

E~Credit News

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Subject line: Member News

THE POST-COVID ECONOMY LESSONS FROM PAST DISRUPTIONS

BY: STEVEN C. ISBERG, PHD

Abstract

The COVID shutdown of early 2020 has been one of the most disruptive events in U.S. economic history. As the economy seeks to recover from the impact of the shutdown and then resume operations in a pandemic environment characterized by measures directed at protecting health and well-being, it is helpful to understand how the economy has responded to other disruptive events. This paper will consider the post-COVID economy in comparison to two of those events: 1) the financial market meltdown and subsequent recession of 2008-09; and 2) the post-World War II era of 1946 to 1952. It is important to note that our examination of economic behavior will not be limited to those narrow time periods, but rather, will include analysis of what happened prior to and following those time intervals.

The financial market meltdown is similar to the COVID shutdown in the sense that it came about very suddenly and somewhat unexpectedly. The post-World War II era is similar in the sense that the end of the war resulted in a massive reduction in the need for what the economy had been producing, and significant shortages of what was needed and wanted. In addition, the winding down of defense production and subsequent return of military personnel serving overseas resulted in the displacement of many who had been employed in support of the war effort. Because of these factors, the post-war economy was characterized by instances of both recession and inflation, much like we have seen in the emerging post-COVID economy. Hopefully, these lessons will shed some light on what needs to happen in order to restore real economic growth to the post-COVID U.S. economy.

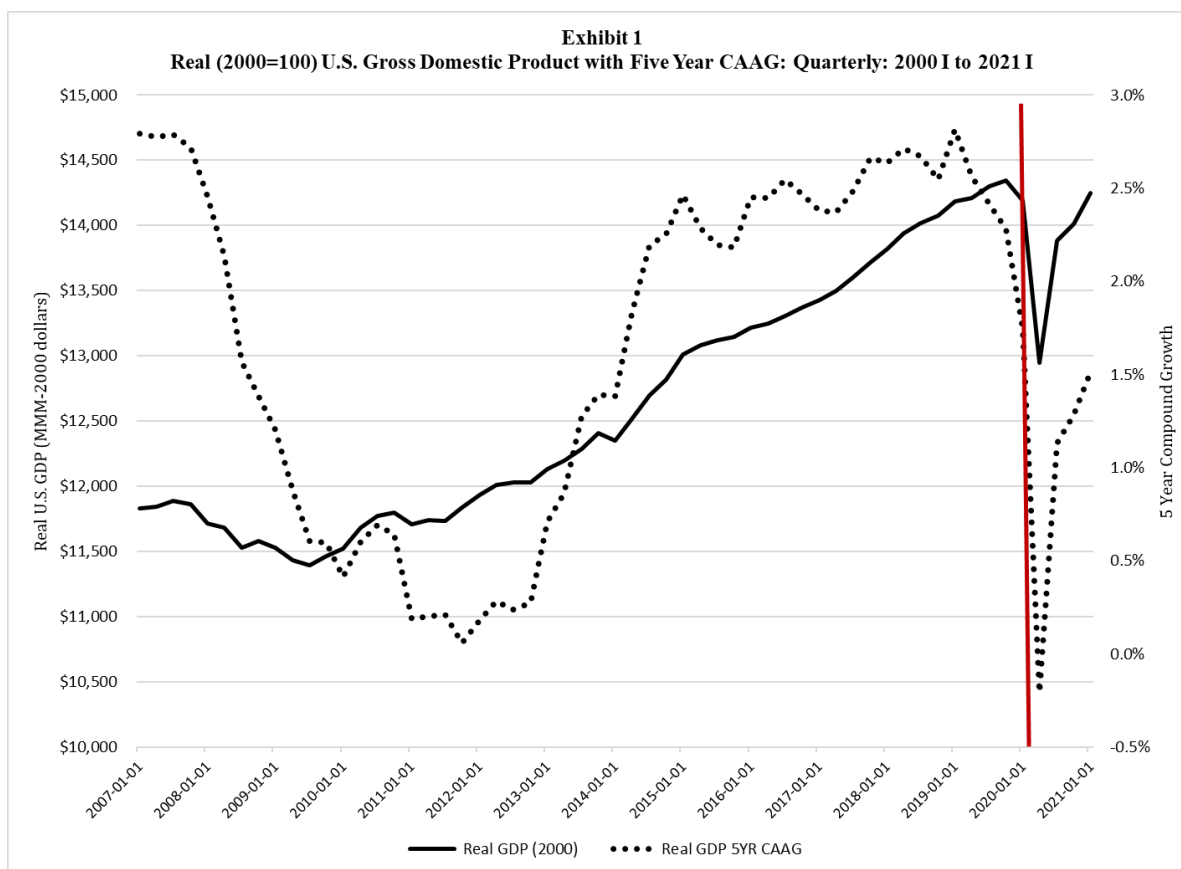
The COVID Shutdown and Reopening: March 2020-May 2021

The spontaneous shutdown upon the outbreak of the COVID pandemic pushed most of the global economy off a cliff. In spite of its relative strength, the U.S. was no exception. The shutdown itself accelerated the rate at which the economy was already beginning to decline at the time. As can be seen in Exhibit I, the growth rate in real U.S. gross domestic product (GDP) had begun to slow down after the first quarter of 2019¹. It then plummeted as the economy shut down in late March 2020. The most severe impact of the shutdown passed by the end of the second quarter 2020, and the economy has since been improving. Even so, the real GDP has yet to return to its pre-COVID level.

The intervening loss also significantly exceeded the impact of the financial market meltdown in 2008. The overall real loss following the meltdown was \$500 billion. The real loss in 2020 was over \$1.4 trillion.

¹ Data source: Federal Reserve Bank of St. Louis Economic Database

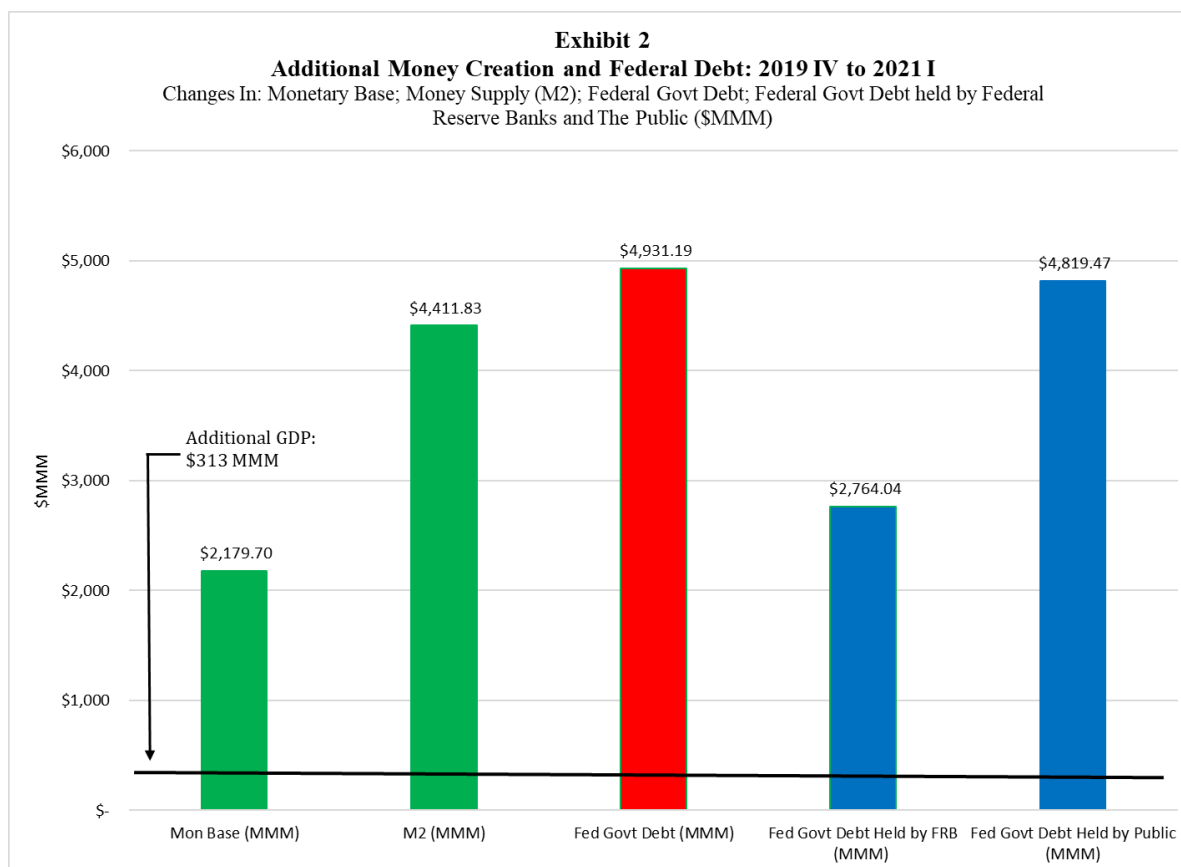
THE POST-COVID ECONOMY LESSONS FROM PAST DISRUPTIONS (CONTINUED)



In many respects it isn't appropriate to refer to this past year as a time of recovery. Rather, it has been more of a time of forestalling and maintenance. We can liken this to the case of a critically ill patient who has been admitted to the ICU. While the patient's condition has improved and stabilized, s/he is quite far from recovery and release. As with an ICU, the cost of this treatment has been immense.

The treatment program for the maintenance of the economy has been enabled by the creation of almost \$2.2 trillion in new monetary reserves by the U.S. Federal Reserve System. As can be seen in Exhibit 2, the Fed used these reserves to increase its holdings of federal government debt by over \$2.7 trillion. Once in the banking system, these reserves led to the creation of an additional \$4.4 trillion in M2 money supply, most of which funded the additional \$4.9 trillion in Federal government borrowing. As a result of the increased borrowing, the public's ownership of Federal government debt increased by \$4.8 trillion.

THE POST-COVID ECONOMY LESSONS FROM PAST DISRUPTIONS (CONTINUED)



The additional federal government debt was used to cover tax revenue shortfalls and fund income and business support programs. The Federal government spent \$6.55 trillion while collecting only \$3.42 trillion in revenues in 2020. The additional spending was covered by an extra \$3.13 trillion in debt. Federal disbursements for 2020 included over \$850 billion in payroll protection loans, over \$800 billion in unemployment and other income support benefits and another \$800 billion in COVID stimulus payments made directly to residents². As can be seen in the exhibit, this resulted in an increase in nominal GDP of only \$313 billion.

