



# ***Lockdown and Impact On Unemployment***

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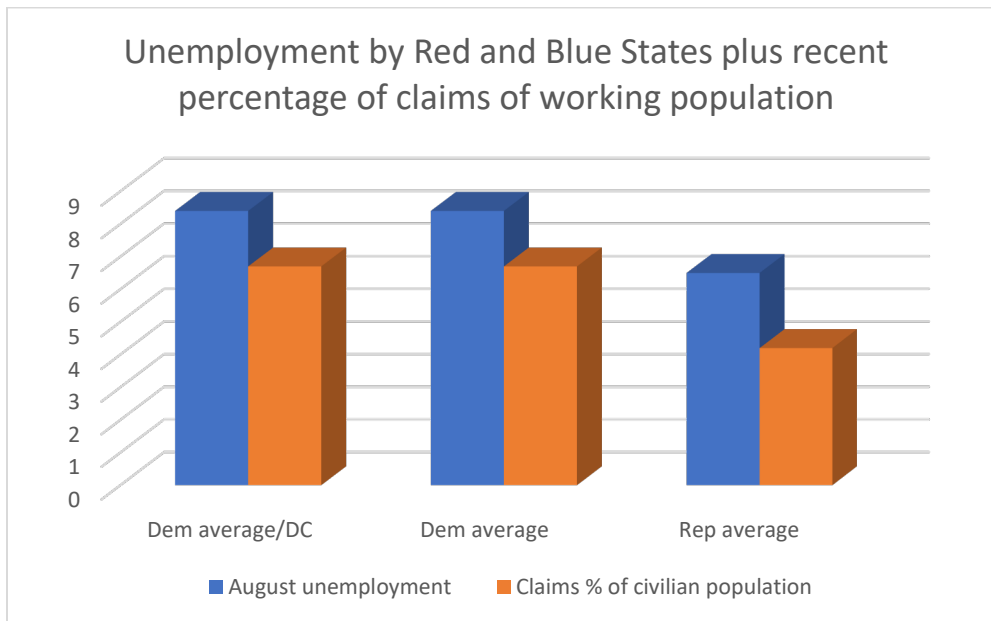
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This paper is a review of previously collected data on the impact of the Lockdown on the United States and what lessons we should learn. We reviewed data comparing States with Republican governors (designated as Red States) and Democratic governors (designated as Blue states) as well lockdown and non-lockdown states.

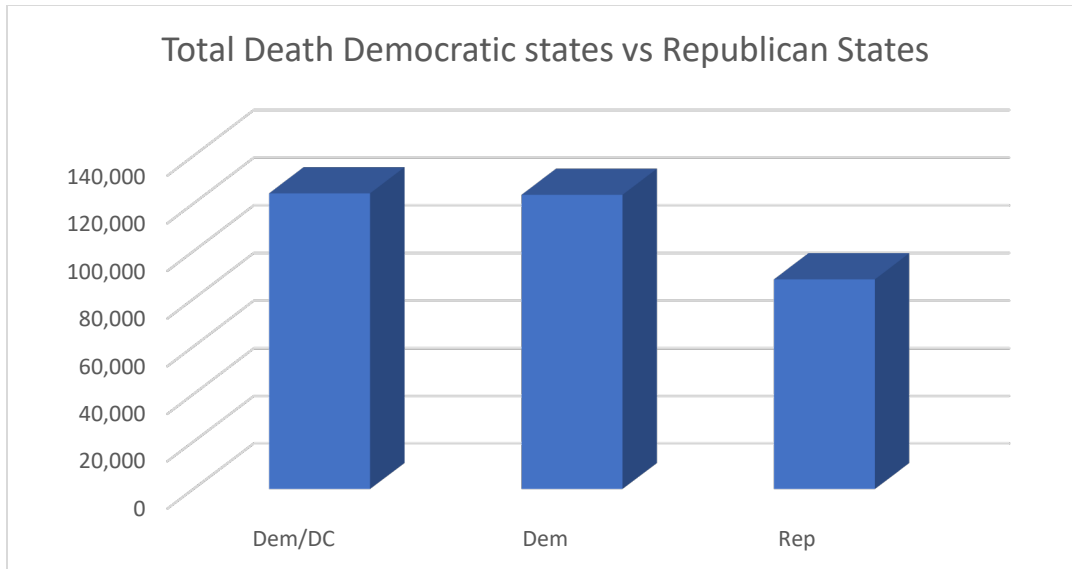
Every week, we have kept a running tab on percentage of unemployment claims, unemployment of the working population, death per capita and total deaths. In addition, Wilfred Reilly did two studies on the impact of the lockdowns both on number of cases and deaths along with impact on unemployment. Professor Reilly conducted a study earlier in April that questioned the effectiveness of the lockdown and in his two studies for the Foundation, he followed up to see the impact of the Lockdown four months later plus comparisons between Red states and Blue states, including Blacks and Hispanics.

