

Most Americans Support the Quarantine. The Economy Will Change Their Mind.



By Alex Berezow, PhD — April 21, 2020

A recent poll shows that 78% of Americans support stay-at-home orders. As the economy comes crashing down to levels not seen since the Great Depression, our social fabric will begin to rip, and the public will change its mind.



Credit: Public Domain/Wikipedia [1]

Should politicians make major, society-altering decisions based on polls? Framed that way, most people would probably answer "no." A politician's job is to be a leader, and sticking one's finger in the wind is not anyone's idea of leadership.

But we all know that's not how most politicians operate, particularly in democracies. Pleasing the public is important to getting (re-)elected, and obeying the polls is a tried-and-true method of accomplishing that.

A new [poll](#) [2] released by Huffington Post/YouGov shows that an overwhelming majority of Americans, 78% to be exact, support the stay-at-home orders issued by various state governments. Another 65% said they would continue staying home even if the orders were lifted.

In the short-term, then, politicians have zero incentive to reopen public life. The polls show that Americans don't want it, and politicians know that if they lift restrictions and people start dying again, they will be blamed. So, the status quo is here to stay. For now. Economic reality will

change all of that.

The Economy Is Collapsing, The Social Fabric Is Ripping

It's difficult to overstate the potential socioeconomic catastrophe we are facing. Very few (if any) people alive today experienced or remember the Great Depression. It was not just a really bad recession. While most families did not lose their livelihoods, for some families, it felt like society had collapsed. Consider this [description](#) [3] from the University of Washington:

"Sudden poverty produces psychological damage. Families broke apart under the strain. Divorces escalated, as did informal divorces as one partner or another (mostly husbands) abandoned their family. Young people also fled, quitting school and setting off on the road. Marriage rates and birth rates plummeted as people worried that they could not afford to start families. Acts of domestic violence multiplied and the suicide rate increased dramatically."

It is estimated that about [2 million people](#) [4] became "hobos," traveling homeless people in search of work. Given that the US population at the time was around 125 million, that translates to a prevalence of 1.6%. To put that number into perspective, there are [about 553,000 homeless Americans](#) [5] today, which is a prevalence of roughly 0.17%. Thus, the Great Depression caused a homelessness problem that was ten times worse than today.

Economists are predicting devastation for the next quarter. Goldman Sachs, an investment bank, [predicts](#) [6] GDP contraction of 34% and an unemployment rate of 15%. At least that's more optimistic than the Federal Reserve Bank of St. Louis, which [predicted](#) [7] 32% unemployment (7 percentage points worse than during the Great Depression). The International Monetary Fund (IMF) [says](#) [8] we are facing the worst recession since the 1930s and a timeline for economic recovery is uncertain.

To show why it's unlikely that the economy will just "bounce back," let's do some math. If the economy contracts by 25% for the entire year, for example, it needs to grow by 33% just to get back to where it was. (To see why, consider this: $100 - 25 = 75$. To get back to 100 requires $75 + (33\% \text{ of } 75 = 25)$). Economies don't generally grow that quickly, so let's assume that we grow at an extremely brisk pace of 6% after the lockdown ends. It will take five years just to get back to where we are now.

Nobody knows what the actual numbers will be. But the notion that you can just "turn the economy back on" like a light switch is nonsense. It doesn't work like that. When companies go out of business, they aren't replaced or rebuilt overnight.

Another gigantic red flag is the collapse in oil prices. Certainly, there is a contingent of Americans who will think, "Good! Fossil fuels are evil." But here are the real-world consequences of a catastrophic drop in oil prices: Economies at the local, regional, and national level can be destroyed. Entire nations (e.g., Russia, Saudi Arabia) rely on oil to subsidize daily life for their citizens. What happens when the money is gone? Social unrest, perhaps on a global scale.

The point is that it's an absurd over-simplification to force people to choose between economic health and public health. Like love and marriage, you can't have one without the other.

Now, having said all that, it's unlikely that we will see a repeat of the social conditions endured during the Great Depression. Governments all over the world are spending a lot of money to stimulate the economy, and we have social safety nets that didn't exist in the 1930s. But that doesn't mean that our economy won't suffer and the social fabric won't tear. There are already reports of an increase in [divorces in China](#) [9] and [domestic abuse worldwide](#) [10].

Polls Reflect But a Fleeting Moment

Public sentiment on the lockdown should be seen as a lagging indicator. People are afraid of the virus today, but they'll be afraid of going bankrupt tomorrow. When people's wallets are finally empty, there will be a loud and drastic change in public opinion.

Our leaders better prepare accordingly, assuming we have any.

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Links

[1] https://en.wikipedia.org/wiki/Great_Depression#/media/File:Lange-MigrantMother02.jpg

[2] https://www.huffpost.com/entry/poll-coronavirus-stay-home-reopen-protests_n_5e9e1803c5b63c5b58734c96

[3] https://depts.washington.edu/depress/everyday_life.shtml

[4] <https://www.history.com/news/life-for-the-average-family-during-the-great-depression>

[5] <https://endhomelessness.org/homelessness-in-america/homelessness-statistics/state-of-homelessness-report-legacy/>

[6] <https://www.businessinsider.com/economic-outlook-q2-gdp-lower-unemployment-jump-coronavirus-impact-goldman-2020-3?IR=T>

[7] <https://www.forbes.com/sites/sarahhansen/2020/03/30/coronavirus-could-lead-to-47-million-lost-jobs-says-st-louis-fed/#6825512666fa>

[8] <https://edition.cnn.com/2020/04/14/business/imf-world-economic-outlook/index.html>

[9] <https://www.bloomberg.com/news/articles/2020-03-31/divorces-spike-in-china-after-coronavirus-quarantines>

[10] <https://www.nytimes.com/2020/04/06/world/coronavirus-domestic-violence.html>