

THE REAL ECONOMY

VOLUME 73

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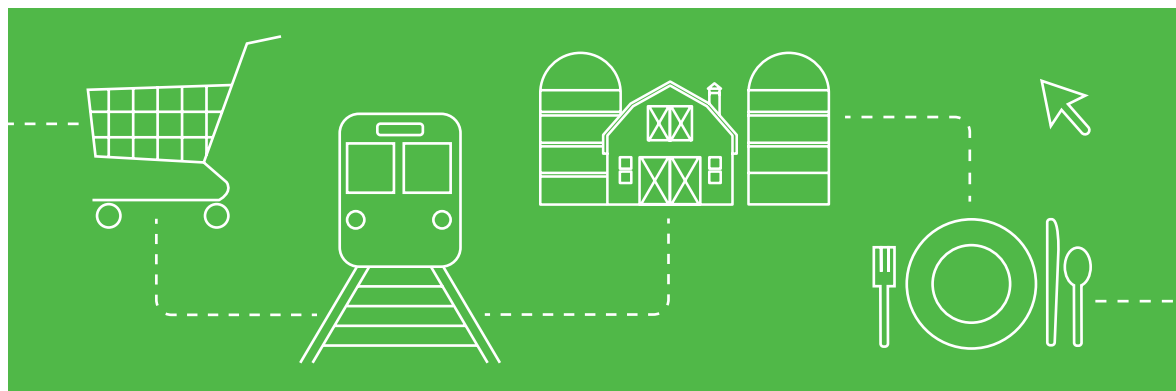


LATE-YEAR FISCAL AID LIFTS GROWTH PROSPECTS FOR 2021

BY JOSEPH BRUSUELAS

CONGRESS ON DEC. 21 passed a \$2.3 trillion year-end spending bill, including \$1.4 trillion to fund the federal government through September 2021 and a \$900 billion rescue package to provide direct fiscal aid to households and businesses equal to 4.25% of GDP. This represents the second-largest economic aid measure in the nation's history. We expect the aid package will bolster U.S. growth conditions in the first half of 2021, likely preventing another economic downturn, which our forecast had previously implied.

We are revising our forecast for first-quarter growth in 2021 to 0.6% from a decline of 0.3% and an increase in second-quarter growth to 4.4% from 4.1%. While we anticipate that the new aid will temporarily boost both household consumption and savings, it is not sufficient to bolster long-term growth prospects for the economy. The legislation was passed too late, is too limited and expires too soon to offset the adverse economic impact caused by the intensification of the pandemic and the resulting pullback by the public and lockdowns around the



economy in the fourth quarter of 2020. As a result, the aid package is not a stimulus bill, it is a rescue bill, and the economy will likely require another round of aid as early as the first quarter of 2021. The bill directs \$286 billion to workers and households (\$120 billion in unemployment insurance and \$166 billion in economic impact payments), sends one-time \$600 payments to adults and children in January and provides an extra \$300 in benefits per week to the unemployed. However, we expect that given the quick termination of the aid (11 weeks), individuals who receive these benefits will save roughly half of what they receive. That is, we expect that the pool of savings that is already 6% to 7% of GDP, or roughly \$1.25 trillion larger than pre-pandemic levels, will increase. While these savings will boost growth once the pandemic abates through the release of pent-up demand, they will not provide an outsize boost to economic activity this quarter or next.

Benefits cliff

While the aid provides sorely needed support for beleaguered households, it creates another artificial benefits cliff around the termination of unemployment benefits in the bill on March 14, 2021, well before most Americans will have access to vaccines. This creates risk for somewhere between 14 million to 20 million Americans who are dependent on various forms of unemployment insurance, most of whom will not be going back to work when this legislation expires. It also reduces the bang for the buck that would have been obtained from the aid if the timeline to receive benefits was extended well into 2021. Thus, this legislation is likely a next step in what will be another round of fiscal aid that will need to be passed during the first quarter of 2021.

Moreover, the decision not to include direct aid to municipalities and states that have experienced a decline in revenues linked to the loss of economic activity caused by the pandemic creates conditions for a rise in public-sector unemployment, including teachers, police

MIDDLE MARKET INSIGHT

One undeniable positive for middle market firms is that the legislation corrects the reported unintended tax consequence of the CARES Act.

officers and other first responders, as local and state governments move to balance budgets next year. Unlike the federal government, 48 of 50 states have balanced budget requirements. Consequently, the aid package represents the same economic policy decision made during the Great Recession, which resulted in higher unemployment and much slower growth during the subsequent recovery and expansion than would have otherwise been necessary.

Middle market and business tax windfall

One undeniable positive for middle market firms is that the legislation corrects the reported unintended tax consequence of the CARES Act. Prior to the Consolidated Appropriations Act, 2021, the total tax outlay related to the Paycheck Protection Program may have been in excess of \$125 billion.

