

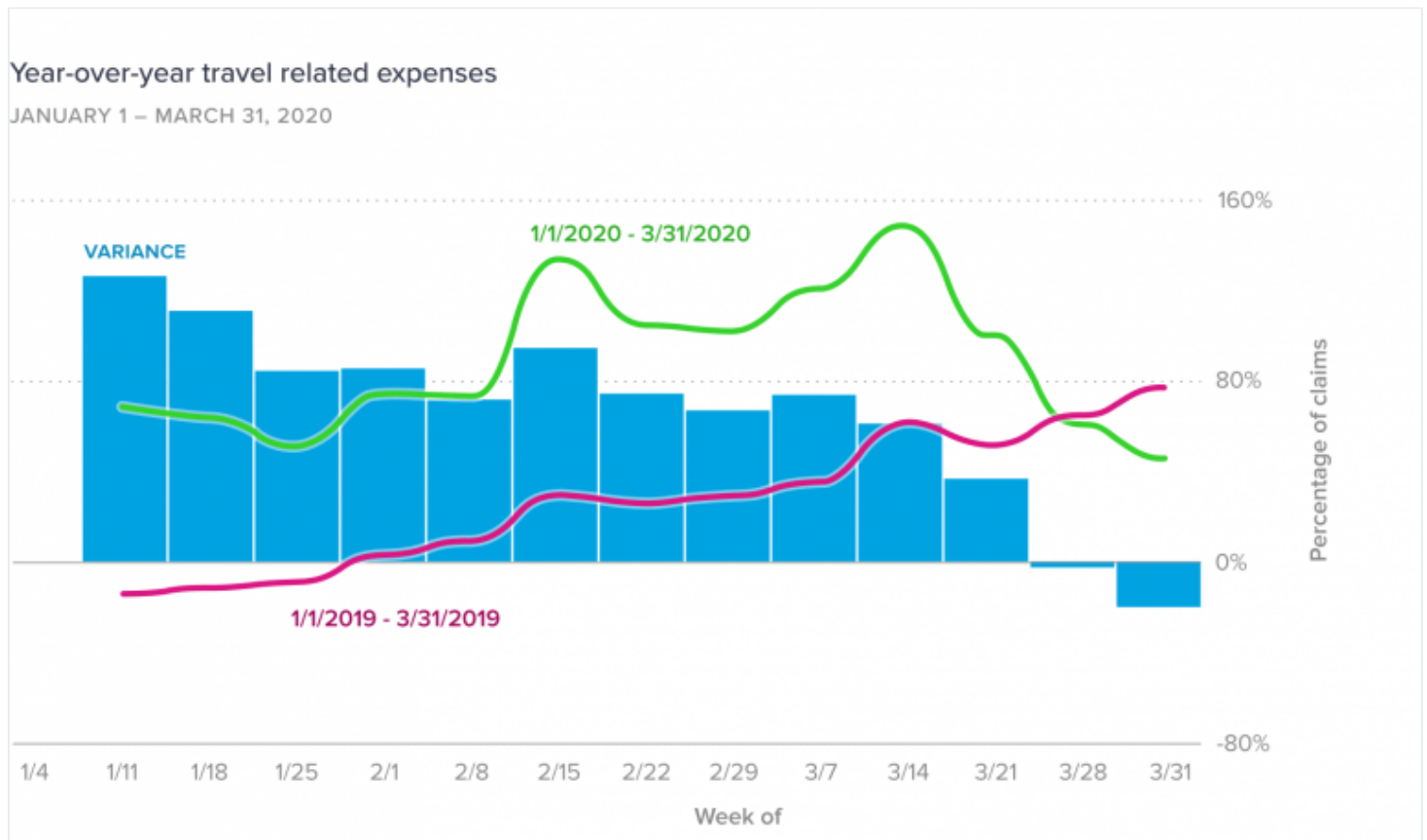
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Expense Claims

Business travel and entertainment have come to a standstill. Many companies have switched almost entirely to working from home to enforce social distancing or comply with mandatory shelter-in-place mandates.

Apr. 23, 2020



In a few short weeks, COVID-19, also known as the coronavirus, has permeated every aspect of our lives and completely changed how (and which) businesses operate. Business travel and entertainment have come to a standstill. Many companies have switched almost entirely to working from home to enforce social distancing or comply with mandatory shelter-in-place mandates.

