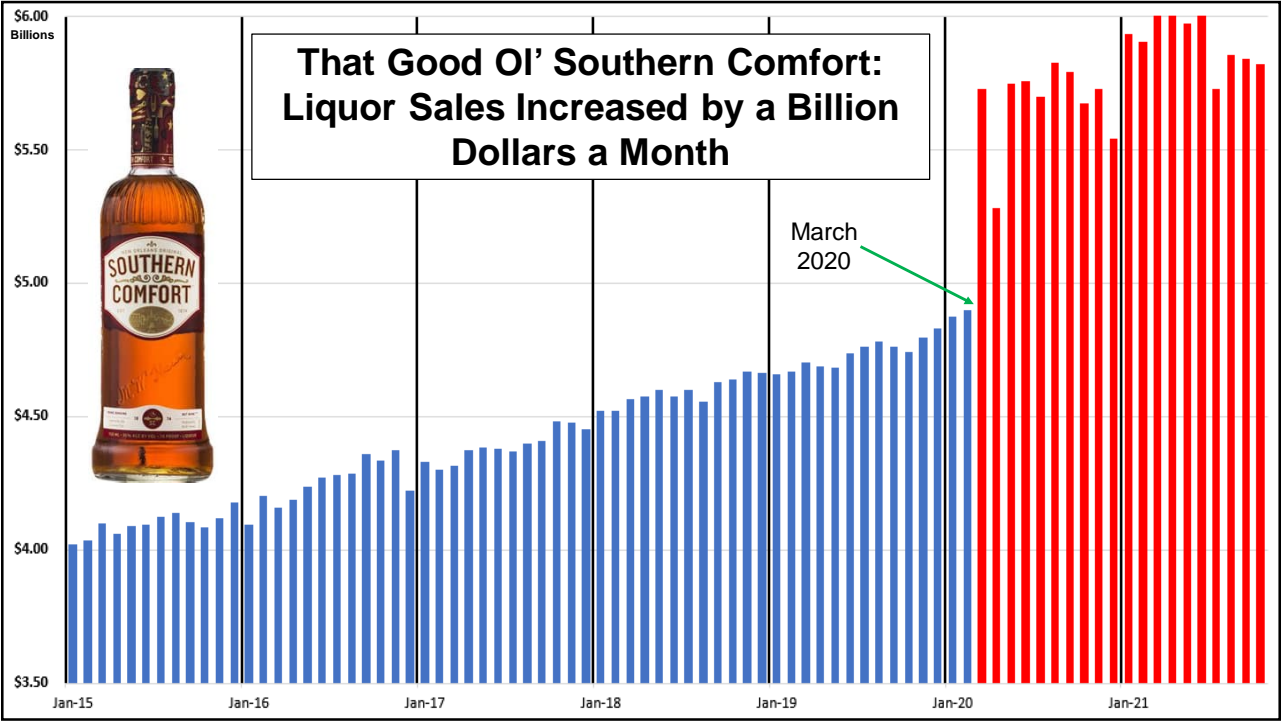
- Most consumers have sufficient cash, income, and equity to avoid a bankruptcy filing—for the time being.
- Governmental actions have removed bankruptcy triggers—but they have or will soon end.
- Economic fundamentals have recovered but not grown in the last two years.
- Inflation, increasing interest rates, supply chain issues, war, and possible future economic disruptions hover as a specter over the economy.

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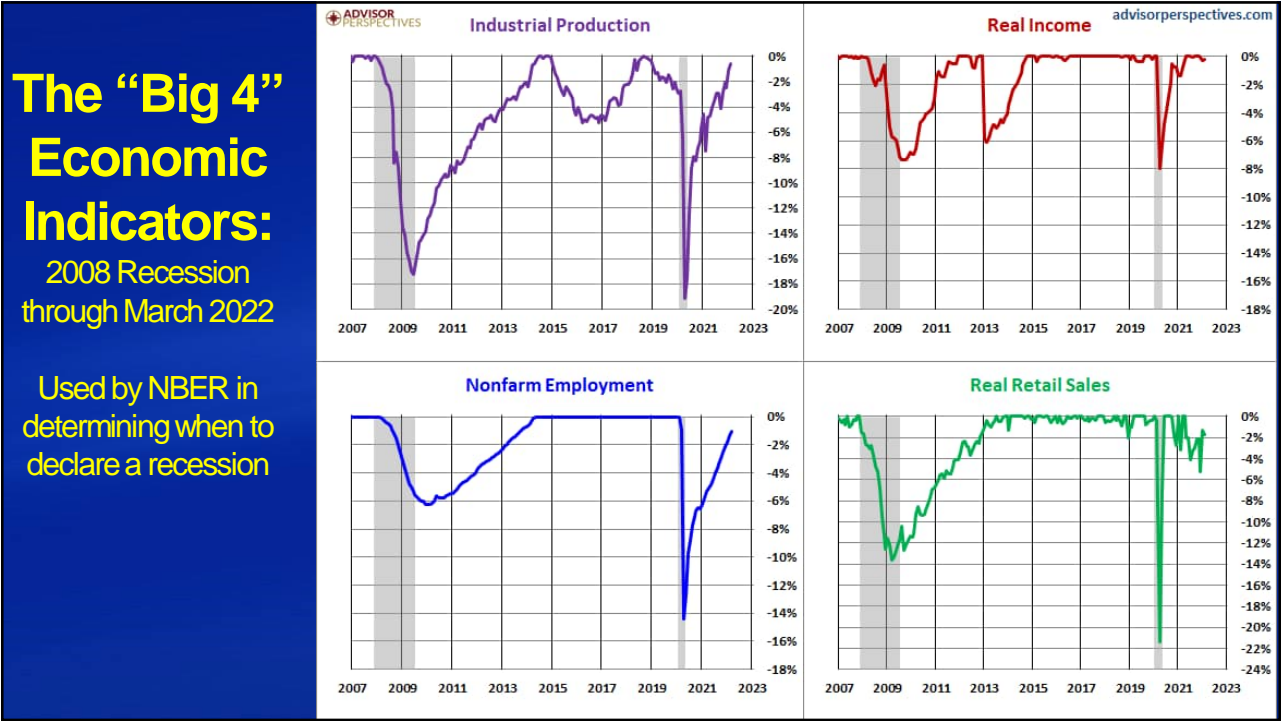
**How have
Americans coped
with the COVID
Pandemic?**



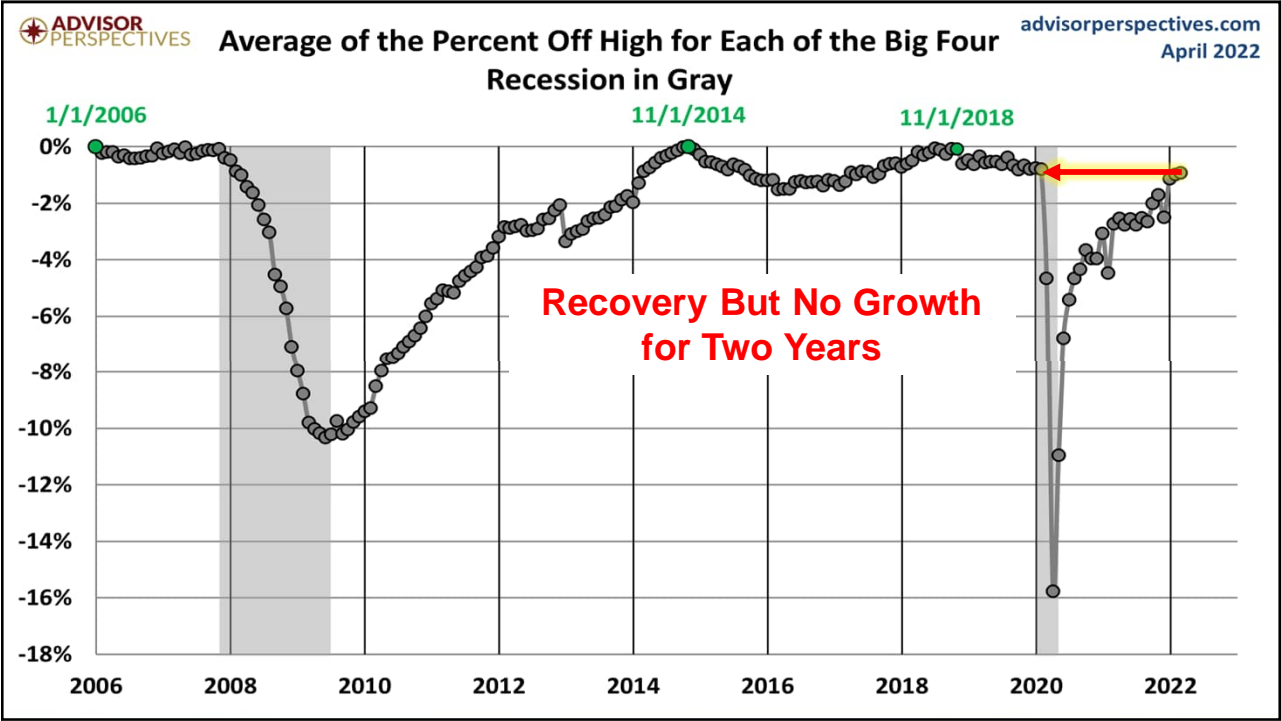
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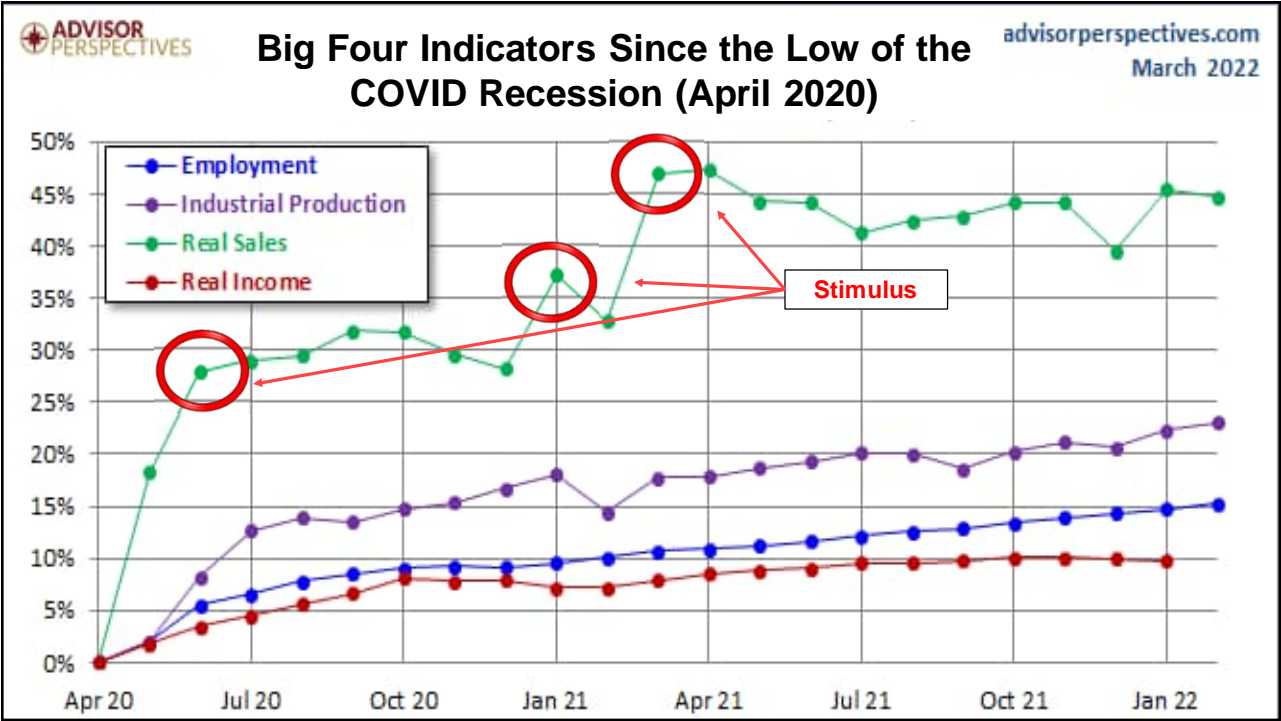
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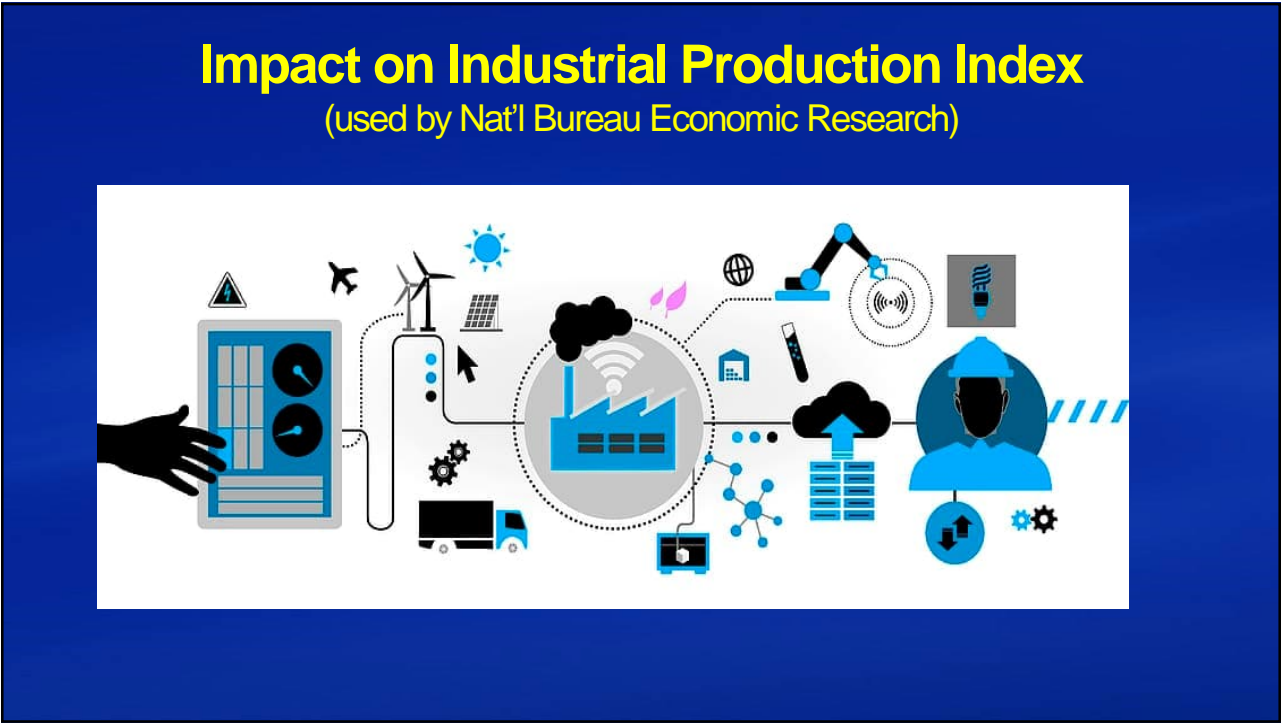
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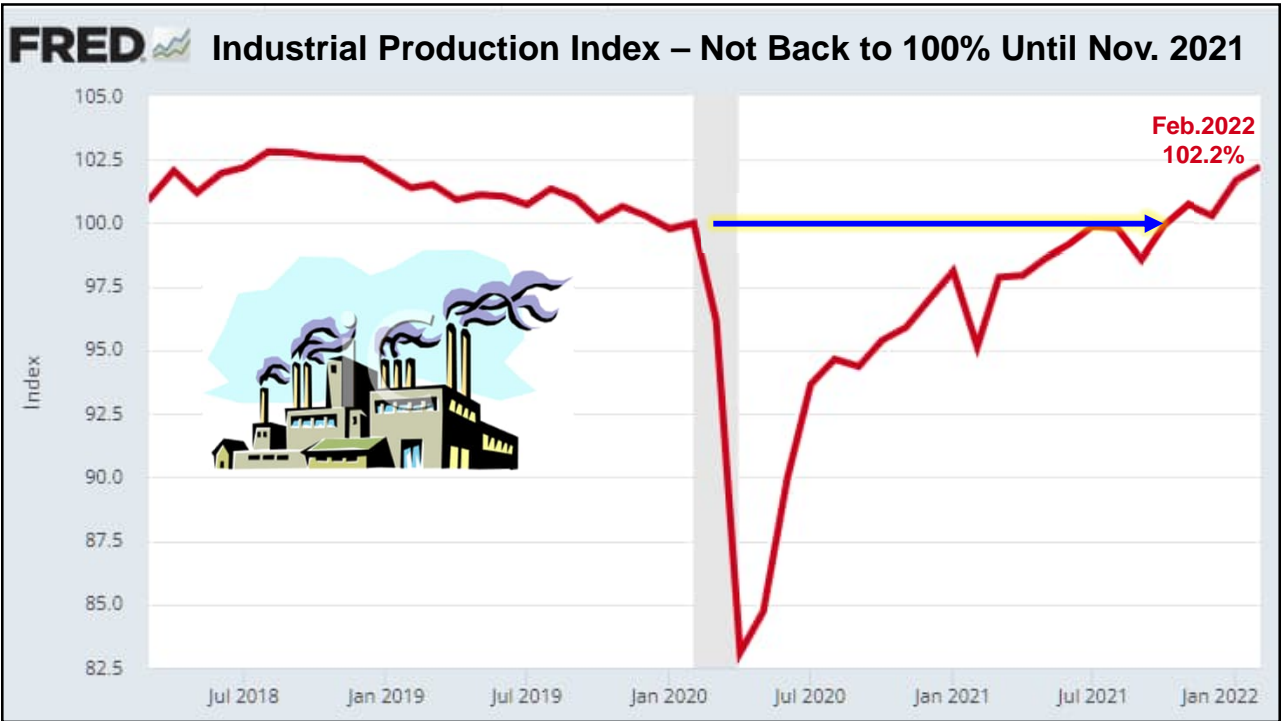
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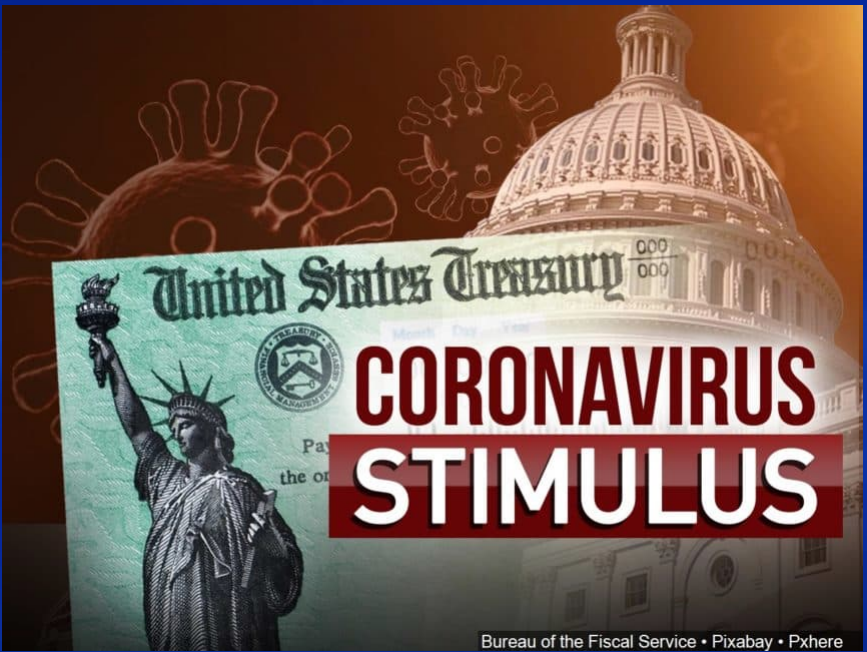


