

# The Nightmare Pandemic Economy Joe Biden Is Inheriting, in 5 Charts

BY **EMILY BARONE** NOVEMBER 13, 2020 2:35 PM EST

**W**hen President-elect Joe Biden steps into White House in January, he will inherit two inextricably linked crises: The worsening COVID-19 pandemic and a wide-reaching recession. As U.S. coronavirus cases are spiking to all-time highs, he will be responsible for keeping Americans safe while guiding a fragile economy through recovery.

That's a tall order—and a somewhat paradoxical one. A fully open economy will most certainly lead to more viral spread and likely result in more deaths, while a closed economy could contain the virus but bring about even more financial hardship. And as the weather cools and fewer people want to dine, drink or otherwise spend time outside, it will become even harder to find the right mix of policies to both curb spread and keep businesses (and their employees) afloat.

Biden has already demonstrated a more hands-on approach to the pandemic than U.S. President Donald Trump. In his first order of business after being projected the winner, the President-elect established a COVID-19 advisory board to guide his thinking and

work with state and local health officials. The group, Biden's transition team says, will develop public-health strategies based on scientific information to "reopen our schools and businesses safely and effectively," among other goals.

Still, the task at hand will be difficult, to say the least. The following five charts show what Biden and his Vice President-elect, Kamala Harris, are up against as they prepare to take the oaths of office.

### **1. Americans don't agree on the best course of action**

The coronavirus has affected almost every country around the world. Many have taken an economic hit this year as a result. However, while citizens of other countries generally agree on how to move forward, Americans have a wide ideological divide that could make Biden's job much harder, as presidents often draw on public support to help push their agendas forward.

A Pew survey conducted over the summer found that, among citizens of economically advanced countries struggling to contain the virus, Americans were the most polarized along party lines in their assessment of their government's response to the virus and the economy. Furthermore, another Pew poll from October revealed that only 24% of Trump supporters said the coronavirus outbreak was very important to their vote, compared with 82% of Biden supporters. Conversely, 84% of Trump supporters said the economy was very important, versus 66% of Biden supporters.

Biden has pledged to follow the advice of public-health advisors, even if they recommend shutting down businesses. Biden's supporters may applaud that approach, but he will find it challenging to convince the rest of the country it's the right way to

go—especially Trump’s most ardent loyalists, many of whom have shunned even basic preventative measures, like masks.

## **2. Lawmakers don’t agree, either**

Election Day resulted in a narrower Democratic majority in the House of Representatives, while two Jan. 5 runoff elections in Georgia will determine whether the Senate remains narrowly in Republican control or gets split down the middle, with Harris casting a tie-breaking vote when necessary.

Either way, the congressional situation is a major obstacle for Biden’s agenda, writes TIME’s Abby Vesoulis. As she notes, the President-elect may get only parts of his broad plans—spanning everything from childcare to infrastructure to climate change—through a gridlocked Congress.

On the coronavirus front, Biden has called for federal relief programs—including loans for small businesses, direct payments to working families and student loan forgiveness—to serve as a financial bridge until the virus is under control. He has also proposed employing tens of thousands of COVID-19 contact tracers as a means of both curbing viral spread and chipping away at the high unemployment rate.

Federal relief programs are not new for Biden, who, as vice president to Barack Obama during the height of the Great Recession, helped shepherd a \$787 billion stimulus package through Congress in 2009. But back then, he had the benefit of a significant Democratic majority in both chambers, making it easier to put the Obama Administration’s goals into practice.

## **3. The unemployment crisis is worse than it seems**

The overall U.S. unemployment rate is currently 6.9%, which, while better than April's 14.7%, still means that 10 million pre-pandemic jobs remain M.I.A., according to Nov. 6 data from the Bureau of Labor Statistics (BLS). Economists have said that the jobs that haven't returned by this point will be the hardest to claw back, in part because they are concentrated in the industries most affected by virus containment measures, like leisure, travel and hospitality.

