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1. UNEMPLOYMENT INSURANCE CLAIMS CONTINUE SLOW MARCH DOWNWARD

In the week ending May 15, the headline number of seasonally adjusted new weekly unemployment insurance claims under regular state programs declined by 34,000, to 444,000. It was in the week ending March 21, 2020 when claims took a sudden leap because of the onset of the pandemic. Claims in the week preceding that were 256,000. The May 15 weekly number is the lowest since that final prepandemic week. So claims are now within 200,000 of the prepandemic level, but that suggests some weeks to go before we can anticipate a “normal” labor market. As we saw in the most recent employment situation report, the number of former workers on the sidelines for whatever reason is still quite large.

However, the optimistic signs are somewhat stronger this week. The major pandemic federal programs, Pandemic Unemployment Assistance and Pandemic Emergency Unemployment Compensation, also saw significant drops in their most recent reporting week (which was May 1, because those programs are reported with a longer lag; these signs in the data are not caused by state withdrawals from the federal pandemic programs, which will take effect on a state-by-state basis among at least 16 states, no sooner than June 12 in any state).

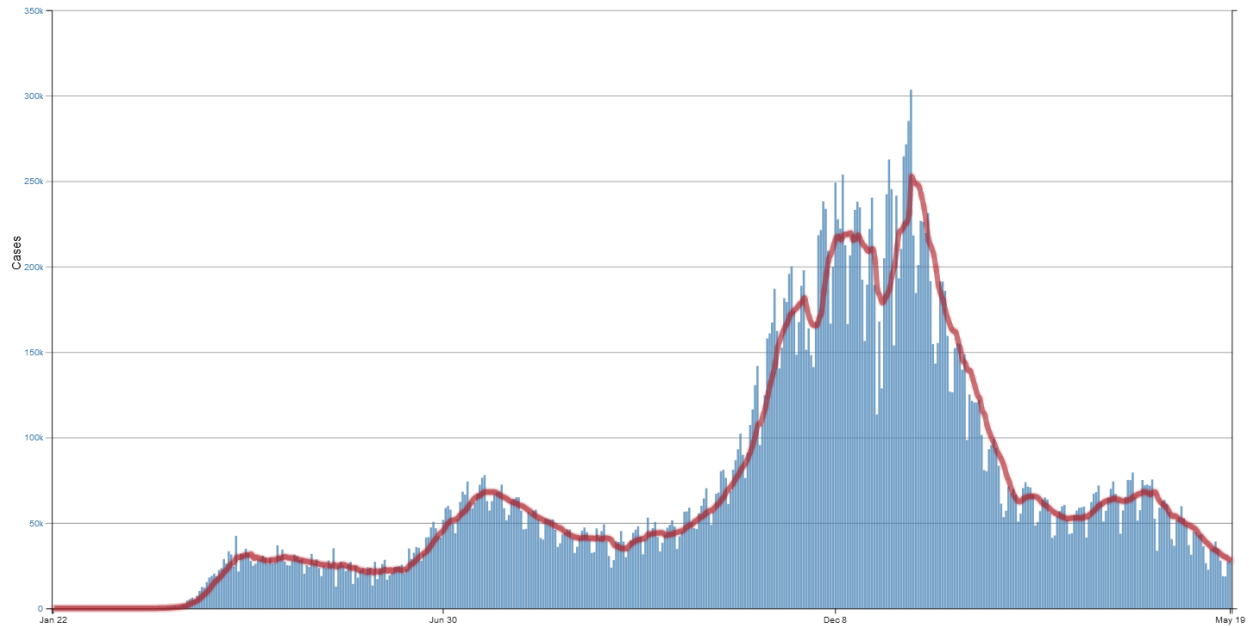
2. PANDEMIC NEWS

The strong indicator of the state of the pandemic, the number of newly confirmed cases, continued to decline in the past week. That number is still painfully high—the seven-day

moving average is still about as high as it was at the first peak of the pandemic after that March, 2020 surge—but it is still declining, and it is roughly one-tenth of its own peak back in the winter 2020-2021 surge. It appears as though the nation is benefitting from the cumulative growth of the number of vaccinated individuals (more on that below); the virus simply has fewer viable targets when it tries to jump from one infected person to find another.

Blue bars show daily cases. The red line is the sum of cases over the last 7 days, divided by 7. Averages are used to reduce reporting differences.