### Death and Economics

On a weekly basis, we kept tab on monthly unemployment numbers and weekly unemployment claims report. Going into October, the average unemployment of Red States was 6.5 and 4.2 percent of the working population were on unemployment claims vs. 8.5 unemployment for Blue States with 6.7 percent of civilian working population collecting unemployment claims. (unemployment numbers based on August numbers and claims based on September numbers.)

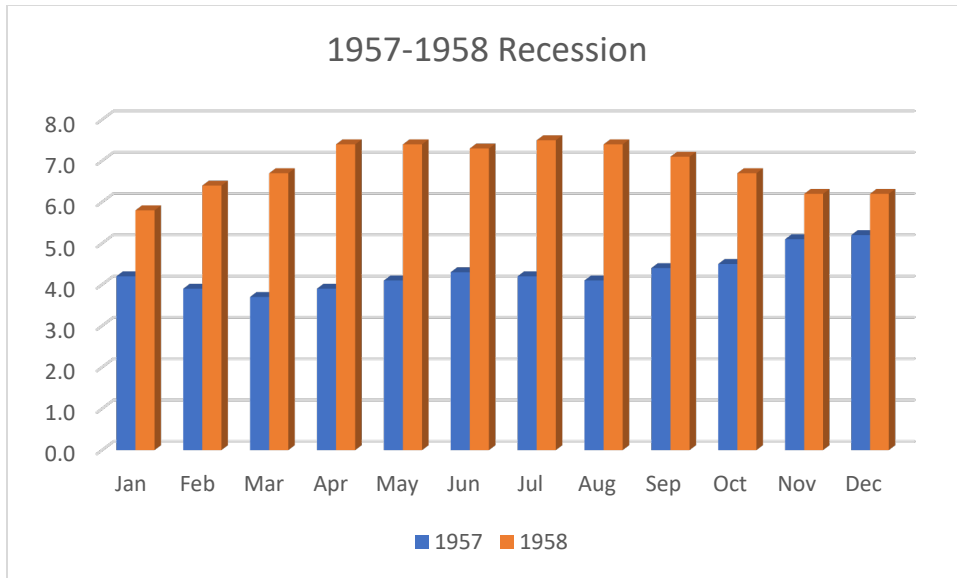


Our recent weekly data saw that nearly 129,000 died of Covid in blue states for an average of 4800 deaths per Blue states vs. 95,000 deaths and an average of 3400 deaths per state in Blue states going into November.<sup>1</sup>

