

One Million Deaths

According to Worldometer (<https://www.worldometers.info/coronavirus/country/us/>) today, 1,001,175 residents of the United States have died from COVID-19. This was going to come eventually, as even now the United States has settled on a death rate of about 1,000 per day. Moreover, cases are spiking again in Europe (Germany has been reporting 200 to 300 thousand new cases per day), and over the past two years the European infections have typically found their way to the United States.

This is a health economics blog. What are some of the economic surprises that came ... and stayed in the two plus years?

1. One million deaths! No longer is the Spanish Flu of 1918-19 (where approximately 675,000 Americans died) a historical footnote. Most current observers could not conceive of something like that in the 2020-22 period, and laughed nervously when experts like Dr. Lena Wen predicted one to two million deaths. The loss in terms of human life is in the trillions of dollars in the United States alone.
2. The vanishing physical workplace! Workers at some of America's great corporations have not worked at the office in over two years. Great office complexes remain half-filled, if that. Central cities developed because they were the cheapest way (through in-bound commuting) to gather large workforces that were necessary to make the country prosper. Workers are trickling back, but it is not clear when or if the central workplaces will repopulate.
3. Schools! A whole generation of students from age 4 to 25 has seen its schooling interrupted and changed. Members of this cohort have learned less, and developed fewer skills. Economic history suggests that they will suffer for it in the marketplace.
4. Supply chains! COVID-19 has demonstrated the fragility of world supply chains. Two years into the pandemic, there are chip shortages, paper shortages, lumber shortages, truck driver shortages. Economists use the term "elasticity" to describe responsiveness to changes. Many of our responses have been far less "elastic" than expected.
5. Social processes! Restaurants are still suffering, and cinemas are still suffering. People are eating at home, and streaming movies. Churches and synagogues are online. Compared with 2020, Americans are doing more "planning", but the plans are fraught with "what ifs".
6. Inflation! Inflation has returned at levels not seen in forty years, in large part due to generous payments to keep family finances stable. Policy-makers did not want a repeat of 2007-2008 where the financial institutions survived (for the most part) and millions of households lost their houses.

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Was this current policy a good trade-off? Your blogger thinks “Yes!” but there are others who disagree.

Has COVID-19 run its course? The science suggests “no.” A relatively tranquil summer of 2021 was followed by Delta and Omicron viruses that led to hundreds of thousands of cases (and two to three thousand deaths) per day in January 2022, only two months ago.

One million deaths. Fewer hugs and fewer handshakes. More timorous planning, or non-planning. Even as it shrinks in size, the COVID-19 pandemic has taken and continues to take a major toll on the population and the economy.

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