Daily Trends in Number of COVID-19 Cases in the United States Reported to CDC



Hospitalizations are declining similarly. The number of persons in the hospital for confirmed COVID-19 dropped by almost 15 percent in the latest reporting week, and is little more than 20 percent of its peak value from January of this year, during the winter surge.

Prevalent Hospitalizations of Patients with Confirmed COVID-19, United States August 01, 2020 – May 17, 2021



26,415

Current 7-Day Average

May 11, 2021 – May 17, 2021

30,991

Prior 7-Day Average

May 04, 2021 – May 10, 2021

123,845

Peak 7-Day Average

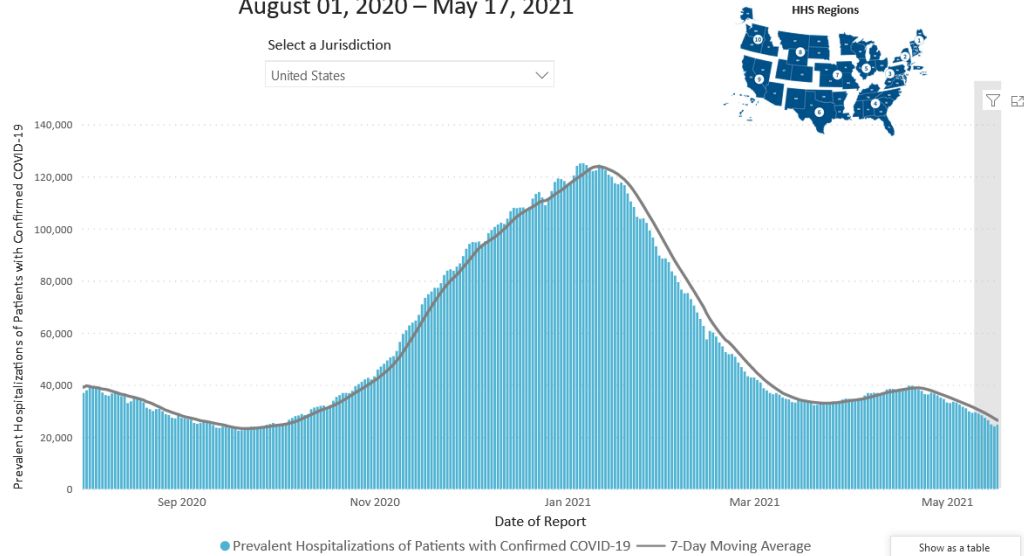
Jan 05, 2021 – Jan 11, 2021

-14.8%

Percent change from prior 7-day
avg. of May 04, 2021 – May 10, 2021

-78.7%

Percent change from peak 7-day
avg. of Jan 03, 2021 – Jan 09, 2021



Based on reporting from all hospitals (N=5,251). Due to potential reporting delays, data reported in the most recent 7 days (as represented by the shaded bar) should be interpreted with caution.

Small shifts in historic data may occur due to changes in the CMS Provider of Services file, which is used to identify the cohort of included hospitals. Data since December 1, 2020 have had error correction methodology applied. Data prior to this date may have anomalies that are still being resolved.