As the economic landscape becomes increasingly uncertain, many companies have

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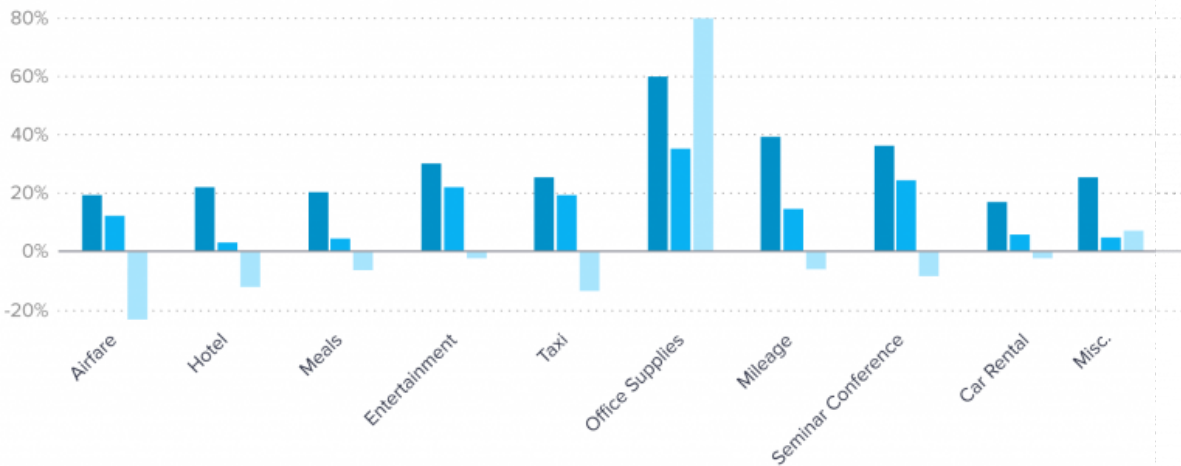
to this period last year: Which industries' expenses have been most and least affected by the current environment? What kinds of expenses are changing the most?

The baseline: Strong year over year growth before COVID-19

To contextualize the changes wrought by the current COVID-19 health crisis, let's first look at what happened before it began. Between January 2019 and January 2020, expenses in the top 10 largest categories grew by 24

Year-over-year change 2019 - 2020

■ JANUARY ■ FEBRUARY ■ MARCH



In March,

travel expenses began to drop

Unsurprisingly, travel-related expenses such as airfare, hotels, baggage fees, taxis, and trains dropped 9

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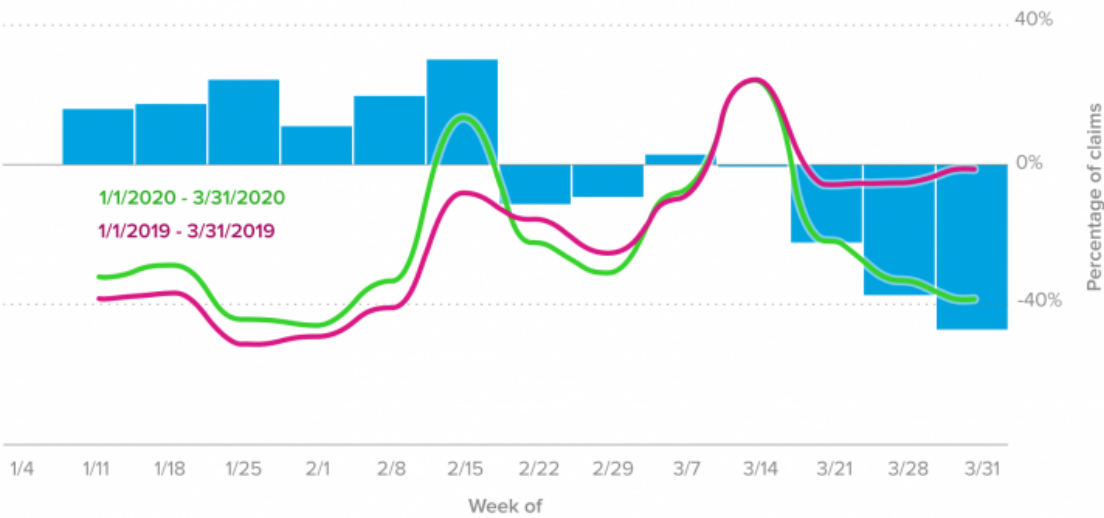
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However, not all industries are equally affected. Heavily white-collar, digital businesses that have been deemed “non-essential” have dropped off the most. In finance and insurance, for example, expense claims fell by 47

Finance and Insurance
JANUARY 1 – MARCH 31, 2020

■ VARIANCE



Businesses like construction (whose “essential” status varies by type and location), and life sciences (definitely essential!) were affected to a much lesser extent to date.

