

COVID-19 Scenarios – Impact on Sponsorship



Scenarios	BEST CASE: BRIEF CHAOS Stay at home measures lift by June; economic recovery by Fall 2020	POSSIBLE: CHAOS SUBSIDIES Stay at home lifts in summer, social distancing continues; economic downturn throughout 2020	PROBABLE: NEW NORMAL Stay at home lifts in late-summer 2020, social distancing continues; economic downturn through March 2021	WORST CASE: LONG-TERM ECONOMIC CRISIS Stay at home measures lift then return in Fall 2020, continued and deeper economic downturn in Calendar 2021
	<p>Revenue Impact: Calendar 2020: Q2: -35% Q3: -22% Q4 -15% Calendar 2021: Q1: -5% Q2: +20%</p>	<p>Revenue Impact: Calendar 2020: Q2: -40% Q3: -25% Q4 -18% Calendar 2021: Q1: Flat Q2: +17%</p>	<p>Revenue Impact: Calendar 2020: Q2: -40% Q3: -33% Q4 -26% Calendar 2021: Q1: -19% Q2: +15%</p>	<p>Revenue Impact: Calendar 2020: Q2: -40% Q3: -33% Q4 -26% Calendar 2021: Q1: -20% Q2: +5%</p>
Economic	<ul style="list-style-type: none"> 3-5-month disruption V-shaped economic recovery Unemployment decreases as furloughed employees return to work; displaced workers receive money needed to survive the crisis period Stock market recovers to near pre-COVID-19 levels by Calendar 2020 Q4 Spending declines but less dramatically, since most consumers have a safety net; consumer confidence rebounds by Q3 2020 Performance, event cancellations and travel restrictions through June, resume in July / August 	<ul style="list-style-type: none"> 6-month recession Slower economic recovery: Conditions impacting small business continue to negatively affect economy throughout Calendar 2020; Industries most in danger receive government aid to stay afloat Unemployment decreases by year end as businesses come back online and furloughed employees return to work Stock market recovers to near pre-COVID-19 levels by Calendar 2020 Q4 Instability in the economy promotes a savings mindset, stimulating refinancing and refinements to budgets, but inspires spending on heavily discounted products and services as consumers satisfy pent up demand Performance, event cancellations and travel restrictions through June, resume in July / August 	<ul style="list-style-type: none"> 12-month recession General economy remains stalled; Conditions impacting small business continue to negatively affect economy throughout Calendar 2020; some improvement as 'new normal' becomes 'the normal' in January 2021 Unemployment slowly recovers to low double-digit rates by Fall; consumers hold on to cash Instability in the economy promotes a savings mindset, stimulating refinancing and refinements to budgets, but inspires spending on heavily discounted products and services as consumers satisfy pent up demand Performance, event cancellations and travel restrictions through August, resume after Labor Day 	<ul style="list-style-type: none"> 18-24-month recession Dramatic economic downward spiral; Conditions impacting small business continue to negatively affect economy through March 2021 Longstanding unemployment, consumers hold on to cash Small businesses close based on lost revenue Instability in the economy promotes a savings mindset, bankruptcies increase across many sectors Performance, event cancellations and travel restrictions through end of 2020
Cultural	<ul style="list-style-type: none"> Social distancing eventually fades but vestiges remain; Population comfortable being in crowds by summer less handshaking, more remote work Economic instability promotes a 'savings mindset' that lowers consumer willingness to spend for months if not years Importance of collective security and public health is reinforced; hospitals equipped to handle future outbreaks by summer Confidence in the ability of the government to respond Several months for crowd related events to return in most states 	<ul style="list-style-type: none"> Population comfortable being in groups of 50+ Importance of collective security and public health is reinforced; hospitals better equipped to handle future outbreaks Population adjusts to new annual rhythms; 1 - the ability to monitor and protect communities through testing, contact tracing, isolating, and 2 - the ability to manage those who test positive or exposed increases community confidence by end of Summer 2020 Ability of the hospital and health systems to handle surges by Summer provides consumer confidence 	<ul style="list-style-type: none"> Population comfortable being in groups of 25+ people assuming evidence of health and safety measures in place Population adjusts to new annual rhythms: 1. the ability to monitor and protect communities through testing, contact tracing, and isolating, and 2. the ability to manage those who are positive or exposed increases community confidence by end of 2020 Ability of the hospital and health systems to handle surges by Fall provides consumer confidence 	<ul style="list-style-type: none"> Population comfortable being in groups of 10+ people assuming evidence of health and safety measures in place Little government intervention, seasonal resurgence in Fall without treatment or vaccine Without vaccine, consumers uncomfortable being in crowds without strict hygiene enforcement Population hesitant to travel abroad or for leisure COVID-19 returns in Fall August slowdown is magnified as people take much needed vacations
Retail & Consumer	<ul style="list-style-type: none"> More consumption shifts online but consumers return to brick and mortar stores by early to mid-summer Businesses dependent on drive-thru and takeout thrive; others seek partners so they can participate in this market Retailers enforce strict new hygiene precautions for employees and shoppers 	<ul style="list-style-type: none"> More consumption shifts online but consumers return to brick and mortar stores by mid to late summer Retailers enforce strict new hygiene precautions for employees and shoppers 	<ul style="list-style-type: none"> Return of virus in Fall causes additional store closures Retailers enforce strict new hygiene precautions for employees and shoppers 	<ul style="list-style-type: none"> Consumption shifts online, putting many traditional grocers, big box and shopping malls out of business Major consolidation occurs across most retail sectors, forcing smaller locally owned players out and consolidating revenue and resources to several key national players Consumers remain nervous; stay in heavy saving mode