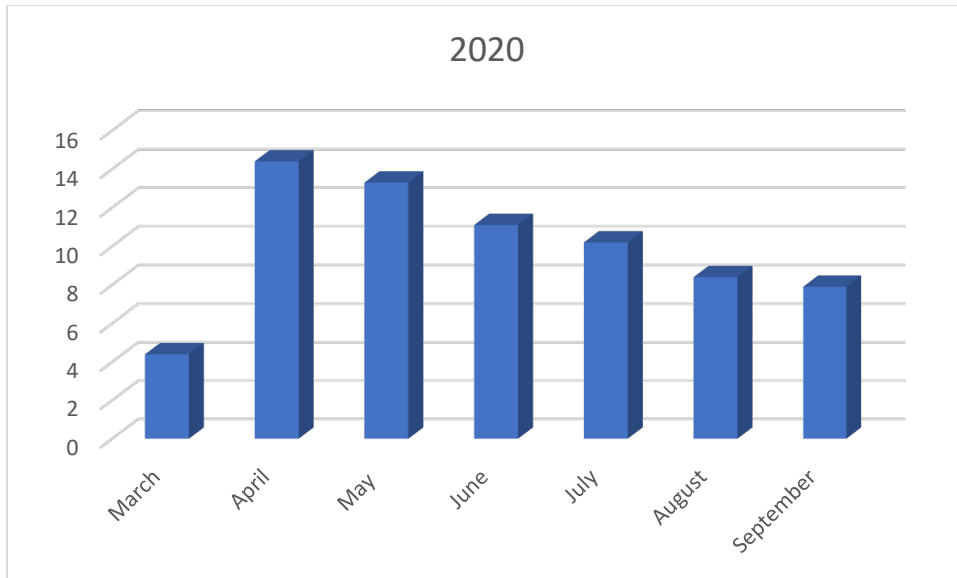


Blue states averaged 586 deaths per capita while Red States averaged 477 deaths per million.<sup>2</sup> What we have seen that throughout the pandemic, Democrats governors on the average restricted economy activities more often as an effort to reduce the infections but they fail to stem death to Wuhan virus (Covid-19) compared to Red States and their unemployment shows they not only saw higher unemployment, they failed at protecting their citizens from the Corona virus.

Unemployment dropped from 14.7 percent in April to the present 7.9. In 1957, flu pandemic killed 100,000 to 115,000 and this would be on a per capita basis today between 160,000 to 230,000, similar to Corona virus lethality. 1950's was a decade of high tax rates with the highest at 90 percent and there was three recession from 1949 to 1960. Feds tighten monetary policy in 1957, but the pandemic certainly had an effect. It is hard to detect what impact the pandemic had on in causing the recession and what impact government policies had. Trying to figure out what caused the economic downturn is not so simple but a pandemic that killed the equivalent of 200,000 today certainly had an impact. The last quarter of the 1957 saw a drop of minus 4 percent and minus 10 percent in the first quarter of 1958. In spring of 1957, unemployment was 3.7 percent before hitting 5.2% at the end of the year and peaking at 7.5% in July of 1958. It dropped to 6.2% in December 1958. The third and fourth quarter of 1958, surged back to 10% growth and GDP overall decline was less than 1% so there was a strong recovery that could be classify as a V-shape recovery in the second half of 1958.



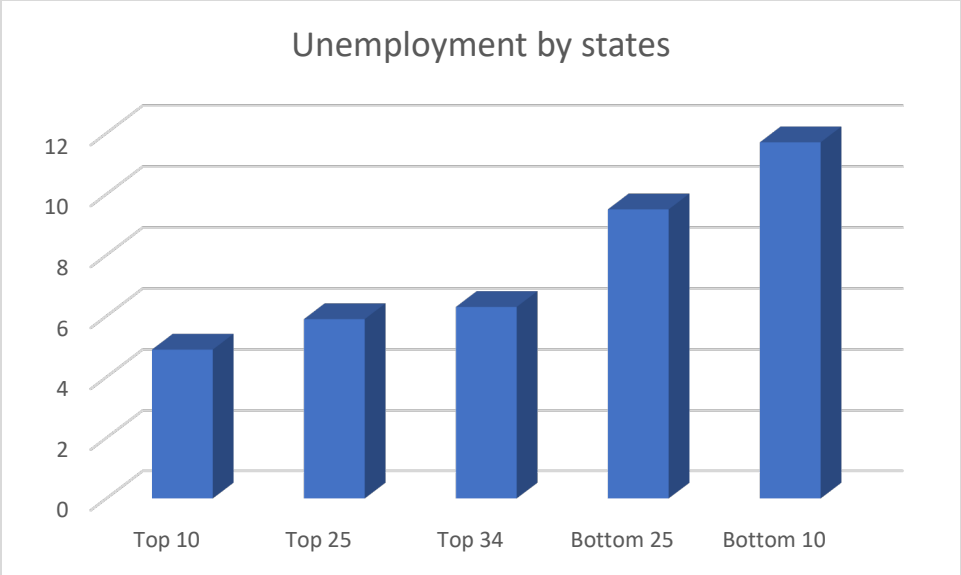
The present recession was self-induced beginning in March as government lockdown the economy to reduce pressure upon hospitalization. What once began as a short term became longer acting economic restrictions placed by state governments, which had the impact increasing unemployment beyond past recessions levels. The unemployment numbers beginning with 4.4 percent in March moving quickly to 14.4 in April before dropping to 7.9 percent in September. This was a tale of two recessions with different approaches. In 1957 pandemic, nothing was done resembling what was done in 2020 as there was no lockdown or any severe economic restrictions. The unemployment only went up to 7.5 percent at its peak. What if we didn't lockdown or simply kept the lockdown at the original timeline of fifteen days before opening up and moved to toward a more limited plan that isolated the most vulnerable while allowing younger workers to be get back to work? Swedes did a similar strategy and while initially they saw significant increase in deaths compared to other Nordic states and much of Europe, they lost slightly over 5800 deaths with 95 percent of the deaths being seniors, immunocompromised, and nursing home residents . They appeared to weather the storm with a stronger economy than their European counterparts and they have not been yet hit with a similar second wave than the rest of Europe presently.