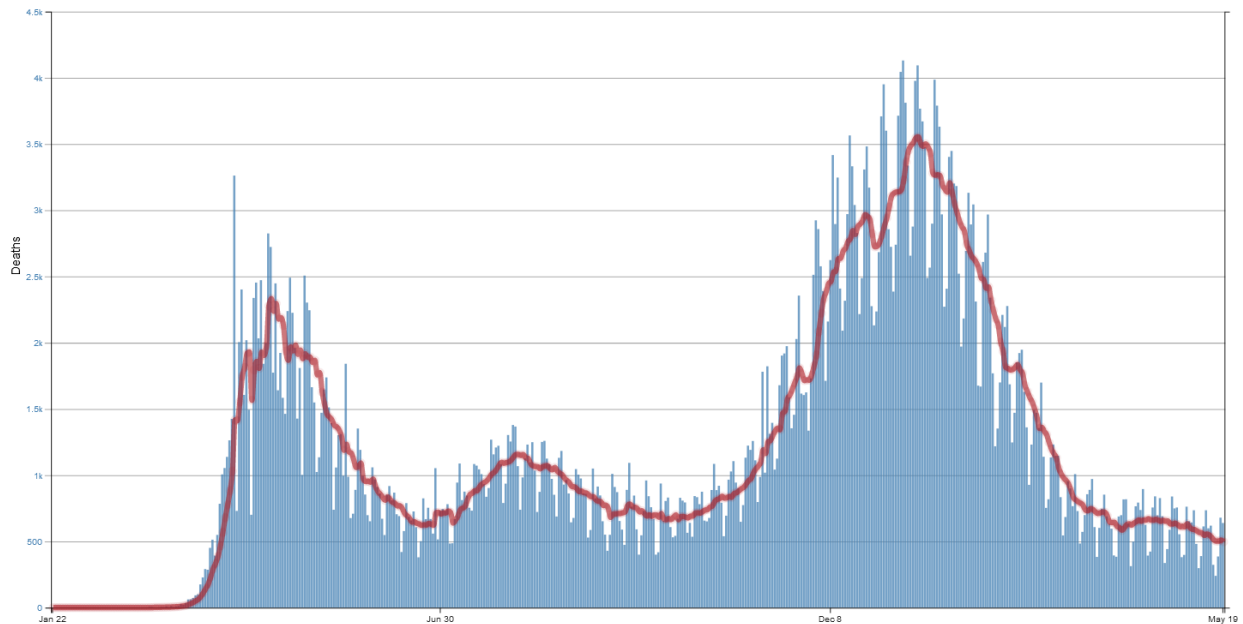
Last Updated: May 19, 2021

Unified Hospital Dataset, White House COVID-19 Team, Data Strategy and Execution Workgroup

Meanwhile, the number of daily COVID deaths remains close to 500, and is declining only stubbornly.

Blue bars show daily deaths. The red line is the sum of deaths over the last 7 days divided by 7. Averages are used to reduce reporting differences.

