Episode 184: A Final Reportcard on COVID

Bill Walton ([00:01](#)):

Okay, we're going to talk about the impact of all this on education.

Phil Kerpen ([00:05](#)):

It's a third of our score.

Bill Walton ([00:07](#)):

Yeah.

Phil Kerpen ([00:07](#)):

Education's a big component. And longterm, it's probably going to be the most significant effect of all of this.

Bill Walton ([00:14](#)):

Yeah, longer term. Yeah.

Phil Kerpen ([00:15](#)):

Because a lot of these kids, my kids, they'll be fine. But, there are a lot of kids that are never going to overcome the deficits without the structure of school. A lot of these kids just weren't learning anything. And parents might have been trying, but how many-

Speaker 3 ([00:31](#)):

No, the parents can't [crosstalk 00:00:33].

Phil Kerpen ([00:33](#)):

Yeah, I mean we have so many studies now where looking at the educational deficits from the periods where schools were "remote instruction," and the deficit is the same as the amount of time they were remote. You were remote six months, you're six months behind. You were remote a year, you're a year behind. So, they were learning nothing, most of these kids, on average. If the deficit is equal to the amount of time you were remote ...

Bill Walton ([00:56](#)):

You did a lot of really interesting statistical stuff, but we've got to turn this into plain English and you know how to do that. And so I really want you to sort of make it clear what's at stake.

Speaker 3 ([01:09](#)):

Bill Walton show, April 21st.

Announcer ([01:15](#)):

Welcome to the Bill Walton Show, featuring conversations with leaders, entrepreneurs, artists, and thinkers, fresh perspectives on money, culture, politics, and human flourishing, interesting people, interesting things.

Bill Walton ([01:35](#)):

Welcome to the Bill Walton Show. I'm Bill Walton. We're more than two years into the COVID-19 pandemic, so by now we should know enough to assess what we've learned about the measures our governments took to mitigate the virus, what worked, what didn't work. Fortunately, we now have a comprehensive comparative study, published as a working paper, by the National Bureau of Economic Research. It's authored by University of Chicago economist, Casey Mulligan, and Steve Moore and Phil Kerpen of the Committee to Unleash Prosperity. They compared COVID outcomes in all 50 states and the District of Columbia based on three variables, the economy, education and mortality. Their conclusion, the severe lockdown states suffered much more on overall social well-being in return for not much benefits to health. We can't let this conclusion go. We must absorb what we've learned from what worked and what didn't work. We can't mindlessly respond to the next pandemic, and we all know there will be one, with failed policies.

Bill Walton ([02:50](#)):

To dig into this, Phil Kerpen, president of American Commitment, and one of the authors of the study, and a deep subject matter expert on COVID policies is here today to talk. Phil, great to see you again.

Phil Kerpen ([03:05](#)):

Great to be with you Bill.

Bill Walton ([03:06](#)):

We came into this about a year ago, when we were about midstream, and I think you'd reached a lot of conclusions now, but this is the first chance I think you've really had to rigorously assemble all the data.

Phil Kerpen ([03:17](#)):

Yeah. Well, I had earlier versions of this paper, but what would happen is we'd say, "Okay, now we've got all the states have been through it. We can do the retrospective assessment," and then another wave would come.

Bill Walton ([03:27](#)):

Yeah.

Phil Kerpen ([03:27](#)):

So it's like, "Okay, we'll hold off and wait until we have more data." And so it got pushed a number of times. But I think that even if there are future waves, we now have enough with two years of data. I think we've seen enough to draw some pretty firm conclusions about the relative performance of the states. And as you said, the lockdown states really, really harmed themselves severely. They caused severe damage economically and educationally in particular. And if you look at what did they gain for it? Did they get better mortality outcomes? There's really only one state I think that you can look at and say the severe lockdown from withdrawal from economic activity correlated with much better COVID outcomes, and that's Hawaii. But, Hawaii is so dissimilar from the rest of the country in so many ways, being an island. Maybe you can control a virus through non-pharmaceutical interventions in an island, but it doesn't look like you can do it anywhere else.

Phil Kerpen ([04:24](#)):

And by the way, even in Hawaii, the price they paid for that was staggering. Even today, as we speak, they've only recovered 90% of their pre-pandemic employment in Hawaii. 90%. They're 10% down, which is just ... no place else in the country is worse than 95%, and a lot of the red states are well above 100. So, I would say the one place lockdowns maybe arguably worked is Hawaii, but even there, they weren't justified. And you look at the rest of the country, and the continental US, and there's no relationship at all between the withdrawal from economic activity and the health outcomes.

Bill Walton ([05:03](#)):

So, we have three variables. Health outcomes, economic performance and education. And how'd you settle on those three?

Phil Kerpen ([05:09](#)):

Well, those I think are kind of the three most significant areas, kind of in terms of impact and values and life. I mean, I think the ... I'm not sure really what else you could put it. I mean, I think if you think about the kind of what probably are the impacts-

Bill Walton ([05:28](#)):

Well, how did you measure health outcomes?

