

(Un)precedented:

Reflecting on the Early Lessons of the COVID-19 Pandemic

by Amanda Rector

I remember very clearly the last days I spent in my Augusta office before the COVID-19 pandemic had me working from home. The last in-person meeting I spoke at was awkward as we tried to figure out the social dynamics: do we shake hands? Elbow bump? Wave from a safe distance? I chatted with someone in the parking lot who was hauling a computer monitor and keyboard and box full of paperwork to her car. “Who knows when we’ll be back,” she joked. The white board in my office was covered with notes on the potential economic effects from the pandemic. They were up for so long before I came back that I can still see traces of it that I couldn’t fully erase—a memory of the last days before so many lives changed so much.

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I spent the early days of the pandemic drinking from a firehose of information, trying to wrap my brain around the economic impacts of a global pandemic. As an economist, I found I was suddenly a very popular person, even though it felt like I was just repeating the phrase “I don’t know” in every conversation. The only upshot was that no one else knew either. I took advantage of the small-town nature of Maine to start calling folks up,

asking how their businesses or sectors were doing, what they saw coming down the pike, and what might be helpful as they navigated this strange new world of PPE (personal protective equipment) and stay-at-home orders. While the plural of anecdote is not data, on-the-ground perspectives do count for something when data aren’t available.

Data are my bread and butter: I use numbers and trends to understand what is happening and then translate that data for people who are trying to make decisions, whether policy, business, or research related. The challenge was that the pandemic broke my data sources. Demographic and economic data are notoriously lagged and most traditional sources wouldn’t start reflecting effects from the pandemic for months. The first source of real data I could get my hands on was vehicle miles traveled from the Maine Department of Transportation. We could use this as a proxy for economic

activity because of the nature of the economic disruption—economic activity had slowed because the physical movement of people had slowed.

Even as quickly as the pandemic was breaking traditional data sources, though, there were people and organizations scrambling to put together innovative new data sources. Many of these new sources used *big data* and all of the digital information we trail behind us as

we move through the world. Opportunity Insights, for example, gave us estimates of consumer spending, small business openings, employment, and time spent outside the home. Were the data perfect? No. But it was much better to have semireliable, timely data (with an understanding of the shortcomings) than to be flying blind. Even the US Census Bureau, the staid bureaucratic stalwart of thoroughly vetted and significantly lagged data, got into the act, producing Small Business and Household Pulse Survey data with astonishing speed.

Federal policy response happened rapidly as well. The Federal Reserve Bank made monetary policy shifts and Congress passed fiscal stimulus and economic supports that were signed by the president in short order. Recent analysis has shown just how important those measures were: the Supplemental Poverty Measure, which takes into account various assistance programs, actually fell in 2020 and would have risen if it weren’t for the federal stimulus packages. Federal supports staved off what could have been disastrous economic consequences.

It is important to remember, however, that the COVID-19 pandemic has been a highly individualized experience. Everything from race and ethnicity to gender to household status to income level to geographic location to industry and occupation to the presence of children in the home has affected any given person’s impact from the pandemic. It has been difficult, at times, to remember that not everyone is having the same experience and that what has been a mild

inconvenience for some has been an earth-shattering disaster for others.

It appears that, for many people, the pandemic has triggered a period of soul-searching. No one has been completely untouched by the pandemic, and the rapidity with which change happened has thrown us all for a loop. For some workers, this has been a time to think about what they really want out of life and work. Maybe it's higher wages or better benefits (or any benefits, in some cases). Maybe it's a different field of work. Maybe it's more time spent at home instead of on the road commuting to a job. Maybe it's more autonomy or more respect or more consistent hours. Anthony Klotz, an organizational psychologist at Texas A&M University, coined the term "the Great Resignation" to describe recent rises in job quits tied to the desire for better work, however that might be defined. We seem to be engaged in a nationwide period of navel gazing, with the final conclusions yet to be determined.

Where is this period of reflection and re-evaluation taking us? In some cases, it is accelerating trends that already existed. Remote work was already increasing before the pandemic, but with so many people working for so long in some form of remote work, it is likely that a higher share of remote work is here to stay. Recent surveys have indicated that workers are looking for the ability to work either fully or partly from home or a remote location. The combination of health risks for older people and a strong stock market likely accelerated the retirements of many older workers. Challenges in hiring workers, particularly in fields such as retail or leisure and hospitality, will likely accelerate the automation trends that were already beginning to take over for some hard-to-fill vacancies.

The COVID-19 pandemic triggered a recession that lasted from February to

April of 2020. A mere two months. The shortest recession on record. But it was also the deepest recession on record. It shows up in our economic data as a rift, or a spike, depending on the measure. Long-term analysis will have to treat the pandemic period as an outlier; I anticipate many future research papers with an asterisk next to 2020–2021. During the first months of the pandemic, the word I heard most often was "unprecedented." It became so overused that it started to lose meaning. We used that word so much because there were so many things we had no benchmark for, no prior experience with, nothing to look back on. I have to imagine this is one of the words that will be synonymous with the COVID-19 pandemic. But now, what we have been through *is* preceded and the analysis that has resulted provides us with a historical reference point when looking back at the pandemic period and the resilience, ingenuity, and change it has sparked.



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