

ECONOMICS

Will The Costs Of A Great Depression Outweigh The Risks Of Coronavirus?

Federal and state governments are making a massive gamble about a little-understood new virus. They are betting our future on the most extreme worst-case scenario without considering the costs.

Federal and state governments are making a massive gamble about a little-understood new virus. They may not only be betting our entire economy, but our nation's future. Thus it's imperative that they not make foolish choices.

We shouldn't allow policy under a Republican president to be driven by a Democrat like Steve Mnuchin, whose overwhelming priority is reassuring Wall Street above all else. Voters don't vote for Donald Trump to get Obama-Bush bailouts of Wall Street and welfare expansions.

The current gamble seems to be to shut down the nation indefinitely to suppress a virus that is especially deadly to some demographics and **experts agree cannot be contained, only slowed**. The New York Times claims the basis of many U.S. officials' decisions so far is a **report** from Imperial College London, and other models that spit out similar results. It says to contain the virus it will be necessary to quarantine Americans for two- to three-month stretches *repeatedly over the next 18 months*.

The alternative, says the report, is 4 million Americans dead, half who would otherwise have lived but instead die for lack of medical capacity such as ventilators. If we merely quarantine sick people and those at risk, a “mitigation” strategy, it projects the U.S. death toll at about 2 million, again half from lack of ventilators, not depth of disease.



Jeremy C. Young @jeremycyoung · Mar 17, 2020

Replying to @jeremycyoung

This mitigation strategy is what you've seen a lot of people talking about when they say we should "flatten the curve": try to slow the spread of the disease to the people most likely to die from it, to avoid overwhelming hospitals.



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And it does flatten the curve -- but not nearly enough. The death rate from the disease is cut in half, but it still kills 1.1 million Americans all by itself. The peak need for ventilators falls by two-thirds, but it still exceeds the number of ventilators in the US by 8 times.

10.8K 2:15 PM - Mar 17, 2020

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This is why state governors are **shutting down** restaurants, schools, entertainment venues, government offices, parks, historical sites, churches, and travel. Most Americans and businesses likely can sustain a suspension of their lives for two weeks, the usual annual vacation time.

But start extending these bans to one and two months, and then to four and six months, and people are going to revolt as they sit chained to their houses, watching their jobs, businesses, and retirement accounts disappear, replaced with funny money taken from yet-unborn generations and no end in sight. Numerous people are already skeptical and fed up with the lockdowns, and we're not a week in.

Computer Estimates Can't Weigh All of the Real Risks

Plus, these are just estimates, not a crystal ball. We can't know the future, and different countries have already shown highly different disease spreads based on different population characteristics, health care capacity, and government response.

Just **one competing projection**, from the Hoover Institution, suggests "the total number of cases **world-wide** will peak out at well under 1 million, with the total number of deaths at under 50,000" (emphasis added). This is near the annual death rate due to flu in the United States alone. We don't know if that estimate is accurate either, but that's the point.

Here's another hysteria skeptic with impeccable medical and statistical knowledge, John P.A. Ioannidis, a professor of medicine, epidemiology, and statistics at Stanford University and co-director of Stanford's Meta-Research Innovation Center.

If we assume that case fatality rate among individuals infected by SARS-CoV-2 is 0.3% in the general population — a mid-range guess from my Diamond Princess analysis — and that 1% of the U.S. population gets infected (about 3.3 million people), this would translate

to about 10,000 deaths. This sounds like a huge number, but it is buried within the noise of the estimate of deaths from ‘influenza-like illness.’ If we had not known about a new virus out there, and had not checked individuals with PCR tests, the number of total deaths due to ‘influenza-like illness’ would not seem unusual this year. At most, we might have casually noted that flu this season seems to be a bit worse than average. The media coverage would have been less than for an NBA game between the two most indifferent teams. Some worry that the 68 deaths from Covid-19 in the U.S. as of March 16 will increase exponentially to 680, 6,800, 68,000, 680,000 ... along with similar catastrophic patterns around the globe. Is that a realistic scenario, or bad science fiction?