Lesson 1: The Impact of Monetary Expansion: 2008-2021

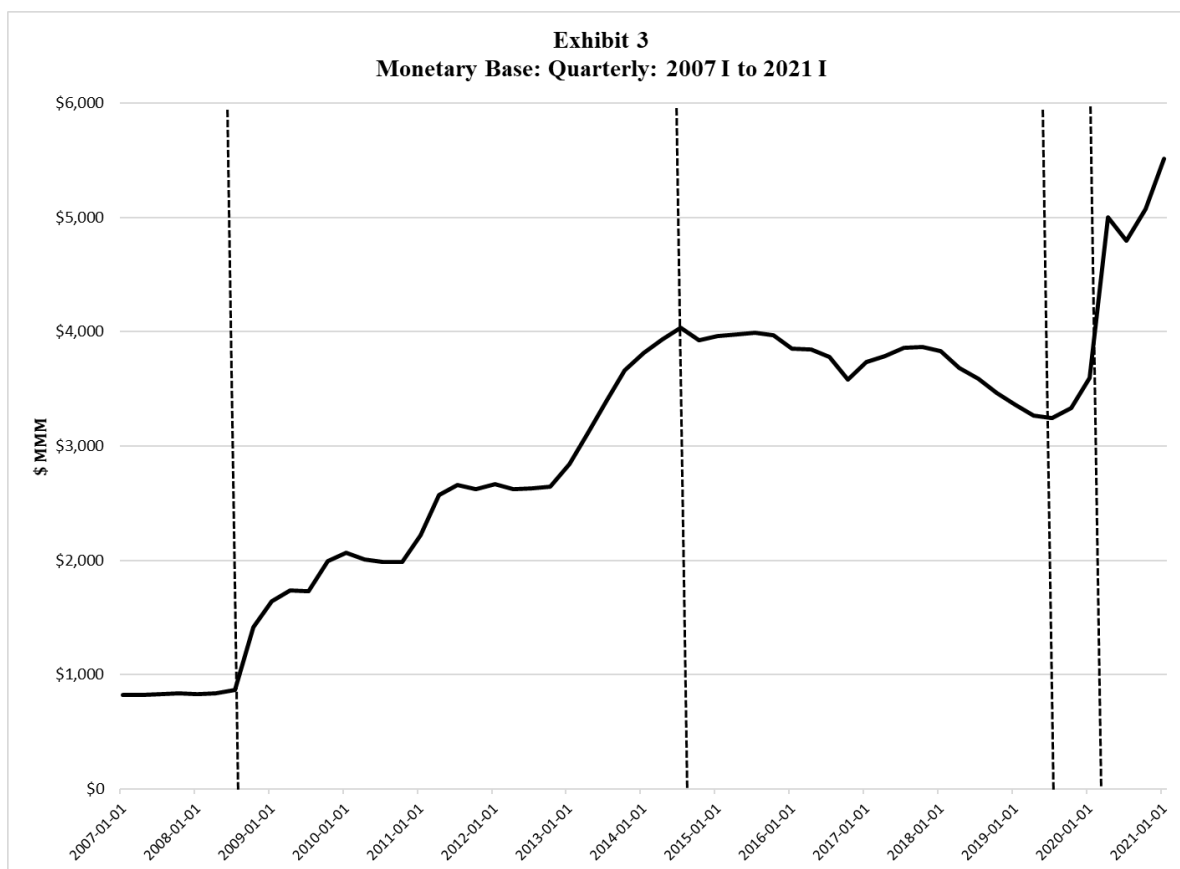
As it did during the TARP/QE I-III era³ following the financial market meltdown of 2008, the Federal Reserve System's response to the COVID shutdown was to inject financial reserves into the monetary system, as previewed above. As can be seen in Exhibit 3, the Fed injected a total of \$3.16 trillion of new reserves into the banking system between the third quarters of 2008 and 2014⁴. Over the next five years, it reduced those reserves by over \$800 billion, yet started to add them back even before the COVID shutdown. Through the shutdown and continuing to the present, the Fed has injected almost \$2.2 trillion in new reserves. While still less than the total injection from 2009 to 2014, it is remarkable that it has taken place in only 16 months.

2 Money and Debt data from Federal Reserve Banks of St. Louis Economic Database; Spending data from U.S. Department of Treasury; Bureau of Fiscal Service; DataLab 2020.

3 TARP: Troubled Asset Relief Program of October 2008; QE I to QE III were the three rounds of quantitative easing by the Federal Reserve between 2009 and 2014.

4 Federal Reserve Bank of St. Louis Economic Database

THE POST-COVID ECONOMY LESSONS FROM PAST DISRUPTIONS (CONTINUED)

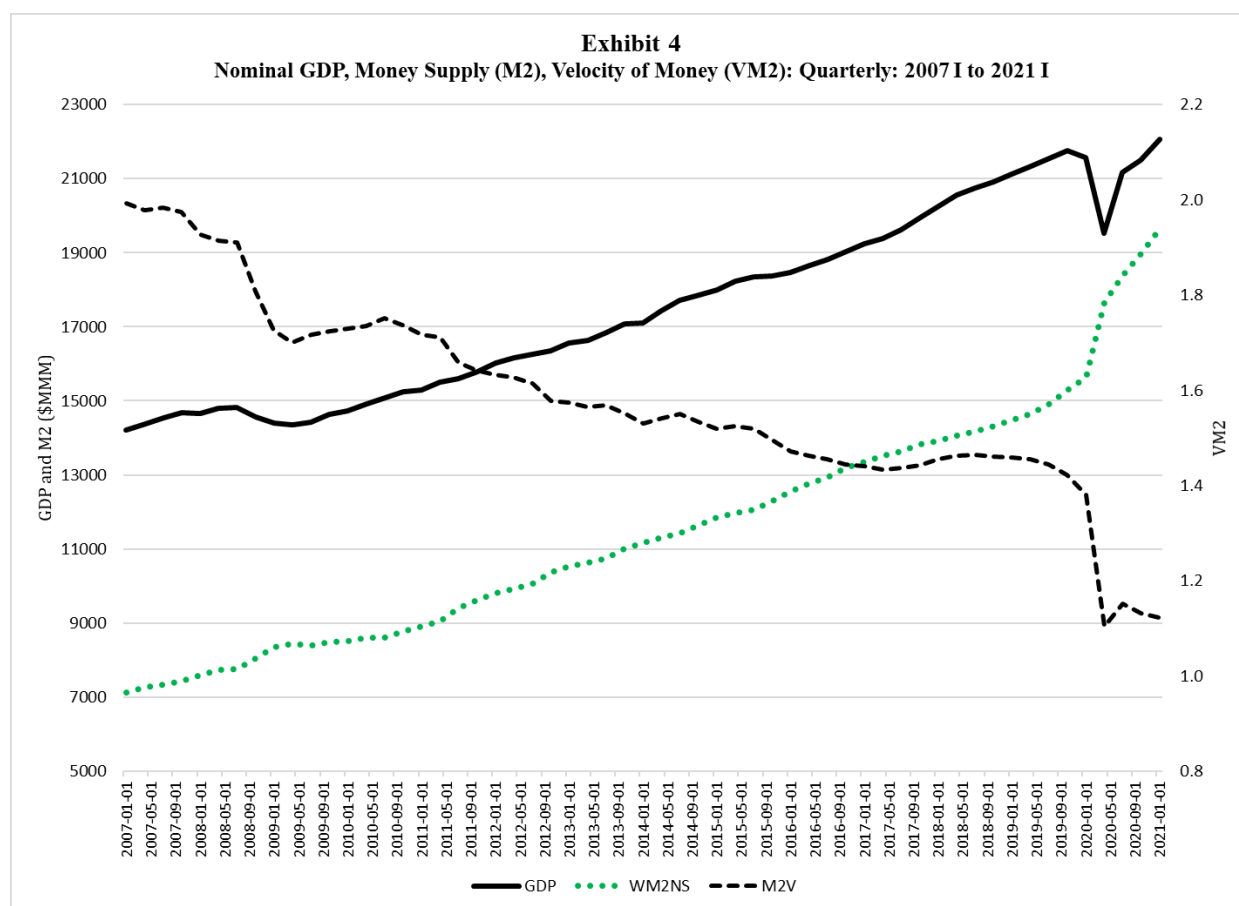


The basic idea behind the injection of reserves at the foundation of the Fed's quantitative easing policies is that those reserves will be used to increase business investment. As the reserves become part of the money supply (M2), business spending will then increase the GDP according to the formula $M2 \cdot V = P \cdot Q^5$. As can be seen, the increase in the GDP can result from an increase in prices (P), output (Q), or some combination thereof. The degree to which GDP will increase as a result of monetary infusion will also depend upon the behavior of the velocity. Increased levels of economic activity will typically lead to increases in velocity, especially if that activity involves business investment of the new money.

Lessons learned through the TARP/QE I-III period have been repeated in 2020-21. As can be seen in Exhibit 4, the impact of the creation of money resulting from the reserve infusions has been offset by a decrease in monetary velocity. The infusions have at best held an economic collapse at bay, much like keeping a critical patient on life support while the body begins to recover. While this move has essentially been necessary to avoid an economic collapse, it has not come without consequences.

⁵ M2 is the money supply; V is the velocity of money, or the number of times each dollar is spent; P is the general level of prices and Q is the general level of output. $P \cdot Q$ totals the GDP.