We saw unemployment going from a peak of 14.4 percent to the present 7.9 percent with an average of 2,200,000 jobs per month returning back to the economy, representing 60 percent of the jobs recovered from the initial losses.<sup>3</sup>

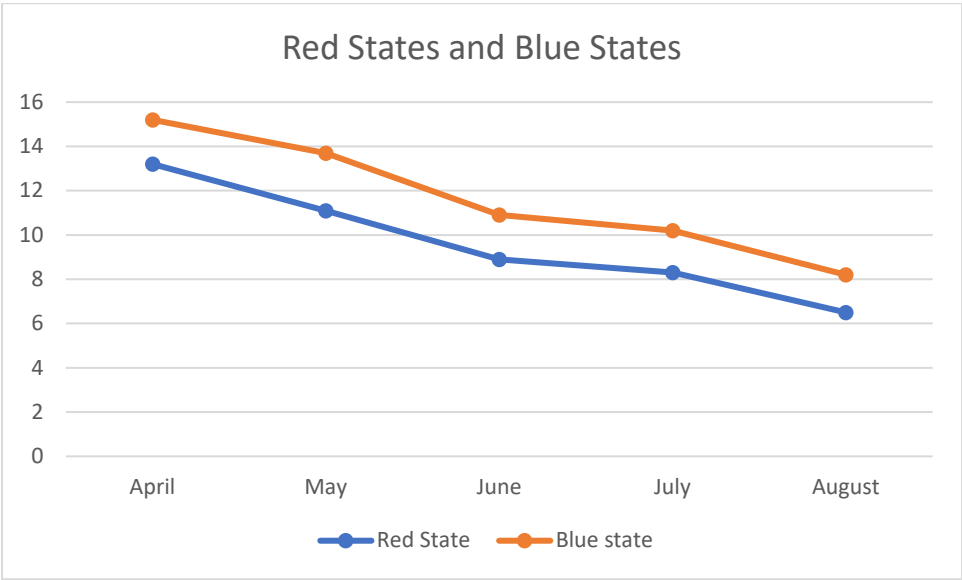
Examining states, we found that top ten states with the lowest unemployment averaged 4.9 percent and the top 25 states averaged 5.9 percent. The top 34 states were under the national average of 8.4 in August, averaged 6.3 unemployment. (August numbers DOL)<sup>4</sup>

9 of the top 10 states with the lowest unemployment had Republican governors and 18 of the top 25 states also had Republican governors in the August numbers. 18 of the bottom 25 states averaged 9.5% and had Democratic governors. With the bottom ten states with the highest unemployment, 9 of the 10 had Democratic governors with an average of 11.7 percent unemployment. Among the last ten states include some of the most populous states including New Jersey, Massachusetts, New York, Illinois, Pennsylvania, and California. This has impacted overall unemployment as these states make up a third of the United States population.<sup>5</sup> Having these major states with double digit unemployment hurts the overall unemployment.