With an average loan size of \$101,000, the estimated tax bill due—using a 25.3% estimated blended federal income tax rate to take into account corporate and pass-through borrowers—would be just over \$25,000. Based on a 24-week forgiveness period, this could be equivalent to the wages of one full-time employee retained as a result of the program. Larger PPP loans magnify the tax impact significantly.



THE AID PACKAGE IS NOT A STIMULUS BILL, IT IS A RESCUE BILL, AND THE ECONOMY WILL LIKELY REQUIRE ANOTHER ROUND OF AID AS EARLY AS THE FIRST QUARTER OF 2021.



Quick summary: Shape of the relief package

Direct aid to individuals and families: The package provides an additional \$300 per week to unemployed workers for 11 weeks. The legislation also includes \$600 in direct payments to individuals who earn up to \$75,000 per year or \$1,200 for married couples filing jointly making up to \$150,000 per year, as well as a \$600 payment for each dependent child, all of which implies a family of four can receive up to \$2,400 in direct one-time payments.

The legislation increases the maximum number of weeks an individual can claim benefits through regular state unemployment or through the Pandemic Unemployment Assistance program to 50 weeks, and it increases Pandemic Emergency Unemployment Compensation to 24 weeks. Both programs are extended until March 14, 2021, and allow individuals receiving benefits as of March 14 to continue through April 5, 2021. The bill provides an extra benefit of \$100 per week for certain workers who have both wage and self-employment income but whose base unemployment insurance benefit calculation does not take their self-employment into account.

Small businesses: The legislation provides \$325 billion in aid to small firms, including \$284 billion for initial and second draw forgivable PPP loans, as well as dedicated set-asides for very small firms and lending through community-based lenders. Also included is \$20 billion for new Economic Injury Disaster Loan (EIDL) grants for businesses in low-income communities, \$3.5 billion for continued Small Business Administration (SBA) debt relief payments, \$2 billion for enhanced SBA lending, and \$15 billion in dedicated funding for entertainment and cultural institutions.

Community Development Financial Institutions and Minority Depository Institutions: The bill offers \$15 billion in funding for CDFIs and the creation of a new Neighborhood Capital Investment Program to support CDFIs and MDIs.

Transportation: The bill includes \$45 billion in funding for transportation, of which there is \$15 billion for airline payroll support; \$1 billion for airline contractors; \$14 billion for transit; \$10 billion for state highways; \$2 billion for airports and airport concessionaires; \$2 billion for private motor coach, school bus and ferry industries; and \$1 billion for Amtrak.

Public health and vaccines: There is \$69 billion in funding directed at public health and vaccine procurement and distribution. Twenty billion dollars will go toward procurement and distribution of vaccines, \$9 billion to the Centers for Disease Control and Prevention (CDC) and states for vaccine distribution, and \$3 billion to create a national stockpile. More than \$22 billion will be sent directly to states for testing, tracing and COVID-19 mitigation programs.

Education: The bill offers \$82 billion in direct funding for states, K-12 schools and institutions of higher education that have been significantly affected by the pandemic.

Rental assistance: The legislation has targeted \$25 billion for rental assistance for families affected by the pandemic that are struggling to make rent and may have past-due rent compounding. These families will be able to use this assistance for past-due rent, future rent payments, and utilities and energy bills. This first-of-its-kind federal assistance includes an extension of the existing CDC eviction moratorium through Jan. 31, 2021.

Nutrition and agriculture: The legislation targets \$26 billion toward nutrition and agriculture: \$13 billion goes to families using the Supplemental Nutrition Assistance Program (SNAP) and \$13 billion is for direct payments, purchases and loans to farmers and ranchers who have suffered losses due to the pandemic.

Child care: There is \$10 billion in aid directed toward child care that includes \$250 million for Head Start providers.

Broadband: There is \$7 billion in dedicated funding for the extension of broadband service, including \$3.2 billion in emergency funding for low-income families. ■



MIDDLE MARKET BUSINESSES SEEK SOLUTIONS AROUND RACIAL INEQUITY, MMBI DATA SHOWS

BY JOSEPH BRUSUELAS

AN ARDUOUS, yet critical conversation is needed in corporate America to address the racial wealth gap and inequity embedded in the U.S. economy, responses from a recent RSM US Middle Market Business Index survey show.

The issue of racial equity in the United States is now front and center amid a series of tragic deaths followed by civil unrest in 2020. Economists, journalists, social advocates, scholars and others are delving deeply into

the connections between America's racial disparity and wealth, health care, housing, education and morbidity, among other factors, as they attempt to unpack the country's longstanding history of inequity along color lines.