THE POST-COVID ECONOMY LESSONS FROM PAST DISRUPTIONS (CONTINUED)

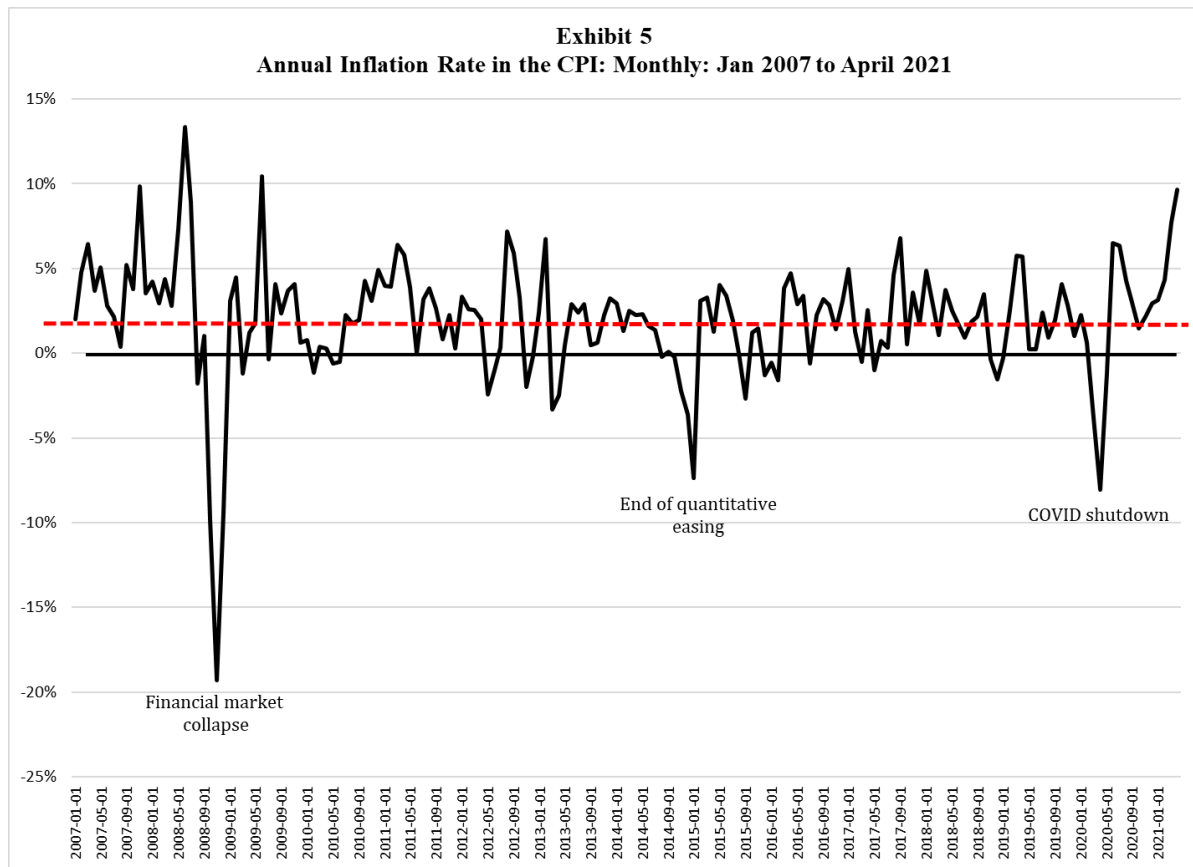


Lesson 2: Net Investment and Inflation: 2008-2021 and the Second World War 2008-2021

The quantity theory of money equation ($M \cdot V = P \cdot Q$) tells us that if output (Q) doesn't increase, infusions of money into the economy can lead to inflation (rising P). This has happened as the U.S. economy has moved out of the COVID shutdown. The pattern in inflation bears similarity to the experience of 2008-09. As can be seen in Exhibit 5, the immediate impact of the COVID shutdown was similar to that of the financial market meltdown in that prices actually fell in the early months after each event⁶. As the economy moved into a COVID-restricted period between April and July 2020, prices rose at an annual rate as high as 6.34%. That rate of increase fell, but then resumed increasing in October 2020, reaching an annual rate of 9.64% as of April 2021. The same pattern can be seen between November 2008 and July 2009. In both of these cases, large quantities of money were infused into the economy with little or no increase in output, which will naturally lead to inflation if consumers have money to spend. The COVID inflation has actually been exacerbated by the high level of income support provided by the Federal government over that time period.

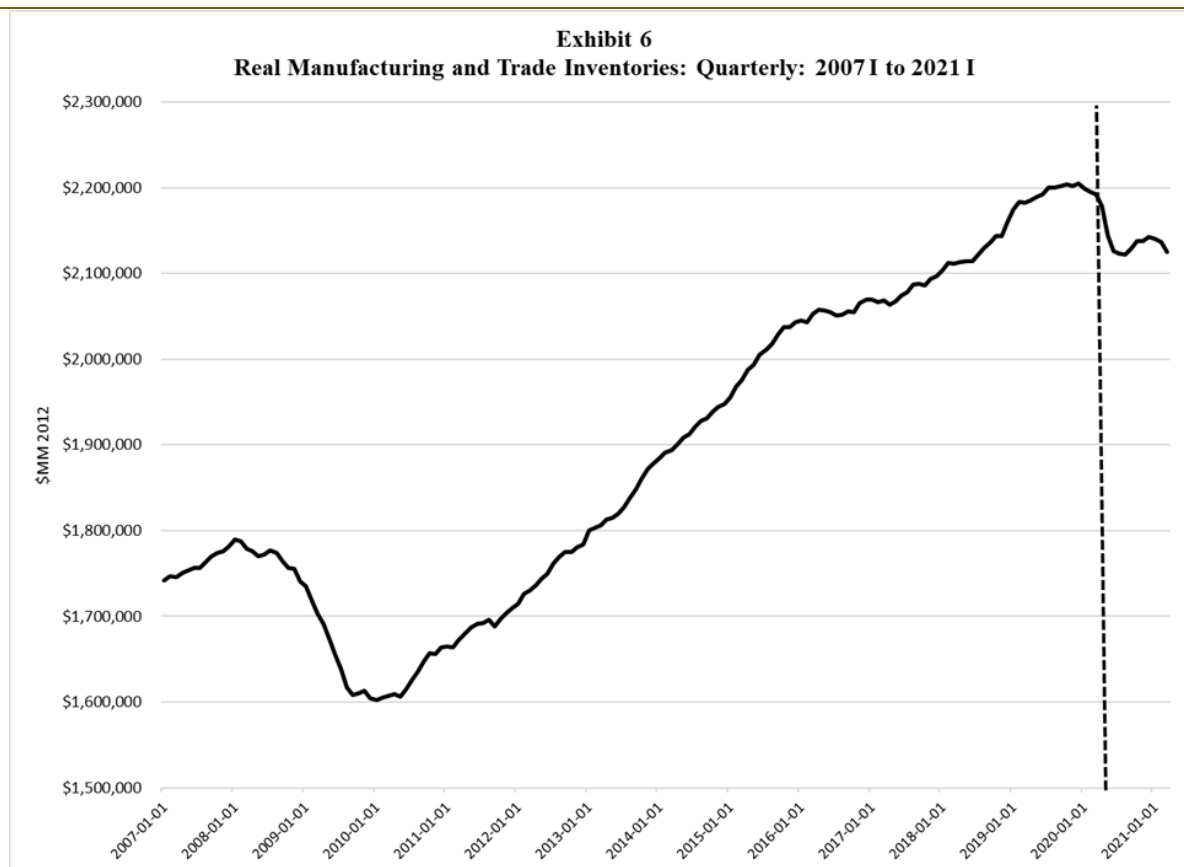
⁶ Federal Reserve Bank of St. Louis Economic Data.

THE POST-COVID ECONOMY LESSONS FROM PAST DISRUPTIONS (CONTINUED)



Part of the explanation for the high level of inflation is evident in the examination of manufacturing and trade inventories. As can be seen in Exhibit 6, which provides inflation-adjusted measures of manufacturing and trade inventories, the COVID shutdown resulted in a drawdown of inventory that has yet to be replaced. While many businesses are able to reopen and engage in manufacturing and selling, the shutdown has affected the supply chain of components and parts, making it difficult to resume production at full capacity.

THE POST-COVID ECONOMY LESSONS FROM PAST DISRUPTIONS (CONTINUED)

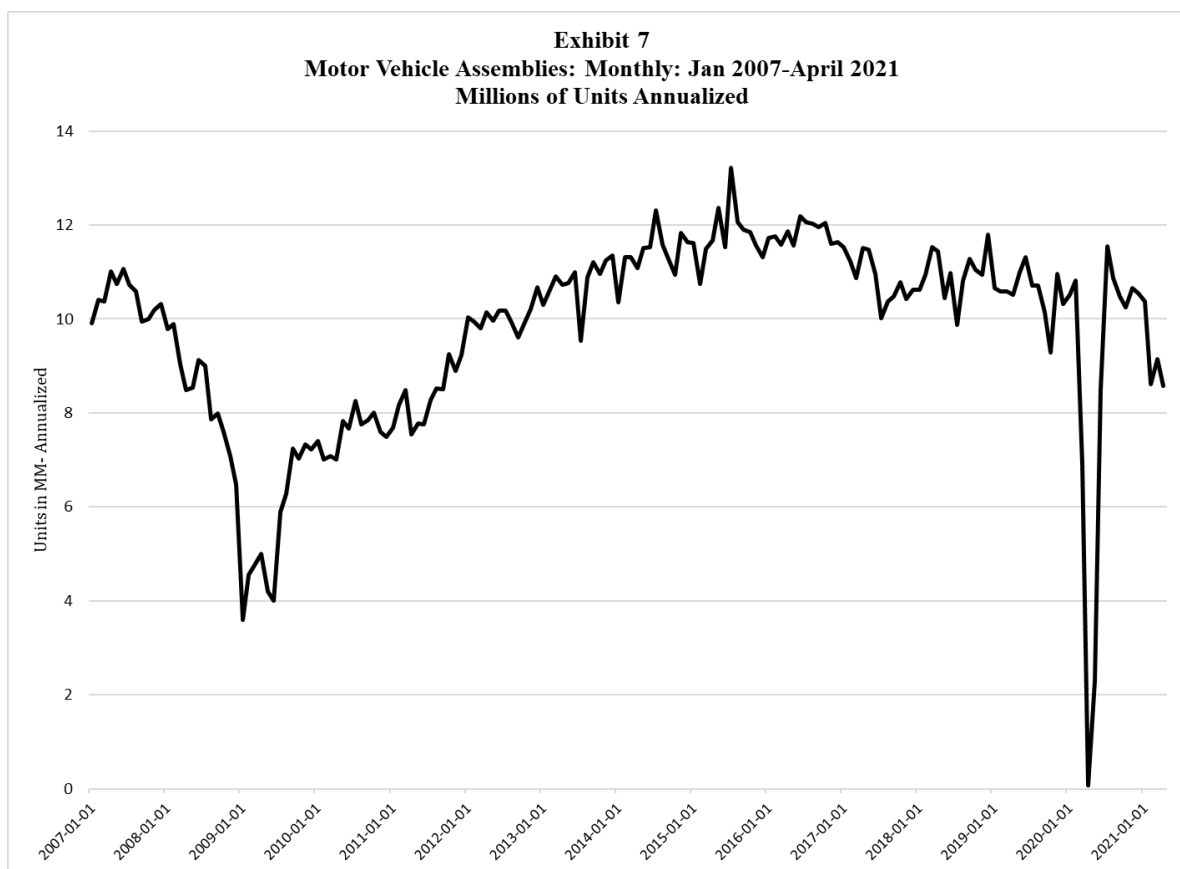


A clear example of this is light vehicle production. As can be seen in Exhibit 7, the industry was producing at an annual rate of over 10 million vehicles just prior to the shutdown⁸. That fell to virtually zero as assembly was suspended upon the viral outbreak. As those plants reopened, the rate of assembly jumped up to over 11 million yet has now fallen to 8.5 million units as a result of the lack of available component parts, in particular those relying on silicon chips. This has led to shortages and rising prices in both the new and used vehicle markets, with prices rising at a 72% annualized rate in April 2021.