Phil Kerpen ([05:31](#)):

Well, we used two sub components of that. One is the CDC COVID death count, the one that you see in all the tickers, the million people, that one. But, we adjusted it in two ways. First, we standardized the age distribution for each state to be the same age distribution as the United States overall. Because otherwise, you're essentially measuring the number of old people in the state, because we have such a severe ... I mean, there was a thousand times difference.

Bill Walton ([05:59](#)):

So, Florida has more old people, so how did you adjust that?

Phil Kerpen ([06:03](#)):

Right. Well, what we did is we took the death rate, so the number of deaths per 100,000 population in a number of different age buckets. And so I think we did zero to 39 or 35 was the younger one, and then we did 10 year buckets going up. And then we took that rate for the observed deaths in each state, and we multiplied it by the standard US population. So, it's the rates that occurred in each age bucket standardized to a US population. And that's kind of the methodology for age adjustment that the government uses.

Bill Walton ([06:38](#)):

Did you also adjust for coexisting or preexisting conditions, like diabetes and-

Phil Kerpen ([06:43](#)):

We did. We did. So, we took the age standardized deaths, and then we applied a further adjustment for the two health conditions that had by far the largest correlation with bad outcomes with COVID, and those were obesity and diabetes. So, we took the obesity and diabetes rates of the states, and we did a regression to adjust for those. And so that half of the mortality measure is essentially a health and age

standardized COVID death rate. And then the other measure we used for mortality is all-cause mortality, and we took the excess all-cause mortality, again using an age standardized methodology, but we did it as a percentage, which is to say we took the baseline, the average number of age standardized all-cause deaths, that's from any cause in the state over the last few years, and then we looked at the percentage increase that was observed during COVID.

Phil Kerpen ([07:42](#)):

And the reason we did the percentage as opposed to the number is that should capture all of the differences in underlying health, because it's the run rate that's been going on in that state prior to COVID. And then we looked at the percent change. And so both of these measures should give us a pretty good sense, one, of how hard COVID hit in terms of deaths with appropriate adjustments, and the other just overall what was going on in terms of deaths. And that second one also should capture any lockdown effects on mortality, and so it gives us a broader measure of sort of what was policy doing on deaths overall and not just on COVID. And then we equally weighted those two, and that's the mortality score that we used.

Bill Walton ([08:23](#)):

Now, you got pushback from media matters of course, which attacked you because you're conservative, or you're not aligned with the politically. So, has anybody done any real analytical pushback here? I mean, are people pretty much accepting this methodology?

Phil Kerpen ([08:37](#)):

Well, you know I think the interesting thing is we've gotten some pushback on some of the things we didn't adjust for. So for instance, people say, "Why didn't you adjust for population density?" Well, we didn't adjust for population density because it didn't matter very much.

Bill Walton ([08:54](#)):

It didn't matter, yeah.

Phil Kerpen ([08:55](#)):

It looked like it mattered early on, because the cities got hit first.

Bill Walton ([09:00](#)):

Sure.

Phil Kerpen ([09:00](#)):

But, over the two years, it ended up it really wasn't pandemic. It went through everywhere. The rural areas that thought they were going to be spared were not spared. And in fact, the low density ... if you look at the health outcome measure, the low density states didn't do that great on that. Some of these states that did well on our overall measure, like you look at South Dakota or Montana are at the top of our combined measure. But, they didn't do so great on the health component. They did much better on the other components. So, we've had that criticism.

Phil Kerpen ([09:30](#)):

Some people have questioned why we did any adjustments at all. "If a state has lots of old people, they should have found a way to protect them. You shouldn't age adjust, you shouldn't health adjust." But, I think that if we did that, we wouldn't be presenting a measure of pandemic performance. We'd be presenting a measure of population health as it existed prior to this. So, I don't think that would be very useful.

Bill Walton ([09:55](#)):

So, now did you dig into all the reported COVID death numbers? I mean, there's a lot of skepticism that those numbers are not entirely accurate. There are a lot of things attributed to COVID that were really due to something else.

Phil Kerpen ([10:11](#)):

We just took the CDC numbers as they are for this. We didn't look into that. I think there's no question that there is substantial over reporting in some places at some times, and there's probably also under reporting in other places at other times, especially early on when there was limited testing. So, it's hard to say. It's hard to say until you can do a comprehensive death certificate or chart review on all of it, which I'm not sure we'll ever get, it is hard to answer that question. I will say though that using all-cause deaths as one of the measures sort of addresses that problem indirectly because it's regardless of cause, this is the total number of deaths. And so I think by using half of our metric using the all-cause numbers, it sort of gets to any questions about classification problems.

Bill Walton ([10:57](#)):

Now, you took all three factors, the health, education and the economy. But, did you also do separate measures for each one, how the states ranked in terms of death outcomes or-

Phil Kerpen ([11:08](#)):

Yes.

Bill Walton ([11:09](#)):

What does that look like, the top five, the bottom five?

Phil Kerpen ([11:13](#)):

Well, I actually don't have it ranked that way in front of me.

Bill Walton ([11:16](#)):

Okay.

Phil Kerpen ([11:18](#)):

But, I think you might have that.

Bill Walton ([11:19](#)):

I happen to have a complete study here.

Phil Kerpen ([11:22](#)):

You have the complete study? So I can answer it.