The corporate world, for its part, is also grappling with this difficult topic, taking a more active role in fostering often-uncomfortable discussions among employees of all levels and developing solutions to resolve inequities in the areas

“Diversity and equality of opportunity is not just a moral imperative, but it is a matter of economic competitiveness. According to a report of the W.K. Kellogg Foundation, the U.S. economy could be \$8 trillion larger by 2050 if the country eliminated racial disparities in employment, education, health, criminal justice and other domains.

Recognizing that all Americans should have the opportunity to earn their success, rise on their merit, and live their own American Dream, the U.S. Chamber of Commerce's Equality of Opportunity Initiative advances sound policies and business solutions to help address inequalities across our society.”

Rick Wade, Senior Vice President, Strategic Alliances and Outreach, U.S. Chamber of Commerce

of recruiting, compensation and career advancement, to name a few. Corporate diversity and inclusion efforts have become table stakes for many businesses embracing new standards of transparency.

Middle market businesses appear to be taking a cautious, yet optimistic approach on the issue of racial equity, according to data gleaned from special questions in the fourth-quarter 2020 MMBI survey. While most executives polled indicated that their companies had taken some actions that can lead to solutions for the issues of racial inequity, there was no consensus around any specific steps.

A strong majority said their organization is taking the right actions to address racial tensions (87%) and that racial equity is good for business (82%). But despite these sentiments, just 28% of respondents made a public statement in support of racial equity or facilitated discussions among their employees on the topic (27%). Only 23% provided resources such as books or articles, while only 21% formalized strategies to modify their culture. Even lower percentages of respondents said they conducted unconscious bias training (20%), modified their codes of conduct (20%), contributed to social justice causes (19%), or changed their hiring targets (16%). Thirty-one percent took no actions at all.

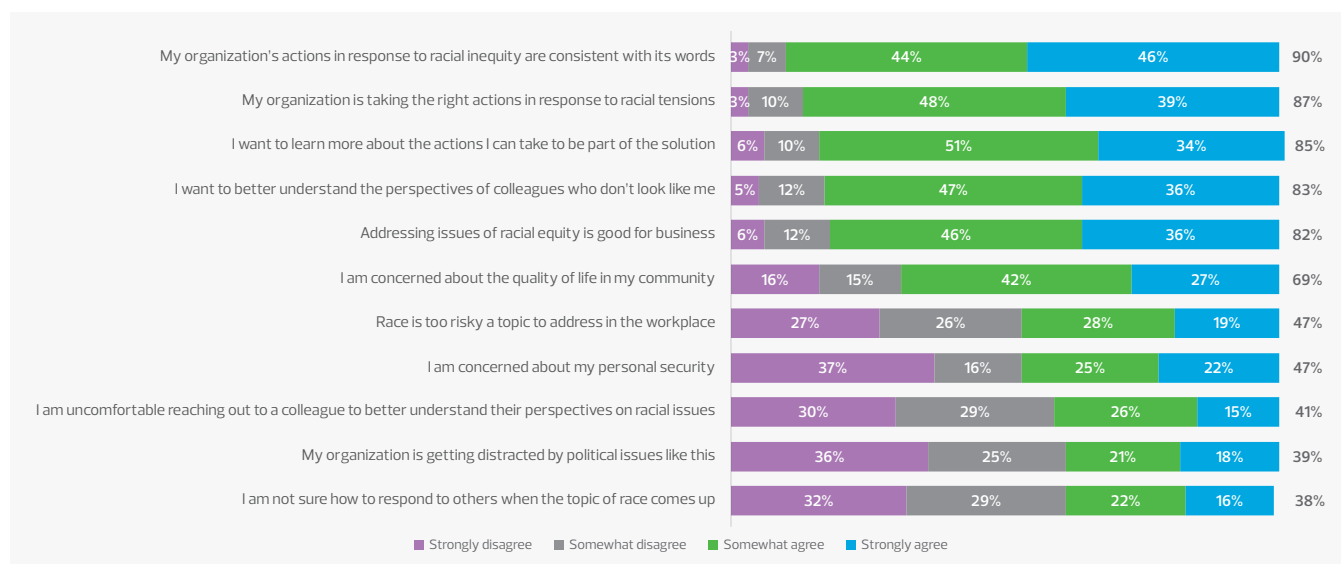
Actions organizations have taken or sustained in response to racial tension and civil unrest in the United States since start of 2020

	Total % *
Made public statements in support of racial equity	28
Facilitated employee discussions regarding race	27
Made public statements underscoring our commitment to values of respect and inclusion	27
Provided resources for employees to increase learning of racial issues (e.g., videos, books, articles, intranet posts)	23
Modified our culture, diversity and/or inclusion strategies	21
Conducted unconscious bias training with employees	20
Modified our codes of conduct to address issues of race	20
Made contributions to external organizations in support of social justice or racial equality	19
Terminated or disciplined employees for inappropriate words or actions that are inconsistent with our organization's values regarding race	18
Formalized our culture, diversity and/or inclusion strategies	18
Changed our hiring targets	16
Other	3
Our organization has not taken any actions in response to racial tensions/civil unrest this year	31