Without an increase in output levels, inflation may continue as long as consumers have money to spend. The COVID shutdown has been different from a recession in that during the latter, workers are laid off and go without paychecks, relying on unemployment benefits for spending. The government's response to the COVID shutdown, however, included payroll protection loans to businesses so that they could continue to pay employees and stimulus checks that were sent directly to consumers. As a consequence, employees who were not producing output were still earning disposable incomes, which when spent will tend to drive prices up.

⁸ Ibid

THE POST-COVID ECONOMY LESSONS FROM PAST DISRUPTIONS (CONTINUED)

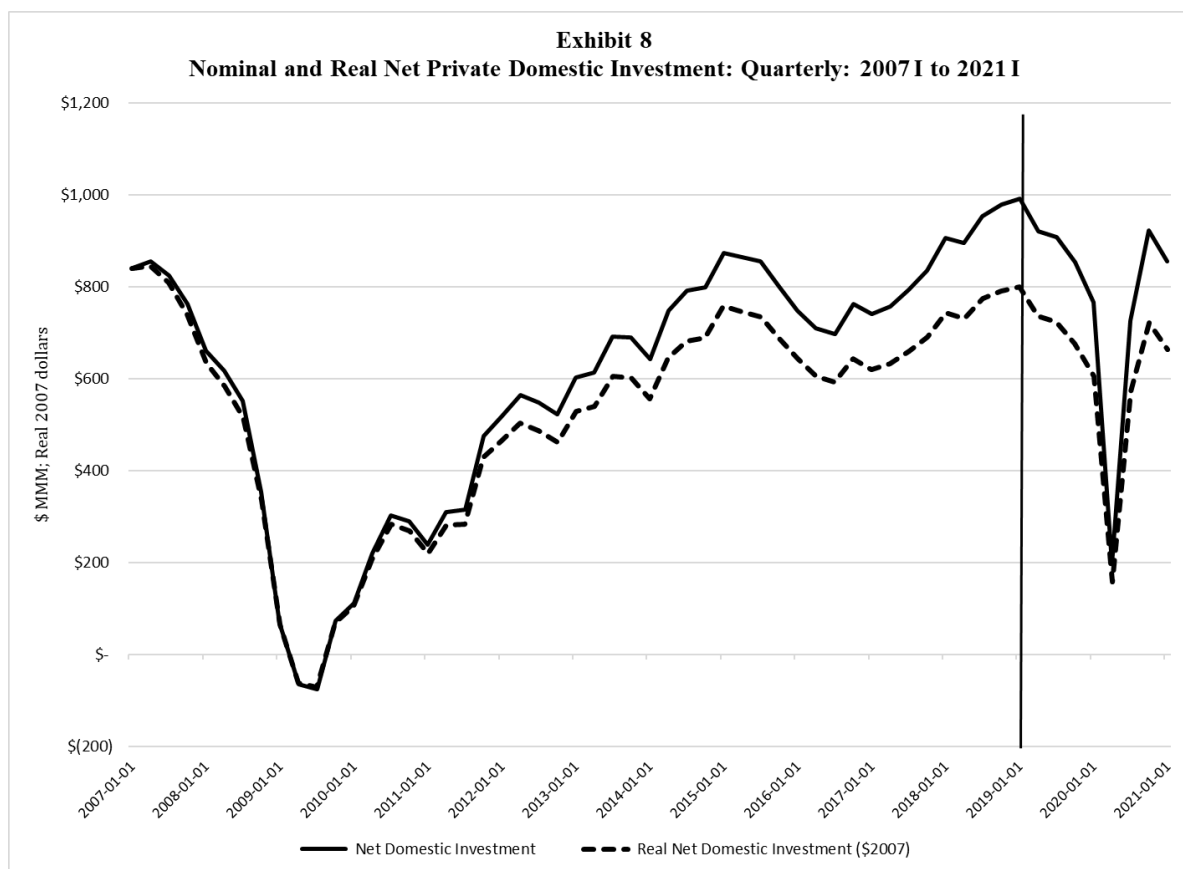


The theory of monetary stimulus is designed around the idea that injections of financial reserves will eventually lead to business loans to fund additional investment in production of goods and services. This increase is intended to lead to greater employment, income and economic growth. Prior to the COVID shutdown, however, the U.S. economy was experiencing a reduction in investment. This was one key factor in explaining the slow growth of the pre-COVID economy observed in Exhibit 1. As can be seen in Exhibit 8, nominal and real net domestic investment began to slow down after the first quarter 2019, and hence, had been falling for a year prior to the shutdown.

It is important to note that these data represent net investment, which accounts for capital consumption allowances (depreciation) and therefore measures the net new investment in the economy. As can also be seen in comparing Exhibits 1 and 8, the U.S. economy didn't really begin to recover from the financial market meltdown until net domestic investment began to increase in the fourth quarter of 2009. Likewise, a real recovery in the U.S. economy wouldn't be expected until several quarters after net private investment begins to turn upward once again. Another lesson from history may shed some light on how long this may take.

⁹ Data Source: U.S. Bureau of Economic Analysis

THE POST-COVID ECONOMY LESSONS FROM PAST DISRUPTIONS (CONTINUED)



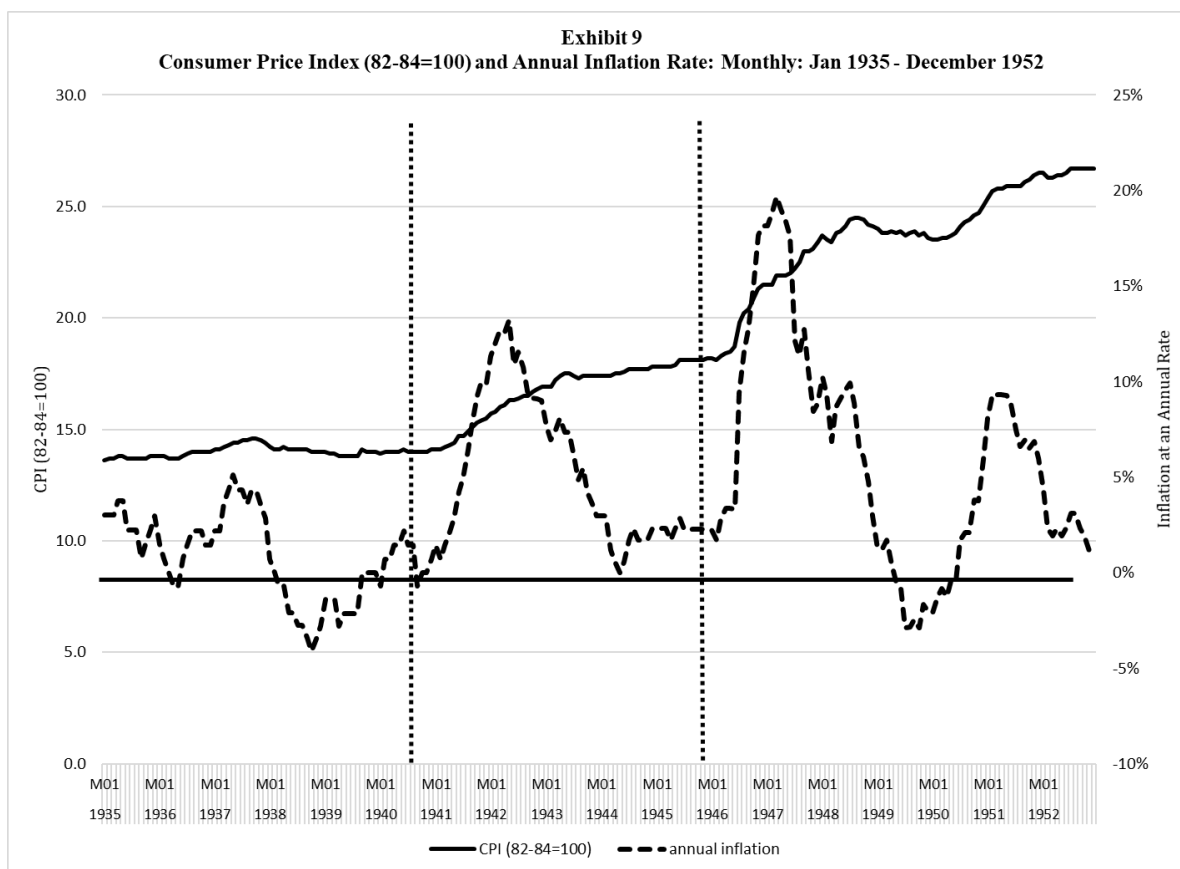
1935-1952

Perhaps the time at which economic conditions most resemble the current conditions may be the end of the Second World War. While direct U.S. military engagement in the war did not begin until the end of 1941, wartime production began at least one year earlier. At the time, the U.S. economy was coming out of the double-dip recession of 1937-38, and the ramping up of production and subsequent military engagement in the war resulted in significant consumer price inflation: people were working, producing and making money, yet the demands of the war created shortages of consumer goods and rising prices. This inflation was curbed by systems of wage and price controls during the middle of the war, but by the war's end these would be lifted. The patterns can be seen in Exhibit 9.¹⁰

The end of the war brought about a massive return of military personnel who had been serving overseas. Consumers had money to spend as a result of working on war production over the previous five years, however there were still significant shortages of consumer goods because the economy was still geared up to produce war materiel. As a consequence, inflation reached an annual rate of almost 20% in March 1947. That rate only came down as the economy shifted back to consumer goods production and returning military personnel went to college on the G.I. bill, which at least temporarily avoided the impact of their spontaneous return to the labor force.

