

September 10, 2020

## He Knew

So, there you have it. Donald Trump knew it was coming, and he knew it was going to be bad. Bob Woodward reports this in his forthcoming book, *Rage*.

This is a health economics blog. Early in 2020 Your Blogger provided a thought experiment kicked off by the question “If a 15 MPH speed limit could save 35,000 lives per year, why don’t we have a 15 MPH speed limit?” The economic answer is that the lives saved are not worth the cost in increased travel time and increased shipping time. Economists do this kind of analysis all the time. It makes us delightful party guests (remember parties?).

As YB writes this, the US has lost over 195,000 lives in about six months (<https://www.worldometers.info/coronavirus/country/us/>). Compared to the speed limit example, this is a loss of life of 390,000 people per year, or more than ten times the number of people dying in traffic accidents (which are probably down this year, because of decreased driving).

When hurricanes approach, we evacuate those in the way. We have methods of doing this that mitigate potential panic. Is it costly? Yes. Is it inconvenient? Yes. Does it save lives? Yes. Do some people refuse to evacuate? Also ... yes.

There are people out there (Dan Patrick in Texas, Ron DeSantis in Florida, Doug Ducey in Arizona) who would undoubtedly answer that it was worth losing 390,000 lives per year because the cost of mitigation would be much higher than that. There are people out there who would look at the stock market and say that “the market is not bothered” by the losses.

These are all policy discussions that are worth having, but it requires that the adults in the room have them, and then explain them. The “Big Discussion” will occur on November 3. Maybe the American public feels about COVID-19 the way that they feel about the 15 MPH speed limit.

Just remember this. He knew.

Allen C. Goodman  
Professor of Economics