Bill Walton ([11:24](#)):
Why don't I give you-

Phil Kerpen ([11:25](#)):
I can answer that for you pretty easily. So, if people want to look in the study, we've got-

Bill Walton ([11:29](#)):
Let's title the study, and you can-

Phil Kerpen ([11:31](#)):
In the sections that we have on each one of these, so I think we have the economic section first. Then we have the education section. If you go to the mortality section, we presented a number of different ways so that people can see sort of the overall. So, we've got a before and after the adjustments. So the way we've done it, after the adjustments, the numbers that we've used, we've got Hawaii at the very top, which is probably not surprising, considering as I said, they became a total fortress and largely did keep COVID out, although at enormous cost. Then we've got Vermont, Maine, Oregon, New Hampshire, Washington. And so what you kind of notice is there was some regions, the Pacific Northwest and New England, that just for whatever reason were not hit as hard as the rest of the country, and they had better outcomes.

Phil Kerpen ([12:19](#)):
And that sort of pattern tends to happen. You look throughout the list, you get sort of regional clustering effects, and one of the interesting things, a lot of people say ... all the way on the bottom you've got Nevada, New York, New Jersey, DC, Arizona. New Mexico's near the bottom too. And you kind of say, "Well, maybe it was bad policy response, or maybe it was just timing." I mean, the places that were hit very, very early, New York, New Jersey, DC, they have the worst outcomes on this. Maybe they were just completely caught off guard or maybe they were caught off guard and then did really dumb things, like put people on ventilators that killed them.

Bill Walton ([13:02](#)):
And sending old people back into nursing homes, where they probably died.

Phil Kerpen ([13:07](#)):
Almost definitely a factor. We site a study in here, a pretty good study by Carl Hennigan from Collateral Global, that they looked at this question of do nursing home policies matter for COVID outcomes and they said yes. And they had a number of factors that they found. And so that's a pretty consistent pattern globally. The places that really got nursing homes wrong had a big jump versus what you otherwise might have seen regionally or based on these wave patterns. But if you look-

Bill Walton ([13:34](#)):
And Cuomo's New York ended up 49th.

Phil Kerpen ([13:37](#)):

New York, 50th on deaths, and I think 49th overall. I think we've got Nevada slightly worse, but New York is right there at the bottom. So, they had a very, very bad COVID outcomes. And of course, they also had bad economic and education outcomes. So, they-

Bill Walton ([13:54](#)):

Well, let's dig into the other two, and then we can circle back around. So, how'd you do the economic metrics?

Phil Kerpen ([14:01](#)):

The economic metrics, again it's a two component score.

Bill Walton ([14:04](#)):

This is the Bill Walton Show. I'm here with Phil Kerpen of American Commitment, and we're digging into his very revealing study about what worked and what didn't work during the lockdowns and the result on educational attainment and health and the economy. Phil.

Phil Kerpen ([14:23](#)):

The economy score also has two components. We used GDP by state from the Bureau of Economic Analysis, and we used employment. And the way that we did employment is we did on a monthly basis we did the change in employment versus the pre-pandemic period. And then we sort of added all of those up. And again, we did adjustments on this as well, to adjust for kind of the uncontrollable factors as we saw them. And so things like travel and tourism and oil and gas that were just going to be nuked no matter what because of the global effects. We essentially regressed them out and so we have an industry ... we have the economic components are adjusted as if every state had an average amount of their GDP and employment in those sort of highly pandemic-sensitive sectors. And so you look at a state like Nevada-

Bill Walton ([15:21](#)):

I see your equations, so we're going to have to take your word for it that you did it right. Well, I know you did.

Phil Kerpen ([15:27](#)):

I know we did it right, because I asked Casey to do it. So, Casey Mulligan from the University of Chicago did the regression, and so we're confident on that.

Bill Walton ([15:35](#)):

So, what about the ... let's talk about the educational piece we talked about before we started the show. What's happened with kids?

Phil Kerpen ([15:44](#)):

Well, what we used for that is we obtained data from a company called Burbio, that very closely tracked schools across the country. And what we used was the ... we used the percentage of in-person learning for the 2020-2021 school year so that we would have a complete school year, with a complete data set. And the way they did this is if they were full-time, it was 100% weighted. If they were on a part-time or hybrid schedule, it was like 50% weighted. And then they produced a score for the entire school year,

what percentage of the instruction was in-person in each state. And that's the score that we used. And so arguably it's a little bit of an input as opposed to an outcome, because we don't have academic achievement numbers yet. But, I'm extremely confident that the effect on achievement is going to mirror very, very closely the amount of in-person instruction that took place.

Phil Kerpen (16:39):

Because, we've now got a number of studies that show that remote instruction was essentially equivalent to no school at all. We've got several studies now that show if you were remote for six months, you're six months behind. If you were remote for a year, you're a year behind. There's a 1:1 there that suggests that it was very, very ineffective. And so using the percentage of in-person instruction, as we do in this study, I think is going to give a pretty good measure of what we're going to see in terms of outcomes as well.

Bill Walton (17:07):

So, you put this together, and you put it in your equation machine, and what'd you come out with in terms of the rankings for the states? And then I want to talk about what policy conclusions we need to draw.