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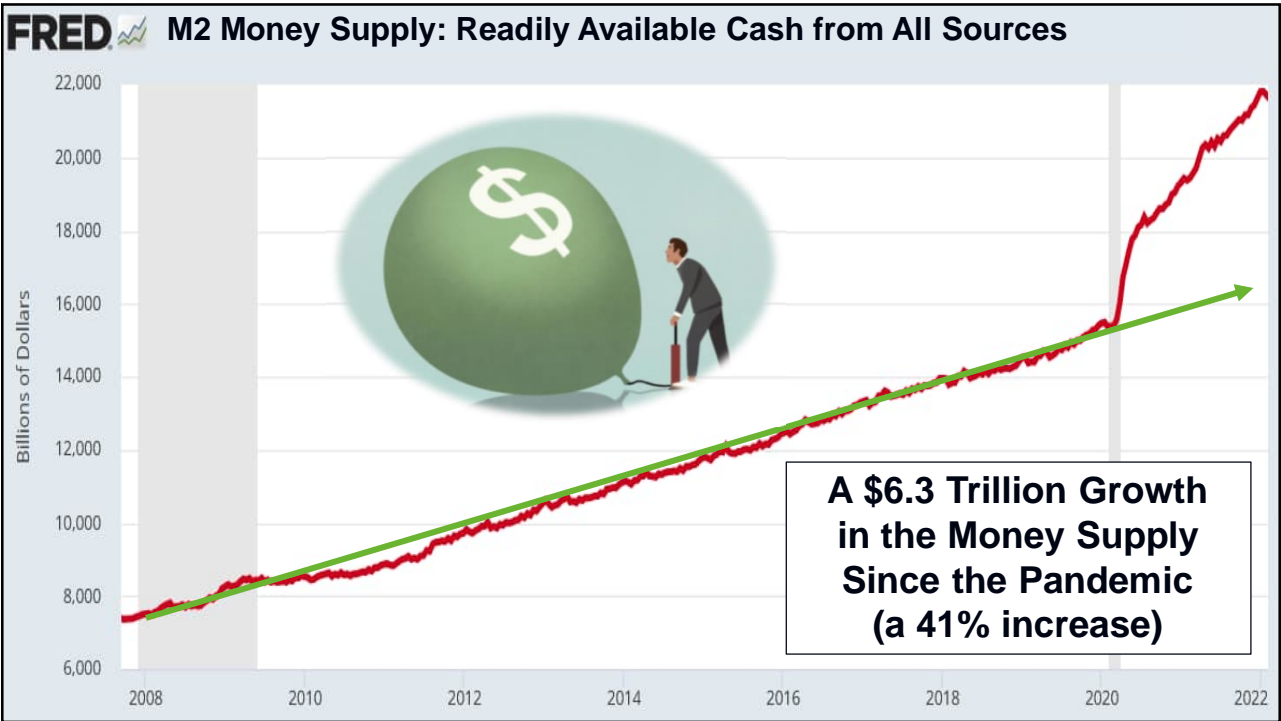


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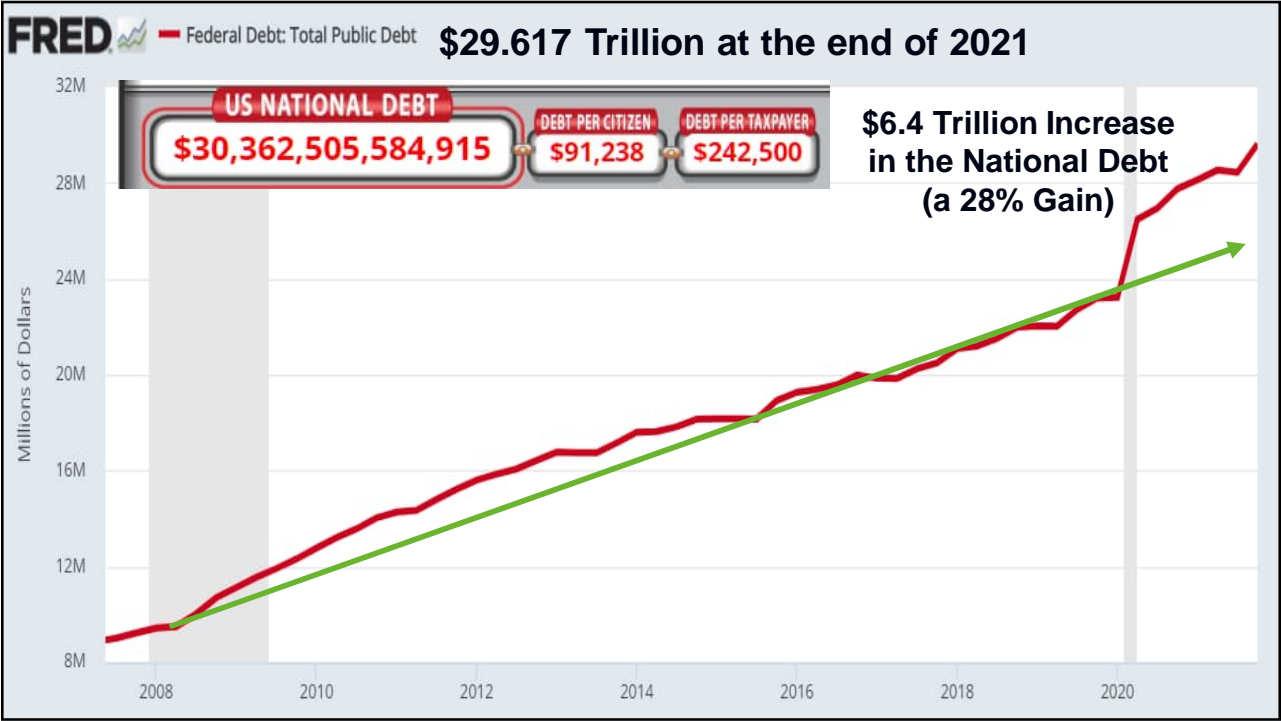
Impact of Stimulus on the Economy