The Trump-era employment gains may not continue at the same pace under Biden, because prolonged unemployment, especially in a weak labor market, can be harder to fix. People who have been unemployed for six months or more are about twice as likely to drop out of the labor force as to find employment, according to a U.S. Federal Reserve analysis of unemployment trends during the Great Recession. Additionally, the longer a person is out of work, the less consumer purchasing they do, which further slows economic growth.



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Alarming BLS data show that long-term unemployment as a share of all unemployment is growing fast. In October, 3.6 million of the 11 million unemployed Americans—or one in three—had been out of work for six months or longer. That's a ratio not seen since mid-2014, when Biden was VP and the unemployment rate, like today, topped 6%.

The continuing unemployment crisis has led economists to become increasingly pessimistic about when the country might return to pre-pandemic levels. Business and academic economists surveyed by the Wall Street Journal in April predicted the labor market would recover by 2022. But when surveyed again in October, 55% had extended their recovery forecast to 2023 or later.

#### **4. Biden can't fix the coronavirus or the economy without addressing systemic racism**

2020 brought the country's ongoing struggle with racism to the fore, as police brutality and other forms of violence against Black people led to nationwide Black Lives Matter (BLM) demonstrations. But systemic racism hasn't been on display just in horrifying viral videos—it has also been apparent as COVID-19 ravaged Black communities in particular.

Systemic racism has made it harder for Black communities to achieve the wealth, access to health care and overall prosperity that white communities enjoy. As a result, Black people in the U.S. are most vulnerable to the virus itself, as well as the economic disruptions it has brought on. A disproportionate share of Black Americans have fallen severely ill from the virus. They are more likely to hold lower-wage, public-facing, front-line worker positions that put them at greater risk of exposure. And they are less likely to have accumulated savings to pay the bills if their jobs disappear. Addressing the pandemic's health and economic effects requires acknowledging these facts, and acting accordingly.

#### **5. We're not out of this yet**

On Nov. 9, pharmaceutical company Pfizer announced promising results from its vaccine effectiveness trials; other companies are also in late-stage trials. The stock market surged on the news, as

investors predicted that the vaccine will suppress case rates and therefore expedite economic recovery.

But that won't happen immediately, even if the vaccine is highly effective in a biological sense. Public-health strategies will continue to be critical during the time it will take to produce, distribute and widely administer a vaccine. The U.S. Centers for Disease Control and Prevention, which is planning a phased rollout starting with high-risk populations, is anticipating that a limited number of doses will be available at first. If the rollout happens as quickly as President Trump has touted, mass vaccination could take Biden's entire first term.

Another obstacle: for a vaccine to work, people need to actually receive it—but survey data suggest that many Americans aren't on board. The chart below, adapted from STAT and The Harris Poll, shows that only about 58% of Americans surveyed in October plan to get a vaccine as soon as one is available—down from 69% in August. The hesitancy is even more pronounced among Black Americans, with only 43% reportedly planning to get vaccinated right away.

It's hard to say how effective Biden will be in balancing public-health measures with the economic consequences of viral containment. Other countries have shown such a balancing is possible—Germany, South Korea and Japan, for instance, have experienced fewer deaths per capita and less severe economic losses than the U.S., as measured by gross domestic product declines since late 2019.

But it's not an apples-to-apples comparison. Other nations benefit from a stronger consensus among citizens on the best path forward. Moreover, some have social safety nets that cushion the

blows from economic disruptions. And not all countries have the added complication of deep-seated racism that has disproportionately affected minority communities in the U.S.

Still, Biden believes the government needs to do better, and he campaigned on the promise of finding middle ground. In the last pre-election debate, he suggested that health and economic goals are not necessarily in competition—that if the nation is healthy, then the economy will be, too. His challenge now will be channeling that idea into effective policy. Given that states, rather than the national government, have the most power to issue and enforce public-health rules, expect him to start by working with—or, in some cases, perhaps even pressuring—the country’s governors to follow his lead.

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