



Economists say Trump's coronavirus reopening plan is dead wrong

By Dion Rabouin March 25, 2020

President Trump's proposal to get business around the country back open by Easter Sunday, April 12, will do more harm to the economy if the coronavirus outbreak has not been contained, economists say.

Why it matters: Such a plan would sow uncertainty in markets and among customers and business owners and make the recession longer and harsher.

Threat level: "We are still significantly behind the curve in containing coronavirus and reopening the economy for political expediency in the middle of a pandemic, to which no one has an immunity, is absolutely mindless," Bernard Baumohl, chief global economist at the Economic Outlook Group, tells Axios.

- "It will only delay a full economic recovery."

On the other side: A smattering of business owners and asset managers backed Trump's plan to push forward with lifting the lockdowns sooner than later.

- David Neeleman, founder of JetBlue and WestJet, told Bloomberg that the suffering from a major economic downturn would outweigh the damage from the disease.

The big picture: "THIS IS A FALSE CHOICE!!!!!!" MacroPolicy Perspectives president Julia Coronado says in an email.

- "If we go back to work and the disease continues to spread not only will people die and the 20% of our economy dedicated to health care be overwhelmed, but people won't have the confidence to resume normal activity."
- "They won't go on airplanes or travel or hold conferences or events because they won't be able to trust the public health response has been adequate to protect them."

The latest: The World Health Organization said Tuesday the U.S. risks becoming the epicenter of the global COVID-19 outbreak with more than 55,000 confirmed cases and over 800 deaths so far, according to Johns Hopkins University.

- Declarations from the president may not even have any impact, as governors and mayors have led the effort to quarantine much of the country.
- More than 160 million people in 17 states are being told to shelter in place, accounting for nearly half the U.S. population.

The bottom line: "Trump is deluding himself if he thinks that he can step behind a podium and reopen the economy," Michael R. Strain, director of economic policy studies at the conservative American Enterprise Institute, wrote in an op-ed for Bloomberg.

- "A warning to the president: Trying and failing to reopen the economy before economic activity is organically ready to resume could have dire economic consequences."

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