Source: RSM US Middle Market Business Index survey, Q4, 2020

* (N = 399)

Level of agreement on potential impact of current racial tensions



Source: RSM US Middle Market Business Index survey, Q4, 2020

Open to change

But openness to change on the issue of racial disparity was clear in the survey. A full 83% of executives said they wanted to better understand the "perspectives of colleagues who don't look like me," while 85% wanted to learn the actions they can take to be part of the solution. Fewer than half (39%) said political issues like this were a distraction for their business. The survey included responses from just over 400 middle market executives, who were polled from Oct. 5 to Oct. 23, 2020.

Caution around this highly fraught and sensitive topic appeared to be the watchword. Nearly half of respondents (47%) said that race is a topic "too risky to address in the workplace." Smaller, midsize companies, or those with annual revenues of \$50 million to \$1 billion, were significantly more reticent than their larger counterparts (57% vs. 38%). Forty-one percent said they were uncomfortable broaching the topic of racial issues with a colleague.

Gaps in education, employment and wages

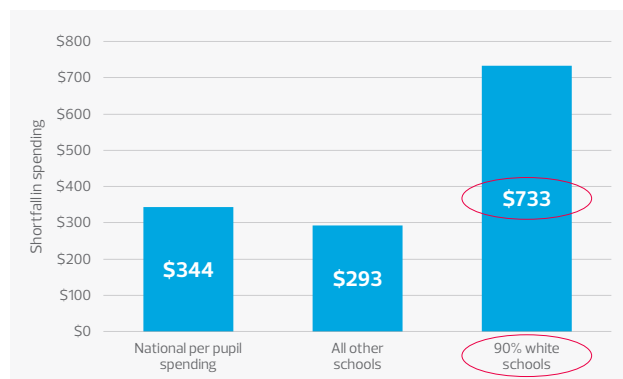
Separately, other data sources around education, employment and wages in the United States also underscore the need for change.

Nationwide, in school districts with more than one high school, those schools with the highest enrollment of nonwhite students offer less access to courses

necessary for admissions to college, with only 57% of Black high school students able to take a full range of math and science courses, U.S. Department of Education data shows.

Spending by schools also highlights disparity along color lines. Nationally, average annual spending per pupil is \$2,200 less for minority students than white students, with half of students in the United States attending racially concentrated schools, according to EdBuild, a funding advocacy group. In California, schools that serve a student body comprised of 90% or more of minorities spend \$4,380 less annually per pupil than those serving 90% or more white students, according to the Center for American Progress.

Shortfall of per pupil spending in nonwhite schools



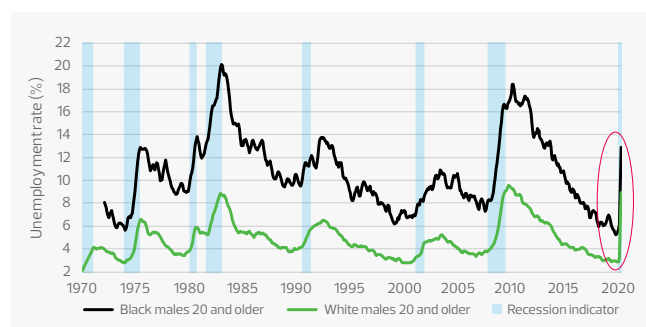
Source: Ary Spatig-Amerikaner, Center for American Progress; August 2012; RSM US LLP

“The conversation on race and business is evolving quickly, as it impacts both people and financial performance. With this evolution go the regulators and boards of directors, as the business strategy is examined and inclusion maturity equates to relevance for the future of the middle market. RSM is a key thought leader in effective ways to leverage the MMBI data and optimize inclusion for greater business results.”

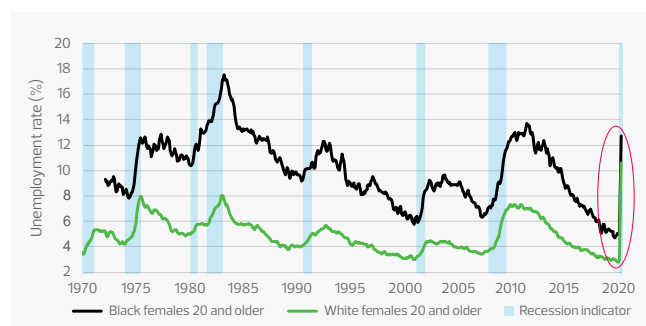
Tracey Walker, National Senior Director of Government Affairs and Culture, Diversity and Inclusion, RSM US LLP

Employment figures tell a similar story. Government data shows that the unemployment level for white men aged 20 and older has averaged 4.8% since 1972, the earliest year for which government data is available. For Black men, joblessness has averaged 10.6% over the same period. For white women, unemployment during this period has averaged 4.9%, versus 10% for Black women. These gaps increase during economic downturns such as the pandemic-induced recession, and then endure for months before narrowing again during ensuing recovery.