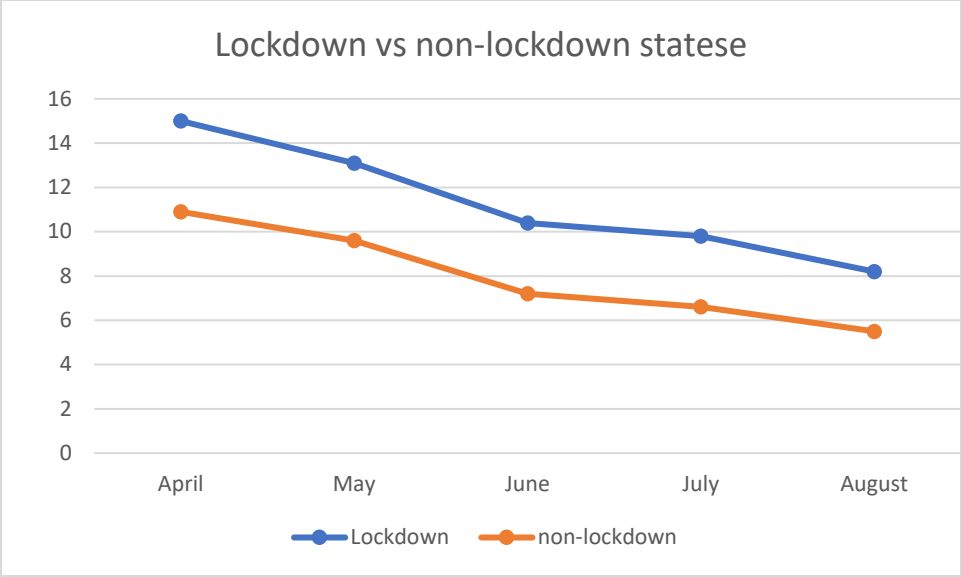


Many of the Republican states had a less restrictive economic policies than many Democratic states and explains their successes on reducing unemployment better than Blue states

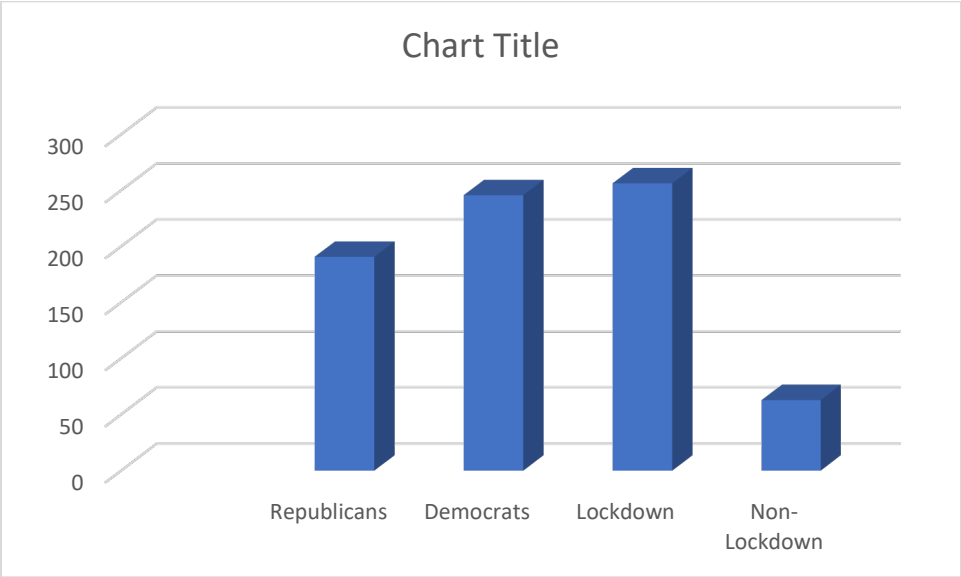
Professor Reilly studied the impact of lockdown on unemployment, he compared Democratic states to Republican states as well those states who went for the lockdown compared to non-lockdown states. He found that Republican states had lower unemployment rates. Republican unemployment dropped from 13.2 to 6.5 and Democrats went from 15.2 to 8.2.



Lockdown states in April saw unemployment rates at 15 percent before dropping to 8.2 percent. Non-lockdown states begin with unemployment rates of 10.9 percent before dropping to 5.5 percent.<sup>6</sup>

