



The Perryman Group

The Economic Cost of the 500,000 Lives Lost to COVID-19

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The United States recently reached a tragic milestone in the COVID-19 pandemic when the number of lives lost reached 500,000. The suffering and hardships imposed by these losses are incalculable and the primary concern, with few Americans not personally affected in some way

While this human cost is the most important impact, the economic consequences cannot be ignored. The Perryman Group used estimates of the lost person-years of life, information regarding the demographic characteristics of the victims, data compiled by the Centers for Disease Control and Prevention (CDC), and the firm's modeling systems to examine

the resulting implications for business activity.

The Perryman Group estimates that as the direct losses flow through the economy in the coming years, the 500,000 fatalities will cause losses of **\$356 billion** in gross domestic product, nearly **\$218 billion** in personal income, and **3.6 million** job-years (including multiplier effects). (A job year is one person working for one year, though it could be multiple individuals working partial years.) Industries with particularly high cumulative losses include retail trade (with over 1.2 million lost job-years), various services sectors, and manufacturing.

While most of the fatalities have occurred among older age groups, this value is

The Long-Term Impact of the Lost Employment Associated with 500,000 Deaths from COVID-19 on US Business Activity

Industry Sector	Total Expenditures	Gross Product	Personal Income	Job-Years*
Agriculture	-\$19.923 b	-\$5.700 b	-\$3.737 b	-55,054
Mining	-\$18.129 b	-\$4.438 b	-\$2.444 b	-14,783
Utilities	-\$48.204 b	-\$10.853 b	-\$4.736 b	-19,231
Construction	-\$27.131 b	-\$13.549 b	-\$11.165 b	-146,562
Manufacturing	-\$167.596 b	-\$52.315 b	-\$29.699 b	-406,593
Wholesale Trade	-\$35.315 b	-\$23.894 b	-\$13.777 b	-146,212
Retail Trade*	-\$98.843 b	-\$73.456 b	-\$42.583 b	-1,237,808
Transportation & Warehousing	-\$29.081 b	-\$19.534 b	-\$12.919 b	-164,529
Information	-\$21.055 b	-\$12.975 b	-\$5.540 b	-46,372
Financial Activities*	-\$156.401 b	-\$50.712 b	-\$18.471 b	-174,943
Business Services	-\$58.325 b	-\$36.995 b	-\$30.178 b	-343,101
Health Services	-\$34.618 b	-\$23.694 b	-\$20.034 b	-309,240
Other Services	-\$53.633 b	-\$27.847 b	-\$22.259 b	-492,970
Total, All Industries	-\$768.255 b	-\$355.962 b	-\$217.543 b	-3,557,398

Source: US Multi-Regional Impact Assessment System, The Perryman Group

Notes: Monetary values given in billions of 2020 US dollars. Components may not sum due to rounding. A job-year is equivalent to one person working for one year. Retail Trade includes Restaurants, Financial Activities includes Real Estate. Fully adjusted for age, gender, ethnicity, labor force participation rate, and stabilized unemployment rate.

fully adjusted for age as well as gender, ethnicity, worklife probabilities, labor force participation, and stabilized unemployment rates. It should be noted that this measure does not begin to capture the full ramifications of the virus. The morbidity and lingering effects on those infected will reduce productivity over an extended period, as will the problems with forgone or delayed medical care among the rest

of the population and the mental health challenges that are posed by the ongoing crisis. In addition, there are the ongoing impacts on workers, households, and businesses the firm has been measuring and projecting on a continuing basis. The losses from fatalities are significant not only because of their magnitude, but also because they are both lingering and cannot be recouped.

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M. RAY PERRYMAN, PH.D.

Dr. Perryman is the President and CEO of the Perryman Group and Distinguished Professor of Economic Theory and Method at the International Institute for Advanced Studies. Over the past 40 years, Dr. Perryman has helped recruit corporations providing tens of thousands of jobs through economic development work, resolved billion-dollar legal issues, and revamped public policy through impact assessments and other studies. His firm has measured economic impacts for corporate locations and expansions involving billions in investments, and his economic forecasts are used by corporations and government agencies alike.



He has provided economic analysis and expert testimony for civil litigation across a wide range of practice areas including antitrust and competition, intellectual property disputes, securities, and commercial and complex litigation. His work combines strong expertise in economic damages calculation, asset valuation, market analysis, and statistical methods and econometrics.

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