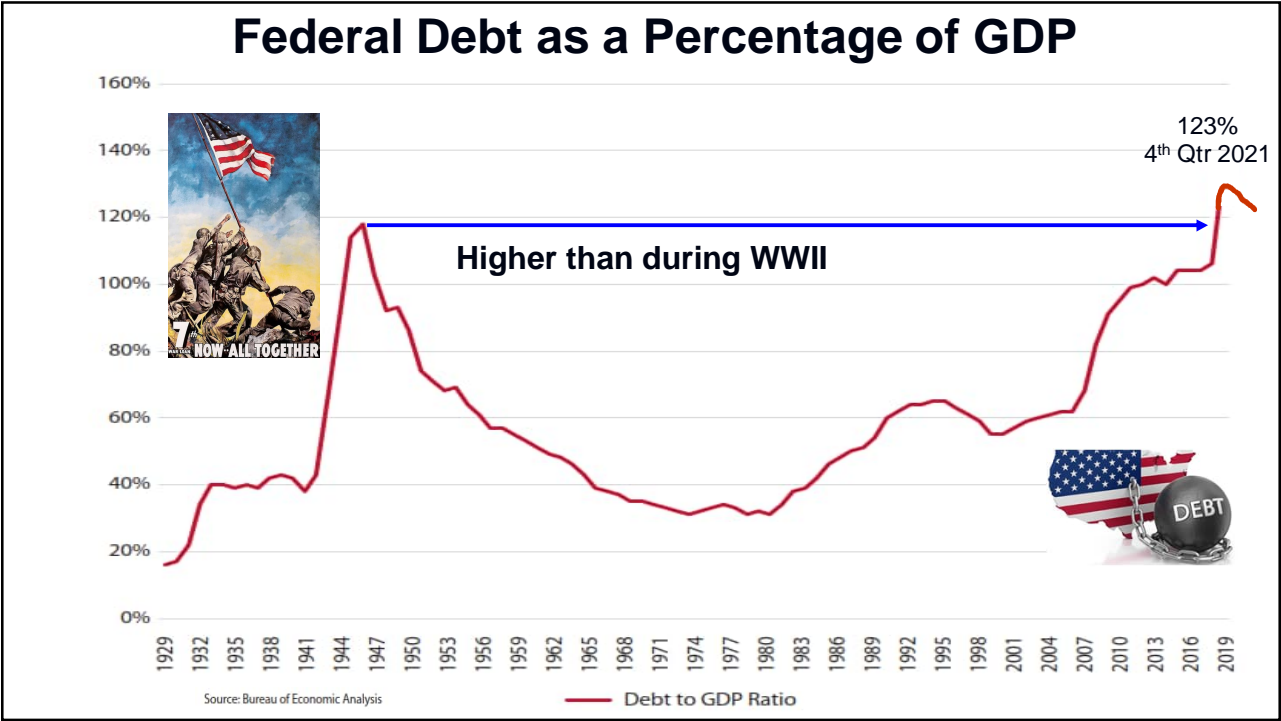
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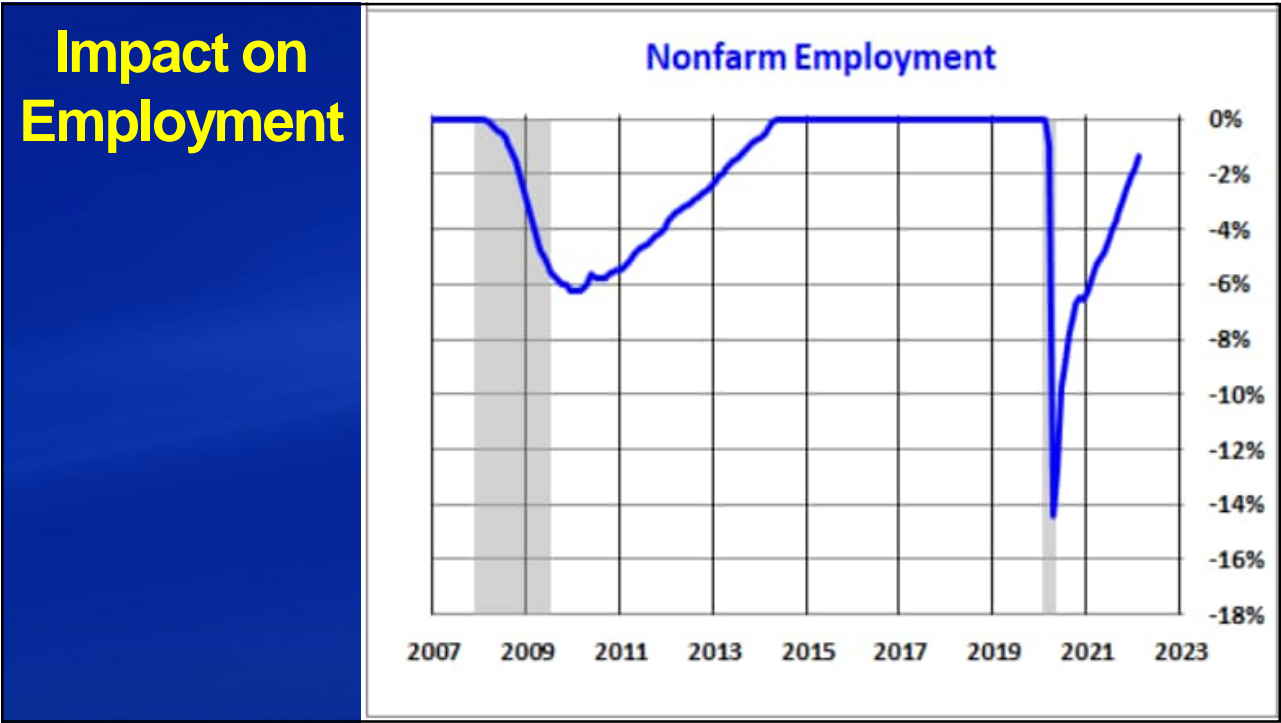
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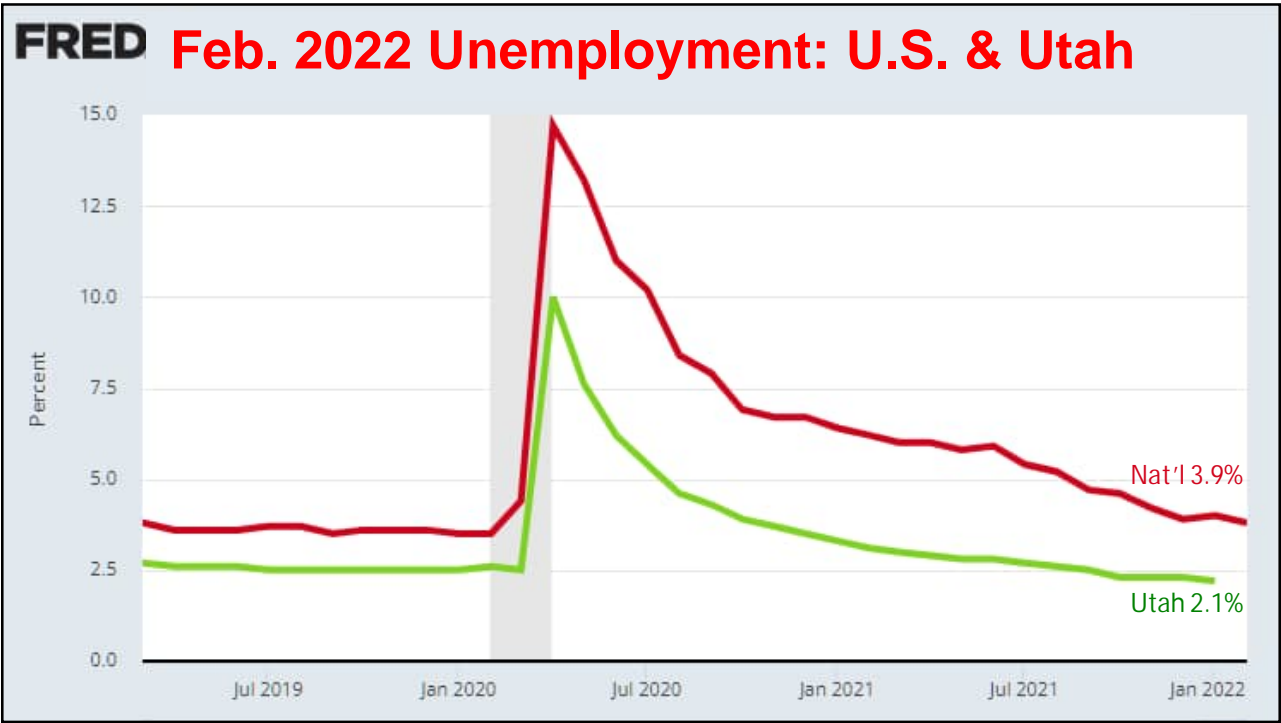
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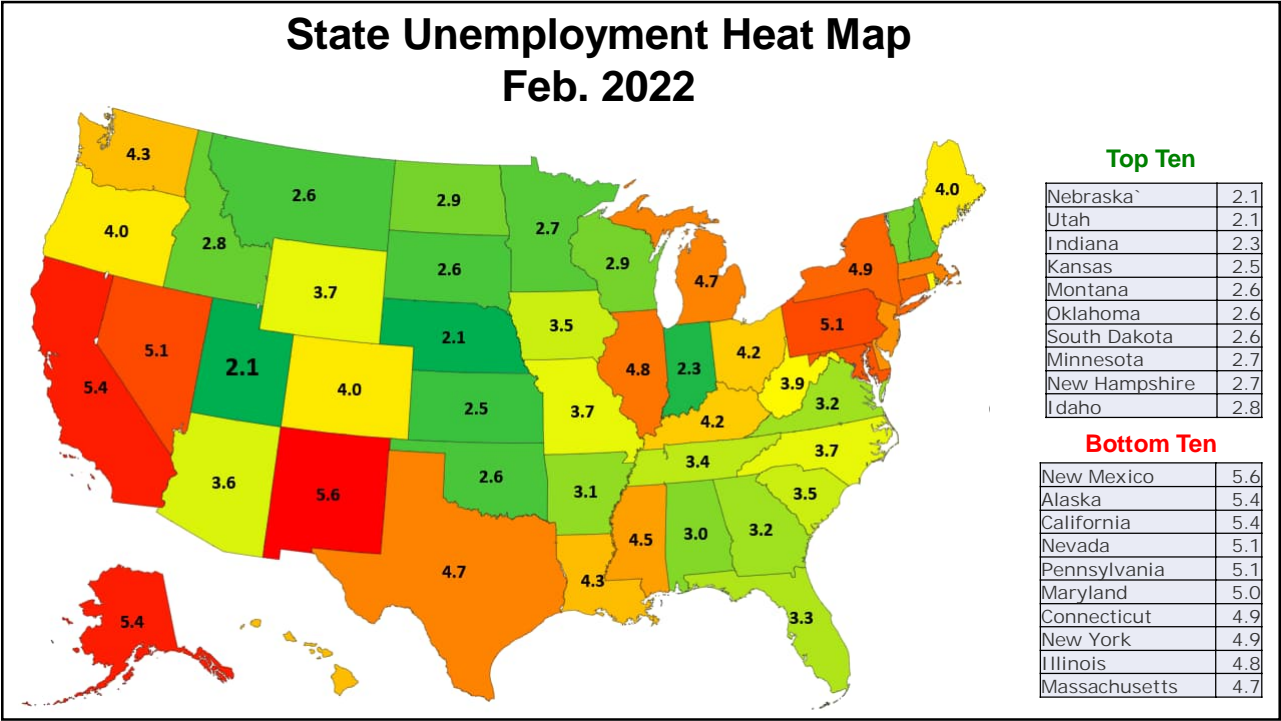
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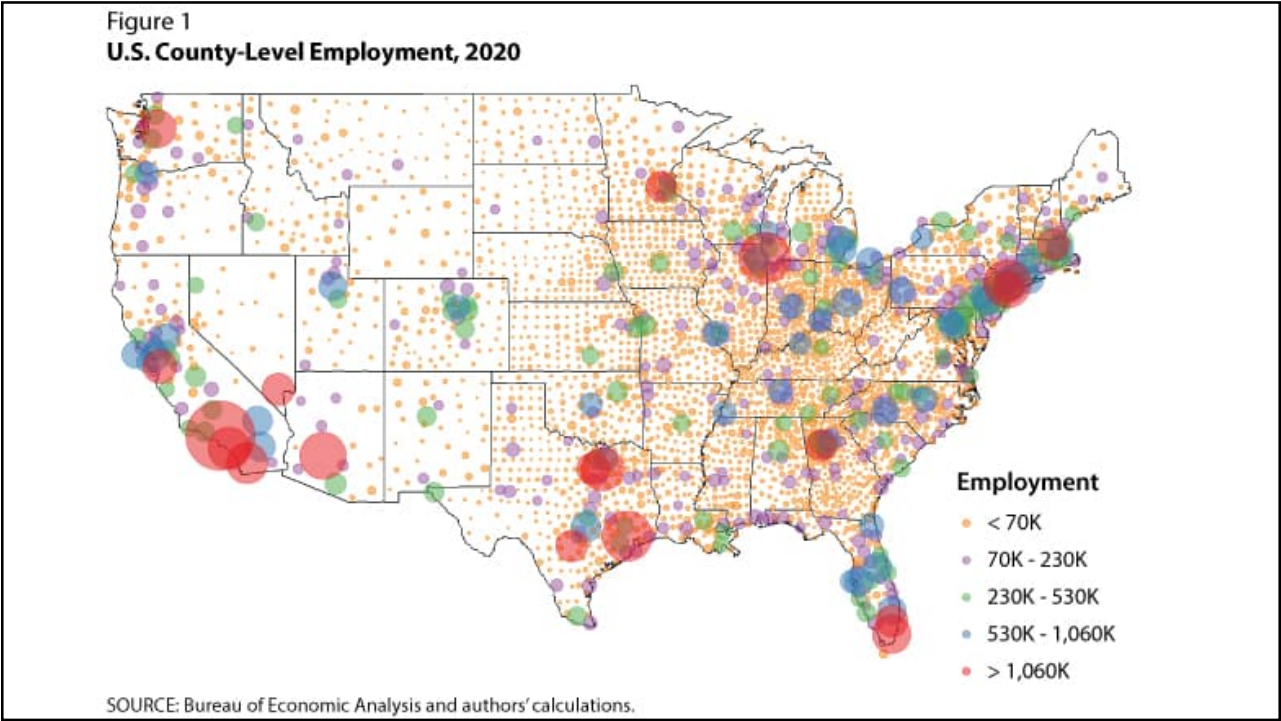
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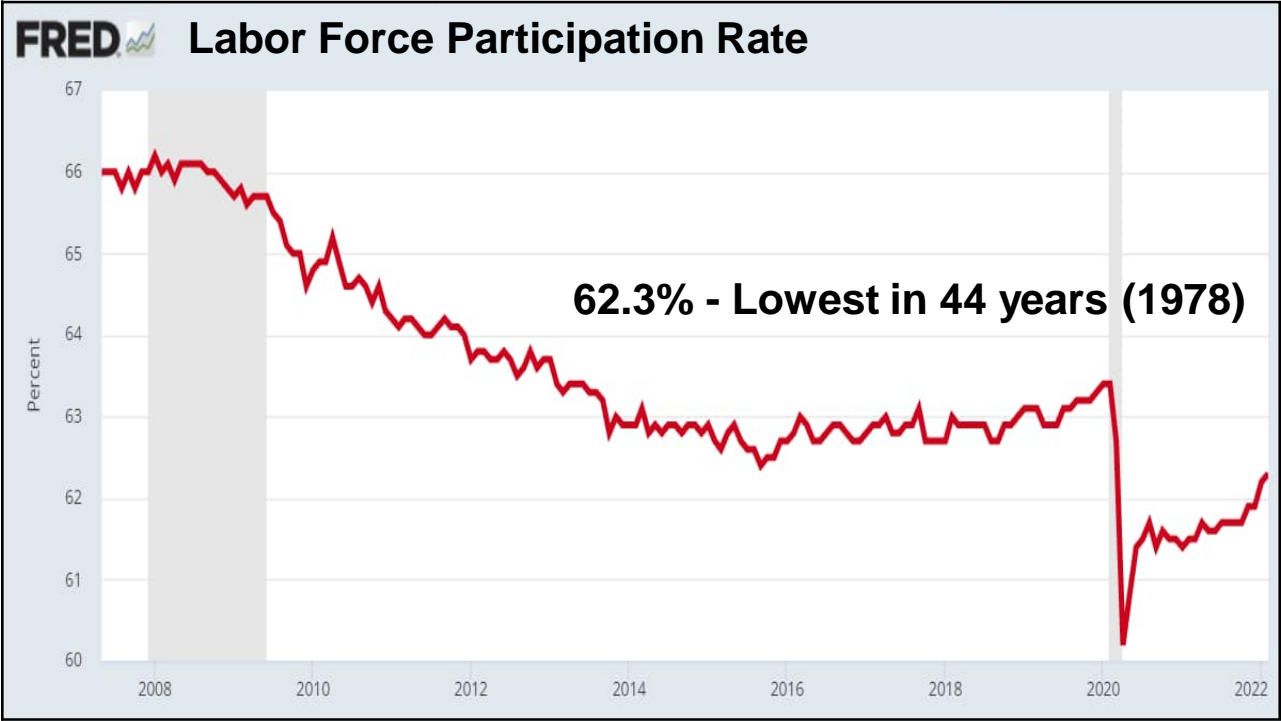
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LIFE CHANGES

4.3 million people quit their jobs in January as the Great Resignation shows no sign of slowing down

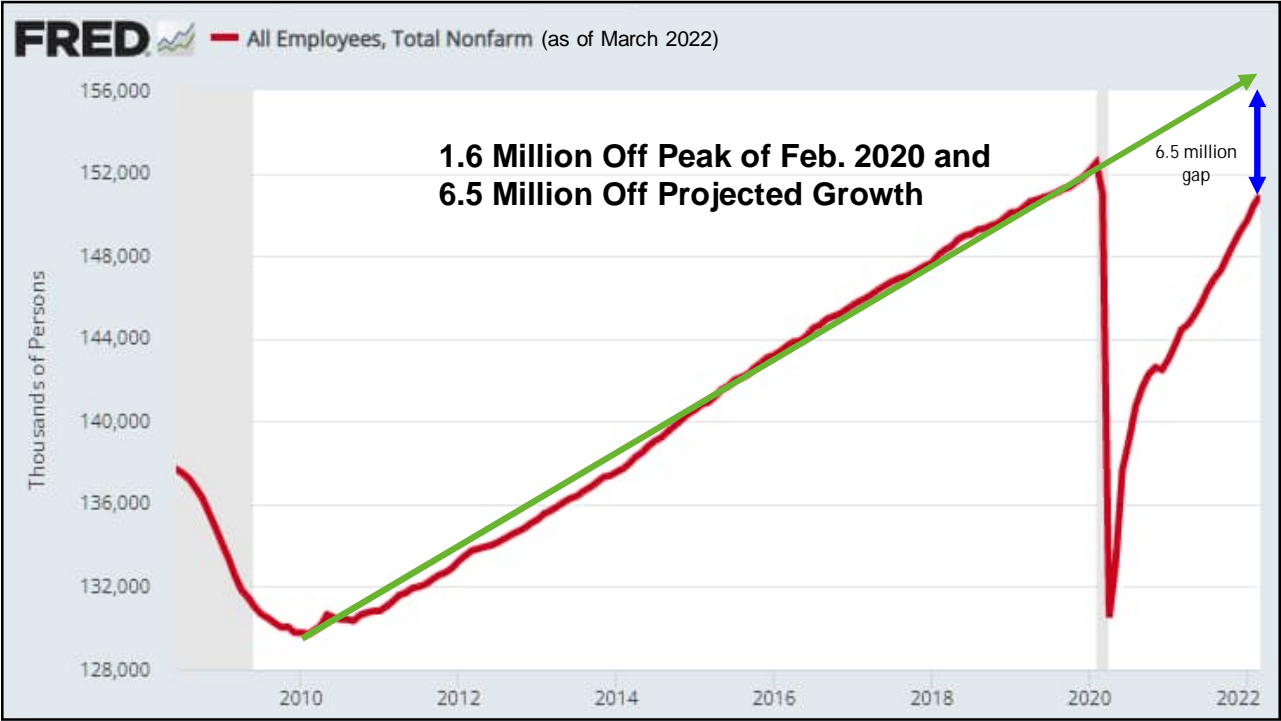
PUBLISHED WED, MAR 9 2022•2:10 PM EST | UPDATED WED, MAR 9 2022•6:05 PM EST



Greg Iacurci
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SHARE    

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Impact on Consumer Income

WAGES

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WIN WHIP INFLATION NOW!

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Utahns say household income is not keeping up with record inflation

By Art Raymond, Deseret News | Posted - March 28, 2022 at 1:05 p.m.



A new Deseret News/Hinckley Institute of Politics poll finds Utahns share nearly unanimous concerns over ongoing, record-high inflation. Additionally, a majority of Utah workers have not seen their wages go up in the last year and most feel their household income is not keeping up with the escalating prices of goods and services. (Elise Amendola, Associated Press)

In 2021, Utah wages grew an average of 4.2%, but inflation in the Mountain West grew at 9.7%