In the same timeframe, expense claims for construction companies only decreased by

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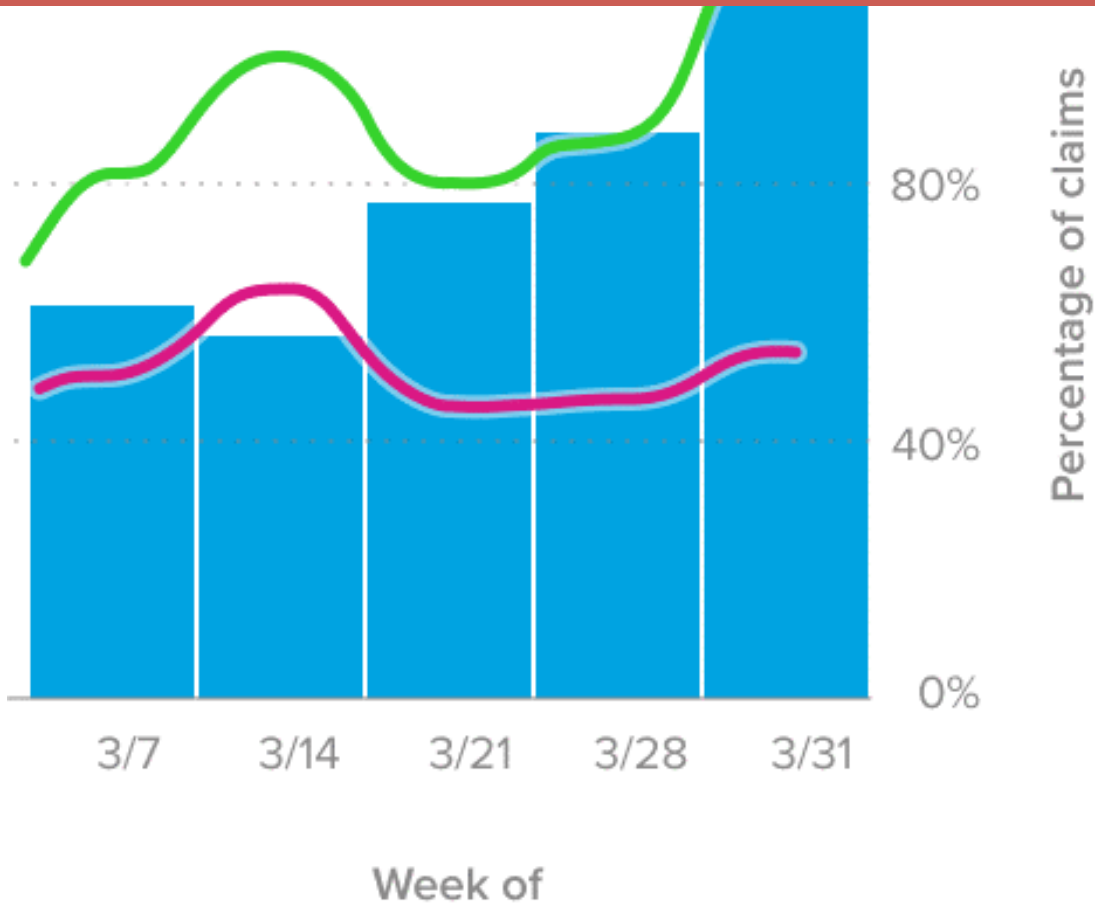


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Office expenses have gone up as many employees have shifted to working from home

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Expenses in the office supply category have increased across every industry during this timeframe. The most significant spike was during March, where AppZen saw 80% growth in these expenses across sectors.

As companies closed their offices and began encouraging their employees to work from home, many employees needed to expense office supplies such as laptops, monitors, cables, and keyboards. The last week of March was the most significant spike in these expenses, particularly for the construction, information, and professional services industries.

Variations in expense categories by industry

In March, expenses in categories such as subscriptions, training, and internet were

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companies saw a significant surge in subscription expenses, over seven times higher than 2019. Construction companies saw the most significant rise in office supplies, five times higher than the previous year.

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