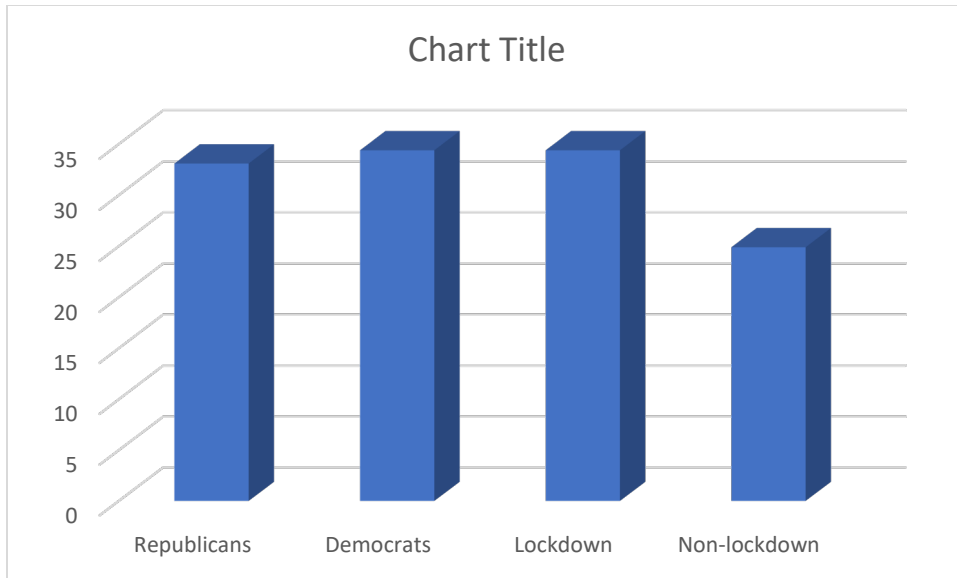


Another example of the devastation of this economic downturn was bankruptcies. In Republican run states, there were an average of 190 bankruptcies per state compared to 246 in Democratic states, 256 per state in Lockdown states and 62 bankruptcies per state in non-lockdown states.<sup>7</sup>



On a per capita basis, Republican states averaged 33.1 per million compared to 34.4 in Democratic states, so there wasn't a significant difference on a per capita but there was a significant difference between Lockdown and non-lockdown states as Lockdown states had 34.4 per million as oppose to non-lockdown states which had 24.9 per million. Our data shows that the economic devastation caused by the lockdown to local economic community as a result.<sup>8</sup>



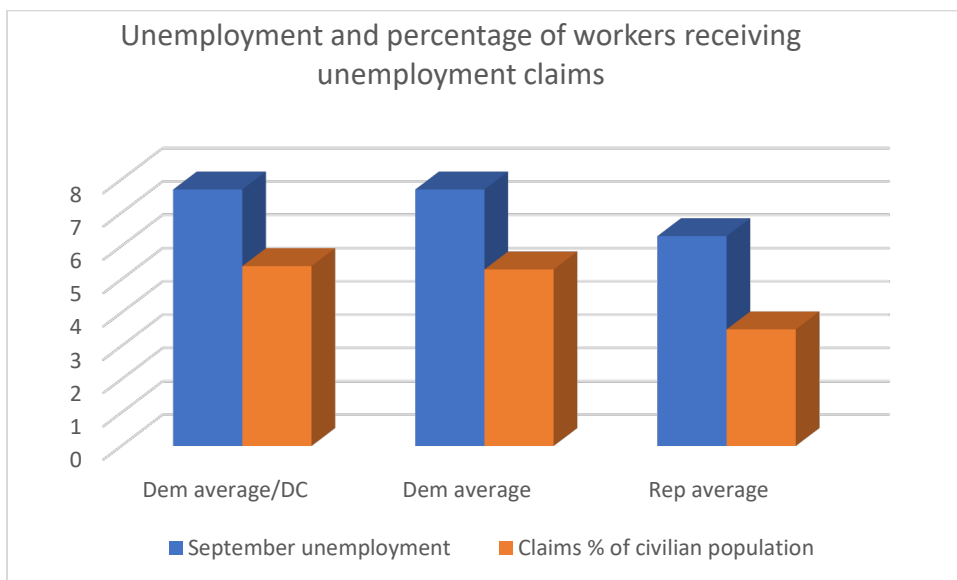


The recession of 2020 was self-induced by the government in an effort originally to prevent having the hospital be overwhelmed. The original models projected 2,000,000 Americans dead from COVID-19, numbers similar to the Spanish flu on a per capita but instead we ended up with fatality rates similar to 1957 and 1968 pandemics, *which were more lethal than flu season of the past decade but one tenth as lethal as the 1918-1929 pandemic.*

The economic lockdown has its own impact, and *we will end up most likely killing more people through the lockdown as the virus itself.*