Business Climate	<ul style="list-style-type: none"> Restaurants, entertainment, and small businesses struggle to survive, many come back early to mid-summer Companies abide by national quarantine measures; any that don't lose brand equity with consumers and employees Companies adapt existing assets for crisis use — delivery networks, manufacturing capabilities, etc. gain brand equity Marketing budgets return in early summer 2020 Open AR: 90+ days does not exceed 10% 	<ul style="list-style-type: none"> Conditions impacting small business continue to negatively affect economy through the end of calendar 2020, some improvement returning to a new normal in January 2021 Marketers postpone planning through summer More buyers open-minded about including public media through new outreach — effects not fully realized until late 2020 / early 2021 Open AR: Some clients slow pay, days outstanding increase, but payment plans provide enough relief to continue; 90+ days in 15-20% range 	<ul style="list-style-type: none"> Conditions impacting small business continue to negatively affect economy through the end of calendar 2020, some improvement returning to a new normal in January 2021 Marketing budgets cut back due to uncertainty in economic recovery Buyers focus on Calendar 2021 planning Open AR: Many sponsors on payment plans or in default — collections become heightened issue; 90+ days exceeds 20% 	<ul style="list-style-type: none"> Business conditions impacting small business continue to affect economy through 2020 National marketing budgets stronger than local but major Public Media categories with limited marketing budgets forced to cut back dramatically Many clients forced to write off April-May, collection issues increase dramatically Open AR: Bankruptcies force write offs of business placed in early 2020; 90+ days exceeds 30% with some local clients on payment plans
Categories	<ul style="list-style-type: none"> Travel Sector begins to restart marketing with significant uptick in late Summer and Fall Performing Arts / Events some venues begin to open with lower capacity, marketing budgets back on track Healthcare secures funding support, resumes elective procedures and begins marketing again Education programs remain closed through summer but re-open in the Fall with marketing to support more competitive admission environment Financial wealth management emerges as consumers seek advice; consumer banking marketing returns Movie Studios deal-making is shifting away from the major studios while continuing at least somewhat apace at digital and streaming giants Emerging lift from emerging categories help offset losses from April / May 	<ul style="list-style-type: none"> Travel Sector recovers some in summer; continues to hold on marketing until Fall Performing Arts / Events some venues begin to open in late June with lower capacity, marketing budgets support Fall season Healthcare secures funding support, resumes elective procedures and begin marketing again Education programs remain closed through Summer with some opening in the Fall and others doubling down on online programs, with budgets to spend Financial wealth management gains some traction while consumer banking marketing is flat Movie Studios deal-making is shifting away from the major studios while continuing at least somewhat apace at digital and streaming giants leading to some support of releases Emerging some lift from emerging categories help offset others slashed or gone completely 	<ul style="list-style-type: none"> Travel Sector recovers some in summer but holds on marketing until Fall Performing Arts / Events some venues begin to open by Labor Day with lower capacity; marketing budgets cut back with little support for Fall. 2021 season push begins in Fall Healthcare elective procedures slow to return; marketing budgets impacted by private pay Education programs remain closed through Fall, shifting online, impacting budgets available to spend, with continued emphasis on online lead gen marketing activities Financial marketing is flat on national level; local and regional banks cut back on marketing Movie Studios disruption from a summer of no moviegoing or moviemaking will have lasting consequences on the 2021 and 2022 release calendar. Marketing cut back Emerging some lift from emerging categories help offset others slashed Restaurants remaining at half capacity through 2020 (D.C.) Federally focused campaigns remain on pause through end of June, impacting 80% of that business 	<ul style="list-style-type: none"> Travel sector decimated in 2020; some marketing returns in 2021. Drivable vacation destinations with social distancing become popular Performing Arts / Events some venues begin to open with significant lower capacity, others shutter. Marketing budgets severely impacted Healthcare hit hard by insurance only and elective procedures wane. Marketing budgets cut back, but sub-categories emerge Education programs remain closed through Fall, shifting online, impacting budgets available to spend, with continued emphasis on online lead gen marketing activities Financial marketing is down some on national level; local and regional banks cut back on marketing Movie Studios disruption from summer of no moviegoing or moviemaking will have lasting consequences on the 2021 and 2022 release calendar. Marketing budgets cut severely Restaurants remaining at half capacity through spring of 2021 (D.C.) Federally focused campaigns remain on pause through end of August, impacting 80% of that business