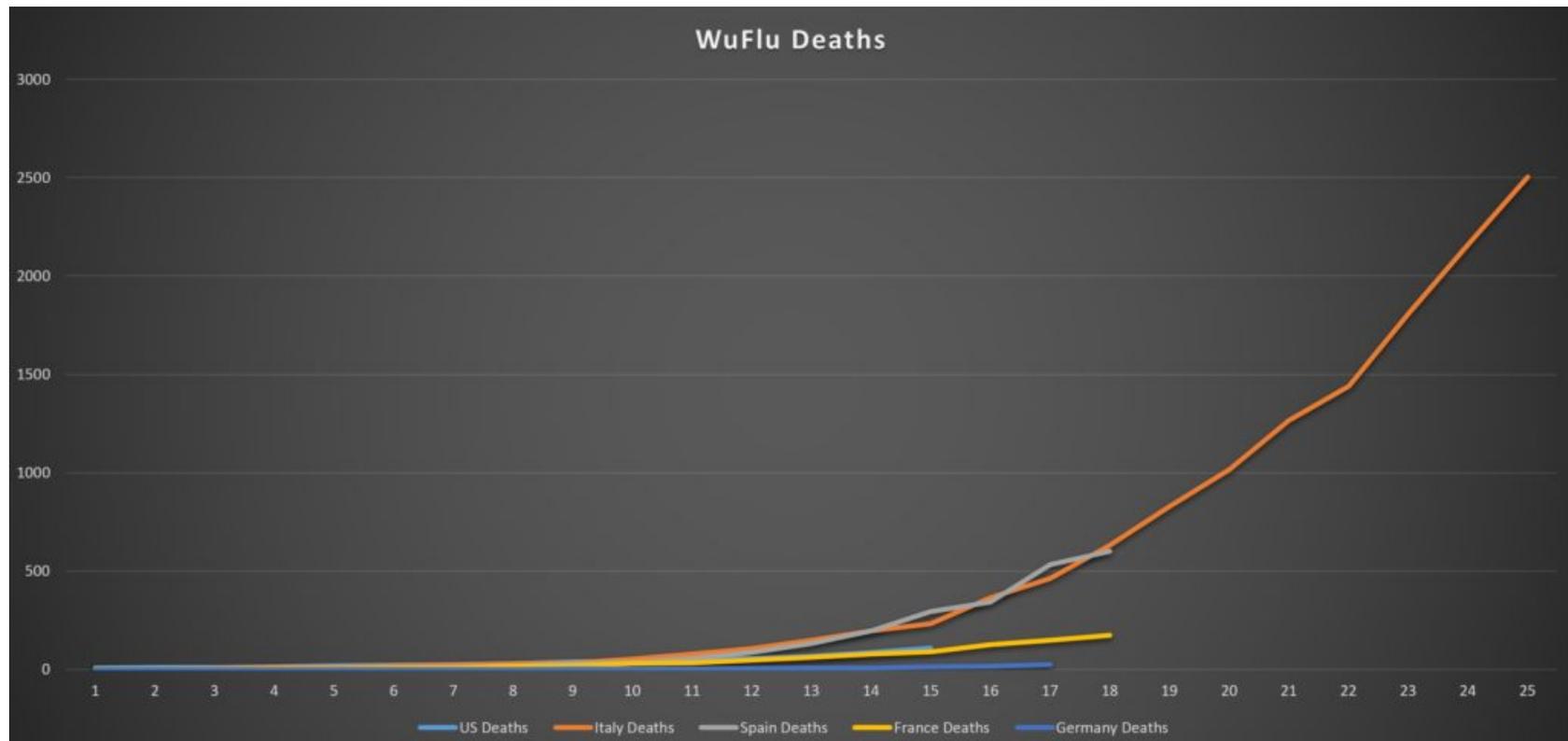
We’re acting as if coronavirus is for sure going to amount to the worst-case scenario without knowing that is true. If we all do shelter in place for the next year and a half while politicians pass **the equivalent of the Obama-Bush stimulus** that suffocated the economy 12 years ago, the “experts” will insist the nation’s long-term ability to provide for itself was required to save millions of lives. There will be no way to prove them wrong, even if they are.