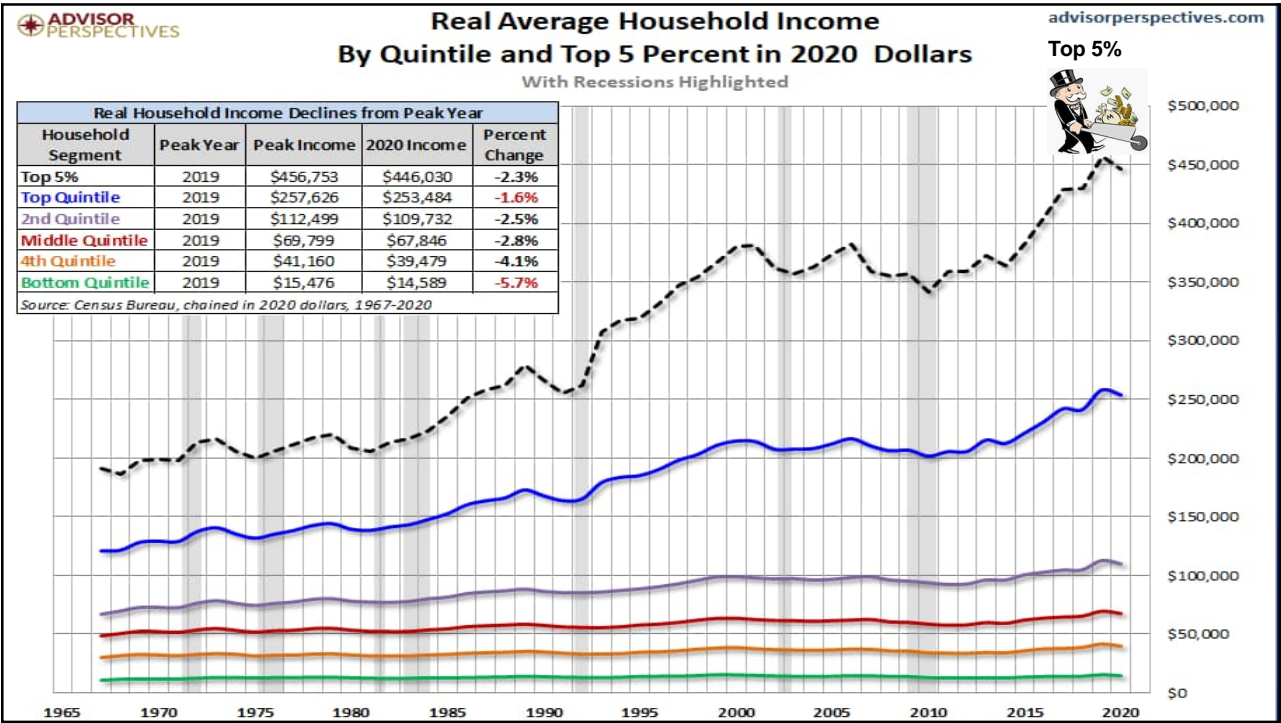
MOST VIEWED

1. Academy condemns Will Smith's actions, launches review
2. Virus that causes COVID-19 found in Utah deer

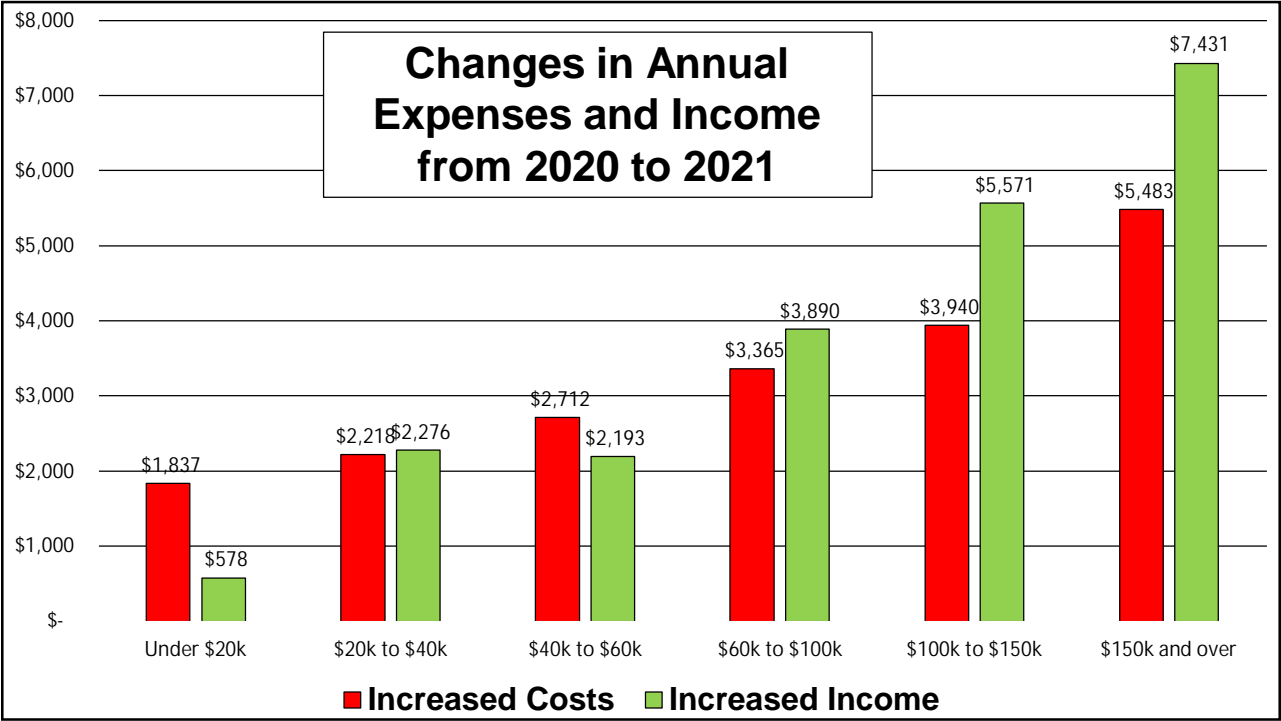
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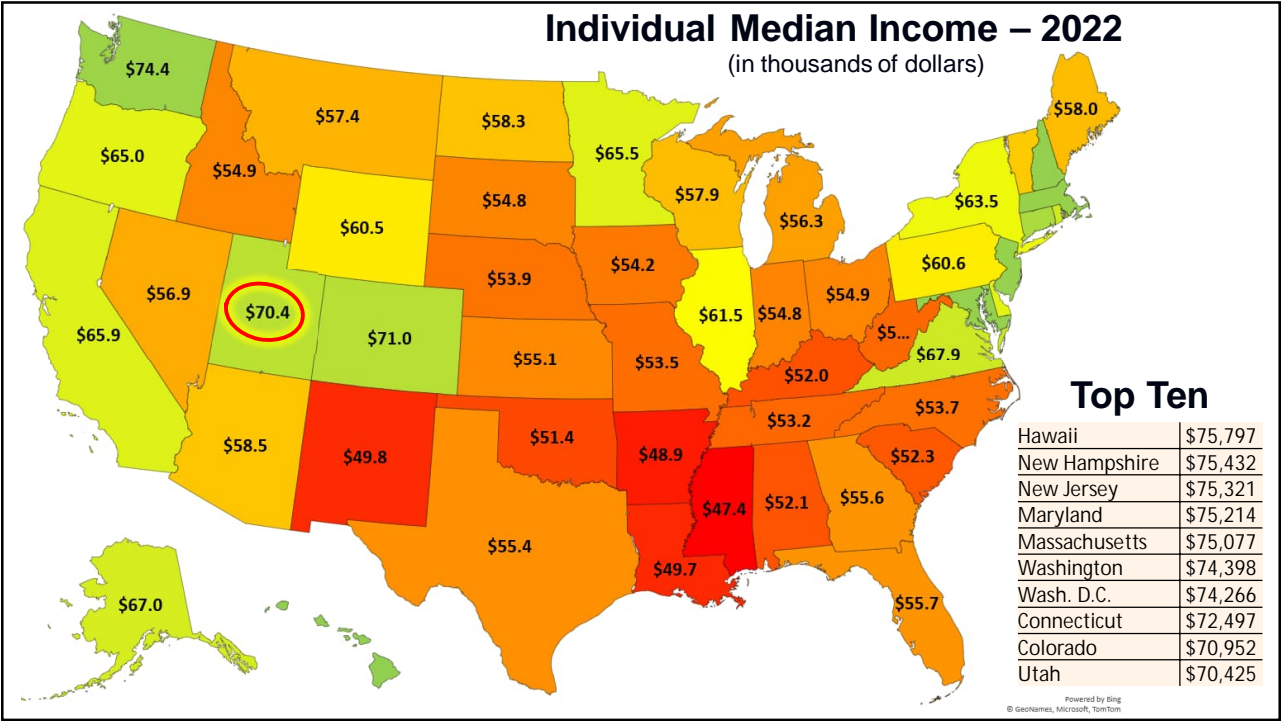
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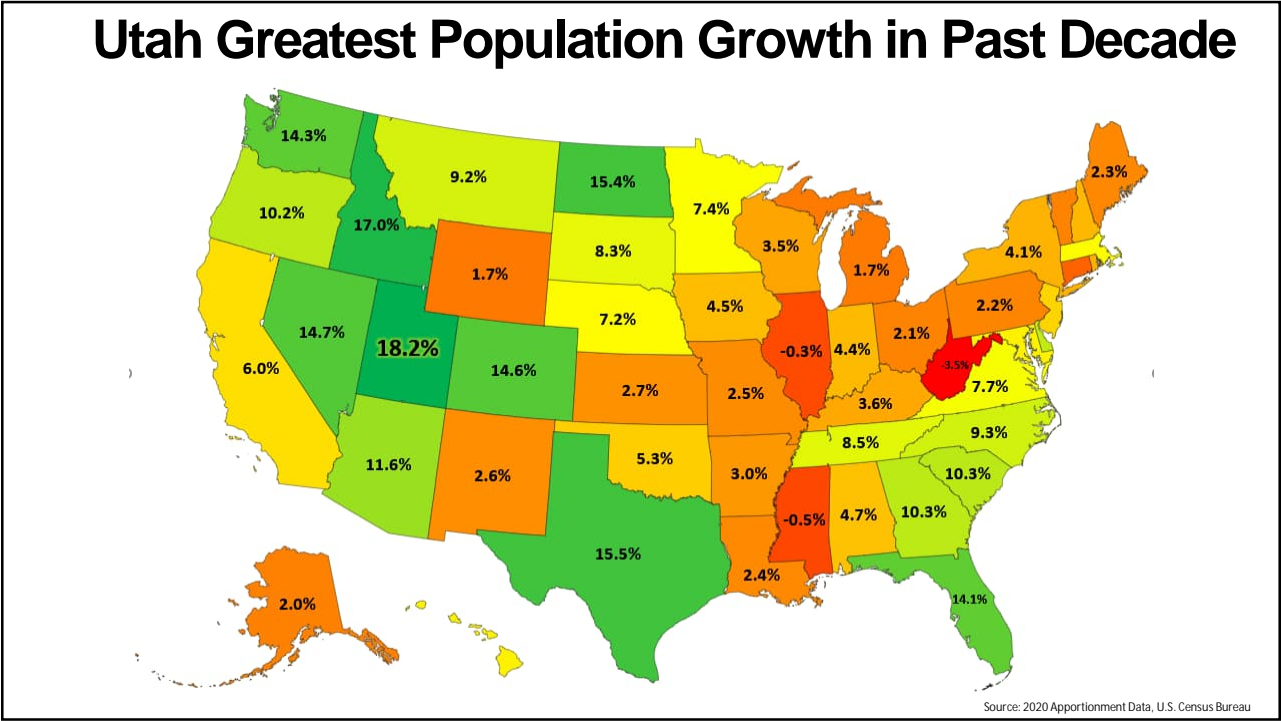
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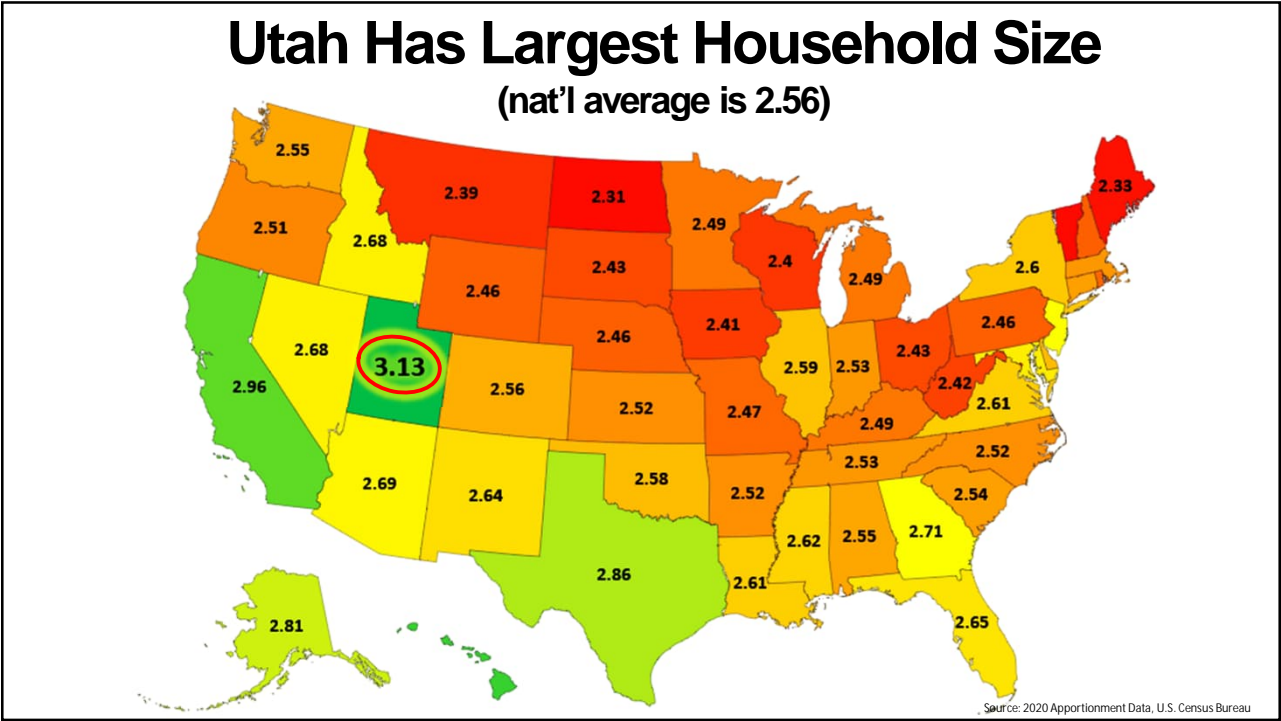
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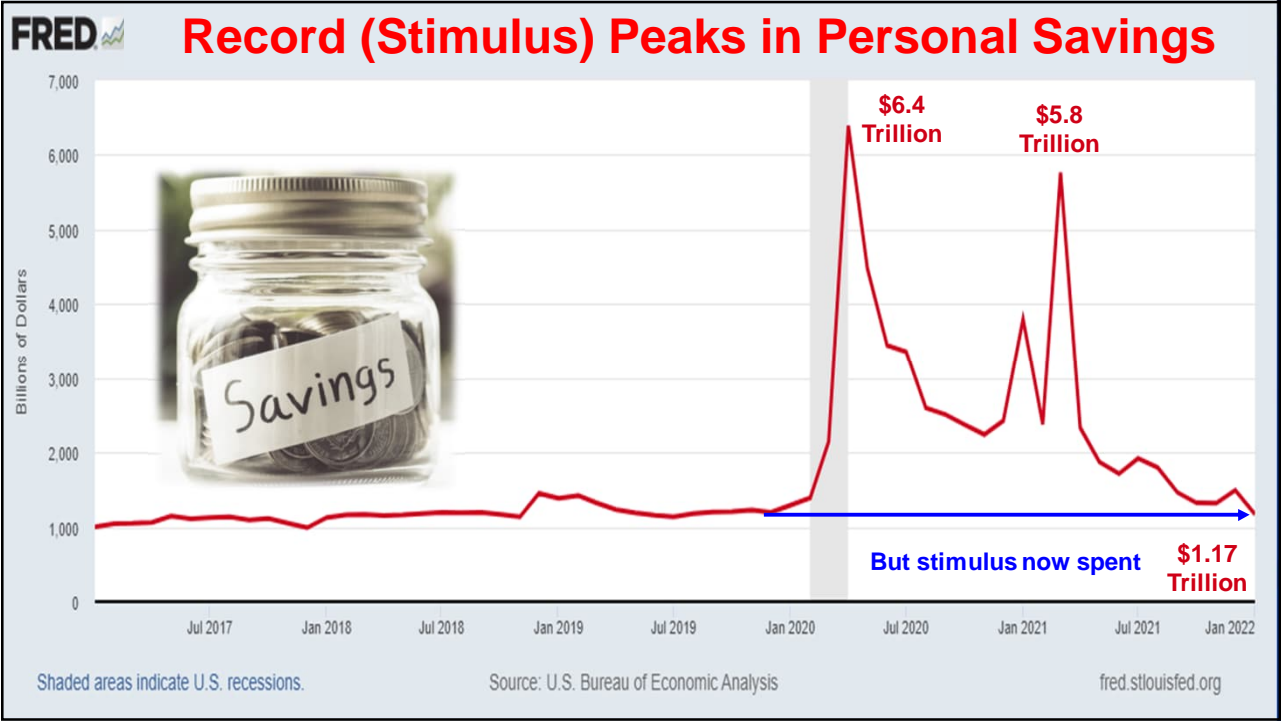
Many Consumers are Flush with Cash, Equity, and Credit



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THE WALL STREET JOURNAL.