Daily Trends in Number of COVID-19 Deaths in the United States Reported to CDC



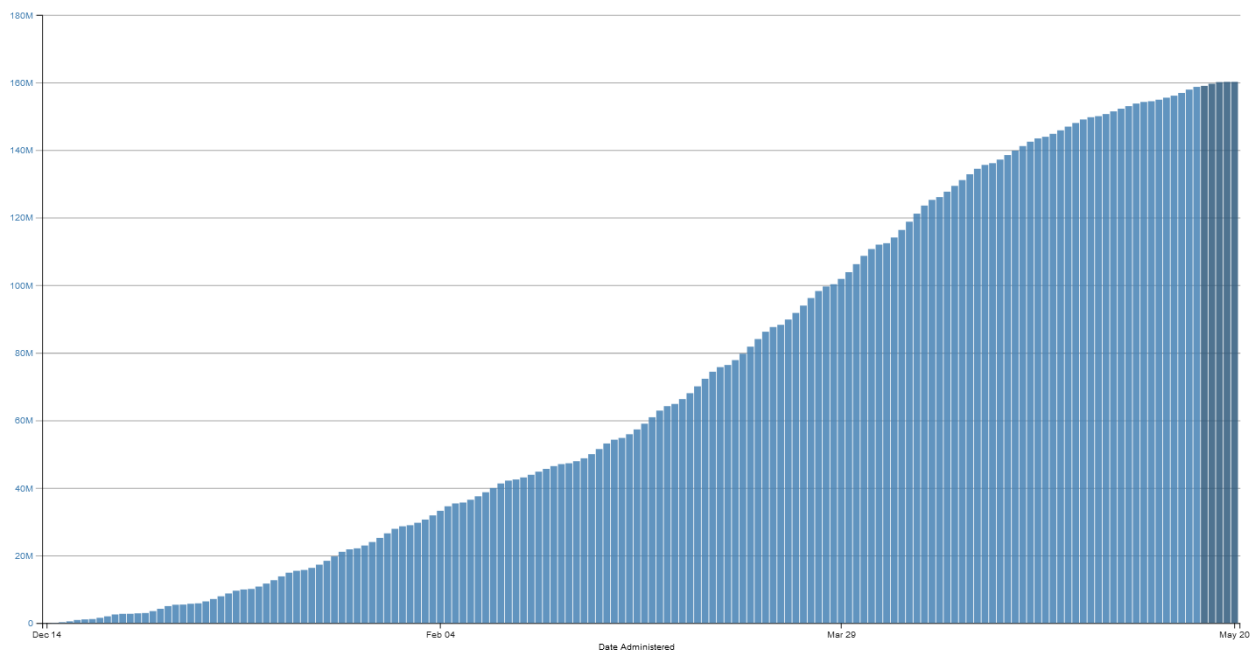
3. VACCINATIONS NEWS

A possible interpretation of the slow downward path of COVID deaths is that the worst instances of the disease are concentrated in localities that have lagged behind the national trend of increasing immunizations. All illness is [local](#) (with apologies to Tip O’Neill); if some parts of the country are well behind the average in vaccinations, illness in those areas can be much more prevalent, which can mean that local health care systems are more stressed, and therefore less effective.

The picture at the national average level was quite optimistic, but progress has tailed off. The number of persons who have received at least one dose of vaccine grew rapidly for a time, but then flattened, and is struggling at about one-half of the US population, which is certainly helpful but does not appear to be enough to extinguish the virus.

Bars shown in the darker blue shade represent the most recent five days of reporting where the number of vaccine administrations might be impacted the most due to delays in reporting. All reported numbers might change over time as historical data are reported to the CDC.

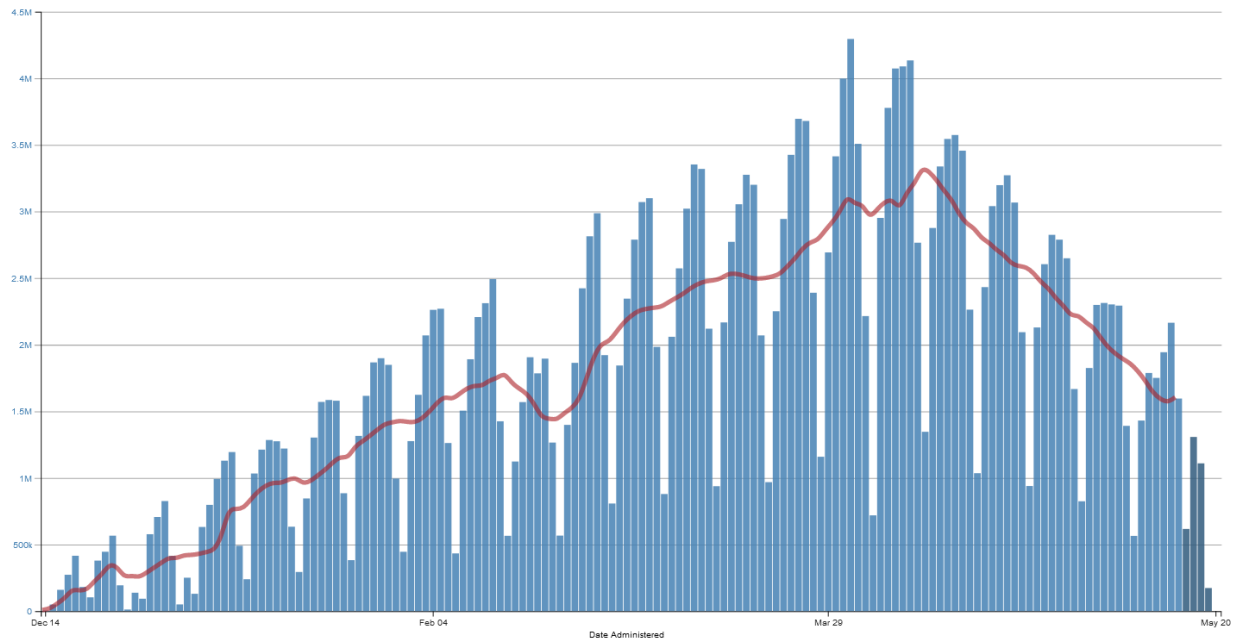
Cumulative Count of People Receiving at least One Dose Reported to CDC by Date Administered, United States



And the number of vaccinations delivered each day has been declining. It would be one thing if the slow pace of vaccination were reaching the last stragglers in the nation’s immunization program; but that clearly is not the case.