Phil Kerpen (17:23):

Well, the way we put it together is we used what are called Z-scores, which is essentially the number of standard deviations away from the mean that each state was in each one of these categories, and then we summed them. And so it shows you ... it sort of gives you an equal weighted score how much better or worse than average each state was. And then we transformed it to a zero to 100 and gave them letter grades so that it would be something people are more familiar with and can kind of wrap their arms around and understand.

Phil Kerpen (17:54):

And what we found at the top, the states that got A+ were Utah, Nebraska and Vermont. The A's were Montana, South Dakota, Florida, New Hampshire, Maine and Arkansas. And then on the other end, the states that did really, really badly, and by the way, to be near the top you needed to do really well in at least two of three of the categories. And to do really badly, you had to be pretty bad in all three to reach kind of the bottom. The states at the bottom had very low scores that were sort of across the board, poor outcomes. And the F's were Illinois, California, New Mexico, New York, District of Columbia and New Jersey. So, no big surprises there, I don't think.

Bill Walton (18:36):

Now, how did you measure the degree of lockdown? I mean, their vaccine mandates, their masks, their distancing. There's shutting businesses. How did you measure the degree of severity that each state took to bring this about?

Phil Kerpen (18:52):

We didn't try to quantify that.

Bill Walton (18:53):

Okay.

Phil Kerpen ([18:54](#)):

There are some measures out there of stringency metrics and things like that. We looked at them and we didn't think they were accurate. We didn't like them, and so we just did the performance metrics that we talked about. One of the things we did though is we did a scatter plot comparing the economic score to the mortality score, because if the lockdown measures were effective, you would think the states that withdrew from economic activity would have a benefit. You would think that there'd be a relationship, and outside of Hawaii, there was no relationship. So, withdrawal from economic activity did not correlate with better health outcomes, and I think that's kind of the ... that's, I think, the main finding in terms-

Bill Walton ([19:37](#)):

So, the states that shut down businesses arbitrarily, the famous ones being shutting down one department in Home Depot but not another.

Phil Kerpen ([19:45](#)):

I think in Michigan they banned selling seeds.

Bill Walton ([19:46](#)):

In Michigan, yeah. Their partitioning the stores didn't matter.

Phil Kerpen ([19:51](#)):

It didn't matter. It didn't have any-

Bill Walton ([19:54](#)):

It just hurt the small business people?

Phil Kerpen ([19:56](#)):

[crosstalk 00:19:56]. Yeah, it just created economic harms. There was no health payoff to it at all. And we've got a number of studies now, both internationally and domestically, that kind of find the same thing, that lockdowns may have a timing effect. They may delay some of it, but they really don't have an effect terms of-

Bill Walton ([20:13](#)):

But what I want to dig into a bit, and maybe you haven't studied it, but I think I'd like to speculate, is if you're sitting there as a governor, and you've got this range of things you can do, from shutting down businesses to requiring social distancing, to closing schools, to requiring vaccines, requiring masks, the whole smorgasbord of stuff. Was there any one of those that proved to be effective, or did the study not go into the individual measures?

Phil Kerpen ([20:41](#)):

Yeah, we didn't really look at that in this study. But, I can tell you from having reviewed all-

Bill Walton ([20:44](#)):

And by the way, we don't have to stay in the four walls of this study.

Phil Kerpen ([20:45](https://...)):

We can go outside the study a little bit.

Bill Walton ([20:48](https://...)):

You've been tracking all this, so let's not-

Phil Kerpen ([20:48](https://...)):

Yeah, I think the ... almost every time a new policy's announced, you've got some short term benefit, which is interesting. It didn't really matter what the policy was that was announced. You come out and say, "We now have a policy everyone has to wash their hands all the time." You'd probably get the same short-term benefit if you said, "All these businesses have to close." And I think that what happens is you get sort of these event effects, where the announcements causes people to say, "Wait a second. I'm going to be careful. I'm not going to interact with people." And so that behavioral response has some benefit, but the actual substance of the policies, which are actually forcing and requiring people to do, don't seem to matter very much.

Bill Walton ([21:29](https://...)):

So, I mean have you done any work in there on the difference between germs born on surfaces versus airborne? I mean, one of the things I remember for the first year, we were wiping everything. And it turns out that it's not transmittable.

Phil Kerpen ([21:41](https://...)):

That was completely wrong. That was completely wrong. It was basically it ended up being essentially zero surface transmission.

Bill Walton ([21:49](https://...)):

What else did we get wrong from the very outset?

Phil Kerpen ([21:52](https://...)):

Well, I think that the initial belief was that there was surface transmission, fomite transmission from surfaces or from clothes or whatever, and they also thought that they thought most of the transmission was from droplets, like spit. And it turns out that it was almost all aerosol transmission, which meant that the distancing really didn't make much difference. If you're in a poorly ventilated room, and the aerosols can hang in the air for hours, or even days, you're going to get an exposure if you're 10 or 20 or 30 feet away. Whereas when they thought it was droplets, the difference between one feet or three feet or six feet was really important. So it ended up being about settings.

