

The Virus

Although I still hope things will go differently, the experts I've spoken to think we are likely to face a global tragedy—hundreds of thousands of deaths from Covid-19.

I hope that society views this as a warning for the future. Covid-19 is bad, but only a warm-up. I think it's unlikely that this is the worst new pandemic (human-created or otherwise) we'll see in our lifetimes. We need to be ready to deal with it much better next time.

In the meantime, young healthy people should try to avoid getting Covid-19 for as long as possible. It's true that it doesn't seem to be very bad for young people, but more people getting it—particularly people who don't get sick enough to stay home—will accelerate the spread, and this virus seems quite bad for old people and people with pre-existing conditions.

I expect society will shift to a new normal pretty fast. Some of these elements—e.g., much less business travel, much less handshaking, much more handwashing—I expect to just stick. Some others—e.g., people working from home all of the time—I expect to not stick.

The economic disruption is still probably under-appreciated and will remind us that our systems are more fragile than we think. For example, I do not think the recent plunge in US Treasury yields is explained by Covid-19 alone, but rather a reminder of cascading effects that can happen in a complex system.