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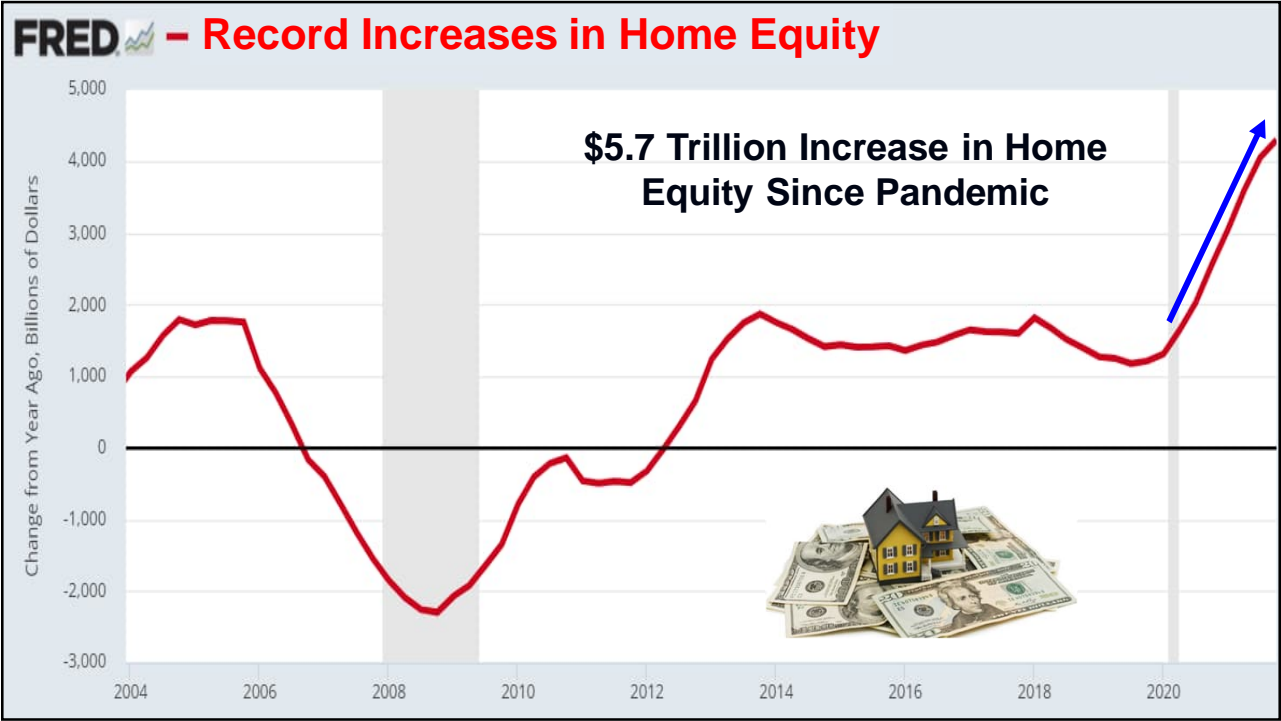
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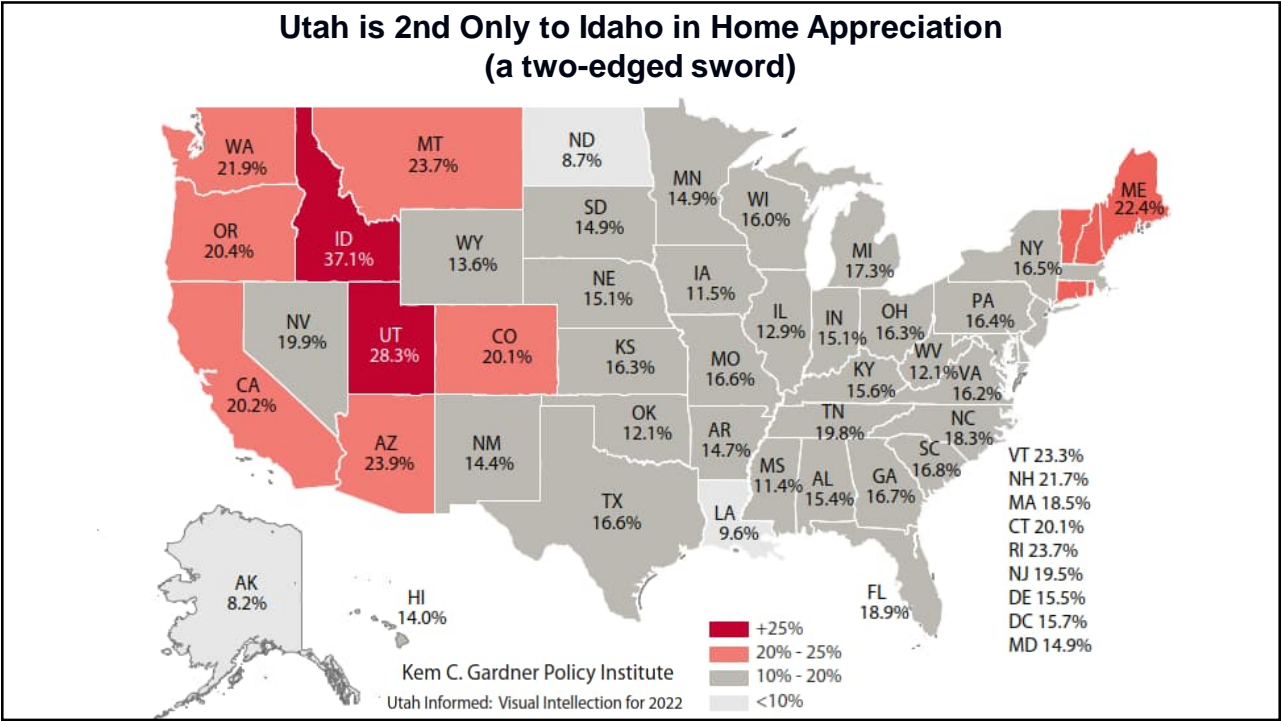
Americans Were Great About Paying Their Debts in the Pandemic. Don't Expect It to Last.

Consumers are spending more, and credit-card delinquencies are rising. Investors need to pay attention to who loses if the trend continues.

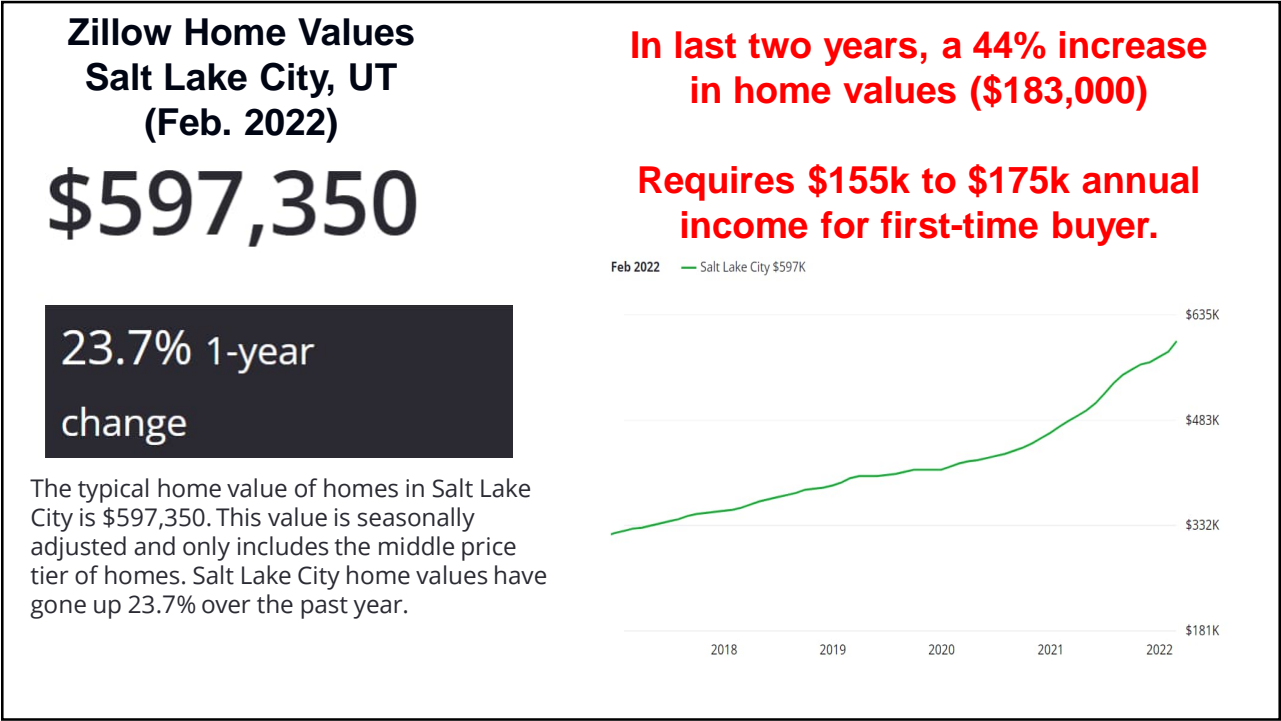
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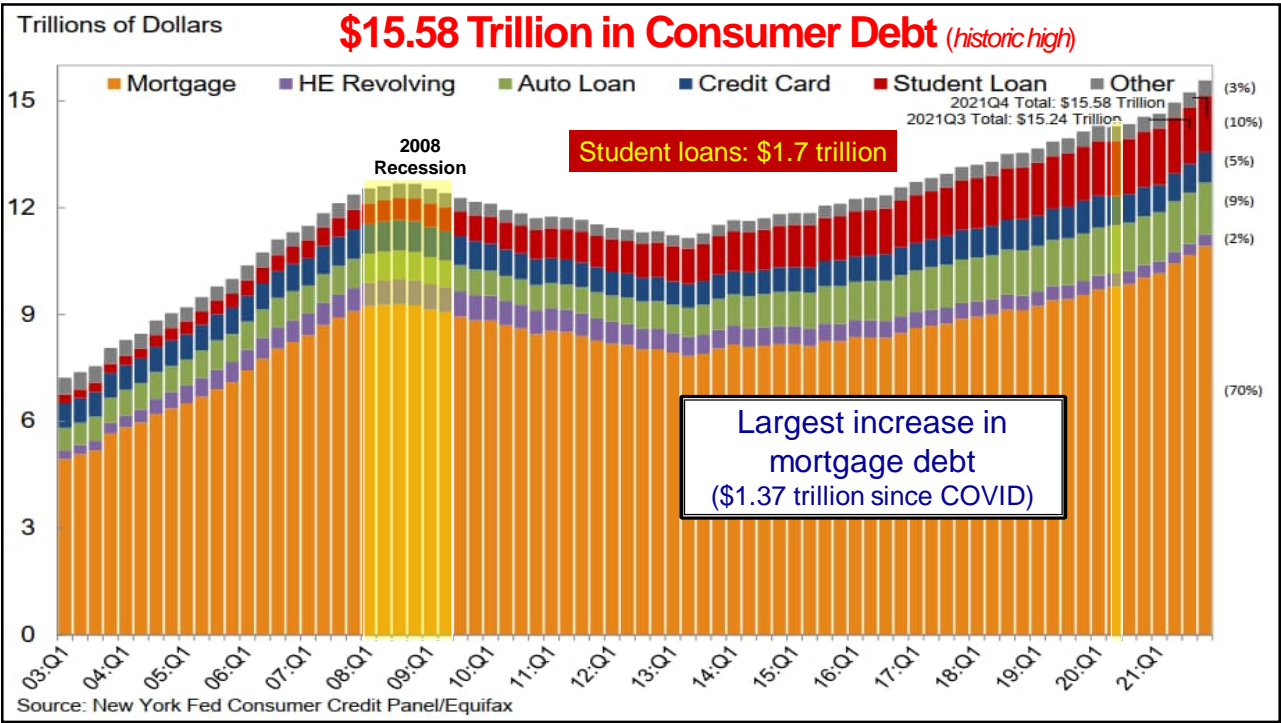
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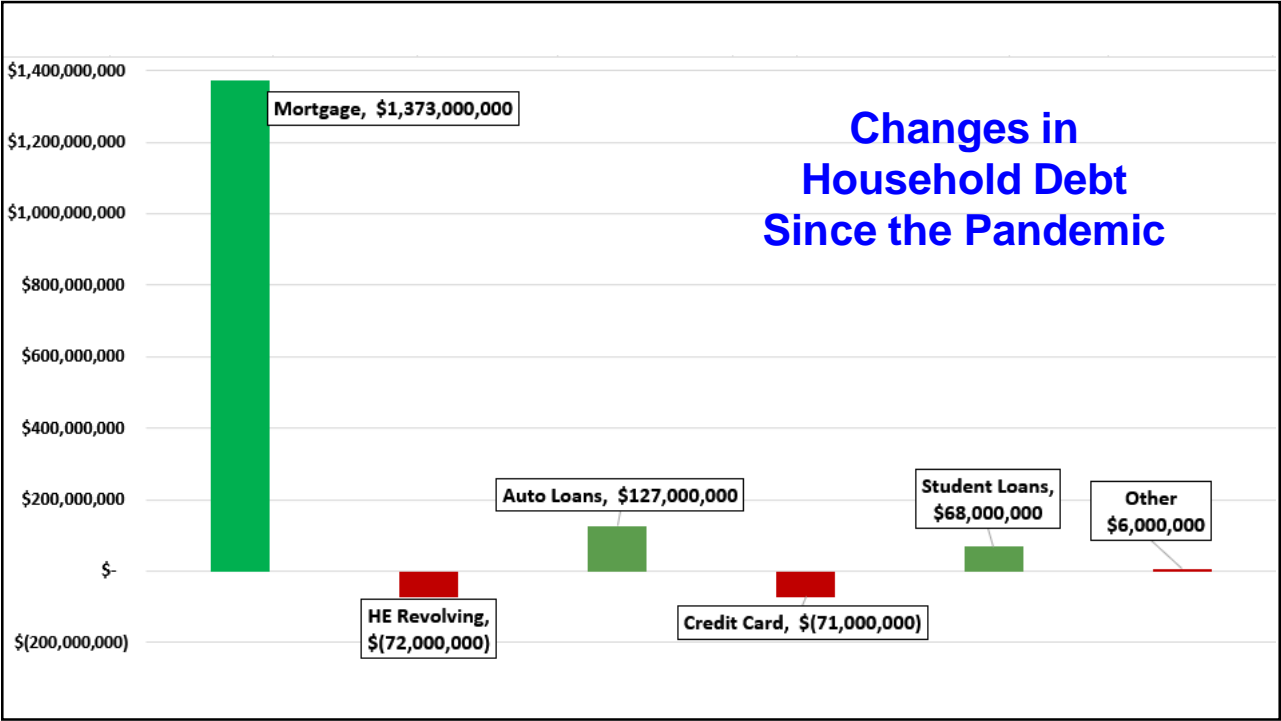
Impact on Consumers Debt