Bill Walton ([22:37](https://...)):

Setting where the aerosol might be airborne that way?

Phil Kerpen ([22:41](https://...)):

Yeah, and of course early on, they also seemed to think that there was significant outdoor transmission, and it turned out that may be almost impossible to get a transmission in an outdoor setting, unless you were hugging or kissing someone.

Bill Walton ([22:55](#)):

And that's the reason they arrested that surfer in Malibu, who was surfing without a mask?

Phil Kerpen ([23:00](#)):

Yeah. There was one like European soccer game very early on, that they said was a big super spreader event and it was outdoors. And this was the thing that they pointed to. And of course, they also took buses. The whole town took buses to it. So, it might have just been that. I mean, there were other aspects to it. But, I'll tell you, I watched some of the video of it because I was like, "Wow, there was one outdoor super spreader event." So I watched the video. They had like four goals, and after every goal like every single person was hugging and kissing. And I'm like, "I don't think this is typical interactions that we see in other outdoor contacts." I think it's very, very-

Bill Walton ([23:36](#)):

It doesn't happen at the NFL game?

Phil Kerpen ([23:37](#)):

It was very, very atypical. And so I think that we could have had zero disruption to anything that goes on outdoors. And I don't think there would have been anymore transmission for it. So, I think that was the big one. And but I really think the biggest mistake that we made was closing schools, and I think we're going to have massive longterm consequences from that. And even very, very early on, you look back and you say, "Well, how did we make this mistake?" The very first study on school closures, which was published I think in Lancet, said we don't know much about the transmission dynamics of COVID, but if it's transmitted like flu, where children are a very important transmission vector, then prolonged school closures could reduce overall mortality by like 2%. This was their claim.

Phil Kerpen ([24:22](#)):

And you go back and you look at this now and you say, "Well, it turned out it wasn't transmitted like flu at all. Children were a much less significant driver of transmission with COVID than they are with flu." But, you think about you're going to deny kids a year of school to try to reduce a mortality by ... it was even before we knew better, we should have known better than to have these prolonged school closures. Even early on, I think a lot of Europe they closed for four weeks, eight weeks, and then they were back and then they didn't see major outbreaks or problems. And we were here in the US, and I remember Trump did this big event at the White House. I was actually invited to it, and they had American Academy of Pediatrics, all these other experts. They said we should have schools open.

Phil Kerpen ([25:08](#)):

This was, I think, June or July 2020. And so we were going to ... we were on track to only lose a month or two at the end of that 2019-2020 school year. And it just became ... there was just this insane political backlash after that event. I want to say 10 days after that event, American Academy of Pediatrics reversed their advocacy, literally in a joint statement with the Teacher's Unions. They said, "No, actually schools should close." "Okay." And that, to me, was sort of the pivot point. And it actually got even worse. You might have thought, "Okay, they're doing this. They're going to lock all these kids out of school, cause all this harm, just to win an election, or just because they hate President Trump and want to prove him wrong." But then Biden came in, and we have an almost literal repeat of that. Because remember January 2021 we thought we were going to get guidance from CDC finally saying all the

schools should be open. And then what happened is they ended up putting out a document that kind of said the opposite, that kind of said, "No, actually we want them all closed."

Phil Kerpen ([26:15](#)):

And everyone was trying to figure out how this happened, and what was going on. And we later found out from FOIAs that the teacher's unions dictated that guidance for the CDC. They told them to close the schools. And of course at the time, they were trying to do a big shakedown to get another 100 or 150 billion dollars in the Cares ACT bill. And so obviously there was big money politics involved. But, I think that it's shameful, what we did to children. They were always at extremely low risk. In fact, children were at normal risk during the pandemic, which is to say the risk to children with this virus was no different from the other viruses they normally encounter. And so they were not at elevated risk, and they were not major drivers of transmission, and yet we upended their lives and really denied them normal life for as much as two years. And there haven't been a lot of apologies.

Bill Walton ([27:13](#)):

No.

Phil Kerpen ([27:14](#)):

I think a lot of them actually admitted they were wrong, but there haven't been a lot of apologies.

Bill Walton ([27:17](#)):

This is the Bill Walton Show. I'm here with Phil Kerpen and we're talking about the catastrophic policies that were brought during the pandemic, and how it hurt kids the most. And we're going to pay a big price for this longterm, because of the lapses in education. But also, we're talking about the politics of this. And Phil, I mean you studied this more than I. It seems to me like this is the most politicized health issue or pandemic in history. I mean, this thing was immediately grabbed, and people took sides politically.

Phil Kerpen ([27:57](#)):

Oh yeah, it's got to be.

Bill Walton ([27:57](#)):

And that remains the case up until now.

Phil Kerpen ([28:01](#)):

Well, you know one of the problems we have now is that you have an awful lot of people who think that if they say, "Okay, normal life, normal schools, normal ..." that'll involve admitting they were wrong. And for some people, they can't possibly do that.

Bill Walton ([28:18](#)):

Well, and not only admitting they were wrong, but I think they're criminally liable in many cases. I mean, if you think about the number of excess deaths, and we haven't talked about that yet. You have COVID deaths, and yet you're saying there's all these other measures that were taken that hurt people, and you had deferred treatment for cancer. You had people not getting dialysis. You had people that were doing

drugs and alcohol and all that. And the number of people who suffered, there's been no proportionality to this at all.