U.S. unemployment rates for Black and white men 3-MONTH MOVING AVERAGES



U.S. unemployment rates for Black and white women 3-MONTH MOVING AVERAGES



Unemployment disparity by race in the United States is exacerbated by the wage stagnation of the past four decades. Looking at inflation-adjusted weekly earnings of salaried employees since 1979, earnings in real, inflation-adjusted terms, have been flat, with an average annual

increase of just 0.4% since 2000. The wage inequity of Blacks, compared to American blue-collar workers overall, is pronounced, with Black men being paid just three-quarters of the earnings of male employees on the whole. Data collected on wages since 2000 imply that the real earnings of Black men have increased by 0.4% annually, on pace with that of their white counterparts, but are still largely stagnant.

Average annual growth rates of real earnings of wage and salary workers since 1979 and 2000

Weekly earnings of employees 16 years and older in inflation-adjusted, constant 1982–84 dollar terms

	Black	Men	Women	College-educated
January 1979	N/A	408	251	N/A
January 2000	276	374	285	825
January 2020	300	408	329	1,236
Average annual growth rate since 1979	N/A	0.0%	0.7%	N/A
Average annual growth rate since 2000	0.4%	0.4%	0.7%	2.1%

Source: RSM US LLP

These patterns are likely evidence of longstanding bias in education, hiring, advancement and overall economic opportunity. That is why it is essential that businesses of all stripes take up the mantle for change with clear policies and practices to break the patterns of inequity. ■

Why should businesses care about education of minorities?

If the future of U.S. economic growth is in innovation and advanced manufacturing, then growth cannot be limited to just one shrinking segment of the population. Instead, we need to invest in the intellectual capital of the entire labor force.

For more, check out [RSM's resources for racial understanding and inclusion](#).



K-SHAPED WAGE ENVIRONMENT: ABNORMALITIES IN WAGE AND BENEFIT GROWTH DURING THE PANDEMIC

BY JOSEPH BRUSUELAS

THE ECONOMIC DISTORTIONS of the pandemic are becoming increasingly evident in the divergent fortunes of U.S. workers. At first glance, the news seems to be good: Hourly wages for nonsupervisory workers have been rising at a 4.5% year-over-year rate for the past five months, far above the 2.5% average growth rate over the past 10 years.

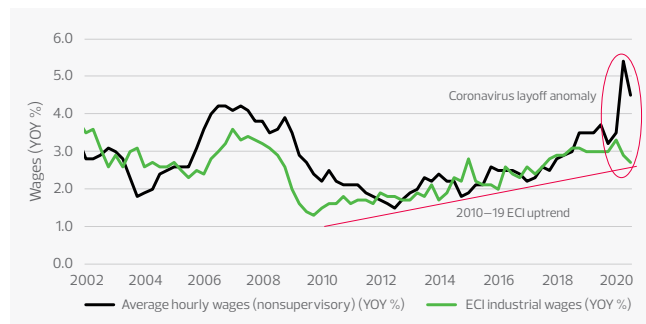
But a closer look shows that this increase is primarily a function of the reduction in force of low-wage workers, of whom 9.8 million are still out of work. This will result in a K-shaped wage environment next year where those workers with the capacity, skills and know-how to thrive in virtual environments will capture the lion's share of wage growth during the initial phase of the recovery.

At the same time, workers in service-sector and entry-level jobs will almost certainly face a restrained wage environment at best. The 6.6% decline in the Bureau of Labor Statistics' Employment Cost Index for the third quarter and the 7.1% drop in real compensation are harbingers of things to come in select industries as the economy emerges from the pandemic.

The last time wages grew this fast was at the tail end of the postwar industrialization period that ended with demise of unionization in the 1980s and the shifting of manufacturing to low-wage centers in the South and then overseas. Now, in the current era of automation, telecommuting and technology, many who work in the service sector will face increasing redundancy as labor is replaced by technology.

While we expect the output gap to narrow and the economy to return to its full capacity to produce by late 2021, full employment will not be a policy consideration until 2024 and the substitution of technology for labor will likely be one of the defining narratives of the next expansion. Though wages were rising on trend during the decade-long recovery from the Great Recession, much of this latest increase in wage growth can be explained by the pandemic.