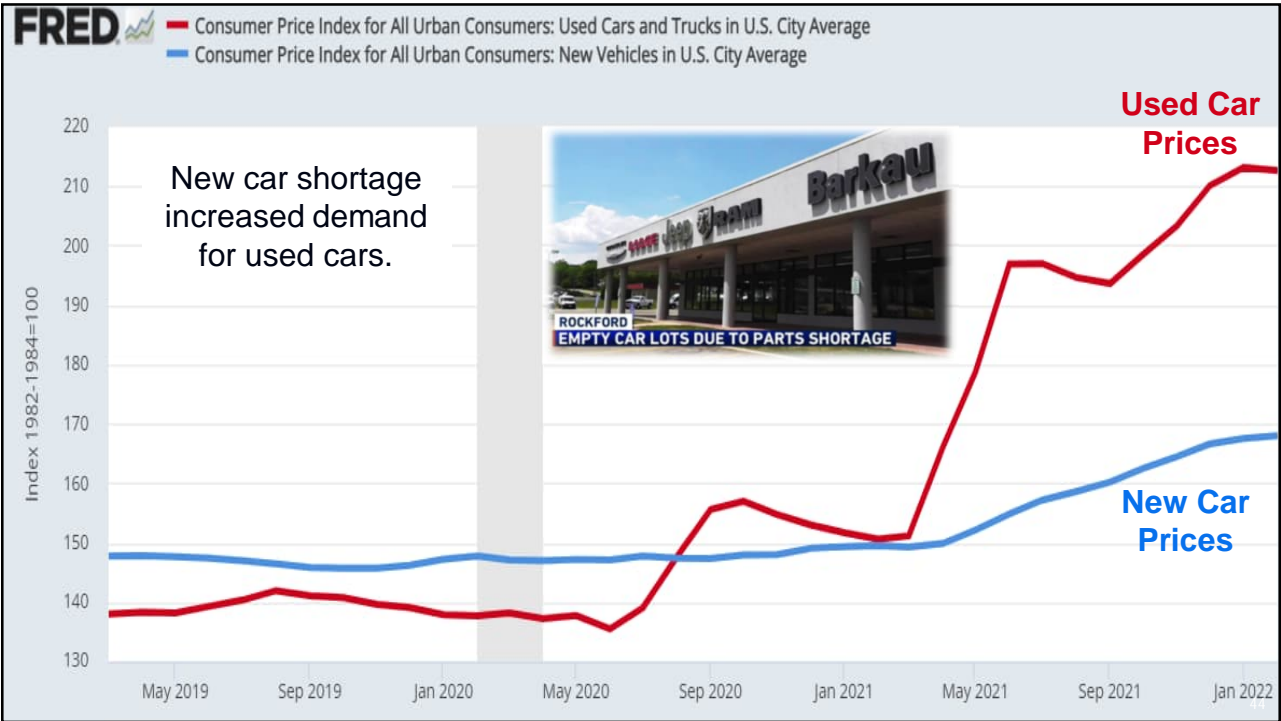
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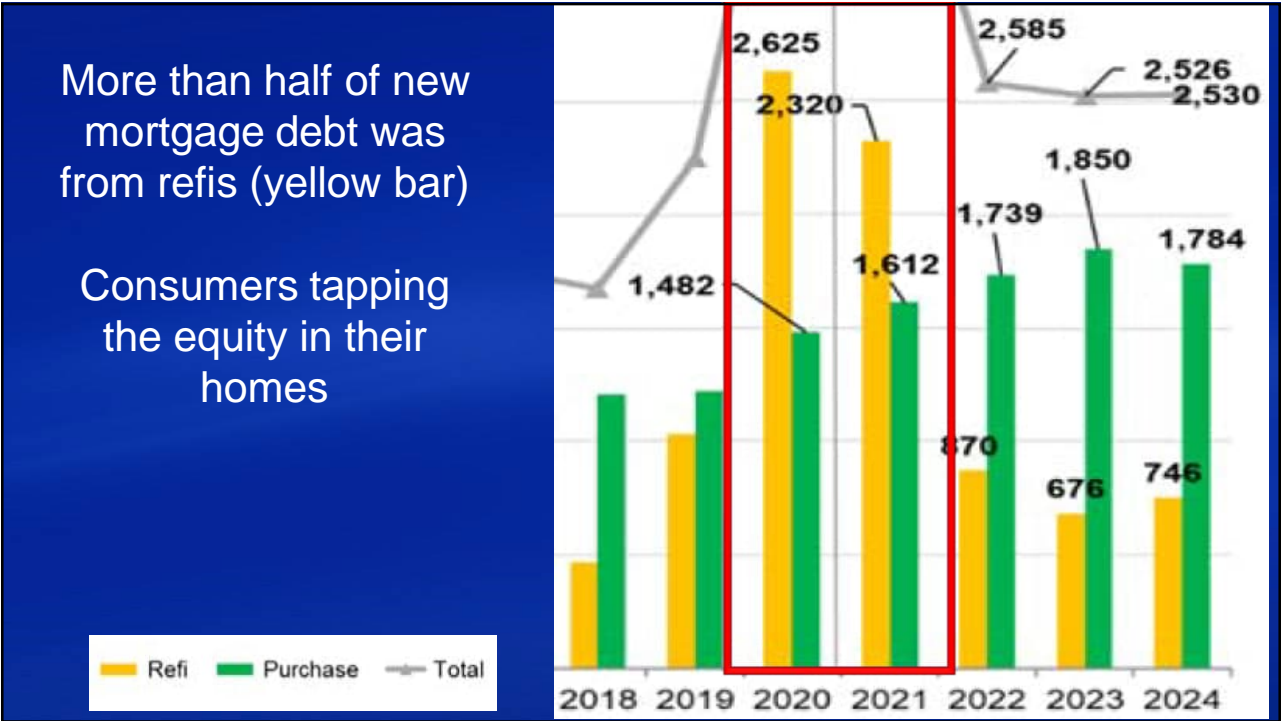
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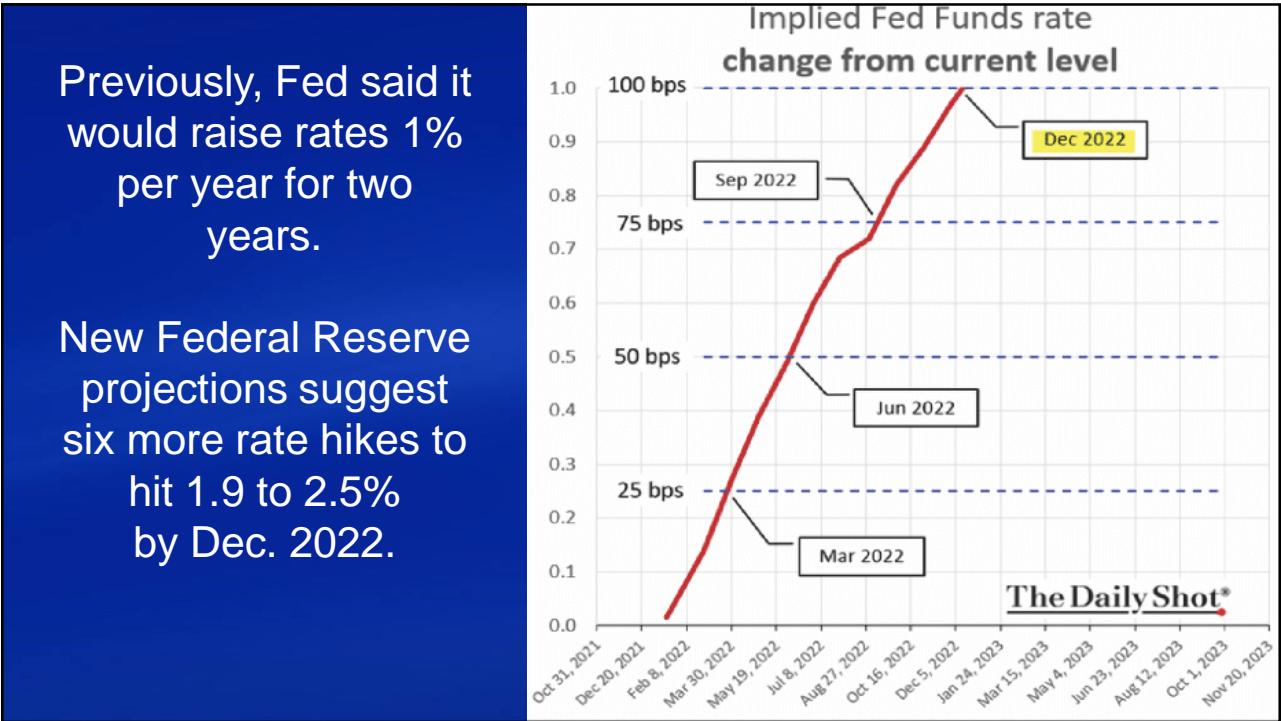
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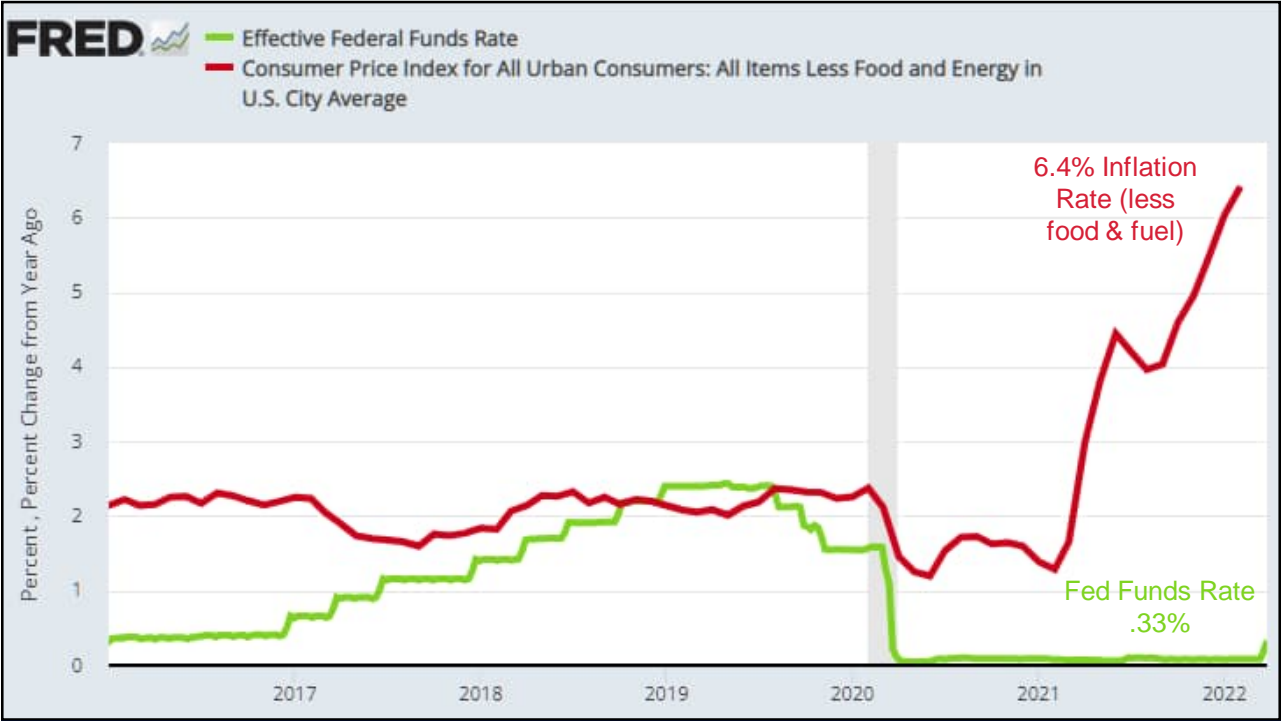
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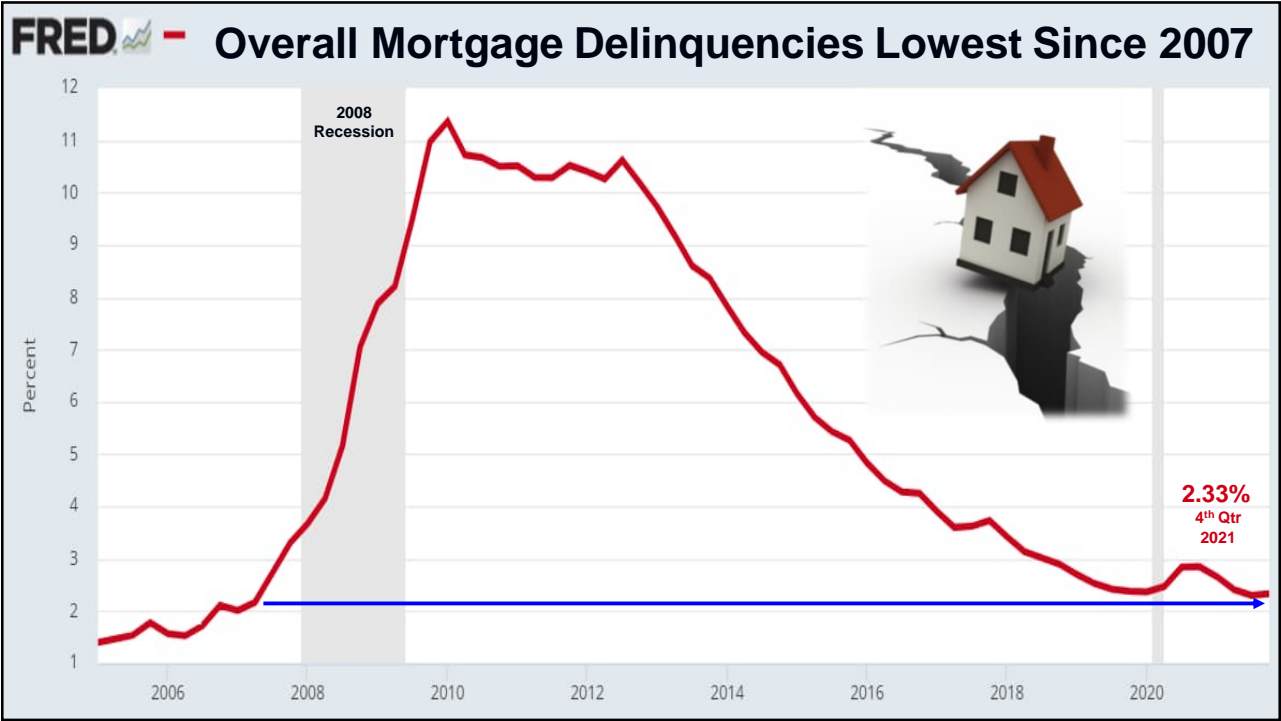
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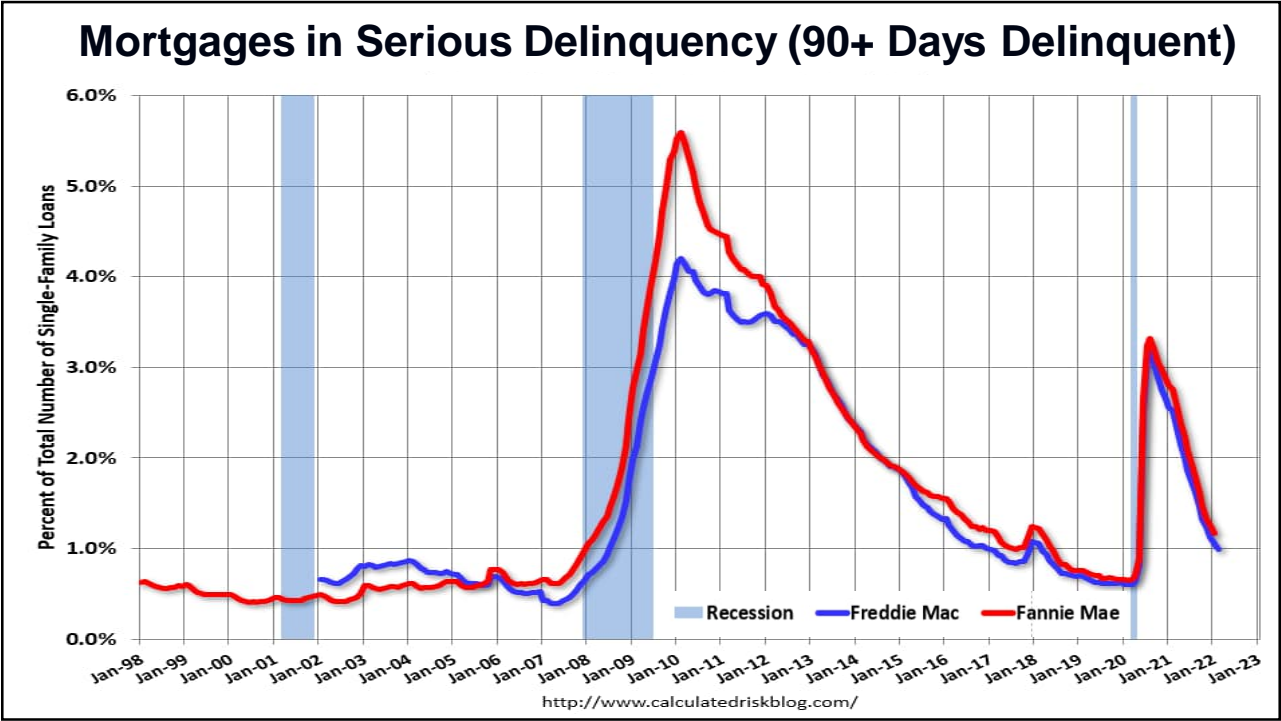
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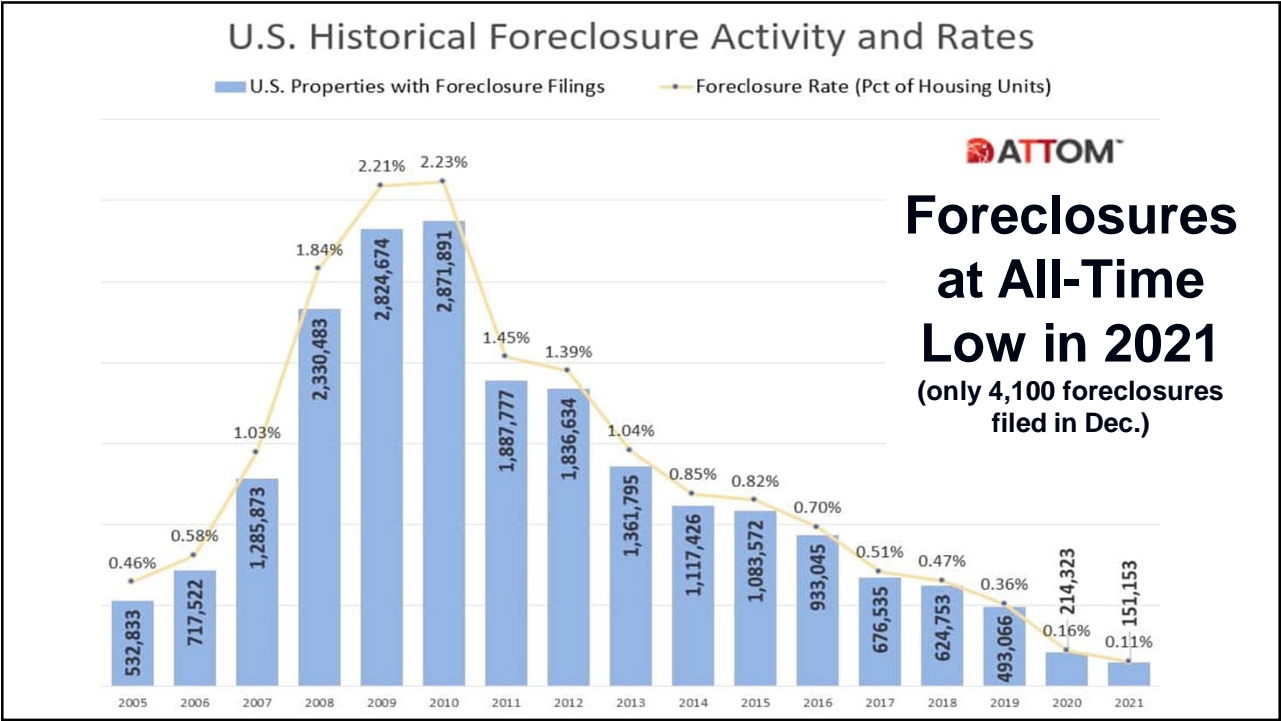
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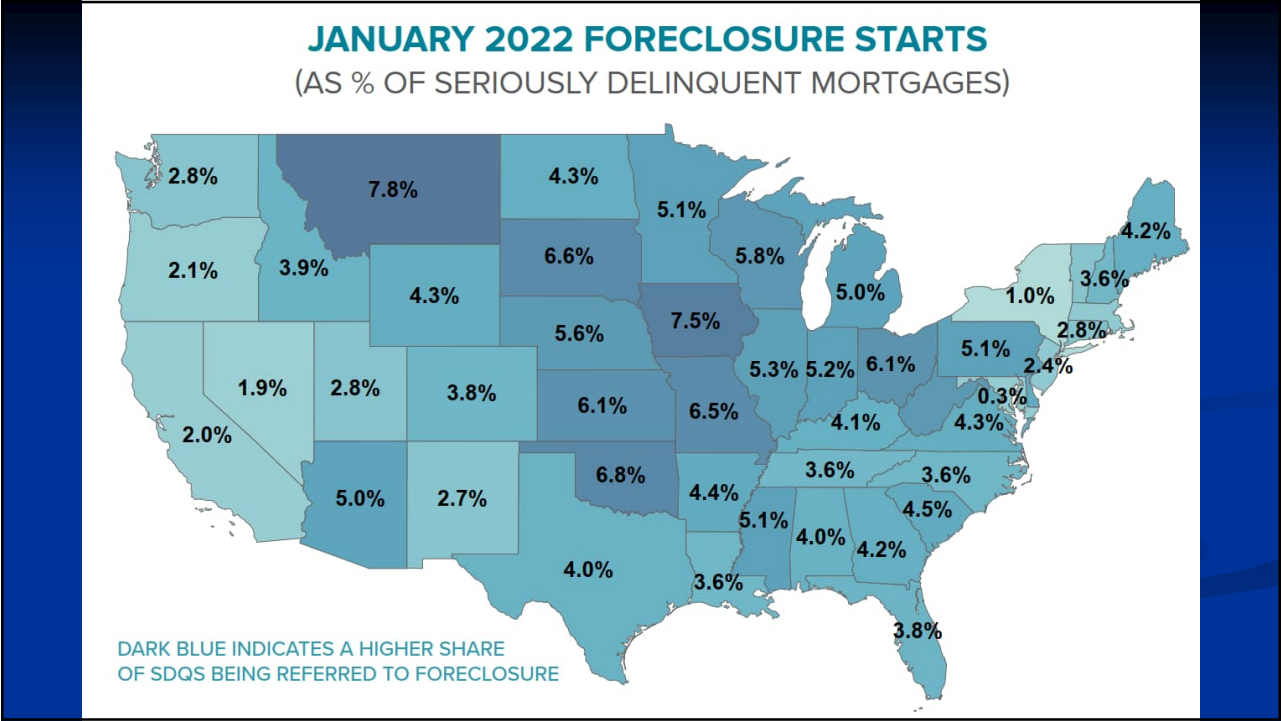
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Utah 16th in foreclosures February (184).

