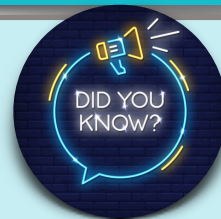


The Coronavirus Chronicle

How has COVID-19 Impacted the US Economy and What Could Politicians Do to Recover the Damaged Economy?

*** With a Supplementary Piece on How One Hospital is Protecting the Salaries of Its Workers ***



The US unemployment rate has risen from around 3% to around 15% since the pandemic began.



Over 7 million small businesses are in danger of closing due to COVID-related financial struggles.



The United States labor participation rate is at its lowest since 1973.

In January of 2020, COVID-19 — an infectious respiratory illness — reached the United States. The virus did not, however, elicit governmental action until cases began to rise exponentially and until after the first American coronavirus-related death in late February. Almost immediately after this, the virus prompted major sports leagues to shut down, triggered nationwide school closures, and forced non-essential businesses to shut down. Along with these changes came a domino-effect of statewide stay-at-home orders in which governors ordered residents to quarantine themselves at home with exceptions granted for only essential tasks and businesses. These changes would come to reshape the lives of all Americans. The implications of the virus have included a rapidly rising unemployment rate and increased bankruptcy filings among businesses. Continue reading this blog to find out about potential solutions to save the failing economy and to salvage at least some of what was lost as a result of the pandemic.

STAGE 1

INITIAL STAGE

The first COVID-19 related death in the US came on February 26, prompting state governors to initiate stay-at-home orders and to shut down all non-essential businesses. Schools across the country began the transition from in-person classes to online coursework.

STAGE 2

DECISION STAGE

After the unemployment rate rose to around 15%, many states began to consider a gradual reopening of the economy. Many political officials began to question whether the cons of the stay-at-home orders were actually outweighing the pros.

STAGE 3

REOPENING STAGE

After infectious disease specialists such as Dr. Anthony Fauci said that COVID-19 will “get worse before it gets better” and that a vaccine will not be available for at least another few months, state officials began to fear an extended virus period. To plan for the worst, states started to develop models that would allow residents to live “close to normal” while staying as safe as possible.

THE 3 STAGES OF MEDIA REPORTING (FEATURING TWO POTENTIAL METHODS OF REOPENING)

The ever-changing nature of the virus has brought forth constant changes in reporting by the media.



As the virus first began to spread throughout the US, citizens were immediately struck by fear. The media started reporting about the virus itself and the manner in which it spreads. This prompted political officials to close all non-essential businesses and issue stay-at-home orders. At this point, panic was so prevalent that political officials did not even initially consider the economic implications of shutting down. Their main priority was to ensure the safety of residents.



As infection rates continued to rise despite the stay-at-home orders and business closures, some reporting shifted towards a new potential solution: complete reopening and possible herd immunity. This side of the media believed that the stay-at-home orders did not contribute to overall health and safety, and solely served to hinder the economy. They believed that the 15% unemployment rate and the bankruptcy of major retailers such as Neiman Marcus were enough to encourage officials to reopen the economy with no restrictions. This, they thought, would build herd immunity – in which a majority of the population becomes immune to the virus (through infection or antibodies), thereby slowing the spread of the virus and offering a degree of protection to those who are not immune.



With potential vaccines still in early stages of testing and with cases continuing to rise in several states, many began to grow uncertain about when the virus's spread would slow down. Reporting shifted towards developing methods to safely "return to normal" even with the virus. A full reopening without precautionary measures would not be feasible (for reasons described in the box at the bottom of this page). Many believe that diagnostic testing is the only way to isolate the sick, while simultaneously allowing others to "get back to business." According to an *AXIOS* article, this method would be costly, but is an "essential investment" to ensure the safety of citizens and simultaneously contain the spread of the virus.

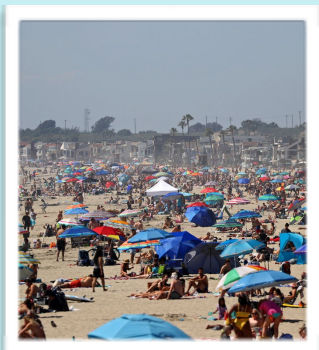
ONE METHOD OF REOPENING HAS BEEN PUT TO THE TEST... (RESULTS ARE ALARMING)

The majority of US states have started to ease restrictions for non-essential activities in hopes that Americans could start to resume daily tasks without sacrificing health risks. For instance, many retail stores have reopened for curbside delivery. More notably, several beaches have reopened (with some limitations). Memorial Day weekend saw an influx of visitors to major beaches, and hair salons that recently re-opened brought forth a high volume of clients. After these re-openings were issued, daily confirmed COVID-19 cases rose again in 17 US states, after many of these states' infection rates had just begun to plateau.