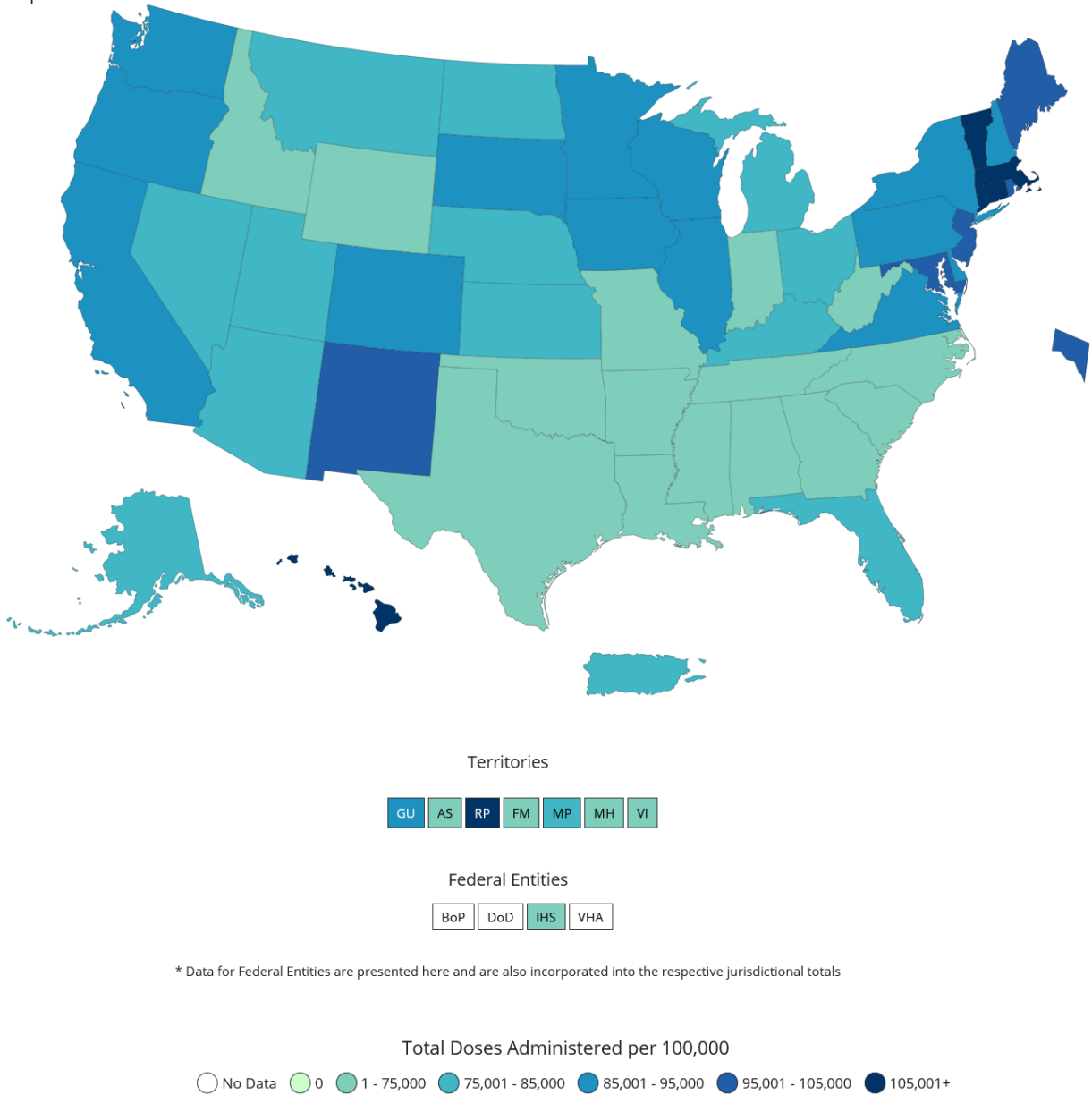
Bars shown in the darker blue shade represent the most recent five days of reporting where the number of vaccine administrations might be impacted the most due to delays in reporting. All reported numbers might change over time as historical data are reported to the CDC.

Daily Count of Total Doses Administered and Reported to the CDC by Date Administered, United States



And again, it would be one thing if that 50 percent rate of vaccination were achieved in every village and town across the country. That could do relatively well at slowing the spread of the virus, and lifting the burden from all health care delivery institutions. But that is not the case. Progress varies widely. And that raises the prospect that an uneven pace of vaccination across the country could leave pockets where the virus could thrive, and the health care systems could struggle. It seems likely that this is the case. The vaccination picture at the state level is fairly stark. Some states are clearly behind the others in vaccination uptake. And in geographic terms, the parts of the country that are most clearly behind are [rural](#) in character.