10. Data source: Department of Labor, Bureau of Labor Statistics

THE POST-COVID ECONOMY LESSONS FROM PAST DISRUPTIONS (CONTINUED)

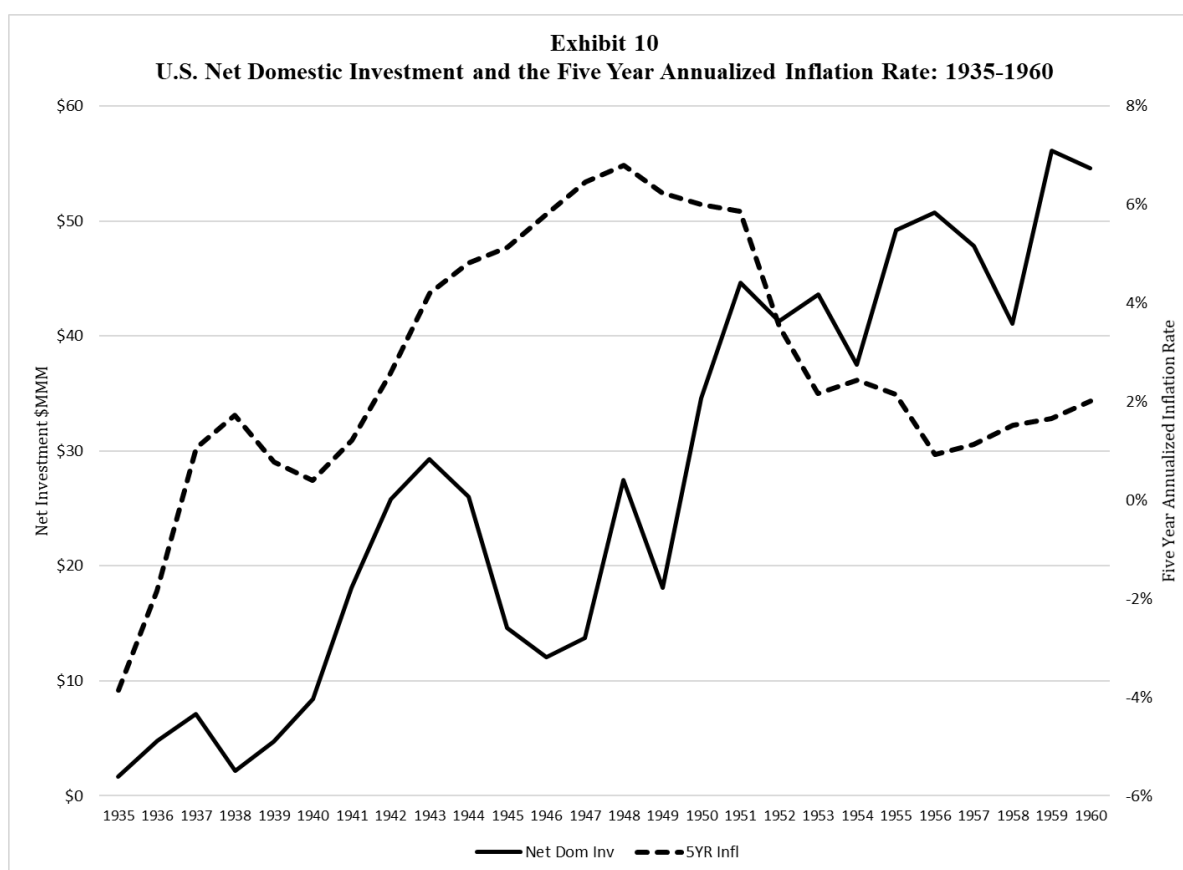


The behavior of inflation around the period of the Second World War can be explained by the behavior of net domestic investment. The story is evident in Exhibit 10¹¹. Coming into the war, domestic investment increased, but most of the production was directed toward the war effort, limiting the availability of consumer goods, and leading to an increase in longer term inflation as measured by the five-year average annualized rate. While price controls limited inflation from 1943 to 1946, the net domestic investment actually began to decline after 1943. The economy was producing at full wartime capacity and no net new investments were made at the time.

Coming out of the war, the economy was not in position to produce consumer goods. The longer-term inflation rates did not begin to subside until well after the net investment had begun to increase after 1947. Long-term inflation did not decrease until net investment increased over a period of seven to ten years in the 1950s.

¹¹ Data: U.S. Bureau of Economic Analysis and Department of Labor, Bureau of Labor Statistics

THE POST-COVID ECONOMY LESSONS FROM PAST DISRUPTIONS (CONTINUED)



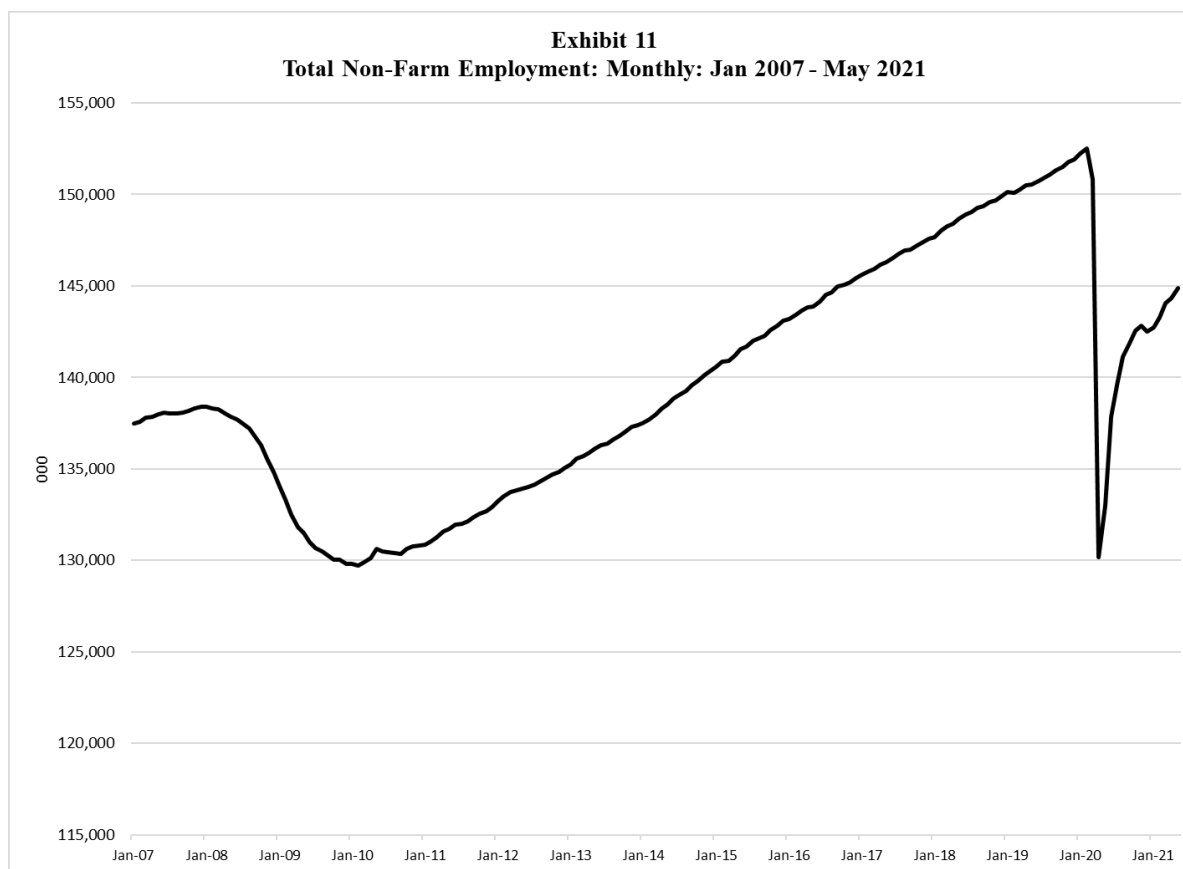
Without significant net new investment coming out of the COVID disruption, inflation will more than likely be a nagging characteristic of the U.S. economy over the next few years. The money supply has increased by almost 33%. Without an infusion of investment capital to stimulate new production, even a return to prior levels of output may be characterized by higher rates of inflation. What should certainly be avoided is the use of that additional money to further consolidate ownership and control of assets in the U.S. economy, which has led to the exit of productive capital from the economy and widened the income and wealth gaps.