U.S. nonsupervisory hourly wage growth and the Employment Cost Index for private industry workers



Source: BLS; Bloomberg; RSM US LLP

As the coronavirus began taking its toll, corporations began furloughing low-wage and entry-level employees. Then as operations continued, the burden was left to the higher-wage, more productive, longtime employees. This almost certainly accounted for the 8% wage spike in April.

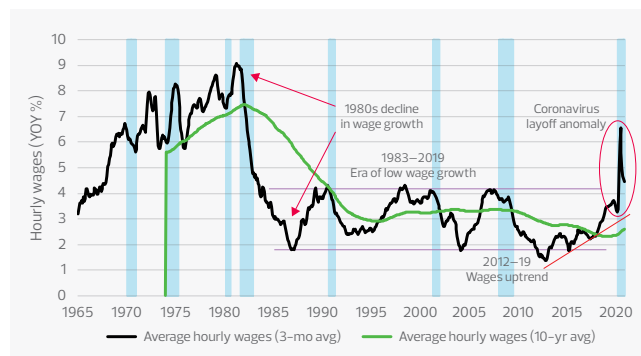
A decrease in the Employment Cost Index

Total employment costs are defined as the sum of wages and benefits. So while wage growth had been increasing before the pandemic, total employment costs were tempered by the downtrend in employee benefits. ■

MIDDLE MARKET INSIGHT

This will result in a K-shaped wage environment next year where those workers with the capacity, skills and know-how to thrive in virtual environments will capture the lion's share of wage growth during the initial phase of the recovery.

U.S. nonsupervisory hourly wage growth before and after recessions



Source: BLS; Bloomberg; RSM US LLP

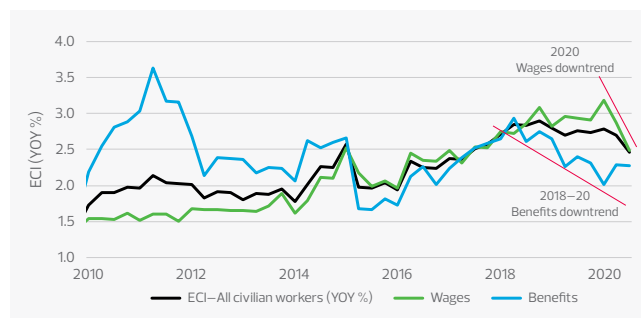
THE TAKEAWAY

In the months ahead, as extended health insurance benefits run out for furloughed employees, we would anticipate the downtrend in the Employment Cost Index to resume and continue for as long as it takes for the population to be vaccinated.

Moreover, service sector employees in leisure and hospitality, food and beverage, and retail are likely to face a flat wage environment at best and have their wages cut at worst as the service sector consolidates and reconstitutes over the next few years.

Wage and benefit components of the U.S. Employment Cost Index for all civilian workers

YEAR-OVER-YEAR % CHANGES IN SEASONALLY ADJUSTED ECI INDICES



Source: BLS; Bloomberg; RSM US LLP

THE ALTERNATIVE

ALTERNATIVE ANALYSIS FOR INFORMED MIDDLE MARKET DECISION-MAKING



VACCINE TOPS HOLIDAY WISH LIST FOR SENIOR HOUSING

BY SCOTT HELBERG

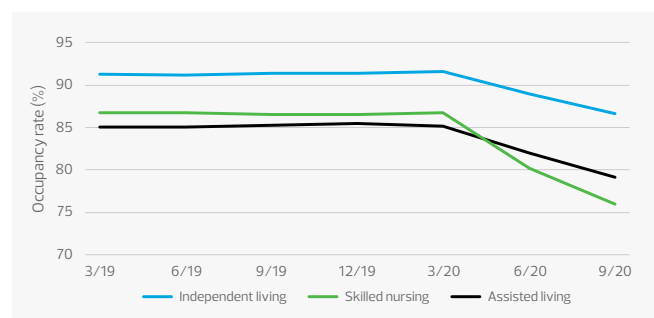
CORONAVIRUS VACCINATIONS have begun; this cannot come soon enough for the operators of facilities that house the nation's elderly.

Senior housing of all kinds—including independent and assisted living facilities, as well as those that offer skilled nursing—have been hit hard by the pandemic, both in human and economic terms. With a particularly vulnerable population, senior facilities have had higher rates of mortality during the crisis; more than 106,000, or 38%, of the U.S. deaths attributed to the coronavirus were linked to nursing homes as of Dec. 4, according to *The New York Times*.

To protect their workers and residents, operators paid more for medical staff and equipment. On top of this, most properties stopped taking in new tenants, causing occupancy rates to plunge. Occupancy at independent living and assisted living facilities has dropped below 90% and 80%, respectively, and skilled nursing facility occupancy has dropped by more than 10 percentage points this year.