It seems a fool’s errand to pre-emptively and indefinitely risk everyone’s livelihoods without hard information about what is happening and a risk assessment that includes the serious dangers of killing the U.S. economy, not what computers *project* will happen with **lots of missing, unreliable, and rapidly changing information.**

Some Things We Do Know Indicate Cautious Optimism

The current numbers we have not only show that different countries are managing the disease better and worse, but that not one of the countries further along in the spread of the virus is anywhere close yet to indicating these apocalyptic numbers for the United States, at least in the next two to three months.

Here is a chart my husband made using **WHO, CDC, and other public data** about deaths per day of outbreak. It shows the U.S. death rate due to Wuhan flu is much lower at the same stage of the outbreak than most of the other high-spread countries.



Anywhere from **80 percent of infections in adults** to **95 percent of infections in children** appear to be mild to moderate cases overcome in about two weeks with rest at home. The vast majority of cases look like CBS News Correspondent Seth Doane's. He can even be on TV while infected, for pete's sake.



CBS This Morning

@CBSThisMorning

NEW: CBS News correspondent [@SethDoane](#) has been diagnosed with COVID-19. Doane has decided to self-identify and is currently under quarantine in Rome.

Doane describes his experience from his home for [@CBSThisMorning](#):



712 7:47 AM - Mar 16, 2020

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Sharyl Attkisson has gone through the U.S. deaths to March 17, and as in other countries they are **overwhelmingly** among the very elderly and people with pre-existing conditions. The entire population is not at severe risk from coronavirus — although we are at severe risk from a wrecked economy and welfare expansions beyond Franklin Delano Roosevelt’s wildest dreams.

If we continue the present course U.S. politicians are taking, “we’ll be spending a lot more than we’ve ever been willing to spend before to avoid flu deaths. Eighty-three percent of our economy will be suppressed to relieve pressure on the 17% represented by health care. This will have to last months, not weeks, to modulate the rate at which a critical mass of 330 million get infected and acquire natural immunity,” **writes Holman Jenkins** at The Wall Street Journal.

Is it right for the nation to require our children’s futures be destroyed to keep alive less than 1 percent of our population until the next flu season? Could we not attempt to keep them safe by less disastrous means?

Most Working- and School-Age Americans Are at Low Risk

Every year, 40,000 Americans **die in car wrecks**. I don’t see any critical mass of politicians calling for banning cars, and if they did, they would lose their next election. That’s because we as Americans have decided that the benefits of modern transportation outweigh the lives of 40,000 Americans a year, which a few years ago included my own young brother. Do I still drive a car?

Daily.

My point here is not that I like people dying. It's that very often our society chooses to allow deaths because the alternative is worse. I'm suggesting the severe social and economic tradeoffs of unlimited quarantine are an important consideration that is not being taken seriously enough.

That's especially true because the majority of people now being kept home are not at severe risk. Here are the currently known fatality risks by age and comorbidity (pre-existing health problems), **from WHO and Chinese data:**

COVID-19 Fatality Rate by AGE:

***Death Rate** = (number of deaths / number of cases) = **probability of dying if infected by the virus (%)**.

This probability differs depending on the age group. The percentages shown below **do not have to add up to 100%**, as they **do NOT represent share of deaths by age group**. Rather, it represents, for a person in a given age group, the **risk of dying** if infected with COVID-19.

AGE	DEATH RATE confirmed cases	DEATH RATE all cases
80+ years old	21.9%	14.8%
70-79 years old		8.0%
60-69 years old		3.6%
50-59 years old		1.3%
40-49 years old		0.4%
30-39 years old		0.2%
20-29 years old		0.2%
10-19 years old		0.2%
0-9 years old		no fatalities

COVID-19 Fatality Rate by COMORBIDITY:

***Death Rate** = (number of deaths / number of cases) = **probability of dying if infected by the virus (%)**.

This probability differs depending on pre-existing condition. The percentage shown below does **NOT represent in any way the share of deaths by pre-existing condition**. Rather, it represents, for a patient with a given pre-existing condition, the **risk of dying** if infected by COVID-19.