Most foreclosures in Juab, Tooele, Beaver, Carbon, and Cache Counties.

Highest foreclosure rates are in New Jersey, Illinois, and Ohio

A vintage postcard titled "Greetings from UTAH" featuring a detailed map of the state. The map is decorated with various illustrations of Utah's natural and cultural heritage, including mountains, lakes, and Native American figures. Numerous cities and towns are labeled, such as Salt Lake City, Provo, Ogden, and Moab. The postcard also includes the state flower, the Sego Lily, and the state bird, the Utah Sparrow.

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Mortgage Takeaways

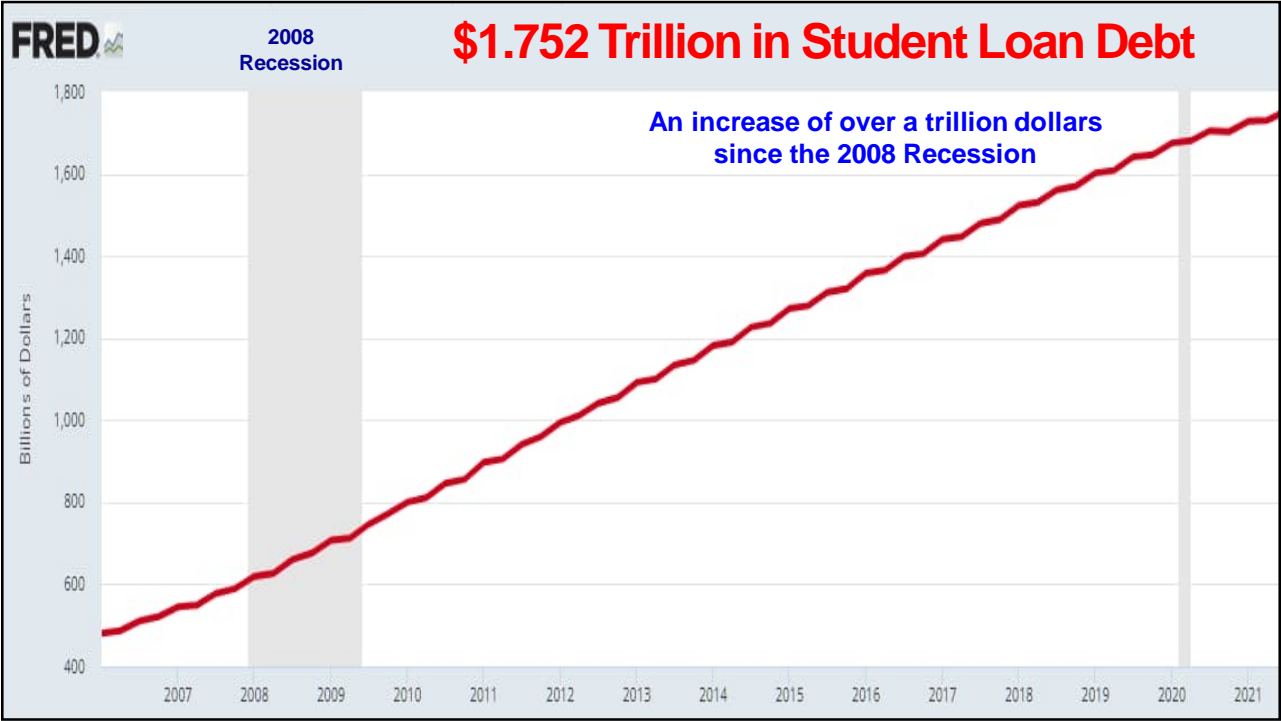
- Governmental actions on a local and national level have mitigated threat of foreclosure—for the time being.
- Delinquency levels are not matching what happened in 2008 because of stimulus, low unemployment, home equity, etc.
- Nonetheless, a million loans are 90+ days delinquent.
- Upon notice of default, will homeowners refinance or sell?
- Will Ch. 13 be the vehicle of choice to buy time to accomplish a refinance or sale?

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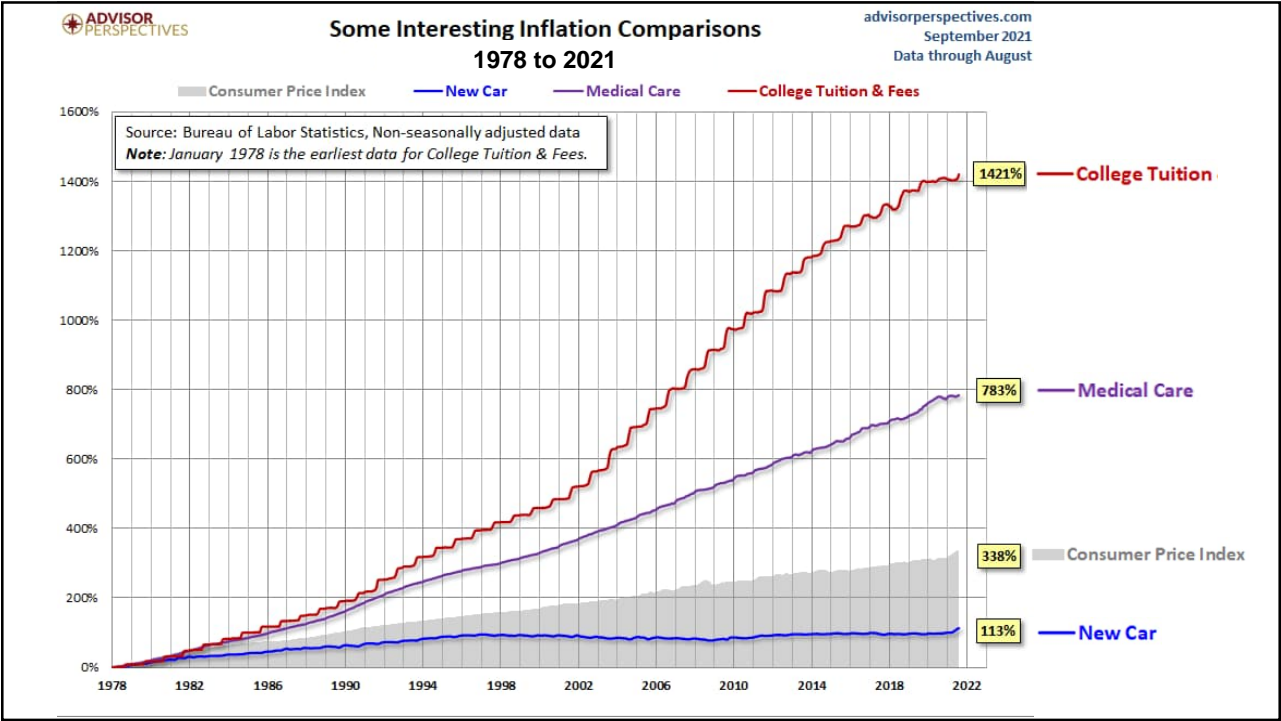
Student Loan Debt



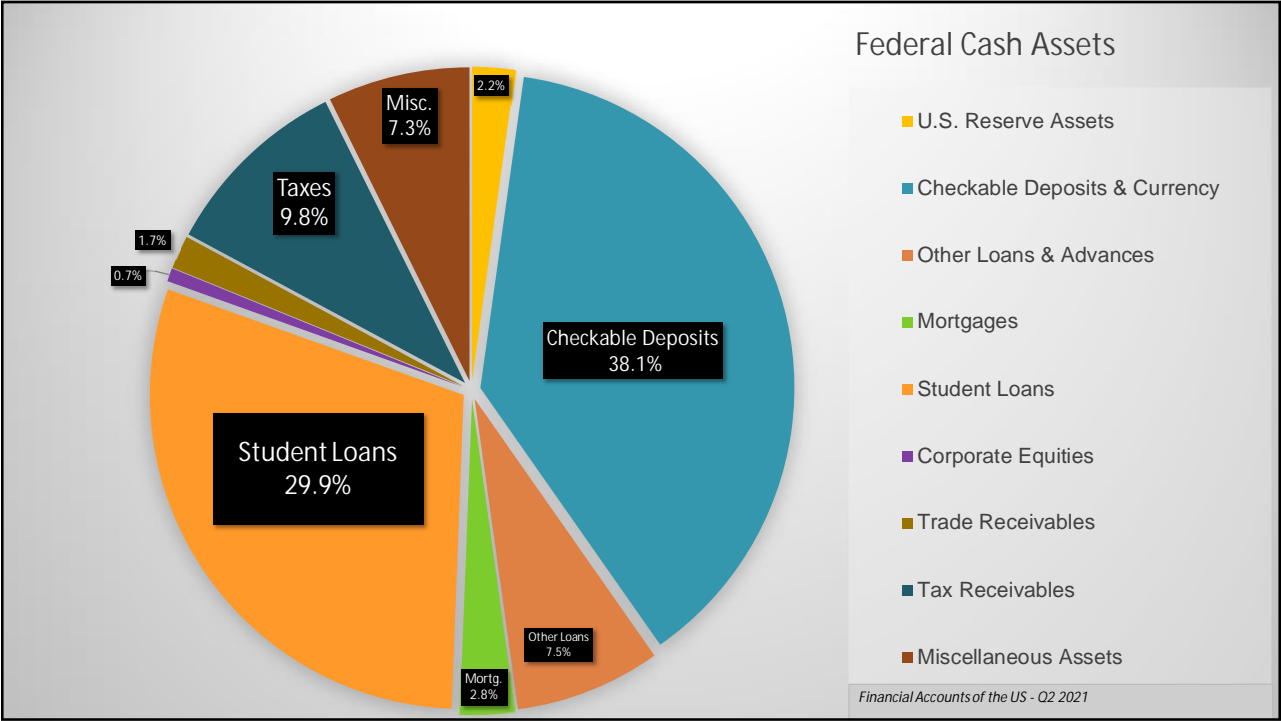
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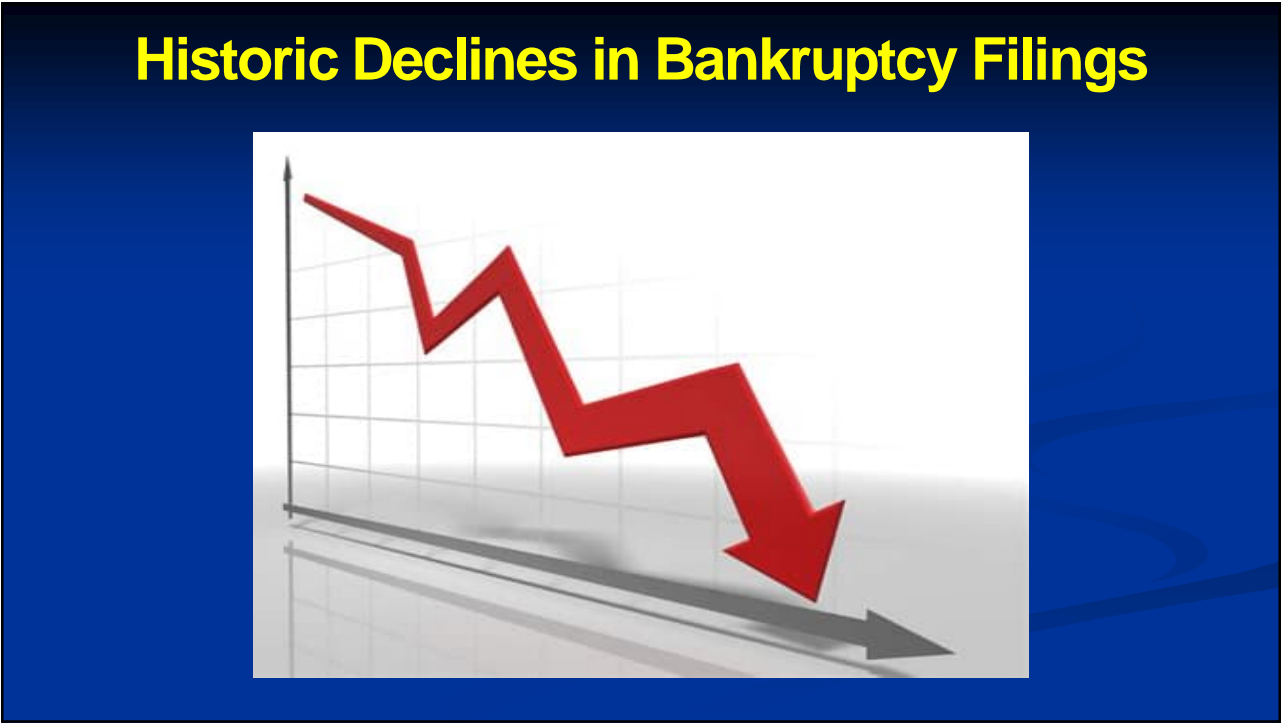


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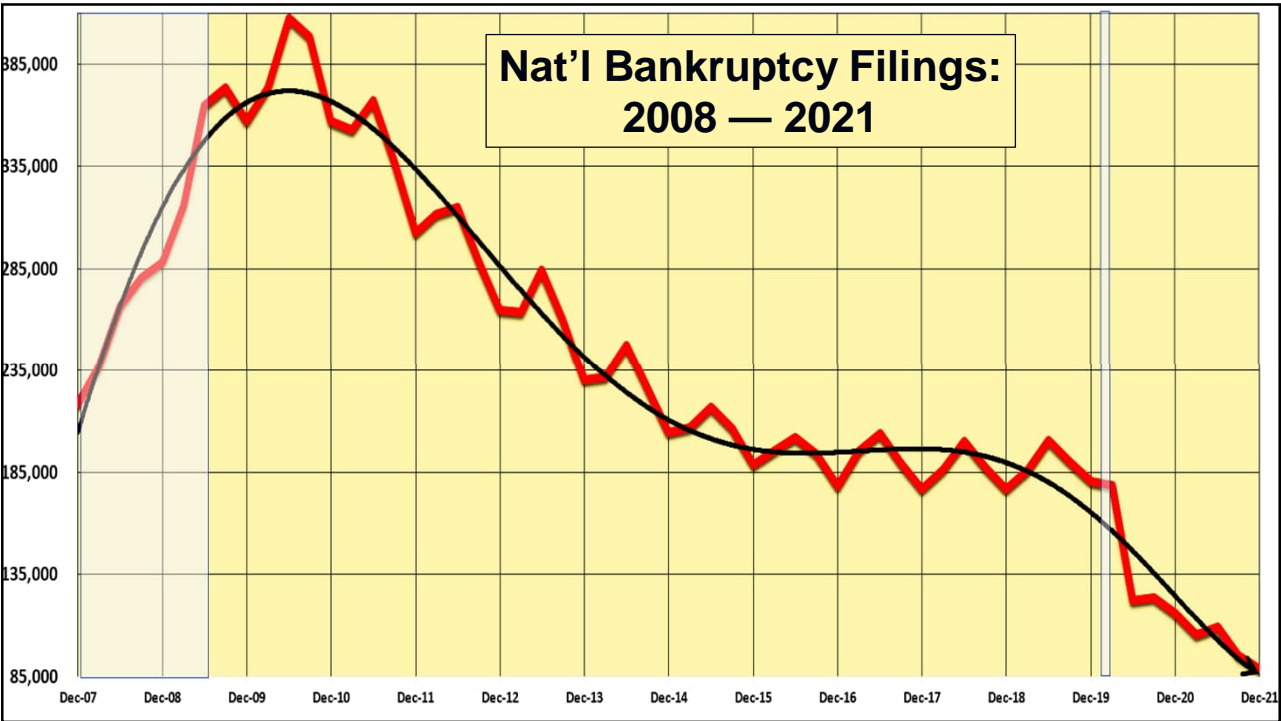
Student Loan Takeaways

- Student loan payment moratorium extended until end of Aug. 31, 2022 (further extensions? debt forgiveness?).
- The student loan receivable is a significant cash asset of the government that has already been spent in future budgets.
- We have a mature and sophisticated system in place to help consumers reorganize student loans.
- Why not amend the Bankruptcy Code to facilitate repayment or to mitigate standard for hardship discharge of student loans?