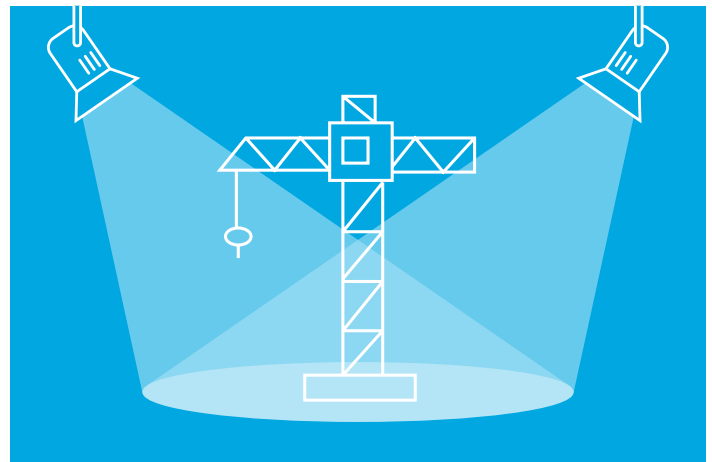
Senior living occupancy continues to decline

OCCUPANCY LEVELS OF SELECTED SENIOR LIVING CONDITIONS



Source: NIC, Bloomberg

But there is a light at the end of the tunnel. Both health care workers and the elderly have been identified as groups that will be early recipients of the vaccine. Many property operators have already been proactive in connecting with state governments and local pharmacies to get their spot in line. This will lend to unlocking demand that has been pent up over the past year as the sector looks ripe for gains in 2021. ■



CHINA'S NEW REGIONAL TRADE DEAL IS LATEST IN ECONOMIC BATTLE WITH U.S.

BY SHRUTI GUPTA

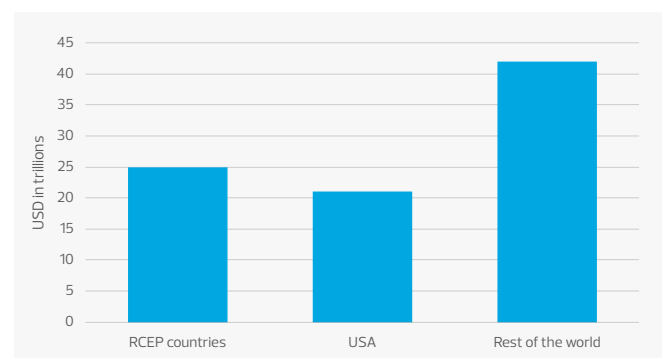
IN MID-NOVEMBER, China [signed a regional trade agreement](#)—the Regional Comprehensive Economic Partnership (RCEP)—with 14 other Asia-Pacific countries. Touted as the world's largest regional free trade agreement, it includes countries that make up 30% of the world's gross domestic product. But it does not include the United States, even though some of the countries that signed the pact—for example, Japan, Australia, Singapore and South Korea—are strong American allies.

The partnership is one of the latest developments in the ongoing battle for economic dominance between China and the United States. News of the RCEP also comes as President-elect Joe Biden is preparing to take office, with a platform that we expect to include a [more multilateral approach to China](#) than we have seen under President Donald Trump.

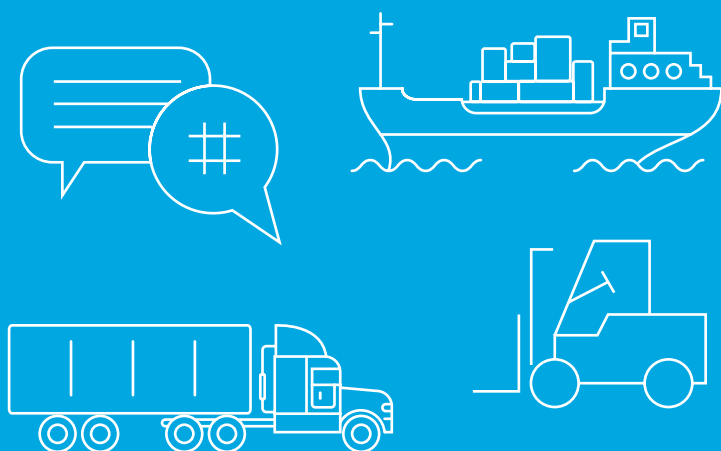
All of this prompts a question: How can businesses navigate the current geopolitical environment? Businesses want certainty and for their investments to be protected, but they need to be aware of the uncertainty that may come with investing or operating in China.