Total Doses Administered Reported to the CDC by State/Territory and for Select Federal Entities per 100,000 of the Total Population



Territories

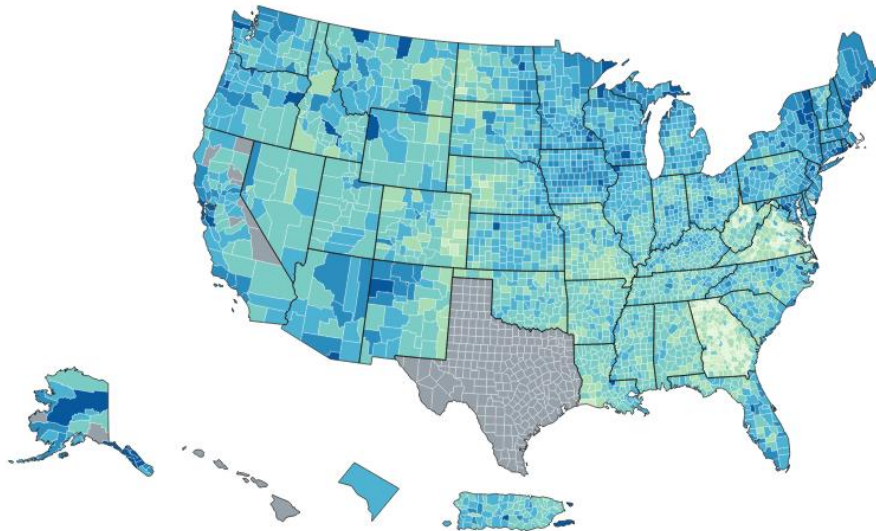
AS	FSM	GU	MP	PW	RMI	VI
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7-Day Case Rate per 100,000

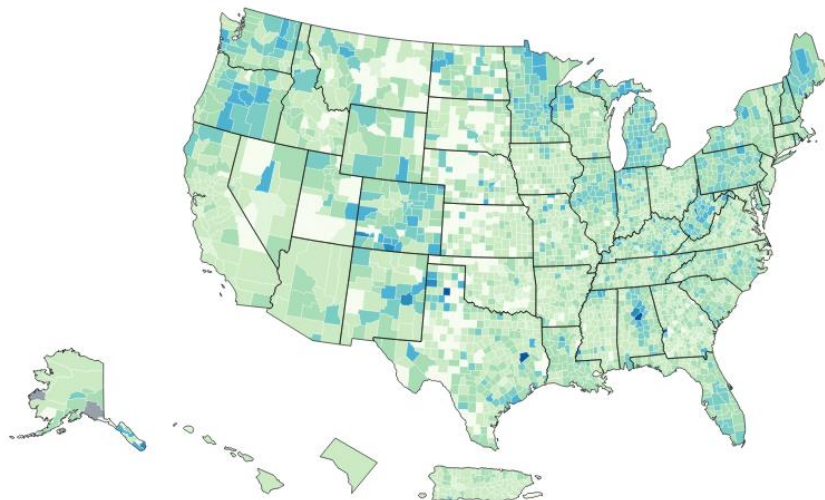
0 - 11.6 12.7 - 25.4 26.5 - 39.2 40.3 - 53.0 54.1 - 66.8 67.9 - 80.6 81.7 - 94.4 95.5 - 108.2 109.3 - 122.0 123.1 - 135.8 136.9 - 149.6 150.7 - 163.4

Many states are, of course, large and diverse enough that their average indicators can conceal a great deal of variation. Data on vaccine take-up (generally, but not everywhere) and COVID-19 incidence are available at the county level. The greater detail makes any county map representation more complex, but more to the point of this issue. Despite the complexity, however, there does appear to be a continued relationship: rural parts of the country have fewer vaccinations per capita (and so show up lighter on the vaccine map), and more COVID incidence per capita (and so show up darker on that map). (To the point of variation within states, look at New Mexico in the county map. Vaccination has been quite successful in the urban areas; cases are highest in the sparsely populated areas, and the number of such cases is high enough that the state shows a relatively high case rate on average.)