PRE-EXISTING CONDITION	DEATH RATE confirmed cases	DEATH RATE all cases
Cardiovascular disease	13.2%	10.5%
Diabetes	9.2%	7.3%
Chronic respiratory disease	8.0%	6.3%
Hypertension	8.4%	6.0%
Cancer	7.6%	5.6%
<i>no pre-existing conditions</i>		0.9%

Would it be more prudent to severely shelter those at risk while the rest of us keep the country going? We can take steps like this while not choosing to crush small businesses and employees who cannot telework for one or two months, let alone 18.



Paul Doherty
@Paul_Doherty__

Iceland Foods at Kennedy Centre, West Belfast will be opening their store between 8-9am for the elderly starting this Tuesday. The wider public are asked to respect this hour as it has been allocated for elderly people only. Would be great to see other stores now do the same 🙌



137K 12:53 PM - Mar 15, 2020

[36.1K people are talking about this](#)

These Doomsday Models Have Serious Flaws

In introducing his competing model, Richard Epstein at the Hoover Institution writes of serious flaws in predictions of 1 million or more Americans dead from coronavirus:

Based on the data, I believe that the current dire models radically overestimate the ultimate death toll. There are three reasons for this.

First, they underestimate the rate of adaptive responses, which should slow down the replication rate. Second, the models seem to assume that the vulnerability of infection for the older population—from 70 upward—gives some clue as to the rate of spread over the general population, when it does not. Third, the models rest on a tacit but questionable assumption that the strength of the virus will remain constant throughout this period, when in fact its potency should be expected to decline over time, in part because of temperature increases.

He points out that South Korean data, which is more complete than most other countries' data, shows huge disparities in risks between old and unhealthy and young and healthy. "Clearly, the impact on elderly and immunocompromised individuals is severe, with nearly 90% of total deaths coming from individuals 60 and over. But these data do not call for shutting down all public and private facilities given the extraordinarily low rates of death in the population under 50," Epstein writes.

"Of course, every life lost is a tragedy...but those deaths stemming from the coronavirus are not more tragic than others, so that the same social calculus applies here that should apply in other cases," he says.

A Depression Will Ruin 330 Million Lives, Not 4 Million

The costs Americans are being forced to bear may be more than is rational to impose. Already **one-**

fifth of working Americans are being laid off and having work hours cut due to not even one week of suspensions.

“[T]he massive curtailments of the U.S. economy can have as many health consequences as the virus itself—if millions lose income and jobs, become depressed in self-isolation, increase smoking, and drug and alcohol use, and postpone out of fear necessary buying and visits to doctors and hospitals for chronic and serious medical conditions unrelated to the virus,” writes **Victor Davis Hanson**.

What if the real scenario is one of these: 1) We plunge the nation into a depression that kills many businesses and addicts millions to welfare, in a nation that has already pledged more welfare than it can afford for at least the next three generations. Because of this depression, many people die due to poverty, lack of medical care, and despair. Millions more transform from workers to takers, causing a faster implosion of our already mathematically impossible welfare state.

2) The nation quarantines only at-risk populations and those with symptoms, like South Korea has, and ensures targeted and temporary taxpayer support to those groups, goes nuts cranking out ventilators and other crisis equipment such as temporary hospitals using emergency response crews, while the rest of us keep calm, wash our hands, take extreme care with the at-risk groups, and carry on.

Why would the entire nation grind to a halt when the entire nation is not at a severe risk? I would rather have a flu I am 99.8 percent likely to survive than the nation plunged into chaos indefinitely because we pulled the plug on our economy during a stampede.

At the very least, Congress should wait a week or two, while half the nation or more is home, to see how the infection rates look as millions of test kits go out. The worst-case scenario they are predicating their actions on may not be the one we're facing. Prudence suggests a measured, wait and see approach to policy until we have better information, not chucking trillions of my kids' dollars out the window "just in case."

*Joy Pullmann is executive editor of The Federalist, a happy wife, and the mother of five children. Newly out: **the second edition** of her ebook recommending more than 400 classic books for young children. She is also the author of "**The Education Invasion: How Common Core Fights Parents for Control of American Kids**," from Encounter Books. She identifies as native American and gender natural. Find her on Twitter **@JoyPullmann**.*

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