Lesson 3: Employment Sectors: Post-COVID versus 1946-1950

The COVID shutdown shocked the employment markets in all business sectors. Within the two months ending in April 2020, employment had fallen by over 22 million. As can be seen in Exhibit 11, employment is still down by over 7.6 million despite the reopening of much of the economy.¹²

¹² Data source: Federal Reserve Bank of St. Louis Economic Database

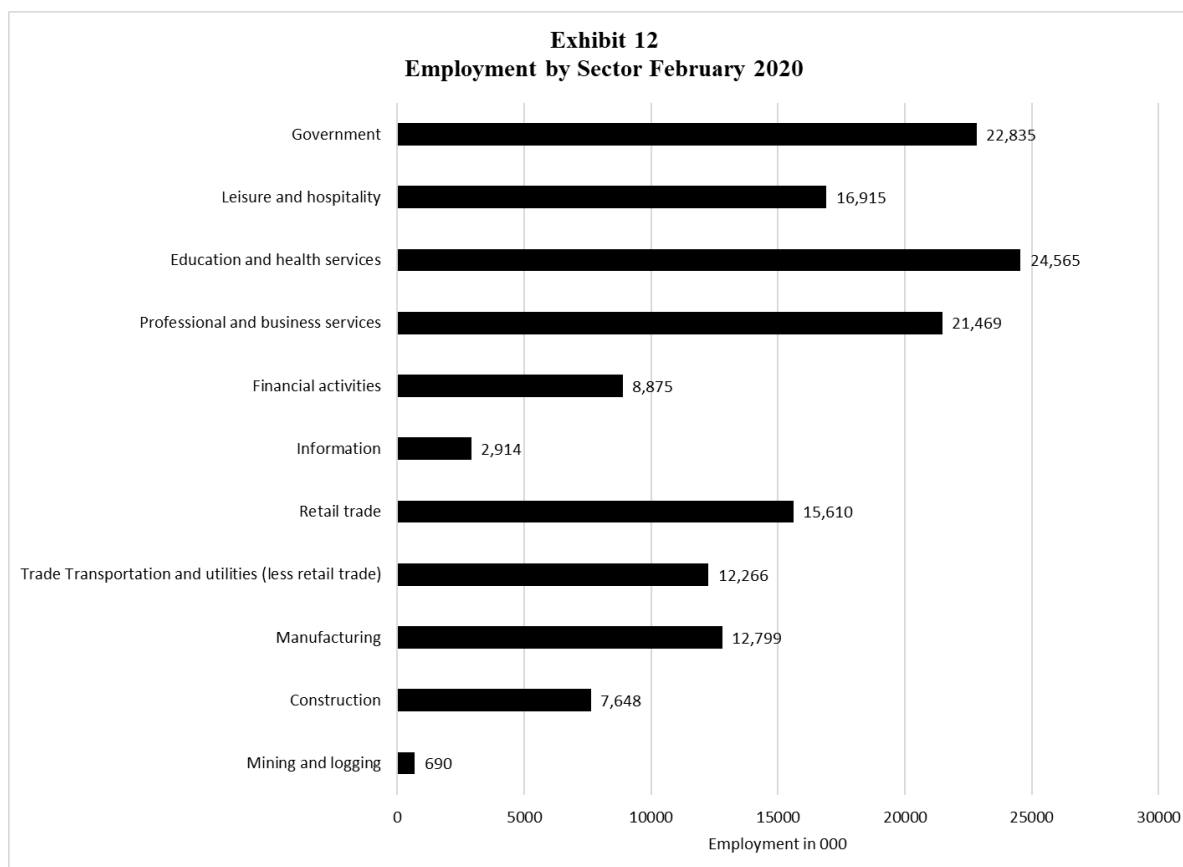
THE POST-COVID ECONOMY LESSONS FROM PAST DISRUPTIONS (CONTINUED)



The U.S. has been transforming to a service-driven economy for the past seventy years. As can be seen in Exhibit 12, the major employment sectors in the U.S. economy all relate to services and government activities.¹³ As of February 2020, the goods producing sector represented about 17% of private employment, while the remaining 83% came from the service sector. As can be seen, Education and Health Care services is the largest of the employment sectors, followed by Government and Professional Business Services. The importance of the consumer economy is evident in the fact that the Retail Trade and Leisure and Hospitality sectors are the next largest. Manufacturing finally logs in as the sixth largest sector.

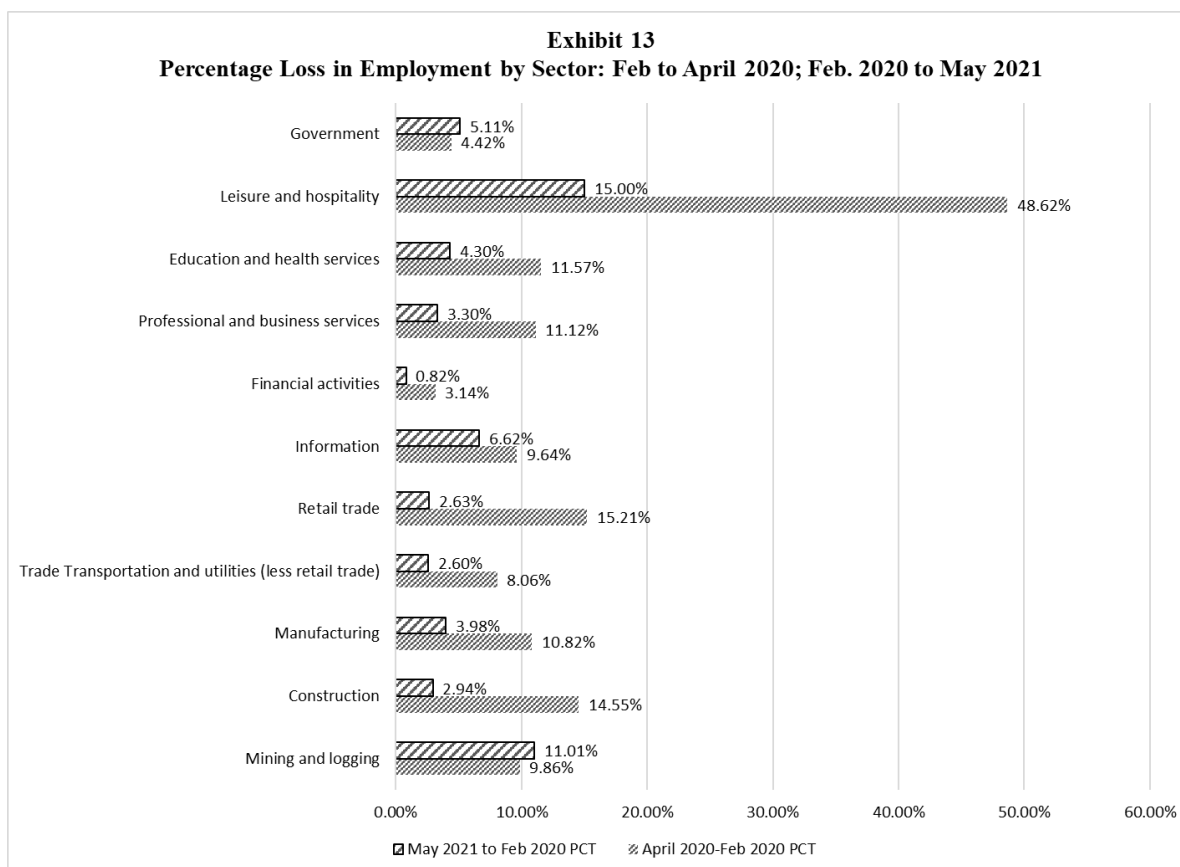
¹³ Data source: U.S. Department of Labor; Bureau of Labor Statistics

THE POST-COVID ECONOMY LESSONS FROM PAST DISRUPTIONS (CONTINUED)



The sector hardest hit by the COVID shutdown was clearly Leisure and Hospitality, as travel, dining and entertainment activities all but ceased immediately. As can be seen in Exhibit 13, the loss of employment reached almost 50%¹⁴. This sector has also been the slowest to come back, with employment still down by 15% from its February 2020 level.

THE POST-COVID ECONOMY LESSONS FROM PAST DISRUPTIONS (CONTINUED)



One of the key lessons learned in the shutdown was the vulnerability of the supply chain, both globally and in the U.S. Elements of the manufacturing economy currently slowest to recover are those having supply chain difficulty, as we saw in the vehicle industry above. The picture today looks dramatically different from where things were in the late 1940s.

The biggest difference between today and the 1940s is that employment back then was much more balanced between the goods producing and service providing sectors of the economy. As can be seen in Exhibit 14, employment in 1929 was evenly split between the goods producing and service providing economic sectors¹⁵. That began to separate during the depression and widened somewhat with more service sector employment added during the 1930s and 40s. As can be seen in the exhibit, this was exacerbated by the war, which led to employment in the government sector to be 27% of total employment by 1945. Most of the decrease in service sector employment between 1945 and 1948 resulted from declining government employment as the nation demobilized from the war effort.

¹⁵ Data source: U.S. Bureau of Economic Analysis

THE POST-COVID ECONOMY LESSONS FROM PAST DISRUPTIONS (CONTINUED)



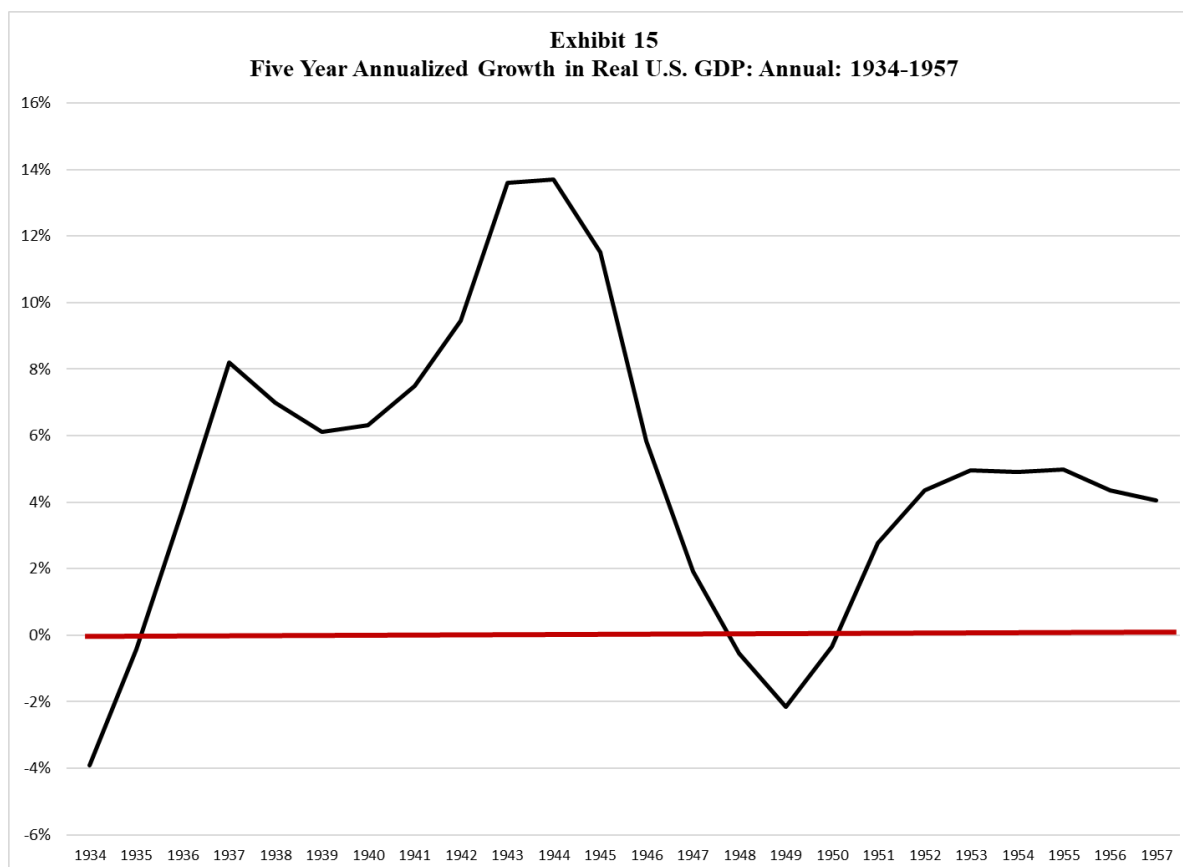
The combination of the Great Depression followed by the Second World War led to a gyration in the performance of real U.S. GDP for a full twenty years. As can be seen in Exhibit 15, the five-year annualized growth in real GDP significantly rose and fell first between 1934 and 1940, and then again between 1940 and 1949¹⁶. The first cycle included recovery from the early part of the Great Depression and the double-dip recession that followed in 1937-38. The second cycle is due to the Second World War.

