

Plan B: An approach for opening our economy

Given the state's baby steps in opening the economy, it was only logical that UHERO forecast that by December we will have only recovered half the jobs that have been lost.¹

Let's call this Option A, which is that little or no action will be taken to mitigate the incredible economic damage being done to most of Hawaii's citizens. No one would guess that we are the hardest hit state in the nation with already the highest unemployment rate of all.²

The \$600-a-week support added to unemployment compensation has eased the pain but that ends in July and after that ends many employees will be going to the Mainland to find work.

Without tourism, Hawaii does not have an economy. Think of today's virus situation being in place until year end, as many are suggesting, and most businesses in the state would be severely impacted, if not in bankruptcy proceedings by then. It would certainly damage the state employee retirement system.

In the 2008 Great Recession those collecting unemployment insurance in Hawaii totaled

¹ At a meeting of state senators last week, Hawaii Department of Health Director Bruce Anderson was asked [about plans to reopen tourism](#). He said, "No one is even talking about allowing people to start coming here except with quarantine provisions — that's not even being discussed. We're not close to that point."

Hawaii's long-term economic plan is a blank slate by design to be filled in by an ensemble cast, says Alan Oshima, Hawaii's economic recovery chief. "We're creating an unstructured process intentionally," Oshima said. "It's not by accident." <https://www.civilbeat.org/2020/05/reshaping-hawaiis-economy-for-a-post-pandemic-world/>

The University of Hawaii Research Organization (UHERO) calls for us only recovering half of the 220,000 jobs lost by the fourth quarter. Their more pessimistic forecast calls for no significant tourism until the end of September with the winter season still 50 percent below normal. .

<https://uhero.hawaii.edu/covid-19-developing-economic-recovery-scenarios-for-hawaii/>

² On a per capita basis, no state has filed more claims than Hawaii — 73 filings for every 1,000 workers (Pennsylvania ranked second with 62 filings per 1,000 workers). Hawaii has been particularly hit hard because its top industry, tourism and hospitality, has been devastated by the travel bans spurred by the pandemic. Tens of thousands have lost jobs as hotels, bars, restaurants, retail stores and other businesses have shuttered in response to a plunge in tourism. <https://www.ibtimes.com/hawaiian-tourism-industry-devastated-coronavirus-related-job-losses-2951737>

20,000.³ Last week's total was up to 220,000, or eleven times greater, and is climbing.⁴

The way out of this may be to weigh the cost of human suffering in foreclosed homes, closed businesses, suicides, "depression, anxiety, and problematic drug use,"⁵ and foreclosed dreams, against the losses and suffering of letting the virus run its course and then make a choice.

Here's plan B:

1. Immediately test a randomized sample of Hawaii's population for antibody existence to determine the current spread of the virus in Hawaii.
2. Reveal to the public the current death rate by age and underlying condition.

³ <https://labor.hawaii.gov/rs/files/2018/01/FB2016.pdf>

⁴ "The hardest-hit state, based on the latest available data for local jobless claims and employment, is Hawaii, where more than 29% of the workforce – or nearly 200,000 people – have applied for unemployment benefits since mid-March." <https://www.cbsnews.com/news/nearly-30-of-hawaiis-workforce-filed-jobless-claims-state-by-state-breakdown-unemployment-woes/>

See also <https://www.wsj.com/articles/coronavirus-hits-hawaiis-tourism-dependent-workforce-hard-11588584601?mod=searchresults&page=1&pos=4>

Many do not understand the cascading effect of Hawaii's economy continuing on this path. While retailers and restaurants may fail when unable to pay rents, landlords may fail when they don't get those rents. Landlords' creditors may call loans and if they don't get them, the creditors themselves may fail. If the larger landlords fail then the public workers' pension funds may suffer as their investments go under. It is all highly complex and everyone suffers. While we decry that many employees live paycheck to paycheck, it is also true that many, if not most, businesses live bank loan to bank loan.

Consider the suffering during the Great Recession. In 2007, tourism expenditures were \$12.6 billion. By 2009, they had dropped 22 percent to \$9.8 billion and it hurt. From March 20th tourism expenditures have essentially dropped to zero where they will likely be for some time to come if nothing is done. Hawaii Tourism Authority file: visitor-expenditures-2001-through-2018.xlsx

⁵ This from the British Journal of Psychiatry, "People who suffered a financial, housing-related, or job-related hardship as a result of the Great Recession were more likely to show increases in symptoms of depression, anxiety, and problematic drug use, research shows." And, "There has been a substantial rise in 'economic suicides' in the Great Recessions afflicting Europe and North America. We estimate that the Great Recession is associated with at least 10 000 additional economic suicides between 2008 and 2010." Reeves A, McKee M, Stuckler D. *Economic suicides in the Great Recession in Europe and North America*. <https://www.cambridge.org/core/journals/the-british-journal-of-psychiatry/article/economic-suicides-in-the-great-recession-in-europe-and-north-america/DF85FA16DFB256F4DC7937FAEA156F8B>

There were also substantial increases in suicides during the Great Recession.

3. Show voters the results. It is likely to be something like the following table if, like New York,⁶ the unreported infections are 12 times the reported infections since over 90 percent of those infected will not have had symptoms worth reporting.

Hawai'i as of 3/26/2020	COVID-19 Cases	% of cases reported	% of total cases	% of population
Deaths	16	2.627%	0.202%	0.001%
Reported Cases	609	100.000%	7.692%	0.042%
Unreported Cases	7,308		92.308%	0.501%
Total cases	7,917		100.000%	0.542%
Population	1,460,000			100.000%

4. Calculate the likely societal effects if the current economy continues anything like it is at present for a further eight months.

5. Calculate the expected increases from current annual levels of 227 suicides and 203 opioid overdose deaths.⁷

6. Consider the societal effects of likely increases in social chaos, civil unrest and a breakdown of law and order, all of which usually accompany a severe Recession/Depression.

7. Consider the effects of allowing the under-65s with no underlying conditions to relaunch the economy and strongly urge our seniors and those with underlying conditions to rigorously self-quarantine until a vaccine is available. Encourage the larger grocery chains to dedicate certain stores for the vulnerable only.

Share all this with the public. Encourage discussion as much as possible. There is a terrible choice to be made here and it has to be made with the full support of the voters.

It is the kind of tough decision that generals in battle may have to make. Do I send Army A through Valley X or Army B through Valley Y when I will lose 5,000 troops one way, of 4,000 the other way, knowing full well that I am likely sending at least 4,000 troops to almost certain death?⁸

⁶ <https://www.bloomberg.com/news/articles/2020-04-23/new-york-finds-virus-marker-in-13-9-suggesting-wide-spread>

<https://www.cbsnews.com/news/new-york-coronavirus-13-9-percent-coronavirus-antibodies-covid-19/>

Germany: "This number of unreported cases is about 10 times higher than the officially reported cases." <https://medicalxpress.com/news/2020-05-team-covid-infection-fatality.html>

⁷ <https://www.cdc.gov/nchs/pressroom/states/hawaii/hawaii.htm>

⁸ Review the planning of the D-Day landings to take place June 6, 1944.

We have to make the tough choice of A or B. The option of doing nothing much is Option A.

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