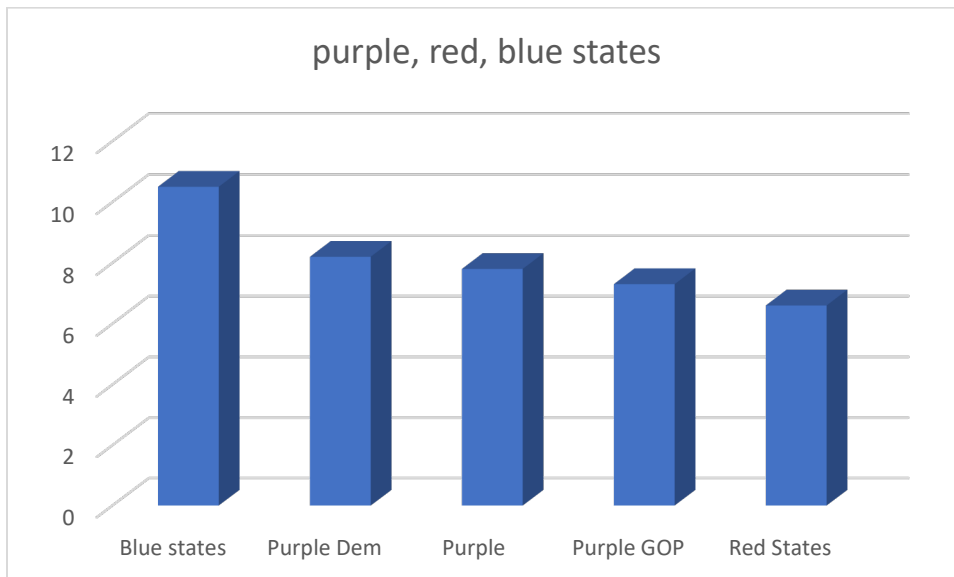
### Epilogue From September numbers

September numbers state numbers of trends favoring Red states. The unemployment for Red states averaged 6.3 and blue states averaged 7.7. As we approached election, the number of working populations depending upon unemployment claims has dropped.<sup>9</sup>



The Federal courts ruled the Pennsylvania lockdown as unconstitutional in September and the unemployment dropped in that state. Wisconsin supreme courts back in April declared Governor Evers lockdown as unconstitutional *and Wisconsin unemployment and number of people needing unemployment claims were closer to Red States than other blue states*. Michigan courts may have helped the overall economic prospects of Michigan by ending much of Governor Whitmer restrictions.

Just the News did an analysis on red vs blue states and found similar results that we saw. They compared purple states, red states, and blue states. (They identified blue states that voted Democratic in Presidential election last four elections and Red states as those voted for Republican President last four elections. Purple states were states that split their votes.) Again, Red States proved superior in economic performances with 6.6 percent unemployment numbers, and blue states with 10.5 Overall Purple states were in the middle with 7.8 percent unemployment but purple states with Republican governors out performed purple states with Democratic governors 7.3 percent unemployment vs 8.2 percent for Democratic governors.<sup>10</sup>



The cost to our society due to lockdown has been high with increased suicide and delayed treatment. A British study showed 3 million people have forgone cancer screening and 350,000 have delayed cancer treatment.<sup>11</sup> In an interview, Martin Kulldorff noted, *“The media suggests there is a scientific consensus in favor of lockdown, but that is not the case. I have two concerns. One is about the collateral damage lockdown causes to other aspects of public health. One of the basic principles of public health is that you do not just look at one disease – you have to look at health as a whole, including all kinds of diseases, over a long period. That is not what has been done with Covid-19. As a public-health scientist, it is stunning to see how focused people are on this one disease and on the short term. The collateral damage is very tragic: cardiovascular disease outcomes are worse, cancer screenings are down, and there are mental-health issues, for example...My second concern is that, even when we put broader public health to one side and focus just on Covid, the current approach does not make sense. We sought to flatten the curve in the spring so as not to overload hospitals, and that succeeded in almost every country. But trying*

to suppress the disease with contact tracing, testing and isolation, together with severe lockdowns, is not going to solve the problem. It will just push things into the future.”<sup>12</sup>

Kulldorff point is that the lockdown proved worse than living with the virus, a virus with a IFR between .2 and .6 and similar to 1957 and 1968 pandemic. While initial modeling showed death rates 10 times than what we are actually seeing, the scientific class has yet to adjust their strategy as mandated masks and more lockdowns and economic restrictions are being proposed in Europe and the United States.

