

Yelp Reveals 60% Of Business Closures Are Now Permanent

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Despite Washington DC and the Federal Reserve injecting more and more money into the real economy, creating unstable artificial growth, the economy has hit a road block. Yelp reported that 97,966 businesses, or about 60% of closed businesses, will never reopen their doors again. Yelp notes restaurants, shopping and retail, and beauty and spas have been damaged the most with temporary and permanent closures since March 1. Professional services, like roofing, landscaping, accountants, and lawyers, experienced some of the smallest declines.

The virus pandemic shock is generating deep economic scarring, the likes of which many have never seen before. The virus-induced downturn has led the economy into a "liquidity trap," in which interest rates will likely reside on the **zero lower bound until 2023**, and monetary policy could have trouble stimulating the real economy besides artificially inflating asset prices. As Washington pumps fiscal injection after fiscal injection into the real economy, creating unstable artificial growth, the latest lapse of fiscal support, now 46 days, has sent the economy into another **slump**.

For more color on the deep economic scarring, not just a deterioration in the labor market, we turn our attention to a **Yelp** report published Wednesday that revealed as of Aug. 31, 163,735 businesses have closed on the platform, a 23% increase since mid-July.

Yelp pointed out an increase of permanent business closures over the past six months, now reaching 97,966, or about 60% of closed businesses will never reopen their doors

again.

"As of August 31, 163,735 total U.S. businesses on Yelp have closed since the beginning of the pandemic (observed as March 1), a 23% increase since July 10. In the wake of COVID-19 cases increasing and local restrictions continuing to change in many states we're seeing both permanent and temporary closures rise across the nation, with 60% of those closed businesses not reopening (97,966 permanently closed)."

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