While the economic benefit from the RCEP remains to be seen, it will provide a platform for trade and cooperation between China and its Asian counterparts, bolstering its growth and dominance. The Trans-Pacific Partnership, or TPP, which the United States pulled out of in 2017, was created in part as a counterweight to China's growth. It is widely expected that the Biden administration will rejoin the TPP to reassert America's role. But it remains to be seen if the new administration will have the political capital to win over critics of the deal, including some on the left who object to certain labor-related provisions in the TPP, and some on the right who have a more hawkish view on China trade.

2019 gross domestic product



Source: World Bank world development indicators, 2019



EVEN IF THE COST OF LABOR MAY BE CHEAPER IN CHINA, THE OVERALL BUSINESS COST THAT INCLUDES SUPPLY CHAIN DISRUPTION RISK, TECHNOLOGY PROTECTION RISK, AND THE COST OF SACRIFICING INVESTMENTS IN DOMESTIC WORKERS AND CAPABILITIES IS FAR HIGHER.

The prospect of the United States rejoining the TPP comes as trade tensions with China continue to simmer. Trump, for example, recently signed an order barring American investments in Chinese firms owned or controlled by China's military. If Trump issues more such executive orders in the final weeks of his presidency, it could constrain the next administration's policies on China.

American manufacturing

These geopolitical tensions have dampened trade, specifically in the American manufacturing sector, which had a slowdown in 2018–19. But there is no singular path to reviving American manufacturing, and reshoring is not a binary choice. Industrial machinery companies have always manufactured closer to their customers. Many U.S. companies prefer to retain manufacturing of their low-value products in Asia because the current domestic cost structure is not competitive.

In decisions to locate manufacturing operations, companies are increasingly looking at the total business cost of such decisions instead of just manufacturing and shipping costs. In other words, even if the cost of labor may be cheaper in China, the overall business cost that includes supply chain disruption risk, technology protection risk, and the cost of sacrificing investments in domestic workers and capabilities is far higher.

Despite uncertainty in U.S.–China relations, one cannot discount China and the advantages that it brings to the table. China is critical not only from the demand side—given its huge customer base and proximity to other Asian markets—but also from the supply side given its efficient and comprehensive supplier ecosystem, trained labor force, and manufacturing infrastructure. It is increasingly becoming a center for advanced manufacturing and digital technologies such as robotics and artificial intelligence.

Simultaneously, China has become a leader in the use of electric vehicles and renewable energies, and is the world's primary supplier of many essential minerals and metals. In addition, the RCEP eases trade compliances between participants and will further strengthen trade among China-centric supply chains that are subject to that agreement.

The path forward

Companies should manage their cash and tax strategies to ensure that while adequate funding is available for investments, they also avoid unintended financial and tax consequences such as cash buildup, inefficient tax and regulatory structures, and cumbersome trade barriers.

Companies with China-based supply chains will need to ensure that financial and operational risks there are as low as they can be. Repatriating cash and profits out of China is not straightforward and requires sufficient planning and proactive strategies. Companies are looking into diversifying suppliers, regionalizing their supply chains, setting up regional manufacturing hubs, applying so-called “China-plus-one” strategies (i.e., not relying entirely on China for their sourcing needs) and establishing visibility across their networks to manage some of the operational risks. ■

THE TAKEAWAY

Irrespective of whether the RCEP will increase China's dominance or if the United States is successful in reasserting its dominance, tensions between the U.S. and China will likely continue, even during a new administration. Agility and preparedness will help companies manage operations in a world with polarized global powers.



REMOTE WORK FOR THE FORESEEABLE FUTURE

ACCORDING TO A forthcoming RSM report on reopening the middle market, until a significant amount of the population is vaccinated to protect against COVID-19, widespread remote work will continue to be a standard practice for many businesses. Proprietary RSM research that surveyed senior executives found:

Sixty-five percent of middle market businesses said they currently have employees working remotely as a result of the pandemic who were not working remotely before the crisis began.

There was a significant gap between the number of smaller companies indicating that they had newly remote employees (**57%**) and the number of larger companies with newly remote employees (**72%**) since the onset of the pandemic.

Likewise, **48%** of organizations said they are currently working to more explicitly define expectations for remote work.

Among smaller middle market companies, **38%** of respondents said they were making remote work a permanent option for some employees on a full-time basis, and among larger middle market companies that figure was **43%**.

THE TAKEAWAY

A remote work strategy is a necessity for many middle market businesses, but there are key areas to address including how to supervise virtual employees in a consistent fashion, providing training and development, maintaining and expanding technology resources and coordinating security measures. In addition, organizations must look for ways to maintain company culture in a virtual environment, encourage collaboration among teams and reduce worker isolation. For more on this topic, check out our RSM US Middle Market Business Index: Reopening the Middle Market, Part 2 in January, and read our [Part 1](#) report.

For more information on RSM, please visit rsmus.com.

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