Percent of Population => 12 Years Old Fully Vaccinated



Reported Cases per 100,000 Population



As you know, an important indicator of vaccine hesitancy has been [political](#) orientation. This leaves the rather curious juxtaposition that the often-rural advocates of the former president are (by and large) justifiably proud of his record of facilitating the development of the vaccine, but also (by and large, and arguably) unjustifiably reluctant to use it. Blacks are also disproportionately vaccine hesitant, and the Black population, although disproportionately urban, also has a significant rural [component](#).

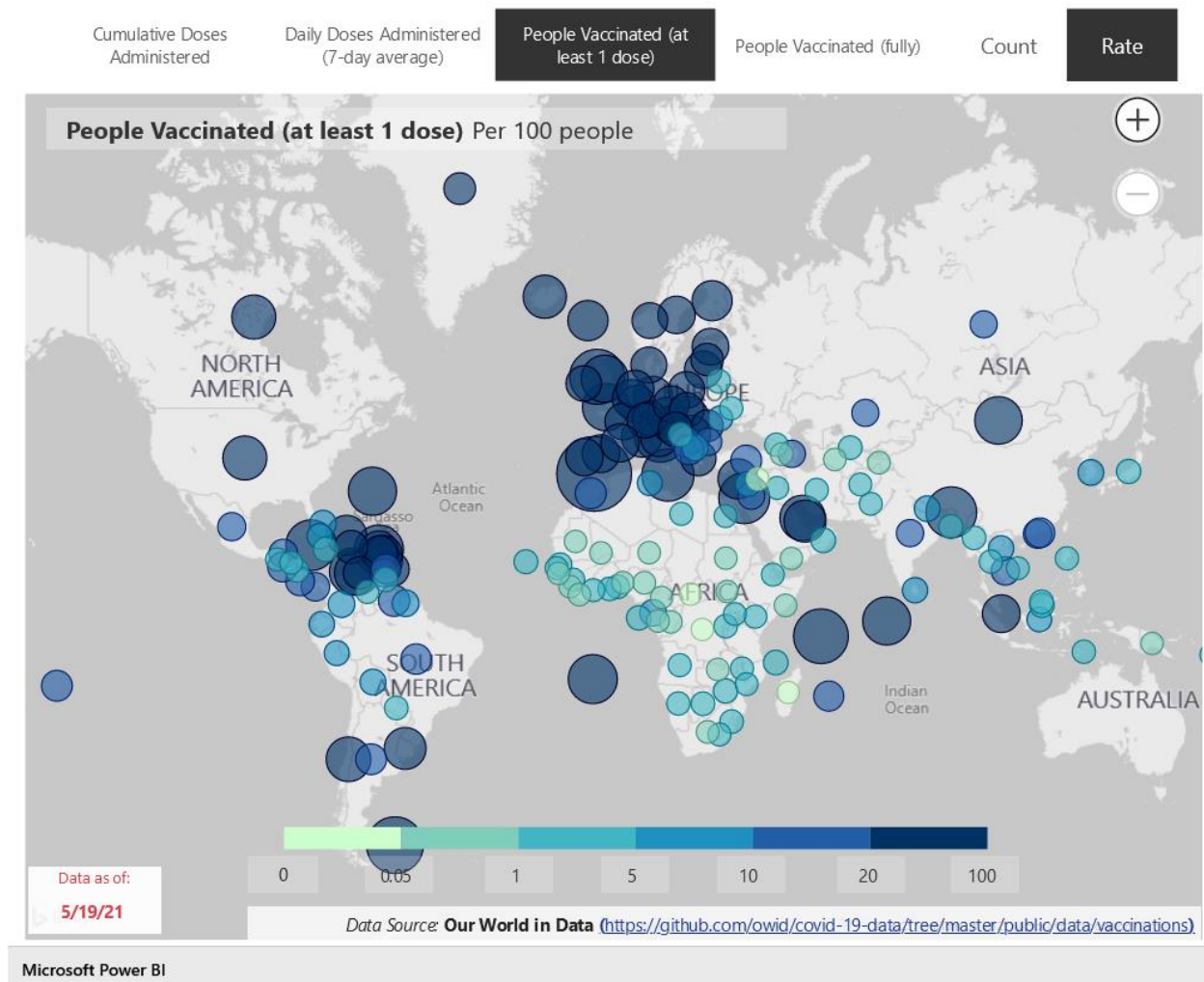
Another causal indicator that appears in opinion polls of the vaccine-reluctant is “[cost](#).” This opens the question of whether many Americans incorrectly believe that they will be charged for a vaccine, or whether they perhaps correctly understand that they will lose paid work time to get an inoculation. This possibility has been raised as an advantage of the Johnson & Johnson one-dose vaccine, in that it would at least cut in half the possible loss of paid work time. It also emphasizes the need for any possible employer allowance or inducement for willing workers to obtain vaccination.