After these horrifying results, several state officials ordered large beaches to close to prevent further rises in COVID-19 cases. For example, Newport Beach (pictured here) could close for at least 3 weeks after large Memorial Day crowds are believed to have contributed to the steep increase in California coronavirus infections.

WHAT DO THESE RESULTS TELL US?

These results show that Solution 1 (mentioned above) alone would not be an efficient method to reopen the country and minimize infection risk. There must be further measures put in place (such as diagnostic testing) to ensure that those who do leave their houses do not have the virus and can also remain safe from contracting the virus from others.



COVID-19 ECONOMIC RESPONSE AT CEDARS-SINAI MEDICAL CENTER

HOW IS THIS HOSPITAL PROTECTING ITS EMPLOYEES' WAGES DURING THE PANDEMIC?

Connection to History 1C

In History 1C, we learned about the mistreatment of workers during the Industrial Revolutions in England, continental Europe, and the United States. This mistreatment came in the form of poor workplace conditions and low wages. Throughout the pandemic, the issue of wages has become a major issue, as many employees have faced pay cuts due to financial losses experienced by their employers. Emory Healthcare, for instance, will furlough up to 1500 workers and cut the wages of several of its employees due to the virus. The President and CEO of Emory Healthcare says, "COVID-19 has had a significant negative impact on our normal revenue and operating expenses, which we must address to ensure a sustained financial recovery".

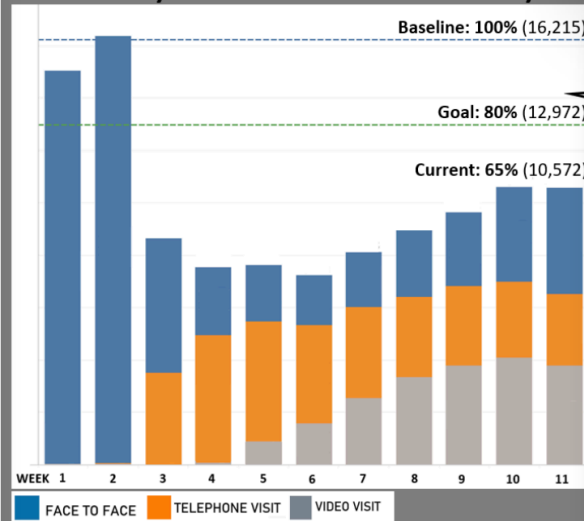
Current Solutions and Looking to the Future

About two months ago, a one-time payment of \$1,200 (stimulus check) was issued to eligible individuals (based on income). This was meant to counter the increasing unemployment rate and the pay cuts experienced by many Americans. However, this solution is clearly not a sustainable way to face the economic implications of the virus. Some politicians and economists are demanding governmental funds to be allocated to businesses in order to prevent workers from getting their wages cut due to the pandemic. However, this solution, like many others, can only be short-lived if applied alone. To be effective, this solution should be combined with other methods (such as having businesses use their previous years' earnings to support employee salaries).

My dad, Antoine Hage, is a cardiologist at Cedars-Sinai Medical Center. His work environment was completely reshaped by COVID-19. However, Cedars-Sinai ensured payment protection for him and for all other employees, a liberty that many businesses have not been able to grant their workers due to the pandemic.



Total Weekly Visit Volume: March 2nd – May 15th



The graph to the left is from an email sent by Cedars to all doctors. It shows how doctors' work environments have changed as the virus progressed. More and more patient visits and consultations are being done over the phone, rather than face-to-face.

Asking Dr. Hage About How the Pandemic Has Affected Economic Policies at Cedars-Sinai

Me: Were you surprised at how Cedars-Sinai was able to maintain its economic policies during the pandemic?

Dr. Hage: Definitely. During the pandemic, we saw a decreased number of patients coming in and the hospital only saw 2/3 of its full capacity. The hospital's expenses also went up because additional nurses and doctors were called to assist with the COVID patients. Because of these factors, many doctors, nurses, and staff expected pay cuts due to the hospital's lower income. However, Cedars implemented a Payment Protection Program which would guarantee the salaries of workers up to June 30. However, the hospital's employees are certainly still feeling the impact of the virus because no one truly knows whether the hospital will be able to continue paying full salaries after the Payment Protection Program's funds are exhausted.