The parallel between the end of the war and the COVID shutdown is that both led to decreases in real GDP that resemble falling off a cliff. The end of the war was followed by both high inflation and recession, as indicated by the negative growth in real GDP in 1948-1950¹⁷. The full recovery did not settle in until 1953, after which growth began to stabilize at lower long-term rates.

¹⁶ Data source: U.S. Bureau of Economic Analysis.

¹⁷ Bear in mind that this is a five-year compound growth rate and does not provide a standard definition for a recession. It shows that the economy experienced enough of a loss during the last two years of the war to wipe out the economic gains of the first three years.

THE POST-COVID ECONOMY LESSONS FROM PAST DISRUPTIONS (CONTINUED)



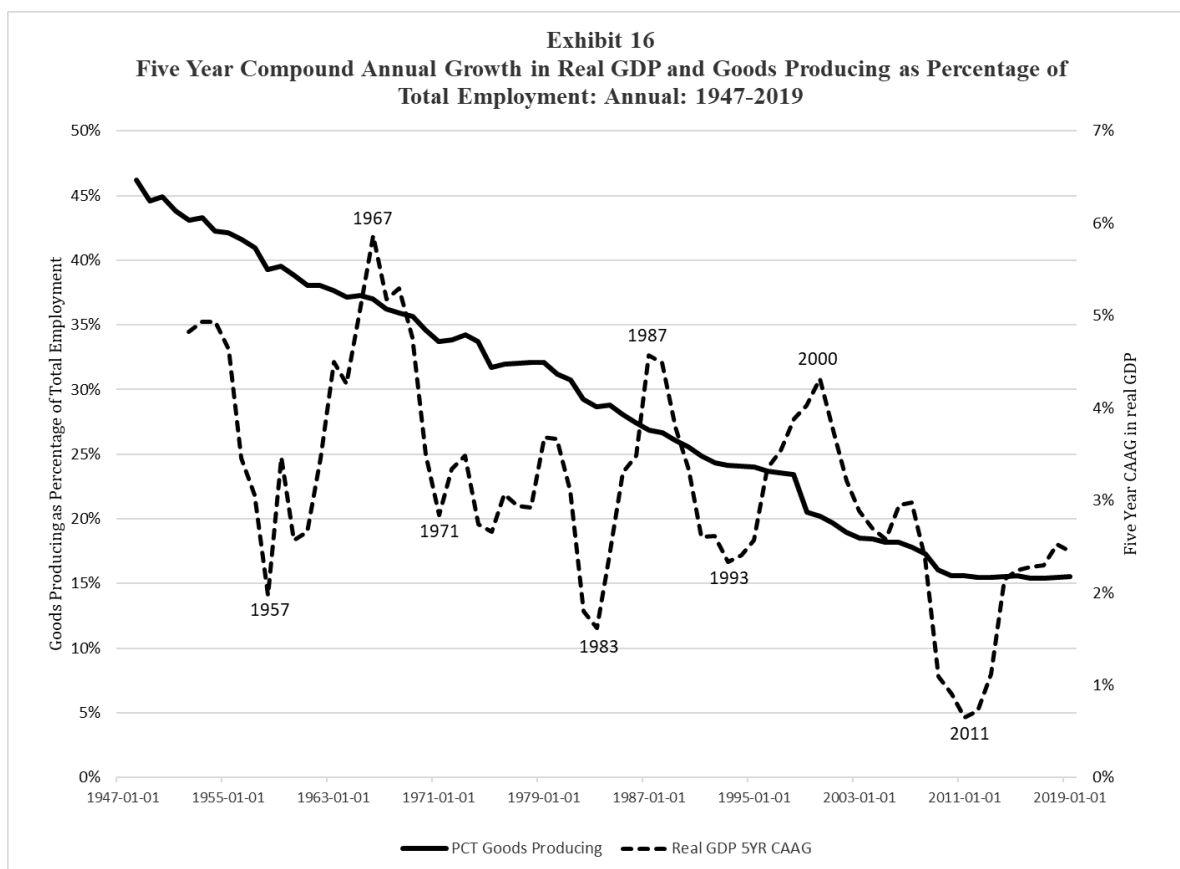
It has long been understood that investment in goods producing enterprises will lead to higher levels of real economic growth than would be seen in an economy driven by service sector activity. Investment in goods producing activities spawns more parallel investment and business activity, therefore leading to a greater investment “multiplier” and higher levels of growth¹⁸. As the U.S. economy recovered from the end of World War II, the percentage of activity taking place in the goods producing sectors was much higher than it is today. As the economy recovered and grew in the 1950s, however, it also began a long-term transformation into a service-providing structure.

As employment in the goods producing sectors of the economy have fallen as a percentage of overall employment, long-term growth in the real U.S. economy appears to have fallen in step with it. As can be seen in Exhibit 16, the five-year annualized growth in real GDP appears to have declined, albeit in a cyclical fashion, as the percentage of employment in good producing sectors of the economy have fallen as a percentage of overall employment.¹⁹

¹⁸ The idea of the investment multiplier goes back to the theories of John Maynard Keynes, who posited that as the marginal propensity for an economy to consume rather than invest increases, growth will decrease. The U.S. and China are good examples of this. Growth in the consumption-driven U.S. economy has been dwarfed by growth in the investment-driven Chinese economy for the past forty years.

¹⁹ Data sources: U.S. Bureau of Economic Analysis; Federal Reserve Bank of St. Louis Economic Database

THE POST-COVID ECONOMY LESSONS FROM PAST DISRUPTIONS (CONTINUED)



This brings us to the point that will tie these things together. Coming out of the Second World War, the economy had to recover from the shock of demobilization and reversion to a consumer economy. The goods-producing infrastructure had been increased and simultaneously converted to wartime production, and a big part of the recovery was the conversion back to producing consumer goods. At the time, the goods producing sector of the economy was relatively much larger than it is today.

As the U.S. economy recovered and grew coming out of the war, however, more of the new employment opportunities came because of investments in service producing sectors of the economy. Over the long-term, this has led to the current state in which only 17% of employment resides in the goods producing sector. As we have seen, some of these sectors have been hit very hard by the COVID shutdown and reopening process.

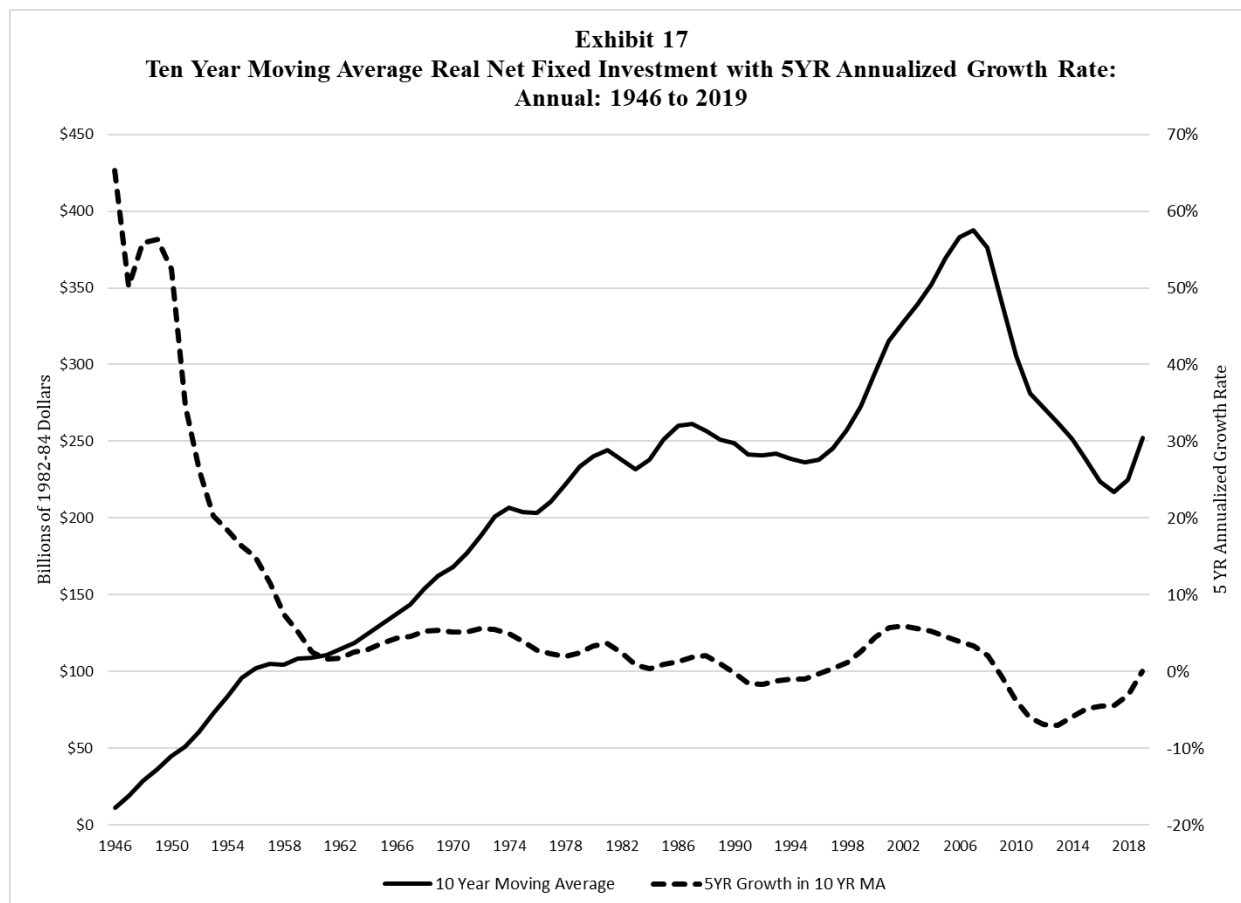
Corresponding with the shift over to service producing activities, net fixed investment growth rates have fallen over the long-term. As can be seen in Exhibit 17, the ten-year moving average net fixed investment grew steadily through 1986, albeit at a falling rate. The technology transformation of the economy in the 1990s and early 2000s led to substantial increases in net fixed investment spending, but the rate of growth has substantially dropped off as those assets are being upgraded and replaced as opposed to being new installments. At the end of 2019, real net fixed investment remained at mid-1980s levels. ²⁰