Phil Kerpen (28:47):

Yeah. Actually, it's a little bit hard to get a handle on exactly how much non-COVID excess death there was. But, it's somewhere around the order of 100,000 deaths per year for the last two years. So, we've got about 200,000 extra, non-COVID deaths. And you have to attribute those to the policy response in large part, I think.

Bill Walton (29:06):

And Jimmy [inaudible 00:29:07] has also done a number of ... he calls it person years that are lost and his view, and I think a lot of other people have come up with this, is it's not just the deaths that are occurring now. But, it's the way lives have been shortened.

Phil Kerpen (29:18):

Yeah, I think it's a really good point, and I think that the number of life years lost for the non-COVID excess is definitely, on average, much higher than the COVID, because you've got younger people that are dying, and particularly the drug and alcohol deaths have been much younger than the COVID deaths, and they're up substantially. The vehicle fatalities are up a lot, which is kind of counterintuitive. A lot of people thought early on, "Oh, well everyone's staying home, so we're going to save all these lives on the road."

Bill Walton (29:47):

Vehicle fatalities are up?

Phil Kerpen (29:48):

They're up substantially, which is interesting, because a lot fewer miles have been driven. But I think that what happens is when there's not traffic, people speed more. And it turns out that the accidents that they have are more likely to kil at high speed. And so the vehicle fatalities have been up substantially.

Phil Kerpen (30:05):

The other thing that's interesting is if you look at the place of death data, a lot more people are dying at home than we normally see, which makes you wonder how much are we having people not seeking medical treatment because they've essentially been misled to believe the hospitals are too busy for them and they have an acute cardiac event, they have a stroke or a heart attack, and they don't get treatment and they die as a consequence of that. And so those, I think, are some of the reasons I think we've seen significant increase in short-term, the excess deaths that have already happened non-COVID. But then there's this other question, which you raised, which is what's the longterm impact of discouraging so many people from engaging with the healthcare system? How many cancers are going to be detected much later with a much worse prognosis as a consequence of people staying away from healthcare for a couple of years?

Phil Kerpen (30:56):

And the other thing that really drives me nuts is I look at the hospital utilization numbers pretty closely. And we have not had a single month in which inpatient admissions, or ER visits, in this country were higher than 2019, since the pandemic started.

Bill Walton (31:12):
Before the pandemic?

Phil Kerpen (31:14):
Yeah. We've not reached normal levels in a single month since the pandemic started. That's how much utilization has collapsed. So even when we've had the big COVID waves, other utilization has gone down so much.

Bill Walton (31:26):
Had dropped?

Phil Kerpen (31:26):
That our overall utilization has still not reached 2019 levels in any month. And that's the healthcare crisis that they never really talk about. They don't get-

Bill Walton (31:42):
Well that's ... yes. I'm sorry, I'm just jumping ... I'm violently agreeing.

Phil Kerpen (31:42):
So we have all these stories, all these headlines about "Oh my God, there's all these COVID people showing up at the ER." But I want to say, "Okay, but wait a second. If the total number of ER visits is still lower than it was in 2019 for this month, when you have all the ... then who's not showing up?"

Bill Walton (31:55):
Well, you know this already, but one of the iron laws of economics is the seen and the unseen. And Adam Smith called it the Invisible Hand, but we've got the things we see, which are the COVID numbers maybe, but what we're not seeing is everything else that's bad that's going on. And that's what's not getting reported. Even now, you listen to the local news and somebody will come on, "Well, hospital admissions have risen." And then they just stop, like there's no other news. What's that mean?

Phil Kerpen (32:25):
Well, I like to look at the hospital numbers, not the COVID chart that you see on TV all the time. But, I have a different chart that I like to use, which is the total number of staffed beds and then as a subset of that, the ones that are occupied, and then as a subset of that the ones that are occupied with COVID. Because, it puts into perspective what a small percentage, even in the worst sort of COVID waves, what a small percentage of total capacity is actually used by COVID. And the other thing that's kind of interesting when you look at it that way is that the top line, the number of staffed beds, has kind of gone down consistently throughout the pandemic, which is not what you would expect if you've got a stressed hospital system. You would think we would be adding capacity, but we were actually losing capacity.

Bill Walton ([33:15](#)):

Well, you talk about the huge cost in education, having it shut down, the kids, the education lost, and that'll linger for decades. But, I'd also argue the economy. You can measure unemployment. You can measure GDP, but the impact on the supply chain, part of the reason we're looking at inflation now, part of the reason we're looking at shortage of many, many things we used to take for granted as Americans is because of what we did in shutting down all the small businesses. And people don't understand the economy. You understand this. It's such an interconnected, interwoven fabric, that you take one piece out, then all of a sudden nothing else quite works. And we injected that toxicity into our economic system. I still don't think we've recovered.

Phil Kerpen ([34:09](#)):

Well, it's very hard. The economy's not a machine that has an on/off switch and you can just shut it down for a while and then turn it back on and everything's fine.