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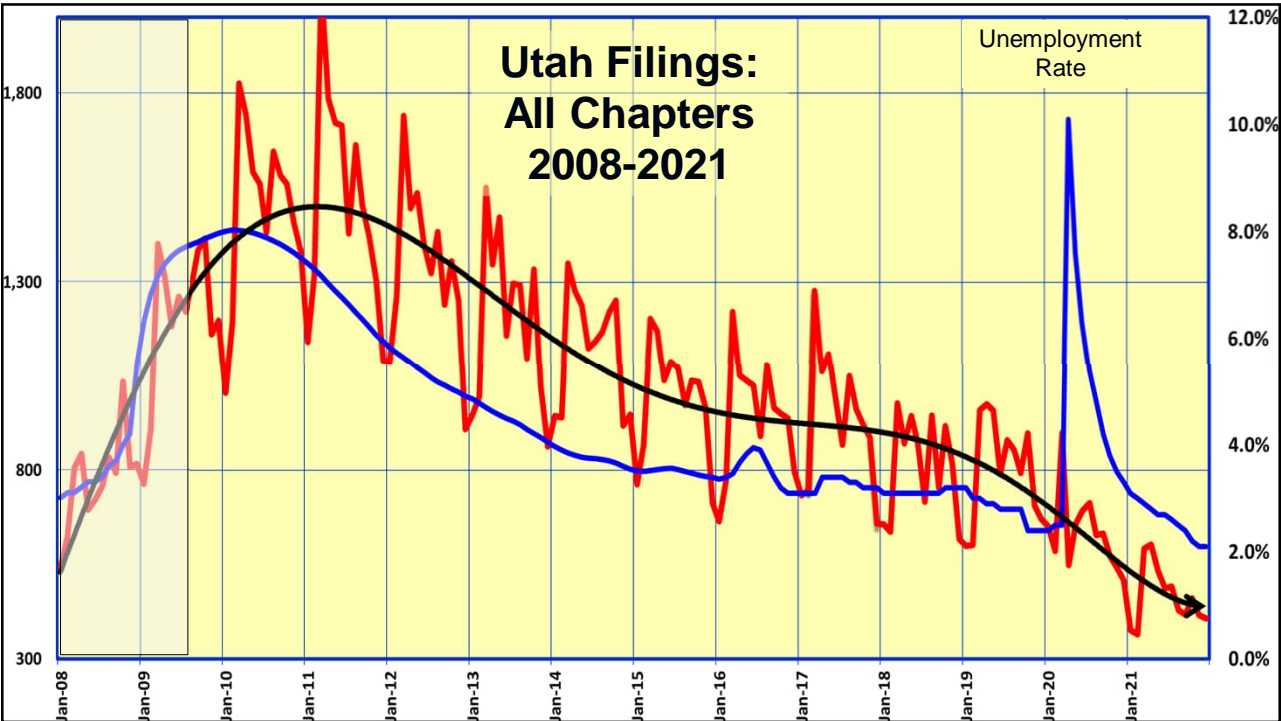
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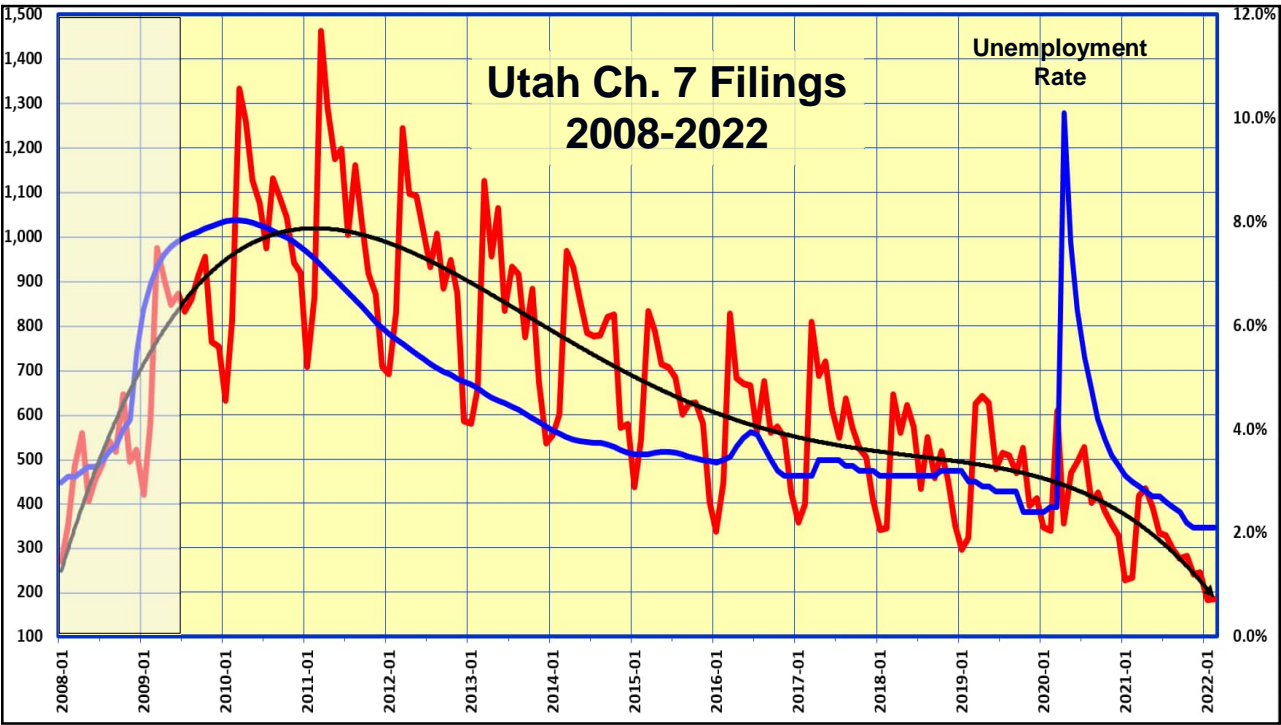
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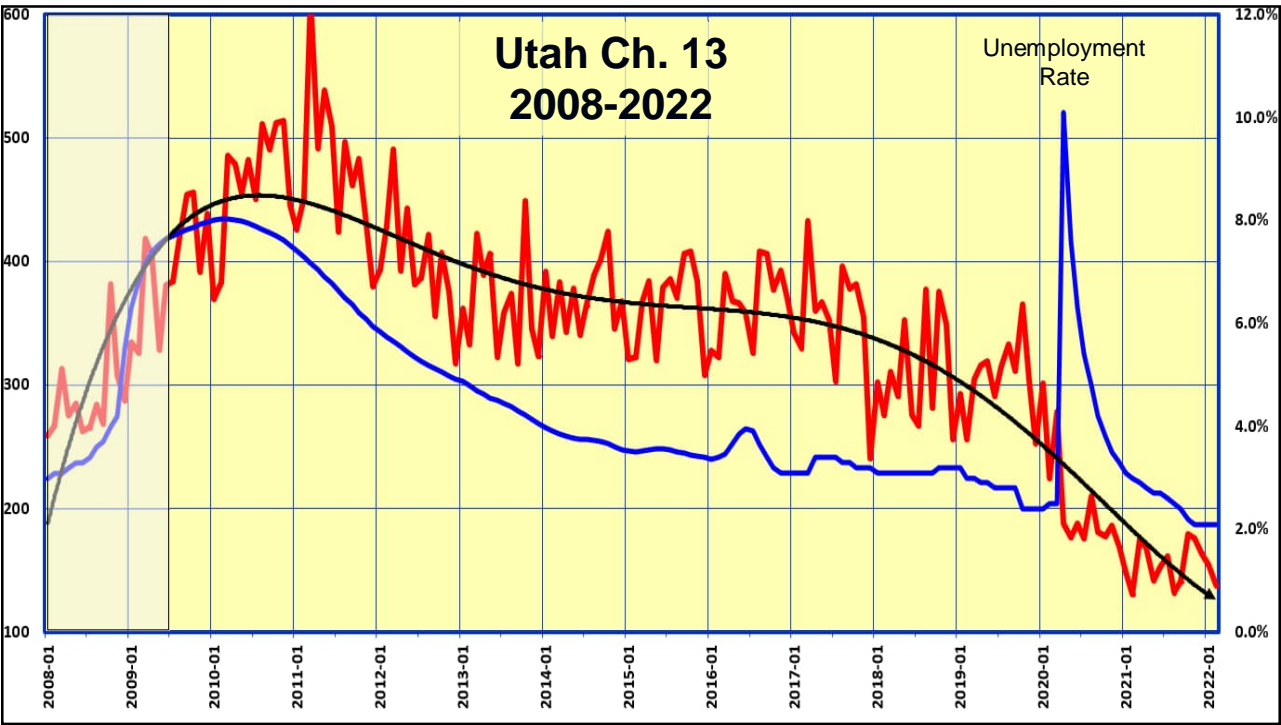
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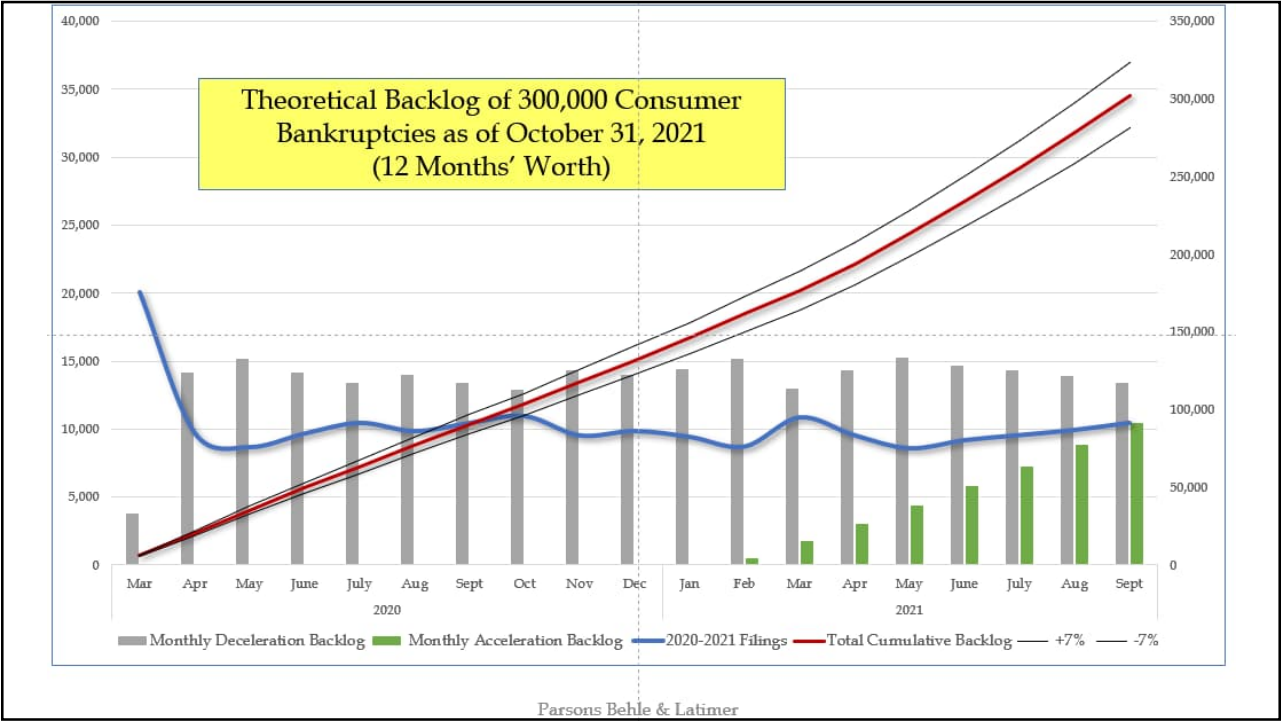
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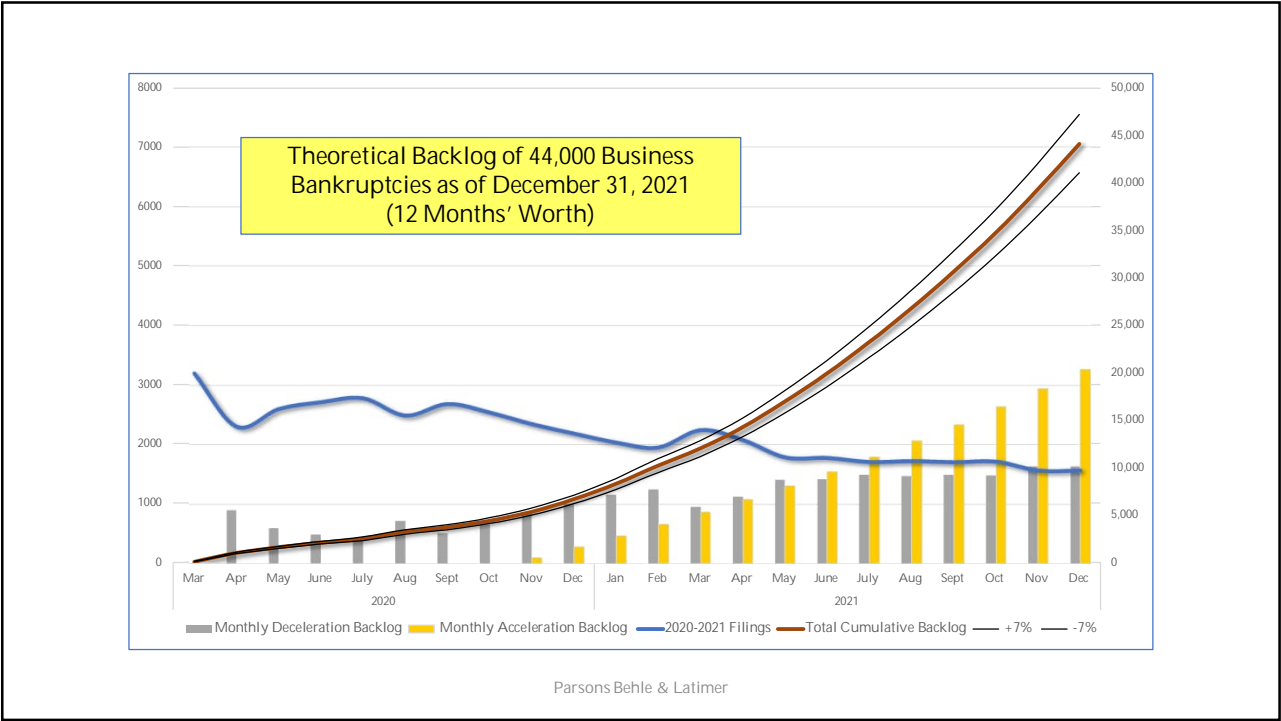
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