4. FEDERAL RESERVE BEGINS TO PREPARE TO THINK ABOUT THINKING ABOUT ASSET PURCHASES

In remarks by some members of the Board of Governors, and in the minutes of the late April meeting of the Federal Open Market Committee that were just released, the Federal Reserve has affirmed that it is not asleep at the switch, and that it is watching the data to determine when the proper time for tapering back its asset purchases will arise. Continued growth and recent more rapid inflation had created concern on the part of some observers about a potentially overheated economy, and concern on the part of some other observers about potential Fed action to slow the economy. There clearly is some diversity of view among the members of the Board and the regional Bank presidents, but there is a central tendency to the message. The Fed does not consider victory over the pandemic to be in the bag, believes that recent inflation is temporary, and is concerned that hasty action to stay ahead of inflation could hobble the economic recovery. At the same time, there is an appreciation that a change in the Fed’s unorthodox or even unprecedented policy posture, especially its asset purchases, must be planned carefully. Thus, although no shift in the policy stance is imminent, the Fed’s statements suggest that it will both watch the data carefully and begin to discuss how to taper back on those asset purchases.

5. SPOTLIGHT ON REOPENING: SINGAPORE AND TAIWAN

The worldwide push toward vaccination continues apace, but success is mixed. And particular parts of the world have been, apparently systematically, successful or not.



A broad indicator of success would appear to be affluence. However, the well-to-do countries of East Asia tend to lag. In part, that may have followed from their success in other public health measures, honed in part from the experience suppressing the [avian flu](#). Responsible behavior patterns are also rooted even more deeply in the cultures, with some wags, for example, joking that the Japanese practiced social distancing even before it was cool. However, early success can fade if vaccination elsewhere leads to overconfidence, and people travel and interact more closely, and thereby inject infection into a society that had hitherto reduced it not with biological immunity but rather with now-broken isolation.

Taiwan, for example, reportedly became [complacent](#) with its success, and (though it maintained international travel restrictions) reduced social restrictions and testing, and never aggressively pursued vaccination. Even people seeking hospitalization with clear COVID symptoms were not tested. Then a new spike in cases was observed from a cluster with contact with China Airlines pilots. The virus reportedly spread through a social district of tea houses and other gathering places, which were operating without mindfulness of the pandemic. One authority noted that Taiwan's precautions relied too heavily on keeping the virus out, without an adequate appreciation that it could spread rapidly if only one infected person brought it in.

(The predominant infection in Taiwan is the B.1.1.7 variant, which had first been identified in the UK.) Taiwan has since [imposed](#) outdoor masking requirements, and has urged work and study from home. Food stores have observed panic buying in response.

Singapore is a contrast of circumstance but a commonality of [result](#). As a notably regimented society, Singapore maintained tight restrictions on many gatherings. The gap in its armor was an airport and shopping center where high-risk travelers from other South Asia countries interacted with airport staff, who in turn contacted shoppers and customers at the airport food court. (And to emphasize the dissimilarity of the circumstances of the simultaneous Singapore and Taiwan outbreaks, Singapore's predominant infection is the B.1.617 variant which was first observed in India.) Singapore has reacted by suspending access by the general public to areas of its airport that had hitherto been available for eating and shopping. However, Singapore's identity as a business and trading hub made interaction among travelers and its public essentially inevitable.

Neither Singapore nor Taiwan had aggressively pursued vaccination. Supplies were not accumulated. Social restrictions appeared to have worked. The questions raised about the AstraZeneca vaccine, which likely would have been the most commonly used, created some hesitancy.

The conclusion of these unfortunate outbreaks is that, unfortunately, the pandemic is not truly defeated until it is defeated everywhere. To this point, we have the good fortune that existing vaccines appear to have substantial efficacy against the new viral variants that have appeared. We can only pray that this good fortune will continue. But even if it does, any pocket of limited success and vaccine complacency, be it Singapore, Taiwan, or the rural United States, will remain vulnerable to a single transmission of the virus.