Bill Walton ([34:16](#)):

I know Steve Moore, the co-author in this, talks about this all the time. I mean, what did you guys conclude from your study?

Phil Kerpen ([34:23](#)):

Well, obviously some states were hit much harder than others, and some ... the states that had relatively short disruptions were able to recover pretty quickly. We just have this massive, massive disparity. And as I mentioned, I think we've got a dozen states now where employment is higher than it was before the pandemic, which means the rest of the states it's not. And we've still got, I think, five or six states that are at 95%. So, they've still got a substantial kind of employment gap, which the national numbers sort of cover that up. Nationally you say, "Oh, everyone's working." Well, there's still a lot of states where that's not the case.

Phil Kerpen ([35:00](#)):

And the other aspect of this, of course, is then the monetary policy. I mean, if you shut a whole bunch of things down, but you keep consumer spending afloat, essentially by creating money, now you've got more money chasing fewer goods.

Bill Walton ([35:20](#)):

Right where we are now.

Phil Kerpen ([35:21](#)):

Yeah, exactly. I mean, we shouldn't be surprised that we're seeing inflation run where it is, considering what fed policy's been.

Bill Walton ([35:29](#)):

I thought it was all because if Vladimir Putin. I'm joking. No, these seeds were sown for this a while back, with our federal policy and our fiscal policy, and sending out all these checks. So, I want to get though, you've been following this and a lot of other things. What are your policy recommendations? One of the things I've seen here is the benefits of federalism, which is we get each 50 state more or less making

their own decisions about how to handle this. I think your study proves that some policies work, some didn't. But, what else? What are the takeaways here we can draw from?

Phil Kerpen (36:08):

Well, I definitely agree about federalism. I think that one of the saving graces for the whole world is that there were states in the United States that didn't go along with this stuff, because there weren't that many countries that didn't. It's basically Sweden and I mean that's about it in terms of major industrialized countries that didn't adopt all this stuff. So, having states like Florida and South Dakota and Texas you can point to as examples economically. I think it was very, very important. And so there's a huge benefit to federalism. But, I think the big takeaway, which I think is something we used to know, is that public health policies should not be coercive. Public health policies should be about providing the best information you can to the public, so that people can make their own decisions. And I think that if you do that, people will generally protect themselves. I think one of the craziest assumptions early on was this idea that if government didn't step in with a lockdown, then the curve would just go up forever. But, that's not what happens. Human behavior limits epidemics automatically, because when you hear there's something bad going around, you try not to get it.

Bill Walton (37:12):

Yeah.

Phil Kerpen (37:13):

And so I really think we need to go back to the idea of public health being about information and communication, not about coercion and force and shutdowns and lockdowns. That's got to be the number one lesson learned, is that coercion is not effective and is extraordinarily destructive when it comes to these health measures. And if our public health authorities can't learn that, then I'm not sure they're not going to make things worse just in general, because they're going to put out information and people are going to say, "Oh, those are the same crazy lockdown people," or whatever. And they'll just be discounted and ignored for the large part.

Phil Kerpen (37:48):

So, I think the idea ... I think we've got to substantially reform these institutions and downscale them and make clear that they've got an information processing and that's about it. I don't think ... the idea of the CDC having rule making authority I find completely insane.

Bill Walton (38:06):

Well, maybe the other way to think about this is that you've got to think about this as a piece of overall public health. And it looks like we put everything into the immunology world, and everything was about the virus when in fact the virus is one bad thing. But, there are 99 other things that you've got to address if you care about public health and social welfare, and that didn't happen.

Phil Kerpen (38:29):

Yeah. Well, I think that that's why the role of public health should be to provide information and let people make their own choices. Because, people have all kinds of different things that they value and that are important to them, including education, including generating income. And one of the traps we fell into, I think Bill, is we let people come out and say "Health trumps everything else. It doesn't matter

if we destroy the economy. It doesn't matter if kids don't learn. Health is the most ..." But, everything is health, in a sense. Right?

Bill Walton ([39:03](#)):
Mm-hmm (affirmative).

Phil Kerpen ([39:04](#)):
If you're poor economically, you have much worse health outcomes.

Bill Walton ([39:07](#)):
Right.

Phil Kerpen ([39:07](#)):
We have a million studies that show that. Educational attainment is very directly related to health outcomes. There's about a five year difference in life expectancy between high school graduates and high school dropouts. And so in the longterm, all of this is health. In the longterm, everything related to quality of life affects life expectancy, it affects health as well. And so I think that we need to not be blind about this is the one thing that's right in front of us. And I think that people, when you decentralize decision-making, people are very, very good at assessing these kinds of trade offs for themselves, because you do it all the time. That's kind of what life is. But, when government becomes mono maniacally obsessed with one thing, you get these disastrous outcomes, kind of on everything else. And then you go back and you look and you say, "They didn't even do the one thing very well. It didn't even seem to work very effectively for their thing that they obsessed about."