When examining the ten-year moving average net fixed investment values over time, you can see the story of the U.S. economy as it has restructured since the end of the Second World War. From the late 1940s to the mid-1980s, real net fixed investment increased, but much of that was aimed at building the service

²⁰ Data source: U.S. Bureau of Economic Analysis

THE POST-COVID ECONOMY LESSONS FROM PAST DISRUPTIONS (CONTINUED)

sector of the economy. The 1980s represented a period in which much of the manufacturing base was consolidated, shut down or offshored. The technology boom of the 1990s led to a revitalization of growth, but it was fairly short-lived, as the technology enabled the further consolidation of the manufacturing industry and led to decreases in employment levels as automation replaced manual labor. This was also evident in many service sector industries in which manual processing was replaced by automation beginning in the mid-1990s.



As these changes have taken place, income and wealth gaps in the U.S. have widened. Ownership and control of capital resources has consolidated. The availability of low interest debt financing made possible by monetary expansion has accelerated the rate at which this has taken place by enabling equity repurchases and leveraged merger and acquisition activities. Rather than being reinvested in additional productive capacity, much of the corporate cash flow being generated has been used to consolidate industries.

Prospects for Long-Term Recovery from the COVID Shock

The U.S. economy is much less well-positioned to recover and grow out of the COVID shock than it was back at the end of the Second World War. As of this writing, over 4.5 million people have left the workforce, and many of those displaced by the COVID shutdown have yet to return to work. Supply chains have been disrupted on a global basis, and this has slowed the return to previous levels of economic activity. The effects of the lack of a complete supply chain within the U.S. economy have been sorely felt over the past 15 months. Inflation, which hadn't been an issue for quite some time, has now returned, and it is unlikely that it will resolve any time soon.

THE POST-COVID ECONOMY LESSONS FROM PAST DISRUPTIONS (CONTINUED)

The U.S. has become a slow-growth economy and been almost completely monetized²¹. Its ability to weather the impact of the financial market meltdown of 2008 and the COVID shutdown of 2020 was primarily due to the Federal Reserve System's creation of trillions of dollars of financial reserves and the following money creation that has literally propped up the economy over the past 13 years. At best, the U.S. economy can hope to return to a slow rate of growth in the future. Without major investments and employment in goods producing industries, that growth will continue to be mediocre if not declining.

Industrial production is currently running at about 75% capacity, so there is room to ramp up production in the manufacturing sector. This will require a workforce that is both willing to and capable of doing the work. Opportunities for growth exist in many elements of the U.S. manufacturing sector. The tool industry is an example. The employment base in that industry is beginning to age-out. There are currently fewer young workers who are both trained to do the work and who desire to work in a factory setting. Jobs are available, but they are not being filled. If these jobs continue to be vacant, the industry will eventually pack up and shift to offshore production. Here is an opportunity.

Many have been calling for government policies to stimulate economic growth. One idea would be to address the problems of growth, employment and immigration in one comprehensive package. Immigrant workers have demonstrated a willingness to do work in which current U.S. residents are not interested. The government could engage in public/private partnerships with domestic manufacturing industries to provide training and citizenship opportunities to immigrant workers who could then work in the manufacturing sector. Using a public/private partnership model would help make up for the deficiencies in relying either on the markets or the government themselves to solve the problem. Neither have shown themselves to be capable of such performance.

Another opportunity could be born out of the current administration's initiative to identify critical elements of the domestic supply chain that are currently missing in today's economy. It is not, however, enough to identify these gaps: investment capital needs to be allocated toward filling those gaps if growth is going to take place. Thus far, the capital markets have been content to manage the supply chain on a global basis, seeking the least cost alternatives at every step, regardless of geographical location. Moving the supply chain back onshore would require capital invested for the long-term.

Unfortunately, we cannot rely on a market economy to make up for these shortcomings. First, it has been a long time since the U.S. and global economies could be characterized as entirely "free market." Second, the concentration of wealth and capital has impacted how that capital is invested. Much of our financial capital in the U.S. has been allocated to opportunities that produce high levels of cash rather than long-term real growth. Without a shift away from that kind of investing, growth will continue to be sluggish, consumers will continue to be indebted, and income and wealth will continue to flow upward.

The bottom line: don't expect a miraculous recovery any time soon. The short-term growth numbers may look great, but those are in large part driven by the depths to which they fell during the shutdown. Look for longer term growth to be sluggish and for inflation to persist until real output levels once again increase. Without significant net investment in long-term growth opportunities, the U.S. economy will continue to muddle through mediocrity.

²¹ For example: the velocity of money is very close to 1.00, meaning that there is one dollar of for every dollar produced

THE POST-COVID ECONOMY LESSONS FROM PAST DISRUPTIONS (CONTINUED)

For the Credit Manager's Radar Screen

- Inflation has different impacts at different levels of the economy. One of them is that it increases sales revenues. Another is that it increases the cost of input goods and labor. As you monitor your customers' performance in the near future, be careful to consider how inflation will impact their business models and cash flows.
- Supply chains are still significantly disrupted. Be sure to keep an eye on your customers' supply chains and build that consideration into your expectations for their future output levels and subsequent sales revenues and cash flows. Check to see if they have enough finished goods inventory on hand to weather a short-term disruption in their supply chains.
- Keep an eye on how much of your customers' cash flows are being reinvested into the business. Many business models require continuous reinvestment to remain viable. Lack of adequate investment could hinder future output and sales levels. Lower levels of reinvestment will also often precede merger and acquisition transactions, in which the potential target company is attempting to increase its efficiency ratios by reducing its net asset levels.
- Keep a close eye on your customers' levels of indebtedness. Most payroll protection loans can be forgiven. As the money supply has expanded, it will be easier for companies to borrow. The question is whether they will be able to service that debt.
- Expect interest rate increases to follow continuing inflation. If inflation exceeds the Fed's target of 2.0% for any length of time, it will increase rates to bring it back down.

About the author:

Dr. Steven Isberg is currently Senior Fellow at the Credit Research Foundation and Associate Professor and Chair of the Department of Accounting at Towson University in Towson, Maryland. Steve has been working with CRF since 1994 in his capacity as research fellow and in the development and delivery of a wide variety of our professional training and education programs. Steve has been a part of a number of key CRF research initiatives over the years, including The Future of Credit Studies; the Compensation Studies; Shared Services; and now CECL. Steve has almost 40 years of experience teaching at the college level, where he specializes in the areas of accounting, financial statements analysis and valuation, and financial economic history.

This article was originally published in the
Credit Research Foundation 2Q 2021 Perspective



Upcoming Meeting

Our next meeting will be virtual via ZOOM on the afternoon of September 21. As much as we want to be back together learning and networking in person, it was clear to the Board of Directors of ICE that many of our members would not be able to attend an in-person meeting at this time. We are excited to bring you a terrific program on Export Compliance and everyday examples of why it is important to have a good understanding of your company's responsibilities. We will also be covering current trends in export compliance programs. Please watch for additional e-blast information about this program where Jay Nash of Nash Global a Wisconsin company will be our featured presenter.

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UPCOMING INDUSTRY CREDIT GROUP MEETINGS

SEPTEMBER 15, 2021

Food Service Supply Hospitality Industry Credit Group
Delafield, WI

Minnesota Electrical Suppliers Credit Group
Brooklyn MN

Iowa Plumbing Heating Electrical & Construction Industry Credit Group
Waterloo IA

SEPTEMBER 16, 2021

Construction Industries Credit Group
Appleton, WI

SEPTEMBER 17, 2021

IL Fine Paper Industry Credit Group
Oakbrook, IL

SEPTEMBER 20, 2021

Western Electrical Suppliers Industry Credit Group
Book of Reports

SEPTEMBER 21, 2021

Building & Construction Materials Credit Group
Milwaukee, WI

No Meeting this month

Minnesota Fine Paper Credit Group

SEPTEMBER 8, 2021

Plumbing & Heating Industry Credit Group
Teleconference Call

SEPTEMBER 9, 2021

Metals & Industrial Suppliers Credit Group
Pewaukee, WI

SEPTEMBER 10, 2021

Electrical Suppliers Industry Credit Group
Pewaukee, WI

SEPTEMBER 14, 2021

Regional Paper & Packaging Industry Credit Group
Teleconference Call

Fine Paper/Graphic Arts Industry Credit Group
Teleconference Call



Education Events

WCA WELCOMES BARRY ELMS BACK TO MILWAUKEE! Advanced Collections & Negotiation Skills

In this six hour event, your company will learn

- How to improve the payment habits of big spending, slow-paying customers by developing a 4-point plan and an effective negotiating strategy,
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- How to manage conflict with customers who believe the best defense is a good offense...plus how to resolve disputes with a "Can't Fail" negotiating plan.

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