Our own research conducted by Wilfred Reilly has shown not only that lockdown did not reduce death from the Covid-19 virus, but lockdown states saw an increase of deaths among the general population and among blacks and Hispanics.<sup>13</sup> A second study by Reilly saw significant decrease of unemployment among non-lockdown states plus showed that Red States outperformed Blue states when it comes to unemployment. This data has been reinforced our own data collected on a weekly as well as data collected by the Just The News that Red States outperformed Blue states.<sup>14</sup>

The present unemployment is artificially high at 7.9 and much of this reason is due to big states just as New York, Illinois, Michigan, and California have significantly higher unemployment numbers. 8 of the 10 states with the highest unemployment rate in September are states with Democratic governors and that bottom ten average 11.4 percent unemployment. Of the top ten states with the lowest unemployment, 9 have Republican governors for an average of 4.6 percent. There are 34 states with unemployment numbers under the national average with an average of 6 percent. As mention, the highest unemployment raised during the 1957 pandemic was 7.5 percent and by the end of the year it was 6 percent. It is my belief that our present unemployment should be closer to 6 percent and similar to those states below the national unemployment numbers. Non-lockdown states averaged 5.5 percent based on August numbers and it could be argued that we should be below 6 percent. Without the widespread lockdown and severe economic restrictions, our employment would not only be lower but adverse events just as delayed treatment, increased suicides and drug abuse would be reduced. The cost of lockdown due to lost employments, increase bankruptcies and increase deaths will exceed the deaths to the virus itself.

If the average America were told that cost of the lockdown would higher deaths, unemployment would stay more than double than in February with millions unemployed, hundreds of thousands of small businesses shut down permanently, and

The advocates of lockdown have yet to show any evidence that the benefits to society exceeded a no-lockdown approach nor could they show that not having a lockdown would *communities devastated for a virus that may killed no more than 2 out of 1000, slightly higher than the 1 out of 1000 seen from the flu for the past decade, would they have agreed?* significantly prove safer. The original modeling was off by a factor of ten and yet, no academic or scientific advisor has yet to pay a price for their failures. Bad science leads to bad policies which devastated much of the developed world and put millions in the third world near starvation. Higher poverty, destitution, loss businesses and greater inequality is the price we have paid for this. The one lesson is to become skeptical of our scientific class and understand as we have seen, much of our

leading scientific class have been wrong and the skeptics have proven been right. Over 11,000 Medical and public health scientists along with 31,000 medical practitioners have called for policies similar to many of our Red States just as South Dakota Kristi Noem and the Swedish models as oppose to the lockdown strategy and opposes Anthony Fauci and others of the Scientific classes calling for Mask mandates and lockdowns to go with more economic restrictions.<sup>15</sup> Most Americans are unfamiliar that 42,000 scientists and medical practitioners favor a different path from Fauci and scientific class, since much of our media has censored their views or restricted their coverage in favor of those of the scientific class who has been wrong.

Our research conclusion is simple, *lockdowns were a failure when continued beyond their original time frame*. The economic cost exceeded the cost of lockdown ability to control the virus. The lockdown did not reduce the number of deaths or cases and the continuous economic restrictions has interfered with our basic liberties and increased economic hardship. The real miracle was that our economy since May has actually grown in spite of government policies design to restrict it. The states that have restricted their economy the least have seen less unemployment and at no more risk and maybe less of a risk to the general population from Covid-19.

## Footnotes

1. World O meters number
2. World o Meters number
3. Department of Labor September 2020
4. Department of Labor stats August 2020
5. Department of Labor Stats August 2020
6. An ignored cost the effect of Yes-No Lockdown Strategy along with Red Blue political Partisanship and other Variable on April-August Unemployment Across U.S. States. Professor Wilfred Reilly and L. Jane Lingle.
7. Wilfred Reilly part of research not yet published
8. Wilfred Reilly part of research not yet published
9. Department of Labor September numbers 2020
10. <https://justthenews.com/nation/economy/tale-two-recoveries-red-states-outpacing-blue-states-economic-growth-driven>
11. <https://www.yahoo.com/now/coronavirus-covid19-cancer-screening-smear-mammograms-135114433.'We're%20in%20danger%20of%20replacing%20one%20health%20crisis%20with%20another':%203%20million%20Britons%20missing%20out%20on%20cancer%20screening%20since%20March>
12. Lockdown terrible idea Spike October 9, 2020
13. Reviewing the Data on the Efficacy of the Lockdown and Comparison of Red States versus Blue States dealing Covid 19 Wilfred Reilly
14. An ignored cost the effect of Yes-No Lockdown Strategy along with Red Blue political Partisanship and other Variable on April-August Unemployment Across U.S. States. Professor Wilfred Reilly and L. Jane Lingle.
15. Great Barrington Declaration