Phil Kerpen ([40:01](#)):
And so I think we need to have a lot more humility about what's possible. The idea that you were going to stop a highly infectious respiratory virus from working through the population, I think was always folly. And frankly, I think we should have invested a lot more in treatment than we did. We had very effective treatments through the entire Delta wave. We had extremely effective treatments with the monoclonal antibodies that worked very, very well for Delta. But, in the vast majority of states, people didn't have access to them, didn't know about them. Most of the public health officials weren't talking about them. They weren't making them available. So, that was a real failure. And you become so obsessed with the idea of "We're going to prevent everyone from being exposed," which is impossible, that I think there was ... one of the most insane factoids of this entire pandemic is that we spent more on bailing out the New York City subway than we did on treatments total. What does that say about relative priorities?

Bill Walton ([41:10](#)):
Wow. That means we need leaders and not politicized wonks. That's terrible.

Phil Kerpen ([41:16](#)):
Isn't that horrible?

Bill Walton ([41:16](#)):
Yeah, that's unbelievable.

Phil Kerpen ([41:18](#)):

And then the other aspect of it is okay, but we also had the wrong system of developing and distributing treatments, because we decided we were going to do it all through the government. They were going to have a purchasing monopoly, and they were going to do the weekly allocations and decide how much each state gets. And at one point, we had four different versions of monoclonal antibodies from four different companies that were all working pretty well. And you kind of think, if we didn't have the government as monopoly purchaser, there would have been ads everywhere. They would have been competing like mad. There wouldn't have been shortages. There would have been ... you know.

Bill Walton ([41:52](#)):

Now that you've written up the analysis of what worked and what didn't work, and evaluated the states, are you also going to followup with a ... I think you should, about on a paper on policy prescriptions going forward, just the kind of thing you're talking about? I mean, I think a handbook for people, at least for citizens to use to hold their government accountable would be extremely useful.

Phil Kerpen ([42:16](#)):

Yeah, that's a good idea. There are a few kind of followup analyses that we need to do. One is a lot of people have been asking us why did the southwestern states do so poorly? Why'd the border areas do so poorly? And so I think we need to kind of figure out an answer to that. A lot of people point out ... the people who think that lockdowns are great, like to sort of crow about how bad Arizona's mortality numbers are, because they are very bad. But then you point at New Mexico as equally horrible, right nextdoor, while they did ever lockdown and shutdown and school closure and so forth. So, I think there's some regional factor there that we need to sort out, that that's kind of on our list to figure out, and there are a number of other things.

Phil Kerpen ([42:56](#)):

But, I think we do, to the extent that we can understand what happened, we've got to prevent these mistakes from being made again. So, I think some sort of a policy recommendation's takeaway thing would be helpful, although I think that it might be better if that comes from people with a little more health credentials as opposed to economic credentials. So, I don't know. We're working with some other ... the answer is yes.

Bill Walton ([43:27](#)):

Okay, let's do it.

Phil Kerpen ([43:28](#)):

We'll figure out the best way to get something like that.

Bill Walton ([43:31](#)):

I know, I'll try to help make that happen. So Phil Kerpen, thank you. Anything you'd like to add to this, I guess excellent analysis and diagnosis of where we go from here?

Phil Kerpen ([43:46](#)):

I just think that whatever else we do, we've got to give kids normal life. I think that's the crucial, most important thing right now. Two years is way too long. For me and you, it's a blip in long life. For kids, it's

their whole world. It's everything they've known. And it's too much. It's too long. Even if we have another horrible wave, or if we have another brand new, horrible virus, we've got to do right by the kids first and foremost. That's my biggest takeaway.

Bill Walton ([44:15](#)):

Right. Thanks. This has been the Bill Walton Show. I've been here with Phil Kerpen of American Commitment. And Phil, where can we find you?

Phil Kerpen ([44:23](#)):

You can find me americancommitment.org. You can find me committeetounleashprosperity.com, which is where you can sign up for the daily newsletter that I do with Steve Moore and John Fund. And you can find me on Twitter. I'm a little bit of an addict on there. That's my last name, Kerpen, K-E-R-P-E-N.

Bill Walton ([44:38](#)):

So, K-E-R-P-E-N?

Phil Kerpen ([44:38](#)):

Yeah.

Bill Walton ([44:40](#)):

So, you haven't been banned on Twitter?

Phil Kerpen ([44:42](#)):

Not banned yet. And if Musk's transaction closes, maybe conservatives will be-

Bill Walton ([44:48](#)):

That'll be a happy thing for everybody.

Phil Kerpen ([44:50](#)):

Yeah. We'll see. He supposedly has the funding secured. But, he's said that before, obviously.

Bill Walton ([44:56](#)):

Well anyway, thanks for joining, and as always, tune back in here, where we dig into what's true and what's right and what's next. And we're trying to stay ahead of the curve, and hopefully we've provided some information here that'll help us deal with the next pandemic effectively. So thanks for tuning in, and we'll talk soon. Bye.

Bill Walton ([45:15](#)):

I hope you enjoyed the conversation. Want more? Click the subscribe button, or head over to thebillwaltonshow.com to choose from over 100 episodes. You can also learn more about our guests on our interesting people page. And send us your comments. We read every one, and your thoughts help us guide the show. If it's easier for you to listen, check out our podcast page and subscribe there. In return, we'll keep you informed about what's true, what's right, and what's next. Thanks for joining.